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COMMERCE

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

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PLANNING FOR EMPLOYMENT

THE All-India Congress Committee which met this week at Agra, adopted a resolution, moved by Mr. Gulzarilal Nanda, Member, Planning Commission and Minister for Planning and Irrigation, to the effect that the Five-year Plan must be re-examined with a view to securing an increase in the volume of employment. This is a surprising recommendation in view of the fact that the Plan has been formulated after considerable thought and discussion so that the assumption, implied in the resolution, that the Plan is imperfect in so far as employment aspects of the Indian economic problem are concerned, seems unreal. It is the more surprising because the resolution was moved by Mr. Nanda, who was himself one of the prime architects of the Plan. It is not as if unemployment has reared its ugly head only after the Plan was finalised. The problem is no new phenomenon to compel its authors to examine afresh the whole edifice of the Plan. Apart from this consideration, the acceptance of the resolution is a reflection on the capacity of the country's leaders to plan even for a short period. The Plan, as finally evolved, has hardly been in operation for a year. If it needs to be revised so soon within its formulation, it certainly tantamounts to the admission of failure on the part of the planners.

Far more surprising than the resolution were the arguments by which it was supported, and the explanations and solutions which were offered for the problem of unemployment. Mr. Nanda was certainly not at his best when he spoke on the resolution. He attributed the growth in unemployment to the increase in population and to the dearth of savings which could be invested. He pointed out that the Plan stressed the need for increasing the purchasing power of the agricultural masses. All this is common knowledge. It was when he came to discuss the remedies, that he tripped not once but several times. He argued that development work should be intensified; he did not indicate, so far as we can see from the version of his speech reported in the daily Press, in what directions this should be done. But he urged that people should support fully the Government's loans and small savings schemes. It is not clear how this could be squared with his earlier assertion about the dearth of savings. He concluded by saying that unemployment was the result of the failure of industrial production and employment opportunities to keep pace with the increasing number of job-seekers. He certainly could not have begged the question better.

The other participants in the debate on the resolution were less cautious and were also less logical. Mr. N. V. Gadgil assumed, without proof, that "we have not exhausted our capacity to tax." Here is some unconscious irony. The question is not about the capacity to tax but the capacity to be taxed. He suggested conscription of "matriculates and intermediates" for work in villages on a "stipend of Rs. 30 to Rs. 40." He was apparently overwhelmed by the righteousness of the cause, for he did not care to examine whether conscription was consistent with the system of democratic planning. If money was scarce, he was certain that it could be created "under certain safeguards." Obviously, Mr. Gadgil is not one of those who have fears about deficit financing.

What vitiated the arguments of those who sponsored the resolution was their failure to take into account the basic facts about the Indian economy. An important fact is that there has always been a certain measure of under-employment in the agricultural sector as well as in the sector of cottage industries. The situation is aggravated in the agricultural sector by partial unemployment during the period following the harvest and by enforced idleness in times of drought, flood and consequent famine. Unfortunately, this year several parts of the country have been visited by these natural calamities. During periods of such acute distress, the rural folk turn to towns, which offer an assured supply of food at low prices (thanks to rationing) so that rural unemployment reappears as urban unemployment. Surely, this problem cannot be solved by merely translating the services of the urban educated unemployed—conscription would cause needless misery—to the rural sphere. Nor can it be solved by keeping alive low-productivity industries, such as handloom weaving, which are—sentimentalism apart—merely anachronistic survivals of a medieval economy.

Now, how does the Plan propose to solve the problem? There is little doubt that the implementation of the Plan will promote agricultural production, through both extensive and intensive methods. To this extent, it may be trusted to provide a higher level of employment. But it is in relation to the industrial sector and the trade sector that its deficiency is somewhat glaring. And here, it is unlikely that the Plan could be vastly improved, for the problems, presented by these fields, call not so much for a revision of the Plan as for a whole series of fiscal, legal and mental (policy) adjustments by the Government. Both the industrial and trade sectors have laboured under the weight of vexatious controls, undue solicitude for labour and heavy taxation. Their removal will itself give a fillip to additional employment in trade and industry. To give only one instance, the removal of control on cloth and foodgrains has already created fresh employment opportunities over a wide area. The average trader's services cannot certainly be deprecated in a country of vast distances, large population, and divergent habits of consumption. He performs a truly economic function not only by distributing the goods at a comparatively small margin but by acting as a liaison authority between the manufacturer and the consumer whose tastes he interprets to the manufacturer and thereby ensures the production of the right types of goods.

If the Government recognises at an early date that it cannot itself create any large expansion in employment opportunities which can be effectively created only by private enterprise, half the battle against unemployment will have been won. If this is accepted, then the question reduces itself to one of creating the climate under which the private sector can expand and develop. It is necessary to investigate why some existing industrial enterprises tend to close down, why many do not expand and why no new ones are being set up. A potent cause for the closure of factories is the shortage of power. This must be remedied by lessening the dependence of power production on the vagaries of the monsoon; this could be done by setting up thermal units at convenient centres. Again, the lack of transport is a serious hindrance to expansion of economy. And here, the policy of nationalisation of transport as well as the structure of taxation of motor vehicles deserve reorientation.

But these defects, grave as they are, are small as compared with the defects in the Government's policy in respect of large-scale industries and industrial labour. The Government speaks with two voices when it speaks about large-scale industries; it is extremely solicitous about the welfare of organised industrial labour but is not tired of burdening the industry with taxes. Again, it speaks with two voices when it demands the expansion of large-scale industries but also circumscribes the industry by limiting its sphere of operation under the plea of aid to small-scale industry. It speaks with two voices again when it wants prices to be reduced but sets its face against rationalisation and insists on payment of higher wages. The contradictions are, in fact, too glaring to escape attention. Their presence is not half as bad as the fact that their existence is not recognised by the Government.

And yet, each of these sets of disagreeable paradoxes in the Government's policy interferes with the provision of employment opportunities. Thus, the high rate of taxation leaves industry little finance for re-equipment and development; it can hardly meet the cost of labour welfare and of raw materials. By circumscribing the sphere of large-scale industries (the limitation on mills in regard to the production of *dhotis*, for instance) and by imposing additional burdens, such as excise duties, it not only makes economic production difficult but renders the units high cost ones, thereby limiting the demand for manufactured articles. It is time the Government defined its attitude towards cottage industries. Large-scale industries create, in the long run, more employment (and certainly more productive employment) than small-scale industries by enabling ancillary industries to develop. Further, since large-scale industries can pay liberal wages they have a multiplier effect on employment opportunities.

Finally, the Government's labour policy is itself a serious deterrent to wider employment. This is so for two reasons. By insisting on the payment of big wages and provision of costly amenities which industries cannot afford, the Government has brought about an atmosphere in which managements are disinclined to expand their activities and thereby take on additional labour. Again, by virtually prohibiting even moderate retrenchment of workers that is necessary for vital reasons of economy, it compels the factories to close down. The closure of the Madras Tramways is an instance in point. If a small measure of retrenchment had been permitted, it would have enabled the Company to carry on without a breakdown. The Government strains at the gnat of small retrenchment but is willing to swallow the camel of wholesale unemployment.

It should, therefore, be clear that what is urgently needed is the creation of conditions under which private enterprise can function freely, effectively and confidently. The creation of these conditions would mean the pursuit of an

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entirely realistic fiscal, industrial and labour policy. By providing incentives for capital formation and by prompt and sympathetic attention to the industry's ills, it could bring about industrial expansion which would in turn create wider opportunities for employment. Private enterprise, on its part, should show a clearer sense of public responsibility, for it cannot claim freedom and, at the same time, disown obligations to society. The stakes are high; they are peace and economic prosperity through evolutionary processes. They are, in fact, too high to permit either the Government or the industry to indulge in mutual recrimination. Both must join hands with a clear understanding of their responsibilities to the public and for a social free enterprise economy, based on liberal economic principles and traditions.

OWN-YOUR-OWN-WAGON SCHEME

IT is difficult to appreciate the logic behind the "Own-your-own-wagon" scheme which the Railway Ministry has announced this week. Government spokesmen are seldom tired of preaching to private enterprise that it should not frequently run to official sources for help and succour. The boot, it now seems, is entirely on the other leg. It is the Government that has come to private enterprise for help, though this unwholesome approach is being made under the inviting slogan, "Own-your-own-wagon." That it bears a strong resemblance to the Government's earlier "Own-your-own-telephone" scheme, which had a certain measure of undeserved success in the early months, is no argument in favour of the scheme. At this rate, there will be no end to the "Own-your-own" schemes. The railways themselves may extend this ownership basis to passengers and the nationalised road undertakings may follow suit. On principle, the idea that a nationalised industry, such as the railways or the telephones, should ask the public—rather the private sector—to own the very means by which the industry serves the public should be deprecated. It means, in effect, that a few private firms will become favoured partners in what is essentially a public enterprise. This robs what little justification there is for nationalising a public utility industry.

It is true that even an important principle may have to be violated in times of national emergency. No such argument could be urged in favour of the "Own-your-own-wagon" scheme which permits private firms to have a share, however small, in a public enterprise. If the real difficulty is an acute shortage of wagons, it is not clear how the proposed scheme will solve it. Mr. Lal Bahadur Shastry, the Railway Minister, gave no indication in his last Budget speech that the wagon position was desperate. On the contrary, he drew much comfort from the thought that indigenous production was "able to meet the normal annual requirements of the railways in regard to rails, wagons and coaches." He was anxious to ensure that imports were reduced to a minimum. He placed the new acquisitions for 1953-54 at 10,663 wagons, of which 6,834 wagons were expected to be made available from domestic output. If indigenous production, it is now found, is unable to cope with the demand for wagons, there is no reason why a slight deviation from the principle of national self-sufficiency in wagons should not be made, and the much-needed wagons imported from abroad.

As the Government must ultimately make available wagons, either to itself or to private firms which agree to the scheme, it is clear that it is not the non-availability of wagons that seems to be the real cause of the trouble. Obviously, the cause of the trouble is "finance." It is a sad commentary on the way in which the railways are run that they should not be able to find the necessary finance for the wagons which the country needs, in spite of their effecting a sizable increase in fares and freights. Surely, it should have been possible for the railways to discover, by a suitable redistribution of its expenditure-pattern (by economies, for instance, in constructional activities, such as building costly railway stations, housing amenities for workers, etc.), the means by which the investment on wagons could be made.

The "Own-your-own-wagon" scheme, like the "Own-your-own-telephone" scheme, is only a disguised request for loan. Is it right for the Government to disguise the request for financial accommodation under an ingenious caption? The telephone scheme is, in fact, worse than the wagon scheme for, the net interest earned on the capital invested in the telephone and telegraph services is of the order of 9.6 per cent. If private enterprise were to earn this rate of profit in a public utility industry, it would be dubbed as indulging in profiteering at public expense. That, despite the high rate of profit involved in running the telephones and the railways, the Government should be unable to finance expansion in the services of these two undertakings without resorting to such ingenious methods as those under reference, is a confession of financial incompetence.

That the authors of the scheme have no clear idea of how the scheme should be worked in actual practice seems to be clear from the questionnaire they have circulated among commercial bodies. The firms are being asked, for instance, wherefrom they will obtain their wagon requirements, as if firms have had experience in importing wagons. Again, they are asked as to what freight reduction they expect in respect of the traffic that will be carried in their wagons. Obviously, no firm could answer this question, for the reply depends on certain other issues which themselves form the subject matter of the questionnaire and on which they can scarcely be expected to have any reliable information. Thus, they should know the cost of wagons, the rates of depreciation which the railways will allow, the stabling, shunting and overhauling expenses which the railways will charge for the wagons. Again, owning a wagon or a fleet of wagons is not such a small matter as owning a telephone, for the financial stake involved in the former is quite substantial. As against a deposit of only Rs. 2,000 per telephone, a covered broad-gauge wagon will cost as much as Rs. 11,500 and an open one Rs. 10,500; the cost of a covered metre-gauge wagon is estimated at Rs. 8,450 and of an open one Rs. 7,500. An investment of such magnitude should be easily realisable in times of need. If a firm or a company buys a few wagons now, to whom can it sell them when they are no longer needed except to the railways? And what guarantee is there that the railways will pay a reasonable price. It is possible that there will be a market for them overseas, but will their export be permitted? Considering the manner in which the Government took over the aircraft when they decided to nationalise the air transport industry, one should be extremely careful in investing in anything in which the Government will be the sole buyer. As readers are already aware, the compensation paid for aircraft was so poor that the whole transaction amounted to nothing short of partial expropriation. Further, the scheme runs counter to all accepted notions of property and offends every known law relating to transfer of property. The persons who own the wagons will have no control over them, will pay for their upkeep, will indemnify the railways against "any damage or destruction due to accidents" and will also bear the cost of repair or replacements caused by such accidents. The whole scheme is a travesty of economic justice.

It is not as if the new "wagon" scheme will solve all difficulties. It may well create new problems. So far as the private sector is concerned, it will mean the diversion of the capital it needs for other worthwhile operations to wagons. For the railways, it means a surrender of the freedom for allotting priorities for carriage of goods—the freedom, which must necessarily be used in the national interest. If, for instance, the manufacturer of less essential goods owns wagons, should he be given preference in the matter of carrying his goods vis-a-vis another manufacturer of, or trader in, more essential articles, who may not own wagons? It is not compulsory on the part of those who own wagons to allow them to be used when they are idle and, if a large number of firms choose to keep their wagons idle during the time they are not used by them, it is clearly a national waste of wagon space. That private industrial and trading units, which have been sorely exercised over the need for transport, might be induced to invest money in wagons, cannot be construed as an argument in its favour. The railways will do well to refrain from the temptation to trade on the private sector's anxiety over transport bottlenecks.

TRAGIC EPISODE OF BURNPUR

THE recent developments on the labour front in the iron and steel industry are deplorable. The country is short of steel, a serious handicap to the development of industries, that means growth of employment. In order to eliminate this handicap, high priority is being given to the expansion of this industry. At this juncture, the country can ill-afford loss of production brought about by misguided sections of labour in the industry. Yet the country had the misfortune to see this happen in its largest steel units, namely, the workshops of both the Tata Iron and Steel Co., Ltd., and the Indian Iron and Steel Co., Ltd. In the factory at Jamshedpur, belonging to the former Company, production was suspended on account of a five-day strike. In Burnpur, it has been still worse, as a "go-slow" movement, initiated six months ago by certain irresponsible workers has continued to thin down the output that is badly needed by the country.

The two incidents need mention, as they provide a typical example of how progress in industry in India is often held up by labour. In the Tata factory at Jamshedpur, about 2,000 workers went on strike for five days, as a protest against the suspension of two of its workers, even though it was for a valid reason. The workers suspended were responsible for the breakage of a roller worth Rs. 10,000. A thorough investigation into the incident revealed that the breakage was due to gross negligence of duty. Fortunately, however, the strike was called off on the 4th inst., thanks to the sagacious move on the part of the management. Under the terms of agreement brought about by the Bihar Government, the workers' union agreed to call of the strike, accepting the Government's decision to declare the strike illegal. The Company agreed to convert the sentence of suspension against the two employees into letters of warning. Thus, the recalcitrant workers, who ought to have given a better account of themselves, have been allowed to retain their position which they ill deserve.

The case of the Indian Iron and Steel Company, Ltd., is altogether on a different footing. In fact, it is developing into a very serious situation which has to be speedily brought under control in the best interests of the workers themselves, the industry and the country. The trouble first appeared as far back as 18th January last, when some men staged a lightning strike without any previous notice and for no valid reason. They formed themselves into an Action Committee and demanded recognition from the management. This Committee was neither a trade union nor a works committee which alone are recognised under the law. Besides, there being already a recognised union, and works committees being under formation by a Government agency, the management was not in a position to meet the demand of the self-appointed Action Committee, an unauthorised body which represented none, but was capable of creating mischief. On being denied the illegal and short-cut approach to power, the Committee initiated a "go-slow" movement in the hot mills of the factory. The matter did not end there, for the workers have also a variety of leadership in their ranks sponsored by various political parties such as the Communist Party of India, the Forward Bloc, the I.N.T.U.C., all of which vied with one another to assume control over the workers. As a result of this bid for power, the slow-down move spread throughout the works and it went on for the first two weeks without the management being informed of the reasons for the move.

In the serious situation thus created, the Company had to make appeals after appeals to the State and Central Governments to intervene and solve the complicated labour problems. Accordingly, officers of the Directorate of Labour, West Bengal Government, contacted the workers and persuaded them to desist from acts of indiscipline. Their efforts were of no avail. The Labour Commissioner too did his best to bring about reconciliation. The Labour Minister of the West Bengal Government personally visited the works at Asansol, stayed there for four days, and even his attempts at a peaceful settlement failed. He was perforce compelled to suggest to the Company to discharge those men who failed to give an understanding not to "go-slow." As many as 322 men were discharged, but the "go-slow" activity continued and the Action Committee carried on virulent propaganda against the Company. The Iron and Steel Controller, who also intervened, attempted to bring about a settlement by agreeing to offer an unconditional reinstatement of all the men discharged. Not only was this offer refused, but, throwing overboard all responsible leadership, the ringleaders of which readers are already aware.

The lessons of this tragic episode at Burnpur are clear. The most important of them all is that no amount of persuasion and reasoning will work when politics is allowed to be imported into trade unionism, and when irresponsible outside elements with scant regard for law are out to capture the control of trade unions. On such occasions, the authorities must act ruthlessly and root out mischief-mongers. It is astounding as to why the West Bengal Government and the Government of India allowed the situation to deteriorate as it has done now. They ought to have taken effective steps earlier to nip the trouble in the bud.

STATE LOANS TO BE FLOATED NEXT WEEK

BILL MARKET SCHEME EXTENDED—TATA HYDROS SEEK MORE CAPITAL

THURSDAY, 5 P.M.

TRADING in city markets during the week under review has once again failed to yield any significant trend. Markets have moved both ways within a narrow margin. The volume of business in all of them has been below normal. Equities on the Stock Exchange have drifted in a downward direction. Although the underlying trend continues to be steady, values are a shade lower than a week ago. Enthusiasm among the speculators has ebbed out and investors seem to be more keen on picking up first class fixed-yielders than going in for equities in spite of the high yields available on them. This reflects lack of confidence in the future. They seem to be assailed by fresh doubts about profit-margins of industries and their ability to maintain dividends. Talks of growing unemployment and statements that production in such industries as coal, textiles and sugar is likely to fall in the coming months have been primarily responsible for these fears. Signs of labour unrest in the iron and steel factories have also induced caution among operators. Although the dispute in the Tata Iron and Steel factory has been promptly settled, the continuance of the trouble in the works of Indian Iron and Steel has become a source of anxiety not only to those interested in the shares of this Company but also to the stock markets as a whole, as these shares hold a prominent place in the lists of Stock Exchanges.

MARKET GOSSIP

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Among the other markets, bullion is featureless but quiet, while commodities have tended to look up under the leadership of groundnuts and jute. The Government's hope that, by reducing the import duty on copra, it could bring down the prices of vegetable oils has proved a fond one. Groundnuts have, on the contrary, jumped up by nearly Rs. 4 per cwt. to Rs. 51-8. Groundnut oil has shot up from Rs. 25 to Rs. 27 per quarter, an increase of 8 per cent. There has been a rise in the prices of linseed and linseed oil also, while castorseeds are practically unchanged in spite of keen competition in overseas markets. The rise in edible oils is attributed to scarcity and something more effective must be done to bring their prices down if the cost of living index is not to go higher still. Liberal imports of palm oil, as suggested by us last week, as well as of cottonseed oil that can be used for making vahaspati, must be promptly allowed.

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As will be noted from a survey of banking trends in 1952, published elsewhere in this issue, the usance bill market scheme, inaugurated by the Reserve Bank in January, 1952, has proved useful in implementing a policy of selective credit control. This has enabled the Reserve Bank to extend credit to banks for financing genuine and essential business. The outstanding feature of this scheme is the self-liquidating character of the credits sanctioned under it. This facility was hitherto confined only to Scheduled banks having deposits of Rs. 10 crores and over. This restriction led to complaints that the Reserve Bank was discriminating against small banks. We now understand that the Reserve Bank has relaxed this restriction to some extent. Thus, the Scheduled banks having deposits (including deposits outside India) of Rs. 5 crores or more are now eligible for discounting usance bills with the Reserve Bank. It may be noted here that, out of 92 Scheduled banks (as at the end of December, 1952), there are only about 14 banks with deposits of Rs. 10 crores and over. The bill market scheme, therefore, covered only these 14 Scheduled banks. But, as a result of the aforesaid relaxation, it will now cover an additional 11 Scheduled banks, which is the number of banks with deposits of Rs. 5 crores and over. In other words, 25 Scheduled banks are now eligible for the bill market facilities provided by the Reserve Bank. It is true that these 25 banks constitute only about 26 per cent. of the total number of Scheduled banks but, between them, they account for as much as 87 per cent. of the total advances. Thus, the benefits of the bill market will now be available to most of the business men whose credit requirements are served by the Scheduled banks.

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As readers are aware, advances by the Reserve Bank of India against usance bills are charged at the rate of 3 per cent, as against 3½ per cent.—the Bank rate—on loans against Government securities. One effect of extending the bill market scheme as noted above is that 3 per cent. will be the effective Bank rate and not 3½ per cent. It is true that this has been so for some time past, but the extension of the scheme strengthens that position considerably further. To this extent, therefore, the latest development may be regarded as a relaxation of the dear money policy of the authorities.

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As was hinted in these columns a fortnight ago, the Tata Hydro-electric Companies have announced their proposals to raise fresh capital. The total amount that is now being sought to be raised is Rs. 3 crores and the new shares are being offered to the existing shareholders at par. The details are as follows:

The Tata Hydro-electric is offering 60,000 ordinary new shares of Rs. 100 each in the proportion of one such share for every three shares. This will raise its issued capital from Rs. 269.28 lakhs to Rs. 329.28 lakhs, that is, by Rs. 60 lakhs. The Andhra Valley is raising Rs. 90 lakhs of fresh capital by issuing 9,000 new ordinary shares of Rs. 1,000 each in the proportion of one new share for every two old shares. The Tata Power Company is raising fresh capital to the tune of Rs. 150 lakhs by issuing 15,000 new ordinary shares of Rs. 1,000 each in the proportion of two new shares for every five old shares.

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The new capital on the above lines is being raised to provide funds required for installing the proposed thermal plant at Trombay. The project is a joint project of the three hydro companies. The following extracts from the Directors' circular to shareholders will throw enough light on the project and the outlook for it:

"Pending completion of the formalities for the new licence for the thermal station and the extension of the three hydro licences up to 1975, the Companies have undertaken all the preliminary steps, such as, the selection and acquisition of a site for the station, the appointment of technical consultants, the preparation of designs, layout and specifications and the issue of tenders for the plant. The stage has now been reached, when funds have become necessary to enable the companies to proceed with the ordering of plant and the work at site. The project consists of two units of 50,000 kw. steam turbo generators, boilers, cooling water installation, transformers and distribution system. The total cost is now estimated at approximately Rs. 13 crores. It is proposed to obtain these funds as under:

	Crores Rs.
(i) By loan to be obtained from the International Bank for Reconstruction and Development	7
(ii) Temporary borrowings from banks ...	3
(iii) Issue of fresh capital of the three hydro companies	3
Total ...	13

"The scheme of the three companies was to build the thermal plant under one continuous plan, whereby the second unit would follow close upon the installation of the first unit of 50,000 kw. The Government of Bombay, however, does not accept the Companies' plan and proposes that the construction of the first unit alone should be proceeded with at this stage. On that basis, the complete equipment for the first unit, the receiving station and the transmission system for transmitting and distributing the supply are estimated to cost approximately Rs. 9 crores, the remaining Rs. 4 crores being the estimated cost of setting up the second unit. However, the question whether the Companies should proceed with the construction of both units, as proposed by them, or only with one unit in the first stage is still under discussion with Government and an early decision is expected. The Companies anticipate no difficulty in selling all the electricity which will be produced and the provisions of the Electricity (Supply) Act, 1948, assure to the Shareholders a return of 5 per cent. free of tax. As the station will be backed by the existing resources of the present hydro system, it will operate at maximum efficiency and economy."

The above proposal has been well received by the market, the value of the shares of all the three Companies having registered small gains.

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Conditions in the short-term money market suggest that the traditional slack season is in full swing. The relaxation in restrictions on imports has not led to any sizable demand for credit. On the contrary, the loans and advances to trade and industry are being repaid in large sums. The statement of affairs of the Scheduled Banks for the week-ended 26th June, 1953, discloses a recession of Rs. 11.44 crores, which is substantially higher than the drop of Rs. 8.45 crores in the preceding week. Practically the whole of this influx of funds has again been utilised to reduce the banks' borrowings from the Reserve Bank, the exact amount thus repaid being Rs. 10.67 crores. According to the Reserve Bank's statement for the week-ended 3rd July, 1953, there has been a further reduction of Rs. 8 crores in bankers' borrowings. The whole of this decline represents the repayment of the loan taken by the Imperial Bank, the advances and bills of which declined by about Rs. 3.47 crores in that week. The total outstandings of the Reserve Bank's loans to the banks as on 3rd July, 1953, were no more than about Rs. 10 crores, the lowest for several months. It would not be surprising if by now even this balance has been paid off.

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Hitherto, the banks had utilised the return of their funds borrowed by trade and industry for reducing their ways and means accommodation provided by the central banking authority. Henceforth, they will have to utilise the inflow of their funds either to build up their cash balances or to invest in Government obligations. The cash balances of banks are still by no means comfortable, the cash ratio being no more than 8.71 per cent. (as at 26th June, 1953), as against 10.01 per cent. a year before. This reveals that the capacity of banks to lend from their own resources is not yet quite appreciable and the position is not as comfortable as is being made out. The banks, of course, can borrow from the Reserve Bank and lend, but they are not yet suffering from a surfeit of funds. Nevertheless, the short-term money market is distinctly easy, with inter-bank call money being quoted well below 2 per cent. The interest rates for short-term deposits are also lower by ½ to ¾ per cent., as compared with those two weeks before, and "house money" is freely available at 2½ to 2¾ per cent. The bidding for three months' Government of India Treasury Bills has become keen, enabling the Government to borrow at slightly more favourable rates than in recent weeks.

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While such is the position of the short-term money market, the Gilt-edged market has been showing a sagging tendency for the past two or three days. Considering that the unconverted portion of the 3 per cent. 1953-55 loan is repayable on the 15th inst., the market should be firm, other things remaining the same. The fact, however, is that other things are not going to be the same and the market knows this. Talks about the forthcoming State loans are having a disquieting effect. All long-dated loans are on offer now, though there is no perceptible change in rates. The short-dated loans, however, are fully steady, presumably due to support from the Reserve Bank. Officials of some of the State Governments and other influential persons are going round the city, actively canvassing support for the loans of their respective States. The market, however, is still left guessing as to the exact date of flotation. Last week, reports from Madras indicated that the list would open in the first week of August, 1953. The controversy created by Mr. Prakasam, the Andhra leader, questioning the appropriateness of the Madras Government raising a loan on the eve of the partition of the State, lent support to this report. The latest information is that this controversy has been amicably settled and that there will be no opposition to the new loan. It, therefore, looks as though the list for all State loans will open, as was originally planned, on the 15th inst., that is, the date on which the balance of 3 per cent. 1953-55 falls due for repayment. It is estimated that the amount of this loan outstanding for repayment is about Rs. 13 crores. This sum will come in quite handy for reinvestment in the more lucrative State loans. Thus, it is possible that the major portion of the cash payable by the Centre next week will be roped in by the States.

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How many States are going to borrow? What is the amount required by them? A few weeks ago, it was reported that only five or six States would be allowed by the Reserve Bank to enter the market and that the amount would be restricted to about Rs. 20 crores. But since then, we understand that a few other States, too, have been successful in persuading the Central Government to let them borrow. In all, therefore, nine or ten States will approach the market, their total requirements being Rs. 30 crores. As mentioned in a previous issue of Commerce, the largest borrower will be Madras (Rs. 6 crores), followed by Bombay (Rs. 5 crores) and Bengal (Rs. 3 crores). Subscriptions to the Madras loan will also be in its 3 per cent. 1953 loan, falling due for payment on 15th September next. The outstanding amount of this loan is Rs. 1.42 crores. Of the remaining seven States, four are Part B States, namely, Mysore, Travancore-Cochin, Saurashtra and Madhya Bharat, the other three being U.P., Bihar, and Madhya Pradesh. The rate of interest on all the State Loans will be 4 per cent., subject to tax. The duration of the loans will also be the same for all, at 10 years. The issue price, however, is expected to be at a slight discount of As. 8 in order to make the loans a little more attractive than the existing ones. But Bombay and West Bengal are said to be unwilling to issue at less than par. In fact, Dr. B. C. Roy has already got his State's loan privately placed at this rate. Dr. Jivraj Mehta, Bombay's Finance Minister, is also said to have succeeded in obtaining promises of support for the Bombay loan at par.

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Representatives of a few other State Governments also are here, vying with one another in canvassing support for the loans of their respective States. Conspicuous among them are the Saurashtra Chief Minister and the chief of the Saurashtra State Bank, both of whom have been appealing to the business men hailing from Saurashtra to take up their State's first loan. Another State official wanted the permission of the Reserve Bank to get his State loan to be underwritten. But this had to be refused, as it would have upset the chances of the success of the other State loans. This competition among the States in selling their loans has become a regular annual and an unpleasant feature. The banks and other institutional investors with their activities spread all over India are finding it embarassing. The monetary authorities will do well to consider whether there is no effective alternative to the present system of floating loans by State Governments.

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The award of the Industrial Tribunal in the dispute arising from the closure of the Madras Electric Tramways (with effect from 12th April, 1953) will be read with interest, because it raises, once again, the issue of considerable importance to industrial managements, namely, the right of the workers to a share in a company's reserves. The other features of the award are such as might be normally anticipated. The Tribunal has decided that the refusal of the management to employ the workers did not amount to a lock-out, inasmuch as it was done "due to the financial position of the Company." The Company was, however, wrong in ordering the closure without the permission of the Tribunal before which a dispute was pending. Regarding compensation to the workers, the Tribunal has ordered payment of 15 days' basic wages for every year of service, subject to a maximum of six months' wages; the wages should be calculated on the basis of wages paid in March, 1953. If the Company resumes service, it should re-employ its old servants, preference being given in the order of seniority. The workers should be allowed to

(Continued on page 91)

SHARE MARKETS QUIET

VALUES DRIFT LOWER

(From Our Own Correspondents)

BOMBAY, *9th July*

SLUGGISHNESS characterised trading on the Stock Exchange during the week under review. The undertone was quiet. In fact, there were a few disincentives to discourage support to equities. Thus, the international political situation suggested that armistice was nearer than was expected before. On the home front, the labour situation at the works of the Indian Iron and Steel Co., Ltd., in Burnpur, deteriorated further and market men entertained apprehensions regarding production and earnings of the Company. Early in the week, there were reports of labour unrest at the Tata Iron and Steel Works at Jamshedpur which too tended to undermine confidence of operators. In the latter part of the week, however, equities tended to steady up on reports about the settlement of labour dispute in Jamshedpur. Anticipations of an early announcement in steel retention prices and the recovery in bullion, cotton and commodity markets, induced revival of modest support and short-covering. This lifted the main body of shares above the lowest levels touched earlier in the week. The volume of trading was very moderate, as the operators preferred to postpone commitments. On balance, equities, disclosed moderate losses over a wide front.

The outstanding feature of trading in the steel section was the weakness of Indian Irons. On liquidation, induced by the unfavourable reports about the labour situation at Burnpur, the shares fell from Rs. 24-10 to Rs. 24-1 on Monday. There was a feeble attempt at recovery on Tuesday when they looked up to Rs. 24-3, but renewed selling took them down to Rs. 23-15½ at the close. Reports of labour unrest and fears of lower production during June caused some selling in Tata Deferreds early in the week. The shares, as a consequence, dropped from Rs. 1,887-8 to Rs. 1,857-8 on Monday. Later on, as advices from Jamshedpur indicated the settlement of the labour trouble, there was replacement purchases. Further, the low level also attracted some switching over from Tata Ordinaries to Deferreds. This, coupled with covering by shorts, lifted up the rates to Rs. 1,875, before they finished at Rs. 1,871-4. Tata Ordinaries were marked down from Rs. 329 to Rs. 322, but at the close they steadied up to Rs. 325.

Apart from general factors, activity in textiles was uninspiring on reports of a decline in offtake in the cloth market. Business was restricted, as operators appeared to await the Government's decision on price and production control. In the closing sessions of the week, however, some shares were marked up slightly. Bombay Dyeings drifted down from Rs. 375-10 to Rs. 371-14, but gained ground to Rs. 374-6. Kohinoors dropped early in the week from Rs. 303 to Rs. 299-12, before recovering to Rs. 302-8. Centurys showed minor loss, on balance, at Rs. 272. Central Indias could gather no more than a rupee to Rs. 156. Indu Ordinaries were picked up As. 3 better at Rs. 10-1. Simplex were conspicuously steady, having been placed at Rs. 171-8 *ex-div.* (dividend Rs. 9), as against Rs. 179 *cum div.* at the close of last week. Standards advanced by Rs. 2-8 to Rs. 306-4. Swadeshis showed no change at Rs. 245. Swans were taken down by Rs. 2-8 to Rs. 432-8. Vishnus receded by Rs. 9-6 to Rs. 149-6.

Bank shares displayed steadiness in view of the impending dividend announcements of banks for the past half-year. Imperial Fully Paid-ups were better by Rs. 2-8 a... 1,875, while Contributories were lower by as much as Rs. 452-8. Centrals were fractionally better at Rs. 65-8 and their new shares by As. 12 at Rs. 67. Barodas were fairly steady at Rs. 111-4. Bank of Indias were well held at Rs. 158 and United Commercials at Rs. 36.

In the insurance section, British India Generals were conspicuous with a gain of As. 14 to Rs. 14-8. New Indias were done at Rs. 40 *ex-div.* after going down from Rs. 40-4 to Rs. 39-4 at one time. Empire of Indias changed hands Rs. 2-8 better at Rs. 627-8. Orientals were unchanged at Rs. 7,170, while Jupiters were a shade quiet at Rs. 7-1.

In the public utility section, Tata Group of Companies attracted attention. The Companies have announced the terms of their new capital issue. The Andhra Valley Power proposes to raise the authorised capital from Rs. 3½ crores to Rs. 4½ crores, by the creation of 10,000 new ordinary shares of Rs. 1,000 each. Out of these, 9,000 shares of Rs. 1,000 each are to be issued to the existing ordinary shareholders at par, in the ratio of two new ordinary shares for every five shares now held. The amount payable is Rs. 250 per share on application and a further sum of Rs. 300 per share on allotment and the balance Rs. 250 per share as and when called up. Tata Hydro-electric Power proposes to create 100,000 new ordinary shares of Rs. 100 each and issue 60,000 such shares of Rs. 100 each to the existing ordinary shareholders at par, in the ratio of one new share for every three existing shares. A sum of Rs. 25 per share is payable on application and a further sum of Rs. 50 on allotment and the balance as and when called up. Tata Power proposes to issue 15,000 new ordinary shares of Rs. 1,000 each and offer them to the existing ordinary shareholders in the ratio of two new ordinary shares to existing five shares held by them. A sum of Rs. 250 per share is payable on application, Rs. 500 per share on allotment and the balance as and when required. On the Stock Exchange, Andhra Valleys picked up Rs. 5 to Rs. 1,427-8, Tata Hydros Rs. 3 to Rs. 153-8 and Tata Powers Re. 1-4 to Rs. 1,508-12. Surat Electrics showed a drop of Re. 1-14 to Rs. 124-6.

Miscellaneous shares were generally quiet with small losses on a broad front. Associated Cements were dull at Rs. 170-8. Belapurs moved down by Rs. 5 to Rs. 224. Bombay-Burmahs were unchanged at Rs. 355-10. B.I.Cs. steadied up by As. 2½ to Rs. 8-5 on denial by the management of rumours about the management changing hands. Indian Coppers were a shade quiet at Rs. 2-13. Killick Industries were done at the unchanged rate of Rs. 149. National Rayons were taken down by Re. 1-8 to Rs. 101-12. Tata Chemicals were a fraction down at Rs. 8-13½. Tata Oils were held at Rs. 32. Wimcos were steady at Rs. 216-4. Alcocks drifted lower by Rs. 2-8 to Rs. 287-8. Shivrajpurs hardened a little to Rs. 55-4. Scindias were dull, but steady, at Rs. 12-13½. Air-Indias had business at Rs. 87-8 and Air-India International at Rs. 107-8.

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Calcutta Stock Exchange

CALCUTTA, *7th July*

Lacking in both incentives and adequate funds and faced with a number of uncertainties, the Calcutta Stock Exchange could not do better than record a restricted volume of business at declining prices during the week. The recent National Plan Bonds have taken a part of the money in the market, and, judged from the present mood of the market, they offer a better investment proposition than share business. It is not surprising, therefore, that the middle class investing public are reluctant to go in for shares at present. The further deterioration in the labour situation at Burnpur has left Indian Irons completely lifeless and, for the Calcutta market, if this speculative counter is depressed, other sections can only move down in sympathy, even though the general conditions are favourable. And such a trend can only be all the more powerful, as it was this week, when the general conditions are far from favourable. The settlement of the TISCO strike at Jamshedpur is, however, a good sign, and may as well be a forerunner to a settlement at Burnpur.

The emergence of nothing definite from the Korean situation is a great uncertainty, and as far as the Share Market is concerned it can only hold up business. Another factor which encouraged restricted business was the landslide in the prices for both hessian and sacking goods, although a recovery was in evidence in these rates in the last two days. However, jute shares are bound to come to the forefront, as hessian output is more or less equal to demand. The extension of the Indo-Pakistani Trade Agreement up to 30th September and Burma's need to purchase a wider range of industrial products from India have been encouragingly noted, but a tendency to wait and watch the forthcoming talks of the Indian and Pakistani Prime Ministers at Karachi made operators postpone commitments, and the hope that the scope of trade between the two countries would be widened is held. The rumour that the B.I. Corporation is to change hands has been authoritatively denied, and this denial enabled the shares to move from Rs. 8-2 to Rs. 8-5.

For reasons already stated, Indian Irons touched a low of Rs. 23-15, the week's loss being as much as As. 11. To-day's closure at Rs. 24-3 recorded an insignificant recovery. In transactions, Braithwaites rose from Rs. 11-2 to Rs. 11-7, while Kumardhubis were almost unchanged at Rs. 7-13. Jessops were quiet at Rs. 23-15, and National Irons were bought at Rs. 5, as against a previous rate of Rs. 5-3.

The jute section was marked with a reduced volume of business, and sellers who desired to dispose of holdings could only realise lower values. Thus, Howrahs retreated from Rs. 24-4 to Rs. 23-15. At Rs. 337, Fort Glosters showed a loss of eight points, and Landsdownes were hammered down from Rs. 140 to Rs. 130. Megnas eased from Rs. 107 to Rs. 101, Naihattis from Rs. 128 to Rs. 122, and Nationals from Rs. 25 to Rs. 24-12. Presidencies were, however, unchanged at Rs. 5, and Agarparas gained an anna to Rs. 18-6. Anglo-Indias were the worst sufferers with a loss of Rs. 17-8 to Rs. 215.

Coals also searched for lower levels, but buyers were interested to secure holdings coming to them at declining rates. New Beerbhooms realised Rs. 19-2, at which rate the loss incurred was as much as As. 15. Pench Valley eased fractionally to Rs. 24, while Burrakurs were placed around Rs. 10. Other counters that submitted to lower levels included Raneegunges at Rs. 8-8, Borreas at Rs. 28-8, and Dhemo Mains at Rs. 10-1, as against Rs. 8-10, Rs. 30 and Rs. 10-4, respectively last week. East Indians were, on the other hand, fractionally better at Rs. 24-3, and Central Indias were unchanged at Rs. 4-13.

Teas were deserted counters, and it was difficult for anxious sellers to find buyers. However, quotations were affected less significantly than in other sections as many holders prudently preferred to wait. Thus, Dhelakhats were unchanged at Rs. 10-6, as were Kilcotts at Rs. 12-12. Singtoms eased from Rs. 4-3 to Rs. 4.

Although miscellaneous shares also remained generally dull, the section was not devoid of features. Apart from the recovery in B.I.Cs. already mentioned, Angelo Bros. moved from Rs. 18-15 to Rs. 19-2. At Rs. 30-8, Godfrey Phillips showed a gain of As. 6. Alkali Chemicals were steady at Rs. 14-10 and at one time realised Rs. 14-13. Rallis were fractionally lower at Rs. 74-14. Sone Valley Cements and Metal Boxes recorded business at Rs. 7-1 and Rs. 18-6, respectively.

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Madras Stock Exchange

MADRAS, *8th July*

The Stock Exchange passed through another week of listless conditions. Transactions put through were on a minor scale. Price fluctuations were confined to a very narrow range. Sectionwise, textile shares met with selling pressure, on rumours of a possible relaxation of restrictions on production of *dhotis* by mills and slackness in piecegoods markets. Uninspiring advices from Calcutta were responsible for dullness in tea shares. Coffee and rubber shares failed to evoke support, in the absence of fresh stimulants. Bank scrips also were somewhat easy and so were miscellaneous shares. Over a broad front, values generally drifted downwards and the undertone was weak.

The weakness of the market was perceptible in the textile section. Coimbatore Pioneers were the worst sufferers with a loss of 9 points to Rs. 106 *cum-div.* Buckinghams retreated by Rs. 2-4 to Rs. 120. Maduras fell from Rs. 36-12 to Rs. 36-3. Cambodias declined by As. 3 to Rs. 10-6 and Trichinopolys by As. 2 to Rs. 9. Radhakrishnas and Lakshmis, however, received special buying support and moved up by Rs. 2 and Re. 1-8 to Rs. 144 and Rs. 178-8, respectively. Exceptations of a decline in Japanese rayon yarn prices led to a drop of As. 2-6 to Rs. 4-14 in the quotation for Travancore Rayon scrips.

In the planting section, rubber shares were easy. Nerunenys receded by As. 10 to Rs. 8-4 *ex-div.* Cochin Malabars and Vaikundams lost an anna each to Rs. 6-9 and Rs. 13-15, respectively. Thiruvadis were a shade lower at Rs. 2-12-6. Among tea shares, United Nilgiris slided down by Rs. 4 to Rs. 190. Peermades declined by As. 8 to Rs. 27-4. Periakaramalais, on the other hand, were done As. 2 higher at Rs. 27-12. Blue Mountains also were a shade better at Rs. 2-13-6. Among coffee shares, Consolidated Coffees were easy at Rs. 18-7, as against Rs. 18-12. Puthuthottams were lower by an anna and a half at Rs. 5-0-6. Values of tea-*cum*-rubber shares were fully maintained. T.R.T. & Co. put on As. 3 to Rs. 7-1 and Midlands As. 2 to Rs. 10-11.

Scrips of miscellaneous companies were neglected. Mettur Chemicals and Mysore Papers lost As. 2 each, the former to Rs. 4-2 and the latter to Rs. 14-8. T.A.C.Ts. were enquired at Rs. 3-3, as against Rs. 3-4. Sugar shares were steady and even registered slight improvement. E.I.D. 'A's and 'B' recorded a rise of As. 8 each to Rs. 15 and Rs. 20-2, respectively.

BANK OF INDIA LTD.

The working of the Bank of India Ltd. during the half-year ended 30th June, 1953, has resulted in a profit (subject to taxation) of Rs. 36.11 lakhs, which shows a drop of Rs. 0.78 lakh from the profit (Rs. 36.89 lakhs) earned in the corresponding six months of the previous year. The amount brought in from the previous year's account is Rs. 6.36 lakhs, as against Rs. 5.61 lakhs a year ago. With the addition of this sum, the total available for disposal amounts to Rs. 42.47 lakhs (Rs. 42.50 lakhs). Out of this, the Directors have appropriated Rs. 15 lakhs for payment of an interim dividend at the rate of 12 per cent. per annum (Rs. 3 per share of Rs. 50), free of income-tax, for the half-year under review, which is the same as that paid for the half-year ended 30th June, 1952. This leaves a sum of Rs. 27.47 lakhs (subject to taxation) to be carried over to the next half-year, as compared with the corresponding sum of Rs. 27.50 lakhs of the previous year.

HONGKONG AND SHANGHAI BANKING CORPORATION

The Hongkong and Shanghai Banking Corporation has declared an interim dividend of £2 per share, free of Hong Kong Corporation profits tax, which is the same as that paid last year. The dividend is payable on 10th August, 1953. Transfer books will remain closed from 24th July to 8th August, 1953, (both days inclusive).

Notice

CAWNPORE TEXTILES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 14th July to 31st July, 1953, both days inclusive.

By Order of the Board.

Per Pro. BEGG, SUTHERLAND & Co., LTD.,

E. C. CALDWELL,

Registrar

Managing Agents

KANPUR U.P., 1st *July*, 1953.

NEWS IN BRIEF

THE six cities of Ahmedabad, Bombay, Calcutta, Delhi, Kanpur and Madras use 56 per cent. of the country's generated electrical energy.

Madhya Pradesh has the largest area under forests, which cover 66,962 sq. miles as against only 135 sq. miles in Ajmer.

The limit of gold and bullion that can be transmitted by insured post in the inland service, that is upto a value of Rs. 2,500, has been extended for another year from 1st July, 1953.

The Central Government has declared the coal industry, so far as it is concerned with the production and supply of coal and coke, to be a public utility service for the purpose of the Industrial Disputes Act, 1947 (XIV of 1947) for a further period of six months from 14th July, 1953.

The first staple fibre factory, which is under construction at Nagda, about 45 miles from Indore, on the Bombay-Delhi main line of the Western Railway and under the management of Messrs. Birla Bros., will go into production early in October. The output of viscose staple fibre from the factory will be 450 tons per month. The estimated cost of the factory is Rs. 3 crores.

The share of the passenger and goods traffic carried during 1951-52 by the four types of gauges on Indian Railways is as follows: broad-gauge, 829 million passengers and 101 million tons of goods; metre-gauge 389 million passengers and 27 million tons; and the two narrow-gauges 59 million passengers and 4 million tons of goods.

The Government of India has revised its agreement with the Swiss firm, entered into in May, 1949, for setting up of a factory for the manufacture of all-metal light-weight coaching stock. The revised agreement has fixed targets to be reached every year till the Project is completed and has tied up the payment to the Swiss firm with completion of each target.

According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-India final estimate of tobacco, 1952-53, puts the current year's area and production at 768,000 acres and 211,000 tons, as against 659,000 acres and 192,000 tons, respectively, in the adjusted final estimate of last year. This shows an increase of 109,000 acres or 16.5 per cent. in area and 19,000 tons or 9.9 per cent. in production.

The Government of India, in accordance with its policy of reviewing from time to time the incidence of export duties, has had under consideration the incidence of the present export duty on tobacco seed oil, falling under item 15 of the Second Schedule to the Indian Tariff Act, 1934. In order to improve its competitive position in foreign markets, the Government has decided to abolish the export duty on tobacco seed oil, with effect from 8th July, 1953.

The Planning Commission has brought out a brochure, entitled *Building New India*, which gives glimpses of the India that is now in the making, against the background of the first Five-Year Plan. Divided into several sections, the brochure deals with the country's plans and achievements in the field of industrial undertakings, scientific research, transport and communications, irrigation and power schemes, agricultural and community development and social sciences.

The Travancore-Cochin Government has requested the Government of India to revise the recent reduction in the import duty on copra. The State Government, in a telegram to the Prime Minister and the Commerce Minister, has asked them to reconsider the Union Government's decision, since the reduction of the import duty would vitally affect the common man's economy in this State. The State's Minister in charge of Food and Civil Supplies has left for Delhi to take up this question with the Government of India.

It has been pointed out by the Customs authorities in Ceylon that some manufacturers in India are not stamping the country of origin of goods exported to Ceylon. This is in contravention of the provisions of the Ceylon Merchandise Marks Ordinance, which are now being rigidly enforced, with the result that importers in Ceylon are allowed to clear the goods only after paying a penalty. The Commerce and Industry Ministry, Government of India, asks the manufacturers and exporters in India to see to it that the words "Made in India" are clearly stamped on goods exported from this country.

A conference of the representatives of the Government of India and the Governments of Madras, Mysore and Hyderabad was held in New Delhi on the 9th and 10th inst., when matters relating to the Tungabhadra Project were discussed. The allocation of the expenditure so far incurred on the Project between the States of Madras, Mysore and Andhra, the agency which is to undertake the further execution of the Project and allied matters were the subjects on the agenda for the meeting. The Conference is a sequel to the decision to create the Andhra State and merge the Bellary taluka (in which the Project is situated) with the Mysore State, in accordance with the terms of the Misra Award.

A typewriter in Malayalam will shortly be put on the market in India, and its component parts are now on the way from the U.S.A. for assembly in the Calcutta factory of Remington Rand of India Ltd., This Malayalam typewriter represents the successful culmination of efforts to design a satisfactory keyboard in this language. Typewriters are at present available in eight Indian languages—Hindi, Marathi, Gujrathi, Tamil, Bengali, Gurumukhi and Urdu. Hindi was the first to be developed in 1910, and it is estimated that 4,000 typewriters of this language are in use today. Development work on Kanarese, Oriya and Telugu typewriters is at present in progress.

Mr. Justice Mehr Chand Mahajan, Mediator in the dispute between the workers and management of the Hindusthan Shipyard, is understood to have suggested a compromise to settle the dispute over retrenchment of workers. The formula would result in the retrenchment of 800 labourers, as against 813 retrenched since April. The conditions are that labour should agree to the retrenchment of the medically unfit, superannuated workers, those willing to resign voluntarily and retrenchment on "last come first go" basis. The Labour Union has accepted the plan and it has also agreed, it is stated, to withdraw unconditionally the allegation made against the management and express regret for the same. A recent meeting of the Board of Directors is stated to have insisted on this. The Board has not yet expressed its opinion on the compromise formula.

The Indian Chamber of Commerce of America has decided to sponsor an "India supplement," which the *Journal of Commerce*—one of the most important business dailies of the U.S.—plans to publish about the middle of September, 1953. The Supplement will be devoted completely to India and Indo-American trade and commerce and will be the first of its kind in America. The Chamber hopes that the special issue will help promote closer commercial relations between India and America and stimulate interest in American markets for Indian products. The Chamber is anxious that the advertisement space should, if possible, be taken up by Indian and U.S. parties in equal proportions. The advertisement tariff for the Supplement will be on the basis of about $20 for a two inch by two inch space. The question of making available dollar exchange to parties in India, desirous of placing advertisements in this supplement, has been taken up by the Chamber with the Indian Embassy at Washington D.C. and the Reserve Bank of India. Further information will be available from the Chamber at 148, East 47th Street, New York 17, New York.

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From Abroad

No less than 1.7 million new jobs were created by the German Federal Republic during the past five years. The gross social product per head of population had risen from 904 to 1,385 marks, in spite of an increase of 2.6 million in population.

The total number of unemployed in West Germany, by about the middle of last month, was 1,117,732, of whom 703,024 were men. As compared with the position a year ago, this figure showed a decline of 173,800. As compared with the highest level of unemployment reached in February, 1953, this showed a fall of 784,500.

The House of Commons has unanimously approved the Marshall Aid Commemoration Bill as a special contribution to Anglo-American understanding. The Bill gives effect to the proposal that, as an expression of Britain's gratitude for the European Recovery Programme, 12 "Marshall Scholarships" should be founded at British universities, to be competed for annually by U.S. students.

The campaign organised in Norway to raise money by voluntary contributions to supplement the £1,000,000 voted by the Norwegian Parliament for technical aid to India has now concluded. The total sum raised is about £150,000. Districts in poorer parts of the country, particularly in North Norway, are reported to have made the best contribution. Machinery and equipment for a boat-building yard is among the material recently shipped to India. At the yard, it is hoped to build new types of fishing boats, as the types now used in the Travancore-Cochin State, where Norway's technical aid programme is concentrated, have proved unsuitable for mechanisation.

The French Cabinet has approved of the financial plans, presented by the Minister of Finance and Economic Affairs, which aim at raising the Government revenues by sixty milliard francs a year. In order to raise new revenues, the programme calls, in particular, for increases in sales taxes on gasoline and alcohol. Other measures in the programme include granting of special powers to the Government in the financial domain, creation of a fund for housing construction, farm equipment and economic expansion, and an additional advance of 110 milliard francs from the Bank of France to the Government.

U.S. imports in April increased more than $8 million over those for the preceding month, total U.S. imports being $1,012.4 million in April, as against $1,004.1 million in March. The increase was entirely accounted for by larger shipments from the countries of Asia, Africa and Oceania. The countries recording the most notable gains in exports to the United States were India, the Philippines, Australia, New Zealand, British Malaya, Indonesia, Egypt and the Gold Coast. Imports from India increased from $20.5 million to $23.2 million, while U.S. exports to that country dropped from $23.5 million to $9.4 million.

Two liners of the P. & O. Steam Navigation Company, the *Strathaird* and the *Strathnavar*, will be carrying next year one class of passengers only between the U.K., India, Ceylon and Australia. Since the war, the two ships have been carrying some 570 first-class and 470 tourist-class passengers on this run. After conversion, they will each take about 1,200 tourist-class passengers. The decision to convert the liners has been taken by the Company, in order to prepare for the expected entry into the Australian service next year of the new 28,000 tonners *Arcadia* and *Iberian*.

PERSONAL

MR. M. P. Pai, I.C.S., Joint Secretary, Union Ministry of Production, who has been appointed Managing Director, Sindri Fertilisers and Chemicals Ltd., has assumed charge of his office.

Mr. M. A. Rahaman, First Secretary, Indian High Commission, Nairobi, has been appointed India's Consul-General at Pondicherry.

Mr. A. K. Ghosh, I.C.S., Chief Commissioner of the Andamans, is understood to have been offered the post of General Manager of the proposed Bharat Electronics Industry at Bangalore.

Mr. Matadin Khaitan, of Messrs. Matadin Khaitan & Co., Ltd., Calcutta, has been elected President of the Bengal Sugar Merchants Association for the current year.

Mr. N. Dandekar, I.C.S., whose services had been lent by the Government of India to the Scindia Steam Navigation Co., Ltd. in 1949, has decided to retire from Government service and join the Company permanently in order to be able to guide its affairs.

Mr. Kenneth Aston, a British Electrical Engineer and former Professor and Head of the Department of Electrical Technology at the Indian Institute of Science, Bangalore, has been appointed Professor of Electrical Engineering at the University of Roorkee, U.P. The services of Mr. Aston have been made available by Britain under the Colombo Plan.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

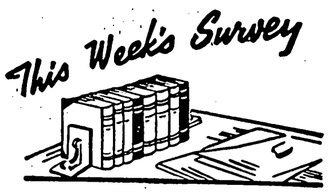
CALCUTTA, *14th July*

The Best Use of Coal

The coal trade of India moves from bad to worse, collieries are being closed down in quick succession; but our legislators remain lethargic. Vast fields of valuable coal are disappearing from the sight and from the ken of man, lost for ever and to be soon forgotten. Yet the Government of India, complacent in the knowledge that it can get all the fuel required for its railways at a ridiculously cheap rate, ignores this grave problem of senseless waste. They do things much better in South Africa. Assisted by Government subsidies and by railway and steamer freight concessions, South Africa is able to compete with Indian coal in India's own markets—a disgraceful state of things! And in the South African House of Assembly quite recently a motion was agreed to that "In the opinion of this House, the Government should take into consideration the advisability of instituting a physical and chemical survey of the coal resources of the Union and of encouraging the production of oil and petrol from oil shale and coal on a commercial scale." In the course of the debate, Sir Thomas Watt, the mover of the motion, said that, although the extraction of gold and diamonds employed more men and capital than coal mining did, and although the State obtained more revenue from them than from coal, it must be admitted that, as a fundamental necessity, coal was of more value to South Africa as a nation than gold or diamonds. In our day, no country was so powerful as those with large deposits of good coal. South Africa was fortunate in possessing seems covering hundreds of square miles in the Transvaal, Natal and the Free State, but they burned up the coal in grates and furnaces, as was done in other countries, and 30 to 40 per cent. of the value of the coal went up the chimney. Very little was done in extracting the by-products, and the result was that they did not make the best use of their coal. The transformation of coal into coke and gas has been going on in South Africa for years, but few people know that pitch for road-making, disinfectants and benzol are also produced in Natal from coal. Five hundred gallons of benzol a month are sold to the defence force, and, when mixed with petrol in the proportions of 70 per cent. petrol and 30 per cent. benzol, it is used daily in flying. In Europe and America, other by-products are extracted from coal in large quantities, such as paraffin, ammonia, methyl alcohol, acetylene, ethyl and other gases, and even medicines.

The *Strathaird's* first voyage after conversion is expected to be from London next April, and the *Strathnavar* will sail in July, 1954.

Mr. Achmad Soenartadirja, industrial expert and Chairman of the Small-scale and Cottage Industry Commission of the Government of Indonesia, has been appointed head of the newly established Cottage and Small-scale Industries Section of the United Nations Economic Commission for Asia and the Far East. Mr. Soenartadirja has been in charge of a major programme of the Government of Indonesia, which is being carried out in co-operation with the United Nations Technical Assistance Administration and the U.S. Technical Co-operation Administration, for the rapid expansion of domestic production in Indonesia of textiles, ceramics, leather goods, and other cottage and small-scale industries products. The Indonesian programme, built around 23 key central production plants, is designed both as a direct method of increasing the standard of living, and as means of reducing imports and hence improving Indonesia's balance of payments position. The Indonesian plan is widely regarded as outstanding. E.C.A.F.E., in requesting the Indonesian Government to second Mr. Soenartadirja, hopes to be able to assist many other countries of Asia and the Far East in this field.



ADMINISTRATION OF INDUSTRIES

INDUSTRIAL administration, in the modern age, consists of two parts, the administration of industry by the management, as such, and the administration of industry by the Government. Much more depends now than in the last, and early years of the present century on the correct policies adopted by Government towards industry. The State should learn to act well, and act promptly, if industrial progress is to be ensured. In this connection, it is noteworthy that Mr. M. Visvesvaraya, President of the All-India Manufacturers' Organisation, returned last week to his favourite theme, namely, the adoption of a more efficient system of administration by the State in relation to industries. Speaking at the first quarterly meeting of the Organisation, he deplored that the present system was "century-old," incapable of giving rapid results without suitable changes or reorganisation. He attributed the failure of the system to the fact that it is "centralised." Elsewhere in this issue, another authority—the Chairman of the Kolar group of gold mines, Mr. M. A. Sreenivasan—has made a pointed reference to the same defect. He says how business men are often compelled to "maintain a representation in New Delhi or arrange pilgrimages to that costly capital, or both."

Mr. Visvesvaraya suggested—rather, he repeated his earlier suggestion—that there should be two committees—a permanent central committee and a committee of travelling commissioners—each consisting of three persons of the highest technological, financial or business qualifications. The latter committee will supervise the working of industries by making on-the-spot studies, solve industrial problems with the help of the expert liaison committee that is permanently stationed at the central capital. The whole idea is to establish closer contact between the seat of the Government and the many industrial units which are dotted all over the country. The scheme is based on the wholesome principle that, as it is a costly, laborious, and irksome adventure for the industrial Muhammads to go to the New Delhi mountain, the mountain itself should come to the Muhammads. Commending his scheme, Mr. Visvesvaraya said: "This arrangement will render supervision effective, will help to maintain a drive, reduce correspondence and formalities and ensure prompt attention to ailing industries."

Mr. Visvesvaraya's scheme has much to commend it. But the scheme depends for its success on the correct choice of personnel. In the absence of such a choice, the system might end up in yet another coil—or two—of red-tape which might well create new problems without solving any of the existing ones.

INCENTIVES TO PRIVATE ENTERPRISE

If India is to forge ahead in the economic field on the lines indicated in the Five-year Plan, it is imperative that the Governments—Central and State—should take such steps as will dispel the fear complex in the investing sector. This, in brief, was the substance of the address of Mr. Sohan Lal, President of the Indian Chamber of Commerce, Punjab (I), at the fortieth annual general meeting of the Chamber held in Simla on Monday last. Evidently, Mr. Sohan Lal has been provoked by the series of hasty legislations that the authorities have passed in their anxiety partly to better the lot of labour and partly to gather as much revenue as possible. "There is," to quote him, "a tendency or a feeling of fear complex or a kind of untouchability regarding private enterprise... that is why there is not much private finance forthcoming to develop trade, commerce and industry." He, therefore, rightly emphasised that, in order to stimulate investments, the Government should create conditions under which the people's confidence could be won.

The major problem standing in the way of a higher *tempo* of industrial development is capital shortage. Alluding to this, Mr. Sohan Lal pointed to the need for supplementing indigenous capital with foreign capital. He wanted the Government to give to the foreign investor an assurance of fair and reasonable treatment. He, however, warned against inviting foreign capital at any price. In the opinion of Mr. Sohan Lal, the several pronouncements made by the Government on the subject had not led to any clear understanding of the terms and conditions under which the country was willing to allow investment of foreign capital. He urged the Government to define its policy clearly.

Mr. Sohan Lal also chose for special comments the question of sales tax. He regretted that no agreement had so far been reached between the Centre and the States for enforcing some sort of uniformity in regard to the levy, collection and administration of sales tax. Any effort that the Punjab Government could make to solve the problem, he observed, would be of great help not only to the people of that State but also to the rest of the country.

Commending the efforts of the Punjab Government to set up an industrial finance corporation, he offered two valuable suggestions. First, the Corporation should render assistance to sectors where normal banking accommodation was not available. Secondly, it should function as an investing trust.

DEFICIT IN U.S. FINANCES

The deficit in the U.S. finances for the fiscal year ended 30th June, 1953, it is now computed, is of the order of $9,389 million. This is larger than any deficit since 1946 when it was $20,676 million. The large deficit is mainly attributed to the increase in "spending" which was higher during the last fiscal year by $8,462 million at $74,607 million and to decline of $3,089 million in tax receipts which aggregated $65,218 million. Public debt rose by $6,966 million over the year to $2,66,071 million. Specialists in American finance attribute a large part of the decline in tax receipts to the direct and indirect influence of the steel strike. So much for what labour unrest may mean to a nation's budget.

Against this background, it is scarcely surprising that the American administration is anxious to limit its expenditure and foreign aid payments. For the fiscal year 1953-54, it is proposed to allot only $4,998 million for Mutual Security Programme as against $5,550 million last year, and only $5,318 million for foreign aid or about $2,000 million less than what President Truman had proposed. Asia, however, gets a larger proportion of foreign aid funds than what it received in the last fiscal year. Thus, the Bill, passed by the U.S. Senate last week, allocates 34 per cent. of the foreign aid funds to Asia and 50 per cent. to Europe. Last year, 73 per cent. went to Europe and only 13 per cent. to Asia. It is also noteworthy that the Senate has approved an amendment to fix 30th June, 1957, as the date on which the U.S. would end its military assistance spending overseas in the foreign aid programme and 30th June, 1956, as the "cessation" date for economic aid. Authorisations (in millions of dollars) in the Senate Bill are:

Military aid for Asia and the Pacific, 1,081; Europe, 2,179; Near East and Africa, 405; Latin America, 15.

Aircraft production in U.K., 100; weapons production in France, 100; aid to France for Indo-China war, 400; Korean rehabilitation, 71; special weapons progamme to modernise military equipment in non-Communist countries, 0.1; movement of European refugees, 10; ocean freight charges on relief packages, 2.

Economic and technical assistance to Asia, 250 inclusive of 94 for aid to India and Pakistan; economic aid to Europe, 300; economic and technical aid for the Near East and Africa, 238; Latin America, 24.

For a programme to develop essential raw materials in the free world, 15; technical assistance programmes sponsored by the U.N. and other bodies, 14. U.N. Children's Welfare Fund, 13.

The U.S. Secretary of the Treasury, Mr. Humphrey, forecast the total deficit in the coming six months at $8,800 million, and said that this might rise as high as $12,000 million if the holders of maturing debt obligations of the American Government were to demand more cash than anticipated. The deficit financing operations of the new year have commenced with the Treasury's offer of about $5,500 million Tax Anticipation Certificates (maturity date: 22nd March, 1954) which carry an annual interest rate of 2½ per cent. The new obligations are called Tax Anticipation Certificates to call attention to the fact that they can be used by corporations and others for payments of taxes to the Government. The banks are expected to underwrite the offering of certificates by purchasing them and reselling them to corporations. The way for the success of this offer has been paved by the recent relaxation of the reserve requirements of the members of the Federal Reserve System. Asked whether these changes indicated any violation of the Treasury's "hard money policy," the Deputy to the Secretary of the U.S. Treasury, Mr. Randolph Burgess, is reported to have said: "The Treasury does not have any hard money policy."

TAXATION AND ECONOMIC DEVELOPMENT

Since taxation is one of the most effective means of mobilising domestic capital, the economic aspects of taxation and their bearing on general economic organisation deserve careful study. The study is certainly of great importance to the underdeveloped countries in Asia and the Far East where vigorous efforts have still to be made in order to raise the living standards of the people. It is, therefore, quite appropriate that the Economic Commission for Asia and the Far East should have convened a Working Party of Experts to consider the questions concerning taxation in relation to economic development. The Working Party is scheduled to meet at Bangkok from 7th to 12th September next.

In view of the complexity of the problems involved, the whole question of taxation will be discussed by the Working Party under the following three heads:

(1) Taxation and related measures as instruments of development policies;

(2) variability in tax yields in relation to economic development; and

(3) taxation in relation to individual development projects.

The discussions on the uses of taxation and related measures as instruments of development policies are expected to cover three important fields, namely, public and private investments, trade and income distribution. The discussions will then centre round other means, such as physical and financial controls, which can be used in conjunction with, or as alternatives to, taxation, in furthering Government policies. The next item on the agenda is the review of the revenue aspects of taxation, particularly the tax structure as determined by the economic organisations of the countries of the region. The implications of existing tax structures for stability of revenue, as also those of development expenditure, together with the means available, as, for example, borrowing and employment of special funds, to offset variations in tax revenue, will also be examined.

The Working Party will next take up for consideration relations between tax systems and individual development projects, large and small, due recognition being paid to the use of taxation and other means to spread the benefits accruing from such schemes as between the Government (at various levels) and other beneficiaries. The discussions will cover alternatives to taxation proper and the forms of administrative organisation and taxation most suited to local development. Subsidies and other incentives to development at village level, possibly by self-help techniques, are also to be discussed.

It will be seen from the aforesaid items on the agenda that the Working Party will cover a fairly wide ground in the field of taxation. The deliberations of the Party and the recommendations that it will make will surely be awaited with considerable interest in all the countries, particularly in India. These recommendations, there is no doubt, will be helpful to the Taxation Enquiry Commission, which is now engaged in the task of laying down a pattern of taxation best suited to India, provided they are submitted in good time.

STERLING AREA RESERVES RISE FURTHER

Once again, the gold and dollar reserves of the sterling area have risen. According to returns for June, 1953, the amount of increase is of the order of $46 million, as compared with $48 million in May and $107 million in April. This surplus of $46 million includes $28 million received from the U.S. on account of defence aid, the total aid received in the first six months of the year being $167 million. The balance of $18 million was made up of $10 million received from the European Payments Union and $8 million on account of other gold and dollar movements.

The figures for June, however, conceal certain factors the absence of which would have resulted in a larger improvement. During the month, there was a payment of $22 million to the U.S. on account of acquisition by Morgan Grenfell of a large U.S. holding in the Associated Electric Industries. The General Electric Company of New York sold to Morgan Grenfell 2,205,899 units of £1 each at approximately 72s. 2½d. a unit. The deal was put through in May but payment fell due in June. But for this deal ($22 million), the gold and dollar reserves would have risen by $68 million.

Again, the surplus with the E.P.U. which has been shown at $10 million would have been $19 million, had there been no payment of interest to the tune of $9 million to the E.P.U. The interest was on the outstanding book debt which Britain still owes to the E.P.U. and was due for payment at the end of the half-year. The book debt is still of the order of $190 million. Another reason for the decline in the surplus with the E.P.U. was the advantage taken by the E.P.U. countries of the relaxation of import controls and increase in tourist allowances. The resulting contraction in the E.P.U. surplus has prompted the British Treasury to call on exporters to take full advantage of the improved opportunities afforded by the European market.

With the surplus of $46 million earned in June, 1953, the total sterling area reserves of gold and dollars stand at $2,367 million, an improvement of $521 million in the half-year. The reserves now stand at their best level since the beginning of 1952, and are almost $700 million above the low point touched in August, 1952, at $1,672 million. But they are still far below the mid-1951 peak of $2,867 million. It is expected that the surpluses cannot continue at the rate achieved in the first half-year. But there are also no reasons for expecting an unfavourable outcome in the second half-year, unless some unforeseen developments take place.

HOUSING INDUSTRIAL LABOUR IN BOMBAY

At last wiser counsels seem to have prevailed upon those in authority in the Bombay Government in regard to their industrial housing policy. For the Government has now relaxed the condition governing the provision of housing for workers while granting building permits to industrial undertakings either for extensions or for the establishment of new ones in the island of Bombay. Hitherto such permits were being granted only to those concerns which agreed to provide accommodation for housing 60 per cent. of the labour to be employed in the proposed extension or new undertaking, provided the total labour employed exceeded nine persons. Under the revised formula, the percentage of labour for which housing should be provided has been brought down from 60 to 40 and the exemption limit has been raised from nine to 20 persons employed. The revision is in accordance with the recommendations made by the State Advisory Council of Industries at its meeting held in the last week of April. The Council (*vide Commerce* dated 9th May, 1953) represented to the Government of Bombay that the original condition involved severe hardship for industries and, therefore, discouraged industrial enterprise. Further, it raised the cost of production and placed the industries concerned at a disadvantage *vis-a-vis* its confreres in other States in the country and elsewhere. As there was surplus labour in the city itself, establishment of new factories would not put additional strain on housing, the Council said.

The foregoing arguments in favour of relaxation of the housing provision have nothing new in them. For ever since the Government imposed the condition some years ago, the illogicality and the impracticability of the provision have been impressed upon the Government from time to time by business organisations in the city. Being hard-headed and impervious to any reason, the authorities stood adamant all these years—although in one case, namely, that of the National Machinery Manufacturers Ltd., they were compelled by force of circumstances to reduce the percentage referred to above from 60 to 25. This had made the business community to hope that the concession shown to this undertaking would be finally extended to all similar cases. It is, therefore, sure to be disappointed even with the latest decision of the Government in that the percentage has been lowered to 40 only. Industrial undertakings will find it difficult to comply with even this percentage, as it will be difficult to raise funds for investments of this type which yield little or no return at a time when dear money conditions prevail. In view of the urgency for encouraging industrial enterprise as a means to relieve unemployment, the Government will do well to reconsider its present decision. The best thing for the Government to do will be to leave the question of housing to the good sense of employers, or provide liberal financial assistance to them for building houses for workers.

OFF THE RECORD

(By "ROVER")

THE international political situation is to-day at a critical stage. It is as if the whole world is on its toes trying to get a glimpse into what to-morrow holds for it in the mystery of its fruitful womb. While the situation might be said to have been critical at all times during the last eight years since the war came to an end, it has acquired a new quality of instability, in comparison with which quicksilver can be classed as a stable and static element. The internal economic situation in the country is equally critical and baffling. It is developing along unforeseen and paradoxical lines. All the pieces in the puzzle do not go to make an intelligible or familiar pattern. It is more like an ultra-impressionist painting, with its ungainly daubs and splashes, supposed to represent masses of forms and colour in a frenzied whirl of movement, than a work of art conforming to the tenets of an accepted and orthodox school. To most laymen, such a painting represents only the chaos and confusion in the mind of the artist.

A public bewildered by the wholly incongruous phases of the economic situation and a still more bewildered business community naturally looked to the Finance Minister of the Union for enlightenment and comfort. But Mr. Deshmukh in his attitude and utterances is becoming even more of an enigma than the economic situation itself, for which he is at least partly responsible. He appears to view it from his exalted position with a detachment worthy of a religious recluse but rather disconcerting in an active politician occupying one of the key positions in the Government of the country. With a Finance Minister inclined to view all untoward developments as normal and likely to adjust themselves automatically and obligingly in their own good time, it was not surprising that the people in general, and business men in particular, should have looked forward to the meeting of the A.I.C.C. at Agra this week for solace and enlightenment. How far the deliberations and the resolutions of this somewhat unwieldy body, wedded to certain ideological prepossessions which for Congressmen carry the same sanction as what is written in the scriptures do for unquestioning anchorites, provided either a lead or a comfort for these people, is a matter for economic and political experts to judge and for the future to prove. All I propose to do here is to record a few stray and disjointed thoughts which emerged on the surface of my mind as I scanned reverentially through the proceedings of this body as reported at great length in the daily Press.

I learnt with a sense of amusement to begin with, that this historic meeting (all meetings of the A.I.C.C. are regarded as historic by those taking part in it) was being held unappropriately enough in the warehouse of an idle ginning and spinning mill. I cannot understand how those responsible for making arrangements for this meeting at Agra should have so far forgotten themselves and their cherished convictions as to select this site for it. It is almost as absurd as borrowing an illicit brewery at Andheri in Bombay for holding a convention of ardent prohibitionists. The very atmosphere of the unhallowed precincts of a textile mill must have worked like an evil spell on the souls of the *khaddar*-loving members of this body devotedly trying to produce their daily quota of handspun yarn.

Perhaps, the rowdyism which marked the inaugural session of the A.I.C.C. last Monday must be attributed to the evil effects of the unsanctified building rather than any lack of discipline on the part of Congressmen and their friends and admirers. I am inclined to believe that the mischief stopped short of physical violence, because this mill, had so far not gone into active production; the resulting demoralisation of those using the unholy premises, even temporarily, would have been much greater if the factory had actually been in commission. In any case, poor Mr. Achal Singh, Chairman of the Reception Committee, paid dearly for his indiscretion of selecting such an evil site for such a pious gathering. He was not allowed to complete the reading of his address, over the preparation of which he had devoted long hours and undertaken great research. It is the privilege of a host to bore his guests and it was singularly unkind on the part of the Congress President to cut short this peroration on the beauties of Agra. Were this impatience not a regular feature of Mr. Nehru's temperament, I might have been inclined to attribute even this lapse on his part, who is otherwise so courteous and considerate, to the evil influence of this place.

Mr. Nehru's own opening address, which lasted for an hour, was itself a rambling affair. Because of the wide range of subjects covered by it, it must have been as interesting to listen to as it was when read in cold print. But it certainly failed to throw fresh light on any of these subjects or to add anything to what we already knew about international affairs. But this is easily understandable. He naturally could not take us, and with us the whole world, into his confidence about all the secret conversations he had in London and Cario with the Commonwealth Prime Ministers and General Neguib. He would not retain his post for a day if he straightaway told us on his retrun what he told Sir Winston Churchill or what this ailing statesman confided to him about his struggles with the U.S.A. and Egypt. It would have been madness on his part to disclose from the open platform in Agra every word that passed between him and Sir Dudley Senanayake or Mr. Mohamed Ali. So I do not feel in the least disappointed with the way he enlarged on foreign affairs for a good half hour or more without disclosing anything worthwhile.

But I do feel disappointed with his desultory handling of the domestic issues in general. He, perhaps, realised this inadequacy and was in a sense apologetic too about it. He said it was obvious that, whether India wished it or not, she was being tied up more and more with international problems. He confessed that it was not his wish to be tied up in this manner with them, as there were problems enough within the country. He, however, pleaded that this could not be helped, because India's status and prestige demanded it. This helplessness, however, is mostly of his own seeking. He must realise that henceforth international affairs will always have an air of urgency about them and that, at this rate, he would never be in a position to give his whole mind for any stretch of time to the numerous problems which affect the life of the people in the country very intimately. Even when he puts foreign affairs aside for a while and devotes his mind exclusively to home affairs, his thoughts have a trick of turning from more real problems to our relations with Kashmir or to his obsession about putting down communalism, of which there is really precious little to be seen in the country now.

While flogging the dead horse of communal outlook, which the Congress President characterised as representing the narrowest form of religious bigotry in politics, he made a very significant statement. In a very picturesque manner, Mr. Nehru declaimed, "we must learn from our experience and realise that life is an integrated whole. You cannot keep one foot in one century and another foot in another century and your head in a third century." I agree that this is very well put, but I suggest that it applies with even greater force to the economic outlook of the Congress Party and of the Governments controlled by it than to the political outlook of some sections of the Opposition.

Mr. Nehru is not an economist. Perhaps, it is all to the good that he is not. Because he has not given much time to this dismal science, he has continued to remain so human. But he ought to know that his advisers in the Party on matters economic are leading him on to a policy which forces his Government to live with one leg in an era of handlooms and oil *ghanies*, the other leg in an era of weaving mills and oil expellers and its head in a mass of clouds of scientific and even atomic research. The illogicality of this policy is so patent and its disintegrating effect so obvious that I am surprised at Mr. Nehru's failure to locate it, when he is so ready to spot it and snuff it out in the social and political life of the country. He was ready to denounce Mr. Biswanath Das from Orissa for his alleged political apostasy in criticising the Government's policy regarding the Hindu Code Bill. He called him a reactionary who wanted this country to remain behind and stick to something which was long past and which had no relevance to-day. But he has not a word to say against Mr. Rajagopalachari who is more reactionary where industrial progress is concerned than Mr. Das was about social progress in his criticism from the A.I.C.C. platform of the Working Committee's resolution on the social and economic programme.—*All Rights Reserved.*

GOVERNMENT TO PAY MORE ATTENTION TO ECONOMIC PROBLEMS

TRADE AGREEMENT WITH SWEDEN RENEWED

(From A Special Correspondent)

NEW DELHI, *7th July*

DELHI LETTER

DURING the coming weeks, the Government of India is likely to give more attention to the solution of the economic problems that have begun to confront the planners during the last few months. The high cost of living, the sharp rise in the prices of many essential consumer goods, the growing unemployment among the educated classes, the lack of purchasing power among a number of sectors of people, the slow industrial expansion, the complete absence of capital formation and the receding entrepreneurship among the industrial classes—all these are doubtless serious problems for Government to tackle. The spokesmen of Government are, at any rate, not unaware of these as is indicated by the lengthy resolution passed at the Agra session of the All-India Congress Committee.

The resolution notes that the recent upward trend in industrial, as well as agricultural production, in the country is not such as to stem the growing unemployment. The higher public expenditure in regard to various industrial projects does not prove adequate in preventing unemployment either. The resolution says that "the major cause of unemployment is the insufficient expansion of opportunities of work in relation to the increasing population of the country." It further adds that "in view of the underdeveloped condition of the country, the deficiency can be made up only by a vigorous, adequate and many-sided programme of economic development." It is suggested that the Five-year Plan should be modified in such a manner as to augment the volume of employment, especially by absorbing the more vociferous classes of educated unemployed in the towns. The sponsors of the resolution have doubtless laid considerable emphasis on the expansion of cottage and small-scale industries on a co-operative basis through active Government help in regard to production, distribution and also to the provision of technical, financial and other assistance. In order to bring down the intensity of unemployment among the educated classes, it is suggested that the State should "undertake programmes of work including public works of different kinds" with a view to increasing the purchasing power among this section of the community. The resolution further observes: "Every effort should be made to add to the volume of investment for development purposes. With this end in view, small savings schemes as well as other methods of saving should be progressively introduced. A system of State insurance should be extended to rural areas and credit facilities on an adequate scale, more especially through co-operatives, should be provided."

Economic Tempo to be Increased

It is, therefore, possible that the Government of India will shortly be taking up some measures to increase the tempo of economic activity in the country, with a view to providing more employment. Wherever any public works can absorb more men so that such projects could be completed before the target date, Government might increase the allocation of resources to them. It may be noted that, according to the Five-year Plan, the total expenditure for the first three years should be slightly over Rs. 1,000 crores, as against Rs. 2,069 crores for the whole period and, in order to attain the various targets, a more vigorous public works policy will become necessary. Perhaps, this may necessitate a reallocation of the resources to various States. At the same time, Government might take away unexpended expenditure under some social items and utilise them on the furtherance of industrial projects. Wherever necessary, some special inducements will be provided to private enterprise to enable it to invest 'risk' capital in key industries.

The first fruit of the nationalisation of the air corporations will be the curtailment of the number of operating units to the absolute minimum so that, according to Government, the civil air transport should be able to work efficiently without being a burden on the national exchequer. In the course of his speech at the preliminary meeting held this week, the Communications Minister pointed out that Government desired that the air corporations should work economically, so that they could contribute to the development of aviation in India. He assured those present that the Government would not interfere in their day-to-day work and that its interference, if any, would be the "minimum necessary" to ensure safe, efficient and economic service to the public and fair deal to employees. He also told them that the Government would always pay prompt and careful attention to the recommendations and suggestions made by the Corporations from time to time. The two Corporations are expected to be inaugurated on 1st August next.

Trade Policy

Bilateral trade agreements, with a view to promoting the country's external trade, still continue to be the cardinal policy of the Government of India. Generally, the Government has been trying to maintain most cordial relations, political and economic, with its neighbouring countries. With many distant European countries with whom its political links have been of recent growth, trade expansion is being encouraged through bilateral agreements. Thus, India has trade agreements with West Germany, Switzerland, Poland, Hungary, Finland, Sweden, Yugoslavia, etc. During this week, it has renewed, for another two years, the trade agreement with Sweden which expired in December last. The agreement provides for imports from Sweden of such commodities as newsprint, paper and its products, machinery, etc., while India has agreed to supply spices, tea, jute goods, minerals, etc. During the last few years, India has been experiencing adverse trade balances with Sweden, its exports to the latter in 1951-52 and 1952-53 being Rs. 2.41 crores and Rs. 1.81 crores, as against imports valued at Rs. 7.47 crores and Rs. 5.66 crores, respectively. Since the balance of trade has been running against India, special efforts are being made to step up exports to many of the above mentioned countries.

With its neighbours, Burma on the east and Egypt on the west, India has entered into fresh trade agreements. In the Far East, it has already close economic relationship with the Commonwealth countries such as Australia and New Zealand, while with Japan and Indonesia the volume of trade has been steadily increasing in recent years. With the latter, an agreement was recently concluded. As regards last week's trade negotiations with Burma, it is stated that India will supply more iron and steel goods, as also a number of consumer goods. In view of the prohibitive price quoted for rice by Burma, India was reluctant to make firm commitments, especially when its price idea ranged around £40 per ton, as against £60 per ton quoted by Burma. During the first half of this year, India is stated to have bought about 150,000 tons. In view of the relatively comfortable supply position of many consumer goods in the country at the present time, it may not be difficult for India to export more piecegoods, jute manufactures, tea, spices, soaps, fish, tobacco, etc., to Burma.

More Exports to Egypt Likely

The Indo-Egyptian Trade Agreement, which is expected to be signed this week, will be conducive to the promotion of India's exports to that country in view of the improved procedure regarding settlement of accounts. Under the new procedure, 60 per cent. payment will be in sterling and 40 per cent. in rupees to enable Egypt to buy Indian goods in rupees. At the end of the year, however, the balance of unutilised rupees, if any, will be converted into sterling. It is stated that Egypt will put 10 per cent. of the sterling payment received from India in a special account, to be converted into rupees if it utilises the entire rupee payment for purchases in India and needs more rupees. Until now, Egypt has been purchasing from India only a limited number of articles such as jute goods, tea, vegetable oils, etc. In 1952-53, Egypt increased its purchases of Indian tea appreciably from 3.6 million lbs. (1951-52) to 13.2 million lbs. It is expected that in view of the latest payments agreement, Egypt may be in a position to buy more Indian goods such as soaps, toilet requisites, semi-durable consumer goods such as diesel engines, sewing machines, electric motors, etc.

END OF ECONOMIC PLANNING

TRIUMPH FOR PRIVATE ENTERPRISE

(From Our Own Correspondent)

LONDON, *4th July*

LONDON LETTER

ECONOMIC planning is not wholly a post-war Socialist idea: during the war, as the Government assumed responsibility over a wider and wider sector of the national economy, the need for some broader direction of economic affairs than that dictated solely by finance was indicated. Indeed, finance itself became of minor importance in deciding what could and should be done: Lease-Lend removed balance of payments problems and, internally, if a job had to be done, then the money had to be found somehow. The Treasury, Lord of the Civil Service hierarchy, took a back seat and the Executive Departments had things all their own way. To help the Cabinet in considering economic problems, there was established an Economic Section of the Cabinet Office, with the Lord President in command—and he carried far more weight than the bookkeeping Chancellor of the Exchequer.

When the Labour Party came to power in 1945, they found the paraphernalia of planning already in existence and their elaborations were to appoint a Minister of Economic Affairs (who took over the Lord President's planning responsibilities) and a Planning Board to bring industry and commerce into formal association with the Government's economic planning. An industrialist was appointed head of the Board —though it was alleged that he was never very keen on planning!

Treasury's Job

There is a story that when Sir Winston Churchill came to power and was presented with a list of the committees advising the Government, he asked what some of them did and on being told they were concerned with planning, exclaimed "Planning! What's that?". The turn of the Treasury had come again, but, till now, the main instruments of economic planning retained their nominal independence in the Government machine. This independence was, indeed, nominal, since the Government has been turning the economy more and more back to private direction. If Government is not to be responsible for the direction of investment (except to exhort) and is to rely purely on financial controls such as credit restriction and the level of the Bank rate for encouraging or discouraging the general volume of investment spending, there is little that economic planners can do. It is the Chancellor of the Exchequer who determines the measures to be taken to enforce the economic policy of the Government—measures gradually becoming restricted to the Budget for internal matters and to control over imports for balance of payments matters. For long little has been heard of the Planning Board and its industrial head is now to give way to the Deputy Secretary of the Treasury. The Economic Section of the Cabinet Office folds back into the Treasury and its head becomes—inside the Treasury—Economic Adviser to the Government. But these are formal changes recognising what has been true for some time—that the Treasury is responsible for such economic planning or direction (a better word) as there is.

Economic planning, as distinct form financial planning, is, therefore, formally at an end. Under a Government committed to private enterprise in national economic affairs and busy denationalising what its predecessor nationalised, this is a logical development. The supremacy of economic planning can only exist when the Government of the day regards it as its responsibility to determine broadly the flow of investment, to build up industries it considers of national importance and to discourage those it regards as diversionary of national wealth and effort, to determine how the major expenditure of foreign exchange resources shall be allocated and so on. In these circumstances, the Treasury's job becomes that of finding the money and of administering (not making) policy. For good or ill, the Government to-day is the watch-dog of economic well-being not the determiner of it and the Treasury, holding the purse strings, decides what the Government can and cannot afford to do.—*All Rights Reserved.*

AMERICAN LETTER

SEASONAL RECESSION QUITE LIKELY

SHARP FALL IN TAX REVENUE

(From Our Own Correspondent)

NEW YORK, *2nd July*

THE precarious balance in the American economy continues. It is true that activity remains at extraordinary levels but the question remains how long this will continue. The gross national product is $361,000 million, a new high annual rate. The largest component part, personal consumption expenditures, are about $226,000 million, also a new high. Personal incomes are touching an annual rate of $281,300 million and personal savings are at $19,500 million. Government purchases have attained a new high since the last war of $82,400 million and private investment, including construction, durable equipment, etc., is at about $57,700 million, an annual rate never exceeded. None of these figures can be looked upon as economic danger signals of any sort. It is, however, quite possible that there will be some marginal decline in building in certain areas because of some over-building beyond normal demand. There is also the consideration that, traditionally, a building boom has always been the final cycle of a boom period, but the question is whether this will also be true under present conditions.

To many observers, including the fiscal authorities, another disturbing element exists in the overall economic picture—personal indebtedness continues to rise. Consumer credit touched a new peak at $25,700 million. There is an interesting debate whether this is absolutely or relatively too high. The point is that it is rising to business volume at the present time. In fact, it could continue to rise until there is a downturn in employment, wage rates and personal income, but of this there is no sign yet. Employment is at a practical maximum. The presently debated proposal that down payments on low cost Government-insured houses should be reduced would almost automatically increase personal indebtedness still further. There may be a slight overall downturn for July and August, but this is to be expected, owing to seasonal industrial vacation shutdowns. All told, however, the first half of the year has been a period of extraordinary business, income and employment.

The Government has not been doing so well, financially. The deficit of $3,389 million for the fiscal year ended 30th June, 1953, was not only the largest for any so-called peace-time period, but it is $3,300 million above estimates of the preceding Administration. While expenditures were "right on the nose," receipts have been lagging. Personal income-taxes for the year 1952, payable this year, were off substantially, some $800 million of refunds had to be made and corporation taxes were off more than $2,000 million, owing chiefly, it seems, to the prolonged steel strike last year. Thus, it is interesting to note that the strike, which was hailed by many as having postponed the evil day of overproduction, has done a very substantial harm not only to the workers, who, even at higher wages, will have to work long to make up the strike losses, but also the companies in terms of lower earnings and to the Government itself in terms of tax revenue.

It is now estimated that Government's cash requirements for the next six months will be between $10,000 and $12,000 million. This probably means that the debt limit will have to be raised. It now stands at $275,000 million and outstanding debt is about $265,000 million. This will be an extremely unpopular measure with the people and with Congress, particularly since the request will come from an economy-bent Republican Administration which has been demanding that appropriations be slashed right and left.

All this comes at a time, too, when the last remnants of the Eisenhower political honeymoon have disappeared. The General is still held in high regard by the masses of the people, but there is growing dissatisfaction. This stems primarily from the lack of decisions by the various branches of the Administration. At this point, it is felt, real decisions are necessary, but none are being made pending staff studies. One of the chief outright mistakes which have been made, in popular opinion, is the political bungling of the Korean affair, where the release of 26,000 prisoners which could have been prevented, has set back armistice chances appreciably, besides having made the United States a laughing stock.

Domestically, very little, if anything, has been accomplished so far. The Defence Department under Mr. Charles Wilson is especially the target of criticism. The demand for reduction of expenditure, for example, is cutting deeply into research. This includes such intricate fields as jet engines and scientists feel it could do irreparable harm to both military and civil aviation in the U.S. Then, there is Mr. Eisenhower's well meant desire for unity within the Republican Party which keeps him from taking a firm stand towards such men as Senator McCarthy. The witch-hunt for Communists and subversives, therefore, continues. The well-publicised book-burning episodes are one facet. Another is that threatened investigations and accusations have led to a near-demoralisation in many Government departments. One incident along those lines is quite revealing. A well-known research and industrial organisation suggested that several European scientists be permitted to enter the U.S. The proposal was seconded by the Office of Naval Research and by the State Department, yet visas were refused to these men without explanation either to them, to the company or other Government agencies merely because of fear that some accu-

(Continued on page 79)

FINISH WITH FALSE ECONOMY...

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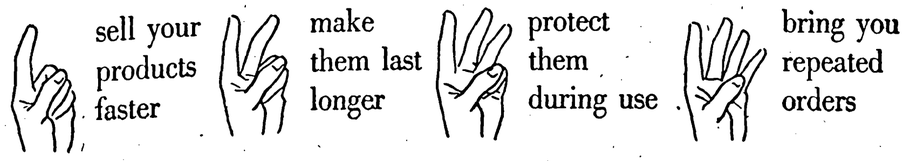

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PROGRESS OF BANKING IN 1952

SMOOTH CHANGEOVER TO DEAR MONEY CONDITIONS

MANY features of note in the sphere of banking in India during 1952 are impressively described in the annual report on the *Trend and Progress of Banking in India*, published this week by the Reserve Bank of India under section 36(2) of the Banking Companies Act, 1949. The most important among these is the readjustment of the banking system in the new monetary policy initiated by the Bank towards the close of 1951, as also in the beginning of 1952. It will be recalled that, with a view to curbing the excessive credit expansion and to exerting an anti-inflationary pressure, the Reserve Bank of India not only increased the Bank rate, in November, 1951 from 3 per cent. to 3½ per cent. but also withdrew its unrestricted support to the Gilt-edged market. These measures heralded the changeover from cheap money to dear money conditions.

At the beginning of the 1951-52 season, bank credit was over-extended, and advances by banks remained at an abnormally high level. Thus, the net expansion of bank credit, in 1951, as disclosed by the weekly statement of the Scheduled banks, was as much as Rs. 109 crores. In 1952, however, things took a different turn, and there was a net contraction of Rs. 69 crores. This was on account of the restricted open market policy of the Reserve Bank.

The twin measures which the Reserve Bank took in November 1951 led to a sharp fall in the value of Government securities and anyone wanting to sell them stood to suffer a heavy capital depreciation. Banks which needed funds were, therefore, unable to liquidate their investments in the open market. They had to approach the Reserve Bank for funds. Thus, the new monetary policy brought the banking system under the effective control of the Reserve Bank. The required accommodation was provided by the Reserve Bank at the higher rate of interest, though advances against securities. This led to closer scrutiny of loan applications by banks and to raising of lending rates, with the result that non-essential borrowing was discouraged. Meanwhile, care was taken to see to it that genuine business was not starved of legitimate credit needs by providing accommodation to banks at ½ per cent. less than the Bank rate under the new bill market scheme which was given effect to in January, 1952. Commenting on this development, the Report says: "The provision of finance through the medium of a self-liquidating instrument of credit which, while ensuring that *bona fide* trade transactions would not suffer from lack of adequate finance, did not strain unduly the resources of the Banking system and which ensured automatic flexibility of Reserve Bank credit, proved to be most useful in the 1951-52 season."

Special Finance Scheme

Apart from providing banks with finance through advances against Government securities and the new bill scheme, the Reserve Bank, in consultation with the Government of India, devised specific measure to enable banks to extend the requisite credit facilities in a few cases where it was found that genuine difficulties existed which the banking system could not meet fully on its own account. The first of such a scheme was designed to help in the financing of imported cotton, announced in April, 1952. As a result of the heavy indenting of high-priced foreign cotton, particularly from the U.S.A., and the sudden slump in cotton markets all over the world, difficulties were experienced in the financing of such cotton imports. The Reserve Bank followed up a Government announcement guaranteeing to buy, if necessary, cotton held by banks, at specified prices with an assurance that it would grant reasonable facilities for the financing by banks of the purchase of Indian and imported cotton.

Later in the year, the sugar mills experienced considerable difficulties in securing bank accommodation owing to heavy accumulations of stocks with them. In order to provide relief to sugar mills, the Reserve Bank advised some of the bigger banks in U.P. and Bihar to consider the question of reducing margins for advances against stocks of sugar produced in the earlier crushing season, that is 1951-52, as the Government had directed that such stocks would have to be disposed of before production of the 1952-53 season was released on the market.

One more instance of provision of special finance was in respect of the tea industry. Towards the end of 1952, a number of tea estates had to suspend operations for want of adequate credit facilities. There was besides a slump in the tea trade. The Reserve Bank devised steps to ensure an adequate supply of funds and, accordingly, a formula was evolved. The Government of India guaranteed repayment to Scheduled banks and to apex-Co-operative banks of a certain portion of the advances made to such tea gardens in respect of the 1953-54 crop. The guarantee was, however, limited in amount to 20 per cent. of the total amount that may have been repaid by the borrowing garden to the Scheduled bank or the apex-Co-operative bank in discharge of the loans or advances availed of by it for financing the 1952-53 crop, if the borrowing tea garden was situated in the Cachar, Tripura, Dooars and Terai areas and to 15 per cent. of such amount of the repayment, if the borrowing garden was situated elsewhere.

Painless Change

The measures noted above, namely, (a) increase in the Bank rate, (b) withdrawal of unrestricted support to Gilt-edged securities, (c) the self-liquidating bank credit in the shape of the usance bill, and (d) special scheme of finance for assisting parties in distress were intended to bring about a smooth and orderly process of transition from the easy to dear money conditions. In fact, the Report of the Reserve Bank observes: "Looking back over the year 1952, the readjustment of the banking system to the new monetary and credit policies has been effected without adverse results." Critics of the Reserve Bank's monetary policy will thus concede that the changeover has been a painless one. It is, of course, true that the banks, along with other financial institutions such as insurance companies, had to earmark heavy sums to cover their losses on account of the sharp decline in the market values of their investments in Government securities. But the losses were a matter of book adjustment and as such had no adverse results on their financial position. It may be contended that the same cannot be said of the innumerable non-institutional investors who had kept their savings invested in Gilt-edged securities, as a source of protection against certain future contingencies, for these investors, the effects of the new policy in reducing the market value of their holdings are certainly a painful one. This, however, is true only of those investors who had to sell their holdings in Government securities before the date of maturity. In any case, it is not contended that the change in the monetary policy has not cost anything to anyone. Some did suffer a loss and some were adversely hit. But this was unavoidable.

It is conceded on all hands that the impact of the new policy was anti-inflationary, but only to a limited extent. This is fully borne out by the variations in price index. The Economic Adviser's General Index (Base: 1939=100) moved down from 432.2 at the end of December, 1951 to 374.4 in the same month of 1952. This represents a fall of about 13 per cent. over the year, as against a rise of 4.7 per cent. in 1951. This fall is, however, not solely due to the monetary policy, because, the reduction in prices of commodities which had started in world markets in the latter half of 1951 would also have brought down the prices, of course, to a lesser extent, even if the Bank had not changed its policy. That the effect of such policy has not been a sustained one is evident from the fact that, recently, the index has once again resumed its upward trend and it stood as on 13th June at 406.1, a rise of nearly 9 per cent. since December last. Further, there has again been a revival of speculative activity in certain commodities, as for instance, sugar. Stricter supervision over bank advances and the tightening of credit control are likely to check these undesirable tendencies which portend the revival of inflationary conditions in the country.

The provision for special financing in cases of distress fully indicates that the authorities of the Reserve Bank are alive to the changes in the economic conditions in the country and are not lacking in desire or anxiety to rush assistance where it is needed. This is creditable indeed. But how far the special schemes were made use of by the business community is a question which is not answered in the Report. As the financial assistance given by banks to cotton, sugar and tea under the special schemes are not shown separately, it is difficult to appraise the extent to which these schemes were useful. Precise information on this point would have enabled the public to know as to what extent the complaints about lack of credit by the interests concerned were correct.

Now to come to the other features of the Report. It is disclosed that owing to (a) the fall in prices in March, 1952, (b) restricted availability of bank credits and (c) its high cost, hoarding of goods for speculative purposes was conspicuous by its absence. The return of funds to the banks, therefore, outstripped the extension of credit in the breeding season. Banks were anxious to keep idle resources to the minimum and were as a result receptive to short-term investment opportunities. The issue of weekly Treasury Bill sales provided them with such opportunities. Their holdings formed as much as Rs. 17.41 crores, out of the total Treasury Bills of Rs. 24 crores outstanding as on 31st December, 1952. Consequently, the Bank's investments in Government obligations showed a distinct improvement of Rs. 17 crores, as against a decline of Rs. 51 crores during 1951. The pattern of composition of investments of Scheduled banks also changed. Thus the holdings of Scheduled banks in short-dated securities rose by over Rs. 30 crores, as a result of some loans having shifted to this group, while holdings of securities in other maturity groups showed a fall, the largest decline taking place in medium longs.

Money Supply

During 1952, money supply declined by Rs. 92 crores, as compared with a fall of Rs. 50 crores in 1951 and a rise of Rs. 60 crores in 1950. In 1951, the decline in money supply had taken place on account of heavy balance of payments deficit and to accretion to the cash balances of the Central Government. Again the expansion of bank credit in 1951 of Rs. 109 crores was due mostly to purchase of Government securities by the Reserve Bank. In 1952, however, there was a decline of Rs. 30 crores in Central Government balances, but there was a deficit in balance of payments. While the reduction in the volume of bank credit influenced money supply, a part of the decline was more directly related to the shift from demand to time deposits.

Total deposit liabilities of all Scheduled banks fell by Rs. 5.3 crores over the year. This was because of a decline in demand deposits of Rs. 31.3 crores accompanied by a rise in time deposits of Rs. 26 crores. Over the year, the total deposits of major Indian Scheduled banks and other Indian Scheduled banks fell by Rs. 10 crores and Re. 1 crore, respectively, while deposits of Exchange banks rose by Rs. 4 crores mainly due to an increase in the time deposits with them. The increase in time deposits was mainly the result of higher interest rates offered by banks.

Advances

1952 generally witnessed a relatively smaller degree of credit extension than in 1951. Scheduled bank advances dropped by Rs. 60.2 crores during 1952. The return of funds to the system in the slack season of 1952 was greater than the increase in advances in the preceding busy season. With the beginning of the 1952-53 season advances were again rising, and at the end of the year stood at Rs. 486.2 crores, as against Rs. 552.4 crores at the end of December, 1951.

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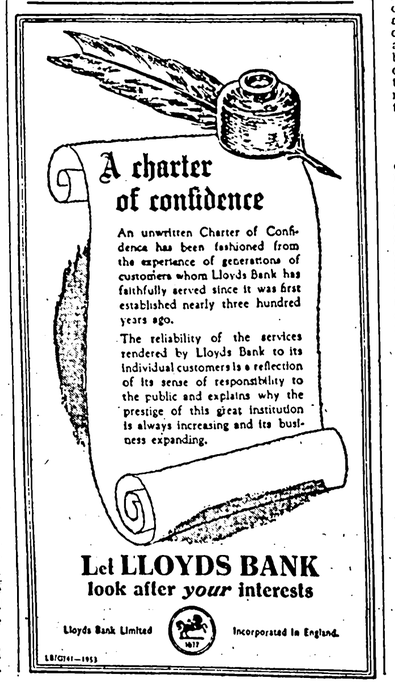

UNBALANCED BUDGETS

ARE THEY ALWAYS AN EVIL?

(By Dr. N. DAS, I.C.S., Secretary, Commerce and Industries Department, West Bengal.)

DURING the past few months, the phrase "unbalanced budgets" has figured rather prominently in discussions relating to the financing of the Five-year Plan. The expression is rather an unfortunate one. Under the orthodox canons of public finance, a budget is called "unbalanced" when expenditure on Governmental account, both current and developmental, outstrips its revenues, and the "deficit" is sought to be covered either by public borrowings, or by obtaining loans and advances from the central bank, or by printing additional currency notes. Now, there is a general fear that an "unbalanced budget" and the "deficit financing" it leads to, result in inflation and are, therefore, injurious to the economy of a country. This apprehension has been rather pointedly expressed since the end of the last war, because the very large scales of Governmental expenditure during the war gave rise to inflationary conditions in practically every country of the world. Even at the end of the war, the need for economic reconstruction and development and the emphasis laid on various social welfare projects created a situation in which most Governments have found it extremely difficult to cut down the scale of expenditure. The inflationary pressure, therefore, continues, and every Government is hard put to, to maintain an equilibrium between prices, cost of living, wages and cost of production. The problem is all the more acute in underdeveloped countries like India where the desire to achieve economic development as fast as possible and promote greater employment happens to be keen and insistent.

What is Inflation?

It would be useful at this stage to go back to fundamentals and consider what exactly is meant by "inflation." The popular definition of "inflation" is a rise in prices caused by monetary expansion—a situation in which "too much money chases too few goods." This, however, is only a one-sided and static description of "inflation." Inflation undoubtedly means a rise in price level, but this rise may result as much from non-monetary as from monetary causes. For example, increase in prices may be due, not to the expansion of the note issue, but to an adverse trade balance. Then again, increase in prices may be due to an increase in the cost of imported raw materials. An inflationary situation may also be caused through over-investment or under-production or dis-saving or devaluation. A correct definition of an inflationary situation is, therefore, one in which prices, monetary requirements, cost of living, wages, etc., chase one another incessantly and tend to influence each other in an upward direction. As has been well put by a recent writer "inflation is an expansionary trend of purchasing power that tends to cause, or to be the effect of, an increase of the price level." It is more a state of disequilibrium than anything else: this disequilibrium ceases—notwithstanding prices being stabilised at a higher level—as soon as the various factors have adjusted themselves to a new equilibrium level.

It follows from the above that expansion of purchasing power or of prices does not necessarily constitute a state of inflation. An inflationary situation is likely to arise when this expansion is sufficiently pronounced and persistent to set in motion a spiral of rising cost of living, wages, cost of production, monetary requirements and volume of money. On the other hand, if the increase of purchasing power also leads to an increase of production (a situation which is by no means inconceivable), there is no real inflation. Normally, however, there is a time-lag between the increase in the volume of purchasing power or prices and an increase in the volume of goods, and it is during this intervening period that the more harmful consequences of inflation make themselves felt.

We should, therefore, guard against an oversimplification of the effects of inflation caused by "unbalanced budgets" or "deficit financing." In certain circumstances, the Government of a country may deliberately prefer a moderately unbalanced budget. It is also important to remember that, in a planned economy, one should judge a series of annual budgets as a whole rather than each of them separately. In this context, the fact that some budgets show deficits is comparatively important, as long as others show surpluses, balancing the series as a whole.

As has been stated already, the anti-inflationary bias of Governments, as well as of the public, in the post-war era is due largely to the historical fact of large and cumulative inflationary pressure during the closing years of the last war. On the other hand, during the inter-war period, when there was much hardship through deflation, the attitude of economists as well as politicians was definitely anti-inflationary and the cry was for a policy of "reflation." To-day, when the price level has reached a new equilibrium in most countries, there has been a cautious return to a demand for deficit financing: unbalanced budgets do not shock the public as much as they used to do even a couple of years ago.

Examples of Deficit Budgetting

We may go a step further and say that unbalanced budgets need not necessarily be an evil. In Mussolini's Italy, for example, deficit budgetting was carried out with conspicuous success until the war actually broke out. In that country, the method adopted was that of deferred payments. During the inter-war period, Italy undertook large projects of land reclamation, road construction, irrigation, afforestation and improvements of harbours and ports. Most of these involved heavy expenditure. The technique followed was that the entire expenditure for a particular project over a period of years was authorised in advance, together with the assignment of expenditure for each particular year. These projects were then let out "in concession" to various corporations, and a method of "deferred payments" was adopted. Payments were made by the State in the form of terminable annuities (this would include both capital and interest) spread over a period of 20 to 30 years. Corporations to whom the projects were "conceded" obtained funds occasionally from banks, but mostly from "parastatal" credit institutions. These latter differed from ordinary banks, in that they were authorised and capitalised by the State and guaranteed by special conditions of privilege and *monopoly*: they could, therefore, specialise in the provision of extended credits and allow their funds to become "frozen" to an extent the ordinary banks would have been unable to do. The essence of the system was that the credit institute dealt with the *entrepreneur* instead of the State, accepted the annuities issued to him by the State under the terms of the concession and provided the actual sums estimated by the *entrepreneur* as necessary for the prosecution of the work. The State was thus relieved of the immediate, though not of the ultimate, fiscal burden of such undertakings. Under this system, the financial burden of a particular project was spread over a number of years and this made it possible for the State to initiate a much larger number of projects at a time.

Sweden's Experiment

Another country where "unbalanced budgets" have been accepted as a matter of deliberate policy is Sweden. Recognising that one of the obvious shortcomings of deficit spending is the adverse reaction of the general public to an unbalanced budget, the Swedish Government adopt a policy of long-range budget planning. They arrange deficit spending in such a way that, in the so-called "lean" years, they virtually mortgage the otherwise ample resources of good years, both past and future. No attempt is made to conceal the deficit (on the other hand, it is made ostentatiously visible) and a technique is invented by which the deficits are carried forward until they are liquidated. The Swedish Government believe in a long-term balancing of incomes and expenditures and, in an unfavourable year, the deficit is transferred as a negative item to a budget equalisation fund, specially created for maintaining the continuity in public finances. This fund is made self-liquidating by the rule that one year's deficit shall be debited to the ordinary budgets during the next five or ten years by one-fifth or one-tenth, as the case may be, each year: it provides a maximum amortisation term, but this does not prevent the State from paying off the debt in a shorter period, if it so desires. The guarantee of "sound finances" is sought, not in a mechanical balancing of budgets, but in the openness with which a deficit is registered and in the setting up of the equalisation fund by which the deficits are carried forward until they are paid. Secondly, many projects (for example, the State's public buildings, schools, post offices and even hospitals), although not "productive" in the conventional sense, are made self-liquidating by instituting public corporations to administer them. This has the added advantage of making the relative costs of different branches of public activity measurable and comparable with much more rationality and accuracy than is possible under the orthodox system.

The Problem in India

The problem in India to-day is in certain respects similar to the problem in the two countries mentioned above and, in certain other respects, quite different. The similarity lies in the fact that, as in Italy and Sweden, we, in India, have enormous potential resources to develop and we want to develop them in the shortest possible time so as to eradicate poverty, hunger and unemployment. The difference consists in the situation that the growth of savings and capital formation in this country have been very slow in recent years and may not increase appreciably in the immediate future. Colin Clark recently estimated that, in order to absorb the increasing labour force and maintain even the past rate of increase in productivity, India would need savings at the rate of 12.5 per cent. of her national income—a rate much larger than the present investments per annum in the public and private sectors combined. On the other hand, it is arguable that, if India waits indefinitely for voluntary savings to catch up with her actual requirements, the balance may never be struck and the goal of the Five-year Plan may never be reached. It is in this context that one has to evaluate the pros and cons of the mild dose of "deficit financing" which has been proposed in the Plan itself. The dangers of an inflationary spiral arising as a result of indiscriminate spending need not be minimised, but we may take comfort from the fact that only the other day the leader of the International Monetary Fund Mission paid a tribute to the general soundness of the economic and financial policy envisaged in the Plan. Reared as we have been in the orthodox British tradition of conservation finance, Mr. Bernestein's advocacy of slightly "unbalanced budgets" may have shocked many of us, but the facts and instances cited in this article would show that, in a dynamic equilibrium, a certain measure of uncovered support by central banks or by other methods would be not merely desirable but necessary for a speedy attainment of our objectives.

This does not mean that the possibility of inflation (in the dynamic sense) should be overlooked. As has been emphasised in the Plan itself, "the scope for deficit financing is intimately bound up with the policy regarding physical controls. Without a firm and clear policy regarding controls, and without also assurance of continuity in that policy over a period of time, not only does the scope for deficit financing become limited but there is a perpetual danger of even relatively small budgetary deficits generating inflationary pressures." Secondly, while the budgets may remain unbalanced, the mobilisation of savings and of external assistance for development purposes will continue to be of fundamental importance.

Economic Engineering

What is needed is a new kind of economic engineering, constructing a new framework of fiscal and institutional regulations to work out the economic policies of Government. The economy of the country should be viewed as a whole and over a given period, and not with reference to a particular sector or a particular fiscal year. While the soundness of public finances in the long run should be guaranteed, there should be enough flexibility from year to year. The public should note that "unbalanced budgets" are not always an evil, and, provided deficit financing is resorted to as part of an overall plan and with due regard to the necessary physical controls, such spending may help to accelerate economic development and promote employment without bringing in its train the dreaded consequences of inflation.—*All Rights Reserved.*

EXPORTS OF COTTON TEXTILES

INDIA STEADILY LOSING MARKETS

EXPORTERS of cotton textiles in India are rather perturbed over the recent trends in world trade. In recent weeks, the export demand for Indian cloth has been quite unimpressive, while Japan and Lancashire have been receiving good support. They, therefore, feel that India is steadily losing its hold over the overseas markets for cloth and yarn. All available statistics confirm this impression. Here is, for instance, a comparative statement of exports of mill-made cloth from India, Japan and the U.K. during the first quarter of this year:

	India	Japan	U.K.
Quantity exported (million yards)..	117.05	186.88	173.24
No. of destinations	39	57	51

It will thus be noted that, during the three months ended March, 1953, India exported a bare 117.05 million yards, a quantity which falls short of the target. On the basis of a target of 1,000 million yards per annum, exports in the first quarter should have been at least 250 million yards. It is true that exports during the second quarter were somewhat higher, the quantity exported during the period up to 25th June being about 193 million yards. This, however, should not lead one to think that the upward trend will be maintained in the coming months. For the little improvement that was noticeable in the second quarter was due to the seasonal and spasmodic demand from certain markets which are unlikely to take continued interest in Indian goods.

According to latest reports about the overseas textile markets, it would appear that Japan is doing brisk business in cloth and yarn with Indonesia, Hong Kong, Singapore, Thailand, South Africa, etc. During April, 1953, Japan exported over 65 million yards of cloth, Indonesia alone accounting for as much as 24 million yards. Exports from Japan to Pakistan, China and the Near East countries are reported to have been still higher in recent months, consequent on the relaxation of restrictions on barter trade with these countries. The reimposition of import duties in Sudan—at the rate of 10 per cent. on grey cloth, 15 per cent. on bleached goods, and 20 per cent. on dyed and other varieties—is said to have brought the cloth trade almost to a standstill. Importers in that country, it is stated, are hesitating to book their requirements, even in permissible imports, of fancy varieties. Burma and Ceylon are booking negligible quantities. The forthcoming termination, as from 30th September next, of the system of preferential tariffs by Burma is bound to result in a marked fall in India's exports of cloth to that country. The market in Aden is also reported to be dull, owing to slackness in demand from Ethiopia and prevalence of low prices. The usual post-*Ramzan* demand there is stated to have not materialised yet, which, combined with rumours of abolition of export duty on coarse and medium cloth by the Government of India, has resulted in listless conditions in the Aden market for Indian textiles.

From the foregoing brief account it looks as though India is gradually losing its hold in the countries which are its traditional markets in favour of Japan and also the U.K. The following table indicates how India's trade in cotton textiles fared in a number of important countries during the first quarter of this year, as compared with that of Japan and the U.K.:

(In thousand yards)

Destination	Exports from India	Exports from Japan	Exports from U.K.
Siam	210	28,540	..
Indonesia	610	23,590	1,950
U.K.	930	15,700	..
U.S.A.	..	15,170	2,870
Iran	830	17,210	940
Ceylon	3,300	5,730	2,480
Iraq	1,040	2,970	1,810
Philippines	..	2,380	..
South Africa	..	8,710	23,760
Br. W. Africa	6,890	8,660	39,590
Belgian Congo	130	4,740	1,980
Hong Kong	470	970	1,520
Ethiopia	390	870	180
Pakistan	440	300	191
Australia	2,330	1,320	12,970
Other Commonwealth countries ..	10	10	820
Other foreign countries	310	2,680	6,230

It will be noted that, in the Commonwealth and British Colonial countries, the U.K. has been the principal supplier and that India holds, invariably, only third place, with Japan taking the second place.

The low level of exports of cotton textiles from India in recent months has lent additional support to the plea for the abolition of the remaining 10 per cent. export duty on coarse and medium cloth. But, in view of the fact that the bulk of India's exports consist of coarse and medium varieties—the quantity of these actually shipped during the four months ended April, 1953, was 148.5 million yards, out of a total of 200 million yards—and of the need for maintaining adequate supplies of these varieties for domestic consumption, the Government may be inclined to feel that the plea for the abolition of duty is not justified. Even a section of cotton textile exporters seems to be of the same view, as witness the remarks of a leading firm in cotton piecegoods in Bombay that "the time for it (abolition of duty) is still far off." This view, however, conveniently overlooks the need for enhancing the competitive position of Indian cloth in world markets which has become imperative in the present context of the buyers' market the world over, as already noted. And few would dispute that the best way of achieving the objective is to abolish the export duty.

Inasmuch as exports of fine and superfine varieties have rather been at a low level, the need for giving a drawback of the import duty on cotton used in the manufacture of such types of cloth meant for export must be stressed once again. This need seems to have been recognised, albeit indirectly, by the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari. Thus, while detailing the Government's export policy, in the course of his address at the recent meeting of the Export Advisory Council, Mr. Krishnamachari revealed that the Government would assume statutory powers to ensure that the export trade was not handicapped by import duties on raw materials. The time has now arrived for the Government to implement this policy in regard to exports of cotton textiles. The Government should also examine, in a dispassionate manner, the question of sales tax on cloth exports. There is the need, too, for liberalising the restrictions on exports of certain varieties as, for example, mill-made *lungis* and pseudo-fine cloth, effective enforcement of proper standards of cloth exported, and simplification of customs procedure.

WORLD WOOL OUTPUT AND CONSUMPTION

World wool output in 1952-53 is provisionally estimated at 4,190 million lbs. (greasy basis), which represents an increase of 6 per cent. as compared with that in the previous season. This rise is the largest so far seen in the post-war period, the level of output itself being the highest for the past ten seasons. The bulk of the increase is accounted for by Australia, the production of which during the season under review is estimated at 1,240 million lbs., which compares very favourably with 1,040 million lbs. in 1951-52. The other major producing countries, with the exception of Argentina, also account for a rise in production.

On a clean basis, world output of wool in the 1952-53 season is expected to be a record in the history of wool, the actual estimate being placed at 2,435 million lbs., as against 2,301 million lbs. a year before and 2,058 million lbs. before the war. Production of merino wool shows a sharp rise of 11 per cent. to 785 million lbs., but this figure still falls short of the war-time peak.

The rise in wool production closely follows the continued increase in sheep population. The number of sheep during 1951-52 was 769 million, as compared with 745 million in the previous year. For the first time since the war, it exceeded the 1938-39 level of 752 million. Figures relating to sheep population for the current season are not available. But there are indications to suggest that the number will be higher than in 1951-52.

The improvement in the world production of wool has been followed by a steady advance in consumption in each of the successive quarters of 1952, the advance being particularly marked during the last quarter. The first quarter of this year also witnessed a further rise in consumption, the quantity actually consumed being higher by 30 per cent. as compared with the corresponding quarter of 1952.

The steady rise in wool consumption is an indication of higher standards of living. The rising demand has brought to the fore the importance of raising the output of wool. Referring to this aspect of the question, Mr. Ewen M. Waterman, Chairman of the International Wool Secretariat, said, in the course of his address at the annual conference of the International Wool Textile Organisation held in Lisbon recently, that, by improved husbandry and pasturage and closer association between scientists and wool producers, the growers were striving their best to raise wool production. In his considered view, wool is unlikely to be affected by anything other than "superior promotion"; it cannot be affected by the quality of any other fibre yet marketed. Nevertheless, he urged continued collaboration for the development of joint promotion by all sections of the wool trade—promotion at all levels. To quote Mr. Waterman: "It is the extension and expansion of this collaboration which is the greatest insurance to the mutual well-being of all sections of the trade."

IMPORT POLICY FOR WOOLLEN GOODS

The Government of India's import policy for wool and woollen goods for the current half-year, announced recently, has been welcomed by traders. The policy envisages liberalisation of imports of hand-knitting wools. Thus, the quota has been increased from 75 per cent. to 100 per cent.; an import licence for Rs. 100 will be granted for every Rs. 75 sanctioned in the previous half-year. What is more, the period of validity of import licences is extended from six months to one year. Applications from newcomers are also being considered. These changes in the import policy, it is stated, will enable importers to secure delivery of hand-knitting yarns at a more appropriate time to meet consumer demand for the coming winter and, if they so desire, to import two consecutive six-month quotas in one delivery only.

Another welcome feature of the new policy is the inclusion, albeit on a token basis, of carpets and rugs in the list of imports. Established importers are permitted 5 per cent. of their approved quota and the validity of the licence will be only for six months.

The quota for wool fabrics generally, excluding felt or fabrics made of shoddy or waste wool, is unchanged at 25 per cent., but the validity of licence is extended to 12 months. There is a concession for importers having their own tailoring establishments. Similarly, the quotas for woollen yarns and woollen manufactures (not otherwise specified and including felt), are unchanged at 40 per cent. each, as also for woollen hosiery and knitted apparel at 75 per cent. The period of validity of licences for these three varieties is up to 31st March, 1954. Licences for import of raw wool (merino and crossbred) and wool tops which are on O.G.L.XXX will be valid till the end of September next.

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INDUSTRY SURPRISED AT RAW COTTON COMMISSION'S LOSSES

YARN OFFTAKE STEADY—EXPORTS TO PAKISTAN

(From A Special Correspondent)

MANCHESTER, 30*th June*

MANCHESTER LETTER

IT is impossible at the moment to keep raw cotton affairs out of the picture and they look like retaining their position in the centre of the stage for some considerable time to come. Hardly had the trade had time to digest the implications of the second Hopkins Committee report than the sensational accounts of the Raw Cotton Commission for the 13 months to the end of August, 1952, became public property.

What perhaps surprised the industry most was not that the Commission during this period made a loss but the magnitude of the deficit, which amounted to more than £28,500,000. This was slightly alleviated by crediting tax provisions of £3,000,000. The result is that the Commission's reserve fund, built up during the prosperous years, had last August shrunk to about £10,000,000. Subsequent events must have placed a severe strain on this balance, which in all probability has already been exhausted.

The publication of such a document could not have come at a more opportune time for the supporters of private purchasing. They have not been slow to point out the faults of a system which can prove so costly in a relatively short period of time. The Commission itself provides explanations for some of the losses, and certainly everything seems to have gone wrong during the year concerned. Yet from its inception the Commission has made no secret of the fact that its system of buying cotton, accumulating it and selling it to spinners at the current world price, meant inevitable surpluses during periods of rising prices and equally inevitable deficits when values were falling.

The following table shows the peak quoted by the Commission for selected types during the period of the report, the December delivery price in August, 1952, and the current price:—

	Highest 1951-52 season	August 1952	June 1953
	Pence per lb.		
American strict middling 1"	48.05	39.05	51.80
Egyptian top grade Karnak	123.00	70.80	59.60
Sudan high grade (SXIS)	124.75	70.80	52.30
Egyptian Ashmouni (SOTO)	66.40	44.20	34.50
Pakistan (IEEK)	44.50	36.10	27.05
East African (ISG)	49.00	39.15	34.00

The further fall in values since the end of the 1951-52 season, although by no means as drastic as that which occurred from the peak rates, must be taken to indicate that the next accounts issued by the Commission will also show a substantial deficit.

Empire Cotton Supplies

The provision of alternative cover arrangements for Lancashire spinners and the problem of what types of cotton should be tenderable against the American futures contract were referred to by Mr. J. Littlewood, Chairman, at the annual meeting of the Empire Cotton Growing Corporation. Mr. Littlewood said the solution to the problem of finding other cover facilities which would not depend on public funds may or may not involve the opening of a futures market in the not too distant future. If and when that happened the question must inevitably arise as to what cottons should be tenderable against the American futures contract.

Before the war, Colonial cottons were not tenderable against the contract and as a result laboured under a serious handicap, which in effect drove the cottons into the mills of India and Japan instead of into Lancashire mills, as was originally intended. It was true that a separate contract was made available for these cottons before the war but it never really functioned and in effect placed a penalty on the cottons included in it as compared with American cotton.

Mr. Littlewood said such growths as Uganda, Nigeria and Tanganyika were not inferior in grade, staple, character or spinning qualities to American cottons. "I submit to the committee that will have to be very soon appointed to deal with the matter to take into most serious consideration the inclusion in the contract of cottons equal to American on an equal footing. It is a matter not only of equity but of great political importance," he said.

The inclusion of these cottons from the futures contract could have a very bad impression overseas. Inclusion of the cottons would encourage the use of Colonial growths here to a greater extent. Mr. Littlewood declared that if and when that happened there would be a great responsibility resting on the Colonial Governments concerned to see that the selection, grading and marketing were absolutely reliable so that the confidence of spinners would be built up and strengthened.

The President of the Corporation, Lord Derby, said that a notable feature of cotton growing in the last few seasons had been the rise of the smaller producing territories. This spread of production was particularly welcome, as it should lead to greater stability of supplies in the near future.

Steady May Exports

Viewed against the background of the latest Treasury warning to industry that export earnings must rise, the May returns for cotton goods were not encouraging. Shipments from Britain remained at very much the same level as during the earlier months of the year, and for the five months were valued at £54,359,446 compared with £75,589,799 in the same period of 1952.

There was a slight decline in the volume of cloth shipments compared with April and the total for the five months was only 290,516,000 square yards, valued at £36,428,344, compared with 320,918,000 square yards worth £50,204,535 in 1952. The following table shows the details:—

	Piecegoods sq. yds.	Value £	Average price per sq. yd. d.
Monthly average—			
1939	116,115,000	2,665,000	5.51
1949	75,294,000	8,846,000	28.07
1950	68,539,000	8,358,000	29.26
1951	72,090,000	11,016,000	36.67
1952	59,234,000	8,401,647	34.05
1953 (5 months' average) ..	58,103,000	7,285,669	30.09
January	64,796,000	8,223,374	30.46
February	52,027,000	6,611,000	30.49
March	56,243,000	7,136,820	30.43
April	59,528,000	7,372,000	29.72
May	57,039,000	7,129,471	29.53

Leading consumers of British cotton cloth remained the chief Commonwealth markets, the quantities absorbed during the five months being (in square yards, with 1952 comparisons); —West Africa 61,514,000 (71,988,000); South Africa 39,253,000 (21,931,000); Australia 24,502,000 (47,472,000) and Malaya 13,229,000 (10,323,000).

Imports of cotton goods this year continue to be on a very reduced scale. The value of arrivals so far has been less than £6,000,000, compared with over £21,000,000 in the same period last year. Shipments of yarn for the five months aggregated only 513,605 lbs. against 5,707,091 lbs., in 1952, the cost being £136,299 against £1,611,775.

Grey cloth imports in May amounted to 7,510,000 square yards, of which 5,902,000 square yards came from Japan. There has recently been some comment at the continued arrivals of Japanese fabric, which account for more than 25,000,000 square yards this year out of a total of 35,457,000 square yards. Most of this trade is attributed to orders placed by Colonial Governments in Japan, stipulating that supplies must be finished in this country.

Yarn Offtake

By a slight margin May exports of cotton yarn exceeded the quantity shipped in January, thus becoming the highest monthly exports of the year. As in the case of cloth, however, the level of overseas trade has remained exceedingly steady, there being a variation of barely 350,000 lbs. in the highest and lowest figures so far. To the end of May total shipments were 16,651,800 lbs., valued at £6,834,813, compared with 17,691,000 lbs., worth £9,396,750, in the first five months last year. Details are given below:—

	Yarn lbs.	Value £	Average price per lb. d.
Monthly average—			
1939	9,471,600	745,500	18.89
1949	6,438,400	1,062,500	64.84
1950	5,915,500	2,127,000	86.33
1951	5,547,000	2,848,500	116.46
1952	2,976,900	1,479,163	119.25
1953 (5 months' average) ..	3,330,400	1,366,963	94.51
January	3,467,700	1,427,349	98.79
February	3,264,000	1,434,004	104.77
March	3,114,500	1,241,552	95.67
April	3,202,200	1,354,790	99.06
May	3,485,100	1,320,965	94.40

Chief buyers of Lancashire-made yarn for the first five months this year have been (with 1952 comparisons):—Irish Republic 2,205,000 lbs. (1,393,000); Canada 1,910,300 lbs. (873,300) and Australia 1,891,200 lbs. (1,746,500).

Anglo-Pakistan Trade

Prospects for Lancashire-made cotton piecegoods in the Pakistan market largely depend on how Pakistan solves her current food problem. This warning was given in Manchester

(*Continued on page 91*)

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COTTON SCENE IN PAKISTAN

RECENT DEVELOPMENTS REVIEWED

CLOSE on the heels of the news relating to the enormous losses suffered by the U.K. Raw Cotton Commission comes another item of news, from Karachi, according to which the Pakistan Cotton Board has, during the current season, suffered a loss of Rs. 5 crores. Report has it that the Government has decided to discontinue the cotton price support scheme with effect from the next cotton season beginning from September this year. It is true that strict comparison cannot be instituted between the Raw Cotton Commission in the U.K., which is a cotton importing country, and the Cotton Board in Pakistan, which is a cotton exporting country. Even so, it is noteworthy that the two organisations have one common feature, namely, bulk handling of cotton by Government, and that both these organisations have suffered losses.

Despite these losses, the Pakistan Government might well look back upon the last six months of the current calendar year with some satisfaction. If one remembers the low levels to which cotton prices had sunk last year, and the little hopes that cotton men had about improvement in cotton prices, and compares these conditions with the present state of affairs, under which a sizable portion of cotton stocks has been disposed of, it will be readily conceded that the Government has enabled its cotton economy, through determined efforts, to pull through the critical months of this year. The success of the Government's efforts has no doubt been made possible by the change in the world textile situation which assisted the recovery in the cotton markets the world over.

At the beginning of the current calendar year, cotton prices in Karachi were quoted at about Rs. 64 for N.T. R.G., Rs. 67 for 289F R.G. and Rs. 51 for Bengal *Deshi* as against the current prices of Rs. 69½, Rs. 72½ and Rs. 77, respectively. In the very first month of this year, there was a debacle in the cotton market following the disappointment of the traders who expected that the Pakistan currency would be devalued. Alarmed by the continued stagnancy in cotton prices, the Pakistan Government decided to prohibit export of cotton at prices below Rs. 56 for 4F R.G., Rs. 58 for L.S.S. R.G. and Rs. 61 for 289F R.G., with a premium of Rs. 3 per maund for saw-ginned varieties. The Government also decided to permit private barter deals of cotton for artificial silk, yarn, coal, iron and steel, and sugar with any country. It followed up this announcement with efforts which were designed to conclude barter arrangements with a number of countries. Before the end of March, the Cotton Board was successful in disposing of the entire quantum of the old crop cotton, that is, the 1951-52 crop cotton. Also, Italy, Belgium, Germany and the U.K. were good customers for Pakistan cotton in the first quarter of this year. A recovery in cotton prices thus ensued. By the end of March, Pakistan's cotton exports had already begun to show signs of expansion, for, between the beginning of the 1952-53 cotton season and the end of March, 1953, Pakistan had exported 998,300 bales, as compared with 778,500 bales in the same period in the previous year.

The most important of the barter deals concluded during the half-year under review was the Pakistan-Japan Trade Agreement which provided for a supply of 80 million square yards of Japanese fabrics against the exports of 650,000 bales of Pakistani cotton. Japan was expected to buy its cotton requirements in the following order:

	Bales
2nd quarter of 1953	150,000
3rd " "	100,000
1st " " 1954	125,000

It is not, of course, clear what quantity of cloth has been received by Pakistan from that country. But Japan remains the largest importer of Pakistani cotton. Both prices and export figures continued to look up. From the beginning of the season up to 15th April, 1953, Pakistan had disposed of 1,049,543 bales as compared with 667,427 bales in the corresponding period of the previous year. Prices advanced by Rs. 20-30 per candy, so that at the beginning of May, N.T. R.G. was quoted at Rs. 63-64 per maund as against about Rs. 60 in the previous month. These improvements were the more remarkable because they were achieved in the face of the larger cotton output in the 1952-53 season. According to the final Pakistan cotton crop forecast, the 1952-53 crop shows an increase of 5.7 per cent. as compared with the final forecast for last year. The following are the acreage and output figures for the 1952-53 and 1951-52 cotton seasons:

	1952-53	1951-52
Acreage	3,430,000	3,244,000
Production (in bales of 400 lbs. each) ...	1,468,000	1,376,000

Unofficial estimates place the crop at much higher levels.

Since April, there has been an almost uninterrupted improvement in export sales and prices, thanks to the intake by such cotton-importing countries as France, Australia, the U.K. and China. In May this year, the Pakistan Government placed cotton exports on the Open General Licence till 31st August, 1953, though the authorities banned all transactions in new crop cotton. The sizable expansion in cotton exports will be evident from the following table which gives the exports of cotton from 1st September, 1952, to 18th June, 1953, and the export figures for the corresponding period in 1951-52:

Exports of Cotton

(In bales of 400 lbs. each)

Destination	From 1-9-1952 to 18-6-1953	Corresp nding period 1951-52
U.K.	124,571	86,507
Continent	363,353	279,523
China	141,914	378,691
Japan	552,724	277,657
U.S.	12,070	337
Australia	23,393	8,576
Asiatic ports	14,958	1,941
Other foreign ports ...	89,295	8,507
Indian ports	100	400
East Pakistan	28,588	21,518
Total	1,350,966	1,063,657

It will be seen from the above table that Japan is the largest single buyer of Pakistan cotton, followed by the Continental countries and the U.K. Cotton exports from the beginning of the season to 18th June, 1953, have exceeded the exports in the corresponding period in 1951-52 by as much as 287,309 bales. Exportable surplus for this season has been computed at 1.7 million bales. As against this surplus, the country has already exported about 1,350,000 bales, while at least another quantity of 100,000 bales, it is stated, has been earmarked against sales already effected. Thus, Pakistan is left with only about 2½ to 3 lakh bales of cotton to be disposed of. These figures are interpreted as a bullish factor for Pakistan cotton. This explains why Pakistan cotton prices have moved up to a level at which they are reported to be slightly higher than the prices of the equivalent varieties of American cotton.

Impressive as these achievements are, it must be noted that the recovery in Pakistan's cotton prices owes a great deal to world factors, such as revival of trade in cotton textiles and that the part played by the price support scheme is not as great as is may be generally supposed. The price support scheme, it may be noted here, was maintained at a not inconsiderable loss to the Exchequer, estimated at Rs. 5 crores. Bulk purchase arrangements, as experience in most other countries where it has been tried shows, succeeds best only in a period of rising prices. The Pakistan Cotton Board seems to be alive to this risk now, as witness its decision to withdraw the price support scheme.

The Board's achievement, in the shape of disposal of cotton stocks, must be set against the background of lower cotton prices secured by growers and merchants. It has been able to dispose of its stocks not at the comfortably high level of prices which prevailed in the 1951-52 season but at the comparatively low levels which came to prevail in the first and second quarters of 1953. Even in the beginning of the 1952-53 season prices were a little higher, with N.T. S.G. fetching about Rs. 100 (as against Rs. 125 early in 1952) and L.S.S. R.G. Rs. 95 (per Bengal maund). There was little foreign demand at these higher levels and it began to manifest itself only when prices were reduced and the export duty was slashed in the case of staple varieties and completely abolished for Deshi varieties.

An important effect of official interference with the cotton market has been that the cotton price-pattern has been distorted. Normally speaking, the superior styles, such as N.T. and Punjab 289F, should command a good premium of about Rs. 20-25 over the short-staple variety, Bengal *Deshi*. Now the position has been reversed, with Bengal *Deshi* being quoted at a premium over the long-stapled varieties. This will have an undesirable effect on the future of cotton cultivation, for farmers might prefer to grow the more remunerative short-staple varieties. In that case, the good work done by the Indian Central Cotton Committee, and now being continued by the Pakistan Central Cotton Committee, in the sphere of improving the quality of cotton, will be lost to that country.

Hence, the mere fact that the cotton stocks have been disposed of successfully by the Pakistan Cotton Board should not blind one to the defects of the system of bulk purchases and bulk sales, nor to the price that has been received by farmers and other domestic interests in order to keep the system. It is gratifying to note, in this connection, that the Government has set up a committee of experts to study the cotton market and suggest ways and means of removing "unhealthy" practices in the cotton trade and to examine whether futures in cotton is essential. The report of the Committee will be awaited with interest. Only, it is to be hoped that the Committee will not merely apportion blame between traders and Government but will make constructive proposals which will enable the cotton market to function effectively without the need for Governmental interference in its day-to-day affairs.

1952-53 COTTON ESTIMATE

The estimate of the 1952-53 cotton crop made by the Textile Commissioner's office places the crop, as our readers are aware, at 34.6 lakh bales (*vide Commerce* dated 20th June, 1953). In this connection, the Textile Commissioner says that he has seen statements, made in certain sections of the Press (not *Commerce*), to the effect that, in computing the statistical position of cotton at the end of the current year, his organisation has deliberately left out of account the non-factory consumption of cotton in the country. He says that such statements are "misleading and quite incorrect," inasmuch as a non-factory consumption of 2.7 lakh bales was assumed this year as it was last year, and that the estimate of 34.6 lakh bales represents "commercial crop," exclusive of village consumption. He further points out that cotton estimates of reputed commercial houses also estimate the availability, leaving out the non-factory consumption, and that their estimates resemble closely the official estimates. Since such statements may result in considerable harm to the trade, he hopes that they will "not be repeated without due enquiry."

BRAZILIAN COTTON

The Brazilian Government has decided to sell the stocks of 1952 cotton held by the Bank of Brazil at prices which are related to the New York Futures Contract. Thus, the f.o.b. Santos price for Type 5 is fixed at par with New York July, to which 2.50 cents per lb. are to be added to arrive at the c.i.f. price for European ports. Premiums and discounts for higher and lower grades are also specified. It now remains to be seen how far this plan assists the Government in disposing of the stocks which are estimated at about 1.2 million bales.

INDIAN COTTON CROP

Latest weather and crop reports show that good progress in sowing has been maintained in Hyderabad, Madhya Pradesh, Madhya Bharat and Rajasthan where 40 to 60 per cent. of the area has been sown. In Bombay State, sowings in the Surat tract are completed. The new seed 2087 has been sown in large quantities between the Narmada and the Tapti Rivers and a crop of 25,000 bales is expected. Sowing operations have been completed in the Vijaya tract also, while sowing is nearing completion in Khandesh. Cotton crop is making satisfactory progress in East Punjab and P.E.P.S.U.

PERUVIAN COTTON

Sales of Tanguis cotton till 5th June, 1953, aggregated about 226,000 bales. Latest estimates place the crop at about 350,000 bales. This cotton mainly consists of medium qualities. Pima-Karnak quality of the crop, it is feared, will be lower than last year, due to poor growing conditions and insect infestation.

The Gash crop of 30,000 bales, it is stated, has remained unsold. It would appear that the Gazira Board is unwilling to sell this cotton, until it is ginned and classified. The Mahdi crop of 25,000 bales of 'L' type cotton is yet to be sold. There are also small quantities of private crops still available.

Exports of Egyptian cotton from the beginning of the current season upto 31st May, 1953, are placed at 730,000 bales, as against 491,000 bales last season.

ANNUAL MEETING OF ROHTAS INDUSTRIES LIMITED

MR. SHANTI PRASAD JAIN'S REVIEW OF COMPANY'S PROGRESS

SUGGESTION FOR RAISING PURCHASING POWER OF PEOPLE

ADDRESSING the shareholders of Rohtas Industries Ltd., at their Twentieth Ordinary General Meeting, held at Dalmianagar, Bihar, on the 7th inst., Mr. Shanti Prasad Jain, Chairman of the Company, reviewed at great length the progress made by the Company's various units during the year ended 31st October, 1952, thanks to the vigilant efforts of the management. Alluding to the rapid strides made in the industrial production of the country, Mr. Shanti Prasad drew attention to the low level of purchasing power of the people to absorb the increased production. The purchasing power could be raised only through increasing employment of the people at wages above the subsistence level. This, in turn, would be possible only through expansion of industries which could afford to pay such wages. One of the directions in which the expansion of industries could be achieved, according to Mr. Shanti Prasad, was production of goods that are now imported. He also referred to the transport problem in the country. The availability of transport was steadily falling, he said and added that railways should be geared up to meet the growing demand.

The following is the full text of Mr. Shanti Prasad Jain's address:

"GENTLEMEN,

"I have pleasure in welcoming you to the Twentieth ordinary general meeting. The audited accounts of your Company for the year ended 31st October, 1952, together with the Directors' report, are already in your hands. With your permission, I shall take them as read.

Improved Production

"At the last meeting, I gave a factory-wise review for your information and expressed confident hope as regards further improvement in the working results of the Company. I am glad to report that all-round vigilant efforts have borne fruit, as will be evident from the details already in your hands. Barring the *vanaspati* factory which, as apprehended, had to be closed down in June, 1952, the various other units have shown better performance.

Sugar

"Your sugar factory registered 100 per cent. increase in production. Improved supply of cane to your factory will be ensured with the completion of the laying down of rails connecting Nasriganj. To maintain and augment sugar production, as a whole, in the next season, steps have to be taken to divert all available cane to the industry. The position is that more than 35 per cent. cane is being transported by rail and, if the railway freight is increased, as is contemplated, I am afraid all the cane will not be available to the industry and production will be adversely affected.

"Sugar is very much in the news now. There have been some fluctuations in the market and the price of sugar went up by 10-12 per cent. over the Government specified price, primarily due to increased consumption and the apprehension of lower production in the next season. The production of the current season is 13.1 lakh tons. While the normal consumption per year is 12 lakh tons, consumption during the past months has been of the order of 1.4 lakh tons per month, and on this basis the total annual consumption will be 16 lakh tons. Though any increase in price by itself is regrettable, a rise of 10 to 12 per cent. is by no means of any significance and much more so when we compare the rise in the price of commodities like mustard oil, oilseeds, *gur*, etc., to the extent of 40 to 80 per cent. The Government of India have taken certain steps to keep the situation under check. It is, however, a matter for regret that, after carrying on several years without imports, there should be a move to resort to sugar imports now. It is relevant to note that the price of Formosa sugar went up by Re. 1 to Re. 1-8 per maund merely on the reported move of the Government of India to import sugar. It is also worthy of note that, against the import duty of Rs. 7 per cwt., the internal imposts on sugar, in the shape of excise duty, cane cess and co-operative commission, work out to Rs. 8-4-6 per cwt. This is a singular instance where taxes on an indigenous product are higher than import duty.

"What is very clear in the context of events is that production of sugar within the country should be increased. It is very difficult to make any definite assessment of next year's production on account of the immatured state of the cane crop. Assuming next year's consumption and production also at the same level as this year, it will be found that production will fall short of requirements by about 3 lakh tons. With the carry-over of this year of about 1.5 lakh tons, there will be real shortage, unless effective steps are taken to increase production. This basic factor should not be overlooked.

Cement

"The increase in the production of your cement factory is to the extent of 50 per cent. The offtake from your factory continues to be satisfactory. The full production is being disposed off without any marketing problem. Your Company is examining the possibilities of improving the working of the factory by remodelling the old plant, so as to achieve better efficiency and higher production. This is expected to take about two years. In view of the growing pace of industrial development, there is great need to augment production of cement in this country. The future of the cement industry, as a whole, will depend on the report of the Tariff Commission on the price structure. I hope that the Tariff Commission will view the question in all its aspects realistically and the final report will be such as to stimulate development of the industry leading to larger supplies of cement in the country.

Paper and Boards

"The consumption of your Company's regular products of boards has declined considerably. The cigarette manufacturers who are among the principal consumers reduced their offtake. Your Company, therefore, has resorted to production of new varieties of papers, like M.G. pressings, covers, poster paper, etc. The production of these items will work out in tonnage to much less than the output of boards manufactured earlier. The German tissue paper plant, most of the machinery for which have been transported to Dalmianagar and erection is well in progress, will, combined with the Yankee paper machine from Japan, which has already gone into production, enable your Company to manufacture the finest varieties of lightweight papers and meet a very large percentage of the country's requirements. Further, with the operation of the new paper machines, the output of the pulp plant, which could not previously be put to full use on account of the limited capacity of the paper machine, will be fully absorbed. The manufacturing costs and overhead expenses will, thereby, be reduced and the profits of the paper section would be steadied up. This will reflect itself in the general working results of the Company.

"The manufacture of vulcanised fibre boards is another activity, in which your Company's efforts have been directed. This type of boards is required for specific uses, such as for making sliver cans for the textile industry, fibre suit cases, distribution boards for the electrical industry, etc. Your Company hopes that arrangements for distribution, which have been satisfactorily made, will result in building up for this quality of board a good market.

Asbestos Cement Sheets

"The arrangements for regular and adequate supplies of asbestos fibre have proved successful and your asbestos cement sheets plant will be now in regular production. The sheets have passed official tests and I feel confident that the 'Ashoka' asbestos cement sheets will win in due course the consumer's preference.

"Before concluding this review, I would like to bring to your notice one important aspect. Due to various extensions and installation of new plants, etc., in recent years, there is substantial amount of unabsorbed depreciation brought forward from previous years on account of initial, additional and triple-shift allowances. The profits of your Company for the year under review will not, therefore, be liable to tax.

Employment and Development

"Indigenous industrial production is achieving rapid strides and the supply position in respect of most of the essential consumer goods has been steadily improving. The purchasing power of the community at present is, however, at a level that the existing production of goods cannot be absorbed. Unless, therefore, the purchasing power is increased, there does not appear to be any great possibility of production being augmented further in a large number of industries. The consumer goods produced through cottage industries, as commonly understood now, at comparatively higher cost can be absorbed only in a society with a high level of purchasing power. The cottage industries workers themselves, getting not anything more than subsistence wages, cannot buy their own products. Purchasing power can be created only through increasing employment at wages above the subsistence level. Greater employment has, therefore, to be achieved through expansion of industries that will afford to a large percentage of the population not only wages above the subsistence level but also steadily improving measure of prosperity. It is such industrial expansion alone that will provide increasing employment and create additional purchasing power, which will, in turn, stimulate further production. The expansion at this stage can take place in the direction of goods that are being imported into the country now and are absorbed by the Society. We are now importing manufactured goods to the order of Rs. 250 crores, excluding imports of materials required for their production. The total under this class is about 340 crores of rupees, of which nearly 90 crores of rupees will be of materials and special items. It should be possible to produce many of these goods in the country itself and provide a large measure of employment. Taking the average wage per worker at Rs. 1,000 per annum, the manufacture of goods now imported into the country will result in providing employment for about 2.5 million workers. Let us not, therefore, solve the unemployment problem in other countries first, as the Commerce and Industry Minister expressed at one of the conferences. This indigenous development will create fresh purchasing power and expanded market for the consumer goods produced. This will also render implementation of rationalisation leading to improved productivity and higher wages, so essential for strengthening the economy, possible, as the new development will be able to provide additional employment. I may add here that this development will not result in the total shutting out of imports, but will give rise to fresh and varied demands which may alter the character of the imports. What is required now is, therefore, to shake off complacency and despondency and to apply earnestly to the immediate task of industrial expansion, which will not only provide increasing employment to millions in the country but will also create additional purchasing power and enable better standard of living.

"We are to-day in a comparatively comfortable position. Three years of the Five-year Plan period are over and we have seen increase in industrial production and improvement in the food front. With the completion of the various river valley schemes which are well on their way, solution to the food problem is in sight. The problem of employment and higher standard of living which has to be tackled is serious, but by no means incapable of solution with the country's man-power and material resources. On the solution of the problem depends the future of our country. Now is the time to plan and prepare for this. To reap the fruits during the bigger phase of development in the next five or seven years, beginnings have to be done now.

Transport

"A problem that is assuming serious importance side by side with industrial development is that of transport. The availability of transport is steadily falling. The Railway Ministry, in their attempt to cover shortfalls, emphasise the amount of movement in respect of a few commodities like coal, fertiliser, sugar,

(*Continued on page 79*)

RISE IN SUGAR PRICES

GOVERNMENT'S IMPORT POLICY COMMENDED

A REFERENCE was made in these columns last week, to a Deccan millowner's criticisms of the Government of India's decision to import sugar. These criticisms have not elicited the support of a section of the sugar trade and industry, which feels that the measures taken by the Government, including imports of sugar, should be generally appreciated. Mr. Matadin Khaitan, President of the Bengal Sugar Merchants' Association, for instance, observes, in the course of his address at the tenth annual general meeting of the Association held in Calcutta recently, that the Government of India has moved in the matter very promptly and the steps it has taken would have the desired results. With the arrival of sugar at the consuming centres, the prices, he maintains, must go down and stabilise at a lower level.

The allegation that the recent rise in sugar prices was the direct result of an all-round hoarding tendency on the part of traders has been refuted by Mr. Matadin Khaitan. According to him, prices of sugar in Calcutta, the largest sugar market in the country, had all along remained low and it was only towards the end of May that prices registered a rise. He attributes this rise to two important factors, namely, depletion of stocks due to poor arrivals and lack of adequate wagon allotments last month. In support of this contention, he cites certain statistics. The rate of consumption of sugar at Calcutta is at present 6,000 bags per day—of this quantity, 2,500 bags are required for local consumption and 3,500 bags for being exported to outside States such as Orissa, Assam, Malabar, Madras, etc.—while the daily arrival for some time past had been only 1,000 to 2,500 bags. It was, therefore, natural that when stocks got depleted, prices took an upward turn. Nevertheless, Mr. Khaitan feels that the price of sugar *vis-a-vis* that of its substitutes—*gur* and *khandsari*—is still cheap and this explains its excessive demand. In other words, he considers it as an established fact that, owing to a fall in gur and *khandsari* output and rise in their prices, people normally eating these commodities are now taking to sugar. In this connection, he observes:

"... during the 1951-52 season, a record figure of 1,486,000 tons was reached due to the incentive given in season 1950-51, as also relaxation in the latter part of the season when cane price was allowed to be paid on recovery. *Gur* and *khandsari* prices were comparatively low and there was diversion of cane from *gur* to *sugar*. This year's production of mill sugar is around 1,300,000 tons. Another significant factor has been a sharp rise in gur prices. In Meerut, whilst last year the gur price was ruling in the neighbourhood of Rs. 7 per maund, this year, after remaining stationary at Rs. 15 for some period, it has been going up for the last few months and now it stands at Rs. 20 to Rs. 22 per maund. *Khandsari* has been selling at Rs. 30 to Rs. 33 a maund. This has resulted in much larger consumption of crystal sugar. Last year, despite all relaxations, the total offtake during the year did not exceed 1,170,000 tons. Against this, the offtake from the mills this year during the first seven months has been of the order of 912,000 tons. For the corresponding period last year, the offtake was only 680,000 tons. On 1st November, 1952, we had a carry-over of 496,000 tons, whilst this year it is expected to be a little more than 200,000 tons."

A Welcome Feature

Mr. Khaitan admits that the high rate of sugar consumption has been most unexpected and might have slightly disturbed the equilibrium, as supplies could not keep pace with demand, thanks to transport difficulties. But he emphasises that higher consumption in itself is a most welcome feature, considering the fact that, in the matter of sugar consumption, India ranks the lowest as compared with several other countries. Thus, the per capita consumption of sugar (excluding *gur*) in India is only 7 lbs., as against as much as 116 lbs. in Australia, 106 lbs. in the U.K., 97 lbs. in the U.S., 88 lbs. in Cuba, 52 lbs. in France, 34 lbs. in Brazil and 33 lbs. in Japan. The Planning Commission has observed, in this connection, that the per capita consumption requirement of sugar (including *gur*) for a balanced diet should be 2 ozs. per day (or about 45 to 46 lbs. per annum), while at present it is only 1.62 oz. per day (or about 36 to 37 lbs. per annum). Mr. Khaitan, therefore, concludes that higher consumption rates are indicative of better standards of living "to which the people are getting accustomed and for which the Government has been striving."

In view of the increased demand for sugar in the country, the Bengal Sugar Merchants' Association President lays utmost stress on the need for raising output in the ensuing (1953-54) season. Incidentally, he suggests an upward revision in sugarcane price, as, in his opinion, the present price of Re. 1-5 per maund has not proved to be economical. Such a step, he feels, will check the rising tendency of *gur* prices and ensure larger supplies of cane to the factories. The President alludes, in this connection, to the question of controls and urges the continuance of the policy of decontrol. To quote his own words:

"... some fluctuations in the price of a decontrolled commodity are inevitable. I personally feel that fluctuations up to 10 per cent. either way should be considered normal. Judged from this standard, it would be appreciated that the price of sugar had not gone up to any unreasonable level. There was a time when sugar was actually selling much below the standard price assumed by the Government. In other commodities, too, prices have moved up recently. Compared to them, fluctuations in sugar prices have been only modest. By this I should not be misunderstood as justifying higher prices. I am only trying to explain that fluctuations in a decontrolled commodity are inevitable and, so long as these fluctuations remain within the narrow range of about 10 per cent., they should not be considered abnormal to pass any judgment on the policy of decontrol. There should be no hasty conclusions with regard to this policy which has been formulated after due consideration of all relevant factors. The past experience of control in the sugar industry has demonstrated beyond any doubt that it benefits no one. While the production is hampered, the consumer is required to pay high black market prices. Additionally, the normal trade channels are disrupted causing great hardships to the middle classes. I will, therefore, warn the critics not to rush to hasty conclusions. But they should try to assess fully the advantages and disadvantages of the present policy vis-a-vis the policy of control."

Transport Facilities

Mr. Khaitan also lays particular stress on the need for ensuring satisfactory transport facilities. Even after the consuming markets have been flooded with sugar, he avers, transport of sugar should continue to receive the Government's best attention, so as to avoid any recurrence of shortages and higher prices. Important markets like Calcutta should be kept well supplied. Mr. Khaitan wants the sugar trade to be consulted when the Government draws up the movement programme. He suggests, in this context, that the Government should consider the desirability of setting up a small board with representatives of the sugar trade and industry.

COST SCHEDULE FOR SUGAR INDUSTRY

It is indeed strange that the Expert Committee appointed by the Government of India to revise the Srivastava sugar schedule—Dr. B. V. Narayanaswami Naidu, Member, Tariff Commission, is the Chairman of this Committee—should have taken as long a period as nearly two years to conclude its deliberations. It was only last week that the Committee met in Bombay to discuss the results of the analysis of the cost data collected from 45 sugar factories and to record the evidence of the Indian Sugar Mills Association's representatives. And, according to latest indications, the Committee is expected to submit its report to the Government within a week.

In the course of their discussions with the Expert Committee, the representatives of the Indian Sugar Mills' Association urged that, while working out a cost schedule for the sugar industry in general, it was necessary to consult the representative factories in the various regions, so that the inclusion of the cost of efficient units may not unduly lower the estimate of sugar cost, and thereby prove disadvantageous to the industry. They also emphasised the importance of giving due consideration to the increased cost of replacement of machinery, insurance and other contingencies.

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WASHING OF COAL

CONSUMERS SUGGEST NECESSARY MEASURES

THE questionnaire issued by the Coal Washing Committee has evoked suggestions from many quarters as to how washing of coal can be made attractive. The Coal Consumers' Association of India, Calcutta, which has submitted its reply to the questionnaire, has suggested a number of steps calculated to encourage adoption of washing coal in India. These are as under:

"(1) the Government should give 100 per cent. traffic facilities to the collieries setting up washing plants. They should also assure supply of open type wagons suitable for mechanised loading and unloading. Old wagons which are not serviceable on the main line can be used on sidings bringing the coal from collieries to a central washing plant;

"(2) the Government should give assisted sidings terms for sidings required by washing plants;

"(3) the Government should revise the terms of royalty where such is paid on raisings and not on despatches;

"(4) the coal despatched to the central washing plant should not be subject to the double cess;

"(5) according to the present freight rates for distances below 20 miles, whatever the actual distance, a minimum freight of Re. 1-14 is charged. Thus even if a colliery is 12 miles only from the washery, it will pay a freight of Re. 1-14 per ton. Again, from the washery to destination, the washed coal will pay the usual freight. Thus payment of freight from the colliery to the central washery at Re. 1-14 per ton will tend to make the washing process very expensive. It is, therefore, suggested for the urgent consideration of the Government that in the case of despatches of coal from the collieries to the consumers through a central washing plant, the railways should base their freight charges on washed coal as a continuous journey from the colliery via the washery to the consumers' destination and separate charge from the colliery pit-head to the washing plant should not be paid. This will encourage coal washing and, at the same time, make the process economic;

"(6) since the setting up of washing plants involves heavy capital outlay, the Government should grant financial assistance to the colliery setting up washing plants;

"(7) the colliery which sets up a washing plant should be allowed to raise coal up to its capacity for washing;

"(8) the Government should assist in the disposal of middlings resulting from the washing of coal. They can use these middlings in their power plants. It is further suggested that the Chief Combustion Engineer of the Coal Board should investigate as to the possibility of the use of middlings both by Government and industrial consumers; and

"(9) when coal washing was installed in South Africa, a greater part of the machinery was manufactured by the engineering industry in South Africa itself by purchasing patent rights, etc. Our Government should also consider how far coal washing machinery can be manufactured in India in collaboration with foreign manufacturers by purchase of their patent rights, etc. This will not only help the local engineering industry, but would also reduce considerably the cost of installing washing plants in the washeries.

Most of the aforesaid suggestions advanced on behalf of the coal consumers are practicable, and therefore, deserve consideration at the hands of the authorities. The only snag which strikes one most is the number of "do's" to which the Government is asked to commit itself. Although it is the responsibility of the Government to render assistance wherever possible, provided such assistance does not involve it in heavy financial commitments, the Association's list of "do's" seems to be a formidable one. It would stand to reason, if the coal producers themselves were to give the lead wherever possible and then seek assistance.

On the issue of the prices to be charged for washed coal, the Association is of the view that if a producer adopts a means of coal beneficiation such as washing or hand preparation or any other means to improve his coal to a grade better than that for which he is paid, the consumer will derive a benefit and, therefore, a surcharge will be permissible. It feels that the steady ash percentage, that is, consistency in ash content, should be rewarded by what may be called consistency, extra, over and above the controlled price for the grade reacted by washed coal. This would be in accordance with the prevailing grading system under which a surcharge is allowed for inferior grade coal. The Association, however, is not in favour of making price differentiations between washed coal and coal beneficiated by hand preparation or by other means.

While on this subject, the Association draws the attention of the authorities to the defects in the present control on prices of coal. The prices were fixed during the war. The exigencies then demanded increased production of coal, whether low or high grade. Price bore no relationship to quality, the difference between prices of low and high grade coal being very narrow. As the circumstances prevailing during the war no longer exist, a revision of prices in accordance with the value of coal is considered by the Association as not only necessary but urgent. This, it says, would also encourage washing of coal.





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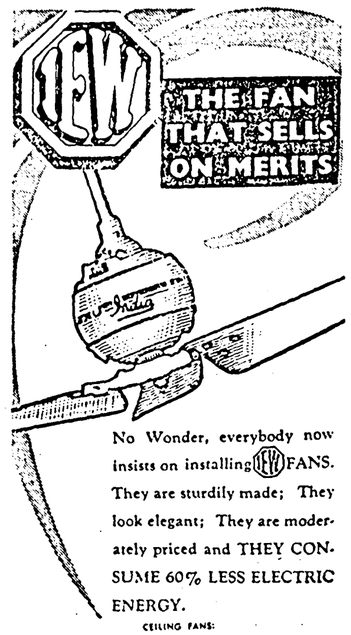

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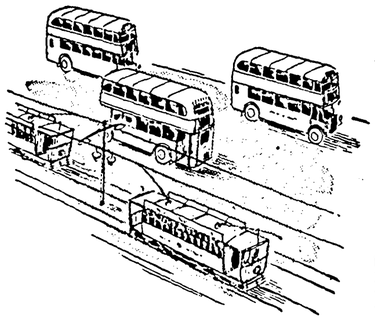

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CASHEWNUT INDUSTRY IN INDIA

ITS IMPORTANCE IN THE EXPORT TRADE

ALTHOUGH the Indian cashewnut industry is a comparatively young industry, it has carved for itself an important place in the foreign trade of the country, which few industries of the same age can boast of. As earner of hard currency, it occupies the third place, next to jute and pepper. But an exhaustive study of this important industry has not so far been attempted owing to paucity of statistical data. In this connection the results of a study undertaken by the Economic and Statistical Section of the United Commercial Bank Ltd., which are contained in a supplement to the May issue of the *United Commercial Bank Review*, under the caption "Cashewnut Industry in India," will be read with great interest.

The origin of cashewnut plantation in India, according to the journal, dates back to 400 years ago, when it was introduced by the Portuguese missionaries. More than 70 per cent. of the production is concentrated in the West Coast regions of India, between Bombay and Travancore, while the rest comes from the interior districts and from the eastern coast, but mainly from the south of the Vindhya range of mountains. The bulk of the production in the West Coast is from South Canara, Malabar, Goa, Cochin and Travancore. The season for collection of mature fruits is from the end of February to the end of May or June. A fully developed tree is capable of yielding 100 lbs. of nuts per annum. In the West Coast, the average yield per tree is about 20 lbs., in the eastern districts of Madras 30 lbs. and in Orissa about 40 lbs. No statistics of the production or consumption of cashewnuts in India are available, but it is stated that the Indian output of raw nuts is not sufficient to meet the requirements of the processing factories. Nearly two-thirds of the total supply of raw nuts comes from Portuguese East Africa and British East Africa. The cultivation of cashewnut trees has not been organised well enough to meet the entire requirements of the factories. This is evident from the figures of import of African nuts for the years 1939 to 1952. In 1939, India imported 37,000 tons from the two African countries and in 1952 the imports aggregated 55,000 tons. This shows that, despite the commercial importance of the commodity to India, no attempt has been made to reduce imports.

No estimate of the area of land suitable for cashewnut cultivation has been made. It is stated that in Travancore-Cochin State, plenty of uncultivated land remains unexploited. One of the difficulties in the way of more extensive cultivation is the extreme poverty and lack of resources of the agriculturists. As the tree generally takes three or four years before it matures, the agriculturist cannot afford to wait for a return on his capital for such a long time.

The methods of collecting and marketing of nuts in India are still primitive. The middlemen visit small growers and collect the nuts and the marketable quantity is brought to the shandy and sold to the highest bidder. The price of raw nut varies in accordance with the variation of the price of cashew-kernels in overseas markets, which, it is stated, fluctuates widely from time to time. The cashew-kernel exporters to overseas countries place their demand for raw nuts after receiving quotations from foreign importers of kernels. Actual transactions between the suppliers of raw nuts and producers of kernel take place when producers find that the American quotation for kernels and the Bombay quotation for nuts leave a reasonable margin of profit. In fact, a previous knowledge of the kernel market gives sufficient time for the cashewnut brokers to manœuvre the prices.

There are 164 factories in India which process cashewnuts and manufacture kernels, over 100 of which are concentrated around Quilon in Travancore-Cochin State and some in Mangalore and Tanjore districts of Madras State. Although cashewnuts are abundantly produced in East Africa and Brazil, Quilon is reputed to be the only place where both processing and exporting are done on a large-scale. On an average, a bag of about 168 lbs. (net) of nuts yield 37-38 lbs. of kernels. Every year, about 55,000 to 60,000 tons of African nuts and 40,000 to 46,000 tons of Indian nuts are roasted.

As already noted, cashew-kernel occupies an important place in the export industry of India. Export trade in cashew-kernels as such has developed only in the last two decades. Thus, up to 1925, exports of kernels did not exceed 50 tons, but in the year ended 31st March, 1953, these amounted to 27,417 tons worth Rs. 12.76 crores. In terms of both volume and value, exports during 1952-53 have shown considerable increase over the pre-war average of 13,000 tons worth Rs. 1.29 crores. The importance of the industry as a dollar earner is evident from the fact that in 1950-51, exports to the U.S. alone brought in $15 million or one and a half-times the sum earned in the previous year. Despite a decline in the volume of exports, the dollar earnings in 1951-52 amounted to $14 million. During the year 1952-53, the value of cashew-kernels exported to the U.S. amounted to $19.75 million. In terms of quantity, India's exports to the U.S. rose from 15,136 tons in 1949-50 to 20,515 tons in 1950-51, but slumped to 14,429 tons in 1951-52. In 1952-53, the exports rose to 19,203 tons. Except in 1951-52, the U.S. has been buying from India on an average 16,000 tons per annum or 80 per cent. of India's total exports. Britain is the next best customer of cashew-kernels, buying on an average 3,000 tons, or 14 per cent. of the total exports, in recent years.

Next in importance to the manufacture of kernels is the extraction of oil from nuts. India's exports of the oil in 1950 were estimated to be of the value of Rs. 60 lakhs. Although extraction of oil has been rendered easier by modern processes, these processes have yet to be adopted on a large-scale, thanks to the heavy cost of the necessary plant and equipment. Cashewnut shell oil has considerable commercial importance, because of its vast industrial application.

In view of the great possibility for the extended use of the products of the cashewnut industry, it is necessary to develop the industry and place it on a sound economic footing. The author of the article offers a few notable suggestions: (1) The possibilities of India becoming self-sufficient in nuts should be explored; (2) raw nuts should be mobilised and channelled into appropriate factories, by legislation, if necessary; (3) intensive cultivation should be undertaken; (4) modern plants should be introduced for extraction of cashew-shell oil without spoiling the kernels; (5) factories should be improved structurally and hygienically; and (6) proper and adequate statistics should be maintained for a proper study of the industry.

PROPAGANDA FOR INDIAN TEA

Following the withdrawal of India from the International Tea Market Expansion Board last year, the Government of India has been exercising its mind on the arrangements to be made in the various consuming countries for propagating Indian tea. In this connection, Mr. H. V. R. Iengar, Secretary, Union Ministry of Commerce and Industry, undertook recently, a tour of the U.K. and the Continent. In Amsterdam, Mr. Iengar and the Commercial Minister of the Indonesian Embassy had a joint meeting with the tea trade. In Dublin, Mr. Iengar had talks with both the Irish Government and the tea trade.

Latest reports from New Delhi indicate that the propaganda to popularise Indian tea will be carried on through autonomous local councils in certain selected countries. The proposal to do propaganda in selected countries is presumably due to the Government's desire to concentrate on intensive propaganda in countries where there is good scope for extension of the tea-drinking habit rather than on carrying on extensive propaganda. It is stated that it is unnecessary to spread propaganda over too many countries where possibilities of consumption is greatly limited. It is also learned that the Government of India proposes to send a mission to Australia and the U.S.A. shoring to explore the possibilities of increasing the consumption of Indian tea in these countries.

A Tea Council has already been set up in the U.S.A. in which two other tea-producing countries, Ceylon and Indonesia, are participating. These countries are propagating tea drinking mainly through the medium of television. The expenditure incurred for tea propaganda in the U.S.A. is shared by the producing countries and the tea trade in the proportion of 55 and 45. India's annual contribution for this purpose is about Rs. 10 lakhs.

A tea council is proposed to be set up in each of the countries, Germany, Holland, Austria and Denmark, which will adopt suitable means of propaganda. It will be left to each council to decide upon the medium of propaganda that will appeal most to the people of each country. As regards the U.K., the largest consumer of tea and India's best customer, it is felt that there is little scope for increasing the consumption of tea in that country. Nevertheless, it is admitted that some propaganda will be necessary for maintaining the present level of consumption there.

JUTE INDUSTRY IN PAKISTAN

PLANS TO CAPTURE U.S. MARKET

REPRESENTATIVES of Pakistan jute mills are reported to have unfolded, at a meeting of the American Textile Bag Manufacturers' Association held at New York a fortnight ago, Pakistan's plans for further expansion of burlap production in that country. According to a Press message from New York, they told American consumers that Pakistan had already in operation 750 looms and that by the middle of 1954 the country proposed to have 3,000 looms working with an annual productive capacity of 75,000 tons of burlap. All this quantity of burlap, they are reported to have said, was intended for sale in the U.S. markets. Pakistan's production target was, it would appear equal to the total American consumption of burlap. The U.S. importers were, however, keen on knowing the price which Pakistan would charge for its burlap, as they felt that, unless the Pakistan Government subsidised exports, the price might not be able to compete with Calcutta quotations. On the price question, however, the Pakistan spokesmen are stated to have preferred to remain silent.

The New York message referred to above is of considerable significance to India. It indicates the anxiety of Pakistan to capture the U.S. market for burlap. Pakistan has already shipped its first consignment to America—an event which was celebrated with great eclat —and ere long bigger consignments will reach American ports. A point of importance that deserves to be borne in mind by Indian jute mill interests is the advantages which Pakistan jute mills enjoy over their confreres in India. Thus Pakistan mills, as has been emphasised in these columns time and again, are quite new and are equipped with the latest types of plant and machinery. Their output per hour will, therefore, be larger than that of jute mills in India. They can be operated even three shifts, if need be, with consequent reduction in the cost of production. They are not handicapped by restriction on working hours as Indian mills are under the Working Hours Agreement. The mills in India are not working even one full shift, as, under the agreement they are required to operate on 42½ hours a week with a ceiling of 12½ per cent. on looms. Pakistan mills again have at their disposal the finest quality jute and the goods manufactured from the jute can easily attract customers. They are particularly suited to cater for the tastes of American consumers and, therefore, may prove a very strong competitor to Indian goods.

There is, of course, the other side of the picture. Although Indian mills are handicapped by restrictions on working hours, worn out or obsolete machinery and low quality jute, they have to their credit vast experience of the problems of the industry and its markets. They have also established trade contacts abroad which can be turned to their best advantage. The publicity section opened last year in America should also help serve better the interests of the Indian mill industry. Besides, India has a vast home market which is capable of expansion under the Five-year Plan. Above all, comes the currency advantage which the Indian rupee scores over the non-devaluated Pakistani rupee. Further, there is some force in the views held by the Indian representatives in New York, as reported in the Press message referred to above, that the position of Indian burlap in the world market is fairly strong now, especially after the recent sale of 360 million yards to Argentina. It is stated that the country is expected to buy another 60 million yards, and that the world demand for burlap may exceed supply during the current year. Recently Mr. Allan H. Heald, outgoing Chairman of the U.K. Jute Goods' Association, declared that the jute trade had won a decisive victory in the battle with substitutes. Provided prices were kept at a reasonable level, he felt that the outlook for jute would steadily improve. The same views have also been stated by the I.J.M.A. delegation which visited Australia and New Zealand last April. These views are indeed encouraging but they should not be allowed to give room for complacency regarding competition from Pakistan. For the threat is there, and is bound to assume serious proportions, if not now, at a latter stage. It behoves, therefore, the industry and the Government to be on their guard and to take timely steps against any possible danger from that source.

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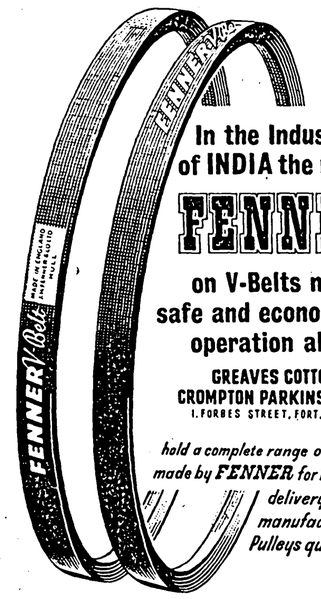

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TUNGABHADRA IRRIGATION PROJECT

FIRST FLOW OF WATER LET OUT

THE little town of Munirabad in Hyderabad hummed with activity on Wednesday last week, when, amidst scenes of rejoicing, the first flow of water from the Tungabhadra dam, one of the major river valley projects in the South, was let out through the two main canals of the project—on the Madras and Hyderabad sides. The waters of the river Tungabhadra were hitherto flowing into the sea. Thanks to engineering skill, these have now been harnessed for the betterment of the people. Readers are doubtless aware of the miseries the people of Raichur in the Hyderabad State and of the Ceded Districts in the Madras State had been subjected to owing to continued prevalence of drought conditions. Surely, with the completion of the Tungabhadra Project, chronic drought would be a thing of the past.

The construction of the Tungabhadra dam marks the fulfilment of a project conceived more than six decades ago. It was as early as in 1895 that investigations for utilising the water resources of the Tungabhadra basin were first carried out. These investigations led to the drawing up of the Bennur Anicut Scheme, which was given up later. In 1903, however, the Government of Madras, on the recommendation of the Indian Irrigation Commission, undertook a survey for the construction of a dam across the river Tungabhadra. The estimates drawn up in 1905 and finalised in 1906 were submitted to the Government of India. But it was not until 1930 that detailed investigations began. It was only at this stage that the Hyderabad Government also agreed to participate in the joint schemes of constructing a reservoir at Malapuram. Scores of conferences were held between the Governments of the two States on the question of the apportionment of the probable water-supplies. Finally, at the conference held in November, 1938, the two Governments agreed that a joint scheme for partial exploitation of the waters of the river was practicable and should be worked out. But the progress made in designing the joint work was very slow, as the question of a suitable level for full reservoir and the requirements of the existing irrigation area of the Krishna delta could not be agreed upon. World War II was responsible for the delay, as the Governments were too busy with the war effort to pay any serious thought to this question. The differences, however, were thrashed out at a conference held in Hyderabad in June, 1944, and the project in its present form was inaugurated on 28th February, 1945. The construction of the dam actually commenced in February, 1948, but, due to unsettled conditions in the Hyderabad State, the work did not progress satisfactorily till after the Police Action. It was in 1949 that the work was started in right earnest.

Canal System

The Tungabhadra Project consists of a dam across the river, two canals on either bank of the river for the irrigation of lands in the Hyderabad and Madras States, and hydro-electric plants at the headworks and at falls in the canals. The length of the dam is 6,007 feet, besides 2,000 feet of rolled-earth fill and composite dam, and the height 160 feet above the lowest foundations. It also carries a 22 feet wide roadway at the top. The total quantity of masonry in the dam is 14.21 million cubic feet and that of earthwork 6.04 million feet. The reservoir has a water-spread of 133 square miles, submerging 37 villages on the Hyderabad side and 81 villages on the Madras side.

The canal on the Hyderabad side is 127 miles long and terminates at Raichur. The total length of the distribution system will be about 1,000 miles. The canal commands a gross area of 1,080,000 acres, spreading in nine taluks of Raichur District, and provides irrigation water for 450,000 acres. Water is also to be supplied to another 135,000 acres for pasture and fuel. The drainage area of the reservoir is 10,880 square miles, the dependable yield of water from which is estimated at 300,000 million cubic feet. Hydro-electric power, it is stated, can be economically developed at the dam site and at four other places along the canal. The first power station will be located immediately below the dam. The station consists of five power generating units with a capacity of 9,000 kv.a. each. The power will be transmitted by 66 kv. to Raichur and Gulbarga via Yadgir and Narayanpet to meet the increasing demands at these places and to replace the uneconomic diesel plants of the district power stations, as well as those of industrial concerns and private parties. At the dam site, it is proposed to generate 24,300 kw. of electricity in the first stage and 40,500 kw. in the second stage.

The cropping scheme of the project on the Hyderabad side is as follows:

	Acres
Rabi crops	120,000
Cotton	120,000
Sugarcane	20,000
Alfalfa	16,000
Fruit	8,000
Heavy two seasonal garden ...	17,000
Light two-seasonal garden ...	17,000
Abi	82,000
Late paddy	10,000
Tabi	8,450
Gram	15,300
Fodder	77,940
Pasture and fuel	1,35,000
Green manure	1,01,000

Development of Industries

The cultivation of sugarcane in 20,000 acres will yield about 370,370 tons of cane—on the basis of the average yield of 18 tons per acre. Excluding 72,000 tons for *gur* production, nearly 300,000 tons of cane, it is expected, will be utilised for the manufacture of sugar. In addition to the Salar Jung Sugar Factory at Munirabad, it is proposed to establish a new factory at Gangawati. A power alcohol producing unit is also proposed to be set up in due course. As a large area of irrigated land is to be brought under cotton, the posibility of starting a spinning and weaving mill is being considered by the Industries Department of the Government of Hyderabad. With a view to improving communications, the Central Railway has been requested to construct a metre-gauge railway line connecting Gadwal, Gangawati and Gadag. A road programme is also being chalked out. The Government is taking steps to introduce anti-malaria schemes in Tungabhadra.

The density of population in the area served by the dam in the Hyderabad State is now 175 persons per square mile, while, according to experts, it should be at least 260. It is, therefore, proposed to attract cultivators from the adjacent districts of Gulbarga and Mahbubnagar. If sufficient numbers do not turn up in good time, the Government may consider the possibility of settling evacuee families from Punjab (P) and East Bengal. For providing easy credit facilities, it is proposed to start two land mortgage banks, one at Gangawati and the other at Manvi. It is likely that the Government will approach the Centre for a ten-year allotment of Rs. 2 crores per annum to develop this area which is estimated to cost about Rs. 22 crores.

On the Madras side, the Canal—the Low Level Canal—commands a total area of 750,000 acres. Initially, the supply of water is limited to only 250,000 acres. The length of the canal is 210 miles. The waters impounded by the reservoir, after generating power at two stages within the first 15 miles of the canal, will flow into the irrigation canal. As, however, the work at the power house is still not complete, water is let into the irrigation canal direct from the reservoir. The area commanded by the canal has been divided into distributories and direct pipes, each distributory having been aligned between two major watercourses so as to provide for natural drainage. The entire area on the Madras side is classified into three district zones, namely, (1) the perennial zone having 15,000 acres, (2) the wet crop zone accounting for 43,000 acres, and (3) the dry-cum-wet irrigated zone with 192,000 acres. The perennial zone is concentrated on the west of Hagari to three main distributories. Water here will be available throughout the year, except for a short period of about a month for silt clearance in the channels. The wet zone is spread through the entire drainage area and only one crop of paddy can be grown per year, as water is made available for one crop of paddy only, half the wet area receiving water during September-October.

Financial Position

The Tungabhadra Project, as noted above, is a joint undertaking by the Hyderabad and Madras States at a total cost of Rs. 60 crores. Of this, the share of Hyderabad is Rs. 23.04 crores, of which Rs. 17.45 crores represent the cost of canal construction and Rs. 5.59 crores that of the dam. The Planning Commission has recommended the levy of betterment fee in the area irrigated under the Project. Accordingly, the Government of Hyderabad proposes to charge a betterment fee of Rs. 150 O.S. on 450,000 acres to be irrigated under the Project. The amount so realised will be Rs. 5.76 crores which will go to the capital cost of the Project. Deducting this amount and a sum of Rs. 4.5 crores being debited to power towards proportionate cost of the dam, the net capital outlay will be Rs. 12.78 crores. The net revenue of Rs. 57.39 lakhs will thus work out to a return of 4.5 per cent. on the capital outlay. Similar information about the economics of the dam on the Madras side is not yet available.

The construction of the major portion of the dam and a few stretches of canals have now been completed. But it is not until all the canals included in the Project plan are completed that one can expect the full benefits of the Tungabhadra reservoir to the famine-ridden areas. It is difficult to say precisely as to when exactly they will be completed. It, however, looks safe to conclude that such will take quite a long time, considering the none-too-happy financial position of the Hyderabad and Madras States, not to mention the division of the latter into two linguistic States.

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STATISTICS OF SHIPPING

The Government of India, it is reported, has decided to constitute an eight-member committee, with Mr. M. A. Master as Chairman, to examine questions relating to collection and maintenance of ports and shipping statistics. The reported decision is a sequel to the recommendations of the National Harbour Board made at the latter's meeting held in Cochin in December last. The terms of reference to the Committee are as follows:

(1) To review the type of port and shipping statistics now being collected and maintained in the major and minor ports;

(2) to study the extent to which such statistics are being published either by Government Departments or by port authorities, with particular reference to the question as to whether there is any duplication of effort;

(3) to recommend as to what further statistics should be collected in regard to ports and coastal and ocean-going shipping, due consideration being paid to the needs of the Government, trade and international agencies;

(4) to suggest the type of agencies for collecting and compiling statistics, the material that should be published and the manner of such publication.

Besides Mr. Master, the proposed Committee will consist of Mr. S. N. Hajl, Joint General Manager, Scindia Steam Navigation Co., Ltd.; Mr. D. K. Guha, Superintendent, Traffic Department of Calcutta Port Commissioners, Mr. A. Mudi of the State Port Office of Madras, Mr. C. R. Menon, Director-General of Commercial Intelligence and Statistics (or his deputy, or S. G. Rao); Mr. P. R. Subramaniam, Deputy Director-General of Shipping in Bombay; Mr. Ramamurti of the Central Statistical Organisation, New Delhi, and Mr. B. B. Gujral, Assistant Collector of Customs, Calcutta. Mr. D. K. Guha will act as the Secretary of the Committee, which will have its headquarters at Bombay.

NEW CALTEX GROUP TANKER

The tanker s.s. *Caltex Perth* was launched successfully last week, according to an announcement by the Caltex Trading and Transport Co., Ltd., the agents for Overseas Tankship (U.K.) Ltd. The *Caltex Perth*, the ninth ship to be launched for Overseas Tankship (U.K.) Ltd., in England, was built by the Turmess Shipbuilding Company at Haverton Hill-on-Tees, England. The ship is 544 feet in length and weighs 17,400 deadweight tons. It is propelled by turbines with reduction gears to give it a trial speed estimated at 15 knots.

A new type of prefabricated house which can be assembled or taken down in record short time is being used by the U.S. Army at Camp Stewart, near Hinesville, Georgia. In a preliminary test, one of the houses was recently taken apart and reassembled in an hour and 39 minutes by the Pressed Steel Car Company, the firm erecting the houses. (This firm manufactures the houses in Chicago.) The houses have two or three bedrooms, a living room, dining room, storage area, kitchen, utility room, hallway and bathroom, all on one level. They are set in place on concrete piles sunk 18 inches into the ground. The two-bedroom model sells for $7,700.

NEW GREAT INSURANCE COMPANY OF INDIA LIMITED

MR. TULSIDAS KILACHAND'S ADDRESS AT ANNUAL MEETING

NEED FOR HEALTHY BUT NOT RUINOUS COMPETITION

A CLEAR warning that, while healthy competition among insurers was both necessary and welcome, it was wrong to indulge in ruinous competition that would recoil on the insurers themselves, was given by Mr. Tulsidas Kilachand, Chairman of the New Great Insurance Company of India Ltd., at the Tenth Ordinary General Meeting of the Company, held at its registered office in Baroda, on Saturday, 4th July, 1953. Mr. Ambalal Kilachand presided over the deliberations of the meeting owing to the unavoidable absence of the Chairman, Mr. Tulsidas Kilachand.

At the outset, Mr. Tulsidas made a moving reference to the passing away of Mr. Walchand Hirachand, a Founder-Director, from whom the Company received great support. He was the doyen of Indian shipping and a pioneer in the shipbuilding, aviation, and automobile industries, and his contribution to the economic development of the country was very considerable. In his death the country had lost a great industrial leader and it would be difficult to fill the void.

Five-year Plan and Insurance Business

Proceeding, the Chairman referred to the Five-year Plan, in so far as it had a bearing on insurance business in this country. In view of the heavy draught of taxation and public borrowing on the private sector in order to finance the development programme initiated in the public sector of the order of Rs. 2,069 crores, the private sector would not be able to raise adequate funds to finance the investment programme of Rs. 613 crores in the organised sector of private industry which the Plan outlined and also for small-scale unorganised industry, housing and other private investment which the Plan did not cover. This circumstance placed a great responsibility on insurance companies, banks and other credit institutions, who mobilised the country's savings and canalised them into investments, public and private. Insurance companies had about 50 per cent. of their combined life and general funds invested in Government securities, and a substantial portion in industrial securities. Credit was a highly sensitive mechanism, and for its proper functioning, the Government should provide stable conditions, and refrain from making injudicious pronouncements such as those relating to the nationalisation of insurance business lest they undermined public confidence on which credit was based.

Taxation Enquiry Commission

Welcoming the appointment of the Taxation Enquiry Commission, Mr. Tulsidas appealed to it to make sure that the economic efficiency of the country was not undermined by the political cry for equality through taxation. He pointed out that the Report of the Planning Commission emphasised, on the one hand, the desirability of allowing incentives to corporations to retain and plough back their profits, yet refrained from lending its full support to this proposition, merely because it would lead to concentration of wealth of those in control. As far as his reading of the Constitution went, the Directives of State policy were clearly against any redistributive measure that was likely to be detrimental to the common interest, viz., where it was likely to lead to a lowering of productive capacity.

Problem of Urban Unemployment

He emphasised that the present policy to sustain public investment by a continuous financial transfusion from the private sector as well as deficit financing was not as harmless as it was made out, and that it might be partly responsible for the increase in urban unemployment. If the Government cannot provide employment opportunities, they can at least provide fiscal incentive to stimulate activity in the private sector.

Codes of Conduct

In dealing with some of the specific problems confronting insurance, Mr. Tulsidas referred at the outset to the position created as a result of the enforcement of the Insurance (Amendment) Act, 1950. He was inclined to think that some of the provisions of the Codes of Conduct introduced by the General and Life Insurance Councils for insurers to observe in their business would lead to the setting up of a uniform pattern for all companies to follow, which might not suit all of them and, on the contrary, might seriously jeopardise the working of small and new insurers.

Need for Freedom and Publicity

Although he fully shared the anxiety of the authorities to place the business of Indian insurance on a sound footing, he would like that in suggesting corrective measures, sufficient caution was exercised, so that certain units of the trade were not adversely affected. After all, the object of the Government as well as the trade was to see that insurers transacted business on healthy, clean and sound lines. To bring this about, he would like insurers to face the problems boldly and evolve a scheme which should command a great measure of acceptance and ensure that insurers in this country carried on their activities just like any other private enterprise anywhere in the world, in an atmosphere of healthy competition. In other words, there should be minimum Governmental interference in its routine work as was the case in the more advanced countries like the U.K. where "Freedom" and "Publicity" were the keynotes of the policy of statutory control.

Unhealthy Competition Deprecated

At the same time, Mr. Tulsidas was of the opinion that whilst competition was the keynote of private enterprise, companies should avoid ruinous competition which was sure to recoil on them to their detriment in the long run. If only they maintained the highest standards of rectitude and business morality, and conducted their business in such a way as to offer maximum security to their clients, there was ample scope for each one of them, particularly in the context of the development and expansion of industries under the Five-year Plan which would be throwing up new opportunities for securing increased business, apart from developing new classes of insurance.

Reconstruction of Company's Capital

He made a passing reference to the reconstruction of the capital structure of the Company, as required under the provisions of the Insurance (Amendment) Act whereby the Company had now only one class of shares, viz., ordinary shares with an authorised capital of Rs. 2 crores and a paid-up capital of Rs. 20 lakhs, as from 31st May, 1953.

Routine Working

The Chairman then proceeded to deal at length with the day-to-day working of the Company for the year 1952 and gave the following salient figures:

Department	Premium income Gross	Premium income Net	Amount of losses	Loss ratio	Amount of commission and expenses of management	Commission and expenses ratio	Reserve for unexpired risks	Carried to profit and loss account
	Rs.	Rs.	Rs.	Per cent.	Rs.	Per cent.	Rs.	Rs.
Fire	51,00,169	24,54,047	4,06,848	20.25	10,17,896	41.48	12,27,023	+ 6,39,797
Miscellaneous ..	14,47,936	11,92,979	5,02,031	42.16	5,51,589	46.24	5,96,490	+ 68,737
Marine ..	36,44,907	12,43,619	8,82,663	70.98	4,41,762	35.52	12,43,620	— 6,13,172*

Life Department

Intro-duced	Proposals Amount	Proposals Completed	Proposals Sum assured	Re-assurance	Net new Premium	Renewal Premium	Claims paid and outstanding	Life Assurance Fund at the end of the year
	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,984	93,65,875	2,454	77,86,875	3,88,760	3,59,154	13,41,559	76,641	46,23,609

* The Chairman drew the special attention of the shareholders to the fact that the loss of Rs. 6,13,172 appearing in the Marine Department was not a trading loss, but due partly to increase of marine fund from Rs. 7,10,409 to Rs. 12,43,620 as a result of increased premium income, and partly due to increase in percentage of closing fund from 90 per cent. to 100 per cent. of the year's premium income.

Dividends

Dealing with the profit and loss account, Mr. Tulsidas said that the net amount carried forward to the profit and loss appropriation account amounted to Rs. 2,51,519. After adding a sum of Rs. 21,160, being the balance brought forward from last year, the total amount to the credit of profit and loss appropriation account was Rs. 2,72,679. It was proposed to transfer to taxation reserve Rs. 1,00,000 and to pay the eighth dividend on preference shares for the year 1952 amounting to Rs. 50,000 less tax. The Directors were also very happy to recommend payment of dividend at Re. 1, free of income-tax, on ordinary shares.

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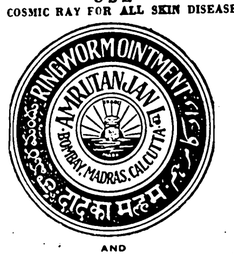

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AMRUTANJAN

THE ATOM BOMB PAIN BALM



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(INCORPORATED IN INDIA)

HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY

Chairman: FRAMROZE H. MEHTA *General Manager:* M. S. DASTUR

INSURANCE COUNCIL DECIDES TO IMPLEMENT CODE OF CONDUCT

TASK BEFORE ADMINISTRATIVE MACHINERY

THE battle for the Code of Conduct for general insurers has now been won. To those who feared that there would be some weakening in the resolve of the Executive Committee of the General Insurance Council to enforce the Code in all its severity the recent decision of the Committee must be heartening. There were many suggestions from several insurers which were designed to substitute a less exacting machinery in place of the Code. Apparently, these suggestions have not received the support of the Executive Committee, as a whole, so that the Code again emerges triumphant from the recent deliberations of the Committee.

At the last meeting of the Committee, held in New Delhi in April, 1953, the Committee received the suggestions put forward by certain insurers sympathetically, and gave them preliminary consideration. It decided to examine in detail the suggestions, which were in the nature of alternative proposals to take the place of the Code of Conduct, at the next meeting. It would appear that the Committee examined all aspects of the problem, including the suggestions that had been deferred consideration at the last meeting, at the meeting held in Bombay last week, under the chairmanship of Mr. K. G. Ambegaokar, Secretary, Finance Department, Government of India. It is stated that, although no decision was reached on the proposals submitted by the insurance interests represented by the Advisory Committee of Directors of the Indian Insurance Companies Association, the Committee had the benefit of a "full and frank discussion" on them. The Committee, however, reaffirmed its faith in the Code of Conduct for general insurers.

The Code is drawn up in two parts. The first part consists of four sections: (1) Insurance agents; (2) branches; (3) inspectors, organisers and field workers; and (4) general. Under the first section, the Code emphasises that, since "own-case" agencies are prohibited under the Insurance Act no attempt should be made to get round this provision of the law. The main aim of the section relating to branches is the prevention of the practice of setting up uneconomic branches. Thus, it states that each mofussil should have a clearly defined underwriting territory for its work, and that no insurer should establish a branch within a distance of 40 miles from another branch of his company. The third section, which deals with inspectors, organisers and field workers, lays down conditions for the appointment of full-time and part-time employees. The fourth section, designated as "General matters," seeks to ensure prompt settlement of accounts by insurers with their agents and with insured interests. It also lays down that each "insurer should agree for an inspection of his books, records, etc., by the Administrative Machinery at any time without previous notice."

The second part of the Code of Conduct deals with the conduct of insurance business after the Administrative Machinery is set up. Thus, insurance agents should register themselves with the Administrative Machinery. Insurers should inform the Machinery about the territorial jurisdiction of branches. This part also specifies the number of field-workers which an insurer may employ, the number being related to his premium income.

The chief objectives of the Code are easily stated. It seeks to prevent the direct or indirect grant of rebate and the making of false entries by an insurer in his books of accounts. The provisions of the Code are, therefore, designed to set up machinery which is specifically intended to screen appointments of field officials and branch offices to ensure that no fictitious jobs are created, to regulate recovery of premium, to ensure that no rebates are paid and to provide for the inspection of books. It must also be noted that the Code is designed mainly to enforce the provisions of the Insurance Act itself, so that it could rightly be regarded as being intended to enforce something that is already on the statute book.

It would, however, appear that several insurance interests have some honest misgivings about the practicability of enforcing the Code —that is, about the efficiency of the Administrative Machinery. The Code has been before insurers for over a year now. But it has not eliminated malpractices in the trade. It remains to be seen whether the position would improve after the Administrative Machinery is set up. The Machinery, it is learned, will begin functioning within the next few days, since the head of the Machinery has already been chosen.

It is true that the Code is not "knave-proof," for it might still be possible to circumvent it. After all, the Administrative Machinery can bring the erring members to book only when a complaint is made. If an insurer, who loses business through the fraudulent means of another insurer, chooses to remain silent, it will be difficult for the Machinery to act promptly. The insurer, who is affected thereby, may hope to make his uncomplaining behaviour a selling point in his favour; for clients would prefer an insurer who, they know, will not complain of loss of business, if they choose, at a later date, to change the insurer with whom they deal. Also, insurers who frequently complain against other insurers, might be victimised by being denied reinsurance business. Also, all insurers dislike the interference involved in the examination of books by an external authority. This might breed some opposition to the Administrative Machinery.

Despite these defects, the Code deserves to be given a fair trial. After all, the alternative proposals, which were suggested by several insurers, have not commended themselves even to those who feel that the Code cannot function as effectively as its sponsors believe it will. Also, the Code represents the views of a representative body, such as the Executive Committee; the majority of the members of the Committee consists of elected members. The Code is, therefore, not an imposed solution. In view of these considerations, it is to be hoped that the Code will be given the support which it deserves, and that insurers will observe both the spirit and letter of the Code. What is at stake is the strength and prosperity of Indian insurance business. In the long-term interests of insurers themselves, it is necessary that the Code should be supported. It would, however, be open to insurers to modify it or to improve it if, after a period of trial, they find that it needs such revision. In the meantime, the Administrative Machinery will have to work with caution and imagination. Its function should not be that of a policeman, but that of a friend and guide. It is only in the last resort that force should be used. If the Machinery approaches its task in that spirit, it may possibly help place the insurance industry on a firm basis.

BOMBAY CO-OPERATIVE INSURANCE DOES RECORD BUSINESS

A smart rise in new business done to a record level, a more favourable claims ratio, a notable reduction in expense ratio and a satisfactory yield on investments are the highlights of the results of working of the Bombay Co-operative Insurance Society Ltd. (Head Office: Bombay; Manager and Secretary: Mr. G. H. Thakore), during the year ended 31st December, 1952. The triennial valuation of the Society's assets and liabilities for the period ended 31st December, 1952, shows a substantial surplus which has rendered it possible for the Directors to raise the reversionary bonus by 80 per cent. over that paid for the previous valuation period.

The new business completed during the year under review shows a sizable expansion, the number of policies recording an increase from 4,576 to 5,713 and the sum assured from Rs. 64.94 lakhs to Rs. 81.66 lakhs, thus establishing a record in the history of the Company. The Company has thus maintained the rising trend in new business since 1947. Barring the years 1946 and 1947, the rising trend has been maintained since 1942 and during the decade ended 1952, the Society's new business has increased more than 3½ times, from Rs. 22.94 lakhs in 1942 to Rs. 81.66 lakhs in 1952. The substantial increase in new business during 1952 has been responsible for the rise of Rs. 35.67 lakhs to Rs. 457.40 lakhs in the total business in force.

It is gratifying to note that sizable increase in new business has been accompanied by a decline in claims, those by death from Rs. 1.77 lakhs to Rs. 1.37 lakhs and those by maturity from Rs. 3.24 lakhs to Rs. 3.19 lakhs. This decline in claims, coupled with the increase in premium income from Rs. 22.05 lakhs to Rs. 23.70 lakhs, accounts for the decrease in the claims ratio from 22.7 per cent. to 19.24 per cent. The renewal expense ratio has come down from 13.40 per cent. in 1951 to 11.94 per cent. which, we are told, is the lowest ratio reached in the history of the Society. The Company's housing-cum-insurance business is claimed to be partly responsible for the reduction in the renewal expense ratio. The overall expense ratio also has gone down from 25.89 per cent. to 25.49 per cent.

The life fund at the end of the year stands at Rs. 117.10 lakhs, having been strengthened by the addition of Rs. 14 lakhs during the year. The investments of the life fund in securities and approved shares amount to Rs. 80.64 lakhs (at cost). The market value of the same is Rs. 71.02 lakhs, the depreciation being covered by an investment reserve fund of Rs. 9.62 lakhs, which includes an addition of Rs. 2.68 lakhs in the year under review. The net yield on the investments works out to 4.01 per cent. as against 4.04 per cent. in 1951.

The triennial valuation referred to above shows a surplus of Rs. 6.63 lakhs for the three years. This surplus has been arrived at after taking into account the provision for depreciation made during the three years aggregating Rs. 6.66 lakhs. But for this depreciation, the surplus could have been substantially higher. Nonetheless, the valuation results have been so satisfactory that an increase in the reversionary bonus from Rs. 5 per thousand per annum to Rs. 9 for endowment policies and from Rs. 7 per thousand per annum to Rs. 11 for whole life policies, as recommended by the actuary, have been declared by the Directors. Needless to add that the bonus could have been higher but for the depreciation on investments provided, as noted above. Now that the monetary policy has stabilised and higher interest rates are expected in the coming years, without further material depreciation, the Society's policyholders can reasonably share the Chairman's confidence that the Society will be in a position to improve substantially upon the present rates of bonus at the next valuation.

ENCOURAGING RESULTS OF INDUSTRIAL AND PRUDENTIAL

A welcome recovery in new business, which had suffered a setback in 1951, is disclosed by the audited accounts of the Industrial and Prudential Assurance Company, Ltd. (Head Office: Bombay; Managing Director: Mr. V. C. Setalvad), for the year ended 31st December, 1952. The number of proposals that resulted into policies, which had declined from 6,919 assuring a sum of Rs. 236.58 lakhs in 1950, to 6,013 covering Rs. 230.91 lakhs in 1951, has improved to 6,694 assuring a sum of Rs. 254.24 lakhs. It may be noted that, although the number of policies issued in 1952 is not as large as that in 1950, the sum assured is sizably higher than that in 1950. The average sum assured per policy, which had gone up from Rs. 3,419 in 1950 to Rs. 3,840 in 1951, has been very nearly maintained in 1952, the exact figure for the year under review being Rs. 3,800. The satisfactory increase in new business done in 1952 has enabled the Company to bring the total business in force at the end of the year to over Rs. 20 crores—Rs. 20.02 crores to be precise—covered by 63,642 policies, and to strengthen its life fund by Rs. 49.62 lakhs to Rs. 5.83 crores.

A matter of greater importance to insurance companies than the new business done is their claims experience. No doubt, in the case of the Industrial and Prudential, the amounts paid out and due in 1952 by way of maturity and death have been higher than in 1951, namely, Rs. 11.06 lakhs and Rs. 23.03 lakhs, respectively, as against Rs. 9.04 lakhs and Rs. 22.38 lakhs. But their combined ratio to the total premium income received during the year has been a little more favourable than in 1951, at 32.6 per cent., as against 33.5 per cent.

A matter of concern to insurers in recent years is their obligation to keep their level of expenses within the statutory limits. In the case of the Industrial and Prudential, the ratio of expenses of management and renewal expense ratio in the year under review were a little higher at 23.9 per cent. and 14.9 per cent., as against 22.8 per cent. and 13.8 per cent., respectively, in 1951. This increase is presumably due to the all-round rise in costs of almost everything and to the improvement in new business during the year.

The following comparative table shows the trend of the Company's progress since 1949:

(Value in lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
New business done—				
No. of policies	6,694	6,013	6,919	6,730
Sum assured	2,54.24	2,30.91	2,36.58	2,10.56
Total business in force at the end of year—				
No. of policies	63,642	60,853	59,144	56,046
Sum assured	20,02.46	18,46.90	17,37.67	16,23.62
Life fund at the end of the year	5,82.95	5,33.33	4,93.84	4,48.09
Claims—				
By death	11.06	9.04	11.37	10.86
By maturity	23.03	22.38	17.58	17.52
Claims ratio	%	%	%	%
Expenses of Management	32.6	33.5	32.9	32.8
Renewal expense ratio	23.9	22.8	24.7	23.7
	14.9	13.8	13.9	14.3

The Company's total assets as at the end of the year under review show an expansion of Rs. 68.54 lakhs to Rs. 6.57 crores. Of these, investments in stocks and shares (at cost) account for Rs. 4.76 crores, an increase of Rs. 37.73 lakhs. The market value of these investments, amounting to Rs. 4.31 crores, shows a depreciation of Rs. 44.81 lakhs. This depreciation is covered by an investment reserve fund of Rs. 45 lakhs, which, it may be noted, has received a sum of Rs. 16.25 lakhs from the revenue account for the year. Out of the total investments, those in Government and approved securities amount to Rs. 295.09 lakhs. Another notable feature of the accounts is the increase in the dividend to the shareholders from Rs. 14 per share of Rs. 6 to Re. 1-4, free of income-tax.

INDUSTRIAL AND PRUDENTIAL ASSURANCE COMPANY, LIMITED

MR. VELJI LUKHAMSI ON LIFE ASSURANCE UNDER ESTATE DUTY BILL

AN increase of 10 per cent. in new business, a higher dividend per share and increase of Rs. 66 lakhs in the total assets of the Company were the highlights of the working of the Industrial and Prudential Assurance Company, Ltd., Bombay, which were revealed by Mr. Velji Lukhamsi, Chairman of the Company, at the thirty-ninth Annual General Meeting of the Company, held on 2nd July, 1953. In his speech, Mr. Velji reviewed the progress of the Company. He said:

Assets and Investments

"The total assets of the Company have increased from Rs. 590 lakhs to Rs. 656 lakhs. The investment reserve fund now stands at Rs. 45 lakhs. I am hopeful that since more than 45 per cent. of the investments of life fund are represented by securities bearing fixed dates of redemption, a fairly large amount of the deficit will be recovered when these securities are redeemed on maturity.

Valuation

"The results of the valuation of the life insurance business of the Company as at 31st December, 1951 were satisfactory. The rate of interest assumed was the same as in the last valuation, viz., 2½ per cent. The valuation disclosed a surplus of Rs. 26,03,848. **The rate of bonus declared was Rs. 7-8 per thousand on endowment assurance policies and Rs. 10 on whole life assurance policies** as against Rs. 5 per thousand and Rs. 7 per thousand respectively at the previous valuation, **an increase of about 50 per cent. In the matter of declaration of bonus, your Company did not think it desirable to make any discrimination between old and new policyholders.**

"The net yield on mean life fund earned during the year was 3.99 per cent. showing an increase over the previous year.

"The lapse ratio to the mean business in force during the year worked out to 4.5 per cent. as against 5.4 per cent. last year.

Allowance in Tax

"Under the Bill further to amend the Indian Income-tax Act, 1922, the Government have at last considered substantially the demands placed by the insurance companies. Accordingly, 80 per cent. of the amounts belonging to or provided for or reserved for or expended on behalf of the policyholders will now be allowed as deduction to life insurance companies taxed under rule 2 (b) of the schedule to the Income-tax Act. The above amendment will give the much desired relief to the life companies when they are taxed on surplus basis.

Five-year Plan

"Since we last met, the important event in the year was the publication of the full details

1952 BUSINESS FIGURES THAT MATTER

	Rs.
Total business in force ...	20,02,45,838
New business completed ...	2,54,24,000
Life insurance fund as at 31st December, 1952	5,82,94,780
First year premium income ...	12,91,604
Renewal premium income ...	90,50,600
Single premium income ...	1,27,729
Total assets	6,56,74,392

of the Five-year Plan. I am hopeful that the success of the various projects undertaken in the Plan is fairly assured. It is hoped that the country will eventually enter an era of substantial increase in food, daily necessities of life and industrial production. **The successful implementation of the Plan, it is hoped, will have a very favourable effect on the insurance industry.**

"Our Government have been enacting legislations with a view to improving the general condition and the health of the working population. I would briefly refer to the two major legislations passed by the Government, the Employees' Provident Fund Scheme and the Employees' State Insurance Scheme. The first scheme will cover six specific industries employing a total labour force of about 16 lakhs of workers. Evidently, the scheme has provided a very necessary and useful apparatus whereby the industrial workers, who are generally illiterate, will be compelled to contribute a part of their earnings and thus, save the same. Again, under this scheme, while the members will be denied loans to meet day-to-day expenses or other expenses, they will be allowed to raise a loan for payment of insurance premiums. The other scheme is the first Health Insurance Scheme in our country and is calculated to give insurance cover to about two and a half million industrial workers. The scheme is manifestly a step in the right direction.

Estate Duty Bill

"I will now refer to a development which will vitally influence the future of life insurance in our country, the Estate Duty Bill, 1952. The present Bill proposes to levy a duty on estates passing or deemed to pass on the death of an individual. The Bill provides a specific exemption in respect of proceeds of life assurance policies from the levy of estate duty, whereby moneys payable under one or more policies of life assurance effected by a deceased person on his life for the purpose of paying estate duty or assigned to the Government for the said purpose will be exempt to the extent of duty payable. **I feel that keeping in view the backwardness of insurance habit in our country and to give a fillip to insurance business, the Government should consider exemption for moneys payable under one or more policies of insurance effected by a deceased person on his life to the extent of at least Rs. 50,000.**

"You are all aware that to check the evils which are generated during the post-war years in the conduct of business such as acquiring control of life insurance companies, interlocking of funds, etc., the Insurance Act was amended. I, however, have a feeling that the confidence of the people in Indian insurance cannot be sustained merely by legislation. There must be voluntary and earnest efforts on the part of companies to put their houses in order. The 'Code of Conduct' has been issued by the Executive Committee of the Life Insurance Council. I feel that it is ultimately the companies who should so act as not to force the Government to undertake further drastic measures. I, therefore, hope that the companies will co-operate in implementing the 'Code of Conduct.'

"In conclusion, I offer my sincere thanks to my colleagues on the Board, our field force and our staff at the head office and the branches."

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MR. SREENIVASAN'S SPEECH AT ANNUAL GENERAL MEETINGS

SOME NOTABLE SUGGESTIONS FOR STIMULATING PRODUCTIVE INVESTMENTS

MR. M. A. Sreenivasan, Chairman of the Mining Companies on the Kolar Gold Field, namely, The Mysore Gold Mining Company (K.G.F.) Ltd., The Champion Reef Gold Mines of India (K.G.F.) Ltd., The Ooregum Gold Mining Company of India (K.G.F.) Ltd., and Nundydroog Mines (K.G.F.) Ltd., addressed the members at the Second Annual General Meetings held at Oorgaum on 30th June at which the Directors' reports and the audited accounts and balance-sheets for the year ended 31st December, 1952, were submitted.

Mr. Sreenivasan opened his remarks by referring to the appointment to the Boards of the four Companies in September, 1952, of Mr. R. J. Rego, Secretary to Government, Development Department, following his nomination by the Mysore Government in succession to the late Mr. R. Ramakrishna, and in the case of Champion Reef to the appointment in June, 1952, of Mr. R. E. Castell to fill the vacancy caused by the retirement from the Board of Mr. B. W. Batchelor.

Proceeding, Mr. Sreenivasan said:

"In my speech last year, I referred to the steep fall in the price of gold which occurred in the early part of 1952. After a partial recovery to Rs. 240 per ounce, there was a further decline to a minimum of about Rs. 210 per ounce in October and November, 1952. The average price received for the Companies' production of gold during 1952 was approximately Rs. 237 per ounce which is about Rs. 57 per ounce lower than for the previous nine months—a drop of 19 per cent. Since the end of 1952, the price has improved and steadied itself somewhat and has averaged approximately Rs. 235 per ounce to-date. The present price is about Rs. 244 per ounce.

"Relations with labour continued to be cordial. In the course of recent negotiations with the Labour Associations, at which Mr. S. C. Joshi, Chief Labour Commissioner of India, presided, it was agreed to pay a bonus to labour equivalent to 39 days' basic pay in respect of 1951. Other benefits given to labour in recent months have included issue of rations on credit and increase in the contribution to the provident fund by an amount equal to 6¼ per cent. on half of the dearness allowance. In addition, the Company has maintained welfare facilities for labour at a high standard.

Gamble in Monsoons

"Operations at the Mines since the close of the year under review continued without serious interruption up to the end of May, despite a threatened power shortage from January. From the 1st to the 22nd of June, however, the supply of power to the mines was once again cut, owing to shortage of water in the Krishnarajasagara Reservoir. This cut was very severe and averaged at over two-thirds of the normal supply. Fortunately, it was not of long duration.

"Indian agriculture has been known for ages as a gamble in monsoons. In recent years, a large part of Indian industry has also come to share the same fate. Power cuts have become a recurring hazard, resulting in loss of production, hardship to labour and a fall in earnings that has at times been calamitous.

"The position is particularly onerous in the case of certain industries like gold mining in the K.G.F. which depend on a nationalised source of power and are precluded from installing plants for generating their own power requirements.

"These paralysing power cuts have come at the same time as the nation's plans for increasing the generation of hydro-electric power, and serve to underline the wisdom and foresight of the planners in giving a high priority to such projects. While it is hoped that the completion of these installations will help to remedy this new and recurring nightmare, one expects, too, that State Governments will take urgent steps to make industries dependent on them for their power supply less vulnerable to monsoonal vicissitudes by installing thermal stand-by plants of adequate size. It is gratifying to learn that the Government of Bombay and the Government of Madras have planned to install such thermal units. One confidently hopes that the Government of Mysore, which has taken the lead in hydro-electric development in India, will not lag behind in installing similar plant, and thereby insuring industries in the State against recurring dislocation and loss.

"There have been, since we last met, two notable and welcome events to which I would like briefly to refer. India's First Five-year Plan has been published and has rightly been acclaimed as a realistic, if modest, programme which sets out to rehabilitate and raise our country's economy and the standard of living of our people. It is recognised as the forerunner of many more such plans which will, in time, help us win our age-long battle against poverty, and to secure for our people an economic status more consistent with our man-power and material resources. The Plan recognises the role of private enterprise, and individual initiative; and to the extent that it does so it offers a challenge to enterprises such as ours, which I am confident will be loyally and enthusiastically met.

"The Plan depends, for its success, on increased capital formation and investment in productive enterprise. In this connection, one cannot help sharing the general feeling that the economic climate in the country has, during the past few years, tended to become one that is not calculated to stimulate initiative or investment in industrial development. Apart from the high level of taxation which, in the opinion of many responsible industrialists, has run away from and far outstripped the pace of the country's earning power and economic progress, there are several other causes that have contributed to this unhealthy condition of affairs. With the activities of ambitious politicos and rival political groups who have succeeded in securing the leadership of labour unions all over the country and the attitude that Governments have often adopted towards such activities, with the many restrictions imposed and uncertainties caused by import and export control policies, and the trend of politically-biassed opinion regarding the earning of profits, it would seem that the starting of a new industry to-day is an adventure calling for bravery bordering on heroism. Capital and enterprise that should be harnessed for industrial diverted to distribution and trade, if not speculation. If this view is correct, it is obvious that means have to be found to remove some of the existing disincentives and handicaps and to provide some positive incentives that will encourage the investment of private capital in productive industrial enterprise."

Less Official Intervention Needed

Continuing, Mr. Sreenivasan said:

"If I may be permitted to refer to one of the existing disincentives, it is the amount of official intervention that industry in the private sector has daily to cope with, from womb to tomb. Practically every industrial concern of any consequence to-day feels obliged not only to employ extra staff to cope with the growing volume of inquiries from and correspondence with Government offices and officials but has, in addition, either to maintain a representation in New Delhi or arrange pilgrimages to that costly capital, or both. This is not intended as a criticism of Government or its helpful, competent and hard-worked officials. It is realised that part of such intervention is, perhaps, unavoidable in a planned economy. One hopes, however, that it may be found possible to remove or reduce a sizable proportion of it, and thus lighten the handicaps it imposes.

"The implementation of the First Five-year Plan and its successors will call for considerable amounts of foreign exchange. In my speech to you last year, I tried to indicate the not insignificant contribution that a vigorous and expanding gold mining industry can make to the country's credit. I also pointed out how foreign exchange, estimated at between Rs. 7 and Rs. 10 crores in value, is at present being found by devious means and employed in the business of smuggling gold into this country, and how increased gold production in India—for which there is scope—can assist in rescuing this foreign exchange for nation-building needs.

"The other event I wish to refer to is the appointment by the Government of India of the Taxation Enquiry Commission under the chairmanship of the eminent economist and industrialist, Dr. John Matthai who was formerly Finance Minister of India. The appointment did not come a day too soon. The structure of taxation of mining in general and of the gold mining industry in the Kolar Gold Field in particular, has been out of line with what has, after careful thought, been devised by other countries of the world which have been more successful in developing their mineral wealth, and have thereby enriched themselves and their peoples. As you know, your Directors have made reasoned representations in this regard to the Government of India who are giving the case their sympathetic consideration. I trust it will not be very long before the industry gets some much-needed relief, and encouragement."

Mysore Gold Mining Company

Dealing with the affairs of the individual Companies, Mr. Sreenivasan said, in reference to the Mysore Gold Mining Company (K.G.F.) Limited, as follows:

"During the year, 206,172 tons of ore and 857 tons of mill-tank cleanings and mill excavation were treated with a recovery of 74,729 ounces of gold which gives a recovery grade of 7.22 dwts. per ton. Both the tonnage milled and the grade of the ore were higher than in the previous year, resulting in an increased gold return.

"The total proceeds of the sale of gold amount to Rs. 1,77,14,737 to which is added Rs. 19,792 in respect of sales of silver. After deducting royalty payable to the Mysore Government of Rs. 8,83,222 and adding Rs. 42,146 for rents and bank interest, there is a net credit to the revenue account of Rs. 1,68,93,453. Deducting from this sum the total costs, amounting to Rs. 1,44,37,589, there is a balance of Rs. 24,55,864 which is carried down to the profit and loss and appropriation account where there is added Rs. 8,967 in respect of deposit and loan interest, bringing the total credit to that account to Rs. 24,64,831. Against this, there is charged Rs. 86,567 for staff provident fund, Rs. 12,00,176 representing 8.3 per cent. of costs for transfer to the depreciation and development expenditure reserve and Rs. 6,90,084, being the provision for income-tax, leaving Rs. 4,88,004, the whole of which your Directors recommend should be utilised in paying a tax-free dividend of 6 per cent. for the year.

"Due to the higher tonnage treated, there was a fall of nearly Rs. 2 to Rs. 64.8 in the cost per ton, excluding development, compared with that of the previous period."

In the course of the speech of the Managers, Messrs. John Taylor and Sons (India) Limited, in respect of the Mysore Company, Mr. J. K. Lindsay said:

"The total development done during the year was 8,895 feet; 6,434 feet was on reef, of which 1,132 feet or 18 per cent. was payable at an average value of 31.9 dwts. per ton over a width of 17 inches. No further development was done on the upward extension of the rich 43 ore-shoot as this is awaiting the sinking of a shaft from 32nd level. Progress was made during the year with the scheme of access to Edgar's shaft pillar from the footwall. In the bottom section of the mine, development was continued on the small oreshoots in the vicinity of north and south auxillary vertical shafts.

"The payable ore reserves were estimated to be 198,800 tons at 12.80 dwts. per ton at 31st December, 1952."

Champion Reef Gold Mine

Referring to the results of the Champion Reef Gold Mines of India (K.G.F.) Limited, Mr. Sreenivasan said:

"During the year, 148,890 tons of ore were milled, with a recovery of 66,477 ounces of gold, which gives a recovery grade of 8.93 dwts. per ton. The output was seriously affected by rockbursts in Glens oreshoot and by a fire in the mine and was consequently at a considerably lower rate than for the previous period.

"The total proceeds of the sale of gold amount to Rs. 1,58,78,386 to which is added Rs. 19,443 in respect of sales of silver. After deducting royalty payable to the Mysore Government of Rs. 7,92,310 and adding Rs. 40,148 for rents, bank interest and sundries, there is a net credit to the revenue account of Rs. 1,51,45,667. Deducting from this sum the total costs amounting to Rs. 1,21,26,615 and Rs. 1,106 in respect of an adjustment of additional royalty for the previous period, there is a balance of Rs. 30,17,946 which is carried down to the profit and loss and appropriation account where there is added Rs. 5,457 the balance brought forward from 31st December 1951 and Rs. 34,943 in respect of deposit and loan interest, bringing the total credit to that account to Rs. 30,58,346. Against this, there is charged Rs. 73,161 for staff provident fund, Rs. 15,82,799 representing 13.0 per cent. of costs for transfer to the depreciation and development expenditure reserve and Rs. 11,36,924 being the provision for income-tax, leaving Rs. 2,65,462, out of which your Directors recommend the payment of a tax-free dividend of 6 per cent. for the year which will absorb Rs. 2,60,004, to leave Rs. 5,458 to carry forward to the succeeding period. The considerably reduced profit, as compared with the previous period, was due to the lower gold price together with the effect on production of the rockbursts and fire previously mentioned.

Bonus To Labour

"The question of bonus to labour for the year 1950 was referred to an Industrial Tribunal which awarded four months' basic wages as bonus. In consequence of the lower rate of production and the cost of the bonus to labour for 1950 which was charged in the accounts for the year under review, the cost per ton of Rs. 65.5 excluding development, showed an increase of nearly Rs. 10 compared with that of the previous period.

"As I said last year, the scheme of joint working with the Ooregum K.G.F. Company was being reconsidered because of the difficulties being experienced by that Company. As a result of the lower price of gold last year and the reduction in output which, for technical reasons, cannot be avoided, the Directors of the Ooregum K.G.F. Company reluctantly came to the conclusion that the Ooregum Mine must be closed. It has taken some time to give effect to this decision, but, at present, all the employees of that mine are under notice of termination of employment. The Mysore Government has recently given its consent to the transfer of the Ooregum leases to this Company, and the scheme for taking over the leases and the purchase of certain buildings, machinery and plant, will be placed before the shareholders in the near future."

In the course of the Managers' speech, Mr. J. K. Lindsay said:

"The total development done during the year was 11,029 feet; 7,882 feet was on reef, of which 4,671 feet or 42 per cent. was payable at an average value of 23.8 dwts. per ton over a width of 35.5 inches. Development of Glens oreshoot and of the oreshoot south of Osborne's shaft crosscut has continued. Development of the folds in the north section was continued down to 98th level. The main reef was developed to the Ooregum boundary between 92nd and 96th levels on good values, despite the presence of pegmatite which, however, did not appear to affect the values.

"The payable ore reserves at 31st December, 1952, were estimated to be 640,219 tons at 10.53 dwts. per ton."

Ooregum Gold Mining Company

Dealing with the affairs of the Ooregum Gold Mining Company of India (K.G.F.) Limited, Mr. M. A. Sreenivasan said:

"During the year, 118,386 tons of ore and 8,794 tons from various old dumps, which were excavated and found to contain gold, were milled. 34,600 ounces of gold were obtained which is equivalent to an overall recovery grade of 5.45 dwts. per ton. In addition, 27 tons of the Company's ore were treated by the Nundydroog Company with a recovery of 21 ounces of gold.

"The total proceeds of the sale of gold amount to Rs. 82,45,635 to which is added Rs. 13,571 in respect of sales of silver. After deducting royalty payable to the Mysore Government of Rs. 4,11,477, and adding Rs. 50,399 for rents, bank interest and sundries, there is a net credit to the revenue account of Rs. 78,98,128. Deducting from this sum, the total costs amounting to Rs. 77,52,706, there is a balance of Rs. 1,45,422 which is carried down to the profit and loss and appropriation account where there is added Rs. 93,447, the amount brought forward from 31st December, 1951, and Rs. 2,752 in respect of interest accrued on advance income-tax payments, bringing the total credit to that account to Rs. 2,41,621. Against this, there is charged Rs. 64,552 for staff provident fund, and Rs. 1,77,069 representing 2.3 per cent. of costs for transfer to the depreciation and development expenditure reserve. The actual capital expenditure for the year was Rs. 3,05,692. The Directors regret it is not possible to recommend a dividend for the period under review.

"In consequence of the higher rate of tonnage treated, the cost per ton of Rs. 49.6, excluding development, showed a decrease of Rs. 4.1, as compared with that of the previous period.

"As was indicated to you last year, the position at the mine has become such that it is impossible for the Company to continue operating as a separate unit. For technical reasons, the output from the mine has had to be reduced and cannot possibly be increased. This, together with the lower price of gold, made it necessary to close the mine. Your Directors had decided to close the mine in March. On the advice of the Central and Mysore Governments, however, the Directors had to agree to postpone the closure to enable a committee, which the Governments wished to set up to report on the position, as the closure of the mine involved about 3,500 men being thrown out of work. This Committee, on which the Company was represented by Mr. Sydney E. Taylor, Director, made its report during May and confirmed the necessity to close the mine. It also recommended the acceptance by the Mysore Government of the proposal of the Directors that the Ooregum leases should be transferred to Champion Reef. The Government of India have accepted the Committee's report and, accordingly, one month's notice was given to all employees on 9th and 10th June. The mine will be closed down on expiry of this notice but the cleaning up of the mill is expected to take several months.

Compensation to Workers

"The said Committee also made detailed recommendations regarding the rehabilitation of and compensation to be paid to the Company's discharged employees. It is now an accepted principle that compensation should be paid to employees for loss of employment and the amount of compensation proposed by the Directors, namely, half a month's wages (including dearness allowance) for every completed year of service, was accepted by the Committee as reasonable. This will naturally be a heavy burden on the Company's resources but, under existing legislation, is unavoidable. It is expected that it will be possible to offer continuing employment in other mines on the K.G.F. to about 900 to 1000 of the men who would otherwise be discharged.

"The Government of Mysore has recently given its consent to the transfer of the Company's leases to the Company's partner in the Joint Operation, the Champion Reef K.G.F. Company. The scheme for the transfer of the leases and the sale of certain buildings, machinery and plant to the Champion Reef K.G.F. Company will be placed before the shareholders in the near future."

Managers' Speech

The Managers' speech made by Mr. J. K. Lindsay, contained the following remarks:

"The total development done during the year was 9,031 feet; 7,733 feet was on reef, of which 3,391 feet or 38 per cent. was payable at an average value of 28.4 dwts. per ton over a width of 27 inches. In auxiliary section on the main reef, driving was continued at the 101st and 102nd levels and started at 103rd level. This lode is very erratic and irregular and patches of high values alternate with poor areas. However, the last 200 feet to the boundary has consistent quartz of good value as the main reef there forms one of the limbs of the folds which, at these levels, are partly in Ooregum and partly in Champion Reef property. The other limbs of the folds, which straddle the southern boundary, have also been developed.

"The payable ore reserves were estimated to be 253,390 tons at 8.48 dwts. per ton at 31st December. This is 57,065 tons more than at the end of the previous year and the grade is 0.11 dwt. per ton higher. In addition, the low grade ore reserves were estimated at 39,333 tons at 3.75 dwts. per ton. 90 per cent. of the ore reserves are now concentrated in a small area below the 94th level in the southern half of the mine. At these depths between 9,000 and 9,500 feet, the ground pressure and the danger of rockbursts make it necessary to adopt a single plan for the sequence of stoping which also has to include the ore over the boundary in the Champion Reef mine. This has made it impossible to maintain the output at an economic level. It was just possible to maintain a small working surplus up to August, 1952, by augmenting the output by treating certain old dumps on surface but these have been exhausted. Since then, the mine has been making losses. Under present conditions, in order to cover costs and pay a 6 per cent. dividend, a monthly production of 3,200 ounces of gold would be required; but the maximum output which could be produced on average from the mine is only 2,300 ounces, declining to 1,900 ounces. In these circumstances, there was no alternative to closing the mine."

Nundydroog Mines

Turning to the report and accounts of the Nundydroog Mines (K.G.F.) Limited, Mr. M. A. Sreenivasan said:

"During the year, 228,082 tons of ore were milled, with a recovery of 65,165 ounces of gold, equivalent to 5.71 dwts. per ton and 32,620 tons from old dumps were treated, with a recovery of 2,577 ounces of gold, equivalent to 1.58 dwt. per ton. The total gold returned was thus 67,742 ounces. There were no serious interruptions to production during the year.

"The total proceeds of the sale of gold amount to Rs. 1,60,09,380 to which was added Rs. 24,885 in respect of sales of silver. After deducting royalty payable to the Mysore Government of Rs. 7,98,619 and adding Rs. 81,136 for rents, bank interest and sundries, there is a net credit to the revenue account of Rs. 1,53,16,782. Deducting from this sum the total costs amounting to Rs. 1,32,73,086, there is a balance of Rs. 20,43,696 which is carried down to the profit and loss and appropriation account. Against this, there is charged Rs. 74,413 for staff provident fund, Rs. 11,25,702 representing 8.5 per cent. of costs for transfer to the depreciation and development expenditure reserve and Rs. 5,60,576 being the provision for income-tax, leaving Rs. 2,83,005 the whole of which your Directors recommend should be utilised in paying a tax-free dividend of 7½ per cent. for the year.

"In consequence of the higher rate of production, the cost per ton of Rs. 43.5, excluding development, showed a decrease of Rs. 3.2 compared with that of the previous period."

Mr. Lindsay's Speech

Mr. J. K. Lindsay, in the course of his speech on benalf of the Managers, said:

"The total development done during the year was 25,050 feet, most of which was on the west reefs. The 62nd level N16 crosscut intersected the Oriental lode and 39 feet was driven which averaged 3.7 per ton over 71 inches. This is the deepest level at which the Oriental lode has been developed so far. On the 44th level, from N17 crosscut, 39 feet average 24 dwts. per ton over 62 inches and 1,418 feet on lode aggregated 4.2 dwt. per ton over 58 inches. The 3800-foot level north from N21 crosscut was driven 1,053 feet. Of this, 173 feet averaged 11.3 dwts. per ton over 60 inches and 708 feet averaged 4.3 dwts. per ton over 64 inches. In the level south, of 489 feet driven, 255 feet averaged 10.0 dwts. per ton over 61 inches.

"The payable ore reserves at 31st December, 1952, were estimated to be 538,397 tons at 8.90 dwts. per ton. This is 116,336 tons more than at the end of the previous year, but the grade is 0.37 dwt. per ton lower.

(Continued on page 77)

DEARTH OF VENTURE CAPITAL IN U.S.

EARLY TAX REFORM URGED

[In view of the enquiry into the structure and incidence of taxation now going on in this country under the distinguished chairmanship of Dr. John Matthai, the following article taken from the June, 1953 issue of the Guaranty Survey, published by the Guaranty Trust Company of New York, is of topical interest. The article contains a penetrating analysis of the causes for the dearth of venture capital in the U.S. and a warning of the consequences of such shortage. As readers are aware, there is an acute scarcity of risk capital in India, too. Although the magnitude of the problem in the two countries may differ and there are also factors other than those mentioned in the article responsible for the dwindling supply of venture capital in India, there is no doubt that the general conclusions of the article, especially those relating to the consequences of dearth of venture capital, apply with equal force to this country. We feel that those who are now urging the commercial banks in this country to extend credit facilities for the expansion of capital assets of industries will do well to pause and reflect on the relevant remarks made by the authors of the article—Ed.]

RECENT statements by Treasury officials give renewed assurance of the Administration's aim to overhaul the Federal tax system as soon as the budget can be brought under control. The main purpose of the "radical revision" contemplated by Secretary Humphrey will be to strengthen incentives for the creation of jobs and for the making of more, better, and cheaper goods. "The present tax system," says Mr. Humphrey, "threatens to stifle initiative, expansion and ultimately jobs. A better balanced system is required."

It is encouraging to find this economic need so strongly emphasised by Federal officials, whose social responsibilities embrace all the people and all business, including the small and new enterprises whose welfare is especially threatened by some features of the present revenue system. The need for tax revision has long been recognised. Thoughtful analysts have often warned that not enough "risk" or "venture" capital was becoming available for healthy business growth, and that the shortage, unless corrected, would ultimately result in industrial stagnation, financial anemia, or both. It was difficult, however, for such forebodings to gain widespread acceptance while employment was large and industry was rapidly expanding. One of the many unfortunate effects of war and post-war inflation has been to conceal the magnitude and seriousness of the dearth of venture capital.

Why Venture Capital is Needed

Vigorous and enduring economic expansion requires not only that adequate amounts of capital be available but also that a sufficient proportion of the capital be of the risk-taking kind. Risk capital performs two unique functions. First, it finances new business ventures, the success of which is usually uncertain. Many such ventures fail, but some develop into large and well-established industries, providing new employment opportunities and supplying new goods and services for the public. This is the essence of economic progress. Only capital that can be exposed to serious risks can finance these industries in their early stages.

Second, venture capital serves as the foundation of the whole financial structure of industry. Other forms of capital investment, such as bank loans and bond purchases, become possible only after owners have supplied enough "net worth" to act as a financial cushion and relieve creditors of the broader risks arising from business fluctuations. If debt increases too fast in relation to owners' equity, the result is a "top-heavy" financial structure that exposes both debtors and creditors to excessive hazards —creditors to the risk of loss of their loans or investment, and debtors to the risk of bankruptcy.

Venture capital comes from two sources: the reinvested earnings of business concerns and the savings of individual and (to a limited extent) institutional investors. Reinvested earnings are, of course, available only to the companies that earn them. New enterprises, and enterprises which require more equity capital than can be supplied from earnings, must depend upon the savings of outside investors. Hence, it is essential to the maintenance of a dynamic, competitive, free-enterprise economy that investors be able to supply adequate amounts of risk capital to new and growing businesses, and that they have the incentive to do so.

The N.A.M. Analysis

The apprehension that these basic requirements are not being met has received strong support from two recent analyses, one by the National Association of Manufacturers and the other by the New York Stock Exchange. Both agree that there is a serious shortage of equity capital which menaces the vitality of our economy. The N.A.M. study deals with conditions, not remedies. The Stock Exchange report traces the difficulty to its causes and submits several recommendations, aimed principally at Federal tax revision.

The original purpose of the N.A.M. study was merely to compile a statistical record of broad tendencies in business finance. Analysis of available data, however, yielded some "wholly unanticipated results," indicating that "the real key to the mystery of business growth amidst a shortage of venture capital lies elsewhere than has been supposed."

Inflation, the N.A.M. finds, has tended to obscure the real situation. Of the $20 billion to $30 billion that business has invested annually in new plant and equipment in recent years, about four-fifths has been required to replace the rising capital values currently used up. Of the $8 billion average annual increase in the book value of business inventories since 1945, approximately half represents the additional cost of carrying the same physical volume of inventory at a higher price level in debased dollars. Of the $10 billion yearly average of retained corporate profits, two-thirds has been needed simply to maintain the existing volume of tangible assets. If dividends had been increased to the same percentage of national income as prevailed in the 1930's, the surplus of profits available for net expansion would have been wiped out.

The N.A.M. finds further that the amount of new capital supplied by stock issues since the war has totalled less than $2 billion annually and the book increase in owners' equities in unincorporated business less than $1 billion. This latter amount is deemed insufficient to make up for the failure of current cost charges to provide for the maintenance of assets. Although business accumulated large amounts of liquid assets during the war, these have not been drawn upon to any substantial extent. The chief source of funds for expansion has been borrowing, with corporate debt increasing from $85 billion at the end of 1945 to $156 billion at the end of 1951. The burden of this indebtedness has been made tolerable by *inflation*, which has lightened the relative load of existing debt as new obligations were incurred. This relief has been gained at the expense of creditors.

The final conclusion to be drawn from these findings, according to the N.A.M., is that, unless the supply of venture capital increases, one or a combination of the following results will ensue: (1) business expansion must cease; (2) the real burden of business indebtedness must increase; (3) inflation must continue, reducing the real burden of debt. These alternatives, all socially undesirable, are held inescapable "unless certain changes occur in the general economic climate."

The Stock Exchange Study

The Stock Exchange outlines some of these needed changes. For one thing, it is believed necessary to popularise equity ownership for millions of new investors. The most effective and quickest remedies, however, are seen in the field of tax revision. Suggested steps include a lowering of personal income-taxes, reduction in the high rate of progression of such taxes, elimination of the excess profits tax, revision of the capital gains tax, and abolition of double taxation of dividends.

Three specific changes in the capital gains tax are recommended. The first is that the holding period be reduced from six months to three. The second is that the effective rate of the tax be halved by reducing the percentage inclusion from 50 to 25 per cent. The third is that the law be changed to provide for offsetting capital losses against ordinary income up to $5,000 annually (as against the $1,000 now allowed), with a carry-over for a period of five years against ordinary income.

Finally, as a start towards the elimination of double taxation of dividends, the Stock Exchange recommends that individuals be allowed a credit against their income-tax liability of an amount equal to 10 per cent. of the dividends received, such credit not to exceed the tax otherwise payable.

These recommendations, as the Stock Exchange recognises, are aimed only at some of the more glaring defects in the present Federal tax structure. Revision will have to go further than this in order to put business finance back on a strong foundation. The double taxation of dividends is indefensible from almost any point of view. Not only is it inequitable in its discrimination against stockholders, but this discrimination in effect penalises risk capital and thus tends to inhibit the formation of such capital. This tax should be abolished.

Much the same is true of the tax on capital gains. True capital gains are not income, and a tax on such gains is not a tax on income but on capital. As such, it is a violation of one of the basic precepts of sound public finance. No other important country levies such a tax. Like the double taxation of dividends, the capital gains tax strikes directly at the incentive to venture-capital formation.

Individual incomes, especially those in the middle and higher brackets, are traditionally the principal source of the savings that normally supply the great bulk of the venture capital available to new business. Small savers are not usually in a position to assume broad risks, nor are the "institutional" investors that have become the principal custodians of small savings. The heavy tax rates on personal incomes in general, and the almost confiscatory rates on the larger ones, leave relatively little surplus for investment in equity securities and little incentive to assume the risks that such investment necessarily involves. The situation is aggravated by the estate taxes, which further weaken the incentive to risk-taking investment and tend to depress the market for equity securities both by forcing liquidation and by breaking up estates into smaller units for which such securities represent a less suitable form of investment.

Weakened Incentives

While business in general suffers from this drying-up of the sources of risk capital, probably the chief sufferer is small business. Prominent companies with long earnings records have access to the organised capital markets, and their equity securities are known to millions of investors who are beyond the reach of small business concerns. The latter are usually dependent upon individual savers in their own localities who have sufficient means to assume broad risks in the hope of substantial gain. These are the savers whose capacity and incentive to furnish venture capital have been so dampened by the tax penalties that have been placed upon financial success.

The incentive to equity-capital formation has probably been weakened further by heavy taxes on corporations and by high and inflexible costs of operation. Tax rates on corporate income ranging from 52 per cent. upward, except for the very small corporations, act as a strong deterrent to expansion in many cases, especially expansion of the more venturesome sort. Wage costs have risen sharply and have become more inflexible, introducing new risks that are not apparent in most divisions of industry as long as production, employment, and prices remain at high levels, but that could become a source of serious weakness in the event of a general decline in the volume of activity and the price level. The rising "break-even" point for industry—the level of activity that marks the dividing line between profit and loss—has become a matter of increasing concern.

Very little examination of the tax laws is needed to show how the incentive to equity investment has been weakened. At present rates and prices, a married couple, with a net income exceeding personal exemptions by $32,000 a year can receive a higher net return from an average high-grade municipal bond (which is tax-exempt) than from an average common stock. A person in the highest tax bracket must receive a return, before taxes, of 29 per cent. a year from a taxable investment in order to equal the return from a high grade municipal bond. For a common-stock investment, this 29 per cent. dividend rate represents a 60 per cent. earnings rate for the corporation (unless it is a very small one), even if all earnings are paid out in dividends.

Unfortunately, there still seems to be strong political opposition to needed tax revision. Every suggested change in the interests of a strong and healthy economy brings forth the cry of "favouring the rich at the expense of the poor." Such appeals to class feeling ignore the essential fact that a situation has been developing which, unless corrected, must ultimately work to the disadvantage of poor and rich alike. Underlying the superficial conflicts in group interests is an immeasurably deeper and more vital community of interest in maintaining the driving force behind our free-enterprise system.

TAX CUTS IN BRITISH BUDGET

RESULT OF FUNDAMENTAL CHANGE IN CONCEPT

(By PERCY ARNOLD)

BRITAIN'S Budget for 1953-54 is the first in the post-war years in which there are both some reductions and no increases in taxation. This happy change is not due to any decision to reduce military expenditure following the Kremlin's more conciliatory line. On the contrary, Britain's defence expenditure is expected to increase further in 1953-54, though at a much slower rate than in the past year. The tax cuts have been made possible primarily by what looks like a fundamental change in the concepts on which post-war British Budgets have been based.

In earlier post-war years, from 1947-48 onwards, it became standard procedure or almost axiomatic that the Chancellor of the Exchequer should budget for a substantial surplus of current revenue, in order to finance the expenditure of a capital nature undertaken by the Government. In Britain, this capital expenditure has, since the war, consisted largely of loans to municipalities for their house-building and other projects. War-damage payments have been another substantial item. Such capital outgoings have in recent years amounted to roughly some 15 per cent. of normal current expediture. In pre-war days, they were met by borrowing.

In Mr. Butler's Budget estimates a year ago, the intention was to continue in the post-war tradition, and produce a current surplus big enough to meet nearly all capital as well as current expenditure. But, as things turned out, expenditure was above and revenue was below the estimate and the actual surplus was only £88,000,000, leaving £436,000,000 of capital expenditure to be met by borrowing.

Inflation Checked

Yet, what might have been expected did not happen. The Government's failure to save enough, in the sense of covering capital expenditure out of revenue, did not produce noticeable inflationary pressure. Indeed, the Government claims—with some justification—that 1952 was the first year in which post-war inflationary tendencies were really brought under control. It looks as though what the Government failed to save was more than made up by greater savings by businesses and individuals.

In this, Britain was undoubtedly helped by the fall in the prices of many world commodities of which she is a large importer. The Government's orthodox monetary policy, with its higher interest rates and restrictions of business credit, also encouraged savings, though it made the Budget problem more difficult by increasing the cost of the interest on the national debt.

But further, it seems that, while the earlier theory by which the Government aimed at large Budget surpluses was sound up to a point, it did not take sufficient account of the fact that the very high rates of tax needed to get those surpluses discouraged business and private saving, and probably worsened as much as it relieved the inflationary pressure in the economy.

Mr. Butler now feels that, with some slack in the economy, and with a stronger gold reserve than a year ago, he can deliberately aim at the result that was achieved, partly by miscalculation, in the financial year just ended. For 1953-54 he estimates a current *revenue* surplus of £109,000,000, £21,000,000 greater than 1952-53. On the other hand, the Government's net capital outgoings are also expected to be greater by a similar sum, leaving as in 1952-53 some £440,000,000 of capital items to be met by borrowing.

At the same time, the Budget makes appreciable, though not large, tax concessions both to business and individuals. On the basis of past taxes, estimated revenue in 1953-54 would have been £98,000,000 greater and total expenditure is put at £92,000,000 less. This gain of £190,000,000 is being used to reduce direct taxes on incomes of business and individuals by £124,000,000 and purchase taxes by £45,000,000 the remaining £21,000,000 being accounted for by the rise in the estimated surplus. For individuals, the reduction in income-taxes is 6d. in the £—right through from the lowest rate on the first £100 a year of taxable income, where the rate becomes 2s. 6d. in the £ (12½ per cent.) instead of 3s. (15 per cent.), up to those fortunate few (some 4,000 people in 1950-51) whose taxable incomes are £15,000 a year and over, who will now be able to keep 1s. in the £ (5 per cent.) of their earnings above £15,000, against 6d. (2½ per cent.) last year.

These reductions will, however, still leave a heavy burden of income-tax, particularly, on the middle and upper incomes. Taking the family man with wife and two children throughout, the new Budget means that the £500-a-year man is hardly affected, as he pays only just over £1 a year at present; the £1,000-a-year man keeps £10 a year or more, his tax going down to £102; the £2,000-a-year man pays £451, as against £481; while at £5,000 a year what the tax-collector takes goes down from £2,416 to £2,311.

The reduction in purchase tax is one-quarter. This means that the tax on luxury goods such as jewellery and cosmetics is now 75 per cent. of the wholesale value, while cars, television, radio, refrigerators and similar articles now bear 50 per cent., and simpler articles now pay the lowest rate of 25 per cent.

Benefit to Businesses

Apart from the effect of purchase-tax changes, businesses will benefit immediately from the lower rate of income-tax, which makes up a big part of the total or corporate taxes. These add up to between 50 and 75 per cent. of total profits at present. More important to business in the long run, though, is the abolition of the Excess Profits Levy as from 1954. This was a new levy introduced in the first Conservative Budget a year ago to tax increases in profits above a pre-Korea standard.

The Budget also re-introduces the special first-year rates of tax write-off for capital expenditure on plant machinery and mining works. This encouragement to investment in fixed capital was orginally introduced in 1945, but had to be suspended in 1951 to discourage civilian demand on engineering resources which could be used for rearmament.

The Government's total tax revenue in 1953-54 is expected to aggregate £4,230 million, as compared with £4,282 million the previous year. The National Exchequer will, therefore, continue to take and spend nearly a third of the country's gross national product—estimated at £13,648 million in 1952. With local taxes and compulsory national insurance contributions added, the proportion becomes something like 35 per cent.

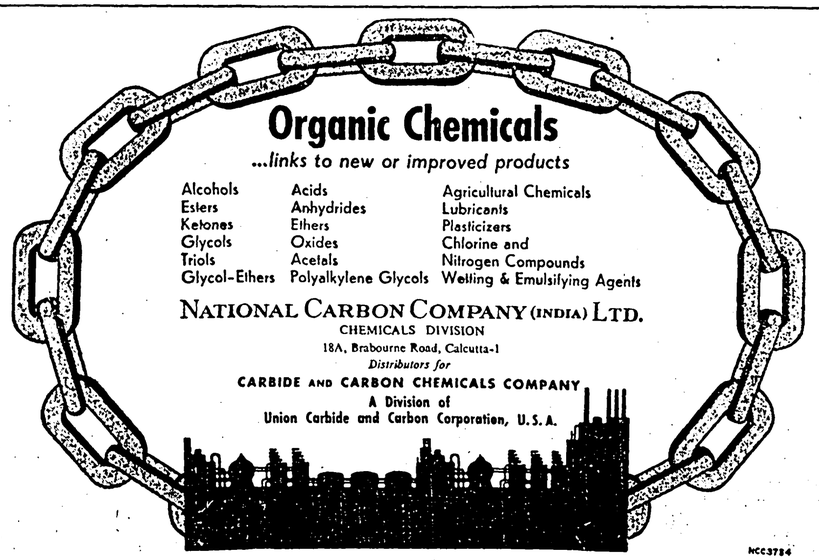
For the continuance of this state of affairs, the need for holding a high level of defence expenditure must take a large share of the blame. At £1,497 million, defence expenditure is £93,000,000 up, and, in addition, there is a further £139,000,000 for civil defence, stockpiling and other military preparations—quite apart from the cost of atomic research, which is included elsewhere and not revealed.

It is on the basis of these figures of national income and defence expenditure that the Chancellor of the Exchequer, broadcasting to the nation after his Budget, made his grim claim that Britain was bearing the heaviest defence burden of any country of its size in the world. —*Exclusive to Commerce.*

PLACE OF SMALL ENTERPRISE IN BRITISH INDUSTRY

It will be recalled that, some months ago (*vide* page 165, *Commerce* dated 31st January, 1953), we published some interesting details about the place of small units in the American industry and their important role in the economic development of the U.S. We now give below a brief account of the place of small enterprise in British industry, by Mr. Ernest Atkinson, a well-known Parliamentary Correspondent in the U.K. It will be seen from this account that there is a strong numerical preponderance of small undertakings in Britain also. This account makes interesting reading, especially in the light of the Government of India's move to introduce estate duty. It is to be hoped that administrators in this country

(*Continued on page 77*)



INDIA'S SEA- AND AIR-BORNE TRADE IN 1952-53

SHRINKAGE IN ADVERSE TRADE BALANCE

THE cumulative effect of such factors as restrictions on foreign trade, decline in commodity prices, non-availability of certain types of goods and fall in demand for certain others is reflected in the accounts of India's sea- and air-borne trade for the financial year, 1952-53. As compared with the corresponding period of 1951-52, the accounts show a marked recession in the value of total foreign trade (sea- and air-borne) of this country from Rs. 1,578.40 crores to Rs. 1,189.73 crores in 1952-53, although it was slightly better than that in 1950-51. In the last mentioned year, the total trade was lower because high prices and hoarding following the Korean War restricted trade generally all over the world.

The fall in the total value of trade in 1952-53 as compared with that in the previous year, is shared by both exports and imports. The value of exports declined during the year from Rs. 715.56 crores to Rs. 556.78 crores. And the value of imports fell even steeper from Rs. 862.84 crores to Rs. 632.95 crores. In the result, the aggregate adverse balance of trade improved by just above 50 per cent. as it dropped from Rs. 147.28 crores to Rs. 76.17 crores. This narrowing down in the adverse balance of trade is due, in the main, to reduction both in value and volume of imports of raw cotton, foodgrains, and machinery of all kinds. Since a substantial quantity of imported wheat was from the loan account, the balance of payments position did not create any difficulty during the year.

The table below gives the value of total foreign trade of India by sea and air and the balance of trade in each of the three years, 1950-51, 1951-52 and 1952-53.

TABLE I

(Rs. in crores)

	1950-51	1951-52	1952-53
Total Exports	586.84	715.56	556.78
Total Imports	565.40	862.84	632.95
Total trade	1,152.24	1,578.40	1,189.73
Balance of Trade + or —	+21.42	—147.28	—76.17

Imports

During the year under review, the total value of imports amounted, as stated at the outset, to Rs. 632.95 crores, as against Rs. 862.84 crores. Foodgrains accounted for a high figure of Rs. 153.10 crores, representing about 24 per cent. of the total. But they were lower than in the preceding year when they amounted to Rs. 228.12 crores. With the improvement in the overall food position this year, imports are expected to be lower in 1953-54. Machinery of all kinds, which used to head the import list a few years ago, and had occupied third place in 1951-52, moved up to second rank during the year under review, with its total value amounting to Rs. 87.87 crores, as against Rs. 104.31 crores and Rs. 93.0 crores in 1951-52 and 1950-51, respectively. Raw cotton imports stepped down to third place, with a value of Rs. 76.67 crores as against Rs. 137.13 crores in 1951-52. Vehicles, other than locomotives, continued to hold fourth place at Rs. 28.17 crores, as compared with Rs. 34.41 crores. Petroleum imports, however, recorded a sharp increase from Rs. 17.87 crores in 1950-51 to Rs. 25.18 crores in 1952-53, and so also metals (iron and steel manufactures) from Rs. 19 crores to Rs. 23.71 crores. Metals other than iron and steel, however, receded during the period from Rs. 27.84 crores to Rs. 19.37 crores. But lubricating oil jumped up from Rs. 6.95 crores in 1950-51 to Rs. 13.10 crores in 1952-53. Similarly, imports of electrical goods rose from Rs. 9.96 crores to Rs. 13.81 crores during the same period. Chemicals and drugs, paper and paste board, and dyes and colours recorded decreases as compared with 1951-52. That sulphate of ammonia imports dropped sharply from Rs. 11.45 crores in 1950-51 to only Rs. 85 lakhs indicates, in part, the increase in domestic production.

TABLE II—*Value of Principal Imports into India*

(Rs. in crores)

	1950-51	1951-52	1952-53
Foodgrains and flour	80.41	228.12	153.10
Machinery of all kinds	93.00	104.31	87.87
Cotton raw	100.76	137.13	76.67
Vehicles (excluding locomotives) ..	24.60	34.41	28.17
Petroleum	17.87	24.37	25.18
Chemicals, drugs and medicines ..	19.37	35.95	24.87
Metals and iron and steel manufactures	19.00	21.97	23.71
Cutlery hardware implements and instruments	14.48	19.70	14.28
Electrical goods	9.96	10.86	13.81
Paper and pasteboard	9.92	13.96	11.72
Dyes and colours	14.60	19.20	10.42
Lubricating oils	6.95	10.95	13.10
Metals other than iron and steel ..	27.84	20.65	19.37
Ammonia sulphate	11.45	2.45	0.85

While the total value of imports declined by as much as 26.6 per cent., that of exports recorded a fall of 20 per cent., thus resulting in the narrowing down of the adverse balance of trade of the country. Exports of Indian merchandise came down, as stated already from Rs. 715.56 crores to Rs. 556.78 crores. The recession in value as compared with that in the preceding year was mainly due to the decline in the prices of goods exported from this country such as jute manufactures, cotton manufactures, tea, raw cotton, raw and tanned hides.

In the food group (which includes tea) the total value of exports receded from Rs. 158.16 crores to Rs. 142.16 crores, while the recession was sharper still in the manufactured articles group in that the value of these dropped from Rs. 400 crores to Rs. 259.77 crores. In the raw material section, there was, however, some improvement as the value of exports of commodities under this group rose from Rs. 139.68 crores in 1951-52 to Rs. 154.02 crores.

TABLE III—*Value of Principal Exports from India*

(Rs. in crores)

	1950-51	1951-52	1952-53
Jute manufactures	113.85	269.96	129.05
Tea	79.87	93.36	80.30
Cotton manufactures	136.71	58.09	69.32
Metallic ore and scrap iron ..	9.68	15.53	30.09
Raw cotton and waste	17.35	21.02	28.94
Oils vegetable	24.18	29.65	23.05
Spices	24.92	27.89	20.47
Hides and skins (tanned)	25.77	25.69	20.35
Fruits and vegetables	10.95	13.41	16.31
Tobacco	13.20	16.03	13.46
Non-metallic mining other than coal	10.34	14.19	9.85
Wool	7.56	4.90	8.41
Gums, resins and lac	13.60	16.24	8.26
Coal	3.36	7.81	7.66
Hides and skins (raw)	9.56	8.22	5.89
Sugar	0.16	0.57	4.26

In Table III, given above, well merited increases are indicated in respect of certain new items of export. The value of metallic ore and scrap iron exports shot up, during the three years, ended 1952-53, by 300 per cent. and that of coal by 100 per cent. Sugar, with a value of Rs. 4.26 crores, figured prominently, but this feature will, however, recede into the background this year, in view of the move by the Government of India to permit imports and the ban on exports placed some months ago.

Among the other principal items of exports, both jute manufactures and tea were marked down from Rs. 269.96 crores and Rs. 93.36 crores to Rs. 129.05 crores and Rs. 80.30 crores, respectively. A substantial increase, however, was recorded by cotton manufactures from Rs. 58.09 crores to Rs. 69.32 crores. Exports of raw cotton and waste also advanced from Rs. 21.02 crores to Rs. 28.94 crores. Similarly, the export of vegetable oils and wool. However, recessions were noted in tobacco, spices, gums, resins and lac and raw and tanned hides and skins.

Geographical Distribution

During the year under review, there was a sharp fall from Rs. 370 crores to Rs. 263.7 crores in India's exports to Commonwealth countries. Part of this decline was due, in part, to lower offtake by the U.K. which amounted to Rs. 122 crores as against Rs. 187.81 crores in 1951-52. Nevertheless, the U.K. still continued to be India's best customer. The offtake by Ceylon and Singapore was, however, better at Rs. 19.28 crores and Rs. 15.44 crores, as against Rs. 16.49 crores and Rs. 11.88 crores, respectively, in the previous year. Pakistan's intake of Indian goods declined from Rs. 19 crores to Rs. 13.7 crores and so also Australia's purchases from Rs. 46.6 crores to Rs. 16.9 crores. Canada too took less, the value having dropped from Rs. 16.24 crores to Rs. 12.83 crores. Aden's share, however, improved from Rs. 6.29 crores to Rs. 9.29 crores.

Among the non-Commonwealth countries, the U.S. topped the list of India's customers, although its share in India's exports of merchandise receded in 1952-53 from Rs. 130.11 crores to Rs. 111 crores. Shipments to Burma, on the contrary, rose slightly from Rs. 19.55 crores to Rs. 22.03 crores. Japan's purchases more than doubled, from Rs. 14.27 crores to Rs. 31.06 crores. Cuba and Argentina lifted goods valued at Rs. 7.55 crores and Rs. 6.85 crores, as against Rs. 11.43 crores and Rs. 17.49 crores, respectively. Shipments of cargoes to West Germany, the Netherlands and Italy rose from Rs. 8.65 crores, Rs. 7.33 crores and Rs. 6.93 crores to Rs. 12.35 crores, Rs. 10.03 crores and Rs. 10.47 crores, respectively, but purchases by France fell almost by half, from Rs. 10.45 crores to Rs. 5.57 crores.

As compared with 1951-52, the value of imports from Commonwealth countries registered a setback from Rs. 288.6 crores to Rs. 252.6 crores. This reflects partly the fall in imports from the U.K. from Rs. 158.13 crores to Rs. 138.57 crores. India's purchases from Bahrein Islands rose from Rs. 10.92 crores to Rs. 18.47 crores. Merchandise received from Singapore, however, declined from Rs. 17.86 crores to Rs. 12.57 crores.

Among the non-Commonwealth countries, the U.S. shipped cargoes worth Rs. 181.38 crores to India, which were lower than those in 1951-52 by Rs. 107.32 crores. Western German imports declined from Rs. 28.27 crores to Rs. 22.28 crores. Burma's share in India's imports rose from Rs. 23.33 crores to Rs. 26.43 crores. Saudi Arabia sent goods of the order of Rs. 14.72 crores, as against Rs. 10.04 crores. Imports from Japan declined from Rs. 24.64 crores to Rs. 15.82 crores and from Egypt from Rs. 40.49 crores to Rs. 15.12 crores.

INDO-BURMA TRADE TALKS CONCLUDED

Trade negotiations which had been carried on between the representatives of the Governments of India and Burma since 29th June were concluded on the 3rd inst. Exchange of letters has taken place between the two parties agreeing to make modifications in the existing Indo-Burma Trade Agreement which was signed in 1951.

Details of the agreement have not yet been published. But a Press Note issued by the Ministry of Commerce discloses that additions have been made to the list of commodities entering the trade between the two countries from both sides. It is learned that India has agreed to make available to Burma increased supplies of a number of commodities during the next six months. The Burmese requirements from India cover a wide variety of goods. To mention them briefly, these include jute goods, cotton piecegoods, coal, hardware, cutlery, groundnut, paraffin wax, tea, iron and steel goods, transport and communication equipment, electrical goods, paper, soaps and toilet requisites, tobacco and miscellaneous items. The new engineering industries can now look forward to build a market of their own in Burma, taking advantage of the present Indo-Burmese Agreement.

The Press Note referred to above adds that an understanding has been reached between the two countries regarding the purchase of rice from Burma in future. The Burmese representatives, it would appear, were disinclined to commit themselves to any modification of the price quoted by their Government when the Indian Trade Delegation visited Burma last April. The price of rice then mentioned was £60 per ton, while India was not willing to pay more than £40 per ton at the most. Since its rice position has improved this year, India has not been anxious to purchase rice at high prices. If at all India were to decide to buy rice, such would be only for the purpose of building up reserves. India has already contracted to import 150,000 tons of rice of which only 10,000 tons are due to arrive. As regards next year, there will be separate negotiations to settle the price. In the case of an emergency, however, Burma has agreed to supply 200,000 tons of rice in accordance with the present Agreement covering the purchase of 150,000 tons.

The present trade negotiations being tied on to the existing Indo-Burma Trade Agreement, 1951, a reference to the latter will be topical. The 1951 Agreement, it may be noted, consists of three parts. The first part covers the period between 1st May and 31st December, 1951. Under this Agreement, the Government of Burma agreed to supply 245,000 tons of rice to India. In turn, the Government of India allotted certain quantities of gunny bags, groundnut oil, galvanised iron sheets to Burma. The second part of the Agreement extended from 1st January, 1952, to 31st December, 1955. It provided for annual export from Burma of 350,000 tons of rice, 230,000 tons of it being on Government-to-Government basis. Indian exports include gunny bags, groundnut oil, cotton yarn and iron and steel products. Under the third part, the two Governments agreed to hold periodical consultations with each other in respect of trade during the pendency of the Agreement.

The pattern of India's trade with Burma has undergone many changes in recent years. In the pre-war years, India's exports to Burma amounted to Rs. 11 crores, as against imports of the order of Rs. 25 crores. In 1949-50, India had a favourable trade balance of Rs. 1.80 crores which rose to Rs. 3.56 crores in 1950-51. In the following two years, it turned unfavourable to India, to the extent of Rs. 3.79 crores and Rs. 4.40 crores respectively, mainly on account of import of rice.

There has also been a change in the composition of the trade. Before the war, Indian exports to Burma consisted generally of butter, ghee, coconuts, sugar, and salts. These have since disappeared. In the early post-war years, cotton piecegoods, twist and yarn were being sent. These have now dwindled. Again, the entire needs of the Burmese *lungi*, supplied by India, are now met from imports from Formosa. Formerly Burma was purchasing salt from India, but now the country is self-sufficient in it. As for Burmese exports, India now hardly imports rubber or lead, as was the case previously. In respect of teakwood, however, the trade has more or less been maintained.

Being neighbours, India and Burma can contribute to the well-being of each other through mutual understanding and co-operation. The understanding resulting from the present negotiations will, it is confidently hoped, strengthen the relationship between the two countries.



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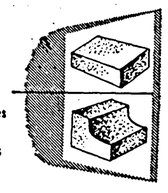

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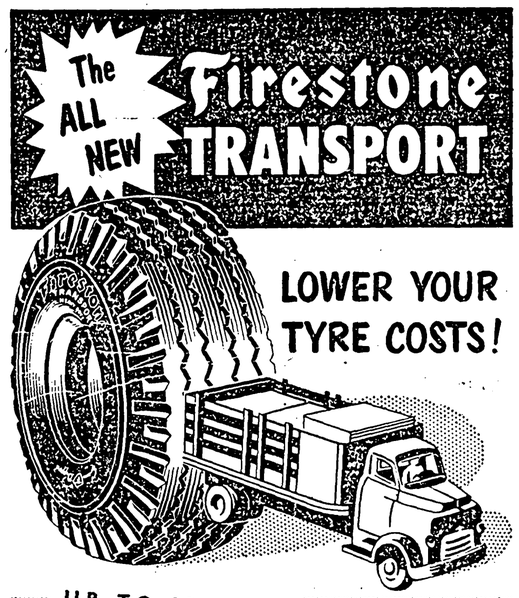

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U.N. COMMITTEE ON FORCED LABOUR

CONSIDERATION BY COUNCIL POSTPONED

THE consideration of the United Nations Committee Report on Forced Labour was postponed by the U.N. Economic and Social Council at its meeting held on 30th June last. The discussion on the Report will be taken up at its seventeenth session next spring. The French proposal for postponing discussion was accepted by 10 votes as against five opposing it. The countries which voted in favour of postponement were India, France, Australia, Poland, the Soviet Union, Britain, Yugoslavia, Venezuela and Uruguay. The opposing nations were the U.S., Cuba, China, Argentina and the Philippines.

The Report on forced labour was the result of an investigation into the system in about 24 countries by a Committee of eminent personalities. Mr. A. Ramaswami Mudaliar was the Chairman of the Committee. Other members were Mr. Paal Berg, former President of the Norwegian Supreme Court, and Senor Enrique Garciasayan of Peru.

The Report has found that forced labour exists in communist countries and South Africa, while there are laws in the British Commonwealth, the United States and Spain which can lead to forced labour. The prevailing systems of forced labour result from two forces, namely, political coercion and economic purposes. Forced labour for economic purpose is witnessed in South Africa, the Soviet Union, Czechoslovakia and Bulgaria. Forced labour by political coercion exists in the Soviet Union, Bulgaria, Czechoslovakia and Rumania.

In South Africa, the Suppression of Communism Act, 1950, can be used as an instrument for the correction of political opinions differing from the ideology of the State. The law is susceptible to a variety of interpretations. It can be used as deterrent for political offenders. If need be, it can be turned into an instrument of political persecution and oppression, thereby resulting in the use of forced labour. The interpretation of the law depends on the meaning placed by the competent judicial and administrative authorities on the numerous provisions of the law.

The U.N. Committee seems to be convinced of the existence of a legislative system, in the Union of South Africa, applied only to the indigenous population and designed to maintain an insuperable barrier between these people and the inhabitants of European origin and to create a permament abundant and cheap labour force. The ultimate consequence of this system is to compel the native population to contribute by their labour to the implementation of the economic policies of the country. The compulsory and involuntary nature of this contribution, however, results from the particular status and situation created by special legislation applicable to the indigenous population alone rather than from direct coercive measures designed to compel them to work, although such measures which are the inevitable consequences of this status are also found to exist.

Coming to the position in other countries, the Committee has found that certain legal provisions can be applied as a system of forced labour for political coercion in Spain, Hungary and Poland. In the Australian territory of Nauru (a small island, north-east of Australia) breaches of labour contracts by Chinese and other non-European workers are punishable as criminal offences and such legislation, if abused or vigorously implemented, might lead to a system of forced labour. The emergency regulations in Malaya, if broadly interpreted and extensively applied, could lead to a system of forced labour as a means of political coercion. It is, however, stated that there is no evidence that the regulations have been so interpreted and applied as to force work on labourers. The voluntary unemployed ordinance in Kenya can be applied in a like manner.

The U.N. Committee's investigations show that, in two cases in the U.S., there appears to be *prima facie* evidence of the existence of practices similar to forced labour. These relate to illegal Mexican immigrants and to peonage. These practices are, however, directly outlawed in the U.S. and the Committee has no evidence to suggest that, when offences are brought to the knowledge of the U.S. Government, the laws are not enforced. In some States in the U.S. the term "vagrant," under the vagrancy laws, is broadly defined and the punishment for the offence is so severe that, if extensively interpreted and applied, it can lead to a system of forced labour for economic purposes.

In the Soviet Union, penal legislation constitutes the basis of a forced labour system as a means of political coercion or punishment for holding or expressing political views. People sentenced to deprivation of liberty, particularly political, were, for the most part, employed in corrective labour camps or colonies on large-scale projects. The system, therefore, seemed to play a significant part in the national economy. The Committee, however, is not able to say as to how many corrective labour camps or colonies existed in Russia or where they were. Much less has it been able to assess how many people are detained in them.

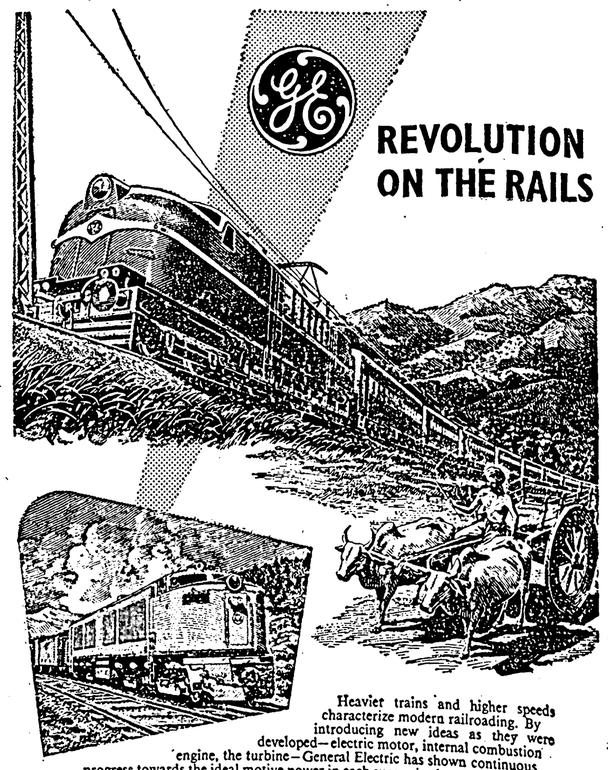
The Committee has cleared Britain and its 12 territories of allegations of forced labour, warning, at the same time, of the possible danger of certain laws in Malaya and Kenya being used for introducing forced labour.

The value of the U.N. Committee Report lies in focussing attention on one of the worst forms of social and economic systems, namely, man compelling man to carry on drudgery against will. Forced labour was in its ugliest form in the ancient days when slavery was widespread. The credit for the gradual disappearance of slavery should go chiefly to Christianity. In the ancient and middle ages, forced labour arose as a result of the desire on the part of the victors or richer and privileged classes to exploit to their benefit the vanquished or weaker sections of populations. Serfdom under the feudalism of the sixteenth and seventeenth centuries is another species of forced labour. In modern days it persists in countries with overpopulation where opportunities for employment are limited. It is opposed to the democratic ideas of liberty, equality and freedom of speech and, therefore, should not be allowed to prevail in any form in human society.

ASIAN REGIONAL MARITIME CONFERENCE

The Governing Body of the I.L.O. is reported to have approved the agenda for the consideration of the Asian Regional Maritime Conference, the first session of which is scheduled to be held at Nuwara Eliya (Ceylon) from 5th to 15th October, 1953. The agenda covers three subjects, namely, (1) Report of the Director-General, containing a survey of maritime developments in Asia, general conditions of seafarers and position in regard to ratification of maritime conventions by the Asian countries, (2) methods of recruitment and engagement of seafarers, and (3) welfare facilities for Asian seafarers in Asian ports.

The delegations to the Nuwara Eliya conference will consist of two Government representatives and one each representing shipowners and seafarers, besides such number of advisers as the Government may see fit to appoint. Besides the Asian countries which are members of the I.L.O., France, Norway, the U.K. and the Netherlands will also be invited to attend the conference. An observer from the U.S. and another from Nepal are also to be invited.



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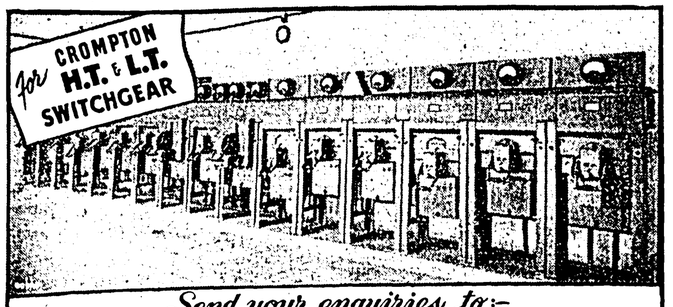

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LACK OF DEMAND AFFECTS METAL BOX COMPANY

DIVIDEND, HOWEVER, REPEATED FOR THIRD YEAR

IT was an irony of circumstances that the Metal Box Company of India Ltd. (Chairman and Managing Director: Mr. H. Chiswell Jones, Calcutta), the turnover and sales of which had been adversely affected by the shortage of tinplate during the year ended 31st March, 1952, should have found that, in the following year, when the supply position of tinplate greatly improved, its sales were again considerably restricted by the lack of demand, due to consumer resistance to higher prices. For the greater part of the year ended 31st March, 1953, the demand for the Company's products was at a much lower level than in the previous year. In terms of value, the sales show a fall of Rs. 56.69 lakhs.

This sharp decline in sales has, inevitably, had its effect on the profits, the gross profit recording a recession from Rs. 65.37 lakhs to Rs. 39.07 lakhs, a drop of over 40 per cent., and the net profit (after providing for depreciation and taxation) from Rs. 29.38 lakhs to Rs. 17.92 lakhs, representing a shrinkage of nearly 40 per cent. This set-back in profits during the year under review is a reversal of the progressively rising trend noted since the Company's conversion into a public company in April, 1949.

In keeping with the fall in profit, the Directors have found it necessary to reduce the allocations to the various reserves from Rs. 12.14 lakhs to Rs. 5.05 lakhs. A breakdown of this total reveals that a sum of Rs. 2 lakhs has been credited to the general reserve, which is only half the sum allocated last year. The reserve for replacement of fixed assets has been credited with Rs. 3.05 lakhs, as against Rs. 3.25 lakhs. Last year, they had, in addition, provided an aggregate sum of Rs. 4.89 lakhs for stock reserve and provisions for contingencies and doubtful debts. The dividend, however, is proposed to be maintained at 10 per cent. which had been paid for the previous two years.

The Company's progress during the last three years is well brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1953	1952	1951	1950
Sales	343.68	400.37	304.99	271.78
Other income	1.91	2.03	1.92	1.33
Stocks of manufactured goods	3.62	2.19	3.02	1.34
Expenses	307.93	337.21	255.61	229.19
Gross profit	39.07	65.37	51.97	43.01
Depreciation	8.30	17.94	7.36	6.79
Taxation	12.85	23.05	17.19	14.06
Net profit	17.92	29.38	27.42	22.16
To reserves	5.05	12.14	10.06	9.67
" dividend—				
6 per cent preference	1.33	1.33	1.24*	0.85†
Ordinary	11.50	11.50	11.50‡	9.00
	(10%)	(10%)	(10%)	(7½%)
Carry forward	12.89	12.85	8.44	11.43

† Preference shares of the value of Rs. 25 lakhs were issued in April, 1949 and ranked for dividend from 15th May, 1949. * In November, 1950 the preference capital was raised to Rs. 35 lakhs. ‡ In January, 1951 the ordinary capital was raised from Rs. 50 lakhs to Rs. 115 lakhs by capitalising reserves and undistributed profit, including a sum of Rs. 7.61 lakhs from the surplus of Rs. 11.43 lakhs carried forward from 1949-50.

The lack of demand is due to the fact that "there is," in the words of the Chairman, "less money in the hands of the consuming public and a growing resistance by the public to high prices, particularly in the consumers' goods market." Although in the last few months of the year, the Company's sales showed improvement, there is yet no evidence, according to the Chairman, that the recession in trade of the consumers' goods industry is over. There are, however, "signs of a fair measure of trade revival." As regards the supply position of tinplate, the Company was in a more favourable position during 1952-53, following the great improvement in the supply from within India, due to a reduction in demand from kerosene oil packers. In the previous years, the Company had to depend for more than half of its requirements of tinplate on imports and the higher cost of the imported tinplate had to be passed on to the consumers. With the improvement in Indian supplies the Company's indents from abroad were reduced to a negligible scale. The Company's whole organisation had been geared up to a much higher level of activity than actually materialised, in anticipation of meeting the entire demand of consumers. In order to meet the unexpected consumer resistance, the Company did take steps to effect every possible economy in its operations, in line with the reduced demand. Even then a substantial reduction in profits became inevitable.

The Company's financial position, as seen from the latest balance-sheet, reflects largely the strain on its resources by the increased cost of Indian plate, following the upward revision of the selling prices of tinplate of 11½ per cent. (as a result of the Tariff Board's enquiry into the retention prices of tinplate during the year), and the high cost of plant replacement. During the year, a sum of Rs. 16.96 lakhs was spent on making additions to buildings, machinery, etc. Consequently, the Company had to borrow large sums against the hypothecation of stocks. These borrowings as at the end of the year under review stood at Rs. 14.43 lakhs. The cash balances show a depletion of Rs. 18.95 lakhs. The balance-sheet as on 31st March, 1953, shows the following position:

Liabilities	Rs.	Assets	Rs.
Capital	1,45,00,000	Gross block	1,32,91,886
Reserves and surplus	48,30,212	*Less*—Depreciation	52,58,165
Provision for taxation	10,25,000	Net block	80,33,721
Liabilities	65,44,160	Stocks	1,45,90,694
		Debts, deposits and advances	39,82,321
		Investments	12,240
		Cash	2,80,396
	Rs. 2,68,99,372		Rs. 2,68,99,372

The Company's Chairman states, in his review of the year, that the overdraft taken from the Company's bankers is likely to continue for some time to come; for "it is considered essential to replace certain plant without further delay, and stocks cannot be reduced much further." Proceeding further on the Company's financial needs, he observes:

"In these days it is extremely difficult for any company to keep its existing business efficient and at the same time put aside money for new developments. Many new burdens have been placed on industry during the past few years, and while we all realise the vital importance of achieving a steady improvement in the standard of living, it seems that in certain directions we are being forced to go much too quickly. If industry is deprived of its essential finance, it is hard to see how large-scale unemployment can be avoided."

The Company's development projects are going ahead. The plant for manufacture of aluminium collapsible tubes was installed and operated successfully in Bombay in the latter part of the year under review. The Company expects a substantial demand for collapsible tubes from consumers in India who had hitherto been importing them. The Company has decided to proceed with its plan for building a part of a new factory in Calcutta, which will house the whole of the printing and photolitho equipment. The completion of the remainder of the new factory will depend upon the availability of finance.

The prospects for the current year are fair, as the Company expects to meet the full demands of its customers with lower-priced tinplate. The Chairman is, however, cautious in gauging the outlook. Thus, he says that increased sales and consequent profits are, to some extent, dependent on an improvement in the economic position of the middle classes, who are the main buyers of the products packed in the Company's containers.

The Rs. 10 paid-up ordinary shares of the Company are being currently placed at Rs. 18-8, at which rate and on the basis of the dividend for 1952, the yield works out to 5.4 per cent. per annum free of tax.

SIMPLEX MILLS' BONUS ISSUE

In the course of his address to the shareholders of the Simplex Mills Co., Ltd., at their annual general meeting held last week, the Company's Chairman, Mr. •F. H. Kemple, confirmed that the Directors' proposal, made in April last, to capitalise part of the reserves by issue bonus shares would be carried through shortly, the proposal having received the approval of the Assistant Controller of Capital Issues. The details of the proposal disclosed by him at the aforesaid meeting, however, show a slight modification of the original proposal, though there is no change in the amount of reserves to be capitalised. The Directors have now decided to raise the present paid-up capital of the Company from Rs. 31.5 lakhs to Rs. 42 lakhs, by capitalising the sum of Rs. 10.5 lakhs, being part of the machinery renewal reserve of Rs. 37 lakhs, and issuing bonus shares to the existing shareholders at the rate of one share for every three fully paid-up shares held by them. It may be mentioned here that they had originally proposed to capitalise the sum of Rs. 10.5 lakhs, by drawing Rs. 4 lakhs from out of the E.P.T. post-war refund of Rs. 7.35 lakhs and the balance of Rs. 6.5 lakhs from the machinery renewal reserve. Later on, they transferred the said E.P.T. refund of Rs. 7.35 lakhs to the profit and loss appropriation account for the year ended 31st March, 1953, although a good part of it, namely, Rs. 6 lakhs, was placed to the dividend equalisation fund. According to the latest proposal, they are not, therefore, utilising any part of the E.P.T. refund for capitalisation.

BRITISH INDIA CORPORATION LTD.

For some days past, there have been rumours in the principal Stock Exchanges of the country to the effect that a change in the managing agency of the Corporation was in the offing and these gained currency as there was no prompt denial of them by the management. We are, however, now informed by the management that there is no foundation for the rumour that a change in the management of the Corporation is contemplated or that a large block of shares of the Corporation has recently changed hands. There is also no foundation whatsoever for the rumour that the managing agencies held by the Corporation's subsidiary, namely, Begg, Sutherland & Co., Ltd., have been transferred.

RESULTS OF LARSEN AND TOUBRO

TURNOVER AND PROFITS AT RECORD HIGH

AS briefly indicated in our last issue (*vide* page 4), the year ended 31st March, 1953, marked another period of successful activities for Messrs. Larsen and Toubro Ltd. [Managing Agents: L. & T. (Management) Ltd. Bombay], recording, as it has done, an all-round improvement in its results. The Company's direct sales have registered an expansion of Rs. 22.95 lakhs to Rs. 162.80 lakhs and indirect sales, namely, indent sales and sales effected as selling agents for managed companies, of Rs. 22 lakhs to Rs. 89 lakhs. The trading profit has advanced from Rs. 36.12 lakhs in 1951-52 to Rs. 43.59 lakhs and net profit from Rs. 5.60 lakhs to Rs. 6.05 lakhs. The turnover and profits for the year under review constitute a record for the Company. What is even more noteworthy is that the Company has been able to establish such a record in a year which witnessed a general recession in all the markets. This achievement redounds to the credit of the management; it is a tribute to its salesmanship.

The satisfactory results have enabled the Company to create a general reserve by providing a sum of Rs. 1 lakh from the net profit. The dividend is maintained at 10 per cent. Incidentally, it may be noted, the Company has maintained this rate of distribution for the fourth year in succession and for the second year in succession after it was made a public company early in 1951.

The improvement in the results of working of the Company during 1952-53 is in keeping with the slow and measured progress that the Company had shown in previous years. This trend is clearly indicated by the following comparative table:

(In lakhs of rupees)

	For the year ended			
	1953	1952	1951	1950
Sale proceeds	162.80	139.85	137.55	109.89
Trading expenses	119.21	103.73	104.61	82.88
Trading profit	43.59	36.12	32.93	27.01
Other income	8.95	9.17	5.92	5.27
Establishment expenses	37.05	30.01	28.89	23.93
Depreciation	2.72	3.23	2.54	2.10
Managing Agents' Commission	1.25	1.21	0.80	0.68
Taxation	5.45	5.23	3.75	2.50
Net profit	6.05	5.60	3.46	2.78
To write off goodwill	0.95	2.15	0.70	0.58
To write off commission and brokerage on issue of shares	0.43	..	..	..
To general reserve	1.00	..	..	..
Dividends—				
Preference 5%	0.65	0.64	0.84	0.32
Ordinary	3.20	2.99	1.91	1.82
	(10%)	(10%)	(10%)	(10%)
Carry forward	0.15	0.30	0.54	0.03

The supply position of the products which the Company handles with the exception of "caterpillar" crawler tractors continued to improve during the year and the Company was able to meet the requirements of its customers on a relatively short notice. Caterpillar crawler tractors, however, continued to be in short supply. It is not the successful sale of the earth-moving equipment and agricultural tractors and implements that counts for ensuring established markets for them, but the maintenance of regular supply of spare parts for these equipments and the careful servicing of the equipments sold. In this respect also, the Company has been able to make very good impression on consumers by prompt delivery of spare parts. This, we are told, materially assisted the Company in expanding its sales. Nonetheless, the Company had to fight against the general recession in business conditions and increased competition from others in the field. It had, therefore, to make a determined and sustained effort in maintaining and expanding the turnover. This naturally involved a larger expenditure.

The balance-sheet of the Company as on 31st March, 1953, shows that its paid-up capital is Rs. 45 lakhs. The reserves and surplus amount to only Rs. 1.18 lakhs, but this is not surprising because the Company is only two years old. The gross block of the value of Rs. 21.93 lakhs has been written down to Rs. 12.46 lakhs. The goodwill (original cost Rs. 7.30 lakhs) has been completely written off and so also commissions and brokerage on issue of shares. The current assets, at Rs. 154.04 lakhs, provide ample cover for current liabilities aggregating Rs. 126.73 lakhs.

The outlook for the Company during 1953-54 can be better described in the Directors' own words. In their report to the shareholders, they observe thus:

"With an easier supply position, buyers are becoming more selective and competition is expected to become keener. Under such conditions, the sales opportunity depends on the quality of the products and the service reputation. The Directors are satisfied that the products which the Company handles, and the manufacturers, it represents, are the best and have the finest possible reputation. This, in conjunction with the Company's highly qualified technical and commercial staff, and its extensive service facilities, makes it destined to play a major role in the execution of India's Five-year Plan, in development of agriculture, building of highways and village roads, producing more electric energy, and generally developing industry and raising the standards of living of the people. With these great opportunities to serve—and the Company's ability to render the service—the Directors view the future with confidence."

KOLAR GOLD MINING COMPANIES

PROFITS SHRINK DESPITE HIGHER PRODUCTION

THE Directors' report and statement of accounts of the four Kolar Gold Field Mining Companies, namely, the Mysore Gold Mining Company (K.G.F.) Ltd., the Champion Reef Gold Mines of India (K.G.F.) Ltd., the Nundydroog Mines (K.G.F.) Ltd., and the Ooregum Gold Mining Company of India (K.G.F.) Ltd., for the year ended 31st December, 1952, together with the addresses of the Chairman and Managers to the shareholders, extracts from which are published elsewhere in this issue, provide an interesting study on the economics of gold production in India, inasmuch as the Companies constitute, as a group, the largest gold producer in India. For the purpose of such a study, an analysis of the working of individual companies is not necessary, but it is not entirely purposeless. It is, therefore, proposed to confine this brief review to the salient features of the results of working of the four companies.

A comparative study of the Companies' results for the year under review with those for the previous years has been rendered a little difficult by (1) the conversion of the sterling companies, which they were two years back, into rupee companies, and (2) the changes in their financial year-end, once from December to March and from March back again to December. However, a rough idea of the progress can still be gained from a comparison with the results for the previous nine months. Such a comparison reveals that, despite the larger quantity of gold extracted, the profit shows a considerable shrinkage, the main contributing factor for such a setback being the sharp drop in the price of gold.

The aggregate quantity of ore milled by the four Companies during the year under review amounted to 711,108 tons, as against 527,945 tons for the previous nine months. From this 243,629 ounces of gold were extracted, which is proportionately higher than those of 168,994 ozs., for the previous period. The production would have been higher still but for the rockbursts and fire in the mines of Champion Reef which seriously affected the output. The cost of production of this Company was, therefore, higher by nearly Rs. 10 per ton at Rs. 65-8 per ton, while, in the case of the other three Companies, the cost was lower, thanks to the higher rate of production. The cost of production of Mysore Gold was Rs. 64-13, as against Rs. 66-12 per ton, Nundydroog Rs. 43-8 (Rs. 46-11) and Ooregum Rs. 49-10 (Rs. 53-12) per ton. These costs exclude cost of development. The average price of gold realised during the year was Rs. 237-8 per ounce, which as compared with that realised in the previous nine months shows a decline of nearly Rs. 58 per oz., or 19 per cent. The royalty paid to the Mysore Government on the net sale proceeds amounted to Rs. 28.86 lakhs for the 12 months under review, as against Rs. 28.54 lakhs paid for the preceding nine months. The gross profit earned amounted to Rs. 76.72 lakhs, which is lower, both absolutely and relatively, than that of Rs. 98.69 lakhs earned in the previous period under comparison. The sum of Rs. 98.69 lakhs of the previous period, it may be noted, was arrived at after taking into account the sum of Rs. 13.95 lakhs being the contribution to the Mysore Government, other than royalty, in terms of the Companies' agreement with the State Government (arrived at in May, 1949, at the time of the transfer of control and management of the Companies from London to Mysore State) for a share of the profit in replacement of the gold duty. There was no such payment during the year under review and to this extent there was a saving for the Companies. If there had been any such contribution, the gross profit would have been much lower. The provision for taxation was lower at Rs. 23.88 lakhs (Rs. 44.08 lakhs). An aggregate sum of Rs. 40.86 lakhs (Rs. 39.53 lakhs), representing 8.6 per cent. of the total cost or 53.2 per cent. of the gross profit, has been set aside for depreciation and development reserve. These appropriations leave a sum of Rs. 10.31 lakhs for the three Companies, Mysore Gold, Champion Reef and Nundydroog, as against Rs. 12.79 lakhs for all the four Companies in the previous period. The whole of this was utilised to pay dividend to the shareholders of the three Companies. The dividend of Mysore Gold was maintained at 6 per cent. per annum, while that of Champion Reef was reduced from 20 per cent. to 6 per cent. per annum. The dividend of Nundydroog was, however, raised from 6 per cent. to 7.5 per cent. per annum. Ooregum Gold had to pass over the dividend, as in the previous period.

During the year under review, the Companies spent Rs. 33.36 lakhs on capital expenditure.

The operations of the Ooregum Gold Mining Company have since been discontinued, as the management has found it impossible to continue them as a separate unit. The circumstances leading to such a position and the steps taken by the Directors to lease the mine to Champion Reef are explained by the Chairman in his address to the shareholders, referred to at the outset.

Points From The Chair

Official Intervention in Private Industry

"IF I may be permitted to refer to one of the existing disincentives, it is the amount of official intervention that industry, in the private sector, has daily to cope with, from womb to tomb. Practically every industrial concern of any consequence to-day feels obliged not only to employ extra staff to cope with the growing volume of inquiries from and correspondence with Government offices and officials but has, in addition, either to maintain a representation in New Delhi or arrange pilgrimages to that costly capital or both. This is not intended as a criticism of Government or its helpful, competent and hard-worked officials. It is realised that part of such intervention is perhaps unavoidable in a planned economy. One hopes, however, that it may be found possible to remove or reduce a sizable proportion of it, and thus lighten the handicaps it imposes."

M. A. SREENIVASAN,
Kolar Gold Field Mining Companies.

Inadequacy of Life Insurance Cover

"A vast majority of the people have not yet been covered by life insurance. It is our duty as insurers to seek an answer to the 'why' and 'wherefore' for this state of affairs and to make efforts to remedy the situation as far as it may lie in our power. Some of the reasons are obvious, namely, (1) lack of insurance habit, (2) comparative high cost of insurance, (3) lack of educative propaganda, (4) lack of efficient service to the policyholders, (5) illiteracy, and (6) lack of adequate banking and transport facilities in the rural areas. Some of the ways in which we can assist in resolving these difficulties and make available the benefits of life insurance to larger sections of the Indian population than has been the case so far, are such as can be rapidly adopted by all insurers. The method of recruitment of agents needs to be considerably improved and the agent should be given the necessary training to enable him to make his career an honourable calling and himself a respected member of the society. The agent should have faith in his profession and know the benefits of what he is selling and he must know the art of salesmanship. It is the duty of the life insurers to provide such training for all its workers through life insurance institutes at important centres throughout India and to make it a rule to appoint workers who have had the necessary training in preference to others."

A. L. CHANDAVARKAR,
Bombay Co-operative Insurance Society Ltd.

Misconception About Coffee Board

"I wish I could be as confident regarding the future of coffee prices. As shareholders may be aware, an unfortunate and, within my knowledge, an unwarranted suspicion has been implanted in Government's minds that the Indian Coffee Board is an unholy alliance of producers with no other object than to influence prices to the benefit of the producers and against the interest of consumers. Prices have certainly risen in recent years, but so also have costs, the latter largely as a result of Government's own idealistic legislation. The role of the Coffee Board has thus been the difficult one of striking the mean between a price which gives the planter a fair, though not a lavish, return for his investment and labours, and which at the same time does not provoke buyers' resistance. In my view, this object has been most successfully achieved and I hope that this will be fully demonstrated when the enquiry which Government are undertaking into production costs is completed, and that, thereafter, the suspicion against producers will abate."

W. W. KILGOUR,
Savamalai Estates Ltd.

Responsibility of Textile Industry

"Much has been said and written about the mill industry, as a whole, in recent months and I do not propose to go over details of the various factors affecting our business, which must already be well known to you. It is very pleasing that Government have lifted price controls on many varieties of cloth and have shown a more realistic attitude towards exports. It is hoped that this policy will continue and it is up to the mill industry to see that their business and actions are managed in such a way that Government are encouraged still further to relax controls and restrictions and so leave the mill industry to manage their own affairs."

F. H. KEMPLE,
Simplex Mills Co., Ltd.

Competitive Position of Natural Rubber

"It was reassuring, however, to read the statement made by the American manufacturers at the Rubber Study Group meeting, held in Copenhagen in May, to the effect that there was not likely to be a surplus of natural rubber during the next 12 months, in view of the current competitive price situation between natural rubber and GR-S synthetic. This would seem to indicate that, for the time being, the present price is a floor price, but, unfortunately, as I have just said, this is not likely to be remunerative to producers generally. We must, therefore, seek for some other assistance and I suggest that the Malayan Government should help producers by making reductions in export duty and other Government levies."

P. B. L. COGHLAN,
Central Perak Rubber Co., Ltd.

(*Concluded from page 71*)

will profit by the experience of Britain in regard to the incidence of this tax on small enterprises:

Of the 56,638 industrial establishments that make returns to the Ministry of Labour—and every establishment having more than 10 employees must submit certain figures to the Ministry each year—some 42,644 employ fewer than 100 workpeople. These comparatively small firms employ nearly one-quarter of all the employees in the industries represented—1,547,000 out of 7,180,000. A much bigger batch of employees comes in the next range. There are 13,014 establishments employing between 100 and 999 people and the total of workers there is 3,409,000. Really big concerns employing more than 5,000 people number no more than 71 and they have 541,000 workers on their pay-rolls. Altogether in the smaller units of industry women account for about one-third of the total staff; in big concerns having more than 2,000 workers, the proportion of women drops to some 20 per cent.

In a very broad way one can go into the figures further and deduce where small—and private—enterprise still has the strongest hold. London and the south-east region of the country, where the tendency is for many of the lighter industries to congregate, have 10,600 firms (out of a total of 13,400) employing less than 100 people each.

The Midland region, with its formidable concentration of basic and big engineering industries, still has 4,950 of these quite small firms, out of a total of 6,550. The North Midlands have 3,300 small ones out of a total of 4,400. The north-western region, with all its textile and engineering interests, has 6,350 small firms out of 9,000. And Scotland has 4,100 out of 5,300.

All this, whether an individual M.P. recalls the actual figures or not, is a kind of thing that must be at the back of his mind when he goes about his parliamentary duties. There was interesting reflection on some of these considerations in the course of a long debate in the committee of the House of Commons on the Finance Bill. A Conservative member, Sir Wavell Wakefield, took up a complaint that has long been heard among those concerned with the so-called family manufacturing businesses—those, generally of comparatively small size, whose shares are not usually on the market and in which there are strong family traditions of ownership and management—that estate duties press unfavourably and very heavily upon them when any of their principals dies.

The small family business, he said, was the home of experiment in new processes and inventions and, at a time when more intensive production was vital, it was a serious matter that a high proportion of those businesses should have to be disorganised to meet death duties. Sir Wavell wanted the Government to provide that estate duties should be lightened in such cases.

All of his case was not admitted on the Labour side of the House. Mr. Austen Albu, for instance, while admitting that small businesses ought to be encouraged, said that they could make a major contribution to the economy of the country, and they usually continued after the deaths of private owners. One of the biggest defects of industry, and especially of private industry, he argued, was nepotism and "the handicap of family ownership."

All these points were argued out with the Government spokesman, Mr. Reginald Maudling, Economic Secretary to the Treasury, coming in at the end to remark that what was in fact being asked for was a special discrimination in taxation—a matter that should always be approached with great caution. But he acknowledged that the particular section of the Act under which these things were controlled might not, if a widespread feeling were well based, be working justly. And the Chancellor of the Exchequer himself, with his official advisers, was going to enquire into the whole business of assessment of death duties. The hopes of small family business are, therefore, now put into what should turn out to be a very interesting enquiry.

KOLAR GOLD MINING COMPANIES

(*Concluded from page 69*)

"The sudden fall in the price of gold in February, 1952, and the steps being taken to counteract its effects were described last year. The tonnage milled was increased by over 10 per cent. compared with the previous twelve months by working the mill to capacity throughout the year. To increase the mill capacity, two light stamp batteries in the old north mill were reconditioned and put into operation in December, thereby increasing the total number of heads available to 80. In addition, the grade was also increased, and the gold returns were 13,048 ounces, or nearly 24 per cent. higher than in the previous twelve months."

Mr. M. A. Sreenivasan on behalf of the Directors and shareholders and Mr. J. K. Lindsay speaking for the Managers expressed appreciation and thanks to the Superintendents of the mines and their staffs for the efficient and energetic manner in which they had carried out their duties. Mr. Sreenivasan also expressed the Boards' appreciation of the work of the Managers, Messrs. John Taylor and Sons (India) Limited.

The report and accounts of each of the four Companies were adopted and the following dividends were declared.

Mysore Company, 6 per cent.; Champion Reef Company, 6 per cent.; Nundydroog, 7½ per cent. and the Ooregum Company, nil.

POWER CUT AFFECTS WORKING OF METTUR INDUSTRIES

SONE VALLEY CEMENT RAISES DIVIDEND DESPITE LOWER PROFIT

Mettur Industries Ltd.

THE directors of the above Company (Managing Agents: Messrs. W. A. Beardsell & Co., Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March, 1953.

The accounts show that the net profit for the year, after providing for depreciation and reserving for taxation Rs. 10,50,000 (Rs. 14,50,000) and taking into account the amount of Rs. 50,249 (Rs. 22,690) brought forward from 1952, amounts to Rs. 15,27,484 (Rs. 20,50,249), the directors recommend the payment of a dividend of 12½ (12½) per cent. free of tax, amounting to Rs. 7,50,000 (Rs. 7,50,000), the transfer to general reserve Rs. 2,00,000 (Rs. 5,50,000) and to fixed assets replacement reserve Rs. 5,00,000 (*nil*) leaving a balance to be carried forward of Rs. 77,484 (Rs. 50,249 after providing Rs. 2,50,000 for raw materials fluctuation reserve and Rs. 4,50,000 for dividend equalisation fund).

The year's working has been influenced to a large extent by power cuts and a little more than 25 per cent. of the total possible working hours were lost on this account. In order to minimise the effects of continued power cuts, a diesel generating set has been installed capable of supplying about 50 per cent. of the Mills normal power requirements. This set was not in operation during the year, to which these accounts relate, but it is hoped that the benefit will be felt in the current and future years. The keen demand for our cloths has continued throughout South India. Under these circumstances the directors consider the results of the past year very satisfactory and, even though the net profit is less than the previous year, feel justified in recommending a dividend of 12½ per cent. As the plant and machinery is now largely depreciated, a fixed assets replacement reserve account has been established to which a sum of Rs. 5,00,000 has been appropriated.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	60,00,000	Block ...	16,97,586
Reserves ...	62,50,000	Stock-in-trade	20,36,437
Provision for taxation ...	3,62,047	Stores, tools, etc. ...	14,54,673
Liabilities ..	14,56,927	Debts, deposits and advances ...	10,82,092
Profit and loss account ...	77,484	Investments	82,285
		Cash ...	77,93,385
Rs.	1,41,46,158	Rs.	1,41,46,158

Sone Valley Portland Cement Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

Cement produced during the year 1952 amounted to 2,32,640 tons, as compared with 2,50,330 tons for 1951, thus showing a decrease of 17,690 tons. Despatches aggregated 2,38,657 tons, as against 2,45,082 tons or a decline of 6,425 tons. The decrease in production is principally due to the failure of bearings of No. 2 dry compound mill which curtailed output for some weeks.

The limestone quarries have been further extended and developed to ensure the supply of the full quantity of the Company's increased limestone requirements. Coal raised from the Hutar Colliery totalled 39,214 tons and 34,239 tons were delivered to the works. With the progressive development of the mines and the improved transport facility, the raisings and deliveries of coal to the works have gone up to 5,000 tons p.m. since the beginning of 1953. Coal now being raised from the new pit, is of better quality and will enable the Company to use a greater tonnage of coal from its own property. The labour position was satisfactory and cordial relationship has been maintained throughout the year.

During the year under review the price of cement bags generally declined and there were violent fluctuations at lower levels. This led the Government of India to revise the packing price under an evolved formula and the rate fixed thereunder was much below the actual cost to the industry. Joint and individual representations were made to Government by the industry for a revision in the new method of the fixation of the price for packing material. Although the Government of India refused to revise their decision in the matter they have, however, referred this question and also that of an increase in the selling price of cement to the Tariff Commission. The investigation by the Tariff Commission started at the beginning of this year, and concluded at the end of April, 1953. The report by the Commission and Government's decision on their recommendation is now awaited.

After charging all expenses including managing agents' remuneration, depreciation and making provision for taxation and bonus to staff and labour for the year the net balance amounts to Rs. 10,56,818 (Rs. 12,50,898). But of this reserves amounting to Rs. 3,50,000 (Rs. 6,00,000) have been made, leaving a balance of Rs. 7,06,818 (Rs. 6,50,898) which together with Rs. 81,840 (Rs. 30,942) brought forward from the previous year amounts to Rs. 7,88,658 (Rs. 6,81,840) which is available for distribution. The directors recommend a dividend of 10 (8) per cent. for the year, free of tax, absorbing Rs. 7,50,000 (Rs. 6,00,000) and the balance of Rs. 38,658 (Rs. 81,840) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	75,00,000	Block ...	34,76,831
Reserves ...	19,85,000	Stocks ...	15,73,274
Provision for taxation ...	17,13,061	Stores ...	38,81,099
Liabilities ...	25,92,054	Other assets	3,94,058
Profit and loss account ...	7,88,658	Debts, deposits and advances ...	39,08,517
		Investments	4,66,800
		Cash ...	8,78,194
Rs.	1,45,78,773	Rs.	1,45,78,773

Colaba Land and Mill Co., Ltd.

The directors of the above Company (Managing Director: Mr. V. J. Pilani, Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The working during the period resulted in a loss of Rs. 25,54,080 (profit of Rs. 15,02,037). Deducting the revenue from land and property Rs. 1,99,034 (Rs. 1,90,450) and the balance of profit brought forward from last year of Rs. 9,066 (loss of Rs. 16,87,421) the net loss carried forward to next year, amounted to Rs. 23,49,980 (profit of Rs. 5,066).

The directors report that the year's working resulted in a loss of Rs. 23,49,980 (profit of Rs. 15,02,037). The consumption of large quantities of high-priced foreign cottons which the mill was compelled to take up and use at a time when the selling prices of cloth and yarn registered a serious decline; the slackness in demand for cloth and the disposal of goods at a discount to avoid accumulation of huge stocks; the payment of bonus to workers for the year 1951 not provided for in the last year's account; the temporary prohibition of exports; the incidence of fresh burdens on the mill in the shape of contributions to the State Insurance Fund and Workers' Provident Fund; the imposition of multi-point sales tax, and the extra payment for electric power—these were the main causes which contributed to the above loss.

During the year there was a heavy slump in cotton textiles. The price and distribution controls were lifted on such popular varieties of cloth as *dhotis, saris*, mulls, voiles, poplins, etc., but the price control continued on certain other varieties of cloth and also on yarn. The combers which were imported during the previous year were installed. The addition to the machinery and replacements were to the tune of Rs. 3,62,107. Provision to the extent of Rs. 2,03,000 were made for depreciation for the year.

A bonus to workers equivalent to 25 per cent. of their basic earnings for the year 1951 amounting to Rs. 3,14,500 was paid in terms of the consent award of the Industrial Tribunal for the year. No provision was made for bonus to workers for the year 1952.

The cut on the consumption of electrical energy imposed by the Government of Bombay due to power shortage during the previous year continued for the major part of the year and the directors had to obtain the requirements of electric power from "The Power Pool" in order to avoid a shut down of the mill. This additional power costs the Company Rs. 67,419. No generating sets were installed.

The introduction of Employees' State Insurance and the Workers' compulsory Provident Fund, burdened the Company with an additional expenditure of Rs. 22,172 and Rs. 28,634 respectively, during the year. The land department yielded a profit of Rs. 1,99,034 (Rs. 1,90,450).

The Government is still retaining 14 plots in Scheme 'A' and one plot being plot No. 17 has been leased out and the building thereon is nearly completed. As regards Scheme 'B' the same is now fully developed and no plots are available for lease. In Scheme 'C' the Government has released 5 plots and is still retaining 12 plots. Out of the 5 plots so released possession of 3 plots were given to the lessees and the remaining 2 plots are available for lease. The directors have been calling for offers from the public for the same. In regard to the proposed acquisition of the land in Scheme 'A' by the Government of Bombay for the purpose of a Municipal School and a Fire Bridge Station and the Company's claim for compensation thereunder, proceedings are still in progress and it may take some time for the Award of the Special Land Acquisition Officer.

The Company's property including buildings, machinery and stocks has been insured against fire and riot for Rs. 2,67,34,800 and profit and standing charges of the Company have been insured for Rs. 15,00,000 to cover a maximum stoppage of 24 months, such insurance to run from 1st April, 1953 to 31st March, 1954.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,00,000	Block ...	1,10,40,660
Reserves ...	76,79,642	Stock-in-trade	43,36,973
Provision for taxation ...	1,36,355	Stores and spare gear	8,39,784
Liabilities ...	65,60,734	Debts, deposits and advances ...	6,32,677
		Investments	47,000
		Cash ...	30,160
		Profit and loss account ...	23,49,980
Rs.	1,92,77,234	Rs.	1,92,77,234

Oodlabari Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

A crop of 7,928 maunds was manufactured and disposed of for sale in Calcutta for export 6,341 maunds, for sale in Calcutta for internal consumption 1,515 maunds, and for sale locally for internal consumption 72 maunds. The teas realised an average price of Re. 0-15-1 a lb. as compared with Re. 1-6-5 a lb. obtained for the previous season's crop of 8,151 maunds. Hail damage was sustained in the spring of 1952 resulting in an estimated loss of 1,456 maunds of green leaf. The Company's export quota for season 1952 was 5,550 maunds. No extensions were put out during the year and the area under cultivation remains unchanged at 578.33 acres, as registered with the Indian Tea Licensing Committee at 31st December, 1952.

The revenue account shows a loss of Rs. 1,74,714 and after adding to this the manager's planting commission Rs. 1,346, gratuity to retired manager Rs. 19,200, loss on sale of investments Rs. 3,549 and depreciation Rs. 28,937, there is a total of Rs. 2,27,746. After deducting from this amount the interest on investments (net) Rs. 3,174, sale of car Rs. 450, forfeited dividends Rs. 2,175, transfer from contingencies account Rs. 10,000 and excess provision for taxation written back Rs. 15,000, there is a loss for the year of Rs. 1,96,947. After deducting from this the credit balance of Rs. 30,888 brought forward from the previous year and transferring Rs. 1,70,000 from reserve account there is a credit balance of Rs. 3,941 on profit and loss account which is carried forward.

The unsatisfactory result of the season's working is mainly attributable to the depressed state of the tea market in 1952, which resulted in the Company's teas fetching As. 7 per lb. less than in the previous year. In addition higher wages had to be paid in accordance with the provisions of the Minimum Wages Act.

The crop for the season 1953 has been hypothecated to the Mercantile Bank of India Ltd. to secure overdraft facilities to the extent of Rs. 3,00,000 which is the limit of the present borrowing powers of the Board. Largely owing to the loss sustained by the Company in the 1952 season it will probably be necessary for a few months during the current season to exceed that amount in order to finance the Company's operations, and the shareholders are requested to sanction an increase in the borrowing powers accordingly.

The estimates for season 1953 are as follows:—

Garden	Crop	Expenditure		Total
		Garden	Calcutta	
	Mds.	Rs.	Rs.	Rs.
Oodlabari ...	7,206	5,25,971	1,09,140	6,35,111*

*Excluding expenditure of a Capital nature estimated to amount to Rs. 28,215.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Block ...	6,16,149
Reserves ...	4,10,000	Stocks ...	2,76,439
Provision for taxation ...	87,758	Stores ...	1,65,341
Liabilities ...	4,30,152	Debts, deposits and advances ...	1,12,298
Profit and loss account ...	3,941	Investments	78,678
		Cash ...	2,948
Rs.	12,51,851	Rs.	12,51,851

Seeyok Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 1,25,216 (Rs. 41,491). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 1,20,000 (Rs. 17,500) from revenue reserve, there is a balance at credit of profit and loss account of Rs. 311 (Rs. 842) to be carried forward.

Enhanced production costs following implementation of the Minimum Wages Act coupled with lower prices obtained for produce on a depressed market contributed largely to this unfavourable result.

Crop was 1,779 maunds as compared with 2,225 maunds in 1951. The average selling price was Re. 1-12-7 per lb. against Re. 1-14-2 per lb. in the previous year. Planted area remains at 389.32 acres.

Estimates for 1953 provide for a crop of 2,000 maunds at an outlay of Rs. 3,07,670 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,60,000
Reserves ...	63,990	Stores and supplies ...	63,137
Provision for taxation ...	11,106	Tea sales receivable ...	88,219
Liabilities ..	81,298	Advances and deposits ...	38,958
Profit and loss account ...	311	Cash ...	6,091
Rs.	4,56,705	Rs.	4,56,705

Engo Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 19,332 (Rs. 15,002) for depreciation, the season's working resulted in a loss of Rs. 86,363 (Rs. 11,661). After bringing in the balance from last year and charging managing agents' minimum commission, there remains a balance of Rs. 85,600 (credit of Rs. 8,763) at debit of profit and loss account. The directors recommended that no dividend be declared and that the debit balance of Rs. 85,600 (credit of Rs. 2,763) in the profit and loss account be carried forward.

A total crop of 3,075 maunds was secured, which was sold at an average price of Re. 1-6-10 per lb. This compares with a crop of 2,726 maunds manufactured in season 1951, which sold at an average price of Re. 1-10-5 per lb. The heavy fall in the tea market resulted in most of your Company's crop being sold at below cost of production.

Estimates for the current season have been framed for a crop of 3,075 maunds to cost Rs. 2,89,330 and it is hoped that the average sale price to be received for the 1953 crop will be in excess of the cost of production. Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and there is reason to hope that the results for 1953 will show an improvement compared with the previous season.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,20,000	Block ...	2,07,103
Reserves ...	1,89,000	Stock ...	2,14,722
Provision for taxation ...	22,220	Stores ...	61,706
Liabilities ...	3,23,841	Debts, deposits and advances ...	70,777
		Investments	278
		Cash ...	14,875
		Profit and loss account ..	85,600
Rs.	6,55,061	Rs.	6,55,061

Mim Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 16,383 (Rs. 16,741) for depreciation, the season's working resulted in a loss of Rs. 38,769 (profit of Rs. 1,30,781). After bringing in the balance carried forward from last year and charging managing agents' minimum commission, there remains a balance of Rs. 3,160 (credit of Rs. 37,609, after paying Rs. 39,750 as dividend) at debit of profit and loss account. The directors recommend that no dividend be declared and that the debit balance in the profit and loss account be carried forward.

A total crop of 2,307 maunds was secured, which has been sold at an average price of Rs 2-6-3 per lb. This compares with a crop of 2,157 maunds harvested in season 1951 which sold at an average price of Rs. 3-4-0 per lb. The heavy fall in the tea market particularly affected Darjeeling prices and most of the Company's crop sold at below cost of production.

Estimates for the current season have been framed for a regulated crop of 2,128 maunds to cost Rs. 3,41,895 and it is hoped that the average sale price to be received for the 1953 crop will be in excess of the cost of production. Current market rates are higher than was the case when the major part of the 1952 crop was sold and there is reason to anticipate that the results for 1953 will show an improvement compared with the previous season.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,59,000	Block ...	1,94,354
Reserves ...	2,35,000	Stocks ...	1,32,618
Provision for taxation ...	44,847	Stores ...	57,180
Liabilities ...	69,018	Debts, deposits and advances ...	43,415
		Investments	9,700
		Cash ...	67,440
		Profit and loss account ...	3,160
Rs.	5,07,865	Rs.	5,07,865

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

COMPANY MEETINGS AND DIVIDENDS

ORIENTAL COAL CO., LTD. Annual General Meeting, Calcutta, 15th July, 1953. Transfer books closed from 6th to 15th July, 1953, both days inclusive.

BOMBAY UGANDA CO., LTD. Annual General Meeting, Bombay, 15th July, 1953. Dividend: Rs. 4 per share, free of income-tax. Transfer books closed from 4th to 15th July, 1953, both days inclusive.

METAL BOX COMPANY OF INDIA LTD. Annual General Meeting, Calcutta, 16th July, 1953. Dividend: Re. 1 per share (including interim dividend of As. 8 per share). Transfer books closed from 2nd to 17th July, 1953, both days inclusive.

OODLABARI CO., LTD. Annual General Meeting, Calcutta, 17th July, 1953. Dividend: *Nil*. Transfer books closed from 10th to 17th July, 1953, both days inclusive.

MANABARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 17th July, 1953. Dividend: *Nil*.

MIM TEA CO., LTD. Annual General Meeting, Calcutta, 17th July, 1953. Dividend: *Nil*. Transfer books close from 13th to 17th July, 1953, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 17th July, 1953. Dividend: Re. 1 per share, free of income-tax. Transfer books closed from 2nd to 17th July, 1953, both days inclusive.

JESSOP & CO., LTD. Annual General Meeting, Calcutta, 17th July, 1953. Dividend: Re. 1-8 per share. Transfer books closed from 29th June to 17th July, 1953, both days inclusive.

BOKAKHAT TEA CO., LTD. Annual General Meeting, Calcutta, 17th July, 1953. Dividend: *Nil*. Transfer books closed from 10th to 17th July, 1953, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram (Dist. Tiruchirapalli), 20th July, 1953. Dividend: As. 10 per ordinary share. Transfer books closed from 1st to 20th July, 1953, both days inclusive.

SHANKAR SUGAR MILLS LTD. Annual General Meeting, Calcutta, 20th July, 1953. Transfer books closed from 8th to 20th July, 1953, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Annual General Meeting, Sika, 21st July, 1953. Dividend: Rs. 6 per share. Transfer books closed from 4th to 21st July, 1953, both days inclusive.

BURHANPUR TAPTI MILL LTD. Annual General Meeting, Bombay, 24th July, 1953. Transfer books close from 22nd July to 5th August, 1953, both days inclusive.

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD. Annual General Meeting, Bombay, 24th July, 1953. Dividend: Rs. 7 per share (including *ad interim* dividend of Rs. 3 per share) payable on and after 6th August, 1953. Transfer books close from 13th to 24th July, 1953, both days inclusive.

HIND MILLS LTD. Annual General Meeting, Bombay, 27th July, 1953. Transfer books close from 13th to 27th July, 1953.

KALYANMAL MILLS LTD. Annual General Meeting, Indore, 30th July, 1953. Transfer books close from 23rd July to 6th August, 1953, both days inclusive.

MYSORE GOLD MINING CO. (K.G.F.) LTD. Dividend of As. 9-3/5 per share, for the year ended 31st December, 1952, payable on 28th August, 1953.

CHAMPION REEF GOLD MINES OF INDIA (K.G.F.) LTD. Dividend of As. 9-3/5 per share, for the year ended 31st December, 1952, payable on 9th October, 1953.

NUNDYDROOG MINES (K.G.F.) LTD. Dividend of As. 12 per share, for the year ended 31st December, 1952, payable on 18th September, 1953.

UNION COAL CO., LTD. Dividend of Re. 1-4 per share for the half-year ended 31st December, 1952.

COMPANY REGISTRATIONS

KOLHAPUR ELECTRIC SUPPLY CO., LTD. (Managing Director: Mr. H. P. Ghatge.) Business: Generate and Supply Electric Power. Authorised capital: Rs. 10,00,000. Private company. Address: Bhausingji Road, Kolhapur City.

DAREL (INDIA) LTD. (First Director: Mr. M. A. Parikh.) Business: Importers, Exporters and Merchants. Authorised capital: Rs. 5,00,000. Private company. Address: Yusuf Building, 43, Mahatma Gandhi Road, Fort, Bombay.

GERMAN REMEDIES AND TRADING CO., LTD. Business: Chemists, Druggists and Dealers in Chemicals, Foodstuffs, Oils and Pharmaceutical Products, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Queen's Mansions, 7, Prescott Road, Bombay.

AMERICAN LETTER

(*Concluded from page 53*)

sations could possibly be made under the new immigration statutes.

So far as the American money markets are concerned, there continues widespread complaint, although some improvement was noted when the Federal Reserve Banks, with the approval of the Treasury, decided to reduce reserve requirements of member-banks the other day. Since that time, fluctuations in bond prices have been fewer and not so great and Treasury obligations have somewhat firmed. Also, the Federal Reserve is back in open market operations again. This has brought forth support of the entire list of Government obligations and has created a better atmosphere, even though portfolio losses resulting from lower bond prices generally continue as a serious problem for the smaller country banks and insurance companies.

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ANNUAL MEETING OF ROHTAS INDUSTRIES LIMITED

(*Concluded from page 59*)

etc. These are not the only commodities for movement. The wheel of industry must be kept moving. Unfortunately, bottlenecks that did not exist before have been created. Traffic on the Eastern Railway, for instance, via Niani is only open for priority traffic upto a few classes and other priority items are not being moved at all. The sidings at Dalmianagar, which, along with the private sidings, including Jamshedpore and Kulti, handle large traffic, have had to remain closed for all non-preferential traffic and preferential traffic beyond class VIII for 24 out of 30 days in June. This situation would not have been tolerated had the railways been worked by a private agency. The matter deserves Government's prompt attention. The cost of transport is rising without adequate facilities being made available. The cost should have actually come down, instead of steadily rising, since there is increasing utilisation of the capacity. I do not wish to go into details here. It is necessary to remember that increasing industrial development and marketing requirements result in pressure on the railway transport and the railways have to be geared up to meet the growing demand efficiently and economically.

Labour Relations

"Your Company is planning for extension of the labour colony with the co-operation of the Central and State Governments. During the next three-four years it is proposed to build up quarters and provide various amenities costing about 40 to 50 lakhs of rupees.

"It is a matter for gratification that labour relations in Dalmianagar during the year have been more cordial. While the question of bonus for the year 1950-51 was pending before adjudication, the management and the recognised union of the Company entered into negotiations for settlement by mutual agreement in the spirit of the new approach initiated by our Central Labour Minister. The voluntary agreement thus entered into was examined by the Adjudicator on merits and, considering it fair, he gave an award on the basis of the agreement. But disturbing forces are still at work. A registered, but not recognised, union of the place is questioning the validity of the agreement, as it was not a party either to the agreement or to the adjudication, and has taken the matter to the Appellate Tribunal. This attitude is regrettable. It will vitiate the fundamental basis of collective bargaining and mutual agreement. Faith in the new approach will also be shattered, as no management will be inclined to enter into such negotiations or agreement. As this method cannot successfully implement the desirable policy of direct approach, on which industrial relations in the country are to be harmonised, the outlook of the trade unions has to be chastened up. The modified Labour Relations Bill is expected to embody the principle of collective bargaining and mutual agreement. It is hardly necessary to point out that the new legislation should contain adequate provisions to avoid developments that would cut at the root of the new approach. I would like to express the hope that, in Dalmianagar, mutual confidence between the management and labour will grow in the common good of the industrial undertakings concerned.

"With these words, I thank you all. I am sure you will join with me in extending a hearty vote of thanks to the staff and labour who have combined to support the effort of the management to improve the working results of your Company."

MONEY RATES DECLINE

(From Our Own Correspondent)

BOMBAY, 8th July

There was a further inflow of funds from mofussil centres, with the result that the supply of money in the short-term money market increased. There were more lenders than borrowers and the interest rates, therefore, fell sharply. In the inter-bank call sector, money was offered at as low a rate as 1¼ per cent., as against 2¼ per cent. last week. On some days, money was unlendable after clearing hours of banks. House money was freely available at 2¼ to 2 per cent., as against 2¼ to 2¾ per cent. last week. The short-term deposits were quoted at 2¼ per cent. for one month, 2¼ per cent. for two to five months, while the rates for six to twelve months ranged from 2¼ to 2¾ per cent., as against 2 to 2¼ per cent.

It will be noted from the above rates for inter-bank call money and house money that the gap between the two which was almost negligible during the previous weeks has widened. In other words, whereas little difference was noticed between the two rates for some time past, during the week under review, the inter-bank call money, which is really in the nature of surplus funds with banks, was offered at distinctly lower rates than those at which house money was on offer.

The outstanding features of this week's sale of three months' Government of India Treasury Bills were the sharp rise in the amount offered, the largest for some months past, and the distinct fall in the rate to a level which is the lowest for the current year so far. The amount offered, in response to an invitation for Rs. 100 lakhs, was as much as Rs. 302.25 lakhs, as against Rs. 270.50 lakhs in the previous week, and compared with the previous highest of Rs. 512 lakhs in the second week of November, 1952 offered against an invitation for Rs. 2 crores. The average rate of accepted tenders was Rs. 2-6-2 per cent. per annum, the lowest rate since the last sale in December, 1952, when the rate was Rs. 2-5-11 per cent. as compared with the rate for the previous week, it shows a drop of 4 pies per cent.

In distinct contrast to the aggregate contraction of Rs. 31.52 crores noted in the previous three weeks, the notes in circulation during the week ended 3rd July, 1953, show an increase of Rs. 3.51 crores. The Reserve Bank's statement for that week discloses a fall of Rs. 3.67 crores in notes held in the Banking Department. The decline of Rs. 13.09 lakhs in total notes issued has been offset by a similar fall in the rupee coin. On the assets side of the Issue Department, an increase of Rs. 10 crores in foreign securities is noted, accompanied by a similar fall in rupee securities. The former is due to the transfer from the Banking Department and the latter is accounted for by the sharp decline in investments noted in the Banking Department. The liabilities side of the Banking Department shows a decline of Rs. 14.28 crores in Central Government's deposits. Deposits of other Governments and banks are also down by Rs. 61.29 lakhs and Rs. 2.76 crores, respectively. A sharp fall of Rs. 19.42 crores is disclosed by "other liabilities." On the assets side, cash balances are lower by Rs. 3.73 crores and balances held abroad by Rs. 11.61 crores. Loans and advances to Governments show no variation, while other loans and advances reveal a decline of Rs. 7.99 crores, on account of a fall of Rs. 8.10 crores in advances to banks against usance bills. Investments are lower by Rs. 10.79 crores.

The Scheduled Banks' statement for the week ended 26th June, 1953, as compared with that for the previous week, reflects the return of funds and the comfortable position of banks. Demand deposits have gone up by Rs. 3.83 crores and time deposits by Rs. 2.93 crores. Inter-bank borrowings have dropped by Rs. 43.19 lakhs. Borrowings from the Reserve Bank have gone down by Rs. 10.67 crores and those from the Imperial Bank by Rs. 3.76 crores. Advances and bills purchased and discounted have declined by as much as Rs. 11.49 crores. Investments are up by Rs. 1.59 crores and cash balances (including money at call and short notice and balances with other banks in current account) by Rs. 3.97 crores.

The Gilt-edged market experienced another week of dull conditions, with hardly any variations in most of the issues. Despite the easy conditions in the money market, investment support was not forthcoming. Investors were inclined to await the announcement of the new State Loans which is expected in a few days' time. Even the 3½ per cent. National Plan Bonds had sellers, but, in the absence of buyers, there was no change in the rate, which stood at Rs. 98-5. 3 per cent. 1953-55 which is due for repayment on the 15th inst., stood unchanged at Rs. 100-1. 3 per cent. 1957 and 3 per cent. 1958 were placed at Rs. 98-5 and Rs. 98-3, respectively. 3 per cent. 1959-61 was an anna lower at Rs. 96-3. 3 per cent. 1963-65 was maintained at Rs. 92-7 and 3 per cent. 1964 at Rs. 92-6. 3 per cent. 1966-68 was quoted at Rs. 90-3 and 3 per cent. 1970-75 at Rs. 86-7. 3 per cent. 1986 Conversion Loan, which had moved up by an anna to Rs. 82-13 early in the week, reacted to Rs. 82-12 towards the close.

KIPS OFFTAKE SLOW

(From Our Own Correspondent)

MADRAS, 6th July

Arrivals of kips were moderate and offtake slow. Local prices ruled one penny above U.K. levels. Enquiries for inferior grade cow hides and buff calf were insistant, but buyers refused to accept increased prices.

In the London public sales, prices of tanned goat skins declined by 3d. to 6d. except for common tannages, and light weights suffered most. Tanned sheep skins advanced by 1s. to 1s. 6d. and semi-puimes by 6d. Commons were steady. Middle class, however, suffered a decline of 3d. to 6d.

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 8th July

The trend of prices on the Bullion Exchange was erratic, but the undertone was generally subdued. The decline in prices of silver and gold noted in the previous week gathered momentum during the earlier half of the week under review and prices touched the lowest levels on Saturday for several weeks now. In the latter part of the week, however, both the metals steadied up to close well above the lowest levels, but a shade lower than the previous week's closing rates.

The earlier recession was attributed to the decline in offtake and larger arrivals. Bears were active and pushed down the rates. From Monday onwards, however, the downward movement was arrested and an upward reaction set in due to some enquiries in ready silver and short covering, and to reports of better offtake in gold on purchases by Calcutta operators. Arrivals of the yellow metal were from Mysore only and supplies from other sources were conspicuous by their absence. Even then, day-to-day fluctuations during the last three days were confined to a small range.

Silver for forward delivery (28th July settlement) opened at Rs. 154-7 and reacted to a low of Rs. 151-12 on Saturday, the lowest level since 6th April last. It, however, recovered to Rs. 153-6 yesterday. After an early weakening to Rs. 152-1, the white metal closed better at Rs. 153-3.

Ready silver (.996 Mint) began at Rs. 155-3 and, after receding to Rs. 153-2, finished at Rs. 154-3. The premium for ready metal over the forward which stood at As. 8 at the close of last week, widened to Re. 1-8 early in the week, but again narrowed to Re. 1 at the close. The floating stocks of silver are estimated at 1,000 bars. The daily average offtake was placed at 10 to 15 bars.

Gold for forward delivery (27th July settlement) opened at Rs. 87-9 and fell to touch a low of Rs. 85-11 on Saturday, the lowest since 2nd May, 1953. Thereafter, for reasons stated above, the quotations advanced to Rs. 87-4 to-day, before closing at Rs. 87-2.

Ready gold commenced at Rs. 88-14, receded to Rs. 86-13 on Saturday and wound up the week at Rs. 88-9. The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 4,000 tolas on an average.

The international free market price of gold in Europe showed a small recession from $36.45 on 30th June to $36.35 on the 3rd inst., but regained to $36.50 yesterday.

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

	8-7-53	Highest	Lowest	1-7-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	88 9	89 6	86 13	89 0
Forward	87 2	88 1	85 11	87 10
Sovereign	68 4	68 12	67 12	68 6
SILVER				
Ready (.996 fine Mint)	154 3	155 9	153 2	155 1
Forward	153 3	154 13	151 12	154 9
London Ready	74*d.*	—	—	74*d.*
London Forward	74*d.*	—	—	74*d.*
New York Ready	85½*c.*	—	—	85½*c.*

FURTHER RECESSION IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 8th July

The week under report witnessed further recession in the prices of Malabar black pepper in the A.S.T.A. section at Bombay, the highest and the lowest being $1.28 and $1.23 respectively for July shipment and $1.23 and $1.12 per lb. c. and f. New York for August shipment respectively. Heavy fluctuations were due to aggressive selling by bears who were encouraged by the easier advice from New York where Sarawak was reported pressing sales. In the delivery section, the rates for July and August positions also staged a setback, the lowest being Rs. 2,230 and Rs. 2,080 respectively.

At Alleppey, the turnover in the ready goods was disappointing, and there was no notable business for export as buyers' ideas were much below those of the sellers who, though disposed to sell something below Rs. 2,900, were not prepared to bring down their prices in line with those ruling in the consuming markets. The market for garbled at Cochin was showing wide fluctuations almost every day, as there was a regular tussle between the bulls and the bears. The recent widespread rain in Malabar is reported to have benefited the crop, and the earlier fear of a shorter crop for want of rain is now being slowly replaced by optimism for the future, though a section, in the trade, opines that the coming crop will be late owing to late rains in almost the entire pepper growing tracts. Though exporters, in general, are bearishly inclined, the growers are still refusing to change their opinion, and are clinging to the high prices, in spite of the poor export during the months of May and June and of still poorer prospect for the export during August onwards, owing to possible competition from Sarawak and Lampong.

Following are to-day's nominal quotations:—Ready Rs. 350-360 per cwt.; July Rs. 2,270-2,300 and August Rs. 2,120-2,150 per candy of 5½ cwts.

Particulars of shipment during the month of June, 1953 are: To the U.K.: 5,452 bales tanned cow, 410 cow calf, 106 buffs, 447 buff calf, 1,285 goat and 899 sheep skins. To the Continent: 5 tanned cow, 291 goat and 61 sheep skins. To the U.S.A.: 119 tanned cow, 2 cow calf, 65 buffs, 65 buff calf, 191 goat, 14 sheep and 166 dryssalted goat. To Japan: 12 tanned goat and 343 tanned sheep skins.

FORWARD COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 8th July

The forward market during the week was exercised not so much by the question of forward trading in the new crop as by the proposed change in the staple basis of such trading which the authorities wanted to bring about. It now appears that on reconsideration the Government will abandon this proposal and permission to commence forward trading in the 1953-54 crop will be forthcoming before the middle of the month. In spite of this, price fluctuations in the market, though not quite hectic as in the past, are still fairly wide and the market has failed so far to find an anchorage. On the whole, however, it looks as if a time of comparative steadiness is ahead because a feeling is gaining ground that with the revived mill enquiry in spot cotton only a small quantity of tenderable cottton will be left for delivery by the time the current contract matures. This has led to a good deal of short covering and there are signs also of a slow building up of long interest. The rank and file of the operators are still hesitant and the battle on the floor of the trading ring is between the giants. Another sign of future firmness in the rates for the current contract is the widening of the gap between the present rates and the unofficial rates for February, 1954 delivery. This difference in favour of the August contract has risen from Rs. 7 last week to Rs. 11 now.

The controversy with regard to the statistical position and the likely carryover at the end of the season has been set at rest by a note issued from the Tax Commissioner's office. With regard to the new crop, the authorities, as usual, are inclined to pitch it higher than the more conservative estimates of the trade. If the Government's expectations are fulfilled, the crop next year should be only a lakh or two bales short of the target of four million bales. In any case, it is premature at this stage to start worrying about the size of the next crop. There are too much uncertainties ahead to arrive at even a workable guess in this respect. Besides, apart from assisting the trade in its programme of imports during the next six months, such an estimate is at present of no practical use except to operators in the forward market. In spite of higher estimates for the next crop mills have been buying steadily all desirable styles and the spot market had a good turnover during the week under review, though there was a slight falling off at the fag end of this period. On the whole, the spot position is satisfactory.

In the forward section, I.C.C. August opened the week at Rs. 672 as against the closing rate of Rs. 673½ for the previous week, but advanced on buying from spot interests to touch a high of Rs. 684 on 4th inst. Profit-taking at higher levels depressed the price to Rs. 669 on 7th inst. There was, however, some revival of confidence towards the close of the week, which lifted the price to Rs. 677½. The following is the trend of prices in the forward market during the week ended to-day:

	Opening	*High*	*Low*	*Closing*
I.C.C. Aug. ...	Rs. 670½	684	668	677½

The following are the latest quotations from the Sewri cotton market: Bengal *Deshi* Rs. 678; Berar Vanilas Rs. 720; Khandesh Rs. 835; Vijay Rs. 865; Moglai Rs. 670; and Oomra *Deshi* Rs. 670.

At Karachi, expectations of good business with Japan are entertained by the trade. This has gone to maintain a steady front in the market with regard to prices. The market has now come to realise that this business with Japan will continue only so long as prices remain at a reasonable level and that it would dry up the moment there was any attempt to exploit this demand by raising the rates. Exports during the year from Karachi show an increase of about 25 per cent. over the same period last year, though even with this improved position with regard to exports there must still be sizable stocks of unsold cotton at Karachi. This may, however, not entail any severe pressure on the prices of the new crop as it is expected to be of a smaller size. The following are the latest quotations from the Karachi cotton market: Punjab *Deshi* Rs. 80; 4F Punjab R.G. Rs. 62; S.G. Rs. 68; L.S.S. Punjab R.G. Rs. 65; S.G. Rs. 71; N.T. R.G. Rs. 71; S.G. Rs. 77; 289F Punjab R.G. Rs. 73½; S.G. Rs. 79½.

With the recent developments in the U.K. there is a growing feeling in cotton circles that the time for reopening of the Liverpool forward market is not very far. The spinners will have exercised their option of buying their requirements for the next cotton year from the R.C.C. or from private importers and as the proportion of those contracting out from the R.C.C. is likely to rise considerably, bulk purchase may come to be abolished for 1954-55. In this case, the Liverpool market might begin to function a year hence. This is bound to affect the whole pattern of world trading in cotton, such an estimate is at present of no practical use except to operators in the forward market. In spite of higher estimates for the next crop mills have been buying steadily all desirable styles and the spot market had a good turnover during the week under review, though there was a slight falling off at the fag end of this period. On the whole, the spot position is satisfactory.

At Alexandria, activity has been on a downward grade because the varieties most in demand from its regular customers are in short supply. However, if exports continue at the present rate till the end of the season, the carryover may be in the neighbourhood of about 400,000 tons. This carryover is, therefore, not likely to exercise a bearish effect on the prices of the new crop.

At New York, the market is naturally awaiting the first official acreage report which is expected to be out to-day. The general feeling, however, has turned bullish during the days preceding the issue of this report and the October position has appreciated considerably during the last two days. This may, however, not be due to any expectation on the part of the trade of a lower acreage but because of current reports of bad weather likely to affect the yield in important cotton producing areas.

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

(In cents per lb.)

	7-7-53	30-6-53	24-6-53
Spot	34.55	34.15	34.15
July	33.57	33.16	33.45
October	34.12	33.81	33.95
December	34.31	33.97	33.95
March	34.52	34.17	34.14
May	34.51	—	—

ART SILK YARN DEPRESSED

(From Our Own Correspondent)

BOMBAY, 8th July

Barring some improvement in values on Friday, the art silk yarn market remained depressed throughout this week on fears of a possible downward revision in prices of Japanese yarn. Further, the Government of India's announcement raising the limit for the import of 120D yarn from 5 per cent. to 25 per cent. of the face value of the licence also adversely influenced the sentiment of operators. Week advice from other commodity markets, particularly the staple fibre yarn section, too added its bit to depress the market. Selling pressure that ensued in the consequence, pushed down art silk yarn values, with the result that the closing quotations to-day were very much lower than those at the end of last week.

In the forward section, 150D July delivery contract opened lower by Rs. 4 at Rs. 775 and, after rising to Rs. 784 on the following day due to bull support and bear covering, gradually receded to finish at Rs. 766 to-day, the net loss over the week being 13 points. Likewise, August contract was hesitant at Rs. 776 on the opening day, as against Rs. 781 last week-end. After staging a recovery to Rs. 786 on the 3rd inst., the contract reacted again to touch Rs. 768 to-day.

Values of yarn in the ready section were fully maintained during the first two sessions of the week. Profit-selling at high levels brought about a setback and values drifted downwards. Thus, 120 Japan, after remaining fully steady at Rs. 4-4 till Saturday, declined to Rs. 4-3 to-day. 150 Japan and 150 Italy remained a shade higher on Friday, but reacted subsequently to close at Rs. 4-6-8 and Rs. 3-12-6, respectively. 120 Italy, however, remained steady throughout the week at Rs. 4-4.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 1st inst. and 23rd June 1953.

	8-7-53	1-7-53	23-6-53
	Rs. a.	Rs. a.	Rs. a.
150D *July* (per case of 200 lbs.) ..	766 0	772	761 0
150 August	764 0	779 0	—
120 Japan (per lb.)	4 3	4 4	4 3
150 Japan ,, ...	4 6½	4 8	4 5
120 Italy ,, ...	4 4	4 4	4 2
150 Italy ,, ...	3 12½	3 14½	3 13

The three-man Japanese mission is expected to arrive in Bombay on Monday next to discuss with the representatives of rayon industry and trade the question relating to the sale of rayon yarn. The traders are eagerly awaiting the outcome of the talks which the Japanese mission will hold here. In the course of their discussions, the art silk mills and the dealers are expected to press for a downward revision in prices of Japanese yarn to the extent of at least 5d. per lb. The question whether the Japanese mission will agree to this proposal will, of course, depend on the successful conclusion of a bulk selling system with the art silk mills, as also on the attitude of Continental exporters.

Imports of art silk yarn into Bombay Port have declined in the past few weeks. The quantity actually imported during the month of June was about 2.56 million lbs., as against more than 4.62 million lbs. in the previous month.

The staple fibre section remained easy during the week under review. This was due to heavy arrivals of imports, amounting to as much as 9.59 million lbs. during June, 1953. In the yarn section also, prices declined by As. 3 to As. 4 per lb., following the announcement of the Government's decision to allow imports of staple fibre yarn over 60 deniers (single or double).

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 8th July

With the exception of castorseeds, other sections in the oilseeds market presented a firm trend this week. Groundnuts elicited renewed buying support from Saurashtra and Gujrat interests, while groundnut oil had enquiries from *vanaspati* interests. The tight supply position in groundnuts also induced some operators to go long in August-September deliveries. Linseed, kardi seed and niger seed sections moved in sympathy with the groundnut section. The castorseeds section, however, as mentioned at the outset, proved an exception. The reported removal by the Brazilian Government of exchange restrictions for exports of castorseeds, buyers' resistance in U.S. market, rumours of the Government of India not allowing free export of castor oil after the end of this month, and competition from China in Continental markets were cumulatively responsible for the downward trend in prices. This trend would have been more pronounced but for the tightness of the ready position.

An impressive rise in prices was recorded in the groundnut section. Bold ready spurted by Rs. 4 to Rs. 51-8. Coramandal and Khandesh advanced, by Rs. 2-12 each, to Rs. 51-12 and Rs. 51-8, respectively. August-September moved up from Rs. 45-6 to Rs. 48-9. Groundnut oil ready and Rs. 45-6 to Rs. 48-9. Groundnut oil ready and railway receipts rose, by Re. 1-12 each, the former to Rs. 27 and the latter to Rs. 26-8. July delivery was better at Rs. 26-3, as against Rs. 24-11, and August delivery at Rs. 25-12, as against Rs. 24-7.

Values in the linseed section were fully maintained. Small Satna rose by Re. 1-12 to Rs. 29-4 and Kanpur by Re. 1-10 to Rs. 28-14. Indore gained a rupee to Rs. 31-2. Bold ready was higher by a rupee at Rs. 31. August-September delivery put on As. 14 to Rs. 30-14. Linseed oil ready was fully steady at Rs. 16-8.

Niger seed ready F.A.Q. and ready Madras registered a rise of Rs. 2 to Re. 1-12 to Rs. 38-8 and Rs 39, respectively. Kardi seed ready bold was done Re. 1-4 higher at Rs. 26. August-September delivery also gained Re. 1-6 to Rs. 25-12.

As already noted, the castorseeds section was weak. September delivery, which had shot up to Rs. 154 at one time on Wednesday last was quoted at as low as Rs. 147-8 to-day. The closing rate, however, was higher at Rs. 150. The loss over the week was As. 12. Ready F.A.Q. slided down from Rs. 31-4 to Rs. 30-12. Madras declined by As. 4 to Rs. 31-12. Kanpur quality also lost a like amount to Rs. 29-14. Castorseeds oil B.S.S., 1st Pressure and Commercial were all lower, by As. 4 each, at Rs. 18-4, Rs. 18 and Rs. 17-6 respectively.

The Board of the Bombay Oilseeds Exchange has decided to allow, with effect from the 20th inst., trading in castorseeds new crop contract, viz., May, 1954 delivery.

Arrivals of groundnuts in Bombay during the first six months of this year amounted to 75,777 tons, which compare favourably with 69,858 tons in the corresponding period of last year. Arrivals of castorseeds during the same period were also higher at 27,054 tons, as against 20,115 tons. Arrivals of linseed, on the other hand, declined from 9,499 tons to 4,227 tons.

The following table shows the prices of oilseeds and oil on the 8th inst., as compared with those at the end of the previous two weeks.

	8-7-53	1-7-53	24-6-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	51 8	47 8	48 8
August-Sept.	48 9	45 6	46 4
Linseed—			
Bold Ready (per cwt.) ..	31 0	30 0	31 12
Castorseeds—			
Sept. (per candy of 5 cwts.).	150 0	150 12	152 8
Madras (per cwt.)	31 12	32 0	32 4
Groundnut oil—			
Ex-mill Ready (per quarter).	27 0	25 4	25 4
Castor Oil—			
Commercial (per quarter)..	17 0	17 10	17 12

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 8th July

The forward section of the sugar market was under the pressure of persistent bear covering during the initial sessions of the week, on rumours that licences for import of sugar would not be granted to traders. With the announcement of the Government's decision to import sugar on its own account and to cancel the licences already given, the price of sugar in the forward section shot up to Rs. 88 per bag, but finished a shade lower at Rs. 87-8. The undertone of the market appears to be quite steady at present.

A fresh release of one lakh tons of sugar was announced by the Central Food Ministry on Friday the 3rd inst., but the release orders were actually issued only yesterday afternoon. It is reported that a novel and an ingenious device has been adopted by the Ministry in issuing this release. Releases to millers have been issued on the basis of 19 per cent. of the total despatches effected by millers against the total releases issued in their favour. Thus, if a particular mill produced two lakh bags and so far received releases aggregating one lakh bags and if it has despatched all the one lakh bags released on the 15th ultimo, it has been issued a release order for 19,000 bags. Special appreciation in the shape of higher releases has thus been extended to those millers who have been good enough to sell and despatch their released sugar, instead of hoarding in the hope of getting better price!

Although details regarding the official policy for importing and marketing imported sugar on Government account have not yet been announced, it is rumoured that the Government will not import more than 50,000 tons at the moment for July shipment and that it will not sell the imported sugar below Rs. 85 per bag ex-godown in Bombay and/or Madras. The Government's decision to import sugar on its own account has been widely appreciated and it is reported that the Government has assured the Industry that it would not sell the imported sugar in a way that might affect the legitimate interests of the industry. In other words, imported sugar may not be sold below Rs. 85 per bag in the ports. Since the foreign sugar (Spanish), which is reported to have been purchased at £40 for July shipment, will not arrive in Bombay and Madras before the end of August next, it is felt that effective measures must be taken by the Government to see that the spectacular rise in spot sugar does not assume serious proportions and thereby reduce the Government's scheme to a farce. Since the trade and industry had been unnerved and stunned on learning the drastic measure announced by the Government to bring down prices, there was a virtual suspension of normal buying, with the result that to-day stocks in consuming and feeding centres are very small. This position is responsible for the prevailing high spot prices. Small grain spot sugar in Bombay cannot be had for less than Rs. 88-8 per bag, medium grain for Rs. 91 and bold grain for Rs. 93 to Rs. 95 per bag. The situation, therefore, calls for an early announcement of a clear-cut policy in regard to the quantity of imports, marketing policy and selling price of imported sugar.

Arrivals of sugar into the market so far this month amounted to 13,000 bags. The opening stock with the spot trade to-day was 30,000 bags. Spot demand is fairly normal and the sale of sugar by the Bombay Government at Rs. 85-4 per bag has had practically no tangible effect on the comparatively higher prices in the market.

REDUCTION IN FOOD IMPORT TARGET LIKELY

(From Our Own Correspondent)

HAPUR, 7th July

The food import target, which was reduced from 2.9 million to 2.5 million tons early this year, is likely to be reduced further to 2.1 million tons, according to authoritative circles. This reduction, if effected, must be seen against the background of a fairly sound stock position (2.3 million tons), a generally good *kharif* harvest and the improved rice position in the country. Till the end of May, 1953, about 1.27 million tons of foodgrains, including about a million tons of wheat, 170,000 tons of rice and 100,000 tons of milo, had been imported. It is planned to import 183,000 tons of rice this year—150,000 tons from Burma, 23,000 tons from Pakistan and 10,000 tons from Ceylon. The rice received from Ceylon and Pakistan constitute repayment of rice loans extended to them by India last year. Out of the 1,000,000 tons of wheat imported this year, 800,000 tons form part of the minimum of 1.5 million tons that India has contracted to purchase under the International Wheat Agreement. Another 170,000 tons of wheat have been received from Argentina as part of the 250,000 tons contracted under the Indo-Argentina Wheat Barter Agreement of last year. A balance of 80,000 tons of Argentina Wheat and 700,000 tons of wheat under the International Wheat Agreement are yet to be imported. These outstanding commitments of 780,000 tons of wheat, together with the small balance of Burmese rice that has yet to come, will bring the total food imports, now standing at a little under 1.3 million tons, to about 2.1 million tons by the end of the year.

The Government of India has announced a reduction of Re. 1 per maund in the price of imported wheat supplied to the States from the Central Pool. It is not yet known whether there would be any relief in the rationed wheat price in U.P., as the State Government had already purchased about 80,000 tons of wheat at prices ranging between Rs. 18-8 and Rs. 17-8 per maund earlier this year. The offtake of imported wheat had come to a stop with the flooding of indigenous wheat at cheaper rates throughout the State. It is now learned that the State Government has sold 65,000 tons of wheat to the Centre at the pool price of Rs. 17-8 per maund, out of the old stocks lying with it and purchased from the Central Pool at the rate of Rs. 18-8. It had also to pay the incidental charges of Rs. 1-4 per maund over these stocks. This wheat is being handed over to the flour mills in the State.

Foodgrains market in U.P. have remained quiet and, in most cases, stationary, which is an indication of the sound overall food position in the State. This year's monsoon has begun and the agricultural specialists forecast that, if the monsoon goes on and also ends in the happy manner it has begun, there would be plentiful *kharif* crops this year.

The Punjab Government has built up a total wheat reserve of 67,000 tons. Of this, 27,000 tons were purchased out of the current year's crop and the balance was the quantity brought in from last year. The Government has stopped purchasing wheat in Ambala Division, except where growers have difficulty in disposing of their produce. To deal with scarcity conditions in parts of Hoshiarpur and Kangra districts, it has opened foodgrain depots, where found necessary.

The Government of India has despatched 20,000 tons of wheat to be sold at Rs. 14 per maund in the distress areas in 24 Parganas in West Bengal.

The quantum of rice at fair price shops in Madras State has been increased, in order to bring down the cost of rice in the free market which is reported to be soaring in some districts. The State Food Minister attributed the rise in price to two reasons, namely, commencement of the usual lean period and delay in the release of water from the Mettur Reservoir for irrigation. The latter has created a fear in ryots that the ensuing crop may not be good. This, in fact, has led to speculative trends in the rice market. The increase in the quantum and a reduction in the price now ordered by the Government will have a salutary effect on the free market.

The latest quotations in the Hapur market are: Wheat Rs. 16 to Rs. 18, gram Rs. 15-8 to Rs. 15-12, barley Rs. 11-12, *bejhar* Rs. 12-6, *maize* Rs. 13-8, *bajra* Rs. 13-4, *jowar* Rs. 12-8 to Rs. 15-8, *juwar* Rs. 15-4; Rice: *basmati* Rs. 34-8, *hansraj* Rs. 30, *sela* Rs. 29, and coarse Rs. 29; Peas: green *dara* Rs. 14, white special Rs. 17-8; *arhar* Rs. 14-3; *urd* Rs. 21 to Rs. 23; *moong* Rs. 23; and *masoor* Rs. 16 to Rs. 19.

SUGAR QUIET TO BEARISH

(From Our Own Correspondent)

HAPUR, 7th July

Crystal sugar markets remained quiet to bearish for most of the period and prices moved within a narrow range. The Government of India's announcement of a three-point programme for bringing down sugar prices did induce a price fall and larger offerings in face of declining demand. The decision of the Government to allow imports of sugar at ports is generally welcomed, but fears are expressed about the advisability to let imports in Bombay and Calcutta only. The allegation is that this would result in concentration of imports in a few hands and may facilitate profiteering by importers. Domestic sugar according to present

(*Continued on page* 91)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	26th June, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.46	1,138.10	1,154.37	1,158.88	1,128.76
Notes held in Banking Department	35.05	35.46	39.44	31.84	34.99
Foreign Securities	89.50	593.15	613.15	613.15	583.15
Rupee Securities	37.89	449.86	449.86	449.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	130.43	130.83	103.46	117.90
Other Governments	..	16.65	13.34	16.88	1.80
Balances held abroad	10.08	120.03	102.07	97.63	100.17
SCHEDULED BANKS					
Demand Liabilities	184.87	530.26	526.01	529.01	558.65
		(10.59)	(10.87)	(10.71)	(12.99)
Time Liabilities	103.84	427.56	426.68	422.30	300.63
		(1.97)	(1.92)	(1.88)	(3.16)
Borrowings from Reserve Bank	..	13.22	23.89	17.68	14.50
		(11.44†)	(17.84†)	(9.99†)	(12.73†)
Borrowings from Imperial Bank	..	8.07	11.83	10.78	4.83
Cash in India	6.71	84.63	33.93	31.67	35.15
Balances with Reserve Bank	25.28	40.09	39.57	39.15	50.86
Excess over statutory limits	15.52	7.03	6.74	6.25	16.92
Balances with other banks in current account in India	..	12.02	11.79	11.11	12.98
Money at call and short notice in India	..	17.15	14.62	14.27	16.49
Investments (at book value)	..	314.03	312.44	299.76	299.96
Advances and bills	105.09	509.83	521.26	531.32	523.68
IMPERIAL BANK					
Deposits	37.76	206.62	207.13	209.68	228.23
Investments	51.99	86.79	86.20	81.03	87.06
Advances	30.87	123.66	131.70	131.71	146.02
Cash	14.69	16.00	15.25	14.65	23.70

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	3rd July 1953		26th June, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,05,981	45,18,96,000	2,08,669	47,9,43,000
Calcutta	1,26,108	54,83,46,874	1,11,554	37,63,80,930
Madras	67,159	7,32,76,884	70,959	7,12,04,769
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,859
1952	..	..	1,06,41,941	26,79,51,57,000
April 1953	..	..	27,36,000	5,86,05,00,000
May	..	..	26,35,000	5,47,23,00,000

Reserve Bank of India

Statement of Affairs for the week ended 3rd July, 1953

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	116,14,79,000
(2) Other Governments	16,23,25,000
(b) Banks	40,25,56,000
(c) Others	55,60,10,000
Bills Payable	1,63,87,000
Other Liabilities	17,57,03,000
Rupees	258,45,03,000

Assets	Rs.
Notes	32,79,37,000
Rupee Coin	6,24,000
Subsidiary Coin	5,55,000
Bills Purchased and Discounted—	
(a) Internal	26,60,000
(b) External	....
(c) Government Treasury Bills	12,42,93,000
Balances held abroad*	108,41,69,000
Loans and Advances to Governments	8,45,60,000
Other Loans and Advances	14,29,11,000
Investments	79,80,40,000
Other Assets	6,88,14,000
Rupees	258,45,03,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 3,34,18,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 62,34,18,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	32,79,37,000	
Notes in circulation	1141,63,99,000	
Total Notes issued		1174,43,36,000
Total Liabilities		1174,43,36,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	603,15,11,000	
Total of A		643,16,82,000
B. Rupee Coin		
Government of India Rupee Securities		91,40,39,000
Internal Bills of Exchange and other commercial paper		439,86,15,000
Total Assets		1174,43,36,000

Ratio of Total of A to Liabilities: 54.764 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 26th June, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	10,38,70,000†
(ii) Other demand liabilities	519,87,70,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,96,50,000†
(ii) Other time liabilities	423,59,41,000
3. Cash in India	84,62,88,000
4. Balances with the Reserve Bank in India	40,09,65,000
5. Balances with other banks in current account in India	12,01,74,000
6. Money at call and short notice in India	17,15,26,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	314,03,04,000
8. Advances in India	453,22,82,000
9. Inland Bills purchased and discounted in India	56,58,78,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.
†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	8th July 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D.	475	476
Buyers T.T.	471‡	471‡
London on New York	2.81 1/4-2.81 3/8	2.81 3/4-2.81 7/8
London on Paris	982-9831	985-9931
London on Berne	12.18‡-12.18‡	12.18‡-12.18‡
New York on London	2.81‡-2.81‡	2.81 1/4-2.81 3/8

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	8,780	255
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats 2,164	317	169
Ceylon	1951	7.74	Rs. 585	585	756
Japan	1951	84.80	Y. 4,564,400	6,085	716
Philippines	1951	20.25	Ps. 7,586	1,820	856
New Zealand	1951	1.95	£ (N.Z.) 615	820	4,206
Australia	1951	8.41	£ (A.) 2,228	3,454	4,317
U.K.	1951	50.29	£ 11,884	15,179	3,010
U.S.A.	1952	156.98	$ 290,400	138,350	8,808
Canada	1952	14.43	$ 18,307	8,246	5,714
France	1951	42.24	F. Fr. 9,082,000	12,272	2,929
W. Germany	1951	48.11	Dm. 90,500	10,357	2,126
Italy	1951	46.60	Lr. 7,746,000	5,902	1,267
Norway	1952	3.82	Kr. 16,596	1,106	3,331
Sweden	1951	7.07	Kr. 26,500	10,357	4,964
Netherlands	1952	10.88	Fl. 17,650	2,200	2,120
Denmark	1951	4.30	Kr. 20,716	1,489	3,846
Switzerland	1951	4.78	S. Fr. 19,500	2,164	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 26th June, 1953

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	37,11,97,000
(b) Provincial Governments	62,48,000
(c) Banks	14,62,73,000
(d) Others	2,41,87,000
Bills Payable	1,37,45,000
Other Liabilities	6,07,41,000
Rupees	68,26,41,000

Assets	Rs.
Notes	10,38,05,000
Rupee Coin	4,000
Subsidiary Coin	10,000
Bills Purchased and Discounted :—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	1,94,86,000
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	8,42,57,000
Other Loans and Advances	2,42,00,000
Investments	33,55,78,000
Other Assets	9,70,01,000
Rupees	68,26,41,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	10,38,05,000	
Notes in circulation	208,06,49,000	
Total Notes issued		218,44,54,000
Total Liabilities		218,44,54,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	7,91,42,000	
Sterling Securities		
Government of India Securities	89,07,85,000	
India Notes representing assets receivable from the Reserve Bank of India	11,87,77,000	
	29,98,96,000	
B. Rupee Coin		88,86,00,000
Government of Pakistan Securities	6,27,61,000	
Internal bills of exchange and other commercial paper	119,06,18,000	
	.....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		125,33,79,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,05,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,61,000	
		4,24,75,000
Total Assets		218,44,54,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.49 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
14th April	1.00	1.21	1.00	2 7 0	100
21st "	1.00	1.80	1.00	2 7 0	100
28th "	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th "	1.00	1.63	1.00	2 6 10	58
18th "	1.00	1.95	1.00	2 6 8	41
26th "	1.00	2.26	1.00	2 6 6	28
2nd June	1.00	2.02	1.00	2 6 6	28
9th "	1.00	2.10	1.00	2 6 5	27
16th "	1.00	2.23	1.00	2 6 6	28
23rd "	1.00	2.00	1.00	2 6 6	28
1st July	1.00	2.71	1.00	2 6 6	21
7th "	1.00	3.03	1.00	2 6 6	23
Total	13.00	25.93	13.00	2 6 2	8

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	3½
Finland	16th Dec., 1951	7½	8½
France	9th Nov., 1953	4	5
Greece	12th July, 1948	10	12
India	14th Nov., 1951	3	3½
Italy	4th April, 1950	4½	4
Japan	1st Oct., 1951	8.11	8.84
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1941	3	4
Norway	9th Jan., 1946	2	1½
Sweden	17th Jan., 1944	3	2½
South Africa	27th Jan., 1944	2½	3
Spain	27th Mar., 1953	3½	4
Switzerland	18th Mar., 1949	4	3
Turkey	1st Dec., 1950	2½	4
United Kingdom	1st July, 1932	3	2
U.S.S.R.	26th Feb., 1951	4	1½
U.S.A.	12th Mar., 1952	2½	4
West Germany	18th Jan., 1953	4	5
	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	January, 1953	January, 1952	Ten months—April to Jan., 1952-53	Ten months—April to Jan., 1951-52
Import Duties :				
Revenue	8.40	11.05	92.08	103.19
Protective	52	93	6.45	8.83
On surplus disposals	2	1	5	24
Total import duties	8.94	12.80	99.51	117.26
Export Duties	8.20	7.21	46.56	74.52
Land Customs	16	29	2.30	2.72
Miscellaneous	8	7	1.00	97
Gross total customs	12.38	20.43	149.37	195.48
Refunds and drawbacks	17	39	2.35	4.12
Net Customs	12.21	20.10	147.03	191.36
Gross excise	6.13	7.79	67.64	75.16
Refunds	5	13	1.21	1.41
Net Excise	6.08	7.66	66.43	73.75
Net total of customs and excise	18.29	27.76	213.46	265.11

Imperial Bank of India

Statement of Affairs for the week ended 3rd July, 1953

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		207,74,74,000
Borrowings from other Banking Companies Agents		1,50,00,000
Bills Payable		1,89,64,000
Bills for Collection being Bills Receivable as per contra		
Acceptances, Endorsements and other Obligations as per contra		46,70,000
Other Liabilities (including Inter-Office Adjustments)		4,63,000
Total	Rs.	1,70,65,000
		225,33,76,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		7,84,02,000
Balances with other Banks		6,27,64,000
Money at Call and Short Notice		1,09,23,000
Investments—		
Government and other Trustee Securities	75,26,58,000	
Other Authorised Investments	10,90,03,000	
		86,16,61,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	93,46,14,000	
Bills Discounted and Purchased	26,73,01,000	
Bills Receivable being Bills for Collection as per contra		122,19,15,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		46,70,000
Premises less Depreciation		4,63,000
Furniture and Fixtures less Depreciation		1,80,41,000
Other Assets (including Inter-Office Adjustments)		24,53,000
Total	Rs.	1,80,87,000
		225,33,76,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits		2½% Ten-year Treasury Savings Deposit Certificates †	
	National Savings Certificates †											
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings@	Receipts	Outstandings*
1950-51	2.06	5.01	96	2.40	20.67	50.58	97.80	61.26	—	22.32	5.31	5.31
1951-52	1.76	6.10	67	2.91	12.07	46.81	1,07.55	74.18	—	27.55	18.10	18.39
1952-53	1.50	6.83	67	3.26	23.65	84.17	1,09.24	58.27	—	31.03	7.54	25.64
April 1952	14	6.17	5	2.93	2.22	48.56	10.01	76.52	—	27.91	95	19.33
May "	12	6.22	8	2.99	2.12	70.22	9.05	77.55	—	28.25	56	19.86
June "	12	6.25	6	3.02	1.82	71.54	9.38	80.03	—	28.57	69	20.53
July "	16	6.34	10	3.09	2.03	73.14	10.29	82.54	—	28.91	74	21.25
August "	14	6.40	6	3.12	1.76	74.45	8.60	83.75	—	29.15	53	21.69
September "	10	6.44	5	3.12	1.84	75.75	8.78	84.89	—	29.40	55	22.38
October "	11	6.48	5	3.14	1.71	76.77	8.36	85.24	—	29.68	58	22.93
November "	10	6.50	4	3.16	1.71	77.99	8.03	86.51	—	29.98	58	23.46
December "	8	6.51	3	3.16	1.86	79.34	8.45	85.92	—	30.22	48	23.94
January 1953	10	6.54	4	3.18	2.04	80.77	8.35	86.06	—	30.50	48	24.46
February "	14	6.61	4	3.21	1.86	82.14	8.26	86.35	—	30.75	52	25.06
March "	20	6.79	8	3.26	2.64	84.17	10.65	88.27	—	31.03	60	25.64
April "	11	....	5	....	2.24	85.94	9.66	90.27	—	31.27	50	26.28
May "	..	....	..	....	..	....	..	....	—	....	55	27.00

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938—100)

I. All-India

Group and Sub-Group	Week Ended 27-6-'53	20-6-'53	30-5-'53	28-6-'52
(A) Government and Semi-Government Securities ‡	91.2	91.9	92.3	92.0
1. Government of India Loans	92.3	92.1	92.4	92.0
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities	99.8	99.7	99.8	91.6
1. Electricity	79.1	79.0	78.0	74.2
2. Cotton	129.2	127.9	128.2	123.6
3. Jute	80.7	79.4	79.9	81.8
4. Coal	99.2	99.2	98.0	96.5
5. Iron and Steel	82.9	84.0	85.0	84.5
6. Sugar	99.2	99.0	99.8	92.7
7. Paper	89.9	89.4	88.1	89.4
8. Plantations	99.5	99.5	98.5	106.2
(C) Variable Dividend Industrial Securities	107.5	107.8	108.3	109.7
1. Banks	102.4	103.3	103.3	104.4
2. Insurance	99.1	99.2	100.3	101.8
3. Investment Trusts	138.7	143.4	143.1	139.3
4. Miscellaneous	83.9	83.8	87.1	84.1
5. Shipping and Other Transport Companies	86.3	86.6	76.0	83.8
6. Railways	75.0	75.4	..	76.7
7. Plantations	120.0	125.6	117.8	139.8
8. Cotton Woollen and Silk	136.1	136.6	138.5	139.3
9. Jute	73.7	74.2	73.9	83.1
10. Coal	84.6	89.6	90.3	93.9
11. Mining and Oil	63.0	62.9	64.4	62.8
12. Iron and Steel	139.8	141.4	145.1	130.8
13. General Engineering	149.7	150.4	150.2	140.9
14. Sugar	82.7	83.7	83.3	85.6
15. Breweries	70.7	71.8	73.8	64.8
16. Chemicals	133.0	134.8	138.7	140.1
17. Paper	116.2	116.0	117.2	114.1
18. Cement	141.7	141.9	143.3	138.3

II. Regional

Region and Group	Week Ended 27-6-'53	20-6-'53	30-5-'53	28-6-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.8	92.0	91.8
Fixed Dividend Industrials	91.9	92.7	93.2	91.2
Variable Dividend Industrials	125.1	125.1	127.0	123.3
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.7	92.9	92.5
Fixed Dividend Industrials	88.4	87.1	87.2	89.6
Variable Dividend Industrials	95.1	95.7	95.8	97.8
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.5	91.9	91.6
Fixed Dividend Industrials	103.3	103.5	103.1	108.1
Variable Dividend Industrials	129.3	129.2	128.8	137.7

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work	Number of workers involved	Number of man-days lost
1950	814	719,883	12,806,704
1951	1,071	691,821	3,818,928
1952	963	809,242	3,286,961
1951	120	..	..
February	61	44,085	203,560
March	78	47,733	317,940
April	138	98,747	881,328
May	109	56,904	277,214
June	146	92,446	448,358
July	130	72,484	671,706
August	106	64,054	299,907
September	88	24,777	98,109
October	106	67,396	190,761
November	114	79,874	299,471
December	113	76,196	365,149
January 1952	95	806,881	674,340
February	88	82,190	219,607
March	81	57,450	148,498
April	134	50,437	234,846
May	118	80,092	254,585
June	101	59,851	237,048
July	83	40,754	171,268
August	88	48,884	148,833
September	96	57,876	460,952
October	96	78,181	349,618
November	87	48,706	273,246
December	81	57,520	158,017
January 1953†	85	42,383	244,414
February*	45	26,477	123,411
March	63	34,080(a)	212,948(b)
April	67	48,218	212,630

† Figures for 1953 are provisional. * Revised.
(a) Not known in three cases. (b) Not known in four cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns †	Units generated ‡	Units Sold
1950-51	548	5,279.9	4,225.9
1951-52	578	5,943.1	4,849.0
1952-53	614	6,301.4	5,134.3
October 1951	559	506.9	412.8
November	557	491.7	399.8
December	561	500.9	414.3
January 1952	568	500.8	409.7
February	571	480.7	391.0
March	578	481.8	392.9
April	577	488.8	393.8
May	581	514.4	418.1
June	583	500.1	408.8
July	588	534.0	429.7
August	592	531.8	428.7
September	597	530.8	430.6
October	599	545.2	441.5
November	605	529.7	436.4
December	608	552.2	457.8
January 1953	611	535.5	441.8
February	614	498.6	417.4
March	614	538.0	435.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	20th June, 1953	13th June, 1953	21st June, 1952	May, 1953	May, 1952	Percentage of increase (+) or decrease (—) in May, 1953 as compared with May, 1952	1952	1951
Food Articles	398.4	400.9	358.2	382.0	341.0	+12.0	359.8	409.8
Cereals	476	476	445	455	444	+ 2.5	450	488
Pulses	497	499	455	490	412	+18.9	493	506
Other	276	282*	227	263	203	+29.6	225	290
Industrial Raw Materials	479.7	482.5	432.3	477.4	416.4	+14.6	453.8	498.2
Fibres	428	434	450	432	429	+ 0.7	434	493
Oil seeds	641	657	434	624	421	+48.2	464	479
Minerals	450	450	462	449	454	— 1.1	458	458
Others	359	362	286	365	281	+26.3	341	383
Semi-Manufactures	382.9	383.2	333.7	389.0R	323.2	+11.4	348.8	377.5
Leather	419	415	341	418	271	+54.2	346	458
Mineral oils	224	224	224R	224	196	+ 8.8	201	197
Vegetable oils	557	561	409	553	410	+34.9	459	479
Cotton yarn	445*	445*	456*	445*	448*	— 0.7	455*	482
Metals	215	226	202	225	196	+14.8	211	187
Oil Cakes	447	443	422	442	418	+ 5.7	440	500
Others	253	252	262	251	264	— 4.9	278	320
Manufactured Articles	389.1	370.8	371.0	389.5	371.2	— 0.5	377.5	398.5
Textiles	408	411	415	408	415	— 1.7	422	468
Jute	415	414	470	390	492	—20.7	506	508
Cotton	407*	407*	394*	390*	+ 4.4	401*	400*	
Rayon and Silk	442*	475*	498*	498*	496*	+ 0.4	488*	511*
Woollen	312	312	393	312	393	—20.6	366	378
Metal products	286	286	311	286	311	+ 8.0	321	295
Others	297	286	298	288	298	— 3.4	298	300
Miscellaneous	698.4	659.7	618.4	619.8	583.0	+ 6.3	636.0	729.8
All Commodities	408.4	406.1	377.8	387.4	367.1	+ 5.3	388.9	439.3

* Estimated. R—Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944—100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1939	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
May 1951	—	335	278	314	443	394	374	335	140	176	141	158	166
June "	—	337	271	313	447	394	382	337	144	178	138	158	169
July "	—	333	270	318	454	394	389	337	145	182	140	155	173
August "	—	328	261	322	459	392	387	338	146	181	143	161	171
September "	—	325	253	319	470	389	375	340	144	179	150	161	170
October "	—	332	254	323	449	393	379	336	144	181	145	165	171
November "	146	333	253	325	464	397	374	337	144	183	135	168	165
December "	144	331	253	325	449	397	378	337	144	181	150	166	158
January 1952	142	331	244	323	442	393	357	338	142	179	147	162	156
February "	140	334	241	321	441	393	343	336	141	178	145	163	155
March "	135	313	229	300	412	378	346	333	136	177	140	158	145
April "	141	349	242	321	413	377	339	326	148	169	138	153	144
May "	143	357	259	344	410	374	339	327	144	168	143	153	143
June "	140	338	263	300	424	373	343	336	145	171	141	153	148
July "	142	330	263	304	436	377	354	331	143	173	143	161	153
August "	144	340	267	312	440	380	369	339	143	174	149	160	157
September "	143	341	269	316	463	381	364	338	145	178	143	157	158
October "	144	349	274	311	466	381	368	337	146	179	143	154	158
November "	143	347	271	306	457	380	357	338	145	176	139	150	150
December "	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139†	346	268	310	454	381	337	327	135	168	134	149	156
February "	141	351	264	315	459	380	334	351	136	167	132	150	144
March "	142	358	265	322	448	381	333	353	136	165	131	148	143
April "	—	359	268	327	434

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton*	74,674†	73,665††	23,424†	20,741††
Wheat 3rd ..	ton*	22,733†	22,434††	6,239†	5,673††
Jowar ..	tons	41,945†	39,144††	6,038†	5,944††
Bajra ..	tons	25,292†	22,820††	2,922†	2,284††
Barley 2nd ..	tons	7,678†	7,130††	2,177†	1,739††
Maize ..	tons	8,706†	9,073††	2,687†	2,021††
Ragi ..	tons	5,384†	5,390††	1,235†	1,212††
Gram ..	tons	16,719	18,709	3,157	3,593
Other millets & pulses					
.. ..	tons	39,725	39,770	6,886	6,401
Jute	bales	1,834†	1,951††	4,635†	4,678††
Cotton 4th ..	bales	15,030†	15,126††	2,006†	3,042††
Sesamum 2nd	tons	4,214†	4,526††	1,535†	1,284††
Groundnut ..	tons	11,862†	11,704††	2,894†	3,045††
Linseed ..	tons	3,208	3,447	809	361
Castorseed ..	tons	1,310†	1,428††	107†	165††
Rape and Mustard Seed ..	tons	5,707	5,097	900	748
Sesamum (supptions		5,751†	5,845††	514†	435††
Tobacco ..	tons	76*†	65*††	211†	192††
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

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

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May, 1953 ..	72.5
	Corresponding month 1952 ..	83.3
	July 1952 to May, 1953 ..	819.5
	Corresponding period 1951-52 ..	870.8
Stocks	At the end of May, 1953 ..	139.1
	Corresponding month 1952 ..	103.8
		(In 000 bags)
Exports(JuteBags)	Week ended 23rd May, 1953 ..	1,15.27
	Corresponding week 1952 ..	1,06.34
	From 1st Jan., to 23rd May,'53 ..	9,14.89
	Corresponding period 1952 ..	19,45.84
		(In 000 yds.)
Exports*	Week ended 23rd May, 1953 ..	1,79.15
(Jute Cloth) ..	Corresponding week 1952 ..	1,44.34
	From 1st Jan., to 23rd May,1953	43,61.78
	Corresponding period 1952 ..	83,21.35
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 23rd May, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended March, 1953	—
	Corresponding period 1952 ..	—
Consumption by Mills† ..	May, 1953 (in lakh bales)	4.20
	Corresponding month 1952 ..	4.77
	Eleven months ended May 1953..	47.45
	Corresponding period 1952 ..	50.51

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950..	10,41,700	927,800	720,000
Do.	31st March, 1951..	11,16,200	10,62,100	7,78,500
Do.	31st March, 1952..	11,30,000	10,67,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,91,900	7,91,800
Three months ended 30th June, 1953		2,83,300	2,50,700	1,81,800
February 1951..	.. ..	87,700	82,200	66,300
March ..	.. ..	91,300	86,600	71,400
April ..	.. ..	81,500	79,500	65,000
May ..	.. ..	94,300	92,200	66,600
June ..	.. ..	84,100	80,500	65,600
February 1952..	.. ..	94,000	82,600	67,000
March ..	.. ..	1,02,100	92,100	67,400
April ..	.. ..	93,000	86,600	62,900
May ..	.. ..	95,900	83,200	61,700
June ..	.. ..	88,400	83,100	64,500
February 1953..	.. ..	92,400	82,000	61,700
March ..	.. ..	97,400	84,600	65,600
April ..	.. ..	97,000	83,100	60,800
May ..	.. ..	95,900	85,000	62,000
June ..	.. ..	90,400	87,600	59,000

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months, April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11.37	35.40	175.64	262.05
Raw materials ..	10.62	21.54	179.01	254.06
Manufactures ..	23.05	30.25	274.00	341.38
Other items	.42	.78	4.30	5.35
Total Imports* ..	45.46	87.95	632.95	862.84
Exports :—				
Foodstuffs	12.94	12.94	142.16	158.16
Raw materials ..	10.82	12.89	145.03	179.58
Manufactures ..	21.29	26.84	259.76	400.31
Other items	.29	.43	4.09	3.65
Total Exports ..	45.34	52.90	551.04	701.80
Total Re-exports ..	.36	.59	5.74	13.76
Balance of trade in merchandise	+ 24	—34.45	— 76.17	—147.28
Balance of transactions in private treasure	..	..	— 7	— 14
Total Visible Balance of Trade	+ 24	—34.45	— 76.24	—147.42
Imports :—				
Total Cwealth Countries..	20.29	23.46	252.65	288.63
Total Foreign Countries ..	25.17	64.49	380.30	574.21
Exports :—				
Total Cwealth Countries..	23.59	25.06	261.00	365.20
Total Foreign Countries ..	21.75	27.84	290.14	336.60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs	Rs. (lakhs)
Exports	39	8.63	18.84†	27.14†
Imports	1.58†	8.62	25.16	80.45
Balance of trade in merchandise	— 1.19†	+ 1	†— 6.32†	—53.31†

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar. 1953
Eastern Zone																					
Ramra	169	228	244†	92	90	97	139	125	121	136	136	137	104	107	107	184	216	216	116	193	193
Malhaug ..	149	x	149	126	x	131	152	x	129	144	x	129	141	x	102	163	x	x	125	x	100
Shankargarh ..	124	162	155	126	189	174†	162	153	150	141	164	157	101	93	93	143	140	140	141	145	145
Bonaili	257	181	181	160	167	167	205	183	177	206	180	176	125	125	125	250	199	199	313	300	310
Northern Zone																					
Multapi	108	127	124	138	155	154	134	175	177	144	163	164	112	123	123	159	166	166	101	199	201
Nana	267	243	x	260	250	x	193	209	x	216	215	x	139	115	x	237	205	x	207	189	x
Salamatpur ..	204	240	225†	303	287	277†	199	216	199†	222	235	220	129	129	129	129	137	139	256	273	277
Southern Zone																					
Krishna	178	177	x	160	183	x	161	156	x	164	162	x	116	121	x	163	136	x	190	175	x
Lakh	250	374	374	164	193	195	133	129	129	158	184	184	86	88	88	131	138	138	144	131	137
Malur	151	150	204*	125	150	139*	140	154	145*	139	161	154	98	97	96	205	211	189†	161	172	173
Moniguda ..	185	200	204	148	222	213	199	220	214	188	218	214	120	123	124	202	140	177	231	199	199
Kudchi	161	181	181	125	139	139	143	159	160	144	163	161	113	127	127	140	122	122	192	191	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay (Island)—		
Cotton Receipts ..	Week ended 2nd July 1953 ..	23,402
	Corresponding week, 1952 ..	33,480
	1st Sept. 1952 to 2nd July 1953 ..	16,47,724
	Corresponding period, 1951-52 ..	17,31,504
Cotton Exports ..	Week ended 2nd July 1953 ..	7,663
	Corresponding week, 1952 ..	—
	1st Sept. 1952 to 2nd July 1953 ..	3,09,708
	Corresponding period, 1951-52 ..	86,199
Mill Consumption ..	1st Sept. 1952 to 2nd July 1953 ..	10,48,344
	Corresponding period, 1951-52 ..	8,30,915
Stock (with exporters dealers and mills) ..	On 2nd July 1953 ..	5,24,868
	Corresponding date, 1952 ..	6,29,499
Karachi (Pakistan)*		
Receipts ..	Week ended 27th June, 1953 ..	2,709
	Corresponding period 1952 ..	7,138
	1st Sept. 1952 to 27th June, 1953	16,32,681
	Corresponding period, 1951-52 ..	15,03,870
Exports	Week ended 27th June, 1953 ..	29,200
	Corresponding period, 1952 ..	12,000
	1st Sept. 1952 to 27th June, 1953	13,80,200
	Corresponding period, 1951-52 ..	10,62,000

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Indian Union		
Cotton Exports to—		
United Kingdom ..		16,150
Continent		1,01,721
China		318
Japan		1,53,607
U.S.A.		30,944
Other Countries ..		5,756
Total to all foreign countries ..		3,14,466
Coastal Ports ..		1,21,035
Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian	March, 1953	2,88,378
Foreign		66,998
Indian	Seven months September 1952 to March, 1953	21,00,618
Foreign		4,66,410
Indian	Same Period 1951-52 ..	16,62,127
Foreign		6,38,177
Stocks (Mills and Elsewhere)—	As on 31st March 1953 ..	12,57,804
Indian		2,46,918
Foreign	As on 31st March, 1952 ..	14,00,118
Indian		8,43,026
Foreign	Week ended 26th June, 1953 ..	5,342
Cotton Pressed †	Corresponding week, 1952 ..	5,928
	1st Sept. 1952 to 26th June, 1953 ..	28,40,801
	Corresponding period, 1951-52 ..	30,47,762

From 1st Sept., '52 to 6th July, 1953 Bales: 6,338; 32,105; 57,123; 9,870; 611; 1,05,026; 93,100

From 1st Sept., '51 to 6th July, 1952 Bales: 2,88,378; 66,998; 21,00,618; 4,66,410; 16,62,127; 6,38,177; 12,57,804; 2,46,918; 14,00,118; 8,43,026; 5,342; 5,928; 28,40,801; 30,47,762

* As reported by the Karachi Cotton Association Ltd. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103⅛
4 % Bonds	1926-33	63,30,26,000	1960-70	102⅛
3 ½% Loan	1938-39	1,16,17,46,000	1964-65	92⅛
3 ½% Loan	1943	1,14,60,58,000	1953-55	100⅛
3 ½% Loan	1930	30,33,10,000	1964	92⅜
3 ½% Loan	1941	1,10,11,78,000	1966-68	90⅛
3 ½% V. Loan	1944	1,14,06,89,000	1957	98⅛
3 ½% Loan	1945	1,15,05,83,000	1970-75	86⅛
3 ½% Loan	1945	1,15,65,64,000	1959-61	96⅛
3 ½% Loan	1951	50,35,63,000	1938	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅛
2½% Loan	1946	37,00,69,000	1962	90⅛
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,48,000	1976	83
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 ½%Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82⅛
3 % Loan	1946	248,91,90,000		82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,68,18,000	1954-59	100⅛
4½% Loan	1928	5,85,20,000	1958-68	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99⅛
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 ½% Bombay	1949	6,00,00,000	1st Aug. 1962	93⅛
3 ½% Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	94
3 ½% Bombay	1952	3,66,72,700	1st Aug. 1964	100⅛
3 ½% Cochin	1943	30,00,000	1st Oct. 1953–55	98
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1953–58	98⅛
3 ½% Cochin	1936	70,09,000	1st June 1956–61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 ½% Madras	1938	1,42,08,300	15th Sept. 1953	99–14⅛
3 ½% Madras	1939	1,29,76,600	21st June 1959	95⅛
3 ½% Madras	1942	1,21,25,000	15th Sept. 1955	99⅛
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅜
3 ½% Madras	1950	4,47,00,000	31st July 1960	94⅛
3 ½% Madras	1951	3,00,00,000	17th Sept. 1962	94⅛
4 ½% Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
3 ½% Mysore(f)	1930	1,63,44,300	1st Nov. 1955	104⅛
3 ½% Mysore(f)	1933	2,93,85,200	1st Dec. 1953–63	100⅛
3 ½% Mysore(f)	1936	5,99,72,900	30th April 1956–61	98⅛
3 ½% Mysore	1947	5,08,05,700	25th Jan. 1958	98–15⅛
3 ½% M.P.	1942	20,00,000	15th Sept. 1954	98⅛
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½% M.P.	1944	32,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 ½% M.P.	1950	1,00,28,800	31st July 1960	94⅛
3 ½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	97⅛
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,93,85,200	15th Sept. 1960	98⅛
3 ½% Travancore	1944	3,00,00,000	15th May 1952–54	98⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 U.P.	1936	1,61,96,500	15th Sept. 1961–66	96⅛
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
2½% U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
3 ½% U.P.	1946	2,29,08,600	1st Sept. 1961	91⅜
3½% U.P.	1951	2,00,38,800	17th Sept. 1962	97⅛
4 ½% U.P.	1952	4,11,33,000	1st Aug. 1964	100⅜
3 ½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅜N
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
33,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1967	
75,00,000	4	1908	1968	97⅛N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	D
14,35,878	4	1913	1974	
80,00,000	4	1913	1974	98⅛N
88,25,000	4	1914	1975	99N
50,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,50,100	4	1915	1975	98⅛
68,02,300C	3†	1921	1981	79
1,50,00,000C	6‡	1921	1981	144N
1,24,06,300	6	1923	1955–85	105
98 21 600	5½	1926	1956–86	104⅛
99,84,500B	5	1926	1956–86	101⅛
1,49,49,500B	5	1927	1957–87	101⅛
1,49,30,000	5	1928	1958–88	104⅛
80,00,000	4½	1931	1961	92⅛
31,75,000C	3	1934	1954	99⅛
60,00,000	3½	1935	1965	95⅛
25,00,000	3	1938	1963–68	88
90,00,000	3	1940	2005	70N
50,00,000	3	1943	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1948	1978	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50 00 000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
STERLING LOANS				
£892,600	5	1923	1953–83	£86⅛
£901,000	5	1924	1954–84	£86⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32 14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,397	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
50,00,000	4	1900	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅛
20,00,000	4	1906	1966	
13,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
50,00,000	4	1916	1976	97⅛
40,00,000	4	1919	1957–79	113
66,00,000	6	1920	1955–80	
50,00,000	5	1926	1956–86	115
25,00,000	4	1927	1961–70	98
10,00,000	3½	1936	1966	96⅛
STERLING LOANS				
£566,600	4	1909	1969	£95⅛
£333,000	4	1910	1970	£95⅛
CALCUTTA				
Rs.				Rs.
50,00,000	6	1923	1955	104
50,00,000	2½	1929	1959	107
50,00,000	3	1934	1964	100
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	89
50,00,000	3	1937	1967	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
40,00,000	4	1913–14	1954	100
20,60,000	4	1913–14	1954	100
20,00,000	4	1913–15	1954	100
20,00,000	4	1914–15	1955	100
1,60,00,000	6	1920	1980	113
25,00,000	5	1924	1954	103⅛
26,14,000	5	1929	1949–79	105
8,45,500	5	1929	1954–59	110
26,21,500	5	1929	1959–79	103
50,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	91⅛
2,50,00,000	3½	1952	1964	100⅛
2,00,00,000	3½	1951	1966	96
CALCUTTA				
Rs.				Rs.
34,45,500	6½	1925	1955	105⅛
84,70,000	6	1925	1955	104
36,00,000	5	1925	1955	103⅛
25,00,000	5	1929	1959	103⅛
25,00,000	5	1929	1937	103⅛
10,00,000	5	1929	1958	103⅛
33,91,000	3½	1932	1962	108
25,19,000	3	1935	1965	93⅛
60,00,000	3	1936	1953	99⅛
1,46,100	3	1936	1953	88⅛
3,11,400	3	1937	1954	98⅛
4,67,100	3	1937	1954	98⅛
1,62,300	3	1937	1954	98⅛
3,13,100	3	1937	1954	98⅛
47,50,000	3	1937	1954	98⅛
10,68,700	3	1938	1958	88⅛
35,56,800	3	1938	1955	97⅛
15,56,800	3	1938	1956	99⅛
17,64,400	3½	1940	1957	99⅛
21,16,000	3½	1942	1959	96⅛
15,49,000	3½	1942	1972	92
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99⅛
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00,000	6	1923	1953	107N
3,40,000	7	1923	1953	107⅛N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. J=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April 1953. **Quotations in Pak. Currency.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	93	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari *A'	7,00,000	1920	7	July Apr.	108	100
*East India Distilleries ..	£200,000	1897	7	Jan. July	15¼cd	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	101	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	3,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	13,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5(a)	Dec. ..	70N	100
Do.	13,60,000	1946				
COAL						
Bengal-Nagpur	1,12,500	1903	7	Jan. July	114xd	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	116xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119cd	100
Do. (2nd)	1,50,000	1946	6(a)	.. ..	8½xd	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	84	75(sp)
††Khas Kajora	2,00,000	1920	7	Jan. July	13	10
New Beerbhoom	2,00,000	1898-99	6½	Apr. Oct.	113xd	100
Ondal	2,00,000					
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	5,00,000	1884	6	Jan. July	131½	100
Basanti Cotton	3,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	181½xd	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	134	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	85	100
Do. 'B'	14,75,000	1900	7	Jan. July	325	250
Bradbury	21

STOCK & SHARE QUOTATIONS

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

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

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

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

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation.	Paid-up Per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,80,000	59,20,372	64,19,135	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15½	—	12	W.
40,00,000	96,25,655	1,22,39,883	45,644	B. R. Sons, Ltd.	50,628	1,021	Behartal Ramchanda Cotton Mills	68	100	—	9	—	—	12	P.Y.
2,50,98,900	5,25,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	375	250	16	9	8	—	3	T.P.W.
10,00,000	68,56,275	52,02,609	2,39,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	740	250	24	40	40	8	12	Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros, Ltd.	1,09,220	2,706	Century	270½	100	15	18	20	—	12	Y.
49,00,000	76,79,645	1,10,40,660	—23,49,980	V. J. Pilani, Esq. (Chairman)	40,660	898	Colaba Land & Mill	69	100	—	—	4	20	12	Y.
26,80,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	107½	100	7½	7½	—	—	12	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
54,00,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	240xd	200	7½	7½	7½	—	12	Y.
29,93,700	86,92,517	1,10,04,668	41,862	Chidambaram, Muthaj & Co., Ltd.	44,768	886	Elphinstone	40½d	50	10	9	—	6	12	Y.
40,00,000	1,32,62,380	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	313	100	13	15	20	6	12	Y.
50,00,000	24,24,325	99,79,691	16,168	Hind Agents Ltd.	31,608	1,239	Hind Mills	—	10	5½	4½	5	20	12	Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,250	1,000	177	20	20½	—	6	P.Y.
4,00,00,000G 30,00,000D	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	9–13½ 1–9½	10	7½ —	7½ 1	10 12½	10 25	3	P.Y.
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	125	125	25	—	12	P.Y.
53,000									500	17½	20	—	—		
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	182½	100	12	14	20*	—	3	Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	301½	100	27½	14	10	—	6	P.Y.
28,80,000A 3,60,000B	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	83	100A 20B	7½	—	6½	18	12	Y.
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	6	Y.
31,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	180	100	15*	18	12			P.T.Y.
24,00,000	67,21,598	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	1,044	New City of Bombay	151½	100	11	12½	12	10	12	P.Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	147½	100	6½	10	10	10	6	P.Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	—	100	10	12½	10	10	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,350	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	26	10	—	5	10	12½	12	Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	125	100	6	10	10	8	12	Y.
5,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk	24	10	26½	20	20	10	12	P.Y.
85,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	20,540	1,254	Sassoon Spinning	264	10	—	20	20	12½	12	Y.
60,00,000	1,02,59,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	172½	100	12½	14	10	12½	12	Y.
31,50,000	1,09,71,108	78,77,540	35,939	Forbes, Forbes, Campbell & Co. Ltd.	36,116	1,276	Simplex	172xd	50	28	34	30½	32½	12	P.Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard	301½	100	15	15	26½	20	3	Y.
75,00,000	2,10,92,337	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	244½	100	14	15	16	20	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	635	100	14	16	18	16	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	42	100	20	20	25	30	12	P.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,180	1,000	17½	8	16	4	12	P.T.Y.
											20	20		3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	31,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10			
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	430	100	13*	15*	20*		6	P.Y.
21,00,000	2,83,78,675	1,18,76,140	1,409	Narottam Lalbhai & Co.	62,448	1,216	Arvind	771	100	22½	25	25	25	12	Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	33,884	884	Ayodaya Ginning	287½	200	15	15	15		12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	445	100	13*	17	17½	7½–1	12	P.Y.
1,17,72,012	3,38,63,311	3,71,68,188	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	303½	125	10	11	22*	22*	12	P.Y.
30,00,000	1,20,70,000	88,67,870	44 880	Tricumlal Bhogilal & Co.	1,09,296	867	New Commercial	1,080xd	500	10	11	14	14–2½	12	P.Y.
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd.	13,044	356	Basanti Cotton	48	10	—	5	5½	14–2½	12	
7,11,250	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38-N	40	—	7½	7½	—	12	P.T.Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bulleo & Co., Ltd.	42,872	841	Bowreah	287	100	—	—	—	—	3	Y.
19,00,000	96,49,451	94,66,017	—27,794	K. Bulleo & Co., Ltd.	42,944	518	Dunbar	190	100	—	7	—	—	6.12	P.H.
1,20,00,000	3,29,34,362	3,04,36,320	84,976	Birla Bros, Ltd.	69,352	1,990	Kesoram	19½	10	12½	12½	7½	11½	6.12	H.
6,80,000A 82,96,097B	71,09,841	79,53,833	51,255	Chakraverti Sons & Co.	23,484	442	Mohini	—	23 10	12½	7½	7½		3 12	P.Y. Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	5	6		12	
15,00,000	26,51,246	39,15,375	2,736	Ramlal & Co., Ltd.	30,000	..	Alagappa Textiles	6½	10	—	9	—		12	T.Y.
71,54,400xo	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	65½	100	15*	5½	6	6	12	P.T.Y.
48,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	252½	100	14½	17½	20	15	12	Y.
27,00,000	71,62,108	70,17,945	15,831	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14xd	10	5	5	10	10	12	
60,00,000	77,87,070	1,03,33,381	11,806	Binoolram Baldeodas	31,008	1,332	Delhi Cloth	100N	100	12½	15	15	7½	6.12	P.T.Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	52N	10	25	25	30	5	3	P.H.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Binny & Co., Ltd. (Madras)	121	100	6½	6½	7½	4	12	P.Y.
20,00,000	32,63,706	30,52,641	93,399	Pairee, Leslie & Co., Ltd.	37,536	4	Cambodia	10½	10	7½	—	12½	10	12	P.Y.
38,00,000	64,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,798	591	Cawnpore Textiles	15½	10	11½	11½	14			
44,87,300	2,25,77,600	2,00,84,128	—16,28,224	Tata Industries Ltd.	51,188	2,062	Central India	135	100	11	12½	12½	12½	9	P.Y.
12,00,000	83,29,989	27,82,848	—1,32,723	R. Seenua Nayudu & Co.	28,864	..	Coimbatore Cotton	150N	100	12½	12½	12½	9	12	Y.
20,00,000	17,94,432	20,04,319	8,416	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	106xd	100	10	10	10		12	Y.
20,76,900	70,83,677	1,11,04,373	—2,70,999	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	40	50	5	10	—		12	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	178½	100	25	25	20	10	6	P.Y.
2,89,84,925A 1,00,503B	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (Inc. Lyallpur Mills)	308	25 2B	4	10	20	10	12	Y.
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	17½	10	12½	11½	14		6	P.Y.
39,04,700	1,01,30,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	213½	100	13	10	10	15	12	T.H.
30,80,000	84,17,977	1,21,16,721	6,589	Govindrao Sakaria (Indore)	80,420	1,420	Harihar Malwa United	50	100	15	10	14	6	9	P.T.Y.
8,90,000	25,82,589	26,01,326	—2,58,201	G. V. Naidu & Co.	23,784	..	Janardhana	58	50	16	4	5	17*	12	Y.
6,50,000	17,20,576	40,18,454	7,477	A. L. A. R. A. Chettiar and another	30,304	325	Kaleeswarar	300	100	—	10	15	7½	12	Y.
24,00,000	23,50,000	43,66,106	54,737	Kothari & Sons	30,124	..	Kothari	10½	10	7	7½	7½	—	12	Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton	552½	250	15	15	7½	7½	12	Y.
35,64,100A 17,82,050B	90,51,492	78,03,494	7,921	G. K. Naidu & Co.	75,504	200	Lakshmi Mills	80 25	50 5	8	8	20 10	15	12 12	P.Y. P.T.Y.
1,75,02,480	3,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36½	15	17½	15	20	12	3	V.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and Others	21,856	..	Malabar	142	200	7½	15	20			
60,00,000	1,00,87,062	35,34,548	77,484	W. A. Beardsell & Co., Ltd	24,252	603	Mettur Industries	198xd	100	25	12½	6	20	12	Y.
59,80,884	65,14,248	73,68,250	25,902	N. Sirur & Co. Ltd.	34,464	678	Minerva	95xd	50	8*	8	12½	4	12	Y.
84,91,850	96,08,512	1,34,73,361	19,643	B. Abirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	142½	250	6	5	5	12½	12	Y.
20,00,000	1,35,94,451	1,33,39,271	2,72,305	Indian Textile Syndicate Ltd.	86,316	1,834	Muir	213	100	24‡	—	5	3	12	Y.
5,71,850	4,06,541	20,43,991	—2,16,336	A. Sambha Moorty, Esq.	18	..	Mysore Silk Filatures	2½	10	—	—	—		12	Y.
19,86,800	1,15,59,739	82,55,416	38,347	N. Sirur & Co., Ltd.	49,632	590	Mysore Spinning	123½	50	20	18*	20		12	P.Y.
13,51,740	32,98,130	37,85,536	—4,60,000	R. Suryanarayana Rao, Esq	8,000	..	Mysore Spun Silk	31½	10	5d	6½	—		3	P.Y.
22,89,882 8,07,095O	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	1½ DI	2½ —	—	—	—		12	P.Y.
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	83N	100	14*	5½	6½	7	12	P.T.Y.
4,00,000A 6,00,000B	21,00,275	26,20,198	3,380	Raghuvalakshmi & Co.	22,800	..	Palani Andavar	50	50A	4	10	16	15	9	V.
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	66	100	4	7½	5		12	P.Y.
15,00,000	40,80,284	52,63,263	2,062	A. G. G. Naidu & Co.	34,864	200	Radhakrishna	144	100	15	16	16	6	12	P.Y.
13,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	23,896	..	Rajalakshmi	72	50	9	9	10		12	P.T.Y.
15,02,500	31,53,264	35,65,211	11,407	P. R. G. Nayudu & Sons	28,972	88	Ranga Vilas	42½	50	6	7	10		12	Y.
60,00,000	89,39,172	1,04,40,739	3,506	Sir J. P. S. & Sons (Rampur), Ltd.	52,580	600	Rasa Textiles	6–3½	10	7	9	7½		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,800	1,000	—	—	—		12	Y.
82,41,300	9,49,500	55,58,011	66,729	Gopalakrishnan & Co., Ltd	18,416	440	Shree Sajjan	75N	100	6	—	—		12	P.Y.
17,79,700	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros, Ltd.	18,416	416	Sitaram	36½	50	6½	—	—		12	P.Y.
56,69,700	35,96,380	57,42,020	23,287	H. N. Pahlegar, Esq.,	23,200	292	Sri Krishnarajendra Mills	41	50	8*	5	5		3	V.
15,00,000	1,30,50,807	63,41,341	64,96,084	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	5	5	6*	8*	3	V.
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawnpore	9½	10	5	5	5		3	Y.
1,57,50,000P.O.								9½	10P.O.	9	9	5		3	
13,38,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	9	10	10	9	10		12	P.W.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	10	10	7	12	Y.
32,00,000	1,54,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	150	100	10	9	10	10	12	P.Y.

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation. sd=Ex. Dividend,
x Includes Rs. 6 paidjia August, 1952 as a supplementary dividend for the year 1945-46. — Nil Dividend. nd. C.d.=Cum. Dividend
† Subject to tax. ** Net Block.
δ Includes Rs. 11-6 paid out of deferred Dividend Amount. N=Nominal J=As on 31st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	101	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcots & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,080 6,64,000	45,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	22 9½	25 10	11½	11½Q	—		5	P.Y.
18,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6½	5	8	10	—		3	Y
£80,000'A' £300,000'B'	6988,534	£1,122,135	£57,421	Parry's Holdings Ltd.	Ram India Distilleries and Sugar	14½ 20	'A' 16sh, 'B' 20sh,	10	10 15	10 15	10 15	9	P.Y
24,00,800 4,00,000	8,34,296 21,13,586	7,56,668 12,13,593	—7,87,632 3,951	S. P. Smith, Esq. B. A. Maliya Esq.	Murree Brewery United Breweries	6 160	10 75	— 15	— 10	— 20		8 3	Y. Y.
CEMENT													
81,19,724	21,33,493	67,56,656	15,850	The Andhra Engineering Co Ltd.	Andhra Cement Co.	101	100	8a	8a	7½		12	P.Y.
43,14,500 4,70,976D	11,13,132	53,61,563	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3½ ¾	10 1	5	—	—		3	T.Y
10,36,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	170½	100	9	8½	9½		7	Y.
60,00,000	51,03,805	69,78,209	39,834	Hari Bros. Ltd.	Dalmia Cement	6½xd	10	—	5	6½	6½	12	P.Y.
26,49,797 5,00,000D						3	3						
61,01,180	27,27,600	1,26,09,755	90,853	Essen Ltd.	India Cements Ltd.	16½	25	—	—	5		3	P.Y.
7,50,00,000D						3½	5D	—	—	—			
75,00,000	1,53,90,166	1,68,61,997	38,638	Martin Burn Ltd.	Semerallay Portland Cement	7½cd	5	3	4	8	10	12	Y.
CERAMIC; MINING AND QUARRYING													
31,78,685	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	3½	5	6½		12	Y.
10,00,000	53,04,035	53,01,488	15,680	Bird & Co.	Biara Stone Lime Co.	28½N	10	16½	17½	17½	8½	3.9	H
80,00,000	17,91,749	50,93,541	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	10½	10 G	10	10	10		12	Y.
35,00,000D						6½	10 D	15	15	15		12	Y.
6914,200	81,650,110	81,643,983	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2–13½	2sh.	12½†	12½†	12½		12	Y.
15,00,00000 5,00,000P	39,05,935	43,65,527	1,27,234	Bird & Co., Ltd.	Karanpura Developcmat	14	10	—	—	—	—	61.2	H
6,00,000	6,88,139	8,10,287	7,911	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½xd	10	8½(d)	10	10	7½	3	V.
10,00,000	37,26,402	31,47,741	74,275	Bird & Co., Ltd.	Orissa Minerals	53½	10	6½	6½	12½	15†	6.12	H.
4,90,800	24,28,739	25,13,779	27,403	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	15½		2.8	H.
6,99,390	20,61,473	17,98,676	3 427	Killick Industries Ltd.	Shivrajpur Syndicate	55	10	10	10	17½	35*	11	V.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,370	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	260	200	8a	8a	10		3	Y.
82,14,870	55,77,268	2,53,78,334	8,593	Tata Sons, Ltd.	Tata Chemicals	8½	10	6	7			6	T.Y.
1,12,500	1,38,486	81,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	10	3	8½	8½		3	Y.
Other Centres													
85,00,000	54,68,041	63,66,814	59,559	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	100	100	—	8	8		12	Y.
62,00,000	1 07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	14½	10	—9	4	6	6	9	Y.
11,45,800 11,08,900'A'	74,65,198	91,10 221	11,22 222	S. P. Sen, Esq.	Bengal Chemical & Phar.	102	100	6	6	6		4	Y.
22,54,700'B'													
61,25,000	43,66,469	38,97,031	1,09,732	Saha Bros. (Saraswathy) Ltd.	Dhrangadhra Chemicals	165	100	6	15	15		5	Y.
4,95,000	1,50,922	1,31,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	4	6	5†	4½	—		2	P.Y
8,47,97,740	86,49,264‡	4,01,40,091	—10,83,735	Sohanayee Bros. (Travancore) Ltd.	F.A.C.T.	31	10	—	2‡			12	Y.
48,49,345	30,14,302	83,46,263	21,842	Sohanayee Bros. Ltd.	Mettur Chemicals	4½	10	4½	5	5		3	Y.
24,81,220	34,32,111	40,15,501	14,741	B. V. Ganapati Iyer, Esq.	Mysore Chemicals and Fertilizers	8½	10	4½	9	9		3	Y.
3,06,000	6,33,627	4,35,089	42,388	Krishna & Co.	Mysore Chemical Mfrs.	11½	10	12½	10	10	10	3	P.Y
5,00,000	19,82,894	13,84,639	48,158	C. A. Battan Esq.	Smith, Stanistreet & Co.	7½	5	10	10	10		6	P.Y.
ELECTRICS (Bombay Presidency)													
5,24,68,240	1,92,18,232	7,57,55,041	3,319	Killick Industries Ltd.	Ahmedabad Electricity Co. Ltd.	110	100	6	6	6½	6½	9	T.Y.
2,12,77,003	8,28,03,288	9,33,51,938	35,587	Tata Hydro-Electric Agencies	Andhra Valley Power Supply Co.	1,427½	1,000	7½	7½	7½	7	3	P.T.Y
1,37,47,375	1,67,67,780	2,13,63,343	11,66,574	Killick Industries Ltd.	Bombay Suburban Electric Supply	128½	100	7	7	7	7	3	Y.
7,07,000	6,35,667	11,99,885	8,634	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8	10	8½	2.96	2.96	3.29	12	P.Y
11,68,400	9,56,993	22,87,826	5,484	Rajputana Textiles (Agencies) Ltd.	Nadi-Desfali Electric Supply	12	10	6	6	8	8	12	P.Y.
44,89,000	49,57,765	99,83,707	2,433	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	126½	100	6½	7	7½	8	12	P.Y.
3,73,473	37,77,840	1,73,650	5,178	Killick Industries Ltd.	Surat Electricity	120½	100	6½	7	7	7	12	P.Y.
1,80,00,000	1,82,69,078	3,66,77,956	18,193	Tata Hydro-Electric Agencies	Tata Hydro-Electric Power Supply	150	100	7½	7½	7½		6	P.T.Y
3,63

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,630	£257,232	—£718,934	I. C. & Glass, Esq.	British Burma Petroleum Co., Ltd.	1-1½	4sh.	—	—	—	—	3	P.Y.Y.
82,50,000	81,89,204	52,69,225	1,85,955	W. C. Alcock, Esq.	British Ceylon Corporation	11½xd	7½	20†	24†	32†	—	12	P.Y.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Ite-to-Burma Petroleum Co., Ltd.	5½	5	40	30	30	—	12	Y.
70,07,475	1,02,93,986	1,52,15,713	10,002	Tata Industries Ltd.	Tata Oil Mills	32	32	60	10	10	15	12	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd.	14½	10	15	15	17½	5†	3	P.Y.
					PAPER							4.10	H.
45,00,000	1,57,44,079	1,93,77,780	4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43½	25	10	10	12½	6¼	6.12	P.T.H
30,00,000	91,40,072	47,93,993	1,14,168	Andrew Yule & Co.	India Paper Pulp	169	100	7	10	11	5†	3.9	H.
25,00,090	48,30,215	47,81,895	52,815	P. N. Balakrishnan, Esq.	Mysore Paper Mills	34½	10	6¼	7½	10*	—	3	Y
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	34	10	18	20	20	10†	3.9	P.T.H
50,06,895	1,10,93,378	84,10,902	1,86,914	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	181	10	9½	11½	13	7½†	3.9	P.T.H
20,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8½	10	—	—	5	21†	6.12	P.T.H
4,37,500PQ						4½	3½	—	—	—	—	3.9	P.T.H.
4,37,500PQ						4½	3½	10	10	10	5†	3.9	
A*56,00,000Q	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co. Ltd.	35½	A10	30	15½	20*	10*†	3.9	P.H
B*56,04,800Q						35½	B10	20	15½	20*	10*†	3.9	
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	5	10	7½	20	—	2	P.Y.
47,78,000	48,44,853	83,16,040	4,37,964	R. C. Parsons, Esq.	Consolidated Coffee Estate	18†	10	17	20	18	—	6	P.Y.
4,00,000	2,29,884	4,49,628	13,931	Associated Planters, Ltd.	Cotlamal Plantations Ltd.	10†	10	7½	10	15	—	3	P.Y.
9,28,950	1,46,540	4,87,078	1,389	A. V. Thomas & Co., Ltd.	Frisgford Estates	10	2 & N	—	—	—	—	3	P.Y
18,00,000	10,63,881	20,78,297	80,797	A. V. Thomas & Co., Ltd.	Highland Produce	10	10	25	45	45	10	12	P.Y.
4,00,000	9,67,558	7,20,398	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	10	10	15	15	15	—	12	P.Y.
6,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co. ..	10½	10	17½	30	35	—	4	Y
27,00,000	25,83,648	14,90,588	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	10	10	—	—	—	—	3	Y.
3,35,000	2,06,971	13,28,998	31,378	A. V. George & Co.	Nennemy Rubber	8½xd	10	6	12½	15	3	3	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber Co.	9½	10	5	6½	10	6½	12	P.Y.
19,45,980	25,93,936	32,55,341	1,25,900	Peirce, Leslie & Co., Ltd.	Onekunjan Valley Estates	3½xd	2	25	45	45	10	10	P.Y.
13,50,000	5,82,973	26,05,590	34,101	A. V. Thomas & Co., Ltd.	Raleigh Rubber and Produce Co.	10†	10	—	12½	9	—	12	T.Y.
18,00,000	3,36,390	1,85,824	516	East India Agencies, Ltd.	Tooley Rubbers (India) Ltd.	6½	10	—	12½	15	6	6	P.Y.
2,50,000	2,21,854	5,23,408	41,669	A. V. George & Co.	Thamarapally Rubber	13†	10	—	6	9	3	3	P.T.Y.
3,05,100	5,01,650	6,03,723	31,310	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	10†	10	6½	6½	15	25	12	P.Y.
6,00,000	1,17,223	7,40,148	3,913	K. C. Cheriyan, Esq. (Secretary)	Travancore Rubbers	11½xd	10	17½	20	25	25	9	Y.
41,00,000	17 71 656	70 01 785	2,79 692	Anglamalai Co., (Travancore) Ltd.	Travancore Tea Estates	6¾	10	3½	10	20	—	12	P.Y.
20,00,000	5,24,135	22,83,995	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	9½	10	6	10	10	6	12	P.Y.
5,39,000	53,076	3,26,408	40,567	A. V. George & Co. Ltd.	Udayagiri Rubber	21†	10	5	10	12½	10	12	P.Y.
6,38,380	2,79 994	7,07,482	33,166	Harrison & Crossfield Ltd.	Valkenden (Travancore) Rubber Co., Ltd	14	10	3	3	—	—	12	Y.
1,68,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6½	—	20	12	P.Y.
					PRESSING							3	Y.
5,00,000	18,78,066	19,01,887	3,152	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	3			
1,50,000	3,58,036	6,89,323	1,116	Pyse and Sons.	Camperdown Pressing	93N	100	4	6	5		3	Y.
3,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Cawnpore Hydraulic Press	34½	100	3	5	5		7	Y.
												6	Y.
					PROPERTY AND LAND								
10,00,720	25,11,061	42,65,283	419	S. A. Basil, Esq.	Nemayan Properties	10½	10	—	6	6	5	9	P.Y.
60,00,000	24,67,735††	81,61,045**	—	Port Canning Land	Port Canning Land	22	100	2	6	6	—	4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Widenpore Zamindary	34½	100	—	1	2	—	4	Y.
					SAW MILLS AND TIMBER							4	P.Y.
13,99,998	33,52,773	18,29,998	69,978	Bird & Co.	Assam Saw Mills and Timber	6½	3	16½	16½	16½	8½	9	Y.
50,00,000	4,89,22,437	2,47,99,161	8 57,498	Wallace & Co.	Bombay-Burmah Trading	353½	822	12	10	18	—	5	Y.
42,00,000						135	80	12	10	18	—	5	Y.
						45N	800	5	5	—	—	6	P.Y.
1,00,000	7,04,0373	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	35½	10	88	35	88	30	9	Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products								
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	7½	5	—	—	20	—	6	Y.
12,00,000	38,96,740††	15,70,684**	2,81,980	Marsag Bros.	Basti Sugar	122N	809	61	10	20	—	6	Y.
19,49,050	23,60,462	27,54,325	2,37,248	Bangur Bros., Ltd.	Belsand Sugar	7½	7½	—	—	—	—	6	Y.
14,00,000	21,11,540	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	17N	10	10	15	8½	10	6	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	6½	10	10	15	15	—	6	Y.
15,49,000	1,30,69,452	99,28,342	31,891	Begg Sutherland & Co.	Cawnpore Sugar	31½	10	15	15	15	—	6	P.T.Y
18,00,000	78,43,538	60,37,756	17,488	Begg Sutherland & Co.	Champarau Sugar	32½	10	15	25	30	20	6	P.Y
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	83½	100	15	15	20	—	6	
18,00,000						30N	80	—	—	20	—	6	
8,00,000	41,78,374	68,10 159	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	25N	100	3	5	—	—	6	P.Y.
7,89,100	31,59,777	25,99,076	1'5,051	Cotton Agents Ltd.	New India Sugar Mills	241	10	10	25	25	—	7	P.Y.
11,00,000	37,46,180	36,39,170	3,893	Harrison & Crossfield Ltd.	New Savan	7½	10	5	6½	5	—	6	Y.
19,59,375	88,13,360	83,04,760	8,51,073	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	68	20	20	20	—	8	Y.
16,00,000	89,31,078	86,43,844	91,880	Narang Bros.	Punjab Sugar Mills	45N	25	—	—	—	—	6	Y.
9,00,000	42,30,793	88,72,886	19,435	Begg Sutherland & Co.	Partabpore Company	100N	890	—	6	10	—	6	
8,00,000	26,05,463	24,18,182	13,410	Begg Sutherland & Co.	Ryan Sugar	15	10	10	10	10	10	6	P.Y.
11,89,400	38,06,835	36,10,360	23,281	Begg Sutherland & Co.	Samastipur Central Sugar	20	10	15	25	10	—	6	P.Y.
20,00,000	69,94,641	1,03,36,230	4,188	Sabu Jain & Co.	Shree Krishna Gyanoday Sugar	15½	10	10	20	20	10	6	Y.
9,99,913	11,66,782	21,41,729	10,162	H. K. Ghose, Esq. & R. N. Dass.	Sitalpore Sugar	10	10	—	—	10	1	7	P.T.Y.
6,50,0000						6½	10	—	—	5	—	6	Y.
1,95,000D	11,94,305	27,92 174	—16,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	5N	19	—	—	—	—	6	Y.
8,00,000	54,46,474	70,75,580	87,216	Cotton Agents, Ltd.	Upper Ganges	1N	28	—	—	—	—	6	Y.
						20N	30	47½	20	20	—	10	Y.
					(Indian States and Other Centres)								
46,97,750	98,26,814	68,46,932	89,148	W. H. Brady & Co., Ltd.	Belagar Co.	223	50	16½	25	28	32	9	Y.
83,37,350	46,67,856	38,47,284	4,64,518	Govan Bros. (Rampur), Ltd.	Belsand Sugar	10½N	10	7	7½	10	—	9	Y.
18,93,900	18,33,057	37,63,451	21,012	J.P.Srivastava&Sons(MadhyaBharat)Ltd	Gwalior Sugar Co., Ltd.	45N	100	—	5	5	—	6	Y.
10 00 000	44.76,363	24,51,980	3,71,344	India Sugars & Refineries Ltd. ..	India Sugar & Refineries Ltd.	23½	10	12½	15	25	25	9	P.Y.
3,00,000													
11,76,488	1,49,74,559	97,24,107	8,27,296	V. M. Lingiah, Esq.	Mysore Sugar	44½	10	80*	20	20	6	6	Y.
50,00,000	96,62,468	1,03,94,086	3,18,394	Mahalal, Apte & Kasliwal, Ltd. ..	Phaltan Sugar Works	86½	10	14	16	16	16	9	Y.
16,59,820	43,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnagger Cane & Sugar Co., Ltd. ..	17½	10	15	6	10	6	9	P.Y.
20,00,000	68,39,148	74,55,840	1,89,513	Walmand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	10	7	14	18	18	9	P.Y.
19,99,580	50,82,224	42,94,120	6,03,982	Govan Bros. (Rampur), Ltd.	Rauz	12	10	4	10	12½	—	9	P.T.Y
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	3	10	—	—	—	—	5	Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries Ltd.	136½	100	17½	12	14	14	9	P.Y.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,21,10,933	1,47,88,360	—8,27,616	Tata Industries Ltd.	Air-India Ltd.	86	100	—	—	—	—	12	Y.
2,40,000	4,90,364	5,64,538	702	Forbes, Forbes, Campbell & Co., Ltd	Bombay Safe Deposit	660	250	15	18	15	17½	12	Y.
1,89,89,550	2,64,61,902	9,70,82,131	83,607	Scindia Steam Navigation Co., Ltd. ..	Bombay Steam Navigation Co., Ltd. ..	—	63	—	—	—	—	6	Y.
15,98,860	1,28,287	2,19,255	82,603	Parkin & Co., Ltd.	Bombay Upgrade	54N	63	5	3	5	—	6	P.Y.
35,00,000	1,50,000	24,37,096(k)	12,787	Dena Bank Ltd.	Derbares Nasli Investment Co.	98½	63	5	3	5	—	18	Y.
11,98,360	17,39,540	10,66,117	4,425	F. H. Mehta Esq.	Escrela Batteries	86½	10	6	6	5	3	3	Y.
9,99,250	18,35,375	1,27,45,383(k)	1,85,227	Premchand Roychand & Sons	Industrial Investment Trust	70	100	5	4	5	—	12	P.Y.
84,98,863	15,91,304	12,58,934	2,833	K. O Milne, Esq.	Killick Industries	149	100	3½	4	4½	4½	12	Y.
8,06,71,500A							100	8	10	—	—	12	Y.
10,00,000 B	65,85,939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	43½	100	—	—	—	—	6	Y.
8,59,62,018	9,89,24,387	12,98,97,421	1,98,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co. Ltd. ..	12-10½	10	—	—	—	—		
1,98,820	2,71,437	2,21,590	3,145	R. B. Bandekar Esq.	Shantar & Co.	30N	50	10	10	10	—	6	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40	20	7½	10	15	—	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ldt	215½	100	10	10	15	15	12	Y.
45,00,000	46,57,108	34,588	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-8/8	11½	11*	11*	12	Y.
									11½	13½	13½	12	Y.
					Other Centres								
47,50,000	65 22 899	1,34,34,714	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd. ..	4½	10	—	—	—	—	3	P.T.Y.
2,50,000 S													
30,00,000 D	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd	Angelo Brothers Ltd.	19½	10	10	17½*	25*	12½	8	Y.
20,00,000	32,51,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	19½	10	12½*	12½*	12½*	12½	12	Y.
99 99 000	53,61,088	92,32,652	9,349	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5½	10	7½	6	—	—	9	P.T.Y.
30,00,7000	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.	277xd	880	20*	25*	20*	12	9	Y
10,00,000D							50D	15	20	15*			
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co.	Bengal Assam Steamship Co., Ltd. ..	155	100	5	10	12½	12½	10	P.Y.
20,00,000	8,38,806	34,05,99?(K)	1,75,380	Lovelock & Lewes	Birds Investments Ltd.	16†	10	10	12½	12½	—	10	P.Y.
1,00,00,000	1,45,00,237	3,00,22,730†	58,606	Dhanbad Ltd.	Bharat Line	85½d	10	3	3	4	4	12	P.Y.
30,64,682	50,81,266	83,33,716	1,82,277	A. F. Chaoki Esq.	Britannia Biscuit	11½	10	12½	12½	7½-1	5	12	Y.
3,13,99,500	2,51,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	8½	5	12½	12½	7½-1	—	3	P.Y.
1,60,00,000	3,77,71,321	4,07,06,331	1,01,458	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd.	24½	10	15	17	17	12½	12	P.Y.
51 26 000	47 57 061	1,26 55 420(K)	3,15 489	Bird & Co., Ltd.	Eastern Investments Ltd.	82	10	20	15	15-1	12½	12	P.T.Y.
7,00,000	34,47,721	23,07,609	50,793	Mantelli & Barry Ltd.	Ganges Rope Co. Ltd.	145	100	9	9	9	9	12	P.Y.
65,00,000	34,13,857	15,62,962	2,07,324	Cecil Stack, Esq.	Gillanders Arbuthnot & Co., Ltd.	201	100	20	22½	25	10r	3.9	H.
30,00,000	37,25,649	60,01,406	6,213	B. P. R. Syndicate	Great Eastern Hotel Co.	128	100	7½	10	10	—	12	H.
15,61,889	16,42,049	34,49,296	12,251	Birla Brothers, Ltd.	Hind Cycles	252	250	5	9	6	3	3	P.Y.
4,96 12,650	59,45,519	2,81,39,295	3,47,360	Birla Brothers, Ltd.	Hindustan Motors	100N	100	5	9	7½	12	12	P.T.Y.
1,60,00,000	1,59,65,052	3,07,88,193	22,27,867	J. W. B. Johnson, Esq.	Indian Aluminium Co.	4½	10	—	—	—	—	3	P.Y.
1,52,89,220	1,31,92,737	57,92,390	9,29,554	D. J. Malaviah, Esq.	Indian Cables.	109	10	—	3½	5	5x	12	P.Y.
83,75,000 J						18½	10	88	10*	10*	—	12	P.Y.
85,90,000 P	53 00,150	72,86,130	—12,62,971	Govan Bros., Ltd.	Indian National Airways	3½	10	—	—	—	—	3	P.Y.
1,25,0000 P						7	10	—	—	—	—		
8,47,980	12,79,395	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	83½	10	—	—	—	—	12	P.T.
8,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd.	Indian Steamship Co., Ltd.	10½	10	10	10	10	3	3	P.Y.
2,40,0000	4,33,028	67,14	34,496	V. V. Irwin, Esq.	Iron Jesse	6½	10	—	—	5	—	3	P.T.Y
8,00,00,000	53,39,843	27,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	4½	2	21½	21½	21½	3	3	P.Y.Y
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	12½	100	10	10	10	—	9	Y.
40,00 000Q						2	10	—	—	—	—	3	Y.
3,00,000D	63,35,248	23,69,220	85,717	A. T. Dolg, Esq.	McLeod & Co. Ltd.	137	D. 100	10	12½	12½	12½	3	Y.
1,30,35,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	10	D. 10	5	7½	7½	12½	12	P.Y.
6,35,255	4,41,876	2,74,004	—72,313	Orient Glass Works Ltd.	Mysore Glass & Enamel Works	18½	10	10	12½	12½	—	9	P.Y.
3,75,000	3,76,533	8,79,836	3,086	R. Bharucha, Esq.	Mysore Glass & Enamel Works	4½	10	—	12½	—	13½	9	P.Y.
19 00 000	3,95,997	11,45,855	1,11,339	V. S. Arunachalam, Esq.	Mysore Lamp Works	17½	10	10	10	—	—	12	P.Y.
2,20,0000	51,92,179	30,16,078	11,045	Associated Ind. Development Co., Ltd.	Mysore Tobacco	10½	10	10	10	10	3	3	Y.
39,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Bhat & Co., Ltd.	National Insulated Cable Co. of India Ltd.	13½	10	5	5	7½	3	3	Y.
14,87,137	6 67,69++	18 52,569**	23,513	B. P. Oguls & Co.	Ogale Glass Works	9½	10	—	2½	5	3	3	P.Y.
40,00,000	41,74,953	41 58,536	1,52,611	Parry's Holdings Ltd.	Parry & Co.	2	2	—	—	—	—	3	P.T.Y.
8,25,00,000	62,51,619	1,69,49,507	24,847	O. U. Euthymopulo, Esq.	Rallis India Ltd.	51½d	10	42½	50-1	32½	15	12	Y.
1,14,00,000	2,95,41,731	6,09,59,407	7,17,486	V. S. Arunachalam, Esq.	Rohtas Industries	74½	100	8	8½	9	10	9	P.Y.
90,00,000	1,51,62,299	1,19,84,861	2,36,352	C. W. Stephenson, Esq.	Roseaor & Co. Ltd.	8½	10	—	—	7½	10	10	P.T.Y.
75,00,000	37,17,120	12,11,901	3,56,616	J. E. Waterfield, Esq.	Shaw Wallace & Co., Ltd.	14½	10	10	10	10	—	12	Y.
9,98,380	4,10,547	12,67,855	—59,789	Ogale Brothers Ltd.	Travancore Ogale Glass	3½	10	10	10	10	12	12	Y.

†† Does not include depreciation. * Includes Bonus. ** Net Block. C.D.—Cum Dividend. 1 On Increased Capital

‡ Only Depreciation. —Nil Dividend. † Low investments (c) For six months ended June, 1949

2.—For Rhesus months ended 31st December, 1952. K—Investments. X.R.—Ex-Right. (d) For nine months ended March, 1950

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	450N	100	20	25	—		12	P.Y.
50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400§	Anandabag	26§	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	11†	10	30	30	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Batmasia	27	10	30	30	25		12	P.Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co	556	Bateli	11§	5	25	30	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	25§	10	20	35	15		12	Y.
16,30,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	29	10	35	50	5		12	T.Y.
6,00,000	1,51,985§§	10,38,918	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	4§	10	5	5	—	—	12	Y.
7,50,000	5,06,959	7,64,836

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	188	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,79,916	46,11,580	16,516	498	Babu Jain Ltd.	Albion	185	100	—	14	30	18	5.11	P.H.
6,00,000	32,73,570	49,90,030	—1,63,951	446	McLeod & Co., Ltd.	Alexandra	155	100	—	5	5	—	6.12	T.P.H.
49,20,700	2,36,84,144	2,27,14,371	1,32,947	2,561	McLeod & Co., Ltd.	Alliance	160	100	—	2½	—	—	6.12	P.H.
40,00,000	1,18,83,059	1,31,13,967	71,745	810	Duncan Bros. & Co.	Anglo-India	215	100	—	20	20	17½	6.12	P.H.
30,00,000	93,29,447	97,37,334	72,634	959	Bird & Co., Ltd.	Auckland	128	100	1½	10	10	4f	3.9	P.H.
£275,000	£1,680,379	£1,328,440	£91,091	1,890	Jardine Henderson & Co. ..	Bally	171	100	7	12	1	4	3.9	P.T.H.
28,00,000	80,27,627	84,01,241	26,347	820	Jardine Henderson & Co. ..	Barnagore	154	£5	20	20	20	—	3.9	P.H.
45,00,000	78,51,305	51,03,385	4,07,701	600	Andrew Yule & Co.	Belvedere	202	100	13	17	27½	15	3	P.Y.
30,42,000	3,71,54,131	3,06,60,933	1,38,294	1,373	Soorajmull Nagarmull	Bengal	164	10	13½	13	30	6.12	6.12	P.H.
98,00,000	98,57,868	1,07,77,342	25,598	991	Birla Bros.	Birla	38	10	23	30	30	6	6	T.P.Y.
7,47,380	30,53,704	39,44,698	34,320	502	Andrew Yule & Co., Ltd. ..	Budge-Budge	166	100	7	13	22	6½f	3	P.Y.
18,00,000	65,79,289	75,43,878	32,228	616	Dayaram & Sons	Calcutta Jute Manufacturing ..	184N	10	—	—	20	—	4.10	H.
99,16,400	2,11,26,602	1,62,21,807	1,85,299	1,498	Andrew Yule & Co.	Caledonian	170	100	5	14	22	12	6.12	T.P.H.
15,95,000	78,33,608	79,40,140	45,839	538	James Finlay & Co., Ltd. ..	Champdany	151	100	3	10	14	8f	3.9	P.H.
10,05,000	88,32,304	58,16,362	1,07,364	500	Andrew Yule & Co., Ltd. ..	Cheviot	218	100	13½	16	22	12	3.9	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	McLeod & Co.	Chitavalsah	32½	10	12½	15	30	8½	5.11	P.H.
					Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20	8½	6.12	T.P.H.
31,40,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	145	100	1	11	12	1f	3.9	P.H.
25,00,000	86,65,728	73,72,811	50,826	779	Andrew Yule & Co.	Delta	228	100	11	17½	32½	20	3.9	P.H.
15,00,000	86,18,650	75,63,304	47,730	700	McLeod & Co.	Empire	201	10	10	20	25	10	5.11	P.H.
81,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co. ..	Fort Gloster	337	100	25	32½	32½	—f	3.9	T.P.H.
14,00,000	48,15,115	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	260N	100	—	10	—	—	3.9	P.T.H.
£4,32,100	1,37,90,339	2,09,73,148	—8,57,945	1,709	Macneill & Barry Ltd.	Ganges	75	100	—	6½	—	—	3.9	P.H.
10,80,000	76,30,046	68,12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	730	300	—	—	2½	—	3.9	P.H.
24,00,000	1,91,51,941	2,19,25,184	1,57,647	1,394	Macneill & Barry Ltd.	Gouripore	283	100	25	15	30	10	3.9	P.H.
40,00,000	81,39,962	81,94,127	94,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	2½	25	11½	—	12	T.Y.
16,80,000	38,02,116	64,29,355	64,417	720	G. Arbuthnot & Co.	Hooghly	304	10	10	7	10	—	3.9	P.H.
65,62,500	1,60,16,805	1,56,87,560	1,55,027	1,940	Jardine Henderson Ltd.	Howrah	233½	10	7½	17½	19	—	3	P.T.
30,00,000	1,74,35,109	2,25,00,109	3,91,948	2,272	Ramdutt Ramkissendas	Hukumchand	41f	10	7½	46½	66½	17½	3.	P.Y.
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co. ..	India	129	{O. 125	5	10	25	25f	3	P.H.
30,000								{D. 1	5½	5½	5½	2½f	3.9	T.P.Y.
24,00,000												21f	3.9	P.H.
19,20,000'B'	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	190	100	—	17	22½	14½	3.9	P.H.
30,00,000							185	100					6.12	P.H.
84,00,000'P'	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kankinarrah	152	100						
£1,00,000							142	100						
£4,00,000	1,16,51,567	92,15,718	1,15,896	703	McLeod & Co.	Kelvin	235xd	100	10	20	25	15	6.12	P.H.
48,00,000	1,30,67,874	1,60,84,337	4,00,592	1,530	Anderson Wright Ltd.	Khardah	163	100	—	25	25	16	6.12	P.H.
24,48,000	1,94,15,989	2,09,37,251	1,16,451	1,296	F. W. Heilgers & Co.	Kinnison	205	100	2½	14	19	7f	15f	P.H.
28,00,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Landowne	123	100	2	21	15	3f	3.9	P.T.H.
10,00,000	1,19,87,748	1,13,75,507	6,934	840	Bird & Co., Ltd.	Lawrence	181	100	6	19	22	4f	3.9	T.P.H.
81,63,200	90,30,427	90,24,403	64,157	558	Andrew Yule & Co.	Lothian	275	100	—	15	32½	30	3.9	P.H.
39,98,900	1,38,82,204	1,94,76,907	1,17,533	1,908	Mackinnon Mackenzie & Co. ..	Megna	101	100	4½	8½	13½	2½f	5.11	P.H.
12,00,000	1,29,56,303	1,53,03,495	—2,80,351	815	P. W. Heilgers & Co.	Naihati	115	100	—	—	3½	—	3.9	H.
35,00,000	39,17,880	25,69,085	17,184	425	Howrah Trading Co., Ltd. ..	Naskarpara	16	10	11½	13½	22½	—f	3.9	P.T.H.
7,50,000	50,49,988	27,56,893	45,733	852	Andrew Yule & Co.	National	244	10	11½	15	25	10f	4.10	T.H.
10,50,000	57,38,098	25,75,900	1,23,783	316	McLeod & Co.	Nellimarla Jute	35½	10	23	30	75	30	4.10	P.H.
16,79,880	71,50,669	48,48,686	38,811	709	Babu Jain Ltd.	New Central	260xd	100	6	14	30	30	6.12	T.P.H.
66,79,500	91,33,709	1,29,17,038	3,934	567	Bird & Co., Ltd.	Northbrook	209	10	—	—	22	6½	6.12	P.H.
24,91,000	1,68,36,135	2,12,90,664	30,401	1,092	Macneill & Barry Ltd.	Nuddea	47½	50	—	—	20	2½f	3.9	P.T.H.
	70,60,941	70,35,063	81,356	601	Andrew Yule & Co., Ltd. ..	Orient	180	100	9	5½	14	—	3.9	T.H.
										14		7	5.11	H.
25,00,000	64,86,591	80,78,198	—3,93,006	400	McLeod & Co.	Presidency	5	5	—	—	—	—	6.12	T.H.
20,00,000	7,67,4331	26,15,293	—5,29,549	305	Macneill & Co.	Rameshwara	5½	10	—	—	2½	—	6.12	H.P.
49,50,000	56,55,998	1,23,44,146	48,080	1,276	Jardine Henderson Ltd.	Reliance	152	10	—	1½	—	—	3.9	T.Y.
£600,000	£1,102,661	£1,203,880	£82,640	2,013	Thomas Duff & Co. (India) Ltd. ..	Samnuggur	149	£1	6½	10½	10½	2½	3.9	P.T.H.
80,00,000	68,57,466	95,49,412	87,40,932	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	163	10	—	15	10½	10	12	P.Y.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn. ..	Soorah	134N	10	—	10	10f	—	3.9	P.H.
£5,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	146	100	4	15	—	—	3.9	P.H.
£600,000	£849,927	£990,895	£115,163	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	148	£1	6½	10½	16	12	3.9	P.Y.
£5,98,600	1,80,41,145	1,73,03,324	15,098	1,326	Bird & Co., Ltd.	Union	177	100	2	10½	10½	10	12	P.H.
£400,000	£587,164	£1,059,917	£119,708	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	15	£1	6½	10½	21	10	3.9	P.Y.
2,50,000	35,57,381	56,21,133	—65,636	465	McLeod & Co.	Waverley	5½	1	—	5	5	—	12	P.T.H.
													6.12	Y.H.
														P.T.H.

(O For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign income-tax. Only Depreciation. * Includes bonus —Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
25,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21	10	17½	20	13½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,296	Jardine, H. & Co., Ltd.	Barraree Coke	18½	10	14½	13½	14½	7½f	3.9	P.H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	5½	10	6½	6½	6½	—	3.9	H.
1,00,00,000	3,35,23,103	5,08,61,723	8,02,968	Andrew Yule & Co., Ltd.	Bengal	53½	200	33½	12½	6½	—	6	H.
6,49,350	2,94,703	8,49,159	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhadee	6N	10	2½	2½	18½*	10*f	4.10	P.T.Y.
2,25,000	27,50,840	25,85,066	6,970	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13½xd	10	22½	16½	10	7½	4.10	P.H.
												6.12	H.
15,97,900	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	5½	10	—	2½	1½	—	6	P.M.
7,15,000	50,27,438	30,94,169	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbarare	12½	10	—	6½	6½	—	6.12	
16,00,000	53,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10½	10	5	—	6½	2½	6	V.
7,50,000	43,47,168	4,66,805	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	28½	10	20	30	30*	27½*	6.12	H.
												6.12	T.M.
90,92,480	3,29,07,686	4,03,65,968	1,15,021	Bird & Co., Ltd.	Burrakur	10	10	10½	7½	7½	6½	6.12	P.M.
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd.	Central India	4½	10	—	—	—	—	6.12	P.T.H.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	13½N	10	17½	12½	—	—f	3	Y.
6,00,000	1,40,000	7,50,000 (h)	13,973	F. W. Heilgers & Co., Ltd. ..	Churulia	2½	4	6½	4½	1½	1½	6.12	P.H.
												6.12	P.M.
16,00,000	26,97,346	45,41,647	24,455	Macneill & Barry Ltd.	Dhemo Main	10½	10	10½	10	12½	2½	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	24½	£1	13½	27½	32½	—	3	N.
29,43,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	43½	10	25	25	25	4	4	Y.
10,00,000	5,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Musilia	17N	10	20	5	—	—	6.12	M.
8,00,000	21,75,778	21,29,494	44,366	Macneill & Barry Ltd.	Hurriladih	16½	10	12½	15	15	15	3	V.
3,50,000	11,83,846	12,92,908	30,050	Andrew Yule & Co., Ltd.	Kalapahari	41½xd	10	26½	35	35*	35*	6.12	V.*
200,00,000	68,340‡	21,94,426	—1,33,693	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—	—	2.8	M.*
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd.	Katras Jherriah	2½	10	27½	35	37½	40	2	H.
1,38,400	5,20,519	11,63,519	1,063	Beriwala Bros.	Khas Kajora	11½	10	2½	25	11½	—	3	Y.
11,00,240	10,31,164	15,87,375	3,411	H. V. Low & Co., Ltd.	Kusunda	5N	10	3½	2½	10	—	1.7	H.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	7½	13½	—	6.12	P.H.
5,65,750	11,41,667	22,37,077	2,691	Beriwala & Co.	Mandulpoor	3½N	10	5	7½	7½	—	6	P.Y.
7,48,340	10,34,138	11,24,142	14,490	Associated Commercial Co., Ltd.	Nazira	6½	10	5	7½	7½	—	4	Y.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd. ..	New Banadeopur	6½	10	5	2½	5½	—	6.12	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	3	6	6½	—	6.12	H.
											5f	3.9	H.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	9½	10	12½	7½	—	—f	4.10	M.
2,50,000	6,84,984	3,43,859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	P.H.
												3.9	M.
1,13,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14½N	10	16½	13½	5	2½f	3.9	H.
1,57,500						11N	7½						
7,50,000	12,54,532	3,97,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	18½xdN	10	12½	25	22½*	20	6.12	P.H.
10,00,000	14,15,045	12,73,178	44,739	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	16	—	6.12	T.Y.
8,34,000	5,98,486	16,29,203	70,539	Deepchand Kiabenlall	Parasea	9½	10	—	—	—f	—	12	M.
												6.12	
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20½	10	16½	12½	10	6½f	2.8	H.
83,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	8½	10	—	—	—	—f	3.9	M.
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	21½	10	8½	12½	10	7½	6.12	H.
20,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	7½	10	—	5	13f	—	6.12	M.
1,25,000	13,14,667	13,30,351	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½xdN	2½	20	20	20	25	6.12	H.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25½	5	35-5/7	32-1/7	28-4/7	28-4/7	6.12	P.H.
8,00,000	34,84,308	37,05,977	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	10½	10	5	5	5	—	6.12	H.
										5½		6.12	
63,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7½	10	4½	5	5	—	6.12	T.H.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	12½	10	18½	10	5	—	3.9	H.P.
8,00,000	14,24,948	2,90,282	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	20½xd	10	16½	15	7½	3½f	12	T.Y.
10,00,000	15,82,936	30,15,424	—3,64,536	Williers Ltd.	Talcher	2½	10	—	—	10	15	2.8	H.
2,50,000	17,36,313	18,44,910	74,927	Williamson Magor & Co., Ltd. ..	Union	23½xd	10	20	27½	27½	12½f	6.12	H.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd.	Western Bengal	4½	10	2½	2½	2½	—	9	Y.
9,00,000	26,57,108	40,16,017	5,514	Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15	—	6.12	H.
												6.12	Y.
													M.

* The following explanatory notes relate to the abbreviations and marks shown on page 92 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 103-8 or at par after 31st July, 1953, on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 47)

"participate in the unused reserve fund of the Company provided for improvement and extensions, taxation and general purposes, and 50 per cent. of the funds shall be divided among the workers on the rolls on the date of closure." In the event of the Company being permanently closed, each of the workers will get the amount due to him from the provident fund as if they "have all been retired after a continuous service of 10 years and more." This will enable the workers to get back the amount of their subscription together with the Company's contribution and any interest that may have accumulated.

• • • •

The award does certainly raise an important principle, namely, whether workers are entitled to a share in the reserves of a company of which they are the employees. The Tribunal has held, in the dispute under reference, that 50 per cent. of such reserves should be distributed among the workers. This runs counter to accepted ideas about a company's reserves. After all, reserves are created through a self-denying process by the shareholders, who agree to plough back a portion of the profits in the company, in order to enable it to replace its assets or to fall back on the funds in times of need. It is really shareholders' money, in every sense of that phrase. It is not clear on what grounds the Tribunal has held that a portion of the reserves should be distributed among the workers. There are *two aspects* to this decision—the economic and the legal. The economic aspect will become clear when one reflects on the consequences of such a *decision* to company finance. If the *impression* gets abroad that reserves are the property of the workers, it would kill all incentive to retain profits in industry. Managements would be tempted to distribute profits in the shape of dividends. This would leave little *finance for* the managements to expand their undertakings. There would also be a clamour for bonus shares from the shareholders of the companies which have large reserves. All this is certainly detrimental to industrial progress. The legal aspect is that the decision has the effect of reversing an earlier decision. It may be recalled that the Adjudicator in the industrial dispute in the Cawnpore Electric Supply Co., Ltd. supported the workers' claim for a 50 per cent. share of the Company's reserve fund. The Company's appeal against this decision was heard in 1950 by the Allahabad High Court, which reversed the Adjudicator's decision. The Madras Tribunal's decision thus runs counter to the Allahabad High Court's judgment.

MANCHESTER LETTER

(Concluded from page 57)

by Mr. F. B. Arnold, Senior U.K. Trade Commissioner in Pakistan, who visited the Manchester Chamber of Commerce to outline export opportunities.

Mr. Arnold said Pakistan hoped to obtain a large amount of food from the United States, either on loan or as a gift. Until that issue was decided it would not be known how much would be available to give in the form of licences for cotton piecegoods. "If Pakistan obtains her food free there is every hope and indication that Lancashire will get licences in the second half of this year which should enable her to maintain her share of the market," he said.

Before restrictions were imposed in the middle of last year Pakistan spent £40,000,000 a year on cotton piecegoods of which 60 per cent. was supplied by Japan and 15 per cent. by Lancashire. At the moment, said Mr. Arnold, no licences were being issued except to Japan, who had agreed to take 650,000 bales of Pakistan raw cotton. In return for Japan agreeing to buy in the three months from April to June 150,000 bales out of the 650,000, Pakistan had agreed to issue licences for cotton piecegoods from Japan to the value of £3,500,000 from July to September. Mr. Arnold warned that Lancashire's ability to sell cotton and other goods to Pakistan depended to some extent on what could be bought from her.—*All Rights Reserved.*

BANKING

(Concluded from page 54)

The paid-up capital and reserves of Indian Scheduled banks increased during the year by Rs. 1.8 crores, of which the rise in reserves accounted for Rs. 1.6 crores. Of even greater interest was the large increase of Rs. 4.9 crores in the paid-up capital and reserves of Non-scheduled banks, but this is due to the additions to the list of reporting banks, the number of which rose from 309 to 425. The reserves of Indian Scheduled banks are now over four-fifths of their paid-up capital, as compared with three-fourths last year and over two-thirds in 1949. A disquieting feature, however, is the *inability of Non-scheduled* banks to attract proportionately large deposits. Thus, in 1952, there were 8 Scheduled banks and 79 Non-scheduled banks whose deposits were actually less than the sum of their paid-up capital and reserves.

Another feature which needs attention is the large increase in the Reserve Bank's advances to Scheduled banks. In 1952, these advances amounted to Rs. 246 crores, as against Rs. 77 crores in 1951 and Rs. 13 crores in 1950. Increasing attention was also paid to the Co-operative banks. As many as 391 loans were made to State Co-operative banks at the preferential rate of 1½ per cent. for financing agriculture, marketing of crops, etc. The aggregate amount of these loans was Rs. 10.44 crores, as compared with Rs. 9 crores in 1951, Rs. 5 crores in 1950, and Rs. 2 crores in 1949.

The net profits of banks, as revealed by the profit and loss account of 18 larger Indian Scheduled banks, were slightly lower at Rs. 5.2 crores in 1952, chiefly as a result of the rise in interest paid on deposits. Gross earnings increased by *Rs. 2.1 crores to Rs. 28.3* crores, owing to higher earnings through discount rates.

MARKET REPORTS

(Concluded from page 81)

indications, is not likely to be sold below Rs. 27 per maund, at which price the imported sugar may be freely available.

During the mid-week, the sugar market remained fully steady, on the general scepticism over possibilities of imports and on reports that no import deal has yet matured. The upward tendency, however, was soon arrested by the release of a further quantity of 100,000 tons of sugar for sale in the free market out of the 1952-53 production of all factories in the country.

The latest *sugar quotations are:* Ambala Rs. 31-8, Amritsar Rs. 32, Delhi Rs. 31-12, Jullundur Rs. 30-14, Agra Rs. 30-4, Hapur Rs. 32, Kanpur Rs. 29-8, Mathura Rs. 31, Meerut Rs. 31, Muzaffarnagar Rs. 31-4, Calcutta Rs. 29-12 to Rs. 33-8, Gauhati Rs. 35-8, Madras Rs. 32-6 and Bombay Rs. 31 to Rs. 33-4.

Gur markets were quiet to bearish, in sympathy with crystal sugar market. There has been a general fall in offtake at present level. Arrivals in most of the markets have been negligible, stock movements—mostly on previous commitments—affecting the already accumulated stocks which are by no means burdensome. There is easy supply of wagons for loading of *gur* at the local station and not all of them have been used. Advises from principal *gur* markets in the south indicate a general fall in prices of about a rupee per maund and a fall in the offtake. The latest quotations are: Ambala Rs. 18, Amritsar Rs. 20, Delhi Rs. 20, Jullundur Rs. 18, Agra Rs. 18-13, Hapur Rs. 18-8, Kanpur Rs. 20-4, Mathura Rs. 18-2, Meerut Rs. 18-8 to Rs. 19, Muzaffarnagar Rs. 19-2, Calcutta Rs. 18-4 to Rs. 22-4, Madras Rs. 22 to Rs. 23 and Bombay Rs. 21 to Rs. 28.

AUSTRALIAN WOOL STRONG

(Messrs. J. Hardacre & Co.)

BOMBAY, 7th July

The Dominion wool marketing season ended in Australia yesterday on a strong note, with prices being firm on all, except shabby and inferior, lots which were in buyers' favour. Despite this firm tendency, at origin, there is a general feeling of hesitancy throughout the trade and all sections complain of lack of new business. At the same time, it must be taken into account that this is also the mid-season period for the woollen manufacturers and this section is particularly quiet in most consuming countries. Stocks held by mills are, in general, very small and it is anticipated that the present policy of hand-to-mouth buying will continue. Good demand, particularly for spot wools, is, therefore, expected from August onwards, when the spring garment season opens.

To-day's quotations (in pence per lb. c.i.f. Bombay) for Bradford oilcombed tops are given below:

48's carded (Aug.-Sept., 1953)	...	...	88
58's super (Aug.-Sept., 1953)	...	...	124
60's super (September, 1953)	...	...	144½
64's super (September, 1953)	...	...	167
70's super (September, 1953)	...	...	179
Fibro (3D. 4") (Aug.-Sept., 1953)	...	...	43
46/48's scoured clothing wool (Aug.-Sept., 1953)	...	...	77

MILLED DUST TEAS

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	355	100	18½	18½	18½		12	Y.P.
16,50,000				175	50						
1,01,000				102	100						
23,99,000	12,03,000	7,231	Andhra Bank	51½	50	6	6	6		6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111½	50	12½	12½	12½		12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14½	25	3	3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	158	50	14	14	14		6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	12½	12½	12		12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	20½	10	3	3	3		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	280	100	16½	16½	16½		12	Y.
39,18,600	42,61,693	23,280	Bombay State Co-operative Bank	59½	50	5	5			6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9		12	D.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd	85	50	10½	10½	10½		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	65½	25	14	14	14		12	R.L.Y.
52,42,375 'A'				66½	25						
30,00,000	24,00,000	1,47,808	Dhrakeras Nanjee Banking Co.	34½	50	3	3⅜	3⅜		12	Y.
1,80,00,000	1,00,00,000	18,10,925	Habib Bank (P)	88	20	10	20	20		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	10½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105¼	100	6¾	6¾	5		9	Y.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,872½	500	16	16	16		6.12	R.L.H.
1,87,50,000				452½	125	16	16	16		6.12	R.L.H.
24,00,000				179	100						
16,00,000	73,50,000	1,04,201	Indian Bank	141	80	12½	12½	12½		6.12	R.L.H.
15,40,000				104	55						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	91	100	5½	6	6		6.12	R.L.H.
6,25,000				75	100(A)	9	7½	6½			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	9	7½	6		6.12	H.
10,00,000				37	50(C)	6	6	6			
4,55,264	30,61,350	60,357	Punjab and Sind Bank	35N	25	7				6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	20	25	4	4	6		12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	5	5	6¾	6¾	6¾		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	4	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	(£2-1-4)	£5	14†	14†	16‡†		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	7†	6†	7†		12	R.L.Y.
H.K.$20,000,000	H.K.$76,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	(£8‡)	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-12-6	£1	12½†	12½	12½		12	R.L.Y.
£1,437,296				£1-6-3		5†	5†	5†		12	R.L.Y.
£373,000	£1,500,000	£200,143	Mercantile Bank o India	£25‡	A £12½	12½	12½	14†		12	R.L.Y.
£373,000				£25‡	B £12½						
£300,000				£10	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£30‡	£12½	16†	16†	16†		12	L.Y.

‡Includes Bonus. †Less Tax (P) Pakistan Currency
‡‡Subject to taxation. ††O.S. Currency (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	100	1st June .. 1953(b)
5,50,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	99½	28th February .. 1956(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	99	30th December .. 1956
10,00,000	6	1st August and 1st February	Navalgoan Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1953-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	83	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	96‡	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	99‡	1st January .. 1967-72
13,68,000	5½		Empire Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	100‡	 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	95	31st March .. 1965
1,23,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101‡	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	83‡	31st December .. 1970
15,00,000	5	1st January and 1st July	Sikia (Iserriah) Electric Supply Co.,Ltd.	93	30th June 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94‡	 1951-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
49,21,000	4	1st April and 1st October	Tata Power	100‡	15th September .. 1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power	92‡	15th September .. 1965-70
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	96‡	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	97	30th June 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	100	1st July 1957-62
61,183,400	4½	31st March and 1st July	Mackinnon Mackenzie & Co. (1st mortgage)	89‡	31st December .. 1956(g)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	85*	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	94‡	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	98	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	95	30th June .. .. 1954(h)
13,00,000	4½	31st December and 30th June	Auckland Jute Co., Ltd.	91	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	97	30th June 1955
13,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	90	31st July .. .. 1959(c)
10,69,000	5	30th June and 31st December	Chitavalaah Jute Mills	97	30th June 1966
8,86,000	5	30th June and 31st December	Empire	94	15th July 1966
25,00,000	5½	1st January and 1st July	Hukumchand	91½	30th June 1957
25,00,000	5	30th June and 31st December	Kinaison Jute Mills Co., Ltd.	98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
3,00,000	5½	31st March and 30th September	Nellimarla Jute Mills Co., Ltd.	97N	31st March .. 1954
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May 1958
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	86‡	31st December .. 1964
1,00,000	5	30th June and 31st December	Premier Jute	91‡	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	95‡	30th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	94‡	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	95‡	30th June .. .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	83‡	31st July .. .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
6,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	84	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99‡	1st November
£350,000	4½	1st January and 1st July	Calcutta Tramways	100N	A : 105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933	£102N
1,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1936	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakbal-Lalabazar Railway	1945	30th September .. 1953
				89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100 1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944	100 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡ 1945-55
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101 30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98 31st December .. 1965
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948	86 31st December .. 1962
4,90,500	4	30th June and 31st December	Bengal Paper Mills	1937	95½ 30th June .. .. 1957(f)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92 1st February .. 1964
22,60,000	4½	1st July and 1st January	Clive Buildings	1936	88½ 1st July 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1948	86 15th September .. 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	101½ 1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	465 30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	(per note) 410 31st December .. 1972 (per note)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd	1951	91N 1st April .. 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 31st March .. 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	83‡ 31st December .. 1959

Note—See page 90 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 9th July, 1953.

—	Closing quotations 2-7-53	High	Low	Closing quotations 9-7-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	158	158	157½	158
Bank of Baroda (50)	111½	111½	111½	111½
Central (25)	65½	65½	65	65½
Imperial (F.Pd.) (500)	1,872½	1,875	1,870	1,875
Imperial (P.Pd.) (125)	455	—	—	455
Union Bank (5)	6-7½	6-7½	6½	6-7½
United Com. (50)	36	36½	35½	36
COTTON MILLS				
Ahm. Adv. (100)	147½	—	—	147½
Apollo (2)	2-15½	2-15½	2-14½	2-15½
Bombay Dyeing (250)	375½	376½	371½	374½
Central India (100)	155	156	153	156
Century Mills (100)	272½	272½	269	272
Colaba (100)	69	—	—	69
Edward Textile (200)	255	—	—	255
Elphinstone (50)	39	40	39	40
Finlay (100)	313	—	—	313
Gokak (100)	213½	214½	213	213½
Ind. Untd. Deffd. (1)	1½	1½	1½	1-8½
Ind. Untd. Ord. (10)	9½	10-1½	9-10½	10½
Indore Malwa (100)	89½	90½	88½	90½
Kamataka (100)	182½	—	—	182½
Lakshmi (250)	303	—	299½	302½
Madhusudhan (100)	555	555	552½	552½
B. R. Cotton Mills (100)	83	—	—	83
Minerva Mills (100)	49	—	48	48
Model Nagpur (250)	100½	—	—	100½
Morarji (100)	142½	—	—	142½
Mysore (50)	180	—	—	180
New City (100)	124½	123½	123½	123½
New Great (100)	151½	—	—	151½
Pharnix (100)	147½	148	146	147
Podar Mills (100)	105	107½	105	107½
Rasoon Silk (10)	124½	125	122½	125
Rasoon Spg. (10)	25½	—	—	25½
Shahpur (1,000)	26½	—	—	26½
Simplex (50)	1,800	—	—	1,800
Swadeshi (100)	179	180	170½	171½xd
Swan (100)	245	246	243½	245
Tata M. (25)	435	43½	432½	432½
Vishnu (100)	43½	43	42	42
Western India (1,000)	3,180	155	149½	149½
				3,180
ELECTRIC COS.				
Ahmedabad (100)	110	110	109½	110
Amalgamated (10)	10½	10¾	10½	10¾
Andhra Valley (1,000)	1,427½	1,430	1,423½	1,427½
Bom. Sub-El. (100)	126½	—	—	126½
Surat (100)	126½	126½	124½	124½
Tata Hydro (100)	154	—	149½	154
Tata Power (1,000)	1,507½	1,511½	1,502½	153½
				1,508½
INSURANCE COS.				
British Ind.a (10)	13½	15	14½	14½
Empire of India (100)	625	627½	625	627½
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7-2½	—	—	7-2½
New (15)	40½	40½	39	40½
Oriental (200)	7,170	—	—	7,170
Universa (10)	7⅜	—	—	7⅜
Vulcan (10)	11¾	—	—	11¾
STEAMER COS.				
Bom. Steam (25)	—	—	—	—
Scindia (15)	12-13½	12¾	12½	12-13½
STEEL COS.				
Ind. Iron (10)	24½	24¾	23¾	23-15½
Tata Steel Def'd. (50)	1,887½	1,875	1,857½	1,871½
Tata Steel Ord. (75)	329	327½	322	325
MISCELLANEOUS				
Alaoch Ashdown (100)	290	288½	285	287½
Associated Cm. (100)	170½	170½	169½	170½
Belapur Sugar (5)	229	228½	224½	224
Bom. Burmah (125)	355½	356½	351½	355½
Do. (New) (50)	135	—	—	135
Br. B. Petrol (4 sh.)	1-1½	1½	1½	1½
Br. I. Corpn. (5)	8-2½	8-5½	8-2½	8½
Indian Copper (2 sh.)	2-14½	2-14½	2½	2½
Ind. Inv. Tr. (100)	72½	72½	69½	69½
Port Canning (100)	22½	22½	22	22
Premier Cm. (30)	81	80½	79	80½
Shivrajpur (10)	54½	55½	54½	55½
Tata Chemicals (10	8¼	8-15½	8	8-13½
Tata Oil (25)	32	32	31½	32
Walchand Ind. (100	136½	138½	136½	136½
W. I. Match (100	216½	216½	215½	216½

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Later Redemption	Rs.
2½% 1954	98½	—	3-31	98½
2½% 1953	98½	—	3-24	98½
2½% 1960	90¾	—	3-89	90¾
2½% 1962	93¾	—	3-89	93¾
2½% 1974	91¾	—	3-88	91¾
3% 1955-55	83	—	3-87	83
3½% 1957	100¾	—	2-30	100¾
3½% 1958	98¾	—	3-47	98¾
3½% 1959-61	98¾	—	3-40	98¾
3½% 1964	92½	3-71	3-56	96¾
3½% 1964-65	92½	—	3-86	92¾
3½% 1966-68	92½	3-90	3-78	92¾
3½% 1970-75	90¾	4-00	3-90	90¾
3½% 1979-84	86½	4-10	3-92	86¾
3½% 1954-59*	82¾	3-62	(Cr. Inc.)	82¾
4½% 1960-70	100¾	3-54	3-43	100¾
4½% 1955-60	102¾	3-60	3-80	102¾
4½% 1958-68*	103¾	3-06	3-96	103¾
4½%	105	3-40	4-03	105

BRITISH GOVERNMENT SECURITIES	2-7-53 £	High £	Low £	8-7-53 £
2½% Brit. Consols	60¾	60¾	60¼	60¼
3% Savings Bonds 1955-75	85¾	86¼	86¼	86¼
3½% War Loan 1955-59	101¾	101¾	101¾	101¾
3½% War Loan 1952	81¼	81¼	81¾	81¼
3½% Brit. Iron and Steel 1979-81	91¾	91¾	91¼	91¾
4% Funding Loan 1960-90	100¾	100¾	100¼	100¾

xd—Ex-dividend.

COMMERCE

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

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TEXTILE DECONTROL

WITH the Central Government's announcement last week, abolishing the remaining controls on prices and distribution of cotton textiles, the curtain has been rung down on the penultimate scene of the three-act drama of textile controls; the only remaining scene is that relating to production control. The first act, which commenced a little over 10 years ago, saw the imposition of controls while the second act, a brief one, was the removal of controls in the first quarter of 1948. The third act witnessed the reimposition of controls in the third quarter of 1948. If the climax of the play, the final removal of price and distribution controls, has aroused little interest in the country, it is because the audience had for long anticipated the event. Through a series of relaxations which preceded the complete removal of controls last week, the public had been tutored to expect nothing short of total decontrol.

The movement towards decontrol began in April last year, when the Government lifted the control over distribution of superfine and certain varieties of fine cloth and over 80 per cent. of coarse and medium cloth. Export restrictions on fine and superfine cloth were also removed while the freedom for medium and coarse cloth exports was allowed to continue for a further period. These relaxations were followed by further measures of a similar nature in October, 1952, and April, 1953, the net effect of which was to exclude all but 15 per cent. of coarse and medium varieties of cloth from the scope of the price and distribution controls. The latest decision removes even these last vestiges of the control on price and distribution of cloth and yarn.

The Government has acquired a reputation for acting with unbecoming haste in clamping down controls and with unbecoming tardiness in removing them. This time too, it has lived up to that reputation. Textile decontrol has been long overdue. In fact, some varieties had already decontrolled themselves without waiting for official action, for they were selling below the levels at which they were controlled. No risk is, therefore, involved in the latest decision, even as there was none in the earlier decisions of decontrol. If any further justification were necessary for decontrol, it would be found in the fact that production has been consistently on the uptrend. During the four months ended April, 1953, cloth and yarn production was 1,613 million yards and 487 million lbs., respectively, or an annual rate of 4,840 million yards and 1,460 million lbs., as against the lion yards and 1,460 million yards and 1,640 million target of 4,700 million yards and 1,640 million lbs. fixed by the Planning Commission, to be reached by 1955-56. While production, especially of cloth has thus been rising, absorption of cloth and yarn has been lagging behind. Exports have not been very encouraging. During the same period, in the current year, exports of cloth aggregated 200 million yards or an annual rate of 600 million yards, as against the target of 1,000 million yards fixed at the last Buxton Conference. Internal offtake too has not shown any spectacular improvement. In these circumstances, the Government has acted wisely, if not very promptly, by shaking off whatever semblance of responsibility it had towards the industry in respect of prices and distribution of cotton manufactures. Indeed, if the decision had been delayed much longer, it is not unlikely that it would have faced a situation in which it would have had at least the moral obligation to support the prices of cloth and yarn.

Past experience in textile decontrol shows that every relaxation of control has been followed by an improvement in production. But this experience, however, offers no indication to suggest that the present step will be followed by a similar result. On previous occasions, decontrol meant, in effect, a slight increase in prices, which provided the stimulus to higher production. But it is extremely unlikely that textile prices will move up now. There is a strong buyers' market at present in all varieties of cloth, including the coarse and medium varieties which have just been decontrolled. There is, therefore, no immediate prospect of any increase in prices. We use the word "immediate" advisedly, because a good export trade might change the prospects. An equally important factor would be a good monsoon which would stimulate economic activity in this predominantly agricultural country and thereby help augment the demand for cloth. In any case, the industry cannot look forward to the bumper profits of the war or the early post-war years. It will have to fight hard for widening the internal and external markets. Conceivably, even the maintenance of these markets might create problems for at least some sections of the industry, if not for all.

The industry has been controlled for well over a decade now. It has lived in a sheltered climate. Its first exposure to the rough weather of a free market will call for new adjustments. In this task, the industry, which gives employment to over seven lakh workers and many thousands of traders, has a right to expect some support from the Government. For the industry's problems are not entirely of its own creation. The major problem is, of course, to reduce the cost of production. But then, the room for manœuvre here is not very large, considering how rigid is the cost structure of the industry. It has been computed that the average cost of production is about As. 10 per yard, of which cotton accounts for As. 5. Of the balance, namely, As. 5, the various Government imposts (apart from the taxes which all manufacturers pay), such as import duty on cotton, excise duty on cloth, higher freight on coal, increase in wage bill, provident fund and State Insurance contributions, sales tax and other levies account for As. 2. These represent additional imposts, in the sense that, but for them, the manufacturing charges, other than cotton, would be only As. 3. In other words, the new levies have added As. 2 to the price per yard. In absolute figures, thanks to these burdens, the industry contributes to the Exchequer and other participating interests an additional Rs. 50 crores. Whether these burdens, imposed at a time when the going was good for textiles and not compensated by any advantages, whether direct or indirect, could be continued any longer in their original form is a question that must engage the attention of the Government. If the industry were ever to fall on evil days, as it did in the thirties, resulting in distress to millions of homes—those of the cotton farmers, textile workers and cloth traders, not to mention the investors—the Government could not possibly absolve itself of all responsibility for such a situation.

It is true that the outlook is not really so gloomy. But it is none too bright either. And the Government's wisdom lies not so much in taking remedial steps after a depression sets in but in forestalling events and in taking appropriate measures that would stave off a recession. A prosperous internal market is necessary for the industry. It would be wrong to think that the industry could continue to market an increasingly larger quantity of goods without effecting a sizable reduction in production costs. Apart from what the Government can do to help the industry bring down its costs of production, there is the far more important question of man-hour productivity. Available evidence shows clearly that the Indian level of man-hour output is low; it is low even after allowance is made for the relatively lower wage levels which prevail in the industry as compared with its confreres in other countries. This means that either production should be correspondingly stepped up or wage levels brought down. Since the latter course is always fraught with the danger of industrial unrest, it is to be hoped that labour will co-operate with any endeavour made by the management to raise production through the adoption of rationalisation of work-loads and modernisation of equipment. After all, labour leaders will now have to weigh the slight hardship of partial displacement of workers and heavier work-loads, that might be caused by rationalisation of work, against the more acute misery that would result from the industry's failure to put its cost structure in order.

The need for ensuring a substantial volume of export trade arises for three reasons. In the first place, there is the ever-present demand for foreign exchange which could be met, in no small measure, by textile exports. Secondly, the Partition of the country has deprived the Indian Union of the former markets in the territories which now form Pakistan. Thirdly, a good export market is an effective insurance against any fall in internal offtake. But export markets are not easily won; nor can they be so easily maintained, when once won. The Indian textile industry has to reckon with serious rivals which do not suffer from the same handicaps as it does. These rivals suffer from no State-imposed restrictions in regard to rationalisation and modernisation. They enjoy comparatively greater freedom when it comes to modernising their equipment or rationalising the work-loads. Again, the competitive disadvantage from which they suffered *vis-a-vis* Indian mills because Indian cotton was controlled at below world levels has now been greatly reduced, thanks to the decline in world prices of cotton. Finally, they are not, unlike the Indian mills, compelled to conform to a predetermined pattern of production.

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The retention of production control is the most incongruous part of the present textile regulations. If the mills are free to sell their goods at prices determined by the free market, they must also be given the freedom to produce the fabrics which the consumer wants. Sartorial fashions are notorious for their ephemeral character. It should be the responsibility of the mills to meet the demand—often shifting demand—of the consumer who is now gradually coming into his own. It is not clear why production control, which interferes with the discharge of this responsibility, is still being retained. If it is necessary to regulate production in the interests of the handloom industry —we have always been critical of this policy of robbing Peter in order to render aid of doubtful value to Paul—it is reasonable to expect that the Government will retain only such controls as are necessary to aid the handloom weaver. The rest of it all may easily be ended with no injury to anyone. Hitherto, production control had two objectives. First, it was instituted with a view to reducing the number of varieties so that they could be properly grouped for facilitating price fixation. Secondly, it was meant to assist the production of maximum yardage even at the expense of some quality. Quantity, rather than quality, was its supreme objective. Now, these considerations do not certainly hold good. If, however, it is the Government's contention that production control could be utilised to improve the quality of goods produced by the mills, we can say without the least exaggeration that the Government is wasting its time and resources, as well as those of the mills, for we are certain that this objective cannot be achieved through bureaucratic directives. It is a free and competitive market that will ensure an improvement in the quality of cloth and yarn produced by Indian mills. Conditions are now propitious for the operation of such a market.

Now that cloth and yarn prices have been decontrolled, the question whether the next logical step is not the removal of control on cotton will naturally engage the attention of the interests concerned and the Government. But the question bristles with certain difficulties. It is true that the decontrol of cotton cannot for long be delayed when the chief consumers of cotton, the mills, are enabled to market their goods in a free market. But cotton does not answer the test of adequacy of supply which has finally determined the question of freedom for cloth. The cotton season, 1953-54, will commence, according to present indications, with a carry-over of 1.93 million bales (1.57 million bales of Indian and 360,000 bales of foreign cotton), as against the 2.40 million bales (1.91 million bales of Indian and 490,000 bales of foreign cotton) brought into the 1952-53 season. Thus, there is an initial deficiency of about 500,000 bales of cotton. It is yet too early to anticipate the size of the crop in the next season. If the weather continues to be as favourable as it has been for sowing, a crop of about 3.8 million bales can be expected. This, together with the carry-over, will assure enough supply to meet the mills' requirements of domestic cotton of the order of 4 million bales per annum to maintain the production at the present rate. But it is now too early to say whether this supply could be anticipated. It should, however, be possible to decide the question by October next, when a clearer picture of the cotton position would become available. A delay of two or three months is not going to mean anything to the farmer, whose interests have a prior consideration over those of traders, inasmuch as he has probably no old crop to sell now and is just sowing the next season's crop. In the meanwhile, of course, the important question on which the Government has to take a decision without any further delay is whether trading in futures should be allowed in the new crop. If permission is given for futures trading in the new crop within the existing ceilings and floors fixed by the Government and if cotton is decontrolled, say, within the next three months, it may give rise to a controversy later on. Some may argue that the Government is not justified in abolishing the controls after certain contracts had been concluded on the understanding that their risk had been limited by the floors and ceilings. In order to avoid such a controversy and with a view to ensuring continuity of futures trading, the Government will do well to declare, in the clearest possible language, that it is giving permission for futures trading in the new crop without prejudice to its right to decontrol cotton at a later date.

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As we go to press comes news that the Government has permitted trading in the hedge contract for February delivery only.

MORE ABOUT SUGAR

RELIANCE on expedients, rather than planned effort with a clear vision of the future, has been one of the drawbacks of the present Government of India's economic policy. Nowhere is this so clearly visible as in its policy relating to the sugar industry. This policy is being chopped and changed so frequently that one wonders whether the Government has any policy at all. Control on prices and distribution was first introduced in order to protect the interests of consumers. Later, when production exceeded demand, it was modified in such a way as to protect the interests of producers. When the time was fully ripe for complete decontrol of the industry, it hesitated to act, because it was frightened by the dark picture of the consequences painted by certain vested interests. It was easily persuaded to believe that there was a glut of sugar in the country and that the only way out of that situation was to permit exports, even by providing a subsidy, if need be. Within a few months, the country experienced symptoms of scarcity, though there had been no export of sugar in any sizable quantity and there was really no shortage of stocks. Prices started climbing up, even though the cost of the raw material, sugarcane, had been reduced. The situation threatened to deteriorate to such an extent that, within six months of its decision to encourage exports, the Government had to permit imports. In order to make imports possible, it had to cut the import duty also. For once, we thought the Government had a mind of its own on this subject, though in the execution of that decision it erred in some respects. But we were proved wrong, for the Government soon changed its mind. The import policy has now been altered in such a manner that the object of allowing imports is not likely to be realised in full.

The necessity for resorting to imports in order to prevent sugar prices from shooting up would not have arisen, had the Government completely decontrolled the industry either at the beginning of the current season or some time in February or March last, when the fear of glut had practically disappeared. By retaining its policy of periodical releases and reserving a buffer stock of 3 lakh tons, the Government prevented the weight of the record supply of sugar in the country from making itself felt on prices. On the contrary, this policy was conducive to hoarding and speculation. By last month, a stage had been reached when the only effective way in which a boom in sugar could be prevented was to allow imports. A mere abolition of all the remaining controls on releases and stocks would not have had the desired effect, for by then a bullish atmosphere had come to prevail. The price of *gur* had shot up to a record high level and forecasts of a serious shortfall in the next season's output were in the air. The contention that the Government could have brought the situation under control without taking the drastic step of permitting imports is, therefore, untenable. In fact, if the consumption of sugar in the country has gone up to as much as 16 lakh tons per annum, as is contended by some, substantial imports will have to be allowed in the coming season, inasmuch as production in that season is very likely to fall, owing to a reduction in the output of cane and the high prices of *gur*. The alternative to this course will be a return to complete control on prices, movement and distribution, a step which will be more unwelcome to the industry and trade than the prospect of controlled competition from imported sugar.

While the Government's move to allow imports of sugar was thus warranted, the reduction in import duty to the extent of more than 50 per cent. (from Rs. 14-14 per cwt. to Rs. 7 per cwt.) was not. As was pointed out by us on a previous occasion, the reduction in the duty was much more than necessary and has placed the domestic industry at a disadvantage *vis-a-vis* the importers, for the revised duty has not fully offset the Governments' various imposts on the industry, such as excise duty, cane cess, etc. To this extent, therefore, the industry will be perfectly justified in protesting against the Government's action. Equally justified will it be in demanding that the import duty should be fixed at such a level as will not enable the importer to sell sugar at less than the rate which the Government itself considers fair, because the Government has forced the factories to pay a particular price for their raw material. But the demand of some sugar millowners that no imports at all should be allowed and that no reduction at all was necessary in the old rate of import duty (namely, Rs. 14-14 per cwt.) has no justification whatever, for the industry has ceased to enjoy tariff protection. If the industry feels that its position is being jeopardised as a result of imports, the proper course for it would be to ask for protection, in which case the whole issue will be dispassionately examined by the Tariff Commission.

But the Government has practically conceded the industry's demand. By doing so, it has again ignored the interests of consumers. It has dropped its first proposal to allow imports through the trade without prescribing any ceiling on the total quantity of imports. Instead, it has decided to restrict the quantity to 20,000 tons. Further, imports are to be only on Government account. The one saving grace in this decision is to allow the importers to submit tenders to the Government for delivery of sugar at specified ports. The imported sugar will then be sold to merchants and their distributing agencies at fixed prices in advance of the actual arrival of the shipments. This arrangement is evidently a compromise between complete State trading and private trading, under which private traders will be able to earn a small margin, while the Government will retain the major portion of the profit, arising as a result of its fixing the import duty at an unduly low level and of the high level of domestic prices. In short, a move which was meant to safeguard the consumer from the possibility of a sharp rise in the price of sugar is now sought to be used as a means for augmenting the revenue of the Exchequer.

If the object of the Government in making these changes was to rectify a defect in the import policy announced earlier and not to increase its revenues, then the Government could have achieved it in a straightforward manner. It could have raised the import duty to a level sufficient to offset the handicaps placed on the domestic producers of sugar and allowed the imports to take place completely on trade account. This would have eliminated all the defects inherent in the Government entering trading activity. There is no certainty now that the undesirable results that flowed from the Government's control over releases of domestic sugar will not follow the Government's control on the quantum of imports and on the prices at which the imported sugar are to be sold for distribution in the country. How can anyone have confidence in the ability of the Government to handle imports of sugar successfully (successful from the point of view of consumers) after all its blunders in the past? That this restricted import policy has failed to make any impression on the sugar markets is evident from the revival of bullish fervour, accompanied by a rise of Rs. 4 per bag in the forward section and of Rs. 5 in the spot section in the past few days.

Even now it is not too late for the Government to change its policy in regard to imports of sugar in a realistic manner. Such a change will, of course, be more convenient if the Government can take a decision about its policy relating to domestic industry and trade for the next season. And it is needless to add that such a policy should aim at placing the industry on an economic footing, which will prevent it from drifting into chaos and crisis every now and then. The keynote of such a policy should be the withdrawal of the system of minimum price for sugarcane. All those who are acquainted with the sugar industry know full well that the abolition of minimum price for sugarcane is politically inconvenient and that the U.P. and Bihar Governments will strongly oppose any such move. But this must be squarely faced, in the long-term interest of the sugar industry which is bound up with the consumers' ability to pay. Further, there is no reason why the growers of sugarcane alone should be assured of a handsome price for their crop, while those producing other agricultural crops should be denied it. Moreover, if the contention that the consumption of sugar, as well as of *gur*, is rapidly expanding is correct, the fear that the withdrawal of minimum price will result in uneconomic prices for sugarcane is baseless.

RESPONSE TO STATE LOANS BETTER THAN EXPECTED

BANK PROFITS LOWER—COMMODITY PRICE TRENDS

THURSDAY, 5 P.M.

AS was indicated in these columns last week, ten State Governments have entered the long-term capital market. They propose to raise Rs. 28 crores in all, a large sum indeed, considering that cash subscriptions to the recent Central Government loan did not exceed Rs. 23.3 crores. All the States are offering a uniform rate of interest at 4 per cent. per annum, though their issue prices vary slightly. Whereas West Bengal and Bombay are offering their loans at par, others are doing so at a discount of As. 8. These terms are relatively more attractive than those at which the Centre issued its loan. The running yield is higher than that on the Central loan by half per cent. The redemption yield, however, is higher by only a little more than quarter per cent., for the Central loan was issued at a discount of Re. 1-4. Further, it is an eight-year loan, whereas the State loans are for ten years.

MARKET GOSSIP

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As will be seen from the table on State Loans, published on this page, the terms of the new loans mark a further climb down, in that they are slightly more favourable to lenders than it was a year ago. It is true that the rate of interest is unchanged at 4 per cent., but, last year, that rate was paid for a 12-year loan, whereas it is now being offered for a ten-year loan. The issue price in the case of the Madras loan is a shade lower as compared with last year, but it is the same in regard to the other States. Another interesting feature disclosed by the table is the extent to which money has become dearer than in 1946 when the cheap money policy was at its height. The rate of interest has gone up from 2½ per cent. per annum for 15 years to 4 per cent. per annum for 10 years and the issue price, which was at a premium of As. 8, is now at a discount of As. 8 The retreat has been faster since 1950, when the States could borrow on the basis of 3 per cent. for 10 years.

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It is profitless to speculate at this stage whether the new State loans will be a success or not, for, by the time these lines appear in print, the results of most of the loans will have been known. The progress made by them till the time of writing suggests that the response will exceed expectations. The West Bengal loan has already been over-subscribed. That is not surprising, because it was common knowledge that, even before Dr. B. C. Roy left for Europe, he had placed the loan privately with institutional investors in his State. The success of this loan is, therefore, more a tribute to his popularity with these investors than to any superior merit which is not found in the other State loans. It looks as though the loans of the Bombay, Madras and Uttar Pradesh States also will be fully subscribed. There is no reason why the Travancore-Cochin loan also should not be fully subscribed, as it is a cash-cum-conversion loan, with the outstandings of the maturing loan being equal to the amount of the new issue. As regards the other States, the progress is slow, but it will not be surprising if they are also taken up by the public, since active canvassing is going on in the respective States.

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Since, for all practical purposes, there is no difference in the creditworthiness of the borrowing States, we do not see why there should be a difference in the issue prices of the State loans. Can it be claimed, for instance, that the credit of Bombay or West Bengal is higher than that of Madras? Can anyone envisage a situation in which the Madras State will not be able to pay the interest on its loans regularly, whereas the Bombay State will be able to do so? If a State is unable to pay either the interest or the principal, the Centre is bound to do so. So, why make a distinction between the borrowing States? It is true that market prices of the existing State loans have always varied to some extent. One of the reasons for this variation is that some of the States are able to buy their own loans for investing some of their funds. Ordinarily speaking, a State which regularly creates a sinking fund will be able to buy back a part of its loans every year. But now that every State is in need of large funds, this factor may not hold good to the same extent as before. In any case, the Reserve Bank should discourage such a trend, at least by making a beginning with the issue prices. It must, however, be conceded that this year there is a greater measure of uniformity in this respect than in the past.

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All the States are borrowing, in order to finance capital projects which will take time to yield results. It is, therefore, doubtful whether they are wise in borrowing for ten years, which is a relatively short period. They may later on be faced with the problem of repayment. It would have been desirable if they had extended the duration of the loans. At least, those States which are borrowing large sums, such as Bombay, Madras and Uttar Pradesh, should have covered their requirements by issuing both medium-term and long-term loans according to the nature of the projects for which they are raising finance. Another interesting aspect of these new issues is the manner in which support for them is being sought by the various State Governments concerned. There are two views on this question. One is that the Centre itself should borrow on behalf of the States and distribute the amount according to their needs, so that the danger to the integrated capital market in India arising from competition from the various States can be avoided. The other view is that it is better to continue the present practice, as it provides some incentive to the State Governments actively to push the sale of the loans and a chance to mobilise local savings for local effort. There is much to be said in favour of both the viewpoints, as we shall show in our next issue.

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It would, of course, be wrong to jump to conclusions about the trend of bank profits from the results of the two banks—the Bank of India and the Imperial Bank of India—which have now published their results for the half-year ended June, 1953. But it is noteworthy that both the Banks have reported lower profits, though both of them have maintained their interim dividends at the same rate as for the corresponding half-year of 1952. In the case of the Bank of India, the results of which were published in *Commerce* last week, the decline is only a small one, namely, Rs. 0.78 lakh. Thus, for the half-year ended June, 1953, the profit was Rs. 36.11 lakhs, as against Rs. 36.89 lakhs for the corresponding half year in 1952. The results of the Imperial Bank show a much steeper decline. Thus, for the first half of this year, the net profit was only Rs. 63.10 lakhs, as against Rs. 70.07 lakhs in the first half of 1952. This sum, together with the amount brought forward from the previous half-year's accounts, makes in all Rs. 105.17 lakhs. The *ad-interim* dividend of 8 per cent. for the half-year under review absorbs Rs. 45 lakhs. Of the balance, the Directors have transferred Rs. 2.78 lakhs to pension funds and provided Rs. 20 lakhs for bonus to staff, leaving Rs. 37.39 lakhs to be carried forward to the current half-year's account. These appropriations, too, are the same as those made a year ago. Only the amount carried forward is less by Rs. 9 lakhs, mainly due to the fall in profit.

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It is a moot question whether the banks should vary their dividends in accordance with their profits or whether they should maintain them at a constant level. The decline in bank profits, which has been in evidence in this country, should, of course, make even the prosperous banks think twice before altering their dividend policy in favour of higher distribution. In the U.K., where a conservative dividend policy has for long been the tradition in banking circles, the National Provincial Bank (one of the big seven) has once again chosen to deviate from the accepted norm by changing its dividend level. It will be recalled that it was this Bank which had broken the tradition six months ago by increasing its final distribution from the usual 7½ per cent. to 8½ per cent. It was not expected that it would raise the interim dividend for 1953 also. But it has raised the interim rate from 7½ per cent. to 8½ per cent., thereby making the interim rate equal to the final rate for 1952. This has again given rise to some speculation about the dividend policy of the other big banks. None of these banks has, of course, chosen to pay a higher interim dividend; they have all elected to pay the same rate as in the previous years. If, despite this, there is still speculation about the possibility of a higher dividend, it is because operators in London realise that banks generally do not raise their dividend level through the interim payment first. Informed observers, however, feel that the other banks are not likely to follow the example of the National Provincial, despite the fact that bank profits have been quite encouraging. In this connection, they recall the fact that last year a few bank chairmen declined the request made by shareholders for higher dividends and announced that they had no intention to change the dividend levels in the near future.

STATE LOANS IN RETROSPECT

	Duration of Loan	Amount (in crores)	Rate of Interest	Issue Price
	Years	Rs.	%	Rs. a.
1943—				
Bombay	13	3.50	3	100
Madras	13	1.25	3	99½
Madhya Pradesh ..	13	0.50	3	99
1944—				
Bombay	14	3.44	3	100
Madras	14	1.10	3	100*
Uttar Pradesh ..	14	3.50	3	99½
Madhya Pradesh ..	14	0.53½	3	100
Travancore	8-10	3.00*	3	100
1945—				
Madras	15	3.00	3	99½
Uttar Pradesh ..	15	2.50	3	99½
1946—				
Madras	15	4.00	2½	100½
Uttar Pradesh ..	15	2.50	2½	100½
1947—				
Mysore	10	5.08	3	102
1948—				
Madhya Pradesh ..	16	2.00	3	99
1949—				
Bombay	13	6.00	3	99
1950—				
Bombay	10	3.00	3	99½
Madras	10	4.00	3	99
Madhya Pradesh ..	10	1.00	3	99½
1951—				
Bombay	11	3.00	3½	100
Madras	11	3.00	3½	99½
West Bengal ..	11	1.75	3½	100
Uttar Pradesh ..	11	2.00	3½	99½
Madhya Pradesh ..	11	1.00	3½	99½
1952—				
Bombay	12	3.50	4	100
Madras	12	5.00	4	99½
West Bengal ..	12	2.00	4	100
Uttar Pradesh ..	12	2.00	4	99½
1953—				
Bombay	10	5.00	4	100
Madras	10	5.00	4	99½
West Bengal ..	10	3.00	4	100
Uttar Pradesh ..	10	2.00	4	99½
Madhya Pradesh ..	10	1.00	4	99½
Bihar	10	1.00	4	99½
Mysore	10	3.00	4	99½
Travancore-Cochin ..	10	3.00	4	99½
Madhya Bharat ..	10	1.00	4	99½
Saurashtra	10	1.00	4	99½

* Travancore State Tax free.

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It is now becoming increasingly clearer that the post-Korean commodity boom in the world's markets is a thing of the past. From the dizzy heights to which articles such as wool, tin, and rubber, climbed in the immediate post-Korean period they have now moved down to substantially lower levels. The London *Economist* has worked out an interesting index number for commodity prices with the base (June 1950=100) which coincides with the commencement of the Korean war. This index reached a peak of 157 in March, 1951, and now stands at 99. This, of course, is the general trend. But individual commodities show wide variations. Some have risen proportionately more than the rest, while others have recorded only modest increases. But, by and large, they have all come down to lower levels. Wool (64s), for instance, rose from 140d. per pound in June, 1950, to 314d. in March, 1951. In September, 1951, it reacted to 112d. while it now stands at about 148d. American cotton, Middling grade rose from 34.47 cents per lb. in June, 1950, to 46.06 cents in February, 1951, and is now in the neighbourhood of 34 cents. Tin prices, which stood at £600 per ton on the eve of the Korean war, moved up to £836 in March, 1951, and still further to £1,000 in October of that year. But it now stands at only £610 per ton. Rubber (No. 1. R.S.S.) stood at 23d. per lb. in June, 1950, before it started its onward march. In February, 1951, it had touched a peak of 71½d. It has been almost continuously declining since then and is now standing in the neighbourhood of 19d.

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So much for world commodity prices. How have the Indian commodity prices behaved? Broadly, they have followed the same pattern as world commodity prices. But the prices are not back to the pre-Korean level. Thus, the index number of wholesale prices (Base: August 1939=100) stood at 395.6 in June, 1950. It moved upto 456.5 in the following year but reacted to 374.8 in June, 1952. But thereafter, the downward trend was reversed, and it was as high as 405.4 for June, 1953. The average for each of the years 1950-51, 1951-52 and 1952-53 was 409.7, 434.6 and 380.6 respectively. Over the year ended June, 1953, food articles have risen by 14.0 per cent. to 398.7, industrial raw materials by 11.8 per cent. to 481.0, semi-manufactures by 10.0 per cent. to 363.3 and miscellaneous articles by 11.8 per cent. to 674.5. Only the item "manufactures" shows a decline of 0.9 per cent. to 370.1. If these figures mean anything at all, they show that manufacturers have had to sell their goods at comparatively low prices, despite the increase in raw material prices. At any rate, the industrial sector has been relatively more successful than other sectors in the battle against inflation. The following table brings out the increase in the index number of wholesale prices over the year ended June, 1953:

INDEX NUMBER OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

	June, 1952	June, 1953	Percentage increase (+) or decrease (—) in June, 1953 as compared with June, 1952
Food Articles	349.6	398.7	+14.0
Cereals	445	474	+ 6.5
Pulses	434	560	+29.2
Others	216	277	+28.2
Industrial Raw Materials ..	430.3	481.0	+11.8
Fibres	447	430	— 3.8
Oilseeds	412	641	+48.4
Minerals	466	450	— 3.4
Others	295	360	+20.3
Semi-Manufactures	330.6	363.5	+10.0
Leather	316	417	+32.0
Mineral oils	220	224	+ 1.8
Vegetable oils	410	583	+42.2
Cotton yarn	455*	445*	— 2.2
Metals	199	225	+13.1
Oilcakes	424	448	+ 5.7
Others	260	252	— 3.1
Manufactures	373.6	370.1	— 0.9
Textiles	420	414	— 1.4
Jute	491	416	—15.6
Cotton	393*	407*	+ 3.3
Rayon and silk	534*	601*	+12.7
Woollen	302	312	— 3.0
Metal products	311	336	+ 8.0
Others	298	296	— 1.0
Miscellaneous	603.2	674.5	+11.8
All Commodities	374.8	405.4	+ 8.2

* Estimated.

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There are two spots which stand out prominently in the picture of wholesale prices—oilseeds and vegetable oils. The index number for vegetable oils improved over the year ended June, 1953 by 42.2 per cent. to 583, while that of oilseeds increased by 48.4 per cent. to 641. These are large increases, by any standard. The point may be illustrated by a reference to groundnut prices. Groundnut bold, ready, was quoted at Rs. 43-12 per cwt. in May 1950, that is before the Korean war. A year later, it climbed to Rs. 51-12. In March, 1952, when there was a general slump in India, it moved down sharply to Rs. 25. Since then, there has been a steady increase and it is now quoted at as much as Rs. 54, a record high. Since groundnut and groundnut oil constitute the only important sources of fat for most Indian families—milk and milk products are now above the reach of a large section of the population—it is necessary that their prices should be well within the reach of people of modest means. We, therefore, welcome and support the move made by the Bombay Oilseeds Exchange to get the Government to agree to larger imports of vegetable oils, particularly edible oils. In a communication addressed to the Government, the Board of the Exchange has drawn the attention of the Government to the rising prices of groundnut and groundnut oil. It urges that necessary steps should be taken

(Continued on page 139)

SHARE MARKETS STEADY

TEXTILES FARE BETTER

(From Our Own Correspondents)

BOMBAY, 16*th July*

A SMART rise in the values of textile shares and the Tata Hydro group shares was the most notable feature of trading on the Stock Exchange during the week. Steel shares met with some pressure on bearish rumours regarding retention prices of steel and on possible fears of refusal by the Government to allow an increase in the return on the gross block from 8 per cent. to 10 per cent. These sales were, however, absorbed and, on the closing day, some steadiness was noted on reports that the retention prices would be announced next Saturday. The sharp rise in textiles also favourably influenced sentiment in steels. Prices, therefore, improved, but the improvement was not enough to wipe off earlier losses. Consequently, final quotations were below those at the end of the previous week. Textile shares, on the contrary, fared better. Although they were, for the most part of the week, in a narrow groove these shares staged a rally on the closing day under the stimulus of a number of favourable factors. Thus, the abolition of price and distribution controls in cloth, the encouraging outlook for textile mills, particularly on hopes of an accord between India and Pakistan, and the proximity of interim dividends of some of the mills all cumulatively joined to raise values in this section over a broad front.

In the steel section, Tata Deferreds opened on a quiet note at Rs. 1,861-4 and reacted to Rs. 1,852-8 on Monday, due to disappointment over the delay in announcing the steel retention prices. Subsequently, short-covering and some replacement buying lifted them to Rs. 1,873-12 yesterday morning. But a reaction set in on adverse rumours about the steel prices, as stated above, and the shares were brought down to Rs. 1,856-4 before closing at Rs. 1,866-4. Tata Ordinaries were marked down from Rs. 325 to Rs. 321-12, but were restored to Rs. 324-8. Indian Irons touched a low of Rs. 23-8 and finished at Rs. 23-11, as against Rs. 23-15½.

In the textile section, Bombay Dyeings advanced from Rs. 372-8 to Rs. 379-6, but finished at Rs. 378-12. Kohinoors were in demand on dividend considerations and gained Rs. 3-4 to Rs. 305-12. Central Indias were picked up Rs. 5 better at Rs. 161 and Centurys Rs. 3-8 higher at Rs. 275-8. Finlays staged a well merited rally of Rs. 12 to Rs. 325 and Gokaks were supported to score a gain of Rs. 9 to Rs. 222-8, on reports of brisk demand for the Company's yarns. New Greats were marked up Rs. 3 better at Rs. 150. Simplex put on a rupee to Rs. 172-8. Standards were keenly bid and a large parcel of shares changed hands at Rs. 316-4, showing a rise of Rs. 10 over the week. Svadeshis gained ground from Rs. 245 to Rs. 248.

Bank shares were steady. Imperial Bank Fully Paids moved up by Rs. 7-8 to Rs. 1,882-8 and the Contributories by Rs. 5 to Rs. 457-8 on investment support. Centrals were a fraction lower at Rs. 65, while their new shares were unchanged at Rs. 67. Indias were a shade better at Rs. 158-8, and Barodas at Rs. 112.

A rise of Rs. 41-4 to Rs. 1,550 in Tata Powers was the highlight of trading in the public utilities section. Andhra Valleys advanced by Rs. 12-8 to Rs. 1,440 and Tata Hydros by Re. 1-8 to Rs. 155.

Leading industrials in the miscellaneous section presented a steady front. A.C.C.s were a fraction better at Rs. 171. After moving narrowly, Belapurs picked up strength to-day and rose to Rs. 228-8, a gain of Rs. 4-8 over the week. Bombay-Burmahs were dull at Rs. 355. B.I.C.s were quiet at Rs. 8-3½.

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Calcutta Stock Exchange

CALCUTTA, 15*th July*

The Calcutta Stock Exchange ruled easy again this week, and further losses were recorded. The volume of transactions was very much limited. The absence of any improvement in the labour situation at Burnpur, the unsatisfactory rate of production of the Indian Iron and Steel Company for June, which is a reflection of the labour troubles of recent weeks, and the uncertainty regarding higher retention prices for steel, were all factors which depressed the leading counter, Indian Irons. A fractional recovery was staged in the last two sessions, on hopes of an early settlement at Burnpur following yesterday's conference between labour leaders and the West Bengal Government. However, the Tokyo report that Dr. Rhee has after all been made to agree not to hinder a Korean truce acted as a damper against general enthusiasm. Later reports of heavy fighting between South and North Koreans were not taken notice of as market circles believed that undue importance should not be attached to the Korean reports in view of the fact that the whole situation was somewhat shrouded in mystery.

Poor turnover in hessians and sackings discouraged buyers of jute shares, and marking down of values in jutes invited a general air of lethargy. The flotation of loans by the State Governments at an attractive rate of interest means a further diminution of funds to the market, which is now all the poorer, as a result of diversion of funds on the recent National Plan Bonds. Although the announcement of textile decontrol did not cause any change of sentiment, in view of the general depression, it was welcomed in the market.

Sectionwise, jutes changed hands at lower levels, but on Thursday and Friday last enquiries were a little broadbased. Deltas were better by one point at Rs. 230, Kamarhattis rose from Rs. 180 to Rs. 190 early in the week, but profit-taking soon reduced the price to Rs. 184. In transactions, Khardahs gained as many as 12 points to Rs. 175. Opening at Rs. 23-13 speculative Howrahs lost to Rs. 23-9 but recovered to Rs. 23-14 on Tuesday. Champdanies were earlier quiet at *Rs. 150, but to-day* realised Rs. 150-8. Nuddeas declined from Rs. 46-8 to Rs. 44-4.

Indian Irons opened at Rs. 24-1 and although in transactions of small lots, an improvement to Rs. 24-8 was recorded early in the week, a slump to Rs. 23-6 followed the publication last Friday of the production figures for June, according to which the output of pig iron showed a decline from 57,810 tons in May to 36,730 tons, steel ingots from 32,850 tons to 23,940 tons, and finished steel and semis from 19,640 tons to 13,020 tons. A recovery to Rs. 23-14 was possible yesterday, following the attempts now being made by the Government to ease the Burnpur situation. The rate, however, receded to Rs. 23-11 to-day on profit-taking. Jessops were fractionally lower at Rs. 23-13 earlier, but realised Rs. 24-2 yesterday. Texmacos eased from Rs. 6 to Rs. 5-12.

More sellers appeared in the tea section, with the result that values were brought down rather violently. Thus, Bishnauths declined from Rs. 29-2 to Rs. 28, Hantaparas from Rs. 158 to Rs. 152 and Hansquas from Rs. 15-6 to Rs. 14-6.

Depression also invaded the miscellaneous section. Angelo Bros. lost from Rs. 18-14 to Rs. 18-10 and Indian Wood Products from Rs. 33-8 to Rs. 33-4. At Rs. 18-6, Indian Cables were extremely quiet.

Madras Stock Exchange

MADRAS, 14*th July*

The Madras Stock Exchange came in for some speculative activity during the week under review. Textiles met with selective enquiry following the removal of price and distribution controls of yarn and cloth. A somewhat cheerful tendency prevailed in the tea section on encouraging advices from overseas countries. Rubbers scrips were generally steady on reports of depletion of stocks of rubber with the leading consumers. Sugars revealed fair improvement on revival of demand for certain leading scrips. While prices in these sections tended to look up, coffee shares were a shade lower in the absence of any encouraging development. Miscellaneous and banking scrips also depicted a similar trend. The undertone, however, was, on the whole, steady.

The textile section met with selective enquiry during this week. Radhakrishnas shot up from Rs. 144 to Rs. 146 and Coimbatore Spinnings from Rs. 40 to Rs. 41. Rangavilas were higher by As. 12 at Rs. 43-8. Loyals and Maduras improved by As. 8 and As. 4 to Rs. 16-8 and Rs. 36-8, respectively. Kotharis were done at Rs. 10-8, as against Rs. 10-4. Buckinghams, however, lost Re. 1 to Rs. 120. Cannanores also receded by a similar amount to Rs. 99.

Among plantings, teas were slightly on the uptrend induced by considerable demand for better grade tea leaves. Periakaramalais gathered As. 10 to Rs. 28-4, and Devasholas As. 8 to Rs. 16-8. Chembras, Ouchterlonys and Kil Kotagiris were fractionally better at Rs. 2-14½. Rs. 3-14 and Rs. 4-13, respectively. In the rubber section, Cochin Malabars gained an anna to Rs. 6-10. Rajagiris too put on a similar amount to close at Rs. 10-11. Peninsulars and Velimalais were better at Rs. 8-5 and Rs. 2-5½, respectively.

Miscellaneous scrips also lacked support. Mysore Papers and Matches slipped by As. 6 and As. 4 to finish at Rs. 14-4 and Rs. 2-5, respectively. Mysore Tobaccos fell by As. 5 to close at Rs. 10.

GOVERNMENT OF UTTAR PRADESH

FINANCE (BUDGET) DEPARTMENT

Dated Lucknow, July 11, 1953

PRESS NOTE

4 per cent.

Uttar Pradesh State Development Loan 1963

THE Government of Uttar Pradesh are floating a loan of Rs. 5 crores in order to finance their irrigation works, electricity projects and other State development schemes. The main terms of the loan are that the issue price will be Rs. 99-8 for every Rs. 100 of the loan applied for. The loan will have a currency of ten years from July 15, 1953, and will be repaid at par on July 15, 1963, and will bear interest at the rate of 4 per cent. per annum from July 15, 1953, payable half-yearly on January 15 and July 15, and will be subject to income-tax. Subscriptions for the loan can be made in the form of cash or cheque, and will be received at the branches and treasury pay offices of the Imperial Bank of India in Uttar Pradesh, the Government treasuries located at the headquarters of the districts in Uttar Pradesh where there is no branch or treasury pay office of the Imperial Bank of India and at the offices of the Reserve Bank of India at Bombay, Calcutta, Delhi, Madras and Bangalore.

Full details of the terms of the loan are contained in Finance Department Notification No. B-3243/X—88-1953, dated July 11, 1953, copies of which with the application form are obtainable at the receiving offices mentioned above.

2. *Financial Position of the Government of Uttar Pradesh—*

Revenue Position.—The revenue receipts and expenditure and the surpluses for the last ten years are as follows:

(Figures are in lakhs of Rupees)

	Revenue Receipts	Revenue Expenditure	Surplus (+)
1943–44	2,426	1,927	+499
1944–45	2,747	2,330	+417
1945–46	2,995	2,551	+444
1946–47	3,265	3,061	+204
1947–48	3,876	3,771	+105
1948–49	4,920	4,729	+191
1949–50	5,626	5,626	..
1950–51	5,189	5,184	+5
1951–52	5,556	5,550	+6
1952–53	6,309	6,309	..

The major portion of the revenue surplus from 1943-44 to 1948-49 was put into various reserve funds. The excess expenditure of 229 lakhs over receipts in 1949-50 was incurred on Development Schemes and was covered by transfer of an equivalent amount from the Revenue Reserve Fund. A similar excess estimated at 134 lakhs for 1952-53 has been similarly covered by a transfer from that Fund.

Balances in the Reserve Funds.—The balances at the credit of the various reserve funds at the end of 1952-53 were 22 lakhs in the U.P. Road Fund, 112 lakhs in the Hospitals Fund, 66 lakhs in the Famine Relief Fund, 1,165 lakhs in the Revenue Reserve Fund, 91 lakhs in the Sugar Research and Labour Housing Fund, 3,178 lakhs in Zamindari Abolition Fund, 177 lakhs in the Depreciation Reserve Fund—Irrigation, 143 lakhs in Depreciation Reserve Fund—Government Bus Services and 84 lakhs in the Depreciation Reserve Fund—Electricity. Some of these are invested in Government of India Securities. The total balance in these Reserve Funds amounts to 5,040 lakhs.

Debt Position.—On March 31, 1953 the debt of Uttar Pradesh amounted to 5,960 lakhs consisting of 1,118 lakhs representing the consolidated debt due to the Central Government and 2,077 lakhs taken from that Government for development purposes and 778 lakhs for Relief and Rehabilitation Schemes *plus* 1,749 lakhs representing the amount of public loans floated by this Government from time to time *plus* 213 lakhs as Uttar Pradesh Encumbered Estates Act Bonds and 25 lakhs other loans. Sinking Funds for all the public loans and the loans taken from the Central Government for development purposes have been formed and they are invested in Government of India Securities.

Assets of the Government.—Against the outstanding debt of 5,960 lakhs there are assets in the form of the Ganga, Yamuna and Sarda Canals, various other small canals, the State tube-wells and the Hydro-Electric Grid, Electric Supply undertakings and Government Bus Services, in which about 6,865 lakhs have been invested. Another asset is the balance due to Uttar Pradesh Government on account of loans and advances amounting to 1,755 lakhs. Besides these, there are a large number of buildings and roads for which no separate capital accounts are maintained.

State Balance at the close of 1952-53.—The Uttar Pradesh Government had a free cash balance of 756 lakhs at the end of 1952-53.

NEWS IN BRIEF

INDIA'S rice production of 23.4 million tons in 1952-53 has been the highest on record.

India has the third longest telegraph channel mileage in the world, with 2,44,931 miles of cables and overhead wires, and the sixth largest inland telegraphic traffic, with an average of 24.5 million telegrams a year.

A new agreement has been signed between the Government of India and the Ford Foundation, under which the latter will make available to India a sum of $1,041,310 for the implementation of the community development programme.

The Government of India has ratified the International Wheat Agreement, which will become effective from 1st August next. It will, accordingly, buy one million tons of wheat from the International Pool, at the rate of $2.05 per bushel of 60 lbs., during 1953-54.

According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-India fourth estimate of wheat for 1952-53 puts the current year's acreage and production at 23,082,000 acres and 6,388,000 tons, as against last year's corresponding adjusted estimates of 22,874,000 acres and 5,700,000 tons. It shows an increase of 1.0 per cent. in area and 12.1 per cent. in production.

The annual output of cotton in Uttar Pradesh is expected to reach one lakh bales this year. According to the Five-year Plan, this target was to be attained in 1956, but is actually being achieved three years ahead of the schedule. Before 1950, when the cotton extension scheme was started, the annual production was only 30,000 bales, and, in 1952-53 it went up to 70,000 bales.

The Pharmaceutical Enquiry Committee concluded its *South India tour* last week, after going through about a fortnight's crowded programme of visits to factories and discussions with the representatives of associations of manufacturers, wholesalers, importers, retail chemists and druggists and members of the local branch of the Indian Medical Association and Indian Pharmaceutical Association.

The Government of India has abolished, with effect from the 16th inst., the export duty on jute specialities and miscellaneous jute manufactures (other than cloth and bags), such as jute mesh, jute carpet yarn, paper-lined hessian, jute tarpaulins, jute rope and jute mattings. This step has been taken because the Government considers that the rate of duty that has hitherto been existent on these specialities is retarding the export trade and that the competitive position in foreign markets should be improved.

The Government of India will shortly appoint a Commission to regulate and control forward markets in India. The Commission will be a permanent and statutory body and will have jurisdiction over commodity markets only. The forward trading on Stock Exchanges will be governed by a separate Bill now under preparation. The Forward Markets Commission will have power to control the forward markets and to amend, when necessary, the by-laws of any market or to impose certain conditions.

The Government of India proposes to develop cottage industries more vigorously with a view to ending unemployment, according to Mr. Gulzarilal Nanda, Union Minister for Planning. The Government would encourage the "labour incentive" rather than "capital incentive" in suitable industries, and the Five-year Plan would be re-examined from that point of view. All technical and financial help would be given to the cottage and small-scale industries which should produce consumer goods as far as possible.

The regional meeting of the Food and Agricultural Organisation will be held in Bangalore from the 27th July to 5th August next. The main objectives of the meeting will be to promote action by member Governments in the formulation and review of national policies and programmes, to promote regional co-ordination, and to make available to the seventh session of the F.A.O. Conference, to be held in Rome in November, 1953, an appraisal of the prospective development of agricultural, fisheries and forest resources in Asia and the Far East, during the next few years.

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From Abroad

112,100 foreign workers are employed in Sweden at present, as against only 10,000 employed in 1939. This increase is stated to be in accordance with Sweden's policy of encouraging the creation of a common North European labour market.

The Governments of the Netherlands and the United States of America have come to an agreement as regards the use to be made of the remainder of the Counterpart Account of the American economic aid held by the Netherlands Bank of the value of 900 million guilders.

The Pakistan Government has placed an order for 6,000 cotton textile looms to be set up as part of the first phase of the six-year development programme. Of these, 5,500 looms have already been allotted. The total estimated cost of erection of the looms is Rs. 16.5 crores, in which the Government's investment alone is Rs. 6.5 crores.

The amount spent on construction in the U.S. during the first half of 1953 was $16,000 million, or eight per cent. above that in the same period last year, according to a joint compilation of the Commerce and Labour Departments. Two-thirds of the spending was for private building. Home building alone accounted for nearly $5,500 million.

The National Assembly of France passed last week the three key clauses of the financial reform Bill, which enable the Government to borrow another 110,000 million francs (110 million sterling) from the Bank of France, to extend previous loans, increase taxes by 60,000 million francs a year, to pay these loans off, and to make administrative reforms and economies.

The freight revenue earned by Swedish shipping vessels during 1952 showed an increase from Kr. 1,750 million in 1951 to Kr. 1,900 million, or a rise of 8.5 per cent. 94 per cent. of the revenue was accounted for by trade with foreign countries or between foreign ports. Regular line shipping accounted for a large share of the revenue, which was also favourably influenced by contracts signed before the freight market began to weaken in 1952.

The rate of production of steel in the U.K. during May, 1953 was at the highest recorded for that month in any year, with a weekly average of 350,700 tons. The previous best output for the month was in 1950, when the figure was 319,200 tons. Pig iron production was also at a record rate for May, averaging 214,700 tons a week.

PVC plastics are now being used in Hungary for a wide range of industrial products. At a factory in Nagyteteny, water piping is being produced by extrusion moulding. Plastic sheeting is also manufactured. Plastics are being used for manufacture of tooth-paste and other tubes, and the production of shoe soles and machine belting is said to be projected. Plastic powder is, at present, being imported from Eastern Germany. Plans are afoot to manufacture it in Hungary, where existing supplies of coal, petroleum and natural gas provide ample raw materials.

(Concluded from next column)

Tata Chemicals Ltd., *Bombay*, Dr. Vikram A. Sarabhai of the Ahmedabad Physical Research Laboratory, Mr. M. D. Chaturvedi, Inspector-General of Forests, Dr. S. S. Bhatnagar, Director, the Council of Scientific and Industrial Research, and Mr. M. S. Bhatnagar, Joint Secretary of the Union Ministry of Finance. Dr. S. D. Mahant of the Council of Scientific and Industrial Research has been appointed non-member Secretary of the Committee.

PERSONAL

DR. C. L. Katial, Director-General, Employees' State Insurance Corporation, relinquished his post on the 16th inst.

Mr. T. Sivasankar, I.C.S., Joint Secretary, Ministry of Irrigation and Power, Government of India, has been appointed Secretary to the same Ministry.

Mr. Ghaznafar Ali Khan, Ambassador of Pakistan to Turkey, has been appointed High Commissioner for Pakistan in India.

Mr. John A. Thivy, Commissioner for the Government of India in Mauritius, has been appointed Minister to Ethiopia, *vice* Sardar Sant Singh, whose term expires shortly.

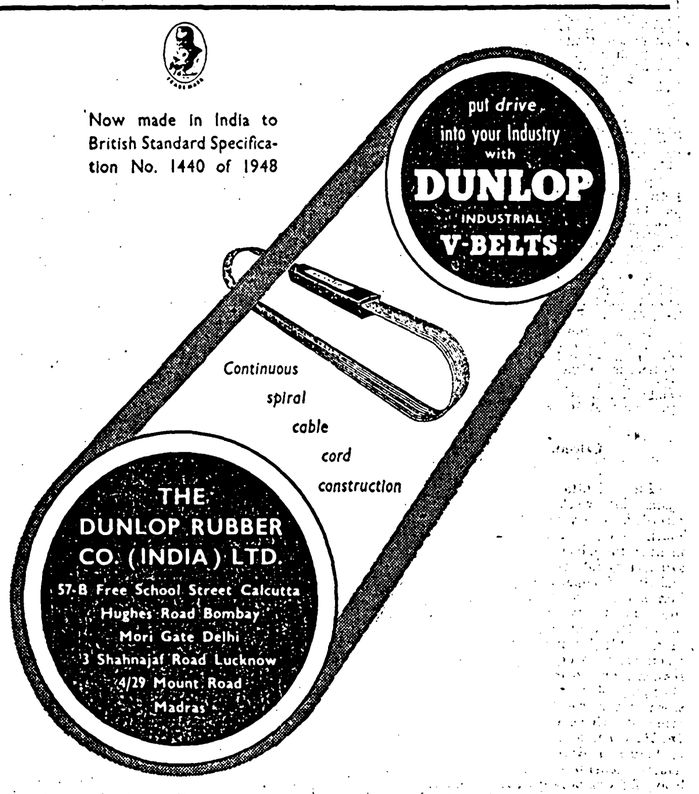
Mr. S. Boothalingam, I.C.S., has been appointed officiating Secretary, Union Ministry of Commerce and Industry, *vice* Mr. H. V. R. Iengar, who has been granted leave for two and a half months.

Mr. P. P. Varma has been appointed Chairman, and Messrs. K. S. V. Raman, I.C.S., and A. B. Ganguli, I.C.S., Members, of the temporarily reconstituted Damodar Valley Corporation consequent on the expiry of the term of appointment of the previous Chairman and one of the members of the Corporation.

Mr. Walter Laves, Chairman of the U.S. National Commission for U.N.E.S.C.O. and Vice-President in charge of Research of the Governmental Affairs Institute of the American Political Science Association, has been appointed as Secretary-General for the Conference on Organisation and Administration of Public Enterprises in the Industrial Field. The Conference is scheduled to be convened in Rangoon in March, 1954, under the joint sponsorship of the Government of the Union of Burma (E.C.A.F.E.), the International Institute of Administrative Sciences (I.I.A.S.), and the United Nations Technical Assistance Administration.

Mr. Kasturbhai Lalbhai, prominent industrialist of Ahmedabad, has been appointed Chairman of the seven-man Committee, constituted by the Government of India to undertake preliminary work in connection with the establishment of the National Research Development Corporation. The other members of the Committee are: Lala Shri Ram, Chairman of the Industrial Finance Corporation of India, New Delhi; Mr. P. A. Narielwala of

(Continued in previous column)



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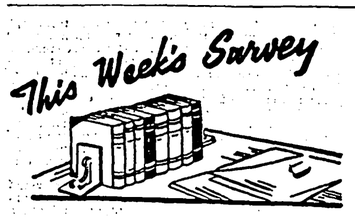

U. S. FOREIGN AID

A JOINT conference of U.S. Senate and House of Representatives has agreed on an authorisation of $5,157 million for foreign aid. This will be widely welcomed, for it means a compromise between the House and the Senate. The former, it may be recalled, had originally declined to agree to a part of the aid funds for Europe on the ground that the funds could be given only after the treaty setting up a unified six-nation army, had been fully ratified. Apart from this consideration, *the grant of the aid is notable* for the reason that both Mr. Harold Stassen, Mutual Security Director, and Mr. Foster Dulles, U.S. Secretary of State, expressed themselves very clearly on the scope and aims of the U.S. aid when they appeared before the Senate Appropriations Committee. Mr. Dulles rightly pointed out that "hunger, poverty, disease and illiteracy provide an open invitation to subversion," and that the direct aims of the increased foreign aid programme in the Far East were to develop internal stability and strength so that the non-Communist countries could make an effective contribution to the collective strength of the free world. He said: "Economic health of the free world is the best preventive against internal subversion and that is why this programme must be concerned with both military and economic assistance." He also emphasised that the U.S. must stand ready for many years to build and maintain the strength of the non-Communist world.

The House of Representatives has voted to let the Mutual Security Administration (M.S.A.) end, as scheduled in the present law, in mid-1954, fixing 1956 as the expiration date on spending for both economic and military aims. The Senate, however, has voted to close down the M.S.A. on 30th June, 1955, with a final deadline of 1956, on economic aid spending and 1957 on military spending. Mr. Harold Stassen, on his part, was convinced—he told the Committee as much—that the U.S. would have to continue some sort of foreign aid programme for ten years. It is true that both the Senate and the House of Representatives contain men who are understandably impatient about the burdens which the U.S. now bears. It is only reasonable to expect that Americans should be sorely exercised not only over the magnitude of the aid but also over the fact that the aid has remained a continuing feature of the U.S. foreign economic policy. That the assistance should be stopped as early as possible admits of little doubt. And some of the aid-receiving countries themselves are anxious to eliminate their dependence on the bounties of the U.S. The present Government in the U.K., for instance, is striving hard to live within its resources and not to depend upon the U.S. even for military aid. Nevertheless, it would be truly tragic if the aid were stopped before the purposes for which the aid programme was initiated are fulfilled. These purposes have been stated very often before, both by Mr. Eisenhower and Mr. Truman. They were restated by Mr. Dulles when he said that the basic principle of the aid programme was that the U.S. national security could not rest on "her own strength." He drew pointed attention to the fact that economic conditions on the Indian sub-continent made political instability or Communist subversion a constant threat to both India and Pakistan. He added: "Both have shown initiative in undertaking programmes for economic development despite the very limited resources at their disposal. Economic progress is demanded by the people in these new nations and the survival of free Government in them depends on whether such progress will take place. It is important for us that these nations do continue along the path of free development, and it is worth while for us to help them through the assistance requested in this measure." These words reflect the international economic idealism that lies behind the aid programme. If it is wrong, however understandable, on the part of a section of American opinion, to ignore this idealism, it is equally wrong, on the part of the recipients of the aid, to ignore the need for realistic adjustments in their economic policy that would promote economic expansion through democratic means.

REPORT ON CURRENCY AND FINANCE

The Reserve Bank's annual publication, the *Report on Currency and Finance*, is becoming more and more widely recognised, as the years go by, as a detailed up-to-date and objective survey of economic events in this country and in the international field. The latest issue of the *Report* (priced at Rs. 5) will be particularly welcomed, for it deals with events in the year 1952-53, which, for more reasons than one, might well be regarded as a critical turning point in recent economic history. The year witnessed, both at home and abroad, the return of a buyers' market, the end of the Korean boom, and the revival of the use of monetary weapons for controlling inflation. For India, the year meant the inauguration of a well-laid economic plan, the Five-year Plan. It is against this background that the *Report* presents a broad review of economic changes. As usual, the *Report* is presented in two parts, International Economic Development in Part I and Indian Currency and Finance in Part II. The major change in world economy in recent months is the attainment of a fair measure of stability. The movement towards stability, as the *Report* points out, resulted from the operation of such factors as increased production, fall in demand, the decline in stockpiling and stretching out of defence expenditure. There was a noticeable tendency in many countries to relax or discard physical and price controls. The international payments position also underwent a marked improvement. The *Report* quotes changes in discount rates in a number of countries to show how the year witnessed the operation of monetary discipline.

In the domestic sphere, the *Report* emphasises that the year 1952-53 recorded further progress in several directions, although the year was not free from difficulties, some of which had their origin in external factors. Industrial production showed a further substantial improvement during 1952, the average index (Base: 1946=100) of industrial output for 1952 rising by 10 per cent. to a post-war record level of 128.9. Higher production was facilitated, among other factors, by the continued prevalence of industrial peace and larger availability of raw materials, including raw jute and cotton. The general price index during the year was comparatively stable, though price movements of some individual commodities showed rather wide fluctuations. Referring to the relaxation of controls, which was another main feature of the year, the *Report* says that the main objectives underlying these relaxations were to minimise the irksome features of controls and to restore normal conditions of trade wherever possible, as well as to help maintan production by stimulating demand through freer distribution.

Seasonal variations in bank credit and money supply, according to the *Report*, generally conformed to the traditional pattern; money supply showed a further downward adjustment, the decline being smaller at Rs. 37 crores, as compared with Rs. 173 crores in 1951-52. The *Report* attributes the smaller contraction partly to the deficit in the Central Government's budget in 1952-53, as against a small surplus in the previous year and partly to the fact that foreign assets of the Bank were maintained almost in balance in the year 1952-53 as against a considerable decline in the previous year. Since recourse to the Bank for accommodation during the year was considerably less than in 1951-52, and there was little change in the Bank's lending policy, the *Report* draws the conclusion that the "decline in money supply during the year which was of the order of 2 per cent. in itself did not materially affect the legitimate requirements of credit." This view might appear somewhat incorrect to some in the context of the increase in industrial and agricultural production. But the *Report* defends its view about the adequacy of credit by reference to the fact that the decline in money supply must be set alongside the other features of the economy during the year, such as the absence of large-scale building up of stocks, decline in speculation, and recession in prices.

The *Report*, which is an authentic compilation of data relating to economic trends, serves, as usual, the purposes of a reliable reference work. It avoids, of course, all economic polemics. But it is an invaluable guide to facts. The topics are very clearly arranged and fully indexed. It is particularly well illustrated by graphs which are both clear, and neatly drawn.

LOCAL DEVELOPMENT WORKS

The Government of India has announced the procedure governing the grant of financial assistance to local development works. The basic idea underlying this scheme of financial assistance is to stimulate the enthusiasm of the people for the Five-year Plan through local schemes which are of direct help to them and in the execution of which they contribute either in cash or kind or through voluntary labour. The local contribution—expected to be 50 per cent. of the cost of each work—is to be made by the State Governments, local bodies and people of the locality concerned. This local contribution is to be matched by a Central grant. A sum of Rs. 3 crores, it will be recalled, has been earmarked in the current year's budget, which represents 20 per cent. of the provision of Rs. 15 crores made in the first Five-year Plan. Out of this sum, Rs. 25 crores have already been allotted to State Governments on the basis of their population. The balance of Rs. 50 lakhs is retained by the Planning Commission for direct allotment. Grants out of this sum are to be allotted on application from well recognised voluntary associations which submit suitable schemes.

The maximum limit of the Government of India grant has been fixed at Rs. 10,000 for each work. In other words, this means that the cost of a scheme should not exceed Rs. 20,000. The chief consideration which has weighed with the Government in fixing the maximum limit is the intention to spread the benefit over as wide an area as possible. The categories of local works which are considered most suitable for assistance include schemes relating to water-supply, agriculture, rural sanitation, village roads (including small bridges and culverts), schools and dispensary buildings in places where such institutions already exist but are not adequately housed, godowns for storage of goods. The schemes which are designed to effect permanent improvements in the countryside are also eligible for assistance.

The payments for approved schemes will normally be made on the satisfactory completion of the work, as also on the certificate of completion by Government Liaison Officers. Before certifying the claim for the grant, the Liaison Officer concerned will satisfy himself, "in the most expeditious manner possible," to the effect that the expenditure claimed has actually been incurred.

Two specific conditions, however, have been laid down for granting financial assistance to local works. First, the nature of works selected should be such as will not involve "much" recurring expenditure. Secondly, there should be adequate and effective arrangements for the purpose of maintenance of the work after its execution. Preference, it is stated, will be given in areas which do not derive any benefit directly or indirectly from either Central or State grants or projects. Even here, special consideration is to be given to the needs of underdeveloped areas.

The financial assistance that the Government of India is at present giving for the execution of local development works has no doubt supplemented the resources of the local bodies. But considering the vast sums required for implementing the various projects by the Local authorities, the contemplated assistance is a mere trickle. What is wanted, therefore, is assistance on a larger scale. This, however, cannot be expected in the present context of the financial position of the Government of India, on the one hand, and competing demands for assistance, on the other. In the circumstances, the Local bodies will have to decide their own priorities within the limits of their capacity for providing finance. They will also do well to tap properly the resources available, as, for instance, proper assessment and collection of their taxes.

LEASE OF COALFIELDS

Indian coal interests are perturbed by the Bihar Land Reforms (Amendment) Bill, 1953, which is now before the President for his consent. The Bill seeks to amend section 10 of the Bihar Land Reforms Act, 1950, relating to subsisting leases of mines and minerals, in order to extend the scope of that section. It provides for the cancellation of the leases in respect of not only the area wholly unprospected or undeveloped, but also that portion of the leased area, where prospecting has not been done before the commencement of the Act. Under section 10 of the 1950 Act, however, the State could cancel the lease only if its holder had not done any prospecting or development before the commencement of the Act.

It is not clear what purpose the Government seeks to achieve through the amendment which certainly violates private rights. It is doubtful whether there exists any necessity at the present moment for such an amendment. For, if the Amendment Bill is enforced, every colliery in Bihar will lose the entire undeveloped portion of its leasehold area, unless it is in a position to satisfy the State Government that it has been prospected in its entirety. It would act as a serious deterrent to further investment, because they might be served at any time with notices terminating their leases in respect of the *unprospected leaseholds*. Incidentally, there is the difficulty regarding the definition of prospecting. This is a serious omission which might occasion many legal disputes.

The coal industry rightly contends that the Amendment Bill virtually amounts to expropriation and that the legislation contravenes Article 31 of the Constitution which forbids deprivation of property of any person without compensation. The industry further contends that the State Government has no competence to legislate for the termination of existing leases with retrospective effect, since the regulation of mines and mineral development is a Central subject and the States have only residuary and subordinate powers.

It may be that most of the fears of the industry are unfounded and that the State Government desires to use the legislation, when enacted, as sparingly as possible. But the vesting of such a power in the Government does provide the State with a weapon with which it can threaten the industry in and out of season. At a time when the industry is facing several other troubles, the Amendment Bill comes as an additional handicap. Bihar is the main coal-producing State in India. If the State's collieries were to lose the undeveloped portions of its leases and confine their operations within the present prospected limits, certainly the day would not be far off when India's coal output would be on the down-trend.

There is, again, the question as to what the Government is going to do with the unprospected coal areas after terminating the present leases. Is it going to settle new parties on them? If so, what is the purpose of settling new parties on these areas? There does not appear to be any justice in taking away the leaseholds from the present holders and allotting them to others, unless the former are guilty of not carrying out their obligations. It is, therefore, to be hoped that the President will withhold his consent and call for a critical examination of the Amendment Bill.

FINANCES OF BORROWING STATES

Ten States are now in the market to raise loans aggregating Rs. 28 crores. The States are Bombay, Madras, West Bengal, Madhya Pradesh, Bihar, Uttar Pradesh, Mysore, Travancore-Cochin, Madhya Bharat and Saurashtra. In this context, a review of the financial soundness of these States will be read with interest. The three criteria for judging this posttion are the States' revenue and expenditure, their cash balances, and assets and liabilities.

To take first the revenue and expenditure position of the States. All the borrowing States, with the exception of Bombay and Madhya Pradesh which have presented surplus budgets, have budgetted for a deficit during the current (1953-54) financial year. An idea of the budgetary position of the ten States under review can be had from the table given below:

(In crores of rupees)

	1952-53 (Revised Estimates)			1953-54 (Budget Estimates)		
	Revenue	Expenditure	(+) Surplus or (—) Deficit	Revenue	Expenditure	(+) Surplus or (—) Deficit
Bombay	64.84	69.24	—3.90	67.84	67.76	+0.80
Madras	63.36	68.75	—5.39	65.75	65.75	..
W. Bengal ..	38.80	42.13	—3.83	39.16	43.27	—5.11
Madhya Pradesh ..	23.90	21.20	+2.70	25.06	24.53	+0.53
Bihar	35.77	31.36	+4.41	33.00	33.34	—0.34
Uttar Pradesh ..	66.41	66.41	..	74.38	78.80	—4.42
Mysore	19.67	20.21	—0.54	20.62	22.20	—1.58
Travancore-Cochin.	16.73	16.83	—0.10	17.14	17.28	—0.14
Madhya Bharat ..	13.01	12.73	+0.28	14.30	14.49	—0.19
Saurashtra ..	9.84	11.66	—1.82	9.42	9.95	—0.53

In addition to the revenue deficits, as noted above, some of the States have also been incurring heavy deficits on capital account, thanks to the steady and substantial rise in developmental expenditure and schemes of States trading. Consequently, the overall deficits have been quite large. The deficits are covered largely by depleting investment reserves partly by drawing down cash balances and partly by borrowings. The following table shows the extent to which the cash balances were depleted in 1952-53 and are expected to be run down in 1953-54:

(In crores of rupees)

	1952-53 (R.E.)	1953-54 (B.E.)
Bombay	— 8.79	—13.62
Madras	— 5.57	— 4.16
W. Bengal	— 5.26	— 6.13
Madhya Pradesh	— 3.56	+ 8.89
Bihar	+ 4.56	— 0.01
Uttar Pradesh	+ 1.73	— 0.59
Mysore	— 2.05	— 1.37
Travancore-Cochin	+ 0.36	— 1.65
Madhya Bharat	+ 0.63	— 0.21
Saurashtra	+ 0.11	— 0.06

A review of the debt position of States may now be made. The gross liability of the Government of Bombay as at the end of March, 1953, amounts to Rs. 62.89 crores. Of this, the consolidated debt due to the Centre (including Rs. 1.49 crores loaned to the Bombay Municipal Corporation through the State Government) amounts to Rs. 11.00 crores. Open market loans aggregate Rs. 26.89 crores, unfunded debt (mainly State provident fund balances) Rs. 8.36 crores and advances granted by the Centre for various purposes, viz., rehabilitation of displaced persons, industrial housing, minor irrigation, tube-wells scheme, other irrigation works, etc., for Rs. 16.55 crores. If the amount of Rs. 22.91 crores due to the Central Government on account of outstanding loans to local bodies, agriculturists, etc., were to be deducted from this, the Government's net debt liability comes to Rs. 39.98 crores. The total interest-yielding assets of the Government as on 31st March, 1953, amount to Rs. 79.85 crores, that is an amount which is Rs. 16.90 crores in excess of the interest-bearing obligations.

The total public debt of the Madras Government as at 31st March last amounts to Rs. 75.07 crores. Of this, the long-term loans from the Centre account for Rs. 30.77 crores, open market loans for Rs. 25.47 crores, short-term accommodations from the Centre, Reserve Bank, etc., for Rs. 18.80 crores, and special irredeemable loans for Rs. 0.03 crore. In addition, there are liabilities on account of various deposits received from the public from time to time and guaranteed sums (of about Rs. 7.75 crores). Against these liabilities, the Government has its own capital and remunerative assets worth about Rs. 94 crores, the share of assets in the Andhra area being Rs. 20 crores. This includes Rs. 64.50 crores under irrigation and electricity schemes, Rs. 24.5 crores under loans and advances due, Rs. 3 crores under investments in cinchona plantations, State transport and other commercial undertakings, and Rs. 1.5 crores under shares in Industrial Investment Corporation and other private industrial concerns. There are, besides, assets (Rs. 5.95 crores) held in the shape of Government securities. The Government has also incurred capital expenditure of the order of Rs. 37 crores on irrigation and navigation works technically classed as "unremunerative." Taking all items together, the assets of the Madras Government are substantially in excess of its liabilities.

The outstanding debt of the West Bengal Government, due to the Government of India as at the end of 1952-53, is Rs. 52.58 crores. The Government has also a public debt of Rs. 3.75 crores. Against these liabilities, there are assets in the form of investments in productive schemes, as, for example, the Damodar Valley Project. It may be noted, in this connection, that the Government has provided, out of its own resources, during the current financial year, a sum of Rs. 18.5 crores for implementing the various development schemes of a productive nature. It has also earmarked Rs. 19.9 crores for welfare schemes (unproductive).

In the case of the U.P. Government also, the assets are higher than the liabilities, as will be shown presently. The debt of the Government as at 31st March, 1953, amounts to Rs. 59.60 crores. This consists of Rs. 11.18 crores representing the consolidated debt due to the Centre, Rs. 20.77 crores taken from the Centre for developmental

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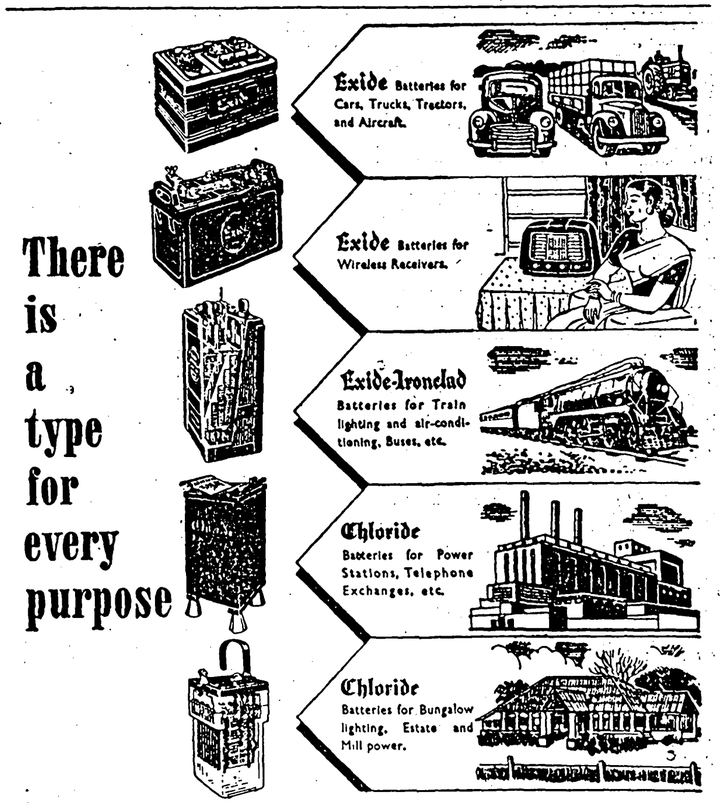

MORE FREEDOM FOR COTTON MILLS

CONFUSION OVER UNEMPLOYMENT PROBLEM

(From A Special Correspondent)

NEW DELHI, 13*th July*

A WELCOME announcement of Government to the industry and the trade this week is doubtless the total abolition of all controls over prices and distribution of cloth and yarn. Although the Government's Press *communique* is guarded in its expression, characterising the new move as "an experimental measure," it is likely that the decontrol policy of the Government has come to stay. This decontrol is not unexpected. For the last few months, the supply position of cloth in the country has been comfortable and the main markets have been literally flooded with all varieties of cloth. Production of cloth and yarn has been steadily mounting up in recent months. In April and May, the output of cloth amounted to the high figure of 419 and 423 million yards and, at this rate, the annual production is likely to cross the 5,000-million yards mark by next year. Yarn production has also been satisfactory, the total for the first five months being 609 million lbs., as against 569 million lbs. for the corresponding period a year ago. The output of cloth in 1951 and 1952 amounted to 4,076 and 4,603 million yards and that of yarn 1,304 and 1,448 million lbs., respectively. Now that the power supply position in Bombay and Madras is reassuring on account of the satisfactory progress of the south-west monsoon, it is possible that the trend of cloth and yarn production will be maintained at fairly high levels in the coming months.

DELHI LETTER

The decontrol of prices in respect of this basic commodity can indicate the return of normal conditions after a lapse of nearly ten years. Although there is a small measure of control on production at present, the Government might be able to modify it to some extent after some time. Complete decontrol in respect of production will not, however, be possible, since Government is wedded to protect the handloom industry. Hence the restriction in respect of mill production of *dhotis* and *saris* will remain at least for a few more years. The abolition of control over the prices of manufactured goods naturally poses the problem of decontrol over those of raw cotton. Although there is a good case for decontrol in this respect, the Government is not likely to take immediate decision in the matter, being anxious to watch the entire situation for some more time.

Another important commodity with a good case for a limited decontrol is cement. During the last one or two months, production of cement has been standing around 3.25 lakh tons, the annual rate being very near four million tons. Within a few months, additional capacity will come into existence and before the year is out the monthly production rate is expected to cross the 3.5 lakh tons mark. If the movement of transport does not impede the regular flow of cement from the producing to the consuming centres, the industry will not find itself difficult to satisfy demands from Government and the public. The Government may, therefore, favourably consider the question of partial decontrol in respect of this industry, after reserving sufficient stocks for its multi-purpose projects.

Unemployment Problem

There is considerable confusion in Government circles in regard to the solution of the unemployment problem in this country. Apart from paying lip service to the fact that something must be done to utilise the vast resources of the man-power, non-technical as well as technical, no concrete workable proposals are being put into action. It is suggested that the Government should totally prohibit imports of many consumer goods such as biscuits, confectionery, crockery, soaps, ready-made garments, etc., but the total value of these goods may not even exceed one per cent. of the imported articles into the country. Ban on imports of these is, therefore, utterly inadequate to stem the unemployment problem. Emphasis is again placed on the development of cottage and small-scale industries. Some of the primary requisites for the expansion in these sectors are a proper machine tool industry and the availability of substantial quantities of iron and steel at fair prices. In both these respects, India is considerably handicapped.

The progress in regard to the expansion of the steel output in the country has been painfully slow during the post-war period, while many leading countries in the world have made strident advances in this respect during this period. At present Mr. A. K. Chanda, Secretary to the Production Ministry of Government, is now in Germany, carrying on negotiations with a few leading firms for the establishment of a new steel factory on Indo-German co-operation. There are reports that a leading Austrian firm has been using a new process in the manufacture of steel which is considered economical and it is likely that the Production Secretary will examine this aspect of the problem during his present tour. Unless and until the basic parts of the Indian economy are strengthened, it is very difficult to tackle the other problems.

In these circumstances, the report that local works will be established in towns to absorb the educated unemployed is vague and impractical. Similarly, changes in the present educational system with a bias towards the development of industrial skill are not likely to cut ice at the present juncture. However, the solution to the unemployment problem lies to some extent on the enlarged economic activity in the country, both from private and Government sectors. In regard to the former, Government must provide more incentives to capital formation by allowing some concessions on the capital ploughed back in the industry. At the same time, it must conduct an exhaustive study on the optimum limit upto which deficit financing in the country could be adopted, the correlation between money circulation and the price trend, the influence of food supply on the cost of living index, etc. This sort of research studies can enable Government to arrive at a correct decision on the problem of development finance through note issue. There is already a school of thought in the country that, in case the food and cloth supply position shows a definite improvement, even large-scale deficit financing will not have any adverse effect on living costs and that investment on short-term productive projects will exercise considerable beneficial effect on the economy of the country in the long run. There are already reports that the Planning Commission, the Finance Ministry, the Reserve Bank and the concerned Government departments will shortly be examining the various issues from different angles.

Railway Coaches

The plans for the manufacture of railway coaches at Perambur (Madras) have at long last reached a decisive stage and production of coaches, it is stated, is expected to begin by the end of 1955. The erection of the factory is estimated to cost about Rs. 4 crores, half of which will be the cost towards plant and machinery and the other half for the construction of building. As per agreement with the Swiss firm, Messrs. Schleiren, the Integral Coach Factory is expected to manufacture about 350 coaches per year at its maximum. For technical help, etc., Government will be paying the Swiss firm about Rs. 30 lakhs; more than half of the payment is linked with the actual performance from year to year. The contract with the firm is for eight years and there is provision for payment of royalty and bonus to the Swiss staff in case the factory were to reach the production target earlier.—*All Rights Reserved.*

(Concluded from next column)

earlier, declared how important it was for more investment to take place, but failed to show how this could happen. Are both the Government of the present and the Government of the future both equally bankrupt in the practical ideas whereby national investment is to be increased? The Commonwealth countries as well as Britain, are interested in the answer, because they are being constantly assured that more capital is to be made available to them for fresh investment whereby their wealth—as well as that of Britain—is to be increased. Just where is this new investment to come from? Did the Commonwealth Premiers ask Sir Winston and Mr. Butler that question at the recent conference? or, at some informal gathering did they quiz Mr. Morrison or Mr. Gaitskell for the answer.—*All Rights Reserved.*

SOCIALISTS' PLAN

WHERE IS THE MONEY TO COME FROM?

(From Our Own Correspondent)

LONDON, 9*th July*

IN a recent letter, Your Correspondent mentioned the salient points of the Labour Party's new programme "Challenge to Britain." One part of it deserves more detailed examination, since it is of concern not only to Britain but also to the Commonwealth; that is the part devoted to capital investment and the need to "invest large sums" in developing resources "at home and in the Commonwealth."

LONDON LETTER

Taking the major industries, the programme—without mentioning any figures—states that coal and the transport services, two of the principal bases of industry, must have their capital investment increased. Steel—at present producing 17 million tons per annum and planning to do 20 million tons within four years—is expected to increase its output by 50 per cent. by 1960 at a corresponding outlay in new investment. The engineering and chemical industries are singled out among productive enterprises as requiring especial expansion, since it is to them that the country should look for large increases in exports; the machine tool industry, mining machinery, aircraft, the heavy electrical industry, shipbuilding and repairing—are all candidates for more capital investment; so are the heavy chemical industries, fertilisers, explosives, dyestuffs, petro-chemicals and plastics. Taking a look at home agriculture, the Labour Party declares that output must go up by one-third in five years and that the extra fixed capital must be found.

As for the Commonwealth, we are told that the development of dollar-saving and dollar-earning projects will depend "primarily on the provision, and financing, by Britain of large supplies of development goods and equipment."

Where is the Money?

But where are the resources coming from? In 1952, total capital investment in industry amounted to £2,000 million but, if allowance is made for depreciation, the net increase to national wealth cannot have exceeded £1,100 or at most £1,200 million. But last year, for the second year in succession, capital investment was slightly down on the previous year. From 1948 to 1950, there was an increase of about 7 per cent., but, since then, the figure has gone back almost to the original level of five years ago. £1,200 million does not seem much against a total national income of £17,000 million or a total expenditure on consumption goods of £10,000 million but the narrow movements in the total from year to year indicate how tightly strained the economy is and how little margin there is to divert resources to investment.

Of the total of £2,000 million gross investment last year, £870 million went into plant and machinery, £855 million into new building and £275 million into vehicles and transport. The Labour Party give no clue how they are going to increase these totals or at the expense of what. For less money is not to be spent on housing or the social services, fewer resources are not to be devoted to the cold war "as long as necessary"—and defence expenditure in 1952-53 took £837 million in production, research and development, a sum two-thirds the total net new capital formation! Fewer resources are not to go to exports—which took £2,700 million in 1952, but even so gave a negligible margin for overseas investment.

Living in the Moon?

The Labour Party says that "it is no good Whitehall working on blue-prints for increasing agricultural output or expanding engineering exports, unless the Government has the power to ensure that these blue-prints are put into effect. Without an extension of Socialist planning and public ownership this expansion will be impossible to achieve." But how will public ownership provide the answer—it can provide the power to command priorities in delivery of equipment (although even the war-time machinery for doing this proved very cumbersome), but since the private sector of industry is still going to remain very important even under the next Labour Government, the scope for robbing Peter to pay Paul is limited. Is higher production and productivity the answer—the document states that output must be increased. but how? After all, the Government's own *Economic Survey*, produced three months

(Continued in previous column)

PAKISTAN NOTES

INDO-PAKISTAN RELATIONS

PRIME MINISTERS TO MEET NEXT WEEK

ALL eyes are now turned towards Karachi, the venue of the forthcoming meeting of the Prime Ministers of India and Pakistan, which is scheduled to be held there on Saturday next. This is only to be expected, considering that, apart from political issues, there are important economic issues such as evacuee property, canal water and Indo-Pakistan trade relations, which still remain unsolved. With the assumption of office as Prime Minister by Mr. Muhammad Ali, the attitude of Pakistan towards India has changed. Earnest efforts are being made by Mr. Muhammad Ali to bring about harmonious Indo-Pakistani relations. The gesture has been reciprocated by the Prime Minister of India. The proposed Karachi meeting of the two Prime Ministers is a sequel to these efforts. It is to be devoutly hoped that the meeting will prove a success and that the two countries would come closer together. Such a friendly relationship, it is scarcely necessary to point out, would be in the common interest of both the countries which have so much in common, historically and geographically.

In the meantime, the first joint meeting of the Steering Committees of India and Pakistan was held at Karachi on Tuesday last. At this meeting, the Committees adopted the procedure for their working and prepared the ground for the Prime Ministers' Conference. The items which came up for discussion were classified into three categories, namely, (1) those that would be discussed by the Prime Ministers, (2) those that would be dealt with by the concerned Cabinet Ministers, and (3) those that would be settled at Secretariat level. The Prime Ministers of India and Pakistan, it is understood, will concentrate on policy matters and will take up for discussion only the Kashmir issue, evacuee property question and general review of Indo-Pakistani relations since the signing of the Prime Ministers' Agreement in 1950.

Foreign Capital

The assurance that the Government of Pakistan would encourage foreign capital investment and enterprise to promote industrial and economic development of the country was given by Pakistan's Prime Minister, Mr. Muhammad Ali, while performing the opening ceremony of General Motors assembly manufacturing plant at the Sind Industrial Trading Estate at Mauripur recently. The Government, the Prime Minister said, sincerely hoped that it would be in a position to give "further and greater incentive" to accelerate the pace of such investments. He regarded the opening of the plant not only as an important link between Pakistan and the U.S. but also as a gesture of friendship towards an under-developed country like Pakistan.

Commending the efforts of General Motors to establish the assembly manufacturing plant, Mr. Muhammad Ali expressed the hope that it would become a full-fledged factory turning out Pakistan-made motor vehicles. He referred, in this connection, to the restriction on imports and averred that they were an "unfortunate sequel to certain factors beyond control." Nevertheless, he assured that, with the improvement in the foreign exchange position, the restriction would be progressively relaxed. Said he: "I am happy to find that there is a genuine appreciation of our difficulties and, therefore, General Motors propose to follow a programme of the assembly of trucks and bus chassis, and the manufacture of commercial bodies which will relieve pressure on our foreign exchange position." The Prime Minister of Pakistan laid particular stress on the need for providing cheap and efficient transport services. He, therefore, urged the manufacturers to devote more attention to the manufacture of cheaper type of vehicles which were in greater demand.

Price Control

Several steps designed to ensure availability of essential commodities in short supply to people at fair prices are under the active consideration of the Government of Pakistan. The Government has already issued a directive to the Provinces to adopt regional price control measures, so that essential articles locally produced, such as ghee, milk, etc., might reach the people at reasonable prices. The Provincial Governments are considering suitable measures to implement the Centre's directive. The Controller-General of Prices and Supply is taking steps to enforce price control vigorously. Price control on coal, iron and steel, and newsprint was in force even before this organisation was set up. Since then, 16 articles have been brought under control. A few articles of general use are expected to be added to the list shortly.

Food Production

Inaugurating the first session of the Food and Agricultural Council of Pakistan at Karachi the other day, Mr. Muhammad Ali, the Prime Minister, made a fervent appeal to the people to augment food production. And he urged the agricultural experts and field workers to win the confidence of the farmers. While planning agricultural research, the practical needs of farmers should, he emphasised, be kept "very much in the forefront" and the results of research should be conveyed to the farmers in an intelligible manner. For it was the farmer, not the expert, who was to produce food and raise other crops.

Mr. Muhammad Ali commended the endeavours of the Grow-more-food Emergency Committee to raise food output. The four-point programme in regard to seed supply, pest control, use of chemical fertilisers and extension of cultivation, he hoped, would lead to higher production by the end of the *kharif* season. He referred particularly to the Committee's decision to provide a crore of rupees for bringing 400,000 additional acres of land under food cultivation. He deplored the low yield of wheat in Pakistan and suggested the extensive use of fertilisers and manures as one of the chief methods to improve the yield. He revealed, in this connection, that the Central and Provincial Governments had decided to subsidise, to the extent of 60 per cent. of the cost, the sale of the 75,000 tons of ammonium sulphate which would be received from the U.S. this year. The Prime Minister also availed himself of this occasion to deprecate the claims of those who believed that the pattern of agriculture in Pakistan could be changed overnight. He appreciated the ability of the mechanisation of agriculture and said that such could not be effected in small farm holdings. He, therefore, called for collective co-operative endeavours towards mechanisation.

The Planning Committee of the Council of Scientific and Industrial Research has recommended the setting up of a Central Laboratory at Karachi and two regional laboratories, one each at Lahore and Dacca. It has also recommended, in association with the University, of a research section in Peshawar, to cater to the special needs of the N.W.F.P.

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STRUCTURE OF BANKING IN INDIA

SALIENT FEATURES ANALYSED

IT will be recalled that, while reviewing the *Annual Report on the Trend and Progress of Banking in India* in our last issue, attention was focussed on the readjustment, during 1952, of the banking system to the new monetary policy initiated by the Reserve Bank of India at the end of 1951. Considerations of space precluded us from making a reference to the main features of the changes in the structure and a few other aspects of banks in India. As these trends reflect the position regarding the inherent strength of the system, it is proposed to deal with them in this issue. This task has been rendered easier by the publication this week of the *Statistical Tables Relating to Banks in India* for 1952 (priced at Rs. 6) by the Reserve Bank of India, giving the relevant statistics in an easily digestible form. An attempt has been made by the Bank to co-ordinate the banking statistics and the *Annual Report on the Trend and Progress of Banking in India*, with a view to eliminating unwieldy and unnecessary material. A review of the statistics relating to banks reveals certain notable features. These include the process of adjustment of the banks to the new provisions in the Banking Companies Act, continued concentration of business in the hands of a few large banks, and the existence of a large number of Non-scheduled banks with a high ratio of capital and reserves to deposits, evidently reflecting their inability to attract more deposits. The review also indicates how, in spite of higher rates of interest charged by banks, their net profit, especially of certain major Indian banks, turned out to be slightly lower than that in the previous year. The system, as a whole, continued to remain in a sound position.

The total number of all types of banks in India in 1952 was 979, as against 981 in the previous year. Of these, banks the registered offices of which are located outside India numbered 17 and those in India 962, as against 21 and 960 in 1951. Thus, while the number of Indian banks rose by 2, that of foreign banks declined by 4. Hence the contraction in the total number by two.

Some interesting changes are seen in the character of the Indian banking system. Out of their total of 962, as many as 517 were Joint-stock banks, the remaining 445 being Co-operative institutions. In 1951, however, the number of Joint-stock banks was larger at 545, while Co-operative banks were smaller at 415. In other words, during 1952, whereas Co-operative banks registered an increase of 30 in number, a decline of 28 was noticed in the number of Joint-stock banks. The decline in the latter category is due to the coming into effect of the provisions in the Banking Companies Act, 1949, relating to the limitation of reserves and capital and the use of the words bank, banker or banking in the mane of a company. Some of the banks were granted extension of time limit for complying with these provisions, while some went into liquidation. Banks with a paid-up capital and reserves of less than Rs. 50,000 each were those which were adversely affected by these provisions.

Reporting Banks

All the 979 banking companies, which functioned during the year, did not submit their reports to the Reserve Bank of India; only 500 reported. This number was, however, larger by 123, as compared with the number of reporting banks in 1951. Despite the increase in the number of reporting banks, the number of banks with capital and reserves below Rs. 50,000 was lower than that in 1949, because of the provisions of the Banking Companies Act mentioned above. The number declined from 83 in 1949 (in Part A States) to 60 (in Parts A and B States).

During the year under review, two Scheduled banks and 48 Non-scheduled banks were permitted to issue capital for an amount of Rs. 84.24 lakhs, of which Rs. 70.57 lakhs were to be called up. 35 companies complied with the minimum capital requirement laid down in the Act. 26 companies raised their capital to the limit prescribed in the Act, while 11 companies reduced the area of their operations, as they could not raise their capital. As many as 32 companies were converted into non-banking companies.

Apart from the readjustment of the banking system to the requirements of law, there were also notable changes in the structure of assets and liabilities. The paid-up capital and reserves of *Indian Scheduled banks* rose over the year by Rs. 1.8 crores. Of this, the increase in their paid-up capital amounted to Rs. 20 lakhs, while their reserves increased by Rs. 160 lakhs. The Exchange banks increased their reserves by Rs. 30 lakhs. The paid-up capital and reserves of Non-scheduled banks rose by Rs. 4.9 crores of which paid-up capital accounted for Rs. 3.1 crores. This increase reflects mainly the rise in the number of reporting Non-scheduled banks from 306 to 425.

Dominance of Big Banks

A striking feature of the banking system is the growing dominance of big banks, which shows that the bigger a bank is the greater is the confidence of depositors in it. The bulk of the paid-up capital, reserves and deposits of the system is held by a few large units. Thus, 25 large Indian Scheduled banks, each with a capital and reserves of Rs. 50 lakhs and over, accounted for, total capital and reserves amounting to Rs. 51.6 crores, the share of the remaining 52 Indian Scheduled banks being Rs. 9.7 crores.

Again, 72 per cent. of the Indian Scheduled banks and Non-scheduled banks, with capital and reserves of less than Rs. 5 lakhs each, accounted for only 7 per cent. of the total capital and reserves of the Indian Joint-stock banks and 3 per cent. of total deposits. On the other hand, banks with a capital of Rs. 50 lakhs and over representing 6 per cent. of the total number of Indian banks accounted for 73 per cent. of the total capital and reserves and 86 per cent. of total deposits.

Among the Non-scheduled banks, a high ratio of paid-up capital and reserves to deposits was another peculiar feature of the structure of assets and liabilities of banks in India. In the U.K. the ratio was 2 per cent. and in the U.S. it was 8 per cent. But, in India, the ratio was as high as 23 per cent. in the case of Non-scheduled banks, though it was no higher than that (namely, 8 per cent.) in the U.S. in regard to Scheduled banks. The higher ratio in regard to Non-scheduled banks was the result of their inability to attract, proportionately, large deposits. In fact, in 1952, as many as 79 Non-scheduled banks had deposits less than the sum of their paid-up capital and reserves. The most surprising feature disclosed by the Reserve Bank's publications is that there were no less than 8 Scheduled banks which were also in the same position as the 79 Non-scheduled banks.

Although the ratio of reserves to paid-up capital registered an upward trend, there were three Scheduled and 38 Non-scheduled banks without reserves at all, a feature which is very disquieting. This position is due to the use of reserves for writing off losses on investments in Government securities before declaring a dividend out of the profits of the year. Admittedly, the change in the monetary policy of the Government has exposed the inherent weakness of these institutions.

Shift in Deposits

The year under review was noted for a sizable shift from demand to time deposit liabilities. One of the reasons for this was that banks were generally reluctant to have recourse to the Reserve Bank for large and continuing accommodation; they, therefore, offered higher rates on deposits, especially time deposits. Another reason for this change was the preference of business men to place their funds in time deposits with established banks rather than enter into new lines of activity owing to uncertain business conditions. While demand deposits declined by Rs. 31.3 crores, time deposits rose by Rs. 26 crores. In the result, total deposit liabilities of all Scheduled banks fell by Rs. 5.3 crores. Consequently, the share of demand deposits to the total declined from 65 per cent. to about 62 per cent. Savings deposits at Rs. 137 crores formed 17 per cent. of the total. It is of interest to note that, over the year, while total deposits of the major Indian and other Scheduled banks fell by Rs. 10 crores and Rs. 1 crore, those of Exchange banks rose by Rs. 4 crores of which increase the major portion was in time deposits. Total deposits of Non-scheduled banks registered a steep rise from Rs. 35.9 crores to Rs. 59.6 crores, but this was mainly due to the increase in the number of reporting banks.

The survey of ownership pattern of deposits disclosed no appreciable change. Over one-half of demand deposits and one-quarter of time deposits were, as usual, owned by business concerns. Personal deposits formed over a quarter of demand deposits and 54 per cent. of time deposits. Savings deposits were entirely personal. Taking the deposits in all the three categories together, the largest single group was represented by personal deposits which formed 47 per cent. of the total.

As stated last week, the trends in Scheduled banks' investments in Government securities reflected the changes in the manner of relieving seasonal stringency which formed part of the revised monetary policy introduced in late 1951. Investments in Gilt-edged declined from Rs. 305.9 crores to Rs. 293.8 crores in the busy season months at the beginning of 1952. The fall was more than made up in the slack season which followed in the latter part of the year. By December 1952, investments amounted to Rs. 323.3 crores. The major portion of the increase in investments reflects the sale of Treasury Bills to which the Imperial Bank was the biggest supporter.

The advances of Scheduled banks showed a marked fall during the year. They stood at Rs. 486.2 crores at the end of 1952, as against Rs. 552.4 crores a year before, the recession over the year being of the order of Rs. 66.2 crores. Their distribution among different classes of business showed, however, no material change.

Net Profits

A review of the profit and loss accounts of 18 larger Indian Scheduled banks showed that the year 1952 was not as profitable as the previous year was for banks. The table below containing a summary of earnings and expenses of the 18 banks provides a clear picture of their financial results for 1952, as compared with those for 1951:

	Rs. in crores		Percentage of gross earnings	
	1951	1952	1951	1952
(1) Gross earnings	26.2	28.3	..	..
(i) Interest and discount earned	19.5	21.5	74	76
(ii) Other earnings	6.7	6.8	26	24
(2) Total expenses	20.7	23.1	79	82
(i) Interest on deposits ..	6.1	7.4	23	26
(ii) Establishment expenses.	10.8	11.7	41	41
(iii) Other expenses ..	3.8	4.0	15	14
(3) Net profit	5.5	5.2	21	18

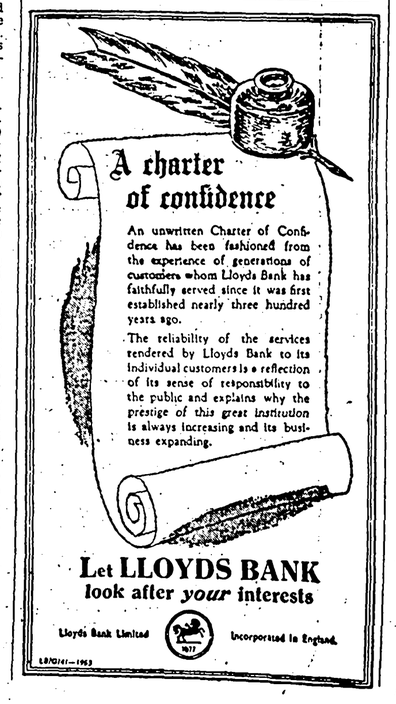
Thus it will be seen from the table above that net profit slightly declined, from Rs. 5.5 crores in 1951 to Rs. 5.2 crores. This decline was due to an increase in the total expenses which rose from Rs. 20.7 crores to Rs. 23.1 crores, the net increase being of the order of Rs. 2.4 crores. Of this increase, interest paid on deposits alone accounted for Rs. 1.3 crores, while the establishment expenses accounted for Rs. 90 lakhs.

Defects

The past year may be said to have witnessed a further improvement in the quality of the banking system as a whole. Regular inspections conducted by the Reserve Bank have been responsible for this improvement. The inspection reports have revealed a number of defects mostly among the small banks. These, according to the report on the *Trend and Progress of Banking in India*, are as follows:

"During 1952, the Banking Companies Rules were extended to more States and now apply to the entire country. The comprehensive regulation of banking has been having a salutary effect in promoting sound banking traditions. The first round of inspections was confined to Scheduled banks and a number of Non-scheduled banks. These inspections have afforded the Reserve Bank an opportunity to examine the practices of banks. They have revealed the existence, in varying degrees, of many undesirable features in individual cases, mainly in the Non-scheduled banking sector. The more common defects noticed have been the lack of experienced and trained staff, unsatisfactory maintenance of books of accounts, inadequate attention to the affairs of the banks by boards of directors and laxity of control and supervision by head offices over branches. Among others, unsatisfactory reserve positions despite the existence of the banks for a long period, insufficiency or lack of provision in respect of depreciation in the book value of investments and offering comparatively high and unremunerative rates of interest for attracting deposits have also been noticed. The liquidity ratio in certain cases has been impaired by chronic borrowing. The advances of some banks, again mainly in the Non-scheduled sector, have been observed to be rather high relative to their resources and, in certain cases, unsecured advances and/or those against real estate have been found to be excessive. Credit reports on the parties to whom clean advances were made have not been maintained in some cases; sometimes large advances have been given to directors, their relatives and associates and/or to concerns in which they are interested. It has been observed, that in some cases banks do not take the necessary precautions such as the display of sign-boards, insurance against fire risks, etc., to safeguard their interests in respect of advances against goods and merchandise."

With a view to removing these defects, the Reserve Bank has not only issued directives to the defaulting banks but has also been keeping an eye on their affairs through its inspecting staff. This should, in due course, help the promotion of sound banking traditions in the country.



TRUTH ABOUT HIGHER INTEREST RATES

MISCONCEPTIONS AND MISGIVINGS CLEARED

[The change in the monetary policy of the U.S. Government in favour of higher interest rates has led to keen controversy on the use of this traditional weapon for fighting inflation—a debate reminiscent of the one that went on in this country some 20 months ago when the Bank rate was changed and the Reserve Bank's support to the Gilt-edged market was withdrawn. Most of this controversy is due to several misconceptions about the functions of the Treasury and unwarranted misgivings about the effects of tight money conditions. These misgivings and fears are convincingly exposed by the Guaranty Trust Company of New York in the June 1953 issue of the Guaranty Survey. Who are the beneficiaries of higher interest rates? Are the present rates of interest high? Will tight money bring on a business recession? Will an increase in Bank rate lead to a fall in the credit of the Government? What is the real test of the credit of a sovereign State? These are some of the questions to which the Guaranty Survey provides concise and convincing answers. As there appears to be still some confusion in this country also on these very questions the observations of this publication bear reproduction here.—Ed.]

HAVE twenty years of governmental controls caused Americans to forget the meaning of free markets? The query seems pertinent in view of the controversy that has arisen over higher interest rates, especially the issue of 3¼ per cent. Treasury bonds. The outcry against "tight money" reveals a surprising number of basic misconceptions, even in quarters where more understanding might be expected and is needed. Perhaps, the most pervasive of these misconceptions is that the Federal Treasury is responsible for the interest-rate level. In reality, Treasury domination of the money market ended more than two years ago. In March, 1951, the Treasury and the Federal Reserve system reached an accord whereby the Federal Reserve abandoned its wartime and early post-war policy of "pegging" prices of Government securities and resumed its normal statutory function of regulating the credit supply "with a view to accommodating commerce and business and with regard to... the general credit situation of the country" (*the language of the Federal Reserve Act*).

As long as the Federal Reserve continued to support the Government securities market, the Treasury remained free to borrow at such interest rates as it chose to pay, and the Federal Reserve was obliged to stand ready to purchase from owners all securities offered at prices corresponding to the predetermined rates. Such purchases increased bank reserves and thereby formed the basis for an expansion of the money supply.

Cheap Money Means Inflation

Any effective regulation of credit by the Federal Reserve under such conditions was obviously impossible. The supply of and demand for money can never be balanced at a fixed interest rate, any more than the supply of and demand for a commodity can be balanced at a fixed price. If the interest rate is set too low, demand will increase, and the only way to keep the rate low is through a continuous and unlimited expansion of the money supply. That is inflation.

To-day, by contrast, the first rule of Treasury policy is, as W. Randolph Burgess, Deputy to the Secretary, recently expressed it, "that the Federal Reserve System shall be free to exercise its policy without interference. This means, of course, that the Treasury must sell its securities in the market, at the going rate of interest, and not at an artificial rate supported by the Federal Reserve System."

In offering the 3¼ per cent. bonds, the Treasury was conforming to this requirement. At the same time, it was carrying out the second rule of its policy, which is—again in Mr. Burgess' words—"that more Government securities must be sold to non-bank investors." This need has long been recognised, but little progress has been made towards meeting it. The sale of short-term, low-interest securities to the banking system is the most inflationary way of managing the debt. Hence the funding of such obligations into long-term securities attractive to non-bank investors is a highly desirable objective, although it is one that cannot be attained quickly because of the sheer magnitude of the task. Of the $140 billion of marketable Federal debt now outstanding, 40 per cent. is due within one year and an additional 16 per cent. within two years. The preponderance of short-term debt is so great that about $12.5 billion would have to be funded into securities of a maturity beyond five years during each of the next five years simply in order to avoid adding to the amount of debt due within one year. If progress toward reduction of the floating debt is to be made, a larger or longer funding programme will be needed. The 3¼ per cent. bond issue was merely one short step in this direction.

The fact that the initiative in money-market policy has passed from the Treasury to the Federal Reserve System does not mean that the latter has raised interest rates. The Federal Reserve exercises no direct control over rates, nor does it attempt to fix any pattern of prices or yields on securities. Interest rates are determined by the market—by the demand for and supply of loanable funds. Moreover, the Federal Reserve has no direct control over the demand for such funds. It influences the supply, and its actions affect demand only to the extent that the resulting fluctuations in interest rates may encourage or discourage borrowing.

As a matter of fact, the role of the Federal Reserve in the money market during the last two years has been essentially passive. The System has not tightened the market; it has merely allowed the market to tighten itself. It has done nothing more than discontinue its earlier practice of holding interest rates at an artificial and inflationary level in order to support the market for Government securities.

The real reason for the rise in interest rates is evident. Since March, 1951, the amount of intermediate and short-term consumer credit has increased by more than $5 billion. Bank loans have risen by $15 billion. Total private debt has expanded by $33 billion. Banks and other lenders are becoming "loaned up."

In the absence of open-market purchases by the Federal Reserve, commercial banks can obtain reserves to extend further credit only by borrowing from the Reserve banks or by selling securities to non-bank investors. Both of these expedients have recently been used more freely than had been the case for many years. There is, however, a limit to borrowing beyond which banks are unwilling to go and beyond which the Reserve banks will not allow them to go. As for sales of securities outside the banking system, these can be made only at increasingly higher yields and lower prices, which mean losses to the banks and higher costs to borrowers.

Who Benefits?

Another widespread misconception regarding the advance in interest rates is that banks and other lending institutions are the principal beneficiaries. Among the comments of critics are such statements as that tighter money has "made it easier for banks, insurance companies, corporations, and private investors to obtain higher interest rates, and thus higher profits, on money loaned to the Government" and that "it has been a decidedly favourable set-up for the banks and banking interests."

The critics might recall that money has likewise been loaned to the Government by millions of small holders of savings bonds, who have found that they made a bad bargain when they responded to patriotic appeals for their savings, because the value of the invested dollars shrank faster than the number of dollars increased, and who as a result have become more and more reluctant to buy such bonds. They might recall the other owners and receivers of dollars, such as pensioners and others dependent upon fixed incomes, who have suffered severely from the cheapening of the currency and whose position could become dire if the depreciation should continue.

These groups, not the lending institutions, are the chief direct beneficiaries of the rise in interest rates. For interest rates are not merely the score in a contest between borrowers and lenders of money. They are one of the most powerful stabilising factors by which the value of money is maintained. Indirectly, everyone benefits, because sound money is indispensable to a healthy economy.

Other Misconceptions

Comment on the money market has revealed a number of other misconceptions. One of these is that the present rate level is unduly high. As a matter of historical fact, it is very moderate for a time of active business and expanding credit. Only in comparison with the abnormally low rates of the depression years and the artificial rates of the war and post-war periods is the present level high. The 2½ per cent. rate on commercial paper, for example, seems high by contrast with the low of ½ per cent. in 1941, but not when it is compared with the 6 per cent. reached in 1929 or the 7½ per cent. attained in 1920. Before 1929 a rate below 4 per cent. was a rarity.

In the light of such comparisons, assertions that to-day's rates are injurious to business and agriculture fall rather flat. Perpetually easy money is, of course, agreeable to borrowers who are concerned only with immediate dollars-and-cents considerations. Perpetually easy money, however, means inflation, which is injurious to all in the long run. Those who find fault with the present situation refer to the "dangerous spiral of interest rate increases" but omit to mention the spiral of wage and price increases that gave the country its fifty-cent dollar during the years when the Federal Treasury was dictating the interest rate for its own supposed benefit.

Some critics apparently fear that tight money will bring on a business recession. It can be argued with equal force that tight money will check the exuberance of the boom and thereby ease the recession when it comes. If there is a business recession, it will be the result of a preceding over-expansion. To allow the over-expansion to run on unchecked by maintaining artificially easy money would be a curious way of preventing or moderating the recession.

Even among those who approve of the new monetary policy as a matter of broad principle, there are some who believe that the time has come to reverse the trend and make funds more readily available. This view is based on the expectation of a coming business recession and the belief that easier money would help mitigate its effects.

Such forecasts are defensible and may even be right. Central bank policy, however, must be based on existing conditions, not on unprovable assumptions regarding what may happen at some indefinite future time. Against such vague fears, it is possible to point to dozens of reasons for the present hands-off policy. Credit demands continue unabated. Employment is at a practical maximum. Industrial production and gross national product are at all-time highs. Demands are being made for a new round of wage increases. The velocity of circulation of the existing money supply is still relatively low, and an acceleration would be equivalent, in its inflationary effect, to an increase in volume. The Federal Treasury is faced with a heavy deficit for the current calendar year, and a substantial portion of this may have to be borrowed from the banking system. Tens of billions of dollars of Federal debt is redeemable at the option of holders on short notice.

What is Public Credit?

Of all the misconceptions underlying recent criticisms of monetary policy, none is further from the truth than the notion that the Federal Reserve System is refusing to "support the credit of the United States." Federal Reserve policy has nothing to do with the credit of the United States in the sense of confidence in the ability and willingness of the Government to meet its obligations at maturity. No one doubts that the obligations will be met, nor can there be any reason for such doubt so long as the Government has the power to issue money. The only question that arises is, what will be the value of the money in which the obligations are repaid? This is the real test of the credit of a sovereign State with money-issuing power. If the Federal Reserve System, by refraining from pumping more credit into an already heavily inflated base, is helping to safeguard the value of money, it is doing all that it can do to support the credit of the United States.

Some recent comment, especially in political quarters, might be taken to imply that the rise in interest rates was the result of a Washington-Wall Street conspiracy to exploit taxpayers, consumers, farmers, and businessmen in general for the benefit of banks, insurance companies, and other lending institutions. Politically motivated as some of these insinuations are, they indicate that the spokesmen either have, or attribute to their audience, an abysmal lack of grasp of the true situation. Such absurd fabrications have no chance of belief where the behaviour and the function of the money market are understood.

Actually, the rise in interest rates is simply one manifestation of the return to free markets. The money market, like any other market, must be allowed to fluctuate if it is to perform its proper function in a free economy. It cannot be artificially stabilised without creating far more serious instability elsewhere. Its fluctuations cannot always be immediately advantageous to everyone. Yet an adequately informed public will not hesitate to accept the inconveniences incident to free markets in preference to the immeasurably greater evils of chronic currency inflation, on the one hand, or economic regimentation, on the other.

ENQUIRY INTO COTTON TEXTILE INDUSTRY

PROBLEM OF PROTECTION TO HANDLOOMS

ALL the sectors of the Indian cotton textile industry and trade, not to mention the consumer, are eagerly awaiting the findings of the Cotton Textile Enquiry Committee and the Government of India's decision thereon. The Committee, it is now reported, is considering the various replies to its questionnaire submitted by chambers of commerce and other associations. Two of such replies are before us—one from the Federation of Indian Chambers of Commerce and Industry and the other from the Bombay Chamber of Commerce. The Federation has dealt with the broader aspects of the problem of inter-relationship among the different sections of the cotton textile industry, while the Bombay Chamber has confined itself to questions relating to exports of textiles. Since the views expressed by these important commercial bodies which represent, between themselves, a wide cross-section of informed opinion in the country, it is proposed to refer to them in these columns at some length.

At the very outset, the Federation emphasises the fact that the recommendations of the Textile Enquiry Committee should be such as would ensure direction of the Government's policy towards promoting the economic and efficient functioning of the industry as a whole, that is, mills, powerlooms and handlooms. The chief consideration which has weighed with the Federation in laying this special emphasis is the emergence of a buyers' market for cotton textiles the world over in which quality and price are the dominating factors. In its opinion, the handloom sector cannot face the competition of the more technically advanced modes of production. This conclusion is based on the following premises:

(1) The handloom sector has not been able to make much headway, despite the special assistance given by the authorities for several years now, in various forms, such as transport facilities, exemption of handloom cloth from sales tax, absence of control over prices, and reservation of markets in certain fields.

(2) The handloom is a very poor machine, in comparison with the powerloom, for producing almost all the fabrics now required on a substantial scale.

(3) The preference of the consumer, either because of patriotic sentiment or of conservatism, is not something that can stand permanently in aid of handlooms, whatever the price disadvantage.

(4) The organisational skill, except in very rare cases, is, if anything, inferior to that available to the mills.

(5) In the absence of any other advantage, the technical inefficiency of the handloom as a machine comes to be reflected in wages paid to the operator; in spite of the handloom weavers earning no more than a mere subsistence wage, the cost of weaving on the handloom is higher than the weaving costs per yard of cloth either on a powerloom or in a mill.

A Retrograde Step

In view of these factors, the Federation maintains that the bulk of the handlooms must yield ground in any normal market to the more mechanised forms of weaving. It, therefore, warns that any attempt at fostering expansion of handlooms is a retrograde step which will only aggravate the difficult problems of social policy that must arise in the long run. The Federation is somewhat critical about the magnitude of the targets set by the Planning Commission for the mill and handloom sectors of the textile industry. It says:

"The Planning Commission, in their Report, have stated that, by 1955-56, the production of mills would reach about 4,700 million yards, while that of handlooms should increase from 810 million yards in 1950-51 to 1,700 million yards. It should be noted that the target for mill production was virtually reached in 1952 and it seems likely that it may be exceeded in the current year. On the other hand, it needs to be remembered that the increase envisaged in the handlooms is more than 100 per cent. The Committee feel that the target of output in the handloom sector, supposedly based on full utilisation of all handlooms, is unrealistically high. They imply a level of production far above that achieved at any time in the history of the handloom industry. What is even more exceptionable is the implicit assumption that the handloom industry can expand its production to 1,700 million yards without leading to a simultaneous increase of great dimension in the number of handlooms or without adversely affecting mill production which is more economical to the community.

In this connection, the Federation makes it clear that it is not averse to assistance being afforded to the handloom sector. It realises its social and economic importance in the present circumstances. But it finds itself unable to reconcile to the claim that, because a substantial handloom sector has existed for so many years, despite the power of the mill industry, it implies that the handlooms have sufficient strength and vitality to survive. For it observes:

"While, no doubt, in certain specific lines of production, the handlooms may possess certain special advantages, it is necessary to point out that the mere survival of handloom industry does not prove anything. In a country as large as India, where there is chronic underemployment or disguised unemployment, it is inevitable that certain sections of the population should continue in the traditional occupation of weaving. In fact, it is wrong to regard India's experience of co-existence of handlooms and mills as anything unique in economic history. It happened in the United Kingdom, China and Japan, to mention a few examples. But, in all these countries, over a period of time, handlooms came to be replaced, except in specific lines, by the technically more developed powerlooms or by composite mills.

"The point that the Committee would like to emphasise is that it is necessary to accept that the handloom industry as such has a limited scope in specialised production, that by itself it cannot face the competition of the more technically advanced modes of production and that, while assistance may legitimately be given in order to reduce the hardships which might be caused to a large section of the population during the period of transition, the fact must not be lost sight of that such assistance is a palliative measure only. Moreover, the assistance that may be extended should be such as will not disrupt the technically advanced modes of production."

Restrictions on Mills

Proceeding, the Federation refutes the thesis put forward in certain quarters that restrictions on mill industry in regard to varieties of cloth to be produced, etc., need not affect the mill industry adversely, if such restrictions are imposed only on production meant for the home market and that, therefore, the mills can concentrate on exports, while leaving a larger proportion of the home market to handlooms. "This," to quote the Federation, "is a misconception. The very ability of the mill industry to export depends on its ability to produce at low costs and this, in turn, is dependent on a large internal market. A restriction of the home market will, therefore, add to the cost of the industry and handicap it in the export market also." The criteria for judgment, the Federation points out, should be: (a) the extent to which the mill industry is already burdened with restrictions on production of certain varieties of cloth and taxation and whether these are not likely to affect the financial strength and competitive ability adversely, and (b) whether and to what extent the measures now in force would benefit the handloom industry without reducing employment in the mill industry. The Government of India's policy regarding the levy of additional excise on mill-made cloth and reservation of markets, it feels, does not satisfy either of these criteria. The arguments that the Federation has put forth in support of this contention are as follows:

"The restrictions placed on the mills in respect of manufacture of certain types of cloth which have been in force since 1950 have not materially helped the handloom weavers so far, because the problems of the handloom industry are more deep-seated. Further, if, in the context of the buyer's market, reservations are to be multiplied, then the mills can maintain or increase employment provided by them only by increasing the output of other varieties of cloth. To the extent that these other varieties are also produced by handlooms, it would mean that either the mills would not be able to sell their production or that the handloom production of these varieties will have to be curtailed. In other words, the possible consequence of any artificial reservation of spheres would be the creation of employment in handlooms only by reducing production and employment in the mill industry. Moreover, reservation helps only those (handloom weavers) who are engaged in the production of reserved varieties, or those who can shift to the production of the latter, and it ought to be remembered that these two categories do not cover the entire handloom industry. In addition, any reservation in favour of the handloom industry only would affect adversely the small-scale powerloom industry."

Burden of Taxation

Referring to the burden of taxation which the industry is now compelled to bear, the Federation says:

"The industry pays more than Rs. 30 crores to the Treasury annually by way of excise and export duties on cloth and import duty on raw cotton—though a part of this import duty is, to some extent, borne by the handlooms using finer counts of yarn spun from imported cotton. Apart from this, the State Governments benefit to the extent of about Rs. 10 crores, by way of sales tax on cloth, and Rs. 5 crores probably paid in the form of octroi duties. The textile industry alone, apart from income and corporation taxation, pays to the Central, State and Local Governments between Rs. 40 to Rs. 50 crores annually. It is a point to be considered whether this burden is not too heavy, particularly in the context of an emergence of a buyers' market and stiff competition in export markets by foreign producers like the U.K. and Japan."

The Federation refers next to the problem of unemployment in the handloom sector. It fully appreciates the difficulties involved in the process of transition—the process "by which numbers dependent on handlooms are weaned away to other more productive occupations," but nevertheless points out that a beginning must be made, as soon as possible, in a comprehensive and realistic policy which seeks to reduce dependence of persons on handlooms. This, of course, is only one aspect of the broader question of creating employment. There are a few steps which, the Federation feels, deserve immediate attention. For instance, the weavers should be encouraged to improve their techniques by providing them, on a co-operative basis wherever possible, with technical advice, financial help, marketing facilities, etc. Further, steps should be taken to extend the use of electric power for weaving. Again, a broad policy which will assist orderly dispersion and planned elimination of surplus human material acquired during the war and later years by the handloom industry should be evolved. Active encouragement should be given to those who are willing to leave the handloom industry. Attention should be focussed only on such of the weavers as are likely to be able to face competition from the mills successfully. Similarly, special assistance must be given, as a short-term measure, to those who are producing fabrics which are likely to suffer most directly from mill competition. There is the need, too, for providing special facilities, in the "depressed areas"—that is, areas where the problem of handloom weaving is most acute—for creating alternative sources of employment through the establishment of new industries.

Cotton Textile Exports

To turn now to the views of the Bombay Chamber of Commerce on cotton textile exports. The Chamber agrees with the view of the Buxton delegate that the target of 1,000 million yards is the maximum export volume that India could hope to attain. It feels that India's competitive position is higher in respect of coarse and medium cloth than of finer varieties. If exports are to be sustained and if India is to maintain its position in the overseas markets, it is necessary, according to it, that there should be a consistent export policy on the part of the Government, that prices should be competitive—in this respect, the Government should keep a close watch on export duty—and that qualities and deliveries should be improved.

With regard to the question of utilising the different sectors of the cotton textile industry, the Chamber opines that mills must be utilised for the best known varieties, while the handlooms for specialities. Powerlooms, which have not figured prominently in exports, may be able to take a larger part if they are organised for more economic and uniform production.

Replying to the question relating to the existing organisation for cotton textile exports, the Chamber says: "There is no single organisation for the export of cotton textiles. The export trade in these goods is handled by business houses—exporters and manufacturers—who each have their own organisations, most of them built up after years of experience in the trade. The efficiency with which the export trade of the country is carried on is dependent upon the efficiency of the exporters engaged in it. Ordinary competition leads to efficiency, for the simple reason that overseas buyers will very quickly cease doing business with an inefficient exporter. Those who have been successful have built up their foreign trade by paying due attention to the requirements of the markets to which they export their goods and by a close connection with their buyers in those markets."

The Bombay Chamber of Commerce urges that the mills need all possible encouragement for expanding their weaving capacity, not only to meet the growing demand for cloth at home but also to retain their hold on overseas markets. To the extent that the present spinning capacity of the industry falls short of the total increased weaving requirements of the mills, there would be a case for expansion in spinning. It is rather difficult to divide the cotton textile industry in any one or more sectors, except in the case of mills which are located at a considerable distance from the port. Examining the question relating to exports of processed varieties of cloth, the Chamber feels that it would be possible to export larger quantities of such varieties, but this depends "entirely" on the efforts of the

(Continued on page 127)

EXPORTS FAIL TO REACH TARGETS FIXED BY BUXTON CONFERENCE

TRENDS IN FIBRE PRICES

(From A Special Correspondent)

MANCHESTER, 7th July, 1953

MANCHESTER LETTER

OPTIMISM, as portrayed by the estimates for cotton cloth export trade in 1953 given by the leading countries participating at last year's Buxton Conference, and reality, in the shape of actual shipments abroad, are two very different things. Lancashire is not the only country to have fallen far short of its target in the early months of the year and it is more than doubtful whether any of the main exporters will be able to achieve their objectives in 1953. The trend at the moment in international trade is downwards rather than upwards.

The figures below give an indication of how the leading cloth exporting nations have fared in their search for overseas trade in recent months. The totals are not complete but provide a guide to the situation.

Cotton Cloth Exports—1953

(In million sq. yards)

	U.K.	Japan	India	U.S.
January	64.8	49.8	48.4	100.6
February	52.0	65.4	33.6	
March	56.8	72.2	53.9	..
April	59.0	..	62.5	..
Totals ..	232.6	*186.9	208.4	†106.6

* 3 months. † 2 months.

Lancashire set a target higher than her competitors at Buxton and in consequence is further behind in actual shipments, the total for the four months being little more than half the estimate of 450 million square yards. On the basis of exports accomplished in the first quarter, Japan should achieve around 250 million yards in the four months against an estimate of 367 million yards, while India's four-monthly total, shown above, compares with a target of 333 million yards.

Early returns from the United States show a lower level of shipments than in 1952 and, unless there is some improvement, the quantity of cloth exported in the four months will be around 213 million yards. The Americans at Buxton, however, were rather less optimistic than the other delegations and their estimate on a four-month basis was export trade of some 242 million yards, so that in the result they should be nearer their target than the other countries.

Rayon Cloth Exports

In considering these figures the part played by rayon cloth shipments should not be discounted, although they were not included in the Buxton estimates. In the first quarter this year exports of rayon and mixture piecegoods from Lancashire were 36,300,000 square yards, which was less than half the overseas trade achieved by the Japanese mills, amounting to 78,200,000 yards.

At the same time there was a definite spurt in sales of American rayon cloth abroad, for in the first quarter of the year shipments were 51,700,000 square yards, against 75,700,000 square yards in the second half of 1952. This was chiefly due to a sharp increase in exports to the Philippines.

It is clear that import restrictions in many parts of the world are still having an adverse effect on international trade in cotton goods. Rivalry to obtain what orders are available is naturally intense and no quarter is being asked or given in the struggle which is in progress. Lancashire cannot afford to lose more overseas trade if our local cotton industry is to retain its call on the Government to ensure that supplies of raw material, involving expenditure of dollars, are made available for the mills.

Meanwhile, output of piecegoods in Lancashire is steadily growing despite the persistent shortage of manpower. Cotton and rayon cloth production in May was at its highest weekly level since March, 1952. Although Whitsuntide intervened, weavers' output almost reached 51,000,000 linear yards weekly.

Rayon Prices

Whether the relationship between the different fibres which go to make the textile industry should be regarded as competitive or complementary is an argument which is inexhaustible. Traders with foresight recognise the inevitability of an advance in the use and production of synthetics but this should not necessarily mean that the consumption of the natural fibres will automatically decrease. A new development which affects the situation has been the decision of the producers of viscose rayon staple to cut prices by 3d. per lb. to 24d. per lb. from the beginning of this month.

This change in price direction for rayon staple is the first downward movement for nearly ten years, during which time the cost of raw cotton throughout the world has fluctuated violently and has risen to unprecedented heights. During the past 18 months, however, while rayon has remained unchanged in price, the sharp decline in the value of cotton has brought the natural fibre increasingly into competition with rayon.

The following table shows the variation in the price of rayon staple compared with American and medium staple Egyptian cotton as sold to spinners in Lancashire during the past decade:

(Pence per lb.)

	Rayon staple fibre	American cotton	Egyptian Uppers cotton
December, 1942	17.00	8.90	10.40
March, 1944	14.00	7.50	9.40
September, 1947	16.50	22.20	23.00
March, 1949	18.00	23.00	30.15
October, 1950	21.00	39.65	46.55
January, 1951	25.00	47.80	73.80
March, 1951	25.00	47.80	63.80
May, 1951	25.00	53.00	75.80
February, 1952	27.00	45.50	60.00
July, 1953	24.00	30.60	33.05

Rayon's competitive position is amply illustrated during the period two years ago when staple was firm at a price of 25d., while cotton quotations were soaring more than twice its cost for American varieties and three times for Egyptian qualities. At that stage the sellers' market in Lancashire was in full swing, but as conditions worsened the falling values for raw cotton hastened the arrival of the inevitable slump.

Rayon was among the first of the textile fibres to feel the chill wind of hard times but equally it was the first to stage a revival—its recovery has, in fact, been so pronounced that former peak levels of spun rayon output have been exceeded and the main problem which now exists is supplying customers with their requirements.

The new price cut has been adopted in an effort to expand export trade in woven fabrics, which has not shared to quite the same extent in the revival of activity this year. Rayon cloth shipped abroad for the five months to the end of May amounted to 62,523,209 square yards compared with 71,664,874 yards in 1952, while the volume of exports this year is barely two-thirds of the 1951 level.

Even at the former level of 27d. per lb., rayon staple was the cheapest fibre available to spinners. It also had the additional advantage of great price stability, as is shown by the infrequent changes in recent years. The uses of synthetic fibres have broadened considerably as experiments have been made. Its increasing competitiveness should stimulate other textile fibres to greater efforts and accordingly assist in broadening trade in textile goods generally.

D-scheme

There are many subjects on which leaders of the cotton industry differ in their views, but one which arouses antagonism from all sides is the system of assessing purchase tax on textiles known as the D-scheme. The Douglas Committee which put forward the proposal had, admittedly, impossible terms of reference and the subsequent history of the plan has borne out the worst forebodings of its critics.

Scarcely a week goes by without some company chairman making very disparaging remarks about the scheme in his annual review, and it is entirely evident that the industry is at one accord in agreeing that the whole scheme should be abandoned.

One of its worst features has been the threat to quality standards which it has caused because firms have tried their utmost to keep prices down below the level which incurs taxation. It is perhaps going too far to describe Lancashire goods as "descending to the cheap and nasty" as was contended by Mr. James F. Simpson, Chairman of Simpson & Godlee, Ltd., the Manchester manufacturing and merchant firm, this week, but the fact remains that the operation of the D-scheme has had a very detrimental effect on the industry as a whole.

So long as taxation is intertwined with the products of textile mills it is bound to have unfortunate repercussions. The period leading up to each year's Budget must cause buyers to hold off in possible anticipation of some reduction in the tax level, while the present system which gives an incentive to manufacturers to offer cheap goods is a complete negation of the background on which Lancashire's cotton trade was built up.—*All Rights Reserved.*

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U.S. COTTON ACREAGE ESTIMATES

LOWER OUTPUT INDICATED

THE first estimate of the 1953-54 cotton acreage in the U.S. released by the Department of Agriculture on 8th July, reveals a decline. Thus, the land under cotton is placed at only 26,051,000 acres as against the estimate of 27,917,000 acres made on the same date last year. The estimate has not, however, created any surprise among cotton men in that country or in other countries, because trade opinion had almost reconciled itself to a lower acreage and lower output. Even so, the estimate is lower than the trade estimates. The U.S. *Journal of Commerce*, for instance, had recently predicted an acreage of 26,819,000 which exceeds the official estimate by 768,000 acres.

The U.S. normally accounts for nearly 55 to 60 per cent. of free world output of cotton, which, during the 1952-53 season, was placed at 28.4 million bales of 478 lbs. each. If the output in other countries (outside the free world), such as U.S.S.R., China and Eastern Europe were included, the total world output would be over 35 million bales. On this basis, the U.S. production is about 40 to 45 per cent. of the world output of cotton. It is, therefore, natural for the outside world to watch with interest the acreage and output figures relating to cotton, which are released by the U.S. Department of Agriculture.

The present low estimate of acreage under cotton need not, however, be taken as a correct index of the final estimate about the cotton acreage, for there have been, in the past, significant variations between the first and final estimates. But this time, the low estimates must be regarded with some respect because it might possibly be a correct one. The Department of Agriculture, it may be noted here, has, for some time past, been actively campaigning for a reduction in acreage under cotton. Early this year, the Department officials requested farmers to grow only 12 to 12½ million bales. They had also promptly scotched rumours about possible grant of export subsidy, lest such an expectation should induce the farmers to grow more cotton.

It is difficult to base any estimate of the magnitude of the 1953-54 crop on the acreage estimate. If the yield is assumed to be the same as last year, namely 282.7 lbs., the acreage of 24.6 million would yield a crop of 14.5 million bales. But if the average (269.09 lbs.) for the last ten years were taken as the basis, the present acreage estimate points to a crop of only 13.5 million bales. Again, if the yield were to equal the best yield in recent years, namely 311.2 lbs. per acre, attained in 1948-49, the present estimated acreage would yield a crop of 16 million bales. It should, therefore, be clear that a great deal depends upon the actual yield per acre. Indeed, a change of 1 lb. in the yield may make a difference of over 50,000 bales to the total crop.

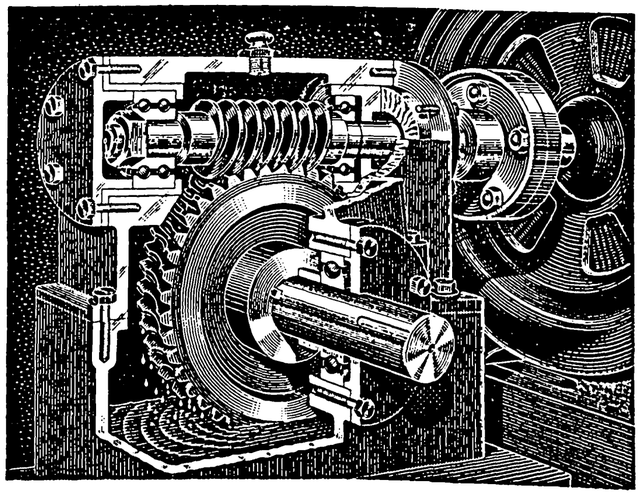
It is, therefore, too early yet to estimate the cotton supply position in the 1953-54 cotton season. But available indications are that it is likely to be a little larger than it has been in the current season because, though the actual crop may be a little smaller than in the 1952-53 season, the carry-over of the latter season is expected to be very much higher than the quantity brought in. For the 1952-53 season, the total cotton supply has been placed in the neighbourhood of 18.8 million bales, made up of about 2.7 million bales of cotton brought in from the last season, domestic production of 15 million bales and imports of about 0.1 million bales. Mills are likely to consume about 9.4 million bales in the current season, while the total export trade in cotton is expected to account for only 3 million bales, as against 5.6 million bales in 1951-52. Thus, the carry-over of cotton on 1st August, 1953, may be placed at 6.4 million bales. Even if the 1953-54 season output were to be no more than the minimum expectation of 13.5 million bales, the total supply would be of the order of 18½ to 19 million bales. This figure, however, would be exceeded if the yield per acre were to be a little better.

The prospect of a larger surplus in cotton is only part of the prospect of larger agricultural surpluses which face the U.S. to-day. Mr. John H. Davis, President of the Commodity Credit Corporation, is reported to have told a meeting of the American Seed Trade Association recently that there was no doubt that, if the present price support programmes were not in effect, agriculture would be in a depressed condition similar to that of the 1930's. But the present 90 per cent. support price for the 1953-54 crop is regarded as more attractive than the price for competing crops. Under the present law, the Secretary for Agriculture must proclaim marketing quotas for the 1954 crop if the "total supply" exceeds "normal supply" and such proclamation must be made by the 15th October, 1953. The declaration of marketing quotas means, it may be mentioned here, a definite restriction on the acreage to be devoted to cotton. "Total supply" is defined as the carry-over at the beginning of the marketing year, plus the estimated production of the crop and the estimated imports. "Normal supply" is defined as the estimated domestic consumption of cotton plus the estimated exports plus 30 per cent. of the total of such consumption and exports as an allowance for carry-over. The proclamation of marketing quotas, according to some observers, is inevitable, unless the per-acre yields of the 1953 crop are much below the recent average yield.

The outlook for cotton prices does not, therefore, appear to be distinctly bullish. But it must also be recognised that there has, in recent months, been some notable improvement in the U.S., both as regards consumption and exports. Referring to these aspects of the U.S. cotton problem, the London *Financial Times* says:

"For one thing, the domestic consumption of cotton in the U.S. has recently shown definite signs of improvement—in this following a movement away from recession which had already become apparent in most other parts of the world. Recent calculations have placed the prospective domestic consumption for the season at around 9.4 million bales compared with a consumption of 9.1 million bales in the 1951-52 season. And though exports of cotton from the U.S. have fallen by half this season, there have recently been signs of an improvement in this direction as well. Outside the U.S. the demand for non-dollar cotton has remained good and values have been little affected by the recent decline in world commodity prices. It is also probable that production of non-dollar cotton will also be reduced next season since prices for food crops are relatively more attractive. Cotton will nevertheless remain abundant and in the U.S. the carry-over this year is expected to be double that of last season. The competition of man-made fibres is another factor which will militate against any return to former price levels. But when allowances for these factors are made, the outlook for cotton still seems considerably firmer than it was six months ago."

Be that as it may, the initial reaction of the New York cotton market to the first acreage report under discussion was bullish, with futures prices rising by about 20 points, though a part of this gain was lost later owing to profit-taking.



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WORLD'S MONEY SUPPLY

POSITION SINCE 1937 REVIEWED

THE past 15 years have witnessed a considerable expansion in economic activity the world over. An indication of this is provided by the marked rise in the volume of money supply, to the extent of three and a half times since 1937. The dollar value of the world's money supply during 1952 amounted to over $218,000 million, as against about $62,439 million in 1937, according to an interesting article contained in the latest issue of *International Financial Statistics*, the monthly bulletin of the I.M.F. Since the U.S. prices are nearly twice their 1937 level, the purchasing power of the world's money supply appears to have increased by 75 per cent. in terms of the purchasing power of the U.S. dollar. More than half the world's money supply is accounted for by the U.S.

There have been great changes in the relative position of countries and areas during the period 1937 to 1952, as will be seen from the table given in the next column.

The figures in the table reveal that the share of the U.S. in the world's money supply has risen substantially, while that of the E.P.U. countries has correspondingly declined. The expansion in the U.S. money supply has been more than twice as great as the rise in dollar prices. The dollar value of the money supplies of the European countries (including the U.K.) has been about equal to, or a little less than, the increase in dollar prices. The rate of increase, as compared with the position in the U.S., is greater in Canada and most of the Latin American countries and smaller in the majority of the Far Eastern countries.

Money Supply

	Value (In million $)		*Per capita* (In $)		*As per cent. of National Income*	
	1937	1952	1937	1952	1937	1952
U.S.A. ..	29,600	129,000	229	835	40	44
Canada ..	1,044	5,327	92	380	26	28
Latin America ..	2,081	15,016	18	97	21	29
Continental E.P.U. ..	14,214	32,746	91	191	43	41
Sterling area ..	11,824	25,691	26	43	31	40
Rest of the world ..	3,676	10,267	14	34	..	..
Total ..	62,439	218,047	..	..	..	..

The same pattern is revealed when the increase in money supply is computed on a *per capita* basis. The *per capita* value of the world's money supply has advanced by 300 per cent., the figure for the U.S. being substantially higher than that of any other country or area. The rise from pre-war to date has been much larger for the U.S. than for the U.K. and the Continental E.P.U. countries. The rate of increase for Canada and the Latin American countries has been higher than that for the U.S., while the same for the countries of Asia has been lower.

The comparisons of the U.S. dollar purchasing power of the money supplies of various countries are made by converting money supply data at the exchange rate. The domestic purchasing power of a country's money supply is measured by depleting money supply data at domestic prices. The domestic price levels of countries can change relatively to each other to a degree not reflected in changes in exchange rates for a number of reasons, particularly changes in terms of trade and in the levels of subsidies or consumption taxes. Latin America is the principal example among the areas the terms of trade of which have improved substantially since 1937. Naturally enough, such improvement permits its domestic price level to be relatively higher than that of the U.S. The valuation of Latin America's money supply in terms of dollars, therefore, overstates its increase in real purchasing power. Among the countries which have used domestic price subsidies in the post-war period, the U.K. stands out prominently. The subsidies have been responsible for the higher level of prices in the U.K. *vis-a-vis* the U.S. The valuation of the U.K.'s money supply in terms of dollars, therefore, tends to understate its real purchasing power. The U.K. has also suffered a worsening of the terms of trade. On this account, too, the valuation of its money supply in terms of dollars understates its true purchasing power. While the U.S. has suffered an equal or greater worsening of its terms of trade during the period under review, the importance of trade to the country is much less than that to the U.K.

4 PER CENT. STATE GOVERNMENTS LOANS, 1963

(1)	Government of Bihar	Rs. 100 lakhs	Issue price Rs. 99-8%
(2)	Government of Bombay	Rs. 500 lakhs	Issue price Rs. 100%
(3)	Government of Madhya Bharat	Rs. 100 lakhs	Issue price Rs. 99-8%
(4)	Government of Madhya Pradesh	Rs. 100 lakhs	Issue price Rs. 99-8%
(5)	Government of Madras	Rs. 500 lakhs	Issue price Rs. 99-8%
(6)	Government of Mysore	Rs. 300 lakhs	Issue price Rs. 99-8%
(7)	Government of Saurashtra	Rs. 100 lakhs	Issue price Rs. 99-8%
(8)	Government of Travancore-Cochin. ..	Rs. 300 lakhs	Issue price Rs. 99-8%
(9)	Government of Uttar Pradesh	Rs. 500 lakhs	Issue price Rs. 99-8%
(10)	Government of West Bengal	Rs. 300 lakhs	Issue price Rs. 100%

Each loan will bear interest from the 15th July 1953.

The Madras Loan will remain open from the 15th July to the 31st July 1953 (inclusive). Loans of other Governments will open on the 15th July 1953 and close on the 23rd July 1953 or earlier without notice as soon as subscriptions approximate to the amount of each issue.

Subscriptions will be in the form of cash/cheque in respect of all the loans.

3% Madras Government Loan, 1953 and 3% Travancore Government Loan, 1952-54 will also be accepted for conversion into the new loans of the respective Governments.

Interest on the securities of the 3% Madras Government Loan, 1953 tendered for conversion will be paid upto the 14th July 1953.

Interest on the securities of the 3% Travancore Government Loan, 1952-54 tendered for conversion will be paid upto 31st July 1953.

Applications for all the loans will be received at the offices of the Reserve Bank of India, Bombay, Calcutta, Delhi, Madras and Bangalore and at branch/es of the Imperial Bank of India situated within the State issuing the loan and at other receiving offices as indicated in the relevant loan notifications.

Applicants for the Madras Loan can earmark their subscription for utilisation in the Andhra State to be formed or for utilisation in the residuary Madras.

N.B.—*Copies of the Notifications and Application Forms may be obtained at any Receiving Office.*

PROTEST AGAINST SUGAR IMPORTS

ABOLITION OF CONTROLS OVER RELEASES URGED

EVER since the Government of India announced its decision to import sugar, with a view to bringing down the high level of sugar prices in the country, there has been a keen controversy on the merits of that decision. Diverse opinions have been expressed by several sections of the sugar industry and trade. While one section has welcomed the Government's policy, another section has taken strong exception to it. The Deccan Sugar Factories Association belongs to the latter. Thus, in the course of a communication addressed to the Joint Secretary, Central Ministry of Food and Agriculture, the Association has lodged a vigorous protest against the policy of sugar imports.

The Association has sought to defend its stand on three grounds. In the first place, there is according to it, no scarcity of sugar in the country, for the existing stocks are more than enough to meet the requirements till the new crushing season (1953-54) begins. Secondly, the policy is opposed to the principle of encouraging a national industry like sugar industry. Finally, the policy cannot be justified on economic grounds, inasmuch as imports of sugar involve loss of valuable foreign exchange. To quote here the Association's own words: "In fact, it is very strange that, for preventing the Indian sugar manufacturers from making an alleged extra profit of a few rupees per bag, the Government should be prepared to spend many times the amount in foreign exchange."

The Association does not dispute the wide fluctuations in sugar prices witnessed in recent months, but points out that such is a normal feature of a free market where prices are governed by the law of supply and demand. The Government, it feels could meet the situation by fixing, as in the case of commodities like cotton, ceiling and floor prices for sugar. It is rather intrigued as to why the Government has not deemed it necessary to take any steps to bring down our prices which have gone up from Rs. 6-7 during 1951-52 and Rs. 10 in the beginning of the current season to Rs. 25 per maund now.

Reduction of Import Duty

The Association is also very critical of the Government's decision to reduce the import duty on sugar by 50 per cent. Such a reduction, it fears, will force the factories to sell sugar below what the Government considers as a fair ex-factory price, namely, Rs. 27 per maund. Importers will thus make huge profits at the cost not only of the indigenous industry but also of the Government. It accordingly urges restoration of the cut in import duty. Similar apprehensions, it may be noted, have been expressed by the Indian Sugar Mills Association, as witness the following remarks in one of its recent communications to Mr. R. A. Kidwai, Minister for Food and Agriculture, Government of India:

"....prices of sugar have generally come down, which was the Government's objective. The Committee believe that the Government should have also viewed with satisfaction the favourable reaction to their announcement. They are, therefore, unable to appreciate that, despite the downward tendency of prices now in evidence, the Government have decided to reduce the import duty on sugar regardless of its serious repercussions on internal prices. While the Committee themselves do not desire that prices should rule unreasonably high, they do feel that there should be a certain amount of stability in the market. The Committee apprehend that, if the present policy is pursued further by allowing imports at reduced duty, the good effects already achieved will be lost and the prices would tumble down, causing serious panic in the market. If the prices go down to an uneconomic level, which is very likely with the reduction in the duty, it will have serious repercussions on next season's production which will not be in the country's interest. With increased demand for sugar in the country, you will appreciate, an all out effort is necessary to maximise production and any effort in that direction would largely depend on the stability of internal prices."

More or less the same view was expressed by Mr. Shanti Prasad Jain, in the course of his address at the recent annual meeting of Rohtas Industries. Regretting the Government's decision to import sugar after carrying on several years without imports, he said:

"It is relevant to note that the price of Formosa sugar went up by Re. 1 to Re. 1-8 per maund merely on the reported move of the Government of India to import sugar. It is also worthy of note that against the import duty of Rs. 7 per cwt., the internal imposts on sugar, in the shape of excise duty, cane cess and co-operative commission, work out to Rs. 8-4-6 per cwt. This is a singular instance where taxes on an indigenous product are higher than import duty. What is very clear in the context of events is that production of sugar within the country should be increased. It is very difficult to make any definite assessment of next year's production on account of the immature state of the cane crop. Assuming next year's consumption and production also at the same level as this year, it will be found that production will fall short of requirements by about 3 lakh tons. With the carry-over this year of about 1.5 lakh tons, there will be real shortage, unless effective steps are taken to increase production. This basic factor should not be overlooked."

To revert to the Deccan Sugar Factory Association's representation. The effects of a reduction in import duty on sugar, it warns, are bound to be more severe in the case of Bombay sugar factories than in the case of the factories in U.P. and Bihar. For, according to it, the sugar factories in the Deccan, unlike those in U.P. and Bihar, grow their own sugarcane. The cost of cane production has actually gone up on account of a rise in irrigation water rates, higher prices for manures, and increase in wages fixed for their agricultural workers by the Industrial Court's awards. Fixation of cane prices at Re. 1-5 per maund, therefore, has not brought any advantage to these factories, while those in Uttar Pradesh and Bihar have derived "full advantage" by purchasing, at that price, all cane supplies required from private cultivators.

Most Objectionable Step

In view of these considerations, the Association feels that it would be most objectionable if the Deccan factories were compelled to reduce the price of sugar further below Rs. 27 per maund—a rate conceded to be a fair one by the Government itself. According to its calculations, the cost of imported sugar—on the basis of the reduced import duty—will be Rs. 70 or even less per bag, as against Rs. 80 for Deccan sugar on the basis of the "fair" price of Rs. 27 per maund. In other words, if the factories in the Deccan are to compete with imported sugar, they must sell their sugar at Rs. 64 per bag or Rs. 23-8 per maund (ex-factory), which is lower by as much as Rs. 3-8 than what the Government has admitted to be the fair price for Indian sugar. This is especially so when the Government has restricted sugar imports only to Bombay and Madras ports.

In the opinion of the Association, the proper course to counteract the rise in sugar prices lies in releasing the entire stocks of sugar, including the 25 per cent. kept as reserve with the factories. If this step were taken, it says, prices of sugar would automatically come down "as a result of keen competition among the sugar traders for the quick disposal of the ample stocks." It has further urged the Government to announce its sugar policy for the ensuing (1953-54) season at the earliest.

STANDARD FOR POWER ALCOHOL

Standard for power alcohol has been issued by the Indian Standards Institution (I.S.I.). The standard prescribes requirements and methods of sampling and test for this material which is used either by itself or in admixture with petrol as a fuel for automobile engines. The standard defines power alcohol to include partially or completely denatured methyl alcohol only and does not include blends that may be produced for marketing motor fuels. This standard is one of a series of five Indian standards on materials containing ethanol.

This standard has been formulated by the I.S.I.'s Heavy Chemicals (Organic) Sectional Committee which includes nominees of the Industrial and Power Alcohol Distillers' Association, Indian Sugar Mills Association, Bengal Chemical and Pharmaceutical Works Ltd., and other important chemical interests, as also experts drawn from the Council of Scientific and Industrial Research, Central Revenues Control Laboratory, New Delhi, the Institute of Science, Bombay, the Directorate General, Ordnance Factories, Ministry of Commerce and Industry, and other organisations. The standard is priced at Re. 1-8 and is now available for sale at the office of the Institution.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar during the current season (1952-53) up to 15th June, 1953, amounted to 1,315,731 tons and 983,132 tons, as against 1,453,675 tons and 710,981 tons respectively, during the corresponding period of the previous season.

The opening stocks, production, despatches and closing stocks of sugar during the fortnight ended 15th June, 1952 were 779,207 tons, 1,535 tons, 57,812 tons and 722,930 tons, respectively. The figures for the corresponding fortnight of the previous season were 823,904 tons, 17,846 tons, 37,404 tons and 804,346 tons. Figures for the current fortnight relate to 125 factories representing 90.94 per cent. of the total cane-crushing capacity, while those for the previous year relate to 124 factories representing 88.50 per cent. of the total cane-crushing capacity.

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WORLD TEA POSITION LAST YEAR

SHORTFALL IN SUPPLY EXCEEDS EARLIER ESTIMATES

THE general impression this time last year was that world supply of tea during 1952 would be well ahead of that in the preceding year. In fact, by the end of July, 1952, the North Indian crop was 42.5 million lbs. ahead of the previous season's output and South Indian tea production was over 1 million lbs. above the output in the corresponding period of the previous year. It was, however, only at the beginning of 1953 that the true supply position became apparent. The total Indian crop for the year 1952 was then estimated to be less by nearly 4 million lbs., thus more than wiping out the surplus seen in the middle of that year. It was also suggested that the output of other leading tea-producing countries also would be lower than that for the previous year. The latest Report of the International Tea Committee for the year 1952-53, received just now, shows that the shortfall in world supply of tea in 1952 was much sharper than generally believed. The Report also reveals that, for the first time after 1949, the upward trend in supply was reversed.

The following table gives an idea of the trend of world supply of tea since 1947, as compared with the pre-war average:

(In million lbs.)

	1934-38	1947	1950	1951	1952
A. *Production:*	Average				
India	414	561	613	629	622
Pakistan		41	53	53	53
Ceylon	229	299	316	326	317
Indonesia	165	5	78	102	81
Kenya, Uganda, Tanganyika ..	9	19	21	22	21
Nyasaland ..	8	13	15	16	15
Total ..	825	937	1,097	1,148	1,109
B. *Exports:*					
China	90	26	24	26	20
Formosa	22	10	17	25	20
Japan	39	7	16	19	21
Other countries ..	5	5	11	11	8
Total ..	156	48	67	81	69
Total supply ..	981	985	1,164	1,229	1,178

It may be mentioned that the output of Indian tea in 1951 was generally estimated at 625 million lbs., as against the Committee's original estimate of 622 million lbs. The above table shows that the actual output in 1951 was much higher at 629 million lbs. Similarly, the exports of tea from China and Formosa during 1951 have been revised from 40 million lbs. to 51 million lbs. Thus, the total world supply during 1951 was higher than the original estimate by 18 million lbs., that is at 1,229 million lbs., as against 1,211 million lbs. The world supply during 1952 (at 1,178 million lbs), therefore, shows a decline of 51 million lbs. from the revised quantity for 1951. It will be interesting to note that the decline in the output of Ceylon and Indonesian tea during 1952 is much sharper than that of Indian tea.

The total quantity of tea absorbed by importing countries, as well as by producing countries, during 1952 amounted to 1,204 million lbs., as against that of 1,201 million lbs. (revised) in 1951. Thus, absorption of tea in 1952 exceeded supply by 26 million lbs., while there was an excess of supply over absorption in 1951 by 28 million lbs. and in 1950 by 55 million lbs. The following table shows the quantity of tea absorbed by the principal importing and producing countries during the last two years, against the background of the average for 1934-38:

(In million lbs.)

	1934-38	1951	1952
Importing countries—			
U.K.	439	443	473
U.S.A.	83	86	93
Canada	39	42	45
Ireland	23	37	17
Australia	46	50	53
Egypt	15	35	36
Iran	16	24	8
Iraq	6	21	10
North Africa	30	47	45
South Africa	14	21	24
New Zealand and Pacific Islands.	11	26	11
Producing countries—			
India	80	182	180
Pakistan		14	25
Ceylon	9	15	14
Indonesia	17	15	15
Kenya, Uganda and Tanganyika.	2	9	7

As regards the export quota of member-countries for the regulation, year 1953-54, the International Tea Committee, at its meetings held at the end of the year 1952 and the beginning of 1953, gave due consideration to this question in the light of changing circumstances affecting potential supply and absorption—particularly, in relation to probable requirements of the U.K., following the removal of rationing and of price control in that country, the ultimate effects of which were not then fully determinable. Eventually, the Committee unanimously agreed that the quota should remain at 135 per cent. of the standard quotas, the same as for the previous year, but subject to review in July, 1953. The following are the standard exports and exportable quotas for 1952-53, and quantities exported, subject to licence, during 1952-53, of the regulating countries:

(In million lbs.)

	Standard exports	Exportable quotas	Quantity exported (prov.)
India	348.24	470.13	422.91
Pakistan	35.00	47.25	21.53
Ceylon	251.59	339.64	319.21
Indonesia	173.60	234.36	69.79
Total ..	808.43	1,091.38	833.44

The Committee continued to maintain contact, as far as circumstances permitted, with non-regulating countries and to keep all available information and statistics relative thereto up to date.

HEAVY DAMAGE TO BRAZILIAN COFFEE CROP

It is reported from Rio de Janeiro that the damage done by frost to the Brazilian coffee crop is heavy, particularly among the new plantations. According to the estimate of the Secretary of Agriculture, Sao Paulo, the crop in Sao Paulo has been reduced by about 30 per cent. In Parana, it is stated, 250 to 400 million new bushes have been totally destroyed. According to Brazil's largest grower, 50 to 70 per cent. of the crop in Northern Parana has been lost. It is pointed out that, if the frost attacks the main stem, recuperation of the bushes may take two or three years.

RAW JUTE FORECAST FOR EAST BENGAL

The preliminary jute crop forecast for East Bengal, announced by the Chief Controller of Jute Regulation, on the 10th inst., places the acreage under jute crop for 1953-54 at 788,695 acres or just 41.4 per cent. of the area under cultivation in 1952-53. This acreage includes 30,390 acres of land on which jute has been grown without licence and, therefore, may be destroyed under the Government's new regulation. The yield is estimated at 2,839,302 bales, as against the Government's sanctioned 4.2 million bales for the year.

The total area for which licences were granted in 15 districts where the Jute Regulation Act is in force was 998,430 but, owing to low price prevailing during the jute-growing season, licences were taken only for 811,385 acres, as against 1,714,665 acres in the 1952-53 season.

According to the Minister of Agriculture, East Bengal, the total estimated production of jute in Pakistan and India might not exceed 5.5 million bales in 1953-54. Together with a total carry-over of 2 million bales in Pakistan and an insignificant quantity in India, the total availability of jute in the season would be about 7.5 to 8 million bales.

In view of the comfortable position of the jute crop in East Bengal in relation to world demand and supply, the Pakistan Government is reported to have decided not to support jute prices during the 1953-54 season. The staff of the Jute Board has been reduced to skeleton for keeping careful check on the trend of prices.

Floor prices are in force even now at £73 c.i.f. though the ruling prices are much above it at about £93 c.i.f.

It is reported that official circles in Pakistan feel that a considerable quantity of the jute grown this year will be of finer quality and, therefore, will fetch a high price. So the reduction in jute acreage will not unduly reduce the income from jute export. Besides, land diverted from jute cultivation will go to increase food production which will also indirectly help jute growers.

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PRODUCTION OF JUTE GOODS IN JUNE

STOCKS ARE STILL HIGH

THE output of jute goods by mills in India in June, 1953, was more or less in level with that of the previous month but nearly 1,000 tons lower than that in the same month of 1952. Thus, the total production amounted to 72,807 tons, as against 72,544 tons in May, 1953, and 73,696 tons in June, 1952. The consumption of raw jute, calculated on the basis of production, during the month may be placed at 422,280 bales, as compared with 420,755 bales in the preceding month.

With the figures of output of jute goods in June, 1953, production statistics for the complete jute season, 1952-53, are now available. The total jute goods produced in the 12 months (July, 1952—June, 1953) amount to 891,622 tons, as compared with 944,919 tons in the preceding year, or a fall of 9.7 per cent. over the year. This fall may be attributed to the disinclination, generally, on the part of the mills to utilise their full capacity, on account of the slackness of the jute goods market resulting in heavy accumulation of stocks with them. The consumption of raw jute, calculated on the basis of production, during the season, amounts to 5,171,008 bales, as compared with 5,480,530 bales. It may be noted that, on account of bumper crop, both in India and Pakistan during the season, the mills experienced no difficulty in regard to the supply of raw jute as they did in the previous seasons.

The table below gives a synopsis of the output of the three categories of jute goods, namely, hessians, sackings and others at the end of June, 1953, as compared with the output in the preceding two months and the same month in 1952:

	As on			
CIVIL	30-6-1953	31-5-1953	30-4-1953	30-6-1952
Hessians	29,662	29,154	30,573	21,491
Sacking	37,631	38,206	39,625	46,059
Others	2,713	2,568	2,663	2,748
Total ..	70,206	69,928	72,861	70,298
GOVERNMENT				
Hessians	2,140	2,530	1,254	44
Sacking	310	86	177	3,356
Others	151	..	..	18
Total ..	2,601	2,616	1,431	3,398
Grand total ..	72,807	72,544	74,292	73,696

An analysis of the different types of production discloses that the output of hessians remained more or less stationary in each of the three months ended June, 1953, at about 31,000 tons. But the production of sackings at 38,141 tons was less than that in April 1953, though it remained more or less at the level in the previous month. As compared with June, 1952, the figures disclose that, while hessian output had gone up from 21,535 tons to 31,802 tons, sackings had declined from 49,395 to 38,141 tons. The fall in sackings is attributed to the pronounced decline in the demand for several months now.

There is no appreciable improvement in the stocks of jute goods as at 30th June, 1953. Although, at 133,804 tons, stocks are lower by about 500 tons over those at the end of the preceding month, they are equal to just below two months' production. A year ago stocks were pretty low, at 90,730 tons to be precise. A breakdown of the figures according to varieties reveals a decline of over 300 tons in sacking stocks (to 85,684 tons) and of about 200 tons (to 45,580 tons) in hessians, as compared with May, 1953. The stocks of other varieties show a rise from 1,942 tons in May to 2,532 tons in June, 1953. The following comparative table shows the stock position at a glance:

	As on			
CIVIL	30-6-1953	31-5-1953	30-4-1953	30-6-1952
Hessians	44,891	46,792	43,432	36,887
Sacking	84,562	86,864	88,648	47,073
Others	2,382	1,924	2,042	1,550
Total ..	1,31,835	1,35,580	1,34,122	85,510
GOVERNMENT				
Hessians	697	947	761	310
Sacking	1,122	2,262	2,630	4,784
Others	150	..	23	26
Total ..	1,969	3,209	3,414	5,120
Grand total ..	1,33,804	1,38,789	1,37,536	90,730

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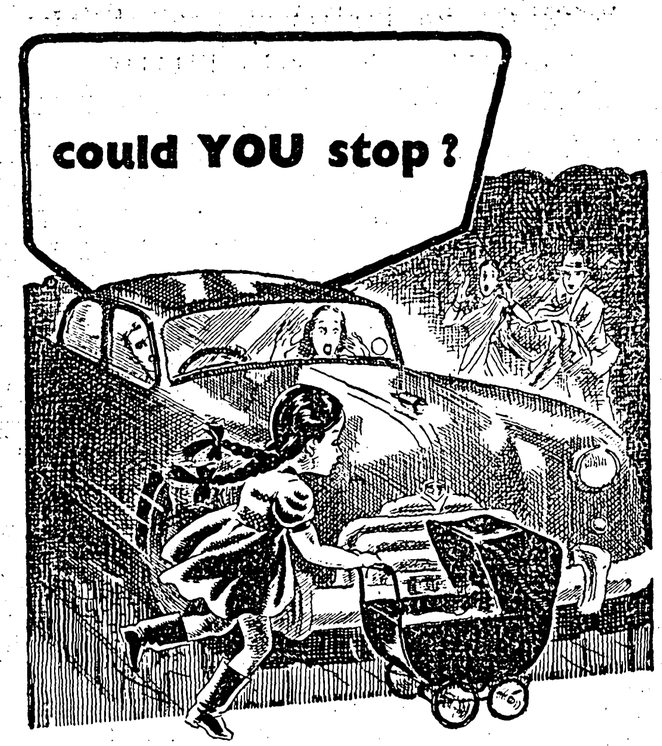

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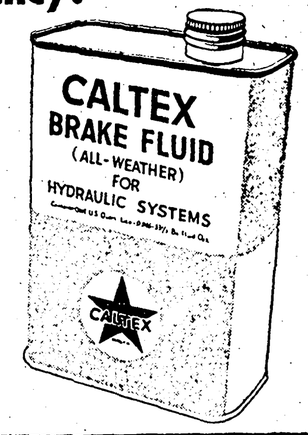

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EXECUTION OF TUNGABHADRA PROJECT

INTER-STATE BOARD TO BE SET UP

A BOARD to direct, control and supervise the completion of the irrigation part of the Tungabhadra Project is expected to be set up shortly. A provisional agreement to this effect was reached at the two-day conference of the representatives of the Centre, Madras, Hyderabad and Mysore, held in New Delhi, last week, under the Chairmanship of Mr. Gulzarilal Nanda, Minister for Planning and Irrigation and Power. The Conference was a sequel to the difficulties in completing the Tungabhadra Project, following the decision to create Andhra State, with effect from 1st October, 1953, and the merger of the Bellary taluka with the Mysore State, in accordance with the terms of the Misra Award.

According to a Press note, issued by the Government of India, the proposed Board, scheduled to come into being on the formation of the Andhra State, will consist of a Chairman, who will be nominated by the Government of India, and the Chief Engineers of Irrigation and Power of the three States as members. One of the Chief Engineers will be elected Vice-Chairman by rotation and will hold office for a period of three months. The Superintending Engineer in charge of the irrigation side of the Project will be the Chief Executive Officer of the Board and also its ex-officio Secretary.

The duty of the Board is to discuss issues regarding direction, control and supervision of the Project under execution, with a view to ensuring its successful conclusion. In the event of disagreement among the members of the Board on any issue, the Chairman will resolve the differences and his decision will normally be final. Should, however, a State feel aggrieved at the Chairman's decision on a major question of rights or policy, it will have the option to refer the matter to the Central Government. The agreement will remain in force for a period of 18 months from 1st October, 1953, or till such time as the work is finished whichever is earlier. The agreement is subject to confirmation by the State Governments concerned. Questions relating to the execution of the power portion of the Project and future maintenance and regulation were, however, postponed for consideration at a subsequent meeting. It was suggested at the conference that work relating to power part of the Project might also be entrusted to a Board similar to the one set up for irrigation purposes. But as the Mysore State wanted time to consider the matter, there was no further discussion on it.

Necessary Step

The Constitution of the Board, as above, is a necessary step in order to ensure that the continuity of administration and the implementation of the Project is not impaired by the Partition of the Madras State. As a result of the formation of Andhra State, the Project will come under the control of three States. One part of the Tungabhadra Project is situated in Hospet North taluk and the other part of it is in Hyderabad State. That part of the Project which is situated in Hospet North taluk will be under the Mysore State, after the formation of Andhra State. The Project will feed not only those areas which go to Mysore State but also some areas in Andhra State. Consequently, both these States are interested in the Project. The finances of neither of these States are in a comfortable position. Naturally, therefore, special arrangements have to be made, among others, for the joint control and supervision of the Project by the States concerned in co-operation with the Central Government. The Ministry of Irrigation and Power will, in consultation with Ministry of Finance, the Planning Commission and the States concerned, work out the necessary financial and other arrangements.

The Tungabhadra Project, it may be noted, is now being implemented by the Governments of Madras and Hyderabad. Madras is financing it from its own resources, while Hyderabad is providing its part of the finances from a loan it secured from the Centre. Under the draft Andhra State Bill, which by now must have been returned to the Centre with comments by the Madras and Mysore Governments, the rights and liabilities of the Madras State will devolve from 1st October on the Mysore and Andhra States, and will be shared by agreement between them. Such an agreement should also provide for any adjustments required in respect of the extension or development of the Project after 1st October, 1953. The Tungabhadra Project Report contemplates supply of water and power to Rayalaseema including the portion of Bellary that would be transferred to Mysore. The share of the two areas, according to it, will be in the proportion of 70 to 30.

The Andhra State Bill also provides that, if Mysore and Andhra fail to reach an agreement on this subject, the President, by order, shall determine how rights and liabilities will be shared between Andhra and Mysore. The order of the President can be varied by subsequent agreement between the two States. In order to ensure completion of the Project and its operation and maintenance thereafter, power is also given to the President to issue directions from time to time to the States, or until the President issues an order, to determine the adjustment of the rights and liabilities of the two States, whichever is earlier.

Representatives of Andhra have been urging that the law which would provide for the handing over to Mysore of portions of Bellary district and hence of the Project, should provide also for the future administration of the Project so that it would be binding on Mysore.

Difference of Opinion

It is understood that while Mysore has accepted the decision of the Central Government that the sanctioned aspect of the Project should be binding on the future of Andhra and Mysore State Governments, there is difference of opinion in regard to the other aspects of the Project which have not been sanctioned. Andhra claims, we are told, that it has a vital interest in the irrigation canal and in the generation of power for utilisation in lower areas of Andhra. Mysore is said to feel that future aspects, especially those regarding generation of power for supply to Andhra areas, will have to be reviewed. For its contention seems to be that the power that will be generated at the headworks in two or three years should be available for consumption in Mysore in places like Bhadravati.

The Madras State, which has been representing the interests of the future Andhra State, argues, very sensibly in our view, that the Tungabhadra Project was planned and designed on a particular basis both in regard to construction and utilisation and this should be adhered to. The location of headworks in Mysore, as a result of the creation of Andhra, should not be a reason for altering the arrangement.

It will be noted from the foregoing account that the question of sharing the cost of the Project and its benefit has become a vexed one. In these circumstances, it will be difficult, if not impossible, to control and supervise the execution of the remaining part of the Project without the constitution of an inter-State Corporation with the assistance of the Centre. The circumstances which necessitated the creation of the Damodar Valley Corporation exist in this case also, especially as the resources of the State of Mysore are limited and those of Andhra are yet to be known.

ENQUIRY INTO MAHANADI BRIDGE ACCOUNTS

The Government of India has appointed a two-man committee to enquire into the financial aspects of the rail-road bridge across the river Mahanadi at Sambalpur. The members of the Committee are Mr. M. L. Champhekar, Chief Engineer, Public Works Department, Bombay, and Mr. S. S. Lakshmi Rattan, an officer of the Indian Audit Department. The appointment of the Committee is a sequel to the recommendation of the Public Accounts Committee made in the sixth report on the Hirakud Dam Project. The bridge, it may be recalled, was constructed by the Central Water and Power Commission on behalf of the Transport Ministry.

The terms of reference of the Committee are as follows:

(1) To scrutinise the accounts of the Mahanadi Bridge as already compiled and to determine the final cost of construction of the bridge;

(2) to find out the reasons for the increase in the final costs as determined by the Committee over the original estimate as sanctioned by the Ministry of Transport;

(3) to analyse the excess expenditure and indicate what portion of the excess is attributable to the speeding up of the construction of the bridge in the interests of the Hirakud Dam Project and what portion to other reasons;

(4) to examine whether, in view of the decision of the construction authorities to adopt departmental construction, instead of contract, any precautions were taken by them to ensure that the through rates provided for in the sanctioned estimates were not being exceeded in actual construction, for example, by analysing the through rates into their component elements of labour, material, etc., for the guidance of the Sub-Divisional Officers and for use in their sub-working estimates;

(5) to assess the appropriate time at which the construction authorities should have brought to the notice of the Government that the actual expenditure on the bridge was likely to exceed appreciably, the sanctioned estimate on this account and the circumstances in which they failed to do so; and

(6) to determine the shares of the actual expenditure to be borne by the Hirakud Dam Project and the Ministries of Transport and Railway in accordance with the method of allocation already agreed upon by the parties concerned.

The Committee has been asked to commence work "immediately" and submit its report within six months.

TRAINING IN THE OPERATION OF EARTH-MOVING EQUIPMENT

The Euclid Road Machinery Company, in co-operation with Messrs. Blackwood Hodge (India) Ltd., has organised a "Euclid Service Training and Maintenance School," to provide a short course, lasting for a week, on all aspects of service and daily maintenance of their earth-moving equipment. The subjects taught at these schools cover a wide ground, namely, clutch, transmission, emergency brake, drivelines, differential, near axle, hydraulic system, front axle, steering system, air brake system, wheel wind, and tyres, wheels and rims. Maximum use of visual aids is being made during the lecture portion of the course. The Euclid Road Machinery Company has provided 16 mm. and 35 mm. movie films, strip films, records and 10" transparent slides for the Vu-graph projector. Three expert engineers for the Euclid factory in the U.S. will be in charge of the school.

A service school was conducted at Hirakud from the 6th to 11th inst. One more school is now in session at the D.V.C. area. It commenced on the 15th inst. and will be in session till the 22nd inst. Another school is scheduled to be held at the Bhakra-Nangal project area from tht 29th inst. to 12th August, 1953.

The original intention of Messrs. Blackwood Hodge (India) Ltd. was to extend invitation to engineers of all the projects now being implemented in India to attend the classes. This, however, proved to be "impossible," for it was found impracticable to provide reasonable individual instructions during the shop practice sessions to a class of large numbers. The attendance at classes has, therefore, had to be restricted to about 15 persons.

The Euclid Service Training and Maintenance School will be of much interest to all those engineers and persons who have employed and operate earth-moving equipment.

TIPPER TRUCK FOR BULK GRAIN TRANSPORT

A tipper truck for the bulk transportation of grain from farm to mill has been produced by a British firm. The vehicle holds seven tons of grain, which is loaded through the open top and emptied by tipping direct onto conveyors which convey it to storage bins. The tare of the vehicle, on a Bedford short-wheelbase chassis, is low enough for it to be registered in the 30 m.p.h. class, making it economical in operation. This has been achieved by constructing the body in light alloys. Normally, grain is discharged through a trap which is manually adjusted to control the rate of flow accurately in conjunction with conveyor speed. But for speedier emptying the lower half of the rear end—which is hinged—can be dropped like the tailboard of a truck. If need arises to load sacks, a pair of vertically hinged doors above the drop board can be swung back for easy access.

NEW SMALL DIESEL AIDS THE FARMER

A new small diesel engine has just been introduced by a British firm. During a four years' test, made under rigorous practical conditions to discover any weakness that might develop, one of the prototype engines ran over 400,000,000 revolutions. The engine provides from 5 h.p. at 1,000 r.p.m. to 8 h.p. at 1,500 r.p.m. Easily started and quiet-running, it is designed to meet all requirements for a small prime mover in Britain and abroad. It is particularly suitable for manufacturers of contractors' plant, agricultural machinery and diesel-electric sets, and is already in considerable demand from overseas, principally for agricultural and irrigation purposes. Demand for the diesel for water-pumping for agricultural purposes is particularly strong from India, the company reports. The makers have a large export trade and last year sold their products to more than 50 countries.

A new Austrian high-quality material for the upholstering of motor car and motor-coach seats has been brought on the market, under the trade mark "Perfectyl." The material consists of a plastic layer inseparably and indissolubly connected with an extremely wear and tear resisting fabric layer. "Perfectyl" plastic-fabric material is washable and waterproof, resistant against blows and scratches. The material is furthermore highly resistant against ageing, since it neither becomes brittle nor changes its structure after prolonged use.

British car makers attained in May this year the highest level of car production, when their factories produced 50,587 units—or one car for every 15 seconds of time worked. Announcing this, the Society of Motor Manufacturers states that this topped the previous peak touched in November, 1950, by 1,000 units. For the first time for one year, car exports in May exceeded 30,000 units—8,000 of the 31,000 exported going to North America. At 19,700, the figure for commercial vehicles produced showed an increase of 300 a week over the previous average for this year.

Nearly 100 merchant ships were completed in British yards during the first five months of this year. The month of May, 1953 saw the completion of 22, aggregating 114,675 tons gross, making the year's aggregate to the end of that month 98 vessels of 526,902 tons.

STEEL PRODUCTION IN COMMONWEALTH

BIG EXPANSION PLANNED

IN view of India's plan for increasing its production of steel and the anxiety of the sterling area to reduce its imports of steel from the dollar area, a brief review of the present position and prospects for the Commonwealth steel industry will be found useful and interesting. The Commonwealth countries have planned to increase their steel production from 24.1 million tons in 1952 to 31.0 million tons by 1957-58, an increase of about 7 million tons to be achieved over the next five years. The production in 1952, which represents an increase 70 per cent. over the pre-war output, accounts for nearly one-tenth of the world's total. The following table, as given in the latest monthly bulletin of the British Iron and Steel Federation, discloses the course of steel production in the various Commonwealth countries since 1938 and the planned increase over the next five years:—

Crude Steel Production

('000 tons)

	1938	1946	1951	1952	1957-58 Planned
United Kingdom ..	10,398	12,605	15,633	16,418*	20,350
Canada	1,155	2,078	3,190	3,320	4,400
Australia	1,192	1,089	1,430	1,610	2,400
India	937	1,293	1,500	1,570	2,300
South Africa ..	341	499	930	1,180	1,500
S. Rhodesia ..	—	—	30	30	50
Total ..	14,013	17,654	22,713	24,123	31,000

* 53 weeks.

There is a feeling that the planned increase in Commonwealth production may result in a decline in the aggregate imports of producing countries. But such a feeling seems to be unwarranted according to the British Iron and Steel Federation. With the increases in population, consumption of steel is expected to keep pace with expansion in the output of steel. Moreover, industrial developments in the Commonwealth countries will call for progressively increasing imports of machinery, vehicles and other steel using manufactured products.

Every Commonwealth country is to-day an importer of steel and the quantities purchased have increased considerably in recent years. While each producing country has a modest export business, only the U.K. is a net exporter, and in 1951, as consumers of one-eighth of world output, the Commonwealth, as a whole, was a net importer to the extent of nearly 3 million tons. The U.K. supplied over one million tons to the Commonwealth countries. The U.K., in fact, is one of the biggest individual suppliers for most of the Commonwealth countries, except Canada. The U.K.'s sales to the Commonwealth last year represented over 60 per cent. of its total exports, as against 50 to 60 per cent. in the pre-war years. The Schuman group of countries in the aggregate supplied over one-third of Commonwealth imports in 1951 which, including supplies from the U.K., constituted 4 million tons. The Schuman countries are expected to become formidable competitors to the U.K. over the next few years.

For Canada, Australia and South Africa, the relative importance of the U.K. as a supplier of steel is less than before the war, mainly because the U.K.'s official policy has been to encourage the export of manufactured steel goods rather than steel itself. Even so, the Commonwealth countries still constitute the U.K.'s biggest market.

The Commonwealth is rich in resources of iron ore, coal, manganese ore and other minerals. It holds something of iron ore, most of which is highgrade material, and one-twelfth of the probable reserves of iron ore, most of which is highgrade material, and one-twelfth of the probable reserves of coal. It accounts for one-fifth of the world total production of coal and two-fifths of world production of manganese ore.

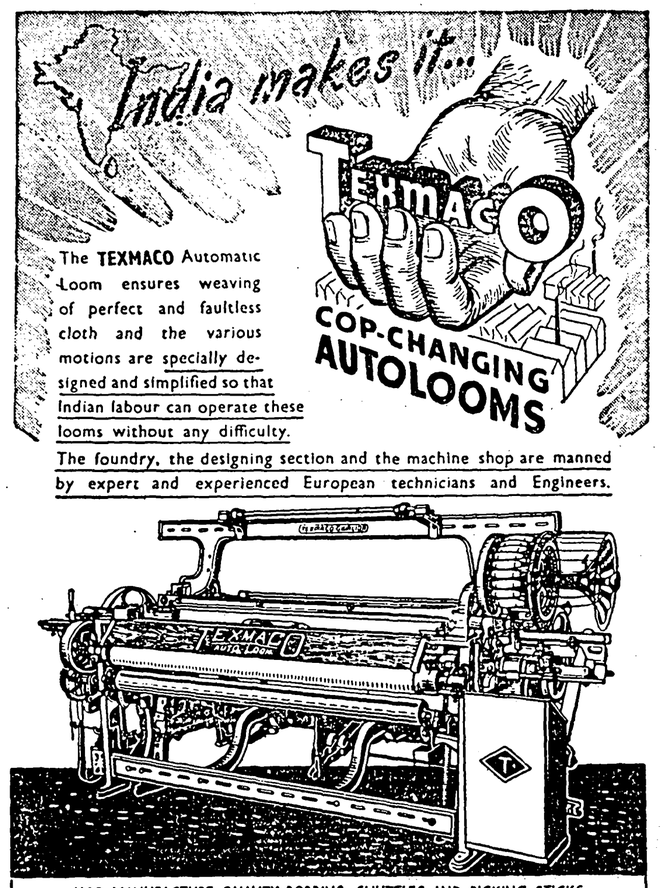
In passing, a reference may be made to the trend of steel prices. Details of new schedules of basis for steel prices recently published by the Schuman group countries show that British home trade prices are in general still at least 25 per cent. below those quoted for products of comparable quality in Western Germany. An approximate comparison between representative British home trade prices and those quoted on the Continent and in the U.S. is as follows:

(Per ton)

Product	Order	Open hearth steel			Bessemer steel	
		U.K.	U.S.	Germany	France	Belgium
		Tons	£ s.	£ s.	£ s.	£ s.
Angles ..	20	28 12	38 16	33 18½	36 13	35 4½
Joists ..	20	28 13	38 8	37 10½	35 13	34 13
Plates ..	20	32 9	38 16	45 14	42 3½	42 1
Rails ..	500	29 5	36 8	39 4	33 5	39 11
Strip ..	20	33 3½	41 8	44 7½	38 3½	38 11½
Sheets ..	25	40 16	44 4	53 17	50 2	—
Tinplate* ..	50	2 16½	3 2-5/6	—	—	—

* Per basis box.

It may be interesting to note here that in India, the base price of plates (untested), as fixed by the Iron and Steel Controller, works out to £36 16s. and that for black sheets to £36 18s. £34 16s. and that for black sheets to £36 18s. The general conclusion drawn by the British Iron and Steel Federation in its monthly bulletin is that there has been a tendency for prices in the six countries to move rather more closely together. But the gap between these prices and those quoted in the U.K. has not been significantly affected.



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SPIRITED COMPETITION AMONG JAPANESE INSURANCE COMPANIES

GOVERNMENT INTERVENTION SOUGHT

THE adoption of unfair trading practices has, as is well known, been the bane of insurance in this country. This has created a problem both for the well-established and honest insurers and for the Government which is interested in the orderly development of insurance. Apparently, the evil exists in other countries too, for, Japan, it is stated, faces very nearly the same set of problems which this country has been facing for some time past. Excessive competition is, as in this country, the chief cause of what may well be called insurance unrest in Japan.

Judging from the number of insurers operating in Japan, the problem created by unfair trading practices, cannot, of course, be comparable to what prevails in this country. There are only 20 life insurance companies and 20 general insurance companies. The number is certainly not large for a country with so large and varied an economy as the one possessed by Japan. These general insurance companies are in the main fire and marine offices, accident business, apart from motor, being little developed in the country. Risks are carefully selected by good companies, it is stated, to avoid the so-called "market risks" where trading is done in the open, often under conditions which expose the centres to excessive risks of damage through fire. Marine insurance companies, it is stated, have suffered heavy losses in recent years. The overall revenue on non-life insurers aggregated 38.6 billion yen during 1951-52 as against 26.3 billion yen a year earlier; vessel insurance accounted for 4.8 billion yen, cargo insurance for 4.3 billion yen and fire insurance for 29.5 billion yen.

Although the non-life insurers have been able to show a 50 per cent. increase in their revenue, their continued prosperity is threatened from several quarters. In the first place, the volume of business itself, it is feared, is shrinking. This is because of the general recession in trade, the aftermath of the Korean boom. Preliminary estimates of the industry's revenues for the fiscal year ending March, 1953, indicate that the overall pace of increase would slow down. Revenues from cargo insurance are expected to decline due to the setback in export trade, though vessel insurance is expected to record a 30 per cent. increase in business. Secondly, there is keen competition for the available business both by co-operative insurers and by foreign insurers. The right wing Socialist Party submitted to the recent session of the Diet a Bill designed to facilitate the entry of the co-operatives into the general insurance field. But the insurance companies are opposed to such legislation on the ground that their entry would restrict the field even further.

But the biggest threat seems to have come from foreign insurers. There are about 37 foreign insurance companies operating in Japan. They fall into three main groups, the American International Underwriters (A.I.U.), British Insurance Group (B.I.G.) and the American Federation of Insurance Association (A.F.I.A.). Foreign insurers are able to compete successfully for the available business. This is so for two reasons. In the first place, they handle insurance against "all risks," arising from fire, earthquake, windstorm and flood. Japanese companies do not handle this kind of business although they are now reported to be studying the formula. Secondly, the companies in which foreign capital has been invested enter into insurance contracts with foreign insurance companies.

Japan's insurers complain that they are being pushed into a tight corner by the increasing competition from foreign insurers and co-operatives and by the general recession in business conditions. In fire insurance business, there is agreement as to the level of premiums that may be charged by the companies. But many of them, it is stated, are indulging in an "undercutting warfare." They are offering rebates in an increasing number of instances with the intention of obtaining larger contracts. In the field of marine cargo transportation, where no agreement about premiums exists, there has been evident a downward drift in premium rates, thanks to the competitive bid for available business by marine underwriters.

In order to cope with the problem created by the ruinous competition, a new body, called Non-life Insurance Premiums Estimation Commission, has been set up. This Commission is charged with the responsibility to calculate and fix premiums. Alarmed by the growing competition in the insurance field, this body has set up a "fire insurance premiums review panel." Apparently, these efforts have not succeeded in eradicating the evil of "under-cutting warfare." A strong demand has been made that the Government should create a "Council of Insurance Business" in order to intensify its "administrative vigil" over insurers. The Council, according to insurers, should be composed of representatives of both the life and non-life insurance interests, the Government, including the Finance Ministry, and men of proved knowledge and experience. It remains to be seen whether such a body would be able to eradicate or control unfair practices in the trade. Perhaps, the experience of such a body would be able to provide a few lessons for India which faces, as already stated, problems similar to those in that country.

BRITISH INDIA GENERAL INSURANCE CO., LTD.

The British India General Insurance Co., Ltd. (General Manager: Mr. M. S. Dastur, Bombay) is one of those well established general insurers who write a large volume of fire business. During the year ended 31st December, 1952, the Company's fire business accounted for Rs. 34.29 lakhs of net premium income, which represents almost 58 per cent. of the total premium income of about Rs. 58 lakhs from all the three principal general insurance departments, namely, fire, marine and miscellaneous. Next to fire, the Company's miscellaneous department is important as a source of revenue and profit, for it fetched Rs. 17.83 lakhs by way of net premium income. But the premium income in both the fire and miscellaneous departments was somewhat less than what these departments brought in during 1951 when they accounted for Rs. 39.56 lakhs and Rs. 20.24 lakhs, respectively. The premium income in the marine department, however, was a shade higher at Rs. 5.62 lakhs.

Despite the fall in premium income, the fire department, it is noteworthy, was able to record a slightly larger profit amounting to Rs. 6.54 lakhs, whereas the profit in the miscellaneous department was smaller at Rs. 0.56 lakhs. The marine department accounted for a profit of only Rs. 3,057. The following comparative table shows the progress of the Company during the three years ended March, 1952:

(Rs. in lakhs)

	1952	1951	1950
Fire Department—			
Net premium income	34 29	39.56	35 07
Claims paid and outstanding	11 02	10 65	9 27
Profit	6 54	5 67	7 40
Fire fund*	17.97	19 78	16 64
Marine Department—			
Net premium income	5 62	6 01	8 79
Claims paid and outstanding	3 31	3.14	2.91
Profit	0 03	0 87	0.16
Marine fund	5 90	6 01	8.79
Miscellaneous Department—			
Net premium income	17.83	20 24	17.33
Claims paid and outstanding	9 85	11 64	7 63
Profit	0.56	0.75	0.94
Miscellaneous fund*	9 31	10 63	8 67
Life Department (Current Account)—			
New business	67.96	57.79	50 89
Total business	158 22	117 91	97 59
Net premium income	8 46	7 23	6 79
Life assurance fund*	12 09	7 67	3 97
Interest yield	2 96%	2 45%	3 67%

* As at end of year.

It will be seen from the above table that the Company's life business is forging ahead, the actual business completed during 1952 having improved by over Rs. 10 lakhs to Rs. 67.96 lakhs. A welcome feature of the working of the life department, which the Company shares with many other life offices, is the fact that the average net yield from investments has gone up, from 2.43 per cent. to 2.96 per cent. to be precise. The Company has provided Rs. 2,10,000 as provision for taxation and created a further reserve of Rs. 2.14 lakhs for depreciation on securities. Reserve for bad and doubtful debts has been credited with Rs. 65,000. Besides this, the exchange reserve, general reserve and reserve for equalisation of dividend have been provided with Rs. 15,000, Rs. 50,000 and Rs. 25,000 respectively. After all these transfers, the profit and loss appropriation account shows a balance of Rs. 2.99 lakhs. The Directors have recommended the payment of a dividend at the rate of Re. 1 per share, same as that for 1951, which will absorb Rs. 2 lakhs, leaving Rs. 0.98 lakhs to be carried forward, as against Rs. 0.82 lakhs brought in.

Apart from the capital of Rs. 20 lakhs, the Company's reserves aggregate, as at the end of 1952, Rs. 96.38 lakhs of which the fire fund accounts for Rs. 17.97 lakhs, the marine fund for Rs. 5.90 lakhs, the miscellaneous insurance fund for Rs. 9.81 lakhs, life closed account fund for Rs. 34.24 lakhs, and life current account fund for Rs. 12.09 lakhs.

JAYABHARAT INSURANCE CO., LTD.

The Jayabharat Insurance Co., Ltd. (Manager: Mr. M. H. Shah, Bombay) has been able to build up during the last 10 years of its existence, a sizable volume of business in the general field, though its life section has also shown some notable improvement. During the year ended 31st December, 1952, the Company's net premium income in the fire department was Rs. 2.24 lakhs lower at Rs. 32.33 lakhs while the premium income in all the other departments, namely, marine, miscellaneous and workmen's compensation has moved up. Thus, the premium income in the marine department has moved up from Rs. 4.35 lakhs to Rs. 7.23 lakhs, in the miscellaneous department from Rs. 4.67 lakhs to Rs. 4.76 lakhs and in the workmen's compensation department from Rs. 1.36 lakhs to Rs. 1.99 lakhs.

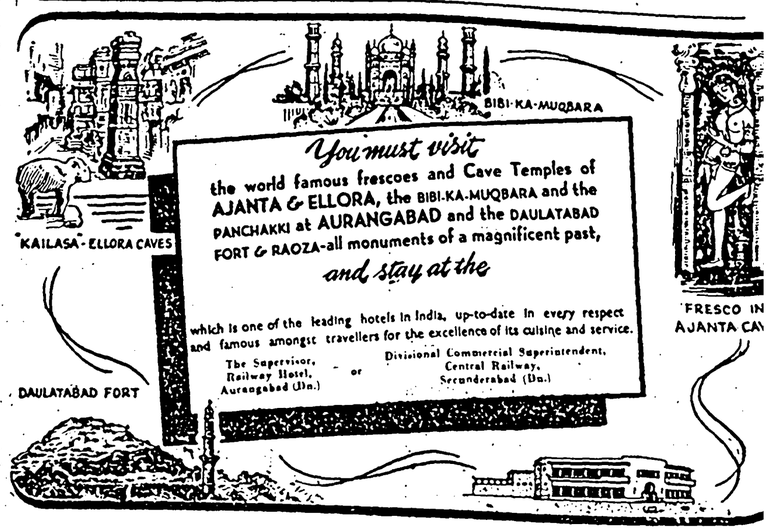
Despite the fall in premium income, the fire department has been able to record a higher profit of Rs. 8.20 lakhs, as against Rs. 5.30 lakhs in 1951. The experience of the marine department, however, has not been encouraging; in 1951 there was a small loss of Rs. 2,218 but, during the year under review, the loss was as much as Rs. 1.79 lakhs. A similar change has occurred in the miscellaneous department where the loss was Rs. 19,575, as compared with a loss of Rs. 16,798 in the year 1951. In the workmen's compensation department, too, there was a loss of Rs. 38,621 as against a small profit of Rs. 12,941 in the previous year.

In the life department, the Company wrote 2,369 policies for an aggregate amount of Rs. 77.26 lakhs. In 1951, the Company's new business aggregated Rs. 76.96 lakhs. The total business in force is now of the order of Rs. 2.87 crores and the total premium income Rs. 13.55 lakhs. Life Assurance Fund, as on 31st December, 1952, amounted to Rs. 33.54 lakhs.

After transferring Rs. 2.75 lakhs to investment reserve and Rs. 50,000 to reserve for bad and doubtful debts, there is a balance of Rs. 5.63 lakhs which, together with Rs. 18,163 brought in from the previous year, makes in all Rs. 5.81 lakhs. The Directors have recommended the payment of a dividend of Rs. 3 per share, the same as last year, which absorbs Rs. 1.50 lakhs and the transfer of Rs. 1.50 lakhs to taxation reserve and of Rs. 2.50 lakhs to general reserve, leaving Rs. 31,051 to be carried forward.

Apart from a capital of Rs. 25 lakhs, the Company's reserves and funds, as at the end of 1952, aggregate Rs. 73.49 lakhs, made up of: general reserve Rs. 7.50 lakhs, investment reserve Rs. 5.67 lakhs, fire reserve Rs. 16.16 lakhs, marine reserve Rs. 7.23 lakhs, miscellaneous reserve Rs. 2.38 lakhs, workmen's compensation reserve Rs. 1 lakh and life reserve Rs. 33.54 lakhs.

The Company writes a large volume of business outside India too. In the fire department, the Company's overseas business yielded a premium income of Rs. 18.95 lakhs and in the marine department Rs. 3.79 lakhs. The Company is now engaged in extending its business, and has appointed agents or branch managers in Burma, Egypt, Belgium and in the U.K.



NEW PUBLICATIONS

Indian Economic Journal. Published by Prof. C. N. Vakil, School of Economics and Sociology, University of Bombay, Bombay 1. Subscription: Rs. 16 or £1 5s. or $4.0 (Post Free) per annum.

THE advent of the *Indian Economic Journal* for the first time under the auspices of the thirty-four-year-old Indian Economic Association, marks a new milestone in the history of the Association. For some years now an economic journal, entitled the *Indian Journal of Economics*, was being published under the joint control of the Association as well as the University of Allahabad. In 1951, however, it was held desirable by some members that the Association should start independently a journal of its own and, therefore, a committee was appointed to go into the question. In the following year, at the annual meeting of the Association held at Trivandrum, it was decided to publish the journal from Bombay and Prof. C. N. Vakil was unanimously requested to organise and edit the *Journal* with the assistance of two persons of his own choice. The publication under reference, which made its appearance early this month, is the outcome of this decision. It will appear once a quarter under the editorship of Prof. C. N. Vakil, one of our leading economists, assisted by Mr. R. Balakrishna, Professor of Economics, Madras University, and Dr. B. V. Krishnamurti of the University of Bombay, all of whom are familiar to readers of *Commerce* through their contributions to its columns. The aim of the *Journal* is a laudable one. It will devote itself solely to "a scientific discussion of theoretical and applied economics, with special reference to India." "It will thus be a forum for professional economists and others working in the same field and will help in the development of correct economic thinking, with particular reference to the problems of this country." Since the Association is a scientific body, it is not wedded to any economic or political ideology. The *Journal* will not, therefore, seek to propagate any partisan view.

The first number of the *Indian Economic Journal* containing, as it does, seven illuminating articles, mostly on topics of current interest, bears testimony to the high standard of intellectual fare it can serve to its readers. The articles on "Capital Formation and Five-year Plan" by Professor J. Tinbergen, "Planning in Underdeveloped Countries" by Dr. B. V. Narayanaswamy Naidu, and "Some Practical Problems of Planning" by Mr. N. S. Pardasani are a treat on problems of planning in India. Equally interesting are the contributions by Mr. J. K. Mehta on "Equilibrium in Macroeconomics," Mr. V. V. Bhatt on "Motor Force of Economic Development" and Mr. K. S. Rao on "Structure of Dynamics of an Economy and Measurement of its Changes." Through his monograph on the life and work of the late Prof. K. T. Shah, Prof. Vakil has left to posterity a glowing account of one of India's ablest economists.

Judged by these as well as other features of note, particularly the section devoted to book reviews, one can confidently expect the *Indian Economic Journal* to be a source of inspiration to professional economists and others interested in a scientific discussion of economics. Its aim of promoting research in economics is undoubtedly a worthy ideal in the pursuit of which, the co-operation of University centres, Government Departments and business houses, the Reserve Bank of India and other institutions interested in economic research is necessary. In a message of goodwill wishing success to the *Journal*, Prof. Haberler, President, International Economic Association, observes: "Let me salute this event and congratulate the editors in the name of the International Economic Association. Let me express my best wishes for a resounding success. It will be of the greatest importance not only to the members of the Economic Association but also to the economic profession in other parts of the world to be able to follow, and get acquainted with the ideas and the results of researches of the many skilled and competent scholars who are working on economic problems in the great Indian universities and research institutions." Few would desist from joining hands with Prof. Haberler in his sincere message of welcome to the *I.E.J.* into the fold of economic journalism.

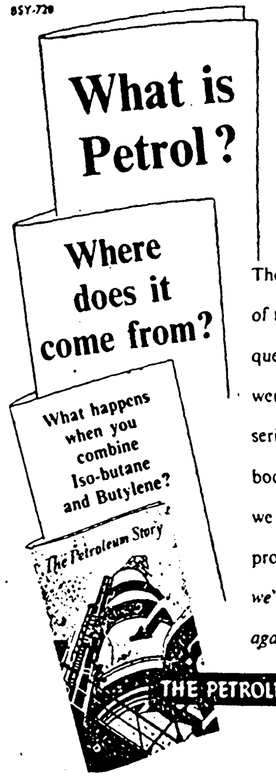
Indian Railways—One Hundred Years. Published by Ministry of Railways (Railway Board), Government of India, New Delhi. Obtainable from the General Secretary, Indian Railways Conference Association, Chelmsford Road, New Delhi. Price: Rs. 15.

The Central Railway Ministry deserves to be congratulated on bringing out this attractive and useful publication, in commemoration of the Centenary of Indian Railways held on 14th April, 1953. The publication is so replete with beautiful pictures and illustrations depicting the history, the progress and the present working of the Indian Railways that every one of its pages is of absorbing interest. The reader is first taken, in the initial chapters, to the earliest beginnings of railway construction in India. He is then acquainted with the later phases of expansion and development, the problems and difficulties which had to be faced in the process, and the final emergence of Indian Railways as the largest nationalised undertaking in the country. Several chapters have been devoted to a detailed study of the various aspects of railway working. All these, as Mr. Lal Bahadur Sastry, the Union Minister for Transport and Railways, aptly remarks in the foreword, are described in a style intelligible to non-technical readers.

At the end of the publication are given appendices giving statistical details regarding the Indian Railways. These show mileage open, capital at charge, gross earnings, working expenses and net earnings during the period 1853 to 1951-52. They also include information on the traffic carried, in stages of ten-year periods, during the century. The other particulars included cover a few noteworthy bridges and viaducts, largest railway station platforms in the democratic part of the world, resolution regarding separation of Railway from General finances, and Railway administration in India. All this information makes interest reading. The reader, for instance, will find that India has the largest platforms in the world, the biggest of them being the one at Sonepur, North-Eastern Railway.

Even a perusal of the publication under review will impress one of the vital role played by the Indian Railways in the economic, social and political life of the country. That, despite series of limitations such as those imposed by nature or political and economic factors, the Indian Railways have been able to maintain a fairly high standard of efficiency is an achievement of which they can legitimately be proved. Those who feel that this tribute is an exaggeration—there must be many who feel that way, considering the complaints that we hear nowadays about inordinate delays and the inadequacy of wagons, as well as coaching facilities—should read this volume to be convinced of what we say. This, however, does not mean that the Railway Administration can rest on its oars now. There is much more that remains to be done, if it is to meet satisfactorily the progressively growing traffic requirements of the country.

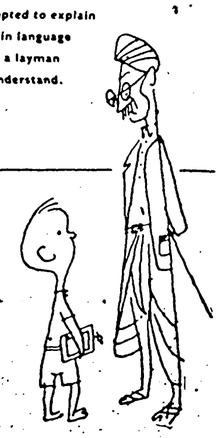
BSY-720



These are some of the many questions answered in a new series of four booklets which we have just produced (*yes, we've been at it again!*) called

One of the booklets deals specifically with refineries, which is particularly appropriate just now when work is going ahead on the Burmah-Shell Refinery at Trombay. We talk about some of the things a refinery does, and this gives a close idea of the technical skill and planning behind the setting up of the largest undertaking of its kind in India. Two million tons of oil a year need an awful lot of refining!

But refining is only a part of the story. The other three books in our series deal with the history, production and transportation of petroleum products. We have not avoided technicalities – we have attempted to explain them in language which a layman can understand.



Schools, colleges – and everyone–interested in oil – are invited to apply for these booklets at the nearest Burmah-Shell Office in Bombay, Calcutta, Delhi or Madras or to any one of our 21 Divisional Offices. When you write, please ask for the booklet by name – 'History', 'Production', 'Refineries', and 'Transportation' in "THE PETROLEUM STORY" series.

BURMAH-SHELL ... IN INDIA'S LIFE AND PART OF IT

ANDHRA CEMENT COMPANY, LIMITED

FIFTEENTH ANNUAL GENERAL MEETING

MR. V. RAMAKRISHNA EMPHASISES NEED FOR FAIR SELLING PRICE FOR CEMENT

THE need for fixing a fair selling price for cement was emphasised by Mr. V. Ramakrishna, M.A., I.C.S. (Retd.), M.L.C., Chairman of the Andhra Cement Company, Ltd., in his address to the shareholders of the Company, at their Fifteenth Annual General Meeting held at Vijayawada, on the 1st inst. The Chairman pointed out that, if the cement industry were to play its part in full in the industrial development of the country, it must be enabled to maintain its productive efficiency at the highest pitch. This meant that the industry should be allowed to build up adequate reserves for rehabilitation of old machinery and equipment. This factor should be taken into consideration by the Tariff Commission and the Government of India, he said, when fixing the fair selling price of cement. Putting forward a concrete suggestion, Mr. Ramakrishna pleaded for special free-of-tax depreciation allowances on the basis of the present-day replacement costs. This was necessary, he said, because the old plants would not be able to maintain their efficiency at the highest level, if plant reinstatement reserves were to be met out of profits after they were taxed.

The following is the full text of Mr. Ramakrishna's speech:

"GENTLEMEN,

"It is with great pleasure, I welcome you all once again to the Fifteenth Annual General Meeting of the Company.

"The Directors' Report, the balance-sheet and the profit and loss account for the year 1952 have been in your hands for some time now; and, with your kind permission, I will take them as read.

Production

"It will be seen from the statement of accounts that the working results of our Company during the year under review have been satisfactory. During the year 1952, we have produced 91,327 tons of clinker and 78,172 tons of cement, as against 46,745.5 tons of clinker and 56,021 tons of cement in 1951. Cement despatches also improved by 22,377 tons to 76,861 tons during this year. Our production would have been higher but for the intermittent troubles in the running of the new Kiln. We have been maintaining a Chemical Engineer, deputed by Messrs. F. L. Smidth & Co., the suppliers of our machinery, to work the kiln satisfactorily to give maximum production coupled with efficiency in operation. We hope that with our efforts to improve the efficiency of the plant, we will be able to step up production further during the current year. Despatches of the finished product also would have been appreciably higher, but for the continued difficulty for transport facilities which formed the main bottleneck.

"We are now making arrangements for providing additional railway siding facilities to cope with the increased traffic. In spite of the present difficulties, I am glad to state that we are able not only to release more cement than last year, but also to introduce our product in other States, like West Bengal, Orissa and Hyderabad.

"Towards the end of 1952, the Government of India, following the decline in the price of jute market, revised the price of packing material with effect from 1st December, 1952, thus resulting in a loss to the Company on the stock of gunny bags. The incidence of this loss was particularly felt by small units like ours, especially at a time when the production costs continued to be high on account of various reasons, such as increase in railway freight, stoppage of rebates in coal freights and increased labour costs, etc. The hardships caused by revising the price of packed cement on the basis of average price of gunnies over a period of nine months was brought to the notice of the Union Government for a considerate review, but the same formula is continued to be adopted, though the industry in general have asked for suspension of this basis, pending consideration of the price structure by the Tariff Commission. Since then, a further reduction of As. 6 per ton of cement is announced by the Central Government from to-day.

"In this connection, I may state that we have already made a representation to the Tariff Commission who have been entrusted with the task of fixing fair selling price for cement, that they should take into account the necessity for creating adequate reserves for the rehabilitation of old machinery and equipment, especially in view of the present high cost of new machinery. A programme of rehabilitation for the old plant of 100 tons capacity, giving priority for essential units, spread during a period of seven years on an estimated provision of Rs. 37 lakhs, has been submitted for inclusion and consideration in determining the selling price of cement for our unit. I hope the Tariff Commission, as well as the Government of India, will give their best consideration to this question, as, otherwise, it may be difficult for the private sector to fulfil the obligations imposed on it in the matter of industrial development of our country.

Depreciation on Replacement Costs

"The Government of India are now committed to a policy of mixed economy reserving a certain sector of industrial development to private initiative and enterprise, and I, therefore, trust that the Taxation Enquiry Committee, which is now entrusted with the task of conducting an exhaustive enquiry into the existing tax structure in our country, will take into account this factor and make suitable recommendations, so as to allow depreciation, for tax purposes, on the present-day replacement costs, in the case of old plants, as, otherwise, it would prove a very difficult problem for the private sector to maintain industry at its highest level of productive efficiency, if plant reinstatement reserves are to be met out of profits after they are taxed.

"Your Directors are also following a very progressive policy towards labour, and making all possible efforts to provide modern amenities such as houses, canteen etc., for the employees, so as to improve their general standard of living and efficiency. Besides provident fund introduced in the year 1949, gratuity scheme has been introduced last year when Rs. 15,000 was appropriated out of that year's profits and a like amount has been provided this year also. You will have also noted from the Directors' report that, besides providing for three months' pay as bonus to workers and staff, a recommendation has also been made for the appropriation of Rs. 2 lakhs out of the profit for 1952 for 'workers amenities reserve,' to which a sum of Rs. 1 lakh was provided from the profits of 1951. This reserve is meant to cover expenditure on the Subsidised Industrial Housing Scheme for the workers, the foundation-stone for which was laid by the Hon'ble Mr. V. V. Giri on 24th March, 1953. The total expenditure on 500 houses with other amenities connected with the colony and inclusive of the cost of land (Rs. 98,023 has been already spent) is estimated at about Rs. 16 lakhs. The Company's contribution of 37½ per cent. will be Rs. 6 lakhs, of which, together with the current appropriation of Rs. 2 lakhs, we have so far earmarked Rs. 3 lakhs, and the balance will have to be appropriated from future revenues. Under this scheme, the Central Government will give a subsidy of 25 per cent. of approved cost and will grant a loan to the tune of 37½ per cent. of the total approved cost of the scheme at 4½ per cent. interest per annum, repayable in 15 annual instalments. This labour colony, when completed, will, undoubtedly, answer a long-felt need of the workers, and will be a first class amenity for them.

Working Results

"It is gratifying to note that the working of the Company this year resulted in a net profit of Rs. 7.07 lakhs, after providing Rs. 10.0 lakhs towards depreciation, as against a profit of Rs. 5.71 lakhs in the previous year, after providing Rs. 7.76 lakhs towards depreciation.

"It is also gratifying to note that the cement industry fortunately secured a fairly high place of priority in the Five-year Plan, under which it is proposed to increase the rated capacity of the cement industry with the help of private initiative and enterprise to about 50.0 lakh tons in 1955-56 from the present rated capacity of about 40.0 lakh tons. With the gradual and steady growth in the demand for cement on account of its increasing utility, I hope, the target set by the Planning Commission may be reached by the industry at a much earlier date.

"You all know, gentlemen, that the Andhra State will come into existence on 1st October, 1953. In addition to the major project of regulator-cum-road bridge connected with the Kristna Anicut, there is likely to be extensive programme of new construction works for various irrigation, hydro-electric and road development schemes in the new State and this would naturally create substantial additional demand for our product. I hope that when demand increases, we will not be found lagging behind in increasing our productive capacity either with the existing plant or by acquiring a new plant, if necessary, to meet the demands of our new State.

Managing Agency

"Before I conclude, I wish to refer to one important development during April this year between your Directors and the Managing Agents. It has been brought to the notice of the Directors that the Managing Agents have made certain changes in the constitution of the Managing Agency company without obtaining the sanction of the Government of India. When we referred this matter to the Advocate-General, Madras, he advised us that this was clearly a contravention of the recent amendments of the company law. We had, therefore, passed certain resolutions appointing two of our Directors to take charge of the Company, on account of the Managing Agents having ceased to be entitled to act as Managing Agents, by virtue of the changes brought about by them in the constitution of their company without prior approval of Government and about their conduct of the affairs of the Company. This had become the subject matter of a suit in the High Court of Judicature, Madras, between your Directors and the Managing Agents, and the Hon'ble High Court granted a temporary injunction on the ground that the action of the Directors was not warranted. As this matter is obviously not one which could be decided quickly, but would be protracted, both the Managing Agents and ourselves felt that it was not in the interests of the Company to prolong the dispute, and we obtained a compromise decree, the main terms of which are as follows:

"'1. This agreement shall be in force for three years from 1st May, 1953.

"'2. The Managing Agents shall appoint, as the Business Manager a competent and qualified person selected from time to time by the Board of Directors of the Andhra Cement Co., Ltd., and shall authorise him to act on their behalf under a general power-of-attorney. His appointment will, however, be terminated by the Managing Agents whenever the Board of Directors so desire. The Managing Agents shall not be liable for any acts of commission or omission of the Business Manager in the performance of his duties.

"'3. The Business Manager shall receive such remuneration as may be fixed from time to time by the Board of Directors of the Andhra Cement Co., Ltd., and the Andhra Engineering Co., Ltd., shall be liable to pay towards such remuneration a sum not exceeding Rs. 1,200 per mensem. If the Board of Directors desire that the Managing Agents shall employ any technical personnel in addition to the Business Manager, the liability of the Andhra Engineering Co., Ltd., to pay towards their remuneration, inclusive of the remuneration, of the Business Manager, shall not also exceed Rs. 1,200 per mensem.

"'4. The Managing Agents agree to forgo for the time being 37½ per cent. of the annual commission which they would be entitled to under the Managing Agency agreement as and from the year 1953 onwards, the net profits being calculated as in previous years. The Directors of the Andhra Cement Co., Ltd., may, however, restore at any time all or any portion of the commission which the Managing Agents have agreed to forgo as above.

"'5. The charges against the Managing Agents regarding the management of the affairs of the Andhra Cement Co., Ltd., specified in the Board's resolution dated 10th April, 1953, are hereby withdrawn. No claim shall be made against and no liability shall attach to the Managing Agents in respect of any of the transactions covered by the said charges or any other acts of commission or omission on their part upto this date.

"'6. The resolutions of the Board of Directors of the Andhra Cement Co., Ltd., dated 10th April, 1953, regarding the cessation and suspension of the Managing Agents and the consequential resolutions are hereby revoked.

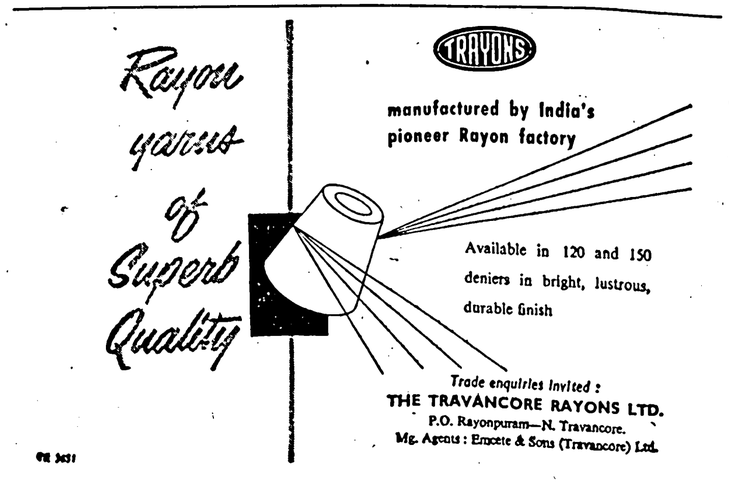
"'7. Except as herein provided, the Managing Agents shall continue to enjoy the benefits, rights, etc., vested in them under their Managing Agency Agreement.'

"In pursuance of clause 2 of the Compromise decree, your Directors selected Mr. R. C. Malhotra as the Business Manager of your Company. With his vast knowledge, of the cement industry and his considerable administrative experience, your Directors expect very rapid progress in the production and marketing of cement during the current year.

"With these few remarks, I now commend the balance-sheet and statement of accounts for adoption."

The following is a synopsis of the Company's balance-sheet as on 31st December, 1952:

		Rs.
LIABILITIES		
Capital		33,68,524
Reserves and surplus		8,91,828
Reserve for taxes		75,000
Liabilities		22,63,788
ASSETS		
Gross block		72,62,714
Less—Depreciation		25,89,341
Net block		46,73,373
Stock-in-trade		14,82,509
Stores, tools, etc.		14,48,678
Debts, deposits and advances		8,33,082
Investments		76,947
Cash		84,551
	Rs.	85,99,140



POST-WAR DEVELOPMENT OF SHIPPING IN WEST GERMANY

REMARKABLE ADVANCE IN RECENT YEARS

THE position of German shipping after the Second World War was fundamentally different from that after 1918. In those days, there were no prohibitions for German ships on the high seas and no restrictions on German mercantile shipbuilding. Shipyards, and experimental research and training institutions had been left unimpaired, so that there was no delay in starting the reconstruction of a merchant fleet immediately after the end of the war. As early as 1923, large passenger ships built in German yards were again sailing under the German flag and maintaining a regular North Atlantic service, and, by 1939, the German mercantile marine, aggregating roughly 4,500,000 g.r.t., had regained fifth place among the merchant fleets of the world. But, after World War II, all that was left was a paltry remnant of scarcely 120,000 tons of old and small vessels.

The Potsdam Agreement forbade the construction of any type of sea-going vessel. Control Council Directive No. 37 subsequently permitted only replacements for the ships that remain. The size of individual vessels was limited to 1,500 tons and their speed to 12 knots. Motor propulsion was permitted only for vessels not exceeding a length of 110 feet.

The Washington Agreement of April, 1949, however, permitted the construction of sea-going vessels upto 7,200 g.r.t. with a speed not exceeding 12 knots but only after the demand for coastal craft had been fully covered. This agreement also allowed the purchase of 100,000 tons of tankers and 300,000 tons of cargo capacity from abroad.

Restrictions Relaxed

It required long and laborious negotiations between the Federal Government and the Allies to bring about the Petersberg Agreement of 22nd November, 1949, which superseded the Washington Agreement. But it was not until the Agreement on Industrial Controls of 3rd April, 1951, had been concluded that the last restrictions regarding the size and speed of vessels, the construction of passenger ships and the extent of purchases from abroad were finally abolished. Certain reservations intended to prevent the construction of vessels with installations usual in warships remained, while the expansion of shipyard capacity required approval. Thus, the reconstruction of a merchant fleet was again possible. But all difficulties had not yet been overcome.

DEVELOPMENT OF GERMAN MERCHANT FLEET
(Gross register tons)

1914	5,460,000
1923	2,590,000
1939	over 4,000,000
1945	120,000
1946	120,000
1947	120,000
1948	120,000
1949	290,000
1950	730,000
1951	1,160,000
1952	1,500,000
1953 (April)	1,600,000

The big shipyards within the territory of the Federal Republic were largely either destroyed or dismantled. The shipyards in areas under Polish administration and in the Soviet-occupied Zone were lost altogether. In addition, the financing of shipbuilding was a matter of grave concern. Loss of their fleets had deprived the shipowners of almost their entire material assets, whereas their financial resources had been depleted by the currency reform. They were given no compensation for war damage, nor had they any claim on insurance companies. Hence, they were compelled to begin reconstruction practically without any financial resources of their own. To make matters worse, a capital market had ceased to exist since 1945 and even to-day has shown hardly any signs of revival.

Government Aid

Thus, the shipyards were dependent on the Federal Government for aid. Government subsidies could not be expected. But the "Law on Loans to Finance Reconstruction and Purchases of Merchant Vessels" of 27th September, 1950, made possible loans up to 40 per cent. of the building and purchasing costs to shipowners who had suffered war damage. To a lesser extent, E.R.P. funds were also provided, although the conditions attached to their disposal made their use in many instances very difficult. Of essential significance was the aid of the Bankdeutscher Laender and the Zentralbankrat (Central Bank Council). They made possible the financing of a major part of the expansion of the German merchant fleet, and participated in the financing of tonnage still under construction. The consolidation of these credits is now one of the Federal Government's main concerns.

Construction of new craft, purchases of vessels from abroad and reconditioning of salvaged ships raised the tonnage of West Germany's merchant fleet from 290,000 on 1st January 1950, to 730,000 on 1st January, 1951. On 1st April, 1953, that is, two years after the Agreement on Industrial Controls, 1,600,000 tons of shipping were again riding the seas. Including fishing vessels and other craft, the Federal Republic's shipping totalled 1,840,000 tons on 1st April, 1953. This included 410 new ships totalling 670,000 tons built in German yards and 170 ships comprising 568,000 tons purchased abroad. A further 109 German vessels, aggregating 284,000 tons, were under construction in West German shipyards.

Capacity Steadily Rising

The carrying capacity of the resurrected merchant fleet has thus been steadily increasing. But it is yet far from adequate to meet the economic requirements of the Federal Republic, which more than ever depends on imports from abroad. Ship and port reconstruction has contributed considerably towards the creation of employment in Germany. On 1st October, 1949, about 25,000 seamen were still unemployed or in stopgap jobs in other sectors. Only 7,500 had jobs as seamen. On 31st October, 1952, the number of seamen of all ranks serving on German merchant ships had again reached 20,000. A further 10,000 were employed on fishing craft.

As the merchant fleet slowly grew, it succeeded by degrees in recovering its former sea routes in Europe and, since 1950, throughout the world. With a further increase in the number of vessels suitable for packet service, German ships will again sail to the west coasts of North and South America, Australia and the Far East—routes which formerly were considered particularly important.

Hand in hand with the reconstruction of the merchant fleet went the repair of seaports. The Second World War had wrought grave damage to them—especially to Hamburg and Bremen. When hostilities ceased these harbours were completely, blocked by sunken ships, and the port installations largely destroyed. In Hamburg, only 10 per cent. of all wharf buildings, 28 per cent. of all warehouse space, 20 per cent. of the cranes, and 32 per cent. of the rail network in the harbour had remained intact. The rest was either totally destroyed or badly damaged. In Bremen, the extent of the damage was similar. All sea communications with other countries had ceased to operate. On 1st October, 1952, however, 56.5 per cent. of the wharf buildings, 41.3 per cent. of the warehouse space, and 56.8 per cent. of all cranes had been restored, while the rail network had been fully repaired. In Bremen, port facilities for overseas trade has been restored up to 85 per cent. of its original capacity. Port facilities for European trade, which had been almost totally destroyed, are now being reconstructed. Damage to the port installations at Bremerhaven has been almost completely repaired.

In its transport policy, the Federal Government had to consider above all the difficult situation that arose for German seaports through their severance from important parts of their natural hinterland. However, the ports have again been joined to the international network. In its policy on shipping, the Federal Government has always been guided by the interests of Europe as a whole.

Foreign shipping has shown great interest in the development of the German ports. They were soon included in regular foreign packet services. In October, 1952, 101 foreign shipping lines had been re-established to Hamburg, with 264 ships clearing the port in the course of that month. Bremen registered 73 foreign lines with 154 ship departures, and Luebeck three foreign lines with 9 departures in October, 1952.

The Federal Republic is endeavouring to contribute its share towards international co-operation by participating, for instance, in the further development of international maritime law. Moreover, German oceanographic research carried out in German ships again serves international mercantile shipping, fishing and the scientific work of all seafaring nations.

CALCUTTA ELECTRIC SUPPLY CORPORATION

A YEAR OF CONSOLIDATION AND REHABILITATION

SIR JAMES DONALD'S REVIEW

THE Fifty-sixth Annual General Meeting of the Calcutta Electric Supply Corporation, Limited, was held on 15th July, 1953 at Victoria House, Vernon Place, Bloomsbury Square, London, W.C., Sir James Donald, C.S.I., C.I.E., Chairman of the Company, presiding.

The Secretary, Mr. A. R. Colley, A.C.A., read the notice convening the meeting and the report of the auditors.

The following is the Chairman's review which had been circulated with the report and accounts for the year ended 31st December, 1952, and was taken as read:—

"Following on the decision taken at the last annual general meeting, increasing the number of members of the Board from five to seven, we appointed Mr. Godfrey Phillips, a member of our solicitors' firm—Messrs. Linklaters and Paines—and Mr. J. H. Waters, formerly our Chief Engineer in Calcutta, to be Directors. Mr. Phillips, subsequently, on retirement from Messrs. Linklaters and Paines, resigned his appointment as Director and in his place we appointed Mr. Gauntlett—a member of Messrs. Linklaters and Paines. Both Mr. Gauntlett and Mr. Waters, with their experience in their respective spheres, should give the Board valuable assistance in dealing with the many complex problems with which we are faced in dealing with this large and evergrowing undertaking.

"The year 1952 was primarily one of consolidation and rehabilitation. In the previous year, our energies were mainly centred on the construction of our additional generating plant, and, as a result, we acquired an accumulation of deferred works of repairs to buildings and maintenance of mains. With the completion of the large schemes at Cossipore and Mulajore, we were able to give attention to these matters, and it was the work in connection therewith and bringing everything up to date that constituted our main activities in 1952. Otherwise, progress was on normal lines following the pattern of, and influenced by, the same factors which prevailed in the preceding years. Political troubles were mainly confined to questions of migration between West Bengal and East Pakistan—but communal tension was absent, and, with higher living standards, there was an increase in the demand for electricity for lights and fans and for electrical appliances—now to be obtained at prices falling well within the range of an ever-increasing public. Refrigeration and air-conditioning are also proving attractive.

Increase in Sales

"In the result, our sales on the domestic side, lights and fans, rose from 149,910,422 units to 158,924,961 units, an increase of 6.013 per cent. The rising appreciation of the benefits of electricity in the domestic sphere is reflected in the increased consumption of current for household apparatus—cookers, heaters, and refrigeration. Air-conditioning is also noticeably on the increase. It will be realised that this increasing load must impose an ever-increasing strain on our L.T. network. In order to relieve this, we have encouraged large consumers to take advantage of the special tariff applicable to large buildings, by which the owners can be given a supply of H.T. current (6,000 volts) available for conversion, by the owner, and use within the buildings at low tension, suitable for fans, lights, refrigeration, and air-conditioning. On the industrial or H.T. side, there has again been a considerable increase in the number of units sold. Labour conditions were not unfavourable, communal tension on the wane, and fewer labour strikes.

"The increase is shared by jute, cotton, and paper mills and engineering works. For a few months in the early part of the year the jute industry had increased its hours of working from 42½ hours to 48 hours per week, but reverted again at the end of May to the lower figure. The benefit we secured from the three months' extra working is represented by an increase of 24 million units in the consumption by jute mills. A number of new consumers was connected to our system during the year. In all, on the H.T. industrial side, we sold 610.68 million units compared with 556.78 million units in 1951.

"The increase in our sales is reflected in our revenues. Our gross receipts rose from £4,350,517 in 1951 to £4,773,561 in 1952. Expenditure also went up from £2,990,838 to £3,539,645. With the greater output of our supply we consumed 40,000 tons more coal in our generating stations than in 1951, and this, together with an increase in railway freight charges, accounted for nearly £100,000 of the increase. The cost of repair and maintenance, to which I have already referred, was £141,000 more than in 1951. There is also an increase of £180,000 in depreciation. The cost of living continues to be a factor of some importance in wages we pay, and a steady continuing increase throughout the year in the cost-of-living index in the case of the middle classes of our employees resulted in a considerable increase in our wages bill. A claim was made by our employees for an extra month's bonus for the year 1950. This was referred to adjudication and has been decided in their favour.

Taxation Relief

"We still continue to benefit through the operation of the initial allowances for depreciation for tax purposes, and are by this means relieved from any taxation liability. As in the past three years, the Government of West Bengal have sanctioned a special appropriation, which this year amounts to £198,540, to finance the expansion of the machinery of production, this being the amount required to equate the clear profits of the Company with

FINANCES OF CALCUTTA ELECTRIC

Liabilities	£
Capital	6,162,646
Reserves and surplus	5,631,041
Debenture	4,684,297
Liabilities	3,657,417
Assets	
Gross block	26,023,353
Less—Depreciation	7,779,999
Net block	18,243,354
Stores	784,626
Debts, deposits and advances	464,234
Investments	106,328
Cash	163,460
Debenture issue expenses	283,399
	£ 20,135,401

the reasonable return allowed us by the Electricity (Supply) Act. The circumstances under which these appropriations are made and the conditions attached to them were explained in my review last year and I need not recapitulate them. One change in the conditions has been made—the initial payment, by which these appropriations will be brought back to be made available under such conditions as the Government of West Bengal may decide, has been deferred from 1952 to 1953. No provision, therefore, has been made in the accounts for 1952. It has, however, been made clear to us that the Government of West Bengal will not sanction any similar appropriation for future years. In all the circumstances the Board have deemed it expedient to add to the net revenue special appropriation a sum of £240,000 for the purpose of the expansion of the machinery of production, and, therefore, not available either for distribution to shareholders or for the payment of additional benefits to employees. The only remark, I need make, in regard to the balance-sheet is that the increase in the overdraft from £538,762 to £1,832,654 is due to expenditure on necessary capital works. It will be noticed that the liability for goods supplied and expenses accrued has been reduced from £2,318,031 to £1,021,021—roughly the increase in the overdraft.

Allocation of Profits

"We have allocated the usual amount, as required by the Electricity (Supply) Act, to the contingencies reserve and have made provision for the interest and sinking fund charges in connection with the debentures. The dividend on our preference stock and an interim dividend on the ordinary stock have been paid. We propose to make the normal contribution to the retiring gratuity fund and to pay a final dividend of 3 per cent. (free of tax) making 6 per cent. (free of tax) for the year. This leaves a carry forward of £161,233.

"The demand for electricity does not stand still. It is ever on the upward trend and the question of future development and expansion is constantly in our minds. As I pointed out in the reviews of recent years, while there is at the moment sufficient generating capacity to meet present demands and for a few years to come it will not suffice to meet the anticipated demand from 1956 onwards. This is a matter affecting not only ourselves but also most electric supply companies. I referred last year to the necessity for immediate action to remedy the situation by an amendment of some of the provisions of the Electricity (Supply) Act of 1948. Action in this direction is, I understand, still under consideration, but a year has passed and, as nothing has so far seen the light of day, it is unlikely that any change in the law will be effected within another 12 months. Meanwhile, many companies, particularly the small ones, will be hampered under the existing provisions in obtaining capital sufficient to procure new generating plant with the result that the areas which they serve are likely to suffer a shortage of supply for some years.

Agreement with Damodar Valley Corporation

"As for ourselves, we are in a somewhat better position. While still awaiting an answer to our request for an import licence in respect of plant for our proposed new southern station, we were approached by the Damodar Valley Corporation with an offer to supply current from their generating station at Bokaro where they have a generating capacity surplus to their needs. The proposal had its attractions, since, if it could be determined that the transmission of current from Bokaro—225 miles from Calcutta—would be adequate and uninterrupted, and, if the price at which the supply could be delivered within our area was comparable with the cost at which we could generate at our own stations, the construction of a new southern station could be deferred.

"We, therefore, entered into negotiations with the authorities of the Damodar Valley Corporation and, as a result, we have entered into a provisional agreement with them for a supply over a period of years, commencing in 1956. The terms of this provisional agreement require the approval and sanction of higher authority. I will not at present comment further on the scheme except to give a warning that, if there is delay in giving the necessary sanction, there is grave danger that Calcutta may suffer a serious shortage of electricity in 1956.

Visits to Calcutta

"Sir Harry Burn and Sir Willian Lamond visited Calcutta during January and February of this year. They had interviews with the Chief Minister of the West Bengal Government and discussed with him current problems connected with development. The question of connecting our system to the Damodar Valley Corporation supply was also discussed and arrangements were made to enter into an agreement for this purpose. Mr. Hobson and Mr. Waters also visited Calcutta for the purpose of attending the discussions with the D.V.C. and the consideration of the technical problems involved. I have great pleasure in placing on record the appreciation of the Board for the help accorded by the Chief Minister to our visiting Directors.

"The visiting Directors also met the leaders of Commerce and Industry and had helpful talks with them on the various aspects of the Corporation's operations.

"Our training scheme continues to show good results. Twelve men after training in this country, and subsequently in India, now hold responsible positions in our generating stations, and at the present time there are three under training in this country. We are indebted to the British Electricity Authority and to the various companies in this country for the facilities they give us in this direction.

Thanks to Staff

"Our thanks are due to the staff in Calcutta for another successful year's working. Their work throughout the year was characterised by its usual zeal and efficiency. To our regret,

(Continued on page 123)

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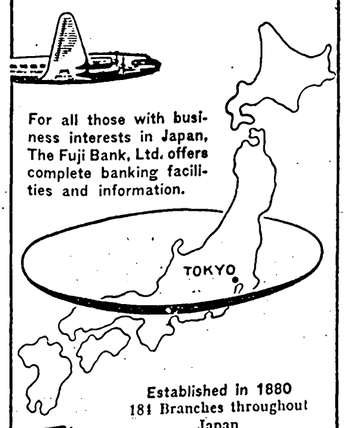

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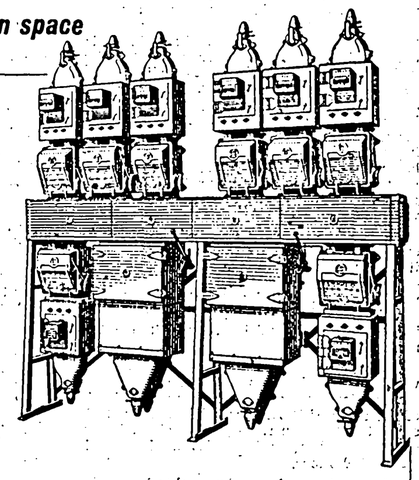

Floor space available is one of the first yardsticks of productive capacity. Excessive encroachment by factory fixtures is uneconomic; such fixtures should be inconspicuous, trouble-free, offering minimum obstruction of gangways, occupying space otherwise unproductive.
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DEVELOPMENT COUNCIL FOR CHEMICALS

TASK BEFORE IT OUTLINED

THE first meeting of the Development Council for Industries engaged in the manufacture of Heavy Chemicals (Acids and Fertilisers) was held at New Delhi on the 10th inst., the Chairman, Dr. M. D. Parekh, a well-known chemical engineer, presiding. The other members of this Council, which was constituted in March last, are Mr. V. Seshasayee, Mr. L. Gupta, Lala Charatram, Mr. S. G. Davis, Dr. I. H. Grimm, Mr. N. Adhikari, Dr. L. A. Bhatt, Mr. R. S. Mishra, Mr. M. B. Bandewdekar and Mr. Mahendra Nath Barma. This is the second Development Council set up by the Government of India under the Industries (Development and Regulation) Act, 1951, the other being the Council for Internal Combustion Engines and Power-driven Pumps. This latter Council had its first meeting on 19th April last.

Inaugurating the meeting of the Council for Heavy Chemicals (Acids and Fertilisers), Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, welcomed the members of the Council and said that they carried the responsibility of advising the Government in regard to the development of this important section of industry in India. He assured the Council of the full co-operation of his Ministry and wished it all success in the work it was going to undertake. Its task, he said, would be to deal with the expansion of particular units, efficiency, utilisation of existing capacity, modernisation of plant wherever necessary and further development of industry, among other things.

The Council had a general discussion on the procedure and steps to be taken to carry out the functions assigned to it under the Act. The Council decided to collect some basic information in regard to heavy chemical industries for this purpose. After reviewing the present position of the acids and fertilisers industries in the country, the Council considered the question of undertaking a survey of the rated capacity for the manufacture of some of the important chemicals and fertilisers.

The problems of India's heavy chemical industry are innumerable. India is at present producing sulphuric acid, soda ash and caustic soda but has not yet become self-sufficient. The production of sulphuric acid amounted to 106,932 tons in 1951. This declined to 96,081 tons in the following year, although the rated capacity continued to be as much as 150,000 tons. The country has been forced to keep nearly 33½ per cent. of its capacity idle, because of the inadequate supplies of sulphur. India's requirements of sulphur per annum are estimated at 80,000 tons, if all the sulphuric acid plants are put into operation. As against this, the country imports sulphur from America which is allocating sulphur to India on an average of about 45,000 tons. Sulphur from Japan, Italy and Argentina may be had in small lots but only at prohibitive cost. The demand for sulphur and sulphuric acid is daily growing, while the supply is dictated by the availability of sulphur. The first problem to be solved by the Development Council is to devise effective measures for covering the ever-widening gap.

Among other heavy chemicals, soda ash is one that is required by the glass silicate, textiles, paper, washing and other industries. The country produces about 50,000 tons, as against requirements estimated at 110,000 tons. It will thus be seen that the country is dependent on imports for a substantial portion of its requirements.

Caustic soda is another heavy chemical in which the gap between domestic supplies and consumption is very wide. Annual production is of the order of 15,000 tons, while the country's soap, textiles, paper, vegetable oil industry, chemical, and other industries need approximately 50,000 tons.

Apart from these three chemicals, the country produces also fine chemicals such as potassium chlorate, bichromate of soda, alum and copper sulphate in small quantities.

Production of superphosphates too falls short of the home demand, necessitating large imports from foreign countries. As this manure is mixed with ammonium sulphate in the proportion of three to one, the production of this fertiliser should keep pace with the production of ammonium sulphate by the Sindri factory. As the production of total ammonium sulphate is expected to go up to as much as about 440,000 in the next few years, the production of superphosphates should reach 1,320,000 tons by then, as against about 47,000 tons produced last year.

The all-round shortage of chemicals, as noted above, will give an idea of the magnitude of the problem facing the Development Council. The foregoing account emphasises the need for co-ordination of plans of not only the various chemical industries but also of the various other industries for which these chemicals are chief raw materials. Since the bottleneck in one will check progress of the other, the urgency lies in tackling the problem of shortages. For this, the Development Council should meet frequently and evolve suitable solutions so that the Government may implement them without much delay.

On the success of this Development Council depends the future scheme of Development Councils envisaged in the Industries (Development and Regulation) Act. Some of the industries in India are anxious that the Government should set up such councils for them also. The Government appears to be not very anxious to extend the appointment of these Councils till some experience is gained in the work done by the existing two Councils. It was originally planned to start six Councils. The fact that only two have been established is an indication of the desire of the Government to proceed cautiously, as the Development Councils which were first started in the U.K. have had a chequered career. The Government, in fact, obtained the services of an expert from the U.K., who was familiar with the working of such Councils, and this expert advised the Government to move cautiously with the scheme. Accordingly, during the debate on the Industries (Development and Regulation) Bill in Parliament in its budget session, the Commerce Minister stated that the Government would carefully watch for some time the results of working of the two Councils, namely, diesel engines and fertilisers, before it proceeded further in regard to the constitution of other Development Councils.

Meanwhile, it is worthwhile drawing the attention of the industries wishing to have Development Councils that they must be prepared for the possibility of Government imposing cess on them for meeting the expenses of the Councils. The Industries (Development and Regulation) Act, it will be recalled, empowers the Government to impose such a cess, if it feels the need for it.

CALCIUM LACTATE INDUSTRY

The question of continuance of protection to the calcium lactate industry came up for enquiry before the Tariff Commission on the 10th inst. At the previous enquiry in 1949, the old Tariff Board had made two recommendations, namely (a) the then existing revenue duty of 36 per cent. *ad valorem* (standard) and 26 per cent. *ad valorem* (preferential) on calcium lactate should be converted into protective duty; and (b) imports of the chemical should be allowed only to the extent of the excess of consumption over the indigenous production. These recommendations were accepted by the Government of India and protection was granted to the industry up to 31st December, 1953.

The units composing the industry put forward claims for several types of assistance at the enquiry inaugurated by Dr. B. V. Narayanaswamy Naidu, Member, Tariff Commission, last week. One producer has suggested a protective duty of 60 per cent., instead of the existing duties mentioned above, and another a duty of 37.78 per cent. on imports from all sources without preferential treatment to U.K. goods. Among other forms of assistance, claims have been made for banning imports, provision of transport facilities for the finished product and its raw materials, and purchase of the indigenous product by the Government.

To-day, there are three firms in the country equipped with plant for the manufacture of calcium lactate. These are the Calcutta Chemical Company, Ltd., Calcutta, the Sarabhai Chemical Works, Baroda, and Alembic Chemicals, Baroda. These three firms have an annual rated capacity of 30 tons, 72 tons and 60 tons, respectively, the aggregate for the whole country thus being 162 tons per annum. The production in the country has, however, been low, though it has been progressively rising. Thus, it increased from 10.95 tons in 1949 to 30.4 tons in 1950 and 39.1 tons in 1951. There was, however, a fall in output so far in the current years, consequent on large imports from abroad. About 65 per cent. of the imports consisted of high-priced products from the U.K. and about 35 per cent. of lower-priced from Denmark and Holland. Sarabhai Chemicals, which met the bulk of the demand in the country, had to suspend production from June, 1952 to January, 1953. The import control policy was revised toward the close of 1953 and the Company resumed production early this year.

As regards quality of the indigenous calcium lactate, the opinions received by the Tariff Commission are generally favourable. But there seems to be considerable improvement in the quality of the imported product also. The existing defects in the indigenous product are: (1) high assay due to partial dehydration, (2) incomplete solubility and (3) development of unpleasant odour on storage.

Unfortunately, data relating to domestic consumption and actual production appear to be quite confusing, as among various interests, namely, producers, importers and consumers, there are wide variations in estimates. The Commission has to ascertain the real position before considering the demands of the industry. Secondly, it has also to go into the question of not only the cost of production but also the reasons for the partial utilisation of the rated capacity of the industry. The raw materials used by the industry, namely, *jaggery*, molasses, sugar, lime, pure calcium carbonate are all available in the country. According to Dr. Narayanaswamy Naidu, the proportion of the value of indigenous raw materials to the total value of raw materials used in manufacture is about 70 per cent. by Sarabhai Chemicals, 74 per cent. by Alembic Chemicals and 85 per cent. by Calcutta Chemicals. The utilisation of this high percentage of indigenous raw materials is doubtless a point which favours the continuation of protection to the industry. But the form of protection and the period for which it should be granted can only be determined on the closest scrutiny of the various details now undertaken by the Commission.

DECLINE IN U.K.'S TRADE WITH INDIA

The figures furnished by the trade and navigation accounts of the United Kingdom for the first five months of 1953 disclose that the total value of trade between that country and India declined from £108,258,000 in the corresponding five months of 1952 to £90,306,000. The fall is shared by both exports and imports. Thus, during January-May 1953, the value of exports from the U.K. to India amounted to £46,639,000, as against £50,696,000 in the corresponding period last year, or a fall of £4,057,000. Similarly, imports of goods from India into the U.K. in the five-month period of the current year amounted to £43,667,000, as against £57,562,000 or a fall of £13,895,000. In other words the fall in imports from India was larger than the fall in exports from the U.K. to India. The U.K. had a surplus of £2.6 million in its trade with India.

The bulk of exports to India (of the total of £46.6 million) is accounted for by machinery, amounting in value to £14.8 million, as against £16.1 million in the corresponding period of 1952. Exports of vehicles, including ships and locomotives, amounted to £6.3 million as against £7.8 million, but those of electrical goods and apparatus rose from £4.3 million to £5.2 million. Exports of chemicals, drugs, dyes and colours, however, receded from £5.7 million to £3.0 million.

Of the total value of £43.6 million worth of goods imported from India, tea accounted for £17.2 million, as against £22.5 million imported during the first five months of 1952. A marked fall was registered in jute manufactures which amounted to £2.4 million, as against £10.3 million. Imports of seeds and nuts for oil, oils, fats, resins and gums also declined but slightly from £3.4 million to £2.6 million. Leather and leather manufactures imported, however, rose from £3.4 million to £5.8 million.

WORLD OUTPUT OF OILS

Although world production of oils and fats at 23.6 million tons this year will be smaller by 890,000 tons than last year, the shortfall, according to Mr. J. C. A. Faure, Chief Buyer of oils and fats for Unilever, would not normally affect the actual level of consumption. The lower production estimate for the current year is attributed to the smaller olive oil crop which accounts for a decline of 867,000 tons. Current production of olive oil together with carry-over stocks, he said, should be adequate to meet this year's consumption. Mr. Faure predicted smaller output of groundnuts, sunflower seed, copra, whale oil, sperm oil and lard but said that the decline would be offset by increased production of palm oil, palm kernel oil, linseed oil, butter and one or two other items. The break-up of the world output of oils and fats, with 1952 figures in brackets, is: edible-type oils 7.66 million tons (8.65 million tons); palm oils 3.03 million tons (3.04 million tons); industrial type oils such as linseed, tung, etc. 3.19 million tons (3.03 million tons); animal fats (butter, lard, etc.) 9.09 million tons (9.07 million tons); and marine oils 0.68 million tons (0.76 million tons). World exports this year are placed at 6.21 million tons whereas import requirements are said to amount to 5.02 million tons (3.52 million tons for Europe and 1.50 million tons for non-European countries). He stressed, however, that the fact that the total supplies of oils and fats were back to the pre-war level, after allowing for the growth in population and that the *per capita* consumption of fats and oils has recovered to its pre-war level did not mean that there could be any slackening of efforts at increased production. After referring to the continued increase in population, he said: "The present rate of world production will be quite inadequate to meet the demand in two or three years' time."

EXPORT DRIVE IN JAPAN

The Five-year Plan drawn up by the Japanese Government envisages a drive to capture South-East Asian markets and increase its shipping tonnage by 1,200,000 gross tons.

The proposals are designed to cut production costs and boost Japan's exports to world markets, backed by Japan's policy of "economic diplomacy" and higher industrial efficiency.

The Plan proposes a drive to increase exports from an estimated $1,180 million last year to $1,460 million in 1958. Imports would be cut from $1,780 to $1,660 million.

The Plan aims at cutting the price of coal and ammonium sulphate by 20 per cent. by improved methods and better use of labour. It seeks big cuts in iron and steel prices, ranging from 4 per cent. for iron to 27 per cent. for thin steel plate.

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SPEECH OF MR. HOLCK-LARSEN AT THE ANNUAL MEETING

ANOTHER RECORD YEAR COMPLETED

ADDRESSING the Eighth Ordinary General Meeting of Larsen and Toubro, Ltd., held in Bombay on Friday the 17th inst., Mr. Holck-Larsen, Chairman of the Company, expressed satisfaction at the results of the Company for the year ended 31st March, 1953. He observed that the Company was able to do good business during the year despite the perceptible recession in several fields of its activity, thanks to the superior quality of the products which it handled, the considerable stock of spare parts it maintained and the fine service reputation it had built up. Disclosing that the Company's expanded sales and service effort had met with encouraging results, he forecast a brighter future for the next year. The Chairman also pointed out that the Company's policy of Indianisation was progressing well.

The following is the full text of Mr. Holck-Larsen's speech:

"GENTLEMEN,

"It gives me great pleasure to welcome you to this, the Eighth Ordinary General Meeting of our Company.

"Copies of the balance-sheet and the Directors' report for the year ended 31st March, 1953, have already been circulated to you and, with your permission, I will take them as read.

"The year has been another record year for our Company, both in respect of sales and profit. Direct sales show an increase of 16 per cent. to Rs. 162 lakhs, to which must be added indent sales totalling Rs. 89 lakhs, as against Rs. 67 lakhs during the previous year. Our total annual turnover thus exceeds Rs. 2½ crores. The corresponding net profit enables us to maintain a dividend of 10 per cent. free of income-tax on the ordinary shares, after having allowed Rs. 5.45 lakhs for taxation and Rs. 2.72 lakhs for depreciation.

"You will have noticed with satisfaction that the item of 'goodwill', which stood in our books at a cost of Rs. 7,29,556, has now been completely written off. The same applies to commissions and brokerage on our last issue of shares. In addition, it has been possible to transfer Rs. 1 lakh to a general reserve fund.

"We are pleased with these results, more so because the year must be described as one of a weakening market, with a noticeable recession in several of the fields in which we do business. Machines and parts became freely available and the competition became stronger; it can reasonably be said that the 'sellers' market' has now come to an end.

After-sales Service

"To meet these conditions, we relied with confidence on the superior quality of the products which we handle, on our considerable stock of spare parts, and on the fine service reputation which we have built up. To this we added an intensification of our sales efforts; We expanded and developed our sales and 'after-sales service' organisation; we intensified our propaganda, and arranged for personal visits of our salesmen and engineers to old clients and to prospective customers. We also strengthened our organisation for arranging demonstrations in the field of the machinery we handle, and we further developed the training schools which we maintain for the personnel of our customers.

"Those of you who heard Mr. Toubro's speech last year will recall that he prepared us for stronger competition, and, in consequence, an increase in expense to meet those conditions. The decision to meet the challenge of the market, by a determined and expanded sales and service effort, has been a good one. It has paid us a good return by firmly consolidating our position in the market. We can justifiably claim that we are, to-day, extremely well established—and I venture to say that we will be able to cater for an even larger business, without any material additions to our present establishment.

"While we are firmly convinced that we are right in having expanded and consolidated our position in this manner, I need hardly tell you that a constant watch is being kept on the economy of our Company, and care is being taken that no expenses are incurred which are not, in the opinion of your Directors or the Managing Agents, essential to the furthering of this aim.

Indianisation

"In spite of the expansion of our sales, and a considerable expansion of our service facilities throughout the country, it has been possible to carry on the business without employing additional personnel from overseas. The Company's policy of Indianisation is progressing, and I am glad to say that those members of our Indian staff whom we sent abroad for specialised training and who have now returned to the Company, are doing well. We are still sending personnel abroad for training and we receive encouraging reports on their progress. In addition to this, our Company's local trainee scheme (we have to-day 75 trainees) has proved a great success and it may well be expected that some of the boys, whom we see to-day at Powai, at Madras, or in the field will be the future executives of our company.

"We view this development with satisfaction, and I wish to say here, that it is our Company's policy to bring more and more of our talented Indians to the top. This is being done by careful training, in our workshops and offices, by specialised training abroad, and by taking advantage of the many visits of experts from our overseas principals. While this is our policy, I want, at the same time, to warn against undue haste or over-zealousness. A certain flexibility is necessary. We must bear in mind that rapid progress is taking place in the Western world, not only in technical matters, but also in respect of methods of administration, inventory control, etc. To meet competition successfully, and to enable us at all times to give the best service to our customers, it is our duty to keep abreast of such developments, and, where necessary, rely on imported talent and specialised knowledge.

"The Greater Bombay Municipal Corporation has now decided to repair and widen the two-mile stretch of road from Saki Naka to Powai, and this should effectively assist us in reducing our conveyance expense. To get the scheme expedited, and to show our civic sense, our Company has agreed to contribute Rs. 49,000 towards the cost of the road-building, which is estimated at roughly Rs. 1,70,000. Our wish now is that regular public transport should be introduced to serve this increasingly important area.

Outlook

"We review the past year, which I will term a year of development and consolidation, with satisfaction, and our Company has good reason to be optimistic about the current year and the future. You will have seen from the report that we consider ourselves well equipped to play a major role in the execution of India's Five-year Plan, in the development of agriculture, building of highways and village roads, construction of dams and tanks, clearing of virgin land, bunding and ditching, producing electric energy, and generally assisting in raising the standard of living of the people.

"We have the tools and there are many and encouraging signs that we will be given ample opportunities of using them. It is our desire to serve, because we realise that only by serving the public well can business created by private enterprise survive.

"We realise that, to be a responsible business enterprise, it is not sufficient just to produce, sell or service good machinery. The welfare of all those who are affected by our Company's operations—customers, distributors, stockists, associates, shareholders and employees—must be an important factor in the Company's business decisions.

"In this connection, I wish to express, on behalf of the Company, our sincere appreciation to all those L. and T. employees, who during the past year have given of their best. Many of them have worked under difficult conditions, in remote places and in unexplored markets. It is to a great extent due to their efforts that the year has been one of added strength to our Company, enabling us to meet the future with fortitude and confidence.

"In conclusion, I wish also to express my gratitude for the valuable co-operation and assistance extended to me by my colleagues on the Board.

"I now beg to move, that the Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st March, 1953, be approved and adopted."

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Notice

HIND CYCLES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Ordinary General Meeting of the Shareholders of Hind Cycles Limited will be held at the Office of Messrs. Birla Brothers Limited, Imperial Bank Building, Bank Street, Fort, Bombay, on Monday the 3rd August, 1953, at 1 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1952.
2. To declare Dividend.
3. To elect Directors in place of those who retire by rotation.
4. To appoint Auditors for the ensuing year and fix their remuneration.
5. To transact any other business that may be brought before the Meeting with the consent of the Chairman.

The Share Transfer Register will be closed from 22nd July, 1953, to 12th August, 1953 (both days inclusive).

By Order of the Board,
BIRLA BROS., LTD.,
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BOMBAY, 14th *July*, 1953.

N.B.—The Shareholders are requested to notify to the Company any change of address, failing which their dividend warrants will be posted to the addresses as registered with the Company.

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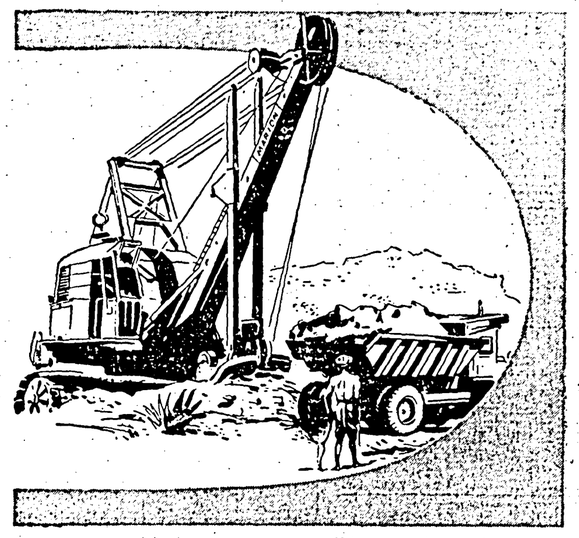

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K. P. R. MENON,
Managing Director.

DIGVIJAY CEMENT COMPANY'S RECORD PRODUCTION

PROFIT HIGHER—DIVIDEND RAISED

THE year 1952 was, on the whole, a satisfactory one for the cement industry. The demand for cement continued to be good, enabling the factories to maintain production at a high level. The earnings of the industry were, therefore, relatively better than those for the preceding year. The Directors' report and accounts of the Shree Digvijay Cement Co., Ltd. (Managing Agents: Shree Laxmi Agents, Ltd., Sika), for the year ended 31st December, 1952, reveal that the Company was no exception to this trend. Its production reached a record high of 120,243 tons. Its gross profit amounted to Rs. 25.22 lakhs, representing an increase of Rs. 6.47 lakhs over that for the previous year. This has enabled the Directors to add as much as Rs. 7 lakhs to the reserve fund which was created last year by the transfer of Rs. 3 lakhs from the profit for that year, and to follow up the maiden dividend of 5 per cent. paid for 1951 with an enhanced distribution of 6 per cent. for the year under review.

The salient features of the Company's results for the year under review are presented against the background of those for the preceding three years in the following table, which gives an idea of the Company's progress:

(In lakhs of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Cement sales (net)	99.98	82.17	62.14	40.22
Stocks	4.10	3.54	4.23	4.97
Operating and other expenses ..	75.94	62.89	62.71	37.33
Gross profit	25.22	18.75	15.15	12.24
Managing Agents' remuneration ..	2.11	1.30	0.85	0.80
Depreciation	10.00	10.00	10.00	7.50
Net profit	13.11	7.44	4.29	3.94
To reserve fund	7.00	3.00	..	..
To dividend—				
5% preference	2.00	2.00	3.75*	3.03†
Ordinary	3.60	3.00	..	..
	(6%)	(5%)		
Carry forward	1.41	0.90	1.46	0.91

* Dividend for the years 1949 and 1950.
† Dividend for the period ended 31st December, 1948.

The sharp rise in sale proceeds of cement during 1952 was the result of record production and favourable prices realised in export markets for a portion of the output. The results would have been far better but for the withdrawal of the special prices from 1st April, 1952, which had been granted to new factories with a view to enabling them to consolidate their position in the initial period. In his address to the shareholders last year, at their annual general meeting, Mr. G. D. Somani, Chairman, informed them that representations had been made to the Union Ministry of Commerce and Industry to the effect that, as the new companies concerned had a large amount of depreciation still in arrears, this concession should be continued for some time. Instead, there was a reduction in the price of packed cement from 1st December, 1952, due to a fall in price of jute goods. This latter reduction would have affected companies which had bought jute bags at higher prices. However, the whole question of cement prices has been referred to the Tariff Commission, the recommendations of which are awaited. No provision for taxation has been made, presumably because the Company still enjoys the benefit of special depreciation allowances. But this is no saving for the Company as the tax liability has only been merely deferred.

The financial position of the Company, as on 31st December, 1952, is indicated by the following synopsis of its latest balance-sheet:

Liabilities	Rs.
Capital	99,68,500
Reserves and surplus	11,41,034
Liabilities	60,50,366
Assets	
Gross block	1,15,48,935
Less—Depreciation	36,79,132
Net block	78,69,803
Extension works-in-progress	43,37,699
Stock-in-trade	4,09,977
Stores, spares, etc.	32,81,067
Debts, deposits and advances	8,71,317
Cash	3,90,037
Rs.	1,71,59,900

As will be seen from the above figures, the reserves and surplus aggregate Rs. 11.41 lakhs, as against the paid-up capital of Rs. 99.68 lakhs. The gross block of the value of Rs. 158.87 lakhs (including a sum of Rs. 43.38 lakhs representing extension works-in-progress) has been provided with a depreciation fund of Rs. 36.79 lakhs. The current assets aggregating Rs. 158.87 lakhs exceed current liabilities (Rs. 60.50 lakhs) by as wide a margin as Rs. 98.37 lakhs. The current liabilities include a sum of Rs. 30 lakhs, representing the loan taken from the Industrial Financial Corporation of India.

The Company's extension programme is nearing completion. The second kiln was ready for working about the end of March, 1953. The new cement mill is expected to start working from September next, as the delivery of the motor for the same has been delayed. In order to facilitate handling of raw materials and cement, the Company proposes to install a ropeway from its factory to the steamer loading point in two stages. The order for the first stage has already been placed with the manufacturers.

ANDHRA CEMENT REPORTS BETTER RESULTS

A notable rise of Rs. 4.32 lakhs in the gross profit (before providing for Managing Agents' commission, depreciation and taxation), that is, from Rs. 13.99 lakhs to Rs. 18.31 lakhs, is disclosed by the financial results of the Andhra Cement Company, Ltd. (Managing Agents: The Andhra Engineering Company Ltd., Madras), for the year ended 31st December, 1952. After making provisions for Managing Agents' commission, depreciation and taxation, the net profit shows a small increase from Rs. 5.16 lakhs to Rs. 6.07 lakhs. Out of the net profit, a sum of Rs. 2.15 lakhs has been set aside for workers' amenities reserve and workers' gratuity reserve, which is Rs. 1 lakh more than that provided in the previous year. The dividend on the shares has been maintained at 7½ per cent., to which level it was stepped up last year from 3½ per cent. paid for 1950.

The following comparative table shows the progress of the Company in the last few years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	71.60	51.05	21.77	22.37
Expenses	53.27*	37.66*	19.86	19.50
Gross profit	18.31	13.99	8.31	3.60
Managing Agents' commission ..	1.49	1.07	0.29	0.32
Depreciation	10.00	7.76	1.13	0.73
Taxation	0.75	..	..	..
Net profit	6.07	5.16	1.89	2.45
Reserves	2.15	1.15	..	0.25
Dividends—				
Preference	0.15	0.15	0.15	0.15
Ordinary	3.83	3.83	1.91	1.89
	(7½%)	(7½%)	(3½%)	(3½%)
Carry forward	0.20	0.25	0.32	0.39

* Approximate.

The notable rise in sale proceeds during the year under review was the outcome of higher production than in the preceding year, on account of both the kilns of the Company being put on continuous operation. The Directors observe that, despite the continuous operation of the kilns, maximum production could not be achieved, owing to intermittent trouble in the running of the new kiln. They are, however, making all efforts to improve the efficiency of the plant, in order to step up production. Expenses also have gone up sizably. This is due to increases in railway freight, withdrawal of rebates on coal freights from April, 1952, and increase in prices of certain materials. The sum of Rs. 2.15 lakhs set aside for reserves includes Rs. 2 lakhs added to the workers' amenities reserve, to which had been added Rs. 1 lakh in the previous year, for providing tenements for workers, under the Central Government's Industrial Subsidised Housing Scheme. Out of the sum of Rs. 1 lakh set aside for this purpose last year, the Directors have since utilised over Rs. 98,023 for purchase of land. The Government of India has made a provision for construction of 30 houses during the current year and has sanctioned an amount not exceeding Rs. 33,850 as subsidy and a sum not exceeding Rs. 50,625 as loan.

The Company would appear to have been handicapped by the revision of price of packed cement on the basis of the market price of packing material. Referring to this difficulty, the Directors observe:

"The sudden announcement of the Government of India to reduce the price of packed cement towards the end of the year has brought about a disappointment to the cement industry in general and particularly to individual small units such as ours. The linking up of the price of cement to, and review thereof quarterly on the basis of, the average market value of packing material during a period of nine months, creates weak tendencies in the market, besides the hardship caused to units, who had large stocks of packing material purchased at high cost. We have presented our case before the Tariff Commission for recommending revision and fixation of a fair and reasonable price for cement, with special emphasis on the need for protection to single small units like ours, who have to build up adequate reserves for rehabilitating old plant with fair returns to the investors."

The balance-sheet of the Company as on 31st December, 1952, underlines the need for building up adequate reserves. As against a paid-up capital of Rs. 53.68 lakhs, the reserves and surplus amount to no more than Rs. 8.92 lakhs, of which general reserve accounts for Rs. 5.43 lakhs and workers' amenities reserve Rs. 3 lakhs. The gross block of Rs. 72.63 lakhs has been written down to Rs. 46.73 lakhs. The current assets, at Rs. 39.26 lakhs, exceed the current liabilities, at Rs. 23.38 lakhs, by a comfortable margin of Rs. 15.88 lakhs.

DALMIA CEMENT (BHARAT) LTD.

The Directors' report and audited accounts of the Dalmia Cement (Bharat) Ltd. (Managing Agents: Messrs. Hari Brothers Ltd., New Delhi) for the year ended 31st December, 1952, relate to the Company's first year of working after it was formed in November, 1951, for the purpose of taking over the Indian assets of the Dalmia Cement Ltd. as on 30th December, 1951. The old company, namely, the Dalmia Cement Company Ltd., is a subsidiary of the Dalmia Cement (Bharat) Ltd. and has been working the factories in Pakistan since 30th December, 1951. The results of working of the Dalmia Cement (Bharat) Ltd. for the year under review are not, therefore, comparable with those of the Dalmia Cement Ltd. for the previous year.

The working of the Company during the past year has resulted in a gross profit of Rs. 40.01 lakhs, out of which the Managing Agents' commission absorbs Rs. 2.87 lakhs. The provision made for initial, normal and additional depreciation amounts to Rs. 13.31 lakhs. Out of the balance of Rs. 25.83 lakhs, nearly 50 per cent.—Rs. 12.50 lakhs to be precise—has been set aside as provision for taxation, leaving a net profit of Rs. 13.33 lakhs. The Directors propose to add to the general reserve a sum of Rs. 4 lakhs. The dividend on the 6 per cent. preference shares takes up Rs. 3.53 lakhs. The balance is sufficient to propose a modest dividend of 6¼ per cent. on the ordinary shares. This will absorb Rs. 5.41 lakhs, leaving Rs. 39,834 to be carried forward to the next year.

Although the year under review is the first year of working of the Company, the factory at Dalmiapuram, which forms the main part of the assets taken over from the Dalmia Cement Ltd., is now in its fourteenth year of operation. An idea of the progress of the factory's productive capacity during these years is given by the Directors in their report. In 1939, the factory was equipped to produce 250 tons per day of cement by dry process. In order to meet the increasing demand for cement to meet the various post-war development schemes, the capacity was increased in September, 1949, by adding a wet process plant with a capacity of 500 tons per day. Thus, the factory has now a capacity of 750 tons a day. As the supply of firebricks required for its own needs, which it had been getting from Bengal and Bihar, became acute during the war, the Company undertook the manufacture of refractories and also increased the capacity to meet the needs of South India. In 1952, the Company undertook also the manufacture of underground drainage soil pipes. It has commenced production of procelainware insulators and cement pipes. These have, however, not yet been placed in the market on a large scale.

The Company's results would have been more satisfactory but for two factors, namely, (1) the power cut in South India, and (2) the reduction in the selling price of packed cement by the Government of India with effect from 1st December, 1952, on the ground that the increase granted in June, 1951, due to rise in packing material cost, was no longer justified on account of the fall in prices of packing materials. Commenting on this reduction, as well as on a further reduction for the same reason, with effect from 1st April, 1953, the Directors observe, in their report to the shareholders, as follows:

"In doing so, neither the Government has taken into consideration the high-priced packing material being carried in stock by the industry, nor the rise in cost due to several other factors. On representation having been made by the industry, the matter was entrusted to the Tariff Commission for enquiry. The enquiry has been completed. The report of the Tariff Commission is awaited by the Government. The future of the industry is very much dependent on the recommendations of the Tariff Commission and their acceptance by the Government."

The following summary of the Company's balance-sheet, as on 31st December, 1952, will give an approximate idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,22,077	Gross block ..	69,78,209
Reserves and surplus ...	43,86,214	*Less*—Depreciation ...	10,07,424
Provision for taxation ...	12,50,000	Net block ...	59,70,785
Liabilities ...	1,81,06,512	Stock-in-trade	10,33,474
		Stores ...	58,15,195
		Debts, deposits and advances ...	48,70,910
		Investments	2,08,45,225
		Cash ...	2,29,214
Rs.	3,87,64,803	Rs.	3,87,64,803

NEPA MILLS

The Government of India proposes to send three officials to examine the State-aided newsprint project, the Nepa Mills. The officials are expected to visit the site of the project at Nepanagar, near Chandni, in Nimar District, at the end of this month. It is understood that they will scrutinise the capital structure and project cost of the Nepa Mills with an eye on economy.

The Rs. 6-crore project, with an estimated capacity of 30,000 tons of newsprint a year, is expected to go into production by next year. The Madhya Pradesh Government has so far sanctioned loans to the extent of Rs. 287 lakhs for the project, and has made provision of Rs. 130 lakhs in the budget for 1953-54. The State has also subscribed Rs. 65 lakhs to the share capital of the Company. The Government of India, who have given Rs. 98 lakhs so far as loans to the State Government in connection with the project, had also agreed to give a further loan of Rs. 34 lakhs to finance the project, which has been included in the Five-year Plan.

Points From The Chair

Contribution of Tinplate to Steel Equalisation Fund

"FOLLOWING the Tariff Commission enquiry to review tinplate retention prices, the selling price of tinplate was raised during the year by 11¼ per cent. from Rs. 41-9 to Rs. 46-4 per basis box, and, at this price, it is substantially higher than the domestic price of tinplate in other countries. Tinplate is basically a steel sheet coated with pure tin, and, as such, it is called upon to make a substantial contribution to the Steel Equalisation Fund. Whatever one may feel about the necessity for steel in general (which is largely used in capital projects) bearing a substantial impost to provide, through the Equalisation Fund, the finance necessary for expanding steel production, it is, in our view, wrong that tinplate, which is used exclusively for the manufacture of containers for the packing of foodstuffs and other essential commodities, should make such a contribution. For it is, in effect, a direct addition to the cost of living, especially of the middle classes. To date, our representations to Government on this matter have been unsuccessful, but we shall continue our efforts."

H. CHISWELL JONES,
Metal Box Co. of India Ltd.

Packing Charges for Cement

"Towards the end of 1952, the Government of India, following the decline in the price of jute market, revised the price of packing material with effect from 1st December, 1952, thus resulting in a loss to the Company on the stock of gunny bags. The incidence of this loss was particularly felt by small units like ours, especially at a time when the production costs continued to be high on account of various reasons, such as increase in railway freight, stoppage of rebates in coal freights and increased labour costs, etc. The hardships caused by revising the price of packed cement on the basis of average price of gunnies over a period of nine months was brought to the notice of the Union Government for a considerate review, but the same formula is continued to be adopted, though the industry, in general, have asked for suspension of this basis, pending consideration of the price structure by the Tariff Commission. Since then, a further reduction of *As.* 6 per ton of cement is announced by the Central Government from to-day."

V. RAMAKRISHNA,
Andhra Cement Co., Ltd.

Demand for Electricity will Increase

"The demand for electricity does not stand still. It is ever on the upward trend and the question of future development and expansion is constantly in our minds. As I pointed out in the reviews of recent years, while there is, at the present moment, sufficient generating capacity to meet demands and for a few years to come, it will not suffice to meet the anticipated demand from 1956 onwards. This is a matter affecting not only ourselves but also most electric supply companies. I referred last year to the necessity for immediate action to remedy the situation by an amendment of some of the provisions of the Electricity (Supply) Act of 1948. Action in this direction is, I understand, still under consideration, but a year has passed and, as nothing has so far seen the light of day, it is unlikely that any change in the law will be effected within another 12 months. Meanwhile, many companies, particularly the small ones, will be hampered under the existing provisions in obtaining capital sufficient to procure new generating plant with the result that the areas which they serve are likely to suffer a shortage of supply for some years."

SIR JAMES DONALD,
Calcutta Electric Supply Corporation Ltd.

Marine Insurance

"There are no grounds for complacency in the marine market. Cost of ship repairs—both materials and wages—are still rising, and it was this factor which influenced the marine market recently to introduce an overall increase of 10 per cent. on all renewals, although with certain changes in the Joint Hull Understandings in favour of those shipowners whose fleets show satisfactory results. The current year, 1953, has been marked by several serious marine casualties, but, bad as these are, they may prove to be less than the aggregate cost of the large number of claims caused through the disastrous floods which occurred in Holland, Belgium and in our own coastal areas. This is but a further example of the serious addition to underwriters' liabilities arising out of extensions of marine policies to include shore risks of various kinds."

COL. A. C. TOD,
Royal Insurance Co., Ltd.

Development of Mineral Resources

"We feel that the present time, when the level of metal prices is considerably below that of recent years, is an opportune one for a company with liquid resources to undertake exploration programmes. More favourable conditions exist as regards terms under which properties or prospects may be optioned or acquired, and a more selective attitude can be taken and a sounder judgment made. In some countries outside the Commonwealth, it has been impossible upto now to regard as practicable the investment of funds for the development of mineral resources, owing to the impossibly onerous terms which have been required. There is, however, now evidence of a modification of outlook regarding such terms, as countries realise, albeit but slowly, that development of their natural resources can often best be undertaken by non-nationals, on a basis of mutual goodwill and sound businesslike terms."

A. CHESTER BEATTY, JNR.
Selection Trust, Ltd.

Notices

THE SOUTH KARANPURA COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-first Ordinary General Meeting of the Shareholders of THE SOUTH KARANPURA COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday the 3rd August, 1953, at 3 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 28th February, 1953, declaring the Dividend recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Transfer Register of the Company will be closed from the 20th July to the 3rd August, 1953, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, *9th July*, 1953.

THE BRITANNIA BISCUIT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SECOND Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 15, Taratola Road, Alipore, Calcutta, on Monday the 10th August, 1953, at 11 a.m., for the following purposes:—

To receive the Directors' Report and to pass the audited accounts for the year ending 31st March, 1953, declare a dividend recommended by the Directors, elect two Directors in place of retiring Directors, appoint Auditors and fix their remuneration, and to transact any other business as may properly be brought before the Meeting.

The Transfer Register will be closed from the 6th August to 12th August, 1953, both days inclusive.

By Order of the Board,
A. P. CHANDA,
Director and Secretary.

15, TARATOLA ROAD, ALIPORE,
CALCUTTA, *8th July*, 1953.

As Dividend Warrants are sent only to registered shareholders or their mandatees, shares on Blank Transfers should be submitted with complete deeds for registration of transfers before the Register of members is closed. No applications for Warrants will be necessary.

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT AN interim dividend in respect of the year ended 30th April, 1953, at the rate of As. 14 (Annas Fourteen) per share without any deduction for Indian Income-tax paid by the Company has been declared payable by the Directors and will be paid to the Registered Shareholders as on 31st July, 1953.

The Share Transfer Books of the Company will be closed from the 22nd to 31st July, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents and Secretaries.

4, CLIVE ROW,
CALCUTTA, *10th July*, 1953.

N.B.—Payment of the above dividend will be made only to those members whose names are registered in the Books of the Company on the 31st July, 1953, or to their mandatees. No application for Warrants will be necessary. Claims on behalf of the holders of shares on blank transfer will not be entertained.

THE TATA OIL MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIFTH ORDINARY GENERAL MEETING OF THE TATA OIL MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay, on Monday, the 3rd August, 1953, at 4.30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Statement of Accounts for the year ended 31st March, 1953, and the Reports of the Directors and Auditors, and to declare Dividends.
2. To elect a Director in place of Mr. A. D. Shroff, who retires in accordance with Article 127 of the Company's Articles of Association, but is eligible for re-election.
3. To elect a Director in place of Mr. D. R. D. Tata, who retires in accordance with Article 127 of the Company's Articles of Association, but is eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 10th July, 1953 to Monday the 3rd August, 1953, both days inclusive.

By Order of the Board,
TATA INDUSTRIES LTD.,
Managing Agents,
N. H. TATA,
Director.

BOMBAY, *2nd July*, 1953.

Note.—If dividends as recommended by the Directors are passed at the Meeting, payments will be made on and after 4th August, 1953, to those Shareholders whose names are on the Company's Register on the 3rd August, 1953.

CALCUTTA ELECTRIC SUPPLY CORPORATION

(*Concluded from page 118*)

Mr. Church, our Agent in Calcutta, by his own wish and desire, resigned as from the close of the year. He had rendered 26 years of outstanding and devoted service to the Company. In his earlier years, he had exhibited talents which marked him out for eventual high office and his elevation to the post of Agent, on Mr. Gladding's retirement, was the due recognition of the ability and energy he had displayed in the various appointments he had formerly held. As Agent he had to deal with many complex problems and awkward situations and he was very successful in weathering all the difficulties which he encountered. The Company owe him a debt of gratitude for all the service he has rendered.

"As successor to Mr. Church, we appointed Mr. Macpherson, our Secretary. Mr. Macpherson is a man of undoubted ability and we have every confidence that he will maintain the high standard and reputation of the Corporation. He was in our commercial department for many years before he was appointed Secretary. In his place we selected Mr. Colley, who was our Commercial Manager in Calcutta."

The report and accounts were adopted and the dividend as recommended was approved.

The retiring Directors, Sir James Donald, C.S.I., C.I.E., Mr. J. H. Waters, and Mr. J. W. Gauntlett, were re-elected; and the remuneration of the Auditors, Messrs. J. Dix Lewis, Caesar, Duncan & Co., having been fixed, the proceedings terminated.

SIRPUR PAPER AND SIRSILK

The production of the Sirpur Paper Mills has gone up from 14.5 tons to 22 tons per day, according to an official statement. With the availability of more power, and another plant going into full production, the daily output would be raised to 60 tons by the end of this year, it was stated. The Sirsilk rayon factory, which has been under construction for the last seven years; would go into production either towards the end of September or early in October this year. The factory would produce 50,000 yards of rayon cloth from cotton linters and power alcohol per day. The management of the factory estimates that this figure can be doubled if there is a demand for this type of cloth.

CAWNPORE TEXTILES EARN HIGHER PROFIT

RESULTS OF JESSOPS SATISFACTORY

Cawnpore Textiles, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Begg Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 31st March, 1953.

The results for the period, after making the usual provisions and taking into account earlier provisions for taxation no longer required, show a profit of Rs. 8,49,760 (Rs. 6,92,781), from which has been deducted taxation reserve Rs. 2,55,000 (Rs. 1,50,000), depreciation Rs. 2,00,000 (Rs. 2,00,000) and rehabilitation reserve Rs. 50,000 (*nil*) leaving a balance of Rs. 3,44,760 (Rs. 3,42,781). To this sum has been added the carry forward from the previous year of Rs. 32,599 (Rs. 27,318) leaving at credit of profit and loss account Rs. 3,77,359 (Rs. 3,70,099). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend of As. 9 (As. 9) per share, free of income-tax, for the year ended 31st March, 1953, Rs. 3,37,500 (Rs. 3,37,500) leaving to be carried forward Rs. 39,859 (Rs. 32,599).

In view of the extensive capital replacement programme under consideration by the directors and the consequent need for a rehabilitation reserve, the existing repairs and renewals reserve of Rs. 5,00,000 has been transferred to rehabilitation reserve. The Company's property has been maintained in a proper state of repair.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	3,09,103
Reserves ...	21,97,992	Stock-in-trade	36,74,681
Provision for taxation ...	82,897	Stores and spare parts	5,33,005
Liabilities ...	12,33,876	Debts, deposits and advances ...	18,16,911
Profit and loss account ...	3,77,359	Investments	75,557
		Cash ...	4,82,867
	Rs. 68,92,124		Rs. 68,92,124

Jessop and Co., Ltd.

The directors of the above Company (Managing Director: Mr. P. F. S. Warren, Calcutta) submitted the audited accounts of the Company for the year ended 31st October, 1952.

Although the Company's merchant business continued to be severely handicapped by the prevailing restrictions on imports, the overall results were exceptionally satisfactory. In common with other industrial concerns however, the Company has for some time been feeling the high cost of replacement of plant, buildings, etc., in relation to current allowances for depreciation, so the opportunity has been taken to establish a special reserve towards making good the disparity. Due to the long time needed to procure machines, steel and other materials, this special reserve is an essential provision to meet commitments already entered into. The outlook remains encouraging.

After providing Rs. 2,38,847 (Rs. 2,54,718) for depreciation, Rs. 9,50,000 (Rs. 10,40,000) for taxation, and for all other charges, the accounts showed a surplus of Rs. 14,92,567 (Rs. 10,21,023), to which was added Rs. 2,87,549 (Rs. 2,81,526), the balance brought forward from last year's accounts. A sum of Rs. 25,000 (Rs. 25,000) was deducted being the dividend on preference shares for the half-year ended 30th April, 1952. There was a balance of Rs. 17,55,116 (Rs. 12,77,549). From this sum was deducted the dividend on preference shares for the half-year ended 31st October, 1952, Rs. 25,000 (Rs. 25,000) leaving an available balance of Rs. 17,30,116 (Rs. 12,52,549). The directors distributed this amount in payment of a first and final dividend on the ordinary shares of Re. 1-8 (Re. 1-8) per share, being a dividend of 15 (15) per cent., without any deduction in respect of income-tax Rs. 7,65,000 (Rs. 7,65,000), transferred to general reserve Rs. 2,00,000 (Rs. 2,00,000), transferred to special reserve Rs. 4,75,000 (*nil*) and carried forward the balance of Rs. 2,90,116 (Rs. 2,87,549).

Accounts in brief were as under.—

Liabilities	Rs.	Assets	Rs.
Capital ...	61,00,000	Block ...	30,41,239
Reserves ...	21,52,258	Stock-in-trade	37,86,698
Provision for taxation ...	14,39,394	Stores, spare parts, etc.	19,08,621
Liabilities ...	95,77,572	Work-in-progress ...	61,17,500
Profit and loss account ...	17,55,116	Debts, deposits and advances ...	53,47,058
		Investments	3,97,234
		Cash ...	4,25,990
	Rs. 2,10,24,340		Rs. 2,10,24,340

Oriental Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Karamchand Thapar & Bros., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Raisings during the year were 1,87,816 tons as against 1,79,654 tons of the previous year. The corresponding figures for despatches were 1,66,409 tons and 1,63,326 tons respectively.

In Begonia Colliery, development of Begonia and Laikdih seams is being carried out according to the plan. The proposed stone drift from Laikdih seam in Changari Mouza to touch the Begonia seam is expected to be completed by the middle of 1955. The work of sand stowing in Laikdih seam is taken in hand and is expected to be completed by the end of April, 1954. On completion of this work raising is expected to go to above 10,000 tons monthly.

The work of dewatering the mine in Badjna Colliery was hampered considerably by reason of the failure of Damodar Valley Corporation Ltd. to make electricity available in time. The directors expect that the mine will be dewatered in four months' time. No. 1 pit was closed down, and the Company started raising from No. 2 pit and hope to resume raising from No. 3 incline after the monsoon. The present output is being raised from No. 2 pit and the newly opened inclines in Basdevpur in Badjna seam, and it is expected that output in the current year will be more than the last year.

The accounts for the year showed a gross profit of Rs. 4,97,007 (Rs. 4,94,432) as against Rs. 4,94,432 in the previous year. After adjusting interest, commission etc., and after providing Rs. 1,98,869 (Rs. 1,90,242) for depreciation, the working of the Company for the year showed a net profit of Rs. 98,682 (Rs. 1,59,661). A sum of Rs. 39,000 (Rs. 25,000) was provided for taxation leaving a balance of Rs. 1,06,421 (Rs. 1,46,739), including the carry forward of Rs. 46,739 (Rs. 12,078) which the directors distributed in payment of a dividend at As. 8 (Re. 1) per share for the year ended 31st December, 1952, Rs. 50,000 (Rs. 1,00,000) and carried forward Rs. 56,421 (Rs. 46,739).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	21,33,295
Debentures ...	5,00,000	Stocks ...	1,68,685
Reserves ...	1,10,000	Stores, spare parts, etc.	3,56,076
Provision for taxation ...	4,53,443	Work-in-progress ...	1,71,900
Liabilities ...	21,52,994	Debts, deposits and advances ...	14,57,726
Profit and loss account ...	1,06,421	Investments	11,531
		Cash ...	23,645
	Rs. 43,22,857		Rs. 43,22,857

Reliance Firebrick and Pottery Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 28th February, 1953.

After providing Rs. 75,616 (Rs. 70,777) for depreciation and transferring excess provisions of Rs. 56,083 (Rs. 70,000) in respect of taxation and Rs. 15,275 (*nil*) in respect of managing agents' commission there is a loss of Rs. 25,650 credit of Rs. 64,903, out of which was paid a dividend at As. 10 per share, absorbing Rs. 37,500 leaving to be carried forward a sum of Rs. 27,403 to be carried forward.

Owing to the loss made by the Company during the half-year, the directors are unable to recommend payment of any dividend. Production for the half-year was 1,451 tons less than the previous half-year's figure and sales were also down by 2,938 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	9,56,816
Reserves ...	7,87,360	Stocks ...	7,53,336
Provision for taxation ...	1,53,055	Stores ...	4,69,784
Liabilities ...	14,90,752	Debts, deposits and advances ...	7,66,094
		Cash ...	59,487
		Profit and loss account ...	25,650
	Rs. 30,31,167		Rs. 30,31,167

Bokakhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

A crop of 3,336 maunds was manufactured and has been disposed of as follows:—

	Maunds
For sale in Calcutta for export	2,801
For sale in Calcutta for internal consumption	535
Total	3,336

The average price per pound realised was Re. 1-9-4 as compared with Re. 1-7-4 a lb. obtained for the previous season's crop of 3,759 maunds.

The Company's export quota for season 1952 was 3,423 maunds. No extensions were put out during the year and the area under cultivation remains unchanged at 493.8 acres at 31st December, 1952.

The revenue account showed a loss of Rs. 1,78,432 (loss of Rs. 1,77,820) which after adding depreciation Rs. 36,602 (Rs. 32,960) amounted to Rs. 2,15,034 (Rs. 2,10,780). After deducting proceeds of sale of machinery Rs. 600 (Rs. 2,488), refund of income-tax for 1951-52 Rs. 844 (Rs. 2,488) and forfeited dividends Rs. 2,050 (*nil*) there was a loss for the year of Rs. 2,11,540 (Rs. 2,00,978).

After adding to this the debit balance of Rs. 1,89,687 (credit of Rs. 10,176) brought forward from the previous year and deducting Rs. 3,65,000 (*nil*) being the amount transferred from reserve account, there was a debit balance of Rs. 36,227 (debit of Rs. 1,90,802) on profit and loss account, which was carried forward.

As forecast in the report for 1951, the loss incurred in 1952 was similar to that of the previous year. These losses, which were unavoidable if the Company's property were to be rehabilitated, have exhausted the Company's financial reserves and it has therefore been necessary to halt the rehabilitation programme for the time being. Much valuable work was, however, done and it is believed that the Company will be in a position to make a profit in 1953.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	8,86,970
Liabilities ...	6,98,217	Stocks ...	1,53,560
		Stores ...	1,56,298
		Debts, deposits and advances ...	46,782
		Investments	1,000
		Cash ...	17,380
		Profit and loss account ...	36,227
	Rs. 12,98,217		Rs. 12,98,217

Murphulani (Assam) Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 43,981 (Rs. 31,492) for depreciation, the season's working resulted in a profit of Rs. 1,14,973 (Rs. 85,695). After bringing in the balance from last year and the refund of excess profit tax, providing Rs. 39,000 (Rs. 23,000) for taxation and charging managing agents' commission, there remained a balance of Rs. 97,518 (Rs. 92,644) at credit of profit and loss account. From this the directors made payment of a dividend of Rs. 2-8 (Rs. 2-8) per share, on the preferred ordinary shares, absorbing Rs. 50,000 (Rs. 50,000) and Rs. 2 (Rs. 2) per share, on the ordinary shares, absorbing Rs. 10,000 (Rs. 10,000), leaving a balance of Rs. 37,518 (Rs. 32,644) to be carried forward.

A crop of 4,353 maunds was secured, which has been sold at an average price of Re. 1-11-10 per lb. This satisfactory average price, secured under unfavourable market conditions, is partly attributable to 1,829 maunds having been sold forward under a private contract entered into at the beginning of the season.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,60,000	Block ...	3,81,499
Reserves ...	3,65,000	Stocks ...	3,04,701
Provision for taxation ...	1,09,986	Stores ...	95,694
Liabilities ...	1,38,488	Debts, deposits and advances ...	65,506
Profit and loss account ...	37,518	Investments ...	2,343
		Cash ...	51,249
	Rs. 9,00,992		Rs. 9,00,992

Harinagar Sugar Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Narayanlal Bansilal, Bombay) submitted the audited accounts of the Company for the year ended 30th September, 1952.

The accounts showed a net profit of Rs. 4,28,058 (Rs. 4,33,114) which together with the carry-over of Rs. 534 (Rs. 2,420) brought forward from last year's account, made a total of Rs. 4,28,591 (Rs. 4,35,534). The directors disposed of this amount as follows:—

Provision for taxation and other contingencies Rs. 2,50,000 (Rs. 2,35,000), dividend at 7½ (7½) per cent. free of income-tax Rs. 75,000 (Rs. 75,000), and dividend equalisation fund Rs. 1,00,000 (Rs. 50,000), leaving a balance of Rs. 3,591 (Rs. 534) to be carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	37,25,812
Reserves ...	38,62,411	Stocks ...	46,89,460
Provision for taxation ...	7,79,760	Stores, etc. ...	8,40,532
Liabilities ...	62,42,257	Debts, deposits and advances ...	25,47,754
Profit and loss account ...	4,28,591	Investments	4,82,567
		Cash ...	26,894
	Rs. 1,23,13,019		Rs. 1,23,13,019

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

COMPANY MEETINGS AND DIVIDENDS

LODNA COLLIERY CO. (1920), LTD. Annual General Meeting, Calcutta, 23rd July, 1953. Transfer books closed from 6th to 23rd July, 1953, both days inclusive.

ETHELBARI TEA CO. (1932) LTD. Annual General Meeting, Calcutta, 24th July, 1953. Dividend: *Nil*. Transfer books closed from 18th to 24th July, 1953, both days inclusive.

TATA LOCOMOTIVE AND ENGINEERING CO., LTD. Annual General Meeting, Bombay, 28th July, 1953. Dividend: *Nil*. Transfer books close from 20th to 29th July, 1953, both days inclusive.

TEESTA VALLEY TEA CO., LTD. Annual General Meeting, Calcutta, 29th July, 1953. Dividend: Re. 1 per share. Transfer books closed from 16th to 29th July, 1953, both days inclusive.

RELIANCE FIREBRICK AND POTTERY CO., LTD. Half-yearly General Meeting, Calcutta, 30th July, 1953. Dividend: *Nil*. Transfer books closed from 17th to 30th July, 1953, both days inclusive.

EAGLE ROLLING MILLS LTD. Annual General Meeting, Calcutta, 30th July, 1953. Transfer books close from 20th to 30th July, 1953, both days inclusive.

CAWNPORE TEXTILES LTD. Annual General Meeting, Calcutta, 31st July, 1953. Dividend: As. 9 per share. Transfer books closed from 14th to 31st July, 1953, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tiruchirapalli, 1st August, 1953. Dividend: As. 12 per share, payable on and after 10th August, 1953. Transfer books closed from 8th July to 1st August, 1953, both days inclusive.

TATA OIL MILLS CO., LTD. Annual General Meeting, Bombay, 3rd August, 1953. Dividend: Re. 1-12 per share, free of income-tax, payable on and after 4th August, 1953. Transfer books closed from 10th July to 3rd August, 1953, both days inclusive.

LAKSHMI MILLS CO., LTD. Annual General Meeting, Coimbatore, 9th August, 1953. Dividend: Rs. 5 per ordinary share. Transfer books close from 27th July to 9th August, 1953, both days inclusive.

K. C. P. LTD. Interim-dividends at the rate of Rs. 7-8 per share, on ordinary and deferred shares. Transfer books closed from 18th to 21st July, 1953, both days inclusive.

TWYFORD TEA CO., LTD. Dividend of Re. 1-4 per ordinary share, for the year ended 31st December, 1952. Transfer books close from 28th July to 10th August, 1953, both days inclusive.

BADRA COFFEE ESTATES LTD. Dividend of As. 3-1/5 per ordinary share, for the year ended 31st May, 1952. Transfer books close from 28th July, to 3rd August, 1953, both days inclusive.

KADUR COFFEE ESTATES LTD. Dividend of 6¼ per cent. on the ordinary shares, for the year ended 31st May, 1952. Transfer books close from 28th July to 3rd August, 1953, both days inclusive.

SAMNUGGUR JUTE FACTORY CO., LTD. Interim-dividend of 3 per cent. on the ordinary shares, less income-tax, for the year ending 31st December, 1953, payable on 4th August, 1953. Transfer books close from 22nd July to 4th August, 1953, both days inclusive.

TITAGHUR JUTE FACTORY CO., LTD. Interim-dividend of 3 per cent. on the ordinary shares, less income-tax, for the year ending 31st December, 1953, payable on 4th August, 1953. Transfer books close from 22nd July to 4th August, 1953, both days inclusive.

VICTORIA JUTE CO., LTD. Interim-dividend of 3 per cent. on the ordinary shares, less income-tax, for the year ending 31st December, 1953, payable on 4th August, 1953. Transfer books closed from 22nd July to 4th August, 1953, both days inclusive.

BANARHAT TEA CO., LTD. Dividend of Rs. 17-8 per share, for the year ended 31st December, 1952.

CHOONABHUTTI TEA CO., LTD. Dividend of Rs. 10 per share, for the year ended 31st December, 1952.

NEW DOOARS TEA CO., LTD. Dividend of Rs. 17-8 per share, for the year ended 31st December, 1952.

COMPANY REGISTRATIONS

MERIDIAN STEAMSHIP CO., LTD. (First Director: Mr. G. P. Alyer). Business: Purchase, Charter, Hire or otherwise Acquire Steam and other Ships, Vessels, Tugs, etc., for Conveyance of Passengers and Merchandise of all kinds. Authorised capital: Rs. 5,00,000. Private company. Address: Swastik Chambers, 1st Floor, Carnac Bunder Road, Bombay, 1.

NOWROJEE PESTONJEE & CO., LTD. (First Director: Mr. B. S. Lalkaka.) Manufacturers and Dealers in Salt, other Chemicals and Machinery, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Peoples' Bank Building, Near the Bhadra, Ahmedabad.

Notices

THE EQUITABLE COAL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Sixteenth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday, the 4th August, 1953, at 3 p.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st December, 1952.

(2) To declare Dividends.

(3) To elect Directors.

(4) To appoint Auditors and fix their remuneration.

(5) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 29th July to 4th August, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 13th *July*, 1953.

HERCULES INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ORDINARY GENERAL MEETING of the shareholders will be held at the Registered Office of the Company, 16, Hare Street, Calcutta, on Wednesday the 29th July, 1953, at 3-30 p.m., for the purpose of receiving the Directors' and Auditors' Reports, adopting the Statement of Accounts and Balance Sheet for the year ended 31st December, 1952, declaring a Dividend, electing Directors and Auditors and fixing their remuneration and transacting any other business that may properly be transacted at an Ordinary General Meeting.

The Share Transfer Register will be closed from the 20th to the 29th July, 1953, both days inclusive.

By Order of the Board,
G. RAMABADRAN,
Secretary.

CALCUTTA, 8th *July*, 1953.

Note.—The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register as on the 29th July, 1953.

TEXTILES

(Concluded from page 104)

mills themselves in dyeing and printing. If all the cloth which is now exported uncalendered could be exported, dyed or printed, it would mean a rough increase in foreign exchange varying from 20 to 25 per cent. The scope for this development is, however, limited, as printing and also dyeing in places like Lancashire and Japan are so far advanced that India will find it difficult to catch up with them.

PRODUCTIVITY IN TEXTILE INDUSTRY

The experts of the International Labour Organisation, who are now in India, are looking for a suitable Indian textile mill for carrying out a national demonstration project, with a view to finding out the methods by which the fullest use may be made of modern work study techniques designed to raise productivity and thereby increase the earnings and standard of living of the workers. The experts have written to the Millowners' Associations and Trade Unions submitting draft proposals for such a scheme.

The I.L.O. team arrived in India in December, 1952, one section being assigned to the textile mills in Bombay and Ahmedabad and the other to the engineering industry in Calcutta. The task of these experts was to show, by means of practical demonstrations, lectures and training, how increased output might be obtained with existing manpower and equipment by the application of improved management techniques. Both teams demonstrated successful results at an Inter-Ministerial meeting held in New Delhi recently. The textile team is now proposing to hold a full-scale demonstration project.

THE ALEMBIC CHEMICAL WORKS COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-sixth Annual General Meeting of the Shareholders of the Alembic Chemical Works Company Limited, will be held at the Office of the Company at Baroda on Thursday the 13th August, 1953, at 4 p.m., (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1952.
2. To declare Dividends.
3. To elect Directors in place of those who retire from the office by rotation but are eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed from Friday the 24th July, 1953, to Thursday the 13th August, 1953, both days inclusive.

By Order of the Board of Directors,
For BHAILAL AMIN & SONS LTD.,
Managing Agents.
RAMAN B. AMIN,
Director.

11th *July*, 1953.

Note.—The Dividends when sanctioned will be made payable at the Office of the Company at Baroda, on or after the 31st August, 1953, to those Shareholders whose names stand on the Register of the Company on the 13th August, 1953, and to whom the Dividend Warrants will be posted.

Shareholders are requested to notify, at once, any change of address.

THE MYSORE PAPER MILLS, LIMITED
BANGALORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ORDINARY GENERAL MEETING of the Company will be held on SUNDAY the 23rd August, 1953, at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore City, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the period of 12 months ended 31st March, 1953.
2. To declare a Dividend.
3. To elect three Directors in place of:
   (i) Sir V. N. Chandavarkar, Kt.
   (ii) Sri M. Ct. M. Chidambaram Chettyar, and
   (iii) Sri R. Sundram Iyer

   who retire by rotation and being eligible offer themselves for re-election.
4. To appoint Auditors for the next year and fix their remuneration.

The Share Transfer Books of the Company will be closed from 4th August, 1953, to 22nd August, 1953, both days inclusive.

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
BANGALORE CITY, 27TH *June*, 1953.

N.B.—1. The Board of Directors have recommended payment of Dividend at 6¼ per cent. plus bonus 3¾ per cent. or Re. 1 on every Share of Rs. 10 for the period.

2. The Dividend when declared will be made payable at the Bank of Mysore, Ltd., Bangalore, or its branches, on and after the 8th September, 1953.

3. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on 3rd August, 1953.

NEW STATE LOANS ISSUED

(From Our Own Correspondent)

BOMBAY, 15th July

The main development of the week in the money market is the issue of the State Loans, the lists for which were opened to-day. As many as 10 States—six Part 'A' States and four Part 'B' States—have stepped into the market for an aggregate borrowing of Rs. 28 crores. Perhaps this is the first time that such a large number of States has come in at the same time. The total borrowing also is the largest sum sought for by the States at a time. The terms of the loans are published elsewhere in this issue, from which it will be noted that all the loans bear a uniform rate of interest of 4 per cent. and have the same maturity, that is ten years. The issue price also is the same in all the cases, at Rs. 99-8 per cent., except in the case of Bombay and West Bengal loans, the issue prices of which are at par. As at the end of the day the lists for all the loans, with the sole exception of that of West Bengal, were open. In the case of West Bengal, the list was closed at 1 p.m., as the loan was over-subscribed. Enquiries in market circles indicate that some of the Indian banks evinced fair interest in some of the loans.

The issue of State Loans did not have any effect on the short-term money market, except that it arrested the downward trend in the interest rates noted last week. Though the inflow of funds was heavier than anticipated, the inter-bank call money rate remained unchanged at 1½ per cent. among the Exchange banks and big Indian banks with no borrowers and at 2½ to 2¾ per cent. among the smaller Indian banks. House money was on offer at 2 to 2½ per cent. Banks were not keen bidders of one to two months' money at more than 2 to 2½ per cent., but were interested in deposits for longer periods at 2½ to 2¾ per cent.

In spite of the issue of State loans, the response to the three months' Government of India Treasury Bills was fairly good. The amount offered, at Rs. 2.81 crores, was, however, slightly lower than that (Rs. 3.03 crores) offered last week, but the average rate of accepted tenders was unchanged at Rs. 2-6-2 per cent. per annum.

After a break of a week, notes in circulation have again taken a downward trend, as indicated by the Reserve Bank's statement for the week ended 10th July, 1953. The exact decline in active notes during the week under reference is Rs. 5.30 crores, as against an expansion of Rs. 3.54 crores a week ago. On the liabilities side of the Banking Department, deposits of Governments show a decline, the deposits of the Central Government accounting for Rs. 3.24 crores and those of the State Governments for Rs. 3.23 crores. Deposits of banks are higher by Rs. 2.66 crores. On the assets side, cash balances have expanded by Rs. 4.76 crores, while balances held abroad have fallen by Rs. 2.09 crores. Loans and advances to Governments are unchanged, while other loans and advances are lower by Rs. 3.30 crores. It will be interesting to note that, while there is a surfeit of funds with banks, there has been a fresh advance of Rs. 3.49 crores during the week to Scheduled Banks against usance bills. As against this, however, there has been a repayment of such loans to the tune of Rs. 5.34 crores, so that the outstandings of such loans are lower by Rs. 1.85 crores. Government Treasury Bills purchased and discounted are lower by Rs. 3.21 crores.

The only notable feature disclosed by the consolidated statement of position of the Scheduled Banks for the week ended 3rd July, 1953, is the large repayments of borrowings of these banks from the Reserve Bank of India and the Imperial Bank of India. The other portfolios show minor variations. Demand deposits are lower by Rs. 42.23 lakhs, while time deposits are up by Rs. 12.67 lakhs. Inter-bank borrowings show an increase of Rs. 1.51 crores. Borrowings from the Reserve Bank have declined by Rs. 8.31 crores and those from the Imperial Bank by Rs. 1.45 crores. Advances and bills purchased and discounted rise together lower by Rs. 1.55 crores. Investments have gone down by Rs. 62.12 lakhs and cash balances, including money at call and short notice, by Rs. 1.54 crores.

Apathetic conditions were witnessed in the Gilt-edged market during the week under review. While the market's attention was focussed on the new State loans, demand for the existing loans was at a low ebb and prices in most cases showed a fractional decline. The volume of business was extremely limited. 3 per cent. 1957 was, however, in request and gained an anna to Rs. 98-6. 3 per cent. 1958 changed hands an anna lower at Rs. 98-2. 3 per cent. 1959-61 was unchanged at Rs. 96-3. 3 per cent. 1963-65 was on offer and dropped an anna to Rs. 92-6. 3 per cent. 1964 and 3 per cent. 1966-68 stood at Rs. 92-6 and Rs. 90-3, respectively. 3 per cent. 1970-75 had sellers at Rs. 86-6, as against Rs. 86-7, and 3 per cent. 1986 Conversion Loan at Rs. 82-11, as against Rs. 82-12. 3½ per cent. 1961 National Bonds met with some buying, but the rate was unchanged at Rs. 98-5.

The foreign exchange section was featureless and the rupee-U.S. dollar rates were unchanged at Rs. 475¼ per $100 (banks selling ready) and at Rs. 471¼ per $100 (banks buying ready). In New York, sterling was a little stronger in terms of the U.S. dollar with a gain of 1/16 cent per £ for spot and three months delivery. The spot rate improved from $2.81¼-2.81⅜ to $2.81.9/16-2.81.11/16 and the rate for 3 months from $2.80.11/16-2.80.13/16 to $2.80⅜-2.80¼. The rate for 6 months was unchanged at $2.80¼-2.80¼.

GOLD SUBDUED

(From Our Own Correspondent)

BOMBAY, 15th July

Narrow movements in prices continued to characterise the trading on the Bullion Exchange during the week under review, though the undertone in the two metals differed from each other. While silver was quietly steady, gold disclosed a slightly weaker tendency, due to an improvement in arrivals and a decline in offtake. The demand for silver in the ready section was also on a reduced scale and up-country advices were far from conducive to speculative activity either way. The relatively better tone in silver was due to the speculative support from option dealers.

Silver for forward delivery (28th July settlement) opened at Rs. 153-5 and moved up to Rs. 154-7 on Friday on short-covering and some fresh support. There was a mild retreat from this level on Saturday to Rs. 153-5, due to slight selling pressure induced by the weakness of gold. On Monday, however, short covering by one of the leading operators pushed up the rate to Rs. 155, but this recovery was short-lived and the rate once again retreated to Rs. 153-8 at the close.

Ready silver (.996 Mint) opened at Rs. 154-5 and after touching a high of Rs. 155-9, closed at Rs. 154-2. The premium over forward rate which stood at Re. 1 early in the week narrowed down to As. 10 at the close. The floating stocks of silver are placed at 1,000 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (27th July settlement) began at Rs. 87-3 and advanced to no higher than Rs. 87-12 on Friday. Subsequently, the decline in offtake and selling by a leading Calcutta operator brought down the rate to Rs. 86-6 on Saturday. After a minor improvement to Rs. 87-5 yesterday, the yellow metal failed to consolidate the gain and reacted to Rs. 86-2 at the close, due to the weight of large arrivals with no corresponding offtake.

Ready gold started the week at Rs. 88-10 and closed at Rs. 86-13. The highest level touched was Rs. 89-3 early in the week. The premium of ready position over the spot, which was as high as Rs. 1-7 at the opening of the week, stood at no more than As. 11 at the close. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 5,000 tolas, while the offtake was no higher than 3,000 tolas on an average.

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

	15-7-53	Highest	Lowest	8-7-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	86 13	89 3	86 12	88 9
Forward	86 2	87 12	86 1	87 2
Sovereign	58 0	58 0	58 0	58 4
SILVER				
Ready (.996 fine Mint)	154 2	155 9	154 0	154 3
Forward	153 8	155 0	153 4	153 3
London Ready ...	74d.	—	—	74d.
London Forward ...	74d.	—	—	74d.
New York Ready ...	85½c.	—	—	85½c.

GOOD DEMAND AT COCHIN TEA SALES

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 11th July

Offerings in sale No. 14, which was held on Tuesday, 7th July, amounted to approximately 19,50,000 lbs. Although many low medium and medium teas were brighter in cup, the leaf appearance was generally poor and stalky. Some attractive high-grown teas were on offer and a few invoices had a touch of flavour. From the outset there was a good general demand and prices for low medium to medium fannings and brokens were often As. 2 dearer, despite their poor leaf appearance. Commonest kinds were well supported at rates which were fully firm. Good medium types showed some decline in leaf appearance and were irregularly half to one anna easier. Best liquoring teas were about steady. The strongest feature of the sale were fannings of all descriptions. Whole leaf grades were fully firm and occasionally dearer. The demand weakened slightly towards the close. The following were the quotations:—

	1953 Rs. a. p.
Low grown Travancore B.O.P. ...	1 10 0
Medium Travancore B.O.P. ...	1 11 0 to 1 12 0
Anaimallais B.O.P.	1 12 0
Best liquoring Nilgiri B.O.P. ...	2 3 6
Clean Black Leaf O.P.	2 2 0

London Market.—Good liquoring teas fully firm. Others irregularly lower.

Colombo Market.—Strong demand. U.V.A. types firm to dearer on quality, others irregular, but generally strongest feature.

Calcutta Market.—Export.—18,000 packages. Limited demand. Commons half anna easier. Whole leaf steady.

Dust.—Fair general demand. Commons and medium Assams irregular. Middle East types and best C.T.C. strongest feature.

Export Quota.—The market has again shown an easier tendency and transactions have been done at 21 ples.

Forthcoming Auctions.—Sale No. 15 will be held on Tuesday, 21st July.

As we go to Press, Messrs. Forbes, Ewart and Figgis, Ltd., wire:—

"*Dust Sale N:*—3,75,000 lbs. Good general demand. Milled and fine dusts occasionally dearer. Others barely steady."

COTTON ERRATIC

(From Our Own Correspondent)

BOMBAY, 15th July

There had been a welcome change in the pattern of trading in the forward cotton market during the earlier part of the week under review. Absence of fireworks and unbalanced one-sided activity of either lifting up the rates unduly or pressing them down had given way to normal fluctuations with a tendency to stabilise prices round about Rs. 675. Below Rs. 670 cotton met with good resistance while profit-taking and short selling came to prevent the rise very much above Rs. 680. But after the last week-end the pattern has again undergone a radical change and speculative long interests have joined hands to boost prices up by forming a syndicate for pooling resources to take delivery on the maturity of the current contract. With the light supply position known to all, the bears have been scared and they are now being adroitly squeezed by the bulls. The difference between the rate for August and the unofficial rate for the opening contract in the new crop has widened further and is ruling at the time of writing at Rs. 20. All this might however prove a clever bluff and the bulls might choose to pocket their gains overnight and cleverly slide out of their commitments by passing the contracts into unwary hands. Indeed, there was a sharp setback in prices to-day.

In the meantime, the market has been exercised over the prospects of complete decontrol of cotton. Some circles point to the delay in the giving of permission for forward trading in the new crop as an indication of the authorities being seriously engaged in considering this important question of decontrol. Last week's announcement of decontrol in the textile field has naturally turned market men's minds in this direction. On the other hand, more thoughtful elements in the market take into account the fact that the cloth decontrol has been described as a tentative and an experimental measure liable to be reconsidered if the cloth market shows any abnormal tendencies. With their experience in sugar, the Government, though inclined to lighten their responsibilities regarding controls, are bound to take one step after another with caution. Even if cotton is to be decontrolled it would be done only after watching the developments in the cloth markets during the next three months. This would also give the Government time to appraise the volume of cotton production this year more accurately.

Each week brings further hopes of better than normal crop this year. Reports from various producing centres are very satisfactory. It is now being accepted on all sides that the acreage shown this year will show an increase over last year. The only question now is with regard to the proportion of this increase. Yields are also expected to be better than this year. If all these hopes materialise there is a good chance for cloth decontrol to be followed three months later or even a little earlier by price decontrol of cotton.

Optimistic expectations of a good crop, however, are not likely to depress prices and premia in the spot market. Naturally, activity in this market is not uniform every day. The turnover goes up now and then, while it is moderate on other days. On the whole, however, there is an undertone of steadiness and continued enquiry from the mills for good quality cotton. As there is no pressure of sales from holders, the premia rates are tending to increase. And the mills who come in for their supplies later during the season might have to pay more for their cotton or be satisfied with indifferent quality. Demand for imported styles, however, is lacking and such cotton is still selling at lower than replacement cost. This precludes any inclination on the part of the trade to import cotton at present. The export front is even more quiet.

Opening the week at Rs. 677½ I.C.C. August moved up on good support by speculative and up-country interests and on encouraging advices from the spot section to touch a high of Rs. 689 on 15th inst. There was considerable profit-taking at this level, which resulted in a sharp setback in prices. The August delivery closed the week lower at Rs. 682½. The following is the trend of prices in the forward market over the week ended to-day:

	Opening	*High*	*Low*	*Closing*
I.C.C. Aug. (Rs.) ...	677½	689	670½	682½

The following are the latest available quotations from the Sewri market:

Bengal *Deshi* Rs. 540; Berar *Jarilla* Rs. 730; Khandesh Rs. 860; Vijay Rs. 880; Oomra *Deshi* Rs. 680; Mogalai Rs. 685.

There was no activity of note at Karachi during the week under review. With a steady trend in the market, the rates at the end of the week under review show a slight increase of only As. 8 per bale. There is a report of some internal administrative trouble in the cotton market at Karachi. This is likely to lead to the closure of the market for the next three days from to-day as a protest against the alleged maltreatment of several prominent cotton merchants by the police. The following are the latest available quotations from the Karachi market:

Punjab *Deshi* Rs. 80; 4F Punjab R.G. Rs. 62½; S.G. Rs. 68½; L.S.S. Punjab R.G. Rs. 66; S.G. Rs. 72; N.T. R.G. Rs. 72; S.G. Rs. 77½; 289F Punjab R.G. Rs. 74; S.G. Rs. 80.

At Alexandria, activity is naturally more subdued as no country on the Continent is in a hurry to enter into far-reaching commitments of any magnitude at this stage. This is the slack season for all the world markets and especially for those which depend mostly on exports. With the selling base changed from the July to the October position of the New York market, prices at Alexandria have naturally increased and this has also tended to reduce the volume of enquiries. India, one of the best markets for Egyptian cotton, is also in no hurry to import long-staple cotton as the pattern of its export trade in textiles has gradually changed. The emphasis of cloth exports from India is now more on coarse and medium cloth than on fine and superfine varieties and this will necessarily affect the volume of imports from Alexandria. The only important buyer at present at Alexandria seems to be Spain and to a very small extent the U.K. The Egyptian Cotton Commission is not likely to begin its purchases of the new crop till next month.

At New York, the Bureau estimate for acreage is 24,618,000 which is about a million and a half acres less than last year. This is, of course, likely to come down further as the season advances and sown areas are abandoned or diverted to some other crop. With this acreage and even the highest possible yield, the output in the U.S. this year cannot exceed 16 million bales. On the other hand, a poor yield can reduce it to 12 million bales. The trade expectation is somewhere about 14½ million bales, because the trade estimates of acreage are much above the official estimate. New York prices have been steadier since this report from the U.S. Department of Agriculture. But apart from the size of the crop, political developments during the coming weeks which will be of an important nature will decide the price trend. In this connection, it may be worthwhile to note that commodity and stock markets in the U.S. have shown some improvement during the last week in spite of all evidence tending to show less political tension in the world. India's interest in U.S. cotton this year, apart from the fact that New York prices go to determine prices in other world markets, is not very great. Perhaps imports of U.S. cotton in India will be the lowest on record during the coming season.

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

(In cents per lb.)

	14-7-53	7-7-53	30-6-53
Spot	34.05	34.55	34.15
July	33.16	33.57	33.16
October	34.00	34.12	33.81
December	34.20	34.31	33.97
March	—	34.52	34.17
May	34.39	34.51	—

ART SILK YARN FIRM

(From Our Own Correspondent)

BOMBAY, 15th July

The art silk yarn market presented a firm trend this week. The firmness was occasioned chiefly by support extended by traders emboldened by swift advance in prices of oilseeds and other commodities. Values of art silk yarn, as a result, registered a substantial improvement over the previous week's levels. The improvement would have been more pronounced but for the renewed weakness in rayon markets.

In the forward section, 150D July delivery contract rallied 22 points to Rs. 788. August contract rallied 22 points and gained 23 points at Rs. 791 tract forged ahead and gained 23 points at Rs. 791 as compared with Rs. 768. In the ready section, 150 Italy received special buying enquiries and advanced by As. 3 to Rs. 3-15½. 150 Japan gathered an anna to Rs. 4-1½. 120 Japan and 120 Italy, after losing an anna each, recovered to close at Rs. 4-3 and Rs. 4-4, respectively.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 8th and 1st inst.

	15-7-53 Rs. a.	8-7-53 Rs. a.	1-7-53 Rs. a.
150D July (per case of 200 lbs.) ..	788 0	766 0	779 0
150D August ..	791 0	768 0	779 0
120 Japan (per lb.) ..	4 8	4 8	4 4
150 Japan ..	4 1½	4 0½	4 4
120 Italy ..	4 4	4 4	4 4
150 Italy ..	3 15½	3 12½	3 14½

The traders in the forward section are more inclined to buy and then sell than to sell and buy, as was the case in the previous week. A section of traders believes that selling pressure is likely to develop at Rs. 780. It, however, remains to be seen as to whether fresh support will be lent to the market and whether bulls will try to liquidate their holdings. Operators appear to be uncertain with regard to the trend of prices in the Japanese market. They are eagerly awaiting the outcome of the talks which the Japanese art silk yarn delegation is having with the art silk mills and dealers. The Board of the Yarn Merchants' Association will be meeting the Japanese delegation on Monday next.

In distinct contrast to the tendency in the art silk yarn market, the staple fibre section remained weak during the week under review. The chief bearish factor was the report regarding forward sales of yarn by some of the mills in Bombay.

GROUNDNUTS FLARE UP

(From Our Own Correspondent)

BOMBAY, 15th July

Speculative activity made history during the week when groundnut prices flared up to pierce the previous record high of Rs. 51-12 touched in May, 1951. Alarming decline in floating stocks and the continued support of Saurashtra buyers were responsible for this hectic rise in values. The prices would have shot up further, had it not been for rumours of early abolition of import duties on coconut and certain other edible oils and placing them on the O.G.L., as urged by the Bombay Oilseeds Exchange Ltd., through a telegram to the Government of India on 10th July. The Board of Oil Merchants Chamber, Bombay, has urged even free imports of groundnuts and groundnut oil, albeit as a temporary measure. In sympathy with the hectic rise in groundnuts, the castorseeds section also forged ahead, thereby recording sizable gains. The linseed section too improved, with closing quotations remaining higher than those at the end of last week, particularly on some enquiry from *vanaspati* interests.

In the groundnuts section, Bold ready was done at Rs. 53-8, as against Rs. 51-8 a week ago, and Rs. 51-12 in May, 1951. August-September delivery was higher by Re. 1-1 to close at Rs. 49-10. The highest touched so far by this delivery was Rs. 53-4 on 19th May, 1951. Khandesh quality gained Rs. 3 to Rs. 54-8. Groundnut oil ready shot up by Rs. 2 to Rs. 29 and railway receipts Rs. 1-12 to Rs. 28-4.

Under the grip of bull operators, castorseeds September, 1953 delivery advanced from Rs. 150 to Rs. 153; the lowest touched during the week was Rs. 147-8. Trading in May, 1954, will commence on 20th May. Meanwhile, it is reported that the new contract is nominally quoted at discount of about Rs. 18 per candy in relation to the September delivery. Among spots, Madras quality rallied As. 8 to Rs. 32-4. Castoroil B.S.S. and First Pressure were higher by As. 4 at Rs. 18-8 and Rs. 18-4, respectively. Commercial quality improved by As. 2 to close at Rs. 17-8.

In the linseed section, the U.P. interests were sellers at higher levels in view of the approaching settlement of the August-September contract. This contract was done at Rs. 31-8, as compared with Rs. 30-14. Bold ready put on As. 12 to Rs. 31-12. Linseed oil ready was done at Rs. 17-4, as against Rs. 16-8.

The following table shows the prices of oilseeds and oil on the 15th inst., as compared with those at the end of the previous two weeks.

	15-7-53 Rs. a.	8-7-53 Rs. a.	1-7-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	53 8	51 8	47 8
August-Sept.	49 10	48 9	45 6
Linseed—			
Bold Ready (per cwt.) ..	31 12	31 0	30 0
Castorseeds—			
Sept. (per candy of 5 cwts.).	153 0	150 0	150 12
Madras (per cwt.)	32 4	31 12	32 0
Groundnut oil—			
Ex-mill Ready (per quarter).	29 0	27 0	25 4
Castor Oil—			
Commercial (per quarter)..	17 8	17 6	17 10

FOOD POSITION SATISFACTORY

(From Our Own Correspondent)

HAPUR, 14th July

The overall food position in different States continues to be more or less satisfactory. In all food regions in the State of Uttar Pradesh, barring Benaras, ration shops have been allowed by the Food Ministry to sell rationed wheat without restriction—a concession to help them clear their unsold stocks. This, however, is not helpful at all, as rationed wheat prices are well above prices of indigenous wheat which is easily available all over the State. Flour mills are prohibited from purchasing home-grown wheat, lest such bulk buying in the free markets should send up its prices. But they have been allowed to buy, if they want to, unsold stocks of wheat in ration shops at rationed wheat Rs. 18-13-2 and imported wheat Rs. 21-5-4 per maund. They, however, appear to be reluctant to avail themselves of this concession, owing to prohibitive prices. The following are the wholesale prices of wheat in important markets: Shamli Rs. 16-6, Hapur Rs. 16-4, Chandosi Rs. 16-8, Kasganj Rs. 16, Gonda Rs. 16-14, and Sitapur Rs. 17-12. The Government rate of wheat in Kanpur, Allahabad, Benaras, Agra and Lucknow markets was 2 seers and 2 chattaks per rupee.

Bombay's Minister for Civil Supplies has denied that his Government has any plan to decontrol foodgrains completely. The overall food position in the State is reported to be quite satisfactory.

Madhya Pradesh had record procurement this year at increased procurement prices. The total procurement from the beginning of the *kharif* year amounted to 279,147 tons of rice and 91,622 tons of *jowar*. The corresponding figures for the last year were 225,956 and 74,487 tons respectively. Procurement of wheat was unsatisfactory. From the beginning of the *rabi* year, 2,597 tons of wheat had been procured, as against 5,922 tons last year. The total despatches out of the State from the beginning of this year amounted to 135,917 tons of rice and 55,175 tons of *jowar*. Another 20,000 tons of rice and 10,000 tons of *jowar* have been released for ex-State despatches.

The locust invasion in Rajasthan this year has been early and on an increased scale. Since May last, the movement of not less than 145 locust swarms have been reported from various parts of the State. The corresponding figure for last year was only 19. The main invasion continues to be from across the Rajasthan-Pakistan border. The early onset of the monsoon and the plentiful showers that almost all parts of Rajasthan have had so far have increased the fears of extensive egg-laying by swarms.

The latest quotations in the Hapur market are: Wheat Rs. 16-4 to Rs. 18, gram Rs. 13-12, barley Rs. 11-12, *bejhar* Rs. 12-6, rice: *basmati* Rs. 35, *hansraj* Rs. 31, *sela* Rs. 29 and coarse Rs. 23, peas Rs. 14, *arhar* Rs. 14-4, *urd* Rs. 21 to Rs. 23, *moong* Rs. 23 and *masoor* Rs. 17 to Rs. 19.

SUGAR ERRATIC

(From Our Own Correspondent)

HAPUR, 14th July

The sugar markets remained erratic this week, although fluctuations in prices were confined to a narrow range. The release of a free sale quota of one lakh tons towards the close of last week tended to react bearishly on the markets, but the tendency was soon arrested on Government's announcement that all applications for import licences had been cancelled and that imports of sugar would be made on its own account. Prices of sugar advanced by a few annas and apprehensions were expressed that neither the Government would import enough sugar to depress the markets nor would import prices be as low as the trade could manage.

Yet another amplification of the recent sugar import policy of the Government of India was issued this week. The strategy now adopted is that the Government would itself do the importing but would allow the normal trade channels to take over internal distribution of imported supplies but with the safeguard necessary to secure that this sugar is sold in the needy areas at reasonable prices. Merchants in this country, who are in a position to arrange for supplies abroad, are invited to tender, as and when necessary, for delivery of sugar to the Government at specified ports. This decision of the Government had led to rise in foreign sugar prices and, consequently, some such check had become necessary.

Sugar industrialists have complained that the total tax burden on indigenous sugar, which works out at Rs. 8-4-6 per cwt., is actually higher than the reduced import duty of Rs. 7 per cwt. on foreign sugar. It is represented that this discriminatory taxation should not be allowed to stand.

For immediate purposes, the Government is arranging for two shiploads of sugar which will presumably be so distributed as to bring down scarcity prices in the deficit areas, particularly in the South. It is also understood that the Government wants to take out its sugar reserves of about 3 lakh tons from the mills and distribute it through ration shops at the rate of As. 12-3 per *seer*.

The following are the latest sugar quotations: Amritsar Rs. 32-9, Ambala Rs. 32-1, Delhi Rs. 31-15, Jullundur Rs. 31-6, Agra Rs. 31-4, Hapur Rs. 32, Kanpur Rs. 30, Mathura Rs. 31-12, Meerut Rs. 31-4, Muzaffarnagar Rs. 30-15, Patna Rs. 29-8, Calcutta Rs. 31, Gauhati Rs. 34-8, Madras Rs. 33-2-6 and Bombay Rs. 32.

The *gur* markets remained quiet during the week and only very slight decline was recorded in sympathy with sugar markets. There was very poor offtake in the markets, arrivals from the interior were negligible, and stock movements were small, due to the monsoon. Accumulations of stocks are not burdensome. Several wagon-loads of *gur* were exported to Gujerat from Hapur. There has been no new deal for some time past but, as *gur* prices in the South had recently improved, it is anticipated that enquiry in west U.P. *mandies* would soon be revived.

The Planning Commission has been recently examining the pace and the scope of development of *gur* and *khandsari* industry in the country. The U.P. *Gur* and *Khandsari* Association has complained that, in the past, there had been very little research in the method of extracting juice, its boiling and solidifying as well as the methods of storage of *gur* and *khandsari* and its transport. Such little research as had been made was confined to laboratories and had not been carried to the farmers. It is represented that there was scope for research at various stages.

The latest *gur* and *khandsari* quotations are (*khandsari* prices are given in brackets): Ambala Rs. 18-8 (Rs. 31-8), Amritsar Rs. 20-4, Delhi Rs. 22 (Rs. 35-8), Jullundur Rs. 19-13, Agra Rs. 19 (Rs. 28-14), Hapur Rs. 18-8 (Rs. 28), Kanpur Rs. 20-4 (Rs. 25), Mathura Rs. 18-4 (Rs. 29), Meerut Rs. 19 (Rs. 30-7), Muzaffarnagar Rs. 18-12 (Rs. 30-5) Patna Rs. 17, Calcutta Rs. 21-4, Madras Rs. 23-8 and Bombay Rs. 23-5.

TEA EXPORT SALES FETCH HIGHER PRICES

(From Our Own Correspondent)

CALCUTTA, 14th July

Almost all varieties offered during yesterday's export sale, where offerings were 30,525 and 200 packages of the new and old season's teas, respectively, recorded a fractional rise in prices, the general demand having been moderate. All bright liquoring Dooars and leaf grades were bought at slightly higher rates, and the outstanding feature of the sales was the best liquoring Assams, more particularly the C.T.C. varieties, the prices of which were raised by As. 2 above brokers' valuations. The market was not devoid of a weak spot, and this was provided by commons, of which those with plain and thin liquors were the worst affected in the section. Flavoury Darjeelings had ready buyers, while prices for the plainer liquoring types were unchanged. Thus rates were: Best C.T.C. Assam B.P. Rs. 2-6 to Rs. 2-8, clean black pekoe Re. 1-12-6 to Re. 1-13, medium Assam B.P. Re. 1-12, and clean common P.B. Re. 1-10-6.

During last week's auction for domestic consumption, when the total quantity offered was 9,276 packages of dust, including 536 of old season's manufacture, demand was moderate and black leafy varieties, that are fit for export, were dealt with at dearer rates. Whereas medium Assams recorded a mixed trend, prices for commons and Dooars looked up. Darjeelings with flavour were readily bought. Thus best Assam C.T.C. were quoted at Rs. 2-4 to Rs. 2-6, medium Assam grainy dusts Re. 1-9-6 to Re. 1-10, and medium Dooars Re. 1-7-6. Leaf grades offered were a small quantity which was readily bought.

METALS RULE EASY

(From Our Own Correspondent)

CALCUTTA, 14th July

Metal prices ruled easy, and tin came down further to Rs. 425. Electrolytic copper continued to be mostly wanted in scrap form, with the result, the virgin ingots declined from Rs. 180 to Rs. 175, although supplies were tight. The fire-refined material fell, in sympathy, from Rs. 170 to Rs. 160. Antimony star metal was nominally quoted at Rs. 210 and pig lead, at Rs. 65, maintained the improvement of last week. Small consumers' support made electrolytic zinc look better at Rs. 53-8.

Manufacturers of metal products have lost no time in representing to the Government that the

(*Continued on page* 139)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept. 1939 (pre-war)	3rd July, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,141.64	1,138.10	1,169.62	1,135.40
Notes held in Banking Department	35.05	82.70	85.46	20.33 †	28.20
Foreign Securities	89.80	603.15	603.15	615.15	583.15
Rupee Securities	87.39	459.86	449.86	449.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	116.15	130.43	94.06	99.29
Other Governments	...	16.23	16.85	16.70	2.35
Balance held abroad	10.08	103.42	122.03	93.44	93.45
SCHEDULED BANKS					
Demand Liabilities	184.87	531.35	530.26	529.54	560.63
		(11.00)	(10.39)	(11.13)	(15.10)
Time Liabilities	102.84	827.62	827.56	823.53	306.44
Borrowings from Reserve Bank	...	(1.80) 4.91	(1.97) 13.22	(1.93) 15.01	(2.90) 11.10
		(3.34)†	(11.44)†	(5.89)†	(9.24)†
Borrowings from Imperial Bank	...	6.62	8.07	10.03	3.84
Cash in India	6.71	33.56	34.63	31.78	34.79
Balances with Reserve Bank	25.28	40.10	40.09	40.29	53.49
Excess over statutory limits	15.52	6.99	7.03	7.34	19.33
Balances with other banks in current account in India	...	11.45	12.02	10.79	12.26
Money at call and short notice in India	...	17.23	17.15	15.60	19.33
Investments (at book value)		313.41	314.03	300.23	309.03
Advances and bills	105.09	509.27	509.82	529.11	522.62
IMPERIAL BANK					
Deposits	...	87.76	207.75	208.62	210.02	226.01
Investments	...	51.99	86.17	86.79	81.30	86.83
Advances	...	80.87	122.19	125.66	130.06	145.54
Cash	...	14.69	12.12	16.00	14.54	16.37

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	10th July, 1953		3rd July, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,16,006	46,85,42,000	2,05,981	45,78,88,000
Calcutta	1,31,477	41,41,67,014	1,26,106	54,83,46,854
Madras	73,129	6,64,37,501	67,159	7,32,71,884
All Centres—				
1951	...	...	...	1,05,94,122 3150,56,86,359
1952	...	...	...	1,06,41,941 26,79,81,57,000
April 1953	...	...	...	27,36,000 5,86,05,00,000
May "	...	...	...	26,35,000 5,45,23,00,000

Reserve Bank of India
Statement of Affairs for the week ended 10th July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		112,90,47,000
(2) Other Governments		12,99,94,000
(b) Banks		42,91,72,000
(c) Others		57,33,86,000
Bills Payable		2,02,92,000
Other Liabilities		17,33,60,000
	Rupees	255,52,31,000

ASSETS	Rs.	Rs.
Notes		37,52,52,000
Rupee Coin		7,71,000
Subsidiary Coin		5,02,000
Bills Purchased and Discounted—		
(a) Internal		25,60,000
(b) External		
(c) Government Treasury Bills		9,21,56,000
Balances held abroad*		106,32,38,000
Loans and Advances to Governments		5,51,00,000
Other Loans and Advances		10,99,29,000
Investments		80,67,32,000
Other Assets		9,86,75,000
	Rupees	255,52,31,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 1,49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department		37,52,52,000
Notes in circulation		1136,34,00,000
Total Notes issued		1173,86,52,000
Total Liabilities		1173,86,52,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	603,14,11,000	
Total of A		643,16,82,000
B. Rupee Coin		90,83,35,000
Government of India Rupee Securities		439,86,15,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1173,86,52,000

Ratio of Total of A to Liabilities: 54.790 per cent.

Scheduled Banks*
Statement of Affairs for the week ended 3rd July, 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	11,89,63,000†
	(ii) Other demand liabilities	519,45,47,000
2	Time Liabilities in India:	
	(i) Borrowings from banks	1,89,50,000†
	(ii) Other time liabilities	325,72,08,000
3.	Cash in India	33,55,52,000
4.	Balances with the Reserve Bank in India	40,11,20,000
5.	Balances with other banks in current account in India	11,45,41,000
6.	Money at call and short notice in India	17,21,96,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	813,40,92,000
8.	Advances in India	452,30,21,000
9.	Inland Bills purchased and discounted in India	55,96,58,000

* *Note.*—Figures are provisional since complete returns have not been received from some banks.
†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		14th July 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/32	1-5 11/32
Sellers T.T. D.D. upto six months	s.	1-5 11/32	1-5 11/32
Buyers T.T. spot to nine months	s.	1-5 1/4	1-5 1/4
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475	475
Buyers T.T.	Rs.	471	471
London on New York	$	2.81 3/4–2.81 13/32	2.81 3/4–2.81 13/32
London on Paris	Frs.	982–9828	9821–9828
London on Berne	Sw. Frs.	12.181–12.185	12.181–12.184
New York on London	$	2.81 3/4–2.81 13/32	2.81 3/4–2.81 13/32

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	6,780	255
Pakistan	1949	78.04	..	1,671	288
Burma	1951	18.67	Kyats 3,166	817	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.80	Y. 4,564,400	6,038	716
Philippines	1951	20.25	Ps. 7,588	1,882	856
New Zealand	1951	1.95	£(N.Z.) 615	820	4,206
Australia	1951	8.41	£(A.) 2,235	3,454	4,817
U.K.	1951	50.29	£ 11,884	18,179	3,010
U.S.A.	1952	156.93	$ 290,400	138,280	8,808
Canada	1952	14.43	$ 18,307	8,246	5,714
France	1951	42.24	F. Fr. 9,085,000	12,278	2,909
W. Germany	1951	48.11	Dm. 90,200	10,227	2,126
Italy	1951	48.60	Lr. 7,746,000	5,902	1,267
Norway	1952	3.22	Kr. 10,716	1,439	3,345
Sweden	1951	7.07	Kr. 26,800	3,439	4,864
Netherlands	1952	10.88	Fl. 17,550	2,200	2,120
Denmark	1951	4.30	Kr. 20,716	2,439	5,345
Switzerland	1951	4.76	S. Fr. 10,500	3,165	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan
Statement of Affairs for the week ended 26th June, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		37,11,97,000
(b) Provincial Governments		62,48,000
(c) Banks		14,62,78,000
(d) Others		2,44,87,000
Bills Payable		1,37,74,000
Other Liabilities		6,07,41,000
	Rupees	68,26,41,000

ASSETS	Rs.	Rs.
Notes		10,38,05,000
Rupee Coin		4,000
Subsidiary Coin		10,000
Bills Purchased and Discounted—		
(a) Internal		
(b) External		
(c) Government Treasury Bills		1,94,86,000
Loans and Advances to Governments		1,83,70,000
Provincial Governments Debtor Balances		8,42,57,000
Other Loans and Advances		2,42,00,000
Investments		33,55,78,000
Other Assets		9,70,01,000
	Rupees	68,26,41,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,38,05,000	
Notes in circulation	208,06,49,000	
Total Notes issued		218,44,54,000
Total Liabilities		218,44,54,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	39,07,85,000	
Government of India Securities	11,87,77,900	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
B. Rupee Coin	6,27,81,000	88,86,00,000
Government of Pakistan Securities	119,06,18,000	
Internal bills of exchange and other commercial paper	....	
		125,33,79,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		218,44,54,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42.49 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
21st April	1.00	1.80	1.00	2 7 0	100
24th "	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th "	1.00	1.63	1.00	2 6 10	68
18th "	1.00	1.95	1.00	2 6 8	41
26th "	1.00	2.26	1.00	2 6 6	28
2nd June	1.00	2.02	1.00	2 6 6	22
9th "	1.00	2.10	1.00	2 6 6	27
16th "	1.00	2.23	1.00	2 6 6	28
23rd "	1.00	2.90	1.00	2 6 6	21
1st July	1.00	2.71	1.00	2 6 6	23
7th "	1.00	3.03	1.00	2 6 2	8
14th "	1.00	2.91	1.00	2 6 2	9
Total	13.00	27.58	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	6½
France	8th Nov., 1951	5	4
Greece	15th July, 1948	10	12
India	16th Nov., 1951	3	3½
Italy	4th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	2	2½
New Zealand	25th July, 1941	3	1½
Norway	9th Jan., 1946	2	1½
Portugal	18th Jan., 1946	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	22nd Nov., 1951	1	1½
Turkey	26th Feb., 1951	4	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1938	3	4
U.S.A.	16th Jan., 1933	1½	2
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA
(In lakhs of Rs.)

	January, 1953	January, 1952	Ten months—April to Jan., 1952-53	Ten months—April to Jan., 1951-52
Import Duties:				
Revenue	8.40	11.05	92.98	108.19
Protective	52	93	6.45	8.82
On surplus disposals	2	1	5	24
Total import duties	8.94	12.99	99.51	117.24
Export Duties	3.20	7.23	46.86	74.63
Land Customs	16	29	2.30	3.72
Miscellaneous	8	7	1.00	97
Gross total customs	12.38	20.43	149.87	196.48
Refunds and drawbacks	17	39	2.35	4.12
Net Customs	12.21	20.10	147.03	191.36
Gross excise	6.13	7.78	67.64	75.16
Refunds	5	18	1.37	1.41
Net Excise	6.08	7.66	66.43	73.75
Net total of customs and excise	18.29	27.76	213.46	265.11

Imperial Bank of India
Statement of Affairs for the week ended 10th July, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital:—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts		207,53,50,000
Borrowings from other Banking Companies Agents		1,00,00,000
Bills Payable		1,73,47,000
Bills for Collection being Bills Receivable as per contra		43,33,000
Acceptances, Endorsements and Other Obligations as per contra		4,63,000
Other Liabilities (including Inter-Office Adjustments)		2,42,12,000
Total	Rs.	225,19,55,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,20,14,000
Balances with other Banks		4,77,38,000
Money at Call and Short Notice		42,06,000
Investments—		
Government and other Trustee Securities	75,26,55,000	
Other Authorised Investments	10,70,05,000	
		85,96,60,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	93,46,67,000	
Bills Discounted and Purchased	26,63,70,000	
		120,10,37,000
Bills Receivable being Bills for Collection as per contra		43,33,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		4,63,000
Premises less Depreciation		1,80,50,000
Furniture and Fittings less Depreciation		24,67,000
Other Assets (including Inter-Office Adjustments)		1,54,37,000
Total	Rs.	225,19,55,000

SMALL SAVINGS
(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51	2,06	8,01	96	2,40	20,67	50,53	57,80	61,86	— 22,32	5,81	5,81
1951-52	1,76	6,10	77	2,91	22,07	66,81	1,07,55	74,18	— 27,55	12,10	17,89
1952-53	1,60	6,83	67	3,26	23,65	84,17	1,09,24	83,27	— 31,03	7,54	25,84
April 1952	14	8,17	5	2,93	2,28	68,86	10,01	76,52	— 27,91	95	19,33
May "	13	8,23	6	2,99	2,12	70,22	9,86	77,65	— 28,25	68	19,86
June "	12	8,28	6	3,02	1,82	71,64	9,38	80,03	— 28,57	69	19,86
July "	15	8,34	10	3,09	2,03	73,14	10,29	82,54	— 28,91	69	20,53
August "	14	8,40	6	3,12	1,76	74,45	8,90	83,75	— 29,18	74	21,25
September "	10	8,44	5	3,12	1,64	75,73	8,78	84,89	— 29,40	65	21,89
October "	10	8,48	5	3,14	1,71	76,77	8,56	85,24	— 29,68	52	22,38
November "	10	8,50	4	3,16	1,71	77,99	9,03	83,51	— 29,68	56	22,92
December "	8	8,51	3	3,16	1,86	79,84	8,45	84,92	— 29,98	58	23,46
January 1953	10	8,54	4	3,18	2,02	80,77	8,38	86,06	— 30,22	48	23,94
February "	14	8,61	5	3,21	1,86	82,14	8,36	86,83	— 30,50	56	24,48
March "	30	8,83	8	3,26	2,04	84,17	10,55	88,27	— 30,75	62	25,06
April "	11	8,79	5	3,26	2,24	85,94	9,66	90,27	— 31,03	60	25,64
May "										52	26,26
June "										68	27,00

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June, 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*
(Base: 1035=100)
1. All-India

Group and Sub-Group	Week Ended 4-7-'53	27-6-'53	6-6-'53	5-7-'52
(A) Government and Semi-Government Securities ‡	92.2	92.2	92.2	91.6
1. Government of India Loans	92.3	92.3	92.4	91.9
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities	99.2	98.8	99.8	91.3
1. Electricity	73.7	79.1	78.2	74.5
2. Cotton	123.0	129.2	128.1	128.1
3. Jute	80.7	80.7	80.1	81.7
4. Coal	99.2	99.2	99.2	98.8
5. Iron and Steel	82.6	82.9	84.5	84.3
6. Sugar	92.1	89.2	89.8	92.7
7. Paper	89.8	89.9	88.1	89.4
8. Plantations	97.2	99.5	98.8	102.1
(C) Variable Dividend Industrial Securities	107.0	107.6	108.3	108.1
1. Banks	103.5	103.4	103.5	104.3
2. Insurance	99.2	99.1	99.9	103.0
3. Investment Trusts	133.7	133.7	143.3	139.2
4. Electricity Companies and Tramways	83.9	83.9	84.2	84.4
5. Shipping and Other Transport Companies	84.8	86.3	86.7	83.6
6. Railways	75.0	75.0	75.8	74.9
7. Plantations	125.6	126.0	119.4	139.4
8. Cotton Woollen and Silk	135.5	136.1	137.6	138.7
9. Jute	72.5	73.7	74.8	82.1
10. Coal	83.6	88.6	90.4	92.3
11. Mining and Oil	53.3	53.0	54.4	51.7
12. Iron and Steel	139.3	139.8	144.0	129.2
13. General Engineering	147.5	149.7	151.1	139.8
14. Sugar	72.3	82.7	83.0	85.6
15. Breweries	69.0	70.7	72.3	63.9
16. Chemicals	138.2	133.0	136.8	129.6
17. Paper	116.2	118.2	117.0	112.6
18. Cement	141.5	141.7	142.7	137.9

Region and Group	Week Ended 4-7-'53	27-6-'53	6-6-'53	5-7-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.9	91.9	92.0	91.7
Fixed Dividend Industrials	91.4	91.9	92.9	91.1
Variable Dividend Industrials	124.8	125.1	126.4	123.2
(B) CALCUTTA—				
Government and Semi-Government Securities	92.8	92.8	92.9	92.3
Fixed Dividend Industrials	83.3	83.4	87.4	89.5
Variable Dividend Industrials	94.6	95.1	95.9	97.0
(C) MADRAS—				
Government and Semi-Government Securities	91.8	91.8	91.9	91.3
Fixed Dividend Industrials	101.9	103.3	103.3	100.6
Variable Dividend Industrials	129.3	129.3	128.9	137.2

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

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950	814	719,868	11,806,704
1951	1,071	691,821	8,818,928
1952	963	809,242	8,886,981
1951	120	..	..
February	91	44,025	203,640
March	79	47,723	317,849
April	129	95,747	851,228
May	109	56,604	477,714
June	149	93,444	448,248
July	149	78,454	671,704
August	108	64,554	289,907
September	108	57,896	190,761
October	125	60,747	189,374
November	118	76,196	855,149
December	115	..	..
January 1952	95	806,831	674,340
February	87	45,490	294,346
March	114	59,487	284,885
April	98	80,092	254,885
May	101	89,851	257,092
June	88	40,764	171,288
July	88	48,588	148,533
August	66	57,575	460,552
September	96	78,151	249,018
October	96	45,756	273,245
November	87	27,823	155,017
December	81	42,353	244,414
January 1953†	85	25,477	123,411
February*	63	34,060(a)	212,048(b)
March	63	49,218	212,850
April	67	..	..

† Figures for 1953 are provisional. * Revised.
(a) Not known in three cases. (b) Not known in four cases.

ELECTRIC ENERGY: GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	548	6,279.9	4,225.9
1951-52	573	6,948.1	4,849.0
1952-53	614	6,501.4	5,134.5
October 1951	554	506.0	412.8
November	557	491.7	409.8
December	561	500.9	414.5
January 1952	568	500.8	409.7
February	571	480.7	391.0
March	578	481.8	397.9
April	577	488.6	398.8
May	581	514.4	418.1
June	588	500.1	408.8
July	588	534.0	429.7
August	593	531.8	425.7
September	597	550.3	430.9
October	599	545.2	441.5
November	605	529.7	436.4
December	606	552.5	457.8
January 1953	611	555.5	441.8
February	614	498.6	417.4
March	614	558.0	485.7

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	27th June, 1953	20th June, 1953	28th June, 1952	June, 1953	June, 1952	Percentage of increase (+) or decrease (−) in June, 1953 as compared with June, 1952	1952	1951
Food Articles	398.9	399.4	359.6	398.7	349.6	+14 0	359.6	389.8
Cereals	480	476	447	474	445	+ 6 5	450	483
Pulses	497	497	452	500	434	+15 2	458	506
Other	272*	276	230	277	216	+28 2	225	290
Industrial Raw Materials	478 6	479.7	437.5	481.0	439 3	+11 8	483.8	668.8
Fibres	424	423	443	430	447	— 3.8	484	622
Oil seeds	646	641	432	641	432	+48.4	484	679
Minerals	471	452	471	450	466	— 3.4	458	456
Others	263	259	287	260	205	+26.8	341	883
Semi-Manufactures	383.5	382.9	337.8	383.5	330.6	+16.0	346.8	377.8
Leather	421	419	339	417	316	+32.0	345	453
Mineral oils	224	224	221	224	220	+ 1.8	221	197
Vegetable oils	580	576	422	583	410	+42.2	449	679
Cotton yarn	445*	445*	455*	445*	455*	— 2.2	455*	453
Metals	225	225	202	225	199	+13.1	211	197
Oil Cakes	447	447	425	446	421	+ 6.2	440	500
Others	253	251	252	269	267	— 6.3	278	320
Manufactured Articles	389.6	389.1	371.7	370.1	373.6	— 0.9	377.6	386.6
Textiles	409	408	416	410	420	— 2.4	423	464
Jute	421	415	478	416	441	−13.5	506	803
Cotton	407*	407*	394*	407*	391*	+ 3.1	401*	400*
Rayon and Silk	442*	442*	498*	441*	534*	−13.7	488*	611*
Woollen	312	312	393	312	393	−20.6	346	378
Metal products	288	288	311	288	311	+ 6.0	271	285
Others	256	257	297	256	238	+ 4.0	298	300
Miscellaneous	691.6	690.4	623.6	676.5	603.2	+11.8	638.6	729.8
All Commodities	405.4	406.4	380.6	405 6	374.8	+ 8.2	386.8	439.3

* Estimated. R=Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
July 1951	—	333	270	318	434	394	393	337	145	182	149	153	174
August "	—	328	261	322	459	392	387	338	144	181	143	141	171
September "	—	325	253	319	458	389	378	340	144	179	130	141	170
October "	—	332	254	323	469	393	378	336	144	181	143	165	171
November "	—	333	252	323	464	397	374	337	147	183	133	144	163
December "	—	331	252	323	469	397	370	337	144	181	130	146	158
January 1952	146	331	246	323	442	393	357	338	142	179	147	162	156
February "	144	334	241	318	441	381	343	336	141	176	139	153	155
March "	142	343	239	320	411	378	340	333	136	177	140	150	145
April "	140	345	242	321	415	377	339	326	148	169	138	153	144
May "	139	339	264	318	412	376	339	327	148	168	141	153	143
June "	141	338	268	308	424	373	342	330	148	171	141	153	148
July "	140	330	263	304	436	377	354	331	143	173	143	161	155
August "	140	340	267	312	460	390	369	338	143	174	143	160	157
September "	141	341	269	310	463	381	366	340	143	175	143	157	158
October "	144	343	274	311	466	381	363	327	146	179	143	154	158
November "	143	347	271	306	459	380	357	328	143	176	139	150	150
December "	144	346	262	303	478	378	346	327	137	170	138	150	149
January 1953	143	346	266	310	454	381	337	327	135	168	134	149	156
February "	139	351	264	315	459	380	334	331	136	167	132	150	144
March "	139†	358	265	322	448	384	333	333	136	165	131	148	145
April "	141	359	268	327	454	384	344	334	137	166	134	148	..
May "	142	363

STOCK & SHARE QUOTATIONS

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

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

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

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

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,80,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo*	2-15/16	2	12½	12½	15½	—	12	Y.
48,08,000	96,25,655	1,22,39,883	43,646	B. R. Sons, Ltd. ..	50,528	1,021	Behariall Ramchand Cotton Mills	49	100	6	6	—		3	Y.T.Y.
2,58,98,800	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing, etc. ..	374	250	16	7	8	8	12	
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd. ..	38,532	860	Bradbury Mills ..	742	250	24	40	40		3	P.Y.
1,09,42,880	3,69,11,265	2,42,52,821	3,30,869	Birla Bros., Ltd ..	1,09,320	2,706	Century	271	100	15	18	20	20	12	Y.
49,00,000	76,79,645	1,10,40,660	—23,49,980	V. J. Pilani, Esq. (Chairman)	40,660	698	Colaba Land & Mill ..	69	100	—	—	4	—	12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	107	100	7½	7½	7½		3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd. ..	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34,80,000	78,85,000	63,06,555	91,036	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	240	200	7½	7½	7½		12	Y.
29,93,700	86,92,517	1,10,04,668	41,862	Chidambaram, Muthi & Co., Ltd.	44,768	886	Elphinstone	40	50	10	8	—	6	12	Y.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay	318	100	15	15	20	20	12	F.
50,00,000	24,24,125	99,79,691	16,168	Hind Agents Ltd.	71,608	1,239	Hind Mills	—	10	5½	4½	5½		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,250	1,000	17½	20	20*		3	P.Y.
6,90,00,000C	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co	2,38,030	6,278	India United	18	1	12½	12½	25		12	P.Y.
80,00,000D								3,310	1,000	17½	20				
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack Mooljee & Co.	47,172	1,191	Indian Manufacturing ..	500	500	17½	20	20*		3	Y.
35,000								182	100	12	14	10			
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co ..	77,404	1,517	Khatau Makanjee ..	303	100	27½	18	25*	18	6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor							12	Y.
28,80,000A								84	100A	7½		6½			
3,60,900B	60 88,538	4,61,890	7 47,308	Dina Nath, Esq	61,516	1,742	Madhusudan Mills ..	—	20B					6	Y.
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd. ..	33,750	451	Modern Mills	93N	50	14	8	14	10	10	P.T.Y.
31,75,000	1,65,94,453	71,00,015	2,80,686	Piramal Gangadhar & Others	60,452	1,650	Morarjee Goculdas ..	180	100	17	15*	12		6	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay ..	151	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Eastern ..	147	100	6½	10	12½	10	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	23,720	873	New Union	25	10	—	5	10	12½	12	Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd. ..	54,208	1,190	Phoenix	107	100	6	10	10	8	12	Y.
40,00,000	59,51,640	24,14,688	1,25,251	Poder Sons, Ltd. ..	32,600	930	Poder	125	100	9	9	10	10	12	P.Y.
5,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk ..	24	10	26½	20	20	12½	12	Y.
15,00,000	39,86,822	61,49,241	21,950	Sassoon Spinning ..	26,160	1,254	Sassoon Spinning ..	26	10	—	7½	10	12½	12	
60,00,000	1,02,39,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	172	100	12½	14	17½	12½	12	P.Y.
31,50,000	1,09,71,108	78,77,540	33,939	Forbes, Forbes, Campbell & Co., Ltd.	46,116	1,276	Simplex	170	50	28	34	30†	30	3	Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	306	100	15	15	26x	20	12	P.Y.
75,00,000	2,10,92,337	1,37,29,109	91,399	Tata Industries Ltd. ..	65,040	2,000	Svadeshi	244	100	14	16	18	16	12	P.Y.
24,90,000	1,20,11,676	65,86,473	3,71,229	James Finlay & Co., Ltd. ..	15,804	552	Swan	435	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd. ..	63,248	1,800	Tata	42	25	8	8	16	4	12	P.T.Y.
12,00,000	1,17,01,933	86,62,637	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spinning †	3,180	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
20,00 000	84,99,543	31 95,949	8,432	Tata Industries Ltd. ..	44,224	1,016	Ahmedabad Advance ..	147½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	418	100	13*	15*	20*		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,369	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind	772	100	22½	25	25	25	12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Maogaldas & Bros., Ltd	35,884	884	Aryodaya Ginning ..	287	200	15	15	17½	7½	12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Ashok	430	100	15*	17	22	22½	12	Y.
1,24,17,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	305	125	8	10	14-2/5	14-2/5	12	Y.
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhogilal & Co. ..	39,316	867	New Commercial ..	1,055	500	10	11	14	14	12	P.Y.
19,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	578	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	6,583	Jagabhai Bhogilal Narayati & Co.	24,840§	528‡	Nutan	610	100	25*	28*	28*	30*	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	740	100	22½	25	25	25	12	P.Y.
12,00,000	50,60,332	63,41,241	1,09,340	Maogaldas Girdhardas Parekh Ltd.	49,568	1,095	Rajnagar	130	250	6	6	8		3	Y.
32,50,000	58,29 453	81,93,993	9,867	Lallubhai Gordhandas Ltd.	33,156	648	Rohit	131	100	8	30	9	9	12	Y.
19,50,000G	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning ..	312	100	15	15	20	20	12	Y.
2,500D															
24,90,150	1,91 30,172	1,01,07,709	1 23,551	Haribalabhbas Kalidas & Co.	73,796	1,383	Shri Ambica Mills ..	318	50	25	30	36	32	12	P.Y.
28,00,000	79 16,324	91,15,078	16,259	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	465	400	11½*		81*	81*	12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agency Ltd., ..	13,044	356	Betanti Cotton	48	10	—	3	3½		12	P.T.Y.
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	
4,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd. ..	42,872	841	Bowreah	275	100	—	—	—	—f	6-12	P.H.
19,00,000	96,46,017	76,66,704	—27,794	Tata Industries Ltd. ..	42,944	518	Champdany	1,000	50	5½	—	7	—f	6-12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	184	10	12½	12½	11½		12	P.Y.
6,00,000A								—	25	12½	7½	7½			
83,96,097B	71 09,841	79,53,33	51,253	Chakravarti Sons & Co. ..	23,484	642	Mohini		10					12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38 366	C. Samuel Aaron, Esq. ..	12 300	374	Aaron Spg. & Wvg. Mills	5	10	9	3	—		12	T.W
15 00,000	26,51,246	39,15,375	2,736	Ramlal & Co., Ltd. ..	50,000	..	Alagappa Textiles ..	4	10	—	9	6		12	P.Y.
71,94,400¤	96,26,706	1,90,39,719	18 450	Ind. Trust Fund	19,944	440	Azam Jahi Mills ..	65	100	15*	5‡	6‡	6	12	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	252	100	14½	17½	20	15	12	
27,00,000	71,62,108	70,17,945	15,831	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	84d	10	5	1½	10	7½	12	P.T.Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binoddram Balchand ..	37,312	1,338	Blood Mills	100N	100	17	5	30		6-12	P.H.
15,00,000	1,33,79,784	84,27,674	4,60,989	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	52N	10	25	25	30		12	Y.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic ..	120	100	6½	6½	7½	4	12	P.B
33,00,000	67,02,807	48,13,918	39,859	Peirce, Leslie & Co., Ltd. ..	37,336	4	Cambodia	108	10	7½	—	12½	10	12	P.Y.
48,00,000	66,46,347	47,79,878	32,599	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles ..	88	5	11½	11½	11½	11½	12	P.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,38 224	Tata Industries Ltd. ..	1,15,188	2,062	Central India	158	100	6	6	2		3	T.Y.
12,00,000	1,33,29,989	27 82,848	—1,32,723	R. Bezonne Nayudu & Co. ..	28,864	..	Coimbatore Cotton ..	124	100	12½	12½	12½	9	12	P.Y.
20,00,000	17,94,432	20,04,313	9,816	T. R. N. Naidu & Co. ..	19,700	..	Coimbatore Pioneer Mills	106	100	7	6	—		6	Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg.	41	50	5	10	—		6	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons ..	29,500	201	Dhanalakshmi	178	100	25	25	20	10	12	Y.
1,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	29	25	4	10	6		6	P.Y.
1,00,103									2½						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	168	10	12½	11½	15		9	P.Y.
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	221	100	15	10	14	17*	12	P.T.Y.
50,00,000	84,17,979	1,21,16,721	6,098	Govindrao Sakseria (Indore)	50,420	1,428	Indore Malwa United ..	90	100	4	5	10		12	Y.
8,90,000	25,82,989	26,01,526	—2,58,201	G. V. Naidu & Co. ..	23,784	..	Janardhana	58	50	16	10	15	7½	12	Y.
6,50,000	17,20,376	40,18,454	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kaleeswarar	301	100					12	Y.
84,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	101	10	7	7½	7½		6	P.Y.
12,00,000	1,62,37,879	1,17,57,873	1,99,524	The Bombay Co., Ltd	53,642	1,213	Lakshmi Cotton	552	250	15	15	20*	15	12	P.Y.
33,64,100								82cd	50						
17,82,050A	1,02,38,673	94,98,825	14,267	G K. Naidu & Co	79,504	200	Lakshmi Mills	40cd	25	8	8	10	10	3	W.
1,75,02,480	3,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd. ..	4,64,748	..	Madura	36	15	17½	15	20	20	12	Y.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. E. Chettiar and 2 others	21,856	..	Maleber	142	200	7½	4	6	4	12	Y.
60,00,000	1,00,87,962	85,34,648	77,484	W. A. Beardsell & Co., Ltd	24,252	683	Mettur Industries ..	190cd	100	25	12½	12½	12½	3	Y.
29,80,884	65,14,248	73,68,250	25,960	N. Sirur & Co., Ltd. ..	36,416	678	Minerva	100	100	8*	6	6	5	12	Y.
94,91,850	96,08,512	1,34,73,361	29,643	B. Ahirchand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur ..	142	250	6	3	3		6	Y.
60,00,000	1,53,94,653	1,53,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Mule	215	100	24‡				12	Y.
9,11,850	4,06,541	20,43,991	—2,16,536	A. Sambhoo Moorty, Esq.	49	..	Mysore Silk Filatures ..	2	10	—	—	—		12	P.Y.
19,86,800	1,15,39,739	82,55,416	38,347	N. Sirur & Co., Ltd. ..	49,632	500	Mysore Spinning	125	50	20	18*	20*		12	Y.
13,61,780	22,98,130	27,85,556	—4,60,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	58	10	5d	6‡	—		2	Y.
22,59,882								1½	2½	—	—	—			
1,07,09SO	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1¼	DI	—	—	—		12	P.T.Y.
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	83N	100	14*	5‡	6‡	7	9	Y.
4,00,000A	21,00,275	26,20,198	3,380	Raghvalakshmi & Co. ..	22,800	..	Palani Andavar	50	50A	4	10	16	15	12	P.Y.
6,00,000B									100						
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	66	100	4	7½	5		12	P.T.Y.
25,30,420	40,80,284	52,63,263	2,062	A. G. G. Naidu & Co. ..	38,864	200	Radhakrishna	146	100	15	16	16	6	12	P.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq. ..	25,896	..	Rekalakshmi	72	50	9	9	10		12	P.Y.
15,02,500	31,53,264	33,65,211	11,407	P. S. G. Naycdu & Sons ..	28,972	88	Ranga Vilas	43	50	9	9	10		12	Y.
60,00,000	89,59,172	1,04,60,739	3,506	Sir J. P. S. & Sons (Ramper), Ltd.	32,580	600	Raza Textiles	5-15/16	10	—	—	—	7½	12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq. ..	82,992	2,234	Shelapur	1,800	1,000	—	—	—		12	P.Y.
32,01,300	49,90,500	25,98,011	66,528	Gopaldas Lilachand & Co., Ltd	15,824	440	Shree Sajjan	75N	100	6	—	—		3	Y.
17,79,700	17,05,383	31,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36½	50	6‡	—	—		3	Y.
36,69,700	55,96,380	57,42,020	23,287	H. N. Pallegar, Esq. ..	25,200	292	Sri Krishnarajendra Mills	41	50	8*	8*	5		3	Y.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd. ..	27,540	992	Sutlej Cotton Mills ..	40N	10	40	40	40		3	Y.
17,50,000								9	10	5	5	5			
1 57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd. ..	1,12,216	2,077	Swadeshi (Cawnpore ..	9	10P.O	9	9	9		12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	K. R. & Sons	16,000	..	Trichinopoly	10	10	7	10	10	7	12	Y.T.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros. ..	33,704	270	Vasanta	130	100	7	9	10	10	12	Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	148	100	10	9	14*	10	12	P.Y.

* Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.

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

§ Includes Rs. 11-6 paid out of deferred Dividend Amount. N=Nominal † Subject to tax. ** Net Block

‡ As on 1st January, 1953.

(a) Bonus Issue (b) Reserves for these Companies include balances of various insurance funds. $=Per six months ended 30th September 48. (N) Normal (R) Recommended. K) Investment C.D.=Cum Dividends

¤ For 9 months ended 31st May 1951.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up Per Share Rs	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	72,65,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	103½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Emcee & Sons (Travancore) Ltd.	Travancore Rayons	4½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	22	25	11½	11½Q	—		5	P.Y.
6,64,000						9½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6	5	20	10	—		3	Y.
£80,000'A'	£988,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	15½	'A' 16sh	10	—	—		9	P.Y.
£300,000'B'						20/-	'B' 20sh	10	15	15		8	Y.
44,90,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4½	10	15	10	20		3	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	167	75						
CEMENT													
11,37,700A	32,33,493	72,62,714	20,534	The Andhra Engineering Co Ltd.	Andhra Cement Co.	9½sd.	100A	3½	3½	7½	7½	12	P.Y.
39,64,520B						9½sd.	10B						
43,14,600	11,13,132	53,61,563	—1,25,357	Eastern Corporation Ltd. ..	Assam Bengal Cement	3½	10	5	—	—		3	T.Y.
4,70,976D						1703	100						
10,56,75,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies ..	6zd	10	7	8½	8½	9½	7	Y.
60,00,000	51,03,805	69,78,209	39,834	Hari Bros. Ltd.	Dalmia Cement	1	1	—	5	6½	6½	12	P.Y.
26,49,797						17½	25						
5,00,000D	27,27,600	1,26,09,755	90,853	Essex Ltd.	India Cements Ltd.	3½	3D	—	—	5	—	3	P.Y.
61,61,180						7½xd	5	3	4	8	10	12	Y.
7,50,000D	1,53,90,166	1,68,61,997	38,658	Martin Burn Ltd.	Sonavelley Portland Cement ..								
75,00,000													
CERAMIC; MINING AND QUARRYING													
31,70,659	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2½	25	25	5	6½	12	Y.
10,00,000	53,04,035	53,01,488	13,680	Bird & Co.	Biara Stone Lime Co.	28½N	10	16½	17½	17½	8½	3.9	H.
80,00,000	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros	Chrestien Mica Industries	10½	10 D	10	10	10		12	P.Y.
35,00,000D							5 D	15	15	15			
35,00,000D	81,650,110	81,643,983	885,540	Gillanders Arbuthnot & Co. Ltd	Indian Copper Corporation ..	2–12½	2ab.	12½†	12½†	12½		12	Y.
894,200												12	H.
15,00,000D	39,05,935	43,65,527	1,27,234	Bird & Co., Ltd.	Karanpura Development	14½		—	—	—	—	61.2	H.
5,00,000F												61.2	H.
80,00,000	6,88,139	8,10,287	7,911	Mysore Industrial Development Co	Mysore Stoneware Pipes & Potteries	9½xd	10	8½(d)	10	10	7½	3	Y.
6,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	53½	10	6½	6½	12½	13†	6.12	H.
10,00,000	26,42,577	28,12,033	—25,650	Andrew Yule & Co.	Rajmahal Pinderkota	16½	10	10	11½	15		2.9	H.
6,00,000	20,61,475	17,98,678	3 427	Killick Industries Ltd.	Shivrajpur Syndicate	55	10	10	17½	35		11	W.
9,99,300													
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	S. V. S. Iyer, Esq.	Kamp & Co.	265	200	10	10	10		3	Y.
92,14,870	55,77,268	2,53,78,334	8,593	Tata Sons, Ltd.	Tata Chemicals	8½	10	—	—	—		6	Y.T.
1,12,500	1,38,486	61,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4½	3	8½	8½			3	Y.
Other Centres													
25,00,000	54,68,041	63,66,814	2,51,870	Bhailal Amin & Sons., Ltd. ..	Alembic Chemical Works Co. ..	100	100	—	—	—	—	12	Y.
63,00,000	1,07,29,152	2,20,10,944		Imperial

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	L. C. H. Olsen, Esq.	British Burma Petroleum Co., Ltd.	1-0½	4sh.	—	—	—		8	P.Y.V.
22,50,000	88,62,002	54,90,808	1,78,913	N. C. Aiseck, Esq.	British Ceylon Corporation	17	7½	80†	84†	32†	24	18	P.V.
1,00,00,000	1,01,18,397	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Indo-Burma Petroleum Co., Ltd.	58sd	40	10	10	10	15	15	P.V.
70,04,223	25,33,386	1,55,85,825	9,450	Tata Industries Ltd.	Tata Oil Mills	32	25	6	6	7	7	3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd.	14½	10	15	15	17½	5†	4.10	H.
PAPER													
45,00,000	3,57,44,079	1,95,77,780	4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43½	25	10	10	12½	6¼	6.12	P.Y.H.
80,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	168	100	7	10	12	12	3.9	H.
85,00,000	48,30,213	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	15½	10	6d	7½	10*	5	3	T.
41,95,000	2,73,41,080	3,27,84,408	1,91,721	Birla Bros., Ltd.	Orient Paper Mills	133	10	15	25	20	10†	8.9	P.Y.H.
50,06,290	1,28,84,743	89,82,234	2,36,657	Ramanchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	9½	11½	13	15	6.12	P.Y.H.
20,00,000	58,56,913	76,25,937	9,851	Rajaria & Co.	Star Paper Mills	8½	10	—	—	5	2½†	8.9	P.Y.H.
19,00,000 A'						6¼	5½	10	10	10	5†	8.9	
4,37,300 PO	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co. Ltd.	35½	A10	20	25	20*	10*†	8.9	P.H
56,04,800 D						35½	B10	20	25	20*	10*†	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,44,873	24,87,080	1,35,208	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6½	5	10	20	20		2	P.Y.
47,79,900	48,44,353	83,16,040	4,37,564	B. C. Paterson, Esq.	Consolidated Coffee Estates	18¾	10	10	15	15		6	P.V.
6,00,000	2,29,184	6,49,638	11,891	Associated Planters, Ltd.	Cotmaul Plantations	10-14½	10	7½	10	15		6	P.V.
9,28,950	1,04,540	6,87,978	2,389	A. V. Thomas & Co., Ltd.	Fringford Estates	2sh.N.	10	—	—	—	—	3	P.V.
18,28,990	10,03,841	20,77,888	80,759	A. V. Thomas & Co., Ltd.	Highland Tea Estates	10	10	25	45	45	20	12	P.Y.
4,80,000	9,67,358	7,28,390	49,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18½	10	17½	30	20		6	P.Y.
4,80,000	9,41,308	11,82,479	—	P. Kunjan Jaha, Esq.	Malakaran Rubber and Produce Co.	10-14	10	10	30	35		6	P.Y.
87,00,000	25,82,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	10-14½	10	6	12½	15		3	P.Y.
3,35,000	2,06,971	13,28,598	31,378	A. V. George & Co., Ltd.	Nennerey Rubber	9½	10	5	6½	10	6½	12	P.Y.
2,00,000	1,93,721	24,72,606	2,503	Associated Planters, Ltd.	Pilkaduwe Rubber Co.	9½	10	10	10	10		12	P.Y.
19,45,980	25,93,936	32,55,341	1,25,906	Peirce, Leslie & Co., Ltd.	Quettimeiray Valley Estates	13½sd	2	25	25	45	10	12	P.Y.
13,50,000	3,82,971	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Rahaleff Rubber and Produce Co.	10½	10	5	12½	15		6	P.Y.
18,00,000	3,36,390	17,56,824	936	East India Agencies, Ltd.	Tenkey Rubbers (India) Ltd.	6¾	10	—	7½	9		6	P.Y.
41,00,000	17,71,556	70,06,785	2,79,692	A. V. George & Co.	Thamaraipally Rubber	15½	10	6	6	10	5	12	P.Y.V.
20,00,000	5,24,135	22,83,995	19,921	Peirce, Leslie & Co., Ltd.	Travancore Rubber and Tea Co. Ltd.	2sh.6d	10	25	40	12½	10	12	P.Y.
8,39,000	53,026	3,26,408	40,587	A. V. George & Co., Ltd.	Tropical Plantations Co.	14	10	5	15	—		12	P.Y.
6,28,188	8,79,994	7,07,482	53,166	Parkinson & Cowasjee Ltd.	Udayagiri Rubber	15½	10	10	12½	20	20	12	P.Y.
1,66,000	78,624	3,43,836	14,082	M. K. Thomas & Co.	Vellambalam (Travancore) Rubber Co., Ltd.	7½	10	7½	6¼	—		3	V.
					Woodland Estates								W.
PRESSING													
1,00,000	18,78,066	19,91,857	5,322	Andrew Yeiah Co.	Colombo Hydraulic Press	83	100	5	5	5		3	Y.
2,00,000	5,20,036	6,89,525	1,116	Pyke and Sons	Camperdown Pressing	93N	100	4	5	5		7	Y.
6,00,000	10,76,372	15,21,900	20,329	Andrew Yule & Co.	General Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
18,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Kanayna Properties	10½	10	—	6	6	5	9	P.Y.
80,00,000	34,67 73511	83,61,045**	—	David Scannes & Co., Ltd.	Port Canning Land	22	100	8	14	1		4	P.V.
84,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Shahapore Zemindary	35½	100	—	9	2		4	P.W.
SAW MILLS AND TIMBER													
13,99,998	33,52,773	18,20,998	69,978	Bird & Co.	Assam Saw Mills and Timber	6¾	3	16½	16½	18½	8½	9	W.
50,00,000													
42,00,000	4,89,22,437	2,47,99,361	1 87,498	Wallace & Co.	Bombay-Burmah Trading	353½	B25	12	30	18		3	Y.
						133½	80	12	30	18		3	Y.
6,00,000	7,06,0372	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	45N	B90	5	5			6	P.Y.
15,00,000	87,06,030	16,83,461	1,70,441	Gladstone Wood Products	Indian Wood Products	35½	10	25	25	25	30	9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,873	27,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	7½	5	—	20	10	—	6	Y.
12,00,000	38,36,74019	15,70,464**	2,81,000	Narang Bros.	Bard Sugar	120N	B00	6½	10	—		6	Y.
19,49,030	23,60,462	27,34,533	2,37,248	Bangur Bros., Ltd.	Belsand Sugar	9	10	7½	10			6	Y.
5,75,000	3,74,382	15,31,161	46,743	Oudh Sugars Ltd.	Bhatni Sugar	17N	10	15	15	15	10	9	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Oldsbrook Lyall & Co., Ltd.	Carew & Co.	61	10	5	10	10		6	P.Y.V.
15,00,000	11,11,598	15,31,163	46,743	Begg Sutherland & Co.	Champaran Sugar	23½	10	15	25	20	20	6	P.Y.
10,00,000	78,43,538	69,37,156	17,488	Begg Sutherland & Co.	Champarun Sugar	33½	10	15	25	20		6	P.Y.
13,00,000	37,00,000	48,17,772	30,477	Ramkrishna Dalmia	Hindustan Sugar Mills	130N	50	12½	25	12½		6	P.Y.
13,00,000						50N	50	3	4	—	—	6	P.Y.
8,00,000	41,78,574	64,10,139	—4,13,271	Khaitan Deshbandhu & Co.	Kamar Sugar	25N	40	10	22½	25		7	P.Y.
7,80,000		31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	24½	40	5	5	5		6	P.Y.
11,00,000		27,48,188	34,39,378	3,893	Karam Chand Thapar & Bros., Ltd.	New Savan		10	—	9	6		6	P.Y.
18,89,378		68,13,866	83,06,760	6,81,070	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	50	10	20	20		6	P.Y.
						45N	25						
77,45,350	1,19,18,139	1,63,07,813	45,193	Cotton Agents Ltd.	Oudh Sugar Mills	85	100	3½	3½	11	6	7	P.Y.
44,00,000	69,21,878	84,62,849	77,500	Narang Bros.	Rampur Sugar Mills	92N	100	—	10	10		6	P.Y.
8,00,000	42,59,703	33,73,986	19,466	Begg Sutherland & Co.	Pureshpore Company	15	10	18	20	10		6	P.Y.
5,00,000	30,65,463	34,18,512	19,466	Begg Sutherland & Co.	Rani Sugar	29	10	15	20	10		6	P.Y.
11,99,900	18,06,835	36,11,360	85,281	Begg Sutherland & Co.	Samastpur Central Sugar	15½	10	10	20	10		6	P.Y.
20,00,000	69,94,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	—	3½	10	1	7	Y.
9,99,750	17,46,773	31,41,729	10,182	M. K. Ghosa, Esq. & R. N. Dutta.	Shripore Sugar	5	10	—	—	5		6	Y.
6,50,000						5N	10						
1,97,000 D	11,94,395	27,92,174	—14,73,656	M. K. Jain & Co., Ltd.	South Behar Sugar	15N	10	—	—	—		10	Y.
2,00,000	54,46,474	70,75,589	57,216	Cotton Agents, Ltd.	Upper Ganges	20N	50	67½	20	20			Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belsapur Co.	225	90	15½	25	25	32	9	
33,37,350	44,47,856	38,47,284	4,84,518	Gowra Bros. (Rampur), Ltd.	Belsand Sugar	101N	10	—	7½	10		9	Y.
18,93,900	18,53,357	37,63,451	21,012	J.P.Srivastava&Sons(Maddya Bharat)Ltd.	Gwalior Sugar Co., Ltd.	45N	100	—	5	5		6	P.Y.
10,00,000													
3,00,000	44,76,363	24,51,980	3,71,344	India Sugar Agencies Ltd.	India Sugar & Refineries Ltd.	20½	10	12½	15	25	25	9	P.Y.
21,79,350	1,49,74,559	97,34,107	5,97,994	M. Habish, Esq.	Mysore Sugar	44	10	88*	20	20		6	
19,00,000	59,32,468	1,04,54,086	3,18,384	Martial, Agra & Rasulia, Ltd.	Pilkhar Sugar Works	57	10	6	10	12½	16	9	Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnagger Cane & Sugar Co., Ltd.	17	10	15	6	7½	20	9	Y.
20,00,000	68,39,168	74,55,960	1,89,311	Walsh and & Co., Ltd.	Rauzagaon Sugar Farm Ltd.	90N	10	8	10	12½	18	9	P.Y.
19,99,380	50,82,224	42,84,130	4,01,981	Gowra Bros. (Rampur), Ltd.	Rana	10½	10	6	10	12½		9	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Sreevasan Sugars	5	10	—	—	—		7	Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Wahadasahar Industries Ltd.	136½	100	17½	12	14	14	9	P.Y.V.
UNCLASSIFIED (Bombay)													
1,50,00,000	1,21,10,933	1,47,88,360	—8,27,616	Tata Industries Ltd.	Air-India Ltd.	86½	100	—	—	—	17½	12	Y.
2,00,000	4,90,364	3,66,358	782	Parker, Parker, Campbell & Co., Ltd.	Bombay Bale Deposit	660	200	15	18	15		9	Y.
69,19,350	2,64,81,962	3,70,83,518	83,007	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd.	—	85	—	—	—		6	P.Y.
15,98,860	3,73,801	2,38,588	7,545	Parakh Agencies Ltd.	Bombay Uganda	54N	80	8	8	8	5	12	P.V.
1,50,000	1,50,000	24,57,096(6)	12,787	Bombay Sons Ltd.	Burmah Shell Investment Co.	9½	10	6	6	6		12	Y.
11,98,360	17,99,568	10,69,107	4,422	F. H. Meeks Esq.	Bulsia Batteries	23N	50	6	6	6		3	Y.
19,99,250	18,35,375	1,27,61,383(8)	1,02,277	Premchand Roychand & Sons	Industrial Investment Trust	59½	100	8	4	14	4½	12	P.Y.
84,98,885	13,91,304	13,38,926	2,833	K. G. Miles, Esq.	Killick Industries	14½	100	2½	10	5		6	Y.
8,06,71,300 A	65,85,939	2,20,52,503	4,92,787	Auto-Auto Ltd.	Premier Automobiles Ltd.	44	100	—	—	—		6	Y.
60,00,000 B							100						
4,39,42,018	9,89,24,387	13,98,97,421	1,95,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	12½	15	—	3½	—		6	W.
1,20,000	1,71,457	2,31,790	3,145	B. B. Bandekar Esq.	Thanker & Co.	50	10	10	10	10		9	Y.
10,21,200	17,93,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40	10	15	15	15	15	12	Y.
2,20,00,000	2,54,09,973	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd.	216½	100	11*	11*	11*	11**	12	Y.
45,00,000	46,57,168	2,94,088	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	13½	13½	13½	13½	12	Y.
Other Centres													
47,50,000	65,22,899	1,34,34,714	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—	—	3	P.Y.V.
2,50,000 D						18½	10	10	17½	25*	12½	9	
30,00,000	33,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	10	10	12½	25*	12½	12½	9	Y.
20,00,000	82,51,118	43,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	19½	10	12½	25*	12½	12½	12	Y.
80,00,000	50,63,088	92,32,652	9,249	Oriental Metals (India) Ltd.	Associated Metal Mills Ltd.	51	100	—	5	—	—	12	P.Y.W.
30,00,700 O	1,20,65,807	53,87,807	5,19,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.	277	B00	20*	20*	25*	20*	9	Y.
10,00,000 D							60D	15	15	20	15*	12	
20,00,000	1,19,26,323	1,34,61,121	3,04,990	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	155	100	5	10	12½	10	9	
20,00,000	8,38,806	34,03,998(K)	1,23,380	Lovelock & Lewes	Birds Investments Ltd.	16½	10	12½	12½	12½	10	12	
1,00,000,00	1,45,00,237	3,00,22,7301	58,506	Dinshaw Ltd.	Bharat Line	85	100	3	3	4	3	12	W.
30,64,444	50,81,260	89,30,734	1,82,277	A. F. Chanda Esq.	Britannia Biscuit	11	10	12½	12½	12½	7½-1	12	Y.
2,25,00,000	2,83,66,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	8-7½	10	12½	12½	12½		12	P.Y.
1,50,00,000	3,77,71,323	4,07,06,331	9,01,448	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd.	28	10	80	80	15-1	15*	12	P.Y.
71,25,000	47,57,061	1,36,55,420(K)	3,13,489	Bird & Co., Ltd.	Eastern Investments Ltd.	146½	100	8	9	9	9	12	P.Y.V.
7,00,000	34,47,721	25,07,609	50,793	Mansell & Barry Ltd.	Ganges Rope Co., Ltd.	195	100	20	25	35	10	12	P.Y.
65,00,000	54,13,817	13,62,000	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	120	100	7½	10	12½	5.9	3	P.Y.
50,00,000	37,25,649	46,01,406	6,212	R. P. R. Syndicate	Great Eastern Hotel Co.	252	250	6	6	6		3	P.Y.
18,42,100	36,42,009	54,49,286	12,214	Birla Brothers, Ltd.	Hind Cycles	195N	100	8	10	10		12	Y.V.
4,96,12,650	59,45,519	2,61,59,293	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	44	10	—	7½	7½	12½	12	P.Y.V.
1,60,00,000	1,59,63,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	108	100	—	—	—		3	W.
1,52,89,230	1,31,92,787	57,92,396	9,29,554	D. J. Mahtaab, Esq.	Indian Cables	18½	10	12½	10*	—	5x	12	P.Y.
83,75,000 Q						3½	10	—	—	—		3	P.Y.
1,50,000 P	53,00,150	72,86,130	—12,62,971	Gowra Bros., Ltd.	Indian National Airways	7½	10	—	—	—	—	12	P.Y.
1,25,000 Q						7½	10	—	—	—			
6,87,978	12,79,355	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufactures	14½	10	10	10	10		3	P.Y.
8,25,00,000	1,40,38,485	3,87,91,801	2,16,066	Llewellyn Edwards Ltd.	India Steamship Co., Ltd.	61	10	10	10	10		3	P.Y.
2,40,000	4,31,028	67,247	36,496	G. V. Sruiks, Esq.	Ivan Jenn	4	2	21½	10	21½	10	3	P.Y.V.
2,00,00,000	52,39,843	27,16,648	8,66,448	J. D. K. Brown, Esq.	Jardine Henderson	129½	100	8	10	21½	10	3	P.Y.
6,14,980	9,99,637	4,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	8	10	—	—	—		3	Y.
40,00,000 O						137	pp. 100	10	10	12½	12½	3	P.Y.
5,00,000 D	63,35,248	23,69,220	85,717	A. T. Dolz, Esq.	McLeod & Co. Ltd.		pp. 10	10	10	12½	12½	3	P.Y.
1,50,15,750	33,32,702	11,34,840	2,21,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18½	10	10	12½	12½	12½	3	P.Y.
6,35,235	4,41,876	7,74,804	—72,313	Oasis Glass Works Ltd.	Mysore Glass & Enamel Works	10	10	44	—	—	12½	9	P.Y.
3,75,000	5,74,382	8,79,836	3,686	K. Bharatsih, Esq.	Mysore Lamp Works	17½	10	10	10	10	—	9	P.Y.
18,00,000	3,93,997	11,45,833	1,11,329	V. S. Arasankshan, Esq.	Mysore Tobacco	10	10	10	—	—		3	P.Y.
20,00,000	61,97,159	30,16,078	1,10,945	National Ind. Development Co., Ltd.	National Insulated Cable Co. of India Ltd.	91½	10	3	3	7½		3	P.Y.
19,97,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	91	10	3	3	7½		3	P.Y.
14,67,137	6,67,69611	18,52,569**	23,513	B. P. Ogale & Co.	Ogale Glass Works	10	10	3	3	3		3	P.Y.
10,00,000	41,74,953	41,38,536	1,52,611	Parry's Holdings Ltd.	Parry & Co.	51cd	10	10	10	62½		12	P.Y.
2,25,00,000	62,51,614	1,69,49,507	84,847	G. U. Euthymopolo, Esq.	Rallis India Ltd.	75½	100	8	8	80-1	32½	12	P.Y.V.
1,14,00,000	2,93,41,731	6,09,59,407	7,17,488	Sahu Jain Ltd.	Rohtas Industries	43½	10	10	10	12½	15	12	P.Y.
40,00,000	1,53,62,299	1,19,84,961	—2,36,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	43½	10	10	10	7½	10	12	P.Y.
75,00,000	37,17,120	12,11,901	—3,56,616	J. E. Waterfield, Esq.	Shaw Wallace & Co., Ltd.	11½	10	10	10	10	10	12	W.
9,98,380	4,10,547	12,67,855	—59,789	Oasis Brothers Ltd.	Travancore Oasis Glass	3½	10	—	—	—		12	Y.

† Does not include depreciation. * Includes Bonus. ** Net Block. C.D.—Cum Dividend. ‡ On Increased Capital.
‡ Only Depreciation. —Nil Dividend. † Less income-tax. X.R.—Ex-Right. (c) For six months ended June, 1949
Z.—For fifteen months ended 31st December, 1952. K—Investments. (d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	350N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	6004	Anandabag	25‡	10	25	40	30		12	Y.
3,50,000	10,64,192	12,05,396	—49,152	McLeod & Co., Ltd.	573	Baghmara	11‡	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	26‡	10	30	30	25		12	Y.
3,30,500	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	11‡	5	25	30	15		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	25	10	20*	35	15		12	T.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	28	10	35	50	5		12	T.Y.
6,00,000	1,51,948‡	10,38,918	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	5	10	5	5	—		12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormha Jan Tea Co., Ltd.	12‡	10	15	15	15		12	Y.
35,00,000	22,18,001	70,96,923	87,990	Brooke Bond India Ltd.	2,650	Brooke Bond	11‡	10	10	10	10		12	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7‡	10	6‡	15	—		12	Y.
6,00,000	22,17,378	24,59,301	54,545	Jardine Henderson Ltd.	1,341	Dessai & Parbattia	228	100	15*	30	22½		12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhelakhat	10‡	10	10	20	12½		12	Y.
4,68,970	8,90,663	13,71,610	25,794	James Finlay & Co., Ltd.	613.37	Dhunseri	11‡	10	10	20	10		12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd.	158	Dibrugarh & Co., Ltd.	8‡	10		10	10		12	Y.
4,50,000	6,75,511	7,95,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakusi	33‡	10	40	45	15		12	P.Y.
2,36,700	12,72,787	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Dufflaghur	37	10	35	22½	40		12	Y.
3,60,500	12,72,787	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	19	10	20	22½	22½		12	Y.
10,00,000	10,31,120	18,91,120	45,079	Andrew Yule & Co., Ltd.	407	Gillapukri	18	10	17½	30	10		12	Y.
1,60,000	6,43,852	7,69,087	16,947	Andrew Yule & Co., Ltd.	320	Gohpur	29‡	10	15	30	30		12	P.T.Y.
3,38,000	9,01,149	9,01,149	1,11,346	Williamson Magor & Co.										
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	17‡	A 10	35	30	20		12	Y.
2,40,790							17‡	B 10	35	30	20			
2,00,000		8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436‡	Hoograjuli	33‡	10	45	30		12	Y.
4,35,000		15,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolangooree	290N	100	25	25	17½	12	Y.
7,50,000		7,46,426	12,05,396	29,061	Gillanders Arbuthnot & Co., Ltd.	896	Jalthari	11	10	24	15	—	12	Y.
2,40,000		8,58,597	2,47,119	15,933	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5	20	—	12	Y.
6,50,000		6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047‡	Ledo	8‡	10	2½	20	—	12	Y.
4,80,000		6,56,730	8,52,930	2,930	Duncan Bros. & Co., Ltd.	652	Mohpema	3‡	10	—	—	—	12	P.Y.
1,50,000		6,78,616	7,45 692	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	750N	100	40	45	35	12	Y.
50,000		8,64,415	8,80,914	37,518	Andrew Yule & Co., Ltd.	315	Murphulani	15‡	10	25	30	20	12	Y.
2,00,00,000 O							24‡	10	30	35	25			
4,00,000		7,00,011	5,75,350	20,226	R. C. Sen, Esq

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	18½	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,79,916	46,11,580	16,516	498	Bahn Jain Ltd.	Albion	185	100	—	14	30	18	5.11	P.H.
6,00,000	32,73,570	49,90,030	—1,63,951	446	McLeod & Co., Ltd.	Alexandra	165	100	—	5	5	—	6.12	T.P.H.
30,00,000	88,17,991	1,16,99,580	—11,66,135	1,264	McLeod & Co., Ltd.	Alliance	356	100	—	24	—	—	6.12	T.P.H.
49,20,700	2,36,84,144	2,27,14,371	1,32,947	2,501	Duncan Bros. & Co.	Anglo-India	212xd	100	—	20	20	17½	6.12	P.H.
46,00,000	1,18,83,050	1,31 13,967	71,745	810	Bird & Co., Ltd.	Auckland	128	100	1½	10	10	7½	3.9	P.H.
30,00,000	93,29,447	97,37,334	72,634	999	Jardine Henderson & Co.	Bally	165	100	7	12	1	4	3.9	P.T.H.
£275,000	£1,680,379	£1,328,460	£91,091	1,890	Jardine Henderson & Co.	Barnagore	150	£5	20	20	20	—	3.9	P.H.
28,00,000	80,27,627	88,01,241	26,347	820	Andrew Yule & Co.	Belvedere	202	100	13	17	27½	15	6.12	P.Y.
45,00,000	78,31,305	31,03,383	4,07,701	600	Sanderson & Co.	Bengal	16	10	1	15	30	—	6.12	P.H.
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Begg, Dunlop & Co.	Birla	37½	10	25	30	30	6	6	T.P.Y.
24,00,000	98,57,868	1,07,77,342	25,598	991	Andrew Yule & Co., Ltd.	Budge-Budge	160	100	7	12	22	3	3	P.Y.
7,47,380	30,53,704	39,44,698	34,120	502	Duncan Bros. & Co.	Calcutta Jute Manufacturing	184N	10	—	5	20	6½	4.10	H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	160	100	5	14	20	12	6.12	T.P.H.
89,16,400	2,11,26,602	1,42,21,807	1,33,299	1,400	James Finlay & Co., Ltd.	Champdany	150	100	5	10	14	8f	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd.	Chevriot	215	100	13½	16	22	12	5.11	P.H.
10,05,000	88,32,304	58,16,362	1,07,364	500	McLeod & Co.	Chitavalsah	31	10	12½	15	60	87½	6.12	P.H.
14,00,000	80,24,460	77,89,914	1,01,979	989	Shaw Wallace & Co., Ltd.	Clive	25	10	12½	35	20	—	6.12	T.P.H.
31,49,200	1,21,56,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	138	100	1	11	12	1f	3.9	P.H.
28,80,000	86,65,768	73,72,811	30,826	779	Andrew Yule & Co.	Delta	230	100	11	15	32½	20	5.11	P.H.
13,00,000	86,18,650	75,63,304	47,730	900	McLeod & Co.	Empire	202	10	10	20	25	10	6.12	T.P.H.
31,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	332	100	2½	32½	22½	—	3.9	P.T.H.
14,00,000	48,25,115	49,94,729	—8,32,397	1,014	G. C. Bangur, Esq.	Fort William	260N	100	—	10	45	—	3.9	P.T.H.
84,32,100	1,37,90,339	2,09,73,148	—8,52,945	1,709	Macneill & Barry Ltd.	Ganges	72	100	—	6½	2½	—	3.9	P.H.
10,80,000	76,30,106	48,12,500	41,193	607	G. Arbuthnot & Co.	Gondalpara	700	500	10	30	30	10	3.9	P.H.
24,00,000	1,91,51,941	2,19,25,184	1,57,647	1,394	Macneill & Barry Ltd.	Gourepore	275	100	2½	25	11½	—	12	T.Y.
40,00,000	81,93,063	81,94,127	3,06,824	1,078	Bangur Bros. Ltd.	Hastings	233N	100	10	7	10	—	3.9	P.H.
16,80,000	38,02,116	44,29,335	4,817	728	G. Arbuthnot & Co.	Hooghly	30f	10	15	5	15	8	3	P.Y.
65,62,500	1,60,16,803	1,56,87,560	1,55,027	1,948	Jardine Henderson Ltd.	Howrah	23½	10	7½	17½	18½	17½	5	P.Y.
50,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Hukumchand	40	7½	46½	66½	66½	—	3.9	P.H.
87,00,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co. ..	India	128	{O. 12½ D. 5½	10	35	35	21f	3.9	T.P.W.
30,000									5½	31	31	21f	3.9	P.H.
24,00,000												21f	3.9	P.H.
19,20,000'B'	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	186	100	—	17	22½	14½	6.12	P.H.
30,00,000'							180	100						
84,00,000'F'	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kankanrarh	143	100	—	—	12½	10	6.12	P.H.
21,00,000	1,16,51,567	92,15,718	1,15,896	703	McLeod & Co.	Kelvin	140	100	—	—	—	—	6.12	P.H.
84,00,000	1,30,67,874	1,60,84,537	4,00,592	1,336	Anderson Wright Ltd.	Khardah	235xd	100	20	25	25	15	6.12	P.H.
48,00,000	1,94,15,089	2,09,37,751	1,16,851	1,250	F. W. Heilgers & Co.	Kinnison	175	100	2½	20	16	15f	3.9	P.H.
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lansdowne	194	100	2	21	15	3f	3.9	P.T.H.
18,00,000	1,19,87,748	1,13,75,907	6,936	848	Bird & Co., Ltd.	Lawrence	134	100	6	21½	22	14f	3.9	T.P.H.
10,00,000	70,30,427	30,24,402	64,167	558	Andrew Yule & Co.	Lothian	168	100	—	15	32½	30	3.9	P.H.
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,908	Mackinnon Mackenzie & Co. ..	Megna	273	100	4½	8f	3½	25f	5.11	P.H.
29,98,900	1,29,56,303	1,35,85,495	—2,80,351	813	F. W. Heilgers & Co.	Nahlati	114	100	—	15	17	—	3.9	H.
12,00,000	39,17,880	25,69,085	17,184	425	Hawrah Trading Co., Ltd. ..	Naskarpara	154	10	11½	13½	22½	—	3.9	P.T.H.
33,00,000	30,49,988	27,56,895	45,733	852	Andrew Yule & Co.	National	24½	10	11½	15	25	10f	4.10	T.H.
7,50,000	57,24,098	25,75,900	1,21,785	318	McLeod & Co.	Nellimarla Jute	35	10	2½	15	75	30	6.12	P.H.
10,50,000	71,66,769	48,48,686	39,811	709	Sahu Jain Ltd.	New Central	260xd	100	6	14	30	22	6.12	T.P.H.
16,79,880	98,13,709	1,39,17,038	1,954	957	Bird & Co., Ltd.	Northbrook	20½	10	—	—	20	24f	3.9	P.T.H.
66,79,300	1,68,36,135	2,12,90,664	30,401	1,892	Macneill & Barry Ltd.	Nuddea	44½	50	—	5½	4½	—	3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	681	Andrew Yule & Co., Ltd.	Orient	175	100	9	14	24	7	5.11	H.
25,00,000	64,86,591	80,78,198	—3,91,006	600	McLeod & Co.	Presidency	5	5	—	—	2½	—	6.12	T.H.
80,00,000	7,87,403‡	26,15,293	—3,29,549	302	Macneill & Co.	Rameshwara	5½	10	—	1½	—	—	3.9	H.P.
49,50,000	56,35,996	1,21,44,566	48,080	1,276	Jardine Henderson Ltd.	Reliance	158	10	—	—	—	2½	3.9	P.T.H.
£600,000	£1,102,661	£1,203,880	£82,640	2,013	Thomas Duff & Co. (India) Ltd.	Samoogger	14f	£1	6½	10½	10½	10	3.9	P.Y.
30,00,000	72,26,872	97,20,210	6,05,669	913	Begaria More Co., Ltd.	Saraw Ambica (Adamjee)	16½	10	—	10	20	—	3.9	P.H.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn. ..	Soorah	13N	10	—	10	—	—	3.9	P.H.
83,19,600	1,06,20,961	93,73,041	12,665	656	Bird & Co., Ltd.	Standard	140	100	4	12	16	—	12	P.Y.
£400,000	£849,927	£990,895	£113,161	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14f	£1	6½	10½	10½	10	3.9	P.H.
85,98,600	1,80,41,145	1,73,93,324	13,098	1,326	Bird & Co., Ltd.	Union	139	100	2	19½	25	15f	12	P.Y.
£400,000	£587,164	£1,059,917	£119,708	1,231	Thomas Duff & Co. (India) Ltd.	Victoria	14½	£1	6½	10½	10½	10	3.9	P.T.H.
2,50,000	39,57,381	56,21,133	sc—63,636	465	McLeod & Co.	Waverley	5½	5	—	5	5	—	6.12	P.T.H.

(f) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign income-tax. Only Depreciation. * Includes bonus —Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
85,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20½	10	17½	20	12½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Barares Coke	18½	10	14½	13½	14½	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	6½	10	6½	6½	6½	—	6	H.
1,80,00,000	13,35,29,103	5,08,61,725	8,03,958	Andrew Yule & Co., Ltd.	Bengal	523	200	33½	37½	18½*	10*f	6.10	P.T.Y.
4,49,350	3,94,703	8,49,139	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	2½	2½	2½	2½	6.12	P.H.
2,25,000	27,50,840	25,85,066	6,970	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18½	10	22½	16½	10	7½	6.12	H.
13,97,500	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½	—	9	Y.
7,13,000	30,27,418	30,94,169	—43,876	F. W. Heilgers & Co., Ltd.	Bhulanbarees	13½	10	—	6½	—	2½	6.12	H.
16,00,000	53,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10	10	5	7	—	—	6.12	P.H.
7,50,000	43,47,168	4,66,805	1,06,334	F. W. Heilgers & Co., Ltd.	Borrea	28	10	20	30	30*	27½*	6.12	T.H.
90,92,480	3,29,07,686	4,03,65,968	1,13,021	Bird & Co., Ltd.	Burrakur	10½	10	10½	7½	7½	6½	6.12	P.T.H.
49,97,000		23,16,089	8,776	Hindusthan Investment Corpn., Ltd.	Central India	4½	10	—	—	—	—	3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurhead	25½N	10	17½	12½	—	—f	3	Y.
6,00,000	1,40,000	7,50,000 (k)	13,973	F. W. Heilgers & Co., Ltd.	Churulia	2½	4	4½	4½	—	1½	6.12	P.H.
16,00,000	26,97,346	45,41,647	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	10½	10	12½	2½	6.12	H.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	24½	£1	13½	37½	37½	6	3.9	Y.
29,63,760	3,25,97,962	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	40½	10	25	27½	25	15f	6.12	T.P.H.
10,00,000	4,83,963	9,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Musli	17N	10	20	5	—	—	6.12	M.
8,00,000	21,75,778	21,29,494	44,366	Macneill & Barry Ltd.	Hurriladih	16	10	12½	15	15	5	3	Y.
2,50,000	11,83,466	12,92,986	50,050	Andrew Yule & Co., Ltd.	Kalapahari	41½N	10	20f	35	35*	35*	6.12	H.
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	85	100	—	—	—	—	2.8	H.
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd.	Katras Jherriah	42	10	27½	35	37½	40	2	Y.
1,38,400	2,20,519	11,63,119	1,063	Berwala Bros.	Khas Kajora	7½N	10	11½	10	5f	—	1.7	H.
11,00,240	10,81,164	13,87,375	3,411	H. V. Low & Co., Ltd.	Kuardi	6N	10	2½	3½	1½	—	6.12	P.H.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	7½	7½	—	6	Y.
3,65,750	11,41,667	23,21,077	2,691	Berlwala & Co.	Mandulpoor	3½N	10	5	7½	—	—	4	Y.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	8½	10	5	27½	5½	—	6.12	H.
7,00,000	3,77,590	9,33,321	4,597	Amritlal Ojha & Co., Ltd.	New Bansdeopur	5N	10	6½	7½	6½	—	6.12	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	3	6	—	5f	3.9	H.
												4.10	M.
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	9	10	12½	7½	—	—f	3.9	P.H.
8,50,000	6,84,984	9,45 859	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	M.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14½N	10	16½	13½	5	2½f	3.9	H.
1,57,500						11¾N	10						
7,50,000	12,54,532	3,97,666	1,00,495	F. W. Heilgers & Co., Ltd.	Oodal	18½N	10	12½	25	22½*	20	6.12	P.H.
10,00,000	13,36,427	33,60,122	56,421	K. C. Thapar Bros. Ltd.	Oriental Coal	13N	10	10	10	10	5	6.12	P.H.
8,34,000	5,98,486	14,29,203	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—	—	12	T.Y.
19,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20½	10	16½	12½	10	6½f	6.12	M.
23,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Ramagunge	8	10	—	—	—	2½	2.8	H.
13,50,000	30,62,857	29,87,472	56,004	Shaw Wallace & Co., Ltd.	Rewa	20½	10	8½	12½	10	17½	3.9	M.
20,00,000	13,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	9	10	—	—	11f	—	6.12	H.
1,23,000	13,14,667	13,30,351	20,499	Gillanders Arbuthnot & Co., Ltd.	Searo's	8½N	2½	20	20	20	25	6.12	H.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25½	7	35-3/7	32-1/7	28-4/7	28-4/7	6.12	Y.
8,00,000	34,84,308	37,03,977	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	10½	10	5	5	5	—	6.12	P.H.
43,21,450	2,13,85,164	3,04,98,616	23,658	Industrial Trust Fund	Singareni	7½	10	5	5	5	5	6.12	H.
17,50,000	24,10,707	34,29,846	15,868	Bird & Co., Ltd.	South Karanpura	11½	10	7½	10	7½	3½f	12	T.Y.
8,00,000	14,24,948	2,90,282	86,378	F. W. Heilgers & Co., Ltd.	Standard	16½	10	15	15	10	15	2.8	H.
10,00,000	15,82,936	30,15,424	—3,64,536	Villiers Ltd.	Talcher	2½	10	—	—	—	—	6.12	H.
7,50,000	17,58,513	18,06,910	34,927	Williamson Magor & Co., Ltd. ..	Ukeen	21½	10	20	27½	27½	12½f	3.9	P.Y.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd.	Western Bengal	4½	10	2½	2½	2½	—	6.12	H.
7,00,000	26,57,108	40,16,017	5,514	Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15*	—	6.12	Y.

* The following explanatory notes relate to the abbreviations and marks shown on page 140 in the debentures section:—

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

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

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

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1952.

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 95)

promptly enough to check this trend in order to bring down the prices. With this end in view, it has suggested to the Government to permit imports of edible oils, such as coconut oil, soyabean oil, cottonseed oil and palm oil, by placing them on the Open General Licence list and also to abolish the import duty on these oils. It is to be hoped that the Government will adopt these suggestions without delay.

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The fall in commodity prices the world over reflects, in part, the slackening of demand, and in part, the increase in production. Among the countries which are likely to be burdened by large surpluses of agricultural produce, the U.S. deserves to be prominently mentioned. But any decline in prices in this country is, as is well known, cushioned by the price support programme. It is true that the Republican Administration in that country is wedded to the principles of free market. But it would appear that the Administration is alive to the political need for supporting agricultural price levels. It remains to be seen whether the Government will order marketing quotas and acreage restrictions. But this would depend on a poll of farmers. If they do not agree to the imposition of these restrictions, price supports will be cut. The one commodity, and it is an important one, in respect of which a poll appears almost certain now is cotton. If cotton growers turn down the proposal for restriction on acreage, the price support for cotton will be reduced to 50 per cent. of parity, instead of 90 per cent. as at present.

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The U.K. spinners have been asked to notify before the end of this week whether they would like to utilise the services of the Raw Cotton Commission (R.C.C.) for their cotton requirements or whether they would prefer to make their own arrangements for the import of cotton during the season beginning from September, 1953. It would now appear that nearly 60 per cent. of the spinners would elect to go out of the fold of the R.C.C. Many spinners, however, doubt whether the cotton traders would be able to carry large stocks of cotton in order to supply the mills' requirements in the event of their refusing the R.C.C.'s services. If the mills find that the traders are unable to carry large stocks, it will mean that they will have to provide themselves with sufficient supply. This will impose further financial strain on the mills, in that they will have to tie up large funds in the cotton they need. If, on the other hand, many spinners go out of the R.C.C.'s sphere, this organisation may find it difficult to work on an economic basis with a smaller number of clients. Already, it has sustained heavy losses; for the year ended August, 1952, it suffered a deficit of £25 million. Again, unless a large number of spinners prefers to utilise the services of free traders, it is feared that the Liverpool Cotton Exchange will not work smoothly, if and when it is re-opened. It remains to be seen how many spinners finally choose private buying of cotton, for the re-opening of the Exchange will itself depend upon their attitude.

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The two-day talks between the representatives of the Government of India and Ceylon, held in New Delhi this week, have resulted in a reciprocal trade pact of a limited nature. The talks were initiated by a Ceylon delegation now in Delhi with the object of securing tariff concessions on imports of Jaffna tobacco into India. Normally, this country imports over three million pounds of Jaffna chewing tobacco, mainly consumed by Travancore-Cochin. Before its integration with the Indian Union, Travancore was levying a duty of As. 8 per lb. on imports of this tobacco. After the integration, the Government of India provided that this rate should continue to be levied on imports upto 1,800 *candies* only, any quantity imported over and above this ceiling being subject to a duty of Rs. 9-6 per lb. Further, in 1950, the Union Government informed the Ceylon Government that the concession rate of As. 8 per lb. would continue for a period of ten years during which imports of Jaffna tobacco would be progressively reduced by 10 per cent. each year. In other words, no imports of Jaffna tobacco at this concession rate would be allowed after 1960-61. Hitherto, there were no restriction on imports of Jaffna tobacco, but the rate of duty on imports in excess of the agreed quantity was Rs. 9-6 plus the surcharge of 5 per cent. or Rs. 9-13-6, per lb. The Ceylon Government felt that this rate was prohibitive and, therefore, sent a delegation to New Delhi for negotiating a reduction in the duty on tobacco imported under the licensing system. As stated at the outset, the talks initiated by this delegation have now resulted in a new arrangement.

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Under the new agreement, India has agreed to facilitate the import of 2,500 *candies* of Jaffna tobacco a year for the next four years. The additional quantity to make up this total will be subject to a reduced import duty of As. 12 per lb. instead of at the standard rate of Rs. 9-6 plus 5 per cent. surcharge. This arrangement places Ceylon in a decidedly advantageous position than hitherto. For had the old arrangement continued, Ceylon would have exported to India, owing to the progressive cut of 10 per cent. of the ceiling each year, only 1,260 *candies* at the concessional import duty of As. 8 per pound. The chances of its exporting any quantity over and above this ceiling would have been bleak owing to the heavy incidence of the standard rate. Now that the rate on imports under the licensing system has been reduced from Rs. 9-13-6 to As. 12 per lb., Ceylon will be in a position to export not only the 1,260 *candies* mentioned above but additional quantity upto the maximum of 2,500 *candies*. In short, Ceylon will be able to despatch 1,240 *candies* more than what would have been possible under the old arrangement.

The new arrangement does not overlook the interests of the tobacco grower in Coimbatore where the Jaffna variety of tobacco is being grown in small quantities. As the total consumption of Jaffna tobacco in India is estimated at 3 million pounds, as against imports of 2,900 *candies* (or 842,500 lbs.) from Ceylon, the local producer of that variety has a market wide enough to sell all his output.

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In return for the concession shown by India, the Ceylon delegation has agreed to allow imports of Indian *bidis* on open general licence without increasing the effective rate of import duty. It has also agreed to reduce the import duty on handloom towels and towelling to the lowest rates applicable to mill-made towels and towelling. Besides, it has agreed to facilitate increased imports of Indian tobacco into Ceylon. These concessions are to remain for a period of four years.

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This new pact conceding reciprocal concessions is welcome, in that it has rendered possible the expansion of trade between the two countries. Apart from tobacco, India imports from Ceylon copra also. And Indian shipments to that Island comprise, among others, cotton piecegoods, coal, chillies and onions. In 1952-53 Ceylon imported from India goods valued at Rs. 19.28 crores while this country's offtake from the Island amounted to Rs. 4.29 crores. This big deficit in Ceylon's trade with India does not necessarily mean that Ceylon should export more to India in order to balance its imports from this country, for it enjoys a large trade surplus with other countries which can be used for settling its deficit with this country.

MARKET REPORTS

(Concluded from page 129)

export policy should be liberalised, so as to include a wide range of metal products produced in this country, in view of the improved metal supply position and the abnormal fall in the level of internal demand.

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 15th July

The forward and spot sections in the Bombay sugar market have remained steady this week. The chief factors which has imparted steadiness to the market is the receipt of encouraging advices from Kanpur of revival of demand from consuming centres. The price of sugar in the forward section hovered round Rs. 86 and Rs. 87 till yesterday, when it shot up to Rs. 88-10. Towards the close this afternoon, however, it was a shade lower at Rs. 88-4.

It now appears that the bearish tendency of the market has almost disappeared. An indication of this is provided in the steady trend in prices of sugar. For instance, the spot price for medium grade sugar in Bombay has so far varied between Rs. 85—Rs. 90 per bag and it stands at Rs. 90 or a little above per bag. Small grain sugar cannot be had for less than Rs. 88-8. Medium grain at Rs. 90—Rs. 91 and large grain at Rs. 93—Rs. 95 per bag. The movement of free sugar from the factories has, however, been quite satisfactory. It should, therefore, be clear that consumption of sugar has gone up—the increase is as much as 20 per cent—a very welcome development indeed. Again, *gur* prices are steady, in spite of the fast approaching new season for *gur*. The unreleased stocks of sugar with the mills now appear inadequate, in view of the Government's intention to keep 300,000 tons in reserve from this season's production. In another four weeks will start the traditional busy season of demand from consuming centres—the post-monsoon demand—and this will continue unabated until *Diwali*. The Government's import policy has been vacillating and nothing definite is yet known officially about either the quantity to be imported or how the imported sugar will be marketed. The Government, it must be pointed out once again, should clarify these issues at a very early date before it is too late to check the rising spiral of spot sugar prices and before large manipulations and squeezes are indulged in by professional speculators.

Arrivals of sugar into the Bombay market since the 8th inst. amount to 13,600 bags. To-day's estimated stock with the trade is around 25,000 bags. Offtake is fairly normal.

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The following is the full text of the Government of India's modified import policy for sugar, announced on the 9th inst:

"The Government of India had announced on 22nd June, 1953, their decision to allow imports of sugar from abroad to check the rising tendency in sugar prices in the country, and had invited applications for import licences. After reconsidering the question, in view of the latest trend in sugar prices in markets at home and abroad, the Government have decided that imports of sugar will be made only on Government account. Tenders will, therefore, be invited, as and when necessary, for delivery of sugar to Government at specified ports. Import licences will be issued to parties whose tenders are accepted. Arrangements are, however, being made for the immediate import of two shiploads. The imported sugar will be sold to merchants and

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	357	100	18‡	18‡	18‡		12	Y.P.
14,50,000				175	50						
1,01,000	12,03,000	7,231	Andhra Bank	102	100	6	6	6		6.12	H.
23,99,000				51‡	50						
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	112	50	12‡	12‡	12‡		12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14‡	25	3	3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	158	50	14	14	14		6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	12‡	12‡	12		12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	20‡	50	3	3	3		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	280	100	16‡	16‡	16‡		12	Y.
19,18,640	42,61,693	25,280	Bombay State Co-operative Bank	59‡	50	5	5			6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	83	50	10‡	10‡	10‡		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	65‡	25	14	14	14		12	R.L.Y.
$2,42,375 'A'				67	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34‡	50	3	3‡	3‡		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	10	20	20		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
$0 00,000	1,30,000	1,412	Hindustan Mercantile Bank	11	50	—	—	—		9	Y.
75,00,000	70,00,000	1 59,127	††Hyderabad State Bank	105N	100	6‡	6‡	5		6.12	R.L.H.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,887‡	500	16	16	16		6.12	R.L.H.
1,87,50,000				452‡	125						
24,00,000				178	100					6.12	R.L.H.
16,00,000	73,50,000	1,04,201	Indian Bank	140	80	12‡	12‡	12‡			
15,40,000				103‡	55					6.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	93‡	100	5‡	6	6		6.12	Y.
4,25,000				75	100(A)	9	7‡	6			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18‡	25(B)	9	7‡	6		6.12	H.
10,00,000				37	50(C)	6	6	6			
4,55,266	30,61,350	60,357	Punjab and Sind Bank	135N	25	7	—	—		6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	198	25	4	4	6		12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11‡	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6‡	5	6‡	6‡	6‡		6.12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	4	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-1-4‡	£5	14†	14†	16‡†		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	7†	6†	7†		12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£87‡	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-13-0	£1	12½†	12†	12†		12	R.L.Y.
£1,437,294				£1-6-3		5†	5†	5†			
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25‡	A £12½	12†	12†	14†		12	R.L.Y.
£375,000				£25‡	B £12½						
£300,000				£11	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£30‡	£12½	16†	16†	16†		12	L.Y.

‡Includes Bonus. †Less Tax (P) Pakistan Currency.
‡‡Subject to taxation.

††O.S. Currency
(i) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £		Principal Repayable	
BREWERIES AND SUGAR								
19,50,000	5‡	1st December and 1st June	Carew & Co.	1938	100	1st June	1953(b)	
5,50,000	5‡	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90‡	28th February	1960(f)	
6,00,000	5‡	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99	30th December	1952-62	
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102‡	27th December	1952-62	
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November	1959-64	
80,00,000	4	1st May and 1st November	Walchandnagar Industries	1941	103‡	1st April	1956-61	
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64	
COTTON								
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	83	30th April	1964	
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	1897	96‡	15th November	1956(e)	
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January	1967-72	
13,68,000	5‡		Jaysbree Textiles	1949	78N	1st January	1956-59	
40,00,000	5	1st June	Tata Mills		100‡		1966-71	
ELECTRICS								
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March	1965	
1,25,000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960	
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October	1959	
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964	
2,46,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101‡	1st January	1970	
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	86	31st December	1970	
15,00,000	5	1st January and 1st July	Jaipur (Jberriah) Electric Supply Co., Ltd.	1931	93	30th June	1970	
4,93,000	5‡	1st January and 1st July	South Madras Electric Supply	1940	97		1957-61	
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	94		1954	
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡		1953-63	
6,63,800	4‡	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67	
49,23,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	1951-35(b	
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September	1963-70	
ENGINEERING								
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	97‡	31st December	1954	
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	98	30th June	1958	
30,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100‡	1st July	1957-62	
£1,183,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	691‡	31st December	1966(ff)	
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	85	31st May	1971	
1,50,00,000	4	1st April and 1st October	Tata Locomotive	1950	100‡	1st October	1960-65	
60 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94‡	31st December	1960	
JUTE								
12,00,000	4‡	1st October and 1st April	Agarpara	1939	98‡	31st March	1954	
6,00,000	4‡	30th June and 31st December	Alexandra	1939	96	30th June	1954(h)	
15,00,000	4‡	31st December and 30th June	Auckland Jute Co., Ltd.	1945	91	31st December	1964	
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97‡	30th June	1955	
12,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June	1960	
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July	1959(c)	
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1964	
8,86,000	5	30th June and 31st December	Empire	1951	94	30th June	1964	
25,00,000	3‡	1st January and 1st July	Hukumchand	1947	92	30th June	1957	
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964	
25,00,000	5‡	30th June and 31st December	Nalhati	1952	99	31st December	1967	
3,00,000	5‡	31st March and 30th September	Naihatipara Jute Mills Co., Ltd.	1947	97N	31st March	1954	
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959	
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86‡	31st December	1964	
8,00,000	4	30th June and 31st December	Presidency	1943	91‡	30th June	1958	
25,00,000	5	31st March and 30th September	Rallaneo Jute Mills Co., Ltd.	1950	95	5th September	1965	
8,00 000	4‡	14th March and 14th September	Soorah Jute	1937	94‡	14th September	1957	
12,00,000	4‡	30th June and 31st December	Union	1937	95‡	30th June	1957(d)	
10,00,000	3‡	31st January and 31st July	Waverley	1925	83‡	31st July	1960(e)	
RAILWAYS; STEAMSHIP AND TRAMWAYS								
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	1936	84	1st July	1956	
6,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	99‡	1st November		
£350,000	4‡	1st January and 1st July		1900	£100N	A t 105% at any time on 6 months' notice or at par or every seventh year.		
			Calcutta Tramways	1933	£102N	1st October	1974	
£201,067	5	1st April and 1st October		1934	99	30th September	1953	
3,00,000	3‡	30th June and 31st March	Kalighat-Falta Railway	1945	88	31st December	1959	
4,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway					
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N			
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96	1st September	1963	
PLANTING								
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100		1945-55	
3,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates	1944	100		1949-59	
90,00,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101‡		1953-63	
MISCELLANEOUS								
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955	
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965	
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962	
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	96	30th June	1957(i)	
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964	
22,60 000	4‡	1st July and 1st January	Clive Buildings	1936	88‡	1st July	1986	
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September	1960	
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	101‡	1st January	1971	
20,00,000	5	15th March and 15th September	Metur Chemical Industries	1949	97		1964	
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	465	30th September	1976	
					(per note)			
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410	31st December	1972	
					(per note)			
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	91N	1st April	1971	
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	92‡	31st March	1961	
1,00,00,000	4	30th June and 31st December	Robtas Industries Ltd.	1946	84	31st December	1959	

Note—See page 138 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th July, 1953.

	Closing quotations 9-7-53	High	Low	Closing quotations 16-7-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	158	159	158	158‡
Bank of Baroda (50)	111‡	112	111‡	112
Central (25)	65‡	65‡	65	65
Imperial (F.Pd.) (500)	1,875	1 888‡	1,875	1,882‡
Imperial (P.Pd.) (125)	452‡	460	452‡	457‡
Union Bank (5)	6-7‡			6‡
United Com. (50)	36	36	35‡	36
COTTON MILLS				
Ahm. Adv. (100)	147‡	—	—	147‡
Apollo (2)	2-15‡	2-15‡	2-15‡	2-15‡
Bombay Dyeing (250)	374‡	379‡	372‡	378‡
Central India (100)	156	161	153‡	161
Century Mills (100)	272	275‡	270‡	275‡
Colaba (100)	69	69‡	69	69‡
Edward Textile (200)	255	255	237‡	237‡
Elphinstone (50)	40	—	—	40
Finlay (100)	313	325	34	325
Gokak (100)	213‡	223	214	222‡
Ind. Unit. Defd. (1)	1-0‡	1-10‡		1-10‡
Ind. Unit. Ord. (10)	10‡	10-5‡	6‡	10-3‡
Indore Malwa (100)	90‡	94‡	89‡	91‡
Khatau (100)	482	—	—	182‡
Kohinoor (100)	302‡	306‡	301‡	305‡
Lakhmi (250)	552‡	—	—	552‡
Madhusudhan (100)	83	84	83	84
B. R. Cotton Mills (100)	48	50	48	49
Minerva Mills (100)	100‡	—	—	100‡
Model Nagpur (250)	142‡	—	—	142‡
Morarji (100)	180	—	—	180
Mysore (50)	123‡	125	123‡	125
New City (100)	151‡	—	—	151‡
New Great (100)	147	150	146	150
Phenix (100)	107‡	—	—	107‡
Podar Mills (100)	125	126‡	125	126‡
Sassoon Silk (10)	25‡	—	—	25‡
Sassoon Spg. (10)	26‡	26‡	26‡	26‡
Shoiaper (1,000)	1,800	—	—	1,800
Simplex (50)	171‡	172‡	170	172‡
Sredasbi (100)	245	248	243‡	248
Swan (100)	432‡	435	432‡	435
Tata M. (25)	42	43‡	41	43‡
Vishnu (100)	149‡	150	148‡	150
Western India (1,000)	3,180	—	—	3,180
ELECTRIC COS.				
Ahmedabad (100)	110	110	109‡	109‡
Amalgamated (10)	10‡	10‡	10‡	10‡
Andhra Valley (1,000)	1,427‡	1,440	1,427‡	1,440
Bom. Sub-El. (100)	128	128‡	126‡	127‡
Bursi (100)	124‡	124	124	123‡
Tata Hydro (100)	133	135	133	135
Tata Power (1,000)	1,508‡	1,532‡	1,512‡	1,530
INSURANCE COS.				
British India (10)	14‡	14‡	14‡	14‡
Empire of India (100)	627‡	—	—	627‡
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (15)	7-2‡	—	—	7-2‡
New India (15)	40	40‡	39‡	40
Oriental (200)	7,170	7,170	7,100	7,100
Universal (10)	7‡	—	—	7‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Bom. Steam (25)	—	—	—	—
Scindia (15)	12-13‡	12-15‡	12‡	12‡
STEEL COS.				
Ind. Iron (10)	23-15‡	23-14‡	23‡	23‡
Tata Steel Defd. (30)	1,871‡	1,873‡	1,832‡	1,866‡
Tata Steel Ord. (75)	323	325‡	321‡	324‡
MISCELLANEOUS				
Alcock Ashdown (100)	287‡	287‡	286‡	
Associated Co. (100)	170‡	171‡	170‡	286‡
Belapur Sugar (5)	224	228‡	223	171
Bom. Burmah (125)	355‡	357‡	351‡	228‡
Do. (New) (50)	135	137	133‡	355
Br. B. Petrol (4 sh.)	1‡	1-1‡		133‡
Br. I. Corpn. (5)	2‡	8-4‡	1-0‡	1-0‡
Indian Copper (2 sh.)	2‡	2‡	8-3‡	8-3‡
Ind. Inv. Tr. (100)	69‡	2‡	2‡	2‡
Port Canning (100)	22	—	—	69‡
Premier Cos. (50)	80‡	81	80	22
Shivrajpur (10)	55‡	55‡	214	81
Tata Chemicals (10	8-13‡	8-14‡		55
Tata Oil (25)	32	32‡	8-13‡	8-14‡
Walchand Ind. (100	136‡		31‡	32
W. I. Match (100)	216‡	217‡	216‡	136‡
				216‡

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Later Redemption	Rs.
2½% 1954	98‡	—	3 36	98‡
2½% 1955	98‡	—	3 27	98‡
2½% 1961	90‡	—	3 39	90‡
2½% 1960	93‡	—	3 82	93‡
2½% 1962	91‡	—	3 87	91‡
2½% 1974	87	—	3 87	91‡
3% 1957	98‡	—	3 87	83
3% 1958	98‡	—	3 44	98‡
3% 1959-61	96‡	3.71	3 40	99‡
3% 1964	92‡	—	3 55	96‡
3% 1963-65	92‡	—	3 86	92‡
3% 1966-68	90‡	4 00	3 80	92‡
3% 1970-73	86‡	4 00	3 87	90‡
3½ 1986 Cop. Loan	82‡	4 10	3 93	86‡
3½% 1954-59*	100‡	3.62	(Cr. Inc.)	82‡
4% 1960-70	102‡	3 14	3 46	100‡
4½% 1955-60	103‡	3 06	3 42	102‡
4½% 1958-68*	105	3.40	3 99	103‡
			4 05	105

BRITISH GOVERNMENT SECURITIES	10-7-53 £	High £	Low £	15-7-53 £
2½% Brit. Consols	60‡	—	—	60‡
3 ½ Savings Bonds 1955-75	85‡	85‡	85‡	85‡
3 ½ War Loan 1955-59	101‡	101‡	101‡	101‡
3½% War Loan 1952	81‡	81‡	81‡	81‡
3½% Brit. Iron and Steel 1979-81	90‡	—	—	90‡
4 % Funding Loan 1960-90	100‡	101	10‡	101

2d = Ex-dividend.

COMMERCE

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

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NEED FOR CHECKING COMMERCIAL PIRACY

IT is a decade since trade mark owners obtained statutory protection—though the Trade Marks Act came into force in 1940, the first trade marks were registered only in 1943. Sufficient time has thus elapsed to make a reliable assessment of the working of this statute, in so far as it concerns trade mark owners. By the end of 1951-52, a total of 175,035 marks, including those of foreign proprietors, were submitted for registration. The goodwill accruing in these marks is placed at several crores of rupees. The fact that so many have sought the protection offered by the Trade Marks Act is proof, if any were needed, of its intrinsic usefulness to them. But, at the same time, it must be said that, despite this Act, piracy and counterfeiting of well-known trade marks have reached such alarming proportions that it is high time the Government of India paid some attention to the demand of trade mark owners for improving the Act so as to meet the needs of the situation.

Apart from what the State itself has to do in this matter, the trade mark owners themselves, as a body, have to rely on a certain amount of mutual help to protect their interests. In the U.K., on the trade marks statute of which the Indian Act is modelled, owners of trade marks realised, as far back as 1920, the need to form the Trade Marks, Patents and Designs Federation which would function as the watchdog of their interests and also act as a liaison with the Government so as to keep it informed of developments in the trade marks and patents world. This body, which has for its present Secretary no less a person than Sir William Jarratt, an ex-Controller of Patents and Registrar of Trade Marks, also functions as an Adviser to the Federation of British Industries and other mercantile bodies in the U.K. The need for a similar body in India has been felt very acutely in the last few years for many reasons. There has been an alarming increase in infringements of well-known trade marks over a wide range of industries and a sample survey in a small sector, conducted by the Associated Chambers of Commerce and Industry two years back, indicated that such cases were over 10,000. The survey showed commercial piracy to be very rampant in the field of the drugs and food industries, soaps and toilet industries, stationery, electrical goods, matches, and tobacco industries. Indeed, it is doubtful if any of the consumer goods industries has been spared the attention of trade mark pirates. Production of spurious articles, printing of counterfeit labels, and all sorts of illegal practices have developed enormously. These unscrupulous traders are also very elusive and cannot be tracked down easily.

The consequences of these malpractices go deep into the very structure of industry. Like Gresham's law in the field of currency, the spurious goods drive out the genuine ones, and, in the process, the genuine manufacturer sustains a damage to his reputation not easily repairable. Further, the re-filling of spurious products in counterfeit containers, bearing the trade marks of the genuine manufacturer, exposes him to the risk of action either for breach of warranty, if such had been given, or of prosecution either for not conforming to standards or for selling goods which are adulterated or injurious to health. There are instances where genuine manufacturers have sometimes been placed in such unfortunate predicaments owing to the nefarious activities of pirates. It is hardly necessary to add that the consumer, too, is vitally affected by this fraud, and he tends to doubt the *bona fides* of the manufacturer.

As India is developing many new industries and is already expanding many of the existing ones, it is entering an era in which trade marks are bound to figure more and more conspicuously. There is, therefore, need for the law on the subject to keep pace with this progress in the industrial sphere by keeping itself an efficient instrument so as to guarantee and protect the interests of both trade mark owners and consumers. In the last few years, various commercial bodies have brought the aforesaid undesirable developments to the notice of the Government of India and have been offering many suggestions for amending the Trade Marks Act. The Government of India had suggested that trade mark owners in India should first form an association for rendering mutual help and taking concerted action in the defence of their rights and of the rights of the consumer. The owners of trade marks in India had themselves realised the necessity for taking counsel with one another and acting unitedly in their own interests. As was reported in our Journal seven weeks ago (*vide* page 1042, *Commerce* dated 6th June, 1953), a trade mark owners' association was formed and incorporated in April, 1953. It is gratifying to find that right from the inception of the move to the incorporation, the co-operation of all trades associations and chambers of commerce was freely called for and given; such co-operation augurs well for the future working of this Association.

At the first general meeting of the Trade Mark Owners' Association Ltd.—that is the name of the new Association—held on Monday the 20th inst., Mr. K. T. Chandy, Chairman, delivered a very interesting speech, in which he reviewed the whole position in regard to infringements of trade marks and pressed strongly for a comprehensive review of the working of the Trade Marks Act, with a view to amending it in a number of directions so as to enhance its effectiveness. Mr. K. S. Shavaksha, Registrar, of Trade Marks, Government of India, also addressed the meeting and made a number of useful suggestions, among which perhaps the most important was that the Association should publish the judgments in all trade mark cases.

A lucid account of the directions in which the Trade Marks Act needs to be amended was given by Mr. Chandy. For considerations of space, we can, however, refer here only to a few of the most important of them. One great difficulty in the administration of the Trade Marks Act has been the question of jurisdiction of the Courts. This has cropped up in some cases and led to different interpretations by at least three High Courts. The scheme of the Act is that "trade marks" is a Central subject and the Act is being administrated by one Registrar for the whole country. As the Act stands, it would appear that appeals from the Registrar's decisions lie to all High Courts. Conflict of decisions between these High Courts has actually been experienced and the only remedy has been to take the matter to the Supreme Court which, however, entails increased costs. Mr. Chandy suggested that such conflicts might be avoided by giving the Registrar a statutory right to appear in all trade mark cases before the High Courts. This suggestion should not be taken to imply that the Judges and the Bar are not competent to deal with the questions by themselves; it only means that, if the Registrar is made a necessary party in all trade mark matters—a consequence which should flow from the fact that he is the authority which is primarily concerned with the achievement of uniformity of legal decisions—much of the confusion arising from multiplicity of decisions can be avoided.

The present provisions of the Act are unsatisfactory in regard to appeals. Under section 76 of the Act, an appeal will lie from any decision of the Registrar to "a High Court having jurisdiction." In interpreting the quoted words, the Calcutta and Lahore High Courts took different views. Mr. Justice Dass of the Calcutta High Court pointed out that the Act neither indicated the conditions that must be fulfilled by the High Court contemplated in the section, nor specified the jurisdiction of the High Court it contemplated. But Mr. Justice Rehman of the Lahore High Court felt that no High Court would have jurisdiction to hear an appeal from the decision of the Registrar of Trade Marks, unless there was a branch Registry within the territorial jurisdiction of that High Court. Amendment of section 76 is, therefore, very important. Perhaps, the most suitable amendment would be to lay down that appeals will be heard only by the Bombay, Calcutta, and Mysore High Courts, as the Trade Marks Offices are situated in these three centres, and that the parties should take their original trial in these centres. In respect of an infringement action pending in a District Court, the High Court with jurisdiction over that district could, of course, hear an appeal from that District Court.

Another urgent amendment to the Act needed is in respect of the International Convention for the protection of industrial property. India has not yet become a party to the Convention and is, therefore, deprived of the reciprocal benefits flowing therefrom. One of the important benefits is that an applicant for registration of a proposed mark in India will obtain a period of 6 months' time during which his mark would be protected in all the Convention countries from rival applicants; and that time could be utilised for submitting his application to the Registrars in those countries. The Indian Act has to be amended suitably so as to lay down precisely the benefits that will accrue to nationals of the Convention countries. Mr. Chandy did well to emphasize, in this connection, the need for India joining the International Convention soon.

A reference was made earlier to the large-scale piracy and infringements of well-known trade marks. Experience has shown that the Trade Marks Act is not entirely adequate to deal with all the problems that arise from

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unscrupulous practices. The major problem to-day is to discover infringements quickly, catch hold of the guilty parties and inflict deterrent penalties upon the miscreants through due process of law. As the civil and criminal laws stand at present, the responsibility for tracing the infringers and booking them is entirely that of the trade marks owner. This would mean that a vigilant trade marks proprietor has to engage a large staff to find out infringements but it is not possible normally for him either to spend large sums of money or even to keep an efficient machinery for keeping a check. The newly formed Association can, perhaps, devise a machinery that can keep a vigilant look-out for malpractices and bring the offenders to book. Even then, nothing will deter the offenders so much as an amendment to the criminal law by which the offence of infringement can be made a cognisable offence, so that the assistance of the police would be available for prompt prevention. As the law stands at present, an infringer has plenty of time and notice to destroy all incriminating evidence, often making the task of proving the infringement very difficult. The relevant provisions of the Penal Code may perhaps be re-cast to deter all abettors of these malpractices.

Mr. Chandy's suggestion that provision should be made in law for disposal of criminal complaints about infringement of trade marks by summary trials, though somewhat controversial, deserves consideration, as its implementation would ensure prompt redress of wrongs. Likewise, it would be desirable to impose a legal obligation upon the producers of a wide variety of consumer goods to disclose their names and addresses on their labels or containers. At present, there is no such legal obligation on such traders, except in the case of the producers of drugs and foods. The Indian Merchandise Marks Act makes it obligatory only to indicate the country of origin in notified cases. This loophole has been exploited by the ingenious infringers to hide their identity. This state of affairs must be remedied. Similarly, the need for obtaining interim injunction in civil suits against offenders has been acutely felt. At present, trials drag on to such an extent that the offending party coolly carries on his nefarious activities even after a case is filed, especially as he knows that the Courts do not easily grant interim injunctions. If infringement suits and passing off actions obtain priority on the board of the High Court, the proprietors of trade marks will get considerable relief.

These are only a few of the directions in which executive and legislative action by the Central Government is imperative, in order to restrain unsocial activities on the part of merchants. Commercial bodies have been urging the Government of India to set up a committee to go into these and allied questions. It is gratifying to hear that the Government has already shown itself alive to the urgency of these questions. In the last session of Parliament, the Minister for Commerce and Industry promised to act speedily in the matter. In accordance with this assurance, the Government, we are told, proposes to appoint an expert committee to review the working of the Trade Marks Act, as well as the Merchandise Marks Act, and suggest measures for improving the administration of these and allied Acts in the national interest, particularly for dealing with evasions of the law. No official announcement has, of course, yet been made about the proposed Committee, but we trust that it will not be long delayed. In the United Kingdom, it will be interesting to note, in this connection, the appointment of the Goschen Committee in 1937 resulted in many amendments to the earlier Trade Marks Acts, and the U.K. Trade Marks Act, 1938, embodies many of the improvements that were suggested by that Committee. Law cannot, indeed, stand unchanged, while social and economic changes go on all around it. In India, the Trade Marks Act came on the statute after 50 years of demand for it. And now, a decade of working of this statute, useful as it has proved to be, has shown, as already stated, that it is not fully adequate to prevent anti-social activities. We have no doubt that the expert Committee to be appointed will cast a searching eye on all the drawbacks and suggest measures which will enable honest industrialists to carry on their activities without the fear of their good name being tarnished by the ingenious infringers and counterfeiters whose number seems to have grown enormously, thanks to the sellers' market that prevailed until recently. Although a buyers' market has come to prevail, their number is not likely to diminish owing to the high cost of production of genuine goods.

COMMUNIST EMPIRE IN METAMORPHOSIS ?

TILL recently, little unofficial information was allowed to get past the Iron Curtain in Europe. So vast and so perfect was the organisation of censorship that the rest of the world was allowed to hear, to see and to read only what the authorities behind the Curtain intended should be heard, seen or read. But the events in East Berlin, the mass arrests and the repressive measures that followed that unrest, the significant changes in the higher reaches of the Russian political hierarchy, such as the dismissal of Lavrenti Pavlovich Beria from the Deputy Premiership of the Soviet Union, have all whetted the appetite of the people outside the Curtain for news about the happenings behind it. Such reports as have escaped the vigilance of the Press censorship, coupled with eye-witnesses accounts of refugees fleeing from Eastern Europe, serve to show that in E. Europe all is not really as well as it was made out to be. Well-informed observers say that the Communist empire is now in the throes of a metamorphosis. They are of the opinion that, in Soviet Russia itself, sooner or later, the tremendous mobilised energies of the new society under the regime of the Bolsheviks "must burst the bonds of a system that had become obsolescent" and that the death of Stalin, the leader, has "acted as a catalyst in the latest processes of change that had been operating for some time."

These prophesies apart, there has been considerable unrest in Eastern Europe, in Berlin, Prague, Budapest, Warsaw and a host of other places. The Communist leaders are facing what to them is a dismal fact that workers are not machines. The East Berlin unrest, which hit the headlines of the world's Press last month, is by no means completely at an end, for reports from Bonn aver that sit-down strikes by workers are widespread. German workers are not easily roused into a revolt. They are a far too disciplined race for that. If the traditional German thoroughness and discipline, coupled with the ruthlessness of the Communist order, have not been able to act as deterrents to revolt, the only reasonable conclusion is that serious discontent prevails in the workers' ranks. It is not, however, in East Germany alone that the workers are discontented. In Czechoslovakia, industrial unrest is equally acute. Strikes have been staged in the big Tatra Motor Car Works, and the Lenin Armament Works (the former Skoda Works). Absenteeism in the country, as in East Germany, is reported to be rampant; some coal mines are working with only 50 per cent. complement of workers. In Hungary, the peasants resorted to passive resistance in order to win recognition of their demands.

It is impossible to divorce the present unrest in E. Europe from the political ideology of the countries. After all, the Governments in nearly all these countries have been made to order—the order of Moscow. Russia exercises rigorous control over the economies of these countries. Apart from the political affiliations of these countries with Russia, their trade and economic pattern is closely integrated with the Russian. Indeed, the economic plans of the satellite countries are geared to the Soviet Five-year Plan. Russian control of E. Europe is exercised through the Council of Mutual Economic Aid (Comecon), founded in January, 1949, with its headquarters in Moscow. Presumably, this was intended as a counterblast to similar organisations set up by the U.S. and the United Nations. But, unlike the American and the United Nations organisations, the Comecon works in great secrecy. Its activities are shrouded in mystery. But it is known that the Comecon has an elaborate organisation. Through this organisation and by other means, Russia controls the economies of its satellites. In Bulgaria, and more so in Hungary, Russia controls nearly all the important heavy industries. It has 50 per cent. interest in the bigger companies formed to work these industries. It supplies technicians and blue-prints, and Russians hold the key positions. The satellite countries are expected to buy from abroad only those materials which cannot be obtained within the Soviet bloc. This compels the industries to "make do" with second-rate materials; thus, the Hungarian textile industry must use inferior Russian cotton, while the Czechoslovak steel industry must accept inferior Soviet ore in preference to the superior Swedish ore it was formerly using. In fine, the E. European economy is completely regimented, and set to work along channels determined by Russia.

The immediate causes of the present unrest, the Communists in India will do well to note, must be set down to excessive economic regimentation imposed from without, aggressive currency reforms (such as the one recently introduced in Czechoslovakia), repressive labour laws and compulsory collectivisation of farms. Naturally enough, there has been resentment on the part of the people of these countries at being subjected to coercive external authority. In recent months, this resentment has been fanned by economic causes also. Far too much emphasis was placed on the development of heavy industry. This has resulted, it is stated, in a virtual famine of consumer goods. In their zeal for raising the output of heavy goods so essential for supporting gigantic defence industries, the authorities have overlooked a vital limiting factor, namely, the common citizen's ordinary needs. In Czechoslovakia, for instance, the investment target for heavy industry under the Five-year Plan has been set at about 30 per cent. of the national gross product. This has inevitably resulted in lop-sided development—in excessive concentration of capital in heavy industry and in starvation of capital for consumer goods industries. This criticism is applicable, though perhaps to a smaller extent, to economic plans in the Soviet Union also. Mr. Malenkov, it is noteworthy, has recently averred that the consumer will receive greater attention from the Government. This is held to indicate a certain change in Russia's internal economic policy.

How are the East European authorities meeting the new situation? Obviously, it is difficult to get accurate information. But all available reports claim that the rigour of the original Communist policies is being softened. The Communist leaders are now beginning to realise that private enterprise in trade, its counterpart in labour relations, namely, less irksome labour laws, and its counterpart in agriculture, peasant proprietorship, should be given a new fillip. Thus, in Hungary, licences for reopening shops and workshops, it is stated, are being issued with the promise of supplying raw materials and even credit. The Hungarian Government has rescinded its harsh labour laws under which workers could be prosecuted for absenteeism. A similar change has been made in Czechoslovakia. Economic targets in these countries are being revised in order to make them easier of achievement. In Poland, a new body, "Advisory Council for Collective Farmers," has been set up with a view to protecting the rights of farmers. At any rate, it is now seen that economic freedom and individual initiative cannot be curbed to an inordinate extent without stifling material progress. It is true that these values are recognised part of democratic administrations, and that their adoption by the once democratic Eastern Europe cannot connote a radical change. But they have been so ruthlessly suppressed in these regions that even a limited recognition of these values in that part of the world must be acclaimed as a major moral victory for democracy.

The unrest in E. Europe may have quite a few lessons for the underdeveloped countries, particularly the countries with a democratic set-up. For one thing, it shows that extremist political ideology cannot be a good substitute for private enterprise and initiative, that it cannot be trusted to deliver the goods. If excessive regimentation results in unrest, even in a technically advanced country such as Czechoslovakia, is it any more likely to produce better results in underdeveloped countries? It is not that planning, which involves a certain amount of co-ordination and centralised control, is inconsistent with democracy. But a democratic country would be well advised to keep regimentation to a minimum. Also, reliance on heavy industries, on rapid industrialisation, must be accompanied by sufficient emphasis on the consumer's immediate needs. A machine tool factory or a new steel plant is necessary in a way, but exclusive concentration on such developments at the sacrifice of more urgent needs, like cheaper *dhotis* or low-priced oilseeds, might cause serious discontentment. Secondly, the workers will do well to note that their freedom to exercise their main weapons, namely, collective bargaining and the right to strike, is best guaranteed in a democratic society, under a system of private enterprise, rather than under totalitarian and socialist systems. The essential strength of democracy lies in the fact that, under its banner, the compulsions and sacrifices are self-imposed and are, therefore, more readily accepted. But it is obviously slow in producing results. Democracy's task in underdeveloped countries lies in combining maximum speed of economic improvement with minimum sacrifices. How effectively it accomplishes this task will determine its future in these countries. And in this task, it should be clear that the economically advanced democracies have a special role to play.

TATA STEEL DIVIDENDS MAINTAINED

BONUS SHARES TO BE ISSUED—RIDDLE OF CEMENT PRICES

THURSDAY, 5 P.M.

THE performance of all the major markets in the city during the week under review was brighter than in the previous week and a distinctly firm undertone prevails at the time of writing. The feeling of pessimism that prevailed a week or two ago has more or less waned. It is true that the volume of business has not expanded, but operators appear to be in a confident mood. This is particularly the case with the share market

MARKET GOSSIP

where the week has ended with widespread modest gains. The fillip was provided by the belated Government's announcement on the retention prices for the Tata Iron and Steel Co., Ltd. This announcement, to the particulars of which we shall presently refer, had a stimulating effect on the market. Although the increase in price sanctioned by the Government fell short of the initial expectations of the market, it was a little better than the market's anticipation on the eve of the announcement. Tata Deferreds, which had gone down to a low of Rs. 1,863-12 on Monday morning, quickly rebounded to Rs. 1,925 on replacement buying by bulls and covering by bears and finished at Rs. 1,913-12. The Ordinaries also improved from Rs. 323-12 to Rs. 331-12 and closed at Rs. 329-12, though the extent of rise was proportionately less than that in Deferreds.

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The firmness of steel shares had a sympathetic effect on other counters also but this was not the sole cause for the improvement in their value. There were also other factors. Textile shares, for instance, looked up on encouraging reports about the profits for the first half of 1953 and on rumours of abolition of the export duty on coarse and medium count cotton goods. Among the miscellaneous shares, Belapurs ruled strong on the realisation that the adverse effect of the recent increase in the land rentals had been exaggerated. Well-informed sources point out that, while the result of this development will be an addition of about Rs. 1.75 lakhs to the costs of the Company, the management should be able to neutralise this addition, in due course, by endeavouring to secure still better yield from the cane grown in the Company's estates. Another scrip which spurted on specific company factors was Scindias. Market circles now feel that the results of the Scindia Company for 1952-53, when announced, will be far more favourable than expected and that the return to shareholders may be increased. It, however, remains to be seen as to how long this new-found enthusiasm for this scrip will last. The short-term outlook for shipping is by no means rosy; it is subject to a greater number of uncertain and complicated factors than many of the other industries in this country.

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The trend of the bullion market is steady. The slack season is reflected in the low level of activity, narrow price fluctuations and poor offtake. There is, however, still a sizable amount of speculative interest in the market. This is evident from the fairly high level of carry-over charges, which are about two rupees in silver and a rupee in gold, both in favour of the bulls. The technical and the statistical position is bullish alike in gold and silver. But if this is not strikingly reflected in the trend of prices, it is because of the poor demand for ready gold and silver. In fact, the prominent bulls are chary of squeezing the bears now as the circumstances are not propitious for it. If anything, they are keen on keeping the bears alive till the commencement of the busy season two months hence, when, in their opinion, it will be more profitable to squeeze their rivals.

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Arrivals of smuggled gold have considerably declined, even after making allowance for the fact that the monsoon period is not generally favourable for smugglers. A section of the market feels that, in the coming months, smuggling may not be on as large a scale as in the past, for three reasons. First, the supply of black market dollars in India is fast diminishing. Secondly, the vigilance of the Customs authorities is greater than ever before. And, thirdly, the current prices of gold do not provide adequate margin for smugglers. So much for the supply of gold through smuggling. As regards the supply from the Kolar fields, there is a tendency on the part of the management of the Kolar companies not to follow the market in its downward trend. No gold has been sold by it during this week at anything below Rs. 87-8 and it would not be surprising if it were to play for still higher prices. With their cost of production remaining rigid, these companies will naturally try to get the highest price possible. On the demand side, the offtake has fallen and is lagging behind arrivals, albeit by a small margin. Calcutta, which was absorbing large quantities of ready gold in recent weeks, is not showing any interest worth mentioning, presumably because of the civil disturbances. It is also reported that smuggling into Burma through Calcutta has practically died down. Whether this is a temporary phase or not nobody is able to judge. One view is that the floating stocks of gold in Burma may have increased to such an extent that they must be digested first before fresh demand can arise from that quarter.

It was generally known in the Share Market that the Directors of the Tata Iron and Steel Co., Ltd., would decide the dividends for the year 1952-53 immediately after the Government's decision on the retention price of steel was known. The Government's announcement on prices was published late on Monday and, within 72 hours of that announcement, the Directors took a decision on the dividends they would recommend for the past accounting year of the Company. Thus, at a Board meeting held at 5 p.m. to-day (Thursday), the Directors decided to recommend the same dividends as those for the preceding year (1951-52) on the Ordinary and Deferred shares. Accordingly, the dividend for 1952-53 will be Rs. 21 on Ordinary shares and Rs. 115-3 on Deferred shares. The following table shows how the dividends compare with those for the preceding 14 years:

	Per share					
	Ordinary			Deferred		
	Rs.	a.	p.	Rs.	a.	p.
1938-39	18	0	0	93	10	5
1939-40	25	0	0	143	11	7
1940-41	29	0	0	172	10	0
1941-42	27	0	0	158	4	4
1942-43	23	0	0	129	8	9
1943-44	23	0	0	129	8	9
1944-45	23	0	0	129	8	9
1945-46	23	0	0	129	8	9
1946-47	19	0	0	100	13	4
1947-48	14	0	0	64	15	0
1948-49	14	0	0	64	15	0
1949-50	16	0	0	79	5	0
1950-51	18	0	0	93	10	5
1951-52	21	0	0	115	3	0
1952-53	21	0	0	115	3	0

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The Directors' decision is in accordance with the general expectation of the market. During the last few days, however, there were two rumours. One rumour was that the dividend would be lowered because production of steel in 1952-53 was a little less than in the previous year. The other claimed that, as this was the last year for paying a dividend on Deferred shares, the Directors would decide to give a parting gift by proposing higher dividends. But neither of these rumours was given much credence. The vast majority of operators took it for granted that the dividends would remain unchanged. A higher dividend was ruled out, because it would prejudice the Company's case for substantial financial assistance from the Government for putting through its modernisation and expansion programmes. A lower dividend too was ruled out, because the fall in output in the year under reference was negligible and the Company had received a handsome increase in its retention prices for that year.

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After their meeting to-day, the Directors of the TISCO announced two more important decisions. One was their acceptance of Mr. M. C. Setalvad's award on the ratio of conversion of Deferreds into Ordinaries without any reservation, in accordance with an undertaking given by them to the holders of Ordinary and Deferred shares on 11th June, 1951. This decision, we are told, was taken by the Directors at their meeting held on the 2nd inst., but was announced only to-day. The other decision of the Directors was to raise the capital structure of the Company by issuing one Ordinary bonus share for every one share held after the conversion scheme was put through. For the exact wording of their decisions and the reasons that prompted them to take the decisions, readers' attention is invited to the full text of their Press note published bleow:

"In accordance with the undertaking given by the Directors in their circular dated 11th June, 1951, addressed to the holders of Ordinary and Deferred shares of the Company that the decision of Mr. Setalvad on the question of the ratio fixed by him after comprehensive enquiry would be accepted by the Board of Directors of the Company without reservation and would be incorporated in a scheme to be submitted to the High Court for being passed at separate meetings of holders of Ordinary and Deferred shares and for sanction by the High Court in accordance with the provisions of section 153 of the Indian Companies Act, the Board of Directors at their meeting held on 2nd July, 1953 resolved to carry out the above undertaking.

"In view of the unbalanced capital structure of the Company, the Directors considered it desirable to take this opportunity to improve the capital structure and have decided that along with the conversion of one Deferred share into six Ordinary shares to be given effect to in accordance with the decision of Mr. Setalvad, the holders of the Ordinary shares be given one bonus share in respect of every one share held by them after conversion. The Directors propose to incorporate these recommendations in the scheme to be submitted to the High Court for carrying out the conversion."

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That the Directors intended to issue bonus shares was first hinted at by Mr. J. R. D. Tata in the course of his informal conversation with the representatives of Deferred shareholders about a month ago. But he was believed to have told them that they might issue bonus shares only at the rate of one for every two shares. During the last few days, there were, however, rumours that the bonus issue would be at the rate of a share for share but it was not readily believed by the majority of operators. The Directors' decision will, therefore, come as a pleasant surprise to many, though not to those operators with a gambling mentality. The latter believe that this decision would increase the number of Ordinary shares enormously, thereby raising the floating stocks of shares in the market, an inconvenient development to them. Genuine investors, however, will welcome the Directors' decision for obvious reasons.

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That the capital structure of the Company is unbalanced will be evident to anyone who cares to look at its balance-sheet. As against a net block of Rs. 14.59 crores as on 31st March, 1952, the Company's paid-up capital stands at Rs. 10.47 crores only. Considering the large volume of funds required for working capital and the substantial additions to the block account that are taking place year after year, the Company will be justified in having a much larger paid-up capital than at present. As a result of the capital reconstruction that will follow the conversion of Deferred shares and also the issue of bonus shares, the paid-up capital will rise to stand at the majestic figure of Rs. 17,32,56,900. The Directors' decision to issue bonus shares on the lines indicated by them is also justified by the large reserves held by the Company. These reserves aggregate as much as Rs. 12.65 crores (as on 31-3-1952), of which the general reserve alone accounts for Rs. 10.25 crores. As against this, the sum that will be absorbed by capitalisation is only about Rs. 4.82 crores. The total number of Ordinary shares will then be as many as 1,285,000, as against only 350,000 now.

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The Government has at last decided in favour of the increase in retention prices for the Tata Iron and Steel Company Ltd. This has been a live issue for the last several months for speculators on the Stock Exchange, though not for the steel consumers, because it had been known that any increase in these prices would not necessarily mean a similar increase for steel users. This has now been confirmed, for neither the increase of Rs. 32 per ton, granted by the Government in the Company's retention prices for April 1952 to March 1953, nor the increase of Rs. 47 per ton over the existing retention prices for the period April, 1953 to March 1955, will affect the controlled price of steel for consumers.

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The increase in the Company's retention prices follows the report of the Tariff Commission, which, in pursuance of the Government's request, communicated to it in November, 1952, enquired into the Company's case for such an increase. The Commission was also requested to recommend retention prices for as long a period in the future as possible, that is to say, the period upto which a major change in the structure of production is not likely to take place. The Commission found—the Company's representatives also eventually agreed with the Commission's findings—that there was no need for revising the existing retention prices for the period July, 1951—March, 1952. The Government has accepted this recommendation.

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The Commission, therefore, concentrated its attention on the case for increase in retention prices for April, 1952-March, 1953, and for April 1953-March, 1955. The latter period has been chosen, because the effects of modernisation and expansion in steel output are not likely to be felt before that year; the Company's expansion programme aims at increasing the production of saleable steel to 930,000 tons by the year 1958-59. Since the Company's accounts were available, at the time of the enquiry, only for the period of 9 months upto December, 1952, the Commission has taken this period as representative of the year 1952-53. The over-all increase in the revised ex-works retention prices for 1952-53 over the existing prices, as worked out by the Commission, amounts to Rs. 32.31 per ton of saleable steel. In arriving at this figure, the only significant change in the basis of calculation that has been made, is in respect of the cost of coal, raised from the Company's own collieries. This cost has been assumed at the actual cost of raising, rather than the lower controlled price of coal. The return on block has, however, been kept at the previous rate of 8 per cent. In accepting these recommendations, the Government does not consider that such a major change, in respect of cost of coal is "justifiable," not only as it affects this Company but also other steel producers. It has announced that the Tariff Commission will be requested to go into this question again. But it has allowed the Commission's basis for estimating the coal costs to stand in so far as the year 1952-53 is concerned, since a somewhat similar procedure was allowed to be adopted for the Steel Corporation of Bengal when its retention prices were revised in 1952. In effect, the Government has accepted the Commission's recommendation for an increase of Rs. 32.31 per ton in Tisco's existing retention prices (Rs. 284 per ton) for 1952-53.

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The Government has, however, whittled down the Commission's recommendations in respect of retention prices for the period April, 1953 to March, 1955. The Commission recommended an increase of Rs. 66.98 over the existing prices. In arriving at this figure, the Commission included a return of 10 per cent. on the total gross block, subject to the condition that the Company should set aside the amount of extra return of 2 per cent., less taxation, for the specific purpose of modernisation and expansion in addition to the usual allocation to reserve and that no part of it should be utilised towards the payment of the Managing Agency commission or dividends or profit-sharing bonus or for distribution of profits in any other way. The Commission justified the higher rate of return on the ground that the Company should be enabled to set aside larger amount to reserves for financing

(Continued on page 187)

SHARE MARKETS FIRM UP

STEELS ADVANCE SHARPLY

(From Our Own Correspondents)

BOMBAY, 23rd *July*

THE dominant feature of trading on the Stock Exchange during the week under review was the accession of strength to steel shares after a long spell of inactivity. These shares were concerned in fairly large and active dealings, activity having been touched off by the announcement of the increased steel retention prices for the Tata Iron and Steel Co., Ltd., on Monday night. This imparted firmness to the market as a whole. Textile shares which made headway last week not only consolidated their gains, but scored fresh gains, assisted by the strength of steel shares and proximity of interim dividend announcements. There were widespread improvements in other leading industrials. Despite profit-taking attracted by higher levels towards the close, equities finished the week with fair gains on balance.

The market's suspense over the retention prices for the Tata Iron and Steel Company was relieved on Monday night when the Government of India announced its decision on the Tariff Commission's recommendations. The Government granted no increase in price for the period July, 1951 to March, 1952, but gave an increase of Rs. 32 per ton for the year 1952-53 and of Rs. 47 per ton for the subsequent two years. The prices for the period prior to 1st April, 1952 and for the year 1952-53 were in accordance with the Commission's recommendations, while that for the subsequent two years is a reduction from Rs. 67 per ton recommended by the Commission. Though the Government's decisions were below the Company's expectations, they were more than what the market expected, insofar as the price for the past year was concerned. The Government's announcement was, therefore, greeted by the Share Market, as stated above, with a smart rise in prices. The uncertainty regarding the retention price issue having been resolved, the market's attention was diverted towards speculation over the dividends on Tata Steel shares. The Directors have announced this evening their decision to maintain the dividend at Rs. 115-3 per deferred share and at Rs. 21 per ordinary share.

Sectionwise, steels provided the main stimulant for the market. Tata Deferreds opened the week at Rs. 1,866-4 and made a spirited advance to Rs. 1,925 yesterday, but profit-taking at this level stalled further advance and there was a reaction to Rs. 1,913-12 at the close. Tata Ordinaries advanced from Rs. 324-8 to Rs. 333-12, but closed lower at Rs. 329-12. Indian Irons were hesitant during the early sessions, but the strength of Tata Deferreds and expectations of an early settlement of the labour dispute at Burnpur induced a mild recovery to Rs. 24-2½ before they closed at Rs. 24, as against last week's closing of Rs. 23-11.

Sentiment in textile shares was sustained by the heartening performance of steels. Despite intermittent profit-taking, almost the entire list recorded notable gains. Bombay Dyeings which were quoted at Rs. 378-12 at the close of last week advanced to Rs. 386-14, though they closed to-day slightly lower at Rs. 385-10. Kohinoors firmed up from Rs. 305-12 to Rs. 310-8, but finished at Rs. 309. Central Indias added a rupee to Rs. 162 and Century Re. 1-8 to Rs. 277. Gokaks hardened by Rs. 2-8 to Rs. 225, New Greats by a rupee to Rs. 151 and Podars by Rs. 3-12 to Rs. 330. Standards did well and appreciated by Rs. 3-12 to Rs. 320, Svadeshis by Rs. 5 to Rs. 253 and Vishnus by Rs. 2-8 to Rs. 152-8, while Simplex showed no change, on balance, at Rs. 172-8.

Fair enquiries were noted in bank shares and fractional rises were noted. Barodas were a fraction lower at Rs. 111-12. Centrals gained a rupee to Rs. 66, while their New shares were unchanged at Rs. 67. Imperial Fully Paids were marked up at Rs. 1,837-8 *ex-div.* (dividend Rs. 40) as against Rs. 1,870 *cum-div.* last week and the Contributories at Rs. 450 *ex-div.* (dividend Rs. 10), as against Rs. 457-8 *cum-div.* Indias were fractionally higher at Rs. 159. United Commercials were placed As. 4 lower at Rs. 33-12.

A decline of Rs. 200 to Rs. 6,900 in Orientals was a feature in the insurance section. New Indias hardened by a rupee to Rs. 41 and Universals gained as much to Rs. 8-15. Vulcans were taken up As. 5 higher to Rs. 11-8. Indian Mercantiles were put up by As. 4 to Rs. 38-8. Empires were unchanged at Rs. 38-8, Jupiters at Rs. 7-1 and British Indias at Rs. 14-4.

On continued investment enquiries, public utility shares generally displayed a steady tone. Ahmedabad Electrics were in demand to go up by Re. 1-9 to Rs. 111-4. Bombay Suburbans were held at Rs. 127-8 and Surat Electrics were stagnant at Rs. 123-12. Andhra Valleys staged an advance of Rs. 13-12 to Rs. 1,453-12. Tata Hydros were well held at Rs. 155, but Tata Powers had a slight reaction to Rs. 1,545.

In the miscellaneous section, Associated Cements were in good demand and appreciated by Rs. 2-4 to Rs. 173-4. Belapurs stood Rs. 3-8 higher at Rs. 232. Bombay-Burmahs Old staged a rise of Rs. 6-14 to Rs. 361-14, but the New shares were unchanged at Rs. 133-12. Killick Industries were taken up Rs. 2 better at Rs. 150-8. On renewed rumours about the declaration of an interim dividend, National Rayons rallied from Rs. 104-8 to Rs. 111-8, but profit-taking brought it lower to Rs. 108-8. Tata Chemicals put on As. 7 to Rs. 9-5½ and Tata Oils As. 12 to Rs. 32-12. Walchandnagars improved by Rs. 5 to Rs. 141-4. Wimcos rose from Rs. 216-14 to Rs. 221-4.

In the transport group, Scindias came into the limelight after a long time on reports of better working results for the past year and expectations of higher dividend. The shares were, therefore, lifted from Rs. 12-14 to Rs. 13-10, before they closed at Rs. 13-8. Air-Indias were quoted at Rs. 86-8 and Air-India Internationals at Rs. 106-8. Bharat Lines were placed at Rs. 85.

In the mining and engineering section, Shivrajpurs added Re. 1-12 to Rs. 57-12. Indian Coppers were a fraction better at Rs. 2-13½. B.B. Petrols were in demand to go up by As. 1½ to Re. 1-2½. Alcocks had an impressive rise of Rs. 7-8 to Rs. 293-12. Premier Constructions moved up by Rs. 2-8 to Rs. 83-8. Tata Locomotives were unchanged at Rs. 84.

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Calcutta Stock Exchange

CALCUTTA, 21st *July*

With prices moving further downwards in the absence of any incentives, the Calcutta Stock Exchange was featureless during the week. Excepting for a mild recovery in Indian Irons and a few miscellaneous counters to-day, the weakness received a further momentum during the last two sessions of the week, on reports of the willingness of the Communists to recommence peace talks in Pan Mun Jon. The civil disturbances in the City and the suburbs, which affected production in many factories, was also a factor which kept away investment support. The New Delhi report that the Estate Duty Bill would in all likelihood become law during the forthcoming session of Parliament chilled enthusiasm, if any left, and added further caution to the market attitude which was already cautious.

Earlier, rumours that the Government of India would shortly announce a decision on the Tariff Commission's report on retention prices for steel were not taken any note of, since such reports in the last two months had not materialised. However, the Government announcement was at long last made last night, and to-day an air of enthusiasm was in evidence in the speculative counter, Indian Irons, which were raised to Rs. 23-15 from the overnight quotation of Rs. 23-9. Sentiment to-day was also better in the miscellaneous section, although price gains were not marked. Although prices of hessian and sacking staged an impressive recovery, interests in jute shares was just nominal, in view of the general weakness and the diversion of funds for the State loans, the major ones of which having been declared successful. The announcement of the cancellation of the export duty on jute specialities is indeed welcomed, but it is stated that business in these lines is yet to be developed. Coal shares were uninteresting, and this is a reflection of the stiff competition India has been facing in the Far Eastern markets in recent months from other coal-producing countries. Trade circles are one in the opinion that more steps by the Government would be necessary to step up exports of coal, and among the suggestions offered for promoting exports is that of giving a rebate on railway freight on export coal.

Sectionwise, Indian Irons opened at Rs. 23-10 on Thursday last and moved back to Rs. 23-6. At this stage, news of the increase in retention prices forced a recovery to Rs. 23-15 at the close to-day. Kumardhubis were quiet at Rs. 7-8, while National Irons were unchanged at Rs. 4-12. Texmacos eased from Rs. 5-12 to Rs. 5-10, and Jessops realised Rs. 24-5 in small lots.

Jutes were lifeless, and further losses were reported. Speculative Howrahs were featureless at Rs. 23-10, and Caledonians dropped from Rs. 169 to Rs. 160. Lansdownes found buyers at the lower rate of Rs. 130 and Megnas declined from Rs. 101 to Rs. 96. At Rs. 160, Budge Budges lacked strength, while Champadanies were sold at Rs. 150-8. Deltas showed little change at Rs. 228, but Naihattis were better at Rs. 120. Presidencies were fractionally lower at Rs. 4-13.

Coals were deserted counters, as buyers were wanting to know what steps the Government would take to increase coal shipments. Bengals hovered around Rs. 527, while West Bengals and Burrakurs at Rs. 4-11 and Rs. 9-14 accounted for a loss of As. 2 each. East Indians were dealt with on a cum-dividend basis at Rs. 24-4. Samlas were attended at Rs. 7-5, at which rate the loss was by As. 3.

Tea shares presented a mixed trend, and some buyers were interested in scrips now coming to hand at lower levels. From a previous rate of Rs. 18-9, Murphulani Ordinaries jumped to Rs. 20 on interested buying, while Hasimaras declined from Rs. 28-8 to Rs. 27-2. Patrakolas were traded at Rs. 110, disclosing a loss of Rs. 14. Hantaparas were unchanged at Rs. 152.

In the miscellaneous section, F. & C. Oslers were supported up to Rs. 5-14, recording a gain of As. 11. Martin Burns were slightly better to-day at Rs. 18-3. Ganges Ropes gained as much as five points to Rs. 200, and Jardine Hendersons were wanted at an improved rate of Rs. 130. Indian Coppers changed hands at Rs. 2-14, Indian Cables at Rs. 18-7, and India Steamships at Rs. 6-10. There was some demand in the sugar section, where Darbhangas changed hands at Rs. 11, as against Rs. 10-4 previously and Carews were As. 2 better at Rs. 6-6.

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Madras Stock Exchange

MADRAS, 21st *July*

There was considerable broadening of interest in the Madras Stock Exchange during the week under review. This was to some extent induced by encouraging Bombay advices. Textiles were in the limelight. The hardening tendency that was in evidence last week gathered some stimulus on reports of favourable export demand. Rubber scrips, among plantings, ruled cheerful, on prospects of continued demand for rubber from the leading consumers. Tea scrips, as usual, came in for selective buying, while coffees were virtually dull. Miscellaneous shares lacked support. Consequently, there was a sprinkling of gains and losses, the former predominating.

The turnover in textile scrips was fair. P. Andavars 'A' and 'B' registered a gain of Rs. 4 each to finish at Rs. 54 and Rs. 79, respectively. Rajalakshmis were higher by Rs. 2 at Rs. 74. Rangavilas improved from Rs. 43-8 to Rs. 44-8. Coimbatore Spinnings advanced by As 8 to close at Rs. 41-8. Maduras rallied As. 6 to Rs. 36-14. Buckinghams, however, lost Re. 1 to Rs. 119 and Dhanalakshmis As. 8 to Rs. 178.

Among plantings, rubbers were in good demand. Malankaras changed hands at Rs. 105, as against Rs. 104, and Kalasas at Rs. 12, as against Rs. 11-8. Travancore Rubbers and Peninsulars advanced by As. 2 each to finish at Rs. 12 and Rs. 8-7 respectively. Rajagiris were slightly better at Rs. 10-12 and Pullangodes at Rs. 2-7.

Teas met with some enquiry. Business was done in Highland Produces at Rs. 10-6, as against Rs. 10. Parksides were enquired As. 4 higher at Rs. 13-4. But, Cembras lost As. 1½ to Rs. 2-13 and Mysore Plantations an anna to As. 11. Outcherlonys (tea and coffee) were, however, better at Rs. 3-15.

Coffee shares lacked support. Coffee Lands eased by an anna and closed at Rs. 10-7. But, Mysore Coffees were unchanged at As. 9. Consolidate Coffees, however, were slightly better at Rs. 18-8 and Kadur Coffees at Rs. 1-9 *cum-div.*

In the miscellaneous section, Aluminium Industries were done higher by As. 4 at Rs. 11-10 *cum-div.* The Directors have recommended a final dividend of Rs. 6½ per cent. which together with the interim dividend makes in all 12½ per cent. for the year ended 31st March, 1953. South Arcot Electrics were quiet at Rs. 93-8 *cum-div.* The Company has declared a dividend of 6½ per cent. for the year ended 31st December, 1952, the same as in the previous year. Andhra Cements 'A' shot up from Rs. 94-8 *ex-div.* to Rs. 97-8 *cum-div.* Andhra Cements 'B' were enquired at Rs. 9-14, as compared with Rs. 9-10, a week ago. Indian Cements hardened by As. 4 to finish at Rs. 17-10. Mysore Papers were enquired at Rs. 14-2 *cum-div.*, as against Rs. 14-4. The Directors have recommended a dividend of 6½ per cent. and a bonus of 3½ per cent. on ordinary shares for the year ended 31st March, 1953, the same as in the previous year.

Among banks, Imperial Banks were done at Rs. 1,815 *ex-div.*, as against Rs. 1,855 *cum-div.*, and Contributories at Rs 435 *ex-div.* as against Rs. 445 *cum-div.* The Directors have declared an interim dividend of 8 per cent. for the half-year ended 30th June, 1953. The dividend for the year 1952 was 16 per cent. Indian Banks Rs. 100 paid-ups, hardened by As. 12 to finish at Rs. 178-12. Andhra Banks Rs. 50 paid-ups were in demand at Rs. 53, as against Rs. 51-12. Indo-Commercial Banks 'C' eased by As. 8 to close at Rs 30-8 and Travancores by As. 4 to Rs. 11-2.

Notice

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Bank will be closed from SATURDAY the 8th August to SATURDAY the 22nd August, 1953 (both days inclusive).

By Order of the Board,
H. C. CAPTAIN,
Managing Director.

22nd *July*, 1953.

N.B.—Warrants for the *Ad-Interim* Dividend for the half-year ended 30th June, 1953, on both Ordinary and Ordinary 'A' Shares will be posted to the Shareholders to their registered addresses on and after the 25th August, 1953. Intimation of any change of address should be given to the Bank immediately.

NEWS IN BRIEF

THE Commodity Controls Committee, which was appointed by the Government of India in October, 1952, submitted its report to the Government of India on Monday last.

Against a total budget provision of Rs. 36.66 crores for Grow-more-food schemes during 1953-54, the total amount so far sanctioned by the Government of India is Rs. 6.98 crores.

The Central Tractor Organisation has reclaimed about one million acres of *kans*-infected land in Central India and cleared 37,000 acres of jungle in the U.P. Teral in the past six years. The additional quantity of foodgrains produced during the period amounts to 5,00,000 tons, the average crop yield being about 750 lbs. per acre. The cost of *kans* land reclamation is estimated at Rs. 60 lakhs.

The Government of Bombay has fixed the price of all loose cement at Rs. 71 per ton (f.o.r. destination). The price of all packed cement, however, is Rs. 71 per ton, plus the actual cost of packing subject to a maximum of Rs. 11-14 per ton in full wagon-loads and f.o.r. destination. These packing charges apply only to cement packed in new bags, while those for packings in old bags are subject to settlement between buyers and sellers. The prices are effective from 1st of this month up to 30th September next.

The Punjab Government has, as a temporary measure, decided to distribute sugar at controlled rates in the towns of Simla, Ambala, Ludhiana, Jullundur and Amritsar with immediate effect. At Simla, the supply of sugar for household consumption has already been started through foodgrains depots, while, in the other four towns, stocks will arrive shortly and these will be distributed on rice ration cards and through rice depots. Free sale of sugar will also be available in the market as before. The step has been taken to check rise in sugar prices.

Rules for the registration and licensing of industrial undertakings under the Industries (Development and Regulation) Act, 1951, are being amended by the Government of India. This move is a sequel to the enactment, by Parliament in May last, of the Industries (Development and Regulation) Amendment Act, 1953, which has, *inter alia*, amended some of the existing provisions relating to registration and licensing and also introduced some new provisions pertaining to these matters. The amendments proposed to be made in the rules have been published in a *Gazette of India* (*Extraordinary*) dated 20th July, 1953. Any objection or suggestion in respect of these draft amendments may be sent to the Ministry of Commerce and Industry, Government of India, New Delhi, before 5th August next. After that date, the amendments will be taken into consideration with a view to putting them into final form, and then they will be brought into force.

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From Abroad

Britain is to purchase 300,000 tons of coal from France during the next four months. The price and the quality of coal are not known.

A double taxation agreement has been concluded between the U.S. and Germany. The agreement covers U.S. income-tax, corporation tax and the German equivalents.

Air-Ceylon has suspended its international services. The regional services, namely, Colombo-Madras-Colombo and Colombo-Trichinopoly-Colombo, will, however, operate according to normal schedules.

The Egyptian National Production Council has recommended to the Government the establishment of an arsenal and a shipbuilding yard at Alexandria harbour. The proposed scheme is estimated to cost £1.25 million.

Legislation permitting wheat growers in the U.S. to plant 62 million acres of land next year, as against the 55 million acres provided in the old law, has been signed by President Eisenhower.

The Government of Pakistan has declared cigarettes as an essential commodity. It has accordingly brought this item under the purview of the Essential Commodities Control and Distribution Order, 1953.

An aluminium factory is to be established at Manila (Philippines) by the Reynolds Metals Company of the U.S. The factory, estimated to cost 3 million pesos, will produce initially 8.5 million lbs. of aluminium per annum.

The Government of Yugoslavia has banned imports of motor vehicles and restricted the import of special vehicles, ambulances, mobile workshops, post office vans, pig iron, rails, sanitary equipment, chemical products and toys.

The number of motor cars manufactured in the U.S. during the first half of this year was 3,106,000—a record in the history of the American automobile industry—which is higher by as much as one million cars produced in the corresponding half of last year.

The Trans World Airlines are planning expansion of tourist type flights beyond Cairo to India with effect from 1st October. Additional tourist service from India across the Pacific will thus enable the T.W.A. and Northwest Airlines jointly to make available round-the-world service at reduced fares.

A comprehensive exhibition of the methods of rationalisation in industry, under the slogan "Step up your living standard," began at Dusseldorf on the 16th inst. The exhibition, which will last till 18th August next, provides a synopsis of rationalisation possibilities in all the sectors of the German economy.

A trade pact has just been concluded between Indonesia and Czechoslovakia entailing trade either way of 110 million rupiahs. Under the pact, Indonesia will export to Czechoslovakia mainly copper, pepper, rubber and tin, in return for machinery, diesel engines, typewriters, matches, paper and building materials.

With the immersion of heavy cable (one mile in length) in the English Channel, between Dover and Calais as soon as the weather permits, the first stage of the £4.5-million power line between France and Britain will be completed. If the cable is found sound, the British Electricity Authority will press on with the scheme for a two-way exchange.

The U.S. Senate Banking Committee has approved the Bill which seeks to empower the Government to dispose of its 28 synthetic rubber plants to private industry before 1st July, 1954. A commission of private citizens is to be appointed by the White House to handle the programme. The proposed Commission will negotiate sales and report to the Congress by 30th June, 1954.

A World Bank Mission, which is on a fortnight's visit to Pakistan, arrived in Karachi on Sunday last. The Mission is studying the various development projects of the Pakistan Government and is expected to recommend the amount of loan that the Bank may grant to Pakistan. Pakistan has so far received from the Bank two loans aggregating $30.27 million.

The Burmese Government has decided to demonetise, with effect from 1st August next, all Indian coins bearing the effigy of British rulers which are in circulation in the country. Arrangements for exchanging Indian coins with newly-issued Burmese coins have been made in all Government treasuries, sub-treasuries and the Union Bank of Burma.

The University of Wisconsin will join the Indian and U.S. Governments in a two-year programme to help equip India's top engineering colleges and laboratories with scientific and professional equipment. The University will establish contacts with seven Indian engineering institutions, supervise the selection of technical educators going to India and co-ordinate the equipment purchasing programme.

As many as 2,500 sewing machines are being produced every day in West Germany. About 60 per cent. of this production is exported. A few producers sell almost their entire output abroad. The demand for sewing machines created in Germany by the war and its aftermath has still not been satisfied. Thus, only one in every six families has a sewing machine to-day, whereas, formerly, there was one sewing machine for every three families.

Measures to promote exports of several Brazilian goods which have been priced out of the world markets are provided in the new decree issued by the Bank of Brazil which has already been enforced. Under the decree, exporters of a long list of products are allotted 50 per cent. of the foreign exchange earnings for sale in the free exchange market. The decree will remain in force till the end of December, 1953, after which the allotment will be lowered to 40 per cent. until 9th July, 1954.

In line with the British Government's policy of expanding rice-growing in the underdeveloped countries is the announcement from Tanganyika that plans are now nearly complete for a survey of the Kilombero Valley and the lower reaches of the river Rufiji as a rice-producing zone. At present, cotton, sugarcane, tobacco, sunflower and vegetables are grown in the valley. It is believed that still higher economic returns could be obtained from the cultivation of rice. Before definite plans can be formulated, however, extensive and costly hydrological surveys will have to be carried out, for the Kilombero and the Rufiji suffer badly from floods. It is estimated that necessary surveys will cost nearly £125,000. Rice-growing in the territory has been given a further fillip in recent years through increasing demand for food. Imports were at first set at 51,000 tons of maize for the current year, but there are already indications to suggest that this amount may have to be nearly doubled.

An agreement between an unofficial British delegation and the Chinese National Import and Export Corporation has been signed recently. The agreement provides for trade amounting to £30 million each way. Payments are to be made in sterling. Under the new agreement, British business men will supply China with metal and metal products machinery, electrical appliances, chemical materials, tools and instrument, medical and surgical equipment, communications and transport equipment and other goods worth £30 million. In return, China will sell to Britain vegetable oil, oilseeds and animal products, egg products, tea, silk, handicraft products and other goods worth the same amount. The mission was organised by the British Council for the Promotion of International Trade. The provision of export of goods to China will, however, be subject to British Government export licensing.

PERSONAL

GEN. K. M. Cariappa, India's High Commissioner-designate to Australia and New Zealand, left for Sydney on Saturday last.

Mr. Neville N. Wadia, Chairman, Bombay Dyeing and Manufacturing Co., Ltd., left for Europe on a business visit.

Mr. K. T. Chandy, Secretary, Lever Brothers Ltd., has been elected Chairman of the newly formed Trade Marks Owners' Association of India.

Mr. Nakul Sen, I.C.S., has been appointed to officiate as Secretary to the Central Ministry of Rehabilitation, *vice* Mr. C. N. Chanda who has gone on leave.

Mr. K. K. Bhargav, Insurance Commissioner of the Employees' State Insurance Corporation, is in charge of the Corporation, *vice* Dr. C. L. Catial who has resigned.

Mr. Peary Lal Uppal, lately Director of Inspection, Income-tax, has been appointed Member of the C.B.R. for Estate Duty. Mr. R. R. Das, an officer of special duty in the C.B.R., has been appointed its Secretary.

Mr. Chandulal Trivedi, until recently Governor of Punjab (I), has been appointed Special Officer for Andhra Affairs under the Government of India. Mr. Trivedi is to assist in expediting administrative arrangements and other steps necessary for the formation of the Andhra State on 1st October, 1953.

Mr. T. Swaminathan, Textile Commissioner, Government of India, who has been deputed to observe the latest developments in the textile industry in the U.K. and the Continent, left for London on Saturday last. After his return, he will go to Japan to make a special study of the decentralisation of the industry in that country.

Mr. T. R. A. Pai, of the Canara Mutual Life Insurance Co., Ltd., and Mr. S. N. Agashe, of the Central Mutual Life Insurance Co., Ltd., have been elected President and Honorary Secretary, respectively, of the Association of Mutual Life Offices in India for 1953-54. The other elected members of the Executive Committee are Messrs. P. C. Ray, M. V. Sovani and Shrinivasan.

Mr. N. K. Patel, Chief Electrical and Mechanical Engineer, Mr. J. J. Mehta, Production Manager, and Mr. V. Y. Divekar, Spinning Supervisor of the National Rayon Corporation Ltd., left for Japan to study the machinery market and to find out the possibilities of obtaining up-to-date rayon yarn manufacturing machinery and other accessories.

Mr. Laxmidas P. Goculdas and Mr. M. G. Mody have been elected Chairman and Vice-Chairman, respectively, of the Indian Insurance Companies' Association, Bombay, for the year 1953. The other members of the Committee are Messrs. R. M. Desai, S. K. Desai, Mr. M. S. Dastur, F. Bloor, G. H. Thakore, V. R. Tolat, R. G. Vijayakar, T. K. Desai and E. J. Poncha.

"COMMERCE" 1928

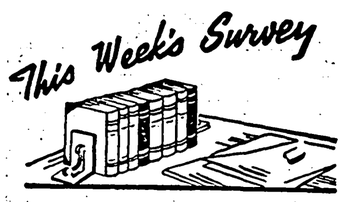
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 28th *July*

Trade Barriers

The League Conference for the abolition of import and export prohibitions and restrictions, which has been sitting in Geneva, ended its work on the 10th inst., and on the following day, the members signed the convention, which runs broadly on the lines recommended by last year's Economic Conference. Hundreds of reservations, originally made by various States, have been reduced to 18, most of which, broadly considered, are of slight importance. No reservations were made by Great Britain, France or Germany. The Conference is regarded as an encouraging step towards freeing trade from restrictions and, if ratifications are obtained, the convention will come into force at the beginning of 1930. Some time must, however, elapse before fuller reports of the Conference can reach India; but we have before us the report of the Economic Consultative Committee which probed the question in May last. M. Thennis, who presided over it, emphasised, in his concluding speech, the need for educating public opinion on the subject of trade barriers which, he said, had become a deeply rooted habit and were backed by powerful interests. The work accomplished by the Committee in its first session was twofold. It reviewed very carefully the progress that had actually been made since last year in putting into practice the recommendations of the Economic Conference and made a number of practical suggestions for their further application, chiefly in connection with commercial policy.

So far as past history is concerned, the principal fact which has been established is that the upward movement of tariffs, which was beginning to show a tendency to progressive acceleration, has actually been arrested largely through the influence exercised by the Economic Conference. The growth of trade barriers has, it is true, been arrested, but the demobilisation recommended by the Economic Conference has hardly yet begun. It is upon this problem that the main efforts of the Consultative Committee were concentrated. Here the chief contribution of the Committee's deliberations has been the practical suggestions as to the methods by which the lowering of tariffs can be accomplished by dealing with them piecemeal by groups of commodities. This method has already been applied with considerable success by the Economic Committee of the League, and it is not too much to hope that it may prove useful in the future.



QUESTIONNAIRE ON TAXATION

HIGH hopes are naturally entertained about the outcome of the labours of the Taxation Enquiry Commission. There is not a day that passes without someone or other connected with trade, commerce or industry, making a pointed reference to the heavy tax burden. And such references invariably end with the expression of the hope that the Commission would make a helpful recommendation. But the Commission has been set up not so much for the purpose of suggesting tax reliefs—it could, of course, do that—as for assisting the Government to evolve an integrated tax system. The Commission was set up, it may be recalled, in April, 1953; it consists of Dr. John Matthai, Chairman, Mr. V. L. Mehta, Dr. V. K. R. V. Rao, Mr. K. R. K. Menon, Mr. B. Venkatappiah and Dr. B. K. Madan, members and Sardar Indrajit Singh, Secretary. The Commission's terms of reference show how broad and comprehensive are the Commission's functions. The terms are:

(1) To examine the incidence of Central, State and local taxation on the various classes of people and in different States;

(2) To examine the suitability of the present system of taxation—Central, State and local—with reference to (a) the development programme of the country—and the resources required for it, and (b) the objective of reducing inequalities of income and wealth;

(3) To examine the effects of the structure and level of taxation of income on capital formation and maintenance and development of productive enterprise;

(4) To examine the use of taxation as a fiscal instrument in dealing with inflationary or deflationary situations;

(5) To consider other relevant matters; and

(6) To make recommendations, in particular, with regard to (a) modifications required in the present system of taxation and (b) fresh avenues of taxation.

The questionnaire which has now been issued by the Commission, does justice to its terms of reference, and shows that the Commission will cover every aspect of the problem of taxation. It is based on the memoranda received by the Commission in response to its request for suggestions regarding the issues that should find a place in the questionnaire. The questionnaire is divided into six parts—the tax system, direct taxes, commodity taxes, agricultural income-tax (including land revenue and irrigation rates), other taxes, local taxation. In Part I, relating to the tax system, the Commission has asked questions on the objectives of a sound tax policy, the relative place of direct and indirect taxes in the Indian tax system and the role of non-tax sources in the public revenue. On the incidence of taxation, opinions have been invited regarding the fairness of distribution of the burden of taxation among various classes of people and on whether the tax burden weighs particularly heavily on any industry or occupation. The Commission has also asked for views on the probable scope for taxes on capital, reintroduction of salt duty, surcharges on land revenue, betterment levies, social security taxation, and modification of the policy of prohibition.

Part II deals with income-tax, special business taxes and estate duties. Views have been sought on the provision of specific allowances for families, and dependents, the scope for amalgamating income-tax and super-tax. A question which must interest all industrial establishments, is: "Do you favour the grant of larger depreciation allowances to assist industry to finance the considerably increased costs of replacement of assets?" The questionnaire also deals with the subject of differentiation between distributed and undistributed profits, the rate of corporation taxes, and with other topics such as inter-corporate dividends, taxation of mutual insurance companies and taxation of dividends in the hands of shareholders.

In Part III, the Commission deals with commodity taxation, in general, and more particularly with customs, Central excises and sales tax. The issue of multi-point sales tax *versus* single-point sales tax has been dealt with in another question. Sales outside the State or sales in inter-State trade form the subject matter of a question; it has been asked, for instance, whether a purchase tax would be a suitable alternative. Part IV deals with agricultural income-tax, land revenue and irrigation rates, while Part V deals with "other taxes," including stamp duties, court fees, motor vehicle taxation, entertainment taxes and taxes on electricity. The whole subject of local taxation is treated in Part VI where a number of questions have been framed on the various aspects of devolution of tax powers to local bodies by the State Governments.

It will thus be seen that the questionnaire is the most comprehensive of its kind, and will demand considerable thought and care on the part of individuals, trade and commercial organisations, before replies are submitted to the Commission. The Commission has, however, been generous enough in giving the concerned interests sufficient time to submit their replies, the last date for the submission of replies being 21st September, 1953. But the Commission will appreciate the reply being sent in parts, as and when they are ready for submission. It is to be hoped that the commercial organisations, which have been urging the appointment of the Commission for a long time now, will base their replies on sound economic arguments. It is true that some questions, especially those in Part I, are too academic in character, and will not admit simple and brief replies. Even so, an attempt should be made to reply to those questions too, for commercial organisations are unlikely to get another opportunity to express their views on general questions relating to taxation.

DR. C. L. KATIAL RESIGNS

There will be widespread regret over the departure of Dr. C. L. Katial from his post as Director-General of the Employees' State Insurance Corporation, and even more regret over the circumstances surrounding his departure. There is no doubt that Dr. Katial's able and sustained work in the cause he held dear had much to do with what little success the Corporation has had so far; his persuasive powers and his unselfish zeal for the work won for him considerable respect and affection. The grounds on which the Government has relieved him of his duties are not clear. Equally vague are the charges which he has chosen to level against the Secretariat. Beyond unsupported references to the "new despotism of a few bureaucrats," the lack of opportunity for explaining his point of view, and his sense of disillusionment, there is little in his letter to the Prime Minister, on which the public could reasonably form any opinion about the justice of his case for an enquiry into this episode. It is all the more regrettable, therefore, that he should have decided to embark upon a three-week "self-purificatory" fast which, even in other circumstances, might not serve any public purpose.

As far as one can make out from his letter to the Prime Minister, three main grounds on which his present disillusionment rests, are: (1) lack of opportunity for ventilating his point of view, (2) lack of personnel, and (3) insufficient recognition of the autonomous character of the Corporation. If Dr. Katial felt that the Government officials were not co-operating with him, it was certainly open to him to place the facts before the Standing Committee of the Corporation. This does not seem to have been done. It is true that the Corporation's work would suffer through lack of personnel. He says that there "has been no Medical Commission since September, 1950, no Actuary since January, 1952, no Chief Accounts Officer from October, 1951 to March 1952 and again from July 1952 to February 1953." Again, it is not clear why the matter was not placed before the Standing Committee. May it not be that Dr. Katial has not chosen to take the Committee into his confidence and the charge of non-co-operation, which he now levels against the Secretariat, might with justice be levelled against him by the Standing Committee? In these circumstances, it is difficult not to appreciate the official contention that no serious difference has existed between the Corporation, as such, and the Government. In a Press note, the Government says:

> "Though serious differences are alleged to exist between the Government and the Corporation, and Government is charged with undue interference in the affairs of the Corporation, the Government would like it to be known that, during all the five years of the existence of the Corporation, not a single complaint of undue interference by them has been made by the Corporation or its Standing Committee or by any of their members individually."

Explaining his disillusionment, Dr. Katial says that he "had thought that the staff of the autonomous Corporation would not have to route all its work through the Secretariat as if it were a branch of the Government Secretariat." The implied allegation, if true, deserves some enquiry. Under the State Insurance Act, the Central Government has no doubt retained the power to supersede the Corporation or the Standing Committee (*vide* section 22), if there is persistent neglect of duty or gross abuse of powers conferred on these bodies by the Act. It is nowhere stated that the Corporation is a subordinate branch of the Secretariat. In these circumstances, the Secretariat has no right to condemn the Corporation to a lesser position than it enjoys under the Act. Here again, it is intriguing why it is not the Standing Committee, but Dr. Katial, that is the complainant. Perhaps, the Government will do well to evolve a procedure whereby its control is periodically exercised through its nominees on the Standing Committee, while the Corporation is allowed to exercise its powers unhampered by excessive red-tape. In the task of evolving such a procedure, the following points raised by Dr. Katial's statement on the eve of his relinquishing his post, deserve the Government's attention:

(1) Corporation's administration should be directly responsible to the Minister on questions of policy;

(2) The administrative functions of the Ministry should be transferred to the Corporation;

(3) The Corporation should consult the Ministry of Finance direct;

(4) Unless at the meeting of the Standing Committee the Central Government members objected to certain proposals, the approval of the Central Government should be implicit in the Standing Committee's approval;

(5) As in the work of the Corporation, matters relating to health and medical care are of fundamental importance, the administrative control of the Corporation should be transferred to the Ministry of Health. Until this is done, it might be more appropriate if the Vice-Chairman of the Corporation, namely, the Minister for Health, is appointed as the Chairman of the Standing Committee.

The adoption of these suggestions, particularly the fourth suggestion, will lessen the area of conflict between the Corporation and the Government, even if it cannot altogether eliminate it. After all, the only effective way of establishing co-operation is to co-operate. And no legal or constitutional instrument of co-operation can be an effective substitute for the will to co-operate. Again, the success of the Corporation will depend on the proper choice of personnel, and their prompt appointment. It is certainly disquieting that the Corporation has been allowed to shift for itself—this has been brought out by Dr. Katial's disclosures—without the help of important officers. The Government will, it is to be hoped, take early steps to remedy these defects in the set-up of the Corporation.

TRADE RELATIONS WITH AUSTRALIA

General K. M. Cariappa, High Commissioner-designate for India in Australia and New Zealand, rightly emphasised, while replying to the felicitations offered him by the Indian Merchants' Chamber, Bombay, on the eve of his departure from India last week, that it would be his duty to publicise abroad the full facts about the wares and commodities produced in India in order to build up increased demand for Indian goods. Reassuring were his two other statements, that (1) it would be his endeavour to see that the various offices functioning under his charge in the two countries extend every help and assistance to business men in developing trade contacts, and (2) he would take steps to organise exhibitions and set up emporia for the display of various Indian products of quality and repute.

The problem of developing India's markets in Australia and New Zealand, as readers are aware, has assumed special significance in the present context, thanks to changed market conditions and severe competition which have rendered the task of export promotion a rather tough one. The value of India's exports to Australia, for instance, which had attained the peak level of as much as Rs. 46.62 crores in 1951-52, registered a steep fall in 1952-53, amounting to only Rs. 19.95 crores. Similarly, India's exports to New Zealand have suffered a setback, the value of goods and commodities actually exported during 1952-53 being not more than Rs. 3 crores, as against Rs. 7.91 crores in the previous year. The fall in exports to Australia and New Zealand is indeed a matter for concern and emphasises the need for taking suitable steps for stimulating the same. It was precisely to this aspect that Mr. Ambalal Kilachand, President of the Indian Merchants' Chamber, drew pointed attention in his speech while welcoming General Cariappa to the Chamber.

Mr. Ambalal Kilachand referred, in particular, to one of the chief difficulties standing in the way of India's export trade with Australia, namely, discriminating treatment accorded by Australia to Indian goods in favour of goods of U.K. origin in the matter of tariffs. He did well, therefore, to stress the importance of making a determined effort not only to improve the quality and standard of goods but also to pay attention to the needs and requirements of the Australian market. He also made an important suggestion that an Indo-Australian trade agreement should be concluded on a long-term basis. Another major hurdle in the way of India expanding its export trade with Australia, to which he alluded, relates to the Australian Government's proposal to raise import duty on certain types of sheetings. This proposal, if implemented, will severely affect exports of cotton textiles; sheetings, it may be noted, form the largest single item of India's cotton textile exports to Australia. Mr. Kilachand urged the High Commissioner-designate to use his good offices to take up the matter with the Australian authorities in order to see that the proposal was abandoned. The Indian Merchants' Chamber President also stressed the importance of securing imports of machinery and equipment from Australia at competitive prices.

DEVELOPMENT OF BRITISH COLONIES

Problems relating to the economic development of the Colonies figured prominently in the British House of Commons debates in the past few days. This is not surprising, considering the vital role which the Colonies play in the sterling area's export trade with the dollar countries, especially the U.S. It is, therefore, appropriate that the British Government should have laid considerable stress on the need for expanding production in the Colonies, to encourage them to trade not only with Britain but also with the rest of the world, and to raise their living standards. How vast is Britain's task in further developing the Colonies is clearly revealed in the significant remarks of Mr. Oliver Lyttelton, Secretary of State for the Colonies: "Our first task must be to increase railways, harbours and roads; the second must be the development of agriculture; the third the exploration and winning of minerals; the fourth the expansion of electric power; the fifth the promotion of local industry; the sixth scientific research and development."

All these are to be achieved by implementing the series of development projects, envisaged in the £500 million Ten-year Plan, excluding private investments. Parts of the plan are being financed by loans, others by grants from Colonial development and welfare funds, and the rest by local savings and the Colonial Development Corporation.

The sum of £500 million earmarked for Colonial development no doubt sounds impressive. But as it has to be spread very wide over a period of 10 years, it becomes very thin. In order to maintain the present *tempo* of economic activity, let alone increasing it, Colonial development requires much larger financial support. Promotion of greater flow of foreign capital and loans is, therefore, considered to be very essential. True, the World Bank has performed a most valuable service, but the loans it has so far granted have only been a fraction of the actual requirements. In view of this, Mr. Lyttelton stressed that the flow of capital into the Colonies should take the form of loans, "with the Colonies and the U.K. keeping the equity interest in their own hands." Such a policy, it is emphasised, should allow at least part of the profits made, after remuneration to those who have risked their capital, to be devoted to further exploration and expansion within the Colonies themselves.

An important announcement which Mr. Lyttelton made, in this connection, relates to the policy of setting up locally-controlled companies. In other words, the British Treasury will henceforth allow more companies to transfer their headquarters to the Colonial territories in which they are operating. The policy is claimed to have two advantages. First, it will enable the directors to control the companies' affairs "authoritatively," on the spot, in close touch with the local Government, labour leaders and conditions generally. Secondly, it will enable the companies, while paying U.K. income-tax on dividends, to take advantage of lower local tax rates and thus plough the residue back into the industry, thereby helping directly in the Colonies' further development.

OFF THE RECORD

(By "ROVER")

IT is easy to go downhill. Only the very strong can resist this downward pull of gravity. It is not yet fully six years since the Congress leaders took over the administration of the country from the experienced and dyed-in-the-wool bureaucrats, trained in the use of the language of British officialdom. Many of those in office to-day in the various Governments are not even six years old, having been born as rulers long after August 1947. Several of them cannot even have cut their baby teeth. But the alacrity with which they have taken to lisping the official jargon of implied might and arrogance, of superiority and aloofness, is something amazing. It is a feat in political growth worth recording by the biologists. There must be something in the soil and atmosphere of the Secretariats which promotes such rapid growth amongst Ministers of the typical colonial ruler's attitude towards dark and dusky 'natives' and the acquisition of all the apt phrases and cliches of an officialdom which could hold its sway over millions with the aid of the magic charm of that illusive quantity known as "prestige".

The occasion for these reflections embodying my admiration for the new breed of rulers in our country and its capacity for imbibing the technique and mannerisms which took our erstwhile British masters decades to evolve, was my coming across a report of a meeting between the Union Minister for Information and a group of radio artistes in Bombay last Friday. Some of Dr. Keskar's expressions and utterances on this occasion were highly reminiscent of the days of the British bureaucrats and for a moment I actually wondered if I had picked, through mistake, a paper bearing the date 18th July, 1943.

Now, had it been the Chief Minister of Bombay instead of the reputedly gentle, mild-mannered and scholarly Dr. Keskar, who had been addressing this gathering, I should not have been surprised, because Mr. Morarji Desai's early training and bringing up was as a minor bureaucrat and the iron of authority had entered too deep into his otherwise tender soul, to be eradicated by the subsequent atmosphere of surface humility and piety. Like the early morning mist, this humility evaporated when touched by the rays of the easily acquired power in all such cases, though piety has lingered on in a vitiated form of ultra-austerity of approach to other people's lives. I had, however, no idea that the infection was so overpowering as to envelop even souls protected in layers of cotton-wool such as that of the present Minister for Information.

I consider it necessary to make it clear at the outset that, though I happen to be a moderately literate man, I can lay no claim to being anything like a man of letters. I do not, therefore, presume to subject the learned Doctor's style and diction to a critical literary analysis. Similarly, as a man engaged in studying markets and the country's economy and engrossed in spotting the economic misdeeds of the various Governments and of both the public and the private sectors of industry, I cannot conceivably be guilty of any acquaintance with or appreciation of the world of art and æsthetics. Being equally innocent of any leaning towards music, classical or light, and confining my use of the radio to obtaining the latest market quotations in the evening, I can claim complete impartiality in the controversy that is raging between Dr. Keskar's Ministry and some of the A.I.R. artistes in Bombay and Dharwar. All I was concerned with in Dr. Keskar's address to the artistes in Bombay last week was its tone and the use of some of the old, familiar touch-me-not sentiments couched in the impersonal, official style of the unregenerate days of foreign rule.

I am told the artistes on strike have some complaint about the composition of the Committee appointed to test their knowledge and performance. I can understand Dr. Keskar's simple stand that examinees cannot be allowed to choose their examiners. But the formidable and sonorous way in which he put forward this proposition of his was masterly. He stated that the question of selection of personnel of the audition Committees was within the "discretion of the Ministry of Information and Broadcasting" and that this was not a matter "for discussion with anybody." This won my instant admiration for his clear and quick grasp of the way things should be put officially. Mighty Ministers of the Union do not demean themselves by discussing matters over which they are given discretion with anybody. Any such practice would undermine the very foundation of their authority. A man invested with authority cannot stoop to discuss; he dictates.

Dr. Keskar, I believe, himself must be a real artiste, because all the unconscious and spontaneous touches were there; the word 'agitation' was preceded by the invariable adjective 'pernicious'; to one who is thoroughly groomed in the art of ruling, all agitation, whether it be accompanied by large-scale use of violence and arson as in Calcutta or in the South or amounts only to staying away from work and pursuading other colleagues to do so as a mark of protest, is something to be condemned unreservedly. Similarly, the plea that any organisation which agitates is not representative of its class also figured in Dr. Keskar's monologue. But my admiration for this smooth and easy adoption of a born dictator's manner by a mere two-year-old fledgling went up sky high; when the Minister delivered his final verdict on the demands of the Bharatiya Sangit Kalakar Mandal, which he had already condemned as not being a representative body of the artistes, Referring to these presumptuous demands, Dr. Keskar said, "Unless they stop their intimidation, threats and vilification, it is not possible to take into consideration any representation they make."

Naturally enough, rebels or those who actively oppose official measures, however short-sighted and reprehensible these measures might be, cannot expect to have even their most reasonable representation attended to or considered. If any Minister were to forget himself so far as to do this and consider legitimate grievances when an agitation is still going on, it was bound to prove subversive of all discipline. Consideration by the authorities of requests cannot but depend on the attitude of the applicant. You would be mistaken if you were so misguided as to hold that willingness on the part of the authorities to consider grievances has anything to do with the inherent reasonableness or otherwise of the request itself.

Even a Reginald Maxwell, when he was at the height of his powers fighting the national agitation for independence, could not have improved upon either the tone or the contents of Dr. Keskar's pronouncement in this case. I doubt if Lot Hailey himself in his heyday could have done it. I feel highly gratified that, whatever else might perish, law and order would be quite safe in this country of ours, as in this material respect of official vocabulary, our popular and democratic Ministers have learnt everything of value from the so-called unimaginative and wooden British bureaucracy.

Rajaji's War On Cushions

My position is like that of the flapper in the story who wanted to be good but the boys would not let her be. I would fain leave Mr. Rajagopalachari, the Madras Chief Minister, alone and forget all about him. But he would not let me do so. Every now and then, he must say or do something which makes my gorge rise and drives me to say unpleasant things about a person whom, in spite of all his idiosyncrasies, I like and respect immensely, for his shrewdness and subtlety. We are almost bored to death, not to say anything of being ruined economically by their utter inaptitude, by crowds of mediocre and intellectually almost inane Ministers at the Centre and in the score or so of States, so much so that Rajaji, in spite of his frequent excursions in the realm of the unreal and the archaic, retains not only our respect but affection by the keenness of his mind and the refreshing originality of his outlook on the world, and on men and affairs. Even when he is perverse, he is so by choice and knowingly like an engaging sprite and not under some mental compulsion, helplessly and unconsciously, as in the case of several others of his colleagues in other States like Bombay and West Bengal.

Mr. Rajagopalachari is delightful and entertaining even in his whimsicality and mischief and I suspect that he derives almost as much pleasure from his atrocious suggestions and innovations as we, his victims, do. The latest of these is his war on cushions in the State Transport buses. He has no pity on us poor, pampered weaklings with sparse and sensitive bottoms and he would make us travel long distances, when our occasions take us out, on hard wooden planks. If his aim was to educate the citizens in the practice of austerities and inuring them to the hard life in store for them ahead, as the result of the many blunders inexperienced and untrained administrators were bound to commit in the handling of economic affairs, I am surprised that so logical a man did not think of asking his Transport Minister to equip all the buses plying in the benighted South, with seats which have quite a few nails sticking out with their sharp and pointed ends up.

The scourge has been recognised from ancient days as an effective spiritualising agent and when Mr. Rajagopalachari is out to lay it on our already sore backs, he might as well lay it thick by investing the crude tortures, which he invents for our benefit from time to time with some refinements, which would make them really excruciating instead of being merely unpleasant. Or he might even go a step further and abolish the running of buses altogether, so as to make us trudge long miles along the apology for roads which his Government provides. I am not sure but he would have gone the whole hog and taken the buses off the road, if these bone-shakers did not earn a tidy income of about a lakh of rupees a month for his almost bankrupt Government.

We are often unaware of our good luck. I would illustrate this rather dark saying of mine by asking you to imagine what your fate would be if Mr. Rajagopalachari, instead of being the Chief Minister of Madras, were the Railway Minister in the Union Government. We would have to give up all our dreams of the nice amenities that the Railway Board has been promising the patrons of third class coaches in the trains, such as fans, clean lavatories and ice-cold drinking water. One of these days, when Mr. Rajagopalachari is up in Delhi once again on a visit, he is sure to demand an explanation from Mr. Lal Bahadur Shastri for all the demoralisation he is spreading in the country, which will make the little man from the U.P. squirm in his shoes. I wonder if it would not be a good thing for the Chief Minister of Madras to suggest to Mr. J. R. D. Tata, Chairman of the nationalised Air-India International, to follow suit and remove not only the offending cushions and things from his planes but to discharge all the air hostesses in the interest both of economy and spiritual uplift.—*All Rights Reserved.*

ADMINISTRATION MACHINERY FOR COLLECTION OF ESTATE DUTY

NO DECISION YET ON LOCATION OF NEW STEEL PLANT

(From A Special Correspondent)

NEW DELHI, 21st July

THE forthcoming autumn session of Parliament, which is to commence on 3rd August, will be mainly devoted to the passing of the two important Bills, namely, the Andhra State Bill and the Estate Duty Bill. The latter is of a highly controversial nature and is perhaps expected to occupy the attention of Parliament for a number of days. Immediately after its passage, the Government will also introduce a Bill fixing the rate of Estate Duty. Since this is a new impost, the authorities are expected to be somewhat receptive to the suggestions of the Opposition members for the fixation of a slightly lower scale of tax and will be inclined to watch the results before it is revised in an upward direction.

DELHI LETTER

The Central Board of Revenue has already begun to expedite the setting up of the machinery that would be needed for the enforcement of estate duty. Mr. Uppal, recently Director of Inspection, Income-tax, has been appointed member of the Central Board of Revenue in charge of the Estate Duty Section and Mr. R. K. Das, an officer of on Special Duty in the same office, as Secretary. A few able officers of the Income-tax Department are being deputed to visit the U.K. and to study the administrative aspect of the working of this measure in that country. Rules to be framed under the Act are already under preparation. A certain degree of uniformity is expected to be established in the matter of administration of the Act. More than seven States have already adopted resolutions to enact a law for the levy of estate duty on agricultural property. In due course, many States will fall in line with the Centre in this respect. Private properties of rulers will not be exempted from this tax. The general expectation is that the yield from the estate duty may amount to between Rs. 8 and Rs. 10 crores per annum at the initial stages.

Andhra State Bill

The Andhra State Bill is expected to have a smooth passage in view of the fact that most of the contentious points are being hotly debated in the Madras Legislature at present. Besides, every Ministry has got a number of minor and major Bills to be disposed of. For instance, the Commerce and Industry Ministry has a few Bills pending, such as the Indian Tariff (Second Amendment) Bill, a Bill to amend the Forward Contracts Act, the Iron and Steel Control Bill, a Bill to amend Section 23 of the Indian Patents and Designs Act, etc. The Finance Ministry has, besides the Estate Duty Bill, a few Bills such as the Banking Companies Act (Amendment) Bill, the Sea Customs (Second Amendment) Bill, etc. The Railway and Transport Ministry has, among others, a Bill to amend the Motor Vehicles Act. The States Ministry has also a few Bills to dispose of, the important among them being the merger of Bilaspur with Himachal Pradesh, etc. The amendment of the Factories Act and the Provident Fund Act, etc., are now pending with the Labour Ministry while the Food and Agriculture Ministry has a Bill to amend the Agricultural Produce (Marketing and Grading) Act. Since Parliament is expected to be in session for barely a month, many Bills may have to be deferred to the winter session.

Trade Pact

The Indo-Ceylonese trade pact, concluded this week, is a credit to both the Governments, though it is very limited in its scope. It represents the principle of "give and take" which is so necessary in foreign trade. Under the agreement, India will allow imports of 2,500 candies of Jaffna tobacco a year for the next four years. It may be mentioned here that this is a special variety of tobacco consumed by the people of Kerala and that a few years before a maximum of 5,745 candies of 600 lbs. were allowed to be imported in each Malayalam year. Since 1950-51, the Government has been following a policy of progressive restriction in regard to imports of Jaffna tobacco when the quantity allowed was 1,800 candies. This is because of the fact that the Indian Central Tobacco Committee has been successful in evolving a substitute quality tobacco in Coimbatore (Madras). In view of the above, the Government was permitting a limited quantity of Jaffna tobacco at a concessional rate of As. 8 per lb., while the standard duty on the balance was Rs. 9-6 per lb. Under the new agreement the maximum limit has been raised to 2,500 candies with a concessional duty of As. 12 per lb. or Rs. 450 per candy.

In return for this concession, the Government of Ceylon is reported to have agreed that during the four-year period of the agreement, the import of *bidies* into Ceylon will be allowed on Open General Licence and the effective import duty will not be increased. It has also agreed to reduce the import duty on towels and towelling to the lowest rates applicable for mill-made towels and towelling and also to facilitate the increased import of Indian tobacco into Ceylon.

Reclamation of Lands

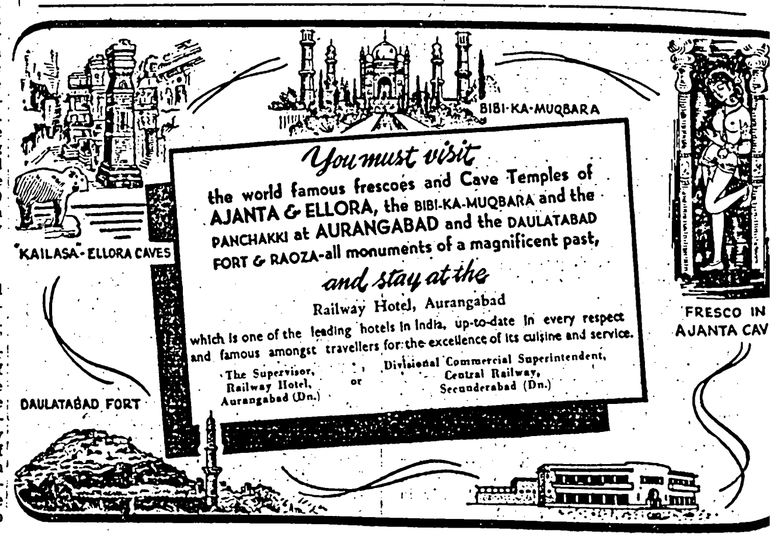
The Central Tractor Organisation has now been able to reclaim between 2.8 and 3.0 lakh acres per annum and is expected to exceed the target of reclaiming 1.41 million acres fixed by the Planning Commission. In 1951-52, the imported tractors were able to reclaim 2.25 lakh acres, excluding 57,000 acres reclaimed by the old machines. Although originally the Organisation planned to import about 375 giant tractors, the actual imports amounted to hardly 240 from the loan obtained from the International Bank for this purpose. This is but a part of the good work that is being performed by the abovementioned organisation in regard to land reclamation. The sum earmarked by the State and Central Governments for land development during the Plan period is about Rs. 35 crores, which is expected to reclaim about 7.4 million acres of land. In this connection, the State Tractor Organisations have been planning to reclaim about 1.2 million acres while farmers through individual effort and special State encouragement, are expected to develop about 4.8 million acres. The activities of the Central Tractor Organisation are now mainly centred around Madhya Pradesh (4.74 lakh acres), Madhya Bharat (3 lakh acres), Bhopal (4 lakh acres), U.P. (3 lakh acres) and Vindhya Pradesh (4,000 acres). As a result of the operations of tractors during the last few years, people are convinced of the distinct superiority of these machines in rendering the weed and *kans* infested lands fit for cultivation.

Since land development includes soil conservation measures also, the Government has proposed to reorganise the administration of this department. The proposed Soil Conservation Board will absorb the existing branch of the Forest Research Institute, Dehra Dun, and the Desert Afforestation Research Station, Jodhpur. The new Board will co-ordinate and initiate research in soil conservation in respect of forestry, agricultural grazing and other land, assist the State Governments and River Valley authorities in drawing up schemes of soil conservation and enacting legislation assist in making reconnaissances or detailed surveys of soil conservation projects, etc. Efforts have already been initiated to check the march of desert in Rajasthan. During this week tree planting by sowing seeds from air over a 30-mile long sandy belt has been done and this experiment is watched with interest. If the experiment succeeds, the Government will extend the field of operations to a wider area next year.

Steel Plant

Latest enquiries suggest that the Government has not made up its mind in regard to the location of the proposed steel plant. Both Madhya Pradesh and Orissa are vociferous in their demand that the plant should be located in their respective territories. Although a definite decision is deferred on the subject for some time more until the conclusion of an agreement with the German or some other foreign firm in respect of technical help, the odds are in favour of Hirakud (Orissa) in view of the fact that the eventual capital outlay on this plant would be less by about Rs. 10 crores. From the strategic and long-term point of view, however, Madhya Pradesh has greater claims. If the plant is established in Hirakud, the steel and heavy chemical industries of the country will all be within a radius of about 100 miles and in times of emergency, there will be considerable transport bottleneck. All the four places, namely, Jamshedpur, Sindri, Asansol and Hirakud will become easy targets from the air while the Madhya Pradesh plant will have definite advantages from the point of view of dispersal strategy and reduction in the distance of haulage.

According to latest reports from Germany the participation of foreign capital in the proposed steel industry on any appreciable scale is not likely. At best, it will be definitely less than 25 per cent. The Government of India, on the other hand, is likely to get about 30 per cent. of the capital by way of loan from the World Bank. Unless the Government of India makes up its mind on the subject and is determined to go ahead even, without the participation of foreign capital, an early establishment of the steel factory is unlikely. However, it is stated that Government is keen on this project, with or without large-scale foreign capital. Since the claims of the two States for the location of the plant are somewhat evenly balanced, it would be better if the Government set up two plants, one in Orissa and the other in Madhya Pradesh, extending at the same time some concessions to Tatas for the doubling up of the capacity of the Jamshedpur plant. By a determined attempt, it should be possible for India, within the next decade, to produce between 4 and 4.5 million tons of steel per annum. And this target will give the country considerable economic stability.



AMERICAN LETTER

NEW MONETARY POLICY REVISED

OUTLOOK FOR U.S. ECONOMY BETTER

(From Our Own Correspondent)

NEW YORK, 16th July

THE Eisenhower Administration has not made much progress, but it finally did manage to alleviate the extremely tight money conditions in the United States which prevailed in recent weeks and months. This was achieved by a revival of open market operations by the Federal Reserve banks which gave immediate support to the entire list of Treasury securities and by a reduction of reserve requirements of member-banks of the Federal Reserve system. Since that time, price changes among the more outstanding Government securities have been nominal and the new 30-year 3¼ per cent. bonds have reached par again and ascended slightly beyond that. This is an important point of prestige which should not be underestimated. It had a great psychological effect.

Meanwhile, the greatest peace-time deficit of the United States Treasury, exceeding more than $9,000 million, was alleviated with an issue of $5,500 million in Treasury tax anticipation certificates which will cover the cash requirements of the fiscal authorities for the quarter ended 30th September.

The issue was vastly oversubscribed—more than $8,000 million in applications were received—and the allocation amounted to 67 per cent. The markets will now be left alone to find their own levels for the next three months after which another similar amount will have to be raised, most likely in the form of long-term financing, at least to the extent of $1,000 million.

International Situation

What will happen between now and then, will be largely dependent, however, on the international situation. The disappearance of Lavrenti P. Beria, as the second-in-command in Soviet Russia, may mean a complete change of international policy.

Since it must be admitted that Moscow still has the initiative, decisions in Washington will have to be taken either in defence of Western interests or to combat local eruptions, such as Korea, Indo-China, etc. There is not much progress in either sphere, even now though John Foster Dulles, Secretary of State, has made extensive personal investigations in Europe and in the East.

In the meantime, Dr. Milton Eisenhower, brother of the President, is touring Latin America to get the pulse of the sister republics to the South. All of these manœuvres seem strictly exploratory and nothing in the way of decisions can be expected until the findings of these missions can be analysed and consolidated.

While a great personal loyalty of the masses to President Eisenhower remains, public opinion is becoming somewhat restive about the lack of decisions in official quarters. Nearly everyone seems to feel, this is the time to take the initiative and make decisions, right or wrong, but it is not the time to be cautious and wait for the outcome of staff studies which will be outdated by events by the time they are finished. That is the reaction of the typical American mass temperament which the late President Franklin Delano Roosevelt was keen to realise.

President Eisenhower is still bent upon persuading Congress to conform with the Administration viewpoint and to be friends with everybody including Senator McCarthy who continues with his anti-Communist investigations in the usual middle-Western perspective of isolationism.

Gloom Disappearing

Meanwhile, the gloom over future business conditions is disappearing in a cloud of optimism. Business men who were chary of the outlook a few short months ago, give the American economy at least another six months of prosperity.

Sales and profits in the last half of the year will be as good or even better than those of a year ago, they maintain now. That is what the opinions of business surveys are saying to-day.

Six out of every ten business men interviewed in a comprehensive poll the other day foresaw, for example, that fourth quarter sales will be higher than in 1952. Those who anticipate gains in net income now outnumber those who look for a decline by nearly three to one.

Consumer spending in the quarter ended 30th June, rose to an annual rate of about $228,000 million which is $2,000 million higher than in the first quarter and employment increased, as students streamed into the U.S. labour forces with the closing of schools for the summer.

Soft Spots

Soft spots remain, however. Bankers grew cautious as the people's instalment credit grew steadily and was more than $5,000 million higher than a year ago. Business inventories soared to a record of $78,000 million at the end of May which was $4,000 million above a year ago.

Many feel that new automobile production is too high and will have to be slowed down before the year is over and that steel deliveries will reach a balance between supply and demand within the next few weeks.

As a result of falling commodity prices, the Washington Government had $3,800 million invested and obligated under the price-support programmes on 31st May, 1953. This was more than double the $1,600 million of a year ago. As of this writing, the disaster drought areas of the South-west have been helped somewhat in recent days by rains, but the cotton crop promises to be 2 million bales shorter than previously estimated. The drop in commodity prices is spectacular, but only in terms of the somewhat ridiculous heights reached after the outbreak of war in Korea. Despite some soft spots, including textiles, which have been in the doldrums for a long time, the American economy could not be more satisfactory than at the mid-year term. Overall activity is still mounting.

The May check volume in 245 cities in the U.S. was up 6.9 per cent, compared with May, 1952, but in 100 of those cities the volume was actually lower. The other 145 localities showed a substantially higher volume so that the overall result is a rise of nearly 7 per cent.

The private capital markets of the U.S. provided about $11,000 million of new intermediate and capital financing in the first six months which was more than in any six months' period since the war. It compares with about $9,500 million in the first half of 1952.—*All Rights Reserved.*

(Concluded from next column)

upon to render from time to time. As a step forward in this direction, it had recently decided to subscribe to the extent of 30 per cent. to the capital of Pakistan Oilfields Ltd. and Pakistan Petroleum Limited. This 30 per cent. was originally set apart for subscription by Pakistani nationals in accordance with the Pakistan Petroleum (Production) Rules, 1949; but, since the response from the public was poor, the Government felt called upon to fill the void.

While welcoming the Governor-General, Mr. M. J. Condon, the Chairman of the Company's Board of Directors, gave a brief account of oil operations in Bugti tribal territory. Mr. Condon emphasised that the completion of the construction phase at Zin was not the signal for us to waste time in self-congratulation. He added: "It is the time when we must look forward to further tasks to the drilling of this well (successful, we fervently hope, and then to the completion of other projects. Zin, although important, is but a single stage in the exploration of this area and we look to the future with confidence and enthusiasm."

New Factories for Punjab

To the list of industrial establishments in the Province of Punjab, two more are to be added, namely, a rayon yarn factory and a sugar mill. According to a recent report from Lahore, the Pakistan Government has already given permission for the setting up of these new factories. The rayon factory is to be established at Okara, while the sugar mill will be located in the sugarcane-growing areas of the Lyallpur District.

PAKISTAN NOTES

DRAFTING A FIVE-YEAR PLAN

NATIONAL PLANNING BOARD SET UP

A NATIONAL Planning Board, with Mr. Zahid Hussain, former Governor of the State Bank of Pakistan, as the Chairman, has been appointed by the Government of Pakistan. The Board is entrusted with the task of preparing a Five-year Plan which is to be more comprehensive than the Six-year Development Programme incorporated in the Colombo Plan. The four-fold terms of reference of the Board are as follows:

(1) To assess the resources, material and human, which can be made available for development during the next five years beginning from 1st April next;

(2) to review the development that has taken place since independence and prepare a National Plan of development based on the fullest possible utilisation of those resources in a period of five years as a step towards the attainment of the economic and social objectives of the Government's policy;

(3) to make proposals to gear the administrative machinery to the successful implementation of the Plan; and

(4) to submit any other recommendation which will contribute to the success of the Plan.

The Board is expected to submit a draft plan by the end of next year. The Plan will be so designed as to develop the resources of the country "as rapidly as possible," so as to promote the welfare of citizens, social justice and equality of opportunity, and to effect the widest and most equitable distribution of income and property.

Search for Oil

The search for oil in the Zin mountain of the Bugti tribal territory began on the 17th inst., when Mr. Ghulam Mohammad, the Governor-General of Pakistan, performed the formal spudding-in ceremony of the first test well of Pakistan Petroleum Limited in this area. That oil, the life-blood of the present-day world's economy, Mr. Ghulam Mohammad said, in the course of his address, had an importance all its own in Pakistan, owing to the absence of good quality coal in that country, and it was gratifying to see new internal sources of it being discovered and tapped: "The search for oil," to quote him, "requires a spirit of enterprise, organisation and confidence in one's theories and scientific conjectures. The pursuit of oil is a very expensive one and its scope is, therefore, limited to a few highly organised companies in the world. Pakistan, broadly speaking, is not well advanced either in technical or industrial enterprises. I commend to my people the example of ideals of organised hard work which are so clearly demonstrated by oil companies. Oil companies the world over are the targets of criticism by people who do not like their immense production control of large sources of supplies. I am not here as an apologist of that aspect of life, but one cannot shut one's eyes to the spirit of enterprise shown by oil companies without which some aspects of human progress would not be possible.

Dwelling on the search for oil in Pakistan, the Governor-General said that 34 oil mining concessions had been granted since the enforcement of the Pakistan Petroleum (Production) Rules, 1949. Of these, 22 were granted to Pakistan Petroleum Limited and 10 to Pakistan Oilfields Ltd. Both these Companies had greatly intensified their exploratory efforts during the last few years. During the year ended 31st December, 1952, as many as eight test wells were spudded, of which two, the credit for which goes to Pakistan Petroleum Limited, proved successful. One of these two wells was the second Sui well and it proved that the natural gas struck in the course of drilling the first Sui well was extensive enough to admit of commercial utilisation. The Company had furnished the Government with a report on the utilisation of this gas which was under the active consideration of the Government. A measure of the concrete results achieved by the combined efforts of the Pakistan Petroleum Ltd., and the Attock Oil Company Ltd., the two producing companies operating in Pakistan, is provided by the fact that the production of oil in Pakistan increased from 333,944 barrels in 1947 to 1,384,671 barrels in 1952.

Speaking of the Government's role in the search for oil, Mr. Ghulam Mohammad pointed out that his Government had not been merely watching the activities of the oil companies as interested spectators but rendering them such active help and assistance as they were called

(Continued in previous column)

WEST GERMANY FIVE YEARS AFTER CURRENCY REFORM

DEUTSCH MARK GAINS REMARKABLE STRENGTH

THE fifth anniversary, last month, of the currency reform provided the Government and people of the Federal Republic of Germany with an occasion to take stock and to marvel at the amazing economic recovery their country had made since 21st June, 1948, when the British, French and U.S. Military Governors ordered a revaluation of the money at a rate of 10 Reichsmarks and one Deutsch mark. The situation then looked bleak indeed: Germany's industrial plant, devastated by the war, had only partly been restored and production had not even reached 50 per cent. of the 1936 output. Food, severely rationed, was hardly above the subsistence level, shops and stores were bare of merchandise except for useless knicknacks and some *ersatz* goods. Black markets dealing in almost anything, from a pound of butter to precision tools and penicillin, were flourishing; cigarettes had largely replaced the mark as a means of payment. The morale of the workers and business initiative had hit an all-time low.

To-day, to most of the citizens of West Germany, these conditions seem like a bad dream. Food is once again abundant; store windows bulge with consumer goods of every kind and quality, including imported luxury items. Industrial production now stands at about 150 per cent. of the 1936 level, and the standard of living has climbed back to pre-war heights. Exports have increased tenfold since 1948, giving Germany a favourable balance of trade of $181 million. The Deutsch mark, which only five years ago was nearly worthless, has become, for all practical purposes, a hard currency which is almost as much in demand as U.S. dollars and Swiss francs. The favourable results of the currency reform and other financial policies of the West German Government will be evident from the notable improvement in the value of Deutsch marks in foreign markets. Thus, in the Zurich exchange, which is a free market, Deutsch marks were quoted in terms of U.S. dollars at $1=4.591 DM. in April, 1953, which compares favourably with the rate of $1=5.772 DM. at the end of 1949.

This miraculous recovery, the most spectacular economic progress recorded by any European nation during the post-war period, is being attributed to a number of factors. First among these is the aid given to Germany by the United States through the Marshall Plan and other forms of economic assistance which has amounted to $4 billion within the last five years. While providing positive aid in the reconstruction of West Germany's economy, the Western occupying powers renounced any right to receive reparations out of the country's running production. Every West German worker, every farmer, every factory owner knew that every single item they would produce benefit the well-being of their fellow countrymen.

In sharp contrast, up to this day, trains in the Soviet-occupied zone of Germany keep rolling eastward, heavily loaded with "reparation" goods, foodstuffs and industrial goods. In the West, the U.S. Army engineers helped restore railroads and bridges—in the East, Russian troops tore up and shipped to the Soviet Union railroad tracks—another reparation item—dealing a crippling blow to the East German transportation system.

The currency reform which was carried out under orders and control of the Military Government and which aroused much criticism at the time is now being credited by many German leaders with having played a decisive part in the recovery process. In a speech commemorating the revaluation of the mark, Dr. Ludwig Erhard, Federal Minister of Economics, said that it provided the basis for the task of reconstruction, because the restoration of a sound monetary system, once again, gave the German people an incentive to work hard for a just reward and freed them from stifling bureaucratic restrictions. Even those who do not agree with all of Dr. Erhard's economic views admit that the currency reform administered to West Germany's economy a powerful and much-needed shot in the arm. Gradual abolition of the rationing system followed the currency reform within weeks. The disappearance of ration cards marked also the introduction of an economic system based on completely free enterprise, practically undisturbed by State control or interference.

No wonder, East Germans see with envious eyes the well-stocked stores in the West where everybody may buy what he or she wants. In Soviet-controlled East Germany, only ration cards entitle to food and clothing at normal prices. And since there is not enough food for everybody, the Communist regime simply denied large segments of the population the right to get ration cards, thus forcing them to patronise the Government-run black market stores. This involute system was changed only recently, under the pressure of general indignation.

In the opinion of most experts, the major share of the credit for their come-back, must go to the German people. A high degree of productivity, good management, ingenuity and thriftiness enabled them to rebuild their shattered cities and factories, restore their trade and finance and reconquer their foreign markets.

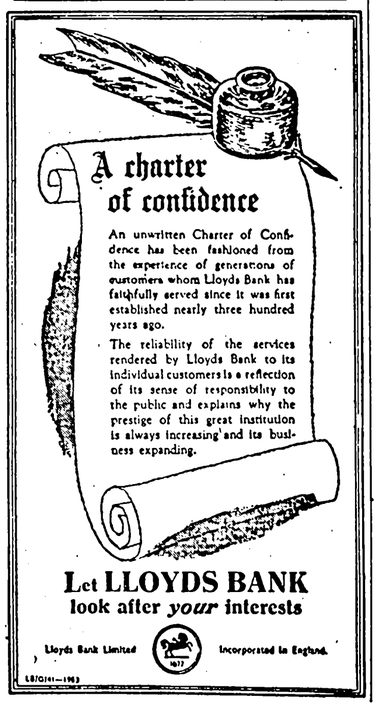
Employment has risen to over 15 million, with only 6.4 per cent. of the available labour remaining unemployed. Steel production in 1953 is expected to go up to 18 million metric tons which is higher than the pre-war level and about on a par with Britain's steel output in 1952. Agricultural production is also higher than in the pre-war period despite the loss of large food-producing areas in Eastern Germany. Most important perhaps from the point of view of people whose homes had been destroyed or damaged by the war on a scale not even remotely experienced by other countries, was the fact that housing construction since 1948 has proceeded at a pace which added 400,000 units last year alone.

This recovery is all the more remarkable, as West Germany comprises only 52 per cent. of the 1937 Reich territory. The population of the Federal Republic, on the other hand, is 22 per cent. higher than that of the same area in 1939, due largely to the influx of almost 10 million refugees from the territories east of the Oder-Neisse, from the Sudetenland, and other East European countries. In addition, thousands of people have fled and still are coming weekly from the Soviet zone of Germany to escape political persecution and economic misery. The assimilation and care of these refugees have presented the West German Government with a major economic and social problem, the magnitude of which can be measured by the fact that over six million people or 13.5 per cent. of the population are dependent on public assistance in form of unemployment, social security or relief payments.

Although expenditures for social purposes absorbed over 14 per cent. of the national income in 1952, the Federal budget was not only balanced but showed a surplus. The fiscal policies pursued by the West German Government were effective in curbing inflation and maintaining a stable currency without which, in the view of many qualified observers, the quick and far-reaching economic recovery would not have been possible.

The gross national product, calculated per head of the population, amounted to 1,705 DM. in 1949 and 2,606 DM. in 1952. At current prices, this is an increase of 77 per cent. from the day of currency reform to the second half of 1952, or 62 per cent. on the basis of equal purchasing power. Any increase in employment, any rise in the standard of living, any improvement in social benefits, is predicted upon increasing investments, especially new investments and stockpiles. Gross average weekly earnings of both male and female labour in industry, except mining, had reached a level of 191.9 in August, 1952, as compared with the 1938 level of 100. During the same period, the cost of living index rose from 100 to 169. Thus, the average industrial working man and working woman benefited by an average increase of 14 per cent. in real wages. The increase in the accumulation of capital enabled the Federation to float the first large Federal loan in December, 1952. This loan was fully subscribed—a proof of growing confidence in the financial stability of the Federation.

Although the refugees will continue to be a serious problem for a considerable time to come, particularly in regard to housing and employment, most experts take a generally optimistic view of the economic future of West Germany. They predict that, if conditions remain about the same as during the past five years, Germany would reach by 1961 a productive level about 50 per cent. higher than the present one. While the increase in population will probably necessitate larger imports particularly of food, exports are expected to increase sufficiently to maintain a favourable balance.



MORE BANK PROFITS

The preliminary results of working of three more Scheduled banks during the half-year ended 30th June, 1953, released during this week, show that their profits are in consonance with the lower trend noted in the case of the Imperial Bank of India and the Bank of India Ltd.

Central Bank of India Ltd.

The profit of the Central Bank of India Ltd. for the past half-year, subject to audit, amounts to Rs. 43.32 lakhs, which, as compared with that for the corresponding six months of 1952, reveals a contraction of Rs. 4.52 lakhs. The sum brought in from the previous half-year is also slightly lower at Rs. 17.23 lakhs, as against the corresponding sum of Rs. 17.66 lakhs brought forward in 1952. The total sum available for distribution is accordingly smaller at Rs. 60.55 lakhs, as against Rs. 65.50 lakhs a year ago. The Directors have proposed to maintain the dividend for the half-year under review at 12 per cent. per annum, free of income-tax (i.e., Re. 1-8 per share of Rs. 25), which requires, as in the previous year, a sum of Rs. 18.87 lakhs. No other appropriations have been made and the balance of Rs. 41.68 lakhs, subject to provision for taxation, is being carried over to the next half-year's account, the corresponding sum of last year being Rs. 46.63 lakhs.

Indian Overseas Bank Ltd.

The profit of the Indian Overseas Bank Ltd. for the half-year ended 30th June, 1953, including the amount brought forward from last year's account, amounts to Rs. 8,22,601, a fall of Rs. 64,091 as compared with that for the first half-year of 1952.

Andhra Bank Ltd.

The working of the Andhra Bank Ltd. during the six months ended 30th June, 1953, has resulted in a net profit, subject to audit, of Rs. 2,46,786. As compared with that for the first half of 1952, the profit for the half-year under review shows a fall of Rs. 45,891. The sum brought in from the previous year's accounts is, however, higher at Rs. 7,231, as compared with Rs. 3,977 brought in a year ago. The total sum available for appropriation is Rs. 2,54,017, as against Rs. 2,96,655.

The Punjab National Bank Ltd.

The Directors of the Punjab National Bank Ltd. have decided to pay an *ad-interim* dividend at 8 per cent. per annum, free of tax, for the half-year ended 30th June, 1953, which represents an increase of 2 per cent. per annum over that paid for the corresponding six months of 1952.

The preliminary results of working of the Bank are not available but, if the higher distribution to the shareholders is any indication, the Bank's profit for the half-year must have been higher than that for the first six months of 1952. If that happens to be so, then it will be a distinct departure from the general trend. The stepping up of the dividend is also a departure from the general trend of bank dividends.

INDIA'S STERLING BALANCES

AGREEMENT WITH U.K. CONSOLIDATED

THE Governments of India and the U.K. entered into a financial agreement, on the 20th inst., at New Delhi, in regard to the release of sterling balances which India holds in the U.K. The agreement has retrospective effect from 1st July, 1951, and will remain in force for a period of six years from that date, that is up to 30th June, 1957. This agreement does not break any fresh ground, it only consolidates the provisions of the agreement between the two Governments already in force, namely, the one entered into by an exchange of letters on 8th February, 1952, between the Finance Minister of India and the British Chancellor of the Exchequer. There is no modification whatever of the agreed arrangements for release of sterling balances. The change is only one of form and not one of substance.

The first Indo-U.K. financial agreement on the release of sterling balances, it will be recalled, was signed on 14th August, 1947. This agreement was in force originally for a period of six months ended 31st December, 1947. But it was subsequently modified and extended from time to time by letters exchanged between the two Governments. It was eventually extended for a period of six years ending 30th June, 1957, by exchange of letters on 8th February, 1952, as already stated. The ratification of the provisions of the agreement by exchange of letters by signing a formal agreement does not, therefore, involve any additional strain on the financial resources of Britain.

India's sterling balances are held in two accounts, namely, current account (No. I account) and blocked account (No II account). The current account is credited with any sterling received by the Reserve Bank of India in respect of current transactions and any sums transferred from No. II account. The No. II account will be credited with the proceeds, at maturity or on realisation, of any investments purchased in accordance with established custom, out of funds standing to the credit of that account. The No. II account will also be credited with any sums, transferred from No. I account which had been paid into it (1) after 15th July, 1947, in respect of the settlement of any matters outstanding under the Defence Expenditure Plan and of any other accounts relating to transactions which were connected with the war and took place prior to 15th July, 1947 (the date from which the first agreement came into force), (2) any amount equal to the net capital movement from the other scheduled territories to India, and (3) such other items as may be agreed upon between the two Governments.

Minimum Currency Reserve

One of the main provisions of the agreement is that the sum of £310 million unblocked and transferred to the current account under the agreement of October, 1951, will be retained in that account by the Reserve Bank of India as a currency reserve and will not be drawn upon without previous consultation with the Government of the U.K. The other provisions of the agreement are designed to regulate the flow of the annual instalment transferred from No. II account to No. I account. Every year, during the period of currency of the agreement, a sum of £35 million will be transferred to the No. I account. Such transfers will take place only as and when necessary to maintain a minimum balance of £30 million on No. I account, in addition to the aforesaid sum of £310 million held as currency reserve, and will be available for utilisation during each year. Any part of the unutilised portion of the sum transferable in any year will be carried forward and added to the sums available in the later periods, provided the minimum balance of £30 million is retained in addition to the currency reserve. Subject to this condition, the Government of India is free to overdraw in any year to the extent of £5 million without prior consultation with the Government of the U.K. If, during any particular year, India requires to draw something more, it should consult the U.K. Government. Any balance remaining on No. II account on 30th June, 1957, will be transferred to No. I account.

The result of working of the agreement during the last two years shows that the utilisation of sterling balances has been less than the amount available. Thus, at the commencement of the period of the agreement, that is, on 1st July, 1951 India's sterling balances had stood at £643.06 million, including £90 million in the current account, representing the unutilised releases during the period prior to 1st July, 1951. Under the agreement, India could have utilised £70 million during these two years, in addition to the sum of £90 million brought in from the previous years, a total of £160 million in all. If India had utilised this amount (£160 million) in full during the last two years, the balances would have run down to £483.06 million by the end of June last. But actually the balances, as on 3rd July, 1953, stood at £533.68 million, that is, £50.62 million more than the balances which would have remained, if India had followed the schedule. This unspent balance of £50.62 million, together with £105 million, making a total of £155.62 million, would be available for India, to be drawn during the next three years. It should, however, be noted that the balance of £533.68 million as on 3rd July, 1953, includes £343 million, representing the currency reserve and the minimum balance of £30 million to be kept in the current account.

NETHERLANDS SHIPPING COMPANIES REPAY WORLD BANK LOANS

Four Netherlands shipping companies, namely, Royal Rotterdam Lloyd, Nederland Line, Holland-America Line and United Netherlands Navigation Co., had taken in 1948 six loans in all from the International Bank for Reconstruction and Development, of an aggregate sum of $12 million. All the loans have a maturity of 10 years, but the shipping companies have now repaid them, five years ahead of maturity. The proceeds of the loans were utilised to purchase six cargo vessels which have been used by the companies in their inter-continental services.

The loans were secured by mortgages on ships, and evidenced by 2½ per cent. serial mortgage notes guaranteed by the Kingdom of the Netherlands. In 1948 and 1949, the Bank sold the entire issue, with its guarantee, to a group of United States commercial and savings banks. Half the notes were paid as due, and the 1954-58 maturities, recently held by banks, both inside and outside the United States, have now been purchased by the shipping companies and cancelled.

JAPAN READY TO BUY STERLING FOR DOLLARS

Japan is facing a serious shortage of sterling and steps are being considered by the Government to ease the shortage. One of these steps is an offer of dollars to Britain in exchange for sterling. No further details as to the amount in dollars to be offered, etc., have been disclosed by the Foreign Office, but Press reports estimate the amount of the new exchange swap by Japan at £10 million. According to these reports, Japan will also seek a three months' extension of the first swap authorised last April, which is reported to amount to £25 million. Japan will also ask countries in the sterling area to relax restrictions on the import of goods from Japan, the Foreign Office disclosed. It has instructed the Japanese Embassy in London to open negotiations on these matters in the very near future.

(Concluded from next column)

During the period under review, much interest was focussed on retention quota arrangements and similar practices. These arrangements are usually applied to dollar export receipts and confer special privileges on those obtaining such means of payment. Thus, during 1952, such arrangements were either introduced or expanded in three countries, but were abandoned in two others and partly abolished in another.

Two of the member-countries introduced "free" exchange markets, in which certain segments of their international trade and payments were to be handled. Three members introduced exchange taxes or increased the existing taxes.

Liberalisation of trade between countries which are members of the European Payments Union was, in general, maintained. In some cases, there was an increase of the liberalisation, while two of the leading participating countries were compelled to reduce their liberalisation. One of these last mentioned countries is stated to have since partially restored its liberalisation measures. Two E.P.U. countries had abnormal creditor position in the E.P.U. settlement and, in order to counteract this position, continued to resort to blocking part of their residents' export receipts derived from trade with other E.P.U. countries.

CHANGES IN EXCHANGE RESTRICTIONS

INTERNATIONAL MONETARY FUND'S FINDINGS

ARTICLE XIV, section 4, of the Articles of Agreement of the International Monetary Fund lays down that, not later than three years after the date on which the Fund begins operations and in each year thereafter, the Fund should report on the exchange restrictions still in force under section 2 of the same Article. In accordance with this requirement, the Fund has submitted its Fourth Annual Report this year. The first part of the Report contains the results of the Fund's consultations with various member-countries which were held during 1952 on the subject of further retention of their exchange restrictions, consultation programme for 1953 and the Fund's activity in the field of restrictions. The second part gives a general review of the developments in restrictions during the year 1952 and in early 1953, as also a series of country-wise surveys. It is, however, proposed to confine ourselves, in these columns, to the facts disclosed by the general survey of the developments on exchange restrictions.

The general survey indicates broadly the nature of the changes which had taken place during 1952 and early 1953 and thus assists an understanding of the general character of recent developments in exchange restrictions. It has, however, been found almost impossible to make any generalisation which would have widespread validity and cover developments in exchange control and restrictions during the period under review. Generally speaking, the period was one of consolidation for a number of countries and whatever changes that were noted in them were mainly in the nature of technical simplification in the operation of their exchange systems. So far as the other countries were concerned, it was essentially a period of "watching world developments to see what would take place elsewhere before taking any decisive measures to lessen their own exchange restrictions."

No Significant Relaxation

The volume of world trade was smaller in 1952 than in 1951, but the Fund is unable to say to what extent this reduction is due to intensification of international trade or exchange restrictions, which began in the second half of 1951, as contrasted with other causes. It would, however, appear that, in general, there was at least no significant relaxation in exchange restrictions, during 1952, though some countries lessened their restrictions, while the others intensified theirs. Some countries simplified their multiple exchange rate structures, while others made them more complicated.

The slowing down of the competition for raw materials in 1951 resulted in a decline in their prices, with few exceptions, during 1952 approximately to the levels of June, 1950. While the decline in price of raw materials undoubtedly helped the more industrialised countries, it tended, according to the I.M.F. Report, to produce in the primary producing countries a more cautious and restrictive attitude towards the granting of exchange and the lessening of exchange restrictions. Thus, in several leading countries, there was a reduction in the amount of exchange made available for imports directly arising out of a recognition of adverse balance of payments positions and a desire to correct them. The general use of discrimination in the application of restrictions continued during the period under review, so that payments in hard currencies were curtailed to a greater extent than were payments in soft currencies.

No additional currencies became convertible during the period. In more than half the number of member-countries surveyed by the Fund, multiple currency practices continued to operate. Three or four of them slightly simplified their multiple exchange rate systems by reducing only the arithmetical number of rates employed, but six member-countries found it necessary to elaborate their multiple exchange rate systems. Among the latter, two countries introduced additional fluctuating exchange rates by the use of negotiable certificates. These certificates entitle the holder to obtain exchange in payment for imports not otherwise permissible. Another country introduced an "auction system" by which it allocated limited quantities of available exchange. This means of exchange distribution had not been exercised for some years.

(Continued in previous column)

COTTON TEXTILE INDUSTRY IN JAPAN

DRIVE TO RAISE TECHNICAL EFFICIENCY

SINCE Japan occupies a predominant place in the international cotton textile trade, the developments in the sphere of cotton textile industry and trade in that country considerably influence the pattern of world trade in cotton textiles. Information on these developments, therefore, has always been read with great interest. As readers are aware, the past few months witnessed brisk activity in the Japanese cotton textile industry and trade. This is clearly borne out by the marked rise in the production of cloth, the quantity of woven cotton fabrics actually produced during the month of March, 1953, being nearly 215 million square yards, which is the highest monthly average for the past five years. The output in the previous month and the corresponding month of 1952 was 200 million square yards and 195 million square yards, respectively. The rise in cloth output closely follows an increase in yarn production, from 59.09 million lbs. in March, 1952, and 60.64 million lbs. in February, 1953, to 65.93 million lbs. during the month under review.

The steady rise in cotton yarn and cloth production has been followed by an expansion in exports. Thus, during the first quarter of this year, Japan exported as much as 187 million square yards of cotton piecegoods, as against 146 million square yards three months before. It is true that the quantum of exports in the first quarter of 1953 was less than the average for 1952, thereby indicating that the world trade in textiles has been running at a low level. But Japan fared better than any other textile exporting countries. It will be interesting to note, in this connection, that, during the quarter under review, exports of cotton piecegoods from the major exporting countries were roughly 5 per cent. below the previous quarter's total and were down to the level registered in the second and third quarters of 1952. Latest figures relating to exports are not available. There are, however, indications to suggest that export orders for Japanese cloth in recent months have been at a fairly high level.

Government's Assistance

The Japanese Government is actively assisting the textile industry in its task of expanding export markets. With a view to ensuring adequate supplies of cotton at reasonable prices to the mills, it has, for instance, decided to import, on a barter basis, an additional 70,000 bales of raw cotton from the Middle and Near East and Central and South America. It has also decided to expedite import of 80,000 bales of Pakistan and Indian raw cotton allotted for the July-September, 1953 period. A sum of $19.6 million has been earmarked for those increased imports, as against $16.6 million in the "switch-over trade" budget and $3 million in the "priority foreign currency" budget.

The industry itself is striving hard to expand the export trade by its own efforts. Thus, a Cotton Goods Promotion Association has been set up by a number of member-companies of the Japan Cotton Spinners' Association. The leading cotton spinning firms in Japan are now engaged in modernising their equipment, in order to improve technical efficiency and the quality of the textile output. The Kurashiki Spinning Company is the first to import an automatic spooler from the U.S. It has also placed orders for a continuous bleaching machine. The other spinners are also following suit. A few leading Japanese cotton textile interests are reported to have recently concluded arrangements with two big U.S. concerns—the U.S. Monsanto Chemical Company and the Nissan Chemical Company—for securing technical aid to the spinning industry. Another contract for technical aid has been signed by the Nisshin Spinning, Fuji Spinning, Kurea Spinning and Toyo Textiles Companies with Cluett Peabody & Co. This contract is said to cover, in particular, methods for shrinking and finishing textiles.

Although all practicable efforts are being made to increase textile exports by rationalisation of the industry, the Japan Cotton Spinners' Association has urged the authorities to take steps to bring about "further export expansion through economic diplomacy." In other words, the Association wants the Government to adopt the following four-point policy at the diplomatic level:

(1) To exert pressure for the speedy relaxation of import regulations now prevailing in Britain and other Commonwealth countries;

(2) to revise trade and payment agreements with Indonesia and other Asian nations;

(3) to approach the U.S. for another cotton credit for Japan; and

(4) to conclude urgent trade and navigation pacts with as many nations as possible.

The Association has also put forward a number of other suggestions. These relate to reduction in money rates on loans to the textile industry, revision of taxation to promote exports, cut in freight and insurance premiums, and expansion of the export credit insurance system. Yet another plea of the Association is for the amendment of the Occupation-dictated anti-monopoly law, with a view to permitting the traders to form associations for the "planned exploitation" of individual foreign markets.

Lesson to India

There is a lesson which India can draw from this brief survey of the development in the Japanese cotton textile industry and trade. It is that, if the Indian cotton mills are to meet the growing competition from the Japanese mills, they should be given the same facilities and the backing which are now being given to their competitors by their respective Governments. Far from doing anything in that direction, it is unfortunate that, within these few months, the Government of India should have suspended the issue of licences for automatic looms, despite the fact that many mills are willing to go in for this type of weaving with a view to cutting down their cost of production and improving the quality. Further, the mills are handicapped by the suspension of import licences for essential mill-stores, such as bobbins, reeds, starch (including sago), caustic soda, hydrogen peroxide, etc. As Mr. Neville Wadia, one of India's leading millowners, aptly remarked, in the course of his address at the recent meeting of the Export Advisory Council, if cloth production, particularly for export, is to be maintained, it is very essential that there should be a continuity of supplies of mill-stores of suitable qualities and in requisite quantities.



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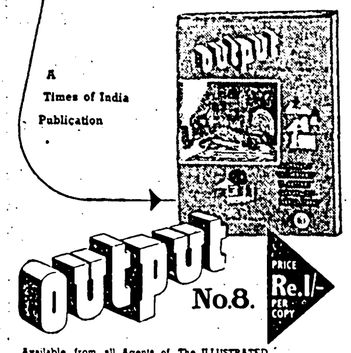

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JAPANESE COMPETITION IN RAYON GOODS

In his statement to the shareholders of Courtaulds Ltd., the leading rayon producers, the Chairman, Sir John Hanbury-Williams, has referred to the growing threat of Japanese competition. Japan, he says, has been steadily climbing back to its pre-war position in world rayon trade, and in 1952, overtook Italy and the U.K. to become once more the world's greatest exporter, although its share in the total was small as compared with its pre-war position. This took place, despite restrictions which were imposed, on account of balance of payments difficulties, on textile imports into the British Commonwealth from Japan, as well as from other countries outside the sterling area. These restrictions have now been relaxed according to Courtaulds' Chairman, to a "serious" extent. In this connection, he refers to Japan's application for admission to the General Agreement on Tariffs and Trade (G.A.T.T.) and says:

"The application by Japan for admission to the General Agreement on Tariffs and Trade is being considered at the present time by H.M. Government and by the Governments of other G.A.T.T. countries, and I feel that I should take this opportunity to give a warning that, if Japan were admitted to membership, she would gain considerable tariff advantages in the British Commonwealth, together with important rights with regard to import licensing. We are relying on our own Government and, indeed, the other Commonwealth Governments to ensure that proper safeguards are written into the Agreement to prevent a recurrence of competition such as we experienced from Japanese rayon exports in the pre-war years."

This view, however, is not shared by all in Britain. Commenting on it, the *Economist*, for instance, observes:

"The British rayon industry, which exports as much as half its output, would do better to meet this competition commercially than to campaign against the relaxation of restrictions that would follow the admission of Japan to the General Agreement on Tariffs and Trade. The threepence a pound that was taken off the price of Courtaulds' rayon staple last week is a stronger and more proper counter to Japanese exports than arguments for the rentention of trade restrictions."

Referring to the production of rayon in different countries, Sir John says that the estimate of production of rayon and synthetic fibres show that, in 1952, output fell in most major countries, including the U.K., the U.S., France, Germany and Italy. The single important exception was Japan which increased its production by 10 per cent. The U.S. maintained its dominant position by accounting for over one-third of world output. Although the trend of production has been upward since the second half of 1952, running as it has done at a rate far higher than that recorded even at the peak of the 1951 boom, Sir John is not optimistic that this state of affairs is likely to continue much longer, as a part of the good demand for rayon in recent months is due to the building up of stocks by consumers which must come to an end sooner or later.

U.K. TEXTILE MISSION TO EAST AFRICA

It is not merely Japan that is offering competition to India in the cotton textile market; the U.K. also is offering similar competition. This is indicated by the vigorous drive, launched by the Lancashire mills and the British Government, to step up exports of cotton piecegoods in the African region. It was only in December last that a U.K. cotton textile team, appointed by the British Board of Trade, visited West Africa with a view to exploring the possible ways and means by which Lancashire mills could supply Africa the types of cotton piecegoods it wants at prices which suited the pockets of its people. This has now been followed by another team to East Africa.

The visit of this team, a report from Dar-es-Salaam avers, has been warmly welcomed by the Tanganyika textile importers. The African taste in textiles, it is stated, is always changing, so much so that a new design in different colours has to be created for every fresh consignment of prints imported into Tanganyika. At present, it is considered cheaper to buy grey-black cloth and dyed woven yarn from India. The same holds good in the case of ready-made shirts and hosiery from Honk Kong.

TEXTILE DYESTUFFS

Of much interest to the clothing industry and trade is the announcement by Dyehouse Laboratories of Ciba (Basle) that bright red and pink shades of a fastness to light hitherto unattainable and possessing excellent all-round fastness properties have been obtained with Cibanone Brilliant Pink G and 2R. These two dyestuffs, it is claimed, have proved suitable for coloured bleach styles, furnishing fabrics and goods intended for subsequent rubber-proofing made from cotton, filament rayon and spun rayon. Further, they can be applied in the open vat, in machines, and by the pigment padding method. They are dischargeable to white and can withstand crease-resist finish.

CONTROVERSY OVER COTTON BUYING

WILL FUTURES TRADING BE REOPENED?

(From A Special Correspondent)

MANCHESTER, 14*th July*

MANCHESTER LETTER

SPINNERS in Britain have now had their second—and possibly their last—opportunity of making a choice between centralised buying, as carried out by the Raw Cotton Commission, and private trading through individual Liverpool and Manchester merchant firms. Their decision will influence the trend of purchases of cotton for the next 12 months from the beginning of September, but, in a year's time, it is likely that a new set of conditions will have arisen and there may no longer be a choice to be offered.

To the outsider, either in other industries in this country or connected with cotton affairs abroad, the whole situation may appear oversimplified. To them it is merely a matter of throwing off the shackles and turning again to free enterprise in the shape of a Liverpool cotton market which performed so useful a function in pre-war days. Yet those close to the immediate sphere of activity know that the position is far more complicated, mainly as a result of the intervening years since Liverpool was open and the changes in the national economy. Were there no dollar problem for Britain, the issue would be far less intimidating.

Speculation on Cotton Purchase

Speculation on the volume of contracting-out from the Raw Cotton Commission this season has settled down to an estimate of rather more than half of the trade opting for private buying. The actual figures will no doubt be announced shortly by the Government. A few of the leading groups in the trade have made known their attitude and the trend is certainly towards acquiring more cotton on private account.

The problems facing users of Egyptian type cotton, however, are more formidable than spinners in other sections. Not only are they at the mercy of possible unsettling developments in Egypt and the Near East, but the availability of supplies of these particular growths is somewhat in question. It is believed that the Commission has considerable quantities of Sudan cotton in stock, which growths are now being increasingly used in Lancashire. Further quantities of this cotton will not be available on private account until early next year and the possibility of an interruption in supplies is naturally an eventuality which any millowner would wish to avoid.

American Influence

An angle to the raw cotton buying controversy, which is slowly being recognised, is the part which may shortly be played by American interests in the reformation of the Liverpool Cotton Market. Partly because of Treasury restrictions and partly owing to the stringent attitude adopted towards dollar purchases, the influence of American raw cotton firms is emerging from a shadow to greater substance behind the efforts to revive full freedom in cotton purchasing. This situation is understandably not entirely to the liking of Lancashire firms, among either merchants or spinners, but in the existing circumstances, it seems an almost inevitable development in which American finance will be very prominent in the moves to reopen futures trading.

In some quarters it is being questioned whether the advantage of a return to free trading is worth having the background of financial support from the United States and all that may entail. The pre-war Liverpool market functioned as an international organisation ready to offer its facilities to the cotton industries of the world, although it was, of course, entirely financed and supported by British endeavour. Times have changed, however, and the needs of the present seem to outweigh some disadvantages which may accrue from outside sources.

Fine Spinners' Views

Another of the big Lancashire cotton combines has decided to buy the majority of its raw material privately rather than through the State-sponsored Raw Cotton Commission. Mr. W. T. Winterbottom, Chairman of Fine Spinners and Doublers Ltd., told the annual meeting that the group was contracting-out from the Commission for about 55 per cent. of its cotton for the coming year. In the first opportunity for private buying during the past 12 months, the combine bought 33 per cent. of its supplies through Liverpool and Manchester merchant firms. The ending of the Commission's monopoly, declared Mr. Winterbottom, had revived the keenness of importers to offer their clients keen prices and good service, forcing the Commission to trade on a competitive basis. Although he contended that the net results between prices paid for cotton privately imported and those charged by the Commission were "marginal," the company had derived considerable benefit from the facility to secure from the growers the cotton of its own choice for contracting-out mills.

Mr. Winterbottom, who is also President of the Master Spinners' Federation, painted a brighter picture of future prospects for the cotton and rayon trades. He said: "The outlook is clearer now than it has been for 18 months. After heavy falls, raw material prices have achieved some degree of stability. In the home trade, stocks at all points between producers and consumers are low. Only a slight increase in present demand could quickly change the situation to a sellers' market. In my view, a brighter trading period is discernible."

Mr. Winterbottom is a known protagonist of the wider use of rayon in conjunction with cotton and the mills in his group include a number which are spinning rayon staple in larger quantities. But he is realist enough to admit that this trend can at times go too far. The expansion of demand for rayon is welcomed by all in the industry, as he says, so long as it is based on the recognised technical merits of the fibre.

There is, however, growing evidence that demand is being artificially inflated by the "D" scheme. For example, the pattern is being changed by the substitution of cotton shirtings, gabardines and other fabrics by cheaper materials which do not attract tax. "It is in this kind of distortion that the real danger of purchase tax lies," he said and added that, "in the long run, no one benefits by the use of materials for purposes for which they are technically unsuitable."

Not only is the present system of levying purchase tax on textiles distorting the pattern of output by the use of one fibre for another but it is also coarsening the output of the industry. At one mill in the group, production of fine counts has been abandoned and the unit has been re-equipped to spin comparatively coarse counts of rayon. This trend is noticeable in other sections, leading to the assumption that the industry is being forced, somewhat against its will, to produce coarser, although not necessarily lower, quality goods.

Rayon Trading

Leaders of Lancashire's rayon industry have warned the Government that British rayon cloth exports to the Empire will be hit by the recommendation that restrictions on Japanese imports should be partially eased. Representations have been made to the Board of Trade about the adverse effect on the demand from Colonial markets for British rayon fabrics, if Japanese fabrics are admitted more freely, according to the British Rayon and Synthetic Fibres' Federation.

The Federation drew attention to the availability of U.K. textiles "and reminded the Board of the sacrifices that the United Kingdom rayon industry is making in order to provide suitable fabrics at prices within easy reach of Colonial consumers."

Workless Total Down

Unemployment in Britain's cotton industry at mid-June was down to its lowest for 18 months. Ministry of Labour figures, issued in Manchester, show that the out-of-work total in cotton spinning and weaving had fallen to 3,100, of which 1,200 were temporarily stopped. In May, the figure stood at 4,093, including 2,000 on short time. The number of vacancies in cotton mills continues to increase. Over 3,100 operatives are required in the spinning section of the industry and 1,200 in weaving. The clothing industry has vacancies for 5,300.

Raw Cotton Imports

More than 35,000 bales of cotton for Lancashire spinning mills arrived in British ports this week. Of total supplies of 35,611 bales, the Raw Cotton Commission imported 26,891 bales. Chief suppliers were the Sudan with 9,358 bales, Peru with 6,898 bales, Brazil 5,383 bales and the United States 5,997 bales. Still at sea for Britain are more than 38,000 bales, chiefly due from the Sudan, Egypt and the Argentine.—*All Rights Reserved.*

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HEDGE TRADING PERMITTED IN NEW CROP COTTON

CONTROVERSY OVER SCHEDULE OF TENDERS

THE long-awaited permission for futures trading in cotton in the 1953-54 cotton crop was given by the Central Government with effect from 17th July, 1953. Business, however, has been confined only to the February, 1954 delivery. The Government has decided to continue, without change, the floor and ceiling prices for cotton of the 1953-54 crop. Trading in the new crop was commenced early on Friday the 17th inst.

Although the Government has not explained why permission for futures trading in new crop is confined only to the February delivery, it is presumed that the Government will watch the course of this *vaida* for some time at least before granting permission in other *vaidas* and also will modify, some time in September, the schedule of tenders so as to introduce such changes as are necessary in that schedule in order to make it conform more nearly to actual conditions in cotton cultivation. The schedule prescribes, as is well known, the basic staple length and 'on' and 'off' allowances for class and staple of different varieties of cotton. On this question, there has so far been some controversy between the East India Cotton Association and the Textile Commissioner. The Association has a certain schedule which tallies in the main with the schedule prescribed by the Textile Commissioner. But the Association has acted in the belief that so long as it did not permit any violation of the fundamentals of the hedge contract, it could always allow some relaxation or restrictions. Thus, for Westerns, the Government has prescribed a basic staple length of 13/16", whereas the Association has prescribed 25/32". Similarly, the Association has fixed the basic staple length of Coomptah at 27/32" whereas the Textile Commissioner has prescribed it at 1" for this cotton. This controversy has, however, been ended by the Association's expressed willingness to enforce the schedules prescribed by the Government without making any changes therein.

The varieties which figured prominently in this controversy, have been 'Coomptah' and 'Westerns.' The Government's schedule (now accepted by the Association) in respect of these two varieties is as follows:

M.G. Coomptah 1" staple, including Jayawant, R.K. 19 and Bagalkot. Tenderable up to 15/16". Places tenderable: All places in the Dharwar, Belgaum, Bijapur, North and South Satara, Sholapur and Kolhapur Districts of the Bombay State, State of Mysore, and Raichur Protected Area in the Raichur District of the Hyderabad State.

M.G. Westerns 13/16" staple, including 881F. Umri White Northerns, Red Northerns, Hagari 1 (Western Farm) and Nandyal 14. Tenderable up to 15/16". Places tenderable: All places in Bellary, Kurnool (Pettikonda Taluka), Anantapur and Cuddapah Districts of the Madras State and Gulbarga and Raichur Districts (excluding Raichur Protected Area) of the Hyderabad State.

It is now prescribed that the schedule will be re-examined in September in the light of the experience of the men in the trade. After all, no schedule can be permanent. As new varieties are grown, quality improves and new areas are brought under cotton cultivation, all ideas about permissible staple length, and places of tender also should change. The schedule exists for the convenience of the trade, and not *vice versa*.

It is not, of course, clear what the Government proposes to do, if it decides to decontrol cotton altogether during the pendency of the February contract. It will then be open to any trader to say, when prices go against him, that he entered into the contract under the belief that the ceilings and prices would remain unaltered. In 1948, however, when a similar situation arose, the cotton was decontrolled without any difficulty although a *vaida* was pending. It is now generally believed that no precipitate action will be taken on the decontrol of cotton, without considering the legal and other implications involved in such a step. In any case, the Government would have done well to declare that it was permitting futures trading subject to its right to decontrol cotton at any time at its discretion. Such a qualification would have given no room for any future controversy.

COTTON-CUM-PADDY PROGRAMME

The Madras Agricultural Department has, as our readers are aware, been at some pains to demonstrate how best the paddy lands could be utilised to grow cotton in the off-season. A programme for this purpose has been initiated in the Department's Agricultural Research Station at Aduthurai, in the Tanjore District of that State. The station owns a farm of 52.5 acres, of which 17 acres were devoted to cotton. The major portion of the rest of the area was devoted to paddy on a double cropping system. Through intensive manuring and adoption of scientific methods of farming, the production of paddy increased between 1948-49 and 1952-53 from a bare 107,052 lbs. to 233,092 lbs. Between 1951-52 and 1952-53 the production of cotton increased by 12,000 lbs. to 17,000 lbs. Preliminary estimates show that the profit from the cultivation of cotton aggregated Rs. 300 per acre. Thus, while the total production of paddy in 1952-53 was more than double that of 1948-49, an extra crop of cotton was also grown on lands which had already grown two crops of paddy. Both land and labour were thus being kept busy all the year round. The success of this experiment shows that it is possible to utilise paddy-growing lands for cultivation of cotton without any damage whatever to the paddy crop. Mr. M. S. Sivaraman, Director of Agriculture, Madras State, rightly stated, on the occasion of the last Farmers' Day in that research centre: "What has been accomplished in this farm can be accomplished equally well on every acre of irrigated paddy in India."

PAKISTAN COTTON EXPORTS

The total quantity of Pakistani cotton, endorsed for export from 1st September, 1952 to 2nd July 1953, is 1.40 million bales as against 1.08 million bales in the same period in 1950-51. The geographical distribution of the export trade (in bales) is as follows:

	1-9-52 to 2-7-53	*Corresponding period in 1951-52*
U.K.	124,812	86,507
Continent	371,708	282,316
China	153,434	391,691
Japan	571,563	278,653
U.S.	12,170	437
Australia	30,212	8,591
Other foreign ports	91,304	8,507
Asian ports ...	15,018	1,941
Indian ports ...	100	400
East Pakistan ...	29,988	21,418
Total ...	1,400,309	1,081,464

U.S. COTTON

The U.S. is trying, according to New York reports, several methods whereby its cotton surplus might be liquidated. It is reported, for instance, that a Japanese mill is negotiating for the import of U.S. cotton on the understanding that the mill would be enabled to re-export to the U.S. a part of the cotton turned into grey cloth; the mill would receive one-third of the cotton shipped as processing charges. This arrangement, it is stated, will not involve any use of foreign exchange.

Another proposal is that the U.S. should allow the U.K., France and other countries to acquire $100 million to $250 million worth of cotton in exchange for non-dollar currency which could later be used by the Mutual Security Agency for military procurement and other objects.

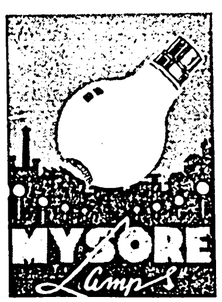
MADHYA PRADESH COTTON

The Madhya Pradesh Cotton Cultivation Bill prescribes restrictions on the cultivation of cotton, with a view to maintaining the quality of cotton in the State. The Bill provides for the supply of seed of the specified improved types of cotton at reasonable rates to the cultivators by the Government before the commencement of each sowing season. It is not known whether the Bill will be introduced in the forthcoming session of the Legislative Assembly.

INDO-EGYPTIAN TRADE AGREEMENT

Under the Indo-Egyptian Trade Agreement, exports from Egypt to India, including cotton, are payable, with effect from 9th July, 1953, in transferable sterling (60 per cent. of the value of imports) and in rupee clearing account (40 per cent.). The latter account is to be utilised for financing purchase of goods from India.

The Egyptian Ministry of Agriculture estimates the area under cotton cultivation in Egypt this year at 1.32 million feddans, as compared with the 1952 acreage of 1.97 million feddans (1 feddan=1.033 acres). The estimate is nearly 20 per cent. below traders' expectations.



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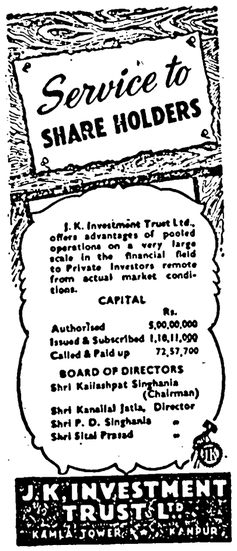

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ESTATE DUTY BILL

SOME MODIFICATIONS SUGGESTED

(By N. T. DALAL, B.Com., F.C.A.)

THE objects of the Estate Duty Bill, as outlined in the statement of objects and reasons, are to reduce the existing inequalities in the distribution of wealth and provide the States with necessary finance for their development schemes. The idea of bringing about an even distribution of wealth is, indeed, very laudable and welcome. But, when one examines the provisions of the Bill, one gets the impression that the object of distribution of wealth is only subsidiary to the object of deriving revenue and that this latter object dominates the entire structure of the Bill. If some of the provisions of the Bill are modified as suggested hereinbelow, the Bill will definitely serve the purpose of proper and equitable distribution of wealth and, at the same time, absolve the Government from the charge of squeezing the taxpayers needlessly.

Clause 9 provides that the property in the gifts not *bona fide* made two years or more before death shall be deemed to pass on the death of the deceased. Now, the word *bona fide* in this clause may be used by officials as an instrument to harass the heirs of a deceased even in case of gifts made two years or more before the death of the deceased. It would always be the duty of the heirs to satisfy the valuer that a particular gift was made two years or more before the death of the deceased, if the same is claimed to be exempted from estate duty. This is already implied even otherwise and, therefore, the words *bona fide* are quite superfluous. Further, its retention may prove to be a bone of contention and prevent the smooth working of the Act.

Secondly, the limitation of six months in the case of gifts for public charitable purposes is not at all necessary. The deletion of this bar will greatly serve the paramount object of distribution of wealth. If a wealthy man lying on his death bed is prompted by reasons of charity or religion to donate a handsome amount to a public school or hospital in his own town, he should by no means be discouraged from doing so by such provisions of law.

Under clause (32), certain gifts by the deceased are exempted from estate duty, even if the same are made within the period of two years or six months, as the case may be, but only to the extent of Rs. 16,500. This limit is too low and is not likely to be of much value from the point of view of the beneficiaries. Here also, if a dying person desires to bequeath gifts to his poor relatives, the Government should encourage him by substantial concessions under this clause. These exemptions should be fixed in terms of percentage of estate liable to duty, instead of the absolute figure of Rs. 16,500, so that the benefit may be equitable and just. Such gifts may provide capital for business in case of male relatives and the wherewithal for children's education in case of female relatives. Further if, by such methods, business openings are provided to a few persons who would otherwise have joined the rank of job-hunters, the problem of unemployment will be solved to that extent. It may be noted that the term "relative" is not used here in the same sense as in clause 26 under which only the wife, children, mother, etc., of a deceased are termed as relatives. Here it includes such distant relatives or other persons who have no direct claim whatever under the law to the property of the deceased.

Clauses 10 and 21

By virtue of clause 10, the gifted property will be deemed to pass only on the death of the deceased and as such liable to duty, if the possession of the same is retained by the donor even though all other conditions for non-taxable gifts are complied with by the donor. This clause is likely to act very harshly in the case of married girls. Every father makes some provision for his married daughter and her children. He, however, always prefers to retain possession of the gifted property with him, lest the son-in-law should exercise his undue influence and misuse the property. For this and several other reasons, it is not desirable to insist on possession by the donee. So long as the property is irrevocably vested in the donee and its income is exclusively enjoyed by him, the purpose of the law is well served.

Under clause 21, the time limit is altered from two years to five years in cases where the deceased is holding the property as trustee under a disposition made by him. This change is unnecessary and is likely to act as a deterrent to a person desirous of making a trust only if he can be one of the trustees. This will serve as an obstacle in the distribution of wealth and defeat the very object of the Bill.

Clause 24 provides that, if a husband or wife settles any property on the other party *before the commencement of the Act*, the same shall be exempt from estate duty until the death of the survivor, subject to certain conditions. There is no reason why the exemption should be confined to settlements before the commencement of the Act only. The benefit of this clause should as well be extended to all dispositions whether effected before or after the commencement of this Act. The clause is probably inserted to afford protection to aged married couples and there is no reason to set a limit to that healthy principle.

Clause 30 deals with allowance for quick succession. The relief under this clause is most unsatisfactory, as pointed out in minutes of dissent by some members of the Select Committee. Even in countries where the rate of mortality is not so high as in our country, the periods for reduction in duty in the case of second and successive deaths are much longer. In the U.S. and Japan, no levy is made on the second death if it occurs within five years of the first. If this is the approach of such advanced countries, what has prompted the Government of India to fix such short periods and also such meagre reductions in the levy? The provisions in this regard require to be substantially liberalised in view of the high rate of mortality in our country. Further, there should also be introduced a specific provision that, in the case of a widow dying within seven years from the date of her husband's death, there will not be further levy of duty on her death in respect of the estate gifted to her by her husband. The modification of clause 30 in this light will go a long way towards removing the hardship a widow will experience. In the absence of such a modification, a person will be tempted to transfer his property in favour of his young sons and not his aged wife with a view to saving duty. Many attempts are being made through the machinery of law and otherwise, to raise the status of women. Women are themselves fighting for their own rights in all directions. The economic dependence on men is, however, the most important handicap in their way. If by slight improvement in this Bill, women are placed in a better position, the Government will have done justice to the fair sex.

Clauses 49 and 50

Clauses 49 and 50 authorise the Board to prescribe means and manner of collecting the estate duty and accept Government securities in payment of the same on such terms as it thinks fit. The benefit of this clause, however, should be extended to shares and debentures of approved concerns, as also to immovable property generally, which may be accepted at the value for which they have been listed in arriving at the value of the estate liable to duty. This will automatically serve as a check on the authorities trying to overestimate the value of the taxable estate by inclusion of the notional wealth at an unduly high value. In this connection, the experience of the income-tax proceedings may be cited as an instance. The taxable profit is increased by disallowing the expenditure and including notional and/or unrealised income. Even the liability under income-tax has been instrumental in depriving many a business of its working capital and sometimes bring about its closure altogether. When such is the impact of income-tax, one can very well imagine the plight of a business when a large part of its liquid resources are withdrawn for payment of the estate duty on the death of any of its members. This may also result in forced selling with consequent reduction in the value of the assets constituting the estate.

In order to prevent all these hardships, it would be advisable to accept any portion of the estate in kind in discharge of estate duty. The Government is probably afraid that such a provision will bring in its hands unproductive or less productive assets. On the contrary, Government should welcome this, as it is in a position, owing to its large resources of finance and personnel, to develop such assets which were lying unused in private hands, thus increasing the wealth of the country. There is no additional advantage as a whole in disturbing the assets which already bear fruit, which may, of course, be so regulated by legislation as to bring maximum satisfaction to maximum number of persons. Take the example of land. There are in private hands vast tracts of land, which are not utilised either for agricultural or building purposes. If such lands in residential areas of industrial cities like Bombay are accepted by Government in discharge of estate duty and buildings are erected thereon, the problem of housing shortage will be minimised to a great extent. The private agencies are reluctant to invest in buildings for lack of liquid resources and other reasons. To encourage the erection of buildings, income in respect of new buildings is exempted under the Indian Income-tax Act, provided the erection of the building is begun and completed within the specified period, viz., upto 31st March, 1954, at present. Provision has also been made for initial depreciation allowance in respect of new buildings by an amendment of the section 10(2)(vi) of the Indian Income-tax Act in order to encourage business concerns to go in for investment in buildings. Even these exemptions have not contributed much to the solution of the housing problem. Government can, therefore, go a step forward and accept land also in discharge of the estate duty and further its own objective of encouraging building activity and lighten its own burden of finding housing accommodation.

In this context one may also refer to the *Bhoodan* movement which is gaining in volume and strength day by day. If State Governments are fixing ceilings on landholdings, one fails to understand why the Union Government should not accept land in discharge of liability to estate duty and redistribute the same to the landless labour on certain terms and conditions or pass them on to the State Governments for doing the needful.

Succession duty is preferable to estate duty, as it will be more equitable, in the sense that its incidence will be in proportion to the inheritance by the beneficiaries.

It may be said, in conclusion, that the above is not meant to be an exhaustive or critical analysis of the Estate Duty Bill, which has emerged from the Select Committee. The discussion has been restricted to only those provisions of the Bill which deal with distribution of wealth and levy of estate duty. The revenue-grabbing mentality has so much seized the minds of the sponsors of the Bill that the primary object of equitable distribution of wealth with the ultimate view of maximum well-being of the people, has been allowed to recede to the background. No proper balance has been maintained between these two objects. On the contrary, the object of distribution of wealth has been used to camouflage the other object which has recently come in for much adverse criticism at the hands of the public and the Press.

It will be advisable for the Government to channel the available resources of the country into the more useful and productive channels rather than take upon itself promotion of all kinds of ventures and concentrate for that purpose in its own hands a greater part of the wealth of its nationals. This method will enable the Government to control the capital and income of its nationals without the accompanying irksome feature of acquiring the same by means of taxation. The policy of heavy taxation is not justified also in view of the absence of ameliorative measures and benefits flowing from the State to the people on the lines prevailing in most of the advanced countries. The process of the poor becoming poorer and the rich becoming richer should by all means be stopped by the Government. But one is afraid that such heavy taxation, without the accompanying social security and such other special features obtaining in other countries, will bring about such a state of affairs that all will have to look to the State for one thing or another. This phenomenon is already visible in the sector of charitable institutions. Private philanthropy had in the past, given birth and nourished many a hospital and school. Such institutions are these days finding it difficult to evoke a sense of charity in the minds of their patrons, as the sources which have financed them upto now are gradually getting exhausted under the burden of crushing taxation.

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	Rs. a. p.
To pay an *ad-interim* dividend at the rate of 12 per cent. per annum free of Income-tax (i.e., Rs. 1-8-0 per share) for the half-year ended 30th June, 1953	18,87,255-0—0
To carry forward to next half-year's account subject to provision for taxation	41,67,552-3-11
	Rs. 60,54,807-3-11

INCOME-TAX STRUCTURE IN U.S.

In 1900, when an American made a million dollars, he could fulfil his wildest dreams. For millionaires in 1900 (there were approximately 4,000 in that year, as against 3 in 1861) often spent their millions with incredible abandon. The American who makes a million dollars in 1953 is somewhat more restricted in his purchasing ability. For one thing, he can spend only 16 per cent. of his million dollars in pursuit of his dreams. The other 84 per cent. goes back to the Government in taxes. The shift in the position of the rich has been striking, and the income-tax is, in great measure, responsible for it.

In the years since the first income-tax law was enacted, more and more Americans have been made subject to the tax. Only one person in about 275 was required to pay under the first income-tax law. To-day, more than one person in three pays a share, large or small. At the same time, the proportion of Government revenue derived from income-tax has increased and the proportion derived from indirect taxes, which generally do not take into account ability to pay, has decreased. For example, in 1947 about three-fourths of the Government's revenue from taxes was from individual and business income-taxes. Customs, which used to account for virtually all of the national tax income, now represents less than one per cent.

The American tax system is continually being changed. But all political parties support the principle of apportioning taxes according to each person's ability to pay. American tax history is one of gradual evolution of more and more equitable taxes and foreseeable modifications will be changes in detail rather than in policy.

INTERNATIONAL SUGAR CONFERENCE

BID TO REACH AGREEMENT ON MARKETING SCHEME

WITH India returning to the list of countries participating in world trade in sugar, the Government, industry and trade will naturally evince a keen interest in developments influencing the course of the world market for sugar. A development of great interest is the move of the International Sugar Conference, now in session in London, to evolve a world marketing scheme for sugar. The Conference has been convened by the U.N. Secretary-General, in pursuance of the resolution adopted by the International Sugar Council (I.S.C.) at its meeting held in London early in October last.

Although the Conference is organised under U.N. auspices, the groundwork for it has been done by the I.S.C. in London, set up in 1937 to administer the Sugar Agreement of that year. This Agreement still holds the field, largely as an international meeting ground for discussions on sugar, though for all practical purposes it has ceased to operate since the war. Since 1948, a Special Committee, appointed by the I.S.C., has been keeping the world sugar situation under constant review and holding investigations into the possible basis for a new agreement. This Committee prepared a draft of such an agreement in June, 1950. It was not, however, till very recently—on the 10th of last month, to be precise—that the final version of the draft was issued as an Economic and Social Council document. It is this document which is now before the London Conference as the basic paper for discussion and agreement.

Need for an Agreement

The circumstances which have brought to the fore the need for a new world sugar agreement are different from those that existed prior to the Second World War, that was before the Agreement of 1937. Thus, to-day the problem of world trade in sugar is one of, not sugar deflation, that is accumulation of stocks, on the one hand, and swiftly receding prices, on the other, but protection only for "free" sugar, which forms a small part of the world trade in sugar. The larger part is being regulated for long by preferential arrangements, such as those between the U.S., Cuba and the Philippines, and between the U.K. and the Commonwealth sugar exporters. The quantity of "free" sugar entering the world market amounts to no more than 5 million metric tons (of 2,205 lbs. each), as against the aggregate world exports of as much as 12.6 million metric tons and a world production of 35 million metric tons. Even here, the U.S., the world's largest importer of sugar, does not purchase any "free" sugar at all. It is only the U.K., the second largest importer, which takes over a million tons of "free" sugar. Cuba, the largest exporter and a low-cost producer, sells roughly half of its exports to the U.S. at a preferential price, offering the balance in the free market. Generally speaking, the free market price used to be a little, or substantially, higher than the preferential price. But, for the past one year, prices in the free market have been a little lower on account of a marked increase in world supplies.

From the foregoing account one should not rush to the conclusion that an international marketing scheme for sugar will only be of limited significance. For the need for the scheme has arisen from the concern over the disposal of a large surplus of "free" sugar, amounting to about 2.3 million metric tons in the current (1952-53) season, the estimates of available supplies and demand in the free market being 7.3 million metric tons and 5.0 million metric tons, respectively. It is no wonder, therefore, that the draft international marketing scheme for sugar should have been strongly supported by some of the producing countries as, for instance, Indonesia, the economy of which is greatly influenced by the export trade in the free sugar market.

The Draft Scheme

The draft scheme is modelled more or less on the lines of the 1937 Agreement. It seeks, for instance, to (1) stabilise prices, (2) prevent accumulation of huge surpluses of sugar, (3) maintain steady supplies in the free market, and (4) give those countries that depend on it a share of any expansion in world consumption of sugar. The salient features of the scheme are as follows:

Under the scheme, basic quotas are to be allocated to all exporting countries. The importing countries will be under the obligation to reserve a specific part of their needs for exporting countries taking part in the agreement. The importing countries should agree to limit their sugar output and marketing to the quantity produced in a base year (to be determined) plus an agreed percentage of the estimated increase in sugar consumption as compared with the base year. The rest of the increase in consumption is to be reserved for exporting countries which can sell sugar in the free market. On their part, the exporting countries must agree, so far as will be practicable, to limit sugar exports to their basic export quotas and to adjust their production so that it will not exceed the quantity needed for their own use plus the permitted exports and maximum stocks, as indicated in the agreement.

An Important Difference

There is, however, one important difference between the draft scheme and the 1937 Agreement. This relates to the new proposal to determine a maximum and a minimum price zone in the free sugar market. Whenever the price of "free" sugar goes above or below the zone for more than 30 consecutive days, export quotas will automatically be increased or lowered, as the case may be. To what extent this new proposal will prove effective depends, of course, partly on the zones of prices that are initially set and partly on whether the appointed authority could agree to modify it, if any exigency were to arise.

The successful outcome of the London Conference rests primarily on the way in which some of the difficulties standing in the way of an effective world sugar agreement will be removed. Of these, the question of determining the size of individual quotas stands out prominently. Each country may press for as large an export quota as possible. Indonesia, for instance, is reported to be trying to ensure its old rights on an export quota of no less than 1.05 million tons. This country, it may be noted, had ceased to be an exporter of sugar until recently; the quantity of sugar actually exported by it in 1952 was no more than 1,600 tons.

In view of the changed position of India as a buyer in the international sugar market, it cannot afford to remain as indifferent to the proposed international sugar marketing scheme as it was in regard to past agreements. India must carefully examine the provisions of the draft agreement to see to what extent membership of the agreement will be advantageous or disadvantageous to it.

In the context of the proposed agreement, a brief reference to the changes in the world sugar situation in the recent past may not be out of place here. The expansion in sugar output in the Commonwealth countries has already caused "free" sugar from these countries to be a world market factor. This sugar is over and above the proportion for which annual prices are fixed and benefits only from preferential duty. Early this year, Canadian refiners bought fairly substantial quantities of "free" sugar from the British West Indies, Mauritius and Queensland at prices which were in some cases below world value. The British Government has lately purchased about 10,000 tons of sugar (raw) from the British West Indies outside the negotiated price at 35*s.* 9*d.* per cwt. (c.i.f. U.K.) which includes 3*s.* 9*d.* preference.

Formosan white sugar has been a prominent feature in the past few weeks. Persia purchased recently 15,000 tons at $108.9 per ton (c.i.f.), while the British Government purchased about 27,000 tons at £43 per ton for being shipped to Malaya. Other small lots have been reported sold to Red Sea and Persian Gulf destinations. Negotiations are being held between Japan and Formosa for the sale of 250,000 tons (raw) of Formosan sugar.

With regard to Spanish sugar, the authorities in that country have withdrawn all offerings of their sugar from the market for the time being. But it is said that, later, in the light of new crop production, they will make a fresh review of the position regarding domestic requirements of sugar and market prospects. On the other side of the Atlantic, Cuban sugar sold to non-U.S. destinations during the current sugar season (upto 30th June, 1953) amounted to 1.66 million tons.

WORLD SUGAR TRADE

World exports of centrifugal sugar reached 12.6 million short tons (raw value) in 1952, as compared with 12.4 million tons in 1951, according to the U.S. Department of Agriculture. Exports averaged 9.4 million tons a year from 1945-49 and 11.5 million tons a year from 1939-39.

Asia's exports increased from 1.0 million tons in 1951 to 1.4 million tons in 1952, largely as a result of increased exports from the Philippines and Formosa. Thus Philippine exports rose from 679,289 tons to 856,338 tons, while Formosan exports rose from 326,668 tons to 518,494 tons. Other significant increases were registered by India and Indo-China, from 1,376 tons and 3,020 tons to 12,324 tons and 5,469 tons respectively. Asian imports increased from 1.5 million tons in 1951 to 2.0 million tons in 1952. Japan's imports rose by about 600,000 tons, that is from 559,123 tons to 1,154,638 tons. Other significant import increases were registered by Thailand and the Republic of Korea, the quantity actually imported by the countries being 29,000 tons and 8,806 tons, as against 6,000 tons and 4,956 tons, respectively.

SUGAR IMPORT POLICY

In a communication addressed to the Union Ministry of Commerce, the Madras Provincial Foodgrains Merchants' Association has strongly criticised the Government of India's sugar import policy. For, according to it the import of sugar on Government account will not make sugar available to the public at reasonable prices and the Government will fail to achieve this object. The number of merchants to whom the sugar will be supplied cannot be large and it is only natural those who invest large amounts would expect a fair margin of profit. If, on the other hand, the Government itself fixed the selling price, it would lead to black-marketing operations.

In the considered opinion of the Association, if really the Government wants to bring down sugar prices it can be done by putting sugar import under O.G.L. when there will be open competition, and consequent fall in prices. The Association accordingly wants the Government to try at least for three months whether sugar prices could be reduced by placing the import under O.G.L., and revise its policy to import on its own account.

SUGAR IMPORTS

The Government of India has invited tenders for the import of 30,000 tons of sugar for shipment before the end of September, 1953. The import of sugar will be allowed from both sterling and dollar areas. Necessary import licences will be issued to the successful tenderers. The last date for submitting tenders is 4th August next. Details of tender have been circulated to the Sugar Merchants' Associations, Chambers of Commerce at important ports, and also the Sugar Mills' Associations.

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OPENING OF NEW COLLIERIES

CENTRE'S LATEST DECISION

PRESS reports from Calcutta indicate that the Government of India has decided not to entertain any application for opening of new collieries for the present in Raniganga and Jharia coalfields. This decision seems to have been taken because of the high level of production in those coalfields and the shortage of wagons to transport the same. In the case of other coalfields also, we are told, the availability of transport will be one of the main factors that will be taken into consideration before permitting opening of new collieries.

The reported decision raises certain fundamental questions. Has the production of coal reached such a level that it cannot be absorbed? Or, is shortage of wagons, and not lack of demand, the only villain of the piece? Indications are that the demand for coal either at home or abroad still remains to be largely satisfied and transport bottleneck is the major handicap. If the "own-your-own wagon" scheme were to find favour with the coal interests of Raniganga and Jharia, the main producers of coal in India, and consequently wagon shortage eases, it may be asked whether the Government will permit opening of new collieries?

It may be that the present decision of the Government is taken with a view to promoting regional development of coalfields. For the latest news from Madhya Pradesh discloses that top-level discussions held a few days ago at Nagpur between the officials of the Union and the M.P. State Governments have led to an appreciation of the advantages of prospecting and exploiting the Champa-Korba coalfields of the State. They are also reported to have seriously considered the question of leasing the coalfields for exploitation to about 50 applicants whose applications have already been scrutinised by the Union and State Government officials. The Government of India is said to be of the considered opinion that exploitation of these coalfields should be taken up simultaneously with the commencement of the 24-mile Champa-Korba railway line mainly intended for transporting coal from the region, so that the railway line, when completed, would not become uneconomic. The Dunlop Company, which has already finished prospecting an area of ten square miles, is said to have plans ready to extract 25,000 tons of coal per month from the area.

Again, the latest decision of the Government of India, referred to at the outset, may affect the companies which wish to open new collieries in the areas under reference in order to offset the closing of mines rendered necessary by the exhaustion of reserves. In such cases, will the Government give them permission to do so, or will it refuse on the ground of wagon shortage or overproduction? If it does the latter, it will mean loss of interest on capital invested, if not loss of capital itself, and loss of jobs to workers. It is to be hoped that the Government will take into consideration all these factors before enforcing its new policy. It will do well to make provision for giving exemptions in deserving cases.

ACCURATE COAL SAMPLER

Accurate coal sampling is a high-priority need in power stations. With a view to meeting this need, a British firm has developed a coal sampler, which, it is claimed, is a simple, robust and easily maintained unit with dimensions least likely to affect any plant layout. It can be applied readily to new and existing belt conveyor installations. It comprises a hinged scraper arm operated by a thruster through link mechanism, carrying the scraper across the width of the belt, thus removing a cross-section of the fuel and delivering it into a side chute for inspection. The lower section of the scraper arm is hinged and spring-loaded, so that, during the return action of the arm, the scraper rides over the material without disturbing it. Extensive tests with a unit installed for full duty have proved that the samples conform to the limits of accuracy recommended by the British Standards Institution.

COAL—"SHIPPING" THROUGH PIPELINES

The Pittsburgh Consolidation Coal Company of Cadiz, Ohio, has devised a method of "shipping" coal through pipelines that is cheaper than shipment by rail or any other system. The Company crushes the coal and pumps it through a 12-inch pipeline more than 11 miles long. The lumps of coal are crushed power-fine, mixed with water and shot through the pipeline at a rate of thousands of tons a day. The coal is then removed from water at the terminal. The system handles 1,500 tons of raw coal and turns out 1,275 tons of cleaned coal every hour.



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INDIAN JUTE INDUSTRY IN 1952-53

STRUGGLE TO OVERCOME BUYERS' RESISTANCE

FOR the Indian jute industry, the season 1952-53, which ended on 30th June last, proved to be a year of "stocks" crises, in that production was greatly hampered by the accumulation of heavy stocks of manufactured goods. This was in marked contrast to the trend in the previous year, when the industry could steadily improve its production, thanks to the plentiful supplies of raw jute in that year. In 1951-52, for the first time since the Partition, the industry was able to obtain all its raw jute requirements. Total supplies of raw jute thus amounted to 7.53 million bales, including stocks carried forward from the preceding year. Consequently, the output of jute goods by the I.J.M.A. mills aggregated 945,000 tons, as compared with 858,000 tons in 1950-51 and 825,000 tons in 1949-50, the worst year since the Partition. In 1952-53 also, the supply of raw jute was quite comfortable, total supplies amounting to as much as 7.35 million bales. But production of jute goods could not go up higher than 892,000 tons, thanks to the burden of unsold stocks. In fact, as on 30th June, 1953, stocks with mills remained as high as 133,804 tons, as compared with 90,730 tons at the end of the previous season.

The accumulation of stocks was due to lower offtake of Indian jute goods by overseas countries, competition from Continental jute manufacturers, use of paper and cotton substitutes, continued recourse to bulk handling of commodities, and expansion of jute industry in several parts of the world, thanks to the improved supplies of raw jute from Pakistan. The industry's main concern throughout the 1952-53 season was to find methods for regaining the markets which it had lost in previous years. This concern was reflected in the sending of two trade delegations to the U.S., the U.K., Australia and New Zealand, in order to survey the position for Indian jute goods in these markets.

The year 1952-53 opened with a stock of 1.15 million bales of raw jute brought forward from the previous season, as against an opening stock of 1.05 million bales in 1951-52. With the domestic production of raw jute estimated at 4.69 million bales (as against 4.67 million bales in 1951-52), the total quantity of raw jute available in 1952-53 from internal supplies was 5.85 million bales, as against 5.73 million bales. Supplies from Pakistan, however, were lower at 1.5 million bales, as compared with 1.8 million bales in the previous year. Thus, the total supply of raw jute from all sources, as already stated, amounted to 7.35 million bales, as against 7.50 million bales in 1951-52. The decrease in the supply from Pakistan was due to the unhelpful attitude of the Government of that country towards supplying jute for India. It may be noted that Pakistan discriminated against India *vis-a-vis* other countries by imposing additional export duties and licence fees on raw jute exported to India. This rendered purchase of Pakistani jute unremunerative. Towards the close of the season, however, the discriminary treatment was done away with, following India's protest at one of the meetings of the G.A.T.T. at Geneva.

Total consumption of raw jute in the 1952-53 season (including domestic consumption) aggregated 5.61 million bales, as against 6.10 million bales in the previous season. The carry-over at the end of the season stood at 1.63 million bales, which compared with 1.33 million bales at end of the 1951-52 season.

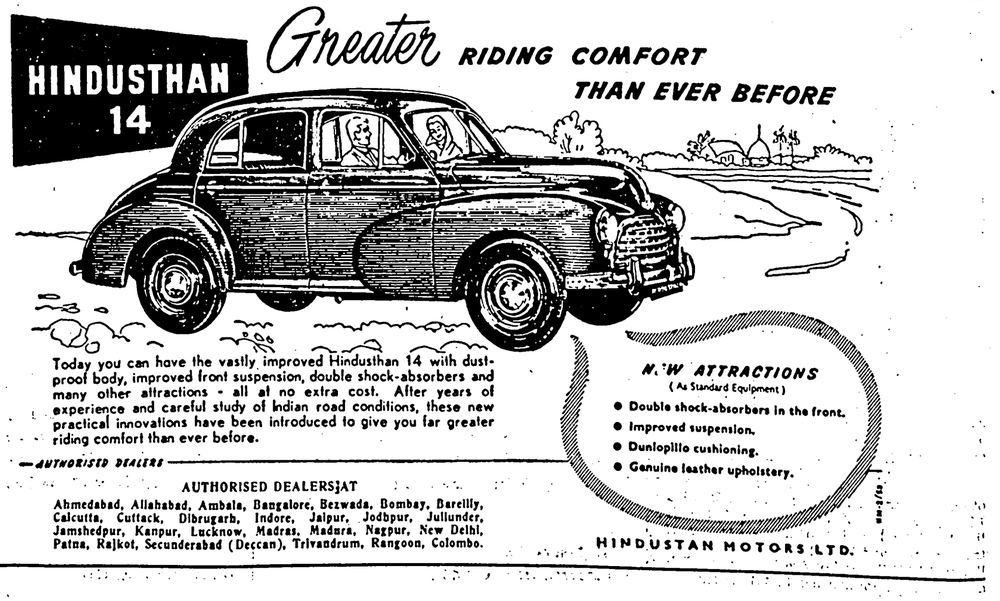
For the Indian jute mills the year opened well. Thus, jute supplies were favourable. The drastic cuts, in two stages, in the export duty on jute goods in the preceding season, had lightened, to a considerable extent, the burden on the industry. This paved the way for foreign orders. Despatches had already gathered momentum and with them production kept pace. In the first month of the season under review, it stood at as high as 83,820 tons. But, subsequently, as the season progressed, it was found that despatches were not in desired quantities and, therefore, monthly production depicted an indifferent trend. The position grew worse in February, 1953, when production at 68,615 tons was the lowest for any month in the season under review. After improving slightly to 74,000 tons in March and April, the output remained low at about 72,000 tons in May and June. The lower rate of production was due, as stated already, to continued accumulation of stocks.

Throughout the season, month-end stocks continued to remain high. They stood at 100,500 tons in July 1952. In the following two months, despatches improved, and stocks declined to 91,486 tons. Thereafter, they continued to rise and touched the highest for any month in the year in March 1953, when stocks were as high as 138,797 tons. They remained at this level in the following two months, too. In June, however, owing to better offtake by Argentina, they dropped to 133,804 tons.

Steep decline in exports of jute goods was the chief cause for the accumulation of stocks with mills. In the fiscal year 1952-53, the value of exports of jute manufactures recorded a sharp drop of more than 50 per cent. from Rs. 269.96 crores in 1951-52 to Rs. 129.53 crores. Early in the season, exports showed a tendency to look up. They improved from Rs. 11.68 crores in July, 1952 to Rs. 18.39 crores in October. In the subsequent months upto February this year, they averaged about Rs. 11.5 crores per month. In March, they fared slightly better at Rs. 13.82 crores. The general decline was due to the lower offtake of sackings rather than of hessians. For the monthly U.S. consumption of burlap till January this year remained slightly above the monthly average of 70 million yards for 1952, although, in February and March, it was lower at 58 million yards and 69 million yards, respectively. Consequently, hessian stocks ceased to be much of a problem to the industry. But the same was not the case with sackings, which continued to remain a source of serious concern to the industry throughout the season, although latterly despatches are stated to have improved to some extent.

The Government recognised the crisis facing the industry, albeit too late, and reduced the export duty on sackings from Rs. 175 to Rs. 80 per ton. The reduction was announced by the Finance Minister in the course of his Budget speech on 28th February, 1953. The rate of duty on hessian exports which had been reduced in May, 1952, to Rs. 275 per ton, however, remained unaltered. Although the relief in regard to export duty on sackings was welcome, it failed to bring about any improvement in the position of stocks. In view of the failure of the reduced export duty to stimulate demand for sacking and the continued decline in the prices of jute manufactures, the I.J.M.A. contemplated the sealing of a further 7½ per cent. looms of the mills. It was calculated that this measure would bring down sacking production to some 30,000 tons in April 1953, as compared with 43,000 tons in December, 1952. Mills were working, as they now are, on a 42½-hour week, with 12½ per cent. of their total looms sealed. The Government, however, rejected the proposal and this deepened the crisis, with prices of both jute goods and raw jute touching the bottom for the season. On or about 10th of April, 1953, B. Twills touched a low of Rs. 85-11 per 100 bags, and hessians Rs. 38-4 per 100 yards, while raw jute Assam bottoms declined to Rs. 16-8 per maund. These compared with Rs. 94-10, Rs. 43-2 and Rs. 21-8, respectively, on the eve of the announcement of reduction in the export duty on sackings. Subsequently, however, they staged a gradual recovery on slow and steady improvement in the offtake of manufactures and on expectations that the jute crop in the 1953-54 season will be smaller than that of the previous year. In fact, in the last month of the season, the prices of jute manufactures showed an encouraging upward trend. Thus, on 1st June, B. Twills were marked up to Rs. 105-4; on 13th June, hessians registered a high of Rs. 46-12; and on 29th May raw jute touched a high of Rs. 30 per maund. Towards the close of the season, the rates declined to somewhat lower levels, but they were still appreciably above the lowest levels recorded in April last.

The outlook for the industry in the 1953-54 season appears to be good, if not very bright. The demand for jute bags is likely to go up in the world markets, owing to the expected improvement in the output for foodgrains especially wheat and rice. However, as production of jute both in Pakistan and India is expected to be lower than that in the 1952-53 season, raw jute prices are likely to be higher, and as such the competitive ability of jute goods *vis-a-vis* cotton and paper may be lower. But this may not adversely affect the demand for jute goods to any appreciable extent, in view of the improved outlook for agricultural production. Again, the Continental mills may not be able to obtain as much raw jute from Pakistan and at the same rates as they did in 1952-53. In the last season, owing to the additional imposts on exports to India, the Continental mills enjoyed a price advantage over Indian mills in respect of raw jute purchased from Pakistan. These discriminatory imposts having since been removed, India is now in a better position to compete with the Continental mills in overseas markets. Further, the fact the Government has, with effect from 16th July, 1953, abolished export duties on certain special types of jute manufactures such as jute mesh, jute carpet yarn, paper-lined hessian, jute tarpaulins, jute rope and jute mattings should help promotion of exports of these varieties in the current season. Of course, Pakistan has entered the world markets with its jute manufactures. This development, however, is not likely to affect sales of Indian manufactures, as the output of Pakistan manufactures forms only an insignificant fraction of the world demand for these goods. The Indian industry can, certainly take advantages of these helpful factors; but it cannot make much headway and ensure sustained progress, unless programmes of rationalisation are carried out by the various units of the industry in order to cut down their costs and improve the quality.



CALCUTTA TEA SALES IN JUNE

PROMISING START IN NEW CROP

THE sales of the new season's tea for export, as well as for internal consumption, held in Calcutta during the month of June this year, indicate that business in new crop has started on a promising note. The quantity of tea sold during the month was substantially higher than that in the corresponding month of last year and average prices realised were sizably better than those in the corresponding month of the previous year. The following comparative table of quantity offered for export and dust sales and average prices realised during the three sales held during the month under review, as given by Messrs. J. Thomas & Co., Ltd., Calcutta, in their report for the month, clearly brings out these trends:

	1953-54		1952-53	
	Packages sold	*Average price (per lb.)*	*Packages sold*	*Average price (per lb.)*
		Rs. a. p.		Rs. a. p.
Assam	5,151	1 13 1	3,877	1 5 6
Dooars	31,636	1 12 6	17,260	1 5 3
Darjeeling	14,094	2 4 0	7,174	2 0 11
Cachar, etc.	12,225	1 11 1	3,745	1 1 2
Total ..	63,606	1 13 9	32,056	1 7 0
Dust	18,746	1 7 8	9,111	1 5 1

It will be noted from the foregoing table that the quantity sold was a little more than double that a year ago, the bulk of the quantity sold being from the Dooars and Darjeeling Districts. The sharpest increase is noted in the tea offered from Cachar district and the smallest increase in Assam tea. Messrs. Thomas & Co. report that, except for the occasional standout invoice, most of these were of ordinary first flush standard, although the leaf appearance was fairly clean, well graded and black.

The demand during the first two sales was keen and very little tea was sold at less than Re. 1-11 per lb. This demand, however, became more selective in the last sale of the month and the market for all low medium and commons declined from ½ to 1 anna per lb. Teas with bright and coloury liquors from the Dooars, flavoury Darjeelings and Assams, on the other hand, with any quality were keenly bid and realised higher prices. The present indications, in fact, point to a keen enquiry during the coming months for any teas with quality, brightness and colour. The dust market remained about steady, with only a fair demand. The strongest feature was black leafy types suitable for Egypt. Practically no Red Assams were sold and the small quantity that was offered was sold at about Rs. 2 per lb.

The average prices of tea realised on the sales for both export and internal consumption during the month of June, 1953, as compared with those for June, 1952, are as follows:

(Per lb.)

	1953	1952
	Rs. a. p.	Rs. a. p.
Clean black pekoe	1 12 0	1 6 0
Clean common broken pekoe	1 11 0	0 15 0
Medium Dooars dust	1 7 6	1 5 0

The improvement in prices realised during last month, as compared with those a year ago, is not surprising in view of the better statistical position of tea. The North Indian tea crop, as at the end of May, was 12½ million lbs. behind that at the close of May, 1952, although it showed an increase of 1 million lbs. over the average for the same period of the last three years. It is anticipated that a further decline will be shown by the crop figures for June, as the climate in most growing districts has been detrimental to heavy flushing. The stocks of tea in the U.K. upto the last week of June (19th June, 1953) were 30 million lbs. less than they were on the same date last year, the actual quantity held being only 107½ million lbs. This is stated to be the lowest stock figure on record for over 30 years.

The distribution of North Indian tea to various overseas countries from 1st April to 4th July, 1953, as compared with that during the corresponding period of last year, shows a big increase, while the offtake by quite a few other countries has considerably declined. Prominent among those which have shown considerable increases are: U.K. from 23.21 million lbs. to 29.20 million lbs., and Egypt from 519,606 lbs. to 3.31 million lbs. The offtake by the U.S., on the other hand, shows a fall from 2.62 million lbs. to 1.99 million lbs., of Canada from 2.05 million lbs. to 1.30 million lbs., of South America, Central America and West Indies from 2.96 million lbs. to 331,320 lbs. and of Amsterdam and Rotterdam from 2.18 million lbs. to 484,713 lbs.

Notices

HINDUSTHAN WOOLLEN MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighth Ordinary General Meeting of the Shareholders of the above Company will be held at the Principal office of the Company at No. 8, Royal Exchange Place, Calcutta, on Wednesday the 12th August, 1953, at 3-30 p.m., for the following purposes:—

(1) To receive and consider the Report of the Directors and to pass the audited Accounts for the year ended 31st March, 1953.

(2) To declare dividend on Ordinary Shares, payable on application to the Shareholders.

(3) To elect Directors in place of those retiring by rotation.

(4) To appoint Auditors and fix their remuneration.

(5) As special business to consider the following resolution which will be proposed as an ordinary resolution:

"RESOLVED that the steps taken by the Directors in acquiring the controlling interest in Shree Digvijaya Woollen Mills Ltd., Jamnagar, and the investments made by them in the shares of Messrs. Wattal & Co., (Jamnagar) Ltd., as also the advances made (as loan bearing interest) to Shree Digvijaya Woollen Mills Ltd., be and are hereby approved. The Directors are authorised to further invest the funds of the Company in making loans to Shree Digvijaya Woollen Mills Ltd., as may be considered necessary by them from time to time."

(6) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 1st August, 1953, to 12th August, 1953, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LIMITED,
Managing Agents.

CALCUTTA, 13*th July*, 1953.

In particular to all the shareholders to whom a notice is required to be addressed under Article 188 of the Articles of Association of the Company.

THE BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-first Ordinary General Meeting of the Bengal Potteries Limited, will be held at the Registered Office of the Company, 45, Tangra Road, Calcutta, on Friday the 14th August, 1953, at 4 p.m., to transact the following items of business:—

(1) To receive and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account for the year ended 31st December, 1952.

(2) To declare Dividend.

(3) To elect Directors.

(4) To appoint Auditors for the current year.

The Share Transfer Register of the Company will be closed from 3rd August, 1953, to 29th August, 1953, both days inclusive.

By Order of the Board of Directors,
S. LALL BHAGAT & CO.,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, 1*st July*, 1953.

THE SINGARENI COLLIERIES COMPANY, LIMITED

(Incorporated in Hyderabad-Dn.)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Annual General Meeting of the Shareholders of The Singareni Collieries Company, Ltd., will be held on Monday, 17th August, 1953, at 4 p.m., at the Registered Office of the Company, "Meher Manzil," Red Hills, Hyderabad-Deccan, to transact the following business:—

(1) To read the Minutes of the Thirty-first Annual General Meeting of the Company held on 4th August, 1952.

(2) To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1952.

(3) To sanction the declaration of a Dividend.

(4) To approve donations paid by your Directors.

(5) To appoint Directors in place of:—
(1) Mr. Syed Abdul Quader,
(2) Mr. S. N. Bilgrami, and
(3) Mr. T. M. Jagtiani,

who retire under Article 93, and in accordance with Regulation No. 78, Table "A" of the Indian Companies Act (Amended), and being eligible for re-election offer their services.

(6) To appoint Auditors for the current year and fix their remuneration.

(7) To transact any other business that may be brought forward by the Chairman.

The Transfer Books of the Company will remain closed for the purpose of dividend from 4th August, 1953, to 17th August, 1953 (both days inclusive).

By Order of the Board,
For and on behalf of
THE SINGARENI COLLIERIES CO., LTD.,
INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
R. DWARKA PERSHAD,
Secretaries.

"MEHER MANZIL", RED HILLS,
HYDERABAD-DECCAN, 29*th June*, 1953.

Note.—Subject to the Directors' recommendation being accepted, Dividend Warrants will be posted on 24th August, 1953.

Shareholders are requested to give immediate notice to the Company of any change of address.

THE PUNJAB NATIONAL BANK LIMITED

"Shree Niwas", 8, Underhill Road
DELHI

NOTICE OF INTERIM DIVIDEND

THE DIRECTORS OF THE PUNJAB National Bank Ltd., Delhi, have decided to pay an Interim Dividend at 8 per cent., per annum, free of income-tax, for the half-year ended 30th June, 1953, at the Registered Office of the Bank at Delhi on or after 10th August, 1953, to the shareholders whose names stand on the Register of Members of the Bank as on 2nd August, 1953.

The Transfer Books and Register of Members of the Bank will remain closed from 3rd to 8th August, 1953 (both days inclusive).

By Order of the General Board of Directors,
B. N. PURI,
Secretary.

DELHI, 18*th July*, 1953.

PROGRESS OF HINDUSTAN SHIPYARD

EXPANSION SCHEMES UNDER WAY

ADDRESSING the first Ordinary Annual General Meeting of the Hindustan Shipyard Ltd., Mr. N. R. Pillai, the Chairman of the Company, characterised the year that has just passed as one of preparation rather than of achievement. Few would deny it, for the Company has had to face innumerable difficulties such as shortage of steel and propelling machinery and surplus staff who drained the finances of the Company. The year, therefore, ended with a loss of Rs. 15.47 lakhs for the Company. The manner in which this loss should be covered still remains to be explored, as there is no prospect of its making a profit in the near future. Again, it is too early to assess the value of the Company's five-year agreement with a French firm, with effect from 15th July, 1952, for technical advice required, for training of Indian personnel at its shipyards, for securing orders for ships from outside India, and if necessary, for trying to bring about the sale of the ships built in the yard.

The current year might prove a better one for the Company, as was hinted by Mr. Pillai. The decision of the award of the mediator, Mr. Justice Mahajan, in the dispute between the management of the Company and the labour, announced the other day, permits retrenchment of 800 men, instead of 813, actually retrenched from 1st April, 1953. In other words, the award has justified practically the entire number of hands which the management wanted to retrench in order to economise expenditure. Accordingly, the retrenchment of surplus personnel means no small gain to the shipyard.

At present, two 8,000 d.w.t. *Jala*-type ships are under construction. The first of these ships is for the Bharat Line Ltd., and the second for the Scindia Steam Navigation Co., Ltd. It is true that, as compared with its past, the performance of the work in recent months has been slow. But such has been wholly due to the continuance of difficulties in obtaining shipbuilding steel, resulting from a number of unforeseen breakdowns in the only plate-rolling mill in India. But, as the Government of India has permitted the Company to supplement the indigenous supplies of plates by imports from overseas, it is expected that such hold-ups will not occur in the future. With regard to engines and auxiliary machinery needed, however, the Company is still dependent on overseas companies. Although orders were placed for engines and machineries for these two ships as early as in December, 1951, with a Glasgow firm, delivery is promised only in October, 1953 for the first ship, and December, 1953 for the second ship.

Subsidy

An important problem relating to the finances of shipbuilding in India is subsidy. It is true that, on this question, satisfactory arrangements have been arrived at between the Company and the Government of India. The Government has accepted the principle that the price to be charged for ships built in the shipyard should be equivalent, as nearly as possible, to the cost of building a similar ship in a shipyard in the U.K. and that the difference between the actual cost of construction and such a price should be paid by the Government to the shipyard as subsidy. But the main trouble is the determination of the U.K. "parity" price. Foreign shipyards, as pointed out by Mr. Pillai, cannot be expected to quote a price, unless they have a reasonable prospect of getting an order. Moreover, the cost of building the same ship is different in different shipyards, even in the U.K. Small wonder, therefore, that the Company should experience considerable difficulty in quoting a price. It may also be noted in this connection, that some shipowners have tended to compare the Hindustan Shipyard's quotations for ships with the price of similar secondhand ships. It is essential, therefore, as urged by Mr. Pillai, that some means should be found to solve this difficulty and the co-operation of shipowners in this direction would be most welcome.

It is one of the main functions of the French experts to advise the Company on its programme of development. Already, about 60 per cent. of the parts of a ship, including the hull, superstructure, deck and cabins are being constructed at the shipyard, while the remaining 40 per cent. including electric fittings, copper pipes, and steam fittings together with all the prime and auxiliary machineries, are imported mostly from the U.K. The question of manufacturing these items is also receiving the Government's attention. The report of the French experts in this connection has been received and considered by the Board of Directors. The report has been referred to the Government of India for its decision.

The Government of India has already advanced Rs. 30 lakhs for the development of works now on hand. Of the capital works that were in progress at the time of taking over the shipyard from the Scindia Steam Navigation Co., Ltd., the third berth has been completed and equipped and a keel will be laid on it in a few days' time; the 35-ton crane has been erected; the foundation of the 125-ton crane is ready. The future programme of the Company is, briefly, to build one large and one small berth, to increase the capacity of the hull-shop, machine-shop and other shops, to install more up-to-date and more extensive cranage and to build a large prefabrication shop which would be adequate, if required, for building 12 ships a year. The provision of a suitable dry-dock at the Visakhapatnam Port is considered an urgent necessity.

The Five-year Plan has provided a sum of Rs. 4.75 crores for the development of the yard and Rs. 7.34 crores for the grant of loans to shipowners for the purchase of new or additional tonnage and for payment of subsidies on the ships built at the shipyard. In addition to these sums, the Plan envisages an expenditure of Rs. 1.50 crores for the development of the shipyard. The aim is to increase the productive capacity of the yard to about 50,000 d.w.t. per year and to erect a shop for building marine engines in India (to be completed in 1957). As far as shipping is concerned, the plan is to increase the coastal and overseas tonnage from about 400,000 to about 600,000 gross registered tons The shipyard's contribution to this is expected to be 100,000 gross registered tons.

It will be recalled that the Hindustan Shipyard Ltd. was registered on 21st January, 1952, as a private limited company, with the Government of India as the majority shareholder. The new company took over the Visakhapatnam shipyard from the Scindia Steam Navigation Co., Ltd. on 1st March, 1952 at a valuation of Rs. 2.72 crores. The authorised capital of the Company is Rs. 10 crores and the paid-up capital Rs. 3.09 crores. Of the paid-up capital, the Government of India holds two-thirds, that is, Rs. 2.06 crores and the Scindia Steam Navigation Co., Ltd. the balance, namely, Rs. 1.03 crores. According to an arrangement arrived at between the Government of India and the Scindia Steam Navigation Co., Ltd. a sum of Rs. 1.67 crores has to be paid by the Government of India to the debenture trustees of the Scindia Steam Navigation Co., Ltd., spread over a period of five years, beginning from 1952-53. The balance of the compensation payable to the Scindia Company has been utilised towards the cost of acquisition of the one-third share capital of the shipyard company. The payment to the debenture trustees has been guaranteed by the company by creating a first mortgage of the Government's assets in favour of debenture trustees. Although the Government is the principal shareholder, the company has a distinct legal entity and it operations are being conducted on commercial lines, according to the Articles of Association.

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ted companies also rose. But, the considerable rise in the level of taxation on gasoline in some countries began to have an adverse effect on the consumption of the product in those countries. Owing to high level of taxation in the U.K., for instance, there was no increase in total consumption of gasoline in 1952 and, in fact, as compared with that in 1951, the average consumption per vehicle fell.

The world shortage of aviation gasoline, however, persisted in 1952, and became more acute in summer, owing to interruption in production caused by labour disturbances in a number of United States refineries. As a result, certain airlines were obliged to cut some of their schedules, but full services were restored well before the year ended. Throughout these difficulties, the Group played its full part in keeping the airlines operating, as far as possible. The rapidly growing requirements of turbine fuel for jet aircraft were fully met and progress was made with the installation of special equipment for speed in fuelling the Comet aircraft, on the air routes from Europe to South Africa and the Far East.

Finally, the year 1952 saw the launching of Shell X-100 Motor Oil in a number of countries, including the U.K., Republic of Ireland, Italy, Sweden, Finland, Australia and New Zealand, with the result that, by the close of the year, this outstanding lubricant was available in almost every country, where Shell products are sold.

ROYAL DUTCH-SHELL GROUP

ALL-ROUND IMPROVEMENT IN ACTIVITY

IN view of the increasing activities of the Royal Dutch-Shell Group in India, a brief outline of its world-wide activities will be found useful and interesting. There was an all-round improvement in the activities of the Group under reference. Production of both crude and refined oil increased and so also total sales. The daily average rate of production of the Group and its associated companies amounted approximately to 1.3 million barrels in 1952, which was approximately 10 per cent. higher than in 1951. The aggregate supplies, including crude oil, received under long-term contracts amounted to some 597 million barrels, as compared with 549 million barrels in 1951. The following table discloses crude oil and natural gasoline production of the world in 1952 and 1951, and the share of the Group and its associated companies in the world total.

(In million barrels)

	World		Royal Dutch-Shell group (Gross production)	
	1952	1951	1952	1951
North America	2,623.8	2,579.2	120.4	109.2
South America	771.0	730.3	220.0	216.8
Europe, Middle East and North Africa	823.3	753.9	52.8	84.0
Far East	110.1	102.8	72.6	69.1
U.S.S.R. and Eastern Europe.	382.6	341.4	..	..
Crude oil received under long-term contracts	..	..	124.9	120.0
Grand total ..	4,740.8	4,507.6	590.7	549.1

The crude oil and natural gasoline processed during 1952 accounted for an average of over 1.6 million barrels per day; this is equivalent to some 595 million barrels for the year, which represents an increase of 6 per cent. over the output in 1951. A further 13 million barrels were blended direct into finished products. The high level of "throughput" was reflected in the increasing volume of finished products available to the Group and its associated companies. Energetic steps taken to increase supplies of aviation gasoline resulted in an increase in 1952 of about 60 per cent. over 1951. This went far towards relieving the severe strain imposed on aviation gasoline supplies by the closure of the Anglo-Iranian Oil Company's refinery at Abadan. The Group has planned to increase still further the supply of this essential product.

Refineries

The provision for additional refineries and the construction of new processing plants at existing refining centres called for constant study. The year 1952 marked the first year of full operation of the new refineries in the U.K. and a total intake of some 61 million barrels of oil was attained. The catalytic cracking plant at Stanlow (Britain) came into operation early in the year, and the construction of a catalytic reforming unit was started. Good progress was made in the construction of a new crude oil distilling unit, with a capacity of 65,000 barrels daily in the Netherlands. A crude oil distilling unit was completed at Balikpapan in Indonesia during the year 1952. New facilities for lubricating oil at Clyde refinery, near Sydney, in Australia, were almost completed. Progress was made in the construction of the new refinery at Geelong, near Melbourne, which will have a capacity of 25,000 barrels daily. The preliminary work for the construction of the new refinery at Bombay, India, in which the Group will have a 50 per cent. interest, is going ahead. This refinery will have a capacity of some 40,000 barrels.

The import of crude oil from producing sources to refineries and finished products to consuming centres is mainly done by tankers and pipelines. At the end of the year, the tonnage aimed by the Group and its associated companies was 2.5 million tons deadweight. But, the total tonnage controlled by them, including period chartered ships, amounted to 6.8 million tons, as compared with 6.3 million tons in the previous year. The new building programme of the Group and its associated companies provides for 16 large vessels, of which 14 will be of about 31,000 tons each, and the rest 38,000 tons each. Some 60 ships owned and chartered of over 23,000 tons each will be at the disposal of the Group within the next few years. The Group companies continued to take the lead in the development of gas turbine propulsion. The first turbine merchant ship has been in service with such success that an order for a new ship, which will depend entirely on gas turbine for its propulsion, has been placed.

In addition to ocean transport, land transport of crude oil, natural gas and oil products over long distances by trunk pipelines was rapidly extended. As at the end of 1952, the total length of pipelines was 14,500 miles, more than half the circumference of the earth.

During the year under review, there was keen competition among sellers of all petroleum products, except gasoline. This was due partly to new measures adopted by many countries to counteract inflation and restore economic stability and partly to the easier oil supply position. But, despite intensified competition, the Group and its associated companies recorded an increase in total sales, during 1952, of 11 per cent. over the previous year. The world-wide consumption of gasoline continued to expand in 1952. Correspondingly, the sales of the product by the Group and its associa-

(Continued in previous column)

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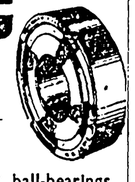

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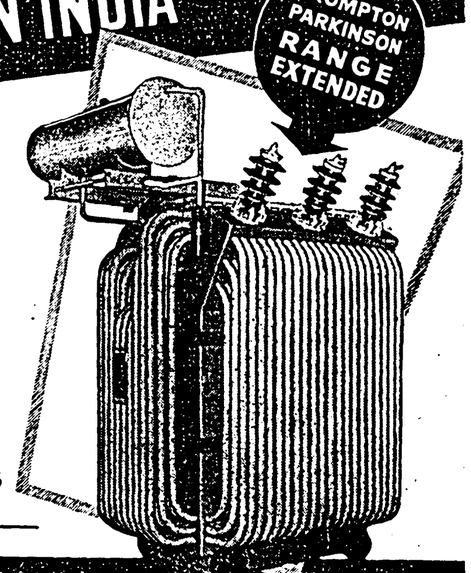

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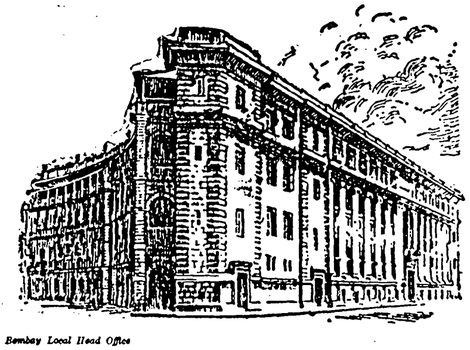

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IMMENSE SCOPE FOR GENERAL INSURANCE

BUILDING UP SOUND FINANCIAL POSITION IS OF PRIMARY IMPORTANCE

"HE who thinks is an optimist and he who feels is a pessimist" runs a well-worn adage. To those who reflect on the numerous small and financially ill-equipped insurance companies competing for an all too restricted volume of business in the country, the future of insurance must appear bleak indeed. But to others, who think of the vast and unexplored field of insurance, the low *per capita* insurance that is taken out in this country, the microscopically small percentage of persons and property that are insured, and the almost restricted nature of the risks covered in the country, it must appear that there is an almost limitless scope for expanding insurance business. Clearly, Mr. T. K. Desai, the retiring Chairman of the Indian Insurance Companies Association, belongs to the latter category, for he was emphatic, in his address at the Association's annual meeting, held last week in Bombay, that he was not pessimistic at all about the future of the insurance trade.

Mr. Desai based his robust optimism about the future of insurance on two considerations. In the first place, this country, with a population of about 360 million, derives a gross premium of only Rs. 20.5 crores. There is, as Mr. Desai said, a "vast field" which still remain unexplored by insurers. Secondly, there will be substantial additions to the available business through the various plans of reconstruction, both in agriculture and industry, in the planned economy of the future. He pointed out that not only could the existing lines of insurance business be extended but new lines developed. There were, he said, recognised lines of insurance which have become popular in Western countries and which Indian insurers could usefully offer to the insuring public.

The expansion of insurance business depends, of course, on a number of factors. Mr. Desai described, in brief, the many factors on which the progress of insurance depended. Much would depend on the Government's attitude towards insurance. As Mr. Desai suggested, the Government which is now engaging itself in an ever-increasing degree in trade and industry, should give to Indian insurers the business which would normally accrue to them if the Government had not itself chosen to run the industrial concerns. Again, Indian insurers lose a large part of the business of foreign firms operating in this country, which traditionally place their business with foreign insurers. Mr. Desai quoted approvingly the statement made by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, at the last annual meeting of the Associated Chambers of Commerce, calcutta, to the effect that "every non-Indian concern should strive to see that at least 50 per cent. of their insurance business and a large percentage of their shipping business go to Indian concerns." He hoped that the foreign-owned business houses would adopt the Minister's suggestion in the spirit in which it had been made.

Mr. Desai was not, of course, oblivious of the faults and imperfections of the working of general insurers. He did not, of course, refer, in a very elaborate manner, to the biggest of those problems, namely, the task of eliminating unfair practices in the trade. He was nevertheless very emphatic on this issue, for he said that these practices have for years "menaced" the growth of Indian insurance. He added:

"You are all aware of the controversy that has raged for the last few months over this issue and I do not propose to restart it now that the Code is an established fact. I can only appeal to my colleagues in the trade to set their house in order before they are called upon to face the rigours of disciplinary action."

Mere conformity to the Code of Conduct will not enable the general insurers to improve their position. What is equally necessary is that they should strive to build up a strong financial position. Indeed, the foreign insurers, who have come to occupy an important place in world insurance, owe their present position to the careful conservation of profits over a long period. In this connection, Mr. Desai said:

"I cannot overemphasise the importance of achieving a strong reserve position for general insurance companies in India. Reserve strength is most vital to insurers, both in the risk-bearing capacity it creates and the interest revenue it brings. . . . A definite portion of our premium revenue is to be set aside annually to provide for funds to meet abnormal losses which occur at long intervals but which can sap the vitality of the market. Adequate facilities should, therefore, be afforded to companies to build up reserves."

It is to be hoped that Indian insurers will take all possible steps to strengthen their financial position. Although there are a few Indian insurance companies which have established a fine reputation for sound business even in foreign countries, there are many insurers whose financial position leaves much to be desired. In their own interest and in the interest of their clientele it is necessary that they should improve their financial structure. The Taxation Enquiry Commission will also do well, as Mr. Desai suggested, to examine the "just claims of Indian insurers in this behalf."

CONCORD OF INDIA INSURANCE CO., LTD.

A slight increase in underwriting profit in the fire and marine departments, accompanied by a small decline in such profit in the accident department, is the feature of the working of the Concord of India Insurance Co., Ltd. (General Manager: Mr. F. V. Edwards, Calcutta) during the year ended December, 1952. Thus, the profit in the fire department improved between 1951 and 1952 from Rs. 3.23 lakhs to Rs. 3.35 lakhs and in the marine department from Rs. 0.88 lakh to Rs. 1.45 lakhs. The accident revenue account, however, shows a slight setback; the profit was only Rs. 2,615 as against Rs. 20,859 in 1951. This is obviously due to the increase in loss ratio from 43.92 per cent. to 50.97 per cent. But this is a feature which is common to nearly all the general insurers in the country.

The following table shows the results of the Company's working during the three years ended December, 1952:

(In lakhs of rupees)

	1952	1951	1950
Fire Department			
Net premium	31.39	30.01	28.65
Claims paid and outstanding ..	13.68	15.12	12.43
Loss ratio .. .. .. %	43.59	50.40	43.39
Commission and expenses ..	13.66	10.97	13.51
Profit	3.35	3.23	1.32
Marine Department			
Net premium	10.69	12.18	11.06
Claims paid and outstanding ..	8.11	8.30	7.02
Commission and expenses ..	2.62	2.77	3.45
Profit	1.45	0.88	1.40
Accident Department			
Net premium	9.60	9.37	9.10
Claims paid and outstanding ..	4.89	4.11	4.43
Loss ratio .. .. .. %	50.97	43.92	43.89
Commission and expenses ..	4.56	4.91	4.88
Profit	0.02	0.21	0.20
Total profit	4.84	4.31	2.92
Transfer to:			
Taxation	2.75	2.00	1.00
Reserves	1.75	2.00	1.00
Dividend	1.09	1.51	1.35
	(25%)	(22½%)	(20%)
Carry forward	0.92	0.53	0.55

It is encouraging to note from the above table that, in the fire department, while the net premium income is somewhat higher at Rs. 31.39 lakhs, the loss ratio is lower at 43.59 per cent., as compared with 50.40 per cent. in the previous year. In the marine section, there has no doubt been a decline of Rs. 1.49 lakhs to Rs. 10.69 lakhs in premium income but the underwriting profit is actually higher at Rs. 1.45 lakhs. Although the premium income in the accident section was higher at Rs. 9.60 lakhs, the increase in loss ratio was, as already stated, substantially higher at 50.97 per cent. This explains in part the decline in the profit of this department.

After providing for taxation and making certain other adjustments, there is a sum of Rs. 4.35 lakhs to the credit of the profit and loss appropriation account. But of this sum, the Directors have transferred Rs. 1.25 lakhs to reserve for depreciation of investments and Rs. 50,000 to the reserve fund. They have recommended the payment of a dividend of As. 10 per share, as against As. 9 paid last year. The higher distribution will absorb Rs. 1.69 lakhs, leaving a sum of Rs. 92,132 to be carried forward, as against Rs. 57,959 brought in. Apart from the capital of Rs. 6.75 lakhs, the Company's funds aggregate Rs. 54.10 lakhs, which includes fire fund Rs. 15.69 lakhs, accident fund Rs. 4.80 lakhs and marine insurance fund Rs. 10.69 lakhs.

ORIENTAL FIRE AND GENERAL INSURANCE CO., LTD.

The Oriental Fire and General Insurance Company, Ltd. (Manager: Mr. Frank Bloor, Bombay), reports, for the year ended 31st December, 1952, a decline of Rs. 3.06 lakhs to Rs. 10.55 lakhs in the net premium income from the fire department, but a substantial increase of Rs. 2.47 lakhs to Rs. 3.51 lakhs in such income from the accident and miscellaneous department. The net premium income from the marine department, however, is somewhat better at Rs. 57,042. But before anything is read into these figures, it is necessary to remember certain features of the Company's working. In the first place, the year 1952 is only the second complete year of the Company's working. Secondly, the decline in the fire department's net premium income is due to the fact that a certain amount of fire business was withdrawn in 1951 in accordance with the Company's treaty understandings with its associates and also to the fact that certain non-current portfolio premiums were included in the Company's income in 1951. But it is noteworthy that the gross direct fire premium income actually increased by 22.55 per cent. Thirdly, the fact that the improvement in marine department has not been very spectacular should be understood by reference to the Company's disinclination to engage itself in unhealthy competition at uneconomic rates. Also, the marine premium income in 1952 is not strictly comparable with that of 1951, inasmuch as the Company began to write marine business only in the second half of 1951.

In the fire department, the ratio of claims, paid and outstanding, to net premium income was 34.98 per cent. and, after adjustment of reserve for unexpired risks, the account produced an underwriting profit of Rs. 2.38 lakhs. Paid and outstanding claims in the accident department amounted to 32.96 per cent. of the net premium income, but the increase in unexpired risk reserve necessary to preserve the percentage of accident insurance fund at 50 per cent. of the enhanced premium income imposed a heavy financial charge on the account. This explains why the department shows an actual loss of Rs. 19,021, despite the low claims ratio. In the marine department, claims, paid and outstanding, amounted to 68.01 per cent. of the net premium income. Since it was necessary to finance a substantially increased reserve in order to establish a marine fund at 100 per cent. of the premium income, the working of the department has entailed a loss of Rs. 34,745. Referring to the working of the marine department, the Chairman of the Company, Sir Cowasji Jehangir observes, in the course of his statement to the shareholders, circulated along with the Directors' report, as follows:

"As in the previous year, intense competition resulted in what are generally admitted to be uneconomic rates for non-tariff business and we did not, therefore, actively compete for such business. However, some progress was made in the writing of cargo business. Although we cannot but share the views of the world's leading underwriters that it will be some time before satisfactory results can be expected from marine hull insurance, it was also decided, in the broader interests of building up of a hull market in India, to make a cautious start in the development of a hull account."

The underwriting profit for the year under review, after making adjustments for the losses sustained in the marine and accident departments and including the income by way of interest and dividend, is Rs. 3.12 lakhs. After liquidating the debit balance of Rs. 2.88 lakhs carried forward from the previous year, there remains a balance of Rs. 24,004 which has been carried forward to current year's account. Referring to the outlook for the Company, the Chairman strikes a cheerful note, for he says: "Now that the subsidiary is firmly established with reasonable underwriting reserves and a nucleus of sound business in each department, we can confidently look forward to satisfactory dividends on the parent company's investment."

SOCIAL INSURANCE IN RUSSIA

The social insurance of factory and office workers in Russia is financed completely by the State. The State social insurance fund is made up of a fixed percentage of the wage bill paid regularly by all enterprises and institutions for this purpose. The workers make no payment into this fund. The State social insurance budget increase in proportion to the growth of the socialist economy.

In the first Five-year Plan period (1928-29 to 1932-33), the social insurance funds amounted to 10,400 million rubles. In the second Five-year Plan period (1933-37) they reached 32,500 million rubles. In the post-war Five-year Plan period (1946-50) they amounted to 80,100 million rubles. The 1952 social insurance budget came to 21,400 million rubles.

Benefits paid from social insurance funds include temporary disability benefits, paid to both wage and salaried workers, disablement and old-age pensions, pensions to families on loss of the breadwinner, and maternity grants. Social insurance funds go to pay the cost of construction and maintenance of trade-union health and holiday resorts, to purchase accommodation in health and holiday resorts for wage and salaried workers and for the upkeep of workers' children at summer camps and children's sanatoria. The cost of special diets served in special dining rooms and of accommodation and treatment at overnight sanatoria or one-day rest homes maintained by mills and factories also comes out of these funds.

During illness, a worker receives sickness benefit from the first day of his disability until his doctor permits him to go back to work. A worker is also paid out of this fund if he or she has to stay at home to take care of a sick member of the family.

The benefits paid range from half to the whole of the worker's earnings, depending on the length of service at the enterprise. Maternity leave benefits are paid to women who have worked at a given enterprise or institution for not less than three months. On the birth of a child a lump sum is paid as a special allowance for feeding the baby and for the purchase of a layette. The trade unions, it is stated, have complete charge of these State social insurance funds.

DALMIA CEMENT (BHARAT) LIMITED

FIRST ANNUAL GENERAL MEETING

MR. JAIDAYAL DALMIA PLEADS FOR DIFFERENTIAL PRICE POLICY

THE principle of fixing a uniform price for the cement industry as a whole, irrespective of the production problems and costs of individual units, was criticised by Mr. Jaidayal Dalmia, Chairman of the Dalmia Cement (Bharat) Ltd., in his address to the shareholders of the Company, at their First Annual General Meeting, held on the 20th inst. at Dalmiapuram (Madras). While the principle of different ex-factory prices to different units of the same industry had been conceded in the case of the steel industry, he saw no reason why such should not be applied to the cement industry, where the differences in production problems and costs of different units were far more striking than in the former. Answering the charge of inefficiency levelled against the high-cost units, Mr. Dalmia explained, in detail, how the costs of production of some of the units happened to be high. The most important causes were the heavy transport charges and cost of coal supplied to these units. Unless the Government was able to provide coal for all cement factories at a uniform price, Mr. Dalmia said, the fixation of a uniform controlled selling price for all manufacturers could not be justified. He also pleaded for zonal distribution of cement.

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

"I welcome you all to the first annual general meeting of your new Company, which according to the scheme approved by you, has taken over the Indian assets of Messrs. Dalmia Cement Ltd. The latter has now become a subsidiary of this Company. The balance-sheet and profit and loss account with the report of your Directors for the period ended 31st December, 1952, along with the accounts of various subsidiaries are in your hands.

"Ever since the expansion of your cement factory at Dalmiapuram, there has been failure of rains, year after year, resulting in power cut. Each year, we had hoped for better luck in the next, but the situation, instead of improving, kept on worsening. The production of the factory has suffered mainly because of this. The Company was, therefore, compelled to purchase and install diesel electric generating sets at heavy capital cost to supplement, to some extent, the available power supply, the installation of which has been completed only recently. We fervently hope that there may be ample rains in future years.

"The controlled selling price of cement has suffered a drastic cut since last December on account of availability of cheaper packing materials. It is rather regrettable that the increase in production costs resulting, for instance, from production losses, due to power cut and rise in labour costs, etc., has not been taken into consideration by those in authority while fixing the selling price.

Uniform Selling Price

"It is unfortunate that the cement industry, which occupies such an important place in the country's economy, although it is being controlled by a small number of persons, has not yet succeeded in having a combined organisation of its own to voice its common difficulties. However, on individual representations having been made by all, including the biggest combine of Messrs. A.C.C., the Government was pleased to refer the case of the cement industry to the Tariff Commission for investigation. The investigation is almost complete, and the report of the Commission is still awaited. In the case of the steel industry, both the Tariff Commission and the Government have already conceded the principle of different retention prices for individual producers based on their respective production costs, although, for consumers, the sale price of steel is the same, irrespective of its producer. The differences in production problems and costs of different units arriving from their locations, are much more striking in the cement industry. The locations of most of the high-cost factories were selected with the approval of the Planning and Development Department of the Government of India, having regard to availability of raw materials and distribution to consuming centres. Moreover, distribution of this basic industry is in the interests of defence strategy. On the recommendations of the Tariff Commission will largely depend the fate of these factories and of the industry. Perhaps, in the case of the cement industry, the principal of different retention prices may not be conceded as the persons affected are not so influential and powerful as the larger steel interests are. Even the steel re-rolling industry, where the affected interests are not so influential and powerful, has suffered an invidious distinction in this regard.

"It is regrettable that without trying to understand the basic realities of production costs, the high-cost units, in case of the cement industry, are charged with inefficiency even by those sitting high in authority. I shall welcome anyone to prove if such high cost of production is due to inefficiency.

"On the other hand, if these high-cost locations are not wanted, let these units be stopped, at least for a year as an experimental measure, and let us see if the requirements of these areas can be fulfilled at reasonable prices by bringing cement from low-production-cost units which are situated at long distances. The cheap-production-cost locations are only the adjoining areas nearer to coalfields. Almost all known and workable deposits of raw materials for cement in those areas are already being exploited. But still, all these areas are unable even to meet their own demand of cement. Then, how can they feed Southern and Western India, where production costs are necessarily higher, mainly due to their distance from coalfields or other factors beyond the control of the manufacturers.

Cost of Coal

"It is an acknowledged fact that coal is a very big item in the manufacturing cost of cement. Even with the most modern plant, the coal consumption is about 25 per cent. to 30 per cent. in cement burning alone, depending on the quality of coal. The cost of coal varies between Rs. 20 and Rs. 70 per ton from factory to factory depending on the distance from coalfields and means of transport. The factories in South Madras and in Saurashtra have to meet their requirements of coal by getting a major portion by sea route which raises the cost to about Rs. 70 per ton of coal. This accounts for a difference of about Rs. 12-8 per ton of cement in manufacturing cost of cement from factory to factory for the cement-burning process alone. Unless the Government is able to provide coal to all the cement factories at a uniform price delivered at the factories, the fixation of a uniform controlled selling price for all manufacturers cannot be justified. On the other hand, cement from Southern and Western India meets the deficit of the low-production-cost areas to a great extent, even by incurring heavy transport charges which have ultimately to be borne by the consumers there. Under such circumstances, how far is it reasonable and justified to treat the high-production-cost factories on a par with low-production-cost factories for the purpose of uniform sales realisation in a controlled economy. Concerns operating only one plant and that too near coal areas have no worry, as they are not adversely affected by the fixing of a uniform sales realisation for all factories in India. But great are the hardships of those, who have factories only in high-production-cost locations, which are, nonetheless, of great utility for the economy and development of the country and the great national projects. Their problems have not been considered with the sympathy they deserve. Such an unsympathetic attitude has discouraged and frightened many new-comers, in whose favour licences were granted for establishing cement factories. So much so that, even after getting capital subscribed, some had to liquidate their concerns and return the capital to the subscribers, instead of venturing and hazarding the same to risk. The proposed Bagalkot cement factory, backed so much by the Government of Bombay, has not been able to see the light of day so far.

"We have apprised the Tariff Commission about the considerable wastage and loss which is being caused by unnecessary cross movement of cement to long distances. The available rolling stock with the railways is grossly inadequate and, therefore, the Railway Board has come out with a complicated 'Own Your Wagon' scheme. The transport capacity is also extremely limited. In this state of rail transport facilities, the existence of unnecessary and avoidable cross movement of cement should not be tolerated. We are being compelled to despatch cement to distant stations which can be economically served from nearer factories. Similarly, those factories are supplying cement in areas far away from their locations, but involving less transport from our factory. This is a result of unscientific planning of distribution. To remedy this state of affairs, we suggest the fixing of zones of distribution for the various factories on an equitable basis taking into consideration their locations and the needs of the surrounding areas.

Industries (Development and Regulation) Act

"Important amendments have been made in the Industries (Development and Regulation) Act, by which the Government has taken extraordinary powers to control the prices and distribution of industrial products and to take over the management of an industrial undertaking without even giving it an opportunity to render an explanation. It is only to be hoped that these powers will be sparingly used in exceptional cases and not arbitrarily for serving other ends. The Hon'ble Minister for Industry, speaking in support of the amendments, stated in Parliament that 'it may be that the Government would have actively to enter into the field of expanding industries and promoting the floating of new concerns. If it does so, purely on its own, as a nationalised unit, even then, it has to make it a *profitable* one, or at any rate, see that it does not lose. So the prices have to be controlled.' It is recognised by him that an industry must be profitable, if it is to exist. The same consideration should be borne in mind while controlling the industries in the private sector. Any distinction will apparently be discriminatory.

Foreign Capital

"Fears have been expressed about the invasion by foreign capital into fields in which Indian capital is operating. There is really no cause for alarm provided the Government does not allow them special facilities and exemptions from statutory requirements. Let all be treated alike and the best interest of the country be kept nearmost to the heart. The Indian industrialists should also be helped and encouraged to improve the efficiency of their production units by effecting improvements and mechanisation. Schemes of labour economy should be appreciated and the impediments in the way of putting them through should be minimised. As it is, whenever any improvement is attempted, there is no co-operation from labour and no assistance from the Government. On the other hand, demands are being received from labour that more workers should be employed for the same jobs which have been done in the past with fewer hands and can, in fact, be done with even lesser strength than at present employed. Labour seems to have no regard for the economy of the industry, in which it is employed, and no desire to put in their best efforts towards production. The right to strike is being often abused. It is necessary, in my view, in the present state of our country, to impose reasonable restrictions on strikes and also deterrent penalties for illegal or manifestly unjust strikes. Rigorous laws have been enacted to chastise managements, if they do not conduct industries according to certain principles. The time has come when there should be laws enacted for correcting the growing indiscipline and go-slow tactics of labour. If rationalisation of labour on economic grounds is continued to be objected to, the time may not be very far, when many concerns may have to close down as the Madras Tramways had to do.

"If maintaining and feeding extra labour without work in ordnance factories demoralises labour itself, according to the Hon'ble Shri Mahavir Tyagi, Minister for Defence Organisation, it does so in the case of private employment as well. It is the duty of the State to provide opportunities of employment for all. Forcing the maintenance of idle labour by private industries is only another indirect form of tax on industry, which is entirely unjustified, and imposes an undue burden on the industry.

"I am glad that our Government has decided to make intensive effort to promote exports

(*Continued on page* 173)

BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED

EVOLVING ACCEPTABLE SCHEME FOR CONTROL OF INSURERS

MR. F. H. MEHTA ON NEED FOR ACTIVE CO-OPERATION

ADDRESSING the Thirty-third Annual General Meeting of the British India General Insurance Company, Ltd., held in Bombay on Thursday, 23rd July, 1953, Mr. Framroze H. Mehta, Chairman of the Company, emphasised that, while an overall control of general insurance business was necessary in order to improve the conditions in the insurance market, the task of evolving a scheme of control, acceptable to all insurers, could be accomplished only through "active co-operation" and "common understanding" among the insurers. He pleaded for the adoption of a policy of "live and let live" by insurers.

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

"GENTLEMEN,

"I have great pleasure in welcoming you once again to this thirty-third annual general meeting, and submitting the Directors' report, audited accounts and balance-sheet for the year ended 31st December, 1952. The report and statements of account have been in your hands for some time and, with your permission, I take them as read.

"Last year I referred to the Insurance Amendment Act and, since then, much useful work has been done by the Government Insurance Department Executive Committee and Tariff Committee to improve insurance conditions both in the life and general departments. For the first time, an invitation was extended by the Executive Committee to meet the delegation of the Advisory Board of Directors, to consider ways and means of improving the trade and putting the same on healthier lines. The Advisory Board of Directors met several times and discussed problems pertaining to general insurance from various angles; useful suggestions were put forward, and from the trend of the discussions which ensued it seems that the Directors have realised the situation facing them. More such meetings between the delegates of the Advisory Board of Directors and the Executive Committee will be held in the near future for frank and open discussions with a view to evolving schemes and formulas in order to create a healthy growth of the insurance market. Under the Act, greater responsibilities are thrown on directors to ensure that the affairs of the company are being run on sound lines. While the directors are ultimately responsible for successfully running the company, the main functions of the board of directors are to look after the interests of the shareholders by whom they were elected, to control and invest the funds of the company, appoint suitable persons to manage the affairs of the company and to have an overall supervision.

An Intricate Business

"Insurance underwriting is of an intricate nature and has such a wide scope that it can only be managed by those who have long experience of underwriting and who can devote their whole time to the various problems created from time to time. It is not advisable to make directors responsible to look into the day-to-day affairs of well-managed and smooth-running organisations.

"While an overall control from the authorities is necessary for improving the trade, which is of a national character, and for placing the same on a healthy and sound footing, it is essential that freedom be allowed to the insurers to evolve their own methods suitable to them. The working difficulties can only be judged by those experienced in the insurance field, and each insurer has his own set problem to face to develop the business suitable to him which cannot be worked out on a set pattern. From what was said by the chairmen and directors of companies at the various meetings of the Advisory Board of Directors, there appears to be a great divergence of opinion on the subject. It is but natural that with such differences it is difficult to produce a suitable working scheme acceptable to all. If, however, insurers extend to each other their active co-operation in trying to understand the difficulties facing others, and adopt a policy of 'live and let live,' I am sure a common understanding can be reached by evolving a scheme which may be acceptable to all and which would ensure a healthier trend in insurance.

"It is an accepted fact that insurers lean to a very great extent on the interest-earning capacity of their funds. Insurance companies being credit institutions can, like banking institutions, render financial assistance to industry, thus contributing to a great extent to the national building programme. It is, therefore, desirable that a certain amount of freedom be given to the insurers in their investment policy.

"The biggest problem facing the Indian insurer to-day is expenses. With the steady increase in prices, the standard of living rising and the demands from the staff unions for higher salaries, bonuses and gratuities, coupled with the fall in direct premium income, insurers find it increasingly difficult to keep within the required quantum of expense. The scramble for direct business in India is, therefore, due to the anxiety of insurers to fall within the required quantum.

Fire Insurance

"1952 saw a considerable drop in gross direct Indian premium, especially in the fire department. The drop is mainly due to the country's economic condition, import restrictions and revision in rates in certain sections of the Tariff.

"The fire section is the mainstay of the general department as shown by the accounts of various companies. This department had yielded a reasonable percentage of profit in the past on account of the claims ratio being within limit. However, the trend in 1952 and in the first half of 1953 is towards an increase in the claims ratio, particularly in the first half of 1953 which is considered abnormal, and with the increasing claims ratio the profit-earning of this department will be affected; hence the situation calls for the very careful consideration of the underwriters. The majority of claims in this department of insurance are due to lack of reasonable care by the insured, especially industrial concerns. A fire loss can be considered as a national waste, and while the insurance companies pay for the loss to restore the property, they can never restore the loss sustained by the nation.

"With rapid industrial developments in India and congestion in big cities, increasing fire claims are evident, and it is, therefore, desirable that the Government Insurance Department, in conjunction with the insurance associations, should take a lead in educating the people in fire prevention and consequent waste.

Marine Insurance

"Marine insurance results since the last war have been good. However, the position is deteriorating rapidly, mainly due to the unhealthy rate war. In recent years the tendency has been towards cutting rates without considering the subsequent consequences, so much so that we are now reaching an uneconomical level and, if no immediate improvement is made towards stabilising the same, it may lead to disaster. To-date results of the marine accounts clearly endorse the views expressed by me last year. It is time that the Tariff Committee gave their serious consideration to this problem, taking into account the nature of the world market of the trade, and tried to remedy the present chaos created by uneconomical rate war.

"For the first time, Indian shipping companies have placed their hull insurance business direct with Indian companies. It is, indeed, a very great gesture, indicating their confidence in the stability of the Indian insurers and their ability to conduct this class of business. Our thanks are due to them for their confidence in us and we assure them that their interests will be well looked after with efficient service.

"The miscellaneous section continued to be unsatisfactory, mainly due to heavy material losses in the private and commercial vehicle section. Private motor car rates have been increased from the beginning of 1953, but it is doubtful whether the increase is sufficient to keep pace with the increasing claims' costs. From the trend of claims received in 1953, it is evident that before long a further revision will be necessary, not only for private cars but for the whole motor section.

"Personal accident and aviation business throughout the world is unprofitable. This is mainly due to the ridiculously low rate prevailing in the market and unless a revision in rates is forthcoming, this class will continue to show a loss.

"The economic conditions of the country have remained unsettled, and there has been a consistent drop in the investment market. In 1946, the book value of our investments was below the market value to the tune of Rs. 14,26,000, representing a gain of 16.50 per cent. on our investments then. Since then, this gain on our investments was wiped off and instead, our investments show a depreciation amounting to roughly Rs. 10,37,000, for which adequate reserve has been provided, by creating a further reserve of Rs. 3,39,995 in the current year.

General Department

"The accounts produced show a decrease in premium income. The total gross premium income was Rs. 1,03,66,721 as against Rs. 1,09,68,000 last year. The net premium income for the year 1952 was Rs. 57,74,464 as compared with Rs. 64,80,558 for the previous year, i.e., a drop of Rs. 7,06,094. The paid and outstanding losses give us a ratio of 40.14 per cent. as against 34.61 per cent. in the previous year.

"Although our claims' experience in all three departments is within limit, considering the trend for increased claims and to meet with any abnormal losses, your Directors considered it advisable to build up a strong reserve position and accordingly the percentage of reserve in all the three departments has now been increased.

"The reserve for unexpired risks together with the additional reserve created amounts to Rs. 33,67,609, i.e., 58.32 per cent., against 54.65 per cent. last year—a strain of 3.67 per cent.

"The gross profit as shown in the profit and loss account was Rs. 8,10,974, which works out at 14.04 per cent. of the net premium income, compared with 11.36 per cent. last year. The total fund now stands at Rs. 66,43,700.

Fire Department

"The gross premium income was Rs. 64,05,798 as compared with Rs. 67,04,000. The net premium income amounted to Rs. 34,29,550, and showed a drop of Rs. 5,26,049. Claims paid and outstanding cost us 32.13 per cent. as compared with 26.94 per cent. last year. The ratio of commission and expenses and taxes was 55.07 per cent. as against 51.47 per cent. in 1951.

"The profit transferred to the profit and loss account was Rs. 6,54,223 (19.07 per cent.) of the net premium income as against 14.09 per cent. for the preceding year. The reserve now stands at 52.40 per cent. as compared with 50 per cent. last year.

Marine Department

"The gross premium income was Rs. 15,33,730 as against Rs. 15,91,000 in 1951, but the net premium income was increased by Rs. 61,093 and now stands at Rs. 5,62,172.

"Due to continuous pruning of this account and without indulging in any uneconomical rate cutting, it was possible to bring down the loss ratio from 62.58 per cent. last year to 58.99 per cent. in the current year.

"After providing a reserve at 105 per cent. against 100 per cent. to the previous year, which, together with the increase in net premium income, absorbs an additional amount of Rs. 89,202, Rs. 3,057 was transferred to the profit and loss account.

Accident Department

"The working of the miscellaneous insurance department shows a decrease in the premium income of Rs. 2,41,138. There is a rise in the claims ratio, mainly due to the drop in premium income, which now stands at 49.62 per cent. as compared with 42.66 per cent. previously.

"Your Directors have once again considered it advisable to strengthen the reserve position in this department, and accordingly increased the reserve to 55 per cent. as compared with 52.5 per cent. last year.

"The profit transferred to the profit and loss account, after providing the above reserve, was Rs. 56,221.

Life Department

"The interest yields in these departments were slightly higher than last year, and rose from 3.59 per cent. to 3.84 per cent. in the Closed Account, and from 2.43 per cent. to 2.96 per cent. in the Current Account.

"*Closed Account.*—This being a running-off account, no comment is necessary.

"*Current Account.*—The completed new business for the period under review was Rs. 67,96,000 as compared with Rs. 57,78,000, i.e., an increase of Rs. 10,18,000. Efforts are being continued to bring down the expense ratio and the same now stands at 43.57 per cent. as compared with 44.98 per cent. The death claims amount was lower than last year the figures being Rs. 46,185 in 1952 against Rs. 54,910 in 1951, and fall well within expected claims. There was a great improvement in the lapse ratio which now stands at 19.37 per cent. compared with 33.68 per cent. last year. Further efforts are being continued to bring down the lapse ratio within a reasonable figure. After transferring Rs. 15,000 from the profit and loss account, the life funds show, at a figure of Rs. 12,08,512, an increase of Rs. 4,51,114 over the previous year.

Profit and Loss Account

"After crediting Rs. 1,73,255 as interest, and transferring the profits from the fire, marine and accident revenue accounts, the total of the account amounts to Rs. 8,87,883. Rs. 8,774 and Rs. 15,000 were transferred to the life closed account and life current account respectively. Rs. 58,008, Rs. 6,230 and Rs. 3,370 were debited as expenses not charged to other accounts, donations and exchange adjustments respectively. The amount transferred to the profit and loss appropriation account was Rs. 7,95,974 as compared with Rs. 7,36,366 in the previous year.

Profit and Loss Appropriation Account

"Rs. 2,10,000 and Rs. 2,14,000 for provision for taxation and reserve for depreciation in securities were debited to this account. After transferring Rs. 50,000 to general reserve, Rs. 25,000 to reserve for equalisation of dividend, Rs. 65,000 to reserve for bad and doubtful debts and creating an exchange reserve of Rs. 15,000, the balance of the profit and loss appropriation account was at Rs. 2,98,894, out of which your Directors recommend a dividend of 10 per cent. free of income-tax, absorbing Rs. 2,00,000.

"Continued efforts are being made to develop the business at home and abroad, and from the list of branches and agencies you will observe that we have opened new branches in India and in the foreign field. It will take some time before the effect and the progress of these branches will be felt by us.

"The Board has granted a bonus at the rate of 1½ months' salary to the members of the staff at head office and at branches.

"The present healthy position of the Company is entirely due to the team-work of all officials and staffs at all branches and head office, and their loyalty to the 'British India'. My Board and I acknowledge this by placing on record our appreciation and thanks, not only to them, but also to our agents, without whose co-operation it would have been difficult to produce the good results achieved.

"I now move that the Directors' report, audited revenue accounts, and balance-sheet be received, adopted and entered in the minutes."

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of planned progress. The business is growing in its importance and stature and should continue to develop and prosper under private enterprise so that the Indian insuring public finds protection against every form of insurable risks on a competitive and personal basis. Whilst the industry gets the utmost co-operation marked by a really sympathetic and imaginative approach from the two Government Departments that come into day-to-day contact with the trade, the Controller of Insurance and the Controller of Foreign Exchange, there is room for active assistance from the numerous Government Departments which follow the dangerous and illusory policy of self-insurance. At a time when Government is engaging itself to an ever-increasing degree in trade and industry, any withholding or withdrawal of business which normally belongs to the indigenous market will cripple its strength and handicap its progress. Indian insurance is quite anxious to play its proper role in the development of our economy. It is well equipped to do so by the strength of its finances and the wealth of its man-power and organisation. Let Indian insurance grow to greater heights and occupy a leading position in the national economy."

INDIAN INSURANCE COMPANIES' ASSOCIATION

MR. T. K. DESAI'S ADDRESS AT TWENTY-FIFTH ANNUAL MEETING

"WHILST Indian general insurance may have its domestic difficulties, the essential fabric of the business is sound. It has great inherent strength and commands not only confidence but respect of the International markets with which it has widespread relationships. Its flag flies over more than 40 countries. In fact, in the international field Indian insurance has shown a more active approach than any other Indian enterprise." Thus observed Mr. T. K. Desai, Chairman of the Indian Insurance Companies' Association, Bombay (Deputy General Manager of 'New India'), presiding over the Twenty-fifth Annual General Meeting of the Indian Insurance Companies' Association, Bombay, on Tuesday, the 14th inst. He added: "This progress has been achieved without securing any favourable position through discriminatory legislation or with active Government support. It is the product of the trade's own efforts and initiative."

After presenting the economic background which he considered difficult, the Chairman, Mr. Desai, observed *inter alia*: "The year 1952 represents the first post-war year of depression which normally hits insurance much harder than other trades. Whilst it is inevitable that the results may reflect a downward trend, the Indian companies have successfully withstood the difficulties of the year caused by falling premiums, heavier claims-experience and rising management costs. There has been an all-round fall in the premium income in all the departments. The reduction in premium would have been much larger but for the development of new lines of business which also was not without its own problems. For instance, the handling of the insurances of imports of American cotton by the Indian market brought in its wake the claims for country-damage caused through unusual rains and lack of storage facilities in the cotton-growing districts of California. These were claims which should really belong to the policies taken out by the American exporters. The market had to meet the claims from their Indian insured and the question of recovering these losses from those on whom they must necessarily fall is under discussion. This is a matter which the American underwriters will approach from the long-term viewpoint of market-to-market co-operation. In any case, the Indian market met its essential moral obligations to the Indian cotton trade.

"Last year, for the first time in its history, the Indian insurance market began to handle hull business in an organised way. India has a vast coastline and her shipping industry receives the wholehearted support of our Government, resulting in a reservation of the coastal trade for Indian shipping. In the interests of national prestige and self-sufficiency, Indian insurance must provide a full-fledged hull insurance service. An excellent example has been set by the 'Scindias' by placing their entire hull insurance in the Indian market and I hope that the lead given by the premier shipping unit in the country would be followed by the other shipping units with the same enthusiastic approach, with a view to assist the building up of an indigenous hull insurance market which should be a normal feature of the insurance services provided in any well-developed insurance market.

"The rates for motor insurances had to be revised at the end of 1952, as a result of continuous adverse claims-experience. In this sphere, the tariff insurers have repeatedly drawn the attention of the authorities to the exemption granted to certain insurers from the requirements as to tariff-rating, transgressing the assurances given by the then Hon'ble Commerce Minister on the floor of the House when the Insurance Amendment Bill was on the legislative anvil.

"Whilst 1952 has provided an unpleasant picture, there are already signs of a turn for the better in the first few months of 1953. I am not at all pessimistic about the future of our trade. With a population of about 360 millions the total gross premium of the country is only Rs. 20.5 crores. This is too poor a figure when compared to some of the Western countries where the *per capita* insurance is over fifty times that of India. First, there is a vast existing field which still remains unexplored by insurers. We have to encourage the insurance-mindedness in the people. Secondly, there will be substantial additions to the available business through the various plans of reconstruction both in our agriculture and industry in the planned economy of the future. What I desire to emphasise is that, at present, we touch only the fringe of the potential business available in the country. We have been working in a narrow groove which gives the erroneous impression that there are too many companies catering for a limited business. Our young general insurance trade is capable of great development in various directions. For instance, there are so many recognised lines of insurance business which have become popular in Western countries which Indian insurers could usefully offer to the insuring public. I have a twofold object in referring to these possibilities. First, to increase the size and spread of the portfolio of Indian companies over numerous classes of business and, secondly, to make the service of Indian insurance quite comprehensive, so that insurance becomes a true handmaid of trade and industry.

"I do not propose to deal at length with the progress that has been made and the problems that we have faced during the last 25 years. All I wish to say is that our Association began with seven members with head offices located in Bombay, catering mainly for local business. To-day our membership consists of 59 offices, some of whom have world-wide ramifications, transacting in 1951 a total net premium of over Rs. 13.1 crores, of which over Rs. 6.3 crores are derived from outside India.

"I cannot, however, refer to this progress in the premium income without some feeling of disappointment, because, in spite of quite low claims-experience and other favourable circumstances, the companies have not succeeded in building up a strong reserve position for themselves. I cannot overemphasise the importance of achieving a strong reserve position for general insurance companies in India. Reserve strength is most vital to insurers both in the risk-bearing capacity it creates, and the interest revenue it brings. The earnings of general insurance business cannot be properly evaluated in terms of annual profits. A definite portion of our premium revenue is to be set aside annually to provide for funds to meet abnormal losses which occur at long intervals, but which can sap the vitality of the market. Adequate facilities should, therefore, be afforded to companies to build up reserves. I hope and trust that the Taxation Enquiry Commission will examine the just claims of Indian insurers in this behalf."

Welcoming the Commerce Minister's suggestion that at least 50 per cent. of the business of non-Indian business houses should be placed with Indian insurers, Mr. Desai said:

"On behalf of the Indian insurance fraternity, I take this opportunity of congratulating the Hon'ble Minister on the spontaneous suggestion which shows the great interest he has in the working and development of our business. I do hope and trust that the European business houses will adopt his suggestion in the spirit in which it has been made.

"Gentlemen, we have reached our present position of development in our trade without any discriminatory legislation against non-Indian insurers. It should not be necessary for us now to bring in politics or racial issues in our business. We have worked hand-in-hand with non-Indian insurers for over 30 years, and, I am sure, my non-Indian friends would not misunderstand me when I say that, as most Indian insurance companies have to depend on the Indian market for their business, the suggestion made by the Hon'ble Commerce and Industry Minister that at least 50 per cent. of the business should be placed with Indian companies by European business houses is a fair and reasonable one. It should not cause any hardship or heartburning. Whilst, on the one hand, we find our Hon'ble Commerce Minister pleading the cause of Indian insurance, it is disconcerting to find some Indian business houses still placing the whole or bulk of their insurance business with non-Indian concerns. The primary object, with which our Association was started way back in 1927, was to propagate the cause of Indian insurance in India. In the year of grace 1953, it should hardly be necessary for us to restart a campaign to patronise indigenous insurance. All I need add is that Indian insurance has come to stay and it offers as efficient and as economic a cover as is obtainable from non-Indian insurers either in this country or elsewhere."

In conclusion, Mr. Desai observed:

"Indian general insurance has come to stay; though there are a number of young companies, there is an inherent strength which the market has acquired by adhering to old-established principles of sound insurance. The Indian companies are capable of providing efficient and economic cover for the country's needs. The business of Indian companies is growing at a rapid rate. The Indian companies, far from being junior partners in the market, do enjoy the patronage of the bulk of Indian business. It is regrettable that there are some Indian business houses who do not yet show appreciation of the remarkable progress made by Indian insurance. We should spare no efforts in persuading these elements to recognise the importance of supporting our well-established and successful industry. Whilst Indian general insurance may have its domestic difficulties, the essential fabric of the business is sound. It has great inherent strength. Indian insurance commands not only confidence but respect of the international markets, with which it has widespread relationships. The flag of Indian insurance flies over more than 40 countries of the world to offer the aid of Indian insurance service to the friends of India. In the international field Indian insurance has shown a more active approach than any other organised Indian enterprise. This progress of Indian insurance has been achieved without securing any favourable position for Indian insurance either through discriminatory legislation or under active governmental support. It is a result of the trade's own efforts.

"There is great scope for further extension of the activities of Indian insurance both in our own home market as also in the foreign field. That scope will be enhanced in the coming era

(Continued in first column)

NEW PUBLICATIONS

Bankers' Securities Against Advances. By L. R. Suneja. Suneja Publishers, 24/90 Connaught Circus, Below Madras Hotel, New Delhi.

IF the advice of Polonius to his son, "Neither a borrower nor a lender be," were to be strictly followed, the economy of the world would be at a standstill, however sound that advice may be. Agricultural production and industrial development would not progress and, in fact, would be crippled, if the agriculturist or industrialist were to live within his own resources. Banks fulfil a necessary function, in that they actually aid lending and borrowing operations. The author of the book under review analyses the fundamentals of sound advancing by banks and the principles on which advances might be made by banks either with or without security and examines the merits and demerits of the different classes of securities taken against such advances.

The author of the book needs no introduction, especially to students of banking. His *Answers to Questions of the Institute of Bankers Examination* are only too familiar to those who have appeared for that examination. He is also the author of another useful book entitled *Bankers' Objections on Unpaid Cheques*. The author, who is himself a practical banker, has brought together, in the book under review, the results of his long study and experience extending over thirty years.

The two main functions of a bank are those of receiving deposits and lending money and each of these functions is complementary to the other. While deposits represent the main resources of a bank, advances provide the most important source of profit. A banker can ill afford either to look to the interests of his depositors alone and be extremely conservative in making advances or to disregard their interests and risk their money in reckless advances. The author has endeavoured to furnish information on practical matters connected with the making of advances together with as much commercial law as a banker requires to know in order to conduct the above functions.

As a preliminary study to an analysis of the various classes of securities, the author discusses, in Chapter I, how a banker employs his funds, the major part of which, of course, is utilised in giving loans and advances to his customer. Before he decides to lend his funds, the banker has to study carefully the type of customer seeking advance and the kind of security the customer is prepared to provide against its due repayment. The borrowers are not drawn from any particular class of customers and the banker is, therefore, required to know whether the borrower has the capacity and power to borrow. The different classes of borrowers and the contractual relationship of each of them with the bank are dealt with in Chapter II.

Advances of a banker fall under two broad classifications, namely, "secured" and "unsecured" advances, and assume one of the three forms, loan, overdraft and cash credit. The significance of these types of advances is explained clearly in Chapter III. Chapters IV to XV form the main theme of the book, in which the author deals with the various classes of securities under two broad classifications, namely, desirable securities and undesirable securities. The desirable securities which may be accepted are, guarantees, first class stock exchange securities, life policies, title deeds of immovable property, goods and documents of title to goods, and bullion. Under the undesirable securities are grouped shares in private companies, which are unquoted and not readily transferable, second mortgages, sub-mortgages, assignment of book debts, short leasehold property and other securities of a wasting character. The merits and demerits of each of the desirable securities, the precautions that a banker has to take in securing a good title to the securities offered and the various procedures adopted in the process of securing the advances and their realisation have been exhaustively dealt with. In Chapter XVI, the author describes another form of advance, namely, discount accommodation, that is, advances granted by a banker by way of discounting bills of exchange.

Loans and advances by banks in whatever form they are made are more beset by pitfalls than crowded with opportunities. A banker would be courting disaster, if he were to embark on advancing without adequate knowledge of the law and practice governing such advances and if he were to keep the lure of earning profit as his ideal. On the other hand, as the author points out, wisely conducted loans and advances will profit both the banker and the borrower, as well as promote national economic welfare.

The banker may be satisfied with the creditworthiness of the proposed borrower and the security offered by him may be ideal. But these advantages will be lost, if there is any legal flaw in the documents taken from the customer in support of the advance. Utmost care should, therefore, be taken by the banker in executing the documents. The various documents that a banker has to take from his borrowing customer and the methods of executing them are explained in the last chapter. Specimens of these forms are given in appendix A.

The book is, on the whole, a valuable guide not only to students of banking and bankers but also to business men who have to borrow from banks, from time to time, to finance their activities.

India 1953—A Reference Annual. Published by the Publications Division, Ministry of Information and Broadcasting, Government of India, Old Secretariat, Delhi 8. Price : Rs. 5.

Among the several publications about India which the Publications Division of the Central Ministry of Information and Broadcasting has so far brought out, *India 1953—A Reference Annual*, just published, is certainly the most outstanding. This is so for more than one reason. For instance, unlike the previous books, the publication under review is quite comprehensive, giving authentic information pertaining to nearly all aspects of the country —the political, economic and social aspects. Further, it is neatly printed and well got-up. What is more, the publication is attractively priced at Rs. 5.

The book opens with an interesting description of the land and the people, followed by a detailed account of the political set-up of the country. The latter covers wide ground, including constitution, national symbols, elections, Union and State Governments, judicial system, public services, and defence services. The finances of the Union and State Governments, the Five-year Plan, power and irrigation and scientific research form the subjects-matter of separate chapters. Special chapters are devoted to the study of industry, commerce, agriculture and transport. Also discussed are such activities as Community Projects, Co-operative Movement, education, health, labour, social security, Press, films and broadcasting, postal services and rehabilitation. Another special chapter is devoted to the study of scheduled castes, scheduled tribes and backward classes.

The utility of the publication is enhanced by a survey of the economic and social conditions existing in each State, an account of the main events on the sports front, a chronicle of events during the period 1st October, 1951, to 30th September, 1952, and the series of legislations passed by the Governments—Central and State. The book also includes general information relating to embassies and consulates, warrant of precedence, hill stations, mountains, bridges and rivers. At the end of the publication are given a few interesting "facts and figures."

Indeed, the publication under review contains a mine of information on practically all important aspects of Indian life. It will doubtless serve as an invaluable book of reference to the public in general, and to students appearing for the competitive examinations, in particular.

The Investors' India Year-Book, 1953. Compiled by Messrs. Place, Siddons and Gough, Stock and Share Brokers, Post Box 592, Calcutta. Published by Orient Longmans Ltd., Calcutta. Price : Rs. 20.

This annual publication from the well-known house of brokers, Messrs. Place, Siddons and Gough, Calcutta, which is in its thirty-ninth edition, has carved for itself a prominent place among the works of reference on the working of important joint stock companies. In the latest edition which refers to the year 1953, the usual features of the publication, namely, the results of working of joint stock companies in tabulated form and the latest financial position of the companies, are maintained. There is an expanded tea section and a chapter giving practical investment hints. Referring to the role of private enterprise in India, in the context of the Five-year Plan, the authors of the book say, in their introduction:

"And if the Indian national plan, despite the fact that it was written by mean who are far from holding to this truth as firmly as we do, nevertheless leaves private enterprise largely unplanned, it seems the height of ingratitude to scold them for it. A moment's thought will show that they have not left private enterprise 'unplanned' out of conviction and for all time; they have probably done so, because they lack the administrative equipment to bring it within their global plan and because they are sufficiently doubtful of the efficacy of complete socialisation to give private enterprise a fair run to show what it can do. This fact was expressed by Sir George Schuster, a former Finance Member of the Viceroy's Council, who was on a visit to India last cold weather, by saying that 'capitalism in India is on trial'. We would add only that we expect the trial to be a fair one, first, because the Government will have its hands full attending to its own section of the Plan, and, secondly, because the Indian consumer, like consumers everywhere, will support the economic system that delivers the goods."

It is to be hoped that Indian private enterprise will not be found wanting now that the call to deliver the goods is being made, both from the Governmental and consumers' quarters.

World Facts and Figures (Third Edition). Published by United Nations Department of Public Information. Available at Oxford Book and Stationery Co., Scindia House, New Delhi and Calcutta. Price: 25 cents.

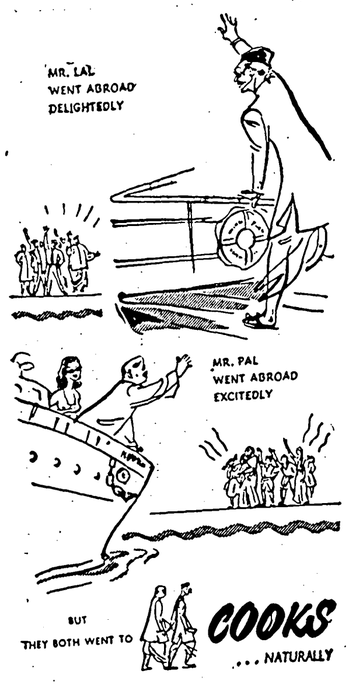
The brochure under review is a commendable synopsis of the voluminous Statistical Yearbook 1952 and the Demographic Yearbook 1952. The information covers a wide field of economic, financial, social and cultural data not always readily available elsewhere. It covers in most cases the two decades ending 1951 or early 1952, of about 250 countries and territories. Population trends, birth and death rates, unemployment, wages and living costs are some of the topics for which statistical information is given. Other subjects covered include agricultural production, livestock population, fertiliser consumption, mining and manufacturing, communications and transport, film production and newsprint consumption.

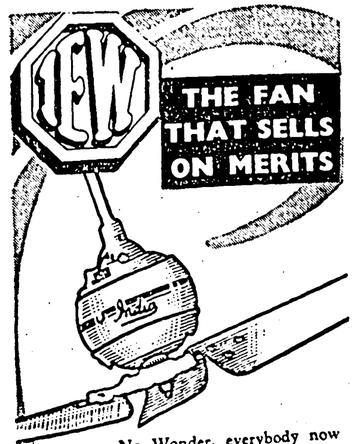
The brochure reveals that the world's farmlands are now yielding considerably more wheat, corn, barley, cotton and wool than before the war. World industrial activity has more than trebled. Steel output has increased fourfold. Sixty-five per cent. more coal was mined in 1951, as compared with 1931. Petroleum production increased by 229 per cent. and electricity generated by 288 per cent. There were over three times as many motor cars manufactured than at the depth of the Great Depression. International trade in 1951 had gone up three and a half times in value since 1938. Health conditions seem to be improving, too, as shown by substantial declines in infant mortality rate since 1930-34. Food consumption, as measured in terms of calories per person per day, seems either to have been maintained at pre-war levels or to have risen slightly. The brochure is indeed a valuable pocket reference book for all persons who have no time to go into the vast mass of information contained in the Year books referred to and who still desire to have some knowledge about world conditions in the economic and social fields.

Effective Business Correspondence. By R. L. Agrawal and B. N. Tripathi. Published by Messrs. Nand Kishore & Bros., Chowk, Banaras. Price : Rs. 6.

This book is bound to prove useful to both business firms and students of business organisation. It provides a lucid discussion of the principles and practice of business correspondence. It also gives copious specimens derived from the actual correspondence of business firms and Government offices.

The book is divided into ten parts, each dealing with different aspects of business correspondence. Part I is purely introductory in nature, being devoted to the description of the notable features of letter-writing. Business office routine and recruitment of office personnel are dealt with in the next part. It is here that a few specimen applications have been given and the technique of their composition discussed. In the subsequent six parts, business letters have been discussed and their specimens given in relation to various phases of business—inland and foreign—from the receipt of an enquiry to the final execution of orders. An exclusive chapter is devoted here to letters relating to banking and insurance companies. The last two parts deal, respectively, with techniques and forms of official correspondence and their drafting.







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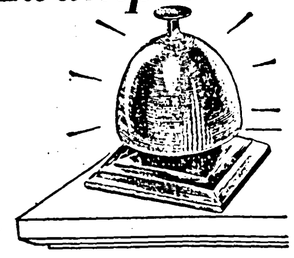



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FOUNTAIN PEN INK INDUSTRY

IS THERE A CASE FOR CONTINUANCE OF PROTECTION?

THE Tariff Commission has commenced its enquiry into the question of continuance of protection or assistance to the fountain pen ink industry. The industry has demanded that protection to it be continued for another three years. Some of the producers have also asked for an increase in the rates of protective duties and imposition of a ban or restriction on the imports of fountain pen ink. Assistance has also been sought in various forms such as facilities for importing supplies of raw materials and consumable stores, reduction in import duty on raw materials which cannot be obtained locally, control over the quality and price of glass bottles and cardboard boxes, organised distribution of raw materials, grant of loans by Government on liberal terms, exemption from octroi duty and sales tax, Government encouragement to exports of indigenously manufactured ink and extension of facilities for research so that the small manufacturers might get free technical assistance.

From the review of the position of the industry made by Dr. B. V. Narayanaswamy Naidu, Member, Tariff Commission, while opening the public enquiry into the question of continuance of protection or assistance to the fountain pen ink industry, last week, in Bombay, it is clear that the industry has an acceptable case for the continuance of protection. First of all, it is only for the past three years that the industry has been enjoying protection. This is too short a period for any industry to establish itself on sound lines. The industry is still not in a position to meet the entire domestic demand. The value of imports of fountain pen ink in 1952-53, for instance, was Rs. 4.51 lakhs, as against Rs. 3.17 lakhs in 1951-52 and Rs. 1.76 lakhs in 1950-51. Again, although the quality of its product has considerably improved, it still leaves much to be desired.

Scanty Information

The industry under review consists of a number of factories on a small or a cottage scale in different parts of the country. It has not, therefore, been possible to obtain information regarding the exact number of factories manufacturing fountain pen ink in the country and their actual production. According to the All-India Ink Manufacturers' Association, there are at present 103 units in the country, out of which 24 came into existence since the previous tariff enquiry. The total number now working is, however, said to be only 46. Of this, the rated capacity of only 36 units is available, and these account for 2.48 million dozen bottles of 2 ozs. each. This includes two new big units, namely, the Pilot Pen Company (India) Ltd., Madras, and the Parker Pen Company (India) Ltd., Madras, which together have an annual rated capacity of 0.66 million dozen bottles of 2 ozs. each. Out of the 46 factories in actual production, 17 are in Uttar Pradesh, 13 in Madras, nine in Bombay, four in West Bengal and one each in Assam and Travancore-Cochin.

As regards actual production, in 1947 it was 191,526 doz. bottles of 2 ozs. each or about 12 per cent. of the rated capacity and in 1951 it was 554,500 dozen bottles of 2 ozs. each for 37 units or 30 per cent. of the rated capacity of these units. In 1952, production was 533,567 dozen bottles of 2 ozs. each for 43 units. It may be mentioned that 10 units situated in Bombay, Calcutta and Madras account for about 80 per cent. of the total output in the country; the rest of the production is from small or cottage-scale units, for which detailed figures are not available. Certain discrepancies have also been found in the figures of rated capacity and production reported by the different State Governments and the Ministry of Commerce and Industry. Consequently, the first task of the Commission should be to collect accurate data about the number of units, rated capacity and actual production.

The estimates of domestic demand for ink vary from 200,000 dozen bottles to 7,500,000 dozen bottles of 2 ozs. each. Most of the producers, however, estimate the demand at between 1,400,000 dozen and 2,500,000 dozen bottles of 2 ozs. each. The present annual demand, according to the Ministry of Commerce and Industry (Development Wing), is 743,000 bottles, which is expected to increase to one million bottles of 2 ozs. each during the course of the next three years. The task before the Tariff Commission is, therefore, to examine the various estimates and arrive at an agreed figure, both current and future, in regard to demand.

The quality of the indigenous fountain pen ink is one of the crucial issues on which the Tariff Commission must form correct conclusions. For there is no meaning in providing protection to the industry if the industry does not improve the quality and simply takes advantage of the sheltered market to exploit consumers. While most of the producers have claimed considerable improvement in the quality of their product, some of the consumers still consider the quality of indigenous fountain pen inks a lot inferior to imported inks. The main defects of indigenous inks are said to be sedimentation, higher acidity and clogging in the pen. Many producers claim to be producing fountain pen inks in conformity with the specifications formulated by the Indian Standards Institution. Nevertheless, they say that they have found it difficult to cope with the consumers' prejudice which, according to their view, is most irrational, and not based on correct assessment of quality of indigenous inks. It is needless to emphasise that the ability of the industry to produce and supply high quality inks to the entire satisfaction of consumers will alone secure prosperity for the industry.

Raw Materials

The Tariff Commission is also enquiring into the question of raw materials. It is gratifying to hear that the industry is not finding any difficulty in getting the raw materials which are produced in the country. Even in getting imported raw materials also, we are told, there has been no difficulty except in the case of certain dyes, particularly blue ink dye, the imports of which are irregular. The producers have represented that the control on imports of dyes and such other raw materials which are not produced in India should be abolished or at least liberalised, particularly because a fairly large number of manufacturers are working as a cottage or small-scale industry basis. They also desire that the Government should pursue a steady policy, particularly in regard to the import of raw materials, and that, whenever the policy has to be changed, the Government should make it known to them sufficiently in advance. One of the manufacturers has complained that there is some discrimination in the matter of customs duty charged for ink colours and textile colours, because ink colours are classified as dry colours and textile colours as coal-tar dye. It has been pointed out that, in other countries, ink colours are classified as coal-tar dyes and, therefore, the importers there are not allowed to import ink colours under the licence for coal-tar dyes. It is also demanded that import duty on raw materials such as chemicals, dyes and solvents used in the manufacture of fountain pen ink should be reduced. The producers are opposed to a liberal import policy regarding fountain pen inks on the ground that it will adversely affect the industry in spite of a fairly high import duty. This demand will have to be examined with reference to the capacity of the indigenous industry to meet the requirements of consumers in respect of both quantity and quality. In this connection, Dr. Narayanaswamy observed that the consideration of import control as a means of protection was neither strictly within the purview of the Tariff Commission nor was it consistent with international obligation which India had assumed. Further, he added that on grounds of the most economical use of the country's foreign exchange resources, any Government would, of course, consider it wasteful to allow imports of an article on a liberal scale if the indigenous industry could meet all or most of the consumers' requirements.

A large number of producers have expressed concern at the participation of foreign capital in the preparation of fountain pen ink and the manufacture of popular brands of foreign fountain pen ink in the country. They point out that, for an industry of this type, sufficient Indian capital is available and that foreign capital should not, therefore, be encouraged. Adverting to this question, Dr. Narayanaswamy Naidu stated that it raised certain basic issues which was not within the purview of the Tariff Commission and that they were covered in the Prime Minister's statement of 6th April, 1949, on investment of foreign capital in India. He, however, promised to enquire into this question at the appropriate stage of the discussion.

TREND OF WORLD TRADE

VOLUME EXPANDS

THE full text of the latest report of the G.A.T.T. (General Agreement on Trade and Tariffs) on international trade, just published, is not yet available to us. But from the Press version of the report, it appears that, although it is entitled "International Trade in 1952," it deals with far more than the trends of international trade during the last year. It analyses the pattern of international trade during 1946 and 1951 and spotlights important developments. The report is not merely of historical interest, because it also provides information, which will help one to interpret the trend of trade during the current year also.

The aggregate volume of world trade in 1952, according to provisional data, was slightly below the record level established in the previous year. Nevertheless, it was 25 per cent. higher than the inter-war peak reached in 1929. Commenting on these figures, the report observes that the rate of growth in the volume of trade between 1946 and 1951 was unprecedented. It is significant to note that this development took place at a time when many Governments were maintaining severe restrictions on imports. The expansion in the volume of world trade, the report points out, depended to a large extent on the stimulus of the economic aid rendered by the U.S. to the various nations the world over, which amounted to $35,000 million between 1945 and 1952, an amount equivalent to one-tenth of the aggregate value of international trade during that period.

An important change in the composition of world trade, as compared with pre-war, is that manufactured goods now account for a considerably larger proportion of the aggregate volume—slightly more than half. Measured in terms of value, however, the proportions of primary products and manufactures in world trade have remained roughly constant. Whereas the prices of primary products have trebled, as compared with those in pre-war years, prices of manufactured goods have only doubled.

Although there has been a rapid increase in the volume of international trade during the past few years, the G.A.T.T. report does not express satisfaction with it. For the proportion of total production now moving across international frontiers has been declining. The share of total production entering international trade, which was 28 per cent. in 1925-32, has dropped to 20 per cent. during the post-war years.

The report analyses the profound changes that have occurred in the direction of world exports of capital goods since pre-war. Before the war, 58 per cent. of the world's exports, by volume, went to the main primary producing areas. But, in spite of an increase in the volume of capital goods exported to these areas even in post-war years, the proportion of world exports of capital goods which went to regions producing primary goods in 1951 had fallen to 49 per cent. As against this trend, the trade in capital goods among industrialised areas of the world rose by nearly two and a half times between 1938 and 1951.

Similar trends have also been in evidence as regards trade in consumer goods. Before the war, primary producing areas were receiving 58 per cent. of the volume of world exports of consumer goods. In 1951, however, they received only 46 per cent., a decline by 12 per cent.

The G.A.T.T. report also gives the average incidence of duties in some important countries based on a representative group of articles that figure in international trade. The indices for 1952, as compared with those for 1925 and 1913, in terms of percentages of value, are as follows:

	1952	1923	1913
Australia	17	13	18
Benelux	9	—	—
Belgium	—	7	6
Netherlands	—	4	2
Canada	11	17	17
Denmark	5	6	8
France	19	9	14
Germany	16	15	12
Italy	24	16	—
Sweden	6	10	13
United Kingdom	17	—	—
United States	16	26	32

The report qualifies these indices to the effect that they are "only indicative and illustrative" and that "great importance should not, therefore, be attached to any single figure, nor should the indices be taken as the basis for comparing tariff levels of the various countries. They merely indicate the relationship between the tariff levels of the same country in different years."

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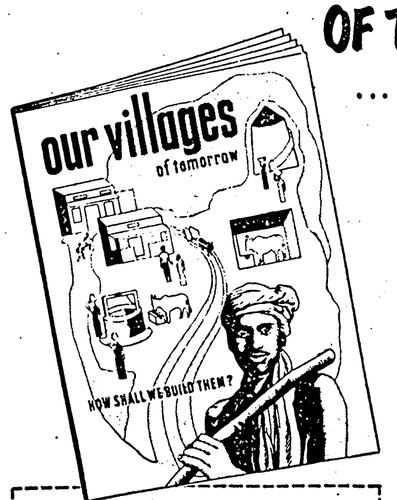

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PROBLEM OF UNEMPLOYMENT IN INDIA

SOME THOUGHTS ON ITS IMPLICATIONS TO INDUSTRY

THE President of the All-India Organisation of Industrial Employers, Mr. Mohanlal Shah, gave pride of place to the subject of unemployment in his speech at the twentieth session of the Organisation held at Ahmedabad last week. This is only as it should be, especially now that the problem of unemployment is making itself felt by the powers that be. It is common knowledge that the existence of unemployment reflects, from the national viewpoint, a waste of productive resources. Idle man-power means lower production and income than when the entire labour force is at work. From the human standpoint, however, unemployment means something more personal and catastrophic. It marks the complete stoppage of an individual's regular income and, in the absence of any relief, it drastically reduces the standard of his living and of those who are dependent on him. It seriously impairs the morale of the worker by making him feel that the society is no longer in need of his services.

Unemployment in India is not due to any deficiency or instability of aggregate demand but to the shortage of capital equipment and other complementary resources. The problem has found its expression mainly in the under-employment of agricultural population with extremely low productivity and income and is becoming increasingly serious owing to the progressive growth in population. The pace of movement of underemployed and unemployed to cities in search of jobs is faster to-day than at any time before. The situation is one which calls for immediate attention and effective treatment.

How to tackle this problem? Speaking the other day at Ahmedabad, Mr. Gulzarilal Nanda, Union Minister for Planning, told Pressmen that, to meet the situation, the Government would encourage schemes which were labour intensive rather than capital intensive in suitable fields and that the Five-year Plan would be re-examined from this angle. It is, however, feared that all this may end in only theoretical discussions of the subject, so long as the Governments at the Centre and in the States stick to their policy of throttling private enterprise in the disguise of public interest. How true is the recent observation of the Planning Commission that the State Governments' policy of pushing through with nationalisation of road transport at any cost has led to increasing unemployment?

Lack of Statistical Data

It is not possible to calculate the extent of unemployment and underemployment in the absence of dependable statistical information. The only reliable information available, which may be taken as a very rough index of the magnitude of the problem, is the number of unemployed registered with employment exchanges and the vacancies notified to them by the Governments and private enterprise. According to such information, the number of registrations with employment exchanges increased from 375,000 in 1951 to 1,477,000 in 1952, while the number of vacancies notified to it fell from 486,000 to 429,000. Naturally, therefore, the number of persons placed in employment in the course of the year by employment exchanges declined from 417,000 in 1951 to 358,000 in 1952. Since then, the position has deteriorated further, with the number of unemployed registered with the exchanges increasing and the number of vacancies notified to it decreasing. And, as the employment exchanges are mostly in urban areas, the figures published by them do not indicate the trends of employment in rural areas, and yet it is there that the problem of unemployment and underemployment is very acute.

The first and foremost effort towards relieving unemployment should be in the direction of deployment of retrenched personnel. Few can deny that it is not retrenchment *per se* that causes hardship but it is the inability of the persons concerned to find, within a reasonable time, alternative employment. There is a tendency on the part of the Governments to refuse small retrenchment in companies, as, for instance, the Tata Oil Company in Travancore-Cochin. But such a tendency is bad. For in certain circumstances retrenchment in a certain unit or a certain industry may be an imperative necessity. As pertinently pointed out by Mr. Mohanlal Shah:

> "The survival of the industry itself might depend upon its ability to cast off its surplus labour and this need not by itself become a social problem, unless either a large number of industries are taking similar measures at the same time or persons retrenched from industry are unable to find employment altogether in the same industry at another centre or in another industry. In a modern economy which is essentially dynamic, changes are continuously occurring in every sphere of industry—changes in the demand for finished goods, changes in the supply of raw materials and changes in the methods of production. There are a host of uncertainties which necessitate immediate action on the part of the management and should such action be impeded and curtailed, it will only result in driving industry or the factory concerned to the wall with losses to all parties including labour. Basically, deciding upon the most economic combination of labour and capital is a job which must be left entirely in the hands of those who run the industry. No Industrial Tribunal, however qualified it may be in the judicial field, or any preconceived legislation, will be able to undertake this work in the way it should be done. The proper way of tackling the question of rationalisation and consequent retrenchment is not by making it difficult for the employers to adjust their demand for labour, but by pursuing an overall policy which makes for an expansive outlook in the industrial field generally. This rather than detailed and rigid provisions to protect the immediate interests of the retrenched personnel should form the basis of governmental policy. It is in an expanding economy that the general and permanent interests of all sections of the community—workers, consumers and others—are best safeguarded."

Payment of Compensation

Closely allied with the question of retrenchment is the liability of the employer for payment of compensation for involuntary unemployment arising out of temporary stoppage or reduction of work due to shortage of coal, electric power, raw materials, etc. or overproduction. A question that arises in this connection is the extent of employers' liability. There are instances where the liability has been so burdensome as to cripple the industry altogether. Such liability should, therefore, be made to depend on the ability of the industry to pay. Alluding to this question, Mr. Shah remarked:

> "In a sense it is not fair to ask the employer to pay even under circumstances when he is unable to get any work from his employees and where the causes for such state of affairs are completely beyond his control. If, for instance, there are accumulated stocks or if the supply of essential raw materials is either inadequate or erratic, it is hardly the fault of the employer, and to make him liable during the period to pay for the labour which is required to be discharged is only adding to his difficulties. Ultimately, it merely means that while increasing the liability of the employer, his cost of production is being raised. In a sellers' market, he can possibly pass on the additional cost to the consumer; but, in the present circumstances of a buyers' market, the higher cost would merely mean that a further squeeze is being applied on the earnings of industry."

It is to be hoped that the Labour Ministry, before formulating the proposals on this question, which it is contemplating, would give full opportunity to the interested parties to discuss this question in all its aspects.

Fair Wages

There is a move on the part of the Government to fix fair wages. It is true that fair wages should be assured to all labour. But the question is whether the present moment is propitious for it. The most urgent problem facing the country to-day is the provision of opportunities for more employment and not ensuring comfortable working conditions for those who are already employed, on mere considerations of equity, irrespective of the capacity of the industry to pay, or the consumers' purchasing power to buy. In the present circumstances, it will not be possible to do both things. Any attempt to do so will amount to trying to have the cake and eat it. That apart, in the context of the present market conditions, it is indeed difficult to envisage how even the present level of workers' wages can be maintained unless their productivity increases to a substantial extent. On this issue, the views of Mr. Shah are quite pertinent. He said:

> "As it is, the wages of labour have been steadily increasing, as a result of the awards of the Industrial Tribunals, and there is probably no major industry at present that is not covered by such awards. Our industries are at present facing a situation in which wages are high relatively to the marginal productivity of labour. If our industries are to be run on competitive and economic lines, of which labour cost is a very important item. Even at the present level of wages, industries are finding it difficult in many cases to retain the present labour force and the necessity to rationalise has arisen. In these circumstances, if the limit of fair wages is to be sought by the capacity of the industry to pay—and I cannot think of any other method on which one can proceed—there will hardly be any scope for the revision of the wage structure in favour of labour. As such, any legislation pertaining to fair wages at this juncture might tend to raise hopes, which are not capable of being fulfilled and thus contribute to misunderstanding and unrest which will upset employer-employee relations."

The song of the day is that encouragement and assistance to cottage and small-scale industries would provide for increased employment. Even Mr. Shah expressed a similar opinion, but he did well to qualify it with a number of reservations. Here is what he stated on this issue:

> "It must be admitted, however, that in offering employment, the cottage industries and the small-scale industries in the country have an important part to play, provided modern methods of working are adopted and they function as economic units. In terms of numbers, even to-day, they are a more important source of employment to the large mass of people than the employment provided by the large-scale organised industries. Of course, the figures of persons employed in large-scale industries do not by themselves represent the total employment potential of such activity, because, for every worker directly engaged in organised industries, there are many more who are indirectly provided employment. For instance, in order to employ one textile worker in a factory, there must be employed a number of others at various stages from the collection and transport of raw materials to the final retail sale of cloth. Nevertheless, as a short-term measure, it cannot be denied that cottage and small-scale industries have to be invigorated, in order to sustain employment in the country. The utility of such a policy, however, is mainly as a palliative and one must bear in mind the limitations of this approach."

An important qualification which Mr. Shah failed to make but which we would like to add is that encouragement to cottage industries should not be at the expense of the more economical and already well-established large-scale industries.

Import Policy

Proceeding, Mr. Shah criticised the Government's import policy as being unhelpful to the problem of raising employment opportunities and urged the Government to assist the progress of the manufacture of many of the imported articles at home on such lines as would provide greater employment. In this connection, he observed:

> "I feel compelled to refer to the import policy of Government which is largely governed by balance of payments consideration, i.e., the import of goods is increased or decreased, according to the improvement or otherwise in our balance of payments position. Government spokesmen have at various times expressed the view that import restrictions should not be used as a means of protecting the industry and that, under the General Agreement on Tariffs and Trade also, to which India is a signatory, it will not normally be possible to use quantitative restrictions for protective purposes. I do not wish to enter here into a discussion of the pros and cons of our participation in the G.A.T.T.; the Federation of Indian Chambers of Commerce and Industry has recently addressed Government in this regard. All I would like to emphasise is that to the extent that restrictions on imports help maintain and increase indigenous production, or enable the starting of new lines of production, they are instrumental in increasing the scope for employment. This aspect—and not merely the exigencies of the balance of payments position at any particular time—should be the guiding factor and the objective of Government's import policy."

The foregoing suggestion is of dubious value, for the simple reason that foreign trade is a two-way traffic. If India must export its manufactures and raw materials, it must be ready to import the goods of others also. Such imports cannot always be the kind of goods which the country does not produce, or is not capable of producing. If this policy is carried too far, it will ultimately result in unemployment in export industries. Again, there is a danger in trying to ensure employment at any cost, for, in the long run, it is the capacity of the people to pay that will determine the level of employment.

One more solution to the problem of unemployment which Mr. Shah put forward relates to Government's stores purchase policy. He suggested that India should emulate the "Buy American Act" under which the Federal Government cannot buy goods from foreign sources, unless their price, after customs duty, is at least 25 per cent. below the domestic price. This policy, he said, would help the indigenous industries, thereby providing scope for greater employment. The Government of India has recently appointed a Stores Purchases Committee and one of the terms of its reference is to examine the working of the purchasing system in regard to Indian-made goods. It is to be hoped that the Committee will bear in mind the suggestion of Mr. Shah and strongly support the principle that the Government should buy goods of indigenous make and origin, so long as they are of the right quality, even if they cost a little more than the imported goods.

TAX MUSINGS

RENT-FREE QUARTERS

ARE THEY A PERQUISITE?

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

WHEN an officer or an employee of a company receives salary, commission, bonus or gratuity, he is taxed thereon. Salary also includes what are called perquisites. Section 7(1) runs as below:—

"The tax shall be payable by an assessee under the head 'salaries' in respect of any salary or wages, any annuity, pension or gratuity, and any fees, commissions, perquisites or profits in lieu of, or in addition to, any salary or wages (which are due to him from, whether paid or not, or are paid by or on behalf of, the Crown), a local authority, a company, or any other public body or association, or any private employer; and for the purposes of this sub-section, advances by way of loan or otherwise of income chargeable under this head shall be deemed to be salary due on the date when the advance is received."

Then, there are three provisos. Explanation (1) reads thus: "The right of a person to occupy free of rent as a place or residence any premises provided by his employer is a perquisite for the purposes of this sub-section."

This means that not only salary but also perquisites are liable to be taxed. Perquisite has been defined in the Oxford Dictionary as "any casual emolument, fee or profit attached to an office or position, in addition to salary and wages." Perquisites may take a variety of forms, for example, rent-free quarters, free medical aid, etc.

The right of an employee to occupy free of rent residential premises provided by the employer is considered a perquisite taxable under this section. Generally, what the Income-tax Act hits at is not what saves one's pockets, but what goes into one's pocket. Therefore, the right to occupy rent-free quarters by an employee, according to this principle, would be something saved out of one's pocket. It will not be something going thereinto. Hence, it will not normally satisfy the condition of an income receipt within the meaning of income under sections 3 and 4. In order to catch this form of perquisite within the meaning of section 7, an explanation (1) has been added. According to this, in all cases rent-free premises form part of the perquisites of an employee, the maximum cash value taken for this purpose of assessment is 10 per cent. of the employees' salary. The maximum 10 per cent. applies to quarters whether furnished or not. The principle of *Tennant vs. Smith* (3 T.C. 158) does not apply to such rent-free perquisite.

But suppose the employer engages flats on company's account and gives to his employee, not entirely rent-free, but at heavy concessional rent. An officer or a manager of a company drawing a salary of Rs. 2,500 is given a flat the rent of which is Rs. 750 per month. The company instead charges him only Rs. 150. Is the employee liable to return the whole Rs. 750 per month or 10 per cent. of the salary as his perquisite under section 7 for assessment purposes? In this connection, the circular No. 57 (LVIII-3) of 1951 issued by the Central Board of Revenue, dated 6th September, 1951, runs as under:

"It has so long been the practice of the Department to estimate the value of rent-free residence (perquisite), provided by an employer, at a figure not exceeding 10 per cent. of the employee's salary, irrespective of whether the residence was furnished or unfurnished. The Board, however, consider it unreasonable that no distinction should be made between furnished and unfurnished residence and it has, therefore, been decided that the value of rent-free residence provided by an employer should be taken:—

(i) in the case of an unfurnished residence, at 10 per cent. of the employee's salary, and

(ii) in the case of a furnished residence, at 12½ per cent. of the salary,

subject always to the right of the employee to claim the adoption of the *actual rent value* of the perquisite should it be, less than the above percentages."

There is, however, some controversy about this issue now. The fact that the manager enjoys a part rent-free quarters cannot be denied. And this is a benefit which is in the nature of a perquisite. But the question is, is such perquisite taxable? All cash perquisites are taxable; there is little doubt that they are a form of additional emolument to the employee arising directly out of his office. But the principle of the *Tennant vs. Smith's* case was that a benefit or perquisite which is not convertible into money at the will of the employee cannot rightly be regarded as income. Of all such perquisites, e.g., free board, free medical aid, free conveyance, free service, the only perquisite which is expressly made liable under section 7(1), explanation 1 is rent-free quarters and not other benefits. Hence, while the employee enjoying rent-free quarters would be assessable on the cash value of perquisite, other benefits like free medical aid, free board, etc., would not be. But, even in regard to the rent-free quarters, the explanation has to be strictly construed. Something which falls within its ambit alone is caught. If the benefit, by virtue of its nature, cannot wholly be caught, then according to the principle enunciated in the above House of Lords case, it is entirely outside the scope of taxation. Where an employee occupies premises owned by the company at concessional rent, it would be wrong to say that he is occupying premises *rent free*. "Rent free," as the word connotes, can only mean *entirely or wholly* free of rent and not at a small or concessional rent. Thus, theoretically, it seems arguable that to escape the tentacles of explanation 1, it would suffice to charge an employee a nominal rent—even a token rent would do. His case will not then fall within the meaning of the explanation 1 of section 7 and he would, it seems, not be liable to return as perquisite anything for occupying premises at concessional rent. Here, therefore, there seems to be an opening for giving an employee a substantial benefit in the shape of furnished quarters and charge only a token rent. The company would claim the balance of rent paid as an admissible deduction for the premises are rented exclusively and solely for the purpose of the business.

There is no direct case law on this, but about the legal interpretation there seems to be little doubt.

There is, however, one precaution necessary and that is that the premises must be owned by the company and not by the employee in his own name. The reason for this fineness is that, otherwise, it is possible to construe that the employer is given, not a perquisite in kind, but cash, and all perquisites of whatever nature are clearly liable to be taxed. In order to avoid such implications, flats or bungalows for employee-officers should be rented by the company and given to the employee by the company in return for a concessional rent.

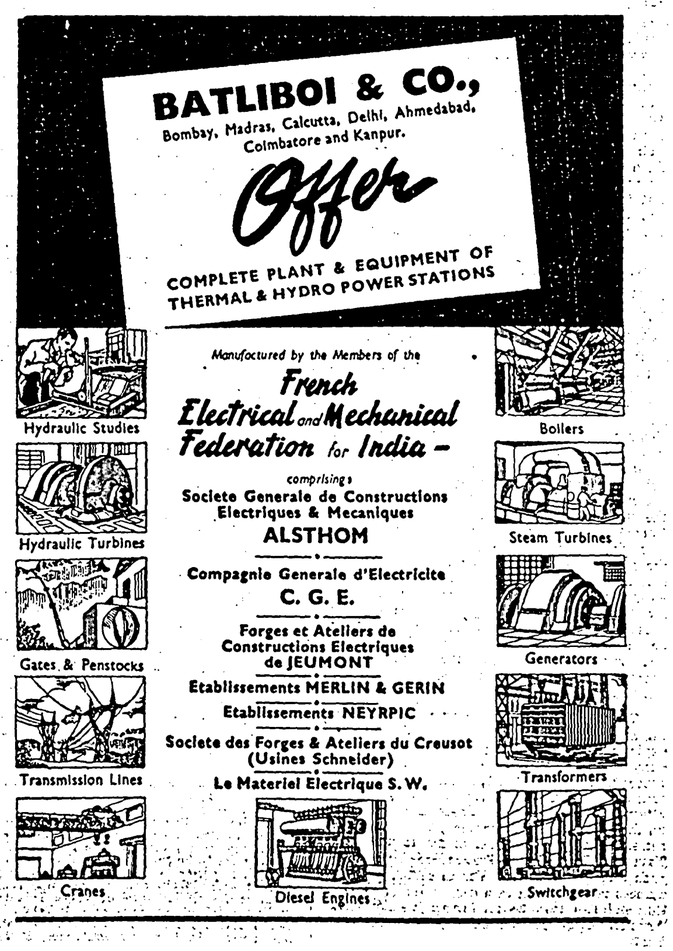
If the Department contests this view, it would pay an assessee to take the matter higher in an appeal to the Appellate Assistant Commissioner and/or the Tribunal and, if necessary, ultimately, in a reference to the High Court.—*All Rights Reserved.*

INCOME-TAX IN U.S.

The system of modern income-tax was first introduced in the U.S. in 1913 with very low rates—only one per cent. on net incomes up to $20,000, with a modest surtax for larger ones. Not until 1917 did the income-tax yield as much money to the Federal Government as customs duties did. But by 1920, it was contributing 10 times as much money as customs; and that was only the beginning of the rise of graduated income-taxes to a predominant place in the financing of greatly expanded Government. To-day the income-tax structure is grounded on the principle of "ability to pay." The Government's determination of the citizen's ability to pay takes into consideration the number of persons dependent upon him, his public contributions, and the expenses he incurs in procuring his income. The system is based on a sliding scale and puts the heaviest tax on those with the highest incomes.

The poorest people pay nothing. A single person with a net income of $5,000 pays $922. If his net income is $10,000, his tax is $2,347. If his net income is $25,000, the tax is $9,362. If his net income is $100,000, the tax is $63,541. Millionaires, 1953-style, pay about $840,147.

The Government relies on each person to keep his own income records or obtain them from his employer and to see that the full accounting is received by the tax department. Because of the possibility of error or to uncover the rare taxpayer who falsifies his return, the Government periodically "spot checks" individual returns.



TATA LOCOMOTIVE'S PROGRESS SATISFACTORY

GROSS PROFIT GOES UP BY NEARLY A THIRD

A SATISFACTORY increase of Rs. 21.67 lakhs, or about 33 per cent. in the gross profit is disclosed by the results of the Tata Locomotive and Engineering Co., Ltd. (Managing Agents: Messrs. Tata Industries Ltd.) for the year ended 31st March, 1953, as compared with those for the previous year. The net profit, after providing for Managing Agents' remuneration and depreciation, amounts to Rs. 3.87 lakhs, which, however, is only a fraction better than that of Rs. 2.27 lakhs earned in the previous year. This is due to the substantially larger provision for depreciation, amounting to Rs. 84.40 lakhs, as against Rs. 64.50 lakhs set apart in the previous year, because of the large initial depreciation allowances, permissible under income-tax law. No provision for taxation has, therefore, been made this year also. After bringing in the undistributed surplus (Rs. 24,209) of the previous year, the Directors have credited to the general reserve a sum of Rs. 4 lakhs (as compared with Rs. 2.50 lakhs) and carried forward the balance of Rs. 11,357. Thus, the Company has not yet come to the dividend list.

The Company did not earn any profit on locomotives and boilers supplied to the Railway Board, because the rate of output which would entitle the Company to a profit, in respect of these, under the terms of the agreement with the Government of India, has not been attained. The Directors' report that the year's profit, therefore, represents the earning on a part of the output of broad-gauge coaching underframes, the partial manufacture and assembly of road rollers and commission earned on sale of Messrs. Krauss-Maffei's locomotives in India.

During the year, the Company turned out 30 metre-gauge goods locomotives. The proportion of work done on each locomotive is stated to have increased progressively. The Company expects to attain the target of manufacture which, in terms of the agreement with the Government of India, would entitle it to a profit on its output of locomotives, in June, 1954. The build-up towards that target is reported to be satisfactory. The number of wholly manufactured large boilers was 29; besides this, 20 boilers were assembled from parts and sub-assemblies obtained from its technical associates, Messrs. Krauss-Maffei, A.G. Delays and difficulties in obtaining raw materials and components continued to hamper production in the boiler shop and were a source of anxiety to the Company. Despite this, the progress made during the year was satisfactory. However, thanks to the improved planning and advance purchases of materials, a better flow of raw materials and components has been assured to the boiler shop. By the close of the year under review, the work-in-hand in the boiler shop more than doubled. The output at the rate of 8 boilers per month, which will entitle the Company to a profit under the terms of the agreement with the Government of India, is expected to be attained by the end of 1953. The Company had a contract for 950 steam road rollers, all of which, except 42, have been completed, including 78 rollers made during the year. The output of broad-gauge underframes during the year amounted to 397, a record for the Company since the commencement of production of underframes in 1948.

The Company proposes to switch over the manufacture of metre-gauge underframes, after the existing orders for broad-gauge underframes are completed by March, 1954. This proposal is a sequel to the Government of India's decision to place orders for broad-gauge underframes sufficient to meet the requirements of railways for the next two or three years. The price basis on which the Railway Board was prepared to place further orders with the Company was found to be unremunerative. The Company had asked for prices on which it could make a modest profit, while at the same time remaining fully competitive with other sources of supply. When this request was turned down, the Company suggested that the question of establishing fair selling prices for underframes should be referred to the Tariff Board. The Railway Board did not agree to this suggestion and invited tenders from foreign countries. Disclosing this, at the last annual general meeting held on 9th September, 1952 the Company's Chairman had expressed the hope that the Government would not place orders abroad. The Company's capacity exceeded half of the total demand of the country. "It would be an unfortunate state of affairs, detrimental not only to the Company and to its employees who would be thrown out of work, as a result, but also in the long run to the railways, if the Company's capacity were to remain unused whilst underframes were being imported," the Chairman had declared. The Directors' report for the year under review reveals that the Chairman's expectations have been belied. The proposed change over to the manufacture of metre-gauge underframes is, however, a welcome one, inasmuch as it helps utilisation of surplus capacity and man-power.

The Company is negotiating with the Government of India for the release of funds due to the Company from the locomotive and boiler development account, in advance of the date on which they would normally be repayable under the agreement, in order to enable it to proceed with the installation of a steel foundry. This project envisages production of all large and complicated steel castings required for the locomotive industry in the country. This will also relieve the Company of its dependence on imported materials and components and will enable it to produce locomotives and boilers at competitive cost. The lack of finance has so far prevented progress on this project and this difficulty will be overcome with the release of the above funds. It is, therefore, to be hoped that the Government will sympathetically consider this request.

The following summary of the Company's latest balance-sheet will give an idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,00,000	Gross block	6,41,06,427
Debentures	1,50,00,000	*Less*—Depreciation ...	2,15,25,271
Reserves and surplus ...	34,09,722	Net block ...	4,25,81,156
Provision for taxation	1,23,928	Stores, spares, etc. ...	2,12,96,879
Liabilities	4,43,01,494	Stock-in-trade ...	89,93,860
		Work-in-progress ...	1,08,10,390
		Development account ...	1,45,48,992
		Debts, deposits and advances ...	1,41,21,493
		Investments	11,750
		Cash ...	4,70,624
Rs.	11,28,35,144	Rs.	11,28,35,144

The paid-up capital shows an increase of Rs. 50 lakhs over the year, being the final call on the preference shares held by the Government of India received during the year. The shares are now fully paid-up.

TATA OIL REDUCES DIVIDEND

After stepping up the dividend on the ordinary shares for two consecutive years, from 4 per cent. paid for 1949-50 to 6 per cent. for 1950-51 and 8 per cent. for 1951-52, the Directors of the Tata Oil Mills Company, Ltd. (Managing Agents: Messrs. Tata Industries Ltd., Bombay), have had to prune it slightly to 7½ per cent. for the year ended 31st March, 1953. This reduction in distribution to shareholders follows the setback in the Company's earnings for the latest year. The gross profit has declined from Rs. 21.86 lakhs to Rs. 18.99 lakhs and the net profit from Rs. 7.96 lakhs to Rs. 6.84 lakhs.

The Directors' report and accounts indicate a reduction in turnover and sales of the Company's products as a whole. Thus, the sale proceeds have recorded a decline from Rs. 447.66 lakhs to Rs. 414.28 lakhs, stocks of finished products from Rs. 72.91 lakhs to Rs. 56.94 lakhs and raw materials and stores consumed from Rs. 334.01 lakhs to Rs. 257.80 lakhs. The crushing of copra at the Company's two factories was at about the same level as in the previous year, but the quantity of groundnut and mowra seeds crushed was substantially lower, partly because of the poor crops and partly due to the price of oil having been more favourable than that of seeds. The shortage of groundnut and mowra oil was made up by purchasing cottonseed oil locally and palm oil from Far East. During the latter part of the year, the Company crushed castorseeds and exported the oil to the U.S.A. Production of laundry soap was lower by about 12 per cent., owing to power cut at the Tatapuram factory, but sales thereof showed an improvement. The output of toilet soap had to be curtailed due to a "fall in demand, believed to be due to the general decline in the purchasing power of the middle-class consumers." While production of glycerine declined proportionately, with the reduced production of laundry and toilet soaps, sales of the same in the local market were maintained at the previous year's level and the surplus was exported, but the price fetched abroad was lower than that in the Indian market. The Company's output of Cocogem was further curtailed during the year, owing to consumers' preference for *vanaspati*, because of the latter's lower price. The production of *Pakav* was, therefore, raised substantially. While the production and sale of Eau-de-Cologne were about the same as in the previous year, the production of hair oil had to be reduced by 18 per cent. due to a fall in demand.

Out of the gross profit of Rs. 18.99 lakhs (as against Rs. 21.86 lakhs for 1951-52), Managing Agents' commission has taken up Rs. 1.50 lakhs (Rs. 1.87 lakhs), depreciation has been provided with Rs. 10 lakhs (Rs. 12 lakhs), and taxation Rs. 65,000 (Rs. 1.90 lakhs). A sum of Rs. 60,000 has been placed to the employees' gratuity fund. The dividend on the 4½ per cent. preference shares requires Rs. 1.34 lakhs and that on the ordinary shares absorbs Rs. 4.90 lakhs, leaving Rs. 9,450 to be carried over, as against Rs. 10,002 brought in.

The Company's balance-sheet as on 31st March, 1953, reveals that the reserves and surplus aggregating Rs. 28.13 lakhs, are equal to 28.1 per cent. of the paid-up capital of Rs. 99.98 lakhs. As against a gross block of Rs. 159.19 lakhs, a depreciation fund of Rs. 85.50 lakhs has been built up. The current assets, at Rs. 251.94 lakhs, exceed the current liabilities (Rs. 197.53 lakhs) by a large margin of Rs. 54.41 lakhs.

HIND CYCLES' RECORD PRODUCTION

DIVIDEND STEPPED UP

A RECORD production of 130,053 cycles, a modest increase of Rs. 0.94 lakh (to Rs. 15.22 lakhs) in gross profit and the increase in the dividend level from 7½ per cent. to 8 per cent. are the outstanding features of the results of working of the Hind Cycles Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Bombay) during the year ended 31st December, 1952. The net profit for the year amounts to Rs. 3.85 lakhs, which represents an increase of Rs. 0.90 lakh over that for 1951. These satisfactory results have enabled the Directors to add a sizable amount of Rs. 1.67 lakhs (as against Rs. 1.50 lakhs last year) to reserves, after making the usual provision for debenture sinking fund.

The Company's production during the year increased considerably and reached a record level. Thus, as compared with the output of 108,810 bicycles in 1951, the Company's factory manufactured, in 1952, 130,053 bicycles, an increase of 20 per cent. But the rise in production has not been accompanied by a corresponding rise in earnings. This has been due to the slump in the trade. Commenting on this, the Directors, in their report to the shareholders, observe thus:

"In spite of the strenuous efforts of our sales organisation, we could not avoid the adverse effects of the slump. In our case, the conditions further deteriorated due to heavy imports of bicycles. India imported from January to December, 1952, about 250,000 bicycles, over and above parts worth about Rs. 1,40,00,000. These heavy imports, combined with general depression, resulted in severe fall in despatches and an unprecedented heavy stock of bicycles at the close of the year. The Industries Department of the Government of India were all the time vigilant in this direction and the Minister for Commerce and Industry promptly called a joint meeting of the manufacturers and trade representatives and, as a result of joint deliberations, evolved a scheme of allocation of indigenous bicycles to the importers on a certain basis. We hope that, with the sympathetic appreciation of the problems shown by the Ministry of Commerce and Industry, the position will be better during the current year."

The salient features of the Company's results for the year under review are compared with those for the preceding three years, in the following table:

(In lakhs of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Sale proceeds (gross) ..	125.07	134.09	129.51	76.51
Closing stocks ..	84.69	7.17	10.43	23.72
Expenses	134.27	121.19	103.41	67.64
Gross profit	15.22	14.25	10.31	7.44
Managing Agents' commission	0.72	0.63	0.43	..
Depreciation	7.80	8.00	6.02	6.08
Taxation	2.82	2.70	1.81	..
Net profit ..	3.85	2.95	2.87	0.46
To debenture sinking fund ..	0.50	0.50	0.50	..
Reserves	1.67*	1.50	..	..
Dividend—				
Preference	0.49	0.49	0.49	0.50
Ordinary	0.99 (8%)	0.93 (7½%)	0.93 (7½%)	0.68 (5%)
Carry forward	0.34	0.12	0.69	0.14

* Including Rs. 2,500 being the provision for depreciation on investments.

The effect of the slump in the cycle trade during the year is clearly reflected in the decline in sale proceeds and a sharp rise in closing stocks. There has, doubtless, been an increase in expenses, but such has not been in consonance with the expansion in output. The Company's contribution to provident fund and Employees' State Insurance to the extent of Rs. 1.47 lakhs was an additional impost during the year under review.

According to the Company's balance-sheet as on 31st December, 1952, the reserves and surplus stand at Rs. 5.40 lakhs, as against a paid-up capital of Rs. 24.91 lakhs. The 5 per cent. mortgage debentures amount to Rs. 4.22 lakhs. The current liabilities (including provision for taxation) aggregate Rs. 60.80 lakhs and show an increase of Rs. 21.80 lakhs, mainly on account of the increase of Rs. 1.83 lakhs in secured loans from the Company's bankers and of Rs. 12.53 lakhs in unsecured loans from the Managing Agents. During the year, the Company made an addition of Rs. 6.13 lakhs to the gross block account, bringing the total value to Rs. 60,61 lakhs, against which a depreciation reserve of Rs. 41.30 lakhs has been built up. Current assets, at Rs. 76.02 lakhs, more than adequately cover the current liabilities.

The Directors' report for the year under review is quite informative and, as usual, well got up with various charts, showing the progress of the Company since it commenced production, the proportion of expenditure to revenue for the last 12 years and the relation between the cost of living index and wages. It is undoubtedly a good model, which other joint-stock companies, still following the dull and drab pattern of the past, will do well to emulate. Such action will surely be appreciated by their shareholders.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION

DIVIDEND MAINTAINED

THE shortage of power supply in the Madras State consequent on the failure of the monsoon, resulting in a severe cut in power to consumers to the extent of 75 per cent. towards the end of March, 1953, and the damage caused by the cyclone which swept through the southern districts of the Madras State towards the end of November, 1952, are duly reflected in the financial results of the South Madras Electric Supply Corporation Ltd. (Managing Agents and Chief Engineers: Messrs. Seshasayee Bros. Ltd., Tiruchirapalli), for the year ended 31st March, 1953. The gross profit of the Company for the year shows a decline from Rs. 13.63 lakhs for 1951-52 to Rs. 11.37 lakhs. The dividend on the ordinary shares is, however, proposed to be maintained at 7½ per cent. per annum.

There was a reduction in the number of villages electrified, services connected and works put up by the Company during the year, as compared with the previous year, consequent on continued shortage of power and inability of the Government Electricity Department to allot the Company extra power due to inadequacy of generating capacity in its power stations. "These continued restrictions for the past six years, with the necessary frequent alterations in the mode and degree of restrictions," the Directors point out in their report, "has tended in loss of confidence on the part of the power consumers, some of whom have gone in for self-generating equipment." The additional impost on excess consumption over allotted quotas to domestic consumers has been opposed by the consumers, and the Directors make it clear that the excess charges have been enforced at the direction of the Government and such levies accrue only to the Government and not to the Corporation. The Directors, however, have drawn the attention of the Government to the need for finding "a permanent solution to this seemingly perennial problem," which is causing a lot of perturbation in the minds of the consumers.

The Company's revenue from sale of energy shows a small decline from Rs. 42.72 lakhs to Rs. 42.13 lakhs, while other income has increased from Rs. 2.93 lakhs to Rs. 3.81 lakhs. The increase of Rs. 1.29 lakhs in gross revenue has been more than offset by the increase in distribution expenses (from Rs. 20.75 lakhs to Rs. 21.55 lakhs), in repairs and maintenance charges (from Rs. 2.69 lakhs to Rs. 2.95 lakhs) and in other expenses (from Rs. 8.48 lakhs to Rs. 10.07 lakhs). Out of the gross profit of Rs. 11.37 lakhs, Managing Agents' commission absorbs Rs. 32,323 (Rs. 49,485) and provision for normal and arrears of extra depreciation Rs. 5.29 lakhs (Rs. 4.54 lakhs). Provision for taxation, however, is substantially lower at Rs. 25,122, as compared with Rs. 2 lakhs provided last year. A sum of Rs. 34,964 (Rs. 33,453) has been set aside for contingency reserve and Rs. 25,000 (Rs. 25,000) for staff gratuity reserve. The dividend on the 5½ per cent. preference shares takes up Rs. 92,840 which is Rs. 15,840 more than that distributed last year on account of the new issue of preference shares made during the year. The payment to the ordinary shareholders at 7½ per cent. requires Rs. 4.20 lakhs. The sum left to be carried forward is Rs. 1.01 lakhs, as against Rs. 1.19 lakhs brought in.

As regards the financial position of the Company, readers' attention is invited to the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	82,95,823	Gross block	1,39,50,103
Reserves and surplus ...	5,29,832	*Less*—Depreciation ...	36,55,003
Reserve for taxation ...	2,75,000	Net block ...	1,02,95,102
Debentures ...	24,10,963	Goodwill ...	8,00,000
Liabilities ...	49,54,032	Work-in-progress ...	7,12,699
		Stores, tools, etc. ...	14,40,822
		Debts, deposits and advances ...	9,90,591
		Investments ...	18,35,393
		Cash ...	3,91,045
Rs.	1,64,65,652	Rs.	1,64,65,652

Expressing their disappointment at the delay in amending the Electricity Act so as to allow a higher return for electric companies, the Directors observe:

"The amendments to the Sixth Schedule of the Electricity Supply Act to increase the 'rate of reasonable return' for which the industry has been agitating are still under the consideration of the Government of India and the Federation of Electricity Undertakings has been urging upon Government to effect early legislation on the subject. The Electricity Board, which the industry rightly feels is a desideratum for rational development of power, is yet to be formed in the Madras State."

Points From The Chair

Labour Economy in Industries

"THE Indian industrialists should also be helped and encouraged to improve the efficiency of their production units by effecting improvements and mechanisation. Schemes of labour economy should be appreciated and the impediments in the way of putting them through should be minimised. As it is, whenever any improvement is attempted, there is no co-operation from labour and no assistance from Government. On the other hand, demands are being received from labour that more workers should be employed for the same jobs which have been done in the past with fewer hands and can, in fact, be done with even lesser strength than at present employed. Labour seems to have no regard for the economy of the industry in which it is employed and no desire to put in their best efforts towards production. The right to strike is being often abused. It is necessary, in my view, in the present state of our country, to impose reasonable restrictions on strikes and also deterrent penalties for illegal or manifestly unjust strikes. Rigorous laws have been enacted to chastise managements, if they do not conduct industries according to certain principles. The time has come when there should be laws enacted for correcting the growing indiscipline and go slow tactics of labour. If rationalisation of labour on economic grounds is continued to be objected to, the time may not be very far, when many concerns may have to close down as the Madras Tramways had to do."

J. DALMIA,
Dalmia Cement (Bharat) Ltd.

Outlook for British Yarns

"The outlook is clearer now than it has been for 18 months. After heavy falls raw material prices have achieved some degree of stability. Export business could hardly suffer more handicaps than it has recently experienced, and a general improvement can be anticipated. Foreign competition is becoming tempered by the high cost of new machinery in every country which forces more sanity into pricing. Those who cut prices to-day either have no intention of keeping in the business, or face the chastening effect, which replacement of plant will inevitably bring upon them. In the home trade, stocks at all points between producers and consumers are low. Only a slight increase in present demand could quickly change the situation to a sellers' market. In my view, a brighter trading period is discernible, and in spite of the obstacle to trade, both at home and abroad, I am confident your Company will make a good showing and adapt itself to the trading world in which we are determined to live and succeed."

W. T. WINTERBOTTOM,
Fine Spinners and Doublers, Ltd.

Role of Insurance Agent

"As a final word on the new Labour Party proposals, may I say that, in our opinion, the general body of policyholders, would not welcome the creation of a 'Juggernaut' of an amalgamation to take the place of many rivals and competitors, large and small. After all, the service which an insurance agent renders in the home of the policyholder is a very personal one and the preservation of a choice of the individual calling is very important. Monopolies are anathema to the consumer. The cost of administration might well rise rather than fall under a 'publicly organised service'. Perhaps, it is even more important that the caller at the home should not be the representative, direct or indirect, of the State or any other compelling authority. So might be forged an instrument of coercive suggestion which could be used to undermine independent thought and prevent the formation of any independent public opinion."

LORD GRANTCHESTER,
London and Manchester Assurance, Company, Ltd.

Is Enterprise Monopoly ?

"People are rightly concerned about monopolies, but what is the correct attitude for a firm like ours to adopt? Years ago, no permanganate of potash was manufactured in this country; we went into the question, as it was an important raw material in one of our products, and with a view to safeguarding supplies in time of war, in 1936 we put down a plant large enough to take care of the country's needs. In the face of very keen competition, principally from Japan, we built up a small export trade before the war. During the war and since, we ensured our requirements and those of other users in this country. Are we to be attacked as a monopoly, because we were the only firm in the country which was enterprising enough to undertake the production of potassium permanganate?"

THE RT. HON. LORD TRENT,
Boots Pure Drug Co. Ltd.

Notice

THE NEW ASIATIC INSURANCE COMPANY, LIMITED

NEW DELHI

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Annual General Meeting of the New Asiatic Insurance Company, Ltd., will be held at the Registered Office of the Company at Connaught Circus, New Delhi, at 2-30 p.m. on Tuesday the 25th August, 1953, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Revenue Account for the year ended 31st December, 1952.
2. To declare Dividend.
3. To appoint Auditors.
4. To transact such other business as may be brought forward with the permission of the Chairman.

The Transfer Books of the Company will be closed from 5th August, 1953, to 25th August, 1953, both days inclusive.

By Order of the Board,
A. DUTTA,
General Manager.

CONNAUGHT CIRCUS,
NEW DELHI, *20th July*, 1953.

N.B.—The dividend when sanctioned at the General Meeting will be payable to those shareholders whose names stand registered on the Company's register, on the 4th August, 1953. It will be payable on and after the 1st September, 1953.

DALMIA CEMENT (BHARAT) LTD.

(*Concluded from page* 163)

of Indian manufactures. The policy of the Government should be to encourage and actively help exports. For successful utilisation of exports opportunities, quick decisions are required of the Government, not only on questions of licensing policy but also for extending special facilities to enable the exports to materialise. The delays in inter-departmental references should be reduced to the minimum.

Export of Cement

"Cement manufactured in India is of high quality and up to usual standard specifications. Indian cement has been received with satisfaction wherever exported. It is no doubt true that, at present, cement is a much needed commodity in India, but exports are possible from South India, which is a surplus area. It is hoped that the Government would be liberal in allowing export of cement within limits from the southern areas.

"Some of the shareholders have been making requests to the Board of Directors to form a scheme to convert the partly paid shares of your Company into fully paid ones and thus wipe off the liability of uncalled capital and also to convert deferred shares into dividend-paying ones. This is under active consideration of your Directors. Shareholders are requested to send their concrete suggestions. After considering all suggestions, a suitable scheme will be placed before you for approval in due course.

"The difficulties of getting remittance from Pakistan have seriously affected the finances of your Company in India. Your Directors could not see their way to increase the dividend quantum to keep level with other cement companies, who have either no stake and difficulties involved in Pakistan or have a very small percentage of capital investment there, in relation to their total investment.

"Before closing, I would like to express the Company's appreciation of the services rendered by the officers, the staff and workers of the factory and offices during the period under review.

"With your permission, I now move that the audited accounts for the year 1952 and the Directors' report thereon be taken as read and be adopted."

BOMBAY SUBURBAN ELECTRIC MAINTAINS DIVIDEND ON HIGHER CAPITAL

TEESTA VALLEY TEA EARNS HIGHER PROFIT

Bombay Suburban Electric Supply, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The issue of 50,000 ordinary shares of Rs. 100 each, at par, which was made on the 30th October, 1952, was oversubscribed. Shares of this new issue are at present Rs. 50 called up. 20 shares remain reserved for allotment against fractional certificates at the date of this report.

There was no change in rates for supply during the year. As many as 3,862 new consumers were connected to the mains during the year, bringing the total number of consumers to 29,507, which is 15.06 per cent. more than the previous year. The number of units purchased from the bulk suppliers was 0.46 per cent. lower than the figure for the previous year. The following table indicates in terms of units sold, the development of the sales of energy since the year 1950-51:—

(In kilowatt hours sold)

Year ended 31st March	Public lighting and general purposes	Power purposes	Total	Increased on previous year Per cent.
1951	16,387,212	14,411,967	30,799,179	20.77
1952	16,086,156	16,552,256	32,638,412	5.97
1953	16,654,977	16,439,792	33,094,769	1.40

The year under review again did not show the usual progress in sales of energy, owing to the continuation of electricity rationing imposed by the State Government from October, 1951, in addition to the restrictions on new power loads and extensions already in force. The electricity rationing was lifted in August, 1952, but it was not until the end of December, 1952, that a marked upward movement in the overall energy sales again began to take place. The sales of energy for lighting and general purposes have shown an improvement of 3.53 per cent., but for motive power a decrease of 0.68 per cent. has been recorded compared with the previous year.

The Company's transmission and distribution systems were maintained in good and efficient order, and continued to give trouble-free service. At the close of the year there were 106.41 miles of high tension and 196.41 miles of low tension mains in the Company's system. Further progress has taken place in the implementation of the Company's six-year development plan, including the erection of the 22/11 K.V. switchgear and mains transformers at the new receiving station at Kurla. During the year 9 new substations were brought into commission and the transformer capacity of 5 existing sub-stations was reorganised in order to ensure the most efficient use of the plant. The high tension system was substantially strengthened and extended. The low tension network including mains, services and street lighting were also expanded. Revised charges for street lighting have been accepted by the Bombay Municipal Corporation with effect from 1st March, 1953.

The gross profit for the year amounted to Rs. 8,15,427 (Rs. 9,11,566) after charging depreciation, in accordance with the provisions of the Electricity (Supply) Act, 1948, amounting to Rs. 4,77,140 (Rs. 3,93,402). There was no immediate liability for taxation on the profits of the year, owing to income-tax depreciation allowances. To the profit of Rs. 8,15,427 (Rs. 9,11,566) was added Rs. 8,669 (*nil*) for post-war refund of excess profits tax, Rs. 72,110 (*nil*) transferred from tariffs and dividends control reserve, Rs. 1,18,500 (Rs. 65,000) transferred from equalisation of dividends reserve and Rs. 1,643 (Rs. 3,938) brought forward from last year making a total of Rs. 10,16,349 (Rs. 9,80,504). Against this Rs. 607 (Rs. 463) and Rs. 8,950 (Rs. 8,950) have been written off new share capital issue expenses and promotion expenditure respectively, and Rs. 44,146 (Rs. 75,694) appropriated to contingencies reserve, all in terms of the Electricity (Supply) Act, 1948, while Rs. 45,340 (Rs. 43,420) was transferred to employees' retiring gratuities reserve. There then remained a balance of Rs. 9,17,306 (Rs. 8,11,249), and after deducting from this the ad-interim dividend of Rs. 3 (Rs. 3) per share proportionate to the amounts called up and which absorbed Rs. 3,74,970 (Rs. 3,16,545), there was available Rs. 5,42,336 (Rs. 4,94,704) which the directors disposed of as follows:—

To payment of dividend for the half-year ended 31st March, 1953, at the rate of Rs. 4 (Rs. 4) per share proportionate to the amounts called up (making 7 (7) per cent. for the year) Rs. 5,41,625 (Rs. 4,93,062) leaving to be carried forward Rs. 711 (Rs. 1,642).

Accounts in brief were as follows:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,37,47,375	Block ...	1,42,34,082
Reserves ...	23,20,851	Stores and tools ...	44,40,421
Liabilities ...	44,90,941	Other assets	2,34,338
Profit and loss account ...	711	Debts, deposits and advances ...	12,24,945
		Investments	1,64,680
		Cash ...	2,61,412
Rs.	2,05,59,878	Rs.	2,05,59,878

Teesta Valley Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

During the year under review the Tea Industry in North East India generally and the Darjeeling District in particular, suffered a serious crisis, with market conditions in relation to production costs probably the most unfavourable ever experienced. In an endeavour to meet this position, the estate adopted a high standard of plucking throughout the season, which resulted in a reduced total crop of 384,635 pounds of tea. At the same time the estate was fortunate to enjoy climatic conditions that were exceptionally favourable to the manufacture of teas of attractive quality, and as a result, satisfactory sale averages were achieved.

The gross average export sale price realised was As. 37.60 for 1952, as against As. 30.21 for 1951; the gross average internal sale price was As. 28.41, as against As. 30.18; the total net average sale price As. 35.62, as against As. 28.63 and the total working cost per pound of tea produced was As. 30.97, as against As. 26.71.

The increase in costs of production per pound of tea reflects the reduction of crop brought about by the high standard of plucking referred to above; and also the increased cash dearness allowance imposed by the Minimum Wages Award in December, 1951. Mainly as a result of this Award, the dearness allowances to labour and to staff in cash and in kind increased from Rs. 2,05,426 in 1951 to Rs. 2,32,921 in the year under review.

The gross profit for the year is Rs. 1,05,386 (Rs. 51,724); and after allowing Rs. 11,300 (*nil*) for taxation; Rs. 24,800 (Rs. 12,939) to be written off the cost of assets standing in the balance sheets; and Rs. 20,000 (Rs. 6,000) to be transferred to renewals and additions reserve; and for the other adjustments shown, there is a net profit of Rs. 42,642 (Rs. 32,306) and a final balance on this account of Rs. 86,158 (Rs. 75,516) from which the directors propose to pay a dividend of 10 (10) per cent. Rs. 32,000 (Rs. 32,000), transfer to staff reserve Rs. 7,500 (*nil*) and to carry forward to 1953 Rs. 46,658 (Rs. 43,516).

The crisis through which the tea industry passed in 1952 has emphasised the need for ample finance and the desirability of accepting every opportunity to strengthen the Company's resources.

Estimates for 1953 have been based on a crop of 5,000 maunds at a total cost of Rs. 6,00,095.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Block ...	4,94,550
Reserves ...	5,05,908	Stocks ...	1,79,703
Provision for taxation ...	35,658	Stores and supplies ...	55,268
Liabilities ...	53,015	Debts, deposits and advances ...	72,590
Profit and loss account ...	86,158	Investments	88,200
		Cash ...	1,10,428
Rs.	10,00,739	Rs.	10,00,739

Ethelbari Tea Co., (1932) Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

A crop of 6,313 maunds was manufactured and disposed of for sale in Calcutta for export 5,339 maunds, and for sale in Calcutta for internal consumption 974 maunds.

The teas realised an average price of Re. 1-0-3 per lb. as compared with Re. 1-7-11 a lb. obtained for the previous season's crop of 6,702 maunds. The Company's export quota for season 1952 was 3,502 maunds.

No extensions were put out during the year and the area under cultivation remains unchanged at 447 acres, as registered with the Indian Tea Licensing Committee at 31st December, 1952.

The revenue account showed a loss of Rs. 2,53,946 (loss of Rs. 39,967) to which was added depreciation amounting to Rs. 28,300 (26,190) making a total of Rs. 2,82,246 (Rs. 66,157). After deducting forfeited dividends Rs. 630 (nil) there was a loss for the year of Rs. 2,81,616 (Rs. 66,157). After adding to this the debit balance of Rs. 54,303 (credit of Rs. 10,312) brought forward from the previous year and deducting Rs. 2,50,000 (nil) transferred from reserve account, there was a debit balance of Rs. 85,919 (debit of Rs. 55,845) on profit and loss account, which was carried forward.

The estimates for season 1953 are as follows:—

Garden	Crop	Expenditure		Total
		Garden	Calcutta	
	Mds.	Rs.	Rs.	Rs.
Ethelbari ...	6,400	5,07,446	1,18,450	6,25,896

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	5,56,088
Provision for taxation ...	16,529	Stocks ...	2,61,865
Liabilities ...	7,33,125	Stores ...	93,251
		Debts, deposits and advances ...	75,137
		Investments	1,100
		Cash ...	26,294
		Profit and loss account ...	85,919
Rs.	10,99,654	Rs.	10,99,654

Twyford Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Parkins Ltd., Kottayam, Travancore-Cochin State) submit the audited accounts of the Company for the year ended 31st December, 1952.

The result of the year's working after providing for depreciation on buildings, factory and machinery amounting to Rs. 23,182 (Rs. 25,753) and paying debenture interest Rs. 15,000 (Rs. 15,000) and income-tax on debenture interest Rs. 5,250 (Rs. 5,339) (but without any deduction in respect of income-tax) is a net profit of Rs. 94,717 (Rs. 4,70,442) to which must be added the balance of Rs. 16,976 (Rs. 39,035) brought forward from the previous year's account, making a total of Rs. 1,11,693 (Rs. 5,09,476) available. The directors recommend the following appropriations:—

To transfer to taxation reserve Rs. 15,000 (Rs. 1,80,000), transfer to dividend account Rs. 62,500 (Rs. 1,12,500) and transfer to debenture redemption fund Rs. 25,000 (Rs. 1,25,000), leaving a balance of Rs. 9,193 (Rs. 16,976) which the directors propose to carry forward. The directors recommend the payment of dividend of 12½ (12½) per cent. by utilising a sum of Rs. 50,000 (*nil*) from the dividend equalisation fund besides the sum of Rs. 62,500 (*nil*) recommended to be transferred as above.

A total crop of 8,34,528 (8,10,571) lbs. tea was harvested during the year under report against an estimate of 8,00,000 lbs. The cost of production was 147.36 cents per lb. as against 130.87 cents per lb., in 1951. The net average sale price realised per lb. was 169.14 cents as against 202.85 cents in 1951. The stock of tea remaining unsold as at 31st December, 1952, was 3,35,746 lbs., all of which has since been sold.

The estates are reported to be in excellent order. The estimated crop for the year ending 31st December, 1953, is 8,00,000 lbs. made tea to be produced at a cost of 161.68 cents. The increased estimate of cost is due to the operation of the Minimum Wages Act which was in force only for a part of the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,70,000	Block ...	38,00,558
Reserves ...	13,07,220	Stocks ...	1,77,49,047
Provision for taxation ...	8,34,733	Stores, etc. ...	5,69,355
Liabilities ...	1,98,32,143	Debts, deposits and advances ...	42,52,411
Profit and loss account ...	17,49,544	Investments	1,74,317
		Cash ...	13,47,957
Rs.	2,78,93,645	Rs.	2,78,93,645

Sitalpore Sugar Works Ltd.

The directors of the above Company (Managing Directors: Mr. R. N. Dutta and Mr. H. K. Gosh, Calcutta) submit the audited accounts of the Company for the year ended 30th June, 1952.

The results for the period after providing for taxation shows a profit of Rs. 1,31,212 (Rs. 9,19,627) from which has to be deducted depreciation Rs. 93,687 (Rs. 1,17,767) leaving a sum of Rs. 37,525 (Rs. 3,06,882). After adding the carry forward from the previous year of Rs. 10,162 (debit of Rs. 86,720) there is at the credit of profit and loss account a sum of Rs. 47,687 (Rs. 2,20,162). This balance the directors recommend should be disposed of in payment of a dividend at 4 (5) per cent. for the year, free of income-tax Rs. 40,000 (Rs. 50,000), leaving to be carried forward Rs. 7,687 (Rs. 10,162).

The factory worked satisfactorily during the year. A substantial addition amounting to Rs. 2,59,992 was made to block account during the period under review. This was mainly utilised for constructing staff and labour barracks and some additions to factory buildings and godowns.

The supply of cane was maintained at the same level as that of last year viz., 16,41,600 maunds and the recovery slightly improved to 9.90 per cent. In its second year of working at Garaul supply of gate cane increased by 1 lakh maunds. Next year further improvement in the supply of gate cane is expected. The price of cane during the year under review was fixed at Rs. 1-12 and cane cess at As. 3 per maund, same as last year.

Production of sugar was highest on record during the year. Sugar price was fixed by the Government at Rs. 31 per maund for North Bihar. Though sugar was partially decontrolled during the period under review, whatever free sugar was available to the Company, could not fetch a higher price due to general depressed condition of the market and even at times free market sugar fetched price below control level. As per the directors' forecast last year, the results obtained under the circumstances must be considered satisfactory. The prospect of the industry for the season 1952-53 is considered good.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,99,950	Block ...	12,03,077
Reserves ...	61,825	Stock-in-trade ...	23,46,928
Provision for taxation ...	1,44,931	Stores, etc. ...	2,38,241
Liabilities ...	38,87,966	Debts, deposits and advances ...	10,08,764
Profit and loss account ...	47,687	Investments	1,84,779
		Cash ...	1,60,570
Rs.	51,42,359	Rs.	51,42,359

Shree Ambica Jute Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Bagaria More Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1952.

The accounts show a net loss of Rs. 69,91,407 after deduction of insurance, commission and other expenditure and making a provision of Rs. 3,69,406 for depreciation for the half-year ended 31st March, 1952. The above loss has been adjusted against Rs. 87,40,952 being the credit balance of profit and loss account brought forward from last half-year, showing a net credit balance of Rs. 17,49,544 which the directors recommend should be dealt with as follows:—

Reserve for taxation Rs. 8,00,000 (for the period from 1st April, 1951 to 31st March, 1952), to paying the dividend on the 7½ per cent. cumulative preference shares for the half-year ended 31st March, 1952 at Rs. 3-12 per share (free of income-tax) Rs. 43,875 and to paying a dividend on the ordinary shares of Re. 1 per share for the half-year ended 31st March, 1952 (free of income-tax) Rs. 3,00,000, and to carry forward Rs. 6,05,669.

During the period under review, in accordance with the main and supplementary working time agreement of the Indian Jute Mills Association, the mill, with 12½ per cent. of its looms (all hessians) sealed, worked on the basis of 42½ hours a week, with the exception of the period from 10th December, 1951 to 29th March, 1952 when the mill worked 48 hours per week. As mentioned in the last report, the mill continued working the purchased loom hours during the half-year being supplemented by further purchase. There has been a loss on the stock of jute of the Company due to sudden fall in jute prices. Difficult trading conditions also persisted and prices of both raw jute and finished goods continued to decline during the half-year. These have unfortunately resulted in an unsatisfactory half-year's trading.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,99,250	Block ...	4,33,858
Reserves ...	1,63,012	Stores, and tools, etc. ...	1,19,904
Provision for taxation ...	45,702	Other assets	449
Liabilities ...	5,89,529	Debts, deposits and advances ...	2,00,954
Profit and loss account ...	39,153	Investments	3,86,345
		Cash ...	2,95,130
Rs.	14,36,646	Rs.	14,36,646

Cuttack Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The revenue account shows a profit on the year's working of Rs. 15,563 (Rs. 7,405). After deducting gratuity to retired employees Rs. 4,504 (*nil*), arrears of depreciation Rs. 3,632 (*nil*), reserve for contingencies—under the Electricity (Supply) Act, 1948 Rs. 6,105 (*nil*) and contribution to Vallabhbhai Patel National Memorial Fund Rs. 302 (*nil*), there is a net profit for the year of Rs. 1,020 (net loss of Rs. 3,227). After adding the credit balance of Rs. 12,801 (Rs. 21,123) brought forward from the previous year and Rs. 634 (*nil*) received on account of refund of excess profits tax there is a credit balance of Rs. 14,456 (credit of Rs. 12,801) on profit and loss account to be carried forward.

An increase of approximately 18 per cent. in the number of units sold was recorded as compared with the previous year. The Company has been taking a full-time bulk supply of energy from the Government steam station at Chowdwar since February, 1952. The following table shows the number of units sold each month during the past three years:—

	Units sold		
	1950	1951	1952
January ...	1,39,018	1,60,943	1,69,445
February ...	1,34,728	1,42,528	1,77,278
March ...	1,53,980	1,84,317	2,05,046
April ...	2,07,594	2,14,562	2,59,137
May ...	2,11,022	2,26,794	2,54,324
June ...	1,79,353	2,09,095	2,61,890
July ...	1,73,873	2,03,260	2,43,983
August ...	1,77,758	2,03,080	2,44,101
September ...	1,60,693	2,06,410	2,41,807
October ...	1,93,209	2,17,333	2,70,417
November ...	1,42,773	2,02,693	2,34,859
December ...	1,45,075	1,74,053	2,09,850
Total	20,19,076	23,45,068	27,72,137

The number of consumers connected to the Company's system at the close of the year was 2,879 with a connected load of 3,950 kw., as compared with 2,668 with a connected load of 3,424 kw., at the close of the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,60,040	Block ...	17,95,357
Reserves ...	3,63,475	Stores ...	2,89,477
Liabilities ...	13,19,828	Debts, deposits and advances ...	2,18,194
Profit and loss account ...	14,456	Investments	9,547
		Cash ...	45,224
Rs.	23,57,799	Rs.	23,57,799

Manabarrie Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 2,49,129 (Rs. 2,11,760). On transfer of this sum to profit and loss account and after sundry adjustments including transfers of Rs. 20,000 (Rs. 1,75,000) from revenue reserve, Rs. 5,613 (*nil*) from buildings and machinery reserve and Rs. 12,000 (*nil*) from block reserve there is a balance at debit of that account amounting to Rs. 2,10,574 (credit of Rs. 99) which the directors propose to carry forward.

An unfavourable market throughout the major part of the season, a shortfall in crop caused by hail damage and finer plucking, coupled with the high cost of statutory concessions to the labour have been the principal factors affecting this result.

Crop was 5,337 maunds, as compared with 7,069 maunds in 1951. The average selling price was Re. 1-0-10 per lb. as against As. 15-2 per lb. in the previous year. Planted area is 619.70 acres.

Estimates for 1953 provide for a crop of 6,200 maunds at an outlay of Rs. 5,84,100, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Block ...	2,12,000
Liabilities ...	6,60,875	Stores and supplies ...	75,293
		Tea sales receivable ...	2,51,614
		Advances and deposits ...	76,054
		Investments	200
		Cash ...	35,140
		Profit and loss account ...	2,10,574
Rs.	8,60,875	Rs.	8,60,875

Bombay Uganda Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Parakh Agencies Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The profit and loss account showed a profit of Rs. 84,693 (Rs. 1,21,796) (subject to depreciation and taxation) to which was added the sum of Rs. 32,664 (Rs. 30,679) brought forward from the last year's accounts, making a total of Rs. 1,17,357 (Rs. 1,52,475), the directors disposed of this amount as follows:—

To reserve for taxation Rs. 20,000 (Rs. 30,000), to payment of a dividend at Rs. 4 (Rs. 4) per share (free of income-tax) on 19,953 ordinary shares of Rs. 80 each Rs. 79,812 (Rs. 79,812), to depreciation fund Rs. 10,000 (Rs. 10,000) and carried forward the balance to next year's accounts Rs. 7,545 (Rs. 32,663).

Considering the trade conditions prevailing during the year the directors think the results to be satisfactory. The existing arrangement of the Company with the Ahmedabad Jaya Bharat Cotton Mills Ltd., Ahmedabad, to make loans to and borrow money from the Mills still continues.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,98,860	Block ...	2,28,588
Reserves ...	1,63,801	Stock-in-trade	1,49,679
Provision for taxation ...	72,877	Stores, etc. ...	43,201
Liabilities ...	1,86,840	Debts, deposits and advances ...	11,99,052
Profit and loss account ...	1,17,357	Investments	4,54,838
		Cash ...	64,377
Rs.	21,39,735	Rs.	21,39,735

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

COMPANY MEETINGS AND DIVIDENDS

BULAND SUGAR CO., LTD. Annual General Meeting, Rah-e-Raza, Rampur, 30th July, 1953. Dividend: As. 12 per share. Transfer books closed from 23rd July to 8th August, 1953, both days inclusive.

RAZA SUGAR CO., LTD. Annual General Meeting, Rah-e-Raza, Rampur, 30th July, 1953. Dividend: As. 12 per share. Transfer books closed from 23rd July to 8th August, 1953, both days inclusive.

NEW CHUMTA TEA CO., LTD. Annual General Meeting, Calcutta, 31st July, 1953. Dividend: *Nil*. Transfer books close from 25th to 31st July, 1953, both days inclusive.

EMERALD VALLEY ESTATES LTD. Annual General Meeting, Coimbatore, 31st July, 1953. Dividend: As. 6 per share. Transfer books closed from 22nd to 31st July, 1953, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 3rd August, 1953. Transfer books closed from 20th July to 3rd August, 1953, both days inclusive.

HIND CYCLES LTD. Annual General Meeting, Bombay, 3rd August, 1953. Dividend: Rs. 8 per share, free of income-tax. Transfer books closed from 22nd July to 12th August, 1953, both days inclusive.

EQUITABLE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 4th August, 1953. Transfer books close from 29th July to 4th August, 1953, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Annual General Meeting, Alipore, Calcutta, 10th August, 1953. Transfer books close from 6th to 12th August, 1953, both days inclusive.

ALEMBIC CHEMICAL WORKS CO., LTD. Annual General Meeting, Baroda, 13th August, 1953. Dividend: Rs. 8 per share. Transfer books closed from 24th July to 13th August, 1953, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS, LTD. Annual General Meeting, Calcutta, 14th August, 1953. Transfer books close from 28th July to 14th August, 1953, both days inclusive.

KUMARDHUBI ENGINEERING WORKS LTD. Annual General Meeting, Calcutta, 14th August, 1953. Transfer books closed from 28th July, to 14th August, 1953, both days inclusive.

UNION JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

AUCKLAND JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

DALHOUSIE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

LANSDOWNE JUTE CO., LTD. Half-yearly general Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

NAIHATI JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

LAWRENCE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

NORTHBROOK JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

STANDARD JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

MYSORE PAPER MILLS LTD. Annual General Meeting, Bangalore City, 23rd August, 1953. Dividend: Re. 1 per share, (including bonus of As. 6 per share) payable on and after 8th September, 1953. Transfer books close from 4th to 22nd August, 1953, both days inclusive.

EAST INDIAN COAL CO., LTD. Interim dividend of As. 14 per share, for the year ended 30th April, 1953, payable on 31st July, 1953. Transfer books closed from 22nd to 31st July, 1953, both days inclusive.

COMPANY REGISTRATIONS

POONA PRODUCTS LTD. (First Director: Mr. P. D. Patwardhan.) Business: Importers, Exporters, Manufacturers and Dealers in all kinds of Paper, Machinery, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 813-14, Bhowani Peth, Poona, 2.

SHREE MULCHAND CO., LTD. (First Director: Mr. Menghraj Hassanand.) Business: Wool Merchants, Wool Combers, Woollen Spinners, Worsted Stuff Manufacturers, Bleachers, Dyers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 259, Kalbadevi Road, Bombay, 2.

RAMANLAL AMARNATH (AGENCY) LTD. (Secretary: Mr. K. J. Chinai.) Business: Importers, Exporters, Manufacturers and Dealers in Rayon Yarn, Staple Fibre, Raw Silk Yarn, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Musjid Bunder Road, Bombay, 3.

MONEY RATES UNCHANGED

(From Our Own Correspondent)

BOMBAY, 22nd July

The issue of the ten State loans for an aggregate sum of Rs. 28 crores, on Wednesday last, some of which were oversubscribed during the week, did not have any effect on the short-term money market. A further inflow of funds from trade centres was in evidence. Fresh borrowings by banks in the inter-bank call money sector were conspicuous by their absence and the volume of business dwindled considerably. There was, however, no change in the rate, which was maintained at 1½ per cent. among the Exchange banks and big Indian banks and 2½ per cent. among the smaller Indian banks. Term deposits were not much in demand, the rates quoted being 2 to 2½ per cent. for one to three months and at 2½ to 2¾ per cent. for longer periods. House money was placed at no more than 2 per cent.

The declining trend in the amount offered against the tenders for the three months' Government of India Treasury Bills noted last week persisted this week also, though not to the same extent as in the previous week. The amount offered this week was Rs. 2.79 crores, as against Rs. 2.81 crores last week and Rs. 2.03 crores two weeks ago. The average rate of accepted tenders, however, stood unchanged at Rs. 2-6-2 per cent. per annum.

The statement of affairs of the Reserve Bank of India for the week ended 17th July, 1953, as compared with that for the previous week, discloses several notable features. Notes in circulation, for instance, have gone down by Rs. 16.46 crores and those held in the Banking Department by Rs. 3.25 crores. The contraction in total notes issued is, therefore, of the order of Rs. 19.71 crores. As against this decline, there has been a decline of Rs. 20 crores in foreign securities, evidently transferred to the assets side of the Banking Department, and a withdrawal of rupee coin to the extent of Rs. 28.80 lakhs. In the Banking Department, the liabilities sido reveals a drop of Rs. 19.86 crores in the deposits of the Central Government, which is evidently due to the repayment of the Government of India 3 per cent. 1953-55 loan which matured on the 15th inst. Deposits of other Governments have risen by Rs. 16.45 crores, which is chiefly explained by the subscriptions to the State loans. Deposits of banks show an increase of Rs. 24.89 lakhs, instead of declining which they should have done if the report that the banks took keen interest in State Loans were correct. Deposits of others also have gone up by Rs. 6.11 crores. On the assets side, cash balances are lower by Rs. 3.25 crores, while balances held abroad have gone up by Rs. 17.51 crores, mainly due to the transfer of foreign securities from the Issue Department. Loans and advances to Governments are up by Rs. 39 lakhs, while other loans and advances are down by Rs. 54.81 lakhs. Investments reveal a fall of Rs. 7.94 crores which may be due to the repayment of the 3 per cent. 1953-55 loan quite a large portion of which was held by the Bank.

The consolidated statement of position of Scheduled Banks for the week ended 10th July, 1953, shows a fall of Rs. 2.77 crores in demand deposits of the Banks. Time deposits, on the other hand, have risen by Rs. 72.51 lakhs. Inter-bank borrowings are higher by Rs. 43.70 lakhs. Borrowings from the Reserve Bank have declined by Rs. 2.71 crores and those from the Imperial Bank by Rs. 1.05 crores. Advances continue to show a fall, the exact decline during the week being Rs. 8.06 crores, including bills purchased and discounted. Investments also show a decrease of Rs. 60.22 lakhs. Cash on hand and balances with the Reserve Bank are together lower by Rs. 1.22 crores, but money at call and short notice records an expansion of Rs. 1.13 crores.

The Gilt-edged market was featureless, but the undertone was steady with no variations in prices. Some of the State Government loans, however, found sellers, as the new State loans are more attactive, and there was a decline in prices. Among the Government of India loans, 3 per cent. 1986 Conversion Loan was an exception and disclosed a fall of As. 2 to Rs. 82-9. Of the State loans, 3 per cent. 1960 Madras issue receded by As. 8 to Rs. 94-4 and 3 per cent. 1962 Bombay by As. 2 to Rs. 93. 3½ per cent. 1962 Madras and Bombay dropped As. 4 each to Rs. 97-12 and Rs. 98, respectively. 4 per cent. 1964 Bombay and West Bengal shaded off to Rs. 100 and 4 per cent. Madras and U.P. loans were placed As. 5 lower at Rs. 99-12.

In the foreign exchange section, there was no variation in the rupee-U.S. dollar rates. In New York, however, the £ sterling, which showed a slight weakening tendency during the earlier part of the week, regained ground and showed minor changes on balance. Thus, the spot rate which had dropped from $2.81.9/16-2.81.11/16 on the 14th inst. to $2.81½-2.81½ on the 16th came to be quoted at $2.81½-2.81¾ yesterday. The three months' rate showed no change over the week at $2.80½-2.80¾, while the six months' rate gained fractionally from $2.80¼-2.80½ to $2.80.3/16-2.80.5/16.

(Concluded from next column)

although, towards the close, it was a shade lower at Rs. 88-4 due to profit-taking. The opening quotation for *Sharwan* and *Punam* deliveries to-day was Rs. 88-6. Prices of spot sugar tended to look up in the face of limited stocks and good local demand. The Bombay Government's renewed sales of sugar to fair-price shops, co-operative societies and ration depots at Rs. 85-4-6 per bag would appear to have had no effect on the free market demand and prices. To-day's quotations are: Rs. 90 per small grain, Rs. 91 to 92 for medium grain and Rs. 94-95 for large grain.

Arrivals of sugar into the market during the six days ended yesterday amounted to 15,000 bags. To-day's opening stock with the spot trade is estimated at 18,000 to 20,000 bags.

BULLION MOVES NARROWLY

(From Our Own Correspondent)

BOMBAY, 22nd July

Narrow and irregular movements in prices were noted on the Bullion Exchange during the week under review, but the undertone was on the whole steady. In silver, the offtake in the ready section continued to be poor; in gold, the pace of offtake was less than that of the arrivals. This resulted in the narrowing down of the premium for the ready metals over forward from As. 10 to As. 8 in silver and from As. 10 to As. 4 in gold. The steady undertone of the market was mainly due to the manœuvring tactics of the speculators in view of the proximity of settlement. While the bulls purchased in the current settlement and sold in the next settlement, the bears came to cover their position in the current settlement. As a result, the spread between the two settlements widened. The carry forward charges in silver which were placed unofficially at Rs. 1-9 against sellers before the commencement of official trading in the next settlement on Monday this week, widened to Rs. 2-2 at the close of to-day. In gold, the *budla* charges against sellers which stood at Re. 1-2 at the beginning of the week, narrowed down to As. 14 yesterday, but again widened to Re. 1-1 to-day.

Silver for forward delivery (28th July settlement) opened at Rs. 153-6 and hardened slightly to Rs. 154-15 on Friday. After reacting to Rs. 153-12 on Monday, it came up to Rs. 155 yesterday and closed to-day at Rs. 154-7. Business in the next settlement began on Monday at Rs. 152-2 and after touching Rs. 152-15, closed to-day at Rs. 152-5.

Ready silver (.996 fine Mint) opened at Rs. 154 and finished the week better at Rs. 154-15. The highest rate touched during the week was Rs. 155-9. The floating stocks of silver are placed at 1,000 bars. The daily average offtake was 10 bars.

Gold for forward delivery (27th July settlement) began at Rs. 86-3 and hardened to Rs. 87-4 on Saturday. But the poor offtake and larger arrivals affected the sentiment and the forward rate shaded off to Rs. 86-14 at the close. Trading in the next (August) settlement began on Monday at Rs. 85-7 and finished the week at Rs. 85-13.

Ready gold started the week at Rs. 86-13 and closed at Rs. 87-2, after touching a high of Rs. 87-6 yesterday.

The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 4,000 to 5,000 tolas. The daily average offtake was 3,000 tolas.

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

	22-7-53	Highest	Lowest	15-7-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 2	87 14	86 10	86 13
Forward	86 14	87 4	86 0	86 2
Sovereign	67 12	68 0	67 12	68 0
SILVER				
Ready (.996 fine Mint)	154 15	155 9	153 15	154 2
Forward	154 7	155 0	153 5	153 8
London Ready ..	74d.	—	—	74d.
London Forward ..	74d.	—	—	74d.
New York Ready ..	85¼c.	—	—	85¼c.

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 22nd July

It is rumoured that a prominent bear, who created a tremendous uproar against the rising prices and suggested to the Government to import sugar to bring down prices in the country, and who himself volunteered to co-operate with the Government in importing sugar, has let down the latter very badly in regard to tenders of foreign sugar. The present position in regard to imported sugar is that the Food Ministry has concluded a direct deal with British refiners for shipment of 20,000 tons of British refined sugar during the month around £42 per ton c.i.f. Bombay and/or Madras. The Government has also invited tenders for 30,000 tons from the trade, but the terms of tenders are stated to be so stiff that prospective tenderers have been scared. It is also rumoured that immediately the British refined sugar is loaded for India, the Food Ministry will announce the sale of imported sugar to the trade.

With steady demand from the consuming centres, as also from millers and with prices being steady around the existing levels, the spot trade is rather puzzled and nervous to make commitments at the ruling prices, since the Government has firmly notified its intention to bring down sugar prices. The net result is that the Government's threats have so far remained unimplemented by appropriate action, with consequent slim stock position all over. The experienced spot traders suggest that, in view of certain imports of sugar, the Government should now hurry up to release the entire stock with millers and simultaneously announce the sale of imported sugar to the trade at a reasonable price. Such action, it is felt, will still be in good time to check the rising sugar prices in the expectation of heavy post-monsoon demand during the months of August and September.

Notwithstanding the tenders for sugar imports invited by the Government, the forward and ready sections of the sugar market continued to be steady this week. The price of sugar in the forward section, which had touched as low as Rs. 87-3 per bag on the 14th inst., firmed up to Rs. 88-15 on Monday,

(Continued in previous column)

HEDGE TRADING IN NEW CROP COTTON BEGINS

(From Our Own Correspondent)

BOMBAY, 22nd July

Astrology still rules the markets even in the year of grace, 1953. The authorities, who profess to scoff at such absurdities in their pose of superiority, still manage somehow to accommodate the susceptibilities of market men, whether it be in cotton or seeds, by dropping their usual mood of lethargy and prognostication and replacing it temporarily with the new cult of "hustle." The Textile Commissioner and, possibly, the Commerce and Industry Ministry at New Delhi, rose to heights of urgency and expeditious handling of affairs, to humour the elders of the E.I.C.A. about giving their permission for forward trading in the 1953-54 cotton crop. It is said that even thieves and robbers, when they set out on their nefarious expeditions, consult astrologers to ascertain the most auspicious time for inaugurating their campaign. Operators in important forward markets could, therefore, be easily forgiven for their weakness in wanting to commence their activities in a new venture at a propitious moment, right to the minute, 8-55 a.m. on Friday, 17th July this month, was given as the time when the stars would be in a combination favourable to speculation. To enable the E.I.C.A. to keep this appointment with the luminaries, the authorities went out of their way to give permission to do so late in the evening of the previous day. Hedge trading was commenced at the precise moment to the satisfaction of all the parties. The irony of the situation was that this trading was asked for in the sacred name of continuity. It would tax one's capacity for metaphysical reasoning to reconcile continuity in time with the inauguration of a new activity. But nobody seems to bother with such logical niceties as asking how there could be a fresh inauguration when continuity was assured.

The commencement of hedge trading in the new crop coincided with the termination of a dull interlude and the resumption of a fresh let-off of fireworks in the forward market in cotton. Prices in the August contract have again started fluctuating with the old rapidity, though it must be said that the new February contract has managed more or less to find itself so far within a narrow price range. This has led to be a widening of the gap between the two deliveries from Rs. 25 to Rs. 40 at times. Alongside profit-taking by the bulls at good bulges, the process of squeezing the bears in the August contract is going apace. It is believed that the market will see many ups and downs within the next few days that are left for free trading in the August contract, before the market settles down to steady trading in the February contract for a couple of months.

It is significant that permission for hedge trading in the new contract is provisional and restricted to only one delivery. While the old controversy with regard to the standard staple for tendering might be regarded as resolved, that about the schedule of minima and maxima rates for various tenderable varieties has not yet been settled. Trading in the February contract would be in terms of the schedule issued by the Textile Commissioner under his notification dated 23rd October, 1952. There seems to be some confusion both in the mind of the officials and the trade with regard to the schedule. The latter feels that the schedule as devised is likely to lead to a sellers' contract and would frighten away buyers from the market. It is, however, understood that the finer points with regard to the schedule will be discussed and worked out afresh, before the authorities draft their new schedule for the next crop. When this new schedule is ready, the E.I.C.A. authorities expect to get permission for commencing business in the remaining two contracts of the 1953-54 season also. Such permission, however, is not likely to be forthcoming before October as the Textile Commissioner will be out of the country during this interval. The operators in the market in the meantime would do well to remember that the Government are about to appoint a Commission to regulate and control forward markets in commodities and that this Commission will have the power, if they find it necessary to do so, to amend the by-laws in any market or to impose new conditions in the contract. Unless they behave properly, the operators might find themselves tied hand and foot by new impositions from this Commission.

Apart from the doings in the forward market, the spot market has been maintaining a very steady tone, with persistent demand for favourite styles both in medium-staple and short-staple varieties. Premia for these have been rising and as the new cotton is expected to come late into the market, this demand is likely to persist for the rest of the year. There is some dissatisfaction still amongst exporters about the Government's refusal to extend the period of their licences to December, 1952, for Bengals. But they are now getting reconciled to this policy of the Government, which has the support of the textile industry, in view of the smaller crop of this variety expected next year. However, with a view to placating some of these interests, the Government of India has relaxed to the extent of extending the period of shipment upto 10th August in the case of those licences which were issued on or after 1st June, 1953, with validity till 30th June, 1953.

Imports are naturally slack, partly in view of good expectations about the size of the new crop and partly because of the uncertain nature of the various cotton markets in the world. Even the ratification of the Indo-Egyptian Trade Agreement and its coming into force from 1st June has failed to enthuse importers of Egyptian cotton, because Alexandria prices now based on New York prices for October delivery are higher. Another reason for this lukewarmness on the part of the Indian importers is that the Egyptian exporters are offering higher prices to India, because they would receive sterling import entitlements for all such sales for a lower percentage of their export earnings.

In the forward section, I.C.C. August opened the week at Rs. 684½, as against the previous close of Rs. 682½, and forged ahead, on good bull support, to touch a high of Rs. 701 on 21st inst. Profit-taking at the bulge induced a set-back, with the result that the delivery closed the week lower at Rs. 698½.

Trading in I.C.C. February commenced on 17th inst. on which day, two sessions were held. In the morning session I.C.C. February opened at Rs. 665¼, i.e., Rs. 23¾ below the rate for August. The fluctuations were narrow during this session, in which the contract closed at Rs. 661¼ as against the closing price of Rs. 688½ for August delivery. In the afternoon session, I.C.C. February opened at Rs. 661½, while I.C.C. August was quoted at Rs. 688½. The market again fluctuated within a very narrow range during the session and the initial gap was maintained towards the close of the session also, when I.C.C. February and August were quoted at Rs. 662½ and Rs. 690½ respectively. Minor fluctuations characterised trading in I.C.C. February during the rest of the week also before it finished the week at Rs. 669½. Thus, the premium for I.C.C. August over February widened from Rs 23¼ early in the week to Rs. 29 towards its close.

The following is the trend of prices in I.C.C. February and I.C.C. August during the week ended 22nd inst:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. (Rs.) ...	665½	671	661	669½
I.C.C. Aug. (Rs.) ...	689	701	683	698½

The following are the latest available quotations from the ready section:—Bengal *Deshi* Rs. 560; Berar Jarilla Rs. 745; Khandesh Rs. 865; Vijay Rs. 860; Oomra *Deshi* Rs. 695; Mogalai Rs. 695.

At Karachi, the steadiness of the previous week has been maintained and prices have remained almost unchanged. Enquiries are being received from Japan, Australia and France on the Continent and a trade agreement between Pakistan and Italy has been finalised, under which Pakistan will supply, amongst other things, cotton to Italy and receive machinery, chemicals, drugs, yarn and lubricating oils. It is, however, not known what quantity of cotton is likely to be exported to Italy under this agreement. A more interesting development at Karachi is the possibility of early entry of Japan into the textile industry in Pakistan on a fairly extensive basis. New textile mills are to be set up under joint Japanese-Pakistan ownership with the latter retaining 51 per cent. of the capital in its hands. The industry will be run entirely by Japanese technicians, who will also train Pakistan nationals for this purpose. The need for exporting cotton will be less imperative for Karachi in future, if this project materialises and is found to be successful.

The following are the latest available quotations from the Karachi cotton market: Punjab *Deshi* Rs. 80; 4F Punjab R.G. Rs. 62; S.G. Rs. 68; L.S.S. Punjab R.G. Rs. 66; S.G. Rs. 72; N.T. R.G. Rs. 71; S.G. Rs. 76½; 289F Punjab R.G. Rs. 74; S.G. Rs. 80.

At Alexandria, export business is naturally of a moderate nature considering the price rise. In spite of this, there has been a small business for export in the new crop to the extent of about 6,000 to 7,000 bales, the major portion of which was of Giza 30.

At New York, movements have been very restricted and the rapid rise in prices for the previous weeks has been stemmed. The market is awaiting important developments. There is a move to allow an advance of 100 million to 250 million dollars for the purchase of U.S.A. cotton and other agricultural commodities to foreign buyers in exchange for non-dollar currencies. This move, if successful, would naturally go to encourage exports during the coming year.

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

	(In cents per lb.)		
	21-7-53	14-7-53	7-7-53
Spot	34.20	34.05	34.55
July	—	33.16	33.57
October ...	33.91	34.00	34.12
December ...	34.20	34.20	34.31
March	34.41	—	34.52
May	34.45	34.39	34.51

ART SILK YARN QUIET

(From Our Own Correspondent)

BOMBAY, 22nd July

Quiet conditions prevailed in the art silk yarn market this week, which was in distinct contrast to the market's firm tone last week. The Government's decision to decontrol cloth and yarn comment appeared to have had no effect on the market. For the attention of traders was somewhat diverted towards the talks which the Japanese rayon mission was holding with art silk yarn dealers and consumers. Transactions put through were on a limited scale and values fluctuated within narrow limits. The closing quotations yesterday, however, were slightly lower than those at the end of last week. The market was closed to-day, on account of *Ashad Ekadashi*.

In the forward section, 150D July delivery contract opened the week Rs. 2 lower at Rs. 786. It improved to Rs. 791 on the following day. The recovery, however, was soon lost on Saturday, when, on profit-selling, prices receded. A slight recovery was visible on Monday and Tuesday last, owing to support at lower levels, and the contract finished at Rs. 784. August contract fluctuated between Rs. 793 and Rs. 785 before closing at Rs. 789. In the ready section, 120 Italy declined by an anna to Rs. 4-3. 150 Italy also was a shade lower at Rs. 3-15, although at one time it had improved to Rs 4. 120 Japan and 150 Japan, however, were slightly higher at Rs. 4-3¼ and Rs. 4-2, respectively.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 15th and 8th inst.

	21-7-53	15-7-53	8-7-53
	Rs. a.	Rs. a.	Rs. a.
150D July (per case of 200 lbs.) ..	784 0	784 0	760 0
150D August ,, ...	789 0	791 0	768 0
120 Japan (per lb.)	4 3½	4 3	4 3
150 Japan ,, ...	4 2	4 1½	4 0½
120 Italy ,, ...	4 3	4 4	4 4
150 Italy ,, ...	3 15	3 15½	3 12½

The Japanese rayon mission held a meeting with the members of the Silk and Art Silk Mills' Association, Bombay, on Friday last. The talks were of an exploratory nature. The members of the Association emphasised the need for a downward revision in prices of Japanese yarn, for, in their opinion, it was the high level of prices which had been responsible for a larger flow of imports of Japanese yarn *vis-a-vis* those from the Continent. The Japanese mission, however, could not commit itself about the price issue, as it had no powers to do so. Nevertheless, it assured the Association that it would convey the suggestion to the Japanese principals.

The staple fibre yarn section was weak. Prices continued their downward march. This was due to pressure of sales from local and South Indian mills, following arrivals of imported raw staple fibre and expectations of still larger arrival.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 22nd July

The oilseeds market remained closed to-day owing to *Ashada Ekadashi*. During the week, groundnuts again were in the limelight. Early in the week, groundnut prices shot up under the grip of bull operators and pierced last week's record high level. Although profit selling set in at this level, it proved a short-lived affair on reports of revived demand from *vanaspati* interests and shorts. The linseed section ruled in sympathy with groundnuts. There were some enquiries from crushers, who were woefully short of seeds for crushing purposes. The castorseeds section proved no exception to the general trend. Consequently, the prices in all the sections disclosed substantial gains over the week.

The Madras and other States' markets have also been disclosing hectic rise in prices in sympathy with the Bombay market. Small wonder, therefore, that representations are being made to the Ministry of Commerce from almost all these States. The Madras Oil and Oilseeds Association has urged the Ministry of Commerce and Industry to take the following steps to bring down the prices of groundnuts.

Reduction of the import duty on coconut oil of Commonwealth origin from 21 to 15 per cent. and abolition of import duty on copra altogether; placing copra, palm oil and tallow on O.G.L.; allowing established importers of coconut oil to import 100 per cent. of their quota in the shape of coconut oil without insisting on the conversion of 50 per cent. quota into copra; and cancelling the unutilised export quota issued for sesamum seed.

Trading in new crop groundnut commenced on the 20th inst. and was quoted at a heavy discount. Thus, the December-January delivery which opened at Rs. 37-4 was done yesterday at Rs. 37-12. In the old crop August-September delivery was quoted at Rs. 50-4, as against Rs. 49-10, a week ago. Bold F.A.Q. was higher by As. 4 at Rs. 53-12. Groundnut oil ready was steady at Rs. 29, while railway receipts gained As. 8 to Rs. 28-12. Business was done in August and September deliveries at Rs. 27-6 and Rs. 26-6, as against Rs. 26-9 and Rs. 26, respectively.

In the linseed section, Bold ready improved from Rs 31-12 to Rs. 32-12. August-September delivery rallied As. 14 to Rs. 32-6. Up-country merchants disposed of their stocks in this contract, whilst shorts were covering their sales. Business in new crop, October-November and February-March deliveries opened on Monday at Rs. 32-2 and Rs. 27-8 and closed at Rs. 32-6 and Rs. 28-4, on the subsequent day. Linseed oil advanced from Rs. 17-4 to Rs. 18-8.

Business in castorseed, May 1954 opened on Monday last. It started at Rs. 133-4 and, after dropping to Rs. 131-4, improved to close at Rs. 136-4. September delivery fluctuated between Rs. 151-8 and Rs. 155-12, before closing at Rs. 154-4. Madras quality changed hands at Rs. 32-8, as against Rs. 32-4. Castor oil I Pressure was steady at Rs. 18-4, while Commercials gained As. 4 to Rs. 17-12.

Among other seeds *niger*, Madras quality was higher by As. 4 at Rs. 40-4 *kardi*, Bold improved from Rs. 26-8 to Rs. 27-4 and August-September delivery from Rs. 26 to Rs. 26-12. October-November which opened at Rs. 26-6 on the 20th inst., closed at Rs. 26-14 yesterday.

The following table shows the prices of oilseeds and oil on the 21st inst., as compared with those at the end of the previous two weeks.

	21-7-53	15-7-53	8-7-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	53 12	53 8	51 8
August-Sept.	50 4	49 10	48 9
Linseed—			
Bold Ready (per cwt.) ..	32 12	31 12	31 0
Castorseeds—			
Sept. (per candy of 5 cwts.).	154 4	153 0	150 0
Madras (per cwt.)	32 8	32 4	31 12
Groundnut oil—			
Ex-mill Ready (per quarter).	25 0	29 0	27 0
Castor Oil—			
Commercial (per quarter). .	17 12	17 8	17 6

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 22nd July

The pepper market showed somewhat steadier tendency during the week, owing to the revival of some buying interest by New York, where spot position was reported tight, in view of the poorer export from India during the months of June and July. Heavy selling pressure from Sarawak seems to have lost its momentum, though temporarily, and the report of a steadier market from that centre contributed not to a small degree to the present tone in the Indian market. New York is reported to have bought few parcels of Malabar Black for August shipment at price ranging from $1.20 to $1.23. Growers in all the primary markets are reported resisting the downward trend under the expectation of early revival of demand from overseas. Alleppey, after selling at Rs. 2,750 improved to Rs. 2,900, at which price about 100 candies were purchased by the exporters for covering their requirements of July shipment. But, there being small buyers at a higher level, growers once again shaded their price and at the moment they are reported to be sellers at Rs. 2,850 with small business passing.

In the A.S.T.A. section at Bombay, August shipment, after touching the lowest at $1.12, improved to $1.24½ under pressure of short covering. In delivery section, business is reported poor, as there is very small stock of ready pepper in Bombay market. The most of the Indian exporters are bearishly inclined, like their counter-parts in New York, but the control of the spot pepper being in the hands of growers most of their speculative advance sales at the out of parity levels in the foreign markets have so far proved unremunerative and, therefore, one often hears about the repurchases on the Indian account in New York. Very strong holding power of the Indian growers is the only sustaining factor in the otherwise poor picture of unsatisfactory export demand. With satisfactory weather conditions in the producing districts, early arrival of light berries as a fore crop is likely to act as damper to the present bullish views of the growers. But the general belief among them is that the selling pressure from Sarawak and Lampong will soon lessen and then they will again be in a position to sell pepper at a better price. The stock of pepper in all the Continental countries is reported to be very poor and that the greater part of Lampong and Sarawak is likely to find home there at a certain level of price, thus easing the present rate-war among the producers.

The following are to-day's nominal quotations:—Ready delivery Rs. 360 per cwt. July delivery Rs. 2,450/70, August delivery Rs. 2,250/70 and September delivery Rs. 2,130/60 per candy of 5½ cwts.

BRADFORD WOOL FIRM

(Messrs. J. Hardacre & Co.)

BOMBAY, 21st July

There is no change in prices of standard tops this week and the market remains very firm. Offerings of combing wools in London were small and evoked good buying support.

Bradford export houses anticipate a big demand from China for crossbred tops. They are, therefore, buying ahead as far as November and, as Japan is also making a big effort to regain its markets, the Far East is a big factor in determining wool values. The requirements of the Indian market continue to expand and, as more and more spinning machinery is erected there, the demand for tops will also increase.

To-day's quotations (in pence per lb. c.i.f. Bombay) for Bradford oilcombed tops are given below:

48's Carded September, 1953	87
58's Super September, 1953	119
60's Super September, 1953	145
64's Super September, 1953	168
70's Super September, 1953	180
Fibro (3D. 4") August-September, 1953 ...	43½
46/48's Scoured clothing wool August, 1953	76

The tendency of the market is firm.

JUTE GOODS LOOK UP

(From Our Own Correspondent)

CALCUTTA, 21st July

A marked rise in the prices of jute goods towards the closing sessions, following revival of American interests for moderate quantities of hessian, was the outstanding feature of trading in the jute goods market this week. Purchases on behalf of the Argentine were only for a small quantity. But all the same, they prevented quotations from falling further in the earlier part of the week. Jute goods production figures for June, 1953, were available earlier, and, as expected did not show any visible change as compared with May results. The output aggregated 72,800 tons, as against 72,500 tons in May. The split-up between hessian and sacking was 31,900 tons and 38,100 tons, which were almost the same for the month of May. Noting these figures, the trade circles remarked that mills should be able to make more attempts in order that more looms could be changed over to hessian production.

The cancellation of the export duty on jute specialities, such as jute mesh, jute carpet yarn, paper-lined hessian, jute tarpaulin, jute rope and jute matting, with effect from the 16th inst., has been welcomed by both trade and industry. The likely effect of this action would be that more mills would be able to produce these varieties. At present, only few mills produce specialities. Trade circles have rightly emphasised that, at such a time as the present, when Indian hessian and sacking are subject to competition in world markets not only from similar products but from substitutes, and when Pakistan is trying its best to

(Continued on page 187)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	10th July, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,156.54	1,141.64	1,167.49	1,130.70
Notes held in Banking Department	35.05	37.53	32.79	22.47	33.41
Foreign Securities	39.50	603.15	603.15	618.15	583.15
Rupee Securities	97.89	439.86	439.86	449.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	112.90	116.15	122.09	102.25
Other Governments	..	13.00	16.23	12.51	1.97
Balances held abroad	10.08	106.32	103.42	101.86	98.41
SCHEDULED BANKS					
Demand Liabilities	184.87	529.02	531.35	521.94	556.74
		(12.33)	(11.90)	(11.07)	(16.09)
Time Liabilities	102.84	323.34	327.62	324.15	310.26
Borrowings from Reserve Bank	..	(1.90)	(1.90)	(1.93)	(3.73)
	..	2.00	4.91	29.21	10.25
		(1.49)†	(5.34)†	(19.19)†	(8.34)†
Borrowings from Imperial Bank	..	5.57	6.62	13.57	3.71
Cash in India	6.71	32.72	33.56	32.34	31.31
Balances with Reserve Bank	35.25	39.73	40.10	39.63	51.37
Excess over statutory limits	15.52	6.72	6.99	7.25	17.33
Balances with other banks in current account in India	..	..	11.43	11.45	10.49	11.98
Money at call and short notice in India	..	..	18.35	17.29	13.60	22.09
Investments (at book value)	..	312.81	313.41	312.40	293.94
Advances and bills	106.09	500.21	503.27	529.72	518.34
IMPERIAL BANK					
Deposits	..	87.76	207.54	207.75	208.64	223.51
Investments	..	81.99	85.97	86.17	86.10	86.84
Advances	..	30.37	120.10	122.19	134.02	142.78
Cash	..	14.69	14.97	12.12	15.71	16.97

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).

† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	17th July, 1953		10th July, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,11,458	12,57,97,000	2,18,506	46,85,42,000
Calcutta ..	1,27,652	46,03,26,744	1,31,427	41,41,67,044
Madras ..	69,145	8,86,97,000	73,129	9,64,37,401
All Centres—				
1951 ..	..	..	1,05,94,122	2180,56,86,359
1952 ..	..	..	1,06,41,941	26,79,31,97,000
April 1953 ..	..	..	17,30,000	5,89,05,00,000
May " ..	..	..	26,35,000	8,43,25,00,000

Reserve Bank of India

Statement of Affairs for the week ended 17th July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		6,00,00,000
Reserve Fund		4,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		93,65,80,000
(2) Other Governments		20,44,50,000
(b) Banks		43,16,61,000
(c) Others		63,41,36,000
Bills Payable		3,45,71,000
Other Liabilities		17,70,13,000
	Rupees	260,27,20,000

ASSETS	Rs.	Rs.
Notes		24,24,00,000
Rupee Coin		9,53,000
Subsidiary Coin		4,80,000
Bills Purchased and Discounted—		
(a) Internal		26,10,000
(b) External		
(c) Government Treasury Bills		7,98,01,000
Balances held abroad*		123,83,45,000
Loans and Advances to Governments		3,90,00,000
Other Loans and Advances		10,44,43,000
Investments		72,73,12,000
Other Assets		6,69,69,000
	Rupees	260,27,20,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	34,29,00,000	
Notes in circulation	1119,87,67,000	
Total Notes issued		1154,15,67,000
Total Liabilities		1154,15,67,000
ASSETS	**Rs.**	**Rs.**
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	583,15,11,000	
Total of A		623,16,82,000
B. Rupee Coin		91,12,65,000
Government of India Rupee Securities		439,86,20,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1154,15,67,000

Ratio of Total of A to Liabilities: 53 993 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 10th July, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	12,33,33,000†
(ii) Other demand liabilities	516,65,25,000
2. Time Liabilities in India :	
(i) Borrowings from banks	1,80,50,000†
(ii) Other time liabilities	326,44,89,000
3. Cash in India	32,72,23,000
4. Balances with the Reserve Bank in India	39,72,50,000
5. Balances with other banks in current account in India	11,43,10,000
6. Money at call and short notice in India	18,34,70,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	312,80,70,000
8. Advances in India	446,77,97,000
9. Inland Bills purchased and discounted in India	63,42,65,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	21st July 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	475½	475½
Buyers T.T. Rs.	471¾	471¾
London on New York	2.81¼-2.81¼	2.81¼-2.81¾
London on Paris Frs.	976¼-976¾	982¼-982¾
London on Berne Sw. Frs.	12.17½-12.17¾	12.16½-12.16¾
New York on London $	2.81¼-2.81¾	2.81¼-2.81¾

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..		8,730	255
Pakistan	1949	76.04	..		1,671	228
Burma	1951	16.67	Kyats	8,166	727	169
Ceylon	1951	7.74	..		481	582
Japan	1951	84.30	¥.	4,849,400	6,414	774
Philippines	1951	20.23	Pt.	7,946	1,320	858
New Zealand	1951	1.95	£ (N.Z.)	615	820	4,206
Australia	1951	8.43	£ (A.)	3,248	3,464	4,317
U.K.	1951	50.43	£	13,618	18,197	3,608
U.S.A.	1952	156.98	$	290,440	138,280	8,808
Canada	1952	14.45	$	18,307	8,246	5,714
France	1951	42.24	F. Fr.	9,042,000	12,372	2,929
W. Germany	1951	48.11	Dm.	90,700	10,227	2,126
Italy	1951	44.60	Lr.	7,749,000	5,902	1,267
Norway	1952	3.32	Kr.	16,596	1,126	3,351
Sweden	1951	7.07	Kr.	24,900	2,459	4,884
Netherlands	1952	10.85	Fl.	17,550	2,200	2,170
Denmark	1951	4.30	Kr.	10,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	8,165	4,358

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, April, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 10th July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	26,22,44,000
(b) Provincial Governments	1,41,51,000
(c) Banks	10,09,63,000
(d) Others	2,53,70,000
Bills Payable	1,31,41,000
Other Liabilities	3,78,85,000
Rupees	67,41,64,000

ASSETS	Rs.
Notes	10,83,68,000
Rupee Coin	2,000
Subsidiary Coin	8,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,94,66,000
Loans and Advances to Governments	1,83,01,000
Provincial Governments Debtor Balances	10,08,37,000
Other Loans and Advances	2,22,00,000
Investments	31,03,93,000
Other Assets	9,45,70,000
Rupees	67,41,64,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,83,68,000	
Notes in circulation	207,58,07,000	
Total Notes issued		218,41,75,000
Total Liabilities		218,41,75,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	7,91,45,000	
Silver Bullion		
Sterling Securities	39,38,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		89,14,82,000
B. Rupee Coin	6,24,82,000	
Government of Pakistan Securities	118,77,36,000	
Internal bills of exchange and other commercial paper	....	
		125,02,18,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,05,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,78,000
Total Assets		218,41,75,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 42 63 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1953					
28th April ..	1.00	1.01	1.00	2 7 0	100
5th May ..	1.00	1.03	1.00	2 7 0	61
12th " ..	1.00	1.03	1.00	2 6 10	55
18th " ..	1.00	1.95	1.00	2 6 8	41
26th " ..	1.00	2.26	1.00	2 6 6	28
2nd June..	1.00	2.02	1.00	2 6 6	28
9th " ..	1.00	2.10	1.00	2 6 5	27
16th " ..	1.00	2.23	1.00	2 6 6	28
23rd " ..	1.00	2.90	1.00	2 6 6	21
1st July ..	1.00	2.71	1.00	2 6 6	23
7th " ..	1.00	3.03	1.00	2 6 2	8
14th " ..	1.00	2.81	1.00	2 6 2	9
21st " ..	1.00	2.80	1.00	2 6 2	10
Total ..	13.00	29.08	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	26th March, 1953	5½	5
Belgium ..	18th Dec., 1952	3½	3
Canada ..	17th Oct., 1950	2	2½
Denmark ..	3rd April, 1953	3½	4
Finland ..	16th Dec., 1951	7½	6½
France ..	9th Nov., 1951	6	7
Greece ..	15th July, 1948	10	12
India	18th Nov., 1951	3	3½
Italy	8th April, 1950	5½	4
Japan	1st Oct., 1951	8.11	8.64
Netherlands ..	7th April 1953	3	2½
New Zealand ..	26th July, 1941	3	1½
Norway	9th Jan., 1946	3	2½
Portugal	15th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland ..	26th Nov., 1936	4	3½
Turkey	24th Feb., 1953	6	4
United Kingdom ..	12th Mar., 1952	2½	4
U.S.S.R. ..	1st July, 1938	4	4
U.S.A.	16th Jan., 1953	1½	2
West Germany ..	8th Jan., 1953	4	4½

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	January, 1953	January, 1952	Ten months—April to Jan., 1952-53	Ten months—April to Jan., 1951-52
Import Duties :				
Revenue ..	8,40	11,05	92,08	108,19
Protective ..	52	93	6,45	8,85
On surplus disposals ..	2	1	5	24
Total import duties ..	8,94	12,59	99,61	117,28
Export Duties ..	8,20	7,28	46,58	74,65
Land Customs ..	16	29	2,80	2,72
Miscellaneous ..	8	7	1,00	97
Gross total customs ..	12,38	20,45	149,37	195,48
Refunds and drawbacks ..	17	89	2,35	4,18
Net Customs ..	12,21	20,10	147,03	191,56
Gross excise ..	6,13	7,78	67,84	75,16
Refunds ..	5	5	1,31	1,41
Net Excise ..	6,08	7,86	66,43	73,75
Net total of customs and excise ..	18,29	27,76	213,46	265,11

Imperial Bank of India

Statement of Affairs for the week ended 17th July, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves ..		6,85,00,000
Deposits and other Accounts		211,42,43,000
Borrowings from other Banking Companies		
Bills Payable		1,83,10,000
Bills for Collection being Bills Receivable as per contra ..		46,04,000
Acceptances, Endorsements and Other Obligations as per contra		5,43,000
Other Liabilities (including Inter-Office Adjustments) ..		54,84,000
Total ..	Rs.	226,29,46,000
PROPERTY AND ASSETS	**Rs.**	**Rs.**
Cash in hand and with Reserve Bank		12,47,64,000
Balances with other Banks		4,97,95,000
Money at Call and Short Notice ..		62,58,000
INVESTMENTS—		
Government and other Trustee Securities	78,36,87,000	
Other Authorised Investments ..	10,70,05,000	
		89,06,92,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	92,15,00,000	
Bills Discounted and Purchased ..	23,99,46,000	
		116,14,46,000
Bills Receivable being Bills for Collection as per contra		46,04,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		5,43,000
Premises less Depreciation ..		1,30,50,000
Furniture and Fixtures less Depreciation		35,87,000
Other Assets (Including Inter-Office Adjustments).		1,81,96,000
Total ..	Rs.	226,29,46,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings @	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51 ..	2,06	5,01	96	2,40	20,67	50,52	97,80	61,86	— 22,32	5,81	5,81
1951-52 ..	1,76	6,10	77	2,91	22,07	64,81	1,07,53	74,18	— 27,55	13,10	18,39
1952-53 ..	1,60	6,83	67	3,26	23,65	84,17	1,09,24	88,27	— 31,03	7,04	25,94
April 1952 ..	14	5,17	5	2,93	2,23	66,56	10,01	76,52	— 27,91	95	19,33
May " ..	12	5,22	5	2,99	2,12	70,23	9,95	77,45	— 28,25	56	19,86
June " ..	12	5,23	5	3,02	1,82	71,64	9,38	80,03	— 29,57	99	20,53
July " ..	13	5,34	10	3,09	2,03	73,16	10,29	82,54	— 28,91	74	21,23
August " ..	14	5,40	6	3,12	1,78	74,48	9,80	83,75	— 29,18	65	21,69
September " ..	10	5,44	5	3,12	1,84	75,73	8,78	84,89	— 29,40	65	21,89
October " ..	11	5,48	5	3,14	1,71	76,77	8,86	85,24	— 29,58	62	22,28
November " ..	10	5,50	4	3,16	1,71	77,99	9,03	85,81	— 29,98	58	22,92
December " ..	8	5,51	3	3,16	1,86	79,84	8,45	85,92	— 29,98	58	23,48
January 1953 ..	10	5,54	4	3,18	2,02	80,72	8,33	86,06	— 30,50	45	23,94
February " ..	16	5,61	6	3,21	1,86	82,14	8,86	86,82	— 30,75	60	24,48
March " ..	30	5,85	8	3,26	2,44	84,17	10,63	88,27	— 31,03	80	25,06
April " ..	11	5,79	5	3,26	2,24	85,94	9,06	90,27	— 31,27	80	25,55
May " ..										66	27,00

* At the end of period. @ Progressive net repayments at the end of period from 13th August, 1947.

† Issued from 1st October, 1943 in lieu of Defence Savings Certificates, 5-year and 7-year, National Savings Certificates were issued from June 1946. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1939—100)

1. All-India

Group and Sub-Group	Week Ended 11-7-'53	4-7-'53	13-6-'53	12-7-'52
(A) Government and Semi-Government Securities ‡	92.1	92.2	92.1	91.7
1. Government of India Loans ..	92.2	92 3	92.3	91.7
2. Municipal, Port Trust and Improvement Trust Loans ..	86.9	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities ..	99 2	99 3	99 7	91.1
1. Electricity ..	78 6	78 7	78 7	74 6
2. Cotton	129 0	130 7	70 6	81 3
3. Jute	80 7	80 7	99 7	96 5
4. Coal	99 2	99 2	99 7	84 4
5. Iron and Steel ..	82 3	82 6	84 5	92 7
6. Sugar	89 1	89 1	89 8	89 4
7. Paper	89 8	89 8	89 1	89 4
8 Plantations ..	97 2	97 2	99 5	101 0
(C) Variable Dividend Industrial Securities ..	105 4	107 0	108 0	109 0
1. Banks	102 4	103 5	103 4	104 4
2. Insurance	99 5	99 2	99 3	104 1
3. Investment Trusts ..	134 4	133 7	143 7	139 2
4. Electricity Companies and Tramways ..	84 0	83 9	83 9	84 4
5. Shipping and Other Transport Companies ..	84 2	84 8	87 0	84 8
6. Railways	124 5	125 6	126 2	74 1
7. Plantations ..	..	..	75 8	138.8
8. Cotton Woollen and Silk	134.9	135 5	136 9	139 0
9. Jute	71 7	72 6	74 2	81 2
10. Coal	61 7	62 6	83 4	91 5
11. Mining and Oil ..	136 6	139 3	143 4	132.4
12. Iron and Steel ..	136 6	147 5	150 8	138.1
13. General Engineering ..	149 5	149 5	83 4	92 9
14. Sugar	81 9	82 3	83 4	85 5
15. Breweries	68 2	69 0	72 0	83.7
16. Chemicals	132 2	133 2	135 5	140.7
17. Fa er	115 6	116 2	116.7	112.9
18. Cement	140 5	141.5	142.6	140.4

II. Regional

Region and Group	Week Ended 11-7-'53	4-7-'53	13-6-'53	12-7-'52
(A) BOMBAY—				
Government and Semi-Government Securities ..	91.9	91.9	91.9	91.6
Fixed Dividend Industrials ..	91.2	91.4	92.7	91.1
Variable Dividend Industrials ..	124.3	124.8	125.7	124 5
(B) CALCUTTA—				
Government and Semi-Government Securities ..	92.7	92.8	92.8	92.2
Fixed Dividend Industrials ..	48.4	89.3	87.2	89.1
Variable Dividend Industrials ..	93.9	94 6	95.8	96.4
(C) MADRAS—				
Government and Semi-Government Securities ..	91.8	91.8	91.8	91.1
Fixed Dividend Industrials ..	101.9	101 9	103.6	106.5
Variable Dividend Industrials ..	129.1	129.3	129.1	137.0

*Source: Department of Research and Statistics, Reserve Bank of India.

‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,963	12,806,704
1951 ..	1,071	691,781	8,818 928
1952 ..	963	899,343	8,256,981
1951 ..	120	..	203 660
February ..	91	44,025	317,899
March ..	79	95,747	291,392
April ..	109	56,004	277,314
May ..	146	99,546	446,844
June ..	146	72,464	671,705
July ..	106	64,984	289,907
August ..	88	54,717	98,109
September ..	98	87,396	190,761
October ..	126	84,147	189,374
November ..	118	76,196	265,149
December ..	..	..	674,840
January 1952 ..	93	58,180	218,607
February " ..	87	45,490	142,493
March " ..	124	59,427	284,849
April " ..	116	80,095	264,856
May " ..	101	59,331	287,048
June " ..	91	40,754	171,564
July " ..	88	49,883	148,558
August " ..	96	57,879	460,552
September ..	96	78,181	340,618
October " ..	87	48,766	273,246
November ..	87	47,825	155,017
December ..	81	41,454	214,154
January 1953† ..	65	42,283	129,411
February† ..	45	24,477	212,948(b)
March " ..	63	34,060(a)	212,830
April " ..	67	48,218	..

† Figures for 1953 are provisional. * Revised.

(a) Not known in three cases. (b) Not known in four cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51 ..	548	6,279.9	4,225.9
1951-52 ..	572	6,945.1	4,849.0
1952-53 ..	614	6,201.4	5,119.8
October 1951 ..	564	606.9	417.8
November ..	561	600.9	406.7
December ..	563	620.6	981.0
January 1952 ..	571	480.7	392.9
February " ..	578	481.6	392.9
March " ..	577	486.6	413.1
April " ..	581	514.4	408.9
May " ..	581	500.1	408.7
June " ..	588	534.0	425.7
July " ..	588	551.6	430.9
August " ..	592	530.8	441.5
September ..	597	548.2	438.4
October " ..	599	535.7	457.8
November " ..	606	552.2	467.8
December " ..	608	535.5	441.6
January 1953 ..	611	498.9	417.4
February " ..	614	538.0	444.7
March " ..	614	..	..

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939—100)

Particulars	4th July, 1953	27th June, 1953	5th July 1952	June, 1953	June, 1952	Percentage of increase (+) or decrease (—) in June, 1953 as compared with June, 1952	1952	1951
Food Articles	408 6	398 6	364 4	398.7	349 8	+14 0	368.8	409.8
Cereals	479	480	432	474	435	+ 9 0	450	458
Pulses	299	297	234	277	216	+28 2	226	290
Other	..	278*	235	..	..	..	..	..
Industrial Raw Materials ..	478 7	478 6	428.6	481.0	436 3	+11 6	468.6	668.2
Fibres	423	424	425	430	447	— 3 8	464	622
Oil seeds	652	646	463	641	432	+48 4	494	679
Minerals	466	463	456	450	450	+ 3 4	458	626
Others	862	863	297	860	335	+28 3	341	588
Semi-Manufactures	364.0	362.6	345.1	362 5	330.8	+10 0	348.8	377.5
Leather	421	421	343	417	316	+32 0	346	459
Mineral oils	226	224	241	224	220	+ 1 8	221	197
Vegetable oils	555	560	443	553	410	+34 2	469	679
Cotton yarn	445*	445*	457*	445*	455*	— 2 2	466*	488
Metals	224	225	219	225	199	+13 1	211	197
Oil Cakes	452	447	431	446	424	+ 5 2	440	600
Others	253	253	291	252	269	— 6 3	278	380
Manufactured Articles ..	368.4	368.6	370.1	370.1	373.6	— 0.9	377.6	386.6
Textiles	404	404	410	404	420	— 2.4	423	464
Jute	411	421	451	416	441	—15 5	506	803
Cotton	402*	402*	389*	407*	394*	+ 3 3	401*	600*
Rayon and Silk	412*	412*	398*	401*	334*	+19 7	346	375
Woollen	320	312	378	312	345	— 20 6	344	378
Metal products	336	336	328	336	311	+ 8 0	331	385
Others	295	295	297	295	289	+ 4 0	298	300
Miscellaneous	681.1	681 6	624.3.	674.8	603 2	+11.8	638.8	728.8
All Commodities	408 8	408.6	387 6	406 4	374 8	+ 8 3	388.8	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944—100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
July 1951 ..	—	335	276	318	454	394	333	337	145	182	140	153	173
August " ..	—	328	261	322	459	392	337	336	146	181	143	161	171
September " ..	—	325	258	319	470	389	329	346	144	179	150	161	176
October " ..	—	332	254	325	469	393	326	344	141	181	148	165	171
November " ..	—	333	252	325	464	397	324	337	147	183	153	168	168
December " ..	—	331	252	325	449	397	320	337	144	181	150	166	158
January 1952 ..	346	331	246	325	442	393	327	338	142	179	147	162	156
February " ..	344	334	241	318	441	381	343	336	141	179	147	160	155
March " ..	342	343	239	316	442	378	346	340	141	178	147	160	149
April " ..	340	345	242	321	448	377	339	338	140	177	148	159	148
May " ..	335	339	264	310	452	376	339	327	140	168	148	153	144
June " ..	341	338	263	309	454	375	342	330	143	171	141	153	148
July " ..	340	330	263	304	456	377	354	331	143	173	143	161	155

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	tons	74,674†	73,685††	23,424†	20,741††
Wheat 4th ..	tons	24,092†	24,674††	6,384†	6,700††
Jowar ..	tons	41,945†	39,144††	6,639†	5,944††
Bajra	tons	25,252†	22,839††	2,922†	2,299††
Barley 2nd ..	tons	7,676†	7,130††	2,177†	1,738††
Maize ..	tons	8,796†	9,073††	2,607†	2,622††
Ragi ..	tons	6,388†	5,399††	1,235†	1,212††
Gram ..	tons	16,719	18,709	3,157	3,593
Other millets & pulses					
.. ..	tons	39,725	39,770	6,386	6,401
Jute	bales	1,824†	1,951††	4,620†	4,678††
Cotton 4th ..	bales	15,030†	15,126††	2,508†	3,025††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut ..	tons	11,862†	11,798††	2,894†	3,045††
Linseed ..	tons	3,898	3,447	396	361
Castorseed ..	tons	1,349†	1,423††	107†	165††
Rape and Mustard					
Seed ..	tons	5,707	5,097	900	748
Sesamum (supp)	tons	5,751†	5,845††	514†	435††
Tobacco ..	tons	768†	659††	211†	192††
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

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

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During June, 1953 ..	72.8
	Corresponding month 1952 ..	73.7
	July 1952 to June, 1953 ..	891.6
	Corresponding period 1951-52 ..	944.9
Stocks	At the end of June 1953 ..	133.8
	Corresponding month 1952 ..	90.7
		(In 000 bales)
Exports(Jute Bags)	Week ended 13th June, 1953 ..	42.50
	Corresponding week 1952 ..	18,79
	From 1st Jan. to 13th June, '53 ..	10,80,09
	Corresponding period 1952 ..	20,03,48
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 13th June, 1953 ..	99.95
	Corresponding week 1952 ..	1,24,04
	From 1st Jan. to 13th June, 1953	54,01,75
	Corresponding period 1952 ..	43,47,98
	RAW JUTE	(In 000 bales)
Exports*	Week ended 13th June, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended March, 1953	—
	Corresponding period 1952 ..	—
	June, 1953 (in lakh bales) ..	4.22
Consumption by Mills†	Corresponding month 1952 ..	4.27
	Twelve months ended June,1953	52.00
	Corresponding period 1952 ..	54.80

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950 ..	10,41,700	927,600	720,000
Do.	31st March, 1951 ..	11,15,200	10,82,100	7,76,500
Do.	31st March, 1952 ..	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953 ..	11,68,000	10,61,900	7,91 800
Three months ended 30th June,				
	1953	2,83,300	2,50,700	1,81,500
February 1951 ..	.. ..	87,700	82,200	66,300
March ..	.. ..	91 300	86,600	71,400
April ..	.. ..	81,500	79 600	65,000
May ..	.. ..	94,300	92,200	66,600
June ..	.. ..	84,100	80,500	65,600
February 1952 ..	.. ..	94,000	82,600	67,000
March ..	.. ..	1,02,100	92,100	67,400
April ..	.. ..	93,000	86,500	62,900
May ..	.. ..	95,000	83,700	61,700
June ..	.. ..	88,400	83,100	60,600
February 1953 ..	.. ..	92,400	82,000	61,700
March ..	.. ..	97,400	86 600	65,500
April ..	.. ..	97,000	83,100	60,600
May ..	.. ..	95,000	85,000	62,000
June ..	.. ..	60,400	82,600	59,000

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months, April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11,37	35,40	175,84	262,05
Raw materials ..	10,62	21,64	179,01	254,06
Manufactures ..	23,05	30 25	276,00	341,38
Other items ..	42	76	4,30	5,35
Total Imports* ..	45,46	87,95	632,95	862,84
Exports :—				
Foodstuffs	12,94	12,94	142,16	155,16
Raw materials ..	10,82	12,89	145,03	139,98
Manufactures ..	21,29	26,84	250,78	400,31
Other items ..	29	43	4,09	5,85
Total Exports ..	45,34	52,90	651,04	701,80
Total Re-exports ..	56	59	5,74	13,76
Balance of trade in merchandise ..	+ 24	—34,45	— 76,17	—147,28
Balance of transactions in private treasure ..	..	..	— 7	— 14
Total Visible Balance of Trade	+ 24	—34,45	— 76,24	—147,42
Imports :—				
Total C'wealth Countries ..	20,29	23,46	252,65	288,63
Total Foreign Countries ..	25,17	64,49	380,30	574,21
Exports :—				
Total C'wealth Countries ..	23,59	25,06	261,90	365,20
Total Foreign Countries ..	21,75	27,82	389,14	336,60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	89	3,65†	18,84†	27,14†
Imports	1,58†	3,62	25,16	80,45
Balance of trade in merchandise	—1,19†	+ 1†	—6,32†	—53,31†

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953	Mar., 1952	Feb., 1953	Mar., 1953
Eastern Zone																					
Bamra ..	169	228	244†	92	90	97	139	125	121	136	136	137	104	107	107	164	216	216	176	193	193
Malbang ..	140	x	149	126	x	131	152	x	126	144	x	129	141	x	102	163	x	x	125	x	100
Shankargarh ..	124	162	155	126	139	174†	162	153	150	141	164	157	101	93	93	149	140	140	141	145	148
Sonaili ..	257	181	191	160	167	167	205	183	177	206	190	176	125	125	125	259	199	199	513	306	310
Northern Zone																					
Multapi ..	108	127	124	138	157	154	154	175	177	144	163	164	112	123	123	159	166	166	161	199	201
Nana ..	267	243	x	260	250	x	193	200	x	216	215	x	130	115	x	237	205	x	207	189	x
Salamatpur ..	204	240	225†	305	257	277†	199	216	199†	222	235	229	129	129	129	129	137	139	256	273	277
Southern Zone																					
Krishna ..	178	177	x	160	183	x	161	156	x	164	162	x	116	121	x	163	136	x	199	175	x
Lakh ..	250	274	274	160	193	195	133	129	129	158	194	184	86	86	86	131	138	138	141	181	137
Malur ..	151	180	204*	125	150	139*	140	158	145*	130	161	158	98	97	98	305	211	180†	163	172	173
Munlgoda ..	188	206	201	148	222	213	190	220	218	186	218	214	120	128	128	262	186	177	233	199	199
Kudchi ..	161	181	181	125	139	139	143	159	160	144	163	161	113	127	127	140	122	122	102	191	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 16th July, 1953 ..	31,049
	Corresponding week, 1952 ..	38,529
	1st Sept. 1952 to 16th July, 1953 ..	16,09,301
	Corresponding period, 1951-52 ..	17,00,261
Cotton Exports	Week ended 16th July, 1953 ..	2,590
	Corresponding week, 1952 ..	2,109
	1st Sept. 1952 to 16th July, 1953 ..	3,24,737
	Corresponding period, 1951-52 ..	1,04,672
Mill Consumption ..	1st Sept. 1952 to 16th July, 1953 ..	10,04,744
	Corresponding period, 1951-52 ..	8,77,715
Stock (with exporters dealers and mills) ..	On 16th July, 1953 ..	4,88,339
	Corresponding date, 1952 ..	5,08,247
Karachi (Pakistan)*		
Receipts ..	Week ended 4th July, 1953 ..	2,698
	Corresponding period 1952 ..	5,101
	1st Sept. 1952 to 4th July, 1953 ..	16,35,346
	Corresponding period, 1951-52 ..	15,08,971
Exports ..	Week ended 4th July, 1953 ..	19,500
	Corresponding period, 1952 ..	1,500
	1st Sept. 1952 to 4th July, 1953 ..	14,40,000
	Corresponding period, 1951-52 ..	10,63,500

* As reported by the Karachi Cotton Association Ltd.

Particulars	From 1st Sept., '52 to 13th July, 1953 Bales	From 1st Sept., '51 to 13th July, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	16,250	6,306
Continent ..	1,04,598	32,704
China	218	—
Japan	1,53,607	57,123
U.S.A. ..	43,088	11,026
Other Countries	6,456	611
Total to all foreign countries ..	3,23,707	1,08,672
Coastal Ports ..	1,21,534	93,651

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	March, 1953	2,88,378
Foreign		86,998
Indian	Seven months September 1952 to March, 1953 ..	21,00,812
Foreign		4,86,410
Indian	Same Period 1951-52 ..	16,62,127
Foreign		6,38,177
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March 1953 ..	12,57,804
Foreign		2,46,913
Indian	As on 31st March, 1952 ..	14,00,118
Foreign		8,43,026
Cotton Pressed † ..	Week ended 3rd July, 1953 ..	4,717
	Corresponding week, 1952 ..	7,649
	1st Sept. 1952 to 3rd July, 1953 ..	28,45,611
	Corresponding period, 1951-52 ..	30,70,148

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103 ¼
4% Bonds	1926-33	63,30,26,000	1960-70	102 ¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92½
3½% Loan	1930	1,35,83,81,000	1964	92½
3½% Loan	1943	1,10,11,78,000	1966-68	90 ¼
3½% V. Loan	1944	1,14,06,89,000	1937	98½
3½% Loan	1945	1,13,03,81,000	1970-75	86½
3½% Loan	1945	1,13,65,64,000	1959-61	96 ¼
3½% Loan	1951	50,35,61,000	1958	98 ¼
2½% Loan	1946	49,63,07,000	1960	93 ¼
2½% Loan	1946	57,00,69,000	1961	90 ¼
2½% Loan	1946	35,06,06,000	1954	98 ¼
2½% Loan	1946	14,77,49,000	1956	93 ¼
2½% Loan	1947	75,86,72,000	1962	91 ¼
2½% Loan	1948	60,45,01,000	1955	98 ¼
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98 ¼
NON-TERMINABLE LOANS				
3 %Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100½
4½% Loan	1928	5,85,20,000	1938-68***	105
PROVINCIAL LOANS				
3 ½ Bombay	1942	3,54,23,300	18thSept. 1955	99½
3 ½ Bombay	1943	3,50 00,000	14th Sept. 1956	99 ¼
3 ½ Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 ½ Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½ Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
3½% Bombay	1952	3,66,72,700	1st Aug. 1964	100
3 ½ Cochin	1943	50,00,000	16th Oct. 1953-55	99
3 ½ Cochin	1945	1,00,00,000	16th Dec. 1955-58	98 ¼
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 ½ Madras	1938	1,42,08,300	15th Sept. 1953	99–14
3 ½ Madras	1939	1,29,76,600	31st June 1959	95 ¼
3 ½ Madras	1942	1,23,25,000	18th Sept. 1955	99
3 ½ Madras	1943	1,25,10,000	14th Sept. 1956	98–81
3 ½ Madras	1944	1,08,00,000	15th Aug. 1958	96½
3½% Madras	1945	2,82,19,000	14th Sept. 1960	93½
3½% Madras	1946	3,90,93 200	1st Sept. 1961	90½
3½% Madras	1950	4,47,00,000	31st July 1960	94
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1952	5,00,00,000	1st Aug. 1964	99½
4 % Madras	1930	1,53,44,300	1st Nov. 1953	100½
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953–63	100
4 % Mysore(f)	1936	5,99,72,900	30th April 1956–61	98½
3 % M.P.	1939	5,08,07,700	25th Jan. 1958	98–15
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,60,800	15th Aug. 1958	96½
3 % M.P.	1948	2,03 28,900	15th Sept. 1960	91½
3 % M.P.	1950	1,01,44,700	31st July 1960	94½
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	97½
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1953	100N
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	100N
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	100N
3 % Punjab**	1945	2,93 81,600	14th Sept. 1960	100N
3 % Travancore	1944	3,00,00,000	15th May 1952–54	99
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
3 % U.P.	1936	1,61,96 500	15th Sept. 1961–66	90½
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97
2½% U.P.	1945	2,24,80 300	14th Sept. 1960	94½
3 % U.P.	1946	2 29 08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97½
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	100
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
4 ½ W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 ¼

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation Rs.
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1967	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1912	1973	
1,10,00,000	4	1912	1973	D
14,35,876	4	1911*	1960	
80,00,000	4	1913	1974	98½N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	4	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1960	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	98½
76,90,100	4	1915	1975	98½
68,02,300C	3½	1921	1981	79
1,50,00,000C	6½	1921	1981	144N
1,24,06,600	5	1925	1955–85	105
98,21 600	5½	1926	1956–86	104½
99,84,500D	5	1926	1956–86	101½
1,49,49,500D	5	1927	1957–87	103½
1,49,30,000	5	1928	1958–88	104½
80,00,000	4½	1931	1991	92½
21,25,000C	3	1934	1964	96½
60,00,000	3½	1935	1965	96½
25,00,000	3	1938	1963–68	88
75,00,000	3	1938	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82½
50,00,000	3	1946	2006	70N
50,00,000	3	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97½
STERLING LOANS				
£892,600	5	1923	1953–83	£86½
£901,500	5	1924	1954–84	£86½
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
32 14,999	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	3	1918	1892	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,397	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	5	1914	1974	97½
25,00,000	4	1916	1976	
40,00,000	4	1919	1957–79	113
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	113
25,00,000	5	1927	1961–70	98
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
50,00,000	5	1923	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
70,00,000	3	1938	1963–68	88
		1952	1962	100

MUNICIPAL LOANS

BOMBAY				Rs.
49,40,000	4	1913–14	1954	100
20,60,000	4	1913–15	1955	100
20,00,000	4	1013–15	1955	100
20,00,000	4	1920	1980	113
1,60,00,000	6	1924	1964–94	103½
25,00,000	5	1928	1958	
26,14,000	5	1929	1949–59	105
8,45,500	5	1929	1954–59	103
76,21,500	5	1929	1959	
8,23,00,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	85
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100
2,20,00,000	3½	1951	1966	96
Rs.		CALCUTTA		Rs.
34,45 500	6½	1925	1955	105½
84 70 000	6	1925	1955	104
36 00 000	5	1925	1958	103½
25 00 000	5	1929	1958	103½
25 00 000	5	1929	1957	103½
10 00 000	5½	1932	1962	108
33 91 000	3	1932	1962	91
5 19,000	3	1936	1953	99½
60,00,000	3	1936	1966	88½
1,46,000	3	1936	1953	99½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,13,100	3	1937	1954	98½
47,50,000	3	1938	1968	88½
10,68,700	3	1938	1953	99½
15,56,800	4	1938	1953	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1959	96½
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99½
Rs.		MADRAS		Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000	1875	6½	Mar. Sept.	95½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari 'A'	7,00,000	1930	7	July Apr.	108	100
¶East India Distilleries ..	£20,000	1939	7	Jan. July	15-4½xd	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.) ..	5,00,000	1940	7B	Dec. ..	75	100
Pirtalpore Co.	6,00,000	1922	6	Aug. ..	15½	10
Ramnagger Cane	4,00,000	1933-36	6	Aug. ..	101	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	5(c)	Dec. ..	75N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	116	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½xd	10
Burrakur (1st)	4,00,000	1946	5½(a)	Mar. Sept.	119	100
Do. (2nd)	4,00,000	1946	5½(a)	.. ..	84	75(pp)
Equitable	7,50,000	1931	5	Mar. Sept.	6N	10
Karanpura Collieries ..	1,93,000	1931	5	Jan. July	13	10
††Khas Kajora	2,00,000	1920	6½	Jan. July	113	100
New Beerbhoom	2,00,000	1898-99	6½	Apr. Oct.	..	100
Oudal	..	..	..	.. ..	..	..
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	5,00,000	1884	6	Jan. July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	85	10
Benares Cotton	1,05,200	1896	7	Apr. Oct.	119	100
Bengal-Nagpur	10,00,000	1900	7	Feb. Aug.	134	100
Bowrah 'A'	6,00,000	1900	7	Feb. Aug.	83	100
Do. 'B'	6,00,000	1919	7	June Dec.	325	250
Bradbury	14,75,000	1920	7½	Jan. July	137½	100
Buckingham & Carnatic ..	21,30,200	1920	7	.. ..	128	100
Cambodias	1,00,000	1928	5	Apr. Oct.	516½	500
Central India	50,00,000	1912	6½	Nov. ..	124½	100
Coimbatore Pioneer ..	1,00,000	1935	6½	May Nov.	143	100
Elgin	11,00,000	1912	8	July Jan.	10	10
Do. 'B' Pref.	4,20,000	1943	7(a)	May Nov.	89½	100
Elphinstone	25,00,000	1919	7	June Dec.	129	100
Kesoram	20,00,000	1919	6	Nov. ..	..	100
Khatau Makanji	10,00,000	1947	4	.. ..	86½	100
Do. (2nd)	12,00,000	1947	4	Nov. ..	102	100
Kothari	16,00,000	1896	5(a)	January	233½	250
Lakshmi Cotton (Bombay) ..	14,75,000	1947	4½	Jan. July	73	100
Monarjee Goculdas Spg. & Wvg.	30,00,000	1900	4½	.. ..	108	50
Muir Mills	7,45,000	1944	4½	.. ..	180

STOCK & SHARE QUOTATIONS

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

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

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

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

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,80,000	59,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2½	2	12½	12½	15¾		12	Y.
40,00,000	96,25,655	1,22,36,883	45,646	B. R. Sons, Ltd.	30,828	1,021	Behari Lal Ramcharan Cotton Mills	50	100	6	6	8		12	Y.
2,58,98,800	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	386½	250	16	6	8		3	T.P.W
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	742½	250	24	40	40	8	12	Y.
1,09,42,800	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd	1,09,320	2,706	Century	277	100	15	18	20	20	12	Y.
49,00,000	76,79,645	1,10,40,660	—23,49,980	V. J. Pitani, Esq. (Chairman)	40,660	698	Colaba Land & Mill	69	100	—	—	4	—	12	Y.
26,00,800	47,97,127	48,34,038	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	107½	100	7½	7½	7½	—	3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
54,80,800	78,85,000	63,06,555	91,036	Purannal Radhakishan & Co.	30,296	928	Edward Textiles	237½	200	7½	7½	7½	6	12	Y.
25,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Muiraj & Co., Ltd.	44,768	886	Elphinstone	40	50	10	8	—	—	12	Y.
40,00,000	1,32,62,580	80,36,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	326	100	15	15	20	6	12	H.
50,00,000	26,24,323	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	..	100	5½	4½	5½	20	6	P.Y.
12,80,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,250	1,000	175	20	20	—	3	P.Y.
40,00,000G } 30,00,000D }	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	10½ 1—10½	10	7½	7½	10½		12	P.Y.
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	175	20	20	—	3	Y.
33,000									500			20	—		
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	182½	100	12	14	10	—	6	P.Y.
1,00,00,000	3,45,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	308½	100	27½	18	25	18	12	Y.
28,80,000A } 3,60,900B }	60 88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	84 —	100A 20B	7½		6½		6	Y.
22,12,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	93N	50	14	8	14	10	10	P.T.Y.
31,75,000	1,63,94,653	71,00,015	2,90,686	Piramal Gangadhar & Others	60,632	1,650	Morarjee Goculdas	180	100	17	15•	12		6	P.Y
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	151½	100	11	12½	15	10	12	Y.
30,00,000	79,78,669	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	152½	100	6½	10	12½	10	12	P.Y.
12,70,100	35,74,178	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25½	10	—	5	10	12½	12	T.Y.
46,80,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	110	100	6	10	10	8	12	Y.
40,00,000	39,31,640	24,14,688	1,23,251	Poddar Sons, Ltd.	32,600	930	Poddar	126½	100	9	9	10	10	12	P.Y.
3,00,000	27,89,119	21,19,461	3,613	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	24	10	26½	20	20	12½	12	Y.
25,80,000	39,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	26½	10	—	7½	10	12½	12	Y.
60,00,000	1,02,59,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	172½	100	12½	14	17½	12½	12	P.Y
31,50,000	1,09,71,108	78,77,540	35,939	Forbes, Forbes, Campbell & Co., Ltd.	46,116	1,276	Simplex	173	50	28	34	30†	30	3	Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	322½	100	13	13	26‡	30	12	Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	85,048	2,000	Svadeshi	254½	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	417½	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,348	1,800	Tata	43½	25	8	8	16	4	12	P.Y.Y
12,00,000	1,17,01,933	86,62,637	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,180	1,000	17½	20	20		3	
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,224	1,016	Ahmedabad Advance	147½	100	8	12	10	—	6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Arvon	435	100	15•	20•	—	12	9	Y.
81,00,000	2,83,78,675	1,18,76,140	1,369	Narottam Lalbhai & Co.	62,448	1,216	Arvind	784½	100	22½	25	25	25	12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros, Ltd.	35,884	884	Arvodaya Ginning	287½	200	15	15	17½	7½-1	12	
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	460	100	15•	17	22	22•	12	P.Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Kasturbhai Lalbhai & Co.	1,39,120	2,710	Calico	1101	125	8	10	14-2/5	14-2/5	12	Y.
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhoglial & Co.	39,316	867	New Commercial	1,080	500	10	11	14	14	12	P.Y.
39,00,000	1,31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	583	125	28	28	28	28	12	Y.
3,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhoglial Nanavati & Co.	24,840‡	528‡	Nutan	270	100	25•	28•	28	30•	12	V.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Raipur	940	100	22½	25	25	25	12	V.
12,00,000	63,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	130	250	6	6	6	—	12	P.Y.	
32,50,000	38,29,453	81,93,993	9,867	Lalbhai Girdhardas Ltd.	33,156	648	Saraspur	131½	100	8	8	9	9	12	P.Y.
19,50,0000 } 2,5000 }	94,78,969	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	360	100	15	15	20	12	12	P.Y.
24,90,150	1,91,30,172	1,01,07,709	1,25,551	Harilalbhkdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	322½	50	25	30	36	32	12	P.Y.
28,00,000	79,16,324	91,15,078	16,259	Haridas Asharatlal & Co., Ltd.	32,816	776	Vijaya	465	400	11½		8½•	8½•	12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,93,043	Calcutta Agency Ltd.	13,044	356	Basanti Cotton	4½	10	—	—	—	—	12	
7,11,280	22,33,684	37,16,899	52,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Laxmi	38 N	40	—	7½	7½	—	12	P.T.Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullee & Co. Ltd.	42,872	841	Bowreah	270	100	—	—	4	—	12	Y.
19,00,000	26,49,451	94,96,017	—27,794	K. Bullee & Co., Ltd.	42,944	918	Dunbar	176	100	5½	—	7	—	6.12	P.H.
1,20,00,000	3,29,34,162	3,04,58,120	84,976	Birla Bros., Ltd.	69,372	1,990	Kesoram	18½	15	12½	12½	11½	—	3	P.Y.
6,00,000A } 81,94,097B }	71 09,841	79,53,833	51,255	Chakravarti Sons & Co.	23,484	442	Mohini	—	25 10	12½	7½	7½	—	12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	5	10	9	5	—		12	
15 00,000	26,53,246	99,15,375	2,756	Kamlal & Co., Ltd.	50,000	..	Alagappa Textiles	61	10	9	6	—		12	T.Y
71,94,400ee	98,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Asian Jubl Mills	63½	100	15•	51‡	61	6	9	P.Y.
48,50,000	3,00,10,004	2,73,75,344	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	252½	100	14½	17½	20	15	12	P.T.Y.
37,00,000	71,62,108	70,17,943	15,831	Bhaw Wallaw & Co., Ltd.	29,956	788	Bengal Nagpur	100	10	5	10	7½	6.12	12	P.H.
60,80,000	77,87,070	1,03,33,381	11,806	Binodram Balchand	37,312	1,338	Binod Mills	100N	100	17	15	—		12	Y.
15,00,000	1,53,79,264	84,27,674	4,60,989	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	38N	10	25	30	3		12	Y.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	119	100	6½	6½	7½	4	12	P.Y.
30,00,000	67,02,807	48,13,918	39,859	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10	10	7½	—	12½	10	12	P.Y.
50,00,000	64,46,247	47,79,878	12,999	Begg Sutherland & Co., Ltd.	28,796	951	Cowapore Textiles	11 ad	5	11½	11½	11½		12	Y.W.
44,87,500	2,22,77,600	2,00,84,126	—16,38,324	Tata Industries Ltd.	1,11,464	2,042	Central India	163	100	6	6	12½	9	6	P.Y.
12,80,000	33,29,989	27,82,848	—1,52,723	R. Seenia Nayudu & Co.	28,864	..	Coimbatore Cotton	143	100	12½	12½	12½		6	P.Y.
28,08,000	17,34,433	80,04,313	9,818	T. R. N. Naide & Co.	19,788	..	Coimbatore Pioneer Mills	106	100	7	6	—		12	V.
20,74,960	1,79,57,997	1,11,04,373	—2,70,999	R. O. R. Naide & Co.	72,188	487	Coimbatore Spg. & Wvg.	41½	50	5	10	—		6	V.
24,54,800	40,26,054	37,58,169	20,748	M. N. Chettiar & Sons	29,908	281	Dhanalakshmi	178	100	25	25	20	10	12	
8,39,34,923 } 1,60,503 }	3,84,93,614	8,77,14,603	1,63,862	Bharat Ram, Esq.	75,684	1,830	Delhi Cloth (inc. Lyallpur Mills).	29 ½	25 4	4	10	—		6	P.Y.
65,00,000	1,48,71,631	1,30,76,652	1,33,355	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	16 ½	10	12½	10	12½		12	P.Y.
39,84,700	1,01,39,002	82,22,587	1,03,375	P. Parker Campbell & Co., Ltd.	72,960	1,520	Gokak	226	100	12½	10	15		12	P.Y.
90,80,000	84,17,977	1,31,16,721	6,989	Govindram Sakseria (Indore)	90,420	1,428	Indore-Malwa United	92½	100	4	4	14	17•	12	V.
8,90,000	23,82,989	26,01,326	—2,58,201	G. V. Naide & Co.	23,784	..	Janarthana	58	50	16	10	10	—	12	V.
6,58,000	17,58,176	40,11,434	7,877	A. L. A. R. A. Chettiar and another	20,304	325	Kameswarar	301½	100	—	10	15	7½	12	P.Y.
84,00,800	23,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Kothari	10	10	7	7½	7½		12	V.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd.	93,642	1,213	Lakshmi Cotton	532	250	15	15	20	6	12	P.Y.
32,64,100 } 17,82,650A }	1,02,38,673	94,98,025	14,267	G. K. Naide & Co.	73,504	200	Lakshmi Mills	82 ad 40cd	50 23	8	8	10	10	3	V.
1,75,02,480	5,94,39,209	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36½	15	17½	15	20	20	12	V.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 3 others.	31,856	..	Malabar	142	200	7½	6	8	12	12	V.
60,00,000	1,00,87,062	55,34,648	77,484	W. A. Beardsell & Co. Ltd.	34,252	603	Mettur Industries	199cd	100	25	12½	12½	12½	12	P.Y.
29,80,884	65,14,248	73,68,250	23,960	N. Sirur & Co. Ltd.	36,416	678	Nellaya	106½	100	6•	6	12½	3	12	V.
94,91,850	94,98,314	1,34,71,961	29,649	B. Abichand Dadabhoy & Co.	49,456	952	Model Mills, Nagpur	142½	250	6	3	3	12	12	V.
30,00,000	1,53,94,451	1,53,39,271	7,77,298	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24‡	—	—	—	12	V.
9,71,858	4,06,341	20,43,991	—2,16,318	A. Sambha Moorty, Esq.	2‡	..	Mysore Silk Filatures	2‡	10	—	—	—	—	12	P.Y.
19,56,000	1,15,39,719	1,13,55,416	38,247	N. Sirur & Co., Ltd.	49,632	560	Mysore Spinning	122	50	20	7½	—	—	12	P.Y.
13,61,780	22,98,180	37,85,356	—4,60,000	R. Suryanarayana Rao, Esq	6,900	..	Mysore Spun Silk	58	10	16•	25•	—	—	3	V.
22,89,882 } 8,07,0950 }	72,37,414	90,45,280	—13,88,215	J. P. Srivastava & Sons Ltd.	30,228	1,148	New Victoria	1 ½ —	2½ D1	—	—	—	—	12	P.T.Y.
87,03,800	1,20,94,970	1,58,62,383	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	83N	100	14•	5½	6½	7	9	V.
4,08,000A } 6,00 000B }	21,00,275	26,20,198	3,380	Raghavalakshmi & Co.	12,908	..	Palani Andavar	54	50A	4	10	16	15	12	P.Y.
15,80,000	21,04,316	32,27,259	4,411	C. S. R. Madaliar & Sons	27,960	..	Pankaja Mills	66	100	4	7½	5		12	P.T.Y.
25,30,420	40,80,284	52,61,263	2,062	A. G. G. Naide & Co.	38,544	200	Radhakrishna	146	100	15	15	6	12	12	V.
15,00,000	18,70,469	20,61,034	2,54,884	B. R. Nayudu, Esq.	25,596	..	Rajalakshmi	74	50	9	10	—	—	12	P.Y.
15,02,580	31,33,264	35,65,211	11,407	P. S. O. Nayudu & Sons	34,972	88	Rangs Vilas	44½	50	6	7	7½	—	12	P.Y.
60,00,000	89,59,172	1,04,60,739	5,506	Sir J. P. B. & Sons (Rampur), Ltd.	32,280	608	Ram Textiles	51	10	—	—	—	—	12	V.
16,00,000	1,58,25,370	2,03,51,519	—78,03,791	M. J. Divekar, Esq.	32,992	2,234	Sholapur	1,800	1,000	—	—	—	—	12	P.Y.
82,41,300	9,49,300	25,98,011	66,528	Gopaldas Lilladhar & Co., Ltd	15,824	440	Shree Sajjan	73N	100	6	—	—	—	3	P.Y.
17,79,790	17,05,383	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,316	416	Sitaram	36½	50	6½	6	6	—	3	V.
16,09,700	33,56,380	57,42,020	23,257	H. N. Pallegar, Esq.,	25 200	292	Sri Krishnarajendra Mills	81	50	8	8	8	—	12	V.
15,00,000	1,30,50,807	64,96,084	58,49,303	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	6•	6•	6•	3	3	V.
17,30,000 } 1,97,50,000P.O. }	3,31,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawapore	9 91	10 100.O.	5	5	5		12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	8	10	10	9	9		12	V.
21,00,000	56,73,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	10	10	10	7	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	152½	100	7	9	10	10•	12	P.Y.

‡ Includes Bonus. L On Increased Capital. § Only Depreciation. ‡‡ Does not include depreciation.

Σ Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividends. ¶ As on 31st August, 1952.

δ Includes Rs. 11-4 paid out of deferred Dividend Account. N=Nominal † Subject to tax. f=As on 1st January, 1953. xd=Ex. Dividend. C.d.=Cum. Dividend.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs	Paid-up per Share Rs	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
4,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	109½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,353	Kasara & Sons (Travancore) Ltd.	Travancore Rayons	5	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
					Deccan Sugar & Abkhari	21	25	33⅓	33⅓Q	—		5	P.W.
13,28,080	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Dyer Meakin Breweries	9½	10	80	10	—		3	Y.
8,64,000						6	5						
16,30,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	East India Distilleries and Sugar	15½ 20½	'A' 16sh 'B' 20sh	10	10 15	10 15	15	9	P.Y.
£80,000 'A' £300,000 'B'	£588,534	£1,122,135	£57,421	Parry's Holdings Ltd.	Marree Brewery	4 N	10	—	—	—	—	8	V.
84,90,900	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	United Breweries	167	75	15	10	20		3	V.
6,90,800	21,13,586	12,13,593	3,951	B. A. Mallya Esq.									
CEMENT													
					Andhra Cement Co.	97½	100A	3½	3½	7½	7½	12	P.Y.
						9	10B	3½	3½	7½			
11,27,700A } 39,64,320B }	32,33,493	72,62,714	20,534	The Andhra Engineering Co Ltd.	Assam Bengal Cement	3	10	—	—	—		3	T.Y.
43,14,600	11,13,132	53,61,563	—1,25,357	Eastern Corporation Ltd.		8	5						
4,70,976D } 18,54,20,418 }	11,11,06,440	13,65,68,404	7,68,841	Associated Cement Companies		176½	100	9	8½	9½	9½	7	Y.
60,00,000			39,834	Cement Agencies, Ltd.		6½	10	—	5	6½	6½	12	P.Y.
26,49,797	51,03,803	69,78,209		Harl Bros. Ltd.	Dalmia Cement	8	5					3	P.Y.
3,00,000D			90,853		India Cements Ltd.	17½	25	—	—	—			
61,01,180	27,27,600	1,26,09,755		Essen Ltd.		3½	10	—	—	5		3	P.Y.
7,50,000D			38,658	Marda Bors Ltd.	Seaswallay Portland Cement	7	5	3	4	8	10	12	Y.
75,00,000	1,53,90,166	1,68,61,997											
CERAMIC; MINING AND QUARRYING													
					Bengal Potteries	2½	2½	2½	5	6¼	—	12	Y.
					Bisra Stone Lime Co.	28½ N	25	16	17½	17½	8½	5.9	H.
					Chirochee Mica Industries	10½	10	10	10	10		12	P.Y.
						3	5 D	15	15	15			
					Indian Copper Corporation	2—12½	2sh.	12½†	12½†	12½		12	Y.
					Karaspura Development	13½	10	—	—	—	—	6.12	H.
					Mysore Stoneware Pipes & Potteries	9½	10	8½(d)	10	10	7½	3	Y.
					Orissa Minerals	3½	10	6½	6½	12½	15•	6.12	H.
					Rajputana Properties Ltd.	17	10	10	10	10	5	2.8	H.
					Shivrajpur Syndicate	58½	10	10	10	10		11	Y.
CHEMICAL (Bombay Island)													
					Kemp & Co.	264½	200	80	80	10	—	3	Y.
					Tata Chemicals	9-4½	10	—	—	—	—	3	T.Y.
					Thompson & Taylor	4½	3	6½	6½			3	Y.
11,66,300	15,26,935	23,14,378	1,02,937	S. V. S. Iyer, Esq.									
92,14,870	55,77,268	2,31,78,334	8,595	Tata Sons, Ltd.									
1,12,500	1,38,486	61,178	4,101	R. D. Nagar, Esq.									
Other Centres													
					Alembic Chemical Works Co.	106½	100	—	8	8	6	12	Y.
					Alkali and Chem. Corpn. of India	14½	10	—	4	6	6	9	Y.
					Bengal Chemical & Phar.	102	100	6	6	6	—	4	Y.
83,00,000	54,68,041	63,66,814	99,559	Bhailal Amin & Sons., Ltd.									
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India) Ltd.									
11,43,800			11,22,222	S. P. Sen, Esq.	Dharmaghira Chemicals	164	100	6	6	15	15	3	Y.
11,61,900'A'	74,65,198	91,10,221		Saha Bros. (Saswabad) Ltd.	Frank Ross & Co.	21	6	2½	2½	—	—	3	P.Y.
12,54,700'B'			1,09,732	D. C. Collaco, Esq.	F.A.C.T.	3½	10	—	2½			12	Y.
61,96,000	45,64,469	98,97,031	—21,738	Sonbarrow Bros. (Travancore) Ltd.	Mettur Chemicals	4½	10	—	—	3½		8	Y.
4,95,000	1,50,922	1,53,106	—10,83,735	Sonbarrow Bros. Ltd.	Mysore Chemicals and Fertilizers	4½	10	—	9	9		12	Y.
9,45,97,740	86,89,264	4,01,40,091	21,842	B. V. Gangapal Iyer, Esq.	Mysore Chemical Mfrs.	11½	10	10	10	12½	10	3	P.Y.
46,49,345	30,74,302	83,64,263	14,741	Krishna & Co.	Smith, Stanistreet & Co.	8	5	10	10	10		6	P.Y.
84,81,220	54,32,111	60,15,501	42,388	C A Batlivala, Esq.									
3,00,000	3,53,627	4,55,089	48,158										
3,00,000	19,82,894	13,88,659											
ELECTRICS (Bombay Presidency)													
					Ahmedabad Electricity Co. Ltd.	111½	100	6	6	6½	6½	9	T.Y.
					Andhra Valley Power Supply Co.	1,43½	1,000	7½	7½	7½	7½	6	P.T.Y
					Bombay Suburban Electric Supply	127½	100	7	7	7	7	3	P.Y.
					Broach Electric Supply Development	8	10	3½	3	2.96	2.96	12	P.Y.
					Nasik-Dodali Electric Supply	—	100	6	6	8	12	12	P.T.Y.
					Poona Electric Supply	128½

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co., Ltd. ..	1-2½	4sh.	—	—	—	—	8	P.Y.Y.
22,50,000	88,62,002	54,90,808	1,78,913	N. C. Alsock, Esq.	British Ceylon Corporation	11	7½	20†	84†	32†	24	88	P.Y.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Indo-Burma Petroleum Co., Ltd. ..	56½	40	10	10	8	15	12	P.Y.
70,04,225	25,33,586	1,55,85,825	9,450	Tata Industries Ltd.	Tata Oil Mills	32½	25	6	8	8	7	3	P.Y.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd. ..	14½	10	15	15	17½	5†	4.10	H.
PAPER													
45,00,000	1,57,44,079	1,95,77,780	4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43½	25	10	10	12½	6¼	6.12	P.T.H.
80,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	168	100	7	10	11	5†	9.9	H.
25,00,000	48,30,215	47,81,899	52,615	P. S. Balakrishnan, Esq.	Mysore Paper Mills	14½	10	6¾	7½	10*	—	3	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	31½	10	15	25	20	10†	8.9	P.T.H.
50,06,290	1,28,84,743	89,82,234	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18½	10	9½	11½	15	15	6.12	P.T.H.
30,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Ster Paper Mills	8½	10	—	—	5	2½	3.9	P.T.H.
10,00,000 'A'						4½	5h	10	10	10	5†	3.9	
4,37,500 PO						35	A10	20	10h	20*	10*†	3.9	
A56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd — —	Titaghur Paper Mills Co. Ltd. ..	35	B10	20	10h	20*	10*†	3.9	P.H
B54,04,8000						35	B10	20	10h	20*	10*†	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,200	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar Estates	6-10½	3	10	20	20	—	2	P.Y.
47,78,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18½	10	17	20	10	—	6	P.Y.
4,00,000	2,29,184	4,49,628	13,991	Associated Planters, Ltd. ..	Cottanad Plantations	10½	10	7½	10	15	—	3	T.Y
9,28,950	1,46,540	14,67,078	1,389	A. V. Thomas & Co., Ltd. ..	Frizzford Estates	—	10	—	—	—	—	4	P.Y
18,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co., Ltd. ..	Highland Produce	10½	10	25	45	45	10	12	P.Y.
4,00,000	9,67,558	7,20,398	43,506	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	18½	10	17½	20	20	—	4	Y.
4,30,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co.	105	33	17½	30	35	—	3	Y.
27,00,000	23,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd. ..	Midland Rubber and Produce Co...	10½	10	6	12½	15	—	3	P.Y.
3,35,000	2,06,971	13,28,998	31,378	A. V. George & Co., Ltd. ..	Nennery Rubber	8½	10	5	6½	10	6½	12	P.Y.
2,00,000	1,93,721	24,72,600	2,303	Associated Planters, Ltd. ..	Pilmabar Rubber Co.	9½	10	6	10	10	—	12	P.Y.
19,45,980	25,93,936	32,55,341	1,25,906	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates	3½	2	25	25	45	10	12	P.Y.
13,50,000	3,82,972	28,05,590	31,101	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber and Produce Co.	10½	10	9	12½	15	—	6	T.Y.
15,00,000	5,36,390	1,85,6,824	9,136	East India Agencies, Ltd. ..	Tookay Rubbers (India) Ltd. ..	6½	10	—	7½	9	—	3	P.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.	Thamaravally Rubber	13½	10	6½	6½	15	25	3	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd. ..	Tirumbedi Rubber Co. Ltd.	2-11½	1	17½	20	25	25	9	Y.
6,00,000	1,31,315	7,40,150	5,495	Lapra Thomas, Esq.	T. V. George & Co. Ltd.	12	10	3½	10	20	20	12	Y.
41,00,000	17,71,656	70,06,785	2,79,692	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	13½	10	7½	6	10	6	12	P.Y.
20,00,000	5,24,135	22,83,995	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	25N	25	10	12½	12½	10	12	Y.
6,00,000	1,33,026	3,26,408	40,387	A. V. George & Co. Ltd.	Udayagiri Rubber	4½	10	5	5	—	—	12	P.Y.
8,28,880	8,79,994	7,07,482	33,166	Marriendal & Creedald Ltd. ..	Vallakadan (Travancore) Rubber Co., Ltd.	14	10	10	12½	20	20	12	Y.
1,44,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	10	—	—	3	Y.
PRESSING													
6,00,000	18,78,066	19,41,887	8,122	Andrew Yuleh Co.	Calcutta Hydraulic Press	83	100	5	3	5	—	3	Y.
2,00,000	3,58,036	6,89,525	1,116	Pyne and Sons	Camperdown Pressing	93N	100	6	6	7	—	7	Y.
4,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	Cawnpore Hydraulic Press	95	100	5	5	5	—	6	Y.
PROPERTY AND LAND													
10,00,750	25,11,061	42,65,283	419	S. A. Basil, Esq.	Memayan Properties	10½	10	—	8	6	5	9	P.Y.
40,00,000	34,67 735††	83,61,045**	—	David Sassoon & Co., Ltd. ..	Port Canning Land	22	100	2	1½	1	—	4	Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Sidnapore Zemindary	35½	100	—	9	2	—	4	P.Y.
SAW MILLS AND TIMBER													
13,99,998	33,52,773	18,29,998	69,378	Bird & Co.	Assam Saw Mills and Timber	6½	3	16‡	16‡	16‡	8½	9	Y.
50,00,000	4,89,22,437	8,47,09,141	8,87,498	Wallace & Co.									
42,00,000					Bombay-Burmah Trading	564‡	825	12	30	18	—	3	Y.
						136‡	50	12	30	18	—	3	
						45N	800	12	—	—	—	3	
4,00,000	7,04,037‡	7,80,451	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	50N	50	12	30	18	—	3	P.Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	93½	10	8‡	8‡	8‡	30	9	P.Y.
													Y.
SUGAR (U. P. and Bihar)													
14,00,000	24,37,875	37,37,464	18,413	Begg Sutherland & Co.	Bairampur Sugar	7½	5	—	—	20	—	6	Y.
12,00,000	28,96,740††	15,70,684**	2,81,000	Marang Bros.	Bard Sugar	120N	100	6½	10	6	—	6	Y.
19,49,050	23,60,462	27,54,525	2,37,248	Begg Sutherland & Co.	Belsand Sugar	7½	7½	—	—	—	—	9	Y.
12,00,000	21,11,580	15,38,143	40,743	Clinton Agents Ltd.	Bharat Sugar	17N	10	15	15	15	6½	6	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	6½	10	—	—	—	—	6	Y.
12,00,000	58,43,538	90,37,156	17,488	Begg Sutherland & Co.	Cawapore Sugar	31½	10	28	30	20	20	10	P.T.Y.
10,00,000	78,43,538	60,37,156	17,488	Begg Sutherland & Co.	Champaran Sugar	31½	10	20	20	—	—	6	P.Y.
45,00,000	97,00,000	68,17,572	50,477	Backhraj & Co., Ltd.	Hindustan Sugar Mills	830N	100	8½	4	12*	—	4	Y.
68,00,000						50N	50	—	3	4	—	3	P.Y.
8,00,000	41,78,374	68,10,159	—4,15,271	Khaitand Devchand & Co.	Kesar Sugar	250N	50	25	25	25	—	7	P.Y.
7,89,100	31,59,777	25,99,076	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	24½	10	8	6½	5	—	6	P.Y.
11,00,000	27,48,180	36,39,370	9,895	Karam Chand Thapar & Bros., Ltd.	New Savan	6	10	—	—	—	—	8	Y.
18,39,375	88,13,266	83,04,760	8,81,893	Cowan Agents, Ltd	New Swadeshi Sugar Mills	180N	800	18	20	20	—	6	Y.
						45M	25						
77,45,350	1,19,18,159	1,63,07,813	45,193	Cotton Agents Ltd.	Ouchi Sugar Mills	85	100	5½	3½	11	6	7	P.Y.
1,00,00,000	49,21,076	68,48,644	91,880	Pearey Bros	Pampi Sugar Mills	93N	800	—	10	10	—	10	Y.
8,00,000	42,50,793	33,72,886	19,435	Begg Sutherland & Co.	Purtabpore Company	15	10	10	10	20	10	10	Y.
8,00,000	28,05,663	34,18,182	19,410	Begg Sutherland & Co.	Ryam Sugar	20	10	25	10	—	—	6	Y.
11,99,990	31,08,351	36,13,360	33,281	Begg Sutherland & Co.	Samastipur Central Sugar	20	10	15	20	20	—	6	Y.
20,00,000	69,94,641	1 03,56,230	4,188	Babu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	10½	10	10	20	20	15	6	Y.
9,99,950	12,60,470	24,01,721	7,687	H. K. Ghose, Esq. & R. N Dutta	Shripore Sugar	6½	10	—	—	—	—	6	P.T.Y.
6,50,000						5N	10						
1,79,000 D	11,94,395	27,92,174	—14,73,656	N. K. Jain & Co., Ltd .. .. —	South Behar Sugar .. .. .. —	1N	28	—	—	—	—	10	Y.
8,00,000	54,46,474	70,75,580	57,216	Cowan Agents, Ltd	Upper Ganges	20N	50	47½	20	20	—		Y
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Balapur Co.	233½	80	16½	25	28	32	10	Y.
23,57,522	47,22,312	39,13,907	7,69,891	Gowan Bros. (Rampur), Ltd. ..	Baland Sugar	10 1N	10	7	10	10	—	9	Y.
18,93,900	18,53,357	37,63,451	21,012	J.P. Srivastava & Sons (Madhya Bharat) Ltd	Gwalior Sugar Co., Ltd.	45N	100	—	7½	10	7½	10	Y.
10,00,000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd. ..	India Sugar & Refineries Ltd. ..	20½	10	12½	15	25	25	9	P.Y
3,00,000													
81,79,280	1,49,74,559	97,34,107	8,27,296	V. M. Lingiah, Esq.	Mysore Sugar	43½	10	80*	20	20	6	6	P.Y
50,00,000	96,62,468	1,01,04,084	3,18,384	Mathial, Apa & Kandlai, Ltd. ..	Phalsua Sugar Works	86½	10	16	16	16	16	9	Y.
14,59,820	45,73,389	24,76,150	1,61,652	Anderson Wright, Ltd.	Ramnagar Cane & Sugar Co., Ltd.	17½	10	15	6	7½	20	8	Y.
20,00,000	68,39,148	74,53,840	1,89,513	Watchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	50	7	14	18	9	9	P.Y.
19,99,600	52,03,975	44,37,626	6,49,988	Gowan Bros. (Rampur), Ltd. ..	Raza	10½	10	6	10	12½	7½	7	P.T.Y
30,00,000	23,82,315	58,70,150	20,982	P. Kuriyan John, Esq.	Travancore Sugars	5	10	—	—	—	—	5	Y.
1,01,00,000	1,29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd. ..	136½	100	17½	12	14	14	7	P.Y.
UNCLASSIFIED (Bombay)													
1,50,00,000	1,21,10,933	1,47,88,360	—8,27,616	Tata Industries Ltd.	Air-India Ltd.	86½	100	—	—	—	—	12	Y.
2,40,000	4,90,364	3,44,338	783	Forbes, Forbes, Campbell & Co. Ltd.	Bombay Safe Deposit	660	200	15	10	15	17½	12	Y.
89,89,350	2,64,61,957	8,70,12,313	61,000	Scindia Steam Navigation Co., Ltd.	Bombay Steam Navigation Co., Ltd	—	100	—	—	—	—	12	Y.
15,98,860	1,73,801	2,28,588	7,545	Parakh Agencies Ltd.	Bombay Upanda	54N	80	8	8	8	5	8	P.Y
15,00,000	1,50,000	24,37,096(k)	12,787	Dona Sons Ltd.	Devkaran Nanji Investment Co ..	9½	45	5	5	5	5	12	Y.
11,98,360	17,39,540	10,69,107	2,435	Premchand Roychand & Sons ..	Industrial Investment Trust	23N	50	6	6	6	—	6	Y.
9,99,250	18,35,375	1,27,45,383(k)	1,85,257	Premchand Roychand & Sons ..	Industrial Investment Trust	69½	100	5½	6½	4½	3	3	P.Y
84,98,865	13,91,304	12,58,924	3,833	K. G Milne, Esq.	Kilitet Industries	149½	100	8½	10	6	4½	12	Y.
8,06,71,500 A	63,85,939	8,20,52,503	4,52,797	Asso-Auto Ltd.	Premier Automobiles Ltd.	43	100	—	—	—	—	6	Y.
10,00,000 B						43	10						
4,39,62,018	9,89,24,387	18,98,97,421	6,58,281	Narottam Morarjee & Co	Scindia Steam Navigation Co., Ltd.	13-6½	15	—	—	—	—	6	Y.
1,50,000	1,31,315	2,21,798	3,145	R. B. Bandekar Esq.	Theatre & Co.	50N	50	10	10	3½	—	6	Y.
10,21,000	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40	20	10*	10	15	15	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd ..	221½	100	17*	10	15	15	12	Y.
45,00,000	46,57,108	34,948	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-8/6	15½	19½	11½	12	Y
Other Centres													
47,50,000	65,22,899	1,34,34,714	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	10	—	—	—	—	3	P.T.Y.
2,50,000 D													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Brothers Ltd.	18½	10	10	17½*	25*	12½	8	Y.
20,00,000	82,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	10½	10	12½*	12½*	12½*	12½	8	Y.
10,00,000	50,43,088	92,32,452	9,249	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India	53	100	—	—	—	—	8	Y.
30,00,700 D	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.	277	100 D	20*	20*	25*	20*	8	P.T.W.
10,00,000 D							40 D	15	15	20	15*	8	
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	155	100	5	10	20	15	12	Y.
7,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	16½	10	11½	12½	12½	9	10	P.Y.
1,00,00,000	1,45,00,237	3,00,22,730‡	58,606	Dhabaw Ltd.	Bharat Line	82	100	5	10	12½	9	9	P.Y.
30,64,680	30,81,266	83,30,736	1,83,277	A. F. Chande Esq.	Britannia Biscuit	10½	10	12½	12½	12½	5	12	P.Y.
3,15,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd. ..	8-5/8	10	11‡	15	19‡-1	—	12	P.Y.
1,60,00,000	3,77,71,321	4,07,06,331	1,01,468	Cecil Steak, Esq.	Dunlop Rubber Co. (India) Ltd. ..	28	10	20	25	25	12½	12	P.Y.
51,26,000	47,57,061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	143	100	9	9	9	9	12	P.Y.Y.
7,00,000	34,47,221	25,07,605	50,793	Mandalli & Barry Ltd.	Ganges Rope Co. Ltd.	200	100	20	22½	35	10†	12	P.Y.
65,00,000	34,13,857	13,62,902	2,07,324	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	120	100	7½	10	10	—	3,9	H.
10,00,000	37,25,649	60,01,406	6,218	B. P. R. Syndicate	Great Eastern Hotel Co.	252	250	8	6	6	—	3	P.Y.
12,42,500	44,36,417	60,60,790	33,959	Birla Brothers, Ltd.	Mind Cycles	105N	100	6	6	6	—	3	P.Y.
4,00 12,650	39,45,319	2,61,39,292	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	41	10	7½	7½	8	12	12	P.T.Y.
1,60,00,000	1,39,65,053	3,07,88,193	22,27,867	J. W. E. Johnson, Esq.	Indian Aluminium Co.	108	100	8	3½	5	—	3	Y.
1,52,89,220	1,31,92,737	57,92,390	9,29,554	D. J. Malabari, Esq.	Indian Cables	18½	10	80	100	10*	5a	12	P.Y.
12,75,000, U						3½	10	—	—	—	—	3	P.Y.
5,90,000 P	53,00,150	72,86,130	—12,62,971	Gowan Bros., Ltd.	Indian National Airways	7	10	—	—	—	—	12	P.Y.
1,25,000 D						1	10	—	—	—	—		
8,77,779	12,79,355	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	14	10	10	10	10	—	3	P.Y.
8,25,00,000	1,60,38,685	3,87,93,801	8,26,066	Lionel Edwards Ltd.	India Steamship Co., Ltd.	6	10	—	—	—	—	3	P.Y.
2,40,000	4,33,028	67,247	36,496	G. V. Sastha, Esq.	Tata Isaacs	4	10	21½	21½	21½	—	3	P.T.Y
8,00,00,000	93,99,843	27,16,440	8,86,648	J. D. K. Brown, Esq.	Jardine Henderson	129	100	15	18	18	10	9	P.Y.
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	2	5	—	—	—	—	3	Y.
40,00,00,000	63,35,248	23,69,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.	137	Q 100	10	12½	12½	—	3	P.Y.
5,00,00,000							D. 10	10	7½	7½	—	3	
1,30,33,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18½	10	10	12½	15	—	11	P.Y.
6,35,255	4,41,876	7,74,804	—72,313	Ogale Glass Works Ltd.	Mysore Glass & Enamel Works	18	10	18	18	18	12½	9	P.Y.
3,75,000	7,74,393	8,79,834	3,466	R. Ramaiah, Esq.	Mysore Lamp Works	18	10	18	18	18	—	3	P.Y.
19,80,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	Mysore Tobacco	10	10	—	80	—	—	3	Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co., of India Ltd.	13½	10	10	10	10	—	3	Y.
79,97,000	65,83,352	4,04,50,524	8,86,347	B. P. Bhan & Co., Ltd.	National Tobacco Co.	91	10	5	7½	7½	3	3	P.T.Y.
14,87,137	6,67,696††	18,52,569**	23,313	S. P. Ogale & Co.	Ogale Glass Works	8½	5	—	2½	5	—	12	P.T.Y.
40,00,000	41,74,953	41,38,536‡	1,52,611	Parry & Co.	Parry & Co.	2	2	4½d	2	—	—	12	P.Y.
8,25,00,000	82,51,611	1,09,49,507	1,74,847	O. U. Easthyropulo, Esq.	Relief India Ltd.	74½	100	8	8½	9	10	8	P.Y.
1,14,00,000	2,95,41,731	6,09,99,407	7,17,486	Baba Jain Ltd.	Rohtas Industries	8½	10	—	—	—	—	8	P.Y.
60,00,000	1,33,62,299	1,19,84,861	3,36,532	C. W. Stephenson, Esq.	Scencor & Co. Ltd.	13½	10	10	10	7½	10	6	P.T.Y.
75,00,000	37,17,120	12,11,901	3,56,616	J. E. Waserfield, Esq.	Shaw Wallace & Co., Ltd.	13½	10	10	10	15	10	6	P.Y.
9,98,380	4,10,547	12,67,855	—59,789	Oasis Brothers Ltd.	Travancore Ogale Glass	13½	10	4	—	—	12	12	Y.

†† Does not include depreciation. * Includes Bonus. ** Net Block. † Less Income-tax. X.D.—Ex Dividend. C.D.—Cum Dividend. I—On Increased Capital.
‡ Only Depreciation. Nil Dividend. K—Investments. X.R.—Ex-Right. (c) For six months ended June, 1949. (d) For nine months ended March, 1950.
Z.—For fifteen months ended 31st December, 1952.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	350N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	—48,872	Gillanders Arbuthnot & Co., Ltd.	400½	Anandabag	25½	10	25	40	30		12	Y.
3,50,000	10,64,192	12,03,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	11½	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,03,721	44,989	Andrew Yule & Co.	360	Barmatia	26½	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	11	5	25	30	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Williamson Magor & Co.	566	Betjan	25	10	30	30	10		12	T.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Octavius Steel & Co., Ltd. ..	4,004	Bishnauth	27½	10	35	50	5	—	12	Y.
6,00,000	1,31,948?	10,38,915	—36,227	McLeod & Co., Ltd.	450	Bormha Jan Tea Co., Ltd.	12½	10	15	15	15		6	P.Y.
7,50,000	10,56,959	7,64,836	22,297	Brook Bond India Ltd.	2,670	Brooke Bond	11½	10	10	10	10		12	Y.
35,00,000	22,18,001	3,66,030	87,990	McLeod & Co., Ltd.	282	Brooke Bond	6½	5	15	15	—		12	Y.
1,20,000	3,06,715	24,24,301	—29,101

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	18½	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,79,916	46,11,580	16,516	498	Babu Jain Ltd.	Albion	†80	100	—	14	30	18	3.11	P.H.
6,00,000	32,73,570	49,90,030	—1,63,951	448	McLeod & Co., Ltd.	Alexandra	170	100	—	—	5	—	3.11	H.
1,80,00,000	88,17,991	1,16,99,580	—11,66,135	1,264	McLeod & Co., Ltd.	Alliance	155	100	—	2½	—	—	6.12	T.P.H.
49,20,700	2,16,84,144	2,27,14,371	1,32,947	2,561	Duncan Bros. & Co.	Anglo-India	215xd	100	—	—	—	—	6.12	P.H.
40,00,000	1,18,83,050	1,31,13,967	71,745	810	Bird & Co., Ltd.	Auckland	128	100	—	20	20	17½	3.9	P.H
30,00,000	93,29,447	97,37,334	72,634	959	Jardine Henderson & Co. ..	Bally	167	100	1½	10	10	4f	3.9	P.T.H.
£275,000	£1,680,379	£1,328,460	£91,691	1,890	Jardine Henderson & Co. ..	Barnagore	156	£5	20	20	20	4	3.9	P.H.
28,00,000	80,27,627	88,01,241	26,347	828	Andrew Yule & Co.	Belvedere	210	100	20	20	20	—	3	P.Y
45,00,000	78,51,303	51,03,385	4,07,701	600	Seorajmull Nagarmull	Bengal	16	10	13	17	22½	15	6.12	P.H
30,42,000	3,71,54,151	3,06,60,933	1,38,294	1,373	Birla Bros.	Birla	35½	10	25	30	30	—	6	T.P.Y
36,00,000	1,00,43,669	1,08,11,310	27,144	991	Andrew Yule & Co., Ltd. ..	Budge-Budge	166	100	7	13	22	12½	3	P.Y
7,47,180	36,53,704	39,44,698	34,320	282	Dayaram & Sons	Calcutta Jute Manufacturing ..	18½N	10	—	—	20	—	4.10	H.
18,00,000	65,79,289	75,43,878	32,228	616	Andrew Yule & Co.	Caledonian	163	100	5	14	22	12	6.12	T.P.H
99,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd. ..	Champdany	150½	100	3	10	22	12	5.11	P.H
15,93,000	78,33,608	79,40,140	45,839	550	Andrew Yule & Co.	Cheviot	215	100	13½	16	22	12	5.11	P.H
10,05,000	88,32,304	58,16,362	1,07,364	1180	MacLeod & Co	Chitavalsah	31½	10	12½	15	60	87½	3.9	P.H.
16,00,000	80,24,460	77,89,914	1,01,979	969	Shree Krishna Investment Co., Ltd.	Clive	25	10	12½	35	20	—	6.12	T.P.H
													3	P.H
31,49,200	1,21,58,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	143	100						
38,00,000	86,65,708	71,72,811	50,826	779	Andrew Yule & Co.	Delta	238	100	1	11	12	1f	3.9	P.H
15,00,000	86,18,430	75,63,304	47,730	800	McLeod & Co.	Empire	111	100	11	17½	32½	20	5.11	P.H
91,00,000	2,35,23,130	2,62,73,643	1,801	1,818	Kettlewell Bullen & Co. ..	Fort Gloster	340	100	10	20	25	10	6.12	T.P.H
14,00,000	48,25,113	69,94,729	—8,32,397	1,014	G. C. Bangur, Esq	Fort William	260N	100	—	32½	22½	—f	3.9	T.P.H
84,32,100	1,37,90,339	2,09,73,148	—8,52,945	1,789	Macneill & Barry Ltd.	Ganges	74	100	—	10	—	—	3.9	P.H
10,80,000	76,50,046	68,12,500	41,193	607	O. Arbuthnot & Co.	Goodalpara	710	300	—	6½	2½	—	3.9	P.H
24,00,000	1,91,31,941	2,19,25,184	1,57,647	1,394	Macneill & Barry Ltd.	Gouripore	710	300	—	13	30	10	12	T.Y.
40,00,000	81,51,042	81,94,127	4,05,824	1,078	Bangur Bros. Ltd.	Hastings	245	100	2½	25	11½	—	3.9	P.H
16,80,000	38,02,116	64,29,353	64,417	720	O. Arbuthnot & Co.	Hooghly	233N	100	10	7	10	—	3	P.Y
65,62,500	1,60,16,805	1,56,87,560	1,55,027	1,940	Jardine Henderson Ltd. ..	Hooghly	30½	10	10	30	15	—	3	P.Y
90,00,000	1,74,30,109	2,25,00,109	3,91,968	2,272	Ramdutt Ramkissendas	Howrah	23½	10	7½	17½	30	17½	3.9	P.Y
87,00,000						Hukemchand	41½	10	46½	66½	30	—	3	P.H.
30,000	88,97,267	1,11,41,130	77,979	1,076	Mackinnon Mackenzie & Co. ..	India	129	{O. 125	5½	10	3½	2½f	3.9	T.P.Y
24,00,000								{D. 1	5½	5½	3½	2½f	3.9	P.H
19,20,000 B	1,36,54,330	1,36,47,095	92,899	1,797	Jardine Henderson Ltd.	Kamarhatty	185	100					3.9	P.H
30,00,000							180	100	—	17	22½	14½	6.12	P.H
84,00,000 B	1,04,29,702	1,30,34,859	83,881	1,527	Jardine Henderson Ltd.	Kankinarrah	150	100						
21,00,000	1,16,51,567	92,15,718	1,15,896	703	McLeod & Co.	Kelvin	144	100	—	—	12½	10	6.12	P.H
54,00,000	1,30,67,874	1,63,84,537	4,00,592	1,590	Anderson Wright Ltd.	Khardah	235	100	10	20	25	15	6.12	P.H
48,00,000	1,94,15,089	2,09,37,751	1,16,651	1,230	F. W. Heilgers & Co.	Kinnison	165	100	—	25	16	15f	3.9	P.H
24,48,000	1,24,25,159	1,33,71,480	40,487	931	Bird & Co., Ltd.	Lanadowne	240	100	2½	14	19	7f	3.9	P.T.H
28,00,000	1,19,87,748	1,13,75,507	6,954	840	Bird & Co., Ltd.	Lawrence	132	100	2	21	15	3f	3.9	T.P.H
10,00,000	70,30,427	50,24,402	64,167	358	Andrew Yule & Co.	Lothian	178	100	6	21½	22	4f	3.9	P.H
81,65,200	1,38,82,204	1,94,76,907	1,17,533	1,098	Mackinnon Mackenzie & Co. ..	Meena	275	100	—	15	32½	30	5.11	P.H
29,98,900	1,29,56,303	1,54,05,495	—2,80,351	815	F. W. Heilgers & Co.	Naihati	97	100	—	8½	3½	2½f	3.9	H
12,00,000	39,17,880	25,69,085	17,184	425	Howrah Trading Co., Ltd. ..	Naskarpara	120	100	—	15	12	—	3.9	P.T.H
35,00,000	51,20,988	27,58,552	1,01,832	852	Andrew Yule & Co.	National	16	10	11½	13½	22½	—	4.10	T.H.
7,50,000	57,24,098	25,75,900	1,23,783	316	McLeod & Co.	National Jute	24½	10	11½	15	25	20	4.10	P.H.
18,50,000	71,66,769	48,48,686	38,811	709	Babu Jain Ltd.	New Central	35½	10	25	30	75	30	6.12	T.P.H
16,79,880	98,33,709	1,39,17,038	3,954	567	Bird & Co., Ltd.	Northbrook	260	100	6	30	30	22	6.12	P.H
66,79,500	1,68,36,135	2,12,90,664	30,401	1,092	Macneill & Barry Ltd.	Nuddea	21½	10	—	—	20	24f	3.9	T.P.H
24,91,000	70,60,941	70,35,063	81,356	601	Andrew Yule & Co.	Orient	41	50	—	5½	4½	—	3.9	T.H
							178	100	9	14	24	7	5.11	H.
25,00,000	64,86,591	80,78,198	—3,93,006	480	McLeod & Co.	Presidency	4½	5	—	—	2½	—	6.12	T.H
80,00,000	7,67,493‡	26,15,291	—3,29,549	305	Macneill & Co.	Rameshwara	5‡	10	—	1½	—	—	3.9	H.P
49,50,000	56,55,998	1,23,44,546	48,080	1,276	Jardine Henderson Ltd.	Reliance	15½	10	—	—	—	—	3.9	T.P.H
£600,000	£1,102,661	£1,203,046	£82,540	2,013	Thomas Duff & Co. (India) Ltd.	Samnuggur	14‡	£1	6‡	10‡	10‡	2‡	3.9	P.T.H.
30,00,000	72,26,872	97,20,210	6,05,669	911	Bagaria More Co., Ltd.	Shree Ambica (Adamjee)	16½	10	—	15	—	10	12	P.Y.
7,00,000	45,17,785	48,14,456	2,73,383	401	Hindustan Investment Corpn.	Soorah	13½	10	—	10	20	—	3.9	P.H
25,19,600	1,06,20,961	93,73,041	12,665	650	Bird & Co., Ltd.	Standard	137	100	4	15	—	15	3.9	P.H.
£600,000	£849,927	£990,895	£115,163	1,794	Thomas Duff & Co. (India) Ltd.	Titaghur	14‡	£1	6‡‡	10‡‡	10‡‡	—	3.9	P.H.
35,98,600	1,80,41,145	1,73,93,324	15,098	1,326	Bird & Co., Ltd.	Union	162	100	2	19‡	21	10‡‡	12	P.Y.
£400,000	£587,164	£1,059,917	£119,708	1,331	Thomas Duff & Co. (India) Ltd.	Victoria	14‡	£1	6‡‡	10‡‡	10‡‡	10‡‡	3.9	P.T.H
2,50,000	35,57,381	56,21,133	—69,636	483	McLeod & Co.	Waverley	5½	1	—	5	5	—	6.12	T.H

(0 For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign income-tax. Only Depreciation. * Includes bonus —Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
85,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20	10	17½	20	12½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Barares Coke	18½	10	14	13½	14½	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Babu Jain Ltd.	Bharat Collieries	5½	10	6½	6½	6½	—	3.9	H.
1,00,00,000	3,35,27,103	5,08,61,725	8,02,948	Andrew Yule & Co., Ltd.	Bengal	532	200	33½	17½	18½*	10*f	4.10	P.T.Y.
4,49,350	3,94,703	8,49,159	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	2½	2½	2½	2½	6.12	P.H.
2,25,000	27,50,840	25,85,066	6,970	Andrew Yule & Co., Ltd.	Bengal-Nagpur	131xd	10	22½	16½	10	7½	6.12	H.
												6.12	P.H.
15,97,700	27,49,723	36,66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	—	2½	1½	—	9	
7,15,000	50,27,438	50,94,169	—43,876	F. W. Heilgers & Co., Ltd.	Bhulanbararee	13½	10	—	6½	6½	2½	6.12	Y
16,00,000	53,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10	10	5	—	—	—	6.12	H
7,50,000	43,47,168	4,66,805	1,06,334	F. W. Heilgers & Co., Ltd.	Borrea	28½	10	20	30	30*	27½*	6.12	T.H
												6.12	P.H
90,92,480	3,29,07,686	4,03,65,968	1,15,021	Bird & Co., Ltd.	Burrakur	9½	10	10½	7½	7½	6½	6.12	P.T.H
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd	Central India	4½	10	2	2	20	—	3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurhead	15½N	10	17½	12½	—	—f	6.12	P.H
6,00,000	1,40,000	7,50,000 (b)	13,973	F. W. Heilgers & Co., Ltd	Chururia	2½xd	4	6½	4½	—	1½	6.12	P.H
16,00,000	27,97,346	45,41,647	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	10½	10	12½	2½	6.12	H.
£1,20,000	£1,084,338	£872,414	£78,859	Jardine Henderson Ltd.	East Indian	24½	£1	13½	37½	37½	—	6.12	H.
39,63,760	3,25,97,992	3,19,86,409	2,12,912	Macneill & Barry Ltd.	Equitable	43½	10	25	25	25	15f	6.12	Y.
10,00,000	4,83,963	8,41,725	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	17N	10	20	5	—	—	6.12	H.
8,00,000	21,75,778	21,29,494	44,366	Macneill & Barry Ltd.	Hurriladih	16xd	10	12½	15	15	15	3	Y
5,50,000	11,83,846	12,92,908	30,038	Andrew Yule & Co., Ltd.	Kalapahari	41½N	10	26½	35	35*	35*	6.12	H
20,00,000	68,340‡	21,94,426	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	90	100	—	—	—	—	2.8	H
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co.	Katras Jherriah	42	10	27½	35	37½	40	3	H
11,38,400	5,20,319	11,43,119	1,043	Bertrele Bros.	Khas Kajora	7½N	10	11½	10	5f	—	1.7	Y
11,00,240	10,81,164	15,87,375	3,411	H. V. Low & Co., Ltd.	Kurdi	6½N	10	3‡	3½	3½	—	6.12	P.H
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	12N	10	10	7½	7½	—	6	Y.
5,63,750	11,41,667	12,37,077	2,691	O. Arbuthnot & Co.	Mandulpoor	3½N	10	5	7½	—	—	6	Y.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd	Nazira	6‡	10	3	2½	5½	—	6.12	H.
7,00,000	3,77,590	9,33,321	4,597	Amritlal Ojha & Co., Ltd	New Banadeopur	5N	10	6½	7½	6½	—	6.12	H
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	3	6	—	5f	3.9	H
												4.10	M
6,00,000	21,87,920	81,32,540	—7,595	Octavius Steel & Co. Ltd.	New Manbhoom	9	10	12½	7½	—	—f	3.9	P.H
2,50,000	6,84,984	3,45,839	1,387	Jatia Bros. Ltd.	North Damuda	4N	2½					3.9	M.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co.	North West	14½N	10	16½	13‡	5	3½f	3.9	H
1,57,500						11½N	7½						
7,50,000	12,54,532	3,97,666	1,00,495	F. W. Heilgers & Co., Ltd	Oodal	18½N	10	12½	25	22½*	20	6.12	P.H
10,00,000	15,36,427	15,60,122	56,421	K. C. Thapar Bros. Ltd.	Oriental Coal	13½	10	10	10	10	5	12	T.Y
8,34,000	5,98,486	16,29,203	70,339	Deepchand Kiladeilall	Parasea	3‡	10	—	—	—f	—	6.12	H
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20½	10	16½	12½	10	6½f	3.9	H
83,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Rameegunga	8½	10	—	—	—	—	3.9	H
13,50,000	30,62,857	39,27,472	54,004	Shaw Wallace & Co., Ltd.	Rewa	20½	10	8‡	12½	10	17½	6.12	H
80,00,000	15,10,118	28,07,516	165	Jaipuria Sons Ltd.	Samla Collieries	7½N	10	—	5	5	1½f	6.12	H
1,25,000	13,14,667	13,30,351	20,499	Chilladers Arbuthnot & Co., Ltd.	Searsole	91½	2½	20	20	20	25	6.12	H
2,80,000	19,76,793	28,04,096	30,154	Andrew Yule & Co., Ltd.	Seebpore	25‡	7	35-3/7	32-1/7	28-4/7	28-4/7	1	Y.
8,00,000	34,84,308	37,05,977	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	10‡	10	8	8	5f	—	6.12	P.H
												6.12	H
63,21,450	2,13,85,164	3 04,98,616	23,658	Industrial Trust Fund	Singareni	7½cd	10	4½	5	5	—	12	Y.Y.
37,50,000	24,53,330	35,53,705	26,614	Bird & Co., Ltd.	South Karanpura	18½	10	12½	10	5	5	12	H.
8,00,000	14,24,948	2,90,282	86,379	F. W. Heilgers & Co., Ltd.	Standard	20½xd	10	16½	15	10	7½	2 8	H.
10,00,000	15,82,936	30,15,424	—3,64,536	Villiers Ltd.	Talcher	2½	2½	—	—	—	15	6.12	H.
11,50,000	17,36,513	18,56,910	74,927	Williamson Magor & Co. Ltd. ..	Ukwa	23½	10	20	27½	27½	—	9	Y.
49,98,000	11,13,461	43,49,365	42,176	Hindusthan Investment Corpn. Ltd.	Western Bengal	4½xd	10	2½	2½	2½	12½f	6.12	H.
9,00,000	26,57,108	40,16,017	5,514	Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15	—	3	Y.
												6.12	H.

* The following explanatory notes relate to the abbreviations and marks shown on page 188 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 103-8 or at par after 31st July, 1955, on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 143)

its programme of modernisation and expansion and that greater incentives should be provided for new investment. But the Government feels that, as it has already agreed to the grant of a "special loan on favourable terms" in order to enable the Company to modernise and expand its equipment, it is not necessary to allow a higher return on block. Mainly because of this divergence between the Commission's and the Government's views on the question of return on block, the increase in retention prices for the period April, 1953 to March, 1955, will be only Rs. 47 per ton, on an average, as against Rs. 66.98 recorded by the Commission. The Government has further announced that this figure, namely Rs. 47 per ton may, however, be modified, if necessary, after "consideration of the special report on the treatment of collieries owned and operated by the iron and steel producing companies."

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From what is stated above, the inference is that the terms of the Government's loan to the Company will be more favourable than the increase of two per cent. in the return on block recommended by the Commission. If the Company had been given the higher return, it would have had to finance its development programme through its own resources supplemented by borrowings. This could not have been a more welcome arrangement to the Company than the grant of a loan which will be made, on the Government's own admission, on "favourable" terms. But neither the public, rather the taxpayers, who are, in effect, the lenders at present, nor the consumers of steel, who will ultimately be asked to meet the repayment of the loan, know the exact terms on which the loan is being granted to the Company. It is a pity that in a matter of such great public importance, the Government should have chosen to remain silent. Since the loan involves large amounts and since the consideration that it will be granted has influenced the Government's decision on the Commission's findings, it is certainly the Government's duty to let the public know the facts. It is wrong to treat the whole issue of such public importance as if it were a private transaction between a bank and its client.

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An equally vital subject, on which little information has been made available, is the magnitude of the Equalisation Fund. It is not clear whether the Fund can continue to bear the increases in retention prices and if so, for how long. It must be noted, in this connection, that the demand for an increase in the retention price for the Indian Iron and Steel Co., Ltd., is also pending before the Tariff Commission. If this demand is granted, as it is likely to be, then the strain on the balances of the Fund will increase. Sooner or later, therefore, the price payable by the consumers also may have to be increased. It is true that the prices of steel in India are still lower than those at which it can be imported into India. But then world steel prices are also likely to go down, so that the advantage to the Indian consumer is bound to diminish in future years. British export prices for re-rolled steel products, for instance, were reduced last week by 12½ per cent.; this has the effect of cheapening such British steel products as merchant bars, small sections, hoops and strips. The Continental prices of these products are even lower than the British prices. These trends emphasise the need for caution in granting increases in retention prices which are not directly reflected in productivity. The Tariff Commission has, therefore, done well to draw the attention of the Tata Iron and Steel Company to the need for ensuring that the labour cost per unit of output does not go up appreciably year by year.

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At the recent annual meeting of Dalmia Cement (Bharat) Ltd., the Company's Chairman, Mr. J. Dalmia, raised an important issue when he questioned the economic propriety of fixing a uniform selling price for the products of an industry which consists of units with divergent production costs. The relevance of this question arises from the fact that, while cement, which is deemed to be in short supply, is controlled by the Government, the prices fixed by the Government for this article do not take into account the differences in production costs among the different cement producers. Under normal conditions, there would have been no cause for complaint, inasmuch as the high-cost producers would be wiped out by the low-cost producers. But in an economy of shortage, they must be allowed to play their role, even if it means slightly higher prices for the article in short supply. But the case of the high-cost cement producers is that their cost structure is high not because they are necessarily less efficient but because their costs have been affected adversely by such factors as power cut, high labour costs and long-distance haulage of coal. These factors were, in the case of Dalmia Cement, the chief influences which have moulded the cost structure. Mr. Dalmia deplored that the high-cost units in the industry should be dubbed inefficient, and he threw the challenge that he would "welcome anyone to prove if such high cost of production is due to inefficiency." Mr. Dalmia would apply a basic test to determine whether the high-cost units were unwanted luxuries. He suggested that the units be closed down as "an experimental measure" for a year to see whether the requirements of the regions served by the high-cost units could be met by the low-cost units which are situated at a great distance from these regions. It is not, of course, necessary to go through so costly an experiment to discover the utility of the high-cost units. But Mr. Dalmia's point is clear enough: the high-cost cement producers have a necessary economic role to play.

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To illustrate his point that the low-cost structure of a cement producer is no valid test of his efficiency, Mr. Dalmia pointed out how coal—it is an important element in the cost of cement production, accounting as it does for 25 to 30 per cent. of the cost—has to be hauled over long distances by some cement units. It is not as if this difficulty could be overcome by setting up all the cement units in and around coal regions. Apart from the fact that it would be strategically unwise to do so, there are physical limitations to the setting up of cement units in such areas, inasmuch as all "known and workable deposits of raw materials for cement in these areas are already being exploited." In any case, it should be clear that, even if all cement units were set up in these areas, it would still leave the problem of transportation of cement, and, therefore, of a slightly higher cost to the consumers, unsolved. Mr. Dalmia argued, on the analogy of the differential prices for steel producers, for a system of differential prices for cement manufacturers. It remains to be seen what solution the Tariff Commission, which has enquired into this industry, has to offer in order to overcome the difficulty of keeping all cement producers in production.

MARKET REPORTS

(Concluded from page 177)

capture a share of the American business in burlap, more and more attention should be paid to specialities which can occupy a portion of the manufacturing capacity. The trade has been afforded an opportunity to develop this business and thus earn for the country some additional foreign exchange.

Ready hessian 40" 10 oz. opened at Rs. 45 last Wednesday and, despite cabled information indicating that American consumption of burlap during June was 58.5 million yards, representing a fall of half a million yards from the May figure, and that the spot and afloat stocks were 200.5 million yards, which could satisfy consumption demand for about 3½ months, the rate advanced to Rs. 45-6 on Thursday. The knowledge of the market that more than 50 per cent. of mills' production capacity up to December, 1952, has already filled the order books of mills, assisted the upward trend. October-December delivery was constantly enquired for by West Africa, Great Britain and the Continent. The week-end saw the rate pushed to a high of Rs. 45-11, at which rate moderate covering business took place with shippers. Business was also recorded with the United States and both 7½ oz. and 10 oz. changed hands. Buying for export to the United Kingdom was also done, hessian of wider widths being shown preference. It is generally expected that shipping would reach a satisfactory figure this month. Although the rate was lower at Rs. 45-8 yesterday, stockists and mills were not worried. Hessian 9 porters were offered at Rs. 42-10.

The sacking goods market sympathised with steadier hessian and price gains were recorded. Opening at Rs. 98 on Wednesday, B. twills improved to Rs. 98-10 on the following day, as some enquiries from the U.K. and the Continent enlivened the market activity. On Friday, the gain was more marked at Rs. 99-8 and the week-end took the rate to Rs. 100-8. Moderate business took place for export. Liverpool and heavy Cees plains changed hands at higher rates, but mills were reserved. For, on their part, caution was needed, as any rush to the market by mills would affect prices. The August-September goods advanced from Rs. 98-10 to Rs. 101. Ready B. twills fractionally receded to Rs. 99-8 yesterday. Heavy Cees plains were steady at Rs. 101-8 and there was a Cambodian enquiry for a moderate quantity.

With the improvement in prices of jute goods, sentiment in the raw jute section was also better. With depleted stocks in the market, the demand of mills for jute fit for the production of hessian, however, could not be fully met. The inferior quality jute was available in plentiful quantities and stockists were anxious for as much business as possible. Old crop Assam bottoms changed hands at Rs. 25 per maund. Sellers of new crop continued to be reserved.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 21st July

It is reported that the Government of India has ratified the International Wheat Agreement which stipulates supply of wheat by producing countries at the maximum price of $2.05 and the minimum price of $1.55 per bushel. At the same time, India has reduced the imports under the Agreement from 1.5 million tons to 1 million tons. The Agreement will come into force from next month and will be effective for three years. The reduction in imports is the result of increased internal production, which has inspired the confidence that India's need of foreign wheat would now greatly diminish. The Directorate of Economics and Statistics puts the current year's production at 6.38 million tons, as against the last year's corresponding estimate of 5.7 million tons. This shows an increase of over 12 per cent. Likewise, the current year's rice crop has touched a new record of 23.4 million tons, as against 20.7 million tons last year.

Foodgrain markets in Uttar Pradesh have remained quietly steady. Arrivals are poor. There is good offtake of wheat which is being despatched to needy districts also. Peas ready and futures recorded very sharp advance, due to continued heavy despatches to Madras, Bombay and Gujrat and steadier outlook for gram in Punjab and Delhi. The latest quotations are: Wheat Rs. 16-8 to Rs. 18-8, gram Rs. 15-12, barley Rs. 12-4, bejhar Rs. 12-8, rice: basmati Rs. 35, hansraj Rs. 31, sela Rs. 29 and coarse Rs. 23; peas: green dara Rs. 15 and white Rs. 19, arhar Rs. 14-8, urd R

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	357 / 175	100 / 50	18¾	18¾	18¾		12	Y.P.
1,01,000 / 23,99,000	12,03,000	7,231	Andhra Bank	102 / 53	100 / 50	6	6	6		6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	112	50	12½	12½	12½		12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14¾	25	3	3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	159	50	14	14	14		6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	12½	12½	12		12	Y.
30,00,000	15,00,000	35,324	Bank of Jaipur	20¾	50	3	3	3		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	260	100	16½	16½	16½		12	Y.
59,18,640	42,61,693	25,280	Bombay State Co-operative Bank	59¾	50	5	5	5		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	10½	10½	10½		12	Y.P.
2,62,11,875 / 52,42,375 A	3,99,08,177	17,23,015	Central Bank of India Ltd.	455 / 67	25 / 25	14	14	14		12	R.L.Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	3	3½	3½		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	10	20	20		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	†‡Hyderabad State Bank	105N	100	6‡	6‡	5		9	Y.
3,75,00,000 / 1,87,50,000	6,35,00,000	42,07,573	Imperial Bank of India	1,832½ / 447½	500 / 125	16	16	16	8(i) / 8(i)	6.12	R.L.H. / R.L.H.
24,00,000 / 16,00,000	73,50,000	1,04,201	Indian Bank	178½ / 140	100 / 80	12½	12½	12½		6.12	R.L.H.
15,40,000 / 48,98,425	19,00,000	1,89,917	Indian Overseas Bank	103½ / 93¾	55 / 100	5‡	6	6		6.12	R.L.H.
6,25,000 / 2,50,000 / 10,00,000	6,33,939	1,380	Indo-Commercial Bank	75 / 18‡ / 36‡	100(A) / 25(B) / 50(C)	9 / 9 / 6	7½ / 7½ / 6	6 / 6 / 6		6.12	H.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	133N	25	7	—	—		6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	198	25	4	4	6		12	Y.
1,00,00,000	17,50,000	37,610	Travancore Bank	11‡	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6¾	5	6¾	6¾	6¾		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36‡	50	4	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-1-4½	£5	14†	14†	16‡†		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6¾	£5	7†	6†	7†		12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation		H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956 / £1,437,295	£16,000,000	£418,242	Lloyds Bank	£6 12 9 / £1 6 3	£1	12½† / 5‡	12½† / 5‡	12½† / 5‡		12	R.L.Y.
£375,000 / £375,000	£1,500,000	£200,143	Mercantile Bank o India	£25‡ / £25‡ / £25‡	A £12½ / B £12½ / C £5	12†	12†	14†		12	R.L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India	430*	£12½	16†	16†	16†		12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency.
‡‡Subject to taxation.

††O.S. Currency
(i) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1953(b)
3,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	25th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	1936	99	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102¼	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	103½	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November .. 1959-64
COTTON						
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur Cotton	1897	96½	15th November .. 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January .. 1967-72
13,48,000	5‡		Jayshree Textiles	1949	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.		100‡	 1966-71
ELECTRICS						
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964
2,86,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January .. 1970
25,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	1945	86	31st December .. 1970
15,00,000	5	1st January and 1st July	Siju (Iberrian) Electric Supply Co.,Ltd.	1951	93	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97	 1957-61
2,00,000	5‡	31st May and 1st November	South Madras Electric Supply	1939	94	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½	 1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		84	1st July .. 1957-67
49,23,040	4	1st April and 1st October	Tata Power	1940	100½	15th September .. 1951-55(b)
1,00,00,000	4	1st April and 1st October	Tata Power		92½	15th September .. 1965-70
ENGINEERING						
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	97½	31st December .. 1956
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	98	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	100½	1st July .. 1957-62
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1938	67½	31st December .. 1966(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	85	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	94‡	31st December .. 1960
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	98‡	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	96	30th June .. 1954(A)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	91	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97‡	30th June .. 1955
13,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1950	90	31st July .. 1959(c)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	1951	94	15th July .. 1958
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December .. 1964
85,00,000	5½	30th June and 31st December	Naihati	1952	99	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	97N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86‡	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	91	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	95	31st September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	94	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	95	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	83‡	31st July .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barsaet-Baabhat Light Railway	1936	84	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	90‡	1st November ..
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£100N	A.110552 at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October				1st October .. 1974
1,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1933	£102N	30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1934	99	31st December .. 1959
				1945	88	
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96	1st September .. 1963
PLANTING						
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	 1945-55
3,68,200	5½	31st March and 30th September	Tenkey Rubber Estates	1944	100	 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101‡	 1945-55
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
87,60,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96	30th June .. 1957(1)
1,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
50,00,000	4½	1st July and 1st January	Clive Buildings	1936	88‡	1st July .. 1986
21,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86	15th September .. 1960
1,20,00,000	5	1st January and 1st July	Dunlop Rubber	1950	101‡	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	97	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	465 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd (Convertible Notes)	1947	410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd	1951	91¾	1st April .. 1971
1,00,00,000	3½	31st March	Orient Paper Mills Ltd.	1951	92‡	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Ruhtas Industries Ltd.	1946	84	31st December .. 1959

Note—See page 186 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd July, 1953.

	Closing quotations 16-7-'53	High	Low	Closing quotations 23-7-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	158½	159	158½	159
Bank of Baroda (50)	112	112	111	111½
Central (25)	65	66	64½	66
Imperial (F.Pd.) (300)	1,882½	1,880	1,832½xd	1,837½
Imperial (P.Pd.) (125)	457½	458½	447½xd	450
Union Bank (50)	6¼	6¼	6½	6½
United Com. (50)	36	36½	35½	35½
COTTON MILLS				
Ahm. Adv. (100)	147½	147½	141½	141½
Apollo (2)	2-1½	2-1½	2½	2½
Bombay Dyeing (250)	378½	387½	377½	385½
Central India (100)	161	164	159	162
Century Mills (100)	275½	279½	274½	277
Colaba (100)	69	69½	69	69
Edward Textile (200)	237½	240	237½	240
Elphinstone (50)	40	40	39	40
Finlay (100)	325	326	322½	326
Gokak (100)	222½	226	222	225
Ind. Untd. Defd. (1)	1-10½	1-10½	1-9½	1-10½
Ind. Untd. Ord. (10)	10-3½	10¾	10½	10¾
Indore Malwa (100)	91½	95	91½	93
Khatau (100)	182½	—	—	182½
Kohinoor (100)	305½	305½	301½	309
Lakshmi (250)	552½	—	—	552½
Madhavdas (100)	84	86	84	86
B. R. Cotton Mills (100)	50	50	48½	50
Minerva Mills (100)	100½	—	—	100½
Model Nagpur (250)	142½	—	—	142½
Morarji (100)	180	—	—	180
Mysore (50)	125	—	—	125
New City (100)	151½	—	—	151½
New Great (100)	150	154	149	151
Podar Mills (100)	107½	110	107½	110
Sassoon Silk (10)	126½	130	126½	130
Sassoon Spg. (10)	25½	—	—	25½
Sholapur (1,000)	26½	—	—	26½
Simplex (50)	1,800	—	—	1,800
Swadeshi (100)	172½	174	172	172½
Swan (100)	435	256½	248	253
Tata M. (25)	431½	437½	415	417½
Vishnu (100)	150	41½	43	43
Western India (1,000)	3,180	152½	150	152½
ELECTRIC COS.		—	—	3,180
Ahmedabad (100)	109½	111½	109½	111½
Amalgamated (10)	10¾	10¾	10¼	10¾
Andhra Valley (1,000)	1,461	1,435	1,440	1,453
Bom. Sub-El. (100)	127½	—	—	126½
Surat (100)	123½	—	—	123½
Tata Hydro (100)	155	155	154½	155
Tata Power (1,000)	1,550	1,550	1,545	1,545
INSURANCE COS.				
British India (10)	14¾	14¾	14½	14½
Empire of India (100)	627½	—	—	627½
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7-2½	—	—	7-2½
New India (15)	40	41½	40	41
Oriental (200)	7,100	7,100	6,900	6,900
Universe (10)	7¾	8¼	7¾	7¾
Vulcan (10)	11¾	11¾	11¾	11¾
STEAMER COS.				
Scindia (15)	12½	13½	12½	13½
STEEL COS.				
Ind. Iron (10)	23½	1,925	1,862½	1,913½
Tata Steel Defd. (30)	1,866½	331½	323½	329½
Tata Steel Ord. (75)	324½	24-2½	23½	24
MISCELLANEOUS				
Alcock Ashdown (100)	286½	295	286½	239½
Associated Cn. (100)	171	174½	171½	173½
Belapur Sugar (50)	228½	233½	229	232
Bom. Burmah (125)	355	364	355	361½
Do. (New) (50)	133½	136½	133½	133½
Br. B. Petrol (Rs.1)	1-0½	1¼	1¼	1-2
Br. I. Corpn. (5)	8-3½	8-4¼	8-3½	8-3
Indian Copper (2 sh.)	2½	2½	2½	2-1½
Ind. Iron Mr. (100)	69½	69½	69½	69½
Port Canning (100)	22	—	—	22
Premier Cou. (10)	81	84½	80½	83½
Shivrajpur (10)	55	58½	56½	57½
Tata Chemicals (10	8-14½	9-0½	9-0½	9-5½
Tata Oil (25)	32	33	32	32½
Walchand Ind. (100	130½	141½	136½	141½
W. I. Match (100)	216½	—	—	216½

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	98¼	—	3 44	98¼
2½% 1955	98¼	—	3 45	98¼
2½% 1961	90¾	—	3 89	90¾
2½% 1960	92¼	—	3 82	92¼
2½% 1963	91¾	—	3 87	91¾
2½% 1976	83	—	3 87	83
3% 1957	93¼	—	3 44	93¼
3% 1958	98	—	3 40	98¼
3% 1959-61	96¾	3 72	3 55	96¾
3% 1964	92	—	3 86	92
3% 1963-65	92	3 93	3 80	92
3% 1966-68	90¼	3 97	3 87	90¼
3% 1970-75	86	4 12	3 93	86
3½% 1946 Con. Loan	82	—	3 64	84
4% 1960-70	100	3 72	3 46	102¼
4½% 1955-60	102¼	3 65	3 82	102¼
4½% 1958-68	101¾	3 97	3 99	103¼
3½% 1961** N.P. Bonds	98¼	3 40	4 05	98¼
		—	3 73	

BRITISH GOVERNMENT SECURITIES	16-7-53 £	High £	Low £	22-7-53 £
2½% Brit. Consols	60⅛	60⅛	60⅛	60⅛
3 ½ Savings Bonds 1955-75	85⅛	85⅛	85⅛	85⅛
3 ½ War Loan 1955-59	101⅛	101⅛	101⅛	101⅛
3½% War Loan 1952	81⅛	81⅛	81⅛	81⅛
3½% Brit. Iron and Steel 1979-81	90⅜	90⅜	90⅛	90⅛
4 % Funding Loan 1960-90	101⅛	101⅛	101⅛	101⅛

xd=Ex-dividend. ** Current Income. * Counter Rupee Parity.

COMMERCE

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

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SETBACK TO GIRI APPROACH

WHATEVER else New Delhi may or may not do to one, it is certain that it will help cool down any minister's enthusiasm, especially enthusiasm for doing healthy things. There is obviously something in the climate of that city of conferences, reports, files and all the rest of secretariat procedure that will compel any minister, with a sense of daring, adventure and imagination, to toe the line, to turn to the beaten track. It is small wonder that Mr. V. V. Giri, Minister for Labour, Government of India, now sees the folly of having attempted to implement what is now popularly known as the "Giri Approach" to labour problems. The basic principle of the Giri approach—so called because Mr. Giri was the first to give shape to it, though at one time the idea was vigorously mooted by Mr. Nanda himself—is that managements and workers should be encouraged to settle their disputes by mutual discussions and voluntary conciliation. It has been rightly acclaimed as the first step towards ensuring healthy industrial relations. But Mr. Giri, it now seems, is not as keen on implementing his policy as he once was. In effect, he told the thirteenth session of the Standing Committee on Labour, last week, at New Delhi: "It is a good approach. But then it is a distant ideal. This is not the time to implement the new policy. We shall, of course, bear it in mind. For the present, we shall go on as we have been doing." This is, indeed, a regrettable decision. It is a great pity that even Mr. Giri, from whom we expected great things, should have thus succumbed to the pressure from reactionary elements. We thought he would have the courage of his conviction to stand by a cause which we know is still dear to his heart. No reform, however sound it may be, can be successfully introduced if even those who champion it lose their zest for it at the very first sign of opposition.

Mr. Giri's retreat from his earlier stand will gladden the hearts of all those who have a vested interest in the perpetuation of the elaborate, complicated and cumbersome machinery by which industrial relations are regulated to-day, but it will depress those who looked forward to an era of freedom and responsibility in that sphere. While addressing this tripartite Labour Conference, Mr. Giri was the very picture of a parliamentary member trying laboriously to explain his failure to implement his election promises to his constituency. He admitted that his personal view remained unchanged—this is reassuring—and that he still believed that a trade union movement, characterised by "unity, strength and vitality" should be built up, so that it would be able to enter into collective bargaining with employers on an equal footing and with confidence in its inherent power to enforce sanctions when necessary, and also that "active State intervention in disputes between labour and management is no more than a palliative." He admitted, too, that the principle of collective bargaining and mutual settlement of disputes had found "universal acceptance" in the industrial world. But it is premature, according to him, to consider any change in the present policy of "selective and discretionary compulsory adjudication." The Giri approach, according to its author, is a "long-term" reform. Its postponement may be deplorable, but is "inevitable." There is no scope for any "change in the basic policy that now governs labour-management relations." The only explanation he could offer for his go-slow policy in relation to his own "strongly held" convictions is:

"It must be readily conceded that at a time when we are only half-way through the Five-year Plan and in an economy which is showing signs of depression, and has already led to a visible increase in unemployment, there is every justification for pursuing a cautious and, perhaps, even conservative, policy in the matter of labour-management relations."

So much for what may well strike many as Mr. Giri's recantation. But the explanation he offered was hardly convincing. It is not true that the Five-year Plan would be in grave peril if the Giri approach were implemented. There is reason to believe that it is only the postponement of the day of realistic industrial relations that will spell the ruin of the Plan. Much harm has been done by representing the Giri approach as a distant, remote and unapproachable ideal, and the present system of regulating industrial relations as a realistic device. This is far from the truth, notwithstanding the fact that Mr. Giri himself, as the quoted passages show, is now inclined to agree with that view. From many points of view, it is the Giri approach that is the realistic one, because it is the surest, though not the quickest, way of ensuring a sense of responsibility among managements and workers. The present system seeks to achieve results by bringing to bear a judicial, non-economic, and impersonal mind on questions which are, if anything, purely materialistic in content and personal in character.

Again, it is not true that the country's economy is showing signs of depression, in the sense the word "depression" is generally understood. There are no burdensome surpluses of goods in the country which cannot be disposed of. Production, both industrial and agricultural, is at a high level but not high enough to assure even the pre-war standard of living. The number of unemployed people is, of course, rising but that is due more to the increase in population than to any marked setback in economic activity. What the country is suffering from now is high-cost economy. And this cannot certainly be remedied by a doctrinaire approach to employer-employee relations. The remedy lies in enabling industrial managements to bring down the costs of production. This could be done only through constructive tax reforms and through giving the managements sufficient room for adjustment in these costs. Since the wage bill constitutes an important element in production costs, there is no use shirking the responsibility for lowering the bill either through reduction in wages, or through laying off surplus labour. If the country does not voluntarily choose this, it will be forced on the country by world events.

Now, Mr. Giri averred that retrenchment should be avoided as far as possible. He added that rationalisation should be carried out only when "absolutely necessary," and that the existing workers should not be "thrown on the streets without alternative employment." He further pointed out that it would clearly be "unpatriotic" to replace men by machines, and that employers should so arrange their programmes as not to give rise to unemployment at the "wrong time." But it is arguable that when there is prosperity, there will be less need to retrench—apart from the fact that the industrial courts will have strong reasons to reject any plea for retrenchment—while, in a period of falling market, there will be need but no powers for employers to retrench. Obviously, this is a difficult position for employers to be in.

The whole issue of retrenchment is often clouded by confusing it with unemployment. It is no part of an industrialist's business to create new employment opportunities which could come only through the provision of a climate in which new undertakings could be started and existing industries expanded. By preventing retrenchment in some otherwise uneconomic units, the problem of finding employment for the many is not going to be solved. After all, the number of men likely to be affected by retrenchment is a mere fraction of the number of men that seek employment. This point will be better appreciated if it is borne in mind that the present labour policy of the Government is full of disincentives to the provision of employment opportunities by private enterprise. It is thus aggravating the problem of unemployment—a trend contrary to its fundamental objective.

Again, it is necessary to be warned against the effect of any failure to lay off surplus labour. An industry with a surplus labour force suffers from a serious handicap when it wants to sell its products in the overseas markets, even if the domestic market is sheltered from competition. Its profits are bound to fall, with inevitable repercussions on the confidence of investors and on the Government's revenues. This situation will in turn compel the Government to resort to deficit financing, with all its inflationary consequences. The entire nation will thus have to pay for keeping more men on a job than are strictly needed for performing it and a vicious situation will become even more vicious. In an economy which is not completely self-sufficient and which depends on the trends of world trade to a considerable extent—India's economy to-day is of this nature—such a policy will ultimately lead to devalua-

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tion of its currency. From this point of view, it is gratifying to note that Mr. Giri recognised, unlike many industrial tribunals, that the capacity of management to pay is the ceiling limit to labour's demands, and that he urged labour to accustom itself to a "spirit of compromise." He would, however, have done well to give greater recognition to this point than he actually did.

The emphasis on benefits of labour-intensive industries, as against those of capital-intensive industries could be easily exaggerated. It is not sufficiently realised that capital-intensive industries often are the large-scale producers of real wealth that leads to a higher standard of living not only for the few that are engaged in them but also for a large section of the public, in view of their multiplier effect on a country's economy. This is not to underrate the importance of widening employment opportunities. But the creation of fresh avenues of employment, as Mr. Giri himself emphasised, is not a "hat-trick which can be performed by a mere sleight of hand." It is, however, possible to extend employment opportunities. Only this requires greater freedom to employers than that given to them now. The way to tackle the problem of unemployment is not to impede the wholesome attempts of employers at making their units economic and competitive but to provide the incentives for industrial and agricultural expansion on lines that will yield sustained results.

WHEAT PROSPECTS

NOW that the world's largest importer of wheat, the U.K., has decided to stay out of the International Wheat Agreement and entrust the task of imports to private enterprise, and that the quotas under the Agreement have been drastically cut by the importing countries, the one question that is of interest to the wheat-producing as well as the wheat-importing countries is the prospects for the free market in wheat. The Agreement stipulates a maximum price of $2.05 a bushel and a minimum price of $1.55. Under the agreement, the exporting countries are required to sell their quotas at not more than the maximum price if the importing countries call upon them to do so, while the importers are under an obligation to buy their quotas at the minimum price, if the exporters want to sell their wheat at this price. Beyond these obligations, both exporters and importers are at liberty to sell or buy wheat in the free market.

Wheat-importing countries are, according to present indications, in a moderately comfortable position. It is true that the situation does not yet conform to a purely buyers' market. But it is at least much nearer to it than it has been in recent years. In the four wheat-exporting countries, namely, Argentina (not a member of the Agreement), Australia, Canada and the U.S., the total available supply (production plus carry-over) for the 1953-54 season is estimated at 3,350 million bushels, as against 3,140 million bushels in the previous season. This includes the opening stocks of 186 million bushels in Argentina, 106 million bushels in Australia, 432 million bushels in Canada, 530 million bushels in the U.S., and estimated production of 294 million bushels, 175 million bushels, 397 million bushels and 1,175 million bushels, respectively, in these countries. together with a small import of 10 million bushels. Again, these countries are expected to consume respectively 136 million bushels, 79 million bushels, 160 million bushels and 690 million bushels, or a total of 1,069 million bushels, leaving an exportable surplus of 2,285 million bushels, as against a similar surplus of only 2,111 million bushels in the 1952-53 season (July to June). Provisionally, exports in the current season are placed at 880 million bushels, as compared with 807 million bushels in the last season. This would leave a somewhat larger carry-over of 1,405 million bushels at the end of the 1953-54 season.

It will be clear from the brief account of the statistical position of wheat given above that the world will see a much better supply position during the current season which has just begun. But this is not the only reason why the U.K. has chosen both to remain outside the Agreement and also to turn over the grain trade to private enterprise. The U.K.'s decision is prompted by the consideration that the maximum price, fixed under the I.W.A., is on the high side. During the recent negotiations in Washington, which preceded the conclusion of the present Agreement, the U.K. agreed, reluctantly though, to raising the minimum price from $1.20 to $1.55 per bushel, but would not agree to any maximum price beyond $2.00 which was itself higher than the ceiling under the previous Agreement by 20 cents. Critics of the U.S. point out that the U.S. stuck to the high price of $2.05 per bushel in order to reduce its own commitment to domestic producers by way of support prices. Indeed, the U.S. support prices have for long determined the prices for wheat. This imposes a real hardship on consumers who find that, normally speaking, exporting countries also will not have any incentive to bring down their prices so long as the U.S. price does not come down. This tendency for prices to hover around the U.S. price gains additional strength by reason of the fact that, whereas there are many competitive buyers for wheat, the wheat-exporting countries are only a few. Further, exports of wheat from these countries are carried on by single monopolistic bodies. The U.K. was, therefore, very keen that the U.S. must agree to a lower ceiling price. When the U.S. refused, it decided to withdraw its support to the Agreement, evidently in the hope that its action itself would lead to a lower level of prices of wheat in the world markets.

Since the world supply position of wheat is now more comfortable than in the recent past, it is unlikely that the U.S. will have the same important say in determining world prices for wheat. During 1952-53, the total world exports of wheat and wheat flour were 22.7 million tons, made up of 15.0 million tons under the I.W.A. (as against the actual export quota of 15.6 million tons allotted by the Agreement) and 7.7 million tons from the free markets. Export quota under the I.W.A. for the 1953-54 season is provisionally placed at only 12.0 million tons, as against 15.6 million tons in the last season. For the 1953-54 season, a major importing country, namely, the U.K., will be outside the Agreement. To this extent, the volume of trade in the free market must increase. In fact, free market exports are expected to go up to 12.5 million tons.

It is, of course, only the future trend of prices that will show whether the U.K. was wise in keeping clear of the Agreement. Although India has not proposed to leave the Agreement, it has decided to cut its import quota from 1.5 million to one million tons. Several other countries, notably Belgium and Ceylon, have, however, increased their import quotas. Nevertheless, the total import quotas notified by the importing countries to the International Wheat Council a few days ago are reported to have fallen short of the export quotas by a sizable margin even after making allowance for a substantial reduction contemplated by Australia in its export quota. The future of the Agreement is thus still very uncertain. Much, of course, will depend upon what the U.S. does. The Administration of this country is at present very much concerned with the large surplus of agricultural commodities now in its possession, thanks to its farm price support policy. If the U.S. Congress feels that the entire system of price support for agricultural produce is too costly to operate and modifies it, when the whole programme comes up for review next year, the main prop for wheat prices will have been removed. The U.S. President, Mr. Eisenhower, has set up a National Agricultural Advisory Commission to "review the policies and administration of farm programmes within the jurisdiction of the Department of Agriculture." The chief problem before the Advisory Commission is whether the present rigid high price supports for agricultural commodities should be retained or be replaced by a flexible, sliding scale price support system. In the meanwhile, it is interesting to note that the U.K. has already been able to get some small quantities of Argentine and Danish wheat at prices which are distinctly below the maximum prices under the I.W.A.

AN UNWARRANTED CONTROL

WHILE commenting on the last instalment of decontrol on prices and distribution of cotton textiles two weeks back, we questioned the necessity for retaining the control on production. A further reference to this question is warranted, because we find that the term "production control" in relation to the cotton textile industry is not correctly understood by many. This term is loosely applied to various restrictions which the Textile Commissioner had applied on the manufacture of cloth linked to various groups in terms of counts of warp, counts of weft, reed, picks, etc. These restrictions, it should be noted, were a negative form of control, the main objective being to bring the thousands of varieties of cloth within a certain number of groups to assist the fixation of prices. The grouping of cloth, with a stipulation of basic cottons, which were to be used in their manufacture, and the assessment of group-wise manufacturing charges certainly helped the fixation of cloth prices. Although this method was approximate, it was the only method available to the erstwhile Textile Control Board in order to tackle the difficult problem of fixing cloth prices. Subsequently, the Indian Tariff Board, which was asked to recommend a method for fixing fair selling prices, also recognised this fact and followed more or less an identical procedure. Thus, the production control now in force has outlived its utility. It has no positive function to perform in the sense it does not seek to control the quality of cloth.

Towards the end of 1948, the Government appointed a committee of millowners, labour, etc., to consider control over production. This Committee did useful work and made various recommendations to the Government. It clearly stated, for instance, what the strength of weaving yarn of different counts should be and laid down the specification for different broad varieties of cloth. No such directions are contained in the present production control. The necessity for such a control was conceded, as cotton was then in short supply, the purchasing power of the people was also high, and the Government itself was the sole distributor of cloth. In other words, the Government played the big role of selling agents of the mills, and so long as it took the responsibility for selling the cloth, it was thought that the mills could not object to produce the kind of cloth which the Government wanted. But even then, for various technical reasons, the recommendations of this Committee could not be implemented.

The point that is relevant for discussion now is whether the country to-day needs a production control. In this connection, it must be remembered that conditions obtaining in the cloth market now are very different from those that were prevailing in 1948. In the first place, production has gone up by something like 25 per cent. Secondly, the purchasing power of the masses has been greatly reduced, owing to the high cost of living. Thirdly, the Government has given up the control on prices and distribution; so, it is not to-day in the same position as the mills' selling agents which it held five years ago when it could direct the mills to produce cloth according to its specifications and distribute the same through the various distributing agencies of the State Governments.

Some may contend that control on production is necessary in order to ensure high quality production. Apart from the Government's ability to enforce such a control effectively, which is highly doubtful, an important point that has to be borne in mind is that, due to the very restricted buying capacity of the masses, the demand is now mainly for cheap cloth. It may be argued that it is better for one to buy durable cloth, even if it be a little costlier, than buy a cloth of poor quality just because it is cheap. But this argument, sound though it is, does not find favour with prospective buyers whose budgets do not permit any sizable outlay on cloth, because of the high cost of foodgrains and other essentials of life. It is just like one buying cheap canvas or rubber shoes to serve one's need of footwear even when fully knowing that a pair of good all-leather shoes, though five times costlier, will, besides being comfortable and elegant, outwear five pairs of canvas shoes. Such are the present economic conditions in the country. This, however, does not mean to suggest that mills should produce shoddy cloth. Far from it. All that is sought to convey here is that the existing economic conditions themselves impose certain limitations on the quality of cloth which a millowner can produce. The remedy for this undoubtedly unsatisfactory affair lies in taking suitable steps for carrying the country from a high-cost economy to a low-cost one. If a stiff production control were to be imposed on the mills in utter disregard of this state of affairs, it would make the working of mills very difficult.

That apart, mills are now producing more cloth than the population can absorb. Demand for export to overseas markets is also low. It is, therefore, better to let supply and demand balance each other. Following the complete decontrol of prices and distribution, the mills are now responsible for selling their products at prices which consumers are prepared to pay. Accordingly, they should be given the freedom to make the type of cloth which suits them best in the present buyers' market conditions, as well as facilities to make quick alterations in their production programmes in order to meet the changes that may take place in the market from time to time. It will thus be seen that there is no need for any production control at all.

STATE LOANS IN RETROSPECT

MUST THERE BE A CHANGE IN PRESENT METHOD OF BORROWING?

THURSDAY, 5 P.M.

ALL the ten States, which approached the capital market with offers aggregating Rs. 28 crores, got what they wanted; in fact, some of them got more than what they had asked. Technically, therefore, the State loans this year have been quite a success. It is stated that both the Centre and the concerned States are now happy over the result. Other States also seem to feel encouraged to approach the market. Thus, Assam wants to borrow Rs. 2.5 crores, Hyderabad Rs. 5 crores and Rajasthan Rs. 10 crores. Whether these States will be allowed to borrow and if so, how much, are, however, questions on which the Centre and the Reserve Bank will have to take a decision. They may not be able to say "no" to these States, lest they should be accused of partiality. Assam is already very sore with the Central Government, albeit over another issue. The only way in which they can induce these States to drop their demand for permission to borrow in the open market is to offer them financial assistance from their own resources. It remains to be seen whether they will do so.

MARKET GOSSIP

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Although all the State loans got fully subscribed, the response to them was not uniform. The West Bengal loan was oversubscribed in no time. Madras received as much as Rs. 10.81 crores, as against its invitation for Rs. 5 crores. Bombay and U.P. met with some difficulty, but managed to close their lists before time. Saurashtra and Bihar found it even more difficult to sell their loans. The position in respect of the Travancore-Cochin loan also was the same, if not worse. Mysore, Madhya Bharat and Madhya Pradesh had to extend the time limit by a week; even then, it is said that they had to be given some special assistance.

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There are many reasons why the response to State loans was not uniform. First comes the personality factor. In this respect, the highest marks go to Mr. C. Rajagopalachari, affectionately known as Rajaji, Chief Minister of Madras. He is an all-India figure. His popularity in his own State is still very high, especially with those who command large financial resources in some capacity or other. He enjoys the full confidence of the Central Government. In fact, he is able to get things done in his own way even if it runs counter to established traditions and conventions, as we shall presently show. He was, therefore, able to get the permission of the Centre and the Reserve Bank to alter the techniques of borrowing to suit his tactics. It is doubtful whether the Madras loan would have been such a thumping success but for Rajaji. Next to Rajaji, comes Dr. B. C. Roy, the West Bengal Premier. He seems to enjoy the confidence and full support of the big wigs of the Calcutta financial markets. Unlike Rajaji, he did not go into the interior of his State, asking the officials to canvass support from the people. He just placed the loan with the Calcutta business men and that too on his own terms. Thus, he could sell his State loan at par, as against the As. 8 discount which even Rajaji had to offer along with seven other States. He, however, was wise enough to fix his target at a modest level of Rs. 3 crores. The U.P. Chief Minister, Mr. Pant, too, must be rated high in so far as the personality factor goes. But, if this was not fully reflected in the response to the U.P. loan, it was due to other causes. As regards the other States, we do not think the personality factor had much to do with the "success" of their loans.

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The next important factor is easy access to a well-developed capital market. Those Congress men who decry the Stock Exchanges and other financial markets will do well to take note of this point. Bombay, Calcutta and Madras are the only three States which enjoy, in a full measure, the facilities offered by these markets. This was, in fact, the main reason why the Bombay Government was able to get its issue fully subscribed, although it does not at present fully satisfy the personality factor. The West Bengal Government also had the advantage of this factor to a very large extent. The financial markets in Madras are not, of course, as highly developed as in Bombay or Calcutta but this was more than offset by the personality factor.

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The third important factor that generally contributes to the success of State loans is the extent of economic development of the borrowing State. In this respect, Bombay, Bengal and Madras are, as readers are aware, well placed. Though Uttar Pradesh and Bihar cannot be said to be underdeveloped, they suffer from the lack of organised financial markets. The same explanation holds good in respect of Mysore, as also Travancore-Cochin, to a larger extent.

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The fourth important factor is canvassing. The Madras Government exploited this factor to the fullest extent and in a very tactful manner. This, combined with the popularity of Rajaji, yielded rich dividends. Bombay and Saurashtra too did achieve good results through canvassing. It will be no exaggeration to say that the Ministers of these States went to the financiers with cap in hand and appealed to their local patriotism. It is not known to what extent the other State Governments did so. Nor is it known to what extent they tried to tap the interior of the States, as was done by Madras.

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It will be seen from the foregoing account that the success of the borrowing programme of a State Government depends not on its intrinsic financial position but on a number of other factors, most of which are irrational. The question, therefore, arises whether the present method of borrowing by State Governments should be given up in favour of centralised borrowing. As mentioned in a previous issue of this journal, such a change has both advantages and certain disadvantages, apart from an almost insuperable practical difficulty. To take the advantages first. Centralised borrowing, that is, borrowing by the Centre on behalf of the States, will ensure uniformity in regard to terms. It will be considerably cheaper than borrowing by individual States which are now paying a little more than ¼ per cent. than the Centre. There will be no cause for bitterness in the States which fail to borrow as successfully as some of the other States. The financial institutions which are operating all over India will be saved from the embarrassment of having to please all the State Governments which approach them with cap in hand. The danger of disintegration of the capital market can definitely be averted.

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As against these advantages, the major disadvantage in a change-over to centralised borrowing is that the State Governments will have no incentive to tap the local savings and use their influence over investors. The Central Government cannot descend to the level of approaching the investors direct and persuading them to invest their money in its loans, while the State Governments can do so without any serious loss of face. In order to attract the savings of a certain class of investors, a slightly higher rate of interest can be offered on State loans, without any serious detriment to the value of the Central Government loans, inasmuch as investors have got accustomed to a slightly higher yield on State loans. This advantage will be lost if borrowing by individual States is done away with. In these days, when large sums have to be borrowed for implementing urgently required development projects, all methods and tactics, it is argued, will have to be adopted to raise money from the public. A little embarrassment to some or a departure from the conventional methods of borrowing has, therefore, to be ignored. If State Governments know that they will have to depend on their own ability to borrow, they will be more careful in their expenditure and the tendency to lean heavily on the Centre will be curbed to some extent.

KOREAN WAR AND MARKETS

	Pre-Korean war	Highest Korean war boom	Lowest Korean war recession	Latest available quotations
Shares	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata Deferred	1,640 0	2,167 8	1,592 8	1,930 0
Indian Iron	24 15	39 12	21 0	23 13
Bombay Dyeing	952 8	533 12	331 4	383 2
Kohinoor	297 8	398 8	252 10	305 8
Belapur	228 0	298 0	195 0	235 8
A. C. C.	153 8	190 8	160 0	171 12
Bullion				
Gold (ready)	113 0	118 12	77 4	86 13
Silver (ready)	174 12	207 13	138 8	154 4
Cotton				
Jarilla	770 0	880 0	540 0	745 0
New York (in cents) ..	34.47	46.06	32.55	33.88
Oilseeds				
Groundnuts (hold ready)	44 4	54 8	23 0	49 8
Castorseeds (Madras) ..	28 0	60 8	25 0	82 0
Jute				
Hessians (40" × 10 oz.) ..	55 0	122 8	38 8	46 8
Sackings (lb. twills) ..	155 12	253 0	86 12	102 4
Raw Jute (Assam Bottoms)	85 0	105 0	17 8	25 8

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The practical difficulty involved in implementing the suggestion regarding centralised borrowing is constitutional, in that the States must agree to surrender their autonomy. Will they agree to do so? There is good reason for serious doubts. Even supposing they agree, it will be a hardy annual for the Finance Minister at the Centre to reconcile the claims of individual States for loans and reach a mutual agreement with them. It will certainly widen the scope for disagreement between the Centre and the States.

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The one practical way of overcoming some of the glaring defects in the existing system of borrowing by State Governments is for the Centre to insist on the States following the agreed rules of the game. It must tell them firmly that, in all these matters, they must scrupulously follow the instructions given by the Reserve Bank. It is regrettable that, this year, instead of compelling them to subject themselves to the Reserve Bank's discipline, the Central Government gave a long rope to some of the State Governments, especially to Madras. This freedom has been used by the Madras Government in a manner that has marred the prospects of future borrowings by State Governments. In the first place, the Centre meekly submitted to that State's demand that it should be allowed to keep the list open for 15 days, whereas the other States were given only a week in the first instance. Secondly, it was allowed to close the list even before the scheduled date, even though there was no provision to that effect in the prospectus. Thirdly, it was allowed to retain more than 10 per cent. of the total subscriptions, which is also against the terms of the prospectus. In order to do so, it followed an ingenious method. It said that it would give partial allotment only to those who so desired and informed it to that effect before 31st July, 1953. Now, this step, as the Madras Stock Exchange has rightly pointed out, was apparently meant to get over the difficulties in the way of accepting *in toto* all the subscriptions. The responsibility for making refunds is an obligation of the borrower, as is clear from clause 7 of the notification, but the Madras Government has thrown it on the lenders. Such tactics will undermine the confidence of the investing public. Why did the Reserve Bank agree to these tactics? This question is raised by the Madras Stock Exchange. We do not think that the Bank, which has sufficient experience in the technique of open market borrowing, could have been a willing party to this arrangement. May be, it was forced into this arrangement by the Central Government which could not probably resist the request from Rajaji. For, when West Bengal first asked for a similar facility, the Reserve Bank had firmly refused and advised it to make partial allotment. It, however, had to give permission to that State later, when it was obliged to make a concession to Madras. But we do not know whether West Bengal could avail itself of this facility, as it must have come very late.

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An attempt was, of course, made by the Madras Government this week to explain why it wished to keep all the subscriptions, but the explanation was not convincing. Thus, replying to the critics of the Government, Mr. Subramanyam, the Madras Finance Minister said that a large bulk of the subscriptions to the loan was from rural investors who were not accustomed to investing their savings in Government bonds and were not used to the practice of the money market. It might appear vexatious to these rural people to be called upon to proceed to distant Treasuries to take back a portion of their remittance and that too without any interest for the intervening period. They had to encourage this new class of rural investors and for that purpose they had to change the existing practices to the extent necessary. He revealed that the Government would watch the results of this year's experiment and gradually evolve a system which would suit the rural investors without materially inconveniencing the institutional investors in the city. The high price for agricultural commodities, he added in passing, had resulted in a shift of real savings from the city to the countryside and district officials were playing the part, which insurance companies had to play, in mobilising rural savings. Surely, the difficulty referred to by Mr. Subramanyam could have been anticipated and provided for. The failure to do so clearly shows that the move to keep all the subscriptions was an afterthought, evidently born of the unexpectedly large subcriptions that were received by the Government.

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The Madras Government's desire to raise as large a loan as possible is understandable. But it should have gone about it the right way. It could have, for instance, secured the Central Government's permission to keep the loan on tap for a pre-determined period. Or it could have made capital out of the large subscriptions by promptly closing the issue on the due date and making partial allotments and later offering a second issue of that very loan at a small premium of, say, As. 2. It is a pity, indeed, that, in its indecent hurry to retain all the money that came into its hands, the Madras Government missed a good opportunity of raising its credit in the market which would have enabled it to raise its future requirements on more favourable terms. The whole episode shows how amateurish the Madras Government is in the art of open market borrowing

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The end of the shooting war in Korea has had no adverse effects on markets. This is not surprising, because the prolonged negotiations that preceded the truce agreement, signed this week, gave sufficient time to operators to adjust their attitudes to this event well in advance. Values in all the markets have remained fairly steady and, where there was a fall, such was not appreciable. Generally speaking, market movements in this, the first week of armistice in Korea were influenced more by local developments than by this historical event. In shares, for instance, Tata Steels ruled firm, thanks to the revival of speculative buying in sympathy with the strength of the cotton market, where a group of bulls had succeeded in lifting the values up. In fine, in both markets, the healthy technical position asserted itself. In bullion, there was a post-settlement reaction, following a bear squeeze. Similarly, oilseeds were a shade easy, as a direct sequel to the high levels they had climbed up in the preceding week. There were only minor and insignificant variations in the cloth, jute and jute goods markets, and their underlying trend revealed no definite shift. The behaviour of the markets in the U.S., Britain and the Continent reflected confidence in the future. The improvement in the prospects for peace was interpreted by them constructively. Less inflation, reduction in taxation, expansion in world trade, these, they rightly thought, would be the outcome of peace in the world.

STEADY UNDERTONE IN SHARES

TATA DEFERREDS RALLY AT CLOSE

(From Our Own Correspondents)

BOMBAY, *30th July*

A MILD rally in Tata Steel shares towards the close was the only notable feature in an otherwise uninteresting week of trading on the Stock Exchange. Sentiment in the market remained dull and disclosed a slightly easier trend.

The declaration of the dividend on Tata Iron and Steel shares and the announcement by the Company's Directors of their proposal to issue bonus shares at the rate of one ordinary share for every ordinary share held after the conversion of the Deferred shares, which came after the market closed last Thursday, fell flat on the market. The issue of bonus shares in the ratio of 1:1 would mean a considerable enlargement of the floating stocks of the Ordinary shares and was, therefore, a bearish factor. The signing of the armistice in Korea had a slightly damping effect on the market, but did not result in any sharp break in prices. This was because it was long anticipated and had already been discounted in prices. Further, the signing of the armistice was nothing more than a military truce and many political issues have yet to be settled. Another factor which checked a large-scale recession was the technical position of the market.

The uninspiring performance of the market during the week was due to other factors also. The labour dispute at Burnpur has not yet been resolved, though there has been a slight improvement in the situation, inasmuch as the workers have agreed to move coal sufficient to keep the furnaces burning. Labour in Tata Iron and Steel Works at Jamshedpur have put forward a demand for a higher rate of profit-sharing bonus and the labour leader has held out a threat that, if the demand is not conceded, the workers would fight it out.

In the steel section, Tata Deferreds opened at Rs. 1,911-4 and in stages reacted to Rs. 1,895 on Tuesday. But renewed bull support and bear covering lifted up the rate to Rs. 1,935 to-day before it finished at Rs. 1,930. It is reported that some bull operators turned their attention to Tata Deferreds to take advantage of the lower prices of Tata Deferreds *vis-a-vis* the ordinaries and the shortage of floating stocks in Deferreds, and pushed up prices, which compelled the bears to cover their sales. Tata Ordinaries which had been moving between Rs. 329-12 and Rs. 327-8 till Tuesday experienced a demand and advanced to Rs. 333-8 at the close. Indian Irons which reacted from Rs. 24 to a low of Rs. 23-7 earlier in the week, moved up to Rs. 23-15 on hopes of a settlement at Burnpur, following the workers' agreement to move coal to the furnaces. The closing was, however, a fraction lower at Rs. 23-13.

Barring a few counters, which improved over the week, textile shares were quiet and prices, over a wide front, showed small losses. Bombay Dyeings were brought down from Rs. 385-10 to Rs. 379-6, but rose this morning to Rs. 386-4 in the wake of the advance in steels. They, however, met some selling pressure and closed the week at Rs. 383-2. Kohinoors drifted from Rs. 309 to Rs. 305-8, Centurys finished Re. 1-4 lower at Rs. 275-4, Indore Malwas suffered a loss of Re. 1-4 to Rs. 91-14 and Simplex accounted for a loss of a rupee at Rs. 171-8. Finlays stood a rupee lower at Rs. 325. New Greats were quiet at Rs. 150-8. A drop of Rs. 150 to Rs. 1,650 in *Sholapoors* was a feature. Standards moved down by a rupee to Rs. 318-12. Svadeshis met with good support and gained Rs. 4-12 to Rs. 257-12. Gokaks advanced by Rs. 2-8 to Rs. 227-8. Swans rallied from Rs. 437-8 to Rs. 452-8 and Gold Mohurs from Rs. 182-8 to Rs. 191-4.

Bank shares showed a mixed pattern. Barodas shed a fraction to Rs. 111. Centrals were unchanged at Rs. 66, while their New shares put on Re. 1-8 to Rs. 68-8. Imperial Fully Paids were stagnant at Rs. 1,837-8, whereas Contributories dropped Rs. 5 to Rs. 445. Indias were in demand to go up by a rupee to Rs. 160.

Renewed investment buying characterised business in electricity shares. Ahmedabad Electrics were well held round about Rs. 111-4. Bombay Suburbans and Surats changed hands Re. 1-4 better at Rs. 128-2 and Rs. 125, respectively. Andhra Valleys rallied from Rs. 1,453-12 to Rs. 1,460. Tata Hydros were steady around Rs. 154-8 and Tata Powers at Rs. 1,545.

Minor variations characterised trading in the miscellaneous section. Associated Cements had a loss of Re. 1-8 over the week to Rs. 171-12. It was reported that some holders in these shares switched over to Tata Ordinaries. Belapurs provided an exception with a smart rise of Rs. 3-8 to Rs. 235-8. Bombay-Burmahs old were steady at Rs. 362-8, B.I.Cs. at Rs. 8-4 and National Rayons at Rs. 108-8. Tata Chemicals suffered a loss of As. 34 to Rs. 9-2 and Tata Oils As. 8 to Rs. 32-4. Walchandnagars receded from Rs. 141-4 to Rs. 138-12. *Wimcos* rose by Rs. 3-2 to Rs. 138-12.

In the transport group, Scindias were in request to gain As. 3 to Rs. 13-11. Bharat Lines found sellers at Rs. 83. Air-Indias had business at Rs. 87-8. Air-India Internationals had buyers at Rs. 109.

In the mining and engineering section, Indian Coppers had a half-anna rise to Rs. 2-13-9. Shivrajpurs lost a fraction to Rs. 57-8. B.B. Petrols continued to be in favour to go up As. 13 to Re. 1-4½. Alcock Ashdowns showed no change at Rs. 293-12. Tata Locomotives found buyers at Rs. 86. Josts Engineerings were picked up Re. 1-12 higher at Rs. 86-12.

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Calcutta Stock Exchange

CALCUTTA, *28th July*

The signing of the armistice in Korea had a chilling effect on the Calcutta Stock Exchange during the last two sessions of the week and the general reluctance of operators to enlarge their commitments, but to proceed cautiously—a tendency which had been in evidence in recent weeks—became more pronounced. In spite of this, prices were hardly affected, since a peace in Korea had been considered long overdue, and operators had prepared themselves for the announcement that came on Sunday night. The volume of business was very limited. Besides the reluctance of operators to take risks, another factor which contributed to the thinning out of the turnover was the inadequacy of finance. Demand for funds from trade circles continued to persist in the city and subscriptions to the State loans had taken away quite a good slice of the money which would normally have found its way into the share market. It should, however, be said that the week, taken as a whole, recorded a better performance than the week covered by our last report. Selected counters in the coal, jute, sugar and miscellaneous shares came in for interested enquiry and recorded small gains.

Higher advices from Bombay, following the week-old announcement regarding increased retention prices for steel manufactured by the Tata Iron and Steel Company, Ltd., and expectations of a similar increase for the Indian Iron and Steel Company, Ltd., forced an earlier rally in the speculative counter, Indian Irons, which improved from Rs. 23-10 to Rs. 24-2 on Wednesday last. This improvement was, however, short-lived, as the expectations did not materialise and the rate therefore, declined to Rs. 23-14 on Thursday. A slight improvement in tone was noticed on Friday, as a result of expectations of an early easing of the disturbed labour situation in Burnpur. As no improvement in Burnpur was reported on Saturday the shares reacted to Rs. 23-8. Although it is thought that the decreased production on account of the slow-down by the workers from early this year would not affect the expected dividend announcement for the year ended 31st March, 1953, the view that, if higher retention prices are not granted and the slow-down at Burnpur continues, the working results of the current year would be affected, is held in market circles. The news from Asansol that the slow-down strike has now affected supply of coal to the furnaces had also a depressing effect. To-day sentiment was quiet, and the rate could not move higher than Rs. 23-13.

Among other engineering shares, Jessops were accorded support at Rs. 23-15, while Braithwaites, at Rs. 11-6, were fractionally lower. Texmacos were unchanged at Rs. 5-10 and Bartias suffered a decline from Rs. 12-15 to Rs. 10-12. On the other hand, Burn & Cos. featured the section with a recovery from Rs. 286 to Rs. 290. Kumardhubis changed hands at Rs. 7-6.

Excepting for a fair turnover last Friday, when transactions were put through on scrips being offered at lower levels, coals were quiet and accounted for further losses. Tokyo reports that Japan was attempting to import a large quantity of coal from the United States were sadly noted in the section, in view of the fact that if Japan also does not buy from India, exports during the year would dwindle considerably. A feature of this week's share transactions was the keen interest displayed in Orientals, which were raised from Rs. 10-4 to Rs. 12-8. New Beerbhooms were unchanged at Rs. 19-4, but Dhemo Mains were fractionally lower at Rs. 10. Bharats realised Rs. 5-14, while New Manbhooms were lowered from Rs. 10 to Rs. 9. At Rs. 4-7, Western Bengals had a loss of As. 4.

With restricted turnover, jutes were idle, excepting for a few selected features on interested buying. However, judged from the recovery in the jute goods market, a better trend ought to have been no surprise at all. For, it is generally expected that working results of mills for the current accounting period would show visible improvement compared to the previous.

Among miscellaneous industrials, F. & C. Oslers shaded earlier to Rs. 5-2 on profit-taking, but recovered to-day to Rs. 6-1. After being lower at Rs. 127-8, Jardine Hendersons improved to Rs. 130-8, and Angelo Bros. were fractionally better at Rs. 18-8. Bharat Airways, on good support, gained from Rs. 2 to Rs. 2-9. Titaghur Papers also improved from Rs. 35-2 to Rs. 35-11, but were quiet to-day at Rs. 35-8. Sone Valley Cements, after declining from Rs. 7-2 to Rs. 7, recovered to Rs. 7-1. Rohtas Industries realised Rs. 8-5.

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Madras Stock Exchange

MADRAS, *28th July*

The performance of the Madras Stock Exchange during the week under review was better than in the previous week. There was a distinctly steadier undertone. Operators appeared to be in a confident mood. Textile scrips, which made considerable headway last week, not only consolidated their gains but also advanced further. Plantings came in for a fair share of enquiry. Trading in teas was encouraging, on good prices fetched by tea leaves during the recent auctions at Cochin and Calcutta. Even rubbers disclosed a buoyant mood, while coffees came in for selective support. Miscellaneous scrips ruled in sympathy with the rest. Banks, however, were dull. There was some improvement in the volume of business and equities generally disclosed sizable gains over the week.

Scrips in the textile section came in for a good share of buying this week. Coimbatore Pioneers shot up from Rs. 106 to Rs. 113 and Spinnings from Rs. 41-8 to Rs. 43-8. P. Andvar 'A' and 'B' were higher by Rs. 6 each at Rs. 60 and Rs. 85, respectively. Rajalakshmis gained Rs. 3 to Rs. 77 and Rangavilas Rs. 2-8 to Rs. 47. Cambodias were done at Rs. 10-13, as against Rs. 10-11. Cannanores, however, lost Rs. 3 to Rs. 95. Metturs changed hands at Rs. 187-8 ex-dir., as against Rs. 199 cum-dir.

Among plantings, teas were in good request. Periakaramalais and Nilgiri Teas improved by As. 4 each to Rs. 28-8 and Rs. 12-2, respectively. Stanes Amalgamated (tea and coffee) also put on a similar amount and finished at Rs. 8-10. Kalasas were done at Rs. 12-4, as compared with Rs. 12, end of last week. Chandramalais and Peermades were higher by an anna each at Rs. 2-12 and Rs. 27-5, respectively. United Nilgiris, however, lost Rs. 3 to Rs. 185. Chembras were lower by an anna at Rs 2-12.

Interest in rubber scrips was encouraging. Business in Rajagiris was done at Rs. 11-3, as against Rs. 10-12. Travancore Rubbers advanced by As. 2 to finish at Rs. 12-2 and Peninsulars by an anna and a half to close at Rs. 8-8½. Thamaraipallys and Thirumbadis improved by an anna each and finished at Rs. 13-11 and Rs. 2-12½, respectively. Kailas Rubbers were higher by a similar amount at Rs. 3-8½, whereas Be Bees were slightly lower at Rs. 1-15½.

BOMBAY SUBURBAN ELECTRIC

Much light was thrown on the prospects for the Bombay Suburban Electric Co., Ltd., by Mr. K. G. Milne, Chairman of the Company, in his address to the shareholders. This Company, as is well known, serves the electricity needs of the vast and growing suburban area of this city. Mr. Milne rightly drew much comfort from the thought that a further expansion of Bombay's housing and industry was inevitable and that it was equally inevitable that a very large part of it must take place in the area served by the Company. Already, there are three large new consumers "in prospect or under development"—the new station of All-India Radio, the Civil Aerodromes at Santa Cruz and the Refineries construction works and colonies at Trombay. Ground is being prepared for a vast housing estate, at Vile Parle, which will be a "township in itself." In order to meet this ever-growing demand for electric supply, the Company embarked, in 1948, on a six-year plan for improvements. It would appear that nearly 75 per cent. of the plan has already been implemented. Mr. Milne was confident that, upon the completion of the plan, the Company would be able to meet the anticipated demand for 19,000 kw. in 1956; the present demand is 10,000 kw. He warned, however, that, as against these bright prospects, must be set down the "looming spectre of power shortage" and the continuing inadequacy of reward for investment in electrical undertakings.

After referring to the steep rise in distribution costs, and the 12½ per cent. increase in the cost of electricity supplied by Tatas to the Company, which necessitated an upward revision of rates for electricity supplied by the Company to its customers, the Chairman pointed out that, despite these increases, electricity was about the "only daily necessity of life that has not risen two or three hundred per cent. since pre-war in sympathy with the cost of living." He illustrated this statement by a reference to the Company's own rates. Between 1935 and 1948, the rate for lights and fans was lowered from As. 6 to As. 3 per unit, less a quarter of an anna discount for prompt payment. In June, 1953, it was raised to As. 3.375 per unit, less the usual discount. Even so, it is less than the pre-war rate, which, as Mr. Milne suggested, is "something not to be lightly disregarded." Referring to some uncritical comparisons which had been made between the Company's rates and the rates charged by the sister concern in the Bombay city area, the Chairman pointed out that the economic and physical considerations in the two areas were entirely different. Thus, the city of Bombay occupies an area only one-sixth of the area which the Company serves. One block of flats in the city could alone bring as much revenue as an entire village in the suburbs and at a "minute (capital) cost in comparison." Also, the Municipal Electricity Undertaking does not, unlike the Bombay Suburban Electric, pay the Government any income-tax or super-tax. If the Municipality paid these taxes to the Government, then there would be no "great difference" between the rates charged by the Company and those charged by the Municipality. Finally, he said, in reply to a question, that any move towards nationalisation of the Company would be ridiculous. It would involve payment of Rs. 3 crores or more to the Company by way of fair compensation, apart from the question of the difference in efficiency of service rendered by a private undertaking and that given by a nationalised undertaking. The Company, he told the shareholders, could not be legally acquired before 1976, and then only by a State Electricity Board and not by the Municipality. He rightly warned that "loose" talk of nationalisation did great harm to electrical development in the country by "further inhibiting the investment of money in such enterprises."

NEWS IN BRIEF

THE number of umbrella rib sets manufactured in India improved from 46,849 in 1951 to 120,329 in 1952.

During the first two years of the Five-year Plan, India received external assistance of Rs. 189 crores in the form of grants and loans.

Trunk telephone exchanges in India increased from 278 in 1947-48 to 608 in 1952-53. The number of trunk calls rose from 5.3 million to 12.8 million during the same period.

The Indian Telephone Industries (Bangalore) has plans for stepping up production of telephones from 40,000 to 600,000 per annum. It has also plans for raising the capacity of the tool room for the large-scale manufacture of duplicated tools required. There is a proposal, too, to start manufacture of carrier equipment, including the 12-channel carrier.

The Government of India has agreed not to levy any excise duty on goods exported to Nepal, such as cloth, sugar, salt, matches, cigarettes, tobacco and betelnuts. As a result of this decision, the Nepal Government will gain about Rs. 50 lakhs per annum, in that it will levy an import duty on these goods.

The diamond jubilee conference of the United Planters' Association of Southern India will be held at Coonoor on the 24th inst. It will be inaugurated by Mr. Sri Prakasa, Governor of Madras. Simultaneously with the Conference, the sixth U.P.A.S.I. Exhibition will be opened by Dr. U. Krishna Rao, Minister for Industries and Labour, Government of Madras.

The National Safety Council of the United States has presented its "Award of Merit" to the Firestone Tyre and Rubber Co. of India Ltd., Bombay, in recognition of the latter's success in operating 1,008,912 man-hours without a lost-time accident during the period July-November, 1952. This is the first time that such an Award has been given to an industrial undertaking in Bombay.

The Tariff Commission has prepared questionnaires for producers, importers and consumers in connection with its inquiries into the continuance of protection to (1) sago (tapioca globules) industry and (2) cotton textile machinery industry (spinning ring frames, spinning rings, spindles, plain looms and fluted and tin rollers) beyond 31st December, 1953.

The slow-down strike of workers of the Indian Iron and Steel Company's factory at Burnpur is reported to have seriously affected the loco traffic which supplies coal to the factory. The management is apprehending total stoppage of furnaces, resulting in cessation of production in all the workshops, if the supply of coal is not maintained at its minimum, namely, 50 wagon-loads per day.

The Government of India has referred to the Tariff Commission for enquiry and report the question of abolition or reduction of import duty on intermediates and raw materials used in the manufacture of certain dyestuffs, drugs and pharmaceuticals. After preliminary examination, the Commission has decided that it would be more appropriate if the investigation were to be carried out in two stages, dyestuffs at one stage and drugs and pharmaceutical at another stage. The Commission has now undertaken the first stage of its enquiry covering dyestuffs.

A programme to provide better and decent housing for the employees in the Sindri Fertiliser Factory is under the active consideration of the Government of India. The management and the Workers' Union of the Factory are expected to arrive at a satisfactory agreement shortly on issues relating to fixation of minimum wage for daily-paid workers, restoration of the Sindri allowance to the original figure of 20 per cent. and its application to new entrants, and production and incentive bonus to employees. This information was given by the Union Minister for Production at Sindri a few days ago.

The fourth meeting of the Rajasthan Industrial Advisory Council was held at Jaipur on 29th and 30th July, 1953. The meeting considered the possibility of establishing an Industrial Finance Corporation and a Cottage and Small-scale Industries Board in the State. The meeting also reviewed the industrial development and the exploitation and utilisation of mineral resources of Rajasthan. The other items on the agenda were a review of the progress of power projects and the position of power supply to industries, the desirability of the formation of a Steering Committee of the Council to advise the Government in respect of industrial policy, and a report of the Director of Industries and Commerce regarding the closed factories and factories having Government investment.

The import policy for ring frames and carding engines was announced by the Government of India on 21st March, 1953. A number of applications have since been received for the import of 37" or 38" cards under the impression that the import of these cards is not prohibited under the policy. The Government has, therefore, made it clear that the import of carding engines of any size other than of 45" is banned and that, even in respect of carding engines of 45", licences are being issued only to such users as have been actually using cards of this size. No import licences are being given for ring frames. This applies also to applications for imports that may have been made in pursuance of Public Notice dated 5th December, 1952. This import policy will apply to the whole of 1953.

A symposium on the Non-ferrous Metal Industry in India will be held under the auspices of the National Metallurgical Laboratory, Jamshedpur, in January, 1954. The symposium is being held to focus attention on the present state of the Indian non-ferrous metal industry and to discuss ways and means for stimulating its growth to meet present and future requirements. It will survey the non-ferrous mineral wealth of India, the applications of thermo-dynamic principles, melting and foundry technique, thermal treatment and fabrication technique, and powder metallurgy technique in the processing of the minerals. It will also go into the economics of the industry, the utilisation of by-products and reclamation of wastes and survey the researches into the development of non-ferrous alloys. An important subject to be discussed will be the scope of the future expansion of non-ferrous metal industry in India in relation to the Five-year Plan.

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From Abroad

The U.S. Government spent nearly $2,200 million for research and development during the fiscal year ended 30th June, 1953.

The farmland area of the United States comprises approximately 1,159 million acres, or nearly 61 per cent. of the nation's total land area.

The Ceylon Government has imposed, with effect from 25th July, 1953, a tax of Rs. 4 per lb. on all Ceylon tobacco leaf used in the manufacture of cigarette and pipe tobacco.

The population of the United States reached 159,473,000 in June, 1953. This represents an increase of 8,341,000 or 5.5 per cent., as compared with the last national census in 1950.

Under the arrangements recently agreed upon between the Soviet delegation in London and the British Government, Britain is to export to Russia woollen textiles in exchange for matches.

A contract for $15 million was obtained by a group of French industrial companies for the establishment of a factory in Brazil to produce 100,000 tons of soda ash, 20,000 tons of caustic soda, and some allied products per annum.

Recent scientific experiments in the U.S. have proved that diamonds can be tinted blue or green by "atomic bombardment." As this development has created a turmoil in the international diamond market, further experiments have been banned by the U.S. Atomic Energy Commission.

Following tariff negotiations at Bonn, West Germany has reduced duties on imports of certain types of steel from Sweden. The new tariffs for hot-rolled quality steel and ball-bearing steel are 8 per cent. and 4 per cent., respectively. The cold-rolled and drawn steel bears an import duty of 10 per cent. (average).

A contract has been signed between the Japanese group hino-diesel industry and the French national motor car company, Renault, for the installation of a Renault 4 h.p. motor car assembly plant in Japan.

France is now completing the installation of quite a new type of power-station on the Ivory Coast of Africa. It is designed to pick up thermal energy from the sea. The ocean power station, it is claimed, will control a source of supply that is definitely inexhaustible, the calories of sunshine being stored away by the surface regions of the sea.

The U.S. Treasury collected more than $369,595 million in taxes during the fiscal year ended 30th June, 1953. Individual Americans paid more than half the record total—over $36,949 million in income-taxes, representing a 10 per cent. gain over the previous year. Corporations paid more than $21,548 million, with the balance coming from miscellaneous taxes, such as those on gifts and estates.

The Government of Ceylon has raised import duties on a number of luxury articles. These articles include building materials, cigarettes, pipe tobacco, brandy, tinned foodstuffs, jewellery, confectionery, perfumes, electrical goods and eggs. The Government has also raised import duty on cotton piecegoods, yarn, natural silk, woollen and worsted materials, carpets and timber. On the other hand, export duties on cardamom has been halved, while that on whole pepper reduced from Rs. 250 to Rs. 150 for every 100 lbs.

The Ceylon Budget contains certain fresh taxation proposals. One such proposal relates to the increase in taxes on resident and non-resident companies from 30 per cent. and 36 per cent. to 34 per cent. and 40 per cent., respectively. Tax relief has been accorded to civil expenditure on productive undertakings. On the basis of the new rates of tax, a company which spends Rs. 1,00,000 in any one year for opening up and planting of uncultivated land will get a reduction of Rs. 34,000. An individual who spends a similar amount will get a reduction of Rs. 85,000.

PERSONAL

DR. S. Radhakrishnan, Vice-President of the Indian Union, returned on Tuesday after a two-month tour of the U.S., Canada, the U.K. and the Continent.

Sir Cowasji Jehangir, Bart., left Bombay on Saturday last on a three-month tour of Europe.

Dr. F. S. Tomlinson, Technical Manager, Dyes Department, Imperial Chemical Industries (India) Ltd., left for London last week on home leave preparatory to retirement after 23 years of service with the firm.

Dr. M. G. Candau, Brazilian Public Health Expert, and formerly an assistant Director-General of the W.H.O., has succeeded Dr. Brocl Chisholm of the United States as Director-General of the U.N. World Health Organisation.

Mr. Abdul Qadir, until recently Secretary to the Finance Ministry, Government of Pakistan, has been appointed Governor of the State Bank of Pakistan, vice Mr. Zahid Husain who has been appointed Chairman of the Planning Board.

OBITUARY

Mr. J. K. Mehta

We regret to record the demise of Mr. J. K. Mehta in Bombay this week. Mr. Mehta was the Secretary of the Indian Merchants Chamber, Bombay, for a long time. He played a significant part in the establishment of the Federation of Indian Chambers of Commerce and Industry, of which he was the first Secretary. He attended the I.L.O. Conference twice in 1921 and 1930 as adviser to the employers' delegate.

Mr. R. C. Lowndes

We regret to record the death of Mr. R. C. Lowndes, formerly senior partner of Messrs. Killick Nixon and Co., Bombay. Mr. Lowndes was a well-known figure in the commercial life of Bombay for many years till his retirement in 1946. He had served as a Trustee of the Bombay Port Trust and also on the boards of a number of important industrial undertakings.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

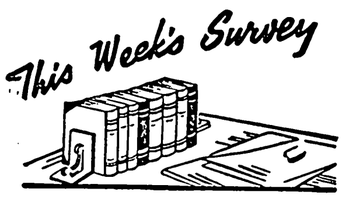
CALCUTTA, *4th August*

Does India Still Hoard?

Perplexing though the implications of the new rupee loan are to a degree, there is little doubt as to its success since the habit of hoarding in India has been steadily yielding the palm to the more insinuating habit of investing. During the past five years, the internal wealth of the country has appreciably increased, and even within the past two or three years loans to the amount of about Rs. 54 crores have been locally absorbed, while, since 1917, some Rs. 40 crores of cash certificates have been taken up. The tendency is one to be welcomed, as hoarded wealth is never fruitful, while investment is a stimulus to economic expansion. Imports of bullion afford a sure index to the waning influence of the Indian hoarding habit and, in this respect, a comparison of the imports of gold since April, 1925, when *de facto* stabilisation of the rupee at 1s. 6d. (gold) took place, with the imports for the five pre-war years, is interesting. In 1924-25, the imports were exceptionally large, due mainly to the large drop in the price, consequent upon the rise in the gold value of the rupee and the possibility that this drop in price would be temporary. This cause was operating, to a certain extent, in the first half of 1925-26, but, thereafter, the volume of imports decreased considerably, and for the years 1926-27 and 1927-28, the average net import was only Rs. 18.23 lakhs, as compared with an average for the five pre-war years of Rs. 28.15 lakhs. Allowing for the fact that, in pre-war years, gold was valued at Rs. 15 to the sovereign, the decrease in imports during the last two years, as compared with the pre-war imports, is very striking and tends to confirm the view that with the growth of the investment habit in India, gold imports in future are not likely to be as large as in the past.

Technical research undertaken by the Swiss Association for Navigation from the Rhone to the Rhine with reference to the possible development of the waterways between the Lake of Geneva and the Rhine has now shown that projected works on the Aar between the Rhine and the Lake of Bienne would cost Fcs. 140 million. Further, the construction of the Entreroches Canal joining the Lakes of Neuchatel (which is already connected by a canal to the Lake of Bienne) and Geneva would absorb some Fcs. 200 million. This research is to continue on the economic plane and is expected to be completed by the end of the year.

The Governments of Pakistan and France have agreed on a special arrangement for trade payments which will be in force till the end of this year. Under the arrangement, the Government of France will create a franc fund against payment for 75,000 tons of cotton imported from Pakistan. Similarly, the State Bank of Pakistan will create a rupee fund against purchase of some goods from France. At the end of the agreement period, the trade balances are to be settled in sterling. The arrangement covers the Pakistan-France trade agreement recently ratified by the Governments of the two countries which provides for the exchange of Rs. 20 crores worth of goods and commodities each way.



GOVERNMENT-SPONSORED CORPORATIONS

THE recent conflict between the chief of the Employees' State Insurance Corporation and the Government, not to mention the allegations of gross mismanagement that have been made against several Government-sponsored projects, such as the D.V.C., have once again brought to the fore the question of evolving a correct status and set-up of these corporations. The Rao Committee, which enquired into the administration of the Damodar Valley Project, has a few notable suggestions to make on this important question. The Committee emphasises that the acceptance of the corporation idea implies removal of Treasury control and checks and also the limitation of the authority of the Government and Parliament in respect of matters which ought to be dealt with by a statutory corporation. The concerned ministers should be responsible only for laying down the broad lines of policy but they should leave the details to the corporation itself. The Committee quotes approvingly Prof. Hobson's view that the day-to-day conduct of nationalised industries and of public corporations should be "immune from parliamentary inquisition."

The Committee further points out that if questions are allowed to be freely asked in Parliament about the working of public corporations, there will be a tendency on the part of the corporation to "avoid responsibility." The lack of initiation and absence of quick decisions, for which Government departments are noted, would then creep into the working of the corporation also.

The Committee, therefore, disagrees with the Estimates Committee which has recommended full Parliamentary control over the various river valley schemes, and prior approval by Parliament of all plans relating to the schemes. Nor is the Committee in favour of the provision in the D.V.C. Act which makes consultation with the State Governments necessary before the members of the Corporation are appointed. The Committee says: "We do not consider it a sound principle to provide for regional representation on corporations of this nature." It suggests that a public corporation should have the following duties and powers:

(1) A corporation should be created only when a project has been investigated in sufficient detail, and a fairly firm estimate has been sanctioned by the Government.

(2) Within the sanctioned project estimate, the corporation should have full power to execute the project, without any outside interference. It should not have any power to modify the scope of the project. That power should vest only in the Government.

(3) If the project estimate is likely to be substantially exceeded, the corporation must come to the Government for revised sanction.

(4) After completion of the project the corporation should have full powers to run its commercial or quasi-commercial activities, irrigation, navigation, power and flood control.

(5) In regard to non-commercial activities like soil conservation, afforestation, etc., schemes should be submitted by the corporation to the Government for approval, before they are taken up. Such schemes should be implemented only to the extent approved by the Government.

(6) The budget estimates of the corporation should be subject to Government's approval.

(7) Power should be taken by the Government to give directions as to the exercise and performance by the corporation of its functions somewhat on the lines of the Air Corporations Act, 1953.

Although there is a great deal to be said for an autonomous corporation of the type envisaged by the Committee, it is necessary to point out that the question cannot be settled by purely theoretical considerations. The fact must be faced that the defects, shortcomings, and irregularities of Government-sponsored projects which have been brought to light in recent years owe their discovery only to the persistent vigilance on the part of Parliament and to the work of the Estimates Committee. The question is whether these defects could have been avoided had there been less Parliamentary control or less inquisitorial examination. Or to pose the same question in a different form, have these defects arisen from lack of freedom for the men in charge of these projects or from a surfeit of it? The popular view is that it is not Parliamentary control but lack of it, that explains the irregularities in the administration of these projects. The fact is that the corporations should have freedom to manage well but none to manage their affairs wrongly. Perhaps, only experience will show what degree of freedom could, consistent with efficiency, be conferred on these corporations. In the meantime, it would be wise to refrain, as the Rao Committee suggests, from interference with their day-to-day working, though Parliament cannot be expected to divest itself of all responsibility, nor the Government of all powers, for the proper functioning of these bodies. After all, the corporations should be answerable to those who have provided the capital, just as those in charge of public joint-stock companies are ultimately answerable to their shareholders. In the case of the Corporations under reference, Parliament should have the same status as the shareholders, the Central Government that of the board of directors, and the administrative body that of a managing agent. From this point of view, it is the way in which the Government and Parliament discharge the functions regarding budgetary control and directive powers—the last two suggestions in the Committee's report quoted above—that will determine the success of these corporations.

ELECTRICITY INDUSTRY

The industrial atmosphere in Bombay has, in recent months, been surcharged by the controversy relating to the future of electric supply in this region, thanks to the Bombay Government's stand on Tatas' request for installing a 100,000-kw. thermal plant at Trombay. The Government has permitted the installation of only a 50,000-kw. plant. The effect of the Government's decision on the future supply of electricity in this region, and a host of other connected issues, figured prominently in Mr. K. G. Milne's address at the annual meeting of the Bombay Suburban Electric Supply Ltd. Mr. Milne prefaced his remarks by a reference to the failure of the monsoon in 1951, and its adverse effects on the Bombay industrial sector. He estimated that, irrespective of the monsoon's vagaries, this region will have to face a shortage of 100,000 kw. before 1957. Any possible failure of the monsoon would only worsen the region's precarious electricity supply position. Viewed against this background, it will be generally regretted that the Bombay Government should have refused to accede fully to Tatas' request for permission to install two plants of 50,000 kw. each. Mr. Milne pointed out, in this connection, that while both units would cost Rs. 13 crores, the installation of only one unit would cost Rs. 9 crores and not proportionately less. He estimated that the "extra Rs. 4 crores which would be spent on the second unit at Trombay would add only one-twenty-fifth of an anna per unit to the cost of Bombay's power." He rightly argued that this additional cost was a "small premium to insure that Bombay does not again suffer from a power famine." Surely, this additional cost would be regarded, under any system of actuarial calculations, as a most attractive premium, considering that the recent power famine resulted in an estimated loss to the national economy of some Rs. 60 crores in such a short period as nine months. No Government with some foresight will fail to appreciate this simple point and act so foolishly as the Bombay Government is doing at present.

The two ostensible grounds on which the Government has refused Tatas' claim are: (1) There is no evidence to show that there is sufficient demand for all the additional capacity that Tatas' want to install; and (2) the Koyna scheme, which will bring additional power supply to this region, should not be endangered by excess of supply. Mr. Milne rightly suggested that it would be difficult to adduce proof of demand of the kind that would convince the Government. So far as the Koyna Project was concerned, he was convinced that there was "plenty of room both for Koyna and for Trombay." He regarded that it was extremely unlikely that the Koyna scheme would be completed before 1960; a far less ambitious scheme, the Utran scheme (15,000 kw.), took seven years for the Government to complete. He warned: "If Tatas' plans are halved I fully expect that there will be a severe shortage of electricity in 1957, and whatever Government there may be in Bombay at that time will have to answer for the omissions of the present Administration." It is to be hoped that the Government will pay heed to this friendly warning and drop its ostrich-like policy.

Mr. Milne next dwelt on the future of the electricity industry in India. He emphasised, in this connection, the need for increasing the permissible rate of return on investment in the industry, in order to bring it into line with the present-day cost of money. Electricity undertakings have been pressing for an increase of the rate from the present five per cent. to six per cent. This is indeed a very moderate request, considering that the Bank rate, as well as the rates of interest paid by the Governments themselves have gone up since the rate of return was fixed. Further, working costs of electricity suppliers have also gone up. Apart from the general wage bill which has swelled to large proportions, there is the increase in cost of materials. Mr. Milne quoted figures to show that, while the prices of switchgear and transformers have increased 400 per cent. since prewar years, the cost of copper wire has increased by 1,000 per cent.; these articles are only two of the most important items of the capital equipment of electricity suppliers. Another problem of "formidable proportion" is double taxation of the industry which arises from the difference between the quantum of depreciation allowed under the Indian Income-tax Act and that fixed under the Electricity (Supply) Act. It would appear that while the authorities are willing to appreciate the force of these contentions, they are in no mood to secure speedy legislative sanction, on the ground that Parliament is so preoccupied with several other subjects that it is not likely to find the necessary time for carrying out a few amendments to the Act. This is regrettable in view of the fact that, while the shortage of electricity is a scourge that afflicts all parts of the country, no attempt is being made to enable private electricity undertakings to play their role in the economic development of the country.

INDUSTRIAL HOUSING

The Government of India has revised the subsidised housing scheme for industrial workers which was announced late last year. This revision is welcome chiefly because the new scheme extends the subsidised housing scheme upto 31st March, 1956, with a view to cover the rest of the Five-year Plan period. The effect of this decision is that it will be possible for State Governments, housing boards, employers and co-operative societies for workers to plan ahead for a longer period. The Five-year Plan provides for a sum of Rs. 38.5 crores in grants and loans for the construction of houses to industrial workers. According to the new scheme, 22,000 tenements estimated to cost Rs. 7.67 crores will be constructed during 1953-54. This sum, however, includes the previous year's commitments and the budgeted grant for this year. It is common knowledge that, although the 1952-53 scheme set the target at 28,500 tenements at a cost of Rs. 7.16 crores, the actual grants sanctioned were for 18,446 tenements only, at an estimated cost of Rs. 5.67 crores, as the scheme was brought into effect only late last year.

In several respects, the new scheme is more flexible and attractive than the old one. Co-operative housing societies, for instance, will now get as much as 50 per cent. of the cost, by way of loans, as against 37.5 per cent., under the original scheme. Further, loans are recoverable in 25 instalments, and not, as formerly, in 15 instalments. The subsidy, however, will be 25 per cent. of the cost, as in last year's scheme. Thus the concessions will encourage co-operative societies to extend their activities in the sphere of housing.

A significant departure from last year's scheme is the provision which permits 10 per cent. of the tenements to be two-roomed to meet the needs of the workers drawing pay of Rs. 150 or above per month. Under the last year's scheme, all the tenements had to be single-roomed ones. This step will help workers with big families to enjoy the benefit of larger accommodation. It will also help workers belonging to lower middle class. The amount of subsidy in the case of two-roomed tenements will be the same as that for single-roomed tenements. Loans will, however, be based on the standard costs of two-roomed tenements, laid down in the scheme, in accordance with the prescribed percentages, namely, 50 per cent. for State Governments, statutory housing boards and co-operative societies, and 37½ per cent. for employers. The new scheme has made it clear that ownership of tenements constructed by employers or workers' co-operatives will vest in them, subject to their fulfilling the terms and conditions of the agreement they will have to execute with the Government.

The new scheme also indicates the rates of standard rents for various types of tenements. They range from Rs. 10 to Rs. 30 in the cities of Bombay and Calcutta, and from Rs. 10 to Rs 19 in other cities and towns. The rents are inclusive of municipal rates and taxes. The maximum standard rents for different houses, after taking into account sinking fund and maintenance charges, municipal rates and taxes in the original scheme were Rs. 10 per month for one-room single-storeyed tenements, and Rs. 17-8 for one-room multi-storeyed tenements. The new scheme reiterates its earlier suggestion that the State Governments should try to persuade local authorities to allow a rebate of at least 50 per cent. of the general rate or house tax, for an initial period of 10 years, to facilitate reduction of rents, so that the workers will not feel the burden, and the rents may be within their capacity to pay. It remains to be seen whether the local authorities will be able to accede to this request, considering that their financial position is none too affluent, though they ought to be able to fulfil the Central Government's hope that the local authorities will provide schools, dispensaries and other amenities for the housing estates.

INSURERS' PROBLEMS

The practice of quoting differential rates of premium by insurers was condemned by Mr. Purshotamdas Thakurdas, Chairman of the Oriental Government Security Life Assurance Company, Limited, at the annual meeting of the Company, held this week. Some insurers, notably foreign insurers, quote lower premiums for what they regard as first class lives, thereby providing a new attraction to people with better means. This practice, Mr. Purshotamdas contended, was only a camouflage for the reprehensible practice of rebating. He emphasised that the practice was "repugnant to the very idea of insurance," inasmuch as insurance implied co-operation and the payment of the same rate of premium by the rich or the poor; the rate should vary only with the "age and state of health as revealed by medical examination." Now that insurers had been asked by the Life Insurance Council to discontinue the practice, he hoped that companies would appreciate the good that the business would derive by observing this directive. He also commended the Code of Conduct which would, when implemented, go a "long way towards eradicating other evils which unfortunately permeate the business of life insurance."

The Chairman subjected the Estate Duty Bill—those sections in the Bill which impinge on policyholders—to a critical scrutiny. He welcomed the concession that the moneys payable under an insurance policy effected by a deceased on his life for the purpose of paying estate duty would be exempt from the duty. But he rightly held that the other clauses, which relate to insurance, give either meagre or illusory relief. He was voicing the feelings of not only insurers but all existing and prospective policyholders when he said that the exemption limit of Rs. 5,000 for life policies and a similar limit for policies earmarked by a policyholder in respect of the marriage of his female relatives were much too low to constitute any real relief. The clauses relating to gifts of life insurance policies, he was afraid, might, in actual practice, give only "illusory relief." He did well to emphasise, in so many words, that it was no use copying elaborate legislation from advanced countries where social practices and State policies were entirely different. This is a wholesome warning in view of the fact that the Estate Duty Bill is modelled after the Act in Britain where every individual is protected by the State from the cradle to the grave. And where it differs from this model, it is only worse for the difference. Apart from this consideration there is a great deal to be said in favour of a high limit of exemption from duty—Mr. Purshotamdas said it must be at least Rs. 1 lakh—for insurance policies in this country where it is not so much the State as the individual himself who has to provide against risks such as unemployment, sickness, old age and death.

The Government of India, as was reported in these columns a fortnight ago, has deputed a team of three officials to study the progress of India's first newsprint project, the National Newsprint and Paper Mills Ltd. (Nepa Mills) at Nepanagar, near Khandwa (Madhya Pradesh). The team consists of Mr. C. R. Ranganathan, President, Forest Research Institute, Dehra Dun, Dr. A. Nagaraja Rao, Industrial Adviser to the Government of India, and Mr. C. V. Narasimhan, Deputy Secretary, Union Ministry of Finance. The team arrived in Nagpur on Thursday last week and has been holding disussions with the State's Minister for Industries and officials regarding all aspects of the working of the project and will determine the further steps necessary for its fruition.

OFF THE RECORD

(By "ROVER")

FROM the dawn of history, humanity has always paid heavily in blood, toil, sweat and tears for the follies and blunders of vain and obstinate rulers. Even democracy, with its many checks and counter-checks, has not succeeded in changing this position. Where many of these checks and counter-checks are not operative, the evil is as great as it was under the wholly autocratic and irresponsible rule of a single individual. Democracy itself stands in danger of being discredited as a system of government, unless we can devise some method which, though it may not cure puny politicians with more self-importance than sense of short-sightedness and an inflated ego, would at least serve to make them hesitate and weigh the consequences of launching on a given line of action, even after being duly warned by the saner elements in the society of the dangers inherent in their pet policies.

This should not be very difficult of achievement. Fortunately for us, common citizens, though the politicians are highly glamourised by some of their own silly and unworkable ideas, they are never so deep in love with them as to forget their own safety. They may stake the happiness and well-being, the very food and shelter, of millions of humble citizens, who are completely at their mercy, so long as they are in power. But the more obstinate they are than even the much maligned mule and difficult to be made to abandon a false position once they have dug their toes in, the greater would be their anxiety to renounce even their cherished convictions, when it is made clear to them that the most likely consequence of persisting in their folly would be the giving up of office.

It is easier for fish to live out of water than for some of our ministers to breathe out of office. As an out and out cynic of my acquaintance once remarked to me, even Rama, when it came to a choice between his crown and his dearly loved consort and his unborn children, kept the crown and let his queen and children go. Undoubtedly, this is an exaggerated and even a perverse view to take of the incident as narrated in the greatest epic of our country, but there is, nevertheless, the proverbial grain of truth in it to serve as a pointer, in a world which itself is getting more cynical and indifferent to finer values every day.

I admit it is not always possible to extract the full price of the damage they cause by way of punishment for the many sins of our politicians who manage to usurp the reins of power. Hitler and Mussolini paid with their lives for theirs, but what is the value of their paltry lives as compared with the untold sufferings and slaughter they heaped on the vast mass of humanity. There could never be full recompense for the mischief caused by even comparatively insignificant personalities, strutting on the political stage in some small corner of the globe, such, for instance, as the State of Bombay in a country called India, tucked away somewhere in the Continent of Asia on this vast planet of ours.

Besides, I am by no means a bloodthirsty savage viewing all punishment as just retribution for crimes—moral, political or economic. All I want is to eliminate progressively the irresponsibility of some of our petty-minded politicians, arising out of their inordinate self-love and exaggerated idea of the infallibility of their own judgment. To do this we have to discover the weakest spot in their pretty tough system and to assail them there. To make them behave better and to persuade them to desist from indulging in every whim of theirs, we have to put in their hearts the fear, not of God, but of losing their precious office, if their whim is later proved by results to be worthless and ruinous.

I am afraid I have dealt too long in generalities to prevent you from conjecturing that I am leading up by these mild and modest denunciations to Mr. Morarji Desai, Bombay's Chief Minister, and his policy of total prohibition. But you would be entirely wrong if you took a flying jump from the thesis on ministerial responsibility I have been trying to build up brick by brick, to land on Mr. Desai's head and his desperate struggle to banish alcohol from his sacred domain. I concede that it would be a very logical surmise on your part, considering that it is the sorest spot in our administrative set-up to-day and the most unpopular among the many unsound and unpopular policies of the Government in this State to-day. But my target on this occasion is more modest and the Minister whose vagaries have caused all this agitation in my otherwise placid and peace-loving mind is also not so exalted as the Chief Minister of the State. To come to the point, without any more camouflage, I may as well state that the Minister I had in mind when I raved about punishing those guilty of pursuing wrong policies to minimise such mistakes in the future was Dr. Jivraj Mehta, the State Finance Minister and the policy, for which I want that he should be pilloried, is that pet financial subject of his, the multi-point sales tax.

It is now almost certain that this excursion into the unexplored realms of public finance by a novice in politics, whom circumstances and certain vagaries of our public life had pushed up to a singularly responsible position, is going to be abandoned. Some politicians, while in office, are apt to be more blind than the proverbial bat, but the mischief resulting from this ill-advised measure even to the Government's own revenues is so colossal that even a bat could not have missed noticing it. Had the damage been confined to only trade and industry without affecting appreciably the anticipated return from this hydra-headed monster that Dr. Jivraj Mehta had fathered, the Government might have viewed the result with complacency. But both the budgetary and political consequences of this ill-conceived measure are of such dimensions that, unusual as it is for any Government to change the very structure of a tax measure, contribution from which forms the biggest item in the State's budget on the credit side, in the middle of a financial year, the Government of Bombay is being forced to take this step. I leave it to you to compute the loss of face involved in such an undertaking for a Government which has made a fetish of prestige during the past.

I want you to recall all the things which happened after the publication of the ill-fated Bill embodying the proposal to change the basis of this tax. This document, together with the Rules and the schedules, has undergone such changes that what is in force to-day is a tattered and syncopated version of the original measure. It was severely attacked in the Assembly and also by the Press and the public so bitterly that it would have opened the eyes of any Government which could claim some degree of sensitivity to public opinion. But more than all this I want you to recall that the various provisions of this unfortunate piece of legislation were subjected to a close analysis by the business community and condemned as likely to lead to disintegration of commerce in the State, transfer of business to other centres of trade outside the State resulting in an economic loss to a large class of people, which would be far heavier than the addition it would bring to the State revenues. All this was endorsed by the topmost leaders of the business community, known as much for their integrity and experience as for their moderation, like Mr. Purshotamdas Thakurdas and Mr. Pranlal Devakaran Nanjee from Bombay and several other equally eminent business men from Ahmedabad. With infinite patience, various organisations of trade and industry urged on the unwilling State Finance Minister the need for caution and more careful consideration before he took this fatal step. But fresh from his victory at the polls, this Minister, who knew nothing about the delicate structure of trade and industry in this State built up by the labours of many generations, chose to snub all his well-meaning advisers.

As confidently predicted by many shrewd judges of character and of public and economic affairs, this matter has now reached the stage where the Minister is compelled by the force of events to retrace his steps. He is not even penitent about this serious lapse of his. He would even now not revert to the old single-point sales tax but has discovered a face-saving device in a hybrid form of levy which goes by the name of two-point sales tax. This may be an improvement on his original mistake, but I am not concerned here with the comparative merits of either form of this unpopular tax. I am more concerned with the fact that a mistake, which was duly and repeatedly pointed out to him by responsible public leaders, was committed by him and as a result of this a considerable amount of damage was done to the economy of the State as a whole. It must also be borne in mind that this damage cannot be undone by merely retracing a step or two and tacitly admitting the miscalculation. Like every other citizen in a democracy, I want to assure myself that Ministers in the future will not persist in making such mistakes with impunity and in utter disregard of informed public opinion.

In other older democracies, a safeguard against wrong and injurious policies wantonly pursued by ministers is provided by the establishment of a healthy convention that a minister whose policy in any given case is proved to be wrong by results resigns his post and goes, at least temporarily, into the wilderness. There is joint ministerial responsibility in these more advanced countries, but this does not come in the way of the other ministers reconciling themselves to the sacrifice of a colleague, when that colleague, for some reason, has come a cropper with regard to any of his ventures. Joint cabinet responsibility should not, therefore, prevent us from establishing such a convention here also. There is no reason why we should continue to tolerate failures or people with defective judgment in our Governments or regard a place in the ministry in the light of providing an opportunity for training in politics to people who have spent the best part of their life in other walks of life. In all other careers a man has to pay for his mistakes; let those who seek a career in politics accept this salutary rule and pay for theirs.

There is nothing more crippling for our young democracy than our easygoing habit of regarding ministers as honorary public servants who are doing a favour to the community by accepting a position of power and authority and, therefore, entitled to make mistakes at heavy public cost. It would be equally fatal for the future of democracy, which has not yet been firmly established in our country, to indulge in the luxury of promoting people to places of greater responsibility merely because they have made a mess of a less important task. If the electricity muddle in the State of Bombay which cost the State, as computed by a competent economist, just about one hundred crores of rupees in cash and a good deal more in human distress arising from increased unemployment, had not been so easily overlooked and forgiven by the citizens, the Minister responsible for it would not have got a second chance to create a fresh multi-point sales tax calamity. It is not enough that the multi-point sales tax, which has proved disastrous to the ordered economy of this State, should go; with it must go also the man responsible for levying this tax.—*All Rights Reserved.*

NATIONAL PRODUCTIVITY CENTRE TO BE SET UP

RECOMMENDATIONS OF EXCISE COMMITTEE

(From A Special Correspondent)

NEW DELHI, *27th July*

THE signing of armistice in Korea has almost synchronised with the eventful meetings between the Prime Ministers of India and Pakistan at Karachi this week. Whatever be the final outcome of these meetings, one thing is certain; there may not hereafter be a resumption of vituperative propaganda by Pakistan against India. By and large these two countries will hereafter try to settle their differences in a peaceful atmosphere. The one tangible result of this improvement in the relationship between the two countries will be a distinct reduction in the defence expenditure of both the countries. In the first Partition year, namely, 1948-49, India spent Rs. 146.06 crores on defence, which has gradually gone up to Rs. 199.84 crores in 1953-54. With better relations with Pakistan, it may be possible for this country to scale down this expenditure by about 10 to 15 per cent. India can utilise a part of the amount thus saved to build up its defence industries, while the balance can, with advantage be devoted to the expansion of key industries.

DELHI LETTER

The Government of India is very much concerned with the growing unemployment in the country. The authorities are anxious to do something to mitigate this problem. They are, therefore, likely to take steps to intensify the development of industries, large and small scale, and also to plan and implement small irrigation projects which can provide more employment. Time is now considered favourable to carry out these expansion projects. The Korean armistice is likely to ease the capital goods markets in foreign countries to a large extent from the point of view of both price and the period of delivery. India's foreign exchange position has been satisfactory for the last many months on account of the improvement in the food and cotton supply position. It is, perhaps, these factors that prompted the Commerce and Industry Minister of Government to observe at Madras this week that the Centre would hereafter pay more attention to the establishment of new industries, as also to the expansion of old ones. With the return of the Prime Minister from Karachi, it is likely that both the Government and the Planning Commission will concentrate more on the tackling of domestic economic problems.

Productivity in Industry

Labour productivity studies are likely to be introduced on a greater scale than hithertofore in Indian industries in the coming months. This subject will be discussed from various angles at this week's meeting of the Standing Labour Committee. The Committee will consider the establishment of a National Productivity Centre which will be entrusted with the work of conducting productivity studies in selected plants, organise practical training courses and assist in applying modern industrial techniques with a view to demonstrating to Governments, employers and workers the benefits which follow from the application of such techniques. Since working conditions in an industry have an important bearing on the general turnover, the Centre will study these aspects and suggest improvements. It might, in addition, organise courses in cost accounting and in the application in industry of statistical methods. Besides, it will give advice, on request, to Governments and employers concerning the organisation, design and layout of new plants. Visual aids, travelling exhibitions and other methods will be adopted for creating public interest in raising production. This organisation will also assist in the development of existing training facilities in universities, in technical colleges and other institutions. It is possible that labour might feel apprehensive that greater productivity would lead to retrenchment and consequent unemployment, but Government is of the opinion that labour should be fully protected from any precipitate action. In fact, on any question of modernisation of plant and machinery, Government has always this aspect of the problem foremost in its mind, especially at the present time when the unemployment problem has been gathering momentum.

Expert Committee on Excise

The rate of duty on all spirituous medicinal preparations, whether they are of restricted or non-restricted category, should be Rs. 5 per L.P. gallon. This rate would be applicable only to the preparations manufactured in bond with the exception of a few recognised institutions. For preparations manufactured outside bond the rate of duty should be higher, i.e. Rs. 17-8 per L.P. gallon. Homœopathic dilution if done under bond, should pay duty at the rate of Rs. 5. The rate of duty on toilet preparations or essences containing alcohol and manufactured under bond should be Rs. 5. For *Ayurvedic* preparations of the restricted category the rate of duty should be Rs. 3 per bulk gallon of the finished product. Other *Ayurvedic* preparations should be free of duty. These are some of the recommendations of the Expert Committee (Excise) appointed by the Government of India some three years ago.

This Committee, presided over by Mr. A. N. Sattanatham, was asked (1) to report on measures to bring about uniformity in the States in the rates of duty on spirituous medicinal preparations of recognised therapeutic value which cannot be used otherwise than as medicine and to evolve a uniform list of such preparations, making a distinction between (a) preparations made out of rectified spirit and other alcohol; and (b) preparations containing self-generated spirit, (2) to prepare a uniform list of medicinal and toilet preparations, which can be put to other than medicinal use, and which should be excluded for the purpose of the concessional rate; and (3) to prepare a uniform code containing rules for adoption by all States relating to manufacture, sale, inter-State import and export of rectified spirit used for scientific and industrial purposes or used in medicinal and toilet preparations, etc. The Committee has also recommended that all manufacture should, as far as possible, be in bond and the concessional rate of duty proposed by the Committee will be applicable to manufacture in bond only. The Committee is of the opinion that there should be no restriction whatever on the movements of drugs and preparations which are not included in the restricted category. Products imported should be subjected to the same restrictions as products manufactured in the country. The Committee has suggested that, while it is desirable in the interest of prohibition, to have control over possession, storage and transport of molasses and *mohwra* flowers, the State Governments should be requested to make these articles easily available to trade for genuine industrial purposes.

Success of State Loans

The Finance Ministry at the Centre and the Planning Commission feel greatly encouraged by the commendable success of the state Loans. They have particularly taken note of the method and manner by which Mr. C. Rajagopalachari, Chief Minister of Madras, has been able to collect nearly Rs. 11 crores by way of public subscriptions as against Rs. 5 crores invited. The direct approach to the public which this Chief Minister had initiated a year ago, was somewhat intensified this year with gratifying results. The Government of India feels that Mr. Rajagopalachari has now established a successful precedent which could hereafter be adopted with considerable advantage by the popular Chief Ministers of different States in the country in the coming years.

During the last one or two years, the Government of India has been somewhat worried at the "extravagance" of some States in taking up more development projects than they could finance without difficulty and without undue dependence on the Centre. For instance, certain States like Madras had overdrawn on the Centre during the first two years of the Plan. During 1950-51, Madras received Rs. 16.4 crores from the Centre by way of assistance for financing the Plan, as against Rs. 20 crores earmarked for the five-year period. Now that Madras has been able to collect a sizable sum by way of loan from the public, the ways and means position of that State is likely to ease itself considerably during the coming months.

PAKISTAN NOTES

INDO-PAK RELATIONS

PRIME MINISTERS CONFER

THERE will be widespread satisfaction on the report from Karachi that the three-day Conference of the Prime Ministers of the two countries, which concluded on Monday last, was marked by a note of cordiality and a feeling of optimism. The two Prime Ministers have resolved that "every effort should be made not only to resolve the existing Indo-Pakistan disputes, but also to promote goodwill and friendship between the two countries." This must improve the chances of establishing harmonious political and economic relations between India and Pakistan.

The important questions which were considered at the Karachi Conference, which was purely informal in character, were: Kashmir question, evacuee property issue, canal waters dispute, and problems relating to East and West Bengal. The Kashmir question was examined from various angles. Although there was no definite progress towards a solution, it is expected that the question will be taken up at New Delhi when the Prime Ministers meet again. Throughout his talks, the Pakistan Prime Minister, it is reported, emphasised top priority being given to the settlement of the Kashmir dispute.

Since the evacuee property issue affects the lives of as many as ten million people in the two countries, the two Prime Ministers gave special consideration to it. An important outcome of the discussions was the decision to re-examine the issue *de novo*. As a sequel to this decision, the Advisers to the Ministries of Rehabilitation of the Governments of India and Pakistan commenced detailed discussions on Monday last. Both sides, a Press report avers, have expressed their views on the larger question of the desirability of the two Governments undertaking responsibility for the evacuee property left in the two countries. Inasmuch as this is a matter of major policy, any agreed solution must naturally rest on further discussion. Meanwhile, the issues relating to movable property, pension and provident fund of evacuees have been taken for consideration. An agreement has already been reached between the two Prime Ministers in regard to the care and maintenance of Sikh shrines in Pakistan. Properties of *Gurdwaras* are still intact and the Pakistan Government has agreed to safeguard them. Agreement has also been reached, in principle, that the boundaries should be readjusted so as to eliminate the enclaves in the two Bengals as far as possible.

On the canal waters dispute, both the Prime Ministers have expressed their satisfaction over the present arrangement to deal with the problem. Under the arrangement, the consultative machinery, established by the two Governments some time ago, is supervising the regular supplies of water to Pakistan. The larger question of utilisation of the water of the Indus basin is under consideration by the technical experts of the two countries under the ægis of the World Bank. The next meeting of these experts is to be held in New York early in September, 1953. Pakistan is reported to have appreciated India's viewpoint—a welcome sign indeed—that India may, in the future, have to take increasing quantities of water to develop the barren areas within its own territory.

Tea Production

According to a report from Dacca, the Pakistan Tea Board has constituted a sub-committee to examine the question of augmenting tea production in the country to 80 million lbs. per annum, as against the present level of about 53 million lbs. The need for a substantial rise in the output has arisen from two important factors, namely, (1) steady rise in domestic consumption and (2) urgency of maintaining a high level of exports. Tea, it may be noted, is one of Pakistan's major foreign exchange earners. The Board has also decided to appoint a Tea Officer at Karachi with a view to maintaining liaison with the Central Government so as to ensure quick decisions on important matters. It has also decided to appoint a sub-committee consisting of representatives of exporters, shippers and the State Bank of Pakistan to examine how best the gardens could secure reasonable price for their produce and the exporters might be enabled to purchase their requirements.

BRITAIN'S TRADE WITH CHINA

ANXIETY TO STEP UP EXPORTS

(From Our Own Correspondent)

LONDON, *19th July*

BRITAIN and British shipping companies, in particular, are the villains of the piece, in which Germany and other West European countries also play unenviable roles, in the report just published by the U.S. Senate Sub-committee on the growth of China's trade. The report claims that exports through Hong Kong into Communist China were 178 per cent. higher for the first five months this year than for the similar period in 1952, but that both import and export trade with the whole of Western Europe are now on a higher level than since the Communists gained control of China.

LONDON LETTER

The U.S. Committee regards this trade as altogether iniquitous, but the British Government have never taken that attitude, although they enforce the prohibition of export of any warlike stores to China. The American report is certainly not correct in saying that China "carries on trade only in those items which assist her war effort"; this country is as much concerned as the Americans that warlike material should not go out to be used against United Nations forces, but neither does this country regard itself as at war with China. The Foreign Office attitude is indeed cognisant of the fact that the entry of China into the Korean War was the product of a set of special circumstances, that the war is confined to Korean territory, that neither side (Koreans North and South possibly apart) wants the war and is anxious—with appropriate face-saving—to end it, and, very importantly, that for Britain the China trade has always had a special significance, from the days that Lancashire prosperity could be said to depend on an extra inch on the length of every Chinaman's shirt.

The commercial and financial communities in this country recognise the vast potential in the trade with China and, though the risks are great, profits are high and competition to do business is keen. Standing somewhat aloof are the old-established China companies—those which traditionally regarded the country as a colonial paradise and who cannot adapt themselves to doing business the way the Chinese want. But many new companies and organisations have risen to take their place. Foremost is the British Council for the Promotion of International Trade, which, under Lord Boyd-Orr's chairmanship, is anxious to develop exports to China to the limit. This Company does not import from China, but seeks to assist the Chinese in making contacts with interested importers so that the money can be provided to pay for British exports. One of the largest British imports is frozen eggs, but there are also groundnuts and the traditional pig-bristles.

Formation of Companies

Several small companies were formed a year ago after the conference of Iron Curtain countries in East Berlin, at which China was strongly represented. A good textile export to China resulted, but many of the goods which China wants are those engineering products in greatest demand by all Britain's customers and, if there is a suspicion that the goods might be used for some purpose connected with armaments, then the export is prohibited. Much trade has been lost to West Germany as a result (despite N.A.T.O.)! At the Chinese end, Peking tried to channel all its trade with West Europe through an office set up in East Berlin and British traders who would not deal that way could not get any business. But the Chinese soon saw that East Berlin was not a practicable centre for British companies and that a more direct channel was necessary. In Peking they formed the Chinese National Import-Export Corporation and set up an agency in Hong Kong—the China Resources Company. British companies prefer dealing with the Hong Kong agency, but the Chinese are anxious to deal directly in Peking as much as possible, and it is there that the British Council mentioned above has just concluded some negotiations which will no doubt rouse the U.S. Committee to even greater wrath.

From the P. and O. downwards, the British shipping companies trading with the Far East are anxious to see the China trade developed fully once again and they have been prepared to take considerable risks to keep their vessels running to Chinese mainland ports. Interference from Formosa is now negligible. Once the Korean War is ended the trade with China will go up tremendously, since a wide range of Chinese requirements will come off the forbidden list. The commercial and financial channels for this prospective trade are not yet properly established and both sides have got to learn how to do business with mutual trust, but the groundwork for all this is being laid now.

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Costs and the Export Surplus

LONDON, *25th July*

The great number of outstanding wage demands and, in particular, the demand by the engineering unions for a 15 per cent. increase, has prompted the Chancellor of the Exchequer, Mr. Butler, to issue a warning to industry that substantial cost increases, unaccompanied by productivity increases, may throw this country's balance of payments into deficit. He said that a 10 per cent. wage increase might mean a 4½ per cent. increase in export prices.

Mr. Butler's concern arises from the fact that, whereas in 1952 the country had a balance of payments surplus of the order of £300 million, the prospect for this year is only some £100 million—all of which is accounted for by U.S. defence aid. The volume of imports has increased this year, as compared with last, and is now well above the average for 1951; an 18 per cent. increase over the average for 1950 compares with a *fall* in the volume of exports of some 4 per cent. Fortunately, the terms of trade have in the past two years been moving steadily in this country's favour and the improvement of 7 per cent. between 1951 and 1952 has been followed by a further improvement of 9 per cent. over the past year. On imports alone, Mr. Butler reckons that the gain over the past two years has been some £200 million, while taking imports and exports together the improvement over the past year alone is undoubtedly greater than this.

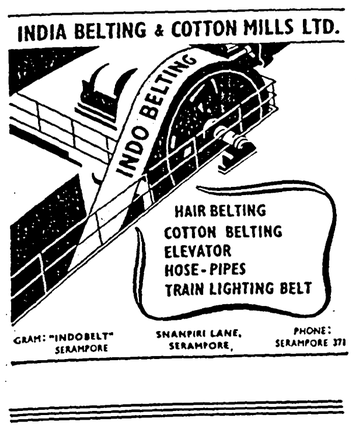
The trade figures for the past four months, March to June, show imports (c.i.f.) £1,167 million, exports £844 million, and re-exports, £35 million. The trade deficit thus comes out at £288 million but, if imports are converted to an f.o.b. basis, the deficit may be put at some £170 million or an annual rate of some £500 million. The Government are undoubtedly expecting an increase in net invisible income to offset the whole of this trade deficit of £500 million, so that the net receipts from America by way of defence aid represent a true surplus.

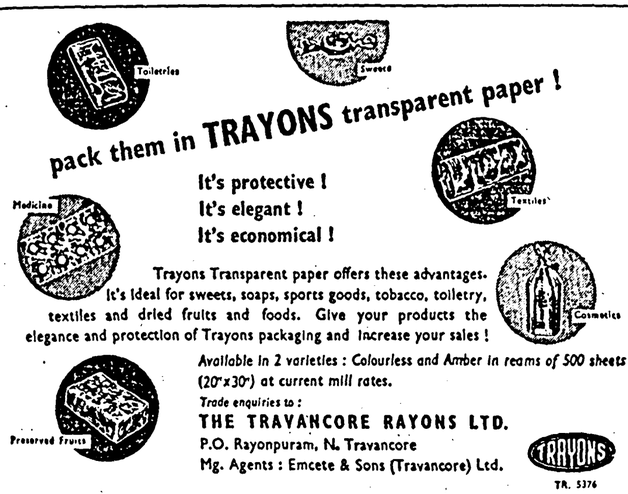
If the present relationship between import and export prices and the present volume of trade is maintained, the balance of payments surplus for next year will be substantially higher than this year, since we are still reaping the benefit of the improved ratio between import and export prices. But there is no immediate prospect of a surplus exclusive of defence aid—the continuance of which cannot be assumed—to the total of some £300 million or £350 million a year which the Chancellor of the Exchequer considers is necessary to finance both the rise in raw material imports which a developing economy will require and to enable that overseas investment which is necessary for the development of the sterling area.

Prospects for Export

There is some prospect that exports will continue the improvement they have made in the past six months over the last half of 1952—an improvement worth £70 million per annum, but Mr. Butler no doubt relates this sort of figure in his mind with the increase in the national wage and salary bill of some £550 million during 1952. It does not follow that this increase (which reflects an increase in workers' earnings of about 8 per cent. over the year) must be passed either in whole or in part on to export prices, but the latter are unlikely to escape some share of it.

Retail prices have not been going up recently to anything like the same extent as wage rates. This year the rise in the cost of living has been 2 points which is less than 2 per cent., and compared with a year ago the increase is a little over 3 per cent. But wages are in fact still in the process of catching up with prices. Over the past six years, retail prices have risen 40 per cent. and wage rates 35 per cent. It is just this time lag between wages and prices which prevents the unions from taking warnings such as Mr. Butler has just given too much to heart. They are aware that concessions they make now will not necessarily affect selling prices for some time to come, by which time other factors may have intervened. Nevertheless, the gist of Mr. Butler's warning must be taken to heart both by the unions and industry: it is that the margin between exports and imports is, in relation to the vast volume of this country's overseas trade and its sterling area commitments, still much too fine.—*All Rights Reserved.*





PUBLIC FINANCE IN EUROPE

SOME RECENT TRENDS ANALYSED

IN recent years, in advanced countries, budgetary policy has become a prime means of controlling the course of a national economy. It would, therefore, be interesting to examine the stage which the development of this policy has reached in Western Europe now. This has been done by Prof. R. C. Tress in an article in the July, 1953 issue of *Lloyds Bank Review*.

Any budgetary or public finance policy must be based up on taxable capacity. For such purposes as defence, administration and capital investment, the State cannot take more from the total national product than what is left after the minimum consumption needs of the people have been met. But, so far as the raising of tax revenue is concerned, the effective limits to taxable capacity are imposed by the quality of the public administration, the education and political sense of the taxpayers and, in the case of federal systems of government, by constitutional restrictions.

The income-tax levied at a progressive rate, on assessed personal incomes, is the most effective system for raising revenues in a sophisticated and politically stable society. As a source of revenue, it is more productive than the poll tax or a charge on the possession of land, only where the development of trade and industry yields a large income distinct from the income yielded by land and where the distribution of income is more varied than the simple division between the landed rich and the poor peasants or landless workers. Even then, the income-tax proves to be a successful tax only in a country whose citizens are able and willing to keep books and to make returns, that is, literate and law-abiding, and whose administrators are efficient and incorruptible enough to make the assessment and tax collection properly. Hence, it is very difficult to make income-tax a successful raiser of revenue in backward countries. The tax presents difficulties even in Western Europe. Thus, deliberate tax evasion is a serious problem in France, where a progressive personal income-tax was introduced only four years ago. The incomes of wage and salary earners are on the whole reported correctly by their employers to the tax authorities, but the self-employed and professional classes declare their own incomes and their deliberate understatements are well known. The inequality in the distribution of the tax burden and the reactions resulting from this evasion have been important causes of the inflationary situation that has prevailed in France.

The progressive personal income-tax is still unknown in Belgium, Italy and Spain, which have a "schedular" tax system. Under this system, different but unprogressive rates are applied to each of a number of scheduled sources of income. A progressive charge on each person's total income provides no more than a complementary addition. It is only in Denmark, the Netherlands, Norway, Sweden, the U.K., the U.S. and Canada that income-tax is the largest single source of revenue. Even in these countries, income-tax appears to be reaching its peak and two other taxes, namely, taxes on commodity sales and on business profits, are becoming more prominent.

Commodity Taxes More Burdensome

As regards taxes on commodities, that is, indirect taxes, two developments have taken place. First, there is an increased use of "purchase", "sales" or "turnover" taxes, which are a small number of rates of tax, each of which is applied to a wide range of goods and services. Secondly, taxes on tobacco and alcoholic beverages have become specially important. The reason for these developments is the same as that which made the income-tax very important earlier, namely, that they are an efficient engine of finance. But, apart from expediency, income-tax claims certain moral and political virtues. Can commodity taxes do the same? It is argued that, whereas income-tax leaves the taxpayer free to decide upon the manner in which he cuts down his real consumption, a commodity tax changes the price of the particular commodity relative to the prices of other commodities and so puts greater pressure on the taxpayer to economise in the use of that commodity than that of other commodities. On special occasions, such pressure may be in national interests. For instance, British Chancellors of the Exchequer imposed such taxes to curtail demand for imports from the dollar area and for goods needed for export. But, generally, they are more burdensome upon taxpayers than income-tax and unjustifiably so, unless there are special reasons for imposing them.

The weight of the above objection is greatly reduced if taxes are imposed upon a wide range of commodities, because then the relation between the prices of the commodities remains mostly unaltered. In such a case, commodity taxes are superior to income-tax in two respects. First, although they can be made roughly progressive, by exempting food and clothing, they do not involve a penal treatment of marginal earnings, as is done by income-tax. Secondly, savings are not liable to these taxes.

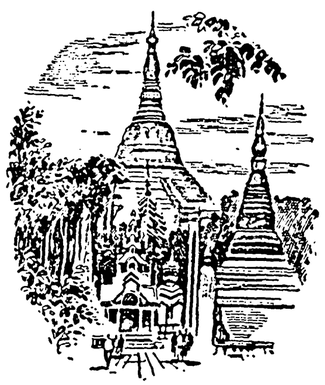
The case for the heavy taxation of tobacco and alcoholic beverages is that these commodities are not necessities of life and that taxes on them need be paid only by those who have incomes large enough to enable them to indulge in these luxuries.

"Profits taxes" or "corporation taxes" have many roots: (1) In the "schedular" taxes, which allow some incomes to be taxed when an entire personal income-tax is impossible, (2) in the principle that enterprises should be charged for benefits which are part of the costs of production of their products (3) in mistaken applications of the principle of ability to pay and (4) in sheer political prejudice. But here also arises the necessity of exempting savings made by public companies. Wherever Governments intend to continue to depend upon private enterprise and private investment for the economic development of their countries, the above necessity should be recognised.

Taxable Capacity

We now proceed to consider the pressure on taxable capacity resulting from the amount of Government expenditure to be financed and the use of "budgetary" policy as a means of financing investment and curbing inflation. Public expenditure, broadly speaking, is made up of defence expenditure, social service expenditure and the cost of administration. It is inevitable that all these three elements should increase with the growth of the population and the national income. The growth of public expenditure must be considered in two stages. First, ther is "Government expenditure on goods and services," that is, the quantity of real resources which the public authorities appropriate out of the total national product to bestow free of charge upon the public in the social services which they enjoy and the defence and police services which protect their life and property.

When you go to Rangoon



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Secondly, there is "total Government current expenditure" arrived at by the addition to expenditure on goods and services of "transfer payments," that is, cash payments to holders of national debt and to the recipients of social security benefits. In considering the use of real resources, these cash transfers mean private, not Government, consumption. Further, although they add to the tax burden, they also, unlike direct expenditure on goods and services, add simultaneously to the private incomes from which taxes can be obtained. For instance, the holder of Government securities pays income-tax on his interest receipt and the recipient of old age pension pays tax on his tobacco.

In the United Kingdom, Government expenditure on goods and services (excluding transfer payments mentioned above) went up from 13 per cent. of the current national product in 1938 to 17 per cent. in 1951. In the U.S., it went up from 15 to 19 per cent. during the same period. The increase was less in Denmark, France, the Netherlands, Norway, Sweden and Canada, being from 10 to 11, 11 to 12, 9 to 12, 7 to 9, 9 to 12 and 14 to 15, respectively. In the cases of the U.S. and Canada, however, the Government expenditure included items of capital investment as well as of current expenditure. Upto 1951, the large relative increase in direct Government claims on real resources in the U.K. resulted mainly from expanded social services and from a greater amount of administration and not from any increase in the proportion of defence expenditure. But, in the case of the Continental countries, the increase in Government claims was due mainly to increase in defence expenditure. This pattern is not altered appreciably even if transfer expenditure is taken into account. It was only in the U.K. that total Government expenditure exceeded one quarter of the gross national product in 1951. In the Continental countries, the proportion was less than one-fifth. In between came Canada and the U.S.

The differences between the percentages of total revenue to gross national product in 1951 in the different countries were less, although here also the U.K. stood first with a percentage of 32. The percentages in Denmark, the Netherlands, Norway, Sweden, Canada and the U.S.A. were 21, 28, 27, 27, 24 and 26, respectively.

Two Opposing Forces

In shaping their budgetary policies, all European countries have had to deal, since the war, with two opposing forces, namely, the extensive demand for capital reconstruction and expansion and the high consumption demands of fully employed people, reacting from war-time austerity. Total capital formation in every West European country during 1947-52 was at a higher level than in any corresponding pre-war period. All West European Governments endeavoured to secure high levels of real investment and, at the same time, to maintain full employment and a stable price level. But it was only in Switzerland that a measure of success in this threefold policy was achieved.

The extremes of policy were provided by France, on the one hand and by Belgium, Italy and Western Germany, on the other. In France, the full execution of its programme of real investment got delayed, but full employment was maintained. But prices rose rapidly and the cost of living doubled during 1947-52, wages chasing prices all the time. By contrast, during the same period, prices in Belgium rose by about 20 per cent.; in Italy by 15 per cent., and in Western Germany still less. In all these three cases, price stability was secured not so much by a restrictive taxation policy as by the sharpness of credit control. It was accompanied by fairly wide unemployment.

The United Kingdom, Denmark, the Netherlands, Norway and Sweden followed a different course. They maintained full employment and avoided a rapid spiral of prices and wages. But they were not able to avoid a steady rise in prices, so that, during 1947-52, the cost of living rose by about 30 per cent., in spite of subsidies. Further, they experienced recurrent crises in the balances of international payments. These features indicated a reluctance to use interest rates or credit control as the means of restricting excessive demand and a great dependence on budgetary policy to achieve this object with the help of weakening physical controls.

The original object of this budgetary policy was to check consumption demand and thereby to provide Government savings in the form of budget surpluses which, added to private savings, mainly by corporations, would satisfy investment needs to the extent of physical capacity. For the countries of North-west Europe mentioned above, except Denmark, between 1947 and 1951, there was expansion of investment in private as well as public enterprise, but the part which Governments had to play in making the necessary savings increased. In 1938, the percentages of private savings and public savings to current gross national products were 15 and 1, 20 and 6, 20 and 5, and 11 and 2 in the Netherlands, Norway, Sweden and the U.K., respectively. In 1951, they were 15 and 9, 23 and 11, 18 and 8, and 6 and 6 in the same countries, respectively.

In what circumstances and how long can budgetary policy successfully restrict consumption? Limited taxable capacity, which restricts both the choice of policy and flexibility in pursuing it, is a very important consideration in answering this question. As regards the choice of policy, Mr. Colin Clark has stated that, if taxation rises above 25 per cent. of a country's net national income, the parliamentarian, banker or administrator, facing what he regards as excessive taxation, becomes, consciously or unconsciously, more reluctant to erect those barriers which, in more normal times, he would erect against rising wages and prices. This consideration seems to have influenced the policy of the countries of North-west Europe since 1945.

In this respect, the contrast between North-west Europe and East Europe is striking. In the latter, excessive optimism regarding prospective output has been a frequent cause of inflationary pressure. But, there has not been much difficulty from the side of private incomes. With the help of turnover taxes, the East European Governments have manipulated prices freely for the purpose of equating demand and supply in particular markets. But wage rates have been fixed to secure a required distribution of labour or to encourage productivity. In the North-west European countries, on the other hand, programmes for the distribution of national resources among consumption and investment in certain proportions have been prepared. But the determination of wages has been left to bilateral agreements. The result, supported by movements in world commodity prices, has been steadily rising wage rates, divergences from the programmes of the use of resources and a number of balance of payments crises.

The budgetary policy, therefore, had to be modified so as to restrict business profits, which afforded the basis for successful wage claims, and the programmes had to be modified so as to transfer some of the restrictions from consumption to investment. But budgetary policy was not found to be sufficiently effective for controlling business profits or the demands of private enterprises for capital goods. Hence, during the last two years, credit restrictions have partially taken the place of budgetary restrictions. This does not mean that budgetary policy had failed. This policy was necessary after the war and is still found to be so. In a deflationary situation, it would become still more essential. The lesson to be learnt from recent experience is that it is a complex and difficult weapon.

UNCLAIMED BANK DEPOSITS

Section 26 of the Banking Companies Act, 1949 requires every banking company in India to submit, to the Reserve Bank of India, within thirty days after the close of each calendar year, a return in the prescribed form and manner, of all accounts, as on 31st December, in India, which have not been operated upon for ten years, giving particulars of the deposits standing to the credit of each such account. In the case of fixed deposits, the said term of ten years will have to be reckoned from the date of the maturity of each deposit. Banks in India are thus merely required to submit a statement of these dormant accounts, but no action seems to have been taken so far by the Government of India or the Reserve Bank of India as to the disposal of such unclaimed deposits. It may, however, be noted here that the notes on clauses to the Banking Companies Amendment Bill introduced in 1946 provided an indication of the intention of future consideration by the Reserve Bank of India of the advisability of transferring such unclaimed deposits to the Government. The fact that effect was not given to this proposal in the final Bill that went on the Statute Book indicates that the present Government has no intention of expropriating such deposits. No one can, however, say as to what the Government will do in future. If the returns submitted by banks were to reveal, in course of time, that there is a large amount of dormant deposits, we wonder whether the Government, needy as it is at present, would be able to resist the temptation of laying its hands on these deposits.

Occasional questions have been raised in other countries also whether unclaimed deposits should (1) be made over to the Government and become public property or, (2) be retained by the bank concerned and added to its reserve fund. For instance, only last week, these questions figured in the House of Lords. Viscount Samuel, while initiating a debate on what the Government proposed to do about the recommendations of the Nathan Committee on charitable trusts, put forward his plans for using the dormant banking accounts and intestate estates. Replying to Viscount Samuel, Lord Simonds, the Lord Chancellor, declared that there was no justification for taking the money in the unclaimed or dormant accounts in the clearing banks and handing it over to a common good fund or trust, as had been suggested by Viscount Samuel. The Lord Chancellor, however, made it clear that he was speaking personally and that he was making no declaration of Government policy. He added that such a proposal, as suggested by Viscount Samuel, would mean that the Government would have to examine the accounts in the banks and make other enquiries which would be a departure from accepted practice. There was no more justification for taking over these dormant accounts, he declared, than there was for taking the unclaimed dividends and credit balances held by companies and traders all over the country. The Lord Chancellor further added that the intestate estates and unclaimed post office and trustee bank accounts, Government stocks and dividends were held by the National Debt Commission and utilised to pay off national debt. Presumably, the law in the U.K. does not require banking companies to submit even a return of such accounts to the Bank of England, as is the case in India.

The main reason for not dealing with the question of disposal of such deposits in England and other countries is that it has been widely held, in these countries, that deposits with a bank are not affected by the laws of limitation. Under this law, the period of limitation is not regarded as having commenced before a demand for withdrawal is made. The dormant accounts are not, therefore, regarded in these countries as liable to forfeiture.

In Canada, however, the position is somewhat different. Banks in Canada are required to submit to the Minister of Finance an annual list not only of all accounts having credit balances which continue without transactions for five years, but also of all dividends which remain unpaid for more than five years and of drafts and other bills issued by a bank and similarly remaining unpaid. The Canadian law also requires deposits etc. remaining unpaid for a specified period to be paid over to the Government.

PUNJAB NATIONAL BANK LTD.

It was mentioned in these columns last week that, in refreshing contrast to the general trend of bank profits for the half-year ended 30th June, 1953, the working of the Punjab National Bank Ltd. during the half-year had resulted in a sizable increase in its profit over that for the corresponding six months of 1952. Details of the results, since published by the Bank, show that the profit for the half-year amounts to Rs. 24.67 lakhs, an increase of about Rs. 6 lakhs as compared with that for the first six months of 1952. With the sum of Rs. 1.93 lakhs brought in from the previous year's account, the amount available for disposal is Rs. 26.60 lakhs, out of which the Directors have appropriated Rs. 2.87 lakhs towards payment of bonus to staff and Rs. 26,000 for charity. The *ad-interim* dividend of 8 per cent. per annum, free of income-tax, declared for the half-year under review (as against 6 per cent. per annum paid last year) will absorb Rs. 3.50 lakhs (Rs. 2.62 lakhs), leaving a balance of Rs. 19.97 lakhs to be carried forward.

The Bank's deposits as at the end of June, 1953, are stated to have reached a record figure, surpassing even the pre-Partition record of Rs. 62.02 crores as at the end of 1946. The deposits as on 30th June, 1953, are said to be about Rs. 6.5 crores more than those at the end of June, 1952, and about Rs. 3.25 crores over those as on 31st December, 1952, when they stood at Rs. 58.94 crores. The Bank has thus recovered completely from the effects of the Partition in 1947 and built up its business steadfastly. In the matter of total resources and deposits, it has regained its former position as the second largest Indian joint-stock bank.

BANK OF BARODA LTD.

The profit of the Bank of Baroda Ltd. for the half-year ended 30th June, 1953, subject to audit, amounts to Rs. 10.23 lakhs which, as compared with that for the first half of 1952, shows a fall of Rs. 4.77 lakhs. After taking into account Rs. 2.38 lakhs (Rs. 2.15 lakhs) brought in from the previous year's account, the sum available for appropriation is Rs. 12.62 lakhs, as compared with Rs. 17.15 lakhs a year ago. The Directors of the Bank have declared an *ad-interim* dividend of 10 per cent. per annum, free of income-tax, the same as the previous year, which will absorb Rs. 5 lakhs, leaving a balance of Rs. 7.62 lakhs (Rs. 12.15 lakhs) to be carried forward to the next account.

FOREIGN INVESTMENTS IN CANADA

U.S. investments in Canada increased by $700 million last year to $8,000 million. At the same time, Canadian tourist expenditures in the U.S. were higher for the first time than U.S. tourist spending in the Dominion. British foreign investments in Canada gained also, while Canadian investments in properties and in securities outside of Canada increased substantially. Canada had a current account surplus of $151 million in transactions with all countries in 1952, including a net export of capital.

BANK AWARD

The Government of India will, it is learned, constitute a Special Bench of the Labour Appellate Tribunal, Bombay, to hear appeals against the Shastri Award. The Bench, which will have two members, will be presided over by Mr. F. Jeejibhoy, President of the Labour Appellate Tribunal, Bombay. The Board will hear about 52 appeals filed all over India against the Award. The hearing of these appeals is expected to begin on the 10th inst.

The Central Bank of Ceylon has raised its rate for advances to commercial banks from 2½ per cent. to 3 per cent. with effect from 25th July, 1953.

PAKISTAN TO BORROW FROM BRITAIN

FINANCE FOR PURCHASE OF CAPITAL GOODS

A PRESS note issued by the Ministry of Finance, Government of Pakistan, states that the British Government has arranged to make available to Pakistan a credit for £10 million to finance purchases in the U.K. of capital goods which will contribute to Pakistan's ability to solve its economic problem, particularly food problem. The terms of the credit, according to the Press note, are: (1) it will bear interest at 4 per cent. per annum, (2) it will be repayable over a period of 10 years, (3) during the first three years of the loan period, only interest will be payable and no part of the principal will be repaid, and (4) the loan will be utilised over a period of two to three years.

The loan will enable Pakistan to purchase much needed machinery and equipment for its development schemes and help it step up its food production. But the Pakistan Government Press note does not say how and through what machinery the loan will be made available to it periodically. For it will be clear from what has been stated above that the loan is not a lump-sum single payment by the U.K. Government. It will be made available over a period of two to three years. An announcement by the British Commonwealth Relations Office in London, however, says that proposals for the use of the credit would be made on the initiative of the Pakistan Government. The British Export Credits Guarantee Department will, it is stated, make payments as and when they fall due under approved contracts which the Pakistan Government may enter into with British manufacturers of capital goods. The Pakistan Government will present to this Department promissory notes or Treasury Bills sufficient to cover these payments. The Pakistan Government will simultaneously present for the Department's counter-signature instructions to the London bank to make payment from the special account to the British manufacturer of the goods in question.

Return of Buyers' Market

The foregoing financial deal, while serving as an example of Commonwealth co-operation and of the goodwill which exists between Britain and Pakistan, as is claimed by Commonwealth quarters in London, raises several noteworthy points. The loan is an all-purpose one, not being earmarked for any specific project, as is generally the case with the loans granted by the International Bank for Reconstruction and Development to underdeveloped countries. Pakistan can utilise the credit for purchasing capital goods only in Britain. It cannot be used for buying goods even in other parts of the Commonwealth. Thus, the deal represents a straight bid on the part of Britain to capture the markets in Pakistan for its goods which might otherwise be lost to its competitors such as France and Germany.

Pakistan has plans to convert its wholly agricultural economy into a semi-industrialised one and has two short-term plans, one a six-year development plan and the other a two-year plan. These include the establishment of a number of cotton mills, jute mills and power plants. Now, there is keen competition for markets in all these goods. In fine, this bargain is an indication of the extent to which a buyers' market has come to prevail in capital goods. There is almost a race among the industrialised countries of Europe to sell their capital goods to underdeveloped countries. Despite the State guarantee, German heavy engineering industries are finding it difficult to market their goods, because of the more favourable credit terms offered by French industries. It has, on this account, lost big orders in Turkey, Egypt, Spain and Pakistan. Britain has an advantage over Germany, in that its cost of steel products is cheaper than that of Germany. It will be noted that under a recent agreement with France, the latter will become the second largest supplier of capital goods to Pakistan.

The rate of interest at which Pakistan is now borrowing from the U.K. is certainly more favourable than the interest payable on the loans taken from the World Bank. Pakistan has so far been granted two 15-year loans by the World Bank, one for $27.2 million at 4¼ per cent. per annum for railway rehabilitation and another for $3.25 million at 4¼ per cent. per annum for agricultural development. The rate of interest compares favourably with what is charged by the U.S. Export-Import Bank. The Bank's lendings have now been strictly limited for financing international trade only. Even for such purposes, the rate of interest at which it can lend has been raised from 4 per cent. to 5 per cent. Thus, Britain has certainly shown some tangible concession to Pakistan, which is an indication of its anxiety to develop its export trade with that country.

BANK LIQUIDATION PROCEEDINGS

The draft Bill for regulating bank liquidation proceedings has been finalised, according to Mr. A. C. Guha, Union Deputy Minister for Finance. Disclosing this in Calcutta this week, Mr. Guha added that the Bill sought to economise expenses and expedite liquidation of bank proceedings, which, at present, involved delay and too much expense. The Government would appoint whole-time solicitors and lawyers so that exorbitant legal charges in connection with liquidation proceedings could be avoided.

ART SILK INDUSTRY IN BOMBAY

GOVERNMENT URGED TO AVERT CRISIS

THE art silk manufacturing group of the textile industry in Bombay—the group represents about 75 per cent. of the silk mills in the State—seems to have once again been confronted with a grave situation, thanks to the slump in art silk fabric trade and the lack of adequate supplies of yarn at reasonable prices. An indication of this is provided in the recent decision of some of the mills to curtail production, as well as in the move on the part of several others to follow suit, if the situation does not improve in the near future. As curtailment of output entails retrenchment resulting in unemployment, much concern has been expressed by workers. An anti-unemployment conference of silk mill workers was held in Bombay on Sunday last which urged the Government of India to take steps to avert the crisis in the art silk industry and trade. The three most important suggestions which the Conference put forward were as follows:

(1) Revision of policy regarding import of yarn;

(2) establishment of a Development Board to regulate production and prices of fabrics; and

(3) appointment of a Working Party for a detailed investigation of all the problems of the industry, such as finance, supply of raw materials, technical knowledge, standardisation of sorts, fixation of prices, etc.

The main factor which has adversely affected the art silk mills is the high cost of yarn—the principal raw material—brought about by scarcity of supplies. This, we are told, is the direct outcome of the restricted import policy of the Government. The Government has granted to the Silk and Art Silk Mills' Association, Bombay, a bulk licence for the import of Rs. 2 crores worth of art silk yarn on behalf of member mills during the current half-year. On the basis of the average import price of Rs. 2-8 per lb., this sum will be sufficient to cover imports of not more than 8 million lbs., which falls far short of the actual requirements of the industry estimated at 25 million lbs. for the half-year. This quantity has been arrived at on the basis of 8 lbs. of yarn per loom per day (2 shifts) and 300 working days in a year. Incidentally, it may be noted that the total number of looms registered with the aforesaid Association is 21,260, the number of mills being 313. This number may appear quite large, but the fact is that 60 per cent. of these mills are small units, with no more than 50 looms each.

High Prices of Yarn

The domestic output of art silk yarn is of the order of 8 to 9 million lbs. per annum, about 80 per cent. of which is sold direct to the Association's mills. This still leaves a large gap to be covered. It cannot be easily done by purchases from the local market, as the supply of yarn in the market is said to be rather scarce. This, coupled with the demands from the handloom sector, has been responsible for the high level of prices. The average price of yarn quoted in the market to-day is about Rs. 4 per lb., which is higher than the price in the Continental markets by Re. 1-8 per lb. Accordingly, "the industry," to quote one report, "will have to undergo considerable inconvenience and loss, particularly because it will not be possible for the mills to work their looms even for a few days and even for one shift, not to talk of the double shift which some of the mills have been working at present."

In view of these factors, the decision of the Government of India to restrict import of 150 deniers of bright finishes to the extent of only 5 per cent. of the face value of licences has been severely criticised by the mills. The Government has acted, it is stated, on incorrect information and has jeopardised the interests of workers and millowners.

It is not merely the shortage of yarn and high prices that have affected the art silk mills adversely; the fall in prices of art silk fabrics has also equally been responsible. So heavy has been the fall that the mills are said to be finding it extremely difficult to work on an economic basis. Such low level of prices is the result largely of a decline in demand from both indigenous and foreign markets. On account of the easy availability of cotton cloth, the demand for art silk fabrics has been slack. The export trade in art silk fabrics has become generally difficult by the growing competition from Japan, which is the world's largest and cheapest producer of art silk goods. It has been made even more difficult by the high cost of imported yarn, as already indicated.

The main factor which has made it practically impossible for the art silk mills to bear the adverse effects noted above is the rigidity of labour costs, which, after the cost of raw material, constitutes the major item in the cost structure. Owing to the steady uptrend in wages, dearness allowance and bonuses, the labour bill of a mill is to-day very large. To add to these, the mills are burdened with the contributions to the Provident Fund and State Insurance Schemes and Sales Tax. Finding no other alternative and with a view to minimising the loss, the art silk mills of Bombay have had to take recourse to the curtailment of production.

Government Measures

It will be seen from the foregoing account that the crisis facing the industry can be avoided if only the Government wakes up in time. The first thing that the Government must do is to allow larger imports of silk yarn. This will have a twofold effect. The scarcity of raw material and the consequent high prices for it will be solved. There is also the imperative need for stimulating exports. This will be possible only if the mills are enabled to quote competitive prices. It is unable to do so because of the handicap of heavy import duty on yarn. As a solution for this, it is not suggested that import duty should be abolished, because we know that there is an indigenous industry that needs to be protected. But, surely, the Government should restore the rebate of As. 12 per lb. that was being allowed till January, 1952, as a drawback of import duty in respect of exports. The import duty, it may be noted here, is as high as 36¼ per cent. on art silk yarn, and the extent to which it has severely affected the overseas demand for Indian fabrics will be evident from the marked decline in exports. The quantity of fabrics exported by India during the year 1952-53 was a bare 3.5 million yards, as against 8.4 million yards in the previous year, 7.0 million yards in 1950-51 and 12.2 million yards in 1949-50. It is, therefore, pointed out that, if the full drawback of duty were to be granted to the industry, Inddian fabrics could compete effectively with Japan and win for themselves a sizable market in the Asian countries. The industry also wants the Government not to insist on bonded warehouse scheme, as it "is absolutely unpractical for this small industry."

The prospects of developing a good export market for Indian art silk fabrics are indeed bright. The productive capacity of the industry is estimated at 350 million yards per annum, as against the requirements for internal consumption of 240 million yards. The capacity of the industry, after catering to the needs of the country in full, can still make available for export more than 100 million yards. The foreign exchange that the exports will earn at the existing level of prices may be assessed at about Rs. 16 crores per annum. Thus, the industry can easily earn all the foreign exchange it needs for importing its raw material.

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In conclusion, it must be said that there is no need for any control on prices or on production, as suggested at the anti-unemployment rally under the auspices of the Socialist Party. The solution for the ills of the industry rests with the Government, as already indicated by us. It is ridiculous to suggest that the prices of art silk fabrics, a purely luxury item, should be controlled. That simply will not work. Nor will it ensure employment for workers. Only in a free market can an industry producing luxury goods hope to develop on strong and healthy lines. The leaders of the art silk mill workers, if they want to be of real assistance to their followers, will do well to understand the real causes for the present difficulties of the industry and seek a solution for them on practical, instead of on doctrinaire, lines.

AID TO HANDLOOMS

Several schemes for the development of the handloom industry are now under the active consideration of the Governments of Madras and Mysore. These schemes are to be financed by the allotments made by the Centre under the fund constituted by the latter from the proceeds of the additional excise duty of three pies per yard on mill-made cloth. The allotment of funds made to the two State Governments amount to Rs. 1.25 crores and Rs. 45 lakhs, respectively.

The Government of Madras has already taken steps to provide employment to as many families of handloom weavers as possible. Replying to a question on the problem of unemployment in the handloom industry in Madras, especially in Malabar, in the State Legislative Assembly recently, the Minister for Industries stated that the Collector of Malabar had been able to induce the factory owners and handloom weavers to come to a suitable and satisfactory arrangement whereby the workers in factories were able to earn a decent sum of money. In this connection, he disclosed that the question of subsidising sale of yarn or of cloth was part of the scheme of development. Various proposals submitted by those interested were being examined by the Madras Government and the Centre. The Minister alluded to the important decisions taken by the Government of India, namely, (1) constitution of a Handloom Directorate with agencies for internal and external marketing, (2) appointment of commercial travellers in foreign countries, and (3) opening of emporia of handloom goods in foreign countries for marketing handloom products.

The Government of Mysore has drawn up schemes—at an estimated cost of Rs. 45 lakhs—for giving relief to the handloom industry which have been submitted to the Centre for obtaining the required grants. This was disclosed by the State's Industries Minister in the Mysore Legislative Council last week. According to the Minister, the most important problem facing the handloom industry is that of marketing its goods at reasonable prices with a view to ensuring a living wage for the weavers. The Mysore Provincial Cotton Handloom Weavers Co-operative Society has started 30 centres in the important weaving places in the State for supplying yarn to weavers and purchasing the finished products after payment of wages. The Society is also taking action to secure substantial orders to supply handloom goods to several Government departments and aided institutions in the State. Cash and credit facilities to the tune of Rs. 6 lakhs have been given to handloom weavers. The Government of Mysore has distributed to weavers raw silk, imported by it under the licence granted by the Centre. The Government has an idea to assist the establishment of a cotton and spinning mill on a co-operative basis in Mysore State, provided any non-official comes forward with such a proposal. The Government is considering the question of allowing a rebate of As. 3 per rupee on the purchase of khadi produced at the Khadi Centre in Badanaval.

TEXTILE IMPORTS INTO AUSTRALIA

All textile products and articles of apparel imported into Australia are now required to be marked compulsorily, in accordance with the modifications of certain provisions in the Australian Government's commerce (import) regulations. The markings should distinguish between wool, reprocessed wool and re-used wool and show percentages in respect of fibres other than wool. The modified regulations classify textile products under four heads, namely, (1) those deemed to be pure wool, i.e., where 95 per cent. or more wool is present, which will be marked "pure wool," (2) goods containing less than 95 per cent. but not less than 5 per cent. wool, the percentage of wool being shown in addition to the names of the other fibres in order of dominance, (3) goods containing less than 5 per cent. wool, the trade description showing the names of the non-woollen fibres in order of dominance, followed by the words "less than 5 per cent. wool," and (4) goods containing "no wool," the trade description will indicate the name of the fibre present. If two or more fibres are present, they will be indicated in order of dominance. These modified regulations, as noted at the outset, refer only to the marking of textile goods imported into Australia. The marking of goods produced, or put up for sale, in Australia is, however, a matter for the State Governments to decide.

MORE SPINNERS CHOOSE TO REMAIN OUTSIDE RAW COTTON COMMISSION

COVER SCHEME FOR RAYON STAPLE

(From A Special Correspondent)

MANCHESTER, 21st July

MANCHESTER LETTER

ON the basis of past consumption, the Ministry of Materials has estimated that some 56 per cent. of all cotton, other than Peruvian and Californian, will be bought privately by Britain next season, in comparison with about 30 per cent. in the current season. The proportion of Egyptian cotton thus to be obtained remains perceptibly smaller than American. Private buying of Egyptian type cotton is to rise from 15 to 40 per cent. and American type from 35 to 61 per cent.

The main conclusion to be drawn from the choice made by spinners is that the larger combines have effectively swayed the issue. It is a coincidence that exactly the same number of mills will be buying all their requirements privately as remain with the Raw Cotton Commission. Owners of 152 mills in each case have signified this decision but the number of firms involved is 131 for the Commission and only 64 for private trading.

The groups, as is well known, have an advantage in that they can dispose of supplies which may not suit one mill in other units under their control. In addition, their capital resources enable them to finance stocks to a larger degree than some of their smaller neighbours.

The stock problem, however, remains a fundamental difficulty in considering the future of raw cotton buying. When the "umbrella" of public funds is eventually lifted and some form of private cover scheme introduced, there may be a clash of interests between raw cotton merchants and spinners as to who should carry the stock burden. Despite their criticism of the organisation, millowners in Lancashire have had a wide choice of supplies offered by the Commission and they will expect private importers to give them at least equal facilities.

The dual buying system, which this year has been on a one-third to two-thirds basis, now becomes almost half and half. This proportion is below the anticipations of some interested bodies but if there had been an overwhelming movement to contract out from the Commission the organisation would have been severely strained to provide cover while catering for a minority of the trade. The steady development of private importation is generally in the best interests of the industry as a whole.

New Wage Advance

Lancashire's 280,000 cotton spinning and weaving operatives are to get a wage increase of 5 per cent. from the first pay day in August. Employers and cotton union leaders reached this agreement after negotiations in Manchester last week. The unions had asked for an advance of 10 per cent.

The average increase will be 6s. a week. This will add more than £4,000,000 a year to the industry's wages outlay, said Sir Cuthbert Clegg, Chairman of the Cotton Manufacturers' Association.

The unions' claim was based on the increased cost of living since the last wage award in October, 1951. A similar application was rejected outright by the three employers' organisations last November and was subsequently turned down by the Industrial Disputes Tribunal.

Rayon Cover Call

To avoid losses on stocks caused when rayon staple prices fall, the Rayon Staple Spinners' and Doublers' Association is negotiating with the producers to evolve a workable cover scheme.

This was disclosed by Mr. W. T. Winterbottom, President of the Association, at the annual meeting. Many spinners had been caught with substantial stocks of staple at the beginning of the month when viscose rayon was reduced by 3d. per lb., the first cut in prices for nearly 10 years. "On call" facilities for rayon staple or some form of price fixing of allocations by instalments would have prevented the losses incurred by spinners, Mr. Winterbottom declared. On present conditions in the industry, he said: "Yarn stocks accumulated during the slump have been cleared and order books are healthy. Demand for our yarns is greater than supply and our customers are using current deliveries for immediate consumption." On prospects, Mr. Winterbottom declared: "The outlook is much brighter than any of us would have dared to hope several months ago and we can face the future with every confidence."

Workers Move Headquarters

The International Federation of Textile Workers' Associations is to transfer its headquarters from Manchester to London. This decision, for the geographical convenience of representatives of affiliated associations abroad, has been taken by the Federation's executive, meeting at Stockholm, Mr. John Greenhalgh, General Secretary, said this week.

Founded in 1893, the Federation's affiliated membership is now standing at record high levels, being drawn from 16 countries with nearly 2,000,000 textile workers. Recent affiliations have included important groups of textile workers from Japan and the United States.

For many years the textile workers of Lancashire formed the largest single national bloc within the Federation membership and the pioneering work which led to the setting up of the International Federation 60 years ago was done in Lancashire.

The Federation had its offices in London until 1939 when an emergency transfer was made to Manchester because of the outbreak of war. Post-war expansion has increased the volume of administrative work and involved the secretariat in much overseas travelling.

Brighter Trading

Signs of a definite improvement in conditions in the Lancashire cotton trade have been noted by Sir Andrew Naesmith, General Secretary of the Operative Weavers' Amalgamation, in a report on North-west Britain's industrial activity, presented to the T.U.C.

"Employment within the textile industry has been exceptionally good during the past three months, and there has been an increasing demand for operatives to enter employment," he says. Although the numbers on employers' books were roughly 42,000 less than at the end of March, 1951, the numbers actually working were 228,190—a drop of 41,000 compared with March, 1951. "There is no doubt about a definite improvement in the general demand for textile production," declares Sir Andrew. He adds: "There is evidence of enquiries from abroad which is bound to reflect itself in the placing of orders. Trading has been more remunerative in consequence of the fuller time working than for the past 12 months, and the profit of the industry has definitely improved."

Among problems facing the cotton industry are the method of importing the raw material, capital investments for renewal of machinery, recruitment of young people and the building up of the right personnel for key positions in the mills.

Not Enough Exports

A warning that the Lancashire textile industry is having to rely too largely on home trade and too little on export trade was given by Mr. Philip L. Wright, Chairman of the Bleachers' Association, at the annual meeting in Manchester.

In some quarters at the present time—and certainly on the Stock Exchange—there seemed to be considerable optimism as to the immediate future of the trade. "I would have said there are really no grounds for great optimism and certainly none for complacency," said Mr. Wright. He added: "I feel sure that until we can make some headway in the cotton trade against that position there are no grounds for any undue optimism." Every country in the world seemed bent on making everything for themselves and this growth of nationalism, combined with currency problems, confronted Lancashire with a real problem.

Raw Cotton Imports

Raw cotton arrivals in British ports this week were the smallest, with one exception, for the past five months. Only 18,403 bales were received, of which 7,950 bales were on Raw Cotton Commission account.

Imports were mainly 6,308 bales from Pakistan, 3,617 bales from East Africa and 3,537 bales from West Africa. Quantities of cotton at sea scheduled for Lancashire mills amount to 45,756 bales, of which less than 3,000 bales are being bought privately. Chief suppliers are the Sudan and West Africa.—*All Rights Reserved.*

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CONSUMPTION OF INDIAN COTTON MOVES UP

STOCKS WITH MILLS AT LOWER LEVELS

THE high level of production of cotton textiles, witnessed in recent months, is reflected in the figures relating to the mills' consumption of cotton which, for the eight months ended April, 1953 of the 1952-53 cotton season, aggregated 2,944,881 bales of 400 lbs. each, as compared with 2,641,291 bales in the corresponding period of the previous year, or an increase of 303,590 bales. Of the total consumption, Indian cotton accounted for 2,384,331 bales, as against 1,918,202 bales in the eight-month period ended April, 1952, while the consumption of foreign cotton accounted for only 560,550 bales, as against 723,089 bales. It will be seen from these figures that, while the consumption of Indian cotton has gone up by 466,129 bales, that of foreign cotton has fallen by 162,539 bales.

The following table shows the consumption of Indian and foreign cotton in the Indian mills during the eight months September-April, 1952-53, as compared with the consumption of cotton in the corresponding period of the 1951-52 season.

Consumption of Cotton

(In bales of 400 lbs.)

Consumption	8 months September-April 1952-53	1951-52
Indian cotton		
Total consumption	2,384,331	1,918,202
Of which:		
Bengal *Deshi*	115,766	78,920
Oomras short-staple	21,557	14,234
Jarilas	1,024,091	884,345
Gaorani 6 & 12	127,537	84,955
Hurl	71,074	63,781
Americans	169,971	101,163
Broach Vijay	186,847	191,392
Surti	84,978	73,051
Dholleras	87,744	105,100
Northerns/Westerns	98,715	124,306
Jayadhar	132,745	106,109
Cambodia*	97,502	115,886
Karunganni	61,600	66,117
Foreign cotton		
Total consumption	560,550	723,089
Of which:		
Pakistan	725	3,139
Egyptian	108,355	118,950
East Africans	113,793	131,166
U.S. cotton	297,618	402,491
Total (Indian and Foreign)	2,944,881	2,641,291

* Includes Rajapalayam cotton.

It will be seen from the above table that Jarillas enjoy, among the Indian varieties, the distinction of being the variety with the highest level of consumption; more than one million bales of this variety were consumed, during the period under review, as against 0.68 million bales in the previous year. There is a small, but significant, increase in the consumption of short-staple varieties, such as Bengal *Deshi* and Oomras short-staple varieties (*Oomra Deshi, C.P. I, C.P. II* and *C.I. Deshi*). But the consumption of Cambodia (including Rajapalayam and Karunganni, the pride of South Indian cotton growers, has declined, the former from 115,886 bales to 97,502 bales and the latter from 66,117 bales to 61,600 bales.

The Bombay State, as always, leads the other States in the consumption of cotton, accounting as it does for over 50 per cent. of the cotton consumed by Indian mills. The following table gives the State-wise distribution of the cotton consumed in the country.

Chief Cotton Consuming States

(In bales of 400 lbs.)

	8 months September-April 1952-53	1951-52
All-India consumption	2,944,881	2,641,291
Of which:		
Bombay Island	816,630	667,115
Ahmedabad	424,409	407,786
Others	271,670	241,700
Total Bombay State	1,512,949	1,316,603
Madras	379,602	349,763
U.P.	234,626	219,182
West Bengal	117,921	92,801
Madhya Pradesh	114,089	96,167
Madhya Bharat	177,437	170,331
Delhi	88,214	79,144
Hyderabad	63,139	49,699
Mysore	65,785	55,256

The monthly average consumption during the eight-month period under review was 368,110 bales. If this rate were maintained for the rest of the season, the total consumption for the season would be of the order of 4.4 million bales. This is more or less in line with general expectations regarding the consumption of cotton in the current season.

There has been a decline in the stocks of cotton held by the mills. Thus, the mills held 1,316,717 bales of Indian cotton and 249,173 bales of foreign cotton, as at the end of April, 1953, as compared with 1,367,794 bales and 380,462 bales, respectively, on the corresponding date of 1952. These stocks are sufficient to last the mills, at the current rate of consumption, for a period of 4½ months. This is the overall figure. For Indian cotton, the period of availability is 4.2/5 months and for foreign cotton it is 3.3/5 months. On the same date, last year, the stocks with the mills were sufficient to last them, at the lower rate of consumption then prevailing, 5¾ months so far as Indian cotton stocks were concerned and 4.1/5 months in respect of foreign cotton. Conceivably, the mills might not find their stock position, as the season draws to its close, as comfortable as it was last year.

COIMBATORE COTTON MARKETING COMMITTEE

The latest Annual Report of the Coimbatore Cotton, Groundnut and Tobacco Market Committee, Tirupur (Chairman: Mr. V. M. Sivaramakrishna Iyer), which relates to the year 1952, gives much useful information about the position of cotton in that important cotton-growing district in South India. For the 1952-53 season, the land under cotton in the district is placed at 1,93,140 acres; of this acreage, Cambodia CO.2 accounts for 91,220 acres, Madras Uganda 13,321 acres and Karunganni 88,599 acres. The latest estimate places the outturn of the crop in the 1952-53 season at only 50,000 bales, as against 1,03,500 bales for the 1951-52 season, as finally estimated by the Committee. The total quantity of Cambodia and Karunganni cotton marketed in the district during 1952 amounted to 1,25,000 bales, consisting of 10,000 bales of CO.4/B40, 65,000 bales of Cambodia and 50,000 bales of Karunganni. The total quantity marketed exceeds the crop estimate of 1,03,500 bales by 21,500 bales. This excess quantity represents arrivals into the district from the neighbouring districts, the better part of such arrivals being Tinnevellis or Karunganni from the Southern districts. The total ginnings in the district, including the Tirupur area, during 1952 aggregated 49,100 candies, consisting of 35,950 candies of Cambodia and 13,150 candies of Karunganni. The total pressings during 1952 amounted to 61,429 bales.

The cut in electricity supply to the mills in the district reduced the mills' consumption of cotton. Thus, the mills consumed only 1,60,000 bales in 1952, as against nearly two lakh bales during 1951. There was no overseas export of cotton from the district, but exports to other internal centres of consumption amounted to 30,000 bales.

The Government of Madras has sanctioned the establishment of new market yards at Pollachi, Udamalpet, Erode and Gobichettipalayam in the district. The Committee devoted much attention during 1952 to the choice of suitable premises at these centres for the location of market yards. The Committee continues to render much useful service to its members and others interested in cotton through its monthly and other periodical bulletins which give all relevant information about the production and marketing of cotton in the district.

AMRAVATI COTTON MARKET

The Amravati Cotton Market Committee, it is stated, has prepared a scheme which is designed to improve the amenities now provided by the Committee for the traders. The Committee is expected to spend Rs. 30,000 to Rs. 35,000 every year during the next five years on its scheme. Under the scheme, now approved by the Committee, the marketing yard will be improved and the approaches to the market will be cement-concreted. Fire-proof godowns will be constructed for storage of cotton. Drinking water facilities will be augmented. Spacious and well-built halls will be provided where traders, *adatyas* and agriculturists could gather for purposes of trading. Weighing machines will be installed in suitable places. The Committee hopes to raise the finance needed for implementing the scheme through increases in registration fees and in the cess on *kapas* carts which came into the market.

EXPORTS OF COTTON

EXTENSION OF SHIPMENT PERIOD

THE recent relaxation of restrictions regarding the validity date for exports of cotton announced by the Government of India has been welcomed in cotton trade circles. But men in the cotton trade feel that there is scope for further liberalisation. Licences for export of cotton during the current season, it may be recalled, would normally have expired before June, 1953. But exporters had appealed to the Government of India for an extension of the shipping period in order to enable them to effect export sales, inasmuch as they were unable to complete the quota allotted to them. Having considered these representations and all the relevant factors, the Government announced towards the end of June that there would be no extension of the shipping period beyond 30th June, 1953, "under any circumstances," though it agreed to licence Assam-Comillas, Zoda and Yellow pickings, freely for shipment till 30th September, 1953.

On a further re-examination of the position, the Government announced, in the middle of July this year, that the licences issued for export of raw cotton on or after 1st June, 1953 with a validity date till 30th June, 1953, would be extended for shipment upto and including 10th August, 1953. The Government advised exporters who had been granted licences for export of raw cotton on or after 1st June, 1953 and who were desirous of availing themselves of the concession to submit their shipping documents with the relevant export licence in order to enable the authorities to pass the documents.

Exporters of cotton, however, feel that the Government will do well to extend the date for shipment in respect of licences issued prior to 1st June, 1953 also. It would appear that the unutilised export quota, not covered by the recent relaxation orders, is only about 8,000 bales. The exporters argue that, if they are enabled to export this quantity through suitable relaxation in validity date, it would not make any serious difference to the cotton supply position in the country. They further point out that, since the quantity is part of the original quota allotted for exports, the fact that it was not exported in time should not be made the argument for refusing the request for extension of validity date.

Exporters further contend that they are not entirely to blame for the non-utilisation of export quota. It would appear that, in a number of instances, the export licences were received as late as in May and that the exporters could not, therefore, arrange for shipment expeditiously enough. Also, the movement of cotton from the regions where the exportable varieties are grown to port centres was hampered by transport bottlenecks which were beyond the control of the shippers. In the meantime, export enquiries also began to decline, particularly because Japan, an important customer for India's short-staple varieties, could not find the necessary foreign exchange to buy the cotton it needed. The position worsened further when that country concluded a trade agreement with Pakistan providing for imports of cotton.

In view of these factors, the exporters, it is pointed out, could not avail themselves fully of the export licences granted to them. They, therefore, feel that they should not now be penalised for not having shipped the cotton in time, and that the facility, now granted to those who acquired export licences after 1st June, 1953, should also be extended to those who acquired the licences prior to that date.

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JUTE INDUSTRY IN DISTRESS

FURTHER REDUCTION IN EXPORT DUTY URGED

WHEN Mr. Ramsunder Kanoria expressed concern at the future of the Indian jute industry, in the course of his presidential address to the annual general meeting of the Gunny Trades Association, held on 21st July, 1953, he had in mind the many obstacles which the industry is battling with. He held that the expansion in the production of Continental jute mills, the efforts of Pakistan towards developing its own jute industry, and the competition to jute production from paper bags provided formidable problems to the Indian jute mills. It was true, he admitted, the goodwill missions to the U.S., Canada, the U.K., Australia and New Zealand had done some commendable work for increasing the sales of Indian jute products, but they had, he averred, only delayed the "shadow of doom." The only silver lining that he saw in an otherwise completely dark sky was that, despite these obstacles, the Indian jute industry had no immediate danger. To quote him: "It had vitality enough to struggle long before extinction—extinction in the sense of diminishing world-wide connections and relegation to an insular position." He declared that, if the Indo-Pakistan Trade Pact, recently concluded, was implemented, in the spirit it ought to be, much of the troubles might turn out to be things of the past. Characterising the pact as a "piece of first-class statesmanship," he observed:

"It has relieved the Indian jute mills of a big worry in respect of supply of raw materials, and Pakistan of the recurring problem of the disposal of its jute produce. The pact will enable both the countries to plan their productions and exports. Much, however, depends upon the spirit in which it shall be executed."

Mr. Kanoria prefaced his speech by a reference to the statistics relating to production of jute and jute goods in 1952-53. Although the production of raw jute, which was 4.69 million bales in 1952-53 was three times higher than that in 1947-48, the first year of the Partition, he deplored that the quality aspect was neglected. He said that "like a starving man who would pay heed to taste only in the last morsels of the diet," India paid little thought to quality all these years. It was only a few months ago that it suddenly began to realise the necessity to produce high quality jute. He welcomed the appointment of an expert committee by the Government of India to suggest appropriate measures for improving the quality of jute in India. On the question of future supply of jute, he observed:

"The low price of raw jute in 1952-53 threw a wet blanket on the red-hot enthusiasm of jute growers, and it is quite possible that the low jute yield in 1953-54 may not affect jute mills' production programme for this season on account of the heavy carry-over of last year's stocks in Pakistan, yet the future cannot be so safe. It seems that in fixing the target for jute and jute goods, the Planning Commission did not adequately take into account the repercussions of international events on the gunny trade and industry, and to that extent the targets may have to be revised."

Surveying the trend of production of jute goods, Mr. Kanoria remarked:

"Our jute mills in 1952 produced more goods than they did in 1951 or 1950. The figures stand at 952,000, 873,000 and 836,000 tons, respectively for the three years. But the production figures of the first six months of 1953 are not encouraging. In these months, we already lag behind by nearly 60,000 tons to what we produced in the corresponding months of 1952."

The future of the jute industry and of all those connected with it, in one way or another, depends on a buoyant export trade in jute goods. It is only, therefore, appropriate that Mr. Kanoria should have devoted the major portion of his speech to this aspect. Instead of wasting his time and energy in bemoaning the past mistakes, he did well to look ahead. He offered, in this connection, a few notable suggestions for recapturing the lost markets and sustaining them in the coming years. The following is a synopsis of what he said:

(1) The Indian jute industry should concentrate on improving the quality of its manufactures;

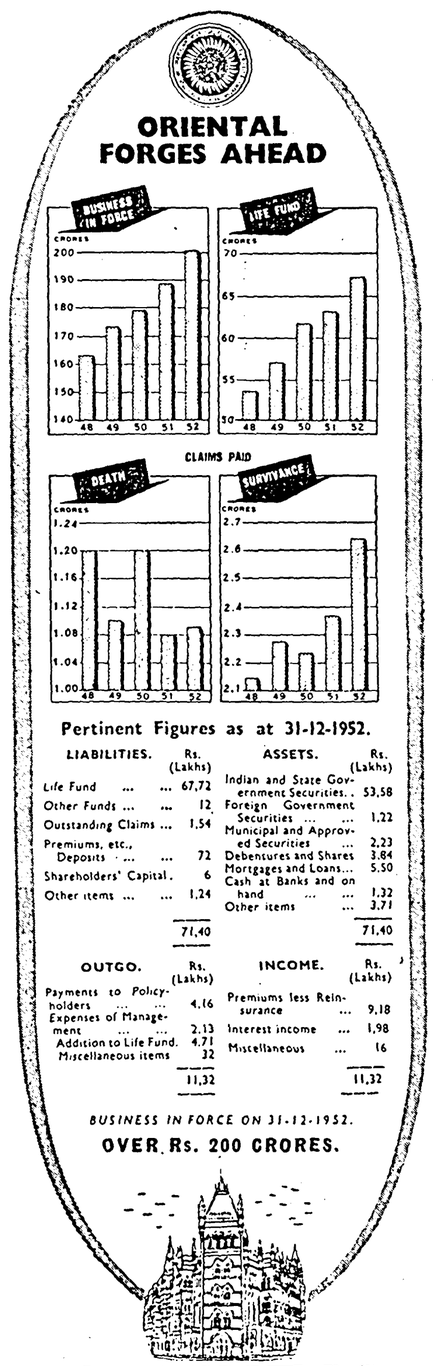
(2) it should try to cater to the change in tastes of customers. At present, it is producing stereotyped standard goods. Although the production of goods suitable to various tastes may have to be small, they will provide a large margin of profit;

(3) Indian exporters of jute goods should develop the habit of foreign tours at regular intervals, as this will provide them an opportunity for studying the market conditions at first hand, for reducing their risks and for building up new lines of business;

(4) whatever export duties still exist should be reduced to a nominal level with a view to increasing the competitive capacity of the industry; and

(5) the cost of production of jute goods should be brought down to reasonable levels. This requires modernisation of the jute mills. The Government of India should assist the industry in this direction in all possible ways such as securing a loan from the World Bank or providing subsidies.

A mailing leaflet tells American farmers how to reap the "hidden" profits from their empty burlap bags. Published by the Burlap Council of New York, the leaflet points out that the price of burlap bags, unlike most things which farmers buy to-day, has declined to about half of what it was a year ago, and that ample supply is now assured. As a result, "burlap is regaining its pre-war position." By practising simple methods, the leaflet suggests that the farmers can save up to several hundred dollars a year. Some special cases such as poultry farmers on the eastern shore of Maryland have been known to make over $500 a year on the resale of empty burlap bags.



Pertinent Figures as at 31-12-1952.

LIABILITIES.	Rs. (Lakhs)	ASSETS.	Rs. (Lakhs)
Life Fund	67,72	Indian and State Government Securities..	53,58
Other Funds	12	Foreign Government Securities	1,22
Outstanding Claims ...	1,54	Municipal and Approved Securities ...	2,23
Premiums, etc., Deposits	72	Debentures and Shares	3,84
Shareholders' Capital.	6	Mortgages and Loans...	5,50
Other items	1,24	Cash at Banks and on hand	1,32
		Other items ...	3,71
	71,40		71,40

OUTGO.	Rs. (Lakhs)	INCOME.	Rs. (Lakhs)
Payments to Policyholders	4,16	Premiums less Reinsurance ...	9,18
Expenses of Management	2,13	Interest income ...	1,98
Addition to Life Fund.	4,71	Miscellaneous ...	16
Miscellaneous items	32		
	11,32		11,32

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WORLD AGREEMENT ON SUGAR

WILL IT MATERIALISE?

LITTLE has yet been published about the proceedings of the International Sugar Conference now in session at London to work out a world commodity agreement on sugar—aimed primarily at stabilising prices of beet sugar, cane sugar and molasses in the world market. From the brief Press reports, however, it is gathered that the Conference has appointed three committees—steering, economic and administrative—which have been meeting separately to discuss the various aspects relating to the agreement. It is further gathered that a drafting committee will be set up towards the end of the Conference in about four weeks' time "to give the final shape to a commodity agreement on sugar." A Reuter's report claims that all delegations to this 35-nation conference, including the Communists, have already agreed on the need for an international agreement to prevent wide fluctuations in prices.

India's interest in the proposed world commodity agreement on sugar arises from the fact that the country's position in respect of sugar has undergone a marked change in that it has to-day become an importer of this commodity. Naturally enough, the negotiations that are now taking place in London to bring about such an agreement will be closely watched by the Indian sugar industry and trade. Even assuming that the report that the delegations are agreed on the need for a world agreement is correct, there are grave doubts whether such an agreement will materialise. There are some special difficulties in the way of reaching an international understanding. The possibilities of India signing the agreement, for instance, are rather remote. For the Government's decision to import sugar is purely of a temporary character. The main object of these imports is to discourage hoarding and profiteering by producers and merchants. It is common knowledge that India has enough productive capacity and raw material for meeting its domestic needs. What is required is a firm policy for ensuring production at the maximum level. If, however, at any time, circumstances warrant some imports of sugar, as has happened at present, or some exports, as was found necessary towards the close of 1952 and early 1953, India can always buy its requirements from, or sell its surplus to, the "free market," as contemplated in the draft scheme, referred to in these columns last week. In short, the utility of an international sugar agreement to India will be so limited that it is not worthwhile shouldering the obligations involved in the membership of this agreement. One of these obligations is to regulate the output of sugar in accordance with the needs of the world.

Difficulties

There are also several other difficulties which may hamper the conclusion of a world sugar agreement. These difficulties spring either from the general economic and financial factors affecting the countries which produce or consume sugar or from the circumstances in which sugar is produced, marketed or consumed. Among the examples of the former type of difficulties are cases in which a consuming country is forced, by balance of payments considerations, to limit its imports from all sources or any particular source in such a way as to distort the normal pattern of supply and demand. Again, if an agreement needs to contain internationally agreed prices or price ranges, the problem of expressing such prices in a generally accepted and stable currency may give rise to great difficulty. Among the difficulties of the second type, there are the problems caused by alternative materials or by differences in grades and types. Again, it is not known how a multilateral long-term contract agreement, ensuring availability of sugar supplies at fixed prices, can work when prices of raw materials and other items of cost are left to be determined by free market forces.

Apart from these difficulties, there remains the question whether the Governments keenly interested in sugar consider an agreement worthwhile. Particularly, when questions of prices or price ranges arise, the immediate interests of the producing and consuming countries must inevitably be at variance.

There are also other considerations which may dissuade some of the Governments from joining the agreement, as will be evident from the following general remarks of the U.N. Interim Co-ordinating Committee for International Commodity Agreement:

"There may be important producing or consuming countries, which, for one reason or another, have decided not to participate in the negotiations, and in these circumstances, Governments may decide that it is impossible for them to accept obligations which others have no intention of accepting. Again, an agreement may appear on the face of it to be technically practicable, but Governments may decide that, for a variety of reasons, the agreement is unlikely to work satisfactorily and that they cannot, therefore, join in it. Moreover, they may not consider it worthwhile, in the case of a proposal for achieving stability, to accept the required degree of interference with usual channels of trade or with ready access to supplies or with the freedom of producers."

Price Stability

In the light of the aforesaid difficulties, it is too much to expect a world sugar agreement designed to achieve a substantial measure of price stability. It must, therefore, be emphasised that a commodity agreement on sugar as such is only *a* method, and not the *only* method, by which the Governments can work together towards stability. Nevertheless, it may not be unreasonable to hope that the general awareness of the problem of stability of sugar prices may lead, if not to the conclusion of a world commodity agreement on sugar, "at least to a better co-ordination of national action in the direction of stability."

Two chief factors have brought to the fore the need for achieving such stability on the world sugar front to-day, namely, accumulation of heavy stocks and general recession in prices. The stocks of sugar at the end of the current (1952-53) season are estimated at as much as 12.27 million short tons (of 2,000 lbs.), as against 9.74 million tons at the end of 1950-51 and 7.79 million tons at the end of 1949-50. This may seem rather surprising, considering the fact that world production of sugar has declined from 38.96 million tons in 1951-52 to 36.95 million tons in the current year, and consumption of sugar has increased, during the same period, from 36.17 million tons to 37.17 million tons. The heavy stock position has, however, been the result of a large carry-over from the previous season, amounting to over 12.48 million tons. Owing to easy availability of sugar in the world market, the prices have suffered a sharp setback. The price (f.o.s.) of Cuban sugar in the world market was as low as 3.57-3.59 cents per lb., as against 4.70 cents in the beginning of 1951.

Some, however, question the necessity for a world sugar agreement. Writing in the *News Chronicle*, Mr. Oscar R. Hobson, a talented City Editor of London and a champion of free enterprise, for instance, observes as follows:

"For many years, sugar has been one of the playthings of the 'planners'. Almost every Government in the world at one time or another—and most of them all the time—has interfered with the production or the consumption of this elementary necessary of life, with its import or its export or its retail price.

"The result of it all has been that, though the demand for sugar is comparatively irresponsive to price changes, production and prices, so far as they are free to move, have tended to oscillate with inconvenient violence, production generally tending to outstrip consumption. This has led Governments to attempt to remedy over-production and unremunerative prices, largely brought about by their own misplaced ingenuity, by further misplaced ingenuity designed to limit production and stabilise prices.

"The latest example of this type of scheme is now under discussion in London at the International Sugar Conference. . . It is claimed that this new draft scheme (now being discussed by the Conference) contains refinements which make it much superior to past agreements of the kind. One refinement is that the export quotas are to be adjusted up or down, if the 'free' price of sugar for a period of 30 days rises above an agreed maximum or falls short of an agreed minimum. The despised 'free price' which the planners, if they had their way, would like to stabilise out of existence, is thus brought in again by the back door by way of an extra control—a device rather characteristic of the 'planners"

"In commenting on the new draft agreement, the Food and Agriculture Organisation says that the need for such agreements 'springs from the demonstrated historical experience that unregulated marketing of primary products is associated with excessive price fluctuations which are detrimental to the long-term interests of both producers and consumers.' Maybe, but what evidence is there that any scheme for regulated marketing has ever, in the long run, been successful in avoiding these 'detrimental' price fluctuations? What evidence is there that any international control scheme can produce more satisfactory results than the free market assisted by the fullest possible information—and here at least Governments can help—about acreages and crops and weather conditions and demand probabilities?"

INDIAN COAL STATISTICS

SHARP DECLINE IN EXPORTS

THERE is a feeling among coal producers that the current production of all grades of coal is in excess of actual demand, chiefly due to contraction of exports. How far is this true? Let us see what the statistics reveal in this connection. Production of coal during the first five months of the present year was a fraction lower than that in the corresponding period of the previous year, while despatches were somewhat higher. Thus, during January-May, 1953, production of coal amounted to about 15.69 million tons, as against 15.83 million tons in the corresponding period of 1952, a drop of about 140,000 tons or 0.8 per cent. Despatches during the same period were 12.82 million tons, as compared with 12.47 million tons, that is, a rise of about 350,000 tons. Output of hard and soft coke, however, was substantially higher during the first five months of 1953 than in the corresponding half of 1952. Soft coke produced was 669,352 tons, as against 489,779 tons, and hard coke 869,321 tons as against 41,371 tons. Despatches of soft coke staged a sharp fall, while those of hard coke a substantial rise. Thus, despatches of soft coke, during January-May, 1953, were 365,065 tons, as compared with 473,327 tons in the first five months of 1952, and hard coke 208,434 tons, as compared with 46,422 tons. We are concerned here more with coal than with coke. The foregoing figures relating to the former reveal two things. One is that the production of coal was fairly well maintained, the decline being negligible. Despatches, however, were distinctly better than in the first five months of 1952. This suggests that the railways were a little more alert than in the preceding year.

Exports

Statistics relating to exports, however, disclose a discouraging picture. Exports of coal by sea (excluding those to Pakistan) during the first six months of the year were approximately 700,000 tons, as against 1.50 million tons in the corresponding half of 1952, that is, a drop of more than 50 per cent. The sharp decline is attributed to keen competition in the coal markets in the East and the Far East. Australia has emerged as a keen competitor. It is reported to have already entered the Korean markets and is said to be making a keen bid to capture other South-East Asian markets. China and South Africa are other competitors, especially in West Pakistan. Although the removal of surcharge a few months ago has stimulated exports, the position is not comfortable enough. The permission granted to shippers to negotiate individually with foreign countries, other than Pakistan, without prior permission of the Coal Commissioner, does not seem to have met with encouraging results. It is stated that Japanese importers are reluctant to enter into fresh commitments for fear that the end of hostilities in Korea may lead to a fall in its industrial activity. Hongkong, another important importer of coal, is confidently looking forward to the revival of coal trade with China. As a result, it is feared that India's export target of 2 million tons for the year 1953 will not be reached, unless it is able to sell coal at competitive rates and to export high-grade quality. It is suggested, in this connection, that a rebate on internal railway freights for exported coal, abolition of the cess and a sizable reduction of the Calcutta Port Commissioner's charges will go a long way towards enabling Indian coal to find markets in overseas countries.

Meanwhile, it is stated that coal that cannot be shipped abroad is being dumped on the internal market and that at a time when the demand is static, if not declining. It is held that the collieries which are not in a position to find markets for their output have been offering illegal rebates at a rate well below the statutory prices. The rebate in some cases is said to be as high as Rs. 4 or even more per ton or about 25 per cent. of the fixed selling prices. That the practice has become wide-spread is clear from the recent warning of the Coal Commissioner to the collieries, to the effect that such sales were an offence under the Coal Control Order and, consequently, they would be penalised.

It is held in certain circles that a possible remedy for the situation lies in restricting the production of all grades of coal on the same lines as the pegging of metallurgical coal output. But this remedy is opposed and characterised as "worse than the disease itself." For, it is pointed out that, in the event of restriction on output, a number of collieries, which are on the margin, will have to be closed. The present production is hardly sufficient to balance the finances of such collieries. Everyone, however, is agreed that rationalisation of production, which inevitably involves retrenchment of labour, is the surest way of reducing costs and of stimulating demand for coal. But there are two obstacles in this connection. First, the Government is not prepared to allow rationalisation schemes, as they involve retrenchment of labour on a fairly large scale. Secondly, the collieries will find it difficult to raise the large capital required for financing rationalisation schemes, owing to the ever-present threat of nationalisation.

SULPHUR FROM VINDHYA PRADESH COAL

A substantial contribution to the sulphur requirements of India can be made by the recovery of pyritics from Vindhya Pradesh coals and its beneficiation, according to a series of investigations conducted by the Fuel Research Institute, Jealgora, Bihar.

In view of the acute shortage of sulphur in India, many schemes for the recovery of sulphur from inferior sources are being examined. One of the promising raw materials is the sulphur-bearing coals or coal pyrites in India. Sulphur occurs in coal in three different forms: pyritics, sulphate and organic. Of these, only the pyritic sulphur can be recovered by simple processing.

In the course of the physical and chemical survey of the Vindhya Pradesh coals, carried out at the Fuel Research Institute recently, it was found that the coal of the Nowrozabad colliery contained appreciable quantities of pyritic sulphur (0.8 to 1.3 per cent.). Investigations on the washability characteristics of the coals showed that practically 80 per cent. of the pyritic sulphur could be separated from the coal which gets concentrated in the rejects. As the entire quantity of sulphur in the rejects is normally thrown away, attempts were made to recover the pyrites in them.

The removal of sulphur from coal is necessary not only for the recovery of sulphur, but also for providing coal for cement works and for power generation which is free from sulphur. Thus pyrites from coal can be obtained, without any extra expense, in the normal washery treatment of coal. Nearly 1.6 tons of pyrite (about 0.8 tons of sulphur) are recoverable per 100 tons of Nowrozabad coal. Elemental sulphur cannot be obtained from the pyrite concentrate, but the pyrites could be roasted for the production of sulphur dioxide for use in sulphuric acid manufacture. On the basis of 150 tons of coal washed per hour, for 20 hours a day, about 48 tons of pyrites per day could be had from this source.

COAL PURCHASING POLICY

The Indian Mining Federation and the Indian Colliery Owners' Association have strongly criticised the new coal purchasing policy, adopted by the Chief Mining Engineer of the Railway Board, by which the tenders for the supply of coal will have a grade-wise allocation from this month.

The new system of allocation, according to these associations, is a glaring deviation from the usual practice and might cripple the economy of a large number of small collieries, which will receive only small orders, or be totally ignored by the railways.

They prefer the previous practice of consulting representatives of the coal industry, before deciding on a new purchasing policy, as being much more wholesome than the present one. These two associations have, therefore, represented to the Coal Commissioner that the new programme should be re-examined in consultation with the representatives of the coal industry and the implementation of the new programme should be kept in abeyance in the meantime. They have further pointed out that, although in the previous purchasing programmes the requirements of the Pakistan Railways were included, this year the Pakistan quota has been totally excluded from the schedule.

LIGNITE TO REPLACE COAL IN MAKING STEEL

According to investigations carried out recently under the auspices of the Lignite Investigation and Development Department of the Government of Madras, lignite can be substituted for coking coal in the direct reduction processes for the production of iron and steel from iron ore. If the substitution is effected, it is likely to alter radically the location of the industry in India. Although iron ore deposits are known to exist in a number of places in India, the industry has been confined mainly to the areas where high grade coking coal is produced. Madras State will be particularly interested as both lignite and iron ore deposits are found there in close proximity to each other.

COAL STATISTICS FOR MAY

As much as 3,195,446 tons of coal, 182,710 tons of hard coke and 198,710 tons of soft coke were produced during the month of May, 1953. Despatches accounted for 2,585,069 tons coal, 40,839 tons hard coke and 22,514 tons soft coke. Besides, 13,906 tons of other kinds of coke were manufactured and 3,069 tons despatched. Average daily number of workers employed was 348,801, manshifts worked 8,788,964 and absenteeism 13.06 per cent. Output per man-shift for miners and loaders worked out to 1.03 tons, for underground and open workings 0.56 ton, and for all persons 0.36 ton. Pithead stocks at the close of the month was 3,353,229 tons.

NEW FUEL

Tests are being made in Pennsylvania and Colorado for the creation of a new fuel from low-temperature distillation of coal. It is claimed that the new fuel, called "char," can have revolutionary effects in the production of iron and steel, metals and electric power. The Colorado experimental plant has been developed from designs of Daniel Petit, a French engineer who is in the United States discussing application of his process to various industries.

JAYABHARAT INSURANCE CO., LTD.

SATISFACTORY RESULTS REPORTED

MR. NAVINCHANDRA MAFATLAL'S SPEECH

PRESIDING over the Tenth Annual General Meeting of the Jayabharat Insurance Company, Ltd., held on Monday, 27th July, 1953, Mr. Navinchandra Mafatlal, Chairman of the Company, observed that it was gratifying to note that the Company had shown "fairly good results," despite the very difficult conditions which the insurance trade had to face during the year.

After making a passing reference to the general depression and its effect on the insurance trade, he observed that the Government had been trying to bring the trade on a sound and healthy pedestal and hoped that, with the co-operation of insurance companies, which the directors of insurance companies have offered, the trade could be made to run on a smooth and sound basis, without any resort to such machinery as might hinder the day-to-day working of insurance companies.

Thereafter, he referred to the working of the Company and observed:

"During the year under report the gross premium income from general business was Rs. 79,57,635. The gross premium income from life business was Rs. 15,24,355.

"The net premium from the general business was Rs. 46,31,721. The net premium from the life business was Rs. 13,55,340

Fire Insurance

"The gross premium income from fire insurance for the year was Rs. 56,87,394. The net premium income was Rs. 32,32,750. The reserve for unexpired risks has been brought to 50 per cent. of the net premium income for the year. The revenue account shows a profit of Rs. 8,20,442.

"The net premium income from foreign business in 1952 was Rs. 18,94,538. The net premium income for the year from business effected in India was Rs. 13,38,212.

Marine Business

"The gross premium income from the marine business amounted to Rs. 14,54,405. The net premium income was Rs. 7,23,347.

"After bringing the reserve for unexpired risks to 100 per cent. of the net premium income the revenue account shows a loss of Rs. 1,79,310. However, on account of the increase in the premium income, the reserve for unexpired risks at 100 per cent. has increased from Rs. 4,34,744 to Rs. 7,23,347.

"The net premium income from foreign business is Rs. 3,79,286 and that from business effected in India is Rs. 3,44,061.

Miscellaneous Business

"The gross premium income of the miscellaneous department was Rs. 8,15,737. The net premium income was Rs. 6,75,624. The revenue account shows a total loss of Rs. 52,196.

Life Business

"The life business proposed during the year was Rs. 93,76,500 and the business completed was Rs. 77,25,500.

"The total assurance in force at the close of the year amounted to Rs. 2,87,19,684.

"The life assurance fund at the end of the year stands at Rs. 33,54,451 after writing off the loss of Rs. 1,484 incurred on sale of investments and transferring Rs. 67,100 to the investment reserve."

He then referred to the actuarial valuation of the Company's life business for the quadrennium ending 31st December, 1952. He said:

"Life insurance fund has increased by 268 per cent. to Rs. 33,54,451 as compared to Rs. 9,11,855 at the last valuation.

"The mortality experience of the business was favourable. The net interest yield on the assets constituting the life fund has been more than 3 per cent. since 1950. The valuation basis of 3 per cent. leaves sufficient margins for the future accrual of surplus. The expense ratio is showing a downward trend since the year 1950 and we would try to make a further reduction in the same.

"The new business has progressed quite satisfactorily according to the Actuary's report. The valuation shows a surplus and the surplus available for distribution would be Rs. 2,14,201.

"As recommended by the Actuary, we have decided to distribute the total surplus as reversionary bonus in the following manner:

Rs. 10 per thousand sum assured per annum on with-profit whole life assurances.

Rs. 7-8 per thousand sum assured per annum on with-profit endowment assurances and all other assurances of the with-profit class.

"It is a matter of great satisfaction that our life department has been able to **commence distribution of bonus at fairly good rates at its second valuation. We have fully safeguarded the interests of our life policyholders and, as observed by the Actuary, 'Now it can be said that the life department is set on a strong footing and you can look forward to brighter results of valuation in future years.'**

Profit and Loss Appropriation

"The balance carried forward to the profit and loss appropriation account amounts to Rs. 5,62,888 which, together with the balance brought forward from the previous year, amounts to Rs. 5,81,051.

"Your Directors recommend that the payment of dividend for the year be maintained at 6 per cent. i.e., at Rs. 3 per share free of tax amounting to Rs. 1,50,000.

"An amount of Rs. 1,50,000 be appropriated as taxation reserve.

"An amount of Rs. 2,50,000 be appropriated as general reserve and the balance be carried forward to the next account.

"The total funds at the end of the year under report stand at Rs. 1,04,30,136 and the total assets amount to over Rs. 1,43,00,000.

"I believe that considering the difficult conditions prevailing our Company has on the whole shown satisfactory results."

In conclusion, he sincerely thanked all his brother Directors for the valuable co-operation and advice. He thanked also the officials and the staff for their loyal services and the agents, field-workers and clients for their continued support and goodwill.

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PROTECTION AND REGULATION OF INDUSTRIES: THEN AND NOW—I

PRESENT POLICY VERY SHORT-SIGHTED

(By PADAMJI GINWALA)

AS one of the members and later President of the first Tariff Board, which was appointed by a simple resolution of the Legislative Assembly in 1923, I had a considerable share in fixing the methods and the principles by which the *quantum* of protection was to be determined and its adequacy assessed in relation to the immediate needs and the future expansion of the industries to be protected. Since I relinquished my office as President in 1930, I have been more than a mere spectator of the administration of Government's industrial policy relating to the protection and control of industries. For these reasons, an examination by me of this policy in action to-day and its comparison with what it was in pre-independence days may be of some public interest. At the same time, it would not be irrelevant to consider whether and what changes in the policy have become necessary by the passage of so many years, and require to be effected for the achievement of more success than can be reasonably claimed for the policy at present.

The original Tariff Board ceased to function after the outbreak of World War II which gave such natural and automatic protection to industries as no Tariff Board would have dared to recommend. As a necessary war measure, control was introduced over the prices, production and distribution of several essential products. Soon after the termination of hostilities, a temporary Tariff Board was appointed to consider the grant or withdrawal of protection. In 1947, a Commodity Prices Board was also appointed to meet the menace of inflation. Early in 1948, the first post-independence Tariff Board was constituted and entrusted with the dual task of investigating into, and reporting on, the claims to protection and of fixing the retention prices of controlled industries. In 1951, the Tariff Board was converted into a statutory Commission by an Act of Parliament.

It is not my purpose to discuss now the questions whether the Tariff Commission Act (1951) has enlarged the powers previously exercised by the Tariff Boards or ensured for it greater independence or liberalised the policy of protection or control; or whether there has been any encroachment by the Executive Government on the constitutional powers of Parliament pertaining to finance. These are important questions which I may discuss on a future occasion. At present, I propose to deal only with the dual policy of protection and control as it is administered.

Primary Reason for Protection or Control

Whether an industry is to be protected or whether its prices, production and distribution are to be controlled, the primary reason justifying either course is that the domestic supply is short of the domestic demand and that the two should at least be equalised by the establishment of new industries or units and the expansion of those already in operation. The policy of protection or control, therefore, should be so administered that the shortage of supply is remedied, the need for protection or for control is dispensed with in the shortest possible time and the burden on the consumer or the producer, as the case may be, is not prolonged for a longer period than necessary.

Upon any reasonable view of the course, since the end of the war, of the development and expansion of protected as well as controlled industries, it is difficult to come to the conclusion that the policy of the Government has been so directed as to achieve these objects to any very appreciable extent. Claims, however, have been put forward by private enterprises now and again, and gladly accepted by the Government, for they suit their purpose, that production both in old and many new industries, has been almost spectacular between 1947 and 1952. Such claims only help to add to the abundant self-complaisance on the part of the Government, on the one hand, and give them ground, on the other, to treat the genuine complaints of the various handicaps imposed on private enterprise as somewhat unfounded. For these reasons, a brief examination of the question whether these claims are well-founded may not be considered as out of place.

So far as old and well-established industries are concerned, there is some evidence in support of the claim that their production has in most cases, with the remarkable exception of iron and steel and allied industries, shown some improvement. But their foundations were well and truly laid between 1923 and 1947 and the demand for their products, which consisted mainly of consumer goods indispensable for our daily needs, had increased. There was also a considerable backlog created by the war which maintained their demand at a high level. But recently, however, it has been claimed that there has been overproduction, particularly in the cotton textile industry and, at some stage, in the sugar industry. It is difficult for me, at any rate, to realise that, within any foreseeable future, there can be real overproduction in our country of most of these products in the sense that people's requirements have been so amply met that they did not need any more of them. What has obviously happened, and is likely to be intensified, is that the prices have risen higher than the ordinary consumer can afford, whilst his purchasing power has been so reduced that it cannot absorb even the quantities which barely meet his normal requirements. It is only in this sense that the alleged overproduction of food and other necessaries of life can be explained, and even an exportable surplus created.

New Industries

As regards new industries, the claim of spectacular achievement appears to be exaggerated, though the figures of production and the percentages of increases, if no regard be had to the kind of articles produced, may lend it some support. Few manufactured articles are useless or unnecessary for the purpose of serving some consumer need or other in such a vast country as ours. Many of these new industries supply some of these needs. But the foundations of the general industrial structure, calculated to promote the means of production, including those indispensable for the defence of our freedom and the increase of national wealth, on which must ultimately depend the improvement of our general standard of living, can hardly be said to be laid by and on the domestic manufacture, even on a large scale, of the kind of new products which are taken into account in assessing the growth of our industries in the private sector and the measure of their achievement. Barring the beginnings of fewer than even half a dozen new industries of some national importance, there is little in them on which we can congratulate ourselves or our Government. I consider myself as one of the last persons in the world who would willingly disparage what has been accomplished by private enterprise since 1947. My only purpose in making these observations is to clear our minds of what is little more than can't which may ultimately do us more harm than good by inducing us to concentrate on the development of less important industries, merely because they represent production, and to divert into them what little capital may be available which may be more usefully invested in industries of national importance.

If the main object, namely, the rapid closing of the gap between supply and demand is to be achieved, which I have no doubt, is the desire of the Government and their official instruments for carrying out their policy, conditions must be created, without any loss of time, by which capital may be made available for the renovation, rehabilitation and maintenance of efficiency from revenue and for extensions, if necessary, of the industries, particularly of the key industries in the private sector. These conditions cannot be created unless there are fundamental modifications not in the form of the general formulæ which have been inherited from the earlier Tariff Boards and are still substantially followed by their successors, but in their application to the determination of the ex-works fair selling prices which are the linchpins of the wheels of industrial investment and expansion. Some of the formulæ and principles are applicable as much to protection as to control which I propose first to discuss. I shall deal later with those of them which, in my opinion, should apply only to the control of industries.

Basis of Selling Prices

Before any comparison can be made between the past and the present administration of the policy, it is necessary to mention and analyse the points involved in the determination of the ex-works selling prices:

1. The period during which the prices are to remain in force.
2. The main elements of the selling prices:
(a) Estimate of production and works costs;
(b) Overheads:
(i) Depreciation;
(ii) Managing agents' commission.
(c) Return on investment.

There are other small items included in the selling prices, such as interest on working capital, head office expenses, etc., which need no discussion.

Period

The first and, perhaps, the most important point which needs emphasising is the period to be prescribed during which the selling prices fixed for protected or controlled industries are to remain in force at a time. In the case of the major industries such as iron and steel, including tinplate and other processing, engineering and fabricating industries using iron and steel, paper, sugar, some heavy chemicals, etc., which have been established since and under the policy of protection first introduced in 1923, the period normally fixed at a time was one of five to seven years. For the match industry there was no period fixed at all. For the sugar industry a period of 15 years was fixed. Long periods were necessary to give the units in existence a chance of adopting adequate measures which would lead to greater economy and efficiency and, at the same time, to offer opportunity to new aspirants to watch the working of the existing industries and the chances of their success and to invest capital into any of them for establishing new units. Most of the major industries which were protected needed and were granted two or even three periods of five to seven years each for their adequate expansion and for ensuring that ability which has been achieved in most cases to withstand foreign competition without protection.

Since 1948 the maximum period fixed for protection has been three years, whilst periods of two years or less have not been uncommon. In the case of controlled industries, the position has been even worse. There have been more frequent changes in the fair selling prices because they were too low or too high. In the cotton textile industry, the selling prices have been revised, under some formula, every three months or so, whilst there has been a revision of them in some industries at intervals of about a year. The cotton textile industry has had the distinction also of being the Aunt Sally of our sporting politicians. After being controlled for several years, it was decontrolled in 1948. Later it was re-controlled. After being partly mutilated for the benefit of the handloom industry, recently it has been made the subject of an experiment, apparently in *corpore vili*, in decontrol, to prepare the Government to test the feasibility of decontrol in this and other controlled industries. In such circumstances, the investor is unable to see that there is any prospect of his obtaining a reasonable and steady return during the period that would appear to him to be necessary for establishing an industry and bringing it into economic operation and for a reasonable period thereafter. These frequent changes in the selling prices have had two other deplorable consequences. First, the cautious consumer defers his purchases in the hope of a reduction, whilst the speculator or the black market expert buys up and hoards what he can in the expectation of a rise in the selling price. Secondly, the policy of protection or of control must be regarded, on the whole, as having failed of its main purpose which is to close the gap between supply and demand by the rehabilitation and expansion of the existing units and the addition, where necessary, of new ones. If the policy is expected to succeed, the pre-war practice of fixing seven years at a time, as the normal period, should be reverted to in the case of protected industries.

No Period for Controlled Industries

For the controlled industries, no period should be fixed, as is the practice in other countries where the selling prices once fixed by the price fixing Boards remain in force until their revision is proved to be necessary in the interest of the industry. If exceptional circumstances are proved to exist which make it desirable in our country to depart from this practice and to fix a period, it should normally be one of five years or the entire period of control, whichever expires earlier. The importance of maintaining reasonably remunerative retention prices for prolonged periods is even greater in controlled than in protected industries. It must be remembered that the controlled industries come within the "Essential Supplies

Act" which, in its very nature, imposes a heavier duty on the Government to expedite their expansion until the supply is at least equal to the demand. Where there is a choice, therefore, between the selection of industries, for expansion, there can be little doubt that the controlled essential industries should have priority.

There is also one difference between the prospects of the two classes of industries which should be borne in mind. Industries, whether controlled or protected, can increase their profit if their fair selling prices are not ungenerous and fixed for a prolonged period, by reducing their works costs and exceeding the estimated output. But the protected industries have this further advantage, especially in a free market, that they retain the benefit of the adventitious rise in the price of competing imported products which may occur during the period fixed. The controlled industries, on the other hand, cannot have, during the period the retention prices are to remain in force, the advantage of earning higher prices, for their prices will remain at the level fixed for the whole period. Also, the grant of protection implies that it will be continued until the industry is able to dispense with it and the industry may make good in later years some part at least, if not the whole, of the losses it may have suffered in the earlier. There is no such assurance in the case of a controlled industry, for the control may be continued or removed in circumstances which may not permit of earning higher profits to compensate for earlier losses, unless where a providential equalisation fund comes to their rescue to give retrospective relief.

Long Period Should Be Fixed

If the Government or their deputies share, as I am sure they do, the national desire that rapid expansion of industries in the private sector should take place by attracting new capital into them, it is very necessary not only that a long period should be fixed, but that a formal declaration by legislation or otherwise should be made by the Government that no downward revision of the measure of protection or of the retention prices shall be made during the period fixed. Simultaneously, provision should be made that, if the prices prove inadequate, immediate action shall be taken by the Government to revise them in the upward direction. The inclusion in the first Steel Industry Protection Act, on the recommendation of the first Tariff Board, of the clause authorising the Executive Government to impose "offsetting duties" when there was *prima facie* evidence that the protective duties had become ineffective for any reason whatsoever, was an important factor in establishing with success the steel industry and some of the more important other key industries to which the application of "offsetting" duties was later extended.

Among the facts which may furnish *prima facie* evidence justifying an immediate upward revision of protection or of retention prices may be mentioned:

1. Increase in the works costs due to (a) Governmental action, such as the raising of railway freights, of the prices of controlled raw materials like coal and coke, or of customs duties on essential raw materials. (b) increase in the emoluments of labour by reason of the award of a Tribunal, a Conciliation Board, etc. (c) a prolonged strike.
2. Sudden and intensive foreign competition.

The investigation into an application for a revision of the quantum of protection or of the retention prices on any of the above or other similar grounds should be confined to the particular grounds alleged by the applicant. It should not be made an occasion for a re-examination of the whole issue of the quantum of protection or of the prices originally fixed.

Short-sighted Parsimony

Whilst in many Governmental spheres there is so much extravagance and waste of public resources, this niggardly and short-sighted parsimony which compels Government to make the period as short as possible is perhaps explained by two among other reasons. First, it has been claimed that the post-war conditions have been so uncertain that until they became more or less normal no expansion of industries was possible and that no long-term recommendation would serve any practical purpose. It must be recollected that, when the policy of discriminating protection was introduced in 1923, the First World War had been over for only five years and that the conditions were for many years thereafter extremely uncertain, though undoubtedly less violent on their impact on trade, industry and finance. This uncertainty did not prevent the Tariff Boards or the bureaucratic Governments of the time from normally fixing periods of seven years with rare exceptions. It will strain the prescience of any Government to foretell when the present world conditions will undergo such changes as to make them normal. Common prudence, therefore, demands that, instead of waiting with the incurable optimism of Mr. Micawber for normal conditions to "turn up," some legitimate risk be taken to expedite the development, especially of the key industries, by adopting a more courageous course.

The second reason may be that the Government are afraid that the dreaded industrialists may make excessive profits which they cannot take away as they do now by the convenient method of fixing the period of protection or the validity of prices for a short period and ordering an early fresh investigation. I do not believe that it will be beyond the ingenuity or the resources of our all-powerful Government to meet such an evil, as that of excessive profits, if by any chance it ever arises, otherwise than by making it impossible from the outset for the industrialists to earn the profits.

No blame can reasonably attach to the Tariff authorities for carrying out what they apparently believe to be either the express or the implied policy of Government. As far as I know, the Government themselves have prescribed that the period should not exceed three years. As regards excessive profit, the Tariff authorities must unconsciously be influenced by what is being every day said in different ways and even in contradictory terms by various Ministers whether in *communiques* or in speeches in or outside Parliament on the inexpiable wickedness of the profit motive and the desirability of converting it into pure patriotism. Human nature in independent India is regarded as so different from it what was here in the past and what it is all the world over that our politicians consider themselves justified in acting on the supposition that it is modifiable to suit their ideology, by exhortations or, in the last resort, by legislation or some other extraneous action.

(To be continued)

ANOTHER COMMONWEALTH ECONOMIC CONFERENCE

The Commonwealth Governments are reported to be considering the question of holding another Commonwealth Economic Conference. There has been no fresh economic development since the last conference held in London in December last, which warrants the holding of another Conference. But it is stated that this may be the result of the desire expressed at the last conference that similar meetings should be held at least once a year. No decision has yet been reached about the date and place of conference. It is likely that the conference will be held in December this year, if it is decided to hold one. The venue of the conference may be a Commonwealth capital other than London. It is stated in Australian Government circles, according to the Melbourne correspondent of the *Financial Times*, London, that, while the U.K. Government is believed to favour such a conference to be held in London in December, an influential section of the Australian Government would like the meeting to be held in Canberra.

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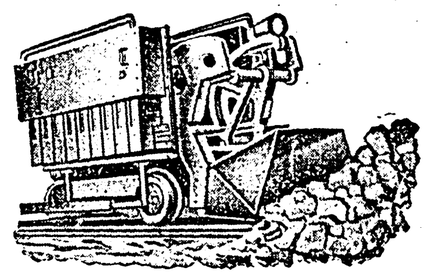

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COAL AND IRON ORE RESOURCES IN ASIA AND THE FAR EAST

NEED FOR EARLY DEVELOPMENT URGED

THE United Nations' report on coal and iron ore resources of Asia and the Far East*, prepared by the Secretariat of the E.C.A.F.E., provides one with an idea of the quantities of the basic iron and coal resources which may be expected to be available to meet the demands of industrial development in the region. It is based on the realisation, evidenced by the experience of industrially developed countries of the world, that knowledge of coal and iron ore resources is essential for the sound planning of industrial development in the countries of Asia and the Far East. The report points out that the explorations made so far are inadequate and that there are still large areas unexplored. It, however, makes it abundantly clear that, despite the inadequate knowledge of resources available at present, and the urgent need to increase such knowledge, the pace of economic development could be considerably accelerated, if full and proper utilisation is made of the known reserves.

Iron Ore Reserves

According to the report, the total known iron ore reserves aggregate 11,618.59 million metric tons. Of this, India and China together possess over 78 per cent. The Philippines and Indonesia are next in importance. But, as the largest known iron ore deposits of both the Philippines and Indonesia have high nickel and chromium contents, it is difficult to take them as of the same value as those of other countries. Japan ranks as a very poor fifth in importance. The reserves of Indo-China come next in order. A country-wise estimate of the resources of iron ore are as follows:

(In million metric tons)

	Proven	Probable	Possible	Total
Burma	..	..	0.523	0.523
Ceylon	..	..	6.421	6.421
China	..	..	4,167.820	4,167.820
Hong Kong	..	..	10.000	10.000
India	..	..	5,087.410	5,087.410
Indo-China	10.000	27.500	114.000	151.500
Indonesia	370.000	..	524.950	894.950
Japan	44.100	23.500	94.200	170.800
Korea (south) ..	..	..	19.700	19.700
Malaya	25.293	4.168	15.633	45.094
North Borneo	..	..	..	..
Pakistan	..	..	41.000	41.000
Philippines	..	..	1,018.504	1,018.504
Thailand	0.719	0.092	..	0.811
Total	450.112	62.617	11,105.854	11,618.593

Coal Reserves

Coals, ranging from peat to anthracite, in rank, and permocarboniferous to quartenary, in age, have been found in the region. Taking coal in the lowest form (peat) into consideration, all countries of the region have some coal, though the quality and quantity vary. In most countries, low-grade coals predominate. Only China, India, Indo-China, Japan and Korea have substantial reserves of higher grade coals. Coking coal reserves are limited to China and India. So far as the quantity of coal reserves is concerned, China occupies the foremost position, followed by India, Indo-China and Japan. A conservative estimate made by the Geological Survey of China, including seams only three feet and over in thickness, and taking into consideration a depth of 3,000 feet, places China's reserves at 265,000 million metric tons. A more recent estimate places them at 445,000 million metric tons. In view of the dense population of the region, however, China has, in terms of *per capita* reserves, only 965 tons, in contrast with over 34,000 tons in the U.S. Indo-China has 740 tons per head and India 187 tons. The estimated reserves of coal in Asia and the Far East are as given below:

(In million metric tons)

Brunei	*
Burma	265
Ceylon	51
China	444,511
India	67,702
Indo-China	20,000
Indonesia	2,500
Japan	20,948
Korea (south)	1,091
Malaya	61
Nepal	*
North Borneo	17
Pakistan	168
Philippines	42
Sarawak	20
Thailand	*
Total ..	557,298

A healthy trend in the development of the iron and coal industries of the region has been noticeable during the past few years. Post-war production of iron ore in China, India and Japan has made sizable increases over the 1938 output. Production in other countries has been recovering. So far as coal is concerned, countries which previously had no production have made earnest efforts to develop their mines, while others are planning to increase production or to improve the quality of low-grade coals and to conserve higher grade coals or both. The production of coal and iron ore of some important countries for which statistics are available is as follows:

	Iron ore		Coal	
	1938	1951	1938	1951
China	3,336,000	N.A.	36,000,000	40,000,000
India	2,738,000	3,000,000	24,793,000	34,000,000
Japan	624,000	855,377	41,803,000	43,000,000
Malaya	1,042,000	746,803	845,000	833,000
Philippines ..	920,000	963,282	41,000	151,000

N.A.—Not available.

In order to ensure maximum utilisation of coal and iron ore resources in the industrial development of the region, the report has urged the need for a well co-ordinated programme, not limited only to intensive geological survey and improved methods of exploration, but also including mining development, preparation and utilisation. Co-ordination between Government and industry in the mineral exploration programme is desirable. Attention should be paid to increased mechanisation of mines for improving output and bringing down costs of production. But it is to be noted, as pertinently pointed out by the report, that no modern underground mines can operate without the mechanisation of basic services such as power house, hoist apparatus, pumping facilities and ventilation equipment. The report also emphasises that excessive number of separate producing units for the total tonnage produced is a situation which should be remedied at an early date. The report has highlighted the importance strip-mining. Its economic value, it says, has already been demonstrated in the Fushan coal mines in China. In India, the method of stripping the over-burden, which covers the coal deposits, by means of heavy mechanical equipment, and leaving it to be removed by hand labour at a subsequent date, is not entirely new. The report has also stressed the utility of coal washing to countries having large reserves of low-grade coals.

Coal and Iron Ore Resources of Asia and the Far East. Published by United Nations, New York. Available at Oxford Book and Stationery Co., Scindia House, New Delhi. Price $1.50.

PERAMBUR COACH FACTORY

The maximum capacity of the Integral Coach Factory at Perambur, the agreement for the establishment of which has recently been concluded between the Government of India and Messrs. Schlieren of Switzerland, is 350 coaches per year. The total capital cost of the project is expected to be a little over Rs. 4 crores, about half of which will be for the construction of the building and the other half for the purchase of plant and machinery. Under the agreement the fee to be paid to the Swiss firm is 2.5 million Swiss francs or about Rs. 30 lakhs. Of this 880,000 francs have already been paid to the firm. One advantage of the new agreement is that the payment of the balance of 1.62 million francs has been linked up with production and the actual amount to be paid year by year will depend on the number of coaches manufactured. Production is expected to commence by the end of 1955 and the contract with the firm is for a period of eight years. There are provisions for payment of royalty to the company and bonus to the Swiss staff, if the target is reached early. About 40 Swiss technicians are expected to work in the factory. Steel shells for the coaches will be manufactured by Tatas.

SLUMP IN TIN

MALAYAN PRODUCERS PERTURBED

THE outlook for world tin has become more obscure than that for any other non-ferrous metal. The undertone of the world market for tin is extremely weak at the time of writing. The other day, it slumped below the £600 per ton level, at which it stood on the eve of the Korean War in June 1950. The price of tin at present is about £581. It was £800 per ton in April 1953, £942 at the close of March, 1953 and £960 in January, 1953. The price of tin was fairly stable during 1952 in the neighbourhood of £960, the extreme points touched by it being £1,005 in January and £918 in August, as against £1,620 and £805, the maximum and minimum prices recorded in 1951.

During the last three months, tin has lost about £250 per ton in value. Such a sharp fall is due to a number of factors. The chief among them is the failure of demand to keep pace with production. The world output of this metal is said to be at the rate of about 170,000 tons per annum, as against a consumption of about 125,500 tons. The following table shows the world mine production of tin during the first four months of 1953, the total output in 1952, and the annual rate for 1953:

	1st four months of 1953	Total for 1952	Annual rate 1953
World mine production ..	56,100	170,000	168,300
Of which :			
Malaya	18,624	50,838	55,872
Indonesia	9,661	25,013	29,083
Bolivia	11,611	31,950	34,833
World metal production ..	62,300	165,000	186,900
Of which :			
Malaya	22,305	62,820	66,915
U.K.	7,325	20,521	21,975
Netherlands	9,904	27,913	29,712
U.S.	15,000	39,501	45,000
World consumption ..	44,900	127,500	134,700
Of which :			
U.S.	19,604	45,299	58,812
U.K.	6,450	22,554	19,350

The second important factor that has contributed to the recent fall in price of tin is the sharp decline in the U.S. demand, the chief consumer of tin in the world. Its purchases for stockpiling which had in the past absorbed the surplus world tin output, have diminished sharply. The slump in prices has naturally encouraged buyers to hold off. The Korean truce, signed this week, may accentuate the present downward trend in prices, if it has not been already discounted.

The tin producers in Malaya are very much perturbed about the present weak trend of the London Metal Exchange. For they are the main producers of tin ore, accounting as they do for about one-third of world total output. The fall in the prices has virtually affected the volume of Malaya's foreign trade. The large deficit of $83,391,000 for the first half of 1953 is to a considerable extent due to the fall in the price of tin. This deficit is one and half times the adverse balance of trade for the whole of last year.

Latest reports from Singapore indicate that a few marginal mines in Malaya have already suspended their activity. The miners are stated to be contemplating a move to restrict the output of this peninsula's second vital export commodity. At an extraordinary meeting of the Chinese Mining Association, held in Ipoh, the capital tin-rich Perak State, on the 23rd inst., the miners are stated to have supported the move, and held that such a scheme would be successful, provided it was also supported by their European counterparts, who produce two-thirds of the Federation's output. The Association is also reported to have suggested the establishment of a Central Marketing Board in the U.S., creation of a 10,000-ton buffer stock, and curtailment of working hours by 25 per cent., in the light of recent closure of 54 marginal gravel-pump mines. The *Straits Times*, a leading paper of the Malayan Federation, has suggested that such a pool should be financed by large producers, who have the cash resources, and that the Government should assist the small producers by advancing small sums, which will be recoverable when the tin is sold. It is thought that the pool can function without prejudice to the formation of an international pool, which could take over the pool if an international agreement were to be reached. The *Straits Times* dismisses the fear that such a pool will merely drive customers to other markets by saying that the only market for the Straits' tin is Singapore and consumers who need the Straits' tin must get it directly from Singapore. It is pointed out that, as the U.S. has forward contracts with Indonesia, the Belgian Congo and Brazil, a good part of the latter countries' production is not available for marketing elsewhere, and the consumers have perforce to buy

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the Straits' tin. Malaya has no forward sales, as by general agreement, all producers sell their total production to two Malayan smelters, the Straits Trading Company and Eastern Smelting Company.

Inasmuch as violent fluctuations in the price of tin do no good either to producers or to consumers, the need for maintaining a reasonable level of prices requires no emphasis. The question of evolving a buffer pool, as suggested above, or an international tin agreement, aimed at stabilising prices, depends on the attitude of the U.S., the main consumer of tin in the world. But this country has all along objected to the regulation of tin supplies and there is no reason to believe that it will change its attitude in the foreseeable future.

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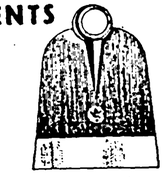
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ORIENTAL RAISES DIVIDEND LEVEL

TOTAL BUSINESS CROSSES RS. 200-CRORE MARK

FOUNDED in 1874, at a time when insurance was regarded as a strange and outlandish custom, practised by a small coterie of anglicised Indians, the Oriental Government Security Life Assurance Company, Ltd. (General Manager: Mr. L. S. Vaidyanathan, Bombay), has grown from strength to strength until to-day it occupies a foremost position among the institutions of its kind. From Indian standards of joint-stock enterprise, its traditions are hoary indeed, but they would stand comparison even with many of the well-established insurers in the West. Its latest report, namely, that for the year 1952, shows that the Company's financial strength, impressive as it has always been, has continued to grow, while its mortality experience is even more favourable than in previous years.

If, however, one judges the Company's 1952 results from the "new business" standard, then it must be admitted that there has been a setback, for, the impressive increase in new business witnessed in 1951 has not only not been improved upon but not even maintained. Thus, new life business in 1952 at Rs. 21.22 crores was Rs. 1 crore less than in the previous year. But the real test of new business is not, as has so often been emphasised in these columns, quantity but quality. And if the Oriental can show that it has not gathered chaff but grain—its lapse ratio in future years should be able to show that —it will have demonstrated that the fall in new business is not a factor that should cause any great disappointment. The Company's total business in force has crossed the 200-crore mark to stand at Rs. 200.07 crores.

The following table gives the progress of the Company during the three years ended December, 1952:

(Value: In crores of rupees)

	1952	1951	1950
Policies issued (Nos.)	71,359	78,459	70,957
Amount	21.22	22.22	20.52
Total insurance in force	200.07	189.25	179.77
Total income	11.32	10.89	10.27
Of which:			
Premium income	9.18	8.94	8.56
Interest income	1.98	1.81	1.70
Total outgo	6.61	9.71	5.74
Of which:			
Claims by death	1.09	1.08	1.20
Claims by survivance	2.63	2.37	2.23
Expense ratio %	23.2	21.91	22.29
Life Assurance Fund (at close of each year)	67.72	62.03	61.80
Interest earned %	4.05	2.94	2.90

Total income during the year under review was Rs. 11.32 crores, as against Rs. 10.89 crores in 1951. Of this income, premiums brought in Rs. 9.18 crores, as compared with Rs. 8.94 crores. The increase in premium income is shared by the Company's Indian, as well as foreign, business, the former having improved by Rs. 15.3 lakhs to Rs. 7.95 crores and the latter by Rs. 9.0 lakhs to Rs. 1.22 crores. Revenue from investments continues to expand; it was Rs. 1.70 crores in 1950, Rs. 1.81 crores in 1951 and Rs. 1.98 crores in 1952.

Mortality Experience

The excess of total income over total outgo was as much as Rs. 4.71 crores in 1952, as compared with only Rs. 1.19 crores in 1951. A high proportion of the Company's business has always consisted of endowment assurances, so that claims by death were only Rs. 1.09 crores, as against Rs. 2.63 crores by way of claims by survivance. It is particularly noteworthy that the mortality experience of the Company is very favourable, which is a tribute to its careful selection of lives. Thus, the ratio of actual to expected deaths, on the basis of the Company's own ultimate mortality experience during 1925-35, was 42.9 per cent., as compared with 46.6 per cent., in 1951 and 51.4 per cent., in 1950.

The Company's expense ratio is, however, heavier at 23.2 per cent., reflecting the widening of its development as well as the general increase in costs. The net rate of interest realised during the year, however, was favourable at 4.05 per cent. as against 2.94 per cent. in 1951. This large difference is mainly accounted for by the fact that, while in 1951, the Company did not receive any refund of income-tax, it received in 1952 the refund of tax for ten years. Had only one year's refund been received in 1951 and one year's in 1952, the net rates of interest for these years would have been 3.43 per cent. and 3.58 per cent. respectively.

The balance-sheet total, as at the end of 1952, has reached an impressive level of Rs. 71.40 crores. The assets are mainly invested in Gilt-edged and semi-Gilt-edged securities. The life assurance fund stands at Rs. 67.72 crores and other reserves at Rs. 11.9 crores. The paid-up capital is only Rs. 6 lakhs. Estimated liability in respect of outstanding claims aggregate Rs. 1.54 crores.

It is gratifying to note that the shareholders have been allowed to participate in the increased income of the Company, in that the dividend has been stepped up from Rs. 125 per share (62½ per cent.) paid for the year 1951 to Rs. 175 per share (87½ per cent.) for the year under review. It may be noted here that this is the first time the Company has raised the dividend after maintaining it at the former level for a long period of 18 years. For 1933, it may be mentioned here, the Company paid a dividend of 75 per cent. (including a cash bonus), but it was reduced to 62½ per cent. for the following year. The dividend for 1952, while being the highest since 1930, is by no means a record high, since a cent per cent dividend was paid for 1930, a still higher dividend of 130 per cent. for 1927 and an even higher dividend of 190 per cent. some 30 years ago, for 1924, to be precise.

BRITISH INSURERS' INCOME

The premium income of the member companies of the British Insurance Association, according to a recent statement by Mr. Edward Ferguson, Chairman of the Association, was £925 million in 1952, as against £859 million in 1951. The break-up of these incomes in terms of the main classes of insurance business was:

(In £000)

	1952	1951
Fire	208,094	198,553
Accident	266,766	237,270
Marine	67,539	63,465
Ordinary life	260,745	242,103
Industrial life	122,324	118,330
Total	925,468	859,721

(Concluded from next column)

of mutualisation of insurance companies, as Mr. Pai said in so many words, lies in the fact that it is, perhaps, the most effective answer to those who urge nationalisation of insurance. But unfortunately, those who urge nationalisation are actuated by doctrinaire considerations so that it remains to be seen whether the trend towards mutualisation will lessen the misplaced enthusiasm of these ardent socialists.

Mr. Pai referred next to an issue which has been agitating both insurers and insured in this country, namely, the effect of the proposed estate duty on insurance. He said:

"(1) Any law that comes in the way of raising the average insurance per head in India, which is at present as low as Rs. 20, is really not a healthy legislation for the time being; (2) any legislation that discourages insurance among the rich or the poor will adversely affect the growth of the nation itself; (3) certain sections of the Estate Duty Bill will in effect neutralise some of the provisions of the Insurance Act like those on assignments and nominations and this is not at all desirable; (4) besides this, I have to suggest that the limit of exemption to life insurance should be raised to Rs. 25,000 from the present minimum of Rs. 5,000 in the Estate Duty Bill. That is to say, irrespective of the status of the deceased person, however high or low it may be, an insurance of Rs. 25,000 should be exempted from the levy of estate duty."

Many of these arguments have been urged ere now by several insurers, and have been extensively publicised. It remains to be seen whether the Government will revise its earlier stand that no further reliefs are called for, and agree to amend the Bill in a manner that will meet the widespread demand for providing substantial relief for the insured in the Estate Duty Bill.



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TAXATION OF MUTUAL INSURERS

MR. T. R. A. PAI URGES RELIEF

INDIAN mutual insurers have for long been agitating for the recognition of their case for relief from income-tax, their contention being that they should be treated, for purposes of tax, as co-operative insurers. This contention is based on the ground that, since they are mutual organisations, they do not earn "profit" in the same sense as the ordinary joint-stock insurers do. Mr. T. R. A. Pai, President of the Association of Mutual Life Offices in India, returned to this theme when he addressed the recent annual meeting of the Association, held in Bombay.

In the course of his address, Mr. Pai referred to the reply received from the Government of India to the Association's representation for exemption from income-tax for mutual insurers. The Government had turned down the request saying that the mutual insurers' business was in no way different in nature from that carried on by propietary companies. Mr. Pai pointed out, in this connection, that, although all insurers, whether proprietary, mutual or co-operative insurers, carried on the same kind of business, namely, life assurance, the mutual and co-operative insurers were different from the proprietary insurers. The difference arose from the fact that both co-operative and mutual insurers did business among the members of their own groups and not with outsiders. He wanted, therefore, that the principle of exemption from tax, which had been accepted in the case of co-operative insurers, should be applied to mutual insurers. He said:

"The co-operative insurers are exempted from income-tax because they do business among their own members and nobody else. The mutual insurers also do business on a similar principle. In a mutual insurance company, everything is in the hands of the policyholders and there are no shareholders or others handling the business of the Company with any motive of making a profit out of it. Therefore, we firmly affirm the mutual insurers have no profit motive and cannot be subjected to income-tax and they have to be exempted from this tax on the same basis as co-operative insurance societies."

Principle of Exemption

It is regrettable that the Government has turned down the request of the Association. The principle that mutual insurers should be exempt from tax has been accepted in many countries, particularly in the U.S. and in the U.K. In a closely reasoned memorandum, submitted by the Association to the Taxation Enquiry Commission, the Association traces the history of taxation of mutual insurers. Until 1939, both co-operative insurers and mutual insurers had been exempted from income-tax. But from that year, the Government began to tax both these classes of insurers. The position as regards co-operative insurance societies was, however, soon set right by a decision of the Bombay High Court. But the taxation of mutual companies has continued uninterrupted, notwithstanding the repeated demands made by the mutual insurers for exemption from tax. The Association quotes, in this connection, the well known decision of the British House of Lords in *Inland Revenue* vs. *Ayrshire Employers' Mutual Insurance Ltd.* This decision emphasised the distinction between "surplus" and "profits". It held that the "surplus was not profit within the meaning of the Income-tax Act but merely represented the extent to which the contribution of those participating in the scheme had provided more than what was necessary to meet their liabilities," and further that the "balance or surplus was the contributors' own money and returnable to them." Proceeding, the Association observes:

"The mutual societies, by their very nature, cannot make any profits since they trade with no outsider, and, as in co-operative insurance societies, any excess charge made is returned to the members in the shape of reversionary bonuses. May we also respectfully submit that the present taxation of mutual insurance companies is an anomalous attempt. All the reasons that lead to the exemption of co-operative insurance societies from tax also apply to mutual companies. We, therefore, urge that this anomalous position be rectified and that the mutual companies be exempted from taxation in the same way and to the same extent as the co-operative insurance societies."

To revert to Mr. Pai's address. Mr. Pai welcomed the "trend towards mutualisation prevailing among certain proprietary companies." He compared this trend with the trend towards democracy and freedom in political life. He said: "Mutualisation is in insurance what democracy is in public life." The chief merit

(Continued in previous column)

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LIFE OFFICES AND TAX DEDUCTED AT SOURCE—II

DOES CHANGE IN VALUATION PERIOD RESULT IN ACTUAL LOSS?

(By R. N. GODBOLE, B.A., B.Com., C.A.I.I.B.)

THE assessment of a life insurance company is made according to the rules contained in the schedule to the Income-tax Act. In section 10(7), it is provided that, notwithstanding anything contained to the contrary in sections 8, 9, 10, 12 or 18, the profits and gains of any business of insurance and the tax payable thereon shall be computed in accordance with the rules contained in the schedule to the Act. According to rule (2) of the schedule, the profits and gains of life insurance company shall be taken to be either (a) the gross external earnings less management expenses or (b) the annual average of the surplus as disclosed in the actuarial valuation after adjusting disallowables under section 10, whichever is more.

Rule 4 of the schedule says that, where for any year, assessment is made under rule 2(b), i.e., in accordance with annual average of a surplus disclosed by a valuation for an inter-valuation period exceeding 12 months, then, in computing the tax payable for that year, credit shall not be given, in accordance with sub-section 5 of section 18, for the tax paid in the preceding year, but credit shall be given for the annual average of income-tax paid by deduction at source from interest on securities or otherwise during such a period. Section 18(3) says that the tax shall be deducted at source while making such a payment, i.e., interest on securities, etc., held by a life insurance company. Section 18(4) says that such a deduction shall be deemed to be income of the assessee while section 18(5) says that such a deduction made shall be treated as payment of income-tax on behalf of the person from whose income deduction was made and credit for such deduction shall be given in the assessment made for the following year.

No Restriction Before

Before the amendment of the Insurance Act, 1950, there was no restriction on the valuation period. Some companies made their actuarial valuation at an interval of three years, some at four years and some even at five years. The assessment is made on income computed under rule 2(a) or 2(b) whichever is greater. If it is under rule 2(a), the company gets the credit for the whole tax deducted at source in the previous year. If it is under rule 2(b), the company gets credit for the tax deducted at source not for the whole tax deducted at source in the previous year but the *annual average* of the income-tax deducted at source during inter-valuation period.

Now the most important question before us is whether, by compulsory change in the valuation period from five years or four years to three years under the new amendment of 1950, the insurance company has suffered any actual loss for the tax deducted at source in the previous years. To understand this point clearly, let us take the example of a life insurance company which has made its actuarial valuation in the years 1935, 1938, 1942 and 1947 and then according to the Insurance Amendment Act a triennial valuation for the year ended 1950.

Assessments and Valuation

In the above case, the 1947 valuation was a quinquennial valuation, it being based on the accounts for the years 1943, 1944, 1945, 1946 and 1947. The assessments for account years 1947, 1948 and 1949 were based on this valuation and in each assessment the annual average, that is, one-fifth of the total surplus as well as one-fifth of the total tax deducted at source during the inter-valuation period was taken into account. Thus, in the three assessments taken together three-fifths of the total surplus and three-fifths of the tax deducted was taken into account. Now before the remaining two-fifths was absorbed, the Insurance Amendment Act of 1950 was passed, whereby the company was required to prepare its next valuation report for a triennium only, i.e., as at 31st December, 1950, and, as said in the beginning, the assessment for the company's year 31st December 1950 was based on this new valuation. Now the point is what about the two-fifths of surplus and two-fifths of tax that has still remained unadjusted from the 1947 valuation? So far as the schedule to the Income-tax Act is concerned, the Income-tax Officer is correct in basing the 1951-52 assessment (i.e., assessment for the year ending 31st December 1950) on the 1950 valuation report. It cannot be argued that he should have based it on the 1947 valuation. That would not only be illegal but it would also be of great disadvantage to the life insurance company, as, in that case, the amount of refund would be substantially decreased.

After all, the assessable income of a life insurance company is taken as a notional income and whether there is any credit for the tax deducted at source on a company's account with the Income-tax Officer or not, the company concerned is given credit for the average tax deducted at source in the valuation available with him, when the assessment is made under rule (b). For example, in the above case, the valuation for 1938 was triennial and still four assessments, namely, those of 1938, 1939, 1940 and 1941 were based on this valuation, one-third of the total surplus and one-third of the total tax deducted at source being taken into account every time. Thus, in this case, the company gets credit, of tax in its assessment for 1941 accounts, although there is no balance of income-tax deducted at source in the company's account with the Income-tax Officer, it being exhausted for assessments of 1938, 1939 and 1940.

Again, it is not definite that every year the assessment will be made under rule 2(b) and it cannot definitely be said that the company must get credit of the annual average tax deducted at source. For example, in the case of one company having exactly the above valuation period, the 1943-44 assessment (account year 1942) was made under rule 2(a) and there was therefore, no question of annual average credit as under rule 2(b). Consequently, the company gets credit for the full tax deducted at source in 1942. The next four assessments in that case, i.e., for account years 1943-44-45 and 1946 were, however, based on the quadrennial valuation of 1942 and in each of them the company got credit for one-fourth tax deducted during 1939, 1940, 1941 and 1942. Thus, the company got credit of tax deducted in 1942 twice, once in the 1942 assessment and again the next four, i.e., 1943, 1944, 1945 and 1946 assessments. So there can be no case for definite annual average credit for the tax deducted at source.

Thus, although it appears that two-fifths of the tax deducted at source in the 1947 valuation still lies with the Government, it is doubtful whether the company can claim refund of the same under any provision of the Income-tax Act for, according to the Act, income as well as credit of tax for only one year can be taken into account in one assessment. No appeal can lie on this point with the A.A.C. of Income-tax under section 30 of the Income-tax Act which deals with the points that can be taken in appeal.

The only solution now that appears worth trying is to apply to the Commissioner of Income-tax for reopening and readjustments of the assessments of 1947, 1948 and 1949 and to request him to base these assessments on one-third of the tax deducted in the 1947 valuation, instead of on one-fifth as actually done.

The Only Solution

Thus, income assessed in the case of a life insurance company being a notional income when it is computed under rule 2(b) and we get credit for the tax deducted at source based on an average period, it is doubtful whether it can be said that the loss of two-fifths of the tax deducted at source is a real loss. I understand that the Indian Life Offices' Association has taken this point to the Central Board of Revenue and its result is awaited.



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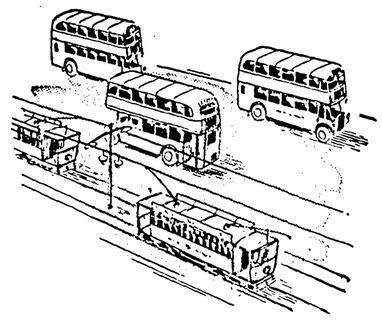

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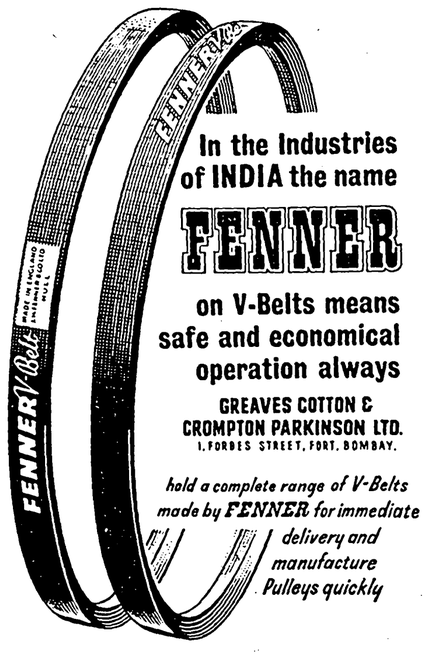

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LABOUR LEGISLATION IN INDIA

NO ATTENTION PAID FOR BUILDING UP TRADE UNIONS ON HEALTHY LINES

(By S. SESHADRI)

ACCORDING to current reports, a few labour Bills will be introduced in the autumn session of Parliament. The declared objectives of these Bills are to provide a uniform code of labour legislation, to create scope for the growth of collective bargaining and healthy labour-management relations and to regulate and help the development of a strong trade union movement in the country. It may, therefore, be useful to review now the main provisions of some of the important labour laws passed since independence, in order to assess their contribution to labour's improvement and to see in what respects they need to be altered.

The labour laws enacted since 1947 by the Government of Free India can be classified under three heads: (1) Welfare and wages; (2) industrial relations and trade unions; and (3) social security.

Welfare and Wages

The leaders of the Congress Party who rode to power on the high tide of popularity among the working classes were anxious to raise the standard of living and improve the working and living conditions of labour. Hence, steps were taken immediately by the Government to make provision in law for labour welfare.

The comprehensive Factories Act, 1948, the first Act in this direction, consolidates all the previous enactments and makes elaborate provisions for welfare measures. The Act abolishes the distinction between seasonal and non-seasonal factories and widens the definition of the term 'factory,' so as to include all industrial establishments, employing ten or more workers where power is used, and 20 or more in all other cases.

The old Factories Act contained all the provisions regarding health, safety and welfare in one chapter. But, in the new Act, these are split into three separate chapters and far-reaching provisions of minimum requirements, worked out in minute detail, are made for raising the level of working conditions in the industrial establishments. Further, they are extended to all workplaces, irrespective of the number of workers employed, except to those where work is carried on by the occupier with the sole aid of his family members.

The Act makes an advance over all previous enactments in respect of leave with pay. It provides that every adult worker, who has put in a continuous service of one year, shall be entitled to leave with pay at the rate of one day for every 20 days' service; in the case of children, it is one day for every 15 days' service. (In a recent amendment to the Act, the need for putting in continuous service to qualify for leave with pay has been removed.) In regard to employment of children in factories, the minimum age is raised from 12 to 14 years and the maximum work hours reduced from 5 to 4½ per day.

The minimum requirements of work space per worker, cleanliness, washing and bathing facilities, canteens, creches, medical aid and other provisions are laid down in detail in the Act; and the State Governments are required to make rules for the association of workers in the management of these arrangements. While enhanced penalties are prescribed for violations of these provisions, the Factories Inspectorate are given powers for their stricter enforcement and control.

Minimum Wages

The Payment of Wages Act, 1936, regulated the payment of wages and only prevented arbitrary deductions from workers' wages and fines; but it was not helpful to a worker who had no bargaining power to secure a living wage. A law to help the unorganised workers was, therefore, a long-felt need. This was met by the Minimum Wages Act, 1948, which was a landmark in Indian labour legislation. For the first time, a legislation was made statutorily to fix minimum rates of wages in a number of employments, including agriculture and plantations. The Act required State Governments to fix, before the expiry of three years in the case of agriculture and two years in other cases, minimum rates of wages for all employments mentioned in the schedules. By an amendment in 1951, the period was extended by one year, to 31st March, 1952, for all employments other than agriculture and upto 31st December, 1953, for agricultural workers.

The constitution of a Central Advisory Board is also provided for in the Act, to advise the Central and State Governments on matters connected with the fixation and periodical revision of minimum wages. In all the Boards, Committees and Sub-Committees envisaged in the Act, employers and employees are to be represented in equal number and independent persons were to be associated by nomination. By these provisions, the Government of India has sought to extend its control on matters relating to wage fixation and revision in industrial employments.

Industrial Relations and Trade Unions

The new legislation in this sphere, which was largely based on the war-time experience of the working of section 81A of the Defence of India Rules, radically altered the machinery for the settlement of industrial disputes and regulation of employer-employee relations. The Industrial Disputes Act, 1947, in which was incorporated all the provisions of section 81A, made two innovations: first, it provided for the constitution of Works Committees of labour-management representatives in every establishment of 100 or more workers, in order to remove causes of friction and promote measures for establishing sound industrial relations; and, secondly, provision was made for the constitution of industrial tribunals, to which disputes could be referred for adjudication. A dispute could be referred for adjudication to a tribunal when the State Government considered it expedient and/or when both parties applied for it. A tribunal's award was binding on both parties for such time as might be notified by the Government.

The entire conciliation machinery is given a new orientation in the Act. Prior resort to it is obligatory in disputes in public utility services and optional in other cases; and time-limits are laid down to expedite proceedings—14 days in the case of conciliation by Conciliation Officers and two months by a Board of Conciliation, reckoned from the date of notice of strike. Strikes and lockouts are prohibited during pendency of conciliation or adjudication as well as during operation of settlements reached by conciliation or awards of industrial tribunals. And the Government is empowered to declare, if public interest required, as public utility service any of the following industries: transport, coal, cotton textiles, foodstuffs and iron and steel.

To achieve uniformity in awards, the Industrial Disputes (Banking and Insurance Companies) Act was passed in 1949, authorising the Central Government alone to refer for adjudication disputes in banking and insurance companies. For similar purpose in the case of other industries also, the Industrial Disputes (Appellate Tribunal) Act, 1950, was passed, providing for appeals against the awards of labour courts and industrial tribunals. This Act was also intended to co-ordinate the activities of the large number of industrial tribunals set up by the Central and State Governments. In 1951, section 10 of the Industrial Disputes Act was amended to include within the scope of general adjudication, even units in which no disputes might actually exist.

One predominant feature of these pieces of legislation on industrial relations is the extension of State control over all matters connected with the settlement of industrial disputes. The State has the discretionary power to refer or not any dispute for adjudication. The result was that both employers and employees looked to the Government for settlement of their disputes, without making any attempt to settle among themselves by negotiation or discussion.

State Legislations

There was a similar trend in the labour legislation by the State Governments. Bombay was the first to pass an Industrial Relations Act. The Bombay Industrial Relations Act, which was put on the statute book in 1947, repealed and replaced the Bombay Industrial Disputes Act 1938. The new Act has made several important changes in the structure of industrial relations machinery. A new class of "approved unions" receiving preferential treatment has been created and given certain privileges in return for certain obligations, the chief of which is not to go on strike until all the provisions of the Act for settling a dispute are exhausted and the majority of the members voted for it. For the first time in India, labour courts were set up in Bombay for securing quick decisions on references of illegal changes in standing orders or conditions of work. The Act provides for setting up, in various industries, joint committees of employers' and employees' representatives which, it was hoped, would give opportunities for mutual understanding and co-operation between the two partners in industry. Thus, the Act chiefly aims at regulating all matters of employer-employee relations. The sheet-anchor of the whole Act is compulsory adjudication of industrial disputes.

The Uttar Pradesh and Madhya Pradesh States, too, have followed suit and passed the U.P. Industrial Disputes Act and the Industrial Disputes Settlement Act, respectively. In their main provisions, these two Acts follow the principles of the Central Government's Industrial Disputes Act 1947. The other States are applying and following the Central Act.

It is surprising that while there has been a spate of legislation on industrial relations and labour welfare in recent years, no attention has been paid to the regulation of trade unions, except by including a few provisions, as mentioned earlier, in the Industrial Disputes and Industrial Relations Acts. In fact, the state of the trade union movement in India on the eve of and after independence and the inadequacy of the Indian Trade Unions Act 1926 warranted a more comprehensive Trade Unions Act for helping the growth of the labour movement on sound lines. But, unfortunately, this aspect was completely overlooked by the party in power. A Trade Unions (Amendment) Act was, of course, passed in 1947, providing for compulsory recognition of trade unions by employers by order of a labour court; but, for reasons unknown, it was not put on the statute book.

Social Security

Unprecedented advance was made in the field of social security for industrial workers in this period. Prior to 1947, the Workmen's Compensation and Maternity Benefit Acts were the only measures which provided some security to industrial labour. But, since 1947, several measures have been passed for providing better security to the factory workers.

The Employees' State Insurance Act, 1948, which marks a new era in the field of social insurance legislation in India, provides for compulsory insurance of a specified class of workers against the risks of sickness, maternity and employment injury. Five types of benefits are granted to all insured workers: sickness, maternity, disablement, dependents' and medical benefits. In February, 1952, two pilot projects, under the insurance scheme were inaugurated in Kanpur and Delhi. The scheme is to be extended over all the country by stages by July 1954, when it will be the largest scheme of social insurance operating in Asia.

Another important step forward was taken by passing the Employees' Provident Funds Act in 1952, which provided for the compulsory institution of provident funds for workers in all factories in existence for three years, employing 50 or more workers and engaged in the manufacture or production of cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles. This Act was inaugurated in November, 1952, and covers about 1.6 million workers in the country.

Besides these, the Central and State Governments have passed several other acts to ensure smooth industrial relations and improve the workers' welfare. Housing, education and recreational activities have all come in for State regulation. The last act in the list is the Bombay Labour Welfare Fund Act 1953, which provides for the constitution of a Central Labour Welfare Fund in the State, by pooling all fines and unclaimed accumulations in the factories.

As the above review reveals, the extension of State control over all matters of industrial relations and labour welfare is a predominant feature of all recent labour legislation in India; so that whether a dispute is about wages, bonus, change in working conditions or any other minor question, both labour and management today look to the Government for its settlement. No attempt is made by either side to settle the dispute by mutual discussion or negotiation. No wonder, therefore, that industrial disputes coming up for adjudication are increasing in number. Nevertheless, it cannot be gainsaid that compulsory arbitration has benefited both industry and labour. Loss of time by strikes and lockouts has been greatly minimised and a certain amount of peace in industry has come to prevail, leading to increased production. Labour too has gained much by way of higher wages, more bonuses and increased welfare amenities inside and outside the factory.

All the same, the relations between employers and employees have not been lacking in cordiality and mutual confidence. On the contrary, they have been progressively deteriorating. The peace prevailing in industry to-day is mainly due to external pressure and not to correct appreciation of each others needs and position. This has naturally created an unreal and vitiated atmosphere of industrial relations in the country; this is because State intervention at every stage has prevented correct employer-employee understanding. To remedy this situation, emphasis must be put, as the Union Labour Minister, Mr. V. V. Giri, has been rightly declaring during the past one year, no mutual discussion and voluntary negotiation between management and labour. The new labour legislation should aim at enabling management and labour to come together and discuss their problems in a spirit of understanding and friendliness. The chief objective of law should be to bring the parties together, so that they can negotiate and settle their differences themselves. It is only on that basis that collective bargaining can develop in India on right lines.

But collective bargaining cannot grow without a strong trade union organisation. Trade unions are the foundation of collective bargaining in industry. It is a sad commentary on the Indian trade union movement that, even after thirty years of struggle, it is not united or strong; nor is it developing on correct lines. Its weakness has increased due to compulsory arbitration which has made it completely dependent on Government support, in some cases even for its very existence. If collective bargaining is to develop, a suitable legislation for helping the growth of strong independent trade unions from malicious prosecution, it does Unions Act 1926 has proved inadequate in this direction; for, though it affords protection to trade unions from malicious prosecution, it does not require employers to recognise and deal with even registered trade unions. Consequently, unions have come to be recognised or not according to the like and dislikes of management. Very often strong unions, with a majority of workers as members, are not recognised and treated as representative organisations, because the management do not like their office-bearers or because they do not toe the line of the management or the Government. This deplorable feature has done much harm to the Indian trade union movement and the cause of collective bargaining. It is, therefore, very essential that employers should be compelled by law to recognise all registered trade unions with a majority of workers as their members, irrespective of their party affiliations, as representative bodies and deal with them. It is only than that a sound basis will be laid for collective bargaining and voluntary negotiation to develop in India.

(Concluded from third column)

this may be required in the interests of industrial development. Sooner or later, the country may have to face the question whether it would not be worth while to secure a substantial reduction in coal freights at the cost of sacrificing part of the contribution which the railways make to general revenues.'

"These words are as true to-day as they were then. The need to revise the present freight structure to assist the development of industries is really very pressing at present and I hope the Railway Board will not persist in their policy of ignoring the viewpoint of the industry, but will undertake a scientific enquiry into the whole matter, so that the necessary relief, wherever justified, may be given. While on this subject, I would also like to draw the attention of the Railway Board to the inadequacy of railway wagons, both for the transport of raw materials as well as finished goods.

"I shall now conclude by expressing my appreciation for the sincere co-operation and hard work put in by the officers, staff and workers of the Company in bringing out the satisfactory results and I hope the same cordial relations prevailing during this period will not only be continued but will be strengthened in future."

SHREE DIGVIJAY CEMENT CO., LTD.

MR. G. D. SOMANI'S ADDRESS AT ANNUAL MEETING

THE apprehension that an increase in the price of cement would upset the cost of the projects envisaged in the Five-year Plan was dispelled by Mr. G. D. Somani, Chairman, Shree Digvijay Cement Co., Ltd. in his address to the shareholders of the Company at their Eighth Annual General Meeting held at Sika (Jamnagar) on the 21st ult. According to him, the estimates of the Plan were finalised at a time when the price of cement was much higher than at present and the enhancement of the price to that level would not, therefore, upset the Plan.

Referring to the constant increase in the manufacturing cost of the industry, which was due to the Government's action in raising the freight on coal and in enacting various kinds of labour welfare measures, Mr. Somani said that the controlled prices of manufactured goods should be such as to provide adequate return on the capital employed. He pleaded for a reduction in railway freight rates also.

The following are extracts from Mr. Somani's address:

"As you must have observed from the balance-sheet, the working results of the Company during the year under review have been satisfactory. These satisfactory results, as mentioned in the Directors' report, have been primarily due to record output as well as good prices realised in the export market for some portion of the output. You must have also observed that no provision has been made in the balance-sheet for any taxation reserve, since a huge amount of depreciation arrears still remains to be provided. The prices obtained for the Company's output, both for internal as well as export markets last year, are no longer available and the working results of the Company for the current year have not, therefore, been satisfactory so far, but I am hopeful that full justice will be done to the industry by the Government in the near future by fixing fair selling price on the basis of the recommendations of the Tariff Commission.

"Your Directors have approved the installation of ropeways from the factory's packing plant to the steamer loading point in two stages to facilitate the working operations of handling raw materials and cement at Sika Port. As previously reported, the order for the first stage has already been placed with the manufacturers, the completion of which may take more than a year or so. The capital cost involved in this scheme is, indeed, very high and your Directors have sought the assistance of the Saurashtra State Government to exempt the Company from the payment of port wharfage charges and I am glad to report that the matter is being favourably considered by the Government of Saurashtra.

Difficulties of Promoters of New Industries

"There is a general tendency even in informed quarters to blame the industries for frittering away their resources in distributing liberal dividends and in high commissions to the managing agents. It would be interesting to examine this criticism from the results of our own working. The Company was floated in 1945 and the ordinary shareholders got their first dividend of 5 per cent. in 1952 after seven years and are getting 6 per cent. in the current year. The gross profits since the Company's plant started operations and their distribution are as follows:

	Gross profit (Rs. lakhs)	Dividend (Rs. lakhs)	%	Managing Agents' commission (Rs. lakhs)	%
1949 ..	12.24	..	..	8.80	6.5
1950 ..	15.15	—	..	0.85	5.6
1951 ..	18.75	3.00	15.9	1.30	7.0
1952 ..	25.22	3.60	14.2	2.11	8.3

"It would thus be seen that the dividends and Managing Agents' commission represent only 13.05 per cent. and 6.85 per cent. respectively of the gross profits even though the same are not subject to income-tax, at present. Moreover, although as much as 55.0 per cent. of profits was provided for depreciation, still a huge amount remains in arrears. These figures fully illustrate the difficulties of the promoters of new industry in finding additional capital and Government will be doing nothing more than bare justice, if they liberalise the policy of allowing fair prices for controlled goods to ensure a reasonable return to the investors in new enterprises.

Question of Fair Selling Price

"As you are aware, the special price of Rs. 7-8 per ton to the new units was withdrawn from 1st April, 1952, and, subsequently, another drastic reduction of Rs. 11-5 per ton came into force from 1st December, 1952. These and other subsequent reductions in prices have adversely affected the earnings of the cement industry at large and especially have put the new units in a very awkward position.

"The question of fair selling prices was referred to the Tariff Commission in December last by the Government on strong representations of the industry. The Commission completed its enquiries about two months ago and it was expected that they would submit their recommendations about the middle of June, so that the new prices could be effective from 1st July. It, however, transpires that there has been some considerable further delay and the recommendations may have gone only now. I would, however, strongly urge upon the Government to give prompt consideration to the recommendations of the Commission, so that the new prices may be effective at least from 1st August next.

"I need hardly point out that the future of the cement industry, in general and new units, in particular, depends mainly upon the Tariff Commission's recommendations and Government's decision thereon.

Increase in Manufacturing Cost

"There has been some apprehension in certain quarters that by giving suitable increase in the price of cement, the cost estimates of the various projects of national importance as envisaged under the Five-year Plan may be upset. I would like to emphasise here that the Five-year Plan was finalised at a time when the prices of cement were much higher than now and hence the estimates of the Plan were based upon those prices. Therefore, any revision of the prices upto that extent will not in any way increase the cost of construction of such major projects as far as cement is concerned.

"Furthermore, it must be remembered that the constant increase in the manufacturing cost has been brought about by the policy of the Government, in substantially increasing the freight on coal and in enacting various kinds of social, welfare legislations for labour, and there should, therefore, be no objection to any increase being given on this account. I cannot too strongly emphasise that the prices of manufactured goods which are under control should provide for adequate return on capital, if the pace of development of our industrial resources is to be accelerated.

Railway Freight Rates

"The question of the railway freight rates structure is of such great importance to the development of the cement industry that, I feel, I must refer to it again as I have done in the past. I think, I cannot do better than quote what the former Tariff Board said in this connection as early as 1925:

"'Over a large part of the country progress may be seriously retarded, unless the freight on coal can be reduced substantially. We believe that no one would challenge the proposition that coal freights on the Indian railways should be kept at the very lowest point which is commercially possible. But more than

(Continued in first column)

OBSTACLES TO COMMODITY AGREEMENTS

ARE THEY INSURMOUNTABLE?

ALTHOUGH international commodity agreements are considered to be the best means for achieving stability in the prices of primary commodities, it is surprising that only one such commodity agreement, namely, the International Wheat Agreement has been concluded in recent years. Even the future of this Agreement is uncertain, as the U.K. has decided to withdraw from it. As such, a study of the obstacles to the conclusion of commodity agreements, presented by the United Nations through its latest publication on the subject, *Review of International Commodity Problems*, 1952, will be read with interest.

Few States in the world have disputed the utility of commodity agreements as a means to stabilise world prices, but, for one reason or another, many of them have not been able to participate in the negotiations for such agreements or arrive at agreements. The failure to arrive at such agreements is due not to lack of international machinery for the purpose, but to certain other difficulties. These vary greatly from commodity to commodity. The difficulties may arise, as they have already arisen, either from general economic and financial factors affecting the countries which produce or consume the commodity in question. They may also arise from the circumstances in which the particular commodity is produced, marketed or consumed.

A striking example of the type of difficulty arising from general economic and financial factors affecting the countries is provided by balance of payments considerations. This is common to the South and South-East Asian countries. Again, if an agreement needs to contain internationally agreed prices or price ranges, the problem of expressing these prices in a generally accepted and stable currency may give rise to great difficulties. Considerable discussion took place on this point at the Tin Conference in 1950. There is also the difficulty, in regard to the technique of financing buffer stocks, particularly in relation to the management of such stocks, which will have to be bought or sold in varying degrees for convertible and non-convertible currencies.

Alternative Commodities

Among difficulties arising from the nature of the commodity itself and from the arrangements for producing, marketing or consuming, mention must be made of the existence of "alternative" commodities. An instance of a commodity in which the problem of alternative materials arises is rubber. As synthetic rubber is a manufactured product, the production of which can be adjusted according to demand, its price does not fluctuate so violently as that of natural rubber. Naturally, the problem of devising an agreement for rubber requires consideration of both types of rubber. There are also the difficulties caused by differences in types and grades. Such are particularly evident in the case of wool. Further, there are difficulties due to differential prices arising from multilateral long-term contract type of agreements, because of the simultaneous availability of supplies at the prices established by agreement, and of other supplies at free market prices. Although these difficulties were present in the sphere of wheat supply, they did not, however, prevent the conclusion of the first International Wheat Agreement. Thus, wheat was then available throughout the world both at the agreement price and free market prices. Although this agreement has just been renewed, the refusal of the U.K. to participate in it owing to differences of opinion on prices has made its duration quite uncertain. The International Cotton Advisory Committee, in its recent discussions about the possibility of an international cotton agreement, paid considerable attention to this problem, and the representatives of some Governments stated that an agreement, which led to the availability of cotton at differential prices, would not be acceptable to them.

Quite apart from these technical difficulties, there remains the question whether the Governments substantially interested in any particular commodity consider an agreement worthwhile. Particularly, where questions of prices and price ranges arise, the immediate interests of producing and consuming countries may prove more forceful than the concern for stability, if it is at variance with the former.

There are, of course, other considerations, too, which may discourage any particular Government from entering into an agreement. The Governments may decide that it is impossible for them to accept obligations which others have no intention of accepting. Again, they may not accept the required degree of interference with the usual channels of trade, with ready access to supplies, or with freedom of producers.

What then is the future for commodity agreements? Certainly, in the light of these difficulties, it seems too much to expect a series of commodity agreements, which might achieve a measure of stability substantially, throughout the field of primary commodities. That does not mean that the world should remain complacent. Every effort should be made to arrive at short-term schemes, and the possibilities of converting them into permanent stabilisation arrangements should be explored. Care should, however, be taken to see that the commodity agreements do not interfere with the normal forces of supply and demand. Long-term interests should be kept in the background. In fact, the price ranges, which any commodity agreement may be designed to achieve, must conform to the long-term trend for the commodity in question, so far as it can be foreseen.

Prices

Commodity agreements should not, of course, mean that the primary producers should be compelled to choose stability at any cost. Indeed, a well regulated agreement for commodities should assure them reasonable prices, consistent with their own needs of essential equipment for industrial purposes. On this question, the Report says:

"The assistance which commodity arrangements might afford in relation to the problem of development merits some mention in this report. It seems that the avoidance of instability may carry with it certain definite, though limited, advantages for the producers of primary products. Violent swings in the external income of countries producing primary products may well impede plans for development. Not only do they lead to alternate periods of full employment and unemployment (or more often under-employment), but they also make it difficult for the country in question to be sure of a steady inflow of the needed capital equipment."

Are the commodity agreements the only method by which Governments can work together towards achieving stability? The U.N. Report says "not necessarily." Thus, for instance, when certain Governments were faced with serious difficulties arising out of extreme shortages in 1950 and 1951, they were able to achieve, through the International Materials Conference, a large degree of success in devising measures to deal with the effects of those shortages. Moreover, the system of regular meetings of study groups, consisting of experts in problems of individual commodities, has, it is claimed, contributed something towards achievement of stability. The exchange of statistics and information on an inter-Governmental basis at such meetings must have had an influence on national policies in relation to the particular commodities covered by those groups, and this influence has, no doubt, tended towards the achievement of stability to a limited extent. It may not be unreasonable to hope that these factors, coupled with the general awareness of the advantages of stability, may lead, if not to the formal conclusion of international commodity agreements, at least to a better co-ordination of national action in the direction of stability.

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Pakistan. Another handicap mentioned by German business houses is the high cost of steel. This, they allege, places them at a disadvantageous position as compared with Britain, enjoying the benefit of low steel prices. Yet another factor which is making it difficult for Germany to make further headway in export trade is the balance of payments difficulties of a number of countries and the bilateral payments agreements. Among the other factors that are likely to slow down Germany's exports in the coming months, mention is made of the exhaustion of credit lines extended to some of the countries, such as Chile, Egypt, Finland and Yugoslavia. Already these countries are finding it hard to repay the credits taken by them and the Government is rather worried over this situation, for it realises full well that the soundness of German economy will be impaired, unless it gets an equivalent for goods exported. The German Government itself may, therefore, discourage exports of goods to countries the balance of payments position of which is not comfortable.

WEST GERMAN EXPORTS IMPROVE

TAX CONCESSIONS FOR PROMOTING TRADE

THE export trade of Western Germany has been faring better than ever before. There was an export surplus of £75 million during January-June, 1953. The volume of foreign orders received during the months of April-May of this year was 28 per cent. higher than in the same period in 1952. That there has been a steady rise in German exports is evident from the fact that, since 1950, when the German balance of payments position was serious, the foreign exchange accounts of the German Central Bank has changed from a deficit of £45 million to a surplus of as much as £520 million, of which gold and dollars account for more than half.

The aforesaid achievement was due, to a large extent, to the assistance rendered by the German Government in various ways. There is an impression among the competitors of Germany that the Government aided the exporters by providing subsidies on a liberal scale. That some subsidy was given is not denied, but the accusation that heavy export subsidies were being paid is denied strongly. German official spokesmen aver that Germany has repeatedly expressed its willingness to do away with all export subsidies, provided every other nation does the same. As proof of its good intention, Germany, they say, has abolished the dollar retention scheme. The German Central Bank is not issuing any vouchers for new dollar export contracts, and by 31st March, the last import voucher will have become void. Despite all this explanation, the fact remains that, only a few days ago, the Lower Chamber passed a Bill to the effect that, in future, 3.5 per cent. of export turnover could be deducted from profits for tax purposes, as against 3 per cent. hitherto. From this it is clear that export subsidies are being raised.

Other Tax Concessions

The German exporters have been enjoying other tax concessions also. A rebate of 2.5 per cent. on the turnover tax (corresponding to British surcharge tax), for instance, is allowed. This, together with the 3 per cent. temporary tax allowance on export turnover, gives a German manufacturing corporation an advantage of 5 per cent. over its competitors in other countries.

German officials also attribute improvement in exports to certain money market developments such as reduction in discount rate, which reduced the cost of export credits. The bulk of export credits is supplied by the Export Credit Bank, which was set up early in 1952. Credits average 1.5 million marks per deal and are mostly short-term. Even if the State guarantees, which serve as a basis for providing the Hermes Export Risk Insurance, are secured, credits for four years from the date of order are normally the maximum obtainable. There are, however, exceptions to this rule. If, for example, the country to which goods are exported is not a debtor country and the inter-ministerial guarantee committee (which decides on all export orders exceeding 100,000 marks, in value) deems that a practical deal is of great interest to Germany, the maximum period for credit might be exceeded, or the four-year period might be counted from the day of shipping instead of the day of booking the order. These special credit facilities are usually made available in respect of deals covering capital goods. Such an instance occurred recently when a deal for 70 million marks covering industrial installations required by Afghanistan came up for consideration. The following terms were declared acceptable through an official foreign trade circular:

25 per cent. payment on the day the order is booked; 25 per cent. when shipment begins; and the remaining 50 per cent. to be spread over four years in the following manner:

2.5 per cent. 12 months after each part shipment;

2.5 per cent. 24 months after each part shipment;

5 per cent. 30 months after each part shipment;

10 per cent. 36 months after each part shipment;

10 per cent. 42 months after each part shipment; and the last 20 per cent. 48 months after each part shipment.

German industrialists are complaining that even the credit facilities of the foregoing order are not sufficient, because French firms are able to offer even more liberal terms. They say that, because of this, the French were recently able to get big orders from Turkey, Egypt, Spain and

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ORIENTAL GOVERNMENT SECURITY LIFE ASSURANCE Co. Ltd.

PRACTICE OF QUOTING DIFFERENTIAL RATES CRITICISED

SIR PURSHOTAMDAS THAKURDAS' SPEECH

PRESIDING over the Seventy-eighth Ordinary General Meeting of the Oriental Government Security Life Assurance Company, Ltd., held at 4 p.m. on Wednesday the 29th July, 1953, at the Head Office of the Company at Oriental Buildings, Bombay, Sir Purshotamdas Thakurdas, K.B.E., C.I.E., J.P., Chairman, said:

"The new business completed last year amounted to 71,359 policies, assuring slightly less than Rs. 21¼ crores which shows a decrease of 2,100 policies assuring slightly less than Rs. 1 crore as compared with the new business of the preceding year. Our total premium income last year was slightly less than Rs. 917¾ lakhs, showing an increase of Rs. 24¼ lakhs. Claims by death amounted to slightly over Rs. 109¼ lakhs and claims by maturity Rs. 262¼ lakhs. The ratio of actual to expected deaths during the year was 42.9 per cent. as against 46.6 per cent. in 1951. The expenses of management last year amounted to 23.22 per cent. of the premium income. The funds of the Company increased to over Rs. 67¾ crores at the end of the year. The demand for policy loans continued with increasing keenness during the year, the total amount of policy loans at the end of the year being Rs. 462¼ lakhs.

"The net rate of interest after deduction of income-tax at the source earned during 1952 was 4.05 per cent. compared with 2.94 per cent. in the preceding year. The difference is mainly accounted for by the fact that while in 1951 the Company did not receive any refund of income-tax, in 1952 we received refund of tax for two years. Had one year's refund been received in 1951 and one year's in 1952, the net rates of interest for these years would have been 3.43 per cent. and 3.58 per cent. respectively.

Malpractices

"It is surprising that when certain abuses are rampant in a type of business activity and suitable laws are passed by the legislature of the country to remove them, these very abuses reappear in a more intensified form even after the law is passed. This is precisely what has happened in the business of insurance and particularly life insurance. The Insurance Act 1938 concerned itself, amongst other things, with the removal of two sinister malpractices, viz., rebating and excessive payment of commission which, despite the stringent provisions in the Act to remove them, persist in a more intensified form. In several cases, the malpractices used to take the shape of the creation of more than one intermediary between the branch manager and the agent merely to indulge in payment of high commission and rebating with the salary of the intermediary which is paid for no service whatsoever rendered to the institution. The Insurance Act made rebating an offence both for the one that offers and the one that takes and also imposed maximum limits of commission payable on the first year's and the renewal premiums. From their very nature, it will be extremely difficult to prove the commission of these two evils of rebating and excessive payment of commission in such a manner as to convince a court of law. When these evils are present, canvassing is carried to a sphere divorced from the normal ethical standards of canvassing viz., advocating the merits of the Company and recommending the best type of policy suited to the needs of the prospect, for an agent who gives the highest rebate secures a large volume of business, irrespective of the soundness of his institution, and recommends a type of policy that gives him the largest commission regardless of the suitability of the policy to the insured.

"Some foreign companies used to give this rebating a superficially innocent garb by quoting a lower rate of premium to persons of high financial status, who, they argued, would be subject to lower mortality. Such a practice goes counter to the very basis and structure of life insurance, viz., co-operation of the highest order. If the population is to be dissected into sections on the basis of economic status, why not dissect them on the basis of climate and similar factors affecting longevity? In other words, why should not the country be cut up into sections on the pattern of a chess-board based upon climate, health and so many other factors that influence mortality and companies quote differential rates of premium corresponding to the mortality risk? Such a course would be repugnant to the very idea of insurance. Persons of lower economic status should not have to pay higher premiums than those of higher economic status and the payment of the same rate of premium by the rich and the poor varying only with age and the state of health as revealed by medical examination when effecting insurance is the very foundation of the co-operative spirit underlying the structure of life insurance. It is some consolation that the Executive Committee of the Life Insurance Council has issued a directive that the practice of quoting differential rates should be discontinued and it is to be hoped that the companies will appreciate the good that the business will derive from observing this directive.

Code of Conduct

"The Committee has also issued a Code of Conduct which, if observed, will go a long way towards eradicating other evils which unfortunately permeate the business of life insurance. The Code of Conduct has been drawn up so as to give greater latitude to younger and smaller companies as against their bigger brethren. For instance, while the former are allowed to pay the maximum rate of commission in all cases, the bigger companies are enjoined on to reach the maximum by a sliding scale based upon the volume of business introduced by the agent. Again, the bigger companies are required to have only one intermediary between the branch official and the agent whereas the smaller companies are allowed two intermediaries for a certain period.

"While on this subject, may I not give a piece of advice to foreign insurance companies which transact business in this country and ask them to realise that those days when they used to conduct their business operations in this country under the protection of one or other of the sections of the Government of India Act which prevailed prior to the securing of independence by this country no longer exist? The national feeling in this country has now been aroused and while foreign business houses will be tolerated to a certain extent so long as they act in such a way as to set a good example to indigenous institutions, they should not try to indulge, with anything like impunity, in methods calculated to hamper the growth of national institutions by dumping through rate-cutting or other methods which unfortunately are being practised by some of these institutions. I put this forward as a piece of advice and if this is not heeded by the foreign competitors who are offending in this respect, then an appeal will have to be made to our Government to take sterner measures against them. I do hope these institutions will not force indigenous companies to resort to this measure.

Estate Duty Bill

"Confining myself to those provisions of the Estate Duty Bill which affect the business of life insurance, I would point out that the Bill as originally introduced in Parliament did not contain any specific exemption from estate duty in respect of life insurance policy moneys. This lacuna was remedied, however, to a certain extent by the Select Committee to which the Bill was referred. According to clause 32(1) (f) of the Bill, moneys payable under one or more policies of insurance effected by a deceased on his life for the purpose of paying estate duty or assigned to Government for the said purpose will be exempt from estate duty to the extent of the amount of duty payable. This is a concession and would act as a fillip to the business of life insurance. The underlying object of life insurance in such cases is to prevent the land or house property or business having to be sold, mortgaged, etc., merely for the purpose of paying the estate duty as it is in the interests of the country's economy that businesses or estates which may have been built up as a result of patient and painstaking endeavours over a long period should not have to be wound up or broken up merely as a result of having to pay estate duty.

"Then there is clause 32(1) (g) in terms of which exemption from estate duty will extend to moneys payable under one or more policies of insurance effected by the deceased on his life to the extent of Rs. 5,000. There is yet another clause, viz., clause 32(1) (j), according to which, *inter alia*, moneys earmarked by a deceased parent or natural guardian, in consideration of the marriage of any of his female relatives dependent upon him for the necessaries of life, under policies of insurance will be exempt to the extent of Rs. 5,000 in respect of the marriage of each of such relatives. The latter two provisions propose to give such meagre relief that, in my opinion, it is hardly worth the name. It is well known that this country has a very low *per capita* insurance as compared to other countries. The need for intensively fostering insurance consciousness and aiding the development of life insurance business is, therefore, all the greater in this country because social security in the form of provision for one's old age and for the family in the event of his premature death has in India, as contrasted with other advanced countries, mainly to be provided for and arranged by the individual himself. It is, therefore, in my view imperative that where the policy moneys are payable to named beneficiaries, i.e., where the policies are effected under the Married Women's Property Act or where the policyholder has executed a nomination or assignment, either absolute or conditional, the limit of exemption should be fixed at a figure not less than Rs. 1 lakh.

Gifts of Property

"Apart from the specific exemptions mentioned above, there are clauses 9 and 10 of the Bill dealing with gifts which provide that estate duty will not be payable on gifts of property made not less than two years before the death of the deceased, provided *bona fide* possession and enjoyment of the property gifted away was immediately assumed by the donee and thenceforward retained to the entire exclusion of the donor. Doubts have been raised in certain quarters whether the above provision as to gifts of property applies to gifts of moneys payable under life insurance policies and these doubts will have to be removed. Quite apart from this, the conditions laid down in these clauses which would qualify a gift for exemption from estate duty are such as to whittle down considerably the value of this exemption so far as life insurance policies are concerned. It was to meet the need of expeditiously settling claims under life insurance policies that the Insurance Act, 1938, provided by statute an easy and convenient mechanism for transfer of life insurance policies in the shape of nominations as well as conditional assignments which obviated the need for taking out evidence of title in the event of the prior death of the nominee or the assignee as the case may be. If the gift of the policy in favour of the nominee or assignee were to operate as an absolute gift so that the donor retains no further interest in the policy, extreme hardship due to the necessity to obtain evidence of title will result, as used to be the case prior to 1938 in the settlement of claims. It would, therefore, be doing a disservice to policyholders and claimants to force the former to effect absolute assignments so that the donee assumes possession and enjoyment of the property to the entire exclusion of the donor as a condition precedent to exempting the policies from the scope of estate duty.

"The condition that the gift should have been made at least two years before the death of the donor should not apply to life insurance policies since it may happen that in a number of cases the policyholder may die before the expiry of the minimum period after effecting a second or subsequent nomination or assignment due to the death of the first nominee or assignee. The first nomination or assignment had established his *bona fides* and clearly indicated his intention to divest himself of the interest in the policy from the date of its execution.

Illusory Relief

"I must finally mention clause 14 which would work a real hardship in respect of life insurance policies. That clause lays down that money received under a policy of insurance effected by any person on his life, where the policy is wholly kept up by him for the benefit of a donee, whether nominee or assignee, or a part of such money in proportion to the premiums paid by him, where the policy is partially kept up by him for such benefit, shall be deemed to pass on the death of the assured.

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TRENDS IN UTILISATION OF LAND

DECLINE IN SOWN AND FOREST AREAS OF SOME STATES

AGRICULTURAL production in India, particularly production of foodgrains, is generally affected by many factors. Changes in crops, variations in yields, differences in the soil and in its treatment, vagaries of the monsoon, etc., all have a bearing on the total volume of agricultural output year after year. Apart from these, changes in areas of land also affect production. According to the Planning Commission (although pre-war and post-war statistics are not strictly comparable for a number of States), the net increase in the area under current fallows, during the interval between the pre-war and post-war periods, is estimated at about 10 million acres. Part of this increase is ascribed to political conditions prevailing in Hyderabad and the effects of the Partition in States directly affected. Recently, the Food and Agricultural Ministry, Government of India, initiated a series of studies in the utilisation of land over a period of years. One of such studies by Dr. V. G. Panse of the Ministry, published in a recent issue of the *Agricultural Situation in India*, gives an idea of the trends in the use of land. In view of the shortage of several kinds of agricultural commodities, the conclusions of Mr. Panse merit wider publicity.

For the purpose of the study in land utilisation, relevant statistics in the different States are classified under five major heads, namely, (1) area under forest, (2) area not available for cultivation, (3) other uncultivated areas excluding current fallows, (4) area under current fallows and (5) net area sown. The total area under these five classes represents the total geographical area of each State according to the cadastral survey. The States covered by the study are: (1) Punjab, (2) Uttar Pradesh, (3) Madhya Pradesh, (4) Bombay and (5) Madras. As regards the various items which go under these five categories, all forest areas are included in the first category. Area not available for cultivation includes areas occupied by buildings, roads, beds of streams, etc., and barren areas such as bare hill slopes. Areas which have gone out of cultivation for a long time, or were never cultivated but are not classed under the other items, are included under the item "other uncultivated area," excluding current fallows. Area under current fallows refers to land lying fallow as a part of the normal crop rotation, it being understood that the fallow is of a temporary duration. The last item, namely, net area sown, refers to the actual acreage cropped, reckoning double-cropped area only once. As, however, current fallows will be changing into old fallows and as the period specified as current fallows changes from State to State and from two years to 10 years, items (3) and (4) mentioned above have been pooled together to form a single category of fallow land.

The examination of the relevant land utilisation statistics of the five States above reveals certain interesting trends during the periods mentioned above. Briefly stated, these are as follows:

In the case of the Punjab (2), the study covers 20 years from 1929-30 to 1948-49. Over this period, there was practically no change either in the total area or in the area not available for cultivation. But the area sown showed wide annual fluctuations, owing to the vagaries of the monsoon. There was a serious drop in the cropped area in 1938-39 and 1939-40, owing to unfavourable season. However, the figures reveal that neither in area sown nor in fallow land was there any notable trend and it is stated that there is no reason to believe that the acreage under crops is going down in the State.

In Uttar Pradesh, there was very little change in the total area over a period of 39 years from 1910-11 to 1948-49. The sown area did not show any trend upto the year 1929-30, but, thereafter, showed a steady increase so that the percentage of area sown to the total area rose to 56.8 in 1948-49 from 50.5 in 1929-30. The area under fallow land has shown a similar trend in the opposite direction. From 1943-44 onwards, the area under forests went down appreciably, from 13.6 per cent. to 8.5 per cent. in 1948-49. This fall is attributed generally to the method of classification than to actual deforestation, that is, land which was formerly classed under forest was steadily deforested, although it continued to be shown in the same class up to 1943-44 when a proper reclassification was commenced, but this reason requires, it is stated, further examination.

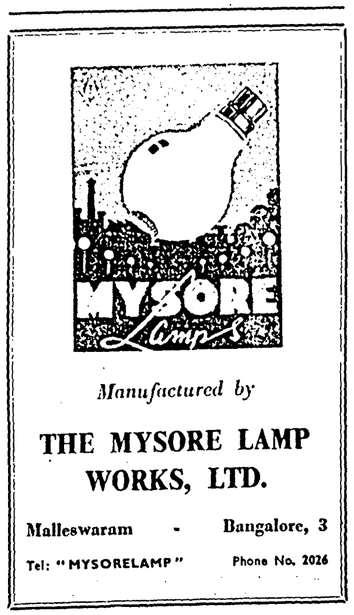
The Madhya Pradesh study covers a period of 37 years from 1910-11 to 1946-47. The total area of the State was reduced by about one million acres in 1935-36, owing to the formation of the Orissa State. The area sown underwent a decline in the same year and remained so without revealing any change. The area not available for cultivation remained the same in proportion to the total area, but the area under forest declined by about 2 per cent. over the period, the deforested area having presumably been added to the uncultivated waste land, including current fallows.

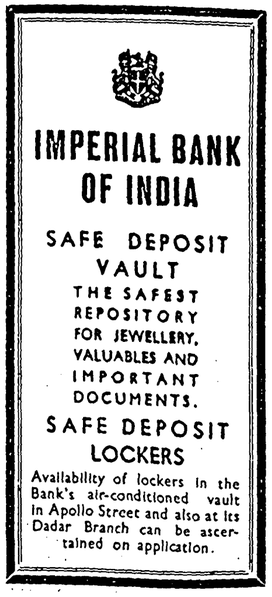
In Bombay, the total area remained the same from 1918-19 to 1948-49, that is for a period of 32 years. The area sown registered a steady upward trend practically over the entire period, while the area under the head uncultivated waste land including current fallows declined. The area under forest has shown a slight but steady decline, especially during the latter half of the period. The area denuded of forest has apparently been added partly to the uncultivated waste land and, to a lesser extent, to the area not available for cultivation.

There was an increase of 750,000 acres in the total area of Madras during 26 years between 1923-24 and 1948-49. This is attributed to the progress of survey of settlement operations. The sown area was subject to considerable annual fluctuations as in Punjab, owing to vicissitudes of the season. There was a steady increase in the fallow land practically over the entire period which rose from 18 to 21 million acres. This increase is stated to be at the expense, not of sown area but of the area not available for cultivation. It is pointed out that reclassification of areas resulting in a transfer of some area from the class "not available for cultivation" to the class "uncultivated waste land, including current fallows," had gone on steadily throughout the period. In Madras, the forest area underwent no change, or, if at all, a very slight increase.

Concluding the study which includes a detailed analysis of the position in Hyderabad State also, Mr. Panse points out that, as far as the five States mentioned above are concerned, the data provide no ground for believing that the cropped acreage anywhere is showing a downward trend. On the other hand, in U.P. and Bombay, there has been a steady and perceptible increase in the sown area. In Madras, although the sown area has shown no trend, the fallow land has registered a steady increase, owing to reclassification. In Hyderabad, there is reason to believe that the sown area has been steadily declining (not merely as a result of recent political disturbances), while fallow land has been on the increase. In Madhya Pradesh, Bombay and Uttar Pradesh, the area under forest has been declining. In view of these changes, Mr. Panse suggests the need for a further careful study, in order to arrest the disquieting trend. He emphasises that measures should be adopted for putting back under forest land which can be more efficiently used in this manner than for cultivation.







Notices

THE FERTILISERS AND CHEMICALS, TRAVANCORE, LIMITED

(Incorporated in Travancore-Cochin State. Liability of Members is Limited.)

ALWAYE

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE NINTH Ordinary General Meeting of the Company will be held at the Registered Office of the Company at Eloor, Alwaye, on the 5th of September, 1953, at 4 p.m. to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet as at 31st December, 1952, and Profit and Loss Account for the year ended 31st December, 1952 (Copies of which are appended hereto).

2. To elect Directors in the place of the following:—

(i) Sri Parayath E. Raman Menon, and

(ii) Seth Mulraj Kersondas

who retire by rotation *vide* Article 82 of the Articles of Association, but are eligible for re-election.

3. To appoint Auditors for the Company for the year 1953 and fix their remuneration. The retiring Auditors, Messrs. Suri and Company, and Sri T. Velu Pillai, are eligible for reappointment.

4. As special business, to consider and if thought fit to pass the following resolutions as Special Resolutions with or without amendments:

(a) Resolved that the variation in the terms of appointment of Seshasayee Brothers (Travancore) Limited as Managing Agents of the Company contained in the draft supplemental agreement placed before this meeting and signed by the Chairman for identification be and is hereby approved.

(b) Resolved that the Company do enter into an agreement in terms of the draft agreement expressed to be made between the Company of the first part, Messrs. Seshasayee Brothers (Travancore) Ltd., of the second part and the Industrial Finance Corporation of India of the third part placed before the meeting and the Common Seal of the Company be affixed to the engrossments of the said agreement when ready in the presence of two Directors of the Company.

(c) Resolved that the Articles of Association of the Company be amended as under:—

(i) That the following provisos be added to Article 48:

"Provided however, that so long as any moneys are due and payable by the Company to the Industrial Finance Corporation of India, the Directors shall not borrow any moneys on the security of the properties mortgaged in favour of the Corporation without the previous consent in writing of the Corporation;

Provided further that no further borrowings exceeding Rs. 1 lakh shall be made by the Directors without prior consultation with the Government of Travancore-Cochin. This restriction shall not however affect the operation of the cash credit account with the National Bank of India Ltd., up to the limit of Rs. 37½ lakhs."

(ii) That the following proviso be added to Article 51:

"Provided, however that so long as any moneys are due and payable by the Company to the Industrial Finance Corporation of India, the property mortgaged to the Corporation shall not be charged in favour of any other person without the previous written consent of the Corporation."

(iii) That the following clause be added after Article 75:

"75-A. The Industrial Finance Corporation of India, a Corporation established by the Industrial Finance Corporation Act, 1948 (hereinafter called 'the said Corporation') has the right, so long as any moneys are due by the Company to the said Corporation, to appoint two Directors to be Directors of the Company. Such Directors, who shall be called 'Special Directors' and each of their successors-in-office shall be entitled to hold office until removal by the said Corporation and shall not be bound to retire by rotation and when any Special Director so appointed vacates office, whether upon removal as aforesaid by the said Corporation or by death or otherwise, the said Corporation shall be entitled to appoint another Director in his place. Such special Director shall not require any qualification and may at any time by notice in writing to the said Corporation and the Company resign his office."

(iv) That the words "including Special Directors" be added between the words "Nominated Directors" and "shall" occurring in the first sentence of Article 76.

(v) That the following be added to Article 81:—

"and provided further that so long as any moneys are due and payable by the Company to the Corporation no extra remuneration shall be paid to such Director without the previous written consent of the Corporation."

(vi) That the word "Special" be added between the words "ex-officio" and "and" occurring within brackets in the first sentence of Article 82.

(vii) That the following be added to Article 94:—

"Provided however that so long as any moneys are due and payable by the Company to the Corporation a resolution passed by circulation shall not be valid unless it has been assented to by one Special Director."

(viii) That the following be added to Article 95:—

"Provided however that any Committee constituted under this Article shall consist of at least one Special Director so long as any moneys are due and payable to the Corporation."

(ix) That the following be added to Article 105(d):—

"Provided however that so long as any moneys are due and payable to the Corporation this power to mortgage or charge the properties of the Company shall not be used without the previous written consent of the Corporation."

(x) That the following be added to Article 105(n):—

"Provided however that so long as any moneys are due and payable to the Corporation this power to mortgage or charge the properties of the Company shall not be used without the previous written consent of the Corporation."

(xi) That the following clause be added after Article 105:—

"105-A. The powers conferred on the Directors by Articles 104 and 105 are however subject to the right of the Government of Travancore-Cochin to veto any proposals for capital expenditure exceeding Rs. 1 lakh."

(xii) That the following clause be added after Article 109:—

"109-A. Except with the previous written sanction of the Corporation the Company shall not distribute as dividend during any financial year any sum which exceeds or which when taken with any sum already distributed as dividend during the same year exceeds six per cent. of the paid-up capital of the Company as on the last day of the period in respect of which the dividend is distributed after deducting from such capital all amounts attributable to the capitalisation or after the 1st January, 1952 of one or more of the following, namely, reserves, profits and appreciation of assets provided that such limit of six per cent. shall be applied to the dividend distributed by the Company among its shareholders payments made by the Company by way of income-tax being ignored; provided further that no dividend shall be distributed by the Company without the consent in writing of the Corporation first had and obtained so long as any instalments of principal moneys or interest due and payable to the Corporation remains unpaid for a period of one month after the same has become due and payable by the Company to the Corporation."

(xiii) That the following be added to Article 135:—

"So long as any moneys are due and payable to the Corporation such notice of every general meeting shall also be given to the Corporation."

(xiv) That the following be added to Article 138:—

"Provided however that the Government of Travancore-Cochin shall have the right to conduct financial investigation and technical inspection into the working of the concern where in the opinion of the Government of Travancore-Cochin circumstances justify such action, the cost of such investigation and inspection being borne by the Company."

All the shareholders are requested to be present in person or by proxy.

By Order of the Board of Directors,
SESHASAYEE BROTHERS
(TRAVANCORE) LIMITED,
Managing Agents.

ELOOR, ALWAYE, 20th *June*, 1953.

Note:—1. The Share Transfer Books of the Company will be closed from 22-8-1953 to 5-9-1953 both days inclusive.

2. Copies of the draft supplemental agreement and the draft tripartite agreement referred to in Item 4(a) and 4(b) above are available for inspection at the Registered Office of the Company and also at the Office of the Managing Agents at Srinivasa Bhavan, Main Road, Trivandrum.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that one of the Shareholders of the Company has given notice of his intention to nominate Messrs. K. Venkatachalam Aiyer & Co., Chartered Accountants, Trivandrum, to the office of Auditors of the Company for the year 1953 either alone or jointly with others at the ensuing Ninth Ordinary General Meeting of the Company.

SESHASAYEE BROTHERS
(TRAVANCORE) LIMITED,
Managing Agents.

ELOOR, ALWAYE, 17*th July*, 1953.

THE INDIAN GALVANIZING COMPANY (1926) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming General Meeting of the Shareholders of the Company dividends in respect of the year ended 31st December, 1952, as follows:—

(a) Dividend on Cumulative Preference Shares at 6 per cent. per annum (subject to deduction of Indian Income-tax).

(b) Dividend on Ordinary Shares at 6 per cent. per annum, free of Income-tax.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA.

THE NEW MONKHOOSHI TEA COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 10th day of August, 1953, at 11 a.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the year ended 31st December, 1952.
(2) To declare a Dividend.
(3) To elect Directors.
(4) To appoint Auditors and fix their remuneration.
(5) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 3rd to 10th August, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE
CALCUTTA, 24*th July*, 1953.

THE NEW ASSAM VALLEY TEA COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Monday the 10th August, 1953, at 11.10 a.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the year ended 31st December, 1952.
(2) To declare a Dividend.
(3) To elect Directors.
(4) To appoint Auditors and fix their remuneration.
(5) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 3rd to 10th August, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 24*th July*, 1953.

THE HOOGHLY MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fortieth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Clive Buildings, Netaji Subhas Road, Calcutta, on Tuesday the 18th August, 1953, at 12 o'clock noon, for the following purposes:—

(1) To receive and approve the Directors' Report and the Audited Accounts for the year ended 31st March, 1953.
(2) To declare Dividends.
(3) To elect Directors.
(4) To appoint Auditors and fix their remuneration.
(5) To transact any other ordinary business of the Company.

The Register of Members of the Company will be closed from the 4th August, 1953 to 18th August, 1953, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,
For THE HOOGHLY MILLS CO., LTD.,
For GILLANDERS ARBUTHNOT & CO., LTD.,
K. R. FETTES,
Managing Director,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 21*st July*, 1953.

LAKSHMI MILLS' PROFIT WELL MAINTAINED

FINANCIAL POSITION SOUND

THE financial results of the Lakshmi Mills Co., Ltd. (Managing Agents: Messrs. G. Kuppuswamy Naidu & Co., Pappanaickenpalayam, Coimbatore), for the year ended 31st March, 1953, are quite satisfactory, if not excellent. The year under review, as readers are aware, was a difficult one for the cotton textile industry. Yet the Company's gross profit for the year has been more than maintained at the previous year's level, amounting, as it does, to Rs. 34.01 lakhs, as compared with Rs. 33.04 lakhs for the year ended 31st March, 1952. The net profit, after making provision for Managing Agents' remuneration, depreciation and taxation, at Rs. 10.06 lakhs, is nearly the same as that (Rs. 10.60 lakhs) for the previous year. As in previous years, the Directors have allocated a substantial part of the net profit to the reserve and maintained the dividend at the decent level of 10 per cent. paid for the year ended 31st March, 1952.

The following comparative table of results for the past four years indicates the Company's progress in recent years:

(In lakhs of rupees)

	Year ended 31st March			
	1953	1952	1951	1950
Sale proceeds	175.57	239.29	153.12	144.86
Closing stocks ..	47.99	81.04	42.73	43.95
Cotton and stores consumed	114.70	172.27	92.69	95.45
Expenses	25.58	31.63	22.03	26.12
Gross profit ..	34.01	33.04	39.43	24.08
Managing Agents' remuneration	4.36	5.29	4.80	3.55
Depreciation	12.34	9.40	8.20	3.91
Taxation	7.25	7.75	12.10	5.25
Net profit	10.06	10.60	14.30	12.37
To reserves	4.65	4.07	10.01	8.07
,, donation	..	1.15	..	..
Dividend	5.35	4.35	4.28	4.28
	(10%)	(10%)	(8%)	(8%)
Carry forward	0.14	0.05	0.04	0.03

As will be noted from the foregoing table, there has been a considerable fall in sale proceeds, closing stocks, cotton and stores consumed and other expenses during the year under review, reflecting a reduction in output. This is understandable in the context of the serious cut in supply of power to industries in South India. However, despite this shrinkage in production, the gross profit has been maintained at as high a level as Rs. 34.01 lakhs, evidently due to the remunerative prices fetched on the Company's products, following the substantial relaxation of control over prices and distribution of cloth in the latter half of 1952 and early 1953. The Company, we have no doubt, would have shown still better results but for the power cut.

It will be noted that the provision for depreciation has been stepped up by nearly Rs. 3 lakhs. This must be due to the substantial additions to the fixed capital expenditure made during the year. Despite the slightly higher gross profit, the provision for taxation is lower by Rs. 50,000. This must also be attributed to the addition of new machinery, because the high depreciation allowances on them reduces the assessable profit. Out of the net profit, the Directors have transferred to the deferred dividend reserve a sum of Rs. 4.65 lakhs, representing 46.2 per cent. of the net profit, whereas a sum of only Rs. 1.07 lakhs was provided for this reserve last year. No other appropriations have been made this year, while a year ago the machinery replacement reserve and the general reserve were augmented by Rs. 1 lakh and Rs. 2 lakhs, respectively. The dividend has been maintained at 10 per cent. which is in keeping with the Directors' cautious policy of strengthening the reserves first, in view of the heavy programme of renewal and modernisation on hand.

Thanks to the judicious policy of conserving a good part of the profit year after year, the Company has a strong financial position now. Even after the capitalisation of reserves of the order of Rs. 17.82 lakhs in 1947, the reserves and surplus, as at the end of the year under review stand at Rs. 53.44 lakhs, which is almost equal to the paid-up capital amounting to Rs. 53.46 lakhs. The provision for taxation amounts to Rs. 16.35 lakhs. The gross value of the fixed capital expenditure aggregates Rs. 94.99 lakhs, including a sum of Rs. 18.12 lakhs spent during the year. The latter brings the total value of additions to the gross block during the last six years alone to Rs. 65.52 lakhs. On the gross value of the block up to the end of the year under review, a depreciation of Rs. 53.74 lakhs has been provided, besides a separate depreciation reserve of Rs. 5.30 lakhs. The current assets, at Rs. 102.14 lakhs, include stock-in-trade and stores of the value of Rs. 53.39 lakhs, debts, deposits and advances Rs. 22.94 lakhs, investments Rs. 24.87 lakhs (including Rs. 20 lakhs representing short-term and call deposits with banks) and cash Rs. 95,000. Really speaking, the deposits with banks represent liquid cash, so that the cash balances actually amount to Rs. 20.95 lakhs. The total current assets provide ample cover to the current liabilities, including provision for taxes, at Rs. 36.48 lakhs, the excess of current assets over current liabilities being Rs. 65.66 lakhs.

The Company's Rs. 50 fully paid-up shares are currently being quoted at Rs. 85 *cum-div.* On an *ex-div.* basis, the shares give an attractive yield of 6.25 per cent. per annum, free of tax.

TAXATION OF NON-RESIDENT SHAREHOLDERS

The non-resident shareholders of Indian companies appear to be finding it difficult to obtain every year from the income-tax authorities certificates authorising the companies, of which they are shareholders, to deduct super-tax at *nil* rate or at a rate lower than the standard one, in respect of their income from dividends on their holdings. The Government of India appreciates this difficulty, but is unable to mitigate it in the case of all non-resident shareholders. It has, however, hit upon an arrangement, whereby it seeks to minimise the inconvenience caused to non-resident shareholders whose *income* does not fluctuate widely from year to year. It has, accordingly, framed a new procedure for collection of taxes from them by way of deduction at source. According to this procedure, the income-tax officer concerned will issue certificates authorising companies to deduct super-tax at *nil* rate or at a rate lower than the standard one, which will be valid for three years, instead of one year as hitherto.

If a non-resident shareholder holds shares in more than one company in India, every one of these companies should have such a certificate in respect of its dividend declared in a year. It is, however, not possible for an income-tax officer to issue as many certificates as the number of companies in which the non-resident assessee is a shareholder. To obviate this difficulty, the Government of India has laid down that a company can accept, in place of the original certificate issued by an income-tax officer, a photostatic or a certified copy of it when produced by a non-resident shareholder or his authorised representative or bankers.

MERGER OF B.S.N. WITH SCINDIAS

The Bombay High Court has sanctioned, by an order dated 23rd July, 1953, the scheme of amalgamation between the Bombay Steam Navigation Co., Ltd., and the Scindia Steam Navigation Co., Ltd. Under the Court's order the Bombay Steam Navigation Co., Ltd. is to be dissolved within one month. Following the High Court's order, the company has called the debenture holders of the Bombay Steam Navigation Company to apply to the Scindia Steam Navigation Company for the payment of the amounts due to them and surrender the debentures held by them. According to the terms of amalgamation, the debentures of the face value of Rs. 1,000 each will be redeemed at par, and holders thereof will get interest up to 23rd July, 1953. A similar appeal has also been made to preference shareholders of the B.S.N. Company. The preference shares of Rs. 250 each will be paid Rs. 325 per share held as on 20th June, 1953.

MAHESHWARI MILLS LTD.

We are informed that Messrs. Thakorlal Chimanlal Munshaw and Kantilal Chimanlal Munshaw, the Managing Agents of Shri Ramakrishna Mills Co., Ltd., and Shri Vivekanand Mills, Ltd., Ahmedabad, have taken over the management of the Maheshwari Mills, Ltd., Ahmedabad, from 1st July, 1953, as the Managing Agents Messrs. Dhiraj-lal Khushaldas & Co., Ltd., have resigned.

WAVERLEY MILLS LTD.

The Waverley Jute Mills at Shamnagar, in the northern suburb of Calcutta, declared, a lock-out on 22nd July, 1953, following a strike by nearly 2,000 workers of the mills. The strike was a sequel to the suspension of two workers by the management. The Jute Mills Association, is however trying to bring about a settlement between the management and the workers.

(*Concluded from next column*)

Rs. 21.71 lakhs. These current assets exceed the current liabilities (including provision for taxation) at Rs. 49.24 lakhs, by a margin of Rs. 11.74 lakhs.

The Directors report that the Company is making efforts to maintain its sales by introducing new products and developing a few new lines.

The Company's two subsidiaries, the Alembic Glass Industries Ltd. and Jyoti Ltd., have reported quite satisfactory results for the year under review.

ALEMBIC CHEMICAL'S SALES DROP

DIVIDEND, HOWEVER, MAINTAINED

THE Directors' report and audited accounts of the Alembic Chemical Works Co., Ltd. (Managing Agents: Messrs. Bhailal Amin and Sons, Ltd., Baroda), for the year ended 31st December, 1952, indicate a slight setback in production and a consequent decline in sales. While expenses continued to advance, albeit slightly, the gross profit suffered a recession from Rs. 12.85 lakhs for the year 1951 to Rs. 9.48 lakhs. The net profit, after providing for depreciation and taxation, shows a drop from Rs. 3.01 lakhs to Rs. 2.37 lakhs. For the third year in succession, the Directors have not been able to add anything to the reserves, because of the low profit-margin. The dividend on the ordinary shares has been maintained at 8 per cent. which had been paid for the preceding two years.

The salient feature of the results of the Company's working during the year under review are presented in the following table against the background of those for the previous three years:

(In lakhs of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	64.47	57.84	65.41	65.64
Closing stocks	57.40	57.84	37.85	32.54
Raw materials consumed ..	33.14	41.58	34.36	33.24
Expenses	26.07	20.56	21.70	24.43
Gross profit	9.48	12.85	12.01	8.02
Managing Agents' remuneration ..	1.90	3.77	3.23	2.29
Depreciation	4.31	3.06	3.32	3.04
Taxation	0.90	6.01	2.61	1.30
Net profit	2.37	3.01	2.90	1.40
To reserves	..	..	..	0.50
Dividends—				
Preference	0.86	0.86	0.86	0.71
Ordinary	2.00	2.00	2.00	..
	(8%)	(8%)	(8%)	..
Carry forward	0.11	0.60	0.45	0.34

The sale of the Company's products, which had gone up sizably during the year 1951, suffered a recession in the year under review. This was only to be expected, as was indicated by the Company's Chairman, in his address to the shareholders last year, in view of the measures taken by the State Government to clamp down production of medicinal and toilet preparations containing alcohol and to restrict the sale of these products on the ground that some of them could be used as intoxicating liquors. The closing stocks of finished products are lower at Rs. 7.50 lakhs, as against Rs. 8.94 lakhs, while those of raw materials and stores are higher at Rs. 29.90 lakhs, as compared with Rs. 28.40 lakhs. Purchases of raw materials and stores show a decline from Rs. 39.64 lakhs to Rs. 34.68 lakhs, so that the consumption of raw materials and stores has gone down from Rs. 41.58 lakhs to Rs. 33.18 lakhs. All these clearly indicate that the Company has had to restrict its output considerably. This is an unfortunate trend, clearly beyond the control of the Company's management, in the context of the emphasis laid on placing the pharmaceutical industry on a sound footing and helping its development on proper lines, so as to bring down the cost of standard quality medicinal products within the easy reach of the masses. It is to be hoped that the Pharmaceutical Enquiry Committee which is now touring the various States of India will address itself to the task of recommending removal of measures which unduly restrict the production of medicinal products. Despite the decline in production, expenses have not declined. Salaries and wages and publicity expenses have all gone up, while the main item of expenses which shows a sizable reduction is the excise duty to Government. Thus, the Government too is a loser by the restrictive measures placed on the industry.

The provision for depreciation has been stepped up by Rs. 1.25 lakhs, of which Rs. 1.04 lakhs represent extra depreciation on plant and machinery. This additional provision has evidently been made in view of the additions made to plant and machinery during the year. The substantial reduction in the provision for taxation is accounted for partly by the fall in earnings and partly by the deferred liability for tax because of initial depreciation allowances.

The Company's balance-sheet as on 31st December, 1952, discloses a satisfactory financial position. The reserves and surplus stand at Rs. 31.02 lakhs, supplementing a paid-up capital of Rs. 39.99 lakhs. The gross block stands at Rs. 69.78 lakhs, including the additions during the year under review of the value of Rs. 6.32 lakhs, and the depreciation provided so far on this amounts to Rs. 32.20 lakhs. Current assets aggregate Rs. 60.98 lakhs, excluding investment in subsidiary companies, at cost, amounting to

(*Continued in previous column*)

Points From The Chair

Differential Rates of Premium

"SOME foreign companies used to give this rebating a superficially innocent garb by quoting a lower rate of premium to persons of high financial status, who, they argued, would be subject to lower mortality. Such a practice goes counter to the very basis and structure of life insurance, viz., co-operation of the highest order. If the population is to be dissected into sections on the basis of economic status, why not dissect them on the basis of climate and similar factors affecting longevity? In other words, why should not the country be cut up into sections on the pattern of a chess-board based upon climate, health and so many other factors that influence mortality and companies quote differential rates of premium corresponding to the mortality risk? Such a course would be repugnant to the very idea of insurance. Persons of lower economic status should not have to pay higher premiums than those of higher economic status and the payment of the same rate of premium by the rich and the poor varying only with age and the state of health, as revealed by medical examination when effecting insurance, is the very foundation of the co-operative spirit underlying the structure of life insurance."

PURSHOTAMDAS THAKURDAS,
Oriental Government Security Life Assurance Co., Ltd.

Enquiry into Railway Freight Rates Urged

"The question of the railway freight rates structure is of such great importance to the development of the cement industry that, I feel, I must refer to it again, as I have done in the past. I think, I cannot do better than quote what the former Tariff Board said in this connection as early as 1925: 'Over a large part of the country progress may be seriously retarded, unless the freight on coal can be reduced substantially. We believe that no one would challenge the proposition that coal freights on the Indian railways should be kept at the very lowest point which is commerclally possible. But more than this may be required in the interests of industrial development. Sooner or later, the country may have to face the question whether it would not be worthwhile to secure a substantial reduction in coal freights at the cost of sacrificing part of the contribution which the railways make to general revenues.' These words are as true to-day as they were then. The need to revise the present freight structure to assist the development of industries is really very pressing at present and I hope the Railway Board will not persist in their policy of ignoring the viewpoint of the industry, but will undertake a scientific enquiry into the whole matter, so that the necessary relief, wherever justified, may be given."

G. D. SOMANI,
Shree Digvijay Cement Co., Ltd.

Supply Position of Tinplate

"For many years, I have recorded that a shortage of tinplate has greatly restricted our activities and developments. Towards the end of 1952 the supply position underwent a dramatic change when the new cold reduction mill of The Steel Company of Wales at Troster came into operation. It was always realised that this would create a period of readjustment after 12 years of shortage and restrictions on the use of tinplate, but, in the event, the period of readjustment has proved more acute and prolonged than could have been expected. Increased production coincided with some recession of demand in the home trade, aggravated by the fact that restrictions on the use of tinplate were not removed finally until January, 1953."

SIR ROBERT BARLOW,
Metal Box Co., Ltd.

Dearth of Technicians

"A major difficulty encountered in the establishment in India of a heavy engineering unit, such as ours, for the production of locomotives and boilers, is the dearth of technicians and skilled workers trained in modern production techniques. Your Company has had to train its staff and labour force in the technique of locomotive manufacture and the use of complicated modern machinery practically from scratch. This has involved a great deal of time, for skill and experience cannot be created overnight, and it has called for unremitting effort on the part of the management to build up the requisite strength of technicians and skilled workers."

J. R. D. TATA,
Tata Locomotive and Engineering Co., Ltd.

Improvement of Technique in Farm Industry

"It must be obvious that an industry whose activities are so closely linked with farming must pay the closest attention to agricultural development, for it is in the mutual interest of farmers and ourselves that we should encourage every improvement in technique which might be to the advantage of the industry. In this connection, the statutory Sugar Beet Research and Education Committee plays an important part, although we ourselves conduct much experimental work in addition. We regard it as vital to investigate any promising development, usually in conjunction with the well-known national research institutes. The demonstrations under practical conditions which we organise jointly with the National Agricultural Advisory Service continue to attract thousands of farmers, and what is perhaps of equal importance, agricultural engineers."

SIR ALEN SAUNDERS,
British Sugar Corporation, Ltd.

COLOMBO PLAN CONFERENCE

PROGRESS OF TECHNICAL ASSISTANCE PROGRAMME

NEW Delhi will be the venue of the second annual meeting of the Colombo Plan Consultative Committee to be held early in October next. At this meeting, the Committee is expected to review the progress in the implementation of the Plan for the development of South and South-East Asian countries and to consider other matters having a bearing on the co-operative expansion schemes of the area. The deliberations of the Committee and the recommendations it will make will surely be watched with considerable interest. For, now that more than two years have elapsed since the Colombo Plan came into operation—on 1st July, 1950, to be precise—one would naturally be interested to know the progress of the Plan and its achivements so far.

An interesting account of the progress of the Colombo Plan is contained in the latest report of the Council for Technical Co-operation, which refers to the year 1952 and to which a brief reference was made in our journal some time ago. According to the Report, there was a marked increase in the flow of assistance to the Colombo Plan countries in the form of expert advice and training facilities during 1952. In that year, 90 experts and facilities for 538 trainees were provided, which compare favourably with 45 experts and 309 training places in 1951. These brought the total of experts and training places provided since the inception of the Plan in 1950 up to the end of last year to 135 and 847, respectively. The following table gives the names of countries which provided the assistance and the type of assistance so provided:

	Experts	*Training facilities*
U.K.	67	279
Australia	40	288
New Zealand	17	119
Canada	6	106
India	5	56

The largest proportion of experts and training places has been furnished to India, Pakistan and Ceylon, which among them, account for 118 experts and 689 training places. But, in 1952, a larger proportion of assistance than in the previous year, went to other countries in the area. Indonesia, for instance, took 62 training places and Malaya 39. Facilities were provided for 13 trainees from Thailand, 11 from the Philippines, nine from Sarawak, seven from Singapore, six each from Nepal and North Borneo, and five from Burma. Of the 125 experts provided, 13 went to Malaya, three to North Borneo and one to Singapore.

Most of the 90 experts provided in 1952 were engaged in projects where their duties included training of local personnel. This was the case with engineers for river valley projects in India, irrigation engineers for Ceylon's Gal Oya Project and a director for a bacteriological laboratory in Pakistan. Moreover, experts whose primary duties would be the training of local personnel were in increasing demand; India asked for a tool-room foreman (since provided by the United Kingdom) for the Indian Institute of Technology at Kharagpur. Pakistan asked that a U.K. specialist, who reported on the establishment of new telecommunications training schools, should be spared for two more years, with the necessary equipment. The U.K. has agreed to meet this request.

There has been an increase in schemes which combine capital and technical assistance. The Governments of Australia, Canada and New Zealand have joined together to provide capital equipment and technical assistance for an experimental livestock farm in the Thal area of Pakistan. The Canadian Government is supplying equipment and personnel for a pilot project in mechanised fishing in Ceylon which involves provision of four vessels, a refrigeration plant and a canning plant, as well as about 12 experts. It will also provide equipment and personnel for an aerial and geological survey of Pakistan. Following a report made by an expert sent from the U.K., surgical teams from the U.K. are being sent out to aid the Ceylon Government in its campaign against tuberculosis. At the same time, Ceylonese doctors and nurses are being trained in the U.K. The Australian Government is financing, as part of its capital aid programme, the development of anti-tuberculosis clinics in Ceylon. A similar type of combined operation has been developed with regard to training facilities. This refers to the provision of personnel or equipment to start a training institution and, at the same time, facilities for the training of the local personnel who will eventually be responsible for its management. Thus, the Australian Government has offered to provide equipment for a model bakery in Ceylon which would be staffed by three Ceylonese who have spent some months gaining experience in Australia.

Steady improvement has been recorded, too, in the demand for provision of equipment for use by experts and for training and research institutions. The Government of Pakistan plans to set up a number of technical high schools, with a view to introducing into the secondary stage of education a technical bias of a kind suited to the requirements of the country. The U.K. Government sent a senior Inspector of Schools to advise and report on the project. In the light of this report, the U.K. Government has agreed to provide the entire equipment for eight new technical schools in Pakistan and also to supplement the equipment at a school already established in Karachi.

With a similar object in view, the Ceylon Government has decided to equip the senior secondary schools with workshop, so as to supplement the normal academic education with handicraft and practical training. It has made a request for equipment for 100 workshops in the fields of carpentry, metal work, lacquer and weaving, and these are being complied with. The Government of Australia is supplying woodwork equipment for 50 workshops and light metal equipment for 20 workshops at a total cost of £A19,300. The U.K. Government is also expected to meet a part of Ceylon's requirements. In the meantime, it is supplying tool-room equipment worth about £35,000 to the Indian Institute of Technology, Kharagpur.

The basic concept of the Colombo Plan has been one of co-operation, each member-country doing all that it can to assist in the development of the area as a whole. Acting in this spirit, India earmarked £750,000 for the provision of aid to its neighbours under the Technical Co-operation Scheme. Ceylon is similarly providing £400,000 and Pakistan £161,290. Out of these funds, India has supplied five experts to Ceylon, has taken in trainees from other countries of the region in statistics, sugar technology, customs administration, broadcasting and engineering, and has offered 55 scholarships and fellowships in Indian universities and specialised institutions. In co-operation with the U.K. Government, the British territories in South-east Asia have accepted trainees from Ceylon in rural broadcasting, besides arranging further training in response to requests from India and Ceylon.

The one signal contribution of the Colombo Plan is technical and financial assistance which the economically advanced countries have agreed to make, and have made, for the improvement of the underdeveloped areas. Nevertheless, the progress so far has not been encouraging and this is attributed to the lack of both technical service and adequate financial resources. But there is clearly some need for adjustments and co-operation in the grant of financial assistance. The Colombo Plan Technical Co-operation Programme, for instance, has £8 million at its disposal, including £2.8 million pledged by the U.K., but the amount actually committed to projects for which technical assistance had been requested up to the end of 1952 was not more than £1.3 million. The U.N. Technical Assistance Board, which has a budget of $21.3 million for 1953, finds, on the other hand, that it is unable, for the present, to meet requests for the provision of experts made by India, Pakistan and Ceylon. "The request for technical assistance already received," to quote one report, "far exceed the sum available for the current year, and certain programmes, including the U.N. scheme for scholarships to provide technical training for persons from the underdeveloped countries, have had to be cut down."

It is thus evident that, while the Colombo Plan Technical Co-operation Scheme is unable to spend all the funds available for it, the U.N. Programme is held back, because it has not enough money to spend on approved projects, several of them inside the Colombo Plan area. Inasmuch as the objective underlying the two programmes is the same, namely, raising the living standards of the people in the underdeveloped areas, the Colombo Plan Consultative Committee will do well to devote some attention to this problem and find out methods by which the two assistance programmes can be implemented on a more co-ordinated basis in the countries covered by the Colombo Plan.

Equally important is the question of self-help among the Colombo Plan countries, especially in the sphere of training technicians of all kinds. It is precisely this aspect that has been stressed by the Colombo Plan Council. It says: "Where experts for planning or execution are not available locally, they can nearly always be procured from abroad. But the medium- and lower-grade technicians, the agricultural extension workers, the teachers, and the whole range of non-commissioned officers in every branch of industry and administration, whose role is just as important as that of the qualified professional men and who will be needed in millions, rather than thousands, can only be trained in their own countries."

Allied to the above question is that relating to the manner in which the funds provided for implementing the technical co-operation schemes are to be utilised. While on this, the Council has made a few interesting observations. According to it, it takes time to develop training institutions but, unless the job is taken in hand "as a matter of urgency," some of the projects now being started may wither away through lack of trained men at all levels to sustain them. To quote the Council's own words: "The faster the underdeveloped countries approach self-sufficiency in skilled man-power, the better will technical assistance have done its job."

HEAVY ACCUMULATION OF STOCKS AFFECTS COAL COMPANIES

RAZA AND BULAND SUGARS REDUCE THEIR DIVIDENDS

Equitable Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

The accounts show that the profit, after providing for depreciation amounts to Rs. 17,46,626 (Rs. 22,24,105) from which there has been provided for taxation Rs. 5,50,000 (*Rs.* 12,00,000), for reduction in valuation of stores of Rs. 1,50,000 (*nil*), for workmen's compensation reserve Rs. 1,00,000 (Rs. 2,00,000) and for general development reserve Rs. 4,38,000 (*nil*) leaving a balance of Rs. 5,08,626 (Rs. 3,99,105). After adding the profit on sale of plant and machinery Rs. 145 (*nil*), unclaimed dividends forfeited Rs. 1,229 (*nil*), and balance brought forward from the previous account of Rs. 10,51,946 (Rs. 1,74,131) and deducting dividends for the half-year ended 31st December, 1951, declared on 24th July, 1952 Rs. 3,82,470 (*nil*), dividends for the half-year ended 30th June, 1952 declared on 26th March, 1953, Rs. 4,56,564 (*nil*), directors' commission on the declaration of dividends for the half-year ended 30th June, 1952 Rs. 27,396 (*nil*), and dividend previously forfeited now paid Rs. 75 (*nil*), there is available for distribution a sum of Rs. 6,95,441 (Rs. 5,73,236). The directors recommend that this amount be disposed of in payment of dividend on ordinary shares at the rate of 30 (25) per cent. per annum Rs. 4,44,564 (Rs. 3,70,470) and dividend on preference shares at the rate of 6 per cent. per annum Rs. 12,000 (Rs. 12,000) leaving a balance of Rs. 2,38,877 (Rs. 1,90,766). From this sum will be deducted directors' commission on the recommended dividends Rs. 27,396 (*nil*) leaving to be carried forward to the next account Rs. 2,11,481 (Rs. 1,90,766).

Net raisings during the half-year were 8,30,430 tons compared with 8,91,022 tons during the previous six months and 8,43,235 tons in the corresponding period of 1951. Despatches amounted to 8,58,991 tons against 8,50,992 tons and 8,90,153 tons during the preceding two half-years. Stocks totalled 1,16,986 (1,05,517) tons on 31st December, 1952. The good condition of the Company's Collieries has been fully maintained. Good relations between labour and management continued throughout the period.

Raisings were lower than for the previous half-year, due mainly to mining difficulties in the Dishergarh Seam Collieries. An improvement in the supply of wagons brought about a reduction of the coal stocks at the Collieries, but this position has deteriorated considerably since the close of the half-year.

The lower raisings, with consequently increased costs, combined with reduced exports have had an adverse effect upon the Company's results for the half-year, and your Directors feel it necessary to advise shareholders that the Company's profits for the following half-year to 30th June, 1953, will be further and much more substantially reduced. Production of coal in the country, in excess of the available transport capacity, is having serious effects upon the industry's economy and the much restricted market for export coal is aggravating an already difficult situation.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,63,760	Block ...	63,47,753
Reserves ...	68,00,380	Stocks ...	22,63,699
Provision for taxation ...	11,67,985	Stores, etc. ...	83,87,170
Liabilities ...	2,07,75,463	Debts, deposits and advances ...	1,43,12,222
Profit and loss account ...	2,11,481	Investments	6,77,000
		Cash ...	3,31,225
Rs.	3,23,19,069	Rs.	3,23,19,069

South Kazanpura Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 28th February, 1953.

1,06,006 tons were raised and 1,06,285 tons were despatched during the period, in comparison with the figures of 99,222 tons and 1,02,845 tons during the preceding half-year. Of these figures, the new quarry accounted for raisings of 17,238 tons and despatches of 17,939 tons, which represents a further increase of approximately 3,000 tons raised and 5,500 tons despatched over the half-year ended 31st August, 1952. The proportion of despatches to raisings appears at first sight to be not unsatisfactory, but wagon availability in the Karanpura Field has not expanded to the required extent and still is a restrictive factor.

It would now appear that current production of all grades of coal exceeds the actual demand. A large contributory factor has been the very considerable contraction of exports which has led to the accumulation of heavy stocks at virtually all collieries. The Company's colliery has been affected and there is little indication that this tendency will be reversed in the near future. The disposal of the slack fraction of the raisings is a problem of the gravest import.

The directors report that no strikes occurred at the quarries during the half-year and that management-labour relations have, on the whole, been cordial.

The procurement of such items of plant and machinery, as have to be imported, continued to be difficult and subject to very long delays in delivery. Road cess at an enhanced rate of As. 3-6 for the year 1952-53 was paid under protest to meet the State Government's threat of certificate proceedings. Subsequently, the Central Government intervened and put a stay to any further collections at the enhanced rate.

The income-tax assessments for the years 1951-52 and 1952-53 have now been completed. In computing these assessments, the income-tax officer has charged additional income-tax for the years ended 31st August 1949 and 31st August 1950, amounting to Rs. 49,098, on dividends paid by the Company which he considers to be distribution out of previous profits which did not suffer taxation owing to assessed losses in the past. The directors claim that such tax is not payable by the Company and have, therefore, ledged Appeals against the income-tax officer's assessments. In view of the income-tax officer's ruling, it is considered necessary to contain the dividend within the assessable income after taxation in respect of the half-year ended 28th February, 1953.

The profit and loss account after providing Rs. 26,323 (Rs. 28,531) for depreciation, Rs. 50,000 (Rs. 16,000) for current taxation Rs. 10,500 (Rs. 13,000) for tax contingency reserve, and including Rs. 15,868 (Rs. 22,815) brought forward from last half-year, shows an available balance of Rs. 48,489 (*Rs.* 93,675) which the directors propose to dispose of as follows:—

In paying a dividend of 2½ (7½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 21,875 (Rs. 65,625) and in carrying forward Rs. 26,614 (Rs. 28,050).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,50,000	Block ...	21,86,675
Reserves ...	10,86,300	Stocks ...	84,496
Provision for taxation ..	73,746	Stores, etc. ...	4,12,024
Liabilities ...	7,82,303	Debts, deposits and advances ...	10,10,668
Profit and loss account ...	26,614	Cash ...	25,100
Rs.	37,18,963	Rs.	37,18,963

Raza Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Govan Bros. (Rampur) Ltd., New Delhi) submitted the audited accounts of the Company for the year ended 31st October, 1952.

The year's working showed a surplus of Rs. 4,94,803 (Rs. 4,81,312), out of which provision has been made for depreciation Rs. 1,33,530 (Rs. 1,26,669), leaving net profit of Rs. 3,61,273 (Rs. 3,54,643). Deducting from this, the bonus paid to employees Rs. 1,67,298 (*nil*) there was a balance of Rs. 1,93,975 (Rs. 3,54,643). To this was added the balance brought forward from last year of Rs. 6,05,982 (Rs. 3,74,231) making a total amount available of Rs. 7,99,957 (Rs. 8,55,932). The directors paid a dividend of As. 12 (Re. 1-4) per share, i.e., 7½ per cent. absorbing a sum of Rs. 1,49,970 (Rs. 2,49,950), leaving a balance of Rs. 6,49,987 (Rs. 6,05,982) to be carried forward. No provision of liability under the Indian Income Tax Act (which is applicable to the Company's profits from 18th December, 1948) has been made and the position thereof would crystalise only after first assessment under the Act is completed.

Cane crushing season during the year was the longest being 208 working days, ending on the 28th June, 1952, as against 118 days in the previous year. 49.83 lakhs maunds of cane was crushed yielding 8.96 per cent. recovery for the season as compared with 31.58 lakhs maunds of cane yielding 9.57 per cent. recovery for the preceding season. The crushing has been the highest in the history of the Company. Continuance of crushing till the end of June, 1952 by utilising all excessive cane supplies available naturally resulted in lower average recovery. The months of May and June are unsuitable for crushing due to deterioration of sucrose content in cane.

During the year, double carbonatation process was put into operation, but full benefit thereof was not reaped. As a result of the experience gained by the Company's staff in the last season, the grain size and the quality produced during the year have been better. Still, further improvement therein will take place during the next crushing season as a result of some adjustments now being made.

In the season 1951-52 as well, the Government of India continued the policy of selective control as in the year 1950-51, with certain modifications. As the season progressed, it was found that much more cane was available to all the sugar factories than estimated at the beginning of the season with the result that sugar production in the country in the season 1951-52 reached the all time record figure of 14.90 lakhs tons, which is almost equal to the target of 15 lakhs tons that was laid down in the Five-year Plan of the Government of India to be achieved by 1955-56. The consumption in the country was estimated at nearly 12 lakhs tons and, therefore, the year's production plus the carry over of 1.80 lakhs tons from the season 1950-51 being much in excess of the consumption, the sugar prices in the free market started declining and a stage came when even the controlled rates could not be obtained. The Government nominees also did not lift their allotted quotas at the controlled rates.

Controlled rate for the year was fixed by the Government of India on average recovery basis of 9.6 per cent. for Western U.P. In view of actual lower recovery (which was only partially compensated by proportionate reduction in price of cane crushed during the months of May and June) and some sales even below the controlled rate, the anticipated margin of profit could not be realised. In spite of that and over-all inadequacy of profits, the payment of bonus to employees amounting to a sum of Rs. 1,67,298 had to be made in terms of the State Government's notification relating thereto. Appropriation of this sum from the year's profit works out at 46.3 per cent. of profit available to the Company without any provision for taxation and any return on capital.

The supplies of sugarcane to all the factories are controlled by the cane co-operative societies and they hardly take any care to arrange for the supply of the right type of cane at proper time. The Societies have not so far taken any steps to supply cane in the order it matures and within the shortest time after it is harvested, so that better recovery is ensured. It may also not be out of place to mention that the Company has no free hand even in getting cane from its own farm. This makes it impossible for the Company to regulate supplies even from its own farm in a most advantageous manner.

The State Government is collecting a huge amount by way of cess on cane with the sole object of utilising the same towards improving cane cultivation for the benefit of the industry, but it is a matter of regret that this amount is not being utilised by the Government for the purpose it is collected. Hardly any cane development work has been taken up in the area. The Indian Sugar Mills Association has placed these anomalies before the Government, times without number, but without any appreciable result.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,99,600	Block ...	26,52,966
Reserves ...	34,21,960	Stocks ...	57,09,923
Liabilities ...	62,01,042	Stores, etc. ...	8,81,059
Profit and loss account ...	7,99,957	Debts, deposits and advances ...	17,85,850
		Investments	13,50,220
		Cash ...	42,541
Rs.	1,24,22,559	Rs.	1,24,22,559

Buland Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Govan Bros. (Rampur) Ltd., New Delhi) submitted the audited accounts of the Company for the year ended 31st October, 1952.

The year's working showed a surplus of Rs. 8,65,993 (Rs. 3,78,416), out of which, provision was made for depreciation Rs. 1,39,882 (Rs. 1,41,855), leaving a net profit of Rs. 7,26,110 (Rs. 2,36,561). From this sum was deducted bonus paid to employees Rs. 1,68,923 (*nil*) leaving a balance of Rs. 5,57,187 (Rs. 2,36,561). To this amount was added the balance brought forward from last year of Rs. 4,64,518 (Rs. 374) making the total amount available of Rs. 10,21,705 (Rs. 8,00,270). The directors paid a dividend of As. 12 (Re. 1) per share, i.e., 7½ (10) per cent. amounting to Rs. 2,51,814 (Rs. 3,35,752), leaving a balance of Rs. 7,69,891 (Rs. 4,64,517) to be carried forward. No provision of liability under the Indian Income-tax Act (which is applicable to the Company's profits from 25th November, 1950) has been made and the position thereof would crystalise only after first assessment under the Act is completed.

During the year under report cane crushing operations commenced on 29th November, 1951, and ended on 26th June, 1952, which comes to a working season of 211 days as against 95 days in the preceding season. 50.4 lakhs maunds of cane was crushed, yielding an average recovery of 8.96 per cent. for the season as compared with 24.79 lakhs maunds of cane and 9.73 per cent. recovery of the preceding season. Excessive supplies of cane being available, the crushing operations had to be continued till practically the end of June, which is responsible for a lower average recovery for the season. The months of May and June are unsuitable for crushing due to deterioration of sucrose content in cane.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,57,520	Block ...	21,03,348
Reserves ...	29,34,556	Stocks ...	50,90,922
Liabilities ..	55,41,416	Stores, etc. ...	11,28,416
Profit and loss account ...	10,21,705	Debts, deposits and advances ...	18,98,231
		Investments	26,00,073
		Cash ...	34,207
Rs.	1,28,55,197	Rs.	1,28,55,197

Budge-Budge Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th April, 1953.

After providing Rs. 1,60,000 (nil) for taxation there is a balance of Rs. 2,74,644 (Rs. 2,75,083) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 31,500 (Rs. 31,500) and on ordinary shares at Rs. 6 (Rs. 6-8) per share Rs. 2,16,000 (Rs. 2,34,000) and leaving Rs. 27,144 (Rs. 9,583) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	37,40,567
Reserves ...	29,72,925	Stocks ...	33,97,819
Provision for taxation ...	1,59,947	Stores ...	12,23,535
Liabilities ...	12,61,735	Debts, deposits and advances ...	4,24,266
Profit and loss account ...	27,144	Investments	75,794
		Cash ...	59,770
Rs.	89,21,751	Rs.	89,21,751

Nagaisuree Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 1,29,122 (loss of Rs. 55,780). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 1,04,000 (*nil*) from revenue reserve, there is a balance at credit of profit and loss account of Rs. 325 (Rs. 53,778), which the directors propose to carry forward. The continued high cost of statutory concessions to labour and the depressed state of the tea market during 1952 contributed mainly to this unfavourable result.

Crop was 11,836 maunds as compared with 11,327 maunds in 1951. The average selling price was Re. 1-5-8 per lb. as against Re. 1-5-10 per lb. in the previous year. Planted area remained at 1124.90 acres. Estimates for 1953 provide for a crop of 12,000 maunds at an outlay of Rs. 11,67,750, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,60,000	Block ...	9,60,000
Reserves ...	4,36,925	Stores and supplies ...	1,02,282
Provision for taxation ...	50,699	Tea sales receivable ...	6,14,554
Liabilities ...	4,45,924	Advances and deposits ...	72,851
Profit and loss account ...	325	Investments	90,300
		Cash ...	53,886
Rs.	18,93,873	Rs.	18,93,873

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

Notice

THE SINGARENI COLLIERIES COMPANY, LIMITED

(Incorporated in Hyderabad-Dn.)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Annual General Meeting of the Shareholders of The Singareni Collieries Company, Ltd., will be held on Monday, 17th August, 1953, at 4 p.m., at the Registered Office of the Company, "Meher Manzil," Red Hills, Hyderabad-Deccan, to transact the following business:—

(1) To read the Minutes of the Thirty-first Annual General Meeting of the Company held on 4th August, 1952.

(2) To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1952.

(3) To sanction the declaration of a Dividend.

(4) To approve donations paid by your Directors.

(5) To appoint Directors in place of:—
(1) Mr. Syed Abdul Quader,
(2) Mr. S. N. Bilgrami, and
(3) Mr. T. M. Jagtiani,

who retire under Article 93, and in accordance with Regulation No. 78, Table "A" of the Indian Companies Act (Amended), and being eligible for re-election offer their services.

(6) To appoint Auditors for the current year and fix their remuneration.

(7) To transact any other business that may be brought forward by the Chairman.

The Transfer Books of the Company will remain closed for the purpose of dividend from 4th August, 1953, to 17th August, 1953 (both days inclusive).

By Order of the Board,
For and on behalf of
THE SINGARENI COLLIERIES CO., LTD.,
INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
R. DWARKA PERSHAD,
Secretaries.

"MEHER MANZIL", RED HILLS,
HYDERABAD-DECCAN, *29th June*, 1953.

Note.—Subject to the Directors' recommendation being accepted, Dividend Warrants will be posted on 24th August, 1953.

Shareholders are requested to give immediate notice to the Company of any change of address.

HIGHLIGHTS OF OUR FINANCIAL OPERATIONS

As at 31st December 1952

Our Policyholders number . . . . . over 1,13,000
Life Assurances in Force . . . over Rs. 25,32,00,000
Life Assurance Fund . . . over Rs. 6,85,00,000

SURPLUS DISCLOSED . . over Rs. 42,75,000

Bonus to Policyholders at:

Rs. 12/- PER 1,000/- PER ANNUM ON WHOLE LIFE POLICIES
Rs. 10/- PER 1,000/- PER ANNUM ON ENDOWMENT POLICIES
Rs. 5/- PER 1,000/- PER ANNUM ON ALLIANZ POLICIES

Policyholders' Funds vested in the Official Trustee of Madras exceed Rs. 740 lakhs

Bonus Certificates will be sent to all With-Profit Policyholders in due course. No reminders, therefore, need be sent for the purpose.

THE UNITED INDIA LIFE ASSURANCE COMPANY, LIMITED

(Established 1906)
Head Office : MADRAS 1

COMPANY MEETINGS AND DIVIDENDS

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 3rd August, 1953. Dividend: As. 2 per share. Transfer books closed from 20th July to 3rd August, 1953, both days inclusive.

NORTH WESTERN CACHAR TEA CO., LTD. Annual General Meeting, Calcutta, 4th August, 1953. Dividend: *Nil.* Transfer books closed from 29th July to 4th August, 1953, both days inclusive.

NAGAISUREE TEA CO., LTD. Annual General Meeting, Calcutta, 4th August, 1953. Dividend: *Nil.*

GUNGARAM TEA CO., LTD. Annual General Meeting, Calcutta, 4th August, 1953. Dividend: *Nil.*

HOOGHLY DOCKING AND ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 6th August, 1953. Dividend: Rs. 10 per share (including bonus of Rs. 2-8 per share). Transfer books closed from 28th July to 6th August, 1953, both days inclusive.

BUDGE BUDGE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 7th August, 1953. Dividend: Rs. 6 per share. Transfer books closed from 25th July to 7th August, 1953, both days inclusive.

NATIONAL CO., LTD. Half-yearly General Meeting, Calcutta, 7th August, 1953. Dividend: Re. 1 per share. Transfer books closed from 25th July to 7th August, 1953, both days inclusive.

JAYABIRPARA (DOOARS) TEA CO., LTD. Annual General Meeting, Calcutta, 7th August, 1953. Dividend: *Nil.* Transfer books close from 3rd to 7th August, 1953, both days inclusive..

MYSORE COFFEE CURING WORKS LTD. Annual General Meeting, Chikmagalur, 8th August, 1953. Dividend: Re. 1 per share. Transfer books closed from 31st July, to 16th August, 1953, both days inclusive.

SWASTIK TEXTILE MILLS LTD. Annual General Meeting, Bombay, 10th August, 1953. Transfer books close from 3rd to 10th August, 1953, both days inclusive.

CALCUTTA STEAM NAVIGATION CO., LTD. Half-yearly General Meeting, Calcutta, 11th August, 1953. Transfer books closed from 29th July to 11th August, 1953, both days inclusive.

HINDUSTHAN WOOLLEN MILLS LTD. Annual General Meeting, Calcutta, 12th August, 1953. Transfer books closed from 1st to 12th August, 1953, both days inclusive.

BIRPARA TEA CO., LTD. Annual General Meeting, Calcutta, 12th August, 1953. Dividend: *Nil.* Transfer books close from 6th to 12th August, 1953, both days inclusive.

NEW CINNATOLLIAH TEA CO., LTD. Annual General Meeting, Calcutta, 12th August, 1953. Dividend: *Nil.* Transfer books close from 6th to 12th August, 1953, both days inclusive.

GILLAPUKRI TEA AND SEED CO., LTD. Annual General Meeting, Calcutta, 14th August, 1953. Dividend: *Nil.* Transfer books close from 10th to 14th August, 1953, both days inclusive.

NORTHBROOK JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: As. 6 per share. Transfer books close from 3rd to 14th August, 1953, both days inclusive.

PAHARGOOMIAH TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 14th August, 1953. Transfer books closed from 31st July to 14th August, 1953, both days inclusive.

BENGAL POTTERIES LTD. Annual General Meeting, Calcutta, 14th August, 1953. Transfer books close from 3rd to 29th August, 1953, both days inclusive.

SINGARENI COLLIERIES CO., LTD. Annual General Meeting, Hyderabad-Deccan, 17th August, 1953. Transfer books close from 4th to 17th August, 1953, both days inclusive.

HOOGHLY MILLS CO., LTD. Annual General Meeting, Calcutta, 18th August, 1953. Dividend: Re. 1-4 per share. Transfer books close from 4th to 18th August, 1953, both days inclusive.

PALANPUR VEGETABLE PRODUCTS LTD. Annual General Meeting, Palanpur, 22nd August, 1953. Transfer books close from 1st to 22nd August, 1953, both days inclusive.

INDIAN GALVANIZING CO., LTD. Annual General Meeting, Calcutta, 25th August, 1953. Transfer books close from 11th to 25th August, 1953, both days inclusive.

COMPANY REGISTRATIONS

SCINDIA WORKSHOP LTD. (First Director. Mr. Shantikumar N. Morarjee.) Business: Engineers, Boilermakers, Iron and Brass Founders, Metal Workers and Shipbuilders, etc. Authorised capital: Rs. 25,00,000. Private company. Address: "Scindia House" Dougall Road, Ballard Estate, Fort, Bombay.

J. H. BILLIMORIA & CO., LTD. (First Director: Mr. J. H. Billimoria.) Business: Builders, Contractors, Sanitary Plumbers and Engineers, etc. Authorised capital Rs. 10,00,000. Private company. Address: Pallonji House. New Charni Road, Bombay 4.

DYNACRAFT MACHINE CO., LTD. (First Director: Mr. Nazar R. N. Futehally.) Business: Mechanical Engineers, Manufacturers of Paper Machinery and Brass and Iron Founders, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Ismail Building, Hornby Road, Bombay.

P. & DIKSHIT LTD. (First Director: Mr. Umashankar Dikshit.) Business: Exporters, Importers and Dealers in Textile Goods of all kinds. Authorised capital: Rs. 5,00,000. Private company. Address: 288, Kalbadevi Road, Bombay 2.

MONEY QUITE EASY

(From Our Own Correspondent)

BOMBAY, *29th July*

The downward trend in notes in circulation and Scheduled banks' advances seems to be the order of the day, thereby reflecting the return of the traditional slack season. During the week under review, almost all the leading banks appeared as leaders of overnight money, while the scope for employing such funds narrowed down considerably. The effect of this was a further decline in the inter-bank call money rate to as low as 1 per cent. from 1¼ per cent. a week ago and 1¾ per cent. two weeks before. *Occasionally, some small business was done* at 1¼ per cent., but it was mostly of a renewal nature. Exchange banks were neither lenders nor borrowers. As they *cannot transfer* their funds abroad beyond specified limits, some of them are said to have transferred their surplus cash to Calcutta, where funds are still usable on account of export bill business, and inter-bank call money fetches 2½ per cent. The rate among the smaller Indian banks in Bombay was placed during the week at 2½ per cent.

Short deposits of three to seven days fetched slightly better rates than overnight money, namely, 1½ to 1¾ per cent. One to three months' money fetched no more than 2 per cent. and 6 to 12 months' deposits 2½ per cent. House money was quoted at 2 per cent.

An outstanding feature of this week's tenders for three months' Government of India Treasury Bills was the sharp rise in the amount offered to Rs. 3.76 crores (against an invitation for Rs. 1 crore), a record for the past eight months, and compares with the previous highest of Rs. 5.12 crores tendered in the second week of November, 1952, against an invitation for Rs. 2 crores. The average rate of accepted tenders, however, remained unchanged at Rs. 2-6-2 per cent. per annum. The large amount tendered indicates that more banks than before are now interested in these bills. Encouraged, presumably, by this week's response and having regard to the fact that there are enough funds in the market even after all the States had more than obtained their requirements, the Reserve Bank has stepped up the amount of tenders to Rs. 1.5 crores for next week.

For the third week in succession, the Reserve Bank's weekly statement (for the week ended 24th July, 1953) discloses a contraction, the decline during the week under reference being of the order of Rs. 16.70 crores. Notes held in the Banking Department are, however, higher by Rs. 2.51 crores. Consequently, total notes issued show a depletion of Rs. 14.19 crores. This contraction in currency has been adjusted by reducing rupee securities to the extent of Rs. 15 crores and by the withdrawal of rupee coin to the extent of Rs. 81 lakhs. In the Banking Department, deposits of the Central Government do not show any notable variation, but those of other Governments have registered an increase of Rs. 9.37 crores, representing further cash subscriptions received during the week for the State loans. Deposits of banks have gone up by Rs. 9.37 crores, indicating the further return of funds lent to trade. Deposits of others are lower by Rs. 1.42 crores. On the assets side, cash balances have improved by Rs. 2.58 crores, while balances held abroad are down by Rs. 1.32 crores. There has been a decline of Rs. 60 lakhs in ways and means advances to Governments and an increase of Rs. 81.80 lakhs to loans to banks. Investments disclose a rise of Rs. 14.99 crores, evidently representing the transfer from the Issue Department.

The Scheduled banks' statement for the week ended 17th July, 1953, as compared with that for the previous week, reveals an increase of Rs. 4.68 crores in their demand deposits. There is, however, no change in time deposits. Inter-bank borrowings are higher by Rs. 2.17 crores. Borrowings from the Reserve Bank show a fall of Rs. 38 lakhs, while those from the Imperial Bank disclose a rise of Rs. 1.80 crores. On the assets side, advances and bills purchased and discounted record a decline of Rs. 5.56 crores, investments of Rs. 89.44 lakhs and cash-on-hand and balances with the Reserve Bank of Rs. 1.27 crores. Balances with other banks in current account and money at call and short notice have risen by Rs. 65.18 lakhs and Rs. 77.91 lakhs, respectively.

The Gilt-edged market was dull, the undertone being quietly steady. The prices of almost all the short-dated loans were unchanged, while those of the medium and long-dated and undated ones tended to decline. Among the State loans, the process of downward adjustment of prices of 4 per cent. 1964 loans to the yield basis of the new loans continued. 3 per cent. 1957 was unchanged at Rs. 98-6, 3 per cent. 1958 at Rs. 98-3 and 3 per cent. 1959-61 at Rs. 96-3. 3 per cent. 1963-65 and 3 per cent. 1964 were placed an anna lower at Rs. 92-5. 3 per cent. 1966-68 had sellers and declined by As. 2 to Rs. 90-2. 3 per cent. 1970-75 was, however, unchanged at Rs. 86-6. 3 per cent. 1986 Conversion loan moved down by As. 8 to Rs. 82. 3 per cent. 1961 National Plan Bonds were placed at Rs. 99-5. The Reserve Bank of India, which had resumed the sale of these Bonds last week, is reported to have refrained from doing so this week. Among the State loans, 4 per cent. 1964 Madras receded by As. 4 to Rs. 99-8 and 4 per cent. 1964 U.P. loan by As. 6 to Rs. 99-6. 4 per cent. 1964 Bombay and West Bengal loans were unchanged at Rs. 100. Of the new issues, 4 per cent. 1963 Bombay had business at Rs. 100, Madras loan had sellers at Rs. 99-7; U.P. loan had buyers at Rs. 99-5, that is 3 annas under the issue price.

(Concluded from next column)

initial trends of the London Metal Exchange where copper is to be freely dealt with as from early next month. Electrolytic ingots were offered at Rs. 170. On higher advices from London, electrolytic zinc gained one point to Rs. 54. Reports that the better quality of zinc available would be unable to meet world demands added further cheer. Lead remained at Rs. 65.

BULLION QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, *29th July*

The notable feature of the trading on the Bullion Exchange during the week under review was the tussle in the silver section between the bulls and bears which ended in favour of the former, as reflected by the widening of the *budla* charges. Despite the arrival of a fairly large quantity of *kutcha* silver and the Korean armistice, bulls were able to hold their ground and exact heavy carry-over charges which widened from Rs. 2-2 at the close of last week to Rs. 4-8 yesterday when the July settlement ran out. Even though quite a good part of the sales in the maturing settlement was arranged to be carried over to the next settlement during the course of the week, by mutual agreement with the bulls, the bears had fairly heavy outstandings at the close of the settlement. To-day being the last day for squaring up outstanding sales, a leading bear operator was reported to have arranged to carry-over a part of his outstanding positions at as high a rate as Rs. 5-8. Notwithstanding this, the outstanding sales are stated to be 1,500 bars.

The bulls are stated to have paid in money for taking delivery of all the 1,500 bars, but only 1,250 bars are expected to be delivered. The balance of 250 bars will then be treated as "false sales." It will mean that those who made these sales are now unable either to give delivery or carry them forward. If the sale of these 250 bars is proved to be false, then the parties concerned will have to pay a penalty of Rs. 3 per 100 tolas to the Bullion Association and also pay the price dictated by the bulls at the auction of these bars. If they fail to meet this commitment, they will, we presume, be declared defaulters.

This is the third settlement in succession in which the bears have had to pay heavy *budla* charges. Market circles are wondering why certain operators always choose to sell short, despite the well-known fact that stocks of silver in the country are very limited.

In gold, the undertone was steady, because of poor arrivals and the demand was even. Even here, the bears had to pay *budla* charges, but not at a widening rate. The rate, which stood at Re. 1 at the close of last week, widened to Re. 1-5 at the opening of the week, but declined to As. 10 on Saturday. On Monday, however, the rate again widened to Re. 1.

Silver for forward delivery (28th July settlement) opened at Rs. 154-1 and, after touching a high of Rs. 155-10, reacted to Rs. 152-15 yesterday, on reports of the signing of the armistice in Korea. But renewed bull support and some nervous bear covering pushbd it up to Rs. 154-11 before the settlement ran out yesterday. Business for the next settlement (26th August) was done at Rs. 152 early in the week and, after being done up to Rs. 152-13, reacted to Rs. 150-7 to-day. The closing was, however, slightly better at Rs. 151-6.

Ready silver (.996 Mint) began at Rs. 154-9 and wound up the week at Rs. 154-10. The floating stocks of silver are placed at 1,200 bars. The daily average offtake was 10 to 15 bars, while the average arrivals were said to be of the order of 100 bars per day.

Gold for forward delivery (27th July settlement) began at Rs. 86-12 and rose to Rs. 87-8 early in the week before finishing at Rs. 86-4 on Monday when the settlement ran out. Business in the next settlement (25th August) opened at Rs. 85-11 and closed to-day at Rs. 85-14.

Ready gold opened at Rs. 87 and closed at Rs. 87-4. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals and offtake matched each other at 2,000 to 3,000 tolas.

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

	29-7-53	Highest	Lowest	22-7-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	87 4	87 11	86 0	87 2
Forward	85 14	87 8	84 12	86 14
Sovereign	57 8	57 12	57 0	57 12
SILVER				
Ready (.996 fine Mint)	154 10	156 0	152 10	154 15
Forward	151 6	155 10	150 7	154 7
London Ready	74d.	—	—	74d.
London Forward	74d.	—	—	74d.
New York Ready	85½c.	—	—	85½c.

COPPER FEATURELESS

(From Our Own Correspondent)

CALCUTTA, *28th July*

The first reaction of metal products manufacturers to Korean peace was reflected in the introduction of further caution in covering their requirements of raw materials. In fact, for some time past, producers have been showing a tendency to buy raw material only against firm orders for finished products. Those who have melting facilities are interested to use as much scrap as are available with them. Tin touched at one time a low of Rs. 390, as against the opening quotation of Rs. 402. Advices from Singapore were far from encouraging, the sentiment having been affected by reports of American interest in Bolivian tin. However, the rate in Singapore recovered a little on possibilities of the mine owners restricting output. This trend was answered by the recovery in the local quotation to Rs. 405, although the quantity changing hands was insignificant. Quick silver remained quiet; any quantity was available at Rs. 440 a flask.

Copper was featureless. The buyers desire to enter into commitments only after knowing the

(Continued in previous column)

COTTON STEADY

(From Our Own Correspondent)

BOMBAY, *29th July*

The main issue for speculation and discussion in the forward market in cotton at Kalbadevi is the quantity of cotton likely to be tendered against the August delivery purchases. This issue has practically overshadowed all other activities in the market. The February contract in the new crop lies almost neglected, with few transactions and hardly any fluctuation in prices. There is a good game of bluff going on in the market at present on both sides. The longs are proclaiming their readiness to take delivery of all the cotton that is tendered and have so far succeeded in this claim to push up prices to Rs. 706-8 per *candy*. Substantial purchases were effected by them during the last two days to frighten and demoralise the bears.

On the other hand, the shorts are reported to be preparing for delivering large quantities, both in Bombay and at upcountry centres. They claim that what happened to the May contract is likely to be repeated once again in spite of all the boasts of the bulls about their ability to weigh over cotton in large quantities. They seem to believe that at the first touch of reality the buyers will crumple up and start unloading their contracts in the open market. This battle-royal between the two sections is likely to prove interesting during the next few weeks. There are rumours that some of the buyers who are prepared to take delivery have arranged privately with certain mills to hand over the cotton to them at a discount of about Rs. 20 per candy which will still leave them with sizable profits. If there is some truth in this there is a possibility of the bears being squeezed and forced to cover their sales at increasing prices.

Crop news from all centres is encouraging. This has gone to widen the gap between the last delivery for the 1952-53 crop and the first one for 1953-54. This is also likely to effect the volume of trade and demand in the spot market. Even the delivery contract in the new crop which has been allowed by the Textile Commissioner is not very active, though this is partly attributed to the absence of new quotas to the mills against the initial release of 25 per cent. However, the unwillingness on the part of textile mills to enter into large commitments for the future can be attributed partly to optimistic estimates of the next crop. The August delivery in the forward market has rendered the whole position in the cotton market somewhat artificial and the normal position is not likely to be restored till this contract is out of the way. By that time, the cotton crop would also have progressed sufficiently to give a better idea of the production for 1953-54. Prices of and premia for spot cotton will also depend largely on the time when the new crop might be expected to come into the market. With a normal season, premia may go down. On the other hand, any signs of late arrival of new cotton in the markets would tend to put up prices. During the last day of the week under review there was a significant shift in the mills' interest in the spot market from the medium-staple varieties to short-staple cotton and to imported cotton.

In the forward market, I.C.C. February opened the week at Rs. 667½ and gradually firmed up to touch a high of Rs. 674 to-day. I.C.C. August delivery commenced the week at Rs. 698, and moved up, on moderate support by bulls, to Rs. 710½, to-day, though it eased, on some profit-taking, to Rs. 709½ towards the close of the session. The following is the trend of prices in the forward market during the week under review:

		Opening	High	Low	Closing
I.C.C. Feb. ...	Rs.	667½	674	664	674
I.C.I. Aug. ...	Rs.	696	710½	695	709½

The following are the latest available quotations from the ready section: Bengal *Deshi* Rs. 560; Berar Jarillas Rs. 745; Khandesh Rs. 865; Vijay Rs. 880; Oomra *Deshi* Rs. 695; Mogtai Rs. 695.

A wholly unexpected situation has arisen in connection with Indian purchases of Egyptian cotton during the interval between the announcement regarding the Indo-Egyptian Payments Agreement and its ratification. Most of the cotton so purchased has still to be shipped and the shippers at Alexandria are reluctant to receive payments on the basis of the recent agreement which allows 60 per cent. of the price to be paid in rupees. Egyptian shippers used to earn premia on their sterling earnings and they hesitate now to honour those transactions on this new basis of payment. The position has been reported to the Government of India and it is expected that some satisfactory solution to this development will be found at the diplomatic level. In the meantime prices of Egyptian cotton held here have been increased and it is expected that future prices also will be upgraded by Rs. 30 per candy.

At Karachi the steady trend in prices which had ruled for the last few weeks has been disturbed by lack of overseas demand. The recession in most of the varieties is to the extent of about Rs. 4 per maund, and as the slack season is likely to continue for some time, prices are expected to decline further. The latest available rates from Karachi are:—

Punjab *Deshi* Rs. 78; 4F Punjab R.G. Rs. 53; S.G. Rs. 63; L.S.S. Punjab R.G. Rs. 62; S.G. Rs. 68; N.T. R.G. Rs. 68; S.G. Rs. 73½; 289F Punjab R.G. Rs. 70½; S.G. Rs. 76½.

At Alexandria also, market activity has been comparatively slack. Interest in old crop is naturally now giving way to that in the new crop. But the market has been sustained on certain rumours with regard to renewal of trade agreements at an early date with some countries in Western and Eastern Europe, like Germany and Yugoslavia. The only buyer of note during the week was Chile which is reported to have acquired about 10,000 bales from the stocks of the old crop.

At New York, activity in the forward market has been on a fairly modest scale during the week, with fluctuations within a narrow range. Mill

demand for local consumption was, however, normal and this went to support prices which would otherwise have sagged. In the absence of any important factors, the market is now more sensitive to weather reports from the cotton-growing areas and this position is likely to continue for some time.

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

(In cents per lb.)

	28-7-53	21-7-53	14-7-53
Spot	34.20	34.20	34.05
July	—	—	33.16
October	33.87	33.91	34.00
December	34.27	34.20	34.20
March	34.49	34.41	—
May	34.54	34.45	34.39

ART SILK YARN FIRM

(From Our Own Correspondent)

BOMBAY, *29th July*

The Government's decision to limit imports of 150D and 120D bright finish yarns to 5 per cent. and 20 per cent. of the values of licences issued for the current half-year, respectively, turned out to be a bullish factor for the local art silk yarn market. Two other factors which fanned the bullish enthusiasm of operators further were dwindling floating stocks, following decline in arrivals of yarn under previous contracts, and refusal of the Japanese rayon mission to commit itself about the price issue. There was also optimism about better Indo-Pakistan trade relations in future leading to resumption of normal export business in art silk fabrics to Pakistan. The cumulative effect of all these factors was a good buying support which even overlooked the possibility of larger arrivals of imported yarn, consequent on the Korean peace, and weak advices from rayon cloth markets. Prices of art silk yarn, as a result, staged an impressive rise over the week, the tendency of the market remaining firm.

In the forward section, 150D July delivery contract rallied 22 points to Rs. 806 to-day, although, towards the close, it was a shade lower at Rs. 805 on profit-taking. August contract moved up from Rs. 789 to Rs. 806; at one time, it had even touched Rs. 808. These levels were the highest for the past eight weeks. Values of yarn in the ready section were fully maintained. 150 Italy was higher by an anna and a half at Rs. 4-0½. 120 *Italy* gathered an anna to Rs. 4-4. 150 Japan was done slightly better at Rs. 4-2½. 120 Japan was steady at Rs. 4-3½.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 21st and 19th inst:

	29-7-53	21-7-53	15-7-53
	Rs. a.	Rs. a.	Rs. a.
150D July (per case of 200 lbs.) ..	805 0	784 0	788 0
150D August	806 0	792 0	791 0
120 Japan (per lb.)	4 3½	4 3½	4 3
150 Japan	4 4	4 3	4 4
120 Italy	4 0½	3 15	4 1½
150 Italy			4 1½

The Japanese rayon mission has held discussions with several sections of art silk yarn industry and trade in the country, but nothing concrete have emerged from these discussions. As reported last week, the mission has not so far committed itself over the price issue, although it has exhibited its anxiety to enlarge its trade in art silk yarn with India in competition with Italy. It is not, therefore, clear whether this mission's efforts would result in any downward revision in Japanese art silk yarn prices. In the context of such uncertainty, it is indeed encouraging to hear that the Japanese mission told the Surat Chamber of Commerce on Saturday last that "very soon, there will be a revision in the price of Japanese art silk yarn" and something very attractive and suitable to the foreign consumers had to be done "immediately."

The staple fibre yarn section continued to remain weak. Renewed arrivals of yarn from local main and South Indian mills led to a further fall in prices. The fall was particularly in evidence in 2/40s and, to some extent, in 20s. Following marked improvement in supplies, the Committee of the Yarn Merchants Association has decided to commence forward trading in 2/40s staple fibre yarn with effect from 1st August. The number of mills, the yarn of which will be allowed for trading, has been increased from 9 to 11. Forward trading in staple fibre yarn has remained suspended since 1st March, 1953.

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, *29th July*

In striking contrast to the firm conditions that had prevailed for some time past, the oilseeds market ruled bearish this week. In fact, groundnuts came under selling pressure induced by profit-taking at the higher levels touched last week. Increased arrivals of gingeli seeds and quiet tendency in the coconut oil market also contributed to the easiness. There were, besides, reports of larger arrivals of groundnuts summer crop in South Indian markets. The castorseeds section ruled weak in sympathy with groundnuts. Also, truce in Korea served as a damper on the enthusiasm of operators, as it might mean the release of stockpiles of castoroil in the free market. The linseed section too looked downward, as crushers preferred to wait before committing themselves to further purchases. The *kardi* and *niger* sections were cheerless, despite rumours today that free exports of *kardi* and *niger* seeds would be allowed upto the end of September, 1954. As a result, there was an all-round decline in prices, the decline being more pronounced in the groundnuts section than in others.

The downward trend that has set in this week in groundnuts might not persist long, in the absence of easier overall oilseeds position, which can be ensured only by import of coconut and palm oils, among others, in larger quantities. It is not clear as to why the Government has not yet taken any action in this direction, despite its show of repeated anxiety about the hectic rise in prices. That apart, on arrivals of considerable quantities of gingeli seeds in the market, groundnuts Bold F.A.Q. declined from Rs. 53-12 to Rs. 51-8. August-September deliveries were lower by Re. 1-4 at Rs. 49 and December-January by Re. 1-14 at Rs. 35-14. Khandesh quality lost Re. 1-12 to Rs. 52-4. Groundnut oil ready eased from Rs. 29 to Rs. 28-10 and railway receipts from Rs. 28-12 to Rs. 28-4. August and September deliveries were done at Rs. 27 and Rs. 25-10, as against Rs. 27-6 and Rs. 26-6, respectively.

In the castorseeds section, a leading bear was shifting his interest from September to May contracts. Upcountry interests who are longs in September contracts were also liquidating their positions. As a result, September delivery ruled easy. After opeping at Rs. 155, as against Rs. 154-4, it fluctuated between Rs. 155-4 and Rs. 150, before closing at Rs. 153-4. May delivery was done at Rs. 134-4, as against Rs. 136-4, the highest and the lowest touched during the week being Rs. 138-8 and Rs. 132-8, respectively. Madras quality dropped by As. 4 to finish at Rs. 32-4. Castor oil I Pressure lost As. 2 to Rs. 18-2, and Commercials As. 6 to Rs. 17-6. B.S.S. was done lower by As. 2 at Rs. 18-6.

In the linseeds section, business was mostly of an adjustment nature. Bold ready fell from Rs. 32-12 to Rs. 32. August-September deliveries were lower by As. 6 at Rs. 32. October-November deliveries were done at Rs. 31-12, as compared with Rs. 32-6 last week. Linseed oil changed hands at Rs. 18-2, as against Rs. 18-6.

Among other seeds, niger F.A.Q. slipped from Rs. 39-8 to Rs. 38-12, and Madras quality from Rs. 40-4 to Rs. 39-4. *Kardi* Bold gave way from Rs. 27-4 to Rs. 25-12. August-September and October-November deliveries were done at Rs. 25-6, and Rs. 25-8, as compared with Rs. 26-12 and Rs. 26-14, respectively, last week.

The following table shows the prices of oilseeds and oil on the 29th inst., as compared with those at the end of the previous two weeks.

	29-7-53	21-7-53	15-7-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	51 8	53 12	53 8
August-Sept.	49 0	50 4	49 10
Linseed—			
Bold Ready (per cwt.) ..	32 0	32 12	31 12
Castorseeds—			
Sept. (per candy of 5 cwts.).	153 4	154 4	153 0
Madras (per cwt.)	32 4	32 8	32 4
Groundnut oil—			
Ex-mill Ready (per quarter).	28 10	29 0	29 0
Castor Oil—			
Commercial (per quarter)..	17 6	17 12	17 8

SHARP BREAK IN PEPPER PRICES

(Messrs. Parekh and Co.)

BOMBAY, *29th July*

The pepper market in all primary centres during the week experienced a sharp break in prices, owing to complete withdrawal of foreign buyers. The chief bearish factors which were responsible for such a state of affairs were as follows:

(1) Underselling by Sarawak in New York and London. Singapore and Sarawak exporters are reported to have sold July and August shipments in New York at as low as $0.88 and $0.85 per lb. c. & f. New York A.S.T.A. terms, respectively. Weakness in other Malayan produce appears to have affected pepper adversely;

(2) Lampong black from Indonesia, where crop is reported moving, is said to be selling in competition with Sarawak and Malabar. July shipment is reported done at as low as $1.04 with further anxious sellers, buyers remaining scarce;

(3) despite the persistent weakness in other commodities in New York in the past several days, pepper which was maintaining its own is now reported giving way under selling pressure from competitive producers like Sarawak, Lampong and India;

(4) general feeling of fear among importing countries of the impending competition from India, in view of large balance of unsold stock in the hands of growers who were till recently reserved sellers;

(5) chances of the Indian Government's reducing export duty on Malabar black, with a view to making it more competitive in the foreign markets;

(6) Korean truce and its effect on the erstwhile strong holders among growers; and

(7) reduction in the export duty on whole pepper by the Ceylon Government from Rs. 250 to Rs. 150 for every 100 lbs.

Pepper at Alleppey, which was showing remarkable resistance at Rs. 2,800, is now being offered at Rs. 2,450, but with a few buyers. Growers in Tellicherry area, who are reported holding heavy stocks, are anxious sellers to meet buyers, but, so far without any notable result. They are willing to sell even at Rs. 2,400. Knowledgeable sources are expecting very soon a drastic reduction in the present export levy, as, otherwise, India is likely to lose its export markets, particularly New York, to the detriment of producers and at the cost of losing valuable earnings in dollars. An announcement to this effect is expected in the beginning of August.

In the A.S.T.A. section, August shipment was done at as low as $1.09, while September was done at $1.00 with a few buyers. In the delivery section, August and September deliveries were done at Rs. 1,945-75 and Rs. 1,845-75, respectively.

To-day's nominal quotations are: Ready delivery Rs. 320 per cwt.; and August Rs. 2,000-2,030 and September deliveries Rs. 1,885-1,915 per candy of 5½ cwts. respectively.

COMMONEST TEAS FULLY FIRM

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, *25th July*

The total offerings in sale No. 15 which was held on Tuesday, 21st July, amounted to approximately 16,50,000 lbs. Quality remained much the same as the previous sale, although a few teas showed some seasonal improvement. The sale opened to a good general demand and commonest kinds remained fully firm. Low medium and medium brokens met with less support and prices were irregularly As. 1 to As. 2 easier. Best liquoring teas were steady at last rates. The strongest feature of the sale were black leaf, Middle East type fannings, and these must be quoted fully As. 2 dearer. Whole leaf teas of all descriptions were extremely well supported and advanced by As. 1 to As. 2. There were some withdrawals. The following are the quotations:—

	1953 Rs. a. p.
Low grown Travancore B.O.P.	1 9 6
Medium Travancore B.O.P.	1 10 0
	to 1 11 0
Anaimallais B.O.P.	1 11 0
	to 1 12 0
Best liquoring Nilgiri B.O.P.	2 3 9
Clean Black Leaf O.P.	2 2 0
	to 2 3 0

London Market.—Except for colours of old seasons, market irregular 1½d. to 2d. lower.

Colombo Market.—Black leaf Persian types firm to dearer. All others less demand, generally five to ten cents lower, except limited selection best quality.

Calcutta Market.—Export.—24,000 packages. Market generally firm. Better liquoring teas in good demand.

Dust.—Good general demand. Commons and medium Assams half anna dearer. CTC and Middle East types strongest feature. Flavoury Darjeelings well supported.

Export Quota.—The market opened to a slightly easier tendency with the quotation standing at 17-18 pies. It has since hardened to 18 pies and some business has been done.

Forthcoming Auctions.—Sale No. 16 will be held on Tuesday, 4th August.

As we go to Press, Messrs. Forbes, Ewart and Figgis wire:—

Dust Sale O:—2,75,000 lbs. Strong general demand. Common types firm. Medium and good medium half to one anna dearer. Best sorts steady.

FOODGRAINS ARRIVALS POOR

(From Our Own Correspondent)

HAPUR, *28th July*

Mr. G. L. Nanda, Central Minister for Planning, has reiterated his faith that the present policy of decontrol of foodgrains is incompatible with the planned economic development of the country. "We are now reaching a stage," he is reported to have told his colleagues in the Cabinet, "when the conflict between the needs of planning and some of the assumptions on which the present food policy is based, is becoming increasingly apparent." The defence of the Food and Agricultural Ministry is that complete decontrol of foodgrains has never been contemplated, despite the fact that the overall food position in the country has improved appreciably. Only the irksome controls have been relaxed where they were found to be absolutely unnecessary.

The incursion of mixed locust swarms continued across the Indo-Pakistan border during the fortnight ended 15th July, 1953. Immature swarms already present in the country are rapidly maturing. Breeding on an extensive scale is, therefore, expected in North-West India during July-August. Swarms are most active in the Punjab, P.E.P.S.U. and Rajasthan where breeding also started in many places. The sites of initial breeding are the Jaisalmer and Nagpur Districts of Jodhpur, the Sikat District of Jaipur, the Mohindergarh District of P.E.P.S.U. and perhaps the Gurgaon District of Punjab.

The overall food position in Uttar Pradesh continued to be good. Scarcity conditions are reported from the four hill districts of Almorha, Nainital, Garhwal and Tehri Garhwal, on account of damage caused to crops by hails and storms. Offtake from cheap ration shops under the hill provisioning scheme is high this year and over 100,000 maunds of foodgrains have been issued since April last. Reports have been received that river side villages in Gorakhpur, Deoria and Ballia Districts are under water with the river in spate. Thousands of acres of grown crops are threatened with destruction. The markets have remained quiet to steady. Owing to rains, seasonal arrivals had been reduced, while offtake remained fairly good. Hapur continued to export wheat to eastern districts.

It is officially stated this week that the food position in Punjab is very satisfactory and the Government has in stock about 100,000 tons of foodgrains to meet any emergency. The Government has now stopped buying wheat. Total arrivals of wheat in the Punjab markets from the beginning of the crop year until recently were about 150,000 tons. The amount of rice procured so far has been about 90,000 tons. It is officially learned that the recent rains in the State have been well spread and the condition of the standing crops is satisfactory.

(Continued on page 235)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	17th July, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,119.85	1,136.34	1,154.37	1,117.73
Notes held in Banking Department	25.06	34.23	37.53	32.44	32.02
Foreign Securities	89.50	583.15	603.15	618.15	568.15
Rupee Securities	57.89	439.86	439.86	449.86	464.65
Banking Department					
Deposits of:—					
Government of India	14.89	93.06	112.00	130.83	94.44
Other Governments	..	22.45	13.00	13.34	6.37
Balances held abroad	19.08	123.85	106.32	102.07	107.07
SCHEDULED BANKS					
Demand Liabilities	186.87	535.63	529.02	526.91	560.16
		(14.31)	(12.33)	(10.87)	(10.15)
Time Liabilities	105.84	324.52	323.34	324.56	311.29
Borrowings from Reserve Bank	..	2.03	(1.90)	(1.92)	(4.10)
		1.32	2.20	2.53	3.70
		(0.49)†	(1.49)†	(17.54)†	(1.81)†
Borrowings from Imperial Bank	..	7.37	5.57	11.53	3.74
Cash in India	6.71	31.32	32.72	33.03	33.57
Balances with Reserve Bank	25.28	39.60	39.73	39.57	53.67
Excess over statutory limits	15.52	6.45	6.72	6.74	19.44
Balances with other banks in current account in India	..	12.08	11.43	11.79	12.13
Money at call and short notice in India	..	19.13	18.35	14.62	22.59
Investments (at book value)	..	313.70	312.81	312.44	229.67
Advances and bills	108.09	491.64	500.21	521.26	506.46
IMPERIAL BANK					
Deposits	87.76	211.42	207.84	207.33	223.47
Investments	51.98	86.07	85.97	86.20	86.80
Advances	30.87	118.14	120.10	131.70	137.24
Cash	14.89	17.44	14.97	16.25	17.81

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	24th July, 1953		17th July, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,08,515	50,10,64,000	2,11,458	52,57,97,000
Calcutta	1,42,742	45,01,83,488	1,27,652	46,03,26,748
Madras	71,247	7,42,57,947	69,165	6,86,97,699
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,859
1953	..	..	1,06,41,941	26,79,81,57,000
April 1953	..	..	27,36,000	5,85,05,00,000
May "	..	..	26,55,000	5,43,23,00,000

Reserve Bank of India

Statement of Affairs for the week ended 24th July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		4,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		92,66,00,000
(2) Other Governments		34,81,41,000
(b) Banks		53,12,40,000
(c) Others		62,02,34,000
Bills Payable		2,34,33,000
Other Liabilities		17,54,39,000
	Rupees	276,52,52,000

ASSETS	Rs.	Rs.
Notes		36,79,55,000
Rupee Coin		17,13,000
Subsidiary Coin		5,47,000
Bills Purchased and Discounted—		
(a) Internal		21,60,000
(b) External		
(c) Government Treasury Bills		7,65,77,000
Balances held abroad*		122,51,70,000
Loans and Advances to Governments		3,30,00,000
Other Loans and Advances		11,26,29,000
Investments		87,72,16,000
Other Assets		6,84,66,000
	Rupees	276,52,52,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	36,79,55,000	
Notes in circulation	1103,17,42,000	
Total Notes issued		1139,96,97,000
Total Liabilities		1139,96,97,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	583,15,11,000	
Total of A		623,16,82,000
B. Rupee Coin		91,03,95,000
Government of India Rupee Securities		
Internal Bills of Exchange and other commercial paper		424,86,20,000
Total Assets		1139,96,97,000

Ratio of Total of A to Liabilities: 54.665 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 17th July, 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	14,31,47,000†
	(ii) Other demand liabilities	521,36,60,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	2,03,50,000†
	(ii) Other time liabilities	326,43,30,000
3.	Cash in India	31,34,50,000
4.	Balances with the Reserve Bank in India	39,70,62,000
5.	Balances with other banks in current account in India	12,08,23,000
6.	Money at call and short notice in India	19,12,61,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	313,70,14,000
8.	Advances in India	442,59,16,000
9.	Inland Bills purchased and discounted in India	52,04,88,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		25th July 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	As.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	As.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	As.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	As.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	4751	4751
Buyers T.T.	Rs.	4711	4711
London on New York	£	$ 2.81⅛–2.81⅛	$ 2.81⅛–2.81⅛
London on Paris	Frs.	9731–9731	9781–9781
London on Berne	Sw. Frs.	12.171–12.171	12.171–12.171
New York on London	$	$ 2.81⅛–2.81⅛	$ 2.81–2.81⅛

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)		In terms of rupees (Crores)	Per capita Income (Rs.)
India	1948	342.12	..	..	9,730	255
Pakistan	1949	76.04	..	..	1,671	233
Burma	1951	18.67	Kyats	8,166	817	169
Ceylon	1951	7.74	..	..	441	592
Japan	1951	84.30	Y.	4,849,400	6,414	774
Philippines	1951	20.38	Ps.	7,585	1,820	856
New Zealand	1951	1.98	£ (N.Z.)	615	1,820	4,206
Australia	1951	8.43	£ (A.)	2,288	3,464	4,317
U.K.	1951	50.43	£	13,613	18,197	3,605
U.S.A.	1952	156.94	$	290,400	139,392	8,908
Canada	1952	14.45	$	18,507	8,246	5,714
France	1951	43.24	F. Fr.	9,082,000	18,878	2,929
W. Germany	1951	48.11	Dm.	90,500	10,527	2,188
Italy	1951	48.60	Lr.	7,740,000	9,902	1,957
Norway	1952	3.32	Kr.	16,506	1,196	8,331
Sweden	1951	7.07	Kr.	26,800	3,439	4,564
Netherlands	1952	10.85	Fl.	17,650	3,200	2,120
Denmark	1951	4.50	Kr.	20,716	1,439	3,348
Switzerland	1951	4.76	S. Fr.	19,500	5,166	4,058

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, June, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 17th July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	37,73,52,000
(b) Provincial Governments	1,30,33,000
(c) Banks	17,53,26,000
(d) Others	2,65,71,000
Bills Payable	1,63,02,000
Other Liabilities	3,18,81,000
Rupees	70,43,45,000

ASSETS	Rs.
Notes	10,67,07,000
Rupee Coin	3,000
Subsidiary Coin	10,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,94,86,000
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	9,77,00,000
Other Loans and Advances	2,15,00,000
Investments	34,30,25,000
Other Assets	9,40,10,000
Rupees	70,43,45,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,67,07,000	
Notes in circulation	201,85,05,000	
Total Notes issued		215,52,12,000
Total Liabilities		215,52,12,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion	....	
Sterling Securities	39,33,72,000	
Government of India Securities	11,35,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		89,14,82,000
B. Rupee Coin	6,35,10,000	
Government of Pakistan Securities	115,77,36,000	
Internal bills of exchange and other commercial paper	....	
		122,12,55,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,05,000	
Sterling Securities	9,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,75,000
Total Assets		215,52,12,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.20 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
5th May	1.00	1.63	1.00	2 7 0	61
12th "	1.00	1.63	1.00	2 6 10	58
18th "	1.00	1.95	1.00	2 6 8	41
25th "	1.00	2.28	1.00	2 6 8	41
2nd June	1.00	2.02	1.00	2 6 6	28
9th "	1.00	2.10	1.00	2 6 6	32
16th "	1.00	2.23	1.00	2 6 6	27
23rd "	1.00	2.90	1.00	2 6 6	28
1st July	1.00	2.71	1.00	2 6 6	21
7th "	1.00	3.03	1.00	2 6 6	23
14th "	1.00	2.81	1.00	2 6 2	8
21st "	1.00	2.80	1.00	2 6 2	9
28th "	1.00	3.70	1.00	2 6 2	10
Total	13.00	31.83	13.00	2 6 2	30

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	....	....	....
Belgium	18th Dec., 1952	2½	3
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1951	2½	3
Denmark	3rd April, 1953	3	4
Finland	18th Dec., 1951	7½	8½
France	9th Nov., 1951	7½	8½
Greece	13th July, 1948	4	6
India	18th Nov., 1951	3	3½
Italy	6th April, 1950	4½	5½
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	3	3½
New Zealand	26th July, 1941	3	3½
Norway	9th Jan., 1948	3	4
Pakistan	1st July, 1948	3	3
Portugal	18th Jan., 1946	3	3½
South Africa	27th Mar., 1952	3½	4
Spain	16th Mar., 1949	4	4½
Sweden	1st Dec., 1950	2½	3
Switzerland	1st July, 1936	2	1½
Turkey	26th Feb., 1951	5	4
United Kingdom	13th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	2	4
U.S.A.	18th Jan., 1935	1½	2
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	January, 1953	January, 1952	Ten months—April to Jan., 1952-53	Ten months—April to Jan., 1951-52
Import Duties:				
Revenue	8,40	11,05	92,06	108,19
Protective	63	93	6,48	8,88
On surplus disposals	2	1	5	24
Total Import duties	8,94	12,39	99,31	117,29
Export Duties	5,20	7,22	46,86	74,83
Land Customs	18	22	2,30	2,72
Miscellaneous	8	7	1,00	97
Gross total customs	12,80	20,48	149,37	195,48
Refunds and drawbacks	17	22	2,35	6,12
Net Customs	12,21	20,10	147,05	191,36
Gross excise	6,18	7,76	67,04	75,16
Refunds	4	15	1,21	1,41
Net Excise	6,06	7,90	65,83	73,75
Net total of customs and excise	18,79	27,76	213,48	265,11

Imperial Bank of India

Statement of Affairs for the week ended 24th July, 1953

CAPITAL AND LIABILITIES

	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		211,30,60,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,38,000
Bills for Collection being Bills Receivable as per contra		2,38,00,000
Acceptances, Endorsements and Other Obligations as per contra		43,20,000
Other Liabilities (including Inter-Office Adjustments)		2,61,000
		5,34,11,000
Total	Rs.	231,56,01,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,07,78,000
Balances with other Banks		4,80,13,000
Money at Call and Short Notice		73,30,000
INVESTMENTS—		
Government and other Trustee Securities		
Other Authorised Investments	75,01,36,000	
	10,70,05,000	
		85,71,41,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	80,86,61,000	
Bills Discounted and Purchased	23,54,52,000	
		115,14,13,000
Bills Receivable being Bills for Collection as per contra		43,20,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,61,000
Premises less Depreciation		1,80,61,000
Furniture and Fixtures less Depreciation		85,00,000
Other Assets (including Inter-Office Adjustments)		1,46,42,000
Total	Rs.	231,56,01,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings @	2½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1950-51	2,06	5,01	96	2,40	20,67	50,53	97,80	61,86	— 22,32	5,31	5,31
1951-52	1,76	6,10	77	2,91	22,07	66,61	1,07,55	74,15	— 27,55	13,10	18,39
1952-53	1,60	6,83	67	3,28	23,65	84,17	1,09,24	88,27	— 31,03	7,04	25,64
April 1952	14	6,17	5	2,93	2,28	68,56	10,01	78,62	— 27,91	95	19,33
May "	13	6,22	6	2,99	2,12	70,22	9,95	77,85	— 27,25	95	19,86
June "	12	6,28	6	3,02	1,82	71,64	9,88	80,03	— 25,57	89	19,86
July "	15	6,34	10	3,09	2,08	73,14	10,79	85,54	— 25,57	69	20,53
August "	14	6,40	6	3,12	1,78	74,45	9,60	83,75	— 25,91	74	21,25
September "	10	6,44	3	3,12	1,54	75,75	8,78	84,89	— 29,15	65	21,89
October "	11	6,48	5	3,14	1,71	76,77	8,86	85,54	— 29,40	58	22,58
November "	10	6,50	4	3,16	1,71	77,99	9,03	85,61	— 29,68	56	22,92
December "	6	6,51	3	3,16	1,56	79,24	8,45	86,92	— 29,98	58	23,48
January 1953	15	6,54	6	3,18	2,02	80,77	8,58	86,06	— 30,25	48	23,94
February "	14	6,61	8	3,21	1,86	82,14	8,86	86,53	— 30,50	58	24,45
March "	80	6,83	8	3,26	2,64	84,17	10,85	88,27	— 30,75	82	25,08
April "	11	6,79	5	3,28	2,24	85,94	9,66	90,27	— 31,03	80	25,64
May "	..	..	..	..	..	..	..	..	..	80	26,38
June "	..	..	..	..	..	..	..	..	..	66	27,00

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)
† Ex-India

Group and Sub-Group	Week Ended 19-7-'53	11-7-'53	20-6-'53	19-7-'52
(A) Government and Semi-Government Securities ‡	92.1	92.1	92.0	91.0
1. Government of India Loans	92.2	92.2	92.1	91.7
2. Municipal, Port Trust and Improvement Trust Loans	86.9	86.9	86.9	87.8
(B) Fixed Dividend Industrial Securities	99.7	99.8	99.7	91.1
1. Electricity	75.8	75.8	79.0	74.7
2. Cotton	128.0	128.0	127.0	122.2
3. Jute	80.9	80.7	79.4	80.7
4. Coal	99.2	99.2	99.2	95.8
5. Iron and Steel	83.7	82.3	84.0	84.7
6. Sugar	89.2	89.1	89.0	92.7
7. Paper	89.8	89.8	89.4	89.4
8 Plantations	97.1	97.2	99.5	101.5
(C) Variable Dividend Industrial Securities	105.9	106.4	107.8	109.4
1. Banks	103.3	103.4	103.3	104.6
2. Insurance	99.3	99.5	99.2	104.3
3. Investment Trusts	130.4	134.4	143.4	139.2
4. Electricity Companies and Tramways	84.1	84 0	83 8	84.8
5. Shipping and Other Transport Companies	84.5	84.2	86.6	85.1
6. Railways	74.9	75.0	75.4	73.9
7. Plantations	125.6	124 8	125.6	136.9
8. Cotton Woollen and Silk	135.1	134.9	136 6	139.9
9. Jute	..	81.7	74.2	81.0
10. Coal	..	89.5	89.6	90.9
11. Mining and Oil	..	61.7	62.0	60.3
12. Iron and Steel	145.6	146.8	150 4	139.6
13. General Engineering	82.3	81.9	83.7	87.2
14. Sugar	67.5	64.2	71.8	64.3
15. Breweries	131.4	132.2	134.3	141.8
16. Chemicals	115.4	115.4	116.0	113.5
17. Paper	140.9	140.5	141.9	142.1
18. Cement	..	..	..	..

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,863	12,806,704
1951	1,071	691,881	2,815,928
1952	963	509,242	2,836,961
1951	120	....	....
February	79	44,025	209,666
March	139	97,723	517,160
April	109	56,604	277,814
May	146	92,448	448,858
June	186	74,464	671,705
July	106	54,654	258,907
August	82	24,777	98,109
September	108	57,396	190,761
October	125	54,147	189,974
November	113	76,198	265,149
December	..	206,531	674,140
January 1952	95	62,180	215,607
February	87	42,430	144,498
March	134	89,487	334,858
April	118	80,098	254,888
May	101	59,881	287,069
June	83	40,744	171,288
July	88	44,584	148,533
August	66	57,876	460,552
September	66	78,181	349,618
October	67	48,766	273,246
November	61	27,825	155,017
December	66	42,382	244,414
January 1953†	45	24,477	124,411
February	53	34,080(a)	212,948(b)
March	67	48,218	212,630
April	..	..	..

† Figures for 1953 are provisional. * Revised.
(a) Not known in three cases. (b) Not known in four cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Consumers §	Units generated ‡	Units Sold
1950-51	548	6,279.9	4,215.9
1951-52	573	6,848.1	4,848.9
1952-53	614	6,301.4	5,124.3
October 1951	558	508.9	412.8
November "	557	491.7	409.3
December "	561	500.9	414.3
January 1952	568	502.5	409.7
February "	571	480.7	391.0
March "	578	481.8	392.9
April "	577	458.8	393.8
May "	585	500.1	409.8
June "	588	484.0	439.7
July "	592	481.6	452.7
August "	597	530.5	480.6
September "	598	545.2	441.6
October "	606	559.7	456.4
November "	606	553.2	457.8
December "	611	535.6	461.8
January 1953	614	496.6	417.4
February "	614	458.0	455.7
March "	..	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	11th July, 1953	4th July, 1953	12th July 1952	June, 1953	June, 1952	Percentage of increase (+) or decrease (—) in June, 1953 as compared with June, 1952	1952	1951
Food Articles	406.6	406.6	388.7	388.7	348.6	+16.6	389.8	409.8
Cereals	476	476	450	445	405	+ 9.6	450	488
Pulses	499	499	463	500	434	+15.2	488	508
Other	291	259	233	277	216	+28.2	225	290
Industrial Raw Materials	477.2	478.7	436.6	481.6	430 3	+11.8	462.6	502.2
Fibres	414	423	429	480	447	— 3.8	464	488
Oil seeds	671	652	483	641	422	+48.4	494	579
Minerals	464	464	461	450	466	— 3.4	458	426
Others	361	362	301	360	285	+26.3	341	533
Semi-Manufactures	386.3	383.7R	348 3	382 8	330.6	+16.6	346.8	377.8
Leather	420	421	345	417	316	+32.0	346	458
Mineral oils	222	222R	224	224	220	+ 1.8	221	107
Vegetable oils	852	855	685	810	645	+25.6	669	678
Cotton yarn	445*	445*	453*	445*	455*	— 2.2	465*	488
Metals	224	224	219	228	199	+13.1	211	197
Oil Cakes	455	455	434	445	472	— 5.2	440	506
Others	253	253	291	252	269	— 6.3	278	320
Manufactured Articles	388.3	388.4	368 3	370.1	373.8	— 0.9	377.5	398.9
Textiles	401	404	407	410	420	— 2.4	423	464
Jute	499	431	442	416	481	—13.5	508	508
Cotton	407*	407*	398*	394*	334*	+ 2.3	401*	400*
Rayon and Silk	403*	403*	398*	461*	534*	—13.7	485*	511*
Woollen	320	320	378	312	393	—20.6	348	378
Metal products	328	328	358	311	324	— 4.0	316	356
Others	295	295	297	286	298	— 4.0	298	309
Miscellaneous	489.9	491.1	432.0	474.8	493.2	+11.8	438.8	729.8
All Commodities	406.6	406.7R	382.0	405 4	374.8	+ 8.2	388.8	439.3

R—Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944—100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
July 1951	—	335	270	316	454	394	399	337	145	151	148	155	173
August "	—	338	241	322	459	392	397	346	151	143	163	171	171
September "	—	325	253	319	470	389	378	340	144	179	150	168	170
October "	—	333	254	323	449	393	376	346	144	181	149	165	171
November "	—	333	272	325	464	397	384	357	147	183	153	162	169
December "	—	331	252	325	449	397	378	337	144	181	150	166	158
January 1952	146	331	246	323	442	393	377	338	142	179	147	162	156
February "	144	334	241	318	441	385	341	316	141	179	145	158	155
March "	142	313	229	290	412	378	340	313	136	177	144	158	145
April "	140	345	243	331	415	377	359	336	146	169	138	153	144
May "	135	339	264	316	412	376	339	337	146	168	143	153	143
June "	141	338	268	320	434	372	342	338	145	171	141	153	144
July "	140	330	263	304	436	377	354	331	143	175	143	161	135
August "	140	340	247	313	466	388	369	338	143	174	149	160	137
September "	142	341	269	310	461	384	373	345	141	169	151	157	150
October "	144	343	274	311	466	381	368	327	146	179	143	154	150
November "	143	347	271	306	459	380	357	328	143	174	139	150	150
December "	144	344	262	303	447	378	346	327	137	170	138	150	149
January 1953	141	344	269	310	454	381	337	327	133	168	134	149	156
February "	139	351	264	315	459	380	334	351	136	167	132	150	144
March "	139†	358	265	322	448	381	333	353	136	165	131	145	143
April "	141	359	268	327	454	384	344	354	137	166	134	148	146
May "	142	363	275	330	441	..	345	358	139	..	..	..	155
June "	—	371	282	334	..	..	..	360	..	..	..	..	..

† Provisional.

INDUSTRIAL PRODUCTION

Industries	Unit	1951	1952	Jan. to April, 1953*	March, 1953*	April, 1953*	April, 1952
Major Industries—							
Coal	lakh tons	848.66	865.52	125.91	30.76	32 44	31.85
Steel	lakh tons	14.99	16.76	5 52	1.36	1.23	1.85

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton	74,674†	73,665††	23,424†	20,741††
Wheat 4th ..	tons	23,082†	28,574††	6,384†	5,700††
Jowar ..	tons	41,945†	39,144††	6,033†	5,944††
Bajra ..	tons	25,282†	22,839††	2,922†	2,299††
Barley 2nd ..	tons	7,676†	7,193††	2,177†	1,735††
Maize ..	tons	8,706†	8,073††	2,507†	2,021††
Ragi ..	tons	5,338†	5,399††	1,235†	1,212††
Gram ..	tons	16,719	18,709	3,157	3,593
Other millets & pulses	tons	39,725	39,770	6,586	6,401
Jute ..	bales	1,634†	1,951††	4,692†	4,678††
Cotton 4th ..	bales	15,930†	15,128††	2,908†	3,042††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut ..	tons	11,662†	11,798††	2,894†	3,045††
Linseed ..	tons	3,298†	3,447	309	361
Castorseed ..	tons	1,249†	1,429††	107†	105††
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum (supplies)	tons	5,751†	5,845††	514†	435††
Tobacco ..	tons	765†	690††	211†	192††
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

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

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During June, 1953 ..	72.8
	Corresponding month 1952 ..	73.7
	July 1952 to June, 1953 ..	931.6
	Corresponding period 1951-52 ..	944.9
Stocks	At the end of June 1953 ..	133.8
	Corresponding month 1952 ..	90.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 13th June, 1953 ..	42.59
	Corresponding week 1952 ..	64.89
	From 1st Jan., to 13th June, '53 ..	10,99.09
	Corresponding period 1952 ..	20,03.48
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 13th June, 1953 ..	00.05
	Corresponding week 1952 ..	1,23.04
	From 1st Jan., to 13th June, 1953	41,01.75
	Corresponding period 1952 ..	43,47.98
	RAW JUTE	(In 000 bales)
Exports*	Week ended 13th June, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended March, 1953	—
	Corresponding period 1952 ..	—
Consumption by Mills†	June, 1953 (in lakh bales) ..	4.22
	Corresponding month 1952 ..	4.27
	Twelve months ended June, 1953	52.00
	Corresponding period 1952 ..	54.80

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950 ..	1041,700	927,500	720,000
Do.	31st March, 1951 ..	11,15,200	10,62,100	7,76,600
Do.	31st March, 1952 ..	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953 ..	11,58,000	10,81,900	7,91,800
Three months ended June,	1953	2,83,300	2,50,700	1,81,800
February	1951	87,700	82,200	66,800
March	.. .. ..	91,800	86,600	71,400
April	.. .. ..	81,500	79,600	65,000
May	.. .. ..	94,300	92,100	69,900
June	.. .. ..	84,100	80,500	65,800
February	1952	94,000	82,600	67,000
March	.. .. ..	1,02,100	92,100	67,400
April	.. .. ..	93,000	86,800	62,900
May	.. .. ..	95,000	83,200	61,700
June	.. .. ..	88,400	83,100	64,800
February	1953	92,400	82,000	61,700
March	.. .. ..	97,400	86,600	65,500
April	.. .. ..	97,000	85,100	60,900
May	.. .. ..	95,000	85,000	62,000
June	.. .. ..	90,400	82,800	59,000

SEA-AND AIR-BORNE TRADE: INDIA

Particulars	March,		Twelve Months, April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11,37	15,40	175,64	262,05
Raw materials	10,62	21,64	179,01	254,06
Manufactures	23,06	30,25	274,00	341,38
Other items	42	76	4,30	5,85
Total Imports* ..	45,46	87,95	632,95	862,84
Exports :—				
Foodstuffs	12,04	12,04	142,16	158,16
Raw materials	10,52	12,69	145,03	139,68
Manufactures	21,29	26,84	329,76	400,31
Other items	29	43	4,09	3,65
Total Exports ..	45,34	52,90	851 04	701,80
Total Re-exports ..	36	59	5,74	13,76
Balance of trade in merchandise ..	+ 24	—34,45	— 76,17	—147,28
Balance of transactions in private treasure ..	..	..	— 7	— 16
Total Visible Balance of Trade	+ 24	—34,45	— 76,24	—147,42
Imports :—				
Total Cwealth Countries..	20,29	23,46	252,65	288,63
Total Foreign Countries ..	25,17	64,49	380,30	574,21
Exports :—				
Total Cwealth Countries..	23,50	25,06	261,90	365,20
Total Foreign Countries..	21,75	27,82	269,14	336,60

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

LAND-BORNE TRADE: INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs	Rs. (lakhs
Exports	29	3,53†	18,84†	27,14†
Imports	1,68†	3,52	25,18	80,45
Balance of trade in merchandise	— 1,19†	+ 1	† — 6,32†	—53,31†

† Provisional.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	Mar. 1952	Feb. 1953	Mar. 1953	Mar. 1952	Feb. 1953	Mar. 1953	Mar. 1952	Feb. 1953	Mar. 1953	Mar. 1952	Feb. 1953	Mar. 1953	Mar. 1952	Feb. 1953	Mar. 1953	Mar. 1952	Feb. 1953	Mar. 1953	Mar. 1952	Feb. 1953	Mar. 1953
Eastern Zone																					
Bamra	169	228	241†	92	90	97	139	125	121	136	136	137	104	107	107	184	216	216	176	193	193
Malbazg	149	x	149	126	x	131	152	x	126	148	x	129	141	x	102	163	x	125	x	x	100
Shankargarh ..	124	162	155	126	130	174†	162	153	150	141	164	157	101	95	95	140	140	140	141	145	145
Bonaili	257	181	181	160	167	167	205	183	177	206	180	176	125	125	125	259	199	199	313	306	310
Northern Zone																					
Multapi	108	127	124	138	155	154	154	175	177	144	163	164	112	123	123	150	166	166	161	199	201
Nana	267	243	x	260	250	x	193	200	x	216	215	x	130	115	x	237	205	x	207	189	x
Salamatpur ..	204	240	225†	303	287	277†	199	216	199†	222	235	220	129	129	129	129	137	139	256	273	277
Southern Zone																					
Krishna	178	177	x	160	183	x	161	156	x	164	162	x	116	121	x	163	136	x	193	175	x
Lakh	250	374	374	160	193	195	133	122	129	155	174	184	86	86	88	131	138	138	144	131	137
Malur	151	180	208*	125	150	130†	140	154	145†	139	161	158	99	97	96	215	211	190†	163	172	173
Mundanda	188	226	201	145	222	213	199	220	215	183	218	214	120	128	123	262	148	177	233	199	199
Kudchi	161	181	181	125	139	139	143	159	160	144	169	161	113	127	127	149	122	122	192	191	191

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 23rd July, 1953 ..	24,071
	Corresponding week, 1952 ..	35,608
	1st Sept. 1952 to 23rd July, 1953 ..	17,23,372
	Corresponding period, 1951-52 ..	19,33,409
Cotton Exports ..	Week ended 23rd July, 1953 ..	205
	Corresponding week, 1952 ..	14,282
	1st Sept. 1952 to 23rd July, 1953..	3,23,062
	Corresponding period, 1951-52 ..	1,21,515
Mill Consumption ..	1st Sept. 1952 to 23rd July, 1953..	11,10,230(a)
	Corresponding period, 1951-52 ..	8,06,015
Stock (with exporters dealers and mills) ..	On 23rd July, 1953 ..	4,86,334
	Corresponding date, 1952 ..	6,01,694
Karachi (Pakistan)*		
Receipts	Week ended 18th July, 1953 ..	1,633
	Corresponding period 1952 ..	11,241
	1st Sept. 1952 to 18th July, 1953	16,38,487
	Corresponding period, 1951-52 ..	15,27,229
Exports	Week ended 18th July, 1953 ..	56,000
	Corresponding period, 1952 ..	33,000
	1st Sept. 1952 to 18th July, 1953	14,41,000
	Corresponding period, 1951-52 ..	10,99,000

* As reported by the Karachi Cotton Association Ltd.

Particulars	From 1st Sept., '52 to 27th July, 1953 Bales	From 1st Sept., '51 to 27th July, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	16,250	6,338
Continent	1,04,163	33,610
China	318	300
Japan	1,53,607	69,671
U.S.A.	43,134	11,976
Other Countries ..	6,486	811
Total to all foreign countries ..	3,23,962	1,22,076
Coastal Ports ..	1,31,803	59,356

Particulars	Period	Quantity (bales of 400 lbs.)
Consumption of Cotton—		
Indian	March, 1953	2,86,378
Foreign		66,994
Indian	Seven months September 1952 to March, 1953	21,00,812
Foreign		4,86,410
Indian	Same Period 1951-52 ..	16,62,127
Foreign		6,38,177
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March 1953 ..	12,67,804
Foreign		2,46,918
Indian	As on 31st March, 1952 ..	14,00,118
Foreign		3,43,026
Cotton Pressed† ..	Week ended 17th July, 1953 ..	4,036
	Corresponding week, 1952 ..	7,770
	1st Sept. 1952 to 17th July, 1953	28,92,780
	Corresponding period, 1951-52 ..	31,60,865

(a) Adjusted. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101¾
4 ½% Bonds	1926-33	61,30,26,000	1950-70	103¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅝
3½% Loan	1950	30,33,10,000	1964	92⅛
3½% Loan	1943	1,10,11,78,000	1966-68	90¾
3½% V. Loan	1944	1,14,06,89,000	1967	88⅛
3½% Loan	1945	1,15,05,83,000	1970-75	86⅛
3½% Loan	1945	1,13,65,64,000	1959-61	98⅛
3½% Loan	1951	50,35,63,000	1958	98⅛
2½% Loan	1946	47,63,07,000	1960	93⅜
2½% Loan	1946	57,00,69,000	1961	90¼
2½% Loan	1946	33,06,06,000	1954	92⅛
2½% Loan	1946	14,77,48,000	1976	83
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 ½% Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82
3 ½% Loan	1946	248,91,90,000		82
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	103
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18thSept. 1955	99⅛
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 ½% Bombay	1949	6,00,13,000	1st Aug. 1963	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
3½% Bombay	1952	3,56,72,700	1st Dec. 1964	100
4 ½% Bombay	1943	50,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1953-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 ½% Madras	1938	1,42,08,300	15th Sept. 1953	99-14½
3 ½% Madras	1939	1,29,78,600	21st June 1959	95⅛
3 ½% Madras	1942	1,21,25,000	18th Sept. 1955	99
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98-81
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	93⅛
3½% Madras	1946	3,90,93,300	1st Sept. 1961	90⅛
3½% Madras	1950	4,47,09,800	31st July 1960	94
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 ½% Madras	1952	5,00,00,000	1st Aug. 1964	99½
4 ½% Mysore(J)	1930	1,63,44,300	1st Sept. 1953	104
4 ½% Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	100
3 ½% Mysore(J)	1936	5,99,72,900	30th April 1956-61	98⅛
3 ½% Mysore	1947	5,08,05,700	25th Jan. 1958	98-15½
3 ½% Mysore	1942	50,00,000	18th Sept. 1955	99
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03 28,800	15th Sept. 1964	91⅛
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,19,100	17th Sept. 1962	98⅛
3 ½% Punjab**	1938-44	3,49,87,700	15th Aug. 1958	100N
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	100N
3 ½% Punjab**	1943	2,46,78,300	14th Sept. 1956	100N
3 ½% Punjab**	1945	2,95 81,600	14th Sept. 1960	100N
3 ½% Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
3 ½% U.P.	1936	1,61,91,500	15th Sept. 1961-66	90⅛
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3 ½% U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
2½% U.P.	1946	2,29,28,600	1st Sept. 1961	91¾N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
3½% U.P.	1952	4,11,33,000	1st Aug. 1964	100
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98¾N
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛

PORT TRUST LOANS

Amount Rs.	Interest Per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1966	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	98
14,35,876	4	1913*	1960	93⅜
80,00,000	4	1913	1974	99¼N
88,29,000	4	1914	1976	99N
10,00,000	4	1915**	1963	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
12,58,000	3½	1935*	1965	
15,00,000	3	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,23,300(c)	3½	1921	1981	79
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955-85	105
98,21,600	5½	1926	1956-86	104⅛
99,84,500B	5	1926	1956-86	103⅛
1,49,49,500B	5	1927	1957-87	103⅛
1,49,30,000	5	1928	1958-88	104⅛
80,00,000	4½	1931	1971	92⅛
21,73,000C	3	1933	1954	99⅛
60,00,000	3½	1935	1965	96⅛
25,00,000	3	1938	1963-68	88⅛
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82⅛
50,00,000	3	1946	2006	70N
50,00,000	3½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
STERLING LOANS				
£392,600	5	1923	1953-83	£86
£901,000	5	1924	1954-84	£86
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
32,14,494	5	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1932	
1st Aug.				
3,32,332	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest Per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
60,00,000	4	1905	1965	97½
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1908	1968	
18,00,000	4	1913	1973	
30,00,000	4	1914	1960	
25,00,000	4	1916	1974	97½
40,00,000	5	1916	1976	99N
66,00,000	5	1919	1957-79	113
25,00,000	6	1920	1955-80	
25,00,000	6	1925	1956-86	115
25,00,000	4	1927	1961-70	
10,00,000	3½	1936	1966	98
STERLING LOANS				
£566,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
Rs.	**CALCUTTA**			Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1929	1964	100
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.	BOMBAY			Rs.
49,40,000	4	1913-14	1954	99⅛
20,60,000	4	1913-15	1974	99⅛
20,00,000	4	1913-15	1953	100
10,00,000	4	1920	1980	113
20,00,000	4	1924	1974	102⅛
25,00,000	5	1928	1958	
26,14,000	5	1928	1949-59	105
8,45,500	5	1929	1954-59	to
26,21,500	5	1929	1959	103
8,25,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1949	1979	86⅛
4,00,00,000	3½	1950	1965	91⅛
2,50,00,000	4	1952	1964	100
2,00,00,000	3½	1951	1966	97
Rs.	**CALCUTTA**			Rs.
34,45 500	6½	1925	1955	105⅛
84 70 000	6	1925	1955	104⅛
36 00 000	5	1929	1958	103⅛
25 00 000	5	1929	1958	103⅛
25 00 000	5	1929	1957	103⅛
10 00 000	5	1929	1958	103⅛
1,46,100	3	1932	1962	108
3,11,400	3	1936	1963	93⅛
4,67,100	3	1936	1963	93⅛
1,62,500	3	1936	1966	88⅛
4,13,100	3	1937	1954	98⅛
47,50,000	3	1937	1954	98⅛
10,68,700	3	1938	1968	88⅛
15,56,800	3	1938	1955	97⅛
13,56,800	4	1939	1956	99⅛
13,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1972	96⅛
21,10,000	3½	1942	1972	96⅛
13,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1961	96
87,36,000	4	1952	1962	99⅛
Rs.	**MADRAS***			Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1923	1955	107½N

ABBREVIATIONS.—M—Held by Government of Madras. N=Nominal. J=Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (J) Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April 1953. **Quotations in Pak. Currency. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	‖Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	96	100
Carew & Co.	10,00,000	1905-24	8	Feb. Aug.	143	100
Cawnpore Sugar Works ..	1,00,000	1920	7	July Apr.	108	100
Deccan Sugar & Abkhari 'A'	£200,000	1897	7	Jan. July	15-4½d	£1
‖East India Distilleries ..	6,75,000(c)	1940	7B	Dec. ..	77	100
Gwalior Sugar	5,00,000	1940	7B	Dec. ..	75	100
Do. (Non-redeem.)	6,00,000	1922	10	Oct. ..	15½	10
Purtabpore Co.	4,00,000	1933-36	6	Aug. ..	101	100
Ramnugger Cane	20,00,000	1943	5½	Oct. Apr.	70	100
Ravalgaon Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
South Behar Sugar	13,00,000	1946	3(c)	Dec. ..	6¾	10
Travancore	12,00,000	1931	5	Dec. ..	90N	100
Upper Ganges	13,00,000	1946	5(a)	Dec. ..	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	120	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8¼	10
Do. (2nd)	4,00,000	1895	6	Mar. Sept.	119	100
Equitable	7,50,000	1946	5½(a)	.. ..	84	75(pp)
Karanpura Collieries ..	1,93,000	1931	5	Mar. Sept.	6N	10
††Khas Kajora	2,00,000	1920	7	Jan. July	13	10
New Beerbhoom	2,00,000	1898-99	6½	Apr. Oct.	113	100
Oodal						
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	108½	100
Bagasra	6,00,000	1884	6	Jan. July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8¼	10
Basanti Cotton	1,05,200	1919	7	July Jan.	60	100
Benares Cotton	3,00,000	1896	7	Apr. Oct.	120	100
Bengal-Nagpur	3,00,000	1900	8	Feb. Aug.	137	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	88	100
Do. 'B'	14,75,000	1919	7	June Dec.	325	250
Bradbury	21,30,200	1920	7½	Jan. July	137½	100
Buckingham & Carnatic ..	1,00,000	1928	7	Apr. ..	128	100
Cambodias	50,00,000	1912	5	Apr. Oct.	510	500
Central India	1,00,000	1938	6½	Nov. ..	124½	100
Coimbatore Pioneer ..	1,00,000	1912	8

STOCK & SHARE QUOTATIONS

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

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

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

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

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
50,80,000	39,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-14½	2	12½	12½	15#		12	Y.
48,00,000	96,25,655	1,22,39,883	45,646	B. R. Sons, Ltd.	50,828	1,021	Behartal Ramchares Cotton Mills	50	100	6	6	—		12	P.Y.
2,50,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	382½	250	16	7	8		12	T.P.Y.
10,00,000	68,56,275	52,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	742½	250	24	40	40	8	12	Y.
1,09,42,830	3,69,11,265	2,42,52,821	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century	275	100	15	18	20	20	12	Y.
49,00,000	76,79,645	1,10,40,660	—23,49,980	V. J. Pilani, Esq. (Chairman)	40,660	698	Colaba Land & Mill	69	100	—	—	4		12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	107½	100	7½	7½	7½	—	12	Y.
														3	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34 00 000	81,35,000	62,31,113	5,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	240	200	7½	7½	7½	7½	12	Y.
29,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	40	50	10	8	—	6	12	Y.
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	324	100	15	15	20	20	12	P.
90,00,000	26,24,323	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	10	10	5#	6#	5#		6	P.Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,250	1,000	175	20	20#		3	P.Y.
80,00,000O	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	10½	10	7#	7#	10#		12	P.Y.
90,00,000D								11	10	12½	12½	25			
8,45,000V								3,310	1,000						
35,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	500	500	17½	20	20*		3	Y.
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	182½	100	12	14	10		6	P.Y.
1,00,00,000	3,43,80,831	2,90,32,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	306	100	27#	18	25*	18	12	Y.
28,80,000A	60 88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	84	100A	7½	5	6½		6	Y.
3,60,000B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14	10	10	P.T.Y.
51,75,000	1,63,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	185	100	17	15*	12		10	P.Y.
24,00,000	67,21,958	71,22,987	42,053	W. H. Brady & Co., Ltd.	45,944	632	New City of Bombay	151	100	11	12½	15	10	6	P.Y.
30,00,000	79,78,649	86,82,525	90,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	151	100	6½	10	12½	10	12	Y.
12,70,100	35,74,178	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25½	10	—	5	10	12½	12	P.Y.
48,00,000	1,14,83,243	1,38,66,478	27,380	Ramnarain Sons, Ltd.	34,208	1,190	Phoenix	110	100	6	10	10	8	12	Y.
40,00,000	39,31,640	24,14,688	1,23,251	Podar Sons, Ltd.	32,600	930	Podar	127½	100	6	9	10	10	12	Y.
5,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk	24	10	26½	20	20	12½	12	P.Y.
85,00,000	59,86,822	41,49,241	21,950	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	25½	10	—	7½	10	12½	12	Y.
60,00,000	1,02,59,322	78,01,447	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	172	100	12½	14	17½	12½	12	Y.
31,50,000	1,09,71,108	78,77,540	35,939	Forbes, Forbes, Campbell & Co., Ltd.	36,116	1,276	Simplex	171	50	28	34	30!	30	12	P.Y.
56,00,000	2,07,23,386	1,18,80 653	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard	318	100	15	15	26x	20	12	Y.
75,00,000	2,10,92,537	91,399	91,399	Tata Industries Ltd.	65,040	2,000	Swadeshi	253	100	14	16	18	16	12	P.Y.
24,00,000	1,20,11,676	69,86,475	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan	450	100	20	20	25	30	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	43½	25	8	8	16	4	12	P.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	43,888	1,176	Western India Spinning	8,180	1,000	17½	20	20		3	T.Y.
AHMEDABAD															
80,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	44,234	1,016	Ahmedabad Advance	141½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Hutheesing & Sons Ltd.	42,768	912	Aruna	435	100	13*	15*	20*		12	P.Y.
21,00,000	2,83,78,675	1,18,76,140	1,309	Narottam Laibhai & Co.	62,448	1,216	Arvind	782½	100	22½	25	25	25	12	Y. P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Ayyodaya Oianing	287½	200	15	15	17½	7½-1	12	Y.
12,00,000	1,63,65,455	81,44,027	1,03,810	Laibhai Dalpatbhai & Co.	37,368	912	Bhadra	458	100	12*	15	22	22*	12	Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,003	Karamchand Premchand & Co.	1,39,120	2,370	Calico	309½	125	8	10	14-2/5	14-2/5	12	Y.
30,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhoglial & Co.	39,316	867	New Commercial	1,075	300	10	11	14	14	12	P.W
99,00,000	1 31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	580½	125	28	28	28	28	12	Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhoglal Naneyad & Co.	24,840)	5283	Nutan	607½	100	25*	28*	28*	30*	12	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Laibhai Dalpatbhai & Co.	31,120	637	Rajpur	740	100	22½	25	25	25	12	P.Y.
63,00,000	1,61,27,241	1,05,34,340	1,05,340	Manglaldas Girdhardas Parekh Ltd.	49,568	1995	Rakesar	1,230	250	6	8	10	12	12	P.Y.
32,50,000	58,29 453	81,93,993	9,867	Lallubhai Gordhadas Ltd.	33,156	648	Rohit	123½	100	8	30	9	9	12	P.W.
19,50,0000	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	360	100	15	15	20	20	12	Y.
2,500D															
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	320½	50	25	30	36	32	12	P.Y.
28,00,000	79,16,324	91,15,078	16,259	Haridas Acharatlal & Co., Ltd.	32,816	776	Vijaya	465	400	11½*		8½*	8½*	12	P.W.
WEST BENGAL															
15,00,000	18,22,464	49,30,348	1,95,043	Calcutta Agency Ltd.	13,044	356	Basanti Cotton	4½	10	—	5	3½		12	P.T.Y.
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		12	Y.
6,00,000	74,31,075	77,07,829	—28,432	K. Bullee & Co., Ltd.	42,872	841	Bowreah	274	100	—	—	—	—/—	6-12	P.H.
19,00,000	96,49,451	94,77,407	—27,794	K. Bullee & Co., Ltd.	42,944	518	Dalhar	185	100	5½	—	7	—/—	6-12	H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	18½	15	12½	12½	11½		3	P.Y.
6,00,000A	71 09,841	79,53,833	51,255	Chakravarti Sons & Co.	21,484	442	Mohini	—	25	12½	7½	7½		12	Y
83,56,097B									10						
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,566	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	9	3	—		12	
15 00,000	26,33,246	59,15,375	2,736	Kamlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	5	6		12	T.Y
71,94,400oo	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	70	100	15*	5½	61	6	12	P.Y.
														9	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	257½	100	14½	17½	20	15	12	P.T.Y.
27,00,000	76,02,108	70,17,945	15,831	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14	10	5	15	10	10	12	P.H.
60,00,000	77,87,070	1,03,33,381	11,806	Binodlram Balchand	37,312	1,338	Binod Mills	100N	100	17	3	5	7½	6-12	P.H
13,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	325	10	25	25	30		3	Y.
8,47,800	4,09,27,251	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	117	100	6½	6½	7½	4	12	P.P.
30,00,000	67,02,807	48,13,918	39,859	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	10B	10	7½	11½	12½	10	12	P.Y.
30,00,000	64,46,347	47,79,878	32,999	Begg Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	81xd	5	11½	11½	12½	10	12	P.Y.
46,87,500	2,25,77,600	2,00,84,126	—16,38,324	Tata Industries Ltd.	1,15,188	2,062	Central India	161½	100	6	6	11½	11½	3	T.Y.
12,00,000	31,29,789	27,82,648	—1,32,723	K. Benoss Nayudu & Co.	28,864	..	Coimbatore Cotton	143	100	12½	12½	12½	9	12	P.Y.
20,00,000	17,94,432	30,04,311	9,816	T. R. N. Naidu & Co.	19,700	407	Coimbatore Pioneer Mills	113	100	7	12½	—		12	Y.
20,76,900	70,81,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188		Coimbatore Spg. & Wvg.	42½	50	5	10	—		6	P.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,508	201	Dhanalakshmi	178	100	25	25	20	10	6	V.
8,89,84,923	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,804	1,830	Delhi Cloth (Inc. Lyallpur Mills).	29½	25	4	10	6	12	12	V.
63,00,000	1,48,71,651	1,50,76,652	1,25,358	Begg Sutherland & Co., Ltd.	52,692	1,198	Elgin	16½	10	12½	11½	15	9	12	P.Y.
39,04,700	1,01,50,000	82,22,587	1,03,575	F. Forbes Campbell & Co., Ltd.	72,960	2	Gokak	227	100	15	10	15	9	12	P.T.Y.
90,00,000	84,19,977	1,21,57,721	4,989	Govindram Sakseria (Indore)	90,420	1,420	Indore-Malwa United	91½	100	4	4	17*	12	12	Y.
8,90,000	23,82,989	26,01,526	—2,58,201	G. V. Naidu & Co.	33,784	..	Jayasdhana	38	50	16	10	15	7½	12	P.
6,50,000	17,20,576	40,18,434	7,677	A. L. A. R. A. Chettiar and another	50,304	325	Kaleeswarar	301½	100					12	Y.
24,00,000	25,50,000	43,66,106	34,377	Kothari & Sons	13,824		Kothari	10½	10	7	7½	7½		12	Y.
32,00,000	1,92,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd.	93,642	1,213	Lakshmi Cotton	552½	250	15	15	20	15	12	P.Y.
33,64,100	1,02,38,673	94,98,823	14,267	O. K. Naidu & Co.	75,304	200	Lakshmi Mills	87cd	50	8	8	10	10	12	P.Y.
17,82,050A								43cd	25					3	V.
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36½	15	17½	15	20	20	12	V.
20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 7 others.	21,856	..	Malabar	142	200	7½	4	6	12	12	V.
60,00,000	1,00,87,062	55,34,648	77,484	W. A. Beardsell & Co., Ltd	84,252	603	Mettur Industries	187xd	100	25	12½	12½	6	12	V.
29,80,884	65,14,248	73,68,250	25,960	N. Sirur & Co., Ltd.	36,416	678	Mudaliar	100½	100	8*	6	12½	12½	12	V.
94,91,850	96,08,512	1,34,73,361	79,643	B. Abirchand Dadabhoy & Co.	49,456	932	Model Mills, Nagpur	142½	250	6	3	5	12	12	V.
50,00,000	1,93,94,822	1,33,39,271	1,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir	215	100	24½	—	—	6	6	V.
9,71,850	4,06,541	20,43,961	—2,16,536	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	2½	10	—	—	—	—	12	P.Y.
19,86,800	1,15,39,739	82,35,416	38,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	125	50	20	18*	20*	20	12	V.
13,61,780	22,98,180	27,85,336	—4,80,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	5½	10	5d	6½	—	2	12	V.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	1½	2½	—	—	—	3	12	P.T.Y.
8,07,0950								—	D1						
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanshahi Mills	83N	100	14*	5½	6½	7	9	V.
4,00,000A	21,00,275	26,20,198	3,380	Raghavalakshmi & Co.	22,800	..	Palani Andavar	60	50A	4	10	16	15	12	P.Y.
6,00,000B															
13,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	66	100	4	7½	5	12	12	P.Y.
25,30,420	40,80,284	52,63,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	146	100	15	16	16	6	12	P.T.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rahlakshmi	77	50	9	9	10		12	Y.
15,02,500	31,53,264	33,65,211	11,407	F. & G. Nayudu & Sons	28,972	88	Ranga Vilas	47	50	6	7	7½		12	P.W
60,00,000	89,59,172	1,04,60,739	3,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,580	600	Rasi Textiles	41	10	—	—	—		12	P.Y.
16,00,000	1,58,55,370	2,03,51,339	—78,03,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,630	1,000	—	—	—		12	P.Y.
82,41,300	9,49,500	23,98,011	66,528	Gopaldas Lilladhar & Co., Ltd	15,824	440	Shree Saljan	75N	100	6	—	—		12	Y.
17,79,700	17,02,383	21,50,329	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36	50	6½	—	—		12	Y.
36,69,700	55,96,380	57,42,020	23,287	H. N. Pallegar, Esq.,	25 200	292	Sri Krishnarajendra Mills	41½	50	8	5	8		8	W.
15,00,000	1,30,50,807	64,96,084	38,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	40	60	80		3	Y.
17,50,000								91	10	3	5	5		6	W.
1,57,50,000P.O.	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawspore	91	10P.O.	3	5	5		12	P.Y.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	81	10	10	10	10	7	12	W.
21,00,000	56,75,811	47,61,131	50,000	R. R. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	9	10	12	12	W.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	54,280	1,495	Vishnu	152½	100	9	9	14*	10	12	P.Y.

* Includes Bonus. £ On Increased Capital. ‡ Only Depreciation.
x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46.
& Includes Rs 11 6 paid out of deferred Dividend Amount. N=Nominal
¶ As on 31st August, 1952. †† Does not include depreciation.
— Nil Dividend. xd=Ex. Dividend C.d.=Cum. Dividend,
† Subject to tax. ** Net Block
§ As on 1st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.): 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	107½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,353	Empee & Sons (Travancore) Ltd.	Travancore Rayons	5⅛	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20	25	11½	11½Q	—		5	P.Y
8,64,000						9⅛	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	6	5	80	10	—		3	Y
£80,000'A'	£988,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15⅛ 'A'	16sh 'A'	10	10	10	10	9	P.Y
£300,000'B'						20⅛ 'B'	20sh 'B'		10	15	15		
84,80,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4 N	10	—	—			8	Y.
6,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	167	75	15	80	20		3	Y.
CEMENT													
11,37,700A	32,33,493	72,62,714	20,534	The Andhra Engineering Co Ltd.	Andhra Cement Co.	9⅞	100A	3⅜	3⅜	7½	7½	12	P.Y.
37,64,320B						9⅛	10B	3⅜	3⅜	7½	7½		
43,14,600	11,13,132	53,61,563	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3⅛	10	3	—	—		3	T.Y
4,70,976D						18	5						
20,36,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	171⅛	108	9	8⅜	9⅜	9⅜	7	Y.
60,00,000	51,03,805	69,78,209	39,834	Hari Bros. Ltd.	Dalmia Cement	6¼xd	10	3	—	5	6½	12	P.Y
26,49,797						8	5						
5,00,000D	27,27,600	1,26,09,755	90,853	Esso Ltd.	India Cements Ltd.	17⅛	25	—	—	5	—	3	P.Y
61,01,180						3⅛	5D	—	—	—	—		
7,50,000D	1,23,90,166	1,68,61,997	38,658	Martin Burn Ltd.	Sonavalley Portland Cement	7xd	5	3	4	8	10	12	Y.
75,00,000													
CERAMIC; MINING AND QUARRYING													
31,70,655	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2⅛	2½	2½	5	6½		12	Y.
10,00,000	53,04,035	53,01,488	15,660	Bird & Co.	Blara Stone Lime Co.	28½N	10	16	17½	17½	8⅞	3.9	Y.
35,00,000D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Sons.	Chrestien Mica Industries	10⅛	10 O	10	10			12	P.Y.
80,02,000J							5 D	13	13				
35,00,000D	81,650,110	81,643,983	883,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2-13⅛	26h.	12½†	12½†	12½		12	Y.
69,14,200							5					61.2	H.
15,00,000O	39,05,935	43,65,527	1,27,234	Bird & Co., Ltd.	Kesarpara Development	13⅛	10	—	—	—	—	61.2	H.
5,00,000P	6,88,139	8,10,287	7,911	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9⅛	10	5#(d)	10	10	7½	6	P.Y.
5,00,000F	37,28,402	37,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	95	10	10	6½	10#	12½	6.12	H.
10,00,000	26,42,377	28,12,033	—25,650	Andrew Yule & Co.	Reliance Firebricks	17	10	10	10	11½	13*	2.8	H.
6,00,000	30,61,475	17,98,676	3,427	Killick Industries Ltd.	Srinivasur Syndicate	57½	10	10	17½	35.	5	11	Y.
6,99,390													
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,270	1,02,937	Kemp & Co.		267½	200	85	90	10	—	3	Y.
92,14,870	55,77,268	61,178	8,595	Tata Sons, Ltd.	Tata Chemicals	4⅛	10	—	—			6	T.Y.
1,12,500	1,34,486		4,101	B. D. Nagar, Esq.	Thompson & Taylor		5	6⅛	6⅛			3	Y.
Other Centres													
25,00,000	60,08,244	69,77,681	10,751	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	105	100	—	8	8	8	12	Y.
62,00,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	14½	10	—3	4	6	6	9	Y.
11,45,800	74,65,198	91,10 221	11 22 222	S. P. Sen, Esq.	Bengal Chemical & Phar.	102	100	6	6	6		4	Y.
81,08,900'A'													
22,54,700'B'	45,64,469	38,97,031	1,99,732	Saha Bros. (Saurashtra) Ltd.	Dhrangadhra Chemicals	164	100	6	13	15		5	Y.
41,24,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3½	6	5†	4½	—		2	P.Y
4,95,000	86,89,264‡	4,01,40,091	—10,81,725	Sethasayee Bros. (Travancore) Ltd.	P.A.C.T.	3⅛	10	—	2½	—		12	Y.
8,49,97,740	30,74,302	83,46,263	21,842	Sethasayee Bros. Ltd.	Mettur Chemicals	10	10	—	5	—		12	Y.
48,49,345	34,32,111	40,15,501	14,741	R. V. Gangapati Iyer, Esq.	Mysore Chemicals and Fertilisers	8½	10	4½	9	3½

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co., Ltd.	1-3⅛	4sh.	—	—	—			P.Y.
22,50,000	88,62,002	54,90,808	1,78,913	W. C. Alcock, Esq.	British Ceylon Corporation	12½	7½	80†	84†	32†	24	8	P.Y.V.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Indo-Burma Petroleum Co., Ltd.	51	40	10	80	10	15	12	P.Y.
70,04,225	25,33,586	1,55,85,825	9,450	Tata Industries Ltd.	Tata Oil Mills	32½	25	8	8	7	7	3	T.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd.	14½	10	15	60	17½	5†	4.10	P.Y. H.
PAPER													
45,00,000	1,57,44,079	1,95,77,780	4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43	25	10	10	12½	6¼	6.12	P.T.H.
90,00,000	91,40,072	67,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	168	100	7	25	25	5†	8.9	H.
85,00,000	48,30,215	47,81,895	52,615	P. N. Balakrishnan, Esq.	Mysore Paper Mills	145cd	10	24	7½	10*		3	Y.
41,93,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	31½	10	60	60	20	10†	8.9	P.T.H.
50,06,250	1,28,84,743	89,82,234	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	9	11½	15	15	6.12	P.T.H.
80,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8	10	—	—	5	2½	8.9	P.T.H.
4,57,500 PO						4½	5½	10	10	10	5†	8.9	
4,56,00,000 A	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co. Ltd.	35½	A 10	80	85	20*	10*†	8.9	P.H
1,64,04,800 B						35½	B 10	80	85	20*	10*†	3.9	
PLANTING; PRODUCE AND RUBBER													
19,76,511	18,46,873	24,87,080	1,55,208	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6-10½	5	10	20	20		2	P.Y.
67,79,000	48,44,833	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18½	10	17	20	18		6	P.Y.
4,00,000	2,29,884	4,49,422	12,891	Associated Planters, Ltd.	Cotlamal Plantations	10½	10	7½	10	15		6	P.Y.
9,28,950	1,46,940	4,67,078	1,389	A. V. Thomas & Co. Ltd.	Fringford Estates	—	10	—	—	—	—	4	P.Y.
15,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co. Ltd.	Highland Produce	10½	10	25	45	45	10	12	P.Y.
6,00,000	9,87,528	7,20,398	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18½	10	27½	20	20		12	P.Y.
4,50,000	9,41,308	11,82,479	30	P. Kattukaran John, Esq.	Malankara Rubber and Produce Co.	105	10	17½	20	35		4	Y.
27,00,000	23,83,648	14,90,888	83,493	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	11½	10	6	12½	15		3	Y.
3,33,000	2,06,971	13,28,998	31,378	A. V. George & Co., Ltd.	Nennemy Rubber	8½	10	5	6¼	10	6¼	12	P.Y.
2,00,000	1,93,721	24,72,600	2,305	Associated Planters, Ltd.	Nilambur Rubber	8	10	6	10	10		12	P.Y.
19,45,980	23,93,936	32,55,341	1,25,906	Peirce, Leslie & Co., Ltd.	Oonkariamay Valley Estates	4½	3	25	25	45	10	12	P.Y.
13,50,000	14,52,971	28,05,990	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	11½	10	9	12½	15		10	T.Y.
18,00,000	3,36,390	1,856,824	936	East India Agencies, Ltd.	Teakay Rubbers (India) Ltd.	6¼	—	—	7½	5		3	P.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.	Thamarapally Rubber	13½	10	6½	6½	15	25	3	P.T.Y.
5,05,100	5,01,650	6,03,723	31,310	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd...	2-12½	1	17½	20	25	25	12	P.Y.
6,00,000	1,31,315	7,40,150	5,495	Lapen Thomas, Esq.	Travancore Rubbers	12½	10	5	10	20	20	12	Y.
41,00,000	17,71,656	70,06,783	2,79,692	Agstinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	7½	10	20	20	20	10	12	Y.
20,00,000	5,24,135	22,83,593	9,921	P. T. Thomas, Esq.	Tropical Plantations Co.	25N	25	10	12½	12½	10	12	P.Y.
3,30,900	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Udagiri Rubber	4½	10	5	5			12	Y.
6,20,800	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd.	Valakunam (Travancore) Rubber Co., Ltd.	11½	10	10	12½	20		12	Y.
1,60,000	78,624	3,43,636	14,082	M. K. Thomas & Co.	Woodland Estates	7½	10	7½	6¼	—	20	12	Y.
PRESSING													
5,00,000	18,78,866	19,81,887	8,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	5	5	5		3	Y.
4,50,000	2,58,036	6,89,525	1,116	Tyre and Sons.	Camperdown Pressing	93N	100	4	6	7		3	Y.
4,00,000	10,76,372	11,21,900	80,327	Andrew Yule & Co.	Cossipur Hydraulic Press	95	100	5	5	5		6	Y.
PROPERTY AND LAND													
10,00,700	25,11,061	42,65,283	419	S. A. Basil, Esq.	Humayun Properties	10½	10	10	—	6	6	9	P.Y.
60,00,000	34,67 725††	83,61,045**	—	David Sassoon & Co., Ltd.	Port Canning Land	22	100	—	8	1½	1	9	P.Y.
94,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	54½	100	—	3	3	2	4	Y.
SAW MILLS AND TIMBER													
13,99,998	33,52,773	18,29,998	69,978	Bird & Co.	Assam Saw Mills and Timber	6¼	3	16½	16½	16½	8½	9	Y.
56,00,000	4,89,22,437	2,47,99,361	2 87,498	Wallace & Co.	Bombay-Burmah Trading	350†	825	12	20	10		5	Y.
42,00,000						132†	132	8	28	18		5	Y.
						40N	850	12	—	—		5	Y.
6,00,000	7,04,037	7,80,451	—8,19,103	Jardine Henderson Ltd.	Bengal Timber Trading		10	85	85	88	30	6	P.Y.
35,00,000	87,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	33						9	Y.
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,413	Begg Sutherland & Co.	Balrampur Sugar	7½	5	—	80	—		4	Y.
12,00,000	38,96,74011	15,70,684**	2,81,000	Martaq Bros.	Basti Sugar	120N	500	6¼	20			4	Y.
19,49,050	23,60,462	27,54,325	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7½	10	—	7½	—		4	Y.
11,00,000	21,11,502	15,58,163	40,769	Cotton Agents Ltd.	Bharat Sugar	17N	10	10	10	10	10	9	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Oriental Lyall & Co., Ltd.	Carew & Co.	61	10	10	15	15		4	Y.
15,00,000	1,30,69,452	96,28,342	81,891	Begg Sutherland & Co.	Champaran Sugar	33½	10	18	20	30	20	6	P.Y.
10,00,000	18,43,538	60,37,136	17,488	Begg Sutherland & Co.	Champerun Sugar	23	10	15	15	20		10	P.Y.
45,00,000	37,00,000	68,17,372	30,477	Bachraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	6¼	12½	12½		6	Y.
18,00,000	41,78,374	68,10,159	—4,15,271	Kilachand Devchand & Co	Kanoi Sugar	80	50N					6	P.Y.
2,00,000						25N	40	10	25	—		7	P.Y.
7,89,100	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	New India Sugar Mills	24½	10	8	6¼	5		3	P.Y.
11,00,000	27,48,180	36,39,370	3,895	Karam Chand Thapar & Bros., Ltd.	New Sevan	6-8	10					8	P.Y.
69,59,375	68,13,268	85,84,760	6,81,893	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	180N	100	18	20	20		8	Y
						45N	50						
77,45,350	1,19,18,159	1,63,07,813	45,193	Cotton Agents Ltd.	Oudh Sugar Mills	85	100	3½	3½	11	6	6	Y
16,00,000	49,81,078	86,43,844	91,890	National Bros.	Punjab Sugar Mills	93N	100	—	6	12½		6	P.Y.
8,00,000	42,50,793	33,72,886	18,458	Begg Sutherland & Co.	Partabpore Company	15	10	10	20	20	10	10	Y.
9,00,000	29,05,463	18,18,122	18,410	Begg Sutherland & Co.	Ryam Sugar	20	10	18	25	10		6	P.Y.
21,99,000	38,06,835	36,11,360	85,281	Begg Sutherland & Co.	Samastipur Casural Sugar	15½	10	10	20	20		6	P.Y.
20,00,000	69,94,641	1,03,56,230	4,188	Babu Jain Ltd.	Shree Krishna Gyaneday Sugar	10½	10	10	20	20		6	P.Y.
8,99,853	12,60,470	24,01,721	7,687	M. K. Ghose, Esq. & R. N. Datta.	Sitalpore Sugar	6½	10	10	12½	5	15	7	P.Y.
6,50,000						5N	10				4	6	Y.
4,78,000	11,94,395	87,92,174	—14,73,656	N. K. Jain & Co., Ltd	South Bihar Sugar	1N	25	—	—	—			
8,00,000	84,46,474	70,75,880	87,216	Cotton Agents, Ltd.	Upper Ganges	20N	30	17½	20	20		10	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belsapur Co.	232	20	16‡	23	26	32†		
83,57,520	47,22,312	59,13,907	7,69,891	Govan Bros. (Rampur), Ltd.	Belsand Sugar	108N	10	7	7½	7½	7½	9	Y.
18,12,940	18,53,357	37,63,451	21,012	J.P. Srivastava & Sons (Madhya Bharat) Ltd	Gwalior Sugar Co., Ltd.	45N	100	—	5	3		6	Y.
3,00,000	44,76,363	24,51,980	3,71,344	India Sugar & Agencies Ltd.	India Sugar & Refineries Ltd.	21	10	12½	15	25	25	9	P.Y
81,79,880	1,49,74,559	87,24,107	8,27,396	V. M. Lingiah, Esq.	Mysore Sugar	43‡	10	20*	20	20		6	P.Y.
20,00,000	96,62,468	1,03,94,084	3,18,384	Martin, Burn & Kanoria, Ltd.	Pushpa Sugar Works	86	10	14	16	16	16	9	Y.
16,59,820	45,75,389	24,76,150	1,81,652	Anderson Wright Ltd.	Ramnagger Cane & Sugar Co. Ltd.	17‡	10	10	6	7½	20	8	Y.
20,00,000	68,39,148	74,55,840	1,89,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	20	7	14	18	20	8	P.Y.
19,99,620	50,91,573	46,09,588	6,49,598	Govan Bros. (Rampur), Ltd.	Rosa	10‡	10	7	10	12½	7½	5	P.Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	8	10	—	—	—	5	7	Y.
1,01,00,000	1 29,20,737	1,71,89,316	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd.	136‡	100	17½	12	14	14	9	P.T.Y.
UNCLASSIFIED (Bombay)													
1,50,00,000	1,21,10,933	1,47,88,360	—8,27,616	Ait-India Ltd.	Air-India Ltd.	86‡	100	—	—	—			
2,40,000	3,64,964	1,34,838	703	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Kila Deposit	660	200	15	—	18	15	12	Y.
89,89,550	2,64,61,962	8,70,82,311	83,087	Scindia Steam Navigation Co. Ltd.	Bombay Steam Navigation Co., Ltd.		100	—	—	—	37½	9	Y.
13,98,860	1,73,801	2,28,588	7,545	Parakh Agencies Ltd.	Bombay Uganda	54N	80	8	8	8		6	P.Y.
85,00,000	1,50,000	24,37,096(k)	12,717	Dwarka Nath Investment Co	Devkaran Nanji Investment Co	9	85	5	5	5	5	88	Y.
11,98,360	17,39,548	10,69,107	4,423	P. M. Mehta Esq.	Kesoda Factories	23N	10	8	8	8		3	Y.
99,99,250	18,35,373	1,27,43,383(k)	1,03,237	Premchand Roychand & Sons	Industrial Investment Trust	70	100	5	5	5		3	Y.
84,98,863	1,99,104	12,58,924	2,033	K. G. Milne, Esq.	Killick Industries	150‡	100	—	—	—	4½	12	Y.
8,06,71,500 A	65,85,939	2,20,52,503	4,92,797	Asso-Auto Ltd.	Premier Automobiles Ltd.	43	100	—	—	—		6	Y.
80,00,000 B						60	—	—	—	—			
8,59,62,018	9,89,34,387	13,98,97,421	1,88,131	Narottam Morarjee & Co.	Scindia Steam Navigation Co. Ltd.	13-10½	15	—	—	—		8	W.
1,50,000	3,71,437	2,21,590	3,145	R. B. Bajoharia	Thakur & Co.	50N	50	10	10	3½		6	W.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	40	20	7½	10	10		6	Y.
8,20,00,000	2,24,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd	219‡	100	8½	10	15	15	12	Y.
45,00,000	46,57,108	34,088	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8-9/6	12½	12½	11* 13½	12	Y.
Other Centres													
47,50,000	65,23,899	1,34,34,714	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3‡	10	—	—	—			
2,50,000 D													
30,00,000	13,38,658	31,59,164	3,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	18½	10	10	—	—		3	P.T.Y
20,00,000	82,53,118	42,88,118	1,33,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	19½	10	12½*	25*	25*	12½	6	Y.
80,00,000	50,63,088	92,32,652	9,349	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5‡	10	9½	12½	12½	12½	12	Y.
30,00,700	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.	277	8800	20*	20*	25*	20*	8	P.T.W.
10,00,000 D							40 D	15	15	20	12½	12	Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	155	100	5	10	10	12½	10	Y.
20,00,000	8,38,806	34,05,998(K)	1,25,380	Lovelock & Lawes	Birds Investments Ltd.	16‡	10	11½	12½	12½	12½	9	Y.
1,00,00,000	1,45,00,217	3,00,22,787	58,606	Dhakuw Ltd.	Bharat Line	82	100	3	12½	12½	12½	9	P.Y.
30 64 680	55 13 347	99,11 669	96,133	A. P. Chanda Esq.	Britannia Biscuit	103	10	12½	22½	7½-1	5	12	Y.
2,13,00,000	2,85,64,167	47,78,193**	1,99,112	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	8½	10	15	15	15	15	12	P.Y.
1,50,00,000	3,77,13,331	4,07,06,331	3,01,448	Cecil Steak, Esq.	Dunlop Rubber Co. (India) Ltd.	27‡	10	15*	15*	15*	12½	12	P.Y.
51,26,000	47,57,061	1,26,53,420(K)	3,15,480	Bird & Co., Ltd.	Eastern Investments Ltd.	143	100	8	9	15-1	13	12	P.T.Y.
7,00,000	34,47,721	25,07,609	50,793	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	200	100	9	9	9	13	12	P.T.Y.
45,00,000	34,13,837	13,50,902	2,07,524	A. J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	115	100	7½	12½	35	10†	12	P.Y.
30 00 000	40,77,127	62,81,861	29,418	B. F. R. Syndicate	Great Eastern Hotel Co.	237cd	250	7½	10	10	3.9	12	Y.
12,42,800	46,36,417	60,60,790	33,939	Birla Brothers, Ltd.	Hind Cycles	105N	100	6	6	6		3	P.Y.
6,99,12,650	2,41,59,193	2,41,59,193	3,47,260	Birla Brothers, Ltd.	Hindustan Motors	4-1½	10	7½	7½	6	6	12	P.Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	W. H. Brady, Esq.	Indian Aluminium Co.	109	100	—	—	—	12	12	P.T.Y.
1,52,89,220	1,31,92,732	57,92,390	9,29,534	D. J. Malaviah, Esq.	Indian Cables	18	10	31	7	7	5a	12	Y.
83,75,000 P						3½	10	10*	—	—		12	P.Y.
5,00,000 P	53,00,150	72,86,130	—12,62,971	Govan Bros., Ltd.	Indian National Airways	7	10	—	—	—		3	P.Y.
1,25,000 D							10	—	—	—			
8,87,978	12,79,355	14,27,460	99,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	14	10	—	—	—		12	P.Y.
8,25,00,000	1,60,48,543	3,87,93,501	2,16,068	Lloyel Edwards Ltd.	India Steamship Co., Ltd.	6½	10	19	19	10	3		
2,40,000	4,33,028	67,247	36,496	G. V. Bwalia, Esq.	Iron Issues	4	10	10	3	3	3	9	P.Y.
2,00,00,000	53,39,843	37,16,440	8,86,448	J. D. K. Brown, Esq.	Jardine Henderson	130½	100	21½	21½	21½	21½	6	P.T.Y
6,34,000	9,97,631	6,91,231	—64,994	James & Co., Ltd.	Macfarlane & Co. Ltd.	2	5	10	10	10	10	9	P.Y.
40,00,000 D	63,33,248	23,09,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.	137	100	—	—	—		9	P.Y.
5,00,000 D						D. 10	10	12½	12½	12½	12½	12	Y.
1,50,55,750	53,32,702	11,34,840	2,51,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18	10	7½	7½	7½		12	P.Y.
6,35,255	4,41,876	7,74,804	—72,313	Opale Glass Works Ltd.	Mysore Glass & Enamel Works	4‡	10	12½	12½	12½		12	P.Y.
3,75,000	7,74,553	8,79,858	3,666	R. Bharanaiah, Esq.	Mysore Lamp Works	17‡	10	—	—	—		9	Y.
10,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunesh-Ism, Esq.	Mysore Tobacco	10	10	50	—	—		12	Y.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co. of India Ltd.	13‡	10	10	10	10		3	Y.
79,97,000	65,83,352	1,04,50,524	8,86,547	B. N. Elias & Co., Ltd.	National Tobacco Co.	91	10	5	7½	7½		3	T.Y.
14,87,137	6,67,696††	18,52,569**	23,513	S. P. Oswa & Co.	Opale Glass Works		10	2½	5	5		3	P.T.Y.
40,00,000	41,74,953	41,58,536	1,32,611	Parry's Holdings Ltd.	Parry & Co.	4 11-xd	2	—	—	—		12	P.T.Y.
8,25,00,000	62,51,619	1,69,49,507	24,547	G. U. Euthymopolo, Esq.	Rallis India Ltd.	73	100	8	80-1	32½		18	W.
1,14,00,000	2,95,41,731	6,09,59,407	7,17,486	Saha Jain Ltd.	Rohtas Industries	8‡	100	8½	9	—	15	18	P.Y.
40,00,000	1,33,62,299	1,19,84,861	5,56,552	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	13‡	10	7½	7½	7½	10	10	P.Y.
75,00,000	37,17,120	12,11,901	3,56,616	J. E. Waterfield, Esq.	Shaw Wallace & Co., Ltd.	11‡	10	10	10	15		6	P.Y.
9,98,380	4,10,547	12,67,855	—39,789	Opale Brothers Ltd.	Travancore Opale Glass	3‡	10	4	10	10	10	12	P.Y.

†† Does not include depreciation. * Includes Bonus. ** Net Block C.D.—Cum Dividend. † Loss/Inconvenience. ‡ On Increased Capital.
‡ Only Depreciation. —Nil Dividend. X.R.—Ex-Rights. (c) For six months ended June, 1949
Z—For fifteen months ended 31st December, 1952. K—Investments. (d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	300N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400	Anandabag	25	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	11½	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	25	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	10	5	25	30	10		12	T.Y.
3,20,000	6,19,012	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	24	10	20	35	15		12	P.Y.
16,50,000	33,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	27	10	10	35	50	5	12	T.Y.
6,00,000	1,51,948‡	10,38,918	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	10	5	5	5	—		12	Y.
7,50,000	5,06,939	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormba Jan Tea Co., Ltd.	11½	10	15	15	15		12	Y.
35,00,000	22,18,001	70,96,925	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11	10	10	10	10	6	12	P.Y.
1,20,000	3,06,715	3,66,030	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7½	10	6½	15	—		12	Y.
6,00,000	23,17,358	24,24,301	—65,076	Jardine Henderson Ltd.	1,341	Deval & Parbuttia	225	100	15	30	22½		12	Y.
17,53,440	7,15,393	19,11,105	54,461	James Warren Ltd.	426	Dhekakhat	10½	10	10	16	12		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co. Ltd.	613	Dhunseri	11	10	10	20	10		12	T.Y.
4,50,000	6,57,705	9,86,816	14,389	McLeod & Co., Ltd.	158	Dibrugarh & Co., Ltd.	8	10	—	10	5		12	Y.
2,36,700	6,75,511	7,95,511	35,408	Williamson Magor & Co. Ltd.	611	Dimakuti	33	10	40	40	15		12	P.Y.
5,60,500	12,72,787	15,08,787	1,01,960	Williamson Magor & Co.	669	Duffaghur	36½	10	35	22½	40		12	Y.
10,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	18	10	20	22½	22½		12	Y.
2,36,700	6,67,103	7,99,692	42,586	Andrew Yule & Co., Ltd.	407	Gillapukri	17½	10	17½	30	10	—	12	Y.
3,60,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gobpur	27½	10	35	40	30		12	P.T.Y.
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	17	A 10	35	30	20		12	Y.
2,40,790							8½	B 5	35					
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436	Hoograjuli	33	10	30	45	30		12	Y.
4,35,000	13,78,587	17,05,269	35,208	Andrew Yule & Co., Ltd.	1,133	Hoolangooree	290N	100	25	25	17½		12	Y.
7,50,000	7,46,426	11,98,156	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jullubarie	10½	10	2½	12½	5		12	Y.
2,40,000	8,88,549	2,47,119	13,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Golaghat	198N	100	5	20	—		12	P.Y.
6,50,000	6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047	Ledo	8½	10	2½	20	—		12	Y.
4,60,000	1,10,084	8,52,930	286	Duncan Bros. & Co., Ltd.	673	Mohorna	3½	10	—	—	—		12	P.Y.
1,50,000	6 78,616	7,45 692	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	750N	100	40	45	35	—	12	Y.
50,000	8,64,415	8,80,914	37,518	Andrew Yule & Co., Lt

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
80,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	17½	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,79,916	46,11,580	16,516	498	Babu Jain Ltd.	Albion	180	100	—	14	30	18	5.11	P.H.
6,00,000	32,73,570	49,90,030	—1,63,951	446	McLeod & Co., Ltd.	Alexandra	165	100	—	5	5	—	6.12	T.P.H.
30,00,000	88,17,991	1,16,99,380	—11,66,135	1,264	McLeod & Co., Ltd.	Alliance	150	100	—	2½	—	—	6.12	T.P.H.
49,20,700	2,36,84,144	2,27,14,371	1,32,947	2,561	Duncan Bros. & Co.	Anglo-India	212xd	100	—	—	20	20	6.12	P.H.
40,00,000	1,16,83,050	1,31,13,967	71,745	810	Bird & Co., Ltd.	Auckland	129	100	1½	20	20	17½	3.9	P.H.
80,00,000	93,29,447	97,37,334	72,634	959	Jardine Henderson & Co.	Bally	170	100	7	10	10	4f	3.9	P.T.H.
£375,000	£1,680,379	£1,328,440	£91,091	1,990	Jardine Henderson & Co.	Barangore	153	£1	20	20	20	—	3.9	P.H.
28,00,000	80,27,627	88,01,241	26,347	828	Andrew Yule & Co.	Belvedere	205	100	13	17	27½	15	3	P.Y.
45,00,000	78,51,305	81,03,385	4,07,701	600	Soorajmull Nagarmull	Bengal	15½	10	13½	15	30	—	6.12	P.H.
80,42,000	3,71,54,151	3,06,60,933	1,18,294	1,173	Birla Bros.	Birla	37½	10	25	30	30	—	6	T.P.Y.
36,00,000	1,00,47,669	1,08,11,310	27,144	991	Andrew Yule & Co., Ltd.	Budge-Budge	160xd	100	7	13	22	—	3	P.Y.
7,47,380	30,53,704	39,44,698	34,320	592	Dayaram & Sons	Calcutta Jute Manufacturing	16N	10	—	—	20	12½	4.10	H.
15,00,000	83,79,289	95,43,878	32,228	616	Andrew Yule & Co.	Caledonian	161½	100	5	14	22	12	6.12	T.P.H.
89,16,400	2,11,26,602	1,62,21,807	1,35,299	1,400	James Finlay & Co., Ltd.	Chamdany	150	100	3	10	14	8f	5.11	P.H.
15,93,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd.	Chengail	215	100	13½	16	22	15	3.9	P.H.
90,05,000	88,32,104	88,16,362	1,07,364	1900	McLeod & Co.	Chitavelsah	31½	10	12½	15	60	97½	6.12	P.H.
15,00,000	80,24,460	77,89,914	1,81,979	960	Shaw Wallace Investment Co., Ltd.	Clive	25	10	12½	35	20	—	3	T.P.H.
														P.H.
21,49,200	1,21,58,497	1,16,59,962	21,356	766	Bird & Co., Ltd.	Dalhousie	140	100	1	11	12	1f	3.9	P.H.
88,00,000	80,63,708	73,72,811	50,826	779	Andrew Yule & Co.	Delta	233	100	11	17½	22½	20	5.11	P.H.
15,00,000	86,18,650	75,63,304	47,730	900	McLeod & Co.	Empire	210	10	20	—	20	10	6.12	T.P.H.
81,00,000	2,35,23,130	2,62,73,643	1,801	1,884	Kettlewell Bullen & Co.	Fort Gloster	237	100	2½	32½	22½	—f	3.9	T.P.H.
14,00,000	48,25,115	69,94,729	—8,32,397	1,016	O. C. Bangur, Esq.	Fort William	260N	100	—	10	—	—	3.9	P.T.H.
84,32,100	1,37,90,339	2,09,73,148	—8,53,945	1,709	Macneill & Barry Ltd.	Ganges	72	100	—	6½	7½	—	3.9	P.H.
10,80,000	76,50,046	68,12,900	41,193	667	G. Arbuthnot & Co.	Gondalpara	700	300	—	15	30	10	3.9	P.H.
80,00,000	68,340‡	68,340‡	—1,35,683	1,394	Bird & Co., Ltd.	Kanapara Collieries	265	100	2½	25	33½	12	3.9	M.
5,00,000	43,58,631	42,50,291	89,822	1,078	Andrew Yule & Co., Ltd.	Kanoria Jherriah	42	10	27½	35	—	3	3	M.
1,38,400	5,20,319	11,43,319	1,063	720	G. Arbuthnot & Co.	Khas Kajora	7N	10	11½	10	37½	40	3	T.Y.
17,00,240	10,81,164	13,87,252	3,411	1,040	H. V. Low & Co., Ltd.	Kinaird	6N	10	3½	3½	3½	—	3.9	P.Y.
13,50,000	29,43,024	28,41,241	13,549	1,040	H. V. Low & Co., Ltd.	Lalaka	11½N	10	3½	3½	3½	—	6.12	P.H.
3,65,750	11,41,667	22,37,077	2,691	1,040	Berlawla & Co.	Mandulpoor	2½N	10	5	10	7½	—	4	T.Y.
7,48,240	10,30,138	11,24,142	14,690	1,226	Associated Commercial Co., Ltd.	Nazira	6½	10	5	7½	—	—	6.12	T.Y.
7,00,000	3,77,590	9,53,321	4,597	1,040	Amritlal Ojha & Co., Ltd.	New Bamadeopur	5¼N	10	6½	7½	8½	—	6.12	H.
17,76,230	91,68,381	1,16,02,941	55,799	1,040	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	5	7½	6½	—	6.12	M.
												5f	3.9	M.
6,00,000	21,87,920	81,32,540	—7,593	1,040	Octavius Steel & Co. Ltd.	New Manbhoom	9	10	12½	7½	—	—f	4.10	M.
2,50,000	6,84,984	3,45,859	1,387	1,040	Jatia Bros. Ltd.	North Dumuda	4N	2½					3.9	P.H.
													3.9	M.
1,15,000	10,81,897	12,56,672	12,237	1,040	Andrew Yule & Co., Ltd	North West	14N	10	16½	13½	5	21f	3.9	M.
1,57,500							10N	7½						
7,50,000	12,54,513	9,97,646	1,00,495	1,040	F. W. Heilgers & Co., Ltd.	Ondal	18½N	10	12½	25	22½	20	3.9	H.
10,00,000	15,36,427	35,60,122	56,421	1,040	K. C. Thapar Bros. Ltd.	Oriental Coal	12½N	10	10	10	10	5	6.12	P.H.
8,34,000	5,98,486	16,29,205	70,339	1,040	Deerchand Kishenlall	Parasea	3½	10	—	—	—	—	12	T.Y.
													6.12	H.
15,75,000	34,87,649	39,37,649	31,995	1,040	Shaw Wallace & Co., Ltd.	Peach Valley	20½	10	16½	12½	10	6½f	3.9	M.
83,99,500	91,95,359	1 09,49,971	—4,53,764	1,040	B. N. Elias & Co., Ltd.	Ranegunge	8	10	—	—	—	—	3.9	M.
13,50,000	30,62,857	29,87,672	36,004	1,040	Shaw Wallace & Co., Ltd.	Rewa	8½	10	8½	12½	10	17½	6.12	M.
80,00,000	15,17,118	28,07,516	165	1,040	Jalan & Sons Ltd.	Samia Collieries	7	10	—	5	10	—	6.12	M.
1,23,000	13,14,667	13,30,351	20,499	1,040	Gillanders Arbuthnot & Co., Ltd.	Samnle	61N	25	20	20	20	15f	6.12	M.
2,80,000	19,76,795	28,04,096	30,184	1,040	Andrew Yule & Co., Ltd.	Seebpore	25½	7	35-5/7	32-1/7	20	23	3.9	M.
8,00,000	34,84,308	37,05,977	—70,471	1,040	F. W. Heilgers & Co., Ltd.	Sendra	9½	10	5	5	28-4/7	28-4/7	6.12	Y.
											5½	—	6.12	P.H.
													6.12	M.
43,21,470	2,13,85,164	3 04,98,616	23,658	1,040	Industrial Trust Fund	Shagarni	7½d	10	4½	5	5	—		
17,50,000	24,53,330	35,53,705	26,614	1,040	Bird & Co., Ltd.	South Karanpura	11	10	14½	10	7½	5	12	T.Y.
8,00,000	14,24,948	2,90,282	86,379	1,040	F. W. Heilgers & Co., Ltd.	Standard	20½	10	16½	15	10	15	3.9	H.
10,00,000	15,82,936	30,15,424	—3,64,536	1,040	Villiers Ltd.	Talcher	2½	10	2½	—	—	—	6.12	H.
4,50,000	17,36,513	18,94,910	74,927	1,040	Williamson Magor & Co., Ltd.	Union	23½	10	20	27½	27½	12½f	9	H.
49,98,000	14,13,461	44,91,158	63,500	1,040	Hindusthan Investment Corpn. Ltd.	Western Bengal	4½	10	2½	2½	2½	3½	6.12	H.
7,00,000	26,37,108	40,16,017	5,514	1,040	Macneill & Barry Ltd.	West Jamseria	18	10	15	15	15	—	3	Y.
													6.12	M.

(q) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign income-tax Only Depreciation. • Includes bonus —Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
85,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20½	10	17½	20	13½	5f	3.9	
12,00,000	42,18,417	31,16,954	60,294	Jardine, H. & Co., Ltd.	Barrare Coke	17½	10	14½	13½	14½	7½f	3.9	H.
40,00,000	70,50,712	1,17,79,347	23,814	Babu Jain Ltd.	Bharat Collieries	6½	10	6½	6½	6½	—	3.9	M.
1,80,00,000	3,35,25,103	3,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	523	200	33½	17½	15½•	10•f	6	P.T.Y.
3,49,150	3,56,103	8,49,159	3,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	2½	2½	2½	2½	4.10	P.H.
2,25,000	37,56,840	2,23,966	6,970	Andrew Yule & Co., Ltd.	Bengal-Nagpur	133	100	22½	10½	10	7½	6.12	H.
												6.12	P.H.
15,97,700	27,49,723	36,66,923	7,191	H. V. Low & Co., Ltd.	Bhalgora	6	10	—	2½	1½	—	9	
7,15,000	30,27,438	50,94,169	—43,876	F. W. Heilgers & Co., Ltd.	Bhulanbarree	13½	10	5	6½	6½	2½	6.12	Y.
16,00,000	33,42,567	68,15,834	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10	10	—	—	—	—	6.12	H.
7,50,000	43,47,168	4,66,805	1,06,334	F. W. Heilgers & Co., Ltd.	Borrea	28	10	20	30	30•	27½•	6.12	T.H.
												6.12	P.H.
90,92,480	3,29,07,686	4,03,65,968	1,13,021	Bird & Co., Ltd.	Burrakur	10½	10	10½	7½	7½	6½	6.12	P.T.H.
49,97,000		23,16,089	8,776	Hindusthan Investment Corpn., Ltd.	Central India	4½	10	—	—	—	—	3	Y.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	13½N	10	17½	12½	—	—f	3	P.H.
6,00,000	1,40,000	7,50,000 (k)	13,973	F. W. Heilgers & Co., Ltd.	Churulia	6½	4	2½d	4	1½	1½	6.12	P.M.
16,00,000	27,97,346	45,41,647	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	10½	10	12½	2½	6.12	M.
£120,000	£1,084,338	£872,414	£78,839	Jardine Henderson Ltd.	East Indian	23xd	£1	13½	13½	27½	—	4	V.
29,63,760	3,41,55,010	3,37,02,383	2,11,481	Macneill & Barry Ltd.	Equitable	40½d	10	23	23	—	30	4	M.
10,00,000	4,83,963	8,41,725	66,889	Bhatter's Agency Ltd.	Ghusick and Musilia	13½N	10	20	5	30	—	6.12	M.
8,00,000	21,75,778	21,29,494	64,366	Macneill & Barry Ltd.	Hurriadih	16	10	12½	15	15	5	3	Y.
2,50,000	11,83,846	12,92,908	30,050	Andrew Yule & Co., Ltd.	Kalapahari	41½N	10	26½	35	35•	15	6.12	M.
80,00,000	68,340‡	68,340‡	—1,35,683	Bird & Co., Ltd.	Kanapura Collieries	91	100	—	—	33•	33•	3.9	M.
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd.	Katras Jherriah	42	10	27½	35	—	—	3	M.
1,38,400	5,20,319	11,43,319	1,063	Berlawla Bros.	Khas Kajora	7N	10	11½	10	37½	40	3	Y.
17,00,240	10,81,164	13,87,252	3,411	H. V. Low & Co., Ltd.	Kinaird	6N	10	3½	3½	3½	—	1.7	P.Y.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lalaka	11½N	10	3½	3½	3½	—	6.12	P.H.
3,65,750	11,41,667	22,37,077	2,691	Berlawla & Co.	Mandulpoor	2½N	10	5	10	7½	—	4	V.
7,48,240	10,30,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6½	10	5	7½	—	—	6.12	T.
7,00,000	3,77,590	9,53,321	4,597	Amritlal Ojha & Co., Ltd.	New Bamadeopur	5¼N	10	6½	7½	8½	—	6.12	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	5	7½	6½	—	6.12	M.
												3.9	M.
6,00,000	21,87,920	81,32,540	—7,593	Octavius Steel & Co. Ltd.	New Manbhoom	9	10	12½	7½	—	—f	4.10	M.
2,50,000	6,84,984	3,45,859	1,387	Jatia Bros. Ltd.	North Dumuda	4N	2½					3.9	P.H.
												3.9	M.
1,15,000	10,81,897	12,56,672	12,237	Andrew Yule & Co., Ltd	North West	14N	10	16½	13½	5	21f	3.9	M.
1,57,500						10N	7½						
7,50,000	12,54,513	9,97,646	1,00,495	F. W. Heilgers & Co., Ltd.	Ondal	18½N	10	12½	25	22½	20	3.9	H.
10,00,000	15,36,427	35,60,122	56,421	K. C. Thapar Bros. Ltd.	Oriental Coal	12½N	10	10	10	10	5	6.12	P.H.
8,34,000	5,98,486	16,29,205	70,339	Deerchand Kishenlall	Parasea	3½	10	—	—	—	—	12	T.Y.
												6.12	H.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd.	Peach Valley	20½	10	16½	12½	10	6½f	3.9	M.
83,99,500	91,95,359	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	8	10	—	—	—	—	3.9	M.
13,50,000	30,62,857	29,87,672	36,004	Shaw Wallace & Co., Ltd.	Rewa	8½	10	8½	12½	10	17½	6.12	M.
80,00,000	15,17,118	28,07,516	165	Jalan & Sons Ltd.	Samia Collieries	7	10	—	5	10	—	6.12	M.
1,23,000	13,14,667	13,30,351	20,499	Gillanders Arbuthnot & Co., Ltd.	Samnle	61N	25	20	20	20	15f	6.12	M.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25½	7	35-5/7	32-1/7	20	23	3.9	M.
8,00,000	34,84,308	37,05,977	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	9½	10	5	5	28-4/7	28-4/7	6.12	Y.
											5½	6.12	P.H.
												6.12	M.
43,21,470	2,13,85,164	3 04,98,616	23,658	Industrial Trust Fund	Shagarni	7½d	10	4½	5	5	—		
17,50,000	24,53,330	35,53,705	26,614	Bird & Co., Ltd.	South Karanpura	11	10	14½	10	7½	5	12	T.Y.
8,00,000	14,24,948	2,90,282	86,379	F. W. Heilgers & Co., Ltd.	Standard	20½	10	16½	15	10	15	3.9	H.
10,00,000	15,82,936	30,15,424	—3,64,536	Villiers Ltd.	Talcher	2½	10	2½	—	—	—	6.12	H.
4,50,000	17,36,513	18,94,910	74,927	Williamson Magor & Co., Ltd.	Union	23½	10	20	27½	27½	12½f	9	H.
49,98,000	14,13,461	44,91,158	63,500	Hindusthan Investment Corpn. Ltd.	Western Bengal	4½	10	2½	2½	2½	3½	6.12	H.
7,00,000	26,37,108	40,16,017	5,514	Macneill & Barry Ltd.	West Jamseria	18	10	15	15	15	—	3	Y.
												6.12	M.

• The following explanatory notes relate to the abbreviations and marks shown on page 236 in the debentures section:—

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

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case

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

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

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

MARKET REPORTS

(Concluded from page 225)

Latest quotations in the Hapur market are: Wheat Rs. 16-12 to Rs. 18-8; gram Rs. 16-3; barley Rs. 12-12; *bejhar* Rs. 13-4; *rice: basmati* Rs. 35; *hansraj* Rs. 31; *sela* Rs. 29 and coarse Rs. 23; peas; *dara* green Rs. 15; white Rs. 19 to Rs. 17; and *bhadon* Rs. 15-2-3; *arhar* Rs. 14-12 and *bhadon* Rs. 13-1-6; *urd* Rs. 23, *maha* Rs. 18-4 and *moong* Rs. 22 to Rs. 23.

Arrivals into the markets were negligible, due to rains.

SUGAR QUIET TO STEADY

(From Our Own Correspondent)

HAPUR, 28th July

Crystal sugar markets remained quiet to steady during the week under review and prices at some places recorded slight advance. Sellers were more reserved, there being no panicky sales. There was little apprehension regarding any serious competition from foreign sugar by the end of September, when the first consignment of about 30,000 tons of imported sugar is expected to reach Indian shores.

A new sugar factory is likely to be established in Madhya Bharat. The yearly sugar consumption in Madhya Bharat aggregated 27,000 tons, as against only 18,000 tons of sugar produced in the State. The site selected for the factory is Nungaoll which has almost all the facilities required for the sugar industry.

Calcutta reported very steady conditions in the sugar market, as South Indian buyers were lifting considerable quantities against their contracts for July shipment. Poor arrivals steadied the Bombay trend.

The following were the latest quotations: Ambala Rs. 31-12, Amritsar Rs. 32-12, Delhi Rs. 31-12, Jullundur Rs. 31, Agra Rs. 31-6, Hapur Rs. 31-6, Kanpur Rs. 30-13, Mathura Rs. 31-8, Meerut Rs. 31, Muzaffarnagar Rs. 30-14, Patna Rs. 29-10, Calcutta Rs. 31-3, Gauhati Rs. 33-10, Madras Rs. 33-4, Bombay Rs. 32-10, Nagpur Rs. 33-3 and Indore Rs. 30-8.

JUTE GOODS LOOK UP

(From Our Own Correspondent)

CALCUTTA, 28th July

Following renewed purchases of both hessian and sacking in increasing quantities for shipment overseas, steady conditions prevailed in the jute markets during the week. Moderate gains were naturally recorded in the prices of jute goods, and mills became reserved as the week progressed. Hessian was bought on behalf of importers in the United Kingdom, while deals with American buyers for small quantities were taken in the market as indications of the need of American stockists for replenishment. Firm prices for burlap in New York also encouraged stockists and mills here to proceed cautiously and to sell only against definite demand. Buyers for Argentina took possession of as much as 4,000 tons during the week and this factor whipped up market enthusiasm further.

Although the Korean factor is no longer present to increase "emergency" stocks in the United States, yet more exports to that country are foreshadowed by traders. For recent reports from America have indicated that, in view of the new cheapness for burlap and assured supplies from producing countries including India, the tendency to use substitutes, which came into being during war-time, is gradually disappearing. Burlap bags are being used in greater numbers by American feed manufacturers, who had been using multi-wall paper bags, the utility of which has been found to be much less than that of hessian. This again proves the correctness of the trade view, repeatedly stated in these columns, namely, that the utility of jute as a packaging material cannot be conquered by any substitutes, although interested propaganda had threatened that substitutes were gradually ejecting jute from world markets. Jute is after all the "king" of packing materials, and this being a natural gift to jute, any attempt to do without it is bound to be only temporary.

Ready hessian 40" 10 oz. opened at Rs. 45-12 last Wednesday and the mills were successful in putting through some deals. Although conditions were steady, a decline to Rs. 45-10 was a feature on Thursday. At this stage, the U.S. bought some quantity and this was reflected in the rate advancing to Rs. 40 on Friday. Sentiment was further boosted by business over the week-end with Argentina and the quotation shot up to Rs. 46-6 with the August-September position quoting Rs. 46-8, as against Rs. 45-14 earlier. The presence of actual demand and moderate purchases yesterday neutralised any possible shake-up, following peace in Korea, and the rate went further to Rs. 46-12, the f.o.b. quotation showing a similar rise to Rs. 35-3. Hessian 40" 8 oz. was also steady at Rs. 36-6 f.a.s. and at Rs. 43-2 f.o.b.

The sacking market also remained steady, and purchases for shipment overseas enlivened market activity, pushing up prices. B. twills opened rather idle at Rs. 100-4, as, up to that time, the quantity taken by shippers failed to reach market expectations. This situation remaining unchanged, a recession to Rs. 99-12 was the feature on Thursday. On the following day, activity of bulls put up the rate to Rs. 100-8. The week-end showed some easiness and the rate receded to Rs. 101-2. However, in sympathy with the improvement in hessian, the quotation at Rs. 102 yesterday showed strength.

Mills gave moderate support to the raw jute market and stockists noted with satisfaction the upward movement which was aided by fears of a much restricted supply of raw jute this season. Nevertheless, the mills consider that these fears are invented and exaggerated only to boost up sentiment and that, although the Pakistani crop would be considerably lower than the 1952-53 output, raw jute is not expected to be in short supply as compared to world requirements. Arrivals of the first consignments of new crop were in small quantities and their quality was poor. New crop Assam bottoms were quoted steady at Rs. 28-8. Sellers were, however, reserved. Mills were interested to secure the old crop, transactions being reported on the basis of Rs. 26 for Assam bottoms.

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 29th July

It is indeed paradoxical that sugar prices should continue to remain at high levels in all parts of India, despite the expected arrivals of foreign sugar under the deal which the Central Food Ministry recently concluded with British refiners. The stock position is reported to be thin and heavy post-monsoon demand is drawing very near. The blame for this situation is laid on the Government, as no definite policy has yet been announced with regard to the sale of imported sugar.

The forward section of the sugar market continued to be steady this week also. To-day's quotation for *Shravan* delivery is Rs. 88-8 per bag (buyers). The price is Rs. 3 higher than the price at which the Government of Bombay has been selling the controlled stocks of sugar. It is thus evident that the forward section (as also the spot section) has not at all been affected by the sale of sugar by the Government at lower prices, namely, Rs. 85-4-6 per bag.

Persistence of normal demand for sugar in a market with limited stocks has imparted further steadiness to the spot section, with slight improvement in prices as compared with those in the previous week. Bold grain sugar is quoted at Rs. 94-96 per bag, as against Rs. 94-95 last week. Quotations for small grain and medium grain sugar are fully steady at Rs. 90 and Rs. 91-92, respectively.

There was a fall in arrivals of sugar into the Bombay market during the week under review, the quantity actually received being 8,700 bags, as against 15,000 bags a week before. The opening stock with the spot trade to-day is estimated at 20,000 bags.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 27th July

Firm conditions have prevailed in the linseed market throughout the past week and prices have advanced appreciably, whilst trading has been on a small scale. Up-country markets are reported to be firm and movement of supplies is still on a very small scale. Sellers are rather reserved, and although there have been fairly keen enquiries from crushers, the volume of trading during the week has been limited. In the oil section, prices have advanced in sympathy with seeds. There has been an increased offtake locally, but export business remains at a standstill.

Latest quotation is July-August Rs. 23-8 per maund.

KEEN DEMAND FOR KIPS

(From Our Own Correspondent)

MADRAS, 27th July

Steady conditions prevailed in the kip market. Prices locally ruled one penny above U.K. levels. Except tanned cow calf, all other lines were in keen demand at steady prices.

There have been more enquiries for tanned goat skins though at 6d. below pre-July auction prices. Stocks of lining sheep skins continue to be in demand. Enquiries from U.S. buyers for drysalted goat skins have not resulted in business, in view of the high prices ruling here *vis-a-vis* those in Brazil.

HIDES UNALTERED

(From Our Own Correspondent)

KANPUR, 27th July

Conditions in the hides and skins market during the week under review were more or less similar to those that prevailed last week, except for this fact that fresh stocks of cow and buff were not as considerable as those during last week. The undertone of the market was one of sustained confidence. The main purchasers of the superior items were the local tanners. The Madras dealers were lukewarm. Latest quotations are as follows:—

Wet salted cow 1st grade Rs. 380, 2nd grade Rs. 280 and 3rd grade Rs. 180 per score; wet salted buff 1st grade 1 lb. 10 ozs. and 2nd grade 2 lb. 6 ozs. per rupee; goat skins 1st grade Rs. 250 and 2nd grade Rs. 210 per 100 pieces; and sheep skins Rs. 300 per 100 pieces.

TEA PRICES IMPROVE

(From Our Own Correspondent)

CALCUTTA, 28th July

During yesterday's export sale, best liquoring Assams were very steady and, supported by moderate demand, scored As. 2 above brokers' valuations. Offerings aggregated 21,937 packages. Low mediums and commons realised half anna more than the last rates. Ready buyers were found for mediums of improved quality. The rates were: best C.T.C. Assam BP Rs. 2-10 to Rs. 2-12, clean black pekoe Re. 1-13, clean common BP Re. 1-11, and medium Assam BP Re. 1-13.

The best feature of last week's auction for domestic consumption, where offerings amounted to 7,139 and 324 packages of dust and other grades, respectively, was C.T.C. Assams, prices of which were raised by as much as As. 3. Demand was very good. Buyers paid

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	360 / 178	100 / 50	18½	18½	18½		12	Y.P.
1,01,000 / 23,99,000	12,03,000	7,231	Andhra Bank	103 / 53	100 / 50	6	6	6		6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111	50	12½	12½	12½	5(i)	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14½	25	3	3	3	3(i)	6.12	R.L.Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	159½	50	14	14	14		12	Y.
15,30,375	24,00,000	63,200	Bank of Indore	60M	25	12½	12½	12½		12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	20‡	50	3	3	3		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	280	100	16½	16½	16½		12	Y.P.T.
59,18,800	42,61,693	25,280	Bombay State Co-operative Bank	59½	50	5	5			12	P.Y.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9		12	Y.P.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	10½	10½	10½		12	
2,62,11,875 / 52,42,375 'A'	3,99,08,177	17,23,015	Central Bank of India Ltd.	66 / 58½	25 / 25	14	14	14	3(i)	12	R.L.Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co	34½	50	3	3½	3½		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88	20	10	20	20		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10‡	50	—	—	—		9	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6½	6½	7		12	
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,840 / 446½	500 / 125	16	16	16	8(i) 8(i)	6.12	R.L.H.
1,87,50,000 / 24,00,000				178½	100					6.12	R.L.H.
16,00,000	73,50,000	1,04,201	Indian Bank	160	80	12½	12½	12½			
15,40,000				103½	55					.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	93½	100	5½	6	6			
6,25,000				75	100(A)	9	7½	6		6.12	H
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18‡	25(B)	9	7½	6			
10,00,000				36½	50(C)	6	6	6		6.12	Y.
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35N	25	7	—	—		12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	203	25	4	4	6	4(i)	12	Y.
1,00,00,000	17,50,000	37,550	Travancore Bank	11‡	25	—	—	—		12	Y.
60,00,000	30,00,000	2,06,135	Union Bank of India	6½	5	6½	6½	6½		6.12	H
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	35‡	50	4	4	4			

PRINCIPAL EXCHANGE BANKS

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-7-6	£5	14†	14†	16††		12	R.L.Y.
			Eastern Bank	£6‡	£5	7†	6†	7†		12	R.L.Y.
£1,000,000	£1,250,000	£102,597									
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£88	H.K. $125	5*	5*	5*	2*(i)	12	Y
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-13-0 / £1-6-3	£1	12½†	12†	12†		12	R.L.Y.
£1,437,296				£12½	A £12½	5†	5†	5†			
£375,000				£25‡	B £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£25‡	C £5	12†	12†	14†		12	R.L.Y.
£300,000				£11	£12½						
£2,281,250	£3,675,000	£323,703	National Bank of India	£29‡		16†	16†	16†		12	L.Y.

‡Includes Bonus. †Less Tax (P) Pakistan Currency ††O.S. Currency.
§Subject to taxation. (i) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
19,50,000	5½	1st December and 1st June	Carew & Co.	100	1st June .. 1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	70‡	25th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Rammuggar Cane & Sugar Co., Ltd.	99	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102‡	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November .. 1959-64
23,00,000	6	1st May and 1st November	Walchandnagar Industries	103‡	1st April .. 1956-61
15,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
			COTTON		
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
6,00,000	4½	10th May and 10th November	Bengal-Nagpur	96‡	13th November .. 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	99‡	1st January .. 1967-72
13,68,000	5½		Jaysbree Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	100‡	 1966-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March 1963
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
88,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	31st December 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101‡	1st January 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	86	31st December 1970
15,00,000	5	1st January and 1st July	Bijua (Iberrian) Electric Supply Co. Ltd.	93	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	 1958
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94	 1953-63
6,61,800	4½	1st April and 1st October	South Madras Electric Supply	94‡	1st July .. 1957-67
49,23,000	4	1st April and 1st October	Tata Power	100‡	15th September .. 1931-35(b)
1,00,00,000	4	1st April and 1st October	Tata Power	92	15th September .. 1965-70
			ENGINEERING		
3,00,000	5	30th June and 31st December	Britannia Engineering	97‡	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India) Ltd.	98	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	100‡	1st July .. 1957-62
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	89‡	31st December 1971
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	85	31st May .. 1965
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	94‡	31st December .. 1960
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	98‡	31st March .. 1954
4,00,000	4	30th June and 31st December	Anglo India Jute Co.	96	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	91	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd	97‡	30th June .. 1953
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	90	31st July .. 1959(c)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1966
8,86,000	5	30th June and 31st December	Ranjee	94	15th July .. 1964
25,00,000	5½	1st January and 1st July	Mukundchand	92	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	94	31st December 1964
25,00,000	5½	30th June and 31st December	Nahabal	99	31st March 1967
3,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	97N	31st March 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	86‡	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	91‡	30th June .. 1958
83,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	95‡	5th September 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	94	14th September 1957
12,00,000	4½	30th June and 31st December	Union	95‡	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	83‡	31st July .. 1960(e)
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	84	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99‡	1st November ..
£350,000	4½	1st January and 1st July		1945 / 1900	A £105% at any time on 6 months' notice or at par or every seventh year. / £102N
			Calcutta Tramways		
£201,067	3	1st April and 1st October		1933	£102N 1st October .. 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	99 30th September 1953
8,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	88 31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N ..
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96 1st September .. 1963
			PLANTING		
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100 1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944	100 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡ 1945-55
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101 30th September .. 1953
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98 31st December .. 1963
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1949	86 31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96 30th June .. 1957(i)
21,00,000	4½	1st February and 1st August	Chowringhee Properties	1913	92 1st February .. 1964
22,50,000	4½	1st July and 1st January	Clive Buildings	1936	88‡ 1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	86 15th September 1960
1,30,00,000	3	1st January and 1st July	Dunlop Rubber	1950	101‡ 1st January .. 1971
20,00,000	3	15th March and 15th September	Mettur Chemical Industries	1949	97 1964
39,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	465 30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd (Convertible Notes)	1947	(per note) 410 31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 91N 1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92‡ 31st March .. 1961
1,00,00,000	4	30th June and 31st December	Robtas Industries Ltd.	1946	84 31st December .. 1959

Note—See page 234 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th July, 1953.

	Closing Quotations 23-7-'53	High	Low	Closing Quotations 30-7-'53
BANKS	Rs	Rs	Rs	Rs.
Bank of India (50)	159	160½	159½	160
Bank of Baroda (50)	111½	111½	110½	111
Central (25)	66	66	65½	66
Imperial (F.Pd) (500)	1,837½	1,845	1,832½	1,837½
Imperial (F.Pd) (125)	450	450	445	445
Union Bank (5)	6½	—	—	6½
United Com. (50)	35‡	36	35‡	35‡
COTTON MILLS				
Abm. Adv. (100)	141½	141½	137½	141½
Apollo (2)	2½	2½	2-14½	2½
Bombay Dyeing (250)	385½	386½	379½	383½
Central India (100)	162	163	159½	162½
Century Mills (100)	277	277½	273½	275½
Calabs (100)	69	—	—	69
Edward Textile (200)	240	—	—	240
Elphinstone (50)	40	40	39½	39½
Finlay (100)	326	326	321	325
Gokak (100)	225	228	224½	227½
Ind. Unid. Dvtd (1)	1-10½	1-10½	1-9½	1-10½
Ind. Unid. Ord. (10)	10A	10A	10-2½	10-4½
Indore Malwa (100)	91½	92½	91½	91½
Khatau (100)	182½	—	—	182½
Kohinoor (100)	309	309½	305½	305½
Lakshmi (250)	552½	—	—	552½
Madhusudan (100)	86	—	—	86
B. R. Cotton Mills (100)	50	—	—	50
Minerva Mills (100)	100½	—	—	100½
Modal Nagpur (250)	142½	—	—	142½
Morarji (100)	180	185	180	185
Mysore (50)	125	—	—	125
New City (100)	151½	—	—	151½
New Great (100)	151½	151½	150	150½
Phoenix (100)	110	—	—	110
Podar Mills (100)	130	130	—	130
Sassoon Silk (10)	25	—	12?4	12½
Sassoon Spg (10.	26½	—	—	25½
Shahapur (1,000)	1,800	1,800	25A	25½
Simplex (50)	172½	172½	1,650	1,650
Swadeshi (100)	251	252	171½	171½
Swan (100)	437½	455	255½	257½
Tata M.I. (25)	43½	45½	437½	452½
Vishnu (100)	152	152½	42	43
Western India (1,000)	3,180	—	151½	152½ / 3,180
ELECTRIC COS.				
Ahmedabad (100)	111½	111½	110½	111½
Amalgamated (10)	10½	—	—	10½
Andhra Valley (1,000)	1,451½	1,460	1,451½	1,460
Bom. Sub-El. (100)	126½	128½	126½	128½
Surat (100)	123½	125	123½	124½
Tata Hydro (100)	135½	135½	134½	135
Tata Power (1,000)	1,545	1,547½	1,541½	1,543
INSURANCE COS.				
British India (10)	14½	14½	13½	13½xd
Empire of India (100)	623½	—	—	623½
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7-2½	—	—	7-2½
New India (15)	41	41	40	40½
Oriental (100)	6,900	—	—	6,900½
Universa (10)	8¾	—	—	8¾
Vulcan (10)	11‡	11¾	11‡	11¾
STEAMER COS				
Scindia (15)	13½	13-13½	13½	13¾
STEEL COS.				
Ind. Iron (10)	1,913½	23¾	23½	23¾
Tata Steel Defd. (39)	329½	1,935	1,895	1,930
Tata Steel Ord. (75)	24	333½	327½	113½
MISCELLANEOUS				
Alcock Ashdown (100)	239½	294½	293½	293½
Associated Cts. (100)	173½	173	169½	171½
Bolsp. Sugar (5)	232	236½	230½	232½
Bom. Burmah (25)	363½	363½	350½	362½
Do. (New) (50)	133½	133½	133½	133½
Br. B. Petrol (4 sh.)	1-2‡	1-2‡	1-2‡	1-2‡
Br. I. Corpn. (5)	8-3½	8-4½	8-4	8-4½
Indian Copper (2 sh.)	2-13½	2¾	2-12½	2-13½
Ind. Inv. Tr. (100)	69½	70	69½	70
Port Canning (100)	22	—	—	22
Premier Co. (30)	8½	8½	8½	8½
Shivaroor (10)	57½	57½	57	57½
Tata Chemicals (10	9-5½	9¾	9¾	9½
Tata Oil (25)	32½	32½	32	32
Walchand Ind. (100	141½	142½	138½	138½
W. I. Match (100	216½	220	216½	220

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs
2½% 1954	98½	—	3 44	98½
2½% 1955	98‡	—	3 28	98‡
2½% 1960	93‡	—	3 90	90½
2½% 1962	91‡	—	3 82	93‡
3% 1966	83	—	3 87	91‡
3% 1957	98‡	—	3 87	83
3% 1958	98‡	—	4 44	95‡
3% 1959-61	98‡	3.72	3 40	98‡
3% 1964	92‡	—	3 86	96‡
3% 1963-65	92‡	3.93	3 80	92‡
3% 1966-68	90‡	3 97	3 84	92‡
3% 1970-75	86‡	4 12	3 93	90‡
3 % 1986 Con. Loan **	82‡	—	3 46	86‡
3½% 1954-59	100‡	3.32	3 46	82
4 % 1960-70	103‡	3 65	3 83	100½
4½% 1955-60	101‡	3 69	4 01	102‡
4½% 1958-68*	105	3.40	4 05	103‡
3½% 1961 N.P. Bonds	98‡	—	3.75	101‡
				98‡

BRITISH GOVERNMENT SECURITIES

	23-7-53 £	High £	Low £	29-7-53 £
2½% Brit. Consols	60‡	60‡	60‡	60‡
3 % Savings Bonds 1955-75	85‡	85‡	85‡	85‡
3 % War Loan 1955-59	101‡	101‡	101‡	101‡
3½% War Loan 1952	81‡	81‡	81‡	81‡
3½% Brit. Iron and Steel 1979-81	90‡	90‡	90‡	90‡
4 % Funding Loan 1960-90	101‡	101‡	101‡	101‡

xd—Ex-dividend. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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AN UNJUSTIFIABLE DEMAND

AT the annual meeting of the Tata Oil Mills Co., Ltd., held on Monday last, Mr. J. R. D. Tata made certain remarks of far-reaching significance to foreign capital. Although they referred only to foreign capital that is already invested in this country, they may, if they are acted upon, have an adverse effect on the flow of fresh foreign private capital into this country. Referring to alleged competition from a foreign soap manufacturing unit, Mr. Tata said:

"We have in the industry a powerful foreign unit, forming an integral part of a great world-wide organisation, which has had a tight hold over the Indian market for over 75 years. With its tremendous resources, it can well afford to dictate prices to the indigenous industry and does so. Whilst it would be unfair on my part to explain away our lower profits this year by reference exclusively to this aspect of our problem, I would be failing in my duty if I did not take this opportunity publicly to support the strong case put up to Government by the Indian Soap and Toiletries Makers' Association against the grant of the licence applied for by this foreign unit for increasing its installed capacity."

Mr. Tata did not stop with that. He went a step further and advocated the following course of action:

"I believe that close co-operation at least between the leading members of the Indian industry is essential, if the many handicaps with which we are faced are to be overcome. The extent to which forces can actually be joined in order to meet competition is a matter which requires careful consideration. I believe, however, that there is scope for sinking personal advantages, often more apparent than real, for the good of the group, and that the future of this industry will depend largely on the ability of its members to co-operate in a common and united effort. Apart from what we can ourselves do in that direction, I believe the time has come for Government to consider the need for an enquiry into all aspects of this industry, preferably by the Indian Tariff Commission. Such an enquiry would at least bring under public scrutiny facts and figures concerning the industry, too large a proportion of which are to-day kept secret."

There is, of course, nothing new in the foregoing extracts. They merely endorse what the Indian Soap and Toiletries Makers' Association demanded at their last annual meeting held in the first week of June, 1953. But what is surprising, however, is that they should have been reiterated by Mr. J. R. D. Tata, a person known for his progressive views and the prominent position he holds among the business leaders of this country. Nowadays, it has become the fashion in this country for the less efficient units to blame the more efficient units for all or for part of their ills, as witness the controversy, handlooms versus mills. The complaints of the organised section of the Indian units of the soap industry against the foreign unit are an imitation of this fashion. It is a pity that Mr. Tata, too, should have succumbed to it. It will not be surprising if one day his company also becomes a victim of the same charge which is being made against the foreign unit. To-day, as the second largest unit, the Tata Oil Mill Company itself would have been the target of this criticism had there been no foreign unit; or if the foreign unit had been a little smaller than itself.

Lest we should be misunderstood, we must make one point pretty clear at the very outset. And that is that we do not hold a brief for any foreign interest. If a reference to this subject is being made in these columns, it is because two issues of vital importance to the public are involved. One is the interest of consumers of soap and the other is investment of foreign capital which, it is widely acknowledged, the country badly needs for its speedy economic development. To take the latter first. India can get foreign capital only in two ways, through Government-to-Government deals or through private enterprise. In the existing circumstances, both in India and in countries from where this country can hope to receive foreign capital, investment in India by small, or medium-sized business units or individuals is most unlikely. For, in the first place, the risks are not small and, secondly, the scope for making profitable investments in their own countries is still large. Unless a world-wide depression of the nature witnessed in the 'thirties comes about, reducing such scope, these small investors are not likely to venture into the underdeveloped areas. Accordingly, the only source from which India can expect foreign private capital are the "great world-wide organisations" which can afford to take a risk and invest in countries like India, which offer a relatively lower margin of profit as compared with their domestic markets. They naturally have certain advantages which the indigenous investors do not have, the most important of them being efficiency, born of many years of experience, and technical research. It is precisely these advantages that enable them to venture into underdeveloped countries. In fact, this is not such an unfavourable feature as it may appear to some, because the country needs the assistance of these large concerns in order to achieve rapid economic progress at minimum cost.

Now, if leading industrialists in this country, who wield considerable influence over the Government, were to decry the "great world-wide organisations," as Mr. Tata did this week, it is obvious that the already slender possibilities of India getting foreign private capital will become slender still. And to that extent the chances of creating employment opportunities will diminish. Worse still would be the position in this respect, if the Government were to concede the demand of Indian soap manufacturers that a public enquiry should be conducted into all the aspects of their industry, including the working of the foreign unit. Such a development will upset the confidence of foreign investors who may be contemplating investment in this country. They may fear that they may at any time be made the victim of a false propaganda by a few indigenous manufacturers with whom they have to compete. Another possible result will be that the more efficient foreign manufacturers, who are already operating in this country, will become chary of passing on the benefits of their efficiency to consumers, for they may then be accused of unfair competition. The country may thus be a net loser. We advisedly use the expression "net loser," because, according to our knowledge of affairs of the soap industry and its prospects, an enquiry of the type demanded by Mr. Tata will not solve the problems of the section he seeks to represent, the causes of which lie far deeper than in the alleged unhealthy competition of the foreign-owned unit, provided such an enquiry is conducted in an impartial manner with the primary object of serving the genuine interests of consumers.

All along the charges against the foreign unit—foreign simply because the capital employed is not indigenous—have been vague. No precise description of the nature of competition offered by it has been given. In fairness to the foreign unit, Mr. Tata should have named it and stated clearly in what manner this unit was offering competition. As pointed out by us on a previous occasion, there are no signs of excessive competition. Nowhere are soaps being sold at rockbottom rates. On the contrary, even the cheapest soap is being sold at a rate which is not in consonance with the average consumer's ability to pay. There are no indications to infer that the market has been flooded with unsaleable stocks. Even in the city of Bombay, there have been occasions in recent months when one could not buy some of the well-known brands of laundry soap. There is certainly no boom in the soap industry; at the same time, there seems to be no depression either, for the production statistics do not reflect it.

The only crime (in the eyes of Indian soap manufacturers) that the foreign unit seems to have committed was that, some months ago, it reduced the prices of its popular brands by a few pies. It might have been able to do so, because of its superiority in technical skill and efficient marketing arrangement. The suggestion, implied in the demands of the indigenous sector, that it is indulging in unhealthy competition even at the risk of incurring losses sounds absurd, because a foreign investor does not come to this country to make a gift of his capital. It is stated that the foreign unit is deliberately undercutting the indigenous manufacturers with the object of eliminating them first and then dictating its own terms to consumers. In other words, it is suggested that the foreign unit will more than recoup its present losses later when it becomes the sole manufacturer of soaps. This line of argument is just fantastic; it might have held good in the nineteenth century, but it certainly does not in the latter half of the twentieth century when the State has a tight hold over the affairs of all industrial concerns, the Press is vigilant and the public highly vocal. The public should not let itself be fooled by such arguments. Indeed, it seems to us that, if the foreign unit, against which so much complaint is being made, is wise, it can capture the hearts of the public

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of this country by voluntarily inviting an impartial enquiry by a competent body, so that the real defects of the industry can be spotlighted. After all, it must be aware that the chief reasons why soaps, so essential for healthy and clean living, are so costly as to make them a luxury in this country are the high cost of raw materials, to which aspect Mr. Tata made a reference in his speech, and the predominance of sub-standard units in the industry, a point which Mr. Tata conveniently ignored. A ban on establishment of new units or on expansion or modernisation of an existing unit cannot make sub-standard units prosperous except at the expense of consumers. There is no getting away from the fact that, unless the sub-standard units are replaced by highly economic units which can stand economic crises and healthy competition, in both internal and external markets, it will not be possible to ensure a sustained progress of the industry and to make available to consumers good quality soap at progressively lower prices. The contention that there is no scope for raising the production of soap is fallacious, for the per capita consumption of soap in India is only 10 to 12 ounces, as against 6.1 lbs. in Malaya and 2.1 lbs. in Ceylon, both of which are as economically backward as India. Consumption of soap will certainly go up if it is produced cheaply and if effective propaganda is carried on. It is to this constructive task that the indigenous soap manufacturers must address themselves, instead of demanding restrictive measures which may at best prove to be no more than a palliative.

RESTRICTIVE BUSINESS PRACTICES

THE economic conscience of the free world has often felt outraged by the anti-social behaviour of cartels and monopolies, which utilise their enormous economic power not only to earn large and excessive profits for themselves but also to stifle the growth of both potential and actual rivals in their markets. The immediate reaction of the democratic world has been to condemn these restrictive practices in no uncertain terms, for the essence of democracy lies in giving maximum opportunities for the small, as well as the big, trade or industrialist, and to see that no one individual or group of individuals carries economic power so far as to banish all competition through unfair practices which will ultimately prevent the economic growth of the community as a whole. The democratic world's resentment of restrictive business practices is based on the ready acceptance of the principle that, in economics, as in politics, "fair play." "equal opportunity for all" should be the watchwords for regulating conduct and behaviour. From this point of view, the U.N.'s two reports, entitled *Restrictive Business Practices* (published by the Economic and Social Council), will be welcomed both for the flood of light which they throw on this important but much misunderstood subject and for the most constructive suggestions they make for curbing these practices.

The importance of the subject received its well-merited recognition when the U.N. Economic and Social Council appointed an *ad hoc* committee in 1951, consisting of Belgium, Canada, France, India, Mexico, Pakistan, Sweden, the U.K., the U.S. and Uruguay, to obtain information on restrictive business practices, whether based on cartel arrangements or not, on legislation adopted and measures taken by individual States in relation to these practices, and to evolve a draft agreement which will have as its object the prevention of these practices. The Committee elected as its Chairman Mr. Ingvar Svennilson (Sweden). It commenced work from January, 1952, and submitted its report in March, 1953. That so important a document, covering a wide and intricate field, should have been drafted within a period of one year is a matter that calls for both special mention and congratulation.

The Committee recognises that it is not possible to set forth, within even broad ranges of approximation, the prevalence of restrictive business practices in either national or international trade. There are obvious difficulties in estimating concentration of industrial power. It has, however, prepared a list of over 100 items in the production and sale of which excessive concentration has been alleged. Further, the Committee has made up for the absence of more accurate and specific information about these practices by its four case studies. These refer to electric lamps, titanium pigments, aluminium and non-ferrous metal industries. They reveal the marked extent to which monopolists could go in order to buttress their superior position and the great harm that unrestricted power of monopolies might cause to consumers, in general, and to ambitious entrants into their field, in particular. Whether the restrictive practices adopted by the particular monopolists dealt with in these studies did really lead to as great harm as one might expect, is a highly debatable point. The fact, however, remains that an unregulated monopoly is a danger to economic freedom.

The Havana Charter gives what might well be taken as a working definition of "restrictive business practices." The Charter defines such practices as those which tend to "restrain competition, limit access to markets or foster monopolistic control." Restraint of competition, the Committee points out, is the object of agreements between business enterprises which possess the effective control of production of, or trade in, the particular commodity in which they deal. These agreements may, and often do, take the form of allocation of territorial markets among the participating enterprises. Foreign territories, which are not exclusively allocated to a single enterprise, may be shared by the cartel members on a quota basis. Each contracting enterprise may agree to grant to the others exclusive right to exploit its patents in their respectiue territories. Again, trade marks may be used to serve as a cloak for unfair practices. Thus, members of a cartel may agree to use the same trade mark and to divide among themselves the countries in which each member shall have the exclusive right to own or use the mark.

Perhaps, the most persistent form of restrictive business practice is the agreement relating to fixation of prices and reduction in production or fixation of production quotas. There is, of course, nothing unusual in price fixation by a single industrial unit. But price restriction becomes unfair when it is adopted by international cartels to protect the reserved markets from invasion by competitors who may otherwise be in a position to break the price structure fixed by the monopolists. Since efforts made in pursuit of control of prices may be fruitless if the members are not able to control supply, such efforts are usually accompanied by allocating production quotas to participating countries.

Other restrictive practices include: (1) allocation of different fields of business activity among different enterprises, (2) discrimination against particular enterprise, (3) suppression of technological improvements. An example of the first kind is the agreement, in pre-war years, between I.G. Farben of Germany and Standard Oil of New Jersey of the U.S., whereby the former agreed not to enter the oil industry and the latter chose to remain outside the chemical field. The second type is resorted to when there is an inconvenient competitor who does not toe the line of the monopolists. Through judicious price-cutting and other means, he is made to agree or is just eliminated. Perhaps, the most anti-social practice is the suppression of technological improvements. The concerned enterprise will not exploit its own patents for fear that the new patent may reduce its profits, though it may be useful to the consumer, nor will it let other concerns exploit the patent.

Monopolists' ambitions have been checked in recent years by the Governments of most countries where cartels, combines and monopolies are known to operate to the detriment of consumers. The Committee has surveyed the legislation, undertaken in several countries, in order to protect consumers as well as smaller manufacturers from the giant combines. Sometimes, legislation is undertaken deliberately to foster these practices. All this legislation falls into four broad divisions: (1) legislation providing for supervision of restrictive practices, (2) legislation requiring the adoption of restrictive business practices, (3) legislation providing for the prevention and control of restrictive business practices and (4) emergency legislation. The first type of legislation, that is found in certain countries, notably, South Africa and Uruguay, is designed to collect information concerning restrictive business practices. In some countries it is incumbent upon enterprises, which adopt such practices, to register themselves with the Government. In some countries, notably the U.S. and Japan, the anti-trust laws, which are designed to check monopolistic combinations, are not applicable to export trade. The second type of legislation, namely, the active encouragement of restrictive practices, is the outcome of the depression years, namely, the thirties, when it was thought necessary, in the interest of stable prices and high profits, to promote restriction. Thus, legal attitudes, contrary to the spirit of the anti-trust laws, were developed. Emergency legislation, which fixes prices, and regulates production and exempts concerns from laws relating to restrictive business practices, were found necessary during times of war and economic crisis. They are still being continued, though the circumstances in which they were introduced do not obtain any longer.

By and large, many of the countries have legislation to prevent the growth of monopolies and the adoption of restrictive practices. In the U.S., and certain British Commonwealth countries, legislation has been enacted protecting the freedom of competition, prohibiting monopolies and restraints on trade, and providing for the investigation and punishment of violations. These laws, as the Committee remarks, are based on the assumption that monopoly will impair the flexibility in prices and production which is felt to be the characteristic of a competitive system, and will not be conducive to the most effective utilisation of productive plant, manpower and materials. Most laws, however, permit, either explicitly or implicitly, exemptions to be made in respect of export trade, primary commodities, labour relations and certain services, such as banking and insurance. Thus, the producers of primary commodities are expected to comply with the regulatory provisions of special legislation applicable to those commodities. In some countries, general legislation exempts State-owned services, such as radio, telephone and telegraph, from within its purview, while, in others, special exemption has to be obtained by the owners of shipping and other services before they adopt restrictive practices. The Austrian control law exempts even credit and banking institutions and insurance companies. Collective bargaining by labour is similarly exempted in all countries from legislation affecting the adoption of restrictive practices by manufacturers. In a few countries, there is an express statutory exemption for co-operative societies of producers and consumers.

Because all monopolistic organisations have international ramifications and their restrictive practices cut across national boundaries, it is clear that no national legislation, however comprehensive and stringent it may be, will effectively provide for free competition by checking the growth of monopolies. Such action, if it is to be effective, must be reinforced by international law. In his judgment on the case relating to the concentration of power in the aluminium industry, Chief Judge Knox of New York rightly held that, in view of the "monopolistic character of the aluminium industry in most producing countries and the national interests involved, some positive form of inter-Governmental action may be required in this field in the post-war period to avoid undue restriction of production by more efficient plants through understandings between dominant firms or efforts by individual States to protect high-cost manufacturers." His remarks about the aluminium industry apply with equal force to all industrial monopolies. In his report on international cartels, the Canadian Commissioner, under the Combines Investigation Act, for instance, has suggested that it is difficult for any single country to devise effective measures to deal with integrated industrial enterprises and that such measures should be taken both under national laws and by international collaboration.

The need for international action to prevent restrictive practices is, therefore, clear. Since by its terms of reference the Committee was asked to suggest methods for taking such action, it has drawn up draft articles of international agreement which may serve as a basis for concerted action. The draft agreement provides that the member-countries should take steps to prevent the adoption of restrictive practices and also co-operate with other members in fighting such practices as tend to restrain competition, limit access to markets, or foster monopolistic control. These practices are defined as fixation of prices, exclusion of enterprises, limitation of production, suppression of technology, misuse of rights under patents and trade marks and any other practice that may be declared as undesirable by two-thirds of the members. The draft agreement provides for initiating studies of restrictive practices, for investigation of complaints about the prevalence of such practices made by individual members and for prescribing such remedial action as may be necessary to counteract them. The draft agreement, it is to be hoped, will receive the widest possible measure of support from democratic countries, for the essence of democracy in the economic field is that no individual or organisation should be prevented from contributing to the economic well-being of the society through wanton discriminations against, and restrictions on, efficiency and enterprise.

SUGAR PRICES SHOOT UP AGAIN

FURTHER FREE TRADING IN BRITAIN—COMPANY LAW ADMINISTRATION

THURSDAY, 5 P.M.

MARKET GOSSIP

LACK of uniformity in trend was the only feature of trading on the Stock Exchange this week. In the steel section, for instance, while Tata Steel Deferreds and Tata Ordinaries gained quite a few points, Indian Irons were distinctly quiet. Similarly, in textiles, Bombay Dyeings were slightly higher in value, while the others were a shade lower. In the miscellaneous section, A.C.Cs. were on offer, but Belapurs and Wimcos met with some buying enquiry. The strength of Tata Steel shares, even in the face of reports that the Company's workers at Jamshedpur were demanding a higher bonus, was due to speculative buying and bear covering. As between the Deferreds and the Ordinaries, the rise in the latter has been more than that in the former, thereby widening the disparity between the two. This again was the result of substantial bear covering in the Ordinaries. On the basis of Rs. 337-4 for the Ordinaries—to-day's closing rate—the Deferreds should be quoting at Rs. 2,023-8, for the ratio fixed by the mediator and accepted by the Board of Directors of the Company is 6 Ordinaries per Deferred. But, as against this, the actual rate for Deferreds to-day was only Rs. 1,940. It will thus be seen that the Deferreds are underpriced *vis-a-vis* the Ordinaries to the extent of over Rs. 80. It may be argued that the Ordinaries are overpriced. But it does not appear to be so, considering that, even at the rate of Rs. 340 *cum*-dividend, these shares offer an attractive yield of 6.5 per cent., free of tax. There are no weighty reasons to feel that the proposed capital reconstruction scheme, under which a larger sum will be required to maintain the current level of dividend, will adversely affect the dividend prospects. On the contrary, the chances of the shareholders getting a better deal in the coming years are good.

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Those who are in the know of the working of cotton mills feel that the trend of textile shares does not correctly reflect it. They aver that the profits of leading mills in Bombay for the first half of the year are not so poor as to grumble about; in fact, they are fairly satisfactory. Shares of first class mills like Bombay Dyeings, Kohinoors, Centurys are considered to be quite cheap at the ruling rates. This, however, does not necessarily mean that the values will jump up automatically, for there are no investors in the market. What little activity there is at present is mostly of a speculative nature. And there can be no sustained improvement in equity values merely on the strength of speculative buying.

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Now that the States have completed their borrowing programme, the Bombay Municipality will shortly be allowed to enter the capital market. At one time, it was stated that this Municipality would require Rs. 4 crores. Later, this figure was lowered to a mere Rs. 75 lakhs, in view of the Central Government's proposal to advance large sums to it for completing its capital project. The latest reports are that the Municipality wants at least Rs. 1.5 crores. It remains to be seen whether the Reserve Bank will agree to this. The terms of the issue, however, appear to have been settled. The duration of the loan is said to be 10 years, the rate of interest 4 per cent, and the issue price Rs. 99-4. For a municipality, these terms are doubtless quite favourable to the borrower, considering that eight of the ten States Governments, which borrowed a fortnight ago, had to offer practically identical terms.

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Several other municipalities of Bombay State are also waiting to borrow. Ahmedabad alone wants Rs. 1 crore. Poona, it seems, requires half of that amount. Then, there are four or five other upcountry Local Bodies in the list, their aggregate requirements being Rs. 2 to Rs. 2.5 crores. All these municipalities may have to offer ¼ per cent. more than the yield on the proposed Bombay Municipality issue, besides carrying the guarantee of the State Government, if they are to attract the support of investors. Among industrial borrowers belonging to the private sector, who are in the queue, Dunlop Rubber is reported to be in the forefront. Its needs are placed at Rs. 2 crores. Market circles are of the opinion that, as its last debenture issue, carrying interest at 5 per cent., is at a premium of Re. 1-8, the Company should be able to borrow at par and at the same rate of interest. In that case, it will be able to borrow on more favourable terms than the Stanvac Refinery which offered 5¼ per cent. There is, however, one difference between the Stanvac debentures and those of Dunlops. Whereas the former issue does not automatically qualify itself for investment by insurance companies, the latter does. To invest in Stanvac debentures an insurance company must have a resolution unanimously passed by its full board of directors and get the formal consent of the Controller of Insurance within 15 days of making that investment. In the case of Dunlop debentures, there is no need for such special formalities to be gone through and the executive can straightaway decide to invest in them. It was because of this difficulty, perhaps, that the Stanvac Refineries decided to offer a special incentive of ¼ per cent. more than the ruling rate for first class debentures.

Among the commodity markets, cotton and oilseeds are rather quiet, with the latest rates being well below the highest levels registered earlier in the week. In fact, groundnuts are perceptibly weak, the rate at the time of writing being about Rs. 6 below the record high level of Rs. 54-8 registered a fortnight ago. Jute and jute manufactures are steady but not firm. The one outstanding exception appears to be sugar. This commodity has once again shot up to levels well above those that were obtaining before the Government decided on import of sugar and measures to rush supplies to all the principal markets. To-day, the rates are Rs. 102 per bag for bold grain and Rs. 93 for small grain, as against Rs. 94-96 and Rs. 90, respectively, a week ago. It may be noted here that, just immediately after Mr. Kidwai's announcement of the measures to bring down the prices, these two qualities of sugar were being quoted at Rs. 88 and Rs. 84, respectively, and further that the current rates are about Rs. 14 higher than the price considered as fair by the Government. These rates clearly show that the authorities have once again failed to keep down the prices of sugar at reasonable levels. This, however, is not surprising, because of the defects in the Government's policy explained by us on an earlier occasion, as well as by our sugar market correspondent. Even the greatly attenuated scheme for importing sugar is being worked in such a way that private importers are not in a position to submit tenders freely and compete effectively for the limited overall quota of 30,000 tons. Consequently, the possibility of imported sugar arriving in sizable quantities in the near future is remote. It is, however, reported, just as we go to Press, that a leading Calcutta firm has succeeded in getting its tenders accepted for the entire quantity of 30,000 tons at about Rs. 70 per bag ex-godown, Bombay. But this does not seem to have made any impression on the market, presumably because (a) the quantity is small, (b) it will take at least two months for this sugar to arrive, and (c) one does not know at what price the Government will release this sugar to consumers. If the report that it has paid for the first lot of 20,000 tons directly bought by it in London as high a price as £44 per ton, while the market price was £40 to £41 per ton, is correct, it may try to cover the loss by suitably raising the selling price of the second lot of 30,000 tons bought at a lower price through the trade channels, as mentioned above.

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The U.K. Government continues to implement its policy of relinquishing its hold on commodities in which it has held the monopoly for purchase and sale to consumers. This week, copper has returned to private trading, and thus joins the metals, lead and zinc, for which free markets had already been restored some months ago. Wheat has come into private hands, though activity in wheat trade is still somewhat restricted. Cotton may well be the next commodity to earn freedom, though one cannot be too optimistic about this raw material being returned to free trade. London's copper market re-opened on 5th inst., for the first time since the outbreak of the war. Initial quotations were around £200 per ton for forward delivery and £215 for spot. These rates, it is noteworthy, are much below the Continental price. In Germany, for instance, the metal commands £240-248 per ton. The future trend of prices will naturally enough be watched with interest. In the meanwhile, it is interesting to note that the Government has agreed to release, in an orderly manner, its own stocks of copper so that the market could function freely but without large fluctuations. This is necessary because it will be some time before the private importers can obtain copper stocks from abroad. It would appear that the Government will release stocks in sufficient quantities to fill the gap in supply between 5th August and the time when supplies of copper become available through normal trade channels. The release from the existing stocks—estimated at 240,000 tons—will be limited, in the first instance, to 60,000 tons.

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Although private imports of wheat were permitted as far back as in May, few traders have so far availed themselves of this freedom in any large measure. This is because they know that the U.K. Government was obliged to buy, under certain conditions, its wheat requirements under the International Wheat Agreement, of which it was a member till recently. The new Agreement, to which the U.K. is not a signatory, came into effect from 1st August. Now that the old Agreement has expired, private traders are busy negotiating with their foreign sources of wheat. Also, active preparations are being made to restore the grain futures market in Liverpool. It is believed that the market will start functioning in September. The market will, when reopened, initially deal in barley and maize. The Bank of England has already created the necessary facilities for U.K. residents to deal in foreign futures markets and for dealings by non-residents in U.K. futures markets. But the grain futures market, when it is restored, cannot possibly resemble, in entirety, the pre-war market, since the export of grain is not now permitted. Also, many grain exporting countries permit sales for "destination only," so that the imported grain may not be re-exported. All this will restrict the scope of the free market.

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So far as raw cotton is concerned, there seems to be no immediate prospect of the re-opening of the Liverpool cotton market. Mr. Peter Thorneycroft, President of the U.K. Board of Trade, stated in Parliament last week that the Government was opposed to the plea for permitting hedging facilities on the New York futures market since it would cost dollars. He also rejected, though not finally, the suggestion that the Liverpool futures market should be opened on the old pre-war basis. This would need full convertibility and a free market and Britain's recovery had not yet reached that stage. He revealed that he was, however, considering the report of the Hopkins Committee and that he was holding discussions with the members of the cotton trade. The Government policy, he said, was to find the best buying methods and, at the same time, to give traders cover against some of the risks inherent in the trade.

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A large part of the private sector of Indian economy is covered by joint-stock companies. Some idea of the importance of this sector will be gained when it is realised that there are 22,674 such companies, with a total paid-up capital of about Rs. 570 crores. These figures refer to the year 1947-48. Since then, the number of companies and total paid-up capital must have certainly gone up. There has been no adequate machinery to supervise the working of these companies, although it is certainly no part of the Government's functions to interfere in the working of these companies so long as they are well managed. It may be recalled that the Company Law Reform Committee, which submitted its report last year, suggested that there should be a central authority, to be known as the Corporate Investment and Administration Commission, which should have powers and duties arising from the accounts provisions of the Indian Companies Act. The Committee also suggested that this authority should keep the investment markets in the private sector under continuous observation and carry out functions relevant to capital issue control, regulation of stock exchanges and any other subject connected with the promotion and formation of joint-stock companies which the Central Government may delegate to it.

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It would now appear that the Government has finalised its arrangements for setting up such an authority and that the new body will begin working from September next. This body, which will function under the Ministry of Finance, will consist of a commission and four directors. The work relating to joint stock companies, now performed by the States, will be taken over by the Centre from September next. The set-up now contemplated will consist of four divisions. One division will deal with corporate finance, including the control of capital issue, and another with the administration of companies, including inspection and investigation of their affairs. The third division will be in charge of research, including analysis of balance-sheet and profit and loss account. And the fourth will deal with questions of personnel. A fifth division which, it is stated, will be added after the Stock Exchange Regulation Bill is passed, will deal with the working of stock exchanges.

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An interesting case in income-tax law has been decided in the U.K., where the Government of India preferred a claim for the recovery of outstanding income-tax (about Rs. 16 lakhs) against the Delhi Electric Supply and Traction Co., Ltd. (incorporated in England), now in voluntary liquidation. The case was heard by Mr. Justice Vaisey in the Chancery Division, who held that the Government of India could not enforce its claim for tax against the Company. The Company was incorporated in 1906, with its registered office in England, to carry on electric supply and tramway undertakings in Delhi. These services were operated under licence from the Government of India, one of the terms of the licence being that the Indian Government should have an option to purchase the undertakings. In March, 1947, the Government exercised the option and purchased the undertakings for Rs. 82.12 lakhs. In 1949, the Company went into voluntary liquidation and joint liquidators were appointed. In 1951, the Indian revenue authorities asked the liquidators to hold up the liquidation in order to enable them to formulate their claim. Thereafter, they notified the liquidators that a sum of about Rs. 16 lakhs was due for tax. The liquidators rejected the Indian Government's claim on the ground that, since the Company had no longer any assets in India, the claim was unenforceable against its assets in England. Upon their rejection, the Government asked the Court to reverse the liquidators' decision, so as to enable it to collect the tax. When the case came up before Mr. Justice Vaisey of the Chancery Division, counsel for the liquidators quoted a 200-year-old law on the subject, which stated that "no action lies in England to recover penalties imposed by law of foreign revenue law."

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Giving judgment, Mr. Justice Vaisey said the liquidators justified their rejection of the proof on the ground that no action could be taken in England to enforce the payment of Indian Government tax. He thought that was correct. His lordship, however, admitted that there was a certain measure of hardship in the present case, because he thought the Indian Government might have retained part of the purchase money of the Company's undertakings in order to meet the tax. Also, the fortunes of the Company had been built up in India, and it seemed regrettable that now English law compelled the liquidators of the Company to disregard local tax claims. His lordship added: "It may well be, that it will be thought an appropriate case in which to seek a review by a higher tribunal." Thus, the Government of India has lost its claim against the Company in liquidation. It is, however, not clear why the question of tax was not considered by the Government when it paid out its purchase money to the Company's management.

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Last week, the shares of companies under the management of Messrs. Kettlewell Bullen & Co., Ltd., the well-known managing agency house of Calcutta, experienced a sharp increase in value.

(Continued on next page)

EQUITIES RULE QUIETLY STEADY

BOMBAY DYEINGS WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, *6th August*

THE Stock Exchange ruled quietly steady during the week under review and the moderately cheerful tone noted towards the close of the previous week could not be sustained as selling pressure, touched off by a few adverse factors, intervened to affect sentiment. Equity values were pruned over a wide front. Advices from Calcutta were none too helpful as operators at that centre were concerned over the continued labour trouble at Burnpur. No doubt, the higher production figures of Tata Steel for July were helpful in sustaining interest in Tata Steel shares in the earlier part of the week, but the persistent heavy unloading in Indian Irons by Calcutta operators and the unimpressive performance of textile shares acted as a heavy drag on the sentiment of the operators.

In the steel section, Tata Deferreds opened at Rs. 1,935 and steadily advanced to Rs. 1,952-8 on reports of a shortage of scrips and higher production at Jamshedpur during July. The Company's output of steel in July amounted to 64,800 tons, as against 59,000 tons in the previous month and is the highest for the Company's current financial year so far. The heavy unloading in Indian Irons brought a recession in Tata Deferreds, wiping off a considerable part of the earlier gain and the shares wound up the week at Rs. 1,940. Tata Ordinaries, however, displayed a very steady tone with fair gains over the week on good demand. Opening at Rs. 334, the shares moved up to Rs. 338-12 before declining to Rs. 337-4. For reasons already stated, Indian Irons were concerned in a wave of selling and they dropped from the opening level of Rs. 23-15 to Rs. 23-3 at the close. In the kerb yesterday the scrips had touched a low of Rs. 23-0½.

Bombay Dyeings provided a feature, in the textile section, with a smart rise on rumours about the possibility of a higher interim dividend. A section of the market expects that the interim dividend will be stepped up from Rs. 7-8 paid last year to Rs. 10 per share. But another section is of the opinion that the interim distribution will not be raised. Be that as it may, the shares, after a mild reaction from Rs. 383-2 to Rs. 381-14 on the opening day, rose smartly to as high as Rs. 391-4 to-day, before closing at Rs. 388-12. Kohinoors lagged behind on predominance of sellers due to reports of sluggishness in cloth markets and reduction in selling prices of the Company's cloth. After an early rise from Rs. 305-8 to Rs. 306-4, the shares declined lower to Rs. 302-12. Central Indias reacted from Rs. 162-8 to Rs. 158, Finlays stood Rs. 2 lower at Rs. 323 and Gokaks Re. 1-8 down at Rs. 226. Indu Ordinaries invited sellers on the Directors' decision to pass over the dividend for the year ended 31st December, 1952, and reports of a heavy loss incurred by the Company for that year. New Citys were quiet at Rs. 150-10 and New Greats at Rs. 150. Sholapurs declined by Rs. 50 to Rs. 1,600 and Simplex dropped Re. 1-8 to Rs. 170. Standards moved down by Rs. 3-12 to Rs. 315 and Svadeshis by Rs. 4-4 to Rs. 253-8. Centurys were steady around Rs. 275-8. The Company has maintained the interim dividend for the year ended 31st December, 1953, at Rs. 3 per share of Rs. 100. Swans advanced by Rs. 2-8 to Rs. 455. Ahmedabad Advances gained Rs. 5 to Rs. 146-4. Mysore Spinnings rose by Re. 1-4 to Rs. 126-4. The Company has declared a final dividend of Rs. 3 and a bonus of Rs. 4 per share of Rs. 50 for the year ended 28th February, 1953. This final distribution together with the interim of Rs 3 paid in February, 1953, makes a total of Rs. 10 per share for the year or 20 per cent. per annum. For the previous year, the Company had made an interim distribution of Rs. 4 per share (made up of a dividend of Rs. 3 and a bonus of Re. 1) and a final one of Rs. 6 per share (made up of a dividend of Rs. 3 and a bonus of Rs. 3). Bradburys were in the limelight in the cash section with a smart advance of Rs. 73-12 over the week to Rs. 837-8. The Company has maintained the dividend for the year ended 31st March, 1953, at Rs. 100 per share of Rs. 250, contrary to expectations of a lower dividend. Further, the Directors have decided to split each of the ordinary shares of Rs. 250 each into five shares of Rs. 50 each and each preference share of Rs. 250 into five shares of Rs. 50 each.

Barring a small rise in Ahmedabad Electrics, following the announcement of a higher interim dividend of Rs. 2-8 for the current year, as against Re. 1-8 for the previous year, electric shares showed a mild reactionary trend. Ahmedabad Electrics gained As. 5 to Rs. 111-9. Bombay Suburbans lost Re. 1-14 to Rs. 126-4 and Surats As. 10 to Rs. 124-6. Andhra Valleys shed Rs. 7-8 to Rs. 1,452-8. Tata Hydros Re. 1 to Rs. 153-8 and Tata Powers Rs. 10 to Rs. 1,535.

In the miscellaneous section, a decline of Rs. 3 to Rs. 168-12 in Associated Cements were a feature. The shares experienced some selling pressure on fears of a lower selling price being fixed by the Government for the Company's cement. There were some switching over operations to Tata Ordinaries also. Belapurs were steady at Rs. 235, Bombay-Burmahs at Rs. 358-12 ex-div. (dividend Rs. 5), and B.I.Cs. at Rs. 8-5. Killick Industries added a rupee to stand at Rs. 151-8. On reports that the shares will be placed on the forward list, National Rayons were supported and gained Rs. 2-4 to Rs. 110-12. Although the Company has not commenced payment of dividend on its ordinary capital, which is a condition for a company's shares being placed on the forward list, it is stated that there is a precedent, in that Tata Chemicals are on the forward list. Tata Chemicals declined by As. 2 to Rs. 9 and Tata Oils by Re. 1-8 to Rs. 30-12. There were good enquiries for Wimcos, which gained, as a result, Rs. 5 to Rs. 225, presumably on expectations of a bonus issue.

Among transport shares, Scindias reacted from Rs. 13-11 to Rs. 13-9½ and C.P. Railways from Rs. 96-12 to Rs. 96-8. Bharat Lines had sellers at Rs. 83.

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Calcutta Stock Exchange

CALCUTTA, *4th August*

Conditions on the Calcutta Stock Exchange were slightly better during the week. Selected counters in the different sections made impressive gains, and the volume of transactions also enlarged this week. Encouragement was derived from higher Bombay advices, and the steadiness in the prices of jute goods raised the confidence of operators in jute shares. The big news of the week was the sale of the Kettlewell Bullen group of companies to Messrs. Mugneeram Bangur & Co. The market received this news with evident satisfaction, and shares of textile and jute mills under this managing agency changed hands at hardening rates. A slightly better tone prevailed earlier in Indian Irons following the possibility of the 'slow-down' being withdrawn by the workers at Burnpur. However, yesterday and to-day an easier tendency was noted and the closing to-day at Rs. 23-10 was the lowest for the week. Coals continued to lack enthusiasm, but selected miscellaneous industrials put up an improved appearance. The possibility of India securing a market for textiles in Korea is discussed, and this factor together with the interest displayed in the shares of the two cotton mills owned by Kettlewell Bullen contributed to an increase in the business volume among textile shares.

Section-wise, although Indian Irons showed an early improvement from Rs. 23-13 to Rs. 23-15, profit-taking not only neutralised the gain but made the rate go down to Rs. 23-10. Latest news from Burnpur is still confusing, and operators do not desire to enter into commitments merely on a reported possibility of the Works returning to normal production. The management of I.I.S.C.O. has stated that the Action Committee's offer to raise production from the present level of 20 per cent. to 35 per cent., only in certain sections, is "conditional on a number of points, the majority of which had nothing to do with the Company." Among other engineering shares, Indian Standard Wagons were quiet at Rs. 88-8, while in cross transactions Sarans were better at Rs. 9-14. Kumardhubis changed hands at Rs. 7-2 and Texmacos at Rs. 5-11.

In the textile section, for reasons already stated, shares of Bowreah Cotton Mills and Dunbar Mills of the Kettlewell Bullen group were two distinct features. Bowreahs improved to as high a rate as Rs. 3-12 from a previous quotation of Rs. 261, while Dunbars, after advancing from Rs. 185 to Rs. 202, shaded to Rs. 198 on profit-taking. Kesorams were fractionally better at Rs. 18-12. Muir Mills came to business to-day at Rs. 215. Elgin Mills were sought at Rs. 16-13.

The continued dullness in the export market made coals lose further ground, Burrakurs moving down from Rs. 9-11 to Rs. 9-1. At Rs. 514, Bengals lost 11 points, and Karanpura Collieries slipped from Rs. 94-8 to Rs. 84. Interest was shown in Pench Valley at Rs. 20-5, New Beerbhoums at Rs. 19-4 and Standards at Rs. 20-13, all the three counters showing an improvement of 1 anna to As. 2 each. North Damudas came to business at Rs. 3-10, as against Rs. 3-6 previously.

Moderate business was put through in the jute section, and there were some interesting features. Fort Glosters of Kettlewell Bullen were very prominent and improved impressively from Rs. 372 to Rs. 475 early in the week, and after receding to Rs. 419 on Monday on fresh offerings, recovered to Rs. 427. Gourepores were steady at Rs. 285, with Dalhousies coming to business at Rs. 143 ex-div. Another feature was Deltas which were raised from Rs. 234 to Rs. 237. Indias eased from Rs. 130 to Rs. 129-8 and Champadanies were quiet at Rs. 150.

In the miscellaneous section, F. & C. Oslers were again in the forefront, and attracted buyers at rates up to Rs. 7-6, but later profit-taking reduced the gain to Rs. 6-15. Indian National Airways were in constant demand and rose from Rs. 3-7 to Rs. 4-8. Ganges Ropes were steady at Rs. 203. Indian Cables found buyers at the fractionally improved rate of Rs. 18-13, but later on shaded to Rs. 18-10. India Steamships were better at Rs. 6-12, but Rallis were quiet at Rs. 71-8. On interested buying, Carew Sugars were higher at Rs. 7-4. Calcutta Electrics were wanted at Rs. 13-10 and Titaghur Papers at Rs. 36-4.

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Madras Stock Exchange

MADRAS, *4th August*

Apart from the textile counters which ruled firm, the rest of the counters in the Madras Stock Exchange experienced dull trading conditions. Advices from Bombay were not encouraging. The firmness in textiles was due to sizable export enquiries, as also to considerable enquiry for cloth in the various consuming centres in Madras. Plantings, however, ruled dull. Weak London advices damped the enthusiasm of operators in the tea section. Rubbers were quiet in the absence of any favourable development. Miscellaneous scrips were no exception to the general trend. Thus, while textiles recorded substantial gains, others disclosed no notable changes.

MARKET GOSSIP

(Concluded from previous page)

This was attributed to reports that the managing agency firm had changed hands. These reports have now been confirmed. It is said that the managing agency firm has been bought by Messrs. Mugneeram Bangur & Co. The terms of the sale, however, are yet to be finalised and the transfer to be sanctioned by the Government of India.

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Messrs. Kettlewell Bullen & Co., Ltd., was registered as a private company in 1923 and converted into a public company in September, 1946. Its paid-up capital is Rs. 70 lakhs, made up of Rs. 40 lakhs in 40,000 ordinary shares of Rs. 100 each, Rs. 20 lakhs in 20,000 5½ per cent. (taxable) cumulative first preference shares of Rs. 100 each and Rs. 10 lakhs in 10,000 4 per cent. (tax-free) cumulative second preference shares of Rs. 100 each. The ordinary shares were all privately held by the Directors and their friends and have now been sold to Messrs. Mugneeram Bangur & Co.

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There is, perhaps, a no more disconcerting feature of the present law on industrial relations than the fact that, while employers could be punished for violating the law, there is no effective means to check similar violations by the employees. In 1950, the Bombay textile industry witnessed a two-month-old textile strike—a wholly ineffectual affair it was—which was "illegal" in every sense of that word under the terms of the law on industrial relations. There was considerable loss of production, loss of wages and allowances for workers, and of profits for that neglected community, the shareholders. It looks as though a similar occurence will mar the city's industrial life to-morrow, when a few labour unions are determined to launch a strike in textile mills in "sympathy" with three workers of the Khatau Mills, who are on hunger strike. The hunger strike is a sequel to the introduction by the management of the four-loom system in that mill, and against rationalisation in general. The management has, on its part, complied with the provisions of the law by notifying the change in working conditions. Further, the representative Union (Rashtriya Mill Mazdoor Sangh) had agreed to abide by the decision of two persons, one nominated by the employer and the other by the Union. And these two persons have held that conditions in the mill are satisfactory and that the four-loom system might be permitted. The introduction of the system will, of course, render some workers superfluous, but the management has agreed to start a third shift in which the displaced workers could be employed.

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It is, therefore, surprising that the three workers should have resorted to hunger strike. But what is still more surprising is that the workers in all textile mills should want to stage a one-day strike. Hunger strike is a bad enough weapon for winning labour demands. It is worse when it is used to support unreasonable demands. That such a strike should impel all workers in the industry to go on a general strike is not only illegal, but positively mischievous, especially when one remembers that a day's strike will mean a loss of 4 to 5 million yards of cloth and Rs. 7 lakhs in wages. Mr. Shantilal Shah, Minister for Labour, Bombay Government, has rightly urged the workers not to resort to such "misguided action."

Notice

THE INDIA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Ordinary General Meeting of the Shareholders of THE INDIA UNITED MILLS, LIMITED, will be held at the Registered Office of the Company at Indu House, Dougall Road, Ballard Estate, Bombay, on Friday, the 18th September, 1953, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statements of Accounts upto 31st December, 1952.

(2) To confirm the payment of Rs. 72,551 made by the Company in the year 1951 and to sanction further payments for the years 1952 and 1953 to the Bombay Hospital Trust as mentioned in the Directors' Report.

(3) To elect two Directors in place of those who retire by rotation but are eligible for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Books of the Company will be closed from Thursday the 27th August, 1953, to Friday the 18th September, 1953, both days inclusive.

By Order of the Board,
AGARWAL & CO.,
Agents.

BOMBAY, *27th July*, 1953.

To,

THE SHAREHOLDERS OF THE INDIA UNITED MILLS, LIMITED.

NEWS IN BRIEF

OUT of the total production of 3,169 million coconuts in India in 1951-52, the States of Madras and Travancore-Cochin accounted for 2,802 million.

During the period January to April, 1953, internal air operating companies carried 157,250 passengers, 28,071,900 lbs. of freight and 2,938,587 lbs. of mails.

The Government of Assam has earmarked Rs. 4 crores for the construction of bunds in the various districts of the State with a view to arresting depredations by floods.

The total amount realised during 1952-53 from rentals charged by Government for films distributed by the Films Division was Rs. 31,18,300 and that realised from foreign companies was Rs. 7,952.

During the first six months of the operation of the Community Programme in 81 development blocks all over India, nearly 11,500 acres of waste land were reclaimed and work on another 5,700 acres was in progress.

The Madhya Bharat Government has decided to prepare a master plan for the construction of houses for the lower income group, besides the industrial housing scheme. The plan covers all district headquarters and towns with a population of 15,000 or more.

A proposal for integrating the collection of land revenue, *taccavi* irrigation and canal dues is under the consideration of the U.P. Government. In the meantime, district collection officers have been appointed under the Collectors for the collection work. No special powers, however, have been given to these officers.

Following the reduction in the pool price of overseas wheat charged to the State by the Government of India, the Bombay Government has reduced, with effect from the 2nd inst., the retail sale price of overseas wheat from Rs. 20-6-8 to Rs. 19-9-4 per maund in the rationed area. The reduced price in the rest of the State will come into effect from such convenient date as will be fixed by the Collector concerned.

A conference of the representatives of the Governments of Bihar and West Bengal has been convened by the Government of India early next month to consider the report of the Committee on the working of the Damodar Valley Corporation. This Committee, as already reported, has recommended the system of autonomous corporation as the best organisation for executing the multi-purpose project.

India will be represented at the International Congress of Industrial Aesthetics to be held in Paris from 15th and 16th September, 1953. Organised by the Paris Institute of Industrial Aesthetics, this Congress will bring together industrialists, industrial designers, engineers, architects, Government representatives, etc., for a review of developments in industrial design in different parts of the world. Mr. R. K. Sirkar, who has been nominated by the Indian Institute of Art in Industry to represent India, will read a paper before the Congress on the graphic arts of India.

The Bombay Port Trust has given a contract for building a pipeline system connecting two oil refineries now under construction at Trombay, with an offshore marine terminal, to Merrit-Chapman and Scott Corporation, U.S.A. The project, involving construction of more than 15 miles of pipeline to provide a network of seven lines between the piers and the refiners, will be built by the Indian subsidiary of Merrit-Chapman and Scott Corporation in association with the Hindustan Construction Co., Ltd., Bombay. The lines will be used to pump crude oil from tankers to refinery, to return the finished product to shipside, and to supply the tankers with water.

The Government of India has worked out a scheme for providing facilities for training scientific workers, employed in laboratories maintained by trade or private manufacturers, in Government research institutions, with a view to achieving co-ordination and uniformity of standards. The institutions where training will be given are Central Research Institute, Kasauli, Central Drugs Laboratory, Calcutta, Haffkine Institute, Bombay, King Institute, Guindy, Institute of Science, Bombay, and Veterinary Research Institute, Mukteswar. Candidates for training will be selected by a Board. A consolidated fee of Rs. 1,200 per annum, payable in advance, will be charged to each candidate.

The Government of India proposes to revise the system of export licensing for iron ore and manganese ore in the light of the availability of transport and other relevant considerations. It has called upon the shippers of these ores to furnish to the export trade control authorities at the ports full particulars of all shipments made by them during the period January, 1950 to June, 1953. The shippers have also been asked to declare their outstanding commitments and to complete exports against these commitments upto the middle of October, 1953, when the revised procedure for export of these ores is likely to be introduced. The intending exporters have been warned not to enter into fresh commitments which cannot be completed before 15th October, 1953.

The Income-tax (Amendment) Act, 1953, has introduced a new sub-section (2A) to section 22, which enables persons, who have sustained losses under the head "business, profession, or vocation" and who wish to carry forward on to the succeeding year or years, a part or whole of such losses, to submit returns in the usual form declaring such losses. On receipt of such returns, the Income-tax Officer will take the usual steps to make an assessment and determine the loss to be carried forward. The filing of voluntary returns showing losses had not hitherto been provided for in the Income-tax Act. The new sub-section removes the lacuna. The returns showing the loss should be filed within the usual period allowed for the filing of voluntary returns by those who have taxable income. This period may, in suitable cases, be extended by the Income-tax Officer. As the time for the filing of voluntary returns for 1952-53 and earlier years had already passed when the Income-tax (Amendment) Act, 1953, was enacted and as very little time was left after the enactment for the filing of voluntary returns for 1953-54 also, it has been decided, as a matter of concession, to receive voluntary returns showing losses for 1953-54 and earlier assessment years, till 31st December, 1953.

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From Abroad

The Swedish Government has imposed an anti-dumping duty on nylon stockings from the U.K.

Gold production in Canada in May, 1953, was 368,592 ozs., as compared with 365,982 ozs. in the same month last year. The production for the first five months was 1,843,113 ozs., as compared with 1,800,958 ozs. during the corresponding period in 1952.

Indonesia proposes to enlarge its mercantile marine by purchasing several vessels with capacity of over 2,000 tons each. The foreign missions in Sweden, Norway, Denmark, France, Italy and Japan have accordingly been asked to make enquiries and accept tenders for their construction.

The large Netherlands companies, namely, the Deli Company, the Deli-Batavia Company and the Deli-Batavia Rubber Company, with substantial interests in tobacco, rubber and palm oil, in the East Coast of Sumatra (Indonesia) as well as in the U.S., have decided to merge themselves into one company.

The crude oil production in the Middle East during the first half of this year was a record for any six-month period. Thus, the total production was 59.0 million metric tons, as against 50.5 million metric tons during the corresponding period of 1952 and 54.5 million during June-December, 1952.

The new International Wheat Agreement came into effect on the 1st inst. The Agreement provides for the distribution of wheat among 41 importing countries. The wheat will be exported by the U.S., Canada, Australia and France with minimum and maximum prices. The new maximum price is 205 cents per bushel of wheat.

A £200,000 contract to build for the Gold Coast Government 51 miles of railway line, which will pass through dense forests and swamps, has been awarded to a British firm. The new line, a single track connecting the existing mainline stations of Achiasi and Kotoku, will shorten the journey between Accra, the Gold Coast capital, and Takoradi, the main port, by cutting out the loop line through Ashanti.

The United States had the largest ocean-going tanker fleet in the world on 1st July, 1953, with 445 vessels accounting for 6,898,174 tons deadweight. This fleet is larger by 61 vessels and 2,600,000 deadweight tons than that in 1939. The most remarkable change in the U.S. tanker employment was that 546,000 tons were engaged in trading between foreign ports, as compared with none before the war.

The United States Government has turned down an urgent request from the Government of Israel for a $75 million loan. The latter Government wanted the loan to pay off numerous small and short-term outstanding obligations and to convert it into a long-term U.S. debt. The State Department, the Treasury, the Mutual Security Administration and the Export-Import Bank are all reported to have ruled that no American Government agency had authority to lend loans for such a purpose.

The latest figures relating to steel production in the U.K. show that output in June last reached the highest figure ever recorded for the month. The production was at an annual rate of 17.55 million tons, as compared with 16.25 million tons in June, 1952, which was the previous peak rate for the month. The comparative weekly averages were 337,000 tons in June this year, and 312,500 tons in June, 1952. The U.K. steel output in the first six months of this year aggregated 9.03 million ingot tons, as against 8.02 million ingot tons in the first half of last year. Pig-iron output also shows a steep rise, as compared with last year.

The Japanese industry is turning increasingly to heavy oil instead of coal in a move for greater efficiency in the utilisation of fuel. The current year's oil consumption is estimated at approximately 4.5 million kilolitres, as compared with 3.3 million kilolitres in 1952. This will be equivalent to the amount of oil consumed by the Imperial Japanese Navy in war-time. By the end of the year, the textile and pulp industries will each have replaced 27 per cent. of their coal consumption with oil, the iron and steel industry and food stuffs 18 per cent. each, ceramics 14 per cent., electric industry 8 per cent., chemical industry 5 per cent. and gas industry 4 per cent. To meet this mounting and continuing demand, Japan must import a total of 2.2 million kilolitres of heavy oil this year.

PERSONAL

MR. Ghazanfar Ali Khan, Pakistan's High Commissioner-designate for India, arrived in New Delhi on Tuesday last.

Mr. Madan Mohan R. Ruia, President of the Cotton Buyers' Association, Bombay, has returned after an extensive tour of the Continent.

Mr. J. J. Anjaria, Chief, Economic Division, Planning Commission, has been appointed Economic Adviser to the Central Ministries of Finance and Planning.

Sir Paul Benthall, K.B.E., a Director of Bird & Co. (London) Ltd., has been elected a member of the Court of Directors of the Chartered Bank of India, Australia and China.

Mr. Sydney Holland, Prime Minister of New Zealand, who was in India on a short visit on his way back home from London, left Calcutta for New Zealand on Wednesday last.

Mr. H. L. Jerath, until recently Senior Deputy Director-General of the Indian Posts and Telegraphs, has assumed charge as Director-General, vice Mr. Krishna Prasad who has retired.

Mr. D. F. Kerr, Acting Director, British Information Services, India, has been appointed Deputy Director of the United Kingdom Information Office in Canada. Mr. R. McC. Samples, D.S.O., at present Editor-in-Chief in New Delhi, will succeed Mr. Kerr as the Deputy Director.

Dr. S. Chandrasekhar, Professor of Economics, Baroda University, has been appointed Nuffield Foundation Fellow in Social Sciences at Oxford University for one year. Dr. Chandrasekhar will work on some problems in Indian demographs. He is also expected to work for a term in the London School of Economics and Political Science.

Mr. K. V. P. Rao, and Sardar Sucha Singh Anand, Managers, Southern and Northern Divisions of the Firestone Tyre and Rubber Company of India Ltd., respectively, returned from the U.S. after a survey of the latest developments in Firestone products, merchandising, sales and engineering service.

Dr. R. Maclagan Gorrie, a British forestry expert, will be arriving in India early in September next to advise the Damodar Valley Corporation on conservation of forests in the Valley, and proper exploitation and to suggest measures for soil and water conservation in connection with the construction of the dam. The services of Dr. Gorrie are being provided by the British Government under the Technical Co-operation Scheme of the Colombo Plan.

"COMMERCE" 1928

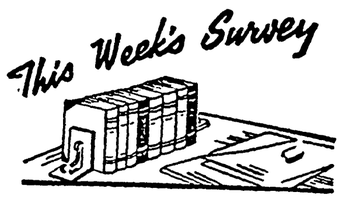
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *11th August*

International Commercial Policy

The Economic Committee of the League of Nations on Commercial Policy, which held its session towards the end of June last, has submitted a report which constitutes a general statement of its doctrine as regards commercial policy, a doctrine which has been drawn up in accordance with the conclusions of the International Economic Conference of May, 1927. This statement is in three parts, the first dealing with tariff systems and treaty-making methods, the second with the most-favoured-nation treatment and the third concerning collective action with a view to tariff reduction. In the first part, the Committee unanimously recognises that no new tariffs should be instituted nor existing tariffs reorganised without taking account of the effect which the rates or methods of application of these tariffs may have on international trade. However, the various States may desire to adopt independently their tariffs to their financial or economic requirements. The Committee considers that they should, nevertheless, not establish them without considering what obstacles they may constitute for international trade. But whereas certain of the members considered that the procedure for this purpose should be that of negotiations with a view to an exchange of tariff guarantees, others maintained that tariff treaties were incompatible with theory and practice of certain States which claimed the right to make their laws as they wished in this respect, subject to the condition that these laws should be applied without discrimination prejudicial to the interests of any country. In the second part, the report states that the different ideas as regards the tariffs and treaty-making methods seem, in general, bound up with varying ideas of most-favoured-nation treatment. The third part of the report draws attention to the fact that the resolutions of the Economic Conference laid stress upon the necessity of bringing about a reduction of tariff, not only by bilateral agreemtnts but also by the collective action of States.

Various systems were contemplated for the gradual reduction of all tariffs by a definite percentage. During the discussion, it nevertheless became clear that the time was not yet ripe for a general reduction of tariffs and the committee felt that it would be preferable first to study specific cases and to test the value of the methods and systems put forward.



TAXES ON PLANTATION CROPS

THE Taxation Enquiry Commission's questionnaire, recently issued seeks the widest possible range of information regarding the incidence of taxation of all types on different industries and groups and individuals in India. Among the six sections dealt with in the questionnaire, those relating to direct taxes, commodity taxes, agricultural income-tax and local taxation are of particular interest and value to the plantation industries, and tea and coffee industries, in particular. Included in Part II are questions which have provoked much controversy in recent times, such as the abolition of the distinction between agricultural and non-agricultural incomes for income-tax purposes, and the means of avoiding the contingency of the same income being taxed by the Central Government as well as State Governments, namely, dividends from agricultural companies.

The question of abolition of the distinction between agricultural and non-agricultural income appears to have a special significance. Ever since the Central Board of Revenue issued its famous Circular 35-D regarding assessment of dividends from agricultural companies in the hands of shareholders, there has been a feeling that the tax experts of the Central Government are trying to discover a new source of revenue by tapping agricultural income. In support of this statement, we would say that Income-tax officials in some parts of Madras are reported to have just issued notices to certain coffee-growing companies expressing the opinion that a portion of the profits derived from coffee estates should be considered as having accrued from the manufacturing process before sale, and should, therefore, be treated as business income which attracts income-tax. The analogy here is no doubt drawn from the income of tea estates, 40 per cent. of which is considered as industrial income liable to income-tax. But what the tax officials in Madras have clearly overlooked is that, in the case of coffee, there is really nothing that can even remotely be considered as a manufacturing process. There are, of course, certain processes, such as pulping or curing, but they are processes which make the crop deliverable to the market. It is incredible that they should be regarded as manufacturing processes. The attempt to tax is, however, a serious step and is full of dangerous consequences. Whether the attempt has originated from Delhi or from the local officials, it is a move that needs careful watching. At any rate, the tax officials should be asked to withdraw their notice until such time as the Taxation Enquiry Commission has completed its work.

PLEA FOR LOWER TAXES

There is no exaggeration whatever in the statement of Mr. Karam Chand Thapar, President of the Indian Chamber of Commerce, Calcutta, made in the course of his address at the first quarterly general meeting of the Chamber, held in Calcutta last week-end, that the high rate of taxation in India has considerably diminished the savings of the investing classes, which form the main source of capital formation. This is not the only disquieting feature of our tax structure; there are several others too. For instance, the taxes in India, unlike those in the highly advanced counties like the U.S. and the U.K., do not, as Mr. Karam Chand Thapar pointed out, extend the benefits of the various generous allowances to the individual taxpayer which lighten his burden appreciably. What is worse, the incidence of taxation in India is borne, in the main, by a very small proportion of the population. In India, a mere 0.25 per cent. of the total population pays income-tax, while the remaining 99.75 per cent. does not pay any income-tax at all, and 0.0013 per cent. of the total population accounts for nearly 63.5 per cent. of the total gross demand. In the U.S. on the other hand, about 37 per cent. of the population pays income-tax, and in the U.K., the percentage is 44, in Australia 34 and in Canada 20.

It is thus evident that the spread of taxes among people in India is very narrow. Moreover, the levy of taxes is based more on revenue considerations than on considerations of savings. To quote the words of Mr. Thapar: "The heavy rate of taxation that the taxpayer in India has to bear, if continued to be imposed on mere revenue considerations without regard to the deleterious effects it is having on the rate of capital formation, is bound to retard further expansion of our industries." Indeed, as he rightly warned, if all the savings are siphoned off to the public sector in the shape of taxes, the private sector of industry will languish for want of funds. It is to be hoped that the Taxation Enquiry Commission will recommend positive measures designed to encourage savings and capital formation.

Another difficulty that industries have been experiencing, and to which Mr. Thapar drew particular attention, is the inadequacy of railway transport. Thus, the total number of wagons loaded on broad- and metre-gauge class I railways during the first five months of this year was 4,897,000 which compares unfavourably with 4,912,000 in the corresponding period last year. The capacity of rail transport falls far short of the traffic offered. The gap is bound to widen further, as, with the rising *tempo* of economic activity following the implementation of the Five-year Plan, the demand for railway transport increases. Appropriately enough, Mr. Thapar remarked that the carrying capacity of railways must be expanded to cope with not only all the traffic that was now being offered but what might be expected to be offered at the end of the five-year period. He also urged the Planning Commission to re-examine the entire question of railway transport, with a view to readjusting allocation of financial resources in order that railways got larger funds for their development. Considering the series of complaints of transport difficulties made by practically the entire industrial and commercial community, Mr. Thapar's plea for a probe into rail transport deserves to be examined by an expert body.

MR. LAXMANRAO KIRLOSKAR

When Sir George Schuster toured the country last year, he invariably emphasised that India should learn to implement the doctrine that "work is worship." If work is regarded as worship, there is one person who might well be called a high priest of that worship—that is, Mr. Laxmanrao Kirloskar. The Mahratta Chamber of Commerce and Industries did itself a signal honour by conferring the honorary membership of the organisation on this 86-year-old industrialist who has become almost a legend in this country. Born in 1868, with no claims to wealth or position, Mr. Laxmanrao has spent over half a century in translating his industrial ideas into action, so that his life, as Mr. G. L Natu, President of the Chamber, suggested, has been an "epic in the history of the industrial development, not only of this State but of this country at large."

From humble beginnings—a mere cycle repair shop and iron plough makers—the Kirloskar organisation has grown into a big enterprise, employing in all more than 3,000 workers and producing Rs. 2 crores worth of goods every year. The main seat of this enterprise is located at Kirloskarwadi, which might well be described as a place of industrial pilgrimage in this country, considering how ably its founder has evolved an industrial township out of what was once a barren village. But Kirloskarwadi, where the parent concern, Kirloskar Brothers Ltd., is situated, is more than that; it is a nursery of other enterprises, for the three other Kirloskar concerns, Mysore Kirloskar Ltd., Harihar; Kirloskar Electric Co., Ltd., Bangalore, and Kirloskar Oil Engines Ltd., Poona, owe their birth to the success which attended the pioneering enterprise at Kirloskarwadi. Altogether, these concerns have played a notable role in the country's agricultural and industrial development. Agricultural implements, ploughs, sugarcane crushers, machine tools, electric motors and diesel engines are only a few of the many articles which the Kirloskar concerns produce.

What is the secret of the growth of the Kirloskar organisation? On the material side, its development must be attributed to the consistent practice of the management to plough back as large a proportion of profits as possible into business. The parent concern, Kirloskar Brothers Ltd., has, for instance, built up, over a period of 32 years, a general reserve of Rs. 45 lakhs, besides a depreciation reserve of Rs. 34 lakhs, as against a share capital of Rs. 15 lakhs. But no industrial organisation can grow merely on a material base. Its growth is often the result of sustained endeavour. This was supplied by Mr. Laxmanrao Kirloskar himself. For, the growth of this organisation is, as Mr. Natu pointed out, due to Mr. Laxmanrao's "devotion to duty, steadfastness, honesty, foresight and, above all, infinite capacity for work." Small wonder, then, that Mr. M. Visvesvaraya, another high priest of the religion of work, paid the tribute that Mr. Laxmanrao's career "ought appropriately to find a place in every student's manual and every apprentice's guide book which may be published in the near future in this country." At present, private enterprise is no doubt on trial in this country. Before its critics condemn it, they will, perhaps, do well to ponder over the achievements of this octogenarian industrialist who is still at work on his farm, near Poona. They would also do well to consider the conditions under which he was able to work and find out for themselves whether similar conditions obtain to-day. Mr. Kirloskar had, of course, the handicap of having to work under an alien Government which was by no means sympathetic towards indigenous industrial enterprises but that seems to be nothing as compared with the numerous disincentives contained in the present Government's industrial, labour and fiscal policies.

PUBLIC ENTERPRISES

The most striking feature revealed in the economic development of the countries in Asia and the Far East in recent years has been the rapid expansion in the role of the Government's functions, as witness the incursion of the State not only into such spheres as railways and postal services, or even defence industries, but also into others hitherto untouched by it, such as foreign trade and manufacture of goods and commodities. This has necessitated assumption of new and difficult responsibilities by the Governments. Naturally enough, the successful implementation of the series of projects in these countries will depend largely on the extent to which the machinery of economic administration of the Government is strengthened. The efficient functioning of public enterprises is an aspect of this problem which cannot be stressed too strongly. It is quite appropriate, therefore, that the problems concerning organisation and administration of public enterprises will be discussed at a conference which is scheduled to be held at Rangoon some time in March next, under the joint auspices of the E.C.A.F.E., the U.N. Technical Assistance Administration and the International Institute of Administrative Sciences.

The Rangoon Conference will consider and formulate general recommendations on the types of organisation suited to State industrial undertakings, financial and commercial aspects of public enterprises, recruitment and training of personnel, and public understanding and support. The Conference will not concern itself with the controversial question as to whether private enterprise or State enterprise is better suited for the countries of Asia and the Far East. It will only take the existing organisations as they are and suggest methods by which they could be made so effective and efficient as to serve the community's interests better.

The question of inviting expert observers from Western countries to help the Conference in its deliberations is still under consideration. About four or five experts from England, Sweden and New Zealand will be invited to attend the Conference. In the meantime, Dr. Walter Laves, Secretary-General of the Conference, and U Nyun, Chief of the Industrial Development Division of the E.C.A.F.E., are on a tour of the countries with a view to ascertaining their needs and finding out the subjects they would like to be placed on the agenda.

The deliberations of the Conference and its recommendations will be awaited with keen interest by all the countries of Asia and the Far East. India, in particular, should be keenly interested in the Conference, considering that the numerous State enterprises in this country have generally laid themselves open to some bitter complaints regarding their inefficiency and that there is still considerable confusion over the manner in which they should be administered. The State enterprises, like Cæsar's wife, must be above suspicion. It should be judged solely by the standard of its efficiency. This implies the maintenance of requisite quality at minimum cost. It is to be hoped that this twofold criterion, which Mr. A. D. Gorwala stressed very forcibly in his report on the efficient conduct of State enterprises, submitted to the Planning Commission some time ago, will receive at the Conference the attention it deserves.

DEVELOPMENTS IN BENELUX

With the successful completion of the talks at the full Ministerial conference of the Benelux countries—Belgium, the Netherlands and Luxembourg—held at The Hague recently, the final stage has now been set for the formation of an Economic Union between the countries, instead of the present customs union. The Governments of the three partner countries have agreed to take temporary protective measures in the event of serious industrial difficulties. These measures will be taken, if (1) competition between two States forces a decline in production in either country, (2) exports from one State to another register a notable rise, and (3) serious crisis occurs in any of the States through other causes. The Governments have also agreed on the question of establishing a consultative inter-parliamentary Benelux Council and arbitration in case of disagreement.

The need for the formation of an Economic Union between the Benelux countries was recognised as early as in 1946. Since then, many conferences have been held, but progress has been retarded, thanks to the sharp differences of opinion on a wide range of subjects, particularly wage and price levels. The industries in Belgium, for instance, complain of unfair competition from lower-wage Dutch industries. They have urged the Government to protect them against duty-free Dutch competition in the home market. The Dutch, though willing to allow temporary protection in special cases, are not prepared to allow the claim to be based on wage discrepancies. For they argue that high wages in Belgium are the effect of high prices which should be tackled by recourse to agricultural and fiscal reforms. Further, they feel that the special difficulties arise practically in the industries which have not adequately modernised their plant and equipment since the war.

In this context it is, indeed, gratifying that the Benelux countries should have, as stated at the outset, come to an agreement on the question of substituting the present customs union by an Economic Union. The economic conditions for forming such a union also have improved since the Netherlands established equilibrium in its external position. In various respects, the Netherlands' economic position at present is much more in line with that prevailing in Belgium than it was a few years ago. Thus, gold and convertible exchange holdings in both countries are about the same ($700 million). Again, neither in Belgium nor in the Netherlands is the number of totally unemployed men is larger than what is considered "unavoidable." The industrial production in both countries has risen to a level which is higher by 20 per cent. as compared with the previous volume. Nevertheless, it would be too premature to say anything precisely as to how far and to what extent the proposed Economic Union will succeed in bringing about not only free movement of goods, capital and labour from one country to another but also co-ordination and unification of economic, financial and social policies among the Benelux countries *vis-a-vis* third countries.

NATIONALISATION OF AIRLINES

With the formal inauguration of the two Air Corporations, namely, Indian Airlines and Air-India International, on 1st August, the twenty-year old period of free enterprise in aviation industry has come to an end. That Mr. J. R. D. Tata has accepted the Chairmanship of Air-India International is a standing testimony to the readiness of private enterprise to co-operate with the Government, in order to make the experiment, to which it was opposed, a success. After all, nationalisation is not an end in itself but only a means to an expected result. Nationalisation will have justified itself only if it ushers in an era of expansion of Indian airways and does so at no excessive cost to the community. Now that profit motive, the driving force of private enterprise is lacking, it remains to be seen how far the Corporations are able to work successfully.

According to the Air Corporations Act, 1953, the two Corporations will function as autonomous bodies and manage the industry committed to their care. The Government retains the power to issue directives. It is feared that this may lead to undesirable and unnecessary interference by the Government, in spite of the assurance of Mr. Jagjivan Ram, Union Minister for Communications, that it will not do so, unless it becomes essential in public interest and that it will respect the autonomous character of the Corporations. He has also personally assured to do his utmost to keep out departmentalism in the functioning of the Corporations. The success of the Corporations will further depend on how best their activities are co-ordinated by the Air Transport Council. There will be an advisory council for each Corporation which will provide representation for those who use air services.

OFF THE RECORD

(By "ROVER")

BOLD banner headlines in newspapers sometimes just do not mean a thing. I do not mind confessing that, for some time, I have been sorely troubled, in my capacity as a responsible citizen of this country, by the growing volume of unemployment both in the urban areas and in the countryside. With the irresponsible and happy-go-lucky manner in which we, who have always been short of food in this country, have been going without any thought of or check on the alarming increase in our population, I had comfortably slipped into the habit of viewing this problem only in the context of food supply. As the position in this respect had been showing definite improvement, many like me were naturally lulled into a false sense of security, unmindful of the fact all the time that, with every new birth in the country, a fresh mine was being laid, which, when it exploded, would blow us and our none-too-stable economy sky-high one day.

It was only when distress arising from unemployment began to assume alarming proportions and unrest in the country started to seek expression in wanton acts of violence, I realised, for the first time, the intimate relation between the rise in population and the increase in the number of the unemployed. During the second quarter of 1953, I grew very uneasy on this score and when the cost of living also began to rise simultaneously, I grew apprehensive about general security and maintenance of law and order itself. Having long ago lost faith in the capacity of that effete body—the A.I.C.C.—which believes in ignoring problems rather than solving them, I was looking up to the Planning Commission for producing some effective and quick remedy to ease the situation.

I had no reason to be so sanguine about this, considering that this wing of the Government had neither shown any special aptitude for constructive but imaginative thinking in the Plan it had produced, nor given any proof of its freedom from many of those inhibitions which have turned the once active Congress Party into an anachronism. These early prejudices which later grew into positive inhibitions have taken deep root in the minds of Congress men and they go to render most of their economic policies futile and unfruitful. Perhaps, the Planning Commission has succumbed to these, because of Mr. Nanda's dark shadow over all that it thinks and does. But, considering the urgency of the problem and the presence, on this body, of that great administrator and politician of varied experience, with so much achievement to his credit, Mr. V. T. Krishnamachariar, I had somehow come to pin my faith on the Commssion for bringing us some relief from this spectre not of famine but of something much worse—large-scale unemployment, with all its ugly and demoralising implications.

On awakening from my uneasy slumber last Sunday morning, with rain beating on my window panes and a gloomy and overcast sky telling me in mournful tones of another wasted Sunday, my eyes happened to fall on four-column headlines on the front page of my morning paper, proclaiming that the Planning Commission had evolved a plan to check unemployment. Even though the sun was hidden behind thick layers of dark and menacing clouds, it looked to me as if a ray of sunshine had penetrated this gloom and entered my bedroom. Forgetting the fury of the elements and the comfort of a steaming cup of tea, I plunged into the message from New Delhi, only to be sorely disappointed by the 11-point programme drawn up by the Commission, to relieve involuntary idleness to some extent amongst the educated unemployed.

I could not understand why the Commission, and more so my favourite newspaper, should have played such a scurvy trick on my poor trusting mind of all the days on a Sunday morning. Many profane and unworthy epithets came to my mind and had I not been a well-brought-up youngster in my early days, I should have been inclined to contaminate the white, unblemished columns of *Commerce* by recording some of those choice expressions with which I relieved my utter sense of frustration on that sabbath morning. From some of the semi-veiled suggestions I have been throwing out above, you must have gathered that the 11-point scheme of this august body had failed to come up to my expectations. If I had been at my desk, I should have pinched the Editor's blue pencil and ran it through most of the 11 points, with which the Commission hoped to disable and down this monster of unemployment.

I felt exasperated with the Commission, to begin with, because, when they were at it, the members of this institution should have uncannily stopped at this awkward number 11, instead of giving us a good round dozen. I could have understood if they had stopped short at 3 or 7, which are universally recognised as auspicious and sacred numbers. Perhaps, the astrologers at New Delhi had told the Commission that, judging by the hour of its birth, 11 was its lucky number. It remains to be seen, however, what luck this numeral brings to even a small section of the poor, unhappy unemployed.

Stripped of all its pious verbiage and reiteration of some of the suggestions which have already been found to be impracticable or unacceptable to the State Governments for reasons of their own and robbed of its eternal grouse against the private sector for not hanging itself by the neck, to oblige the authorities bent on putting some of their mad schemes through, the Commission's effort is aimed more at defending its precious Five-year Plan, which is being assailed now by friends and foe alike than at helping the educated unemployed. If these had wanted to share a common shelter over their heads and a ration of bread and water from a community kitchen twice a day, as offered at the proposed work and training camps in some far-away places where opportunities for work exist on road construction, afforestation, soil conservation or co-operative land settlement projects of the Governments, they would, perhaps, not have remained unemployed to-day.

This thing was tried with the displaced persons when their plight was extremely heavy and even they would have none of it. But apart from the willingness or suitability of the educated unemployed for breaking stones into road metal or hewing earth, how many Governments are there in the country which can plan and run such camps successfully? Most of these have made a sorry mess even of small camps of famine-stricken people established at certain work centres. Similarly, we have been hearing intermittently of implementing slum clearing schemes and programmes for the construction of houses for low income groups in urban areas. Scheme after scheme has been put forth also to encourage private building activities, but few if any houses have been built as a result of these schemes.

It did not require a highly expert body of hand-picked men like the Planning Commission to put forth the bare bones of these old ideas, which failed time and again to make any headway. I also fail to recognise anything novel or helpful in the recommendation to provide planned assistance to refugee townships, to reduce unemployment amongst its inmates. The other townships are away but the Commission could not have been unaware of the fiasco at Faridabad, which lies only at a walking distance from its headquarters. A second or third division clerk in a poorly equipped office could have culled these old shells of exploded ideas from rusty files and stringed them together. He could also have informed these Rip van Winkles of the Planning Commission that for years now all the Governments have been making quite a lot of fuss about giving encouragement to the products of the cottage and small-scale industries both by giving special assistance for establishing them and by making purchases of their products for the stores required for use in their offices and other institutions, without making any headway in this direction.

This leaves me with four out of the eleven brain-waves of the Commission. I am glad about two of these, numbered 6 and 11, because they are by way of an implied admission of failure of certain of the policies followed by a large number of State Governments. The Commission wants the existing licensing policies with a view to stepping up road transport development, particularly through private agencies. The last but one in the list of suggestions made by this body relates to schemes for the development of power sponsored by private capital. Both these suggestions go to constitute a good smack in the face for the Government of Bombay, which has been perversely pursuing policies going against the grain of these two proposals. For the latter, I would suggest the Commission to get in touch with Mr. K. G. Milne of Killick Industries and I am certain, judging by the bitterness underlying some of his speeches to the shareholders of the various electric supply concerns of which he is the Chairman, that he shall be in a position to enlighten it further on this issue. If these two suggestions of the Planning Commission can be taken as effective for promoting additional employment, they also go to prove the Bombay Government guilty of throwing people out of work for no good reason, because, as I have observed before, this Government has been consistently behaving as if it wanted to drive private capital out of these two fields of road transport and electric power supply.

These are not the only two ways in which the Central Government and the more primitive and misguided ones in the States have been preventing the private sector from expanding to its full possibilities and thereby enlarging the scope for employment for the growing population of the country. The whole trend of official policies since the Congress Party came into power has been to wage a relentless war against this sector functioning naturally. No living organism could grow when put into a straight jacket and even if it did show some growth, it would be unbalanced and ugly. If the authorities are more keen on solving the problem of unemployment, which is today the country's enemy No. 1, than on maintaining their prestige, they will not only have to revise all their policies which go to cramp industry and trade, but to change their very attitude and approach to the private sector. In the meantime, the Pundits of the Planning Commission would do well to keep mum, if they cannot do better than drag out some stinking corpses from the bottom of the pool and offer them as edible fish to the hungry. It would be kinder to leave the educated unemployed alone in their misery than to mock them by such fatuous schemes as establishing a few adult education centres in towns and some one-teacher schools in the rural areas, which would not touch even the fringe of this gigantic problem.—*All Rights Reserved.*

PLANNING COMMISSION'S REMEDY FOR UNEMPLOYMENT ANALYSED

MINERAL POLICY OF GOVERNMENT

(From A Special Correspondent)

NEW DELHI, 4th *August*

THE monsoon session of Parliament has begun in right earnest from to-day. Yesterday, before it adjourned after a short session as a mark of respect to the late Dr. S. P. Mookerjee, it paid handsome and well merited tributes to his Parliamentary ability, debating powers and skill in repartee. Parliament has doubtless become poorer to-day on account of his untimely death, but it is compensated to some extent by the presence of Mr. J. B. Kripalani, an ex-Congress President and now Chairman of the Praja-Socialist Party. Mr. Kripalani is noted for his ready wit, subtle humour and devastating satire, qualities that are required to enliven the debates in Parliament, but his contribution to the evolution of a correct parliamentary system in the country will be useful only if he develops a constructive approach to the country's economic and political problems. Viewed from this angle, his contribution in the past was very disappointing.

DELHI LETTER

During this week, Parliament will be largely concerned with the disposal of about 18 minor Bills which are mostly in the form of amendments. Thereafter, it will be tackling the Andhra State Bill and the Estate Duty Bill. That the latter will excite considerable controversy may be seen from the fact that as many as 250 amendments are reported to have been received. In order to smoothen the passage of the Bill according to time schedule and to avoid duplication in the moving of amendments, the Finance Minister has convened an informal conference of members who are anxious to participate in the debate.

Urban Unemployment

It has for some time been evident that unemployment in the urban centres of the country is growing at a rate which must make the Central and State Governments pause and think about the entire problem from a new angle. That the Central Government has been seized of the importance of the problem is clear from the fact that the Planning Commission has now announced a 11-point programme which is designed to check, if not altogether stop, the growth of unemployment in the urban sphere. In regard to the rural sector, the Commission points out that there are large schemes in the Plan which have added considerably to employment opportunities. The programme, which has been communicated to the State Governments for necessary action, consists of:

(1) Special assistance to individuals or small groups of people for establishing small industries and businesses under the State-aid to Industries Acts or other similar legislation in other ways. (2) Expansion of training facilities in those lines in which man-power shortage at present exists. There are, according to the Commission, several directions in which shortages of personnel exist which impede the progress of schemes under the Five-year Plan. Expanded training facilities will do away with these shortages at the same time opening up new employment opportunities for semi-skilled workers. (3) Active encouragement to be given to the products of cottage and small-scale industries through the purchase of stores required by State Governments and public authorities. (4) Municipal authorities, private educational institutions and voluntary organisations should be assisted in establishing adult education centres in urban areas. In rural areas, one-teacher schools should be encouraged to be opened. (5) The proposed National Extension Service should be handled with courage, for its own sake, inasmuch as it is fundamental to the growth of rural economy in India as well as for the immediate contribution it can make towards the solution of the problem of educated unemployment. (6) Development of road transport. The existing licensing policies should be re-examined with a view to stepping-up road transport development, particularly through private agencies. (7) Implementation of slum clearance schemes and programmes for the construction of houses for low income groups in urban areas. (8) Encouragement of private building activities. (9) Planned assistance to refugee townships, which suffer from a somewhat chronic unemployment, with a view to developing a sound economic base for their continued existence. (10) Encouragement of schemes for development of power sponsored by private capital. At present, in several growing towns there is shortage of power which impedes the maintenance of employment and development of industry. The State Governments may review the power position in different areas and to the extent that schemes for meeting power shortage have not been included in the Five-year Plan, send up further proposals indicating the extent to which private capital might be available. (11) Establishment of work and training camps at places where mainly, through action taken by the Government, work opportunities exist, for example, in projects for slum clearance, housing for low income groups, irrigation and power projects, road construction programmes, afforestation and soil conservation and co-operative land resettlement projects, etc.

Costly Programme

Many genuine objections might be raised against the programme. In the first place, it is not clear why the Central Government should try to pass on the inconvenient baby to the States, as if it is entirely of the States' creation. Actually, the Centre should bear some part of the responsibility for the solution of the problem. Secondly, the implementation of the programme involves heavier expenditure by the States which, in their present financial position, must necessarily find it difficult to incur. A large part of the programme, inclusive of the expected lead to private housing activities and assistance to refugee townships, must all flounder on the rock of finance. Thirdly, the assumptions made by the authors of the programme will not bear close examination. It is not clear, for instance, how the establishment of cottage and small-scale industries would be able to solve the problem, considering that the industries are bound to accentuate the problem created by high cost of production and uneconomic units. The days which goods could be produced and sold at any cost are over. There is not enough demand for the products of the existing cottage industries. The position will not materially improve by having more cottage industries. There are, however, two points of the programme which deserve immediate notice by the State Governments—the development of road transport, particularly through private agencies, and encouragement of schemes for development of power sponsored by private capital. The implementation of these two suggestions will certainly go a long way towards the creation of not only direct employment opportunities but also indirect employment opportunities through the impetus their implementation could be expected to give to trade and industry.

What vitiates the programme is that its authors seem to believe that unemployment is a specific disease calling for a specific remedy. Actually, employment cannot be created at will. It is the by-product of general economic activity. More employment will be brought about precisely to the extent that the Central and State Governments give a fillip to that activity. This fact must be squarely faced. If it is necessary to give up some part of the present economic policy—particularly that part which relates to high taxation, belief in nationalisation, and State controls—it ought to be given up in the interests of a more permanent solution of the problem of unemployment. The programme, except for its emphasis on private road transport and private electrical undertakings, provides no such solution.

Mineral Advisory Board

The forthcoming meeting of the Mineral Advisory Board, scheduled to be held this weekend, is important in that it is expected to examine critically the mineral policy of the Government and suggest ways and means to intensify the prospecting and production of some of the scarce and strategic minerals in the country. The Board will particularly consider the possibilities of increasing the output of copper, lead and aluminium and also the measures to be taken for discouraging the export of raw materials and encouraging the export of finished or semi-finished products. In this connection the Board will consider the action necessary for bringing into production the Khetri and Alwar copper mines, for stepping up the development of lead deposits in Zawar (Rajasthan) and the production of the existing aluminium plants in Bihar and Travancore. The Board will also consider what help should be offered to industry to start the manufacture, on modern lines, of refractory goods, ceramics, by-products of coal distillation, etc.

DECONTROL OF GRAINS

FARMERS, HOWEVER, ASSURED OF MINIMUM PRICES

(From Our Own Correspondent)

LONDON, 1st *August*

THIS week-end, farmers in Southern England are making their first cut at the new harvest. Bad weather in July has spoilt the hopes of many of what had been expected earlier to be one of the finest crops on record. This new harvest coincides with the most significant event in the British grain trade since the outbreak of war 14 years ago—the abolition of rationing for feeding stuffs and the throwing open of the import trade in wheat to private importers. Control by the Ministry of Food on wheat has meant a Ministry monopoly of import and restrictions on the use of wheat other than for flour milling. Wheat to the millers has also been subsidised and there has been a further subsidy paid to the bakers on the flour which they buy. Now all restrictions on the use of wheat are removed, the Ministry ceases to import wheat and the subsidy to the flour millers is abolished, but, to avoid an increase in the price of bread, there is, for the time being, a corresponding increase in the flour subsidy paid to the bakers. Bread in this country thus still continues to be a subsidised food.

LONDON LETTER

On the import side, for some time the Ministry has been encouraging private trade to make their contracts, although the Ministry has acquired the stocks. Thus, the transition to a complete freeing of imports will be smoothed; but, because of the existence of large Ministry stocks of wheat, for some time overseas purchases by the trade are likely to be limited. This does not minimise the long-term significance of turning over to private business the import of 5 million tons of grain a year.

Feeding Stuffs

The decontrol of feeding stuffs means more widespread changes domestically than does that of wheat. Nearly 3 million tons of feeding stuffs have been imported by the Ministry of Food annually, but the whole of the feeding stuffs sold off farms in this country has also gone into the ration pool which has allocated nearly 5¼ million tons of feeding stuffs each year. This rationing has been a complicated process based partly on the total amount of stock which the farmer had to feed and variable in accordance with the changing emphasis of Government policy on particular types of production. Thus, when all the emphasis was on more milk, the dairy farmer received a higher proportion of rations; and, when the emphasis moved to bacon and pork, the pig farmer received a bigger ration. Now the Government will no longer be able to influence the course of farm production by manipulating its control through the prices it is prepared to pay for the product. The Ministry has, as in the case of wheat, very heavy stocks of feeding stuffs and these will be unloaded into the market gradually—in August 125,000 tons of coarse grains will be sold and in September 100,000 tons.

This decontrol comes at a time when world prices of feeding grains are dropping and when there is some expectation that, because of continued high production in the building up of surpluses overseas, wheat prices will also come down. It was, of course, on this expectation that the British Government refused to adhere to the International Wheat Agreement with its maximum price limit of $2.05 per bushel. The fall in feeding stuffs prices is bringing these for the first time since the war below the prices guaranteed to the British farmer. But the latter, under the Agriculture Act of 1947, is still protected by an assured market and a floor price for all the grain he produces. The Ministry of Food, therefore, has to maintain a buying machine which will take off the farmer at the guaranteed prices all the grain which he is unable to sell commercially. With a fall in the prices of imported feeding stuffs, the risk of large quantities of grain being offered to the Ministry becomes considerable and the latter will undoubtedly have to devise other means by which it can guarantee the farmer his price; otherwise we shall see the absurd spectacle of farmers carrying all their grain off their farms to the Ministry stores and then buying more cheaply on the market and carrying back imported and home-produced grain for use on their farms. However, neither the Ministry nor farmers have yet made up their minds what new schemes of marketing shall be introduced.—*All Rights Reserved.*

AMERICAN LETTER

NO SLUMP IS LIKELY

REACTION TO TRUCE IN KOREA

(From Our Own Correspondent)

NEW YORK, 30th *July*

BUSINESS leaders of America see no slump as a result of the truce in Korea, according to various surveys which have been made. It is a fairly obvious conclusion which, however, is not generally recognised. In the first place, the truce was anti-climatic; it did not settle anything and, in the final analysis, it provides merely a breathing spell of 180 days before some sort of decision will have to be made. In the meantime, the visit of John Foster Dulles, U.S. Secretary of State, to Korea at this time is regarded as a sign of the uneasiness in official United States quarters over what the leaders of the South Korean Republic may or may not do.

Harlow H. Curtice, President of General Motors Corporation, pointed out that overall business was not dependent upon defence expenditures in the long run. He said, the truce should have very little influence. L. L. Colbert, President of Chrysler Corporation, suggested that the truce "should stimulate our aggressive economy in the direction of more and better things." Other executives of a number of industries, questioned on the same subject, said they expected a temporary adjustment period followed by improving business. One suggested some "rather tough readjustments" may be in store. This statement came from Paul W. Litchfield, Chairman of Good-year Tire and Rubber Company. He observed, however, he was sure America would take this in stride and would emerge "with great strength and promise."

A spokesman for the chemical industry remarked that he expected a slowdown in orders for three to six months as customers are likely to reduce inventories. This adjustment, he added, "will be followed by a continuing expansion of markets for chemical goods." The steel industry indicated it was not greatly concerned over the effect of the Korean truce on its mill operations. The Government does not dare cut back on defence orders, in view of the uneasy peace, and civilian demand for steel is expected to continue at a high level. C. W. La Pierre, Vice-President of General Electric Company, said that "it will probably be a long time before our country can feel safe enough to ease off on our defence build-up and, if that time ever comes, we will undoubtedly be able to divert our energies to civilian production."

Outlook for Transport

The shifts which could be foreseen more clearly at this time were in specialised industries. The transportation industry foresees continuing heavy demand and heavy military business in the near future, but with eventual slackening in shipments of personnel and supplies. William A. Patterson, President of United Air Lines, said he expected a gradual decline in the ton-miles flown, possibly amounting to as much as 15 per cent. This should not begin for three or four months, he thought, and business may even be stimulated for a time as a result of the truce.

The armistice will make easier the Eisenhower Administration's aim of gradually cutting defence spending and—what is more—lowering taxes, it was noted in another survey. At the same time, it will make it almost impossible for Congress to enact an expansion of the Federal debt limit which, at the present time, is $275 million and which, for the safety of Treasury operations, should be raised. If it is not, however, for prevailing political reasons, the President has statutory power to reduce spending in his own right without going to Congress.

(The House of Representatives has just given its permission for raising the debt limit but it is not known what the Senate will do about this.—Ed.)

Administration advisers are talking of a continuation of the present boom and lower taxes would certainly be a considerable stimulant. Big spending, both for plant and equipment, high levels of building and construction, record savings and personal incomes certainly give promise that such prognostications are not too far wrong.

Meanwhile, the Government must continue to pump about $1,000 million per week into the spending stream according to contracts and blueprints authorised long ago—regardless of the truce. Thus, the gradual nature of the changes facing the economy is really the outstanding aspect of any consideration as to the effect of the Korean truce.

Indeed, business is good. In many lines, it could not be better. Even in the money markets, earlier disruptions have been stemmed by Federal Reserve and Treasury action. By lowering of reserve requirements, the central bank released sufficient funds for the multi-billion dollar issue of U.S. tax anticipation certificates to be taken up. The money market is back to normal, with a moderate tightness, and the volume of business loans by banks attests to the soundness of the general situation, although some soft spots remain. One of these is the commodity situation. As a result, farm income has been slipping but this decline is not serious enough at this point to cause any serious alarm. This year's crop will certainly be one of the largest in history, despite the drought in the South-west.

Synthetic Fibres

But synthetic fibres continue to make great inroads, for example, in the field of cotton, so that the long-range outlook for that commodity is not so good. In fact, it may be relegated to the same kind of decline, as was silk because of the advent of rayon. A leading manufacturer announced the other day, he will come out this fall with a line of nylon bedsheets and pillow cases. These goods, so far, have accounted for an appreciable volume in the entire cotton goods output. Previously, too, cotton was used largely in the manufacture of tyre walls. This has been abandoned in the face of more durable artificial fibres. All these, however, are natural developments which have nothing to do with war or peace. They merely reflect the gain in technology and every generation had to adjust itself towards changing and changed conditions.

The pessimists also cite the large production of automobiles as a soft spot. It is true that used cars are piling up and that sales of new motor cars are not too satisfactory. But, in this new competitive era, greater sales efforts than previously are required and, perhaps, lower production schedules will have to be adopted, but they would hardly be disastrous. In other words, truce in Korea finds the American economy in a state of flexible stability, with the strong hope that this will continue for some time to come.—*All Rights Reserved.*

Notice

THE GANGES ROPE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ONE Hundred and First Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday the 14th August, 1953, at 3-10 p.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 31st March, 1953.

(2) To declare a Dividend.

(3) To elect a Director.

(4) To appoint Auditors and fix their remuneration.

(5) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 7th to 14th August, 1953, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. W. TAYLOR,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 28th *July*, 1953.

PAKISTAN NOTES

PAK CENTRAL JUTE COMMITTEE

NEED FOR GUARANTEED INCOME STRESSED

THERE are two effective solutions for the ills of the Pakistan jute industry. First, attention should be focussed on cultivation of superior variety of jute. Secondly, demand for jute should be stimulated whenever it falls short of the productive capacity. It was precisely to these aspects that Mr. Khan Abdul Quiyum Khan, Minister for Food and Agriculture, Government of Pakistan, drew the pointed attention of the Pakistan Central Jute Committee, while inaugurating the fourth annual meeting of the Committee at Dacca on Monday last.

The Pakistan Central Jute Committee would appear to have been handicapped by lack of fresh avenues of an assured income. The Committee, according to Press reports, had put forward a proposal to the Government of Pakistan to impose a cess on jute. Alluding to the proposal, Mr. Quiyum Khan could not say as to how the proposed cess would fit in with the general plan of taxation. Nevertheless, he assured that a "reasonable" proposal to secure a guaranteed income for the Committee would receive his Government's prompt and sympathetic consideration.

Mr. Quiyum Khan struck a note of confidence when he said that, with the completion of the several jute mills now under construction in the Province of East Bengal, Pakistan would be able to acquire its rightful position in the market. The number of jute mills under construction is 9, with an aggregate capital investment of Rs. 16.5 crores. These are jointly sponsored by Government and private enterprise, their respective shares being Rs. 6.5 crores and Rs. 10.0 crores. Already, the Adamjee Jute Mills—the number of looms allotted to this mill is 3,000—has put into operation 300 looms. Another 300 looms are expected to commence operation shortly. Two more units are under construction, the first of which is scheduled to go into production in about a few months' time and the second by the end of next year. The productive capacity of this mill is estimated at 32,000 tons of sacking and 16,000 tons of hessian per annum.

Development Projects in Sind

The Pakistan Industrial Development Corporation is expediting implementation of the various industrial projects in Sind. These projects include a cement factory, a cardboard factory and six sugar mills in Lower Sind. The Government of Pakistan is assisting the Sind Government in the speedy implementation of these projects. Paucity of power supply, it is reported, is one of the main obstacles in the way of the development of industries in this Province. The Pakistan Government has provided for the establishment of a thermal station of 15,000 kw. in Hyderabad. Orders for the plant and equipment have already been placed in the U.K., Sweden and Germany. The gas discovered at Sui is expected to go a long way towards meeting the power requirements of Sind, thereby opening up a new era of prosperity for the Province.

Meanwhile, the Sind Government is making determined efforts to go ahead with the Guddu irrigation scheme, estimated to cost Rs. 28 crores. The construction of the Lower Sind Barrage is to be completed by May, 1954.

Inland Water Transport

Many aspects relating to the dredging programme designed to keep the navigational routes in East Bengal open throughout the year were considered at the second Inland Water Transport Conference held in Dacca last week. The Conference urged the Government to give top priority to navigation work as far as dredging was concerned. Two important recommendations which it made relate to (1) the appointment of a special officer to enquire into river accidents and (2) the establishment of a separate river police organisation.

The Government of East Bengal has been taking steps to improve navigational facilities in the Province. It has, for instance, purchased a fleet of 36 dredgers, at a cost of Rs. 1.75 crores, which is expected to be in operation before the end of this year. The Government is also considering a proposal to set up a pilot boat building yard for constructing wooden tugs and barges made of local timber and fitted with easy-to-operate diesel engines.

FEDERAL RESERVE BANK SYSTEM IN U.S.*

ITS FUNCTIONS AND RESPONSIBILITIES

(By Wm. McC. MARTIN, Jr., Chairman, Board of Governors, Federal Reserve System)

CENTRAL banking—or, more accurately, reserve banking—in the United States has been adapted to the requirements of a free people with a minimum of Government interference. The genius of the framers of the Federal Reserve Act lies in the creation of regional banks, knit together by a national governing body in Washington, rather than in the establishment of a central institution with authoritarian powers. Each Federal Reserve Bank and each branch office is a regional and local institution as well as part of a nation-wide system. Through their boards of directors, the banks are in a position to represent the views and interests of the particular region to which they belong and, at the same time, they are the administrators of nation-wide banking and credit policies.

Instead of functioning from the centre outward, we function through an interdependence of all our parts. The vitality of the Federal Reserve System is in its members. The health of each member affects the whole, and it is only through the work, and the conviction, and the determination of the members that the whole has life. Within the framework, carefully outlined by law, the Federal Reserve Board is charged with the responsibility for formulating national credit policies and supervising their execution. The Federal Reserve System is not perfect, but it is unquestionably the main bulwark of our private banking system. Without a strong and independent reserve banking system, private banking must inevitably lose the initiative it now possesses.

It is well always to bear in mind that the Federal Reserve System is a service institution, and that the more than 250 directors of the 12 banks and 24 branches, the 20,000 officers and others who work in them, as well as the Board and staff in Washington, are all serving as trustees of the money of all of the people of this vast country, not any one group, or faction, or section.

Although the Federal Reserve Banks sometimes are referred to as bankers' banks, that describes only a part of their function. The various services which the Federal Reserve Banks perform for the banking community, such as supplying currency, transferring funds, and collecting cheques, are an essential element in keeping the mechanics of modern commercial banking in step with the financial needs of a growing and changing private enterprise economy. But the overriding purpose of this Reserve System is to serve the interests of the general public in business, industry, labour, agriculture, and all walks of life.

Fountain-head of Credit

This institution is the fountain-head of credit—of the great bulk of our money supply. It is the medium for distributing the pocket money in daily use, but that is of subordinate importance. The ebb and flow of pocket money is determined by day-to-day needs of the merchant, the shopper, and all who use cash. Of far greater importance is the System's responsibility for creating or extinguishing credit. For credit—bank credit—is the life-blood of our economy.

The trusteeship to which I refer is carried out in the exercise of the System's responsibility for influencing the volume, availability, and cost of credit. The purpose is to see that, so far as Federal Reserve policies are a controlling factor, the supply and flow of credit are neither so large as to induce destructive inflationary forces nor so small as to stifle our great and growing economy. Now that is a very great responsibility. By its very nature it must be carried out in the interests of all of the people. And if it is not so executed then the country would demand and deserve a new and faithful trusteeship over the creation of credit.

Some critics have charged the System with failing in one of its fundamental purposes—protecting the value of the dollar—because, in the four decades since the System was founded, the value of the dollar has been cut more than in half. The truth of the matter is, of course, that in these years we have had two world wars. We are still in the cold war. The resultant economic upheavals could not have been prevented by monetary policy alone. And this is not to say that monetary policy has always been as timely or effective as it might have been. The fact remains that without an appropriate and effective monetary policy there is no adequate safeguard against the distortions and distress that can be brought about either by much too little or much too much money. The ideal would be enough to meet the growth needs of the economy, without either inflation or deflation.

For most of the post-war period, the aim of monetary policy and action has been to prevent inflation. The war ended with a money supply which was so excessive in relation to the available supplies of goods and services as to result in a strong upward pressure on prices, and a rising cost of living. We had more than a taste of that when the harness of price, wage, and other controls which temporarily held back the war-created flood of money, was removed and the tide of unchecked funds inundated the market places. Following Korea, there was a sharp resurgence of these upward pressures. These quite recent experiences should have taught us, if the long history of monetary excesses in other parts of the world did not, that there are no sound substitutes for intelligent fiscal and monetary policies and measures. And it illustrates once more that when an economy is running at peak levels of production and employment, creating more money will not create more things to buy. It can only bid up the prices of available supplies.

Inflation is a sneak thief. It seems to be putting money into our pockets, when, in fact, it is robbing the saver, the pensioner, the retired workman, the aged—those least able to defend themselves. And when deflation sets in, business man, banker, worker, suffer alike, as most of us here know from the early thirties.

Ideal Economic Situation

All of that is an old story, to most of us, yet there are voices being heard even to-day that seem to say that just a little more inflation won't do any harm—or that the price of even a few ounces of prevention is too high. What we are seeking to prevent in the end, of course, is deflation. In these past two years we have had the almost ideal economic situation—we have had a remarkable degree of economic stability at record levels of employment and production. We have not had another round of inflation. We have not had anything resembling a deflation. This desirable state of affairs cannot be ascribed to monetary policy alone, of course. But I do not believe it would have been achieved without the monetary policy and actions of the past two years. I do not think it would have been possible had the Federal Reserve System let the creation of credit go on unchecked in this period. The transition to free markets, as I have called it, made possible the adjustment of the money supply during this period in the orderly growth of the economy, without further inflation or speculative excesses. And this has been accomplished, despite the diversion of economic resources to the defence programme.

All of us here have been affected in one way or another in this transition. Member-banks have not had unrestrained access to Federal Reserve credit by the sale of Government securities at known prices. In many cases, they have had to come to the Reserve Bank discount windows to borrow reserves and pay the cost of the borrowing. The officers and directors of the Reserve Banks have had to shoulder again the very important responsibility for these discount operations. The use of discount facilities has been termed a privilege. It is one of the privileges of membership in the Federal Reserve System. It is not an automatic privilege, however. The Reserve Banks are authorised to extend credit to each member-bank with due regard for the claims and demands of other member-banks, the maintenance of sound credit conditions, and the accommodation of commerce, industry, and agriculture.

When a member-bank experiences unexpected drains on its reserves, it may appropriately apply to a Reserve Bank for credit. As it adjusts its operations to these new conditions, the member-bank is expected to repay these temporary borrowings promptly. Member-banks are expected to anticipate normal seasonal requirements and be in a position to meet them by adjustments in liquid assets with a minimum reliance upon borrowing at the Federal Reserve. The Reserve Banks, of course, stand ready to meet exceptional, or extraordinary, needs for funds by member-banks. All of the Reserve Banks are now authorised in a period of general stress to lend on any acceptable paper, not merely on so-called eligible paper.

Appropriate Uses of Discount Rates

These, I think, are the appropriate uses of the discount privilege. Clearly they do not contemplate misuse of that privilege for the purpose of enlarging a bank's capital base, or earning a rate differential, or facilitating speculation of any kind. The initiative in the determination of discount rates is placed by the Federal Reserve Act in the boards of directors of the respective Reserve Banks—and this is a very important responsibility, even though final determination of discount rates rests with the Federal Reserve Board. Similarly, the responsibility for granting or withholding loans to individual member-banks is also vested in the directors and officers of the Federal Reserve Banks. They must be the judges. They are on the ground and are presumed to be familiar with local conditions, as well as the state of the economy nationally.

The Reserve Act, as I have said before, is an ingenious blending of public and private participation in a public institution created by the Congress to regulate the money supply. The ingenuity is exemplified, I think, in the composition of the boards of directors of the Reserve Banks. They represent a broad cross-section of industrial, business, banking, agricultural, and professional activities, both large and small, and they, in turn, are called upon to act in the national interests and not for the special advantage of any group or faction or section of the country. They have a duty, also, to foster a wider understanding of the role that monetary policy should play—what it can and what it cannot accomplish.

Flexible Policy and Action

The universal desire for orderly, steady economic progress, and a constantly improving standard of living, certainly cannot be achieved without flexibly administered monetary policy and action, with restraint on creation of excessive credit in a boom and a policy of liberal monetary ease when inflationary dangers no longer threaten stability. Criticism of Federal Reserve Policy and performance has mainly sprung from ascribing to monetary action an omnipotence that does not and would not exist—even if there were men omniscient enough to devise and execute monetary policy perfectly. I am not objecting to criticism—we should, and I think we do, sincerely welcome critical appraisal of our performance. But critical analysis and comment that can be useful in guiding future action, though it cannot rectify past mistakes, has to be well informed and understood.

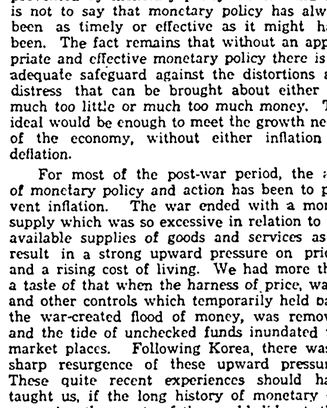
The Federal Reserve Banks recognise, I know, the special responsibility they bear in their respective areas for gathering economic information and making it available. They have a duty to explain what they do, and why, in carrying out their part in the trusteeship over credit. The report on "Steps to Maintain Economic Stability," which was issued by the Committee on Economic Stabilisation of the Board of Directors of this Bank, is a commendable example of informed discussion of economic affairs.

Your task is more than ever an exacting one—but it is an inspiring one. The trusteeship which this System and its member-banks share is vital to the preservation of our system of private enterprise. The System, I am certain, has made a notable contribution to the attainment of the sustained economic progress of the past two years. It can, I am confident, continue to make an important contribution in the years ahead. That confidence, I deeply feel. I was asked the other day in Detroit what would happen to us after a few years of a genuine peace and I can do no better, in concluding these remarks, than to give you the reply as I made it then:

"I can only give you my philosophy on this. To me the most heinous statement, that is made by some people, is that war leads to prosperity, or that war is prosperity. I can't conceive of an economy based on war that can ultimately be prosperous. We have to go through certain readjustments to have an intelligent peace-time economy. We have got to have our business based on initiative and competence and salesmanship—on raw materials and products—and not on dependence upon spending for war purposes. I believe that this country has the flexibility—and the capacity—and the character—because it requires character—to unravel this ball of twine that we have wound up, and to do it in a way that will lead us to a higher, a more expansive, and a better standard of living for all of the people. I have that faith."

* *Extracts from Mr. Martin's address delivered on the occasion of the opening of the new building of the Federal Reserve Bank of Boston, Mass., on 6th May, 1953.*

When you go to Rangoon



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ANNUAL MEETINGS OF THE WORLD BANK AND I.M.F.

The annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development will be held at Washington in the first week of September this year. It is customary for the Finance Ministers of member-countries to attend the annual meetings of these two bodies. It is not known whether the Indian Finance Minister, Mr. Chintaman Deshmukh, will lead the Indian delegation this year. There are, however, reasons to doubt whether he will be able to leave the Capital, as Parliament is in session and a crowded legislative programme is on the agenda, including the controversial Estate Duty Bill, which needs an expert like Mr. Deshmukh to pilot it successfully. No indications are yet available as to who will lead the Indian delegation in the absence of Mr. Deshmukh. Last year, too, it will be recalled, Mr. Deshmukh could not go. The Indian delegation was then led by the Governor of the Reserve Bank, Mr. B. Rama Rau.

So far as the U.K. is concerned, Mr. Richard Butler, Chancellor of the Exchequer, has intimated the two world bodies of his inability to attend the meetings, although arrangements had been made for him to do so. Mr. Butler will be unable to leave because of his additional responsibilities in Britain, consequent on the absence of Sir Winston Churchill Prime Minister, and Mr. Anthony Eden, Foreign Minister, both of whom are convalescents. Mr. Butler is the next senior minister to handle Government business. The U.K. delegation will, therefore, be led by Mr. Reginald Mandling, Economic Secretary to the Treasury. The delegation will consist of officials of the Treasury and the Bank of England.

The full agenda for the meetings is not known, but according to the *Financial Times*, London, one of the subjects likely to be discussed at the World Bank meeting is the extent to which the £60 million from the U.K.'s quota in the Bank is being used for Commonwealth development projects. It will be recalled, in this connection, that Mr. Butler had stated in February last in the course of the Parliamentary debate on the Commonwealth Economic Conference, that the U.K. Government had agreed to make sterling available for lending by the Bank to other Commonwealth countries in the sterling area. It was the intention of Britain, according to Mr. Butler, that sterling for such loans should come from subscriptions to the capital stock of the World Bank. It would add, he said, a real burden on Britain's resources. The above sum of £60 million is to be made available over a period of about six years and the Bank has been advised to plan accordingly.

Another subject which may come up for review, it is stated, is that of dollar retention schemes by some exporting nations. While it is regarded as being too early to expect any long-term definition of U.S. foreign economic policy, Mr. Butler's slogan of "Trade Not Aid" is certain to be mentioned, in the light of the comments, in the Fund's annual report, on the decisive part in any progress towards currency convertibility which must be played by the creditor nations.

BANK OF MYSORE LTD.

The Directors of the Bank of Mysore Ltd. have declared an *ad-interim* dividend of 12 per cent. per annum and a bonus of 4 per cent. per annum for the half-year ended 30th June, 1953, thus maintaining the distribution at the same level as that paid for the corresponding half-year of 1952.

USE OF STERLING IN WORLD TRADE

SIZABLE DECLINE IN 1952 RECORDED

THE latest Annual Report of the Bank of England for the year ended 28th February, 1953, contains some interesting data relating to the use of sterling in world trade during 1952 and the investments of U.K. residents in overseas countries through the medium of securities quoted on, or known to, the London Stock Exchange in 1951. These reveal that there was a decline in the use made of transferable sterling during the year 1952, a trend contrary to the one noted in the preceding two years, and that the decline in the nominal value of U.K. investments in overseas securities which had been proceeding almost continuously since the outbreak of war persisted in 1951 and that too at a quicker pace.

The total amount of world trade done in sterling during 1952, under automatic facilities, as well as administrative facilities, aggregated £379 million, as compared with £463 million in 1951, to which level it had risen from £298 million in 1950 and £269 million in 1949. The contraction in turnover during 1952 was due partly to the fall in prices of many commodities which participated in world trade, and partly to the reduction in the volume of trade on account of the cuts imposed by various countries on their imports. The shortage of sterling felt by some countries towards the close of the year also seems to have assisted the decline. It must, however, be noted that, despite the sharp fall in 1952, the turnover of the transferable account system during 1952 was 27 per cent. higher than that in 1950 and nearly 41 per cent. more than that in 1949. This suggests that sterling continued to find increasing use, albeit in a lower value, of international trade. The Bank of England report, however, shows that there was a further increase in the total of U.K. merchanting transactions on a sterling basis between non-sterling area countries. Thus, the amount of sterling used on this account amounted to £151 million in 1952, as compared with £125 million in 1951 and £72 million in 1950. It is pointed out that the increase in 1952, as compared with 1951, occurred, in spite of a fall in transactions under the various commodity schemes to facilitate the reopening of the London commodity markets. This rise in the amount of sterling used was largely due to the payments in sterling to American account under the Bank of England's commodity arbitrage scheme of August, 1952, which was designed to provide facilities for the purchase of dollar commodities for re-export to E.P.U. countries, but which had only a short-lived career, as it was abandoned after a short interval.

Overseas Investments

The Bank's survey of U.K. overseas investments for 1951, the latest year for which statistics are available, discloses that the total nominal capital values of overseas securities quoted on, or otherwise known to, the London Stock Exchange and including U.S. and Canadian dollar securities formerly registered with the Bank of England under Exchange Control Regulations, owned by U.K. residents, amounted to £1,985 million at the end of 1951, as compared with £2,019 million at the end of 1950, £2,038 million two years ago and £3,545 million at the close of 1938. The survey excludes certain other important forms of British foreign investment, such as direct investment in overseas countries in the form of establishment of subsidiary undertakings by British industrial concerns. A country-wise analysis of the investments reveals that, out of the decline of £34 million in the nominal value of securities during 1951, £13 million are accounted for by the decline (from £1,133 million to £1,120 million) of investments in Commonwealth countries. The realisation of investments in Canada was responsible for a fall of £5 million and the redemption of Australian Government and municipal loans for £10 million. As in the preceding year, Commonwealth African countries provided the main field for new investment, mainly in Government and municipal loans for British West, East and Central Africa, and in shares and loans of commercial and mining companies in South Africa. The investment in most of these countries, therefore, continued to grow. Holdings of securities in non-Commonwealth countries are reported to have dropped in 1951 by £32 million to £718 million. Of this drop, sale of properties in Brazil and Venezuela by British companies which operated railways there account for £18 million. There was a substantial recession in investment in Chile and other Latin American countries.

Higher Dividend Receipts

Notwithstanding the decline of £34 million in capital investments, the earnings by way of interest and dividends showed an increase of £15.6 million, that is, from £143.8 million in 1950 to £159.4 million. As compared with income in 1938, at £155.4 million, the income in 1951 represents an increase of only £4 million. The rise between 1950 and 1951 was almost entirely explained by the increase in dividends on shares. Thus, the dividend on share capital records an increase from £116.2 million for 1950 to £131.4 million for 1951. This increase reflects the higher profits earned by overseas companies, thanks to the Korean war boom. Between 1938 and 1951, the income from this source rose by £53.5 million or 69 per cent., despite the interim contraction of £333 million or 26 per cent. in nominal share capital. This points to the fact that, as compared with 1951, the boom year, 1938 was generally a year of depression for most of the industries and commodities. Interest receipts too show an insignificant rise from £27.6 million in 1950 to £27.9 million in 1951, but a drop of £49.6 million, as compared with £77.5 million earned in 1938.

EXPORT-IMPORT BANK LOAN TO FRANCE

Negotiations have been concluded for the grant of a loan amounting to $100 million by the Export-Import Bank on American offshore orders to France during the year 1953-54. Such advance payments are granted only in exceptional cases. The advance has been granted, it appears, as an emergency measure to replenish France's foreign exchange reserves. These reserves were said to have recently depleted following the settlement of its deficit of $56.8 million in June with the E.P.U. The proposed loan will enable France to settle any fresh deficits in the next two or three months.

A similar loan was granted last year to France by the Bank on account of future offshore orders.

U.S. AID TO INDIA

The latest reports from the U.S. suggest that India will receive $93.5 million (Rs. 44.6 crores) in special economic and technical assistance during the current fiscal year ending 30th June, 1954. This will comprise $63.5 million (Rs. 30.3 crores) for special assistance and $30 million (Rs. 14.3 crores) for technical assistance. In the first year of the U.S. Foreign Aid Programme, that is in 1951-52, India had received $50 million and in the second year $38.35 million. For the third year, that is, the current year, a sum of $110 million was originally recommended by the Mutual Security Director and the U.S. Secretary of State. This was, however, scaled down, following the scaling down of the entire global programme.

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WORLD WOOL SITUATION

NO NEED FOR A COMMODITY PACT

RAW wool has ceased to figure in discussions on international commodity problems of late. This is not surprising, in view of the fact that the commodity is no longer in short supply. The world output of wool in the season ended 30th June, 1953, is said to be a record in the history of wool, the actual estimate being 2,435 million lbs. (clean basis), as against 2,301 million lbs. a year before and 2,058 million lbs. before the war. The quantity, together with the huge stocks of about 840 million lbs. in importing countries, including strategic reserves and stocks afloat, was more than sufficient to meet the aggregate demand, estimated at about 2,500 million lbs. It was no wonder, therefore, that the International Materials Conference discontinued the Wool Committee in September, 1952. In other words, there is no need for a world commodity agreement on wool.

It would be too premature to forecast the trend of wool output in the current (1953-54) season, for such depends on factors which cannot be estimated accurately at present. There are, however, certain indications to suggest that the steady upward trend witnessed in the past six years will be maintained. The persistence of the marked improvement in the world consumption of wool, for instance, may induce the wool growers to maintain a high level of output. In fact, it is reported that, by improved husbandry and pasturage and closer association with scientists, wool growers are striving their best to step up production. The table below gives a broad indication of the trend of wool consumption (the figures relate only to 11 selected countries—Australia, Belgium, Canada, France, W. Germany, Italy, Japan, Netherlands, Sweden, the U.K. and the U.S.—which account for about 70 per cent. of the total world wool consumption):

(In million lbs.)

	1950	1951	1952
First quarter	509.2	447.2	361.0
Second quarter	478.0	420.6	372.0
Third quarter	475.8	338.4	417.0
Fourth quarter	492.9	354.8	467.0
Total	1,955.9	1,561.0	1,567.0

It will be seen from the above table that, although consumption of wool in the world during 1952 was below the levels reached in 1950 and the first half of 1951, there was an upward trend, as compared with the whole of 1951. The high level of consumption registered in 1950 was due more to the artificial demand created by the stockpile programmes the world over following the outbreak of the Korean war. The increase in wool consumption in recent months has been the result of a rapid recovery in the wool textile industry, particularly in the U.K.

Export Trade

The consumption requirements in respect of wool are largely met by Argentina, Australia, New Zealand, Union of South Africa and Uruguay, which are the world's five major raw wool exporters. Wool exports from these countries during 1951-52 did not duplicate the pattern of the previous year.

Exports from Australia, reflecting lower production and disappearance of stocks accumulated during the war which had been held by the Joint Organisation, were 10 per cent. below those in the previous season. On the other hand, shipments from the Union of South Africa rose by 8 per cent. and those from New Zealand by about 75 per cent., mainly because shipments of wool had been held up in the previous season. Exports from Argentina and Uruguay were less than one-fifth of those of the preceding season, but in the latter part of 1952, shipments increased considerably, owing partly to special rates of exchange. Sales of Australian wool in the latter half of 1952 were 16 per cent. more than in the comparable period of 1951. Exports from Australia rose even more sharply in the 1952-53 season; in the five months ended November, 1952, exports of Australian wool to the United Kingdom, for example, amounted to 135 million pounds (greasy basis), as compared with 57 million pounds in the corresponding period of the previous season. A special feature was the increase in Japanese imports; during the period July to November, 1952, Japan imported 45 million pounds of Australian wool (greasy basis), as compared with 29 million pounds in the corresponding period of 1951. Another notable feature was the modest scale of buying by the United States, which, during the period July to November, 1952, imported only 24 million pounds of wool (greasy basis), as against 50 million pounds in the corresponding months of 1951. The decline was probably due, to some extent, to the use of synthetic fibres in place of wool. At the end of 1952, some uncertainty in the wool trade was caused by an enquiry of the United States Tariff Commission into the case for a higher import tariff on wool.

Wool Textile Trade

As already stated, consumption of wool has been steadily rising. How far and to what extent this trend will be maintained in future depends, to a considerable extent, on the changes that occur in the sphere of world wool textile industry and trade. Prospects for wool textile exports seem to be quite favourable. World trade in wool textiles is heavily concentrated on Europe, North America and the areas where the European settlement has been important. The major markets outside Europe are Africa—notably South Africa and Egypt—North America and Oceania, the first two being roughly equal in importance, about twice as large as the last. The U.K. is the main supplier of wool textiles in these markets, followed by France and Italy. Incidentally, it may be noted that competition in world wool textile trade is less than in cotton textiles. Prior to the Second World War, Japan was an important exporter, but primarily for the Chinese market, which it is now trying to re-open.

Prospects

Prospects for world wool textile export trade depend largely on the growth of demand for woollen goods, which, in turn, is influenced by a score of factors, particularly development of wool textile industries in the deficit areas. In the case of countries like the U.S. and Canada, which have well-established textile industries and the imports into which form a small proportion of domestic consumption, the danger of further substitution of domestic production for imports is not great. The real danger lies in the possibility of enlarged competition from synthetic textiles. The greater the instability of wool prices, the more this process will be stimulated. To quote the U.N.'s *Economic Survey of Europe Since the War*: "It is impossible to assess how important this factor will be, but it is perhaps prudent with this in mind to assume that further increases in income in North America are not reflected in higher demand for imported wool goods."

In Egypt and South Africa, on the other hand, the growth of indigenous industry is a serious threat to wool textile exporting countries. The worsted industry, set up in South Africa during the war years, is said to be now capable of supplying nearly 75 per cent. of that country's needs. With a view to giving further fillip to the woollen industry, the Government imposed protective duties in 1951. Australia is unlikely to import, at least in the immediate future, the huge quantity that it has been importing in recent years. In the Asian market, industrialisation plans cover wool as well as cotton. In view of all these developments, the level of world wool textile export trade, attained in 1951, may be regarded as the maximum that is not likely to be exceeded in the near future.

COTTON TEXTILE OUTPUT IN JAPAN

Thanks to the withdrawal of restrictions on textile production and the recent rise in prices of cloth, cotton textile production in Japan has registered remarkable improvement. The output of pre cotton yarn in the month of June, 1953, touched the post-war record of 76,377,202 lbs. (190,943 bales), exceeding the previous record of 71,068,919 lbs. (177,672 bales) attained in January, 1953. The output of combined cotton yarn including cotton-staple fibre mixture and special cotton yarn, amounted to 77,826,361 lbs. (194,566 bales), which represents an increase of as much as 15,304,160 lbs. (38,260 bales) as compared with the previous month. The improvement in yarn supplies thus facilitated higher production of pure cotton cloth, the quantity actually produced during the month under review being 88,231,530 yards, the highest figure since the beginning of this year. The combined textile output, including cotton-staple fibre mixtures, also advanced to 96,818,932 yards, a rise of 10 million yards over May, 1953.

The following table gives the total production of various kinds of cotton textiles during the first half of this year, as compared with that in the corresponding period of 1952:

(Yarn in million lbs.; cloth in million yards)

	1952	1953
Pure cotton yarn	365.67	382.67
Cotton yarns of all varieties	388.56	389.31
Pure cotton cloth	461.76	460.86
Cotton cloth of all varieties	499.84	500.52

The rise in cotton yarn production in June, 1953, as noted above followed an expansion in the spinning capacity. The total operatable spindleage in June was higher by 19,820 at 7,505,113 as compared with the previous month. The number of registered spinners, however, remained unchanged at 129.

A vehement protest against the proposed Japanese-Egypt trade agreement, for which negotiations are now being held at Cairo, has been lodged by the Japan Cotton Spinners' Association. The agreement, it is feared, provides for heavy imports of high-priced Egyptian raw cotton in return for only small exports of Japanese textiles. The Association also complains that Egypt does not apply its export promotion foreign exchange system to open-account countries. It is, therefore, felt that it would be to the greater advantage of Japan to buy, as at present, raw cotton in sterling area countries.

Meanwhile, the Japanese plan for sending a special cotton mission to London and Africa, with a view to stimulating purchase of Japanese textiles by the Commonwealth, has been dropped, following lack of favourable response by Britain, according to a recent report from Osaka. Notwithstanding this, Japan does not wish to take any action which might be detrimental to good relations with Britain. In this, the chief consideration which has weighed with the Japanese is the fact that textile exports from Japan to the Commonwealth have recently begun to move up. In any event, the representatives to the Anglo-Japanese financial conference on sterling, to be held in London shortly are expected to avail themselves of the opportunity to discuss problems relating to textile trade. They are also expected to visit Africa on their way back to conduct an on-the-spot survey of the trade potentialities in that Continent, "to which the Japanese textile industry is looking with increasing interest."

FRENCH COTTON INDUSTRY GEARING ITSELF TO CAPTURE EXPORT MARKETS

A comprehensive scheme for reorganising and re-equipping the cotton textile industry is now being implemented in France. The scheme envisages the replacement of some 4.6 million spindles (representing 55 per cent. of the total), which are at present working only one shift, by 2.3 million spindles to be worked on two shifts. It envisages also the replacement of 105,000 looms (out of the total 175,000 looms), which are operated by one shift, by 52,500 new looms to be worked on double shift. The aggregate cost of implementing the scheme is estimated at Frs. 120,000 million (£120 million), the investment in new spindles and looms accounting for Frs. 50,000 million (£50 million) and Frs. 47,000 million (£47 million), respectively. The cost is being met by means of 10 to 15-year credits, to be granted by banks at low rates of interest.

The first results of the implementation of the scheme, according to the leaders of the French cotton textile industry, will be achieved by September next in two ways, (1) stimulation of exports and (2) projected reconversion of cotton mills. Details are still not available as to how many mills will be closed down or converted under the scheme, with special safeguards for the personnel to be transferred to other trades.

Additional aid, it is contemplated, will be granted to exporters who increase their sales abroad and to firms which enter the export trade. To this end, the existing price equalisation fund, set up by the industry itself, will be used more extensively, thereby supplementing the export subsidy given by the Government. It is also proposed to merge the different export organisations and to send special missions to foreign countries. An interesting feature of this export drive is that no sales efforts on the markets of the O.E.E.C. countries, except in Scandinavia, the traditional buyer of yarn are contemplated. To quote the Paris correspondent of the *Financial Times*:

"The effort will be directed exclusively to overseas. On the other hand, the scheme has a definitely protectionist character and would eventually result in a fresh and sharp curtailment of textile imports into France and the French Union, if present demands were underwritten by the French Government. The French cotton industry considers, indeed, that there should be no competition within Europe between the various national cotton industries of the Continent—since this would amount to 'exporting unemployment' from one country to another—and that the main problem with which Europe's cotton industry is faced is that of finding outside Western Europe sufficient markets for the part of its production which was exported traditionally."

It is to be hoped that the Indian cotton textile industry and the Government of India will take note of this significant development, which shows that sooner or later this country will have to face keen competition from France. The latter is not the only country gearing itself thus to capture export markets in textiles. Other West European countries also have taken similar steps and are striving their best to stimulate exports of their cotton goods. And all of them put together contribute a substantial share to the world trade in piecegoods.

DECLINE IN WORLD TEXTILE TRADE

REVIVAL OF ACTIVITY IN BRITISH SPINNING MILLS

(By A Special Correspondent)

MANCHESTER, 28th July

MANCHESTER LETTER

WORLD trade in textile goods has certainly declined since the post-war peak reached in 1951. The depression which followed caused a sharp drop in exports from all the main producing countries but the revival of some has been much quicker than others. In particular the expansion in shipments from India should be noted. In the first half of the current year Indian cotton cloth exports were 330,000,000 yards, only 12,000,000 yards behind the Lancashire total. In fact, in the second quarter of the year Indian shipments were practically equal to the Japanese, which still lead the field.

According to preliminary figures, Japan's cotton cloth shipments for the first six months of this year were 389,000,000 yards, a drop of 75,000,000 yards on the corresponding total a year previously. Unfortunately, the comparative details from the United States are not yet available, but the table below shows cotton cloth shipments from the other three main exporting countries last year and so far in 1953:—

(In million yards)

	India	*Japan*	*U.K.*
1952—			
1st quarter	107	271	212
2nd quarter	127	193	161
3rd quarter	208	143	153
4th quarter	150	146	185
1953—			
1st quarter	134	187	173
2nd quarter	196	202	169
Half-year ...	330	389	342
1952—			
1st half-year	234	464	373

Enough comment has been made in Lancashire at the relative absence of overseas trade compared with the brisk demand for goods for home use this year, to need no further underlining. Keen competition is obviously growing for export markets and is likely to become even more intensive as time goes on. The fact that all the countries represented at last year's Buxton conference now find their exports well below their estimates is no reason for relaxing efforts in Lancashire to regain trade wherever possible.

Exports at Mid-1953

The value of Lancashire cotton goods shipped abroad in June was the lowest for any month this year, being £9,825,950, a drop of more than £1,000,000 compared with May. For the six months, total earnings from cotton yarn and manufactured goods were £64,178,304, against £86,025,040 in the same period of 1952.

A further decline took place in the volume of exports of cotton cloth and the total for the half-year was 342,498,000 square yards, valued at £42,916,231. This compared with 372,905,000 square yards, worth £57,758,677 last year. The following table shows the details:—

Monthly average—	*Piecegoods* Sq. yds.	*Value* £	*Average price per sq. yd.* d.
1939	116,115,000	2,665,000	5.61
1949	75,299,000	8,809,000	28.07
1950	68,539,000	8,355,000	29.26
1951	72,096,000	11,016,000	36.67
1952	59,234,000	8,404,647	34.05
1953*	57,083,000	7,152,705	30.07
January	64,796,000	8,223,374	30.46
February	52,027,000	6,611,090	30.49
March	56,283,000	7,136,920	30.43
April	59,526,000	7,372,000	29.72
May	57,939,000	7,129,471	29.53
June	52,229,000	6,491,454	29.83

* 6 months' average.

The Commonwealth markets still lead the way as the largest consumers of Lancashire cloth, the results for the half-year being (in square yards with 1952 comparisons):—West Africa 70,309,000 (86,460,000); South Africa 46,044,000 (26,698,000) and Australia 33,280,000 (51,138,000).

Imports of cotton cloth last month again showed the effect of the curtailment of licences. The value of all arrivals barely exceeded £1,000,000 and for the six months was £6,858,632, against £24,960,941 in the first half of 1952. Grey cloth imports in June were lower at 5,913,000 square yards, of which more than 4,000,000 yards came from Japan. In the half-year 41,381,000 square yards of unbleached cotton cloth has arrived in Britain compared with 97,203,000 square yards in the same period of 1952. The respective values were £3,022,023 and £14,050,836. Japan has been the only supplier of note this year, providing 29,687,000 square yards.

Yarn Position Held

Exports of cotton yarn in the past six months have continued on a very steady level, although in June the average showed a slight reduction. For the half-year shipments totalled 19,817,300 lb., valued at £8,043,491 against 19,637,100 lb., worth £10,338,381 in the first six months of 1952. Details are given below:—

Monthly average—	*Yarn* Lbs.	*Value* £	*Average price per lb.* d.
1939	9,471,600	745,500	18.89
1949	6,838,400	1,962,500	68.88
1950	5,918,500	2,127,900	86.33
1951	5,547,900	2,648,500	116.46
1952	2,976,800	1,479,163	119.25
1953*	3,302,900	1,840,582	97.41
January	3,467,700	1,427,849	98.79
February	3,268,900	1,434,904	104.77
March	3,114,500	1,241,552	95.67
April	3,292,200	1,358,790	99.06
May	3,485,000	1,370,865	94.40
June	3,165,000	1,208,478	91.64

* 6 months' average.

Chief buyers of cotton yarn from Lancashire in the first half of 1953 have been (with 1952 comparisons in brackets):—Irish Republic 2,618,500 lb. (1,591,100 lb.); Australia 2,434,400 lb. (1,778,300 lb.) and Canada 2,190,000 lb. (694,300 lb.)

From time to time estimates are put out as to the amount of re-equipment which has taken place in the producing sections of the Lancashire cotton trade since the war. The subsidy scheme is believed to have accounted for more than £11,500,000, which represented expenditure on the spinning branch only.

Although complete figures of the total amount of new equipment delivered to the Lancashire cotton industry is not available, estimates have been made of deliveries of British textile machinery to the home market. In the six years from 1947 to 1952 inclusive the value of new plant installed for cotton and rayon staple spinning has been given as £28,000,000. Partly due to dearer prices, there has been a steady rise in the value of machinery delivered from £3,000,000 in 1947 to £6,300,000 in 1952.

Weaving plant installed during the same period cost £14,400,000, rising from £1,500,000 in 1947 to a peak of £3,100,000 in 1951. Figures have also been released showing the proportion of automatic looms now in place in the industry. These have risen from 15,224 at the end of 1936, which represented 3 per cent. of all looms erected in running mills, to 34,282 at the end of July, 1952, or 10 per cent. of the total.

The revival in activity in Lancashire spinning mills in the first half of this year has been duly reflected in higher production of cotton and rayon yarn. In the six months to the end of June, output amounted to 457,280,000 lb., against 393,620,000 lb. in the corresponding period twelve months ago.

This advance of more than 63,000,000 lb. was only to be expected in view of the dire state of trade in the early part of 1952, but this year's aggregate is still well below the level achieved in the previous year, when the mills turned out 539,220,000 lb. of yarn between January and June. A gap of nearly 82,000,000 lb. still exists between current output and the totals then recorded.

In the first half of this year the manpower for spinning mills has increased by 2,089 operatives, but the number actually at work before the holiday season began barely exceeded 100,000 in the single spinning section, whereas in 1951 the corresponding labour force was around 115,000.

Another of the big textile groups has declared its intention of contracting out completely from the Raw Cotton Commission next season and obtaining all its raw material supplies privately from 1st September. Announcing this step at the annual meeting in Manchester Mr. Richard F. Haworth, Chairman of the Salford spinning and weaving firm of Richard Haworth & Co., Ltd., said:

"We have a feeling of confidence that we shall be able to purchase the qualities of cotton we require at the right price. We hope that the time is not far distant when we shall be able to welcome the reopening of a futures market in Liverpool."

The Ministry of Materials has officially estimated that about 56 per cent. of raw cotton supplies in the 1953-54 season will be imported by private merchants in Liverpool and Manchester for use in Lancashire spinning mills.

Indian Union Leader's Visit

Mr. Raja Kulkarni, General Secretary of the All-India Federation of Textile Workers, this week met Lancashire cotton leaders in Manchester for talks on conditions in the British textile industry. Mr. Kulkarni is making a nine-month world tour to compare conditions in the rival textile producing countries of the world. He met members of the Legislative Council of the United Textile Factory Workers' Association. When his visit to Lancashire ends he will tour Scandinavia and other Continental countries.—*All Rights Reserved.*

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INDO-EGYPTIAN TRADE AGREEMENT

ITS EFFECT ON COTTON IMPORTS

A PIQUANT situation has arisen in the sphere of cotton trade, following the Indo-Egyptian Trade Agreement, which was concluded recently between the Indian and the Egyptian Governments. The new method by which payments are to be effected by the Indian importers of Egyptian cotton are not so advantageous to the Egyptian exporters as the former arrangements. Both importers here and the exporters at the other end feel that unless the method is modified, at least in respect of the sales already concluded between the Egyptian exporters and the Indian importers, it might lead to considerable delay in the shipment of cotton and even, in certain extreme cases, to cancellation of contracts.

The Indo-Egyptian Trade Agreement, it might be recalled, was signed in Cairo on 8th July, 1953. The Agreement, which is effective from 1st June, 1953, remains in force till it is modified or terminated by either party on three months' notice. Under the Agreement, India and Egypt have agreed to grant each other "most-favoured-nation" treatment. The Agreement covers a number of articles of export from Egypt to India, including raw cotton and cotton yarn, and a long list of articles which may be exported from India to Egypt, including tea, oilseeds, cotton piecegoods and textile machinery. The Agreement makes a striking departure from the existing practice in that it envisages payment for the value of Egyptian exports in two currencies—60 per cent. in sterling and the rest in rupees. Under this Agreement, the National Bank of Egypt and the Reserve Bank of India will buy and sell Indian rupees and sterling on the basis of par values declared to the International Monetary Fund and within the spread permitted under the Articles of the I.M.F. 60 per cent. of the payments for exports from Egypt to India will be made in sterling. The remaining 40 per cent. will be paid in rupees which will be utilised by Egypt only for financing purchases of goods from India. The sterling part of the payment for exports from Egypt to India will be eligible for the facilities of the import entitlement account procedure in accordance with the regulations prevailing in Egypt.

Special Account

In addition, the National Bank of Egypt will keep 10 per cent. of the total value of Egyptian exports to India in a special sterling account which would be made available for financing purchases from India when the rupee balances of Egyptian banks are exhausted. Any accumulation in this special sterling account, which remains unutilised at the end of each year of the Agreement, or of a shorter period in the event of the Agreement being terminated before the expiration of a full year, will not be carried forward. If the aggregate amounts credited during any one year of the Trade Agreement to the Egyptian Bank's rupee accounts reach Rs. 100 million, any further credits during the year will be convertible into sterling. The Reserve Bank of India will favourably consider the question of granting reasonable rupee-sterling swap facilities to the National Bank of Egypt before the limit of Rs. 100 million, referred to above, is reached, on terms and conditions to be agreed between the two Banks. If at any time the balances in the rupee accounts are not sufficient to finance purchases from India, Egypt will sell sterling to India in exchange for the necessary rupees. Any balances remaining to the credit of the rupee accounts at the termination of the Trade Agreement could either be utilised for the purchase of goods in India or converted into sterling at the option of the Egyptian Government.

The immediate effect of the ratification of the Agreement was a rise in the prices of cotton offered by the Egyptian exporters to India for the following reason:

The Egyptian exporter is entitled to sell freely 75 per cent. of his export earnings in sterling. Since all payments by India before the conclusion of the Agreement were in sterling, he could realise a certain premium on these sales. This enabled him to quote somewhat attractive prices for the cotton he sold to the Indian importer. He could quote the prices at a "discount," the extent of discount depending upon the additional income he could hope to get by disposing of 75 per cent. of his export earnings in the free market. This discount used to vary between 2 per cent. and 12 per cent. Now, all this has changed. He will be paid, in terms of the new Agreement, only 60 per cent. of the value of the cotton exports in sterling currency. This reduces the availability of "free" sterling to 45 per cent. of his export earnings, which in turn reduces the premium he could earn on the sterling exchange. He is naturally less willing than formerly to quote attractive prices for the cotton he sells.

Retrospective Effect

The new arrangement would not have caused much difficulty if it had been made applicable only to sales which took place after the Agreement came into force. At best, it would have meant somewhat higher prices for the cotton imported by India. But since the Agreement has been given retrospective effect, the Egyptian exporter, who quoted his prices under the impression that he would be able to sell 75 per cent. of the export earnings in the free market, now finds that his margin of profit is likely to be restricted by the new payments arrangements. It would appear that the shipping documents are being delayed, and that some exporters are demanding an increase in cotton prices as an alternative to cancellation of contracts.

The Alexandria Cotton Exporters' Association has urged Indian importers, in a communication addressed to the Cotton Buyers' Association, to use their good offices to see that all payments are settled at 100 per cent. sterling in respect of sales concluded before 8th July, 1953, irrespective of whether the shipments have taken place or not. This is a strange request. The Indian importer is in no way responsible for an arrangement entered into between the two Governments. He cannot be expected to approach his Government to interfere in this matter. On the contrary, he would be fully entitled to demand the delivery of cotton in accordance with the contract he entered into with the Egyptian exporter. After all, the arrangement whereby the exporter was able to quote his cotton at a discount was one between the exporter and his Government. The importer at this end cannot be blamed if that position has altered now. The present position is not vastly different from what might have happened if the Egyptian Government had itself reduced the amount of free sterling available for exporters or from what might have happened if the premiums for free sterling had declined in the open market. The fact that the margin of profit on the sales of free sterling has been reduced now should not be made the reason for delay in the shipment of cotton or for a demand of increase in prices. The contract thus remains unaffected by the new payments arrangements. If Egyptian exporters fail to honour their commitments to India according to the terms of the contract, it would be a serious default on their part. Accordingly, they would be liable to pay damages and it is to be hoped that Indian importers will make this point pretty clear to them. It is but commonsense that if the Egyptian exporters are suffering any loss in their income as a result of the Agreement under reference, they should approach their Government for satisfaction.

EGYPTIAN COTTON

The official acreage estimate for Egyptian cotton places the land under cotton at 1,324,000 feddans for the 1953-54 season as against the final estimate of 1,967,000 feddans for the 1952-53 season. Under average conditions, the 1953-54 acreage, as now estimated, should yield about 6 million cantars, as compared with 9.71 million cantars harvested in the 1952-53 season. The qualitywise breakdown of the official acreage estimate is as follows:—

	(In Feddans) 1953-54 acreage	1952-53 final estimate
Karnak	476,000	933,500
Menouft	25,000	30,600
Zagora	50,000	52,600
Giza 30	351,000	271,600
Ashmouni	418,000	671,500
Dandera	3,000	6,100
Others	1,000	1,100
Total ...	1,324,000	1,967,000

PAKISTAN COTTON CROP

Prospects of Pakistan's next cotton crop, for which sowing has just been completed, are considered satisfactory. Acreage this year is expected to be some 15 per cent. less than that of last year, as big areas of cotton land have been directed to food cultivation in the Punjab and Baluchistan under Government instructions.

The coming year's crop, beginning from 1st September,1953, is expected to be 1.5 million bales, as against 1.9 million bales of the current year. The fall in production of cotton seeds is not expected to be very steep in view of better quality sowing.

FINAL ESTIMATE OF 1952-53 COTTON CROP

OUTPUT LOWER

THE all-India final estimate of cotton for 1952-53 places the area and production at 15,678,000 acres and 3,050,000 bales, as against 16,198,000 acres and 3,133,000 bales of the partially revised estimate for 1951-52. This shows a decline of 520,000 acres in area and 83,000 bales in production. This final estimate, released by the Directorate of Economics and Statistics, Ministry of Food and Agriculture, reveals thus a decline of 3.2 per cent. in area under cotton and 2.6 per cent. in outturn.

The figures compiled by the Ministry show that, although important increases in production were recorded in such varieties as Americans, Broach, Surti and Dholleras, they were more than offset by a decline in the production of other varieties of cotton. The following table gives the area and production of cotton in the 1952-53 and 1951-52 seasons.

Cotton Acreage and Output

	Area (In 000 acres)		Output (In 000 bales of 392 lbs. each)	
	1952-53	1951-52	1952-53	1951-52
Bengals	1,072	1,179	421	426
Americans	944	889	293	257
Oomras	4,557	4,825	733	998
Broach	895	924	265	295
Surti	449	517	118	125
Dholleras	1,542	1,647	290	71
Others	6,179	6,417	930	190
				1,068
Total ..	15,678	16,198	3,050	3,133

There has been a considerable decline in acreage under cotton, it is stated, in the cotton-growing regions in the Bombay, Hyderabad, Mysore and Rajasthan States. These regions also had to face deficient rains and adverse weather conditions at sowing time. The decline in acreage, it is further stated, has been offset to some extent by increases reported by Madhya Bharat, Madhya Pradesh and Madras due to favourable weather conditions at the time of sowing. It is significant that, despite the decrease in acreage, there has been an increase in production in Bombay, Punjab, Saurashtra and Rajasthan, due to favourable weather conditions at the flowering and boll bursting stages of the crop.

An Intriguing Factor

It is somewhat intriguing that the official estimates of the crop should always be lower than the trade estimates, and should differ even from the estimates made by another wing of the Government, namely, the Textile Commissioner's office. Thus, the Ministry's estimate places the 1952-53 crop at 3,050,000 bales as against the trade estimate of between 3,300,000 bales and 3,820,000 bales, and the estimates made by the Textile Commissioner's office, namely, 3,460,000 bales. It would thus be seen that the estimates made by the Textile Commissioner's office are much nearer the trade estimates than the Ministry of Agriculture's estimates which differ from either of the other two estimates by a wide margin. It is not clear why this divergence should be allowed to persist year after year. It is true that it is impossible to ensure identity of all estimates which are bound to differ from one another. Even so, it should be possible, through more accurate compilation and through the adoption of suitable checks and balances, to arrive at a more acceptable estimate which will more truly reflect the actual crop position.

EXPORT OF COTTON

The Government had announced in the middle of July this year that the licences issued for export of raw cotton on or after 1st June, 1953, with a validity date till 30th June, 1953, would be extended for shipment upto 10th August, 1953. By an earlier notification, the Government had agreed to licence Assam-Comillas, Zoda and yellow pickings, freely for shipment till 30th September, 1953. Exporters of cotton, however, had urged the Government, as was mentioned in these columns last week, to extend the validity date of all licences, irrespective of whether they were issued before or after 1st June, 1953. The Government has now agreed to the traders' request, inasmuch as it has decided to extend the period of validity of all licences issued for export of raw cotton during the current season upto the end of September, 1953. This extension will apply to (1) Bengal Deshi, (2) Mathias, Kalagins-Dholleras and (3) C.P.I., C.P.II, Central India Deshi and Ooomra Deshi varieties.

Exports of cotton from Pakistan from 1st September, 1952, upto 23rd July, 1953, aggregated 1,514,193 bales, as against 1,136,247 bales during the same period last season.

PROTECTION AND REGULATION OF INDUSTRIES: THEN AND NOW—II

MAIN ELEMENTS OF SELLING PRICES

(By PADAMJI GINWALA)

THE works costs include all the expenditure incurred at the works on stores, material, labour, supervision, etc., in producing the articles or commodities in question. Under the policy of discriminating protection, in which the interest of the consumer had to be given high priority by the Tariff Boards, the ascertainment of the works costs required very meticulous calculations to satisfy the then Governments. But, within these meticulous calculations, the Tariff Boards, whenever possible, left a very reasonable margin for the producers between the attainable works costs and those actually adopted for determining the selling prices. The present tariff-fixing authorities, under a democratic Government, should adopt a more generous spirit in calculating the works costs than was possible for their predecessors under the bureaucratic Governments, to serve as an incentive to the producer and help the industry to stabilise its financial position.

There is also another direction in which the present investigating authorities may well adopt a more liberal course than they are accustomed to do at present. The works costs cannot be ascertained without first determining the estimated production. There is a tendency to stretch the estimate of production almost to the limit of the rated capacity of the plant during the period under consideration. This has, one the one hand, the effect of reducing the works costs to a rigid level and, on the other, of depriving the producer of the necessary incentive to increase his output and, at the same time, to reduce his costs. The estimate of production to be taken into account should be appreciably below the rated capacity to enable the producer to achieve both these very desirable objects which will enable him to earn, by greater efficiency, a higher gross profit, some of which may be ploughed back, than would otherwise be possible. A short period is, for this purpose, a severe but self-imposed handicap in this respect, but is not insuperable.

A Permanent Feature?

These questions did not arise in case of the controlled industries until after the appointment of the first Tariff Board in 1948 which determined the selling prices of both protected and controlled industries more or less on the same principles. When war control was first introduced about the beginning of September, 1939, the prices were fixed by negotiation between the Government and the producers. They were normally related to the c.i.f. duty paid landed prices prevalent just before the outbreak of war, of corresponding imported material. Owing to the rearmament campaign preceding the outbreak of war, the import prices had risen considerably, of which the controlled industries had the fullest benefit, to start with. These prices were liable to revision every six months or so in either direction. But the revision nearly always resulted in their increase in proportion to the increase in the entire cost of production, which included the works costs, and all the elements constituting the final selling price, viz., depreciation, managing agents' commission, labour's profit-sharing bonus, interest on working capital, head office expenses, etc. The idea underlying the system was to maintain the trading results of the industries concerned at least at their pre-war level. The prices thus fixed were, in most cases, so remunerative that, whilst some of the major, older and well-established units naturally made higher profit than the rest, no necessity arose of fixing differential prices in any industry for similar products. When the rate of profit was cut down to a low economic level by the Tariff Board by the application of the principles originally intended for protected industries, the introduction of the system of differential prices in several of the controlled industries became inevitable and, it seems to me, threatens to be almost a permanent feature of our industrial regime.

Limited Application of Suggestions

Before I proceed to discuss the other elements which constitute the retention prices, particularly depreciation and return on investment, I would like to make it quite clear that my observations and suggestions are intended to be limited to their application *ad hoc* to the protected and controlled industries which occupy a specially important place in our national economy. They are not intended to cover other industries or to raise general issues affecting our entire industrial structure. Amongst these general issues, which I do not at present wish to raise, may be mentioned the amount of depreciation allowed by the Income-tax authorities, the high level of taxation, the cutting down of industrial profit on abstract grounds, formation of capital or the burden imposed on industries on behalf of labour without providing the industries with the means to discharge it. The point I wish to emphasise now is a very simple one. When the Government have a definite policy in view, which is not often the case, though in these particular instances, namely, of protection and control, there are unmistakable indications of the existence of such a policy, it is the duty of the Government to adopt every possible measure in their power to make the policy not only effective merely to the extent of keeping the industries barely alive, but making them capable of realising the main object for which such a policy is adopted. The Government must not be afraid to break the eggs if they wish to make an omelet.

Burden on Consumer

Even in the case of these two classes of industries, it may be necessary to limit the benefit of the measures I am about to propose to those of them of which the rapid development, rehabilitation and expansion are indispensable in the larger interest of the country, or which are essential for our national defence. Whilst the consumer may be called upon to make a heavy sacrifice in respect of such industries, the prices of other protected or controlled consumer goods should not be so precipitately raised as to reduce the demand for them below a level which would make their manufacture uneconomic and thereby retard the growth of the industries concerned. Also the national desire for protection of industries generally of whatever nature should not be so encouraged that little by little an immense increase in the cost of living is the ultimate consequence. There is a tendency to judge of the success of an industry by the present difference between the prices of imported and locally manufactured articles. The real test ought to be, whether when the buyers' market all the world over takes a stronger footing and competition increases, the domestic articles will be not only produced but sold at prices within the reach of the consumer, particularly if his income is below the taxable limit. There are few consumer goods which India cannot produce at a price. But if all of them are subjected simultaneously or successively to high protective duties, it stands to reason that the total burden on the consumer will be so heavy as almost to break his back. It will be advisable, in any case, for the Tariff Commission to estimate the burden of protection on the consumer and the taxpayer, not only in each individual industry for which they recommend protection, but the total burden that has already been thrown on him, and likely to be increased as the policy of protection gathers momentum without the national income keeping pace with it.

Overheads: Depreciation

There has been, in the matter of depreciation allowance, a serious and unwholesome departure from the principles followed by the earlier Tariff Boards and accepted by the pre-Independence Governments. The depreciation normally allowed at present is calculated on the "historical" value of the block which, in practice, seldom means more than the inadequate amounts allowed by the Income-tax authorities. The depreciation allowed by the pre-war Tariff Boards, on the other hand, was calculated on the estimated cost, during the period of protection, of a new complete block, including a plant of economic size and capacity in each industry. This cost has often been wrongly described by others as the "replacement" value of the plant as if it was intended that when the plant was worn out after many years it was to be rebuilt at the assumed cost with equipment identical with what it had at the beginning. It was recognised, and very rightly, that there was no exact point where replacement and extension or renovation could be demarcated and that the depreciation set aside could be utilised for any of these purposes. The object of the Boards in calculating and allowing the depreciation on the cost of a new block was twofold. The first was to enable the protected industry to maintain the value of the plant and machinery, to keep them in a continued state of efficiency and abreast of the improvements taking place in them from time to time.

Newcomers Must be Attracted

The second and almost the more important object was to attract newcomers into the industry by giving them an assurance that the amount of depreciation they might expect would be adequate for these purposes if they built new units. The proposals of the Board had no reference to what the Income-tax authorities allowed, nor had they anything to do with the book value, whether original or depreciated, or with the subscribed capital of the company. A flat rate of 6¼ per cent. on the estimated cost of a new block was allowed. The Tariff Boards were guided in this respect not by what the Income-tax authorities or cost accountants considered reasonable but what a prudent business man would consider it necessary to set aside. This is the only criterion which the investigating authorities ought to adopt in determining the amount of depreciation to be included in the selling prices. If the depreciation allowed is in excess of what is permitted under the income-tax law and, therefore, becomes taxable, the authority should increase the amount to cover the taxation. Such a recommendation was made as an exceptional case in respect of the iron and steel industry by the Tariff Board of 1951 and has not been departed from in later enquiries.

Exceptions, however, are always invidious and apt to create unfounded suspicion of favouritism. The better and the simpler course for the Government is to prescribe by law or, if feasible, by notification, that to all protected and controlled industries, the Income-tax authorities shall allow the amount of depreciation recommended by the Tariff Commission and included in the selling prices, free of taxation, and irrespective of the limit of 100 per cent. Simultaneously, power should be taken by the Government, if they already do not possess it, to compel each and every unit forming part of the industry in question to set aside the amount of depreciation allowed by the Tariff Commission, as a first charge on its profits after the payment of interest on its secured loans. Some of the major units of production, before and since the war have carried out honourably the undertakings voluntarily given by them to set aside the depreciation allowed by the Tariff authorities. But where, as in many industries, there may be a large number of units, some compulsion on uniform lines suggested above may be necessary and justified in the larger national interest.

It is not denied that the present-day cost of new equipment is at least three times what it was when some of the existing plants were built. This is all the greater reason why the plants should not be allowed further to deteriorate, as indeed has happened in many cases, by denying to the undertakings adequate depreciation allowance to enable them to carry out their rehabilitation and replacement or extension where necessary. Unfortunately, the high costs seem to frighten the Government and the Tariff authorities into the opposite direction of adopting the inadequate income-tax rates, with the result that neither the existing units can be maintained in a state of efficiency nor the further development of the industry by their expansion or the establishment of new units made possible. As an inevitable consequence, production must decrease, the works costs must rise and the evils of protection or control must indefinitely continue.

Safe and Effective Course

The only safe and effective course for the Tariff authorities to adopt, in these circumstances, is to allow and include in the selling price depreciation at a flat rate of 6¼ per cent. calculated on the present-day cost of a typical block, including a plant of economic size, in both protected and controlled industries. Where an industry consists, as at some period of its development it must, of old and new units, the rate of depreciation allowance must be maintained at a level which would be adequate for new units in order to attract fresh private capital into the industry. The rate of 6¼ per cent. should be free of taxation which, in the case of units built since the introduction of the principle of higher initial depreciation, should present little difficulty. As regards the older units forming a substantial part of the industry, when it may not be feasible to make any special provision

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SUGAR INDUSTRY IN EUROPE

MARKED RISE IN OUTPUT

THE countries of Europe have always played a notable part in the world sugar economy. Apart from the fact that these countries contribute nearly a third to the total sugar supplies of the world, they are, with the exception of one or two, one of the major importers of sugar. The majority of European countries, including those under Soviet domination, are deficit in sugar supplies. The production of sugar has been at the rate of 11 million tons, which falls short of the actual requirements by over 3 million tons. In view of their dependence on imported sugar, it is quite natural that the countries of Europe should be evincing keen interest in the deliberations of the International Sugar Conference now in session at London to work out a world commodity agreement on sugar. An indication of this is provided in the Press report that the European countries represented at the London Conference have emphasised the need for preventing wide fluctuations in sugar prices through international action.

Efforts are being made by the European countries to reduce their dependence on foreign sugar. That these efforts have met with considerable success will be evident from the marked rise in sugar output and lower imports in recent years. The production of sugar during 1951-52 amounted to as much as 11.26 million tons, which compares very favourably with 8.71 million tons in 1949-49 and 9.68 million tons in 1937-38. The current (1952-53) season's output, however, is estimated slightly lower, at 11.02 million tons. It would be premature to attempt to form any idea of the production in the coming seasons, as it depends on so many factors, climatic conditions and rainfall, in particular, that cannot be sized up at present. But, assuming that the conditions for the harvest would be favourable, the production will be higher still. This, in a way, is indicated by the special efforts of the U.S.S.R.—Europe's largest producer of sugar—to raise its output. Already, sugar production in this country has considerably gone up, the current season's output, being estimated at 2.7 million tons, which exceeds the previous season's output and the pre-war level by 140,000 tons and 200,000 tons, respectively. The target placed by Russia for 1955 is as high as 4.3 million tons, an increase of 170 per cent. as compared with 1950.

Incidentally, it may be noted that sugar production in Europe consists entirely of beet sugar. Europe's contribution to world beet sugar crop is to the extent of more than five-sixths of the total, the balance being accounted for by the U.S. Beet sugar production accounts for nearly one half of cane sugar output and constitutes nearly one-third of the aggregate world sugar output.

Trend of Sugar Output

The table below indicates the trend of sugar output in European countries in recent years as compared with the pre-war period:

(In thousand tons—raw value)

	1937-38	1948-49	1951-52	1952-53 (estimated)
U.S.S.R. ...	2,500	1,850	2,560	2,700
France ...	969	940	1,232	1,080
Poland ...	562	682	937	985
W. Germany }	2,213	611	1,043	900
E. Germany }		672	738	640
Czechoslovakia ...	741	625	714	670
Italy ...	352	448	709	710
U.K. ...	426	615	659	630
Spain ...	151	260	300	500
Holland ...	246	280	345	410
Belgium ...	240	258	264	315
Other Countries ...	1,670	1,372	1,557	1,483
Total	9,680	8,713	11,258	11,023

It will be evident from the above table that production of sugar in practically all countries has registered an appreciable rise in the past two years, as compared with the 1948-49 season. In the majority of cases, the output exceeds the pre-war level.

Consequent on the rise in sugar output, as noted above, imports of sugar into the countries of Europe have been on the downward trend. The quantity of sugar actually imported during 1951-52 amounted to about 3.27 million tons, as against 3.73 million tons during the pre-war period. An idea of the import of foreign sugar into some of the countries of Europe can be had from the following statement:

(In thousand tons)

	1934-38 (average)	1951-52
U.K.	1,822	1,591
West Germany	572	647
Netherlands	72	169
Portugal	69	125
Switzerland	164	123
Ireland	42	97
Norway	90	89
Greece	81	88
Sweden	9	70
Austria	3	62
Italy	4	41

The list of countries given above excludes those in the eastern part of Europe. The latter countries do not import any sugar at all. In fact, they export sugar. Thus, during 1951-52, they exported 271,000 tons of sugar to Western Europe. The bulk of the exports is accounted for by Czechoslovakia, the quantity actually exported being 146,000 tons. Poland exported 81,000 tons and the U.S.S.R. 38,000 tons. As compared with the pre-war level, however, the exports of these countries during the 1951-52 were lower by 179,000 tons. This indicates that consumption in these countries must have gone up. The *per capita* consumption of sugar (in terms of raw value) in Poland, for instance, is more than 50 lbs., as against 29 lbs. in 1937-38. Similarly, the *per capita* consumption in Hungary, Czechoslovakia and Bulgaria is higher at 48 lbs., 70 lbs. and 19 lbs., as against 26 lbs., 59 lbs. and 11 lbs., respectively, in 1937-38.

Sugar in U.K.

Among the sugar producers in Europe, the United Kingdom occupies a minor part. Its share in the total production is a bare 1.5 per cent. Nevertheless, this country has all along been playing an important part in influencing the trend of world sugar trade by means of preferential trading system, bilateral Government contracts, and regulation of exports and imports. For instance, there is the Commonwealth Sugar Agreement under which the U.K. has been buying certain quantities of sugar from Australia, British West Indies, Fiji, Mauritius and the Union of South Africa. The agreement is intended to develop sugar production in the Commonwealth countries and to promote its orderly marketing. The exporting countries in the Commonwealth have limited their individual annual exports to a total of 2,375,000 tons (long) during the period 1st January, 1950 to 31st December, 1959. The details of the export quotas by areas are as follows:

(In thousand long tons)

	Total quotas	Negotiated price quotas: New Zealand	Negotiated price quotas: U.K. only
Br. W. Indies ...	900	670	640
Australia ...	600	314	300
Mauritius ...	470	351	335
South Africa ...	200	157	150
Fiji ...	170	125	120
Br. Honduras ...	25	18	18
Br. E. Africa ...	10	5	5
Total	2,375	1,640	1,568

The price at which the U.K. purchases sugar every year is determined by taking the 1950 sugar price of £30 10s. as the basis to which percentage increases in production costs are added. The parties are given the option to negotiate a price by mutual consent, if this method results in too high or too low a price.

The U.K. has also entered into a three-year agreement, which ends in December, 1953, with Cuba, under which it has been purchasing about 1.5 million long tons of sugar. From the Dominican Republic, it has undertaken to buy each year the whole output, less amounts required for local consumption and certain other markets. The quantity of sugar purchased from this country in 1952 was 442,969 tons.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar during the season 1952-53 (up to the end of June, 1953) amounted to 1,317,659 tons and 1,082,301 tons, as against 1,462,524 tons and 748,690 tons, respectively, during the corresponding period of the previous season.

The opening stock, production, despatches and closing stock of sugar during the fortnight ended 30th June, 1953, were 738,251 tons, nil, 84,889 tons and 653,362 tons, respectively. The figures for the corresponding fortnight of the previous season were 834,139 tons; 6,472 tons, 34,270 tons and 806,341 tons. Figures for the current fortnight relate to 126 factories, representing 92.05 per cent. of the total cane-crushing capacity, while those for the previous year relate to 128 factories representing 90.27 per cent. of the total cane-crushing capacity.

PRICE OF OVERLOADED COAL

DISCRIMINATION ALLEGED

LATTERLY, the policy of the Government of India in fixing different prices for overloaded coal and coke in railway wagons has come in for a good deal of criticism at the hands of certain colliery interests. At present, the Government has fixed Rs. 11 per ton for all grades of coal and coke overloaded in railway wagons from Bengal and Bihar collieries, except at Mohuda weigh-bridge. The price of coal overloaded at Mohuda weigh-bridge is, however, Rs. 9 per ton. These prices are far below the statutory selling prices fixed for coals or cokes, as the case may be which are not overloaded. The statutory rate, for instance, of selected A grade is Rs. 16-4 per ton.

The validity of fixing a different price for overloaded coal is questioned, especially when section 5 of the Colliery Control Order, 1945, read with section 7 (3) of the Essential Supplies (Temporary Powers) Act, 1946, makes it an offence, within the meaning of section 107 I.P.C., to sell coal or coke at a price lower than that fixed under the said Order. Consequently, any offer of rebate on the statutory selling prices of coal is an offence.

When the attention of the Coal Commissioner was drawn to this inconsistency, he clarified the position, through his latest bulletin (No. 9), as follows: "The prices of overloaded weigh-bridge coal in West Bengal and Bihar coalfields are statutorily fixed under the Colliery Control Order. A uniform rate is fixed for all overloaded weigh-bridge coal in West Bengal and Bihar coalfields, excepting Mohuda. A lower rate is fixed for the overloaded weigh-bridge coal at Mohuda, on account of the inferior quality of coal in that section.

Coal interests, however, are not satisfied with this clarification. They point out that clause 4 of the Colliery Control Order permits the Central Government to fix different prices only for different grades of coal and for different collieries. It does not allow for the fixation of a different price for the overloaded coal of the same variety. They say that they are at a loss to understand why a different price should be fixed for the overloaded part of the same coal, just because it is overloaded. They contend that the system of fixing different prices for the same grade of coal, on the ground that one is overloaded and the other not so, is grossly inequitous. They further point out that the inequity of fixing a lower price for overloaded coal is further aggravated by a number of other factors. To mention only two: (1) An additional charge of Re. 1-8 per ton for clerkage for overloaded coal; and (2) a penalty, with effect from 1st January, 1952, for overloading ranging between Rs. 2-8 and Rs. 12 per wagon.

Thus, it will be noted, a fundamental question of discrimination or preferential treatment is involved in fixing a lower selling price for overloaded coal. It is now upto the Coal Commissioner to explain the grounds for thus fixing different prices. On a reconsideration of the whole issue, he will, perhaps, find that he will have to rescind the system of double pricing, since it contravenes the Colliery Control Order and the Essential Supplies (Temporary Powers) Act.

PEGGING OUTPUT OF METALLURGICAL COAL

Replying to certain representations seeking clarification of the policy of the Coal Board in regard to pegging the output of A and B metallurgical coal, the Coal Commissioner points out that, although the general basis for fixing the ceiling for 1952 and 1953 was 108 per cent. and 100 per cent., respectively, of the output in 1950, the Coal Board took account of the actual position. Generally, he says, the Board has taken into consideration the annual output in three to four years in fixing ceilings for individual collieries so that the collieries might not be subjected to unnecessary hardship. For, in certain cases, the output in 1950 turned out to be abnormally low, owing to strikes or technical difficulties. The Coal Board decided not to reduce the output of the collieries taking to stowing, because the economies of collieries with stowing plans required special consideration. Accordingly, the ceilings fixed in some cases have exceeded the output of 1950, and in certain cases, they are even higher than the limit fixed in 1952 depending upon the circumstances of each case.

ECONOMIC CONDITIONS IN U.K.

WAGE SPIRAL RAISING ITS HEAD AGAIN

THAT a dynamic programme, directed towards greater production and efficiency, which would permit increased rewards for everybody in industry, should be adopted was the call made by Mr. R. A. Butler, Chancellor of the British Exchequer, in the course of his address at the National Joint Advisory Council in London recently. This call, as also the Chancellor's statement that there were new and serious problems which had to be overcome, serves to indicate the fact that the economic conditions in Britain are still none too happy, despite the impressive performance on the industrial and trade fronts in recent months. In fact, the implications for the future are considered to be rather very disquieting. The four features of Britain's economy which have aroused grave concern are stated to be as under:

(1) Revival of the spiral of wages throughout the country;

(2) stagnation of industrial production at a level which is too low to justify large wage increases;

(3) slow pace at which exports are improving in the context of the growing competition in world market; and

(4) possibility of another fuel crisis next winter.

Of these, the most disquieting problem is said to be that relating to exports. Alluding to this, the *Financial Times* (London), for instance, observes:

"What has really happened is that the problems which it was thought would have to be faced in the first six months of the year have only been postponed. At the beginning of this year, because it was generally thought that the fall in raw material prices had come to an end, a further improvement in the external balance was expected to depend on an expansion of exports. The fall in prices has, in fact, been prolonged, and the country has got by on a stable level of exports. But even if peace is now finally concluded in Korea, it hardly seems possible that there can be another big fall in raw material prices. In any case, the balance of payments ought to be improved, not merely kept stable. The real export battle, therefore, now lies ahead."

Export Level Inadequate

It was precisely to this aspect that Mr. Butler drew pointed attention in his speech at the National Joint Advisory Council. Mr. Butler gave five plain reasons as to why the existing level of exports were inadequate. First, the present fairly favourable relation between export and import prices may not persist. Secondly, the 1952 trade balance related to the then low level of imports. Now that production is rising, more raw materials have been imported, and at the present level of exports, Britain's ability to pay for necessary imports will be increasingly in doubt. Thirdly, large debts have to be repaid abroad. Fourthly, the emergence of the U.K. and the sterling Commonwealth from their economic troubles depend "absolutely" upon the development of the productive strength and efficiency of the sterling area; thus, the U.K. has to make available investment funds and capital equipment for development in the area. Firally, the gold and dollar reserves are not still sufficient to afford protection against fluctuations in world trade earnings.

If these five calls are to be met, it requires an average annual U.K. surplus of £300-350 million. True, there has been some rise in the money level of trade, with encouraging improvement in exports to North America. Nevertheless, imports have risen, while exports stand at the level of last year's final quarter. The outlook, therefore, as the Chancellor emphasised, depends more and more upon British exporters' success and, when competition is keen, price is a crucial factor.

While all are agreed on the imperative need for encouraging expansion of Britain's export trade throughout the world, opinions would appear to be somewhat divided in Britain itself on the question as to how best export markets can be conquered and prices trimmed to a really competitive level. For instance, Mr. Oscar R. Hobson, City Editor of the *News Chronicle*, London, maintains that the only effective way is to control incomes in such a way that the products suitable for export are not pre-empted by the domestic consumer. "There is," to quote him, "no room at all for any relaxation of credit control and other restraints on higher profits or higher wages. Our present danger is inflation and not deflation." On the other hand, Mr. John Kingsley, a well-known commentator on economic and financial affairs, lays stress more on the need for securing all the economies and advantages of capacity production in the industries.

Whatever may be the difference in the approach to the problem of overcoming the new difficulties confronting Britain to-day, it has been widely admitted that there is imperative need for keeping in check the rise in industrial costs. Labour in Britain seems to have overlooked this aspect, as will be evident from the series of claims for higher wages put forward by workers. Thus, the farm workers have urged for a rise in the minimum wage from 5*s.* to 7*s.* The engineering and cotton workers have asked for a rise of 15 per cent. and 10 per cent., respectively. Similarly, workers in docks, electricity supply undertakings, clothing industry, shops, furniture houses and tobacco firms, are formulating fresh claims. The railway men and the miners are also expected to follow suit.

If all these wage claims are to be satisfied, Britain's drive to step up exports will surely be impaired. To quote the London correspondent of the *Hindustan Times*, New Delhi: "Even if there were no competition in foreign markets from America, Japan, Germany, and other European industrial countries, higher-priced British manufactures would more often be refused for sheer lack of funds to pay for them." That there is no exaggeration in these observations will be evident from the following remarks of the Chancellor himself:

"During 1952, the wage and salary bill rose by about £550 million, though industrial production was lower than in 1951. In October, 1952, average earnings were 8 per cent. higher than a year before and wage rates rose 6 per cent. during the year. A 10 per cent. rise in wages and salaries throughout manufacturing industry would cause export prices to rise 4½ per cent. Taking into account increases in fuel and transport costs, average export prices would thereby be increased by over 1*s.* in the £."

Necessity of Profits

Closely allied to the question of wages is that of profits, for, if, as a result of higher level of wages, the profit margins are reduced, it will have a serious effect on the savings of industry and thereby on the growth of industry. Dealing with this question, Mr. Butler stressed the importance of ploughing back adequate sums derived by way of profits into industry. In support of this contention, he pointed out that the rate of productive investment per operative in the U.S. was about three times as rapid as that in the U.K. He revealed, in this connection, that, between 1947 and 1952, the gross trading profits of companies in Britain rose by 35 per cent., while wages and salaries increased by 50 per cent. An analysis of the national income figures showed that the share going to gross trading profits of companies and corporations was the same at 19 per cent. in 1952 as in 1947, while that going to wages and salaries was higher at 61 per cent., as against 59 per cent. Anything which tended to diminish the resources available for productive investment would, Mr. Butler added, impair national strength. It might occur through diversion of resources required for re-equipment to personal incomes.

Mr. Hobson's Remarks

Commenting on Mr. Butler's exposè of Britain's present economic situation and his appeal to workers to moderate their demands for an increase in wages, Mr. Oscar Hobson makes the following candid remarks:

"But his prescription, if he was really trying to write one, was surely utterly inadequate. It amounted to nothing more than another exhortation to employees to observe restraint and to employers to put more energy into their production and export 'drives.' We have had many of these exhortations from Ministers since the war and we know their value. It is nil or next door to it. It is, at any rate, utterly uncommensurate with the needs of the situation. Experience has time and again demonstrated that (except on rare occasions of great national danger) mere preaching unaccompanied by measures of economic inducement or pressure, is almost useless. It is no use just pleading with employees not to advance wage claims. And the present arbitration system is guaranteed to ensure that they will get a proportion of what they demand; it is a guarantee of continuing 'wage-induced inflation.'

"It is equally no use asking employers to export more while the level of incomes is such that they can sell their goods on the home market with less trouble and with equal or greater profit. It is the duty of Governments to propose the measures calculated to provide the worker and the capitalist with the incentives and motives to do those things which are demanded by the situation as they see it. Broadly, those measures may be in the nature either of specific compulsions (orders, controls, quotas, etc.) or of general persuasives (tax policy, monetary policy). But there was not the slightest hint in Mr. Butler's speech of any action at all to remedy or avert the dangers which he clearly sees to be developing.

"There was no suggestion either that the budget was too 'soft' and might have to be stiffened or that the Bank rate might have to be raised—or on the other hand that we might have to go back on such decontrol and liberalisation as we have been vouchsafed in the last year. If our situation is as Mr. Butler describes—such current news items as the purchase of 200,000 tons of dear Belgian coal on top of 300,000 tons of French certainly do not refute him—he ought to be doing something about it *now*. Otherwise we shall just drift into a new crisis. It will be a familiar experience. But it could be avoided."

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TRENDS IN WORLD RUBBER POSITION

U.S. CONSUMPTION OF NATURAL RUBBER RISES

THERE has been a significant development in the London rubber market in recent weeks. Though prices have been ruling quiet, both for the spot position and for the forward position, the forward positions are being quoted at a premium over the spot for the first time in the past several years. The premium has been widening since the beginning of July and has received a fresh fillip from the announcement that the United States' production of general-purpose synthetic rubber by the Reconstruction Finance Corporation is to be reduced from 1st August and from hopes of a higher price level for synthetic rubber after the U.S. Government-owned synthetic plants are sold to private enterprise. The latest quotation available, however, shows a slight narrowing of the premium; but the maintenance of the premium itself is a notable feature. The following table showing the trend of price during the last five weeks will be read with interest:

(Per lb.)

	22-6-1953	1-7-1953	21-7-1953	29-7-1953
	d.	d.	d.	d.
Spot	20⅛	19⅛	19⅛	18⅛
Forward:				
September	20⅛	19⅛	19⅛	18⅛
October-December	20⅛	19⅛	19⅛	18⅛
January-March	20⅛	19⅛	19⅛	19
August, c.i.f.	19⅛*	19⅛	19⅛	18⅛

* July c.i.f.

The development of a premium in the forward positions is stated to be a measure of increased optimism about the long-term outlook for natural rubber. The first cause of the optimism has been provided, as already stated, by the report that the Reconstruction Finance Corporation, which produces the general-purpose synthetic rubber for the U.S. Government, would cut down its output from 1st August by gradually shutting down the alcohol butadiene plants. The plants which will be taken out of operation are stated to be of the high cost type and account for an annual output of 100,000 tons of general-purpose synthetic product. The closing of these plants will leave with the R.F.C. an annual capacity of 600,000 tons of general-purpose synthetic from petroleum based butadiene—GR-S (styrene) rubber. The price of this product will be unchanged at 23 cents a pound. On 17th July last, the R.F.C., it may be noted, raised its price of butyl synthetic rubber —G.R. 1 (butyl) rubber—by 1½ cents to 22 cents per lb. The change in the U.S. price of butyl was received with satisfaction in London market circles as a step in the right direction. It was, however, felt that, so far as the natural rubber was concerned, the increase in price of GR-S rubber would have been a more effective action, as it would provide the natural rubber a better competitive position.

Sale of U.S. Government-owned Plants

The second factor which contributed to the optimism referred to above was the implications of the enactment of the Synthetic Plant Disposal Bill which has since been passed by the U.S. Senate, the same having been already passed by the House of Representatives. The disposal of the Government plants to private enterprise is generally taken to mean that the synthetic rubber will come to occupy a higher price level, as it will not be subsidised any longer and kept at an artificially low level.

The U.S. Senate voted on 22nd July, 1953 the Bill authorising the sale of the Government's synthetic rubber plants to private interest, but not before passing several amendments to the Bill. The most important amendment made was that the overall disposal programme should be submitted to the Congress by 31st January, 1955, instead of 1st June, 1954. After that date, the Congress will have 60 days to accept or reject the plan. Originally, the deadline for the sale of the plants was fixed as 1st July, 1954. Having thus been voted by both the House and the Senate, the measure was placed before a joint conference committee and a compromise between the two versions of the Bill was agreed upon. The compromise Bill was passed by the House of Representatives on the 28th ult. and sent to the Senate. Under the provisions of the compromise measure, the President will appoint a three-man commission to negotiate the sale. The Commission will have time until 31st January, 1955, to submit an overall disposal plan to the Congress. Transfer of the facilities to private industry will become effective 30 days after that date, unless either the House or the Senate passes a resolution disapproving the terms of the sale. The entire sale will have to be approved or disapproved as a single package, although separate plants can be sold singly to private companies. Factories which cannot be sold to private industry would be placed on a stand-by basis. The Bill requires the private companies which take over the plants to give a guarantee to produce a total of 500,000 long tons of general-purpose synthetic rubber and 43,000 long tons of butyl rubber every year.

Meanwhile, preliminary figures of consumption of rubber by the U.S. during June, 1953, indicates that its consumption during the first half-year was on the increase, as compared with that during the first half of 1952. Thus during June, 1953, consumption of rubber in the U.S., according to preliminary figures, amounted to 120,462 tons. Though this shows very little increase over that in May (119,062 tons), it was considerably higher than that in June, 1952, (106,149 tons). Of the total consumption in June, natural rubber accounted for 48,958 tons (as compared with 46,613 tons in May, 1953, and 36,946 tons in June, 1952) and synthetic for 71,504 tons (as against 72,449 tons and 66,203 tons, respectively, in the preceding months under comparison). It is significant to note that the consumption by U.S. has gone up in the very first month (which is June this year) after the U.S. gave an assurance at the last meeting of the Rubber Study Group held in Copenhagen that even a modest fall in the price of natural rubber would induce a considerable increase in its consumption. It will be noted from the foregoing figures that the proportion of natural rubber consumed to total U.S. consumption has improved in June this year, as compared with that either in May this year or June last year. It will also be noted from the table of prices that there has been a fall of 1⅛d. per lb. in spot prices of natural rubber.

The consumption of natural rubber in June, 1953, brings the total for the first half of the current year to 288,415 tons, a rise of 71,193 tons over that for the corresponding six months of 1952. Consumption of synthetic rubber during January-June, 1953, has also risen, but by a smaller amount—32,178 tons—from 408,675 tons in the first half of 1952 to 440,853 tons. Arrivals of natural rubber in the U.S. in June this year amounted to 63,898 tons, as against 54,056 tons in May and stocks at the close of June amounted to 114,798 tons, as against 113,212 tons.

The U.S. output of synthetic rubber in June, 1953, was 79,668 tons, as compared with 85,575 tons in May, 1953 and 64,040 tons in June, 1952. Stocks stood at 140,230 tons, an increase from 121,832 tons at the end of the preceding month.

World Output in First Five Months

The world output of natural rubber in May this year, the latest month for which figures are available, was 142,500 tons, the highest since January this year (when it amounted to 165,000 tons), and compares with 132,500 tons in April, 1953, and 137,500 tons in May, 1952. This brings the total output during the first five months of this year to 692,500 tons, a decline of 35,000 tons from the corresponding figure for 1952. World consumption in May, 1953, at 130,000 tons, was the lowest monthly consumption for the year so far and compares with 132,500 tons in the previous month and 117,500 tons in May, 1952. The total consumption in the first five months amounted to 667,500 tons or 47,500 tons more than a year ago. Stocks at the end of May aggregated 800,000 tons, made up of 222,500 tons in producing areas, 382,500 tons in consuming areas (excluding Government-owned rubber) and 195,000 tons floating stocks.

The world output of synthetic rubber in May is estimated at 93,500 tons, making a total of 422,500 tons for the first five months of this year. Consumption in May amounted to 80,000 tons, bringing the five months' total to 405,000 tons. Stocks of synthetic rubber at the end of May were 152,500 tons, an increase of 15,000 tons since 1st January, 1953.

The output of rubber in the Federation of Malaya during June, 1953, amounted to 46,241 tons, as compared with 47,592 tons in May. This brings the half-year's total to 273,896 tons, as against 278,392 tons in the first half of 1952, and 304,254 tons in the second half of 1952. The estates produced 27,202 in June, making 162,852 tons for the six months, compared to 166,868 in the first half of 1952. The production by smallholders, in June, was 19,039 tons, making 107,142 tons for the half-year, compared to 121,524 tons in the first half of 1952, and 22,792 tons in the second half of 1952.

SCOPE FOR JUTE GOODS IN SOUTH-EAST ASIA

OUTLOOK PROMISING

THE reports of the fact-finding missions deputed by the Indian Jute Mills' Association to the U.S., Canada, the U.K., Australia and New Zealand revealed one thing. And that was that, in all these countries, although jute goods were slowly regaining their markets, the substitutes had come to stay in some fields where jute coverings were in vogue once. Thus, the substitutes for jute still constitute a powerful rival in these countries. In South-East Asia, however, the substitutes have not made much headway and there is no fear of serious competition from them. This is the impression that one gets after going through a summary of the findings of Mr. Gardner, Chairman of the I.J.M.A., who recently visited Singapore on a fact-finding mission. It would appear from his account that this region offers expanding markets for jute goods, despite the efforts of certain countries to cultivate jute and set up jute mills.

Reports from Singapore and Malaya disclose that the markets there have been suffering from inadequate supply of gunny bags. This situation has encouraged the tendency to reduce the standard of coverings. It has also encouraged the use of secondhand bags in places where in the past new bags were specified and insisted upon. Bulk handling has not yet made any significant progress. It is true that adverse political conditions there have slowed down export trade and consequently the demand for jute bags. But India seems to have not even satisfied fully the residual demand, let alone create new demands.

Thailand

Thailand is another country in South-East Asia, the requirements of which has so far been exclusively met by Indian jute mills. The annual requirements are about 19 million to 20 million bags. These bags are mainly used for packing rice for export, as well as for internal requirements; approximately 15 million bags are required for the latter. Secondhand bags are also used for the carriage of rice internally and some of these are obtained from India. Gunny bags are also used for packing soya beans and jaggery. A small quantity of hessian is used for the baling of sheet rubber.

There are prospects of greater demand for jute goods. But it is not certain whether this demand will be met by imports from India. For Thailand has been experimenting with cultivation of jute on land unsuitable for growing rice. It is also developing a jute manufacturing industry. One jute mill was installed in 1952 and two more are planned to be completed by the end of 1954. It is expected that internal production will, by that time, be approximately 8 million bags per year. Nevertheless India can still hope to retain its present market, provided it offers its jute goods at competitive rates, for this is a country where demand is expected to be upward for several years to come.

Burma

The major part of Burma's demand for jute bags is for packing rice for export. The actual volume of demand for gunnies depends on the size of the crop. It is understood that Burma purchased large quantities of gunny bags during July, 1951 to June, 1952, and, consequently, the demand during July 1952 to June 1953 was small. It is, however, forecast that the demand for 1954 will be 25,000 tons, and still more for 1955. Thus, there is great scope for Indian jute goods in Burma. Latest reports disclose that American manufacturers of paper bags are making strenuous efforts to enter Burmese market. Burma too is said to be cultivating a certain amount of jute and contemplating erection of a jute mill.

Indonesia

The demand for jute bags in Indonesia depends, as in Burma, on the volume of its crops, especially rice. It is estimated that the normal requirements of this country account for about 20,000 tons, but, owing to heavy stockpiling in 1952, the imports in 1953 are not likely to exceed 16,000 tons. The major portion of its demand is satisfied by India, although not necessarily directly. It would appear to be in the interests of India to establish direct contacts with Indonesia, if it is to stabilise its position and explore prospects for further exports to that country.

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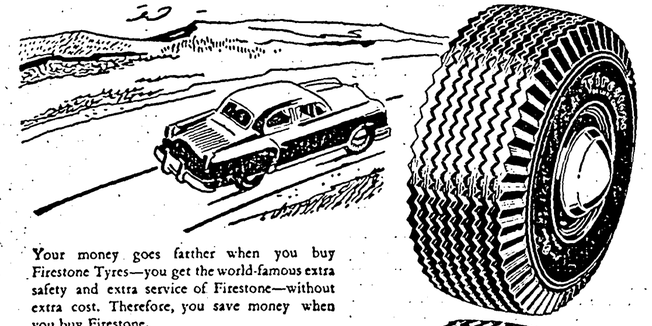

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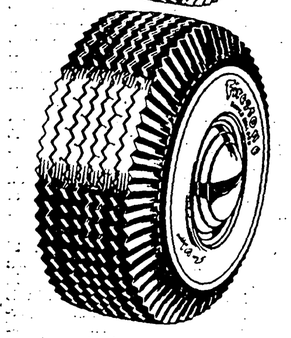

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DEVELOPMENTS IN STEEL WORLD

JAPAN TO CUT EXPORT PRICES

RECENT developments in the steel world indicate that fundamental changes in the world steel situation may be in the offing. Briefly stated, they all point to the possibility of an early emergence of a strong buyers' market in steel and steel products. There are, on the one hand, reports that the High Authority of the Schuman Pool will shortly put forth proposals before the U.K. Government for closer co-operation between the U.K. and the European coal and steel pool. On the other hand, iron and steel manufacturers in Japan propose to make drastic reductions in the export prices of their products in order to meet international competition in steel markets, which, they say, has stiffened by the operation of the Schuman Plan. Many forecast that these two developments may result in considerably cheaper steel for the underdeveloped countries of Asia and the Far East, thereby facilitating their capital expansion programmes.

A brief review of the latest available statistics pertaining to steel in certain important European countries (published by the Industry Division, Economic Commission for Europe, United Nations, Geneva), reveals some interesting features. The crude steel production figures for April and May, 1953, suggest a possible pause in the general post-war upward trend of steel production in Europe (excluding U.S.S.R.). The developments in the different countries, however, are not uniform. In the U.K., for instance, production is breaking new records, whilst elsewhere output has dropped steeply in April and May, from the post-war highs established in the first quarter of 1953. Production in the U.K. was at an annual rate of 18.52 million tons in May, as against 18.42 million tons in April and 18.50 million tons in the first quarter of 1953. The annual rate in the first quarter of 1952 was 16.24 million tons. The annual rate of production in West Germany in May was 13.98 million tons, as against 15.32 million tons in April and 17.14 million tons in the first quarter of 1953. It was 15.23 million tons in the first quarter of 1952.

Trend of Output

The following table gives the annual rate of production of steel in some important countries of Europe in the months of May and April, 1953, and in the first quarter of 1953 and the corresponding quarter of the previous year:

(In million metric tons)

	1st Quarter		April	May
	1952	1953	1953	1953
U.K.	16.24	18.50	18.42	18.52
West Germany	15.23	17.14	15.32	13.98
France ...	10.68	10.92	10.65	10.35
Belgium ...	5.45	4.89	4.84	4.53
Italy and Trieste	3.48	3.20	2.94	3.21
Luxembourg ...	3.16	2.76	2.78	2.71
Saar	2.76	2.91	2.67	2.66

Western Europe's foreign trade in steel seems to be shrinking. Imports of steel into West Germany dropped from the high level of 183,000 tons in January, 1953 to 114,000 tons in April and are expected to be back at the more normal level of 40,000 to 50,000 tons a month. This reduction in imports points to a recovery in West German steel production in the coming months. Similarly, the U.K.'s imports of steel continue to decline towards a normal level, as supplies of home-produced steel are rising. The imports fell from 113,000 tons in January, 1953, to 88,000 tons in April, 1953. Exports from West Germany increased from 99,000 tons in January, 1953, to 141,000 tons in April last, while that from the U.K. declined from 186,000 tons to 163,000 tons. Aggregate export of steel by all the West European countries were generally at a lower level than in 1951, owing to a falling off in the demand from overseas.

The consumption of crude steel in 20 European countries increased from 48.7 million tons in 1951 to 58.1 million tons in 1952, that is, an increase of 9.4 million tons. A part of this increase may represent increases in stocks, particularly those held by consumers. Stocks of finished steel held by producers in the U.K. and West Germany at the end of 1952, as compared with those at the end of 1951, were higher by a quarter of a million tons.

West European countries have ambitious plans for increasing the production capacity of their iron and steel industry. Approximate production of crude steel in 1952 and the targets of some important West European countries are as follows:

(In million tons)

	1952	Target for 1956 planned capacity
U.K.	16.12	20.00
West Germany ...	15.65	20.00
France	10.89	17.00
Saar	2.77	
Belgium	5.01	5.70
Luxembourg ...	2.95	3.40
Italy	3.48	4.00

In view of the expected increase in production in Europe and prospects of keen competition from that part of the world, it is natural that Japan should feel perturbed. The Japanese interests are stated to have agreed that they must export steel even at prices below the cost of production, if they are to stabilise their position in the South-East Asian markets. They claim that a dual price system—with domestic price bearing the loss sustained by the export price—is unavoidable, if the South-East Asian markets are not to be lost to West Europe and the U.K. Japanese exports of steel in 1952 were 1.47 million tons (valued at $231 million). But it is feared that exports will drop this year from the target of 1.20 million tons to no more than 800,000 tons, if steel is not offered at cheaper rates. Consequently, five leading manufacturers of Japan have already decided to accept an order from Pakistan for 9,500 tons of iron and steel at rates far below the current Japanese quotations.

Aid to Japanese Steel Industry

The Japanese Government is expected to aid the steel industry by revising the taxes in a downward direction and lowering interest rates on loans. The discount rate of the Bank of Japan, under the expected financial aid, will most probably be 1.4 sen (100 sens make one yen) a day per 100 yen, as against 1.9 sen at present. In other words, the rate of interest may be reduced from 6.93 per cent. to 5.11 per cent. per annum. The export insurance premium is also expected to be lowered from 40 sen to 10 sen per yen. The interest rate of the Export and Import Bank is also expected to be lowered.

The aforesaid assistance will be given to all heavy industries, including coal, electric power and ammonium sulphate. For the coal mining industry, a marginal subsidy will be granted for payment of interest on loans from the Development Bank and city banks. At the same time, payment of loans taken from the now defunct Reconstruction Finance Bank will be shelved temporarily. The present 10 per cent. consumption tax on electric power industry will be abolished. This will, however, be offset by a 10 per cent. increase in the power charge.

With a view to competing effectively in foreign markets, Japan proposes to revive the pre-war cartel system, subject to certain regulations by the State. An official Bill to this effect has already been adopted by the Lower House and is expected to be passed by the Upper House without any difficulty. The Japanese Government claims that cartels are more efficient than a mass of small firms and is confident that it can protect the public against the abuses of cartels by suitable controls.

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DIESEL ENGINES

THEIR USE TO BE ENCOURAGED

REPORTS from New Delhi indicate that the Government of India has decided to encourage the use of diesel engines in place of Otto engines (or petrol engines, in common parlance) in all nationalised road transport undertakings in the country. This decision follows the unanimous agreement among the transport organisations, under the auspices of the Central and State Governments, at the Second All-India Transport Commissioners' Conference, held in Kashmir in May last, to switch over, as far as possible, nationalised road transport from petrol to diesel operation. The Tariff Commission, it may be recalled, has recommended, in its report on the automobile industry, the use of diesel engines for heavy commercial trucks and heavy passenger vehicles.

Although a diesel engine costs more than an Otto engine, and the initial costs are higher, it is more economical. The thermal efficiency of the diesel cycle is considerably higher than that of the Otto cycle. Again, the maintenance cost per mile is one-half to two-thirds of an Otto engine. Further, there is less danger of fire in the case of diesel than in that of Otto engines. Experiments have shown that the diesel can be used even on steep roads without loss of power by the vehicle.

There are also certain other advantages. Diesel oil is cheaper by some 20 per cent. than petrol. Although the calorific value per lb. of petrol and diesel oil is the same, the specific gravity of diesel oil is higher than that of petrol by 16 per cent. This, together with the higher thermal efficiency of the diesel engine, explains why the fuel consumption of a diesel truck is 35 per cent. lower than a petrol-driven truck. If the power which an Otto engine generates out of one gallon of petrol is taken as 100, the power which a diesel produces out of one gallon of diesel oil is approximately 155, that is, a gallon of diesel oil theoretically gives 55 per cent. more mileage than a gallon of petrol. Lower fuel consumption and lesser fuel price together serve to reduce the fuel cost for a diesel ton-mile by 50 per cent., as compared with a petrol vehicle. As India has to import all the motor oil, it follows that every ton-mile transported by diesel trucks, instead of petrol trucks, saves for India 50 per cent. foreign exchange. Only, the use of diesel engines will serve further to restrict the already limited market for petrol-driven vehicles manufactured in the country. There is at present only one automobile firm in India which has plans for manufacturing diesel engines. There is also a proposal to start a factory in South India for the production of Benz type of diesel engine chasis.

IMPORT OF AUTOMOBILE SPARE PARTS

Through a notification published in a *Gazette of India Extraordinary*, dated 25th July, 1953, the Government of India has sought to remove doubts about the licensing policy for imports of automobile spare parts. The notification reiterates the Government of India's desire to give liberal facilities for imports of automobile spares. It says:

"The licensing policy for the import of motor vehicle parts falling under serial Nos. 293, 295 and 297 of Part IV of the Import Trade Control Schedule for January-June, 1953, has been published in Appendix 'ZA' of the relevant Red Book and for July-December, 1953, in Appendix 'P' of the current Red Book. The policy and procedure has been designed to facilitate liberal imports of automobile spares through all possible channels, namely, established importers, recognised assemblers, fleet owners, workshops owners and spare parts merchants.

"Apart from the issue of quota licences to established importers, and newcomer licences to dealers in spare parts, provision has been made, in paragraph 7 of Appendix 'ZA' and paragraph 6 of Appendix 'P', for the grant of special licences to 'persons who had been dealing in spare parts of motor vehicles in the past and were obtaining their supplies through assemblers and stablished importers, provided they are prepared to invest a substantial sum for importing automobile parts.' In this connection, doubts have been expressed in some quarters as to whether established importers who find their established quotas inadequate or who have felt obliged in the past to obtain a portion of their requirements from recognised assemblers and other established importers are also eligible to apply for these special licences. These doubts are unfounded, for it has been the Government's intention throughout to grant reasonably liberal facilities for imports of automobile spares to all those (i) who are able to invest substantial sums of money and (ii) who had, in the past, been obtaining a portion or the whole of their requirements directly from assemblers and other established importers. Persons and firms, whether established importers or dealers in spare parts, or workshops owners, who fulfil these two conditions are eligible to apply for these special licences."

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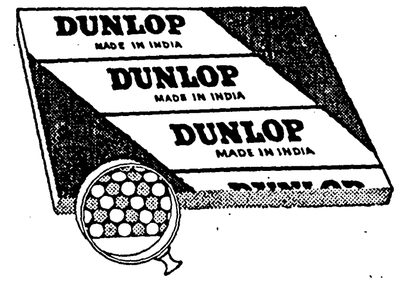

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INVESTMENTS OF SWEDISH INSURERS

DETAILED CONTROL EXERCISED BY GOVERNMENT

SWEDEN is one of those European countries where insurance companies have expanded both in number and magnitude of their operations, thanks to the impetus to national economy given by the war and to the large increases in income as well as in commodity and property values which necessitate larger insurance. And Sweden is also one of those countries where the investments of insurance companies are controlled by the Government. The latest issue (the June issue) of the *Index*, the Journal of Handelsbanken, Stockholm, gives an up-to-date account of the activities of the Swedish insurance companies, which makes most interesting reading.

For a small country, such as Sweden, the number of insurance companies is certainly large, for there are as many as 1,339 insurers there. But most of these companies belong to the "casualty" group, that is, fire and accident insurers. Thus, there are 1,296 casualty companies, whereas the companies which transact life assurance are smaller in number, 23 to be precise. Life assurance companies are, as a rule, large institutions, whereas most of the casualty insurers are very small local companies whose business field is geographically very limited. The following table gives the number of insurance companies and the administered capital owned by them:

	No. of companies	Administered capital* Mil. Kr.	Percentage
Life assurance companies	23	6,324	77.8
Health insurance and workmen's compensation and insurance companies	12	239	2.9
Casualty insurance companies ..	1,296	1,511	18.5
Reinsurance companies	8	85	1.0
Total ..	1,339	8,159	100.0

* This figure refers to the total of the companies' balance-sheets less loans against insurance policies, the value of reinsurers' liability and the group "other assets."

During 1952, new life policies were taken out for Kr. 1,740 million, which was 36 per cent. more than in 1950. Similarly, fire and other casualty insurers have increased their business. The pronounced increase in new insurance policies has resulted in the growth of the investment capital of these companies. During the past three years, the rate of increase of capital has been about 10 per cent. per annum. That the Swedish insurance companies have greatly expanded their business activities will be evident from the fact that their capital investments are now of the order of Kr. 8,112 million as against Kr. 3,117 million in 1938. It is estimated that, by the end of 1952, the insurance companies' combined capital investments amounted to Kr. 9,000 million, which implies a rise of about 80 per cent. since 1945.

The following table gives the distribution of these investments:

Insurers' Capital Investments

	1938 Mil. Kr.	1938 Percentage	1951 Mil. Kr.	1951 Percentage
Real property	137	4.4	350	4.3
Equities	61	2.0	192	2.4
Mortgage loans ..	1,327	42.6	2,330	28.7
Municipal loans ..	201	6.4	486	6.0
Bonds and debentures ..	1,130	36.3	3,056	48.8
Other securities ..	132	4.2	479	5.9
Cash in hand and balances at bank	129	4.1	319	3.9
Total ..	3,117	100.0	8,112	100.0

According to current regulations, 90 per cent. of the life assurance fund, corresponding to the companies' obligations towards the insured persons, must be invested in Gilt-edged securities, mortgages within the two-thirds of the assessment value, municipal loans or in certain other approved securities. Only 10 per cent. of the fund may be freely invested, though no part of the fund may be invested in equities. There is, however, no restriction regarding the investments of their free reserves—that is, those reserves which have accumulated over years through setting aside profits. These reserves constitute about 10 per cent. of the life assurance companies' administered capital. The casualty insurance companies are, however, permitted, for the most part, to invest their funds freely at their own discretion.

The insurance companies, as the table above shows, invest their funds primarily in bonds and debentures which account for nearly half of all the investments. Mortgage loans account for 30 per cent. of their investments. The structure of the companies' investments has remained practically unchanged during the post-war years. But, as compared with pre-war years, there has been a significant change. Whereas the proportion of mortgage loans has declincd, that of bonds has increased in importance. There is also a certain difference between the investment structure of the life assurance companies and that of the casualty insurance companies. In the former, bonds and mortgage loans, entirely predominate at over 80 per cent. of total investments while the corresponding figure for the general insurers is only 55 per cent. A substantial proportion of the bond holdings consists of bonds of the various official and private mortgage institutions. It is estimated that the insurance companies devote, either directly or indirectly, about 40 per cent. of their investments to housing finance.

In 1952, the insurance companies reached an agreement with the Riksband under which they agreed to work within the general policy of credit restraint. This agreement was replaced by another agreement reached at the end of 1952. The main difference, as compared with the earlier agreement, is that the funds constituting the life assurance fund may only be invested in such bonds and debentures as have been issued after October, 1952, and in mortgage loans only on buildings created after the end of June, 1951. Loans to industry were restricted. Purchases of real property, it was agreed, should not be financed from the life assurance fund. As regards the free funds, the life assurance companies have undertaken not to alter the structure of their earlier investments. The increase in these funds, amounting to between Kr. 50 and 100 million per annum, is still being freely invested.

SENTINEL ASSURANCE CO., LTD.

The life department of the 18-year-old composite insurance office, the Sentinel Assurance Company, Ltd. (General Manager: Mr. T. Bagchee, Bombay), was able to record commendable progress during 1952, inasmuch as both the new business for the year and the total premium income in that department were higher at Rs. 25.76 lakhs and Rs. 6.95 lakhs, respectively, as compared with Rs. 17.03 lakhs and Rs. 6.58 lakhs in the previous year. The progress of the general department, consisting of fire, marine and accident sections, was, however, somewhat less encouraging. The gross premium income from all sections was Rs. 14.91 lakhs, as compared with Rs. 15.71 lakhs in 1951, and the net premium income Rs. 9.40 lakhs, as against Rs. 9.64 lakhs. The fact the Company could do with the transfer of a smaller sum of Rs. 85,000 to reserve for bad debts, as against Rs. 1,60,000 in the previous year, was mainly responsible for the decision by which the Directors were able to distribute not only the accumulated arrears of the 5 per cent. preference dividend for 1951 and 1952 but also an ordinary dividend of 3 per cent. for the latter year.

Apart from the premium income, the main source of income in the life department is the interest on investments which was slightly lower at Rs. 1.70 lakhs. The average interest yield for the year was only 4.42 per cent. as against 4.77 per cent. in 1951. Both claims by death and claims by maturity were lower at Rs. 0.67 lakh and Rs. 1.75 lakhs, respectively. The renewal expense ratio has, as in the case of most other insurers, risen. It was 17.3 per cent. as compared with 16.8 per cent. in the previous year. The Company's life assurance fund, as at the end of 1952, was Rs. 34.58 lakhs.

In the general department, the gross premium income, as already stated, declined from Rs. 15.71 lakhs to Rs. 14.91 lakhs. So did the net premium income from Rs. 9.64 lakhs to Rs. 9.40 lakhs; the net premium income in 1952 was made up of Rs. 4.79 lakhs in the fire department, Rs. 1.24 lakhs in the marine department and Rs. 3.37 lakhs in the accident department. The Company maintained the allocation to reserves in all its three sections at 40 per cent. of the net premium income, besides, additional reserves at Rs. 0.48 lakh, Rs. 0.12 lakh and Rs. 0.34 lakh in the fire, marine and accident departments, respectively. Claims experience, was, unlike in the case of several insurers, very favourable in the accident department where it was 32.24 per cent., as against 43.59 per cent. In the fire department, the loss ratio increased from 5.8 per cent. to 15 per cent. There was a steep increase in loss ratio in the marine department from 13.6 per cent. to 48.13 per cent. though it was considerably less than in 1950 when it was as high as 95.5 per cent.

The profit and loss account received the transfer of the trading profits from the fire, marine and accident departments at Rs. 1.11 lakhs, Rs. 0.35 lakh and Rs. 5,224 respectively. These sums, together, with the income from other sources such as interest and dividends, made in all Rs 1.91 lakhs. The payment of income-tax for 1950 absorbed Rs. 0.22 lakh. Depreciation of investments was provided at Rs. 15,174 and reserve for bad and doubtful debts at Rs. 85,000. Expenses of management, not applicable to any fund or account, were Rs. 15,174. There was thus a balance of Rs. 0.59 lakh which, together with Rs. 1,525 carried forward from the previous year's account, made available a sum of Rs. 0.61 lakh for appropriation. Out of this sum, the payment of 5 per cent. preference dividend for 1951 and 1952 absorbed Rs. 40,000 and of ordinary dividend at 3 per cent. Rs. 15,000. A sum of Rs. 5,000 was appropriated towards writing off a part of the amount transferred to life fund. All this left a small sum of Rs. 710 to be carried forward to the current year's accounts.

The Company's strong financial position is reflected in the fact that, apart from the capital of Rs. 1 lakhs, its reserves make up an impressive total of Rs. 48.26 lakhs which includes life insurance fund Rs. 39.34 lakhs, fire insurance fund Rs. 2.40 lakhs, marine insurance fund Rs. 0.62 lakh and accident insurance fund Rs. 1.68 lakhs.

UNITED INDIA LIFE ASSURANCE CO., LTD.

The latest valuation report of the United India Life Assurance Company, Ltd. (Manager: Mr. N. V. Nayudu, Madras), for the triennium ended 31st December, 1952, shows that this premier South Indian insurance company has had yet another period of useful service to its credit. The valuation which was performed by the Company's Actuary, Mr. J. R. Rana, on a conservative basis of an interest rate of 2½ per cent. has disclosed a surplus of Rs. 33.61 lakhs, as compared with Rs. 21.99 lakhs in the triennium ended 31st December, 1949. This surplus, together with the interim bonus paid (Rs. 51,255) and tax deducted at source (Rs. 8.67 lakhs) during the period under review, makes a total of Rs. 42.79 lakhs. Out of this sum, the shareholders receive Rs. 2.49 lakhs, provision for income-tax is made at Rs. 5.16 lakhs and policyholders receive Rs. 35.15 lakhs as against Rs. 2.21 lakhs, Rs. 5.08 lakhs and Rs. 21.04 lakhs respectively in the previous valuation. The Actuary has recommended the distribution of the policyholders' share in the shape of a reversionary bonus of Rs. 12 per Rs. 1,000 sum assured per year for whole life policies, a reversionary bonus of Rs. 10 per Rs. 1,000 sum assured per year for endowment assurance and life income policies and Rs. 4 per Rs. 1,000 sum assured per year for the closed series, formerly known as the "capitalised profits" scheme. These three classes of policies had received Rs. 9, Rs. 7 and Rs. 3 respectively in the last valuation. In the case of policies transferred to the Company in terms of the Allianz Und Stuttgarter Life Insurance Bank Ltd. Transfer Act of 1950, the Actuary has recommended a reversionary bonus of Rs. 5 per Rs. 1,000 sum assured for the years 1951 and 1952. The increase in the shareholders surplus has enabled the Company to pay a higher dividend of Rs. 50 per share of Rs. 100 each for 1952 as against Rs. 30 paid for the previous year. Ordinarily, the Company can be expected to continue the enhanced rate of dividend for 1953 and 1954 also. The life assurance fund of the Company stood, as at 31st December, 1952, at Rs. 6.86 crores.

The valuation has further disclosed that both the gross and net rates of interest earned by the Company's fund have increased, the former from 3.70 per cent. to 4.18 per cent. and the latter from 3.11 per cent. to 3.23 per cent. The renewal expense ratio has gone down considerably; it was only 14.30 per cent. for the triennium 1950-52 as compared with 15.87 per cent. in the previous three-year period. The results of the valuation, as the Actuary himself points out, must be considered "gratifying" not only on account of the handsome surplus disclosed and the consequent increase in the return to policyholders and shareholders but also for the fact that a handsome allocation could be made in the context of the stringent basis adopted for valuation, and the depreciation in securities. It is also encouraging to note that the Company will, according to him, be able to maintain its bonus in future at approximately the same rates as have now been declared. This encouraging remark should prove a strong selling point for the Company's field-workers.

During the year 1952, the Company wrote a new business of Rs. 3.82 crores, as against Rs. 3.57 crores in the previous year. The total business in force now aggregates over Rs. 25.32 crores, of which a sum of Rs. 1.94 crores has been reassured. The total revenue from premiums, interest and other sources increased from Rs. 1.29 crores to Rs. 1.37 crores. Claims were a shade higher at Rs. 34.20 lakhs. The Company has, since its establishment in 1906, paid claims aggregating Rs. 3.04 crores.

The favourable mortality experience and the increase in the rates of interest earned by the Company have enabled it to give a commendable lead to other insurers by reducing the premium rates, thereby passing on the benefit of these two factors to the policyholders. The United India must be congratulated on the bold lead given by it in reducing the premium rates for certain ages at entry. It is to be hoped that the lead will, as the Chairman, Mr. M. Ct. M. Chidambaram Chettyar pointed out in his address at the annual meeting of the Company, be "followed by other progressive-minded insurers" with a view to popularising insurance.

The welcome, albeit limited, reduction in premium, which the United India has effected, coupled with the increase in bonus rates, which it has announced, should enable the Company, to write a larger volume of business in future years, both at home and abroad. The foreign business now forms about 11.5 per cent. of the Company's total business. This proportion is bound to increase when the benefits conferred by the Company's policies receive the publicity they deserve. Referring to the importance of foreign business, the Chairman said that insurance calls for the "utmost efficiency, the highest order of integrity and a spirit of service." Having these qualities in an abundant measure and inspired by these ideals, he said, the United India men abroad are "worthy ambassadors of the institution, nay, Indian insurance and this country itself."

HYDERABAD UNITED INSURANCE CO., LTD.

The results of working of the Government-sponsored Hyderabad United Insurance Co., Ltd. (General Manager: Mr. H. D. Mehta, Hyderabad-Deccan), for the year 1952, show that the Company has been making satisfactory progress. The premium income in the Company's two principal departments, namely, fire and miscellaneous, have gone up. In the fire department the premium income has moved up from Rs. 1.96 lakhs in 1951 to Rs. 2.37 lakhs in the year under review. Similarly, in the miscellaneous section, it has increased from Rs. 0.23 lakh to Rs. 0.54 lakh. The Company commenced writing marine business only in 1951, and the premium income in that department in 1952 is, as is only to be expected, a small figure. The Company reinsures the whole of its marine business.

The loss ratio in the fire department was only 19.1 per cent. and the working of this department resulted in an underwriting profit of Rs. 0.51 lakh. In the miscellaneous section, the loss ratio was somewhat higher at 54.8 per cent. Consequently, its working resulted in a loss of Rs. 0.26 lakh. This is due to the fact that the motor department has to work in the context of the large increase in the cost of repairs. Addressing the annual meeting of the Company, Mr. L. N. Gupta, Chairman, expressed the hope that the Tariff Committee of the Bombay Regional Council, which had increased its rates in the Bombay Island area, would extend these rates to the areas other than Bombay, as "otherwise it may be difficult to operate profitably." He added: "The claims and the cost of repairs are still high and only by the most exacting standards of underwriting have we been able to keep within small proportions the loss in this department."

After taking into account the income of Rs. 24,206 by way of interest and the profit of Rs. 0.51 lakh from the fire department, and providing for depreciation on investments Rs. 52,908 and the losses suffered by the marine department (Rs. 2,318) and the miscellaneous department (Rs. 25,909), there is a loss of Rs. 5,892. This loss, together with the loss of Rs. 58,182 brought forward from last year, makes a total loss of Rs. 64,074 which is carried forward. Apart from the capital of Rs. 10.81 lakhs, the Company's funds consist of fire fund Rs. 94,804, miscellaneous and marine insurance fund Rs. 21,869 and investment fund Rs. 1,29,870.

Addressing the annual meeting of the Chartered Insurance Institute, held at London recently, Mr. Harry Routh, retiring President, dealt with the subject of recruitment to the insurance industry. He said: "Insurance is commonly regarded—though in some ways most inaccurately—as 'white collar' work and conventional 'white collar' jobs no longer enjoy the prestige that attached to them years ago. The sixth form in the average secondary or grammar school is not looking towards insurance—its eyes are fixed rather on the laboratory and the university lecture-room." Mr. Routh said that young men on the threshold of a university career should remember two things. "First, a degree does not of necessity mean a job. There is, I believe, a higher proportion of unemployment among university graduates than among unskilled labourers. Secondly, I maintain that several years in commerce give a man an education second to none. The market place is still the best university in the world."



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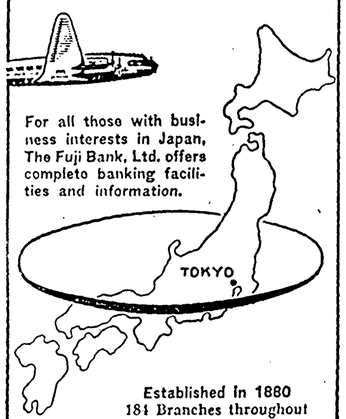

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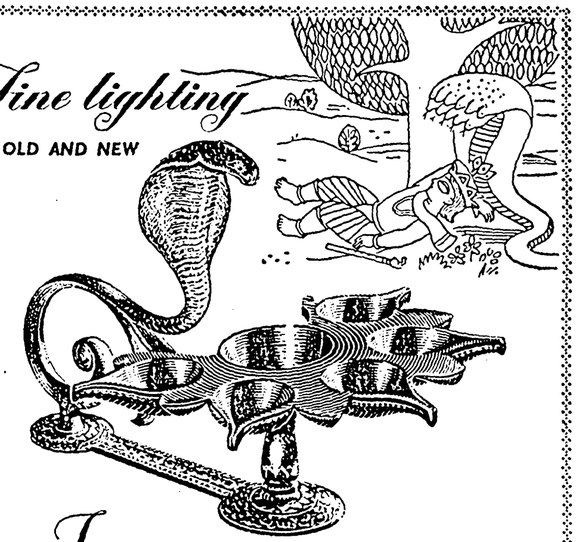

The Indian craftsman who made this light-piece combined design with mythology by casting as the central figure, a *Naga*, about whom there are many heroic stories. In one tale it is said that when Lord Krishna was a child he fell asleep in the shade of a poisonous tree which had been planted there as part of a pre-conceived conspiracy to destroy him. As he slept the tree dripped its poison onto his face. A *Naga* gliding by realized that murder was being perpetrated, and spreading his hood as a shield to protect the child-god, collected to himself the venom falling from the tree. In the light-piece, the spread hood of *Naga* forms a reflector for the flames in the five beautifully shaped *dipaks*.

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MR. M. CT. M. CHIDAMBARAM CHETTYAR'S ADDRESS AT ANNUAL MEETING

A SENSE of disappointment over the tendency to subject the insurance business to non-statutory controls, in the form of the "Code of Conduct," was expressed by Mr. M. Ct. M. Chidambaram Chettyar, Chairman of the United India Life Assurance Company, Ltd., in the course of his speech at the Annual General Meeting of the Company held at Madras on 29th July, 1953. He expressed the view that no organisation could work satisfactorily, much less the insurance business, if it was put in a straight jacket. Life insurance business, in particular, because of its peculiar nature, needed a human and realistic approach to the human and realistic problems, which it aspired to answer. It was, therefore, Mr. Chidambaram Chettyar said, futile to set it to any pattern. He was not, however, opposed to any form of control. He said that statutory control should be limited to broad outlines of policy.

The following is the text of Mr. Chettyar's speech:—

"Our new business for the year amounted to Rs. 382 lakhs registering an increase of Rs. 25 lakhs over the previous year. First year's premium amounting to Rs. 16.47 lakhs was higher by Rs. 1.15 lakhs, the business in force at Rs. 25 crores increased by more than Rs. 1 crore. The life insurance fund increased by Rs. 44 lakhs to Rs. 685 lakhs. The renewal expense-ratio of the Company was 14.56 per cent.

"I am glad to announce that plans are getting ready for the construction of our building in Mount Road, Madras, to be jointly owned by the New Guardian of India Life Insurance Company and ourselves. This will be a unique construction in 14 floors providing amenities to our staff, our agents and our policyholders. I expect this building will be ready in time for the celebration of our Golden Jubilee early in 1956.

"An investigation into the assets and liabilities of the Company has been made by our Actuary as at 31st December, 1952. The report of the valuation is in your hands and you will be presently considering it in the Extraordinary General Meeting. You will observe that the results of the investigation are highly satisfactory. Our valuation bases continue to maintain our conservative standards.

"Our mortality experience, reflecting the qualities of selection of lives exercised by our agents, field officials, medical examiners and the office underwriters, has improved by over 15 per cent. during the triennium. The interest yield has also improved by nearly ½ per cent. (gross) during the triennium and present indications point to a still higher yield on new investments. I am sure that you will appreciate our having avoided the temptation to value our policy liabilities at a higher rate of interest. Our expenses of management have also reduced during this triennium by over 1.5 per cent. We have thus not only financed our expansion, particularly in the overseas territories, out of current revenues, but also consolidated the position of the Company as a whole by keeping well within the expense limitation, provided in the Insurance Rules. The provision for payment of future bonuses to policyholders has also been maintained.

"I should like to invite your attention to the valuation of the 'Allianz' portfolio transferred to us by Act XLII of 1950. It has been possible to declare a bonus to the participating policyholders of that Fund. It is a matter for gratification that, even in the first valuation since the transfer took place, the policyholders derive substantial benefits therefrom.

"The valuation has disclosed a surplus of Rs. 42,79,474, which has enabled a reversionary bonus of Rs. 12 per thousand sum assured per annum for whole life policies and Rs. 10 per thousand sum assured per annum for endowment assurance policies. The bonuses to our participating policyholders is higher by Rs. 3 per thousand per annum than the amounts declared in the previous valuation.

"We have also taken this opportunity to effect a reduction in our rates of premium for certain ages at entry and I am sure our patrons, the public, will appreciate this gesture. You will also recall that in my address to you last year, I had touched upon the fact that the cost of life assurance benefits in India is very high and it behoves us all to work towards a reduction by economy in the costs of procuring and serving the business; and, an improvement in mortality brought about by continued progress in living standards and education in public and personal health as well as by working towards a better selection of lives for insurance. You will be glad to know that in this, as in many other fields of rationalisation, we have taken the lead, which, I am sure, will be followed by other progressive-minded insurers.

"You will be happy to know that since my last address to you, we have made strenuous efforts to extend our business overseas, especially in Malaya and Ceylon. Insurance is a service which transcends national boundaries. Extension of insurance services has always been recognised as one of the most important channels of spreading goodwill among nations besides being an important means of earning foreign exchange for the home country. Insurance services call for the utmost efficiency, the highest order of integrity and a spirit of service. Having these qualities in an abundant measure and inspired by these ideals, the United India men abroad are worthy ambassadors of the institution, nay, Indian insurance and this country itself. In extending our activities through them, we have maintained our usual high standard of underwriting, management and services to our patrons, policyholders and agents; and it is a matter of justifiable pride that we have already achieved a measure of success in our enterprise.

"The proportion of our business in force overseas to the total business of the Company is about 11.5 per cent. According to our present organisational plans, the proportion is expected to increase.

"In 1950, I confessed to a sense of disappointment that 'our legislators have attempted to go too minutely into them (the details of insurance business) to succeed in their basic commendable objectives,' and, 'have failed to see the wood for the trees.' The tendencies which I deprecated even then have now become pronounced through further non-statutory controls over the business in the form of the code of conduct. No organisation could work satisfactorily, if it is put in a straight jacket. Life insurance organisation, in particular, needs a human and realistic approach to the human and realistic problems which it aspires to answer. The business has such wide ramifications, the needs it serves so diverse in character, the persons employed are drawn from so many walks of life and the technical details so complicated that it is futile to attempt to set it to any pattern. The attempts already made by law, if they have failed in their underlying objects, are due to an inadequate realisation of these characteristics of the business. In saying this, I should not be understood to oppose any form of control. I am as deeply conscious as any of the basic need for regulating life insurance business in order to build up and foster sound traditions of underwriting, investments, and actuarial valuations and to ensure fair, prompt and efficient services to the policyholders through a well-trained organisation. Statutory control should be limited to broad outlines of policy in the above directions and I would once again plead with the authorities not to let the restrictive provisions become so involved as to be unworkable and even unenforceable.

"During the previous occasions when I had the privilege of addressing you, I have been emphasising the great value we attach to the training of our agents and other field men in order to equip them for rendering better services to our policyholders, and, through satisfied policyholders, to extend our life insurance services to every section of the community. Many agents have developed into career men in life insurance and set about their work with the confidence born out of a conviction that life insurance salesmanship is a socially useful function and that they are well equipped with the knowledge necessary to perform that function efficiently. The pioneering efforts we have made in this direction have been widely appreciated in insurance circles and emulated by quite a few."



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COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT

TRIPARTITE CONFERENCE ACCEPTS 14-POINT FORMULA

THE two-day session of the Standing Labour Advisory Committee, which concluded on 28th July, was a great success. The most important achievement of the session was the agreement reached among the representatives of employers and workers on a 14-point formula for giving compensation to workers who become unemployed for reasons beyond the control of managements such as power shortage. It is not merely the material benefit that would result when the formula is adopted that is important, but also the voluntary acceptance of the formula by employers. It is certainly a tribute to employers, in that it is proof of their readiness to do everything in their power to alleviate the sufferings of workers.

The agreement mutually arrived at the tripartite conference provides for payment of 50 per cent. of the basic wage and dearness allowance to workers as compensation for the duration of involuntary unemployment. The duration of the benefit will, however, be restricted to a period of 45 days in a year. This agreement will shortly be considered by the Central Government and, when approved, a Bill will be prepared to be enacted into law. This scheme is the first of its kind for the benefit of Indian workers and constitutes the second social security measure, the first being the Employees' Provident Funds Scheme. The compensation formula applies both to the public and private sectors of the industry.

The following are the main features of the agreement:

Compensation will be payable only to permanent workers on the muster rolls of the company. Casual workers will not be eligible for it. Even permanent workers must have completed one year of service to be eligible for this relief. No compensation will be payable to those workers for whom alternative employment is provided. The workers will have to accept such work, where special skill or previous experience is not required. During the period of involuntary unemployment, the workers should answer the roll at least once a day. No compensation shall be payable for the days during which a worker has worked elsewhere.

Lay-off

The formula states that no matter relating to a lay-off, necessitated by factors resulting in involuntary unemployment, shall be referred to conciliation or adjudication. Any existing provision in standing orders or any agreement in existence in regard to such lay-off shall be superseded by legislation to give effect to this formula. Such legislation, it was further decided, shall be Central legislation and shall apply to all States. It was also agreed that, if as a result of a strike or slow-down in a department, there were to be unemployment in any other department, no compensation would be payable to workers thus subjected to involuntary unemployment. Factories employing less than 50 workers or doing intermittent type of work or engaged in seasonal operations are exempted from the application of this scheme.

The formula outlined above is more than just to workers. The limitation of the duration to 45 days will provide enough time for workers to seek employment elsewhere, in case the conditions of the enterprise concerned is not expected to return to normalcy within that period. Commenting on this feature of the agreement, Mr. G. Ramanujam of the Tamil Nad I.N.T.U.C., Coimbatore, is reported to have said that there should be no time limit at all, for the number of involuntary unemployment days in South India considerably exceeded the limit agreed to. This, however, is not a fair view to take. While this consideration for workers is understandable, it must also be realised at the same time that shareholders too suffer from the effects of involuntary unemployment. They cannot afford to keep on paying compensation to workers for an endless period, especially when the causes of unemployment are not of their making. While the workers will get at least half wages for a month and a half, the shareholders stand to get nothing.

Small Factories

The scheme does not impose any hardship on small factories, as they are absolved from the obligation. It will prove a deterrent to strikes, as it is clearly stipulated that involuntary unemployment in one part of a factory, consequent on strike in another part of it, will not entitle the workers affected to compensation. This provision will help provoke the assertion of the collective conscience of the workers against a few recalcitrant elements in their ranks who resort to unhealthy tactics. It is true that, as the worker gets only 50 per cent. of his total emoluments, he will still be subject to hardship. But that cannot be helped. Any deviation from this step in favour of higher compensation will amount to burning the candle at both ends.

The tripartite committee, at its last meeting also examined the question of having Central legislation for shops and commercial establishments. The workers' representatives were in favour of Central legislation, but the employers desired that special consultation be undertaken with those who would actually be affected by it, as they were not represented at the meeting. In view, however, of the fact that several States had legislation to regulate employment conditions in shops and establishments, it was felt that it would be sufficient if the Centre enacted a model legislation, laying down standards considered to be a reasonable minimum. It was accordingly decided that, if the State legislation conformed to the standards prescribed in the Central law in all respects, it would not be necessary to apply the Central law to that State, but, where the State Act did not conform to those standards, the State must either amend its law to bring it up to those standards or to follow the provisions of the Central law.

There is, however, another side to this question. There is no uniformity in economic conditions in all the States. Nor is there any uniformity in regard to social customs and religious festivals. In fact, these conditions vary from one centre to another. That being so, conditions of employment in shops and other similar establishments throughout India cannot be the same. There is need for flexibility in these matters and any move for uniformity, which will necessarily have to be based on conditions in big cities like Bombay and Calcutta, will adversely affect employment opportunities in the interior. It is, therefore, better to leave this matter to be settled by individual States, according to the circumstances prevailing in their respective areas. Indeed, even individual States will do well to formulate rules and regulations region-wise. After all, shops are local institutions seeking to serve the needs of local people. No great harm can come to inter-State commerce by the lack of uniformity in these small matters.

Holidays

The Standing Committee discussed several other topics including the need for uniform standards of paid holidays and productivity programmes. With regard to the uniform standards for paid national and festival holidays in private industrial undertakings, the Committee postponed consideration of the subject, as conflicting views were expressed at the meeting. So far as productivity schemes are concerned, the employers expressed their willingness to contribute their share towards the cost of the proposed national centre. The workers favoured productivity studies, provided they were carried out in consultation with workers' organisations and the experts confined their activities to the carrying out of studies and formulation of recommendations leaving the implementation of their proposals to the parties concerned.

The question of the composition and status of the tripartite machinery also received considerable attention at the meeting under review. The consensus of opinion was that the size of the Standing Labour Committee and the Indian Labour Conference should not be increased but, if it was found necessary to include representatives of Part C States, a proportionate increase in the number of representatives of both labour and management would be essential. The meeting was of the view that the Government should implement the unanimous decisions of tripartite conferences and committees.

THIRD ASIAN REGIONAL CONFERENCE

The International Labour Organisation has accepted an invitation from the Government of Japan to hold the next Asian Regional Conference in that country. This is the third in the series of regional conferences for Asia; the first was held at New Delhi during 1947 and the second in Ceylon during 1950. The Conference, which will be held from 14th to 26th September, will discuss problems of wage policy, workers' housing and measures for the protection of young workers, including vocational guidance and training. The meeting will also discuss a report by the Director-General of the I.L.O. which will contain a survey of the technical assistance activities of the I.L.O. in Asia. Among others, Afghanistan, Australia, Burma, Cambodia, Ceylon, France, Hong Kong, India, Japan, Laos, the Federation of Malaya, the Netherlands, Pakistan, the Philippines, Singapore, the United Kingdom, Indonesia, and Viet Nam are expected to attend the Conference. The Governments of Nepal and the United States have been invited to send observer delegates.

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(ii) Reserve Fund		89,06,328
(iii) Deposits		62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.		12,82,96,445
	Total	76,65,23,136
ASSETS		
(i) Cash and Balances with Bankers.		7,14,88,955
(ii) Investments:		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373		
(b) Other Investments .. Rs. 94,24,911		27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets: Including Bills Receivable, etc.		10,17,65,398
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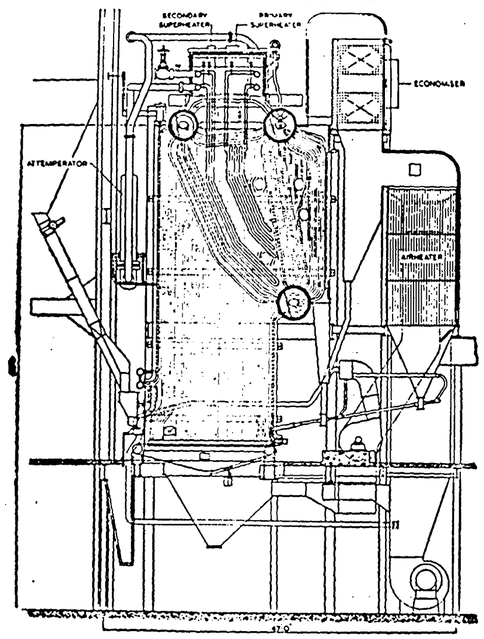

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ECONOMICS OF STORES PURCHASE

GOVERNMENT URGED TO GIVE PREFERENCE TO INDIGENOUS GOODS

THE one signal service which the Audit Department in India has done to the country is to point to the wastage, neglect and incompetence which have marked the expenditure pattern in the several departments of the Governments—Central and State. Nowhere is this wastage so marked as in the sphere of purchase of stores and the grant of contracts. An important factor responsible for this is the defective system of stores purchase. The result has been colossal waste of public money. This could have been avoided, if a rational stores purchase policy had been followed. The need for the adoption of such a policy has long been felt. The appointment of the Stores Purchase Committee by the Government of India some time ago came, therefore, not a day too soon. It may be noted here that the total purchases of stores by the various departments of the Government of India, including the regional offices, I.S.D., London, and the I.S.M., Washington, is of the order of Rs. 95 to Rs. 100 crores per annum. This figure will be still higher if account is taken of the orders directly placed for certain types of defence and railway stores and for meeting the requirements of State projects.

The above Committee is now busy examining the replies to its questionnaire by various commercial bodies and trades associations. The recommendation of this Committee and the decisions that the Government of India will take thereon are being awaited with considerable interest, especially in the present context of the implementation of the Five-year Plan, under which the State has assumed a relatively larger share of responsibility than private enterprise. Inasmuch as the purchase policy of the State has significant influence on the production programme of indigenous industries, there is utmost need for following a rational policy with due regard, inter alia, to development of Indian industries. It is precisely this need which has been emphasised by the Federation of Indian Chambers of Commerce and Industry, in the course of its memorandum to the Stores Purchase Committee.

The most important point that the Federation has sought to stress throughout relates to "price preference" for articles manufactured in India, either wholly or in part. To quote it: "Purchases from local sources, even at some sacrifice of economy and efficiency, should be considered desirable, inasmuch as a temporary monetary loss to the Exchequer will yield, even within a measurable period of time, economic and social dividends to the community as a whole in the shape of improved quality of the products and lower prices, through increased technical efficiency, as also by way of opening new opportunities and new avenues of employment to the nationals of the country." In support of this thesis, it cites the instance of the Buy American Act.

Few will fail to appreciate the anxiety of the Federation to develop Indian industries, but not all will agree with the Federation's statement that price preference should be extended to an extent which will involve some sacrifice even in the matter of quality. Surely, one cannot expect the Governments to purchase whatever product is offered to them irrespective of quality, especially when the quality of several products is known to be very much below the standard and does not compare favourably with the imported articles. Moreover, such a policy has a tendency to take away from the factories the incentive to improve the quality of their products. The utmost that can be expected of the Government in this direction is some concession in the matter of price, provided the quality of the products concerned comes up to the specifications laid down by the authorities.

There is considerable force in the Federation's plea for widening the scope of the Central Purchasing Organisation (C.P.O.), so as to include all purchases by, or on behalf of, defence services, railways, post and telegraphs, certain State-owned industrial undertakings, river valley authorities, etc. Centralisation of authority in one organisation has two distinct advantages. First, it will ensure effective coordination between the purchase policy of the C.P.O. and that followed by the Development Wing of the Ministry of Commerce and Industry, thereby helping the development of indigenous industries. Secondly, it will enable the C.P.O. to prepare more conveniently consolidated forward indents of the different purchases and spread the purchases over a period, thereby dividing the quantities of total purchases among the different indentors.

The policy of bringing all the different purchasing authorities under the jurisdiction of the C.P.O. is not, however, without any drawback. It will not, for instance, result in quick purchases. But this can be avoided by a proper reorganisation of the purchasing agency. As the Federation has rightly observed, the feasibility of decentralising, under the centralised control of the C.P.O., purchases and strengthening the staff at the regional offices should be considered in the interest of bringing the purchaser and the contractor closer in the centres from where most of the firms submit tenders for supply of stores. The two specific suggestions that have been made in this context are, (1) strengthening of the inspecting staff, and (2) extending testing facilities to more centres, particularly in the Bombay region.

The Federation refers next to the question relating to the procedure for registration of supplies. It has put forward several valuable suggestions which, if implemented in right earnest, will not only remove the existing handicaps but also improve the procedure considerably. These suggestions include (1) revision of the list of registered firms afresh; (2) simplification of procedure regarding registration; (3) classification of items of stores under some broad groups; (4) periodical review of the list of registered firms; (5) extension of time limit for receipt of tenders; (6) supply of tender notices—not forms—to registered firms; and (7) avoidance of extending the opening date of the tender.

The Federation has also made a few pertinent observations on the tender system for the purchase of stores. The tender system, as readers are aware, is the only system which is open to a Government which is anxious to spend public money in a manner which will not arouse suspicion. Also, the tender system enables the Government to obtain supplies of stores at an economic price. There is, therefore, no exaggeration in the following remarks of the Federation:

"The object of obtaining supplies of stores through tenders is to make it possible for Government to get stores at most competitive and economic rates. This can be ensured only by healthy competition by various tenderers. The Committee, therefore, feel that, excepting in some special cases, outright purchases of stores from State-owned industries, where such stores are available from other sources, should not be made without inviting tenders. The special cases, may be where stores are needed almost immediately and are available from some Government undertakings. Ordinarily, stores to be purchased from State-owned industries should be treated on the same terms and conditions as those governing supplies to be obtained from private firms or industries, so that considerations of price and quality are allowed to operate."

Another important aspect of stores purchase policy which has been dealt with at length by the Federation relates to payments in respect of supplies bought by the Government. The chief consideration that has weighed with the Federation here is the need for ensuring prompt payment for supplies, since such payment has a healthy effect on rates of tenders. While pleading for the continuance of the present system of payment—under this, 90 per cent. of the price of each consignment is paid on proof of despatch of stores, the balance being paid on actual receipt—the Federation wants the Stores Purchase Committee to make a sample survey of the pending claims with a view to examining whether payment is being delayed or refused in some cases on minor technical grounds.

Referring to the procedure for inspection, the Federation points out that inspection should be carried out on a sample basis so as not to cause undue delay in the issue of inspection certificates in an effort to have 100 per cent. inspection. Wherever 100 per cent. inspection is desired, adequate staff should be provided to minimise delays and save expenses to contractors. In this connection, it has emphasised the importance of reducing time in handling inspection of stores by providing adequate facilities for testing stores in different centres and speeding up the work of testing.

With regard to the disposal of surplus stores, the Federation favours the present system of disposal on "as is where is" basis. It, however, feels that, before placing goods for disposal, the lots should be sorted. The assortment of lots, according to it, will enable the Government to secure better prices, for the bidders engaged in particular lines will be willing to pay more for the goods they are in need of, rather than having to buy also certain other types of goods in the marketing of which they may not have the requisite knowledge and experience.

* * * *

The Indian Merchants' Chamber, Bombay, has also submitted a detailed memorandum to the Stores Purchase Committee.

MR. KARMARKAR'S OPTIMISM

That India's economy has not only recovered from the ravages of the Great War and Partition but is now "well placed on the road to improvement and progress" was the note of optimism struck by Mr. D. P. Karmarkar, Union Minister for Commerce, in the course of his address at the annual meeting of the Rajasthan Chamber of Commerce held in Jaipur last week. It is rather difficult fully to share this optimism of Mr. Karmarkar. True, several sectors of agriculture and industry have registered improvement in recent years. The general index of industrial production (Base: 1946=100), for instance, which was as low as 105 in 1950 and 117 in 1951, moved up to 129 in 1952 and stood at 141 in April, 1953. But the point is whether this trend would be maintained in the subsequent months, what with the steady rise in cost of production and the contraction in the buying capacity of the people. The general index number of wholesale prices (Base: August, 1939=100) which had stood at as low as 374.7 early in the year has gone up to more than 407.5.

The outlook for exports also has not been quite satisfactory; the value of exports fell from Rs. 702 crores in 1951-52 to Rs. 554 crores in 1952-53. This is not surprising, considering the establishment of a buyers' market for commodities the world over. Reassuring, however, is the statement of Mr. Karmarkar that an all-out drive for export promotion would be undertaken and that suggestions made by commercial bodies for concrete steps to be taken in that direction would receive the careful consideration of the Government.

Mr. Karmarkar emphasised the importance of pursuing the policy of swadeshi and said that this principle was almost a habit with the citizens of advanced countries and did not require special propagation there. He thought that the growing industries required "consistent patronage" from the people for their development. Utilisation of local raw materials wherever available and use of capital goods indigenously made, a greater utilisation of national services like shipping, banking and insurance—all these were, in his opinion, directly conducive to the national interest. No one would dispute the reasoning behind these observations. One may, however, ask: Should the patronage for indigenous products be extended irrespective of considerations like quality, price, etc.? Surely Mr. Karmarkar will not expect such patronage. For, as he himself stressed, industry has to co-operate by keeping up a high standard of production and trade has to contribute its best by adopting fair practices in the interests of consumers.

PAPER MANUFACTURE IN BURMA

A paper and pulp factory, estimated to cost Rs. 7 crores, is proposed to be established by the Government of Burma at Natseikhonboke, about 30 miles from Akyab. The project is to be implemented as a joint enterprise of the Government and private firms—local and foreign. The Government is expected to contribute at least 50 per cent. of the total value of the shares. It will also retain the right to engage the services of engineer-consultants on general technical matters. The private participant in the project will assume responsibility for the management of business, and terms and conditions are to be mutually agreed upon. If the participant were to be a foriegn concern, it would be assured of reasonable facilities for transferring abroad profits gained from the enterprise, the details of the actual extent and the rate of transfer being worked out by mutual discussions.

The proposed factory, it is estimated, will produce from raw bamboo about 100 tons of paper per day. Of this quantity, 30 tons are for local consumption and the remaining for export.

Preliminary investigations have already been conducted in regard to the implementation of the project. These investigations are reported to have revealed that "there is sound economic justification for launching the enterprise."

THIRTY-FOURTH LAUSANNE NATIONAL FAIR

Two great trade fairs—the National Fairs of Basle and Lausanne—are held in Switzerland every year which provide a decisive stimulus to the economic life of that country. At these fairs, manufacturers regularly display and concentrate, in one vast exhibition, the main achievements of Swiss industry. The 34th Lausanne National Fair will be opening its gates from 12th to 27th September, 1953. A few figures will suffice to show the importance of this Fair. The Fair covers an area of over 1,000,000 sq. ft., possesses 16 halls, divided into 20 groups, and displays the products of 2,250 exhibitors from all the Swiss cantons. On a scale in keeping with the size of the country, it is claimed to be the most complete and instructive object lesson in agriculture, industry, trade and craftsmanship—the basic elements of an economy closely bound up with world trade.

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STEPS TO INCREASE PRODUCTIVITY

NATIONAL CENTRE IN OFFING

MR. A. W. Baker, the productivity expert of the International Labour Organisation, disclosed the other day at Bangalore that the I.L.O. had suggested the establishment of a national productivity centre in India. He also stated that the I.L.O. had offered financial assistance for the purpose. Mr. Baker who, with the assistance of another expert, has been demonstrating that productivity in the engineering industry, centering around Calcutta, might be substantially increased by following modern methods of work, study and organisation, is of the considered opinion that such a centre is a necessity. The Government of India seems to be favourably disposed towards this idea.

The proposal for the establishment of a national productivity centre has its origin in (1) the desire, expressed in various quarters, that the work begun by the I.L.O. mission in the field of productivity in India should be continued, and (2) certain proposals relating to improvement of productivity made in the Five-year Plan such as training-within-industry, payment by results, and advisory committee consisting of representatives of employers' and employees' organisations to advise the Labour Ministry.

The objects of the Centre would be (a) to assist in the implementation of the proposals contained in the Five-year Plan for future action in the field of productivity, and (b) to further the application in India of modern techniques for raising productivity, especially those which require little or no new capital investment. In other words, the central feature of the proposal to set up a national productivity centre is the application of modern engineering and management techniques for the purpose of raising productivity and earnings by making better use of the existing plant and equipment, and by improving the working conditions and human relations in industry. The Centre will also conduct studies in selected plants and organise practical training courses.

The emphasis on the better use of existing plant and equipment cannot be too strongly made because capital for investment in India is in short supply and will be so for a long time considering the great and expanding need for it. As pertinently remarked in the Five-year Plan: "The fuller utilisation of existing capacity must necessarily be a prime consideration in policy, for where such capacity exists, increases in productivity can usually be secured at diminishing cost per unit. The increase in productivity per unit of resources already employed can make a vital contribution to the increase in total production so urgently needed at the present time." It must be noted, in this connection, that productivity is usually understood to mean capacity to produce, not in the aggregate—for in a growing country, aggregate productive capacity naturally tends to increase irrespective of other changes—but in the sense of ratio between "output" of product and "input" of labour, time, capital and other equipment, motive power, managerial effort, and other factors of consumption.

The importance of a national productivity centre will be better appreciated if it is borne in mind that productivity is reported to have fallen by 20 per cent. in the steel industry, 35 per cent. in the cotton textile industry and 20 per cent. in the sugar industry, as compared with what prevailed before the war. It is common knowledge that attempts at rationalisation of the industries has been vehemently opposed by labour unions, on the ground that they lead to unemployment. But it is an admitted fact that it would be impossible to maintain, if not improve, the living standards of the people, as a whole, unless productivity is increased in this fast-changing and competitive world.

The achievement of productivity clearly calls for concerted action on the part of Governments, employers and workers. The Governments are responsible for creating conditions favourable to higher productivity by promoting a balanced programme of economic development and by adopting appropriate economic and social policies in such matters as foreign trade, capital formation, monopolistic practices and the supply of raw materials, etc. It must also see that unemployed labour arising from the implementation of measures for realising higher productivity are gainfully deployed elsewhere and their hardship reduced, if not eliminated. It must see that the share of workers in the benefits of higher productivity is clearly determined and the consumer also gets the benefit of higher productivity by means of cheaper consumable commodities.

Increased productivity in any undertaking calls for action in three main fields, namely, (1) the organisation and control of production, (2) personnel policy and (3) plant and equipment. The question of organisation and control of production involves not only satisfying the existing demand of the market but also creating new demands, so that there may be an expanding market to absorb the additional production consequent on the application of productivity measures. There should be emphasis on research and the price policy. Progressive companies, it may be mentioned in passing, often price a new product according to its expected eventual market rather than according to present cost, or immediate sales. Productivity is, in fact, a constant experimentation with new methods, ideas and approaches. So far as policy relating to personnel is concerned, it should include industrial training, management, development programmes and the opportunity for workers to rise to the top. Industrial relations should be based on deep respect for human beings. Every attempt should be made to improve the plant and equipment and to keep it always at the highest pitch of efficiency as far as possible. It may be noted here that the productivity of a typical American labourer is higher than it was half a century ago not because he is stronger, or more skilful, or more diligent than the worker of 50 years ago, but because he uses better methods, more and better tools and machines and vastly more mechanical power. These methods, tools, machines and sources of power have been made available at great cost and risk by owners and investors and by the initiative and competitive urge of managements. This is a point which trade union leaders in this country, who are in the habit of decrying employers and investors, will do well to note and appreciate.

TRADE UNIONISM

Addressing the first meeting of the All-India Council of Labour and Welfare Officers, held last week, at the Secretariat, Bombay, Mr. Shantilal H. Shah, Minister for Labour and Health, expressed the view that all ideas of trade unionism in the professions of labour and welfare officers should be discouraged. The objective of the Council, he said, was essentially to promote the workers' welfare by discussing appropriate approaches and techniques and this should not be lost sight of. Representatives from all over India representing various industries such as cement, cotton textiles, engineering, iron and steel, jute, mining, plantations and shipping and various institutions connected with labour welfare and social work attended the meeting.

Referring to the first All-India Conference of Labour and Welfare Officers, held in Bombay recently, which appointed this Council, the Minister said that the Conference had demonstrated the need for bringing together all labour and welfare officers periodically to exchange their views and discuss common problems. Now that so many industries and regions had been represented on this Council, Mr. Shah asked them to investigate possibilities of preparing some useful and continuous programme and suggested that technical advice in labour welfare work, research pertaining to labour welfare, unification of all journals of labour welfare, planning for welfare of labour, undertaking and promoting publications in the field of labour welfare and holding periodical conferences should form some of the items of such a programme.

MINIMUM WAGES FOR HOTEL EMPLOYEES

The Government of Bombay proposes to fix the minimum rates of wages for employees in residential hotels, restaurants and eating houses. Accordingly, it has issued a preliminary notification giving three months' notice of its intention to add the employment in any residential hotel, restaurant or eating house to Part I of the Schedule to the Minimum Wages Act, 1948, with effect from 15th November next. After it is decided to include the employment in the schedule, a committee will be appointed under the Act to advise the Government in the matter of fixation of minimum wages for this class of employees.



Notices

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE FORTY-SIXTH ORDINARY GENERAL Meeting of the Shareholders of THE TATA IRON AND STEEL COMPANY, LIMITED, will be held on Thursday the 3rd September, 1953, at 4-30 p.m. (S.T.), at the Registered Office, Bombay House, 24, Bruce Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st March, 1953, and to declare Dividends on First Preference, Second Preference, Ordinary and Deferred Shares.
2. To elect a Director in place of Sir M. Visvesvaraya, who retires by rotation and is eligible for re-election.
3. To elect a Director in place of Sir Chunilal V. Mehta, who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. D. M. Khatau, who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Mr. Neville N. Wadia, who retires by rotation and is eligible for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.
7. To consider and if thought fit, to pass the following Resolution:

RESOLVED that pursuant to Article 130 of the Articles of Association and all other enabling powers in this behalf this General Meeting do hereby sanction borrowings by the Directors for and on behalf of the Company exceeding (with the loans already borrowed) in the aggregate the issued capital for the time being of the Company provided that the total amount borrowed and outstanding at any one time shall not exceed Rs. 20 crores or the issued capital for the time being of the Company whichever is greater and that accordingly the Directors are authorised to borrow such additional sum or sums from time to time as may be deemed expedient by them for and on behalf of the Company upto the aforesaid limits and the provisions of Articles 131 and 132 of the Articles of Association of the Company shall apply to all such borrowings.

By Order of the Directors,
TATA INDUSTRIES LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, *27th July*, 1953.

Note.—The Transfer Books of the Company were closed on Monday the 29th June, 1953, and will reopen on Wednesday the 29th July, 1953.

If dividends on shares as recommended by the Directors are passed at the Meeting, the payments will be made to those shareholders whose names are on the Company's Register on the 28th July, 1953. The payments will be made on and after the 4th September, 1953.

IMPERIAL BANK OF INDIA

NOTICE

THE ANNUAL GENERAL MEETING OF THE Shareholders of the Imperial Bank of India will be held at the Local Head Office of the Bank, Madras, on Friday, the 28th August, 1953, at 3 p.m. (Standard Time), for the transaction of the following business:—

1. To receive the Central Board's Report, the Balance Sheet of the Bank made up to the 30th June, 1953, and the Report of the Auditors.
2. To elect three Auditors and to fix their remuneration.

A. R. CHISHOLM,
Managing Director.

BOMBAY, *15th July*, 1953.

INDUSTRIAL FINANCE CORPORATION OF INDIA

KEELING ROAD,
NEW DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING of the Shareholders of the INDUSTRIAL FINANCE CORPORATION OF INDIA will be held on Saturday the 19th September, 1953, at 4.00 p.m. (Standard Time), in the hall of the Constitution Club, Curzon Road, New Delhi, to transact the following business:—

(1) The Balance Sheet of the Corporation and the Profit and Loss Account for the year ending 30th June, 1953, together with a report by the Board on the working of the Corporation throughout the year and the Auditors' report on the said Balance Sheet and Accounts shall be read and considered.

(2) To elect one Director each in place of (1) Sir Birendra Nath Mookerjee, (2) Mr. B. K. Shah, F.I.A., (3) Mr. R. G. Saraiya, O.B.E., being Directors elected to represent shareholders referred to in clauses (c), (d) and (e) of Section 10 of the Industrial Finance Corporation Act, 1948, respectively who retire by rotation and are eligible for re-election as provided by Section 11 of the Act.

(3) To elect under Section 34 of the Industrial Finance Corporation Act, 1948, one Auditor duly qualified to act as Auditor of Companies under Sub-section (1) of Section 144 of the Indian Companies Act, 1913 (VII of 1913) by the parties mentioned in Sub-section (3) of Section 4 of the Industrial Finance Corporation Act, namely, Scheduled Banks, Insurance Companies, Investment Trusts and other like financial institutions and Co-operative Banks in place of Messrs. S. B. Billimoria & Co., Bombay, who retire at the end of the year but are eligible for re-election.

V. R. SONALKER,
Managing Director.

NEW DELHI, *29th July*, 1953.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventh Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta-1, on Friday, the 18th September, 1953, at 12 o'clock noon, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1953, and the Balance Sheet as at that date.

(2) To confirm the Dividends already paid on the Preference Shares and to declare a Dividend on the Ordinary Shares of the Company.

(3) To elect Directors.

(4) To appoint Auditors and to fix their remuneration.

The Transfer Books of the Ordinary Shares of the Company will be closed from the 1st to the 18th September, 1953, both days inclusive.

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA-1, *30th July*, 1953.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 18th September, 1953, or to their Mandatees.

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

THE BRADBURY MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fortieth Ordinary General Meeting of the Shareholders of the Company will be held on Thursday the 27th August, 1953, at 5.00 p.m. (S.T.), at the Registered Office of the Company, Imperial Bank Building, Bank Street, Fort, Bombay, to transact the following business and for the purpose of considering, and if thought fit, of passing as a Special Resolution, the Special Resolution specified below:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st March, 1953.
2. To declare a Dividend on Preference and Ordinary Shares.
3. To elect two Directors in place of those who retire by rotation but, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

SPECIAL RESOLUTION

"RESOLVED that each of the 4,000 Ordinary Shares of the Company of Rs. 250 each fully paid up and each of the 6,000 7 per cent. Cumulative Preference Shares of the Company of Rs. 250 each fully paid up be sub-divided into 5 (five) Ordinary shares of Rs. 50 each fully paid and 5 (five) 7 per cent. Cumulative Preference Shares of Rs. 50 each fully paid respectively and that the Certificates for such sub-divided shares be issued within one year from the date of this resolution against delivery of the Certificate for the original share."

The Share Transfer Books of the Company will be closed from Monday the 10th August 1953 to Saturday the 5th September, 1953, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS LIMITED,
RADHAKRISHNA RAMNARAIN,
Director,
Agents.

BOMBAY, *29th July*, 1953.

N.B.—Dividend if sanctioned, will be payable at the Registered Office of the Company on and from 3rd September, 1953, to those Shareholders whose names stand on the Register on Monday the 10th August, 1953. Intimation of any change of address should be given to the Company immediately.

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE SIXTIETH ORDINARY GENERAL MEETING OF THE CHAMPDANY JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, No. 2, Netaji Subhas Road, Calcutta, on 25th August, 1953, at 12 noon, for the following purposes:—

1. To receive and pass the Directors' Report and Audited Accounts for the half-year ended 31st March, 1953.
2. To declare a dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Register of the Company will be closed from 11th August to 25th August, 1953, both days inclusive.

Dividend Warrants will be issued and posted to Registered Shareholders only. Persons holding shares on blank transfer are advised to effect registration of scrip in their names before 11th August, 1953.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *1st August*, 1953.

RESULTS OF BIRD-HEILGERS JUTE COMPANIES

ALL, EXCEPT NORTHBROOK, SHOW SETBACK IN EARNINGS

IT is a paradox that the Indian jute industry, which is one of the largest exporting industries of the country and on which great reliance is being placed for maintaining India's export trade at a high level, should very often be afflicted by the ills of speculative markets in both raw jute and manufactured goods. During the half-year ended 31st March, 1953, for instance, trading conditions were rendered difficult by this adverse factor and jute mills, with a heavy percentage of sacking looms, could not do business at a profit. The financial results of the group of jute mills under the management of Messrs. Bird & Co., Ltd., and Messrs. F. W. Heilgers & Co., Ltd., Calcutta, for the half-year under reference, fully reflect the effects of these conditions.

The audited accounts of the nine companies in the group, which are briefly analysed in these columns, show that all of them, with the sole exception of one, have had uniformly adverse results. The trading profits of four of them, namely, the Auckland Jute Co., Ltd., the Kinnison Jute Mills Co., Ltd., the Lansdowne Jute Co., Ltd., and the Lawrence Jute Co., Ltd., disclose considerable shrinkage, as compared with those of the previous two half-years. The performance of four other companies, namely, the Naihati Jute Mills Co., Ltd., the Standard Jute Co., Ltd., the Union Jute Co., Ltd., and the Dalhousie Jute Co., Ltd., has been much more disappointing, inasmuch as all these four have suffered losses, albeit small, for the second half-year in succession. The Northbrook Jute Co., Ltd., is the only one which has been able to record a slight improvement in its trading profit, as compared with the previous half-year, though the profit for the half-year under review is still less than half of that for the corresponding period of last year. None of the Companies has been able to add anything to the reserves, while in the previous half-year two of them could put by something. The first four Companies mentioned above have had to cut their dividends, Standard, Union and Dalhousie have just maintained the token dividends which they had paid for the previous six months, while Naihati has had to skip over the dividend for the second half-year in succession. In fact, this Company has fallen in arrears of dividend on its preference capital for the last two half-years. Northbrook has proved to be an exception in the matter of dividend distribution also, in that it has enhanced its dividend.

Decline in Sale Proceeds

The aggregate sale proceeds of gunny for the nine Companies for the half-year under review amount to Rs. 9.21 crores, as compared with Rs. 10.96 crores for the previous half-year and Rs. 12.43 crores for the corresponding six months of the previous year. The value of closing stocks in all cases shows a considerable fall. This is partly attributed to the change in the method of treating the value of manufactured goods undelivered against sales at the close of the half-year from that adopted in the previous half-years. The value of undelivered goods against sales has been added to the sale proceeds which has had the effect of reducing, by a similar amount, the manufactured stocks held at the close of the half-year under review. This, however, has no effect on the trading results. The aggregate trading profit of all the Companies amounts to no more than Rs. 9.37 lakhs, as against Rs. 24.31 lakhs for the preceding six months and Rs. 105.52 lakhs for the corresponding six months of 1952. The contribution of each Company to this total is as follows:

(In lakhs of rupees)

	Half-year ended		
	31-3-53	30-9-52	31-3-52
Auckland	+1.91	+7.09	+8.45
Kinnison	+5.34	+11.51	+27.25
Lansdowne	+2.26	+3.37	+6.63
Standard	−0.82	−1.79	+9.05
Union	−1.03	−0.10	+15.80
Naihati	−2.78	−0.85	+9.64
Dalhousie	−1.07	−1.84	+8.17
Lawrence	+1.20	+3.27	+10.29
Northbrook ...	+4.36	+3.25	+9.34

N.B.—In the above table + indicates profit, while − indicates loss.

Directors' Observations

The sharp setback in the profit is attributed to the drastic fall in prices of raw jute during the half-year under review. In this connection, the following observations of the Directors will be read with interest:

"As at 31st March, prices of raw jute were at their lowest levels for a number of years, but have since improved substantially. In valuing stocks of jute at market value the effect on the profits for the half-year has been severe, but your Directors consider it desirable to pursue a consistent policy in the valuation of jute stocks and the writing down of stocks in the half-year under review will reflect on the results for the half-year ending 30th September, 1953. . . . During the period under review speculative and fluctuating markets for both raw jute and gunnies made trading conditions difficult and simultaneous business at a profit was generally impossible for mills with a high percentage of sacking looms. Early in the period, stocks of sacking commenced to accumulate and even the reduction in the export duty from Rs. 175 to Rs. 80 per ton on 28th February, 1953, did not have the desired effect of stimulating demand to any appreciable extent. During recent months shipment of heavy goods have improved and stocks were reduced, but overseas demand is still disappointing. Hessian prices have been fairly well maintained during the greater part of the period, chiefly on account of prospects of an increase in consumption in the U.S.A. and substantial buying by the Argentine. . . . Raw jute prices have fluctuated considerably during the period under review. The Government of India and the industry as a whole have no desire to see the prices of raw jute drop to dangerously low levels but, with raw jute plentiful at declining rates and prices for manufactured goods falling, jute was available at as low a price as Rs. 18 per maund basis bottoms. Due, however, to inclement weather and the shortage of good quality hessian, jute prices rose steadily and at the time of writing prices are steady at Rs. 25-8. It is pleasing to report that Pakistan on 25th March removed the discriminatory levies imposed last August on all jute entering India."

Despite the disappointing results, the provision for depreciation has been more than maintained at the previous half-year's level, the total amount set aside being Rs. 9.08 lakhs, the provision made in the preceding two half-years under comparison being Rs. 8.85 lakhs and Rs. 10.32 lakhs, respectively. The extent to which the Central Exchequer has been a loser will be evident from the drastic cut in the provision for taxation made by the companies. Thus, this provision aggregates only Rs. 1.57 lakhs, as against Rs. 8.38 lakhs and Rs. 34.41 lakhs in the previous two half-years, respectively.

Net Profit

The aggregate net result, after providing for depreciation and taxation, is a loss of Rs. 5.28 lakhs for the half-year under review, in contrast to a profit of Rs. 2.85 lakhs for the six months ended 30th September, 1952 and as much as Rs. 63.06 lakhs for the half-year ended 31st March, 1952.

As already indicated, the performance of individual Companies varies from each other. Auckland has earned a net profit of Rs. 69,645, as compared with Rs. 2.87 lakhs and Rs. 3.19 lakhs, respectively, for the previous two half-years under comparison, Kinnison Rs. 1.41 lakhs, as against Rs. 5.25 lakhs and Rs. 11.42 lakhs, and Lansdowne Rs. 60,868 (Rs. 1.25 lakhs and Rs. 2.43 lakhs). Standard has suffered a net loss of Rs. 1.29 lakhs, as compared with that of Rs. 1.84 lakhs for the previous half-year and a profit of Rs. 5.16 lakhs for the corresponding half-year of 1952. Union, which had earned a net profit of Rs. 3.75 lakhs a year ago, suffered a loss of Rs. 1.36 lakhs for the half-year ended 30th September, 1952, and this loss has widened to Rs. 2.12 lakhs in the six months under review. Naihati is the worst sufferer, with a loss of Rs. 5.07 lakhs, which represents an increase of Rs. 1.66 lakhs over the half-year under review, and stands in sharp contrast to the profit of Rs. 3.66 lakhs for the six months ended 31st March, 1952. Dalhousie's loss at Rs. 1.39 lakhs has, however, declined from that of Rs. 2 lakhs for the preceding six months, though it compares unfavourably with the profit of Rs. 3.67 lakhs a year ago. Lawrence has earned a net profit of Rs. 27,693 which shows a drop from Rs. 1.60 lakhs and Rs. 4.58 lakhs respectively, for the preceding two half-years. Northbrook's profit of Rs. 1.59 lakhs shows an improvement from Rs. 48,809 for the previous half-year. It, nonetheless, records a setback from Rs. 5.20 lakhs for the corresponding half-year of 1952.

Dividend Record

The dividend record of the Companies for the last six half-years is as follows:

(Per cent. per annum)

	Half-year ended					
	31-3-53	30-9-52	31-3-52	30-9-51	31-3-51	30-9-50
Auckland ..	4	8	10	10	12	8
Kinnison ..	8	14	20	18	20	8
Lansdowne ..	4	6	14	16	22	20
Standard ..	2	2	16	16	18	12
Union ..	2	2	20	22	25	14
Naihati	..	..	12	12	20	10
Dalhousie ..	2	2	12	12	16	6
Lawrence ..	4	8	22	22	25	16
Northbrook ..	7½	5	20	20	..	..

Explaining the results of the Naihati Jute Mills Co., Ltd., in particular, the Directors of the Company say:

"The poor results for the period under review are chiefly due to the very high percentage of sacking looms at your mill and the fact that it was not possible to keep the linoleum looms fully employed, owing to lack of orders for this particular fabric. The mill's on-costs are also very high at the present time, due to debenture interest, without the compensatory savings anticipated from the capital expenditure programme, an uneconomic power plant and heavy repairs to machinery and the mill roof. These are, however, temporary factors and on completion of the electrification and modernisation scheme the mill should become a fully efficient unit. Both these projects are expected to be implemented by late 1954."

The Lawrence Jute Co., Ltd., which had a programme of partial electrification of its mill with its own power plant and had placed orders for the supply of the necessary equipment, has now dropped the programme, in view of the prospects of getting bulk power supply in 1956-57 from the Damodar Valley Corporation through the Calcutta Electric Supply Corporation. The existing plants of the Company can work satisfactorily up to 1958. The Directors have, therefore, decided to proceed with a full electrification scheme when bulk supply becomes available in 1956-57.

The Standard Jute Co., Ltd., has a programme of modernisation. Explaining this programme, the Directors of the Company observe:

"It has been decided to modernise the hessian warp and weft section of your mill with Mackie's modern sliver spinning mahinery to cater for 470 hessian looms at a cost of Rs. 27 lakhs. The remaining 180 sacking looms will be catered for by part of the existing old type machinery. The necessary orders have been placed and delivery of the new machinery is expected in March, 1955. It has also been decided to proceed with the electrification of your mill at an approximate cost of Rs. 9½ lakhs. The capital required for the modernisation scheme will be found partly from the surplus working capital of the Company and partly from the recent issue of a debenture loan of Rs. 25 lakhs bearing interest at 5½ per cent. per annum. Your Directors are satisfied that the above expenditure is essential to make the mill a fully efficient unit."

OUTLOOK FOR TATA LOCOMOTIVE

An optimistic note about the outlook for the Tata Locomotive and Engineering Co., Ltd., was struck by Mr. J. R. D. Tata, Chairman of the Company, in his address to the shareholders at their annual general meeting held last week. Mr. Tata based his optimism on the steady improvement in the tempo of work during the past year, the production of boilers and underframes and the progressive manufacture of locomotives having been substantially higher than in the preceding year. He, therefore, said that the Company could look forward confidently to fulfilling its commitments under the agreement with the Government of India and to reaching the profit-earning stage for boilers and locomotives before the next annual general meeting of the Company.

But the task before the Company in achieving the above objective does not appear to be an easy one, according to Mr. Tata, and the Company has to contend with and overcome some severe handicaps. The Company has to depend on imports for certain specialised items and has to manufacture a large variety of components for locomotives and boilers, which, in industrially more advanced countries, would be available from specialised manufacturers. The dearth of technicians and skilled workers trained in modern production techniques is another major difficulty, though the Company has spared no efforts in building up the required strength of technicians and skilled workers. Yet another source of concern to the Company is the need for additional working funds. Its resources, in respect of working capital, have been strained on account of the fact that it has to transfer a part of its cash outlay to a development fund. This is repayable, in terms of the agreement with the Government, in instalments only after the profit-earning stage is reached. As a result, the Company has to raise additional working funds through loans from banks. The Managing Agents have furnished guarantees on behalf of the Company for raising loans to the extent of Rs. 285 lakhs. In this connection, Mr. Tata drew pointed attention to the usefulness of the managing agency system.

When the Company attains the profit-earning stage for boilers and locomotives, the difficulty in regard to finances will be eased considerably. In the meantime, the Company has requested the Government to agree to pay it a provisional price for locomotives and boilers not less than the actual cash outlay on its manufacture. Mr. Tata expressed the hope that the Government would accede to this request.

As stated in the Directors' report, the Company proposes to give up manufacture of broad-gauge underframes after March, 1954, when the present Government order will be completed, as the demand for the Company's broad-gauge underframes will diminish substantially and ultimately disappear, when the integral coach factory at Perambur commences production. The Company, therefore, proposes to change over to the manufacture of metre-gauge underframes, an order for which is under negotiation. The Company has under consideration a scheme for the manufacture of other engineering products which will find a large market, in order to utilise the surplus capacity.

The Government of India has accepted, in principle, the Company's proposal to install a steel foundry and negotiations are now proceeding for the release of funds from the Development Fund. Mr. Tata gave an assurance that the proposed foundry would not compete with existing foundries in India in producing small and medium-size castings in ordinary steel. Its object was to produce, for its own specialised requirements, as well as for those of other engineering concerns, at present dependent on imports, the heavy and complicated castings in quality steel which could not be obtained in India.

Points From The Chair

Pakistan Government's Import Policy

"IT is unfortunate that the Pakistan Government is still going through a period of difficult times when austerity is necessary. As a result, import licences are very closely scrutinised and limited to what are considered by Government to be essentials. We have great sympathy with the Pakistan Government in their difficulties, which have arisen due to a variety of circumstances, not the least of which has been the shortage of food resulting from two years of drought necessitating heavy importations of wheat. Our relations with the Pakistan Government are very good and, as we save the Government very large sums of foreign exchange, we are confident, our requirements of machinery, equipment, etc., will be treated in a broadminded way and so permit of our maintaining our production and refinery throughout and expanding both whenever we see our way to do so. We have to order much of our materials a long way ahead and it will be a great help to us, if we can get the Pakistan Government to agree to give an undertaking to grant import licences and the exchange cover, therefore, as and when the orders are ready for shipment. At present, we have to take a chance of getting licences when orders are ready for shipment, which is not a very businesslike proceeding from our point of view."

THOMAS TAYLOR MCCREATH,
Attock Oil Co., Ltd.

Old Departmental Store in Bombay to Close Down

"In September last, we received an offer for the lease of the premises occupied by the Company in Bombay and negotiations have been entered into to effect a sale. The decision to close down business in India emerged from changed local conditions which have so adversely affected our trading outlook there, that a satisfactory profit is difficult, if not impossible, of achievement. I cannot say how much I and my colleagues deplore the severance of our retail trading connections in India, as our first store to be opened was in Calcutta in the year 1882. Those shareholders who have carefully read my references to the state of our trading in that country in my address of last year and the year before that, will, I am sure, have realised that the problem of obtaining sufficient supplies of suitable merchandise to maintain turnover in India was then a matter of great concern. It has since proved insurmountable through Government restriction of the imports of that class of merchandise by which our business there built up and maintained its goodwill."

SIR HAROLD GILLETT,
Whiteway, Laidlaw & Co., Ltd.

Two Ways of Reducing Cost of Production

"There are only two ways, according to me, of reducing the cost of production, viz., to obtain raw materials at lowest prices possible and/or to increase production. It is well known that by increasing the production, incidence of cost in the item of 'over-heads' charges goes down. As regards the raw materials, as stated above, we depend upon the fluctuations in foreign markets. Therefore, the only way to reduce the cost is to increase production and this, as you are aware, will entirely depend upon the purchasing power of the people, on the one hand, and the policy of the Government with regard to imports, on the other. The Five-year Plan includes construction of many new roads and it is expected that consumption of bicycles will increase in proportion to increase in road mileage."

RAMESHWARDAS BIRLA,
Hind Cycles, Ltd.

Life Insurance Salesmanship

"During the previous occasions, when I had the privilege of addressing you, I have been emphasising the great value we attach to the training of our agents and other field men in order to equip them for better rendering services to our policyholders, and, through satisfied policyholders, to extend our life insurance services to every section of the community. Many agents have developed into career men in life insurance and set about their work with the confidence born out of a conviction that life insurance salesmanship is a socially useful function and that they are well equipped with the knowledge necessary to perform that function efficiently. The pioneering efforts we have made in this direction have been widely appreciated in insurance circles and emulated by quite a few."

M. CT. M. CHIDAMBARAM CHETTYAR,
United India Life Assurance Co., Ltd.

Freedom for Insurers

"While an overall control from the authorities is necessary for improving the trade, which is of a national character, to put the same on a healthy and sound footing it is essential that freedom be allowed to the insurers to evolve their own methods suitable to them. The working difficulties can only be judged by those experienced in the insurance field, and each insurer has his own set problems to face to develop the business suitable to him which cannot be worked out on a set pattern. From what was said by the chairmen and directors of companies at the various meetings of the Advisory Board of Directors, there appears to be a great divergence of opinion on the subject. It is but natural that with such differences it is difficult to produce a suitable working scheme acceptable to all. If, however, insurers extend to each other their active co-operation in trying to understand the difficulties facing others, and adopt a policy of 'live and let live', I am sure a common understanding can be reached by evolving a scheme which may be acceptable to all and which would ensure a healthier trend in insurance."

FRAMROZE H. MEHTA,
British India General Insurance Co., Ltd.

Company Meeting

THE NATIONAL ELECTRICAL INDUSTRIES LIMITED

EXTRACTS FROM THE SPEECH OF THE CHAIRMAN, SIR CHUNILAL B. MEHTA, AT THE SIXTH ANNUAL GENERAL MEETING OF THE COMPANY, HELD ON 30TH JUNE, 1953.

"IT is a matter for some gratification to your Board that your Company has been making fairly satisfactory progress during the last two years.

"The figures of production and sales for the year ended 31st March, 1952, were Rs. 31,49,763 and Rs. 30,35,278 respectively. For the year ended 31st March, 1953, the respective figures were Rs. 41,47,990 and Rs. 41,80,095. An increase of over Rs. 10 lakhs has been registered in production and over Rs. 11 lakhs in sales. The profits of the Company, however, have not registered a proportionate increase, because of certain factors.

"In this context, I cannot help referring to the policy of the Government of India in permitting imports of transformers from foreign countries when the indigenous production upto about 3,000 kva. is quite capable of meeting the demand in the country. It is surprising that the lower quotations received for transformers from foreign countries, who have benefited by the various American aid programmes, are being accepted and orders are being passed on by the Government of India to these countries, apparently without consideration of the adverse effects, which such imports are having on the indigenous industry.

"It is obvious that we cannot hope to develop our industries as envisaged in the Five-year Plan and at the same time try to save a few lakhs of rupees here and there by importing cheaper foreign products, instead of using the slightly costlier indigenous products. I hope this matter will receive earnest consideration at the highest levels in our country.

"The Government of India have recently sanctioned the establishment of more factories for the manufacture of electrical motors and transformers in the country. Some of them are being established by foreign interests. This again is a matter which, on the face of it, appears deplorable and it is difficult to understand what reasons have prompted the Government in permitting such establishments by foreign interests in the country, when the indigenous industry has been developed to the satisfaction of all concerned.

"Again, the Government have been considering for some time the establishment of a State-owned factory for the manufacture of heavy electrical plant. So far, the Government have not, to the best of our knowledge, consulted the indigenous manufacturers of electrical machinery to ascertain the extent to which the existing manufacturers can co-operate with the Government and co-ordinate their activities, so that the proposed Government factory may not have to go in for the manufacture of items which the existing factories are capable of manufacturing. In the recent past, we have had the example of the Government Machine Tool Factory. The Government had (after several representations were made by the indigenous manufacturers of machine tools) agreed, as a result of a conference, to the principle of avoiding any competition and overlapping between private enterprise and State enterprise. I do hope that in the case of the heavy electrical plant also, the Government of India will consult the indigenous interests before taking a final decision.

"In this context, I would like to urge upon the Government to reserve the manufacture of electrical machinery in the distribution field exclusively by private enterprise. This is a field in which private enterprise has already shown considerable initiative and ability and there is every chance of better progress being made in this direction by private enterprise, provided the necessary favourable climate is created by the Government."



LACK OF ORDERS FOR WAGONS TELLS ON KUMARDHUBI ENGINEERING

SHARP DROP IN PROFIT OF BRITANNIA BISCUIT

Kumardhubi Engineering Works, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th November, 1952.

The profit and loss account, including Rs. 34,385 (Rs. 42,750) brought forward from the previous year and Rs. 35,507 (*nil*) for dividends forfeited, and after allowing for sundry charges, depreciation, taxation, etc., placing Rs. 25,000 (Rs. 30,000) to tax contingency reserve, shows a credit balance of Rs. 3,14,533 (Rs. 3,49,385) which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 5 (5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 60,000 (Rs. 60,000), in paying a dividend on the ordinary shares at As. 7 (As. 8) per share without any deduction for income-tax paid by the Company Rs. 2,23,125 (Rs. 2,55,000) and in carrying forward Rs. 31,408 (Rs. 34,385).

The capacity of the works has been fairly well utilised throughout the year despite the continued shortage of steel, particularly steel plates.

The reduction in profits is mainly due to the lack of orders for steel wagon castings; in consequence the directors were unable to effect despatches within the financial year, but these should be reflected in the accounts for the following year. Orders have since been received and the position has improved.

The directors have decided to increase the foundry capacity by the installation of an electric furnace together with an increase in the moulding shop floor space.

It is hoped that Government's announced intention to feed ordnance factories with orders at the expense of private enterprise will not be carried out. This would not only be detrimental to the Company's order position, but the country's industrial strength would in the long run be undermined.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,30,000	Block ...	31,85,717
Debentures ...	10,00,000	Capital jobs in progress	2,79,925
Reserves ...	34,65,133	Stock-in-trade	32,60,722
Provision for taxation ...	4,68,929	Debts, deposits and advances ...	44,38,516
Liabilities ...	39,18,358	Investments	27,704
Profit and loss account ...	31,408	Cash ...	21,244
Rs.	1,12,13,828	Rs.	1,12,13,828

Britannia Biscuit Co., Ltd.

The directors of the above Company (Secretary: Mr. A. P. Chanda, Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

After providing Rs. 4,20,184 (Rs. 1,69,872) for depreciation and reserving for income-tax Rs. 20,000 (Rs. 4,547) the profit and loss account shows a net profit for the year of Rs. 1,18,326 (Rs. 9,01,646). To this must be added the amount brought forward from the last balance-sheet of Rs. 1,82,277 (Rs. 2,19,056) making a total of Rs. 3,00,603 (Rs. 11,20,704). The directors have transferred to reserve for income-tax contingencies the sum of Rs. 50,000 (Rs. 5,00,000) and paid half-yearly dividend on preference shares absorbing Rs. 618 (Rs. 618) leaving a balance of Rs. 2,49,985 (Rs. 3,16,975 after paying 3½ per cent. interim dividend Rs. 95,771). The directors recommend that the above balance at the credit of the profit and loss account be dealt with as follows:—

To payment of a dividend on preference shares Rs. 618 (Rs. 618), payment of a dividend of 5 (4½) per cent. on ordinary shares Rs. 1,53,234 (Rs. 1,34,080) and to carry forward to the current year's account Rs. 96,133 (Rs. 1,82,277).

The period under review has been a more difficult one than the directors have experienced for a very considerable time. The trade recession which set in, in the latter part of the year 1951, continued throughout the Company's trading year and particularly affected retail business upon which the Company relies for the distribution of its products, and had the effect of considerably reducing the volume of sales as compared with the previous year, although it is reassuring to be able to report that sales from the Company's new Calcutta factory actually increased, the main reduction in business being experienced in markets supplied by its Bombay branch factory.

Unfortunately, the general trade recession had little or no reducing effect on the cost of the main materials and ingredients used in biscuit manufacture. Flour, the main ingredient purchased by the Company and made available either directly or indirectly through Government sources, increased in cost by approximately 22 per cent. As the result of Tribunal awards, the cost of labour also tended to increase throughout the year under review, to which was added the difficulty in dispensing with the services of labour rendered surplus by the reduction in the quantum of production. In spite of these increased costs no increase in the price of the Company's goods to the public has been made.

During the year the Company's capital expenditure plan for the rehabilitation and extension of its factories and replacement of plant was completed. The new and modern plant mentioned in the last report is now installed and at the date of this report is in production. It is anticipated that a further improvement in the quality of the goods and a reduction in the cost of their production will be achieved and is, in fact, already apparent.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,80,130	Block ...	77,25,670
Debentures ...	15,00,000	Stock-in-trade	5,13,351
Reserves ...	33,27,348	Stores, etc. ...	19,83,736
Provision for taxation ...	20,000	Other assets	28,000
Liabilities ...	31,73,458	Debts, deposits and advances ...	8,71,561
Profit and loss account ...	96,133	Cash ...	74,751
Rs.	1,11,97,069	Rs.	1,11,97,069

Kumardhubi Fireclay and Silica Works, Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The profit and loss account after allowing for sundry charges, providing for depreciation, taxation and placing Rs. 68,500 (Rs. 61,000) to the reserve for tax contingency, Rs. 75,000 (Rs. 1,00,000) to the reserve for plant renovation and Rs. 65,000 (nil) to general reserve and including the sum of Rs. 61,833 (Rs. 78,299) brought forward from the previous year, shows a credit balance of Rs. 2,26,448 (Rs. 2,42,058) which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 7 (7) per cent. per annum without any deduction for income-tax paid by the Company Rs. 14,000 (Rs. 14,000), in paying a dividend on the redeemable preference shares at the rate of 5½ (5½) per cent. per annum, after deduction of income-tax paid by the Company Rs. 16,225 (Rs. 16,225), in paying a dividend, on the ordinary shares at the rate of Re. 1-8 (Re. 1-8) per share without any deduction for income-tax paid by the Company Rs. 1,50,000 (Rs. 1,50,000) and in carrying forward Rs. 46,223 (Rs. 61,833).

There was a temporary falling off in output of fire-bricks, but a compensatory increase in the production of silica bricks, which the directors consider is likely to be permanent in view of the expansion of the steel industry. This is being met by the installation of additional machinery, including another press. The Company's raw material position is satisfactory but is constantly under examination. Relations with labour were satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	69,31,820
Reserves ...	64,21,833	Work-in-progress ...	19,327
Provision for taxation ..	3,50,098	Stock-in-trade	13,04,509
Liabilities ...	29,50,373	Stores, etc. ...	9,89,053
Profit and loss account ..	46,223	Debts, deposits and advances ...	20,50,724
		Investments	6,050
		Cash ...	66,144
Rs.	1,13,68,527	Rs.	1,13,68,527

Birpara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 6,27,038 (loss of Rs. 9,11,230). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at debit of profit and loss account of Rs. 10,16,394 (debit of Rs. 3,90,222), which the directors propose to carry forward.

Finer plucking together with a continuance of spasmodic labour trouble throughout the year are mainly responsible for the lower outturn. This fall in crop combined with the increased statutory wages to labour and an unfavourable market resulted in a heavy trading loss which would have been of even greater proportions had not prices improved towards the end of the season.

Crop weighed out at 15,604 maunds compared with 17,288 maunds in the previous year. The average selling price was Re. 1-1-2 per lb. against As. 12-5 per lb. in 1951. Planted area is now 1388.24 acres.

Estimates for 1953 provide for a crop of 16,000 maunds at an outlay of Rs. 14,00,100, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	9,00,000
Provision for taxation ...	32,904	Stores and supplies ...	1,67,944
Liabilities ...	20,35,216	Tea sales receivable ...	8,16,748
		Advances and deposits ...	1,49,521
		Investments	200
		Cash ...	37,313
		Profit and loss account ...	10,16,394
Rs.	30,88,120	Rs.	30,88,120

Ellenbarrie Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a loss of Rs. 2,53,256 (loss of Rs. 2,16,028). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at debit of profit and loss account of Rs. 2,75,548 (debit of Rs. 24,794), which the directors propose to carry forward. The loss is mainly attributable to the persistence of a disastrously low market during the major part of the season and the continued high cost of statutory concessions to labour.

Crop weighed out at 5,695 maunds which compared with 5,628 maunds harvested in 1951. The average selling price per lb. was Re. 1-3-1 as against Re. 1-1-3 in 1951. Planted area remains at 500.30 acres.

Estimates for 1953 provide for a crop of 5,800 maunds at an outlay of Rs. 5,65,100, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,16,475
Provision for taxation ...	9,102	Stores and supplies ...	57,750
Liabilities ...	6,16,546	Tea sales receivable ...	3,10,743
		Advances and deposits ...	41,964
		Investments	200
		Cash ...	22,968
		Profit and loss account ...	2,75,548
Rs.	9,25,648	Rs.	9,25,648

Delta Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st May, 1953.

After providing Rs. 3,62,000 (nil) for taxation and transferring Rs. 1,00,000 (nil) to general reserve there is a balance of Rs. 4,10,290 (Rs. 3,14,390 after adjusting the loss for the half-year amounting to Rs. 2,16,239) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 2-8 (Rs. 2-8) per share Rs. 12,500 (Rs. 12,500) and on ordinary shares at Rs. 10 (Rs. 10) per share Rs. 2,80,000 (Rs. 2,80,000) leaving Rs. 1,17,790 (Rs. 21,890) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	28,17,580
Reserves ...	44,74,179	Stocks ...	28,40,668
Provision for taxation ...	15,00,690	Stores ...	10,06,274
Liabilities ...	9,66,204	Debts, deposits and advances ...	5,47,580
Profit and loss account ...	1,17,790	Investments	31,903
		Cash ...	31,14,858
Rs.	1,03,58,863	Rs.	1,03,58,863

Huldibari Tea Association, Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd., Calcutta) submit the audited accounts of the company for the year ended 31st December, 1952.

During 1952 the tea industry in North East India generally suffered the most serious crisis within experience, and Duars estates suffered particularly, with sale prices greatly below production costs. Every effort was made to improve the standard of teas made, as a result of which there was a material decrease in crop made; but this had little effect when common teas were difficult to sell even at As. 14 a pound during the height of the season.

The total net average sale price for the year 1952 was As. 17.63 per pound as against As. 22.70 for 1951; total working cost per pound of tea produced was As. 20.11, as compared with As. 17.36 for the previous year.

With improved standards of plucking, crop made totalled 1,722,656 pounds of tea, compared with 1,936,384 pounds in 1951, and this reduction is reflected in the cost of production per pound of tea it being essential to maintain a full labour force in order to make a large crop with finer plucking. Largely as a result of the minimum wages award of December, 1951, the dearness allowances in cash and in kind to labour and staff increased from Rs. 6,18,607 in 1951 to Rs. 6,84,186.

In accordance with arrangements made earlier, during the year expenditure was incurred on the frameworks of a new factory verandah, a staff bungalow and a new office; eight *pucca* labourers' houses were erected; four new rollers and three new sorters were installed; and a dust collection plant supplied but not installed. For 1953 all capital projects have been held up but it will be desirable to complete as soon as possible the erection of the factory verandah, bungalow and office referred to above; and to supply additional withering space and machinery in order to bring the manufacturing equipment into line with the current estate output, which now reaches 24,000 mds. of tea, compared with 8,000 to 10,000 mds. in pre-war years. In addition, houses for labour and water supply will require considerable attention in the future. It will be evident, therefore, that the estate must undertake substantial capital expenditure in the years ahead; and at the same time the acute difficulties experienced by a large section of the industry in the past season have emphasised the need for ample finance and the desirability of accepting every opportunity to strengthen the Company's resources.

The revenue loss for the year is Rs. 2,60,799 (gross profit of Rs. 6,08,935) and to this has to be added interest charges and reserve for staff expenses and also Rs. 65,319 (Rs. 48,544) for depreciation of assets. During the year expenditure of Rs. 76,981 (Rs. 14,643) was incurred on replacement of assets no longer serviceable, and against this Rs. 75,000 (*nil*) have been transferred from renewals and additions reserve. Allowing for these and the sundry other adjustments shown, there is a final loss for the year of Rs. 3,20,207 (profit of Rs. 3,59,973) and a final debit balance on this account of Rs. 2,12,109 (credit of Rs. 1,08,098 after paying dividend of 27½ per cent. absorbing Rs. 2,26,875 and transferring Rs. 25,000 to staff reserve), which is carried forward.

Having regard to the heavy loss sustained on the season's working, the managing agents have offered to forgo one half of their commission on tea sales, and this has been accepted.

Estimates for 1953 are based on a crop of 21,000 mds. of tea at a total cost of Rs. 17,23,936. These estimates are based on the minimum wages at present in force, and on the strictest possible economy; continuance of expenditure on this level would not be in the best interests of the maintenance of the Estate, and it is unlikely that production costs as low as the above estimate can be maintained. As. 16.42 per pound of tea can be maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,25,000	Block ...	9,94,500
Reserves ...	8,08,650	Stocks ...	8,16,343
Provision for taxation ...	2,18,931	Stores, etc. ...	2,44,610
Liabilities ...	6,76,346	Debts, deposits and advances ...	1,59,621
		Investment	3,517
		Cash ...	98,027
		Profit and loss account ...	2,12,109
Rs.	25,28,927	Rs.	25,28,927

New Chumta Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd. Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

During 1952 the tea industry in North East India generally suffered the most serious crisis within experience, and common producers such as Teral estates suffered particularly, with sale prices below production costs. However, owing to the manufacture of an exceptionally large crop of tea, viz., some 7,022 maunds compared with 5,312 maunds in 1951, and to the exercise of the most careful economy, it was possible to offset the fall in sale prices by a substantial reduction in production costs.

The total net average sale price for the year 1952 was As. 17.42, per pound as against As. 24.56 for 1951; total working cost per pound of tea produced was As. 17.77, as compared with As. 16.84 for 1951.

During the year it was possible to make considerable progress with the new factory which is to replace the one destroyed by fire in 1949; the factory building itself was nearly completed towards the close of the year, but will be available for only part of the manufacture in 1953 and the transfer of most of the machinery to the new building must wait until the close of that season; while it is expected also to complete the new withering accommodation during 1953. During the year under review the boring of the tube well, which is urgently required for improvement of the estate water supply, was completed but unfortunately was found to be only partially successful and although there will be improvement in the position commonly experienced hitherto, the water supply will not by any means be all that is desired. A Britannia roller and balanced green leaf sorter also were supplied during the year.

The gross profit for the year was Rs. 7,327 (Rs. 1,31,616). During the year Rs. 10,763 were spent on replacement of machinery against which Rs. 11,000 have been transferred from renewals and additions reserve; and in addition there was a charge of Rs. 23,208 for depreciation of assets. Allowing for these adjustments and for interest charges, reserve for staff expenses, adjustment of taxation and the other sundry items shown, there was a final loss for the year of Rs. 17,726 (net profit of Rs. 58,132) and a final credit balance on this account of Rs. 25,163 (Rs. 42,890 after paying Rs. 60,000 as dividend, i.e., 20 per cent.) which was carried forward.

Estimates for 1953, are based on a crop of 6,000 maunds of tea at a total cost of Rs. 5,20,860, equal to As. 17.36 per pound of tea produced. These estimates are based on the labour wages at present in force and on the strictest possible economy; continued expenditure on this level would not be in the best interests of the maintenance of the Estate and it is unlikely, therefore, that production costs as low as the above estimate can be maintained.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	3,06,554
Reserves ...	3,36,000	Stocks ...	2,02,057
		Stores ...	84,369
Provision for taxation ...	10,791	Debts, deposits and advances ...	62,378
Liabilities ...	1,70,244	Investments	1,42,932
Profit and loss account ...	25,163	Cash ...	43,908
Rs.	8,42,198	Rs.	8,42,198

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

COMPANY MEETINGS AND DIVIDENDS

BRITANNIA BISCUIT CO., LTD. Annual General Meeting, Alipore, Calcutta, 10th August, 1953. Dividend: As. 8 per share. Transfer books closed from 6th to 12th August, 1953, both days inclusive.

NEW MONKHOOSHI TEA CO., LTD. Annual General Meeting, Calcutta, 10th August, 1953. Transfer books closed from 3rd to 10th August, 1953, both days inclusive.

NEW ASSAM VALLEY TEA CO., LTD. Annual General Meeting, Calcutta, 10th August, 1953. Transfer books closed from 3rd to 10th August, 1953, both days inclusive.

RUNGAMATTEE TEA CO., LTD. Annual General Meeting, Calcutta, 12th August, 1953. Dividend: *Nil*. Transfer books closed from 6th to 12th August, 1953, both days inclusive.

ELLENBARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 12th August, 1953. Dividend: *Nil*. Transfer books closed from 6th to 12th August, 1953, both days inclusive.

KILLCOTT TEA CO., LTD. Annual General Meeting, Calcutta, 12th August, 1953. Dividend: *Nil*. Transfer books closed from 6th to 12th August, 1953, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS, LTD. Annual General Meeting, Calcutta, 14th August, 1953. Dividend: Re. 1-8 per share. Transfer books closed from 28th July to 14th August, 1953, both days inclusive.

KUMARDHUBI ENGINEERING WORKS, LTD. Annual General Meeting, Calcutta, 14th August, 1953. Dividend: As. 7 per share. Transfer books closed from 28th July, to 14th August, 1953, both days inclusive.

UNION JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: Re. 1 per share. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

AUCKLAND JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: Rs. 2 per share. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

DALHOUSIE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: Re. 1 per share. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

LANSDOWNE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: Rs. 2 per share. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

NAIHATI JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: *Nil*. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

LAWRENCE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: Rs. 2 per share. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta. 14th August, 1953. Dividend: Rs. 4 per share. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

STANDARD JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 14th August, 1953. Dividend: Re. 1 per share. Transfer books closed from 3rd to 14th August, 1953, both days inclusive.

HATTIKHIRA TEA CO., LTD. Annual General Meeting, Calcutta, 14th August, 1953. Dividend: *Nil*. Transfer books closed from 7th to 14th August 1953, both days inclusive.

HOOGHLY MILLS CO., LTD. Annual General Meeting, Calcutta, 18th August, 1953. Dividend: Re. 1-4 per share. Transfer books closed from 4th to 18th August, 1953, both days inclusive.

DELTA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 20th August, 1953. Dividend: Rs. 10 per share. Transfer books closed from 7th to 20th August, 1953, both days inclusive.

INDIAN GALVANIZING CO. (1926) LTD. Annual General Meeting, Calcutta, 25th August, 1953. Dividend: As. 9-3/5 per share. Transfer books close from 11th to 25th August, 1953, both days inclusive.

KOHINOOR MILLS CO., LTD. Ad-interim dividend of Rs. 6 per share, for the year ended 30th June, 1953, payable on and after 24th September, 1953. Transfer books close from 11th to 29th August, 1953, both days inclusive.

COMPANY REGISTRATIONS

UNITED OVERSEAS CORPORATION LTD. (First Director: Mr. H. Mitra.) Business: To Crush, Win, Get, Quarry, Smelt and Carry on Metallurgical Operations. Authorised capital: Rs. 10,00,000. Private Company. Address: 7 Pollock Street, Calcutta.

SOUTH CALCUTTA SYNDICATE LTD. (First Director: Mr. P. N. Mukhopadhyaya.) Business: Government and Public Contractors. Authorised capital: Rs. 5,00,000. Private Company. Address: 29, Waterloo Street, Calcutta.

MURARKA (OVERSEAS) LTD. (First Director: Mr. R. P. Murarka.) Business: Managing Agents. Authorised capital: Rs. 5,00,000. Public company. Address: 36, Chowringhee Road, Calcutta.

GOPIRAM LTD. (First Director: Mr. R. K. Agarwal). Business: To Lend, Invest Upon Securities, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 7, Wellesley Place, Calcutta.

ELECTRICAL MANUFACTURING CO., LTD. (First Director: Mr. Om Khosla.) Business: Manufacture of Electrical, Mechanical and Allied Goods. Authorised capital: Rs. 25,00,000. Public company. Address: P-33, Ganesh Chandra Avenue, Calcutta.

BLACKER & CO., LTD. (First Director: Mr. H. E. F. Taylor.) Business: Freight Brokers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 18, Strand Road, Calcutta.

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hope that they will continue to assist us in future in the same way as they have done so far.

"I am glad to report that the workers and members of the staff of the Company have fully co-operated with the management, and I take this opportunity to thank the workers, as well as the members of the staff, for the same."

HIND CYCLES LTD.

MR. R. D. BIRLA'S ADDRESS AT ANNUAL MEETING

THE manufacturing programme of Hind Cycles Ltd. and the conditions which are required to make India completely independent of imports of cycles were outlined by Mr. R. D. Birla in his address to the shareholders of the Company at their Thirteenth Ordinary General Meeting held in Bombay on the 3rd inst. He also pointed out that the cost of production of bicycles could be brought down by increasing production but this was entirely dependent upon the purchasing power of the people and the import policy of the Government.

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

"GENTLEMEN,

"The report of the Directors of your Company for the year ended 31st December, 1952, is already in your hands.

"You will have seen from this report that in the year 1952 your Company manufactured 1,30,000 complete bicyles. On account, however, of the paucity of demand of bicyles in the latter half of 1952 and the first month of 1953, your Directors have revised their plan and decided to manufacture bicycles according to the demand. It will be seen that we had to carry a large stock of unsold bicycles as at 31st December, 1952. Your Directors have, therefore, decided to reduce the manufacturing programme from 1,30,000 bicycles to 1,20,000 bicycles or even lower in the year 1953.

"As you are aware, your Company has reached the present stage after facing heavy odds and I am glad to inform you that we are in a position to manufacture about 2 lakhs bicycles annually, but, due to lack of sufficient demand and heavy imports in the year 1952, it had not been possible for us to sell whatever we produced. We had, therefore, to close one shift and discharge about 127 workers.

"You will also be glad to note that, out of more than 250 components, your Company manufactures all of them, except spokes and nipples and steel balls. We have started the manufacture of freewheels and we have also put up a plant for manufacturing chains. With the addition of these two items, India is now manufacturing all the parts of a bicycle in the country. Spokes and nipples and steel balls are being manufactured in Bombay and Jaipur, respectively. India can now proudly say, without any fear of contradiction, that she makes by her own labour 100 per cent. *swadeshi* bicycles and that too in large quantities.

"The steel required for the manufacture of some of the parts of the bicycle and components has yet to be imported. Various types of steel are necessary for fabrication of various parts, out of which some of them, such as cold rolled strips for making rims and bright bars, are still to be imported. Thus, India has to depend upon foreign material to a certain extent. Steel tube is one of the main raw materials in a bicycle. It is expected that Tatas will be able to manufacture tubes in the not very distant future. There are tube manufacuring plants in the country, but, there again, raw material has to be imported, and I am glad to inform you that Premier Automobiles, Ltd., is trying to manufacture certain sizes of tubes required by the cycle industry.

"There are only two ways, according to me, of reducing the cost of production, viz., to obtain raw materials at lowest prices possible and/or to increase production. It is well known that by increasing the production, incidence of cost in the items of 'overheads' charges goes down. As regards the raw materials, as stated above, we depend upon the fluctuations in the foreign markets. The only way, therefore, to reduce the cost is to increase production and this, as you are aware, will entirely depend upon the purchasing power of the people, on the one hand, and the policy of the Government with regard to imports, on the other.

"The Five-year Plan includes construction of many new roads and it is expected that consumption of bicycles will increase in proportion to increase in road mileage.

"Besides your factory there are some other cycle factories also. If, therefore, conditions are created by which maximum production of all these plants is achieved, I feel that India can, in the near future, be completely independent of imports. The Central Government has been very helpful in looking after the development of the cycle industry and the Department of Industry and Commerce and their officers have been taking very keen and sympathetic interest in the development of this industry. I sincerely

(*Continued in previous column*)

CALL MONEY RATE SHOOTS UP

(From Our Own Correspondent)

BOMBAY, 5th *August*

The week under review witnessed a distinct change in the complexion of the short-term money market. The easy conditions, which had prevailed in the previous weeks, yielded place to one of stringency. Dealings in inter-bank call money took place as in the commodity and stock markets, in that the rates fluctuated widely and frequently between 1 and 1½ per cent. among the Exchange Banks and big Indian banks, though, at the close, there were more borrowers at 1½ per cent. It is reported that some of the big banks were even prepared to pay up to 2¼ per cent. which was the rate that prevailed among the smaller Indian banks. Having been unable to get funds, some of the big banks had to seek the aid of the Reserve Bank. The rate among the smaller Indian banks was steady at 2¼ per cent. with enquiry for funds.

House money at call fetched 2¼ per cent. Short-term deposits for 1 to 3 months, which were neglected at 2 per cent. last week, were wanted even at 2¼ per cent. Deposits for longer periods fetched 2½ per cent.

The sudden upturn in money rates was attributed more to the shortage of funds than to any sudden rise in demand for funds. Banks in Bombay had been remitting their surplus funds to Calcutta in order to be able to employ them at better rates. The effect of the subscriptions to the recent Government loans also slowly worked upon the banks' deposits, resulting in a stringency. Banks are now recalling their funds from Calcutta, as the gap between the rates in Bombay and Calcutta has considerably narrowed down.

The above state of affairs is reflected in this week's tenders for the Rs. 1.5 crores of three months' Government of India Treasury Bills. The amount offered was no more than Rs. 2.60 crores, representing a decline of Rs. 1.16 crores from that offered a week ago. What is more, the Government had to offer a slightly higher rate, the average rate of accepted tenders being Rs. 2-6-3 per cent. per annum, as against Rs. 2-6-2, a rate which had remained unchanged in the preceding three weeks. There is no change in the amount of tenders invited for next week.

The statement of affairs of the Reserve Bank of India for the week ended 31st July, 1953, as compared with that for the previous week, discloses a further, albeit smaller, fall in notes in circulation. The exact fall in the week under reference is Rs. 9.03 crores. This is more than offset by an expansion of Rs. 9.50 crores in notes held in the Banking Department. The net increase of Rs. 46.92 lakhs in total notes issued is covered by a corresponding increase in rupee coin. In the Banking Department, deposits of the Central Government show an increase of Rs. 15.62 crores over the week, while those of other Governments a depletion of Rs. 2.81 crores. Deposits of banks have fallen by Rs. 6.12 crores, while those of others have increased by Rs. 1.85 crores. The assets side of the Banking Department reveal an enlargement of Rs. 9.53 crores in cash balances. Balances held abroad, however, have shrunk by Rs. 1.73 crores. Ways and means advances to Governments are lower by Rs. 80 lakhs but other loans and advances are higher by Rs. 55.86 lakhs.

A small rise of Rs. 79.76 lakhs in demand deposits is disclosed by the consolidated statement of position of Scheduled Banks for the week ended 24th July, 1953, as compared with that for the previous week. Time deposits have registered a fractional decline of Rs. 19.36 lakhs. Inter-bank borrowings are lower by Rs. 66.63 lakhs. Borrowings from the Reserve Bank are up by Rs. 62 lakhs, while those from the Imperial Bank are lower by Rs. 1.20 crores. Advances have declined by Rs. 3.82 crores and inland bills purchased and discounted by Rs. 82.72 lakhs. Investments are better by Rs. 1.91 crores. While cash-on-hand has declined by Rs. 46.06 lakhs, balances with the Reserve Bank show a rise of Rs. 10.74 crores. Balances with other banks in current account and money at call and short notice are lower by Rs. 77.62 lakhs and Rs. 1.90 crores, respectively.

The Gilt-edged market was featureless and the turnover was small. The short-dated issues continued to elicit enquiries, but buyers were reserved in other maturities. There was, however, hardly any variations in prices; the only loan which registered a rise was 3 per cent. 1986 Conversion, which was up by As. 2 at Rs. 82-2. The Reserve Bank of India again resumed sales of the 3½ per cent. National Plan Bonds, which had buyers at Rs. 98-5. 3 per cent. 1957 were in demand at Rs. 98-6 and 3 per cent. 1958 at Rs. 98-3. 3 per cent. 1959-61 was quoted at Rs. 96-3, 3 per cent. 1963-65 and 3 per cent. 1964 were placed at Rs. 92-5. 3 per cent. 1966-68 stood at Rs. 90-1 and 3 per cent. 1970-75 at Rs. 86-7. Among the State loans, 4 per cent. 1963 Bombay loan was sought at Rs. 100 and Madras, U.P. and M.P. loans were quoted at Rs. 99-6. 4 per cent. 1964 Bombay and West Bengal declined by As. 4 to Rs. 99-12, while Madras and U.P. loans were unchanged at Rs. 99-8 and Rs. 99-6, respectively.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 4th *August*

The metal market ruled steady during the week. Consumers continued to be cautious in covering commitments. Higher advices from London forced a recovery in electrolytic zinc from Rs. 52-8 to Rs. 54. Business was reported done between these levels for meeting day-to-day requirements of the market. Lead was held firm at Rs. 65, and some enquiries to meet Government needs were a feature. On encouraging advices from Singapore Tin recovered Rs. 9 to Rs. 392. There was, however, no change in the copper market.

BULLION DULL

(From Our Own Correspondent)

BOMBAY, 5th *August*

Listless conditions prevailed on the Bullion Exchange during the week under review. In the absence of any new developments, activity shrank considerably and price movements were extremely narrow. Demand for both the metals was very small, but, as there were no large arrivals, the undertone was fairly steady.

Silver for forward delivery (26th August settlement) began at Rs. 151-7 and staged a modest reaction to Rs. 150-5 on Friday, due to lack of support and to scattered realising. Later on, there was a gradual recovery on revival of buying by some prominent bulls and stray short-covering and the rate advanced to Rs. 152-8 to-day before terminating at Rs. 152-1.

Ready silver (.996 Mint) opened at Rs. 154-15 and drifted lower to Rs. 152 on Monday. There was, however, a fair recovery to Rs. 153-1 at the close. The premium on ready over the forward which stood at Rs. 3-8 at the opening of the week soon narrowed down to Rs. 2 and stood at that level for the rest of the week. The floating stocks of silver are placed at 1,500 bars. The daily average arrivals were insignificant at 5 bars and the offtake was about 10 bars on an average.

Gold for forward delivery started at Rs. 85-14 and shaded off to Rs. 85-2 on Friday, due to the application of *mandi* option by a prominent bear operator. A slight improvement in offtake at this level lifted the price up to Rs. 86-4 to-day, before it wound up at Rs. 85-15.

Commencing at Rs. 87-4, ready gold drifted down to Rs. 86-8 early in the week, later steadied upto Rs. 87-10 and finally closed at Rs. 87-5. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 3,500 tolas. The offtake, too, was of the same order, on an average.

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

	5-8-53	Highest	Lowest	29-7-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 5	87 10	86 8	87 4
Forward	85 15	86 4	85 2	85 14
Sovereign	57 12	57 12	57 4	57 8
SILVER				
Ready (.996 fine Mint)	153 1	155 2	152 0	154 10
Forward	152 1	152 8	150 5	151 6
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

PEPPER EXPORTS POOR

(Messrs. Parekh & Co.)

BOMBAY, 5th *August*

During the earlier part of the week, Malabar black pepper showed reactionery improvement, in sympathy with New York which was reported to have offered to buy small lots for nearby shipment at an improved limit, and owing to the improvement in Sarawak and Lampong. Sarawak black improved from $0.84 to $0.94. The price of Lampong black was raised by 2 cents to $1.02 per lb. c. and f. New York. Alleppey growers also raised their price from Rs. 2,500 to Rs. 2,650. Interbazar business in ASTA section at Bombay is reported done at $1.17 for August shipment and $1.07 was paid for September shipment, the lowest being $1.09 and $1.00, respectively. In the latter part of the week, however, New York having failed to follow the rise in the supplying centres and Sarawak and Lampong having marked down their price, the Indian market once again staged a setback and, at present, there were sellers for August shipment at $1.11 and for September at $1.02 with small buying interest.

There are conflicting reports regarding difficulties of some of the parties at Cochin, where, some time back, a lot of speculation was going on in monthly deliveries of "Garbled" for July and August. Monthly delivery business in Cochin is reported to be at a stand-still. No quotations will, therefore, be available until some settlement is arrived at.

At Alleppey, though the growers were stiff sellers, they are at the time of writing reported to have reduced their selling price to Rs. 2,400 under pressure by the banks and the Indian shroffs who were reported to have advanced loans at higher prices against pledged pepper. The position of the market is discouraging, in view of the continuous poor exports in the past few months. Unless the Government reduces the export levy to a bare minimum there is little hope of improvement in the volume of the Indian export. The Government machinery is always slow in taking timely action and, if it does not act quickly, it is feared, India will miss the bus as far as pepper export is concerned as it happened in the case of other produce such as seeds, textile, jute, etc., in which buyers' market is slowly emerging. Any delayed action, if taken after a month or so, will not achieve the object in view, once the other producers like Sarawak and Lampong fill the requirements of our overseas buyers. India seems to be loosing its monopoly position for the supply of pepper, though slowly.

To-day's nominal quotations are:—Ready delivery Rs. 310 per cwt; August and September deliveries Rs. 2,005-35 and Rs. 1,865-95 per candy of 5¼ cwts. respectively.

SHORT STAPLE COTTON MOVES UP

(From Our Own Correspondent)

BOMBAY, 5th *August*

What was expected has happened in the forward market. The raising in appeal of the premium on Jarilla in the room rate by Rs. 15 had an initial adverse effect on the current August contract at the close of last week. On Monday morning, however, the bulls tried to bluff their way forward by supporting the market. But later, when it was known that the tenders on the first delivery day amounted to 26,500, there was a breach in the ranks of the bulls which brought the prices tumbling down from Rs. 708 per candy to Rs. 694. At this stage there was some support from some of the setter placed longs. The debacle in the August contract had also an equally adverse effect on the February contract which came down from Rs. 667 to about Rs. 656, with the gap between the two contracts being maintained more or less round Rs. 40.

While this cannot be taken as pointing to a definite bearish trend being developed in the market, it would make for healthier trading conditions in the new crop. The market as such is not now interested exclusively in the antics of the bears and the bulls in the August contract. The general feeling is to leave them to their fate to fight out their battles during the three weeks that remain for squaring up their business. But the market is concerned with the effect this trouble might have on the general trading in the new crop. Favourable crop reports from all centres in any case are expected to limit the price rise in the new crop by way of manipulations of groups of operators. If the bulls suffer an ultimate defeat in the August contract it would go further to underline this tendency.

In a way, what has happened in the forward market had already cast its shadow on the spot delivery of cotton on a large scale against sales in the market. On the other hand, mills which are the principal buyers at the fag-end of the season, were inclined to neglect the spot market in the hope of securing bargains at good discount from those who were forced to take deliveries in the forward market. Activity and total turnover were, therefore, adversely affected during the preceding week in the spot market, though the price trend was fairly steady. There was good activity, however, in the delivery contract for the new crop during the earlier part of the week, with premia for good varieties showing a sizable rise. But the whole atmosphere in the spot market, apart from the exchange of short-staple varieties, has been unreal and will continue to be so till the August contract is liquidated completely. The section dealing with imported cotton is fairly active, except for Sudans which are in short supply. There was keen enquiry also in Egyptian cotton, which was absent in the previous weeks and some good business was reported in this cotton.

But the main interest in the market was centred in the export trade. The Government, which had been persistently deaf to the requests of shippers for extending the period of licences, all of a sudden decided to yield to this pressure and announced that the validity of all export licences which had expired at the end of June was extended till the end of September. While one might say nothing about the merits or demerits of this policy of the Government it may be observed that the Government is laying itself open to the charge of being weak-minded and wobbling. Nothing has happened during the short interval between now and when it last refused to extend the period of these licences, to justify a change in policy. If extension was justified it should have been given in good time and even before it was asked for. If there was no justification for such extension, the Government should have been consistent in its policy. It has only to blame itself because of its undependable conduct if it is accused from time to time of being amenable to intrigues by certain quarters. Apart from this, such indecision upsets the trade and might cause unnecessary loss to certain units in it. Many might have parted with their stocks of Bengals in the conviction that the Government was not going to allow any further export of this variety. They have a legitimate grievance against officials who usurp the privilege of the weaker sex and change their minds for no reason at all from week to week.

As a result of this, there was a sudden spurt in the price of Bengals of about Rs. 20 per candy. It is reported that Japan, having secured some more this variety and if the currency supply goes further it might also be interested in further purchases in other short-staple varieties such as Dholleras. Now there is pressure from the trade for a reduction in the export duty on short-staple varieties other than Bengals and the behaviour of the Government in the matter of extending the period of licences leads the trade here and the buyers abroad to hope that the Government would yield on this score also. There is a good justification for equalising the export duty on all short-staple varieties and Government should have revised this duty long ago, to make export of otherwise non-saleable cotton possible. It is expected that even now, if this reduction is effected, about 10,000 additional bales might find buyers abroad. The shippers are also exercised considerably over the official policy regarding exports for the new crop.

With regard to imports, the difficulties mentioned last week about cotton already purchased at Alexandria have not so far been resolved. In the meantime it is understood that the shippers at Alexandria have approached the Indian High Commissioner at Cairo and also the Egyptian Exchange Control authorities for a ruling that the sales to India negotiated before the ratification of the Indo-Egyptian Trade Agreement should be subject to full payment in sterling and not in 40 per cent. of the price in rupees as arranged under this agreement. Till this impasse is resolved there are no hopes of this cotton being shipped to India. In the meantime, the Government of India believed to have allowed special facilities to pay the whole price in sterling for their purchases made before 8th July.

The following is the trend of quotations in the forward market:

	Opening	High	Low	Closing
I.C.C. Feb. ...	Rs. 675	677½	651	658
I.C.C. Aug. ...	Rs. 709	713	785	694

The following are the latest available quotations in the Sewri market: Bengal *Deshi* Rs. 600; Berar *Jarilla* Rs. 750; *Khandesh* Rs. 865; Vijay Rs. 880; Oomra *Deshi* Rs. 695; *Moglai* Rs. 695.

There has been a further small decline in prices at Karachi for lack of enquiries from abroad. Reports from Japan state that shippers in Karachi are making offers at prices even lower than those being quoted at present in the open market at Karachi. Japan has not been as active in its purchases of Pakistan cotton as was expected under the new trade agreement. It has not taken the full complement for the year and it is reluctant to do so from the present stocks at Karachi and wants the balance to be carried forward to the new crop. The real motive behind this move is to wait for the announcement of the import policy by the Pakistan Government and to judge its effect on the volume of imports from Japan. In the meantime the new crop at Karachi, as it is expected to be much smaller this year, is being quoted at a premium of about Rs. 50 per khandy over the previous prices and some business at these rates is reported to have been entered into with Australia. Exports from Karachi amount to 1½ million bales, leaving a carry-over of about 300,000 bales.

The following are the latest quotations from the Karachi market: Punjab *Deshi* Rs. 76; 4F Punjab R.G. Rs. 58; S.G. Rs. 64; L.S.S. Punjab R.G. Rs. 62; S.G. Rs. 67; N.T. R.G. Rs. 66½ to R.G. Rs. 62; S.G. Rs. 67; N.T. R.G. Rs. 66½ to Rs. 67½; S.G. Rs. 71½ to Rs. 72½; 289F Punjab R.G. Rs. 70; S.G. Rs. 76.

At Alexandria, the tempo of trading is understandably low. In the meantime, negotiations are believed to be going on between the authorities at Cairo and some other countries for large-scale transactions. Prices are likely to be maintained in this market during the coming season as the final estimated acreage this year is about 1,324,000 feddans against that of approximately two million feddans in 1952-53.

At New York the tone has been slightly easy as a result of reports regarding improved weather conditions in the Texas region. There is not much of export demand in the market. But this is more or less compensated for by good all-round consumption within the country. The American commodity markets have shaken off their early nervousness about the Korean armistice and this is likely to lead to an arrest in the declining trend of prices, as already evidenced by a slight rise in the price of cotton in the forward market on the opening day of the current week, though a part of this was lost on Tuesday. If and when the scheme for accepting payment for purchase of American farm products for shipments abroad in non-dollar currency is sanctioned and brought into effect, there might be a good revival in the demand for export from the shipping section of the trade, with a corresponding rise in prices. This, therefore, appears to be a good time for those here whose buying programme includes purchases of U.S. cottons.

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

(In cents per lb.)

	5-8-53	28-7-53	21-7-53
Spot	34.10	34.20	34.20
October	33.80	33.87	33.91
December	34.06	34.27	34.20
March	34.27	34.49	34.41
May	34.32	34.54	34.45

STAPLE FIBRE YARN WEAK

(From Our Own Correspondent)

BOMBAY, 5th *August*

After remaining firm during the first three sessions of the week, the art silk yarn market developed a sagging tendency in the subsequent sessions. The initial firmness was due to scarcity of stocks, expectation of reduced supplies of imported yarn and renewed optimism about India's export trade in rayon fabrics with Pakistan. The firm prices at which forward trading in 2/40s staple fibre yarn commenced on Saturday also imparted strength to the yarn market. Hectic purchases by bulls and large covering by shorts, which followed, lifted up values of art silk yarn. On Monday, however, the market turned distinctly weak on extremely bearish advices from the staple fibre yarn section. This even overlooked reports of an upward revision in prices of yarn by the Italviscosa—one of Europe's leading producers of art silk yarn—by 2d. per lb. for 150 deniers and 120 deniers and by 3d. for 100 deniers, 75 deniers and 60 deniers. Selling pressure that ensued as a consequence resulted in a sharp break in values, which was further assisted by the reported decision of a number of European countries to reduce prices. Not only were the gains recorded in the early sessions completely lost, but the closing quotations to-day were substantially lower than those at the end of last week.

In the forward section, 150D August contract, after improving from Rs. 806 to Rs. 820 on Saturday, drifted downwards to finish the week at Rs. 798. September contract, business in which commenced at Rs. 820 on Saturday, receded to Rs. 798 to-day. July contract terminated at Rs. 813 on Friday. Business in this contract opened at Rs. 807 on 1st June, 1953. The highest and the lowest levels touched were Rs. 817 and Rs. 761 on 30th July, 1953, and 23rd June, 1953, respectively. The net gain during the period of the contract was Rs. 6. In the ready section, 120 Japan and 150 Italy were lower by half an anna at Rs. 4-3 and Rs. 4, respectively. 150 Japan and 120 Italy were steady, the former at Rs. 4-2½ and the latter at Rs. 4-4.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 29th and 21st August, 1953:

	5-8-53	29-7-53	21-7-53
	Rs. a.	Rs. a.	Rs. a.
150D July (per case of 200 lbs.) ..	—	805 0	784 0
150D August	798 0	806 0	789 0
150D September	793 0	—	—
120 Japan (per lb.)	4 3	4 2½	4 3½
150 Japan	4 2½	4 2½	4 2
120 Italy	4 4	4 4	4 3
150 Italy	4 0	4 0½	3 15

Forward trading in 2/40s staple fibre yarn was resumed on the 1st inst. The undertone on the opening day was fully firm. During the subsequent sessions, the traders who had held large stocks began unloading them which depressed the sentiment considerably. The contract was quoted to-day at as low as Rs. 689, as against Rs. 730 on the opening day.

GROUNDNUTS BEARISH

(From Our Own Correspondent)

BOMBAY, 5th *August*

The oilseeds market came under the grip of heavy selling pressure. There was a landslide in the values of groundnuts on persistent speculative selling. Sporadic buying from *vanaspati* interests had very little effect on the market. The linseed section also staged a sharp recession in values in sympathy with groundnuts. There was heavy unloading in August-September contracts from upcountry interests who preferred to shift their positions to new crop. The castorseeds section ruled easy in the absence of declaration of export policy. *Kardi* and *niger* seeds proved no exception to the general trend. Consequently, business done in the market was almost negligible, and prices disclosed substantial losses over the week.

In the groundnuts section, Gujerat and Saurashtra interests were anxious to unload, in view of favourable rains in groundnuts-producing areas. Buyers kept aloof, expecting further recession in values. There was, however, some support at low levels, but their effect on the market was negligible. No wonder, therefore, that there was a virtual slump in values. Groundnuts Bold declined from Rs. 51-8 to Rs. 49. August-September deliveries were done Rs. 3 lower at Rs. 46. December-January delivery changed hands at Rs. 33-8, as against Rs. 35-14. Khandesh quality lost Rs. 2-8 to Rs. 50. Groundnut oil ready dropped from Rs. 28-10 to Rs. 26-8 and railway receipts from Rs. 28-4 to Rs. 26-8. August and September deliveries were lower by Re. 1-2 each at Rs. 25-14 and Rs. 24-8, respectively.

In view of the fact that linseed is mostly used as substitute for groundnuts by *vanaspati* and other oil interests, the downward trend in linseed was mainly influenced by the sharp recession in groundnuts. Linseeds Bold ready eased from Rs. 32 to Rs. 30-8. August-September delivery sustained a loss of Re. 1-8 to Rs. 30-8 and October-November delivery Re. 1-12 to Rs. 30. February-March transactions were done at Rs. 27-4, as against Rs. 28. Linseed oil was lower by Re. 1-1 at Rs. 17.

There was selling pressure in the castorseeds section too. In view of uncertainty about export policy, buyers preferred to be cautious. September delivery, which opened at Rs. 152-12 as against Rs. 153-4, improved to Rs. 153 before it closed at Rs. 147-8 the lowest level touched during the week. May delivery was done at Rs. 132, as against Rs. 34-4, the highest and the lowest levels being Rs. 134-8 and Rs. 131, respectively. Madras quality lost Re. 1-4 to Rs. 31 and F.A.Q. Rs. 2-8 to Rs. 29-4. Castor oil B.S.S. was lower by As. 2 at Rs. 18-4 and I Pressure by As. 6 at Rs. 17-12 and Commercials by As. 4 at Rs. 17-2.

The free export of *kardi* and *niger* seeds, declared recently, has so far had no effect at all on the market. *Kardi* Bolds eased from Rs. 25-12 to Rs. 24-4. August-September delivery suffered Re. 1-8 to Rs. 23-14 and October-November delivery Re. 1-6 to Rs. 24-2. *Niger* F.A.Q. receded by Re. 1-12 to Rs. 37 and Madras quality Re. 1 to Rs. 38-4.

The arrivals of oilseeds in Bombay from January to 31st July, 1953, were as follows as compared with those in the corresponding period last year:

(In cwts.)

	January-July 1953	January-July 1952
Groundnuts	1,596,724	1,564,893
Linseed	94,734	209,804
Castorseeds	565,207	447,956

The following table shows the prices of oilseeds and oil on the 5th inst., as compared with those at the end of the previous two weeks.

	5-7-53	29-7-53	21-7-53
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Bold Ready New (per cwt.)	49 0	51 8	53 12
August-Sept.	46 0	49 0	50 4
Linseed—			
Bold Ready (per cwt.) ..	30 8	32 0	32 12
Castorseeds—			
Sept. (per candy of 5 cwts.).	147 8	153 4	154 4
Madras (per cwt.)	31 0	32 4	32 —
Groundnut oil—			
Ex-mill Ready (per quarter).	26 8	28 10	29 0
Castor Oil—			
Commercial (per quarter)..	17 2	17 6	17 12

BOMBAY HEADING TOWARDS SUGAR FAMINE?

(From Our Own Correspondent)

BOMBAY, 5th *August*

The Government of India announced on Saturday last a further release of 100,000 tons of sugar. This brings the total quantity so far released to 76 per cent. of the aggregate production of all factories in the current season. Only 24 per cent. of production, or roughly about 300,000 tons, now remain with the mills. The sugar trade no doubt appreciates the Government's policy of maintaining uniformity in the matter of releasing the stocks with the mills, but it deplores the frequent changes in the policy, especially with regard to such a commodity of daily consumption as sugar. It was only a month ago that the Government devised the ingenious scheme of issuing more quotas to those millers who had despatched the largest percentage of the release orders given to them. In fact, the previous release was issued on the basis, not of the percentage production of mills, but on that of the quantity of sugar actually despatched. The result of this change in policy, it is maintained, was that those sugar mills in the Deccan which had despatched the highest percentage of the release orders given to them got very substantial releases last month. But, as a result of the change in the basis this time, the quota released now for the entire group of Deccan factories is less than 1,000 tons. Such a small release, at a time when the post-monsoon demand is already being felt in all the up-country distributing centres and when the stocks in these centres are poor, will result in still higher prices of sugar in these centres, thereby assisting the U.P. and Bihar factories to reap a good profit. In fact, what happens in the Deccan markets will have their repercussions in all other centres in India.

Commenting on the present release, a Deccan sugar merchant observes:

"Does the Food Ministry seriously believe that a monthly demand from over so wide an area like the Bombay Deccan can be satisfactorily met with the negligible quota issued to the factories in the Bombay Deccan? The logical conclusion is that the spot prices in Bombay, Poona, Nasik, Sholapur, Ahmednagar, Ahmedabad, Surat, Baroda and other centres will shoot up in the course of the next few days to a record new highest spot price reached during the entire season, presenting almost a scene of sugar famine. The only remedy is the issue of an urgent *ad hoc* quota to the Bombay Deccan factories. If this is not done very soon, we shall be facing an almost sugar famine in the abovementioned and many other districts. Be that as it may, it is now obvious that the Government's plans to flood the important consuming centres, such as Calcutta, Kanpur, Delhi and Bombay, with sugar has completely failed."

It is reported that the first consignment of British refined sugar bought by the Government of India directly through the Indian Trade Commissioner in London, will be leaving the U.K. port in a day or two. Fresh tenders for sugar invited by the Government are not forthcoming, due to stiff terms by the authorities. It is reliably learned that the Government is now negotiating purchase of foreign sugar on its own account through its Trade Commissioners in the U.K., Spain and Brazil.

The forward section of the sugar market continues to remain fairly steady. *Shravan* delivery is to-day quoted at Rs. 89-4 per bag (buyers), as against Rs. 88-8 last week. The undertone in the spot section is firm, on account of revival of normal demand and poor floating stocks. As compared with the previous week, the prices of sugar have advanced by more than Rs. 2 per bag, the latest rates being Rs. 92 for small-grain, Rs. 93-94 for medium grain and Rs. 96-98 for bold grain. The stockists of sugar are cautious, in that they are prepared to sell only in small lots.

The Government of Bombay continues to sell sugar at Rs. 85-4-8 per bag. This, however, has had no effect on spot prices. It is thus evident that spot and ex-mill prices of sugar are all far above the level considered as a fair price by the Government. Basing itself on this evidence, a section of the sugar trade argues that it is now crystal clear that consumption of sugar in India is much higher than the conventional estimates of 10 to 12 lakh tons. It, therefore, urges the adoption of a long-range policy for increasing production and a clear-cut plan for meeting the present situation.

This section further points out that, at present, prices of sugar would not have gone up to the extent they have done had the Government's policy been clear and consistent. Its threat to flood the markets had upset the confidence of merchants in the distributing areas. They, therefore, did not maintain even their normal stocks. This has resulted in an artificial scarcity and consequent high prices in certain centres. Such a state of affairs would not have arisen had the Government implemented its threat. Thus, the Government's bungling itself has contributed to the present high level of prices.

Arrivals of sugar into the Bombay market during the week ended to-day amounted to 11,700 bags. The opening stocks with the spot trade to-day is estimated at 23,000 bags.

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 4th *August*

Despite the return of peaceful conditions in Korea, an air of enthusiasm was in evidence in the jute goods market during the week. Stockists consider that, if China is admitted to the United Nations and trade restrictions against China are removed, China would need more B. twills. If conditions in Indo-China also improve, that country would also need more imports of sacking goods. Activity in the sacking market was enlivened also because of the Burma Government's call for tenders for 20,000 bales of sacking. The last date for submission of tenders is the coming Monday. It is believed in market circles that very soon Burma would again be in the market for purchasing a still bigger quantity of sacking. During July, the total quantity of sacking for which shippers received instructions is estimated to be higher than that for June. Figures relating to stocks as at the end of July, which would be available soon, are, therefore, expected to show a welcome decline. Mills no doubt bearing these factors in mind, desired to push sales at the higher levels, but the

(Continued on page 283)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	24th July, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department.					
Notes in circulation	172.44	1,103.17	1,119.83	1,133.10	1,104.05
Notes held in Banking Department	25.05	86.79	84.23	86.46	32.85
Foreign Securities	39.50	583.15	583.15	593.15	553.16
Rupee Securities	87.39	424.86	439.86	449.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	92.67	93.06	130.43	100.25
Other Governments	..	38.81	29.45	16.85	7.70
Balances held abroad	19.08	122.52	123.83	120.03	120.00
SCHEDULED BANKS					
Demand Liabilities	186.87	535.82	535.68	530.26	561.60
		(13.66)	(14.81)	(10.39)	(14.05)
Time Liabilities	102.84	328.31	323.52	327.16	211.62
		(2.05)	(2.09)	(1.97)	(4.15)
Borrowings from Reserve Bank	..	1.94	1.32	13.22	3.09
		(0.49)†	(0.49)†	(11.44)†	(1.65)†
Borrowings from Imperial Bank	..	8.17	7.37	8.07	8.56
Cash in India	6.71	30.92	31.39	34.63	33.17
Balances with Reserve Bank	25.25	50.53	39.80	40.09	61.89
Excess over statutory limits	15.52	17.18	6.45	7.03	21.35
Balances with other banks in current account in India	..	11.81	12.08	12.02	12.25
Money at call and short notice in India	..	17.22	19.15	17.15	19.78
Investments (at book value)	..	315.61	313.70	314.03	300.16
Advances and Bills	105.09	489.99	494.64	509.82	495.20
IMPERIAL BANK					
Deposits	87.76	211.31	211.42	208.62	226.29
Investments	51.99	86.51	86.07	86.79	86.90
Advances	30.87	115.15	118.14	125.66	133.54
Cash	14.69	25.38	17.46	16.00	22.13

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).

† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	31st July, 1953		24th July, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,70,369	49,47,02,000	2,06,515	50,10,65,000
Calcutta	1,34,711	41,94,34,195	1,42,742	45,01,83,488
Madras	71,430	7,69,58,820	71,447	7,42,57,947
All Centres—				
1951	..	..	1,06,94,122	2180,56,86,859
1952	..	..	1,06,41,941	26,79,81,67,000
May 1953	..	..	26,35,000	6,45,23,00,000
June "	..	..	24,65,000	5,34,71,00,000

Reserve Bank of India

Statement of Affairs for the week ended 31st July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	ASSETS	Rs.
Capital paid-up	5,00,00,000	Notes	46,29,71,000
Reserve Fund	5,00,00,000	Rupee Coin	19,90,000
Deposits :—		Subsidiary Coin	3,63,000
(a) Government—		Bills Purchased and Discounted—	
(1) Central Government	108,29,41,000	(a) Internal	20,60,000
(2) Other Governments	38,00,00,000	(b) External	
(b) Banks	47,60,54,000	(c) Government Treasury Bills	7,86,47,000
(c) Others	63,37,36,000	Loans and Advances to Governments	120,78,77,000
Bills Payable	2,87,23,000	Other Loans and Advances	2,50,00,000
Other Liabilities	17,65,53,000	Investments	11,82,14,000
Rupees	345,70,32,000	Other Assets	84,97,13,000
			7,01,97,000
		Rupees	345,70,32,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1943 is Rs. 65,85,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.	ASSETS	Rs.	Rs.
Notes held in the Banking Department	46,29,71,000		A. Gold Coin and Bullion—		
Notes in circulation	1094,14,19,000		(a) Held in India	40,01,71,000	
Total Notes issued		1140,43,89,000	(b) Held outside India		
Total Liabilities		1140,43,89,000	Foreign Securities	583,15,11,000	
			Total of A		623,16,82,000
			B. Rupee Coin		
			Government of India Rupee Securities		92,40,37,000
			Internal Bills of Exchange and other commercial paper		
			Total Assets		1140,43,89,000

Ratio of Total of A to Liabilities: 54.843 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 24th July, 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	13,85,84,000†
	(ii) Other demand liabilities	522,16,16,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	2,07,50,000†
	(ii) Other time liabilities	326,23,94,000
3.	Cash in India	30,92,44,000
4.	Balances with the Reserve Bank in India	50,53,36,000
5.	Balances with other banks in current account in India	11,30,66,000
6.	Money at call and short notice in India	17,22,49,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	315,61,24,000
8.	Advances in India	438,77,27,000
9.	Inland Bills purchased and discounted in India	51,22,16,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	4th August 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-5⅜	1-5⅜
Buyers T.T. 10 to 12 months	1-5⅜	1-5⅜
Bombay on New York—		
Sellers T.T. D.D. Rs.	475½	475½
Buyers T.T. Rs.	477½	477½
London on New York	2.80½	2.81¼-2.81⅜
London on Paris Frs.	975-975½	973½-973½
London on Berne Sw. Frs.	12.17½	12.17½-12.17½
New York on London	2.81½-2.81⅝	2.81¼-2.81⅜

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (In millions)		In terms of rupees (Crores)	Per capita income (Rs.)
India	1948	342.12	..		6,780	255
Pakistan	1949	78.04	..		1,671	228
Burma	1951	18.67	Kyats	3,166	317	169
Ceylon	1951	7.70	..		461	598
Japan	1951	84.30	Y.	4,849,400	6,414	774
Philippines	1951	20.25	Ps.	7,586	1,820	856
New Zealand	1951	1.68	£ (N.Z.)	615	820	4,506
Australia	1951	8.43	£ (A.)	2,256	3,484	4,317
U.K.	1951	50.43	£	13,648	18,197	3,608
U.S.A.	1952	156.98	$	290,400	135,280	8,608
Canada	1952	14.46	$	15,307	8,246	5,714
France	1951	42.24	F. Frs.	9,065,000	12,872	3,010
W. Germany	1951	48.11	Dm.	80,800	10,257	2,128
Italy	1951	46.46	Lr.	7,760,000	6,926	1,527
Norway	1952	3.32	Kr.	10,596	1,196	3,331
Sweden	1951	7.07	Kr.	36,800	5,428	4,864
Netherlands	1952	10.38	Fl.	17,650	2,220	2,120
Denmark	1951	4.30	Kr.	20,714	1,489	3,348
Switzerland	1951	4.76	S. Frs.	19,500	2,185	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, June, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 24th July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	ASSETS	Rs.
Capital paid-up	3,00,00,000	Notes	10,55,53,000
Reserve Fund	5,00,00,000	Rupee Coin	3,000
Deposits :—		Subsidiary Coin	8,000
(a) Central Government	85,66,23,000	Bills Purchased and Discounted :—	
(b) Provincial Governments	1,09,42,000	(a) Internal	....
(c) Banks	17,57,72,000	(b) External	....
(d) Others	2,43,45,000	(c) Government Treasury Bills	30,97,000
Bills Payable	1,41,16,000	Loans and Advances to Governments	1,85,00,000
Other Liabilities	8,53,38,000	Provincial Governments Debtor Balances	9,46,73,000
Rupees	70,73,37,000	Other Loans and Advances	1,79,00,000
		Investments	37,24,56,000
		Other Assets	9,44,60,000
		Rupees	70,73,37,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.	ASSETS	Rs.	Rs.
Notes held in the Banking Department	10,55,53,000		A. Gold Coin and Bullion	7,01,42,000	
Notes in circulation	202,10,16,000		Silver Bullion		
Total Notes issued		212,65,54,000	Sterling Securities	39,33,72,000	
Total Liabilities		212,65,54,000	Government of India Securities	11,85,72,000	
			India Notes representing assets receivable from the Reserve Bank of India	23,93,96,000	
					69,14,82,000
			B. Rupee Coin	6 48,61,000	
			Government of Pakistan Securities	112,77,86,000	
			Internal Bills of exchange and other commercial paper	....	
					119,25,97,000
			II. Held with the Reserve Bank of India pending transfer to Pakistan		
			Gold Coin and Bullion	12,02,000	
			Sterling Securities	6,06,12,000	
			Government of India Securities	70,10,000	
			Rupee Coin	29,91,000	
					4,24,75,000
			Total Assets		212,65,54,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total note circulation: 43.75 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
12th May	1.00	1.63	1.00	2 6 10	56
14th "	1.00	1.95	1.00	2 6 8	41
26th "	1.00	2.26	1.00	2 6 6	28
2nd June	1.00	2.02	1.00	2 6 6	28
9th "	1.00	2.10	1.00	2 6 6	28
16th "	1.00	2.23	1.00	2 6 6	27
23rd "	1.00	2.90	1.00	2 6 6	28
1st July	1.00	2.71	1.00	2 6 6	21
7th "	1.00	3.03	1.00	2 6 6	23
14th "	1.00	2.81	1.00	2 6 2	8
21st "	1.00	2.91	1.00	2 6 2	9
28th "	1.00	2.80	1.00	2 6 2	10
4th August	1.00	3.76	1.00	2 6 2	20
"	1.00	2.61	1.00	2 6 8	40
Total	13.00	32.81	13.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	3rd April, 1953	3	2½
Finland	14th Dec., 1951	7½	6½
France	9th Nov., 1951	3	4
Greece	17th July, 1948	10	12
India	1st Nov., 1951	3	3½
Italy	4th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	6.84
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1941	3	4
Norway	9th Jan., 1946	3	1½
Pakistan	24th July, 1953	3	3½
Portugal	18th Jan., 1945	..	3
South Africa	27th Mar., 1953	3½	3½
Spain	18th Mar., 1948	4	4
Sweden	1st Dec., 1949	4½	4
Switzerland	26th Nov., 1936	1½	1½
Turkey	28th Feb., 1941	4	4
United Kingdom	12th Mar., 1953	3	3
U.S.S.R.	1st July, 1938	2½	4
U.S.A.	14th Jan., 1953	1½	1½
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	January, 1953	January, 1953	Ten months—April to Jan., 1952-53	Ten months—April to Jan., 1951-52
Import Duties :				
Revenue	8,40	11,93	92,98	106,10
Protective	52	93	6,49	6,68
On surplus disposals	2	1	5	54
Total import duties	8,94	12,86	99,51	117,56
Export Duties	5,20	7,22	48,58	74,18
Miscellaneous	16	29	2,80	5,72
Gross total customs	8	7	1,00	97
Refunds and drawbacks	12,86	20,45	149,57	198,43
Net Customs	17	29	2,35	4,13
Gross excise	12,69	20,10	147,08	191,86
Refunds	6,13	7,79	67,64	78,16
Net Excise	6	12	1,21	1,41
Net total of customs and excise	6,09	7,66	66,43	79,75
	18,99	27,78	213,46	266,11

Imperial Bank of India

Statement of Affairs for the week ended 31st July, 1953

CAPITAL AND LIABILITIES	Rs.	Rs.	PROPERTY AND ASSETS	Rs.	Rs.
CAPITAL—			Cash in hand and with Reserve Bank		16,65,11,000
Authorised Capital—			Balances with other Banks		4,27,61,000
2,50,000 shares of Rs. 500 each	11,25,00,000		Money at Call and Short Notice		78,89,000
Issued and Subscribed Capital—			INVESTMENTS—		
2,25,000 shares of Rs. 500 each	11,25,00,000		Government and other Trustee Securities	75,90,63,000	
Amount Called up—			Other Authorised Investments	10,60,05,000	
75,000 shares of Rs. 500 each, fully paid	3,75,00,000				86,70,73,000
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000		Advances—		
			Loans, Cash Credits and Overdrafts, etc.	89,13,48,000	
Reserve Liability of Shareholders —Rs. 875 per share on 1,50,000 shares	5,62,50,000		Bills Discounted and Purchased	25,71,46,000	
			Bills Receivable being Bills for Collection as per contra		114,84,94,000
Reserve Fund and other Reserves		6,25,00,000	Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		50,40,000
Deposits and other Accounts		208,18,96,000	Premises less Depreciation		2,61,000
Borrowings from other Banking Companies Agents			Furniture and Fixtures less Depreciation		1,30,90,000
Bills Payable		2,48,13,000	Other Assets (including Inter-Office Adjustments)		26,15,000
Bills for Collection being Bills Receivable as per contra		50,40,000			1,82,19,000
Acceptances, Endorsements and Other Obligations as per contra		2,61,000			
Other Liabilities (including Inter-Office Adjustments)		4,08,83,000			
Total	Rs.	227,26,52,000	Total	Rs.	227,26,52,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs of rupees)

	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates and Defence Savings Bank Deposits Outstandings ⊕		2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49	1,54	1,47	76	74	20,40	22,86	83,26	29,91	—	12,81		
1951-52	1,75	3,03	77	2,91	22,04	46,81	1,07,55	74,18	—	27,54		9,31
1952-53	1,63	4,51	95	3,87	23,56	64,18	1,12,36	91,01	—	31,06	25,10	18,19
											7,54	25,84
May 1952	12	6,20	8	2,94	2,12	70,22	9,95	77,85	—	23,28	56	19,56
June	12	6,27	9	2,91	1,81	71,64	9,38	80,08	—	28,58	69	20,53
July	16	6,33	10	3,03	2,08	73,14	10,29	82,54	—	28,92	74	21,25
August	15	6,40	8	3,11	1,76	74,45	8,61	82,74	—	29,16	45	21,89
September	10	6,44	8	3,11	1,84	75,72	8,79	84,91	—	29,41	55	22,86
October	11	6,45	6	3,14	1,71	76,77	8,86	85,25	—	29,69	56	22,92
November	10	6,50	3	3,16	1,71	77,99	8,03	85,64	—	29,99	58	23,46
December	8	6,51	5	3,16	1,56	79,34	8,45	85,95	—	29,99	58	23,46
January 1953	10	6,54	4	3,19	2,02	80,77	8,55	86,00	—	30,23	48	23,94
February "	14	6,61	5	3,22	1,86	82,14	8,36	86,36	—	30,61	64	24,48
March "	32	6,84	9	3,27	2,66	84,18	13,75	91,01	—	30,70	62	25,06
April "	11	6,80	5	3,27	2,24	85,91	9,66	93,01	—	31,30	60	25,64
May "	12	6,83	4	3,29	2,08	87,57	9,55	93,30	—	31,52	80	26,28
June "											66	27,00
											69	27,56

* At the end of period. ⊕ Progressive net repayments at the end of period from 15th August, 1947.

† Issued from 1st October, 1945 in lieu of Defence Savings Certificates. ‡ 7-year and 7-year National Savings Certificates were issued from June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. *All-India*

Group and Sub-Group	Week Ended 25-7-'53	18-7-'53	27-6-'53	26-7-'52
(A) Government and Semi-Government Securities ‡	92.0	92.1	92.2	91.4
1. Government of India Loans	92.2	92.2	92.3	91.5
2. Municipal, Port Trust and Improvement Trust Loans	86.7	86.9	86.9	87.5
(B) Fixed Dividend Industrial Securities	80.9	80.7	80.6	81.9
1. Electricity	79.1	78.6	79.1	74.6
2. Cotton	127.9	128.0	129.2	128.4
3. Jute	80.9	80.9	80.7	80.2
4. Coal	99.2	99.2	99.2	95.8
5. Iron and Steel	84.2	83.7	83.9	84.9
6. Sugar	89.7	89.2	89.2	92.7
7. Paper	89.8	89.8	89.9	89.4
8. Plantations	97.0	97.1	99.6	101.8
(C) Variable Dividend Industrial Securities	106.1	106.0	107.8	109.8
1. Banks	103.0	103.5	103.4	104.0
2. Insurance	99.5	99.5	99.1	104.0
3. Investment Trusts	130.4	130.4	133.7	139.2
4. Electricity Companies and Tramways	84.4	84.1	83.9	84.1
5. Shipping and Other Transport Companies	85.8	84.5	86.3	84.7
6. Railways	74.6	74.9	75.0	73.8
7. Plantations	123.6	123.6	126.0	135.8
8. Cotton Woollen and Silk	135.9	135.1	136.1	133.6
9. Mining and Oil	70.8	..	73.7	80.4
10. Coal	87.4	..	85.6	90.8
11. Iron and Steel	59.7	..	63.0	61.3
12. Engineering	137.7	145.6	149.7	139.0
13. General Engineering	82.5	82.3	82.7	87.2
14. Sugar	68.4	67.5	70.7	65.0
15. Breweries	133.4	131.4	133.0	142.2
16. Chemicals	115.2	115.4	116.2	113.9
17. Paper	142.3	140.9	141.7	141.7
18. Cement	81.4	81.4	81.4	81.4

II. *Regional*

Region and Group	Week Ended 25-7-'53	18-7-'53	27-6-'53	26-7-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.8	91.9	91.9	91.5
Fixed Dividend Industrials	92.7	92.1	91.9	91.5
Variable Dividend Industrials	125.5	124.4	125.1	124.5
(B) CALCUTTA—				
Government and Semi-Government Securities	92.6	92.6	92.8	91.8
Fixed Dividend Industrials	88.5	83.8	83.4	88.4
Variable Dividend Industrials	93.0	93.1	95.1	98.7
(C) MADRAS—				
Government and Semi-Government Securities	91.7	91.8	91.8	90.7
Fixed Dividend Industrials	101.6	101.5	103.3	106.0
Variable Dividend Industrials	129.0	129.0	129.3	135.1

*Source: Department of Research and Statistics, Reserve Bank of India.

‡ Including Part 'B' State Loans.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,849	12,906,704
1951	1,071	691,781	3,818,928
1952	963	509,242	3,330,991
February 1951	61	44,022	203,660
March	79	47,788	217,880
April	126	99,747	881,282
May	109	54,604	377,314
June	148	92,446	449,388
July	120	73,464	671,706
August	108	84,584	289,807
September	88	24,777	93,198
October	108	67,899	190,761
November	123	64,147	189,874
December	113	76,196	865,149
January 1952	95	804,881	674,840
February "	88	48,180	216,907
March "	87	45,490	148,488
April "	124	69,497	234,346
May "	118	80,092	254,856
June "	101	59,581	287,043
July "	82	40,754	171,258
August "	82	48,881	148,533
September "	96	57,573	140,552
October "	99	78,181	349,618
November "	87	45,766	272,345
December "	81	57,522	145,017
January 1953†	85	42,383	244,414
February "	45	26,477	123,411
March "	67	39,281	215,037
April "	87	48,218(a)	212,630(b)

† Figures for 1953 are provisional. * Revised.

(a) Not known in two cases. (b) Not known in five cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns †	Units generated ‡	Units Sold
1950-51	548	6,279.9	4,325.8
1951-52	573	6,961.1	4,849.0
1952-53	614	8,301.4	5,134.8
January 1952	568	500.8	400.7
February "	571	480.7	391.0
March "	576	531.8	392.9
April "	577	488.8	393.8
May "	581	514.4	412.1
June "	582	500.1	408.8
July "	586	544.0	429.7
August "	592	521.6	428.7
September "	597	530.8	430.8
October "	599	548.2	441.9
November "	608	529.7	438.4
December "	606	553.3	457.8
January 1953	611	535.5	441.8
February "	614	498.6	417.4
March "	614	538.0	435.7
April "	616	530.9	439.1

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

† At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	18th July, 1953	11th July, 1953	19th July 1952	June, 1953	June, 1953	Percentage of increase (+) or decrease (—) in June, 1953 as compared with June, 1952	1952	1951
Food Articles	408.6	408.0	373.4	398.7	349.8	+14.0	389.3	408.8
Cereals	483	476	461	474	445	+ 6.5	460	455
Pulses	500	495	509	500	434	+15.2	482	506
Other	284	291	239	277	216	+28.2	226	249
Industrial Raw Materials	479.3	478.8	438.7	491.0	429.3	+11.8	482.8	508.8
Fibres	513	514	457	550	447	+ 2.8	494	515
Oil seeds	671	671	482	641	432	+48.4	484	579
Minerals	439	444	467	450	466	— 3.4	458	458
Others	357	361	299	360	285	+26.3	341	385
Semi-Manufactures	386.4	384.3	348.3	383.6	330.8	+16.0	346.8	377.5
Leather	415	420	349	417	316	+32.0	346	458
Mineral oils	222	222	224	220	221	+ 1.8	231	197
Vegetable oils	602	602	583	610	427	+42.2	469	676
Cotton yarn	450*	445*	445*	445*	455*	— 2.2	455*	455
Metals	224	224	220	226	193	+18.1	211	197
Oil Cakes	454	455	440	446	424	+ 5.2	440	500
Others	254	253	291	262	269	— 6.3	278	320
Manufactured Articles	366.1	366.7R	366.6	370.1	373.9	— 0.8	377.3	395.5
Textiles	404	405R	406	410	420	— 2.4	423	459
Cotton	407	409	427	416	451	—13.5	506	508
Cotton	404*	404*R	389*	407*	394*	+ 3.3	401*	400*
Rayon and Silk	397*	403*	515*	401*	534*	—12.7	485*	511*
Woollen	320	320	320	320	320	0.0	320	320
Metal products	336	336	328	336	311	+ 8.0	321	325
Others	295	295	297	295	298	— 4.0	298	309
Miscellaneous	399.3	399.0	399.9	399.7	403.2	— 0.9	403.2	429.3
All Commodities	407.5	408.6	388.8	405.4	374.8	+ 8.2	388.9	439.3

R—Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jabbalpore
	(1944=100)	June 1934	July 1927	January 1928	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
July 1951	—	333	270	318	434	394	382	297	149	182	146	155	173
August "	—	328	261	322	459	392	389	338	146	181	143	161	171
September "	—	325	253	319	470	389	373	346	144	179	150	161	170
October "	—	332	254	323	469	398	379	356	146	181	148	165	171
November "	—	333	252	328	464	397	374	359	147	183	152	168	168
December "	—	331	252	328	449	397	370	357	144	181	150	164	158
January 1952	146	331	246	323	443	393	357	338	142	179	147	162	156
February "	144	334	241	318	433	391	352	340	142	178	147	163	155
March "	135	313	239	300	412	378	340	333	136	177	140	150	145
April "	141	348	262	321	415	377	339	336	140	179	138	153	164
May "	140	339	264	310	415	378	339	337	140	179	143	153	149
June "	140	338	268	300	434	375	342	330	143	171	141	153	148
July "	142	330	265	304	438	377	354	331	143	175	143	161	155
August "	144	330	267	312	446	380	360	338	144	176	149	160	157
September "	143	341	269	310	463	381	364	338	145	178	143	157	158
October "	144	342	274	311	466	381	368	337	146	179	143	154	158
November "	143	337	271	306	463	381	369	335	145	176	139	150	150
December "	139	348	262	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	156
February "	141	331	264	313	459	380	334	331	136	167	132	150	154
March "	142	338	265	323	468	381	333	333	136	165	131	148	145
April "	141	358	268	327	454	384	344	334	137	166	134	148	146
May "	142	363	275

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton*	74,674†	73,665††	23,424†	20,741††
Wheat 4th ..	tons	23,092†	23,874††	6,384†	5,700††
Jowar ..	tons	41 945†	39,184††	6,058†	5,944††
Bajra ..	tons	25,282†	22,839††	2,922†	2,294††
Barley 2nd ..	tons	7,676†	7,130††	2,177†	1,738††
Maize ..	tons	8,796†	8,073††	2,607†	2,021††
Ragi ..	tons	8,588†	8,599††	1,255†	1,216††
Gram ..	tons	16,719	18,709	3,157	3,505
Other millets & pulses ..	tons	39,725	39,770	6,898	6,401
Jute ..	bales	1,834†	1,951††	4,695†	4,678††
Cotton 4th ..	bales	15,050†	15,126††	2,908†	3,042††
Sugarcane 2nd	tons	6,248†	6,826††	5,035†	5,288††
Groundnut ..	tons	11,862†	11,798††	2,894†	3,045††
Linseed ..	tons	3,293	3,447	309	361
Castorseed ..	tons	1,549†	1,428††	107†	100††
Rape and Mustard Seed ..	tons	6,707	8,097	900	748
Sesamum (supplies)	tons	5,751†	5,845††	514†	438††
Tobacco ..	tons	784†	659††	211†	192††
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

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

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During June, 1953	72.8
	Corresponding month 1952 ..	72.9
	July 1952 to June, 1953 ..	891.6
	Corresponding period 1951-52 ..	944.9
Stocks	At the end of June 1953 ..	133.8
	Corresponding month 1952 ..	90.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 20th June, 1953 ..	51.35
	Corresponding week 1952 ..	52.00
	From 1st Jan., to 20th June, '53 ..	11,41,54
	Corresponding period 1952 ..	20,85,48
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 20th June, 1953 ..	61.49
	Corresponding week 1952 ..	1,20,48
	From 1st Jan., to 20th June, 1953	54,67,24
	Corresponding period 1952 ..	44,78,44
	RAW JUTE	(In 000 bales)
Exports*	Week ended 20th June, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended March, 1953	—
	Corresponding period 1952 ..	—
Consumption by Mills†	June, 1953 (in lakh bales)	4.22
	Corresponding month 1952 ..	4.27
	Twelve months ended June, 1953	52.00
	Corresponding period 1952 ..	54.80

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950..	10,41,700	827,500	720,000
Do.	31st March, 1951..	11,18,200	10,02,100	7,76,600
Do.	31st March, 1952..	11,30,000	10,57,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,61,900	7,91,800
Four months ended 30th July,	1953	3,74,400	3,36,800	2,46,600
March	1951..	91 800	86,600	71,400
April	.. .. ..	81,500	79,900	65,000
May	.. .. ..	94,300	92,200	66,800
June	.. .. ..	84,100	80,500	55,800
July	.. .. ..	93,000	85,400	66,700
March	1952..	1,02,100	92,100	67,400
April	.. .. ..	98,000	90,500	62,900
May	.. .. ..	91,000	83,200	61,700
June	.. .. ..	88,400	85,100	64,800
July	.. .. ..	93,400	91,000	66,900
March	1953..	97,400	88,800	65,500
April	.. .. ..	97,000	83,100	60,800
May	.. .. ..	95,900	85,000	62,000
June	.. .. ..	90,400	82,600	60,000
July	.. .. ..	91,100	86,100	64,800

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months, April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11,87	85,40	176,64	262,05
Raw materials ..	10,62	21,54	179,01	254,06
Manufactures ..	23,06	30,25	274,00	341,38
Other Items	42	76	4,80	5,35
Total Imports* ..	45,46	87,95	632,85	862,84
Exports :—				
Foodstuffs	12,84	12,84	142,18	158,18
Raw materials ..	10,82	12,69	146,03	139,88
Manufactures ..	21,39	29,84	259,78	403,21
Other Items	29	43	4,09	5,06
Total Exports ..	45,84	52,90	551 04	701,80
Total Re-exports ..	38	59	5,74	19,76
Balance of trade in merchandise ..	+ 24	—34,45	— 76,17	—147,28
Balance of transactions in private treasure ..	..	..	— 7	— 14
Total Visible Balance of Trade	+ 24	—34,45	— 76,24	—147,42
Imports :—				
Total Commonwealth Countries ..	20,29	25,46	252,63	288,63
Total Foreign Countries ..	25,17	64,49	380,50	574,21
Exports :—				
Total Commonwealth Countries ..	25,58	25,08	261,90	365,20
Total Foreign Countries ..	21,75	27,82	289,14	356,60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1952	1951
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	39	3,53†	18,54†	27,14††
Imports	1,58†	3,52	25,16	30,46
Balance of trade in merchandise	— 1,19†	+ 1 †	— 6,62†	—3,31††

† Provisional.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944—100)

Name of Centre	Cereals		Pulses		Other articles of food		All articles of food		Fuel and Lighting		Clothing		Miscellaneous	
	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1952	Mar., 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953
Eastern Zone																
Bamra	169	244	262†	79	97	97	128	121	121	127	137	140	104	107	109	184	218	218	170	193	197
Malbang	144	149	x	126	131	x	144	126	x	141	129	x	141	102*	x	183	—	x	125	100	x
Bhantargarh ..	134	155	143†	138	174	155†	168	160	147	149	157	149	101	95	95	154	140	126†	140	145	145
Bonaiti	259	181	183	157	167	167	188	177	175	194	176	175	128	128	125	249	199	199	310	310	310
Northern Zone																					
Multapi	112	124	124	140	154	158	165	177	178	152	164	165	121	123	123	182	166	166	156	201	201
Nana	269	224	205†	229	253	258	194	190	184	216	204	196	134	115	117	208	201	184†	204	189	189
Balamatspur ..	219	225	218†	249	277	269	195	199	190	210	220	210	129	129	129	180	189	139	259	277	251
Southern Zone																					
Krishna	182	179	191†	156	179	165†	161	163	162	157	167	168	110	127	130	164	136	132	209	175	176
Lakh	197	174	174	156	195	195	150	159	152	143	184	186	86	88	88	188	138	134	144	187	138
Malur	161	206	216	128	139	144	138	145	150	141	158	163	97	96	97	407	189	195	163	178	171
Manigada	209	204	210	173	213	191†	191	218	216	190	214	211	122	125	125	207	177	164*	269	199	202
Kodchi	157	181	181	125	139	139	143	160	161	144	161	162	113	127	120	149	122	122	191	191	193

x Returns not received. † Revised. * Provisional.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., '52 to 3rd August, 1953 Bales	From 1st Sept., '51 to 3rd August, 1952 Bales
Bombay Inland—			**Indian Union**		
Cotton Receipts ..	Week ended 30th July, 1953 ..	26,684	Cotton Exports to—		
	Corresponding week, 1952 ..	20,571	United Kingdom ..	16,250	6,508
	1st Sept. 1952 to 30th July, 1953	17,51,055	Continent	1,04,739	85,472
	Corresponding period, 1951-52 ..	15,59,030	China	818	750
			Japan	1,53,607	92,791
			U.S.A.	43,158	12,276
Cotton Exports ..	Week ended 30th July, 1953 ..	—	Other Countries ..	5,456	811
	Corresponding week, 1952 ..	17,100	Total to all foreign countries	3,24,537	1,51,608
	1st Sept. 1952 to 30th July, 1953	8,23,962	Coastal Ports ..	1,82,519	1,20,391
	Corresponding period, 1951-52 ..	1,40,309			
Mill Consumption ..	1st Sept. 1952 to 30th July, 1953	11,44,430			
	Corresponding period, 1951-52 ..	9,14,962			
				Period	Quantity (Bales of 400 lbs.)
Stock (with exporters, dealers and mills) ..	On 30th July, 1953	4,72,420	Consumption of Cotton—		
	Corresponding date, 1952 ..	5,69,459	Indian	March, 1953	2,88,378
			Foreign		66,998
Karachi (Pakistan)*			Indian	Seven months September 1952 to March, 1953	21,00,812
			Foreign		4,66,410
Receipts	Week ended 25th July, 1953 ..	1,751	Indian	Same Period 1951-52 ..	16,62,127
	Corresponding period 1952 ..	11,378	Foreign		6,38,177
	1st Sept. 1952 to 25th July, 1953	16,40,238	Stocks (Mills and Elsewhere)—		
	Corresponding period, 1951-52 ..	15,38,607	Indian	As on 31st March 1953 ..	12,67,804
			Foreign		3,49,218
Exports	Week ended 25th July, 1953 ..	33,193	Indian	As on 31st March, 1952 ..	14,00,118
	Corresponding period, 1952 ..	16,400	Foreign		3,43,026
	1st Sept. 1952 to 25th July, 1953	15,14,193		Week ended 24th July, 1953 ..	3,780
	Corresponding period, 1951-52 ..	11,15,400	Cotton Pressed† ..	Corresponding week, 1952 ..	7,903
				1st Sept. 1952 to 24th July, 1953	28,97,702
				Corresponding period, 1951-52 ..	21,75,878

* As reported by the Karachi Cotton Association Ltd. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,03,64,000	1955-60	103½
4 % Bonds	1926-33	61,30,26,000	1960-70	92½
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92½
3 ½ Loan	1950	30,33,10,000	1964	92½
3 ½ Loan	1943	1,10,11,78,000	1964-68	90
2½ V. Loan	1944	1,14,06,89,000	1957	98½
3 ½ Loan	1945	1,13,03,83,000	1970-75	86½
3 ½ Loan	1945	1,13,65,64,000	1959-61	96½
2½ Loan	1945	50,35,63,000	1958	98½
2½ Loan	1946	49,63,07,000	1960	93½
2½ Loan	1946	57,00,69,000	1961	90½
2½ Loan	1946	35,96,96,000	1954	98½
2½ Loan	1946	14,77,48,000	1976	83
2½ Loan	1947	75,86,72,000	1962	91½
2½ Loan	1948	60,45,01,000	1955	98½
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98½
NON-TERMINABLE LOANS				
3 ½Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On 30th September, 1966 or later at option of Government after three months' notice.	82½
2 ½ Loan	1946	248,91,90,000		52½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,68,18,000	1954-59***	100½
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 ½% Bombay	1943	3,30,00,000	14th Sept. 1956	99
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1963	95½
3 ½% Bombay	1953	5,00,00,000	15th July 1963	100
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	99½
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	15th Dec. 1955-58	99
3½% Cochin	1936	70,09,000	1st June 1956-61	98½
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 ½% Madras	1938	1,42,08,500	15th Sept. 1953	99-1/4
3 ½% Madras	1939	1,29,76,600	21st June 1959	95½
3 ½% Madras	1941	1,23,25,800	18th Sept. 1955	99
3 ½% Madras	1943	1,33,10,000	14th Sept. 1958	98-8½
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 ½% Madras	1945	2,62,19,000	14th Sept. 1960	93
3½% Madras	1946	1,90,93,200	1st Sept. 1961	90½
3 ½% Madras	1930	1,47,00,000	31st July 1960	94
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99½
3 ½% Mysore	1952	2,00,00,000	1st Aug. 1964	99½
3 ½% Mysore(I)	1930	1,63,44,300	1st Nov. 1953	100
3 ½% Mysore(I)	1935	2,91,81,200	1st Nov. 1953-63	100
3 ½% Mysore(I)	1936	3,99,72,900	30th April 1956-61	98
3 ½% Mysore	1947	3,08,05,700	25th Jan. 1958	98-1/4
3½% Mysore	1953	3,00,00,000	15th July 1963	99½
3 ½% M.P.	1942	50,00,000	18th Sept. 1955	99
3 ½% M.P.	1943	90,54,200	14th Sept. 1956	98½
3 ½% M.P.	1944	57,49,600	15th Aug. 1958	96½
3 ½% M.P.	1948	2,03,28,800	15th Sept. 1964	91½
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97½
4 % W. P.	1953	1,00,00,000	15th July 1963	99½
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½
3 ½% Punjab**	1942	2,33,20,000	15th Sept. 1955	99½
3 ½% Punjab**	1943	2,46,78,300	14th Sept. 1956	99½
3 ½% Punjab**	1945	2,93,81,600	14th Sept. 1960	98½
3 ½% Travancore	1944	3,00,00,000	15th Aug. 1953-54	99½
3 ½% Travancore	1945	50,00,000	15th Aug. 1956	99
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 ½% Uttar	1936	1,81,36,500	15th Sept. 1961-66	90½
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3 ½% U.P.	1945	2,24,80,300	14th Sept. 1960	94½
3 ½% U.P.	1946	2,29,08,600	1st Sept. 1961	93½
3½% U.P.	1951	3,00,28,800	17th Sept. 1962	97½
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99
4 % U.P.	1953	5,00,00,000	15th July 1963	99
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
24,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	3½	1913	1960	D
80,00,000	4	1913	1974	99½N
88,25,000	4	1914	1975	99¾N
40,00,000	4	1914	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1963	
13,00,000	3½	1934*	1964	
48,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98½
76,90,100	4	1915	1973	99½
68,02,300C	3½	1921	1981	
1,50,00,000C	4	1921	1981	144N
1,24,04,300	6	1925	1955-85	103
98,21,600	3½	1926	1956-86	104½
1,50,00,500B	3	1927	1956-86	103½
1,49,49,500B	3	1927	1957-87	103
1,49,30,000	3	1928	1958-88	104
80,00,000	4½	1933	1958	92½
21,50,000C	3	1933	1954	99½
40,00,000	3½	1935	1965	96½
23,00,000	3	1938	1965-68	88
26,14,000	3	1938	2005	70N
8,43,500	3	1939	1978	82½
24,51,500	3	1939	1979	82½
8,25,00,000	3½	1939	1977	86½
2,50,00,000	3½	1949	1979	86½
2,50,00,000	4	1950	1965	91½
2,50,00,000	4	1952	1964	99½
2,00,00,000	3½	1951	1966	97
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
2,01,14,994	4	1917	1982	
2,21,489	4	1918	1982	A
3,42,951	4	1918	1882	
7,46,064	6	1920	1982	
2,13,852	5	1921	1952	
1st Aug.				
3,32,322	4½	1922	1972	M
4,47,297	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½
13,00,000	4	1906	1970	
30,00,000	4	1907	1967	
23,00,000	4	1908	1968	
23,00,000	4	1912	1972	
18,00,000	4	1913	1973	
30,00,000	4	1914	1974	97½
23,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113
66,00,000	6	1920	1955-80	
23,00,000	4	1926	1956-86	115
23,00,000	4	1927	1961-70*	98
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	67½
£333,000	4	1910	1970	67½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
23,00,000	5½	1929	1959	107
30,00,000	5	1934	1964	100
33,00,000	3½	1935	1965	94½
50,00,000	3	1936	1966	89
20,00,000	3	1937	1962	98
80,00,000	4	1943-48	1968	88
	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1911-14	1954	99½
20,60,000	4	1913-15	1974	99½
10,00,000	3	1913-15	1955	100
10,00,000	3	1922	1952	101
1,60,00,000	6	1924	1954	113
23,00,000	3	1928	1958	102½
26,14,000	3	1928	1958	98
8,43,500	3	1929	1954-59	105
24,51,500	3	1929	1954-59	to 103
8,25,00,000	3½	1939	1977	86½
2,50,00,000	3½	1949	1979	86½
2,50,00,000	4	1950	1965	91½
2,50,00,000	4	1952	1964	99½
2,00,00,000	3½	1951	1966	97
CALCUTTA				
Rs.				Rs.
49,45,500	6½	1925	1955	103½
84,70,000	6	1925	1955	104½
36,00,000	5	1925	1955	104½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5	1929	1958	103½
33,91,000	3½	1935	1965	93½
5,19,000	3	1935	1965	93½
60,00,000	3	1935	1933	99½
1,46,100	3	1936	1966	88½
3,11,400	3	1937	1953	99½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,13,100	3	1937	1954	98½
47,50,000	3	1937	1968	88½
10,68,700	3	1938	1968	88½
15,36,800	3	1938	1953	97½
13,36,800	3	1939	1956	99½
17,64,400	3	1940	1957	99½
21,10,000	3½	1942	1959	96½
15,49,000	3½	1942	1972	92½
16,33,000	3½	1951	1961	96½
66,88,000	3½	1951	1966	96½
87,36,000	3½	1952	1962	99½
Rs.				Rs.
MADRAS				
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal. J—Various Issues repayable to Government.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. *Loans held entirely by the Trustees,
(a) This includes the amount of loan converted into First Development Loan 1970-75. (*f*) Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April 1953. **Quotations in Pak. Currency. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	75N	100
Carew & Co.	80,00,000(b)	1875	6½	Mar.	Sept.	96	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb.	Aug.	143	100
Deccan Sugar & Abkhari *A*	7,00,000	1920	7	July	Apr.	108	100
Deccan Sugar & Abkhari *B*	£200,000	1897	7	Jan.	July	154xd	£1
Ellaji Indian Distilleries	6,75,000(c)	1940	7B	Dec.	..	77	100
Gwalior Sugar	5,00,000	1940	7B	Dec.	..	75	100
Do. (Non-redeem.)	6,00,000	1922	10	Oct.	..	153	100
Purtabpore Co.	5,00,000	1936	6	Aug.	..	101	100
Ramnugger Cane	20,00,000	1943	5½	Oct.	Apr.	70	100
Ravulgaon Sugar	5,00,000	1936	7(a)	Oct.	..	73N	100
South Behar Sugar	15,00,000	1946	5(c)	Dec.	..	6½	10
Travancore	12,00,000	1932	5	Dec.	..	90N	100
Upper Ganges	15,00,000	1946	5(a)	Dec.	..	70N	100
Do.							
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	115	100
Borree	4,00,000	1896-97	6½	Oct.	Apr.	121	100
Burakur (1st)	22,99,800	1901-19	7	Apr.	Oct.	120	100
Do. (2nd)	6,50,000	1946	6(a)			8½	10
Equitable	4,00,000	1893	7	Mar.	Sept.	119	100
Karanpura Collieries ..	7,50,000	1946	5½(a)			8½	75(pp)
††Khas Kajora	2,00,000	1920	7	Jan.	July	6N	10
New Beerbhoom	2,00,000	1898-99	6½	Apr.	Oct.	113	100
Ondal							
COTTON							
Ahmedabad Advance ..	10,00,000	1919	5	Apr.	Oct.	115	100
Bangalore	4,00,000	1884	6	Jan.	July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	8½	10
Benares Cotton	3,00,000	1919	7	July	Oct.	60	100
Bengal-Nagpur	6,00,000	1900	8	Feb.	Aug.	120	100
Bowreah *A*	6,00,000	1900	7	Feb.	Aug.	137	100
Do. *B*	14,75,000	1919	7	June	Dec.	325	250
Bradbury	21,30,200	1920	7½	Jan.	July	137½	100
Buckingham & Carnatic ..	1,00,000	1928	7	Apr.	Oct.	328	100
Cambodia	50,00,000	1912	5	Apr.	Oct.	211½	500
Central India	1,00,000	1935	6½	Nov.	..	124½	100
Coimbatore Pioneer ..	11,00,000	1912	8	May	Nov.	143	100
Elgin	4,20,000	1943	5	July	Jan.	10	10
Do. *B* Pref. ..	22,00,000	1919	7(a)	May	Nov.	883	100
Elphinstone	20,00,000	1919	7	June	Dec.	130	100

STOCK & SHARE QUOTATIONS

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

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

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

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

COTTON MILLS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation. Rs.	Paid-up Per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
BOMBAY CITY AND ISLAND															
50,00,000	59,20,372	64,19,135	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo	2-15½	2	12½	12½	15§		12	W.
48,00,000	96,35,655	1,22,39,885	43,646	B. R. Sons, Ltd.	50,828	1,021	Beharilal Ramcharan Cotton Mills	50	100	6	6	6		3	T.P.Y.
8,19,98,000	5,35,82,946	3,76,37,187	1,80,776	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	386‡	250	16	7	8	8	12	T.P.Y.
10,00,000	68,36,273	32,02,609	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	830	250	24	40	40		12	Y.
1,09,42,800	3,69,11,265	2,42,52,821	3,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century	273½	100	15	18	20		12	Y.
49,00,000	76,79,645	1,10,40,660	—23,49,980	V. J. Pilani, Esq. (Chairman)	40,660	698	Colaba Land & Mill	69	100	—	—	—	20	12	Y.
26,00,000	47,97,127	48,34,058	7,721	Cawasji Jehangir & Co., Ltd.	27,308	680	Coorla	111½	100	7½	7½	7½	—	12	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34,00,000	81,35,000	62,31,113	5,622	Purusmal Radhakishan & Co.	50,296	928	Edward Textiles	240	200	7½	7½	—		12	Y.
29,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	886	Elphinstone	40	50	10	8	7½	7½	12	Y.
40,00,000	1,32,62,580	80,34,732	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	323	100	15	15	20	20	12	Y.
50,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	4½	—	—	12	Y.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,752	1,022	Hindustan	3,250	1,000	17½	20	20		6	P.Y.
80,90,0000	4,30,34,142	4,41,45,022	9,89,816	Agarwal & Co.	2,38,030	6,278	India United	9½	10	7½	7½	10½		3	P.Y.
50,00,000D								1-7½	1	12½	12½	25		12	P.Y.
8,63,000A	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	17½	20				
33,000									500						
29,92,300	1,94,26,918	1,84,28,926	21,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	182½	100	12	14	20		3	Y.
1,00,00,000	3,45,80,831	2,90,32,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	303	100	27½	18	25		4	P.Y.
													18	12	Y.
28,80,000A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	84	100A	7½	5	6½		6	Y.
3,60,000B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8				
31,75,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	180	100	17	15•	14	10	10	P.T.Y.
24,00,000	67,21,958	71,32,987	42,053	W. H. Brady & Co., Ltd.	43,944	432	New City of Bombay	151½	100	11	12½	15		6	P.Y
30,00,000	79,78,649	86,82,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	151	100	6§	10	12	10	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25§	10	—	5	10	12½	12	P.Y.
48,00,000	1,14,83,243	1,38,66,478	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix	114½	100	6	10	10	12½	12	P.Y.
40,00,000	59,31,640	24,14,688	1,23,251	Podar Sons, Ltd.	32,600	930	Podar	128½	100	9	9	10	10	12	Y.
5,00,000	27,89,119	21,19,461	3,613	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk	24	10	26§	20	20	12½	12	P.Y.
25,00,000	39,86,822	41,49,241	21,930	M. G. Investment Corpn.	60,240	1,254	Sassoon Spinning	25§	10			20	12½	12	P.Y.
60,00,000	1,02,59,322	78,01,447	8,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	175	100	12½	14	10	12½	12	Y.
31,30,000	1,09,71,108	78,77,540	37,939	Forbes, Forbes, Campbell & Co., Ltd.	36,116	1,276	Simplex	170‡	100	28	34	17½	12½	12	Y.
66,00,000	2,07,23,386	1,18,80,633	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard	315	100	13	15	30‡	30	3	P.Y
73,00,000	2,10,92,337	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	253	100	14	16	28½	20	12	P.Y.
54,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	39,804	952	Swan	455	100	20	18	18	20	12	P.Y.
32,34,438	88,66,976	76,66,704	—2,03,128	Tata Industries Ltd.	45,248	1,800	Rohit	122½	100	8	30	9	30	12	P.Y.
12,00,000	1,17,01,933	86,42,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,180	1,000	17½	20	9 20	20	12 12	P.Y. P.Y.
													4	12	P.T.Y.
														3	T.Y.
AHMEDABAD															
80,00,000	84,99,543	51,93,949	8,432	Tata Industries Ltd.	[44,224	1,016	Ahmedabad Advance	146§	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,873	P. M. Hathesing & Sons Ltd.	42,768	912	Arvind	435	100	13•	15•	20•			
81,00,000	2,83,78,675	1,18,76,140	1,369	Narottam Lalbhai & Co.	62,448	1,216	Arvind	789	100	22½	25	25	25	12	Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Arvindas Ginning	287½	200	15	15	17½		12	P.Y.
12,00,000	1,63,63,453	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Calico	457‡	100	15•	17	22	7½-1	12	P.Y.
1,24,77,072	3,38,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	311‡	125	8	10	12½	22•	12	P.Y.
80,00,000	1,20,70,000	88,67,870	4 885	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,080	500	10	11	14-2/5	14-2/5	12	Y.
												14	12	12	P.Y.
89,00,000	1,31,07,324	96,79,263	1,793	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	580	125	28	28	28	28	12	P.Y.
5,00,000	79,61,645	43,89,260	4,583	Jagabhai Bhogilal Nanawati & Co.	24,840‡	528‡	Nutan	807‡	100	25•	28•	28•	28	13	Y.
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	657	Rajpur	740‡	100	22½	25	25	25	12	Y.
12,00,000	30,40,334	43,41,241	1,09,340	Mangaldas Girdhardas Parekh Ltd.	43,568	1,093	Rajnagar	130	250	6	6	23	23	12	P.Y.
52,50,000	58,29,433	81,53,993	9,867	Lalbhai Gordhandas Ltd.	35,156	648	Rohit	122½	100	8	30	9	9	12	Y.
19,50,0000	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co.	36,624	720	Shorrock Spinning	360	100	15	15	20	20	12	P.Y.
2,500D															
24,90,130	1,91,30,172	1,01,07,709	1,28,551	Harbelabhdas Kalidas & Co.	73,796	1,383	Shri Ambica Mills	3228	50	25	30	36	32	12	P.Y.
28,00,000	79,16,324	91,15,078	16,259	Haridas Ashavatlal & Co., Ltd.	32,816	776	Vijaya	465	400	11½•		8§•	12	12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,366	1,93,043	Calcutta Agency Ltd.	113,044	356	Basanti Cotton	4§	10	—	5	5§			
7,11,280	22,53,684	37,16,899	32,931	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		12	P.T.Y.
6,00,000	74,31,073	77,07,829	—28,433	K. Bullen & Co., Ltd.	42,872	841	Bowreah	390	100	—	—	—		12	Y.
19,00,000	96,49,451	94,66,017	—27,794	K. Bullen & Co., Ltd.	42,944	818	Kesoram	178	100	5§	7½	7½		6-12	P.H.
1,20,00,000	3,29,34,362	3,04,56,320	84,976	Birla Bros., Ltd.	69,352	1,990	Kesoram	182	25	12½	12½	11§		6-12	H.
6,00,000A									10						
82,96,097B	71 09,841	79,53,833	51,235	Chakravarti Sons & Co.	23,484	642	Mohini	—		12½§	7½	7½		12	Y
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,366	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4§	10	9	3	6		12	T.Y.
15 00,000	26,53,246	39,13,375	2,736	Ramlal & Co., Ltd.	50,000	..	Ajappne Textiles	6§	10	—	9	6		12	P.Y.
71,54,400ee	94,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	70	100	15•	5§‡	61	6	9	Y.
42,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,083	Bangalore	257§	100	14§	17§	20	15	12	P.T.Y.
27,00,000	71,62,108	70,17,945	15,831	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14	10	2	1§	3	12	12	Y.
60,00,000	77,87,070	1,01,33,381	11,806	Binodram Baldeand	37,312	1,338	Binod Mills	100N	100	17	5	7½	6-12	12	P.H.
13,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros., Ltd.	39,898	998	Birla (Delhi)	75N	10	25	25	30	12	12	Y.
8,47,800	4,09,27,251	5,14,81,572	2,99,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	119§	100	6§	6§	7	4	3	P.P.
36,00,000	67,02,807	48,13,918	39,859	Peires, Leslie & Co., Ltd.	37,316	4	Cambodia	10½	10	7½	—	12½	10	12	P.Y.
30,00,000	64,40,347	47,79,878	32,599	Bejoy Sutherland & Co., Ltd.	28,798	391	Cawapore Textiles	8§	5	11§	11§	12½		12	P.Y.
44,87,500	2,35,77,600	2,00,84,126	—16,28,226	Tata Industries Ltd.	1,15,188	2,062	Central India	158	100	12½	6	2	11§	3	T.Y.
12,00,000	33,29,989	27,82,848	—1,32,723	R. Basma Nayudu & Co.	28,864	..	Coimbatore Cotton	143	100	12½	12½	12½		12	P.Y.
20,00,000	17,94,432	30,04,318	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	113	100	7	6	9	12	12	P.Y.
20,76,900	70,83,677	1,11,04,375	—2,70,999	R. G. S. Naidu & Co.	72,188	607	Coimbatore Spg. & Wvg.	42§	50	5	10	—		6	P.Y.
24,34,800	40,26,054	57,58,169	20,744	M. N. Chettiar & Sons	29,308	201	Dhanalakshmi	178	100	25	25	20	10	6	V.
8,89,84,9251	3,84,95,614	5,77,14,405	1,63,882	Bharat Ram, Esq.	79,804	1,830	Delhi Cloth (Inc. Lyallpur Mills)	29	25	4	10			12	V.
1,00,503								29	25						
61,00,000	1,48,71,631	1,30,76,652	1,33,383	Bejoy Sutherland & Co., Ltd.	52,652	1,198	Elgin	16	10	12½	11§			6	P.Y.
39,04,700	1,01,70,000	82,23,387	1,03,575	P. Perbes Campbell & Co., Ltd.	32,960	2	Gokak	226	100	15	10	14		9	P.T.Y.
50,00,000	84,17,977	1,21,16,721	6,989	Gwalior Sutaria (Indore)	91	1,420	Indore Malwa United	91	100	4	5	14	17•	12	Y.
8,90,000	23,82,989	26,01,326	—2,58,201	G. V. Naidu & Co.	30,420	..	Jayalakshmi	38	50	16	10	15		12	Y.
15,00,000	17,20,378	40,18,454	7,677	A. L. A. R. A. Chettiar and another	23,784	..	Kaleeswarar	301§	100				7½	12	Y.
24,00,000	23,50,000	46,65,106	84,177	Kothari & Sons	30,304	325	Kothari	103	10	7	7½	7½		12	M.
32,00,000	1,62,37,879	1,37,67,873	1,59,324	The Bombay Co., Ltd.	13,824	1,213	Lakshmi Cotton	570‡	250	15	15	20		6	P.Y.
35,64,1001					33,643			90cd	50				15	12	P.Y.
17,82,050A	1,02,38,673	94,98,925	14,267	O. K. Naidu & Co.	75,304	200	Lakshmi Mills	43cd	25	8	8	10	10	12	P.Y.
1,75,01,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36§	13	17½	15	20	20	12	V.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. A. Chettiar and 3 others.	21,856	..	Malabar	14§	200	5	4	6	20	12	V.
60,00,000	1,00,87,062	55,34,648	77,484	W. A. Beardsell & Co., Ltd.	24,352	605	Mathur Industries	187‡cd	100	25	12½	12½	10	12	V.
29,80,884	65,14,248	73,68,250	25,960	M. Sirur & Co. Ltd.	36,416	678	Minerva	100‡	100	8•	6	12½	12½	3	V.
84,91,830	96,08,312	1,34,73,861	39,643	B. Abirchand Daddaboy & Co.	49,456	952	Model Mills, Nagpur	143§	250	6	6	5	5	12	V.
50,00,000	1,53,94,651	1,33,39,271	7,77,296	Indian Textile Syndicate Ltd.	86,318	1,854	Moti	215	100	24§	6			12	V.
9,71,850	4,06,341	20,43,991	—2,16,538	A. Sambha Moorty, Esq.			Mysore Silk Filature	2§	10	—	3			12	V.
19,86,800	1,15,39,739	82,35,416	28,247	N. Sirur & Co., Ltd.	69	..	Mysore Spinning	126§	50	20	25	7½		12	P.Y.
13,67,780	22,98,130	27,85,556	—4,60,000	R. Baryanarayana Rao, Esq	49,632	300	Mysore Spun Silk	58	50	5d	6§	20		12	P.Y.
					6,000	..								3	V.
22,89,8821	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd.	50,228	1,148	New Victoria	1§	2§	—	—	—		12	P.T.Y.
8,07,0950								—	D1						
87,03,800	1,20,94,970	1,58,62,383	17,946	Ind. Trust Fund	30,896	717	Osmanabad Mills	83N	100	14•	5§‡	6§‡	7	9	V.
6,00,000A	21,00,275	26,20,198	3,380	Raghyalakshmi & Co.	22,800	..	Palani Andavar	60	50A	4	10	16	15	12	P.Y.
6,00,000B									20						
15,00,000	21,04,316	32,27,259	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills	66	100	4	10			12	P.Y.
25,30,420	40,80,284	52,63,263	2,062	A. G. G. Naidu & Co.	38,864	200	Radhakrishna	146	100	15	16	16	6	12	P.T.Y.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	77	50	9	9	10		12	V.
13,02,500	31,32,264	35,65,211	11,407	P. S. G. Naydu & Sons	28,972	88	Raaga Vilas	49	50	6	7	7½		12	P.Y.
60,00,000	89,59,172	1,04,60,739	3,506	Sir J. P. S. & Sons (Rampur), Ltd.	32,380	600	Raza Textiles	48	10	—	—	—		12	V.
16,00,000	1,38,57,770	2,03,51,179	—78,079	M. J. Diwekar, Esq.	62,992	2,234	Sholapur	1,650	1,000	—	—	—		12	P.Y.
82,41,300	9,49,300	25,98,011	66,528	Gopaldas Lilladhar & Co. Ltd	15,824	440	Shree Sajjan	75N	100	6				12	P.Y.
17,79,700	17,05,383	21,30,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36§	60	6§				3	V.
36,69,700	33,96,380	37,47,029	—257	H. N. Pillegar, Esq.	25,200	292	Sri Krishnarajendra Mills	41§	50	8§	8•	8•		3	V.
15,00,000	1,30,50,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40N	10	40	40	40		3	V.
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.			Swadeshi (Cawapore	9§	10					3	V.
1,57,50,0009					1,12,216	2,077		9§	10P.O.	9	9	9			
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons			Trichinopoly	8§	10	10	10	10		12	P.Y.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	16,000	..	Vasanta	150	100	7	10	10	7	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	33,704	270	Vishnu	132§	100	10	9	10	12	12	P.Y.
					54,280	1,493							12	12	P.Y.

• Includes Bonus. I. On Increased Capital. ‡ Only Depreciation. ¶ As on 31st August, 1952. †† Does not include depreciation.

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

† Subject to tax. ** Net Block.

§ Includes Rs 11-6 paid out of deferred Dividend Amount. N=Nominal J=As on 1st January, 1953.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	109	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	2,67,67,373	2,34,553	Empson & Sons (Travancore) Ltd.	Travancore Rayons	5§	10	—	—	—	—	18	P.T.Y.
BREWERIES AND DISTILLERIES													
13,28,080	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20	25	11½	111Q	—		3	P.Y
6,44,000	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5§	5	8§	10	—		3	Y
16,20,630	8988,534	81,122,135	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	20§	16sh	10	10	10	10	9	P.Y
680,808'A'							20sh.		10	15	15		
4,300,000'B'													
84,90,000	8,54,298	1,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	10	—	—	—	—	6	Y.
4,60,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	167	75	15	20	20		3	Y.
CEMENT													
11,37,700A	32,33,493	72,62,714	20,534	The Andhra Engineering Co Ltd.	Andhra Cement Co.	97§	100A	3§	3§	7½	7½	12	P.Y.
39,64,520B							10B	3§	3§	7½	7½		
43,16,600	11,13,132	53,61,563	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3§	5	3	—	—	—	3	T.Y.
4,70,976D							5						
60,56,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	168§	100	9	9½	9½	9½	7	Y.
60,00,000	51,03,805	69,78,209	39,834	Hari Bros. Ltd.	Dalmia Cement	6§xd	10	3	—	5	6½	12	P.Y
26,49,797						3	5						
5,00,000D													
61,01,180	27,27,600	1,26,09,755	80,853	Esso Ltd.	India Cements Ltd.	17§	25	—	—	5	—	3	P.Y
7,50,000D						3§	5D	—	—	—	—		
475,00,000	1,53,90,166	1,68,61,997	38,638	Martin Burn Ltd.	Seservalley Portland Cement	6§	5	3	4	8	10	12	Y.
CERAMIC; MINING AND QUARRYING													
31,79,633	17,17,762	56,44,142	3,671	S. Lal Bagga & Co.	Bengal Potteries	2§	2§	8§	5	6§		12	Y.
35,28,000	36,81,571	49,45,184	1,33,185	Bird & Co.	Bird & Sons Lime Co.	28§N	100	16§	17§	17§	6§	3.9	H
6,00,000	4,91,938	1,24,381	2,922	C. W. Green, Esq.	Jain's Engineering	8§	10	12½	12½	12½		3	Y.
44,96,250	13,35,581	33 66,848	21,804	Kamani Bros., Ltd.	Kamani Engineering Corporation	7§N	10	2½	2½	—	2½	9	Y.P.
20,00,000	21,85,917	66,34,102	28,938	Kamani Bros., Ltd.	Kamani Metals & Alloys	15N	10	2½	2½			12	W.P.
12,00,000		10,91,807	17,937	L. & T. (Management) Ltd.	Larsen and Toubro Ltd.	10xd	10	10	10	10	10	3	P.Y.
31,00,000	18,71,693	21,40,338	571	F. Jhunjhunwala, Esq.	Mackenzie	80§	100	—	—	—	—	7	P.W
1,31,250P	1,16,22,202	2,31,73,322(e)	53,438	Wightman & Co., Ltd.	Premier Construction	3§	10	12½	13½	15	12	12	P.Y.
82,50,000D						33½	75	21½	24	28		3	P.T.Y.
62,50,000D	42,75,50,213	64,13,78,748	7,46,217	Tata Industries Ltd.	Tata Iron and Steel	1942§	50	36½§	91½§	13½§		3	P.T.Y.
14,62,500D						66	100	—	—	—	—	3	P.T.Y.
3,00,00,000	2,38,75,132	6,41,06,427	11,357	Tata Industries Ltd.	Tata Loco motive								
Bengal and Other Centres													
51,66,000	10,61,567	8,79,371	43,364	Jetkino Agents Ltd.	Arthur Butler (Muzaffarpur)	4§N	10	8§	—	—	—	18	P.T.Y.
7,50,000	41,09,554	58,12,273	4,201	Bird & Co.	Bharda & Co.	3§	10	—	—	—	—	12	Y.
39,61,833	36,58,230	28,44,848	1,14,182	Y. S. Teyal, Esq.	Braithwaites (India)	8§	10	7½	—	10-5/†	10-5/†	12	V.
12,00,000	29,06,717	46,41,892	89,331	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India)	18§	10	12½	12½	15	12½	12	Y.
10,00,000	13,53,464	11,75,832	4,582	Hoare Wilson & Co.	Britannia Building and Iron	6§	10	5	5	—	—	12	T.H.
10,00,000	44,68,028	11,75,832	62,052	McLeod & Co.	Britannia Engineering	20	10	15	15	—	—	12	Y.
5,00,000	9,54,702	13,53,071	—44,661	Balmer Lawrie & Co.	B. I. Electric Construction	6N	10	2½	—	—	—	12	T.Y.
42,00,000	2,85,85,512	3,34,82,638	93,755	Martin Burn Ltd.	Burn & Co.	287	100	12½	12½	15	6.12	3	M.
12,50,000	56,30,994	42,27,749	34,842	Balmer Lawrie & Co.	Hooghly Docking	90xd	100	15	20•	12	15	4	P.Y.
12,50,000	20,97,974	20,92,394	87,372	Balmer Lawrie & Co.	Indian Galvanizing Co	13§	10	12½	—	—	—	12	Y.
12,11,530	9,37,41,631	10,99,96,214	2,87,197	Martin Burn Ltd.	Indian

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
					OIL; PETROL, ETC.								
£750,000	£987,630	£257,232	—£718,934	I. C. H. Glass, Esq.	British Burma Petroleum Co., Ltd	1⅛	4sh	—	—	—	—		P.Y.
22,50,000	88,62,002	54,90,808	1,78,913	M. C. Alcock, Esq.	British Ceylon Corporation	12	10	20%	40%	32½	24	12	P.Y.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Indo-Burma Petroleum Co., Ltd.	54	40	10	10	10	15	12	P.Y.
70,04,225	23,33,586	1,55,85,825	9,450	Tata Industries Ltd.	Tide Oil Mills	30xd	25	4	6	8	7	3	P.Y.
6,00,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd.	14½	10	15	15	17½	5r	4 10	H.
					PAPER								
45,00,000	1,57,44,079	1,95,77,780	4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43	25	10	10	12½	6½	6 12	P.T.H.
30,00,000	91,46,072	87,93,993	1,14,188	Andrew Yule & Co.	Indus Paper Pulp	167	100	7	10	11	5r	3 9	H.
25,00,000	48,30,215	47,81,895	52,615	P. R. Balakrishnan, Esq.	Mysore Paper Mills	31xd	10	15	25	20	10r	3 9	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	18½	10	9½	11½	15	15	8 12	P.T.H.
50,06,290	1,28,84,743	89,82,234	2,36,657	Kamanchad Thapar & Bros.	Shree Gopal Paper Mills	8½	10	—	—	5	2½	3.9	P.T.H.
20,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	4½	8½	10	10	10	5r	3.9	
10,00,000 'A'						36½	A10	10	10	10	10r*	3.9	
4,37,500 PO	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co. Ltd.	36½	B10	20	10	20*	10r*	3.9	P.H.
A56,00,000 O													
₹56,04,800 O													
					PLANTING; PRODUCE AND RUBBER								
10,76,511	18,46,873	24,87,080	1,55,208	Peirce, Leslie & Co., Ltd.	Cochin Malabar Estates	6–10½	3	10	20	20	—	2	P.Y.
47,78,008	48,44,853	83,16,040	4,37,964	R. C. Parsons, Esq.	Consolidated Coffee Estate	18½	10	17	20	18	—	6	P.Y.
4,00,000	3,29,628	4,49,628	13,993	Associated Planters, Ltd.	Cottamal Plantations	10½	10	7½	10	15	—	3	P.Y.
9,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Frisgford Estates	—	10	—	—	—	—	3	P.Y.
18,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co., Ltd.	Kalpetta Estates	108	10	25	45	45	10	12	P.Y.
4,00,000	9,87,558	7,20,190	43,506	A. V. Thomas & Co., Ltd.	Malankara Rubber and Produce Co.	18½	10	17½	20	35	—	4	Y.
6,00,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Midland Rubber and Produce Co.	105	10	6	12½	15	—	3	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Nennemy Rubber	11½	10	5	6½	10	—	3	P.Y.
3,35,000	2,06,971	13,25,598	31,318	A. V. George & Co., Ltd.	Nilambur Rubber Co.	8½	10	6	10	10	6½	12	P.Y.
2,00,000	1,93,723	24,72,600	2,305	Associated Planters, Ltd.	Oachiraparay Valley Estates	4½	2	25	25	45	10	10	P.Y.
19,45,980	25,93,936	32,55,341	1,25,906	Peirce, Leslie & Co., Ltd.	Rajagiri Rubber and Produce Co.	11½	10	9	12½	15	—	6	P.Y.
13,50,000	5,82,973	28,05,590	31,101	A. V. Thomas & Co., Ltd.	Teakoy Rubbers (India) Ltd.	6½	10	—	7½	9	—	3	P.Y.
18,00,000	3,36,390	1,85,824	936	East India Agencies, Ltd.	Thamarapally Rubber	13½	10	6½	6½	13	25	12	P.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.,	Tirumbadi Rubber Co. Ltd.	2–12½	10	17½	10	25	25	9	P.Y.
3,05,100	5,01,650	6,03,723	31,510	Peirce, Leslie & Co., Ltd.	Travancore Rubber	12½	10	15	10	20	10	12	P.Y.
6,00,000	1,31,315	7,40,150	5,495	Earen Thomas, Esq.	Travancore Rubber and Tea Co., Ltd.	7½	10	2½	6	10	6	12	P.Y.
41,00,000	17,71,656	70,06,783	2,79,692	Aspinwall & Co., (Travancore) Ltd.	Tropical Plantations Co.	25%	10	10	12½	12½	10	12	P.Y.
20,00,000	5,24,135	22,83,993	9,921	P. T. Thomas, Esq.	Udayagiri Rubber	4½	10	5	5	—	—	12	P.Y.
3,30,000	53,026	3,26,408	40,587	A. V. George & Co. Ltd.	Vaikundam (Travancore) Rubber Co., Ltd.	14	10	10	12½	20	20	12	Y.
6,28,180	2,79,994	7,07,482	33,166	Harrisons & Crosfield Ltd.	Woodland Estates	7½	10	9½	6½	—	—	3	Y.
1,66,000	78,624	3,43,636	14,082	M. K. Thomas & Co.									
					PRESSING								
6,00,000	18,78,866	19,01,887	9,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5	—	3	Y.
4,50,000	5,58,036	6,89,523	1,116	Tyre and Sons,	Camperdown Pressing	93N	100	4	6	7	—	7	Y.
6,00,000	10,76,372	11,21,900	83,337	Andrew Yule & Co.	Central Hydraulic Press	95	100	3	5	5	—	6	Y.
					PROPERTY AND LAND								
10,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Mangaye Properties	10½	10	—	6	6	5	9	P.Y.
60,00,000	34 67 7351†	83,61,045**		David Sassoon & Co., Ltd.	Port Canning Land	22	100	8	14	7	—	4	Y.
84,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Widnapore Zemindary	34	100	—	3	2	—	4	P.Y.
					SAW MILLS AND TIMBER								
13,99,998	33,52,773	18,29,998	69,978	Bird & Co	Assam Saw Mills and Timber,	6½	3	16½	16½	16½	8½	9	Y
50,00,000	4,89,22,437	2,47,99,361	1 57,498	Wallace & Co.	Bombay-Burmah Trading	358xd	825	12	30	18	—	3	Y.
62,00,000						132xd	25	12	15	18	—	3	Y.
						45N	800	5	—	—	—	6	P.Y.
					Bengal Timber Trading	3½	10	25	35	35	30	9	P.Y.
6,00,000	7,04,037‡	7,80,451	— 1,19,103	Jardine Henderson Ltd.	Indian Wood Products								
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.									
					SUGAR (U. P. and Bihar)								
14,00,000	34,97,873	37,27,464	18,413	Begg Sutherland & Co.	Balrampur Sugar	7½	5	6½	10	—		4	Y.
12,00,000	38,96,740††	15,70,684**	2,81,000	Narang Bros.	Basti Sugar	120N	100	—	—	8½	10	4	Y.
19,49,050	23,60,462	27,54,525	2,37,754	Bharat Sugar Syndicate, Ltd.	Belwad Sugar	74	—	10	—	15		9	Y.
11,00,000	21,11,310	13,38,162	40,749	Carew & Co.	Bharat Sugar	17N	10	10	—	—		4	Y.
32,00,000	1,03,86,777	1,29,41,870	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	6½	10	18	20	30	20	10	P.Y.
15,00,000	1,36,69,452	96,28,342	51,891	Begg Sutherland & Co.	Champaran Sugar	34	10	10	15	20		6	P.Y.
18,00,000	71,43,358	60,37,156	17,488	Begg Sutherland & Co.	Champaran Sugar	23½	10	15	20	12*		6	P.Y.
45,00,000	57,00,000	68,17,572	50,477	Bachhraj & Co., Ltd.	Dhampore Sugar Mills	130N	100	8½	4	—	—	7	P.Y.
48,00,000	41,78,374	68,10,159	—45,271	Khaitan & Co.	Kesar Sugar	50N	80	—	6	4		4	P.Y.
6,00,000						25N	10	10	25	25		6	P.Y.
5,00,000 D	31,59,777	25,99,076	115,051	Cotton Agents Ltd.	Kisheshad Darshan & Co	24½	10	8	6½	5		8	P.Y.
11,00,000	27,48,180	36,39,370	3,995	Karam Chand Thapar & Bros., Ltd.	New India Sugar Mills	6-6	10	—	—	—		4	Y
					New Rava	140N	100	18	20	20		8	P.Y.
18,89,378	68,13,268	83,04,760	81,893	Cotton Agents Ltd	New Swadeshi Sugar Mills	45N	25	—	—	—		3	Y
					Oudh Sugar Mills	93N	100	3½	3½	11	6	7	P.Y.
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Rauland Sugar	45N	100	—	3	3		6	P.W
33,57,520	47,22,312	39,13,907	7,69,891	Geoffrey Bros. (Rampur), Ltd.	Gwalior Sugar Co., Ltd.								
18,93,996	18,53,357	37,63,451	21,012	J. P. Srivastava & Sons (Madhya Bharat) Ltd									
10,00,000					India Sugar & Refineries Ltd.	21	10	12½	15	25	25	9	P.Y.
3,00,000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd.									
81,79,328	1,49,74,559	97,24,107	8,27,396	V. M. Lingiah, Esq.	Mysore Sugar	43½	10	20*	20	20		6	Y.
50,00,000	84,62,488	1,03,94,088	1,18,594	Mathilal, Apte & Randial, Ltd	Phaltan Sugar Works	86½	10	14	16	16	16	9	P.Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnugger Cane & Sugar Co., Ltd.	18½	10	15	6	7½	20	9	P.Y.
20,00,000	68,39,148	74,55,640	1,89,513	Whitehead & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90N	10	7	14	18	18	9	P.T.Y
19,99,500	23,03,975	44,57,626	6,49,988	Geoffrey Bros. (Rampur), Ltd.	Raza	10½	10	6	10	12½	7½	3	Y.
30,00,000	23,82,353	58,70,150	20,980	Parry & Co., Ltd.	Travancore Sugars	4	10	—	—	—	—	3	Y.
1,01,00,000	1 29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Vaishnavdasgar Industries Ltd.	138½	100	17½	12	14	14	9	P.T.Y.
					UNCLASSIFIED (Bombay)								
1,50,00,000	1,21,10,933	1,47,88,360	—8,27,616	Tata Industries Ltd.	Air-India Ltd.	86½	100	—	—	—	—	12	Y.
3,00,000	4,90,364	5,64,318	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	15	15	15	17½	9	Y.
15,98,860	1,73,801	2,28,588	7,545	Parekh Agencies Ltd.	Bombay Uyasdo	54N	50	8	8	8	5	12	Y.
85,00,000	1,50,000	24,37,096(k)	12,787	Doon Estates Ltd.	Devkaran Nanji Investment Co.	95	25	8	8	8	—	3	Y.
11,98,360	17,98,560	10,66,107	4,435	T. M. Mehta Esq.	Escrela Batteries	25%	100	8	8	8	—	3	Y.
99,99,250	18,35,375	1,27,43,383(k)	1,83,257	Premchand Roychand & Sons	Industrial Investment Trust	70	100	8	4½	4½	—	3	P.Y.
84,98,865	15,91,304	12,58,924	2,853	K. G. Milne, Esq.	Kilnik Industries	150½	100	8½	10	6	6½	12	Y.
8,06,71,300 A	65,85,939	2,20,52,503	4,92,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	43	100	—	—	—	—	6	Y.
10,00,000 B					Scindia Steam Navigation Co., Ltd.	13½	25	—	—	3½	—	6	Y.
6,39,62,018	9,89,24,387	12,98,97,421	1,58,251	Nanubhai Moraijee & Co.	Thacker & Co.	56N	50	10	10	10	—	9	Y.
1,50,000	3,71,437	2,21,500	3,145	Sir Joseph Kay, K.B.E.,	United Motors (India) Ltd.	60	20	7½	10	15	15	12	Y.
10,21,200	14,75,712	14,75,107	36,733	Sir Joseph Kay, K.B.E.,	Western India Match Co., Ltd	222½	100	11•	11•	11•	11•	12	Y.
2,20,00,000	2,54,09,975	2,16,78,739	4,20,869	T. H. Rydin, Esq.	W. H. Brady & Co., Ltd.	350N	150	8.8/0	10½	10½	10½	12	Y.
45,00,000	46,57,108	84,668	41,429	Sir Joseph Kay, K.B.E.									
					Other Centres								
47,50,000	65,22 899	1,34,34,714	41,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½	10	—	—	25•	—	3	P.T.Y.
2,50,000 D					Angelo Brothers Ltd.	18½	10	10	17½•	18½•	12½	8	Y.
30,00,000	33,38,668	31,59,164	3,24,909	Turner Morrison & Co., Ltd.	Assam Match Co., Ltd.	19½	10	12½•	15•	12½•	12½•	12	Y.
30,00,000	82,33,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Associated Hotels of India Ltd.	5	10	8.8/0	—	—	—	3	P.T.W.
20,00,000	50,63,088	92,33,652	9,249	Oberoi Hotels (India) Ltd.	Balmer Lawrie & Co. Ltd.	277	400	20•	20•	25•	20•	12	Y
30,00,700 O							40 D	20	20	20	15•		
10,00,000 D	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Bengal Assam Steamship Co., Ltd.	160	100	3	10	12½	12½	10	P.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Birds Investments Ltd.	16½	10	11½	11½	12½	12½	9	P.Y.
20,00,000	8,38,806	54,05,998(K)	1,25,380	Lovelock & Lewes	Bharat Line	103	100	3	3	4	5	12	W
1,00,00,000	1,45,00,237	3,00,22,730‡	56,606	Dhakuria Ltd.	Britannia Biscuits	8-4½	5	11½	15	15	12½	9	P.T.Y.
30,64,680	25,13,347	99,11,669	96,133	A. F. Chande Esq.	British India Corporation Ltd.	27½	10	10	10	12½	12½	12	E.W.
3,25,00,000	2,85,64,167	47,78,193••	1,99,112	Sir Robert Menzies Kt., O.B.E.	Dunlop Rubber Co. (India) Ltd.	145	100	8	9	15	12	12	P.T.Y.
1,60,00,000	3,77,71,321	4,07,06,331	3,01,448	Cecil Stack, Esq.	Eastern Investments Ltd.	203xd	100	80	22½	35	10r	12	P.Y.
51,26,000	47,57,061	1,26,51,400(K)	3,15,489	Bird & Co., Ltd.	Gaspe Rope Co., Ltd.	120	100	7½	10	10	3.9	12	P.Y.
7,00,000	34,47,721	23,07,609	50,793	Maxwell & Barry Ltd.	Gillanders Arbuthnot & Co., Ltd.	237xd	250	6	6	6	6	3	Y.
45,00,000	34,13,857	15,62,902	2,07,252	A. J. Thomas, Esq.	Great Eastern Hotel Co.	105N	100	8	7½	6	6	3	Y.
30,00,000	40,07,727	62,81,861	29,418	B. P. R. Syndicate	Hind Cycles	10	10	—	—	7½	8	12	P.Y.
12,42,800	46,36,417	60,60,790	33,939	Birla Brothers, Ltd.	Hindustan Motors	105	100	—	3½	—	—	9	W
4,98,12,650	39,45,519	2,61,59,292	3,47,266	Birla Brothers, Ltd.	Indian Aluminium Co.	18½	10	8½	10	10•	5r	12	P.W.
11,99,980	1,59,05,053	3,07,88,193	32,27,867	I. W. S. Johnson, Esq.	Indian Cables	4½	10	—	—	—	—	3	P.Y.
1,52,89,120	1,31,92,783	57,92,398	9,29,354	D. J. Mahalanobis, Esq.		6½	10	—	—	—	—		
83,75,000 O					Indian National Airways	1	—	—	—	—	—	12	P.Y.
5,00,000 P	83,00,150	72,86,130	—12,62,971	Govan Bros., Ltd.	Indian Rubber Manufacturers	14½	10	10	10	10	—		
1,25,000 D					India Steamship Co., Ltd.	4	2	21½	—	21½	—	3	P.T.W.
8,27,970	12,79,353	14,27,660	39,038	George Spencer Meuben & Co. (India)	Iron Bazar	131	100	10	10	10	—	3	Y.
8,25,00,000	1,60,18,685	3,87,93,801	2,36,066	Lionel Edwards Ltd.	Jardine Henderson	134	100	10	10	10	—	3	Y.
2,40,000	4,33,028	67,247	36,496	O. V. Swaika, Esq.	Macfarlane & Co. Ltd.								
8,00,00,000	53,39,843	37,16,660	8,86,648	J. D. K. Brown, Esq.									
6,30,000	9,97,633	6,91,531	— 64,994	James & Co., Ltd.	McLeod & Co. Ltd.	—	100	10	12½	12½	—	3	P.Y.
40,00,000 O						—	10	10	12½	12½	—	6	P.Y.
5,00,000 D	63,35,248	23,09,220	85,717	A. T. Dolg, Esq.	Martin Burn Ltd.	18½	10	10	12½	11½	13½	9	P.Y.
1,30,55,750	33,52,702	11,34,160	2,31,092	T. Leslie Martin Esq.	Mysore Glass & Sanwal Works	4½	10	10	10	—	—	12	Y.
6,35,255	4,41,876	7,74,804	—72,313	Ogale Glass Works Ltd.	Mysore Lamp Works	17½	10	10	—	—	—	3	P.Y.
3,75,000	7,74,553	8,79,856	9,006	R. Bharatlal, Esq.	Mysore Tobacco	10	10	5	7½	10	10	3	P.Y.
18,00,000	3,95,997	11,45,855	1,11,329	V. S. Arunachalam, Esq.	National Insulated Cable Co., of India Ltd	13½	10	5	7½	10	5	3	Y.W.
20,00,000	51,92,159	50,16,078	11,045	Associated Ind. Development Co., Ltd.	National Tobacco Co.	8½	10	—	2½	5	—	3	P.T.Y.
20,00,000	65,83,352	1,04,50,524	8,86,347	B. N. Elias & Co., Ltd.	Ogale Glass Works	3	5	—	—	—	—	12	P.T.Y.
19,97,000	6,67,696††	18,52,566••	23,513	B. P. Ogale & Co.	Parry & Co.	4½xd	2	62½	80-1	32½	15	12	P.Y.
14,87,137	41,74,953	41,58,536	1,32,611	Parry's Holdings Ltd.	Rallis India Ltd.	70	100	8	8½	9	7½	12	P.Y.
40,00,000	41,74,953	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rohtas Industries	8½	10	10	10	10	10	12	P.Y.
8,23,00,000	2,95,41,731	6,09,59,407	7,17,486	Sahu Jain Ltd.	Spencer & Co. Ltd.	15½	10	10	10	15	6	12	P.Y.
1,14,00,000	1,53,62,299	1,19,84,861	5,36,592	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	11½	10	10	10	10	10	12	P.Y.
40,00,000	37,17,120	12,11,901	3,56,616	J. E. Waterfield, Esq.	Travancore Ogale Glass	3½	10	—	4	—	—	12	P.Y.
75,00,000	4,10,547	12,67,855	—39,789	Ogale Brothers Ltd.									
9,98,380													

†† Does not include depreciation. —Nil Dividend. ‡ Net Block † Less Investments C.D.—Cum Dividend. ‡ On Increased Capital.
‡ Only Depreciation. *Includes Bonus. X.R.—Ex-Right. (c) For six months ended June, 1949
Z—For fifteen months ended 31st December, 1952. K—Investments. (d) For nine months ended March, 1950.

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
						ASSAM								
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	300N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	12,05,396	48,872	Gillanders Arbuthnot & Co., Ltd.	400	Anandabas	25	10	25	40	30		12	Y.
5,50,000	10,64,192	7,05,721	—89,152	McLeod & Co., Ltd.	573	Baghmari	11½	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,24,887	71,941	Andrew Yule & Co., Ltd.	360	Basmatia	25½	10	25	30	25		12	Y.
3,30,600	6,19,032	8,38,278	54,989	Williamson Magor & Co.	556	Bateli	10½	5	25	30	10		12	Y.
3,20,000	6,19,032	6,72,731	2,08,010	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	33½	10	30	30	15		12	T.Y.
16,50,000	35,99,417	44,86,333	—36,227	Williamson Magor & Co.	4,004	Bishnauth	4½	10	5	5	5		12	Y.
6,00,000	1,51,948‡	7,64,836	22,297	Octavius Steel & Co., Ltd.	693	Bokakhat	11½	10	15	15	15	—	12	Y.
6,00,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Bormha Jan Tea Co., Ltd.	11½	10	10	10	10		6	P.Y.
7,50,000	22,18,001	70,96,925	—29,101	Brook Bond India Ltd.	2,670	Brooke Bond	7½	10	6½	15	—		12	Y.
35,00,000	3,06,113	3,66,030	33,545	McLeod & Co., Ltd.	225	Deloo Valley	100	100	15	30	22½		12	Y.
1,20,000	22,17,578	24,24,301	54,461	Jardine Henderson Ltd.	1,341	Dessai & Parbuttia	10½	10	15	16	12		12	T.Y.
3,00,000	7,15,393	19,11,105	25,794	James Warren Ltd.	426	Dhelakhat	11	10	10	20	10		12	Y.
17,33,640	8,90,861	13,71,610	14,389	James Finlay & Co., Ltd.	613	Dhunseri	8	10	—	—	10		12	P.Y.
4,68,970	6,57,785	9,86,816	11,000	McLeod & Co., Ltd.	158	Dibrugarh & Co., Ltd.	10	10	40	45	15		12	Y.
4,50,000	6,75,511	7,99,511	35,408	Williamson Magor & Co., Ltd.	611	Dimakusi	36	10	35	22½	40		12	Y.
2,36,700	6,75,511	15,08,787	1,01,960	Williamson Magor & Co., Ltd.	669	Duffla ghur	18	10	20	22½	22½		12	Y.
5,60,500	12,72,787	18,91,120	45,079	Williamson Magor & Co., Ltd.	1,157	East India Tea	17	10	17½	30	30		12	P.T.Y.
10,00,000	10,31,120	18,91,120	42,586	Andrew Yule & Co., Ltd.	407	Gillapukri	27½	10	35	40	30		12	
3,60,000	6,67,363	7,99,692	1,11,346	Williamson Magor & Co.,	520	Gohpur	17	A 10	35	30	20		12	Y.
3,38,000	9,01,149	12,09,149					8½	B 10	35					
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	33	10	30	45	30		12	Y.
2,40,790	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436	Hoograkuli	200N	100	25	25	25		12	Y.
2,00,000	15,78,587	17,05,269	33,208	Andrew Yule & Co., Ltd.	1,133	Hoolungooree	10½	5	24	12½	5		12	Y.
4,35,000	7,46,426	11,98,136	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	11½	10	20	20	—		12	Y.
7,50,000	8,88,549	2,47,139	54,994	Shaw Wallace & Co., Ltd.	1,376	Kingsley Golaghat	198N	100	25	25	—		12	Y.
2,40,000	6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047	Ledo	8	10	—	—	—		12	P.Y.
6,50,000	1,10,084	8,52,930	266	Duncan Bros. & Co., Ltd.	673	Mohoema	3½	10	—	—	—		12	Y.
4,80,000	6 78,616	7,45 692	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	750N	100	40	45	35	20		
1,50,000							20	10	25	30	20	25		
2,00,000 P.O.	8,64,415	8,80,914	37,518	Andrew Yule & Co., Ltd.	315	Murphulani	24½	10	30	35	30		12	P.Y.
							11½	10	30	45	22½	22½		
4,00,000	7,00,011	5,75,550	20,262	S. C. Sen, Esq.	539	Naga Hills	7½	10	7½	10	—	—	12	Y.
5,35,000	4,65,893	9,85,893	4,000	Shaw Wallace & Co., Ltd.	810	Namhsnadi	12½	10	—	—	—	—	12	Y.
5,00,000	1,92,221	5,92,221	—44,129	Duncan Bros. & Co., Ltd.	935	New Cinnatollah	72N	100	24	20	—	—	12	Y.
2,00,000	6,31,010	15,32,152	18,568	James Finlay & Co., Ltd.	337	Rajgarh	21	10	25	30	17½		12	Y.
6,00,000	1,01,232	2,72,040	20,597	Williamson Magor & Co.	547	Rajmai	10½	10	20	30	17½		12	Y.
2,49,000	4,01,297	4,53,953	4,72,319	Octavius Steel & Co., Ltd.	513	Seajuli	10½	10	5	17½	10		12	Y.
3,00,000	8,56,296	9,06,941	35,335	McLeod & Co., Ltd.	693	Teen Ali	10½	10	5	17½	10		12	Y.
5,98,000	6,99,202	7,16,327	23,495	Gillanders Arbuthnot & Co., Ltd.	489	Tekolan	20½	10	20	35	15		12	Y.
4,00,000	6,43,641	7,83,552	68,083	Shaw Wallace & Co., Ltd.	2,101	Tezpore	9	10	15	15	—		12	Y.
63,86,310

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	18	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,79,916	46,11,580	16,516	498	Babu Jain Ltd.	Albion	180	100	—	14	30	18	5.11	P.H.
6,00,000	32,73,370	49,90,030	—1,63,951	448	McLeod & Co., Ltd.	Alexandra	185	100	—	—	5	—	6.12	T.P.H.
30,00,000	88,17,991	1,16,99,380	—11,66,135	1,264	McLeod & Co., Ltd.	Alliance	152½	100	—	2½	—	—	6.12	T.P.H.
4,80,00,000	3,35,25,103	3,08,61,725	8,02,968	2,561	Duncan Bros. & Co.	Anglo-India	313	100	—	20	20	17½	3.9	P.H.
4,49,350	3,94,703	8,49,159	2,169	118	Andrew Yule & Co., Ltd.	Auckland	168	100	1½	10	10	4f	6.12	P.H.
2,25,000	27,50,840	25,85,066	6,970	240	Andrew Yule & Co., Ltd.	Bally	168	100	7	12	1	4	3.9	P.T.H.
						Baraagore	153	£5	20	20	20	—	3.9	P.H.
13,97,700	27,49,723	36,66,923	7,192	1,090	H. V. Law & Co., Ltd.	Bhatgora	4½	10	—	2½	1½	—	9	W.
7,13,000	30,27,438	30,94,169	—43,876	1,000	F. W. Heilgers & Co., Ltd.	Bhuiasberaree	14½	10	—	6½	6½	2½	6.12	W.
16,00,000	53,42,567	68,13,834	—1,46,403	1,373	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10	10	5	—	—	—	6.12	T.H.
7,50,000	43,47,168	4,66,805	1,06,334	991	F. W. Heilgers & Co., Ltd.	Borrea	25½	10	20	30	80*	27½*	6.12	P.H.
90,92,480	3,29,07,686	4,03,65,968	1,15,021	1,600	Bird & Co., Ltd.	Barrakur	10½	10	7½	—	7½	6½	6.12	P.T.H.
49,97,000	—	23,16,089	8,776	1,000	Hindusthan Investment Corpn., Ltd. ..	Central India	4§	10	—	—	—	—	3	T.
8,00,000	45,46,717	49,09,377	2,273	530	Anderson Wright & Co.	Central Kurkend	13¾N	10	17½	12½	—	—f	6.12	T.
6,00,000	1,40,000	7,50,000 (b)	13,973	300	F. W. Heilgers & Co., Ltd.	Churulia	2½	4	6½	4½	1½	1½	6.12	P.H.
						Dhemo Main	10	10	10½	10	12½	2½	6.12	H.
16,00,000	27,97,346	45,41,647	24,455	1,000	Macneill & Barry Ltd.	East Indian	23½xd	10	23	37½	37½	—	4	W.
4120,000	41,084,338	4872,414	878,899	1,000	Jardine Henderson Ltd.	Equitable	33xd	81	33½	37½	37½	30	6.12	T.P.H.
29,63,760	3,41,55,010	3,37,02,383	2,11,481	1,000	Macneill & Barry Ltd.	Ghusick and Muslia	16¾N	10	25	25	25	30	6.12	W.
10,00,000	4,83,963	8,41,725	66,165	200	Bhatter's Agency Ltd.	Hurriledih	20	5	—	—	—	—	4	W.
8,00,000	21,75,778	21,29,494	44,366	500	Macneill & Barry Ltd.	Kalapahari	16	10	12½	15	15	15	6.12	W.
3,50,000	11,81,846	12,92,908	13,292	300	Andrew Yule & Co., Ltd.	Kanapara	41¾N	10	26½	35	35*	35*	3.9	W.
80,00,000	68,340‡	21,94,426	—1,35,682	1,000	Bird & Co., Ltd.	Kanapura Collieries	84	100	—	—	—	—	3.9	M.
5,00,000	43,58,631	42,50,291	89,822	1,000	Andrew Yule & Co., Ltd.	Katras Jherriah	42	10	27½	35	37½	40	3.9	P.H.
1,38,400	5,20,519	1,63,519	1,043	200	Barlowia Bros.	Khas Kajora	11¼	10	7¾N	25	25	—	1.7	W.
11,00,240	10,81,164	15,87,375	3,411	1,000	H. V. Law & Co., Ltd.	Kharif	6N	10	3§	3§	1½	—	6.12	P.H.
13,50,000	29,43,024	28,41,241	13,549	1,000	H. V. Law & Co., Ltd.	Lakarka	11¼N	10	10	10	7½	—	6	W.
3,65,750	11,41,667	22,37,077	2,691	1,000	Barlowia & Co.	Mandulpoor	2¼N	10	5	7½	—	—	4	W.
7,48,240	10,34,138	11,24,142	14,690	1,000	Associated Commercial Co., Ltd.	Nazira	6§	10	5	2½	5½	—	6.12	M.
7,00,000	3,77,590	9,33,321	4,597	1,000	Amritlal Ojha & Co., Ltd.	New Banadeopur	5¾	10	6½	7½	6½	—	6.12	M.
17,76,230	91,68,381	1,16,02,941	55,799	1,000	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	5	6	—	3f	3.9	M.
													4.10	
6,00,000	21,87,920	31,32,540	—7,595	1,000	Octavius Steel & Co. Ltd.	New Mashboom	9	10	12½	7½	—	—f	3.9	P.H.
8,50,000	6,84,984	3,45,859	1,387	300	Jatia Bros. Ltd.	North Damoda	5¾N	2½					3.9	M.
1,15,000	10,81,297	12,56,672	12,237	1,000	Andrew Yule & Co., Ltd.	North West	14¾N	10	16½	33½	3	2½f	3.9	M.
1,57,500							11¾N	7½						
7,50,000	12,56,512	3,97,666	1,00,495	1,000	F. W. Heilgers & Co., Ltd.	Ondal	18¾N	10	12½	25	22½*	20	6.12	P.H.
10,00,000	17,36,427	35,60,122	56,421	1,000	K. C. Thapar Bros. Ltd.	Oriental Coal	12¾N	10	10	10	10	5	12	T.Y.
8,34,000	3,98,486	16,29,203	70,339	1,000	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	M.
15,75,000	34,87,649	39,37,649	31,993	1,000	Shaw Wallace & Co., Ltd.	Panch Valley	20½	10	16½	12½	10	6½f	3.9	M.
83,99,500	91,93,339	1 09,49,971	—4,53,764	1,000	B. N. Elias & Co., Ltd.	Ranesgunge	8¾	10	—	—	—	—f	3.9	M.
13,50,000	30,62,857	29,87,472	36,004	1,000	Shaw Wallace & Co., Ltd.	Rewa	20½	10	8§	12½	10	17½	6.12	M.
80,00,000	13,10,118	28,07,514	165	1,000	Jalpaiguri Bengal Ltd.	Samla Collieries	7§	10	—	5	12½	—	6.12	M.
1,25,000	13,14,667	13,30,351	20,499	1,000	Ollianders Arbuthnot & Co., Ltd.	Searsole	81¾N	2½	20	20	20	25	6.12	M.
2,80,000	19,76,795	28,04,096	30,184	1,000	Andrew Yule & Co., Ltd.	Seebpore	25½	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	P.H.
8,00,000	34,84,308	37,05,977	—70,471	1,000	F. W. Heilgers & Co., Ltd.	Sendra	9½	10	8	5	3§	—	6.12	M.
63,21,458	2,13,85,164	1 04,98,616	23,618	1,000	Industrial Trust Fund	Singareni	7¾d	10	4§	5	5	—	12	T.Y.
17,50,000	24,53,330	35,31,705	26,614	1,000	Bird & Co., Ltd.	South Karanpura	11¼d	10	18§	10	7½	5	3.9	H.
8,00,000	14,24,948	2,90,282	86,379	1,000	F. W. Heilgers & Co., Ltd.	Standard	20½	10	16§	15	10	15	6.12	M.
10,00,000	13,82,956	30,13,424	—3,64,536	1,000	Villiers Ltd.	Talcher	2§	2½	—	—	—	—	9	Y.
3,50,000	17,16,513	18,94,910	74,927	1,000	Williamson Magor & Co., Ltd. ..	Ukuba	23½	10	20	27½	27½	12½f	6.12	H.
49,98,000	14,13,461	44,91,158	63,500	1,000	Hindusthan Investment Corpn., Ltd. ..	Western Bengal	4§xd	10	2½	2½	2½	3§	3.9	Y.
7,00,000	26,57,108	40,16,017	3,514	1,000	McLeod & Co.	West Jamuria	18	10	15	15	15	—	6.12	M.

(f) For ten months ended 31st December, 1951. (For Nazira Coal) ‡‡ Subject to foreign income-tax. Only Dep ostatelon. * Includes bonus —Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
85,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19§	10	17½	20	12½	5f	3.9	M.
12,00,000	42,18,417	37,16,954	40,294	Jardine, H. & Co., Ltd.	Bararee Coke	17¾	10	14½	13§	14½	7½f	3.9	M.
40,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	5§	10	6§	6§	6§	—	6	P.T.H.
4,80,00,000	3,35,25,103	3,08,61,725	8,02,968	Andrew Yule & Co., Ltd.	Bengal	314	200	33½	17½	10*	10*f	4.10	P.H.
4,49,350	3,94,703	8,49,159	2,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¾N	10	2½	2½	2½	2½	6.12	H.
2,25,000	27,50,840	25,85,066	6,970	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13½	10	22½	16½	10	7½	6.12	P.H.
13,97,700	27,49,723	36,66,923	7,192	H. V. Law & Co., Ltd.	Bhatgora	4½	10	—	2½	1½	—	9	W.
7,13,000	30,27,438	30,94,169	—43,876	F. W. Heilgers & Co., Ltd.	Bhuiasberaree	14½	10	—	6½	6½	2½	6.12	W.
16,00,000	53,42,567	68,13,834	—1,46,403	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10	10	5	—	—	—	6.12	T.H.
7,50,000	43,47,168	4,66,805	1,06,334	F. W. Heilgers & Co., Ltd.	Borrea	25½	10	20	30	80*	27½*	6.12	P.H.
90,92,480	3,29,07,686	4,03,65,968	1,15,021	Bird & Co., Ltd.	Barrakur	10½	10	7½	—	7½	6½	6.12	P.T.H.
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	4§	10	—	—	—	—	3	T.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co.	Central Kurkend	13¾N	10	17½	12½	—	—f	6.12	T.
6,00,000	1,40,000	7,50,000 (b)	13,973	F. W. Heilgers & Co., Ltd.	Churulia	2½	4	6½	4½	1½	1½	6.12	P.H.
16,00,000	27,97,346	45,41,647	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	10½	10	12½	2½	6.12	H.
4120,000	41,084,338	4872,414	878,899	Jardine Henderson Ltd.	East Indian	23½xd	81	23½	37½	37½	—	4	W.
29,63,760	3,41,55,010	3,37,02,383	2,11,481	Macneill & Barry Ltd.	Equitable	33xd	81	33½	37½	25	30	6.12	W.
10,00,000	4,83,963	8,41,725	66,165	Bhatter's Agency Ltd.	Ghusick and Muslia	16¾N	10	20	5	—	—	4	W.
8,00,000	21,75,778	21,29,494	44,366	Macneill & Barry Ltd.	Hurriledih	16	10	12½	15	15	15	6.12	W.
3,50,000	11,81,846	12,92,908	13,292	Andrew Yule & Co., Ltd.	Kalapahari	41¾N	10	26½	35	35*	35*	3.9	W.
80,00,000	68,340‡	21,94,426	—1,35,682	Bird & Co., Ltd.	Kanapura Collieries	84	100	—	—	—	—	3.9	M.
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd.	Katras Jherriah	42	10	27½	35	37½	40	3.9	P.H.
1,38,400	5,20,519	1,63,519	1,043	Barlowia Bros.	Khas Kajora	11¼	10	7¾N	25	25	—	1.7	W.
11,00,240	10,81,164	15,87,375	3,411	H. V. Law & Co., Ltd.	Kharif	6N	10	3§	3§	1½	—	6.12	P.H.
13,50,000	29,43,024	28,41,241	13,549	H. V. Law & Co., Ltd.	Lakarka	11¼N	10	10	10	7½	—	6	W.
3,65,750	11,41,667	22,37,077	2,691	Barlowia & Co.	Mandulpoor	2¼N	10	5	7½	—	—	4	W.
7,48,240	10,34,138	11,24,142	14,690	Associated Commercial Co., Ltd.	Nazira	6§	10	5	2½	5½	—	6.12	M.
7,00,000	3,77,590	9,33,321	4,597	Amritlal Ojha & Co., Ltd.	New Banadeopur	5¾	10	6½	7½	6½	—	6.12	M.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	5	6	—	3f	3.9	M.
												4.10	
6,00,000	21,87,920	31,32,540	—7,595	Octavius Steel & Co. Ltd.	New Mashboom	9	10	12½	7½	—	—f	3.9	P.H.
8,50,000	6,84,984	3,45,859	1,387	Jatia Bros. Ltd.	North Damoda	5¾N	2½					3.9	M.
1,15,000	10,81,297	12,56,672	12,237	Andrew Yule & Co., Ltd.	North West	14¾N	10	16½	33½	3	2½f	3.9	M.
1,57,500						11¾N	7½						
7,50,000	12,56,512	3,97,666	1,00,495	F. W. Heilgers & Co., Ltd.	Ondal	18¾N	10	12½	25	22½*	20	6.12	P.H.
10,00,000	17,36,427	35,60,122	56,421	K. C. Thapar Bros. Ltd.	Oriental Coal	12¾N	10	10	10	10	5	12	T.Y.
8,34,000	3,98,486	16,29,203	70,339	Deepchand Kishenlall	Parasea	3½	10	—	—	—f		6.12	M.
15,75,000	34,87,649	39,37,649	31,993	Shaw Wallace & Co., Ltd.	Panch Valley	20½	10	16½	12½	10	6½f	3.9	M.
83,99,500	91,93,339	1 09,49,971	—4,53,764	B. N. Elias & Co., Ltd.	Ranesgunge	8¾	10	—	—	—	—f	3.9	M.
13,50,000	30,62,857	29,87,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	20½	10	8§	12½	10	17½	6.12	M.
80,00,000	13,10,118	28,07,514	165	Jalpaiguri Bengal Ltd.	Samla Collieries	7§	10	—	5	12½	—	6.12	M.
1,25,000	13,14,667	13,30,351	20,499	Ollianders Arbuthnot & Co., Ltd.	Searsole	81¾N	2½	20	20	20	25	6.12	M.
2,80,000	19,76,795	28,04,096	30,184	Andrew Yule & Co., Ltd.	Seebpore	25½	7	35-5/7	32-1/7	28-4/7	28-4/7	6.12	P.H.
8,00,000	34,84,308	37,05,977	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	9½	10	8	5	3§	—	6.12	M.
63,21,458	2,13,85,164	1 04,98,616	23,618	Industrial Trust Fund	Singareni	7¾d	10	4§	5	5	—	12	T.Y.
17,50,000	24,53,330	35,31,705	26,614	Bird & Co., Ltd.	South Karanpura	11¼d	10	18§	10	7½	5	3.9	H.
8,00,000	14,24,948	2,90,282	86,379	F. W. Heilgers & Co., Ltd.	Standard	20½	10	16§	15	10	15	6.12	M.
10,00,000	13,82,956	30,13,424	—3,64,536	Villiers Ltd.	Talcher	2§	2½	—	—	—	—	9	Y.
3,50,000	17,16,513	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Ukuba	23½	10	20	27½	27½	12½f	6.12	H.
49,98,000	14,13,461	44,91,158	63,500	Hindusthan Investment Corpn., Ltd. ..	Western Bengal	4§xd	10	2½	2½	2½	3§	3.9	Y.
7,00,000	26,57,108	40,16,017	3,514	McLeod & Co.	West Jamuria	18	10	15	15	15	—	6.12	M.

* The following explanatory notes relate to the abbreviations and marks shown on page 284 in the debentures section:—

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

(a) Option of repayment at any time at 5 per cent. premium.

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

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

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

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

PROTECTION AND REGULATION OF INDUSTRIES: THEN AND NOW—II

(Concluded from page 251).

for taxation, they may have to take their chance of securing as much net amount as possible after the payment of taxation from the rate of 6¼ per cent. calculated on the cost of a new block, and included in the selling price.

I am not unmindful of the happy characteristic of our Government never to turn down a suggestion, if they can postpone its consideration, by referring it to some board, committee or commission, or by waiting for the report of any one of such bodies if it happens to be seized directly or indirectly of the subject. The Taxation Enquiry Commission is supposed to examine, *inter alia*, this question of depreciation and the Government may make that a reason for deferring the consideration of the suggestion now made, though I have made it quite clear that its application is limited to the two classes of industry, viz., protected and controlled. The Taxation Commission has nothing to do with the *ad hoc* treatment of any particular industry or class of industry. This is a question of principle which, as a special case, should be regarded as being outside the purview of the Taxation Enquiry Commission and should be decided by the Government without delay, if the development of these industries is to be expedited. The justification for such a decision is all the greater for no loss of revenue can be involved where no revenue would have been created but for the additional depreciation allowance at the cost of the consumer. Whether the Government like it or not, the Tariff Commission, as a *quasi*-judicial authority, should, like their pre-independence predecessors, allow the amount of depreciation they consider reasonable and necessary irrespective of the income-tax law and leave it to the Government to accept, reject or modify their recommendation.

(To be continued.)

MARKET REPORTS

(Concluded from page 273)

cautious support of buyers checked the rise in prices at every stage.

On Wednesday, B. twills declined to Rs. 102-4 from Rs. 102-12 on profit-taking. On the following day, a further fall to Rs. 102-2 was the feature as there was a lull after some purchases nearly a week ago. Resort to Katni transactions soon followed, and this not only stemmed the downward movement but made the rate improve to Rs. 102-10 on Friday. West Africa bought a sizable quantity of B. twills, and shippers have received instructions in this regard. It is thought that, as in the case of Burma, West Africa has still to buy a major portion of its requirements. The Continent also showed some interest. Specialities came in for special attention, but the turnover was limited. It is gratifying to note that the market attitude to sacking has changed considerably, and that mills are again able to make offers of hessian on condition that the buyer also takes some quantity of sacking. Lack of ready business, however, forced down the rate to Rs. 102-8 over the week-end.

Although prices for hessian fluctuated only narrowly, steady conditions were in evidence. Support from buyers on behalf of Argentina continued, and this factor coupled with firm conditions in New York invited the keen interest of speculators. Shipping instructions for July aggregated 30,000 tons, which records a small improvement compared to that in the previous month. Purchases for export to the United States have not yet come up to market expectations, and it would appear that importers in America are watching the price trend and awaiting to commence heavy purchases after prices move down. However, the world demand for hessian has shown such improvement as to enable traders to take the view that no abrupt fall in prices need be expected. Ready hessian 40" 10 oz. was sold at Rs. 46-8 on Wednesday, and when mills insisted to sell at the higher rate a recession to Rs. 46-4 was in evidence on Thursday. At this stage, mills withdrew from the market. Month-end commitments having been satisfied, shippers were not interested in business on Saturday, the 1st August, and the price slipped to Rs. 46. No improvement in the price was in evidence yesterday also in view of lack of business. Mills and stockists are disinterested to make offers at lower levels, and this reluctance follows expectations of moderate business with America in the coming weeks. New York reports have indicated that stocks there are fast declining.

Improved conditions in the jute goods market were naturally reflected in raw jute, where the various types of new crop on offer gained one to two points this week. Old crop also looked up. Arrivals of the new crop continued slow. What is largely available in the new crop is the poor qualities which can also be obtained from the old crop. Upper Assam bottoms old were transacted at Rs. 27 and middles were quoted at Rs. 30, the at Rs. 27 and middles were quoted at Rs. 30, the respective rates for the new crop being Rs. 29-8 and Rs. 32-8. Assam lower middles and bottoms old were available at Rs. 31 and Rs. 28, and the new crop was quoted at Rs. 33 and Rs. 30, respectively. Other latest quotations for the old crop are, the rates for the new crop wherever available being indicated in parenthesis: Pakistan bottoms Rs. 27, Indian northern middles Rs. 31, Daisee bottoms Rs. 28 (Rs. 30), Murshidabad middles Rs. 28 (Rs. 31) and bottoms Rs. 25 (Rs. 28), western bottoms Rs. 24-8, jungli bottoms Rs. 25, Orissa middles Rs. 31 (Rs. 33) and bottoms Rs. 25 (Rs. 30), Uttar Pradesh middles Rs. 17-8 and bottoms Rs. 24-8, mesta Rs. 22, and bimli F.A.Q. Rs. 23-8. Pucca bales first marks were offered at Rs. 155 a bale.

U.P. TO SELL SUGAR IN RATION SHOPS

(From Our Own Correspondent)

HAPUR, *4th August*

The *gur* markets remained steady during the major part of the week, but closed slightly lower. There were no arrivals in the principal *gur* export markets of West Uttar Pradesh. New crop *gur* arrivals are reported to have begun at Baramati (Poona) and are increasing steadily. A part of the enquiry from Gujerat, which had all along been a sustained *gur* buyer, has, therefore, been diverted to that end. Several wagon-loads of *gur* drawn from the adjoining area were despatched from Hapur last week. The standing sugarcane crop in the western districts is in excellent condition, but according to latest advices, sugarcane plants in the eastern districts are in waist-deep water and, if there is further heavy rain, they are likely to suffer extensive damage. At Hapur *pansera gur* is quoted at Rs. 20. Quotations in the principal *gur* export markets of the south ranged between Rs. 21 and Rs. 25. In Kohlapur it is quoted as high as Rs. 24-8 to Rs. 27-8.

Crystal sugar markets remained fairly steady this week. Trade circles do not expect any appreciable reaction on sugar prices even after the arrival of 30,000 tons of imported sugar by the end of September, 1953. The stockists are, therefore, not in hurry to liquidate their holdings.

It is learned that the Government of India has sought the opinions of the State Governments regarding the sugarcane fair price policy for the single fair price for sugarcane for the whole of the country is not proper, as the cost of production differs from place to place. The fair price, it is emphasised, should always take into consideration the local cost of production of sugarcane.

The sale of sugar through ration shops is likely to be introduced by the Uttar Pradesh Government in an effort to check the steady increase in prices. There will, however, be no rationing of sugar. Sale of sugar would be so regulated in 18 towns with a population of one lakh and above. The sale price will be As. 12-3 per *seer*. The present free market retail price is about As. 13 per *seer*.

Current sugar quotations are: Ambala Rs. 31-12, Amritsar Rs. 32-10, Delhi Rs. 32, Jullundur Rs. 30-14, Agra Rs. 31, Hapur Rs. 32-8, Kanpur Rs. 30-14, Mathura Rs. 31-8, Meerut Rs. 31 to Rs. 32, Muzaffarnagar Rs. 30-14, Calcutta Rs. 31-10, Madras Rs. 32-12 and Bombay Rs. 32-12.

OVERALL FOOD POSITION UNCHANGED

(From Our Own Correspondent)

HAPUR, *4th August*

The overall food position in the country remains unchanged. Serious damage has, however, been done to the standing crops by excessive rains and floods in east U.P., Bihar and Assam, but that has now become an annual feature and is not likely to disbalance the food budget of the country to any appreciable extent. Locust menace continues to trouble the peasants and the authorities alike in parts of Rajasthan. The invasions which started on a much larger scale this year, has resulted in heavy breeding in hundreds of villages in Rajasthan after ideal conditions prevailed subsequent to extensive rainfall. The possibility of a further invasion of the African countries bordering the Red Sea and of Pakistan and India, by swarms of young desert locusts is referred to in the latest situation report issued in London by the Anti-Locust Research Centre.

The question whether the increase in India's food production during 1952-53, recently estimated at 5 million tons, achieved to a great extent at the expense of commercial crops, will be maintained, has been engaging the anxious attention of the Government of India. While both acreage and production increased in the case of the principal food crops, wheat and rice, acreage under each of the main cash crops—cotton, jute, oilseeds and sugarcane—fell during 1952-53, compared to the figures of 1951-52.

The prospect of an excellent *kharif* crop is being gravely jeopardised by the monsoon which has proved ruinous in its plenty in east U.P. districts. The crops have been topped by the water from the rivers which are in spate, and cereals, like early paddy, maize and *arhar*, are bound to suffer heavily. *Charl*, used as cattle fodder, is practically a dead loss. In the western U.P., rains have been good and timely, and the condition of the standing crops is excellent.

Foodgrains markets were, however, steady during the week as receipts in the markets were negligible due to rains. The latest quotations in the Hapur market are: Wheat Rs. 16-12 to Rs. 17-12; gram Rs. 16-10; *barley* Rs. 12-6; *bejhar* Rs. 13-4; maize Rs. 13-4; *juwar* Rs. 12; *guwar* Rs. 13; rice: *basmati* Rs. 35; *hansraj* Rs. 31; *sela* Rs. 29; coarse Rs. 23; peas dara Rs. 14-12; white Rs. 15-8 to Rs. 17-8; *arhar* Rs. 14-10; *urd* Rs. 23 and moong Rs. 22-8.

TEA PRICES HARDEN

(From Our Own Correspondent)

CALCUTTA, *4th August*

One of the notable features during yesterday's export sale was the very high prices obtained by the fine Darjeelings on offer. Other varieties also were wanted at hardening rates. Offerings aggregated 35,075 chests, and demand was very fair. Keen competition was offered to the best liquoring varieties and the useful liquoring tippy Assam BOPs, the prices of both of which added gains. Among whole-leaf grades, which were strongly supported, stylish OPs gained As. 2 and pekoes half an anna. A firm tendency was in evidence in good medium Assam BOPs; medium BPs. were, however, quiet. Buyers paid moderate attention to clean black commons. The rates were: best CTC Assam BP Rs. 2-10 to Rs. 2-12, clean black pekoe Re. 1-13-6, medium Assam BP Re. 1-12-6 to Re. 1-13, and clean common BP Re. 1-11-3.

Demand being moderate, most of the varieties during last week's sale for domestic consumption recorded gains. Dusts offered amounted to 10,083 packages. Prices for the commonest varieties and medium Assams improved by an anna, while bright liquoring Dooars and clean black teas suitable for export were sold As. 2 above brokers' valuations. The trend in Assam CTC sorts was somewhat irregular. Among Darjeelings, those with flavour had a strong market. Rates were: best Assam CTC Rs. 2-5 to Rs. 2-7, medium Assam grainy dust Re. 1-10-6, and

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
14,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	357 / 175	100 / 50	18½	18½	18½		12	Y.P.
1,01,000 / 23,99,000	12,03,000	7,231	Andhra Bank	103 / 53	100 / 50	6	6	6		6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111	25	12½	12½	12½	5(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	158	25	3	3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	60N	50	14½	14	14	3(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	20½	25	12½	12½	12		12	Y.
50,00,000	15,00,000	33,324	Bank of Jaipur	280	50	3	3	3		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	59½	100	16½	16½	16½		12	Y.P.T.
99,18,600	42,61,693	23,280	Bombay State Co-operative Bank	80	10	9	9	9		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	85	50	10½	10½	10½		12	Y.P.
7,50,000	19,00,000	9,244	Canara Banking Corporation Ltd.	65½ / 65½	25½ / 25	14	14	14	3(i)	12	R.L.Y.
2,62,11,875 / 32,42,375 'A'	3,99,08,177	17,23,015	Central Bank of India Ltd.	34½	50	3	3½	3½		12	Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	88	20	10	20	20		12	Y.
1,80,00,000	1,00,00,000	18,10,825	Habib Bank (P)	—	50	—	—	—		12	Y.
1,25,400,000	16,20,000	10,609	Hindustan Commercial Bank	10	50	—	—	—		9	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	105N	100	6½	6½	5		12	R.L.H.
75,00,000	70,00,000	1 39,127	††Hyderabad State Bank	1,820‡	500	16	16	16	6(i)	6.12	R.L.H.
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	440	125	16	16	16	8(i)	6.12	R.L.H.
1,87,50,000				178‡	100					6.12	R.L.H.
24,00,000				140	80	12½	12½	12½			
16,00,000	73,50,000	1,04,201	Indian Bank	103‡	33					12	R.L.H.
15,40,000				93‡	100	5½	6	6			
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	75	100(A)	9	7½	6		6.12	H.
6,25,000				18½	25(B)	9	7½	6			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	36	50(C)	6	6	6		6.12	Y.
10,00,000				35N	25	7	—	—		12	Y.
4,55,266	30,61,350	60,337	Punjab and Sind Bank	21½	25	4	4	6	4(i)	12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	11½	25	—	—	—		12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	6½	5	6½	6½	6½		12	H.
40,00,000	30,00,000	2,06,135	Union Bank of India	36	50	4	4	4		6.12	
2,00,00,000	75,00,000	1,01,119	United Commercial Bank								

PRINCIPAL EXCHANGE BANKS

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-1-11	£5	14½	14½	16½		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6½	£5	7½	6½	7½		12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£9½	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-13-9 / £1-7-0	£1	12½* / 5*	12½* / 5*	12½* / 5*		12	R.L.Y.
£1,437,296				£25‡	A £12‡						
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£25‡	B £12‡	12½	12½	14½		12	R.L.Y.
£375,000				£10	C £5						
£300,000				£30‡	£12‡	16½	16½	16½		12	L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India								

‡Includes Bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency.
‡‡Subject to taxation. *£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	1938 / 100	1st June .. 1953(b)
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941 / 90½	28th February .. 1960(f)
6,00,000	4½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936 / 99	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942 / 102½	30th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944 / 90	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941 / 103½	1st April .. 1956-61
83,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944 / 92	1st November .. 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942 / 85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897 / 96½	15th November .. 1956(e)
2,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952 / 99½	1st January .. 1967-72
13,68,000	5½		Jaybhree Textiles	1949 / 78N	1st January .. 1956-71
40,00,000	5	1st June	Tata Mills	100½	
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950 / 95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1940 / 100½	14th June .. 1960
99,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1939 / 94	31st December .. 1964
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1950 / 101½	1st January .. 1970
2,65,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1945 / 86	31st December .. 1970
25,00,000	4	30th June and 31st December	Chunderpore Electric Supply Co., Ltd.	1951 / 93	30th June .. 1976
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co. Ltd.	1940 / 97	1937-61
4,93,000	5½	1st January and 1st July	South Madras Electric Supply	1939 / 94	1954
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	944	1933-63
1,00,000	3	1st January and 1st July	South Madras Electric Supply	94	1957-67
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	1940 / 100½	15th September .. 1933-53(b)
49,23,000	4	1st April and 1st October	Tata Power	92	15th September .. 1965-70
1,00,00,000	4	1st April and 1st October	Tata Power		
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	1945 / 97½	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928 / 98	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942 / 100½	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936 / 69½	31st May .. 1966(ff)
10,00,000	4	1st May and 30th November	Kumardhubi Engineering Works Ltd.	1946 / 95	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950 / 100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950 / 94½	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	1939 / 98½	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939 / 96	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945 / 91	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940 / 97½	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945 / 89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949 / 90	31st July .. 1959(e)
10,69,000	5	30th June and 31st December	Chitavalah Jute Mills	1951 / 97	30th June .. 1964
8,86,000	5	30th June and 31st December	Empire	1951 / 94	15th July .. 1960
15,00,000	5½	1st January and 1st July	Hukumchand	1947 / 92	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949 / 98	31st December .. 1964
85,00,000	5½	30th June and 31st December	Naihati	1953 / 99	31st March .. 1957
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947 / 97N	31st March .. 1954
5,00,000	5	15th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939 / 93	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945 / 86½	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943 / 91½	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950 / 95½	5th September .. 1965
1,00,000	4½	14th March and 14th September	Soorah Jute	1937 / 94½	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937 / 95	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925 / 83½	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1936 / 84	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945 / 99½	1st November
£350,000	4½	1st January and 1st July		1900 / £100N	At £105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways	1933 / £102N	1st October .. 1976
£201,067	5	1st April and 1st October			
3,00,000	3½	30th September and 31st March	Kelighat-Falta Railway	1934 / 99	30th September .. 1953
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945 / 88	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906 / £90‡N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1945 / 100	1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944 / 100	1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd.	1943 / 101½	1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 / 101	30th September .. 1953
10,00,000	3	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 / 98	31st December .. 1963
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948 / 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 / 96	30th June .. 1937(ii)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1935 / 92	1st January .. 1964
22,50,000	4½	1st July and 1st January	Clive Buildings	1936 / 85½	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1948 / 86	15th September .. 1960
1,30,00,000	3	1st January and 1st July	Dunlop Rubber	1950 / 101½	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949 / 93	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 / 465 (per note)	30th September .. 1976
65,00,000	6	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 / 410 (per note)	31st December .. 1972
				91N	
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951 / 92½	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 / 92½	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946 / 84	31st December .. 1959

Note—See page 282 for explanations to abbreviations marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th August, 1953.

—	Closing quotations 30-7-'53	High	Low	Closing quotations 6-8-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	160	159½	157½	158
Bank of Baroda (50)	111	—	—	111
Central (25)	66	66	65½	65½
Imperial (F.Pd.) (500)	1,837½	1,822½	1,821½	1,828½
Imperial (P.Pd.) (125)	445	445	440	440
Union Bank (5)	6½	6½	6½	6½
United Com. (50)	35½	36	35½	36
COTTON MILLS				
Ahm. Adv. (100)	141½	146½	141½	146½
Apollo (25)	2-3/4	2-15/16	2½	2-
Bombay Dyeing (250)	383½	391½	381½	388½
Central India (100)	162½	162½	157½	158
Century Mills (100)	275½	277	274½	275½
Calabia (100)	69	—	—	69
Edward Textile (200)	240	—	—	240
Elphinstone (50)	39½	40	39	40
Finlay (100)	325	325	322	323
Dohak (100)	227½	227½	226	226
Ind. Untd. Defd. (£)	1-10	1-9½	1-8	1-7
Ind. Untd. Ord. (10)	10-4½	10 4½	9½	9 4½
Indore Malwa (100)	91½	92½	90½	90½
Khatau (100)	182½	—	—	182½
Kohinoor (100)	305½	306½	302	302½
Lakshmi (250)	552½	570	561½	563½
Madhusudhan (100)	86	—	—	86
B. B. R. Combers Mills (100)	50	—	—	50
Minerva Mills (100)	100½	—	—	100½
Model Nagpur (250)	142½	—	—	142½
Morarji (100)	183	185	180	180
Mysore (30)	125	—	—	125
New City (100)	151½	151½	150½	150½
New Great (100)	150½	151	149	150
Phanaji (100)	110	116	110	113½
Podar Mills (100)	128½	—	—	128½
Bassoon Silk (10)	25½	—	—	25½
Bassoon Spg. (10)	25½	—	—	25½
Sholapur (1,000)	1,650	1,650	1,600	1,600
Simplex (50)	171½	172	170	170
Sradamli (100)	257½	258	252	253½
Swan (100)	452½	—	—	453
Tata M. I. (25)	43	43	42½	42½
Vishnu (100)	152½	153½	152½	153½
Western India (1,000)	3,180	—	—	3,180
ELECTRIC COS.				
Ahmedabad (100)	111½	112 A	110½	111½
Amalgamated (10)	10½	—	—	10½
Andhra Valley (1,000)	1,460	1,460	1,450	1,452½
Bom. Dy.-El. (100)	128½	128½	126½	126½
Surat (100)	125	125	124	124½
Tata Hydro (100)	156½	155	151½	153½
Tata Power (1,000)	1,545	1,545	1,535	1,535
INSURANCE COS.				
British India (10)	13½xd	13½	13½	13½
Empire of India (100)	627½	—	—	627½
Ind. Mercantile (20)	38½	40½	38½	40½
Jupiter (13)	7-2½	7-2½	7	7
New India (15)	40½	40½	40	40½
Oriental (200)	6,900	6,725	6,715	6,725xd
Universal (10)	8½	—	—	8½
Vulcan (10)	11½	—	—	11½
STEAMER COS.				
Scindia (15)	13½	13-13½	13-9½	13-9½
STEEL COS.				
Ind. Iron (10)	23½	23-15½	23½	23½
Tata Steel Defd. (20)	1,930	1,932½	1,930	1,940
Tata Steel Ord. (75)	333½	338½	333½	337½
MISCELLANEOUS				
Alaech Ashdown (100)	293½	296½	293½	296½
Associated Cts. (100)	171½	172	168	168½
Belapur Sugar (5)	235½	236	234½	235
Bom. Burmah (125)	362½	363½	355	358½xd
Do. (New) (50)	132½	133½	131½	133½
Br. B. Petrol (4 sh.)	1-4½	1-4½	1-2½	1-2½
Br. I. Corpn. (5)	8½	8½	8½	8½
Indian Copper (2 sh.)	2-13½	2½	2½	2½
Ind. Inv. Tr. (100)	70	—	—	70
Fort Canning (100)	22	—	—	22
Premier Cos. (10)	83	86½	82½	85½
Shirvis (10)	57½	58	57½	57½
Tata Chemicals (10	9½	9½	8-15½	9
Tata Oil (25)	32½	32½	30½	30½xd
Watson Ind. (100	138½	—	—	138½
W. I. Match (100)	220	226½	220	225

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption
	Rs.	Rs.
2½% 1954	98½	3.44
2½% 1955	98½	3.28
2½% 1961	90½	3.90
2½% 1960	93½	3.83
2½% 1962	91½	3.87
2½% 1972	83	3.87
2½% 1957	98½	3.44
3% 1958	98½	3.40
3% 1959-61	96½	3.72 3.55
3% 1966	92½	3.87
3½% 1963-65	92½	3.93 3.81
3½% 1966-68	90½	3.99 3.88
3½% 1970-75	86½	4.12 3.93
3% 1986 Con. Loan **	82½	3.66
3½% 1954-59*	100½	3.32 3.46
4½% 1960-70	102½	3.65 3.83
4½% 1955-60	103½	3.00 4.01
4½% 1958-68*	103	3.40 4.05
3½% 1961 N.P. Bonds	98½	— 3.75

BRITISH GOVERNMENT SECURITIES	30-7-53 £	High £	Low £	5-8-53 £
2½% Brit. Consols	60½	61	60½	61
3% Savings Bonds 1955-65	85	86½	85½	86½
3½% War Loan 1955-59	101½	101½	101½	101½
3½% War Loan 1952	81½	81½	81½	81½
3½% Brit. Iron and Steel 1979-81	90½	90½	90½	90½
4% Funding Loan 1960-90	101½	101½	101½	101½

xd—Ex-dividend. ** Current Income. * Rupee Counterpart

17 AUG 1953

COMMERCE

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

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DEBATE ON ESTATE DUTY BILL

MR. C. D. Deshmukh, Union Finance Minister, emerged from the debate on the Estate Duty Bill in Parliament this week as the most notable figure. By contrast with his somewhat vociferous supporters, he was prepared, without, of course, yielding any part of the essential ground on which the Bill is based, to accommodate the viewpoints of the Opposition. He agreed to introduce certain amendments which would more clearly define the exemptions from the Duty. What is even more important, he announced his decision to bring forward a finance Bill, embodying the rates of the Duty, before the Bill came up again for detailed discussion. This is not surprising, because the whole debate was unreal, in view of the fact that nobody knew the rates of the Duty. The announcement of the rates will lead to a pointed and purposeful debate by the House.

It is rather unfortunate that the debate was utilised by many members to preach a certain brand of social philosophy, the extremist ideology, which is now running the serious risk of being discredited by the very countries which had so wholeheartedly supported it some time ago. Estate Duty is not necessarily a socialist measure; it is in force in capitalist countries too. And yet, its opponents were dubbed "anti-people" and "pro-capitalists," as if it was a sin to entertain honest misgivings about the effects of the Bill on capital formation in this country. Dr. A. Krishnaswamy rightly pointed out that investigations had revealed that income-tax played a greater part in reducing inequality of wealth than Estate Duty. Some very uncharitable remarks were made against those who, impelled by the loftiest of motives, give their wealth in charity. All this would be deplorable in any country, but in a country, where charity has been held in the highest esteem and regarded as a religious obligation, it is particularly deplorable. If the concept of charity received little recognition, the idea of "capital formation" received even less. It was assumed, without proof, that the Bill would not seriously interfere with the formation of capital. In support of this view, the experience of the U.K. and the U.S. was quoted. It is debatable whether it is correct to compare, in this connection, an underdeveloped country like India, which needs all the capital it can muster, with the more industrially advanced countries which could afford to sacrifice a part of their capital in payment of the Duty. Even in some of these countries, there are now some who have honestly begun to doubt the wisdom of continuing Estate Duty. Be that as it may, much will depend on the magnitude of the rates of Duty. The economic effects of the Bill, as Mr. Deshmukh pointed out, would depend on the exemption limits and the rates of Duty. His decision to introduce, before the next reading of the Estate Duty Bill, a Bill fixing the rates of Duty is, therefore, to be welcomed.

The whole debate centred round the aspects, which have been repeatedly urged by the Bill's critics in the recent past, namely, (1) the effect of the Bill on those to whom the Dayabhaga system of inheritance applies, (2) the need for larger exemptions, (3) the demand for a liberal treatment of gifts, (4) the rigour of the language used in the Bill and (5) the difficulties of evaluation of properties. Many members rightly held that it would weigh more heavily on those who follow the Dayabhaga school of inheritance and wondered whether the Bill could not be postponed till a uniform law of inheritance was passed. Perhaps, the Bill could have been held over till the Hindu Code Bill was passed. Apparently, the Government is unwilling to accept this view, though no acceptable argument was put forward to justify its stand.

Many members urged that not only should the exempted items not be aggregated for purposes of Duty but the list of such items should itself be enlarged by the inclusion of the deceased's dwelling house, and other items. Mr. Deshmukh did not accept the first part of this suggestion, on the ground that, since the slab system of levy was being contemplated, it would confer no real benefit to the aggrieved parties. He said that, unless the exempted items were aggregated, it would benefit the richer man more than the poorer. He agreed, however, to exclude items, such as books not for sale and household utensils but not the dwelling houses. He flatly rejected the demand that insurance policies for payment of Estate Duty should not be aggregated. But to cover the cases of persons who were beyond the insurable age but who wanted to make some provision for the payment of the Duty, he said he would consider whether any provision could be made. On the much larger question of the adequacy of the limit of exemption for insurance policies—the limit is Rs. 5,000 in respect of one's own life and another Rs. 5,000 for female dependents—Mr. Deshmukh does not seem to have thrown any light. It will be recalled that, referring to these two provisions, Mr. Purshotamdas Thakurdas, Chairman of the "Oriental," remarked recently—quite pertinently, in our view—that they gave such "meagre" relief that they were scarcely entitled to be called "reliefs."

The demand for a more generous treatment of gifts was also unfortunately overlooked by the Finance Minister. Despite all the criticism that was made against "charities," it is a fact that some of the best foundations, with educational and research work to their credit, and some of the biggest hospitals owe their existence to the munificence of their donors—the Institute of Science at Bangalore, Santiniketan, in Bengal, the Birla group of educational institutions, and the University at Annamalai, the Wadia Hospital in Bombay, to mention only a few of the many instances of disinterested charity. In his minute of dissent to the Select Committee report, Mr. Tulsidas Kilachand rightly pointed out that the existing exemption limit—Rs. 2,500 in the case of property taken under a gift made for a charitable purpose within a period of six months before the death of the donor, and Rs. 1,500 within a period of two years before death—were "ridiculously low" figures. Pleading for a more generous exemption limit, as well as for the removal of "time" restrictions on these gifts, he said:

"Governments at the Centre or in the States are not able to provide all the necessary institutions for the advancement of technology and scientific knowledge nor do they endow charities for educational, artistic, cultural, religious purposes, etc. It is only private philanthropy that can cater to such necessary needs of the public and in order to foster such donations, endowment, gifts, bequests and charities, there should be no limit to the amounts of charity that could be made. It is also to be noted that to the extent that such institutions rendering useful services to the public benefit from gifts made by individuals, the assistance required by them from Government will be considerably less."

This excellent plea has now been rejected. This is a pity, because individual charity has not—contrary to what was suggested by some members—outlived its utility in this country, considering that the bloodless revolution which Mr. Vinobha Bhave has been working out in the rural areas is based essentially upon the sense of charity. It would be tragic if these acts of generosity were brought within the purview of the Bill. Moreover, gifts have a truly economic function, for they not only lessen the burden on the State, as has been pointed out by Mr. Kilachand in the passage quoted above, but also stimulate development of fields, such as pure science and technology, which do not receive sufficient recognition from the Government by reason of the fact that they do not yield quick returns. Hence the need for making their development possible through charity. Mr. Deshmukh did well, however, to clarify the meaning of *bona fide* gifts. He said—he based his observations on the rulings under the British law—that such gifts should satisfy four conditions: (1) the donee must take immediate possession, (2) the donor must be completely excluded from possession, (3) the donor must not retain any benefit either by direct contract or otherwise and (4) there must be no secret arrangement or reservation to the benefit of the donor. But all this sounds ironical, considering that the amounts allowed for charitable purposes are only a few hundreds.

The success of the new measures, as Mr. Deshmukh seemed to realise, lies in the proper assessment of the value of estates. The correct evaluation of the estate, as he suggested, is the "very life-blood" of this measure. But he was inclined to under-estimate the difficulty. He thought there would be no difficulty in regard to the evaluation of jewellery, Government securities or shares in public limited companies. We are not, however, so certain about the correct appraisal of the value of jewellery which forms an important item of property in Indian homes. There is scope here for evasion and corruption. He admitted that there might be difficulty in regard to the evalution of immovable property, but thought that the same difficulty obtained in cases where a person applied for a probate or letters of administration. He contended that, since it was proposed to adopt the slab system of levy, any small differences of valuation would not result in

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any wide variation of the Duty. This line of thought is, to say the least, blind optimism.

It is doubtful whether the procedure, contemplated in the Bill, in case of disputed evaluation is not unjust. Some members rightly urged that there must be an appellate tribunal above the Central Board of Revenue—a tribunal to which the aggrieved parties may appeal. Far too much power has been left in the hands of executive authority. It is only the legal questions that will be referred to the Court but not cases of disputed evaluation. As very rich estates are likely to be involved in these cases of disputed valuation, and as the very process of the determination of the value of estates may give rise to legal issues, it seems unwise to invest the Board with extraordinary powers.

There was considerable protest against the language of the Bill. We are in complete agreement with this protest. Many members suggested that the language was too complicated even for trained lawyers. Mr. Deshmukh explained that the Bill was based on the English law, with the various English rulings, and admitted that the language of some of the sections was bound to be somewhat difficult. But he defended it on the ground that, since it applied only to the rich persons who wanted to create trusts or settlements, they could always consult the lawyers. Nevertheless, the conclusion is inescapable that, in their anxiety to outwit the evaders of the Duty, it looks as though the framers have only succeeded in outwitting the lawyers. In the end, it may well happen that the Government itself will be outwitted. This has happened in the case of control regulations and in sales tax law already, for the affected parties have often failed to get any guidance from the concerned authorities. It is to be hoped that at least the Estate Duty authorities will be well versed in the law they administer. Mr. Deshmukh promised that a booklet would soon be published, explaining the provisions of the law on Estate Duty. And when that booklet is written, its authors will not, we trust, further complicate, in the tradition of India's ancient commentators on the Sanskrit texts, an already complicated piece of legislation.

OUTLOOK FOR COPPER

As was mentioned in our last issue, copper has returned to free trading on the London Metal Exchange, after a long interval of 14 years. This is the fourth non-ferrous metal of great strategic importance to be freed from State trading in the U.K. The first was tin which was freed from bulk purchase arrangements by the U.K. Government in 1949. This was followed by lead in 1952 and then by zinc to which freedom was restored in January this year. The one reason why copper was the last to be decontrolled was that it is essentially a dollar commodity. Britain, therefore, could not take the risk of allowing free trade in this commodity so long as its dollar and gold reserves were slender. With the transfer of copper to private hands, the only metals which are now in the U.K. Government's hands, are tungsten and magnesium. But the London Metal Exchange has never dealt in these metals in the past. Naturally enough, the return of copper is welcomed by all the concerned interests, more particularly by the brass makers and cable makers. The brass makers are interested in zinc and copper and have found some difficulty in carrying on their activity in a market where zinc was free and copper was not. Similarly, the cable makers, who need lead and copper, have experienced difficulty in a market where lead was free and copper was controlled.

When the market for copper reopened on 4th August, the spot price was quoted at £215 per ton and three months forward at £204 per ton, as against £252 per ton, the last price quoted by the Ministry, and the Continental price of about £240 per ton. Since then, there has been a partial recovery, the latest rates at the time of writing being £232 per ton for spot and £212 per ton for three months forward. It is not easy to forecast the future trend of prices. But it is interesting to recall that all the decontrolled non-ferrous metals have so far shown a sizable recession in prices. Lead was first quoted, on being restored to the Metal Exchange in September, 1952, at £131, whereas its current price is only £94. Zinc was quoted at £110 in December, 1952, when it earned its freedom, but is now being offered a shade above £73. But the same trend need not necessarily repeat itself in the case of copper. For one thing, copper is not in such abundant supply as lead or zinc. Secondly, the U.K. Government intends to release only as much copper as it considers essential for the market. For some time at least, the trend of the copper market, will, therefore, depend on the attitude of the U.K. Government. And, thirdly, though this is somewhat remote at present, the high-cost producers of copper in the U.S. and other dollar areas may take steps to prevent prices from falling. They have already resented the reopening of the London Metal Exchange, because free trading in the other metals has led to progressively lower prices and they may bring pressure on their Governments to see to it that the London Metal Exchange is not allowed to regain its full pre-war status as the "arbiter of world metal prices".

A look at the world copper situation shows that the production of the metal has been steadily expanding. Copper is mined in over 30 countries. The U.S. is the largest producer, followed by Chile, Northern Rhodesia, Canada and Belgian Congo. These five countries account for nearly 80 per cent. of the world production. World mine output of copper has been gradually rising in recent years. It was 2.25 million tons in 1950, 2.34 million tons in 1951 and 2.38 million tons in 1952. Similarly, production of copper metal by smelters also has been expanding. From 2.53 million tons in 1950, it rose to 2.62 million tons in 1951 and was nearly maintained at that level in 1952, despite the commodity slump in the first half of that year. The U.S. topped the list of producers with 985,000 tons to its credit, followed by Chile (377,000 tons), Northern Rhodesia (292,000 tons), Canada (200,000 tons), Belgian Congo (202,000 tons) and Germany (192,000 tons). Russia, it is stated, accounts for no more than 300,000 tons. It seems that the upward trend of production will continue. Expansion is still taking place in the U.S., and new mines are being worked in Northern Rhodesia. It is, of course, too early to say whether these new sources will add considerably to the present output.

The picture of world copper consumption reveals that the U.S. tops the list here also. World absorption, which was 2.30 million tons in 1948, improved to 2.59 million tons in 1952, thereby keeping in line with the trend of production. Of the total consumption in the latter year, the U.S. alone accounted for 1.29 million tons. The U.K. is the second largest consumer (348,000 tons), followed by Germany (215,000 tons) and Canada (117,000 tons). It is noteworthy that production is slightly ahead of consumption, but what is significant is the fact that the gap between the two is narrowing. The excess of output over consumption which was 227,000 tons in 1949, shrank to about 100,000 tons in 1950. In 1951, it was only 45,000 tons and in 1952 it was still lower at 25,000 tons.

There are three factors which are of some immediate significance to the trend of copper prices. In the first place, there is the question of the Chilean stocks which could, if allowed to weigh heavily on the markets, depress prices. Secondly, there is the ever-present question of the availability of scrap metal. In few other metals is the importance of scrap so great as in copper. There are few uses where it is irrevocably consumed. Generally speaking, copper is largely used in forms from which it is possible to recover the metal. The availability of scrap will also depend on the trend of prices. Any large increase in prices must naturally stimulate the recovery of used copper. Thirdly, there is the rearmament programme. Since copper is a metal of great strategic significance, any large rearmament programme increases its prices and any setback in this programme depresses them. Indeed, the recent fall in copper prices has to be attributed primarily to the truce in Korea.

It will, however, be wrong to think that copper is only a strategic metal. On the contrary, it is capable of being put to greater use in peace. Although this metal has been known to mankind since pre-historio times, its versatility was realised only during this century. Because of its high thermal and electrical conductivity—second, in this respect, only to silver—its excellent powers of resistance to corrosion, its good mechanical properties, and the readiness with which it can combine with other metals to form alloys, copper has now become a more sought-after metal than ever before. Its largest user is the electrical industry where it is used in making, among other articles, cables, wires and line conductors. It is true that copper is losing its place in the sphere of household equipment and furniture. But the loss is being more than compensated by the growing consumption of copper in pipes, cylinders, boilers and in other directions. In the past few years, it has found some extended use in the roofing of buildings, too. Further, research is constantly expanding the sphere of copper's usefulness. New alloys, with copper base, are finding a more extensive market. In combination with tellirium, copper's powers of conductivity are said to improve; its tensile strength increases substantially, when it is combined with cadmium. Copper-cadmium alloy, it is stated, has applications in fields where strength, combined with high thermal or electrical conductivity, is needed as in welding and in the making of electrodes. Again, copper, when mixed in a certain proportion with beryllium, becomes a hard material, capable of being used in the making of measuring instruments and of tools for cutting metals.

The high prices, which copper touched in recent years, have, of course, stimulated the search for substitute materials. It is possible that aluminium or plastics may have captured some fields dominated by copper. But copper is likely to come into its own again. It is unlikely to be displaced from fields where its unquestioned eminence has stood the test of time. Although no one can predict the outcome of constant technological research work, which may change the utility of copper, there are at present no signs that it has any serious rival. Indeed, it is likely that, when its prices come down, it will both recapture the fields it has lost and extend its influence over other fields. And there will ultimately be keen competition among the world's major producers to widen the scope of copper's utility by marketing it at acceptable price levels.

Copper is one of those metals in which this country is vitally interested. India meets the greater part of its copper requirements through imports. But then no accurate estimate is available of India's copper needs. The Non-ferrous Metal Panel estimated the country's copper requirements at about 40,000 tons; as against this the Indian production accounts for only about 7,000 tons. The International Materials Conference (I.M.C.) allocated about 8,800 tons per quarter to this country. This means that the country's import requirements were placed at an annual level of about 35,000 tons. Actual imports in the last three years have been less than this figure. Thus, imports aggregated 32,400 tons in 1950, but only 7,300 tons and 13,000 tons in 1951 and 1952, respectively. But these two years were abnormal years, since they were periods of high prices for copper. The I.M.C.'s allocation of a large quota for India did not benefit the country much, as the high prices quoted in foreign countries deterred this country from importing large quantities. Also, the Government's bungling in its non-ferrous metal prices policy—the Government announced its intention to control prices in 1950, and later revoked it, when it realised that the prices of an imported metal cannot be controlled by executive fiat—was partly responsible for this country's failure to import its needs.

It is, however, interesting to note that prices of copper in the Indian market have been well below the world levels. This is because the fabricated metal has not been able to command a good market. Although the industrial demand for copper has gone up considerably in recent years, the demand from the manufacturers of household utensils has slumped heavily. Apart from the general recession in the demand for utensils—these articles are in the nature of a capital investment for Indian homes, that is, they are not annually renewable—the main reason for the comparatively depressed state of the market for many varieties of non-ferrous metal goods is that there is excess capacity for manufacture. The Government itself seems to aim at a policy of self-sufficiency. For, we are told, it has itself set up non-ferrous metal factories in order to meet its defence requirements, and has thus added to the excess capacity in the country. Most units in the industry are, therefore, now working below capacity, which means that their working is uneconomic.

It is necessary to take some measures which would improve the prospects for the non-ferrous metals industry, particularly the copper-utilising section of it. There is room for improvement in the Government's system of stores purchases. The Government's vacillating export policy has also been a serious handicap for the manufacturers. There have been far too many changes in this policy. It would be much better if a long-term policy were announced and strictly adhered to. Again, the Government will do well to consult the concerned trade and industrial interests before concluding trade agreements with India's neighbouring countries which constitute a natural market for this country's non-ferrous manufactures.

GOVERNMENT'S POLICY ON OILSEEDS AND VEGETABLE OILS

BELATED ACTION MAKES IT INEFFECTIVE

THURSDAY, 5 P.M.

THE announcement in Parliament by Mr. Deshmukh on Wednesday that he would shortly introduce a Finance Bill, indicating the rates of Estate Duty on the basis of a slab system, has arrested the firm trend that began to manifest itself in equities early this week, when Tata Deferreds received considerable attention at the hands of a small group of speculators and rose to a high of Rs. 1,970. Everyone thought it would cross the Rs. 2,000-mark before the close of this week. But, in the meanwhile, Mr. Deshmukh applied a cold douche to the market and the Deferreds have dropped about 25 points from the peak to finish at Rs. 1,946. This marking down was of a precautionary nature, because there were rumours that the rates of duty would be more stiff than expected, especially at the lower slabs. The leading textile shares, which began the week in a promising fashion, have also finished somewhat lower. An additional reason for this is the decision of the directors of Bombay Dyeings to maintain the interim dividend at the previous year's level. This was a disappointment to some of the operators who had gone "long" in the hope that the interim dividend would be raised. The general trend of equities is, however, quite steady. Selective buying of scrips, based on their individual merits, still continues. As a result, some of the first class shares such as Belapurs, Wimcos, Alcock Ashdowns, Josts Engineering, have improved in value. The upward trend in National Rayons persists, but this seems to be due mainly to speculative buying in the hope that the scrip will be included in the forward list on the Stock Exchange.

MARKET GOSSIP

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Contrary to expectations at the time the new State loans were issued, the Gilt-edged market has been ruling fairly steady during the last few days, notwithstanding the fact that the money market is not easy. The fears that there will be anxious sellers of the new State loans have not yet materialised. On the other hand, there is some investment enquiry for these loans and a scarcity of stocks. Consequently, there has been a fractional improvement in the value of the Bombay and Bengal loans. Even in the case of the Madras loan, the discount under the issue price, that was seen in the previous two weeks, has nearly disappeared. There is also good demand for the 3½ per cent. National Plan Bonds of the Union Government, but they have not gone up, because the Reserve Bank has been a regular seller at Rs. 98-5. The proposed loan of the Bombay Municipality, it has been finally decided, will be confined to Rs. 75 lakhs only. There is no change in the terms indicated in these columns last week. Although the issue is being placed privately, it may be formally offered to the public, probably some time next week.

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One of the factors that have rendered this country a high-cost economy is the bungling by the Government in the administration of economic controls. If some means could be found for calculating the cost of such faults to the people, it would reveal an astounding figure. Unfortunately, however, there are no reliable means of doing so. One has, therefore, to rest content with pointing out the instances of official mistakes from time to time. These mistakes are of various types, but the one that is still very common, even after a decade of experience, is failure to take timely decisions. Such mistakes could, of course, be avoided if the Government were to listen to the suggestions made by responsible business men. It is true that, invariably, the suggestions received by the Government are from those who are interested parties. But that is no excuse for the Government to vacillate and delay action. For the Government should be in a position to judge for itself as to which of the suggestions are in the larger interests of the country. If it does not possess this ability, it should cease administering economic controls.

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The measures taken by the Government of India to bring down the prices of oilseeds and vegetables oils constitute a recent instance of belated action. India is one of the largest producers of oilseeds in the world. Perhaps, no other country in the world produces in large commercial quantities all the principal oilseeds as India does. With the exception of soyabeans, palm kernels and olives, it makes an important contribution to all the main seeds which form the basis for the world's vegetable oil industry. It has been estimated that, on an average, India contributes to the world production of oilseeds about 36 per cent. of groundnut, 26 per cent. of castorseed, 26 per cent. of sesamum, 15 per cent. of linseed, 13 per cent. of cottonseed. Then there are *kardi* and *niger* seeds, not to mention copra. The total production of oilseeds and oil-bearing nuts in India is placed at 7 million tons, valued at Rs. 450 crores at current level of prices. Thanks to such a large production of oilseeds, India has been a surplus producer of vegetable oils for decades. In recent years, however, the trend of production has been rather downward, while consumption has been steadily rising. During 1952-53, in particular, this country experienced a shortage in the most important of all the oilseeds, namely, groundnut. Owing to failure of monsoon and drought in the principal producing areas, there was a serious fall in the output of groundnut, even though a larger acreage had been devoted to it. The total production of this oilseed is estimated by the trade at 23 lakh tons (in shell), as against 30 lakh tons in the preceding year. The major portion of this fall occurred in Madras State, where the 1952-53 crop is placed at no more than 6 lakh tons, as against the normal crop of 11 to 11½ lakh tons.

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The authorities were warned by the trade, well in advance, of the consequences of such a short crop to the country's economy. They took no notice of it. On the contrary, they issued export quotas for 40,000 tons of oil for the first half of 1953, a portion of which was allowed in the form of H.P.S. groundnut. They also permitted exports of *kardi* and *niger* seeds freely and so also rape and mustard oil. What was worse, they continued this policy in respect of these minor seeds even after groundnut prices had shot up to record high levels. It is true that, early in June, they banned all further sales of groundnut oil and H.P.S. groundnut for export, but this decision came so late that it had no effect on the upward trend of prices. In fact, the prices kept on moving up and touched an all-time record of Rs. 54-8 per cwt. in the last week of July, as against Rs. 32-8 early in the year and Rs. 25 in March, 1952, when there was a sudden shake-out in all markets, and Rs. 44-4 before the Korean war started. A more impressive idea of the rise in prices of oilseeds and oils as a whole can be had by a comparison of their index numbers. The index number (Base: 1939=100) of vegetable oils stood at as high a level as 602 for the week ended 18th July, 1953, as against 469 a year before and 459, the average for 1952 as a whole, the corresponding numbers for oilseeds being 688, 482 and 484, respectively.

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The high level of prices of vegetable oils, generally, and of groundnut and groundnut oil, in particular, has caused serious hardship to consumers, especially to the middle and poor classes, for whom these constitute the only source of fat, since they cannot afford to buy milk and butter. It is undoubtedly one of the chief factors that has led to the sharp rise in cost of living all over the country and thereby in the dear food allowances payable to industrial workers. Another adverse result of it has been the high cost of production of *vanaspathi* and soaps. The price level of vegetable oils, it may be noted here, accounts for as much as 60 per cent. of the cost of manufacturing soap. As it has not been practicable to pass on this high cost to consumers of soap, the profit-margins of soap manufacturers have been greatly reduced, the marginal units among them suffering far more than the economic units. There is no doubt that it is this unfavourable factor that has offered a convenient occasion for the indigenous units to have a dig at the most economic soap unit, owned and managed by a foreign company. Readers are already aware of this unfortunate controversy and, as a reference to it was made in these columns only last week, it is unnecessary to describe it again. Suffice it to say that the rise in prices of vegetable oils has been the cause, albeit indirectly, of discontentment against a section of foreign investors which threatens to tell upon the future flow of foreign private capital into this country and that at a time when it is needed most.

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So much for the effects of the rise in prices of vegetable oils. Now to refer to the measures taken by the Government to bring them down and their results. In order to ease the position, the soap and *vanaspathi* manufacturers, as well as the organisations representing the general consumers of oils, had advised the Government long ago to ban exports of groundnut and groundnut oil and to allow liberal imports of palm oil duty-free, to reduce the import duty on copra oil and abolish it altogether on copra, and to encourage the imports of other edible oils such as cottonseed oil, soyabean oil, etc., at least as a short-term measure to make up the fall in the domestic production of oilseeds. The Government did not heed this advice promptly and, when it did, it carried it out in piecemeal fashion. By now, almost all the aforesaid suggestions have no doubt been implemented, though not fully. But the result is not as satisfactory as it would have been, had the authorities implemented all the suggestions in time and together. For more than two years, the soap makers had been advocating free imports of palm oil, so that they could cut down the use of an important edible oil needed for meeting rising domestic consumption and export. It required a famine in groundnut supply to make the authorities realise the value of that suggestion. It was only in May, 1953, that the Government made up its mind to abolish the preferential duty of 31¼ per cent. on imports from British territories and to reduce the standard rate of duty from 43¾ per cent. to 10 per cent. This was followed by a ban on exports of groundnut oil and H.P.S. groundnuts only after an interval of about three weeks. When it was found that these two measures were inadequate to keep the prices of oils down, the Government reduced, early in July, the import duty on copra from 25 per cent. *ad valorem* (standard) and 15 per cent. *ad valorem* (preferential) to 15 per cent. and 5 per cent., respectively. It, however, did nothing about the import duty on coconut oil, even though there was a clear case for reducing it. The coconut grower in this country, it may be mentioned in passing, gets double protection, through the duty levied by the exporting countries, and the import duty collected by the Government of India. It has been computed that he has been getting about Rs. 800 more per ton than his confrere only a few hundred miles away in Ceylon.

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The foregoing step, too, failed to have any effect on the domestic prices of oils. On the contrary, a few days after it was taken, the prices of both groundnut oil and coconut oil moved up to fresh high levels. After watching the position for nearly a month and thanks to the renewed agitation from consumers, the Government finally decided, towards the close of last week, to allow imports of cottonseed oil free of duty from Imperial Preference countries and at a nominal rate of 5 per cent. *ad valorem* standard rate from other areas. Before this step was taken, imports of cottonseed oil were subject to a preferential duty of 31¼ per cent. and a standard duty of 43¾ per cent., *ad valorem*. The Government has, of course, made it clear that this is purely an emergency measure and that licences will be only valid for shipment up to 30th September, 1953.

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Thus, the Government spread the implementation of the scheme for keeping down the domestic prices of oils over a period of about 4 months, with the result that the object was not achieved. Much harm has already been done to that section of the public which is badly in need of relief in the form of lower prices. Anyway, the latest move of the Government has to be welcomed, because it is always better late than never. If this step had not been taken, the position might have tended to become more uncomfortable than it is likely to do now. It can confidently be stated that the upward trend in the prices of vegetable oils is over.

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True, the permission to import cottonseed oil, which can be used in the place of groundnut oil by *vanaspathi manufacturers, has so far made no* spectacular impression on the level of oilseed prices. The groundnut oil, for instance, shows a drop of only about As. 8 per quarter and groundnuts of about As. 12 per cwt. But this is not surprising, for there is a shortage of ready stocks of these commodities. The forward positions, however, are distinctly quiet and are at a heavy discount under the spot rates. Thus, while the groundnut oil ready delivery is being quoted at Rs. 27-4 per quarter, the September delivery is standing at Rs. 24-8 and the October at Rs. 21-8. This clearly shows that operators are not taking a bullish view of the future. This, of course, is not due solely to the measures taken by the Government but is largely the result of expectations of a bumper groundnut crop in the 1953-54 season which will move into the market in a couple of months. Nevertheless, the various measures taken by the Government as described above must have contributed, in some degree at least, to the bearish outlook for oilseeds in India, inasmuch as they clearly indicate that the authorities are not unmindful of the situation.

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Are there likely to be any large imports of cottonseed oil? Market circles feel that not much is likely to be bought by consumers, for a number of reasons. In the first place, the c.i.f. price of cottonseed oil from the U.S. works out to Rs. 18 per quarter, on the basis of $295 per ton in America, the current quotation. This rate is only about Rs. 3-8 or Rs. 4 less than the forward rate for groundnut oil (October delivery). Secondly, the estimates of groundnut new crop are encouraging and some, therefore, feel that, in another two or three months, groundnut oil can be had in plenty and at lower rates. Thirdly, there are doubts whether cottonseed oil will be liked by *vanaspathi* consumers. Consequently, those *vanaspathi* makers who do not want to take a risk, may prefer to go in for groundnut oil even if it costs a little more than cottonseed oil. Market circles, however, are unanimously of the opinion that the measure which the Government has taken now would have yielded some tangible results if it had been introduced three months earlier.

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Mr. J. R. D. Tata's reply to the questions put by the shareholders of the Tata Hydro-electric group of companies, at their extraordinary general meetings held this week to pass the special resolutions for increasing the capital of the companies, suggests that the Government of Bombay has not yet seen the wisdom of changing its mind with regard to the Companies' request for permission to erect simultaneously two thermal plants of 50,000 kw. each. The point of difference between the Government and the Companies is that, while the former thinks that a single unit of 50,000 kw. will suffice to meet the demand for electricity, the latter feel that not only will there be a shortage of electricity if the two units are not erected but the erection of both units will prove economical, in that there will be a saving of at least Rs. 50 lakhs on the project. Mr. Tata, however, revealed that he was still hoping that the State Government would sanction the erection of the second unit also, as the Union Government was understood to be consulting the State authorities on the matter.

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The State Government is, however, prepared to allow the erection of the second unit, on a condition which is too onerous and risky to be undertaken. Mr. Tata told the shareholders that the Government would not object to the Companies erecting the second unit of the thermal plant, provided it did not ask for standing charges to which it was entitled under the existing Act, if the unit were to close down some time later. Evidently, the Government feels that the second unit will be surplus after its own Koyna Project is erected. If the Companies were to take the risk, Mr. Tata said, it would involve a considerable loss to the shareholders. The Companies were, therefore, negotiating with the State Government for the sanction of the second unit in the normal manner.

(Continued on next page)

SELLING PRESSURE IN EQUITIES AT CLOSE

UNDERTONE, HOWEVER, REMAINS STEADY

(From Our Own Correspondents)

BOMBAY, *13th August*

THE Stock Exchange displayed a hesitant trend during the week under review because of its frequent susceptibility to selling pressure occasioned by disquieting reports and rumours. But these pressures were, however, well absorbed and a steady undertone was maintained. On balance, equities over a wide front disclosed small gains and in some cases the gains were more marked.

The Directors' report and accounts of the Tata Iron and Steel Co., Ltd., for the year ended 31st March, 1953, published this week were well received by the market, though the net profit of the Company show a decline. Operators appeared to have derived satisfaction from the progress made in the Company's development plans and the assurance of a loan of Rs. 10 crores from the Government of India for financing its plans. In lively dealings that ensued, Tata Steels scored sizable advances on continued professional buying. Though the labour situation at Burnpur had already been known to have considerably affected the Indian Iron and Steel's production, the publication of the output figures for July, which showed a sizable setback in production from that in June, gave rise to a wave of selling pressure. Mr. Krishnamachari announced in Parliament that the production at Burnpur had fallen by 40,000 tons since January this year and the slowing down of production had caused some damage to the plant and equipment. There was, however, a ray of hope in the Commerce and Industry Minister's disclosure that the Central Government and the State Governments were very seriously concerned and the two Governments were in daily contact with each other. This statement allayed apprehensions to some extent and led to hopes that the strike would soon be settled.

Early in the week, there was some improvement in sentiment which was reflected in a sharp gain in Tata Steels. But the gains were nearly wiped out in the last two days on unloading by prominent bull operators on rumours of a likely recurrence of labour trouble at Jamshedpur and baseless fears that the rates of duty under the Estate Duty Act would be rigorous. Operators took no chance to study the truth of these rumours and preferred to lighten their commitments on the eve of the end-of-account. The developments in Kashmir and concern over Pakistan's attitude towards India also restrained activity at times. In the absence of any special factors to sustain sentiment, textile shares followed the pattern of steel shares, but the miscellaneous section disclosed several bright features.

In the steel section, Tata Deferreds opened at Rs. 1,946-4 and advanced steadily to touch Rs. 1,967-8 on Monday. But the weakness of Indian Irons on Tuesday and apprehensions about the estate duty brought Tata Deferreds back to Rs. 1,947-8 on Tuesday. After a good recovery to Rs. 1,970 yesterday, the scrips came under pressure to react to Rs. 1,946-4. Tata Ordinaries came up to Rs. 342 from the opening level of Rs. 337-12, but gave way to Rs. 338 at the close. In the earlier part of the week Indian Irons made good advance from Rs. 23-3 to Rs. 23-8, but suddenly fell back to Rs. 23-1½ on Tuesday. Renewed support from Calcutta on hopes of an early settlement at Burnpur restored the shares to Rs. 23-3 at the close.

In the textile section, Bombay Dyeings moved up from Rs. 388-12 to Rs. 393-12, but reacted yesterday to Rs. 387-8. To-day, however, the shares made some headway and touched Rs. 388-12. But the announcement that the Directors of the Company had decided to maintain the interim dividend for the current year at Rs. 7-8 per share brought the shares down to Rs. 385-10, reflecting the market's disappointment over the same, in view of its earlier expectations of an increase in interim distribution to Rs. 10. Kohinoors were quiet at Rs. 302, after touching Rs. 305-8 earlier. Central Indias were in demand on expectations of a higher dividend and scored a gain of Rs. 4 to Rs. 162. Centurys put on Re. 1 to Rs. 276-8. Finlays were a rupee lower at Rs. 322, despite the official announcement of the closure of transfer books from 9th September to 23rd September, 1953, for the purpose of issuing bonus shares. The Company proposes to issue bonus shares to the existing shareholders at the rate of one ordinary share for every four shares. Gokaks showed no change at Rs. 226. Indu Ordinaries were quiet with a decline of As. 2½ to Rs. 9-6½. Indore Malwas, on the other hand, rose by Re. 1-14 to Rs. 92-8, on reports that the Directors propose to raise the dividend for the year ended 31st December, 1952, to 6 per cent. from 5 per cent. paid for the previous year. Mysore Spinnings were a feature with a rise of Rs. 3 to Rs. 130. Simplex were steady at Rs. 170-8. Standards put on Re. 1-4 to Rs. 316-4, while Svadeshis lost as much to Rs. 252-4. Swans were marked up by Re. 1-4 to Rs. 456-4. The Company proposes to issue bonus shares in the ratio of one ordinary share for every two shares held.

Activity in bank shares was limited and price movements were narrow. Barodas were done at Rs. 110-12, as against Rs. 111 a week ago. Indias declined from Rs. 158 *cum-div.* to Rs. 155 *ex-div.* Imperials Fully Paids added Rs. 1-4 to Rs. 1,830 and Contributories Rs. 2-8 to Rs. 442-8. Centrals were unchanged at Rs. 65-12 and their new shares disclosed a loss of As. 12 at Rs. 67-12. United Commercials were marked up by As. 8 to Rs. 36-8.

Insurance shares were generally quiet and dull, but Orientals provided a notable exception with a spurt of Rs. 150 to Rs. 6,875. New Indias were a fraction lower at Rs. 40-4. Jupiters lost a rupee to Rs. 6-1. Empires were unchanged at Rs. 627-8, B.I.Gs at Rs. 13-8 and Vulcans at Rs. 11-13.

Miscellaneous industrials displayed a better tone with some smart gains in several counters. Associated Cements held their ground around Rs. 168-12. Belapurs forged ahead by Rs. 3-8 to Rs. 238-8. Bombay-Burmahs changed hands Re. 1-14 higher at Rs. 360-10. Alcocks rallied by Rs. 8-12 to Rs. 305. Indian Coppers were maintained at Rs. 2-13. National Rayons attracted some active buying to touch a new high of Rs. 116-4, a rise of Rs. 5-8 over the week. Premier Constructions were well favoured and gained Re. 1-4 to Rs. 87. Tata Chemicals were quiet at Rs. 8-13½ and Tata Oils at Rs. 30-8. Walchandnagars firmed up by Rs. 10-10 to Rs. 149-6. Wimcos were in good demand to score a gain of Rs. 12-8 to Rs. 237-8. Josts Engineerings were active and advanced by Rs. 4 to Rs. 91. Shivrajpurs held their own at Rs. 57-8. Scindias were steady around Rs. 13-10. Bharat Lines had sellers at Rs. 83.

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Calcutta Stock Exchange

CALCUTTA, *11th August*

Easier conditions prevailed on the Calcutta Stock Exchange during the week. Lack of fresh incentives also contributed to reduced volume of business. With the easing of the Korean situation, and the 16-nation warning to Russia, made public last Friday in New York, the stock market has to look for incentives from within the country. The economic situation in the country, however, is none too helpful. Growing unemployment and reduced purchasing power of people at work have resulted in the consumer goods industries finding it difficult to market production, while cost of production continues to remain high. It is not surprising, therefore, that investors are extremely cautious in entering into long-term commitments. The labour situation in Burnpur having shown no improvement whatsoever, the speculative counter, Indian Irons, recorded a further decline.

Interest in jute shares was restricted, and, although prices of jute goods did not move down and it had been generally expected that mills would be able to record better results during the current accounting period, poor enquiries for finished goods from overseas discouraged operators from doing business. Howrahs opened at Rs. 23-7 and business was recorded up to Rs. 23-12. To-day's closure was, however, a shade lower at Rs. 23-9. Fort Glosters were transacted at Rs. 424, while Cheviots eased from Rs. 220 to Rs. 212. Nationals were, however, fractionally better at Rs. 24-1, but Nuddeas shed two points to stand at Rs. 44. Champadanies were easy at Rs. 146, as were Ganges at Rs. 68-8.

Texmacos provided the feature in the engineering section, and improved from Rs. 5-11 to Rs. 6-3. A mixed trend was recorded in Indian Irons which opened at Rs. 23-7 and gradually receded to Rs. 23-1. At this stage a ripple of interest was in evidence and buyers were drawn by the lower rate. This raised the price to Rs. 23-6 on Saturday. Yesterday, the rate was around Rs. 23-8. During July the Company produced 21,150 tons pig iron, as against 26,730 in June, 8,370 tons steel ingots (23,940 tons) and 4,570 tons of semis and finished steel (11,040 tons). Indian Standard Wagons had buyers at the improved rate of Rs. 90, while Burn & Cos. were quiet at Rs. 282. Bhartias eased from Rs. 10-12 to Rs. 10-8. Braithwaites came to business at Rs. 11-1 and Jessops at Rs. 23-6 c.t.

Among textiles, profit-taking continued in Dumbars, which were done at Rs. 178. In small lots, Bowreahs realised Rs. 277, as against Rs. 312 last week. Banares Cottons eased from Rs. 2-12 to Rs. 2-8.

In the miscellaneous section, F. & C. Oslers were put through at Rs. 6-3, as against Rs. 7-6 a week ago. The recession after the rise received momentum when it was realised that market rumours to the effect that the Indian Cable Co., Ltd., had taken an interest in F. & C. Oslers were unfounded. Rallis were marked down from Rs. 70 to Rs. 66-8. Indian Cables came to business at Rs. 18-4. Martin Burns eased from Rs. 18-10 to Rs. 18-12, and Angelo Bros. from Rs. 18-10 to Rs. 18. Indian Wood Products were fractionally lower at Rs. 31-12. Titaghur Papers changed hands at Rs. 35-6, and Sone Valley Cements at Rs. 6-13. The announcement of a dividend of 5 per cent. on ordinary shares of India General Navigation and Railway Co., Ltd., for 1952, as against nil for 1951, was well received in the market. This was reflected in the shares of the Company improving from Rs. 85 to Rs. 86

Moderate interest was shown in sugar shares. Earlier, Carews improved from Rs. 6-14 to Rs. 7-1, but to-day realised only Rs. 6-14. Dharbangas were better at Rs. 11-3, and Champarans rose from Rs. 23 to Rs. 24-7.

Coals continued to be lifeless. However, a few counters recovered, following demand at lower levels. Thus, Pench Valley were taken from Rs. 20-4 to Rs. 20-10, and Bengals from Rs. 507 to Rs. 515. Central Indias were unchanged at Rs. 4-9, while East Indians were marked down at Rs. 22-14. Raneegunges changed hands at Rs. 8-2, Burrakurs at Rs. 9-1, and New Beerbhooms at Rs. 17-9.

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Madras Stock Exchange

MADRAS, *11th August*

The performance of the Madras Stock Exchange last week was virtually repeated this week. Textiles were once again in the limelight, with prices recording sizable gains, on continued encouraging advices for piecegoods from certain important consuming centres. Plantings lacked support. Among them, rubbers ruled easy, on speculative selling. Teas were quiet, despite encouraging reports from Calcutta regarding sale of tea leaves during the recent auctions. Coffees were colourless. Miscellaneous scrips fared no better. Consequently, price movements in planting and miscellaneous scrips were limited to a narrow range, with losses predominating. Banks were steady and the prices recorded generally minor gains.

The textile counters were active. Colmbatore Pioneers improved by Rs. 5 to Rs. 120 and Coimbatore Cottons by Rs. 4 to Rs. 150. Metturs advanced from Rs. 188 to Rs. 192. Vasantas gained Rs. 8-8 to Rs. 158-8. Radhakrishnas 'B' and Rajalakshmis rallied Rs. 2 each to Rs. 78 and Rs. 86, respectively. S. K. Rajendras hardened by a rupee and closed at Rs. 42-8 Dhanalakshmis too put on a similar amount and finished at Rs. 180. Buckinghams were done at Rs. 121-8 *cum-div.*, as against Rs. 119-8 *ex-div.* and Bangalore Woollens Rs. 265 *cum-div.*, as compared with Rs. 257-8 *ex-div.* Coimbatore Kamalas, however, lost Rs. 3 to Rs. 90.

Among plantings, teas lacked support. Except a few scrips which attracted support, the rest had an easier trend. The only notable scrips was Emerald Valley which scored As. 3 to Rs. 4. Twyfords were done at Rs. 11 *ex-div.*, as against Rs. 12-4 *cum-div.* Peermades, however, lost an anna to Rs. 27-4. Parksides and Periakaramalais were unchanged at Rs. 13-2 and Rs. 28-3 *cum-right*, respectively. Haileyburias were quiet at Rs. 13-8 *cum-div.* The directors have declared a dividend of 10 per cent. on the ordinary shares for the year ended 31st December, 1952, as against 15 per cent. for the previous year. Mysore Plantations (tea and coffee) were better at As. 11½ and T.R.Ts. (tea and rubber) at Rs. 7-3.

The rubber section was easy. Malankaras lost As. 4 to Rs. 105-12 Nenmenys were done at Rs. 8-8, as against Rs. 8-12. Valkundams lost As. 2 to Rs. 14. Rajagiris, however, gained As. 5 to Rs. 11-8. Thirumbadis were slightly better at Rs. 2-13½.

Coffee shares were almost quiet; the only notable exceptions were Nil. Neergundi and Consolidated Coffees which improved by an anna each to Rs. 3-9 and Rs. 18-10. Puthuthotams were slightly better at Rs. 3-7. The rest of the Coffee section was unchanged. Thus, Coffee Lands was quiet at Rs. 10-7 and Mysore Coffees at As. 8½.

Miscellaneous scrips came in for some selling pressure. Rallis lost Rs. 4 to Rs. 67-8. Spencers were down by As. 4 at Rs. 13-10 and Mettur Chemicals by As. 2 at Rs. 3-13. Indian Steel Rolling Mills eased by As. 4 to finish at Rs. 11. Andhra Cements 'A', however, were done better by Re. 1 at Rs. 99. Mysore Paper gained As. 2 to Rs. 14-12 *cum-div.* and India Sugars As. 6 to Rs. 22. United Breweries were done quiet at Rs. 167 *cum-div.* The Directors have declared a second interim dividend of 10 per cent. on the ordinary shares for the year ended 31st March.

MARKET GOSSIP

(Concluded from previous page)

Concern was expressed by some shareholders of the Tata Hydro Company over the prospects of maintenance of dividends by the Company during the construction stage of the plant, Mr. Tata allayed these fears by assuring them that the return on the capital employed during construction was fixed at 5 per cent. and that there was, therefore, no need to fear that the dividend would be reduced on account of the increase in capital.

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The three hydro-electric companies under the management of the Tatas propose to raise fresh capital of an aggregate sum of Rs. 3 crores to finance partly the new thermal plant. Andhra Valley's contribution to this project will be Rs. 90 lakhs, to be raised by the issue of 9,000 ordinary shares of Rs. 1,000 each. These new shares will be issued to the existing shareholders in the proportion of two new shares for every five shares held by them. Tata Hydro will raise Rs. 60 lakhs by issuing 60,000 ordinary shares of Rs. 100 each to the existing shareholders in the ratio of one new share for every three shares held by them. Tata Power will raise Rs. 1.5 crores by the issue of 15,000 new ordinary shares of Rs. 1,000 each and offer them to the existing shareholders in the ratio of two new shares for every five shares now held by them.

A CORRECTION

There has been an unfortunate error in our observations relating to the Stanvac debentures and our references to the possible issue of debentures by the Dunlop Rubber Co., Ltd., which appeared in these columns last week. The Stanvac debentures did not (contrary to what was stated in these columns) call for any special resolution on the part of the insurers before they could invest in this issue, for their investment had been facilitated by the Government's incorporation of this issue in the list of approved investments by means of a *Gazette* notification, dated 15th June, 1953. Again, we are reliably informed that the Dunlop Rubber Company is not contemplating any further debenture issue.

NEWS IN BRIEF

THE eighth annual session of the Jaipur Chamber of Commerce and Industry will be held at Jaipur on 20th August, 1953. Mr. Jai Narain Vyas, Chief Minister of Rajasthan, will inaugurate the session.

The ensuing session of the Council of States will commence on the 24th inst. The Council will have 24 sittings. Three days have been set apart for private members' business, while the rest will be devoted to official business.

Exploration of the Am Jor pyrites deposit in the Shahabad district in Bihar by the Mining Section of the Geological Survey of India suggests that the deposits are fairly extensive, with a grade indicating the possibility of their becoming a substantial producer of sulphur.

The Tariff Commission has undertaken an enquiry into the question of continuance of protection to the bichromates industry beyond 31st December, 1953. Questionnaires prepared in this connection for producers, importers and consumers of bichromates are ready for issue with the Commission.

The recommendations of the Calcutta Circular Railway Enquiry Committee have been considered by the Government of India. A team of officers has been appointed to carry out a survey in connection with the suburban electrification scheme and also to examine, in detail, the proposals made by the Committee.

India had a favourable balance of trade with the U.K. to the extent of £4.01 million during the first half of this year, as against an adverse balance of £4.24 million in the corresponding period last year. The value of exports to and imports from the U.K. was £55.09 million and £51.08 million, as against £59.10 million and £63.34 million, respectively, in the first half of 1952.

All types of synthetic resins (solid or liquid), with some exceptions have been covered by import O.G.L. XXIX. The exceptions are synthetic resin in semi-liquid form, containing volatile solvents which can be easily separated from the resins, and dispersions and emulsions of synthetic resins. Since hardeners are imported with a corresponding quantity of synthetic resins, their import is allowed as a special case.

The talks between the representatives of the Governments of India and the U.S. on the Indo-U.S. Air Agreement, which began on 11th May, 1953, concluded on the 5th inst. The talks were started at the instance of the Government of India to discuss a possible amendment of the provisions of the Agreement relating to the capacity and frequency of services of the airlines of the two countries. In all, 11 meetings were held. It was recognised by both sides that the problems involved were complex. Various methods of dealing with those problems were discussed in all their aspects and there was full exchange of views. The two delegations will now make their reports to their respective Governments for consideration.

The Government of India has permitted the import of cottonseed oil. The import is allowed as an emergency measure, as the supply of edible oils continues to be scarce and prices are high. Licences will be issued liberally to *vanaspati* manufacturers and other similar consumers and established importers of vegetable oils for imports from any country, including countries in the dollar area. Such licences will be valid for shipment only up to 30th September next. The Government has also cut the standard rate of import duty on cottonseed oil from 43¾ per cent. to 5 per cent. *ad valorem* and removed the duty from imports eligible to preferential rates which was hitherto 31¼ per cent. India is expected to import cottonseed oil from cotton-producing countries, such as the U.S., Egypt and Pakistan.

The granting of exemption from income-tax on donations to charitable institutions were, until 31st March, 1953, governed by section 15-B of the Indian Income-tax Act. With the passing of the Income-tax (Amendment) Act, 1953, the position has changed. Under the amendments now made, it is not necessary for any institution to be specifically approved by the Government for the purpose. Donations made to any charitable institution will qualify for exemption, provided (a) that the income of the institution or the fund established in the taxable territories is exempt under section 4 (3) (i), (b) that the institution or the fund is not expressed to be for the benefit of any particular religious community, and (c) that regular accounts of receipts and expenditure are maintained by the institution or the fund. The amounts upto which exemption can be obtained now are only 5 per cent. of the income in the case of all persons, including companies, and the maximum amount is Rs. 1 lakh. Donations made upto 31st March, 1953 will, of course, be subject to the previous law.

A six-point programme is being implemented by the Government of India to arrest the approach of the Rajasthan desert to Delhi. Action has already been taken on some of these proposals, while others are to be implemented soon. The steps include creation of a five-mile wide forest belt about 400 miles long, five miles inwards to the western border of Rajasthan, and its afforestation during the next ten years, development of the technique for the fixation of shifting sands in desert by means of vegetation, establishment of oases as nuclei for the spread of vegetation around Rajasthan, armed constabulary posts, railway stations, police stations, *tehsils* and schools, establishment of shelter belts along selected roads and railway lines running transversely to the direction of wind, distribution of seeds and plants to various agencies for sowing and planting, and pasture management established on behavior of the pasture in different systems of periodic and rotational closures.

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From Abroad

The Government of Pakistan has lifted the ban, imposed in May, 1953, on forward trading in new crop cotton.

The total value of retail sales in the U.S. during the first half of this year was at a record level of $86,600 million, which represents a rise of 7 per cent. as compared with the corresponding period last year.

President Eisenhower has signed the Bill seeking to set up a three-man commission to sell the U.S. Government's synthetic rubber factories to private enterprise. The Bill also contains strict anti-monopoly safeguard.

Sweden's population was 7,150,606 at the end of last year, an increase of 7.24 per thousand during 1952. This is the smallest rise in the past ten years. About 20 per cent. of the increase is accounted for by immigration.

The U.S. Government has decided to ask the Tariff Commission to set import fees on foreign wool, with a view to reducing the huge domestic wool surplus. The proposed fees will be levied only on clothing wool.

About 1,000 firms are expected to be represented at an international machinery exhibition to be held in Oslo from 26th August to 6th September, 1953. An industrial design exhibition will be held in Oslo from 17th to 27th September next.

Customs duties collected in Sweden during the fiscal year 1952-53 amounted to Kr. 411 million (£28.34 million), as against Kr. 387 million for the preceding year. This is the highest figure on record, incomes having increased continuously since 1948-49.

The Bill appropriating money and carry-over funds to provide military, economic and technical aid for the free world has been signed by President Eisenhower. The Bill provides for special economic assistance of $75 million to India and Pakistan.

The Turkish Government has purchased from the I.M.F. $10 million, £2 million and 18.48 million Deutschemarks. This brings the Fund's holdings of Turkish currency to 174,289,641 liras, which represent 144.76 per cent. of that country's quota in the Fund. Turkey has undertaken to repurchase these holdings in excess of 75 per cent. of the quota by payments in gold or convertible currencies within 3½ years.

Two representatives of the World Bank are now in Vienna (Austria) studying the general economic situation, with a view to acquainting the Bank with Austria's investment plans, particularly in the field of electric power development. The mission consists of Mr. Andrew M. Kamarch, Economic Adviser to the Bank's Department of Operations for Europe, Africa and Australasia, and Mr. John H. Collier of the same Department.

Under a new Dutch foreign exchange liberalisation measure, residents are no longer required to hand in and transfer their claims to the Netherlands Bank. Accordingly, foreign exchange may now be held with a Dutch private bank or by holding a currency account with a foreign bank. Foreign claims in terms of practically all countries can be cashed as far as permitted by the country concerned. All claims on non-residents in U.S. and Canadian dollars, or in "free" Swiss francs, must be cashed in terms of these currencies.

World production of tin in 1952 was 170,500 long tons, as against 170,000 tons in the previous year. The quantity of tin actually consumed was 128,000 tons, which is 9,000 tons below the 1951 level. The decline in consumption was largely due to lowel offtake by the U.S., which amounted to 45,300 tons, as against 56,900 tons. The steel strike during the months of June and July, 1952, was responsible for upsetting tinplate production seriously, and the consumption of tin for tinplate manufacture fell by about 2,000 tons.

Negotiations are proceeding in Washington for the grant of a loan of $20 million by the World Bank to West Germany. The loan is to be paid to the Industrie-Kredit Bank by the World Bank to be apportioned among a number of medium-sized firms. West Germany hopes for bigger industrial loans—some estimates place them at $150 to $200 million—but they are still in the exploratory stage. Industrie-Kredit Bank has been receiving numerous applications and projects from the German steel, coal and chemical industries and these are being sifted and scrutinised by the Bank before forwarding them to Washington.

Brazil and the U.S. Export-Import Bank have reached an agreement on Brazil's plan to clear up past due U.S. dollar accounts. Under the arrangement, Brazil utilises the balance of a $300 million loan from the Export-Import Bank, plus other resources and credits from commercial banks, to pay all U.S. commercial arrears by the end of 1953. The Export-Import Bank has agreed to the Brazilian request that repayment of the principal on its loan to the Banco de Brazil should be deferred for one year, that is, until September, 1954. After that date, the loan will be repaid in 24 equal monthly instalments so as to complete repayment by September, 1956, as provided in the original agreement.

Britain and Turkey have just signed an agreement which lays down the principles on which certain debts due from the Turkish Government to the U.K. are to be settled. The debts concerned are principally the armaments credits advanced by the British Government to the Turkish Government just prior to, and in the early years of, World War II, in accordance with the provisions of the treaty of mutual assistance between Turkey and the United Kingdom. The capital advances outstanding under the armaments credits amount to about £24 million and there is, in addition, a certain amount of contractual interest. The British Government has now agreed to accept a sum of £7 million in full and final settlement of all claims arising within the framework of the armaments credits. This sum will be paid in seven equal annual instalments, commencing in March, 1954.

PERSONAL

MR. Yadulla Azodi, who is now working in the Iranian Foreign Office, has been appointed Iran's Ambassador to India.

Mr. T. Swaminathan, I.C.S., Textile Commissioner to the Government of India, returned from London on Monday last, after a study of the textile industry in the U.K.

Mr. S. N. Maitra, I.C.S., has been appointed Chief Commissioner of the Andaman and Nicobar Islands, in succession to Mr. A. K. Ghosh, I.C.S., who has been appointed General Manager of Bharat Electronics Limited, Bangalore.

Lala Yodhraj, Chairman and Managing Director of the Punjab National Bank, returned to India on the 8th inst., after a two-month tour of the Continent, where he visited several banks with a view to studying modern mechanism in banking.

Mr. J. R. D. Tata, Chairman, Messrs. Tata Sons Ltd., has been awarded the international management man award of the U.S. National Association of Foremen. The award is for Mr. Tata's work in developing modern and humane industrial relations in Indian factories.

Mrs. Lakshmi N. Menon, Parliamentary Secretary to the Minister for External Affairs, has been nominated by the Government of India to represent India at the fourth session of the Committee on Information from Non-self-governing Territories, which is scheduled to be held at the U.N. Headquarters on Tuesday next.

"COMMERCE" 1928

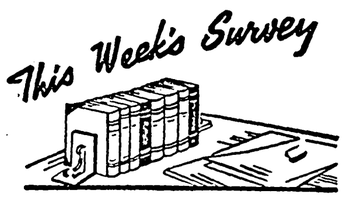
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *18th August*

State Aid to Industries

The Bill, which was introduced in the Bengal Legislative Council last week, with a view to affording State aid to industries, failed to enlist sufficient support, with the result that it will have to be circulated for public opinion. The reception accorded to the measure in the Council was not at all encouraging and Indian members, one after another, described it as hesitating and half-hearted. The Bill, which is entitled "The Bengal State Aid to Industries Bill," is claimed to have been modelled on the Madras, Bihar and Orissa measures which were enacted in 1923, but it was pointed out, in the Council, that it differed materially from both.

While the preamble of the Madras Act gives power to the local Government to assist in the establishment and development of industries in the Madras Presidency, the preamble of the Bengal Bill provides only for the giving of State aid to industries in Bengal. The limitation of the Bill is clearly emphasised in its statement of objects and reasons. It is stated therein that the object of the Bill is to obtain statutory power to enable State aid to be given mainly for the purpose of encouraging cottage industries and industries on a small scale, in the shape of loans, guarantees, provision of a hire-purchase system, etc. The difference is fundamental in principle and vital in effect. To take power for giving aid to a class of industrial enterprises in a given shape is one thing. And it is quite another to accept the responsibility of the State to simulate and encourage industries. Then the popular party holds that there is more than a mere majority of official and nominated members on the proposed Board. In this matter also, the Bengal Bill widely differs from the provision of the Madras Act. As regards the powers of the Board, it has been made purely advisory, without any power of initiative. The classification of industries into small and large is vague and can be given any construction, leaving them, as Mr. N. R. Sarkar put it, stranded in the "no man's land" between the Central and Provincial Governments. There should be a more definite and scientific classification of industries into "Provincial" and "Central." Let us hope that when public opinion has been elicited and clarified, the measure will be made more effective for the purpose for which it is intended.



FERRO-SILICON INDUSTRY

FEW industries in India can more legitimately feel proud of having justified tariff protection than the ferro-silicon industry. Protection to this industry was first granted in 1947 and has been continued since then; it is due to expire on 31st December next. During these six years, the industry has registered remarkable progress. Not only has the capacity been considerably expanded but the actual production also has gone up appreciably. Thus, the annual installed capacity of the industry—the Mysore Iron and Steel Works, Bhadravati, is the sole producer of ferro-silicon in the country—is now estimated at 3,500 tons, which compares favourably with 1,800 tons in 1949. The expansion in rated capacity is fully reflected in the output, which has gone up from 2,741 tons in 1950 to 2,793 tons in 1951 and 4,069 tons in 1952. What is more, the quality of the indigenous product is said to be as good as, if not better than, that of imported ferro-silicon. Even in the matter of prices, the indigenous product compares favourably with the foreign product.

Dr. B. V. Narayanaswami Naidu, Member, Tariff Commission, did well, therefore, to preface his speech, while opening the public enquiry into the question of continuing protection to the ferro-silicon industry, held at Bombay on Monday last, with a compliment to the industry for its achievements. The industry, Dr. Naidu rightly remarked, provided one of the happy instances of industries which had established themselves under the ægis of protection and had, by steady development, reached a stage where they were in a position to dispense with protection altogether. Nevertheless, it would be wrong to suggest that protection to the Indian ferro-silicon industry should be completely withdrawn, for there is still a wide gap between domestic production and demand. The Iron and Steel Controller to the Government of India has estimated the country's aggregate requirements at 4,862 tons for 1953, 5,225 tons for 1954, 5,360 tons for 1955 and 5,440 tons for 1956. Also, the industry continues to depend upon imports for synthetic electrodes, an essential raw material.

Besides continuance or otherwise of tariff protection to the ferro-silicon industry, the Tariff Commission will have to examine two other allied issues. These are: (1) Whether and on what basis should the ceiling prices for different grades of ferro-silicon be fixed, and (2) whether there should be import control. It would appear that the recent changes in production costs warrant a revision in ferro-silicon prices. As regards import control, it seems beneficial to continue the existing system whereby licence for import of ferro-silicon is granted subject to the importer taking twice as much of the indigenous product as the quantity imported, since this system provides a convenient way of securing, besides achieving the main purpose of conserving foreign exchange, a higher level of consumption of the indigenous product.

U. S. ECONOMIC POLICY

There will be modest satisfaction over the fact that the U.S. Administration has been able to secure passage through Congress for the one-year extension of the Reciprocal Trade Agreement Act and for a customs simplification Act. It is true that neither of these measures meets in any way the demand of the non-dollar countries for larger facilities for trade with the U.S.—such facilities as the reduction in customs barriers. But the President, Mr. Eisenhower, made it clear in his message to the Congress that he had remitted the whole subject of U.S. foreign economic policy to the new Commission set up to examine the issue. He said:

"Our trade policy is only one part, although a vital part, of a larger problem. This problem embraces the need to develop, through co-operative action among the free nations, a strong and self-supporting economic system capable of providing both the military strength to meet aggression and the rising productivity that can improve living standards."

Mr. Eisenhower recognised the U.S. economic policies "cast their shadows" upon nations far beyond the American borders. Advocates of a more liberal trade policy have naturally been disappointed that the U.S. has not been able to go as far as they wanted it to go. Mr. Eisenhower himself claimed only modest praise for these measures. He said: "These actions—while consistent with concern for our own industries—recognise also our own dependence upon vital markets and foreign sources of raw materials." The fact is that there will, understandably enough, be considerable opposition from U.S. interests to any excessive liberalisation of tariffs designed to promote a larger flow of imports. Exporting interests in the U.S. welcome, on the whole, a liberal import policy which will enable them to sell their goods abroad. They realise that foreign trade is a two-way traffic. But other interests, which are predominantly interested in the domestic market, are not so enthusiastic over a liberal import policy. It is not that they are all necessarily afraid of facing keen competition. But they have genuine fears that it would be difficult to maintain full employment and high wage standards, if they were compelled to compete with producers from other countries where similar standards do not prevail.

Again, the U.S. farm policy, with its emphasis on price support programmes for agricultural produce, implies higher raw material costs for industrial producers. If these producers were compelled to cut down their prices, while farm products were maintained at high price levels, it would inevitably lead to economic contradictions. Thus, the problem of reducing tariffs is complicated by the fact that its solution would have considerable repercussions on the domestic economy of the U.S. Hence Mr. Eisenhower's emphasis that American foreign economic policy has a "direct impact" on the country's internal economy. It is not, therefore, surprising that the U.S. Administration has been somewhat cautious in its approach to the problem of reducing tariffs. It is true that the record of foreign economic legislation during the recent session of the Congress did not show any spectacular change in the U.S. economic policy, but it is satisfactory to note that the Congress has at least resisted the strong pressure from vested interests for adopting measures which would have shattered the hopes of those who believe strongly in the need for the lowering of the American trade barriers. This is no small gain. Perhaps, the Commission on foreign trade policy will be able to show the lines along which these barriers could be whittled down without seriously impairing the fortunes of American industry. It is, of course, an over-simplification of the whole problem to suggest that a reduction in these barriers will be automatically followed by a prosperous dollar market for all non-dollar producers. The fact is that the rate of technical improvement, modernisation and re-equipment in the U.S. is so high that it would be difficult to expect any but the most efficient producers to gain successful entry into the U.S. market.

FILM INDUSTRY

The Indian film industry has apparently fallen on evil days. To say that it is now passing through a crisis would, of course, be to paint the picture in unnecessarily dark colours. But the fact that fewer pictures now run for more than five to six weeks at a stretch is some indication of the fall in attendance at cinemas. Men in the industry estimate that collections have fallen by 20 to 25 per cent. in the last two or three years. It is true that fabulous profits are often reported as having been made by certain producers. This provides no indication at all about the industry's general level of prosperity, for few industries are more subject to wide fluctuations in their income, expenditure and profits than the film industry. Further, this industry is one of the most heavily taxed. It is computed that the film trade collects over Rs. 25 crores a year and pays out in taxes, excluding income-tax and corporation tax, about 50 per cent. of its income. There is an appalling dearth of accurate statistics about the industry—a very deplorable thing indeed, considering that film production and distribution is one of the largest of the Indian industries—so that it is difficult to compute the precise burden of taxation. An acceptable estimate has it that the industry contributes some Rs. 12 crores a year by way of entertainment and other taxes, apart from the income-tax which the men engaged in it are paying.

It is small wonder then that Mr. S. S. Vasan, the well-known Indian producer, made a spirited plea for a reduction in the tax burden when he addressed the recent Federation Day meeting at Madras. He deplored that entertainment tax should take away so large a proportion of the industry's earnings. He said: "This is a tax on enterprise, on technique and on the producers." It has been stated in some circles that the film industry must financially help the establishment of a raw film industry. But if no film producers came forward to help finance this industry it was not because they were unaware of its importance but because the "cinema industry, taken as a whole, has no money." He said that 80 per cent. of the investors in the industry were losers. In view of the great importance of this industry he suggested that it must be controlled by a separate ministry.

It is, of course, not clear how the industry's problem can be solved merely by placing it under a separate ministry. But there is no gainsaying the fact that it has a strong case for relief from excessive tax burden. Even Mr. C. Rajagopalachari, Chief Minister of Madras, who attended the meeting, conceded that the case for relief deserved to be "looked into," although he was otherwise sharply critical of the industry's standards. Indeed, the Film Enquiry Committee, which examined the industry's position, was convinced of the need for relief in tax burden. Actually, the demand for relief by Indian film producers is no exception to the world trend, for it is being voiced even in countries such as the U.S., which have a more prosperous film industry. High costs, exhibitors' difficulties, 3-D prospects and competition from television are the factors that worsen the situation already rendered bad enough by taxation and a fall in cinema attendance. The Indian film industry's problem is, however, somewhat different. 3-D prospects are not an immediate danger. Television is an even less immediate danger, although in the West it is reckoned as a serious rival to both films and newspapers; newspapers are afraid that television will channel off some part of the money spent annually by advertisers in the papers.

DEFINITION OF "EMPLOYEE"

The Government of Bombay proposes to amend the Bombay Industrial Relations Act, 1946. The main change it seeks to make is to widen the definition of the term "employee," so as to include "persons employed primarily in a managerial, administrative, supervisory or technical capacity and drawing a basic pay of less than Rs. 350." Under the 1946 Act, "employee" is defined as "a person employed to do any skilled or unskilled manual or clerical work for hire or reward in any industry," and includes "a person employed by a contract or to do any work in the execution of a contract with an employer" and also "a person who has been dismissed or discharged on account of any dispute relating to a change," in respect of which a notice is given or an application made, under the relevant section, whether before or after his dismissal or discharge.

The widening of the definition is of dubious value. Managerial, administrative, supervisory or technical staff are now being governed by contract of service and their grievances are being settled directly by the employer. They cannot resort to labour and industrial courts to have their grievances, if any, redressed. They can, of course, seek the help of a civil court. They are now neither in the camp of employers nor of the employees, but are virtually a bridge between the two, often acting as negotiators in times of dispute.

If the proposed definition is adopted, the managerial and supervisory staff will have to be represented by labour unions. Separate standing orders will have to be framed for them. All the procedure relating to notice of change in conditions of service, hours of work, pay, etc., that now applies to non-managerial and supervisory staff will also apply to them. They can now resort to labour and industrial courts, which decides issues not purely from a "legal" angle, but from what is called a "propriety" angle.

Is this a change for the better? Perhaps not. The employees who are now sought to be brought under labour legislation, will lose, of course, their status as a privileged class bridging the gulf between the employer and the employees. They will be represented by the trade unions for labour. Since they form a small percentage of the working class, more often, the views of the majority, who are illiterate and credulous, will prevail over their considered views. They will begin to feel that their lot is with labour and this will certainly enlarge the gulf between employer and employees. Moreover, there are a number of small establishments where the managerial and supervisory staff are getting less than Rs. 350. This means that, in such establishments, all supervisory staff, including the manager himself, will have to be represented by the labour union. It appears that, if a change was needed in the Act so as to enlarge the definition of the term "employee," it would have been better if the duties of the managerial and clerical staff and not emoluments had been taken as a criterion for defining the term.

COLLIERY LABOUR DISPUTES

The decision of the Government of India to refer industrial disputes in coalfields to an industrial tribunal for adjudication will be regretted. It represents the first concrete instance of a retreat from the Giri approach to labour problems. What is surprising about the Government's decision is that labour itself had demanded the constitution of only a conciliation board consisting of its representatives and those of employers, labour and the Government. It is not clear why this demand of the workers was rejected in favour of a tribunal. Does this mean that the Government does not even want to give a fair trial to the Giri approach?

Few will deny that the 1947 Conciliation Board Award, relating to colliery labour, has been a milestone in the history of employer-employee relations. That there is a demand for its revision does not mean that the Award was a thorough failure. It has worked so far with satisfactory results. The demand for its revision has arisen because of changed circumstances and not because of any inherent defect in the Award at the time it was given.

Granting that the decision of the Government to refer the colliery labour disputes to an industrial tribunal is correct, what will be the fate of the award of the tribunal in the event of its being rejected either by one or both of the parties? Will it not lead to the repetition of the history of the banking disputes? We are at a loss to understand why the Government does not foresee these difficulties. Apparently, the Government does not like to falsify the cynical saying that "the only lesson we learn from history is that mankind has never learnt from history." It may not be possible, as alleged, to initiate a new policy of conciliation or mutual settlement of disputes in all the industries. But what prevents the Government from trying it in industries where circumstances are not unpropitious? Is it not all the more regrettable not to try it especially in an industry, where it has once been tried and found fairly successful?

The disputes between the employers and employees in the colliery industry are so complicated that they can be better handled by a conciliation board than by an industrial tribunal. The demands refer to the revision of the 1947 Conciliation Board Award in respect of minimum wages, gradation of wages as between different categories of labour and standardisation of wages, among others. A tribunal might take a purely legalistic or a humane approach. But that may not necessarily be the one which will satisfy both parties. Perhaps, it is not too late even now for the Government to revise its decision and set up a conciliation board. Unfortunately, the indications are that it will not do so.

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irresponsible or unwise enough to let themselves be inveigled into this political snare.

I am inclined to hold that this unexpectedly firm and properly timed stand by the Government against this mischievous move, which would have gathered strength and volume if it had been tolerated or merely watched with a general display of ineffective disapproval, more than even the measures taken by the Commissioner of Police to round up the ringleaders and to place strong police pickets at all strategic points, alienated the mass of textile workers from the machinations of the Red Flag Union's workers and robbed their appeal of the glamour, which otherwise might have attracted a large number of undecided workers to join the strike, for the temporary excitement it offered to those engaged in dull and monotonous operations under cramped conditions in factories. There is no knowing to what length the mischief would have gone in course of time, if this initial move had obtained some response. The industry too must feel grateful to the authorities for affording it this protection, which, though it could claim from the Government by right, is not always forthcoming, when it is a question of disagreement between itself and a vocal section of its workers. I too feel satisfied, because, at long last, I could find a topic to comment on, without having to search for words and expressions, which, I am told, sometimes sting.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

EVEN Congress Ministers in the States and at the Centre, in spite of the mental and moral lethargy that has overtaken the Party as a whole, perhaps through continued over-indulgence in several brands of political opiates, can act with sanity, forethought and decision on occasions. As instances of such commendable behaviour are getting increasingly infrequent, it gives me all the more pleasure to put on record those that come my way. I do not mind confessing that I often catch myself looking for such rare acts of atonement on the part of Ministers in the record of their activities, a large part of which otherwise amounts to a mass of garbage, fit only for deposition in the almost overflowing dustbins. I believe in giving even the devil his due, both on ethical grounds and those emanating from policy and it would, indeed, be churlish of me to deny praise where it is due.

Few, even amongst those closely associated with the textile industry in the city of Bombay, must have attached any significance to a short news item, appearing early this week in a prominent daily newspaper, stating that the majority of the workers of the Khatau Makanji Mills, who had struck work since 31st July, 1953, as a protest against the introduction of the four-loom system in the weaving department of this mill, had resumed work from the beginning of this week. But the ghost of a grim struggle, which might have caused untold harm to the textile industry in the city and to the comparatively peaceful, if not exactly cordial, flow of relations between mill managements and their workers, lies behind this insignificant-looking announcement. This sinister development was averted by the firm and purposeful stand taken in the nick of time both by the State Minister for Labour, Mr. Shantilal Shah, and the Rashtriya Mill Mazdoor Sangh, which is recognised as the representative union for textile workers in Bombay.

For a long time, some of the astute brains in the country have seen in the labour movement a short and easy road to political eminence. This has possibly been a proposition common to many countries with any aspirations for rapid industrialisation. But the developments elsewhere have taken the line of promising and capable young men joining the established labour movement and trying to strengthen its ramifications by the intellectual gifts they brought with them. With us, unfortunately, the trend for idealistic young men with political ambition and a desire for seeking a prominent place in public life has been not to join established organisations of workers and to qualify for leadership by hard initial labour, but to search for early opportunities of securing leadership, by exploiting the credulous workers and starting rival organisations of their own in the field.

This multiplicity of warring unions has led to confusion of aims and objectives and a lack of that sense of cohesion, which alone could give strength to any organised movement. It has also led to trade unions being used, almost exclusively, for attainment of political power by certain individuals, who have no genuine and inborn interest in improving the lot of workers. And apart from all this, it has gone to vitiate the cardinal principle of collective bargaining by negotiations, which forms the very basis of the trade union movement in any community that has not discarded the capitalist principle, in the organisation of its industries. This multiplicity of unions, competing for allegiance of a large number of workers, could only be maintained by creating, almost continuously, causes for dissatisfaction amongst workers and large areas of disagreement and tension either between the management and the workers or the Government and the workers.

From the point of view of the management, the worst feature of this situation is its inability to negotiate on any issue with their workers' representatives, for want of a body of men who can speak with authority and who can implement any agreement that is arrived at as a result of negotiations across a conference table. And, finally, this disease in the labour movement is, to a very large extent, responsible for the rapid growth of the mischievous, if not totally vicious, principle of compulsory adjudication for the settlement of disputes in industry. I do not claim that all our industrialists are angels or that they do not themselves, in some instances, give cause for disputes and conflicts, by their attitude or actions. But quite a large majority of them want peace in industry, not so much out of any theoretical love for peace, but out of considerations of self-interest. They are not averse to purchasing uninterrupted peace and production even at a sacrifice, if they can find a party who can deliver the goods.

This trouble in the Khatau Mills in Bombay is a very good case in point. The four-loom system, which forms part of a scheme for rationalisation of the textile industry, was introduced in this concern, after an agreement had been arrived at between the Rashtriya Mill Mazdoor Sangh, the representative union for textile workers in the city, and the Mill-owners' Association. The conditions laid down by the union were fairly stringent and secured not only continuous employment for all workers, but possibly increased wages for those who opted for working under this system. These conditions were scrupulously observed and there was no complaint regarding evasion of any of these against the management of this mill. In spite of this, a rival union, seeing in this an opportunity for discrediting what it considered to be a hostile organisation and for re-establishing its own hold over workers which had been on the decline for some time, incited a section of them to resist this legitimate move and to go on a strike in order to compel the management to withdraw the measure. Borrowing a weapon from the armoury of a rival political ideology, which is becoming more fashionable these days to the detriment of all established democratic principles, it also put up a couple of men to undertake a fast at the mill premises, to coerce the management and to excite other workers and the public at large against the mill authorities.

If the Red Flag Union had stopped at this, perhaps, the affair would have passed off unnoticed and the protest would have flickered out within a few days, possibly without any untoward results. But the organisation was deliberately out for creating trouble. It, therefore, called for a general strike of all the textile workers in Bombay and its suburbs for this purpose, on an appointed day, Friday, 7th August, 1953. If this move to paralyse the industry for a day had succeeded even partially, there is not the slightest doubt that those who had initiated this struggle would have been encouraged to adopt progressively more mischievous measures, resulting in the complete disruption in cloth production and spreading distress in hundreds of thousands of homes.

Often enough in the past, in such contingencies, when one of the many unions in any industry had come to stage a strike because of its differences with a more powerful union or with the Government, the attitude of the latter has been one of neutrality and of interested watchers. Neither the representative union nor the Government come out in the open and mobilise to put a stop to such coercion. They often draw a vicarious satisfaction from the fact that, whatever the outcome of such destructive struggle, the industry concerned was bound to emerge more or less weakened. But whatever the cause for a departure from this unwritten but accepted policy of inactivity and neutrality, both the Rashtriya Mill Mazdoor Sangh, affiliated to the I.N.T.U.C. and the Government of Bombay decided to oppose and foil the move of the Communists to bring about chaos and disorder and to add to the already growing volume of unemployment in the city.

But the real credit for saving the city and the textile industry from large-scale dislocation, destruction and mischief goes to Mr. Shantilal Shah, Minister for Labour. He denounced the move of the Mill Mazdoor Sangh and exposed the real aim of this body in no uncertain terms. He took the trouble to take the Press into his confidence a couple of days before the general strike, which was really meant to light the fuse leading to the charge of explosives, and explained to its representatives, with great patience and a wealth of detailed statistics, the genesis of this struggle as well as the fact that employment in this particular industry in this centre had actually increased since the four-loom system was introduced. Besides, he explained the untenable legal position of those sponsoring this struggle and wound up with an effective warning to the workers about the consequences that would follow, if they were

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DRAMATIC DEVELOPMENTS IN KASHMIR

SILK INDUSTRY TO BE PUT ON MORE STABLE BASIS

(From A Special Correspondent)

NEW DELHI, 11th August

DELHI LETTER

KASHMIR is in everybody's lips in the Capital at the present time. Events in that "beautiful but unfortunate land" reached the climax this week with such suddenness and rapidity as took members of Parliament and citizens of Delhi by surprise and bewilderment. There were doubtless some simmerings in the political horizon for a fortnight or so, and indications were not wanting that all was not well with that State. Reports had been circulating in the Capital for some time past that Sheikh Abdullah, the erstwhile Premier of the State, had taken an unhelpful and defiant attitude towards India and that this was the main reason as to why he did not care to come to New Delhi for discussions prior to the departure of Mr. Nehru for Karachi for political talks with the Pakistan Prime Minister. Again, the attitude displayed by Sheikh Abdullah to the Prime Minister and Maulana Azad, Education Minister to the Government of India, during their visits to Kashmir in May and June, respectively, lacked his usual warmth and animation, but what began to irritate them most against Sheikh Abdullah during the last few weeks were his parochial pronouncements, not to mention his unfounded accusations against India.

Developments took a swift and dramatic turn during the last few days when his own Cabinet colleagues presented a memorandum to Sheikh Abdullah, charging him with contravention of the principle of joint responsibility of the Cabinet and also with delivering contentious speeches which tended to create confusion in the public mind and serious dislocation in public life. His colleagues could not particularly see eye to eye with him when he began to propagate the idea of independence for the Kashmir Valley. What particularly annoyed his Indian friends was his lack of appreciation of the fact that India, despite considerable difficulties, had been spending vast sums, estimated at Rs. 30 crores per annum, in order to prop up the economy of Kashmir during the last six years. Besides, Sheikh Abdullah appears to have lost his control over the party on account of alleged nepotism, inefficiency and arbitrary rule. It is no wonder, therefore, that the man who was once hailed as the saviour of Kashmir, has now found himself not only dismissed from high office but also kept under detention.

Economic Reforms

The new Premier of the State of Kashmir and Jammu, Bakshi Ghulam Mohammud, is noted for his sound common sense and practical temperament. Unlike Sheikh Abdullah, he is popular with the people of the Valley and Jammu as well as those in Ladakh. Hence he is expected to enlist full co-operation from all sections of the people in overcoming the political and economic difficulties now confronting the State. In the course of his broadcast speech immediately after assumption of office of Premiership, he promised to pay full attention to the economic reconstruction of the State. He stated that he would take measures to suppress corrupt practices prevailing in the State by setting up a high power agency with which would be associated popular committees at lower levels. He announced some tax concessions to poor peasants. Some credit agencies were to be established in rural areas and small towns to advance money to the artisan, boatman and small shopkeeper. Evictions from land would be stayed where land had been distributed under the "Grow-more-food" campaign. Special encouragement was to be provided for cottage industries. The functions of co-operative stores would be reorganised. Special measures were proposed to be undertaken for the welfare and security of the migrant labour during winter months. A certain amount of cultural autonomy was to be assured and the medium of instruction in the primary stage was to be the mother tongue. The new Premier stated that every effort would be made to keep the Banihal road open throughout the year and that the construction of the tunnel would be expedited. He also promised to implement the recommendations of the Wazir Committee regarding rehabilitation of refugees and resettlement of ex-servicemen in the Jammu Province. Special attention was to be paid towards the development of the Ladakh District and the Kandi area in Jammu Province. The working of the State Emporia was to be reorganised with a view to augmenting the volume of trade. In order to encourage tourism, the permit system would be abolished. Above all, a Planning Commission would be set up to advise priorities and also to review the working of the schemes from time to time. These are all formidable tasks, but the new Kashmir Government can depend upon the Government of India for sympathetic advice and active help whenever necessary.

Kashmir affairs provided considerable distraction to Parliament during this week, with the result that proceedings in the House of the People were relegated to the background. Earlier, the House referred to a Select Committee the Law Minister's Bill to amend the Representation of People Act of 1950, the Representation of People Act of 1951 and certain consequential amendments to the Governments of Part C States Act, 1951. A non-controversial Bill introduced by Mr. T. T. Krishnamachari, Commerce and Industry Minister, proposed to bring insecticides, fungicides and germicides within the scope of the Indian Patents and Designs Act. The Bill empowers the Government to apply the provisions of the Act to any other substance or process for which there is a patent so that licences under the patent could be granted freely wherever necessary.

Silk Board and Statistical Bill

The next amended Bill of a constructive nature passed by Parliament related to the Central Silk Board Act. The Bill seeks, among other things, to reconstitute the Silk Board, with a view to expanding its scope and functions. At present, the Board deals only with raw silk, but it is felt that, in the interest of the proper development of the industry, the Board's activities should cover the whole industry and not merely raw silk. The Bill also proposes to have a chairman nominated by Government from the members of the Board. All the members of Parliament who participated in the debate showed keen interest in the rehabilitation and development of the silk industry on a more stable basis and advocated the adoption of such measures as would be conducive to the growth of the Indian silk industry on a competitive basis. They were unanimous that Government should set up a proper organisation for research and improvement in the methods of production right from mulberry cultivation and cocoon-growing upto the manufacturing and marketing stage. Some members urged that the Government should expand its attention to the *tasar* industry of Madhya Pradesh. Mr. Karmarkar, Minister for Commerce, stated that Government had given a total sum of Rs. 15 lakhs this year for the Silk Board for improvement of this industry and hinted that the Mysore Government had proposed to set up a large-scale research station. He also urged that other silk-growing States should take up similar measures to increase production and for bringing down production costs. The House also passed another non-controversial measure, namely, Collection of Statistics Bill, which empowers the Central or State Governments to call for statistical information from any industry or class of industry, commercial or industrial concern, including a factory and on matters relating to labour and welfare of labour.

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So far as the British public is concerned, meat to-day has largely ceased to be a problem and the worry has been transferred entirely on to the shoulders of the Government who is faced with the likelihood of having to pay producers or consumers to eat the meat which its policy has at last successfully produced.

By way of postscript, one should perhaps add that the quality of this flood of meat is not up to the pre-war standard and it is that which largely accounts for the reduced demand at current prices. The next objective will be to improve quality and the British farmer may find that that is the price he has to pay if the subsidy to him is to be continued.—*All Rights Reserved.*

TOO MUCH MEAT IN U.K.

QUITE A PROBLEM FOR GOVERNMENT

(From Our Own Correspondent)

LONDON, 7th August

LONDON LETTER

THE British Ministry of Food has for long recognised that, of all the items of British diet, meat was the one most likely to remain in short supply for the longest time. Indeed, with world supplies, particularly from the Argentine, so much lower than pre-war, there seemed, a year ago, little prospect of meat becoming derationed within the foreseeable future. A measure of the discrepancy can be gained by the fact that, pre-war, the country consumed 40,000 tons of meat. As against this, the rate of consumption a few months ago was running at only 30,000 tons. On the other hand, meat has become a relatively expensive commodity even though it is subsidised, and the public, even with the higher incomes it now earns shows little inclination to return to the pre-war level of consumption. In other words, 14 years of meat rationing on a severe scale has turned the public taste away from meat eating and towards more vegetable foods and fruits.

Production, however, has recently begun to swing upwards rapidly. The word "recently" is used advisedly since meat production is a matter of a 3-5 year policy and the seeds sown in the years after the passing of the Agriculture Act of 1947 are now bearing results—and beyond expectation.

The prices of beef, mutton and lamb, and pig meat have been steadily increased in an endeavour which for years appeared fruitless to get higher output. Now the output has come along. Only in the case of sheep are the flocks lower than before the war when they stood at 27 million, against the present 22 million. The reason for this is that sheep rearing is labour-consuming as compared with production of beef cattle or of pigs.

In 1939, the cattle population was 8.8 million. Before the seasonal slaughtering began this year, it was 10.2 million. Pigs, which for long resisted all blandishments to increase their numbers, have in the last year, multiplied rapidly. Against a population of 4¼ million in 1939, they are now over 5 million. Poultry, similarly, which stood at 74 million head before the war, are now 95 million head. Thus, the policy of incentives for meat production has worked with a vengeance and the autumn kill this year is going to embarrass the Government who is already at its wit's end as to where to put the meat. Probably refrigerator ships will have to be mobilised as stores, as they were once before.

Prices May Have to be Cut

The Government thus having called up increased production, now find that it cannot sell unless it reduces prices. A year ago, much time was expended on calculations as to how much meat the British people would eat if prices were free to find their own level, i.e., involving rises of some 20 per cent. To-day, such speculations are fruitless and the butchers have been told that they can sell meat to all and sundry once they have satisfied the ration. In other words, at current prices supplies are in excess of what the public wants. If the subsidy were removed the plethora of meat would be still more obvious and, as all the meat is owned by the Ministry of Food, it would be a Government responsibility to know what to do with it. In these circumstances, the Government might well decide to deration for good, but this would land it with a perpetual subsidy, whether it is paid to the butchers to enable them to sell cheaply or whether it is paid to the farmers so that their produce can be marketed below cost price.

Not only are supplies mounting at home, but those of the Southern Dominions are also steadily increasing. A recent goodwill mission to Australia and New Zealand to explain why this country wanted as much meat as those Dominions could send is no doubt going to strengthen the flood. Production, after years of encouragement from England, has begun to mount. Only in the Argentine are supplies likely to remain below their pre-war level but this is a development which will not cause this country any disturbance so long as production elsewhere continues to expand.

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PAKISTAN NOTES

ECONOMIC CONDITIONS IN PAKISTAN

PROGRESS DURING LAST SIX YEARS REVIEWED

PAKISTAN has just completed six years of its existence and has entered the seventh year to-day. The past six years have witnessed notable progress in the economic field. Indications of this are provided in balanced budgets, revival and diversification of trade, rehabilitation and strengthening of banking service, and an era of industrial development. Since the economy of Pakistan is predominantly agricultural, it is liable to fluctuations in prices of, and demand for, the raw materials produced by it. It is no wonder, therefore, that the Governments—Central and Provincial—have constantly been endeavouring to build up a strong and balanced economy. That these endeavours have met with success will be evident from the fact that some progress has been made towards industrialisation of the country. And with the development of industries, its dependence on outside economic forces in the matter of exports and prices of raw materials will progressively decrease, as the raw materials would be largely processed in the country itself.

The measures taken by the Government to industrialise the country are bearing fruit and substantial progress has been made in the development of industries in the country. In the field of cotton textile industry, the spindleage has increased from 178,000 in 1947 to 390,000 at the end of 1952 and, with the new machinery now being installed, the spindleage is expected to go upto 1,128,000 by the end of 1954. The jute industry is now capable of meeting the entire internal requirements; and by the end of 1955, it will be yielding approximately 240,000 tons of jute goods per year. A number of other mills, including a large paper mill in East Pakistan, woollen mills at Bannu and Harnai, and other factories are under installation. The Industrial Development Corporation, which is required by law to devote particular attention to the development of certain basic industries, has so far taken in hand several projects. These include jute mills (6,000 looms) in East Pakistan, Karnafull paper mill at Chandragona in East Pakistan, with an estimated annual production of 30,000 tons, a high-grade board paper factory at Nowshera (N.W.F.P.), with an annual production of 7,500 tons, a strawboard mill at Rahwali (Punjab) to produce 7,500 tons per year, a 10-ton-a-day caustic soda-chlorine plant at Nowshera (N.W.F.P.), an ammonium sulphate fertiliser plant at Daudkhel (Punjab), with a capacity of 50,000 tons per year, a 2,400-spindle woollen mill at Harnai (Baluchistan), a 2,400-spindle woollen mill at Bannu (N.W.F.P.), and a D.D.T. plant at Nowshera (N.W.F.P.) in conjunction with the World Health Organisation and the United Nations International Children's Emergency Fund.

Power Resources

Notable progress has also been made in the development of power resources. The Malakand-Hydel Station has been extended by 10,000 kw., the Rasul Hydro-electric Project has started delivering power and the Durgai Hydro-electric Project is expected to come into commission during the next year. After the completion of these schemes, hydro-electric generation will rise to 62,000 kw. from 7,600 kw. in 1947. In addition, thermal capacity of 145,000 kw. is being set up at various load centres at an estimated cost of Rs. 13.67 crores and orders valued at Rs. 8.15 crores have already been placed for necessary plant and equipment. Blue-prints for three hydro-electric projects, namely, Warsak, Mianwali and Karnafuli, with a total installed capacity of over 400,000 kw. and at an estimated cost of Rs. 64 crores, have also been prepared. Simultaneously, long-term measures for developing irrigation are also in hand. The Lower Sind Barrage and the Thal Project are nearing completion and will, it is expected, soon reach the final stage. Plans have been prepared for the construction of a barrage at Taunsa. A scheme for the sinking of tube-wells, which will be of assistance in the reclamation of land, is being prepared by the Punjab Government. In East Pakistan, the Ganges-Kobadak Scheme and Pontoon Irrigation Scheme are under preparation with the assistance of F.A.O. experts. A special provision of Rs. 7 crores has been made during the current year for irrigation and hydro-electric projects.

The foreign trade of Pakistan has passed through different phases during the last six years and has had to adjust itself to world conditions. Being essentially an agricultural country, Pakistan depends largely on exports of raw materials. Until the beginning of 1952, Pakistan enjoyed a favourable balance of trade. There had been heavy demand for cash crops—jute and cotton—which earned good prices. The stockpiling and rearmament programmes that followed the outbreak of the Korean war in June, 1950, pushed up the prices of raw materials. As a result of this commodity boom, Pakistan's exports rose from Rs. 123 crores in 1949-50 to Rs. 254 crores in 1950-51. This, however, was checked in 1951-52, when, on account of a world-wide recession in commodity markets, the prices of Pakistan's export items suffered a severe fall, which was fully reflected in the drop in the value of exports to Rs. 200 crores.

The drop in exports, coupled with the marked rise in the cost of imports, particularly imports of foodgrains and defence equipment on Government account, resulted in adverse balance of payments to the extent of Rs. 77 crores in 1952. This is fully reflected in the decline in Pakistan's foreign assets from as high as Rs. 150.52 crores in the beginning of 1952 to Rs. 81.23 crores as on 24th July, 1953. In view of the difficult foreign exchange position, the Government has imposed severe restrictions on imports for the current year. Imports of machinery and other essential materials required for industrialisation are, however, being allowed on a liberal basis.

Diversification of Trade

A unique feature of Pakistan's foreign trade has been the policy of diversification through bilateral trade pacts. It has entered into trade agreements with West Germany, India, Indonesia, China, Japan and the U.S.S.R. (barter). A trade agreement with France has been concluded and negotiations with Italy are in progress. Negotiations for new agreements with a number of other countries are under way. The Central Ministry of Commerce has been expanding the net work of trade office in foreign countries with a view to developing markets for Pakistan's goods. So far, 30 countries have been covered by 16 trade offices, including the Consulate-General in New York. With a view to displaying samples to prospective buyers abroad, the country has been participating in international fairs and exhibitions. Alongside the measures to speed up and widen the export trade, the functions of the Commercial Intelligence Department have been widened to deal more systematically with the task of export promotion.

Railways

The sixth year of independence was a year of historical importance in the life of Pakistan's railways, in that the year witnessed the beginnings of the process of their revitalisation. The extensive modernisation, which was launched in the fifth year, began to crystallise with the arrival of modern locomotives, carriages and wagons.

Despite the disproportionate increase in working expenses, on account of substantial increase in wages and allowances to staff and the steep rise in cost of fuel and stores, the financial results of Pakistan railways have been quite satisfactory. The traffic receipts have increased from Rs. 35.13 crores in 1948-49 to Rs. 44.98 crores in 1952-53. The net gain from the working of railways has gone up by Rs. 85.70 lakhs to Rs. 4.20 crores. The improvement in receipts follows a steady rise in passenger and freight traffic. Thus, the number of passengers travelling by railways during 1952 was 132.95 million, passenger-miles being 6,118 million, as against 89.48 million (4,092 million passenger-miles) four years before. The number of wagons loaded also increased from 805,377 (1,928 million ton-miles) in 1948 to 1.25 million (2,810 million ton-miles) in 1952.

Communications

Three features mark the progress of the Pakistan Posts and Telegraphs Department in the sixth year of independence. These are: (1) Development of postal facilities in rural areas, (2) introduction of all-up air mail service between East and West Pakistan, and radio-telegraph links with U.S.S.R., Japan, China and France. The Department carried on energetically its programme of providing a post office to every village with a population of 1,000 or above. The increase in the number of rural post offices was phenomenal again this year when 613 post offices were opened, as against a target of 500. It will be recalled that, during 1951-52, 661 post offices had been opened. A further provision for opening of 500 post offices has been made in 1953-54 programme. In addition, 37 combined posts and telegraphs offices were opened during the year under review.

In pursuance of the declared policy of the Government to bring the two wings of the country closer together, the P. and T. Department introduced an all-up air mail service between East and West Pakistan from 1st April, 1952. Newspapers in both the wings have been granted special air mail concession which cost the Government over Rs. 2 lakhs by way of subsidy. The development of tele-communications was noteworthy. During the year under review, direct telegraph circuits were established with U.S.S.R., Japan, China and France. Direct links with the U.K., U.S.A. and Iran were already in existence. An event of great importance was the decision to set up a telephone factory at Haripur (N.W.F.P.). The Governor-General laid the foundation-stone of the factory on 2nd October, 1952. Orders for machinery have been placed and shipments have started arriving. The factory will start full production in about four years' time making Pakistan self-sufficient in telephone equipment. The building for the line stores factory at Kotri has been completed. The equipment received up-to-date have been installed and production on a small scale has started.

There has been vast improvement in the sphere of air-mail services. Owing to a recent air crash, however, the frequency of the air service between East and West Pakistan, which was daily, has had to be reduced to five times a week with effect from 15th March, 1953. The frequency of the Dacca-Jessore service has been increased to six times a week, instead of four. An air parcel service has also been introduced between East and West Pakistan with effect from 15th August, 1952. Mail communications has been resumed with South Korea. Till recently, insurance of air mail letters was not allowed, either in the inland service or in relation with foreign countries, except to and from Burma and Ceylon. This facility has now been made available both in the inland and foreign spheres, although, in the latter case, this service is restricted to such countries as have agreed to exchange insured air mail letters with Pakistan. Parcel post service has been resumed with those parts of Palestine which are now included in the Hashmite Kingdom of Jordan, Indonesia and South Korea.

Banking

Pakistan continues to devote particular attention to the growth and development of banking institutions in the country. At the time of Partition, there was no central authority at all. The State Bank of Pakistan was set up on 1st July, 1948. The Bank has made valuable contribution towards creating conditions favourable for the growth of banking. It has provided facilities for the training of banking personnel, the shortage of which was one of the major handicaps some time ago. The Bank has encouraged all sound banks to expand their operations, reopen closed offices and open new ones. There are now 32 scheduled banks with 213 offices. The deposits, and advances and bills discounted have shown a significant increase, from Rs. 88.05 crores and Rs. 19.78 crores on 2nd July, 1948, to Rs. 146.21 crores and Rs. 75.31 crores, respectively, on 10th April, 1953.

As a first step towards the development of a bill market in the country, the State Bank recently introduced a scheme for re-discounting bills and giving advances against bills to scheduled banks. It has also been authorised to rediscount foreign exchange bills.

In order to promote the development of banking in the country the Government of Pakistan sponsored the establishment of the National Bank of Pakistan in November, 1949, with an authorised capital of Rs. 6 crores, of which 25 per cent. has been subscribed by the Government. The National Bank had, in the beginning, concentrated on the financing of the jute and cotton trades. It commenced normal commercial banking and foreign exchange business in June, 1950, and has since then continued to make remarkable progress in all spheres of its activities. The Bank's deposits touched the peak figure of Rs. 28.6 crores during 1952, as compared to Rs. 20.08 crores in 1951 and Rs. 6.44 crores in 1950.

OVERSEAS CREDIT FACILITIES BY BANKS IN U.K.

BANK OF ENGLAND RELAXES RESTRICTIONS

JOINT-STOCK banks in the U.K. have now been granted a larger measure of freedom in the granting of overseas credits, evidently as part of the move to stimulate Britain's export trade. A recent notification by the Bank of England stated that the Exchange Control authorities were prepared to relax the restrictions on such credits. These restrictions related to (a) the drawing of U.K. acceptance credits, (b) facilities in respect of pre-finance and re-finance credits; and (c) the granting of overdraft facilities for overseas account. These restrictions were imposed in March, 1952, as a result of the sharp fall in the gold and dollar reserves, and the sterling crisis. This change of policy nearly restores the position that existed before 1st March, 1952 and has been rendered possible by the improvement in gold and dollar reserves of the U.K., which has restored the confidence of people abroad in the pound sterling.

The latest official decision means that the maximum period normally permitted for acceptance credits granted by British banks for financing trade with non-sterling countries has been restored to 120 days. This period had been reduced to 90 days from 1st March, 1952. At that time sterling was being subjected to severe pressure. The effect of this pressure was further accentuated by the tendency among non-residents to postpone remittances to sterling countries and to keep a short position in sterling with the help of London bank credit. In order to counteract this, the authorities had reduced the maximum period for which usance bills could be drawn from 120 days to 90 days.

Severe restrictions had also been imposed on pre-finance and re-finance credits. Pre-finance credits are facilities granted normally to primary producers for meeting expenditure before the goods are ready for export. These pre-finance credits have now been freed from all restrictions in cases where they are traditionally employed. Re-finance credits are intended to cover longer periods than the normal span of self-liquidating commercial transactions. They, therefore, involve the automatic renewal of bills of exchange. Prior to March, 1952, re-finance credits were usually opened for facilitating transactions with the U.S. They provided low-cost extended credit facilities to American importers after the original suppliers had been paid out of funds in London through a sight draft. In the last quarter of 1951 and early in 1952, when the sterling area dollar reserves were fast declining and there was a flight of funds from London, these facilities were openly used by American importers to "bear" sterling. The restrictions on re-finance credits which were then imposed have, however, not yet been completely removed. Each operation of this type will be judged on its own merits and if the authorities find that the facilities are being used for purposes that are not genuinely commercial, they will not permit them.

As regards the grant of advances and overdrafts to non-residents, the banks had hitherto been permitted to provide these facilities only in exceptional circumstances. But now they can grant cash credits for periods up to six months to non-residents who require finance for the import of sterling area goods. Credits will more freely be available in cases where the lack of finance actually impedes such exports of sterling area goods. This step has been taken, because many British exporters are found to have reached their limit of borrowing at a time when the need for expanding the exports to non-sterling areas is great.

The decision to relax the restrictions on overseas credits is stated to have been generally welcomed in London financial circles. There is, however, some doubt whether these relaxations will lead to any perceptible increase in the volume of acceptance credit business. Commenting on the aforesaid steps, the *Economist*, London, for instance, observes:

"These various concessions and relaxations represent another notable step in the restoration of London's position as an international financial centre. They may not, however, lead to any great revival of the commercial bill. With the commercial bill rate still pegged as high as 3 per cent. more or less by official ukase, it is still more profitable for many traders to finance their activities by *ordinary overdraft facilities*, especially when the acceptance houses' normal commission of around 1½ to 2 per cent., the British stamp duty of 0.2 per cent. and the greater convenience to the borrowers of the overdraft system are taken into account. A great deal more is likely to be heard in the next few months about the campaign for reducing the commercial bill rate, which already has the support of the accepting houses and the majority of the discount market."

In conclusion, it may be mentioned here that, before the restrictions were imposed on overseas credits in March, 1952, the London Clearing banks were holding commercial bills of the value of about £190 million and acceptances of about £530 million. These had shrunk to a mere £60 million and £320 million, respectively, when the restrictions were relaxed. No figures of overdraft facilities given to non-residents are readily available. Now the entire ground lost may not be recovered, but quite a substantial rise in the volume of credits (in all their forms) on overseas accounts is expected.

STERLING AREA GOLD AND DOLLAR RESERVES

The sterling area had a gold and dollar surplus of $89,000,000 in July, 1953, says a British Treasury announcement. On 31st July, 1953, the gold and dollar reserves stood at $2,456 million. The surplus arose after taking account of $36,000,000 in respect of U.S. defence aid and of receipts from the European Payments Union (E.P.U.) of $2,000,000 on account of the June surplus. According to provisional figures for the month, the U.K. had a deficit in July with E.P.U. of £4,000,000 which will fall due for settlement in August (50 per cent. in gold or dollars, and 50 per cent. by extension of credit by the Union).

Commenting on the increase in the reserves, a Treasury spokesman said that, in itself, July was a good month with much higher increases than in June ($46,000,000). While not so high as in the earlier months of the year, the July figures were better than would normally be expected at this time of the year, which was usually a bad period for the sterling area owing to seasonal factors affecting trade.

The spokesman pointed out, however, that, although cautious optimism was justified, it was wrong to consider any month in isolation and that, on the July figures alone, it would be impossible to detect any positive trend. It was also not yet possible to break down the surplus to see how much of the increase was due to real trade improvements. The fact that U.K. dollar exports were maintained at a good level played a part in the increase of the reserves but it would not in itself have accounted for the whole improvement.

The provisional E.P.U. deficit of £4,000,000 compares with a surplus of £1,500,000 in June. Official quarters point out that, again, no trend is noticeable. July and August are usually the worst months, owing to the seasonal flow of trade, and it had been expected for some time that factors such as the increase in the tourist allowance by the British Government and the liberalisation of European imports would combine to produce a decline in the United Kingdom's balance with the European Payments Union.

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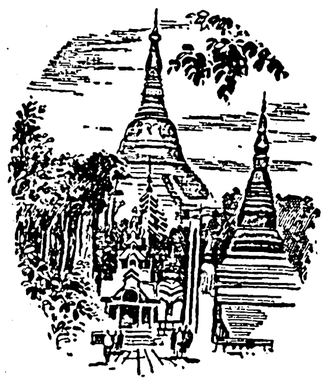

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WORLD BANK'S WORKING IN 1952-53

INCREASE OF OVER 2.5 MILLION DOLLARS IN NET INCOME

THE operations of the International Bank for Reconstruction and Development during its accounting year ended 30th June, 1953, resulted in an increase of $2.61 million in the net income (after deducting the commissions received on loans which, under the Bank's charter, have to be credited to its special reserve fund) over the previous year. The net income amounted to $18.48 million, as compared with $15.87 million for the preceding year. The whole of this net income has been placed to the supplemental reserve against losses on loans and guarantees.

The gross income of the Bank for the year under review amounted to $52.39 million, as against $42.75 million in 1951-52. Of this amount, interest earned on investments accounted for $9.24 million ($8.50 million in 1951-52), interest on loans for $29.98 million ($23.67 million), and commissions for $9.55 million ($7.56 million). The last item, namely, commissions on loans, was transferred, as already indicated, to the special reserve, under Article IV, section 6 of the Bank's Charter, to be kept available for meeting obligations of the Bank created by borrowing or by guaranteeing loans. The effective rate of commission on all loans granted upto 30th June, 1953 was 1 per cent. per annum. The expenses also have gone up from $19.32 million to $24.35 million, that is by 26 per cent. The major part of this increase is due to a rise of $4.42 million (to $16.21 million) in interest paid on bonds. Administrative expenses account for a rise of $0.88 million only (to $5.72 million). There was a small rise of $0.04 million in other expenses aggregating $2.42 million.

Fresh Loans and Disbursements

During the year under review, the Bank granted ten fresh loans to various countries. The total amount of such loans was the equivalent of $178.63 million, thus bringing the total loan commitments as at the end of the year to $1,390.77 million. Disbursements, during the year, of loans sanctioned amounted to $226.76 million, an increase of $41.98 million over the year. The cumulative disbursements upto the end of the year amounted to $1,103.26 million, against a total commitment of $1,590.77 million. As at the end of the year the undisbursed balance of effective loans was $398.01 million and loans not yet effective $58.75 million.

There was no default by member countries in repayments of principal which fell due during the year. All repayments of principal due during the year were received and, what is more, some borrowers even made repayments in advance of the due dates. Of the total of such repayments—$2.33 million—received during the year, repayments of principal due during the year amounted to $1.78 million. The advance repayments included $245,000 paid in April, 1953 by Banco Nacional de Nicaragua against the loan of $1.2 million granted to it in June, 1951 for agricultural development. The maturity of the loan is 1954-1958 and the Banco Nacional de Nicaragua has not (up to 30th June, 1953) fully availed of the loan amount, the balance unavailed of being $67,089. Another borrower who repaid a part of the loan was Denmark. This country pre-paid an instalment of $302,000 in May, 1953, well in advance of the due date of 1st August, 1953. Denmark, it may be recalled, had been granted a loan of $40 million in August, 1947, for reconstruction and development purposes, the maturity being 1953-1972. The total repayments of loans made against obligations of borrowers sold to investors amounted to $17.84 million, including $6 million pre-paid by four Netherlands shipping companies and $500,000 by Belgium against its first loan.

Sale of Bonds

In order to supplement its lendable resources, the Bank sold during the year bonds to investors to the extent of $71.6 million. This consisted of two issues, one for $60 million sold in the U.S. and another for Sw. Fr. 50 million (about $11.6 million) sold in Switzerland. Total issues of the Bank outstanding on 30th June, 1953, amounted to $556.37 million. The Bank also arranged in June last another issue of Sw. Fr. 50 million, but these were to be dated 1st July, 1953.

Sales of securities from the Bank's loan portfolio during the year amounted to $13.64 million, including $5.33 million without the Bank's guarantee. The aggregate sales of such securities up to 30th June amounted to $70.01 million, of which $20.21 million represented sales without guarantee.

Three new members were admitted during the year, namely, Germany, Japan and Jordan, bringing the total number of members to 54. The subscriptions of these countries was fixed at $330 million, $250 million and $3 million, respectively, bringing the total subscribed capital of the Bank to $9,036.5 million.

NATIONAL BANK OF PAKISTAN

IMPRESSIVE PROGRESS REPORTED

BEFORE the Partition, there were in the territories now constituting Pakistan, as many as 367 commercial banks, big and small, with over 900 offices catering to the varied needs of agriculturists, traders and industrialists. Most of these banks had their head offices in areas now forming Pakistan, but, following the decision to partition the sub-continent, they were shifted to India. The widespread upheaval that followed the Partition severely hit the banks too and caused the flight of their staff and deposits, so that very few banking offices remained functioning in West Pakistan.

There was no mass migration of population from East Pakistan, but the banks transferred almost all their liquid assets from Pakistan which led to the curtailment of their activities, followed, a little later, by the closure of most of them.

In the circumstances, the need was felt to establish a large commercial bank, national in character and broadbased on the support of the Government and the public. With this end in view, a private limited company, styled Promoters Company, Ltd., was formed early in 1949, with a Board of Directors nominated by the Central Government. The idea was to inaugurate the Bank by April or May, 1950. This programme was, however, accelerated due to the devaluation of the pound sterling and the Indian rupee and the Bank had to be ushered into existence in November, 1949, by the promulgation of an Ordinance on 8th November, 1949.

Under the transitional provisions of the Bank's Ordinance, it was, in the first instance, permitted to undertake the business of financing jute, cotton and other agricultural commodities. In view of the jute crisis then facing the country, the Bank started functioning at Dacca, Narayangunj, Mymensingh, Chandpur, Rangpur and Khulna, in addition to Karachi and Lahore. To obtain funds for the purpose of financing jute, the Pakistan Government's permission was obtained for the acceptance of fixed deposits in sums of not less than Rs. 1 lakh and inter-bank call loans from Scheduled banks in sums of not less than Rs. 25 lakhs in each case. The Bank started full-fledged banking business in September, 1950.

A Joint Venture

The Bank is a joint venture of the Pakistan Government and the public, the former holding 25 per cent. of its total capital. The Bank's authorised capital is Rs. 6 crores, out of which Rs. 1,50,00,000 are subscribed and paid-up. The share capital, which was issued in July, 1951, was heavily over-subscribed within a fortnight, necessitating allotments on a *pro-rata* basis. Its shares are now selling at a premium of 36 per cent. Viewed in the context of the unsettled conditions of Pakistan's economy, this high premium is reassuring, and is an unmistakable indication of the investors' confidence in the Bank.

The Bank's head office is in Karachi and the supervision and control of the affairs of the Bank is in the hands of the Central Board of Directors. This consists of 12 Directors, of whom four, including the President and the Managing Director, are eppointed by the Government. Three Local Boards, at Karachi, Lahore and Dacca, were constituted by the Government last year and five out of six members of each of these Boards have been nominated by the Government. After the expiry of three years, the Local Boards will have elected members, as in the case of the Central Boards of Directors.

During the short period of its existence, the Bank has made impressive progress in all directions. The Bank's deposits recently touched the peak figure of Rs. 33.25 crores, as compared with Rs. 28.60 crores in 1952, Rs. 20.08 crores in 1951 and Rs. 6.44 crores in 1950. As regards advances, the Bank has provided the much-needed short-term credit to trade and industry. The highest advances during 1952 reached Rs. 24.83 crores, as compared with Rs. 20.89 crores in 1951 and Rs. 4.77 crores in 1950. The investments of the Bank, which stood at Rs. 8.54 crores in 1951, increased substantially in 1952 and now stand at over Rs. 10 crores, the increase comprising mostly Government securities, both Central and Provincial. The net profit earned by the Bank during 1952, after deducting income-tax, etc., to the extent of Rs. 28 lakhs, amounted to Rs. 30,31,706 which is very nearly twice the net profit earned during 1951. Such high earnings enabled the management (1) to give a dividend of 5 per cent. (tax-free) to its shareholders, (2) to transfer Rs. 15 lakhs to the reserve fund (Rs. 5 lakhs more than in 1951); and (3) to pay a bonus of a month's salary to the entire staff, unlike the previous year when only those members of the staff whose basic salaries exceeded Rs. 500 were paid at the rate of 50 per cent. of their salaries with a minimum of Rs. 500. The total volume of inland business transacted by all the branches of the Bank (other than deposits, advances and investments) amounted to Rs. 159.25 crores in 1952, as compared with Rs. 66.27 crores in 1951 and only Rs. 7.50 crores in 1950.

Foreign Exchange Business

Immediately after starting full-fledged banking business in September, 1950, the Bank felt the urgent need of extending foreign exchange business facilities to its commercial and trading clientele in Pakistan. Accordingly, it started handling this business from October, 1950. Due to an acute shortage of trained staff, a modest beginning was made at the local principal office at Karachi. Some of the up-country offices, particularly Lahore, Dacca and Chittagong, routed their business through Karachi. By the middle of 1952, however, all these offices began conducting this business directly. The volume of foreign exchange business handled by the Bank and the progress made is indicated by the following figures:—

	Rs.
October, 1950 to December, 1950	94,90,000
January, 1951 to December, 1951	23,84,55,000
January, 1952 to December, 1952	39,88,29,000

At the time foreign exchange business was started, the Bank had only a few correspondents in London, New York and Japan through whom the business was conducted. Since then, agency arrangements have been made with all first-class banks in important commercial centres all over the world and every type of foreign exchange business is being transacted. In order to have a sufficient number of trained personnel in this department, arrangements have been made to depute a certain number of officers to the U.K. every year for training in foreign exchange work.

The Bank took over the State Bank's agency from the Imperial Bank of India and completed the process by September, 1952, replacing the Imperial Bank of India at 25 branches in Pakistan. An application has been made to the State Bank of Pakistan for taking over chest and sub-chests at other branches and sub-offices. The programme of establishing a network of branches in Pakistan is proceeding apace. The total number of branches and sub-offices is now 50, which includes offices at Jeddah and Calcutta. More branches will be opened during the current year.

As a result of training facilities offered by the State Bank of Pakistan for the training of officers as well as the employment of suitable personnel, the Bank has been showing steady progress in the recruitment of officers and staff. By the close of 1950, there were, in all, 511 members of the staff in all ranks. This number increased to 1,534 in 1951 and the figure now stands at 2,368, which includes 181 officers.

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STATE BANK OF PAKISTAN

ACTIVITY IN 1952-53 SURVEYED

THE State Bank of Pakistan, as a central bank of the country, entered the fifth year of its life on 1st July, 1952, and continued to develop its services during the year. There was a steady expansion in the administrative set-up of the Bank as well as in its activities. The Bank opened a new branch at Quetta, while its Chittagong office, which dealt with exchange control work only, was converted into a full-fledged branch with a banking department.

The Banking Control Department of the Bank also expanded its field of activities, specially in relation to inspection and liquidation work. During the year 1952-53, 11 commercial banks—nine in Western Pakistan and two in Eastern Pakistan—were inspected. The inspection of the Frontier Co-operative Bank was also carried out at the request of the Provincial Government. The Bank also examined the schemes of arrangement in the case of some banks and, in two cases, the schemes were approved. During the year, seven banks went into liquidation and the State Bank was appointed official liquidator in most of these cases. In its inspection work and control of commercial banks, the State Bank was assisted by an expert, Mr. S. O. Sorensen, who was deputed to the Bank under the Technical Assistance Programme.

Bill Discounting

As a first step towards the development of the bill market in the country, the State Bank introduced the bill discounting scheme from August, 1952. The Scheduled banks are encouraged to take advantage of this facility. In the sphere of credit control, the State Bank issued certain directives in the month of June, 1952, requiring compulsory margin against letters of credit and restricting bank advances against imported goods. The banks were also asked not to make any unsecured advances, against the security of a guarantee only. These restrictions were, however, relaxed in November, 1952, and were finally withdrawn in March, 1953.

The Research Department of the Bank also showed considerable progress during the year. The Bank availed of the services of Mr. Morgan H. Rice, an expert deputed under the U.S. Point IV Programme.

During the year, the State Bank arranged flotation of four loans on behalf of the Central and Provincial Governments. The details of these loans are as under:

	Contributions received Rs.
30th August, 1952—3½ per cent. Punjab, 1964 ..	4,13,17,100
30th August, 1952—3½ per cent. N.W.F.P., 1964 ..	75,00,000
15th October, 1952—2½ per cent. Central, 1957-59 ..	12,01,94,000
15th October, 1952—3 per cent. Central, 1960-70 ..	2,97,16,900

Commercial Banking

Steady progress was registered by the commercial banking system during the year. Almost all the important Pakistani banks have before them ambitious programmes of opening a network of branches inside and outside the country. The number of Scheduled banks remained unchanged at 31. Twenty-two new offices were opened by these banks in Pakistan. The total number of offices of Scheduled banks, including head offices, branches and pay offices, stood at 213 on 31st March, 1953. The total number of non-Scheduled reporting banks stood at 98 on 27th February, 1953. During the year, the management of the Habib Bank took preliminary steps to establish an office in Rangoon.

The share of Pakistani Scheduled and non-Scheduled banks in the trade and commerce of the country showed an increase, as compared with the previous years. Thus the share of Pakistani Scheduled banks in total advances and bill discounted increased from 32.15 per cent. in 1950-51 and 45.69 per cent. in 1951-52 to 47.03 per cent. in 1952-53. Pakistani Scheduled banks were also able to attract a larger amount of deposits and the share of Pakistani banks in the total deposits of Scheduled banks in Pakistan rose from 40.44 per cent. in 1950-51 and 43.62 per cent. in 1951-52 to 50.62 per cent. in 1952-53.

The activities of the Pakistani non-Scheduled banks also registered good improvement during the year under review. The share of Pakistani banks in the total deposits of non-Scheduled banks increased from 42 per cent. for the financial year ended 30th March, 1951, and 49 per cent. for the financial year ended 28th March, 1952 to 59 per cent. for the 11 months ended 28th February, 1953. Similarly, the share in advances rose from 19 per cent. on 30th March, 1951, 16 per cent. on 28th March, 1952, to 28 per cent. on 27th February, 1953.

PROTECTION AND REGULATION OF INDUSTRIES: THEN AND NOW—III

DISCUSSION ON MAIN ELEMENTS OF SELLING PRICES CONTINUED

(By PADAMJI GINWALA)

WITH regard to the return on investment, several complicated questions arise. There is no theoretical rate at which risk capital can be attracted into an industry, or, if it is already invested, the rate of return on it which would be considered reasonable whatever the circumstances. The rate must be fixed with reference to the risk involved, the period during which a new industry is unable to earn any profit, its relation to the earning capacity of alternative industries, the availability of its supply, the repercussion on investment of the political views of Ministers' pronouncements, the rate of interest allowed by the Government on tax-free loans, or savings certificates, and many other conditions which may affect some industries in one way and others in a different way. For these reasons, it must be determined with reference to every important industry in consultation with those who are or may be interested in it as actual or potential investors and who have reliable personal knowledge of the general investment market. This was what was done by the earlier Tariff Boards. After taking in each case, a considerable body of evidence, the Boards allowed the iron and steel industry 8 per cent. and some other industries 8 or 10 per cent., not on any theoretical considerations or the block value of any particular plant, or the subscribed capital, but on the capital cost of a new block and plant of economic capacity, in the same way as in the case of depreciation. But it may be recollected that, when this rate of 8 or 10 per cent. was fixed, the income-tax did not amount to more than, perhaps, 2½ annas, whereas to-day it is nearly 7 annas in the rupee. For these reasons an allowance of 8—10 per cent. on the historical book value of the block is wholly unreasonable even in the case of existing units of production. In the case of new units, of which the capital cost will be many times higher and the risk involved much greater than that of the existing ones, such a return, calculated on the book value of the existing units, will border on absurdity.

Position in the U.K.

Even in such a rich country as the U.K., fresh equity capital cannot at present be raised from existing shareholders at a rate below 12 per cent., as the following quotation from the *Monthly Statistical Bulletin* of the British Iron and Steel Federation, March, 1952, will show:

"Even companies of the highest standing have recently had to offer yields of the order of 8 per cent. in order to raise fresh equity capital by means of 'rights' issues to their existing shareholders. ... It has been necessary to earn, in order to provide the profits tax, 12 per cent. to cover 8 per cent. paid out. Over and above this, it is necessary to see some margin in good times to give a reasonable security to earnings under less favourable conditions. The new tax provisions and the rise in the Bank rate are likely to make it necessary to earn still more to justify industrial investment. Credit restrictions will add to the difficulties of industrial financing and will reinforce the effect of the higher interest charges which have to be earned."

All these arguments apply with even greater force to the prevailing conditions and difficulties in our country. In the U.S.A., the steel industry is protected and its selling prices, until recently, were controlled. In the U.K., the maximum prices are still controlled. In both countries, the depreciation, at least equal to the amount allowed by the income-tax authorities, was included in the selling prices. In the U.S.A., the element of gross profit, subject to taxation, after meeting all other charges, including interest on debenture and other loans and dividends on preference shares was estimated at 27.4 per cent. and in the U.K. 14 per cent., on the capital employed for the year 1951. After paying a gross dividend of 12½ per cent. on the subscribed ordinary share capital, 5 per cent. of the gross profits on the capital employed was ploughed back into the business in the U.S.A. In the U.K., after paying 8¾ per cent. dividends on the subscribed ordinary share capital, 2¾ per cent. of the gross profit on the capital employed was ploughed back. In both countries "capital employed" included depreciation and all other accumulated reserves. In each of these countries, the ordinary subscribed capital was less than 30 per cent. and the "ploughed back" capital from previous earnings was 48 per cent. and 46 per cent. in the U.S.A. and the U.K., respectively, of the total capital employed.*

Whilst I have quoted only the figures relating to the iron and steel industry, which in every country is regarded as a pivotal industry, there is no reason to suppose that, in either of the two countries, the trading results and the permitted gross profits of other controlled industries were less favourable. A more dismal or less promising picture of the future of our industries can hardly be painted than is presented by the contrast between the figures of the gross profit allowed in the U.S.A. and the U.K. and in our country.

No Improvement in Rate of Return

Such considerations have had little or no weight in the determination of the selling prices of protected or controlled industries, in post-independence economy. The Statutory Tariff Commission, like its predecessor, the post-Independence Tariff Board, administers what it apparently conceives to be the general policy of the Government. Consequently, there has been no improvement in the general rate of return on investment and its incidence on profit has been reduced far below the pre-independence level. In the textile industry, the rate has been 6 per cent., in the aluminium 7 per cent., in the iron and steel and paper industries 8 per cent. and in several small industries 10 per cent. It is calculated like depreciation, on the gross historical book value of the block, with the very odd result, apart from its inherent inadequacy, that a unit forming part of the block which ought to have been scrapped 20 or 25 years ago and written off, earns the same return as if it was still serviceable. The book value may be a third or a quarter or even less of the cost of a corresponding new block. Where such a low uniform rate is allowed to the whole of an industry consisting of several old and some new units, such as the cotton textile industry, no fresh capital can be attracted by it into the industry for the construction of new units costing several times the book value of the old units. It is only in the rare cases, where the units are large and very few in number, that, by fixing differential selling prices, this difficulty can be partially overcome. The only other alternative to attract more capital is that of fixing the return on the basis of the present-day capital cost of a new block and typical economic unit in each industry.

But the rate of the return itself will have to be substantially increased for various reasons. First, the level of taxation. The income-tax on companies is at present about 7 annas in the rupee, as compared with 2½ annas when the rate of 8 to 10 per cent. was fixed by the earlier Tariff Boards calculated on the cost of a new plant. But this is not the whole story. The older Tariff Boards allowed the managing agency commission as a separate item. This has now to come out of the 8 per cent. or such other rate of return as may be allowed. In addition, the industry has to pay labour's profit-sharing bonus, of which the origin is comparatively recent, out of the same allowance. These two items normally account for about 1½ to 2 per cent. reducing the gross return of 8 per cent. to about 6.5 to 6 per cent. Deducting 7 annas in the rupee for taxation, the net return is reduced to about 3.6 to 3 per cent. on an average. The cotton textile industry, which is allowed 6 per cent. gross, and the aluminium industry, which is allowed 7 per cent. will have a still smaller net return. The Tata Iron and Steel Company's case is, perhaps, the worst of all. This Company has been a pioneer, as in many other directions, in introducing a profit-sharing bonus in the interest of labour.

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Net Return Poor

All pioneering, though attended with many risks, has not seldom its rewards in time, but, in this present instance, it has been heavily penalised. The profit-sharing bonus to labour, which, under a formal agreement with labour, comes to about 27½ per cent. of the net profit and the managing agents' commission took away between them about 50 per cent. of the gross amount of 8 per cent. allowed by the Tariff Board of 1951. After taxation, the net return is reduced to 2.25 per cent. on the book value of the block. The Mysore Iron Works, I understand, have been granted 7 per cent., free of tax. This is somewhat of a vicarious sacrifice on the part of the consumer, for the Government of Mysore charges no income-tax to itself. There has also been reported one case in which the Government allowed, apparently out of the equalisation fund, the profit-sharing bonus to labour denied to other organisations. This is a kind of patronage which must expose the Government to legitimate criticism.

Since the above paragraph was written it has been reported that the Tariff Commission had raised the rate of 8 per cent. to 10 per cent. for the whole of the steel and allied industries. This is a step in the right direction and its benefit deserves to be generally extended to other industries, though, if the managing agency commission and labour's profit-sharing bonus are to be paid out of it, it falls short of what is required. It yet remains to be seen whether even this moderate recommendation will meet with the approval of a Government whose policy it is to finance some of their schemes by appropriating the well-earned profits of private enterprise. The possible rejection, for this reason, of the Tariff Commission's recommendation in this instance (The Government has since turned down this recommendation of the Tariff Commission.—Ed.) will not, I sincerely hope, deter them in future from making similar recommendations, if in their judgment, they appear to be necessary in the larger national interest.

The main ground on which the claims of the producers to the allowance as separate items of the managing agency commission and the profit-sharing bonus to labour have been rejected is that, as both these items are related to profit, they should come out of the gross profit in the determination of which allowance was said to have been made for them. The question of profit-sharing bonus was first raised in 1948-49 and has been disallowed on the further ground that the whole question of "profit-sharing was under the consideration by the Government who were examining the report submitted by a special committee appointed to go into the matter." Four years have elapsed since this statement was made by the Tariff Board in one of its reports and five since the question was first mooted by Government. It is difficult for the ordinary man to conceive why the producer should be penalised because the Government were not able to make up their minds. The managing agency commission was allowed as a separate item by the earlier Tariff Boards and no question about the profit-sharing bonus had been raised before them, because its payment had hardly come into vogue. No importance is attached to the facts that the managing agency commission is paid by the shareholders under agreements entered into many years before 1948 and that such agreements were legally binding on both parties. Whether the managing agency commission is allowed as a separate item or not, the shareholders are bound to pay it and the managing agents are entitled to deduct it from the gross profits. The method of payment does not change the fact that the payment is a charge on the gross cost of production, the managing agents being no more than higher executives.

*British Iron and Steel Federation's *Monthly Statistical Bulletin*, March, 1953.

Not in Public Interest

It should also be borne in mind that the persistent refusal to allow the managing agency commission as a separate item may lead the shareholders to substitute a fixed amount for a percentage of profit as the managing agents' remuneration. This will be hardly in the public interest. The grant of profit-sharing bonus to labour had been in force also long before the statement of the post-war Tariff Board quoted before. The ordinary rules of justice demand that no party should be penalised for carrying out undertakings previously entered into. The profit-sharing bonus is rightly or wrongly regarded by labour and paid by the employers as part of its wages and as such should be added to the works costs. Apart from the obvious injustice involved in depriving the producer, on wrong grounds, of an appreciable part of his gross profit, by the disallowance of the profit-sharing bonus as part of the cost of labour, such a policy forcibly brings out the contrast between the words and the deeds of the Government. It has been proclaimed from house-tops by responsible Ministers in speeches and in reports of committees that, in the national interest, there should be a partnership between capital and labour and that labour should have a fair share in the profits of industry, which it helps to create. But the capitalists who had anticipated the Government's policy and embarked on some sort of partnership with labour have been penalised for the last five years for their sins of being in advance of Government opinion. Here is a clear warning to the industrialists to desist from improving the lot of labour by the introduction of any scheme of profit-sharing, unless they are prepared to finance it out of their own inadequate profit in both protected and controlled industries in which the selling prices are fixed by governmental authority.

I hope, I have now clearly demonstrated that the return of 8 or 10 per cent. must be regarded as wholly inadequate, especially if the managing agency commission and profit-sharing bonus have to come out of it. If, therefore, the Tariff Commission are so wedded to abstract principle that they must include in the return these two items, it is only just and fair that the rate of return should be increased on this ground alone by at least 2 per cent. so that, after paying the managing agency commission and the profit-sharing bonus and taxation, the net return does not fall below even a low economic level. Even this rate of return would not attract enough fresh risk capital into industry. It would be appropriate, therefore, so to raise the gross rate of return, calculated on the cost of a new block, as to leave the equity risk capital a return free of tax of at least 2 per cent. as insurance over and above the tax-free dividends of 5 per cent. normally paid on preference shares and sometimes on debentures.

A Practice That Must Be Dropped

It is of vital importance to discontinue the practice of calculating the depreciation and return on the historical value of the block account, for it is obvious that an allowance on this basis would be wholly inadequate to any new unit coming into an industry which already comprises several old units. Also, unless it is the intention of the Government that every industry should remain indefinitely the monopoly of the units in existence, they must take their courage in both hands and allow a special rate of depreciation and return on capital to all the units on the present-day cost of a new unit. If they cannot muster as much courage as this, then they must give up the talk, which may be regarded as idle, of encouraging the development of industries in the private sector. They must, at the same time, be prepared to continue the burden on the producer or the consumer, as the case may be, indefinitely, because the gap in the supply and the demand which justifies protection or control cannot be closed.

Such low net returns as I have stated are not seldom supported by one of the most fallacious arguments. It is urged that the block value on which the return is calculated is, in many cases, several times the paid-up capital of the companies, the payment of reasonable dividends on which would, therefore, be more than amply provided for by the aggregate return allowed. The implication of such an argument is that those shareholders who have ploughed back into the industry their profit to maintain, in a state of efficiency, their units and to expand their capacity are to be penalised for their thrift and foresight. It also means that the rate of return on investment is to be governed not by its developed but by its par value and that the aggregate amount to be earned by an industry is not dependent on the capital actually employed, but is to be related to the paid-up capital which constitutes but a small fraction of the capital employed.

Even if the argument that a return calculated on the historical value of the block, which may be a small fraction of its present-day cost, is allowed to have some validity—which in fact it has no claim to—in its application to old and established units, can such a low return on risk capital as that of about 3½ per cent. net ever attract into the industry a new-comer whose paid-up capital will necessarily be equal, at the beginning, to the present-day cost of the block? I cannot imagine any business men so optimistic as to answer this question in the affirmative. Many companies pay a dividend of 5 per cent. free of tax, on safe preference shares and some even on debenture capital. The World Bank, of which the main function is to provide funds for industrial development, expects 4¾ per cent. to 4¾ per cent., free of local tax, on loans secured by a mortgage on the assets of the borrower's undertaking and guaranteed in addition by the Government of the country. The Government of India itself offer a rate of 3½ per cent., free of tax, to investors in the National Savings Certificates. The State Governments have recently offered, on what are called their development loans, 4 per cent. interest, which, in the case of investors below the taxation limit, means 4 per cent., free of tax. Some old and well-established companies, neither protected nor controlled, are often able to pay a consistent dividend, tax-free, of 5 per cent. to 6 per cent. on the current price of their equity capital. Why then should Government expect industries in the private sector, whether new or old, protected or controlled, to be able to attract into them fresh risk capital for their establishment or expansion at the low rate of about 3½ per cent. offered to them?

Patriotism Poor Substitute for Reasonable Return

The Ministers, both at the Centre and in the States, who exhort those whom they call or rather miscall "industrialists," to give up the profit motive in favour of patriotism and invest in industrial ventures, forget one well-known fact. These "industrialists," generally speaking, are mere *entrepreneurs*, who have little money of their own to invest in each of the numerous industrial units many of them control. But not a few of them are able, by reason of their prestige, experience and status, to command other people's money, if they can offer reasonably attractive terms to the investors, which, for the reasons discussed by me, is an impossible task in the present circumstances to impose on them. An appeal to patriotism is a poor substitute for the offer of a reasonable return.

Recently, there has been a strong desire on the part of the Government and a large section of the public to attract foreign capital into Indian industry. But, until the foreign capitalist sees some unmistakable evidence that the Indian capitalist is attracted to indigenous industries by the prospect of a better return than he is accustomed to receive in the protected or controlled industries, it is idle to expect from the foreigner any substantial co-operation. There are many obstacles in the way of the foreign capitalist entering on industrial ventures in India. Most of these can be overcome, if he is satisfied, almost as a condition precedent, that his investment in this country will be at least as remunerative as in his own, if not substantially more so. The best way in which he can be satisfied on this point is by better treatment, at least in these two classes of industries, by the Government of the indigenous capital and not by the offer of special privileges to foreign capital denied to domestic.

Mr. Deshmukh's Inconsistency

No responsible individual, especially if he has any personal knowledge of the high character and integrity of our Finance Minister, can doubt that he is inspired by a genuine desire to alleviate the burden of taxation on industry, to promote its development by making investment in industry more attractive and by offering better opportunities to it for capital formation. But how is he to be expected to reconcile this desire with his two objectives of implementing the Five-year Plan in five years, and of "reducing inequalities of income and wealth" by levelling down what little is left of them to those who earn them rather than by improving the means of augmenting them? He cannot allow industry to be able to offer a return on investment which will not only make less money available to him for the Five-year Plan, but may also compel him to raise the rate of interest on his own public borrowings. Until the Taxation Enquiry Commission works for him, in due course, the miracle of reconciling desires and objects almost unreconciliable, I am afraid, we have no other source of consolation than we can find in the words of a famous motto: "What to do on a night like this? Wait for the morning." But the danger is that, during the night, we may be completely paralysed, if not entirely destroyed.—*All Rights Reserved.*

(To be continued)

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IMPROVING PRODUCTION OF SILK

MAIN TASK BEFORE CENTRAL BOARD

THE Bill seeking to amend the Central Silk Board Act, with a view to widening the scope of the functions of the Board, was passed by the House of the People last week. The two most important changes proposed in the Bill are: (1) the Act should cover the silk industry as a whole, instead of only raw silk; and (2) the Board should consist of a chairman to be nominated by the Government, in place of the Minister in charge of the Commerce and Industry portfolio. There are also a few other changes with a view to providing for representation of various interests, including labour, on the Board.

The Government of India's move to remodel the Central Silk Board is a clear indication of its awareness of the long-felt need for infusing into the Board more vigour and drive. Although more than four years have elapsed—it was in May, 1949, that the Board was constituted—the Board has not contributed anything substantial to the development of the Indian silk industry. As pointed out by us on a previous occasion, barring, perhaps, the annual meetings, even which have not been held regularly, the Board cannot claim to have attempted to solve any of the long-term problems confronting the industry. Even at the risk of repetition, we would quote below what the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, himself remarked some time ago:

"The manner in which the Board functions and its relations with Government are extremely unsatisfactory. I have been asking for information from the Board and I have not got it. I have sent down officers to find out what is happening. Still, very little is forthcoming by way of help. At present, the whole thing is so horrible that I would much rather bring forward a motion to repeal the Silk Board Act than allow the Board to continue in this moribund fashion."

Although the industry has been enjoying tariff protection for nearly two decades now, it has not made any progress worth the name. The production of raw silk, for instance, has not only not increased but has actually declined. The aggregate output of mulberry raw silk in 1952 was only 1.7 million lbs., as against 2 million lbs. in 1933 and the overall domestic demand of 3 million lbs. Similarly, as regards quality, the bulk of the indigenous filature silk has not improved beyond 'D' grade. Again, the prices of raw silk are very high *vis-a-vis* those in other silk-producing countries such as Japan and Italy.

Poor Progress

The none too satisfactory position of the sericulture industry, as noted above, is certainly surprising, considering the fact that, besides tariff protection, the industry has all along been receiving active assistance from the State Governments concerned. What then are the factors which have been responsible for the poor progress of the industry? It is a pity that none of the members who participated in the debate on the Bill threw any light on this question. Nor did they emphasise the need for safeguarding the consumer against unduly high prices. Perhaps, they all thought that the question relating to giving representation to various interests on the reconstituted Board would solve all the problems of the industry.

The major issues facing the sericulture industry arise from its agro-industrial character. The industry is primarily the secondary occupation of the agriculturist, while, at the manufacturing stage, it has all the characteristics of a full-fledged industry. The primary stage has been lagging far behind the manufacturing stage, for raw silk production, both in quality and quantity, is woefully inadequate to meet the country's demand. The chief factors responsible for this state of affairs are absence of proper organisation, lack of adequate research, and defective methods of production. Mr. Karmarkar did well, therefore, to emphasise these aspects, as witness the following remarks of his:

"The principal difficulty with the silk industry is not so much production as want of proper organisation, research and improvement in the methods of production. During the last four or five years, the difficulty that faced Government was financial. But this year, in addition to Rs. 4 lakhs normally granted to the Board, Government has been able to add Rs. 11 lakhs more from the funds for cottage and small-scale industries. State Governments are also working out development schemes. The Mysore Government, for instance, are contemplating the opening of a large-scale research station. Other State Governments will also have such research stations. Ultimately the silk industry will prosper only on the strength of the results of research and Government are working towards the end."

The Real Problem

The foregoing account clearly reveals that the real problem of the Indian silk industry is qualitative and quantitative improvement in production of raw silk. This is, indeed, a formidable problem to which the Central Silk Board will have to address itself energetically and in right earnest. The Board will do well to take note of some of the valuable suggestions put forward by members in the House of the People last week. First, a programme of intensive mulberry cultivation and cocoon growing should be launched. This would go a long way towards reducing costs, provided the Government made available sufficient funds to achieve this end. Secondly, modern and scientific methods of production should be introduced in all stages of the silk industry, right from the mulberry trees to the production of silk. Thirdly, there must be facilities for marketing the finished product of the industry in India and abroad.

PROSPECTS FOR U.K.'s RAYON EXPORTS

The British rayon industry and trade are rather perturbed over the revival of Japanese competition in the Colonial markets. Already, exports of rayon goods from Britain have been suffering from import quota restrictions, high level of import duties and other barriers to trade. "Difficulties outside the control of exporters," to quote one report, "seem to increase rather than diminish." The situation, it is reported, has worsened of late by the recent Anglo-Japanese payments arrangements, under which Britain has undertaken to recommend to the Colonial Governments certain limited relaxations in their restrictions on import of Japanese goods. This new policy, which was in response to a Japanese request following the fall in Japan's sterling balances, was directed towards maintaining the present level of Japanese purchases from the sterling area.

Japanese competition has adversely affected the demand from Colonial markets for British rayon piecegoods. The British Rayon and Synthetic Fibres Federation has accordingly urged the Government to see that Japanese fabrics are not allowed freely into the Colonies. More could be done, the Federation emphasises, to reopen or widen the channels of trade, if the Government were to accord better treatment for rayon, along with other textiles, in negotiation with markets in the Commonwealth and elsewhere. In this connection, it reminds the Government "of the sacrifices the British rayon industry is making in order to provide suitable fabrics at prices within easy reach of Colonial buyers."

Meanwhile, the Federation has been making efforts to promote overseas sales of rayon fabrics by direct representations. These efforts, however, are reported to have had some disappointing results. It is pointed out, for instance, that the Gold Coast has declined a request for a reduction in duties on rayon piecegoods, on the grounds that it cannot afford the loss of revenue and that reduction would give rayon an advantage over cotton prints. Again, despite representation that duties in British West African markets should be reduced, Nigeria has actually raised import duties on rayon and spun rayon fabrics early this year. Similarly, in India, Australia, Eire and South Africa, higher duties or cuts in British preferential margins on fabrics have been made or are proposed. The Australian increase in the British preferential duty on rayon and rayon-mixture furnishing and upholstery fabrics is a direct result of Britain's participation in the G.A.T.T.

CLOTH PRODUCTION IN JULY

The trend of cloth production in India during the current year has been very encouraging and indications are that the cotton mill industry will be able to set up a new production record this year. According to the latest figures available, the aggregate output of mill-made cloth during the month of July, 1952, amounted to as much as 435 million yards, which is a record for any month in the history of the industry. The previous record output was 426 million yards in December, 1952. Curiously enough, the record output in the month under review coincided with the complete abolition of price and distribution control over cloth with effect from 11th July, although it is difficult to say as to what extent this factor induced the mills to step up their output. For there were, and have all along been, several favourable factors, as, for example, comfortable raw cotton supply position, improved labour situation and better transport facilities.

The trend of production of cloth—month by month—in the first seven months of 1953, as compared with that in the corresponding month of the previous year, is shown in the table below:

(In million yards)

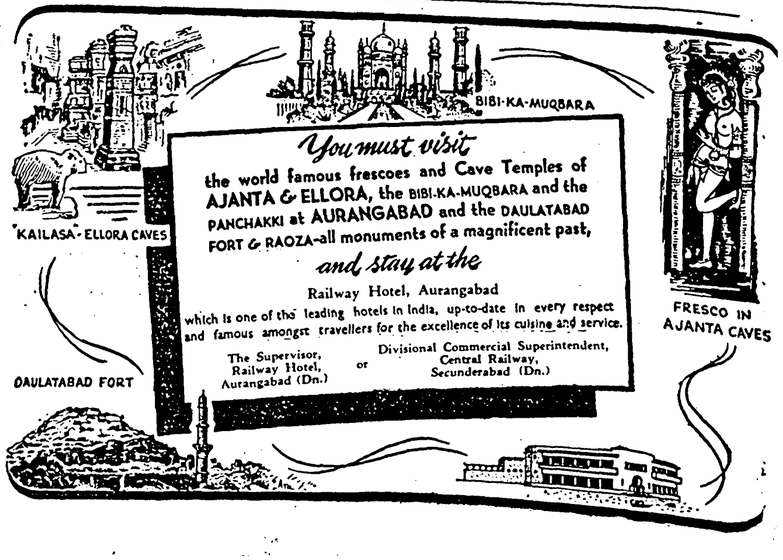
	1952	1953
January	345	416
February	341	378
March	346	400
April	363	419
May	391	420
June	376	421
July	426	435
Total	2,588	2,889

The production of cloth during the first seven months of 1953 thus aggregated 2,889 million yards, giving a monthly average of nearly 413 million yards, which compares very favourably with 2,588 million yards, or a monthly average of 384 million yards, in the same period last year. Assuming that the same trend will be maintained in the coming months also, total production for the whole calendar year may be estimated at 4,956 million yards, as against 4,608 million yards in 1952—a level which overtakes the war-time record of 4,850 million yards for undivided India. The target of production for mill cloth set for 1955-56 in the Five-year Plan, it will be interesting to note, is 4,700 million yards. Thus, the industry may exceed this target by 256 million yards this year.

COTTON INDUSTRY IN JAPAN

Medium- and small-sized textile firms in Japan have been passing through a period of crisis, according to a recent report from Osaka. In fact, several firms have already gone bankrupt; the number of firms falling into bankruptcy since January this year has been at the rate of 15 per month. The average unsettled debts are estimated at 10 million yen for each concern. Two factors, it is said, have been responsible for this disquieting development in Japanese textile industry. First, the loan facilities offered by the banks have shrunk. Secondly, the bigger textile organisations have decided to cut their losses by closing down the small units which they have been working.

The "bankruptcy trend," it is feared, will continue and may spread to other small non-textile concerns which have been hoping to survive by amalgamation under the pre-war Japanese formula of interlocking corporations on the old Zaibatsu pattern. Efforts are, however, being made to effect re-merger operations, but these depend on legislative amendments to the Occupation Anti-monopoly Act now before the Diet.



TREND OF TEXTILE PRICES SINCE KOREAN WAR

FUTURE OF U.K. COTTON PURCHASE POLICY

(From A Special Correspondent)

MANCHESTER, 4th August

FOR three long years, the war has dragged on in Korea but now that the armistice has finally been signed the world has taken the event in its stride. In particular, the commodity markets and prices generally have shown no inclination to fall, as might have been expected if the end of hostilities had come some time ago. While the wrangling over the truce terms continued, markets had time to discount any weakening tendency and the actual event produced hardly a tremor on the surface of international price levels.

MANCHESTER LETTER

A variety of circumstances combined to cause a steady reduction in cotton prices over the past two years so that current values are distinctly lower than when the Korean war began. The following table shows how cotton and yarn quotations in Lancashire have reacted during these three years, including the peak reached early in 1951:

	1950 July d.	1951 Mar./Apr. d.	1953 July d.
American cotton	37.15	63.00	80.85
Yarn—			
16s cop twist	50.12	71.25	43.95
32s " "	60.62	85.70	55.60
36s " "	61.97	87.05	55.65
40s " "	63.77	88.85	57.93
20s ring beams	54.86	79.29	49.86
30s " "	62.65	89.14	56.70
36s " "	66.61	93.49	61.45
15s plain cop weft	49.62	70.50	43.55
32s " " "	54.07	74.95	50.05
42s " " "	60.97	84.85	58.00
Egyptian—			
Uppers	46.85	85.80	34.20
Karnak	48.10	94.00	39.55
Yarn—			
32s cop twist	69.50	126.00	67.00
60s " "	80.50	136.00	73.75
80s " "	96.25	164.50	92.25
40s plain cop weft	71.50	128.00	59.50
54s doubling weft	76.50	134.00	67.25
2/80s bundles	142.50	229.00	135.75
2/100s "	165.00	251.00	163.50

Current yarn prices for medium counts reflect the change in raw cotton quotations compared with 1950, but in the meantime there has been a substantial increase in costs of output. Wages for spinning and weaving operatives were increased by 10 per cent. at the end of 1950, followed by a further advance of 5 per cent. eight months later and the special payment at Christmas, 1951. Now comes the further 5 per cent. rise in wages for which due allowance has already been made in yarn margins. In view of the dearer rates ruling for numerous other inescapable charges, it is clear that the economic consequences of 1952 have narrowed the scale of profit for spinners.

Raw Cotton Buying

The Government is seriously considering a modified version of the Liverpool Cotton Exchange as a solution of the problem of providing cover for private buyers of raw cotton without risking public funds. Talks are now going on between the President of the Board of Trade, the Minister of Materials, and the industry on the various suggestions contained in the recent report of the Hopkins Committee.

But no final decision has been taken, and Mr. Thorneycroft, President of the Board of Trade, refused to commit himself when speaking during a debate on the Raw Cotton Commission and the Hopkins Committee in the House of Commons last week. He did, however, indicate that a modified form of Liverpool futures market was the least unattractive of the Committee's suggestions.

The suggestion that facilities can be extended to hedge on the New York futures market was rejected by the Minister. It would cost dollars, he pointed out. So would the reopening of the Liverpool Cotton Exchange on the old basis, with all the old pre-war facilities. That would require conditions of full convertibility, he declared, and Britain's economic recovery had not as yet reached that stage.

Reopening the market on a modified basis could, however, be done without the need for convertibility. Under that arrangement foreign operators would have free access to the market, settling their transactions in sterling. A fourth possibility was a futures market not based on raw cotton but organised co-operatively by the various interests in the trade which would not depend on the foreign exchange position. This was an entirely new idea, quite different from the old Liverpool futures market.

"This suggestion does require careful study before it could be put into operation," said Mr. Thorneycroft. All these alternatives, he added, were now being considered in the light of the present exchange position.

Commonwealth Trade

An assessment of the part played by Empire markets in exports of cotton piecegoods during the first half of the current year brings the conclusion that there is a slight trend away from trade between Lancashire and the Commonwealth. Whereas since the war cloth shipments to these markets had persisted at a rate of between 75 and 80 per cent. of the total, the population in the first half of 1953 declined to below 72 per cent., as the table below shows:—

(In million sq. yards)

	1939	1951	1952	1953*
Malta and Gozo	1.8	1.7	1.1	0.6
Cyprus	2.4	1.8	2.8	1.6
West Africa	70.5	129.2	175.5	70.3
South Africa	109.5	114.8	89.4	46.0
Northern Rhodesia	0.6	4.8	4.6	2.2
Southern Rhodesia	14.7	21.1	14.1	7.5
East Africa	6.6	15.0	21.1	13.2
Aden	2.7	3.0	3.5	2.0
India	272.3	7.0	6.0	2.1
Pakistan	...	39.4	42.1	2.3
Malaya	39.0	48.5	83.4	15.0
Ceylon	18.3	10.8	8.8	6.7
Hong Kong	6.8	5.3	4.0	2.8
Australia	146.9	167.8	73.0	33.8
New Zealand	20.6	46.4	30.5	12.1
Canada	54.5	14.2	17.1	10.5
British West Indies	22.8	9.8	12.2	6.0
British Guiana	4.4	1.7	2.7	1.8
Sudan	1.7	9.9	11.5	5.0
Other Commonwealth	11.9	11.4	11.5	6.0
Total to Commonwealth ..	823.5	661.5	536.6	246.1
Total cloth exports ..	1,396.2	865.2	710.8	342.5

* Six months.

Several Commonwealth markets have taken smaller quantities of cloth from Lancashire this year compared with the first half of 1952. A very substantial fall has occurred in shipments to Pakistan as a result of import restrictions. In contrast, however, a welcome improvement has taken place in sales to Canada, which are nearly three times the level of a year ago, and shipments to South and East Africa have been almost doubled.

A development of some interest has been the larger turnover for markets in Europe. Exports to Eire, Sweden, Denmark and the Netherlands have all shown an encouraging trend, although the general level of Continental trade is below the 1951 average.

Trade With Argentina

Prospects of increasing Anglo-Argentine trade in textiles are not regarded as particularly encouraging, according to advices reaching Lancashire. Despite the fact that Britain supplied 19 of the 20 packages of cloth imported into Argentina in June, the fortnightly review of the Bank of London and South America comments: "The quantity of textiles entering Argentina in recent years has been so small that for practical purposes the country may be considered closed to the import of foreign textiles."

No sign of a change in policy is noted at present as Argentina is again trying to find foreign markets for her own surplus textiles. The report states there is still something of a depression in the local textile market. Manufacturers are said to be overstocked and traders complain there is a lack of purchasing power. "The present inability of the market to absorb the domestic output of textiles naturally strengthens the demand for the maintenance of a protectionist policy," declares the review.

Before the war Lancashire cotton cloth shipments to the Argentine normally exceeded 100 million yards annually but the quantity now being exported is so small that the volume is not shown separately in the Board of Trade returns.

Australian Import Quotas

A forecast of improved trade prospects for Lancashire exporters to Australia was made in Manchester last week by Mr. S. F. Ferguson, Director of the Australian Association of British Manufacturers. The more favourable balance of payments position would enable the Australian Government to make further relaxations in present import restrictions, he believed.

On his return to Manchester for a two-day visit to discuss trade problems with Lancashire manufacturers, Mr. Ferguson said it was his belief that there would be another cut of 10 per cent. in the import restrictions imposed by the Australian Government. This might well take place within three months—by October—thus allowing British firms to send an extra 10 per cent. of goods to the Australian market.

Mr. Ferguson said there was a big demand in Australia for Lancashire textiles which had only been kept in check by artificial restrictions.—*All Rights Reserved.*

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WORLD COTTON CONSUMPTION DURING 1952-53 SEASON

SLIGHT INCREASE INDICATED

THE consumption of cotton in the free world during the current cotton season is now estimated at 25.4 million bales (of 478 lbs. each), or 300,000 bales over the previous season. This estimate, which has been made by the International Cotton Advisory Committee, Washington, in the July issue of its journal *Cotton* is, however, below the consumption in the 1950-51 season when it was 26.5 million bales. The increase in consumption in the 1952-53 season over the previous season's consumption level is attributed to the fact that "domestic demand in most of the main textile manufacturing countries has veered from recession to more normal volume." But the Committee observes that the "tenor of markets remains cautious," and that the outlook for foreign trade in yarn and cloth is "still uncertain."

Among the countries, where increased consumption of cotton is indicated, mention must be made of the U.S., India, Japan and Federal Republic of Germany. Prominent among the countries where a slight decline is anticipated is the U.K. The following table gives the consumption of cotton in 1950-51, 1951-52 and estimated consumption in 1952-53.

Cotton Consumption

(In 000 bales of 478 lbs. each)

	1950-51	1951-52	1952-53*
U.S.	10,569	9,196	9,500
Canada	479	343	370
Mexico	325	329	330
India	3,150	3,520	3,800
Japan	1,599	1,616	1,950
Pakistan	150	190	200
U.K.	2,135	1,759	1,500
France	1,295	1,206	1,125
W. Germany	1,059	924	1,080
Italy	957	892	950
Netherland	299	267	290
Belgium	476	407	385
Spain	245	304	350
Egypt	241	312	310
Turkey	210	210	250
Argentina	435	470	350
Brazil	570	800	800
Others	2,042	2,150	2,060
Total free world	26,500	25,080	25,400

* Estimated.

There is a return, according to the Committee, to a trend for "expanded textile production and sales" in the U.S. Consumption in this country, it is stated, could easily rise to 9.5 million bales, as against 9.2 million bales in 1951-52. The Committee observes that the expansion in textile production, and therefore of the consumption of cotton, is "still continuing in India and Japan." The U.K., France and Italy are mentioned as countries where the use of cotton by mills might be severely restricted during the current season. Germany and Spain are, however, expected to record "fairly substantial increases." Western Europe, according to the Committee, continues to be affected by the lower level of world textile trade, with the "compensatory recovery in domestic offtake being insufficient to take up the slack in export trade." Summarising the statistical position as regards free world cotton consumption, the Committee says that the estimated decline in consumption in Western Europe should, on the whole, be "more than offset by increased consumption in the U.S., India, and Japan and aggregate free world consumption should increase slightly as compared to 1951-52."

Cotton Stocks

Now that the 1952-53 (international cotton) season has just drawn to a close, a "reasonable reliable estimate," the Committee says, can be made of the end-season carry-over stocks of cotton. Cotton production is now estimated at 28.4 million bales and disappearance (consumption, export to communist countries and allowance for cotton destroyed) at about 26.2 million bales. End-season stocks will, therefore, rise to about 15.5 million bales, as compared with 13.3 million bales on 31st July, 1952. The greatest increases in stocks, it is stated, will occur in the U.S. and Brazil. Between them, these two countries will probably hold about 3 million bales more than they did a year ago. In the U.S. alone, stocks are expected to increase by nearly 2.5 million bales. Despite the fact that the Brazilian Government has recently offered to sell its holdings of the 1951-52 crop cotton (estimated at about 1 million bales) at prices based on U.S. futures contracts, only limited sales, it is stated, have actually taken place. And now that the 1952-53 South Brazil crop is also on the market, total stocks of cotton in Brazil are expected to be increased by 1st August, 1953. Referring to stock position in other countries, the Committee says:

"In most of the other important cotton exporting countries, the increase in stocks will be relatively small. This does not disguise the fact, however, that stocks in many countries may be above the post-war normal. A certain increase in stock-holdings could be expected, of course, in the light of the expansion in production in recent years. Egypt is expected to hold close to 900,000 bales on 31st July this year although here again an important part of these stocks will be in Government hands. Pakistan stocks will probably be at a record post-war level of roughly 440,000 bales."

The table alongside gives the estimated cotton stocks position in the net exporting and net importing countries of the free world as at 31st July, 1953, and on the corresponding dates in 1952 and 1951.

The changes in the pattern of distribution of world stocks, according to the Committee, are "partly indicative of the easier supply position throughout the free world and a reflection of the predominantly bearish sentiment in world cotton markets during the present (1952-53) season." It is, however, pointed out that the fact that stocks held by many net importing countries are not excessive in terms of consumption would seem to "augur well for a fairly high level of cotton export trade in the next season."

The Committee proceeds next to assess the volume of cotton trade in the 1952-53 season. It is now possible, the Committee says, to make a "fairly accurate assessment of the probable volume and distribution of world cotton trade in the 1952-53 cotton season."

Cotton Stocks

(In 000 bales of 478 lbs. each)

	As on 31st July		
	1951	1952	1953*
Net exporting countries			
U.S.	2,278	2,759	5,200
Brazil	940	1,400	1,880
Pakistan	132	365	410
Egypt	51	190	230
Sudan	430	875	940
Mexico	225	110	210
Others	265	250	170
Total	4,897	7,215	10,276
Net importing countries			
India	1,477	2,000	1,300
W. Europe	2,607	2,667	2,400
Japan	646	624	575
Others	873	894	949
Total	5,703	6,085	5,224
Total free world	10,600	13,300	15,500

* Estimated.

In this connection, the Committee observes: "It appears fairly certain that free world export, presently estimated at 10.4 million bales, will decline by nearly three-quarters of a million bales as compared to the 1951-52 season. This can be attributed mainly to the reduced imports into

(Continued on page 335)

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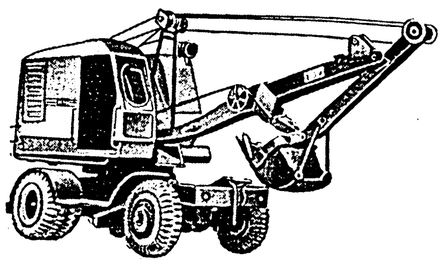

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RECOVERY OF JAPANESE COTTON TEXTILE INDUSTRY

GROWING COMPETITION IN ASIAN MARKETS

(By A Special Correspondent)

THE recovery of Japan's war-shattered economy has been most remarkable. There is no doubt that American assistance has played no negligible part in hastening her resources. As Mr. N. S. Roberts, Britain's Commercial Minister at Tokyo, remarks in his recent report, "In the process of rebuilding Japan's industries and reopening her overseas trade, the United States has lent Japan about 1,800,000,000 dollars." Nevertheless, her return to the world as a leading industrial country is largely due to the energy, resourcefulness and determination of her *entrepreneurs* and to the high sense of responsibility displayed by her industrial labour.

The reconstruction of the Japanese cotton textile industry, which had been virtually ruined at the end of the war, affords a striking example of Japan's capacity for resilience. By the end of 1945, the industry had lost nearly 9 million spindles out of the total of 11.6 million spindles. But, from 1945 to 1950, it was able to increase their number from 2.6 million to 4 million spindles. Its progress in subsequent years has been even more remarkable. To-day the industry possesses 7.5 million spindles, that is to say, within a short period of 2½ years, as many as 3½ million additional spindles have been installed. The number of operable looms in the industry is 308,000.

The destruction suffered by the industry during the war was a blessing in disguise to it. Forced to begin from scratch, it could avoid the problem of plant and machinery modernisation, which has assumed such gigantic proportions in India. More than 65 per cent. of the industry's productive equipment is new and quite a large percentage of the looms installed during the post-war period is automatic. According to Mr. F. S. Winterbottom, Chairman of the Cotton and Rayon Merchants' Association, United Kingdom, although the technical ability inside the Japanese mills is negligible, it is high at the top.

There is no reason to disbelieve this testimony, for most of the processes, beginning with the cleaning of cotton and ending with the manufacturing of cloth, have now been mechanised. In order to impart the strongest possible competitive ability to its products, the industry uses most of its automatic looms for the export trade. Up-to-date and efficient machinery not only helps the mills to produce cloth and yarn of high quality, but also makes it possible for them to keep their labour costs at the minimum. In fact, a Japanese unit employs only one-third to one-quarter the labour force engaged by an Indian mill of comparable size. This accounts for the strong cost advantage which Japan enjoys in textiles, despite the fact that she has to import cotton from distant countries.

Girl Labour

The type of labour employed by the Japanese textile industry also conduces to keeping down the wage bill. About 90 per cent. of the operatives are girls who start work at the age of 14 or 15, and who find working in a mill a very good occupation, as compared with labour in the rice fields for 12 hours a day. Thanks to the attractive environment and excellent working conditions, the girl operatives take a genuine interest in their work. Most of them live in dormitories, provided by employers, where they are assisted to qualify themselves not only as good workers but also as enlightened citizens. They normally stay in the factories for four or five years and the money they thus earn provides a dowry which enables them to get married. Their wages are about the same as those paid to Indian cotton textile mill workers. But, as pointed out earlier, a Japanese mill employs only one-third to one-quarter the labour force employed by a comparable Indian mill.

The girls are generally efficient and this is borne out by the steady increase in productivity. The number of looms tended by a girl recently rose to 40 to 50, as against 20 to 28 that had been normal before.

Another feature of the industry is that it is entirely free from interference by Government. Factory and labour laws are administered with moderation and with a comprehension of the pivotal position which the industry holds in the country's economy. In fact, the whole policy of the authorities towards the industry is governed by the wise consideration that it cannot flourish in an atmosphere of suspicion and red-tapism. For example, considerable latitude is permitted to mills in the recruitment of labour and in the arrangement of working conditions. The Japanese Government is fully cognisant of the fact that, with her overseas territories lost and with a considerable reduction in her foreign trade since the last war, the very survival of the nation depends upon capturing new markets in a strongly competitive world.

This, in large measure, accounts for the phenomenal development of the Japanese textile industry during the last six years. The impact of its revival is already being felt in the cloth markets of the world. Equipped with efficient machinery, manned by young, efficient and cheap labour and assisted by a sympathetic and far-sighted Government, the industry has been, to quote Mr. Winterbottom, "throwing as big a weight of cloth into world markets as she did before the war." It is against this strong tide of Japanese exports that India and the other textile manufacturing countries have to contend. In 1951, for example, Japanese exports of cotton textiles amounted to 1,094 million square yards, which made Japan the world's leading exporter of piecegoods.

Indian Industry

The story of the Indian cotton mill industry is somewhat different, although its production record, both during the war and in subsequent years, has been most impressive. Its most vital problem is how soon and in what manner it can replace its worn-out equipment, about 90 per cent. of which is several decades old. Rehabilitation finance is not the only problem of the industry, although inadequacy of resources and high replacement costs are in themselves of a baffling character. The Government's policy in regard to machinery imports is hardly helpful to a speedy modernisation of the industry. Even in Britain, pressure is being brought to bear on her Government to permit imports of machinery, free of duty, with the object of helping the national industry "to keep its equipment up-to-date and keep machinery makers in England on the alert."

There is also an unfortunate tendency in this country to regard "rationalisation" as a pestilential doctrine, which must be resisted at all costs. Productivity in Indian mills, it is well known, is low. Thus, as against an average of four to six ordinary looms handled by one operative in Britain, and 32 and 40 automatic looms in the United States and Japan, respectively, the Indian worker handles a minimum of one ordinary and a maximum of four ordinary looms. It is noteworthy that, since 1938, the emoluments of cotton mill workers have increased by more than 400 per cent. Moreover, the labour force in the Indian cotton mills is being maintained almost at the war-time level, despite the fact that the profits of the industry have declined considerably since that period. Next to cotton, the wage bill constitutes the highest individual burden on the industry, contributing not a little to the high cost of production.

If India is to meet her formidable competitors abroad on their own ground, it is necessary that the productive machinery of the industry should be modernised and geared up to the highest level of efficiency. It is equally necessary that the principle of rationalisation should be accepted, or Indian cloth will be entirely uncompetitive. Nor will it do to make a fetish of working conditions and impose new burdens on the industry, thus rendering the financial position of even sound units unstable. The problem of industrial unemployment will take a turn for the worse if more and more mills become uneconomic and go out of production.

It is unnecessary to emphasise the need for stepping up the country's export trade in cloth. The home market is not in a position to absorb all the cloth produced by the industry which must necessarily export some 1,000 million yards a year, in order to maintain production at the present high level. The Government fully recognises this necessity, but, unfortunately, it does not seem to realise that suitable steps must be taken to impart greater competitive strength to Indian textiles in foreign markets.—*All Rights Reserved.*

COTTON IMPORTS INTO JAPAN

Because of Japan's meagre sterling reserves, the import quota of raw cotton from the pound area for the July-September period will be only 20,000 bales (equivalent to $3,850,000), as compared with 170,000 bales from the dollar area (equivalent to $31.6 million). In the sterling area, 10,000 bales will be imported from Egypt ($2½ million) and 10,000 bales from Pakistan, Burma and India ($1.6 million). The bulk of the dollar buying will be from the U.S. and Mexico, including 40,000 bales ($7.4 million) in accordance with actual exports during May, 60,000 bales ($11.1 million) in accordance with importer capacity, and 50,000 bales ($9½ million) as priority allotments linked with the purchase of high-priced Argentine cotton during the January-March period.

Stocks of cotton cloth in the hands of spinner-weavers at the end of June, 1953 aggregated 26,972,000 sq. yds. a decline of 116,000 sq. yds. since the end of May. Stocks of cotton yarn increased by 458,000 lbs. to 14,185,000 lbs. at the end of June.

The cotton spinners in Japan are asking the Government to press Pakistan for faster release of licences for the import of Japanese cotton cloth. Japanese cotton-spinning industry imported a total of 277,000 bales of cotton from Pakistan during the three months ended June, 1953, which is in excess of Japan's agreed purchases under the agreement. In the first four months of this year, however, Japan exported to Pakistan only 37,000 yards of cotton cloth, as against 99,680,000 yards in the corresponding period of 1952.

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TAXATION ON SUGAR TOO HEAVY

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FOR every ounce of sugar that one eats, the consumer in India is paying one pie as tax. To express it differently, the tax on every maund of sugar consumed is Rs. 5-10-1, which represents no less than 21 per cent. of the total price of sugar. This is, indeed, a high rate of commodity tax, particularly for such an article of food as sugar. In fact, it is this high rate of taxation that has been responsible for the high level of sugar prices *vis-a-vis* that in other sugar producing countries. If, therefore, sugar is to reach the consumer at prices which suit his pockets, it is imperative that the Governments —Central and State—be prepared to reduce their taxes on it. Instead of doing so, the Governments nowadays are showing a tendency to increase their share of burden on the consumers. This is a matter which calls for the special attention of the Taxation Enquiry Commission.

That there is scope for reduction in the cost of sugar to consumers by lowering Government taxes will be clearly revealed by a glance at the table below giving the different elements entering into the cost of producing one maund of sugar (all-India average) at present:

	Cost Rs. a. p.	Percentage to total
Price of cane	13 2 0	51.4
Transport charges	0 5 3	
Co-operative societies' commission.	0 6 9	20.8
Cane cess	1 14 0	
Central excise	3 12 1	
Salaries and wages	3 12 10	14.1
Manufacturing expenses (less molasses realised)	1 13 6	6.7
Packing charges	0 5 0	1.1
Overhead charges and profit ..	1 8 7	5.9
Total ..	27 0 0	100.0

It will be seen that, next to the cost of raw material, taxes constitute the single largest item of cost of sugar to consumers. Now, if prices of this commodity are to be reduced, it can be done in two ways, either by a reduction in the cost of cane or in that of taxes or by a cut in both. It is, of course, true that there is scope for a reduction in the price of cane, but this will depend, to a large extent, on the price of *gur*, on which the burden of taxation is practically *nil*. Again, a substantial cut in cane price, unaccompanied by a similar cut in taxes, will certainly be resented by cane growers on the ground that, while they are being asked to make a sacrifice, the Government is forcing them to pay a higher price for sugar. If sugar is to be made cheaper, a reduction in the burden of taxation is, therefore, necessary. This is precisely the plea which the Indian Sugar Mills' Association, Calcutta, has vigorously put forward in the course of a memorandum submitted to the Taxation Enquiry Commission.

Multiplicity of Taxes

The Association draws the attention of the Commission to the multiplicity of taxes which the sugar industry has been paying to different authorities, notwithstanding the fact that the industry is regulated under the Industries (Development and Regulation) Act, 1951. The latest position in respect of these taxes is as follows:

Besides the Central excise duty of Rs. 3-12-1 per maund of sugar, which is payable by factories in all the States, there are a number of levies charged by the State Governments or local bodies at varying rates. The State Governments, for instance, are charging cess on cane crushed by the factories. In addition, the factories in U.P. and Bihar are paying a commission to co-operative societies at the rate of nine pies per maund of cane supplied through them. It may be noted, in this connection, that these societies supply nearly 80 per cent. of the cane consumed by the factories in this area. The factories in Bihar also pay sales tax on cane whenever the turnover exceeds Rs. 10,000. The Government of Bihar has recently levied cess on molasses sold to parties other than the distilleries at a high rate of As. 8 per maund. In Bombay, Deccan, the factories pay heavy licence fees for molasses and also a duty on electricity generated by them by using bagasse and utilised for running the factories. Besides the State Governments, the local authorities, such as district boards, *panchayat raj*, municipal committees, etc., realise a number of taxes, as, for example, property tax, licence fee, octroi duty and *panchayat raj* tax.

In view of the tendency to keep on burdening the industry thus, the Association rightly points out that, if the State Governments are left free to resort to any measure of taxation, all the advantages expected to accrue from the centralisation of the industry would be lost. In its considered opinion, the taxes which the sugar factories pay should conform to the general policy as laid down by the Government of India.

The Association is particularly critical of the cess on sugar cane. This is not surprising, considering the fact that the cess of As. 3 per maund of sugarcane represents as much as 15 per cent. of the cost of cane. Nowhere in the world is such a heavy cess being collected for the development of cane. What is even more disquieting is that the major part of this revenue flows into the general revenues of the State Governments. According to the figures cited by the Association, the up-to-date collections by the Governments of Uttar Pradesh and Bihar by way of sugarcane cess amount to over Rs. 30 crores, but the sum actually spent on cane development work is negligible. During 1948-49, for instance, the U.P. Government spent only Rs. 37 lakhs out of a total collection of Rs. 3.12 crores. In 1949-50, the Bihar Government spent Rs. 13 lakhs out of Rs. 70 lakhs of cess collected by it. The former Tariff Board had recommended that the cess could be reduced to, say, As. 1-6, which would be quite sufficient to meet the probable requirements of cane development.

Sales Tax Laws

The Association has also referred to the difficulties experienced by the sugar factories as a result of the administration of sales tax laws. Thanks to the recent judgment of the Supreme Court, Article 286(1) of the Constitution entitles all the States, in which goods are delivered for the purpose of consumption therein, to collect sales tax. For example, sugar delivered in West Bengal, Bombay, Assam and Orissa for consumption therein by a factory in U.P. will be subject to the tax in these States and the factory delivering sugar is required to register itself in all these different States. Moreover, the sales tax authorities in these States require the supplying factory to submit to them its books of accounts, documents and other relevant papers. The Association suggests, therefore, that the Taxation Enquiry Commission should consider the desirability of the Central Government administering the sales tax law on behalf of the States on the basis of a model sales tax law and rules applicable uniformly throughout India.

Rehabilitation Finance

Apart from penalising the consumer, the heavy taxes have checked the expansion, re-equipment and modernisation of plants in sugar factories. While determining the tax burden on the sugar industry, the Taxation Commission should take particular note of the need for leaving sufficient funds with the industry for purposes of further expansion and development. Drawing attention to this need, the Indian Sugar Mills' Association observes thus:

"The sugar industry was the first to be taken under control in April, 1942, which continued till the end of 1952 with a brief break of about 1½ years. Throughout this period, the profit margin of the industry was fixed in the controlled rates at the pre-war level regardless of the increase in taxation rates. The profit margin actually allowed was at the rate of 10 per cent. on the bloc, which was taken to be Rs. 18 lakhs for an average factory, as was recommended by the 1937 Tariff Board. No doubt, the Board had recommended this rate on the assumption that, after paying taxes, 8 per cent. on the bloc or 80 per cent. of the profits would be left for reserve and shareholders, but now, with increased taxation, actually 40 per cent. of the profits are taken away by taxation, and what is left is not sufficient even to provide for a reasonable return to the shareholders. The 1950 Tariff Board on sugar has also observed that the profits in this industry have been lower than in other industries. In the circumstances, the industry has not been able to build up adequate reserves for re-equipment, modernisation and expansion. Moreover, the sugar industry also needs funds for development of sugarcane in factory areas and for undertaking several other schemes connected with cane supplies. For instance, the factories are required to lay down tramway lines for quicker and more efficient transport of cane. This at present would cost each factory about Rs. 20 lakhs. Factories also need funds for organising their own farms, seed nurseries, etc."

Allied to the question of development finance is the problem of depreciation allowances. It is common knowledge that the sugar industry, like so many other industries, does not have adequate reserves to finance purchases of new plant and machinery at enhanced prices, thanks to the Government of India's policy of allowing depreciation allowances on the basis of original cost which do not bear any relationship to the current market prices. As the Association has pertinently remarked, if all the backlog of repairs and replacements has to be carried out in a thorough manner and the industry put on a modernised basis, large expenditure will become necessary. It is, therefore, imperative that depreciation allowances should be so liberalised as to enable the industry to plough back sufficient funds for purposes of replacement and repairs. Otherwise, as the Association rightly warns, the efficiency of the sugar industry is bound to be considerably impaired. It is to be hoped that the Taxation Enquiry Commission will devote some special attention to the points raised by the Association.

SUGAR POSITION IN INDIA

Replying to a question in the House of the People the other day, Mr. Rafi Ahmed Kidwai, Union Minister for Food and Agriculture, reviewed the latest sugar position in the country with particular reference to the rise in prices. The rise in sugar prices, Mr. Kidwai said, was found to be due to short production of *gur* and *khandsari* and the consequent increased demand for factory sugar; the rise in *gur* and *khandsari* prices, the feeling in trade circles that the quantity of sugar available for consumption was not enough, and the paucity of wagons for movement of sugar had also contributed to the rise. According to him, the prices of sugar remained at a reasonable level upto the third week of April, 1953, when they began to display an upward trend and recorded an increase of about Rs. 2 to Rs. 4 per maund over the fair average price. The Minister referred to the several steps taken by the Government to bring down prices. These include accelerating movement of sugar, arranging distribution of sugar released out of reserve stock at a statutory ex-factory price of Rs. 27 per maund through fair price ration shops and announcing its intention to import sugar. As a result of these measures, the prices in different areas, he said, had fallen by about Re. 1 to Rs. 2 per maund.

Referring to the stock position, the Minister stated that the stock of sugar with factories on 1st November, 1952, and 1st July, 1953, was 503,143 and 709,205 tons, respectively. The corresponding figures for value work out to Rs. 424.60 lakhs and Rs. 521.27 lakhs. The production of sugar during the last three years, he said, was as under:

(In thousand tons)

Year	Production
1950-51	11,16
1951-52	14,97
1952-53	12,93

Mr. Kidwai enumerated reasons for the fall in production of sugar during 1952-53, as compared with 1951-52. First, there was decrease in production of sugarcane by about 5 per cent. Secondly, there had been diversion of cane in factory zones to *gur* production, owing to relatively high prices of *gur*. Thirdly, the number of sugar factories working during the 1952-53 season was lower at 134, as against 141 in 1951-52. Finally, factories started crushing late by about three weeks.

The wholesale and retail prices were as follows:

(Per maund).

As on	Calcutta Wholesale	Calcutta Retail	Kanpur Wholesale	Kanpur Retail	Bombay Wholesale	Bombay Retail
	Rs. a.	As. p.	Rs. a.	As. p.	Rs. a.	As. p.
6-12-1952 ..	29 6	13 0	27 10	11 8	33 0	14 0
25- 7-1953 ..	31 14	13 3	31 0	12 9	31 12	13 9

The exports of sugar outside the country during the 1951-52 and 1952-53 seasons aggregated 10,755 and 6,432 tons, respectively. There was no export of sugar during the 1950-51 season.

SUGAR EXPORTS FROM INDONESIA

Indonesia will export 150,000 tons of sugar out of its production of 600,000 tons this year, according to an announcement of the Economic Affairs Ministry. There has been a marked rise in sugar production. This is due to better security conditions in East Java, larger yield by the peoples' plantations, and Government assistance to planters and factory owners. Crushing of sugarcane in factories in East Java has begun and results are reported to be satisfactory with per hectare yield averaging 1.1 ton. In the pre-war period, Indonesia used to export over a million tons of sugar. The Government now hopes to reach this target within the next three years.

Dr. Subandrio, Indonesian Ambassador to Britain, who led the Indonesian delegation to the International Sugar Conference in London, said, in the course of his address recently, that nothing could be farther from truth than the suggestions that Indonesia might disappear as a major sugar exporter. Quoting figures of production in Indonesia, he told the delegates that Indonesian production of sugar was rising and could be expected to rise still further in the near future.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar during the current (1952-53) season upto 15th July, 1953, amounted to 1,317,659 tons and 1,145,856 tons, respectively, as against the corresponding figures of 1,485,486 tons and 815,314 tons in the previous season.

The opening stocks, production, despatches and closing stocks of sugar during the fortnight ended 15th July, 1953, were 681,717 tons *nil*, 58,028 tons and 623,689 tons, respectively. The figures for the corresponding fortnight of the previous season were 823,843 tons, 2,037 tons, 53,049 tons and 772,831 tons. Figures for the current fortnight relate to 129 factories representing 93.67 per cent. of the total cane-crushing capacity, while those for the previous year relate to 129 factories representing 91.39 per cent. of the total cane-crushing capacity.

LABOUR IN MADHYA PRADESH COLLIERIES

THREAT OF GENERAL STRIKE

HARDLY a few weeks have passed since the 32-day strike of 5,100 coal-miners of Belamalli, Hyderabad State (Deccan), resulting in a loss of production of 70,800 tons valued at Rs. 15 lakhs, was withdrawn. And now comes the threat of a general strike of coal-miners of Madhya Pradesh from 31st August. The decision to strike was taken by the Madhya Pradesh Mine Workers' Union at its thirteenth annual general meeting, held at Eklehra colliery, recently.

The main reason for a general strike is stated to be the violation of the 1947 Wage Award by the colliery owners. Wage rates are alleged to have been changed without the sanction of the Government of India. It is also complained that there has been, of late, retrenchment of workers, consequent on the introduction of new machines and that the retrenched workers were not paid compensation. The colliery owners are further indicted of threatening the workers with dire consequences, if they do not change over their membership from the Madhya Pradesh Mine Workers' Union to the Indian National Trade Union Congress.

Speaking at a Press conference at Nagpur, Mr. Haldulkar demanded the constitution of a board of conciliation immediately to settle the demands of workers. A council of action has already been formed to contact the workers and conduct the strike. Mr. Haldulkar has listed 20 main demands of workers. They are as follows:

(1) Rs. 35 as basic wage for daily rated workers; (2) increase in dearness allowance as per increased cost of living; (3) rates of coalcutters (a) for handcutting at Rs. 13-8 per 100 c.ft., (b) machine cutting at Rs. 5-10 per 100 c.ft., (c) stone cutting at Rs. 40 per 100 c.ft., and (d) As. 15 per tub of 30 c.ft. for depillaring; (4) rates for leaders at As. 15 per tub of 30 c.ft. with D.A.; (5) equal wages for both male and female labour; (6) increase in grain allowance; (7) bonus on production basis with no condition of attendance; (8) facility for getting loans against provident fund accounts; (9) gratuity to workers with ten years or more of service; (10) immediate increase of 50 per cent. in dearness allowance; (11) leave with pay for ten days and privilege leave; (12) overtime payment for work on holidays; (13) immediate abolition of contract system; (14) changes in Standing Orders; (15) application of the recommendations of the Central Pay Commission with regard to basic pay, D.A., leave rules, etc., for the technical staff; (16) immediate construction of hospitals, maternity homes and places of entertainment from labour welfare fund; (17) conveyance fare to workers to visit their homes once a year; (18) well ventilated houses; (19) increase in the amount of compensation for accidents; and (20) full safety arrangements.

Some of the demands, especially those relating to safety arrangements, abolition of contract system, well ventilated houses, immediate construction of hospitals and the like may be conceded, despite the additional financial burden involved. But few will deny that the question of revising the structure of wages and dearness allowance and increased food allowance should be deferred till the return of better days. For, whatever may be the arguments, on humanitarian grounds, for increasing the present rates of emoluments, one cannot ignore the capacity of the industry to pay. Judged from the existing circumstances, the coal industry is not in a position to pay more.

The demand for bonus on production basis not linked with attendance is also of dubious value. It is common knowledge that increase in the total emoluments of workers has not so far resulted in any perceptible improvement in their standard of living. Instead, it has encouraged absenteeism. This is a state of affairs which should be discouraged and one effective way of doing it is to link the payment of bonus to attendance.

The demand for the grant of loans against provident fund accounts, too, is wrong, at any rate in principle. Provident funds are meant to be an insurance against old age. Loans can be allowed only for payment of insurance premiums and such other things, but not for meeting current expenditure. In fact, loans against provident funds should be discouraged at all costs. And those who agitate for such loans are doing a distinct disservice to workers.

• • • •

Since writing the foregoing account, the Government of India has decided to refer a number of industrial disputes in the coalfields to an Industrial Tribunal, for adjudication. It is, therefore, doubtful whether the workers will go on strike.

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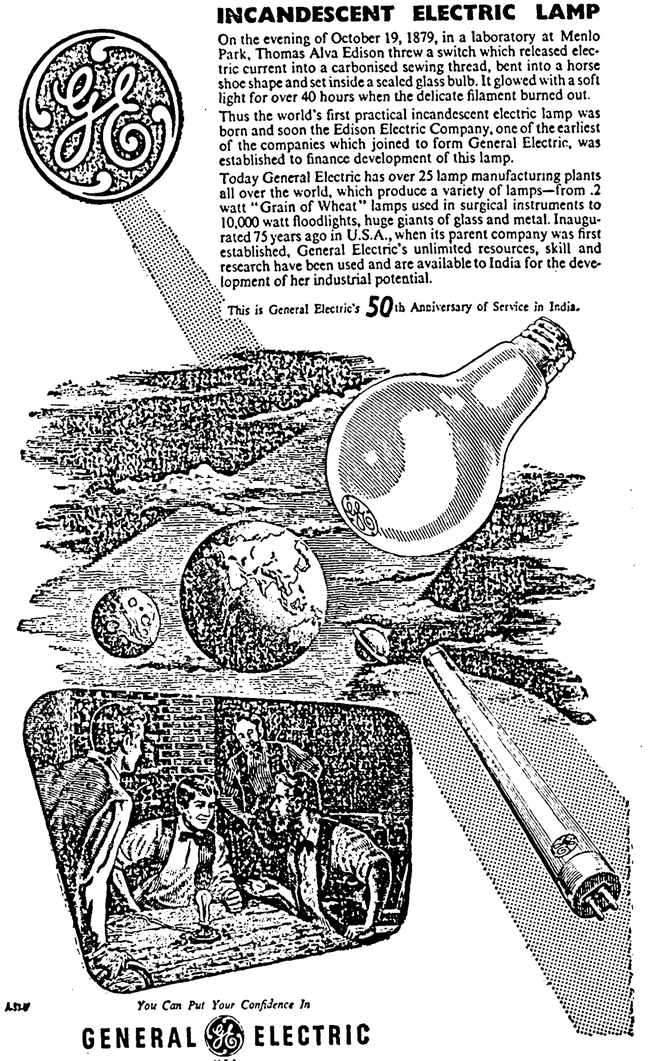

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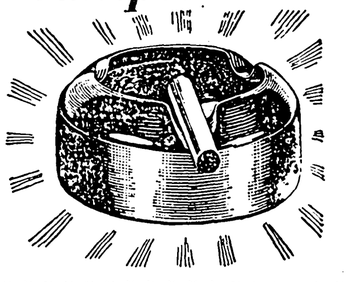

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MARKETING PRACTICES OF JUTE INDUSTRY

ENQUIRY COMMITTEE SET UP

THE Government of India has appointed a Commission to institute an enquiry into the marketing practices in the raw jute and jute goods trade and the extent to which they are influenced by speculators and to recommend measures for ensuring a fair price not only to the grower of jute but also to the jute mills. The Commission, with Mr. K. R. P. Aiyangar, Joint Secretary to the Government of India, Ministry of Finance, as Chairman, and Mr. P. S. Gupta, Deputy Director-General of Supplies and Disposals, and Mr. D. Sandilya, Joint Director, Finance, Railway Board, as members, is required to submit its report within four months.

According to a Press Note issued by the Government of India, the terms of reference of the Committee are as follows:

(a) To examine and enquire into the operations of the tiers in the jute industry and trade from the grower of raw jute to the seller of jute goods;

(b) to examine and enquire into the factors which determine the return to the grower of raw jute for his product and the part played in it by the cost and the adequacy or otherwise of transport, the lack of contact between the grower of raw jute and its consumer, the absence of market information to the growers of raw jute and all matters relating thereto;

(c) to examine and enquire into the nature and the content of speculations both in raw jute trade and the jute goods trade, the extent to which market prices are affected by the operation of mill owners, jute dealers and the speculative operators in the market and to consider in relation to the circumstances which rendered the closing of the *fatka* market in Calcutta in December, 1952, the malpractices indulged in by the various units that operated in the *fatka* market resulting in undue depression of prices of raw jute as well as jute goods; and

(d) after such examination, enquiry and consideration to make recommendations to the Central Government on the measures necessary (i) to secure for the grower as well as the industry a fair price for raw jute and jute goods, (ii) to put down the malpractices engaged in by certain sectors of the jute industry in order to rig up or depress prices for their own ends, and (iii) to ensure that the jute export trade is not affected by frequent manipulation of the market by interested persons.

Unwarranted

The appointment of this Commission is quite unwarranted. It would only result in additional expenditure to the Government, without any worthwhile returns. There already exists voluminous literature on these subjects. There is, for instance, the report of the Indian Central Jute Committee on the marketing of jute and jute products. It is true that this was published as early as in 1941, but it was brought almost up to date in the revised edition published last year. Then, there is the report of the Export Trade Promotion Committee (Chairman: Mr. A. D. Gorwala) which deals extensively with the practices of *fatka* and other futures markets, among others. The memorandum on the futures market subscribed to by all sections of the jute trade and industry and submitted to Sir John Anderson, when he was the Governor of Bengal, is also a highly useful document. And then, there are the two excellent reports of Prof. Todd on the very same subjects which the present Committee has been asked to cover. Since then, there have been no complicated developments in the spheres of futures trading to require another probe. If the Government wants to take any action, all that it has to do is to read these reports again and make up its mind on the lines on which excessive speculation can be effectively curbed. Moreover, the Forward Markets Commission will soon be appointed; it can very well be asked to tackle this problem. We wonder, therefore, what useful purpose will be served by the present enquiry.

That apart, the terms of enquiry of the Committee are comprehensive, inasmuch as they cover every aspect of marketing raw jute and jute manufactures. But futures trading may easily engage the major portion of the Commission's time and energy, in view of the varied opinions on its utility or otherwise to the jute grower and manufacturer. Some allege that the *fatka* market serves no other purpose than encouraging gambling orgies. Others hold a different opinion. They contend that it is essential for ensuring liquidity and smooth marketing of jute and jute goods and for providing a hedge against future uncertainties. They attribute the hectic highs and the sharp downs in prices to the high sensitiveness of the market which, they allege, is not in itself a defect. Unless the futures market is sensitive, they maintain, it cannot provide a cover against future risks at economic premium rates. In fine, a futures market, if it is to discharge its function satisfactorily, must provide scope for keen competition among the operators and when there is keen competition, there is bound to be wide fluctuations in prices.

Whatever may be the conflicting opinions in regard to the utility of a futures market, few will deny the need to avoid violent fluctuations that has become a recurring feature of the industry. The violent fluctuations have resulted in hardship not only to the grower of jute and manufacturers of jute goods but also to members of the trade. For excessive speculation brings about business failures, results in defaults and ultimately destroys the utility of a futures market. When speculation exceeds moderation, it degenerates into gambling. This is exactly what has to be prevented. But so far no one has found a satisfactory solution to the problem, a solution which, while preserving the futures market intact, will eliminate over-speculation. And the task is rendered more difficult in this country by the inherent weakness of Indian business men to overtrade and the growing tendency, latterly, among them to condone defaults and to compromise with even the worst defaulters.

(Concluded from next column)

tea including "rejections." In the South, what is called premium tea formed 25 to 33 per cent. of the production. It was suggested by some to the Committee that it would help to support tea prices, if the "rejections" could be compulsorily destroyed, as they were used as adulterants and were depressing the price of good quality teas. The Committee concurred with this view and felt that suitable legislation should be introduced, if voluntary agreement among the trade was not reached. The Tea Act, 1953 confers powers on the Central Government to improve quality of tea. There, however, appears to be persistent enquiries for tea waste as consumers belonging to the low income group provide a market for them, evidently because they cannot afford to buy the high-priced quality tea. No amount of State control will succeed in preventing production of tea waste, as there will always be ways and means of evading it. Voluntary co-operation of the industry is, therefore, essential. Unless there is a co-ordinated effort on the part of all estates to destroy completely all waste teas sweepings and fluff, it will be difficult to prevent the flow of these "rejections" into the dealers' hands.

Statistics of shipments of Indian tea are also encouraging. Shipments from Cochin during the current season so far are nearly the same as those in the corresponding period of last season, while those from Calcutta are substantially higher, as will be seen from the following table showing exports to some of the main foreign countries:

South Indian Tea

(In lbs.)

	1st January to 16th July	
	1953	1952
To U.K.	21,156,111	24,354,810
,, U.S.A.	6,224,994	4,954,030
,, Canada	4,164,720	3,685,431
,, Australia	895,597	1,234,774
,, Indian ports	1,919,442	2,239,329
,, Other countries	2,791,113	1,014,439
Total	37,151,977	37,486,813

North Indian Tea

(In lbs.)

	1st April to 25th July	
	1953	1952
To U.K.	43,650,231	35,694,189
,, U.S.A.	2,710,705	3,930,115
,, Canada	1,517,258	2,597,706
,, Eire	1,204,087	521,008
,, Persian Gulf	1,053,549	2,494,574
,, Egypt	3,751,178	785,104
,, Red Sea Ports	1,735,155	2,117,449
,, Australia	530,339	126,866
,, New Zealand	259,612	133,196
,, Amsterdam and Rotterdam	710,846	2,546,015
,, S. America, Central America and W. Indies	331,320	2,976,706
Other places	2,914,961	3,534,036
Total	60,369,203	57,461,148

INDIAN TEA CROP LOWER

U.P.A.S.I. TO FIX QUALITY STANDARDS

THE present statistical position of Indian tea, one of the main factors on which the outlook for this commodity depends, appears to be quite favourable for the industry. From the point of view of production, the current season (1953-54) opened on a more secured basis. The 1952-53 season ended with a production which fell short of the previous season's output by 4.75 million lbs. The export quota release and the actual tea exports for the last season would appear to have nearly tallied, there being no quota or old season's teas floating in the market as carry-over. This is in refreshing contrast with the situation that prevailed at the commencement of the 1952-53 season, when there were nearly 60 million lbs. of tea of the previous season and an excess export quota of nearly 37 million lbs.

The latest figures of production of North Indian tea for the current season so far are not available, but at the end of May the crop was stated to be 12½ million lbs. behind that at the close of May, 1952. Tea production in South India during the first five months of the year 1953 indicates that planters in that part of the country are endeavouring to bring about an automatic reduction in crop by producing better teas, though they are stated not to have found themselves able to accept any definite agreement on restriction of crop. The total output of South Indian tea in the five months ended 31st May, 1953, amounts to 51.50 million lbs. (subject to revision), as against 52.77 million lbs. in the corresponding period of 1952, thus recording a decline of 1.27 million lbs. The shortfall in output upto April, 1953, as compared with the output in the first four months of 1952, was even greater at 4.65 million lbs., the actual output in the two periods under comparison being 33.51 million lbs. and 38.16 million lbs., respectively. The narrowing of the gap at the end of May, 1953, is due to the substantial rise in output in the month of May, at 18 million lbs. (subject to revision) as compared with 12.61 million lbs. (revised) for the previous month and 14.61 million lbs. for May, 1952.

The decline in the aggregate output during the first five months is not large, but may be taken as an indication of the expectation that the total production for 1953 may not exceed that for 1952. One of the causes for this fall in output is stated to be the effort on the part of a large number of estates to concentrate more on quality than on quantity. The general improvement in the quality of tea that is produced is reported to have been well received in foreign countries. It is stated that housewives in London prefer better quality packets even at higher prices, because of the fact that quality blends prove to be economical. Further, the prices of tea are stated to be reasonable consistent with quality and there is a desire everywhere to take advantage of the position.

Standard Quality

Meanwhile, the question of ensuring that there is no slackening of the efforts to produce good quality tea is reported to have been taken up by the Tea Section Committee of the U.P.A.S.I. It has discussed ways and means of ensuring that teas below a minimum standard of appearance are not produced in future. Samples of such a minimum standard have been made up and tested and a general agreement would appear to have been reached as to the minimum standard which should be recommended for acceptance by estates. Samples of the minimum recommended standard will shortly be issued to all factories manufacturing tea in South India, with a request that they should not produce teas of quality below that standard. This is, no doubt, a desirable and welcome step and is worthy of emulation by all tea producers. But the maintenance of the standard by the factories depends on the supply of quality tea to factories by the estates. Evidently, this means that the estates should pay special attention to quality plucking and destruction of waste tea, sweepings and fluff, commonly known as "rejections." Quality tea plucking requires the co-operation of workers which, it is to be hoped, will be readily forthcoming.

It will be interesting to recall here that enquiries by the Rajaram Rao Committee revealed that 60 per cent. of the total Indian production of tea was medium tea, 20 to 25 per cent. superior quality and the balance residual

(Continued in previous column)

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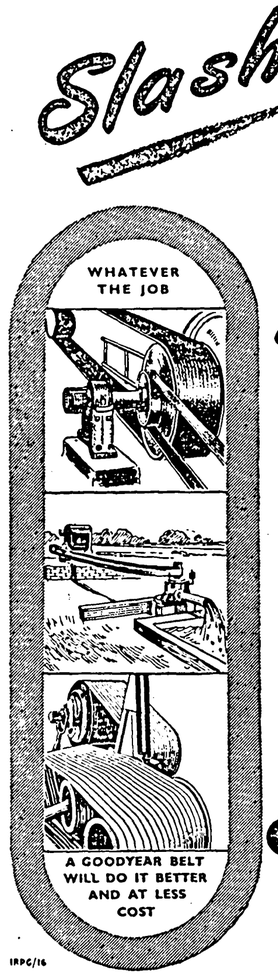

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DEVELOPMENT OF MINERALS

CENTRAL CO-ORDINATION EMPHASISED

THE first meeting of the Mineral Advisory Board, constituted by the Government of India in January, 1953, which was held in New Delhi, last week, made quite a few important recommendations relating to production, conservation, utilisation, as well as exploration of minerals in India. The Government of India is expected to consider sympathetically these recommendations in formulating changes in its mineral policy. The importance of a correct mineral policy cannot be overemphasised. After all, mineral resources, as Moulana Abdul Kalam Azad said—in the absence of Mr. Azad, owing to indisposition, the inaugural address was read on his behalf by Mr. K. D. Malaviya, Deputy Minister for Natural Resources and Scientific Research—are one of the most important assets of any country and deserve special attention, particularly because they cannot be replaced once they are utilised.

The Board at the outset urged the need for Central co-ordination for mineral development and the necessity for ensuring maximum production and effective conservation and utilisation of minerals in the national interest. It recommended that the Conservation and Development Rules, which have been framed, should be promulgated, as soon as possible, in consultation with State Governments. The need for Central co-ordination requires no reiteration. Otherwise, it might lead to wasteful exploitation of the resources, with a view to making immediate and large profits, which is objectionable on all counts, in the interest of the nation. For mineral resources are wasting assets, and there is no process by which the shortage can be made good, as in the case of agriculture, dairy or fisheries. It is true that, fortunately, India has plentiful supplies of iron ore, coal, limestone, gypsum, mica, manganese, monazite, china-clay and ochres, as also considerable quantities of other important minerals, which are essential for the development of atomic energy. India accounts for 80 per cent. of the world's supply of dressed mica and is second only to the U.S.S.R. in the production of manganese. It is also true that India has not yet converted its potential reserves into actual wealth. The value of minerals produced in 1951 was Rs. 105.86 crores, as against Rs. 64.04 crores in 1947. Similarly, the value of metals produced in 1951 was Rs. 50.38 crores, as against Rs. 31.04 crores in 1947. Although the values disclose a substantial rise, in the context of rising prices and the demand for metals and minerals of all types, created in the wake of the Korean war, the increase in values is by no means satisfactory. All this does not mean that India can indulge in unregulated production. Every effort should be made to see that maximum production is realised without at the same time forgetting the need for conservation. In any case, Central co-ordination is desirable.

Minerals in Short Supply

There are, however, certain minerals and metals which are in short supply. They are, for instance, sulphur, silver, zinc, lead, tin, nickel, mercury, platinum and petroleum. Their known deposits are limited but there are vast areas in the country which have not been satisfactorily explored. During the period 1948-52 the Geological Survey has mapped some 40,000 square miles. It is gratifying to note that the Board recommended that the Government should, on its own initiative or in partnership with private enterprise, undertake exploratory operations for "proving" deposits of important minerals like copper, lead, zinc and aluminium. It also requested the Government to make available, through the Geological Survey of India and the Indian Bureau of Mines, larger funds for such investigation and suggested that, where such investigations were taken up by private enterprise, the Government should assist them by giving all possible technical help and advice.

An important aspect of mineral policy, which the Board considered, related to exports. The Board felt that the export policy should be flexible. It added that, while the aim should be to encourage export, wherever possible, of processed or semi-processed products, a liberal policy might be adopted in regard to export of minerals, which are not used or processed or fabricated in India, consistent with the availability of supplies and the principles which govern export policy. That it would be obviously advantageous to India to export processed or semi-processed forms is indisputable. For it will help develop processing industries which will provide employment opportunities. It will further help adjust better the balance of payments position, which more often has been not happy, owing to India being primarily an exporter of raw materials including minerals.

Research

The Board recommended that the Geological Survey of India and the Indian Bureau of Mines should consult both the State Governments and the industry in framing their annual research programmes. It also urged the industrialists to bring to the notice of the Government, from time to time, problems in which the industry is particularly interested which need to be investigated. When these recommendations are implemented, they will certainly help the evolution of a co-ordinated research programme. It is only such a programme that will help profitable exploitation of minerals effectively and with minimum costs. At present, the National Metallurgical Laboratory, Jamshedpur, in co-operation with the Indian Bureau of Mines and the Fuel Research Institute, Dhanbad, is carrying out research work. It is to be hoped that mining companies and other industrialists interested in prospecting and mining will utilise these research institutions in order to get their many technical problems investigated.

Disposal of Applications

The Board finally requested the State Governments to give priority to the disposal of applications for certificates of approval, prospecting licences and mining leases and to simplify the procedure of enquiry in order to ensure that the applications are disposed of without delay. The Board also recommended that a committee consisting of four members from the States, three from the Central Government and four from the industry be set up to consider the question of royalties. These suggestions are welcome for their implementation will help remove the inconveniences caused by the delay in the taking of decisions, among others, and will help promote mineral development better.

The Board's recommendations call, in effect, for a thorough overhaul of the existing mineral policy, with a view to achieving both bettter exploitation and utilisation of minerals within the country and their regulated exports. As the Mineral Advisory Board consists of representatives of the Central and State Governments, as well as the industry, its representative character needs no emphasis. The Government will, therefore, do well to give effect to its recommendations. Anyway, India's future depends to a great extent on the development of mineral reserves and the metal industry which have a vital bearing on agricultural and industrial development.

DEVELOPMENT OF MINOR PORTS

The Central Government has decided to advance a sum of Rs. 60 lakhs, as partially interest-free loans, to the State Governments to enable them to make essential improvements to the minor ports in their respective States. The improvements proposed to be made at various ports include erection of new piers and extension of existing ones, construction of workshop and storage sheds, provision of additional tugs for towing, electrification of wharves, improving navigational aids, installation of additional diesel and electric cranes, improvement of lighting and amenities to passengers and other general improvements with a view to maintaining their present efficiency. It may be noted that the aggregate cost of the improvements to minor ports proposed by the State Governments was about Rs. 3 crores. But a sub-committee of the Chairmanship of Mr. O. V. Alagesan, Deputy Minister for Transport, scrutinised the list of works and approved only essential schemes costing about Rs. 2 crores.

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CIVIL AVIATION IN INDIA

THREE COMMITTEES SET UP

NOW that the airlines are nationalised the Government of India is envisaging certain broad changes in the structure of the industry. The Board of the Indian Airlines Corporation, which met in Bombay on 7th August, under the chairmanship of Mr. B. C. Mukherji, I.C.S., set up three committees, to make recommendations regarding the various problems engaging the attention of the Corporation. The three committees are: the Technical Committee, the Finance Committee and the Services Committee.

The Technical Committee will enquire, among others, into suitable pattern routes for domestic airlines, organisation and location of operational and engineering bases, rationalisation of freight structure for passengers and the determination of the strength of operational, engineering and traffic personnel in each category. The terms of the Finance Committee are the procedure to be followed in effecting financial integration of air companies, the lines on which the accounting organisation of the Corporation should be set up and the like. The Services Committee's terms of reference include rationalisation of pay scales for different categories of personnel and the formulation of common service conditions in the matter of leave, holidays, bonus, provident fund, pension schemes and related matters.

Master Committee

The Government of India is considering, it is stated, the recommendations of the nine-man Committee, appointed in April, 1952, with Mr. M. A. Master, as Chairman, to examine the existing system of training civilian air pilots in India in all its aspects. These recommendations, which were submitted to the Government of India on 12th January this year, have now been published. The chief recommendation of the Committee relates to the need for the establishment of a civil air board with a non-official chairman, to be responsible for the selection of trainees in civil aviation, laying down of syllabi, appointment of instructors, conducting examinations and the issue of licences. The Board should also be empowered to grant financial assistance to flying clubs. The Board should be under the Minister for Communications and, if required, advise the Minister on questions concerning civil aviation policy or any other matter specially referred to it.

The Committee has recommended the continuance of the existing flying clubs subsidised by the State and Central Governments, the training of commercial air pilots at the civil aviation centre at Allahabad, and the substitution, without delay, of the system of licences recommended by the International Civil Aviation Organisation (I.C.A.O.) in place of existing private pilot's 'A' licence and commercial pilot's 'B' licence. The licences recommended by the I.C.A.O. include student's licence, private pilot's licence, commercial pilot's licence, senior commercial pilot's licence and air transport pilot's licence, etc. The Board has also recommended measures designed to increase operational efficiency of the air crew, to develop air-mindedness among the public, to encourage private flying for sport and to prevent unemployment among air pilots.

The recommendations of the Master Committee aim at securing a more comprehensive knowledge of ground subjects on the part of pilots and provide for stringent tests and checks more or less in line with the recommendations of the I.C.A.O. It is, therefore, expected that the Government will favour their adoption and bring India in line with international aviation standards.

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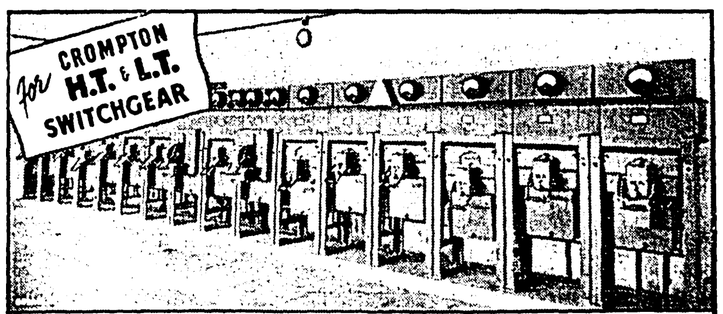

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EMPLOYEES' STATE INSURANCE SCHEME

PLACE OF REGIONAL BOARDS

THE statement on the working of the Employees' State Insurance Corporation, which Mr. V. V. Giri, Minister for Labour, Government of India, laid before the House of the People, last week, is notable for the light it throws on the scope of work of the regional boards, and also on the set-up of the Corporation. Presumably, the statement was meant, in part, as a rejoinder to the allegations of lack of trained personnel which Dr. C. L. Katial, ex-Director-General of the Corporation, made just prior to his giving up his post. The statement emphasised, contrary to what Dr. Katial had stated, that the relations between the Government of India and the Corporation had "always been cordial."

It will be recalled that Dr. Katial's charges against the Government included the allegation that the latter did not co-operate with the Corporation in the matter of making prompt appointments of certain key personnel like the actuary, chief accounts officer and medical officer. Without specifically referring to this charge, Mr. Giri stated that the post of the actuary of the Corporation had been vacant since 1952 when the incumbent was promoted as Insurance Commissioner, but he continued to attend to actuarial matters also. Since actuarial work was at present comparatively light, the Government did not think there was need for a whole-time actuary. The post of the Chief Accounts Officer fell vacant twice because of the death of the incumbents. It had taken some time to locate suitable persons. The present Chief Accounts Officer was appointed in February, 1953. The delay, Mr. Giri said, was unavoidable, but had not materially affected the work of the Corporation. He admitted that the post of the Medical Commissioner had been vacant since September, 1950. The ex-Director-General, who was himself a medical man, had been attending to that work, which was considerably reduced because of the panel system of medical care. He added: "In view of the small scale on which implementation has proceeded so far, no serious inconvenience has been caused to the Corporation by its having only three principal officers, instead of the full complement of five officers provided for the scheme when implemented throughout the country." It may be mentioned, in this connection, that the scheme has been introduced so far only in Delhi, Kanpur and in eight industrial towns in the Punjab, covering in all only about eight per cent. of the insurable labour population in the country.

Mr. Giri next referred to the recommendations made by the Sub-Committee under the chairmanship of Mr. Sri Ram, which investigated into the working of the Corporation. The Sub-Committee had stated that the State Insurance Fund should not be decentralised, and the Corporation should have financial control over regional boards. Each regional board, according to the Committee, should have the Labour Minister of the State as its Chairman and a senior officer of the State Government, to be nominated by the Minister, as its Vice-Chairman. The board should also have a representative of each of the other States included in the region, the Directors of Health Services of the States concerned, at least two but not more than five representatives of employers (to be nominated in consultation with employers' organisations), an equal number of employees' representatives (to be nominated in consultation with employees' organisations) and the Regional Director of the Corporation.

The Committee had further recommended that the regional boards should be vested with executive powers. The Committee had not accepted the idea that the entire administration of the scheme should be decentralised. It had, however, urged the closer association of the States through regional boards which should be "weighty and effective." Among other things, the regional boards should be made responsible for appointments of staff, for which the Union Public Services Commission need not be consulted, for publicity, investigation and disposal of complaints, purchase of equipment and launching prosecutions for non-compliance.

The Committee has done well to emphasise the importance of regional boards. These boards, by virtue of the intimate knowledge they could be expected to possesser should be of great help in contributing to the success of the Corporation. Indeed, the system of regional boards is a good compromise between over-centralisation, on the one hand, and decentralisation of the Corporation's functions, on the other. Over-centralisation should be ruled out in this country of vast distances and divergent regional characteristics. Even in the U.K., a certain amount of autonomy has been granted to Scotland and Wales. Complete decentralisation, especially the decentralisation of financial powers, carries the danger that there will be no uniformity of standards. It is, therefore, to be hoped that the system of regional boards, which avoids the dangers of both these extreme positions, will be set up in time, as recommended by the Committee, in order to enlist the co-operation of all States in the working of the State Insurance Scheme.

UNITED INDIA FIRE AND GENERAL INSURANCE CO., LTD.

A very satisfactory rate of progress has been maintained by the United India Fire and General Insurance Co., Ltd. (General Manager: Mr. N. Rama Rau, Madras), during the year ended December, 1952, when the net premium income amounted to as much as Rs. 22.45 lakhs, as against Rs. 20.62 lakhs in the previous year. Another notable feature is that the Company's foreign business is expanding; the net premium income from its foreign portfolio was Rs. 12.50 lakhs, as compared with Rs. 10.43 lakhs in 1951. The gross premium income was, however, considerably lower at Rs. 46.04 lakhs, as against Rs. 54.93 lakhs, such being due largely to the shrinkage in the Company's marine business in Malaya.

The Company's fire account continues to be a source of strength and profit. It yielded a net premium income of Rs. 7.73 lakhs during the year under review. Both claims (paid as well as outstanding) and expenses were somewhat higher at Rs. 1.58 lakhs and Rs. 2.99 lakhs, respectively. The working of this Department resulted in a profit of Rs. 3.39 lakhs. In the miscellaneous department, the net premium income improved from Rs. 2.75 lakhs to Rs. 3.21 lakhs. Claims and expenses were again higher at Rs. 1.93 lakhs and Rs. 1.22 lakhs, respectively, as compared with Rs. 1.56 lakhs and Rs. 0.76 lakh in 1951. The profit was for the same reason lower at Rs. 0.16 lakh; in 1951, this account yielded Rs. 0.34 lakh.

In the marine department, the gross premium income shrunk from Rs. 23.34 lakhs to Rs. 19.82 lakhs. Referring to this decline in business, the Chairman, Mr. M. Ct. M. Chidambarm Chettyar, said: "This fall in marine business in 1952 is accounted for by smaller business done in Malaya, due to a change in the trading and other economic conditions in that country. Apart from the volume of business, the premium suffered also on account of rate war among companies and the consequent reduction in premium rates." Despite the decline in gross premium income, it is gratifying to note that the net premium income was actually higher at Rs. 11.50 lakhs, as against Rs. 10.22 lakhs in 1951. The loss ratio was practically unchanged at 54.2 per cent. Expenses were, however, higher at Rs. 4.21 lakhs or 36.6 per cent. of the premium income. The Company's marine account yielded a profit of Rs. 0.70 lakh at which level it showed a reduction of nearly Rs. 1 lakh over the profit earned in 1951.

The net profit of the Company, inclusive of the balance carried forward from the previous year, amounts to Rs. 2.99 lakhs. Out of this sum, the Directors have transferred Rs. 1 lakh to the general reserve, Rs. 20,000 to the dividend reserve, Rs. 10,000 to reserve for bad and doubtful debts and Rs. 1.10 lakhs for taxation, leaving a sum of Rs. 0.59 lakh to be carried forward. Apart from the capital of Rs. 9.99 lakhs, the Company's reserves aggregate Rs. 19.22 lakhs, inclusive of fire insurance fund Rs. 3.87 lakhs, miscellaneous insurance fund Rs. 1.61 lakhs and marine insurance fund Rs. 11.50 lakhs.

METROPOLITAN INSURANCE CO., LTD.

All-round progress is reflected in the accounts of the Metropolitan Insurance Company, Ltd. (Secretary: Mr. A. B. Chatterjee, Calcutta), for the year ended December, 1952. Thus, both new life business and premium income are higher than they were in the previous year while the renewed expense ratio was lower than it was in 1951. This reflects great credit on the management, for the year 1952 was, in many ways, a particularly difficult one for insurers, since this year witnessed a recession in trade, income and profits. That the Company should have written Rs. 8.05 crores worth of new business in the face of these difficult conditions in 1952, as against Rs. 7.52 crores in 1951, does certainly call for special mention. The new business completed during the year under review takes the total business in force to an impressive level of Rs. 24.75 crores.

The Company's income continues to expand from the two principal sources of revenue, namely, premiums and investments. Thus, premium income improved from Rs. 1.17 crores to Rs. 1.29 crores and income by way of interest on investments from Rs. 10.16 lakhs to Rs. 11.99 lakhs. The Company earned 3.56 per cent. on its investments, as against 3.73 per cent. in the previous year. Although the interest earned was thus lower, it is noteworthy that the rate is considerably above the rate of 3 per cent. assumed in the 1951 valuation.

The Company's mortality experience is favourable, inasmuch as the claims by death aggregated only Rs. 9.94 lakhs as against Rs. 9.97 lakhs in 1951. At the last valuation, it was revealed that the ratio of the actual deaths to the expected deaths, based on O (25.35) ultimate table, declined appreciably over the 1948-51 period, of which it was 88.3 per cent., 76.5 per cent., 77.2 per cent. and 75.4 per cent. Claims by maturity were higher at Rs. 6.68 lakhs, as compared with Rs. 4.81 lakhs in the previous year. It is also gratifying to note that the Company's renewal expense ratio, calculated on the basis of the relevant Insurance Rules, declined from 16.69 per cent. in 1950 to 15.74 per cent. in 1951, and still further to 15.10 per cent. in the year under review. The Company's life assurance fund rose from Rs. 3.04 crores at the end of 1951 to Rs. 3.81 crores at the end of 1952. The fund includes the investments in Government securities and Indian Post Office Certificates at Rs. 85.31 lakhs, port trust, municipal securities, and shares of Industrial Finance Corporation at Rs. 78.78 lakhs, loans on the Company's policies within their surrender value at Rs. 49.27 lakhs and house property in India at Rs. 78.24 lakhs.

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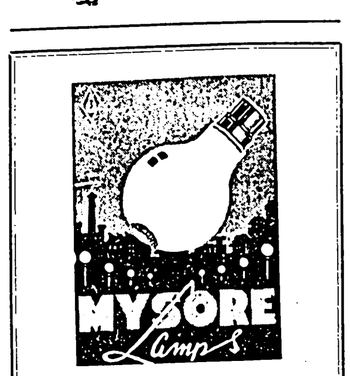

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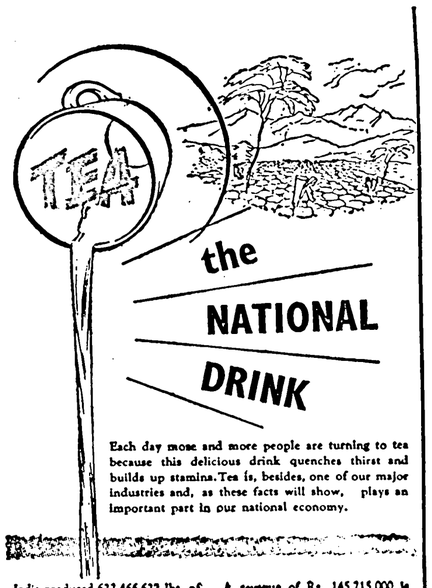

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AMERICAN CAPITALISM

SOME MAIN FEATURES ANALYSED

(By SUMNER H. SLICHTER, Harvard University, U.S.A.)

EACH country of the world tends to produce more or less distinctive economic institutions and economic traditions. It is not surprising that the United States, which, for the most part is a new community that has grown up during the last century or century and a half in a rich and vacant continent, should develop distinctive economic institutions and distinctive outlook. The city of Chicago, for example, which had 3.6 million people in 1950 was still a small place only a hundred years ago. Not until after the Civil War was the Pacific Coast connected with the East by rail. Capitalism in the United States, therefore, reflects the environment in which it grew up.

The following five characteristics of American capitalism are particularly significant:

1. Its extensive use of industrial research as a tool of management.
2. The keen competitiveness of American industry.
3. The tendency of the economy to building up a large middle class.
4. The tendency of the economy to distribute large amounts of income to persons who are in need but who are unable to produce.
5. The existence of large and powerful trade unions which are concerned with the immediate betterment of the conditions of their members.

Let us look at these characteristics of American capitalism.

To take first the extensive use of industrial research as a tool of management.

It is understandable that, in a new country such as the United States, where there was little accumulated wealth but great quantities of undeveloped natural resources, emphasis should have been placed upon the practical aspects of earning a living. The applied arts flourished in the United States long before there developed an interest in pure science. Certainly, one of the distinctive characteristics of industry in the United States has been its reliance on technological research.

For many years, technological research was done by inventors and operating men who worked pretty much on their own and were limited in their activities by their own resources. Largely within the last generation, a revolutionary change has come into industry. Enterprises have begun to set up research departments that have the specific responsibilities of studying ways of improving the products of the firm, adding to these products, and improving the producing methods of the enterprise.

Large-scale Research

Discovery no longer depends on the enthusiasm of a few more or less daring individuals who are willing to make great sacrifices and risk their meagre resources in the hope of achieving successful inventions. In 1950, there were nearly 71,000 scientists employed in the industrial laboratories in the United States and about $1,100 million a year spent by American industry on industrial research. In addition, the Government employs a large number of research workers—30,000 scientists in 1946-47. Government expenditures on research in 1952 were over $1,300 million. This includes expenditures on research by the Atomic Energy Commission. The search for better products, new products, and better methods of production is rapidly becoming a routine part of business operations, financed out of current revenues. Systematic attacks on problems become possible; programmes of research that may expand over years and require large teams of workers can be organised.

The rise of industrial research is in the main a development of the last 20 or 30 years. In 1929-30, the number of scientists in industrial laboratories was less than one-fourth the number in 1950, and the number of scientists in Government laboratories increased threefold between 1929-30 and 1946-47. Industrial expenditures on research in 1950 were more than nine times as large as in 1930 and Government expenditures on research in 1952 were more than 52 times as large as in 1930. Twenty or 30 years ago, industrial research was largely confined to four principal industries—the telephone industry, the electrical products industry, the petroleum industry, and the chemical industry. Today, the large or medium-sized enterprise that lacks a research department is rapidly becoming a curiosity.

Making research a more or less normal part of business operations is truly a revolutionary change in the economy. It means that the economy has greatly raised its capacity to increase the demand for goods—that it has acquired a new capacity to expand. It is important that we understand clearly the economic significance of research. The large scale of industrial research is in the main responsible for the rapid rise in output per man-hour. The gain in productivity has made possible the rise in *per capita* consumption which has been doubling about every 40 or even 35 years, or less.

Effect on Demand

Equally important, the large scale of industrial research has greatly increased the capacity of the economy to generate an increase in the money demand for goods. Indeed, the expansion of research has offset, in considerable measure, the decline in the influence of undeveloped natural resources upon the volume of investment opportunities, and hence upon the volume of investment spending. An increase in the money demand for goods facilitates expansion, because it means that a growth in the physical production of goods has less tendency to reduce prices.

Research tends to raise the demand for goods in two principal ways. In the first place, it tends to raise (probably by only a small amount) the proportion of personal incomes after taxes which people spend on consumer goods. It does this by developing new and improved kinds of consumer goods—automobiles, deep freezers, movie cameras, television sets, and a multitude of other consumer goods. In the second place, research creates investment opportunities. It does this partly by developing new and improved kinds of equipment and processes for making goods, and partly by developing new kinds of consumer goods which create a demand for the plants and equipment to make these goods.

Competitiveness of the American Economy

American industry is highly competitive and is becoming more so. One reason for the competitiveness of American industry is the rapid growth of the economy. Had not markets been expanding rapidly, business concerns might have become interested in getting together to divide up the limited markets and to limit competition. The rapid growth of markets, however, has offered rich rewards to those concerns which were most successful in winning larger shares of the new demand. Hence, the expansion of industry has stimulated competition.

Evidence of the vigour of competition is found in the large number of new enterprises started each year. Perhaps, the most impressive evidence of competition, however, is the spectacular growth of technological research to which reference was made above. Industrial research is competition at its best, because it means that the producer is making systematic efforts to reduce his costs or to improve his product. Furthermore, the kind of competition represented by research tends to spread and to become more intense.

Capacity to Build up a Large Middle Class

About one-half of all money income before taxes and 53 per cent. after taxes goes to the middle three-fifths of the income recipients. There are several reasons for the large middle class in the United States. One is the fact that conditions of farming in the most populous parts of the country have been favourable to the development of owner-operated farms of moderate size. A second reason is that the proportion of professional and skilled workers has been rising and the proportion of common labourers has been falling. Between 1910 and 1940, the professional workers rose from 4.4 per cent. of the labour force to 6.5 per cent. When the figures for 1950 become available, a still further rise will undoubtedly be shown. Between 1910 and 1940, the proportion of common labourers in the labour force dropped from 36.0 per cent. to 25.9 per cent. In 1950, the classification of common labour is slightly different than in previous censuses, but the proportion of common labourers dropped to 20.8 per cent.

The increase in the number of professional and skilled workers relative to common labourers may be regarded as a sort of victory for science and technology over the common labourer. By embodying their skills in machines and apparatus of various sorts, the scientists and engineers force more and more common labourers to become machine operators —sometimes rather skilled operators, as in the case of much of the earth-moving machinery that replaces pick and shovel men, sometimes semi-skilled factory workers. A big market, such as now exists in the United States, helps the scientists and engineers win out in competition with common labour. A big market is good for machines, which means that it is good for the scientists and engineers who invent them, the skilled workers who maintain them, and the skilled or semi-skilled workers who operate them. But since common labourers cannot run or repair machines, the big market limits the employment opportunities of common labourers and forces them to acquire skills.

Tendency to Make Gifts

In this day and age, the importance of distributing large quantities of income on the basis of need does not need to be justified. The national and State Governments make large payments in the form of pensions, old age assistance, unemployment compensation, workmen's compensation payments, aid to the blind, aid to dependent children, sick benefits, and other forms of aid. In 1951, payments of the above kinds plus private pension payments were $12,600 million; in 1929, they were $1,300 million. About four out of five jobs in the United States are covered by the federal pension plan; about seven out of 10 are covered by unemployment compensation; in 1951, about 14,000 employers had private pension plans covering 9.6 million workers; and in 1949, over 10 million people were covered by group sickness and accident benefit plans in plants in the United States. Employer contributions to private pension and welfare funds have increased from $128 million in 1929 to over $3,000 million in 1951. During the last 20 years, payments based on need have risen much faster than incomes. Back in 1929, these payments represented about 1.6 per cent. of all personal incomes after taxes; in 1951, about 5.6 per cent.

Strong Trade Unions

I do not mean to imply that a trade union movement which rigidly and uncompromisingly pursued certain more or less remote objectives would necessarily be bad for the country. In some circumstances, it might be just what the country needed. It is plain, however, that such a movement could do immense harm. But that is not the kind of trade union movement which the United States possesses. The American trade unions are just as distinctively American as is American business. Their objectives and methods mirror the practicality and the optimism of American culture, the strong faith that this is an expanding universe, and that the key to the better life is growth, innovation and invention. American trade unions have improved our economy and, indeed, our society, in the following principal ways:

(a) They have made for better management of industry, because they have been able to question the decisions of management. Hence, they have forced managements to base their decisions on policies and on facts.

(b) They have introduced a system of industrial jurisprudence into industry which gives workers rights as against managements.

(c) They have subjected managements to strong pressure to raise money wages and have thus stimulated managements to attempt to hold down labour costs by making improvements in methods of production. Thus, trade unions have indirectly tended to raise the productivity of the economy and the level of consumption. Trade unions, of course, would not have been able to produce these results were management not strongly determined to operate their enterprises profitably—If managers were not willing to increase their efforts to keep down labour costs whenever money wages increased.

(d) Most important of all, trade unions increase the sense of participation by workers (even by non-members) in the life of the community. In this day and age, when many countries are torn by internal strife, the influence of trade unions is strengthening the ties that hold the community together. Trade unions add to the workers' sense of participation in various ways. Certainly, when the workers read in the newspapers of a wage agreement being negotiated in the coal industry, the rubber industry, or the steel industry, employees in all industries must feel a sort of vicarious participation in running the country. Furthermore, when prominent spokesmen from the ranks of labour speak out on national issues, all workers, whether they agree with the particular spokesman or not, must get satisfaction that labour is being heard from.

The five characteristics of American capitalism that I have set forth greatly add to the capacity of the American economy to grow and thrive in a tough and difficult world. The great use of technological research adds to the productivity of the economy and helps it bear the heavy costs of defence; the vigour of competition keeps managements alert and in touch with conditions; the large middle class, the distribution of large quantities of income on the basis of need, the strong trade unions and the active participation of unions in the life of the community prevent the development of serious social cleavages and keep the community cohesive.

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THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION, LIMITED

DEWAN BAHADUR S. RAGHAVA AIYANGAR'S ADDRESS AT ANNUAL MEETING

PRESIDING over the Thirteenth Ordinary General Body Meeting of the South Madras Electric Supply Corporation, Ltd., held at the Power House, Tiruchirapalli, on 1st August, 1953, Dewan Bahadur S. Raghava Aiyangar stressed, in the course of his speech to shareholders, the need for (1) the revision of the "standard rate" from 5 per cent. to 6 per cent. and (2) the speedy formation of State Electricity Boards.

The following are extracts from his speech:

"GENTLEMEN,

"I have pleasure in welcoming you to this thirteenth meeting of the general body of shareholders.

"The power supply position was very unsatisfactory in the year under review to the extent that the Government had to take the drastic step of imposing a heavy penalty on consumption in excess of quotas. Fortunately, the heavy rains that came eased the situation on 1st June, and we are now happily rid of all restrictions on consumption. However, the ban on connecting new loads and on allowing increased demands to power users, continues to be in force, as the generating capacities of Government power stations are still very much behind demand. This position has compelled us to deny power supply to a large waiting list. I hope the plans of the Electricity Department to provide extra generating capacity will, however, materialise soon, and we will be in the happy position of meeting new demands, and be thus saved the embarrassment of rationing power and being obliged to enforce the penalties of Government on those who exceed their quota limits.

Tariff Increase

"We were also compelled to make an all-round increase in tariffs so as to meet increasing costs of maintenance and operation and more particularly the setbacks suffered by the Corporation on account of the cyclone and the continued restrictions which greatly affected sales. I hope that conditions will improve sufficiently early to enable us to revise the tariffs again in favour of the consumer.

Income-tax Refund

"I shall now refer to a matter that has been agitating the minds of shareholders—namely, the refund of income-tax on their dividends. Due to the difference in the rates of depreciation allowed by the Department and those adopted by us under the provisions of the Electricity (Supply) Act, 1948, the Company's tax liability is either much below the quantum of dividends paid or *nil*. On the difference of such taxable income returned to the income-tax authorities and the dividends actually paid, the income-tax authorities collect an excess dividend tax without at the same time giving relief to the shareholder. We have contended that this tax is illegal, and the matter is now before the High Court of Madras. It is understood, however, that orders have been issued to afford tax relief for the year 1951-52.

"Another matter that has been referred to in the report is the difference of opinion between ourselves and Government on capitalisation. Government have objected to certain items of capitalisation, and we have contended that our stand is the correct one, and have requested Government to allow our auditors to discuss the matter with the auditors of the Electricity Department. If need be, the matter will be referred to the Central Electricity Authority for arbitration.

Standard Rate

"The need for increasing the reasonable return from 5 per cent. on the capital base to 6 per cent. has once again been stressed by the Federation of Electricity Undertakings in a memorandum to the Government. In fact, the opportunity of a recent visit to Bombay by Mr. Gulzarilal Nanda, Central Minister for Planning, Irrigation and Power, was availed by the Federation to bring home to him the need for enlarging the upper limit of the 'standard rate' from the present level of 5 per cent. to 6 per cent. I hope the efforts of the Federation will soon bear fruit.

Nationalisation

"Uncertainty still surrounds the question of nationalisation. The Madras Electricity Undertakings Acquisition Act empowers Government to take over any undertaking on four months' notice. But, as the Chief Minister said, in an address to the Licensees Association, conditions in the country and the present 'climate' are such that the Government might not embark on nationalisation projects—their time and effort being fully required for the implementation of national plans. It would, however, have been more helpful, if the Chief Minister had been more positive in his statement. In any case in the circumstances, it would only be reasonable to expect that we would be permitted to serve for the full period of our licence.

"I am glad to say that the staff have been discharging their duties satisfactorily and loyally. During the cyclone havoc all ranks of staff worked as a team to restore supplies with the minimum of delay.

Electricity Boards

"As regards the future, if power allotment to us from the hydro-electric grid is satisfactory the scope for expansion is ample. It will, then, mainly be a matter of our being able to secure the necessary capital to carry out the programmes. I am sure that capital will be forthcoming, if the Government of India revised the standard rate level to 6 per cent. so that at least the present level of dividends might be kept up. The State Government should also form the Electricity Board visualised in the Electricity (Supply) Act, 1948, as such a body would definitely have a better appreciation of the problems relating to electrical development in the State, and being charged with statutory authority, would be in a position to concentrate solely on the problem, devoid of other considerations to which a department of the Government should necessarily be subject."

The Chairman concluded by bidding welcome once again to the shareholders.

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AGRICULTURAL PROBLEMS OF THE EAST

F.A.O. ON NEED FOR INCREASED PRODUCTION

THE ten-day Food and Agricultural Organisation's regional conference of the countries of Asia and the Far East, which concluded on 5th inst., at Bangalore, provided an oportunity to some of the leading economic experts for discussing the agricultural problems of Eastern countries with a view to finding ways and means for stepping up production and thereby easing the world food situation. The Conference suggested a number of recommendations which deserve the careful consideration of the authorities of these countries, in view of their international implications and the innumerable obstacles in the way of implementing them.

The main topic of discussion at the Conference related to the question of increasing production of food supplies of the region. This is only as it should be, because, although production of food in the world has risen materially since the war, most of the increase has been in the countries which were already producers, with a surplus to spare, while the Eastern region is one where agricultural production has not made any substantial progress, as compared with the increase in population. Even if the agricultural production targets fixed by the various countries in the Far Eastern region for 1956-57 are reached, it will mean no significant achievement. For, except in regard to sugar and some pulses, the production will not be sufficient even to restore the pre-war levels of consumption, on account of the great increase in population that is expected to take place by then.

The Conference emphasised the necessity for a greater degree of regional integration in regard to production and supply of fertilisers, pesticides and the like. It further felt that some of these requisites ought to be more economically produced in one centre of the region for a group of countries or even the whole region. The delegates to the Conference evinced a great deal of interest in the F.A.O. Secretariat paper stressing the need for a co-ordinated approach to balanced development in agriculture and related economic factors.

While the desire for regional integration can be appreciated, it is very difficult of achievement. It so happens that, more often, a country, which is in an advantageous position over others, cannot overcome its weakness to strike the best possible bargain. India, for instance, has decided not to import any further rice from Burma, as it could not arrive at a fair agreement with that country. The export price of Burma rice is far higher than that for domestic consumption. And this explains the desire of each country towards achieving self-sufficiency.

That apart, the question of increasing food production is beset with enormous difficulties. First and foremost is the question of finance. In this connection, Dr. P. S. Lokanathan, Executive Secretary of the E.C.A.F.E., stressed the need for more foreign capital and foreign technical aid, as the resources of the region were not adequate for the purpose. He further added that one of the solutions lies in the establishment of a special development fund out of which loans could be made available at low interest rates payable over a long period of time.

The Conference also discussed the question of stability of prices, as violent fluctuations in commodity prices are harmful not only to producers and consumers but also to merchants and manufacturers who are unable to estimate, with any degree of accuracy, the supply position of the raw materials which they require. Further, wide fluctuations in prices of primary products have serious effects on balance of payments both of producing and consuming countries. The situation is not merely a post-Korean war phenomenon, but has been a characteristic feature of international trade in primary products at least during the past half a century. The Conference recognised that the situation may well continue in the absence of effective international measures of price stability and emphasised the importance to the economies of the region, of a greater degree of price stability in export markets for agricultural products. It held that this was an appropriate subject for the F.A.O. to tackle at higher levels. It, therefore, recommended to the Conference of the F.A.O., to be held in Rome, in November 1953, that all possible measures should be taken to further this objective.

Price stability can be achieved chiefly through international commodity agreements. But experience has shown that those agreements cannot be easily concluded. So far, only one agreement, the International Wheat Agreement, has been concluded. Even this agreement is on tenterhooks, in view of the refusal of the U.K. to sign the renewed agreement and the silent discontent among even those members that have signed the agreement over the high price. Further, this agreement has been of benefit only to those countries the economics of which are highly developed, as the principal wheat producing and wheat consuming countries belong to that group. The difficulties in the way of commodity agreements lie in devising the techniques of financing buffer stocks, expressing the internationally agreed prices in generally accepted and stable currency, etc.

The Conference accepted a resolution commending the efforts of the Fisheries Division of the F.A.O. in the direction of better utilisation of the fisheries resources of the area. It urged the need for expanded assistance programme to initiate practical programmes of co-ordinated research in relation to problems common to more than one country. It also requested that special attention should be devoted to fluctuations in the available stocks of migratory fishes such as Indian oil sardine, mackerel sead and Hilsa fish. It further suggested a study of river development schemes in so far as they affected fresh water fisheries. The importance of these suggestions needs no emphasis. For fish occupies a special place in the diet of the people of South-East Asia, second in importance only to rice. In most countries, it holds even first place as a source of animal protein essential to health.

The Conference made a few more important suggestions. They are as follows:

(1) A meeting of suitable experts of the region should be held, as soon as practicable, in order to advise member-Governments on appropriate methods of improving the production and distribution of milk and thus stimulate its consumption wherever feasible;

(2) a working party should be set up, at the earliest convenient time, to consider methods of crop and livestock insurances, which have been adopted by very few countries in the region and elsewhere, and to explore the possibilities of adopting them more widely; and

(3) subject to availability of finance, the F.A.O. should, in co-operation with one of the member Governments, hold a seminar on land problems in the region during 1954 or 1955.

The Conference also emphasised the importance of statistics as an aid to planning and assessing its progress. It was stated at the meeting that, next year, funds permitting, the F.A.O., in collaboration with the Government of India, should set up an international statistical training centre in India.

Thus reviewed, the Conference has done a "good job." The one fundamental factor that it emphasised throughout was the need for a co-ordinated approach to balanced development of agriculture and the related economic sectors of the region. While considering the various problems, the delegates showed commendable understanding of the problems of farmers in this area and also of such factors as finance and technical assistance. The Conference highlighted the fact that the eradication of hunger, although difficult, was no utopian scheme, but a perfectly attainable objective and that it required a better adjustment of men to the lands they occupied and a better distribution of the gifts of the land among them. Inaugurating the Conference, His Highness the Rajapramukh of Mysore quoted the remarkable insistence of Dr. Josue de Castro of the F.A.O. that "over-population does not cause starvation in various parts of the world, but that starvation is the cause of over-population, for hunger increases the fertility of the depressed groups suffering its permanent action." Surely, although it may be possible to eradicate hunger by controlling the growth of population, the better way to do it would be to reverse the process, that is, to control the growth of population by taking measures to do away with starvation.

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ANNUAL GENERAL MEETING OF SENTINEL ASSURANCE Co. Ltd.

FULLEST SUPPORT OFFERED FOR CODE OF CONDUCT

MR. RATILAL NATHALAL'S SPEECH

PRESIDING over the Eighteenth Annual General Meeting of the Sentinel Assurance Company, Ltd. held in Bombay on Tuesday, 11th August, 1953, Mr. Ratilal Nathalal, Chairman of the meeting, emphasised the need for placing the insurance business on a "healthy and profitable" basis. He pledged, on behalf of the Company, his "fullest support" to the Insurance Act and Codes of Conduct. Nevertheless, he urged that there should be freedom for each insurer to develop business in his own way. He felt sure that a sound scheme could be evolved if all insurers joined hands in the "interest of the industry."

The following is the full text of the Chairman's speech:

"GENTLEMEN,

"I have the pleasure to place before you the report of the Directors along with the audited accounts and balance-sheet for the year ending the 31st December, 1952. I take it to be your wish that the reports and accounts now in your hands be taken as read.

"Before referring to the results of last year's business, I shall mention briefly a few outstanding events of last year which have direct bearings on the growth and development of insurance business in India.

"The Estate Duty Bill, introduced last year in Parliament, will shortly be enacted. The provision of exemption of amount secured under life insurance policies from the estate of the deceased, ironically enough, has been kept at a very low level of Rs. 5,000 only. This provision, unless suitably modified, will, I am afraid, act as a deterrent in encouraging the habit of saving through life insurance policies in this country.

"The control of insurance business in 1952 continued to be inflexible. In order to remove various malpractices in life and general insurance business, Codes of Conduct were formulated by Life and General Insurance Councils and I am happy to say that Indian insurers, in general, pledged firmly to abide by the same. The administrative machinery—a body to supervise the enforcement of the Codes—has recently been formed and I am confident that indigenous insurers will wholeheartedly co-operate with the administrative machinery in all respects.

Code of Conduct

"The control from the authorities for improving the trade of a national character is, of course, necessary to strengthen the position of the industry. The most important task of Indian insurance is to see this business on a healthy and profitable basis. At the same time, it is worthwhile to allow the freedom of methods suitable to the industry, as Indian insurance has reached its present phase through private enterprise. One must have freedom towards its development in one's own ways. One cannot judge the working difficulties without the study of the field of the individual insurer who has his own problems towards the development of business. I earnestly appeal to Indian insurers to maintain proper standards in compliance of the Insurance Act and the Codes of Conduct. It is the duty of all insurers to see that Indian insurance business is placed on a sound and healthy basis. I assure, on behalf of the Company, that the Sentinel Assurance Company, Limited, has fullest support to the Act and the Codes of Conduct. At the same time, Indian insurers have to face the problems of increase in demands from the staff unions coupled with the decrease in premiums on account of revision in rates in the Tariff. It is, therefore, very difficult to remain within the expense quantum. I am sure, a suitable working and acceptable scheme can be evolved if all the insurers join hands in the interest of the industry which is of a national character.

Company's Resources

"Before I touch upon the working of the Company for the year 1952, I will draw your kind attention to the fact that the Company, due to the concerted efforts of the management, has been able to strengthen its resources and at the end of the year 1952, the Company has been able to add 10 per cent. as additional reserves in all sections of the general department, which you will see from the balance-sheet in your hands. You will also see from the balance-sheet that the Company has got increasing assets in the general department with a balance of negligible doubtful assets against which a doubtful debt reserve is created. The Company has fully provided against investment depreciation also.

"Considering various factors, I feel, you will be well satisfied with the results achieved in 1952.

"The new life insurance business completed in 1952 amounted to Rs. 25,76,098 as against Rs. 17,02,817 completed in 1951. The life fund which stood at Rs. 39,33,902-0-10 earned an average interest at 4.42 per cent. during the year. The claims by death and maturity intimated and paid in 1952 amounted respectively to Rs. 66,805-11 and Rs. 1,74,683-5.

"A valuation of the assets and liabilities of the life insurance business of the Company, as on the 31st December, 1951, was made last year and I am pleased to inform you that the result, thanks to economic management, showed a sizable surplus. On the recommendation of our Actuary, the Directors declared an interim bonus of Rs. 8 and Rs. 6 per Rs. 1,000 sum assured per year, respectively, for the profit participating whole life and endowment policies. I am confident that at the next valuation, due to be made on the 31st December, 1954, our Company will be able to declare handsome revisionary bonuses to all profit participating policyholders.

Premium Income

"The gross premium income including those from reinsurance received in 1952 in the general department amounted to Rs. 14,91,298-12-7 which is slightly lower than the figure of the previous year. In the fire department the claim ratio stood at 15 per cent. in 1952. The fire fund is now maintained at 50 per cent. instead of the customary 40 per cent. maintained by the insurers. There has been a trading profit of Rs. 1,11,266-8-9 which has been transferred to the profit and loss account.

"In the marine insurance business the net premium received recorded a slight increase in 1952. The claims have been somewhat heavier than the previous year in spite of cautious underwriting. There has been a profit of Rs. 35,524-3-6 from the marine business in 1952 which has been transferred to the profit and loss account after creating the marine reserve at 50 per cent.

"The working of the miscellaneous insurance business in 1952 showed a reduction in claims which stood at 32.24 per cent. as compared with 43.59 per cent. in the previous year. The reserve for unexpired risks in this class of business has been increased from 40 per cent. to 50 per cent. There has been a profit of Rs. 5,224-1-9 from miscellaneous insurance business which has been transferred to the profit and loss account.

"The total funds of the company as on the 31st December, 1952, stood at Rs. 57,25,982-7.

"The total trading profit from the general insurance business of the Company amounted in 1952 to Rs. 1,53,739-14-2 including the sum of Rs. 1,525-0-2 carried forward unappropriated in 1951. Out of this sum, the Directors have thought fit to create a reserve of Rs. 85,000 for and doubtful debts and set aside Rs. 15,173-14 towards reserve for depreciation of investments and debiting income-tax of the year 1950. The Directors propose to allocate the balance of Rs. 60,710-2-11 in the following manner:—

	Rs.	a.	p.
To pay a dividend on preference shares for the year ended 31st December, 1951, at Rs. 5 per share, free of income-tax	20,000	0	0
To pay a dividend on preference shares for the year ended 31st December, 1952, at Rs. 5 per share, free of income-tax..	20,000	0	0
To pay a dividend on ordinary shares for the year ended 31st December, 1952, at 3 per cent., i.e., Rs. 1-8 per share, free of income-tax	15,000	0	0
To appropriate towards writing off a part of the amount transferred to life fund .	5,000	0	0
To be carried forward for the next year's account	710	2	11
	Rs. 60,710	2	11

"Before closing, I would refer to two matters of interest to the shareholders of the Company.

Capital Structure

"Pursuant to section 6A of the Insurance Act, we were required to reconstruct the capital structure of the Company before the 31st May, 1953, and preference shares of the Company were converted to ordinary shares in accordance with the scheme of reconstruction approved by the shareholders of the Company and sanctioned by the Controller of Insurance. I must here thank wholeheartedly the shareholders of the Company for their spontaneous co-operation given by them to me and my colleagues in the Board in this matter.

"Pursuant to Article No. 98 of the Articles of Association of the Company, the Directors appointed Mr. I. P. Shah a Director of the Company. This appointment was deemed expedient to strengthen the Board.

"I also take this opportunity to record with pleasure the appreciation of work done by the Company's officers, staff and field-workers in the last year."

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Head Office: 8, Underhill Road, Delhi.
STATEMENT OF ACCOUNTS AS ON 30-6-1953.

LIABILITIES	Rs.
(i) Paid-up Capital	87,50,000
(ii) Reserve Fund	89,06,328
(iii) Deposits	62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.	12,82,96,445
Total ..	76,65,23,136

ASSETS		
(i) Cash and Balances with Bankers,		7,14,88,955
(ii) Investments :		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373		
(b) Other Investments ..	Rs. 94,24,911	27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets : Including Bills Receivable, etc.		10,17,65,398
Total ..		76,65,23,136

YODHRAJ,
Chairman & General Manager.

PLYWOOD MANUFACTURERS ASSOCIATION OF INDIA

MR. N. N. BOSE'S ADDRESS AT THIRD ANNUAL MEETING

THE Third Annual Meeting of the Plywood Manufacturers' Association of India was held at Calcutta on 14th July, 1953. The meeting was presided over by Mr. N. N. Bose, President of the Association. The following are extracts from his speech at the meeting:—

"The year 1952 has been a dark one for the tea industry. Tea prices, which began to fall since the autumn of 1951, went on falling till towards the end of 1952, and the market was at its lowest for over a decade and tea estates were suffering huge losses. It is not my intention on this occasion to review the reasons for such a sad turn in the prosperous tea industry. That has been done by competent representatives of the tea industry on various occasions. Neither do I want to participate in the controversy as to the part played by the Government in not helping the tea industry in one of its worst crises. I would, however, like you to take one lesson to heart from this bad situation and that is best illustrated by the saying, 'It is not safe to put all your eggs in one basket.'

"I have told you on previous occasions that there is ample scope for use of plywood in other spheres. In a country like India, plywood industry can brighten the houses of many middle class and poor people by supplying cheap, light and durable items of furniture. It has got vast potentialities in neighbouring countries, both in the Middle East and in the Far East, if not in Europe itself. While making this statement, I am fully conscious of the fact that most of our plants are small and meant for tea chests only but I think that, even with these small plants, with but a few additions in machinery, it is possible to produce a certain percentage of plywood for other uses and not to depend on the tea industry hundred per cent. As you know, I am going abroad on your behalf in about a week's time. One of my aims will be to see how it is possible for plants like ours to manufacture plywood for household purposes.

No Room for Complacency

"The second lesson that we should take from the crisis which faced the great tea industry in 1952 is that there is no room for complacency even in a highly organised and prosperous industry like the tea industry, not to speak of an industry like ours. It is now well known and well accepted that one of the main reasons for the crisis in the tea industry was overproduction and the situation showed improvement as soon as it decided on curtailment of production. If an industry like the tea industry could not avert a crisis by only 10 per cent. overproduction, it is no wonder that the plywood industry is also passing through a crisis, firstly, on account of fall in demand from the tea industry for reasons stated above and, secondly, because the capacity of the tea chest industry, according to official estimate, now stands at over 9 million tea chests when the internal consumption can at best be about 5 million. The need for control is, therefore, evident. The other alternative is chaos.

"In my speech on both the occasions of the last two annual general meetings of the Association, I appealed to you for co-operation, goodwill and sacrifice. The time has come when this has to be put in practice for the common good—for the common safety. I am accordingly thankful to Dr. Nagarja Rao, the Industrial Adviser, for arranging a meeting of the Indian plywood manufacturers in Calcutta and this is going to be held day after to-marrow. We shall, no doubt, take this occasion of discussing various problems confronting the industry and, if we succeed in devising some means whereby the plywood industry can be put on a sound basis—even if it means some sacrifice from some or all of us—we shall have taken a step which we shall never repent and for which we shall feel happy in years to come.

"I have dwelt at some length on the above subjects, as these have been haunting me for some time past. I consider them as most important for stabilising the industry and most essential for freeing it from periodic ups and downs which have been a sad feature of this industry since the war ended. I shall now pass over the other subjects hurriedly.

"The most important event of the year has, as has been pointed out in the report, been the enquiry for continuance of protection by the Tariff Commission under the chairmanship of Dr. B. V. Narayanaswamy Naidu. Although the report is not out, I have every confidence that protection will be continued for another term. I would, however, urge on you, with all the emphasis that I can command, that you should take this opportunity as the last one in putting the industry on a sound footing, so that further protection becomes unnecessary. As a matter of fact, from the way the industry is expanding, I should think that we should be able to export a good quantity of plywood in course of another two or three years and the necessity for imports of foreign plywood will not arise in future.

"I take this occasion of referring to the visit of Dr. Otto Kraemer, U.N.O. expert on plywood, and expressing my sincere appreciation of the good work done by him in visiting plywood factories throughout India and offering us valuable advice. We are thankful to the Government, particularly to Mr. M. D. Chaturvedi, Inspector-General of Forests, for the initiative taken by him in the matter and we offer our heartiest thanks both to our Government and to the U.N.O. for arranging such a visit which has been most helpful to the industry.

"The import policy in 1952 was not, in the particular situation confronting the tea industry, helpful to the plywood industry. The special licence granted to the buyers of the Assam Saw Mills and Timber Co., Ltd., was uncalled for and harmful to the cause of the indigenous industry. The Government has, however, made good, to a great extent, the harm done to the industry by not allowing any import of tea chests in the first half of 1953. For this the Government deserves the best thanks of the industry.

"The Government has, however, allowed 5 per cent. imports in the second half of this year. Although this is a small quantity and may be taken as a token import to which no objection should ordinarily be taken, it may be pointed out that the condition in the plywood industry is very serious and any imports could have been postponed till the situation improved somewhat. In view of the fact that there is no demand for tea chests, either indigenous or imported, it is to be hoped that the Government will see that licences for imports are not granted immediately and that they are issued only after orders begin to be placed with the indigenous industry.

"I am very pleased to say that our laboratory and test house has been doing useful work. Not only the products of our members are being tested there but it is helping the J.F.Os. by testing samples sent by them to the Association laboratory. This shows the important part that is being played by the laboratory and the esteem in which it is held.

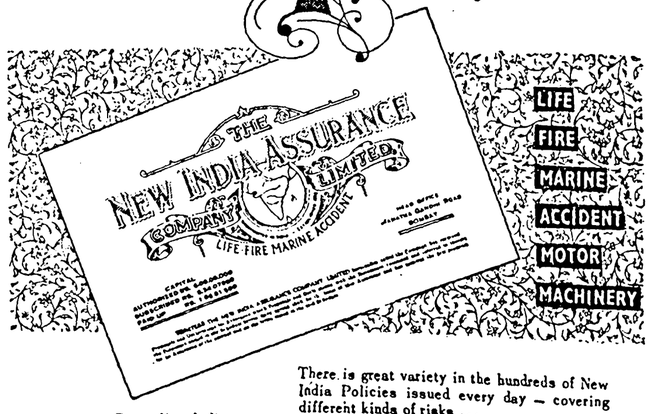
"I have now pleasure in referring to another important achievement of the Committee. The first issue of the journal *Plywood* is just out and the Committee can take pleasure in accomplishing a work about which it had been talking for a long time.

"I am, however, sorry to say that, due to the very bad time through which our industry has been passing for nearly a year, it has not been possible to collect funds to make much progress with the other venture, viz., the Andaman Plywood and Veneer Mills Ltd. I consider this as a most promising enterprise and most vital for Calcutta members, in particular. I hope that, with better prospects ahead, this too will take shape and start functioning in a short time to come.

"Before I conclude, I must thank you for the confidence you have placed in me by entrusting me to undertake a trip to the U.K. and the Continent for an examination of the condition in which tea chests arrive in those countries. This is a task of great magnitude and the most important that I have undertaken so far. I do not know how far I shall succeed in my mission, but I can assure you that I shall leave no stone unturned to make it a success.

"It is also my fervent hope that, by the time I return, the situation in the plywood industry will have taken a turn for the better and the clouds that pervade the present atmosphere will have passed giving place to autumnal sunshine and happiness."

a matter of Policy...



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INDUSTRIAL AND COMMERCIAL STATISTICS

CENTRE TAKES POWER FOR COLLECTION

STATISTICS, it is most aptly described, are the handmaid of economics, in that statistics provide the tools on which an administrator formulates and implements his policies. In fact, a rational economic policy presupposes the existence of adequate and reliable statistical data. It is no wonder, therefore, that, in the economically advanced countries like the U.K. and the U.S., considerable importance is attached to the collection of statistical data, the task being entrusted to special organisations and bureaus. In India, on the other hand, the progress in this direction has been at a snail's pace, thanks to the absence of authority enforcing, by statutory regulation, maintenance of statistical data by the industrial and commercial firms. The result is that the statistical data relating to the various aspects of economy are woefully inadequate, not to speak of lack of authenticity in a number of cases. The assumption of powers by the Government of India, under the Collection of Statistics Act as passed by the House of the People on Thursday last week, to call for statistical information from any branch of economic activity has, therefore, come not a day too soon.

The Collection of Statistics Act is on lines similar to that enacted in 1942, but the field has been widened. Under the Act, the Government is empowered to call for statistical data from any industry or class of industry, including a factory, and on matters relating to labour and labour welfare.

In view of its importance, the Act received support from practically all sections of the House. Supporting the measure, Mr. Thakurdas Bhargava, a prominent member, for instance, remarked that statistics were a necessity in a Welfare State. From the point of view also of maintaining national safety and national prestige, it was necessary that the Government should have adequate powers to get necessary information from firms. Mr. Hariharnath Shastry, another prominent member, felt that the Act would go a long way towards preventing manipulation of accounts by private industrial concerns. For he said: "Proper settlement of a number of industrial disputes is impeded for lack of data. Difficulties are particularly great when private industrial concerns involved in disputes manipulate their accounts. Such manipulation has resulted, in some cases, in unemployment."

A Mistaken Notion

It would appear from the debate on the measure that the whole purpose of it is to collect statistical information from foreign firms. This is a mistaken notion. The general purpose of the measure, as Mr. D. P. Karmarkar, the Union Minister for Commerce, emphasised, while replying to the debate, is to cover not merely this one aspect, but the "whole" field of industry and trade. The purpose of statistics is really much bigger than dealing with one single problem. The information collected under the Act will form the foundation of economic thought. This is a basic necessity.

The majority of members who participated in the debate were unduly critical of the role of foreign firms in India. This is, indeed, regrettable. Foreign firms have contributed quite substantially to the economic progress of India. And considering the need for achieving rapid economic progress, the important role that foreign capital can play cannot be stressed too strongly. The Government's stand on this subject was correctly explained by Mr. Karmarkar when he said: "Wherever foreign participation is helpful to our industries, we will have them. The major point is that we should have our say in the matter. When foreign firms come to India, it would be for them to have as large a number of Indians in them as possible, unless it becomes unavoidable for technical reasons. That has been our opinion."

In the course of the debate, the members put forward several suggestions with regard to the enforcement of the Act. Among these, two stood out prominently. The first suggestion was that the Government should take up the responsibility for publishing all data collected by it under the powers conferred by the Act. There should be a committee of officials, members of Parliament and experts to see that the provisions of the Act were properly enforced. The second suggestion was that the statistical authority, or any person authorised by it, could inspect or take copies of relevant records or documents in the possession of any party or ask any question necessary for obtaining any information required to be furnished under the Act. This suggestion is of a drastic nature, in that the Government may demand any information under this Act and take steps to get it by going through even records of a highly confidential nature. There will thus be no scope for secrecy which may be very essential in the case of business. Nevertheless, Parliament chose to invest the Government with this drastic power and the relevant clause was amended accordingly. With regard to publication of data, the position has been made clear by the Commerce Minister. Accordingly, the Government will publish whatever it considers necessary. As, sometimes, some confidential information may militate against the very purposes of the Act, the decision regarding publication would rest with the Government.

There were a few members who were somewhat apprehensive about the penal clauses of the Act. It was pointed out, for instance, that the clause relating to offences by companies arising from neglect on the part of a director, manager, etc., was a drastic one. Alluding to this criticism, the Commerce Minister stated that the sphere of responsibility had been widened in order to ensure that no one escaped liability for offences. This was not the first time that such powers had been sought; the House had approved of such powers in earlier legislations.

SPORTS GOODS INDUSTRY

Development of the sports goods manufacturing industry and promotion of exports of Indian sports goods were the two problems discussed at a meeting of the representatives of the industry and the Government held in New Delhi on Saturday last. The meeting discussed measures to ensure that only goods manufactured up to a standard were exported. The possibility of setting up a central organisation on a co-operative basis for controlling publicity and exports was considered, since individual units in the industry were not in a position to undertake this. The representatives of the industry drew attention to certain difficulties experienced by them in procuring the raw materials from within the country as well as from abroad. The official spokesman at the meeting assured them that the Government would give them all possible help to enable them to obtain adequate supplies of raw materials.

The sports goods manufacturing industry is an important small-scale industry. It provides employment for about 4,000 workers and produces goods worth about Rs. 75 lakhs per annum.

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INDIA'S BALANCE OF PAYMENTS

TERMS OF TRADE WORSEN IN FIRST QUARTER

THANKS to the worsening of the terms of trade, the trend of increasing surpluses in the current account of India's balance of payments, witnessed towards the close of last year, suffered a setback during the early months of this year. The current account surplus of Rs. 32 crores in the fourth quarter of 1952, according to the estimates prepared by the Balance of Payments Division of the Reserve Bank of India, was nearly halved—to Rs. 17.1 crores, to be precise—in the quarter ended March, 1953. The reduction in the surplus was caused entirely by the fall in receipts from exports. The payments for imports actually recorded a slight decline and the net receipts on invisible account remained more or less constant. The surplus on the capital account, however, was higher at Rs. 25.5 crores, a part of which was reflected in a rise of nearly Rs. 18 crores in the foreign assets of the Reserve Bank.

The overall balance of payments position on current account during the first quarter of 1953, as compared with the previous quarter and the corresponding quarter of 1952, is indicated in the following table:

Current Account

(In crores of rupees)

	1st quarter of 1953	4th quarter of 1952	1st quarter of 1952
	Preliminary		
Imports c.i.f.	132.2	134.0	265.6
Exports f.o.b.	129.0	145.5	161.1
Trade balance	—3.2	+11.5	—104.5
Official donations (net)	—	+0.1	+ 3.8
Other invisibles (net)	+20.3	+20.4	+ 25.3
Current account (net)	+ 17.1	+32.0	— 75.4
Errors and omissions	+ 8.4	—20.2	+ 15.9
Capital account (net)	+ 25.5	+11.8†	— 59.5†

† Revised.

As will be seen from the foregoing figures, the merchandise account showed a swing, from a surplus to a deficit, following a fall in the value of exports, which was entirely the result of a decline in export prices by about 10 per cent. The major part of the fall was in the nature of an adjustment to the reduced level of demand for India's exports. The commodities particularly affected were jute manufactures and cotton textiles. A part of the adjustment in prices was due to the downward revision in export duties on these two commodities, but the revision of export duties itself was the result of falling prices in overseas markets and consumer resistance. On the import side, commercial imports declined by Rs. 12.7 crores, while those on Government account rose by Rs. 10.9 crores, mainly on account of increased purchases of food from the dollar area. Since import prices remained stationary, this fall was solely due to a decline in the volume of imports, particularly raw materials, such as raw jute and raw cotton.

As already noted, import prices were stationary, while export prices registered a fall. The terms of trade, therefore, worsened, the exact setback being 11 per cent. In other words, the index number of terms of trade (base: 1948-49=100) declined from 94 in the last quarter of 1952 to 84 in the first quarter this year. This deterioration alone accounted for a reduction in the trade surplus to the extent of Rs. 15 crores.

Pattern of Trade

There was, once again, a considerable change in the pattern of regional trade during the quarter under review, as will be seen from the following statement giving a summary of India's balance of payments position on current account with the various currency areas.

(In crores of rupees)

	1st quarter 1953	4th quarter 1952	1st quarter 1952
Sterling area, excluding Pakistan	+ 13.7	+ 15.6	+ 23.2
Pakistan	— 0.2	— 2.6	+ 5.2
Dollar area	+ 3.4	+ 17.5	— 87.5
O.E.E.C. countries	— 10.0	— 8.3	— 9.0
Rest of non-sterling area	+ 10.4	+ 9.7	— 6.4
Total	+ 17.3	+ 31.9	— 75.4

It will be seen from the above table that the surplus with the sterling area, excluding Pakistan, during the quarter under review was lower as compared with the two preceding quarters. This was due to the widening of the trade deficit from Rs. 40 lakhs to Rs. 3.3 crores. The deficit would have been still wider but for the improvement in the net invisible receipts to the extent of Rs. 1 crore. Both exports to, and imports from the sterling area declined, the former by Rs. 5.1 crores to Rs. 61.7 crores and the latter by Rs. 2.2 crores to Rs. 65 crores. Almost all the other major items of exports to this area dropped significantly. Commercial imports fell by about Rs. 4 crores, while Government imports rose by nearly half as much.

India's balance of payments position with Pakistan improved during the first three months of 1953, the current account deficit having narrowed down to a mere Rs. 20 lakhs.

The major contribution towards this improvement came from reduced payments for imports. Imports declined between the two quarters by Rs. 6.3 crores to Rs. 3.2 crores, owing mainly to lower payments for raw jute imports. Exports also declined, but less significantly, from Rs. 5.7 crores to Rs. 2.2 crores, reflecting mainly the continuance of import restrictions in Pakistan.

Dollar Area

The gradual improvement noticed in the dollar payments position in the second half of 1952 was arrested during the quarter under review, the current account surplus having declined from Rs. 17.5 crores to Rs. 3.4 crores. Larger payments for imports, together with decline in exports, brought about the reduction in the current account surplus. Payments for imports increased by Rs. 9.2 crores over the quarter to Rs. 31 crores; the fall in private imports was more than counter-balanced by imports on Government account which, at Rs. 18.6 crores, represented nearly a threefold increase over the previous quarter's level. Increased foodgrain purchases was the main factor that accounted for the sharp rise in Government imports.

The payments gap with the O.E.E.C. countries widened further during the quarter, albeit slightly, from Rs. 8.3 crores to Rs. 10 crores. While imports registered a slight fall, exports fell by over Rs. 2 crores from Rs. 15 crores in October-December, 1952 to Rs. 12.6 crores in January-March, 1953. The adverse trade balance thus increased from Rs. 7.4 crores to Rs. 9.2 crores.

With the rest of the non-sterling area, the current account surplus improved from Rs. 9.7 crores to Rs. 10.4 crores. The entire improvement resulted from reduced payments for imports. Imports declined from Rs. 13.1 crores to Rs. 11.2 crores, owing mainly to the virtual cessation of foodgrain purchases from China and Siam. Commercial imports, however, recorded a rise of nearly Rs. 2 crores reflecting principally increased payments for Egyptian cotton. Exports to this area were well maintained at around the previous quarter's level.

COIR INDUSTRY IN INDIA

The Coir Industry Bill, 1953, was taken up for consideration by the House of the People on Friday the 7th inst. The Bill, it will be recalled, was first introduced in the House on 26th March, 1953. It seeks to invest the Government with powers to control the affairs of the industry. The control is to be exercised in two ways, namely, establishment of a Coir Board and imposition of a customs duty on coir fibre, yarn and products exported from India. The maximum rate of duty is fixed at Re. 1 per hundredweight; to begin with, the Government proposes to levy only As. 8.

Moving for consideration of the Bill, the Union Minister for Commerce related the circumstances which led to the Government of India's move to control the coir industry. He said that the coir industry in Travancore-Cochin, which exported nearly three-fourths of the total production, was faced with a crisis and thousands of people were thrown out of employment. The prosperity of the industry, he said, was linked up with the export trade which had been somewhat unhappy for some time past. Both the Centre and the Travancore-Cochin Government had taken interim measures to minimise the hardship. The Government of India sent an officer to make an on-the-spot study of the situation. Later, in November, 1952, a conference was held at Trivandrum to examine the problems facing the industry and to suggest remedies. The Conference recommended the setting up of a Coir Board for promoting and regulating export of coir yarn and coir products, and for carrying on propaganda for that purpose. The Bill, now under the consideration of the House, is a sequel to this recommendation.

While all are agreed on the need for regulating the affairs of the coir industry, opinions seem to be rather divided on the question of actual control. Some feel that, since the industry is concentrated in Travancore-Cochin, it is sufficient if the State Government assumes responsibility. Meeting this criticism, Mr. Karmarkar pointed out that the States of Madras, West Bengal and Orissa were also producing coir and coir goods. Besides, the industry depended on exports. In view of these, he emphasised that it was not only necessary that a Central Board be established but it was equally necessary this Board should have control of the industry from the first stage to the finishing stage.

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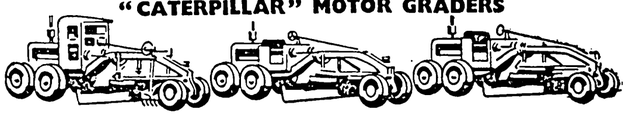

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GOVERNMENT ELECTRIC FACTORY—BANGALORE 2

NEW PUBLICATIONS

***Industrial Efficiency.* By Dr. M. C. Munshi. Published by Messrs. Vora & Co., Publishers Ltd., 3, Round Building, Kalbadevi, Bombay. Price: Rs. 8.**

THIS new book by Dr. M. C. Munshi is a useful addition to the literature on industrial economics. It covers a wide field, wider than what its title suggests, and gives interesting international comparisons of economic progress, describes India's industrial development, and discusses the measurement of industrial efficiency. It carries a preface by Prof. C. N. Vakil, who has commended the author's work.

Dr. Munshi examines industrial efficiency as a factor affecting economic progress in the current Indian context. He says that India occupies a "peculiar position" among both advanced and underdeveloped countries. While he does not say categorically that India is underdeveloped, he shows that it has certain dominant traits of underdeveloped economy. He points to the absence of any sizable capital formation and the weakness of the market to attract foreign investors. These handicaps of an underdeveloped economy call for appropriate monetary and fiscal measures as well as higher industrial efficiency. He states conclusively that higher standards of efficiency are imperative to any real advance in living standards.

Dr. Munshi enumerates certain key indicators of progress such as the shift of population from the primary to secondary and tertiary industries and the increased use of inanimate energy *per capita*. He considers industrial efficiency as an even more satisfactory criterion of industrial advance. He contends that India can ill afford to ignore efficiency and that, therefore, it should strive for attaining a high level of efficiency, even if innovation as a factor of industrial development is not within our grasp. In a rapid survey of India's industrial development, he briefly reviews the Central Government's Statement on Industrial Policy of 1945, which contained blueprints of industrial development in a mixed economy. On a critical examination of the Government's protection policy, which was developed during and after the Second World War, he finds that the recommendations of the Indian Tariff Board (now Tariff Commission gave industries over-protection to such an extent that they ignored efficiency.

After neatly summarising the principles on which India's new industrial development is planned, the author attempts to give a co-ordinated picture of industrial policy, based on the Industrial Policy Statement of 1948, the directive principles of the Constitution, the recommendations of the Fiscal Commission, the Industries (Control and Development) Act, and the First Five-year Plan. He appends an elaborate chart of industrial policy. One, however, fails to see the relevance of the reference to all these in a book devoted to industrial efficiency.

It is only towards the end of the book that Dr. Munshi discusses the methods of measuring industrial efficiency. He says that efficiency can be measured by computing "labour, management, input-output, and cost ratios." The input-output analysis is, in his opinion, very important in efficiency measurement. Yet, he condemns labour productivity as a poor yardstick to measure efficiency because it ignores input factors other than labour. Remarking that efficiency can also be measured by costs, the author says that combinations of cost data and "standard costs" give certain ratios called "management ratios." The discussion of all these issues is rather technical for the layman, but it is not rigorous for the expert. It must, however, be said that Dr. Munshi has succeeded in interpreting the place of efficiency in an industrial economy and giving a lead to hard thinking on this vital problem.

The book would have been more readable, if the publishers had paid attention to the efficiency aspects of book production.—*K.A.Z.*

Introduction to Business Finance. By Messrs. Bion B. Howard and Miller Upton. Published by McGraw-Hill Book Company, Inc. New York.

The book under review is a result of the teaching experience of Mr. Bion B. Howard and Mr. Miller Upton in the Northwestern and Washington Universities, respectively. The book deserves to be welcomed for the reason that the authors have approached the subject from an angle different from the traditional one. They deal with the subject from an administrative, rather than socio-economic, stand-point. This is only as it should be, as finance is one of the major administrative functions in business, along with production and marketing. They have also focussed their attention on financial management, the principles, institutions and instruments which are common to all types of business and which are capable of application to any situation, instead of concentrating all attention on only one type of business organisation, namely, the corporation. This is appropriate, for the beginning course of any subject should be generic rather than specific in nature.

All this is not to say that no attempts have been made so far to deal with the subject in a non-traditional manner. There are some books, which have appeared since the conclusion of the Second World War, which make somewhat different approaches. But, the book under review certainly goes further than most of them in the direction of establishing generic and consistent managerial approach to business finance. The authors do not, however, profess that further improvement is not possible, despite the caution and experimentation with which they have approached the subject.

A significant feature of the book is that it does not assume substantial prior knowledge on the part of the student, as to the operation of the individual firm, as have been usually the case while writing books on business finance, especially from a socio-economic angle. The book, therefore, should prove of immense benefit not only to students but also business administrators, inasmuch as it is comprehensive and satisfies the increasing desire among academicians and administrators alike for a new approach to business finance.

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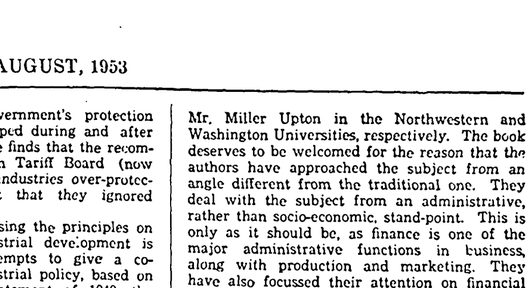

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Notices

THE COCHIN MALABAR ESTATES LIMITED

REPORT AND BALANCE SHEET FOR THE YEAR ENDED 28th FEBRUARY, 1953

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Annual General Meeting of this Company will be held at the Office of Peirce, Leslie & Co., Ltd., Kozhikode, on Monday, 31st August, 1953, at 11 a.m., for the following purposes:—

To receive and consider the Balance Sheet and Working and Profit and Loss Account to 28th February, 1953, and the Reports of the Directors and Auditors.

To fix the Directors' remuneration.

To declare a Dividend.

To elect a Director.

To appoint Auditors for the ensuing year and fix their remuneration.

In accordance with the Company's Articles of Association the Transfer Books will be closed from 19th August to 2nd September, 1953, both days inclusive.

The Board will recommend to the meeting payment of a Dividend of 25 per cent. on the Ordinary Share Capital.

By Order of the Board,
PEIRCE, LESLIE & CO., LTD.,
Managing Agents & Secretaries.

KOZHIKODE, 1st *August*, 1953.

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of The Simplex Mills Company, Limited, will be held at the Registered Office of the Company at Forbes Building, Home Street, Fort, Bombay, on Friday the 4th day of September, 1953, at 5-0 p.m. (S.T.), for the purpose of considering, and if thought fit, passing ordinary resolutions in terms of the notice posted to shareholders.

Dated this 7th day of August 1953.

By Order of the Board,
For THE SIMPLEX MILLS CO., LIMITED,
For FORBES FORBES CAMPBELL & CO., LTD.,
F. H. KEMPLE,
Director,
Agents.

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual Ordinary General Meeting of the Shareholders of the Mettur Chemical and Industrial Corporation Ltd. will be held at the Registered Office of the Company at Mettur Dam at 4 p.m. on Monday the 7th September, 1953, to transact the usual business.

Copy of the printed Balance Sheet and Profit and Loss Account and Meeting Notice is posted separately.

All shareholders are requested to be present in person or by proxy.

The Register of Members and the Share Transfer Books of the Company will remain closed from 24th August, 1953, to 7th September, 1953, both days inclusive.

By Order of the Board,
SESHASAYEE BROTHERS LIMITED,
Managing Agents.

METTUR DAM R.S., 5*th August*, 1953.

THE MYSORE SPINNING AND MANUFACTURING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTIETH ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Wednesday the 5th September, 1953, at 4-30 p.m. (S.T.).

(1) To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 28th February, 1953,

(2) To declare a Dividend and Bonus,

(3) To elect Directors in place of those who retire by rotation but who are eligible for re-election, and

(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Monday the 24th August, 1953, to Wednesday the 9th September, 1953, both days inclusive.

(The holders of the 4½ per cent. Cumulative Preference Shares of the Company have no right to be present or to vote either in person or by proxy in respect of their holdings of such Preference Shares at the above Ordinary General Meeting.)

By Order of the Board,
N. SIRUR & CO., LTD.,
Managing Agents.
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 4*th August*, 1953.

N.B.—The dividend and bonus when declared, will be made payable at the Central Bank of India, Ltd., Bangalore City, on and after Monday the 21st September, 1953, to those shareholders whose names stand on the Register of Members on the 25th August, 1953. Shareholders are requested to intimate change of address, if any.

IMPERIAL BANK OF INDIA

NOTICE IS HEREBY GIVEN THAT THE THIRTY-THIRD Local Meeting of the Shareholders of the Imperial Bank of India on the Branch Register of Shareholders kept at the Bombay Local Head Office of the Bank will be held at the Bombay Local Head Office, Apollo Street, Bombay, on FRIDAY, the 4th day of SEPTEMBER, 1953, at 4 p.m. (Standard Time) for the purpose of electing two persons to be members of the Local Board to fill the vacancies caused by the retirement of MESSRS. NEVILLE N. WADIA and PRATAPSINH MATHURADAS who go out of office at such Meeting but, being eligible, offer themselves for re-election.

By Order,
C. W. MIDDLETON,
Secretary and Treasurer,
Bombay.

BOMBAY, 16*th July* 1953.

BENARES ELECTRIC LIGHT AND POWER COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Ordinary General Meeting of the abovenamed Company will be held at the Registered Office, No. 12, Mission Row, Calcutta, on Friday the 28th August, 1953, at 11 a.m., for the purpose of receiving and considering the Directors' Report and the Statement of Accounts for the half-year ended 31st December, 1952, and the Balance Sheet as at that date and to transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from the 22nd August, 1953, to the 28th August, 1953, both days inclusive.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

CALCUTTA, 7*th August*, 1953.

INDIAN TRADE AND GENERAL INSURANCE COMPANY, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Shareholders of this Company will be held at the Registered Office at 5, Royal Exchange Place, Calcutta, on 8th September, 1953, at 4 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report, the audited Revenue Accounts and the Balance Sheet of the Company for the year ended 31st December, 1952.
2. To declare a Dividend.
3. To elect Directors in place of those who retire in accordance with the Articles of Association.
4. To appoint Auditors for the ensuing year and to fix their remuneration.
5. To consent to the Director, Lala Karam Chand Thapar (Managing Director of Karam Chand Thapar & Bros., Ltd.), and the Firms or Companies of which he is a Partner or Director, holding Agency under the Company, pursuant to Section 86E of the Indian Companies Act.
6. To transact such other business as may be brought before the Meeting by the Chairman.

The Transfer Books of the Company will be closed from 25th August to 8th September, 1953, both days inclusive.

By Order of the Board of Directors,
T. M. STURGESS,
General Manager.

N.B.—The Dividend when sanctioned at the General Meeting will be payable to those Shareholders whose names stand registered on the Company's Registers on the 24th August, 1953. It will be payable at the Imperial Bank of India, Strand Road, Calcutta, for six months on and after the 15th September, 1953, and thereafter at the Principal Office of the Company in Bombay.

INDIA GENERAL NAVIGATION AND RAILWAY COMPANY, LIMITED

NOTICE

THE COMPANY'S CALCUTTA STOCK Transfer Registers will be closed from Friday the 28th August to Thursday the 10th September, 1953, both days inclusive.

KILBURN & CO., LTD.,
Managing Agents.

DIGEST OF INCOME-TAXES IN COMMONWEALTH

The second and final volume of *Income-Taxes in the Commonwealth*—a completely new digest of taxes on income in Commonwealth countries, compiled by Britain's Board of Inland Revenue to succeed the pre-war publication *Income-taxes in the British Dominions*—has now been published in London. (Orders for this publication can be placed with British Information Services, Eastern House, Man Singh Road, New Delhi. Price Rs. 22-8, postage extra).

The first volume, published in November, 1951, dealt with taxes in Australia, Canada, Ceylon, India, New Zealand, Pakistan and South Africa (including a note on South-West Africa) for the latest year for which the text of the relevant laws was received up to April, 1951, in each case.

The second volume covers taxes in the Isle of Man, the Channel Islands, Southern Rhodesia, British Colonies and Protectorates, and territories under United Kingdom trusteeship. Information contained in this volume is based on the text of laws received up to August, 1952, and the tax-year dealt with in each case is the calendar year 1951 (or the comparable year where it runs to a date other than 31st December).

As in the case of the first volume, it is proposed to keep the information up-to-date by means of annual supplements.

RESULTS OF TATA IRON AND STEEL COMPANY SATISFACTORY

SMALL DECLINE IN NET PROFIT

IN view of the accurate manner in which advance information on the working of the Tata Iron and Steel Co., Ltd., is nowadays got and published by the City Editors of the daily Press, there is hardly any scope for surprises in the official releases by the Company. It is, therefore, no wonder that one does not find any thing new in the Directors' report and accounts of the Company for the year ended 31st March, 1953. These show a slight rise in gross profit and a fall in net profit. But even this feature of the Company's results was known to the share market days in advance. If, nevertheless, the value of the Company's Deferred and Ordinary shares staged a rise soon after the publication of the report, it was purely a coincidence. Or it might have been just one of the irrational moods of the market for which it is well known.

A study of the Company's financial results for 1952-53 fully justify the Directors' decision, announced a few weeks ago, to maintain the dividend at the previous year's levels. No doubt, the Company's production and despatches during 1952-53 were lower than those in 1951-52 and this in turn accounted for a drop in profit. But the recession in net profit was negligible, being no more than 5 per cent. Consequently, the Company could maintain not only the return on capital but also the essential provisions as required by the Tariff Commission. On the whole, the Company fared satisfactorily in 1952-53, but it would have certainly done better had the Government been not so parsimonious in determining the margin of profit allowed to it under the Iron and Steel Control Order. And there is no reason why it should not be allowed a higher rate of return on capital employed, considering the large sums it has ploughed back in the past. In fact, if due allowances were made for the sacrifices made by the shareholders of the Company in the past and the large portion of profit they set aside for financing the expansion of the Company's block, the dividend which they are now getting could not be regarded as being quite generous.

Profit and Appropriations

The gross profit of the Company, before making provision for Managing Agency commission, reveals a fractional improvement from Rs. 9.65 crores to Rs. 9.69 crores. Because of this, Managing Agents' commission has fallen from Rs. 47.62 lakhs to Rs. 44.51 lakhs. Out of this, a sum of Rs. 5 lakhs (as against Rs. 7.50 lakhs in the previous year) has been waived by the Managing Agents and set apart for grant towards the cost of providing "engineering or other educational facilities." The provision for taxation has been stepped up from Rs. 2.68 crores to Rs. 2.80 crores, and that for depreciation from Rs. 2.15 crores to Rs. 2.35 crores. The bonus to employees is lower at Rs. 98.57 lakhs, as compared with Rs. 1.06 crores provided in the previous year. The net profit, after making these essential provisions, stands at Rs. 3.10 crores, a decline of Rs. 18 lakhs from that for the previous year. If the allocation to the plant rehabilitation reserve, which is in the form of a depreciation provision (for which a sum of Rs. 1 crore has been provided, as compared with Rs. 75 lakhs last year), is deducted from this, the net profit shows a much larger decline of Rs. 42.65 lakhs at Rs. 2.10 crores. This larger provision for plant rehabilitation reserve is in accordance with the increase in the retention price granted by the Government on the recommendation of the Tariff Commission for the purpose of financing replacements and renewals at the present high prices of plant and machinery. The Company received for this purpose a sum of Rs. 1.77 crores (as against Rs. 1.33 crores). Taxation on this absorbs Rs. 77 lakhs (Rs. 57.60 lakhs), leaving a net sum of Rs. 1 crore (Rs. 75 lakhs) for this reserve. Because of this larger allocation, the amount transferred to the general reserve has had to be reduced from Rs. 74.98 lakhs to Rs. 46.80 lakhs, but the aggregate sum provided for reserves at Rs. 1.47 crores does not show any marked variation from that of Rs. 1.50 crores transferred from the profit for 1951-52.

The decline in net profit noted above is attributed to lower production and despatches of pig iron and steel and to the curtailment of operations at the Agrico plant, owing to lack of orders. The output of saleable steel, for instance, fell from 799,000 tons to 790,000 tons. The breakdown at the blooming mill, sheet bar and billet mill and rail and structural mill were mainly responsible for the lower production. Describing the trading conditions during the year under review, the Directors, in their report, observe:

"Following an improvement in the international situation and an increase in the world production of steel, iron and steel markets slackened during the year under review. In India, finished steel production increased from 1,052,000 to 1,076,000 tons in 1952, while imports of steel rose from 178,000 to 197,000 tons. Despite this, the supplies available were much below the country's real needs; but lack of purchasing power amongst the people and the tightness of the money market resulted in a reduced offtake and an accumulation of stocks. Control on the distribution of heavy structurals, rails and certain items of scrap was relaxed by Government in July, 1952. Later, the control over the distribution of bars, rods and light structurals was also relaxed, and registered stockists were permitted to sell these categories in any quantity to persons without permits. Prices, however, remained under Government control."

Trend of Results

The following comparative table, showing the salient features of the Company's results for the year 1952-53, against the background of those for the previous three years, will enable one to study at a glance the Company's progress in the last three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1953	1952	1951	1950
Sale proceeds (net) ..	35,51.72	32,81.49	27,43.77	24,62.05
Other income ..	2,22.80	2,45.82	2,79.09	1,78.43
Expenditure ..	28,05.89	25,42.54	21,98.48	19,78.91
Gross profit ..	9,88.62	9,84.77	8,24.38	6,62.57
Provision for—				
Managing Agents' commission ..	44.51	47.62	47.78	34.43
Taxation	2,80.00	2,67.00	2,10.00	1,45.00
Depreciation	2,35.00	2,15.00	2,15.00	2,10.00
Bonus to employees ..	98.57	1,06.35	1,01.43	92.93
Net profit	3,10.55	3,28.20	2,50.18	1,71.21
Income-tax on preference dividend ..	14.84	14.84	14.13	17.67
To general reserve ..	46.80	74.98	99.45	48.03
,, plant rehabilitation reserve ..	1,00.00	75.00	..	..
,, bad and doubtful debts	..	0.67	1.60	1.50
Dividends—				
Preference*	56.54	56.54	56.54	56.54
Ordinary ..	73.50	73.50	63.00	56.00
Rate per share of Rs. 75 each ..	(Rs. 21)	(Rs. 21)	(Rs. 18)	(Rs. 16)
Deferred ..	56.15	56.15	45.65	33.66
Rate per share of Rs. 50 each ..	(Rs. 116-5)	(Rs. 116-5)	(Rs. 93-10-5/12)	(Rs. 79-5)
Carry forward	2.05	7.46	2.08	3.72
	(In thousands of tons)			
Production of—				
Coke	8.91	9.10	9.78	9.55
Pig iron	11.53	11.29	11.12	10.31
Steel ingots	10.61	10.57	10.61	10.05
Saleable steel	7.90	7.99	7.84	7.27

* Subject to deduction of income-tax.

The gross sale proceeds have gone up from Rs. 35.20 crores to Rs. 41.16 crores. The previous year's figure included Rs. 1.24 crores, representing adjustment for increase in retention prices for preceding years. The sale proceeds for the year under review include a sum of Rs. 2.27 crores, representing the increase in retention prices of steel for the year. But the rebates payable to the Government under steel control amount to Rs. 5.64 crores, as compared with Rs. 2.58 crores paid last year. The net sale proceeds, therefore, represent a rise of only Rs. 2.91 crores. This has been offset to the extent of Rs. 23.02 lakhs by the decline in other income, mainly on account of a drop of Rs. 28.01 lakhs in sale of foodstuffs and other commodities and of Rs. 19.59 lakhs in miscellaneous income. On the other hand, a sum of Rs. 20.91 lakhs, representing the net receipt of the post-war refund of E.P.T., has been credited to the revenue account, besides the sum of Rs. 27.92 lakhs taken directly to the general reserve. The net increase of Rs. 2.67 crores in total revenue has been nearly wiped off by the rise of Rs. 2.64 crores in expenses. Of this rise, consumption of coal, raw materials, stores, etc., account for Rs. 31 lakhs, payments to and provisions for employees (other than bonus) for Rs. 41 lakhs, inward freight and handling charges for Rs. 96 lakhs and works expenses for Rs. 42 lakhs. The expenses which have been capitalised out of the above represent a rise of Rs. 17 lakhs to Rs. 1.39 crores. Outward freight and handling charges have gone down from Rs. 3.17 crores to Rs. 3.02 crores, but the other expenses have risen from Rs. 38.98 lakhs to Rs. 46.89 lakhs.

The following comparative table reveals a synoptic view of the Company's financial position, as at the close of the last two years:

	As at 31st March	
	1953 Rs.	1952 Rs.
LIABILITIES		
Capital	10,47,24,135	10,47,24,135
Reserves, other funds and surplus ..	14,93,72,202	13,45,51,066
Reserve for taxation	3,21,23,616	3,11,52,192
Liabilities	19,38,81,033	15,36,14,017
Total Rs. ..	48,01,01,437	42,62,42,011
ASSETS		
Gross block	46,79,61,580	44,13,78,740
Less—Depreciation	31,36,17,074	29,54,45,185
Net block	15,43,44,506	14,59,33,555
Stores, spares, etc.	9,87,20,505	6,33,39,130
Stock-in-trade	7,40,72,097	7,91,48,673
Debts, deposits and advances ..	8,99,04,849	7,80,56,702
Investments	4,09,20,370	4,04,05,387
Cash	5,21,35,510	1,92,18,564
Total Rs. ..	48,01,01,437	42,62,42,011

It will be noted that the reserves have been strengthened by Rs. 1.49 crores. The gross block reveals an increase of Rs. 2.66 crores, reflecting the progress made during the year in the Company's programme of expansion and modernisation. The Directors report that substantial progress has been made on the various projects relating to modernisation and replacement of plant. The negotiations with the Government of India for a loan of Rs. 10 crores for this programme have been virtually completed and it is stated that the Company will be in a position to commence drawing on the loan shortly.

As regards the scheme for the conversion of deferred into ordinary shares, the Directors hope that the conversion will be completed in the course of the current financial year.

JOST'S ENGINEERING CO., LTD.

Another year of successful operations, within the limitations of the Government's import policy, has been completed by Messrs. Jost's Engineering Co., Ltd. (General Managers: Mr. C. W. Owen, Bombay) during the twelve months ended 31st March, 1953. The turnover and profit of the Company, which had gone up in the previous year, show a further expansion. The trading profit, which had risen from Rs. 4.31 lakhs for the year ended 31st March, 1951, to Rs. 5.32 lakhs for the following year, has advanced to Rs. 6.67 lakhs for the year under review. After maintaining the provision for depreciation and making a higher provision for taxation, the net profit stands Rs. 1 lakh higher at Rs. 1.93 lakhs. This satisfactory increase in the profit has enabled the Directors to transfer to the reserves a sum of Rs. 40,002. It may be noted here that they have not been able to set aside anything in the previous two years. The dividend has been maintained at 15 per cent., to which level it had been raised last year from 12½ per cent.

The following comparative table giving the salient features of the Company's profit and loss account for the last four years, shows the Company's progress since 1950:

(In lakhs of rupees)

	For the year ended 31st March			
	1953	1952	1951	1950
Sale proceeds	31.72	26.94	22.10	32.14
Stocks	4.86	7.19	4.19	4.40
Trading expenses ..	22.72	24.41	17.58	24.05
Trading profit	6.67	5.52	4.81	5.62
Other expenses	4.01	4.13	3.37	3.55
Depreciation	0.07	0.07	0.08	0.09
Taxation	1.23	1.00	0.75	1.16
Net profit	1.93	0.93	0.77	1.36
Reserves	0.40	..	..	0.60
Provisions for—				
Bonus to staff ..	0.44	..	..	..
Staff gratuity ..	0.16	0.10	..	..
Dividend	0.90	0.90	0.75	0.75
	(15%)	(15%)	(12½%)	(12½%)
Carry forward ..	0.12	0.04	0.12	0.11

The foregoing results for the year under review indicate that the Chairman's expectations of another good year of business, expressed at the last Annual General Meeting of the Company's shareholders, have materialised fairly well. It will be recalled that the Chairman had stated last year: "Although, in common with others, we are experiencing cuts in quotas for some of our most important agencies and, for some of the others, the import policy has still not been clarified, it gives me pleasure to record that the Company has firm orders in hand almost to the value of last year's turnover, of which approximately 75 per cent. are covered by valid import licences. Therefore, provided the balance of import licences are made available and the manufacturers can keep to reasonable delivery schedules, with no severe interruptions in raw materials or by way of rearmament programmes, we can confidently look forward to another good year of business."

The Company's balance-sheet, as on 31st March, 1953, discloses that the reserves and surplus aggregate Rs. 4.77 lakhs, as against a paid-up capital of Rs. 6 lakhs. The current liabilities (including provision for taxation) amount to Rs. 10.18 lakhs. The gross block of the value of Rs. 1.28 lakhs has been written down by about Rs. 99,000. The current assets aggregate Rs. 24.66 lakhs and exceed the current liabilities by a large margin of Rs. 14.48 lakhs.

AMBIKA SILK MILLS' PROFIT LOWER

DIVIDEND REDUCED

IT is common knowledge that one of the industries which had been very adversely affected by the slump of 1952 was the art silk industry. In fact, this industry had felt the depression in the latter half-year of 1951 and it was more pronounced in the following year. The sharp fall in prices of art silk cloth did not stimulate any additional demand from consumers. With the result, the art silk mills had to suffer a severe setback in their earnings—with some of them actually sustaining losses. The Ambika Silk Mills Co., Ltd. (Agents: Messrs. Maganlal Bhagwandas & Co., Bombay), is one of those mills which have been considerably affected by these adverse conditions. It is, however, gratifying to find that it has not suffered a loss, as some others have done. The Company's gross profit for the year ended 31st December, 1952, amounts to Rs. 1.94 lakhs. This represents a fall of Rs. 1.29 lakhs, as compared with that for the previous year. The net profit, after providing for taxation and depreciation, has declined from Rs. 1.34 lakhs to Rs. 70,678. On account of this recession, the Directors have had to reduce the allocation to the reserves, as also the dividend, from 10 per cent. to 8 per cent.

Explaining the reasons for the decline in earnings, the Directors in their report to the shareholders observe:

"During the year under review, there was a pronounced depression in trade beginning from March and the effect of this was felt practically throughout the year. There was a sharp fall in the prices of art silk cloth and, although the prices of art silk yarn also had a downward trend, the other prices of manufacturing charges were not affected, with the result that the margin between the cost of production and the sale price narrowed down considerably. This accounts for the fall in the profit. Taking these factors into account and considering the conditions prevailing in the art silk industry during the year under review, your Directors trust that the result achieved will be considered quite satisfactory."

The following table gives the salient features of the Company's results for the year under review, as compared with those for the preceding three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1952	1951	1950	1949
Sale proceeds	60.17	57.73	39.66	36.43
Other income	1.72	1.71	2.04	1.30
Closing stocks	10.66	11.47	11.01	10.47
Manufacturing expenses (including yarn and stores consumed).	43.60	53.03	37.04	25.16
Other expenses	1.70	1.84	1.43	1.23
Gross profit	1.94	3.23	3.12	3.82
Managing Agents' commission ..	0.12	0.20	0.19	0.23
Depreciation	0.71	1.24	1.22	1.00
Taxation	0.40	0.45	0.75	1.10
Net profit	0.71	1.34	0.06	1.44
Reserves	0.10	0.72	0.40	1.00
Other provisions	..	..	..	0.40
Dividend	0.62	0.77	0.77	0.77
	(8%)	(10%)	(10%)	(10%)
Carry forward	0.04	0.05	0.19	0.40

The considerable improvement in sale proceeds which had been noted in the previous year suffered a slight recession in the year under review and this is understandable in the context of the trading conditions that prevailed during the year. The contraction in manufacturing expenses is more due to the decline in consumption of yarn and stores than to a reduction in other expenses.

Out of the net profit of Rs. 70,678, the Directors have provided Rs. 10,000 for the reserve for rehabilitation of machinery, as against Rs. 71,720 set aside last year, and Rs. 40,000 two years ago. For the third year in succession, the Directors have not been able to provide anything to the general reserve. The dividend which has been reduced from 10 per cent. to 8 per cent. absorbs Rs. 61,600, leaving to be carried forward Rs. 3,928 to the next year, as against Rs. 4,850 brought in.

The Company's balance-sheet as on 31st December, 1952, shows that the paid-up capital is unchanged at Rs. 7.70 lakhs. The capital was raised to the present level by the capitalisation of a sum of Rs. 1 lakh out of the reserve fund in November, 1947 and of a further sum of Rs. 70,000 in August, 1948. The reserves and surplus now stand at Rs. 2.32 lakhs. The gross block amounts to Rs. 15.20 lakhs, on which the depreciation so far provided aggregates Rs. 8.61 lakhs. The current assets, amounting to Rs. 15.54 lakhs, more than amply cover the current liabilities (including provision for taxation) aggregating Rs. 12.10 lakhs.

Points From The Chair

Tax Refund to Shareholders

"I SHALL now refer to a matter that has been agitating the minds of shareholders, namely, the refund of income-tax on their dividends. Due to the difference in the rates of depreciation allowed by the Department and those adopted by us under the provisions of the Electricity (Supply) Act, 1948, the Company's tax liability is either much below the quantum of dividends paid or nil. On the difference of such taxable income returned to the income-tax authorities and the dividends actually paid, the income-tax authorities collect an excess dividend tax without at the same time giving relief to the shareholder. We have contended that this tax is illegal, and the matter is now before the High Court of Madras. It is understood, however, that orders have been issued to afford tax relief for the year 1951-52."

S. RAGHAVA AIYANGAR,
South Madras Electric Supply Corporation Ltd.

Code of Conduct for Insurers

"Another problem which has latterly claimed considerable attention relates to certain evils that have grown out of unhealthy competition for procuration of business. To overcome the evils of rebating and payment of unauthorised commissions, various efforts were made in the past, but without success. With a view to eradicate these practices, and place insurance business on a healthy footing, a Code of Conduct has been evolved and the necessary machinery for its administration has been set up. I do not ordinarily favour controls in matters relating to private enterprise, but the situation to meet which the Code has been framed is an abnormal one and although there are some features of the Code which, to my mind, appear to be quite unnecessary, yet I venture to express the hope that a wise and sympathetic administration of the Code may achieve the desired result in due course."

M. CT. M. CHIDAMBARAM CHETTYAR,
United India Fire and General Insurance Co., Ltd.

Decontrol of Coal in U.K.

"The coal mines of this country have now been nationalised for 6½ years. The National Coal Board have had the support of all classes and parties in recognition of the stupendous task with which they were confronted. It must be admitted, however, that the progress made towards securing for the public the necessary quantity and quality of coal has been most disappointing. It is devoutly to be hoped that the Government and the National Coal Board will be able, between them, to act with sufficient determination to reverse the present trend and thus pave the way for decontrol in the not too distant future."

SIR JOHN CHARRINGTON,
Charrington, Gardner, Locket and Co., Ltd.

Shortage of Technical Skill in Industry

"This shortage of skill is a national dilemma and not merely a local one. Therefore, the remedy is in training within the firm; and that we are pursuing most energetically. In a few years' time we shall derive benefit from the expanded and improved apprenticeship training that we started in 1947; but a trade apprentice has to serve a five years indenture and also to do his National Service before he can settle down to his job with us as a skilled craftsman, draughtsman, or engineer. This makes it necessary, in the meanwhile, to have recourse to intensive training to overcome any bottlenecks that impede the flow of production to our customers. Fortunately, our training department is adequate for its tasks."

COMMANDER P. W. KENT,
George Kent, Ltd.

Egypt's Main and Permanent Problem

"The present difficulties which Egypt faces must not screen her main and permanent problem, that of increasing her agricultural output to feed and maintain an ever mounting population. This must be done, however, without any serious decrease in her cotton production. What is vital is not only agricultural improvement but agricultural expansion. There are in course a number of important plans, involving admittedly heavy capital expenditure, including several for bringing, by water storage and systematic irrigation, much land, now barren, into fruitful cultivation. When some or other of these are achieved, as with a return of economic stability they doubtless will be, Egypt will face the future with confidence."

THE RT. HON. LORD LATYMER,
Ottoman Bank.

QUESTION HOUR IN PARLIAMENT

Gold and Dollar Reserves

INDIA'S net drawings from the Central reserves of gold and dollar of the sterling area in 1952 was $118 million. Its net contribution to the reserves during January-June, 1953, was provisionally calculated at $9 million. During 1952, the reserves fell by $489 million. Since the beginning of 1953 up to the end of June, the reserves had, however, gone up by $521 million. The United Kingdom's dollar deficit in 1952 was $383 million. Figures for January-June, 1953, have not yet been published by the U.K.

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Currency Position in French India

The position in regard to Indian currency in French possessions has eased as a result of the action taken by the French India authorities to relieve shortage. There were reports some time ago that monthly quotas of Indian rupees had been fixed by French India for financing her imports from India. The French India authorities has, however, denied the reports, saying that Indian currency is released in proportion to the requirements of imports essential to the economy of French India. The balance of trade has been increasingly in favour of India and there is really a shortage of Indian currency in French India. I have no statistics to show what the imports into French possessions from abroad are in proportion to their own needs. It is possible that a certain amount of smuggling is taking place. This is a general problem of which the Government is well satisfied.

—*Minister for Finance*

Import of Foodgrains

Majority of purchases (of foodgrains from abroad) are made at Government level, either on barter or against cash payment. Small quantities are purchased from the trade. Wheat and flour purchases, except from the Argentine, are under the International Wheat Agreement, for which the rate is already fixed. From the Argentine, the wheat is against the barter agreement concluded by the Ministry of Food and Agriculture. All rates of purchases are normally approved beforehand by the Government. The following quantities of foodgrains were purchased during the current year up to the end of July, 1953:

	Quantity Lakh tons	*Value* Crores of Rs.
Wheat	16.29	63.08
Flour	0.75	3.92
Milo and sorghum	1.18	4.77
Rice	1.76	14.35
Total ..	19.88	86.80

The countries from which these foodgrains were purchased are the U.S.A., Canada, Australia and the Argentine (wheat); Australia (flour); the U.S.A. and Australia (milo and sorghum); and Thailand, Burma and Pakistan (rice).

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Import of Tractors

The total number of tractors imported into India, on Government as well as private account, during the half-years ended 30th June, 1952, and 30th June, 1953, were 1,609 valued at Rs. 1,67,46,683 and 2,151 valued at Rs. 1,94,52,719, respectively.

—*Minister for Food and Agriculture*

Procurement of Wheat and Rice

About 1.15 million tons of rice and 207,000 tons of wheat have been procured in India during the period 1st January to 18th July, 1953. Except for U.P. and Punjab procurement of wheat in other States has continued during the current year more or less as usual. In U.P., the procurement was given up altogether, while, in Punjab, monopoly procurement was abandoned and the State now makes purchases from the *mandi* as and when the market rates are favourable. April and May are the months of seasonal shortage for rice and, during these months, the seasonal firming up of prices was experienced this year also. On the whole, however, the prices of rice in April-May this year were lower than those during the corresponding period of the last year, indicating downward long-period trend of prices. As regards wheat, April is the peak marketing period and the prices during this month were generally lower than in February-March. In May, the position was somewhat erratic. In Uttar Pradesh, certain parts of Bihar, Himachal Pradesh, etc., the prices were generally lower than those in March, but, in Madhya Pradesh, Hyderabad, Madhya Bharat, Vindhya Pradesh, etc. they were somewhat higher than those in March. In the case of wheat also, the prices in April-May 1953, in Bihar, Uttar Pradesh, Saurashtra, etc., were lower than those during the corresponding period of last year, indicating that the long-period trend of wheat prices was also downwards.

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Russian Wheat on Barter Terms

In March, 1953, a proposal was made by the Government of India to the Government of the U.S.S.R. that the two Governments might enter into a three-year barter agreement for the supply of Russian wheat against Indian commodities. No reply has so far been received to this proposal.

—*Deputy Minister for Food and Agriculture*

Earnings of Railways

The railway goods earnings during 1952-53 amounted to Rs. 146.13 crores, as against Rs. 140.48 crores (excluding freight on carriage of railway coal and materials) in 1951-52. The passenger earnings during 1952-53 amounted to Rs. 100.36 crores, as against Rs. 109.88 crores during 1951-52.

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Class I Passenger Earnings

Gross earnings of the Indian Railways from class I passengers during the first quarter of 1953-54 were Rs. 41.25 lakhs, as against Rs. 49.59 lakhs during the corresponding period of 1952-53. The reasons for the drop in earnings were the policy of progressive withdrawal of class I accommodation and the general factors responsible for the recession in all classes of passenger traffic since 1951.

—*Deputy Minister for Railways*

TRADING RESULTS OF ATTOCK OIL SUBSTANTIALLY HIGHER

PROFIT OF HOOGHLY MILLS DECLINES

Attock Oil Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Steel Brothers and Co., Ltd., London) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Group profit for the year attributable to members of the Company after writing off all expenditure on well boring and after charging £6,460 (£6,190) relating to earlier years has amounted to £1,259,455 (£640,998) from which depreciation of fields and refinery plant, motor vehicles and chattels has been provided amounting to £214,988 (£162,751) and United Kingdom and Pakistan taxation on the year's accounts amounting to £683,019 (£344,952) leaving a balance of £361,448 (£133,295). The directors disposed of this amount as follows:—

Transfer to general reserve £160,000 (*nil*), interim dividend paid on 14th May, 1953, at 5 (nil) per cent. less income-tax £49,500 (nil) and final dividend payable on 3rd September, 1953, at 15 (12½) per cent. £148,500 (£118,125), making for the year 20 (12½) per cent. for the year £198,000 (£118,125), leaving a balance of £3,448 (£15,170). To this was added the unappropriated profits brought forward from 1951, of £229,545 (£208,612) making a balance at credit of profit and loss account of £232,993 (£229,545). This amount was carried forward to 1953. A sum of £145,000 was placed to general reserve, by transferring taxation provision in respect of previous years no longer required, £120,000 and contingencies reserve £25,000.

Trading profit for the year amounted to £1,297,655 which compares with £661,837 for 1951. The subsidiary company—Pakistan Oilfields Limited —incurred a loss for the year of £20,272 (made up of rents and licence fees, directors' fees and travelling expenses, general expenses, establishment charges and managing agents' remuneration) which, after allowing for the proportion attributable to the minority shareholders (£2,883), has been provided for in the consolidated profit and loss account.

Pakistan Oilfields Limited, (The Attock Oil Company's Pakistan subsidiary company). With reference to the directors' Report for 1950, of the 30,000 shares offered for subscription to nationals of Pakistan, 11,468 only have been applied for. In terms of the conditions imposed by the Controller of Capital Issues, Government of Pakistan, the matter has been reported to the Controller for further directions in accordance with the industrial policy of the Government and these are now awaited. The Attock Oil Company, Ltd., has expressed its willingness to take up any unsubscribed shares in Pakistan Oilfields Limited.

Pakistan Oilfields Limited has entered into a general agreement with Attock (which has the necessary machinery, plant and equipment and technical staff for prospecting and drilling) which provides that the Parent Company shall be engaged as contractor to drill wells for testing on areas held by P.O.L. Should oil in commercial quantities not be found then unless and until this arrangement is terminated by the Attock Oil Company, Ltd., further prospecting/drilling contracts will be entered into on similar terms to test additional selected areas in the hope that oil in commercial quantities will be found.

It is a term of each contract that if oil in commercial quantities be found in any area, P.O.L. will pay Attock a sum equal to the total expenditure incurred by it in carrying out the Contract together with five per cent. of such total expenditure. P.O.L. will not be liable to make any payment to Attock either by way of re-imbursement of expenditure or by way of remuneration in respect of any prospecting/drilling contract which does not result in the proving of oil in commercial quantities.

The general agreement also provides that Attock shall to the extent that it has surplus refining capacity available, refine any crude oil produced by P.O.L. It has been agreed with the taxation authorities in the United Kingdom and Pakistan that cost of prospecting/drilling by Attock for P.O.L. which does not result in the proving of oil in commercial quantity shall be a charge in arriving at Attock's liability to taxation. Conversely, any re-imbursement received and profit earned will be taxable in Attock's hands. The arrangement regarding Pakistan Oilfields Ltd., is an extension of Attock's normal activities to the limit imposed by the Pakistan Petroleum (Production) Rules, 1949. By the end of 1952, three prospecting/drilling contracts had been entered into by Attock and P.O.L. The directors consider that the provisions for depreciation and taxation are adequate.

Accounts in brief were as under:—

Liabilities	£	Assets	£
Capital ...	1,800,001	Block ...	974,415
Debentures ...	100,000	Stores held for capital account ...	789,189
Reserves ...	636,243	Crude oil, mfd. products, etc.	799,872
Provision for taxation ...	527,259	Debts and advances ...	1,177,788
Liabilities ...	844,205	Investments	12,679
Profit and loss account ...	232,993	Cash ...	386,758
	£ 4,140,701		£ 4,140,701

Hooghly Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

In accordance with the Indian Jute Mills Association's main and supplementary working time agreements the mill worked 42½ hours per week, with 12½ per cent. of the looms sealed, throughout the year.

Raw jute was in fairly plentiful supply during the year, at gradually declining rates. Prices for manufactured goods, especially sacking goods, were generally unremunerative and this is reflected in the reduced profit on the year's trading.

The export duty on sacking goods was reduced by Rs. 95 per ton as from 28th February, 1953, but this has so far failed to stimulate demand.

Jute in stock and process has been taken into account at rates corresponding with forward sales of manufactured goods, and manufactured goods have been taken into account at contract rates.

The result of the year's working is a profit of Rs. 7,18,727 (Rs. 10,61,509), from which is deducted reserve for income-tax and super tax Rs. 1,90,374 (Rs. 3,57,786) and depreciation Rs. 2,00,000 (Rs. 2,50,000) leaving a balance of Rs. 3,28,353 (Rs. 4,53,723). Adding the credit balance brought forward from previous year of Rs. 64,417 (Rs. 80,294) there is a total sum of Rs. 3,92,770 (Rs. 5,34,017). The directors recommend that this amount should be disposed of as follows:—

Preference dividend at the rate of 10 (10) per cent. per annum, without any deduction in respect of income-tax payable by the Company Rs. 1,17,600 (Rs. 1,17,600), ordinary dividend at the rate of 12½ (15) per cent. per annum (Re. 1-4 (Rs. 1-8) per share) without any deduction in respect of income-tax payable by the Company Rs. 2,10,000 (Rs. 2,52,000) and carry forward to next year Rs. 65,170 (Rs. 64,417).

The managing agents have waived Rs. 1 lakh of the commission due to them.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,58,000	Block ...	20,11,564
Reserves ...	15,20,698	Stocks ...	12,52,868
Provision for taxation ...	5,87,183	Stores, etc. ...	12,91,212
Liabilities ...	10,47,822	Debts, deposits and advances ...	17,49,424
Profit and loss account	3,92,770	Investments	81,023
		Cash ...	18,382
	Rs. 64,04,473		Rs. 64,04,473

Hattikhira Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

A crop of 14,563 maunds was manufactured and disposed of for sale in Calcutta, for export 13,074 maunds, shipped to U.K. for sale in London 175 maunds and for sale in Calcutta for internal consumption 1,314 maunds.

The Company experienced a disastrous year's trading in 1952 owing to the collapse of the market for common tea. The average price realised was only As. 14-7 per lb. as compared with Re. 1-7-2 per lb. in 1951. In an endeavour to improve the quality of the tea, finer plucking was undertaken during the season but this did not have any immediate effect on prices and the crop was considerably reduced thereby. After the close of the season it was found necessary to close the gardens temporarily.

The prospects for 1953 are considerably brighter and it seems likely that prices will revert to the level obtaining before the slump. The relatively small crop harvested in 1952 is not necessarily an indication of the crop which may be expected under a policy of finer plucking should climatic conditions prove favourable.

It is expected that the cost of production will be significantly reduced in 1953 as a result of the Government of Assam's decision to modify the minimum wages payable in Cachar. The Company's Export Quota for 1952 was 16,335 maunds.

No extensions were put out during the year and the area under cultivation as registered with the Indian Tea Licensing Committee at 31st December, 1952, was 2,153.65 acres. The managing agents' representative visited the garden in September, 1952, and his report was satisfactory.

The revenue account showed a loss of Rs. 6,97,141 (profit of Rs. 3,99,355) and after adding gratuities Rs. 5,000 (Rs. 5,000), depreciation Rs. 97,893 (Rs. 82,954), deficit on 1951 London tea sales Rs. 62,261 (*nil*) and provision for sales tax Rs. 18,252 (*nil*) there was a balance of Rs. 8,80,547 (Rs. 1,91,890). After deducting forfeited dividends Rs. 1,620 (Rs. 175) and excess provision for taxation written back Rs. 32,956 (*nil*), there was a loss for the year of Rs. 8,45,971 (net profit of Rs. 1,91,715). After deducting from this the credit balance of Rs. 25,754 (Rs. 14,552) brought forward from the previous year and transferring Rs. 8,40,000 (*nil*) from reserve account, there was a credit balance of Rs. 19,783 (Rs. 21,767 after paying a dividend of 7½ per cent.) on profit and loss account, which was carried forward. The estimates for season 1953 are as follows:—

Gardens	Crop Mds.	Expenditure: Garden Rs.	Expenditure: Calcutta Rs.	Total Rs.
Hatikhira Solgal	18,508	10,11,440	3,14,032	13,25,472*

* Excluding expenditure of a Capital nature estimated to amount to Rs. 14,595.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,60,000	Block ...	19,27,046
Reserves ...	3,50,000	Stock of tea	3,62,848
Provision for taxation ...	91,145	Stores, etc. ...	3,66,613
Liabilities ...	11,17,517	Debts, deposits and advances ...	1,70,012
Profit and loss account ...	19,783	Investments	1,000
		Cash ...	11,126
	Rs. 28,38,445		Rs. 28,38,445

Gillapukri Tea and Seed Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 32,327 (Rs. 26,377) for depreciation, the season's working resulted in a loss of Rs. 12,532 (loss of Rs. 13,454). After bringing in the balance from last year and charging secretaries and agents' minimum commission, there remained a balance of Rs. 2,586 (credit of Rs. 16,947 after paying a dividend at Re. 1 per share absorbing Rs. 36,000) at debit of profit and loss account. No dividend was declared and the debit balance in the profit and loss account was carried forward.

A record crop of 6,377 maunds was secured and sold at an average price of Re. 1-10-3 per lb. This compares with a crop of 5,041 maunds manufactured in season 1951 which sold at an average price of Re. 1-14-5. The heavy fall in the tea market resulted in most of the Company's crop being sold at below cost of production. Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and there is reason to anticipate that the results for season 1953 will show an improvement. Estimates for the current season have been framed for a regulated crop of 5,950 maunds to cost Rs. 7,00,935.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,60,000	Block ...	4,32,329
Reserves ...	3,00,000	Stock-in-trade ...	4,27,396
Provision for taxation ...	3,124	Stores ...	1,13,985
Liabilities ...	5,87,312	Debts, deposits and advances ...	2,22,622
		Investments	3,689
		Cash ...	45,829
		Profit and loss account ...	2,586
	Rs. 12,50,436		Rs. 12,50,436

New Cinnatolliah Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclosed a loss of Rs. 2,09,936 (loss of Rs. 2,27,809). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 30,000 (Rs. 2,05,000) from revenue reserve, and Rs. 1,26,579 (*nil*) from buildings and machinery reserve, there was a balance at debit of profit and loss account of Rs. 44,129 (credit of Rs. 2,114), which the directors carried forward.

An unfavourable market persisted throughout the season while the cost of production was proportionately higher per pound as a result of the smaller crop harvested and further statutory wage concessions to labour. Crop weighed out at 5,208 maunds as compared with 5,626 maunds in 1951, compared with Re. 1-6-1 per lb. in the previous year. The planted area remained at 935 acres. Estimates for 1953 provide for a crop of 5,000 maunds at an outlay of Rs. 6,32,300, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	4,00,000
Liabilities ...	5,75,603	Stores and supplies ...	87,327
		Tea sales receivable ...	4,48,044
		Advances and debts ...	53,793
		Cash ...	44,200
		Profit and loss account ...	44,129
	Rs. 10,75,603		Rs. 10,75,603

Pussimbing Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

During 1952 the Tea Industry in North East India generally suffered the most serious crisis within experience, and the Darjeeling District suffered particularly severely, with sale prices greatly below production costs. In an endeavour to meet the position the estate adopted a finer standard of plucking, which resulted in a reduced crop of 152,816 pounds of tea; and at the same time the strictest possible economy was exercised. Despite the increased cash dearness allowance introduced by the Minimum Wages Award in December, 1951, the dearness allowances in cash and kind to staff and labour increased only to Rs. 1,30,285 from Rs. 1,29,209 in the previous year.

The total net average sale price for the year 1952 was As. 32.44 as against As. 29.85 for 1951; total working cost per pound of tea produced was As. 37.36 as compared with As. 41.60 for 1951.

There is a revenue loss for the year of Rs. 45,082 (loss of Rs. 18,447); to this has to be added reserve for staff expenses, interest charges and the proportion of cost of assets written off; and after allowing for these items and the other adjustments shown, there is a final loss for the year of Rs. 54,160 (loss of Rs. 26,826) and a final debit balance on this account of Rs. 50,924 (Rs. 3,236) which is carried forward to 1953. Having regard to the heavy loss sustained on the season's working, the managing agents have offered to forgo one half of their commission on tea sales, which has been accepted.

Estimates for 1953 are based on a crop of 2,000 (2,300) maunds of tea at a total cost of Rs. 2,86,200 (Rs. 3,85,877). These estimates are based on the labour wages at present in force and on the strictest possible economy: continued expenditure on this level would not be in the best interests of the maintenance of the estate and it is unlikely that production costs as low as the above estimate of As. 28.62 per pound of tea can be maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,10,000	Block ...	4,42,500
Reserves ...	1,99,293	Stocks ...	1,08,248
Provision for taxation ...	22,149	Stores and supplies ...	47,681
Liabilities ...	70,729	Debts, deposits and advances ...	39,591
		Investments	1,928
		Cash ...	11,299
		Profit and loss account ...	50,924
	Rs. 7,02,171		Rs. 7,02,171

North-West Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1953.

After providing Rs. 24,500 (Rs. 10,000) for depreciation and Rs. 13,000 (*nil*) for cesses and bringing in Rs. 15,000 (Rs. 10,000) from dividend equalisation reserve, there is a balance of Rs. 13,416 (Rs. 8,798) at the credit of the profit and loss account out of which the directors recommend a dividend at 5 (5) per cent. per annum Rs. 6,813 (Rs. 6,813) leaving to be carried forward Rs. 6,603 (Rs. 1,985).

Raisings during the half-year were 42,196 tons as compared with 45,720 tons and despatches 46,842 tons as compared with 35,587 tons during the last half-year.

Difficulty in selling the quality of coal raised by the Colliery at prices prescribed by Government in the Colliery Control Order makes it increasingly difficult to reduce stocks and consequently raisings have had to be restricted and the costs have consequently been adversely affected.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,72,500	Block ...	5,06,945
Reserves ...	3,36,004	Stocks ...	4,00,665
Provision for taxation ...	26,469	Stores ...	1,31,802
Liabilities ...	7,36,134	Debts, deposits and advances ...	3,34,851
Profit and loss account ...	6,603	Cash ...	3,447
	Rs. 13,77,710		Rs. 13,77,710

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st May, 1953.

After providing Rs. 500 (*nil*) for taxation and transferring Rs. 2,00,000 (Rs. 50,000) to general reserve there is a balance of Rs. 2,42,673 (credit of Rs. 1,45,646) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 6 (Rs. 6) per share Rs. 1,08,000 (Rs. 1,08,000), leaving Rs. 99,673 (Rs. 2,646) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	37,46,426
Reserves ...	31,81,234	Stocks ...	24,86,725
Provision for taxation ...	5,97,225	Stores ...	10,02,367
Liabilities ...	7,91,439	Debts, deposits and advances ...	1,83,536
Profit and loss account ...	99,673	Investments	45,688
		Cash ...	4,829
	Rs. 74,69,571		Rs. 74,69,571

Hooghly Docking and Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The improvement in the Company's activities reported last year continued during the year under review; the value of work billed amounted to Rs. 65,39,792 against Rs. 55,76,008 in 1951. The entire property of the Company has been maintained in good order and repair throughout the period.

After charging all expenses including depreciation and writing off Rs. 34,659 (*nil*) as bad debts, the profit for the year amounted to Rs. 13,78,424 (Rs. 9,29,637) to which has to be added the balance brought forward from the previous year of Rs. 41,417 (debit of Rs. 50,720), making a total of Rs. 14,19,842 (Rs. 8,78,917). Out of this sum there have been provided for taxation Rs. 6,85,000 (Rs. 2,50,000), bad debts Rs. 50,000 (Rs. 1,00,000), and transferred to development reserve Rs. 3,00,000 (nil) and general reserve Rs. 1,00,000 (Rs. 3,00,000), leaving a balance available for disposal of Rs. 2,84,842 (Rs. 2,28,917). The directors recommend this balance to be disposed of as follows:—

Payment of a dividend of 15 (15) per cent. without deduction of income tax absorbing Rs. 1,87,500 (Rs. 1,87,500) plus a bonus of Rs. 2.8 (nil) per share absorbing further Rs. 62,500 (nil) and carrying forward the balance of Rs. 34,842 (Rs. 41,417).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	8,31,755
Reserves 22,25,000		Stocks ...	5,76,122
Provision for taxation ...	14,66,288	Work-in-progress ...	51,78,901
Liabilities ...	54,58,678	Debts, deposits and advances ...	40,34,621
Profit and loss account ...	2,84,842	Cash ...	63,409
	Rs. 1,06,84,808		Rs. 1,06,84,808

Mysore Coffee Curing Works, Ltd.

The directors of the above Company (Manager and Secretary: Mr. S. N. Pallegar, Chikmagalur) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The directors report that during the year 1952, the working of the Concern was satisfactory and in spite of the keen competitions from the other curers, the Works received a substantial quantity of coffee for curing. The operation of the Railway Out-Agency at Chikmagalur has been satisfactorily conducted.

After providing a sum of Rs. 24,931 (Rs. 22,043) towards depreciation, there is a balance of Rs. 30,431 (Rs. 40,027) to the credit of the profit and loss account. This, with the carry over of Rs. 400 (Rs. 321) from the previous year, amounts to Rs. 30,831 (Rs. 40,348) which the directors recommend to be disposed as follows:—

In payment of dividend at 10 (10) per cent. per annum, free of income-tax and super-tax on Rs. 2,99,490, Rs. 29,949 (Rs. 29,949), payment of dividend at 10 (nil) per cent. per annum, free of income-tax and super-tax on Rs. 37,150 allotted in the month of October, 1952 for two months Rs. 619 (*nil*) and to carry forward Rs. 263 (Rs. 340).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,37,006	Block ...	3,17,397
Reserves ...	2,07,960	Stock-in-trade	1,98,614
Provision for taxation ...	42,697	Stores, etc. ...	94,800
Liabilities ...	4,38,346	Debts, deposits and advances ...	3,86,810
Profit and loss account ...	30,831	Cash ...	59,219
	Rs. 10,56,840		Rs. 10,56,840

National Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th April, 1953.

After providing Rs. 3,68,000 (Rs. 32,000) for taxation and transferring Rs. 50,000 (*nil*) to general reserve there is a balance of Rs. 4,69,332 (Rs. 3,72,764) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 17,500 (Rs. 17,500) and on ordinary shares at Re. 1 (Re. 1) per share Rs. 3,50,000 (Rs. 3,50,000) and leaving Rs. 1,01,832 (Rs. 5,264) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	18,65,001
Reserves ...	44,27,437	Stocks ...	30,95,241
Provision for taxation ...	4,11,440	Stores, etc. ...	10,25,336
Liabilities ...	11,95,202	Debts, deposits and advances ...	3,26,799
Profit and loss account ...	1,01,832	Investments	85,200
		Cash ...	37,38,334
	Rs. 1,01,35,911		Rs. 1,01,35,911

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

COMPANY MEETINGS AND DIVIDENDS

PUSSIMBING TEA CO., LTD. Annual General Meeting, Calcutta, 19th August, 1953. Dividend: *Nil*. Transfer books closed from 13th to 19th August, 1953, both days inclusive.

NORTH-WEST COAL CO., LTD. Half-yearly General Meeting, Calcutta, 20th August, 1953. Dividend: As. 8 per share (Rs. 10 paid-up) and As. 6 per share (Rs. 7-8 paid-up). Transfer books closed from 10th to 20th August, 1953, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Annual General Meeting, Kundara, Travancore-Cochin, 22nd August, 1953. Dividend: 12½ per cent. Transfer books closed from 7th to 22nd August, 1953, both days inclusive.

CHAMPDANY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 25th August, 1953. Dividend: Rs. 3 per share. Transfer books closed from 11th to 25th August, 1953, both days inclusive.

JOST'S ENGINEERING CO., LTD. Annual General Meeting, Bombay, 26th August, 1953. Dividend: Rs. 7-8 per share. Transfer books closed from 13th to 26th August, 1953, both days inclusive.

BRADBURY MILLS LTD. Annual General Meeting, Bombay, 27th August, 1953. Dividend: Rs. 100 per ordinary share. Transfer books closed from 10th August to 5th September, 1953, both days inclusive.

DUFFLAGHUR TEA CO., LTD. Annual General Meeting, Calcutta, 27th August, 1953. Dividend: Rs. 2 per share. Transfer books close from 17th to 27th August, 1953, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Half-yearly General Meeting, Calcutta, 28th August, 1952. Dividend: As. 10 per share (including additional payment of As. 2 per share). Transfer books close from 22nd to 28th August, 1953, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 28th August, 1953. Dividend: Rs. 6 per share. Transfer books closed from 13th to 28th August, 1953, both days inclusive.

TATA IRON AND STEEL CO., LTD. Annual General Meeting, Bombay, 3rd September, 1953. Dividend: Rs. 115-3 per deferred share, and Rs. 21 per ordinary share, payable on and after 4th September, 1953.

INDIA PAPER PULP CO., LTD. Half-yearly General Meeting, Calcutta, 3rd September, 1953. Dividend: Rs. 6 per share. Transfer books closed from 13th August to 3rd September, 1953, both days inclusive.

FERTILISERS AND CHEMICALS, TRAVANCORE, LTD. Annual General Meeting, Eloor, Alwaye (Travancore-Cochin), 5th September, 1953. Dividend: *Nil*. Transfer books close from 22nd August to 5th September, 1953, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, 9th September, 1953. Dividend: Rs. 7 per share (final). Transfer books close from 24th August to 9th September, 1953, both days inclusive.

INDIA UNITED MILLS LTD. Annual General Meeting, Bombay, 18th September, 1953. Dividend: *Nil*. Transfer books close from 27th August to 18th September, 1953, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: Rs. 7-8 per share. Transfer books close from 1st to 18th September, 1953, both days inclusive.

INDUSTRIAL FINANCE CORPORATION OF INDIA. Annual General Meeting, New Delhi, 19th September, 1953.

COCHIN MALABAR ESTATES LTD. Dividend of As. 12 per share, for the year ended 28th February, 1953. Transfer books close from 19th August to 2nd September, 1953, both days inclusive.

COMPANY REGISTRATIONS

CHURU PROPERTIES LTD. (First Director: Mr. F. C. Kothari.) Business: To Acquire by Purchase, Lease, Exchange or otherwise, Land, etc. Authorised capital: Rs. 50,00,000. Public company. Address: 11, Armenian Street, Calcutta.

VEGETABLE PRODUCTS LTD. (First Director: Mr. S. P. Tantia.) Business: To Acquire, Maintain and Work Vegetable Oil Factories, etc. Authorised capital: Rs. 25,00,000. Public company. Address: 161/1, Harrison Road, Calcutta, 7.

MORGAN WALKER & CO., LTD. (First Director: Mr. H. C. Kankaria.) Business: Booking Agency or Commission Business of Jute, Gunny, etc. Authorised capital: Rs. 20,00,000. Private company. Address: 2, Clive Ghat Street, Calcutta.

JORAI FARM LTD. (First Director: Lt.-Col. R. Singh.) Business: To Acquire Landed or other Property. Authorised capital: Rs. 20,00,000. Private company. Address: 7, Hastings Street, Calcutta.

SHAW BROS. (WINE) LTD. (First Director: Mr. S. Shaw.) Business: Dealers in Wines, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 40, Moti Sil Street, Calcutta.

HOVANESIAN BROS. LTD. (First Director: Mr. S. J. Johannes.) Business: Buyers and Sellers of Merchandise, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 104, Stephen House, Calcutta.

BHARAT MANGANESE LTD. (First Director: Mr. J. L. Baid.) Business: To Acquire Mines, Mining Rights, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 9, RamKumar Rakshit Lane, Calcutta, 7.

HIND TRADING AND MINERALS LTD. (First Director: Mr. M. R. Bhimsaria.) Business: To cultivate Tea, Coffee, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 135, Canning Street, Calcutta.

FURTHER RISE IN CALL MONEY RATES

(From Our Own Correspondent)

BOMBAY, 12th August

The short-term money market experienced further stringency during the week. The scarcity of funds felt in the previous week was followed by an expansion in the demand for funds for purchase of cotton and other commodities. The available surplus funds of banks having been absorbed already, banks had to look around for more funds. Consequently, inter-bank call money was bargained for up to 2½ per cent., as against 1½ per cent. in the previous week, among the Exchange banks and big Indian banks. Stray transactions were reported even at 2¾ per cent., but this high rate did not persist long. Following the spurt in rates, funds from other centres began to flow back to Bombay. Exchange banks also had to recall their surplus funds which had been remitted overseas in earlier weeks.

The state of the market at the close was, however, fairly comfortable, the borrowers' requirements having been satisfied. There were lenders of overnight funds at 2 per cent. Among the smaller Indian banks inter-bank call money was placed at 2¾ per cent., as against 2½ per cent. a week ago. House money continued to fetch 2¼ per cent. In spite of the rise in inter-bank call money, short-term deposit rates did not experience any spurt, banks offering no higher than 2¾ per cent. for one to three months and 2¾ per cent. for longer periods.

There was a further decline in the amount tendered this week against the Rs. 1.50 crores of three months' Government of India Treasury Bills, such being no more than Rs. 2.02 crores, as against Rs. 2.60 crores in the previous week. The average rate of accepted tenders, however, remained unchanged at Rs. 2-6-3 per cent.

After several weeks, notes in circulation, as revealed by the statement of affairs of the Reserve Bank of India for the week ended 7th August, 1953, have once again risen by as much as Rs. 12.92 crores. Notes held in the Banking Department, on the other hand have recorded a contraction of Rs. 13.44 crores. The net decline of Rs. 52.17 lakhs in total notes issued is covered by a drop of an identical amount in rupee coin. On the liabilities side of the Banking Department, deposits of the Central Government have fallen by Rs. 4.47 crores and those of other Governments by Rs. 8.91 crores. Banks' deposits have declined by Rs. 35.37 lakhs and those of others by Rs. 1.43 crores. On the assets side, cash balances show a contraction of Rs. 13.57 crores and balances held abroad, of Rs. 1.64 crores. A rise of Rs. 80 lakhs is noted in ways and means advances to Governments and of Rs. 1.25 crores in other loans. Investments are higher by Rs. 1.22 crores, while Government Treasury Bills purchased and discounted are lower by Rs. 1.14 crores.

The Scheduled Banks' statement for the week ended 31st July, 1953, as compared with that for the previous week, discloses a sizable fall of Rs. 6.29 crores in demand deposits and a small decline of Rs. 25.63 lakhs in time deposits. Inter-bank borrowings are higher by Rs. 92.73 lakhs. Borrowings from the Reserve Bank have gone up by Rs. 39 lakhs and those from the Imperial Bank by Rs. 29 lakhs. The pace of decline in the Banks' advances shows a considerable slackening. Thus advances have gone down by only Rs. 74.92 lakhs, while bills purchased and discounted have actually risen by Rs. 26.07 lakhs. Cash-on-hand and balances with the Reserve Bank together account for a decline of Rs. 5.99 crores and balances with other banks in current account of Rs. 65.29 lakhs. Money at call and short notice has risen by Rs. 1.31 crores.

The Gilt-edged market was steady, though conditions were dull. The volume of business did not show any sign of expansion, though some interest was evinced in near-dateds and there was persistent demand for some of the State Loans. 3 per cent. 1957 and 3 per cent. 1958 were in demand, but quotations were unchanged at Rs. 98-6 and Rs. 98-3, respectively. 3 per cent. 1959-61 was enquired for at Rs. 96-3. 3 per cent. 1963-65 changed hands an anna higher at Rs. 92-6, but 3 per cent. 1964 was held at Rs. 92-5. 3 per cent. 1966-68 had sellers at Rs. 90. 3 per cent. 1970-75 also attracted sellers at Rs. 86-7. 3 per cent. 1986 Conversion Loan, which had risen by As. 2 to Rs. 82-2 last week, moved ahead further to Rs. 82-5, before closing at Rs. 82-4. 3½ per cent. 1961 National Plan Bonds were stagnant at Rs. 98-5. Among the State loans 4 per cent. 1963 Bombay had business As. 3 higher at Rs. 100-3 and U.P. an anna better at Rs. 99-7. 4 per cent. 1964 Bombay and West Bengal were in request and gained As. 4 to Rs. 100.

In the foreign exchange section, the rupee-U.S. dollar rate was unchanged at Rs. 475½ per $100 (banks selling ready) and at Rs. 471¾ per $100 (banks buying ready). In New York, the £ sterling moved within narrow limits, but stood on balance a fraction stronger. Thus, the spot rate rose from $2.81-9/16—2.81-11/16 on the 4th inst. to $2.81⅞—2.81⅞ yesterday. The forward rates, likewise, advanced, from $2.80⅛—2.80¼—2 81 for three months and from $2.80-3/16—2.80-5/16 to $2.80-5/16—2.80-7/16 for six months.

LINSEED EASY

(Messrs. A. Bradley & Co.)

CALCUTTA, 10th August

The linseed market has shown an easier tendency and values are, on the whole, slightly lower, whilst the undertone of the market is dull. Owing to restrictions in the movement of supplies from upcountry, arrivals to this centre have been very poor and stocks are exceedingly scarce. Sellers, as well as buyers, appear to be somewhat reserved and business has been reported on a very small scale during the week. The oil section has been dull. Absence of enquiries has had its effect on prices and trading has been very scarce. Latest quotations are Ready Rs. 22-4 and August-September Rs. 22 per maund.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, 12th August

Trading on the Bullion Exchange during the week under review centred round forward silver. There was a mild revival of a bullish fervour in this section. This gave the market a steady undertone. Ready silver was relatively dormant, but the strength of the forward section lifted up the prices. In the absence of any special factors to influence trading in gold, the yellow metal was steady in sympathy with silver and moved within narrow limits. On balance, silver (forward) gained Re. 1-9 per 100 tolas and gold (forward) Re. 1 per tola.

The encouraging advices from upcountry centres where demand for ready silver was improving and the favourable monsoon encouraged the bulls to make some sizable purchases. This forced the bears to cover their short sales.

Silver for forward delivery (26th August settlement) opened at Rs. 151-15 and moved listlessly between Rs. 152-8 and Rs. 151-13 early in the week. From Saturday onwards, however, there was a revival of confidence and prices edged forward to Rs. 154-1 on Monday. The higher level attracted some profit-taking, paring down the values to Rs. 153-5 yesterday. To-day, again, there was a spurt to Rs. 154-6, before reacting to close at Rs. 153-10.

Opening at Rs. 152-15, ready silver (.996 mint) moved ahead to Rs. 154-11. After receding to Rs. 153-13 yesterday, it revived to touch Rs. 154-14, but wound up the week at Rs. 154-2. Though the rates for ready delivery show a rise, there was a sizable fall in the premium it commanded over the forward from Re. 1 at the close of the previous week to As. 8, reflecting the strength of forward silver. The floating stocks of silver are estimated at 1,500 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (25th August settlement) began the week at Rs. 85-15 and covered fresh ground to touch Rs. 87-3 on Monday. Later, after a momentary setback to Rs. 86-12, it gained strength to Rs. 87-6, only to react to Rs. 86-15 at the close on reports of a slight increase in arrivals.

Ready gold touched a high of Rs. 88-3 to-day before finishing at Rs. 87-11, as against last week's closing of Rs. 87-5. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 4,000 tolas, whereas the offtake was slightly lower at 3,000 tolas on an average.

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

	12-8-53	Highest	Lowest	5-8-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 11	88 3	87 0	87 5
Forward	86 15	87 6	85 12	85 15
Sovereign	57 10	57 12	57 8	57 12
SILVER				
Ready (.996 fine Mint)	154 2	154 14	152 13	153 1
Forward	153 10	154 6	151 13	152 1
London Ready ..	74d.	—	—	74d.
London Forward .	74d.	—	—	74d.
New York Ready .	85½c.	—	—	85½c.

BLACK LEAF TEAS FIRM

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 7th August

The offerings in sale No. 16 which was held on Tuesday, 4th August, amounted to approximately 15,50,000 lbs. From the outset there was a strong general demand for all types. Common and low medium descriptions were well supported at rates which were often slightly dearer. Bright liquoring low medium and medium brokens were keenly sought after and advanced by As. 1 to As. 2 per lb. High-grown teas sold at rates which were fully firm and occasionally dearer. The strongest feature of the sale were all black leaf teas, particularly fannings and teas with style. These types must be quoted As. 2 to As. 3 dearer. There was a slightly easier tendency for whole leaf grades. The following were the quotations:—

	1953 Rs. a. p.
Low-grown Travancore B.O.P. ...	1 10 0
Medium Travancore B.O.P. ...	1 11 0 to 1 12 0
Anaimallais B.O.P.	1 12 0
Best liquoring Nilgiri B.O.P.	2 4 0
Clean black leaf O.P.	2 2 0

London Market.—No sale this week.

Colombo Market.—Low-growns five cents lower. All others active demand. Mediums advanced eight cents; high-growns 15 cents; limited selection flavoury UVAS 50 cents to Re. 1 dearer.

Calcutta Market—Export.—Good general demand. Commons half to one anna dearer. Good liquoring Assams well supported. Weakest features thin liquoring brokens and fannings.

Dust.—Good general demand. Medium Assams and best C.T.C. dusts occasionally easier. Middle East types strongest feature. Darjeelings well supported.

Export Quota.—There was some activity at the beginning of the week and transactions were done at 20 pies. The market showed an easier tendency towards the end of the week and to-day's quotation is 19 pies sellers.

Forthcoming Auctions.—Sale No. 17 will be held on Tuesday, 18th August.

As we go to Press Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:—

"*Dust Sale P.*—1,70,000 lbs. Good general demand at easier rates for all, except good liquoring and clean black Middle East types, which were fully firm."

COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 12th August

The situation in the forward cotton market has been undergoing radical changes every few days. It took a bullish swing after tenders amounted to only 9,400 bales on the second tendering day, followed by a stricter survey than anticipated. The bulls in the August contract, who had been frightened by the heavy tenders on the first delivery day, were heartened by large rejections and prospects of smaller tenders. The price jumped up by almost Rs. 40 to over Rs. 730 per candy. At this stage, however, the first official crop estimate and the comparatively fewer rejections from the second delivery brought about another change, though of a minor nature this time, with a drop of about Rs. 10 in the price. Since then, the price for August has been hovering round about Rs. 725 and it is now believed that the fluctuations in this flickering contract will be narrowed down during the next few remaining days of its life.

In a way, it is good that the market dealings in the August delivery have been more or less isolated and that they have ceased to exert the same influence on the February contract for the new crop which naturally engages more attention from the market, than before. The ruling sentiment, in spite of the general bull support forthcoming yesterday, is bearish, in view of several important factors. Though U.S. prices of cotton have ceased to influence the Indian market as they did at one time, the size of the crop in the U.S.A. and the general price level expected at New York cannot altogether be ruled out as a factor to be reckoned with, in deciding the price trend at Kalbadevi and other producing centres in the country.

But more than this, the optimistic estimates of the Indian crop itself had a more immediate effect on the market sentiment in Bombay, during the last week. The size of the Indian crop is now being placed at 38 to 40 lakhs bales. Reports from all up-country areas interested in cotton production so far, except South Gujerat, have been very encouraging. In Surat also, though the crop might have suffered owing to inundation during last week's heavy rainfall, it is not too late yet for resowing, where a greater part of the earlier sowings have been destroyed. It is a late ripening crop and even if sown up to the end of August, the Surti cotton has been known in the past to yield good results. There is, therefore, every reason for optimism with regard to the 1953-54 crop from the developments of the monsoon so far.

It is, however, the late rains which ultimately decide the yield. Subject to this proviso, there should be little room for any rapid advance in the forward market while a substantial recession in price cannot be ruled out completely. It may be recalled that last December's production was placed at a much lower quantity. The market began a little below Rs. 625. Once the halo cast by the August delivery prices is removed and the market settles down to normal trading on normal conditions, the price movement is likely to seek and even maintain a lower level during September.

In the spot market, things are generally quiet, in view of the preoccupation of important spot houses with the deliveries against the August contract. Mills also cannot be expected to be aggressive buyers in view of the assured position with regard to supplies from the coming season's crop. With regard to their more immediate requirements, they can rely on those who are taking fairly large deliveries of cotton in the forward market during this month with borrowed money. The volume of business is, therefore, low. Even the temporary demand for imported styles, which had materialised during the previous week, disappeared during the week under review. The quantity of Bengals available in the market being small, transactions in this variety also were fewer during the week, though as a result of this scarcity of stocks price showed some advance.

Cotton futures began the week with a buoyant note, under the influence of short-covering and bull support. The chief bullish factors were renewed expectation of lower tenders against the maturing (August) contract, reports of a further rejection of cotton lots in survey, and persistent demand in the spot section. The cumulative effort of these factors was an impressive rise in quotations, which continued to be in evidence till almost Monday. Yesterday, the buoyant note gave way to heavy selling pressure induced by reports of high issuance of tenders contrary to previous expectations. There was also the fear that the Textile Commissioner might take measures to check the unhealthy rise in prices. The result was a sharp break in values. To-day, however, cotton futures staged a marked recovery, thanks to speculative demand from prominent bulls and less offerings. The undertone of the market to-day was firm.

I.C.C. August contract improved from Rs. 694 to Rs. 731 on the 10th inst. and, after receding to Rs. 664-8 yesterday, recovered to finish at Rs. 723-8 to-day. The net gain over the week was to the extent of Rs. 29-8. I.C.C. February contract opened the week at Rs. 663-12 as against Rs. 658. It gradually rose to Rs. 667 on Saturday, but declined to Rs. 661 yesterday. After recovering to Rs. 667 to-day, it closed at Rs. 663-8. The spread between the August and February contracts, which was lowing was the trend of prices in the forward market during the week under review:

	Opening	High	Low	Closing
I.C.C. Feb. ...	(Rs.) 660	667	660	663
I.C.C. Aug. ...	(Rs.) 700	729	661	723

The following are the latest available quotations from the spot market: Bengal *Deshi* Rs. 600; Berar *jarilla* Rs. 760; Khandesh Rs. 850; Vijay Rs. 900; Oomra *Deshi* Rs. 700; Mogiai Rs. 700.

At Karachi, the Pakistan Government has lifted the ban on forward trading in cotton for the 1953-54 crop from the 8th inst. There has not been much time to gauge the price trend in this market, as it was closed on Tuesday in protest against the week-end developments in Kashmir. The ruling rate on Monday for October-November delivery was Rs. 71 for R.G. cotton with a premium of Rs. 3 to Rs. 4 for the S.G. variety. The opening of the forward market in the new crop, however, had a slightly bearish effect on the spot market dealing in the 1952-53 crop, with prices slightly lower than those ruling a week ago. Pakistan has still a substantial quantity of the present crop to dispose of and till this is done, it is likely to hang like a dark shadow over the forward market. Now that the forward trading has begun enquiries from the U.K. which has always been interested in the N.T. styles is likely to materialise, provided the price range is competitive. During this season the U.K. purchased about 1,11,000 bales from Karachi both through the R.C.C. and private buyers and if the prices this year are more attractive, there is no reason why purchases from the U.K. should not be very much higher during the coming season.

The following are the latest available quotations from the Karachi market: Punjab *Deshi* Rs. 76; 4F Punjab R.G. Rs. 57½ to Rs. 58; S.G. Rs. 62½ to Rs. 63; L.S.S. Punjab R. G. Rs. 61½; S.G. Rs. 66½; N.T. R.G. Rs. 65; S.G. Rs.70; 289F Punjab R.G. Rs. 68; S.G. Rs. 73.

At Alexandria, the demand from several centres such as Germany, South America, France, India and even the U.K. has tended to increase business, which previously was on a smaller scale. This export demand, however, is confined more to higher grades of Ashmouni and Karnak. This has led to this cotton being quoted at a premium in the up-country centres over the prices fixed by the Egyptian Cotton Commission. Even though direct buying in these centres by shippers involves selling it nominally to the Government and buying it back with the additional increase in price involved in this transaction, there is a good deal of such trading going on at present, because shippers are able to secure selected styles for and offer early delivery to the customers abroad. In addition to these cash purchases, some barter transactions are also being negotiated.

At New York, it was to be expected that on the days preceding the first official forecast of the season's crop, the price trend would be irregular. The forecast which places the crop at 14,605,000 bales, which though lower than last year's production by 3.5 per cent., is considerably higher than what the market expected. The higher production compared to the drop in the acreage announced a month earlier is based on a better average yield of 291.7 lbs. per acre which is about 8 to 9 lbs. higher than that last year and about 20 lbs. higher than the average. This had naturally a slightly bearish effect on the market, though this was not very pronounced, inasmuch as the ruling prices were very close to the loan level. It is expected that substantial part of the crop will move into loan. Unless the export position during this year improves considerably the volume of new crop is bound to exercise a bearish influence on prices, especially as the demand for local consumption is not likely to move up appreciably. At the same time there is no room for a substantial fall in prices, because of the escape provided by the loan.

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

(In cents per lb.)

	12-8-53	5-8-53	28-7-53
Spot	33.85	34.10	34.20
October	33.59	33.80	33.87
December	33.80	34.06	34.27
March	33.93	34.27	34.49
May	33.91	34.32	34.54

ART SILK YARN WEAK

(From Our Own Correspondent)

BOMBAY, 12th August

The sagging tendency that had developed in the art silk yarn market towards the close of last week was checked in the early sessions of the week under review. In fact, the market received good stimulus, on expectation that Italy's decision to raise art silk yarn prices might be followed by other Continental producers. The buying support that ensued as a consequence, coupled with short-covering, resulted in a substantial recovery in values of yarn. The recovery continued till yesterday, when there was a setback, on account of extremely bearish advices from the staple fibre yarn section, arrivals of imported yarn and absence of demand in the ready section, following the closure of several silk mills and handlooms using art silk yarn of 150 deniers and 120 deniers. Pressure was exercised by sellers and, buyers being hesitant to enter into fresh commitments, prices drifted downward. Reports regarding heavy stocks of cotton yarn and absence of satisfactory sales of cloth also accentuated the bearish feeling. The previous gains were erased and to-day's quotations were slightly lower as compared with the previous week. The undertone of the market is at present weak.

In the forward section, 150D August and September delivery contracts each opened the week on Monday, they both receded to Rs. 794 and Rs. 799, respectively, to-day. In the ready section, 120 Italy fluctuated between Rs. 4-4 and Rs. 4-3 before closing lower by an anna at Rs. 4-3. 120 Japan and 150 Japan, after gaining half an anna each to Rs. 4-3½ and Rs. 4-3 yesterday, reacted to finish at Rs. 4-2½. 150 Italy was fully steady at Rs. 4-4; to-day, however, it slided down to Rs. 4-3.

The sentiment of operators in the staple fibre yarn section, which had been depressed considerably last week, changed for the better during the first two sessions this week. This was due to support at lower levels. Consequently, prices tended to move up. The improvement continued till yesterday, although there was a break on Saturday. But to-day, again, the section turned distinctly bearish, on continued hammering by stockists. Three factors were responsible for this. First, the Bombay and South Indian mills were eager to reduce their excessive stocks which had increased due to higher production even at low levels. Secondly, demand from important consuming centres, particularly from the Punjab side, was slack. Finally, advices from commodity markets, especially cotton, were not encouraging. In view of all these factors, 2/40s staple fibre yarn September contract failed to elicit support and the quotation fell to Rs. 680, the lowest level touched since forward trading commenced on the 1st inst. Last week's quotation was Rs. 689.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 5th inst. and 29th July, 1953:

	12-8-53 Rs. a.	5-8-53 Rs. a.	29-7-53 Rs. a.
150D July (per case of 200 lbs.) ..	—	805 0	805 0
150D August	794 0	798 0	806 0
150D September	799 0	798 0	—
120 Japan (per lb.)	4 2½	4 3	4 2½
150 Japan	4 2½	4 2½	4 2½
120 Italy	4 3	4 4	4 4
150 Italy	4 1½	4 0	4 0½

GROUNDNUTS DECLINE

(From Our Own Correspondent)

BOMBAY, 12th August

The notable event during the week under review was the decision of the Government of India, on the 7th inst., to allow import of cottonseed oil with immediate effect. It has also abolished the preferential rate of import duty of 31½ per cent. and reduced the standard rate from 43¾ per cent. to 5 per cent. *ad valorem*. Imports can be arranged from any country including the dollar area and licences issued for the purpose will be valid for shipment till 30th September. This development did not have any appreciable effect on the trend in the market. If the announcement had been made earlier, it might have had some effect. Actually, it has been made at a time when the new crop movement is imminent. In the next two months, groundnut new crop will have commenced moving into the market.

Caught in a tussle between the bulls and the bears, the groundnuts section ruled irregular. The linseed section, however, was easy, while the castorseeds section disclosed a steady trend. Operators in the castorseeds section continued to expect early announcement of free exports of castor oil. The cumulative effect of all this was that, while the groundnuts and linseed section disclosed perceptible losses, castorseeds put on minor gains, on balance.

Bull operators tried their best to keep prices in the groundnuts section, but they could not succeed. Bearish advices from Madras and Adoni, in the later half of the week, dampened the enthusiasm of the bulls. Bold ready which opened at Rs. 48-8, as against Rs. 49, end of last week, after shooting up to Rs. 50, declined to Rs. 48. December-January delivery, after improving from Rs. 33-8 to Rs. 34-2, eased to close at Rs. 33-6. But, August-September delivery gained As. 4 to Rs. 46-4. Khandesh quality, however, lost a similar amount to Rs. 49-12; the highest touched during the week was Rs. 50-8. Groundnut oil ready shot up from Rs. 26-8 to Rs. 27-4, while railway receipts were steady at Rs 26-8. September and October deliveries were unchanged at Rs. 24-8 and Rs. 21-8, respectively.

In the linseed section, Bold ready eased from Rs. 30-8 to Rs. 30-2. October-November and February-March deliveries were done at Rs. 29-8 and Rs. 27-4, as against Rs. 30 and Rs. 27-4, respectively. Linseed oil rallied As. 4 to Rs. 17-4.

In the castorseeds section, May delivery which opened at Rs. 133-8, as against Rs. 132, fluctuated between Rs. 138-8 and Rs. 131-12, before closing at Rs. 133-8. September delivery gained Rs. 2-14 to Rs. 150-6, the highest and the lowest touched during the week being Rs. 154 and Rs. 147-8. In the ready section, Madras quality lost As. 8 to Rs. 30-8, while F.A.Q. put on a similar amount to Rs. 29-12. Castor oil I Pressure changed hands at Rs. 17-10, as against Rs. 17-12 and Commercials Rs. 17, as compared with Rs. 17-2.

The Oil Merchants' Chamber, Bombay, has urged the Government of India to announce forthwith the export policy for castor oil. The export trade in castor oil, it may be noted, has been at a standstill since 1st August, the free export licensing period for castor oil having expired on 31st July, 1953.

The following table shows the prices of oilseeds and oil on the 12th inst., as compared with those at the end of the previous two weeks.

	12-8-53 Rs. a.	5-8-53 Rs. a.	29-7-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	48 0	49 0	51 8
August-Sept.	46 4	46 0	49 0
Linseed—			
Bold Ready (per cwt.) ..	30 2	30 8	32 0
Castorseeds—			
Sept. (per candy of 5 cwts.)	150 6	147 8	153 4
	133 8	132 0	134 4
Madras (per cwt.)	30 8	31 0	32 4
Groundnut oil—			
Ex-mill Ready (per quarter).	27 4	26 8	28 10
Castor Oil—			
Commercial (per quarter)..	17 0	17 2	17 6

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 12th August

According to a Press note issued by the Central Food Ministry yesterday, one lakh tons of sugar have been purchased by the Government of India and the whole of this quantity will reach the country before the end of September, 1953. This includes 10,000 tons from the U.K. and 30,000 tons each from Mexico, Java and Cuba. About 20,000 tons of this quantity are already on their way to India. It is proposed initially to dump the first consignment of imported sugar into the high price zones such as Bombay, Cochin, and Madras. The subsequent consignments will be diverted to Saurashtra and West Bengal. That is only as it should be, for prices in these latter States have not registered such a spectacular rise as those in Bombay, Cochin and Madras. It has been further decided to offer imported sugar first to State Governments for distribution through fair-price shops, co-operative societies and ration shops and only then to the trade at Rs. 30 per maund ex-docks.

It is clear, therefore, that the Bombay spot trade in sugar will now hesitate to go in for Kanpur sugar at the existing prices, as 10,000 tons of British refined sugar will be available here within four weeks. It is anybody's guess to make out as to what will happen to spot prices in the meanwhile, if no quota is released to the Bombay Deccan mills. The terms on which imported sugar will be offered to the trade are not known; nor does one know the quantity that will be taken up by the State Governments. In view of these uncertainties, it is too early to forecast how the trade and the millers will react to the sales policy of imported sugar as announced by the Food Ministry.

The forward section of the Bombay sugar market remained firm this week. *Shravan* delivery opened the week at Rs. 90 (buyers) and soon shot up to Rs. 90-12. It touched Rs. 91-6 on the 8th inst., the highest for the week. At this level, profit-taking set in and the price moved down to Rs. 90-8 on Monday. The loss, however, was fully recovered yesterday, when the quotation touched Rs. 91-6. But to-day, it was again lower at Rs. 90-10, as a result of the Government's announcement regarding sugar imports, as noted above. The Bombay Sugar Merchants' Association has tentatively decided to open the next forward contract for *Bhadrapad* delivery. It is anticipated that this contract will open Rs. 2 lower than *Shravan* delivery.

A firm trend prevailed in the spot section. Small grains are offered at Rs. 92-93 medium grains at Rs. 94-95 and large grains at Rs. 99-103. These compare with Rs. 92, Rs. 93-94 and Rs. 96-98, respectively, a week ago. This firmness is due, as mentioned by us last week, to poor stocks, negligible quota issued to the Bombay Deccan factories in the last release and commencement of post-monsoon demand. Another bullish factor has been the firm advices from Kanpur. The price of sugar in this centre is Rs. 29-8 per maund of medium grain, a rate which the landed cost in Bombay works out to Rs. 91 per cent. But Kanpur dealers are nervous to send unsold parcels to Bombay, because it takes two to three weeks for sugar to reach this city, by which time the position may change against them, especially as imported sugar is likely to arrive here by the middle of September. They, therefore, prefer to despatch the sugar into the interior. The present trend of the spot market is likely to continue until imported sugar is available for actual delivery in Bombay.

Arrivals of sugar into Bombay during the period 6th to 12th inst. amounted to 6,800 bags. Offtake continues to be normal. Stocks with the spot trade are estimated at 12,000 bags, which exclude 5,000 bags of wet sugar.

NARROW FLUCTUATIONS IN JUTE GOODS PRICES

(From Our Own Correspondent)

CALCUTTA, 11th August

Prices of jute goods fluctuated narrowly during the week and there were no gains in hessian on balance. Speculators could not derive enthusiasm, as overseas enquiries for hessian were far from adequate. Shipper business was also poor, but this was not surprising, as, usually, every month commences that way. Holders of hessian were comforted by the publication of the stock figures of mills, according to which hessian held by them as at the end of July, 1953, fell by 900 tons to 45,600 tons. No doubt, this fall is below earlier expectations; that was why there was no price reaction on account of this factor. The recent abolition of the export duty on jute specialities is yet to be fully felt by the trade. The shippers have sought clarification of the Government's announcement in this regard. Among the constructions termed as jute specialities, paper-lined hessian has a good export market. But shippers, who attempted to export paper-lined hessian, on the belief that no duty would be levied, were told by the Calcutta customs authorities that this construction would be taken as cloth and that sacking and hessian cloth and bags would continue to be subjected to the export duty.

Lacking in business and in enquiries from foreign countries, 40" 10 oz. hessian opened quiet at Rs. 45-14 last Wednesday, as against an overnight rate of Rs. 46-14. At this low rate, mills were disinterested and the quotation advanced to Rs. 46. However, the week-end saw the price again at Rs. 45-14, but activity yesterday was enlivened by some enquiries. The quotation was steady at Rs. 46-8 and at Rs. 54-15 f.o.b. Eight oz. 40" was offered at Rs. 36-14 and at Rs. 43-10 f.o.b.

Trade circles have expressed the firm opinion that, if only the Government of India were to reduce further, if not abolish, the export duties on hessian and sacking, the mills would be encouraged to increase production, capture new markets for Indian goods, and export more to the dollar countries, thereby earning the valuable foreign exchange from that area. Such a step on the part of the Government would no doubt mean loss of considerable revenue to the exchequer, but the Indian industry would be placed on an equal footing with manufacturers abroad and any increased profits, which it could make, could be used for re-equipping mills with modern machinery which

(Continued on page 335)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	31st July 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.46	1,094.14	1,103.17	1,141.64	1,100.78
Notes held in Banking Department	25.05	46.30	86 79	32 70	36 76
Foreign Securities	89.80	583.15	583.15	603 15	553.15
Total	87.89	424.86	424 86	439 86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	108.29	92.67	116 15	103.74
Other Governments	10.08	36.00	34 81	16 23	8 61
Balances held abroad	10.08	120 79	122 52	108 42	119.41
SCHEDULED BANKS					
Demand Liabilities	134.87	530.25	535 82	531 35	559 04
		(14 2•)	(13 66)	(11 9•)	(12 6•)
Time Liabilities	102.84	328.27	323 31	327 62	313 71
Borrowings from Reserve Bank	..	(2 29)	(2 08)	(1 9•)	(1 1•)
	..	2 33	1 94	4 91	2 91
		(0 49)†	(0 49)†	(3 34)†	(1 54•)†
Borrowings from Imperial Bank	..	6.46	6.17	6 62	8.21
Cash in India	9.71	30.69	30 92	33.56	32.12
Balances with Reserve Bank	25.28	44.78	50 53	40.10	61.52
Excess over statutory limits	15.52	11.71	17.18	6 99	27.35
Balances with other banks in current account in India	..	10.65	11.31	11.45	11.83
Money at call and short notice in India	..	18.53	17.22	17.22	19.90
Investments (at book value)	..	316.41	315.61	313.41	300 86
Advances and bills	105.09	489.61	489.99	508.27	494.83
IMPERIAL BANK					
Deposits	87.76	208.19	211 31	207 75	224.38
Investments	31.99	86.71	86 61	86 17	86 49
Advances	30.87	114.85	115 15	122 19	131 61
Cash	14 89	20.93	25 58	12 12	24.16

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	7th August 1953		31st July, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,12,785	43,94,08,000	2,10,869	49,47,02,000
Calcutta	1,47,469	51,99,10,750	1,34,711	61,94,34,195
Madras	78,830	7,90,22,407	71,430	7,89,56,820
All Centres—				
1951	..	..	1,06,94,122	2,60,56,86,859
1952	..	..	1,08,41,16	2,78,81,57,000
May 1953	..	..	26,35,000	5,43,23,00,000
June „	..	..	24,65,000	5,34,71,00,000

Reserve Bank of India

Statement of Affairs for the week ended 7th Aug., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	103.81,99,000
(2) Other Governments	27,08,78,000
(b) Banks	46,65,27,000
(c) Others	62 44,24,000
Bills Payable	3,20,49,000
Other Liabilities	18 46,29,000
	Rupees 271 67,06,000

ASSETS	Rs.
Notes	82,85,47,000
Rupee Coin	7,09,000
Subsidiary Coin	3,71,000
Bills Purchased and Discounted—	
(a) Internal	20,60,000
(b) External	....
(c) Government Treasury Bills	6 72 88,000
Balances held abroad*	119 14 97,000
Loans and Advances to Governments	3,30,00,000
Other Loans and Advances	13 07,69 000
Investments	90,16,96 000
Other Assets	6 05,79,000
Rupees	271,67,06,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	32,85 47,000	
Notes in circulation	1107,06,25,000	
Total Notes issued	..	1139,91,72.000
Total Liabilities	..	1139,91,72,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	583,15,11,000	
Total of A	..	623,16,82,000
B. Rupee Coin	..	91,88,70,000
Government of India Rupee Securities	..	424,86,20,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1139,91,72,000

Ratio of Total of A to Liabilities: 54.663 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 31st July, 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	14,37,57 000†
(ii) Other demand liabilities	515,97,49,000
2. Time Liabilities in India :	
(i) Borrowings from banks	2,28,50,000†
(ii) Other time liabilities	325,94,31,000
3. Cash in India	30,69,99,000
4. Balances with the Reserve Bank in India	44,77,75,000
5. Balances with other banks in current account in India	10 65 87,000
6. Money at call and short notice in India	13,53,41,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	316,41,39,000
8. Advances in India	433,02,35,000
9. Inland Bills purchased and discounted in India	51,48,23,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		11th August 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to ailing	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475	475
Buyers T.T.	Rs.	471 1/2	471 1/2
London on New York	$	2.81 3/4-2.81 31/32	2.81 1/2
London on Paris	Frs.	973 1/2	975-975 1/2
London on Berne	Sw. Frs.	12.171-12.173	12.174
New York on London	$	2.81 1/4-2.81 1/2	2.81 1/4-2.81 1/2

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India	1948	342.12	..	8,730	255
Pakistan	1949	76.04	..	1,671	220
Burma	1951	18.47	Kyats 2,166	317	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.30	Y. 4,849,400	6,414	774
Philippines	1951	20.25	Ps. 7,568	1,856	856
New Zealand	1951	1.95	£ (N.Z.) 615	820	4,206
Australia	1951	8.43	£ (A.) 5,228	6,464	5,817
U.K.	1951	50.45	£ 13,545	18,197	3,608
U.S.A.	1952	156.98	$ 290,400	138,280	8,808
Canada	1952	14.43	$ 18,307	8,246	5,714
France	1951	42.24	Fr. Fr. 9,085,000	12,572	2,929
W. Germany	1951	48 11	Dm. 90,200	10,237	2,126
Italy	1951	46.60	Lr. 7,746,000	5,902	1,267
Norway	1952	3.25	Kr. 16,596	1,106	3,521
Sweden	1951	7.07	Kr. 26,800	3,439	4,864
Netherlands	1952	10.85	Fl. 17,650	2,200	2,120
Denmark	1951	4.80	Kr. 20,150	1,439	3,346
Switzerland	1951	4.78	S. Fr. 19,500	2,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, June, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 31st July, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	3,00,00,000
Reserve Fund	..	5,00,00,000
Deposits :		
(a) Central Government	..	80,01,23,000
(b) Provincial Governments	..	1,87,79,000
(c) Banks	..	18,78,90,000
(d) Others	..	2,46,53,000
Bills Payable	..	1,43,67,000
Other Liabilities	..	1,67,62 000
Rupees	..	71,25,74,000

ASSETS	Rs.
Notes	8,50,78,000
Rupee Coin	3 000
Subsidiary Coin	7,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	8,79 39,000
Other Loans and Advances	1,72,00,000
Investments	41,09,49,000
Other Assets	9,00,93,000
Rupees	71,25,74,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,50,78,000	
Notes in circulation	199,95,62,000	
Total Notes issued	..	208,76,40,000
Total Liabilities	..	208,76,40,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion	..	
Sterling Securities	89,33,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		89,14,82,000
B. Rupee Coin	6,59,47,000	
Government of Pakistan Securities	108,77,36,000	
Internal bills of exchange and other commercial paper	....	
		115,36,83,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets	..	208,76,40,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44 60 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
18th May	1.00	1.95	1.00	2 6 8	41
26th „	1.00	2 26	1.00	2 6 6	28
2nd June	1.00	2 02	1.00	2 6 6	32
9th „	1.00	2.10	1.00	2 6 6	27
16th „	1.00	2 23	1.00	2 6 6	29
23rd „	1.00	2 90	1.00	2 6 6	31
1st July	1.00	2 71	1.00	2 6 6	24
7th „	1.00	3 03	1.00	2 6 6	23
14th „	1.00	2 81	1.00	2 6 6	8
21st „	1.00	2 80	1.00	2 6 6	9
28th „	1.00	3 76	1.00	2 6 6	10
4th August	1.50	2 61	1.50	2 6 6	30
11th „	1.50	2 02	1.50	2 6 6	40
Total	13.50	33 20	13.50	.. .. ..	43 ..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	6	5
Belgium	16th Dec., 1952	3½	3
Canada	17th Oct., 1950	2	2½
Ceylon	25th July, 1953	2½	3
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	5	4½
France	9th Nov., 1951	3	3½
Greece	12th July, 1948	10	12
India	18th Nov., 1951	3	3½
Italy	9th April, 1950	4½	5
Japan	1st Oct., 1948	6.11	8
Netherlands	7th April 1953	3	3.54
New Zealand	26th July, 1941	2	3
Norway	3rd April, 1948	2½	3
Pakistan	1st July, 1948	3	2½
Portugal	15th Jan., 1944	3	4
South Africa	27th Mar., 1952	3½	3
Spain	15th Mar., 1948	5	4
Sweden	1st Dec., 1950	4½	4
Switzerland	26th Nov., 1936	2	1½
Turkey	28th Feb., 1951	4	5
United Kingdom	13th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th Jan., 1934	1	1½
West Germany	8th Jan., 1953	4	5

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	January, 1953	January, 1952	Ten months—April to Jan., 1952-53	Ten months—April to Jan., 1951-52
Import Duties :				
Revenue	8,40	11,96	92,06	108,19
Protective	63	93	9,45	8,82
On surplus disposals	2	1	5	24
Total import duties	8,94	12,89	99,51	117 26
Export Duties	3,20	7,23	46,56	74,62
Land Customs	16	29	2,80	2,73
Miscellaneous	8	7	1,00	2,73
Gross total customs	12,88	20,48	149,87	197
Refunds and drawbacks	17	20	2,85	198,49
Net Customs	12,71	20,10	147,02	4,18
Gross excise	6,13	7,79	67,64	191,86
Refunds	2	13	1,31	79,76
Net Excise	6,08	7,06	66,43	1,41
Net total of customs and excise	18,79	27,76	213,46	78,78
				266,11

Imperial Bank of India

Statement of Affairs for the week ended 7th Aug., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 Shares	5,62,50,000	9,63,50,000
Reserve Fund and other Reserves		6,38,00,000
Deposits and other Accounts		212,24,46,000
Borrowings from other Banking Companies Agents		2,24 59,000
Bills Payable		52,50,000
Bills for Collection being Bills Receivable as per contra		
Acceptances, Endorsements and Other Obligations as per contra		2,61,000
Other Liabilities (including Inter-Office Adjustments)		1,24,76,000
Total	Rs.	228,36,32,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16,83 61,000
Balances with other Banks		4,00,54,000
Money at Call and Short Notice		1,02,56,000
INVESTMENTS—		
Government and other Trustee Securities	76,90,84,000	
Other Authorised Investments	10,78,82,000	
		87,69,66 000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	89,28 11,000	
Bills Discounted and Purchased	25,02,18,000	
		114,90,29,000
Bills Receivable being Bills for Collection as per contra		52,50,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,61,000
Premises less Depreciation		1,35 81,000
Furniture and Fixtures less Depreciation		36,23,000
Other Assets (including Inter-Office Adjustments)		1,67,26,000
Total	Rs.	228,36,32,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates and Defence Savings Bank Deposits Outstandings @		21/2% Ten-Year Treasury Savings Deposit Certificates ‡	
	National Savings Certificates †											
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49	1,54	1,47	76	74	20,40	22,86	83,26	29,01	—	12,31		
1951-52	1,75	6,08	77	2,91	22,08	66,81	1,07,55	74,18	—	27,55	13,10	5,31
1952-53	1,63	6,84	66	3,27	23,66	84,18	1,12,36	91,01	—	31,06	7,64	12,89
May 1952	12	6,20	8	2,99	2,13	70,23	9,95	77,65	—	23,76		23,64
June „	12	6,27	6	3,01	1,81	71,64	9,38	80,08	—	24,56		
July „	15	6,33	10	3,08	2,03	73,14	10,29	82,54	—	25,56	56	19,86
August „	15	6,40	6	3,11	1,76	74,45	8,61	83,76	—	26,92	69	19,52
September „	10	6,44	3	3,11	1,54	75,73	9,79	84,91	—	29,18	74	20,53
October „	11	6,45	5	3,14	1,71	76,77	8,86	85,35	—	29,60	65	21,25
November „	10	6,50	3	3,16	1,71	77,99	8,03	85,54	—	29,60	58	21,89
December „	8	6,51	4	3,18	1,96	79,24	8,48	85,93	—	29,99	56	22,38
January 1953	10	6,54	4	3,19	2,02	80,77	8,38	86,09	—	30,23	58	22,92
February „	14	6,61	5	3,22	1,88	82,14	8,36	86,36	—	30,51	45	23,43
March „	32	6,84	9	3,27	2,26	84,18	13,76	91,01	—	30,76	58	23,94
April „	11	6,80	5	3,27	2,24	85,95	9,66	93,01	—	31,30	62	24,48
May „	12	6,83	4	3,29	2,08	87,57	9,65	92,50	—	31,52	60	25,08
June „	..	..	..	..	..	..	..	..	—	..	80	25,84
											66	26,36
											59	27,00
												27,56

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)

1. All-India

Group and Sub-Group	Week Ended 1-8-'53	25-7-'53	4-7-'53	2-8-'52
(A) Government and Semi Government Securities ‡	91.9	92.0	92.2	91.3
1. Government of India Loans	92.0	92.2	92.3	91.4
2. Municipal, Port Trust and Improvement Trust Loans	86.6	86.7	86.9	87.5
(B) Fixed Dividend Industrial Securities	98 9	99 9	99 3	91 0
1. Electricity	79 7	79.1	79 7	74 8
2. Cotton	127.8	127 9	123 0	128 3
3. Jute	80 6	80 9	80 7	79 8
4. Coal	98 8	99 2	99 2	96 0
5. Iron and Steel	84 2	84 2	82 6	85 2
6. Sugar	89 7	89 7	89 1	92 6
7. Paper	89 8	89 8	89 8	85.5
8 Plantations	96.9	97.0	97 2	102 0
(C) Variable Dividend Industrial Securities	106 2	106 2	107.0	101 5
1. Banks	102 9	103 0	103 5	103 7
2. Insurance	99 0	99 5	99 2	103 2
3. Investment Trusts	130.7	130.4	134.7	139 3
4. Electricity Companies and Tramways	84.4	84 4	83.9	83 6
5. Shipping and Other Transport Companies	86 4	85.8	84.8	84.1
6. Railways	74 6	74.6	75 0	73 8
7. Plantations	123.1	123 6	125.6	132 2
8. Cotton Woollen and Silk	136 5	135.9	135.5	137 5
9. Jute	70 5	70.8	72 5	79 3
10. Coal	85 8	87.4	83 6	90 7
11. Mining and Oil	59 9	59.7	62.5	63 0
12. Iron and Steel	139.1	137.7	139.3	133 9
13. General Engineering	143 1	144 6	147 5	138 7
14. Sugar	82 8	82 5	82 3	87 0
15. Breweries	56 5	56.4	59 0	62 9
16. Chemicals	134 0	133 4	133 3	141.7
17. Paper	116 8	115 2	116.2	114 8
18. Cement	141 1	142 3	141 5	139 8

II. Regional

Region and Group	Week Ended 1-8-'53	25-7-'53	4-7-'53	2-8-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.7	91.8	91.9	91.5
Fixed Dividend Industrials	92.9	92.7	91.4	91.8
Variable Dividend Industrials	125.4	125.5	124 8	123 6
(B) CALCUTTA—				
Government and Semi-Government Securities	93.5	92.6	93.5	91.7
Fixed Dividend Industrials	88.2	88.5	88.3	88.1
Variable Dividend Industrials	93.1	93 0	94.6	96.4
(C) MADRAS—				
Government and Semi-Government Securities	91.5	91.7	91.8	90.6
Fixed Dividend Industrials	101.7	101.6	101.9	106.1
Variable Dividend Industrials	129.2	129.0	129.8	133.8

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	13,506,706
1951	1,071	691,921	3,815 928
1952	963	809,243	3,336,941
February 1951	91	44,025	203,880
March	79	47,723	217,890
April	139	57,717	291,238
May	109	56,504	277,314
June	146	93,448	448,258
July	150	72,464	371,706
August	106	64,694	259,927
September	58	24,777	98,109
October	108	37,896	190,781
November	125	54,147	199,874
December	113	76,196	368,149
January 1952	95	806,821	674,240
February „	58	28,180	219,607
March „	87	45,490	245,488
April „	134	59,487	324,346
May „	118	80,098	254,588
June „	101	59,251	287,048
July „	82	40,754	171,262
August „	68	48,558	148,533
September „	96	57,576	400,362
October „	99	78,181	340,818
November „	87	48,798	273,245
December „	61	37,825	185,017
January 1953†	85	42,323	244,414
February „	43	28,477	125,411
March* „	67	52,231	216,207
April „	67	48,218(a)	212,630(b)

† Figures for 1953 are provisional. * Revised.
(a) Not known in two cases. (b) Not known in five cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51	548	6,279.9	4,225.6
1951-52	572	6,846.1	4,548.0
1952-53	614	6,801.4	5,134.8
January 1952	565	500.8	409.7
February „	571	480.7	391.0
March „	572	481.8	395.9
April „	577	488.8	393.8
May „	581	514.4	413.1
June „	585	500.1	408.8
July „	588	534.0	439.7
August „	592	531.6	435.7
September „	597	530.8	430.9
October „	599	545.3	441.8
November „	606	529.7	436.4
December „	608	552.2	457.8
January 1953	611	533.6	441.8
February „	614	498.6	417.4
March „	614	538.0	435.7
April „	616	530.9	438.1

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	18th July, 1953	11th July, 1953	19th July 1952	June, 1953	June, 1952	Percentage of increase (+) or decrease (—) in June, 1953 as compared with June, 1952	1953	1951
Food Articles	406.6	406.9	373.4	398.7	349.8	+14.0	389.8	409.8
Cereals	483	476	461	474	445	+ 6.5	450	493
Pulses	500	493	502	500	454	+10.2	482	506
Other	284	291	238	277	216	+28 2	225	290
Industrial Raw Materials	479.3	476.8R	438.7	481.0	439.3	+11 8	463.0	508.9
Fibres	418	414	433	430	447	— 3.8	454	522
Oil seeds	638	671	432	641	432	+48.4	484	519
Minerals	439	444	467	450	466	— 3.4	484	528
Others	357	361	293	360	235	+26.8	341	533
Semi-Manufactures	386.4	384.3	348.5	383.5*	330.8	+16 0	346.8	377.5
Leather	415	420	349	417	316	+32 0	346	458
Mineral oils	222	223	224	220	221	+ 1 8	231	197
Vegetable oils	602	592	499	583	410	+42 2	479	579
Cotton yarn	450*	445*	453*	445*	456*	— 2 3	465*	488
Metals	224	224	220	226	199	+13.1	211	187
Oil Cakes	454	455	440	466	424	+ 9.2	460	500
Others	254	253	291	252	269	— 6.3	278	280
Manufactured Articles	386.1	386.7R	368.8	370.1	373.6	— 0.9	377.6	388.8
Textiles	404	405R	406	410	420	— 2.4	422	468
Jute	407	409	427	416	431	—13.5	508	503
Cotton	406*	406*R	398*	407*	394*	+ 3 3	401*	462
Rayon and Silk	397*	403*	518*	461*	534*	—13.7	468*	511*
Woollen	320	320	378	312	393	—20.6	346	378
Metal products	336	336	328	356	314	+ 8.0	351	385
Others	285	285	297	286	298	— 4.0	298	300
Miscellaneous	699.3	689.0	629.9	674.5	603.2	+11.8	636.0	729.8
All Commodities	407.5	406.4	380 6	405 4	374.8	+ 8.2	388.0	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
July 1951	—	333	270	318	454	394	385	337	148	182	140	155	173
August „	—	328	261	322	459	392	387	336	146	181	143	161	171
September „	—	325	253	319	476	389	375	340	144	179	150	161	170
October „	—	332	254	323	469	393	378	336	144	181	148	165	171
November „	—	333	252	325	464	397	374	339	147	183	151	168	169
December „	—	331	252	325	449	397	370	337	144	182	150	166	168
January 1952	146	331	246	325	443	393	357	338	142	179	147	162	156
February „	144	324	241	318	441	382	343	336	141	178	145	158	155
March „	135	313	229	306	418	378	340	333	136	177	140	150	145
April „	141	345	263	331	415	377	339	336	146	169	138	154	144
May „	140	339	264	310	413	376	339	327	148	168	143	153	143
June „	140	336	263	309	414	375	342	330	145	171	141	152	148
July „	142	330	263	304	414	377	343	330	143	174	141	151	153
August „	144	340	267	312	460	386	349	330	143	176	149	160	157
September „	143	341	269	316	463	381	364	338	145	178	151	157	156
October „	146	343	271	321	465	384	365	339	145	178	153	154	156
November „	143	347	271	326	459	380	337	338	143	176	139	150	150
December „	139	346	262	303	447	378	340	327	137	170	138	150	149
January 1953	139	344	260

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton[a]	74,674†	73,665††	25,424†	20,741††
Wheat 4th ..	tons	23,092†	24,374††	6,388†	6,700††
Jowar ..	tons	41,945†	39,144††	6,038†	5,944††
Bajra ..	tons	25,282†	22,839††	2,922†	2,299††
Barley 2nd ..	tons	7,676†	7,130††	2,177†	1,738††
Maize ..	tons	8,798†	8,073††	2,607†	2,021††
Ragi ..	tons	5,388†	5,309††	1,235†	1,212††
Gram ..	tons	16,719	18,709	3,157	3,593
Other millets & pulses ..	tons	39,725	39,770	6,886	6,401
.. ..	bales	1 834†	1 951††	4,695†	4,678††
Jute ..	bales	15,674†	16,134††	3,160†	3,131††
Sugarcane 2nd	tons	4,248†	4,326†	5,035†	5,258††
Groundnut ..	tons	11,862†	11,794††	2,894†	3,045††
Linseed ..	tons	3,294	3,447	309	361
Castorseed ..	tons	1,349†	1,425††	107†	165††
Rape and Mustard Seed ..	tons	5,707	5,097	900	748
Sesamum (suppl)tons		5,751†	5,845††	514†	438††
Tobacco ..	tons	764†	650††	211†	192††
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

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

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During June, 1953 ..	72.8
	Corresponding month 1952 ..	73.7
	July 1952 to June, 1953 ..	891.6
	Corresponding period 1951-52 ..	944.9
Stocks	At the end of July 1953 ..	135.7
	Corresponding month 1952 ..	100.5
		(In 000 bales)
Exports(Jute Bags)	Week ended 27th June, 1953 ..	47.24
	Corresponding week 1952 ..	54.71
	From 1st Jan., to 27th June, '53 ..	11,98,57
	Corresponding period 1952 ..	21,40,19
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 27th June, 1953 ..	2,73.60
	Corresponding week 1952 ..	3,24,46
	From 1st Jan., to 27th June, 1953	57,36,94
	Corresponding period 1952 ..	48,02,90
	RAW JUTE	(In 000 bales)
Exports*	Week ended 27th June, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended March, 1953	—
	Corresponding period 1952 ..	—
	June, 1953 (in lakh bales) ..	4.22
	Corresponding month 1952 ..	4.27
Consumption by Mills†	Twelve months ended June,1953	52.00
	Corresponding period 1952 ..	54.80

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950..	10,41,700	927,500	720,000
Do.	31st March, 1951..	11,15,200	10,62,100	7,76,500
Do.	31st March, 1952..	11,30,000	10,67,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,91,900	7,91,800
Four months ended 30th July,	1953	3,74,400	3,36,800	2,46,600
March	1951..	91 800	86,600	71,400
April	.. .. ..	81,500	79,600	65,000
May	.. .. ..	94,300	92,200	66,800
June	.. .. ..	84,100	80,500	65,800
July	.. .. ..	93,000	85,400	66,700
March	1952..	1,02,100	92,100	67,400
April	.. .. ..	93,000	86,500	62,900
May	.. .. ..	95,000	85,200	61,700
June	.. .. ..	88,400	83,100	64,800
July	.. .. ..	93,400	91,000	66,800
March	1953..	97,400	86,600	65,500
April	.. .. ..	97,000	83,100	63,800
May	.. .. ..	95,900	85,000	62,000
June	.. .. ..	90,400	82,600	59,000
July	.. .. ..	91,100	86,100	64,900

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months, April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11,87	35,40	175,64	262,05
Raw materials	10,62	21,64	179,01	254,06
Manufactures	23,06	80,25	274,00	348,58
Other Items	42	78	4,80	5,85
Total Imports* ..	45,48	87,95	632,95	862,84
Exports :—				
Foodstuffs	12,94	12,94	142,16	158,16
Raw materials	10,82	12,69	145,03	159,68
Manufactures	21,29	26,84	259,78	400,31
Other Items	29	45	4,09	8,85
Total Exports ..	45,84	52,90	551 04	701,80
Total Re-exports ..	86	59	5,74	13,76
Balance of tre in merchandise	+ 24	—34,45	— 76,17	—147,28
Balance of transactions in private treasure	..	..	— 7	— 14
Total Visible Balance of Trade	+ 24	—34,45	— 76,24	—147,42
Exports :—				
Total Cwealth Countries ..	20,29	23,46	252,65	288,65
Total Foreign Countries ..	25,17	64,49	880,80	674,21
Exports :—				
Total Cwealth Countries ..	23,59	25,08	261,90	365,20
Total Foreign Countries ..	21,78	27,82	290,14	336,60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs	Rs. (lakhs)
Exports	89	3,53†	18,84†	27,14†
Imports	1,58†	3,52	25,16	80,45
Balance of trade in merchandise	— 1,19†	+ 1 †	— 6,32†	—53,31†

† Provisional.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953
Eastern Zone																					
Bamra ..	169	244	262†	79	97	97	128	121	121	127	137	140	104	107	109	184	216	216	170	193	197
Malbang ..	144	149	x	126	131	x	144	126	x	141	129	x	141	102*	x	163	—	x	125	100	x
Shankargarh ..	134	155	143†	138	174	155†	163	150	147	149	157	148	101	95	95	154	140	126†	140	145	145
Bonalli ..	259	181	183	157	167	167	183	177	175	194	178	175	125	125	125	249	199	199	310	310	310
Northern Zone																					
Multapi ..	113	124	124	140	154	154	165	177	178	152	164	165	121	123	123	152	166	166	156	201	201
Nana ..	209	224	205†	229	253	253	193	190	184	216	204	196	134	115	117	208	201	184†	204	193	190
Balamatpur ..	219	225	213†	249	277	269	195	199	190	210	229	210	129	129	129	130	139	139	259	277	281
Southern Zone																					
Krishna ..	182	179	191†	156	179	165†	151	163	162	157	167	164	110	127	130	164	136	132	209	175	175
Lakh ..	197	374	374	154	193	193	125	129	132	143	134	140	80	84	88	134	138	134	144	137	138
Malur ..	161	208	210	124	139	144	124	145	150	141	155	163	97	96	97	107	100	105	163	173	171
Monirnda ..	201	204	210	173	213	191†	191	218	216	190	214	211	122	124	124	207	127	161†	259	194	202
Kudchi ..	157	181	181	125	139	139	143	160	161	144	161	162	113	127	120	149	122	122	191	191	193

x Returns not received. † Revised. * Provisional.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 6th Aug., 1953 ..	24,006
	Corresponding week, 1952 ..	27,239
	1st Sept. 1952 to 6th Aug., 1953 ..	17,75,062
	Corresponding period, 1951-52 ..	19,86,209
Cotton Exports ..	Week ended 6th Aug., 1953 ..	2,570
	Corresponding week, 1952 ..	10,502
	1st Sept. 1952 to 6th Aug., 1953 ..	3,26,532
	Corresponding period, 1951-52 ..	1,51,903
Mill Consumption ..	1st Sept. 1952 to 6th Aug., 1953 ..	11,69,630
	Corresponding period, 1951-52 ..	9,33,862
Stock (with exporters dealers and mills) ..	On 6th Aug., 1953 ..	4,44,922
	Corresponding date, 1952 ..	5,52,375
Karachi (Pakistan)*		
Receipts ..	Week ended 1st Aug., 1953 ..	3,442
	Corresponding period 1952 ..	8,138
	1st Sept. 1952 to 1st Aug., 1953 ..	16,43,680
	Corresponding period, 1951-52 ..	15,46,745
Exports	Week ended 1st Aug., 1953 ..	65,346
	Corresponding period, 1952 ..	45,600
	1st Sept. 1952 to 1st Aug., 1953	13,69,539
	Corresponding period, 1951-52 ..	11,64,030

* As reported by the Karachi Cotton Association Ltd.

Particulars	From 1st Sept., '52 to 10th August, 1953 Bales	From 1st Sept., '51 to 10th August, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	16,250	6,508
Continent ..	1,04,848	39,092
China	318	750
Japan	1,55,602	99,452
U.S.A. ..	43,138	12,278
Other Countries ..	6,486	1,436
Total to all foreign countries ..	3,26,642	1,59,431
Coastal Ports ..	1,35,945	1,01,643

Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—	
Indian .. .. April, 1953	2,88,519
Foreign	74,140
Indian .. .. Eight months September 1952 to April, 1953 ..	23,84,831
Foreign	5,60,550
Indian .. .. Same Period 1951-52 ..	19,19,202
Foreign	7,23,069
Stocks (Mills and Elsewhere)—	
Indian .. .. As on 30th April, 1953 ..	19,16,717
Foreign	5,49,178
Indian .. .. As on 30th April, 1952 ..	13,67,794
Foreign	8,60,462
Cotton Pressed † ..	Week ended 31st July, 1953 .. 9,351
	Corresponding week, 1952 .. 8,496
	1st Sept. 1952 to 31st July, 1953 .. 20,01,859
	Corresponding period, 1951-52 .. 21,45,246

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103¼
4 ½ Bonds	1926-33	61,30,26,000	1960-70	102
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3 ½ Loan	1930	30,33,10,000	1964	92⅛
3 ½ Loan	1943	1,10,11,78,000	1966-68	90
3 ½ Loan	1944	1,14,06,89,000	1957	98⅛
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅛
3 ½ Loan	1945	1,13,65,64,000	1959-61	94⅝
3 ½ Loan	1931	50,35,63,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅛
2½% Loan	1946	57,00,49,000	1961	90
2½% Loan	1946	35,06,06,000	1954	98
2½% Loan	1946	14,77,48,000	1976	82⅛
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 %Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82⅛
3 % Loan	1946	248,91,90,000		82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100⅛
4½% Loan	1928	5,83,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,65,500	17th Sept. 1962	98⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	100⅛
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101⅛
3 % Cochin	1945	30,00,000	1st Dec. 1953-55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3 % Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	93⅛
3 % Madras	1938	1,42,08,300	15th Sept. 1953	99-14
3 % Madras	1939	1,29,76,600	13th June 1959	95⅛
3 % Madras	1942	1,23,25,000	18th Sept. 1955	99
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98-8½
3 % Madras	1944	1,08,00,000	15th Aug. 1958	97⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅛
3 % Madras	1950	4,41,00,100	31st July 1960	93⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,00,00,000	1st Aug. 1964	99⅛
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104
3 % Mysore(J)	1933	2,93,85,200	1st Dec. 1953-63	100
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98
3 % Mysore	1947	5,08,55,700	25th Jan. 1958	98-15½
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,700	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	91⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛N
3 % Punjab**	1938-44	3,49,87,700	15th Aug. 1958	99⅛N
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛N
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99⅛N
3 % Punjab**	1945	2,93,81,600	14th Sept. 1960	99⅛N
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1936	1,61,96,500	15th Sept. 1961-66	90⅛
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97⅛
3½% U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
3½% U.P.	1946	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛N
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	96N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1966	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99⅛N
88,25,000	4	1914	1974	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1973	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1973	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1973	98⅛
68,22,300CC†	4	1916	1976	99
1,50,00,000CC	6½	1921	1981	144N
1,24,06,300	6	1923	1935-83	103
98,21,600	5	1926	1956-86	104⅛
99,50,500	5	1926	1956-86	103⅛
1,49,49,500B	5	1927	1937-87	103⅛
1,49,30,000	5	1928	1958-88	104⅛
50,00,000	4½	1931	1991	99⅛
21,75,000CC	3	1933	1954	99⅛
60,00,000	3½	1935	1965	96⅛
1,00,00,000	3	1936	1966-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
STERLING LOANS				
£892,600	5	1923	1953-83	£86⅛
£901,000	5	1924	1954-84	£86⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	4	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97⅛N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
18,00,000	4	1912	1972	
30,00,000	4	1913	1973	
40,00,000	4	1914	1974	97⅛N
40,00,000	5	1915	1975	
66,00,000	5	1919	1957-79	113N
25,00,000	5	1920	1955-80	
23,00,000	5	1926	1956-86	115N
10,00,000	3½	1927	1961-70	98N
		1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	100
33,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	
50,00,000	3	1937	1962	89
20,00,000	3	1938	1963-68	88
80,00,000	3	1952	1962	100

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
49,40,000	4	1913-14	1954	99⅛
20,60,000	4	1913-14	1954	99⅛
20,00,000	4	1913-13	1955	100
10,00,000	4	1913-13	1955	100
1,60,00,000	4	1920	1980	113
1,20,00,000	5	1928	1968-68	102⅛
26,14,000	5	1928	1958	
8,45,500	5	1929	1948-99	103
18,21,500	3½	1929	1954-99	
8,25,00,000	3½	1929	1959	102⅛
2,50,00,000	3½	1947	1977	78⅛
4,00,00,000	3½	1949	1979	86⅛
2,50,00,000	3½	1950	1965	86⅛
2,00,00,000	3½	1952	1964	99⅛
	3½	1951	1966	97
CALCUTTA				
Rs.				Rs.
34,45,500	6½	1925	1955	103⅛
84,70,000	5	1925	1955	104
36,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1958	103⅛
25,00,000	5	1929	1957	103⅛
10,00,000	5½	1929	1958	103
33,91,000	3½	1933	1962	103
19,19,000	3	1935	1965	89⅛
60,00,000	3	1936	1953	99⅛
1,46,100	3	1936	1966	88⅛
3,11,400	3	1937	1953	99⅛
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,13,100	3	1937	1954	98⅛
47,50,000	3	1938	1968	88⅛
10,68,700	3	1938	1968	88⅛
15,56,800	3	1939	1959	97⅛
15,56,800	3	1939	1969	99⅛
17,64,400	3½	1940	1957	99⅛
21,10,000	3½	1942	1959	99⅛
13,49,000	3½	1951	1971	92
16,33,000	3½	1951	1960	96
66,88,000	3½	1951	1961	96
87,36,000	3½	1951	1966	96
		1952	1962	99⅛
MADRAS‡				
Rs.				Rs.
5,00,000	4	1903	1953	101N
3,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107⅛N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. J=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Developement Loan 1970-75. (f) Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April 1953. **Quotations in Pak. Currency. ***Rupee Coun-

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132½	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	97	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	108	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	15½xd	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Furtabpore Co.	6,00,000	1932	10	Oct. ..	15½	10
Ramnugger Cane	15,00,000	1933-38	6	Aug. ..	101	100
Ramnagar Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	120	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8⅛	10
Equitable	4,00,000	1895	6	Mar. Sept.	118xd	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	84	75(pp)
††Khas Kajora	1,91,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	3	Apr. Oct.	110⅛	100
Bangalore	6,00,000	1884	6	Jan. July	131⅛	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8⅛	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	116	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	128

STOCK & SHARE QUOTATIONS

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

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

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

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

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	¶Number Installed: Spindles	Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts closed	Reference
Rs.	Rs.	Rs	Rs.					Rs.	Rs						
BOMBAY CITY AND ISLAND															
30,80,000	39,20,372	64,19,155	5,37,546	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo¶	2-13½	2	12½	12½	15§		12	Y.
48,00,000	96,25,655	1,22,39,883	45,644	B. K. Sons, Ltd.	50,828	1,021	Behartial Ramcharas Cotton Mills	50	100	6	6	8		3	T.P.W.
2,79,98,000	5,35,82,946	3,76,37,187	1,80,774	Nowrosjee Wadia & Son, Ltd.	1,82,072	4,855	Bombay Dyeing, etc.	387½	250	16	7	8		12	Y.
10,00,000	72,78,112	54,19,515	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	865	250	24	40	40	40	12	Y.
1,09,42,800	3,69,11,263	2,42,52,821	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century	277	100	15	18	20		12	P.Y.
49,00,000	76,79,645	1,10,40,660	—23,49,980	V. J. Pirani, Esq. (Chairman)	40,660	698	Colaba Land & Mill	69	100	—	—	4	20	12	
26,00,000	47,97,127	48,34,058	7,721	Cowasji Jehangir & Co., Ltd.	27,308	680	Coorla	111½	100	7½	7½	7½	—	12	Y.
16,00,000	64,96,041	63,03,745	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn	61	50	4	—	12	12	12	Y.
34 00 000	81,35,000	62,31,113	5,622	Punamal Radhakishan & Co.	50,296	928	Edward Textiles	240	200	7½	7½	7½	7½	12	Y.
29,95,700	86,92,517	1,10,04,668	41,862	Chidambaram, Mulraj & Co., Ltd.	44,768	885	Elphinstone	39	50	10	8			12	
40,00,000	1,32,62,580	80,34,752	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay	322	100	15	15	20	6	12	Y.
30,00,000	26,24,325	99,79,691	16,168	Hind Agents Ltd.	71,608	1,259	Hind Mills	—	10	5½	—	20	20	12	P.
12,00,000	1,28,45,400	94,23,441	24,337	Thackersey Mooljee & Co.	45,732	1,022	Hindustan	3,250	1,000	17½	20	20§		6	P.Y.
80,80,000	4,30,34,142	4,41,45,022	5,89,816	Agarwal & Co.	2,38,030	6,278	India United	1-6½	1	7½	7½	10		3	P.Y.
50,00,000								1-6½	1	12½	12½	25		3	P.Y.
8,65,000	1,33,65,320	98,10,275	7,671	Damodhar Thack. Mooljee & Co.	47,172	1,191	Indian Manufacturing	3,310	1,000	17½	20			12	P.Y.
35,000									1,000						
29,92,500	1,94,26,918	1,84,28,926	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanjee	183½	100	12	14	20		3	Y.
1,00,00,000	3,43,80,831	2,90,52,252	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor	303½	100	27½	18	25	18	6	P.Y.
28,80,000 A	60,88,538	4,61,890	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	84	100A	7½	5	6½		12	Y.
3,60,000 B								—	20B						
22,13,050	88,02,988	1,01,00,576	24,034	N. Sirur & Co. Ltd.	33,750	451	Modern Mills	95N	50	14	8	14		6	Y.
31,13,000	1,65,94,653	71,00,015	2,80,686	Piramal Gangadhar & Others	60,652	1,650	Morarjee Goculdas	180	100	17	15•	14	10	10	P.T.Y.
24,00,000	67,21,958	71,22,987	42,051	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay	150	100	11	12½	12		6	P.Y.
30,00,000	79,78,669	86,87,525	70,277	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Eastern	150	100	6½	10	15	10	12	Y.
12,70,100	35,74,176	28,92,872	423	Mafatlal Chandulal & Co.	33,720	873	New Union	25	10	—	5	10	12½	12	P.Y.
48,00,000	1,14,83,245	1,38,66,478	27,380	Ramnarain Sons, Ltd.	34,208	1,190	Phoenix	116	100	6	10	10	12½	12	P.Y.
40,00,000	59,51,640	24,14,688	1,25,251	Podar Sons, Ltd.	32,600	930	Podar	128	100	9	9	10	8	12	Y.
3,00,000	27,89,119	21,19,461	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk	20	10	10	10	10	10	12	P.Y.
23,00,000	39,86,822	41,49,241	21,950	M. G. Investment Corpo.	40,240	1,254	Sassoon Spinning	25	10	—	—	20	20	12	
60,00,000	1,02,59,322	78,01,447	9,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas	175	100	12½	14	17½	20	12	P.Y.
31,50,000	1,09,71,108	78,77,540	35,939	Forbes, Forbes, Campbell & Co. Ltd.	36,116	1,276	Simplex	171½	100	14	14	17½	22•	12	Y.
56,00,000	2,07,23,386	1,18,80,653	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard	318½	100	15	15	20	12½	12	P.Y.
75,00,000	2,10,92,537	1,57,29,109	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi	253½	100	14	16	26•	20	12	P.Y.
24,00,000	1,20,11,676	65,86,475	5,71,220	James Finlay & Co., Ltd.	35,604	532	Swan	156½	100	20	5	18	16	12	P.Y.
32,54,438	88,66,976	76,66,704	—2,05,128	Tata Industries Ltd.	63,248	1,800	Tata	42½	25	8	8	20	25	12	P.Y.
12,00,000	1,17,01,933	86,62,657	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spinning	3,180	1,000	17½	20	20	4	12	P.T.Y.
														3	T.Y.
AHMEDABAD															
20,00,000	84,99,543	51,95,949	8,432	Tata Industries Ltd.	[44,224	1,016	Ahmedabad Advance	146½	100	8	12	10		6	P.Y.
10,00,000	1,38,46,211	77,38,943	5,872	P. M. Huthesing & Sons Ltd.	42,768	912	Arvind	435	100	13•	15•	20•		12	Y.
21,00,000	2,83,78,675	1,18,76,140	1,369	Narottam Lalbhai & Co.	62,448	1,216	Arvind	793	100	22½	25	25	25	12	P.Y.
20,00,000	93,85,169	76,03,158	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Arvodaya Ginning	312½	200	15	15	17½	22	12	P.Y.
12,00,000	1,63,65,455	81,44,027	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	912	Asoka	457	100	15•	17	22	7½	12	P.W.
1,24,77,072	3,18,63,311	3,71,68,168	2,87,005	Karamchand Premchand & Co.	1,39,120	2,370	Calico	314	125	8	10	11	22•	12	P.Y.
30,00,000	1,20,75,500	88,67,870	4 885	Tricumlal Bhogilal & Co.	39,316	867	New Commercial	1,080	500	10	11	14-2/5	14-2/5	12	P.Y.
39,00,000	1,31,07,324	96,79,263	1,795	Mafatlal Chandulal & Co.	47,952	864	New Shorrock	581	125	28	28	28	28	12	P.Y.
5,00,000	79,61,645	43,89,260	6,383	Jagabhai Bhogilal Narandas & Co.	24,840	5281	Nutan	607½	100	25•	28•	28	28	12	
10,00,000	1,49,90,022	73,98,913	3,599	Lalbhai Dalpatbhai & Co.	31,120	637	Rajpur	740	100	22½	25	25	30•	12	Y.
12,00,000	53,63,517	74,95,069	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar	130	250	6	25	25	25	12	P.Y.
32,50,000	1,58,29,433	81,93,993	7,867	Lalbhai Gordhandas Ltd.	33,156	648	Rohit	120	100	8	30	9	9	12	P.Y.
19,50,000	94,78,968	61,33,831	8,070	Mafatlal Chandulal & Co	36,624	720	Shorrock Spinning	570	100	15	15	20	20	12	P.Y.
2,500 D														9	
24,90,150	1,91,30,172	1,01,07,709	1,23,551	Haribalabhdas Kalidas & Co.	71,796	1,383	Shri Ambica Mills	322	50	25	30	36	32	12	P.Y.
28,00,000	79 16,324	91,13,078	16,259	Haridas Acharsalal & Co., Ltd.	32,816	776	Vijaya	465	400	11½•		84•	81•	12	P.Y.
WEST BENGAL															
15,00,000	18,22,464	49,30,346	1,95,043	Calcutta Agenc Ltd.,	13,044	356	Basanti Cotton	48	10	—	5	3§		12	P.T.Y.
7,11,280	22,53,684	37,16,899	32,993	Bengal Textile Agency Ltd.	28,448	936	Bengal Luxmi	38N	40	—	7½	7½		3	Y.
4,00,000	74,31,075	77,07,829	—28,432	K. Bullen & Co., Ltd.	42,872	841	Bentinck	275	100	50	—	—		12	
19,00,000	96,49,451	84,96,017	—27,794	K. Bullen & Co., Ltd.	42,944	518	Dunbar	179	100	50	—	—		3	T.Y.
1,20,00,000	3,29,34,162	3,04,56,320	84,974	Birla Bros., Ltd.	69,352	1,990	Kesoram	18½	15	12½	12½	7		6-12	P.H.
6,00,000 A	71 09,841	79,53,833	51,283	Chakravard Sons & Co.	23,484	442	Mohini	—	25	12½	7½	11§§		6-12	H.
83,96,097 B									10					3	P.Y.
														12	Y.
SOUTH INDIA AND OTHER CENTRES															
11,00,000	16,61,283	33,08,017	—8,38,566	C. Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4	10	9	3	6		12	T.Y.
15 00,000	26,51,246	39,13,373	2,736	Ramlal & Co., Ltd.	50,000	..	Alagappa Textiles	6½	10	—	9	61	6	12	P.Y.
71,94,400	96,26,706	1,90,39,719	18,450	Ind. Trust Fund	19,944	440	Azam Jahi Mills	69	100	15•	5§			12	Y.
40,50,000	3,00,10,004	2,73,75,544	2,49,801	Binny & Co., (Madras), Ltd.	40,068	1,085	Bangalore	257½	100	14½	17½	20	15	12	P.Y.
27,00,000	70,17,945	1,13,93,731	1,53,931	Shaw Wallace & Co., Ltd.	29,936	782	Bengal Nagpur	14	10	5	15	15		12	Y.
60,00,000	77,87,070	1,03,33,381	11,806	Binodlram Balchand	37,312	1,338	Binod Mills	100N	100	17	18	20		12	P.T.Y.
15,00,000	1,33,79,264	84,27,674	4,60,089	Birla Bros. Ltd.	39,896	998	Birla (Delhi)	52N	10	22	25	5	7½	6-12	P.H.
8,47,800	4,09,27,231	5,14,83,572	2,39,790	Binny & Co., Ltd. (Madras)	1,19,916	2,781	Buckingham & Carnatic	121	100	6½	6½	30	5	12	Y.
38,00,000	67,02,807	48,13,918	39,859	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia	11	10	—	—	3	4	12	P.P.
30,00,000	64,46,342	47,79,878	32,999	Begg Sutherland & Co., Ltd.	28,796	391	Cawnpore Textiles	8½	5	11½	11½	12½	10	12	P.Y.
46,87,500	2,35,77,600	2,00,84,126	—16,28,224	Textile Industries Ltd.	1,15,188	2,062	Central India	163	100	6	6	11½	11½	3	P.Y.
12,00,000	33,29,989	27,82,848	—1,32,723	R. Seena Nayudu & Co.	28,864	..	Coimbatore Cotton	146	100	12½	12½	20		6	P.Y.
20,00,000	22,53,102	25,84,987	1,33,496	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	115	100	6	12½	12½	9	12	P.Y.
20,76,900	70,83,677	1,11,04,373	—2,79,999	R. G. B. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	43	50	5	10	3m	9	12	Y.
24,34,800	40,26,054	37,58,169	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi	179	100	25	25	20		12	P.Y.
8,89,84,925	3,84,95,614	5,77,14,605	1,63,862	Bharat Ram, Esq.	75,604	1,830	Delhi Cloth (inc. Lyallpur Mills)	29	25	4	10	20	10	12	P.Y.
1,00,503									25						
63,00,000	1,48,71,631	1,30,76,652	1,23,353	Begg Sutherland & Co., Ltd.	52,652	1,198	Elgin	16	10	12½	12½			6	P.Y.
37,50,000	1,01,50,000	82,22,387	1,07,275	P. Forbes Campbell & Co. Ltd	72,960	2	Gokak	227	100	15	10	15		12	Y.
30,00,000	84,17,977	1,21,16,721	6,989	Govindram Seksaria (Indore)	90,420	1,420	Indore Malwa United	91	100	4	5	7½	17•	9	P.T.W.
8,90,000	23,82,989	26,01,526	—2,58,201	G. V. Naidu & Co.	23,784	..	Janardhana	61	50	16	4	5		12	Y.
6,50,000	17,20,578	40,18,454	7,477	A. L. A. R. A. Chettiar and another	50,304	325	Kaleeswarar	301½	100	—	10	15	7½	12	Y.
24,00,000	25,50,000	43,66,106	54,377	Kothari & Sons	13,824	..	Lakshmi	10	10	7	7½	7½		12	Y.
32,00,000	1,62,37,879	1,37,67,873	1,99,524	The Bombay Co., Ltd	33,642	1,213	Lakshmi Cotton	572½	250	15	15	7½		6	P.Y.
35,64,100								90cd	50	8	8	20§	15	12	P.Y.
17,82,050 A	1,02,38,673	94,98,825	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	43cd	25	8	8	10		3	P.Y.
1,75,02,480	5,94,39,299	4,16,07,732	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura	36§	15	17½	15	6	20	12	V.
12,00,000	20,18,053	24,32,416	—7,468	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar	14½	10	7½	5	4		12	
60,00,000	1,00,87,062	53,34,648	77,484	W. A. Beardsell & Co., Ltd	34,232	603	Meetur Industries	188cd	100	25	6	6	20	12	W.
29,80,884	63,14,248	73,68,250	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva	100§	100	8•	12½	6	12½	12	W.
94,91,850	94,08,312	1,34,79,861	29,643	R. Abirchand Daddebhoy & Co.	49,456	952	Model Mills, Nagpur	143§	250	6	8	8	5	12	W.
50,00,000	1,55,94,631	1,33,39,271	7,77,290	Indian Textile Syndicate Ltd.	86,318	2,134	Muir	215	100	24§	3	6		12	W.
9,71,850	4,06,541	20,43,991	—2,16,336	A. Sambha Moorty, Esq.	69	..	Mysore Silk Filatures	2½	10	—	—	—		12	W.
19,86,800	1,25,09,416	82,51,416	18,347	N. Sirur & Co., Ltd.	49,632	500	Mysore Spinning	136	50	20	18•	7½		12	P.W.
13,61,780	22,98,130	27,85,556	—4,80,000	R. Suryanarayana Rao, Esq	6,000	..	Mysore Spun Silk	38	10	5d	6§	20		12	P.Y.
22,89,882	72,37,414	90,45,280	—15,88,215	J. P. Srivastava & Sons Ltd	50,228	1,148	New Victoria	18	25	—	—	—		3	P.Y.
8,07,095 O									DI					3	W.
87,03,800	1,20,94,970	1,58,62,385	17,946	Ind. Trust Fund	30,896	717	Osmanabad Mills	83N	100	14•	5§	6½		12	P.T.Y.
4,00,000 A	21,00,275	26,20,198	3,380	Raghavlakshmi & Co.	22,800	..	Palani Andavar	60	50A	4	10	16	7	9	W.
6,00,000 B															
15,00,000	21,94,316	32,27,259	4,411	C. S. R. Modaliar & Sons	27,980	..	Pankaja Mills	71	100	4	7½	15	12	12	W.
25,30,420	40,80,284	52,61,263	2,062	A. G. G. Naidu & Co.	38,164	200	Radhakrishna	157½	100	15	5			12	P.W.
15,00,000	38,70,469	20,61,036	2,54,884	B. R. Nayudu, Esq.	25,896	..	Rajalakshmi	84	50	8	16	16		12	
15,02,500	31,53,264	33,65,211	11,407	P. R. G. Nayudu & Sons	28,972	88	Ranga Vilas	49	50	5	7	10	6	12	P.T.W.
60,00,000	89,39,172	1,04,60,739	5,506	Sir J. P. S. & Sons (Ramper), Ltd.	32,580	600	Raza Textiles	5N	10	—	—	7½		12	P.W.
16,00,000	1,58,35,370	2,03,51,339	—78,02,793	M. J. Divekar, Esq.	82,992	2,234	Sholapur	1,600	1,000	—	—	—		12	P.W.
22,41,300	9,49,506	25,98,011	66,528	Gopaldas Lilladhar & Co., Ltd	13,824	440	Shree Sajjan	75§	100	—	—	—		6	W.
17,79,700	17,70,183	21,50,229	3,083	T. R. A. Ayyar & Bros., Ltd.	18,416	416	Sitaram	36§	50	6½	—	—		3	P.Y.
56,69,700	55,96,380	57,42,020	23,287	H. N. Ballegar, Esq.,	25,200	292	Sri Krishnarajendra Mills	41N	50	6	8	8	5	12	P.Y.
15,00,000	1,30,30,807	64,96,084	58,49,305	Birla Brothers Ltd.	27,340	992	Sutlej Cotton Mills	40	10	40	40	40	8•	12	W.
17,50,000	3,51,95,662	4,07,72,933	14,73,479	Jaipuria Bros., Ltd.	1,12,216	2,077	Swadeshi (Cawapore	9½	10	5	5	5		3	W.
1,97,50,000 P.O.								9½	10 P.O.	9	9	9		3	W.
13,98,630	16,70,493	12,91,002	9,843	M. R. & Sons	16,000	..	Trichinopoly	8½	5	—	—	—		3	Y.
21,00,000	56,75,811	47,61,131	50,000	R. K. S. Chetty & Bros.	33,704	270	Vasanta	150	100	7	10	10	7	12	P.Y.
32,00,000	1,34,16,851	1,18,73,996	2,21,881	The Bombay Co., Ltd.	34,280	1,495	Vishnu	157½	100	10	9	10	10	12	P.Y.

• Includes Bonus. I. On Increased Capital. § Only Depreciation. N=Nominal ¶ As on 31st August, 1952. †† Does not include depreciation. ed=Ex. Dividend, C.d.=Cum. Dividend.
x Includes Rs. 6 paid in August, 1952 as a supplementary dividend for the years 1945-46. — Nil Dividend. m = For six months ended 31st December, 1951.
k = Includes Rs 11-8 paid out of deferred Dividend Amount. † Subject to tax. §=As on 1st January, 1953. ∞ Net Block.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up Per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
ART SILK AND RAYON MILLS													
1,60,42,600	72,66,192	4,27,10,526	38,933	Chinai & Co., Ltd.	National Rayon Corporation	115½	100	—	—	—	—	12	P.Y.
99,92,020	57,16,774	267,67,573	2,34,553	Encote & Sons (Travancore) Ltd.	Travancore Rayons	3½	10	—	—	—	—	12	P.T.Y.
BREWERIES AND DISTILLERIES													
13,38,000	65,17,840	96,16,910	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhasi	20½	25	11½	11½Q	—		5	P.W.
8,64,000						9½	10						
16,20,630	22,67,596	22,75,857	13,649	T. L. Kirpalani, Esq.	Dyer Meakin Breweries	5½	5	80	10	—		3	Y
£80,000 'A'	6988,534	£1,122,135	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	13§	'A'	16sh.	10	10	10	9	P.Y
£300,000 'B'						22½	'B'	20sh.		15	15		
24,00,000	8,54,296	7,56,660	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N		10	—			6	Y.
4,00,000	21,13,586	12,13,593	3,951	B. A. Mallya Esq.	United Breweries	167		75	15	80	20	3	Y.
CEMENT													
11,37,700 A	32,33,493	72,62,714	20,534	The Andhra Engineering Co Ltd.	Andhra Cement Co.	98	100A	3§	3§	7½	7½	12	P.Y.
39,64,520 B						10	10B	3§	3§	7½	7½		
43,14,900	11,13,132	53,61,563	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3½	10	5	—	—		3	T.Y
4,70,976 D						10	7						
80,36,20,438	11,11,06,440	15,65,68,404	7,08,841	Cement Agencies, Ltd.	Associated Cement Companies	169½	108	9	8½	9½	9½	7	Y.
60,00,000						6§	10						
26,49,797	51,03,805	69,78,209	39,834	Hart Bros. Ltd.	Dalmia Cement (Bharat)	40	10	—	5	6§	6½	12	P.Y
5,00,000 D						8	5						
61,01,180	27,27,600	1,26,09,755	90,853	Esson Ltd.	India Cements Ltd.	18	25	—	—	—		3	P.Y
7,50,000 D						6½	5D						
975,00,000	1,53,90,166	51,68,61,997	38,658	Martin Burn Ltd.	Seoraliey Portland Cement	3	3	4	8	10	12		Y.
CERAMIC; MINING AND QUARRYING													
31,78,653	17,17,762	56,44,142	3,671	S. Lal Bhagat & Co.	Bengal Potteries	2	2½	2½	3	6½		12	Y
10,00,000	13,04,035	53,01,488	15,680	Bird & Co.	Birs Stone Lime Co.	28½N	10	16½	17½	17½	87½	3.9	H
88,81,000						10½	10 O	10	10				
35,00,000 D	17,91,749	50,93,341	12,332	Ram Kumar Agarwala & Bros.	Chrestien Mica Industries	7	5 D	15	15	15		12	P.Y.
44,14,200	41,650,110	81,643,983	485,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2½	2sh.	12½†	12½†	12½		12	Y
85,00,000 O	39,05,935	43,65,527	1,27,234	Bird & Co., Ltd.	Karanpura Development	13		—	—	—	—	61.2	H
5,00,000 F							10	—	—	—	—	61.2	H
6,00,000	6,88,139	8,10,287	7,911	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	5§(d)	10	10	7½	3	Y.
10,00,000	37,28,402	31,47,718	74,275	Bird & Co., Ltd.	Orissa Minerals	35§	10	6½	6½	12½	15†	6.12	H.
6,00,000	26,42,577	28,12,033	—25,650	Andrew Yule & Co.	Reliance Firebricks	3§	10	10	10	10	5	2.8	H.
6,99,390	20,61,475	17,98,676	3,427	Killick Industries Ltd.	Shivrajpur Syndicate	57½	10	10	17½	35		11	Y.
CHEMICAL (Bombay Island)													
11,66,300	15,26,935	23,14,370	1,02,937	S. V. S. Iyer, Esq.	Kemp & Co.	270	200	80	80	10		3	Y.
92,14,870	55,77,268	2,53,78,336	8,595	Tata Sons, Ltd.	Tata Chemicals	6½	10	—	—			6	T.Y.
1,12,500	1,38,486	81,178	4,101	B. D. Nagar, Esq.	Thompson & Taylor	4	5	8§	90§			3	Y.
Other Centres													
25,00,000	60,08,244	69,77,681	10,751	Bhailal Amin & Sons., Ltd.	Alembic Chemical Works Co.	103½	100	—	—	—	—	12	Y.
62,50,000	1,07,29,152	2,20,10,944	2,51,870	Imperial Chem. Industries (India), Ltd.	Alkali and Chem. Corpn. of India	15	10	—S	4	6	6	9	Y.
11,45,800													
81,08,900 'A'	74,65,198	91,10,221	11,22,222	S. P. Sen, Esq.	Bengal Chemical & Phar.	102	100	6	6	6		4	Y.
22,54,700 'B'													
41,40,000	45,64,469	38,97,031	1,09,732	Saha Bros. (Saurashtra) Ltd.	Dharsandhra Chemicals	164	100	6	15	15		3	Y.
4,95,000	1,50,922	1,53,108	—21,738	D. C. Collaco, Esq.	Frank Ross & Co.	3	3	6	5†	4§		3	P.Y
3,43,97,740	1,41,74,329	4,04,54,240	—23,92,536	Sahasayee Bros. (Travancore) Ltd.	Sahasayee Bros. (Travancore) Ltd.	3	10	—	2§	—	—	12	Y.
46,49,345	30,74,302	83,46,263	21,842	Sahasayee Bros. Ltd.	Mettur Chemicals	3½	10	—	—	3§		3	Y.
24,81,220	34,32,111	40,15,501	14,741	B. V. Gangapti Iyer, Esq.	Mysore Chemicals and Fertilizers

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent. 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.			Rs.	Rs.						
OIL; PETROL, ETC.													
£750,000	£987,630	£257,232	—£718,934	L. C. H. Glass, Esq.	British Burma Petroleum Co., Ltd.	1–2½	£1	—	—	—			
22,50,000	88,62,002	34,90,808	1,78,913	W. C. Alcock, Esq.	British Ceylon Corporation	13	7½	30†	30•	32†	24	12	P.Y.
1,00,00,000	1,01,18,597	1,04,61,324	4,03,476	Steel Brothers & Co Ltd	Indo-Burma Petroleum Co., Ltd.	54½	40	10	10	10	15	12	P.Y.
70,04,225	25,33,586	1,55,85,825	9,450	Tata Industries Ltd.	Tata Oil Mills	30½xd	88	4	4	6	7	12	P.Y.
6,80,000	10,38,302	2,60,361	316	Andrew Yule & Co.	Tide Water Oil Co. (India) Ltd.	14½	10	15	19	17½	5†	6.10	P.Y. H.
PAPER													
45,00,000	1,57,44,079	1,95,77,780	4 69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43	25	10	10	12½	6½	6.12	P.T.R
80,00,000	91,40,072	87,93,993	1,14,188	Andrew Yule & Co.	India Paper Pulp	165	100	7	10	12	5†	5.9	H.
35,00,000	48,30,215	47,81,895	52,615	P. K. Balakrishnan, Esq.	Mysore Paper Mills 440	51cd	10	7½	7½	10•		5.9	Y.
41,95,000	2,73,41,080	3,27,84,408	1,91,321	Birla Bros., Ltd.	Orient Paper	31½	10	18	25	20	10†	5.9	P.T.H.
50,06,290	1,28,84,743	89,82,234	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	9½	11½	15	15	6.12	P.T.H.
20,00,000	58,56,913	76,25,937	9,851	Bajoria & Co.	Star Paper Mills	8½	10	—	—	5	2½	3.9	P.T.H.
10,00,000 'A'													
4,37,500 PO						4½	8½	10	10	10	5†	3.9	
A*56,00,000	5,15,53,313	4,78,98,548	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co. Ltd.	35½	A10	20	15‡	20•	10•†	5.9	P.H
B*56,04,800 O						35½	810	20	15‡	20•	10•†	3.9	
PLANTING; PRODUCE AND RUBBER													
10,76,511	18,46,873	24,87,080	1,55,208	Petrie, Leslie & Co., Ltd.	Cochin Malabar Estates	6¾	5	10	26	20	—	2	P.Y.
47,78,000	48,44,853	83,16,040	4,37,964	R. C. Paterson, Esq.	Consolidated Coffee Estate	18½	10	17	20	18	—	6	P.Y.
6,00,000	2,39,514	4,49,638	13,931	Associated Planters, Ltd.	Cottapad Plantations	10	10	7½	10	13	—	3	T.Y.
9,28,950	1,46,540	4,67,078	1,389	A. V. Thomas & Co., Ltd.	Fringford Estates	10	—	—	—	—	—	3	T.Y.
18,00,000	10,03,881	20,78,297	80,797	A. V. Thomas & Co., Ltd.	Highland Produce	10½	10	25	45	45	10	12	P.Y.
4,00,000	9,87,558	7,28,396	43,506	A. V. Thomas & Co., Ltd.	Kalpetta Estates	18½	10	17½	20	20		6	P.T.
4,20,000	9,41,308	11,82,479	—	P. Kuriyan John, Esq.	Malankara Rubber and Produce Co	106	50	17½	30	35		6	Y.
27,00,000	25,83,648	14,90,888	83,433	A. V. Thomas & Co., Ltd.	Midland Rubber and Produce Co.	11-0½	10	6	12½	15		3	Y.
3,33,000	2,06,971	13,28,998	31,378	A. V. Thomas & Co., Ltd.	Nennemy Rubber	9½	10	5	6½	10	6½	12	P.Y.
2,00,000	1,93,721	24,72,000	1,01,303	Associated Planters, Ltd.	Nilambur Rubber Co	9½	10	6	—	7½	5	12	P.Y.
19,45,980	25,93,936	32,55,341	1,25,506	Petrie, Leslie & Co., Ltd.	Onchiyiam Valley Estates	4½	2	25	25	45	10	10	P.Y.
13,50,000	5,82,973	28,03,590	31,101	A. V. Thomas & Co., Ltd.	Rajagiri Rubber and Produce Co.	11½	10	9	12½	15		6	P.Y.
18,00,000	3,36,390	1,85,824	936	East India Agencies, Ltd.	Teakay Rubbers (India) Ltd	6	10	—	7½	9	6½	12	P.Y.
2,50,000	2,21,854	5,23,488	41,669	A. V. George & Co.	Thamarapally Rubber	13½	10	6½	6½	15	25	12	P.T.
3,05,100	5,01,650	6,03,723	31,510	Petrie, Leslie & Co., Ltd.	Tirumbadi Rubber Co. Ltd.	2½	1	17½	20	25	25	6	P.Y
8,00,000	1,31,315	7,40,150	5,495	Estate Thomas, Esq.	Travancore Rubbers	12½	10	5	10	20	20	12	Y.
41,00,000	17,71,656	70,06,785	2,79,692	Aspinwall & Co., (Travancore) Ltd.	Travancore Rubber and Tea Co., Ltd.	7½	10	2½	6	10	6	12	Y.
20,00,000	5,24,135	22,83,995	9,921	F. T. Thomas, Esq.	Tropical Plantations Co.	25N	25	10	12½	12½	10	12	P.Y
2,20,000	3,43,215	7,71,006	19,558	A. V. George & Co. Ltd.	Udayagiri Rubber	5	10	5	5	—	—	12	Y.
6,28,880	2,79,994	7,07,482	33,166	Harrisons & Crossfield Ltd.	Vallanadam (Travancore) Rubber Co., Ltd.	14½	10	10	12½	20	20	12	P.T.Y.
1,60,000	78,624	3,43,636	14,082	M. K. Thomas & Co	Woodland Estates	7½	10	9½	6½	—		3	Y.
PRESSING													
1,00,000	18,78,066	19,01,887	4,322	Andrew Yule & Co.	Calcutta Hydraulic Press	83	100	3	3	5		3	Y.
1,00,000	5,58,036	6,89,525	1,116	Pyke and Sons.	Cannerdown Pressing	93N	100	4	6	7		7	Y.
2,00,000	10,76,372	11,21,900	20,327	Andrew Yule & Co.	General Hydraulic Press	95	100	3	5	5		6	Y.
PROPERTY AND LAND													
18,00,780	25,11,061	42,65,283	419	S. A. Basil, Esq.	Hamayra Properties	10½	10	—	6	6	5	9	P.Y
60,00,000	34,67 735††	83,61,045**	—	David Sassoon & Co., Ltd.	Fort Canning Land	10	100	8	12½	12½		4	
84,00,000	50,60,634	97,99,237	4,608	Andrew Yule & Co.	Midnapore Zemindary	33	100	—	3	3		4	
SAW MILLS AND TIMBER													
13,99,998	33 52 773	18,29,998	69,978	Bird & Co	Assam Saw Mills and Timber,	6¾	3	16½	16½	16½	8½	9	Y.
50,00,000	4 89 22 437	2,47,99,361	1 57,498	Wallace & Co	Bombay-Burmah Trading	361½	823	12	18	18		5	Y.
42,00,000						131½	80	12	18	18		5	Y.
6,00,000	7,04,037‡	7,80,451	— 8,19,103	Jardine Henderson Ltd	Bengal Timber Trading	40N	896	3	—			6	Y.
15,00,000	27,06,050	16,83,461	1,70,441	G. Arbuthnot & Co.	Indian Wood Products	32½	10	85	85	19	30	9	P.Y
SUGAR (U. P. and Bihar)													
14,00,000	34,97,875	37,27,464	18,412	Begg Sutherland & Co.	Balrampur Sugar	7½	5	—	20	—		4	Y
12,00,000	38,96,740††	15,70,684**	2,81,000	Marang Bros.	Basti Sugar	120N	100	6½	10	—		4	Y
19,49,050	23,60,462	27,54,525	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7½	7½	—	—	—		4	Y
18,00,000	21,11,580	15,38,162	40,743	Cotton Agents Ltd.	Bharat Sugar	16½N	10	10	15	6½	10	4	Y
13,00,000	12,00,577	1,29,45,577	1,99,717	Sir Robert Menzies Kt., O.B.E.	Carew & Co.	8-4½	5	11½	18	18		4	Y
15,00,000	1,30,69,452	94,28,542	31,891	Begg Sutherland & Co.	Cawapore Sugar	34	10	15	20	20	20	6	P.Y.
18,00,000	78,43,538	60,37,136	17,488	Begg Sutherland & Co...	Champaran Sugar	24½	10	15	15			6	Y.
45,00,000	57,00,000	68,17,139	50,477	Birdchraj & Co., Ltd.	Hindustan Sugar Mills	130N	100	9½	12½	12½		6	P.Y.
18,00,000						50N	88	—	3	4	—	6	P.Y
6,00,000	41,78,374	46,10,199	—4,15,271	Khaitan Devchand & Co	Kasar Sugar	25N	40	10	25	25		7	P.Y
7,89,100	31,59,777	25,99,076	1 13,031	Cotton Agents Ltd.	New India Sugar Mills	24½	10	6½	5	6		6	P.Y
11,00,000	27,48,180	36,39,370	3,995	Karam Chand Thapar & Bros., Ltd.	New Savan	61	10					6	Y.
18,59,375	88,13,260	83,04,760	6,81,893	Cotton Agents, Ltd.	New Swadeshi Sugar Mills	18UN	100	18	20	20		6	P.Y.
77,45,350	1,19,18,159	1,63,07,813	45,193	Cotton Agents Ltd.	Oudh Sugar Mills	45N	100	3½	3½	11	6	7	
6,00,000	49,01,978	66,48,644	71,000	Orarang Gree	Pranee Sugar Mills	95½	100	—	6	10	7	7	P.Y.
9,00,000	42,50,793	33,72,800	19,435	Begg Sutherland & Co.	Pertabpore Company	15	10	18	15	20	10	7	
18,00,000	76,05,443	34,18,332	11,419	Begg Sutherland & Co.	Ryam Sugar	20	10	10	15	20		6	P.Y.
11,99,880	38,06,835	36,11,360	33,281	Begg Sutherland & Co.	Samastpur Central Sugar	1½	10	10	10	20		6	P.Y
20,00,000	69,54,641	1,03,56,230	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	—	3½	20	15	7	Y.
9,99,950	12,60,490	24,01,721	7,687	R. E. Chosse, Esq & R. N. Datta,	Shahpore Sugar	6½	10	—	—	5	4	7	P.Y.
4,50,000 O	11,94,395	27,92,174	14,73,656	N. K. Jain & Co., Ltd.	South Bihar Sugar	3N	10	—	—			7	Y.
4,75,000 P						2½	10	—	—				
8,00,000	54,46,474	70,75,388	87,216	Cotton Agents, Ltd	Upper Ganges	20N	50	17½	20	20		7	Y.
(Indian States and Other Centres)													
46,99,750	98,26,814	68,46,952	89,148	W. H. Brady & Co., Ltd.	Belapur Co.	239½	50	16½	25	28	32•	9	
33,57,520	47,22,332	39,13,907	7,69,891	Cotton Agents, Ltd.	Belsund Sugar	10½N	10	—	7½	10	7½	9	
11,93,900	18,33,157	37,63,451	21,012	J. P. Srivastava & Sons (Madhya Bharat) Ltd.	Gwalior Sugar Co., Ltd.	45N	100	—	—	15		10	Y.
10 00 000	44,76,363	24,51,980	3,71,344	India Sugars Agencies Ltd.,	India Sugar & Refineries Ltd.	21½	10	12½	15	25	25	9	P.Y.
3,00,000													
11,79,380	1,49,74,559	97,24,107	8,27,296	V. M. Lingiah, Esq.	Mysore Sugar	43½	10	20•	20	20		9	P.Y.
50,00,000	96,62,468	1,03,94,086	3,18,594	Mathilal, Apte & Kantilal, Ltd.	Phaltan Sugar Works	88½	50	14	16	16	16	9	Y.
16,59,820	45,75,389	24,76,150	1,61,652	Anderson Wright Ltd.	Ramnagger Cane & Sugar Co., Ltd.	17½	10	15	6	7½	20	9	P.Y.
20,00,000	68,39,148	74,35,840	1,98,513	Walchand & Co., Ltd.	Ravalgaon Sugar Farm Ltd.	90•N	10	7	14	20	18	9	P.Y.
19,99,600	52,03,975	64,57,626	6,49,988	Gowan Bros. (Rampur), Ltd.	Raza	10½	10	6	10	12½	12½	9	P.T.Y
30,00,000	23,82,353	38,70,150	20,980	Parry & Co., Ltd	Travancore Sugars	3	10	—	—	—	7½	5	Y.
1,01,00,000	1 29,20,737	1,71,89,516	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries Ltd.	148½	100	17½	12	14	14	9	P.Y.
UNCLASSIFIED (Bombay)													
1,50,00,000	1,21,10,933	1,47,88,360	8,27,616	Tata Industries Ltd.	Air-India Ltd	86½N	100	—	—	—	—	12	Y.
2,40,000	4,90,364	5,64,338	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	15	18	15	—	12	Y.
15,98,860	1,73,801	2,28,588	7,545	Parekh Agencies Ltd.	Bombay Uganda	54N	80	5	5	5	17½	9	Y.
1,50,000	1,50,000(k)	24,17,000(k)	12,783	Dena Sons Ltd.	Ocharana Road Investment Co	9½	25	5	5	5	5	12	Y.
1 98,340	17,39,540	10,66,107	1,425	T. M. Shah, Esq.	Servia Batteries	23N	50	6	6	5		12	Y.
9,99,250	18,35,373	1,27,43,383(k)	1,85,257	Premchand Roychand & Sons	Industrial Investment Trust	70	100	4½	4½			12	Y.
84,98,863	15,91,306	12,58,934	2,833	K. G. Milne, Esq.	Killick Industries	153½	100	8½	10	4½		12	Y.
8,(k),71,500 A							100						
10,00,000 B	65 83 939	2,20,52,503	4,52,797	Aero-Auto Ltd.	Premier Automobiles Ltd.	43	10	—	—	—	—	6	Y.
4,59,61,018	9,89,24,187	12,98,97,421	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co., Ltd.	13–10½	100	—	—	2½			
1,60,000	3,71,437	2,21,598	3,145	R. B. Sasadekar, Esq.	Tanner & Co.	50N	50	10	10	10		6	Y.
10,21,200	17,95,712	14,71,107	36,733	Sir Joseph Kay, K.B.E.	United Motors (India) Ltd.	41	20	7½	10	15	15	12	Y.
2,20,00,000	2 54,09,975	2,16,78 739	4,20,869	T. H. Rydin, Esq.	Western India Match Co., Ltd	238½	100	15	15	15•	11•	12	Y.
45,90,800	46,57,188	24,488	41,429	Sir Joseph Kay, K.B.E.	W. H. Brady & Co., Ltd.	350N	150	8.8/8	13½	13½	13½	12	Y.
Other Centres													
47,50 000	65,22 899	1,34,34,714	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½	10	—	—	—			
2,50,000 P													
30,00,000	53,38,668	31,59,164	5,24,909	Turner Morrison & Co., Ltd.	Angelo Brothers Ltd.	18	10	10	17½•	25•	12½	3	P.T.Y
20,00,000	32,53,118	42,88,118	1,35,909	T. H. Rydin, Esq.	Assam Match Co., Ltd.	19½	10	12½•	12½•	12½•	12½•	6	P.Y.
20,00,000	52,61,088	92,32,652	9,219	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5½	10	—	—	—	12½•	12	Y
30,00,700 O						277	8800	20•	20•	25•	20•	12	Y
10,00,000 P	1,20,65,807	53,87,807	5,15,018	O. T. Jenkins, Esq.	Balmer Lawrie & Co. Ltd.	—	400	—	—	20•	20•	12	P.T.Y.
20,00,000	1,19,26,323	1,24,61,121	2,04,690	Andrew Yule & Co., Ltd.	Bengal Assam Steamship Co., Ltd.	153	100	5	10	12½	12½	18	Y
20,00,000	8,38,806	54,05,984(K)	1,25,380	Lovelock & Lewes	Birds Investments Ltd.	13½	10	11½	12½	12½		10	P.Y.
1,00,00,000	1,45,00,237	3,00,22 730†	58,606	Dhalbaw Ltd.	Bharat Line	83	100	3	12½	12½	9	12	P.Y.
30 64,680	55,13,347	99,11 669	96,133	A. P. Chaeds Esq.	Brissasia Biscuit	9½	10	12½	12½	7½–2	5	12	P.Y.
3,25,62,500	2,83,64,167	47,78,193**	1,99,717	Sir Robert Menzies Kt., O.B.E.	British India Corporation Ltd.	8-4½	5	11½	18	18	15	3	P.T.Y.
1,60,00,000	3,77,71,331	4,07,06,331	1,01,468	Cecil Stack, Esq.	Dunlop Rubber Co. (India) Ltd.	27½	10	80	20	12½	12½	12	P.T.Y.
51 26 000	47,57 061	1,26,55,420(K)	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	142	100	10	9	9	15	12	P.Y.
7,00,000	34,47,725	25,07,609	59,793	Mansell & Barry Ltd.	Gangra Rope Co., Ltd.	191½d	100	20	22½	35	10	12	P.T.Y.
65,00,000	34,11,857	15,42,903	2,07,524	J. Elkins, Esq.	Gillanders Arbuthnot & Co., Ltd.	115	100	7½	10	10	10†	12	P.Y.
30 00 000	40 77 127	62 81 861	29,418	B. P. R. Syndicate	Great Eastern Hotel Co.	237	250	8	6	6		3	H.
12,42,840	46,36,417	60,60,790	33,939	Birla Brothers, Ltd.	Hind Cycles	105N	100	6	7½	6	6	8	P.Y.
4,00,12,650	59,45,819	2,61,59,292	3,47,240	Andrew Yule & Co.	Hindustan Motors	3½	10	—	—	7½	8½	12	P.Y.
1,60,00,000	1,59,65,053	3,07,88,193	22,27,867	J. W. S. Johnson Esq.,	Indian Aluminium Co.	108	100	3½	5	5		12	P.T.Y
1,52,89,220	1,31,92,737	57,92,390	9,29,354	D. J. Malaviya, Esq.	Indian Cables	18½	10	10	10•	10•	5a	12	P.Y.
83,75,000 P						4.4	10	—	—	—	—	3	P.Y
5,00,000 P	53,00,150	72,86 130	—12,62,971	Gowan Bros., Ltd.	Indian National Airways	7	10	—	—	—	—	12	P.Y
1,25,000 D													
8,27,990	12,79,385	14,27,460	39,038	George Spencer Moulton & Co. (India)	Indian Rubber Manufacturers	13½	10	10	10	10	12	12	P.Y.
8,25,00,000	1,60,38,685	3,87,93,801	2,26,066	Lionel Edwards Ltd	India Steamship Co., Ltd.	6½	10	10	10	10		3	
2,40,000	4,33,028	67,247	36,496	G. V. Bwalka, Esq.	Ivan Jones	4	2	21½	21½	21½		3	P.Y
8,00,00,000	53,39,343	27,16,290	8,86,468	J. D. & Brothers, Esq	Jardine Henderson	129	10	10	10	10	10	9	P.T.Y
6,34,000	9,97,633	6,91,531	—64,994	James & Co., Ltd	Macfarlane & Co. Ltd.	2	5	—	—	—	—	3	Y.
40,00 000 O						129	D. 100	10	10	10	12½	3	P.Y
5,00,000 P	63,35,248	23,09,220	85,717	A. T. Doig, Esq.	McLeod & Co. Ltd.		D. 10	10	12½	12½	12½	3	P.Y.
1,50,55,750	33,32,702	11,34,840	2,31,092	T. Leslie Martin Esq.	Martin Burn Ltd.	18½	10	10	12½	12½	12½	12	P.Y.
6 35,253	4,41,876	7,74,804	—72,313	Mysore Glass Works Ltd.	Mysore Glass & Enamel Works	4½	10	10	10	11½	13½	12	P.Y.
3,75,000	9,74,933	4,79,856	3,646	R. Bharanaih, Esq.	Mysore Lamp Works	11½	10	10	10	10	—	9	P.Y.
1 93,830	3,93,997	11,45,855	1,11,329	V. S. Arenash Iam, Esq.	Mysore Tobacco	10½	10	10	20	20	10	12	P.Y.
20,00,000	51,92,139	30,16,078	11,045	Associated Ind. Development Co., Ltd.	National Insulated Cable Co. of India Ltd.	13½	10	5	5	7½	10	3	P.Y.
79,97,000	65,81,352	1,04,50,324	8,86,347	B. N. Rhea & Co., Ltd.	National Tobacco Co.	8½	10	—	2½	5	—	3	P.Y.
14,87,137	4,67,696††	18,52,569**	23,513	S. P. Ogale & Co.	Ogale Glass Works	3	5	—	—	—	—	3	P.T.Y.
40,00,000	41,74,953	41,58,536	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½xd	2	62½	80-£	32½	15	12	P.T.Y.
8,25,00,000	62,51,61v	1,69,49,507	24,847	G. U. Euthymopulo, Esq.	Rallis India Ltd.	65½	100	8	9½	9	12½	12	P.Y.
1,14,00,000	2,93,41,731	6,09,39,407	7,17,486	Baba Jain Ltd.	Rohtas Industries	8½	10	10	10	10	10	12	P.Y.
40,00,000	1,53,61,299	1,19,84,861	5,36,552	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	11½	10	10	10	10	10	12	P.Y.
75,00,000	37,17,120	12,11,901	3,56,616	J. E. Waterfield, Esq.	Travancore Oxide Glass	3½	10	10	4	—	10	6	P.Y.
9,98,380	4,10,547	12,67,855	—59,789	Ogale Brothers Ltd.								12	P.Y.

†† Does not include depreciation.
• Quin Depreciation.
Nil Dividend.
• schades Bonus.
† Leathercloths
•• Net Block
X.R.—Ex-Right.
‡ D.—Cum Dividend.
(e) For six months.
‡ On Increased Capital.

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Block Account	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.						
ASSAM														
4,45,700	8,88,467	8,88,306	—	McLeod & Co., Ltd.	825	Amluckie	275N	100	20	25	—		12	P.Y.
3,50,00,000	7,49,032	7,49,032	48,872	Gillanders Arbuthnot & Co., Ltd.	400	Anandasbag	25	10	25	40	30		12	Y.
5,50,000	10,64,192	12,05,396	—89,152	McLeod & Co., Ltd.	573	Baghmari	11	10	12½	17½	—		12	Y.
3,40,000	9,12,883	7,05,721	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	24½	10	30	30	25		12	Y.
3,30,600	7,24,887	8,38,278	71,941	Williamson Magor & Co.	556	Bateli	12½	10	25	30	10		12	T.Y.
3,20,000	6,19,032	6,72,731	54,942	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	24½	10	20	35	15		12	P.Y.
16,50,000	35,99,417	44,86,333	2,08,010	Williamson Magor & Co.	4,004	Bishnauth	26	10	35	50	5	—	12	T.Y.
6,00,000	1,51,948‡	10,38,918	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	3	5	—	—	12	Y.
7,50,000	5,06,959	7,64,836	22,297	McLeod & Co., Ltd.	450	Borrnha Jan Tea Co., Ltd.	11½	10	15	15	15		12	Y.
35,00,000	22,18,001	70,96,923	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	10	10	10	10	10		6	P.Y.
1,20,000	3,06,715	3,66,033	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7½	10	6½	15	—		12	Y.
6,00,000	22,17,578	24,24,301	23,545	Jardine Henderson Ltd.	1,341	Dessai & Parbutia	223	100	15	30	22½		12	Y.
17,51,440	7,15,393	19,11,103	54,461	James Warren Ltd.	426	Dhekiahat	10½	10	10	16	12		12	Y.
4,68,970	8,90,863	13,71,610	25,794	James Finlay & Co., Ltd.	613	Dhunseri	10½	10	10	20	10		12	T.Y.
4,50,000	6,57,785	9,86,816	14,389	McLeod & Co., Ltd	158	Dibrugarh & Co., Ltd.	7½	10	—	—	10		12	Y.
2,16,700	6,75,511	7,95,511	33,408	Williamson Magor & Co., Ltd.	611	Dimakusi	32	10	40	45	15		12	P.Y.
5,60,500	14,08,157	16,38,157	1,15,948	Williamson Magor & Co., Ltd.	615	Dufflaghur	35½	10	35	22½	40	20	12	Y.
10,00,000	10,31,120	18,91,120	45,079	Williamson Magor & Co.	1,157	East India Tea	16½	10	20	22½	22½		12	Y.
3,60,000	6,67,363	7,99,693	42,386	Andrew Yule & Co., Ltd.	407	Gilapukri	17	10	17½	30	10	—	12	Y.
3,38,000	9,01,149	12,09,149	1,11,346	Williamson Magor & Co.	520	Gohpur	27	10	35	40	30		12	P.T.Y.
4,94,360	17,46,514	17,08,255	82,387	Octavius Steel & Co., Ltd.	1,284	Grob	16½	A 10	35	50	20		12	Y.
2,40,790							8½	B 5	10					
2,00,000	8,16,550	5,82,005	58,806	Andrew Yule & Co., Ltd.	436	Hoograjuli	28	10	30	45	30		12	Y.
4,35,000	15,78,587	17,05,269	33,208	Andrew Yule & Co., Ltd.	1,133	Hoolangooree	290N	100	25	25	17½		12	Y.
7,50,000	7,46,426	11,98,136	29,063	Gillanders Arbuthnot & Co., Ltd.	866	Jutlibari	10½	10	2½	12½	5		12	Y.
3,50,000	8,88,549	2,47,113	12,953	Shaw Wallace & Co., Ltd.	1,576	Kingsley Oolaghat	198N	100	20	20	—		12	Y.
6,50,000	6,32,416	6,29,717	496	Duncan Bros. & Co., Ltd.	1,047	Ledo	8	10	2½	20	—		12	Y.
4,80,000	1,10,084	8,32,930	286	Duncan Bros. & Co., Ltd.	673	Mobeema	2½	10	—	—	—	—	12	P.Y.
1,50,00,000	8,64,415	7,45,923	2,033	Kedleston Hall & Co., Ltd.	435	Moibola	450N	100	40	45	35	—	12	Y.
50,000							20xd	10	25	30	20			
2,00,000 P.O.	8,64,415	8,80,914	37,518	Andrew Yule & Co., Ltd.	315	Murphulani	24½xd	10	30	35	25	20	12	Y.
2,00,000 P.O.	7,00,011	5,75,550	20,262	S. C. Sen, Esq.	539	Naga Hills

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Number of Looms	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
60,00,000	1,02,72,130	95,73,184	3,33,368	879	B. N. Elias & Co., Ltd.	Agarpara	17½	10	10	15	20	10f	3.9	P.T.H.
12,00,000	50,79,916	46,11,580	16,516	498	Sahu Jain Ltd.	Albion	175	100	—	14	30	18	5.11	P.H.
6,00,000	32,73,570	49,90,030	—1,63,951	446	McLeod & Co., Ltd. ..	Alexandra	165	100	—	5	5	—	6.12	T.P.M.
30,00,000	88,17,991	1,16,99,580	—11,66,135	1,264	McLeod & Co., Ltd. ..	Alliance	150	100	—	2½	—	—	6.12	P.H.
49,20,700	2,36,84,144	2,27,14,371	1,32,947	2,561	Duncan Bros. & Co. ..	Anglo-India	207	100	—	20	20	17½	3.9	P.H.
40,00,000	1,19,12,036	1,32,58,243	42,740	810	Bird & Co., Ltd.	Auckland	129xd	100	1½	10	10	6	3.9	P.H.
80,68,980	93,29,447	97,37,334	72,634	939	Jardine Henderson & Co. ..	Bally	155	100	7	12	1	4	3.9	P.T.H.
1215,000	81,680,379	81,328,468	891,991	1,596	Jardine Henderson & Co. ..	Barnagore	150	65	20	20	20	—	3	P.T.
88,00,000	80,27,627	88,01,241	26,347	830	Andrew Yule & Co.	Belvedere	203	100	13	17	27½	15	6.12	P.Y.
45,00,000	78,51,305	51,93,383	4,97,781	900	Seorgymull Nagarmull ..	Bengal	144	10	13½	15	30	6	3	T.P.Y.
50,42,000	3,71,54,151	3,04,60,933	1,38,294	1,373	Shaw Wallace & Co., Ltd.	Birla	57½	10	25	30	30	15	3	P.H.
36,00,000	1,00,41,669	1,08,11,310	27,144	991	Andrew Yule & Co., Ltd.	Budge-Budge	155	100	7	13	22	12½	6.12	P.Y.
7,47,180	30,53,704	39,44,698	34,320	502	Dayaram & Sons	Calcutta Jute Manufacturing	16N	10	—	—	20	—	6.12	H.
12,00,000	69,32,849	73,48,040	99,673	816	Andrew Yule & Co. ..	Caledonian	163	100	5	14	22	12	5.11	T.P.H.
59,16,400	2,12,68,436	1,65,18,399	1,15,030	1,400	James Finlay & Co., Ltd. ..	Champdany	150	100	3	10	14	11	3.9	P.H.
15,95,000	78,33,608	79,40,140	45,839	530	Andrew Yule & Co., Ltd. ..	Cheviot	213	100	13½	16	22	12	5.11	P.H.
90,03,000	88,12,304	88,16,362	1,07,364	1900	McLeod & Co.	Chitavalsah	30	10	12½	15	60	37½	6.12	P.H.
16,00,000	80,34,460	77,89,914	1,81,979	500	Shree Krishna Investment Co., Ltd.	Clive	23	10	12½	35	20	—	6.12	T.P.H. P.M.
21,49,200	1,19,88,422	1,28,67,836	8,357	768	Bird & Co., Ltd.	Dalhousie	139xd	100	1	11	12	2	3.9	P.H.
88,00,000	84,63,708	73,72,811	50,826	779	Andrew Yule & Co. ..	Delta	227	100	11	17½	32½	20	3.9	P.H.
15,00,000	86,18,650	75,63,304	47,730	800	McLeod & Co.	Empire	203	10	10	20	25	10	6.12	T.P.H.
81,00,000	2,35,23,130	2,62,73,643	1,801	1,894	Kettlewell Bullen & Co. ..	Fort Gloster	424	100	2½	32½	22½	— f	3.9	T.P.H.
14,00,000	48,25,113	49,94,729	—8,32,397	1,014	G. C. Basagar, Esq. ..	Fort William	280N	100	—	10	—	—	3.9	P.T.H.
84,32,100	1,37,90,339	2,09,73,148	—8,52,945	1,709	Mamull & Barry Ltd. ..	Ganges	72	100	—	6½	2½	—	3.9	P.H.
10,80,000	76,50,046	68,12,500	41,193	967	G. Arbuthnot & Co. ..	Gondalpara	700	100	—	15	30	10	12	P.H.
24,00,000	1,91,27,941	2,19,25,184	1,01,647	1,394	Mamull & Barry Ltd. ..	Gourepore	277	100	2½	25	17½	—	3.9	T.Y.
40,00,000	81,93,062	81,94,127	3,04,824	1,078	Beagar Bros. Ltd.	Hastings	110N	100	10	7	10	—	3.9	P.H.
10,80,000	60,02,114	64,92,980	65,170	720	G. Arbuthnot & Co. ..	Hooghly	32½xd	10	10	10	15	12½	3	P.Y.
65,62,500	1,40,16,805	1,55,87,560	1,55,107	1,940	Birdsaraswatee Ltd. ..	Howrah	23½	10	7½	17½	18	17½	3	P.Y.
50,00,000	1,74,30,109	2,23,00,109	3,91,948	2,272	Ramdutt Ramkissendas ..	Hukumchand	39	7½	46½	66½	66½	—	3	P.H.
87,00,000	88,97,267	1,11,41,130	77,979	1,676	Mackinnon Mackenzie & Co.	India	126½	{O. 125 D. 1	5½ 3½	10 3½	3 —	2½f 2½f	3.9 3.9	T.P.Y. P.H.
84,00,000	1,36,54,330	1,36,47,093	92,899	1,797	Jardine Henderson Ltd. ..	Kamarhatty	183	100	—	17	22½	14½	6.12	P.H.
19,20,000'B'							172	100						
30,00,000							146	100						
84,00,000'B'	1,04,29,702	1,30,54,659	63,881	1,527	Jardine Henderson Ltd. ..	Kankinarrah	141	100	—	—	12½	10	6.12	P.H.
81,00,000	6,16,51,567	92,15,718	1,15,896	703	McLeod & Co.	Kelvin	235	100	10	20	25	15	6.12	P.H.
64,00,000	1,30,67,874	1,60,84,537	4,00,591	1,138	Anderson Wright Ltd. ..	Khardah	180	100	—	23	16	15f	3.9	P.H.
48,00,000	1,97,10,161	2,19,74,862	28,447	1,250	F. W. Heilgers & Co. ..	Kinnison	192xd	100	2½	14	19	11	3.9	P.H.
24 48,000	1,24 03 278	1,38,13 421	22 044	931	Bird & Co., Ltd.	Lansdowne	129xd	100	2	21	15	5	3.9	P.T.H.
28,00,008	1,19,69,175	1,13 85,476	7,757	840	Bird & Co., Ltd.	Lawrence	160xd	100	6	21½	22	6	3.9	T.P.H.
18,00,000	70,30,427	80,24,402	64,167	528	Andrew Yule & Co. ..	Lothian	275	100	—	13	32½	30	3.9	P.H.
81,65,200	1,38 82,204	1,94,76,907	1,17,533	1,988	Mackinnon Mackenzie & Co.	Megna	98	100	4½	8½	3½	2½f	3.9	P.H.
89,98,900	1,30,93,389	1,55,39,980	—7,86,971	819	F. W. Heilgers & Co. ..	Naihati	116	100	—	15	12	—	3.9	P.T.H.
12,00,000	39,17,880	25,69,085	17,184	413	Mayrah Trading Co., Ltd.	Naskarpara	14½	10	11½	13½	22½	—	6.12	T.H.
35,00,000	53,20,988	27,58,552	1,01,832	852	Andrew Yule & Co. ..	National	34	10	12½	25	20	20	4.10	P.H.
7,50,000	57,24,098	25,73,900	1,23,783	316	McLeod & Co.	Nellimarie Jute	35	10	25	30	25	30	6.12	T.P.H.
18,50,000	71,96,769	48,48,686	38,811	709	Saha Jain Ltd.	New Central	260	100	6	14	30	22	6.12	P.H.
16,79,880	1,01,02,738	1,21 23,908	30,203	567	Bird & Co., Ltd.	Northbrook	192xd	10	—	—	20	6½	3.9	P.T.H.
66,79,500	1,68,36,135	2,12,90,664	30,481	1,092	Mcneill & Barry Ltd. ..	Noddon	64	50	—	5½	4½	—	3.9	T.H.
24,91,000	70,60,941	70,35,063	81,356	661	Andrew Yule & Co., Ltd.	Orient	173	100	9	14	24	7	5.11	H.
85,00,000	64,86,591	80,78,198	—3,93,006	600	McLeod & Co.	Presidency	4½	5	—	—	2½	—	6.12	T.H.
80,00,000	7,67,493‡	26,15,293	—3,29,549	303	Rameshwara & Co. ..	Rameshwara	5½	10	—	1½	—	—	3.9	H.P.
49,50,000	56,55,998	1,23,44,546	48,080	1,276	Jardine Henderson Ltd. ..	Reliance	13½	10	—	—	—	2½	3.9	P.T.H.
£600,000	£1,102,661	£1,203,880	£82,640	2,013	Thomas Duff & Co. (India) Ltd. ..	Samnuggur	14½d	£1	6½	10½	10½	10	3	P.Y.
30,00,000	72,26,872	97,20,210	6,03,669	911	Bajaria Mere Co., Ltd. ..	Shree Ambica (Adamjee)	14½d	10	—	15	20	—	3.9	P.H.
14,00,000	41,42,515	49,14,456	3,54,954	401	Hindustan Investment Corpn.	Seorah	23½N	10	—	10	—	—	3.9	P.H.
25,19,600	1,04,68 029	97,24,215	10 963	650	Bird & Co., Ltd.	Standard	139xd	100	4	15	16	2	3.9	P.Y.
£400,000	£849,927	£990,895	£115,161	1,794	Thomas Duff & Co. (India) Ltd. ..	Titaghur	14½d	£1	6½	10½	10½	10	12	P.Y.
35,78,000	1,78,53,994	1,76,47,798	21,038	1,248	Bird & Co., Ltd.	Union	158xd	100	2	19½	21	2	3.9	P.Y.
£400,000	£587,164	£1,059,917	£119,708	1,331	Thomas Duff & Co. (India) Ltd. ..	Victoria	14½d	£1	6½	10½	10½	10	6.12	P.T.H.
2,50,000	35,57,381	56,21,133	—63,636	483	McLeod & Co.	Waverley	5½	5	—	5	5	—	6.12	P.T.H.

(O For ten months ended 31st December, 1951. (For Naxira Coal) ‡‡ Subject to foreign income-tax. Only Depreciation. * Includes bonus. —Nil Dividend.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Block Account Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividends (per cent.) 1949	1950	1951	1952	Accounts Closed	Reference
83,50,000	61,24,011	64,99,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	18½	10	17½	20	13½	5f	3.9	H.
12,00,000	42,18,417	37,16,954	60,294	Jardine, H. & Co., Ltd.	Bararee Coke	17½	10	14½	13½	14½	7½f	3.9	H.
60,00,000	70,50,712	1,17,79,347	23,814	Sahu Jain Ltd.	Bharat Collieries	3½	10	6½	6½	6½	—	3.9	H.
1,80,00,000	3,33,25,108	5,08,61,725	8,02,968	Andrew Yule & Co., Ltd. ..	Bengal	51½	200	3½	17½	18½*	10*f	6	P.Y.V.
4,49,350	5,94,703	8,49,159	5,169	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6½N	10	2½	2½	2½	2½	4.10	P.H.
2,25,000	27,50,840	25,85,066	6,970	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	22½	16½	10	2½	6.12	H.
											7½	6.12	P.H.
15,97,700	27,49,723	36 66,923	7,192	H. V. Low & Co., Ltd.	Bhalgora	4	10	—	2½	1½			
7,15,000	50,27,438	50,94,169	—45,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	13½	10	—	6½	6½	2½	3	V.
16,00,000	53,42,567	68,15,834	—1,46,405	Anderson Wright (Ranigarh) Ltd.	Bokaro-Ramgur	10	10	5	—	—	—	6.12	H.
7,50,000	43,47,168	4,66,805	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borree	25	10	20	30	30*	27½*	6.12	T.H.
												6.12	P.H.
90,92,480	3,29,07,686	4,03,65,968	1,15,021	Bird & Co., Ltd.	Burrakur	9½	10	10½	7½	7½	6½	6.12	
49,97,000	—	23,16,089	8,776	Hindusthan Investment Corpn., Ltd. ..	Central India	4½	10	—	—	—	—	6.12	P.T.H.
8,00,000	45,46,717	49,09,377	2,273	Anderson Wright & Co. ..	Central Kurkend	15½N	10	17½	12½	—	— f	3	Y.
6,00,000	1,40,000	7,50,000 (k)	13,973	F. W. Heilgers & Co., Ltd. ..	Churulia	2½	4	6½	4½	1½	1½	6.12	P.H.
												6.12	P.M.
16,00,000	27,97,346	45,41,647	24,455	Mcneill & Barry Ltd.	Dhemo Main	9	10	10½	10	12½	2½	6.12	
£120,000	£1,084,338	£872,614	£78,839	Jardine Henderson Ltd. ..	East Indian	23½xd	61	13½	37½	37½	—	3.9	H.
29,63,760	3,41,55,010	3,37,02,383	2,11,481	Mcneill & Barry Ltd.	Equitable	33½xd	10	25	25	25	30	6.12	Y.
10,00,000	4,83,963	8,41,723	66,865	Bhatter's Agency Ltd.	Ghusick and Mesita	15½N	10	20	5	—	—	3	M.
8,00,000	21,75,778	21,29,494	44,366	Mcneill & Barry Ltd.	Hurriladih	15½	10	12½	15	15	15	3.9	V.
3,50,000	11,83,866	12,92,908	—1,32,397	Andrew Yule & Co., Ltd. ..	Kalapahari	41½	10	26½	35	35*	35*	6.12	H.
60,00,000	68,340‡	31,94,426	—1,35,892	Bird & Co., Ltd.	Karanpura Collieries	84	100	—	—	—	—	2.8	H.
5,00,000	43,58,631	42,50,291	89,822	Andrew Yule & Co., Ltd. ..	Katras Jherriah	42	10	27½	35	37½	40	3	H.
1,38,400	2,20,519	11,61,519	1,045	Barjora Bros.	Khas Kajora	7½N	10	11½	10	37½	—	3.7	Y.
11,00,240	10,81,164	15,87,375	3,411	H. V. Low & Co., Ltd.	Kuardi	6N	10	3½	3½	7½	—	6.12	H.
13,50,000	29,43,024	28,41,241	13,549	H. V. Low & Co., Ltd.	Lakurka	11½N	10	10	10	7½	—	6	P.M.
9,65,750	11,41,667	22,37,077	2,691	Barjora & Co.	Mandalpoor	2½N	10	5	7½	—	—	6	Y.
7,48,240	10,34,138	11,24,142	14,696	Associated Commercial Co., Ltd.	Nazira	6½	10	5	2½	5½	—	6.12	W.
7,00,000	3,77,590	9,33,321	4,397	Amritlal Oha & Co., Ltd. ..	New Banadeopur	5N	10	6½	7½	6½	—	6.12	H.
17,76,230	91,68,381	1,16,02,941	55,799	Andrew Yule & Co., Ltd. ..	New Beerbhoom	37½	10	3	6	—	5f	6.12	M.
												6.10	H.
4,00,008	21,87,920	31,32,540	—7,993	Octavius Steel & Co.	New Manbhoom	9	10	12½	7½	—	— f	3.9	
2,50,000	6,84,984	5,45,639	1,387	Jatia Bros. Ltd.	North Damuda	3½N	2½					3.9	P.H.
													H.
1,15,000	10,90,798	12,61,739	6,603	Andrew Yule & Co., Ltd.	North West	13½xd	10	16½	13½	5	5	3.9	
1,57,300						9½dN	7½						
7,50,000	12,54,552	3,97,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Oodal	18½N	10	12½	25	22½*	20	3.9	H.
10,00,000	12,36,427	35,60,122	56,421	K. C. Thapar Bros. Ltd. ..	Oriental Coal	11½N	10	10	10	10	5	6.12	P.H.
8,34,000	5,98,486	16,29,203	70,339	Deepchand Kishenlall	Parasea	3½	10	—	—	—f	12	6.12	T.Y.
15,75,000	34,87,649	39,37,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	20½	10	16½	12½	10	6½f	3.9	H.
82,99,500	91,95,359	1 99,49,971	—4,53,764	B. N. Elias & Co., Ltd. ..	Ranegunge	19½	10	—	—	—	—f	3.9	H.
13,50,000	30,63,857	29,87,472	34,004	Shaw Wallace & Co., Ltd. ..	Rewa	13½	10	8½	12½	10	17½	3.9	H.
80,00,000	13,10,118	28,07,516	165	Jaipuria Bons Ltd.	Samla Collieries	7½	10	—	5	14f	—	6.12	H.
1,25,000	13,14,667	13,30,351	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	29½N	25	20	20	20	25	6.12	H.
2,80,000	30,76,793	28,04,096	30,184	Andrew Yule & Co., Ltd. ..	Seebpore	25½	7	55-2/7	32-1/7	28-4/7	28-4/7	3	H.
8,00,000	34,84,308	37,05,977	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	9	10	5	5	5	—	6.12	Y.
												6.12	P.H.
93,21,450	2,13,83,164	3 04,98,616	23,658	Industrial Trust Fund	Singareni	7½d	10	4½	5	5	—		H.
17,50,000	24,53,130	35,53,705	26 614	Bird & Co., Ltd.	South Karanpura	9½	10	15	10	7½	5	12	T.H.
8,00,000	14,24,948	2,90,282	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	20½	10	16½	15	10	15	2.8	H.
10,00,000	13,82,936	30,15,424	—3,64,536	Villiers Ltd.	Talcher	2½	2½	—	—	—	—	6.12	H.
2,50,000	17,26,573	18,94,910	74,927	Williamson Magor & Co., Ltd. ..	Union	23½	10	20	27½	27½	12½f	3	H.
49,98,000	14,13,461	44,91,158	63,500	Hindusthan Investment Corpn. Ltd. ..	Western Bengal	4½	10	2½	2½	2½	2½	6.12	V.
7,00,000	26,57 108	40,16,017	5,514	Macneill & Barry Ltd.	West Jamuria	18	10	15	15	15	—	3	H.
												6.12	Y.

* The following explanatory notes relate to the abbreviations and marks shown on page 336 in the debentures section:—

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

(a) Option of repayment at any time at 5 per cent. premium.

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 103-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET REPORTS

(Concluded from page 325)

could make production cheaper. There is plenty of raw jute available, but mills are only working restricted hours. And this is in spite of the increasing nature of demand in world markets, as substitutes are, by and large, being displaced. Despite the trade demand, it is doubtful if the Government would consider the matter now, as it would like to wait for the Jute Commission's scientific study of the industry and the trade problems. The Commission has been given four months' time to submit its report and it is felt that this time could be reduced, as jute is one of the industries which does not lack up-to-date statistical information.

Although stocks of sacking goods during July, 1953, increased to 89,300 tons from 85,700 tons, the sacking market ruled better than hessian. Good business was reported in the export market later in the week, and speculators were active yesterday. Earlier, there were enquiries from East and West Africa, and B. twills opened at Rs. 102 last Wednesday. Good business was done with West Africa on Saturday, when B. twills was held firm at Rs. 102-6. The rate spurted to Rs. 104-4 yesterday, on speculative efforts to push up the price, the October-December position being as high as Rs. 106 as against the rate of Rs. 102-10 last Wednesday.

The raw jute market was steady and sellers of the new crop were extremely reserved. Arrivals of new crop in local bazars were small. Latest estimates of the crop, both in India and Pakistan, allay earlier fears of a restricted supply this season. Both the crops would give a total of 7 million bales, to which the carry-over in both the countries should be added to arrive at the total availability this season. Mills are, therefore, in no hurry to rush to the market to buy for replenishing their raw material stocks. Quotations were almost unchanged. Thus, Indian northern middles old crop were offered at Rs. 31 and bottoms at Rs. 28, the respective new crop being quoted at Rs. 32-8 and Rs. 29-8. Assam Upper new middles and bottoms were quoted at Rs. 32 and Rs. 29, respectively, and the old crop at Rs. 30 and Rs. 27. Other latest quotations are: Assam lower middles and bottoms old Rs. 31 and Rs. 28 and new crop Rs. 32-8 and Rs. 29-8; Orissa middles and bottoms old Rs. 31 and Rs. 28 and new crop Rs. 32-8 and Rs. 29-8; jungli bottoms old Rs. 23-8, U.P. middles and bottoms old Rs. 26-8 and Rs. 23-8, Bihar *mesta* bottoms Rs. 22 and *bimli* f.a.q. Rs. 23-8.

DEPRESSED SELLING IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 12th *August*

The pepper market during the week under review turned easy, owing to distressed selling by Banks and by some of the Tellicherry and Alleppey dealers on account and at the risk of a Cochin exporter, who is reported to have stopped payment, and in sympathy with New York where prices are declining almost daily under pressure of sales by Sarawak and Singapore. Sarwak black is reported to have been sold for August shipment at as low as $0.74 per lb. c. & f. New York. Small business for Malabar black for August and September shipments was also said to have been done at $1.00 and $0.92 per lb. c. & f. New York, respectively. The recent muddle in delivery business at Cochin seems to have affected some of the growers and they are anxious to sell at round about Rs. 2,300, but no business is reported, as exporters are expecting further recession in prices, in view of the present poor demand from overseas. Yet, a majority among growers are expecting early revival in demand, particularly from New York, for August and September shipments in view of the approaching Autumn and the tight position of the spot stock there, because the shipments from India generally reach New York earlier by about 30 days than those from Sarawak or Singapore or Djakarta. Growers in primary centres are expecting some demand from Russia too within a couple of months with whom the Indian Government is reported negotiating barter business against the purchase of wheat.

The opinion among the trade as to the possible reduction in export duty on pepper is divided. One section is expecting an announcement by the Indian Government during the beginning of September, while the other opines that, as the price has now gone down below Rs. 500 per cwt., the Government might watch the situation for some time, because the export duty is leviable *ad valorem* at the present rate which is round about Rs. 400. The exportable surplus in the hands of growers is estimated at 5,000 tons. This is not considered to be too heavy by the growers.

In ASTA section, several lots for August shipment are reported to have changed hands at prices ranging from $1.00 to $1.03 and for September shipment from $0.98 down to $0.93. There was some reactionary improvement, but it did not last long, as there was no support from New York and because of hammering down by bears. The prices in monthly delivery are comparatively steady, in anticipation of an early reduction in export duty.

To-day's nominal quotations are: Ready delivery Rs. 280-300 per cwt.; August Rs. 1,915-45; and September deliveries Rs. 1,790-1,820 per candy of 5½ cwts.

STRONG DEMAND IN TEA AUCTIONS

(From Our Own Correspondent)

CALCUTTA, 11th *August*

Strong demand characterised the export auction held yesterday, when offerings aggregated 49,500 chests. The best feature was whole leaf grades, among which stylish O.Ps. and clean black pekoes were higher by one anna and half anna, respectively. Despite an insignificant decline in quality, best liquoring Assams were in good demand. The quantity on offer was, however, lower, and that was why demand did not suffer. Competition was offered to good medium Assam B.O.Ps. The market was not devoid of its weak spot which was provided by mediums and low mediums, prices of which were easy. Darjeelings were in moderate demand. The rates were: best C.T.C. Assam B.P. Rs. 2-8 to Rs. 2-10, medium Assam B.P. Re. 1-12-6, clean black pekoe Re. 1-14, and clean common B.P. Re. 1-11-3.

Teas suitable for export, i.e., bright liquoring Dooars and clean black leafy varieties, were the special favourites of buyers during last Tuesday's auctions for dusts. Offerings amounted to 11,527 packages. Medium Assams and commons were steady. Moderate attention was shown to Darjeelings, the flavoury small grainy sorts obtaining high prices. On the other hand, poor demand caused prices of best Assam C.T.C. sorts to fall by two annas. Rates were: best Assam C.T.Cs. Rs. 2-4 to Rs. 2-5, medium Assam grainy dusts Re. 1-10-6, and medium Dooars Re. 1-9-6. Leaf grades offered amounted to 641 chests, and were a steady market.

SUGAR FULLY STEADY

(From Our Own Correspondent)

HAPUR, 11th *August*

Crystal sugar markets throughout India, particularly in Western India, remained very steady, although there was no further advance in prices. Offtake was moderate, due to rains. Both stockists and sugar mills do not seem anxious to sell as they were building good hopes of the emergence of heavy post-monsoon demand when they hope to get a definitely higher price for their hoards. The release of a further free sale sugar quota of one lakh tons has not produced any appreciable bearish reaction. Calcutta, Bombay and Madras ports are particularly steady, due to low stock position.

The latest mill delivery quotations in the local market are: Jaswant Rs. 29-8, Simbhauli Rs. 29-8, Daurala Rs. 30-8, Mansoorpur Rs. 30 to Rs. 30-8, Amroha Rs. 29-4, Bijnor Rs. 29-4, Sehora Rs. 29-6. Free market quotations are: Delhi Rs. 31 to Rs. 32-8, Agra Rs. 30-8, Hapur Rs. 32-8, Ludhiana Rs. 30-4 to Rs. 31-4, Mogha Rs. 32 and Meerut Rs. 29-8 to Rs. 31-8.

The *gur* markets remained quiet to steady with no particular change, either in the technical or in the statistical positions. There were no arrivals from the producing centres in west U.P., while there was continued demand from Madras side. There were active despatches from the local station. Gur markets in the South reported steadier conditions, with declining arrivals due to rains. New crop *gur* arrivals at Baramati were curtailed and a part of the Gujrat enquiry, which had tended to be diverted to Baramati, has now been retrieved. *Gur* stocks in the main exporting *mandies* in west U.P. are small. The standing sugarcane crop in west U.P. districts again threatens to be as bad at it was last year. The latest *gur* quotations are: Delhi Rs. 21-8 to Rs. 22-8; Agra Rs. 20; Hapur: dry Rs. 20-8 and wet Rs. 18-8; Ludhiana: *desi* Rs. 17-8 to Rs. 17-12; *pansera* Rs. 19-4; *mogha desi* Rs. 22 to Rs. 23 and *khurpapar* Rs. 18-8 to Rs. 22-8; Meerut; *khurpapar* Rs. 20-12 and *pansera* Rs. 19.

SLIGHT FALL IN COARSE GRAIN PRICES

(From Our Own Correspondent)

HAPUR, 11th *August*

The Indian Food Minister and his Deputy reviewed the food situation in the country in all its aspects in the House of the People this week. It is indicated that the Government of India has advised all the States, except Delhi, to remove control on wheat and that Governments of nine States have already accepted that advice. The question of any further relaxation in the existing controls on rice is to be considered after an estimate is made of the condition of the rice crop of 1953-54, it is added.

Foodgrain markets in U.P. remained quiet to steady during the week under review. The damage caused to the crops of maize, *bajra*, *juar* and paddy in east U.P. districts raise apprehensions that scarcity pockets may again be formed this year. The State Government has taken prompt action in hurrying foodgrains stocks to the affected districts of Ghazipur, Balia, Gorakhpur, Benares, Azamgarh, Mirzapur, Basti and J

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
16,00,800	1,08,33,956	10,66,174	Allahabad Bank	360	100	18½	18½	18½		12	Y.P.
14,50,000				178	50						
1,01,000				103	100						
23'99,000	12,03,000	7,231	Andhra Bank	53	50	6	6	6		6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	110½	50	12½	12½	12½	6(i)	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14½	25	3	3	3		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	158	50	14	14	14	3(i)	6.12	R.L.Y.
13,30,375	24,00,000	63,200	Bank of Indore	60N	25	12½	12½	12		12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	20½	10	3	3	3		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	280xd	100	16½	16½	16½		12	Y.
89,18,600	42,61,693	25,280	Bombay State Co-operative Bank	59½	50	5	5			6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	9	9	9		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	10½	10½	10½		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	65½	25	14	14	14	3(i)	12	R.L.Y.
$2,42,375 'A'				67½	25						
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	3	3½	3½		12	Y.
1,80,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	10	20	20		12	Y.
1,25,00,000	16,20,900	10,609	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
50,00,000	1,40,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—		12	Y.
73,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6½	6½	5			
3,75,00,000	6,35,00,000	42,07,573	Imperial Bank of India	1,827½	500	16	16	16	8(i)	6.12	R.L.H.
1,87,50,000				440½	125	16	16	16	8(i)	6.12	R.L.H.
24,00,000				179½	100						
16,00,000	73,50,000	1,04,201	Indian Bank	143	85	12½	12½	12½		6.12	R.L.H.
15,40,000				103½	60						
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	90	100	5½	6	6		.12	R.L.H.
6,25,000				73	100(A)	9	7½	6			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	7	7½	6		6.12	H.
10,00,000				36	50(C)	6	6	6			
4,55,266	30,61,350	60,357	Punjab and Sind Bank	35N	25	7	—	—		6.12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	21½	25	4	4	6	4(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	68	5	6½	6½	6½		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	4	4	4		6.12	H.
PRINCIPAL EXCHANGE BANKS											
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-1-7½	£5	14†	14†	16‡†		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	7†	6†	7†		12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£91½	H.K. $125	5*	5*	5*	2*(f)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-14-0	£1	12½†	12†	12†		12	R.L.Y.
£1,437,296				£1-6-3		5†	5†	5†		12	R.L.Y.
£375,000				£25‡	A £12½						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25	B £12½	12†	12†	14†		12	R.L.Y.
£300,000				£11	C £5						
£2,281,250	£3,675,000	£323,703	National Bank of India	£30½	£12½	16†	16†	16†		12	L.Y.

‡Includes Bonus. †Less Tax. (P) Pakistan Currency
‡‡Subject to taxation.

††U.S. Currency.
(f) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5½	1st December and 1st June	Carew & Co.	100	1938 — 1st June — 1953(b)
5,50,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	94½	1941 — 28th February — 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99	1936 — 30th December — 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102½	1942 — 27th December — 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1944 — 1st November — 1959-64
80,00,000	4	1st May and 1st November	Walchandnagar Industries	103½	1941 — 1st April — 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1944 — 1st November — 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	1942 — 30th April — 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	96½	1897 — 15th November — 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	99½	1952 — 1st January — 1967-72
13,68,000	5½		Jaykhree Textiles	78½	1949 — 1st January — 1956-59
40,00,000	5	1st June	Tata Mills	100‡	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	1930 — 31st March — 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June — 1960
4		1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1940 — 1st October — 1959
80,28,000	4	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94½	1949 — 31st December — 1968
12,00,000	4½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1950 — 1st January — 1970
2,66,00,000	5	1st May and 31st December	Gouripore Electric Supply Co., Ltd.	86	1943 — 31st December — 1970
25,00,000	4	30th June and 31st December	Jijna (Jherriah) Electric Supply Co.,Ltd.	93	1951 — 30th June — 1976
15,00,000	5	1st January and 1st July	South Madras Electric Supply	97	1940 — — — 1957-61
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	94	1939 — — — 1956
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94½	— — — — 1951-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94	1st July — 1957-67
6,63,800	4½	1st April and 1st October	Tata Power	100‡	1940 — 15th September — 1951-55(f)
49,23,000	4	1st April and 1st October	Tata Power	92	15th September — 1965-70
1 00,00,000	4	1st April and 1st October	Tata Power		
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	97½	1943 — 31st December — 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India) Ltd.	98	1928 — 30th June — 1958
1,80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	100‡	1942 — 1st July — 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	69½	1938 — 31st December — 1966(E)
10,00,000	4	31st May and 30th November	Kumardubbi Engineering Works Ltd.	85	1946 — 31st May — 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1950 — 1st October — 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	94‡	1950 — 31st December — 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	98‡	1939 — 31st March — 1954
6,00,000	4½	30th June and 31st December	Auckland Jute Co., Ltd.	96	1939 — 30th June — 1954(h)
15,00,000	4	31st December and 30th June	Bengal Jute Mill Co., Ltd.	91	1945 — 31st December — 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	97‡	1940 — 30th June — 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	1940 — 30th June — 1960
9,00,000	5	31st January and 31st July	Calcutta	90	1949 — 31st July — 1959(e)
10,69,000	5	30th June and 31st December	Chitavalash Jute Mills	97	1951 — 30th June — 1964
8,66,000	5	30th June and 31st December	Empire	94	1931 — 15th July — 1966
85,00,000	3½	1st January and 1st July	Hukumchand	92	1947 — 30th June — 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	1949 — 31st December — 1964
85,00,000	5½	30th June and 31st December	Nuddea	99	1952 — 31st March — 1967
85,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	97N	1947 — 31st March — 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	1939 — 14th May — 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	86‡	1945 — 31st December — 1964
8,00,000	5	30th June and 31st December	Presidency	91‡	1943 — 30th June — 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	95½	1950 — 5th September — 1965
85,00,000	5	14th March and 14th September	Soorah Jute	94‡	1937 — 14th September — 1957
8,00,000	4½	30th June and 31st December	Union	95½	1937 — 30th June — 1937(d)
12,00,000	4½	31st January and 31st July	Waverley	85½	1925 — 31st July — 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	84	1936 — 1st July — 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	£100N	1945 — 1st November — A ↓10½% at any time on 6 months' notice or at par or every seventh year.
£350,000	4½	1st January and 1st July	Calcutta Tramways	£102N	1900 — 1st October — 1974
£201,067	5	1st April and 1st October	Kalighat-Falta Railway	99	1933 — 30th September — 1953
3,00,000	3½	30th September and 31st March	Katakhal-Lalabazar Railway	88	1934 — 31st December — 1959
6,50,000	3½	30th June and 31st December			1945
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£90‡N	1906 — 1st September — 1963
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96	
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	100	1943 — — — 1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	100	1944 — — — 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	101‡	1943 — — — 1945-55
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	1946 — 30th September — 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	1948 — 31st December — 1965
27,60,000	4½	1st April and 1st October	Associated Hotels of India	86	1948 — 31st December — 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96	1937 — 30th June — 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1915 — 1st February — 1964
22,50,000	4½	1st July and 1st January	Clive Buildings	88‡	1936 — 1st July — 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	86	1946 — 15th September — 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	101‡	1950 — 1st January — 1971
20,00,000	5	15th March and 15th September	Metrur Chemical Industries	97	1949 — 30th September — 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	465 (per note)	1946
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	410 (per note)	1947 — 31st December — 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd	91N	1951 — 1st April — 1971
1 00,00,000	5½	31st March	Orient Paper Mills Ltd.	92‡	1951 — 31st March — 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	84	1946 — 31st December — 1959

Note—See page 334 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th August, 1953.

—	Closing quotations 6-8-'53	High	Low	Closing quotations 13-8-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	158	157	153½	155xd
Bank of Baroda (50)	111	111	110‡	110‡
Central (25)	65½	66	65½	65‡
Imperial (P.Pd.) (500)	1,826½	1,830	1,823½	1,830
Imperial (P.Pd.) (125)	440	442½	440½	442½
Union Bank (5)	6‡	6-7‡	6‡	6‡
United Com. (50)	36	36‡	36	36‡
COTTON MILLS				
Ahm. Adv. (100)	146‡	—	—	146‡
Apollo (2)	2-14‡	2-14‡	2-13‡	2-13‡
Bombay Dyeing (250)	388‡	393½	385‡	385‡
Central India (100)	158	161½	158½	162
Century Mills (100)	275‡	278‡	275‡	276‡
Colaba (100)	69	—	—	69
Elphinstone (50)	240	—	—	240
Finlay (100)	40	—	—	39
Gokak (100)	324	324	322	322
Ind. Unid. Defd. (1)	1-7‡	1-7‡	1-5‡	1-5‡
Ind. Unid. Ord. (10)	9‡	9‡	9-6‡	9-6‡
Indore Malwa (100)	90‡	92‡	89	92‡
Khatau (100)	182‡	185	181‡	183‡
Kohinoor (100)	302‡	302	302	302
Lakshmi (250)	570	573	572‡	572‡
Madhavdhan (100)	86	86‡	84	86‡
Minerva Mills (100)	50	50	49‡	49‡
Model Nagpur (250)	100‡	—	—	100‡
Morarji (100)	142‡	—	—	143‡
Mysore (50)	180	180	—	180
New City (100)	125	130	125	125
New Great (100)	150‡	—	—	150‡
Phenix (100)	150	151	150	150‡
Podar Mills (100)	115‡	116‡	115‡	116‡
Sassoon Silk (10)	128‡	128‡	127‡	128‡
Sassoon Spg. (15)	25‡	25‡	20‡	20‡
Shahjapur (1,000)	25‡	—	—	25‡
Simplex (50)	1,600	—	—	1,600
Sradasht (100)	170	171‡	170	170‡
Swan (100)	253‡	255‡	252‡	252‡
Tata M. I. (25)	455	456‡	455	456‡
Vishnu (100)	42‡	42‡	42	42
Western India (1,000)	1524	—	—	152‡
	3,180	—	—	3,180
ELECTRIC COS.				
Ahmedabad (100)	111‡	112‡	111‡	112‡
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,452‡	1,452‡	1,450	1,450
Bom. Sub-El. (100)	126‡	126‡	125‡	125‡
Surat (100)	124‡	125	124‡	124‡
Tata Hydro (100)	153‡	154‡	153‡	154‡
Tata Power (1,000)	1,535	1,536‡	1,530	1,532‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	627‡	—	—	627‡
Ind. Mercantile (20	40‡	—	40	38‡
Jupiter (13)	7‡	7‡	6	6‡
New India (15)	38‡	40‡	40	40‡
Oriental (200)	6,725xd	6,875	6,525	6,875
Universal (10)	8‡	—	—	8‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Scindia (15)	13-9‡	13-12‡	13-9‡	13‡
STEEL COS.				
Ind. Iron (10)	23‡	23‡	22‡	23‡
Tata Steel Defd. (30)	1,945‡	1,970	1,943‡	1,946‡
Tata Steel Ord. (75)	337‡	342	337‡	338
MISCELLANEOUS				
Alcock Ashdown (100)	296‡	310	295‡	305
Associated Cts. (100)	168‡	169‡	168‡	168‡
Belapur Sugar (5)	235	240‡	235	238‡
Bom. Bermah (125)	358‡xd	363‡	358‡	360‡
Do. (New) (50)	132‡xd	135	130	131‡
Br. B. Petrol (4 sh.)	1-2‡	1-3‡	1-2‡	1-2‡
Br. I. Corpn. (5)	8‡	8‡	8‡	8‡
Indian Copper (2 sh.)	2‡	2‡	2-1‡	2‡
Ind. Inv. Tr. (100)	70	—	—	70
Port Canning (100)	22	22	20‡	20
Premier Cos. (30)	85‡	89	85‡	87
Shivrajpur (10)	57‡	58	57‡	57‡
Tata Chemicals (10	9	9	8-13‡	8-13‡
Tata Oil (25)	30‡xd	30‡	30‡	30‡
Walchand Ind. (100	138‡	150	138‡	149‡
W. I. Match (100	225	241‡	223‡	237‡

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	98‡	—	3.44	98‡
2½% 1955	98‡	—	3.28	98‡
2½% 1960	90‡	—	3.90	90‡
2½% 1962	93‡	—	3.83	93‡
2½% 1974	91‡	—	3.87	91‡
3% 1957	83	—	3.91	91‡
3% 1963	98‡	—	3.42	82‡
3% 1959-61	98‡	—	3.40	98‡
3% 1964	96‡	3.72	3.55	98‡
3% 1965-45	92‡	—	3.87	98‡
3% 1966-68	92‡	3 93	3.80	92‡
3% 1970-75	90‡	3 99	3.89	92‡
3% 1986 Con. Loan	86‡	4.12	3.93	90
3½% 1954-59*	82‡	—	3.65**	86‡
4% 1960-70	100‡	3.32	3 46	82‡
4½% 1955-58	102‡	3 66	3 84	100‡
4½% 1958-68*	103‡	3 00	3 84	102
3½% 1961 N.P. Bonds	105	3.40	4 05	103‡
	98‡	—	3.75	98‡

BRITISH GOVERNMENT SECURITIES

	6-8-53 £	High £	Low £	12-8-53 £
2½% Brit. Consols	61‡	61‡	60‡	61‡
3% Savings Bonds 1955/65	75	—	—	—
3½% War Loan 1955-59	86‡	86‡	86‡	86‡
3½% War Loan 1952	101‡	—	—	101‡
3½% Brit. Iron and Steel 1979-81	81‡	81‡	81‡	81‡
4% Funding Loan 1960-90	90‡	90‡	90‡	90‡
	101‡	101‡	101‡	101‡

xd=Ex-dividend. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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BOMBAY GOVERNMENT IGNORES CONSUMERS' INTEREST

PRESS forecasts that the Bombay Government intended to transform its multi-point sales tax structure into a two-point structure have proved correct, for the Bombay Sales Tax (Amendment) Bill, published this week, has precisely this aim in view. The Bill seeks to introduce a two-point levy of sales tax—3 pies in the rupee at the first stage and 6 pies in the rupee at the last stage—in place of the present 3 pies levy on every sale. The system, which the Bill replaces, has been opposed on the ground that it interferes with the performance of the intermediaries' function, and also on the ground that it imposes a serious strain on the consumers. The existing system has been rightly criticised on the score that it ignores the provisions of the Central Act, the Essential Goods (Declaration and Regulation of Tax on Sale or Purchase) Act, 1952. This Act declares a great many articles, including cereals, edible oils, raw cotton, iron and steel, and antibiotics, as "essential for the life of the community," and that no law made by any State legislature imposing a tax on their sale or purchase, after the commencement of the Act, shall have effect, unless it has received the consent of the President. The Bombay Government's new Bill seeks to amend the existing Act, with a view to making it conform to the Central Act.

The new system will certainly reinstate the position of intermediaries, in that, apart from the first and the last stages in a series of trade transactions, no other sale or purchase attracts tax. But the position of consumers, especially that section of the consumers who buy directly from producers or importers, has been rendered more difficult under the new system, since such direct purchases will be charged at the rate of 9 pies in the rupee in contrast to the 3 pies in the rupee under the existing system of multi-point levy. In other words, the consumer gets no special benefit in buying direct from the original source of supply and he may, therefore, as well buy through trade channels. Thus, the place of intermediaries is doubly assured. The Government's claim that the Bill aims at conformity with the Central Act is not fully substantiated, for no attempt has been made to incorporate, in entirety, the goods declared essential for the community in the list of goods exempted from tax. Surely, the Bombay Government could have given a lead to other State Governments by amending the Sales Tax Act in such a way as to exempt all the articles declared as "essential" goods by Parliament. Raw cotton, for instance, continues to be taxed at one per cent., and so also edible oils (except the *ghani*-made oils) at the rate of 3 pies in the rupee.

Under the Bill, at least four different types of taxes are envisaged, namely, "general sales tax," "sales tax," "special goods sales tax" and "purchase tax." A "general sales tax" at the rate of 6 pies in the rupee will be levied at the last stage of sale by a registered dealer, except on goods which have been declared tax-free. The rate at this stage will, however, be ½ per cent. in the case of bullion and specie, 1 per cent. in the case of raw cotton and cotton-seeds and 3 pies in the case of oilseeds, and hides and skins. A "sales tax" at the rate of 3 pies in the rupee will be levied at the first stage of sale, that is, on the sale of such goods as have not been purchased from a registered dealer in the Bombay State. All intermediate sales will be exempt from either of the two taxes, provided, of course, the purchaser produces a certificate to the effect that he needs the goods for manufacture or resale. If the first and the last stages coincide, as they will, when a manufacturer or an importer sells direct to a consumer (or to an unlicensed dealer), both the general sales tax of 6 pies and the sales tax of 3 pies in the rupee will be levied. A "special goods sales tax" at specified rates will be imposed on certain goods, such as bicycles, cement, cigarettes, *vanaspathi*, motor vehicles and typewriters, certain kinds of textile fabrics, on which rates ranging from 3 pies to 12 pies in the rupee have been imposed, in addition to the "sales tax" of 3 pies in the rupee. If goods are purchased by any registered dealer from an unregistered dealer and if no further sale of these goods occurs, such a purchaser will be liable to pay a "purchase tax" at the same rate as "sales tax," namely, 3 pies in the rupee.

The Bill envisages a five-fold classification of goods. Schedule A goods are goods exempted from sales tax; cereals, *ghani*-manufactured edible oils and *gur*, for instance, belong to the group. Schedule B goods are bullion and specie (one-half per cent. tax), raw cotton and cotton-seeds (one per cent.), and hides and skins and oilseeds (3 pies in the rupee) on which the tax at rates indicated in parentheses are applicable only at the last stage but subject to certain conditions. Schedule C goods—non-*ghani* edible oils, iron and steel, among others, belong to this group—are not subject to sales tax, albeit under certain conditions, but they are subject to general sales tax. Goods under Schedule D, such as art silk yarn, coal and matches, are unconditionally exempt from "general sales tax." The "special goods sales tax" apply to the Schedule E list, which includes bicycles, cement, clocks and others. All dealers whose turnover, sales or purchases exceeds Rs. 15,000 will be liable to pay the tax or taxes under the new system. Under the existing Act, this limit is Rs. 30,000. For the purpose of making purchases of goods required for the purpose of resale, or for sale in the manufacture or processing of any goods for sale without having to pay "general sales tax," those dealers whose turnover of sales exceeds Rs. 50,000 will be granted the necessary licences.

Such, in broad outline, are the features of the new Bill. It is difficult to resist the conclusion that the Bombay Government, in its anxiety to placate the intermediaries, has left the consumer high and dry. Not only will the consumer, who can now buy his requirements direct from the importer or the manufacturer by paying a tax of only 3 pies in the rupee, have to bear a larger burden of 9 pies in the rupee, but the fact that the intermediaries can function more freely under the new system will add to the ultimate burden on the consumer. Again, the position of consumers who buy from unlicensed dealers is, of course, even worse, considering that such dealers will have to pay 9 pies in the rupee to the manufacturer

and also charge an additional 6 pies from the consumer, making in all a total burden of As. 1¼ for the consumer. True to its statement of objects and reasons, the Amendment Bill seeks to give relief to trade without "affecting anticipated revenue," and, to this end, it is the consumer that has been sacrificed. It is doubtful whether the system can function very satisfacorily at all under a state of economic affairs in which the buyers are coming into their own. It must, however, be conceded that the manufacturers and processors have been treated with a certain consideration, in that their purchases are accorded the same status as those of intermediaries and are exempt from the "general sales tax" as well as the "sales tax."

A tax law which affects a very large number of medium-sized shopkeepers should be simple, and easy of interpretation, application and administration. But the Bill under reference is too complicated to be readily understood by the common trader. In fact, even trained lawyers will find it difficult to go through its labyrinthine clauses. It divides the men engaged in trade, commerce and industry into several groups, such as licensed dealers, manufacturers, unlicensed dealers and so on—many of these groups may, in actual practice, overlap—and the tax itself into several varieties, such as "general sales tax," "sales tax," "special sales tax" and "purchase tax." That is not all. Before a transaction takes place, the seller has to equip himself with the knowledge of the kind of buyer with whom he is dealing. If the buyer is entitled to tax-free purchase, the seller has to keep the necessary documentary evidence relating to the exemption of tax until such time as he is assessed for tax, maybe for three years or even more. The task of the administration of the new system will be even more onerous than the present system. In one sense, it will be a fruitless task, considering that the intermediaries' books may also have to be examined, though the search may yield little or no revenue. Perhaps, the Government will do well—if it must stick to the new system—to publish a pamphlet that explains the working of the system in a language that the petty traders will understand, and also the full text of the amended Act.

The new system is, in effect, a compromise between the multi-point sales levy and the single-point levy. But it is a compromise which seems to involve the evils of both systems without the virtues of either. With its bewildering complexity of division of traders and of taxes, the new system might conceivably create as many loopholes for evasion as did the single-point system. On the other hand, it will press as heavily on the consumer as the multi-point system; in fact, it does so more heavily, as we have shown. Surely the price which the State Government has to pay for the compromise is too heavy a price. And it is not clear whether the people will consent to pay it. We would not be surprised if the Government were to find it difficult to convince all the members of the legislature.

Whatever the Assembly may do, there is no getting away from the fact that the consumer gets a raw deal. This would be wrong at any time. But it is definitely so at present when trading conditions are once again tending to be difficult. All markets are developing a buyers' consciousness. Buyers' resistance is everywhere in evidence. And a tax, which must help stiffen that resistance, is hardly calculated to bring fresh revenue in any large measure, or bring it without grave injury to living standards. These are not vague fears. There is no need to "cry wolf," for the wolf is already at the door. Textile mills are already contemplating a downward revision of prices. Many other industries are complaining of lack of orders. True, the trend is not yet reflected in production figures. But, if the growing unemployment is any guide and the reluctance of industrial and trading units to expand their activities is any indication, the men engaged in trade and industry are becoming aware of the difficulties ahead. This is not an entirely bad sign either, for the real test of efficiency and progress is a buyers' market. But the point is whether it is the right time for this premier commercial and industrial State to indulge in fiscal experimentation of doubtful utility.

In the light of all that has been stated above, it appears to us that the Government would, even now, do well to pause and reconsider the entire issue. We are aware that much consideration has gone into the Bill already. Judging from the result, all this has been in vain. A smaller State than Bombay, a State with less country-wide and international connections may indulge, in disregard of consequences, in new fiscal experiments. But this State can hardly do that. At any rate, it should not. This is what makes us urge a fresh examination of the whole problem. Perhaps, such examination—especially if all relevant material about tax systems in other States in India and overseas countries were collected—will reveal a simpler and more effective system—may be, a straight turnover tax at a small rate—that will be easy to administer.

HANDLOOM INDUSTRY

IT is now more than seven months since certain major fields of textile production, such as *dhotis* and *saris*, were reserved for the handloom industry. If the findings of the All-India Handloom Board, which concluded its two-day session in Bombay last week, are any indication, this measure does not seem to have helped the handloom industry to any significant extent. The Board openly admits that there are large accumulations of unsold stocks of handloom goods all over the country and that the weavers are still faced with distress conditions. The Board, unfortunately, does not say why this state of affairs still persists, in spite of the restriction placed on mill production of *dhotis* and *saris* and a few other varieties. Ordinarily, this measure should have eased the stock position of handloom goods. Apparently, the present unsatisfactory state of affairs must be due either to the high cost of handloom products or to an increase in production or to both. The Handloom Board, however, is not prepared to face this fact. Instead, it has appealed to the Central Government "to consider the feasibility of reserving further fields of production for the handloom industry," pending the report of the Cotton Textile Enquiry Committee. The Centre, it is to be earnestly hoped, will not rush to comply with this request, because the consequences will be too serious for consumers, without, at the same time, giving any worthwhile relief to handloom weavers.

The 40 per cent. restriction on production of *dhotis*, which became effective in January last, has already made the position uncomfortable for consumers, as well as for some of the mills. The fall in output of *dhotis* has been more than 40 per cent., since the base-year (1951-52) selected by the authorities for applying this restriction was one in which the *dhoti* output was not large, as in that year, quite a large number of mills was busily engaged in fulfilling their export commitments. Consequently, the prices of *dhotis* have gone up sharply, the percentage of rise varying between 20 and 30. Thus, the handloom industry had the advantage not only of a substantial fall in the supply of mill *dhotis* but also of a marked rise in the prices of such *dhotis*. Besides, it had also the advantage of restriction on the manufacture of *saris* and a few other items by mills. All this, however, has not been of much assistance to the handlooms. So far as the mills are concerned, the restrictions have adversely affected a number of them, especially in West Bengal and Orissa. It is true that not much has been heard in the Press of their plight, but that is because they have been silently pleading with the Government for exemption. In case their plea fails, they will be faced with the alternative of a closure. In other centres, mills have switched over to other varieties of cloth, with the result that the supply of these varieties has gone up. It looks as though, ere long, there will be keen competition among the mills themselves, the impact of which is bound to be felt by the handloom weavers also. It is a proven fact that the prosperity of the handloom industry is closely linked to that of the mill industry; if the latter suffers, the former too will suffer. Thus, the restrictive measures imposed on the mill industry may well have a boomerang effect on the handloom industry itself in the not distant future.

Those who profess to serve the handloom industry do not hesitate to throw the blame on the mill industry for the travails of the handlooms. They argue that the competition from mills has gone up. By stepping up their production to record high levels, the mills, they contend, have stolen the markets of handloom weavers. They, therefore, want a further restriction on the output of mills. They do not pay any thought to consumers, who need the cheaper mill-made *dhotis* and *saris*. They will not be satisfied, unless the entire mill industry is closed down, for it is only then that consumers will have no choice but to buy handloom goods. That, of course, will be one way of providing employment for the teeming millions of the country. If the task before the Government is only to provide jobs for all, the easiest course will be to banish all machines, including the iron and steel plants, cars, railways, aeroplanes, etc. But that will not be economic progress; it will mean denying the people the benefits of science and condemning them to perpetual poverty.

As we have repeatedly pointed out, reservation of markets for handlooms at the expense of more economic units is not the way to raise the standard of living of weavers. The correct way will be to find out the root causes of their economic difficulties and evolve suitable measures to remove them. In the first place, it must be recognised that, ever since the outbreak of war, there has been a marked increase in the number of handlooms which are admittedly uneconomic means of production. According to the Fact Finding Committee, in 1940, there were in the whole of undivided India 2,193,262 handlooms of which 1,755,070 were active. By 1951, the number of active handlooms in the Indian Union alone had risen by over a million to 2,860,904. There has thus been an uncontrolled and unprecedented expansion in the size of the handloom industry, a trend which is still continuing. Secondly, the handlooms, by their very nature, cannot cater to the needs of the masses economically. The people need cheap, durable cloth which the mills alone can supply, because they can mass-produce such cloth. It will, therefore, be clearly wrong to ask the handlooms to produce the cloth needed by the masses. The real market for handlooms consists of those varieties which are not suited to mass production, that is, high quality cloth, with special designs requiring artistic touch and individual attention. The handloom weaver is a more skilled worker than his confrere in a mill; he is more an artist than a factory worker. By producing several varieties of high quality utility and fancy goods, he can cater to the tastes and needs of those who are in a position to pay a price that will ensure him a decent standard of living.

It may be argued that, in India, the market for these types of cloth is very limited and that it cannot, therefore, sustain all the handloom weavers. There is, of course, some truth in this, but the market for such goods, in our view, is not so small as all that. Then, there are good chances of developing lucrative export markets for these goods. In countries like the U.S., Canada, Australia and Western Europe, where the *per capita* national income is high, there are people who would like to buy the fancy goods and such utility cloth as coloured sheets, curtain materials, etc., produced by Indian handlooms. These markets, however, cannot be had for the mere asking. They will have to be developed by diligent market research and by producing superior quality goods. It is here that the Handloom Board can do real service to weavers. The Board must make arrangements for ensuring a steady supply of high quality yarn and other stores to weavers, for supplying them with the designs of cloth for which market research indicates profitable outlets and for seeing that such cloth is well produced, finished and packed. In fact, there is quite a lot that the Handloom Board can and must do to assist the weavers in the matter of production and marketing. It is gratifying to find that, at its last meeting in Bombay, the Board devoted considerable attention to these problems and recommended to the Government certain constructive proposals for stimulating the sale of handloom cloth. But these proposals will have no sustained effect on the industry, so long as the Board does not view the industry's problems in their correct perspective and fails to recognise its right place in the textile industry.

We are not so unrealistic as to suggest that, by the mere adoption of the aforesaid methods, sufficient work can be found for all the workers now engaged in handloom weaving at a level which will assure them a decent wage. As mentioned earlier, the handloom industry is overmanned. It cannot sustain such a large number of workers as anything between 2½ and 3 million and their dependants. This is an unpleasant fact that must be squarely faced. There must be not only a check on any further expansion of handlooms, but also a reduction in their existing number. Ways and means must be found for absorbing the surplus labour now leading a precarious life on handlooms. One obvious solution is to get on with the implementation of big projects of irrigation, power development and large-scale industrialisation, projects designed to raise the wealth of this country. The difficulty of solving the problem in this way is not minimised, but that is no excuse for resorting to dubious methods which, in course of time, will give rise to even more difficult problems to be solved.

HESITANT FEELING IN SHARE MARKETS

OUTLOOK FOR COTTON—RUSSIA'S CONCERN FOR CONSUMERS—STEEL INDUSTRY IN U.K.

THURSDAY, 5 P.M.

THE undertone of the share market is a little quieter than a week ago, thanks to a number of uncertainties. The labour situation in Burnpur, the Works centre of the Indian Iron and Steel Co., Ltd., has deteriorated. The hope that the active interest taken by the Central Government in the settlement of the dispute will yield quick results has not so far materialised. Instead, the chances of an early settlement have been rendered slender by the workers' union serving a notice of strike on the Company. There are also reports that the management of the Company is making a move to declare a lockout. Following these developments, Indian Irons have declined to Rs. 22-8, as against Rs. 23-4 a week ago; in the kerb trading to-day, they were quoted as low as Rs. 22-5. With this leading counter thus sinking to a low level, the whole share market, both in Calcutta and here, looks rather depressed.

MARKET GOSSIP

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Among the other factors that have led to a feeling of hesitancy among the operators, mention may be made of Estate Duty and the obscure outlook for some of the major industries. Rumours regarding the rates of the Estate Duty are still of a bearish nature. The fall in exports of coal, the failure of expectations of large export orders for jute goods and reports of growing competition among the cotton mills to dispose of their cloth have induced a feeling of caution among the operators. In fact, there has been some bull liquidation in the leading cotton mill shares for the past two days.

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The only prominent scrips to report a gain over the week are Tata Deferreds and Tata Ordinaries. Indeed, after plunging to as low a level as Rs. 1,933-12 on Monday, the Deferreds moved up to register a high of Rs. 1,970 to-day, before finishing lower at Rs. 1,952-8. But this was due purely to speculative activity based on considerations of the technical position of the scrip. It would appear that there was some brisk bear covering during the last two days. The floating stocks of this scrip are very small. These may become smaller still in future, for, with the conversion scheme and the bonus issue ahead, few are likely to part with these shares. Further, as compared with the Ordinaries, the Deferreds are still underpriced. At lower levels, they invariably meet with some genuine investment demand.

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An interesting development of the week is the reported selling of equities by some large-scale investors-*cum*-businessmen, in order to meet their tax commitments. It will be recalled that, early in the year, the Income-tax Investigation Commission had announced that it would concentrate on some big cases of tax evasion. It is now stated that the Commission has completed the assessment of a few of these cases and that the amounts involved aggregate quite a few crores of rupees. This has given rise to the impression in some circles that the assessees concerned may come out to liquidate a part of their investments to pay their taxes. As these investments are believed to be mostly in first class shares, a certain amount of genuine selling pressure is apprehended.

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Reports of record production of cloth in July, 1953, have tended to depress textile shares, instead of imparting a cheerful tone to them. This is not surprising, inasmuch as there is a growing realisation that, with exports running at an annual rate of no more than 600 million yards, the industry will not be able to dispose of its production, now running at an all-time record of 5,000 million yards per annum. It is admitted that, in the first half of 1953, mills fared well and that their earnings were satisfactory. But millowners feel that, in the coming months, the position may deteriorate. Keen competition among the mills to dispose of their stocks is expected; some say that it has already begun and that two or three big groups of mills have reduced the prices of their goods by 5 to 10 per cent. According to a millowner, the high level of production is the result, to some extent, of lowering the yarn content of cloth, in order to reduce the cost of production. Consequently, the quality of cloth has gone down and, when free competition develops, those mills which chose to reduce the quality of its goods will suffer most. But even those mills which maintained the quality of its manufactures cannot escape lightly, because they too will have to cut their prices substantially to stimulate their sales. And because their cost is high, any such cut will lower their profit-margin. Ultimately, however, they will emerge successfully in any such competition, for maintenance of quality always pays in the long run.

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The 1952-53 cotton season is now rapidly drawing to a close and with it the last contract of the season, namely, the I.C.C. August. The trading in this contract during its last stages has been colourful indeed. At one time, it was thought that the bull syndicate will not succeed in getting out of its large commitments successfully. But it seems to have managed to do so. Till to-day, nearly 83,000 bales have been tendered against the contract, and at least another 10,000 bales are likely to be tendered on the last day. In spite of strict surveying, the major portion of the offerings was found eligible and, by the time the contract runs out, the bulls will have taken delivery of no less than 60,000 bales. This is undoubtedly a big quantity for a handful of operators and it is a moot point whether they will succeed in disposing of all this cotton without incurring a loss. But then some say that they may be able to square up this loss by adjusting it against the gain they are expected to make on their outstanding purchases. They have so skilfully managed to keep the August contract under their effective control that the bears, who have not covered their outstandings, will have to buy back from them or carry forward their commitments to the new crop by paying a heavy premium.

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The widening of the spread between the 1952-53 August contract and the 1953-54 February contract is another striking feature of the cotton market. Operators aver that it is a long, long time since they saw such a wide margin between the two contracts as Rs. 75 per candy. At the most, it used to be no more than Rs. 30 or Rs. 40. Why this wide margin? Two reasons are given by the operators. One is the squeeze by the bulls and the other is the bearish view taken of the new crop. Progress reports of the new crop make encouraging reading. Trade estimates now place it at between 3,900,000 and 4,000,000 bales. Some feel that it may even be 4,200,000 bales. As compared with the outturn in 1952-53, these new crop estimates show a rise of 400,000 to 500,000 bales. This increase is, of course, nearly offset by a fall of 500,000 to 600,000 bales in the carry-over cotton. Accordingly, the total supply of Indian cotton in the 1953-54 season may be no more than what it was in the 1952-53 season or may be only a little higher. Nevertheless, market circles are not in an optimistic frame of mind so far as the price of cotton is concerned. They argue that, though the total supply may be more or less the same as that in the current season, there is no certainty that the offtake of cotton by mills will continue to be at the same rate. So, much will depend on the trend of the cloth market and the outlook for cotton textiles, both of which at the moment are not, as already mentioned, encouraging.

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A feature of the international cotton economy in recent years has been the growing importance of new cotton producers. A geographical analysis of the sources of cotton supply to that important cotton-consuming country, the U.K., reveals that nearly 30 per cent. of the cotton supply for that country during the year 1952 came from Empire countries, as against 8 per cent. in the pre-war years. Perhaps, the lack of dollars explains partly the increased dependence on Empire sources. But it is reasonable to assume that, while the shortage of dollars provided the opportunity for non-dollar countries to increase their cotton production, they have availed themselves of the opportunity to improve the quality as well, considering that the mill managers in the U.K. have expressed satisfaction over these supplies. In 1938-39, the U.S. supplied 507,000 bales of cotton to the U.K. In 1952-53, it supplied only 350,000 bales. But then, the total imports themselves declined between the two years from 2,250,000 bales to 1,342,000 bales. Between 1951-52 and 1952-53 the U.S. share of the total cotton imports fell from 654,000 bales to 350,000 bales, whereas the total imports declined from 1,926,000 bales to 1,342,000 bales. Egypt accounted for only 54,000 bales in 1952-53 as against 397,000 bales in pre-war years. Egyptian shippers have complained that the low offtake of cotton by the British shippers was inspired by political considerations. But this has been denied by the U.K. Raw Cotton Commission which justifies its small purchases purely on trading grounds. The other important sources and their exports (in 000 bales) to the U.K. in 1952-53 with pre-war supplies in brackets were: Brazilian 77.1 (288.8); Argentine 97.1 (17.7); Mexican 28.2 (nil); Peruvian 56.8 (179.3); West African 190.8 (58.4); East African 118.1 (41.0); Indian 21.4; Pakistani 111.6 (Undivided India 471.1) and Sudanese 128.4 (245.0).

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The denationalisation of the British steel industry has begun in right earnest. The transfer of the Templeborough Rolling Mills Ltd. of Sheffield back to private ownership, announced by the Iron and Steel Holding and Realisation Agency the other day, marks the completion of the first step in this direction. The details of this step make interesting reading. The transfer has been effected by means of a £1 million deal—incidentally, it may be mentioned that the aggregate capital of all the nationalised steel companies is £300 million—under which British Ropes and William Cooke & Co., two of the three former owners, have now regained their holdings, each purchasing 72,001 shares in the mills at a price (in cash) of £7 5s. per share *cum* div. The remaining one-third of the shares is being retained by the United Steel Company.

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Announcing this first deal by the Iron and Steel Holding and Realisation Agency, Sir John Morison, its Chairman, gave, a few days ago an idea of the Agency's plans for further realisations. According to him, a consortium of eight issuing houses already formed is expected to assist the Agency in marketing the shares of the larger steel companies. The concern that has now been restored to private enterprise is a relatively small one as compared with the giants that still remain to be handed over to private enterprise. The Agency intends to make its first equity offer of the bigger companies by early autumn; the offer will consist of issuing the ordinary shares of one of the "Big Seven" steel companies, namely, Colvilles, Dorman Long, Lancashire Steel Corporation, Stewarts and Lloyds, United Steel, Whitehead Iron and Steel and John Summers and Sons. Prior subscription rights will be given to those shareholders who were in the list at the time of nationalisation, namely, 15th February, 1951. This will apply to all offers of the shares. Subscriptions to the shares may be in either cash or a wide range of Government securities. The list of such securities and the prices at which they will be accepted will be published by the Bank of England simultaneously with the advertisement of the offers, so that the investors will be able to decide whether to subscribe in cash or securities or both. It is not expected that the list—this will probably exclude short-dated Government stocks—will vary, but the price at which they will be accepted will vary according to market quotations at the time each offer of steel shares is made.

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It is still not settled as to which of the "Big Seven" steel companies mentioned above will come first with the offer of shares. Dwelling on this aspect of the question, Sir John Morison stated: "What we are doing is to try to get as much of the preliminary mechanical work done over a fairly wide range of the public companies, to have them as far forward as possible, so that, when the time comes, we can select which is the most appropriate to shoot off as number one." Sir John, however, assured that the first offer of shares would definitely be a 100 per cent. equity offer. He considered that the subsequent offers would not necessarily all be of equity capital in the large concerns, but would be either of preference capital in such companies, or the capital of a smaller company might be offered in between the larger groups. After all, the main policy of the Agency was to be as flexible as possible, he said. A word or two may be added here about the capital structure of the steel companies to be returned to private ownership. The form in which the companies emerge from State control will undoubtedly be different from that at the vesting date. The chief problem that will confront the companies relates to the ways and means of finding large sums of money required for completing their expansion programmes. As Sir John emphasised, "we have to see that these are taken care of and that the capital structures are properly balanced so that they are sensible and that the shares are attractive."

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Now that denationalisation of the steel industry in the U.K. has become a *fait accompli*, interest naturally centres round the future of the industry. Reassuring is the statement of Sir Arthur Pugh, a former General Secretary of the Iron and Steel Confederation and President of the T.U.C. in 1926, that the improvement in steel output will be maintained whether the industry is nationalised or not. Since 1945, he states, there has been a progressive increase in steel production, from 11,824,400 tons in 1945 to 16,430,000 tons in 1952. This, for the most part, was accomplished under a system which combined private ownership with a large measure of Government control. Granted the facilities and raw material, the improvement in output will, there is no doubt, continue. Much, of course, will depend upon the spirit of co-operation which governs the relations between those upon whom success in the final result depends, namely, labour and management.

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The unrest which swept the Iron Curtain countries recently has been attributed to the high cost of living and the prevailing acute scarcity of consumer goods. Apparently, the U.S.S.R. has learnt a lesson that consumption goods cannot for long be withheld without incurring the wrath of the ordinary citizen. M. Malenkov announced only two weeks ago that the Government would soon embark on a new programme for the production of consumer goods, besides the targets, set for the current year at 38 million tons of steel, 320 million tons of coal, 52 million tons of oil, 16 million tons of cement and 133 million kw. hrs. of electricity. In order to woo the consumer, the Government has effected a big cut in retail prices. An important effect of the cut is that the turnover tax, which forms the single largest source of revenue in Russia, is affected. For the current year, this source is expected to yield only 240 million roubles out of the total revenue of 543 million roubles. Last year, the total revenue was 497 million roubles. The actual share of the turnover tax is not known, though it had been earlier estimated at 260 million roubles. Expenditure for the current year is placed at 530 million roubles, of which defence takes 110 million roubles, grants to national economy and social services 192 million roubles and 130 million roubles respectively. (The official exchange rate for the rouble is 11.2 roubles to the pound sterling).

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Yet another evidence of the new importance given to the consumer is that, in the series of trade agreements, which Russia has concluded with West European countries, a substantial volume of consumer goods, notably foodstuffs (butter, lard and fish) and textiles, has been included. Such items form part of the trade agreements concluded with Denmark, Holland, France and Argentina. It is stated that the buying of such items had been sanctioned in the past only in exceptional cases. Apart from the fact that these trade negotiations show, almost for the first time, Russia's willingness to cultivate trade relations with the West, they are notable for the inclusion of even strategic materials, such as manganese which Russia is prepared to barter in exchange for consumer goods. The Franco-Russian trade agreement, concluded last month, for instance, envisages a volume of trade (either way) of 12,000 million francs (about £12 million). France will receive chrome, manganese, oils and maize in exchange for a number of consumer

(*Continued on page 379*)

EQUITIES TURN WEAK

SELLING PRESSURE IN TEXTILES

(From Our Own Correspondents)

BOMBAY, 20*th August*

THE Stock Exchange turned easy this week under the cumulative effect of several factors. Great apprehensions were entertained regarding the rates of duty to be levied under the Estate Duty Bill. Advices from Calcutta were far from enthusiastic. The reports that the workers of the I.I.S.Co. had given notice of strike and rumours that the Company might declare a lockout were viewed with concern. It was felt that the continuance of this unhappy episode, which had already seriously damaged the plant and brought about a heavy fall in production, would not only have undesirable repercussions on other sectors of the country's economy, but affect the Company's financial results of the current year. Market circles feel, in this connection, that it would take some months for the unit, as it is, to resume its normal working. They opine that even if the Government were to give a higher retention price, as is suggested in some quarters, the current year, which incidentally is the first year of working after the amalgamation was effected, would be disappointing. Another factor which affected the operators' sentiment was the discouraging reports from the cloth market. It was reported that the mills were faced with an accumulation of cloth and some of them had cut their selling prices. Consequently, textile shares came under heavy selling pressure on the Stock Exchange.

Tata Steel shares provided a notable exception to the general trend and remained very steady till this morning, but the weakness of Indian Irons and textile shares brought a recession to these counters also. Tata Defds. were initially marked down from Rs. 1,946-4 to Rs. 1,933-12 on Monday, but a sizable rally was noted in subsequent dealings on sustained support induced by higher backwardation charges. In the process the scrips gathered strength to touch a high of Rs. 1,970 to-day before wilting away under pressure to Rs. 1,952-8 at the close. Tata Ordinaries, after shading off from Rs. 338 to Rs. 335-12, recovered to Rs. 341, but again closed lower at Rs. 338-4. Indian Irons were concerned in a wave of selling pressure and retreated from Rs. 23-3 to Rs. 22-8. After close they were quoted at even Rs. 22-5.

The textile section bore the brunt of the pressure for reasons already stated. Bombay Dyeings relapsed from Rs. 385-10 to Rs. 380 on Tuesday. After a momentary recovery to Rs. 383-2, they were marked down to Rs. 378-12. Kohinoors were on offer by several big operators who had in earlier weeks accumulated lines and, as a consequence, the shares receded from Rs. 302 to Rs. 295-8. Centurys were hammered down from Rs. 276-8 to Rs. 270. Central Indias were down by Re. 1-8 at Rs. 160-8. Indu Ordinaries drifted lower by As. 11½ to Rs. 8-11. Simplex lost a rupee to Rs. 169-8, Standards were marked down by Rs. 7-8 to Rs. 308-12. Swadeshis came down from Rs. 252-4 to Rs. 247-8 and Shriniwas were taken down by Rs. 2-8 to Rs. 172-8. Ahmedabad Advances declined by Rs. 6-4 to Rs. 140. Bradburys fell by Rs. 30 to Rs. 817-8. Finlays provided an exception by a rise of Rs.3 to Rs. 325.

Bank shares were featureless and the undertone was quietly steady. Barodas were a fraction better at Rs. 111-4, Centrals shed a fraction to Rs. 65-4, while their new shares picked up As. 4 to stand at Rs. 68. Imperials Fully Paids were placed Rs. 5 lower at Rs. 1,825 and the Contributories Rs. 2-8 down at Rs. 440. Indias were steady and unchanged at Rs. 155. United Commercials were quiet at Rs. 36-4.

The insurance section presented a steady front, though variations in most counters were of little or no consequence. Orientals were stagnant at Rs. 6,875 *ex-div.* New Indias were held at Rs. 40-4. Jupiters which had changed hands a rupee lower at Rs. 6-1 in the previous week, gained an anna this week to Rs. 6-2. British Indias were picked up As. 4 better at Rs. 13-12.

Electric shares disclosed a mixed trend and enquiries were of a select nature. Ahmedabad Electrics which were in favour in the previous weeks, met with profit-taking and lost Rs. 10 to Rs. 111-14. Bombay Suburbans were steady at Rs. 121-14 *ex-div.* Poona Electrics were quoted at Rs. 125 *ex-div.*, as against Rs. 129-6 *cum-div.* Surat Electrics were down at Rs. 123-12, as against Rs. 125, while their new shares were unchanged at Rs. 95. Andhra Valleys advanced by Rs. 2-8 to Rs. 1,452-8. Tata Hydro were quoted at Rs. 142 *ex-right*, as against Rs. 154-8 *cum-right* a week ago and Tata Powers at Rs. 1,435 *ex-right*, as against Rs. 1,532-8 *cum-right*.

In the miscellaneous section, Associated Cements were quietly steady at Rs. 168-8. Belapurs were maintained at Rs. 238-8. Bombay-Burmahs were unsettled and receded by Rs. 8-13 to Rs. 351-14. B.I.Cs. were done Re. 1-14 better at Rs. 154-8. National Rayons improved from Rs. 116-4 to Rs. 118 early in the week on continued demand, but went back to Rs. 115-8 at the close on profit-taking. Port Cannings were in demand to go up by Rs. 2-8 to Rs. 22-8. Tata Chemicals were quiet at Rs. 8-12½ and Tata Oils at Rs. 30-4. Wimcos were steady at Rs. 238-2. Digvijay Cements declined by Rs. 2-4 to Rs. 31.

In the transport group, Scindias were quiet at Rs. 13-8. Bharat Lines were on offer at Rs. 83. India Steamships were steady at Rs. 6-12½.

Among the mining and engineering shares, Indian Coppers were dull at Rs. 2-12½. Shivrajpurs were quiet at Rs. 57. Alcock Ashdowns were realised at Rs. 320-8, as against Rs. 305. Premier Constructions were put through Re. 1-8 lower at Rs. 85-8. Larsen and Toubros were unchanged at Rs. 10-10. Jost's Engineerings shed a rupee to Rs. 90.

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Calcutta Stock Exchange

CALCUTTA, 18*th August*

Lethargic conditions prevailed on the Calcutta Stock Exchange during the week. Trading was uninteresting and featureless. Operators searched in vain for incentives, and increasing commitments was, therefore, out of question. The labour situation in Burnpur showed no improvement and operators would appear to entertain the fear that the huge loss in production since the last seven months would have its effect on the working result of the Indian Iron and Steel Company for the current accounting period. It is distressing that efforts to ease the situation have so far failed, and the loss of production in this great undertaking is grave to the nation. Fears from rumours of a proposed lockout in the Burnpur Works cautioned buyers, and fresh offerings resulted in prices declining further. The loss of steel production is also causing anxiety to other engineering industries.

Although the Estate Duty Bill would soon become law, the lack of information on the rates of taxation is a factor which increases the prevailing uncertainty. The Government has stated that the duty would not affect capital formation, but investors, both genuine and professional, would enter into long-term commitments only after the rates are announced and they know their position exactly. The increase in output of, and stock with, mills during July affected sentiment in the jute section. The decline in prices of jute goods and the lack of enquiries from the United States even for moderate quantities were depressing factors.

Sectionwise, Indian Irons touched a low of Rs. 22-12 to-day, before closing at Rs. 22-14 with a loss of As. 3 over the week. Texmacos were lower at Rs. 6-2 to-day, as against Rs. 6-3 last Tuesday, while Kumardhubis changed hands at Rs. 7.

Among miscellaneous shares, interest in F. & C. Oslers were revived this week, and the shares rose from Rs. 6-4 to Rs. 7-6. However, the rate receded to Rs. 7-4 to-day. Interest was shown in Indian Cables at Rs. 18-1 and Dunlop Rubbers came to business at Rs. 27-12. Rallis were taken at between Rs. 65-8 and Rs. 66-4, Martin Burns at Rs. 18, and Titaghur Papers at Rs. 35-2. Gillander Arbuthnots changed hands at Rs. 116. Sone Valley Cements were bought at Rs. 6-9.

Among sugar shares, Carews changed hands at Rs. 6-14 earlier in the week, but were lower to-day at Rs. 6-13. Champarans, at Rs. 24-8, were an anna better. Cawnpores were raised from Rs. 34 to Rs. 34-6, but subsequently lost to Rs. 34-4. Dharbangas had buyers at Rs. 10-15 and Bairampores were unchanged at Rs. 7-8.

The volume of business recorded in the jute section was on a reduced scale, for reasons already stated. Howrahs were lower at Rs. 23-6, while Budge Budges were maintained at Rs. 155. Fort Glosters, after being transacted at Rs. 432, receded to Rs. 427. Ganges were transacted at Rs. 68-8 and Indias were quoted at Rs. 125. Hastings changed hands at Rs. 125. Coals were likewise extremely quiet, New Beerbhooms and Barrakurs changing hands at Rs. 18-4 and Rs. 9, respectively. Bengals were steady at Rs. 515. Central Indias declined from Rs. 4-9 to Rs. 4-6. Dhemo Mains had business at Rs. 9-2.

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Madras Stock Exchange

MADRAS, 18*th August*

The Madras Stock Exchange presented a mixed appearance during the week. Textiles and teas came in for considerable support, while the remaining sections experienced lack of enquiries. The upward trend witnessed in the past few weeks in textiles persisted its course this week also, on speculative enquiry. Expectation of larger offtake of piecegoods in view of the approaching festival season was the chief stimulating factor. In distinct contrast to the generally easy trend noticed last week, tea scrips ruled steady. The revival of enquiries was in anticipation of better overseas demand. Rubbers were easier, while teas fared no better. Banks too lacked support. The cumulative effect of all this was that, whereas textiles and tea scrips disclosed sizable gains, the rest generally recorded perceptible losses. The undertone, however, was not encouraging.

In the textile section, P. Andavar "A" and "B" recorded a gain of Rs. 3 each to Rs. 63 and Rs. 88, respectively. Vasantas were higher by Rs. 2-8 at Rs. 161. Bangalore Woollens were taken up by Rs. 2 at Rs. 267-8 *cum-div.* Metturs were done at Rs. 194, as against Rs. 192. Premiers put on a rupee to Rs. 91 *cum-div.* and S. K. Rajendras As. 8 to Rs. 43. Balasubramanias, Rs. 40 paid-up, were done at Rs. 33-8 *ex-div.*, as against Rs. 36 *cum-div.* and Rs. 70 paid-up at Rs. 55-10 *ex-div.*, as compared with Rs. 60 *cum-div.* Lakshmis, Rs. 50 paid-up, however, lost Rs. 3 to Rs. 83 and Coimbatore Pioneers Rs. 2 to Rs. 118. Rajalakshmis dropped Re. 1 to Rs. 85.

Among plantings, the performance of tea scrips was encouraging. Nilgiri teas advanced from Rs. 12-5 to Rs. 12-8. Parksides were higher by As. 2 at Rs. 13-4. Highland Produces also were up by a similar amount at Rs. 10-8. Midlands (tea and rubber) hardened by As. 3 at Rs. 11-4. Emerald Valleys and Kalasas put on an anna each to Rs. 4-10 and Rs. 12-7, respectively. Peermades, however, eased from Rs. 27-4 to Rs. 27. Periakaramalais dropped As. 2 to Rs. 28-6 *cum-right*.

Rubber scrips lacked support. Malankaras declined from Rs. 105-12 to Rs. 105, while Cochin Malabars put on As. 3 to Rs. 7-2 *cum-div.* Peninsulars were slightly better at Rs. 8-10. But Pullangodes were unchanged at Rs. 2-8 and Kailas at Rs. 3-8. T.R.Ts. (tea and rubber), however, were better by As. 2 at Rs. 7-5.

Coffee scrips were generally dull, although Coffee Lands gained an anna at Rs. 10-8 and Puthuthotams an anna and a half to Rs. 3-8½. But Consolidated Coffees lost As. 2 to Rs. 13-8. Mysore Coffees were unchanged at As. 8½.

In the miscellaneous section, Indian Aluminiums eased from Rs. 110 to Rs. 105. India Cements suffered As. 6 to Rs. 17-2 and Rallis As. 4 to Rs. 67-4. Aluminium Industries were lower by As. 2 at Rs. 11-10 *cum-div.* Indian Steel Rolling Mills were down by an equal amount at Rs. 10-14. Berhampurs, however, advanced from Rs. 4-12 to Rs. 5 and Spencers from Rs. 13-10 to Rs. 13-12. F.A.C.Ts. were somewhat better at Rs. 3-1.

Among banks Andhra Banks, Rs. 50 paid-up, gained As. 8 to Rs. 54. Indian Banks, Rs. 100 paid-up, were higher by a similar amount, at Rs. 180. Indian Banks, Rs 85 paid-up, were done at Rs. 143-8, as against Rs. 143. Punjab National Banks lost As. 4 to Rs. 22.

FINLAY AND SWAN MILLS TO ISSUE BONUS SHARES

The decision of the Directors of the Finlay Mills Ltd., and the Swan Mills Ltd. (Agents: Messrs. James Finlay & Co., Ltd., Bombay) to capitalise part of the Companies' undistributed profits, standing to the credit of their respective reserve funds, has been approved by the Controller of Capital Issues. The Directors of the former Company propose to capitalise a sum of Rs. 10 lakhs out of the reserve fund (Rs. 47.04 lakhs) and issue bonus shares (10,000 shares of Rs. 100 each) to the existing shareholders in the ratio of one such share for every four shares now held by them. The capitalisation of the said sum of Rs. 10 lakhs requires the present authorised capital of the Company (Rs. 40 lakhs, made up of 40,000 shares of Rs. 100 each) to be increased. The Directors propose to raise the same to Rs. 50 lakhs (made up of 50,000 shares of Rs. 100 each). The total reserves and surplus of the Company now stand at Rs. 79.03 lakhs, against a paid-up capital of Rs. 40 lakhs.

The Directors of the Swan Mills Ltd. have decided to capitalise a sum of Rs. 12 lakhs, out of the reserve fund now standing at Rs. 47.56 lakhs and issue bonus shares (12,000 shares of Rs. 100 each) to the existing shareholders in the proportion of one share for every four shares held by them. The present authorised capital—Rs. 24 lakhs—requires to be raised so as to permit the aforesaid capitalisation. The Directors propose to raise the same to Rs. 36 lakhs, made up of 36,000 shares of Rs. 100 each. The Company's total reserves and surplus now stand at Rs. 75.80 lakhs, against a paid-up capital of Rs. 24 lakhs.

MERCANTILE BANK OF INDIA LTD.

The Directors of the Mercantile Bank of India Ltd., have declared an interim dividend of 7 per cent., less income-tax, on all the classes of the Bank's shares, for the year ended 31st December, 1953. This represents an increase of one per cent. over the corresponding distribution made in the previous five years.

Notice

THE FORT WILLIAM JUTE COMPANY, LIMITED

NOTICE

THE HALF-YEARLY ORDINARY GENERAL Meeting of the Company will be held at the Registered Office, No. 14, Netaji Subhas Road, Calcutta, on Monday the 7th September, 1953, at 3-10 p.m., for the purpose of receiving the Directors' Report and Auditors' Report, passing the Accounts for the half-year ended 30th September, 1952, and transacting such other business as may be brought forward before the meeting.

The Share Transfer Registers of the Company will be closed from 25th August to 7th September, 1953, both days inclusive.

By Order of Board,
Per Pro. BANGUR BROTHERS LTD.,
R. N. BANGUR,
Managing Agents.

CALCUTTA, 14*th August*, 1953.

NEWS IN BRIEF

THE Sindri Fertiliser Factory has so far despatched 299,950 tons of ammonium sulphate valued at Rs. 9.7 crores.

The total Indian currency withdrawn from circulation in Aden by 1st April, 1953, was Rs. 6,10,95,422.

Of a total marine fish catch of about 501,900 tons in India in 1952, the West Coast of India accounted for nearly 413,300 tons.

A radio-telephone service between India and Nairobi has been introduced with effect from the 18th inst. The hours of service are 12.30 p.m. to 1.30 p.m. on weeks days.

The Indian Coal Board has set apart Rs. 23 lakhs for granting loans to collieries for the purchase and installation of stowing plant and transport of stowing material.

The recent decision of the Government of India to stop dearness allowance to officers drawing Rs. 1,000 per month and over will result in an ultimate saving of Rs. 38 lakhs to the Central Government.

The question of continuing protection to the Indian caustic soda and bleaching powder industries is now under the examination of the Tariff Commission. Questionnaires have been prepared for producers, importers and consumers.

The Government of India has decided to grant actual users licences to manufacturers of *kumkumam* for the import of sago flour. Applications for import licences should be made to port authorities supported by the usual certificate of the Director of Industries of the State concerned.

The Hindustan Aircraft Railway Coach factory has so far manufactured 402 all-metal coaches. The factory has orders for 198 more coaches and, according to present schedule, 10 coaches are being manufactured every month. The rate of production can be stepped up, if the difficulty with regard to underframes is removed.

A small body has just been set up in the Secretariat of the President to consider the steps taken to implement the recommendation of the Finance Commission regarding setting up of an organisation to make a continuous study of the finances and administration reports of the State Governments. This will start functioning in the course of a month.

The Government of Saurashtra will soon fix floor prices for coarse foodgrains, with a view to assuring fair return to cultivators. The proposed prices are to be based on those prevailing, within and outside the State, cost of production and the procurement prices that were prevailing prior to the abolition of statutory rationing a year ago.

The annual expenditure on the national and small savings collections was about 0.8 per cent. of the total collections in each of the years from 1949-50 to 1952-53. The expenditure, which included the cost of the staff employed in the National Savings Organisation, publicity charges and commission to authorised agents was Rs. 19,57,379 in 1949-50, Rs. 25,25,552 in 1950-51, Rs. 28,82,736 in 1951-52 and Rs. 31,89,946 in 1952-53.

A pilot plant for the manufacture of dicalcium phosphate from Trichinopoly phosphatic nodules, utilising hydrochloric acid, has been successfully completed by the National Chemical Laboratory, Poona. Dicalcium phosphate, being a neutral salt, is a better fertiliser for acidic soils than ordinary super-phosphate. The use of dicalcium phosphate as fertiliser would reduce transportation charges, as it is more concentrated with respect to phosphorus content than ordinary superphosphate.

India has been supporting the proposal, sponsored by several member countries of the United Nations, for the establishment of an International Development Fund under the ægis of an International Development Authority. This proposal has been examined by an Expert Committee appointed by the U.N. Secretary-General. The Committee's Report was recently discussed at the 16th session of the E.C.O.S.O.C. and will come up again for further discussion in the forthcoming session of the U.N. General Assembly.

The all-India acreage and production of linseed for the year 1952-53 are finally estimated at 3,394,000 acres and 355,000 tons, as against 3,402,000 acres and 316,000 tons, respectively, in the partially revised estimate for 1951-52. This shows a decline of 8,000 acres or 0.2 per cent. in area and an increase of 39,000 tons or 12.3 per cent. in production. This estimate includes, for the first time, information in respect of the "non-reporting areas," that is, areas for which forecasts for this crop are not prepared. The "non-reporting areas" included in this estimate are Assam, and Jammu and Kashmir, which together account for an area of 30,999 acres and a production of 1,330 tons during the current year.

The Full Bench of the Railway Rates Tribunal, consisting of Messrs. N. S. Lokur, L. M. Roy and P. V. Subba Row, delivered judgment on the 17th inst. in complaint No. 5 of 1932 which related to freight rates for jute from Calcutta to Raigarh, both stations situated on the Eastern Railway. On the basis of the evidence placed before it, the Tribunal decided that the existing rate was not unreasonable. The complaint involved the consideration of a very important point as to whether the railways in different zones under different General Managers should be considered as one railway administration for purposes of section 28 of the Indian Railways Act or as different railway administrations. The majority of the Tribunal decided that these different zones owned and administered by the Government should be considered as one railway administration for purposes of section 28 of the Indian Railways Act, in view of the definition of a railway administration in section 3(6) of the Act.

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From Abroad

Plans are progressing for building a bridge across the Bosphorus (Turkey) that will link Europe and Asia. A German firm has put in a bid of $71,430,000 for a single-span suspension bridge, 215 feet high and 4,920 feet long. The Turkish authorities are studying the plan.

The 38th International Motor Exhibition will be held at Earls Court, London, from 21st to 31st October, 1953. The exhibits include cars, carriage work, motor boats and marine engines, caravans and light trailers, accessories and components, transport service equipment and tyres.

A new agreement has been signed between the Government of India and the U.S. Ford Foundation, under which the latter will make available an additional $1,041,310 to aid India's community development programme. The Foundation had previously contributed $2,193,235 to this programme.

Highest-grade deposits ever uncovered of titanium dioxide, a mineral vital to the manufacture of jet engines, have been discovered in Hawaii. The titanium content of the ore range from 2 to 40 per cent., whereas that of deposits elsewhere in the world is normally computed in tenths of one per cent.

Wheat stocks of the world's major exporting countries—Canada, the U.S., Argentina and Australia—on 1st July, 1953, amounted to 1,188.5 million bushels, as compared with 566.8 million bushels a year before. Of the total exports of wheat from these countries during 1952-53, India took 13.1 million bushels and Pakistan 13.9 million bushels.

New investments made by life insurance companies in the U.S., including refunds and replacements, during the first half of this year amounted to $7,030 million. This represents a fall of $400 million, as compared with the corresponding period of 1952. A sizable part of the new investments, $2,490 million, was accounted for by corporate securities. The aggregate assets of the life insurance companies as at 30th June, 1952, stood at $75,403 million, as against $73,034 million six months before.

The 6,800 member banks of the U.S. Federal Reserve System earned a net profit of $436 million during the first half of 1953, as against $458 million in the same period last year. The loans granted by the banks amounted to $55,500 million, as at the end of June last, as against $50,500 million a year before. The average return on loans was 4.60 per cent., as against 4.44 per cent. Loans to the Federal Government through purchases of its securities yielded a higher return of 1.97 per cent., as against 1.72 per cent.

About 2,530 firms will be represented at the Utrecht (Holland) Autumn Fair to be held from 1st to 10th September next. Of these, 1,359 firms are of foreign origin. Products from 21 countries will be exhibited at the Fair. The most important foreign participants are West Germany with 572 exhibits, Britain with 251 exhibits, France with 97 exhibits, Switzerland with 96 exhibits, U.S.A. with 88 exhibits and Belgium with 76 exhibits. The other countries to be represented at the Fair are Sweden, Denmark, Norway, Finland, East Germany, Austria, Liechtenstein, Hungary, Czechoslovakia, Italy, Spain, Nigeria, Pakistan and Japan.

A new import entitlement system, which seeks to allow Japanese exporters to count sterling balances towards buying goods from dollar area, came into effect on the 20th inst. Under the new system, exporters are allocated 10 per cent. of the value of their exports to be freely disposed of for financing payments for imports. Sterling and dollars thus allocated can be used for the import from all the three areas, namely, sterling, dollar and open account areas. Currencies of the open account area can be used for imports from other countries within the area, but cannot be used for imports from sterling and dollar areas. Indonesian currencies, however, cannot be used out of Indonesia. Goods importable and for which foreign currencies will be allocated are limited to 145 items or materials which will be re-exported as finished goods. The list of goods will remain effective till the end of September, 1953. A new list effective from October, 1953 to March next year will be announced later.

PERSONAL

MR. Clarence Randall, Chairman of the U.S. Inland Steel Corporation, has been chosen to head the new study mission set up by the U.S. Congress to make a survey of the American foreign economic policy.

Mr. M. A. Malik, Minister for Labour, Government of Pakistan, and Pakistan's representative on the I.L.O.'s Governing Body, has been elected Chairman of this body, *vice* Mr. Fernandi Garcia Oldini of Switzerland.

Mr. A. K. Chanda, Secretary to the Union Ministry of Production, who had recently been to Germany to sign an agreement with a German steel combine for the setting up of a steel plant, returned on Tuesday last.

Dr. P. W. Curtin, a high-ranking official of the Australian Commonwealth Public Service, will take up his new duties as Director of the Colombo Plan Technical Assistance Bureau, *vice* Mr. Geoffrey Wilson who is returning to the British Treasury.

Dr. H. L. Dey, a former President of the Indian Tariff Board, who joined the I.M.F. last year as adviser to the Managing Director and Chairman of the Executive Board, has been appointed Director of the Asian Department on the regular staff of the I.M.F.

Mr. N. B. Panjwani, Mechanical Engineer, National Metallurgical Laboratory, Jamshedpur, left for London, for a two-year extensive practical training with the Coventry Gauge and Tool Co., Ltd., under a scholarship awarded by the Federation of British Industries.

Mr. H. B. McAuslan, a Director of Associated British Oil Engines (Marine) Ltd., has been appointed Resident Representative of the Brush Group in India, Pakistan, and Burma. He has also been appointed a Director of Associated British Oil Engines (Export) Ltd., Aboex, National Oil Engines (Export) Ltd., Noex and Brush Export Ltd.

Sir Sydney Caine, formerly head of the U.K. Treasury and Supply Delegation to Washington and now Vice-Chancellor of the University of Malaya, is now in Ceylon to advise the Ceylon Government on the functions and organisation of an economic planning secretariat. His services have been made available by the British Government, with the agreement of the University of Malaya, under the Technical Co-operation Scheme of the Colombo Plan.

Mr. Charles Archibald Taylor, a British battery expert, will be visiting Ceylon shortly to install a heavy-duty battery-charging and rebuilding plant at Amaparai, headquarters of the Gal Oya irrigation and power project and to train Ceylonese personnel to operate the plant and in the technique of the maintenance, rebuilding and testing of batteries. Mr. Taylor's services have been made available to the Government of Ceylon by the British Government under the Technical Co-operation Scheme of the Colombo Plan.

"COMMERCE" 1928

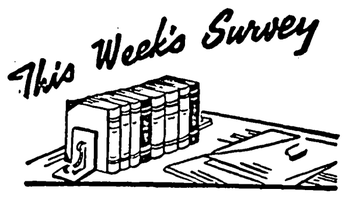
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 25*th August*

States and Industrial Disputes

People often claim the right to do just as they wish and, generally speaking, society allows them to enjoy such rights as long as they do not infringe on the rights of others. Where the general interest of a country is at stake, public opinion invariably urges steps to be taken to curb the power of undesirable rights. This brings us to the question as to whether the State has or has not the right to interfere in industrial disputes. We maintain that it has not only a right but a duty to interfere when law and order are endangered. This does not mean that it should take sides. But, on the contrary, to act as a mediator with a view to clarifying the situation. The tactics adopted by labour make it clear that, by withholding the contribution it makes towards the whole, it endeavours totally to paralyse the life of the whole.

We contend that, although a certain section of the community may have the right to do, or not to do, a certain thing, it has no right to use force with a view to dislocating the general life of the community. For example, the sweepers of Calcutta have a perfect right either to do their work or not to do it, but, if they succumb to outside influence and use force to prevent volunteers from clearing the dust-bins, etc., we maintain that Government has a right to interfere in such a case, and if necessary, to introduce legislation in order to restore order. The social and industrial organisation of a country is of too complex a nature to allow these disintegrating forces to create mischief unchallenged. We have hitherto been able to get on without any special power; but now there is a decided leaning among so-called labour leaders towards Bolshevik doctrines, and we know also that there has been a direct connection with Soviet Russia in all recent troubles, and the sooner we mobilise our forces to counteract them the better. We all know that trade and industrial disputes invariably burden the local police authorities and endanger public peace. The primary function of a Government is to see that its various constituent parts work harmoniously together. Therefore, if one community organises itself so as to dislocate the life of other communities, it is an offence against the State and a menace to democratic institutions and must, without delay, be checked. With this end in view, the Public Safety Bill is amply justified; but the scope of the measure is much too limited to be generally effective.



STATE-OWNED INDUSTRIES

THE exercise of Parliamentary control over nationalised undertakings has always given rise to some very difficult administrative problems. Excessive interference with the work of these undertakings will rob the administrators of their spirit of initiative and enterprise, a quality essential for the success of any commercial undertaking, whether owned by the State or private investors. If no control is exercised, there will be no knowing whether they are being efficiently run or not. After all, the taxpayer, who finances these undertakings, is entitled to know how they are being run. The issue of Parliamentary control was discussed recently in this country by the Rao Committee which examined the working of the D.V.C. Project. It urged more autonomy for the Corporation. Apparently, the Government has taken no decision on this issue. In the U.K. too, where the Government has taken upon itself the responsibility of running coal, electricity and transport industries, the subject of Parliamentary control has been engaging the attention of the Government for some time now. A special committee of M.Ps. was appointed some time ago to investigate Parliamentary supervision of nationalised industries. This committee has now suggested the appointment of a permanent committee of the House of Commons with power to examine the reports, accounts and activities of the nationalised industries. Its report has been released by the Select Committee on Nationalised Industries.

It is true that the problem in the U.K. is somewhat different from that in this country. Unlike in the U.K. there are, in India, large isolated projects such as the D.V.C. Project, State-owned single-unit industries such as fertiliser, aircraft and telephone industries, State-cum-private enterprise factories such as shipbuilding, and purely State-owned services such as civil aviation, electricity and road transport. There is thus a variety of State-owned undertakings, rendered somewhat complicated by the fact that such units are owned and operated by the Centre and the States. Even so, the suggestions made by the U.K. Select Committee seems applicable to Indian conditions. The U.K. Select Committee has arrived at its conclusions on the ground of inadequacy of the existing facilities for Parliamentary supervision of nationalised industries. It suggests that the staff of the proposed committee should include an officer of the status of the Comptroller and Auditor General and at least one professional accountant. There should be no more than 21 members nominated annually. It agrees, however, that the suggested Parliamentary committee should not aim at controlling the work of the corporations. Annual accounts would continue to be audited by auditors appointed by the Ministry concerned, but the auditors would be under obligation to give such additional information as might be required by the proposed committee. The Committee did not endorse the suggestion that the Comptroller and Auditor General should himself extend his functions to cover the nationalised industries. A committee of the kind suggested by the Select Committee secures for the nationalised industries selective control by a picked body of Parliamentary members and thereby avoids the dangers which might accrue from a full-fledged discussion of the industries by an inadequately informed Parliament. But the suggestion does not, of course, imply any diminution of Parliamentary sovereignty, for Parliament can always call for further information which the proposed committee would be able to furnish.

IS INDIA SELF-SUFFICIENT IN RICE?

Considering that India has been experiencing an acute rice shortage for the past several years, it is, indeed, comforting to be told that the position in respect of rice supplies has now improved. The aggregate rice crop for 1952-53 is placed at 23.4 million tons, which is higher by as much as 2.7 million tons, as compared with the previous season. The improvement is fully reflected in the procurement, the quantity already procured being 1.17 million tons, which is considered to be "extraordinarily good." The Deputy Minister for Food and Agriculture, Mr. M. V. Krishnappa, claimed, in the House of the People the other day, that "self-sufficiency in rice has already been reached in the country."

This claim, however, is an exaggeration of the undoubtedly perceptible improvement that has taken place in the supply of rice. No such claim, whether it be in respect of rice or any other commodity, can be justified so long as the quantity produced is not adequate to meet the normal consumption requirements of the country at reasonable prices. If this test is applied, Mr. Krishnappa's claim will not stand scrutiny. There is, of course, the difficulty caused by the absence of reliable statistics of rice production, as well as of the country's requirements of this cereal. But it is a disadvantage to both, namely, those who claim self-sufficiency and those who do not concede it. Nevertheless, there are some broad indications which point to the fact that India is still deficit in rice. These are (a) the continuation of rice rationing in several parts of the country, (b) the restrictions on the free movement of rice, and (c) the high level of prices. Even the price at which rice rations are made available is quite high and the price of rice in the free markets are still 60 to 70 per cent. higher than the controlled prices. All these restrictions are keeping down the consumption of rice at an artificially low level. It is, therefore, very misleading to say that India has achieved self-sufficiency in rice.

Although production in the country has improved, the supply is not large enough to permit complete stoppage of rice imports. In the current year (1953), India has so far imported 150,000 tons from Burma at £60 per ton and no further import from that country is contemplated this year. Besides this, 37,000 tons of rice have been imported from other countries. The position in regard to imports for next year will be considered later. Under the recently concluded trade agreement, Burma has agreed to make available to India rice upto 500,000 tons, at prices to be negotiated later.

Following the increase in rice procurement, the quantum of rice ration has been raised in all the States. In Calcutta, for instance, rice ration is now 6 ozs. per day, as against 4.5 ozs. before. Similarly, in some other States, the ration has been raised from 2 ozs. to 4 ozs. per day. But it will be agreed that even this enhanced quantity is but a fraction of what people would buy if there were to be no control.

AMERICAN AID

The U.S. Senate has proved less parsimonious than the House of Representatives in its attitude towards the Administration's foreign aid programme. The House had provided nearly 20 per cent. less than what Mr. Eisenhower had requested. But the Senate has increased the provision for aid, so that about $6,600 million will be available for Mutual Security expenditure during the current fiscal year ending June, 1954. The bulk of the sum will go for providing military assistance which will absorb no less than $5,112 million. The next important item of expenditure is mutual defence financing ($1,008 million) which includes special funds for manufacturing arms in France and the U.K., followed by technical assistance programme ($118 million) and special economic assistance ($266 million). Out of these amounts, the shares of the Asian and Pacific countries are $1,292 million by way of military assistance, $502 million by way of mutual defence financing, $62 million by way of technical assistance and $75 million by way of special economic assistance.

It is gratifying to note that the U.S. Administration continues to be alive to the need for effective foreign aid, despite the occasional protests against these aids from certain sections of American opinion. In a written report to the Congress on U.S. Mutual Security aid to foreign countries, Mr. Eisenhower emphasised that the U.S. aid to the free world must be planned on a "long-term basis." It may be recalled that Mr. Harold Stassen, the Mutual Security Director, struck the same note, when he appeared recently before the Appropriations Committee, for he said that the U.S. would have to continue "some sort of foreign aid programme for at least ten years." Mr. Eisenhower placed the problem in the correct perspective when he pointed out that the democratic way of life was undergoing its "most crucial" test in India where the largest self-governing nation in the free world was "engaged in a great effort to lift its millions into a higher plane of social and economic life through the concept of democracy and the ways of freedom." He contrasted the Indian experiment with the experiment in China which "professes a similar effort towards progress through the concept of totalitarianism and ways of the police State." He added: "This rivalry in method and ideals between the two largest countries in the world directly affects the lives of some 800 million people, almost a third of the world's population. It is inevitable, therefore, that the ultimate outcome will bear heavily upon all mankind, including ourselves."

This is an effective summing up of the position so far as the Asian centres are concerned. The real test of democratic method to lift the living standards to higher levels lies in the success which India achieves in its economic experiments. That it is a bitter struggle will no doubt be admitted. And in the matter of speed in achieving economic progress, the democratic methods are necessarily slow, even as these methods were found somewhat inefficient in the matter of building up armaments in the last war. But there is no doubt that they bring not only more permanent results in the long run, but bring them without sacrificing human values at the altar of economic progress. The Indian experiment is already imposing, as Mr. Eisenhower recognised, a "severe strain" on the country's resources inasmuch as the Central and State Governments are now called upon, under the Five-year Plan, to find an equivalent of $4,300 million and the private investors the equivalent of $3,000 million. Economic aid from the free world will do much to lessen this strain, and accelerate the speed of economic development. But, as we have often emphasised in the past, the recipients of this aid should make such realistic adjustments in their economic policy as are necessary to enable free enterprise to play a more vital role in economic development, if the aid is to serve its real purpose.

BROADCASTING IN INDIA

The elucidation of the attitude of the Government of India towards broadcasting and allied topics by Dr. B. V. Keskar, Minister for Broadcasting and Information, in the course of a Press interview, has aroused much interest. Referring to the demand for the creation of a broadcasting corporation, he said, it would be considered, provided it meant a Government corporation and not an independent private body which would run broadcasting as a commercial proposition. Broadly speaking, this view is correct, since broadcasting is a public utility service and is recognised to be so by all important centres of the world. And certainly, an autonomous corporation, run on lines similar to the B.B.C., can do better work than a Government Department entrusted with the task of broadcasting, as the former would be free from all red-tape. Appropriately enough, Dr. Keskar expressed the Government's determined opposition to commercial broadcasting. For, as pointed out by him, "it would convert the radio into a cheap vaudeville show" and put the radio network into the clutches of "foreign interests and combines who form the largest body of advertising investors in the country."

Although Dr. Keskar conceded the need for improving the All-India Radio programmes, he thought, it was "unreal optimism" to think that the sale of radio sets could be increased solely through an improvement in their programmes. He pointed out that the sale of radio sets was related to their prices being within the purchasing power of the masses. The radio merchants, however, say that, unless the demand for radio sets is created by making available better programmes and wider network of transmitters, the production cost cannot go down and the industry cannot provide sets at cheaper prices. They further point out that the Government is responsible for the higher sale price, for it is charging a heavy import duty of 44 per cent. preferential rate (*ad valorem*) on radio sets and parts imported from the U.K. and a standard rate of 50 per cent. on imports from other places. Besides, there is sales tax which ranges between 6¼ per cent. and 10 per cent. in the various States. There is, in addition, a licence fee of Rs. 15 per year which amounts to Rs. 75 per set over a period of five years, which is normally the life of a set. Although there is thus a case for reducing duties, it must be pointed out that, as radio is a luxury article, the Government is entitled to raise some revenue through import duties and sales tax.

NEW STEEL PLANT

At long last, the Government of India has made some tangible progress towards the setting up of a steel plant. An agreement has been reached between the Government and a German combine of two machine firms, namely, Demag and Krupp, to build a new steel plant in this country. According to Mr. A. K. Chanda, Secretary to the Union Production Ministry, who signed the agreement on behalf of India on the 15th inst., at Bonn (West Germany), the agreement has been concluded in the face of competition from the U.K. and other firms which had shown considerable interest in the project. Although the full text of the agreement has not yet been made available, it is said that the agreement provides, besides technical assistance, for an investment of Rs. 9½ crores by the German combine, out of the total estimated capital cost of Rs. 72 crores. Since this will be in equity capital, the combine will be an active shareholder. The project will have an initial capacity of 500,000 tons, which will later be expanded to 1,000,000 tons.

It will be recalled that, since the proposal to establish a new steel plant was mooted in 1947, various steps have been taken towards that end and as many as forty-nine reports were prepared. But, in view of the very large expenditure involved in the project, larger than any investment made in a single industrial unit in the country in recent years, as well as the complicated nature of the undertaking, it was referred to the Planning Commission for examination. Subsequently, a technical mission also re-examined the various project reports. In the meanwhile, negotiations were under progress with foreign interests for suitable financial and technical collaboration in the erection of the steel plant. Early in the year, there were hopes that an agreement with Japanese interests was imminent, but they did not materialise.

The present agreement marks the end of one stage, that is, planning and the beginning of a new stage, namely, construction. The site of the proposed new plant is yet to be determined. Several places for location have been recommended. Originally, Bombay was in the picture and later Sindri. Two centres in Orissa, and another in Madhya Pradesh have also been suggested. The Technical Committee referred to, confined itself to the examination of the possibilities of establishing a steel plant at various centres, but did not make any definite recommendation.

The establishment of the plant will go a long way towards relieving steel shortage in India. According to the Planning Commission, the demand for steel of different categories is expected to increase from 2.34 million tons in 1952 to 2.80 million tons in 1957, while the production of finished steel by the existing major producers is expected to increase from 976,000 tons to 1,650,000 tons only. Thus, there will be a shortfall of more than a million tons of steel. The present steel plant, when in full production, will cover only a part of this gap, assuming that the new plant will be in full production by 1957.

The Indo German steel pact might turn out to be the forerunner of similar associations between the two countries in other fields of industrial development. Speaking on the agreement to Press men, Mr. Chanda disclosed that a team of German technicians were expected to visit India next month when discussions about the location of the plant would be undertaken. He also said that equipment for the steel plant would be secured by inviting tenders on a competitive basis. He added further that the World Bank would be asked to co-operate in the implementation of the project by advancing a substantial amount by way of a loan.

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and Agriculture, but it should not be burdened with a task which is foreign to its normal functioning. Much of the trouble which has arisen in recent years is due to the preoccupation of the Minister in charge of this industry with purely agricultural matters and absence of advisers in his Ministry whose outlook is normally adjusted to the nature and needs of an industry. I confess that I am in no way enamoured of Mr. T. T. Krishnamachari or his staff at the Ministry of Commerce and Industry, but I believe that the sugar industry, the sugar trade and the consumers would get a better deal from those whose business it is to deal with trade and industry. In the present context of the administrative set-up, this is all the more necessary, because in Uttar Pradesh, sugar is an important pawn in politics and a Minister not connected with this State would be able to take a more objective attitude towards the problems of this industry. Nobody, short of being a *yogi* can effectively control his subconscious mind. And Mr. Kidwai, I am positive, would not claim any proficiency in the practice of *yoga*.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

THINGS have been going wrong periodically with sugar for the last seven years. If someone were to write a history of this commodity, it would amount to nothing more than a series of administrative muddles, each one more messy than the one immediately preceding. At one time, we were all inclined to believe that Mr. K. M. Munshi held the record, both quantitatively and qualitatively, for the most colossal muddles in this sad and depressing series. But we would have to revise our ideas about making this award, after taking into consideration all the blunders which have been perpetrated in rapid succession, which left us aghast, even though, as students of public affairs, most of us could boast about being inured to administrative vagaries and inaptitude in general. I am now inclined to favour Mr. Kidwai's claim for top honours in this direction, especially as Mr. Munshi's subsequent handling of affairs regarding sugar, with his reputed brilliance and his innovation of partial decontrol, which raised the production of sugar by almost half a million tons, took the edge off his earlier mistakes.

There is no denying the fact that Mr. Kidwai has won many a battle on the food front, though not without a good deal of aid from the capricious Goddess of Luck. But this achievement of his in the matter of foodgrains renders his failure with sugar all the more dismal by contrast. Since last October, Mr. Kidwai has misjudged the situation at every turn and taken decision after decision, with regard to exports, excise duty, releases and imports which have landed him and with him most of us deeper into the morass. The most unfortunate part of this bungling is that all the mistakes arose from his initial failure to decontrol sugar altogether at the beginning of the current season and his retaining the authority to release sugar from each factory for sale in the open market in the hands of his Ministry. This spoon-feeding of the market created and then perpetuated a condition of artificial scarcity and gave rise to and encouraged heavy speculation in a commodity which was in abundance at the time. This initial false step led to ugly developments, in trying to correct which more and more mistakes were made leading to the present humiliating position. The humiliation lies in the fact that a country which went in search of export markets and even offered to subsidise these, only a few months ago, is now reduced to a position of seeking supplies of sugar in the most distant markets of the world. Our prestige abroad, politically, is admittedly high; it cannot remain high when people in foreign lands discover that our judgment on, and appraisal of, economic affairs is so poor.

Even with regard to importing sugar from abroad, Mr. Kidwai has shifted both his grounds for this extraordinary measure and the procedure and the machinery to be used for getting these additional supplies, with a greater frequency and more abandon than any woman on earth. He wanted imports originally to be used as a stick to beat the hoarders with. Now, he has discovered that people have taken suddenly, and for no cause at all, to consuming 50 per cent. more sugar than they did before and that imports are necessary not so much to bring down prices as to fill the unforeseen gap in supplies. What Mr. Kidwai says about increased consumption and what the industry has been saying for some months may be perfectly true. Nevertheless, it sounds rather strange, in view of the fact that there is a general complaint from almost all other producers of, and dealers in, consumer goods that sales are falling and stocks are rising, because people's purchasing power is not the same now as it was some time ago. Besides, for the last ten months, the price of sugar has been rising steadily. There is no accounting, on grounds of pure logic, for the behaviour of the people in the mass, but this concentration of the masses on eating sugar, when they have to make their dwindling supplies of money go a long way, exactly when sugar begins to get progressively dearer, is likely to baffle the orthodox students of economics.

Human nature and men's habits regarding diet must have undergone a sudden revolution during the last few months, because, if my memory is not playing me any tricks, the situation about sugar during the middle of 1952 was that sugar, though nominally controlled, was not only available freely in private grocers' shops, but it was available at less than the controlled rate, which, in itself, was much less than the free market rate during the last five or six months. However, these very people with a characteristic contrariness refused to eat more sugar when they had a little more money in their pockets than they have to-day and we were obliged to ship our sugar to Persian Gulf ports and to Japan. It is for the psychologists to explain why people should cease buying clothes, shoes, spices, oil and even foodgrains or to reduce their offtake of these things and rush pell-mell to acquire more sugar. And, in any case, neither Mr. Kidwai nor I happen to be an orthodox student of economics. I do not, therefore, propose to question Mr. Kidwai's contention that the people have unaccountably and suddenly gone mad and have started to live on sugar, just to create difficulties for his much harassed Ministry and to put more money in the pockets of sugar manufacturers and merchants. I would, however, suggest, in passing, that it is Mr. Kidwai's duty as a responsible Minister to inform the Health Minister about this whim of the people and the adverse effect it might have on their health.

I do not propose to go into the genesis of this trouble and open up all the ugly controversies regarding the raising of the excise duty, the announcement regarding the export subsidy, the sudden ban on exports a few weeks later and the starving of the markets by letting sugar out in driblets to help the bulls in the forward markets and the unscrupulous units in the industry. At the same time, I do not want Mr. Kidwai to forget that he has still to render an account to the public about his earnings from the additional excise duty which he levied on sugar for a specific purpose. I might also remind him, in this connection, while I am at it, that, if he has collected enough to defray the cost of the price difference that he undertook to pay to the factories for selling the balance of last season's production cheaper (we never got it any the cheaper) he should now take off his additional levy and use any balance held by him to subsidise imported sugar, which he proposes to sell at Rs. 30 per maund to the trade, so as to bring down the price of home-made sugar. It will serve my purpose if I can show that, even in this minor matter regarding importing a small quantity of sugar, Mr. Kidwai's Ministry has done everything it could possibly do to complicate a simple operation, to raise the cost of imported sugar, and to delay its execution.

To begin with, Mr. Kidwai did not know how much sugar he wanted to import. He threatened that he would cause 200,000 tons to be landed, but after some talks with a few representatives of the industry, relented and brought the figure down to 50,000 tons and later even to 25,000 tons. In his early enthusiasm to teach these profiteers a lesson, he prevailed upon the Finance Minister to reduce the import duty to a level which would have caused this sugar to be sold here at a cost very much below even what he considered to be a fair price for the home product. He wanted imports originally to be confined to the ports of Bombay and Madras for some mysterious reason, but has wisely revised his decision in this respect and now wants to direct these imports also to Calcutta, Cochin and some ports on the Saurashtra coast. But, in the midst of all this wavering, he happened to take one right decision almost by chance. This was to give import licences to the trade to get this sugar. Business men got busy and some even entered into contracts at economic rates for early shipments from sources near at hand.

If Mr. Kidwai had stuck to this decision and issued licences to those who had applied for them, quite a large quantity of sugar would have been landed at least a month ago. But some strings were pulled from somewhere, Calcutta, Kanpur or Bombay, and the puppets in the Food Ministry began to dance to a new tune. All the previous announcements about allowing imports, which had led to a frenzy of activity amongst importers, were hurriedly scrapped and they were advised to make offers on certain impossible terms to secure sugar from the world markets for delivery to the Government ex-docks at Indian ports. More than a month was wasted in making this shift from private imports to those on Government account and I have a shrewd suspicion that whoever was responsible for giving this advice to Mr. Kidwai, was playing for time. He must have known that the Government would get precious little sugar on these terms and even if they were offered some, it would be at a price which would not suit them. As it turned out, another month was wasted in this silly game of hide and seek and prices in the sugar market in the meanwhile kept up its steep ascent.

But the indefatigable Mr. Kidwai continued his search for sugar and at last succeeded in purchasing about a hundred thousand tons from sources far and near. What these sources are and at what price and on what terms he has purchased this sugar nobody outside his Ministry knows and it would be futile now to conjecture whether he could have secured this supply on better terms or at a lower price through the usual trade channels in the country. Even the earliest shipments from this official purchase are not expected to reach here for another month and the situation here, in the meantime, after the market has swallowed and digested the Government's offer of this sugar at ports at some indefinite date at Rs. 30 per maund, will revert to what it was last week and might even deteriorate further, in view of the spurt in seasonal demand due to the large number of holidays in the coming months. Mr. Kidwai has tried hard and often, to keep the price of sugar from rising and to bring it down, but he went about doing this in a manner which has resulted in giving a fresh spurt to the price level and helping the speculators.

I have great admiration for Mr. Kidwai for the way in which he has eased the food situation for us since his joining this Ministry. But I have come to believe that he is not properly trained and equipped to administer sugar, which is a product of industry and not of agriculture. The whole outlook of the Minister and his staff is conditioned by and tuned to the requirements of agriculture as a whole and it is not easy for them to cultivate and develop an industrial outlook or to devise administrative technique suitable for an industry. In the case of sugar, the situation is further complicated by the fact that only a small part of sugarcane cultivation is used for manufacturing sugar. Nearly three times as much goes for *gur* making, which is not an organised large-scale industry. The claims of agriculture and cottage industry, both for political and technical reasons, go to cloud every issue affecting the sugar industry and the marketing of its product.

It is time, therefore, that the administrative control over the sugar industry and the distribution of sugar was transferred to the Ministry of Commerce and Industry, where at least the staff is used to handling problems arising from trade and commerce, in the same manner as the textile industry is controlled and administered appropriately by this agency. The technical side of sugarcane cultivation might be left to the Ministry of Food

(Continued in first column)

INDIAN ECONOMY SINCE INDEPENDENCE

SUBSTANTIAL SUCCESS ACHIEVED IN TACKLING DIFFICULT PROBLEMS

(From A Special Correspondent)

NEW DELHI, *17th August*

THIS week, the capital celebrated the seventh Independence day amidst customary pomp and splendour. The Congress has been at the helm of affairs for the full six years since Independence. These years have been abnormal with considerable stress and storm; yet its statesmen have been able to grapple with the difficult problems, political and economic, with great courage and sagacity. They have been able to achieve a substantial measure of success in most of them. Political integration and consolidation apart, India has been able to launch its first Five-year Plan within less than four years after the attainment of Independence. The first fruits of planning are already becoming discernible. A few irrigation projects have been completed or nearing completion, mention among them being made of Tungabadhra, Tapti, Ghataprabha, Bhavani, and other projects. The progress in regard to the Damodar, Hirakud and Bhakra projects has been satisfactory. In the industrial field, State projects such as Sindri, Chittaranjan, Bangalore telephone factories and others have added feathers to the Government's cap.

DELHI LETTER

On the food front, India has now been able to reduce imports from about 4.8 million tons in 1951, to about 2.1 million tons during the current year. In view of the favourable trend of the monsoon during the current year, a further reduction might be possible during next year, and imports under the international agreements are expected to be utilised for building up stocks. A number of new industries have sprung up into existence during this period due to satisfactory imports of capital goods, their average annual value being about Rs. 90 to Rs. 100 crores. To-day the monthly industrial production has been running slightly over 40 per cent. as compared with that in 1946.

Rise in Prices

In the price sector alone Government has not been able to attain full success. During the last eight months the wholesale prices index has been steadily advancing, the figure moving up from 372 to 409 at the end of July. The upward trend is in distinct contrast with that of the world trend in prices. A large part of the rise in prices may be attributable to the relatively lower production of a number of essential commodities as compared with the growing demand for them and the change in the consumption habits of the people as a result of the greater diffusion of the purchasing power and the constant growth of the population. For instance, despite the fact that production of sugar is now standing at about 1.4 million tons per annum as against less than 1.0 million tons in the pre-war period (undivided India), Government has planned to import about a lakh of tons to keep sugar prices from rising. In the pre-war period, India was exporting 35 to 40 per cent. of its groundnut production (around ten lakh tons of kernels), but to-day even the imposition of a ban on export of this commodity has proved to be inadequate in checking the upward trend in prices. Consumption of tea for undivided India in 1939 was about 100 million lbs. per annum, but to-day divided India has nearly doubled the intake of this beverage. Similarly, large sectors of people in different States are reported to have begun consuming wheat and rice in place of *bajra* and other coarser grains. A stable price level can be possible only if the output of essential consumption articles is increased appreciably, making it difficult and unprofitable for merchants to corner these goods. It must be borne in mind that offtake of these generally tends to increase considerably even with a moderate rise in the standard of living of the ordinary people.

Industrial Production

Industrial production for the first half of 1953 has been higher than either for the preceding half-year or that of the corresponding period a year ago. The general industrial production index for this period is estimated at 133.3 as compared with 130.9 and 126.3 for the preceding two half-year periods. Among the major industries, the performance of the cotton textile industry has been especially impressive. For the first half of the current year, the total output amounted to the high figure of 2,459 million yards as against 2,163 million yards for the corresponding period last year. It is noteworthy that cloth output has been running at the monthly average of 424 million yards since April last. In July, it touched the high figure of 435 million yards, outstripping the previous record of 425 million yards, reached in the same month a year ago. If the present production trend continues, it is likely that cloth output will touch very near the 5,000 million yards mark this year. Production of cement recorded a small increase, the figure for the first half-year being 1.78 million tons as against 1.68 million tons for the same period a year ago. The output might have been greater had some of the cement factories not remained closed for overhauling and repairing. Steel production could not look up, due to the unfortunate slow down tactics adopted by labour in the Burnpur factory during the last few months. The output is placed at 483,000 tons as against 537,000 tons a year before.

Jute, Paper and Coal

Production of jute goods continues to remain at a lower level, the figure for the first half-year being 436,000 tons as against 496,000 tons for the same period last year. What is somewhat disquieting in regard to this industry for the last many months is the heavy accumulation of stocks that the industry has been carrying, following the reduced demand for sacking goods. Production of paper has also been remaining at a steady level, but an increase can be looked forward to during the coming months when the new machinery recently installed in some of the factories comes into the production stage. For the first six months of 1953, the output amounted to 67,200 tons as against 66,902 tons for the same period last year. Shortage of wagons and transport bottlenecks have now begun to act as restraining factors in regard to the upward trend in coal production, the six-month figure being estimated at 18.58 million tons as against 18.68 million tons a year ago.

The production in regard to many minor engineering and chemical industries has presented a mixed trend. A number of industries producing consumption articles or semi-durable goods have been meeting with consumer resistance during the last few months and, in consequence, their output has been adversely affected owing to lack of demand. Some of them have also been maintaining the upward trend noticeable in recent years, the average monthly figure likely to exceed 7,000 maunds as against 6,405 maunds last year. High prices of vegetable oils prevailing during the last few months appear to have no adverse influence on the production of *vanaspati*, the output of which has now risen to 17,500 tons as against 15,901 tons a year ago. Plywood production has begun to decline, particularly tea chests, the average monthly output during the first half of 1953 receding to 5.8 million sq. ft., as compared with 7.5 million sq. ft. a year ago.

Shortage of Sulphur

The shortage of sulphur continues to hamper the production of sulphuric acid, the average monthly figure staging a setback from 8,006 tons to 7,672 tons. The production trend in regard to soda ash is better, the half-yearly figure being placed around 25,000 tons as against the average monthly figure of 3,694 tons a year before. Production of superphosphates has declined appreciably to less than 3,000 tons per month, as against the installed capacity of 16,055 tons. The output of ammonium sulphate for the first half of 1953 is estimated at 162,000 tons. The output of paints and varnishes has been remaining steady, the six-month figure being 15,800 tons, the monthly average figure a year before being 2,681 tons. Production of matches has improved moderately, the half-year figures being 262,000 cases as against the average monthly figure of 50,700 cases last year. Soap output has remained steady, amounting to 43,250 tons as against the average monthly figure of 7,198 tons last year. In the glass and glassware sections, sheet glass has recorded an impressive increase, the monthly production is now standing around 2,534,000 sq. ft. as against the average monthly figure of 754,000 sq. ft. last year. Among minor industries, some improvement in production is noticeable in woodscrews, razor blades, hurricane lanterns, power transformers, etc. The trend of production in regard to diesel engines has been very discouraging, the average monthly production working out to less than 140, as against the installed capacity of 527. The monthly production of bicycles has also been steady, the half-year output being estimated at about 95,500, as compared with the average monthly production of 16,413 last year.

PLYWOOD INDUSTRY

The Indian plywood industry continues to face the critical situation that overtook the industry towards the close of last year, on account of slackness in demand for tea chests from the tea industry. An indication of this is provided in the marked decline in production in recent months. The aggregate production of plywood during the first five months of 1953 was only about 29 million sq. ft., a fall of as much as 31 per cent., as compared with the output of 42 million sq. ft. in the corresponding period last year. The decline in output is solely accounted for by tea chests, the actual production of which was 23 million sq. ft., as against 37 million sq. ft. Production of commercial plywood, however, recorded a rise from 5 million sq. ft. to 6 million sq. ft.

The foregoing brief account clearly emphasises the close interpendence between the plywood and tea industries. Excessive dependence on a single consumer is always harmful to a producer; after all, it is dangerous to put all one's eggs in a single basket. The effective solution to this lies in the development of the use of plywood in other spheres. It was precisely to this aspect of the question that Mr. N. N. Bose, President of the Plywood Manufacturers' Association, drew pointed attention in the course of his address at the recent annual meeting of the Association. Significantly enough, Mr. Bose remarked " . . . most of our plants are small and meant for tea chests only, but I think that, even with these small plants, with but a few additions in machinery, it is possible to produce a certain percentage of plywood for other uses and not to depend on the tea industry hundred per cent."

There is also the need for stabilising the conditions in the plywood industry. It is true that Indian plywood has been enjoying tariff protection for some time now. But protection as such cannot be expected to set the industry on sound lines. What is wanted is an earnest effort on the part of the industry to maintain a high level of production of quality plywood at low cost. Indeed, as Mr. Bose pertinently stressed, the industry should be able to devise ways and means by which it could be placed on a sound basis. Plywood is a versatile product. It could help brighten many middle class houses by "cheap, light and durable" items of furniture. It would appear that, with small additions to their existing equipment, even the smaller units, which now cater largely to the tea industry's needs, would be able to switch over to new lines of production. It is to be hoped that the plywood industry will adopt Mr. Bose's suggestion, if only to avoid disappointment through the failure of the tea industry to take all the chests offered to it.

WORLD BANK TO CONCENTRATE ON ECONOMIC DEVELOPMENT

Now that the reconstruction phase of its activities is practically completed, the International Bank for Reconstruction and Development expects to concentrate henceforth on the economic development of the underdeveloped areas of its 57 member-countries. In the seven years it has been in existence, the World Bank has made loans amounting to nearly $1,600 million. Of this amount, about one-third—or some $500 million—has been devoted to reconstruction of the basic facilities of its member-countries that were damaged in World War II. About two-thirds of its loans have gone to help economically-underdeveloped countries. Henceforth, the Bank's activities will be almost wholly concentrated on economic development.

The building of industry in the underdeveloped areas involves a lot more than construction of plants and purchases of machinery. Before plants can operate, they must have power. Transportation facilities must be available for moving raw materials to the plants and the plants' products to market. Thus far, $646 million of the Bank's loans have gone for power and transportation projects. Only $144 million of the Bank's loans have been straight "industry" loans.

The Bank's experts, however, are fully aware that development of agriculture cannot be neglected, and that agricultural output must be increased along with industrial output. Thus far, the Bank has lent $153 million on agricultural and forestry projects.

AMERICAN LETTER

OPTIMISM IN UNITED STATES

INFLATIONARY FORCES STILL ACTIVE

(From Our Own Correspondent)

NEW YORK, *13th August*

CHEERFULNESS outweighs gloom in business and financial thinking. There may be soft spots and future perils in the United States, but, by now, they have been so well advertised as previous post-war "recessions" which never quite materialised, because proper action was taken in due time. Most of the "must" legislation was passed by Congress before adjournment and truce but not peace in Korea, to which India contributed materially, has become a fact. These are the two principal encouraging factors plus the dilemma of the Communist regimes in Eastern Europe.

On the other side of the ledger is the death of Senator Robert A. Taft, whose political wisdom will be missing as a balance wheel on Capitol Hill at Washington. The Senator enjoyed the highest respect and was able to muster considerable Democratic support for the legislative programme of the Eisenhower Administration. No one of similar stature is visible in the Republican ranks.

Also disturbing are some of the findings of Dr. Milton Eisenhower, brother of the President, of his tour of Latin America, such as the obvious deterioration of previous friendships between the United States and its neighbours to the South and the inroads of Communism in the adjacent hemisphere. Softness of farm and commodity prices and weakness in metals are other grounds for concern.

But they are relatively minor in the overall picture. In the financial field, the chorus of complaints over the Administration's monetary policy has diminished to a whisper, as a result of the recovery in bond prices and the first major piece of deficit financing by the Republicans Administration was accomplished with a minimum of inflationary bank credit.

The newly freed markets, generally, have responded well to new policies, although some abusive advantages seem to have been taken in several parts of the country with the expiration of Federal rent control. In fact, with the necessity of further deficit financing, increase in rents, higher transit fares in many communities, to mention only a few factors, inflationary forces in the United States are by no means dead. They are offset, however, at this time, by greater economy in Government, already accomplished by reduction in spending and proposed by ex-President Herbert Hoover's new Government reorganisation group, as well as by lower commodity and farm prices.

Anti-recession Blueprint

To be prepared against the possibility of an economic downturn, however improbable it may appear at this time, it may be cheering news that an anti-recession blueprint is being worked out under Government auspices under the direction of Dr. Arthur F. Burns. The plan is expected to be ready by the end of the year.

So far, nothing spectacular seems to have been proposed of what should be done in the unlikely event of a downturn in business, but the obvious, such as easing of fiscal policy, a national public works programme, badly needed rebuilding of highways and, perhaps, lowering of taxes—all stimulants, if necessary. Rehabilitation of Korea, aside from its political effect, comes under the same general heading.

In such emergency operations, softer money rates could be of substantial assistance, of course. Under present conditions of moderately tight rates, quite a few capital issues have been falling by the wayside here recently.

Thus, many new projects for modern schools, water systems, sewers, airfields, hospitals and what have you, have been postponed or cancelled either because underwriters refused to bid for the securities or the bids submitted appeared to carry too high an interest rate. These postponements to a period when they may be required nationally are no calamity at the time, when all economic indices are at extraordinarily high levels. Another contraction, that of American exports, is a healthy one. U.S. exports in the first five months were $162 million below the corresponding level of last year, but imports were 3 per cent. higher.

In the economic picture, as a whole, reasons for complaint are few, indeed. Net earnings of heavy industrial concerns were about 17 per cent. higher in the first half of 1953 than in the first six months of 1952. Dividends also rose. If check clearings hold to their present levels, bank debits in 345 U.S. cities would exceed for the year as a whole, the 1952 total of $1,640,000 million by about $100,000 million. Despite a rising volume of consumer credit, delinquency ratios are declining in various categories, while, in other groups, they are higher and there has also been some increased slowness of collections, of prompt and discount payments among commercial accounts.

The reductions were more or less fractional but particularly noticeable in the manufacturing and industrial areas as well as in the retail field. Manufacturers, for example, were 87.8 per cent. prompt or discounting in May, against 90.5 per cent. twelve months previously. The respective retail figures were 81.4 per cent. and 84.2 per cent.

Outlook

So far as the outlook is concerned, some interesting comments came from leaders in various industries after signing of the truce in Korea. They were in answer to the universal question how will the end of hostilities affect the American economy. Even leading automobile executives suggested that business was no longer dependent on defence spending. Used car sales have been pushing ahead steadily which had been of some concern before. One auto spokesman said, "the truce in Korea could stimulate our aggressive economy."

Others spoke of a temporary adjustment period ahead which America would take in its stride, but which may be rather tough in spots. This came from the rubber industry. The textile people, outside of synthetic fabrics, are also complaining. A spokesman for the chemical industry expected a slowdown in orders for three to six months "as customers are likely to reduce inventories." This would be followed "by a continuing expansion of markets for chemical goods," he said.

The steel industry indicated it was not greatly concerned. In view of the uneasy peace and civilian demand, mill operations are expected at high levels. If any generalisations can be made at all, it would seem that whatever adjustments may be in the offing, will be as selective as the stock markets here have been for some time. Moreover, they are unlikely to upset the "flexible stability" of the economy as a whole.—*All Rights Reserved.*

CLIMATE FOR U.S. INVESTMENT IN INDIA

Economic conditions in India are becoming more favourable for utilisation of a greater volume of private U.S. investment, according to a recent report by the U.S. Commerce Department. The report, prepared by the Department's Office of International Trade, says that India has made, and is continuing to make great strides towards removing obstacles to private American investments. To quote the report: "Of particular importance are the efforts which the Government of India is making to simplify its screening procedure, to extend special guarantees, exemptions and concessions to new foreign and domestic investments, to improve and extend the basic facilities of the country, and to increase agricultural production."

The report notes that a treaty of friendship, commerce and navigation is being negotiated between India and the United States and that both countries have expressed interest in negotiating a double-taxation treaty, while establishment of an investment guarantee programme for India under the U.S. Mutual Security Act is being considered. Further, it observes: "Equally important is the fact that economic conditions in India are becoming more favourable to India's utilisation of a greater volume of U.S. private investment. India's large population, resources and underdeveloped conditions create a great potential for economic growth. Moreover, India's development has reached a stage from which fairly rapid and unimpeded industrialisation can take place. The development of the country is being directed by a fairly well-balanced and well-co-ordinated programme. India's development programme requires private capital, technical knowledge and business experience, which American private investors can assist in supplying. The obstacles to some types of U.S. private investments are on the whole less in India than in many countries of the world. Particularly promising is the progress still being made in removing the obstacles which exist."

PAKISTAN NOTES

RAW JUTE EXPORTS

MARKED FALL IN EARNINGS

FOR Pakistan's jute export trade, the 1952-53 season has turned out to be rather none too satisfactory. An indication of this is provided in the marked decline in earnings from exports, thanks to low prices prevailing in the first half of 1952-53. The aggregate value of jute exported from Pakistan during the season under review, according to the latest jute survey of the Pakistan Government, was only Rs. 57 crores, which compares unfavourably with as much as Rs. 99.0 crores in 1951-52. What is worse, the fall in value has taken place despite a substantial rise in the volume of exports, from 4.8 million bales to 15.3 million bales.

The bulk of the rise in jute exports from Pakistan during the first eleven months of 1952-53 is accounted for by dollar countries, the actual offtake of which was larger at 553,868 bales, as against 171,043 bales. The U.K. also accounted for a rise in exports from 500,000 bales to 800,000 bales. The offtake of jute by India, however, was lower, being 1.3 million bales, as against 1.6 million bales.

Although export of jute registered a rise, as noted above, there has been accumulation of heavy stocks. Thus, the quantity of jute lying unsold in the beginning of the current (1953-54) season was 2.8 million bales, as against 1.3 million bales a year before. Notwithstanding such a state of affairs, the price of jute is expected to be well maintained. To quote the official survey: "Limited jute production, combined with prospect of firm prices, are expected to bring large earnings of foreign exchange during the season. The average for the 1953-54 crop has been so fixed as to yield a limited quantity of jute." According to provisional estimates, the yield is placed at 4.2 million bales. Some estimates place it even lower at 3.5 million bales.

Woollen Industry

A scheme for establishing 20,000 worsted spindles, 24,000 woollen spindles, 10 finishing units, five hosiery mills and five carpet manufacturing mills by 1954-55 has been prepared by the Government of Pakistan. The successful implementation of the scheme, it is stated, will go a long way towards making Pakistan self-sufficient in woollen goods. A sizable quantity of raw wool, however, will still be available for export.

The plateaus of Baluchistan and the rugged hilly tracks in the N.W.F.P. produce 28 million lbs. of wool every year. Until recently, no arrangements existed for the manufacture of woollen goods, with the result that the bulk of indigenous wool was being exported. Effective steps have since been taken to utilise the raw wool. Two woollen mills, with 4,000 worsted spindles and 400 woollen spindles, are now in production in Karachi and the Punjab. Another woollen mill in Karachi is producing yarn for carpets and blankets. Two woollen textile mills are being set up by the Pakistan Industrial Development Corporation at Bannu (N.W.F.P.) and Harrai (Baluchistan), with 2,340 spindles and 24 looms each. Each of these mills is expected to manufacture 40,000 blankets, 400,000 yards of carpet yarn, and 270,000 yards of fine tweed and other finer woollens. Nearly 60 per cent. of the yarn produced will be made available for cottage industries. Another woollen textile mill is being established in the Thal Area (Punjab) by the Industrial Finance Corporation in partnership with private enterprise and the Thal Development Authority. The first two mills are expected to go into production this year and the third next year.

Silk Industry

The Punjab Government is preparing an "ambitious" scheme for the development of the silk industry in the Province. The scheme envisages the setting up of a silk factory in the Rawalpindi district. Incidentally, it may be noted that sericulture, as an industry, is still in its infancy in Pakistan and silk yarn is produced only in the eastern wing. About 10,000 people are engaged in the industry and the total production is at the rate of 40,000 lbs. of silk per annum.

The Government of Pakistan has considered the report of the Tariff Commission on the match industry and has agreed that protection should be extended to the industry. As recommended by the Tariff Commission, the present system of excise duties and import duties on different types of matches will be simplified as soon as possible. An intensive survey and research will also be undertaken to improve the supply position of timber for the industry at reasonable prices.

CONVERTIBILITY OF CURRENCIES

GOAL STILL NOT IN SIGHT

DISCUSSIONS on convertibility of sterling and other soft currencies have, once again, come to the fore in Europe. They seem to have originated from the expectation that the problem of convertibility will figure prominently in the deliberations of important international bodies to meet between now and the turn of the current year. Early next month, the World Bank and the International Monetary Fund are to meet at Washington. India will be represented at these meetings by its Alternate Director, Mr. B. Rama Rao, Governor of the Reserve Bank of India. Financial experts in Europe believe that these meetings will give some indication of the opinion held in general on the question of convertibility by the countries in Latin America and Asia. Again, the O.E.E.C. Council of Ministers is scheduled to meet at Paris in October. This will be followed by the Commonwealth Conference scheduled to take place by about the end of the year. In these conferences, too, the question is expected to be discussed at a high level. Whether these conferences will result in any definite progress towards convertibility of currencies remains to be seen. What strikes one most, however, is that the present speculations centre round the Commonwealth draft plan for convertibility, a plan about which very little authentic information is available. Press reports in the various European capitals, claiming authenticity, have indicated certain aspects of the plan, as if they were firm and clear cut proposals. A glance at these reports, containing as they do, a number of hypothetical alternatives, conveys the impression that the question of currency convertibility has not yet passed the stage of academic discussion.

Flexible Exchnge Rate

One or two notable features which emerge from the speculations that are current may, however, be mentioned here, if only to record what financial experts generally feel on the problem of currency convertibility. Not much has been heard of the plans for convertibility since the British Chancellor of the Exchequer and the Foreign Secretary went to Washington last March to know American reactions on the plan, and subsequently to Paris where they held discussions with the O.E.E.C. Some points of Mr. Butler's provisional plan communicated to Washington are, however, now mentioned in the Press reports coming from the Continent. The *Financial Times*, London, sees two points in these reports which have been elaborated with greater precision than before. One of them is that the sterling area has definitely decided to favour convertibility on the basis of fluctuating rate for the pound. Although there is no official confirmation on this point, competent circles in London are credited with the view that the present limits of under one per cent. on the fluctuations in the market value of sterling, as laid down in the I.M.F. rules, is a dangerously narrow base on which to meet the pressures that may come to prevail on a convertible pound. Consequently, it has been proposed by some that the limits of fluctuation should be broadened on either side of the parity rate of $2.80 to the £ from one to two per cent. Commenting on this proposal, the *Financial Times* observes: "Technically that would mean a 'floating rate,' governing the value of sterling from day to day. But, in practice, it would not represent a revolutionary departure from the system which is in force at present. A floating rate, which floated as little as this, would probably not make the other sterling area members any less willing to hold their reserves in the present form, with the value of their currencies maintained at a fixed parity with the pound in London. That is the crucial factor in considering the practical consequences of the introduction of fluctuating exchange rates."

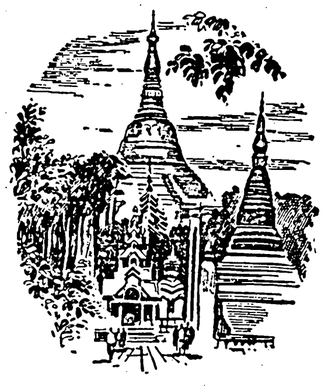
West Germany's Views

The reactions of Western Germany to convertibility on the basis of flexible rate of exchange appear to be unfavourable. According to reports from Bonn, "flexibility" is considered to be the weak spot of the Butler Plan, for it suggests a lack of confidence in the ability to hold a fixed rate which would not be a promising state of mind in which to inaugurate the new system. Besides, it is not known whether Belgium and Switzerland, with their faith in fixed rate of exchange would be willing to support the proposal for a flexible exchange rate. It is stated that unless these countries, as also Holland, agree to convertibility of their currencies, Western Germany is not inclined to support the British plan. Holland has already expressed itself against the very idea of convertibility itself. In its official report dealing with the consequences of U.S. economic aid, the Dutch Government is reported to have stated clearly that generally gold and foreign exchange reserves in Western Europe are still too small to absorb the shock of convertibility. It points out that the volume of gold reserves outside the U.S. in relation to the volume of international trade is only a quarter of pre-war. It, therefore, observes that, as long as no solution is found for this problem, speedy progress towards convertibility is not considered feasible. West Germany also thinks that present reserves are inadequate and must be strengthened before launching on convertibility. West Germany, however, is prepared to support Britain's move towards convertibility, provided (a) other West European countries agree to fall in line, and (b) Britain undertakes to liberalise its European trade to the extent of at least 75 per cent. (at present quota-free trade is 58 per cent.) and agrees not to reimpose restrictions, if the exchange went against it.

Managing Board

The second important point of the plan referred to by the *Financial Times*, is the suggestion that an international managing board should be set up to supervise the economic relations of the countries with convertible currencies and to hold a portion of their gold reserves. The paper observes that this is one of the cases where an idea has been somewhat distorted in the course of reporting by giving it too precise a form. Proceeding, it remarks: "That the sterling convertibility proposals envisage some kind of international agreement about the rules for the future conduct of trade with countries having convertible currencies is not in doubt. ... But it seems hardly likely that the British Government, which has firmly resisted proposals for the creation of a formal administrative arrangement for the management of finances of the sterling area, would countenance the establishment of an international managing board for convertible currencies. Whatever agreement is finally reached with the European countries on this subject, it is probable that, if there is an international control of any kind, it will be loose and have only minor power."

When you go to Rangoon



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Proposed Five-Point Plan

The two points raised and discussed above are said to form part of the five-point Butler Plan. For purposes of convenience, the summary of the five-point Plan is given below as reported in the Continental papers:

1. restoration of convertibility of sterling along with a bold move for freer world trade and payments;

2. establishment of a freely fluctuating sterling dollar rate subject to the guidance of a new Exchange Equalisation Fund, similar to the pre-war pattern;

3. the setting up of an international advisory board of eight to ten members composed of the main trading nations, which would be custodian of a considerable proportion of the members' gold reserves and ensure the maintenance of convertibility and free trade, and scrap, simultaneously, the E.P.U. which might be continued only in rump form for the benefit of a few weak members unable to restore convertibility;

4. procurement of American help in the form of an increase in the dollar capital of the I.M.F. and trade concession; and

5. abolition of dollar import restrictions after the setting up of the advisory board and an agreement on trade rules to be observed by members. According to the Paris Correspondent of the *Financial Times*, however, Britain is believed to have submitted not one plan but two or three alternative plans for consideration. He adds that on the creation of a Managing Board, the British plans are not so definite as quoted in the above summary and that, in any case, "they do not provide for the part pooling of gold resources." Be that as it may, the proposals for convertibility would appear to have received a mixed, although on the whole sympathetic, reception in the various Continental capitals. The reactions of most treasuries, central banks and business communities are said to be favourable according to various reports. But there is still a considerable section of public opinion which does not visualise a world without foreign exchange and other controls. Certain European experts still wish to maintain the E.P.U. at any cost, as in their eyes, the E.P.U. has become a sort of symbol of European co-operation. They feel that the E.P.U. is necessary for the sanctioning of the Coal and Steel Pool, although it is pointed out that small transfers of funds originating from coal and steel transactions by the Pool should not present a real problem. They hold that the E.P.U. could be improved and eventually achieve full convertibility within the present framework by progressively raising the proportion of gold payments for the settlement of deficits.

Problem of Free Trade

Again the question of currency convertibility is linked with restoration of freer world trade and payments. Freer trade in Europe is facing two obstacles: (a) payments crisis in Italy and (b) import restrictions in France. Italy, which was formerly a persistent creditor nation, is to-day a persistent debtor. Italy's deficit amounted to $15 million in July, $20 million in June and $30 million in May this year. The improvement noticed since May is expected to be temporary, as from September onwards, the deficit will rise again to $25 to $30 million a month. If no action is taken, it is feared that the Italian E.P.U. quota may be exhausted by next spring. Again, despite severe import restrictions, France has not been able to restore its balance of payments. The country continues piling up deficits with the E.P.U. And both Italy and France seem to be in favour of imposing import restrictions. The case of these two countries is sure to figure prominently in the October meeting of the O.E.E.C. Council of Ministers. The decisions reached at the meeting are likely to affect the proposals for currency convertibility.

And above all, there is the question of American attitude towards convertibility. It is still an uncertain factor. Until America makes up its mind about its trade policies, there can be no possibility of a return to convertibility of currencies and multilateral trading. No decision on its trade policy is expected to be announced before the beginning of 1954, when President Eisenhower's annual message to the nation may include definite proposals. These considerations suggest that the goal of convertibility is still a distant one.

PROFIT OF IMPERIAL BANK OF INDIA SHRINKS

EFFECT OF LOWER TURNOVER AND HIGHER EXPENSES

IF 1952 was essentially a year of transition for the banking system in India, which involved a process of adjustment in the new monetary policy initiated in November, 1951, the current year can be said to represent the first year after the transition period. This period, too, in so far as it can be judged from the financial results of banks for the first half of 1953, has proved to be no less strenuous. There has been a general decline in the turnover of banks during the year so far. Although the level of advances, as at the end of June last, was higher than in the beginning of the year, the overall level of advances during the half-year was sizably lower than in the corresponding period of 1952. Deposits, which form the main resources of banks, were on a lower level. While there was a decline in turnover, there was none in expenses. If anything, they were actually higher. The effect of these trends was a fall in profits of Scheduled banks.

The statement of accounts of the Imperial Bank of India for the half-year ended 30th June, 1953, clearly shows that the Bank was no exception to the general trend stated above. Thus, the Bank's profit for the half-year under review amounts to Rs. 63.10 lakhs, which, as compared with that for the corresponding half-year of 1952, shows a fall of Rs. 6.97 lakhs. It may, incidentally, be noted that this profit is the lowest for the corresponding period in any year since 1948. The dividend is proposed to be maintained at 16 per cent. per annum, a rate which has been consistently paid from the half-year ended 30th June, 1950, onwards.

The following comparative table shows the trend of the Bank's earnings in the first half of the last four years and the allocations thereof:

(In lakhs of rupees)

	For the half-year ended 30th June			
	1953	1952	1951	1950
Interest and discount earned.	240.63	271.31	239.46	227.74
Gross income	362.82	392.19	344.54	320.82
Interest paid on deposits and borrowings	70.61	95.18	61.61	59.76
Expenses	222.82	218.84	215.03	189.53
Depreciation and repairs ..	6.29	8.10	4.00	3.60
Profit	63.10	70.07	67.71	63.93
Sum available for distribution	105.18	113.24	116.43	123.85
Transfer to—				
Reserve fund	..	..	2.50	2.50
Pension fund	2.70	2.84	2.85	2.70
Dividend	45.00 (16% p.a.)	45.00 (16% p.a.)	45.00 (16% p.a.)	45.00 (16% p.a.)
Bonus to staff	20.00	10.00	15.50	16.60
Carry forward	37.39	40.41	47.55	57.15

The fall in the Bank's turnover is reflected by the decline of Rs. 29.37 lakhs in gross income. Of this decline, interest and discount earned account for only Rs. 4.68 lakhs, and income from commission, exchange and brokerage for no less than Rs. 24.75 lakhs. A sizable part of the decline in income has been counteracted by the decrease of Rs. 24.57 lakhs in interest paid on deposits and borrowings. This is evidently due to the fall in the Bank's deposits as well as to a decline in its borrowings from other banks. Of the increase of Rs. 3.98 lakhs in expenses, salaries and allowances and provident fund account for Rs. 1.74 lakhs and other establishment expenses for Rs. 2.24 lakhs. Despite the lower provision for depreciation and repairs to the Bank's property, the profit is lower by Rs. 6.97 lakhs. It will be noted from the foregoing table that the sum available for distribution has, in the course of the last four years, dwindled by less than Rs. 18.67 lakhs, while the provision for bonus to staff has gone up by Rs. 3.50 lakhs. This is the fourth half-year in succession in which no sum has been added to the reserve fund.

The main items of assets and liabilities of the Bank as at the close of the half-year under review are compared with those at the close of the previous three half-years in the table appearing at the end of the article.

It will be noted from that that there has been an increase of Rs. 2.66 crores in the Bank's deposits over the half-year under review in distinct contrast to the fall of Rs. 4.38 crores over the first half of 1952. But this does not mean that the Bank's resources were more in the half-year under review than in the corresponding half of 1952. The contraction in resources will be clear from a comparison of the 1953 June-end figures with those a year before. On such a comparison it will be seen that deposits had declined by no less than Rs. 18 crores. A similar comparison of the figures relating to the Bank's borrowings, loans, advances and cash credits also shows an all-round fall, as can be seen from the foregoing table. No doubt, over the half-year, total advances reveal a rise of Rs. 12.13 crores, as against an increase of only Rs. 5.82 crores in the first half of 1952. But this increase has been on a lower level and, over the year, the outstanding advances are down by no less than Rs. 21.26 crores. The trend of investments, however, has been slightly different. As compared with 31st December, 1952, total investments are lower by no less than Rs. 11.69 crores, but the fall is no more than Rs. 1.51 crores when compared with 30th June, 1952. What this means is that during the half-year under review the Bank liquidated a sizable part of its investments in Gilt-edged and other authorised securities. The resources thus realised seem to have been utilised for keeping down the borrowings from other banks. The cash balances, too, are lower by Rs. 5.26 crores.

The drop in liquid assets is an indication of this intensive utilisation of the Bank's resources to the extent permitted by general trading conditions. It is significant that the ratio of cash to deposits as at the close of June last is only a fraction higher than the conventional level of 10 per cent. The fact, however, remains that, in spite of the intensive utilisation of the Bank's funds, the profit margin has gone down, a point which the workers in the Bank should bear in mind while putting forward their claims for more salary and amenities.

Financial Position Compared

(In lakhs of rupees)

	As at the close of			
	30-6-53	31-12-52	30-6-52	31-12-51
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserve fund	6,35.00	6,35.00	6,35.00	6,35.00
Deposits	204,75.11	200,08.81	226,78.61	231,16.57
Borrowings from other banks	8,50.00	15,62.37	20,02.93	13,00.00
Total advances ..	124,00.37	111,87.99	145,26.19	139,44.27
Of which—				
Loans, cash credits and overdrafts ..	96,62.03	105,82.76	119,55.31	130,63.48
Bills discounted and purchased	27,38.34	6,05.22	25,70.88	8,80.79
Total investments ..	85,45.40	97,14.57	80,90.76	85,16.78
Of which—				
Government and other Trust securities ..	74,00.26	82,70.11	71,11.11	71,00.93
Other authorised investments*.. ..	11,39.14	14,44.46	13,85.65	14,15.85
Cash	21,41.74	26,74.74	27,82.33	32,60.00
Fixed assets	1,66.10	1,63.90	1,60.12	1,59.24
Balance-sheet total ..	234,43.97	239,31.24	263,82.96	261,74.85
Ratio to deposits of—	%	%	%	%
Advances	59.4	54.3	64.0	60.3
Investments† ..	36.9	39.5	35.7	31.2
Cash	10.3	13.0	12.3	14.1

* Include Pakistan and other Government securities.
† Ratio arrived at after taking into consideration the securities deposited against borrowings from banks to the extent of the outstanding borrowings.

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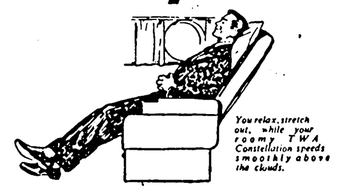

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EXPORTS OF INDIAN COTTON TEXTILES

DOWNWARD TREND PERSISTS

ANALYSING the trend of India's foreign trade in cotton piecegoods, we observed in these columns some time ago—vide page 488 of *Commerce* dated 21st March, 1953—that export orders were not flowing in as smoothly and as easily as they did towards the close of 1952, owing to keen competition from other countries, Japan in particular. This state of affairs persists even to-day. The quantity of cloth exported from India during the month of July—the latest month for which figures relating to cloth exports are available—for instance, amounted to 52 million yards, which compares unfavourably with 69.4 million yards a year before and 160.05 million yards in February, 1951. The exports of cloth during the first seven months of this year aggregated 370 million yards, a quantity which falls short of the target by a wide margin. On the basis of a target of 1,000 million yards per annum, exports during the seven months should have been at least 580 million yards.

The following table indicates the trend of cloth exports during the first seven months of this year, as compared with the corresponding months of 1952:

(In million yards)

	1951	1952	1953
January	120.15	30.7	43.4
February	160.05	29.4	38.6
March	156.96	22.4	53.9
April	74.96	26.0	63.6
May	49.20	46.4	62.3
June	16.45	68.9	56.1
July	25.55	69.4	52.0
Total ...	603.92	293.2	369.9

From the foregoing figures, it will be seen that exports of cloth were very high in the months of April and May. The improvement was somewhat arrested during June when exports staged a slight fall. The fall has persisted in the following month too. Exports of cloth in the past few days are reported to have improved. In fact, exports during this month are expected to be larger than that in the previous month. But this little improvement is due to the delay in the actual shipment of cloth in India in anticipation of the abolition of export duty. It is thus only a temporary phenomenon. Another temporary factor that has provided stimulus to the export trade is the fact that importers in Burma are purchasing larger quantities of Indian cloth, in their anxiety to secure as much stocks as possible before the new scale of import duties come into force, that is with effect from 1st October next.

Low Level of Exports

Be that as it may, the general level of exports of cotton goods is well below what it should be if the present rate of production of cloth and yarn is to be maintained. Several factors have been responsible for this low level of exports. The chief factor has been the general slackness in demand from overseas countries, which has hit hard all exporting nations. The level of world trade in textiles itself has suffered a contraction. There has also been severe competition from Japan and Lancashire which have been trying their best to attain targets fixed at the Buxton Conference, but with poor results. Exports to Pakistan, an important traditional market for Indian cloth, have been at a low ebb ever since the doubling of the import duty on cloth by the Pakistan Government. The latest position with regard to overseas markets for Indian cloth may be summarised as follows:

The offtake of cloth by Sudan has been very poor. This is due partly to foreign competition and partly to the continued prevalence of restrictions on import of cloth into the country. These restrictions are expected to continue for two to three months more. Exports to East African territories have been poor, thanks to shipping difficulties. In Aden, recession in cloth prices, on rumours that India would soon abolish the export duty on coarse and medium counts, and that convertibility of sterling was imminent, have entirely demoralised trade. There have been no orders from Hongkong and Singapore either. Japanese competition is reported to have adversely affected India's export trade in cotton textiles with Australia. There has been a virtual stoppage of exports to Ceylon.

The above survey serves to emphasise the need for taking steps to remove some of the handicaps to India's export trade. If India is to hold its own in competition against other countries, it is imperative that the export duty on coarse and medium varieties should be abolished. The uncertainty regarding the export duty on cloth, a section of traders feels, has largely been responsible for the poor offtake of Indian cloth by overseas importers in recent weeks. To quote one report: "... since importers are simply refraining from placing orders at a time when orders ought to flow in, it is high time that Government abolished the export duty straightaway."

There is also the need for giving a drawback of the import duty on cotton utilised in the manufacture of fine and superfine varieties meant for export. On their part, the exporters should see that their consignments conform to samples and that they supply adequate details about their offers and send samples of proper size, so that a likely importer in overseas countries may get an idea of the Indian product.

WOOLLEN INDUSTRY IN INDIA

A vigorous plea for the establishment of an expert committee to enquire into the problems of the Indian woollen industry and to suggest ways and means of placing it on a sound footing was put forward by Mr. Sohan Lal, President of the Federation of Woollen Manufacturers in India, in the course of his address at the annual general meeting of the Association held in Bombay last week. The terms of reference to the Committee, Mr. Sohan Lal said, should include the following:—

(1) To study and suggest a stable import policy for raw materials and manufactured woollen goods;

(2) to recommend an export policy for indigenous raw materials and manufactured goods, with particular reference to South, Near and Middle-East Asian markets; and

(3) to examine labour rules and regulations, with a view to suggesting a policy best suited to the conditions of the woollen industry.

Proceeding, Mr. Sohan Lal urged the Government to ban imports of civilian goods of cheap variety. With regard to raw wool exports, he suggested that such should be permitted only after the demand of the indigenous industry had been fully met. He emphasised, in this connection, the need for the Government undertaking a fresh sheep-census in the country. There is considerable force in this last plea of Mr. Sohan Lal. For, in the absence of an up-to-date census, the correct estimate of the production of indigenous wool has been rendered difficult. Different interests give different estimates. If, therefore, the Government is to follow a rational export policy for raw wool, it will be very necessary to base the policy on a correct estimate of the domestic supplies of and demand for raw wool.

Mr. Sohan Lal stressed also the need for uniformity in the levy, collection and administration of sales tax in the different States. Referring to the quality of woollen goods manufactured in India, he revealed that the Committee had been making efforts to collect from countries, such as the U.S.A., the U.K. and Australia, necessary data relating to conditioning houses for undertaking essential tests and drawing up of standards for products.

WORLD WOOL CLIP

The view that the steady upward trend in world wool output, witnessed in the past six years, will be maintained during the current (1953-54) season also, has been widely shared by practically all wool interests the world over. The Committee of London Wool Brokers, for instance, anticipates a rise of 2.5 per cent. in the world wool clip, the actual estimate being 2,495 million lbs. (clean), which is a record in the history of wool; the previous record was set in the season ended June, 1953, when the output was 2,435 million lbs. To this must be added 70 million lbs. representing the carry forward for the previous season in the Argentine. The aggregate supply that will be available for consumption thus amounts to 2,565 million lbs. This, it is estimated, will not be sufficient to meet the demand, placed at 2,600 million lbs. It is, therefore, feared that wool clothing will be a little more expensive than that sold a year before. A slight decline in the world demand for wool is also expected, but it is pointed out that it will not have any serious consequences, "provided it is not accentuated by a deterioration in the world economic climate."

A point of immediate importance to world trade in wool is the low level of raw material stocks in the majority of consuming countries, which implies keen competition among buyers for the first offerings of the new season, with, probably, little change in prices. Alluding to this, the Committee of London Wool Brokers observes that, if retail trade is satisfactory in the coming months, the industries of the world should receive adequate orders to follow the completion of outstanding exports. If these orders are forthcoming, competition for wool should, in turn, remain adequate enough, with a reasonably stable basis of prices established over the season as a whole, as in 1952-53, although the basis itself may be a little higher.

SYNTHETIC FIBRES IN JAPAN

FIVE-YEAR DEVELOPMENT PLAN UNDER WAY

THE implementation of the Five-year Plan for the development of the synthetic fibre industry in Japan, initiated by the Ministry of International Trade and Industry in April last, is well under way, according to a recent report from Osaka. Under the Plan, the Japanese Government has been giving all possible encouragement to the industry. Mention may be made, for instance, of special financial arrangements, tax exemptions, priority of electric power allocation and secured market for the finished products. The textile industrialists concerned also are showing keen interest in this development of the industry. The synthetic fibre industry is a branch of the synthetic resin industry and is considered to have a prosperous future. Thus, it will create new material for textiles, enlarge volume of employment and improve the balance of payments position by curtailing imports of raw cotton, wool, jute, etc.

The development programme for the synthetic fibre industry envisages an increase in its production from 7.64 million lbs. in 1952 to as much as 92.66 million lbs. by 1957. The major portion, about two-thirds, of this expansion will be in the form of staple fibre, the balance being in filament yarn. This feature is in keeping with the general trend throughout the textile world, namely, a growing preference for staple fibre which is more adaptable for textile manufactures than filament yarn. The bulk of the rise in output is to be under vinylon, the production target of which is fixed at 64.94 million lbs., as against 5.73 million lbs. The target for nylon is fixed at 15.84 million lbs., as against 1.91 million lbs. The other synthetic fibre is vinyl-vinyliden chloride; the target for this is 11.88 million lbs.

The cost of the Five-year Plan is estimated at 27,700 million yen. Two-thirds of the funds required by the synthetic fibre industry are to be loaned by the Japan Development Bank on long-term basis and at low rates of interest. The remaining one-third is to be found by the industry itself.

Chief Consideration

The chief consideration which has weighed with the Japanese authorities in according special attention to the development of synthetic fibre industry is stated thus: The shrinkage in exports of cotton products and other textile goods in 1952 provoked pessimistic opinion in Japan concerning the future of Japan's textiles as an exporting industry. The Government's Five-year Plan is an expression of efforts to curtail imports of cotton and wool, the two basic raw materials of the Japanese textile industry, while maintaining the standard of national clothing life. From the point of view of national economy, in order to establish economical independence of Japan, it is a matter of course that an effort should be made to utilise domestic resources, in parallel with the efforts to expand exports and the concentration of imports of raw material for necessities. In the case of textiles, importance is naturally put on wood-pulp and synthetic fibre for utilising domestic resources. Considering the condition of forests, it will only devastate Japanese land to endeavour boosting production of wood-pulp exceeding present output. The priority in exploiting indigenous textile resources, therefore, is left only to increase the synthetic fibre, especially carbolic acidic, acetylinic and chloric types producible from domestic materials.

If the implementation of the aforesaid plan were to be carried out successfully, the dependence of Japan on imported raw cotton and wool will be reduced by about 310,000 bales and 96,000 bales, respectively. Lower imports of these two items, as also of jute, etc., are expected to result in a saving of as much as $112 million of foreign exchange.

The synthetic fibre industry in Japan was, until recently, in a nascent stage of development, thanks to the absence of a well-organised basic chemical industry, discouraging war-time policy of the Government against the textile industry, in general, and economic chaos, especially scarcity of material and of electricity, in the war years. It was only in 1949 that the Japanese Government adopted a policy of giving active encouragement to the growth of the industry. The industry has since then recorded notable progress. The aggregate output of synthetic fibres in 1952 amounted to over 7.63 million lbs., as compared with a bare 41,832 lbs. in 1948.

PROTECTION AND REGULATION OF INDUSTRIES: THEN AND NOW—IV

NEED FOR SETTING UP PRICE-FIXING AUTHORITY

(By PADAMJI GINWALA)

I NOW propose to deal with controlled industries to which some of the principles applicable to protected industries should not be literally applied. I have already fully dealt with one of the most important of these, viz., that relating to the period, and have suggested that normally no period should be fixed during which the retention prices were to remain in force. Modifications of some other principles are necessitated by the fundamental difference between the effect of protection and control which must be recognised in determining the retention prices. This is that the grant of protection, even though it is in the national interest, is primarily a concession to industries which throws a substantial and often a prolonged burden on the consumer and the taxpayer. On the other hand, in the case of controlled industries, the burden is shifted to the producer who is penalised, so to say, for the benefit of the consumer.

It is not necessary for me to give any evidence to prove how much the consumer has benefited by the control of prices of essential commodities, except to say, what must be known to everybody, that since its introduction it has run into many hundreds of crores of rupees. The prices are determined as meticulously as in the case of protection, for the interest of the consumer interferes with the deliberations of the Tariff Commission and the policy of the Government even more than did King Charles's head with Mr. Dick. Every time the producer asks for an increase, King Charles's head intrudes and prevents the Commission from taking a more liberal view, and I have no doubt that if they did, it would do the same with the Government. The result has been that there has not been the necessary expansion of the controlled industries and control threatens to be a permanent feature of Government policy which would prolong the burden on the producer and, in the end, on the consumer himself, because for lack of finance for the rehabilitation and the improvement or extension of the plant and machinery, the works costs and the prices cannot be reduced by greater efficiency or greater production. From time to time during an indefinite period increases will have to be granted by which the consumer in the end must suffer.

Higher Prices

It is time, therefore, that both the Tariff Commission and the Government realise and remind the consumer that it is his turn to share with the producer at least part of the sacrifice involved in the control of prices by some curtailment of the advantages that he has enjoyed for so many years, in order to expedite the rehabilitation and expansion of the controlled industries. He must also be made to understand that he himself will, in the long run, gain more than he will lose by temporarily submitting to higher prices than the producer who, if he is provided with more depreciation to repair, renovate and extend his plant and machinery and a larger margin of profit, may be able to reduce his costs, other things being equal, and to meet the country's demand earlier than would otherwise be possible.

As I have stated earlier, the Price Control Board or other authority in the U.K., as well as the U.S.A. and other countries, fix the prices which remain in force until a change is asked for by the industry. Similar practice should be followed here and the entire structure of the retention prices should be built on the actual works costs and remain in force indefinitely, or for the whole period of control, except when the circumstances already described by me arise and an upward revision becomes necessary.

In the case of new industries which seek protection and which cannot be expected rapidly to increase their production to an economic level, or to show quick improvement in their works costs, some estimates of the works costs, the production and the amount of overheads and profit they may earn on an average throughout the period have necessarily to be made. But where old and established industries are controlled for national reasons, mainly to effect better distribution and to prevent excessive prices, the application of this principle of making estimates has little relevance. One obvious objection against adopting such a principle is that no purchaser of any commodity, just because it is controlled, is entitled as of right to purchase it at a price which has no relation to reality, but is based on an estimate of the seller's cost of production. Such transactions, if ever made outside Government, will be regarded as contrary to all known prudent business methods. In the case of all controlled industries, therefore, the only just and equitable principle is to adopt the actual production and works costs of a period of, say, one complete year or so immediately preceding the investigation as the basis for determining the prices.

Price-fixing Authority

As regards the authority on whom the duty of fixing the retention prices of controlled industries should in future be imposed I have a suggestion to make. All public bodies like individuals, such as lawyers, doctors, engineers or arm-chair doctrinaires who specialise in one particular subject as experts, develop what may be called a single-track mind. In do not claim that I or other members of the earlier Tariff Boards did not suffer from this common human infirmity. But we were concerned only with helping to administer the policy of protection which the baneful influence of the single-track mind may have sometime affected. But we were not called upon to fix, as part of our duties, the retention prices also of controlled industries for the simple reason that there were none such in our time. Where, as I have explained, there is a fundamental difference between the two classes of industries by which the burden of the sacrifice is reversed, the single-track mind is not conducive to accomplish very satisfactory results.

My suggestion, therefore, is that for fixing the retention prices of controlled industries, an entirely separate body called the Price Fixing Board, as in other countries, should be appointed. Such a body should, where possible, consist of an independent Chairman and representatives of the producers, the consumers and labour. It may be advisable to have a separate *ad hoc* Board for each important industry. Such a body should not only fix the retention prices of industries in the private, but also in the public sector, such as the Sindri Fertilisers, the machine tool industry, public utility services, electrical and irrigational undertakings, etc. It is only thus that Government enterprises can be properly controlled in the same way as the industries in the private sector, and prevented from charging whatever prices they like to the consumer, and from deteriorating into preventible inefficiency. The Auditor General and the Public Accounts Committees of Parliament only carry out belated *post-mortem* examinations which seldom do much good. It is necessary that investigations should take place from time to time to regulate the selling prices of Government enterprises and to minimise the waste of public money through incompetence, ignorance, corruption, want of experience or any other similar cause.

Tariff Commission's Task

Before I conclude I would like to take this opportunity of paying my patriarchal tribute to the post-Independence Tariff Board and its successor, the Tariff Commission, for the excellent work unostentatiously done by them from day to day and to their desire to do right by the industries whose claims they are called upon to examine within the limited discretion left to them under the somewhat narrow general policy of the Government, this overworked body has been able to make recommendations which, with very rare exceptions, have been gladly accepted as beneficial by the parties concerned.

I would express also my unshaken hope and belief that they would maintain and strengthen the traditions built up by their early predecessors, particularly in respect of putting the widest interpretation of their powers and terms of reference in favour of the applicants, of taking no evidence *in camera*, whether of Government or non-official witnesses, except when there are overwhelming reasons for adopting such a course, and of acting on no other instructions than given to them in Press *communiques* or official communications which can be published as part of their proceedings. In brief, they should permit of no contact with Government which might create on the public mind an impression that they were an executive department of the Government rather than as their advisers as a *quasi*-judicial body, as they have been intended, and always ought, to be.

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(Concluded)



LOWER U.S. COTTON CROP PREDICTED

FUTURE OF PRICE SUPPORT POLICY

THE U.S. Department of Agriculturist's Second Bureau Report, released on 10th August, 1953, places the 1953-54 cotton crop at 14,605,000 bales of 500 lbs. each. This compares with the previous season's crop of 15,136,000 bales. Thus, the Department's estimate is about 3.5 per cent. below the output in the season just ended. The U.S. cotton season covers the period from 1st August to 31st July. It is, however, noteworthy that the official crop estimate is about half a million bales above average trade ideas.

On the basis of the present output estimate, the supply of cotton for the 1953-54 season in the U.S. is bound to be more plentiful than in the 1952-53 season. For the 1952-53 season, the total cotton supply was placed in the neighbourhood of 18.8 million bales, made up of about 2.7 million bales brought in from the preceding season, domestic production of about 15 million bales and imports of about 0.1 million bales. It is now estimated that the total disappearance of cotton through exports and domestic consumption might have been of the order of 13.6 million bales, leaving a surplus of about 5.2 million bales to be carried forward to the 1953-54 season. This carry-over, together with the prospective crop of 14.60 million bales, gives a total supply of nearly 20 million bales for the 1953-54 season, or about 1.2 million bales above the supply of 18.8 million bales in the 1952-53 season. Since the Department of Agriculture has estimated exports plus domestic consumption for the current season at between 12½ and 13½ million bales, the carry-over stocks, at the end of the 1953-54 season, are likely to be of the order of 6 million bales. These stocks will be a drag on the market indeed, considering that they would be heavier than the 5.2 million bales at the end of the last season or the 2.8 million bales at the end of the 1951-52 season or the still lower stock of 2.3 million bales at the end of the 1950-51 season.

The immediate impact of the crop estimate was a decline in prices. That the estimate proved somewhat above the average trade expectations only intensified the downward trend in prices. Before the announcement, New York spot cotton was being quoted at 34.00 cents, while October, December, March and May contracts were being quoted at 33.67 cents, 33.85 cents, 34.05 cents, and 34.03 cents respectively. On the 10th instant, they all declined to lower levels, spot being offered at 33.80 cents, October at 33.62 cents, December at 33.73 cents, March at 33.84 cents and May at 33.83 cents. Since then, they have declined further. But the distant positions have fallen relatively less than the earlier positions, reflecting the market optimism regarding the imposition of marketing controls on next year's crop.

Cotton Prices in U.S.

The trend of cotton prices in the U.S., it must be noted, has far-reaching effects on the cotton prices in other parts of the world. Apart from the fact that cotton prices in this leading cotton-producing country do generally exercise a great influence on the world's cotton prices, there is the important consideration that in at least two countries, namely, Egypt and Brazil, the prices of cotton are deliberately related to the New York cotton prices. Thus, in Egypt, official selling prices are based on the New York quotations with a premium of 30 per cent. and 5 per cent. for Karnak and Ashmouni varieties, respectively. Export prices in Brazil are also based upon the New York futures quotations. For instance, the f.o.b. Santos price for Type 5 is fixed on par with New York July, to which 2.50 cents per lb. should be added to arrive at the c.i.f. price for European ports. Premiums and discounts for higher and lower grades are also specified. Thus, the New York market is indirectly the arbiter of world cotton values.

Efforts to limit the land under cotton for the 1954-55 season to 22½ million acres have failed in the U.S. Senate. Under the present law, the Secretary of Agriculture (now Mr. E. T. Benson) can announce quotas as low as are necessary to produce 10 million bales, i.e., in the neighbourhood of 17.5 million acres. Farmers must, however, approve marketing quotas by a two-thirds majority to get 90 per cent. of parity price support for 1954. If the marketing quotas are rejected, the price support will automatically drop to 50 per cent. parity.

The present price support legislation will expire after 1954. The U.S. Government, it is stated, is considering the case for a two-price system for surplus or farm products, including cotton, under which farmers would get the benefit of the support prices only on production, intended for domestic use, while any crop for export or for surplus uses would be sold at world prices, without any price supports. The advocates of this dual price system claim that it would allow regular disposal of U.S. farm surpluses abroad at world market prices, while enabling the country, at the same time, to maintain domestic prices high enough to assure the basic farm income.

Surplus Cotton

The problem of disposing of the surplus of American cotton resolves itself into two aspects: (1) enabling the importers to acquire the dollars with which to buy American cotton and (2) marketing the cotton at the prices which the buyers would find it economic to pay. On both these questions, the more enlightened section of cotton opinion is beginning to think along new lines. It is now realised that the U.S. should import more if the other countries are to be enabled to obtain the dollars to pay for American cotton imports. Thus, Mr. Seton Ross, the Managing Editor of the *Cotton Trade Journal*, writes:

"Graphically, the Council of European Industrial Federations presents the basic facts of the dollar gap in an illustrated booklet called *A New Look at Our Economic World*. This study urges an increase in American imports to the tune of two billion dollars. This, the booklet argues, 'would cause no strain on the American economy, since the United States would be required to devote only an additional seven-tenths of one per cent. of its national income to the purchase of Western European goods.' American imports of this amount would close the dollar gap of Western European nations 'at a high level of economic activity,' the figures presented indicate. This increase in imports would still place the ratio of imports to national income below the level reached prior to the depression of the thirties. With respect to many individual products, the publication makes clear, U.S. imports have diminished considerably since 1929 in relation to total consumption. To-day imports constitute such a small part of total U.S. consumption that an increase cannot be considered a threat to domestic production.

"Not only does the cotton producer and cotton merchant have an important stake in the import picture, but the cotton spinner has in the past few years also become aware of the importance of export markets. In 1943, U.S. cotton textile exports totalled 538,502,000 square yards. Ten years later, in 1952, such exports were 761,595,000 yards, but this represented a considerable drop from the 1,480,025,000 yards exported in 1947. It is to the benefit of our entire economy that we import more from Western Europe and give these countries the opportunity of earning more dollars. In this way they will be in a position to buy more of our raw cotton and our textiles—provided our prices are competitive."

It would also appear that more and more Americans are becoming increasingly critical of the price support schemes. Again, Mr. Seton Ross says:

"Through an unrealistic support level, we price cotton out of the export market, accumulate burdensome carry-overs, impose acreage controls and are forced to wrestle with conflicting sectional interests; we inherit the whole sorry mess that inevitably results from tampering with a free market economy."

In another issue of the *Journal*, he writes:

"It has been our contention that many of the 'benefits' farmers have received from the past administration have been crammed down their throats with the expectation of reaping a rich reward at the polls. . . . The problem is stated simply: a high support level prices cotton, for example, out of the world market, encourages expansion of extra growths and results in burdensome stocks which exert a downward price pressure."

Despite these warnings, it appears unlikely that any hasty decision will be taken in the U.S. to alter the principle of price support policy. This is because "price support" in that country, as in fact it is in this country (as witness sugarcane price control), is an issue of political significance, since farmers' votes are involved in it.

INDIAN CENTRAL COTTON COMMITTEE

The next half-yearly meetings of the Indian Central Cotton Committee and its various sub-committees will be held at Bombay from 25th to 29th August, 1953, under the chairmanship of Mr. M. R. Bhide, I.C.S., acting Vice-President of the Indian Council of Agricultural Research. The Committee will review the progress of the cotton extension schemes sponsored by the Government of India in 1952-53 and assess the possibilities of achieving the targets fixed for the production of cotton during the 1953-54 season. The subject of rationalisation of production of different varieties of cotton in the Indian Union is another important item on the agenda. It will also consider a resolution proposed to be moved by Mr. Chimanlal B. Parikh, Vice-President of the Committee, on the question of removing the tolerance clause for Jarila and Punjab American 4-F in the Indian Cotton Contract.

The Committee will scrutinise the annual progress reports of its various research, seed multiplication and distribution and crop estimating survey schemes and make recommendations on their future programmes. Apart from proposals for extension of some of the existing research schemes, proposals for new schemes for study of agronomy of 0394 cotton from Madhya Pradesh, for conduct of manurial experiments on cottons in P.E.P.S.U. and for breeding of an early variety of cotton suitable for cultivation as an off-seasonal crop in the rice fallows of Madras State, will also receive attention.

The sub-committees dealing with agricultural and technical research and cotton forecasts will meet from 25th to 27th August and examine the subjects coming under their purview. The recommendations of the sub-committees will be considered by the main Committee on 28th and 29th August.

"OWN-YOUR-OWN-WAGON" SCHEME

Few commodities are more desperately dependent on the supply of wagons for their movement than cotton, in which commodity the producers are scattered over wide areas whereas the consuming centres are few and concentrated in a few regions. Cotton traders are, therefore, vitally interested in the adequacy of rail transport. And yet, it is noteworthy that the East India Cotton Association is opposed to the "Own-your-own-wagon" scheme, formulated by the Railway Ministry. This opposition, as the Association has stated in its communication to the Ministry, is based on certain valid considerations. The Association says: "On principle, the Board are opposed to members of the public owning their own wagons, i.e., introducing proprietory rights in nationalised undertakings." The Board of the Association is convinced that the Railway Board should itself work out an equitable solution based on its own technical knowledge and experience and the working of the railway system. The Board says that the fact that a "chronic shortage" of wagons continues even though it is eight years since the war ended shows the need for a "thorough searching enquiry into the causes that are responsible for the present unsatisfactory state of affairs." Referring to the scheme of owning wagons, the Board points out that the principle of private ownership of wagons would give a "preferential advantage to private owners of wagons at the cost of other members of the public who may not have the wherewithal to own wagons." So far as the questionnaire issued by the Railway Board is concerned, the Board emphasises that answers to several of the questions, such as those which refer to cost of haulage of empties on return journeys, freight reduction to wagon owners, etc., could come only from the Railway Board itself, since the Board does not possess sufficient information on which it can base its replies.

PAKISTAN COTTON

The total quantity of Pakistan cotton endorsed for export since 1st September, 1952 to 9th July, 1953, is 1,425,142 bales as compared with 1,083,037 bales in the corresponding period in 1951-52. The following are the chief export destinations for Pakistan cotton:

(In bales)

	1st September to 9th July	
	1952-53	1951-52
U.K.	125,712	86,507
Continent	373,415	282,316
U.S.	12,170	437
Australia	30,212	8,594
China	154,037	392,184
Japan	587,828	278,794
Indian ports	100	400
East Pakistan ...	34,096	23,018
Other Asiatic ports ...	16,268	2,030
Other foreign ports ...	91,304	8,757
Total	1,425,142	1,083,037

INDIAN COTTON CROP

Weather reports from several cotton-growing regions continue to be encouraging. Good rains have been reported in nearly all the cotton tracts in the Bombay State. Contrary to all earlier Press reports, nowhere in this State have standing crops been affected by the rains. The progress of the cotton crop throughout Madhya Pradesh is reported to be good. Increases in cotton acreage have been reported from Madhya Pradesh, Madhya Bharat, East Punjab and P.E.P.S.U., Saurashtra and Khandesh. Production in Uttar Pradesh, it is stated, is likely to be more than it was in the current season. Private estimates place the Indian cotton crop in the 1953-54 season at between 3.8 and 4.0 million bales.

COTTON TRADERS WARNED

The East Punjab Government, it is reported, has warned against the formation of pools by interested parties for purposes of buying cotton, since such arrangements result in depriving the cotton growers of an economic price for their produce. Such arrangements, according to the Government, would also affect adversely the future of cotton production in the State. It would appear that the Government has warned that it would not hesitate to take the necessary legal action against the parties concerned, if any pool were formed to the detriment of the interests of cotton growers.

BUYERS RESIST HIGHER TEXTILE PRICES

U.K. COTTON MISSION'S IMPRESSION OF EAST AFRICAN MARKET

(From A Special Correspondent)

MANCHESTER, 11th August

THE holiday season of the year in Britain is now at its height and fresh trade in cotton yarns and piecegoods has begun to move rather slowly. The present moment, therefore, is opportune for a general consideration of the state of trade and prospects.

MANCHESTER LETTER

The situation in Lancashire from the producers' point of view is certainly much more favourable than, say, three months ago. There has been a broadening demand and most spinners and manufacturers have added to their order lists. The large business done in the middle of July was exceptional, when buyers received notice that prices would be advanced to cover the additional cost of production, due to the advance in the wages of the operatives. Contract lists in all quarters were increased and producers presented a stiffer front to customers. Since then business has been rather quieter and it has been suggested in some directions that difficulties have been experienced in establishing the higher prices for goods.

There is still anxiety as to the future of export trade. Customers abroad are resisting the higher prices for goods, and in addition to this factor some foreign dealers are refusing to purchase goods when deliveries of grey cloth cannot start until the beginning of next year. Another important point is that dyers want about 12 weeks for processing the cloth so that shipment cannot be guaranteed in less than seven to eight months. There is some irregularity in the engagements of manufacturers and it is possible to secure certain goods at an earlier date.

Home Trade

Most cloth manufacturers depend to a very large extent upon demand for the home trade and the offtake for this branch remains encouraging. The extensive buying at the time of the Coronation has now been followed by purchasing for holiday wear. It may be pointed out that according to the note issue of the Bank of England the money available and being circulated at the present time is about £80,000,000 more than 12 months ago. Part of the increased activity is probably due to the larger output of goods and increased wages in several trades.

Spinners of yarn are taking full advantage of the minimum price scheme and most mills have more work to go on with than for some time back. One of the most active branches of the industry recently has been the demand for condenser yarns and waste cloths and the prices being secured are more remunerative than earlier in the year.

The industry as a whole is now enjoying comparative prosperity but profit margins in some sections are far from satisfactory, especially in the weaving branch. The present situation is very largely due to the limited output of goods, this being owing to the scarcity of operatives. The opinion is held that when the holiday season is over it will be extremely difficult to increase total production. The outlook, however, cannot be considered satisfactory when there are very few signs of larger exports and foreign trade must be regarded as most important, not only to Lancashire but also to the country as a whole.

Raw Cotton Imports

The first season for more than a decade in which some of the cotton for Lancashire spinning mills has been bought privately has now come to an end and it is possible to survey the results of importation during this period. Compared with the previous 12 months, arrivals in Britain have been considerably smaller, the gap being more than 500,000 bales.

Reduced consumption, due to the after-effects of the 1952 slump and the shortage of manpower, has not been solely responsible for this substantial cut in imports. Uncertainty over the future system of raw cotton purchasing has influenced the volume of supplies acquired by the Raw Cotton Commission. Stocks built up by this organisation during recent seasons have been allowed to run down and a continuation of this trend must be anticipated in view of current developments within the trade.

The table shows arrivals during the season just ended by country of origin and the proportion of cotton in each case obtained by the Commission and through private channels:

(In bales)

	Season 1952/53	R.C.C.	Private	Season 1951/52
American	350,833	166,558	184,275	654,835
Argentine	97,079	83,119	13,960	774
Mexican	28,188	21,427	6,761	100,313
Brazilian	77,127	75,788	1,339	176,245
Peruvian	66,755	44,624	12,161	90,554
Egyptian	54,546	16,857	37,689	47,910
West African	190,841	139,052	51,789	156,522
East African	119,148	109,929	9,217	151,116
India	21,366	750	20,616	5,558
Pakistan	111,617	64,829	46,788	87,969
Sudan	124,413	101,610	22,803	356,330
Sundries	107,780	75,091	32,069	97,727
Total ..	1,349,721	900,134	442,587	1,926,057

It will be observed at once that the quantity of cotton imported privately is very near the 30 per cent. estimated by the Board of Trade as the probable proportion obtained by Liverpool and Manchester merchants in the first season of dual purchasing. For reasons outlined above the Commission has restricted its purchases during the season.

It is also interesting to note that private buying has centred mainly on the traditional American and Egyptian cottons which were the mainstay of Lancashire's raw material supplies for many years prior to the war. The quantity of outside growths now being used in local spinning mills, however, has increased very substantially and private merchants are making fresh contacts in order to obtain the grades and qualities required by mill managers who have grown accustomed to using what were once regarded as exotic growths.

The British cotton export team which returned to Lancashire last week after a three-week tour of East Africa is to have private discussions with Mr. Thorneycroft, President of the Board of Trade, and with cotton industry representatives. In the four territories visited—Uganda, Tanganyika, Kenya and Zanzibar—the team found abundant goodwill for British goods, according to a statement issued by the Cotton Board.

In parts of Uganda and Tanganyika there was clearly discernible an increasing discrimination on the part of the African buyer for better quality goods. The statement went on:

"From Governments, from traders and from consumers alike the team met with a high degree of goodwill and well expressed preference for British goods in a stable market, and a clear indication that in such circumstances trade could be considerably stepped up providing service continued the improvement it had shown in recent years and prices met the particular conditions of the markets."

The team had gathered a great deal of information at firsthand about the types and qualities of cotton goods needed now or likely to be needed in the future and this information would be laid before the industry in the next few weeks.

One of the difficulties to increased exports of Lancashire textiles—the large backlog in shipping goods to the market owing to lack of port facilities at Mombasa—had been satisfactorily settled. Both the Kenya and Uganda Governments had granted extra facilities to clear the 1,850 tons now registered for calling forward at Liverpool and this meant that this quantity was likely to be shipped before the end of the year.

The four Governments in East Africa had listened sympathetically to the points expressed by the team on the subject of future import licensing policy and the instability resulting from uncertainty about this policy. Any long-term settlement rested largely with the United Kingdom Government but the four East African Governments would consider what, if anything, they themselves would do in the short-term.

International Conference

The International Federation of Master Cotton Spinners' and Manufacturers' Associations, which represents mill employers in many parts of the world, is to be invited to hold its 50th Jubilee Congress in 1954, in Britain. Agreement in principle to the invitation being issued was reached by owners of Lancashire's 450 spinning mills, meeting in Manchester this week.

Mr. C. Henniker Heaton, Director of the Master Spinners' Federation, said a sub-committee of Lancashire spinning employers was to be set up to consider and suggest suitable dates and arrangements.

Unemployment in the Lancashire cotton spinning and weaving industry has fallen to 2,555, of which 804 are only temporarily stopped, latest Ministry of Labour returns for the North-West show. This is the lowest out-of-work figure since December, 1951.

A year ago the figure stood at 51,500, of which 43,700 were on short-time. Job vacancies in all sections of the cotton and rayon industries have risen to 6,800, the Ministry announced.—*All Rights Reserved.*

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U.P. TO RAISE SUGARCANE CESS

MOVE MOST DEPLORABLE

THE latest move of the Government of Uttar Pradesh to raise the cess on sugarcane crushed in the sugar factories by an anna to As. 4 per maund, by making a provision to this effect in the Sugarcane (Regulation of Supply and Purchase) Bill passed by the U.P. Legislative Assembly the other day, is, indeed, most deplorable. As it is, the cess of As. 3 per maund is unconscionably high, accounting for as much as 15 per cent. of the total cost of cane. The proposed increase in cess will mean an additional burden on the sugar industry in U.P. of more than a crore of rupees, even on a conservative estimate. This is certainly a heavy incidence which the sugar industry cannot bear, especially in the present context of an all-round rise in manufacturing expenses and labour charges.

The aforesaid move of the U.P. Government goes counter to the declared objective of reducing the cost of sugar manufacture. It was only last week that we referred, in these columns, to the heavy incidence of taxation on the sugar industry and emphasised that there could be no possibility of a downward revision in cost, unless the cost of sugarcane was reduced. One of the surest ways of bringing about such a reduction is to lower the rate of sugarcane cess. It is most unfortunate, therefore, that the U.P. Government should have, instead of realising this, proposed to increase the cess.

Apart from the incidence on the sugar industry, the increase in the rate of the cess cannot be justified on economic grounds. It would not be out of place to recall here what the former Tariff Board pertinently remarked three years ago. It said that it was an accepted canon of taxation that raw materials of industry should be exempted from tax, though a small cess might be imposed on such raw material and even that only for the purpose of improving the yield, quality or marketing of the commodity concerned. To quote the Board's own words: "The levy of a tax on a raw material is, as a rule, wrong in principle and it is particularly objectionable when imposed on the raw material of an industry which has been nursed by the consumers all over the country for a period of 18 years and for which they have made a heavy sacrifice during all these years." Since, however, the cess has become a part of the structure of State taxation, the State Governments may not be expected to give up this source of revenue altogether. But one can legitimately expect at least a reduction in the rate to a level which will be sufficient to meet the requirements of cane development programme, the reasonable rate, according to the Tariff Board, is an anna and a half per maund of cane. It is to be hoped that the U.P. Government would reverse its present proposal and reduce the cess to this level.

Cane Development

Be that as it may, the main object of the U.P. Sugarcane (Regulation and Supply) Bill is to ensure adequate and timely supply of cane to the factories. The statement of objects and reasons underlying the Bill says:

"With the promulgation of the Industries (Development and Regulation) Act of 1951, the regulation of the sugar industry has become an exclusively Central subject and the State Government is now concerned only with the supply of cane to sugar factories. The Bill is being introduced to rationalise the distribution of sugarcane to factories for its development on organised and scientific lines and to protect the interests of cane growers, as well as of the industry."

Under the Bill, the U.P. Government proposes to establish a Sugarcane Board and a Cane Development Council. The proposed Board will advise the Government on the regulation of supply and purchase of cane for factories. It will also strive to maintain harmonious relations between the managements of factories, on the one hand, and growers' co-operative societies and purchasing agents, on the other. Besides the Chairman, who will be the State's Industries Minister, the Board will consist of 15 members, of whom six will represent factories, six growers' co-operatives and three technical experts appointed by the Government.

The sphere of activity of the Cane Development Council will be confined only to the reserved areas. Its task will be to consider the development programmes for sugarcane, with particular emphasis on provision of irrigation and other agricultural facilities. It will also devote some attention to the problem of eradicating and controlling sugarcane pests and diseases.

A Welcome Move

The U.P. Government's move to rationalise the development of sugarcane cultivation, though belated, is certainly to be welcomed. As readers are aware, although the State possesses the largest number of sugar factories, which account for the bulk of the aggregate sugar production in India, the progress in the direction of improving cane cultivation has been none too satisfactory. A clear indication of this is provided by the low level of per-acre yield and recovery percentage *vis-a-vis* the Deccan and South India. Thus, the average yield of cane per acre in U.P. is as low as 11.7 tons, as against 28.9 tons in Bombay, 27.1 tons in Madras and 14.3 tons in Hyderabad. The recovery percentage of cane also is lower, such being 9.78, as against 11.59 in the Deccan. What is worse, not only has the yield of sugarcane in U.P. been decreasing but the State's share in the country's aggregate cane area and production has been falling, in distinct contrast to the trend in the Deccan and the South, as will be seen from the table below:

	Percentage of total cane area in India		Percentage of total cane production in India	
	1936-37	1952-53	1936-37	1952-53
Uttar Pradesh	65.5	62.7	62.5	53.7
Bombay	2.3	4.5	4.2	10.2
Madras	3.2	5.5	6.7	11.0
Hyderabad	1.2	2.1	1.9	3.2

The foregoing figures reveal that the decline in the sphere of Uttar Pradesh in the aggregate production of sugarcane has been more marked than that in area. The shares of other States in the aggregate production of cane, however, have increased more than proportionate to the rise in the cane area. It is the low yield of sugarcane in U.P. that has largely been responsible for the high cost of sugarcane cultivation and, consequently, of the high cost of sugar production. Sugarcane is the most important raw material of the sugar industry and accounts for more than 60 per cent. of the total cost of sugar production. The progress of the sugar industry is thus linked vitally to cane research and development. The success of the Sugarcane Board and the Cane Development Council, which the U.P. Government has now proposed to set up, will, therefore, be judged by the extent to which their efforts would bring about a reduction in the price of cane through increase in yield and improvement in quality of sugarcane.

SUGAR PRODUCTION IN BIHAR

The 1952-53 sugar season has turned out to be the most eventful one for the sugar industry in Bihar during the war and post-war years, in that the season witnessed a record output of 272,161 tons of sugar, which compares very favourably with 219,048 tons during 1951-52. The previous record had been reached in 1939-40, when sugar production amounted to 322,000 tons. This substantial rise in sugar output is in distinct contrast to the general decline in production.

The rise in Bihar's sugar output follows a marked increase in production of sugarcane. The quantity of cane actually crushed during the year under review was 2,712,454 tons as against 2,116,172 tons in 1951-52. The improvement in output, it is interesting to note, has taken place despite a fall in sugar recovery from 10.30 per cent. to 10.10 per cent. The number of crushing days during 1952-53 was greater, being 120, as against only 98 in 1951-52.

As already noted, supplies of sugarcane to the factories in Bihar were quite comfortable. There are indications that supplies will improve further in the coming years, as irrigation facilities are expanding and cane development work is becoming more intensive. The implementation of the Rs. 3-crore scheme of the Bihar Government for constructing 300 tube wells is reported to be almost complete. The Government has also granted about Rs. 14 lakhs as loans to the sugar factories.

CANE CESS IN PUNJAB AND P.E.P.S.U.

The Punjab and P.E.P.S.U. Governments, it is reported, have decided to levy a cess of As. 2 per maund on sugarcane crushed by the factories. The amount of revenue to be collected from the source by these two State Governments will be of the order of Rs. 5.44 lakhs and Rs. 3.63 lakhs, respectively, assuming that the quantity of cane crushed in the sugar factories in the respective States amounts to 165,300 tons and 179,600 tons. Considering the way in which the Governments of other States are misusing the cess on sugarcane, it is indeed gratifying to be told that the Punjab and the P.E.P.S.U. Governments propose to utilise the cess exclusively for the development of sugarcane cultivation on scientific lines. It is to be hoped that the Governments concerned will honour their assurances in action.

PLIGHT OF BENGAL AND BIHAR COLLIERIES

ATTENTION OF PLANNING COMMISSION INVITED

PRESS reports from Jharia indicate that the Indian Collieries Union has invited the attention of the Planning Commission to the condition of the Bengal and Bihar coalfields, which is stated to be "critical." The Union has pointed out that there has been a decline in the production of coal at the rate of 30,000 tons a month, since early this year, chiefly due to wagon shortage. It has further complained that even the available wagons are not distributed equitably among the various units. Consequently, the Union has alleged that the stock of steam coal for industrial purposes has been too low and hardly sufficient for the overall requirements of even a month. The Union has also criticised the loco coal purchase policy of the Railway Board as "disastrous," inasmuch as the overall quantity of lower grades of coal purchased from market collieries is very small, although it can economically be consumed by locomotives. It has alleged that the purchase of large quantities of high-grade metallurgical coal by the Railway Board for consumption by locomotives is against the declared policy of the Government of India of gradually reducing consumption of high-grade coal. In view of all these, the Union has urged a thorough enquiry into the affairs of the coal industry in Bengal and Bihar.

The Indian Collieries Union has also made a few suggestions which deserve careful examination. First, it has pleaded for the withdrawal of pegging orders on Grade I and Grade II coal, with a view to increasing the stock of steam coal. Secondly, it has suggested to the Government to examine, through a competent committee, the rationalisation of transport and the advisibility of giving the consumers free choice of their coal, instead of being obliged to take a reasonable percentage of lower grade coal. Thirdly, it has recommended the constitution of a non-official committee to examine the capacity of new locomotives to consume lower grade coals.

Wagon Shortage

Thus reviewed, it is clear the villain of the piece is wagon shortage and the inequitable distribution of the existing supply among the various interests. It is true that there is a shortage of wagons, despite the improvement during the past few months. But wagon shortage cannot be remedied overnight. The indigenous productive capacity of 6,000 wagons a year is quite inadequate to meet the overall requirements of the nation and even the capacity, it is stated, is used only upto 50 per cent. due to lack of the requisite type of steel plates. Much, therefore, will depend upon the pace of indigenous production of plates in large quantities and also on imports of plates as well as wagons. The allegation that the available wagons are being inequitably distributed is a matter that deserves to be examined by a competent enquiry committee, inasmuch as many others have also made similar complaints. But the solution to the problem lies in increasing the supply of wagons as early as possible.

The charge that the locomotives are using high-grade coal even though lower grades can be economically used is a controversial one. There are two schools of thought on this issue. One holds the view that the age of the locomotive will be reduced, if lower grades are used, while the other maintains that lower grade coals can be used without in any way impairing the efficiency of the locomotives or their life, provided such coals are properly used with certain adjustments in the boilers. This is rather a technical issue which can be determined only by experts.

The demand for the setting up of a committee to enquire into rationalisation of rail transport is perhaps one that can be conceded. There is a feeling that regrouping of railways has not improved appreciably the situation arising from transport bottlenecks, owing to centralisation of authority and all the attendant red-tapism.

The removal of pegging orders on Grade I and Grade II coals is one more question that needs further careful examination. The Indian Colliery Union says that "while conservation of metallurgical coal has practically been abandoned by the Coal Board and the Railway Board, on the excuse of few miles cross-traffic and so-called transport rationalisation, Grade I and Grade II coals have been pegged for an inexplicable reason."

SINGARENI COLLIERIES COMPANY, LTD.

CHAIRMAN'S PLEA FOR INCREASED OUTPUT PER MAN-SHIFT

ADDRESSING the Thirty-second Annual General Meeting of shareholders of the Singareni Collieries Company, Ltd., held on the 17th inst., Mr. C. Damoder Reddy, Chairman of the Company, expressed concern at the deterioration in labour relations. He warned that, unless output per man-shift increased, there was a serious risk of the Singareni Collieries going out of business in certain markets which would result in irreparable injury to workers themselves. He reiterated the Company's determination to give a fair deal to workers consistent with a fair price to the consumers and a reasonable return to the investor. He also detailed the measures taken to reduce the cost of production.

The following is the full text of Mr. Reddy's speech:—

"GENTLEMEN,

"I have great pleasure in welcoming you to this thirty-second annual general meeting of shareholders of the Singareni Collieries Company. The annual report and accounts have been in your hands for some time and as they correspond closely to those of the previous year, I do not think I need discuss them in detail although I shall, of course, be pleased to answer any question about them later. They are, I think you will agree, very satisfactory. There are, however, certain features of the working of our collieries which I should like to recapitulate at this meeting for the benefit of those who have not found the time amidst their preoccupations to study closely the report. At the same time, I shall add a few comments on certain important aspects.

Production

"Production during the year was 13.75 lakh tons, as against 12.07 lakh tons in the previous year, i.e., an increase of 13.9 per cent. Production during May 1952 was 122,568 tons which is the highest achieved so far.

Labour

"Labour relations during the year were very satisfactory resulting in increased production and increased profits. It was hoped that cordial relation will continue uninterrupted resulting in more production and more profits, enabling your Directors in turn to spend more and more for the welfare of workers. But, unhappily, our hopes in this direction have not materialised during the current year and the recent strike for nearly a month in June-July has resulted in loss of production of 111,393 tons, which will naturally have serious repercussion on the Company's profits and ability to spend money on welfare works.

"The recent trend of labour relations have naturally caused us much anxiety. We share entirely the desire of the union to seek improvements in service conditions of the miner in his difficult and hazardous employment, but all demands must in the last analysis be conditioned by the capacity of the industry to bear the increased costs. It is not appreciated that the cost of production of our coal is relatively much higher than that of other major collieries. Our coal has been able to find a market partly because of the protection afforded by geographical advantage and partly because of the control necessitated by transport difficulties for railing coal from Bengal and Bihar. Unless, therefore, the workers in the mines evince willingness to improve the resources of the Company by increasing the output per man-shift, there is a serious risk of the collieries going out of business in certain markets with the resultant irreparable injury to the colliery worker.

"The object of your Company has always been and will continue to be to pay a fair wage and assure a fair standard of living for its workers but consistent with the interests of the consumer who is entitled to a fair price, and the investor who must receive a reasonable return, so that necessary funds are forthcoming to finance extension and modernisation of the plant. This brings me to the next point of my review.

Output per Man-shift and Average Wage

"The overall output per man-shift, which incidentally is the lowest in India, improved from 0.28 ton per man-shift in January to 0.30 ton in December 1952. This was achieved by introduction of incentive bonuses which in turn enabled the workers to increase their earnings. The overall earnings per worker increased from Rs. 12.2 per week in January 1952 to Rs. 12.5 per week in December 1952.

Measures Taken for Reduction in Cost of Production

"The services of Messrs. Ibcon, efficiency experts, continued to be employed, resulting in the aggregate saving of Rs. 3,45,000 during the year. The strength of unproductive workers was reduced during the year by 222 men. Not a single worker was retrenched. A pool of surplus labour was formed and all indents for fresh hands in connection with our expansion scheme or in connection with the normal wastage were met with from this pool. The pool labour continued to draw their wages until they were absorbed.

Provident Fund

"As assured in my last year's speech, the amount at the credit of the provident funds which is now invested with the Company is being withdrawn in ten yearly instalments and invested in the prescribed manner. The second instalment was paid in June 1953.

Pit-head Baths

"Three pit-head baths were completed during the year and the fourth one is nearing completion. The cost of the baths is Rs. 3.2 lakhs. They are elaborate buildings with cubicles fitted with shower baths, separate dressing rooms with lockers for every worker, and flushing urinals and water closets. In fact, at the end of the day's work, a miner can leave his place of work fully dressed to attend a party. It is, however, disheartening to find that the workers so far have not shown much interest in them, in spite of the last hot weather being so severe.

Staff

"I should also like to convey, if I may, yours and the Directors' appreciation, and thanks, to the staff for their good work during the year, which has enabled the management to discharge their responsibilities and duties satisfactorily. We have come to expect a very high standard from them all and we have not been disappointed."

(Concluded from next column)

cal of their contributions. If the language is hard in places—so, at least, it would seem to Indian readers—it is necessary to remember that the subject itself calls for rigorous treatment. And he does not help who over-simplifies.

Finally, a notable feature of the book is that, apart from a bibliography of books for a more advanced study of the subject, it gives a very suggestive chronological tabulation of the important books which appear during the period. Against each year, from 1860 onwards, the table gives the important books which appeared in that year, classified subject-wise, according as it deals with principles, welfare and policy, interest or money and so on. We heartily commend this book to the attention of our readers.

Estate Duty Bill. By V. S. Kulkarni. Published by Law Book House, Poona 2. Price: Rs. 3.

It is, perhaps, symptomatic of the interest which the Estate Duty Bill, now before Parliament, has aroused that several books have already appeared on this subject. The book under review, the *Estate Duty Bill*, incorporates the changes which have been made by the Select Committee, and also the minutes of dissent appended to the Committee's report. Thus, the book is of great topical interest in that it gives the correct position of the Bill, as it now stands before Parliament. The author also gives illustrations to bring out the effect of the duty, and also the relevant sections of the Indian Constitution which have a bearing on the Bill. An important feature of the book is that it gives the analogous sections of the English law on which the Indian Bill is based.

NEW PUBLICATIONS

A Review of Economic Doctrines—1870-1929. By T. W. Hutchinson. Published by the Oxford University Press, London. Agents in India: Oxford University Press, Oxford House, Apollo Bunder, Bombay 1. Price: 30s.

ALTHOUGH economic history has, for long, been recognised in the West as an indispensable part of the intellectual discipline in economic studies, it receives less recognition than it deserves in this country. And when it does receive some recognition, it is usually regarded as a luxury which only the post-graduate student, specialising in economics, is supposed to acquire. Even when the study is pursued, little attempt is made to understand economic history as an organic whole. For too often over-simplified generalisations are drawn, sacrificing intellectual fidelity at the altar of easily remembered epigrams, such as Adam Smith's "Laissez Faire" or Marshall's "Equilibrium Economics." The result is that generations of students have stepped out into the world with hardly any acquaintance with the great masters who have contributed to the growing stream of economic thought, or of the movements which influenced their thinking. The book under review, *A Review of Economic Doctrines—1870-1929*, deserves, therefore, to be commended to the attention of Indian universities and all students interested in economic studies, not only because it presents a systematic survey of economic doctrines during what is admittedly the most fruitful period in economic history but presents it in a manner that stimulates thought as well. A great merit of the book is that, by studiously avoiding over-simplification of the great masters, it inculcates a critical approach to their doctrines.

In this historical outline, the author, Mr. T. W. Hutchinson, Reader in Economics, London University, takes as his starting point, the year 1870—by then a century had elapsed since the publication of Adam Smith's celebrated work, *Wealth of Nations*—and traces the growth of economic thought down to 1929, the year which was to prepare the world for the great economic blizzard, the worst ever depression. The book is divided into three parts. In Part I, the author gives an account of the leading lights of the neo-classical school, including W. S. Jeevons, A. Marshall, F. Y. Edgeworth, V. Pareto and J. B. Clark. The transition from static to dynamic economics is treated in Part II, where the modern doctrines, comprehensively termed "macro-economic analysis," are studied. This part covers a period when the specialist book or article had replaced the comprehensive treatises of the earlier era. Part III is devoted to the discussion of the economics of instability and disturbance.

This description of the schematic division does little justice to the book which deserves to be regarded as an important contribution to the literature on the subject. Each great economist's contribution is succinctly described, supplemented by copious quotations from their original works, and their significance to the history of development of economic thought estimated. In a sense, the author has attempted a formidable task, for the book is meant to be not a mere history but a review. A reviewer of economic doctrines may easily fall into either of two pitfalls; he may either dismiss the doctrines of the masters as the result of the peculiar complex of the times in which they lived or he may see in them truths valid for all times. If the one tendency makes for a superficial or sophisticated review, the other is too naive to be called a review. The author's approach to his book is summed up in his own words:

"Having enjoyed or endured as expensive an education in the Economics of Disturbance, Instability and Insecurity, it would surely be stupid to exploit it in captious criticism of the achievements of those who missed its advantages or its lessons. On the other hand, conservatively to deny or obscure the great limitations of doctrines formulated for a different sort of world might be even more disastrous practically. In this book, we are trying, primarily, simply to expound the economic doctrines of our period with fair accuracy, in the way and often in the words of their originators. But, in trying to expound a doctrine, we must indicate some of its implicit, as well as its explicit, assumptions, and, therefore, to some extent, we define its applicability and suggest a judgement on its significance."

The author has eminently succeeded in living up to the standards he has set before himself. And the result is a book which is at once true to the teachings of the great economists and criti-

(Continued in previous column)

BETTER PROSPECTS FOR INDIAN TEA

MR. BHANSALI PLEADS FOR DEVELOPING CALCUTTA MARKET

THE crisis that overtook the Indian tea industry last year has been almost a thing of the past and little reference is being made by producers or traders to the causes that led to it and its effects on the industry. Producers and traders are now more concerned with the measures necessary for stabilising prices and developing the marketing of Indian tea both within the country and abroad. The address of Mr. K. R. Bhansali, Chairman of the Calcutta Tea Merchants' Association, at the annual general meeting of the Association, held in Calcutta last week, is an instance to the point. In his address, Mr. Bhansali expressed the tea traders' satisfaction at the return of order and stability to the tea markets of the world and drew attention to the tasks ahead of the tea industry and trade.

Welcoming the revival in prices since the beginning of the current year, Mr. Bhansali said that, at the present level of prices, the majority of producers should be able not only to make both ends meet but to earn some profits, although not sufficient to cover all the losses that were suffered in the last recession. The initial spurt in prices noted in the earlier months of the current year has no doubt spent out, but the present level of prices was, in the opinion of Mr. Bhansali, appropriate and one at which the trade could function. So far as tea traders are concerned, it is not the actual level of prices that is of much consequence, but stability of prices which a well regulated commodity market as tea should normally ensure. "This price," Mr. Bhansali desired, "should be such as renders production regular and remunerative and facilitates off-take by different consuming countries."

Just as the disturbance in the relationship between the demand and supply, apart from other reasons, caused the crisis last year, the balancing of the supply to the demand during the current season is expected to bring about a welcome measure of firmness for tea prices. It is not suggested that there will be a complete and violent reversal of the downward trend witnessed last year, for no serious shortage of tea is expected. The supply and demand position, however, is such that a fair measure of stability in prices at somewhat higher levels than last year can be reasonably anticipated.

Demand for Indian Tea

The world production of tea during the current year is not expected to exceed that of last year. On the demand side, stocks in the U.K. are, at present, at the lowest level for some time past and packet trade, it is stated, expects to have an orderly replenishment from India. The overall exports from India during the last season were nearly at the previous season's level. Actually, India gained some ground in Australia and Egypt. It is expected that India will be able to enlarge its exports to these countries. The trade deal with Egypt, for instance, may facilitate better off-take from that country, if energetically followed up by the trade. The built-up stocks in the U.S., Canada and Eire are likely to run out. Some of the Continental countries, such as West Germany, have reduced tea import duties, and, with the increased efforts made from London, it would be possible to sell more on the Continent. Enumerating these favourable factors, Mr. Bhansali pointed out that there was not much fear that demand for Indian tea might not be sustained.

The crisis of last year has served producers and traders to draw many important lessons for the future. So far as traders are concerned, it has brought to light the need for developing the marketing facilities available at Calcutta for disposal of tea. In other words, the desirability of building up the Calcutta market as a world centre of tea trade has gained strength. According to Mr. Bhansali, the off-take capacity of the London market in its new conditions, particularly after the auctions were resumed last year, had not been assessed and that was the reason why large quantities of tea went to London in the past and depressed prices for long. Calcutta and Colombo often paid the producers higher prices than London. In the light of this experience and the delay that normally takes place in realising payments against shipments made to London auctions, tea traders have found the necessity for developing the Calcutta market as early as possible.

But one of the handicaps in the direction of developing the Calcutta market is the inadequacy of warehousing. Referring to this, Mr. Bhansali observed that the present efforts at increasing the warehousing facilities at the port were tardy. Other factors which stand in favour of London as a terminal market, includes the 90 days' prompt discount facilities by banks. Mr. Bhansali, therefore, desired that the new Tea Board should examine this problem on the highest priority and advise the Government sufficiently ahead of each season of the sale policy that India might adopt, keeping in view the object of building the Calcutta auction centre further.

The desirability of excluding undesirable teas from auctions was also emphasised by the Chairman of the Tea Merchants' Association. To this end, he suggested, all tea waste despatched from factories should be received only at a central bonded warehouse controlled by the Government from which releases might be made direct to steamers against orders of individual shippers. If these were to be done, Mr. Bhansali argued, the Calcutta market was sure to benefit therefrom considerably.

The promotion of tea consumption is one of the important tasks of the Tea Board. On this point, Mr. Bhansali felt that it was not new ideas that were so wanted as a new enthusiasm to execute old ideas. He suggested that for expanding domestic markets methods that carry tea to the door of the prospective customer, such as campaigns organised by tea centres and mobile canteens, should have first importance. In regard to the promotion abroad, he laid emphasis on the urgency for filling the vacancy created by India's withdrawal from the I.T.M.E.B. and commended the arrangements in the U.S. for promoting tea sales.

Mr. Bhansali drew pointed attention to the difficulties created by the recent amendments to the excise duty. His main concern was the procedural difficulties of the amendments. Another source of concern to the tea trade, Mr. Bhansali said, was the notice served by the sales tax authorities of Saurashtra to assess the members of the Association to the payment of sales tax under the Saurashtra Sales Tax Act. This new measure, he felt, was a levy on commission agents and would become a multi-point levy, giving the character of a further excise levy. It would, as a consequence, prove to be an impediment to inter-State trade.

INCREASE IN U.S. TEA CONSUMPTION

Americans are taking more and more to tea. This is reflected in the steady rise in imports and sales of tea, thanks to the campaign carried on by the Tea Council of the U.S.A. Imports of tea from all tea enterprising countries during the six months ended June, 1953, amounted to 55.9 million lbs., as against 48.3 million lbs. in the corresponding period of 1952, an increase of 15.7 per cent. Retail sales for the first five months of this year have increased by 7 per cent. over those in the corresponding period of 1952, or an increase of 600 million cups of tea actually consumed.

Details of the tea promotion campaign carried on by the Council make interesting reading. 40 per cent. of all tea sold annually in the U.S. is stated to be in the three hot weather months, June, July and August. The Tea Council Intensive Television Campaign for iced tea is now reaching 69 million Americans. The campaign covers 45 per cent. of the total U.S. population.

BURLAP DOMINATES U.S. TEXTILE BAG BUSINESS

Burlap dominated the American textile bag business during the fourth quarter of 1952, according to a report issued by the U.S. National Production Authority (N.P.A.). Prices, says the N.P.A. report, were extremely competitive during the year under review. Burlap imports of 826 million yards in 1952 were the highest since 1948, and at the lowest price. Bag manufacturers operated at 60 to 70 per cent. of capacity. The U.S. consumption of burlap for bags in the third quarter of 1952 was, however, heavier still by about 6 per cent., as compared to the fourth quarter total. The industry is stated to have used 59.6 per cent. more burlap in the last calendar year than in the year preceding. For the year, as a whole, sandbag business accounted for about 10 per cent. of total bag output. Cotton bag demand, in contrast, was weak in the fourth quarter, compared with the previous periods, as bag users tended to move back into lower priced burlap. The quantity of cotton consumed in the bag business during 1952 decreased considerably. It was 11.9 per cent. lower than in 1951.

JUTE STOCKS IN JULY

SLIGHT INCREASE REPORTED

THE stock position of jute goods with Indian jute mills, as at 31st July, 1953, is far from being satisfactory. As compared with those at the end of June, 1953, the stocks disclose an increase of just over 1,800 tons. At the end of July, the overall stocks stood at as high as 135,671 tons, as compared with 133,840 tons in June, and 138,789 tons in May, 1953. Thus, it is seen that the improvement in stock position noticed in June has been lost by the slight deterioration in July. The increase in stocks at the end of the month under review is not only due to increased production by the mills but also to lower despatches of goods from the mills.

The following comparative table shows, at a glance, the position of stocks of the various types of jute goods in each of the three months ended July, 1953, as also in July, 1952.

Jute Goods Stock

(In tons)

	As on 31-7-1953	30-6-1953	31-5-1953	31-7-1952
Civil				
Hessians	44,166	44,909	46,792	40,756
Sackings	88,379	84,540	86,864	52,072
Others	1,621	2,382	1,924	1,529
Total ..	1,34,166	1,31,871	1,35,580	94,357
Government				
Hessians	537	697	947	1,539
Sackings	933	1,122	2,262	4,542
Others	35	150	..	26
Total ..	1,505	1,969	3,209	6,147
Grand Total ..	1,35,671	1,33,840	1,38,789	1,00,504

The above figures disclose that, while hessian stocks have declined from 45,606 tons in June to 44,703 tons in July, stocks of sackings have risen from 85,702 tons to 89,312 tons. Stocks of other types of goods have also fallen from 2,532 tons to 1,656 tons. This increase in stocks of sackings continued to be a source of anxiety in July also, despite reported improvement in the offtake of sackings in recent months. The position calls for vigorous action on the part of the jute mill industry and trade for increasing the sales of these goods.

The output of jute goods in July, 1953, as compared with that of the previous month, was up by about 6,500 tons. The actual production of all varieties of goods in the month under review was 78,353 tons, as against 72,807 tons in the preceding month, and 72,544 tons in May this year. The consumption of raw jute, calculated on the basis of production, during the month may be placed at 454,447 bales, as compared with 422,280 bales in June, 1950.

The table below gives a summary of the output of the three categories of jute goods, namely, hessians, sackings and others at the end of July, 1953, as compared with the output in the preceding two months and in the same month a year before.

Jute Production

(In tons)

	July, 1953	June, 1953	May, 1953	July, 1952
Civil				
Hessians	33,465	29,662	29,154	28,140
Sackings	39,064	37,831	38,206	52,807
Others	2,496	2,713	2,568	3,235
Total ..	75,025	70,206	69,928	82,182
Government				
Hessians	1,892	2,140	2,530	42
Sackings	518	310	86	1,595
Others	13	151	..	1
Total ..	2,423	2,601	2,616	1,638
Grand Total ..	78,353	72,807	72,544	83,820

The figures above show that the increase in the output during July has been shared by both hessians and sackings. The former have risen from 31,802 tons to 35,357 tons and the latter from 38,141 tons to 40,482 tons.

U.S. INTEREST IN BURLAP

American feed manufacturers who were pushed into use of multiwall paper bags, as a substitute container during the period of shortages and high prices of burlap, are reported to be reverting to burlap bags. One reason for this revival of interest is stated to be the prevailing low price and easy availability of burlap. The lower cost per trip of burlap containers, because of their resale or return value, enables farmers to save as much as $3 per ton on feed bag in burlap, compared to the price of feed in non-textile bags. This saving means much to feed manufacturers facing increasing competition and sales resistance due to declining net income of farmers and ranchers.

Preference for burlap bags is also dictated by the consideration of the high incidence of breakages experienced with non-textile bags in the course of filling, storing and loading operations. When breakage occurs the spilled feed is downgraded and sold at a loss. The loss in broken containers and down-grading to the feed tend to inflate a mill's production cost.

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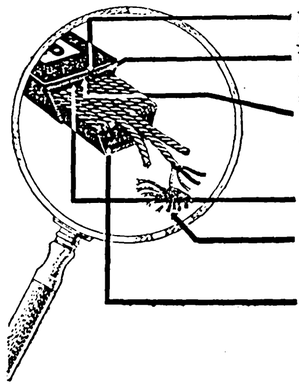
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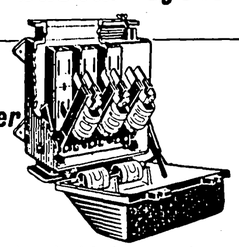
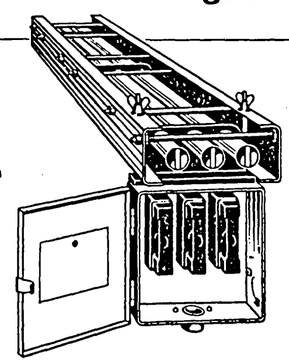
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WORLD IRON AND STEEL DEVELOPMENTS

PROGRESS SINCE 1929 ANALYSED

THE analysis of statistics relating to iron and steel in the world during 1929-52, presented in the latest *Monthly Bulletin of Statistics*, published by the United Nations, makes interesting reading. It gives a lucid indication of the trend of industrialisation of the world, for production and consumption of steel is an index of industrial development. The world's iron and steel industry reached its peak activity in 1951, when production in each sector of the industry and in each region was higher than at any other time in history. Higher levels of output were reached in all producing regions, except in North America, where production declined, as a result of steel strike in the United States. The output of iron ore rose between 1929 and 1951 by 56 per cent., of crude steel by 74 per cent., of finished steel by 80 per cent. and of pig iron and ferro-alloys by 51 per cent. The following table discloses world production, excluding China and Korea, of ferrous materials:

(In million metric tons)

Year	Iron ore	Pig iron and ferro-alloys	Crude steel	Finished steel	Scrap	Manganese ore
1929 ..	86.7	98.1	120.7	88.7	..	1.9
1937 ..	96.8	103.1	135.3	98.9	82.3	3.0
1950 ..	114.3	132.5	188.5	..	124.1	..
1951 ..	135.6	147.6	209.6	139.4	140.6	..
1952 ..	137.1	149.5	209.7	139.3	..	..

World iron and steel production is concentrated mainly in a few countries, namely, Canada and the U.S., West European countries including Austria, Belgium, Luxemburg, France and the Saar, Western Germany, Italy, Sweden and the U.K., Eastern European countries including Czechoslovakia, Eastern Germany and Poland and the U.S.S.R. Australia, Japan and the Union of South Africa are other important producers. These countries produce most of the raw materials consumed by the iron and steel industry. In 1951, for example, they accounted for 90 per cent. of the world's iron ore (Fe. content) and 98 per cent. of the world's new and circulating scrap. Approximately, 98 per cent. of all metallurgical coke was also produced in these countries. Their share of production of manganese ore was, however, considerably smaller, being about 57 per cent. of world output.

Consumption

Regional production generally approximates regional consumption. The industrially developed countries are the principal consumers of finished iron and steel, using about 93 per cent. of finished metal output in the world. The following table shows production and consumption in 1950.

Production and Consumption, 1950

	Production of ores and new scrap		Consumption of finished steel (a)	
	Million metric tons	Percentage of distribution	Million metric tons	Percentage of distribution
Industrial countries.. ..	186.9	93	129.0	93
Of which:				
North America	95.6	47	70.3	51
Western Europe ..	51.5	26	29.0	21
Eastern Europe and U.S.S.R.	32.3	16	24.1	17
Australia, Japan and Union of South Africa.	7.5	4	5.6	4
Other countries	14.1	7	10.4	7
World (b)	201.0	100	139.4	100

(a) Excluding machinery and other fabricated products.
(b) Excluding China and Korea.

Although regional production generally approximates regional consumption, international trade in iron and steel is considerable. In 1950, for example, about 50 million metric tons of metal in the form of ores, intermediate products and finished steel (other than fabricated products), excluding billets, blooms and slabs for sale, moved between countries. Iron and manganese ores and pyrites accounted for 51 per cent. and finished iron and steel for 31 per cent. of the total trade. The balance was made up of small quantities of scrap (10 per cent.), pig iron (6 per cent.) and crude steel (2 per cent.).

Just over half the trade in 1950 represented intra-regional movements among industrially developed countries, while inter-regional trade among them accounted for 15 per cent. The trade between industrially developed areas and underdeveloped areas, on the other hand, was small. This confirms the widely held view that industrialisation of the backward areas of the world would lead to an increase in the volume of world trade. Export of ores from the latter to the industrially developed countries represented only 18 per cent. of the iron and steel entering international trade, while finished products (other than fabricated products) moving in the opposite direction accounted for no more than 15 per cent.

A study of the regional trends disclose that, measured in terms of crude steel output, the North American iron and steel industry expanded by 68 per cent. in the period 1929-51. It declined somewhat in 1952, as a result of the steel strike in the U.S. During the major part of the period under review, the various sectors of the industry were relatively well balanced, except for a deficiency in manganese ores. In recent years, however, North America's dependence on foreign raw materials has increased significantly.

The iron and steel industry of Western Europe received a severe setback during World War II, but has since made a strong recovery. Current output of steel, in fact, is more than one-fourth the volume in 1929. As in the case of North America, Western Europe is slightly deficient in raw materials. It depends on outside areas for several million tons of ores and scrap. Western Europe's imports of raw materials are, however, more than offset by exports of intermediate and finished products.

The rapidity with which the various sectors of the iron and steel industry of the East Europe and U.S.S.R. region has grown is reflected in the rise of crude steel production from 9 million tons in 1929 to 41 million tons in 1951 and 45 million tons in 1952. Exchanges of pig iron, crude steel and finished steel between this area and the rest of the world (other than China) are very small.

Japan

In the remaining industrially developed parts of the world, Japan ranks as the main contributor to the world's iron and steel. Its output expanded from an annual level of 2.3 million tons of crude steel in 1929 to 6.5 million tons in 1951. Its industry is, however, far from well balanced. In 1951, no less than 55 per cent. of the metal supplied to blast furnaces was obtained from imported ores. Almost all of Japan's scrap, pig iron and crude steel is retained for domestic use. Exports of finished steel (excluding manufactures) amounted to almost a million metric tons in 1951.

Production of ferrous metals in the underdeveloped areas of the world was confined mainly to the output of ores in the period under review. Iron ore output rose from 9.5 million tons in 1929 to 13.4 million tons (Fe. content) in 1951, while manganese ore production increased from 0.9 million to 1.5 million tons (Mn. content). Crude steel production trebled but, even in 1952, it amounted to only 4.9 million tons or 4 kg. *per capita*, as compared with a world average of about 105 kg. *per capita*. In general, the industry of the underdeveloped areas was very much out of balance throughout the period. These areas exported most of their ores to industrially developed areas for processing, while obtaining the bulk of iron and steel products from abroad. It is significant that, in 1950, such imports (other than machinery and manufactures) were nearly equal in metal content to exports of ores from these areas.

MINERAL CONCESSION RULES AMENDED

Certain amendments have been made by the Government of India in the Mineral Concession Rules, 1949, for ensuring the smooth disposal of applications for prospecting licences and mining leases. Under the Rules of 1949, when more than one application was received for prospecting licence or mining lease for the same land, preference was to be given to the application received first, unless the State Government, for any special reasons and with the prior approval of the Central Government, decided to the contrary. The amendment provides for the contingency of more than one application being received on the same day. In such cases, the State Governments are now empowered to consider the experience in prospecting mining, financial soundness and stability, special knowledge of geology or mining, and the technical staff of the applicants and grant the prospecting licence or mining lease to the applicant considered most suitable, after obtaining the prior approval of the Central Government. Where applications for both a prospecting licence and a mining lease for the same land are received on the same day, the amendment provides that the application for a mining lease shall not have any preference over the application for a prospecting licence, except in the case of an area which was held and worked under a mining lease previously.

The amended Rules also require the State Governments to specify the dates of expiry or relinquishment or cancellation of licences and the dates from which the areas are available for regrant in the register of prospecting licences maintained by them.

TELE-COMMUNICATION DEVELOPMENTS

RADIO AND CABLE BOARD MEETS

THE first meeting of the Cable and Radio Board, which met in New Delhi, on 11th August, examined matters relating to procedure and dealt with general technical developments in the field of tele-communications. It will be recalled that the Board was set up in October, 1952, to advise the Cabinet Committee on tele-communications. The Board has been entrusted with the task of reviewing the adequacy of both external and internal radio, cable and other communication systems and of ensuring the maximum and efficient utilisation of the systems. It will also co-ordinate research, development, production and provision of equipment for radio, cable and other communication systems. The members of the Board include Mr. B. V. Baliga, Chairman, Dr. K. S. Krishnan, Director, National Physical Laboratory, and Brig. M. N. Batra, Director of Co-ordination and Police Wireless, New Delhi. Mr. Jagjivan Ram, Minister for Communications, inaugurated the meeting.

Radio services have come to be used in the country so exclusively for commerce, law and order, as well as for defence, that it is necessary to take continuous and vigilant action to safeguard the frequencies which are required to sustain them. Development of radio communications in India has been progressing fast since independence. The number of frequencies used in India in December, 1952, was 3,524. Out of these, a large percentage was taken up by the departments of Defence, Police, Posts and Telegraphs and Civil Aviation. Of the balance, the broadcasting services accounted for 213. The number of wireless stations in the country, excluding those run by the Defence Services, rose from 552 in 1947 to 1,484 in 1952. In addition, there were 11 direct wireless telegraph links to various cities abroad. There were, in 1952, as much as 117,049 miles of telegraph and telephone lines. Besides, there were 742,682 miles of telegraph wires, 6,900 miles of cables and 727,241 miles of copper conductors in cables. Carrier and voice-frequency channels amounted to 409,532 miles. Inland telegrams in 1951-52 numbered 24,415,894 and foreign telegrams 4,746,528.

Need for Co-ordination

The Radio and Cable Board is born of a deep and practical realisation of the need for careful co-ordination of tele-communications in the country so as to make them capable of meeting the needs of war and peace with equal efficiency. The attainment of independence and the growing demand for speedier means of communication has made co-ordinated and planned development of different forms of tele-communications essential, in order to use the limited resources to the maximum advantage. The need for co-ordination of wireless networks is all the more necessary for under-developed countries in tele-communications like India, especially when the international developments in the field of radio-frequency usage have created an acute shortage of radio spectrum space. The Board's services will be of particular value for the wireless section, as this is the youngest and fast developing branch of tele-communications. As new regions of radio spectrum are explored, commerce and industry are always finding more than enough use to crowd them. And this intangible public resource, namely, the radio spectrum, requires, therefore, careful conservation and management, no less than its tangible counterparts such as oil, coal, minerals, forests, water power, etc.

India is on the threshold of great social and economic changes. The Five-year Plan aims at increasing the prosperity of the country by utilising India's resources methodically to nation-building purposes. The Board has a vital part to play in this, as modern science has made tele-communications the nerve system of both war and peace. It has to assess not only the relative importance of the various claimants for additional frequencies, but also to ensure the maximum and efficient utilisation of the present tele-communication channels by giving directions, if necessary, for routing traffic, to any Government department.

Reports from New Delhi indicate that the Government of India has allocated to assemblers of automobiles only so much of foreign exchange as will keep them going upto the end of 1954. The assemblers are stated to have been given freedom to use foreign exchange in any manner so as to phase out the closure of their plants by that time. Five hundred motor cars are expected to be the maximum that can be assembled during this period from the foreign exchange resources allocated.

PROGRESS OF BRITISH INSURANCE

SIR EDWARD FERGUSON DEFENDS FREE ENTERPRISE SYSTEM

THERE is no more convincing evidence of the strength and value of British insurance than the sizable increase which it was able to record in its premium income during the year 1952 as compared with the previous year. Thus, the net premium income of British insurance improved from £859.7 million to £925.5 million last year. The increase in premium income was shared by all the branches of insurance. Premium income in the fire branch moved up from £198.5 million to £208.1 million, in the accident branch from £237.3 million to £266.8 million, in the marine branch from £63.5 million to £67.5 million, in the ordinary life branch from £242.1 million to £260.7 million, and in the industrial life branch from £118.3 million to £122.3 million. This increase is the more notable because it was achieved in a year which, in many ways, was a period of dull business conditions in the world. Sir Edward Ferguson, Chairman of the British Insurance Association, took, naturally enough, some pride in mentioning these figures of new premium income, when he addressed the recent annual meeting of the Association.

The Chairman referred to the British Labour Party's attitude towards insurance. This Party, like its counterparts in all countries, including India, is politically wedded to nationalisation of the means of production and also of services, such as insurance. Socialists all the world over see in nationalisation a panacea for all evils, both real and imaginary. It is, therefore, just as well that the Chairman referred to the British Labour Party's statement on domestic economic policy in so far as that statement concerns insurance. His remarks will be read with interest in India, too, for there have recently been some dark hints of nationalisation of insurance. Sir Edward said that life assurance represented the single largest source of personal voluntary savings in the U.K. and that it was growing at the rate of about £160 million a year. He added: "All this has been achieved solely by the thrift and initiative of the ordinary citizen, who has long since learnt to rely on the soundness and good faith of the insurance companies. No State scheme—under any guise—could give greater encouragement." Referring to the Party's charge that a "few giant companies" control a large part of the nation's private savings, he pointed out that the B.I.A.'s membership consisted of 210 companies of every size, from the largest to the smallest, the interests of every one of which and, therefore, of their policyholders, were equally safeguarded by the Association and its expert sectional committees.

The B.I.A. has realised that it is not enough if it does good work but that the people should know that good work is really being done. This implies publicity. The value of publicity has been realised by the B.I.A. but that cannot be said of insurers in this country. In his statement on the work of the Association, the Chairman has referred to the cleavage of opinion in the Labour Party. It would appear that, while one section is opposed to further nationalisation schemes, others quite clearly take the contrary view. The Chairman said:

"In these circumstances, the Association would be failing in its duty to its members and to the nation if it omitted to conduct the research necessary further to substantiate the claim that those millions of policyholders at home and overseas who look to the British insurance companies to cover them, receive better service under a flexible system of free-enterprise insurance than they would receive from any rigid State scheme."

In order to tell the public the kind and magnitude of the service rendered by the British insurance industry, the B.I.A. continues to participate in the British Industries Fair. The Chairman said that year by year, increasing interest was taken by visitors, both home and overseas, in what he described as "our wares," intangible though, in a certain sense, they might appear to be. It would further appear that, last year, there was a great increase in the volume of requests for the Association's assistance from other insurance stands. Apart from meeting the requests for literature and exhibits for numerous provincial fairs, exhibitions and shows, the Association also helped, in the past year, the organisers of the three important international exhibitions overseas—the Rhodes Centenary Exhibition, Bulawayo, the International Fair, Philippines, and the Barcelona Trade Fair. The B.I.A.'s exhibits, we are told, have evoked considerable interest. In this connection, the Chairman said:

"At one time, it was suggested that insurance was too difficult a subject for an attractive exhibition stand, but the interest shown by the public in our stands at the B.I.F. and the increase in the number of insurance stands at international exhibitions seem clearly to support the contrary view and publicity of this kind is not only possible but can be made to be really effective."

Perhaps, Indian insurers, who have made no similar attempts at publicising their services, will derive some enthusiasm for the idea of this form of publicity from the knowledge that the B.I.A.'s exhibits have evoked considerable interest among the visitors. They will do well to emulate the British example—they will, of course, have to adapt the ideas to suit Indian conditions—because there is not only scope but urgent need for spreading the knowledge about the value and utility of insurance in this country.

VULCAN INSURANCE CO., LTD.

The thirty-three-year-old Vulcan Insurance Company, Ltd. (General Manager: Mr. K. C. Desai, Bombay) is one of those well established Indian insurance companies which have assiduously built up a fairly large foreign portfolio. That it pays to spread one's business, especially insurance business, over as large a geographical area as possible is evident from the latest report and accounts of this Company, which relates to the year 1952. The Company has been able to record a net increase in its premium income, because its foreign business has continued to expand. Thus, in 1952, the net premium income from the Company's foreign business increased from Rs. 15.51 lakhs in 1951 to Rs. 17.73 lakhs, although the premium income from the Indian business suffered a sharp drop of over Rs. 1 lakh to Rs. 14.06 lakhs. The total premium income has thus gone up from Rs. 31.20 lakhs to Rs. 31.79 lakhs. The increase in the Company's foreign business, it should, therefore, be clear, has averted what might otherwise have been a net decline in premium income.

The decline in the Company's Indian business is not something peculiar to this Company; it only reflects the general trend in the business of Indian insurers. It may be recalled that the Company's Chairman, Mr. Mangaldas B. Mehta, explained last year, at the annual meeting of the Company, some of the causes for this decline. He attributed it to the fall in commodity prices, the slackening of demand for riot insurance and nationalisation of transport services in some centres. Each of these factors affects, in its own way, the income of insurers, in general, and general insurers, in particular.

To revert to the Company's latest report and accounts. They reveal that, in the fire department, the net premium income has increased from Rs. 21.88 lakhs in 1951 to Rs. 23.12 lakhs in 1952. Of the total premium income, the Indian portfolio yielded only Rs. 6.79 lakhs, as against Rs. 7.86 lakhs in the previous year, while its foreign portfolio gave a larger income at Rs. 16.33 lakhs, as compared with Rs. 14.03 lakhs in 1951. The loss ratio was somewhat lower at 32.91 per cent. though the ratio of commission and expenses to the premium income moved up from 37.55 per cent. to 42.29 per cent. The underwriting profit in the department was a shade lower at Rs. 5.49 lakhs, as against Rs. 5.52 lakhs in 1951.

Next to the fire department, it is the accident department that forms the mainstay of the Company. In this department, the net premium income declined from Rs. 7.29 lakhs to Rs. 6.97 lakhs. It is, however, satisfactory to note that the loss ratio was lower at 55.7 per cent. as compared with 56.2 per cent. in the previous year. Commission and expenses, at Rs. 3.08 lakhs, formed 44.2 per cent. of the premium income, as compared with 42.5 per cent. in 1951. The underwriting profit was 0.26 lakhs.

The Company's marine business forms only a small part of its total business. The net premium income in this department declined from Rs. 2.03 lakhs to Rs. 1.70 lakhs. But it is gratifying to note that the loss ratio was significantly less at 43.45 per cent. as compared with 56.96 per cent. in 1951. Commission and expenses, at Rs. 0.92 lakh, formed 53.76 per cent. of the premium income as against 49.60 per cent. in the previous year. The year's working resulted in an underwriting profit of Rs. 0.42 lakh, as against a loss of Rs. 0.44 lakh in 1951.

The total profit of Rs. 6.17 lakhs from the three departments was transferred to the profit and loss account which, together with the income from interest and dividends and other sources of revenue, shows a total net income of Rs. 7.54 lakhs. After providing for expenses of management, not applicable to any particular fund (Rs. 21,191), for depreciation on investment (Rs. 95,071) and other items of expenditure, there was a balance of Rs. 6.19 lakhs available for appropriation. This sum of Rs. 6.19 lakhs, together with Rs. 4.28 lakhs, being the balance brought forward from the previous year after payment of dividend and bonus to staff, makes in all Rs. 10.47 lakhs. Out of this amount, taxation absorbs Rs. 2.74 lakhs and reserve for doubtful debts Rs. 0.36 lakh. A notable feature of appropriations this year is that provision has been made for the creation of a new reserve, to be known as "Catastrophe reserve," for which a sum of Rs. 2 lakhs has been appropriated. This reserve is intended to meet unforeseen contingencies like earthquakes, cyclones, tornadoes, typhoons and other natural calamities. The payment of dividend, which has been maintained at As. 12 per share, absorbs Rs. 1.15 lakhs, and of bonus to staff Rs. 0.46 lakh, leaving a sum of Rs. 3.76 lakhs (subject to taxation) to be carried forward.

The Company has a strong financial position. Apart from the capital of Rs. 15.99 lakhs, it has large reserves which include fire fund at Rs. 19.81 lakhs, marine fund at Rs. 1.70 lakhs, accident fund at Rs. 4.58 lakhs, catastrophe reserve at Rs. 2 lakhs and reserve for depreciation on investments at Rs. 1.45 lakhs.

THE PUNJAB NATIONAL BANK LTD.
(Established: 1895)
Head Office: **8, Underhill Road, Delhi.**
STATEMENT OF ACCOUNTS AS ON 30-6-1953.

LIABILITIES — Rs.

(i)	Paid-up Capital	87,50,000
(ii)	Reserve Fund	89,06,328
(iii)	Deposits	62,05,70,363
(iv)	Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.	12,82,96,445
	Total ..	76,65,23,136

ASSETS

(i)	Cash and Balances with Bankers.		7,14,88,955
(ii)	Investments:		
	(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs.	27,02,26,373	
	(b) Other Investments .. Rs.	94,24,911	27,96,51,284
(iii)	Loans and Advances		31,36,17,499
(iv)	Other Assets: Including Bills Receivable, etc.		10,17,65,398
	Total ..		76,65,23,136

YODHRAJ,
Chairman & General Manager.

PRESERVE HARDWON FREEDOM
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UNINTERRUPTED PRODUCTION AND CONTINUITY OF BUSINESS
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BHARAT FIRE & GENERAL INSURANCE LTD.
H.Q. SCINDIA HOUSE, NEW DELHI
P. P. Gupta
GENERAL MANAGER
Bombay Branch: **15A, Elphinstone Circle, Fort.**

IMPERIAL BANK OF INDIA

Incorporated in India under the Imperial Bank of India Act, 1920. The Liability of the Members is Limited

CENTRAL BOARD OF DIRECTORS

Presidents, Local Boards :—

Rai Bahadur Sir BADRIDAS GOENKA, C.I.E., Calcutta.
NEVILLE N. WADIA, Esq., Bombay.
H. I. WONFOR, Esq., Madras.

Vice-Presidents, Local Boards :—

Sir BIRENDRA NATH MOOKERJEE, Calcutta.
Sir VITHAL N. CHANDAVARKAR, Bombay.
H. M. SMALL, Esq., O.B.E., Madras.

Elected under section 28 (1), (ii) of the Act by the Local Boards :—

Sir BIJOY PROSAD SINGH ROY, K.C.I.E., Calcutta.
J. D. CHOKSI, Esq., Bombay.
Sir S. V. RAMAMURTY, Madras.

Managing Director :—

Sir RODERICK CHISHOLM.

Nominated under section 28 (1), (iv), of the Act by the Central Government :—

A. D. GORWALA, Esq., C.I.E.
The Hon. Mr. S. K. SINHA.

Deputy Managing Director :—

S. K. HANDOO, Esq.

Secretaries, Local Boards :—

S. GUPTA, Esq. (Offg.), Calcutta.
C. W. MIDDLETON, Esq., Bombay.
P. A. ENGINEER, Esq., Madras.

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CALCUTTA

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Rajah Sir MUTHIAH CHETTIAR of Chettinad.
V. M. CHETTIAPPA, Esq. (Messrs. V. M. Periyaswami Chetty & Co.).
N. BARLOW, Esq. (Messrs. Binny & Co. (Madras), Ltd.).
Rao Bahadur T. S. KACHAPIKESA MUDALIAR.

REPORT OF THE CENTRAL BOARD FOR THE YEAR ENDED 30th JUNE, 1953

The Directors report that, the usual and necessary provisions having been made, the net profit of the Bank for the half-year ended the 30th June, 1953, amounted to Rs. 63,10,303-5-11 which, with Rs. 42,07,672-11-9 brought forward from the half-year ended the 31st December, 1952, makes a total of Rs. 1,05,17,976-1-8.

This sum the Directors of the Bank have disposed of as follows :—

		Rs.	a.	p.
1.	In payment of a Dividend to the Shareholders at the rate of 16 per cent. per annum	45,00,000	0	0
2.	Transferred to Pension Funds	2,78,800	0	0
3.	Bonus to Staff	20,00,000	0	0
4.	Balance carried forward to the Profit and Loss Account	37,39,076	1	8
	Total	1,05,17,976	1	8

The Balance Sheet of the Bank as at the 30th June, 1953, and the Report of the Auditors are annexed, together with a statement of the Profit and Loss Account for the year ended the 30th June, 1953 (wherein the figures for the past half-year have been shown separately).

By Order of the Central Board,
A. R. CHISHOLM,
Managing Director.

Bombay, *5th August*, 1953.

BALANCE SHEET OF THE IMPERIAL BANK OF INDIA AS AT 30th JUNE, 1953

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital:						
AUTHORISED CAPITAL: 2,25,000 shares of Rs. 500 each	11,25,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL: 2,25,000 shares of Rs. 500 each	11,25,00,000	0	0			
AMOUNT CALLED UP: 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	0	0			
1,80,000 shares of Rs. 500 each, Rs. 125 paid	1,87,50,000	0	0			
				5,62,50,000	0	0
RESERVE LIABILITY OF SHAREHOLDERS: Rs. 375 per share on 1,50,000 shares	5,62,50,000	0	0			
				6,25,00,000	0	0
2. Reserve Fund and Other Reserves						
3. Deposits and Other Accounts :						
Fixed Deposits	24,97,96,079	0	3			
Savings Bank Deposits	58,43,35,054	6	7			
Current Accounts, Contingency Accounts, etc.	145,33,79,161	3	2			
				208,75,11,103	10	0
4. Borrowings from Other Banking Companies, Agents, etc. :						
(i) In India	8,50,00,000	0	0			
(ii) Outside India	....					
				8,50,00,000	0	0
PARTICULARS :						
(i) Secured by Bills Discounted per contra	8,50,00,000	0	0			
(ii) Unsecured	....					
	8,50,00,000	0	0			
5. Bills Payable				2,44,78,960	6	3
6. Bills for Collection being Bills Receivable as per contra:						
(i) Payable in India	33,42,031	14	2			
(ii) Payable outside India	8,59,384	5	0			
				42,01,416	3	2
7. Other Liabilities :						
Dividend for the current half-year	45,00,000	0	0			
Unclaimed Dividends	9,93,932	7	2			
Inter-Office Adjustments	1,37,60,165	5	5			
				1,92,54,147	12	7
8. Acceptances, Endorsements and Other Obligations per contra				4,62,567	4	0
9. Profit and Loss :						
Balance brought forward from last year	46,40,589	10	9			
Net profit for the year	1,26,37,986	6	11			
	1,72,78,576	1	8			
Amount set aside for payment of a Dividend at the rate of 16 per cent. per annum	90,00,000	0	0			
Amount transferred to Pension Funds	5,39,500	0	0			
Bonus to Staff	40,00,000	0	0			
				37,39,076	1	8
10. Contingent Liabilities :	Rs.	a.	p.			
Claims against the Bank not acknowledged as debts	15,83,349	10	5			
Bills of Exchange rediscounted	23,809	8	0			
Outstanding Forward Exchange contracts	21,36,81,954	11	1			
Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank	81,097	1	0			
Guarantees given on behalf of others	3,03,00,839	4	10			
Total	Rs.			234,43,97,866	5	8

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash : In hand and with Reserve Bank (including foreign currency notes)				16,00,79,101	11	9
2. Balances with Other Banks :	On current account Rs. a. p.		On deposit Rs. a. p.			
(i) In India	....		....			
(ii) Outside India	4,26,05,561	15	1 26,66,666	10	8	4,52,72,523	9	9
3. Money at Call and Short Notice				4,52,72,523	9	9
				89,22,666	10	8
4. †Investments (securities valued in accordance with Bye-Law 29 ; shares, debentures or bonds at or below cost) :						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments				74,00,25,753	7	10
(ii) Shares authorised under the Imperial Bank of India Act, 1920				24,06,615	9	6
(iii) Debentures or Bonds				50,00,000	0	0
(iv) Other Investments—Pakistan and other Government Securities, etc.				10,64,17,331	5	0
†Of which investments of the face value of Pakistan Rs. 2,64,76,900 are pledged against borrowings from other Banks, Agents, etc.				85,45,39,702	6	4
5. Advances :	Rs.	a.	p.			
(i) Loans, Cash Credits, Overdrafts, etc. :						
(i) In India	86,97,14,703	4	3			
(ii) Outside India	9,64,83,245	8	2			
				96,62,02,948	7	8
‡(ii) Bills Discounted and Purchased :						
(i) Payable in India	23,50,42,686	14	2			
(ii) Payable outside India	1,87,90,958	10	6			
				27,38,33,645	8	8
‡Of which bills of the value of Rs. 21,05,00,000 are held by the Reserve Bank of India as security against borrowings as per contra. PARTICULARS OF ADVANCES (see separate Statement appended).				124,00,36,594	0	1
6. Bills Receivable being Bills for Collection as per contra:						
(i) Payable in India				33,42,031	14	2
(ii) Payable outside India				8,59,384	5	0
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				42,01,416	3	2
				4,62,567	4	0
8. *Premises less Depreciation :						
Total cost up to the 30th June 1952				3,13,21,611	9	0
Additions (Rs. 2,04,706-5-3) less Deductions (Rs. 5,144-0-0) during the year				1,99,562	5	8
Total depreciation written off up to the 30th June 1953, less depreciation previously provided on property which has passed out of the Bank's possession				3,15,21,173	14	8
				1,84,78,357	5	9
9. *Furniture and Fixtures less Depreciation :						
Total cost up to the 30th June, 1952				93,94,486	13	0
Additions (Rs. 11,80,480-5-0) less Deductions (Rs. 30,009-13-6) during the year				11,50,470	7	6
Total depreciation written off up to the 30th June, 1953, less depreciation previously provided on property which has passed out of the Bank's possession				1,10,44,957	4	6
				74,82,942	2	5
				1,30,47,816	8	11
10. Other Assets including Gold and Silver :						
Bullion				....		
Adjusting Account of Interest, commission, etc.				66,45,790	12	3
Stationery, Stamps, Suspense, etc.				70,29,187	0	8
				35,62,015	2	1
11. Non-banking Assets Acquired in Satisfaction of Claims				1,36,72,057	12	11
12. Profit and Loss				....		
*NOTE—Includes Rs. 4,40,005-14-10 being written down value of certain Pakistan assets sold, pending completion of formalities.				....		
Total	Rs.			234,43,97,866	5	8

NATIONAL SAMPLE SURVEY

GOKHALE INSTITUTE'S REPORT RAISES SOME VITAL ISSUES

(Contributed)

THE absence of reliable statistics relating to production, consumption and other aspects of economic and social life in India has been known for a long time. Since the achievement of independence, therefore, the development of statistics has been a continuing concern of the Government of India. One of the measures adopted by the Government for the purpose was the organisation of a National Sample Survey (N.S.S.) at the end of 1949. The work was entrusted to the Indian Statistical Institute at Calcutta and the Gokhale Institute of Politics and Economics at Poona, headed by Prof. P. C. Mahalanobis and Prof. D. R. Gadgil, respectively. During the discussions that took place between the two Institutes regarding the planning and the conduct of the survey, differences of opinion came to light. The views of the Gokhale Institute were that the sample unit, as far as possible, should be the village unit; that information should be collected regarding a certain minimum number of cultivating families per village; that information required for annual estimates in relation to a large number of items should be collected by repeated, say, four visits in a year to the village; that the information should be collected only through investigators who should have a good knowledge of the local language and the local rural background and who should have received adequate training for investigational work; that the range of enquiry should be limited, the number of questions asked being kept low and the respondent not being required, as far as possible, to make a number of complicated calculations in his head in order to answer a query. The Calcutta Institute believed that a quick training of the investigators and a wider range of enquiry where feasible, would be more fruitful and were, therefore, desirable. In view of these differences of opinion, it was decided that the two Institutes should prepare two independent schedules instead of a single set of schedules for the whole enquiry.

Invidious Treatment

The Gokhale Institute surveyed 609 villages during 1950-51, sent its report to the Government of India in July, 1952, and expected that the report would be published by the Government in due course. But, far from publishing this report, the Government, when it published, in December, 1952, the report submitted by the Calcutta Institute on the data collected by the Institute during 1950-51, made no mention even of the report which had been submitted by the Gokhale Institute. With the permission of the Finance Minister, therefore, the Gokhale Institute published its report a month ago on its own responsibility. The report is called "Report on the Poona Schedules of the National Sample Survey (1950-51)".

One thousand eight hundred and thirty-three villages were selected all over India for the purpose of the National Sample Survey. Of these, 1,189 and 644 were allotted to the Calcutta and Poona Institutes, respectively. The Calcutta Institute surveyed 1,111 villages, out of which 1,091 were admitted for the final tabulation. Corresponding figures in the case of the Poona Institute were 609 and 585, respectively. Although the Calcutta Institute covered almost twice the number of villages covered by the Poona Institute, the number of families covered by the Poona Institute for items of household enterprise was almost twice as large and for items of consumer expenditure thrice as large as the number of families covered by the Calcutta Institute, which collected only some general information included in schedule 1 from the remaining families.

As in each village an equal number of agricultural and non-agricultural households were selected, the latter households obtained a disproportionately large representation in the sample of households. The Poona Institute has tried to correct this bias by appropriate underweighting of the non-agricultural households. The bias is much larger in the sub-samples of the Calcutta schedules. Thus, in the Calcutta schedules of samples for household enterprises and for consumer expenditure, the ratio between the agricultural and non-agricultural households is 2 to 3 and 2 to 4, respectively. It is not clear whether, in the tabulation, this bias was corrected by the Calcutta Institute by appropriate weighting. In the absence of such weighting, the results would be seriously biased. The Report of the Poona Institute, therefore, claims that, leaving aside the differences in the coverage of the Poona and Calcutta schedules and the differences in their approach, even from the purely statistical aspects of the sample size and the tabulation procedures, the results of the Poona schedules would be found more valuable. Further, in the tabulation of the Poona schedules, for every item for which a total or an average is given, the number of entries, that is, the number of households which reported that item, is also given. This feature would be found of value in its own right and also as an aid to assess the completeness or otherwise, of reporting.

Careful Scrutiny to be Made

The scheme of the Poona schedules was based on a programme of four periodic visits to the selected households. The discontinuance of the Poona schedules, after the first visit, for reasons explained below, detracts much from the value of the results, at least on items liable to considerable seasonal variations. For this reason, the Poona Institute has not undertaken, in its report, any examination and analysis of the

IMPERIAL BANK OF INDIA

PARTICULARS OF ADVANCES

	Rs.	a.	p.		Rs.	a.	p.
(i) Debts considered good in respect of which the Bank is fully secured	115,01,33,627	0	5	(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	2,46,672	13	1
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	1,14,77,609	7	5	(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	20,05,08,786	1	10
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	6,94,20,267	15	8	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	3,53,511	15	6
(iv) Debts considered doubtful or bad, not provided for	....			(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	26,70,86,913	8	5
	124,00,36,594	0	1	(ix) Due from banking companies	8,91,19,273	13	2

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1953

EXPENDITURE	Half-year ended 30-6-1953 Rs.	a.	p.	Year ended 30-6-1953 Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	70,61,258	11	6	1,45,56,594	5	10
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Managing Director Rs. 1,57,781-6-0* for the half-year and Rs. 3,20,718-0-0† for the year ended 30-6-1953)	1,84,09,437	15	0	3,71,06,082	12	5
3. Directors' and Local Board Members' Fees and Allowances	64,650	0	0	1,25,000	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	9,04,101	15	6	18,44,634	0	2
5. Law Charges	85,600	4	4	1,19,210	4	7
6. Postage, Telegrams and Stamps	7,10,475	1	11	13,72,195	12	6
7. Auditors' Fees	37,500	0	0	75,000	0	0
8. Depreciation on and Repairs to the Bank's Property	6,28,945	5	2	11,71,602	10	5
9. Depreciation on and Repairs to Furniture and Fixtures	9,40,668	3	9	18,49,985	15	6
10. Stationery, Printing, Advertisement, etc.	....			....		
11. Loss from Sale of or Dealing with Non-banking Assets	11,18,605	8	4	22,37,400	9	11
12. Other Expenditure	63,10,303	5	11	1,26,37,986	6	11
13. Balance of Profit	....			....		
Total Rs.	3,62,81,751	7	5	7,31,17,282	14	3

INCOME (less provision made during the half-year/year for bad and doubtful debts and other usual or necessary provisions)	Half-year ended 30-6-1953 Rs.	a.	p.	Year ended 30-6-1953 Rs.	a.	p.
1. Interest and Discount	2,66,62,625	3	3	5,47,41,385	10	8
2. Commission, Exchange and Brokerage	94,58,043	4	8	1,80,53,689	9	7
3. Rents	1,61,082	15	6	3,22,007	10	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets	....			....		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets	....			....		
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....			....		
7. Other Receipts	....			....		
8. Loss	....			....		
Total Rs.	3,62,81,751	7	5	7,31,17,282	14	3

* Includes income-tax and super-tax amounting to Rs. 1,12,631-6-0, i.e., net salary and allowances amount to Rs. 45,150-0-0. In addition provision has been made for a bonus amounting to Rs. 6,500-0-0 and tax thereon amounting to Rs. 15,840-0-0.

† Includes income-tax and super-tax amounting to Rs. 2,30,418-0-0, i.e., net salary and allowances amount to Rs. 90,300-0-0. In addition provision has been made for bonuses amounting to Rs. 13,000-0-0 and tax thereon amounting to Rs. 33,676-10-0.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE IMPERIAL BANK OF INDIA

We, the undersigned Auditors of the Imperial Bank of India, elected under Section 58 (1) of the Imperial Bank of India Act, 1920, do hereby report to the shareholders upon the Schedule II of the Balance Sheet as at 30th June, 1953, and the Profit and Loss Accounts for the half-year and the year ended 30th June, 1953.

We have examined the above Balance Sheet (which contains the particulars prescribed by the Imperial Bank of India Act, 1920, and the Bye-laws of the Bank) and the Profit and Loss Accounts, and the Accounts relating thereto of the Central Office and of the Local Head Offices in which are incorporated the Returns submitted and certified by Branch Agents and report (i) that we have obtained all the information and explanations we have required and that they have been found to be satisfactory; (ii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank; (iii) that the Returns received from Branch Agents have been found adequate for the purposes of our audit; (iv) that in our opinion the Balance Sheet and Profit and Loss Accounts are drawn up in conformity with the law; (v) that in our opinion the Balance Sheet is a full and fair one and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Bank; (vi) that in our opinion the Profit and Loss Accounts show a true balance of profit for the period covered by the accounts; and (vii) that in our opinion Books of Account have been kept by the Bank as required by law.

The audit of the books and Accounts of the Local Head Offices at Calcutta, Bombay and Madras, has been carried out by Messrs. A. K. Joscelyne, B. S. Billimoria and J. Deavin respectively.

A. K. JOSCELYNE,
B. S. BILLIMORIA,
J. DEAVIN, } *Auditors.*

BADRIDAS GOENKA,
BIREN MOOKERJEE,
B. P. SINGH ROY, } *Directors.*

A. R. CHISHOLM, *Managing Director.*

Calcutta, *5th August*, 1953.

material presented. Another reason for not attempting an analysis of the data was the character of the survey. The National Sample Survey has been termed multi-purpose and it has no specific purpose beyond that of collection and presentation of data. The Poona Institute, therefore, thought it proper merely to present the data with full details of procedures regarding their collection and tabulation, but without comment or interpretation, which would necessarily have involved its addressing itself to specific questions and adopting particular points of view. The Institute feels also that, before any useful analysis can be attempted, a careful scrutiny and assessment of the material are necessary. The Institute has undertaken this work and hopes to publish the results in a subsequent publication.

The National Sample Survey was continued in 1951-52 and thereafter. The association of the Gokhale Institute with it, however, ended at the end of March, 1951, except, of course, the Institute's responsibility to tabulate the material collected until then. This was due to the fact that the differences of opinion between the Poona and Calcutta Institutes could not be bridged, in spite of correspondence between Profs. Gadgil and Mahalanobis and personal discussions at Calcutta between Mr. V. M. Dandekar, representing the Poona Institute, and Prof. Mahalanobis and others representing the Calcutta Institute. An account of the correspondence and discussion is given, in the final chapter, called "Aftermath," of the Poona Institute's Report.

Prof. Gadgil's Note

On 21st January, 1951, Prof. Gadgil sent the following note to Prof. Mahalanobis:

"We are not getting or are not likely to get in the immediate future through the N.S.S., as at present conducted, information which is reliable enough for the purpose for which it is intended to be used.

"The main reasons for this are :

(a) The agency employed is not familiar enough with rural conditions ;

(b) the programme of work, even in the Poona schedule, does not enable it to establish contacts in the proper way with the respondents ;

(c) adequate provision has not been made for training and supervision.

"It is also doubtful whether on many aspects sought to be covered, information can really be obtained in India by a random survey. Further, too many aspects have been considered in the survey. The ambitious coverage of the present schedules has thus largely helped to defeat the objective of the survey. ... Therefore, the whole plan should best be thought out afresh. A beginning should be made with defining clearly the objectives of the Union Government in the matter of collection of social and economic data. I would define them in the following way:

(a) "the co-ordination of all the activities of Central Ministries and State Governments in the collection of statistics from the point of view of data required for framing social and economic policy ;

(b) "the planning and conduct of enquiries in specific regions and for filling specific gaps in information ;

(c) "evolution of an All-India Sample or Samples for collection of overall data for directly obtaining data for the Central Government and checking data collected by Ministries and States.

"The objectives should be followed in the priority given above.

"Objective 5(c) is best aimed at after and not before the others are attained. In case, however, it is decided to carry on with the N.S.S., as it is, then at least its coverage should be drastically curtailed, so that only such questions will be asked in it, the reliability of replies to which could be easily checked by the present type of investigator."

Prof. Mahalanobis' Reply

On 31st January, 1951, Prof. Mahalanobis sent a reply to the above note stating that, while he agreed broadly with the objectives mentioned in the note, he believed that the best plan would be to tackle them simultaneously, as they were highly interrelated; that investigators could have enough familiarity with rural conditions and adequate training only in the course of the actual surveys; that he found the N.S.S. functioning better than he had expected and did not see any reasons for serious misgivings regarding the reliability of its results; and that even if the results of the first round did not turn out to be reliable, he was confident that the experience gained in the first round would enable the schedules and the programme to be revised on scientific lines, so that the N.S.S. would operate far more efficiently during the second round, and so on during the succeeding rounds.

In a letter dated 10th February, 1951, to Prof. Mahalanobis, Prof. Gadgil further clarified the points at issue. He said *inter alia*:

"I do not share your view that mere statistical examination of any mass of data collected by such methods as those followed in the N.S.S. will enable one to judge adequately of the reliability or otherwise of original responses. ... What from our experience is most likely to happen is that large numbers, who overtly co-operate, will conceal specific personal details and will give plausible replies not likely to arouse any suspicions. Secondly, from the side of the investigator, there is the possibility that, instead of visiting sample families, he may fill in plausible figures in the light of his experience of other families, in the way in which the *patwari* is alleged to fill in crop averages. We feel that these are the two sources of the largest possible wrong information and they cannot be detected or remedied by a Central Examination of the statistical returns. ... So far as I am aware, no other agency has a staff of fieldmen drawn from rural areas and trained for years in this work as we have and I feel that it is highly unlikely that our estimates of reliability based not on examination of data on tabulation but on continuous reports from the supervising and collecting agency in the field could be found as exaggerated or as being relevant only to the districts in which we are conducting the survey. Moreover, the sources of unreliability in the data being what they are, I do not see the possibility of improving the quality of the information by a mere continuation of the field work in its present form.

"You consider that all the three objectives set out by me should be achieved simultaneously, whereas I feel that it is useless to attempt the third without having secured considerable progress in one and two. ... For policy formation, you require, not so much the National aggregates (yielded by the N.S.S.), but much more detailed information concerning specific regions and activities and a fairly clear idea of the actual operation of specific parts of the economic system. When you have gathered a fair amount of such specific information, the National aggregates may help you to build an overall realistic framework, which will give meaning to National Income and Accounts ; but, as long as the detailed information is not available, National aggregates by themselves would prove of little use for policy formation or for judging of its implications. ... I doubt whether it is possible, in the absence of attainment of the first and second objectives, to get sufficiently reliable information through such an agency as the present N.S.S."

If the Government of India were to decide to continue the N.S.S., Prof. Gadgil suggested various reforms in the organisation, such as giving up unsuitable areas, discharging incompetent investigators, drastic reduction of the field of enquiry largely to visible phenomena, but enriching it in specific respects in certain regions, and variations of sampling procedures.

This correspondence was followed by personal discussions at Calcutta between Mr. V. M. Dandekar, who represented the Poona Institute, in the absence of Prof. Gadgil from India, and the staff of the Calcutta Institute. These discussions, however, did not remove the differences of opinion between the two Institutes, and after this, the Poona Institute heard nothing in respect of the N.S.S. either from Prof. Mahalanobis or from the Government.

Some Important Issues

The foreword written by Prof. Gadgil to his Institute's Report on the Poona schedules of the N.S.S. has raised issues of even wider character. Most statistical information available to Governments is obtained for definite purposes in a suitable manner and without special cost, by their administrative personnel, who possess special knowledge of the subject matter and local circumstances. Such information is supplemented, from time to time, by special enquiries or continuing surveys on important aspects conducted by departmental authorities. Such enquiries and surveys arise out of the requirements of the activities of the departments and demand special knowledge for their planning and conduct. The advantages of allowing a particular agency connected with a subject to plan and conduct its own collection of statistical material, as well as its *ad hoc* surveys, are that it would be in the best position to time the enquiry so as to obtain the best response, to interpret the collected data in the main essentials and to make the enquiry most economical by combining the enquiry with its usual activities.

Any attempt to replace all this elaborate regional and departmental machinery, which has been gradually built up over decades, by an independent organisation, whose special knowledge is confined to statistical sampling, or even to subordinate the former to the latter, can be justified, only if it is proved, in open debate by experts, to have overwhelming advantages.

Information collected through ordinary administrative machinery, the questions asked and the data collected have some significance and relevance and cannot ordinarily be looked upon as mere idle queries ; and, usually, there are sanctions behind the request for answer or data. It is true that the known administrative purpose of a query may induce bias in replies, but the direction of such bias is usually known and can ordinarily be allowed for. But collection of statistical material by a special agency, which has no connection with the normal administrative activities, may not rouse interest and may not prove useful as the normal means of collecting continuing statistical data. This is apart from the fact that such independent agency will not have the special knowledge of either the subject or local circumstances, which the ordinary administrative machinery usually possesses.

Dangers of Centralisation

It is conceded, in all scientific observations —physical, biological and social—that the observation and counting of phenomena in any particular aspects are helped by knowledge of those aspects. The statistical expert may indicate the suitability of particular statistical designs or plans for any set of observations, but the actual planning and the conduct of the observations are best done by the subject expert or the regional expert. An attempt at centralisation of the type envisaged by the N.S.S. would not only lead to an unnecessary wastage of special knowledge, which is readily available, but also to the lowering of the quality of work through ignorance in all other directions not being adequately offset by expert knowledge of statistics only. The dangers of such centralisation would be all the greater in a country like India, possessing the size of a sub-continent. Further, statistics gathered departmentally and regionally by independent States and Ministries have the possibility of mutually correcting, qualifying and cross-checking each other. But the statistical central authority, in charge of a single national survey, would be subject to no independent check, would run a much greater risk of manipulation and may, in time, deteriorate in quality and become open to considerable doubt. With complete centralisation and independent functioning, the opportunity for doubtful operations would be much greater.

The final point raised in the foreword to the Report of the Gokhale Institute is that the establishment of an all-purposive N.S.S. may bring about the abolition of all parallel agencies in the field. Being an all-purposive survey, it has no specific work and, being created on a huge scale, it will have to keep on doing a lot to justify its existence. This is likely to lead to its encroaching on other spheres, one after another. It is already reported that some of the most important expert agencies, built up after years of careful work, have been abolished in order to extend the field of the authority conducting the N.S.S.

The points raised in the Report of the Gokhale Institute are very important for the future economic well-being of India, because the Governments in India can frame right economic policies only if they get correct information regarding the economic conditions in the country. It is, therefore, unfair to call the discussion an "unseemly feud" or even an "unseemly controversy," as a couple of financial journals have done. The points deserve the most careful and dispassionate consideration of the Government of India.—*All Rights Reserved.*

SAVINGS CAMPAIGN

A target for an annual collection of Rs. 8 crores has been fixed by the Central Advisory Committee for Women's Savings Campaign which concluded its deliberations in New Delhi on the 3rd inst. To begin with, it has been decided, the work of collection will be done through 100 registered voluntary social welfare organisations (or their branches) in the form of an organised campaign which will be launched on an all-India basis on 7th October, 1953.

Under the schemes finalised by the Committee, a number of organisations doing social welfare work in India will be selected for appointment as authorised agents for collection of small savings. The organisations must be of good standing and reputation in the field of social work and must be registered under the Societies Registration Act of 1860. These organisations or their branches, not exceeding 100 at present, will propagate the idea of small savings both in rural and urban areas and make collections on behalf of the National Savings Commissioner of the Ministry of Finance. The organisations will have to enter into a properly constituted, legally recognised, agreement with the National Savings Commissioner for carrying on this work and they will be entitled, in lieu, to a commission of 1¼ per cent. on the collections made by them.

Describing himself as "a needy person with great expectation," the Finance Minister, Mr. C. D. Deshmukh, referred in his speech at the meeting, to the financial requirements of the Five-year Plan and the vital part which small savings could play in covering up the present gap in resources. The objective of the women's movement, he said, was of no small magnitude, inasmuch as an approach had to be made to millions of homes and make the people interested in small savings as one of the important means of accelerating the implementation of the Five-year Plan; but the ground had already been prepared to a certain extent, he observed, by creating a regional interest in small savings through a decision taken by the Ministry of Finance last year, whereby all collections over Rs. 45 crores per year were to be returned to the States in the form of Central loans.



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U.K.'S TRADE WITH INDIA AND PAKISTAN

FIGURES FOR JANUARY–JUNE 1953 ANALYSED

SOME interesting features are revealed by the *U.K. Trade and Navigation Accounts* relating to Britain's trade with India and Pakistan in the first half of this year. The pattern of the U.K.'s trade with the two countries is not only more or less the same but also is in line with that between Britain and undivided India in the pre-Partition days. Thus, the main imports of both India and Pakistan from Britain consist now, as in the pre-Partition days, of textile machinery, electrical machinery, electrical goods, machine tools and vehicles, particularly locomotives and cars. Similarly, exports to the U.K. from both the countries of the former Indian sub-continent comprise, in the main, tea, leather, raw cotton, raw hides and skins, raw wool and cotton. One striking difference is, however, seen in the fact that, while raw jute forms one of the chief items of Pakistan's exports, jute manufactures figure prominently among India's exports to Britain.

A point, however, to be noted from the *Navigation Accounts* is that, in respect of many items, the figures are incomplete in regard to the U.K.'s trade with Pakistan. Consequently, the overall figures for that country cover only the first five months of the current year. During this period, Britain imported from Pakistan goods worth £15.23 million and exported to it, goods of the value of £11.35 million. Pakistan thus had a favourable balance of trade to the tune of £3.8 million. On the contrary, India's trade with the U.K., for which the overall figures for the first half of the year are complete, shows that exports to the U.K. aggregated £51.07 million, as against imports from that country valued at £55.08 million. Thus, during the six-month period, India had an adverse trade balance to the extent of £4.01 million.

Tea figured well in the exports of both India and Pakistan to Britain. In the first six months of this year, India continued to be the largest supplier of tea to Britain, the total being 125.4 million lbs. valued at £18.77 million. This formed slightly more than half of total imports of tea by Britain, at 215.8 million lbs. valued at £34.6 million. Pakistani tea imported by Britain during the first half of the year amounted to 6.61 million lbs. costing £770,000.

During the six months ended June, 1953, India was by far Britain's largest supplier of leather. This country sent to the U.K., leather worth £7.24 million, which was nearly twice as much as in the same period of 1952. Britain's total leather imports during the period were valued at £10.03 million. Pakistan's export of undressed hides and skins was, however, no more than 1,071 tons, valued at £494,000.

India supplied well over two-thirds of Britain's total imports of textile materials (other than cotton, silk or wool), namely, coir mats and matting (£876,000), jute piecegoods (£2,119,000) and jute sacks and bags (£1,129,000). Britain purchased from India 11.36 million lbs. of raw and waste wool valued at £2.465 million —an increase of more than one-third over the first half of last year. U.K.'s imports of Indian raw cotton and waste during the period, amounting to £1.76 million, were nearly three times as great as in January-June 1952. These imports included 7,801 tons of unmanufactured cotton waste costing £1,192,000. Over one-quarter of Britain's imports of raw cotton of ⅞" staple and under was provided by India, the total being 5.8 million lbs. worth £548,000.

Pakistan, too, exported to Britain raw cotton and cotton waste, the value of these exports being £4,524,000. Pakistan was the fourth largest supplier of raw cotton of under 1⅛" and over ⅞" staple, having sold 26,293,000 lbs. of cotton costing £2.98 million. Raw cotton of ⅞" staple and under exported to Britain amounted to 13,779,000 lbs., of the value of £1.489 million. Again, during the period, Britain paid £1.08 million for 5,241,000 lbs. of wool imported from Pakistan. Raw jute purchased by Britain amounted to 110,574 tons valued at £8.864 million.

Among other items of exports from India to Britain was tobacco. As much as 13.45 million lbs. of tobacco worth £2.765 million was shipped to Britain during the half-year under review. Shipments of unmanufactured stripped tobacco aggregated 9.542 million lbs., valued at £2.223 million. Nearly 4 million lbs. of unmanufactured unstripped tobacco were purchased by Britain, the cost of these being £542,000. India shipped 85,501 tons of manganese ore, valued at £1.352 million.

During the first half of this year, India continued to be Britain's leading customer for textile machinery, taking 8,550 tons worth £3.813 million—nearly one-fourth of Britain's total exports of such machinery. Pakistan's offtake of British textile machinery amounted to 5,208 tons valued at £1.813 million. The country ranked second, being next to India, as the best customer for this type of machinery.

Electrical machinery was another important item in the imports of both India and Pakistan from Britain. India purchased 1,544 tons of generating sets (£992,000), 923 tons of motors and parts (£430,000), and 5,181 tons of other electrical machinery (£2,479,000). Imports of metal-working machine tools aggregated 2,598 tons, valued at £1,012,000. India's purchases of British-made electrical goods and apparatus amounted to £1.066 million and £6.304 million, respectively. Imports of British telephone, telegraph and broadcasting apparatus aggregated £1.182 million.

In the first half of the year, Pakistan took electrical goods and apparatus of British origin valued at £685,000. Other items included 65 tons of generating sets and generators valued at £123,000, and 301 tons of metal-working machine tools at £108,000 and internal combustion engines valued at £46.000. Pumps aggregating 187 tons and costing £83,000, were also purchased by Pakistan. Besides, Britain shipped to Pakistan 18,674 tons of iron, steel and their manufactures, valued at £1,343 million.

In the first six months of this year, India imported from the U.K. £7,464,000 worth of vehicles and parts. These imports included 66 locomotives (valued at £851,000), 2,546 tons of locomotive parts (£781,000) and 3,832 tons of axles, tyres and wheels for rail vehicles (£406,000), 1,940 cars (£572,000), 268 agricultural tractors (£97,000), 208 commercial vehicles (£152,000), 490 chassis for vehicles other than cars (£369,000), 1,152 motor cycles (£140,000), 53,734 cycles (£406,000) and 937 tons of cycle parts (£345,000).

In the same period, Pakistan imported £2,084,000 worth of British vehicles. These included 428 cars costing £169,000, and 76 commercial vehicles valued at £79,000, 271 chassis (for vehicles other than cars) worth £231,000, and 101 tons of cycle parts and accessories valued at £41,000.

Other leading items in India's imports from the U.K. during the first half of this year included chemicals, drugs, dyes and colours worth £3.778 million, woollen and worsted yarns and manufactures costing £2.891 million and oils, fats and resins amounting to £2.128 million.

Pakistan lifted from Britain manufactured oils, fats and resins valued at £516,000, chemicals, drugs, dyes and colours at £271,000 and woollen and worsted yarns and manufactures costing £265,000. The value of non-ferrous metals and their manufactures imported during the period amounted to £271,000.

PROTECTION TO HYDROQUINONE INDUSTRY

The Government of India has raised, in accordance with the recommendations of the Tariff Commission, the preferential rate of duty on hydroquinone from 27.3 per cent. to 50 per cent. *ad valorem* (inclusive of surcharge), the standard rate being adjusted in accordance with the terms of the India-U.K. Trade Agreement. The enhanced rate will remain in force up to 31st December, 1955. The Government has also accepted two ancillary recommendations of the Commission. First, the cost of production of sulphuric acid in India should be examined and, if necessary, suitable action should be taken under the Industries (Development and Regulation) Act to maintain the prices of this essential material at a reasonable level. Secondly, the Sindri Fertiliser Factory and the ordnance factories should jointly examine the possibility of manufacturing synthetic nitric acid, nitro-benzene and anlline.

THERMOS FLASK MANUFACTURE

An Indo-Japanese company, entitled Indo-Japan Vacuum Bottles Company (India) Ltd., has been formed for the manufacture of vacuum flasks in India. The Indian partners in this joint enterprise are Messrs. Laxmi Narain & Co. of Jodhpur (Rajasthan). The newly floated company has set up an up-to-date modern and automatic plant in Bombay. The rated capacity of the plant is 720,000 vacuum bottles per annum. The factory is expected to provide jobs for some 2,000 workers. The technical services will be provided by the Japanese counterpart of the Indian firm; about nine technicians are expected to supervise the manufacture of flasks.

DRY BATTERY INDUSTRY

PROTECTION DISCONTINUED

THE dry battery industry is one of the very few new industries to be deprotected, on the recommendation of the Tariff Commission. This industry's claim for protection was first examined by the interim Tariff Board in 1947. It recommended the conversion of the then existing revenue duty of 30 per cent. *ad valorem* into a protective duty at the same rate. This protective duty was, in the first instance, to remain in force up to 31st March, 1949. The industry's case was reviewed in subsequent years and in successive stages, the protection was extended, as a result, up to the end of 1953. The question of continuance after the expiry of this period was taken up by the Tariff Commission early this year. A public enquiry was held on 16th March, 1953. The Commission reported its findings to the Government in the following month—on 16th April—with its recommendation that the measure of protection needed by the industry was less than that afforded by the normal revenue duty, and, therefore, the protection granted to the industry need not be continued beyond 31st December, 1953.

Before proceeding to examine the ground on which the Commission based its aforesaid recommendation, it is necessary to review the present position of the dry battery industry in India. The domestic dry battery industry mainly consists of three units. One of these units, being a foreign concern, has, at its disposal, the technical and other resources of its parent concern with world-wide ramifications. It is already supplying about 80 per cent. of the home market and is also able to produce dry batteries at a lower cost. Its annual rated capacity in single shift is estimated at 125 million cells. The actual production of this unit in 1952 was 110.70 million cells, as against 114.40 million cells in 1951 and 112.38 million cells in 1950. The other two units are of indigenous origin, with a rated capacity of 40 million and 30 million cells, respectively. The output of the bigger of these two units amounted to 19.35 million cells in 1952, as compared with 28.57 million cells and 23.57 million cells in the two preceding years respectively. The smaller indigenous unit produced 0.38 million cells in 1952, as compared with 3.98 million cells in 1951 and 0.92 million cells in 1950. The total production of cells in the country, however, declined in 1952 on account of the slump in demand experienced by the industry in common with others in that year. The total amount of fixed capital employed in the three units is Rs. 110 lakhs. The number of workers employed in them in 1952 was 2,434.

The purely Indian units are apprehensive of a possible threat to its position arising from intensive competition from the foreign combine. The Indian sector, therefore, demanded assistance by way of subsidy to the extent of customs duty collected on the imported raw materials actually used by it. The spokesmen of the industry pointed out that this form of assistance would not mean any discrimination harmful of the foreign unit, particularly because the latter was not in need of any assistance. They stated further that the form of assistance suggested by them was not without any precedent, for the post-war Tariff Boards had, according to them, recommended different amounts of subsidy to different units of the same industry, as, for example, soda ash, aluminium, cotton textile machinery, etc. In the last named industry, while a subsidy of Rs. 16.80 lakhs was recommended for one unit, only Rs. 20,000 was recommended for the relatively more efficient unit. They, therefore, urged the Government to grant subsidies to the indigenous sector based on customs duty collected on raw materials imported by the units. This point of view, based on fear of competition from the foreign unit, seems to have received the attention of the Tariff Commission. It has dealt with this aspect at some length and feels that there is no justification for entertaining undue fears, as will be shown presently.

In recommending discontinuance of protection to the dry battery industry, the Tariff Commission would appear to have been guided by several reasons. Thus, the domestic demand for dry cells is estimated at 165 million cells per annum. The demand is likely to increase during the next three years at the rate of approximately 10 per cent. per year. As against this, the installed capacity in the industry, estimated at 210 million cells, is more than sufficient to meet the demand. The industry has already made some progress in the utilisation of indigenous materials. Further exploitation of these materials is considered possible by co-operation among the various units and by making fuller use of the facilities offered by the Council of Scientific and Industrial Research. The fair ex-works price of standard cells is estimated at Rs. 223 per thousand in the case of the bigger of the indigenous units and Rs. 218 per thousand in the case of the foreign concern. But the current c.i.f. prices of standard cells from Hongkong and the U.S.A. are Rs. 187-8 and Rs. 321-4 per 1,000 cells, respectively. The difference between the fair ex-works price and the current c.i.f. price is taken as an indication that the measure of protection needed by the industry is less than that afforded by the normal revenue duty of 30 per cent. *ad valorem*. Further, there have been no imports of dry batteries for the past several years, and, as the industry has adequate capacity to meet the domestic demand, the Commission considers it reasonable to assume that the present import policy will be continued. The domestic industry, including the indigenous units, is, therefore, not exposed to any

(Continued on page 365)

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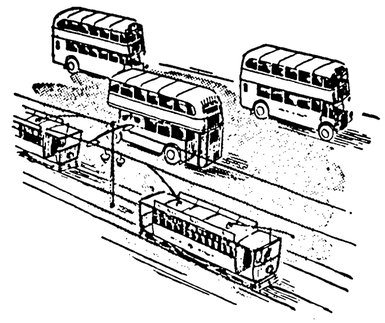

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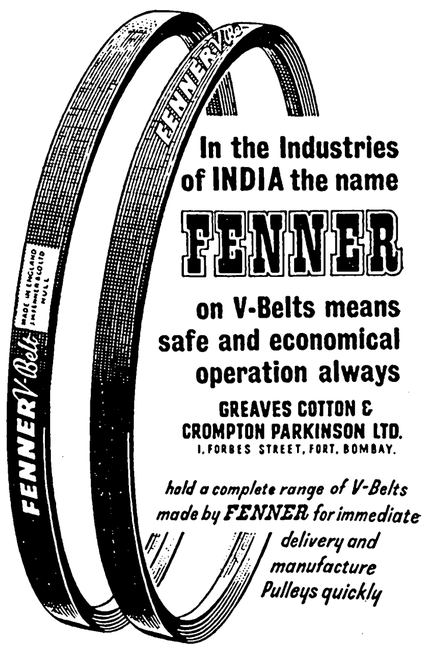

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FERTILISERS AND CHEMICALS REPORT FURTHER LOSS

DEVELOPMENT PLANS PROGRESSING WELL

THE year ended 31st December, 1952, proved to be yet another period of stress and strain for the Fertilisers and Chemicals, Travancore Ltd. (Managing Agents: Messrs. Seshasayee Brothers (Travancore) Ltd., Alwaye. The Directors' report for the year speak of a tale of persistent shortage of sulphur, the inordinate delay in obtaining even the meagre supplies that were available, and shut down of plants for several months due to power cut and major repairs, besides shortage of sulphur. The cumulative effect of these adverse factors was that production was affected considerably, while the cost of production remained high on account of the substantial rise in the prices of raw materials. As a result, the Company, which had incurred a net loss of Rs. 10.84 lakhs for 1951, has had to suffer a further net loss of Rs. 15.82 lakhs for the year under review. The Company has, therefore, remained cut of the dividend list for the second year in succession, after it had paid a token maiden dividend of 2½ per cent. for the year 1950.

The Company's production of ammonium sulphate during the year under review amounted to 20,142 tons, as against 18,492 tons in 1952. Though there was thus a slight increase in production, it was far below the Company's expectations, because of shortage of sulphur. The supply of this material was not only very inadequate but there was also considerable delay in obtaining even the meagre supplies. The plant had, therefore, to be completely shut down for a period of over two months, from 18th January to 26th March, 1952, to be precise. This was followed by a power cut of 50 per cent. from 22nd March to 22nd May, 1952, due to shortage of water at Pallivasal dam. For the third time during the year, the plant had to be shut down for a month, from 10th July, 1952, for some major repairs in the ammonia plant. Consequently, the production during the first 7½ months of the year dwindled considerably, amounting to no more than 5,520 tons. During the next four and a half months, however, the Company was able to gear up production and turn out 14,622 tons of ammonium sulphate, which is a record for that period. This performance shows that given adequate supply of power and raw materials, the Company can work successfully.

The output of superphosphate during the year aggregated only 7,989 tons, which fell short by 1,522 tons of the production in 1951. This lower production was again mainly due to the very meagre allocation of sulphur, which was rationed out to the factory for the manufacture of this important fertiliser. The production was also affected considerably during the last 4½ months of the year by the sudden removal of superphosphate from the Central Fertiliser Pool. "The abrupt change from the controlled distribution through the Pool, especially when the Government depots were fully stocked" the Directors observe, "naturally created a temporary and immediate slump in the market for superphosphate." The market, however, now shows signs of improvement.

The sale proceeds of the Company's products for the year amounted to Rs. 97.86 lakhs, as compared with Rs. 122.53 lakhs for 1951. Manufacturing cost of goods sold declined from Rs. 100.55 lakhs to Rs. 78.96 lakhs. The trading profit shows a fall from Rs. 21.97 lakhs to Rs. 18.89 lakhs. Establishment and other expenses are slightly higher at Rs. 8.43 lakhs, as against Rs. 8.22 lakhs. Provision for depreciation has been stepped up from Rs. 26.55 lakhs to Rs. 28.16 lakhs, despite the decline in trading profit. This reflects the Directors' desire to follow a prudent policy of making adequate provision for depreciation, irrespective of the year's actual results, on the ground that "whatever indirectly consolidates the position of the Company is to its ultimate benefit." The resulting net loss of Rs. 15.82 lakhs, along with the last year's deficit of Rs. 10.11 lakhs brought in, makes an aggregate deficit of Rs. 25.92 lakhs to be carried over to the next year's accounts.

Notwithstanding the setback in working results in the past two years, the management has not slackened its efforts, in going ahead with its development plans, but, where necessary, it has exercised caution before embarking on the schemes. The Company's scheme for the installation of an ammonium chloride plant, capable of producing 25 tons a day, is progressing satisfactorily. The first consignment of machinery has already arrived and erection of building for housing the plant has started. The Industrial Finance Corporation of India has provided the necessary finance for this project. The plant is expected to go into production by the middle of 1954, when the Company will be able to supply India's requirement of this important chemical, which is now being met by imports. As regards the scheme for conversion of one of the acid plants for using pyrites instead of sulphur, now that the supply position has improved, and the prospects of getting adequate sulphur are brighter, the Directors have decided to investigate the pyrites scheme further before actively taking up the project. For the same reason, the Company's scheme for installing additional equipment for producing entire sulphate from gypsum, is proposed to be tied up with a scheme that is now under consideration for the complete duplication of the capacity of the factory. Considerable progress has been made with the erection of the caustic soda plant.

The following synopsis of the Company's latest balance-sheet will give one an idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital	3,45,97,740	Gross block	4,04,54,230
Forfeited shares	8,335	*Less*—Depreciation	1,13,51,052
Liabilities	1,13,64,687	Net block	2,91,03,178
		Building-in-progress	2,36,875
		Commission on shares	92,775
		Stock-in-trade	24,38,757
		Stores, raw materials, etc.	62,21,152
		Debts, deposits and advances	26,26,628
		Investments	25,25,648
		Cash	1,33,213
		Loss	25,92,536
Rs.	4,59,70,762	Rs.	4,59,70,762

Out of the loan sanctioned by the Industrial Finance Corporation of India, a sum of Rs. 40 lakhs was availed of by the Company in April, 1953. This amount was utilised for clearing the loan taken earlier from banks and for establishing the ammonium chloride plant. A further sum of Rs. 10 lakhs sanctioned for providing the pyrites-burning equipment has been permitted by the I.F.C. of India to be diverted for reducing further the Company's overdraft limits with banks.

The outlook for the Company during the current year appears to be brighter, as the following extract from the Directors' report will show:

"Supply position of sulphur has considerably eased since the end of the year under review and we can now look forward to much better results in 1953, in spite of the plant having had to be kept idle for over three months, due to the cuts in the consumption of electricity. It may not be out of place to mention, in this connection, that the power restriction is not anticipated to recur hereafter, as the Sengulam power station is expected to be working from the end of 1953 and the Mattupatti Dam would have progressed far enough to permit the storage of sufficient water before the next summer."

BRADBURY MILLS LTD.

For some time past, the shares of the Bradbury Mills Ltd. (Agents: Messrs. Ramnarain Sons, Ltd., Bombay) have been in the limelight on the Bombay Stock Exchange. Following strong investment demand, the ordinary shares of the Company have hardened from Rs. 797-8 on 31st July to as high as Rs. 865, though of late they have reacted to Rs. 830. The rising trend was due to two reasons. One was the decision of the Directors, contrary to expectations of the market, to maintain the dividend on the ordinary shares at Rs. 100 per share of Rs. 250, which they had paid for the previous two years, and the other was their proposal to split the existing preference and ordinary shares into shares of smaller denomination, to the details of which we shall refer presently. As a result of the latter step, the negotiability of the shares on the Exchange will be rendered more easy.

The Company's gross profit for the year under review amounts to Rs. 12.76 lakhs, which, as compared with that for the previous year, shows a contraction of Rs. 3.68 lakhs. The net profit (after making adequate provision for depreciation and taxation) at Rs. 5.49 lakhs, however, shows no notable decline as compared with that (Rs. 5.91 lakhs) for the previous year. With the sum of Rs. 2.60 lakhs brought in from the preceding year, the Directors have been able to maintain the dividend, after setting aside Rs. 2 lakhs to the dividend equalisation fund, which was the recipient of Rs. 1.50 lakhs last year. In addition, the Directors had added last year Rs. 1.50 lakhs to the general reserve.

The following comparative table, giving the salient features of the Company's results for the last four years, provides an idea of its progress:

(In lakhs of rupees).

	For the year ended 31st March			
	1953	1952	1951	1950
Sale proceeds (net)	158.02	168.63	116.20	145.91
Other income	0.26	1.94	2.57	0.17
Cotton consumed	86.94	96.82	60.36	70.25
Expenses	58.68	57.31	46.50	54.61
Gross profit	12.76	16.44	12.82	17.21
Agents' commission	1.27	1.64	1.27	1.72
Depreciation	3.00	2.89	3.50	3.62
Taxation	3.00	4.00	3.00	6.00
Net profit	5.49	5.91	5.05	5.87
To reserves	2.00	3.00	1.00	2.00
,, staff gratuity fund	0.25	0.25	0.25	2.00
Dividends—				
7 per cent. preference	1.03	1.03	1.03	1.03
Ordinary	4.00	4.00	4.00	3.00
	(40%)	(40%)	(40%)	(30%)
Carry forward	0.80	2.60	4.90†	6.19†

† Includes the balance of E.P.T. deposit of Rs. 4.70 lakhs.

The Company's balance-sheet, as on 31st March, 1953, discloses a satisfactory financial position. The paid-up capital of Rs. 24.75 lakhs is supplemented by reserves and surplus aggregating Rs. 28.16 lakhs. The gross block of the value of Rs. 54.19 lakhs has been provided with a depreciation fund of Rs. 48.71 lakhs. The current liabilities, including provision for taxation, amounting to Rs. 24.02 lakhs, are covered nearly three times by current assets aggregating Rs. 71.43 lakhs. The current assets are made up of stock-in-trade Rs. 49.80 lakhs, stores and spares Rs. 3.93 lakhs, debts and advances Rs. 5.49 lakhs, investments Rs. 1.01 lakh and cash Rs. 11.21 lakhs.

The Company's authorised capital of Rs. 25 lakhs is made up of 4,000 ordinary shares of Rs. 250 each and 6,000 (7 per cent.) preference shares of Rs. 250 each. The Directors propose to sub-divide each ordinary share into five ordinary shares of Rs. 50 each fully paid-up, and each preference share into five preference shares of Rs. 50 each fully paid up. After this proposal is carried out, the capital will be made up of 20,000 ordinary shares of Rs. 50 each and 30,000 preference shares of Rs. 50 each.

The Rs. 250 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 830, at which rate and on the basis of the latest dividend, the yield works out to 12 per cent. per annum, free of tax.

KANPUR ELECTRICS MAINTAIN PROGRESS

The steady progress which the Kanpur Electricity Supply Administration (General Manager: Mr. K. C. Gupta, Kanpur) had been making ever since the undertaking was taken over by the State Government in 1947, was well maintained during the year ended 31st March, 1953. The Administration's Report for the year discloses that thanks to the increasing demand for electricity, it was able to raise the connected load during the year under review by a sizable measure by generating electricity at a rate considerably higher than in the preceding years. The number of consumers went up from 24,400 in 1951-52 to 27,200 in 1952-53, the connected load from 93,850 kw. to 99,400 kw. and the annual rate of production from 101 million units to 202 million units.

Reflecting these trends is the improvement in gross income from Rs. 130.36 lakhs to Rs. 144.08 lakhs. No doubt, expenses also rose, but not to the extent as the income, the exact rise being Rs. 7.13 lakhs. This enabled the Administration to earn a higher return of Rs. 22.55 lakhs (as against Rs. 18.55 lakhs for 1951-52) on its capital base, in terms of the Electricity (Supply) Act, 1948, even after providing a substantially larger sum for arrears of depreciation.

The following comparative table gives an idea of the Administration's progress since 1951:—

(Value in lakhs of rupees)

	For the year ended 31st March		
	1953	1952	1951
Sale proceeds of energy, rental of meters and other receipts	144.08	130.36	124.95
Expenses on generation, distribution and sale of energy and other expenses	89.84	82.76	78.99
Depreciation	20.31	21.50	22.10
Appropriations:			
Contingency reserve	1.89	1.72	1.55
Arrears of depreciation	9.49	5.74	4.75
To write down intangible assets			17.40
Reasonable return	22.55	18.65	
No. of consumers	27,200	24,400	23,600
Connected load (kw.)	99,400	93,850	91,194
Annual rate of production (million units)	202	191	179
Cost of production per unit (As.)	.805	.793	.805

The increase in production during the year under review was achieved by making some improvements in the existing plants, some of which date back to more than 26 years. The capacity of these is now stated to have reached its limit. Ever since the Undertaking was taken over by the State, the annual rate of production has risen by 58 million units, that is, from 144 million in 1947 to 202 million in the year under review, an increase of over 40 per cent. The works cost, which had progressively declined from As. 0.817 per unit in 1948-49 to As. 0.793 in 1951-52, however, increased to As. 0.805 per unit in the year under review. Commenting on this aspect, the Administration's Report for the year under review says that the works cost for 1952-53 is not "directly comparable with the previous year's figure," as it includes such additional items of expenditure as increase in cost of coal delivered due to increase in freight effective from 1st April, 1952 (Rs. 3.66 lakhs), and additional cost of the Administration's contribution to the Employees' State Insurance Corporation (Rs. 0.26 lakh). These account for an increase of As. 0.035 per unit sold. "If this is deducted from the year's cost of production and distribution," the Report adds, "the comparable figure comes to As. 0.770 per unit, which shows a reduction of As. 0.023 per unit over the previous year's cost." In these circumstances, the increase in the reasonable return (in other words, interest on capital) earned must be regarded as satisfactory. It must, at the same time, be mentioned that the sum of Rs. 22.55 lakhs earned during the year under review is on an increased capital of Rs. 471.67 lakhs, as against Rs. 18.55 lakhs on a capital of Rs. 421.66 lakhs. It must also be stated that the Administration, being a State undertaking, does not pay any income and corporation tax. Subject to this qualification, the return for the year under review works out to 4.77 per cent., as against 4.40 per cent. for 1951-52.

In order to meet the growing demand for additional electricity, the Administration had undertaken a project for an additional generating capacity of 15,000 kw. An important part of this project, namely, the 150,000 lbs. per hour steam boiler and associated equipment estimated to cost Rs. 32.27 lakhs, was completed and commissioned in January, 1953. This gave the much needed relief to enable the old boilers to receive thorough servicing which, in the previous years, had perforce to be deferred owing to the heavy demand on the generating station. Erection work on the 15,000 kw. plant and equipment was pressed forward with all possible speed. Judged from the present progress, the Administration expects that the erection of this equipment will be completed during the current financial year. For the distribution of the additional electricity produced from the existing plant and that to be produced on the commissioning of the new 15,000 kw. plant, a scheme for extensions to the distribution system, estimated to cost Rs. 119.20 lakhs, has been sanctioned, against which a sum of Rs. 80.29 lakhs has been spent during the year.

INDIA GENERAL NAVIGATION

The Directors of the India General Navigation and Railway Company, Ltd. (Managing Agents: Messrs. Kilburn & Co., Ltd., Calcutta), have decided to recommend a dividend of 5 per cent. on the ordinary stock, less income-tax at 9s., and a final dividend of 3 per cent. on preference stock, less income-tax, at 8s. 6d. (after adjustment of overdeduction on interim preference dividend), making a total preference dividend for the year of 6 per cent. The dividends will be payable in sterling on 18th September, 1953, to stockholders on the Company's registers on 28th August, 1953.

The payment of dividend on the Company's ordinary stock for the year under review marks the return of the Company to the dividend list after a break of three years. The Company had paid a dividend of 5 per cent. for the year 1948 (after passing off the same for the preceding two years), but had to skip over the dividends for the next three years, 1949, 1950 and 1951.

Notice

THE BIRLA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual Ordinary General Meeting of the shareholders of the Company will be held at the Principal Office of the Company, No. 8 Royal Exchange Place, Calcutta, on Wednesday the 9th September, 1953, at 3-30 p.m., for the following purposes:—

(1) To receive and consider the Report of the Directors and to pass the audited accounts for the year ended 31st March, 1953.
(2) To declare dividends on Preference and Ordinary shares.
(3) To elect Directors in place of those retiring by rotation.
(4) To appoint Auditors and fix their remuneration.
(5) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 27th August, 1953, to 9th September, 1953, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

CALCUTTA, *12th August*, 1953.

Notice in particular to: Major General Rama Shum Shere Jung Bahadur Rana, Major General Shura Shum Shere Jung Bahadur Rana, Sm. S. N. Gribya Kumari, Sm. Sarojini Dvya, Mrs. Rubie Nanda, Messrs. Ambica Charan Neogy, Gopal Chandra Das, Burjorji D. Mama and Andrew Gibb.

Note.—If dividends on shares as recommended by the Directors are passed at the meeting, THE DIVIDENDS WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS, whose names are on the Company's Register on the 9th September, 1953. No application need be sent for dividend, as relative Dividend Warrants will be posted to such shareholders by the 21st September, 1953.

The Shareholders are requested to notify any change of address at once.

Points From The Chair

Finance for Coffee Planters

"YOUR concern is slightly at a disadvantage as compared to other sister concerns, who have developed a *sort of banking activities* also for financing the coffee planters. For the time being since our resources are limited we have entirely to rely upon the generosity of our Government to help us to finance planters. If the *Government of Mysore would be generous* to the same extent as they have been in extending financial assistance to the agriculturists and industrialists of Mysore and extend to us financial help, I am sure it will go a long way to help the needy planters and *incidentally help your concern* to secure a larger tonnage of coffee for curing. I can assure you that your Board of Directors will make their best endeavour to secure finance for planters."

K. H. SRINIVASAN,
Mysore Coffee Curing Works, Ltd.

Industrial Expansion in Spain

"The output of industry during the past financial year showed *notable increases in nearly* all branches on that of previous years. The production of electric energy in 1952 reached a new high level at 9,841 million kilowatt-hours, of which 1,560 millions came from thermal power stations. Last year's iron and *steel production in Spain*, both in pig-iron and in steel, exceeded the figures for any previous year since the advent of the National movement. The output of coal also reached a new record level. The increased production was the result of the *opening up of new mines*, although the quality of the coal has suffered in consequence. The production of iron-ore, zinc, lead and wolfram, was greater than in any previous post-war year. On the other hand, the figures for tin and potash declined. Harvest last *year were good, with a* larger production than in 1951 of wine, barley, oats, maize, rice, oranges and sugar-beet."

COUNT DEL CADAGUA,
Banco de Vizcaya.

World Wool Supplies

"Wool supplies continue to *cause anxiety*. World production of merino wools, in particular, has been considerably below consumption in every post-war year, excepting the period of recession, and world stocks are still very low. Sheep populations and consequent wool *productions* are not rising as quickly as human population, and the increase in spending power which has taken place. This situation accounts for the relatively high price of wool which still obtains, and the increasing need for substitute fibres."

SIR IAN STEWART-RICHARDSON,
Bulmer & Lumb (Holdings) Ltd.

Self-industrialisation of Countries

"In a previous statement to the shareholders I drew attention to the self-industrialisation of foreign countries, including Commonwealth countries. Whereas *in pre-war days, many countries* did not have within their territories factories for producing electric cables, this state is steadily disappearing and, since preferential treatment is accorded to manufacturers producing within such countries, *it means that the export of goods from* this country to the countries in question is being severely curtailed. One means of counteracting this difficulty is for a company to extend its own manufacturing interests abroad and by so doing protect the *valuable goodwill and connections* already established. This approach to the problem has been and is now being extensively adopted by many important industries in this country."

WILLIAM FRASER,
Scottish Cables Limited.

Future of Natural Rubber

"Of necessity, the future of the rubber industry in Malaya must be dependent upon the selling price of rubber, *and in the long run, I do not think*, it can be in doubt that natural rubber has many advantages over the synthetic product, particularly in that vital essential resiliency. *It can hardly be* open to doubt that but for emergency reasons, the *American Government would hardly* have spent what they have done on purchasing synthetic plants, and it is all to the good that these will return to private ownership. It is then, and only then, that we shall know whether the synthetic product *can compete on equal terms* with the natural product."

G. H. MASEFIELD,
Tremelbye (Selangor) Rubber Co., Ltd.

WORLD HANDICRAFTS EXHIBITION

An international handicrafts, homecrafts and hobbies exhibition, the first show of its kind ever to be held in Britain, will be staged at Olympia, London, from 1st to 10th October, 1952. Among the countries which have decided to display their handicrafts are India, Australia, Canada, France, the Gold Coast, Italy, Syria, the U.S.A., and Yugoslavia. Many of the exhibitors are arranging to give "live" demonstrations of their particular crafts. The principal aim of the exhibition is to further and encourage the great and growing interest in handicraft and homecrafts fostered by all nations in the face of mass production and industrial development.

COMMERCE AND INDUSTRY

(*Concluded from page 362*)

threat of foreign competition at present. In the circumstances, the Commission has felt that the protection granted to the industry need not be continued beyond 31st December, 1953.

In arriving at this conclusion, the Commission has not failed to examine the apprehensions, entertained by the Indian sector, of a possible unequal competition from the foreign unit as stated above. Says the Commission:

"The two Indian units are already struggling hard to maintain their position in competition with this foreign unit. Normally, the interests of the country should not be deemed to be adversely affected, if internal competition results in weeding out the less efficient ones. In the case of this industry, however, which at present consists mainly of three units, the elimination of two units will result in the remaining unit acquiring a monopolistic control of the entire field and this is obviously not in the long-term interests of the consumer. Irrespective of whether the unit which acquires such a predominant position is an Indian or a foreign one, the emergence of a monopoly is undesirable in itself, especially in the case of a product of strategic importance like dry batteries."

Thus expressing itself against the growth of monopolistic tendencies, the Commission proceeds to consider the case of the two indigenous units. It is of the opinion that these two units cannot on any score be regarded as inefficient units unfit to survive. They have, it observes, demonstrated their ability to produce dry batteries of good quality at a cost which, by the standards usually applied to other Indian industries of similar standing, can be regarded as reasonable. They have never needed a higher measure of tariff protection than is afforded by the normal revenue duty. Again, both are utilising indigenous materials to a somewhat larger extent than the foreign unit and are genuinely interested in increasing the proportion of indigenous raw materials used by them. One of them has made valuable contributions to the technology of dry battery manufacture. The foreign unit itself appreciates, it is stated, the importance of preserving competitive conditions in this industry. In the circumstances, the Commission feels that there is no likelihood of any harm to the Indian sector. However, it is noteworthy that it has taken care to add that the Government should keep a careful watch over the developments in this industry and take suitable steps to maintain conditions of healthy competition.

COMMITTEE ON TRACTOR SERVICING

A meeting of the Committee appointed by the Government of India in February last, to regulate the after-sales servicing facilities for tractors, was held in New Delhi on the 10th inst. Mr. M. R. Bhide, Joint Secretary, Ministry of Food and Agriculture, was in the chair. The Committee discussed draft proposals relating to after-sales service facilities for tractors, which were circulated to the members last month. The draft proposals related to minimum standards of after-sales service of tractors, imports and stocking of spare parts, training of tractor drivers and operators, the manufacture of tractors and implements in India, and restrictions on the import of tractors of certain horse-power. A sub-committee of nine members was appointed to work out detailed proposals in the light of the discussions held. The Chairman of the sub-committee is Mr. G. R. Damodaram, M.P., and another M.P. on the sub-committee is Sardar Lal Singh.

The Committee on servicing of tractors consists of representatives of tractor importers and dealers, tractor owners, importers of tractor spare parts, Members of Parliament and representatives of the Central and State Governments. It will be recalled that the Committee was appointed because complaints had been received by the Government regarding inadequate arrangements made by tractor importers and dealers for the supply of spare parts, and the after-sales servicing facilities for tractors sold by them.

CRUDE OIL PRODUCTION

Crude oil production in the free world in the first six months of this year is estimated at 290 *million metric tons*. This is 15 million tons more than in the first half in 1952, but only approximately 3,000,000 tons higher than in the second half. Largely owing to seasonal changes in consumption in the U.S., production in the U.S. and Venezuela showed small declines in the last six-monthly period, but this was more than offset by the continued rise in the production of oil in the Middle East which was approximately equal to the output of the whole of Latin America. Production also continued to rise in the U.S.S.R. and some other Iron Curtain countries. Consequently, the world total in January-June, 1953 is estimated at 4 million tons more than in July-December 1952, the previous record period, and about 18 million tons more than in January-June 1952. World production of crude oil for 1952, as a whole, was 617 million tons, as compared with 587 million tons in 1951. In 1948, only three years earlier, production was 471 million tons.

The absence of any substantial advance in the free world's aggregate production in the first half of this year should not be taken as an indication that the last few years' persistent upward trend in world production has now come to an end. In some countries, there is a considerable slowing-down in the rate of growth of oil consumption, but nowhere is there any decline in sight. Short of a slump in world trade, production of crude oil is expected to rise in the current half of this year.

SHARP CUT IN DIVIDEND OF CHAMPDANY JUTE COMPANY

LOWER PRODUCTION AFFECTS INDIAN GALVANIZING COMPANY

Champdany Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1953.

The accounts after providing Rs. 1,41,835 (Rs. 1,34,793) for depreciation on block and Rs. 45,000 (Rs. 3,85,000) for taxation show a balance at credit of profit and loss account for the half-year of Rs. 1,57,223 (Rs. 6,55,775). To this is added the balance brought forward from the previous accounts of Rs. 1,35,299 (Rs. 1,52,215) making a total of Rs. 2,92,522 (Rs. 8,07,990) which the directors recommend should be dealt with as follows:—

Payment of a dividend of Rs. 3 (Rs. 7) per share Rs. 1,77,492 (Rs. 4,14,148) leaving a balance to be carried forward of Rs. 1,15,030 (Rs. 88,388).

It has been necessary to write off a sum of Rs. 94,900 for which provision was made in previous accounts in connection with debts due for market differences on Pakistan jute which was bought before devaluation of the Indian rupee but not subsequently delivered by the seller. In conjunction with the Company's legal advisers all possible steps were taken to recover the sums due and it has now been decided that the cost of pursuing the matter further would be out of all proportion to any amount which might ultimately be recovered. It is recorded that the managing agents have voluntarily foregone a sum of Rs. 1,00,000 for the half-year under review from the remuneration accruing to them.

The trend of prices of both raw jute and finished goods continued downwards throughout the period under review. Since the closing of the accounts all markets have improved although the prices obtainable for heavy goods have not increased in proportion to those ruling for the raw material.

In accordance with the provisions of the Indian Jute Mills Association main and supplementary working time agreements, 12½ per cent. of the looms remained sealed and the mills worked only 42½ hours per week throughout the six months under review. Seven working days were lost as a result of labour trouble at Wellington Mill.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,16,400	Block ...	57,73,441
Reserves ...	1,05,23,478	Stocks ...	52,80,544
Provision for taxation ...	21,27,505	Stores, etc.	14,85,790
Liabilities ...	12,34,200	Debts, deposits and advances ...	25,69,802
Profit and loss account ...	1,15,030	Investments	2,05,737
		Cash ...	46,01,299
	Rs. 1,99,16,613		Rs. 1,99,16,613

Indian Galvanizing Co. (1926) Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The profit for the year, after providing for depreciation and taxation, was Rs. 2,48,730 (Rs. 2,91,978), from which is deducted the underwriting commission on the issue of new shares Rs. 1,23,153 (*nil*) leaving a balance of Rs. 1,25,577. To this sum is added the balance brought forward from 1951 of Rs. 67,372 (Rs. 60,413) making a total of Rs. 1,92,949 (Rs. 3,52,392). The directors recommend that the total amount available for distribution be dealt with as follows:—

Dividend on preference shares at the rate of 6 per cent. per annum (subject to deduction of Indian income-tax) Rs. 16,947 (Rs. 10,569), dividend on ordinary shares at 6 (12½) per cent. per annum free of income-tax; on old shares for the year 1952 Rs. 73,892 (Rs. 1,53,941), and on new shares for the eight months from May, 1952 to December, 1952 Rs. 98,522 (*nil*) leaving to be carried forward Rs. 3,588 (Rs. 67,372).

The Works were on strike from November to the end of the year. This, and the reduced production which preceded the stoppage seriously affected profits. Work was resumed in May, 1953.

The offtake of agricultural trailers was disappointing and it was the closing of this section of the works that occasioned the strike. The drum plant in Bombay was brought into commission during June, 1953, and is running satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,77,040	Block ...	6,22,010
Reserves ...	6,90,000	Stocks ...	26,33,695
Provision for taxation ...	5,27,300	Work-in-progress ...	8,43,219
Liabilities ...	20,38,858	Expenditure during construction ...	15,30,854
Profit and loss account ...	3,587	Goods in transit ...	2,21,669
		Tools, etc. ...	42,100
		Debts, deposits and advances ...	13,14,486
		Investments	1,000
		Cash ..	27,752
	Rs. 72,36,785		Rs. 72,36,705

Benares Electric Light and Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

Negotiations have been concluded with the U.P. Government in respect of supplying electricity for a large number of tube wells for agricultural purposes in the area lying between Benares and Jaunpur, and a loan covering the cost of the entire work has been arranged with the State Government. The transmission line that is to supply the area is to be extended into Jaunpur to enable a bulk supply to be afforded to this town.

The present plant capacity of the power station with one boiler and turbo alternator as standby is 6,950 kilowatts under ideal conditions, and 6,000 kilowatts under hot weather conditions. The power station, under peak load conditions, is already operating its standby plant and there is little margin between average load conditions and the normal plant capacity. An additional boiler and turbo alternator with ancillary equipment, estimated to cost Rs. 30,00,000 will have to be installed as soon as possible, and the Board are considering ways and means of raising the additional capital required and will notify the shareholders when the scheme is finalised.

The following schedule indicates that normal progress is being maintained.

Half-year ended	*Units sold*	*Revenue* Rs.
30th June, 1950	7,346,284	9,56,833
31st December, 1950 ...	7,881,723	11,40,343
30th June, 1951	8,243,843	11,12,177
31st December, 1951 ...	8,978,556	13,71,950
30th June, 1952	9,544,518	12,56,950
31st December, 1952 ...	9,926,818	14,50,157

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and setting aside Rs. 50,000 (Rs. 15,000) to development and extensions account, there remains a balance of Rs. 1,39,492 (Rs. 1,53,601) including Rs. 28,534 (Rs. 30,209) brought forward from the previous half year available for distribution, and this the directors recommend be disposed of in paying a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 84,995 (Rs. 84,995), an additional payment of As. 2 (As. 4) per share absorbing Rs. 21,249 (Rs. 42,497), and in carrying forward to next half-year Rs. 33,248 (Rs. 31,109).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,99,900	Block ...	46,13,722
Debentures	12,30,483	Stores, tools, etc. ...	11,01,455
Reserves ...	19,09,685	Other assets	52,949
Provision for taxation ...	69,000	Debts, deposits and advances ...	4,26,294
Liabilities ...	21,07,930	Investments	97,025
Profit and loss account ...	1,39,492	Cash ...	8,65,045
	Rs. 71,56,490		Rs. 71,56,490

Eastern Cachar Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

A crop of 6,106 maunds was manufactured and disposed of for sale in Calcutta for export 5,318 maunds, and for sale in Calcutta for internal consumption 790 maunds. The teas realised an average price of Re. 1-1-5 per lb. as compared with Re. 1-8-6 per lb. obtained for the previous season's crop of 5,320 maunds. The Company's export quota for season 1952 was 6,264 maunds. The area under cultivation at the end of 1952 was 949.25 acres but this has since been reduced to 649 acres.

The revenue account shows a loss of Rs. 4,40,466 (loss of Rs. 1,74,401) to which is added estimated loss on grow more food scheme Rs. 12,237 (*nil*), payment in lieu of notice to retrenched staff Rs. 14,518 (*nil*), and depreciation Rs. 11,878 (Rs. 3,515) making a total of Rs. 4,79,099 (Rs. 1,77,916). After deducting refund of income-tax paid at source on interest on investments Rs. 449 (*nil*), there is a loss for the year of Rs. 4,78,650 (Rs. 1,77,916). After adding to this the debit balance of Rs. 2,77,063 (debit Rs. 95,176) brought forward from the previous year and deducting Rs. 2,65,000 (*nil*) being the amount transferred from reserve account, there is a debit balance of Rs. 4,90,713 (Rs. 2,73,092) on profit and loss account, which is carried forward.

As forecast in the report for 1951, the Company experienced a disastrous year's trading in 1952 owing to the collapse of the market for common tea and the high level of wages and other emoluments of labour imposed by legislation. At an extraordinary general meeting of the shareholders, held on 12th December, 1952, the directors were given discretion to close down the Company's properties and in accordance with this resolution the garden was closed at the end of the year. Later, however, the Government of Assam's action in revising the wages payable under the Minimum Wages Act in a manner which allowed some measure of relief to the tea industry in Cachar, coupled with a marked improvement in the price of common tea, made it possible to secure some finance for season 1953 and the directors decided to re-open the properties in April, a fact of which shareholders were advised in a letter dated 21st idem. It was not however practicable to resume operations on the same scale as in the past and employment could not be found for all the staff and labour. Considerable areas of tea have also had to be abandoned but it is hoped, by concentrating on the better-yielding tea, to work the garden at a reasonable profit during the current season.

The estimates for season 1953 are as follows:—

Garden	*Crop*	*Expenditure*		*Total*
		Garden	*Calcutta*	
	Maunds	Rs.	Rs.	Rs.
Binnakandy	5,360	3,10,000	1,21,800	4,31,800

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	7,35,190
Liabilities ...	9,78,028	Stocks ...	2,80,181
		Stores, etc. ...	51,808
		Debts, deposits and advances ...	1 13,908
		Investments	1,000
		Cash ...	5,228
		Profit and loss account ...	4,90,713
	Rs. 16,78,028		Rs. 16,78,028

Duffla ghur Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a profit on revenue account of Rs. 3,68,803 (Rs. 5,15,740). After adjustment and adding back Rs. 1,00,000 (*nil*) from repairs and renewals reserve account and Rs. 15,000 (Rs. 25,000) from provision for taxation previously reserved, but no longer required, and transferring the above profit and setting aside Rs. 1,00,000 (Rs. 1,45,000) for taxation, writing off development expenditure on tea estate Rs. 10,590 (Rs. 16,803), buildings Rs. 73,509 (Rs. 28,115), machinery Rs. 1,09,009 (Rs. 37,352), furniture Rs. 1,000 (4,487), transferring to staff account Rs. 5,000 (Rs. 10,000) and transferring to reserve account Rs. 1,00,000 (Rs. 40,000), the profit and loss account shows a balance at credit of Rs. 2,28,048 (Rs. 3,26,160). From this amount the directors propose to pay a dividend of 20 (40) per cent. for season 1952, absorbing Rs. 1,12,100 (Rs. 2,24,200) leaving to be carried forward Rs. 1,15,948 (Rs. 1,01,960).

The following are comparative statistics of outturn and sales for the past three years:—

	Lbs.	Average Per lb.
		Rs. a. p.
1950	847,756	1 13 8
1951	883,908	2 0 6½
1952	929,084	1 14 0½

The estimates for 1953 provide for a crop of 9,20,000 lbs. of tea at a cost of Re. 1-3-5½ per lb.

The Company's Articles of Association limit to Rs. 2,00,000 the director's power to borrow without the sanction of the Company in general meeting. Due to the high cost of production at present prevailing in the tea industry the limit of Rs. 2,00,000 is completely inadequate to finance production of the crop and the directors recommend that this limit be increased to Rs. 6,00,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,60,500	Block ...	6,80,000
Reserves ...	4,50,000	Stock-in-trade	10,62,969
Provision for taxation ...	1,38,446	Stores ...	2,64,074
Liabilities ...	9,58,413	Debts, deposits and advances ...	2,55,145
Profit and loss account ...	2,28,048	Cash ...	73,219
Rs	23,35,407		Rs. 23,35,407

New Dooars Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 68,827 (Rs. 56,790) for depreciation, the season's working resulted in a profit of Rs. 1,99,664 (Rs. 6,22,618). After bringing in the balance from last year, crediting excess profit tax post-war refund, charging managing agents' commission, providing Rs. 55,000 (Rs. 1,80,000) for taxation and transferring Rs. 45,000 (Rs. 1,00,000) to general reserve, there remains a balance of Rs. 2,82,691 (Rs. 4,79,828) at credit of profit and loss account. From this the directors recommend payment of a preference dividend of Rs. 6-8 (Rs. 6-8) per share, absorbing Rs. 13,000 (Rs. 13,000) and the payment of a dividend on the ordinary shares of Rs. 17-8 (Rs. 35) per share, absorbing Rs. 1,40,000 (Rs. 2,80,000 including the interim-dividend at Rs. 10 per share, absorbing Rs. 80,000) leaving a balance of Rs. 1,29,691 (Rs. 1,86,828) to be carried forward.

A total crop of 16,604 maunds was secured, which has been sold at an average price of Re. 1-7-8 per lb. This compares with a crop of 21,408 maunds secured in season 1931, which sold at an average price of Re. 1-9-9 per lb. The short-fall in crop was due to the unfavourable weather conditions that obtained during the latter part of the season and to an insufficiency of labour at the height of the season, accentuated by the finer standard of plucking made desirable by prevailing market conditions.

Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and it is hoped that the results for 1953 will show an improvement on the previous season. Estimates have been framed for a regulated crop of 18,700 maunds to cost Rs. 15,11,296.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	6,85,033
Reserves ...	12,95,000	Stock-in-trade	8,71,063
Provision for taxation ...	99,920	Stores ...	3,34,033
Liabilities ...	8,21,140	Debts, deposits and advances ...	4,37,662
Profit and loss account ...	1,29,691	Investments	6,43,267
		Cash ...	3,74,193
	Rs. 33,45,751		Rs. 33,45,751

Aluminium Industries Ltd.

The directors of the above Company (Managing Agents: Messrs. Seshasayee Brothers (Travancore) Ltd., Kundara) submitted the audited accounts of the Company for the year ended 31st March, 1953.

Production during the year was satisfactory despite electric power rationing during the months of May, 1952 and March, 1953. About 4,970 miles of aluminium conductors and the full range of conductor accessories were manufactured during the year. The entire production was against orders from the Central and State Governments and public utility undertakings. There is good demand for the Company's products. The production for the next twelve months has been booked with firm orders. It is expected that the expansion of the cable mill will be completed during the current year, resulting in increased production and shorter deliveries against future orders.

The raw material supply position eased during the year and adequate supplies are now available at reasonable prices. Moreover, with the kind assistance and encouragement rendered by the Government of India, the directors are investigating the possibility of producing the main raw material electrolytic aluminium rods at Kundara.

The working capital requirements continue to be financed by the Company's bankers. The additional Share Capital of Rs. 5 lakhs raised during February-March, 1953, has enabled the Company to augment the working capital resources.

The year's working resulted in a net profit of Rs. 4,21,012 (Rs. 8,28,059) after providing for adequate depreciation and also for taxes and contingencies. This amount, together with the sum of Rs. 1,10,914 (Rs. 39,105) carried forward from last year's accounts, makes a total of Rs. 5,31,926 (Rs. 8,67,164). The directors distributed this amount in payment of dividend at Re. 1-4 (Re. 1-4) per share (12½ per cent. per annum) on 1,00,000 shares of the first issue (including the interim-dividend of As. 10 (As. 10) per share already distributed in March, 1953) Rs. 1,25,000 (Rs. 1,25,000), to payment of dividend of Re. 1-4 (As. 10) per share (12½ per cent. per annum) on 50,000 shares of second issue (including interim-dividend of As. 10 (As. 5) per share) Rs. 62,500 (Rs. 31,250), to payment of dividend at As. 3-4 (*nil*) per share (12½ per cent. per annum) on 21,799 shares of the third issue which are eligible for dividend from 1st February, 1953 Rs. 4,541 (*nil*), payment of dividend at As. 2-1 per share (12½ per cent. per annum) on 11,511 shares of the third issue which are eligible for dividend from 22nd February, 1953 Rs. 1,499 (*nil*), payment of dividend at As. 1-4 (*nil*) per share (12½ per cent. per annum) on 7,455 shares of the third issue which are eligible for dividend from 6th March, 1953 Rs. 621 (*nil*), payment of dividend at 10 pies (*nil*) per share (12½ per cent. per annum) on 9,235 shares of the third issue which are eligible for dividend from 16th March, 1953 Rs. 481 (*nil*), addition to the dividend equalisation fund (making a total of Rs. 2,50,000) Rs. 50,000 (Rs. 2,00,000) and addition to the general reserve (making a total of Rs. 7,00,000) Rs. 2,00,000 (Rs. 4,00,000) leaving to be carried forward to next year's account Rs. 87,284 (Rs. 1,10,914).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	16,58,625
Reserves ...	7,00,000	Stores, raw materials, etc.	35,45,705
Provision for taxation ...	5,62,863	Stock-in-trade	6,90,617
Liabilities ...	52,85,240	Debts, deposits and advances ...	26,76,934
Profit and loss account ...	4,38,176	Cash ...	4,14,398
	Rs. 89,86,279		Rs. 89,86,279

Gungaram Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952. The accounts disclose a loss of Rs. 1,37,379 (Rs. 1,658). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 66,000 (*nil*) from revenue reserve there is a balance at credit of profit and loss account of Rs. 826 (Rs. 56,887 after paying dividend of 3 per cent.) which the directors propose to carry forward.

The unsatisfactory result is mainly attributable to additional statutory wage increases to labour coupled with a most unfavourable market throughout the major part of the year. A sharp improvement in auction prices towards the end of the season averted a loss of even greater proportions.

Outturns and average selling prices of crops realised compared with those of the previous year are as under:—

Crop	*Outturns* 1952 Maunds	*Outturns* 1951 Maunds	*Average selling price per lb.* 1952 Rs. a. p.	*Average selling price per lb.* 1951 Rs. a. p.
Gungaram	14,278	16,320	1 3 8	1 1 8
Ord	2,140	4,172	1 4 5	1 8 0

The area under tea at Gungaram is 1068.22 acres and at Ord 513.35 acres. Estimates for 1953 provide for a total crop of 18,500 maunds at an outlay of Rs. 16,56,890, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,40,000	Block ...	6,06,045
Reserves ...	6,02,763	Stores and supplies ...	1,81,692
Liabilities ...	7,51,029	Tea sales receivable ...	11,81,587
Profit and loss account ...	826	Advances and deposits ...	1,26,163
		Cash ...	99,131
	Rs. 21,94,618		Rs. 21,94,618

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

COMPANY MEETINGS AND DIVIDENDS

EASTERN CACHAR TEA CO., LTD. Annual General Meeting, Calcutta, 25th August, 1953. Transfer books closed from 18th to 25th August, 1953, both days inclusive.

SUNGMA TEA CO., LTD. Annual General Meeting, Calcutta, 26th August, 1953.

BAGHMARI TEA CO., LTD. Annual General Meeting, Calcutta, 26th August, 1953.

NAMBURNADI TEA CO., LTD. Annual General Meeting, Calcutta, 27th August, 1953. Transfer books closed from 20th to 27th August, 1953, both days inclusive.

KINGSLEY-GOLAGHAT ASSAM TEA CO., LTD. Annual General Meeting, Calcutta, 27th August, 1953. Transfer books closed from 20th to 27th August, 1953, both days inclusive.

SONAI RIVER TEA CO., LTD. Annual General Meeting, Calcutta, 2nd September, 1953. Transfer books close from 27th August to 2nd September, 1953, both days inclusive.

TATA IRON AND STEEL CO., LTD. Annual General Meeting, Bombay, 3rd September, 1953. Dividend: Rs. 115-3 per deferred share, and Rs. 21 per ordinary share, payable on and after 4th September, 1953.

INDIA PAPER PULP CO., LTD. Half-yearly General Meeting, Calcutta, 3rd September, 1953. Dividend: Rs. 6 per share. Transfer books closed from 13th August to 3rd September, 1953, both days inclusive.

MARGARET'S HOPE TEA CO., LTD. Annual General Meeting, Calcutta, 3rd September, 1953.

RANICHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 3rd September, 1953.

TIRRIHANNAH CO., LTD. Annual General Meeting, Calcutta, 3rd September, 1953.

FERTILISERS AND CHEMICALS, TRAVANCORE, LTD. Annual General Meeting, Eloor, Alwaye (Travancore-Cochin), 5th September, 1953. Dividend: *Nil*. Transfer books closed from 22nd August to 5th September, 1953, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Annual General Meeting, Mettur Dam, 7th September, 1953. Transfer books close from 24th August, to 7th September, 1953, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, 9th September, 1953. Dividend: Rs. 7 per share (final). Transfer books close from 24th August to 9th September, 1953, both days inclusive.

INDIA UNITED MILLS LTD. Annual General Meeting, Bombay, 18th September, 1953. Dividend: *Nil*. Transfer books close from 27th August to 18th September, 1953, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: Rs. 7-8 per share. Transfer books close from 1st to 18th September, 1953, both days inclusive.

INDUSTRIAL FINANCE CORPORATION OF INDIA. Annual General Meeting, New Delhi, 19th September, 1953.

CALCUTTA STEAM NAVIGATION CO., LTD. Dividend of Rs. 5 per share; for the half-year ended 31st December, 1952.

UNITED BREWERIES LTD. Second interim-dividend of 10 per cent. on the ordinary shares, for the year ended 31st March, 1953. Transfer books close from 24th to 29th August, 1953, both days inclusive.

HAILEYBURIA TEA ESTATES LTD. Dividend of Re. 1 per ordinary share, for the year ended 31st December, 1952. Transfer books close from 25th August to 8th September, 1953, both days inclusive.

MYSORE TOBACCO CO., LTD. Dividend of Re. 1 per ordinary share, for the year ended 31st March, 1953. Transfer books close from 26th August to 10th September, 1953, both days inclusive.

COCHIN MALABAR ESTATES LTD. Dividend of As. 12 per share, for the year ended 28th February, 1953. Transfer books close from 19th August to 2nd September, 1953, both days inclusive.

COMPANY REGISTRATIONS

KANOI TEA CO., LTD. (First Director: Mr. L. Ch. Kanoi.) Business: Importers and Exporters. Authorised Capital: Rs. 10,00,000. Private Company. Address: 138 Canning Street, Calcutta.

PASARI BROTHERS LTD. (First Director: Mr. B. L. Pasari.) Business: Manufacturers, Producers, Agents and Brokers, etc. Authorised Capital: Rs. 5,00,000. Public Company. Address: 158 Cross Street, Calcutta.

QUESTION HOUR IN PARLIAMENT

State-managed Concerns

THE Government does not propose to set up a board of management immediately under the Industries (Development and Regulation) Bill to manage industrial establishments which may be taken over from private management for misbehaviour. I do not see any possibility in the near future for the setting up of a body, and I hope there will be no necessity. This question will be considered, if and when the number of industrial units which come under Government management by reason of the exercise of Government powers under section 18A of the Industries Act, warrant the setting up of such an organisation. So far, action has been taken in regard to three cases, and it relates to investigation. Certain sugar factories in U.P. have been taken over by the U.P. Government under the provisions of the Act.

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Nepa Mills

Nepa Mills is expected to go into production by the middle of 1954, according to the latest information furnished by the Madhya Pradesh Government. The production capacity of the mills has been estimated at 30,000 tons of newsprint per annum.

—Minister for Commerce and Industry

Wagon Supply

There was an increase of 282 per cent. in the supply of wagons for the movement of fertilisers during April-June 1953, as compared with the corresponding period of 1952. The number of wagons supplied was 4,715 during the period mentioned in 1953, against 1,253 in the previous year. There was an increase of 63 per cent. in the number of wagons supplied for the movement of sugar during the same period in 1953, compared to the corresponding period in 1952—the respective wagon supply being 25,273 and 15,447. In the case of sugar, movement recorded a progressive improvement from November, 1952 to February, 1953, when it reached the peak. After some reduction in March and April, 1953, it again progressively increased during May and June, 1953.

—Deputy Minister for Railways and Transport

Foodgrain Production

The total rice production in the country in 1952-53 was estimated at 23.4 million tons, as against 20.7 million tons in the previous year. Wheat production was estimated at 6.38 million tons, as against 5.7 million tons in the previous year, *jowar* production 6 million tons, as against 5.9 million tons in the previous year, *bajra* 2.9 million tons, as against 2.2 million tons, maize 2.6 million tons, as against 2 million tons, ragi 1.23 million tons, as against 1.21 million tons and barley 2.17 million tons, as against 2.13 million tons. It is difficult to give any definite figure about the actual consumption of cereals in the country. The offtake of the rationed population was 7.9 million tons in 1951 and 6.7 million tons in 1952. The import target for 1953 was originally fixed at 2.9 million tons, against actual imports of 3.9 million tons in 1952 and 4.7 million tons in 1951. The actual imports during the current year may be even less than the original target. The total stocks of foodgrains with various States at the end of June was 1.8 million tons.

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Ghee Adulteration

The Government of India has taken the following steps to check adulteration of pure ghee with *vanaspati*: (1) It is obligatory to add at least 5 per cent. of sesame oil in *vanaspati*. This incorporation of sesame oil in *vanaspati* makes it possible to detect, by means of a simple chemical test, the adulteration of ghee with *vanaspati*. (2) Each batch of *vanaspati* produced by a factory is required to be certified by the factory chemist to the effect that the same conforms to the required sesame oil test. The factories are also required to maintain a record of sesame oil test of each batch of *vanaspati* produced by them for inspection and check. (3) No colour or flavour resembling the colour or flavour of ghee can be added to *vanaspati*. (4) The State Governments have been asked to instruct the local bodies to make extensive use of this chemical test to detect adulteration of ghee with *vanaspati*.

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Tube-wells Scheme

Under the tube-well construction schemes started at the instance of the Government of India, 815 tube-wells have been drilled upto 15th July, 1953. Their location and cost are: 362 tube-wells in U.P. at an average cost of Rs. 20,700 per well; 212 tube-wells in Bihar at an average cost of Rs. 20,000 per well; 216 tube wells in Punjab at an average cost of Rs. 25,129 per well; and 25 tube-wells in Bombay at an average cost of Rs. 33,075 per well. Large-scale tube-well construction has so far been undertaken in the Indo-Gangetic plain of U.P., Bihar and Punjab, where underground water suitable for irrigation is known to exist in adequate quantities. As such, the question of any failure of the schemes, does not arise.

—Minister for Food

Penicillin Factory

The penicillin factory at Pimpri is expected to go into production by April, 1954. The construction of the factory building is progressing satisfactorily. Fourteen key technical officers for the factory have been recruited, of whom four have had training abroad in penicillin technology and are now in India. Seven are under training in Europe. The remaining three are in India and are expected to go abroad for training in the beginning of November, 1953. As regards plant and equipment, the U.N. International Children's Emergency Fund has so far ordered equipment worth about $763,000 against their commitment of $850,000. Equipment worth about $502,000 has already been shipped. The plant will be completely erected by March, 1954.

—Minister for Production

STRINGENCY IN MONEY EASES

(From Our Own Correspondent)

BOMBAY, 19th August

The stringency in the short-term money market witnessed during the previous two weeks eased a little during the week under review, following a large influx of funds from other centres. Demand for advances against cotton continued to be sizable, but as there was improvement in supply of floating funds, no stringency was felt. The inter-bank call money among the Exchange banks and big Indian banks kept steady at 2 per cent. in the mornings before clearing. But, after clearing hours, left-over funds were available at 1¾ to 1½ per cent. Among the smaller Indian banks, the call money rate was 2½ to 2¼ per cent. The turnover in inter-bank call money showed a distinct fall. Short-term deposits were offered 2 to 2¼ per cent. for one to three months and 2½ per cent. for over three months.

This week's tenders for Rs. 1.50 crores of three months' Government of India Treasury Bills brought an offering of only Rs. 1.85 crores, as against Rs. 2.02 crores in the previous week and Rs. 2.60 crores two weeks ago. This is the lowest amount offered since 12th May, 1953. The average rate of accepted tenders, on the other hand, rose from Rs. 2-6-3 per cent. to Rs. 2-6-5 per cent., the highest rate since 1st July, 1953.

The consolidated statement of position of Scheduled Banks for the week ended 7th August, 1953, as compared with that for the previous week, discloses a rise of Rs. 1.84 crores in demand deposits and a fall of Rs. 33.60 lakhs in time deposits. Borrowings from banks show a decline of Rs. 2.27 crores. Borrowings from the Reserve Bank have risen by Rs. 2.19 crores and those from the Imperial Bank by Rs. 83 lakhs. Advances are lower by Rs. 1.43 crores, while there has been a slight increase of Rs. 27.79 lakhs in bills purchased and discounted. Investments have gone up by Rs. 2.64 crores. Cash-on-hand and balances with the Reserve Bank have together risen by Rs. 1.02 crores, while balances with other banks in current account have declined by Rs. 46 lakhs and money at call and short notice by Rs. 2.25 crores.

The Gilt-edged market displayed a steady tone with good enquiries for short-dated securities. Medium and long-dated issues were reported to have had some scattered enquiries but business done was of no consequence. 3 per cent. 1957 were in demand and improved by As. 2 to Rs. 98-8. 3 per cent. 1958 was placed at Rs. 98-1 *ex-voucher*, as against Rs. 98-3 *cum-voucher* and 3 per cent. 1959-61 at Rs. 96-1 *ex-voucher* as against Rs. 96-3 *cum-voucher*. 3 per cent. 1963-65 was unchanged at Rs. 92-6, as also 3 per cent. 1964 at Rs. 92-5. 3 per cent. 1966-68 was stagnant at Rs. 90. 3 per cent. 1970-75 had scattered enquiry, but the quotation stood unchanged at Rs. 86-7. 3 per cent. 1986 Conversion loan which rose by As. 2 to Rs. 82-4 in the previous week reacted this week to Rs. 82 as buying enquiries dried up and there were some sellers. 3½ per cent. 1961 National Plan Bonds were well maintained at the official selling price of Rs. 98-5. Among the State loans, 4 per cent. 1964 Bombay were well favoured even at Rs. 100-2. The Madras issue, however, declined by As. 2 to Rs. 99-6. The U.P. loan was held at Rs. 99-6 and West Bengal Loan at Rs. 100.

In the foreign exchange section, there was no variation in the rupee-U.S. dollar rate. In New York, the £ sterling experienced small movements. The spot rate, after an initial rise from $2.81¼-2.81¼ to $2.81 11/16-2.81 13/16, receded to $2.81 9/16-2.81 11/16 at the close. The forward rate for three months stood unchanged on balance at $2.80¼-2.81, although it had touched earlier $2.81-2.81¼. The rate for six months declined from $2.80 5/16-2.80 7/16 to $2.80⅛-2.80¼.

METAL PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, 18th August

The metal market ruled better this week and impressive gains were recorded in the prices of the principal metals. Producers could no longer afford to remain quiet without buying raw materials for executing orders. At the declining levels buyers were, therefore, active early in the week and the activity continuing throughout the week, prices improved on balance. Better advices from London went a long way to change the sentiment.

Electrolytic copper ingots were firmly held at Rs. 170, as against the opening rate of Rs. 165, with the fire-refined ingots improving from Rs. 145 to Rs. 150. The shortage of virgin ingots must cause anxiety to producers who have to honour accepted dates of delivery. Tin advanced from Rs. 393 to Rs. 420, on encouraging advices from Singapore. Antimony was unchanged at Rs. 210. Zinc also accounted for a rise, as demand showed a widening tendency. The price gained from Rs. 53 to Rs. 56. Lead was better at Rs. 67, as against Rs. 65 early in the week.

LINSEED EASY

(Messrs. A. Bradley & Co.)

CALCUTTA, 17th August

In sympathy with the general decline in oils and oilseeds, the linseed market has shown a much easier tendency, and values have declined to much lower levels. A severe shortage of supplies still continues, owing to restrictions on railway bookings from producing centres. Sellers, however, appear somewhat keener for forward delivery, although buyers have shown little interest and a very limited turnover has been reported during the week. There has been little activity in the oil section and, although prices have reacted appreciably, largely owing to the decline in groundnut oil prices, buyers have remained more or less out of the market. Latest quotations are Ready Rs. 21-4 and August-September Rs. 21 per maund.

BULLION LISTLESS

(From Our Own Correspondent)

BOMBAY, 19th August

Listless conditions prevailed on the Bullion Exchange during the major part of the week under review. Prominent bulls, who had been active in silver in the previous two or three settlements, preferred to restrict their dealings considerably, presumably awaiting the outcome of the Estate Duty Bill and the political developments. Price variations were very narrow and the undertone was fairly steady. Towards the close, however, the white metal developed some weakness, owing to fresh arrivals and the change in the *budla* charges from As. 2 to As. 4 in favour of bulls yesterday, to As. 2 to As. 3 against them. It will be interesting to recall that, in the previous three settlements, the *budla* rate ranged from Re. 1-12 to Rs. 2-8 against bears at this time of the settlement.

Gold also remained dull early in the week, but, as the week progressed it developed strength following improvement in demand and high *budla* charges against bears.

Silver for forward delivery (26th August) opened at Rs. 153-9 and reacted to Rs. 152-15 on Monday this week. After recovering to Rs. 153-6, it gave way to Rs. 152-9 at the close. Business for the next settlement commenced yesterday at Rs. 152-11 and closed to-day at Rs. 152-12.

Opening at Rs. 154-1, ready silver (.996 Mint) declined to a low of Rs. 152-10 before winding up at Rs. 152-13. The floating stocks of silver are placed at 2,000 bars. The daily average offtake was 15 bars.

Gold for forward delivery (25th August) commenced at Rs. 86-15 and moved between Rs. 87-1 and Rs. 86-9 during the earlier half of the week. But from Monday onwards there was a revival of demand and bulls were a little active in widening the *budla* charges against sellers. Consequently, the forward rate for the current settlement rose to-day to Rs. 87-5 before closing at Rs. 87-3. Trading in the next settlement officially commenced yesterday at Rs. 86 and closed at Rs. 86-4.

Ready gold opened at Rs. 87-10 and, after an initial marking down to Rs. 87-2, recovered to close at Rs. 87-11. The floating stocks are estimated at 20,000 tolas. The daily average arrivals and offtake were even at 4,000 tolas.

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

	19-8-53	Highest	Lowest	12-8-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	87 11	87 13	87 2	87 11
Forward	87 3	87 5	86 9	86 15
Sovereign	57 12	57 12	57 10	57 10
SILVER				
Ready (.996 fine Mint)	152 13	154 3	152 10	154 2
Forward	152 9	153 11	152 6	153 10
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

PEPPER PRICES SLIGHTLY EASY

(Messrs. Parekh & Co.)

BOMBAY, 19th August

During the earlier part of the week, the pepper market showed improved tendency in sympathy with New York, where the dealers are reported to have purchased a parcel or two for August shipment by a named steamer at $1.10 per lb. c. & f. New York, from India, owing to the tight stock position of the spot existing there. Such small business gave a much wanted prop to the market and the growers in the primary centres raised their selling price by about Rs. 100. Ready garbled at Cochin was transacted at, as high as Rs. 430 per cwt. and the ungarbled was done at Rs. 2,350 at Alleppey. Bombay also showed sympathetic rise and some business for August and September shipment was done at $1.08 and $1.01½ respectively, lowest being $1.01 and $0.93. In the later part, however, the market became jittery on account of the news that Sarawak, once again lowered the price and began to press sales on the New York market. Though Lampong is out of the field, the pressure from Sarawak appears to be acting as a check on any sizable rise in the prices both at New York and at London. The Indian growers are reported watching closely the situation at Sarawak. Though they (Indian growers) are making small salps every now and then with a view to test the feelings of the foreign buyers, it appears that they are not in a hurry to press sales on an unwilling market at a lower level. Flowering of the next Malabar crop being late, owing to delayed monsoon, some of the growers think that the new crop of the exportable quality will not be available until early January, and that they have still four months in hand for marketing their surplus of about 5,000 tons, a greater part of which they hope to sell by the end of this year without becoming panicky. The tentative estimate of the new crop is placed at round about 18,000 tons but the final yield will greatly depend upon the north east monsoon during October-November.

In the A.S.T.A. section, there are sellers for September at $0.94 and October is quoted at $0.86 Small business for October-December and October-January shipment in equal monthly lots was reported done at $0.85 and $0.84 respectively. In the delivery section, one of the commission houses with connections in Singapore is reported to be selling short frequently on easier advices from Singapore. At the moment, Alleppey is reported to be sellers at Rs. 2,250, with small business passing.

Following are to-day's nominal quotations: Ready delivery Rs. 260-90 per cwt., and August Ready delivery Rs. 260-90 per cwt., and August Rs. 1,885-1,915 and September Rs. 1,730-60 per candy of 5½ per cwt.

COTTON RECEDES

(From Our Own Correspondent)

BOMBAY, 19th August

After an initial steady spell, values on the cotton futures market continued to recede under pressure of heavy unloading by operators. The undertone of the market was distinctly bearish in the first four sessions of the week. Under the impact of adverse factors such as continued issuance of large tenders against the August contract, further lenient results of surveys and appeals, slow and dull trading in the spot market and a general feeling of better crop prospects in the ensuing season, cotton values sank to the lowest levels of the week on the 17th inst. Thus, the February contract which was at the week's highest at Rs. 667 on the opening day (12th inst.) gradually lost ground and suffered a loss of 15 points to touch a low of Rs. 652 on Monday.

At the low levels, however, the sentiment changed for the better. The oversold position of the market strengthened the hands of bulls who did not hesitate to support at the attractively low levels. Their sentiment hardened on reports of damage done to new crop by heavy monsoon in Surat and Bihar. Further the feeling that mills are likely to appear on the market to replenish their stocks, when fresh allocations of quotas are made next week, emboldened them to sit tight on their holdings. Cotton values consequently tended to look up and moved ahead to recover the losses suffered early in the week. As a consequence, February settlement rose from the low of Rs. 652 to close at Rs. 657¼, recovering thereby no less than 5¼ points out of the loss of 15 points registered early in the week.

How the lenient results of surveys and appeals were favourable to bears for indulging in short selling is evident from the fact that, last Wednesday, appeals in respect of as many as 94 lots out of 98 lots were passed by the Survey Committee. Again, yesterday out of 32 appeals filed, only one was rejected. Encouraged by these results, the tenders too showed a tendency to increase. Thus, with 12,400 bales tendered on Monday this week, the total quantity of cotton submitted till now has amounted to 71,550 bales. There are two more days for the issuance of tenders before the August contract goes off the Board, and market circles estimate that the total deliveries against the I.C.C. August in the 1952-53 season will reach the figure of about 100,000 bales.

I.C.C. February opened the week at Rs. 665-8. It improved to Rs. 667 on the same day which was, in fact, the highest for the week. On continued selling pressure, it declined to Rs. 661 on the 13th, Rs. 653 on the 14th, and to Rs. 652 in the following session on the 17th. Thereafter an improvement set in and the rate recovered to finish at Rs. 657-4. Rs. 663-8. On continued selling by bears, the contract sank to a low of Rs. 712 on the 14th inst. The support which emanated at the low level coupled with considerable bear covering, pushed up the rate at Rs. 732-4. The spread between the August and February contracts which was Rs. 60 last week was to-day as wide as Rs. 75. The following was the trend of prices in the forward market during the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. August ...	Rs. 723	732½	712	732-4
I.C.C. February ...	Rs. 662½	663	652	657-4

The spot market conditions were not very different from those noticed last week. Things were generally quiet, as operators' attention continued to concentrate on deliveries against the August contract. Mills too tended generally to await fresh quotas to be announced on the 25th inst. Some mills were, however, interested in Calli-fornias, Berar Jarillas, particularly, in Kala and Vagad. There were also official enquiries in Khandesh, Moglai, Mathia, and Bengal new crop cotton.

The following are the latest available quotations in the spot market. Bengal *Deshi* Rs. 600; Berar *Jarillas* Rs. 760; Khandesh Rs. 850; Vijay Rs. 890; Oomra *Deshi* Rs. 675; and Moglai Rs. 675.

In the Karachi market, prices in both the spot and forward sections were generally a shade lower. In the spot section S.S. Punjab R.G., for instance, was to-day quoted at Rs. 59 as against Rs. 61-8 a week ago; S.G. declined from Rs. 66-8 to Rs. 61-8 A fall of Rs. 3 was noticed in N.T. R.G., at Rs. 62. 289F Punjab R.G. and S.G. were on offer at Rs. 66 and Rs. 71, as against Rs. 68 and Rs. 73 respectively.

The following are the latest available quotations from the Karachi spot market: Punjab Deshi Rs. 70; L.S.S. Punjab R.G. Rs. 58-8 to Rs. 59; S.G. Rs. 65; N.T. R.G. Rs. 62; S.G. Rs. 65. 289F Punjab R.G. Rs. 66, S.G. Rs. 71.

In the forward section, new crop N.T. R.G. October-November delivery was quoted at Rs. 64-8 buyers, and Rs. 65 sellers. A week ago the quotation was higher at Rs. 71. The S.G. variety which stood at Rs. 74 last week was lower this week at Rs. 68.

In the New York market, prices drifted lower in slow dealings under liquidation and hedging. The bearish sentiment reflected, in part, the large supply in prospect, and a belief that difficulty will be experienced in maintaining exports at even three million bales. Declines in Chicago wheat futures had a bearish effect. The quietness was also due to the inclination on the part of dealers to await farmers' attitude on the disposition of New crop cotton, now that prices were around the loan level.

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

(In cents per lb.)

	19-8-53	12-8-53	5-8-53
Spot	33.70	33.85	33.10
October	33.43	33.59	33.80
December	33.60	33.80	34.06
March	33.79	33.90	34.27
May	33.76	33.91	34.32

WEAKNESS IN ART SILK YARN PERSISTS

(From Our Own Correspondent)

BOMBAY, 19th August

Distinctly easy conditions prevailed in the art silk yarn market during the week under review. Heavy selling pressure, induced by slackness in demand from consuming centres, caused prices of yarn to stage a retreat. Poor demand for rayon yarn was the result of renewed weakness in fabric markets. In view of the recent developments in Kashmir, traders appeared to be very much sceptic about the early resumption of full-fledged trade between India and Pakistan. The possibility of a large-scale export trade in rayon fabrics with Pakistan was, therefore, not considered bright. Renewed weakness in the staple fibre yarn section also adversely affected the sentiment of art silk yarn traders. The cumulative effect of all these factors was the eagerness of operators —these had previously purchased in anticipation of a rise in prices—to liquidate their holdings. The closing rates to-day were, as a consequence, very much lower than those at the end of last week. The undertone of the market continued to be weak.

Selling pressure was particularly in marked evidence in the forward section. 150D September delivery contract lost 25 points to Rs. 774. August contract slided down from Rs. 799 to Rs. 773. These quotations were the lowest for the past five weeks. In the ready section, 120 Italy receded by Rs. 2 to Rs. 4-1. 150 Italy dropped an anna and a half to Rs. 3-14. 120 Japan and 150 Japan were each lower by an anna and a quarter at Rs. 4¼.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 12th and 5th inst:

	19-8-53	12-8-53	5-8-53
	Rs. a.	Rs. a.	Rs. a.
150D July (per case of 200 lbs.)	773 0	794 0	798 0
150D August	773 0	799 0	798 0
150D September	774 0	799 0	798 0
120 Japan (per lb.)	4 1½	4 2½	4 3
150 Japan	4 1½	4 2½	4 2½
120 Italy	4 1	4 3	4 4
150 Italy	3 14	4 1½	4 0

Conditions in the staple fibre yarn section continued to be weak during the week under review, with a further sharp fall in prices. This was due to constant pressure from local and South Indian mills to sell their yarn even at lower prices. The pressure was so great that the local stockists became nervous and offered to sell at prices which were below mill quotations. Consumers were, on their part, hesitant to make purchases in anticipation of a further decline in prices. The quotation for 2/40s. staple fibre yarn September contract touched to-day Rs. 657, the lowest level ever since forward trading was commenced on the 1st inst.

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 19th August

The decision of the Government of India, announced on the 17th inst., to allow export of castor oil during August-December, 1953, upto one fourth of the total shipped during the first half of the year failed to enthuse operators in the castorseeds section, as its effects had already been discounted in anticipation. Price movements in this section were, therefore, limited to a narrow range with quotations showing a tendency to decline. In the groundnut section, although spots ruled steady on tight supply situation, forward contracts were easy on weak advices from Pollachi and South Arcot. The linseed section also sagged, on account of lack of domestic as well as overseas demand. Consequently, the oilseeds market generally depicted a bearish trend during the week under review and prices recorded minor losses.

To those who expected the extension of free licensing system which expired at the end of July, the new decision of the Government of India restricting exports of castor oil was a cause for considerable disappointment. It is calculated that the amount which could be expected on the basis of one-fourth of January-June exports will be no more than about 5,400 tons. It is, however, to be noted that the U.S. quotations at 16½ cents per lb. for Commercial oil was out of parity with the Bombay prices. Continental prices at £140 per ton for Commercial quality and £150 per ton for B.S.S. were, however, better. Among futures, September contract which opened at Rs. 150-12, declined to as low as Rs. 146-8, before closing at Rs. 148-4. May delivery lost Rs. 1-8 to Rs. 132, the highest and the lowest touched during the week being Rs. 133-8 and Rs. 130-4. In the spot section, Madras quality dropped As. 12 to Rs. 29-12. Castor oil B.S.S. changed hands at Rs 17-10, as against Rs. 17-14 and First Pressure at Rs. 17-6, as compared with Rs. 17-10. Commercial quality eased from Rs. 17 to Rs. 16-12.

In the groundnut section, Saurashtra interests were free sellers in forward contracts on expectation of a bumper crop. Hopes of a reduction in duty on exports of groundnut and groundnut oil from Saurashtra to other parts in India affected adversely August-September and December-January deliveries. These declined from Rs. 46-4 and Rs. 33-6 to Rs. 45-8 and Rs. 31-12, respectively. The supply situation against spot transactions continued to be tight. Bold F.A.Q. gained, therefore, Re. 1 to Rs. 49 and Khandesh quality As. 4 to Rs. 50. Among oils, groundnut oil ready was quoted at about Rs. 27-4 and railway receipts at Rs. 26-8. September, October and November contracts were done at Rs. 24-5, Rs. 20-11 and Rs. 18, as against Rs. 24-8, Rs. 21-8 and Rs. 19-4, respectively.

There was very little activity in the linseed section. Bold ready declined from Rs. 30-2 to Rs. 29-8. August-September and October-November deliveries changed hands at Rs. 29-8 and Rs. 28-12, as against Rs. 30-2 and Rs. 29-8, respectively. February-March deliveries were lower by Re. 1-4 at Rs. 26. Linseed oil eased from Rs. 17-4 to Rs. 16-4.

The following table shows the prices of oilseeds and oil on the 19th inst., as compared with those at the end of the previous two weeks.

	19-8-53	12-8-53	5-8-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready Now (per cwt.)	49 0	48 0	49 0
August-Sept.	45 8	46 4	46 0
December-January	31 12	33 6	33 8
Linseed—			
Bold Ready (per cwt.) ..	29 8	30 2	30 8
Castorseeds—			
Sept. (per candy of 5 cwts.).	148 4	150 6	147 8
May 1954	132 0	133 8	132 0
Madras (per cwt.)	29 12	30 8	31 0
Groundnut oil—			
Ex-mill Ready (per quarter).	27 4	27 4	26 8
Castor Oil—			
Commercial (per quarter)..	16 12	17 0	17 2

SUGAR WEAK

(From Our Own Correspondent)

BOMBAY, 19th August

The release of a special quota of 20,000 tons of sugar from the 1952-53 season's production to factories in the Deccan and South India, announced by the Union Food Ministry on Friday last, though belated, is to be welcomed. This action, which, incidentally, is in line with the suggestion advanced in these columns, has gone a long way towards easing the acute shortage of sugar supplies in Southern India. Consequently, the price of sugar in the Bombay market, which was very firm owing to post-monsoon demand and limited stocks, has tended to decline. The ex-mill price of sugar produced by Deccan factories, which had at one time shot up to Rs. 92 per bag, has come down to Rs. 88. The chances of a rise in prices are not bright now, considering that the time of the arrival of imported sugar is drawing nearer and that another release is due by the end of this month. Nevertheless, market observers point out that, if past lessons were to be any guide for the future, the Government should soon make up its mind on two important points. These are:

(1) Further issue of a normal, or at least 50 per cent. of the normal, release should be granted to the South Indian factories. This will act as a deterrent to any undue rise in prices pending actual deliveries of imported sugar to the trade in Bombay. If this is not done, the purpose for which the present release has been made, namely, checking the upward tendency in sugar prices, may not be fulfilled.

(2) The Government of India must make advance allocations of sugar imported from abroad between the State Governments and the trade. While announcing its policy, the Government had stated that imported sugar will be initially offered to the State Governments and then only to the trade. This means that trade will get imported sugar only after the requirements of State Governments are known. The efficiency of State Governments is well known. The least said about it the better. The State Governments may take their own time to make up their minds, but any delay on their part will neutralise the effects of imported sugar on prices. It is, therefore, desirable for the Government to release promptly some of the imported sugar for distribution through the trade. Tender forms for the trade have already been issued, but what is more important is an announcement of the quantity that will be offered to the trade.

The forward section of the Bombay sugar market remained firm till the 17th inst., due mainly to tight stock position and good local demand. A small syndicate of bulls succeeded in boosting up prices of *Shravan* delivery. The *Bhadrapad* delivery also moved up in sympathy. Consequently, the *budla* charges was pushed up to Rs. 4 per bag. Report of the special release of sugar for the Deccan Mills, however, unnerved the bull syndicate which began unloading its previous purchases. This brought about a decline in prices. *Bhadrapad* delivery opened the week at Rs. 88-4 and, after rising to Rs. 92-10 on the 17th inst., reacted to close at Rs. 87-6 (selling) to-day. The undertone of the market at present is weak.

The spot section was jittery during the week under review. Prior to the announcement of the *ad hoc* release of 20,000 tons of sugar from the South Indian mills, Bombay had witnessed a virtual sugar famine. Sugar prices had risen very high, small grain being quoted at Rs. 94, medium grain at Rs. 96-8 and bold grain at Rs. 101-103 per bag. Soon after the release, the spot market collapsed, on distress selling which persists even at the time of writing. To-day spot prices for the aforesaid varieties of sugar (sellers) are Rs. 92, Rs. 93 and Rs. 99, respectively.

Arrivals of sugar into Bombay market during the week amounted to 6,000 bags. The estimated stocks with the spot trade is 14,000 bags, which include wet sugar. The demand has been normal.

MIDDLE EAST TYPE TEAS FIRM

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, 15th August

The total offerings in dust sale 'P' which was held on Tuesday, 11th August amounted to approximately 170,000 lbs. There was a good general demand for all teas, although milled dusts were easier by half to one anna. Good liquoring dusts and grainy black Middle East types sold well at prices which were fully firm to occasionally dearer.

London Market.—Good demand; dearer tendency.

Colombo Market.—Strong general demand. Low-growns and mediums slightly dearer. Poorer liquoring high-growns five to ten cents lower. UVAS dearer on quality, particularly best flavoury sorts advanced substantially.

Calcutta Market.—Export.—Good general demand. Commons firm. Whole leaf grades and good liquoring sorts strongest feature. Flavoury Darjeelings well supported. Thin liquoring Assam B.P. neglected.

Dust.—Good general demand. Commons and medium Assams firm to occasionally dearer. Middle East types strongest feature.

Export Quota.—The market eased further during the week and transactions were done at 16 pies. There are buyers to-day at 16 pies and sellers at 17 pies.

Forthcoming Auctions.—Dust Sale 'Q' will be held on Tuesday, 25th August, 1953.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire:

"*Sale* 17:—13,40,000 lbs. Good general demand. Common and low medium easier to buy. Medium and good medium strong to dearer. Best liquoring dearer with improved quality. Black leaf middle East types still wanted at lower rates. Well made orange pekoes dearer."

GOOD BUSINESS IN KIPS

(From Our Own Correspondent)

MADRAS, 17th August

Despite the holiday mood of the U.K. dressers, trading in kips in the hides and skins market has been fair-sized. Arrivals have met with ready demand and prices have ruled unchanged. Tanners expect the U.K. curriers to enhance their limits this week by a penny on tanned cow hides and by two pence on cow calf and buff calf. Demand for tanned buff hides has continued to be firm, due to enquiries from the U.K. and the U.S.A.

In the next London tanned skins public auctions, due to commence on the 24th inst., 500,000 tanned goat and 300,000 tanned sheep will be available for sale. In view of the large quantities on offer, prices of tanned goat skins are easier and of sheep unchanged. Clearance of stocks in the Madras market has been good.

HIDES EASY

(From Our Own Correspondent)

KANPUR, 17th August

Easier conditions prevailed in the Kanpur hides and skins market during the week under review. Trading was dull throughout. Arrivals were very poor. Both buyers and sellers were somewhat reserved and activity was very limited. Prices in the skins section sagged, as a result of decreased demand. The following are the closing quotations:

Wet salted cow, 1st grade superior Rs. 380, and inferior Rs. 260 per score; 2nd grade superior Rs. 260 and inferior Rs. 180 per score; wet salted buff, 1st grade 1 lb. 10 ozs. and 2nd grade 2 lbs. 6 ozs. per rupee; goat, 1st grade Rs. 250 and 2nd grade Rs. 210 per 100 pieces; and sheep Rs. 290 per 100 pieces.

TRADING IN LOOSE JUTE RESUMED

(From Our Own Correspondent)

CALCUTTA, 18th August

As arrivals of new crop jute began to increase, prices of old crop showed a fractional decline. Although mills continued buying, sellers were anxious to do more business, as they expected that the downward trend would continue. Naturally, therefore, mills became reserved, adding to the anxiety of the stockists of old crop. However, all that are largely available of the old crop are *bimli* and *jungli* varieties which mills can afford to buy at any time, since, for these poor types, there is no question of shortage arising at any time during the season. An important event of this week is the resumption of trading in loose jute in the Calcutta jute market, which had remained closed for a few years. It is expected that activities of speculators would consequently increase and that prices of jute would fluctuate more widely. In the market, while lower Assams middles and bottoms old crop declined from Rs. 31 and Rs. 28 to Rs. 30-8 and Rs. 27-8, respectively, the rates for the new crop were maintained at Rs. 32-8 and Rs. 29-8. Similarly, northern middles and bottoms old were lower at Rs. 30-8 and Rs. 27-8, while new crop varieties were held at Rs. 32-8 and Rs. 29-8, respectively. Assam upper middles old were priced at Rs. 29-8 and bottoms at Rs. 26-8, as against Rs. 32 and Rs. 29 for the respective new crop. Latest quotations for other varieties (with rates for the respective new crop given in brackets) are: Daisee bottoms old Rs. 28 (Rs. 30) and middles Rs. 33. Murshidabad bottoms old Rs. 24-8 (Rs. 26-8) and middles new (Rs. 29-8). Western old bottoms Rs. 24, *Jungli* old bottoms Rs. 23-8. Orissa old middles Rs. 31 (Rs. 32-8) and bottoms Rs. 28 (Rs. 29-8). Uttar Pradesh old bottoms Rs. 24. Bihar old *mesta* bottoms Rs. 22. *Binti* f.a.q. old Rs. 24. Pakistani district old bottoms were quoted at Rs. 26-8, while middles old were offered at Rs. 31 and new at Rs. 35. In the *pucca* bales section, ready first marks were priced at Rs. 155 a bale.

Prices of jute goods fluctuated narrowly and, although there were enquiries from overseas, business that actually took place was insignificant. Among the principal enquirers were buyers on behalf of the U.S. and the U.K. Conditions yesterday were particularly bad, as the range of decline was very pronounced. The abnormal increase in production during July, figures for which were available this week, was a factor which quietened the sentiment of buyers and chilled the enthusiasm of stockists. Production of hessians rose by 3,600 tons to 33,500 tons and sacking goods were higher at 40,500 tons, as against 38,100 tons. Ready hessian 40" 10 oz. was offered yesterday at Rs. 45-6, at which rate the loss for the week came to As. 11. Eight oz. 40"was offered at Rs. 36 f.a.s. and at

(*Continued on page* 379)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	7th August, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.44	1,107.06	1,094.14	1,136.34	1,111.06
Notes held in Banking Department	86.06	82.65	46.30	87.53	25.95
Foreign Securities	89.50	583.15	593.15	603.15	553.15
Rupee Securities	87.89	424.86	424.86	439.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	103.82	108.29	112.90	102.42
Other Governments	..	27.09	36.00	13.00	5.12
Balances held abroad	10.08	119.15	120.79	106.32	123.17
SCHEDULED BANKS					
Demand Liabilities	184.87	529.07	530.25	529.02	555.36
		(12.25)	(14.34)	(12.53)	(12.59)
Time Liabilities	102.86	327.59	328.27	328.34	313.52
Borrowings from Reserve Bank	..	(2.15)	(2.29)	(1.90)	(6.19)
		4.52	2.31	2.20	2.61
		(0.49)†	(0.49)†	(1.49)†	(1.23)†
Borrowings from Imperial Bank	..	7.29	6.46	5.57	4.09
Cash in India	6.71	20.44	30.69	32.72	32.74
Balances with Reserve Bank	25.28	47.05	44.78	39.73	56.47
Excess over statutory limits	15.52	14.00	11.71	6.72	22.44
Balances with other banks in current account in India	..	10.19	10.65	11.43	11.40
Money at call and short notice in India	..	16.23	18.53	18.35	21.15
Investments (at book value)	..	319.05	316.41	312.81	302.26
Advances and bills	105.09	458.35	459.51	560.21	494.29
IMPERIAL BANK					
Deposits	87.76	212.24	203.19	207.54	224.14
Investments	51.99	87.70	86.71	85.97	86.61
Advances	30.37	114.90	114.85	120.10	133.20
Cash	14.69	20.84	20.93	14.97	22.17

(Borrowings from banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	14th August 1953		7th August, 1953	
	Number of Cheques	Amounts Rs.	Number of Cheques	Amounts Rs.
Bombay	2,18,117	43,30,19,000	2,12,765	43,04,06,000
Calcutta	1,41,147	50,47,13,347	1,47,469	51,99,10,750
Madras	69,951	7,40,61,712	73,330	7,90,22,407
All Centres—				
1951	..	..	..	1,05,94,122	2180,56,86,359
1952	..	..	..	1,06,41,041	2178,51,57,000
May 1953	..	..	..	26,35,000	5,43,23,00,000
June "	..	..	..	24,65,009	5,14,71,01,000

Reserve Bank of India

Statement of Affairs for the week ended 7th Aug., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	103,81,99,000
(2) Other Governments	27,05,78,000
(b) Banks	62,63,27,000
(c) Others	62,41,24,000
Bills Payable	3,20,49,000
Other Liabilities	13,46,29,000
Rupees	271,67,06,000

ASSETS	Rs.
Notes	32,85,47,000
Rupee Coin	7,09,000
Subsidiary Coin	3,71,000
Bills Purchased and Discounted—	
(a) Internal	20,60,000
(b) External	
(c) Government Treasury Bills	6,72,88,000
Balances held abroad*	119,14,97,000
Loans and Advances to Governments	3,30,40,000
Other Loans and Advances	13,07,69,000
Investments	90,18,86,000
Other Assets	6,05,79,000
Rupees	271,67,06,000

* Includes Cash and Short-term Securities.

N.B.—The item "Other Loans and Advances" includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance Bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	32,85,47,000	
Notes in circulation	1107,06,25,000	
Total Notes issued		1139,91,72,000
Total Liabilities		1139,91,72,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	583,15,11,000	
Total of A		623,16,82,000
B. Rupee Coin		91,83,70,000
Government of India Rupee Securities		424,86,20,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1139,91,72,000

Ratio of Total of A to Liabilities: 54.668 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 7th Aug., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	12,24,83,000†
	(ii) Other demand liabilities	517,71,99,000
2	Time Liabilities in India:	
	(i) Borrowings from banks	2,14,50,000†
	(ii) Other time liabilities	325,44,71,000
3.	Cash in India	22,43,75,000
4.	Balances with the Reserve Bank in India	47,05,20,000
5.	Balances with other banks in current account in India	10,19,37,000
6.	Money at call and short notice in India	16,23,03,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	319,05,03,000
8.	Advances in India	436,59,07,000
9.	Inland Bills purchased and discounted in India	51,76,02,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	16th August 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5/32	1-5/32
Sellers T.T. D.D. upto six months	1-5/32	1-5/32
Buyers T.T. spot to nine months	1-6/32	1-6/32
Buyers T.T. 10 to 12 months	1-6/32	1-6/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	475	475
Buyers T.T. Rs.	471	471
London on New York	£ 2.81 3/4–2.81 5/8	$ 2.81 3/4–2.81 5/8
London on Paris	Frs. 980–981	973–974
London on Berne	Sw. Frs. 12.17–12.17½	12.17½–12.17½
New York on London	$ 2.81 3/4–2.81 5/8	$ 2.81 3/4–2.81 5/8

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	5,730	255
Pakistan	1949	76.04	..	1,671	228
Burma	1951	18.67	Kyats 3,166	317	169
Ceylon	1951	7.74	..	451	542
Japan	1951	84.30	Y. 4,849,400	6,414	774
Philippines	1951	20.25	Ps. 7,586	1,820	856
New Zealand	1951	1.85	£(N.Z.) 615	820	4,206
Australia	1951	8.43	$(A.) 3,238	3,464	4,317
U.K.	1951	50.43	£ 13,643	18,197	3,608
U.S.A.	1952	156.99	$ 293,400	139,240	8,868
Canada	1952	14.43	$ 18,307	8,246	5,714
France	1951	42.24	F. Fr. 9,093,000	12,272	2,929
W. Germany	1951	48.11	Dm. 90,200	10,272	2,156
Italy	1951	46.60	Lr. 7,746,000	5,902	1,207
Norway	1952	3.32	Kr. 16,926	1,126	3,351
Sweden	1951	7.07	Kr. 24,900	2,470	3,604
Netherlands	1952	10.88	Fl. 17,550	2,200	2,120
Denmark	1951	4.30	Kr. 20,716	1,439	3,548
Switzerland	1951	4.76	S. Fr. 19,500	2,165	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, June, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 7th August, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	38,22,02,000
(b) Provincial Governments	5,83,79,000
(c) Banks	18,21,60,000
(d) Others	2,58,21,000
Bills Payable	1,00,54,000
Other Liabilities	1,21,61,000
Rupees	69,77,76,000

ASSETS	Rs.
Notes	8,76,03,000
Rupee Coin	3,000
Subsidiary Coin	7,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	1,85,00,000
Provincial Governments Debtor Balances	9,88,79,000
Other Loans and Advances	1,50,00,000
Investments	38,21,55,000
Other Assets	9,51,29,000
Rupees	69,77,76,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,76,03,000	
Notes in circulation	202,85,22,000	
Total Notes issued		211,61,25,000
Total Liabilities		211,61,25,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	59,53,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,93,96,000	
B. Rupee Coin	6,44,32,000	89,14,52,000
Government of Pakistan Securities	111,77,36,000	
Internal bills of exchange and other commercial paper	....	
		118,21,68,300
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	8,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		211 61,25,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44.00 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allottees at minimum rate
1953				Rs. a. p.	%
26th May..	1.00	2.26	1.00	2 6 6	28
2nd June..	1.00	2.02	1.00	2 6 6	28
9th " ..	1.00	2.10	1.00	2 6 5	27
16th " ..	1.00	2.23	1.00	2 6 5	27
23rd " ..	1.00	2.90	1.00	2 6 6	28
1st July " ..	1.00	2.71	1.00	2 6 6	28
7th " ..	1.00	2.83	1.00	2 6 6	28
14th " ..	1.00	2.61	1.00	2 6 2	8
21st " ..	1.00	2.80	1.00	2 6 2	8
28th " ..	1.00	3.76	1.00	2 6 2	10
4th August	1.50	2.61	1.50	2 6 2	30
11th " ..	1.50	2.02	1.50	2 6 3	40
18th " ..	1.50	1.85	1.50	2 6 5	65
Total ..	14.50	33.10	14.50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	26th March, 1953	6	5
Belgium ..	18th Dec., 1952	2½	3
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	25th July, 1952	3	2½
Denmark ..	3rd April, 1953	2½	3
Finland ..	16th Dec., 1951	5	7½
France ..	9th Jan., 1953	3	4
Greece ..	12th July, 1948	6	8
India ..	15th Nov., 1951	3	3½
Italy ..	4th April, 1950	3	3½
Japan ..	1st Oct. 1951	4½	6
Netherlands ..	7th April 1953	3	3½
New Zealand ..	26th July, 1941	2	2½
Norway ..	9th Jan., 1946	2	3
Pakistan ..	1st July, 1948	3	2½
Portugal ..	18th Jan., 1944	3	4
South Africa ..	27th May, 1953	3½	4
Spain ..	16th Mar., 1949	4	4½
Sweden ..	1st Dec., 1950	3½	4
Switzerland ..	26th Nov., 1951	2½	3
Turkey ..	26th Feb., 1951	4	4½
United Kingdom ..	12th May, 1932	2	3
U.S.S.R. ..	1st July, 1936	2	4
U.S.A. ..	16th Jan., 1953	1½	2
West Germany ..	9th Jan., 1953	4	5

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	February, 1953	February, 1952	Eleven months—April to Mar., 1952-53	Eleven months—April to Mar., 1951-52
Import Duties:				
Revenue ..	9.00	11.56	102.90	110.76
Protective ..	49	90	6.04	0.73
On surplus disposals	..	3	..	27
Total import duties	9.52	12.49	109.03	120.76
Export Duties	3.19	7.81	50.41	83.23
Land Customs ..	16	7	2.48	2.99
Miscellaneous ..	8	7	1.03	1.04
Gross total customs ..	12.95	20.64	162.94	217.04
Refunds and drawbacks	14	31	7.49	4.44
Net Customs ..	12.81	20.33	155.49	212.60
Gross excise ..	7.70	6.86	76.85	81.11
Refunds ..	12	17	1.35	1.59
Net Excise ..	7.58	6.69	75.00	79.52
Net total of customs and excise	20.39	27.02	235.49	292.12

Imperial Bank of India

Statement of Affairs for the week ended 14th Aug., 1953

CAPITAL AND LIABILITIES

	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves ..		6,85,00,000
Deposits and other Accounts ..		204,76,03,000
Borrowings from other Banking Companies Agents ..		
Bills Payable ..		2,17,70,000
Bills for Collection being Bills Receivable as per contra ..		54,29,000
Acceptances, Endorsements and Other Obligations as per contra ..		1,03,000
Other Liabilities (including Inter-Office Adjustments) ..		1,03,30,000
Total ..	Rs.	220,49,99,000

PROPERTY AND ASSETS

	Rs.	Rs.
Cash in hand and with Reserve Bank ..		13,09,72,000
Balances with other Banks ..		4,11,92,000
Money at Call and Short Notice ..		78,80,000
INVESTMENTS—		
Government and other Trustee Securities ..	78,12,29,000	
Other Authorised Investments ..	10,75,82,000	
		88,91 11,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	80,49,74,000	
Bills Discounted and Purchased ..	23,19,61,000	
		103,69,35,000
Bills Receivable being Bills for Collection as per contra ..		54,29,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		
Premises less Depreciation ..		1,06 000
Furniture and Fixtures less Depreciation ..		1,30 87,000
Other Assets (including Inter-Office Adjustments) ..		26 84,000
		1,70 40,000
Total ..	Rs.	220,49,99,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings @	2½% Ten-Year Treasury Savings Deposit Certificates ‡
	5-Year		7-Year		12-Year					
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings		Receipts / Outstandings*
1948-49 ..	1,54	1,47	76	74	20,40	22,86	83,26	29,91	— 12,81	.. / ..
1951-52 ..	1,75	6,08	77	2,91	22,08	46,61	1,07,55	74,18	— 27,55	12,10 / 8,81
1952-53 ..	1,63	6,84	66	3,27	23,66	64,18	1,12,36	91,01	— 31,06	7,54 / 15,39
May 1952 ..	12	6,20	5	2,93	2,12	70,23	9,95	77,85	—	.. / 23,64
June " ..	12	6,27	6	3,01	1,81	71,64	9,85	80,03	— 29,86	.. / ..
July " ..	16	6,33	10	3,08	2,08	73,14	10,29	82,64	— 29,58	56 / 19,56
August " ..	15	6,40	6	3,11	1,76	74,45	8,61	82,84	— 29,92	69 / 20,83
September " ..	10	6,44	3	3,11	1,84	75,72	8,79	83,79	— 29,16	74 / 21,25
October " ..	11	6,48	5	3,14	1,71	76,77	8,72	84,91	— 29,41	63 / 21,59
November " ..	10	6,50	3	3,16	1,71	77,99	8,03	85,25	— 29,60	52 / 22,28
December " ..	8	6,51	3	3,18	1,89	79,34	8,45	85,54	— 29,99	58 / 22,92
January 1953 ..	16	6,54	4	3,19	2,02	80,77	8,39	86,09	— 30,23	58 / 23,48
February " ..	14	6,61	5	3,22	1,86	82,14	8,36	86,09	— 30,51	48 / 23,76
March " ..	82	6,84	9	3,27	2,66	84,18	13,75	91,01	— 30,76	58 / 24,48
April " ..	11	6,80	5	3,27	2,24	85,95	9,64	93,01	— 31,30	60 / 25,08
May " ..	12	6,83	4	3,29	2,06	87,57	9,55	93,80	— 31,52	60 / 25,64
June " ..	..	..	..	..	..	..	..	..	— 31,52	60 / 27,56

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)
†. All-India

Group and Sub-Group	Week Ended 8-8-'53	1-8-'53	11-7-'53	9-8-'52
(A) Government and Semi Government Securities †	91.9	91 9	92.1	91.2
1. Government of India Loans ..	92 0	92 0	92 2	91 2
2. Municipal, Port Trust and Improvement Trust Loans	86 6	86 6	86.9	87 6
(B) Fixed Dividend Industrial Securities	81 1	80 9	80 2	80.8
1. Electricity ..	79 6	79 7	78 6	74.7
2. Cotton ..	127.7	127 8	128 0	128 1
3. Jute ..	80 6	80 6	80 7	79 4
4. Coal ..	84 3	84 2	82 8	85 2
5. Iron and Steel ..	89 7	89 7	89 1	92 0
6. Sugar ..	89 8	89 8	89 8	85.3
7. Paper ..	98 7	98 9	97 2	101 8
(C) Variable Dividend Industrial Securities	105 9	106 2	106 4	107.6
1. Banks ..	102 7	102 9	103 4	102.9
2. Insurance ..	97 7	99 0	99.5	101.1
3. Investment Trusts ..	130.4	130 7	134 4	139.2
4. Electricity Companies and Tramways ..	84.1	84 4	84.0	83 1
5. Shipping and Other Transport Companies ..	87 6	86 4	84.2	83 6
6. Railways ..	122 9	123 1	124 5	130 3
7. Plantations ..				
8. Cotton Woollen and Silk ..	136 9	136 5	134 9	136 6
9. Jute ..	70.3	70 5	71.7	76 0
10. Coal ..	84.1	85 8	84.5	82 5
11. Mining and Oil ..	59 6	59 9	61.7	63 7
12. Iron and Steel ..	139 0	139 1	136 6	131 3
13. Engineering ..	144 5	143 6	140 6	138 9
14. Sugar ..	82 6	82 8	81 9	86 8
15. Breweries ..	67 6	66 5	68.2	61 5
16. Chemicals ..	135 2	134 0	132.7	128 7
17. Paper ..	115 1	115 9	115 6	113 4
18. Cement ..	139 2	141.1	140 5	137.8
II. Regional				
(A) BOMBAY—				
Government and Semi-Government Securities	91 8	91.7	91.9	91.3
Fixed Dividend Industrials ..	93.0	92 9	91 2	91.8
Variable Dividend Industrials ..	125 0	125.4	124.3	122 0
(B) CALCUTTA—				
Government and Semi-Government Securities	92 5	92 5	92.7	91 7
Fixed Dividend Industrials ..	88 3	88.2	88 4	87 7
Variable Dividend Industrials ..	92 8	93 1	93 9	95 8
(C) MADRAS—				
Government and Semi-Govert ment Securities	91.5	91 5	91.8	90 5
Fixed Dividend Industrials ..	102.3	101.7	101.9	106.1
Variable Dividend Industrials ..	129.4	129 2	129.1	133.4

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,588	12,805,704
1951 ..	1,071	691,821	3,818,928
1952 ..	963	809,242	3,386,961
February 1951..	61	44,025	203,640
March ..	78	47,738	317,580
April ..	129	95,747	981,328
May ..	109	56,904	277,814
June ..	146	83,446	468,358
July ..	130	72,484	671,708
August ..	106	64,854	298,907
September ..	83	24,777	92,100
October ..	106	67,898	190,781
November ..	124	64,147	189,374
December ..	113	76,196	365,149
January 1952 ..	95	806,881	674,340
February " ..	88	48,180	219,807
March " ..	87	42,450	145,498
April " ..	134	69,487	254,446
May " ..	118	80,098	254,585
June " ..	101	59,851	257,048
July " ..	89	40,744	171,346
August " ..	88	48,585	148,833
September " ..	96	57,875	480,585
October " ..	97	78,181	349,618
November " ..	84	48,766	278,246
December " ..	87	57,525	185,017
January 1953†	85	42,383	244,414
February " ..	45	23,477	123,411
March " ..	67	33,231	216,207
April " ..	67	48,218(a)	212,630(b)

† Figures for 1953 are provisional. • Revised.
(a) Not known in two cases. (b) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1950-51 ..	545	6,279.9	4,256.9
1951-52 ..	573	6,948.1	4,849.9
1952-53 ..	614	6,801.4	5,134.3
January 1953 ..	568	590.9	406.7
February " ..	573	481.8	392.9
March " ..	577	488.5	398.8
April " ..	581	514.4	418.1
May " ..	583	500.1	408.8
June " ..	588	534.0	419.7
July " ..	593	531.6	428.7
August " ..	597	530.8	430.8
September " ..	599	543.2	441.8
October " ..	605	570.7	458.4
November " ..	608	552.2	457.8
December " ..	611	535.6	441.8
January 1953 ..	614	498.6	417.4
February " ..	614	533.0	435.7
March " ..	616	530.9	438.1
April " ..	..	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	1st August, 1953	25th July, 1953	2nd August 1952	July, 1953	June, 1953	Percentage of increase (+) or decrease (—) in July, 1953 as compared with July, 1952	1953	1951
Food Articles ..	408.4	408 4	387 8	408 4	387 6	+ 10 6	389.6	469.8
Cereals ..	478	478	463	483	457	+ 5.8	450	488
Pulses ..	509	518	503	503	493	+ 4.8	498	506
Other ..	238	256	226	238	234	+ 23 1	225	299
Industrial Raw Materials ..	492 7	487.1	431.8	480 5	435 1	+ 10 4	463.8	608.2
Fibres ..	436	425	418	419	429	— 2 3	454	622
Oil seeds ..	500	496	375	477	490	+ 4 1.5	500	574
Minerals ..	457	440	467	462	462	— 4.3	458	426
Others ..	357	356	299	359	293	+ 20 5	341	583
Semi-Manufactures ..	366.6	367.0R	349.3	365 4	347 2	+ 5 2	348.8	377.8
Leather ..	408	415	377	417	353	+ 15 1	345	458
Mineral oils ..	222	222	202	221	206	+ 0 6	221	278
Vegetable oils ..	611	611	469	597	459	+30 1	459	679
Cotton yarn ..	452*	453*R	449*	454*	398*	— 1 3	465*	458
Metals ..	224	224	219	225	219	+ 2 3	211	197
Oil Cakes ..	439	431	439	448	440	+ 1 8	440	500
Others ..	254	254	207	253	255	— 11.2	278	320
Manufactured Articles ..	371.7	389 5R	364.7	387 3R	388.7	— 0.4	377 8	395.8
Textiles ..	413	409R	398	406R	405	+ 0 2	423	468
Jute ..	421	412	357	410	430	— 4.7	506	508
Cotton ..	415*	415*R	410*	410*R	389*	+ 5 4	401*	400*
Rayon and Silk ..	417*	397*	511*	409*	368*	+ 6 4	385*	511*
Woollen ..	320	320	378	320	378	—15 3	346	197
Metal products ..	327	326	328	326	324	+ 2 4	321	286
Others ..	285	285	298	295	297	— 4.0	298	300
Miscellaneous ..	693 7	696 1	655.4	693.9	629 5	+10 2	638.9	729.8
All Commodities ..	411 1	409 8R	383 1	407.7R	383 8	+ 6 2	388.9	439.5

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India† (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
July 1951	—	333	270	318	454	394	389	337	145	182	146	155	173
August "	—	328	261	322	459	392	388	338	144	181	143	161	171
September "	—	325	253	319	470	389	375	340	144	179	150	161	170
October "	—	332	254	325	469	395	378	356	144	181	148	165	171
November "	—	333	253	328	464	397	377	367	142	181	155	168	168
December "	—	331	252	328	449	397	370	337	144	181	150	166	158
January 1952	146	331	246	325	442	393	357	338	142	179	147	162	156
February "	144	324	241	318	441	382	343	336	141	178	145	155	155
March "	135	313	239	309	413	376	340	333	136	177	140	150	145
April "	141	345	243	321	418	377	339	326	145	169	138	153	144
May "	140	339	264	318	413	376	339	337	148	168	142	155	148
June "	140	338	263	309	424	375	342	339	143	171	141	153	148
July "	142	330	263	304	456	377	354	331	143	178	143	161	157
August "	144	340	267	312	468	388	369	330	143	176	149	160	157
September "	143	341	269	310	465	381	364	328	143	176	143	157	159
October "	144	345	274	311	466	381	363	327	146	179	142	154	150
November "	143	347	271	306	459	380	357	328	143	176	139	150	150
December "	139	346	262	303	454	378	346	327	141	177	137	150	149
January 1

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton[s]	74,674†	73,665††	23,424†	20,741††
Wheat 4th ..	tons	23,082†	23,874††	6,338†	5,700††
Jowar ..	tons	41,945†	39,144††	6,038†	5,944††
Bajra ..	tons	25,292†	22,829††	2,922†	2,299††
Barley 2nd ..	tons	7,676†	7,180††	2,177†	1,738††
Maize ..	tons	8,796†	8,073††	2,807†	2,021††
Ragi ..	tons	5,388†	5,399††	1,235†	1,212††
Gram ..	tons	16,719	19,709	3,157	3,593
Other millets & pulses	tons	89,725	39,770	6,386	6,401
Jute	bales	1,834†	1,951††	4,695†	4,678††
Cotton	bales	15,674†	16,198††	3,050†	3,133††
Sugarcane 2nd	tons	4,248†	4,329††	5,035†	5,238††
Groundnut ..	tons	11,862†	11,798††	2,894†	3,045††
Linseed ..	tons	3,298	3,447	309	361
Castorseed ..	tons	1,349†	1,428††	107†	106††
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum (supp)	tons	5,751†	5,615††	514†	433††
Tobacco ..	tons	764†	659††	211†	192††
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During July, 1953 ..	78.4
	Corresponding month 1952 ..	83.8
	July 1952 to July, 1953 ..	970.9
	Corresponding period 1951-52 ..	1,023.7
Stocks	At the end of July 1953 ..	135.7
	Corresponding month 1952 ..	100.5
		(In 000 bags)
Exports(Jute Bags)	Week ended 4th July, 1953 ..	1.56.29
	Corresponding week 1952 ..	1,10,12
	From 1st Jan., to 4th July, '53 ..	13,41,849
	Corresponding period 1952 ..	22,50,31
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 4th July, 1953 ..	6,82,84
	Corresponding week 1952 ..	4,24,20
	From 1st Jan., to 4th July, 1953 ..	64,19,25
	Corresponding period 1952 ..	52,27,10
	RAW JUTE	(In 000 bales)
Exports*	Week ended 4th July, 1953 ..	—
	Corresponding week 1952 ..	—
	Three months ended March, 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills†	July, 1953 (in lakh bales) ..	4.54
	Corresponding month 1952 ..	4.86
	Twelve months ended June,1953 ..	52.00
	Corresponding period 1952 ..	54.80

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950..	10,41,700	927,500	720,000
Do.	31st March, 1951..	11,15,200	10,62,100	7,76,500
Do.	31st March, 1952..	11,30,000	10,67,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,61,900	7,91,800
Four months ended 30th July, 1953		3,74,400	3,36,500	2,46,600
March	1951..	91,800	86,600	71,400
April	.. .. ..	81,500	79,800	65,000
May	.. .. ..	94,300	92,200	66,600
June	.. .. ..	84,100	80,500	65,800
July	.. .. ..	93,000	85,400	66,700
March	1952.. ..	1,02,100	92,100	67,400
April	.. .. ..	93,000	86,500	62,900
May	.. .. ..	95,000	83,200	61,700
June	.. .. ..	88,400	83,100	64,800
July	.. .. ..	93,400	91,000	66,800
March	1953.. ..	97,400	86,600	65,500
April	.. .. ..	97,000	83,100	60,800
May	.. .. ..	95,900	85,000	62,000
June	.. .. ..	90,400	82,800	59,000
July	.. .. ..	91,100	86,100	64,800

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months, April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11,37	35,40	175,64	262,06
Raw materials	10,62	21,54	179,01	254,06
Manufactures	23,05	30,25	274,00	341,58
Other Items	42	76	4,30	5,35
Total Imports* ..	45,46	87,95	632,95	862,84
Exports :—				
Foodstuffs	12,94	12,94	142,16	158,16
Raw materials	10,82	12,69	145,03	139,68
Manufactures	21,29	26,84	259,76	400,31
Other Items	29	43	4,09	3,65
Total Exports ..	45,34	52,90	551,04	701,80
Total Re-exports ..	36	59	5,74	13,76
Balance of trade in merchandise	+ 24	—34,45	— 76,17	—147,28
Balance of transactions in private treasure	..	..	7	— 14
Total Visible Balance of Trade	+ 24	— 34,45	— 76,24	—147,42
Imports :—				
Total †Cwealth Countries ..	20,29	23,46	252,65	288,63
Total Foreign Countries ..	25,17	64,49	380,30	574,21
Exports :—				
Total Cwealth Countries ..	23,59	25,08	281,90	365,20
Total Foreign Countries ..	21,75	27,82	269,14	336,60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	39	3,53†	18,84†	27,14†
Imports	1,58†	3,52	25,16	80,45
Balance of trade in merchandise	— 1,19†	+ 1	— 6,32†	—53,31†

††Provisional.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953
Eastern Zone																					
Bamra	160	244	262†	79	97	97	128	121	121	127	137	140	104	107	109	184	216	216	170	193	197
Malbang	144	149	x	126	131	x	144	126	x	141	129	x	141	102*	x	163	—	x	125	100	x
Shankargarh ..	134	155	143†	138	174	155†	168	150	147	149	157	148	101	95	95	154	140	126†	140	145	145
Sonaili	259	181	183	157	167	167	188	177	175	194	176	175	125	125	125	249	199	199	810	810	310
Northern Zone																					
Multapi	113	124	124	140	164	158	165	177	178	152	164	165	121	123	123	182	166	166	156	203	201
Nana	269	224	206†	229	253	258	194	190	184	216	204	196	134	115	117	208	201	144†	204	190	190
Salamatpur ..	210	225	213†	249	277	269	195	199	190	210	220	210	129	129	129	130	139	139	259	277	231
Southern Zone																					
Krishna	182	179	191†	156	170	165†	151	163	162	157	167	168	110	127	130	164	136	132	209	175	175
Lath	197	374	374	154	195	195	125	129	132	143	184	186	86	88	88	138	135	135	144	137	138
Malur	161	208	216	128	139	144	138	145	150	141	158	163	97	96	97	407	180	195	163	173	171
Muniguda ..	290	204	210	173	213	191†	191	218	216	190	214	211	122	128	128	207	177	164†	269	199	202
Kudchi	157	181	181	125	139	130	143	160	161	144	161	162	113	127	120	149	122	122	191	191	193

x Returns not received. † Revised. * Provisional.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 13th Aug., 1953 ..	16,368
	Corresponding week, 1952 ..	37,907
	1st Sept. 1952 to 13th Aug., 1953 ..	17,91,430
	Corresponding period, 1951-52 ..	19,24,176
Cotton Exports	Week ended 13th Aug., 1953 ..	110
	Corresponding week, 1952 ..	12,256
	1st Sept. 1952 to 13th Aug., 1953 ..	3,26,642
	Corresponding period, 1951-52 ..	1,63,920
Mill Consumption	1st Sept. 1952 to 13th Aug., 1953 ..	11,04,830
	Corresponding period, 1951-52 ..	9,56,762
Stock (with exporters dealers and mills) ..	On 13th Aug., 1953 ..	4,16,181
	Corresponding date, 1952 ..	5,37,089
Karachi (Pakistan)*		
Receipts ..	Week ended 6th Aug., 1953 ..	1,393
	Corresponding period 1952 ..	13,013
	1st Sept. 1952 to 6th Aug., 1953 ..	16,45,073
	Corresponding period, 1951-52 ..	15,50,758
Exports	Week ended 6th Aug., 1953 ..	18,261
	Corresponding period, 1952 ..	24,900
	1st Sept. 1952 to 6th Aug., 1953 ..	13,87,900
	Corresponding period, 1951-52 ..	11,88,030

* As reported by the Karachi Cotton Association Ltd.

Particulars	From 1st Sept., '52 to 17th August, 1953 Bales	From 1st Sept., '51 to 17th August, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	16,250	7,258
Continent ..	1,04,944	42,476
China	318	750
Japan	1,55,597	1,01,044
U.S.A. ..	48,134	12,276
Other Countries	6,456	1,436
Total to all foreign countries ..	3,26,637	164,240
Coastal Ports ..	1,37,810	1,03,117

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian	April, 1953 ..	2,83,519
Foreign		74,140
Indian	Eight months September 1952 to April, 1953	23,84,831
Foreign	Same Period 1951-52 ..	5,60,550
Stocks (Mills and Elsewhere)—		19,14,202
Indian		7,23,089
Foreign	As on 30th April, 1953 ..	13,16,717
Indian		3,49,173
Foreign	As on 30th April, 1952 ..	13,67,794
	Week ended 7th Aug., 1953 ..	3,60,462
Cotton Pressed †	Corresponding week, 1952 ..	84
	1st Sept. 1952 to 7th Aug., 1953	890
	Corresponding period, 1951-52 ..	29,01,743
		31,83,196

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103⅛
2½% Bonds	1926-33	63,30,26,000	1960-70	102
3 % Loan	1938-39	1,16,17,46,000	1963-65	92⅜
2½% Loan	1950	30,33,10,000	1964	92⅛
3 % Loan	1943	1,10,11,78,000	1966-68	90
2½% V. Loan	1944	1,14,06,89,000	1957	98⅛
2½% Loan	1945	1,15,05,83,000	1970-75	86½
2½% Loan	1945	1,13,65,64,000	1959-61	96½
2½% Loan	1951	50,35,63,000	1958	98½
2½% Loan	1946	45,63,07,000	1960	93½
2½% Loan	1946	57,00,69,000	1961	90½
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,46,000	1976	82¼
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 %Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82
3 % Loan	1946	248,91,90,000		82
REPATRIATE STERLING LOANS				
2½% Loan	1933	12,88,18,000	1954-56***	100⅛
4½% Loan	1928	5,83,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18thSept. 1955	99
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,15,000	1st Aug. 1963	93
3 % Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1965	100⅛
4 % Bombay	1952	3,56,72,700	1st Aug. 1964	100⅛
3 % Cochin	1943	30,00,000	1st Oct. 1953–55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955–58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956–61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 % Madras	1938	1,42,08,300	15th Sept. 1953	99–1⅛
3 % Madras	1939	1,29,76,600	21st June 1939	95⅜
3 % Madras	1942	1,23,25,000	18th Sept. 1953	99
3 % Madras	1943	1,23,10,000	14th Sept. 1956	98–8½
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	93⅜
3 % Madras	1946	1,90,93,200	1st Sept. 1961	90⅛
3 % Madras	1950	3,47,00,000	31st July 1960	93⅛
3 % Madras	1951	3,00,00,000	17th Sept. 1962	98
3½% Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1953	3,00,00,000	1st Aug. 1964	99⅞
4 % Madras	1952	3,00,00,000	1st Nov. 1955	100⅛
3 % Mysore(f)	1930	1,63,44,300	1st Dec. 1953–63	100⅛
3 % Mysore(f)	1933	2,95,85,700	30th April 1956–61	98–½
3 % Mysore(f)	1936	3,99,72,900	25th Jan. 1958	98–½
3 % Mysore	1947	3,08,05,700	25th Oct. 1953	99⅛
4 % Mysore	1953	3,00,00,000	18th Sept. 1955	99
3 % M.P.	1942	50,50,000	14th Sept. 1956	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,01,28,800	15th Sept. 1964	91⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	94⅛
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
3½% M.P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99–½
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99–½
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	98–½
3 % Punjab**	1945	2,93,81,600	14th Sept. 1960	98–½
3 % Punjab**	1944	3,00,00,000	15th May 1952–54	99–½
3 % Travancore Cochin	1936	50,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1938	1,61,96,500	15th Sept. 1961–66	90⅛
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97
3 % U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
3 % U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3 % U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99–½
4 % U.P.	1953	3,00,00,000	15th July 1963	99⅛
4 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
3½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913*	1975	99½N
88,23,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
75,00,000	4	1924*	1975	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1975	
15,00,000	3½	1934*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,02,300C	3½	1921	1981	79
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955–85	105
98,21,600	5½	1926	1956–86	104½
99,84,500B	5	1926	1956–86	103½
1,49,49,300B	5	1927	1957–87	103½
1,49,49,300B	5	1928	1958–88	104½
80,00,000	4½	1931	1991	91
21,75,000C	3	1933	1954	99½
60,00,000C	3	1935	1965	96½
25,00,000	3	1938	1963–68	88
50,00,000	3	1943	2005	70N
50,00,000	3	1945	1975	82⅜
50,00,000	3	1946	1976	82½
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅜
50,00,000	3	1948	1978	82⅛
50,00,000	3	1949	1959	94⅜
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
50,00,000	4	1953	1963	97⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1933–83	£86½
£901,000	5	1924	1954–84	£86½
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug. 3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1903	1965	97½N
20,00,000	4	1905	1966	
15,00,000	4	1907	1967	
25,00,000	4	1908	1968	
18,00,000	4	1912	1972	
23,00,000	4	1913	1973	
40,00,000	5	1914	1974	97½N
25,00,000	5	1916	1976	
66,00,000	6	1919	1937–79	113N
25,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	113N
10,00,000	5½	1927	1961–70	98N
	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
30,00,000	5	1934	1964	100
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
30,00,000	3	1937	1962	90
20,00,000	4	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1954	99⅜
20,60,000	4	1913–15	1974	99⅜
10,00,000	4	1913–15	1955	99½
10,00,000	4	1914	1974	99⅜
1,60,00,000	6	1920	1980	113
25,00,000	5	1924	1954	102⅛
26,14,000	5	1928	1958	
8,45,500	5	1929	1949–59	105
26,21,500	5	1929	1954–59	102⅛
8,25,00,000	3½	1929	1959	102⅛
2,50,00,000	3½	1947	1977	86⅛
4,00,00,000	3½	1948	1978	86⅛
2,50,00,000	3½	1950	1965	86⅛
2,00,00,000	3½	1952	1964	99⅛
	3½	1951	1966	97
CALCUTTA				
34,45,500	6½	1925	1955	105⅛
84,70,000	6	1925	1955	104⅛
36,00,000	5	1925	1955	103⅛
25,00,000	5	1929	1958	103⅛
25,19,000	5	1929	1958	103⅛
10,00,000	5½	1929	1958	103⅛
33,91,000	3½	1935	1962	108
3,11,46,500	3	1936	1953	100
60,00,000	3	1936	1953	100
1,46,100	3	1936	1966	88½
3,11,46,500	3	1937	1953	100
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,13,100	3	1937	1954	98⅛
47,50,000	3	1937	1954	98⅛
10,68,700	3	1938	1968	88
15,56,800	3½	1938	1958	97⅛
15,56,800	4	1940	1956	99⅛
17,64,400	3½	1940	1957	99⅛
21,10,000	3½	1942	1972	92⅛
13,49,000	3½	1942	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1961	96
87,36,000	4	1952	1962	99⅛
MADRAS†				
Rs.				Rs.
5,00,000	4	1903	1953	101N
3,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. J=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees.
(e) This includes the amount of loan converted into First Development Loan 1970-75. (J) Income-tax free. A=Held by Government of India.
Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. **Quotations in Pak. Currency.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April 1953. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132½	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	97	100
Cawnpore Sugar Works	7,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	£200,000	1897	7	Jan. July	138	£1
¶East India Distilleries ..	6,73,000(c)	1940	7B	Dec. ..	77	100
Gwalior Sugar	5,00,000	1940	7B	Dec. ..	75	100
Do. (Non-redeem.)	2,00,000	1940	7B	Dec. ..	15½	10
Puritshore Co.	6,00,000	1933-38	6	Aug. ..	101	100
Ramnagger Cane	4,00,000	1943	5½	Oct. Apr.	70	100
Ravalgaon Sugar	20,00,000	1943	5½(a)	Oct. ..	75N	100
South Behar Sugar ..	5,00,000	1946	5(c)	Dec. ..	6½	10
Travancore	15,00,000	1932	5	Dec. ..	90N	100
Upper Ganges	12,00,000	1946	5(a)	Dec. ..	70N	100
Do.	15,00,000					
COAL						
Bengal-Nagpur	1,12,500	1903	7	Jan. July	116	100
Borrea	4,00,000	1901-19	7	Apr. Oct.	121	100
Burrakur (1st)	22,99,800	1946	6(a)	.. ..	8½	10
Do. (2nd)	4,50,000	1946	6(a)	Mar. Sept.	117	100
Equitable	4,00,000	1946	5½(a)	.. ..	84	75(pp)
Karanpura Collieries ..	7,50,000	1931	5	Mar. Sept.	6N	10
††Khas Kajora	1,93,000	1931	5	Jan. July	13	10
New Beerbhoom	2,00,000	1920	7	Apr. Oct.	115	100
Ondal	2,00,000	1898-99	6½	Apr. Oct.		100
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	110‡	100
Bangalore	6,00,000	1884	6	Jan. July	131½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,00,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	116	100
Bowreah 'A'	6,00,000	1900	8

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

COTTON MILLS

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Ordinary Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5			12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49½	100	6 0	6 0	—	—	12	Y.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd. ..	1,82,072	4,855	Bombay Dyeing & Mfg. ..	380	250	17 8	20 0	—	—	3	Y.P.T.
10,00,000	23,11,593	52,02,609	45,77,874	2,59,868	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	825	250	75 0	100 0	100 0	—	12	Y.
1,09,42,800	2,08,18,653	2,43,74,315	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	273½	100	18 0	20 0	20 0	—	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director) ..	40,668	698	Colaba Land & Mill	69	100	—	—	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd. ..	27,308	680	Coorla Spg. & Wvg.	111½	100	7 8	7 8	7 8		12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304	928	Dawn Mills	65	50	—	6 0	5 0		3	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Puranmal Radhakishan & Co. ..	50,296	836	Edward Textiles	240	200	15 0	15 0	15 0		12	Y.
29,91,700	12,91,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulraj & Co., Ltd. ..	46,072	784	Elphinstone Spg. & Wvg. Mills	322	50	4 0	4 0	3 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.			Finlay Mills	3,330	100	175 0	200 0	200 0		12	Y.P.
12,00,000	65,36,400	98,72,638	82,61,500	4,762	Thackersey Mooljee & Co. ..	45,752	1,022	Hindoostan Spg. & Wvg. Mills ..	250	250	43 12	50 0	50 0		3	Y.P.
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills	1,000	100	7 8	7 8	7 8		12	Y.
50,00,000D.									3,310	1,000	175 0*	200 0*	200 0*			
9,00,000	65,91,320	98,10,275	76,94,000	7,671	Damodhar Thackersey Mooljee &Co	47,172	1,191	Indian Mfg.	8-14½	500	87 8	100 0	100 0		3	Y.P.
									1⅛	10	0 2	0 4				
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co., Ltd. ..	77,404	1,517	Khatau Makanji Spg. & Wvg. Co.	183½	100	12 0	14 0	10 0		3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,084	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	298	100	18 0	25 0*	18 0		6	Y.P.
28,80,000A									26½	100A	7 8	5 1	6 0			
3,60,000B	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills		20B	1 8	1 0	1 4		6	Y.
22,13,050	47,03,470	1,01,00,576	42,51,268	24,014	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	95N	50	4 0	7 0	5 0		10	Y.P.
51,75,000	24,92,733	1,71,00,016	1,44,55,016	2,80,686	Piramal Gangadhar, G. Chatarbhuj, G. Piramal	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	150	100	17 0	15 0	12 0		6	Y.P.
									150½	100	12 8	15 0	10 0			
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg. ..	149	100	10 0	12 8	10 0		12	Y.
21,71,710	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.							12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	33,720	873	New Union Mills	25⅜	10	0 8	1 0	1 4		12	Y.
									116½	100	10 0	10 0	8 0		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	126½	100	9 0	10 0	10 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Kothari & Sons	32,600	930	Podar Mills	20½	10	2 0	2 0	1 4		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon Spg. & Wvg.	25½	10	0 12	1 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	175	100	14 0	17 8	12 8		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,41,873	Marwar Textiles (Agency) Ltd. ..	66,452	1,640	Shree Niwas Cotton Mills							12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	169½	50	14 0	17 0	15 0(c)	15 0	3	Y.
									311½	100	15 0	20 0	20 0		12	Y.
56,00,000	1,30,69,660(e)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard Mills	248½	100	16 0	18 0	16 0		12	Y.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	452½	100	20 0	25 0	30 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	41½	25	2 0	4 0	2 0		12	Y.
12,54,438	59,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,249	1,800	Tata Mills	3,500	1,000	175 0*	200 0*	200 0*		12	Y.
12,00,000	51,56,933	86,62,657	66,93,000	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spg. & Mfg. ..							3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	146½	100	8 0	12 0	10 0		6	Y.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Amrita Mills	453½	100	13 0*	25 0*			12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	42,768	1,216	Arvind Mills	795	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	48,644	914	Ayyodaya Ginning & Mfg. ..	312½	100	30 0	35 0*	15 0		12	Y.P.
12,00,000	1,00,27,000	82,29,938	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	2,400	Calico	480	100	17 0	22 0*	15 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Kasamchand Premchnad Ltd. ..	1,39,120	2,400	New Commercial Mills	309½	125	12 8	18 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd. ..	39,316	964	New Shorrock Spg. & Wvg. ..	1,080	500	55 0	70 0*	70 0		12	Y.P.
39,00,000	70,78,334	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd. ..	47,952	864		578½	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co. Ltd.	24,840	528	Nutan Mills	607½	100	28 0*	28 0*	30 0*		12	Y.
									770	100	25 0	25 0	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	638	Rajpur Mfg.	130	250	15 0	20 0	25 0		12	Y.P.
12,00,000	22,64,703	63,41,241	31,02,814	1,09,340	Mangaldas Girdhardas Parekh Ltd.	43,568	1,095	Rajnagar Spg., Wvg. & Mfg. ..	312½	100	30 0	35 0*	15 0		12	Y.P.
32,50,000	16,11,650	81,93,993	61,17,803	9,866	Lalbhai Gordhandas Ltd.	33,156	640	Rohit Mills	125	50	15 0	18 0	10 0		12	Y.P.
24,90,150	1,18,66,574	1,01,07,709	77,25,000	1,23,351	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	323½	50	13 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	370	100	15 0	20 0	20 0		12	Y.P.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd. ..	34,576	816	Vijaya Mills	465	400	30 0	35 0*	35 0*		12	Y.
															12	Y.P.
WEST BENGAL																
15,00,000	1,80,519	32,00,682	17,29,664	1,95,043	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4⅜	10	0 8	0 5			12	Y.P.
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd. ..	28,448	936	Bengal Luxmi Cotton Mills ..	36½	40	—	3 0	—			
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	180	100	—	—	7 0	3 0	12	Y.P.
													Nil			
19,00,000	26,15,413	93,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd. ..	69,352	1,990	Kesoram Cotton Mills	18½	25	1 14	1 14	1 14		6,12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	23,484	442	Mohini Mills	—	10	0 12	0 12	1 12		12	H.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.										3	Y.P.
SOUTH INDIA AND OTHER CENTRES															12	Y.P.
11,00,000	6,47,726	33,08,018	10,28,558	—8,38,366	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3					
15,00,000	9,09,109	39,21,613	21,03,246	2,756	Kamal & Co., Ltd.	50,000	440	Alagappa Textiles(Cochin) Ltd.	6½	10	0 14 2/5	0 9 3/5			12	Y.P.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund.	19,944	1,085	Anand Jahi Mills	69	100	5 8	6 0			12	Y.P.T.
40,50,000	93,74,285	2,73,73,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	267½cd	100	17 8	20 0	15 0		9	Y.
											Nil	0 8	0 8			
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills ..	14⅜	10	1 4	2 0	1 8		12	Y.P.
											Nil	0 8	0 4			
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	48	10	2 8	2 8	2 0		6,12	H.P.T.
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd. ..	1,19,916	2,781	Buckingham & Carnatic Co. ..	122½cd	100	6 14	7 8	8 0			
20,00,000	16,31,836	30,32,641	16,31,870	93,399	Perce, Leslie & Co., Ltd.	28,796	591	Cambodia Mills	11	10	2 8	2 8	1 4		3	Y.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co.	28,864	..	Coimbatore Cotton Mills	8½	5	0 9	1 0	0 9		12	Y.T.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	150	100	12 8	12 8	10 0		12	Y.
20,00,250	11,29,288	20,04,313	11,40,144	9,816	T. R. N. Naidu & Co.	19,700	..	Coimbatore Spg. & Wvg.	118	100	7 0	8 0	9 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,587	—2,70,999	R. G. S. Naidu & Co.	43	50	Central India	160	50	2 8	5 0			6	Y.
46,87,500	94,72,298	2,04,37,857	1,36,21,766	—16,28,224	Tata Industries, Ltd.	1,15,188	2,062	Delhi Cloth & General Mills ..	29½	100	6 0	6 0	6 0		6	Y.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830	Dhanalakshmi Mills	25½	100	25 0	25 0	25 0		6	Y.
1,00,505									16⅜	10	1 2	1 8	2 0			
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Elgin Mills							6	Y.P.
63,00,000	43,00,000	1,30,76,652	1,01,71,631	1,23,353	Begg, Sutherland & Co., Ltd. ..	52,652	1,198								6	Y.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	226	100	14 0	14 0	10 0		12	Y.
									92½	100	4 0	5 0			9	Y.P.
50,00,000	12,29,862	1,21,16,721	81,08,323	6,989	Govindram Seksaria (Indore) ..	50,426	1,420	Gokuldas Mahavir United Ltd. ..	100	100	4 0	5 0	5 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	61	50	3 0	3 0	3 0		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	13,824	..	Kothari Textiles	10½	10	0 11	1 0	1 0		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	57½	250	37 8	50 0*	37 8		6	Y.
									83cd	50	4 0	4 0	4 0		12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	42cd	25	2 0	2 0	2 0		6	Y.P.
									36½	15	2 0	2 0	2 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura Mills	142	200	8 0	8 0	3 0	2 8	12	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 7 others	21,856	..	Malabar Spg. & Wvg.	104	100	12 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,488	W. A. Beardsell & Co., Ltd. ..	24,252	603	Mettur Industries Ltd.	100½	100	25 0	25 0	12 8		12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	143½	250	15 0	15 0	10 0		12	Y.
94,91,850	25,59,837	1,34,73,161	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	209	100	6 0	6 0	5 0		12	Y.
30,00,000	52,19,600	1,33,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,834	Muir Mills	130	100	8 0	10 0	7 8		3	Y.
19,86,800	60,44,060	82,55,416	60,15,679	38,341	N. Sirur & Co., Ltd.	49,632	500	Mysore Spun Silk Mills	5⅜	10	0 8	0 10	10 0*		6	Y.
13,61,780	8,71,720	27,85,596	14,26,410	—4,60,002	Sri N. G. Naik	6,000	..	New Victoria Mills	1⅜	1	—	—	—		2	Y.P.
22,89,88,830	25,94,590	90,45,280	90,45,280	—15,88,215	J. P. Srivastava & Sons, Ltd. ..	50,228	1,148	Osmanshahi Mills	83N	50A	0 8	0 8	0 8		3	Y.
3,07,095D						30,896	717	Palani Andavar Mills	63	100	5 0	8 0	7 0		12	Y.P.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	22,800	..		88	75B	7 8	12 0	11 4		9	Y.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	27,980	..	Pankaja Mills Ltd.	137½	100A	16 0	16 0	16 0		12	Y.
6,00,000B									15⅜	10	1 0	1 0	1 0			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	38,864	200	Radhakrishna Mills	78	50	6 0	8 0	6 0		12	Y.P.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	25,896	..	Rajalakshmi Mills	85	50	4 8	8 0	3 0		12	Y.
8,40,600B						32,580	600	Raza Textiles	5N	10	—	—	—		12	Y.
15,00,000	25,00,000	20,61,036	13,70,469	2,54,884	B. R. Naidu & Sons	15,824	440	Shree Saijan Mills	75½N	100	6 0	6 0	6 0		12	Y.
60,00,000	62,66,508	1,04,60,737	26,12,665	5,506	J. P. Srivastava & Co., Ltd. ..	18,416	416	Sitaram Spg. & Wvg.	36½	60	—	—	—		12	Y.P.
22,41,300	10,52,628	25,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.				1,610	1,000	3 0				12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.					500					3	Y.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	43	50	4 0*	4 0*	4 0*		8	Y.
						25,200	292	Sri Krishnarajendra Mills ..	37	10	4 0	4 0	3 0	4 0	4	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	27,340	992	Sutlej Cotton Mills							3	Y.P.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.										3	Y.
17,50,000D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	9½	10P.O.	0 14 2/5	0 8				
1,57,50,000 FO									8⅜	10	1 0	1 0	1 4 2/5			
13,98,610	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000	..	Trichinopoly Mills	161½	100	9 0	10 0	11 1/5			
21,00,900	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	270	Vasanta Mills	150	100	9 0	10 0	10 0		12	Y.P.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton				14 0*	10 0		12	Y.
															12	Y.P.
															12	Y.P.
ART SILK AND RAYON MILLS																
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation ..	115⅛	100	—	—	—	—	12	Y.P.
99,92,020	3,25,000	2,67,68,703	33,91,774	2,34,353	Emcete & Sons (Travancore) Ltd.			Travancore Rayons	5⅜	10	—	—	—	—	12	Y.P.T.

* Includes bonus.

(a) Subject to depreciation and bonus to employees.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(f) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	R	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.			
BREWERIES AND DISTILLERIES															
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9½	25	—	2 13¾	—		5		Y.P.
16,20,630	14 30,304	22,75 857	9,87,293	13,649	T. L. Kirpalani, Esq. (Secretary)	Dyer Meakin Breweries ..	20½	10	—	1 2¾	—				Y.
£80,000A							5	5	1 0	0 8	0 8		3		Y.
£300,000B	£560,156	£1,122,135	£434,378	£37,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9		Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	20½	B. £1	Sh. 1	Sh. 1	Sh. 1		8		Y.
6,00,000	9,00,000	12,13,592	12,13,586	3,951	Vittal Mallya, Esq. (Chairman)	United Breweries	85½	5	—	—	—		3		Y.
							167cd	75	11 4	7 8	15 0				
CEMENT															
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	99½A.	100	3 12	7 8	7 8		12		Y.P.T.
39,63,334B							9-14½B.	10	0 6	0 12	0 12				
43,14,600O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3⅜O.	10	0 8½	—	—		3		Y.T.
4,70,976D				

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	42	25	1 4 / 1 4	1 9 / 1 9	1 9 / Nil		6.12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	160	100	4 0 / 4 0	3 0 / 3 0	5 0 / 5 0		3.9	H.
25,00,000	13,00,000	47,81,895	35,30,215	52,615	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½cd	10	0 8h / 0 12	1 0 / 1 0	1 0 / 1 0*		3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	31½	10	0 12 / 0 8	1 0 / 1 0	1 0 / 1 0		3.9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	0 10	0 12	0 12		6.12	H.P.T.
20,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	8½ / 8½	O. 10 / A. 10	Nil	Nil	0 4 / 0 4		3.9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500P O.	2,52,52,615	4,78,98,548	2,83,00,698	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35½	A. 10 / B. 10	1 0 / 0 14* / 0 2 / 0 2	1 0* / 1 0* / 0 2 / 0 2	1 0* / 1 0* / 0 2 / 0 2		3.9	H.P.
							4½	P.O. 23						
PRESSING														
8,00,000	5,92,365	13,58,964	10,46,391	30,068	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0		6	Y.
4,30,000	90,000	6,89,525	4,68,036	1,116	Pyne & Sons	Camperdown	90N	100	6 0	6 0	7 0		7	Y.
5,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,760O. / 2,00,000D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½	O. 10 / D. 1	0 9 3 5 0	9 3 5	0 8		9	Y.P.
60,00,000	17,23,138	83,61,043	17,52,882	.....	David Sassoon & Co., Ltd.	Port Canning Land	23	100	2 0	1 8	1 0		4	Y.
94,00,000	35,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary	32	100	—	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6½	3	0 8	0 8	0 4			
94,50,000	3,70,68,876	3,20,32,462	1,18,33,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading	356½ / 130	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 8½ / 9 0		9	Y.
6,00,000	.....	2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	38	100	5 0	—	—		5	Y.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32½	10	3 8	3 8	3 0		6	Y.P.
SUGAR (U.P. and Bihar)													9	Y.
14,00,000	9,81,419	37,27,464	25,16,456	18,412	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	—	1 0	—			
12,00,000A. / 3,00,000B.	29,35,035	44,92,506	29,21,822	2,81,000	Narang Bros. & Co., Ltd.	Basti Sugar	18N / 11½B.	A. 100 / 10	1 4 / 0 10	10 0 / 1 0			6	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7½	—	—	0 10	0 12		6	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	16½N	10	1 0	1 8	1 8		9	Y.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	6½	10	—	—	—		6	Y.P.
15,00,000	55,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	34½	10	2 0	3 0	2 0		6	Y.P.T.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd.	Champarun Sugar	24	10	1 8	1 8	2 0		10	Y.P.
35,00,000A. / 10,00,000D.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N / 50N / 25N	'A' 100 / O. 100 / 80	6 0 / 6 0 / 3 0	9 0 / 9 0 / 4 0	12 0* / 6 0* / 6 0		6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	24	10	1 0	2 8	—			
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	180N	100	15 0	20 0	20 0		7	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	45N	25	3 12	3 0	—		6	Y.P.
13,59,375	43,31,823	52,90,359	15,27,000	39,355	Cotton Agents Ltd.	New Swadeshi Sugar Mills	85	100	3 4	11 0	6 0		5	Y.
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	95N	100	6 0				6	
12,00,000	11,70,686	26,67,609	17,89,472	71,500	Narang Bros. & Co., Ltd.	Punjab Sugar	15	10	1 0	2 0	1 0		7	Y.P.
9,00,000	14,71,701	33,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Pursatpore Co.	20	10	1 8	2 0	1 0		10	Y.
8,00,000	6,03,850	24,18,182	20,01,613	15,410	Begg, Sutherland & Co., Ltd.	Ryam Sugar	10	10	1 8	2 0	1 0		10	Y.
11,99,000	17,24,706	36,11,360	20,82,129	23,281	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14½	10	1 0	2 0	1 0		6	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	0 6	1 0	0 6½		6	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	—	0 8	0 6½		6	Y.P.
6,50,00000. / 1,75,000D.	47,625	27,92,174	11,46,770	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	6							
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	20N	10	1 12	2 0	2 0		10	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	14½	10	0 4½	2 0	1 8		6	Y.P.
[(Indian States and Other Centres)														
46,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd.	†Belapur Company	237½	50	12 8	14 0	16 0			
27,68,500	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45	100	—	5 0	3 0		9	Y.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	22	10	1 8	2 8	2 0		6	Y.P.
31,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	10½N	10	0 12	1 4	1 4		9	Y.P.
21,79,280	90,00,000	94,96,051	62,24,558	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		10	LY.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	88½	50	8 0	8 0	8 0			
16,39,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnugger Cane and Sugar	17½	10	0 9½	0 12	2 0		6	Y.
20,00,00000. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 7N	O. 50 / D. 10	7 0	9 0	9 8 / 0 14		8	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	10½	10	1 0	1 4	0 12		9	Y.P.T.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Tuticorin Sugar	9½							
77,50,000A. / 23,50,0000.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	143½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		10 / 9	Y. / Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	158	100	10 0	12 8	12 8			
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	83	100	3 0	4 0	5 0		10	Y.P.
2,25,00,000	56,99,233	3,87,93,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	6–12½	10	—	—	—		4	Y.
6,59,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	13¾	15			0 8		3	Y.P.T.
UNCLASSIFIED (Bombay)													6	Y.T.
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	30 0	30 0	35 0			
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0			
25,00,000	1,00,000	23,18,130§§	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	98	25	0 12	0 12	0 12		9	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	215N	50	3 0	3 0	3 0		12	Y.
99,99,250	18,35,375	1,26,92,333§§	10,053	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	69½	100	4 0	4 0	2 8		8	Y.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	153½ / 40½	100 / A. 100	8 8	9 8	4 8		3	Y.P.
2,06,71,500A. / 10,00,000B.	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	40	B. 10	2 0	3 0	3 0		12 / 6	Y. / Y.
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	237½	100	11 0*	21 0	3 0			
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)	Western Match Co.	350N	150	20 0	20 0	20 0		3	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay (Chairman)	W. H. Brady & Co., Ltd.							12	Y.
Other Centres													12	Y.
47,50,0000. / 2,50,000D.	15,00,000	1,35,46,950	50,22,899	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3 / 2½	O. 10 / D. 2½						
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	18	10	1 12	2 8				
20,00,000	15,34,104	23,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*		3	Y.P.T.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5	10	0 9 3/5	0 9 3/5	0 9 3/5		8	Y.
30,00,000	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Bâtiner Lawrie & Co., Ltd.	275	O. 100 / D. 40	20 0* / 6 0	25 0* / 8 0	20 0* / 6 0*		12	Y.
10,00,000D.		54,01,140§§		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	15½	10	1 2	1 4	1 4		6	Y.P.T.
20,00,000	8,38,806	83,30,736	18,03,918	1,82,277	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	10xd	10	1 4	1 4	1 4		12	Y.
30,64,880	32,77,348	2,23,59,029	1,84,14,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd.	8–4½	5	0 12	1 0	0 12			
3,25,00,000	1,05,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Shack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	27½	10	2 0	2 0			9	Y.P.
1,60,00,000	1,25,00,000	1,26,35,420§§		3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	142	100	9 0	9 0	9 0		12	Y.P.
51,26,000	47,57,061	.....	.....	.....		Ganges Rope Co., Ltd.	176	100	10 0	12 8	10 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	15 0	10 0		12	Y.P.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins.	Great Eastern Hotel	237	250	10 0	15 0	10 0		3	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Hind Cycles	100N	100	15 0	15 0	15 0		9	H.
12,42,800	5,06,049	60,60,790	41,30,369	13,939	Birla Bros., Ltd.	Hindustan Motors	3½	10	—	7 8	3 0		3	Y.P.
4,96,12,650	1,91,20,000	2,61,59,292	57,52,719	3,47,260	Birla Bros., Ltd.	Indian Aluminium Co.	107	100	3 8	5 0	5 0		3	Y.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Cables	18½	10	1 8	2 0	1 0		12	Y.P.T.
1,52,89,220	94,45,984	57,92,690	32,51,748	9,29,354	D. J. McIntosh, Esq.	Indian Rubber Manufacturers	13½	10	2 0	3 0	3 0		3	Y.
8,27,970	5,28,000	14,27,460	7,51,385	39,038	G. S. Moulton & Co. (India), Ltd	Jardine Henderson	128	100	10 0	10 0	10 0		3	Y.P.
2,00,00,000	55,51,018	27,16,440‡	5,16,440	5,86,448	G. M. Mackinlay, Esq.	Macfarlane & Co.	2 / 8	O. 5 / D. 1	—	—	—		3	Y.P.
6,34,000O. / 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	McLeod & Co.	129	O. 100	12 8	12 8			3	Y.P.
40,00,0000.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	Martin Burn Ltd.	18	D.O. 10	0 12	0 12	12 8		3	Y.
5,00,0000 O.	30,19,025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Mysore Glass and Enamel Works	4½		1 4	1 4	1 4			
1,30,55,750	1,74,934	7,94,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Lamp Works	17½	10	0 10	1 2			12	Y.P.
6,35,255	7,15,916	8,97,041	2,63,636	3,666	M. Hayath, Esq. (Controller)	Mysore Tobacco	10cd	10	1 0	1 0	1 0		9	Y.
3,75,000		11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	National Insulated Cable	13½	10	0 8	1 0	1 0		12	Y.
10,00,000	23,16,171	50,16,078	28,75,987	11,045	Associated Industrial Development Co., Ltd.	National Insulated Cable	8½	10	0 8	0 8	0 8		3	Y.
20,00,000				8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	4	10	0 4	0 8	0 8	0 12		
79,97,000	28,23,421	1,04,50,523	37,59,931	1,52,611	Parry's Holdings Ltd.	Parry & Co.	6½	2	1 9 3/5				12	Y.P.T.
40,00,000	24,00,000	41,58,536	37,33,570	24,847	G. U. Euthymopulo, Esq.	Rallis (India) Ltd.	8	10	8 8		0 10½	0 4½	12	Y.P.T.
2,25,00,000	25,18,049	1,69,49,507	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	13½	10	1 0	0 12	0 12		12	Y.P.
¶14,00,000	78,53,108	6,09,59,407	70,89,235	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	3½	10	1 0	1 0	1 0		12	Y.P.T.
40,00,000	92,32,582	1,19,84,861	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	10½	10	1 0	1 0	1 8		9	Y.P.
75,00,000	35,00,000	12,11,901§	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass			0 6½		1 0		6	Y.P.T.
9,98,380	1,30,000	12,67,855											12	Y.P.

§§ Includes investments at cost.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1949	1950	1951	1952	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
ASSAM															
4,45,700	5,02,362	8,88,306	3,86,105	...	McLeod & Co., Ltd.	825	Amluckie	350	100	20 0	25 0	—		12	Y.P.
2,76,500	4,21,500	7,33,751	2,36,598	4,458	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	12½	10	2 0	2 8	0 12		12	Y.
3,50,000	6,15,909	9,34,560	1,33,123	48,872	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	25½	10	2 8	4 0	3 0		12	Y.
5,50,000	7,21,102	12,05,396	3,43,090	89,152	McLeod & Co., Ltd.	513	Baghmari	11½	10	1 4	1 12	—		12	Y.
3,40,000	7,11,053	7,05,721	2,07,883	44,989	Andrew Yule & Co., Ltd.	360	Basmatia	24½	10	3 0	3 0	2 8		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	11½	5	1 4	1 8	0 8		12	Y.
3,20,000	4,90,000	6,72,731	1,29,032	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	25	10	2 0	3 8	1 8		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	26	10	3 8	5 0	0 8		12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	5	10	0 8	0 8	—	—	12	Y.P.
7,50,000	3,40,000	7,64,836	1,66,959	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea	12½	10	1 8	1 8	1 8		12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	—29,101	McLeod & Co., Ltd.	2,670	Brooke Bond India Ltd.	11½	10	1 0	1 0	1 0		6	Y.P.
1,20,000	1,81,234	3,66,030	1,23,481	—2,10,574	Jardine Henderson Ltd.	282	Dejoo Valley	8	10	0 10½	1 8	—		12	Y.
6,00,000	7,50,000	24,24,101	14,67,578	25,545	James Warren & Co., Ltd.	1,220	Dessai & Parbuttia	225	100	15 0	30 0	22 8		12	Y.
17,33,440	5,40,608	19,11,105	2,07,645	54,461	James Finlay & Co., Ltd.	426	Dhelakhat	10½	10	1 0	1 9 3/5	1 3½		12	Y.
4,68,970	2,71,039	10,66,372	3,24,106	25,794	McLeod & Co., Ltd.	613	Dhunseri	11½	10	1 0	2 0	1 0		12	Y.P.
4,50,000	2,75,000	6,93,361	89,330	14,389	McLeod & Co., Ltd.	458	Dibrugarh	9½	10	—	1 0	0 8		12	Y.P.
24,00,000	45,72,870	83,52,935	29,90,906	3,41,502	Williamson Magor & Co., Ltd.	4,038	Dimakuti	33½	10	4 0	4 8	2 8		12	Y.
32,00,000	8,25,000	14,93,700	4,99,200	—2,12,109	Davenport & Co., Ltd.	1,412	Dufflaghur	37½	10	3 8	2 4	4 0	2 0	12	Y.P.
8,25,000	6,15,000	7,60,929	2,84,643	28,896	Andrew Yule & Co., Ltd.	607	Fatehpur (Dooars)	11½	10	2 12	3 0	2 0	—	12	Y.
3,50,000	.....	12,42,195	3,67,195	—66,591	Duncan Bros. & Co., Ltd.	937	Gitapukri	29½	10	3 8	4 0	3 0		12	Y.
9,00,000	.....	12,42,195	2,29,435	—2,10,574	Duncan Bros. & Co., Ltd.	633	Manabarrie	13½	10	3 8	4 0	3 0		12	Y.
2,00,000	4,36,925	13,27,205	3,67,205	325	Duncan Bros. & Co., Ltd.	1,125	Nagasurce	138½	100	17 8	20 0	2 8		12	Y.
9,60,000	12,50,000	11,81,055	6,09,605	1,86,120	Andrew Yule & Co., Ltd.	1,108	New Dooars	290	100	34 8	45 0	35 0		12	Y.P.
8,00,000	4,10,000	7,07,108	90,959	3,941	Octavius Steel & Co., Ltd.	578	Oodlabari	75	10	3 0	3 0	2 12		12	Y.
3,20,000	3,09,477	79,477	781	Duncan Bros. & Co., Ltd.	548	Phaykowa	10	10	0 8	7 8			12	Y.
2,50,000	7,00,000	9,37,056	2,95,152	25,072	McLeod & Co., Ltd.	764	Raushbhat	6½	10	0 8	1 12	1 8		12	Y.
6,00,000	4,41,418	18,79,517	6,36,115	20,652	McLeod & Co., Ltd.	1,635	Ranicherra	53	10	4 8	1 8	1 0	3/5	12	Y.
7,65,000	16,15,000	37,96,387	21,08,594	80,131	Jardine Henderson Ltd.	1,564	Rydak	17½	10	—	7 0	4 8		12	Y.
7,46,400	3,22,500	9,74,939	3,89,260	23,187	Andrew Yule & Co., Ltd.	636	Saruagaon				1 4	1 4		12	Y.
3,46,400															
SYLHET †															
3,00,000	3,80,000	7,31,751	2,23,868	24,749	Octavius Steel & Co., Ltd.	555	Chundeecherra	10	10	1 0	1 8	0 12		12	Y.
6,00,000	5,00,441	5,29,573	79,575	10,134	Duncan Bros. & Co., Ltd.	538	Dauracherra	6½	10	0 8	1 0	0 4		12	Y.
12,60,000	11,90,000	26,34,079	7,41,485	21,767	Octavius Steel & Co., Ltd.	2,154	Kalitil	9	10	0 8	1 8	0 12		12	Y.
2,46,050		2,57,747		1,07,342	Octavius Steel & Co., Ltd.	412	Kalyl	4½	10	0 12	0 8	—		12	Y.
4,00,000	3,76,165	7,29,084	2,76,176	—2,44,350	Gillanders Arbuthnot & Co. Ltd.	1,189	Lackatoorah	7½	10	—	—	—		12	Y.
5,63,990	35,000	7,11,181	76,163	—2,00,704	Octavius Steel & Co., Ltd.	1,110	Loonbah	23	10	1 8	1 0	—		12	Y.P.
4,00,000	4,28,000	9,18,865	3,93,864	10,265	Shaw Wallace & Co., Ltd.	988	New Samanbagh	8½	10	1 8	1 0	—		12	Y.P.
36,00,000	15,10,433	51,68,520	11,68,520	2,389	Shaw Wallace & Co., Ltd.	5,858	Patrakola	110½	100	13 0	12 8	—		12	Y.
3,50,000	1,00,000	7,33,324	3,95,524	73,090	Duncan Bros. & Co., Ltd.	1,170	Telhapara	4½	10	0 8	0 12	—		12	Y.
9,00,000	7,73,407	11,02,712	2,02,712					107	100	15 0	7 8	2 8		12	Y.
TERAI															
						433	Belgachi	25½	10	3 0	3 8	3 0		12	Y.
1,25,000	2,96,927	2,03,506	1,15,721	22,289	National Tea Corporation	1,646	Gungaram	200	100	25 0	37 8	3 0		12	Y.
8,40,000	8,14,969	9,90,834	3,60,834	36,887	Duncan Bros. & Co., Ltd.	517	Hansqua	8	10	1 0	1 0	0 12	—	12	Y.
5,00,000

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Ordinary Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,73,184	48,22,130	3,33,368	B. N. Elias & Co., Ltd.	879	Agarpara	17½	10	4	1	1	1	3,9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	195	100	10	15	15	8 10	3,9	H.T.P.
6,00,000	2,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	155	100	Nil	5	Nil	—f	5,11	H.P.
30,00,000	2,10,000	1,16,99,380	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	149	100	Nil	24	—	—	6,12	H.P.T.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros & Co., Ltd.	2,561	Anglo-India	213	100	Nil	10	10	10	6,12	H.P.
22,25,000	38,68,132	1,32,38,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	129½	100	1½	4	6	5	3,9	H.P.
20,00,000	29,77,565	97,37,334	63,51,882	72,634	Jardine Henderson & Co.	959	Bally	168	100	6	6	6	1	3,9	H.P.T.
£275,000	£639,470	£1,328,460	£1,025,230	£91,091	Sir John H. Burder (Chairman)	1,890	Barnagore	150½	£1	£1	—	£1	—	3,9	H.P.
28,00,000	32,59,373	88,01,240	47,68,254	26,347	Andrew Yule & Co., Ltd.	820	Belvedere	203	100	7	10	12½	15	3	Y.P.
22,50,000	55,95,000	51,03,385	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	17½	10	1½	3	—	—	6,12	H.P.
30,42,000	2,59,87,185	3,06,76,933	1,16,13,009	1,38,295	Birla Bros., Ltd.	1,373	Birla	37½	10	2½	3	3	—	6	Y.P.T.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	155	100	3	10	10	12	7	Y.P.
7,47,380	2,89,739	39,44,696	26,23,963	74,738	Dayaram & Sons	502	Calcutta Jute Mfg.	29	10	—	1	1	6½	4,10	H.P.
18,00,000	28,46,734	75,43,878	37,32,554	32,228	Andrew Yule & Co., Ltd.	616	Caledonian	155½	100	4	10	10	12	6,12	H.P.T.
59,16,400	1,05,23,478	1,65,18,400	1,07,44,959	1,13,010	Andrew Yule & Co., Ltd.	1,400	Champdany	146	100	3	5	10	12	5,11	H.
16,00,000	24,52,872	79,40,140	53,80,736	45,839	Andrew Yule & Co., Ltd.	530	Cheviot	213	100	6	10	10	12	3,9	H.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalsah	32½	10	2½	—	1½	4½	5,11	H.P.
17,00,000	17,00,000	77,89,914	64,24,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	33½	10	1½	—	3½	2	6,12	H.T.P.
31,49,200	59,29,308	1,29,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	143	100	1	3	8	6	3	Y.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	225	100	5	12½	15	17½	3,9	H.P.
15,00,000	32,50,000	25,63,304	53,68,650	47,730	McLeod & Co., Ltd.	500	Empire	201	10	1	1	1½	2	5,11	H.P.
21,00,000	37,79,339	2,62,73,643	1,77,44,591	1,801	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	427	100	2½	20	12½	10	6,12	H.T.P.
14,00,000	4,97,921	69,94,729	43,27,194	—8,32,397	G. C. Bangur & Co.	1,014	Fort William	260	100	Nil	4	6	Nil	3,9	H.P.T.
84,32,100	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	2,709	Ganges Mfg.	100	100	3	3½	2½	2½	3,9	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,282	41,193	Gillanders Arbuthnot & Co., Ltd.	798	Gondalpara	300	100	45	—	90	30	3,9	H.P.
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,37,647	Macneill & Barry Ltd.	1,394	Gourepore	285	100	2½	15	10	10	12	Y.
40,00,000	34,05,591	81,94,127	48,19,471	3,06,824	Bangur Bros., Ltd.	1,078	Hastings	125	100	10	—	7	—	3,9	H.P.
16,80,000	15,15,181	64,29,355	42,81,417	1,03,727	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	32½	10	1	—	3	1	3,9	Y.P.
65,62,500	50,83,570	1,56,87,559	1,09,33,235	1,55,027	Jardine Henderson Ltd.	1,940	Howrah	23½	10	4	3	5	1	3	Y.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	38½	10	3½	—	5	—	3,9	H.P.
O. 87,00,000	18,45,066	1,11,41,130	70,52,201	77,979	Mackinnon Mackenzie & Co.	1,076	India	O. 125	10	3½	9½	3½	1½	3,9	Y.P.T.
D. 30,000								D. 1	183	A.7-8	7-8	8	—		
'A' 24,00,000	20,07,975	1,36,48,345	1,16,47,605	92,900	Jardine Henderson Ltd.	1,797	Kamarhatty	175	100	8½	8½	10	12½	3,9	H.
'B' 19,20,000								'B' 100	100	8½	8½	10	12½		
'B' 30,00,000	12,18,800	1,30,36,108	92,12,131	83,881	Jardine Henderson Ltd.	1,527	Kankinarrah	142	100	—	—	5	7½	6,12	H.P.
'B' 24,00,000								'B' 100	100	—	—	5	7½		
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	232	100	10	10	12½	12½	6,12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,510	Khardah	181	100	Nil	15	10	6	6,12	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	193	100	1½	4	10	9	3,9	H.P.
24,48,000	48,82,303	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	130½	100	2	12	11	8	3,9	H.P.T.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	840	Lawrence	163	100	5	9	12½	11	3,9	H.P.
10,00,000	35,51,301	50,24,402	34,79,126	64,167	Andrew Yule & Co., Ltd.	558	Lothian	233	100	5	10	15	17½	3,9	H.P.
81,65,200	24,87,140	1,94,76,907	1,13,95,064	1,17,533	Mackinnon Mackenzie & Co.	1,008	Magma	97½	100	2½	6½	12½	15	5,11	H.P.
29,98,900	41,03,068	1,51,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Naihati	120	100	Nil	5	12½	12½	3,9	H.
12,00,000	23,05,000	25,69,086	16,42,880	17,184	Howrah Trading Co., Ltd.	423	Naskarpara	15	10	½	½	1½	1½	3,9	H.
55,00,000	41,83,417	27,56,895	8,66,551	49,733	Andrew Yule & Co., Ltd.	852	National	24	10	1½	1½	1½	1½	4,10	H.T.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	35	10	1½	1½	2½	1	4,10	H.P.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	709	New Central	213	100	4	10	15	15	6,12	H.P.T.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	193	10	—	—	Nil	1	6,12	H.P.
66,79,500	32,37,529	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	44	50	Nil	15	18	15	3,9	H.P.T.
50,00,000	22,73,049	70,35,063	47,87,892	81,356	Andrew Yule & Co., Ltd.	601	Orient	168	100	4	10	12	12	3,9	H.P.T.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	4½	5	—	—	Nil	—	5,11	H.P.
20,00,000		26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	305	Raneshwara	5½	10	Nil	—	—	—	6,12	H.T.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	15½	10	—	—	—	—	3,9	H.P.
£600,000	£1,102,661*	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	14½d	£1	10%	—	10%	—	3,9	H.P.T.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Bagaria More & Co., Ltd.	911	Shree Ambica	16½	10	—	—	1½	1½	12	Y.P.
7,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	13	10	½	—	—	1f	3,9	Y.P.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	650	Standard	139	100	3	6	9	8	12	H.P.
£600,000	£849,927*	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	£1	£1	10%	—	10%	—	3,9	Y.P.T.
35,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	14½d	£1	1	—	12½	10	12	H.P.
£400,000	£587,164	£1,059,917*		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14½d	£1	10%	—	10%	—	3,9	Y.P.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	5½	1	Nil	1/40	1/40	Nil	12	H.P.T.
														6,12	Y.P.
															H.P.T.

* Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Ordinary Share Rs.	Dividend per Ordinary Share 1949 Rs.	1950 Rs.	1951 Rs.	1952 Rs.	Accounts Closed	Reference
25,50,000	13,75,000	64,99,011	45,49,011	23,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19½	10	½	½	1	1	3	H.
12,00,000	8,32,703	37,16,954	33,85,714	60,294	Jardine Henderson Ltd.	Bararee Coke	17½	10	½	3/5	—	—	3,9	H.
4,49,350	70,000	8,49,159	5,24,703	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½	10	—	—	—	—	3,9	H.
1,00,00,000	1,09,50,000	5,08,61,725	3,24,30,103	8,02,968	Andrew Yule & Co., Ltd.	Bengal Coal	515	200	16	17½	17½	17½	6, 12	H.
2,25,000	5,14,434	23,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13½	10	1½	1½	1½	1½	6, 12	H.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	5½	10	—	—	—	—	6, 12	H.P.
69,99,953	13,81,010	1,17,79,347	36,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	4½	10	—	—	—	—	9	H.P.
7,15,000	14,64,077	50,70,322	35,63,361	—43,976	F. W. Heilgers & Co., Ltd.	Bhubaneswaree	14½	10	Nil	—	—	—	6	Y.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10½	10	—	—	—	Nil	6, 12	Y.T.P.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd.	Borrea	23½	10	—	—	—	—	6, 12	H.
90,92,480	1,65,60,398	4,03,65,958	1,60,47,288	1,15,021	Bird & Co., Ltd.	Burrakur	9½	10	13/12	1	1½	1½	6, 12	H.T.
49,97,000	750	22,35,410	57,645	8,776	Hindustan Investment Corpn., Ltd.	Central India	4½	10	—	—	—	—	6, 12	H.P.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd.	Central Kurkend	13½	10	—	—	—	—	6, 12	H.P.T.
6,00,000	1,40,434	7,50,000k		13,973	F. W. Heilgers & Co., Ltd.	Churia	2½	10	4	—	—	—	3	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	6	10	10	12	6, 12	Y.
£120,000	£424,897	£878,414	£669,896x	£78,839	Jardine Henderson Ltd.	East Indian	22½	£1	—	—	—	—	6, 12	H.
29,61,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	33½	10	2½	2½	2½	2½	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Mualia	16½	10	3	—	2	—	4	H.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriladih	16½	10	3	—	—	—	6, 12	Y.
3,50,000	5,50,000	12,53,839	6,13,947	40,197	Andrew Yule & Co., Ltd.	Katapahari	46½	10	1	1½	1½	1½	3	H.P.
20,00,000		21,94,426	68,340	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	84	100	—	—	—	—	6, 12	Y.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd.	Katras Jherriah	39½	10	1	1	1½	1½	2, 8	H.
1,38,400	95,000	10,63,519	3,25,519	1,063	Berriwala & Co.	Khas Kajora	13	10	½	½	1½	1½	2	H.
11,00,240	50,000	13,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuardi	6	10	3½	—	3½	—	1, 7	Y.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	12	10	1	1	—	3½	6, 12	H.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd.	Nazira	6½	10	—	—	—	—	6	H.P.
17,76,230	10,67,000	1,16,02,941	81,01,381	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	17½	10	Nil	3/10	3/10	3/10	4	Y.
6,00,000	3,30,000	31,32,539	18,37,919	—7,595	Octavius Steel & Co., Ltd.	New Manbhoom	9	10	Nil	—	—	—	6, 12	Y.
					Jatia Bros., Ltd.	North Damuda	3		—	—	—	—	4, 10	H.
1,15,000	3,51,004	12,56,672	7,30,294	12,237	Andrew Yule & Co., Ltd.	North West	14½	10	1	1	1	1	3, 9	H.P.
1,57,500							10½	7½	—	—	—	—		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd.	Ondal	18½	10	9/40	1	1	1	3, 9	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11½	10	—	—	—	—	6, 12	H.
9,34,000	20,551	16,29,203	5,77,935	70,539	Deepchand Kishenlall	Parasea	3½	10	—	—	—	—	6, 12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	20½	10	1	1	1	1	3, 9	H.P.
23,99,500	13,67,103	1,09,49,971	76,28,254	—4,53,764	H. N. Elias & Co., Ltd.	Raneegunge	8½	10	1	1	1	1	6, 12	Y.T.
13,50,000	6,88,383	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	20	10	—	—	—	—	2, 8	H.P.
20,00,000	3,10,464	28,07,516	11,32,118	165	Jaipuria Sons Ltd.	Samla Collieries	7½	10	1	1	1	1	3, 9	H.
1,25,000	1,75,000	11,69,383	9,78,699	30,584	Gillanders Arbuthnot & Co., Ltd.	Sarsole	8½	10	2½	—	—	—	6, 12	H.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd.	Seebpore	25½	7½	2½	2½	2	2	6, 12	H.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	9½	10	—	—	—	Nil	1	H.
63,21,450	9,60,272	3,06,68,638	2,06,10,016	23,658	Industrial Trust Fund (Government of Hyderabad)	Singareni	7½d	10	9/20	—	—	—	6, 12	H.P.
17,50,000	10,70,000	34,29,846	13,40,707	15,868	Bird & Co., Ltd.	South Karanpura	10½	10	1	1	1	1	6, 12	H.T.
8,00,000	13,68,503	2,33,837	56,445	86,379	F. W. Heilgers & Co., Ltd.	Standard	20½	10	½	1	—	—	12	Y.T.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	2½	2½	—	—	—	—	2, 8	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd.	Union	23½	10	1	1	1½	1½	6, 12	H.
49,98,000	21,916	45,07,187	11,17,093	42,176	Hindustan Investment Corpn., Ltd.	West Bengal	9½	10	1	1	1	1	9	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	17½	10	½	½	½	1½	6, 12	Y.
													3	H.
													6, 12	Y.
														H.

* Including bonus. x Sales and amount written off. (k) Investments.

(j) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 380 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 339)

goods, such as citrus fruits, wool, rayon yarn and cocoa, besides boilers, cranes and cargo ships (upto 5,000 tons). Some observers, however, see in this agreement a political motive, for they note that Russia has not been willing to buy the same goods from Italy, although that country is willing to sell them. It would appear that the U.K. too has received some Russian enquiries; these enquiries, it is stated, cover trawlers and cargo ships. Russians are also trying to arrange barter deals with the U.K.—plywood against textiles. Hitherto, only two barter transactions, covering the exchange of wool textiles for Soviet matches and of British herrings for Russian salmon and crabs, involving a total of about £3 million, have been concluded. Now Russia has offered to Britain also, such strategic materials as chrome and manganese.

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India too has received trade enquiries from Russia. It may be recalled that Mr. Rafi Ahmed Kidwai, Union Minister for Food and Agriculture, stated recently that Russia had approached India, as early as in March, 1953, for a barter agreement with the offer of wheat against Indian commodities. He did not throw any further light on the Government's attitude towards the agreement, nor on other aspects, such as prices. He, however, disclosed that the Government was considering the offer, and was engaged in an examination of the quota of commodities which it could exchange against Russian wheat.

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That these agreements, whether already concluded or under way, indicate a certain change in the Russian attitude towards trade with non-Communist countries cannot be denied. But it is too early yet to say whether they will pave the way for a much larger flow of trade between Russia and the democratic countries, for Russia's economic policy has always been inspired by political considerations. One thing, however, is clear. Russia is now consumer-minded, and is making an all-out effort to please the common man.

MARKET REPORTS

(Concluded from page 369)

Rs. 42-12 f.o.b. Prices in New York were almost stationary, and the unexpected indifference of American buyers to buy for replenishing depleted stocks was also a factor which pulled the prices towards the lower level. Market circles were not, therefore, surprised to hear that burlap consumed in the United States during July was as low as 56 million yards.

The sacking market also remained quiet, ready B. twills receding from Rs. 104-6 to Rs. 103. Export business was below anticipations and stockists were paying attention for sales against internal consumption. The Madhya Pradesh Government bought a small quantity of B. twills, while the Burmese Government was willing to accept more for its requirement. Stockists stated that the unexpected increase in hessian output showed that mills continued to attempt to transfer more looms to hessian. The increase in output of sacking, that is 2,400 tons, should be deducted from 3,600 tons which represent the increase in stocks with mills as at the end of July, 1953. This gives a balance of 1,200 tons and indicates the exact nature of demand, as compared to that in the previous month.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 17th August

Crystal sugar markets remained steady. Bombay, Calcutta and Madras ports complained of very tight supply position. The Government of India has released a special quota of 20,000 tons of sugar from the 1952-53 production of factories in South India for sale in the free markets. The Government has completed negotiations to buy 100,000 tons of sugar for imports into India. This will reach Indian ports by the end of September, 1953.

The West Bengal Government is planning to reduce the price of sugar in the State. One of the proposals now under consideration, envisages retail sale of the commodity on a limited scale through selected shops at a fixed price. Another proposal suggests that the Government will supply sugar to trade at Rs. 27 per maund and the latter will arrange for its sale to consumers at As. 12-6 per *seer*. The Delhi State Government has taken steps to check rise in price of sugar in the free market by securing an allocation of 1,000 tons from the Centre to be sold at ration shops at As. 12-3 per *seer*.

The U.P. Government has banned future trading in sugar. Arrears of over Rs. 3 crores of cane cess and sugarcane price are due to the cane growers and the State Government from 66 sugar mills in the State, the amount of cess due being Rs. 1.54 crores upto 30th June, 1953. It is reported that the State would take necessary steps to realise the same.

With a view to recommending sugarcane price for next crushing season to the Government of India, a high level conference is being held at Ranchi. It is reliably learned that the U.P. Government is likely to ask to retain the present price of sugarcane, that is, Re. 1-5. With regard to the policy of regulating sugar supplies also, the U.P. Government is expected to urge the maintenance of the existing arrangement.

The latest free sale quoations (per maund) are: Delhi Rs. 31 to Rs. 32-8, Hapur Rs. 32-8, Bhatinda Rs. 30-8, Ludhiana Rs. 30-4 to Rs. 31-4, Mogha Rs. 31-8, Amritsar Rs. 31-8 and Meerut Rs. 31-8 to Rs. 29-12.

Gur markets remained steady, with slight rise in prices. There was good demand from importing areas, particularly Gujerat and West Bengal. There were active despatches too, but market arrivals were nil. Sugarcane crop in Uttar Pradesh has suffered wide damage by floods and insects in the main growing areas.

Reports from *gur mandies* in the South indicate that new *gur* arrivals have begun to increase in Baramati (Poona), where Sholapur and Kolaba districts remained active buyers. Local stock was put at 90,000 rounds. Quotations were: new *gur* Rs. 22 to Rs. 26 and old yellow Rs. 25-8 to Rs. 26. Srirampur Kopergaon stock accumulations aggregate over 625,000 rounds. The undertone continued steady with moderate enquiry from Khandesh and Colaba. Prices quoted are Rs. 22 to Rs. 25-4. Kohlapur remained quietly steady, the price being Rs. 25 to Rs. 27-8. At Ankapalli, *gur* was quoted at Rs. 21 to Rs. 21-8 received good enquiry from Madras and Berar. Northern India *gur* market quotations are: Delhi Rs. 21-8 to Rs. 22-8; Hapur Rs. 20-8; Bhatinda Rs. 21 to Rs. 22; Ludhiana Rs. 17 to Rs. 19-4 and *mogha* Rs. 14 to Rs. 22-8; Amritsar Rs. 18; Meerut: *pansera* Rs. 18-12 and *khurpapar* Rs. 20-4 to Rs. 20-12.

EXCESSIVE RAIN AFFECTS FOOD CROPS

(From Our Own Correspondent)

HAPUR, 17th August

It is now confirmed that excessive rains and raging waters of a record number of rivers in spate recently inundating vast tracts of land have left a frightful tale of destruction, hunger and distress in many parts of Northern India. The worst affected States are Bihar, Uttar Pradesh and Assam where standing crops have been swept away, food stocks destroyed and lakhs of people left without any immediate means of livelihood. More than 10,000 square miles of land are reported to have been devastated in Bihar, causing damage to 400,000 tons of foodgrains. Nearly 500,000 acres of paddy went under water beyond any hope of salvage. In U.P., about 5,000 villages spread over 1,000 square miles, were completely submerged. The worst affected districts were Gorakhpur, Basti, the Terais, and the areas adjoining the Ganges. In Assam six out of the seven districts in the State were affected by recent floods. Excessive damage to standing crops was reported from several places along the banks of the river Ravi in the Punjab.

During the fortnight ended 31st July, 1953, about half a dozen locust swarms entered India from across its western border. As a result of widespread rainfall, egg laying by locusts and emergence of hoppers have been on an extensive scale. The most highly infested tracts include both the desert and cultivated areas of Rajasthan, the South-western districts of Punjab and PEPSU. Breeding of locusts has also been reported in Delhi, Western U.P. and Ajmer, and it is expected that, during the current month, it will be on a more extensive scale.

The Indian Food Minister supplied to the House of the People the following crop produce estimates.

(In million tons)

	1952-53	1951-52
Rice	23.4	20.7
Wheat	6.38	5.7
Jowar	6.0	5.9
Bajra	2.9	2.2
Maize	2.6	2.0
Barley	2.17	2.13

In Uttar Pradesh, the year ending 15th August, 1953 is, according to an official record, significant for radical modifications in State Government's policy in respect of foodgrains control. The main reasons which induced the Government to modify the food policy were a persistent public demand for relaxation of controls and existence of good stocks in Government godowns.

Foodgrains markets remained fairly steady during the week. Arrivals were poor, due to rains, while offtake was good. The Government has been despatching wheat and coarse grains to scarcity affected districts in the east U.P. and in the hills. Some wheat on trade account was also despatched from Hapur and other *mandies* in the Meerut food region. Acute shortage of grain continued. It is revealed that the State Government has replenished the regions comprising flood-affected districts with coarse foodgrains aggregating 11,400 tons. A further quantity of 4,800 tons has been allotted for distribution in this area. The State Government has requested the Government of India to supply them wheat at subsidised rates for distribution in the flood-affected areas.

The latest quotations (per maund) in the Hapur market are: Wheat Rs. 17 to Rs. 18-4, gram Rs. 16-12, barley Rs. 12-8, *bejhar* Rs. 13, maize Rs. 13-4, *jowar* Rs. 12 to Rs. 13, *guwar* Rs. 13-8, rice Rs. 35 to Rs. 24; peas: green Rs. 15 and white Rs. 16 to Rs. 19, *arhar* Rs. 14-8, urd Rs. 21 to Rs. 24, *moong* Rs. 21-8 to Rs. 22-8, and *masoor* Rs. 18 to Rs. 20.

DEMAND FOR TEA POOR

(From Our Own Correspondent)

CALCUTTA, 18th August

Mixed conditions were in evidence during yesterday's export sale, the quantity offered being 44,400 chests. Demand was low and, while the majority of the varieties on offer accounted for a decline in prices, Darjeelings were steady and realised higher prices. Prices of thin liquoring medium Assam B.O.Ps. were As. 2 lower as compared with the previous rates. Pekoes were quiet, but orange pekoes possessing stylish leaf appearance were held firm. Prices for commons and low mediums declined by half an anna, while those of best liquoring C.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividends (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	370 / 183	100 / 50	18‡	18‡	18‡		12	Y.P.
1,01,000	12,03,000	7,231	Andhra Bank	103 / 54	100 / 50	6	6	6		6.12	H.
23,99,000											
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111‡	25	3	3	3	5(i)	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14‡	25	14	14	14	3(i)	6.12	R.L.Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	158	50	14	14	14		12	Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	12‡	12‡	12		12	Y.
80,00,000	15,00,000	35,324	Bank of Jaipur	20‡	50	3	3	3		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	280cd	100	16‡	16‡	16‡		12	Y.
13,00,000	5,00,000	1,59,280	Bombay State Co-operative Bank	59‡	50	5	5			6	Y.P.T.
89,18,600	42,61,693	33,280	Canara Bank Ltd.	85	50	9	9	9		12	P.Y.
15,00,000	16,50,000	9,417	Canara Banking Corporation Ltd.	85	50	10‡	10‡	10‡		12	Y.P.
7,50,000	10,00,000	9,264		65‡	25						
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	67‡	25	14	14	14	3(i)	12	R.L.Y.
$2,42,375 A	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34‡	50	3	3‡	3‡		12	Y.
50,00,000	1,00,00,000	18,10,825	Habib Bank (P)	8‡N	10	10	20	20		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10‡	50	—	—	—		9	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	103N	100	6‡	6‡	5		6.12	R.L.H.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,825	500	16	16	16	8(i)	6.12	R.L.H.
1,87,50,000				440	125	16	16	16	8(i)	6.12	R.L.H.
24,00,000				180	100					6.12	R.L.H.
16,00,000	73,50,000	1,04,201	Indian Bank	143‡	85	12‡	12‡	12‡			
15,40,000				103‡	60					.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	90	100	5*	5*	5*	2*(i)	12	Y.
4,25,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A) 25(B) 50(C)	9	7‡	6		6.12	H.
2,50,000				18‡		9	7‡	6			
10,00,000				36		6	6	6		6.12	Y.
4,55,766	30,61,350	60,357	Punjab and Sind Bank	35N	25	7	—	—	4(i)	12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	218xd	25	4	4	6		12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	13‡	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	68	50	6‡	6‡	6‡		6.12	H.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	4	4	4			
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-1-7‡	£5	14†	14†	16‡†		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	7†	6†	7†		12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,469,174	Hongkong and Shanghai Banking Corporation	£92‡	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-13-0 / £1-7-0	£1	12½†	12½†	12½†		12	R.L.Y.
£1,437,296				£25‡	A £12‡						
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25‡	B £12‡	12†	12†	14†	7½(i)	12	R.L.Y.
£375,000				£10‡	C £5						
£300,000				£32‡	£12‡	16†	16†	16†		12	L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India								

‡Includes Bonus. †Less Tax. (P) Pakistan Currency
‡‡Subject to taxation.

††O.S. Currency
(i) Interim.
*8 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June 1963
5,50,000	5‡	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90‡	28th February 1960(f)
6,00,000	5‡	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd	1936	99‡	30th December 1956
10,00,000	4	1st August and 1st February	Ravalgaon Sugar	1942	103‡	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	105	1st April 1956-61
85,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	96	1st November 1959-64
COTTON						
6,00,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April 1964
4,00,000	4‡	30th May and 10th November	Bengal-Nagpur	1897	98‡	15th November 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99‡	1st January 1967-72
13,68,000	3‡		Jaykhee Textiles	1949	78N	1st January 1956-59
40,00,000	5	1st June	Tata Mills		100‡	1966-71
ELECTRICS						
10,00,000	4‡	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96	31st March 1965
1,25,000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100‡	1st October 1959
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December 1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101‡	1st January 1970
23,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	86	31st December 1970
13,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	96	30th June 1957-61
4,95,000	5‡	1st January and 1st July	South Madras Electric Supply	1940	97	1954
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	94	1st October 1953-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	1957-67
6,63,800	4‡	1st April and 1st October	South Madras Electric Supply		94	1st July 1951-55(b)
49,21,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September 1965-70
1,00,00,000	4	1st April and 1st October	Tata Power		92‡	15th September
ENGINEERING						
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	98	31st December 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June 1958
80,00,000	5‡	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	103	1st July 1957-62
41,19,400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	104	31st December 1966(ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	88	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95	31st December 1960
JUTE						
12,00,000	4‡	1st October and 1st April	Agarpara	1939	99	31st March 1954
6,00,000	4‡	30th June and 31st December	Alexandra	1939	98	30th June 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90‡	31st December 1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July 1959(c)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June 1966
8,86,000	5	30th June and 31st December	Empire	1951	95	30th June 1958
85,00,000	3‡	1st January and 1st July	Hukumchand	1947	92‡	30th June 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st March 1964
85,00,000	5‡	30th June and 31st December	Naihati	1952	98‡N	31st March 1967
5,00,000	4‡	31st March and 30th September	Nellisarpera Jute Mills Co., Ltd.	1947	98‡N	31st March 1954
5,00,000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88	31st December 1964
8,00,000	5	30th June and 31st December	Premier Jute	1943	93	30th June 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September 1965
8,00,000	4‡	14th March and 14th September	Soorah Jute	1937	96‡	14th September 1957
12,00,000	4‡	30th June and 31st December	Union	1937	97	30th June 1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	1925	84	31st July 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	86	1st July 1956
6,00,00,000	4‡	10th November and 10th May	Bombay Steam Navigation Co.	1945	99‡	1st November
£350,000	4‡	1st January and 1st July		1900	£100N	At 105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways	1933	£102N	1st October 1974
£201,067	5	1st April and 1st October				30th September 1953
2,00,000	3‡	30th September and 31st March	Kalighat-Falta Railway	1934	99	31st December 1959
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N	1st September 1963
5,00,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96	
PLANTING						
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	1st January 1945-55
3,68,200	5‡	31st March and 30th September	Teekoy Rubber Estates	1944	100	31st March 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‡	1st January 1945-53
MISCELLANEOUS						
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December 1965
27,60,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December 1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	96‡	30th June 1957(i)
21,00,000	5	1st February and 1st August	Chowringhee Properties	1915	92	1st February 1964
21,55,000	4‡	1st July and 1st January	Clive Buildings	1936	88‡	1st July 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1930	87	15th September 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1949	101‡	1st January 1971
20,00,000	3	15th March and 15th September	Mettur Chemical Industries	1946	97	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)		465 (per note)	30th September 1976
				1947	410 (per note)	31st December 1972
65,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)		90N	1st April 1971
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	93‡	31st March 1961
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	84‡	31st December 1959
1,00,00,000	4	30th June and 31st December	Robins Industries Ltd.	1946		

Note—See page 378 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th August, 1953.

—	Closing quotations 13-8-53	High	Low	Closing quotations 20-8-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155xd	155	154‡	155
Bank of Baroda (50)	110‡	111‡	110‡	111‡
Central (25)	65‡	65‡	65‡	65‡
Imperial (P.Rs.) (500)	1,830	1,827‡	1,822‡	1,825
Imperial (P.Rs.) (125)	442‡	442‡	440	440
Union Bank (5)	6‡	—	—	6‡
United Com. (50)	36‡	36‡	36	36‡
COTTON MILLS				
Abm. Adv. (100)	146‡	146‡	140	140
Apollo (2)	2-13‡	2-14‡	2-6‡	2-7‡
Bombay Dyeing (250)	385‡	384‡	378‡	378‡
Central India (100)	162‡	161‡	158‡	160‡
Century Mills (100)	276‡	277	270	270
Colaba (100)	69	—	—	69
Edward Textile (200)	240	240	237‡	237‡
Elphinstone (50)	39	39	38	38‡
Finlay (100)	322	325	320	325
Global (100)	226	226‡	223‡	226
Ind. Untd. Defd. (1)	1-5‡	1-5‡	1‡	1
Ind. Untd. Ord. (10)	9-6‡	9‡	8‡	8‡
Indore Malwa (100)	92‡	93‡	91‡	91‡
Khatau (100)	183‡	—	—	183‡
Kohinoor (100)	302	302	295‡	275‡
Lakhani (250)	572‡	572‡	570	570
Madhusudhan (100)	49	—	—	86‡
M. R. Cotton Mills (100)	49	49‡	49	49
Minerva Mills (100)	100‡	—	—	100‡
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	180	181‡	180	181‡
Mysore (50)	130	—	—	130
New City (100)	150‡	151‡	150‡	151‡
New Great (100)	116‡	116‡	148	150
Pamela (100)	128‡	—	116‡	116‡
Podar Mills (100)	20‡	—	—	126‡
Sholapur (1,000)	25‡	25‡	25‡	20‡
Simplex (50)	1,600	1,630	1,610	25‡
Sudesh (100)	170‡	170‡	168‡	1,610
Swan (100)	252‡	253‡	247‡	169‡
Tata M.I. (25)	456‡	457‡	452‡	247‡
Vishnu (100)	42‡	42	41‡	452‡
Western India (1,000)	152‡	152‡	150	41‡
	3,180	3,500	3,490	150
				3,500
ELECTRIC COS.				
Ahmedabad (100)	112‡	112‡	111‡	111‡
Amalgamated (10)	10‡	11	10‡	11
Andhra Valley (1,000)	1,450	1,453‡	1,450	1,452‡
Bom. Sub-El. (100)	121‡	122‡	121‡	121‡
Surat (100)	121‡	123‡	123‡	123‡
Tata Hydro (100)	154‡	154‡	142	142xr
Tata Power (1,000)	1,532‡	1,532‡	1,435	1,435xr
INSURANCE COS.				
British India (10)	13‡	13‡	13‡	13‡
Empire of India (100)	627‡	—	—	627‡
Ind. Mercantile (20	38‡	40‡	40	40
Jupiter (13)	6‡	6‡	6‡	6‡
New India (15)	40‡	40‡	40	40‡
Oriental (200)	6,875	—	—	6,875
Universal (10)	8‡	8‡	8‡	8‡
Vulcan (10)	11‡	—	—	11‡
STEAMER COS.				
Scindia (15)	13‡	13‡	13‡	13‡
STEEL COS.				
Ind. Iron (10)	23‡	23‡	22‡	22‡
Tata Steel Defd. (30)	1,946	1,970	1,933‡	1,955‡
Tata Steel Ord. (75)	338	341	335‡	338‡
MISCELLANEOUS				
Aloech Ashdeen (100)	305	303‡	302‡	302‡
Associated Cn. (100)	166‡	169‡	168‡	168‡
Belapur Sugar (5)	238‡	239‡	237	238‡
Bom. Burmah (125)	360‡	358‡	351‡	351‡
Do. (New) (50)	131‡	—	—	130
Br. B. Petrol (4 sh.)	1-2‡	1-3‡	1-2‡	1-3‡
Br. I. Corpn. (5)	8-4‡	8‡	8‡	8‡
Indian Copper (2 sh.)	2‡	2‡	2-12‡	2-2‡
Ind. Inv. Tr. (100)	70	69‡	68‡	69‡
Port Canning (100)	20	22‡	20	22‡
Premier Cop. (50)	87	86‡	85‡	85‡
Shivrajpur (10)	57‡	57‡	55‡	57
Tata Chemicals (10	8-13‡	8-14‡	8‡	8-12‡
Tata Oil (125)	30‡	30‡	30	30‡
Walchand Ind. (100	146‡	145	143‡	143‡
W. I. Match (100)	237‡	238‡	235	238‡

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98‡	—	3 43	98‡
2½% 1955	98‡	—	3 28	98‡
2½% 1960	90‡	—	3 88	90‡
2½% 1962	91‡	—	3 82	93‡
3% 1957	82‡	—	3 87	91‡
3% 1958	98‡	—	3 91	82‡
3% 1959-61	98‡	—	3 40	98‡
3% 1964	96‡	3.70	3 42	98‡
3% 1963-65	92‡	—	3 57	96‡
3% 1964-66	92	3 93	3 86	92‡
3% 1970-75	90	4 00	3 80	92‡
3% 1986 Con. Loan	86‡	4 12	3 89	90
4% 1959*	82	—	3 93	86‡
4½% 1960-70	100‡	3.32	3.66**	82
4½% 1955-60	102	3 67	3 46	100‡
4½% 1958-68*	103‡	3.00	3 84	102
3½% 1961 N.P. Bonds	101	3.40	4 01	103‡
	98‡	—	3.75	98‡

BRITISH GOVERNMENT SECURITIES	13-8-53 £	High £	Low £	19-8-53 £
2½% Brit. Consols	61‡	61‡	60‡	60‡
3% Savings Bonds 1955-75	86‡	86‡	86‡	86‡
3% War Loan 1955-59	101‡	86‡	86‡	101‡
3½% War Loan 1952	81‡	81‡	81‡	81‡
3½% Brit. Iron and Steel 1979-81	90‡	91	90‡	91
4% Funding Loan 1960-90	101‡	101‡	101‡	101‡

ad=Ex-dividend. X.R.=Ex-Right. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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CONTROL OVER PUBLIC EXPENDITURE

THE persistence with which the Estimates Committees, the Public Accounts Committees and the Audit Officers assail the Government departments for over-spending, and spending without proper accounts and without prior sanction, has again brought to the fore the question of the adequacy of Parliamentary control over public expenditure. Whether all these allegations are justified or not is, of course, a different matter. But the fact that they are made, and continue to be made with increasing frequency, certainly does not enhance the Government's reputation for the efficient conduct of the business of national book-keeping. All this raises the old problem of the creation of independent audit, which will ensure that the moneys spent are spent on purposes for which Parliament has authorised the expenditure, and that there is no leakage. Indeed, the whole question assumes a new significance, in view, of the growing size of Governmental expenditure, both revenue and capital. That the Public Accounts Committee—its report, submitted to Parliament in December last, has been made available to the Press only now, should raise this issue once again, is a tribute to its awareness of the importance of the problem.

Parliamentary supremacy over public expenditure is, of course, implicit in the whole Constitution. Specific references to it occur in Articles 114 and 266. While the former lays down, among the restrictions, that no money shall be withdrawn from the Consolidated Fund of India, except under appropriations made by law passed in accordance with the provisions of the Article, the latter reiterates the same principle in respect of States. Before these constitutional provisions are satisfactorily implemented, certain changes in the administrative machinery, which now performs the accounting and audit services for the Central and State Governments, are necessary. For, this machinery, as the Public Accounts Committee points out, has become "outmoded" and has outlived its necessity.

Under the existing fiscal system, there are some 300 treasuries in the country, one in each district, each treasury having one or more sub-treasuries. Receipts and disbursements take place in the treasuries in respect of transactions connected with both the Union Government and the State Governments. This practice is different from the practice in the U.K. where all public payments are made through the Bank of England. The reason for the departure is that the country is geographically too vast to permit the use of a single institution. The treasury work is also done by the Imperial Bank of India. The Reserve Bank utilises the Imperial Bank as its agents for purposes of treasury work in places where it has no branches of its own. The initial responsibility for the control of expenditure rests on the various departmental controlling authorities. This method, as the Comptroller and Auditor-General remarks in his note submitted to the Public Accounts Committee, has "never worked satisfactorily"; it "completely broke down" during and after the war.

Two features of the present system call for special notice. In the first place, the accounts of the State Governments are maintained by the Comptroller and Auditor-General. This is being done under the transitional provisions of the Constitution. Ultimately, the States must be asked to take over the entire responsibility for the maintenance of accounts; under Entry No. 76 of List I of the Seventh Schedule, it is only the "audit of the accounts of the Union and of the States" that is a Union subject. Secondly—and this is a vital issue—the same agency is responsible for the maintenance of the accounts as well as the audit. Except in certain States, the compilation of accounts and their audit has been entrusted to the same agency, the Indian Audit Department. The Simon Commission described this "anomalous combination" of duties as a "relic" of the highly centralised system of administration which obtained in India before 1920. The system has, however, continued to survive to this day; the excuse for not effecting a change in the system is that it is economical.

In the U.K., the control over expenditure is exercised in three ways. In the first place, each Ministry has got its own Accounting Officer who passes all bills payable by the Minister and issues "payable orders" on the Paymaster-General. The Officer ensures that the payable orders do not exceed the voted grant. Generally speaking, there is no direct connection between the individual departments and the Bank of England where all payments are concentrated, for between them stands the Paymaster-General. Secondly, there is the machinery of control provided by the Estimates Committee and the Public Accounts Committee. The Estimates Committee supervises the estimates, submitted by the different departments, before they reach the House of Commons. It must be remembered that the Treasury itself will have done this work, so that the Committee's work is more in the nature of a revision. Out of a sense of what might well be called "economic chivalry," a convention has been established whereby the Chairman of this Committee is a member of the Opposition. The actual expenditure is subject to the scrutiny of the Public Accounts Committee. Spending authorities are careful to see that they do not incur the wrath of this Committee. Thirdly, there is the important—in fact, all-important—officer, the Comptroller and Auditor-General, whose office was created as far back as in 1866. His position and importance are substantially the same as that of his counterpart in the Indian Constitution. He examines and audits all public accounts before he submits his report to Parliament.

India has copied all the forms of British financial practice but missed the essential spirit. It has the Estimates Committee, the Public Accounts Committee and the Comptroller and Auditor-General. But the fundamental principle that accounts should be separated from audit has been ignored. It is unnecessary to labour the obvious importance of this distinction. The question is analogous to the question of the separation of the judiciary from the executive. It is absurd to assign both these functions to the same agency. The Conference of the Commonwealth Auditors-General, held in the U.K. in October, 1951, it may be noted here, came to the unanimous conclusion that an Auditor-General should not make payments nor keep accounts. In his note, submitted to the Public Accounts Committee, the Comptroller and Auditor-General says:

"If a satisfactory system of Exchequer control is to be introduced in India, I consider that we will have to resort, as the first step to the system, of having separate Accounts Officers to each of the Ministries and major spending departments, as in the U.K. with whom all payments will be centralised in respect of such Ministry or Department. A corollary to this will be that the State Governments will have to take over the maintenance of the Accounts, which, under the transitional provisions of the Constitution, is at present the responsibility of the Comptroller and Auditor-General. The present position of making the same agency responsible for the maintenance of Accounts and also the Audit of the Accounts compiled by itself is not only anomalous but highly improper and defective."

The Sub-Committee of the Public Accounts Committee, which examined the question of Exchequer control over public expenditure, is in substantial agreement with the aforesaid views of the Auditor-General. It emphasises that the existing arrangements are "wholly inconsistent with the various responsibilities of the spending departments, namely, effective control over their responsibilities to Parliament to keep within the budget grants and appropriations." The reform of this practice, it states, is "urgently needed." It is also convinced that there are no "insuperable obstacles" in the way of the introduction of this reform. The Public Accounts Committee has also "endorsed" its Sub-Committee's views, and has urged that the reform should be carried through with the "least possible delay."

In a sense, the reform now suggested is by no means a new experiment. In 1924, the Government of India tried the experiment of separating accounts from audit in the U.P., N.W.F.P., the Railways and certain departments of the Central Government. The separation of audit from accounts had been effected earlier in the Defence Department. But the experiment was abandoned in the U.P. and other places in 1930-31 as part of the drive for economy; in Defence and Railways, however, the system of separated accounts continued. Some idea of the small sums that were saved through these economy measures can be had from the fact that the U.P. Government hoped to save about Rs. 3½ lakhs by combining audit and accounts. Even so, the Secretary of State regretted the abandonment of the experiment. In sanctioning it, he

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wanted the Government of India to make it clear that the change did not "indicate the Government's disapproval of the principle of separation."

There is some irony in the fact that the reform, which was tried but abandoned on considerations of economy, is now invoked precisely on the ground that it is conducive to economy in public expenditure. It is now realised that to postpone the reform on "economy considerations" is to take a wrong view of the whole issue. The Sub-Committee rightly holds that "false considerations of economy" should not be allowed to hold up this essential reform. If it is nevertheless felt that the adoption of the reform will mean some additional expenditure by the States, the Comptroller has suggested that it would be "even worthwhile to give them some financial aid, if necessary, for a limited period." It is unlikely that the reform will entail considerably more expenditure than is being incurred at present. The Comptroller hopes to be able to provide a considerable part of the accounts organisation, required by the Union and the State Governments, from his present organisation, retaining for himself a comparatively small portion for purposes of audit functions. There will, however, be a shift of the burden from the Centre to the States. There may be some additional expenditure too. But the resulting improvement in financial and audit control, as the Comptroller pertinently points out, will "more than compensate for the extra cost." Important as the whole issue of the separation of audit from accounts is to the future of public economy and financial propriety, it is necessary to add that the creation of an independent audit will not, by itself, produce results of any substance. **Financial rectitude is,** in essence, a mental attitude. It can spring only from a consciousness that public money is a sacred trust, and that it is a crime to spend it wrongly. Unless this attitude permeates all ranks of the administrative service, it is futile to expect spectacular improvements through mere changes in the administrative set-up, however wholesome these changes may be.

The Comptroller raises some difficult issues of constitutional importance in respect of Governmental participation in public or private limited companies or corporations. He regards this Government-sponsored "Private Ltd." companies as a "fraud" on the Indian Companies Act, inasmuch as the Consolidated Fund cannot be used to start such concerns; the President or his nominee is not a person who can become a shareholder. As these officers can have no personal financial interest in the company, their "joining together" cannot constitute a company. Further, Government concerns cannot be turned into private companies by executive action. The Government should have, according to him, the backing of suitable Parliamentary enactment for the setting up of such corporations. This seems to be a valid objection. The Government will, perhaps, do well to get the necessary Parliamentary sanction for starting and owning such corporations.

There is another important issue that the Comptroller has raised. He holds that the Comptroller and Auditor-General should have the "automatic" right to audit such concerns. Since auditors are appointed by the Board of Directors, he cannot exercise that right. Even if this difficulty were sought to be overcome by making the Comptroller and Auditor-General the auditor for the company, it would still be something of an anomaly, since he is responsible to Parliament and not to the Board. Also, Parliament cannot watch the financial operations of these companies through the Public Accounts Committee. In support of his stand, he cites the American constitutional provisions under which the Congress has to pass specific legislation in order to permit the Government to set up companies or corporations.

Similar issues have engaged the attention of a Select Committee of the U.K. Parliament, to which a reference was made by us last week. The question over there is the adequacy of Parliamentary control over nationalised undertakings. The accounts of these nationalised industries are now being audited by commercial accountants. No nice constitutional issues have been raised, as has been done by the Auditor-General in India. But the Committee has been primarily concerned with the question of ensuring that, while Parliament exercises its control over the State-owned industries no attempt is made to interfere with the spirit of enterprise, and initiative of the managements. The Committee has suggested the setting up of a committee to examine the working of the nationalised industries, which could call from the commercial auditors such information as may be of use to the Committee or of interest to Parliament. For a detailed exposition of the Committee's suggestion, the readers' attention is invited to our London Letter published on page 388 of this issue. There is no reason why such a procedure should not be adopted in this country in respect of State-owned commercial undertakings. This should ensure both the necessary degree of freedom for these enterprises and their adequate control by Parliament.

PROSPECTS FOR FOOD DECONTROL

HAPPILY, one of India's worst economic problems, namely, the chronic deficit in foodgrains, seems to be well under control. Although the country has not yet gained self-sufficiency in foodgrains, the supply position and the trend of prices, both in India and abroad, are such as to enable the removal of controls on cereals, with the exception of rice. Thanks to the unwinding of the vicious circle which gathered momentum since May, 1952, when State after State began relaxation of controls on foodgrains, the country has made large strides in improving its food supply position. This is fully reflected in the progressive cuts in imports of foodgrains since then. In 1952, imports amounted, according to the Union Food Minister, Mr. Rafi Ahmed Kidwai, to 3.9 million tons, as against the targeted figure of 4.9 million tons. Again in 1953 it was scheduled to import 2.9 million tons, but now it has been found that the country needs no more than 2.1 million tons. Actual imports upto 19th August, 1953, were no more than 1,733,350 tons. For the next year, the Food Minister is hopeful that not a ton in excess of one million tons and that too all of wheat—a quantity for which India is committed under the International Wheat Agreement—will need to be purchased from abroad. It would be a significant development if this hope were to materialise, for it would mean that, for the first time since the outbreak of the Second World War, India will hold off from the world market in rice.

The progressive reduction in imports has been the outcome of a complete transformation in the psychology of the people of the country, brought about by gradual relaxation of control on foodgrains. Free movement of grains within the State borders, decontrol of prices of coarse grains, gradual reduction in the number of people under statutory rationing provided opportunities for producers to sell, for the first time, their foodgrains in the free market. For traders, the relaxation meant the restoration of private trade in foodgrains. The consumer in the non-rationed areas was able to pick up foodgrains of his own choice in the free market.

While thus a change-over in the psychology of the people has taken place, conditions for growing more food crops have also been favourable in the past one year. The prospect of realising, in the free market, prices higher than those paid by the Government for grains procured by it, encouraged the cultivation of food crops. There was a considerable switch over from cash crops to food crops. Consequently, there has been a record production of cereals in 1952-53, which is 12 per cent. higher than that in 1951-52. Wheat production at 6.76 million tons this year is the highest since 1945-46. Again, the rice harvested at 23.4 million tons is another notable record. New records have also been established by maize and barley at 2.6 million tons and 2.66 million tons, respectively. In the circumstances, it is not surprising that the Government has been able not only to effect cuts in imports but also to command sufficient supplies for building up reserves. Thus Mr. Kidwai said in Bombay, a few days ago: "The Government of India has so much of wheat stocks that they do not know what to do with them or how to dispose of them. The imported rice has not been used by the Government so far this year. It is kept under storage." This position is in marked contrast with what was obtaining early in 1952, when the State Governments' demands on the Centre aggregated as much as 7 million tons which was later reduced to about 5 million tons.

In the light of the heartening food situation as noted above, it is only pertinent to think of doing away with the remaining food controls. Mr. Rafi Ahmed Kidwai, who is noted for his staunch opposition to all controls for the sake of controls, is, therefore, justified in proposing to re-examine the Government's food policy. During his brief visit to the City, early this week, he is reported to have said that "for all practical purposes, the food problem has ended," and added that controls on all foodgrains except rice, would be lifted throughout the country shortly. He stated clearly that he envisaged the complete decontrol of wheat.

An examination of the position of wheat warrants such a step. As already stated, wheat production has registered, in 1952-53, a rise of 12 per cent. over that in the previous year. Although it is rather early to estimate the size of the crop in the coming season, what with reports of flood damages in several parts of the country, it would appear, according to the Food Minister, that the output of wheat in the next year will be somewhat better than in 1952-53. There is, at present, control of wheat in the industrial cities of Bombay State and the City of Calcutta. Talks have already been initiated with the Ministers concerned in Bombay and West Bengal for decontrolling the cereal in these centres. Bombay is deficit in wheat to the extent of 7 to 8 lakh tons a year, and has two months' stocks on hand at present. Again, in Gujerat, wheat prices are showing a downward trend and the State is expected to have a good wheat crop this year. If wheat is decontrolled, as stated by Mr. Kidwai, prices are, therefore, likely to go down. World prices of wheat too are declining on account of a bumper crop. Besides, if stocks in the State are exhausted, the Centre is prepared to sell wheat at Rs. 17 per maund (which is Rs. 3 less than the price at which the State is selling at present). This assurance will have a salutary effect on prices. Further, the necessity of having to purchase next year, under the World Wheat Pact, one million tons will act as a safeguard against any undue upward trend in prices in the event of decontrol. The Government will not, therefore, be taking any serious risk if it removes control on wheat.

The same, however, cannot be said of rice. It is true that there has been an impressive improvement in the rice position. The crop has been very good this season. The East Punjab, which provided 125,000 tons this year, has promised to supply 250,000 tons next year. Likewise, rice production has also increased in Madhya Pradesh and Orissa. Procurement of rice has been exceptionally good, in that 1.17 million tons have been lifted through State purchases. The demand on the Centre for the supply of this cereal is on the downgrade. It amounted to 1.1 million tons in 1952, out of which 800,000 tons represented imported rice. This year only 200,000 tons have been imported and it is expected to make up even this balance from internal procurement next year. In spite of this improved situation, however, rice cannot be decontrolled simultaneously with wheat. For the prices in the free market are still high, and it is likely that some States may switch over to rice from other foodgrains and thus cause an upward trend in their prices also. Besides, unlike wheat, prices of rice in world markets are also high. Burma, for instance, is prepared to sell only at Rs. 30 per maund, as against Rs. 22-8 in India. If, however, world prices were to become lower than the domestic prices, India can certainly decontrol rice with the assistance of cheap rice imports. Till then, the country will do well to exercise a certain amount of control on rice.

The trend of food prices in the past one year, it may be seen, does not favour decontrol of foodgrains. The group index for food articles under the index number of wholesale prices (base 1939=100) as on 1st August, 1953, stood at 406.4. This is 38.6 points higher than the figure a year before. But this rise is largely due to the rise in the prices of food articles other than cereals. If the index number of cereals alone is taken, it will be seen that it has gone up only a little, from 463 to 478, that is, by 3.2 per cent. This increase is nothing as compared with the relief which the people have had from the large measure of relaxation of control already made in several parts of the country. Further, the rise in prices in recent months is attributable to seasonal shortage, particularly in the shape of *kharif* cereals and to some extent to transport difficulties, owing to setting in of rains, or farmers being busy with agricultural operations. While there is, of course, need to keep a watch over the trend of food prices, the chances are that further extension of decontrol will not lead to any worsening of the situation. For the monsoons have been kind. Rainfall has been very good and the next crops, both rabi and *kharif*, are expected to be bumper ones, even after making allowances for the adverse effects of floods in some areas. Again, there is every possibility of the minor and the major irrigation schemes, coupled with the community projects and the new cultivation methods, yielding good dividends in the shape of increased supply of foodgrains, in the coming years. There are thus sufficient grounds for embarking on a further relaxation of controls on foodgrains without fear of any untoward results.

INCIDENCE OF ESTATE DUTY HEAVY

I.I.S.CO. LOCK-OUT—GOVERNMENT STEEL PROJECT

THURSDAY, 5 P.M.

MARKET GOSSIP

AS was announced in Parliament a fortnight ago, the Finance Minister, Mr. C. D. Deshmukh, has announced the rates of Estate Duty. A Bill prescribing the rates was introduced in Parliament on Monday last. The exemption limits are the same as those recommended by the Select Committee in its report, submitted to the House on 31st March, 1953. They are Rs. 50,000 in the case of an interest in property belonging to a joint-Hindu family and Rs. 75,000 in other cases. Those who thought that the Government would change its mind and raise the exemption limits even after the considered verdict of the majority of the Select Committee of Parliament will naturally be disappointed. That, however, does not mean that the demand for higher exemption limits was not justified. On the contrary, it was quite a legitimate demand, considering that the State in this country provides scarcely any social security benefits, except to a small percentage of industrial labour. An individual has to provide for all the essential needs and comforts of his dependents. It is, therefore, but right that the State should not start collecting an Estate Duty even on such small savings as Rs. 75,000, which, in terms of the pre-war purchasing power of money, is equal to about Rs. 19,000 only. The proper thing would have been to fix the exemption limit higher and to lower it in subsequent years when a substantial improvement in the purchasing power of the rupee takes place. But, as the Government is out to collect as much revenue as possible, it is not in a mood to listen to any plea for any tax relief, however justified it may be.

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The provision of two exemption limits seems to have given rise to some confusion in the minds of laymen. The proper way of looking at it is to regard the exemption limit of Rs. 75,000 as the normal limit. The limit of Rs. 50,000 is a concession to the joint-Hindu family system. This limit is in respect of coparcenary interest of each person belonging to a Hindu undivided family. The members of this section of population do not represent the norm. They really are the exception. The norm is represented by others, namely, the Hindus under *Dayabhaga*, Muslims, Parsis, Christians and so on. That there has been a steady fall in the number of Hindu undivided families will be evident from the fact that the number of assessees for the purposes of income-tax under that system was 65,750 in 1951-52, as against 70,872 in 1940-41, whereas, during this period, the number of assessees charged on an individual basis rose from 268,579 to 547,539. It has been estimated that the number of Hindu undivided families which are likely to pay Estate Duty is about 35,000 only. But it is a safe guess that some of the biggest Estate Duty payers must be within this group.

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So much for the exemption limits. Now to refer to the rates of Estate Duty. On the next page, the incidence of this Duty, as now proposed, is analysed by Dr. Rustom C. Cooper, a well-known Chartered Accountant. It is, therefore, needless to go over the same ground here. But for purposes of record and to facilitate an easy understanding of our comments, we give below the classification of slabs and the rate of tax for each slab :

Value of estate	*Rates of duty* Per cent.
On the first Rs. 75,000 of the principal value of the estate ...	*Nil*
On the next Rs. 25,000	5
" " " Rs. 50,000	7½
" " " Rs. 50,000	10
" " " Rs. 1,00,000	12½
" " " Rs. 2,00,000	15
" " " Rs. 5,00,000	20
" " " Rs. 10,00,000	25
" " " Rs. 10,00,000	30
" " " Rs. 20,00,000	35
On the balance of the principal value of the estate	40

The foregoing rates are lower than those that were rumoured about in the share markets a few days ago. But that does not mean they are reasonable on the whole. The incidence on the first two or three slabs may be said to be "not unduly high." A person who leaves behind Rs. 1,00,000 will have to pay only Rs. 1,250. On Rs. 1,50,000, the Duty will be Rs. 5,000 and on Rs. 2,00,000 Rs. 10,000. Percentage-wise, the rate on these three slabs works out to 1.25, 3.3 and 5, respectively. Considering that the court fees payable for obtaining probate, letters of administration, or a succession certificate in respect of any property on which Estate Duty is leviable are allowed to be deducted from the amount of Estate Duty payable, subject to a maximum of one-sixth of such Duty, these rates cannot be regarded as very heavy. But the same thing cannot be said about the rates over Rs. 2,00,000. Indeed, from this level onwards the provisions of the Bill offend the principle of gradualness in the matter of both the slabs and the rates of levy. As the Indian Merchants' Chamber pertinently points out, the stepping up of the slabs, instead of being gradual and progressive, is sudden and steep. This is particularly so in the case of property the value of which exceeds Rs. 5 lakhs, the amount of duty payable on Rs. 5 lakhs itself being as much as Rs. 52,500. For an underdeveloped country like India, the economic progress of which depends on the availability of risk capital, the proposed rates of Estate Duty on the upper slabs are, doubtless prohibitively heavy. It will aggravate the inherent tendency to evade taxation. It will certainly lead to more corruption and demoralisation among the tax collecting authorities, more so because the assessees are at the mercy of the tax collector, there being only inadequate provision for appeal to the Court.

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It is difficult to provide concrete proof for sustaining the remark that the imposition of Estate Duty on the lines indicated above will retard the economic progress of the country. Such proof can be had only over a period of time. The imposition of Estate Duty will discourage thrift, and result in dissipation of resources. Quite a good part of the savings will come to be held in liquid assets, with a view to evading the Duty. Thus, the capital required for development purposes will tend to diminish. At any rate, it is obvious that the volume of such resources will be less than if there is no Estate Duty at all. No authentic estimate of the amount that will be raised by the levy is available. But, according to the Finance Minister, the yield from it "will not form a negligible addition to the resources of the State." Considering that all this will be obtained mostly from those who provide the risk capital, the Estate Duty will mean a substantial reduction in the ever-shrinking pool of resources from which private enterprise draws its requirements of capital. Further, it may affect the flow of foreign capital, unless agreements with foreign countries for avoidance of double taxation relief are promptly entered into.

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In these circumstances, and especially in the context of the Five-year Plan, the introduction of Estate Duty is untimely, though it is justifiable in principle. The least that the authorities should do now is to introduce the element of gradualness and moderation in respect of the incidence of the Duty by suitably revising the structure of the rates and slabs. It may be added here that, in most of the Western countries where Estate Duty was first introduced, the incidence was kept at a comparatively low level in the initial years. In the U.K., for instance, when Estate Duty was first introduced in 1894, the maximum rate was 8 per cent. and that rate was applicable only to an estate where the value exceeded the limit of £1 million. Gradation in the slabs and the rates of levy in respect of estates of lower value also indicated an element of gradualness. It was only after the levy had been in force for over 25 years that the maximum rate in that country was increased to 40 per cent. and that too on value of estates over £2 million.

STATISTICAL TABLES

Readers' attention is invited to the change in our statistical information pages relating to joint-stock companies, the shares of which are quoted on the Stock Exchanges. The pages have been remodelled to make the information clearer and more comprehensive. Three main features have been incorporated. First, the depreciation figures have been shown separately, and not added to the reserves as was being done formerly. Secondly, the dividends are expressed in absolute figures and not as percentage of the paid-up value of shares. This change will enable readers to calculate the yield percentages more easily. Thirdly, the dividends for the companies, which close their accounts half-yearly, are shown separately in respect of each half-year; these were being clubbed together formerly.—ED.

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The publication of the rates of Estate Duty has had no perceptible effect on the Stock Exchange values either way. It is true that, immediately after the rates were announced, there was a slight spurt in some of the leading counters, but that was due to the fact that the incidence of this taxation is not so heavy as was feared a few days ago. It was, for instance, rumoured that the rate of duty on Rs. 10 lakhs and over would be as high as 50 per cent. The long-range implications of this tax to the share market cannot but be bearish, for two reasons. In the first place, those who have to pay Estate Duty will have to sell a part of their investments in shares and debentures. Secondly, the volume of savings available for investment will be less. Now that the Government has intimated the Princes that they cannot, henceforth, be exempted from payment of income-tax and super-tax, the coming months may witness an increase in the liquidation of equities and fixed-yield industrials. Even to-day some of the Princes are large holders of Stock Exchange investments.

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Over the week, the list of equities quoted on the Bombay Stock Exchange reveals more losses than gains. The losses, of course, are only fractional, but it is indicative of the lack of confidence in industrial shares. A feeling of uneasiness pervades the textile section. The fall in the value of these shares may have been sizable but for the technical position of the market. Of the few shares that have recorded some gains during the week, Tata Deferreds stand out prominently. That is due to the amicable manner in which the workers' demand for a larger bonus has been settled. The Company has entered into a four-year agreement with the workers on this question. This has engendered the feeling that the chances of friction with the workers of the Company have been minimised for a fairly long period.

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The labour situation in the works of the Indian Iron and Steel Co., Ltd., at Burnpur has deteriorated. A lock-out has been declared and all but key workers have been dismissed. Coke ovens have been kept burning but the blast furnaces have been sealed. In the context of the country's need for more production of steel and pig iron and the distress caused by growing unemployment, the lock-out is regrettable; but it became inevitable due to the intransigence of a section of the workers who have allowed themselves to be exploited by political agitators. It is well to remember, in this connection, that the dispute has not arisen over any demand for either higher emoluments or more amenities. It has arisen over the control of leadership of the workers' union. It would have been a perfectly legitimate contention, had the claim been sought to be enforced by constitutional means, for which there is adequate provision in the country's labour laws. But those who are now fighting for obtaining the control over the union resorted to coercion and force. It is this that is the root of the trouble. The key to its quick solution is entirely in the hands of those who started it.

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The declaration of a lock-out in the Burnpur Works had a perceptible effect on the value of Indian Irons. They dropped to as low a level as Rs. 21-12 on Tuesday, as against Rs. 22-8 towards the close of the past week. At the time of writing, they are a little steady at Rs. 22-4. A year ago these shares were being quoted at Rs. 20-12 and one time, in the course of the past one year, they were as high as Rs. 28-7. It was not long ago that some were talking it up to Rs. 40 and Rs. 50. Well, the depreciation in the value of these shares should be an eye opener to those who invest in a scrip without paying adequate attention to the yield aspect. Even at the current level, it cannot be said that this scrip is standing at a realistic level, considering that the yield on the basis of the last dividend, the repetition of which this year and, perhaps, even in the next year, is highly doubtful, is less than 5 per cent. It is true that the prospect of capital appreciation is an important factor that decides the market value of a share. But prudence demands that, if a scrip does not offer a fairly high rate of yield to cover such unforeseeable contingencies as strikes, it should not be touched even with a pair of tongs. Anyone who ignores this is not a judicious investor.

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The much awaited statement on the Government-sponsored new steel project was made by Mr. K. C. Reddy, Minister for Production, in the House of the People, this week. The agreement between the Government of India and the German steel firms, Krupps and Demag (signed on 15th August), provides for technical and financial participation of these firms in the construction of a new steel plant with an initial capacity of half a million tons of ingots, capable of expansion to a capacity of one million tons. He revealed that the capital cost of the project is estimated at Rs. 71.25 crores. The German participants will contribute about Rs. 9.5 crores, the exact amount depending on the value of the plant that they may supply. The Government proposes to apply to the World Bank for a loan of about Rs. 20 crores towards the capital cost. The German investment will be for a period of ten years, with option to either side to continue the association for a further period of ten years.

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The German combine will be appointed technical consultants and will receive a fixed fee of about Rs. 2.10 crores which works out to about 3 per cent. of the estimated cost. No royalties are payable and no bonus shares will be issued. The management of the Company will be vested in a Board, in which the Government and the combine will have representation proportionate to their respective investments. The Chairman and the Managing Director will be nominated by the Government. The German combine will recommend a team of technical experts for the efficient working of the plant. The number of Germans will be kept down to the minimum, commensurate with the requirements of efficiency. Indians will receive, meanwhile, specialised training for the progressive replacement of German nationals.

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Global tenders for supplies of plants, etc., will be invited; quality, price and delivery date will be the determining factors in the selection of suppliers. The German participants expect that the plant could be commissioned within a period of four years after the preliminary details have been settled. A representative team is expected in India in September to discuss and settle the constitution of the Company and to make specific recommendations on the location of the plant and other questions. The selection of the site will be decided by considerations of the economics of production and distribution of steel. The Government feels that there is need for yet another steel unit. To this end, necessary planning and other action will be initiated.

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Such, in brief, is the Minister's statement. It does throw some light on the project, but not enough to enable the public to understand all the implications. In the first place, it is not clear why

(*Continued on page* 423)

UNIMPRESSIVE TRADING IN SHARES

TATA DEFERREDS LOOK UP

(From Our Own Correspondents)

BOMBAY, 27*th August*

WITH the exception of Tata Steel shares, trading on the Stock Exchange was dull and unimpressive during the week under review. This was the result of cautious attitude on the part of the operators who lacked enthusiasm in the absence of any fresh incentives Sentiment was adversely affected by the weakness in cotton futures. Advices from Calcutta were also generally bearish. Operators viewed with concern the deterioration in the labour situation in the I.I.S.Co. Works at Burnpur, leading to declaration of lockout by the management of the Company with effect from Monday last. The easiness in the textile section, following reports of cloth accumulations with several mills, thanks to slackness in demand, also acted as a damper on operators. Although the announcement of the Estate Duty rates had no perceptible effect on the market, operators were rather inquisitive to know whether any changes in the rates would be effected by Parliament during the consideration of the Bill. So far as the rates now proposed were concerned, operators were somewhat divided in their opinion. While some felt that the rates were not so heavy as was expected earlier, others felt that they would affect prospects of attracting capital towards large-scale industrial development.

The outstanding feature of the market was the lively display provided by Tata Steel scrips. Technical considerations and fears of higher backwardation charges induced short covering and Tata Deferreds tended to look up. There was also investment support inspired by several encouraging reports, such as satisfactory settlement of bonus to T.I.S.Co. workers, expectation of a further rise in despatches from the Works and news of good export trade in scrap and pig iron of late. Tata Deferreds, which were marked down to Rs. 1,933 on Tuesday from Rs. 1,952-8 last week, recovered to touch as high as Rs. 1,967-8 yesterday. Profit-taking, however, set in and the quotation slided down to Rs. 1,957-8 at the close to-day. Tata Ordinaries rose from Rs. 338-4 to Rs. 339-12 but the rate reverted to Rs. 338-4. Indian Irons were subjected to heavy selling pressure, the lowest level for the past several weeks at Rs. 21-11-6 was seen on Tuesday. A slight recovery was in evidence during the subsequent sessions, following bear-covering induced by rumours of Government intervention to bring about settlement between management and workers of the I.I.S.Co. The closing rate to-day, therefore, stood higher at Rs. 22-4.

Textile shares provided a weak spot. Reports of renewed efforts of some mills to dispose of their stocks by reducing prices diverted operators' attention away from this section. Buyers being scarce thus, prices receded all round. Khatau Mills were the worst to suffer, having lost Rs. 5 to Rs. 178-12. Finlays were down by Rs. 3 to Rs. 322 and Simplex by Rs. 2-12 to Rs. 166-12. The fall would have been steeper but for the announcement of the issue of bonus shares. Vishnus came down from Rs. 160 to Rs. 148-8. Bombay Dyeings, Centurys and Morarjees shed Re. 1-4 each to Rs. 377-8, Rs. 268-12 and Rs. 180, respectively. Kohinoors lost a rupee to Rs. 294-8. Central India's were lower by a like amount at Rs. 159-8. Swan Mills, however, met with special buying support and rallied Rs. 7-8 to Rs. 460. Bradburys also elicited support and gathered Rs. 3-12 to Rs. 821-4. Gokaks too staged a rise of Re. 1-8 to Rs. 227-8 and Standards of Re. 1-4 to Rs. 310.

Turnover of business in the banking section was at a low ebb, with the undertone remaining quietly steady. Imperial Fully Paids advanced by Rs. 2-8 to Rs. 1,827-8. Barodas gained As. 4 to Rs. 111-8. Centrals were done at Rs. 64 *ex-div.*, as against Rs. 65-4 *cum-div.* and their new shares at Rs. 66-8 *ex-div.*, as against Rs. 68 *cum-div.* Indias changed hands As. 4 lower at Rs. 154-12. United Commercials continued to be quiet at Rs. 36-4.

The insurance section was devoid of any features, although Vulcans picked up As. 2 to Rs. 11-15. New Indias remained steady at Rs. 40-4. Similarly, British Indias were unchanged at Rs. 13-12 *ex-div.* and Empires at Rs. 627-8. Orientals, however, failed to evoke support and was placed Rs. 50 lower at Rs. 6,825 *ex-div.* Jupiters lost an anna to Rs. 6-10.

Business in electric shares was dull. Ahmedabad Electrics improved by As. 4 to Rs. 112-3. Bombay Suburban Electrics were fully maintained at Rs. 121-14 *ex-div.* Surat Electrics at Rs. 123-12 and Poona Electrics at Rs. 125 *ex-div.* Tata Hydro Ordinaries were steady at Rs. 142 *ex-right*. Andhra Valleys were done at Rs. 1,352-8 *ex-right*, as against Rs. 1,452-8. Tata Power Ordinaries, however, gave way from Rs. 1,435 to Rs. 1,425 for want of support.

The miscellaneous section presented an irregular trend. Bombay-Burmahs drifted lower, old and new shares dropping Re. 1-4 and Rs. 2-8 to Rs. 350-10 and Rs. 127-8, respectively. National Rayons were easy at Rs. 112, as against Rs. 115-8. Wimcos declined by As. 10 to Rs. 237-8. Associated Cements shed As. 8 to Rs. 168. Walchandnagars, on the other hand, had buyers Rs. 2-8 higher at Rs. 146-4. Belapurs had enquiries and gathered a rupee to Rs. 239-8. Killick Industries were better by As. 12 at Rs. 155-4 and Tata Oils by As. 4 at Rs. 30-8. B.I.Cs. were a shade higher at Rs. 8-6.

In the mining and engineering section, Alcock Ashdowns were down by As. 10 at Rs. 301-14. Premier Constructions and Shivrajpurs were transacted, each As. 8 lower, at Rs. 85 and Rs. 56-8, respectively. Indian Coppers were a shade lower at Rs. 2-12-3. Larsen and Toubros, however, were steady at Rs. 10-10 and Josts Engineerings at Rs. 90.

Among shares of transport companies, Scindias and Indian Steamships were slightly easy, the former at Rs. 13-7-6 and the latter at Rs. 6-12-6.

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Calcutta Stock Exchange

CALCUTTA, 25*th August*

The Stock Exchange continued to be in doldrums during the week under review, as there was no event which could check the downward trend in prices. The Nehru-Ali accord on Kashmir is no doubt a good ground for optimism, but the desideratum for immediate liveliness on the Exchange is the return of normal working in the Burnpur works of the Indian Iron and Steel Co., Ltd. The situation there has taken a turn for the worse, with the strike notice served by the labourers and with a lockout declared by the management. It is a tragedy that, while India is seeking a loan from the World Bank for the setting up of a third steel plant, for which negotiations have been completed with two German firms, much production is lost in Burnpur. It would be a good thing for the future of industrial progress in this country, if some sort of enquiry were made eliciting information as to whether labour in Burnpur followed all paths of negotiations before deciding on direct tactics, such as go-slow and strike threat. Nobody would dispute labour's right to strike for the ventilation of its grievances, but such strike should be the last weapon in its hands, for the country should not be made to lose by way of a fall in production. The loss in steel output is all the more serious to engineering industries, especially when India is short of steel.

Market circles have followed, with the keenest interest, the Government of India's plans to expand educational facilities in the rural areas, as the employment that the implementation of schemes would offer to the educated unemployed would be a good thing for the consumer goods industries. Poor demand for jute goods from overseas buyers depressed sentiment in jute shares. The bad weather which the cloth export market is facing was also a factor which encouraged operators to delay entering into commitments. Activity was, therefore, reduced to good counters coming now at lower levels. The week was short of two sessions, on account of holidays.

Jute shares were easy. Fort Glosters were marked down from Rs. 427 to Rs. 398. Speculative Howrahs were done at Rs. 22-13, while Kinnisons were unchanged at Rs. 188. Agarparas came to business at Rs. 17-3, Nuddeas at Rs. 43-8 and Naihattis at Rs. 125. Indias realised to-day Rs. 123 *cum-div.*

In the engineering section, Indian Irons opened at Rs. 23 and, reflecting the bad state of affairs in Burnpur, receded to Rs. 22-2 over the week-end. News of the lockout further depressed the counters, and to-day a low of Rs. 21-14 was recorded. Bartias were bought at Rs. 10-6, Marshalls coming to business at Rs. 5. Braithwaites were done at Rs. 11-1, and Texmacos at Rs. 6-2.

The miscellaneous section also was affected by the general dullness. F. & C. Oslers, however, proved an exception and continued to attract interest and, after realising Rs. 7-5, declined to Rs. 7-3. Rallis were fractionally better at Rs. 67, while Ganges Ropes eased from Rs. 176 to Rs. 174-8.

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Madras Stock Exchange

MADRAS, 25*th August*

The performance of the Madras Stock Exchange was disappointing during the week under report. Operators were disinclined to enter into commitments as they awaited the announcement of the rates of Estate Duty in Parliament. The bright sentiment noticed in the textile section in the last few weeks was no longer there, as operators seemed to entertain fears regarding possibilities of heavy accumulation of stocks with mills. Trading in textile shares was, therefore, uninteresting. Plantings were colourless with teas, rubbers, and coffees disclosing very little activity. Miscellaneous and banking scrips proved no exception to the generally dull conditions, though some negligible business was done in some selective scrips. The turnover on the Exchange was poor and price movements were confined to a very narrow range. The undertone was quiet.

In the textile section, Loyals shot up by Rs. 3 to Rs. 20 and P. Andavars 'A' by Re. 1-8 to Rs. 64-8. P. Andavars 'B' and Radhakrishnas gained Re. 1 each and finished at Rs. 89 and Rs. 158-8, respectively. Rajalakshmis, however, declined from Rs. 85 to Rs. 82. Lakshmis 'A' lost Rs. 2 to Rs. 40. Coimbatore Pioneers and Lakshmis (Rs. 50 paid-up) suffered Re. 1 each and finished at Rs. 117 and Rs. 82, respectively. Coimbatore Spinnings eased from Rs. 43 to Rs. 42-8. Bangalore Woollens changed hands at Rs. 257-8, *ex-div.* as against Rs. 267-8 *cum-div.*

The planting scrips were conspicuously dull during the week under review. There was virtually no activity in the coffee scrips. Thus, Coffee Lands were unchanged at Rs. 10-8 and Consolidated Coffees at Rs. 18-8. Puthuthotams and Mysore Coffees were dull at Rs. 3-8½ and As. 8½, respectively. Teas also lacked support. The only bright spot was Highland Produce which put on As. 2 to Rs. 10-10. Periakaramalais lost As. 6 to Rs. 28 *cum-right* and Udayagiries As. 4 to Rs. 4-6. Chembras were fractionally lower at Rs. 2-10½. Rubbers, however, were a bit better with Thirumbadis, Pullangodes and Be Bes being slightly higher at Rs. 2-14, Rs. 2-8½ and Rs. 2-0-8, respectively.

Among miscellaneous scrips, Andhra Cements 'A' were higher by Re. 1 at Rs. 100 and 'B' by an anna and a half at Rs. 10. Mysore Gold gained As. 3 to Rs. 2-5 and Dalmia Cements As. 2 to Rs. 6-8. Aluminium Industries were done at Rs. 11 *ex-div.*, as against Rs. 11-10 *cum-div.* and Mysore Papers at Rs. 13-14 *ex-div.*, as against Rs. 14-12 *cum-div.* Mysore Stonewares sustained a loss of As. 3 to Rs. 9-1 and Prithvi Insurance Company As. 4 to Rs. 8-6.

In the banking section, Bank of Mysore gained Rs. 4 to Rs. 284 *cum-div.* and Indian Bank (Rs. 100 paid-up) Re. 1 to Rs. 181. Indo-Commercial 'C' eased from Rs. 36 to Rs. 35 and Indian Overseas, Rs. 90 to Rs. 89-8.

RATES OF ESTATE DUTY

(By Dr. RUSTOM C. COOPER)

THE proposed rates of Estate Duty appear, on the whole, to be quite reasonable, ranging as they do from 0.31 per cent. in case of estates amounting to Rs. 80,000 to 32.03 per cent. in case of estates valued at Rs. 75 lakhs and 34.02 per cent. in case of estates valued at Rs. 1 crore. The statement below will give one an idea of the amount of Estate Duty payable and the percentage of Estate Duty to the value of the estate at each stage from Rs. 75,000 to Rs. 1 crore.

The proposed rates of Estate Duty are not likely to hit severely middle-class persons leaving property in the neighbourhood of Rs. 1 lakh. They will have to pay at about 1.25 per cent. of the total estate. On the other hand, a person leaving in the neighbourhood of Rs. 5 lakhs, will pay at about 10.5 per cent.

Although persons leaving small estates will not be called upon to pay Estate Duty at unduly high rates, it will be noticed, that, if the rates are considered with reference to the distribution of the estate, they will be found inequitable. For instance, if Mr. A leaves behind only Rs. 75,000 and one son, he will not pay any Estate Duty and leave behind the whole amount to his legal heir. Whereas Mr. B who leaves Rs. 2,25,000 and three sons, will have to pay Rs. 13,125 as Estate Duty and each of his three sons will get only Rs. 70,625. Similarly, if Mr. A leaves behind only one son and a sum of Rs. 1,00,000 his legal heir will receive a net sum of Rs. 98,750. However, if Mr. B has four sons and leaves behind Rs. 4 lakhs, each heir will receive only Rs. 90,625 net.

The progression of the rates of the proposed Estate Duty could be gauged from the fact that, whereas a person leaving Rs. 1 lakh pays only at the rate of 1.25 per cent., a person leaving Rs. 10 lakhs will pay at 15.25 per cent., a person leaving Rs. 20 lakhs will pay at 20.1 per cent., a person leaving Rs. 50 lakhs will pay at 28.95 per cent. and a person leaving Rs. 1 crore will pay at 34.02 per cent.

Generally speaking, it cannot be said that the proposed rates are such as to kill all incentive for private enterprise.

The following table shows the incidence of the Duty at various stages upto Rs. 1 crore:

Value of estate Rs.	*E.D. payable* Rs.	*Percentage E.D. to Estate left*
75,000 ...	*Nil*	*Nil*
80,000 ...	250	0.31
85,000 ...	500	0.59
90,000 ...	750	0.83
1,00,000 ...	1,250	1.25
1,25,000 ...	1,875	1.50
1,50,000 ...	5,000	3.30
2,00,000 ...	10,000	5.00
2,50,000 ...	16,250	6.50
3,00,000 ...	22,500	7.50
4,00,000 ...	37,500	9.40
5,00,000 ...	52,500	10.50
10,00,000 ...	1,52,500	15.25
15,00,000 ...	2,77,500	18.50
20,00,000 ...	4,02,500	20.10
30,00,000 ...	7,02,500	23.40
40,00,000 ...	10,52,500	26.30
50,00,000 ...	14,02,500	28.05
75,00,000 ...	24,02,500	32.03
1,00,00,000 ...	34,02,500	34.02

NEWS IN BRIEF

THE final report of the National Income Committee is expected to be completed shortly.

The cost of power to be produced by the D.V.C. is estimated at 0.44 anna per unit.

The Central Government has given a loan of Rs. 7 crores to the Punjab Government this year for its Bhakra-Nangal project.

Out of 480 ships which brought 38.6 lakh tons of foodgrains to India from abroad in 1952, the number of Indian ships was 54 with a total consignment of 3.22 lakh tons of foodgrains.

The total concealed income discovered by the Income-tax Investigation Commission and through voluntary disclosures, during the first quarter of the current financial year, is Rs. 2.93 crores.

Nearly 4,500 *gram sewaks* or village level workers are to be trained every year for absorption into the National Extension Service, which will reach one-fourth of the Indian rural population by 1955-56.

All except less than one per cent. of the claims filed by displaced persons for their properties in West Pakistan has been verified. Until a fresh law is enacted, the small number of unverified claims will have to remain pending.

The first of the six soil conservation research stations, to be started under the Five-year Plan, has been established at Sahibnagar in Hyderabad State. About 1,500 acres of eroded land belonging to the State has been placed at the disposal of this research station.

An extension of the Radio Telephone Service between India and Nairobi has now been made available also to Kampala, Mombassa and Dar-es-Salaam. The charge per unit call of three minutes is Rs. 40 and for every additional unit Rs. 13-5. The report charge will be Rs. 2-11.

In response to representations made to it, the Government of India has decided to consider, on an *ad hoc* basis, requests for the grant of exemption from customs duty leviable on research materials such as sera, vaccines, drugs, etc., supplied free of cost to approved Government research institutions for research purposes.

The Central Government has now brought into force all the chapters of the Forward Contracts (Regulation) Act, 1952, in the whole of India, except in the State of Jammu and Kashmir, with effect from 24th August, 1953. It will be recalled that the Act was placed on the Statute Book on 26th December, 1952. Chapter I of the Act came into force the same day.

The Railway Board has decided that a traffic survey should be carried out by the Western Railway for a metre-gauge railway line from Raniwara to Bhiladi. The line will be 43.6 miles in length, and would connect the Kandla-Deesa line with Raniwara. When completed, it would join the metre-gauge system in Jodhpur with the metre-gauge systems in Saurashtra and Kutch.

The dispute between the management of the Mysore Iron and Steel Works at Bhadravati and the workers which threatened to develop into a strike of about 6,000 workers has been settled. According to the agreement arrived at, the workers will get a bonus of three months' pay for the year ended March, 1953. They will also get dearness allowance at the rate paid to Government servants in Bangalore City with effect from August, 1953.

The Government of India has accepted the main recommendation of the Tariff Commission that protection to the wood screw industry should be continued for a period of four years ending 31st December, 1957. As regards the quantum of protection, it has decided, however, in consultation with the Tariff Commission, that the rate of protective duty should be fixed at 31½ per cent. *ad valorem* or five annas per gross, whichever is higher. The Government has also accepted the other ancillary recommendations of the Commission.

According to the policy announced for the import of cocoanut oil for July-December, 1953, established importers could utilise only half the face value of the licences for import in the form of cocoanut oil, the other half being utilised for the import of copra or cocoanut kernel. With a view to making larger supplies of cocoanut oil available in the country immediately, it has now been decided that quota licences issued or to be issued for cocoanut oil for the July-December, 1953 period may be utilised for the import of the oil upto two-thirds of the face value of the licences, the remaining one-third being utilised for the import of copra or cocoanut kernel only.

The Stores Purchase Committee, with Mr. S. N. Buragohain, Deputy Minister of Works, Housing and Supply, Government of India and Chairman of the Committee, presiding, has been taking evidence of some non-officials and members of Parliament in New Delhi. The Committee, which had issued a *questionnaire* some time ago, has received replies from 13 State Governments, 47 trade associations, 12 non-officials, including members of Parliament, and 17 Government departments and Government-aided organisations. The Committee proposes to visit Calcutta, Bombay, Madras and Kanpur shortly to enable representatives of trade associations, non-officials and officials of the Central Government in these centres to appear before it. The evidence of officials in New Delhi may be heard by the Committee between its visits to these centres.

An increase of 106,651 broadcast receiver licences over the total for the corresponding month of last year is disclosed by the returns for the month of May 1953, available now. In May this year, the licences in force were 660,781, as against 554,130 in the corresponding month last year. Under the existing licensing system, all licences expire on 31st December and delay on the part of the licence-holders to have their licences renewed causes a fall in the following month, January, the figure thereafter steadily rising each month. Thus the total of broadcast receiver licences in force in December 1951 was 635,026 but, in January 1952, it fell to 473,759. Thereafter it steadily increased and crossed the previous December's total in August 1952, when it was 652,389 and further improved to a total of 694,560 in December, 1952, showing an increase of 59,534 over the total for the corresponding month of the previous year. Similarly, a steady increase is shown by the figures of the first five months of the current year which are: January 587,169; February, 611,872; March, 633,415; April, 648,748; and May 660,781.

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From Abroad

The Philippine Sugar Association has estimated the 1953-54 Philippine sugar crop at 1,325,498 short tons.

More than 1,000,000 American children receive social security benefits and a total of 5,600,000 Americans are receiving old-age and survivors' benefits.

The Egyptian Cabinet has approved a project for the construction of two pipelines to supply Cairo with heavy fuel oil from Suez at an estimated cost of £2 million (Egyptian).

An eight-man Japanese trade mission, led by Mr. Inagaki, President of the Japanese Trade Association, is now in Rangoon, negotiating a long-term trade agreement with Burma.

Malayan tin output in July, 1953 was 4,705 tons, as against 4,262 tons in the previous month. This represents production of tin concentrates in terms of metal converted at 75.5 per cent.

The aggregate income payments in the U.S. amounted to $295 billion in 1952, as compared with $243 billion in 1951, an increase by 5 per cent. The national *per capita* income at $1,639 is four per cent. more than in 1951.

The International Materials Conference (I.M.C.) stated early this week that further allocations of nickel was unnecessary. The Conference's Manganese-Nickel-Cobalt Committee announced that it had decided not to recommend a plan of distribution for nickel for the fourth quarter of 1953.

A conference of the Transport Ministers of the Organisation for European Economic Council countries and of Spain and Yugoslavia will be held in October in Brussels, for the purpose of setting on a permanent basis the European Conference of Transport Ministers. The Ministers will have before them the report of the Conference on European Inland Transport which took place recently.

The Senate Banking Committee will begin hearings on 15th September on a proposed programme to encourage U.S. investment abroad and thereby foster world trade. A spokesman of the Committee revealed that the group would investigate methods of increasing U.S. international trade through the Export-Import Bank, the World Bank and other organisations and devices which would facilitate the investment of U.S. capital abroad.

Ceylon's external assets fell by Rs. 151.8 million (about £11.4 million) in the first six months of this year. Between January and June, assets fell from Rs. 836.9 million (£62.8 million) to Rs. 685.1 million (£51.4 million). The country's money supply increased by Rs. 3.1 million in June, reversing the downward trend since February. The increase was due to the expansion of commercial bank credit both to the private sector and the Government and to a rise in the domestic assets of the Central Bank. In June, there was a trade deficit of Rs. 22.9 million, which brought the cumulative deficit for the first six months to Rs. 31.3 million.

The U.S. Commerce Department reports that the armistice in Korea has had "little immediate effect" on business activity in the United States. The Department's monthly report on economic activity, issued last week, said business this summer was the best on record, with private and public demand for goods continuing strong. Industrial activity continued high, with steel and automobile production in July at near-record rates. New construction expenditures, for the month aggregated almost $3,300 million. Manufacturers' sales in June remained above $26,000 million for the third successive month. Personal income continued to rise at a moderate rate and was accompanied by a corresponding increase in consumer buying. Increases in wages and salaries in non-agricultural employment more than offset declines in farm income. Employment during July reached 63,100,000, with unemployment at the lowest for any July since World War II.

PERSONAL

MR. B. K. Banerjee, Section Sales Manager, Caltex (India) Ltd., Calcutta, has left for the U.S. under the Caltex Technical Training Programme.

Senhor Marcos de Sousa Dantas has been nominated President of the Bank of Brazil, replacing the acting President General Anapio Gomes. Senhor Sousa Dantas was the Exchange Director of the Bank before.

Mr. Motiram D. Advani, till recently an Assistant Commissioner of Income-tax, has been appointed by the Government of India as Public Relations Officer in the Income-tax Department, Bombay City.

Mr. P. A. Dunbar, technical engineer, Bombay branch office, Standard-Vaccum Oil Company, left Bombay this week for the United States for advanced training technical industrial lubrication engineering. He is the 25th Indian member of the staff of the Company sent to the U.S. for advanced training in petroleum marketing.

Mr. Raghunath Rao, Assistant Director-General of the International Labour Organisation, left Geneva to-day on a ten weeks' mission to Ceylon, Japan and India in connection with the forthcoming I.L.O. meetings and also for consultations regarding the Organisation's technical assistance programme in Asia.

Mr. Clarence Randall, Chairman of the Inland Steel Corporation, and Vice-Chairman of the International Relations Committee of the National Association of Manufacturers, has been chosen by President Eisenhower to head a new study commission set up by Congress to re-examine U.S. foreign economic policies.

Prof. C. N. Vakil, Director, University School of Economics and Sociology, Bombay, who has been invited by the U.S. Government to visit the U.S., as a Leader-Specialist, left Bombay on Wednesday last. Prof. Vakil proposes to study the problem of investment of foreign capital in India. During his three months stay in the U.S., he will contact industrialists and others interested in the problem, as well as officials and economic experts on the subject. Prof. Vakil is now attending the round table conference on economic progress convened by the International Economic Association, now in session at Santa Margherita, North Italy.

Mr. B. Rama Rau, Governor, Reserve Bank of India, and Mr. K. G. Ambegaokar, Secretary to the Government of India in the Ministry of Finance, Department of Economic Affairs, left for Washington to-day to attend the eighth annual general meeting of the Board of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development, scheduled to be held there from 9th to 12th September. Mr. K. G. Ambegaokar was recently appointed as India's alternate Governor on the International Bank for Reconstruction and Development. Mr. B. Rama Rau is India's alternate Governor on the International Monetary Fund. Mr. C. D. Deshmukh, Union Finance Minister, is India's Governor both on the Fund and the Bank.

Mr. N. D. Gulhati, Chief Engineer and ex-officio Joint Secretary, Ministry of Irrigation and Power, Government of India, will lead the Indian delegation to the meeting of the Indus Basin Working Party which is scheduled to begin in Washington on 8th September. The other members of the delegation are Mr. K. R. Sud, Chief Engineer and Secretary to the Punjab Government, and the following representatives of the Central Ministry of Irrigation and Power: Mr. D. D. Jaini, Consultant; Dr. J. K. Malhotra, Officer on Special Duty; Mr. Barkat Ram, Executive Engineer; Mr. M. L. Madan, Research Officer; Mr. K. L. Ahuja, Assistant Engineer; Mr. Mahendra Prasad and Mr. Haveli Ram. Gen. R. A. Wheeler, Dr. Harry Bashore and Mr. Neil Bass are expected to participate in the meeting on behalf of the World Bank.

"COMMERCE" 1928

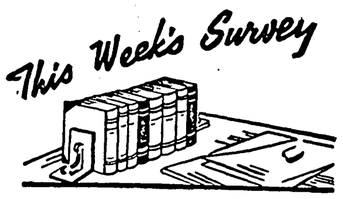
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 1*st September*

The Strike Epidemic

India is in the throes of a strike epidemic of unprecedented extent and virulence. The 128 separate disputes, reported in 1926, represented, in point both of days lost and work-people involved, a smaller number than in any of the six years during which regular statistics have been compiled. This comparatively peaceful state continued up to 1927, only about 25 strikes, some of them of an exceedingly petty nature, being recorded during the first quarter of last year. And a notable and very satisfactory feature of all these disputes was their almost entire freedom from acts of sabotage and violence.

Unfortunately, the improvement has not been maintained. It is true that the total number of disputes for the whole 12 months of 1927 was only one more than in the earlier period and that the actual number of work-people involved was slightly smaller. On the other hand, the number of days lost was practically double the 1926 total, and the current year has not only witnessed a recrudescence of the trouble but upon more extended lines and in a far graver form. The situation has developed with bewildering rapidity since the end of March, but the figures for the first quarter of 1928—the latest available—are sufficiency impressive. Between 1st January and 31st March, 1928, 58 disputes occurred, the number of men involved being 83,750 and days lost 1,005,000—the latter figure being practically the equivalent of that returned for the whole 12 months of the two previous years. We blame the politicians for the deplorable conditions thus disclosed.



U.P.A.S.I. (1893—1953)

THE Diamond Jubilee of the United Planters' Association of Southern India, celebrated at Coonoor on the 24th inst., marks the completion of 60 years of useful service by this august body. To commemorate this important occasion, the Association has published a souvenir volume, entitled *UPASI 1893-1953*, providing an excellent record of the general activities of the Association. Edited by Mr. S. G. Spur, beautifully printed and got up, the volume makes fascinating reading of the trials and tribulations of the pioneer planters whose aggregate contribution to the economic development of the Western mountain districts of South India is of immeasurable value. The story of the U.P.A.S.I., as told by Mr. W. Wilson Mayne, is an informative account. It tells, in simple language, the progress of the plantation industry in the South, in general, and of the Association in particular. It is followed by several articles on some of the important plantation areas in the South as well as on labour, political relations and sport, all contributed by veteran planters. Of these mention must be made of the article on political relations by Sir Frederic James who takes a critical view of the Government's controls on industry. This commemoration volume is undoubtedly a valuable document that should go to enhance the literature on the economic history of South India.

Starting its career in humble circumstances, the U.P.A.S.I. has had to struggle its way through stress and strain. Its path was not strewn with roses. At every stage, it had to contend with innumerable problems peculiar to plantation estates in forest areas separated by hills and vales. Spread over 500 miles of wild jungle country, the plantations were not easily accessible in the early days, the bullock cart being the only means of transport. The then Government with its economic policies not suited particularly to the development of the country, was quite unhelpful to the pioneers to make rapid progress possible. Labour supply position was far from satisfactory and planters had no legal means of recovering advances made to workers who failed to carry out their contracts. Malaria, too, added its share to the difficulties. Besides these general problems of planters, the Association had to grapple with its own problems. Lack of finances to conduct its affairs, thin attendance at meetings, rivalry between coffee and tea interests and prejudices and predilections of the early pioneers, all created by no means small botheration to those who were in charge of the institution.

The pioneers' struggle to overcome the troubles noted above is fully reflected in the Association's proceedings in its early days. The period was characterised by its attempts at finding means to make labour fulfil its contracts, fight against a low rate of exchange for the rupee, crusade against malaria, plead for a sheltered port at Cochin, and persistent agitation for the development of roads and railways in the plantation districts. The Association's activities gradually expanded to cover wider areas not only under coffee and tea but also rubber, followed by cardamom and other plantation crops. The tasks which fell upon the U.P.A.S.I. steadily increased. Famines, trade depressions, growth of labour legislation in the various States, establishment of the Central Coffee and Rubber Boards, the creation of the Central Tea Board with its two organs, namely, the Indian Tea Market Expansion Board and the Indian Tea Licensing Committee, placed new burdens and called for specialised services from the U.P.A.S.I.

Demands of the last war were more onerous, but the UPASI stood up to them. Says the *UPASI* 1893-1953: "It recommended applications for allocations of iron and steel, machinery imports, lease-lend lorries and cement and assisted members in securing supplies of a great variety of other estate requirements. It distributed quinine supplies and vegetable seeds and operated an informal rationing scheme for the allocation of lease-lend supplies of sulphate of ammonia. It harried the Government over food supplies for estates and protested against a variety of legislative proposals which bore hard on the industry."

Prior to independence, the U.P.A.S.I. had to deal with five separate administrations—the Governments of Mysore, Madras, Travancore, Cochin and Coorg—besides the Government of India. The former Indian State administrations were largely autonomous and, being sensitive of their internal sovereignty, pursued their own independent policies, often not quite helpful to the development of plantations. The U.P.A.S.I. had to keep in touch with these administrations in order to enlighten them on the industry's special problems with a view to getting their policies suitably adjusted. The measure of success achieved by the U.P.A.S.I. in this respect has undoubtedly been very substantial. Since independence, conditions have changed. Responsible Governments have been set up in the Indian States. Travancore and Cochin have been merged. There are now Ministers in Coorg. The Government of India has come more powerful. There is a general bias against industry, which is passing more and more under the control of the Centre. This is particularly so in the case of the tea, coffee and rubber industries, for the control of which Central legislation has been enacted. These tendencies have only increased the responsibilities of the U.P.A.S.I. to safeguard the interests of its members.

The foregoing is but a brief synopsis of the glowing record of the service done by the U.P.A.S.I. in the development of the plantation industry in the South. The review is by no means complete as under its ægis, sport, entertainment, and other social activities too are conducted. The influence exerted by the Association covers almost every project of public activity which has contributed to the prosperity of South India. The planting industry in the South, which has grown and developed under the protective wings of the U.P.A.S.I., may well feel proud of this institution which has now become a vigorous and youthful sexagenary institution.

EXPANDING FACILITIES FOR EDUCATION

The Central Government's scheme for expansion of facilities for education, disclosed this week, is a step in the right direction. For, while its immediate purpose is to provide employment for the educated unemployed, it is expected, in course of time, to improve the quality of manpower and social climate needed for planned development of the nation in a democratic set-up. The scheme seeks to encourage the teachers to take their share in all local development activities and in running village co-operatives and the *panchayats* in the national expansion and community project areas. A gratifying feature of the scheme is that it provides for expansion of social education also, though it is confined for the present only to cities. The concept of social education is a new one and includes, in addition to literacy, health, recreation, home life of the adults and their economic status and citizenship training. In other words, social education is a comprehensive programme of community uplift through community action.

The scheme provides for employment of 80,000 teachers, 30,000 during 1953-54 and the rest during 1954-55, and also for a large number of social workers during the same periods. The State Governments, to which the scheme has been referred, have been requested to send their concrete proposals by 10th September, as the problem of educated unemployment needs immediate attention and emergency measures.

The scheme provides for financial assistance to the States for a period of three years, on condition that the teachers employed under the scheme will continue to be maintained by the State Governments permanently out of their own resources after the period of assistance is over. For each new teacher, the Centre will contribute 75 per cent. of the salary in the first year, 50 per cent. in the second year and 25 per cent. in the third year, the remainder being the States' contribution. In the case of new schools, the Centre will also give some financial assistance in the first year for equipment. As a rule, new schools will start as one-teacher schools. In the beginning, it will be left to the people concerned either to provide buildings or to carry on the schools under such improvised conditions as may be possible. In order to train the selected men for their jobs, the scheme provides for a short orientation course extending to a month or six weeks, during which period salaries will be paid to the trainees. The whole position will be reviewed in the last half of 1954-55.

So far as social education is concerned, the Centre will assist to the extent of 50 per cent. of the salaries or honoraria to teachers and of contingencies, the latter subject to a certain maximum. The Union Government has intimated the States that they will be prepared to assist in the establishment of 3,000 centres during 1953-54 and of another 5,000 in 1954-55.

It is to be hoped that the State Governments will implement the scheme which, despite its strictly limited scope, may be expected to provide a partial solution to the problem of unemployment among educated men. But, the real success of the experiment will depend upon the quality of teachers and social workers selected for implementing the scheme. There is a woeful lack of general and technical knowledge among the educated, and marked deterioration even in their character, thanks to the fall in the educational standards of the high schools and universities which have been pawns in the hands of political and/or caste-ridden self-seekers. It is, therefore, imperative that the selection of candidates for the scheme should be based on considerations of efficiency, character and willingness to serve national interests.

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MONEY GOES DOWN THE MAHANADI

Although the work on the Rs. 44-crore Hirakud Dam Project commenced in 1948, it has been included as part of India's Five-year Plan which lays considerable emphasis on multi-purpose projects as a means of augmenting the country's power and agricultural output. The project is designed to construct a dam across the Mahanadi, which flows through Orissa. Mahanadi literally means "Great River." Judging by the significant disclosures of the Sub-Committee of the Public Accounts Committee which investigated the financial administration of the Project, the river bids fair to earn yet another epithet by becoming a byword for extravagance. Although the Report of the Sub-Committee was presented to Parliament as early as in March, 1953, and brief references to it appeared in the daily Press then, it was only this week that the full text of the report was made available to the Press. Hence, the reference to the report this week. So startling are the revelations of grave financial irregularities and so damaging are the allegations made against the financial integrity of the authorities, that it looks as though it would require the services of a Hercules to set Hirakud matters right. The Central Government must bear the responsibility for the irregularities, for it is acting as the agent of the Orissa Government for purposes of the construction of the Project. Neither the Central Water and Power Commission, the agency which has undertaken the completion of the Project before it is handed over to the Orissa Government, nor the Ministry of Irrigation and Power, nor the Hirakud authorities come out well from the Sub-Committee's critical scrutiny of their roles in the Project.

There has been a lamentable lack of planning and utter disregard of financial propriety in the construction of the Project. It is difficult to single out any individual instance from the multiplicity of instances of reckless indifference to financial rectitude cited by the Sub-Committee. During the period between April, 1948, and November, 1952, nearly 4,424 works were begun, of which 3,516 were commenced without obtaining "sanctioned detailed estimates." In money terms, this means that a sum of Rs. 7.31 crores was spent without obtaining sanction to detailed estimates. At the time of the enquiry, expenditure to the tune of Rs. 4¼ crores still remained to be regularised. The Sub-Committee rightly contends the practice of sanctioning expenditure, after it is incurred, is a "meaningless ritual," which does not achieve the object of "securing financial control." It is also rightly indignant that, even after a lapse of nearly three years since the project was undertaken, the "volume of irregular expenditure" has been allowed to grow "out of all proportion." This is really a bald summary of the actual state of affairs. Behind these figures lie a sorry tale—nay, tales—of official ineptitude and extravagance.

Why were such large sums spent without obtaining prior sanction? The Sub-Committee attributes the financial irregularity to the fact that the "finalised designs of the major works had not been prepared and approved by C.W. & P.C. well in time." Indeed, it is this absence of forethought which explains a great part of the administrative irregularity that has occurred in Hirakud. In 1948, about Rs. 5 crores worth of stores were brought to Hirakud without making prior arrangements for storage so that they had all to be "dumped in the open," where proper control and check could not be exercised. No system of adequate accounting was adopted. The stores accounts continue to be in a chaotic state. The Sub-Committee says: "The present position is so unsatisfactory that it will take many months to set right the accounts and to verify whether all the balances that ought to be there are there."

That the taxpayer has had to pay a very heavy price indeed for all this carelessness and inefficiency of the Government will be clear from three instances. The first relates to the construction of a subsidiary reservoir. After spending Rs. 1.40 crores over the reservoir, it was found necessary to abandon the entire project on technical considerations. If these considerations, which, in fact, had been emphasised by a technical committee, had been allowed to influence judgment, the entire expenditure might have been saved. The second relates to the expenditure of Rs. 60 lakhs on an "unfinished bridge over a non-existent canal." In this case, it was found that the actual expenditure exceeded the initial estimate by Rs. 18 lakhs. The Sub-Committee regrets that, although a "period of 2½ years has elapsed since the bridge was completed, the engineering authorities have not yet finalised the accounts of the bridge nor regularised the excessive expenditure." The third relates to the purchase of sleepers and of bullocks from the Punjab. The deal appears extremely shady, to say the least, particularly because the concerned officers were shielded by the authorities with a loyalty that is worthy of a better cause. The Sub-Committee noticed "grave irregularities in the purchase of sleepers." Four wagon-loads which, according to records, were despatched, never reached their destination. Although earth-moving machinery and tractors were available at Hirakud, a brain wave occurred to an engineer who thought that bullocks from the Punjab could do the job better. A part of the contract for sending the bullocks to Hirakud was given to a relation of one of the officers concerned. But it was later found that the poor animals were unequal to the task. And the entire idea of the use of bullocks and buffaloes was abandoned, resulting, therefore, in "infructuous expenditure." After this, no comment is called for.

The Sub-Committee puts the whole matter mildly, indeed, when it says the "grand spirit with which the Project was originally conceived is not reflected in the manner of its execution." Notwithstanding the "short-circuiting" of procedural rules, the progress of the Project is "far behind the schedule." The Sub-Committee rejects the C.W. and P.C.'s plea that it "was not aware of what was going on." It emphasises the need to implement the suggestion for the appointment of a Chief Accounts Officer to function under a Joint Financial Adviser, which was reiterated at a high level conference as far back as 1948. Finally, it recommends the appointment of an Administrator for this Project, who, in consultation with a Financial Officer of adequate status and powers, could be relied upon to take correct decisions.

From what Mr. Gulzarilal Nanda, Minister for Planning, stated in Parliament, last March, when there was a brief debate on the Sub-Committee's report, it would appear that the Government has accepted these recommendations, especially those relating to the bifurcation of the functions of the Financial Adviser and the Chief Accounts Officer. He also announced that the Government was considering other details relating to the exercise of financial control over the Project. The Government will do well to state the measures it has adopted, if only to allay public apprehensions about the future of this important national enterprise.

(Concluded from third column)

from February, 1954, will be levied at the rate of Rs. 120 per acre for lands under sugarcane. This increase has come surprisingly when the price of sugarcane has been officially reduced by 25 per cent.

But even more surprising than this staggering increase in the canal water rates is the wanton increase every time in the rate for lifting water at a great height from rivers and *nallas* flowing through the canal areas. The charge is for water going to waste and for which the Irrigation Department is not required to incur any expenditure. It is the cultivators who have to undergo heavy capital outlay and running charges for lifting water. For those growing sugarcane or plantains with the help of such water, the charge is raised from Rs. 45 to Rs. 60 for heights upto 45 feet, and from Rs. 30 to Rs. 40 where the water has to be lifted for more than 45 feet. It is in the interest of agricultural production to encourage lift irrigation, especially as we have in this State very limited irrigation facilities. It would be natural to expect any Government not only to allow free use of such water for agricultural purposes but to give some subsidy to those proposing to do so. Such an insane irrigation policy on the part of any Government can but point to only one conclusion: the financial plight of the Government must, indeed, be very desperate.

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OFF THE RECORD

(By "ROVER")

I WONDER how far the business community in the State of Bombay, which has scored a kind of Pyrrhic victory over the State Government, in general, and the Finance Minister, in particular, by forcing their hands to abandon the multi-point sales tax in favour of a two-point levy, feels about the proposed change in the structure of this tax. On balance, perhaps, it has something on the credit side, inasmuch as the inter-trade transactions have been freed from this shackle. I have, however, a feeling that the general run of business men are likely to get themselves lost in the complexities of accounting which this new system would force them to adopt with regard to the innumerable transactions which they have to enter into. At the same time, I have a feeling that a certain class of traders with a sporting trend of mind, who delight more in evading taxes than in earning more legitimate profits, will find new and fresh openings for exercising their skill under this new version of the tax. The bureaucracy in Bombay believed that, under their multi-point tax rules, traders had to run straight, however crooked their nature. How mistaken it was can easily be seen by the large number of transactions entered into daily in the name of firms and individuals which only existed in the books of traders.

Tax evasion is detestable, from whatever angle you view it. But that is no reason why the authorities should, in drafting their tax measures, concentrate all their attention on sealing up all the loopholes and crevices in order to defeat the efforts of a comparatively few unscrupulous persons, to the extent of making things uncomfortably and even expensively hard for a large class of law-abiding citizens. This is a new feature of almost all our laws, rules and regulations and, in certain things, this tendency is being carried to absurd proportions. Every man, from the official point of view, may be a potential murderer or, worse still, one likely to commit an offence against Prohibition, but it would hardly do to put each one of us in chains or detail a constable to keep an eye on every individual's movement. The checks and counter-checks provided in the new Bill to prevent evasion are not merely irritating for honest traders, but likely to prove ineffective, considering the amount of detailed work that will devolve on the inspecting and assessing staff, however much it is enlarged.

A yearly turnover of Rs. 15,000 for a trader to-day is very common. Few of these would have the legal acumen to follow the implications of the intricate provisions of the new Bill. In thousands of small establishments, it would be difficult for them to maintain, without the aid of trained accountants, their sales records and accounts in a manner which would be intelligible to the assessors. It would be still more difficult for them, even if they did succeed in keeping their books in conformity with the sales tax requirements, to present them in a consolidated form for assessment under various categories, without the aid of sales tax experts. This would result in the small trader being gradually eliminated and squeezed out of his gainful employment. I wonder why a Government, which professes so much sympathy and love for small and cottage industries, should choose to be so hard on the small trader.

The whole trend of modern legislation, so far as it affects trade and commerce, with its insistence on licences and permits for this and that, maintenance of voluminous registers and records and submission of periodical returns, is gradually to render one, two or three-men establishments in towns and villages very difficult to run and I have little doubt that this fact has been, to a certain extent, responsible for increasing unemployment among the moderately educated middle class. It takes statesmanship and long views to foresee the many long-range effects of laws on the social structure and the standard of life of the masses. Unfortunately, many of our law-makers are not equipped intellectually for understanding all the implications of their activities and those who are, are so heavily burdened that they have not the requisite time to think them out. Mass production, be it of consumer goods or laws, can never secure artistry or quality.

Another idea which has come to me in trying to study the new Sales Tax Bill is that, in a set-up like ours, it always pays to agitate and to organise. Commerce and industry are, by their nature, better organised than the numerically much stronger class of consumers. The multi-point sales tax in operation to-day was far more ruinous for the consumers than for the trade. For the trade, after all, it was more a question of obstacles in the normal exchange of goods than an actual financial burden. The tax in most cases was paid by the consumer. It was he who had to pay more for his purchases. With his rigidly limited resources, it was the consumer who had to reduce his standard of living, or go without certain things, because he was made to pay more for certain others. So-called luxuries, even an occasional one, had receded to regions beyond his reach.

The business community carried on its agitation against this heavy impost in the name of the consumers and only incidentally mentioned its own grievances. But, when the time came for revising this measure, possibly because of a heavy fall in the revenue estimated from this source, the common man's friend, Dr. Jivraj Mehta, did not think of reducing his burden, but tried to placate only the more vocal business man and removed some of his hardships. In fact, he took jolly good care to see that the consumer did not cheat him of his pound of flesh by resorting direct to the manufacturers or the importers for his supplies. Few in fact would have been in a position to do so and he could very well have afforded to lose the small amount of tax involved in an infinitesimally small number of such transactions between the producer and the consumer. In his greed and in his dire need for funds, he even lost sight of the fact that, in the modern conception of a Welfare State, such direct relations are to be favoured and encouraged.

When it comes to extracting cash from harassed housewives out for their daily shopping, even the much vaunted welfare must go by the board. To my mind, this is one of the ugliest features of the revised sales tax proposals of the Finance Minister of the State of Bombay. Perhaps, he would like me to be thankful to him for not asking me to pay his sales tax, even in those cases where I may chance to produce some goods for my own consumption. I am sorry that, in my wrath against him, I have indiscreetly mentioned this likely source of additional revenue. He is not beyond profiting by this suggestion and proposing an amendment, when the Bill is being considered by the State Legislature, to the effect that all those not purchasing their requirements in the open market and trying to produce them in their own backyards or homesteads will be taken and treated as tax-evaders!

A Tax-crazy Government

I have come across, this week, an instance of tax-craziness which has taken hold of the Government of Bombay, to which, if I had not seen it in the form of an official notification issued by a very responsible officer of this Government, I would have refused to lend any credence. When the whole country is talking about increasing irrigation facilities and bringing more land under irrigation, to improve the standard of life in the rural areas, this Government of the people, by the people and for the people, has quietly gone and increased the irrigation rates in the Deccan Canal areas by as much as 33 per cent., by an executive fiat, besides having imposed, at the same time, a stiff irrigation cess in these areas. As this increase has been effected by an official communication, naturally enough, the authorities do not condescend to explain why a fresh increase in the rates has become necessary.

Early in 1946, about seven years ago, the irrigation charge for the sugarcane crop, for instance, was Rs. 45 per acre. From the 15th of February in that year, it was suddenly raised by 33 per cent. to Rs. 60 per acre. Five years hence, i.e., from 1951, this rate was increased by another slab of 33 per cent. and fixed at Rs. 80. This was certainly breath-taking for the agriculturists, but even before they could get their breath back, in the following year, the rate was stepped up to Rs. 90 from the 15th of February, 1952. 1953 was a year of grace. But to make up for this undue leniency shown to an undeserving class of cultivators, who fattened themselves on officially supplied water, the Superintending Engineer of the Deccan Irrigation Circle has ruled that this charge

(Continued in first column)

TREND OF U.K. FOREIGN TRADE

PROSPECTS OF IMPROVEMENT IN BALANCE OF PAYMENTS BETTER

(From Our Own Correspondent)

LONDON, *22nd August*

THE latest figures issued by the Board of Trade for the first half of the year, together with the July trade figures just published, show a rather better prospect for the British balance of payments than had appeared likely a little earlier in the year. The total adverse balance, that is, the difference between imports calculated on a c.i.f. basis and exports on a f.o.b. basis for the first half-year was £384 million. For the first half of 1952, the figure was £450 million. On the other hand, for the second half of 1952, the figure was £300 million. This visible trade balance has, therefore, shown some fairly rapid fluctuations from a monthly rate of £75 million in the first half of 1952, £50 million in the second half-year rising slightly to £54 million monthly in the first quarter of 1953 and then steeply to £74 million monthly in the second quarter of 1953 —a monthly average for the first half of this year of £64 million. For the month of July, a steep rise in exports has again reduced the adverse visible balance to £50 million.

LONDON LETTER

But a breakdown of this country's external trade between the sterling and non-sterling areas shows a much more favourable picture than do the overall figures. The following table breaks down imports and exports according to their origin and destination:

Trade Figures for the first half of 1953.

(In £ million)

	Non-sterling	*Sterling*	*Total*
Imports c.i.f. ...	900	792	1,692
Exports f.o.b. ...	702	606	1,308
Adverse balance ...	198	186	384
Adverse balance first half 1952 ..	445	15	450

The improvement, as compared with the first half of last year, is very apparent, for the adverse balance then consisted almost entirely of a deficit with the non-sterling world which cost gold and dollars. Now the deficit is almost evenly shared between the non-sterling and sterling areas, so that that part of the deficit which hurts has been more than halved. The change has been due to a heavy reduction in imports from the non-sterling area, coupled with only a slight reduction in exports. Indeed, exports to the dollar and O.E.E.C. countries have been *increased*, although this improvement has been swallowed up by a sharp reduction in exports to the countries which the British Treasury calls the "three-nons," that is. non-dollar, non-O.E.E.C., non-sterling.

Trade with Sterling Area

The trade with the sterling area has been subject to special fluctuations, imports having increased sharply as a result of heavy shipments of wool and cocoa, while exports have been reduced largely through the restrictions imposed by Australia on such things as consumer goods and motor cars. These restrictions have already been substantially lifted and their further removal is anticipated, so that exports to the sterling area should go on improving. There will no doubt also be an improvement to those areas which have increased their exports to the United Kingdom, and, on this showing, the figures for the second half of this year should be even better.

If the imports shown in the table above are adjusted to allow for freight and insurance, the total deficit for the first half-year of £384 million is reduced to £214 million or, say, an annual rate of £400 million. After allowance is made for invisibles and the expected slice of U.S. defence aid, this should certainly give the Chancellor the £100 million surplus which he expects by the end of the year—if not more.

The monthly export figures have been remarkably stable—those for the first quarter averaging £208 million for the U.K. products only, with re-exports at £10 million, and for the second quarter averaging £210 million for the U.K., products with re-exports at £8 million. The increase in the July figure to £234 million, with re-exports at £9 million is largely due to the larger number of working days, although there is a net improvement.

Nevertheless, there is a certain amount of uneasiness as to whether the level of exports can be maintained, let alone increased. The Treasury, for instance, in a bulletin to industry, has pointed out how German and U.S. competition in engineering exports has stiffened. Furthermore, imports may resume their upward movements, although, against this, there is the very strong possibility of continued price reduction. But, the trade picture as a whole at present does not give any cause for despondency, neither does it show much prospect of a large surplus for overseas investment.

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Control of State Industry

LONDON, *17th August*

Ever since the Socialist Government nationalised some of the major industries in the country, the problem of Parliamentary control over the Government's assets asserted itself—transport, coal-mining, gas and electricity, not to mention the steel industry now being denationalised, are all basic industries the output and costs of which affect the whole economy. There could be no question that the nation through its Members of Parliament has the right of full information as to what these vast monopolies were doing. Yet the very process of setting up special Boards for each industry removed the latter from direct Parliamentary control and Members of Parliament found to their dismay that, while before nationalisation, they could have asked questions about the coal mines of the Minister of Fuel and Power, the same questions would now be answered by the Minister saying that it was none of his business and was a matter for the Board. Parliament had, therefore, to wait until the publication of the annual report of each industry, which might follow a year or more later, before being able to debate any matter concerning the industry.

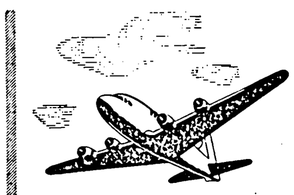
This situation was obviously so unsatisfactory that a Select Committee was appointed in the autumn of last year to consider the whole question of parliamentary information and control over the nationalised industries. That Select Committee has now reported and recommended that a Standing Committee of the House of Commons should be set up as the liaison between the nationalised industries and the House. Presumably members seeking information about any nationalised industry would put their questions to the Standing Committee which would at any time be able to call for the information.

Different Points of View

Evidence was given to the Committee both by Ministers and industrialists, including the Chairmen of the nationalised undertakings, and two sharply differentiated points of view emerged. On the one hand, several industrialists and Mr. Herbert Morrison, the former Socialist Minister principally responsible for nationalisation, argued that to have a Standing Committee able to ask questions of the leaders of the nationalised undertakings at any time would weaken initiative and remove the advantages which a Board now has over a Government Department. The Government still carries on commercial activities through Government Departments such as the Ministry of Food and these activities are open to daily questions in the House and Ministers feel themselves responsible for and answerable for any actions of their departments—actions, which, at the time they are taken in the light of all the circumstances then prevailing, seem obvious and sensible, but which may, a month or two later, be harder to justify. But there is nothing easier than being wise after the event, and questioners in the House are always in that happy position. It is agreed, therefore, that if a Standing Committee can question the actions of a Board at any time, the Chairman of that Board will always feel that any decision he takes he must be able to answer for, perhaps, months later.

Role of Standing Committee

On the other hand, the supporters of the idea of a Standing Committee recognised that there was a problem and that it was not possible to leave things exactly where they were, with Parliament frustrated of any information or feeling of any share in control over these vast national assets. They recognised that everything would depend upon the approach of the Standing Committee to its work, but, since such a committee would meet in private with no publicity given to its activities other than such reports as it might wish to issue from time to time, there would be little attempt at making political capital out of the information which it could yield and it would use its powers of enquiry in a helpful rather than in a combative manner. The Report favouring the Standing Committee suggests that the Boards would be able to regard the Committee "not as an enemy or a critic but as a confidant and a protection against irresponsible pressure as well as a guardian of public interest." It also states specifically that the Committee should avoid any powers of enquiry into matters of detailed administration, including matters such as wage rates and negotiations with trade unions, and should confine itself to broad questions of policy. Clearly, everything will, in fact, depend upon the extent to which a Standing Committee would abide by its own self-denying ordinances. If it approaches its task in a pure spirit of helpfulness and a recognition that real responsibility for the industry rests on the Board and its Chairman and not on the Committee, and that, therefore, the former must be given the benefit of the doubt where conflicting judgments might prevail, the problem of parliamentary information and sense of ultimate control could be solved happily; but no doubt more will be heard of the pros and cons of the proposal in Parliament before the proposed Committee can be set up.—*All Rights Reserved.*



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WORK STUDY INSTITUTE AT BIRMINGHAM

Britain's first residential Institute for Engineering Production Studies has been set up at Edgbaston, Birmingham. The new Institute, which forms part of Birmingham University, has been established with an endowment of £54,000 from Joseph Lucas Ltd., which also endowed the University's Department of Engineering Production.

The Institute is designed to help senior industrial executives to step up production in their factories. This will be done at the Institute by high-pressure study of the work and efficiency methods of industrialists coming from all over the country. In charge of the Institute is Professor T. U. Mathew, Lucas Professor of Engineering Production at Birmingham University. Although a few similar institutes exist in America, this is the first of its kind in Britain. In addition to about six fortnightly courses a year, the Institute will be used for executive conferences and round-table discussions.

PAKISTAN NOTES

INDO-PAKISTAN RELATIONS

WORLD BANK MISSION COMPLETES TOUR

NOW that an agreement over Kashmir has been reached between the Prime Ministers of India and Pakistan, many observers in both countries look forward to the early settlement of the several outstanding economic disputes between the two countries. Mr. C. D. Deshmukh, Indian Finance Minister, and Mr. Mohammad Ali, Pakistan Finance Minister, are expected to meet in New Delhi towards the last week of September next to discuss the issues relating to finance. It is expected that the evacuee property question will also be discussed between the representatives of the two Governments. Their talks are in furtherance of the discussions recently held in Karachi.

Another conference will be held in Calcutta in about three weeks' time to work out the necessary details for the implementation of the agreement in principle reached at Karachi on the exchange of the Cooch Behar and East Bengal enclaves. It will also deal with travel and trade problems relating particularly to Assam, West Bengal and East Pakistan.

After completing its one-month tour of Pakistan, the World Bank Mission left for the U.K. on Saturday last. During its stay in the country, the Mission visited all the Provinces and surveyed the economic conditions in order to ascertain Pakistan's needs and its requirements from the World Bank. Details regarding these are not available. It is, however, gathered that Mr. Mohammad Ali, Finance Minister of Pakistan, will be visiting Washington shortly to discuss the matter with the World Bank. Incidentally, it may be noted that Pakistan has so far received two loans aggregating $30.50 million.

Development of Steel Industry

With the signing of the agreement for the development of the iron and steel industry between the Pakistan Industrial Development Corporation and the well-known steel manufacturing firm of Krupps in Germany recently, a new chapter in the industrial history of Pakistan has been opened. Under the agreement, Krupps will undertake a survey and investigate prospecting, mining and quarrying in both the wings of Pakistan. Engineers of the firm are expected to arrive in Karachi some time next month.

There are some iron ore deposits in the valley of the Panj Kora River, especially in Baraul and Laspur-Jandawall Hills, and also among the hills south-east of Bannu (N.W.F.P). Brown hematite of low grade is found in the limestone and sandstone beds in some parts of Sind Kohistan. A deposit of hematite, containing at least a million tons of high grade ore, is located near Abbottabad (Hazaar). Large boulders of magnetite have been noted in the Indus Valley, but the source from which they have been derived has not yet been traced. It is believed to be in the Tribal territory, in the Marden district. A large deposit, containing at least 40 million tons of high grade magnetite, is found near Drosh in Chitral. Owing to the absence of fuel for smelting and their general inaccessibility, these deposits are not considered as of importance at present.

In the meantime, the Pakistan Government is finalising a scheme for the utilisation of steel scrap. The project, which is expected to be completed in about three years' time, will cost about Rs. 10 crores.

Textile Training Centre

The U.K. Government has, under the technical co-operation scheme of the Colombo Plan, offered Pakistan equipment and books worth £137,000 for a textile training centre proposed to be set up at Lyallpur. It will provide the services of experts for training Pakistan's personnel. The U.K. will also provide a teaching wing where instructions in theory and practice will be given, in addition to a small operational plant on which students can gain experience and learn correct technological methods.

Hides and Skins

Hides and skins constitute one of the major foreign exchange earners for Pakistan. The total value of exports during 1948-49, for instance, was Rs. 4.85 crores, representing about 27 per cent. of the total export receipts. Out of an aggregate output of 13 million pieces, as many as 10 million pieces are exported annually. The prosperity of the hides and skins sector of Pakistan's economy is, therefore, closely bound up with the changes in the world markets. Efforts are, however, being made to reduce this extreme dependence by raising the domestic consumption of hides and skins. It may be noted, in this connection, that the Government of Pakistan has granted tariff protection to the leather industry.

That the efforts at developing the indigenous leather industry have been met with success will be evident from the fact that supplies of hides and skins are being diverted from the export trade to domestic consumption. An indication of this is provided in the fall in exports in recent years. The earnings for export of hides and skins during 1952-53 amounted to Rs. 2.26 crores. Export of cow and buffalo and sheep skins are on world open general licence. Goat skins are on O.G.L. for American account area and subject to quotas for the rest of the world. There is already a long-term scheme for promoting exports of hides and skins sponsored by the Commerce Ministry.

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A scheme for the construction of a railway line between Muzaffargarh and Dera Nawab Sahib in Bahawalpur State is reported to have been finalised by the Government of Pakistan. The cost of the scheme is estimated at Rs. 2.75 crores. The implementation of the scheme is reported to commence by the end of this year. The new line will cover at least 100 rail miles and will divert most of the traffic from Thal to Karachi and Quetta which is now passing through Multan. It is further reported that the Pakistan Government is surveying the possibilities of the construction of a railway line linking Quetta with the Kalat coal mines.

• • • •

The last seven of the 43 sluice gates for the Kotri barrage, in Sind, which are nearing completion at an engineering works in Ipswich (Suffolk), are expected to be ready for shipment to Pakistan in a few weeks' time. Three more of the 60-foot span gates are at present being shipped from Ipswich; the other 33 sluice gates and two gates and a lifting bridge for the navigation lock at the site of the barrage have already been delivered to Pakistan, together with virtually all the mechanism for all the gates. The whole of the water-control equipment for the barrage is expected to be in Pakistan by the end of the year.

The sluice gates for the Kotri barrage, which will irrigate 1,600,000 acres of the Sind desert, are being built by a British firm which has constructed a large number of the giant sluice gates that are controlling waters in many parts of the world.

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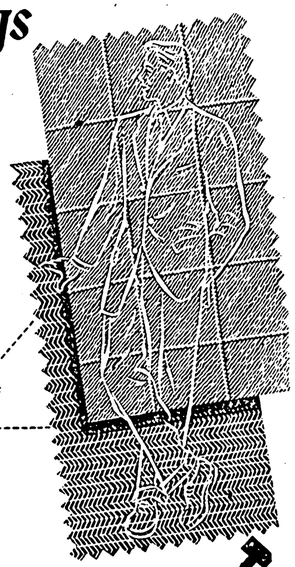

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URBAN CO-OPERATIVE BANKING

PROGRESS IN RECENT YEARS QUITE SATISFACTORY

DR. Jivraj Mehta, Minister for Finance, Government of Bombay, could not have chosen a more fitting occasion than the Conference of Urban Co-operative Banks in Maharashtra, to review the progress of urban co-operative banks in India in general and in the Bombay State in particular. Inaugurating the Conference at Sangli last week, Dr. Mehta pointed out how urban Co-operative banks had registered satisfactory progress in recent years. The figures furnished by Dr. Mehta are very encouraging and augur well for the future of Co-operative banks in India.

It may be noted that urban Co-operative banks are intended to function in areas where Joint-stock banks cannot ordinarily take much interest in developing banking business. They supply small loans needed by people of moderate means like grocers, artisans, factory workers, street hawkers, motor and *ghurry* drivers, carpenters, blacksmiths, clerical personnel, small shopkeepers, etc. Serving these small men is by no means an easy task, because the cost of financing and recovering small loans is high. Again, the urban Co-operative banks, serving as they do, extensive areas, spread out to numerous towns and cities, may not, under ordinary circumstances, have full and intimate knowledge of the standing and resources of persons of moderate means which is a prerequisite of sound banking practice. They have, therefore, to endeavour to secure greater knowledge of their clientele and thus have to qualify themselves to serve the needs of the middle and lower classes of society. For the average middle class man whose needs extend from Rs. 50 to Rs. 5,000, the urban Co-operative bank has come to be felt as the most suitable source of cheap credit.

Considered in the light of these handicaps suffered by urban Co-operative banks, the progress made by these banks becomes all the more impressive. Dr. Mehta's comparative figures are revealing in this context. A significant feature of these figures is that, while the progress of Joint-stock banking has receded, that of urban Co-operative banking has been heartening. Thus, the number of Joint-stock banks in India declined from 648 in 1946 to 534 in 1952. This is partly due to amalgamation in some cases and to closure in certain others owing to uneconomic operations. However, their owned resources in the shape of paid-up-capital and reserves increased from Rs. 66 crores to Rs. 74 crores, but their deposits went down from Rs. 1,168 crores to Rs. 957 crores. The case of Co-operative banks, on the other hand, showed a different trend. Their growth has been consistently progressive. Thus the number of Co-operative banks rose from 285 in 1946 to 445 in 1952. During this period, their paid-up capital and reserves nearly doubled, that is, from Rs. 11 crores to Rs. 21 crores. A similar spectacular increase was noticed in their deposits which rose from Rs. 58 crores to Rs. 106 crores. Commenting on this notable progress, Dr. Mehta observed:

"It is true that, in the case of large Joint-stock banks, the setback in their progress is, to some extent, due to the reduction of business done in offices located in Pakistan. At the same time, even if relative progress of Joint-stock banks and Co-operative banks were compared between the years 1950 and 1952, it appears that, while in the case of Joint-stock banks, their share capital and reserves have declined by 4 per cent., and deposits by 5 per cent., the share capital and reserves of Co-operative banks have increased by 25 per cent. and their deposits by 10 per cent."

The steady progress made by Co-operative banking, as noted above, indicates that this type of banking has come to stay and will continue to prosper in the future set-up of the mixed economy envisaged for this country, a point forcefully emphasised by Dr. Mehta in his speech.

Progress in Bombay State

While painting the picture of development of urban Co-operative banking in India in an optimistic manner, Dr. Mehta was not unconscious of its drawbacks. This is evident from his references to the lopsided progress of the urban Co-operative banking movement which is confined, in the main, to two States, namely, Bombay and Madras only. In Bombay State, it is gratifying to note that the movement has made impressive progress within the past few years. Only such urban credit societies which actually undertake the business of banking as defined in section 277(F) of the Indian Companies Act, that is, the work of accepting deposits of money in current account or otherwise subject to withdrawal by cheques, draft or order and which have a paid-up share capital of not less than Rs. 20,000 are permitted to call themselves urban banks. Excluding the urban banks in merged areas, there was, we are told, a 60 per cent. increase in the number of urban Co-operative banks in the Bombay State between 1946-47 and 1952-53.

Apart from the general increase in the number of banks, there has been improvement in other directions as well. The following table, culled from Dr. Mehta's speech, is revealing:

	1949-50	1950-51	1951-52
No. of banks	170	178	184
No. of members (thousands) ..	186	207	220
Owned capital (in lakhs of Rs.) ..	233	260	287
Working capital (in lakhs of Rs.) ..	1,395	1,580	1,688
Owned capital as per cent. of working capital	16.5	16.4	18.2
Deposits (in lakhs of Rs.)	1,109	1,201	1,195
Overdues as percentage of outstanding loans	8.3	8.5	10.8 (Rs. 77 lakhs)
Cost of management as percentage of working capital	1.9	1.8	1.8
Net profits as percentage of working capital	1.11	1.23	1.27

Observing on the progress of urban Co-operative banking indicated in the table above, Dr. Mehta said:

"By reason of an extensive clientele, prospects of earnings and manner of investment, Joint-stock banks only expand their operations to the extent of 10 times their owned resources. Because Co-operative banks have to deal with people of moderate means, the ratio of owned capital to working capital is higher. The proportion kept in Bombay State is satisfactory from this point of view. One of the dissatisfactory trends of urban Co-operative banking in the pre-war years was the size of overdues in relation to outstanding loans. In 1938-39, 30 per cent. of the outstandings were overdues. During the war years this proportion declined from year to year until 1949-50 when it went down a little over 8 per cent. Recently, there has been some reversal of these trends. In 1951-52 overdues have again increased to nearly 11 per cent. I am sure this conference will direct its attention to what should be the reasonable size of such overdues. In spite of these overdues, the trend of profits is satisfactory, and so is the economy in the establishment expenses."

Dr. Mehta referred also to another interesting feature, namely, the increasing advantage taken by non-members of the facilities provided by urban Co-operative banks. Nearly 40 per cent. of the deposits are of non-members. Their deposits increased from Rs. 5.47 crores in 1950-51 to Rs. 5.63 crores in 1951-52. But the deposits of members declined from Rs. 6.53 crores to Rs. 6.31 crores. The loans are given to the people of moderate means against immovable property, gold and silver, and Gilt-edged security. Dr. Mehta, however, felt that loan facilities should be given to clients not so much on the backing of their immovable property as against their capacity to earn and repay the loans. He suggested that urban credit institutions should try to attract into their fold people who have a certain earning capacity, with a view to developing themselves on sounder lines.

The Bombay Finance Minister drew the attention of the conference to the amendment of Rule 27 of the Bombay Co-operative Societies Rules, 1927 by the Government of Bombay. This amendment provides that, urban banks, either in A or B class, having a paid-up share capital of not less than Rs. 50,000 and reserve fund of not less than Rs. 50,000 and having at least 10 years standing, may invest a portion of their surplus funds in the shares or debentures of any institution registered under the Indian Companies Act as may be approved by the Co-operative Bankers' Association subject to the fulfilment of certain conditions. This amendment was made, he said, with a view to increasing the earning capacity of the banks by suitable means. He, however, reminded them of the need for caution in venturing on such investments and stressed the importance of "the laws of safe-liquidity in banking enterprise."

The Conference, presided over by Mr. P. P. J. Chinmulgund, Registrar of Co-operative Societies, was attended by about 200 delegates from Maharashtra, Gujerat, Karnatak and Bombay City. Tracing the progress of urban Co-operative banks in the State, Mr. Chinmulgund conveyed a warning against the tendency of overtrading on the part of some banks. He said that it was in their own interest to keep their lending within the prescribed limit of 50 per cent. of the working capital or 60 per cent. of deposit liabilities, whichever was less. He proposed the starting of a federation or a supervising union Maharashtra region and to undertake audit and other common services.

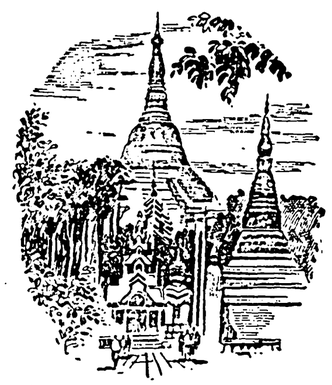
COLLEGE FOR TRAINING BANK STAFF

The Indian Institute of Bankers is becoming increasingly popular among banking employees in India. Its twenty-sixth annual meeting, held in Bombay last week, marks one more year of progress. The essay competitions conducted by the Institute have been the target of many a budding bank employee who considers winning a prize in the competition as a means of gaining recognition of merit. The lectures organised by the Council of the Institute and the professional topics discussed in the quarterly *Journal* of the Institute have been found to be a valuable media for disseminating knowledge of banking. The Institute's examinations are being treated as passport for professional advancement by bank employees not only in the Indian Union but in Pakistan, Ceylon and Burma also. The Institute has not ceased its endeavours to enlarge the sphere of its service to the profession. The latest of such efforts is its willingness to co-operate with the Reserve Bank in its move for providing training facilities for the staff of banks.

The details of this move were unfolded at the annual meeting of the Institute referred to above, by its President, Mr. B. Rama Rau, Governor of the Reserve Bank of India, in whose absence the speech was read by Mr. H. C. MacColl, Manager of the Chartered Bank of India, Australia and China. According to Mr. Rama Rau, the Reserve Bank, which is closely interested in the question of providing training facilities, has already drawn up a tentative scheme for the establishment of a staff training college. The college will be run on the lines of similar institutions in the U.K., Australia, etc., where, we are told, banking operations are explained and suitably demonstrated to candidates drawn from the supervisory staff of banks with the aid of forms, documents and registers. To the proposed training college in India, a model dummy bank will also be attached. The training given will be complementary to the examinations conducted by the Institute. An encouraging feature is that, when circulated to all Scheduled banks, the scheme received a good response from them. What is more, the Reserve Bank of India, as the sponsoring institution, has agreed to bear all the recurring and non-recurring expenses of the college. A committee, consisting of representatives of banks, the Institute and experts in the field, has been, it is stated, set up to finalise the scheme. This Committee recently held its first meeting, and it is believed that, before long, the Staff Training College will be set up.

This move on the part of the Reserve Bank of India is, indeed, a commendable one. When started it will fulfil a long-felt need. There is dearth of trained staff in the country, particularly persons equipped with the technique of handling foreign exchange transactions connected with foreign trade. This Staff Training College should pay particular attention to this aspect of the curriculum, as more and more Indian banks are opening branches in overseas countries.

When you go to Rangoon



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AN AMERICAN VIEW OF EMPLOYMENT POLICY

PRIVATE ENTERPRISE, NOT GOVERNMENT, MAKES JOBS

[Political leaders, Government spokesmen and professional economists, not to speak of the lay public, continue to be sorely exercised by the growing spectre of unemployment in our midst, the tendency for far too many men to chase the all too infrequent vacant places. The phrase, "full employment," that ambitious slogan of the war years, is receding to the background; the Government would be content if serious unemployment were avoided. Why is no success being achieved on this front? In a leading article on the vexed question, published a few weeks ago, we stated that the Government could, "by providing incentives for capital formation and by prompt and sympathetic attention to industry's ills" bring about industrial expansion which would, in turn, create "wider opportunities for employment." In other words, the Government would be ignoring its serious limitations if it thought that it could take upon itself the task of providing employment. It is the job of private enterprise, to provide jobs. And it can do that, provided it is allowed to play its full part. This view is borne out in the following article, reproduced from the July issue of the Guaranty Survey. It is true that, in this article, the problem of employment is presented only against the American economic background. But the conclusions of the authority are capable of wider application. He emphasises the need for creating a climate in which business is given the "strongest possible incentive to maintain and create employment opportunities." The "great inhibitors of employment," according to the author, are "heavy and burdensome taxes, high and inflexible labour costs, restrictions in managerial discretion, excessive restraints and regulations on business financing, threats to currency stability and antagonism towards profit-making."—ED.]

FOR many years the Annual Reports of the National Bureau of Economic Research have been objects of keen interest to economists, business men, and other close observers of current affairs. This year's report has attracted even more than the usual attention because its author, Dr. Arthur F. Burns, has since become Chairman of the Council of Economic Advisers and thus a key figure in the administration of the Employment Act. Moreover, the report deals with "Business Cycle Research and the Needs of Our Times," a subject directly related to the duties which Dr. Burns will be called upon to perform as the President's chief economic adviser. Presumably, therefore, the report contains important clues to the philosophy that will guide the Administration in observing the statutory mandate to "promote maximum employment, production, and purchasing power."

Role of Government

It is reassuring to note that Dr. Burns takes a modest view of the role which Government can effectively play in what he calls "contracyclical" action. His report opens with a candid acknowledgement that "the gift of prophecy has never loomed large in the endowment of economists, whether lay or professional." He recalls General Eisenhower's campaign statement that "never again shall we allow a depression in the United States" and comments that "this declaration of governmental responsibility goes well beyond the Employment Act." He remarks that in 1940, after seven years of Federal attempts "to engineer recovery and to reconstruct economic society," eight million workers were still unemployed. He recognises that the "principal outward symbols" of the "extensive experiments" in contracyclical action that have been undertaken since 1929 have been "a persistent tendency toward easy money and a persistent difficulty in attaining budgetary balance."

Although Dr. Burns believes that contracyclical action has become a political necessity and that such action can reasonably be expected to moderate the amplitude and abbreviate the duration of business contractions, he sees no adequate grounds for believing "that business cycles will soon disappear, or that the Government will resist inflation with as much tenacity as depression, or that deep but brief contractions such as occurred in 1920-21 and 1937-38 will never again take place."

Obstacles to Success

His doubts on this score arise from two main sources. First, experience with contracyclical action is limited and the "art" of practising it imperfectly understood. Second, there are practical obstacles to the effective use of such knowledge as exists, because "considerations of economic stability neither are nor can be the sole concern of public policy." These obstacles to complete success, he believes, are likely to continue.

Most significant of all, prehaps, is Dr. Burns' emphasis upon the need to control booms, rather than rely too largely upon measures to check down-swings. In support of this view he cites National Bureau studies tending to "reinforce the judgment, long entertained by observers of economic conditions, that the causes of varying degrees of severity of business contractions are to be sought primarily in the developments that precede them."

All in all, these views seem to augur well for as sane an administration of the Employment Act as statutory requirements and political necessities permit. They reflect a healthy scepticism and an awareness of economic realities that should work against a repetition of the fiscal profligacy and misguided experimentation of the 1930's, the naïve faith in "continuing full employment" through "Federal investment and expenditure" that prompted the original Full Employment Bill, and the dread of even minor business fluctuations that led to the adoption during the early post-war years of what Dr. Edwin G. Nourse, former Chairman of the C.E.A., aptly termed "inflation as a way of life."

Those who opposed the Full Employment Bill did so on two main grounds: they feared that it would be inflationary and that it would tend to destroy our free-enterprise system. They recognised that the only really potent instrument by which a Government of limited powers can endeavour to maintain continuing full employment is a highly inflationary instrument, namely, the expenditure of unlimited amounts of borrowed money. They had no faith in the "compensatory" principle by which borrowings in dull times were to be matched by repayments in good times, so that the budget would be balanced "over the cycle."

Authoritarian Measures

The opponents of the Bill recognised also that employment opportunities in a system of private enterprise are created by private employers, and the number of such opportunities existing at any time depends upon a large and complex set of conditions over which no one in a free society has control. As soon as, and to the extent that, such control is undertaken, the society ceases to be free. To insure continuing full employment, a Government must have control over the conditions that determine the volume of employment. A Government struggling to make good a full-employment commitment must find itself impelled toward authoritarian measures.

These fears were allayed to a large extent by the greatly modified form in which the Bill finally passed. All references to full employment, governmental guarantees and assurances, and Federal investment and expenditure were eliminated. "Maximum employment, production, and purchasing power," rather than "continuing full employment," became the objective, and this was to be sought by "all practicable means consistent with (the Government's) needs and obligations and other essential considerations of national policy." The mandate was confined to general terms and hedged with numerous qualifications and restrictions. Specific measures were left to the discretion of Congress and the Administration.

Fear of Regimentation

Despite these salutary changes, the risk remained (and still remains) that the Federal Government, subject as it necessarily is to political pressure, would attempt the impossible and in so doing would run upon the very rocks which the law in its modified form was intended to avoid. The consistently high employment that has prevailed during the seven years since the Act was passed has prevented the question from being put to a real test. Even under these exceptionally favourable conditions, however, experience has tended to confirm the fears of those who predicted that the employment commitment, partial as it was, would work toward currency inflation and economic regimentation.

The post-war years brought an upsurge in prices, but no "compensatory" Treasury surplus was achieved or seriously attempted. The demand for tax relief arose, but Federal expenditures for non-military purposes mounted to new all-time highs. The volume of debt expanded, but the Council of Economic Advisers continued to insist that low interest rates are always desirable. When rearmament demands were superimposed upon an already inflationary situation, prices, wages, and strategic materials were placed under Governmental controls, but the need for economy in public works and other non-military spending received little more than lip service. Inflation was deplored, but the possibility of reduced employment was dreaded even more.

Against such a background, it is encouraging to find the new C.E.A. Chairman stressing the statutory and practical limits to the Government's capacity and obligation to assume responsibility for the volume of employment. If this philosophy of moderation is made the basis of official policy, and is adhered to in the face of the political pressure that is sure to be brought against it, the harmful potentialities of the Employment Act will be minimised and its constructive aims promoted.

Free Markets

The outstanding need at the moment is to allow free markets to exert their normal restraining influence on business expansion. At present this policy is, for the most part, being followed, despite the strong criticism that has been levelled against it in some quarters. Business stability implies moderation in the upswing as well as in the downswing. Excessive booms beget excessive reactions.

A continuing need is to understand the current economic situation as thoroughly as possible. The Employment Act has set up a mechanism for this purpose, and it appears that the mechanism is to be expanded. Reports from Washington indicate not only that the three-member Council of Economic Advisers is to be revived but also that its studies are to be supplemented and to some extent implemented by a new Advisory Board on Economic Growth and Stability, consisting mainly of Cabinet members or their deputies, and concerned primarily with better co-ordination of Governmental plans and policies as these may affect taxes, interest rates, and other factors in the economic situation.

Another continuing need, and the most important one of all, is a political climate in which business is given the strongest possible incentives to maintain and create employment opportunities. This is the heart of any effective employment policy. Private enterprise, not Government, makes jobs. A serious decline in business activity creates an employment vacuum which is much too large for Government to fill without harming the currency, the private-enterprise system, or both. It is idle to say, as was so often said during the last depression, "If business will not create jobs, the Government will." Any such commitment is prompted by emotion, not reason, for it is a promise that cannot be kept.

Timing of Public Works

To a very limited extent, needed but postponable public works can be so timed as to moderate fluctuations in employment. To-day's needs include roads, schools, hospitals, and other projects aggregating many billions of dollars. Such projects can be helpful, but they cannot go far toward solving the employment problem. They are too slow and cumbersome to be timed with precision. They can provide only certain types of jobs, and these may or may not be the types needed in a particular instance. And the total volume of such projects is far too small to fill more than a small part of the gap created by a general business recession of substantial proportions.

The greatest contribution the Government can make, especially at a time of reduced employment, is to refrain from placing obstacles in the path of enterprise. Heavy and burdensome taxes, high and inflexible labour costs, restrictions on managerial discretion, excessive restraints and regulations on business financing, threats to currency stability, antagonism toward profit-making—these are the great inhibitors of employment. A Government that avoids these errors will have gone about as far as public authority can safely go in furthering the aims of the Employment Act.

ASSISTANCE TO HANDLOOM INDUSTRY

GOVERNMENT IMPLEMENTS ALL-INDIA BOARD'S SUGGESTIONS

EDITORIAL comment on the All-India Handloom Board's suggestion for reserving further fields of cotton textile production for the handloom industry, put forward at its recent meeting, was made in this journal only last week. It is now proposed to refer to the other recommendations of the Board and the steps which the Government of India has so far taken to develop the handloom industry. At its meeting, the Board urged the State Governments to organise relief measures of all kinds and provide credit facilities, so as to enable the weavers to keep their looms in production. Further, it emphasised the need for stimulating consumption of handloom cloth in the country. In its opinion, the Government of India should authorise co-operative societies and State depots to grant rebates on sales made by them, such being subsidised by rebates from the cess fund.

The All-India Handloom Board also examined the various schemes, with an aggregate expenditure of Rs. 7 crores, for the development of the handloom industry submitted by the State Governments having within their areas over 80 per cent. of the total number of handlooms in the country. It decided upon the broad principles which should be applied in considering these schemes and for the sanction of grant. These schemes, which are of a diverse nature, may be classified into the following five categories:—

(1) Organisation of a large number of weavers into the co-operative fold;

(2) provision of share and working capital of co-operative societies;

(3) arrangements for stepping up internal sales by opening depots and emporia, and through propaganda vans;

(4) establishment of research centres; and

(5) setting up of co-operative spinning mills, finishing plant, etc.

Co-operative Spinning Mills

Few would dispute the importance of the first four suggestions. It is, however, difficult to appreciate the reasoning behind the State Governments' suggestion for establishing co-operative spinning mills. One can appreciate the suggestion for co-operative finishing plants. But why a spinning plant? Supplies of yarns of various strength are being made freely available to handlooms. The spindleage in existence, if fully utilised, will be quite sufficient to produce the quantity of yarn required by the handlooms. According to one estimate, the cotton mills can supply sufficient yarn to produce the target output of 1,700 million yards on the handlooms. The setting up of new spinning mills on co-operative basis, therefore, will involve wastage of capital resources which could as well be utilised for the development of the handloom industry in other spheres. One has also to take into consideration the limitations that would be set by supplies of cotton. If, however, handlooms were to experience difficulty in getting yarn supplies, such could be solved by bringing about co-ordination of yarn production and supplies to handlooms. We cannot but recall what the Planning Commission itself has said. Says the Commission:

"The last problem of the mill textile industry, and perhaps one of the most important, is the necessity of co-ordinating the activities of this section with that of the handloom section. There are provisions in the Textile Control Orders, according to which even the composite mills could be compelled to supply free yarn to the extent they did in 1949-50 and also for securing 25 per cent. of the yarn output of all new units and extensions. But, so far these provisions have not been applied. In the event of sufficient cotton being available to enable the mill industry to work to capacity and with the incentive provided by the restoration of the 4 per cent. cut, if the spinning units produce sufficient yarn from the cotton, it might not be necessary to have recourse to these measures. The problem of the future development of the industry, discussed earlier, is intimately related to the problems of the supply of yarn to the handloom section. A close and continuous co-ordination between yarn production and supplies to the handloom industry will be necessary in order to utilise the cotton in the best interests of the country."

Be that as it may, the Government of India is reported to have under active consideration the series of recommendations made by the All-India Handloom Board. In fact the Government, it is said has undertaken to implement the recommendations "as far as possible and practicable." It has already given effect to one of the principal recommendations, namely, the one relating to the schemes for the internal marketing of handloom cloth. Thus, the Government has set up a central marketing organisation with regional offices at Madras, Bombay, Calcutta, Nagpur, Gwalior and Banares, and allotted an annual grant of Rs. 4.61 lakhs for the purpose. This body is entrusted with the task of assisting the handloom industry in respect of marketing, organisation, rationalisation, research and publicity. To be precise, the functions of the organisation cover the following:

(1) To study the existing market conditions, explore the possibilities of further development, bring to the notice of the trade channels handloom products produced in the various States, keep the handloom industry informed of the changing fashions and demands, and arrange for the direct transactions between the producing and consuming areas, with a view to minimising the need for middlemen;

(2) to examine the working of co-operative societies, keeping in touch with the alternative forms of organisation of weavers and master weavers;

(3) to collect data regarding the extent of competition between handloom and mill goods, types and quality of fabrics, cost of production, percentage marked and consumed locally and proportion exported to other areas in India and foreign countries, seasonal nature of production and demand, and the handicaps imposed by inequitable railway freight, octroi and local taxes;

(4) to investigate and report on the methods of winding, warping, sizing, beaming, dyeing and weaving employed in the various concentrated handloom centres; and

(5) to give intensive publicity for popularising handloom products, through advertisements, hand-posters, catalogues and journals; slide demonstrations, lectures, sales talks and organisation of showrooms in certain important towns for exhibiting samples and products.

With regard to the expansion of marketing of handloom products, in foreign countries, several schemes are being finalised. It is proposed to appoint four handloom officers in foreign countries to act as liaison between Indian exporters and overseas importers. It is also proposed to open emporia for handloom products in foreign countries under the ægis of the society for the marketing of products from all over India. In the first instance, the Madras Handloom Weavers' Co-operative Society will act as the agent of the Government in the implementation of these schemes.

Other Schemes of Assistance

In the meantime, the Government is going ahead with the various schemes of assistance to the handloom industry. These schemes, it may be noted, are financed from the *Khadi* and Handloom Development Fund created out of the proceeds collected by the levy of an additional excise of 3 pies per yard on mill cloth. Besides giving grant to State Governments, the Centre has sanctioned Rs. 61 lakhs as loan to the *Sarva Seva Sangh*, Sevagram, and other registered societies. This sum represents a part of the Rs. 95 lakhs recommended by the Board. The remaining amount is to be sanctioned as and when required. Another loan of Rs. 30 lakhs has been given to the All-India Spinners' Association for the purchase of cotton during 1952-53 by *khadi*-producing centres; the Association, however, has so far drawn only Rs. 10 lakhs. This loan excludes the grant of Rs. 9 lakhs for allowing a rebate of As. 3 in the rate on all sales of *khadi* and for marketing of *khadi* during 1952-53. The other amount sanctioned by the Centre includes a grant of Rs. 26 lakhs for giving a rebate of As. 3 in the rupee on all sales of *khadi* during 1953-54, a subsidy of Rs. 5 lakhs to those who spin and weave their own yarn, a subsidy of Rs. 3 lakhs to *khadi*-producing centres, and grant of Rs. 2.75 lakhs for distributing implements and accessories at concessional rates to *khadi*-producing centres.

There are, we are told, certain other schemes for which the Government will shortly sanction grants. Among these grants are Rs. 10 lakhs for price reduction on account of inferior quality *khadi* produced at newly set up centres, Rs. 10 lakhs for the existing (old) institutions, Rs. 5 lakhs for *gramodyog* exhibitions, Rs. 3 lakhs for research on cotton growing, looms, etc. Rs. 1 lakh for competitions and awards of prizes to best spinners and weavers of *khadi* and Rs. 72,000 for conducting spinning classes in jails.

SALES TAX ON TEXTILES

Commenting on the Bombay Sales Tax (Amendment) Act, 1953, we observed last week that the Act was too complicated to be readily understood by the common traders. That this was not at all exaggerated will be evident from a reference to the imposition of varying rates of sales tax applicable to different types of textile goods. These goods are classified under as many as four groups for purposes of the new Bill. These groups are:

(1) Goods which bear a special goods tax (Schedule E). In the list are included certain textile fabrics which bear a special goods tax of one anna in the rupee, besides the sales tax of 3 pies at the first stage and the general tax of 6 pies at the last stage. These fabrics are: (*a*) textile fabrics of any kind (except cloth woven on handlooms and coarse and medium cloth woven in mill or on powerloom) sold at rates not less than Re. 1-8, Rs. 3, and Rs. 4, per yard, where the widths are less than 22", 22" or more but less than 42", and 42" or more, respectively, and (*b*) ready-made garments (including handkerchiefs, hosiery and knitted wear) of such description and sold at rates not less than such amounts as may be specified, from time to time, by the State Government. All other types of mill-made cloth (other than handloom cloth and coarse and medium varieties) will be subject to a special goods tax of 3 pies in the rupee.

(2) Goods on which no sales tax will be levied at the first stage (Schedule C). They include (*a*) coarse and medium cloth produced by mills or woven on powerlooms and (*b*) cloth woven on handlooms, other than cloth sold at a rate not exceeding Rs. 2 per yard and other than *khaddar*.

(3) Goods which will be exempted altogether from any sales tax under the Act, provided they are sold by dealers recognised for the purpose by the Collector of Sales Tax (Schedule A). Among these are handloom cloth, the price of which is below Rs. 2 per yard and *khaddar* cloth, cotton yarn and sewing thread.

(4) Goods which will not bear any general sales tax of 6 pies in the rupee but will bear the sales tax of 3 pies at the first stage (Schedule D). This group includes (*a*) artificial silk yarn, (*b*) raw silk and silk yarn, (*c*) staple fibre and staple fibre yarn and (*d*) raw wool, wool tops and woollen yarn (other than knitting yarn).

The foregoing account reveals that, on textiles of superior quality, three different types of sales tax are required to be paid, and these together amount to as much as 21 pies in the rupee, which is a heavy incidence indeed. It is no wonder, therefore, that the textile trade should have expressed its disappointment at the new proposal of the Bombay Government. In a statement issued to the Press, Mr. P. M. Chinai, President of the Silk Merchants' Association, for instance, points out that, under the proposed change in the Sales Tax Act, superior quality textiles will have to bear a higher burden of tax. In his opinion, the incidence of sales tax can be reduced by doing away with the general sales tax in respect of articles which are subject to special sales tax. He alludes, in this connection, to artificial silk goods and woollen goods which would be subject to the maximum sales tax levy. To quote Mr. Chinai: "The general consideration underlying the imposition of a higher rate of tax on any article is that the article is an item of 'luxury.' It is erroneous to consider art silk piecegoods and woollen piecegoods as strictly items of 'luxury', inasmuch as they are required even by the common man. It is, therefore, imperative to reduce the incidence of sales tax on these two items."

Mr. Chinai, however, commends the Bombay Government's move to give relief to (1) dealers at the intermediary stages and (2) manufacturers and processors in respect of goods purchased by them for manufacturing and processing activities, as well as the move to exempt sales made for the purpose of export. But he is critical of the proposal to lower the limit fixed for registration of dealers from Rs. 30,000 to Rs. 15,000 and wants the existing limit to be continued.

EXPORT DUTY ON CLOTH

Once again, the All-India Exporters' Association, Bombay, has urged the Government of India to abolish the export duty on coarse and medium cloth immediately. In a communication addressed to the Union Ministry for Commerce and Industry early this week, the Association has drawn the pointed attention of the Minister to the disquieting effect of the retention of duty on export of cloth, especially of medium counts. There is said to be good demand for these counts in Indonesia, the U.K. and other countries, but the business which India would have otherwise received has been lost, on account of high export prices, thanks to the 10 per cent. export duty. These high export prices, it is pointed out, have enhanced the competitive capacity of Japan in the market for medium cloth. Apart from the price factor, frequent rumours of abolition of duty are also said to have hampered the export trade, for overseas buyers are hesitant to enter into commitments with Indian exporters.

In view of these factors, the Association observes that the delay in the announcement of the policy with regard to export duty is undermining the confidence of overseas importers for negotiating business with India. If, therefore, confidence is to be restored and if exports of cloth are to be promoted, the Government should, it declares, abolish the export duty. After all this levy, it says, is not intended for revenue purposes.

As the need for abolition of the export duty on cloth has been stressed ere now in these columns, it is unnecessary to refer to it at length again. Even at the risk of repetition, it must, however, be emphasised that the time has come when the Government should examine, in a dispassionate manner, this question.

TEXTILE COMPANIES ATTRACT INVESTORS' ATTENTION

STERLING AREA'S COTTON EXPORTS

(By Our Special Correspondent)

MANCHESTER, *18th August*

MANCHESTER LETTER

THE after-effects of the difficult trading period through which the Lancashire cotton industry passed in 1952 were bound to be shown in the financial results which came to hand towards the end of last year. To some extent they are still apparent in the figures now being received but the revival in demand which began nearly a year ago is beginning to throw a rather better light on affairs.

Some companies have clearly weathered the storm better than others and there is no doubt that the reorganisations which took place in the first few months of this year have assisted many in their liability to an excessive tax burden.

Indications have not been lacking during the past few weeks that a new spirit is abroad which has resulted in the attention paid to several textile companies on the Stock Exchanges and elsewhere. A year ago it would have been a very rash individual who contemplated launching out in textiles whether in the productive or distributive sphere. Now, however, there is evidence that some interests are not averse to the idea of extending their field of activity.

Mill deals, which were only too common during the post-war boom, particularly when merchants were anxious to guarantee their cloth supplies and weavers were keen to obtain control of spinning capacity, have lately been rumoured to be on the increase. Several companies have been discussed as likely to be involved in such transactions and it is known that approaches have been made in some directions. Prospective buyers have been on the look-out for mill companies which possess substantial reserves, but existing managements are well aware of their strong financial background and are not ready to sell unless there are particular reasons for doing so.

Big Warehouse Deal

After two months of rumours—and a rise in the "paper" value of the company of £2,000,000—the Directors of Rylands and Sons, Ltd., the Manchester textile warehousing group, have announced that they have received an offer for the ordinary stock. This, they said, was at a price "above the level at which dealings are taking place in the market." Advice from the Chairman, Sir Edward Rhodes, and his Board was that stockholders should not sell their holdings, but await a further official communication from the Company.

Since rumours first began about a deal, the value of the ordinary stock has advanced from below 14*s.* to around 35*s.* Confirmation of the take-over bid raised the price a further 2*s.* 9*d.* Linked with Rylands in merger talk have been several big store groups, notably, Great Universal Stores and Marks and Spencers Ltd.

Cotton Supply

Although supplies of raw cotton grown in such countries as the United States, Egypt and the Indian Union continue to provide the bulk of supplies for world users, the progress made in producing the raw material in agricultural areas of the British Commonwealth has been an interesting development over the past 30 years.

Some indication of the value of cotton exports in the economic battle being waged by the sterling area is given in figures lately released showing the principal exports of commodities and manufactured articles from sterling countries. The table below shows the quantity of cotton shipped abroad from the sterling area during recent years:—

(In million lbs.)

	Sterling area.			Non-sterling area			
Quarterly averages	U.K.	Rest	Total	Dollar area	O.E.E.C. countries	Others	Total
1948 ..	24	39	63	7	34	63	107
1949 ..	30	70	101	7	32	33	73
1950 ..	29	56	85	6	34	56	95
1951 ..	35	38	74	7	39	61	107
1952 ..	35	27	62	3	34	115	153
1953 1st qr.	42	43	86	10	63	107	185

The shift of sterling area trade to other quarters in the past year or two is most noticeable and in the first quarter of 1953 the level of shipments to dollar countries has reached its highest level. Despite the lower trend of total imports of cotton into Britain last year, arrivals from the sterling area showed no change from 1951 and remained in excess of purchases in the three previous years. Shipments in the first quarter this year for use in Lancashire were almost identical with those in 1952.

Price Index System

As the new season's cotton begins to come into circulation, the Raw Cotton Commission has, in past years, been accustomed to introduce varying quotations for forward delivery purchases. These have usually been at a discount and have had the effect of stifling business when current prices have been much higher than those quoted for delivery later in the year. Although slightly less than half of the cotton due to be imported into Britain this season will be on Commission account, there is still a good deal of interest in its published price levels and in particular in the revised system which is scheduled to start in a fortnight's time.

From the beginning of September widespread adjustments in the Commission's price lists will be introduced, the basis being altered to suit the changed circumstances arising from the larger degree of contracting-out. In an endeavour to adjust its quotations even more closely to the changes in prices abroad, there is to be a system of index prices. United States cotton, for example, will be grouped into nine sections according to grade and staple, each of which will have a basic index price. Particular qualities will be quoted at varying points off or on the index price for the group. A similar arrangement will apply to Egyptian descriptions, but the outside growths will not have so many different index prices.

It is probable that price indexes will be changed much more frequently than has latterly been the case for standard symbols, and day-to-day variations may well take place. Traders will again have the task of settling down to a new method of price revisions which may confuse the industry in its early stages. Even so, there will not be the minute-to-minute alterations in values which occurred when the Liverpool futures market was in operation and no doubt it will not be long before effective formulas are drawn up to deal with the fresh set of circumstances.

Jap Goods For Australia

Protests are being made by Lancashire textile exporters about the proposal to allow increased supplies of Japanese goods into Australia, for long regarded as one of Lancashire's chief overseas markets.

The Cotton and Rayon Merchants' Association, Manchester, in a letter to export firms, says it is understood on good authority that the value of the goods to be licensed will be restricted to £9,000,000 and that this will be spread over all classes of goods, including textiles.

Expressing its concern at the effects of this development on United Kingdom exports of cotton and rayon textiles to Australia, the Association says it is maintaining close touch with the Australian Association of British Manufacturers which has already made representations to the Department of Trade and Customs, Canberra.

In these representations the A.A.B.A. states: "It is felt that not only is this revised policy detrimental to United Kingdom trade with Australia but it appears to be a reversal of the policy of not granting import licences for goods of Japanese origin when similar goods are available from sterling sources."

Employment Returns

The changing pattern of activity in British industry is reflected in comparative figures of employment and job vacancies in the North-West now and 12 months ago.

While the numbers out of work have steadily declined, regional vacancies have risen substantially and the present labour requirement of over 40,000 is 10,000 higher than a year ago.

The most marked changes in the state of trade have taken place in the textile and clothing industries. In July, 1952, vacancies in all sections of the cotton and rayon industries aggregated little more than 1,000. With the disappearance of recession conditions, however, the demand for operatives to staff idle machines has rapidly increased and the labour requirement in the mills now exceeds 6,800.

As more firms contrive to expand evening shifts, the Ministry of Labour anticipate a further increase in the demand for workers. A similar recovery in the clothing industry has enlarged the manpower shortage from 3,800 to 6,050.—*All Rights Reserved.*

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1952-53 COTTON SEASON REVIEWED

COMFORTABLE SUPPLY POSITION: RESUMPTION OF HEDGE TRADING

THE Indian cotton year now drawing to a close with the approach of 31st August, 1953, will be remembered as a memorable season, for it witnessed not only fairly comfortable cotton supply conditions but also an increase in consumption. Indeed, the comfortable supply position in India is only a part of the encouraging trend in the sphere of world cotton supply. Both in India and the rest of the world, cotton has ceased to be the problem commodity it had been for several years past. The Indian cotton year 1952-53 is also notable for the resumption of forward trading in its commodity, which was suspended nearly four years ago when the price ceilings fixed by the Government became unworkable.

The production of cotton during the 1952-53 season has been variously estimated. The official estimate places it at 3,050,000 bales as against 3,133,000 bales in the 1951-52 season. The following table gives the official version of the quality-wise distribution of Indian cotton.

(In 000 bales)

	1952-53	1951-52
Bengals	421	426
Americans	293	257
Oomras	733	996
Broach	265	125
Surti	118	71
Dholleras	290	190
Others	930	1,068
Total ...	3,050	3,133

The table above should be read with some care, since it is at variance with the trade estimates, which usually place the output at a higher figure. The table is important only from the point of view of the quality-wise distribution of cotton. As a quantitative estimate, it is defective, since experience shows that trade estimates are much nearer the correct figure. These estimates place the 1952-53 crop at between 33.3 lakh bales and 38.2 lakh bales. Even the estimate, given by the cotton branch of the Textile Commissioner's Office, places the commercial crop at 3,460,000 bales. A well-known and leading cotton firm places the crop inclusive of the portion of the crop which goes into village consumption, at 3,630,000 bales. On the basis of this last mentioned figure, the supply and distribution of crop for the 1952-53 season is compared with that in the previous season in the following table:

(In 000 bales of 400 lbs. each)

	1952-53	1951-52
Supply		
Indian cotton—		
Trade and mill stocks on 31-8-1952	1,983	1,494*
Foreign cotton—		
Trade and mill stocks on 31-8-1952	505	325*
Estimated production (including village consumption)	3,630	3,893
Imports of foreign cotton	665	1,264
Total supply ..	6,753	6,976
Distribution		
Indian cotton—		
Estimated exports	345	197
Estimated mill consumption	5,525	5,947
Village consumption	270	270
Foreign cotton—		
Estimated mill consumption	850	1,084
Total disappearance ..	6,990	6,538
Estimated carry-over stocks on 31-8-1953—		
Indian cotton—		
Trade and mill stocks	1,445	1,953†
Foreign cotton—		
Trade and mill stocks	320	505†
Total distribution ..	8,753	8,996‡

* As on 31-8-1952.
† As on 31-8-1953.
‡ Includes an unexplained difference of 20,000 bales.

The comfortable supply position during the 1952-53 season must be attributed primarily to the large carry-over stocks which were brought into this season. Thus the season opened with nearly 24 lakh bales of cotton. In the previous season too, the supply position was comfortable. But such was due to the large crop, estimated at about 39 lakh bales, and large imports of over 12½ lakh bales. The carry-over stocks, which were brought into the 1951-52 season, were comparatively small at about 18 lakh bales. If the extra factory consumption of cotton, conventionally assumed at 2.7 lakh bales, were excluded, the total supply position in the 1952-53 season was somewhat smaller at 64.8 lakhs bales, as compared with 67.2 lakh bales in the 1951-52 season. Despite this, the comfortable position of cotton supplies was felt by the textile industry and the trade to a much greater extent than in the preceding season, in that prices tended to be lower. This was so because (a) in the world markets cotton prices had fallen appreciably, and (b) the cloth market developed buyers' resistance.

The cotton policy of the Government of India underwent a radical change in emphasis during the last two years. Both in the 1951-52 season and in the 1952-53 season, the aim has been to relax restrictions on trade. Although there is still some understandable reluctance to decontrol cotton completely, the Government has been alive to the altered conditions in the sphere of cotton supply. Towards the end of October, the Government announced its cotton policy for the 1952-53 season. Simultaneously it also gave permission for trading in the new crop (1952-53) cotton. Licensing of cotton dealers was retained, though the provisions relating to the eligibility for obtaining licences were considerably relaxed. In its new policy for the 1952-53 season, the Government incorporated its decision (announced earlier, in July 1952) to raise the floor prices of cotton by Rs. 55 per candy. It was also announced that no cotton would be considered superior to the basic quality unless its superior staple and class had been certified by the East India Cotton Association. Several varieties, such as 216F, 320F, Buri 394 and Laxmi of the Reserve Area were brought under price control, though Cambodia and Uganda cottons were allowed to remain outside the scope of cotton control.

Export Policy

In the 1951-52 season, the Government was criticised for the inordinate delay which occurred in announcing cotton export quotas; the first quota for the 1951-52 season was not announced before February, 1952. The Government was, however, more prompt in its export allotments during the 1952-53 season. As early as in October, 1952, the Government had announced export quotas covering a total quantity of 2,50,000 bales. This was besides the quota for 50,000 bales of Bengals given at the tag end of the 1951-52 season. Practically the whole of this quota was carried forward into the season under review, so that the total quantity of cotton available for export was 3,00,000 bales. The first export quota for the season, announced on 6th October, 1952, was for 1,00,000 bales of Bengal Deshi. This was followed by another announcement made on 23rd October, 1952, for an export quota of 1,50,000 bales, made up of Bengal Deshi and Mathias 50,000 bales. The Government also permitted, till June, 1953 (the date was later extended), free export of Assam/Comillas. Foreign demand for Indian cotton was not brisk, despite the early announcement of export policy. This was because the comparable varieties of Pakistan cotton were more attractively priced. In order to correct the competitive disadvantage of the Indian varieties, the Government announced, in the middle of November, the abolition of the export duty on Assam-Comilla cotton and reduction in the export duty on 'Bengal Deshi' cotton from Rs. 200 to Rs. 125 per bale of 400 lbs. In February, this year, the Government permitted the conversion of unutilised quotas of Mathias, Kalagins, Dholleras, C.I., C.P.I., C.P.II and Oomra Deshi cotton into Bengal Deshi to the extent of 50 per cent. of the unutilised quotas. Despite these conversions, the exporters have found it difficult to utilise the export quotas in their entirety. The Government has, therefore, extended the validity of export licences for raw cotton this season upto the end of September, 1953. Actual exports from Bombay to foreign countries, from the commencement of the season upto the 17th August have been returned at 326,637 bales as against 164,240 bales last year. These, of course, include the shipments made during the season against the commitments entered into in the previous season.

Imports of Cotton

Having learnt by the bitter experience of its import policy in the 1951-52 season when imports of cotton arrived in such large quantities and at such high prices that normal financial facilities were found pitifully inadequate to cope with the arrivals, the Government was more circumspect in its import policy in the 1952-53 season. The trade too was chary of importing more than what was strictly needed, because there were large stocks of high priced cotton imported in the preceding season which the mills were finding it difficult to consume. The Government decided, early in October, 1952, to issue licences for the import of a limited quantity (about two lakh bales) of the 1952-53 crop of American cotton stapling 1-1/16" and above to mills, and to importers, nominated by each mill, for the import of such cotton. In November, the Government permitted the trade to import five lakh bales of cotton of not less than 1-1/16" staple from both dollar and sterling areas upto 30th June, 1953. The period of validity for import licences for U.S.A. cotton has since been extended to 31st December, 1953. This quantity included the earlier quota of 2 lakh bales but was exclusive of the outstanding licences of the previous season for U.S. cotton. Importers were allowed, with effect from the beginning of the current year, to import East African cotton freely on their own within the overall restrictions fixed for non-dollar cotton. The Government has also permitted the trade to import freely, during the July-December, 1953 period, cotton stapling 1-1/16" and above from non-dollar areas. The restriction regarding the staple, it must be noted, has virtually ruled out the possibility of importing Pakistan and Brazilian cottons.

From the point of view of import trade in cotton, a notable event was the conclusion of the Indo-Egyptian Trade Agreement in May, 1953. Under this Agreement, India is expected to buy annually, among other articles, 100,000 bales of Egyptian cotton. A somewhat novel feature of the Agreement is that it stipulates that Egypt should accept for its cotton exports 60 per cent. of the value of export in sterling and the balance in Indian rupees. This condition is obviously intended to see that Egypt buys Indian goods at least to the extent of 40 per cent. of the value of its cotton exports.

Consumption

A feature of the mills' consumption of cotton during the season was the increase in the consumption of Indian cotton and the decline in that of foreign cotton. The mills consumed 2,944,881 bales of cotton during the eight months ended April 1953—this is the latest period for which figures are available—as against 2,641,291 bales in the corresponding period of 1951-52. The following table gives the consumption of cotton by mills in India during the eight months ended April, 1953:

(In 000 bales)

Month	Indian Cotton	Foreign Cotton	Total
1952			
September	269,730	89,340	359,070
October	284,539	74,062	358,601
November	315,017	65,779	380,796
December	338,459	60,086	398,565
1953			
January	323,768	65,887	389,655
February	281,509	63,670	345,179
March	288,450	66,926	355,376
April	283,519	74,140	357,659

The mills had as on 30th April, 1953, the latest date for which information is available, 1,565,980 bales of cotton, both foreign and Indian, as against 1,748,256 bales on the corresponding date in 1952. These stocks are sufficient to last the mills for about three months, on the assumption that the current rate of cloth production is maintained.

Cotton in Five-year Plan

In the final version of the Five-year Plan which was published in December, 1952, cotton has been assigned a prominent position. Among the commercial crops, for which targets have been set, cotton has received special attention. The Plan seeks to enlarge the area under cotton to 18·0 million acres before 1955-56 as against the 14.6 million acres in the basic year of the Plan, namely, 1950-51. Again, the target of production is set at 42.2 lakh bales, or an increase of about 12.5 lakh bales over the output in 1950-51. The Plan contemplates an expenditure of Rs. 3.5 crores during the period of the Plan in order to encourage the extension and improvement of the cultivation of cotton. The distribution of the overall target of 42.2 lakh bales among the different cotton-growing States is as follows, the figures in brackets representing the output of cotton in the respective States during 1950-51 (in 000 bales):

Assam 12 (12); Bihar 3 (3); Bombay 1,078 (803); Madhya Pradesh 680 (510); Madras 528 (348); Orissa 2 (2); Punjab 348 (196); Uttar Pradesh 85 (45); Hyderabad 460 (260); P.E.P.S.U. 255 (175); Rajasthan 164 (114); Madhya Bharat 311 (219); Mysore 41 (33), Saurashtra 222 (216); Bhopal 10 (4); Kutch 5 (4); other States 27 (27)—Total 4,229 (2,971).

The production of 42.29 lakh bales in 1955-56 should not prove an unworkable target, considering that the 1953-54 cotton crop itself is placed in the neighbourhood of 40 lakh bales. Much, however, will depend on the course of the weather and the trend of prices of cotton and of the alternative crops, such as groundnut.

Hedge Trading

By far the most outstanding feature of the 1952-53 season is the resumption of hedge trading under the auspices of the East India Cotton Association. In contrast to Pakistan and Egypt, where forward trading suffered a severe setback, India could successfully resume forward trading operations in cotton. With the improvement in the cotton supply position, the men in the trade became interested in the revival of hedge trading. In August, 1952, the East India Cotton Association worked out a scheme for futures trading in cotton, which underwent several modifications before it was finalised in November, 1952. The Government permitted the commencement of trading with effect from 12th December, 1952. The first contracts to receive the Government's sanction were I.C.C. February, 1953 and I.C.C. May, 1953.

The Egyptian Cabinet has, it is stated, approved a proposal for sending to India a "special mission" to study the possibility of widening the Indian market for Egyptian cotton. The study is being undertaken as a part of a nine-point trade expansion programme drawn up by the Egyptian Foreign Office and submitted to the Cabinet. The mission will comprise members of the Egyptian trade organisations, industrial unions and other experts. The outline of this programme has been embodied in a memorandum prepared by the Egyptian Foreign Office. According to this memorandum, Egypt plans to boost its world trade by bartering cotton for wheat and coal. The memorandum suggests that a sub-committee of representatives of the trade and of the Ministries of Finance, Foreign Affairs, Trade, Industry and Agriculture send commercial missions abroad to study economic conditions and keep in touch with commercial and industrial developments.

THE VULCAN INSURANCE COMPANY, LIMITED

FOREIGN BUSINESS HOUSES URGED TO HELP INDIAN INSURERS

MR. MANGALDAS B. MEHTA'S SPEECH

A FERVENT appeal to the foreign business houses to extend their patronage to Indian insurers was made by Mr. Mangaldas B. Mehta, Chairman of the Vulcan Insurance Company, Ltd., at the Thirty-third Annual General Meeting of the Company, held on Wednesday, 19th August, 1953, in Bombay. He hoped that non-Indian business interests would accept the suggestion, made recently by the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, to the effect that they should patronise Indian insurance, banking and shipping interests.

The following is a summary of Mr. Mehta's speech:

He felt that, on the whole, our country had turned the corner owing to stabilisation of the economy of our country, commodity prices having settled to reasonable level, increase in industrial production and considerable improvement in the food situation. The problem of unemployment, especially amongst the educated, was acute and he hoped Government would take all necessary and urgent steps in the matter.

Korean War

The Korean War having ended in armistice owing to the untiring efforts of our Prime Minister, he hoped it would achieve permanent peace, devoutly wished for, as a result of the impending political conference, and international tension would ease as a result of the conference of the Big Four to be held early, as suggested by Sir Winston Churchill.

He further said the recent conference between the two Prime Ministers of our country and Pakistan held out high hopes of improvement in Indo-Pak relations. By nature India and Pakistan are parts of one united whole and could develop their resources only after amicable settlement of outstanding differences so that commerce and trade between the two countries could be carried on to their mutual advantage.

The situation in Kashmir took a new turn by change in the Government and he hoped that the Kashmir dispute between India and Pakistan would be amicably settled at the conference between our Prime Minister and the Prime Minister of Pakistan.

Referring to his last year's speech on the taxation policy of the Governments of India and Bombay State, he said it was likely to retard progress and development of trade, commerce and industry, adversely affecting the working of indigenous insurance companies, and he was glad to note that the Government of India has appointed a Taxation Inquiry Commission under the chairmanship of Dr. John Matthai, which is empowered to examine the effects of the level of taxation on income and capital formation, and hoped the persistent demand of general insurance companies for allowing them to build up additional reserves will be satisfactorily dealt with as a result of the recommendations of this Commission.

Estate Duty Bill

Turning to the Estate Duty Bill now on the floor of Parliament, he pointed out some omissions and urged the Government to make provision for appeal to the High Court by an aggrieved person by the decision of the Commissioner in determining estate duty on questions of fact including valuation of properties or establish a Tribunal on the lines of the Income-tax Appellate Tribunal instead of appealing to the Central Board of Revenue which is the supreme authority under the Bill. Some of the provisions of the Estate Duty Bill were practically identical to those of the English Statute of 1894 as amended from time to time and while Government thought fit to embody in the Bill those provisions of the English Statute which are in their interest, they have not seen their way to give adequate protection to persons accountable for payment of estate duty in the matter of valuation of properties. It seemed Government forget the dicta of a famous Judge that not only justice must be done but the people affected by any law should feel that justice is being done. Another vital point which seemed to have been overlooked is that the State Governments under the Constitution are entitled to levy probate better known as succession duty, to any extent. In England, succession and legacy duty have been abolished. Since there is nothing to stop any State Government from levying probate or succession duty, the time may come when nothing would be left in the hands of accountable persons after payment of estate duty and probate or succession duty. Therefore, the Chairman humbly suggested either to withdraw the power of the States to levy probate or succession duty or in any event, allow the deduction of probate or succession duty payable to the States from the amount of estate duty payable to the Central Government. He humbly suggested the following amendments to the Bill: (a) The exemption limit in respect of moneys payable under one or more policies of insurance should be increased to Rs. 25,000 instead of Rs. 5,000. (b) The moneys payable under one or more policies of insurance effected by the deceased on his life, for the purpose of payment of estate duty or assigned to Government, should not be aggregated for determining the rate of estate duty. (c) The estate duty paid by the accountable person in a non-reciprocating country should be allowed to be deducted from the amount of estate duty payable under the Act. (d) The provisions of clause 30 of the Bill regarding quick succession of property should be more liberalised.

Appeal to Business Men

He fervently appealed to those Indian industrialists and business houses, who are still placing their insurances with foreign companies, to extend their patronage wholeheartedly by passing their entire insurance portfolio to Indian companies in order to enable them to play their legitimate role in strengthening the economy of our country. He was glad to note the observations of the Hon'ble Minister of Commerce before the Associated Chambers of Commerce to the effect that foreign business houses in India should extend their patronage to Indian insurance, banking and shipping and he hoped foreign business houses would accept the suggestion and place some part of the insurance business under their control with indigenous insurance companies. He also suggested that foreign insurance companies operating in India should be compelled to effect reinsurances of their general insurance to the extent of one-tenth of the total amount insured under each and every policy issued by them with Indian companies or with the Insurance Companies' Association pool and if necessary it should be made a condition precedent to the grant of certificate to foreign companies operating in India.

He then referred to the loose talk of nationalisation of Indian industries and insurance which is still in the air. It is true that industry may find private and institutional savings inadequate under our present taxation but Government ownership does not do anything to ease this deficiency nor can a Government ever acquire that vast mass of knowledge accumulated in the multifarious experience of its producing and trading citizens though this fact may be neglected by doctrinaires either through ignorance or well-meaning intellectual arrogance. Nationalisation of public utilities may be carried through without great harm but nationalisation of industries and insurance would be definitely hampering success in the task which it is vital to successfully accomplish.

Due to the Insurance Amendment Act of 1950, he was glad to observe, satisfactory results could be observed from the working of several Indian companies during the year 1952. Touching the Code of Conduct, he expressed the hope that with the co-operation of all insurance companies, large and small, a Code of Conduct will be evolved acceptable to all which will place Indian insurance on sound footing and eradicate the evils which have crept into the business of insurance in the past.

Results of Working

Coming to the working of the revenue accounts, the fire department revealed a profit of Rs. 5,49,137 which should be considered satisfactory.

The results of the accident department were not so satisfactory on account of impact of inflation seen most in the motor department entailing great increase in claims. Nevertheless, the department made some profit.

The results of the marine department show a fall in the premium mainly due to cut-throat competition in the rates. After providing reserve for unexpired risks at 100 per cent. of the premium income a sum of Rs. 41,877 has been transferred to profit and loss account.

The income from investments has shown satisfactory increase. After making due provision for depreciation, bad debts etc. a sum of Rs. 6,18,551 is transferred to profit and loss appropriation account subject to taxation.

A catastrophe reserve fund is created by transferring Rs. 2,00,000 for the purpose to meet unforeseen contingencies like earthquakes, cyclones, tornadoes, typhoons and other eventualities like the memorable Bombay Explosion of 1944.

The total premium income of all departments was Rs. 31,79,622 and the total reserves of all departments amounted to Rs. 28,09,968 which is about 89 per cent. of the total premium income, which it is hoped will be considered quite satisfactory.

The Directors' report and the audited revenue and profit and loss accounts were adopted, the retiring Directors were duly re-elected, a dividend at the rate of As. 12 per share free of income-tax was declared and the administrative staff were granted two months' salary as bonus.



SUGAR PRODUCTION IN INDIA

LATEST POSITION REVIEWED

THE current sugar season, that is, the year 1952-53, has practically come to a close and the next season is due to commence in a few weeks' time. It would, however, be premature, and even rash, to prophesy the trend of sugar production in the coming season. For one thing, such will be influenced by several factors, especially the price of sugarcane which is yet to be fixed. There is already speculation as to the policy the Government of India is likely to pursue in the ensuing season. Sugar prospects also depend on the supply and prices of its substitutes, *gur* and *khandsari*. As far as the current sugar season is concerned, the year has turned out to be none too happy. The production of sugar has failed to keep pace with the rate of increase in consumption, with the result that there has been scarcity of supplies in several centres and undue rise in prices. This has compelled the Government of India to import sugar.

The aggregate production of sugar during the current season amounted to 1,317,659 tons, which compares unfavourably with the record output of 1,485,486 tons in 1951-52, or a decline of 12.7 per cent. The following table indicates the State-wise trend of production during the 1952-53 season, as compared with that in the three preceding seasons.

(In thousand tons)

	1949-50	1950-51	1951-52	1952-53
Uttar Pradesh ..	508	592	834	679
Bihar	222	225	224	274
Bombay	111	122	158	137
Madras	59	91	99	81
Hyderabad	20	24	39	42
Mysore	17	2	37	28
Punjab	9	11	20	17
P.E.P.S.U.	2	9	28	14
W. Bengal	3	4	7	8
Madhya Bharat ..	11	9	18	8
Travancore-Cochin ..	2	4	4	4
Orissa	2	3	3	3
Rajasthan	3	2	7	1
Bhopal and Ajmer ..	5	4	4	*Nil*
Total ..	975	1,101	1,485	1,318

It will be seen from the above table, that except Bihar, Hyderabad and West Bengal, the other States have all witnessed a fall in production of sugar during the current season, as compared with the previous season. The fall in output has been due chiefly to the difficulty of mills in getting adequate supplies of sugarcane, thanks to the diversion of cane to the manufacture of *gur*, owing to the high prices fetched by that commodity. This increase in *gur* prices, in turn, is due, as is well known, to the increased demand for *gur* both for direct consumption and for the manufacture of illicit liquor. Another factor responsible for poor sugarcane supplies to factories has been the reduction in the crop itself. Thus, the aggregate yield of cane during 1952-53 is estimated at 50.35 million tons, as against 58.95 million tons in 1951-52.

Cane Consumption by Factories

That the sugar factories generally experienced shortage of cane supplies is borne out by lower consumption of cane by sugar factories. The quantity of cane actually crushed during the season under review amounted to 13.0 million tons, as against 15.5 million tons in the previous season, which represents a fall of over 16 per cent. Reduced cane supplies to the factories meant shorter crushing season for most of the factories. The all-India estimate of the number of working days for sugar factories during 1952-53 was 112, as against 133 in 1951-52. The number of factories with the working duration of season lasting for 140 days or over was only 19, as against 59 in the preceding season. The average duration of season in U.P., Bombay and Madras is estimated at 114 days, 117 days and 94 days, as against 148 days, 148 days and 151 days, respectively. In Bihar, however, the duration was longer at 118 days, as against 99 days. Only two factories were still crushing after 26th May, 1953; in the previous season, as many as 42 factories were found so working.

Out of 157 sugar factories in India, only 134 worked during the season under review; the number in the previous season was 139. The number of working factories in the major sugar-producing States, namely, Uttar Pradesh, and Bihar, was the same as in 1951-52. In Madras, one more factory was working while the number was less by one each in Bombay and Rajasthan and by two in Madhya Bharat. No factories worked in Bhopal and Ajmer.

Improvement in Sugar Recovery

The season under review, however, witnessed an improvement in the recovery percentage of sugar. While the quantity of cane crushed in the factories decreased by over 16 per cent., the sugar produced dropped by 12.7 per cent. only. Accordingly, the all-India figure for percentage recovery during the 1952-53 season was higher at 10.01, as against 9.57 in 1951-52. The table below gives the estimated figures for sugar recovery in the different States during 1952-53, as compared with 1951-52:

	1951-52	1952-53
Punjab	9.41	10.30
Uttar Pradesh	9.27	9.78
Bombay	11.08	11.69
Madras	8.62	9.39
Madhya Bharat	9.31	9.42
Rajasthan	8.50	9.72
Hyderabad	9.68	10.48
Travancore-Cochin	6.58	7.32
Bihar	10.32	10.10
W. Bengal	10.87	10.50
Orissa	9.02	8.80
P.E.P.S.U.	8.68	7.97
Mysore	11.61	11.37
All-India	9.57	10.01

The improvement in sugar recovery in most of the States, as noted above, should not induce one to conclude that the work connected with cane development has been quite satisfactory. For the reason for the higher recovery of sugar per cent. cane is to be attributed largely to the late start of the crushing operations when the sugar content of cane is generally higher. The recovery percentage in India, as is well known, is the lowest, *vis-a-vis* that in the other leading producers of sugar in the world. That it continues to be low clearly points to the need for according top-priority to the programme of intensive cultivation of sugarcane, for that is the only effective way of securing higher yield of quality cane.

Sugar Supplies

Despite the fall in sugar output, the total supply of sugar available during the current season is of the order of 1,779,000 tons, which is an increase of 79,000 tons, as compared with 1951-52. This is due to the huge stock of 461,000 tons brought in from the previous season. Out of the supplies, stocks with the mills as on 15th July, 1953, amounted to 623,689 tons. About 6,432 tons were exported. The balance of over 1,148,000 tons was the quantity despatched for consumption upto 15th July. Assuming that the rate of despatches have been and will be maintained during the subsequent months, the aggregate quantity of sugar released for consumption for the season as a whole may be estimated at more than 1.55 million tons. On this basis, the *per capita* consumption of sugar will be about 9.8 lbs., as against 7.3 lbs. in 1951-52 and 6.5 lbs. in 1952-53.

Since the rate of sugar consumption seems to have increased, the need for stepping up production of sugar in the coming season cannot be stressed too strongly. Such could be done by ensuring to the factories adequate supplies of cane, by controlling the competitive capacity of *gur* producers. For, without any control over *gur* and with prohibition providing a lucrative outlet for *gur*, namely, illicit liquor distillation, the price of this commodity will continue to rule high. So long as this state of affairs continues, the *gur* producer will be in a position to compete effectively with sugar factories for cane supplies by offering high prices for cane. The cupidity of the *gur* producer has already increased to such an extent that he is anxious to crush cane even before it is ripe for crushing. He is eager to get cane at any cost. At this rate, one need not be surprised if sugar production suffers a further fall in the ensuing season.

UTILISATION OF FUELS

U. N. REPORT

DETAILED and sustained study of the efficient use of solid fuel is of great importance. It is common knowledge that, during the period of fuel shortage, economy in the utilisation of fuel is essential. But, even in a period of abundance, its utility cannot be minimised, for it serves to reduce the cost of the article manufactured, in the production costs of which the cost of coal is a major item. Efficient use of fuel is of greater importance to countries in Asia and the Far East (excluding China), for they are either extremely deficient in fuel or do not possess any reserves at all. Efficient utilisation enables coal producers to cope more successfully with competitors from other sources of energy and this promotes stability of production both as to quality and to quantity. Efficient utilisation of fuel is, therefore, in the interest of producers and consumers alike. In this connection, the report, just made available, by the U.N. Economic Commission for Europe, on the results achieved by certain European countries in the field of efficient utilisation of fuel, will be read with interest.

The report, entitled *Results Achieved by Certain European Countries in the field of Fuel Advisory Services and Technical Training* gives an analysis of the activities in the field of promoting efficient utilisation of fuel in Belgium, Denmark, the Netherlands, Poland, Sweden and the U.K., prepared by the Sub-Committee on Economic and Technical Problems. It also gives the recommendations of the Coal Committee which examined the report of the Sub-Committee at its 25th Session held on 29th August, 1952, to promote greater fuel efficiency.

Results Not Satisfactory

The report discloses that, although most of the countries are conscious of the need to promote greater efficiency of fuel, the efforts towards its realisation are not satisfactory. It is true that fuel advisory services, private or/and public, exist in almost every country. But the advisory services of private organisation are, in general, framed to supervise the observance of safety regulations governing thermal plants. It is only incidentally that they have come to deal with the thermal efficiency of plants and the training of boiler staff. It is, however, gratifying to note that many countries are endeavouring, at present, to extend the activities of private organisations, which are promoting efficient use of fuel, in the absence of compulsory thermal control. The functions of the official advisory service organisations are identical with those of private organisations, but they are often made responsible for co-ordinating and directing the private organisations' activities, even in the absence of compulsory thermal control, as in the case of the U.K. and West Germany. France and Italy have introduced compulsory thermal control for all plants with a capacity equal to a certain minimum figure.

The significance of training of boiler staff is recognised in all countries in Europe, but they do not all employ the same means to ensure it. In Italy, for example, it is stated that each boiler house is to be placed under the supervision of a certified stoker by law and that the trade of stokers has received an official code, which is not the case in other countries. The courses in training of boiler staff are usually arranged by specialised private or public organisations or institutions, but the results of the training provided are not always satisfactory. The courses are generally of three kinds: (a) technical training courses for newly engaged or unexperienced staff; (b) practical lessons in firing to fill gaps in training or to initiate staff into new methods of firing; and (c) advanced training courses. For training of thermal engineers, separate courses are usually arranged in technical schools or specialised training institutions. Some countries have taken steps in the direction of arranging a special course on the use, construction and maintenance of measuring and control instruments.

After a consideration of the report at its 25th Session held on 29th August, 1952, the Coal Committee recommended a number of measures designed to promote more efficient use of fuels. They are:

(1) It is desirable to create, as early as possible, fuel advisory services enjoying the support of Government authorities, where they do not exist. They should serve all types of consumers;

(2) thermal centres primarily designed to solve particular thermal problems should be established. They should advise manufacturers in regard to improvement of their plants and more efficient utilisation of the plants; and

(3) certain special measures such as a stamp showing that the apparatus has passed the official

(*Continued on page 423*)

PROBLEMS OF SOUTH INDIAN PLANTATION INDUSTRY

NO REASON FOR UNDUE PESSIMISM

THE Governor of Madras, Mr. Sri Prakasa, declared open on Monday, the 24th instant, at "Glenview," Coonoor, the Diamond Jubilee Conference of the United Planters' Association of Southern India, before a large and distinguished gathering of planters and Government officials.

Addressing the Conference, Col. G. A. R. Spain, the President of the Association, recalled the names of those who, sixty years ago, took a prominent part in laying the foundations of the Association. He also referred to the recent publication of a valuable history of the Association as a souvenir marking the Diamond Jubilee.

Looking back over the past year, Col. Spain said, one could not but see that the plantation industry, and more particularly the tea industry, had been under heavy fire for most of the time. He could see no reason, however, to paint a gloomy picture of the industry, just because Government or certain people in it thought it necessary "to push us around a little bit in order to make us, as they put it, to 'behave ourselves,' and co-operate with them in certain schemes and ideals which we, or many of us, rightly or wrongly do not consider to be entirely in the best interests of the industry or the country." Continuing, Col. Spain said:

"I feel that, perhaps, as an industry, we tend to look on every action of Government which concerns us as suspect without giving due consideration to the motives which actuate it. Some of us are at times, perhaps, prone to overlook the interests of the Republic as a whole in giving consideration to our own local industrial interests. I cannot believe that any reasonable man, be he realist or un-realist, would wish to see this great industry, the largest, or second largest, dollar earner in the country, damaged or in any way deterred from carrying on its efficient and thoroughly organised affairs for the benefit of the country. The Republic is young and its leaders are, to some extent, idealists whose ideals are, perhaps at times, liable to over-ride their economic knowledge. It is this attitude which I feel needs counteracting at high levels in Delhi and elsewhere by some form of representation which we are even now endeavouring to set up and which, if evolved, would, we trust, be of as much assistance to Government as it would be to ourselves. I can only hope that, if and when we are able to organise this representation, Government officials and other leaders at high level will give consideration to its presence and obtain its views from time to time."

Outlook Better

Proceeding, Col. Spain said:

"It has usually been the practice in these presidential addresses to stress all the troubles and difficulties of the industry. Perhaps, this is necessary and desirable. I would, however, for a change, look on the bright side of the picture and try and think that the future is a little more hopeful than some of us may consider it to be. Last year, at this time, so far as tea was concerned, the fear of a slump hung heavy over us. Prices were down in many cases to a low which left little, if any, hope of profit. Estates were closing down for economic reasons and the pessimists among us pictured the end. To-day, prices have improved to an extent which makes it possible for us to carry on with reasonable hope of profits in most cases. We should be happy about it, though certainly not complacent. No industry can, I agree, afford to be complacent or over-optimistic about the future, but there is no reason why that should be translated into undue pessimism."

Referring to the Rajaram Rao Report on Tea, Col. Spain said that, whilst it was in a way disappointing to planters, and probably to Government also, he did not think there was anything seriously unreasonable in it. The Report had recommended the deferred payment of excise duty, exemption from advance payment of income-tax, and contained a proposal that the Plantation Labour Act should not be implemented for the present. It was, on the whole, a non-committal report which pleased no one. On the other hand, there was little, if anything, objectionable in it from the industry's point of view. Alluding to labour legislation, Col. Spain remarked:

"The Factories' Act, the Maternity Benefit Act and such legislation all brought their crops of protests when they were implemented. The arrival of Labour Unions was considered by some to be the death-knell of the industry. Such legislation is progressive and essential in a democratic world and it seems to me that, unless you want Autocracy or Communism, it has got to be accepted and accepted with a smile. At the same time, we should guide it, so that idealism will not run away with economic development and smother it. This does not mean that we must sit by meekly and offer no criticism and voice no protest if we are faced with proposals which we consider will endanger our industry or which impose unequal sacrifice upon or unfair restrictions on the right of private enterprise to a fair return for its contribution to the material well-being. How we are to make such protests or representations most effectively in the future is one of the problems which have been exercising our minds in recent months."

Commenting on the recent legislation affecting tea, coffee and rubber, Col. Spain said that the Tea Act of 1953 contained many sweeping provisions and he hoped that it would be implemented with intelligence, sympathy and restraint. "We are assured by the Minister who piloted the Bill that this will be so, so long as 'we behave ourselves'." The Act has, of course, been drawn up with the idea of assisting and not hampering the industry. As I have said before, no one can possibly wish to disrupt the second biggest dollar-earner in the country."

As regards the Coffee and Rubber Bills, Col. Spain said that it was likely that these would come up during the present session of Parliament but that these interests were now fully alerted to the necessity for getting their view-points represented at Delhi before the Bills took final shape.

No Vested Interests

Continuing, Col. Spain said: "There still seems to be an opinion obtaining at high levels that this industry is all big business and predominantly foreign business. What appears to be forgotten is that this industry, in the South at any rate, is not controlled by so-called vested interests at all and least of all by foreign interests. Sterling companies in the South represent just under 20 per cent. of the total plantation acreage. Rupee companies represent a little more than 26 per cent. but less than 2 per cent. is under the control of U.K. or non-Indian citizens. The small Indian grower and owner planter account for 49 per cent. of the total plantation area. Small non-Indian proprietors, like myself, own 4½ per cent. We are not and do not feel foreigners as legally foreigners; we have most of us spent the majority of our lives and earnings in this country. It should be realised that the U.P.A.S.I. represents these small men's views as much or more than those of the big companies: that on all Committees and Councils of the U.P.A.S.I., representatives of the small men are present."

Coffee Industry's Problems

Addressing the Annual General Meeting of the U.P.A.S.I. Coffee Section on Saturday, 29th August, 1953, the Chairman, Mr. W. W. Kilgour, referred to the fact that the Association represented the interests of the 34,000 coffee growers of India. Of this number, 33,000 have each only 25 acres or less, while those owning 200 acres or more are only 300 in number.

After tracing the history of the coffee industry since the seventeenth century, Mr. Kilgour stated that the highlights of progress during the last ten years under the Indian Coffee Market Expansion Act of 1942 were: Increase in coffee acreage—30 per cent.; increase in coffee production —48 per cent.; increase in workers employed—67 per cent. and increase in Indian consumption—about 100 per cent. Central excise duty was first levied in 1944 and since then Government's revenues have benefited to the extent of about Rs. 67 crores. In December, 1952, the Central Government notified the Coffee Market Expansion (Amendment) Bill and this was introduced without prior consultation with the Indian Coffee Board or the industry itself.

"I have tried to show," Mr. Kilgour continued, "what has been achieved, what is being done and what is planned under the 1952 Act and we must now put the question, "Will the new Act serve the needs of the industry and the country as well as the old one?" He was sure that the answer to this question would be an emphatic "No." The industry had now appealed to the Government to give up the proposal to do away with elected representatives on the Coffee Board. "We submit that the elected representatives, who incidentally have always been a minority, have been the backbone of the Board and that the progress and stability which the Board has been able to give to the coffee industry has been largely due to the initiative, experience and time which these elected members have been able to devote to the good of the industry. Much of the technical and agricultural research carried on has been possible, because recognised leaders of the industry have been associated with the Board." Mr. Kilgour also criticised the proposal to eliminate consultation between Government and the Board on points of major importance. He hoped that the Coffee Market Expansion (Amendment) Bill of 1952 would be referred to a Select Committee and that this Committee, conscious of the importance of their task, would give a fair and patient hearing to their representations.

Proceeding, Mr. Kilgour appealed to the Central Government to arrange for an immediate enquiry into the coffee industry by the Tariff Commission, such an enquiry to embrace the past history and the possibility of its future development, as well as the present actual costs.

Tea Section

Mr. J. B. Soutar, Chairman, Tea Section, U.P.A.S.I., addressing the members of the section at its seventeenth annual general meeting held at Coonoor on the 29th inst., emphasised the need for devoting more thought to the problem of creating a more favourable climate for the presentation of the tea industry's view when such became necessary. He considered that it was difficult to find a satisfactory solution to this problem but felt that a solution must be found. He hoped that the organisation to be set up under the Tea Bill would provide for a proper appreciation of the industry's point of view.

Although the Tea Section of the U.P.A.S.I. had failed to get the terms of the Tea Bill amended to the extent desired by it, Mr. Soutar thought that the measure need not be regarded as a penal one. He saw no harm in Government having potential powers of control over a wide range of activities of the industry, for the proper conduct of the industry was essential to the interests of the country and the Government could not afford to be without powers of control. But he said:

"What is all-important is that that power should be used in a properly informed and well directed manner, and, that is where we must obtain the confidence of Government in the *bona fides* of the representations which we make on any point of issue. In this we have a heavy responsibility, in that we must put it over that any case which we, as employers, have to make will be presented into account a larger context than that of our own immediate interests."

Commenting on the precarious state of affairs in respect of marketing of South Indian tea in the country, Mr. Soutar observed:

"The local market for tea is not expanding as it should. We have let our friends in coffee steal a tremendous march on us, as far as the popularisation of the sale of our product in India is concerned. The present position is that we are selling our teas in India at or below the cost of production, and there is no doubt that, if a large measure of self restraint was not exercised by the bigger interests in throwing away tea of below a certain standard, tea would become a glut on the local market, and very considerable losses would be sustained on account of all our local sales. I am no advocate on the principle of the policy of restriction, which is at best a negative approach. The solution to our problem is to advertise our wares, and here the Central Tea Board carries a heavy responsibility which, with all respect, I submit, it is not fulfilling in South India."

Mr. Soutar, therefore, urged that the planters must do all in their power to impress on the Board the urgent necessity of getting the organisation which it had built up to work on behalf of South Indian tea too. He pointed out that he knew nothing of the efforts which the Tea Board was making in North India. But the fact was that transport facilities made it impossible for selling South Indian tea in Northern India and felt that South Indian tea should have a live campaign of advertising to sell the tea in its own area.

In the absence of an expanding market there was need, Mr. Soutar said, for taking other measures. As the industry was opposed to any scheme of quantitative restrictions, it had asked its members to set to themselves a certain standard of quality below which they would not sell tea in India. This scheme was a vital one.

As far as the export markets were concerned, Mr. Soutar thought that most planters entertained a certain amount of cautious optimism. In this connection, he observed:

"Prices are such as to enable us to obtain a reasonable return for the tea we sell, and long may that happy state of affairs continue. We do not want booms, and we had sufficient experience of slump conditions last year to last us for a very long time. I have read the opinion stated that we raised far too much fuss over the slump, that it should have been treated merely as a temporary recession, and so on. With this opinion, I most emphatically disagree."

Continuing, he said that they could not have afforded to carry on much longer, had those poor prices persisted in the face of labour changes forming a very high proportion of the production costs, coupled with higher export and excise duties. The attitude of the Government appeared to be that it was not prepared to do anything until it was proved by companies going into liquidation that slump conditions existed. In this connection, he said that the industry which tried to represent to the Government the seriousness of the case was acting in all good faith.

TRANSPORT OF COMMODITIES BY RAILWAYS

NEW PROCEDURE ANNOUNCED

THE new procedure devised by the Railway Board for securing, among other things, steady movement of traffic hitherto classified as non-preferential, is welcome. The procedure, which came into effect on the 17th August, 1953, provides for daily or weekly quotas of wagons for transport of non-preferential traffic with a view to ensuring an equitable distribution of the available rail transport capacity among the goods belonging to this class of traffic. Quotas which have been prescribed for a large number of individual commodities vary in size from one railway zone to another. This is because they have been fixed on the basis of the economic needs of the areas concerned. A gratifying feature of the new procedure is its flexibility, which gives discretion to the railways to subdivide the commodity quotas according to districts, divisions or regions as they deem equitable. From time to time, the railways also may ask the Railway Board for revision of any commodity quota.

Under the procedure, which was in force prior to 17th August, 1953, there were the preferential traffic categories and all goods not falling within these were treated as non-preferential traffic. The present procedure has abolished non-preferential traffic and regrouped all traffic under five categories, namely, 'A', 'B', 'C', 'D' and 'E'. The first four of these categories include some of the former ten preferential traffic categories, while all other traffic has been grouped under the fifth category 'E'.

The alphabetical order indicates relative priorities. Thus, top priority is given to defence needs covering category 'A'. Then comes category 'B' covering only foodgrains moved on Government account on a programmed basis. This is followed by category 'C', which covers Government-sponsored sugar movement. Other items included in this category are coal, salt, traffic in connection with anti-locust campaigns, traffic sponsored by the Central or State Governments, military traffic not included in category 'A' and Railway and Posts and Telegraphs Department stores. Category 'D,' the next in order, covers movement of raw materials to and finished products from the textile, cement and iron and steel industries, perishable traffic, livestock, traffic for movement over the Assam Rail Link route and via Sakrigali-Manihari, Bhagalpur and Mokameh transhipments and other traffic which may be accorded preferential treatment, under special *ad hoc* orders issued by the Railway Board. Category 'E', the last in the list of priorities, covers the remaining items of traffic. Rail transport for traffic of this category will be provided after the requirements of the first four categories have been met in full. It is made clear that all programmed traffic in the first four categories on Government or other account will have to receive prior approval of individual railways or the Railway Board. The Railway Board may also fix quotas for certain special types of traffic.

Wagon Position

While the new procedure assures steady movement of traffic according to priorities, it does not, however, increase the volume of traffic handled. That depends mainly on the number of additional wagons that will be available from time to time. Even in this regard, the railways have been making encouraging progress. The wagon procurement during the first two years of the Five-year Plan period was 73 per cent. higher than the normal replacement required. In the second year of the Plan nearly three times as many wagons went on line as during the first year. Throughout the first two years of the Five-year Plan, the Indian railways managed to put on the line, on an average, one new goods wagon every hour to replenish their severely overworked wagon fleet. This happened day and night, including Sundays and holidays. It is stated that about 5,000 wagons constituted the average normal annual replacement requirements during 1951-52 and 1952-53. But, as against this, as many as 17,336 wagons were put on the line during the period under relew. The number of wagons, put on line, would have been higher had all the 21,792 wagons ordered for delivery during the two-year period ended 1952-53 been received, the actual receipts were only 17,366 wagons.

Incidentally, it may be noted that every week during the two-year period 1951-52 and 1952-53, 16 new passenger coaches, on an average, were placed in service to help reduce overcrowding. New passenger coaches placed on service were 28 per cent. higher than normal average replacement requirements. Thus as against normal replacement of 650 new passenger coaches per annum, the number of coaches put on the line aggregated 1,666 during the two years ended March, 1952. But actual orders placed by the Railway Board, as in the case of wagons, were larger. For 1951-52, for instance, 1,002 coaches were ordered. But only 771 were supplied in time to be put in service. For the following year, 14,000 coaches were ordered, but only 895 were delivered in time.

The new wagons and coaches, which were actually put into use during 1951-52 and 1952-53, cost the railways Rs. 40 crores. The expenditure in 1952-53 was Rs. 25.6 crores, as against Rs. 14.33 crores in 1951-52, an increase of 79 per cent. This new rolling stock represented both the entire manufacturing capacity within the country and imports permitted by available financial resources. Although most of this new stock was acquired on replacement account, a large number of the theoretically replaced and over-aged coaches and wagons have had to be retained in service to deal with the high levels of traffic, even though these were neither economical nor capable of giving normal performance. The same position continues even to-day.

It is understood that the local capacity of the indigenous manufacture was used only upto 50 per cent., owing to lack of plates, etc., and the high price of imported plates. It is high time that the indigenous manufacture of plates is stimulated so as to cope with demand. The imported plates, according to the concerned interests, should be made available to wagon manufacturers at the same prices as that of the Indian plates, the difference between the price of imported plates and that of the locally manufactured plates being met from the Steel Equalisation Fund. It is also held that the Tata Iron and Steel Company should be encouraged, and helped if necessary, to increase its production of wheels and axles. Meanwhile, we are told the wagon manufacturers are reluctant to engage additional labour to work on extra shift for fear of difficulties in retrenching them subsequently when their services are not wanted. This position could be relieved, it is stated, provided the Government were to guarantee the manufacturers orders for wagons sufficient to work an extra shift for a period of ten years.

MINERAL PRODUCTION IN INDIA

The aggregate value of minerals, excluding petroleum, produced in India during 1950 was Rs. 83 crores, as against Rs. 74 crores in the previous year, according to *The Mineral Production of the Indian Union During the Year* 1950, just published by the Geological Survey of India. The large increase in the total value was mainly accounted for by mica, manganese ore, gold and building materials, of which the first two commanded a good export market. The total value of metals obtained from ores in 1950 was Rs. 45.7 crores, as against Rs. 45.8 crores in the previous year. Some of the minerals, such as ilmenite, kyanite, mica, rutile and sillimanite are hardly used in India and are almost wholly exported, while some others like apatite, asbestos, china-clay, coal, copper ore, felspar, gold, graphite, gypsum, iron ore, lead ore, ochre and salt are almost entirely consumed in India. In between these two groups, there are certain minerals like bauxite, barytes, chromite, magnesite, saltpetre, steatite which are partly exported and partly utilised in India.

The total number of persons employed daily in 1950 in raising those minerals was 544,073, as compared with 518,952 in the previous year. About 96 per cent. of the total labour were employed in the mining of coal, mica, manganese ore, gold, iron ore and in the manufacture of salt. The total number of mineral concessions granted in 1950 was 655, of which 169 were prospecting licences, 358 were mining leases and 128 quarry leases. The total number of concessions terminated during the year was 95.

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ACCOUNTING SYSTEM FOR RIVER VALLEY PROJECTS

Answering an interpellation in the House of the People, Mr. C. D. Deshmukh, Finance Minister, said the other day that the advice of the Comptroller and Auditor-General had been sought on the question of modification in the system of accounting for river valley projects and his advice was awaited. There was a wholetime Financial Adviser attached to the D.V.C., who was nominated by the Central Government, he added. Referring to the Hirakud Project, the Finance Minister said that the financial advice, which normally would have had to be given by the Ministry of Finance at headquarters, was now being tendered locally by a Joint Secretary of the Ministry, when he attended meetings of the Hirakud Central Board. Safeguards, however, were constantly being taken to avoid recurrence of mistakes which occurred in the past. Proceeding, he averred that the Rao Committee had made recommendations regarding the powers and status of the Financial Adviser to the D.V.C. and the Government had not yet arrived at any decision on the report. The Public Accounts Committee had recommended the separation of the post of Financial Adviser from the Chief Accounts Officer some time in March last. That recommendation had been accepted in principle by the Government. The Comptroller and Auditor-General had visited the Hirakud Project and made an on-the-spot study. The Government was awaiting his report. In regard to the separation of the office of the Financial Adviser from that of Accounts, details were being worked out in consultation with the Comptroller and Auditor-General.

MANUFACTURE OF RADIOS

The possibility of establishing co-operation between the Radio and Electrical Manufacturing Co., Ltd. (Remco) and the contemplated Bharat Electronics Factory at Bangalore is being explored. Remco has been successfully manufacturing radios and radio components with the assistance of the International General Electric Company of New York, and, house service watt-hour meters, in collaboration with the Tokyo Shibaura Electric Co., Ltd. It is also manufacturing extruded plastic wires, power cables and high-frequency and microphone cables. It is urged that Remco, by virtue of its being practically a Government concern, should be treated as a nucleus for the proposed electronics factory, in view of its having the necessary plant and equipment, technical personnel and experience of radio manufacture over the last five years. Failing this, it is suggested, the capacity of Remco should be fully utilised, in the interest of the nation, so as to avoid duplication of manufacture.

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EARTH-MOVING EQUIPMENT FOR INDIA

A British firm has received a contract from the United States Government's General Services Administration in Washington for the supply of earth-moving equipment to India. The contract, which covers the supply of 16 heavy-duty diesel motor graders and spare parts for them, is valued at approximately £60,000, for which payment will be made in dollars. The equipment has been ordered by the General Services Administration against requirements by the Government of India under the Indo-U.S. Technical Co-operation Agreements, and is intended for use on such civil projects as roads and airfields in India. This contract has been secured by the British firm against the keenest competition from American manufacturers, and shipment is expected to be completed within three months.

Reports from Patna disclose that a high level conference will be held in New Delhi to consider the findings of experts who are at present carrying on any investigation in the Kosi area with regard to the feasibility of erecting a permanent detention dam at Belka. The estimated cost of the dam has risen from Rs. 28 crores to Rs. 48 crores. There seems to be no difference of opinion among experts regarding the construction of Kosi barrage, which can be taken up independently of the dam.

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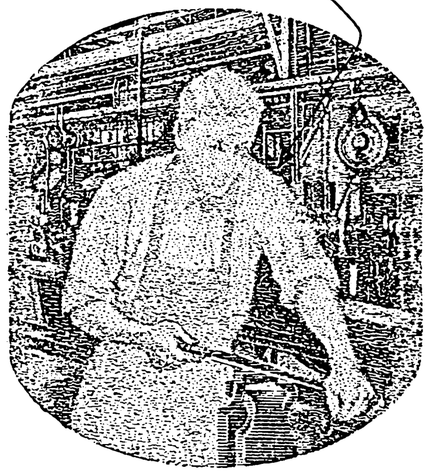

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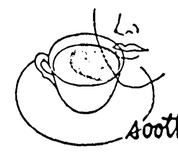

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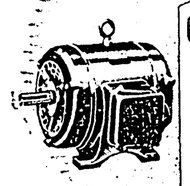

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INCREASE IN MOTOR INSURERS' LOSS RATIOS

REDUCING REPAIR COSTS OF DAMAGED VEHICLES

IT is the sad experience of general insurers, both in this country and abroad, that their motor department has begun to record a larger loss ratio in recent years. In the West, this is attributed to the inexperience of some drivers who have been too hastily trained during the war, and the spirit of adventure gained during the period of active service. By and large, the increase in loss ratio must, however, be put down to the higher repair costs rather than to the frequency of accidents, as such. So far as India is concerned, the problem is far more complicated by reason of the additional handicap imposed by the nationalisation of road transport in certain important centres, for it has deprived the insurers of a source of premium income. But the basic problem remains the same—the problem of the high cost of *effecting repairs to damaged vehicles.*

The problem of this high loss ratio cannot, therefore, be solved, unless means are found to bring down the cost of repairs. Having failed to find an effective solution to the problem, the insurers took recourse to the only alternative that seemed feasible to them, namely, to increase the comprehensive premium rates with effect from the beginning of the year. Maybe, it is uncharitable to call it a counsel of despair, for it has been done in many other countries of the world. But the insurers will themselves readily admit that it is not a very happy solution of the problem. It is not an effective solution either, for the repair bills for damaged insured vehicles, which the insurers are called upon to pay, continue to increase. The whole problem is now agitating the minds of insurers. For, there are very few insurers indeed who are fortunate in their claims experience. And, even they will welcome any attempt to resolve the problem of repair costs. In this connection, it is interesting to note that Mr. V. Gopalan, Manager of the Prithvi Insurance Company, Ltd., Madras, has very ably analysed, in the course of a note addressed to us, the implications of the repair costs. Although he does not certainly aim at a ready-made solution capable of automatic and easy application, his conclusions do point to the lines on which a satisfactory solution can be found. Such a solution lies, according to him, in fruitful co-operation between repairers and insurers.

General insurers are, as Mr. Gopalan says in effect, in a very unenviable position. They pay the motor trade quite a substantial amount in respect of repair works; but enjoy no preference. There is no authority anywhere to which any customer of the motor trade can turn in the event of a suspected excessive charge being made against him for work completed. If the victim is the motor owner, there is, at least, this remedy, that he may decide not to go to the same workshop again; but the insurance companies cannot possibly do that, since, at some time or other, they may have to seek the same workshop. Mr. Gopalan, therefore, argues that if there were close co-operation between the motor trade and insurance interests, there would be no need for offices to employ independent surveyors to assess damages. He adds:

"The practical difficulty with regard to the surveyor is that he must be an independent auto engineer, who should not be interested in any workshop. When it is the case that no two insurance executives can agree on the acquisition cost of insurance business, it is too much to expect of two engineers to agree as to how much a repair could cost. Further, by employment of an intermediary between the insurance company and the automobile trade and, perhaps, the insured, we shall only be adding to our troubles. In some cases, in a particular place, where there may be only one workshop, capable of doing that job, it is certain that the surveyor may be compelled, at one time or other, to give up insurance survey work. He will be lucky if he does not get a stigma on his honesty."

Some repairers are encouraged to quote high rates, because the owner of the vehicle *knows that they alone are capable of putting* the car back into a roadworthy condition. The insurer cannot always remove the damaged car from one repairer, who quotes excessive rates, to another, who may quote more moderate rates, because he may thereby lose his reputation with the public and with the repairer who loses the business. Even the repairer, who gains the new business, may not entertain a high regard for the company, for he thinks that, if some other repairer would only quote a little less, the company would not hesitate to deflect its business to him.

Insurers do certainly scrutinise repair bills and demand reduction, whenever they find that the bills err on the high side. This is not done because they "grumble" when claims arise. In fact, they owe it to themselves and the insured public to do that. Legitimate and genuine claims, as Mr. Gopalan points out, are settled without question. There are also reasonable workshops who "are prepared to rectify mistakes or overcharge and offer a reduction." He adds:

"It is likely that, due to the depression in the sale of new cars, attempts are made to make up for such loss of income in the repair section. If this is so, it would be better achieved by moderate rates and larger number of jobs. The motor trade, if it desires, could successfully resist any attempt on the part of the owner to make them charge excessively on work done on accident damage, that is, to include charges on non-accident repairs. One is staggered at the phraseology used while perusing an estimate of a repair bill. (Perhaps the automobile trade or the public will have the same opinion about an insurance policy.) Sometimes, it happens that a single item detailing various work done runs into a large amount. A request for a review of that item generally used to result in a reduction. This position has been negatived now by the adoption by most of the repairers of the system of splitting up one item under various heads with separate charges."

Mr. Gopalan makes at least three concrete suggestions which, when implemented, will make the insurers' position more comfortable than now. In the first place, he wants the automobile trade to publish their repair cost rates. He asks why they should not be published, considering that the insurers, on their part, make no secret of their premium tables or of their obligations. The insurers, as he says, have a right to "expect at least a guidance table of normal rates charged by workshops." Secondly, there are certain items of work, such as repainting a car, in which the automobile trade could show "substantial reduction" in their bills. Thirdly, the automobile trade can assist the insurers by offering technical advice on the damaged parts of the vehicle, that is, on such questions as whether the damage was caused by accident or by any neglect by the owner. They could also give the insurers facilities, such as trade discount, which would enable them to cut down their low rates. On this aspect of the insurers' problem, Mr. Gopalan says:

"If a vehicle of a particular make is entrusted with a repairer other than the dealer of that make, the problem of obtaining spare parts becomes difficult. This is particularly noticeable in Madras mofussil. The availability however, of non-genuine parts of almost all makes solves the problem to some extent. But the difficulty arises when the owner insists on genuine parts to which, of course, he is entitled. It should be reasonably expected that a vehicle, in the event of an accident, will be required to be put in the same condition as it was at the time of the accident. But the insurance company always is made to pay the full value for the new part irrespective of the fact that the damaged parts have been worn out. *The contention that, but for the accident, the replacement* of the part will not be necessary may be true. The motor trade alone is competent to say whether or not a particular part, which has to be replaced on account of the accident, had still life left in it sufficiently long so as not to warrant replacement and the replacement is necessary only on account of the accident. They could offer a solution by a recommendation in the estimate that the replacement of a particular part is necessary on account of the accident or otherwise and on whether any portion of the cost is to be recovered from the owner. I am glad to say some repairers render this assistance also to companies.

"Insurance companies attract a higher scale of repair cost than is charged to individual owners. As compared to bills on uninsured repair jobs and insured repair jobs, the latter is definitely more. The insurance company enjoys, at the hands of some repairers, a discount of 10 per cent. of labour charges of repair bills. Their bills are subjected to a sizable increase and then suffers a cut of 10 per cent. In the matter of spare parts also, we suffer a disadvantage. A trade discount is given to a dealer for spare parts. As far as the trade is concerned a sale is a sale whether it is to a dealer or sent to their repair department for repair work. It is but fair that this discount should be allowed to insurance companies also. Even if they were to buy a part from another dealer, the discount earned by them on that purchase should be passed on to the insurance company, since even the wages of the worker getting the part from another dealer are charged to the repair job. There is also greater check regarding the rates of spare parts inasmuch as there exists a spare parts price list for every make and any unreasonable charge could always be brought to the notice of the manufacturer."

It should be clear that the implementation of the above suggestions presupposes mutual understanding between the insurers and the motor trade. Both these parties are vitally concerned in the matter of repair cost; the honest repairer is concerned in getting regular customers, and all insurers, in prompt settlement of the claims to the satisfaction of the claimants. It is, therefore, to be hoped that efforts will be made to arrive at such understanding. Any failure to tackle the problem of the high cost of repairs would lead to a further increase in premium rates, which would be unwise. Or, it might lead, as Mr. Gopalan rightly warns, to a "very severe and stricter selection of risks" which will result in "loss and inconvenience" to all the interests concerned.



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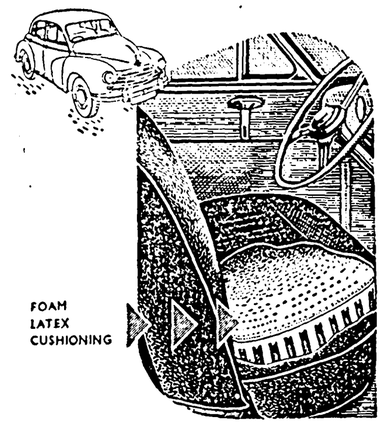

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NEW CONCEPTS OF FULL EMPLOYMENT

AN INTEGRATED APPROACH REQUIRED

(Contributed)

THE problem of unemployment, which like the poor has always been with us, has recently hit the headlines. Many solutions are offered, but nearly all are intensification of what has been tried before, without success. That such unemployment should coincide with the Five-year Plan and Community Projects, which aim at increasing employment and production, is an interrogation on the ideas and methods inherited from the past which are the basis of our planning. The fact is that, by a lazy habit of the mind, ideas basic to foreign rule are applied as axioms in the entirely new context of independence and democracy. In economics, the circumstances, physical and psychological, of the country are the only reliable premises for realistic conclusions. Unfortunately, our economic theories belong to foreign contexts, of highly industrialised and generally rationalised people. Most of our economic concepts, therefore, are unreal and fallacious. Not till our economics becomes a science of using our own resources, for our objectives, in our own way, is there hope of changing the present climate of depression and unemployment. A beginning may be made by examining fallacious concepts.

On the concept of employment, there is not only ignorance but also neglect. Employment is conventionally divided into three sectors, primary, industrial and tertiary. The figures (*Eastern Economist*) of income from these sectors are as below:

(In million rupees)

	1948-49	1949-50	1950-51	1951-52
Income from agriculture and allied occupations ..	39,540	39,608	42,723	42,129
Income from large and small industry	13,813	13,762	13,760	15,429
Income from tertiary activity	15,325	18,370	20,509	18,366

It will be observed that, first, the income from the primary sector (agriculture), notwithstanding that it is thinly spread, is, far and away, the largest, and, secondly, the income of the other sectors generally fluctuates with the income in agriculture. The size and position of agriculture in the economy are of cardinal importance in the problem of unemployment. Unless agriculture is prosperous and fully employs the population dependent on it, the other activities of the country cannot improve, whatever small gains may be shown by intensive and disproportionate attention to them. We owe it to the Fiscal Commission that, in 1950, it drew attention to the staggering proportions of unemployment in agriculture, there being work for only 3½ months in the year, in unirrigated areas, and for about six months in irrigated areas. A further analysis would disclose first that the greater part of the unemployment is due to the default of the cultivators themselves, secondly, that some of it is forced by the pattern of living, and, thirdly, that some of it arises from the economics of working and living and is waiting for changes in both. The avoidable unemployment arises from failure to cultivate all the land available, and by the best methods possible. It is estimated that, on an average, our agriculture is only 60 per cent. efficient, the outturn being reduced by neglect, obsolete methods, and lack of irrigation, fertilisers and implements. The recent crop competitions and the Japanese method of cultivation have shown that outturn can be increased even in several multiples. The first problem, therefore, is to make the cultivator do whatever is within his power, such assistance as is necessary being given by Government.

Agriculturists' Way of Life

There are two schools of opinion on the methods of changing the agriculturist's way of life and work. One school believes that the cultivator can be convinced, through the extension system, of ways, which will reduce his present loss from unsuitable and inadequate practices. The other school points to the failure for more than 20 years of rural development activities, and the disappointment now arising from Community Projects, and suggests more compulsive methods. On the theory that the land is on trust with the cultivator and he must not neglect it to the point of starving the population of food, and the country of foreign exchange, this school advocates a policy of pressure. For a simple economic drill, within the understanding and means of the cultivators, the pressure proposed is twofold. First, for those who accept the drill, priority in all State services like irrigation, seed, fertilisers and loans, and secondly, for those who fail to do what is in their power, loss of present favourable rates of rent, and even of heritable rights in land. It is argued that these penalties will remain largely threats, as compliance will follow, from a few examples. This approach deserves to be considered, when there is more definite evidence that the present methods have failed, because we must increase the productivity of the land to feed the people and to maintain our foreign trade in commercial crops. There is no reason also why those in possession of land should not be fully employed.

Talk of Free Labour Unrealistic

The second class of unemployment, that which is unavoidable, represented by the large class of landless, can be liquidated by undertaking numerous works of common utility like roads, drains, reservoirs, public buildings in which our villages are deficient to the point that they are worlds apart from towns, a disparity fraught with difficulties for the present and dangers for the future. Reclamation of culturable land, which is more than a third of the cultivated land, will also employ the landless. The question is first of finance and second of organisation. Finance will be considered later. In respect of organisation, it is being increasingly realised that official agencies are not only slow, but are not able to obtain labour, supposedly for public purposes, at even double the rates paid by private employers. The idea that free labour will be tendered overlooks that this labour belongs exactly to the classes, which have little else and stand to gain least from community improvement. It will be more realistic to aim at getting it cheap, instead of free labour, specially during the off seasons. This will require the employment of contractors, individuals or associations at a proportion of the standard rates, say, 60 per cent. the P.W.D. rates. When labour realises it can get rates related to the supply and demand, it will accept them in preference to unemployment for long periods as at present. Any objection to such labour, overlooks that it adds not only to the economics of the village, but of the individual whose period of employment may increase two or threefold.

The third class of employment in the secondary and tertiary sectors will follow from the general improvement in the income of the village. Schools, shops, houses, workshops, places of entertainment will spring up, offering all-round employment. The process is a quick one, as the growth of townships round enterprises of Government and industrialists, abundantly proves. Government may stimulate it by liberal loans on the security of the assets created, houses and enterprises, the only test being that the way of life is enriched and employment is extended. It may be added that it is by providing amenities for pleasure and comfort that incentives to work, now sadly lacking, will be created in villages. One fact that tends to be forgotten is that, unless people learn to spend, they do not care to earn.

If the economics of the rural sector are stepped up, those of the urban sector which is smaller, and is dependent for the greater part of its buying and selling on the villages, must improve. The growing unemployment to-day in industries is due to the contracting market arising from prices which the greater part of the population cannot pay. If the income of this population rises, the features of industrial stagnation, and closure of marginal factories, should end without special measures to keep alive what is now compelled to die. This is a very important fact, which is overlooked by those who think that unemployment can be solved by investment in cottage industries. The question is of markets and, if cottage industry production is increased without raising purchasing power, the result may well be to depress even the existing level of prices. It also tends to be forgotten that, while the industrial worker is maintained by a chain of other workers and, therefore, adds to the employment, the cottage worker is largely self-sufficient. On the other hand, increase in purchasing power will by itself stimulate supplies and services from all directions.

New Concepts for Industries

Not that new concepts are not required for industries. The labour legislation bodily adopted from countries, in which the majority of the population is industrial, has to be reviewed in the context that only a small fraction, 2.4 millions, are in organised industries and cannot be specially treated at the expense of the general population. Organised labour may have better wages and conditions, to set standards to the remaining labour, but these standards should not be so high that others cannot at all reach them, while industry which should grow to absorb an increasing number is reduced to a struggle for existence. If profits are made by industry, they belong not only to the few workers employed in it, but to the entire community which should have the benefit of lower prices and of increasing production and employment. If the rich are to be relieved of excess profit, it should be by taxation for the benefit of the entire community. To this extent, the disparity in conditions of organised and unorganised labour deserves to be arrested by revision of labour legislation, which may be redesigned to reward effort, and not to the mere accident of being in factories and in organised unions. Employers cannot present this view, partly because, in a sellers' market, they could be in conspiracy with their employees to get high prices from consumers, and partly because organised labour is now a political force. After about 12 years, the position is now changing and the consumers have begun to revolt against their exploitation by a few workers and fewer employers. There is a spreading strike against buying which is touching both employers and employees, who will have to adjust their mutual relations, if they are to last together. In this connection, another concept requires revision, that of protection from foreign competition. The recent policy in respect of automobiles is a welcome development, because it sets a period for import of what can be made in the country, so that an assurance is available for programmes of manufacturers. Similarly for all items, which can be manufactured in the country, an immutable date line banning imports can be fixed, which will naturally compel foreign enterprises to domicile themselves in the country.

Problem of Finance

For all this development, money is required, and the lack of it has been considered a reason for the poverty of our plans. That there should be many wrong concepts about money is inevitable, because money is only a medium, the character of which is bound by both context and time. Theories tend to relate value to volume of money, but volume itself is affected by the velocity in circulation of money. In India, a great part of the currency tends to be hoarded, by millions of villagers, who have learnt the "liquidity preference" of money, its capacity to be useful any time, anywhere. Secondly, the spending habits of the people are few and slow. Against this is the fact that, in a country of small incomes, people spend nearly all that they receive, so that in towns, little money is impounded in savings. This is responsible for the volatile character of our economics, fluctuations in large public spending, being immediately reflected in the condition of trade and industry. For all these reasons, it is difficult to calculate the velocity and to relate the volume of money to its value. The figures below show how the General Index of prices is totally unrelated to the currency in circulation:

Year	General index	Currency (Rs. crores)
1947-48	308.2	1,027
1948-49	376.2	1,231
1949-50	385.4	1,123
1950-51	409.7	1,163
1951-52	434.0	1,189
1952-53	380.6	1,114
June, 1953	405.4	1,139

It comes as a surprise that, with a decrease in the notes in circulation, there has been an increase in prices. Since last year, with the notes in circulation nearly the same, the prices have risen by nearly 60 points, between 15 and 20 per cent. This should dispose of the theory widely held both by experts and the public that the price level can be controlled by the volume of money. The price level during the last one year has risen simply because of the food policy, particularly the elimination of food subsidies. In fact, from the beginning of the war, a close relation between food policies and prices, with cost of living can be established. It can, therefore, be concluded that there is no danger of inflation by increasing the currency in circulation, provided food prices are prevented from rising.

Sources of Money for Government

The sources of money for Government are taxes, loans, and created currency. For taxes, there is a limit, not only because they are unpopular, but also because they discourage enterprise, their incidence being indiscriminate and particularly harsh on new and experimental types. Loans are useful as a means of reducing excessive spending power, but to the extent they impound, for purposes of the Government, money available for productive investment, they are inappropriate to times of slump like the present. That there has been a quick response to the loans is, paradoxically, evidence of distress and despair in more remunerative investment. There is a general loss of confidence in trade and industry side by side with unwillingness to spend along the usual lines. Both these tendencies will be aggravated to the extent money in circulation has been reduced. Unless the Rs. 28 crores recently collected as loans by the various State Governments are immediately employed in productive undertakings, the economic position is likely to become worse. A tighter market for money will not only prevent new enterprises but may compel existing enterprises to reduce their scope. This aspect does not appear to have been considered by enthusiasts and the only thing now to be done is return the loan to circulation quickly or to replace an equal amount of money through the currency system.

Opposition to Created Money is Much Less Now

The opposition to created money, since Mr. Lobo Prabhu pressed for it a year ago, is now much less. Dr. Bernstein of the World Monetary Fund has approved of it in the form of a loan from the Reserve Bank to the Government, on the ground that an expanding economy requires corresponding finance. Since the last quarter of 1951, currency has fallen from Rs. 1,247 crores to Rs. 1,092 crores, while industrial production has increased from an index of 109.6 to 129.3. There has been a 12 per cent. decrease, instead of an equal increase, which means that industrial production has lost in terms of price advantage about 25 per cent. of its market. The effect on agricultural prices was a similar fall of 25 per cent. until the end of food subsidies provided a spurt from a new direction. It would, therefore, appear that a 25 per cent. increase in currency is necessary to restore the climate, which changed with the policy initiated in 1951. But this may not be enough, if the aim is to secure full employment, in our villages and cities. The currency required, according to the Keynesian doctrine which most countries have accepted in practice, has to be equated to the manpower to be engaged in productive tasks. The actual quantum of currency has, therefore, to be determined on the plans for full employment. This currency has to be obtained by use of the printing press. No doubt people are afraid of money without a gold or silver cover. They forget, however, that, except in the U.S., this cover is only notional, and that even the U.S. has been increasing its currency out of all previous proportions. The real backing for money is the capacity of the country to produce goods and this depends on full employment. Money needed for this is only a means, and *its warranty is the strength of the administration and its capacity to use its resources economically.* France, Italy and Japan have rebuilt themselves on a currency which had only the backing of the State. Our capacity to back our paper money is not less. No one can seriously condemn a monetary policy to secure full employment, because any other policy implies that money is an end in itself. Since November, 1951, the measures to increase the value of money by reducing currency and credit have engendered a kind of economic anæmia, which is responsible for the present phase of unemployment. Money is the servant and not the master of the economy and, in this view, it should not be short for the work to be done. It must be created to the full extent it can employ the people.

What About Inflation?

Will this not cause inflation? It has already been shown that the volume of currency is not related to the cost of living. At the same time, the injection of an unusual quantum of money in advance of the production it will activate, may increase the pressure of money on the goods and services available with some inflationary effect. This has to be checked, at least in the beginning, from both the commodity and the money ends. From the commodity end, though it is impossible to think of returning to the controls now happily given up, it is necessary to maintain the price line for essential articles. The simplest and also the easiest method is to declare a ceiling price, and to buy up all stocks at that price, whenever prices turn higher. The liability to surrender stocks, which should be enforced without let or hindrance, and even on information to be rewarded, will sufficiently warn the producers and traders of the necessity of keeping within the price line. Food, cloth, sugar, cement, iron, if subjected inexorably to the fixed price line, will in their turn influence the general market. This form of control which acts more by influence than by actual interference is most economical of the administration necessary. It is based on an unmistakable understanding that hoarding at prices above those fixed will be detected and penalised with loss of prices paid above those fixed. It does not interfere with natural incentives and arrangements, so necessary to ensure full production and free distribution, the price line being effective, like the law of gravity, only against those who ignore it. Planning, like stable finance, certainly requires control of prices, but this control should have the majesty of a natural law, which automatically punishes infringement and is, therefore, quietly and generally respected.

Development Currency

At the money end, the simplest form of control is to earmark part of the new issue as encashable only against articles, which are not in short supply, and are necessary in the general interests of the country. Mr. Lobo Prabhu had designated this kind of money as "Development Currency," the ordinary notes being overprinted "Development" with the year, say, five years ahead, when they will be exchangeable against ordinary currency. While it has been admitted that this currency, if kept for redemption against ordinary currency will be a form of compulsory savings and that it will not increase the pressure against articles in short supply, and may increase the consumption of items nationally and personally desirable, like handloom cloth, soap, fertilisers, the main objection has been that it will be exchanged at a discount and may depreciate the value of the whole currency. It is true that, if the currency is kept for redemption, it will, like all other Government scrip, carry a discount, but if it is exchangeable in respect of many items of expenditure, it will be sufficiently in demand to narrow the discount margin. There need be no fear that it will depreciate ordinary currency, because the effect of its selling at a discount is exactly the reverse, ordinary currency gaining a new value. No other objection than that the idea is new, remains, but this ignores the use of similar currency ideas in other countries, for plans of reconstruction. If this currency had been available since it was first proposed, neither the 20 per cent. inflation in prices or the unemployment we are witnessing may have occurred. By being earmarked, this currency is by its nature, anti-inflationary, while, at the same time, it stimulates the production of desirable items. The purchasing power it represents may have obviated expenditure on famine which, paradoxically, was due not to food but employment deficiencies.

How considerably should Government increase the total volume of currency? In the current year, the Planning Commission has made Rs. 3 crores available for local development works, and was reported to consider a further allocation of Rs. 50 crores chiefly for small-scale and cottage industries. This sum is pitifully small, considering the aggregate of unemployment. It is true that public expenditure has a 'multiplier' effect, and those engaged by Government engage others to satisfy the wants in which they can indulge on new wages. Keynes calculates that the multiplier effect is four times the Government investment. Even so, more must be done, and quickly if the labour now idle is not cumulatively to add to itself and to reduce the national income. There is a 'divisor' effect, the reverse of the multiplier effect. Once unemployment starts in some lines, it represents a reduction of demand in other lines, so that every unemployed man begins unemployment of others, in a process which may be tidal in its full effect. There is, therefore, no time to be lost in finding money to revive employment.

The Scheme in Brief

The scheme may be that, for approved objectives, which for the time being may be the same as for local development works, plans may be drawn up for all villages, at a cost, 60 per cent. of the standard P.W.D. rates. These works may be offered to any individuals or associations to be paid for, half in ordinary and half in development currency. If it is argued that such contracts will not be attractive, the fact is forgotten that our villages are teeming with men and women without work for the greater part of the year, who will be glad to have half a loaf instead of none. It may be left to the contractor to find his labour and he will do it. Because the method is a natural one, combining the self-interest of the contractor with employment of idle labour for public purposes, it will be quicker, and better in execution. In so far as it avoids official intervention which the villager always suspects and frequently exploits, the work will have its money worth together with the advantage of cheap, instead of free, labour. Any reluctance in the beginning will wear out as labour learns it will not be paid more than is justified by the law of supply and demand.

In urban areas, too, for certain public works, the same method can be allowed. Otherwise, the increase in the purchasing power of the rural areas will be immediately reflected on the industrial and tertiary sectors. Development Currency will also be effective to stimulate industries, including construction of factories and houses which now lack financial support.

To summarise, the strategy is, first, to employ labour fully to increase the productivity of agriculture, secondly, to employ the landless, through contractors, on works of common utility, and, thirdly, to find money for this through the printing press. The first two are both possible and necessary to step up the economics of the country, and so long as money is used for this purpose, it will never lose its value, merely by reason of its volume. Now is the time for decision, as the population which is increasing and the unemployment which is mounting will make the start more difficult, the longer it is delayed. If what is proposed is logically sound, it should not be deferred merely because it is new. On the other hand, something new, which is also definite, will convince the people, more than the old ideas which have proved ineffective.

This long chain of new concepts, may, at first sight, create apprehensions, but each by itself and all together will be found rooted in our economics as they exist in fact, and not in books only. So far, we have floundered, ringing changes on old ideas. We cannot afford to remain in our mistakes, by merely repeating petty corrections. The approach has to be an integrated one, based on the real and precise capacity of our human and natural resources. The Five-year Plan, if it is to be revised, must be built up from below, on the total employment of the people, with as much money, as is necessary, subject only to its value being maintained by controls which operate automatically. The science of success is minimum of effort for maximum of effect, and this depends on a realistic understanding of ends and means.—*All Rights Reserved.*

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PROMOTION OF INTERNATIONAL TRADE

G.A.T.T'S CONTRIBUTION IN 1952

THERE is a section of commercial public opinion in India which still feels that the General Agreement on Tariffs and Trade (G.A.T.T.) has been a failure. It considers that the G.A.T.T. has not served the purpose of liberalising trade restrictions although this organisation has been in operation for well over five years. It has sought to justify this opinion by saying that India has not been able materially to improve its export trade. It also holds the view that, as India has to establish new industries by offering high level of tariff protection, the Agreement may come in India's way of industrialisation. There may be some force in these arguments, but the negative attitude they represent hardly finds any substantial evidence in its favour in the proceedings of the Seventh Session of the Contracting Parties in October-November, 1952. On the contrary, these proceedings bear ample testimony to prove how the G.A.T.T. has been able, albeit slowly, to contribute not only to the expansion of international trade but to the purpose of promoting the restoration of international economic equilibrium. In view of the difference of opinion on the utility of the G.A.T.T., a brief outline of the work done by the Contracting Parties, at the session mentioned above, will be of help in getting a clearer picture of the G.A.T.T. and its work.

At the outset, it must be said that the G.A.T.T. is a complicated international agreement. The complexity springs from the fact that a large number of countries, each with its own economic problems, is a party to it. And each participating country has its own views as to the obligations to be discharged under the Agreement. The settlement of such differences requires an effective and objective procedure for hearing them and giving the right kind of interpretations. Such procedures are laid down by the Contracting Parties (acting collectively). The differences are, in the first instance, to be settled through a consultation procedure; where direct consultations fail, the case will be brought before the Contracting Parties. The settlement of a number of such cases so far indicates a great future for the G.A.T.T.

Differences Examined

In 1952, a number of differences was examined by the Contracting Parties. One such case related to the complaints against the system of purchase tax on textiles, clothing and footwear in the U.K. This tax constituted a violation of the Agreement, in that it was applied to imported articles of kinds which, when produced domestically, were exempt. This charge of discrimination in favour of domestic products was not contested by the U.K. Government. After investigation, the tax system was revised by the U.K. in order to bring the administration of the tax in full conformity with the provisions of the G.A.T.T. In another case, the U.S. and Canada complained against restrictions imposed by Belgium on imports requiring payment in dollars. On the intervention of the G.A.T.T., the restrictions were modified. Yet another complaint reviewed by the Contracting Parties concerned the imposition of quantitative restrictions on imports of dairy products by the U.S. Government. Section 104 of the Defence Production Act required the United States Administration, in certain circumstances, to place restrictions upon importation for which there was no justification under the Agreement. This caused damage to the trade in dairy products between the U.S. on the one side, and the Netherlands, Canada, Denmark, France, Italy, and New Zealand on the other. As any retaliatory measures adopted by the later countries would tend to reduce trade, which was contrary to the objectives of the Agreement, the U.S. raised no objection and agreed not to renew the section 104 on its expiration at the end of June, 1953. A further instance of the G.A.T.T's assistance in the removal of restrictions on trade between different countries is provided by the way in which the dispute between India and Pakistan, arising from the imposition of discriminatory duties on jute export to India, was settled. As readers are aware of this incident, there is no need to refer to it here once again in detail. These are only a few instances and those interested in the subject can find many more in G.A.T.T's *Report** for 1952, published last month.

**International Trade*, 1952: Published by G.A.T.T., Geneva. Price: $1.50 (U.S.)

The reduction of customs tariffs is stipulated in the preamble to the General Agreement, as one of the principal means of attaining the Agreement's objectives. Several plans to bring about further reduction received careful scrutiny during 1952. Preparatory enquiries were also carried out on the existing level of tariffs. New methods of reduction were also explained. As an alternative to lowering tariffs by "reciprocal and mutually advantageous arrangements," some Governments envisaged uniform percentage reduction by all countries willing to participate.

Low Tariff Countries

The difficulties experienced by "low tariff" countries and the G.A.T.T's search for new techniques to help them out of their troubles provide an interesting example of its contribution to the expansion of world trade. Some countries had bound themselves to "low tariffs" at the Geneva and the Annecy negotiations. These countries found very little to offer by way of tariff reductions in subsequent negotiations for obtaining reciprocal concessions from the "high tariff" countries. These latter countries, on their part, were not prepared to make further reductions merely in return for a rebinding of old rates. In this case, the application of the principle of reciprocity in reducing tariff became impossible. The need for finding other techniques was considered imperative for restoring international equilibrium. The Contracting Parties considered two suggestions. One was a Benelux proposal aiming at reducing the disparity in the customs tariffs of Europe and the other was a French proposal requiring world-wide reduction of the incidence of tariffs by 30 per cent. in three annual stages of 10 per cent. each.

French Plan

The French Plan calls for a reduction in the incidence of the duties in several sectors of a customs tariff rather than of each rate of duty. The proposal envisages the division of tariffs into a small number of sections corresponding to the main branches of the economic activity to each of which the reduction formula would be applied. However, an obligation to reduce the weighted incidences by an agreed percentage gives no guarantee that exceptionally h'gh and prohibitive duties will be lowered; hence certain aspects of the Benelux proposal directed specifically to secure the reduction of high duties have been incorporated in the French plan. The plan is under review and is expected to be taken up at the Eighth Session of the G.A.T.T. countries scheduled to take place next month.

Apart from the reduction of tariffs, which result from ordinary techniques of negotiations, the G.A.T.T. envisages the reduction of duties between countries through arrangements for customs unions and free trade areas. The Contracting Parties have the responsibility to see that such arrangements are designed to achieve their objectives within a reasonable time and also to review them annually wherever necessary. Many customs unions and free trade areas have been projected in various parts of the world. Thus, there are agreements between Southern Rhodesia and South Africa. A customs union has been prepared for the British colonies in the Caribbean Sea. The Governments of Chile and Argentina are negotiating a treaty of customs union. In Europe, there is a proposal for a customs community in which Benelux would join France, Italy and Germany. These contemplated schemes have to be referred to the Contracting Parties for examination, in order to ensure that the arrangements could be expected to lead, within a reasonable time, to a genuine commercial union affording the full benefits of a one-market economy to the participating countries. This process of regional integration is a long and arduous task on account of innumerable barriers created by differences, following various stages of economic development of the country concerned, divergence in wage legislations and system of tax, etc. In view of these divergencies and differences, the G.A.T.T. encourages efforts on the part of the nations to form unions in such a way as to make them advance, over a broad front, towards restoration of multilateral trade. Its contribution towards the formation of the European Coal Steel Community is by no means a small one.

The work done by the Contracting Parties in connection with simplification of customs formalities and administrative barriers and drawing up a code of standard practices for administration, by Governments, of imports and export restrictions and exchange controls provides another instance of the utility of the G.A.T.T. to its member-countries.

A substantial part of the work of the Contracting Parties arises from the continued use of quantitative restrictions to safeguard balance of payments position and monetary reserves and from the discriminatory application of these restrictions. The policies covering such restrictions run counter to the objectives of the G.A.T.T. The elimination of the discriminatory policies is one of the principal aims of the Contracting Parties. But the Agreement recognises the necessity for the continuance of these practices during the post-war years of transition by Governments which suffer disequilibrium in their external financial situation. As many as 23 countries are still resorting to these provisions of the Agreement. The practice of discrimination, however, is subject to annual review by the G.A.T.T. The Contracting Parties are required to consult with a Government which substantially intensifies its restrictions and they may also invite a contracting party to enter into consultation with them. Five such consultations were held in 1952 with France, the U.K., Australia, Ceylon and Pakistan. The consultations helped avoidance of unnecessary damage to the commercial and economic interests of the other Contracting Parties. It would appear that these consultations have resulted in the achievement of greater harmony of views and purpose. They have helped in laying the foundation for co-ordinated action on a broad front.

Outlook for 1953

The G.A.T.T. considers that the outlook for the relaxation of restrictions and the reduction of discrimination is somewhat more promising in 1953 than in the past. For the year opened with high hopes that the improvements witnessed in 1952 would be carried forward progressively. The series of international consultations started at the end of 1952 for restoring currency convertibility by Britain and Commonwealth countries is taken as a hopeful sign of progress towards relaxing restrictions on trade this year. But the G.A.T.T. is aware that the restoration of currency convertibility and freer trade are twin objectives, neither being attainable without the other, and sees innumerable difficulties in the way of achieving the goal. It, therefore, says that "it would be unwise to expect far-reaching results to be achieved in 1953," and adds that a period of concentrated effort will be required for the liquidation of the post-war controls on exchange and trade.

SAGO IN SALEM

The sago industry has developed considerably in the Salem District of Madras. The number of factories has risen from 45 in 1950 to 109 now. The industry employs about 10,000 workers. An equal number is also engaged in the cultivation and harvesting of the raw product, tapioca.

The sago industry is practised as a cottage industry, producing wholesome food in the form of sago and flour used in bakeries and fine starch needed by the textile industry. The sago and starch manufacturing factories are concentrated in Rosipuram, Namagiripet and Salem.

The sago industry was granted protection in 1950. With a view to enquiring into the question of continuing the protection Mr. C. Ramasubban, Member, Tariff Commission, visited several factories in the district last week. At a meeting of the Sago and Tapioca Products Exporters' Association held at Shevapet, Mr. Ramasubban reminded the industry how it had not fulfilled the expectation of the Tariff Commission. He felt sorry to find that the industry had not still implemented the recommendation made by the Tariff Board in its 1950 Report suggesting to send some of its workers to Singapore, Penang, etc., with a view to studying the working of the manufacture of sago in those countries and introducing the process in India. The Board had also suggested that a foreign export might be got for reducing appreciably the cost of production. He noticed further that the Board's recommendation to improve the method of cultivation of tapioca through their own farms had not also been heeded by the industry. He emphasised the need for improving the quality both of the raw material and of the manufactured articles. He advised them to consider the consumers' interests supreme and try to cater to their tastes. The spokesman of the industry pleaded for the continuation of protection to the industry for some more years. The industry in the South is given concessional rate for the transport of tapioca by rail. However, the fact that it has not endeavoured to rise to the expectation of the Commission is, indeed deplorable.

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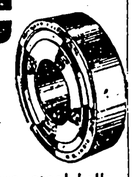

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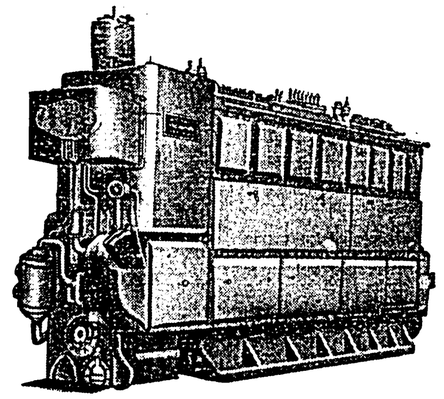

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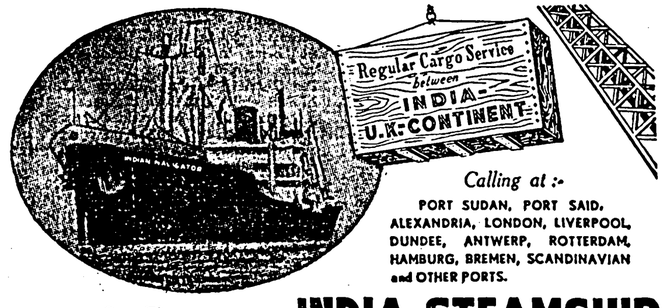

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EMPLOYMENT OF CHILDREN IN ASIA

I.L.O. URGES MEASURES AGAINST EXPLOITATION

THE 12-day session of the Asian Regional Conference will commence in Tokyo (Japan) on 14th September, 1953. One of the important subjects that is on the agenda of the Conference relates to the prohibition of child labour. The International Labour Organisation has brought out a report on this subject. After drawing the attention of the Asian Governments to the catastrophic effects of child labour, in disguised or undisguised form, on the development of the personality of the child, the report has suggested a number of measures for the protection of children against exploitation.

Few will deny that a nation which does not provide for the protection of children against exploitation deserves no existence and that employment of children at a premature age is a serious crime. But very few have tried to probe into the causes of child labour and help the creation of conditions that will make employment of children difficult, if not impossible. Apparently, this is due to the difficulty in eradicating the chief cause of child labour, which is the general economic poverty of the countries concerned. The large size of average families in undeveloped and underdeveloped regions is itself a direct cause of poverty. This bigness is a factor that aggravates the problem of child labour. The larger the family, the greater is the need for income and so even the children are compelled by circumstances to earn. Thus, this problem is a problem of a vicious circle which has to be tackled from all sides.

There is a feeling that, by enacting laws to abolish child labour, everything will have been accomplished. But such a feeling is only voluntary deception. Laws by themselves are of no utility, unless they are supplemented by measures which help rehabilitate those children who are in no way better than orphans. Further, there are usually many loopholes in the law through which the spirit of the law can be evaded. Moreover, success of measures prohibiting child labour cannot be assured unless they are tackled by enlightened public co-operation.

Increase in Juvenile Delinquency

Child labour is a commonplace occurrence in Asia in industry, agriculture and trade alike. Young persons of premature age are often found working in hovels which are detrimental to the development of their personality. Children are often pledged by parents for two bare meals for agricultural labour and for employment in hotels and households. And this, coupled with long hours of work and hopeless hygienic conditions in workplaces, among others, explain the cause for increasing juvenile delinquency and mendicancy in most of the Asian countries.

At a time when the pace of growth of population is alarmingly upward, while employment opportunities are shrinking, the problem of protecting young people against exploitation assumes greater importance. According to the I.L.O. report, seven Asian countries will have a total population of 720 million persons by 1970, a rise of about 150 million, or 25 per cent. more than the present figure. In view of this alarming increase, the recommendations made by the I.L.O. to protect young workers are appropriate. The main recommendation relates to the fixation of the minimum age of admission to employment at the same level for all occupations so as to prevent children excluded from one branch of work, because they have not reached the prescribed age, entering other occupations which may be less suitable for them, but for which the age of admission is fixed at a lower level. It has, therefore, urged that consideration be given by Asian countries to the possibility of eventually fixing the general age for admission to employment at 14 years, wherever practicable and where school facilities are/or can be made available. A 12-year age limit is proposed as an interim measure in occupations where it is not possible to reach the goal of a 14-year age in the immediate future. Other recommendations of the I.L.O. include the following:—

(1) Free compulsory education, wherever possible upto the age of 14;

(2) maximum use of existing school facilities through double shifts, evening classes, open-air schools, mobile units, instruction to children on estates, etc;

(3) vocational part-time instruction to employed children where full-time education is not immediately feasible;

(4) closer relation between the school and community;

(5) co-ordination of efforts and programmes to arouse public opinion to the urgency of acquiring education;

(6) greatest possible use of technical education and vocational training facilities, on-the-job training, etc.;

(7) financial and other help to encourage children and young persons to continue their education;

(8) special attention to employment opportunities and placement of young persons, vocational guidance, and eradication of abusive practices in the placement of young persons;

(9) desirability of ensuring that any raising of the compulsory school-leaving age shall be accompanied by a parallel raising of the minimum working age; and

(10) medical examination of children under a specified age, especially in occupations involving strain or risk to health to determine fitness for employment and, when birth registration is lacking, to determine age.

In so far as India is concerned, its Constitution clearly recognises that child labour should be protected against exploitation and against moral and material abandonment. The Constitution prohibits employment of children below the age of 14 in any factory or mine or in other hazardous employment. It has also made it clear that the State shall, in particular, so direct its policy as to protect children from being exploited or entered into avocations, unsuited to their age. But there is as yet no all-India legislation covering minimum age restrictions for all types of employment.

Factories Act

Legislation relating to the prohibition of employment of children in factories in India dates as far back as 1933, when the Children (Pledging of Labour) Act was enacted to eradicate the practice of pledging children in factories following the recommendations of the Royal Commission on Labour in India. Then came the Employment of Children Act, 1938. The Act, as amended in 1939, prohibited the employment of children under 12 years of age in workshops engaged in about 10 processes, namely, bidi making, carpet weaving, cement manufacture, manufacture of matches, mica cutting and splitting, shellac manufacture, tanning of leather and cleaning of wool. The Act was further amended by the Factories Act, 1948, which increased the minimum age for employment of children from 12 to 14. Certain minor changes were also introduced in the Act by the Repealing and Amending Act of 1949. The Act was further modified in 1951, to give effect to provisions of International Labour Convention No. 90, concerning employment of young persons in industry for night work, which had been ratified by India. The amendment prohibits the employment of children under 15 years of age in any occupation connected with the transport of passenger goods or mails by railways or connected with a port authority within the limits of any port. It also prohibits the employment of young persons between 15 and 17 years of age during night in railways and ports.

Employment of children is not confined to factories alone but also to mines and plantations. The Indian Mines Act, 1923, as amended on various occasions, the most important amending Act being in 1935, prohibits employment in mines of children under 15 years of age. The Tea Districts Emigrant Labour Act, 1932, prohibited children below 10 years of age from proceeding to Assam unless accompanied by parents or adult relatives on whom the child was dependent. The Labour Investigation Committee (1946), however, recommended the enactment of a separate Plantation Labour Code. This recommendation was again put forward by the Tripartite Industrial Committee for plantations which the Government set up in 1947. Accordingly, the Plantation Labour Act, 1951, was enacted. It prohibits the employment of children under 12 years and night work for women and children between 7 p.m. and 6 a.m. Besides these, there is also a provision for State Governments to regulate minimum age with reference to dangerous occupations and non-industrial employment.

It will thus be seen that the Government of India is not found wanting in its efforts to provide for measures against exploitation of child labour. But these are not enough. It is true that it has achieved the political objective of enacting such measures. But still child labour is common in disguised forms even in prohibited industries, let alone in those not covered by law. The problem of abolishing child labour is a part of the general question of improving the standard of living of the substrata of the population. It is not merely the responsibility of the Governments but also of those fortunate few who are well placed in society. The whole problem needs vision on the part of those in the higher strata of society to look beyond the requirements of self and their families and try to lift the children of the slums to a position of honour and dignity.

INDUSTRIAL DISPUTES IN JUNE

Provisional statistics of industrial disputes for the month of June, 1953, show an increase in the number of work stoppages and the number of workers involved; but a slight decrease in time-loss, as compared with the previous month. There were 98 disputes during the month involving 80,137 workers which accounted for a time-loss of 252,059 man-days. The average duration of disputes during the month came down from 7.2 days in May to 3.1 days. Eight of the disputes resulted in lock-outs affecting 4,064,607 workers and accounted for a time-loss of 73,932 man-days. Four of these were in West Bengal, three in Madras and one was in Uttar Pradesh. Apart from strikes and lockouts, there were nine work stoppages not connected with industrial disputes. These involved 15,006 workers and resulted in a time-loss of 21,932 man-days. Five of these were in Bombay, three in Madhya Pradesh and one in West Bengal.

Eighty-four disputes ended during the month, of which 55 lasted for not more than five days each. Wages, allowances and bonus were the main points of dispute in 27 cases, while grievances relating to personnel alone constituted the subject matter of 31 disputes. Nineteen disputes ended in complete or partial success to the workers and in 41 disputes they were unsuccessful. The results of the rest of the disputes were either indefinite or not known. Among the industries, the largest time-loss was recorded in the jute mill industry. The time-loss in this industry increased from 21,300 man-days in May to 50,080 in June. Other industries which showed increased time-loss during the month were "other textiles," the engineering, chemicals and dyes, plantations and miscellaneous industries. Cotton textiles which suffered very heavily during May showed considerable improvement during the month as indicated by the fact that the time-loss decreased from 85,489 to 30,027 man-days. A decrease in the time-loss was also recorded in iron and steel, wood, stone and glass, paper and printing, skins and hides, mines, transport and the ports group of industries.

I.L.O. MANUAL FOR DRIVERS AND MOTOR MECHANICS

A simplified manual of instructions for motor drivers and mechanics in Asia is being prepared by the International Labour Organisation at the request of the Highway Sub-Committee of the United Nations Economic Commission for Asia. The manual will be fully illustrated and will carry a simple text which can be translated into all Asian laguages. It is being prepared by Mr. J. H. Hartzenbusch, Motor Maintenance Expert at the I.L.O.'s Asian Field Office at Bangalore.

Mr. Hartzenbusch, who has had more than 20 years' experience in automobile maintenance and repair in Asian countries, believes that 70 per cent. of motor vehicles in Asia are sent prematurely to the junk heap due to lack of proper care. "It is not a question of normal wear and tear but of innocent neglect, because the drivers and motor mechanics do not know any better," he says. Asian transport organisations in general complain that an excessively large percentage of their vehicles have to be laid up periodically for repair or breakdown on the road. It is hoped that the instructions now under preparation, if followed, will help prolong the life and improve the performance of motor vehicles.

I.L.O. ASIAN MARITIME CONFERENCE

The International Labour Organisation has proposed a 10-day Asian Maritime Conference at Nuwara Eliya in Ceylon commencing from 5th October, 1953, to consider matters relating to Asian seafarers. The Conference will examine the report of the Director-General which contains a survey of maritime developments in Asia, the general conditions of Asian seafarers, and the position in regard to the ratification of maritime conventions by the countries of Asia. It will consider the methods of recruitment and engagement of Asian seafarers and also examine the welfare facilities for Asian seafarers in Asian ports.

The delegation from each country shall, as a rule, be composed of two Government delegates and one delegate, each representing shipowners and seafarers and such number of advisers as may be considered necessary. In accordance with the terms of the constitution of the International Labour Organisation, the shipowners' and seafarers' representatives will be nominated in consultation with the most representative of their respective organisations.

Four Regional Tripartite Committees, representing the Government, employers and labour, have been constituted by the Government of Bombay with a view to facilitating the task of Factory Inspectorate and to ensuring smooth administration of the Factories Act. These committees will advise the Government and the Factory Inspectorate in the matter of standards of compliance with the provisions of the Factories Act, particularly those relating to health, safety and welfare of the workers, and on the measures to be taken to remove the difficulties, if any, experienced by the employers in conforming with its provisions.

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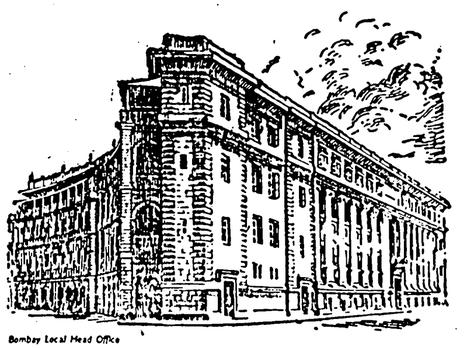
Bombay Local Head Office
IMPERIAL BANK OF INDIA
constituted under the Imperial Bank of India Act, 1920 for the purpose of taking over the undertakings of the Bank of Bengal (established in 1806), the Bank of Bombay (established in 1840) and the Bank of Madras (established in 1843)
Local Head Offices:
CALCUTTA—BOMBAY—MADRAS
and over 400 branches and sub-offices throughout India, Pakistan, Burma and Ceylon
London Offices:
25, Old Broad Street, E.C. 2.

COCHIN MALABAR ESTATES' RECORD EARNINGS

DIVIDEND RAISED—FINANCES SATISFACTORY

THE year ended 28th February, 1953, has proved to be yet another period of record performance for the Cochin Malabar Estates Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar). The Directors' report and audited accounts of the Company for that year show that the crop harvested during the year is a record in the Company's history and that the profit is the highest ever earned. It is noteworthy that this excellent result has been achieved, despite a rise in the cost of production. The benefit of the record results has been passed on to the shareholders, to some extent, in that the dividend has been stepped up from 20 per cent. paid for the previous year to 25 per cent.

The crop harvested during the year amounts to 16,60,334 lbs., an increase of 1,19,538 lbs. over that in the previous year. This is evidently due to reasonable weather conditions and the incentive provided by the Government of India in granting an increased price of Rs. 138 per 100 lbs. (as against Rs. 128) with effect from 28th October, 1952, for raising production. The trading profit for the year under review, which is also a record in the history of the Company, amounts to Rs. 9.99 lakhs, surpassing the previous highest of Rs. 8.53 lakhs earned in 1951-52 by Rs. 1.46 lakhs. The net profit (after providing for depreciation and taxation) at Rs. 7.85 lakhs, shows an increase of Rs. 1.39 lakhs over the previous year. The general reserve has received another sizable contribution of Rs. 3.70 lakhs, as against Rs. 4 lakhs provided last year.

The following comparative table of the Company's results for the past four years shows the marked progress the Company has made since 1950.

	Year ended February			
	1953	1952	1951	1950
Crop harvested (in lbs.)	16,60,334	15,40,796	14,20,632	14,41,582
Cost of production per lb.	As. 12·05	As. 10·95	As. 10·39	As. 10·03
Average price realised per lb.	21·26	19·12	15·13	12·52
	Rs.	Rs.	Rs.	Rs.
Sale proceeds	16,52,067	11,24,497	10,21,708	6,90,823
Closing stocks	5,80,938	7,48,093	3,03,447	4,83,958
Expenditure on estates and replanting	12,51,051	10,54,189	9,22,117	9,03,665
Trading profit	9,99,825	8,53,316	5,05,809	2,76,713
Other expenses	71,952	70,500	44,678	31,168
Managing Agents' commission and remuneration	40,922	30,284	29,657	27,403
Depreciation	57,960	44,397	39,236	38,886
Taxation	49,100	64,050		
Net profit	7,84,915	6,45,879	3,93,189	1,80,337
To general reserve	3,70,066	4,00,000		1,00,000
Dividends—				
7% preference	7,931	7,931	7,931	7,931
Ordinary	4,49,547 (25%)	3,58,837 (20%)†	2,15,302 (20%)†	1,07,651 (10%)
Carry forward	1,13,371	1,55,200	2,76,099	1,06,133

† On the increased capital of Rs. 17.94 lakhs, raised by the capitalisation of Rs. 7.18 lakhs standing to the credit of the capital reserve.

It will be observed that the cost of production during the year had gone up by As. 1.1 per lb. which was more than the increase recorded in the previous two years. However, this rise in cost was more than offset by the increase of As. 2.14 per lb. in average price realised, consequent on the upward revision of statutory prices of rubber made in October, 1952, referred to earlier. The average price realised would have been higher still but for the fact that the benefit of the enhanced prices was available to the Company for only four months of the year under review. The sizable increase in crop harvested and the rise in average price realised has resulted in a rise of Rs. 5.28 lakhs in sale proceeds. This has been offset to the extent of only Rs. 1.97 lakhs in expenditure on estates and replanting. It is gratifying to note that the Company's trading profit has progressively gone up by Rs. 7.22 lakhs in the course of the last three years. This is surely due to the successful efforts of the management in bringing more area under cultivation and, at the same time, in keeping the existing areas in good condition.

The Company's financial position is quite satisfactory, as will be noted from the following synopsis of its balance-sheet.

Liabilities	Rs.	Assets	Rs.
Capital	19,07,486	Gross block	27,79,106
Reserve and surplus	14,28,753	*Less*—Depreciation	2,34,656
Provision for taxation	63,819	Net block	25,64,450
Liabilities	6,39,667	Stock-in-trade	5,60,938
		Stores, spares, etc.	2,74,501
		Debts deposits and advances	65,247
		Cash	5,94,589
Total	40,59,725	Rs.	40,59,725

It will be noted that the reserve and surplus stand at nearly 75 per cent. of the paid-up capital, even after the capitalisation of a sum of Rs. 7.18 lakhs out of the amounts standing to the credit of the general reserve and premium on shares, in March, 1952. There was an addition of Rs. 3.25 lakhs to the capital expenditure during the year, a considerable part of which represents expenditure on buildings, machinery and development. These additional expenditures which the Company has been making year after year, are essential to safeguard the future profit-earning capacity of the properties. The profit for the year under review clearly shows that this policy of capital expenditure has begun to yield the desired results. The current assets, at Rs. 14.96 lakhs, covers the current liabilities, at Rs. 7.23 lakhs, by a wide margin of Rs. 7.73 lakhs.

The Company's Rs. 3 paid-up ordinary shares are currently being quoted at Rs. 7-2, at which rate and, on the basis of the latest dividend, the yield works out to 10.5 per cent. per annum.

METTUR CHEMICAL GOES OFF DIVIDEND LIST AGAIN

After a welcome break of a year, the shareholders of the Mettur Chemical and Industrial Corporation Ltd. (Managing Agents: Messrs. Seshashayee Bros. Ltd., Mettur Dam R.S.) have, once again, had to go without any dividend for the year ended 31st March, 1953. The ordinary shareholders had received for the previous year a small dividend of 3½ per cent., after having experienced two barren years. Last year, the preference shareholders had received their return (6 per cent., tax free), along with the arrears for the preceding two years. During the year under review, the results of working of the Company were considerably affected by the abnormal conditions that prevailed during the year, over none of which the management had any control. The year's working resulted in a small loss of Rs. 23,911, after providing for adequate depreciation, as against a profit of Rs. 4.66 lakhs for the previous year. After adjusting the previous year's surplus of Rs. 21,842 brought in against this loss, there is still a deficit of Rs. 2,069. Consequently, the Directors have had to let even the preference dividend fall in arrears.

As stated above, several adverse factors, combined together to affect the Company's working during the year. The failure of the monsoon in the Madras State for the fifth successive year was a big factor. Consequently, power supply to the Company was restricted throughout the year in varying degrees, ranging from 15 per cent. to 75 per cent. Another handicap was that even the meagre supply of power utilised was charged at under the ordinary high tension tariff which considerably raised the cost of production. On power supply alone, the Company had to pay Rs. 1 lakh more than the normal bill. "As a result of the 'paralysing' power cuts," observe the Directors, in their report to the shareholders, "our keen expectations to reach peak economic production (of caustic soda and chlorine) during the year and the benefits derivable under the expansion scheme could not be realised."

The free licensing of imports of bleaching powder during the major part of the year unfavourably affected the Company's production, though the position improved during the first quarter of 1953, following a drastic revision of the import policy. Conditions were far from favourable to maintain continuous production of *vanaspati*, owing to the sustained increase in the price of raw groundnut oil which rose from Rs. 1,200 per ton in April, 1952, to Rs. 1,900 in March, 1953, and further to Rs. 2,150 subsequently. "The selling price of *vanaspati*," the Directors point out, "did not catch up with the successive rises in the price of the main raw material, namely, groundnut oil, due to lack of purchasing power in the market. In view of such conditions, production of *vanaspati* was limited to actual orders and was subject to a minimum price realisation to cover our actual costs."

Reflecting the fall in production of the Company is the decline in (a) sale proceeds from Rs. 78.43 lakhs to Rs. 53.54 lakhs, (b) closing stocks from Rs. 12.16 lakhs to Rs. 3.17 lakhs and (c) expenses from Rs. 73.42 lakhs to Rs. 41.02 lakhs. Managing agents' commission and remuneration is lower at Rs. 17,700, as against Rs. 78,000. The depreciation account has been provided with Rs. 4.36 lakhs, as compared with Rs. 4.73 lakhs set aside last year.

The balance-sheet as on 31st March, 1953, shows that the Company is still in the process of building up the resources and consolidating its position. The reserves amount to Rs. 6.42 lakhs, against a paid-up capital of Rs. 60.49 lakhs. The gross block of the value of Rs. 86.39 lakhs (including additions of the value of Rs. 3.35 lakhs during the year) has been written down to Rs. 57.86 lakhs. Outstanding debentures, after redemption of Rs. 75,000 during the year, amount to Rs. 19.49 lakhs. The current liabilities aggregating Rs. 9.97 lakhs are covered by current assets amounting to Rs. 38.52 lakhs.

The Industrial Finance Corporation of India agreed to advance to the Company a further sum of Rs. 5 lakhs for working capital against a second series of debentures. Pending completion of formalities, a sum of Rs. 2 lakhs was drawn in November, 1952, and the balance of Rs. 3 lakhs in April, 1953. The first instalment of Rs. 75,000 due to the I.F.C. of India on the first series of debentures was repaid in January, 1953.

On the outlook for the Company in the current year, the Directors say: "It is gratifying to report that the monsoon in the current year has been promising and the level in all the lakes supplying hydro-electric power is reassuring. It is not now expected that there will be any power cut during the rest of the financial year 1953-54 and, consequently, the prospects appear to be bright."

SINGARENI COLLIERIES' RESULTS IMPRESSIVE

DIVIDEND WELL MAINTAINED

THE results of working of the Singareni Collieries Co., Ltd., (Secretaries and Agents: Industrial Trust Fund, Government of Hyderabad) for the year ended 31st December, 1952, make pleasant reading. The Company's output of coal during the year under review shows a sizable increase. The gross profit has also recorded a smart rise of Rs. 13.28 lakhs, that is, from Rs. 22.95 lakhs to Rs. 36.23 lakhs. The allocation to the reserves has also been raised, but the dividend to the shareholders has been maintained at the moderate rate of 5 per cent. for the third year in succession.

The Company's output of coal went up from 12.07 lakh tons to 13.75 lakh tons, that is, an increase of 1.68 lakh tons. This increase compares well with that of 44,727 tons recorded in 1951 and 1.17 lakh tons in 1950. The production of 13.75 lakh tons during the year surpasses the target of 13.50 lakh tons fixed under the Company's expansion programme. The Company's expansion scheme has further been reviewed in the light of the recommendations made by the Working Party for the Coal Industry, according to which the Company's output has to be raised to 2,000,000 tons per annum by the end of 1957. In order to reach this target, a new power house is being set up. Deliveries of power plant are expected to be completed soon, the new power house being scheduled to be completed by the middle of 1955.

Along with the increase in output, the wagon supply to the Company also improved, the average number of wagons supplied during the year being 197 per day, as compared with 172 wagons per day in the previous year, an increase of 25 wagons per day on an average. This enabled the Company not only to clear the additional output but also to reduce the Company's stocks from 22,721 tons to 8,073 tons. Despatches during the year amounted to 13.07 lakh tons, as against 11.08 lakh tons in the previous year.

The following comparative table gives a summary of the Company's results for the year under review against the background of those for the previous three years:

(In lakhs of rupees)

	Year ended 31st December			
	1952	1951	1950	1949
Sale proceeds (net)	243·08	240·06	240·80	222·81
Expenses	248·30	217·12	215·15	193·52
Gross profit	30·23	22·95	25·65	29·33
Depreciation	21·95	16·21	14·22	22·14
Taxation	6·20	1·75	7·00	3·00
Net profit	8·08	4·99	4·43	4·19
To reserves	3·50	1·50	0·75	1·26
,, bonus	1·00	0·60	0·52	0·10
,, dividend	3·16	3·16	3·16	2·84
	(5%)	(5%)	(5%)	(4½%)
Carry forward	0·66	0·24	0·51	0·62

The addition of Rs. 3.50 lakhs to the reserves from out of the profit for the year under review consists of Rs. 2 lakhs to the workmen's compensation fund created during the year and Rs. 1.50 lakhs to the general reserve (same as in the previous year). The Directors decided to discontinue the workmen's compensation insurance policies and create a workmen's compensation fund, "in the interests of economy and efficiency."

The Company's reserves and surplus aggregate Rs. 13.91 lakhs, against a paid-up capital of Rs. 63.21 lakhs. The debenture liability has been reduced by Rs. 1.21 lakhs to Rs. 13.20 lakhs, by the redemption of 2,420 debentures of Rs. 50 each in September, 1952. The provision for taxation amounts to Rs. 10.73 lakhs. The current liabilities (excluding employees' provident fund Rs. 25.46 lakhs) amount to Rs. 126.15 lakhs. These include Rs. 7.09 lakhs being the loan taken from the Hyderabad State Bank on cash credit secured by second mortgage debentures and Rs. 69.26 lakhs due to the Hyderabad Government secured by a general hypothecation of all movable assets of the Company. The gross block of the value of Rs. 324.73 lakhs has been provided with a depreciation fund of Rs. 226.35 lakhs. The current assets aggregate Rs 154.29 lakhs and amply cover the current liabilities, including provision for taxation, by a margin of Rs. 17.41 lakhs.

Points From The Chair

Nationalisation of Insurance Companies

"IT is true that industry may find private and institutional savings inadequate under our present taxation but Government ownership does not do anything to ease this deficiency, nor can a Government ever acquire that vast mass of knowledge accumulated in this multifarious experience of its producing and trading citizens, though this fact may be neglected by doctrinaires either through ignorance or well-meaning intellectual arrogance. Nationalisation of public utilities may be carried through without great harm, but nationalisation of industries and insurance would be definitely hampering success in the task which it is vital to accomplish successfully."

M. B. MEHTA,
Vulcan Insurance Company Ltd.

Outlook for Rubber

"For the current year, we are faced with an increased cost of production and lower rubber prices. The profit balance at present levels can be only very meagre. The future price of synthetic rubber in the U.S.A. has yet to be determined in the event of the Government-owned plants being acquired by private industry, as provided for in a recent Bill laid before Congress, and we should be prepared for a period of keen competition ahead of us. This Company should be among those in a position to compete successfully with the man-made product, given a realistic wages level."

CHARLES H. WRIGHT,
Java Rubber Plantations Ltd.

Improved Productive Efficiency

"It seems apparent that the country generally has lived out the Utopian atmosphere that optimistically surrounded schemes for higher living with lessening work. We cannot survive by the interchange of services, and it is only by our trading throughout the world that we can maintain our present standard. This means more work, and if necessary, longer hours with interest and conscientiousness taking the place of the "couldn't-care-less" attitude. It means master and man joining together with understanding and a common cause. I believe, I speak for all employers in saying that we are not out to exploit but to encourage earning capacity and productivity, acknowledging all generous-mindedness in like manner. Any man who retards the achieving of this desired relationship strikes at the roots of recovery. The future, broadly speaking, offers prosperity and stability, but it is only enterprise, ability and industry that will reap a just reward."

RONALD HAMPTON,
Union Steel and Manufacturing Co., Ltd.

Competition in Business

"There is little doubt that business will soon become more competitive. I have also stated before that our fortunes are linked largely with those engaged in the engineering, shipbuilding, aircraft and armament industries, and allied business; for this reason, you will observe my difficulty in making any long-term forecast. The maintenance of prosperity in the industries mentioned is necessary for the primary well-being of this Company, and such prosperity largely depends upon the general volume of export trade. We have in these islands, engineers, chemists and scientists, second to none in the world, and there is no reason why their labours should not result in the creation of new industries to serve the export markets. The highest standard of efficiency in the administration of business is required and those responsible for their direction are aware of this. In relation to the workers, it will be essential for them to realise that they will have to be as industrious as their counterparts in the countries with which the United Kingdom is in competition. It will be necessary for them to take pride in their work, so that the highest quality of production is attained. They will also require to recognise simple economic facts, untrammelled by bias, class warfare and political opportunism. On such footing, there is cause for inspiration."

C. A. G. HEWSON,
Ozalid Company Limited.

Detention of Vessels

"During the year under review, the Governments of India and Pakistan both introduced a system of passports which resulted in a considerable hold-up of vessels at border check-points and has adversely affected the number of passengers carried by your Company. Detentions at frontier points for customs examinations have also added enormously to the turnround time of vessels, and I am glad to say that the United Nations Organisation has also drawn attention to these delays and that they, in consultation with the respective Governments, are now considering how they can be overcome. I have every hope that the Company's will be satisfactory and will enable the Company's vessels to proceed without the existing delays. Various trade agreements between India and Pakistan were concluded during the year under review, and the agreement, which was due to expire on the 30th June last, has been extended to 30th September, 1953, pending the completion of negotiations for a new agreement. The existing agreement covers only a limited range of goods and it is greatly to be hoped that the new one will cover a much wider field. . . . I am pleased to advise that our relations with the Governments of India and Pakistan continue to be on a friendly basis. It is satisfactory that meetings are taking place in a friendly atmosphere between the leaders of the two countries, and I hope that, as a result, a settlement of outstanding disputes will be achieved, as it is only under the influence of friendly relationship between India and Pakistan that we can look for an era of satisfactory trading."

A. L. B. TUCKER,
India General Navigation and Railway Co., Ltd.

Notices

HASTINGS MILL LIMITED

NOTICE

THE ANNUAL ORDINARY GENERAL MEETING of the Shareholders will be held at the Registered Office of the Company, 14, Netaji Subhas Road, Calcutta, on Monday the 7th September, 1953, at 3-30 p.m., for the purpose of receiving the Directors' and Auditors' Reports, passing the Accounts for the year ended 31st March, 1953, declaring dividends, electing Directors, appointing Auditors and transacting such other business as may be brought forward before the meeting.

The Share Transfer Registers of the Company will be closed from 25th August to 7th September, 1953, both days inclusive.

The Dividend will be paid to Registered Shareholders.

By Order of Board,
Per Pro. BANGUR BROTHERS LTD.,
R. N. BANGUR,
Managing Agents.

CALCUTTA, *27th July*, 1953.

THE CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-third Ordinary General Meeting of the Shareholders will be held at the registered office of the Company, "Stephen House," Fourth Floor, No. 4, Dalhousie Square East, Calcutta, at 3 p.m. on Monday the 14th September, 1953, for the purpose of receiving and passing the Report of the Directors and the Managing Agents for the half-year ended 30th June, 1952, declaring a dividend and transacting such other business as may be brought forward.

The Transfer Register will be closed from 4th to 14th September, 1953, both days inclusive, and it is notified that Dividend Warrants will be issued and posted to the registered shareholders only on application. Persons holding shares under blank transfer are advised to effect registration of scrip to their names as soon as possible but not later than 4th September, 1953.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE," 4TH FLOOR,
4, DALHOUSIE SQUARE EAST.
CALCUTTA, *18th August*, 1953.

THE MYSORE SPUN SILK MILLS LIMITED

CHANNAPATNA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Ordinary General Meeting of the Company will be held at 3-30 p.m. on FRIDAY, the 4th September, 1953, in the Company's Registered Office at Channapatna, for the transaction of the following business:

1. To receive and adopt the Directors' Report, Balance Sheet and Profit and Loss Account for the year ending 31st March, 1953, with the Auditors' Report thereon;
2. To elect Directors in the place of the retiring Directors;
3. To approve of the appointment as Director of Sri V. Venkatappa, made under Article 112 of the Articles of Association, to fill up a casual vacancy;
4. To appoint Auditors for the next year and fix their remunerations.

The Share transfer books of the Company will be closed from 20th August, 1953, to 4th September, 1953, both days inclusive.

By Order of the Board,
R. SURYANARAYANA RAO,
Manager.

CHANNAPATNA, *31st July*, 1953.

THE INDORE MALWA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 46th Ordinary General Meeting of the Shareholders of The Indore Malwa United Mills, Ltd., will be held at the Mill Premises, Indore, on Saturday the 26th day of September, 1953, at 3-0 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1952.
2. To sanction the declaration of a Dividend.
3. To confirm the contributions as set forth in the Directors' Report.
4. To elect Directors in place of Shri R. C. Jall, M.A., LL.B., and Shri Chandmalji Lachhmandasji, who retire by rotation but are eligible for re-election.
5. To appoint Auditors for the current year, i.e., for the year 1953, and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from Monday the 7th September, 1953 to Saturday the 26th September, 1953, both days inclusive.

By Order of the Board,
GOVINDRAM SEKSARIA (INDORE),
Managing and Selling Agents.

INDORE, *8th August*, 1953.

N.B.—The Dividend, when sanctioned, will be made payable on and after the 12th October, 1953, to those Shareholders whose names stand on the Register on the 7th September, 1953, at the Office of the Company, Mill Premises, Indore, upon presentation of Dividend Warrants which will be posted to each Shareholder to his last given address.

BALMER LAWRIE AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend of 5 per cent. per annum, free of Income-tax, on the Ordinary Shares for the year ending 31st December, 1953, was declared by the Directors on 24th August, 1953, payable on or after 25th September, 1953. Dividends will be paid direct to Shareholders whose names appear on the Company's Register on the last mentioned date, without application.

The Share Register of the Company will be closed from 14th to 25th September, 1953, both days inclusive.

By Order of the Board,
A. T. MONTGOMERY,
Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA 1, *25th August*, 1953.

U.K. COAL BOARD TO HAVE CENTRAL ENGINEERING ESTABLISHMENT

The National Coal Board of the United Kingdom is to set up a central engineering establishment. It will have two main functions, namely, the development of new machinery and equipment, and the testing of machinery, ropes, new materials, and the like. So far as development is concerned, the establishment is intended primarily to act as a link between the Coal Board's research organisation and the manufacturers of mining machinery and equipment. It will thus supplement the development work, which is, and always has been, a function of those manufacturers who serve the coal industry. The testing work will be concerned not only with special tests of machinery, ropes, and so on, but also with the development of improved methods for the routine testing of equipment and materials used in mining.

FALL IN COMMODITY PRICES AFFECTS JARDINE HENDERSON

LOTHIAN JUTE MAINTAINS DIVIDEND

Jardine Henderson, Ltd.

THE directors of the above Company (Managing Director: Mr. G. M. Mackinlay, Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

The profit and loss account shows a balance of profit of Rs. 29,80,528 (Rs. 60,22,906) to which has to be added the balance brought forward from the previous year, of Rs. 5,86,448 (Rs. 5,88,652) making a total of Rs. 35,66,976 (Rs. 66,11,558). Out of this sum there has been provided for taxation Rs. 12,00,000 (Rs. 24,45,000) and transferred to general reserve account Rs. 2,00,000 (Rs. 7,50,000) leaving a balance available for disposal of Rs. 21,66,976 (Rs. 27,89,261).

The directors on the 28th August, 1952, declared an interim dividend in respect of the year ended 31st March, 1953, on the preference shares at the rate of 2½ (2½) per cent, which dividend was paid on the 6th October, 1952, absorbing, less Indian income-tax thereon, Rs. 1,01,407 (Rs. 1,01,407), and on the 26th February, 1953, declared a second interim dividend at the rate of 2½ (2½) per cent. in respect of the above year which dividend was paid on the 6th April, 1953 absorbing less Indian income-tax thereon, Rs. 1,01,406 (Rs. 1,01,406).

The directors now recommend the payment of a dividend on the ordinary shares of the Company at the rate of 7½ (10) per cent. without any deduction for income-tax paid by the Company, absorbing Rs. 15,00,000 (Rs. 20,00,000), leaving a balance at the credit of profit and loss account of Rs. 4,64,163 (Rs. 5,86,448) to be carried forward to the next account.

As foreshadowed in the directors' report for the year ended 31st March, 1952, the year's profits were adversely affected by the fall in the price levels of the commodities, in which the Company is principally interested, which became noticeable at the beginning of 1952. Jute goods were more freely available and this led to greatly increased competition among shippers with a consequent reduction in profit margins. The more stringent money conditions ruling throughout the year, coupled with the increased availability of supplies, generally retarded sales by the Company's subsidiary and associated Companies, as a result of which this Company's income suffered. Conditions in the tea industry were particularly difficult and inevitably commission earnings from tea companies in the agency suffered a sharp reduction, due to the fall in prices and profits experienced by the tea companies. It is gratifying to record that there has been a substantial improvement in tea prices since the beginning of 1953, but clearly the losses sustained by some of the Companies will not be made good for some years.

Shareholders were advised in a circular letter dated 30th October, 1952, that the Company had been appointed with effect from 1st January, 1953, as agents in Calcutta of the Imperial Tea Co., Ltd., the Halem Tea Co., Ltd., the British Assam Tea Co., Ltd., and the Behubor Co., Ltd., and that the approval of the shareholders of the Gingia Tea Co., Ltd., was being sought to a similar appointment; which approval was duly obtained. McLeod, Russel & Co., Ltd., London, are secretaries or managing agents of all of these Companies and towards the close of this Company's financial year, on the 5th March, 1953, the Company completed the purchase of the entire share capital of McLeod, Russel & Co., Ltd. No income has yet accrued from this investment which is, however, expected to prove a satisfactory one to the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,00,000	Block ...	23,55,000
Reserves ...	57,45,280	Goodwill ...	30,00,000
Provision for taxation ...	23,01,019	Stock-in-trade	39,49,765
Liabilities ...	3,00,67,122	Debts, deposits and advances ...	2,28,31,442
Profit and loss account ...	4,64,163	Investments	3,13,03,408
		Cash ...	1,37,969
Rs.	6,35,77,584	Rs.	6,35,77,584

Lothian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st May, 1953.

After providing Rs. 1,92,000 (Rs. 4,20,000) for taxation, transferring Rs. 1,00,000 (Rs. 2,00,000) to general reserve there is a balance of Rs. 2,49,044 (Rs. 2,42,142) at the credit of profit and loss account, from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 15 (Rs. 15) per share Rs. 1,50,000 (Rs. 1,50,000) leaving Rs. 64,044 (Rs. 57,142) to be carried forward.

During the whole of this accounting period the mills remained leased to Albion Jute Mills Co., Ltd.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	15,44,980
Reserves ...	36,51,301	Debts, deposits and advances ...	11,98,918
Provision for taxation ...	16,51,164	Investments	16,95,470
Liabilities ...	5,54,626	Cash ...	34,81,767
Profit and loss account ...	64,044		
Rs.	79,21,135	Rs.	79,21,135

Kingsley-Golaghat-Assam Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The Company sustained a loss for the year of Rs. 3,47,969 (loss of Rs. 1,73,274), which after deducting the credit balance of Rs. 9,452 (Rs. 10,864) brought forward becomes a debit of Rs. 3,38,517 (debit of Rs. 1,62,410). After crediting provision for taxation no longer required Rs. 8,096 (nil), and E.P.T. post-war refund of Rs. 7,014 (nil) there remained a debit of Rs. 3,23,407 (Rs. 16,148). The directors transferred from general reserve account Rs. 2,85,000 (Rs. 40,000) and from surplus on realisation of fixed assets account Rs. 42,000, leaving a credit balance to be carried forward of Rs. 3,593 (credit of Rs. 9,452).

As indicated in the last report, tea prices dropped sharply early in 1952. This downward trend in prices continued and, throughout the remainder of 1952, the Company's tea was sold at prices well below the cost of production. Prices improved in the early months of this year but as practically the whole of the Company's 1952 crop had been sold by then, this welcome rise in prices did not alleviate to any great extent the heavy loss sustained by the Company during the year.

The total crop harvested during the year was 10,889 maunds which compares with the 1951 total of 11,064 maunds. The total crop was sold on the Calcutta auctions and the average sale price for the year was Re. 1-5-11 per lb. compared with the 1951 average on a Calcutta basis of Re. 1-9-4 per lb. The area under tea remains at 1,166 acres. The gardens are in good order. Buildings and machinery were well maintained.

Estimates for season 1953.—All possible measures have been taken to keep expenditure to the minimum consistent with the efficient running of the Estates, and the estimates for season 1953 provide for the production of a crop of 10,000 maunds at a total cost, on revenue account, of Rs. 12,07,798.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,80,000	Block ...	5,25,000
Reserves ...	80,000	Stock of tea	5,65,322
Liabilities ...	9,13,693	Stores ...	2,04,151
Profit and loss account ...	3,593	Debts, deposits and advances ...	1,19,842
		Cash ...	62,971
Rs.	14,77,286	Rs.	14,77,286

Hoograjuli (Assam) Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 25,528 (Rs. 19,441) for depreciation, the season's working resulted in a profit of Rs. 29,255 (profit of Rs. 1,56,592). After bringing in the balance from last year, charging managing agents' minimum commission, providing Rs. 5,000 (Rs. 46,000) for taxation and transferring Rs. 20,000 (Rs. 35,000) to general reserve, there remains a balance of Rs. 57,061 (Rs. 1,18,806) at credit of profit and loss account. From this the directors recommend the payment of a dividend of Re. 1-8 (Rs. 3) per share, leaving a balance of Rs. 27,061 (Rs. 58,806) to be carried forward.

A total crop of 5,242 maunds was secured and sold at an average price of Re. 1-8-6 per lb. This compares with a crop of 5,945 maunds secured in season 1951, which sold at an average price of Re 1-10-1 per lb. Weather conditions during the latter part of season 1952 were unfavourable for leaf growth.

Current market rates are higher than was the case when the major part of the 1932 crop was sold and there is reason to anticipate that the results for season 1953 will show an improvement. Estimates for the present season have been framed for a regulated crop of 5,200 maunds to cost Rs. 4,82,249.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Block ...	4,77,727
Reserves ...	6,50,000	Stock-in-trade	4,38,853
Provision for taxation ...	10,884	Stores ...	1,41,040
Liabilities ...	4,34,067	Debts, deposits and advances ...	1,47,200
Profit and loss account ...	27,060	Investments	77,028
		Cash ...	40,157
Rs.	13,22,011	Rs.	13,22,011

Ananda (Assam) Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 34,976 (Rs. 31,971) for depreciation, the season's working resulted in a profit of Rs. 39,738 (loss of Rs. 24,776). After bringing in the balance from last year and charging managing agents' commission, there remains a balance of Rs. 40,222 (credit of Rs. 25,196) at credit of profit and loss account. From this the directors recommend the payment of a dividend of As. 12 (As. 12) per share, leaving a balance of Rs. 19,484 (Rs. 4,458) to be carried forward.

A crop of 4,971 maunds was secured and sold at an average price of Re. 1-10-11 per lb. This compares with a crop of 5,272 maunds secured in season 1951, which sold at an average price of Re. 1-11-5 per lb. Despatches of tea were delayed owing to floods in the vicinity of the garden with fortunate results for the Company, as the major part of the 1952 crop was sold during the present year, when tea prices had risen above the low level previously ruling.

Estimates for the current season have been framed for a regulated crop of 4,600 maunds to cost Rs. 4,68,997.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,76,500	Block ...	4,78,392
Reserves ...	4,21,500	Stock-in-trade	5,08,356
Provision for taxation ...	7,036	Stores ...	97,135
Liabilities ...	5,26,274	Debts, deposits and advances ...	1,14,355
Profit and loss account ...	19,484	Investments	1,118
		Cash ...	51,438
Rs.	12,50,794	Rs.	12,50,794

Sonai River Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

During 1952 the tea industry generally in North East India suffered the most serious crisis within experience, the district of Cachar probably the most severely of all, with sale prices greatly below production costs. As a result, the financial position of the Company deteriorated to such an extent that by the end of the year it was found impossible to keep the Company's estate in production any longer and orders were given to close it at the end of the year, in accordance with circular letters addressed to shareholders on the 12th September, 1952 and 11th February, 1953. The following figures illustrate the adverse conditions that prevailed during the season:

Total net average sale price including proceeds of export rights sold was As. 13.59 as compared with As. 19.91 in 1951. Total working cost per pound of tea produced was As. 26.19 as compared with As. 23.59 in 1951.

An attempt was made to improve the standard of manufacture by finer plucking but with common Cachar tea selling at As. 11 to As. 12 a pound, during the height of the season, this had little effect other than to contribute to the reduction in crop from 485,920 pounds of tea in 1951 to 408,480 pounds, despite the application of additional manures; and this in turn is reflected in the increased production costs shown above.

In accordance with arrangements made and initiated before the onset of the crisis referred to above, work on the factory renovation was completed and the estate now has a reasonably good timber-built factory. It was, however, found necessary to cancel the order for a new main oil engine and to divert elsewhere two new rolling tables, leaving the estate deficient in motive power and in rolling facilities, and these matters will require urgent attention as soon as conditions permit.

The revenue loss for the year is Rs. 3,11,330 (loss of Rs. 99,443); to this have to be added interest charges, reserve for staff expenses and the proportionate cost of assets written off; and there have to be deducted the proceeds of machinery sold and refund of excess profits tax. Allowing for these and the sundry other adjustments shown, there is a final loss for the year of Rs. 3,27,994 (loss of Rs. 1,18,410) and a final debit balance on this account of Rs. 3,98,558 (debit of Rs. 70,564) which is carried forward to 1953.

Having regard to the heavy loss sustained on the season's working, the managing agents have offered to forego one half of their commission on tea sales, which has been accepted. During the year, the Company incurred a substantial debt to the managing agents for expenses paid on its behalf, and this has since been secured by the execution of a mortgage creating a second charge on the Company's property in favour of the managing agents.

Estimates for 1953 are based on a crop of 5,500 maunds of tea at a cost of Rs. 3,99,320. As shareholders were advised in our circular of the 26th March, 1953, it was found possible to reopen the estate from the middle of March, 1953, on acceptance by the labour force of revised Minimum Wages promulgated by the Government of Assam, and by the Company's Bankers of estimates of expenditure based thereon. It is evident that these estimates which give a cost of As. 14.53 for the current year, allow for the barest essentials and that if the estate is to be maintained in reasonable condition and is to continue to produce satisfactory crops, expenditure on a materially increased scale will be required in future, irrespective of any adjustment of labour earnings.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	7,26,400
Reserves ...	5,12,240	Stocks ...	1,47,471
Liabilities ...	4,32,711	Stores and supplies ...	74,861
		Debts, deposits and advances ...	85,585
		Investments	2,616
		Cash ...	9,460
		Profit and loss account ...	3,98,558
Rs.	14,44,951	Rs.	14,44,951

Namburnadi Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The Company sustained a loss for the year of Rs. 1,83,094 (loss of Rs. 1,25,620) which after deducting the credit balance of Rs. 4,000 (Rs. 12,615) brought forward, there was a debit of Rs. 1,79,094 (debit of Rs. 1,13,005). The directors transferred from general reserve account Rs. 80,000 (Rs. 1,00,000) leaving a debit balance to be carried forward of Rs. 99,094 (debit of Rs. 4,000).

Due to unfavourable climatic conditions the crop for 1952 showed a heavy decline of 879 maunds compared with the previous season, with the result that a loss was sustained on the season's working notwithstanding an improvement in the average price obtained for the Company's teas.

The total crop harvested during the year was 3,676 maunds as compared with 4,555 maunds in 1951. The total crop was sold in the Calcutta auctions and the average sale price for the year was Re. 1-10-1 per lb. compared with the 1951 average on a Calcutta basis of Re. 1-5-6 per lb. The acreage under tea remains unchanged at 810 acres. The garden is in good order. Buildings and machinery were well maintained.

Estimates for season 1953.—All possible measures have been taken to keep expenditure to the minimum consistent with the efficient running of the garden, and the estimates for season 1953 provide for the production of a crop of 4,000 maunds at a total cost, on revenue account, of Rs. 5,16,600.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,35,000	Block ...	6,08,000
Liabilities ...	5,34,454	Stock of tea	1,99,102
		Stores, etc. ...	87,026
		Debts, deposits and advances ...	71,162
		Cash ...	5,070
		Profit and loss account ...	99,094
Rs.	10,69,454	Rs.	10,69,454

National Tobacco Co. of India Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The profit and loss account after providing Rs. 5,69,615 (Rs.5,34,889) as depreciation shows a profit of Rs. 6,40,598 (profit of Rs. 25,13,680), to which has to be added the balance brought forward from the previous year after payment of dividends on the first and second preference shares and on ordinary shares for the year ended 31st December, 1951 Rs. 8,86,347 (Rs. 7,87,157) making a total of Rs. 15,26,945 (Rs. 33,01,107). Out of this sum the directors have provided for taxation Rs. 2,75,000 (Rs. 12,00,000) leaving a balance available of Rs. 12,51,945 (Rs. 21,01,107). The directors recommend the distribution of this sum as follows:—

A dividend on the 25,000 5 per cent. tax free, first preference shares for the year 1952 absorbing Rs. 1,25,000 (Rs. 1,25,000); and a dividend on the 19,980, 4½ per cent. tax free, second preference shares for the year 1952 absorbing Rs. 89,910 (Rs. 89,910), leaving a balance to the credit of profit and loss account of Rs. 10,37,035 (after payment of a dividend of 5 per cent. on ordinary shares absorbing a sum of Rs. 3,99,850) to be carried forward to the next account.

In spite of the decrease in the total demand for cigarettes due to the general recession, the volume of sales has been maintained. However, the distribution of consumption in the various price categories has been considerably altered on account of this fall in the purchasing power of the public and Government's duty policy, and smoking this is the main reason for the smaller profit during the year under review.

Operating costs have increased due to introduction of the Minimum Wages Act, which came into effect in the latter part of 1951, and the awards made by the Industrial Tribunals. The Company has also spent a considerable sum on quarters and canteens in South India besides construction of godowns. The export of unmanufactured tobacco has been maintained at a satisfactory level. The incidence of customs and excise duties, remains very high and it should be increasingly obvious to the Government that these have defeated their own object. The imposition of sales taxes by a number of States adds its burden to the other difficulties.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,24,95,000	Block ...	69,83,583
Debentures ...	12,00,000	Stock-in-trade	1,66,91,664
Reserves ...	28,12,725	Stores and stores-in-transit ...	58,84,753
Provision for taxation ...	64,01,193	Debts, deposits and advances ...	73,84,677
Liabilities ...	1,42,53,243	Investments	1,66,470
Profit and loss account ...	12,51,945	Cash ...	13,02,959
Rs.	3,84,14,106	Rs.	3,84,14,106

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

COMPANY MEETINGS AND DIVIDENDS

NATIONAL TOBACCO CO., LTD. Annual General Meeting, Calcutta, 3rd September, 1953. Dividend: *Nil.* Transfer books closed from 19th August to 3rd September, 1953, both days inclusive.

HOOGRAJULI (ASSAM TEA) CO., LTD. Annual General Meeting, Calcutta, 4th September, 1953. Dividend: Re. 1-8 per share. Transfer books close from 31st August to 4th September, 1953, both days inclusive.

HASTINGS MILLS LTD. Annual General Meeting, Calcutta, 7th September, 1953. Dividend: Rs. 10 per share. Transfer books closed from 25th August to 7th September, 1953, both days inclusive.

FORT WILLIAM JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 7th September, 1953. Transfer books closed from 25th August to 7th September, 1953, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Annual General Meeting, Mettur Dam, 7th September, 1953. Dividend: *Nil.* Transfer books closed from 24th August to 7th September, 1953, both days inclusive.

MEGNA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 9th September, 1953. Transfer books closed from 26th August to 9th September, 1953, both days inclusive.

INDIA JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 9th September, 1953. Transfer books closed from 26th August to 9th September, 1953, both days inclusive.

BIRLA JUTE MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 9th September, 1953. Transfer books closed from 27th August to 9th September, 1953, both days inclusive.

LOTHIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 10th September, 1953. Dividend: Rs. 15 per share. Transfer books closed from 27th August to 10th September, 1933, both days inclusive.

INDIAN GENERAL NAVIGATION AND RAILWAY CO., LTD. Annual General Meeting, Calcutta, 10th September, 1953. Transfer books closed from 28th August to 10th September, 1953, both days inclusive.

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 10th September, 1953. Transfer books close from 1st to 10th September, 1953, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Half-yearly General Meeting, Calcutta, 11th September, 1953. Transfer books close from 5th to 11th September, 1953, both days inclusive.

BHAGALPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 11th September, 1953. Dividend: As. 8 per share. Transfer books close from 4th to 11th September, 1953, both days inclusive.

ANANDA (ASSAM) TEA CO., LTD. Annual General Meeting, Calcutta, 11th September, 1953. Dividend: As. 12 per share. Transfer books close from 7th to 11th September, 1953, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: Rs. 7-8 per share. Transfer books close from 1st to 18th September, 1953, both days inclusive.

CHINGLEPUT ELECTRIC SUPPLY CO. LTD. Dividend of Re. 1-4 per share, free of tax on ordinary shares, for the year ended 31st March, 1953. Transfer books close from 17th to 27th September, 1953, both days inclusive.

PANCHURA ESTATES LTD. Dividend of As. 4-4/5 per share, on ordinary shares for the year ended 30th June, 1953.

BOMBAY DYEING AND MANUFACTURING CO., LTD. *Ad-interim* dividend of Rs. 7-8 per share, free of income-tax, payable on or after 29th September, 1953. Transfer books closed from 25th August to 15th September, 1953 both days inclusive.

COMPANY REGISTRATIONS

BOMBAY STEAM NAVIGATION CO., (1953) LTD. (First Director: Mr. Shantikumar N. Morarjee.) Business: To Purchase, Charter, Hire, Build or Otherwise Acquire, Steam and Other Ships for purpose of Transporting Passengers, Mails, Troops, etc. Authorised capital: Rs. 50,00,000. Private company. Address: "Scindia House," Dougall Road, Ballard Pier, Fort, Bombay.

VERMA AND RANADE LTD. (First Director: Mr. S. Y. Ranade.) Business: Builders, Contractors, Electricians, Merchants, Manufacturers of Bricks, etc. Authorised capital: Rs. 5,00,000. Private company. Address: "Janmabhoomi Chambers," Fort Street, Bombay, 1.

VEEVEE HOLDING LTD. (First Director: Mr. V. V. Purle.) Business: Agents, Brokers, Moneylenders, etc. Authorised capital: Rs. 5,00,000. Private company. Address: "Rashid Mansions," Worli Point, Bombay, 18.

QUESTION HOUR IN PARLIAMENT

Sales Tax Levy

COMMENTS of the State Governments have been invited on certain issues arising out of the Supreme Court's interpretation of Article 286 of the Constitution in its judgment on certain cases regarding levy of sales tax. On receipt of such comments, a meeting of the Officials Committee, appointed by the Finance Ministers' Conference of October, 1952, to work out measures with regard to levy of sales tax on export, import and inter-State trade will be convened and the various issues concerning the Finance Ministers' Conference Agreement will also be considered further at that meeting. It will be recalled that the Officials Committee met in November 1952 and submitted an interim report to the Government. But it could not come to any definite conclusions in the absence of an authoritative interpretation of Article 286 by the Supreme Court.

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Small Savings Scheme

The Women's Savings Week which was observed at a few places in March, 1953, has resulted in a collection of Rs. 42 lakhs. In view of the encouraging results of that work, it has been decided to put the women's savings campaign on a more regular footing. The Non-official Central Advisory Committee constituted recently will assist in guiding and co-ordinating this work and advising the Government and the various women's and other social organisations in the country. The first meeting of the Committee, which was held on the 3rd inst., has proposed to start an intensive campaign under the ægis of the Committee from October next. It is proposed to select 100 organisations of various types for the first year as authorised agents to mobilise small savings. These organisations will not get any grant but will be entitled to the usual commission of 1¼ per cent. on the sale of the 12-Year National Savings Certificates.

—Deputy Minister for Finance

Coffee Seed Export

The Government of India will not consider the question of allowing export of coffee seed unless prices dropped. So far as the present scarcity of coffee seed in the market is concerned, it may be due to the fact that there is some difficulty in regard to its movement and also that the trade is not playing its part in regard to arrangements for distribution. The Government is a third party in the scheme of coffee distribution. All it can do is to suggest various methods of distribution to the Coffee Board. The price of coffee in June-July approximated with the price fixed by the Marketing Committee of the Coffee Board. The price was certainly higher than the ruling price in the previous seasons.

—Minister for Commerce and Industry

Wheat Agreement

The annual quota for India under the three-year International Wheat Agreement commencing from 1st August is one million metric tons. If the open market prices decline below 2.03 dollars a bushel, the minimum price fixed in the agreement, India will buy from the open market. If India gets wheat from Russia cheaper, it will buy. The price of wheat has been reduced twice, recently, from Rs. 18-8 to Rs. 17-8 and then to Rs. 16-8 per maund.

—Food Minister

New Railway Lines

Slightly over 57 miles of new railway lines were opened in India during January-June, 1953. The new lines are: (i) Diggi-Tordi Sagar, 13 miles, opened on 12th May; (ii) Shoranur-Angadipuram, 17.50 miles, opened on 16th April; and (iii) Vasad-Kathana, 26.60 miles, opened on 6th June, 1953.

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Loans to Shipping Companies

The Government of India has granted loans ranging from Rs. 3 lakhs to Rs. 42 lakhs to eight shipping companies for the purchase of ships to be operated in the coastal trade of the country. The period of repayment of the loan in the case of each company varies from 4 years to 10 years. In some cases the rate of interest is 4 per cent., while in others it is 4½ per cent. The reservation of the coastal trade for Indian shipping had already been effected. The total profit earned by all Indian shipping companies both on coastal as well as on overseas trade was of the order of Rs. 250 lakhs during 1951-52.

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Port Improvement

The Central Government has decided to advance loans to the State Governments to enable them to make improvements at their ports. The improvements will include the construction, repairs and substitution of jetties, provision of workshop and dredging equipment, provision of facilities for the handling of passenger and goods traffic and of navigational aids. The allotment to different States has not yet been decided.

—Deputy Minister for Railways and Transport

Export of Sindri Fertilisers

It is not the Government's policy to export the Sindri fertilisers as the demand in the country is big enough. As a special case, however, the Government has agreed to supply 15,000 tons to East Bengal, as part of the trade agreement. As a sort of gesture, the Government has given about 100 tons to an agricultural demonstration farm in Ceylon at the suggestion of the Indian High Commissioner there. Whether India will be able to export in bulk and if so in what quantity and at what price are matters to be considered later on by the Government.

—Minister for Production

MONEY DISTINCTLY EASY

(From Our Own Correspondent)

BOMBAY, 26th *August*

The short-term money market was distinctly easy this week. With the approach of the last rettlement day in I.C.C. August on the 25th inst., whatever little demand was there for advances against cotton tapered off. Trade demand was conspicuous by its absence and transactions in foreign bills were almost negligible. At the same time, the supply of floating funds also increased. Banks, in fact, scrambled for remunerative outlet for these funds. But the intervening holidays were hardly conducive to making their bids effective. Consequently, the inter-bank call money among big Indian banks and Exchange banks sank further from 1¾-1½ per cent. respectively last week to 1 per cent., which was more or less the commonest rate, although for renewals it was sometimes slightly high at 1¼ per cent. Among the smaller Indian banks the call rate stood unchanged at 2½ per cent., though stray deals were reported done at 2¼ per cent. Short-term deposits from one, to two months fetched 2 per cent. and funds of three months' duration 2¼ per cent. The rate was 2½ per cent. for deposits of longer duration. House money at call was quoted at 2 per cent.

The week's three months' Central Treasury Bill tenders at Rs. 2.02 crores were just Rs. 33 lakhs more than those tendered a week ago. This increase is in conformity with the trend of the short-term money market described above. But what is not is the rate of Treasury Bills. Thus the average rate of accepted tender, which had risen from Rs. 2-6-3 per cent. to Rs. 2-6-5 per cent. last week, however, rose further to Rs. 2-6-8 per cent. this week. This may appear strange but it is not inexplicable. It only means that bidding for these Bills is not yet keen and that the chief bidder is still able to have his say. It remains to be seen whether, in the coming weeks, the Bills will become popular with all the banks. In view of the bank holidays on Tuesday and Wednesday next week, no offers for Treasury Bills have been invited for that week. Tenders for another Rs. 1.5 crores worth of three months' Treasury Bills have, however, been invited on 7th September next.

The Scheduled Banks' consolidated return for the week ended 14th August, reveals a sharp drop of Rs. 7.5 crores in demand deposits, while time deposits have risen by Rs. 2.55 crores. A small increase of Rs. 16.21 lakhs is noticed in borrowings from banks. Borrowings from the Reserve Bank have gone down by as much as Rs. 1.97 crores and from the Imperial Bank by Rs. 1.04 crores. On the assets side, advances have been simultaneously marked down by Rs. 5.4 crores. Bills purchased and discounted too are lower but by Rs. 2.23 crores. Investments, however, are better by Rs. 4 crores. while total cash stood depleted to the extent of Rs. 5.5 crores.

The statement of affairs of the Reserve Bank of India for the week ended 21st August, 1953, as compared with that for the previous week, reveals a substantial fall of Rs. 7.8 crores in notes in circulation. This is more than offset by an increase of Rs. 8.61 crores in the total notes held in the Banking Department. The net increase of Rs. 77.23 lakhs in the total investment is covered by a corresponding increase in rupee coin. In the Banking Department, deposits of the Central Government have risen by nearly Rs. 15 crores. There has also been a rise of Rs. 2.6 crores in deposits of other Governments and of Rs. 3.13 crores in those of others. But a marked fall of Rs. 11.05 crores is revealed in other liabilities. The assets side reveals an increase of Rs. 8.61 crores in cash balances. But balances held abroad have receded by Rs. 1.59 crores.

The Gilt-edged market was a little active this week. Enquiries were in evidence over a broad front especially in short and medium-dated loans. There were buyers in 2½ per cent. 1954 at Rs. 98-10 but no business worth mentioning took place, the scrip being in short supply. A few parcels of 2½ per cent. 1960, however, changed hands at Rs. 93-8. 2½ per cent. 1962 had buyers at Rs. 91-9-6 with no sellers. Among the 3 per cent. loans, 1957 met with some support at Rs. 98-9, as against Rs. 98-8, a week ago. 1958 was unchanged at Rs. 98-1, while enquiries were witnessed for 1959-61 loan at Rs. 96-1-6. Some deals were reported done in both 1963-65 loan and 1964 loan at Rs. 92-6-6. No business was possible in 1970-75 at Rs. 86-7. But a fairly large turnover was reported in 3½ per cent. 1961 National Bonds at Rs. 98-5. Among State loans 4 per cent. 1964 Bombay loan rose by As. 2 to Rs. 100-4. The Madhya Pradesh 3 per cent. 1955 and 1956 loans had buyers at Rs. 99 and Rs. 98-8, respectively.

In the foreign exchange section, there was no change in the rupee U.S. dollar rate. In New York, the spot sterling experienced a fractional recision from $2.81-11/16—$2.81-13/16 to $2.81-7/16—$2.81-9/16. The forward rate for three months stood unchanged, on balance, at $2.80-7/8—$2.81. The rate for six months, however, receded by 1/16 from $2.80-3/8—$2.80-1/2 to $2.80-5/16—$2.80-7/16.

PRICE RESISTANCE FOR KIPS

(From Our Own Correspondent)

MADRAS, 24th *August*

There has been no change in the U.K. demand for kips, due to importers' price resistance. Shippers are not keen to follow buyers' limits, both ends being adamant over prices. Demand for lower grades has continued in tanned cow hides, cow calf and buff calf.

In the tanned skins section, prices of tanned goat are slightly easy for common qualities and steady for better tannages, while those for sheep are firm for lining and gloving types. The results of the tanned skins auctions in London which are due to commence to-day, are awaited with interest.

BULLION QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, 26th *August*

After remaining hesitant during the first three days of the week under review, owing to the absence of any fresh developments, the bullion market picked up strength yesterday. The announcement of Estate Duty rates induced renewed short covering and fresh bull support. The rates of duty contemplated being considered heavy, the bulls expected a rise in the demand for bullion, especially for gold, in future. Similarly, the operators, who had previously gone short on expectations of low rates of Estate Duty, decided to cover their open position. The twin effect of these factors was the advance in quotations for both gold and silver. To-day, however, the market turned somewhat quiet on scattered realising transactions. A part of the gains registered on the previous days was lost. The undertone of the market, however, was quietly steady. The badla charges were Re. 1-6 in favour of bulls in gold and As. 4 in favour of bears in silver.

Business in gold for forward delivery (*Shravan*) terminated yesterday at Rs. 86-14. The quantity of gold tendered against the delivery was said to be small. An important syndicate, which had sold 50,000 tolas, it is reported, was not in a position to give delivery. It had, therefore, to pay heavy price of Re. 1-6 to carry forward its sales to the next settlement. Gold for forward delivery (*Bhadrapad*) opened the week lower at Rs. 86-2, as against Rs. 86-4-6, and, after moving between Rs. 86-2 and Rs. 86-4, advanced to Rs. 83-15 to-day. The closing rate, however, was slightly lower, by As. 2, at Rs. 86-13.

Ready gold commenced at Rs. 87-9 and, after an initial marking down to Rs. 87-1, recovered to Rs. 88-6 before closing at Rs. 88-1. The floating stocks are estimated at 20,000 tolas. The daily average arrivals and offtake were even at 4,000 tolas.

Silver for forward delivery (26th August) opened at Rs. 152-1 and gradually rose to Rs. 152-15 on Tuesday. A part of the improvement was lost towards the close of to-day, when, on account of profit-taking, the business in this settlement terminated at Rs. 152-8. *Bhadrapad* delivery opened at Rs. 152-4. It steadily rose to Rs. 153-4 yesterday, but closed lower at Rs. 152-2 to-day.

Ready silver, which opened at Rs. 152-5, gained As. 15 during the week to record a high of Rs. 153-4 to-day. However, a reaction set in towards the close and the rate finished lower at Rs. 152-9. The floating stocks of silver are estimated at 2,000 bars. The daily average offtake was 15 bars, while arrivals were 10 bars.

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

	26-8-53	Highest	Lowest	19-8-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	88 1	88 7	87 1	87 11
Forward	86 13	87 5	86 5	87 3
Sovereign	68 0	69 0	67 10	67 12
SILVER				
Ready (.996 fine Mint)	152 9	153 4	152 0	152 13
Forward	152 15	152 15	151 12	152 9
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

DEMAND FOR TEA STRONG

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 22nd *August*

The offerings in sale no. 17, which was held on Tuesday, 18th August, 1953, amounted to 1,340,000 lbs. Quality amongst the medium, good medium and high-grown teas showed some improvement and there were some attractive bright liquoring teas on offer.

The sale opened to a good general demand, although common and low medium teas showed a slightly easier tendency. Medium and good medium descriptions were well supported; prices were often dearer by an anna to As. 2. Best Liquoring teas met with good demand and prices tended to be dearer, following quality. The demand for black Middle East type fannings with style continued but at lower rates. Whole leaf grades met with more competition and were occasionally dearer.

The following were the quotations:

	Rs. a. p.
Low-grown Travancore B.O.P. ...	1 9 9
Medium Travancore B.O.P.	1 12 0
Anamallais B.O.P.	1 13 6
Best liquoring *Nilgiri* B.O.P.	2 4 0
Clean black leaf O.P.	2 2 6

London Market.—The market was quiet. Demand irregular. Colours or useful types, however, were fully firm.

Colombo Market.—*Less demand.* Low-growns declined by ten cents, mediums by five cents and high-grown Dimbula types by 10 to 15 cents. Uvas irregular generally lower on quality.

Calcutta Market—Export.—The market opened on a quieter tone. *Less* general demand. Commons and medium Assams, excepting good liquoring ones, easier by half an anna to one anna. C.T.C. and whole leaf grades weaker. Commonest strongest feature.

Dust.—Fair general demand at lower rates. Commons and medium Assams easier by half an anna to one anna. Best C.T.C. and Middle East types steady.

Export Quota.—The market has eased to 15½ pies, at which figure business has been done.

Forthcoming Auctions.—Sale No. 18 will be held on Tuesday, 1st September, 1953.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:

"*Dust Sale Q.*—125,000 lbs. Strong general demand. All types fully dearer by an anna."

OUTLOOK FOR COTTON CROP

(From Our Own Correspondent)

BOMBAY, 26th *August*

The August Contract has expired. It has not been a painless death and even during its brief but hectic life, it has caused a lot of ups and downs and anxieties amongst those related to the cotton trade. Trading in this contract was cleverly manipulated by a determined and resourceful group, but this has to be accepted once the need for forward trading in any important commodity is recognised. The E.I.C.A. authorities, however, could not but have felt a little uneasy about the frequent flights of this contract from the real position in the cotton trade as a whole. This contract had the distinction of unusually high deliveries offered against sales in it. The rejected lots from these deliveries augmented the supply in the ready market. Some mills took advantage of this new source of supply and succeeded in replenishing their stocks from it. From the phenomenal quantity of cotton bales actually tendered in this contract, it is a good matter of speculation as to what would have happened in the market, if the longs had not been in a position to obtain temporary financial accommodation for their heavy commitments.

All attention is now naturally concentrated on the new crop. Present estimates regarding its size are very optimistic. There is already talk of self-sufficiency and the target of four million bales being realised during the coming season. The heavy rains do not appear to have done any appreciable damage anywhere, to the standing crop and the more or less clear weather this week is regarded as very helpful. All the same, caution is necessary because the end of the season even for the short-staple early varieties is not in sight and the *tag-end of the monsoon* is disproportionately significant so far as the yield is concerned. This year, the pattern of the crop is also likely to change inasmuch as the ratio between the short-staple and medium varieties will be greater which *means less imports* and less exports. There is now a move to persuade the authorities to halt the movement towards replacing the former with greater sowings of the latter and thus work out a new balance in this respect. This question, along with some other important ones, will come up for consideration before the Indian Central Cotton Committee at its meeting this week in Bombay. Before this question could be finally settled, however, the authorities will have to take note of the future pattern of cloth production in the country and the changing needs of the textile industry for various types of cotton.

The spot section of the market has been kept fairly busy during the week. It is expected that now the question of tendering cotton against forward sales has been settled, this activity is likely to increase in the coming weeks. On the other hand, there are fears that cloth production in the coming months may go down in view of modest offtake, though export enquiries have shown some improvement. The size of the new crop also will go to prevent the mills from being in a hurry to make purchases and the behaviour of the February contract with its present bearish tone will go to help this attitude. There is hardly any demand for exports, but transactions in imported cottons are on the increase. Inter-trade transactions also are not numerous at this stage.

During the week under review, which was interrupted by two holidays, namely, 20th inst. on account of the Board election and 24th inst. on account of Cocoanut Day, there was restricted trading. I.C.C. August 1953 opened at Rs. 735 and fluctuated between Rs. 735 and Rs. 730 before it expired on 25th inst. at Rs. 731. I.C.C. February opened the week at Rs. 659 but gradually declined, on quiet spot advices, to Rs. 633½ to-day, although it recovered by a rupee towards the close of the session. The following is the trend of prices in the forward market during the week ended to-day:

	Opening	*High*	*Low*	*Closing*
I.C.C. February	Rs. 659	659½	633½	635
I.C.C. August ...	Rs. 735	735	730	731

The following are the latest quotations for the Sewri cotton market:—

Bengal *Deshi* Rs. 600; Berar *Jarilla* Rs. 750; Khandesh Rs. 840; Vijay Rs. 880; Oomra *Deshi* Rs. 765; Moglai Rs. 665.

At Karachi, while the field of enquiries from abroad has broadened to a certain extent, actual business put through is not satisfactory. The U.K., for instance, is a willing buyer but both the R.C.C. there and the private buyers, who have opted out, consider the prices quoted unattractive. The complaint is heard from other countries on the Continent, while Japan is still sitting on the fence. In spite of this, the rates, both in the spot and forward markets, have remained very steady. Even the lower trend in the New York prices has not induced Karachi to bring its quotations in line with the world markets. The latest available quotations from the Karachi market are: Spot Punjab *Deshi* Rs. 66; 4F Punjab R.G. Rs. 55 to Rs. 55-8; S.G. Rs. 59 to Rs. 59-8; L.S.S. Punjab R.G. Rs. 58 to Rs. 58-8; S.G. Rs. 62 to Rs. 62-8; N.T. R.G. Rs. 62; S.G. Rs. 63-8; 289F Punjab R.G. Rs. 66; S.G. Rs. 70. New crop all October-November, Sindeesi Rs. 69; Punjab *Deshi* Rs. 67; N.T. R.G. Rs. 65-8 to Rs. 66; S.G. Rs. 69 to Rs. 69-8; 289F R.G. Rs. 69; S.G. Rs. 74.

At Alexandria, on the other hand, India, the U.K., France and even the U.S.A. have been buyers of moderate quantities. The demand is mainly for Ashmouni, though Karnak and Giza 30 are also in the picture. The crop position in Egypt is very satisfactory and the yields for all varieties are expected to be higher this year.

Trends at New York and in other American cotton markets have been fairly quiet and the range of fluctuations has suddenly narrowed down. Now that October delivery is approaching nearer there is some liquidation from time to time in this contract. The prices, on the whole, are expected to keep around the loan level for the present till some more definite trend emerges as a result of export demand or improvement in the internal textile trade.

The following are the latest quotations from New York, as compared with those ruling a week and a fortnight ago:

(In cents per lb.)

	25-8-53	18-8-53	11-8-53
Spot	33.80	33.70	33.85
October	33.54	33.43	33.59
December	33.84	33.60	33.80
March	34.00	33.79	33.93
May	33.96	33.76	33.91

ART SILK YARN LISTLESS

(From Our Own Correspondent)

BOMBAY, 26th *August*

Conditions in the art silk yarn market were listless during the week under review. Operators, were somewhat inclined to restrict their dealings, awaiting the developments in yarn markets in Japan and on the Continent. Consequently, the turnover was small and price variations were very narrow. The undertone of the market, however, remained fairly steady.

In the forward section, 150D August delivery contract improved from Rs. 773 to Rs. 776 on the 22nd inst. After receding to Rs. 770 yesterday, it recovered to close at Rs. 773. September contract spurted by Rs. 4 to Rs. 778 on Saturday. There was a recession yesterday, when the value went down to Rs. 772. To-day, however, it was better at Rs. 776. In the ready section, 120 Italy and 150 Italy were fully steady at Rs. 4-1 and Rs. 4-2, respectively. 150 Japan and 120 Japan were a shade lower, the former at Rs. 4-0-1/2 and the latter at Rs. 4-1.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 19th and 12th inst:

	26-8-53	19-8-53	12-8-53
	Rs. a.	Rs. a.	Rs. a.
150D August(per case of 200 lbs.) ..	773 0	773 0	794 0
150D September	776 0	774 0	792 0
120 Japan (per lb.)	4 1	4 1½	4 2½
150 Japan	4 0½	4 1½	4 2½
120 Italy	4 1	4 1	4 3
150 Italy	4 2	3 14	4 1½

Report of poor arrivals of imported art silk yarn in recent weeks would appear to have had no effect on the market. The quantity of yarn actually imported into Bombay Port during the month of July, 1953, for instance, was not more than 1.71 million lbs., as against 2.56 million lbs. and 4.62 million lbs. in the previous two months, respectively. This is due to the renewed weakness in the staple fibre yarn section. Large imports of staple fibre and restoration of power cut have resulted in a distinct improvement in yarn production in the local and South Indian mills. The arrivals of staple fibre yarn into the market have been quite large. The decline in cotton yarn prices, following the delay in the Government of India's announcement of export policy, has also been responsible for the art silk yarn values not registering a rise despite depletion of stocks.

In the staple fibre yarn section, 2/40s yarn September contract staged a further decline this week to Rs. 648, as against Rs. 657 last week, although, towards the close, it was slightly better at Rs. 653. As already stated, imports of staple fibre have been larger in recent weeks. During July, 1953, as much as 2.61 million lbs. of fibre were imported into Bombay Port, as compared with 0.96 million lbs. in the previous month.

CASTORSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 26th *August*

The notable event during the week under review was the Centre's announcement last Saturday of a change in its policy governing import of coconut oil and copra. The change provides for import of coconut oil upto two-thirds of quota licences for July-December, as against half prior to 22nd inst. The main object is to make available more supplies of coconut oil, with a view to bringing down the prices of edible oils and oilseeds by easening the tight supply position in them. This change in the Centre's policy did not, however, have the desired effect, as the groundnut section continued to rule steady, following bull grip on the stocks. The castorseeds section, however, ruled bearish, consequent on discouraging overseas advices. The linseed section was slightly easy, on selling pressure by certain bulls. The quotations, on balance, showed minor variations in groundnuts, while castorseeds and linseed disclosed losses over the week.

Speculative elements were highly active in the groundnut section. There was a conscious and calculated effort to maintain, if not raise, the prices of ready transactions with a view to getting the maximum prices for squaring up August settlement. Bold ready, after varying between Rs. 49 and Rs. 50, declined to close steady at Rs. 49. August-September delivery was done at Rs. 46-8, as against Rs. 45-8. December-January delivery, however, lost As. 6 to Rs. 31-6. Khandesh quality fluctuated between Rs. 50 and Rs. 51-8. Groundnut oil ready gained As. 8 to Rs. 27-12, while railway receipts were enquired at Rs. 26-8. August, September and October deliveries were done at Rs. 26-4, Rs. 25 and Rs. 21, respectively, as against Rs. 26, Rs. 24-5 and Rs. 20-11.

In the linseed section, Bold ready lost As. 4 to Rs. 29-4. August-September and October-November deliveries changed hands at Rs. 29-4 and Rs. 28-6, as compared with Rs. 29-8 and Rs. 28-12, respectively. February-March contracts declined from Rs. 26 to Rs. 24-12. Linseed oil ready was steady at Rs. 16-4.

There was a virtual absence of enquiries for castor oil from world markets. Castor oil Commercial at £141 per ton in the U.K. and the Continent was discouraging to Indian exporters. Chinese castorseeds was quoted at £60 per ton on the Continent and British East African castorseeds at £60 10s. per ton. Consequently castorseeds in India presented a bearish appearance. September delivery lost Rs. 7-6 to Rs. 140-14, the highest and the lowest touched during the week being Rs. 148-4 and Rs. 139-4. May delivery fluctuated between Rs. 125 and Rs. 132-12 before closing at Rs. 126-12. In the ready section, Madras suffered As. 12 to Rs. 29-12 and F.A.Q. Rs. 2-8 to Rs. 27-4. Castor Oil I Pressures were quoted at Rs. 17, as against Rs. 17-6 and Commercials at Rs. 16-4, as compared with Rs. 16-12. B.S.S. was lower by As. 6 at Rs. 17-4.

India has so far exported 24,500 tons of castor oil. With the recent quota of 5,500 tons, the total exports for the year so far announced is 30,000 tons. As the crop for the year is estimated at 50,000 tons of oil and the local requirements at 15,000 tons India will have at the end of the year, a net balance of 5,000 tons and a carry-over stock of another 5,000 tons of oil.

The following table shows the prices of oilseeds and oil on the 26th inst., as compared with those at the end of the previous two weeks.

	26-8-53	19-8-53	12-8-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready Now (per cwt.)	49 0	49 0	48 0
August-Sept.	46 8	45 8	46 4
December-January.. ..	31 6	31 12	33 6
Linseed—			
Bold Ready (per cwt.) ..	29 4	29 8	30 2
Castorseeds—			
Sept. (per candy of 5 cwts.).	140 14	148 4	150 6
May 1954	126 12	132 0	133 8
Madras (per cwt.)	29 0	29 12	30 8
Groundnut oil—			
Ex-mill Ready (per quarter).	27 12	27 4	27 4
Castor Oil—			
Commercial (per quarter)..	16 4	16 12	17 0

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 26th *August*

Following reports of the early arrival of imported sugar—the first consignment of about 7,500 tons is expected in about three weeks' time—the forward section of the Bombay sugar market ruled easy during the week under review. Larger arrivals of sugar into the market and the consequent improvement in stock position, also imparted weakness to the market. The selling pressure that ensued, as a consequence, led to a break in sugar prices. Thus, the quotation for *Bhadrapad* delivery, which had touched as high as Rs. 92-10 on the 17th inst., receded to Rs. 86-10 per bag to-day. Business in Shrapun contract terminated at Rs. 89 per bag. There is reported to be little possibility of the *Bhadrapad* delivery staging a recovery, unless, of course, imported sugar arrives late or actual deliveries of sugar are delayed or the quantity offered to trade is negligible.

The spot section moved in sympathy with the forward section and experienced an all-round fall in values. Small, medium and large grain sugars are to-day quoted at Rs. 89, Rs. 90 to Rs. 91-8 and Rs. 94 to Rs. 97 per bag, as against last week's quotations of Rs. 92, Rs. 93 and Rs. 99, respectively.

Arrivals of sugar into the Bombay market during the week ended to-day amounted to 18,000 bags, as against 6,000 bags last week. The stocks with spot trade are estimated at 24,000 bags. Demand for sugar is normal.

The attention of the sugar trade is now focussed on imported sugar. Particulars relating to the time of arrival, the date of delivery and the quantity that will be allocated to the trade are being eagerly awaited. As for the long-range future, however, the sugar trade is looking forward to changes in the Government of India's sugar policy for the ensuing (1953-54) season. Considerable interest is evinced in the forthcoming deliberations of the meeting of the Governments, sugar industry, trade, cane-growers, and *gur* and *khandasari* interests. This conference is scheduled to be held in New Delhi on Wednesday, 2nd September, 1953. The meeting has been convened primarily to determine the question of fixing the cane price, but it is expected to discuss the overall policy regarding sugar and its substitutes also.

What final decisions will be taken at the aforesaid meeting is anybody's guess. So far as the Government of India is concerned, it is eager to step up sugar production, with a view to meeting the increased consumption, estimated at 1.5 million tons. Here crops up the question of coaxing the sugar millowners or the cane producers by means of the three available alternatives, namely, control, dual price policy and complete decontrol with or without imports. Past lessons have taught us that control will not bring about higher production, inasmuch as it takes away all incentives. The dual price policy results in dislocation of normal trade and heavy cost to consumer, although it may be expected to ensure increase in production. In the circumstances, the only sensible course would be to effect complete decontrol of sugar. This will induce millers to minimise their output in view of the increased consumption. The trade will also lend its support to such a policy, as that will mean continuance of their trading operations.

Maximisation of sugar output, however, depends on adequate supplies of cane at economic price. The cane producers argue that a rise of As. 3 per maund in the cane prices will induce them to offer larger supplies to sugar factories, instead of diverting them to other purposes. After all, they say that the rise in cane prices means an additional cost of only Rs. 8 crores, which will remain in the country itself and which will help save foreign exchange which otherwise will be frittered away on importing sugar. This argument is, however, not accepted by the sugar millowners in the North, who point out that, by virtue of their contributing more than 80 per cent. to the country's requirements of sugar, they get much less than their confreres in the South who enjoy many natural advantages and who will benefit more by having no imports at all.

A section of the sugar trade favours complete decontrol of sugar and sugarcane in the ensuing season. In its opinion, no minimum price should be fixed for cane. "This," to quote one report, "is a *via media* solution for the Government's desire to lower cane prices, on the one hand, and the cane growers' demand for higher price, on the other."

PEPPER SLIGHTLY BETTER

(Messrs. Parekh and Co.)

BOMBAY, 26th *August*

Busines in Malabar black pepper in all primary centres during the week was thin owing to the intervening holidays. Alleppey was nominally quoting to sell at prices ranging from Rs. 2,300 to Rs. 2,400, while at Cochin some business in garbled for ready delivery was reported done at prices ranging from Rs. 410 to Rs. 430 per cwt. exgodown. The spot position in New York being tight, particularly, because of the detention of Sarawak due to arrivals of mouldy pepper, there were enquiries for shipments per named steamers during August and early September at fairly good premium, and this proved a much wanted support to the otherwise weak market. The exporters in India are reported to have done a fair sized switching and replacement with a good margin. Export to U.S.A. during August is estimated to be about 400 tons. Total export from November, 1952, to August, 1953, is estimated to be about 9,200 tons as against 11,315 tons during the same period last year. The export of black pepper from India during the year is about 2,000 tons less than last year, and unless New Delhi reduces the export duty, no improvement in our exports seems to be possible under the present conditions in the other producing countries.

In the local market, there is a lot of short position both in the delivery and A.S.T.A. business. The dealers do not seem to be in mood to go further short unless they find change in the selling attitude of growers. Sarawak is reported to be sellers in New York at $0.80 for August shipment and $0.75 for September shipment. Lampong does not seem to be so anxious as to sell at the present low prices.

In the A.S.T.A. section, the market after touching the lowest at $0.94 for September shipment has improved to $1.01 under pressure of short covering. October shipment changed hands at prices ranging from $0.87 to $0.93. In the delivery section, prices after going down to Rs. 1,730 for September, Rs. 1,630 for October and Rs. 1,430 for December, have improved to Rs. 1,800, Rs. 1,690 and Rs. 1,470 respectively with small turnover.

Following are to-day's nominal quotations: Ready Rs. 270/300 per cwt. and September Rs. 1,810, October Rs. 1,670 and December Rs. 1,470 per candy of 5½ cwts.

JUTE PRICES FALL FURTHER

(From Our Own Correspondent)

CALCUTTA, 25th *August*

A further fall in the prices of jute goods was a distressing feature this week, and was the direct result of speculators' activity. Actual business with overseas buyers being poor, prices could not stop moving down. It was unfortunate that the speculators were anxious to hammer prices down drastically by selling at a time when the market was devoid of buying support. This week's record proves that wide fluctuations in prices, especially downwards are caused by the speculative elements. The trade allegation that the Kotni market is doing business that has been banned is an important matter which the newly appointed Jute Commission could usefully investigate. The Commission could go a step further, and recommend whether a futures market for jute goods is necessary. It is noted that trading in burlap futures is going to start in New York as from 9th September.

The fact that stocks with mills are increasing and that business for export continues poor, has revived discussions, among trade circles, on the question of export duties, the maintenance of which at the current rates, it is stated, puts down the volume of business. Unfortunately, this question is not included in the terms of reference to the Commission, but market circles rightly feel that an enquiry into the problems of the jute industry would not be complete without hearing the grievances of the trade. For certain, the Commission would be faced with this important question of export duties at the different stages of its enquiry, and it would have to pronounce its views on the matter. The trade and the industry have felt, for some time now, that the export duties place the Indian quotations at a disadvantage compared to the offers of the Continental producers.

Again this week, advices from New York were not encouraging and affected sentiment. A point to note is that American consumption has tended to be higher than purchases, and it is evident that stocks are running down. Market circles have, therefore, averred that sooner or later American stockists have to appear on the market to replenish their stocks. But they have withstood from the market as they know that they can locate supplies at any time they want. Ready 40" 10 *oz.* hessian was therefore pulled down to Rs. 44-8 from Rs. 45-1; however, the closure on Saturday was at Rs. 44-11 on account of local covering. To-day the rate reached Rs. 45. The October-December position declined to Rs. 44-9 from Rs. 45. The fact

(*Continued on page* 423)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept. 1939 (pre-war)	14th August, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,101.03	1,107.06	1,119.8	1,106.72
Notes held in Banking Department	85.05	29 51	32.85	84.23	80.80
Foreign Securities	89.50	573.16	583.16	583.15	553.15
Rupee Securities	87.89	424.90	424.86	439.86	464.63
Banking Department					
Deposits of:					
Government of India	14.89	114 67	103 82	93.06	105.29
Other Governments	...	18.46	27 09	29.45	9 67
Balances held abroad	10.08	127 53	119.16	123.83	122.22
SCHEDULED BANKS					
Demand Liabilities	134.37	522 66	529.97	533.63	554 41
		(12 46)	(12 25)	(14.31)	(12 81)
Time Liabilities	102.64	330 10	327 59	328 52	312 70
Borrowings from Reserve Bank	...	(2 10)	(2 15)	(2 09)	(6 04)
		2.65	4 52	1 32	2 81
		(0.49)†	(0.49)†	(0.49)†	(1.23)†
Borrowings from Imperial Bank	...	6 25	7.29	7.37	4.74
Cash in India	6.71	29 86	29 44	31.89	33.59
Balances with Reserve Bank	25.23	41.12	47.05	39.80	56.96
Excess over statutory limits	15.52	8.39	14.00	6.45	16.74
Balances with other banks in current account in India	...	10.19	10.19	12.08	11.85
Money at call and short notice in India	...	16.16	16.23	19.13	19.55
Investments (at book value)	...	323 07	319 05	313.70	302 21
Advances and bills	105.09	480 68	488.35	494.64	488.71
IMPERIAL BANK					
Deposits	...	87.76	204 76	212 24	211.42	223 35
Investments	...	31.99	88 91	87 70	86.07	86 57
Advances	...	30.37	109 64	114.90	118.14	129 33
Cash	...	14 69	17 22	20.84	17.46	23 77

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	20th August 1953		14th August, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	1,53,05+7	83,64,06,000	2,18,117	49,30,19,000
Calcutta	1,04,805	33,32,95,886	1,41,147	50,47,13,317
Madras	61,892	5,53,42,264	69,351	7,40,64,715
All Centres—				
1951	...	...	1,05,94,122	3160,56,86,859
1952	...	...	1,06,41,941	2879,51,57,000
May 1953	...	...	28,35,000	5,43,23,00,000
June "	...	...	24,65,000	5,34,71,00,000

Reserve Bank of India

Statement of Affairs for the week ended 21st Aug., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	129.40,62,000
(2) Other Governments	21,09,62,000
(b) Banks	45,79,02,000
(c) Others	57.20 11,000
Bills Payable	3 66,25,000
Other Liabilities	9,62,92,000
Rupees	275,76,55,000

ASSETS	Rs.
Notes	33,03,74,000
Rupee Coin	14,77,000
Subsidiary Coin	4,37,000
Bills Purchased and Discounted—	
(a) Internal	18.50.000
(b) External	...
(c) Government Treasury Bills	5 52.82 000
Balances held abroad*	125.93 32,000
Loans and Advances to Governments	20,00,000
Other Loans and Advances	10,86 79 000
Investments	86,70,15 000
Other Assets	6 07,09,000
Rupees	275,76,55,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,50,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	38 08.74.000	
Notes in circulation	1093,22,61,000	
Total Notes issued		1131,31,35,000
Total Liabilities		1131,31,35,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	573,15,11,000	
Total of A		613,16,82,000
B. Rupee Coin		93,24,42,000
Government of India Rupee Securities		424,90,11,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1131,31,35,000

Ratio of Total of A to Liabilities: 54.200 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 14th Aug., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	12,46,04,000†
(ii) Other demand liabilities	510,20,03,000
2. Time Liabilities in India:	
(i) Borrowings from banks	2 09,50,000†
(ii) Other time liabilities	323,01,01,000
3. Cash in India	29,66,05,000
4. Balances with the Reserve Bank in India	41,12,03,000
5. Balances with other banks in current account in India	10,19,52,000
6. Money at call and short notice in India	16,15,72,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	323,07,10 000
8. Advances in India	431,15,00,000
9. Inland Bills purchased and discounted in India	49,52,54,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	25th August 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-5 13/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	475	475
Buyers T.T. Rs.	471	471
London on New York	$ 2 81	$ 2.81 3/4-2.81 15/16
London on Paris Fcs.	980-980	980-981
London on Berne Sw. Frs.	12.17-12.17	12.17-12.17
New York on London	$ 2.81 3/4-2.81 15/16	$ 2.81 3/4-2.81 15/16

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12			9,730	255
Pakistan	1949	76.04			1,871	246
Burma	1951	18.87	Kyats	8,166	817	169
Ceylon	1951	7.74			441	582
Japan	1951	84.80	¥	4,849,400	6,414	774
Philippines	1951	20.24	Ps.	7,146	1,820	849
New Zealand	1951	1.98	£ (N.Z.)	615	820	4,206
Australia	1951	8.45	£ (A.)	9,288	9,464	4,817
U.K.	1951	50.45	£	13,648	18,197	3,603
U.S.A.	1953	156.98	$	290,400	138,280	8,808
Canada	1952	14.43	$	18,807	8,246	5,714
France	1951	42.24	F. Fr.	9,058,000	15,375	2,126
W. Germany	1951	48.11	Dm.	90,700	10,827	2,126
Italy	1951	46.66	Lr.	7,746,000	5,902	1,267
Norway	1953	3.32	Kr.	16,596	1,136	3,431
Sweden	1951	7.07	Kr.	86,800	8,419	4,844
Netherlands	1952	10.35	Fl.	17,550	3,200	2,120
Denmark	1951	4.30	Kr.	20,716	1,439	3,846
Switzerland	1951	4.75	S. Fr.	19,500	3,186	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, June, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 14th August, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	38.21.67.000
(b) Provincial Governments	1,01.55,000
(c) Banks	20.34.77.000
(d) Others	2.52.91,000
Bills Payable	1 41.89,000
Other Liabilities	1,73.63 000
Rupees	71,29,91,000

ASSETS	Rs.
Notes	9.27.03.000
Rupee Coin	3,000
Subsidiary Coin	6,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	.....
Loans and Advances to Governments	1,83 00,000
Provincial Governments Debtor Balances	10 46 12.000
Other Loans and Advances	1.50.00.000
Investments	37.91.49.000
Other Assets	10.23,18,000
Rupees	71,29,91,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9.27.03.000	
Notes in circulation	202,32,19.000	
Total Notes issued		211.59,21 000
Total Liabilities		211,59,21,000

ASSETS	Rs.	Rs.
1. A. Gold Coin and Bullion		
Silver Bullion	7,91,42,000	
Sterling Securities	39.83,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		89,14,82,000
B. Rupee Coin	6,42,28,000	
Government of Pakistan Securities	111,77,86,000	
Internal bills of exchange and other commercial paper	.....	
		118,19,64,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,75,000
Total Assets		211,59,21,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 46.00 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
2nd June	1.00	2.02	1.00	2 6 6	32
9th "	1.00	2.10	1.00	2 6 5	27
16th "	1.00	2.23	1.00	2 6 6	23
23rd "	1.00	2.90	1.00	2 6 6	21
1st July	1.00	2.71	1.00	2 6 6	23
7th "	1.00	3.03	1.00	2 6 2	6
14th "	1.00	2.81	1.00	2 6 2	9
21st "	1.00	2.80	1.00	2 6 2	10
28th "	1.00	3.76	1.00	2 6 2	80
4th August	1.50	2.61	1.50	2 6 3	40
11th "	1.50	2.02	1.50	2 6 3	43
18th "	1.50	1.85	1.50	2 6 5	65
25th "	1.50	2.02	1.50	2 6 5	93
Total	15.00	32.66	15.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	3rd April, 1953	3	2½
Finland	16th June, 1951	7½	6½
France	9th Nov., 1951	3	4
Greece	12th July, 1948	10	12
India	14th Nov., 1951	2	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	2	2½
New Zealand	26th July, 1941	2	3
Norway	9th Jan., 1946	3	2½
Poland	1st July, 1945	..	3
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	16th Mar., 1948	4	3
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	3	5
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA
(In lakhs of Rs.)

	February, 1953	February, 1952	Eleven months—April to Mar., 1952-53	Eleven months—April to Mar., 1951-52
Import Duties:				
Revenue	9.03	11,56	102.00	119.76
Protective	49	90	6.98	9.73
On surplus disposals	..	8	8	27
Total import duties	9.52	12.49	109.03	129 76
Export Duties	3,19	7,81	50.41	83 25
Land Customs	19	27	2.46	2.99
Miscellaneous	8	7	1.08	1.04
Gross total customs	12.93	20.64	162.98	217.04
Refunds and drawbacks	14	31	2.49	4.44
Net Customs	12.81	20 33	160 49	212.60
Gross excise	7,70	6,86	76.35	81.11
Refunds	12	17	1.35	1.89
Net Excise	7.58	6.69	75.00	79.52
Net total of customs and excise	20.39	27.02	235.49	292 12

Imperial Bank of India

Statement of Affairs for the week ended 21st Aug., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		205,66,17,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,34,14.000
Bills for Collection being Bills Receivable as per contra		55,17,000
Acceptances, Endorsements and other Obligations as per contra		1,06,000
Other Liabilities (including Inter-Office Adjustments)		1,00,20,000
Total	Rs.	222,54,24,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		15 97,96,000
Balances with other Banks		3,82,06.000
Money at Call and Short Notice		96,89,000
INVESTMENTS—		
Government and other Trustee Securities	70,26,75,000	
Other Authorised Investments	10,53,77,000	
		80,80 52,000
Advances—		
Cash Credits and Overdrafts, etc.	86,14 27,000	
Bills Discounted and Purchased	22,03,06,000	
		108,17,32,000
Bills Receivable being Bills for Collection as per contra		55,17,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,06 000
Premises less Depreciation		1,30 94 000
Furniture and Fixtures less Depreciation		36 52 000
Other Assets (including Inter-Office Adjustments)		1,56,80,000
Total	Rs.	222,54,24,000

SMALL SAVINGS
(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Saving Bank Deposits. Outstandings@	$2\frac{1}{2}$% Tax-Free Treasury Savings Deposit Certificates‡	
	National Savings Certificates†										
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1,54	1,47	76	74	20,40	22,86	83,26	29,01	— 12,31	..	8,31
1951-52	1,75	6,08	77	2,91	22,08	46,81	1,07,55	74,18	— 27,55	13,10	19,39
1952-53	1,63	6,84	66	3,27	23,66	64,18	1,12,36	91,01	— 31,06	7,54	25,84
May 1952	12	6,20	6	2,93	2,13	70,23	9,95	77,85	— 23,26	56	19,86
June "	12	6,27	6	3,01	1,81	71,64	9,83	80,03	— 28,69	69	20,53
July "	15	6,33	10	3,08	2,03	73,14	10,29	82,54	— 25,92	74	21,25
August "	15	6,40	6	3,11	1,76	74,48	8,61	83,76	— 29,16	85	21,89
September "	10	6,44	3	3,11	1,84	75,78	8,79	84,91	— 29,41	52	22,39
October "	11	6,48	5	3,14	1,71	76,77	8,36	85,25	— 29,69	58	22,92
November "	10	6,50	3	3,16	1,71	77,99	8,03	85,64	— 29,92	58	23,48
December "	8	6,51	3	3,16	1,86	79,84	8,43	85,95	— 30,23	45	23,94
January 1953	10	6,54	4	3,19	2,02	80,77	8,39	86,09	— 30,51	58	24,48
February "	14	6,61	5	3,22	1,86	82,14	8,36	86,36	— 30,76	62	25,08
March "	22	6,54	9	3,27	2,66	84,18	13,76	91,01	— 31,30	90	25,64
April "	11	6,80	5	3,27	2,24	85,95	9,56	93,01	— 31,52	80	26,36
May "	12	6,83	4	3,29	2,08	87,57	9,55	93,80	— 31,52	66	27,00
June "	..	..	..	..	..	..	..	..	..	89	27,56

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1942. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1938=100)
1. All-India

Group and Sub-Group	Week Ended 15-8-'53	8-8-'53	18-7-'53	16-8-'52
(A) Government and Semi-Government Securities ‡	91.9	91.9	92.1	91.1
1. Government of India Loans	92.0	92.0	92.2	91.2
2. Municipal, Port Trust and Improvement Trust Loans	86.6	86.6	86.9	87.4
(B) Fixed Dividend Industrial Securities	91.2	91.1	90.7	90.7
1. Electricity	79 6	79 6	78 6	74 7
2. Cotton	80 6	80 6	80 9	79 4
3. Jute	101 2	100 7	99 2	96 0
4. Coal	84 5	84 3	83 7	85 1
5. Iron and Steel	89.7	89 7	89 2	91 5
6. Sugar	89 8	89 8	89 8	88 1
7. Paper	98.6	98.1	97.1	101.0
8 Plantations	..	..	..	..
(C) Variable Dividend Industrial Securities	105 7	105 9	105 8	107.4
1. Banks	102 5	102 7	103.3	102.5
2. Insurance	96 3	97 7	99 3	101 0
3. Investment Trusts	129.8	130.4	130.4	139.4
4. Electricity Companies and Tramways	83 8	84 1	84.1	82.5
5. Shipping and Other Transport Companies	87.1	87.6	84.5	83.6
6. Railways	74 6	74 6	74.9	73 8
7. Plantations	122 6	122 9	123.6	129.8
8. Cotton Woollen and Silk	136 6	136 9	135.1	136 5
9. Jute	69 8	70 8	71.2	77 2
10. Coal	83 2	84.1	85 2	89 9
11. Mining and Oil	59 8	59 8	59 7	63 8
12. Iron and Steel	138 9	139 0	135.1	132 4
13. General Engineering	144 1	144 1	145 6	139 2
14. Sugar	83 1	82 9	82 3	86 8
15. Breweries	67 9	67 6	67 5	61 6
16. Chemicals	134 5	135 2	131.4	133 8
17. Paper	114 3	115 1	116.4	112.7
18. Cement	138 9	139 2	140 9	139 3

II. Regional

Region and Group	Week Ended 15-8-'53	8-8-'53	18-7-'53	16-8-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.8	91.8	91.9	91.2
Fixed Dividend Industrials	93.1	93.0	92 1	91.7
Variable Dividend Industrials	124.7	125.0	124.4	121 8
(B) CALCUTTA—				
Government and Semi-Government Securities	92.5	92.5	92.6	91 6
Fixed Dividend Industrials	88.4	88.3	88 5	87 5
Variable Dividend Industrials	92 5	92.8	93.1	95 7
(C) MADRAS—				
Government and Semi-Government Securities	91.5	91.5	91.8	90 5
Fixed Dividend Industrials	102.6	102.3	101.8	106.0
Variable Dividend Industrials	129.7	129.4	129.0	133.8

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

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	18,806,704
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
February 1951	61	44,025	203,656
March	79	47,758	211,940
April	126	93,747	331,223
May	109	56,604	277,214
June	148	93,446	448,248
July	150	72,464	271,704
August	106	64,654	259,907
September	88	24,777	98,190
October	108	67,806	190,170
November	124	44,447	189,374
December	118	76,196	365,149
January 1952	98	808,831	674,840
February	88	69,180	210,607
March	87	42,480	148,498
April	124	49,437	234,248
May	118	80,093	254,855
June	101	49,831	257,068
July	82	40,764	171,288
August	98	45,885	156,533
September	96	47,878	160,552
October	96	76,181	349,618
November	87	45,766	273,245
December	81	27,825	165,017
January 1953†	85	42,383	244,414
February	45	26,477	125,411
March*	67	35,231	216,207
April	87	48,218(a)	212,630(b)

† Figures for 1953 are provisional. * Revised.
(a) Not known in two cases. (b) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated ‡	Units Sold
1950-51	548	6,279.9	4,725.9
1951-52	573	6,948.1	4,849.0
1952-53	614	6,801.4	5,134.8
January 1952	568	500.8	409.7
February "	571	480.7	391.0
March "	573	481.8	392.9
April "	577	488.8	393.8
May "	581	514.4	418.1
June "	583	500.1	406.8
July "	588	524.0	429.7
August "	592	531.6	458.7
September "	597	520.8	450.6
October "	599	548.2	441.8
November "	606	539.7	436.4
December "	608	552.2	447.8
January 1953	611	535.5	441.8
February "	614	496.6	417.4
March "	614	538.0	435.7
April "	616	530.9	438.1

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	8th August, 1953	1st August, 1953	9th August 1952	July, 1953	July, 1952	Percentage of increase (+) or decrease (—) in July, 1953 as compared with July, 1952	1952	1951
Food Articles	411.1	408.4	371.4	408 4	367 8	+10.6	359.8	409.8
Cereals	454	478	465	483	457	+ 5.8	450	483
Pulses	511	506	497	503	480	+ 4.8	493	506
Other	291	288	233	288	234	+23 1	225	290
Industrial Raw Materials	491.2	492 8R	437.4	480 5	435 1	+10 4	453.8	498.2
Fibres	436	436	422	419	429	— 2.3	454	522
Oil seeds	666	677	500	675	477	+41.5	484	479
Minerals	461	457	459	442	492	— 4.3	458	426
Others	358	357	304	359	298	+20.5	341	583
Semi-Manufactures	363.1	362.9R	350.4	366 4	347.2	+ 5.2	348.5	377.8
Leather	404	408	377	417	353	+18 1	345	453
Mineral oils	224	222	228	222	221	+ 0 5	221	197
Vegetable oils	509	511	477	507	459	+10 1	459	479
Cotton yarn	443	443R	453*	448*	454*	— 1 3	484	487
Metals	223	224	218	224	219	+ 2 3	211	197
Oil Cakes	447	436	445	448	440	+ 1 8	321	500
Others	253	255	253	285	253	+11.2	278	320
Manufactured Articles	371.5	371.7	367.8	367 3R	368.7	— 0.4	377.5	385.8
Textiles	413	404	406R	405	402	+ 0 2	423	468
Jute	418	421	424	410	430	— 4.7	506	508
Cotton	415*	415*	389*	410* R	389*	+ 5 4	401*	402*
Rayon and Silk	417*	417*	506*	404*	548*	—21.8	488*	511*
Woollen	320	320	378	320	378	—15 3	346	378
Metal products	337	337	337	338	328	+ 2 9	321	385
Others	285	285	296	285	297	— 4.0	298	300
Miscellaneous	704 9	693.7	627.9	693 9	629.5	+10 2	635.8	729.8
All Commodities	412 0	410 7R	385 7	407.7R	383 8	+ 6 2	386.9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
September 51	—	325	259	319	478	389	378	348	144	179	150	161	178
October "	—	333	254	323	469	393	373	356	144	181	165	165	171
November "	—	333	252	338	464	397	374	357	147	183	135	168	168
December "	—	331	252	328	449	397	378	337	144	181	150	164	158
January 1952	146	351	246	325	442	393	397	338	142	179	147	163	156
February "	144	334	241	318	441	382	383	356	142	177	148	158	155
March "	135	313	229	300	417	368	360	333	136	177	148	158	153
April "	141	348	248	331	415	377	359	336	148	169	138	153	164
May "	140	339	264	310	412	376	359	337	148	168	141	153	143
June "	142	338	263	314	413	382	354	338	145	171	141	153	148
July "	142	330	263	304	436	377	354	331	143	175	143	161	155
August "	144	340	267	312	446	380	369	336	145	176	149	160	157
September "	143	341	269	310	446	381	368	338	145	178	143	157	158
October "	144	343	274	311	446	381	368	337	146	178	143	154	158
November "	143	347	271	306	459	380	357	338	145	178	143	156	150
December "	139	346	262	305	447	378	346	327	135	168	134	149	149
January 1953	139	346	269	310	454	381	337	327	135	168	134	149	136
February "	141	351	265	315	459	380	334	331	136	167	132	150	144
March "	142	358	265	322	448	381	333	333	135	166	132	148	145
April "	141	359	268	327	434	384	344	334	137	166	134	148	146
May "	142	363	275	330	441	391	345	338	139	173	..	152	155
June "	—	371	282	334	..	..	360	140	..	..	..	..	..
July "	..	..	..	..	..	..	..	142	..	..	..	..	..

† Provisional.

INDUSTRIAL

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	tons	74,674†	73,665††	23,424†	20,741††
Wheat	tons	21,041†	23,459††	6,702†	6,039††
Jowar	tons	41,945†	39,144††	6,038†	5,944††
Bajra	tons	25,242†	22,829††	2,922†	2,299††
Barley	tons	7,501†	7,815††	2,601†	2,231††
Maize	tons	8,706†	8,073††	2,907†	2,621††
Ragi	tons	5,388†	5,399††	1,235†	1,212††
Gram	tons	16,719	15,709	3,157	3,593
Other millets & pulses					
..	tons	39,725	39,770	6,386	6,401
Jute	bales	1,834†	1,951††	4,695†	4,678††
Cotton	bales	15,457†	16,119††	3,050†	3,133††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,862†	11,708††	2,894†	3,045††
Linseed	tons	3,331†	3,442††	355†	316††
Castorseed	tons	1,349†	1,425††	107†	105††
Rape and Mustard Seed	tons	5,707	6,097	900	748
Sesamum (supplions	tons	5,751†	5,845††	451†	438††
Tobacco	tons	765†	659††	211†	192††
Pepper	tons	203†	202††	22†	23††
Ginger	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1953	78.4
	Corresponding month 1952	53.8
	July 1952 to June, 1953	891.6
	Corresponding period 1951-52	944.9
Stocks	At the end of July 1953	135.7
	Corresponding month 1952	100.5
		(In 000 bales)
Exports (Jute Bags)	Week ended 11th July, 1953	45.9†
	Corresponding week 1952	75.0†
	From 1st Jan., to 11th July, '53	13,94.84
	Corresponding period 1952	23,26,26
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 11th July, 1953	70.82
	Corresponding week 1952	62.72
	From 1st Jan., to 11th July, 1953	64,00,50
	Corresponding period 1952	52,20,82
	RAW JUTE	(In 000 bales)
Exports*	Week ended 11th July, 1953	—
	Corresponding week 1952	—
	Three months ended March, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	July, 1953 (in lakh bales)	4.54
	Corresponding month 1952	4.88
	Twelve months ended June, 1953	52.00
	Corresponding period 1952	54.80

† Estimated * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950..	10,41,700	927,600	720,000
Do.	31st March, 1951..	11,15,200	10,62,100	7,76,000
Do.	31st March, 1952..	11,30,000	10,67,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,61,900	7,91,800
Four months ended 30th July,	1953	3,74,400	3,30,800	2,46,600
March	1951..	91,300	86,600	71,400
April	.. ..	81,500	79,600	65,000
May	.. ..	94,300	92,200	66,600
June	.. ..	84,100	80,500	65,800
July	.. ..	91,000	85,400	64,700
March	1952..	1,02,100	92,100	67,400
April	.. ..	93,000	88,500	62,900
May	.. ..	93,200	93,200	67,700
June	.. ..	88,400	83,100	64,800
July	.. ..	93,400	91,000	66,500
March	1953..	97,400	88,600	65,500
April	.. ..	97,000	83,100	60,800
May	.. ..	95,900	85,900	62,000
June	.. ..	90,400	82,600	59,000
July	.. ..	81,100†	88,100†	64,100†

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months, April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11,37	15,40	175,64	262,06
Raw materials	10,62	21,54	174,01	354,06
Manufactures	23,06	30,25	274,00	341,38
Other Items	42	76	4,80	5,85
Total Imports*	45,46	87,95	632,95	862,84
Exports :—				
Foodstuffs	12,94	12,94	142,16	158,18
Raw materials	10,82	12,69	145,03	159,68
Manufactures	21,29	26,84	250,78	400,51
Other Items	29	43	4,09	8,88
Total Exports	45,54	52,90	551,04	701,80
Total Re-exports	86	59	5,74	13,76
Balance of trade in merchandise ..	+ 24	—34,45	— 76,17	—147,28
Balance of transactions in private treasure	..	..	7	14
Total Visible Balance of Trade	+ 24	—34,45	— 76,24	—147,42
Imports :—				
Total Cwealth Countries	20,29	23,46	252,65	288,63
Total Foreign Countries	25,17	64,49	380,30	574,21
Exports :—				
Total Cwealth Countries	23,69	25,08	281,90	365,20
Total Foreign Countries	21,75	27,82	269,14	336,60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	39	3,53†	18,84†	27,14†
Imports	1,58†	3,52	25,18	80,46
Balance of trade in merchandise ..	— 1,19†	+ 1 †	— 6,32†	—53,31†

† Provisional.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	April 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April, 1953	April, 1952	Mar., 1953	April 1953
Eastern Zone																					
Bamra	169	244	202†	79	97	97	124	121	121	127	137	140	104	107	109	194	216	216	170	193	197
Malbang	144	143	x	128	131	x	144	126	x	141	129	x	141	102†	x	163	—	x	125	100	x
Shankargarh ..	134	155	143†	124	124	155†	164	150	147	149	137	143	101	95	95	154	140	126†	149	145	145
Bonnill	259	181	183	157	167	167	188	177	175	194	170	175	125	125	125	249	199	199	310	310	310
Northern Zone																					
Multapi	113	124	124	140	154	154	165	177	178	152	164	165	121	123	123	192	166	166	156	201	201
Nana	269	224	205†	229	253	258	198	190	194	218	204	198	114	115	117	204	201	184†	201	192	189
Salamatpur ..	219	205	213†	240	277	269	195	199	199	210	229	210	129	129	129	130	139	139	259	277	281
Southern Zone																					
Krishna	182	170	191†	156	179	165†	151	163	162	157	167	164	110	127	130	164	136	132	209	175	175
Lakh	197	374	374	154	195	198	125	129	132	143	184	186	96	88	88	139	138	138	144	137	139
Malur	161	204	216	124	139	144	138	145	150	141	155	163	97	98	97	207	189	195	163	173	171
Moniquila	290	204	210	173	215	191†	191	215	216	190	214	211	122	124	124	207	177	164†	200	199	202
Kodeli	157	181	181	125	139	139	143	160	161	144	161	162	113	127	120	149	122	122	191	191	193

x Returns not received. † Revised. * Provisional.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 20th Aug., 1953	8,314
	Corresponding week, 1952	21,560
	1st Sept. 1952 to 20th Aug., 1953	17,00,744
	Corresponding period, 1951-52	19,45,736
Cotton Exports	Week ended 20th Aug., 1953	456
	Corresponding week, 1952	10,700
	1st Sept. 1952 to 20th Aug., 1953	3,27,093
	Corresponding period, 1951-52	1,73,650
Mill Consumption	1st Sept. 1952 to 20th Aug., 1953	12,20,030
	Corresponding period, 1951-52	9,78,202
Stock (with exporters dealers and mills)	On 20th Aug., 1953	3,27,216
	Corresponding date, 1952	5,19,245
Karachi (Pakistan)*		
Receipts	Week ended 15th Aug., 1953	892
	Corresponding period 1952	5,315
	1st Sept. 1952 to 15th Aug., 1953	16,45,005
	Corresponding period, 1951-52	15,69,073
Exports	Week ended 15th Aug., 1953	7,800
	Corresponding period, 1952	23,100
	1st Sept. 1952 to 15th Aug., 1953	13,95,600
	Corresponding period, 1951-52	12,01,000(a)

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted.

Particulars	From 1st Sept., '52 to 24th August, 1953 Bales	From 1st Sept., '51 to 24th August, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	16,250	8,638
Continent	1,05,304	42,476
China	318	250
Japan	1,55,597	1,04,079
U.S.A.	43,138	13,601
Other Countries ..	6,486	1,436
Total to all foreign countries	3,27,093	1,74,350
Coastal Ports ..	1,40,120	1,04,964

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	April, 1953	2,83,510
Foreign		74,140
Indian	Eight months September 1952 to April, 1953	23,34,331
Foreign		6,60,550
Indian	Same Period 1951-52 ..	19,18,202
Foreign		7,23,089
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April, 1953 ..	13,16,717
Foreign		2,40,173
Indian	As on 30th April, 1952 ..	13,67,704
Foreign		3,40,402
Cotton Pressed †	Week ended 14th Aug., 1953 ..	2,593
	Corresponding week, 1952 ..	4,394
	1st Sept. 1952 to 14th Aug., 1953 ..	20,84,425
	Corresponding period, 1951-52 ..	81,01,364

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103½
4 % Bonds	1926-33	63,30,26,000	1960-70	102 x
3 ½% Loan	1938-39	1,16,17,46,000	1964-65	92½
3 ½% Loan	1950	30,33,10,000	1964	92½
3 ½% Loan	1943	1,10,11,78,000	1966-68	90
3 ½% V. Loan	1944	1,14,06,89,000	1957	98½
3 ½% Loan	1945	1,15,63,80,000	1970-75	86½
2 ½% Loan	1946	1,13,65,64,000	1959-61	96½
2 ½% Loan	1951	50,35,61,000	1958	98½
2 ½% Loan	1946	45,63,07,000	1961	91½
2 ½% Loan	1946	57,00,69,000	1961	90½
2 ½% Loan	1946	35,06,06,000	1954	98½
2 ½% Loan	1946	14,77,45,000	1976	82½
2 ½% Loan	1947	75,86,72,000	1962	91½
2 ½% Loan	1948	60,45,01,000	1955	98½
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98 x
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	81½
3 % Loan	1946	248,91,90,000		81½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100½
4½% Loan	1928	3,83,20,000	1958-68***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94½
3½% Bombay	1951	3,04,04,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	100½
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	100½
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 ½% Madras	1938	1,42,08,300	15th Sept. 1953	99-1½
3 ½% Madras	1939	1,29,76,600	21st June 1959	95 x
3 ½% Madras	1942	1,23,25,000	18th Sept. 1955	99
3 ½% Madras	1943	1,25,10,900	14th Sept. 1956	98-8½
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	93½
3½% Madras	1946	2,90,93,200	1st Sept. 1961	90-1½
3½% Madras	1950	4,17,00,000	31st July 1960	93½
4 % Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99½
4 % Madras	1952	3,00,00,000	1st Aug. 1964	99-9½
3 ½% Mysore(J)	1933	1,63,44,300	1st Nov. 1955	104½
3 ½% Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	100½
3 ½% Mysore(J)	1936	3,99,72,900	30th April 1956-61	98½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	98-15½
4 % Mysore	1953	3,00,00,000	15th July 1963	99½
3 ½% M. P.	1942	50,00,000	18th Sept. 1955	99
3 ½% M.P.	1943	50,34,200	14th Sept. 1956	98½
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96½
3 ½% M.P.	1948	2,03,28,800	15th Aug. 1958	91½
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97½
4 % M. P.	1953	1,00,00,000	15th July 1963	99½
3 ½% Punjab**	1938-44	3,49,87,700	15th Aug. 1958	99 N
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99 N
3 ½% Punjab**	1943	2,46,78,300	14th Sept. 1956	98 N
3 ½% Punjab**	1945	2,91,81,600	14th Sept. 1960	98 N
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99 x
3½% Travancore	1936	50,00,000	16th Aug 1956	99½
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99½
3 ½% U.P.	1938	1,61,96,500	15th Sept. 1961-66	98½
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1945	2,24,80,300	14th Sept. 1960	94½
3 ½% U.P.	1946	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,25,800	17th Sept. 1962	97½
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99 x N
4 % U.P.	1953	5,00,00,000	15th July 1963	99½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½N

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
		BOMBAY		
Rs.				Rs.
36,50,000	4	1906	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99½N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1969	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	98½
78,90,100	4	1915	1975	98½
68,02,300C	3½	1921	1981	79
1,50,00,000C	4½	1921	1981	144N
1,24,06,300	6	1925	1955-85	105
93,21,600	5½	1926	1954-86	104½
99,84,500B	5	1926	1956-86	101½
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	104½
80,00,000	4½	1931	1961	92½
21,75,000C	3	1933	1954	99½
50,00,000	3½	1935	1965	96½
25,00,000	3	1938	1943-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1947	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
50,00,000	3	1951	1961	93½
50,00,000	4	1953	1983	97
		STERLING LOANS		
£892,600	5	1923	1953-83	£86½
£901,000	5	1924	1954-84	£86½
£833,100	5½	1932	1962	£96
		MADRAS		
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,449	4	1918	1982	A
3,07,551	4	1941	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,332	4½	1922	1952	M
4,47,597	5½	1923	1952	
		STERLING LOAN		
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotations
		BOMBAY		
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
25,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1937-79	113N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	113N
25,00,000	4	1927	1961-70	98N
10,00,000	5½	1936	1966	
		STERLING LOANS		
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
		CALCUTTA		
Rs.				Rs.
50,00,000	5	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	87½
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
		BOMBAY		
40,00,000	4	1913-14	1954	99½
20,60,000	4	1914	1961	98½
20,00,000	4	1013-15	1955	100
20,00,000	4	1915	1965	97½
1,60,00,000	6	1924	1958	113
25,00,000	5	1928	1958	103½
26,14,000	5	1929	1949-59	105 to 102½
8,45,500	5	1929	1959	
26,21,300	5	1929	1959	
8,23,00,000	3½	1947	1977	86½
2,50,00,000	3½	1947	1978	81½
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	99½
2,00,00,000	3½	1951	1966	97
		CALCUTTA		
34,45,500	6½	1925	1955	105½
84,70,000	6	1925	1955	104½
36,00,000	5½	1926	1956	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
30,00,000	5	1932	1962	108
33,91,000	3½	1936	1953	99½
5,19,000	3	1936	1953	100
60,00,000	3	1936	1966	88½
1,46,000	3	1936	1953	99½
3,11,400	3	1937	1954	98½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	98½
4,13,100	3	1937	1954	98½
47,50,000	3	1938	1968	88½
10,68,700	3	1938	1955	97½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99½
Rs.		**MADRAS**		Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal. J=Various Issues repayable to Government.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April 1953. **Quotations in Pak. Currency. ***Rupee Counterpar

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	129½xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	97	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	141	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	108	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	15½xd	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	101	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
Sonpur Bazar Sugar	3,00,000	1936	7(a)	Oct. ..	75N	100
Travancore	15,00,000	1932	3	Dec. ..	90N	100
Upper Ganges	12,00,000	1931	5(a)	Dec. ..	70N	100
Do.	15,00,000	1946				
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	8½	10
Equitable	4,50,000	1895	6	Mar. Sept.	119xd	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	84	75(pp)
††Khas Kajora	1,93,000	1931	7	Jan. July	69N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oodal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	110‡	100
Bangalore	6,00,000	1884	6	Jan. July	131‡	100
Basanti Cotton	3,00,000	1938	5½	Nov. ..	8‡	10
Benares Cotton	3,00,000	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	92	100
Bradbury	14,75,000	1919	7	June Dec.	325	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137‡	100
Cambodaa	1,00,000	1928	7	Apr. ..	128	100
Central India	50,00,000	1912	5	Apr. Oct.	512‡	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	124‡	100
Elgin	11,00,000	1917*	8	May Nov.	144	100
Do. 'B' Pref.	4,20,000

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Ordinary Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,03,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	—		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	48½	100	6 0	6 0	—		3	Y.P.T.
2,50,98,000	2,16,13,960	3,77,03,951	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	377½	250	17 8	20 0	20 0		12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,512	860	Bradbury Mills	810	250	17 8	20 0	20 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,41,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	269	100	18 0	20 0	20 0		12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	69	100	—	—	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	111½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	61,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	65	50	—	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	237½	200	15 0	15 0	15 0		12	Y.
29,95,700	12,91,792	1,10,11,972	73,99,225	41,862	Chidambaram Mutraj & Co., Ltd.	44,768	856	Elphinstone Spg. & Wvg.	38½	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	320	100	15 0	20 0	20 0		12	Y.
12,00,000	65,36,400	98,72,638	82,61,500	4,762	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,530	1,000	175 0	200 0	200 0*		3	Y.P.
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills	8–13½	10	0 12½	1 1½	—		12	Y.
50,00,000 D.									1–2½	10	0 2	0 4	—			
9,00,000	65,91,320	98,10,275	76,94,000	7,671	Damodhar Thackersey Mooljee &Co.	47,172	1,191	Indian Mfg.	3,310	1,000	175 0*	200 0*	200 0*		3	Y.P.
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	178½	100	12 0	14 0	10 0		6	Y.P.
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	295	100	18 0	25 0	20 0		12	Y.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	86½	208	1 8	1 0	1 4		6	Y.P.
3,60,000B										20B	1 8	1 0	1 4			
22,11,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	95N	50	4 0	7 0	5 0		10	Y.T.
51,75,000	24,92,735	1,71,00,016	1,44,35,016	2,80,686	Piramal Gangadhar, G. Chatarbhuj, G. Piramal	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	181½	100	17 0	15 0	12 0		6	Y.P.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.	—	—	National Rayon Corporation	112	100	—	—	—		12	Y.P.
24,00,000	26,69,841	71,22,986	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	151½	100	12 8	15 0	10 0		12	Y.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	150	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,532	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	25½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	116½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	126½	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	20½	10	2 0	2 0	1 0		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,666	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	25½	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills	172½	100	14 0	17 8	12 8		12	Y.P.
31,30,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	168	50	14 0	17 0	15 0(p)	15 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	308½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,34,46,160	1,57,39,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Swadeshi Mills	247½	100	16 0	18 0	16 0		12	Y.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	460	100	25 0	25 0	30 0		12	Y.
32,54,438	59,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	41	25	2 0	4 0	2 0		12	Y.T.
12,00,000	51,56,933	86,62,657	66,95,000	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,500	1,000	175 0*	200 0*	200 0*		3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	140	100	8 0	12 0	10 0		6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Arvind Mills	453½	100	15 0*	20 0*	—		12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	782½	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,85,160	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	1,056	Ayodaya Ginning & Mfg.	1,100	100	25 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,435	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	480	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Karamchand Premchnad Ltd.	1,39,120	2,400	Calico	308½	125	12 8	18 0	18 0		12	Y.P.
30,00,000	66,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	1,025	500	55 0	70 0	70 0		12	Y.P.
39,00,000	70,78,139	76,83,763	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	577	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co. Ltd.	24,840	528	Nutan Mills	625	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	770	100	25 0	25 0	25 0		12	Y.P.
12,00,000	22,64,703	63,41,241	31,02,814	1,09,340	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	20 0		12	Y.P.
32,50,000	16,11,650	81,93,995	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	640	Rishi Mills	123	100	30 0	9 0	9 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	319½	50	15 0	16 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	381½	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,376	816	Vijaya Mills	465	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,80,519	32,00,682	17,29,664	1,95,043	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	0 8	0 5	—		12	Y.P.
7,11,200	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	38N	40	—	0 0	3 0		3	Y.
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	280	100	—	—	—		6 12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	181	100	—	—	7 0	—	6 12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	18½	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,47,726	33,08,018	10,28,558	—8,38,366	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	—	—		12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramat & Co., Ltd.	50,000		Alagappa Textiles(Cochin) Ltd.	6½	10	0 14 2/5 0	9 3/5	—		12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Asam Jahi Mills	69N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	257½xd	100	17 8	20 0	15 0		12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	10	1 4	0 8	0 8		6,12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	Nil	0 8	0 8			
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	122½cd	100	6 14	7 8	4 0		3	Y.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	111	10	—	1 0	1 0		12	Y.P.
30,00,000	21,97,992	56,51,479	45,04,813	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	0 9	0 9	0 9	0 9	12	Y.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	150	100	12 8	12 8	9 0		12	Y.
20,00,000	11,29,288	20,04,313	11,40,144	9,816	T. R. N. Naidu & Co.	19,700		Coimbatore Pioneer Mills	100	50	7 0	6 0	6 0		6	Y.
20,76,900	4,40,358	10,86,516	66,17,387	—2,70,999	R. Q. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	42½	50	2 8	3 0	—		6	Y.
46,87,500	94,72,298	2,04,37,857	1,36,21,766	—16,28,224	Tata Industries, Ltd.	1,15,188	2,062	Central India	159½	100	6 0	6 0	2 0		6	Y.P.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830	Delhi Cloth & General Mills	29½	25	1 0	2 8	—		6	Y.P.
1,00,505									2½			2 8				
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	180	100	25 0	20 0	10 0		12	Y.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	178	10	1 2	1 8	—		9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	225	100	10 0	14 0	17 0*		12	Y.
50,00,000	12,29,862	1,21,16,721	81,08,323	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	91½	100	4 0	5 0	—		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	61	50	2 0	3 0	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	13,824		Kothari Textiles	10½	10	0 11	0 12	0 12		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	370	250	37 8	50 0*	37 8		12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	82	50	4 0	4 0	5 0	5 0	3	Y.
									40	25	2 0	2 0	2 8	2 8		
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	36½	15	2 4	3 0	3 0		12	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others	21,856		Malabar Spg. & Wvg.	142	200	8 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	36,416	603	Mettur Industries Ltd.	194	100	25 0	12 8	12 8	12 8	3	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	49,456	678	Minerva Mills	100½	100	6 0	6 0	5 0		12	Y.
94,91,850	25,59,837	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	143½	250	15 0	7 8	7 8		6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	49,632	500	Mysore Spg. & Mfg.	130	50	10 0	9 0	10 0*		12	Y.P.
19,86,800	60,44,060	82,55,416	60,15,679	38,347	N. Sirur & Co., Ltd.	6,000		Mysore Spun Silk Mills	5½	10	0 8	0 10	—		12	Y.
13,61,780	8,71,720	27,85,356	14,26,410	—4,60,002	Sri N. G. Naik				1½	2	—	—	—		3	Y.
22,89,883(f)										2½	—	—	—			
3,07,095D	25,94,590	90,45,280	90,45,280	—15,88,215	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	—	D.	—	—	—		12	Y.P.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	83N	100	5 8	6 8	7 0		9	Y.
4,00,000A									64½	50A	5 0	6 8	7 0			
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	89	75B	7 8	12 0	11 4		12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	100	100	7 0	5 0	—		12	Y.
16,81,200A									158½	100A	16 0	16 0	6 0			
8,40,600B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	78	50B	8 0	8 0	3 0		12	Y.
15,00,000	25,00,000	20,61,036	13,70,469	2,54,884	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	82	50	4 8	5 0	—		12	Y.P.
60,00,000	62,66,508	1,04,60,737	26,32,665	3,506	J. P. Srivastava & Sons (Rampur)	32,580	600	Raza Textiles	5N	100	—	—	—		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,328	O. Liladhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75½	100	6 0	—	—		12	Y.P.
7,79,700	2,24,959	21,50,211	16,08,315	3,843	T. R. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36½	60	—	3 0	—		8	Y.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,610	1,000	—	—	—		3	Y.P.
						23,200	292	Sri Krishnarajendra Mills	43	50	4 0	4 0	3 0*	4 0*	3	Y.
36,69,700	11,73,989	37,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	27,340	992	Sutlej Cotton Mills	37N	10	4 0	4 0	4 0		3	Y.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.											
17,50,000D										100	0 8	0 8	—			
1,57,50,000 PO	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	10P.O.	0 14 2/5	0 14 2/5	—		12	Y.P.
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	5½	10	—	—	—		12	Y.P.T.
13,98,630	7,25,505	21,91,001	16,08,915	9,843	Thirujee Ramjee & Sons	16,000		Trichinopoly Mills	8½	10	1 0	1 0	0 11	1/5	12	Y.
21,00,900	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	161	100	9 0	10 0	12 0		12	Y.P.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	148½	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	25	Nil	2 13/8	Nil		5	Y.P.
							20½	10	Nil	1 2/8	Nil			
16,20,630	14 30,304	22,75 857	9,87,293	13,649	T. L. Kirpalani, Esq. (Secretary)	Dyer Meakin Breweries	5	1 0	0 8	0 8	0 8		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B							20½	B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil			8	Y.
6,00,000	9,00,000	12,13,592	12,13,586	3,951	Vittal Mallya, Esq. (Chairman)	United Breweries	167cd	75	11 4	7 8	15 0		3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	100	A. 100	3 12	7 8	7 8½		12	Y.P.T.
39,63,334B							10	B. 10	0 6	0 12	0 12			
43,14,600A	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3½	O. 10	0 8½	Nil			3	Y.T.
4,70,976D							1½	D. 1	—	—	—			
£0.56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	168½	100	8 8	9 8	9 8		7	Y.
60,00,000Q							6½	O. 10	0 8	0 10	—			
26,49,797O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	13½	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
30,00,000D							8½	D. 1	—	—	—			
62,50,000Q	4,00,000	1,26,71,467	23,27,600	90,853	Essen Ltd.	India Cements Ltd.	17	O. 25	—	—	1 4		3	Y.P.
7,50,000D							3½	D. 5	—	—	0 4			
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement	6½	5	0 3½	0 6§	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,00,000	56,44,143	16,17,762	3,671	S. Lall Bhagat & Co.	Bengal Potteries	2½	2½	0 2	0 2½			12	Y.
									0 14	0 14	0 14			
10,00,000	21,89,785	53,01,488	31,14,250	15,680	Bird & Co., Ltd.	Bisra Stone Lime Co.	28½N	10	0 14	0 14			3, 9	H.
£914,200	£846,000	£1,643,983	£840,110	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2–12½	Sh. 2	3d†	3d.			12	Y.
20,00,000	26,91,410	43,65,527	12,14,525	1,27,234	Bird & Co., Ltd.	Kanpur Development	12½	10	Nil	Nil	Nil		6, 12	H.
6,00,000	2,33,000	8,10,206	4,55,139	7,910	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	1 0	1 0	1 0	0 12	3	Y.
10,00,000	19,17,700	31,47,718	18,63,402	74,275	Bird & Co., Ltd.	Or

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	42	25	1 4 1 / 1 4 1 / 1 0 0	1 9 / 1 9 / Nil	1 9 / 5 0 / 5 0		6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd. ..	India Paper Pulp	160	100	5 0 / 5 0 / 5 0	5 0 / 5 0 / 5 0	5 0 / 5 0 / 5 0		3,9	H.
25,00,000	13,00,000	47,81,895	35,30,215	52,615	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	13¼xd	10	0 8h 0 12	1 0 1 0*	1 0 1 0*		3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	31½	10	0 12 1 0 1 0	1 0 1 0 1 0	1 0 1 0 1 0		3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	18	10	0 8 0 12 0 12	0 12 0 12 0 12	0 12 0 12 0 12		6,12	H.P.T.
20,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	8¼ / 8¾ / 34½	O. 10 / A. 10 / A. 10	0 10* 1 0 1 0	Nil 1 0* 1 0*	0 4 1 0* 1 0*		3,9	H.P.T.
56,00,000A. / 36,04,800B. / 4,37,500P.O.	2,52,52,615	4,78,98,548	2,83,00,698	5,00,114	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	34½ / 4½	B. 10 / P.O. 2½	1 0 0 14* 0 2	1 0* 1 0* 0 2	1 0* 1 0* 0 2		3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,58,964	10,46,391	30,068	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	90,000	6,89,525	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	6 0	6 0	7 0		7	Y.
3,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,780O. / 2,00,000D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., &others (Directors)	Humayun Properties	10¼ / 1¼	O. 10 / D. 1	0 9 3/5 0	9 3/5 Nil	0 8 Nil		9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882	.....	David Sassoon & Co., Ltd. ..	Port Canning Land	22½	100	2 0	1 8	2 0		4	Y.
94,00,000	35,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary ..	33	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6¾	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,37,498	Wallace & Co.	Bombay-Burmah Trading ..	350½ / 128½	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 8 / 9 0		5	Y.
6,00,000	.....	2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	40¾	100	5 0	Nil			6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31¼	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,419	37,27,464	25,16,456	18,412	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7¼	5	Nil	1 0	Nil		6	Y.
12,00,000A. / 3,00,000B.	29,35,035	44,92,506	29,21,822	2,81,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	11¾N / 11¾N	A. 100 / B. 10	6 4 0 10	1 0 0 10			4	Y.
19,49,030	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7¾	7½	Nil	0 10	0 12		9	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 0	1 8	1 8		6	Y.P.
32,00,000	23,18,481	1,29,41,870	81,68,395	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	61	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	55,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	34½	10	2 0	3 0	2 0		6	Y.P.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd.	Champarun Sugar	24½	10	1 8	1 8	2 0		6	Y.
35,00,000A. / 10,00,000D.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills ..	— / —	50N / 25N	6 0 / 7	9 0 / 4	12 0* / Nil		6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co. ..	Kesar Sugar	80	100	1 8	2 0	Nil		7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills ..	24½	10	1 0	2 8	2 8		6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6¼	10	0 8	0 8	0 8		5	Y.
13,59,375	43,31,823	52,90,359	15,27,000	39,355	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	182½ / 54¾	100 / 25	15 0 / 3 12	20 0 / 5 0			6	
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	85	100	3 4	11 0	6 0		7	Y.P.
12,00,000	11,70,686	26,67,609	17,89,472	71,500	Narang Bros. & Co., Ltd. ..	Punjab Sugar	95N	100	6 0				10	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Punjaboore Co.	15	10	1 0	2 0	1 0		10	Y.P.
8,00,000	6,03,850	24,18,182	20,01,613	15,410	Begg, Sutherland & Co., Ltd.	Ryam Sugar	18	10	1 8	2 8	1 0		6	Y.P.
11,99,000	17,24,706	36,11,360	20,82,129	23,281	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	14¾	10	1 0	1 0	1 0		6	Y.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	30¾	10	0 6	1 0	1 8		7	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6¼	10	Nil	0 8	0 6¾		6	Y.
6,50,000O. / 1,75,000D.	47,625	27,92,174	11,46,770	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	11N / 20N	O. 10 / D. 2½	Nil / Nil				10	Y.P.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	10¾	10	1 12 0 4¾	2 0 2 0	2 0 1 8		5	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	14¾	10					9	Y.
Other Centres														
46,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd. ..	Belapur Company	238½	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N / 22	100 / 10	Nil 1 8	5 0 2 8	3 0 2 8		6	Y.P.
13,00,000	30,25,936	24,51,989	14,55,766	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..	—	10	0 12	1 0	0 12		10	Y.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10¾N	10					10	Y.
21,79,280	90,00,000	94,90,551	62,24,558	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		6	Y.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	88½	50	8 0	8 0	8 0		6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnugger Cane and Sugar ..	177	10	0 9¾	0 12	2 0		8	Y.P.T.
20,00,000O. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90¾N / 10¾N	O. 10 / D. 10	7 0	9 0	0 11¾ / 0 8		9	Y.P.T.
30,00,000D.	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	10¾N	10	1 0	1 4	0 12		10	Y.
19,99,600	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	4¾	10	Nil	Nil	Nil		7	Y.P.
30,00,000														
77,50,000A. / 23,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries ..	146½	A. 100 / O. 100	12 0	14 0	14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	135	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000	.....	3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	83	100	3 0	4 0	5 0		12	Y.
£655,580	£1,123,737	£5,428,105	£3,532,999	£13,172	Kiburn & Co., Ltd.	Indian General Navigation & Rly. Co.	10	Nil	Nil	Nil	Sh 10		12	Y.P.
2,25,00,000	56,99,233	3,87,93,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	6¾	10	—	—	0 8		3	Y.P.T.
6,39,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co. ..	13–7½	15	—	—	0 8		6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		12	Y.
25,00,000	1,00,000	25,15,130§§	8,1079	8,955	Sona Sons, Ltd.	Devkaran Nanji Investment Co.	9¾	25	0 12	0 12	0 12		3	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23¾	50	3 0	3 0	2 8		3	Y.P.
99,99,250	18,35,375	1,26,92,333§§	10,053	1,85,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	69¾	100	4 0	4 0	5 0		12	Y.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	154½ / 120	10 / 75	8 8 / 2 2	9 0 / 2 4	10 0 / 2 8		6	Y.
2,06,71,500A. / 10,00,000B.	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	— / —	A. 100 / B. 10	Nil Nil	Nil Nil	Nil Nil		3	Y.
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	40	20	2 0	3 0	3 0		12	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director).	Western India Match Co. ..	237½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay (Chairman) ..	W. H. Brady & Co., Ltd. ..	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. / 2,50,000D.	15,00,000	1,35,46,950	50,22,899	43,837	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3¾ / 1¾	O. 10 / D. 2½	Nil	Nil	Nil		3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	18	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*		4	Y.
20,00,000	12,91,523	92,12,652	39,87,830	9,249	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	5¼	10	0 9 3/5	0 9 3/5	0 4		3	Y.P.T.
30,00,000O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	270 / —	O. 100 / D. 40	20 0* 6 0	25 0* 8 0	20 0* 6 0*		12	Y.
20,00,000	8,38,806	54,303.140§§	.....	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	15½	10	1 2	1 4	1 4		9	Y.P.
30,64,480	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	10xd	10	1 4	1 4	0 12	0 8	9	Y.P.T.
3,25,00,000	1,05,00,000	2,23,59,029	1,84,14,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd. ..	8¼	5	0 12	0 12			12	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	27½	10	2 0	1 8	1 8		12	Y.P.T.
51,26,000	47,57,061	1,26,55,420§§	.....	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	144	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	174½	100	10 0	12 8	20 0		3	H.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	10 0	10 0		9	Y.P.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	237	250	15 0	15 0	15 0		3	Y.
12,42,800	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	8 0		12	Y.P.T.
4,96,12,650	1,92,800	2,61,39,292	57,52,719	3,47,260	Birla Bros., Ltd.	Hindustan Motors	3¾	10	Nil	Nil	Nil		3	Y.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	100	3 8	5 0	5 0		12	Y.P.
1,52,89,220	99,40,984	57,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Cables	18½	10	2 8	3 0	2 8		3	Y.P.
8,27,970	5,28,000	14,27,460	7,51,385	39,038	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	12½xd	10	1 0	1 0	1 0		3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	129	100	10 0	10 0	10 0	7 8	3	Y.P.
6,34,000O. / 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2 / 1	O. 5 / D. 1	Nil	Nil	Nil		3	Y.
40,00,000C. / 5,00,000D.O.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	130 / —	O. 100 / D.O. 10	12 8 0 12	12 8 1 8			12	Y.P.
1,30,55,750	30,19,025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	17½	10	1 4	1 2	1 6		9	Y.
6,35,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	11	10	0 10	Nil	Nil		12	Y.
3,75,000	7,15,916	8,97,041	2,63,636	3,666	M. Hayath, Esq. (Controller) ..	Mysore Lamp Works	17½cd	10	1 0	1 0			3	Y.T.
10,00,000		11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10cd	10	Nil	1 0	1 0		3	
20,00,000	23,16,171	30,16,078	28,75,987	11,045	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	13	10	0 8	0 8	0 12		3	Y.P.T.
79,97,000	28,23,421	1,04,50,523	37,59,931	8,86,347	B. N. Elias & Co., Ltd.	National Tobacco Co.	8¾	10	0 4	0 8	Nil		12	Y.P.
40,00,000	24,00,000	41,38,336	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	6¾	2	1 9 3/5	0 10§	0 4§		12	Y.P.T.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq. ..	Rallia (India) Ltd.	69	100	8 8	9 0			8	Y.P.
1,14,00,000	78,33,108	6,09,39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	8	10	Nil	0 12	1 0		10	Y.P.T.
40,00,000	32,32,382	1,19,84,861	70,89,235	5,36,552	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	13½	10	1 0	1 0	1 8		6	Y.P.
75,00,000	35,00,000	12,11,901§	2,17,120	3,56,616	R. H. D. Campbell, Esq. ..	Shaw Wallace & Co., Ltd. ..	3½	10	0 6§	Nil	Nil		12	Y.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass		10					3	Y.P.

§§ Includes investments at cost.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 20 lakhs.

†† Excluding goodwill at cost Rs. 25,17,685.

Shaw Wallace & Co.00,

TEA AND OTHER PLANTING COMPANIES

...es	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM														
5,02,362	8,88,306	3,86,105	.....	McLeod & Co., Ltd.	825	Amluckie	275N	100	25 0	Nil			12	Y.P.
4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	14cd	10	2 8	0 12	0 12		12	Y.
6,15,999	9,34,560	1,33,123	48,872	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	25	10	4 0	3 0			12	Y.
7,21,102	12,05,396	3,43,090	89,152	McLeod & Co., Ltd.	513	Baghmari	10¾	10	1 12	Nil			12	Y.
7,11,053	7,05,721	2,07,883	44,989	Andrew Yule & Co., Ltd. ..	360	Basmatia	25¾	10	3 0	2 8			12	Y.
2,90,000	8,46,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	356	Bateli	10¼	10	1 8	0 8			12	Y.
4,90,000	6,72,731	1,29,032	54,942	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	24	10	3 8	1 8			12	Y.
17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	25¾	10	5 0	0 8			12	Y.
	10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	44	10	0 8	Nil	Nil		12	Y.
3,40,000	7,64,836	1,66,959	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea	11¼	10	1 8	1 8			12	Y.P.
9,78,513	72,06,251	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11¼	10	1 0	1 0			6	Y.P.
1,83,234	3,66,030	1,21,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7¾	10	1 0	Nil			12	Y.
7,50,000	24,24,301	14,67,578	25,545	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	225	100	30 0	22 8			12	Y.
5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd. ..	426	Dhelakhat	10¾	10	1 9 3/5	1 0¾			12	Y.
2,71,039	10,66,172	3,24,106	25,794	James Finlay & Co., Ltd. ..	613	Dhunseri	10¼	10	1 0	1 0			12	Y.P.
2,75,000	6,93,361	89,330	14,389	McLeod & Co., Ltd.	458	Dibrugarh	7¾	10	1 0	0 8			12	Y.
3,72,500	8,29,204	3,79,204	35,409	Williamson Magor & Co., Ltd.	611	Dimakuni	11¼	10	1 8	1 4			12	Y.P.
4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co., Ltd.	669	Duffla Jhur	32½xd	10	2 0	4 0	2 0		12	Y.P.
5,60,500	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	16¾	10	2 4	2 4			12	Y.
10,00,000	3,65,000	Nil	Nil	Nil	4	Gillapukri	17	10	3 0	3 0	—		12	Y.
3,60,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd. ..	407	Gohpur	26¼	10	4 0	3 0			12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	Williamson Magor & Co., Ltd.	322	Grob	17	A.10	3 0	2 0			12	Y.
4,94,360	12,87,810	17,08,255	4,58,704	Octavius Steel & Co., Ltd.	1,393		8¾	B.5	1 0	1 0				
2,40,790	6,50,000	6,80,642	82,387	Octavius Steel & Co., Ltd.	476	Hoograjuli	28	10	4 8	3 0	1 8		12	Y.
2,00,000	8,04,216	17,05,270	7,74,371	Andrew Yule & Co., Ltd.	1,260	Hoolangooree	290N	100	25 0	17 8			12	Y.
4,15,000	3,85,000	11,98,156	1,61,426	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	10	10	1 4	0 8			12	Y.
7,50,000	80,000	11,45,851	6,20,851	Shaw Wallace & Co., Ltd. ..	1,166	Kingsley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
2,40,000	1,69,113	1,01,647	57	Duncan Bros. & Co., Ltd. ..	1,017	Ledo	8	10	2 0	Nil	Nil		12	Y.
6,50,000	37,154	8,52,930	286	Duncan Bros. & Co., Ltd. ..	673	Mohoema	24	10	—	—			12	Y.P.
4,80,000	5,34,590	7,45,692	3,81,992	Gillanders Arbuthnot & Co., Ltd.	433	Mothola	40N	100	45 0	35 0			12	Y.
1,50,000	3,65,000	8,80,915	4,99,415	Andrew Yule & Co., Ltd.	325	Murphulani	20¾xd	O.10	3 0	2 0	2 0		12	Y.
0,50,000							25xd	P.O.10	3 0	2 8	2 8			
P2,00,000	3,41,211	5,78,550	3,61,800	S.C. Sen, Esq., Supervising Director	540	Naga Hills	11¼	10	2 4	2 4			12	Y.
4,00,000	—	10,14,665	4,06,665	—99,094	Shaw Wallace & Co., Ltd.	810	Namburnadi	6¾	10	1 0	Nil	Nil	12	Y.
3,35,000	—	5,92,221	1,92,221	—44,129	Duncan Bros. & Co.,

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	
60,00,000	59,50,000	95,73,184	48,22,130	3,33,368	B. N. Elias & Co., Ltd.	879	Agarpara	17½	10	½+1	1	1		3
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	170	100	4 10	15 15	8 10		3, 9
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	165	100	*Nil* 5	5 *Nil*	*Nil*		6, 12
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	147	100	*Nil* 2½	*Nil*	*Nil*		6, 12
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	202	100	*Nil* 10	10 10	10 15	7½	3, 9
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	129	100	1½ + 4	6 5	5 4	2½	3, 9
20,00,000	29,77,365	97,37,334	63,51,882	72,634	Jardine Henderson & Co.	959	Bally	158	100	2 + 6	6 —	—	4½	3, 9
£275,000	£639,470	£1,328,460	£1,025,230	£91,091	Sir John H. Burder (Chairman)	1,890	Barnagore	150	£5	£1	£1	£1		3
28,00,000	32,59,373	88,01,240	47,68,254	26,347	Andrew Yule & Co., Ltd.	820	Belvedere	200	100	7 + 10	12½ 15	7½ 7½		6, 12
22,50,000	35,95,000	51,03,385	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	14½	10	1½	3			6
30,42,000	2,39,87,185	3,06,76,933	1,16,13,009	1,38,295	Birla Bros., Ltd.	1,373	Birla	36	10	3	3	3		3
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	153	100	3 — 10	10 12	6½ 6½	6?	4, 10
7,47,380	2,89,739	39,44,696	26,23,963	74,738	Dayaram & Sons	502	Calcutta Jute Mfg.	16 N	10	*Nil*	*Nil*			6, 12
18,00,000	28,46,734	75,43,878	37,32,254	32,228	Andrew Yule & Co., Ltd.	616	Caledonian	157xd	100	4 + 10	10 12	6 6		5, 11
59,16,400	1,05,21,478	1,65,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd.	1,400	Champdany	145xd	100	3+5	5 7	7 8	3?	6, 12
16,00,000	24,52,872	79,40,140	53,80,736	45,839	Andrew Yule & Co., Ltd.	530	Cheviot	212	100	6 + 10	10 12	6 6		6, 12
10,05,000	46,90,000	58,16,152	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalsah	293	10	2 + 2	1½ 4½	2½ 1½		5, 11
16,00,000	17,00,000	77,89,914	64,24,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	23	10	1½	½ ½	½		6, 12
31,49,200	39,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	137	100	1+3	8 6	6 1	1?	3, 9
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	223	100	5 + 12½	15 17½	10 10	10?	3, 9
15,00,000	32,50,000	75,61,304	53,68,650	47,730	McLeod & Co., Ltd.	500	Empire	20§	10	1 + 1	1§ 1½	½ ½		5, 11
21,00,000	57,78,539	2,62,73,643	1,77,44,591	1,801	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	398	100	2½ + 20	12½ 12½	10 *Nil*		6, 12
14,00,000	4,97,921	69,94,729	43,27,194	—8,32,397	G. C. Bangur & Co.	1014	Fort William	295 N	100	*Nil*	*Nil* *Nil*	*Nil*		3, 9
84,32,100	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	67	100	*Nil* 3§	2½ 2½	*Nil*	*Nil?*	3, 9
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	685	300	45	90	30		3, 9
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,57,266	Macneill & Barry Ltd.	2,270	Gouripore	270	100	2½ + 15	10 10	1½ *Nil*	*Nil?*	3, 9
40,00,000	34,05,191	81,94,127	48,19,471	64,417	Gillanders Arbuthnot & Co., Ltd.	1,078	Hastings	110 N	100	10	7 10			3, 9
16,80,000	15,15,181	64,29,355	42,81,417	64,417	Andrew Yule & Co., Ltd.	720	Hooghly	33xd	10	1	3	1½		3
65,62,500	50,83,570	1,56,87,559	1,09,33,233	1,55,025	Jardine Henderson Ltd.	2,272	Hukumchand	39§	10	1+3	3 1	1 3	1?	3, 9
30,00,000	34,00,000	2,22,00,000	1,40,30,109	3,91,968	Ramdutt Ramkissendas			39	7½	3	5	5		3, 9
O. 87,00,000	18,45,066	1,11,41,130	70,52,201	77,979	Mackinnon Mackenzie & Co.	1,076	India	O. 125	10	3½+9½	3½ 1½	3½ 3½		3
D. 30,000								D.		A 7-8 7-8				
24,00,000								179	100	8½+8½	10 12½	8½ 6		3, 9
'B' 19,20,000	20,07,975	1,36,48,345	1,16,47,605	92,900	Jardine Henderson Ltd.	1,797	Kamarhatty	171	'D' 100	8½+8½	10 12½	8½ 6		6, 12
30,00,000								146	100	—	5 7½	6 4		
'B' 24,00,000	12,18,800	1,30,36,108	92,12,151	83,881	Jardine Henderson Ltd.	1,527	Kankinarrah	142	'B' 100	—	5 7½	6 4		6, 12
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	232	100	10 + 10	12½ 12½	7½ 7½		6, 12
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,500	Khardah	176	100	*Nil* 13	10 6	10 15		6, 12
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,442	F. W. Heilgers & Co.	1,250	Kinnison	188	100	1½+4	10 9	10 7	4?	3, 9
24,48,000	48,82,305	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	128	100	2+10	11 8	7 3	2?	3, 9
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	840	Lawrence	160	100	5+ 9	12½ 11	11 4	2?	3, 9
10,00,000	35,31,301	50,24,402	34,79,126	64,167	Andrew Yule & Co., Ltd.	558	Lothian	250	100	5+10	15 17½	15 15		3, 9
81,63,200	24,87,140	1,94,76,907	1,13,95,064	1,17,533	Mackinnon Mackenzie & Co.	1,008	Megna	88	100	2½+6½	2½ 2½	2½ 2½		5, 11
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Nashati	118	100	*Nil* 5	10 6	6 *Nil*	*Nil?*	3, 9
12,00,000	23,05,000	25,69,086	16,42,880	17,184	Howrah Trading Co., Ltd.	425	Naskarpara	14§	10	1+1	1½ 1½	1?		3, 9
35,00,000	41,83,437	27,56,895	8,66,551	49,733	Andrew Yule & Co., Ltd.	852	National	23§	10	1+1	1½ 1½	1?		4, 10
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	34§	10	1½+1½	2½ 3	2 1		4, 10
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	260	New Central	100	100	5+10	15 15	10 12		6, 12
16,79,880	47,26,911	1,21,23,908	74,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	18§	10	*Nil*	*Nil* 1	1 1	1?	6, 12
66,79,500	32,37,529	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	43§	50	*Nil* 1½	1½ 1½	1 *Nil*	*Nil?*	3, 9
50,00,000	22,73,049	70,35,063	47,47,892	81,356	Andrew Yule & Co., Ltd.	601	Orient	168	100	4+10	12 12	1 6		3, 9
25,00,000	4,39,778	80,78,195	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Pressdency	4§	5	*Nil*	*Nil*	*Nil*		5, 11
20,00,000		26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	305	Rameshwara	5§	10	*Nil*	*Nil*	*Nil*		6, 12
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	15½	10	*Nil*	*Nil*	*Nil*		3, 9
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	2013	Samnagar	14§	10	10½	10½	10½	1?	3, 9
30,00,000	13,07,220	97,20,210	59,19,652	6,05,669	Bagaria More & Co., Ltd.	911	Shree Ambica	14§	10	*Nil*	1½ 1	1?		12
7,00,000	7,74,812	48,14,456	33,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½	10	*Nil*	*Nil*	*Nil*		3, 9
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	630	Standard	139	100	3+6	9 8	8 1		3, 9
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	14§	£1	10½	10½	10½	1?	3, 9
35,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	158	100	1+7	12½ 11	10 1	1?	6, 12
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14§	£1	10½	10½	10½		3, 9
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	5§	1	*Nil* 1/40	1/40 *Nil*	*Nil*		6, 12

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1949 Rs.	1950 Rs.	1951 Rs.	1952 Rs.	Accounts Closed	Reference
25,50,000	15,75,000	64,99,011	45,49,011	25,799	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	18§	10	½	½	½	½	3, 9	
12,00,000	8,32,703	37,16,954	33,85,714	60,294	Jardine Henderson Ltd.	Bararee Coke	17§	10	½	3/5	½	½	3/9	H.
4,49,350	70,000	8,49,159	5,24,703	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhardee	6 N	10	½	½	½	½	6, 12	H.
1,00,00,000	1,09,50,000	5,08,61,725	3,24,30,103	8,02,968	Andrew Yule & Co., Ltd.	Bengal Coal	507	200	16 17½	17½ 17½	17½ 17½	20 20	4, 10	H.
2,25,000	5,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14	10	1½	1½	1½		6, 12	H.P.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	4	10	*Nil*				6	H.P.
69,99,953	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5§	10					9	Y.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd.	Bhulanbarree	13§	10	*Nil*	½	½	*Nil*	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,403	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10	10	*Nil*	*Nil*	*Nil*	½	6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd.	Borree	24§	10	1½	1½ 1½	1½* 1½*	1½* 1½*	6, 12	H.T.
90,92,480	1,65,60,398	4,01,65,968	1,60,47,288	1,15,021	Bird & Co., Ltd.	Burrakur	8§	10	13/12	½	½	½	6, 12	H.P.
49,97,000	750	22,35,410	57,645	8,776	Hindustan Investment Corpn., Ltd.	Central India	4§	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.P.T.
8,00,000	13,50,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd.	Central Kurkend	15§ N	10	½	½	*Nil*	*Nil*	3	Y.
6,00,000	1,40,000	7,50,000k		13,973	F. W. Heilgers & Co., Ltd.	Churlia	2§	4	½	½	½	½	6, 12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhemo Main	9	10	*Nil*	½	½	*Nil*	6, 12	H.
£120,000	£424,897	£878,414	£669,896t	£78,839	Jardine Henderson Ltd.	East Indian	22§	£1	1½	1½	½	½	3, 9	H.P.
29,63,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	33§xd	10	2½ 2½	2½ 2½	2½ 2½	3 (1)	4	Y.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Mualia	15§ N	10	½	2	½	2 1½	6, 12	H.P.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriadih	15§	10	½	½	½	½	3, 9	Y.
3,50,000	5,50,000	12,53,839	6,13,347	40,107	Andrew Yule & Co., Ltd.	Kalapahari	40 N	10	1	1½	1½	1½	6, 12	H.
20,00,000		21,94,426	68,340	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries	82	100	½	½	½	½	2, 8	H.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd.	Katrasgherriah	39	10	1	1	1½	1½	2	Y.P.
1,38,400	95,000	10,63,519	3,25,319	1,063	Berriwala & Co.	Khas Kajora	7 N	10	½	½	½	½	1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuardi	6 N	10	3½	3½	3½		6, 12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11§ N	10	½	½	½	½	6	Y.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd.	Natira	6§	10	½	½	½	½	4	Y.
17,76,230	10,67,000	1,16,02,941	81,01,381	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	18	10	*Nil* 3/10	3/10 3/10	—	*Nil* ½	6, 12	H.
6,00,000	3,30,000	31,32,539	18,57,919	—7,595	Octavius Steel & Co., Ltd.	New Manbhoom	9	10	*Nil* ½		—	—	3, 9	H.
1,15,000	3,51,004	12,56,672	7,30,294	12,237	Andrew Yule & Co., Ltd.	North West	13§ N	10	½	½	½	½	3, 9	
1,57,500							9§ N	10	½	½	½	½		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd.	Ondal	18§ N	10	9/40 ½	½ ½	½ ½	½ ½		H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	12§ N	10	—	—	—	—	6, 12	H.P.
8,34,000	20,551	16,29,203	5,77,935	70,539	Deepchand Kishenlall	Parasea	3§	10	—	—	—	—	6, 12	Y.T.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd.	Perch Valley	20§	10	½	½	½	½	6, 12	H.P.
23,99,500	15,67,105	1,09,49,971	76,38,254	—4,35,764	B. N. Elias & Co., Ltd.	Raneegunge	8§	10	½	½	½	½	2, 8	H.
13,50,000	6,88,585	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	19§	10	½	½	½	½	3, 9	H.
20,00,000	3,10,464	28,07,516	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	7§	10	½	½	½	½	6, 12	Y.
1,25,000	1,75,000	11,69,381	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Sendra	8§	2½	—	—	—	—	6, 12	Y.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd.	Seebpore	25§	7	2½ 2½	2½ 2	2 2	2 1	4, 10	Y.T.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	9	10	½	½	*Nil*	—	6, 12	H.
63,21,450	9,60,272	3,06,68,638	2,06,10,016	23,658	Indusrial Trust Fund (Government of Hyderabad)	Singareni	6§xd	10	9/20	½	½	½	6, 12	H.P.
						South Karanpura	9§	10	1	½	½	½	12	H.
17,50,000	10,70,000	34,29,846	13,40,707	15,868	Bird & Co., Ltd.	Standard	20§	10	½	½	½	½	2, 8	Y.P.
8,00,000	13,68,503	2,33,837	56,445	86,396	F. W. Heilgers & Co., Ltd.	Talcher	2§	2½	—	—	—	—	6, 12	Y.
10,00,030	12,950	30,15,423	15,43,501	—3,64,536	Williamson Magor & Co., Ltd.	Union	23	10	½	½	½	½	9	
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Hindustan Investment Corpn., Ltd.	West Bengal	4§	10	1	1½	1½	1½	6, 12	Y.P.
49,98,000	21,916	45,07,187	11,17,093	42,176	Macneill & Barry Ltd.	West Jamuria	17§	10	½	½	½	½	3, 12	Y.
7,00,000	6,65,000	40,16,017	19,92,108	5,514										Y.
														Y.
														Y.
														T.

* Including bonus. x Sales and amount written off. (k) Investments.

(1) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 424 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 383)

a German combine was chosen. India has had very little experience of working with German firms. There is, after all, some truth in the saying that it is better to let in a devil which is known than one unknown. It is arguable that the level of German technology in the manufacture of steel is in many ways superior to that of the Western countries. But what will happen to the agreement in the event of a world war again? Will Germany be able to deliver the goods? The vulnerability of Germany to a war in Europe should be obvious to anyone who knows something about the present world situation.

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Secondly, how was the fee of Rs. 2.1 crores arrived at? With twice the capacity of the projected Government plant, the Tata Iron and Steel Co., Ltd., is able to show a net profit (before Managing Agents' commission) of only Rs. 3.55 crores. How does the Government hope to make a profit large enough to permit the payment of a fee of Rs. 2.1 crores, and still leave a sufficient margin for a reasonable return on the capital invested? Could not the whole project be executed at a cheaper cost by entrusting it to the private enterprise in the country already engaged in the job of producing steel? It may be noted here that, as against a fee of Rs. 2.1 crores payable to the German firms, Tatas have been earning a managing agency commission of only about Rs. 46 lakhs per annum in the past three years. Now that the entire agreement has been signed, nothing would have been lost by publishing its text for discussion. Surely, it is a little intriguing, to say the least, that an agreement on a project involving Rs. 72 crores, was concluded without prior consultation with expert opinion. It is also a pity that no attempt was made by the Minister to show why the Government preferred to run the project itself, without giving the existing steel interests a chance to explain whether they could produce the same quantity of steel at less cost. After all, the Government has not shown hitherto any marked superiority over private enterprise in the art of managing commercial undertakings.

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It is reliably understood that the amount of compensation receivable by the shareholders of Air-India Ltd. and Air-India International Ltd. will be a little more than earlier estimates, as the valuation of stores taken over by the Government points to a higher figure. It is felt that Air-India Ltd. may get about Rs. 105 and Air-India International a little over Rs. 125 per share.

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While equities are soft, Gilt-edgeds are steady to firm, due to a slight revival of demand and scarcity of floating stocks. In fact, the behaviour of this section has been so encouraging during the past few days that to-day the Reserve Bank has found it possible to raise its selling rate for 3½ per cent. National Plan bonds by a further anna to Rs. 98-6.

MARKET REPORTS

(Concluded from page 413)

that mills were reluctant to sell at these rates prevented prices from falling further. The loss in B. twills was more pronounced than in hessian. B. twills touched a new low of Rs. 99 on Thursday, but on Saturday in sympathy with hessian partially recovered to Rs. 99-14. The rate was better at Rs. 100-8 yesterday. There were enquiries for specialities but all could not be finalised to business in view of the lack of clarification from the Government as to the exact type of specialities which carry no export duty.

Trading in loose jute futures was continued in the Calcutta Jute Exchange, and quotations bore a close relationship to those prevailing in the raw jute market. The fluctuation was also narrow, September delivery northern bottoms quoting a high of Rs. 28-5-6 and a low of Rs. 27-8. Mills were in no mood to support the market. Quotations for new crop were adversely affected. Assam upper old crop middles and bottoms were lower at Rs. 28-8 and Rs. 25-8, respectively, as against new crops Rs. 31 and Rs. 28.

FURTHER RISE IN SUGAR PRICES

(From Our Own Correspondent)

HAPUR, 24th August

The Union Food Minister frankly admitted, in the House of the People this week, that there had been an increase in the consumption of sugar in the country recently by 50 per cent., and to cover up the deficiency, the country had to import sugar. The first consignment of imported sugar is expected to reach India before 15th September. One steamer carrying approximately 10,000 tons is due in Bombay shortly and another carrying the same quantity will soon reach Madras. These supplies are principally from Cuba, Mexico and Indonesia. The landed cost of foreign sugar will be about Rs. 26 per maund.

Sugar markets in India are very steady and there has been a general rise in prices. Acute shortage of stocks are reported from Bombay, Calcutta and Madras. The shortage is likely to persist till consignments of imported sugar arrive at the Ports. Informed observers expect that, as a result of the arrivals of imported sugar, the present disparity in prices in different centres would vanish. The Government of India is likely to sell imported sugar to the State Governments at Rs. 29 per maund. If the State Governments do not accept the allotments, the Centre will sell it to wholesalers at Rs. 30 per maund.

The Government of India is now consulting the State Governments in the matter of fixing the minimum price of sugarcane for the coming season. The price, according to the Food Minister, would be lower. The Bihar and U.P. Joint Sugar Control Board, which met earlier this week, has, however, expressed a different opinion. The consensus of opinion expressed in the meeting was that the price of cane should be fixed at a higher level than that in the current season. The sugar factories have protested against the suggestion of fixing a higher sugarcane price. It is emphasised that an increase in the price of cane cannot normally be accommodated within the existing cost price pattern of the sugar industry. For the price of sugar, will also have to be increased. The fiscal burden on the sugar industry has doubled since 1946-47 (the Central excise duty, the cane cess and co-operative societies commission now come to Rs. 6-0-10 on every maund of sugar). It is, therefore, pointed out that the peasant's desire for a higher cane price, with the sugar price remaining unchanged, can only be at the expense of the inroads which the various taxes are making into the earnings of the sugar industry. The latest sugar quotations (per maund) are:

Ambala Rs. 31-14-6, Amritsar Rs. 31-14, Delhi Rs. 32-4, Jullundur Rs. 30-14, Agra Rs. 31-3, Hapur Rs. 30-14, Kanpur Rs. 31, Mathura Rs. 31-4, Meerut Rs. 30-14, Muzaffarnagar Rs. 30-11, Patna Rs. 31-4, Calcutta Rs. 31-8-6, Gauhati Rs. 33-8, Madras Rs. 33-7-8 and Bombay Rs. 34-7.

Average prices for sugar and *gur* (per maund) for the month of July, 1953, were as follows:

	Sugar Rs. a.	*Gur* Rs. a.
Ambala	31 14	18 8
Amritsar	32 10	19 11
Delhi	31 14	22 0
Jullundur	31 0	20 11
Agra	31 4	19 0
Hapur	31 2	19 4
Kanpur	30 9	20 0
Mathura	31 8	17 9
Meerut	31 0	19 8
Muzaffarnagar	30 15	19 12½
Calcutta	31 4	21 10
Gauhati	33 10	24 0
Madras	33 2	23 12
Bombay	32 10	23 5
Bhavanagar	32 10	20 10
Nagpur	33 2	23 9
Indore	30 9	23 7

The *gur* market remained quiet to steady during the week under review. Stocks in the exporting *mandies* of west U.P. are not getting depleted, as there are no arrivals, while exports to needy areas continue. Hapur despatched several wagon-loads for Gujrat. The enquiry tended to fall at higher prices. Sugarcane crop is now progressing satisfactorily.

WHEAT POSITION COMFORTABLE

(From Our Own Correspondent)

HAPUR, 25th August

The Indian Food Minister made an important pronouncement this week. He said that controls on all foodgrains except rice would be lifted throughout the country shortly but that some sort of control on rice would, however, continue for some time. Mr. Kidwai said that the Government of India had so much of wheat stocks that they did not know what to do with them or how to dispose of them. The present position is that the Central and State Governments hold stocks of nearly a million tons and the offtake from these stocks is extremely low. All States have been given the option to remove restrictions on the movement of grain within their territories and the next step will be to remove inter-State restrictions.

In U.P., the condition in areas affected by floods is fast returning to normal. The loss to the crops has not yet been assessed. The State Government has been rushing foodgrains to the affected areas out of the stocks held by them. Trade stocks are not generally affected and, consequently, prices have not moved upwards. The Central Government, it is learnt, has offered to supply wheat to U.P. at Rs. 14 a maund for distribution in the flood-affected eastern districts. This represents a concession of more than Rs. 2 a maund, as compared with the normal price of wheat from the Central pool.

The following are the wholesale and retail prices of wheat in the important markets in the State. Shamli Rs. 17-8, Hapur Rs. 17, Chandosi Rs. 17-6, Kasganj Rs. 17, Gonda Rs. 17-8, Sitapur Rs. 19-8. The Government rate of wheat in Lucknow, Kanpur, Banaras, Allahabad and Agra markets was 2 srs. and 2 ch. per rupee. Other grain quotations in the Hapur market are: gram Rs. 16-10, barley Rs. 12, bejhar Rs. 12-12, maize Rs. 13, to Rs. 13-8, juwar Rs. 12, guwar Rs. 12-4, rice Rs. 24 to Rs. 35, peas green Rs. 14-12, peas white Rs. 16 to Rs. 18-8, arhar Rs. 14-2, urd Rs. 21 to Rs. 24, and moong Rs. 22.

The Punjab Government, it is learnt, has asked the Government of India's permission to lift the control on the procurement and distribution of rice in the State.

HIDES WEAK

*(From

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	351xd / 173½xd	100 / 50	18 0 / 9 0	18 0 / 9 0	18 0 / 9 0		12	Y.P.
1,01,000	12,03,000	7,231	Andhra Bank	103	100	6 0	6 0	6 0		6.12	H.
23,99,000				54	50	3 0	3 0	3 0			
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	111½	50	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,060	14,00,000	9,567	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	1543xd	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
13,39,375	24,00,000	63,200	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	33,124	Bank of Jaipur	201	50	1 8	1 8	1 8		12	Y.
50,00,000	85,00,000	86,297	Bank of Mysore	284cd	100	16 0	16 0	16 0		12	Y.
39,18,600	42,61,692	83,280	Bombay State Co-operative Bank	59½	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	83	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64xd / 66½xd	25 / 25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
52,42,375 'A'				34½	50	1 8	1 12	1 12		12	Y.
80,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	1	20	2 0	4 0	4 0		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	81N	20					12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0	6 0	5 0		9	Y.
2,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,825	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				438‡	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				181	100	12 0	12 0	12 0			
16,90,000	73,50,000	1,04,201	Indian Bank	143½	85	10 3½	10 3½	10 3½		6.12	R.L.H.
15,40,000				103½	60	7 3½	7 3½	7 3½			
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	89½	100	5 0	6 0	6 0		12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0		6.12	H.
2,50,000				18‡	25(B)	2 4	1 14	1 8			
10,00,000				35	50(C)	3 0	3 0	3 0			
87,50,000	89,00,000	1,92,605	Punjab National Bank	21½	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,80,00,000	17,50,000	37,630	Travancore Bank	11‡	25					12	Y.
40,00,000	30,00,000	2,06,133	Union Bank of India	6–6½	5	0 5	0 5½	0 5½		12	Y.
2,80,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	2 0	2 0	2 0		6.12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£–2–1–7½	£3	14½	14½	16½		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡	£5	7½	6½	7½		12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation		H.K. $125	5*	5*	5*	8*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2–13–6 / £1–6–3	£1	12½ / 5½	12½ / 5½	12½ / 5½	7½(i)	12	R.L.Y.
£375,000				£25‡	A £12½	12½	12½	14½	7½(i)		
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£25‡	B £12½	12	12½	14½	7½(i)	12	R.L.Y.
£300,000				£11	C £5	12½	12½	14½	7½(i)		
£2,781,250	£3,675,000	£323,703	National Bank of India	£32‡	£12½	16½	16½	16½	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency. (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June	1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd	1936	99½	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	103½	27th December	1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	1944	96	1st November	1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	105	1st April	1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96	1st November	1959-64
COTTON							
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	83	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Hutchieng and Cematic	1952	99½	1st January	1967-72
13,68,000	5½	1st June	Jaysabee Textiles	1949	78N	1st January	1956-59
40,00,000	5	1st June	Tata Mills	1966	101		1966-71
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1930	96	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st November	1960
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964
2,66,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January	1970
10,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	86	31st December	1970
13,00,000	5	1st January and 1st July	Jaipur (Sberriah) Electric Supply Co., Ltd.	1951	96	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97		1937-41
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October	1954
1,00,000	3	1st January and 1st July	South Madras Electric Supply		94½		1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
49,23,000	4	1st April and 1st October	Tata Power	1940	102½	15th September	1951-57(k)
1,00,00,000	4	1st April and 1st October	Tata Power		92½	15th September	1965-70
ENGINEERING							
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	98	31st December	1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June	1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	103	1st July	1957-62
61,183,000	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1934	69½	31st December	1965(H)
10,00,000	4	31st May and 30th November	Kumardubi Engineering Works Ltd.	1946	88	31st May	1971
1,30,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October	1960-63
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	93	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98	30th June	1954(h)
15,00,000	6	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99	30th June	1955
10,00,000	6	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July	1959(c)
10,69,000	5	30th June and 31st December	Chhatrabati Jute Mills	1951	97	30th June	1968
8,86,000	5	30th June and 31st December	Empire	1951	95	15th July	1966
85,00,000	3½	1st January and 1st July	Hukumchand	1947	92½	30th June	1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
85,00,000	3½	30th June and 31st December	Naihati	1952	98½	31st March	1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½N	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	91	14th May	1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June	1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96½	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June	1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	84	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,50,000	6	1st January and 1st July	Barsaet-Basirhat Light Railway	1936	86	1st July	1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1942	99½	1st November	
£150,000	4½	1st January and 1st July		1900	£100¼	A 110% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways	1933	£102N	1st October	1974
£201,067	5	1st April and 1st October				30th September	1953
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934	99	31st December	1959
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1943	89		
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£90‡N		
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	1st January	1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944	100	1st July	1949
50,00,000	4	30th June and 31st December	Waterfalls Ltd	1943	101‡	1st January	1945-53
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	1948	98	31st December	1965
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June	1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1913	93	1st February	1964
21,25,000	4½	1st July and 1st January	Clive Buildings	1936	88½	1st July	1986
20,00,000	6	15th March and 15th September	Dalhousie Properties	1946	87	15th September	1960
1,30,00,000	3	1st January and 1st July	Dunlop Rubber	1950	101½	1st January	1971
20,00,000	4	15th March and 15th September	Mettur Chemical Industries	1949	97		1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	465	30th September	1976
					410	(per note)	
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947		31st December	1972
						(per note)	
75,00,000	3	1st April and 1st October	Macneill and Barry Ltd	1931	90N	1st April	1971
1,80,00,000	3½	31st March	Orient Paper Mills Ltd.	1931	93½	31st March	1961
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	84‡	31st December	1959

More—See page 422 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th August, 1953.

	Closing Quotations 20-8-53	High	Low	Closing Quotations 27-8-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155	155½	154½	154½
Bank of Baroda (50)	110½	111½	111	111½
Central (25)	65½	66½	63¾xd	66
Imperial (P.Pd.) (500)	1,825	1,827½	1,822½	1,827½
Imperial (P.Pd.) (125)	440	440	437½	440
Union Bank (5)	6½	6–6½	6	6–6½
United Com. (50)	36½	36½	36	36½
COTTON MILLS				
Ahm. Adv. (100)	140	—	—	140
Apollo (10)	2–7½	2½	2½	2½
Bombay Dyeing (250)	378½	379½	375½	377½
Central India (100)	160½	161½	157½	159½
Century Mills (100)	270	271	266	268½
Edward Textile (200)	237½	—	—	69
Elphinstone (50)	38½	38½	38½	237½
Finlay (100)	325	326	320	38½
Gokak (100)	226	229	223	322
Ind. Untd. Defd. (1)	1½	1–3½	1½	227½
Ind. Untd. Ord. (10)	8½	8–13½	8½	1–3½
Indore Malwa (100)	91½	92½	91½	8½
Khatau (100)	183½	183½	178½	92½
Kohinoor (100)	295½	296	291	178½
Lakshmi (250)	270	—	—	295
Madhusudan (100)	86½	—	—	570
B. N. Cotton Mills (100)	49	49	48½	86½
Minerva Mills (100)	100½	—	—	48½
Model Nagpur (250)	143½	—	—	100
Morarji (100)	181½	181½	180	143½
Mysore (50)	130	—	—	180
New City (100)	151½	—	—	130
New Great (100)	150	—	—	151½
Phenix (100)	116½	—	—	150
Podar Mills (100)	126½	—	—	116½
Sassoon Bjs (10)	20½	—	—	126½
Shahjapur (1,000)	25½	—	—	20
Simplex (50)	1,610	—	—	25
Svadeshi (100)	169½	169	166½	1,610
Swan (100)	247½	249	244½	166½
Tata M. (25)	452½	460	452½	249
Vishnu (100)	41½	41½	41	460
Western India (1,000)	150	150	148½	41½
	3,500	—	—	148½
				3,500
ELECTRIC COS.				
Ahmedabad (100)	111½	112½	112½	112½
Amalgamated (10)	11	—	—	11
Andhra Valley (1,000)	1,452½	—	—	1,452½
Bom. Sub-El. (100)	121½	—	—	121
Surat (100)	123½	—	—	123½
Tata Hydro (100)	142xr	—	—	142
Tata Power (1,000)	1,433xr	1,432½	1,422½	1,425
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	627½	—	—	627½
Jupiter (15)	40	—	—	40
New India (15)	6½	6½	6½	6½
Oriental (200)	40½	40½	40	40½
Universal (10)	6,875	6,875	6,825	6,825
Vulcan (10)	8½	—	11½	8½
	11½	11½		11½
STEAMER COS.				
Scindia (15)	13½	13½	13½	13–7½
STEEL COS.				
Ind. Iron (10)	22½	22–5½	21–11½	22½
Tata Steel Defd. (50)	1,953½	1,967½	1,935	1,957½
Tata Steel Ord. (75)	338½	339½	335½	338½
MISCELLANEOUS				
Alcock Ashdown (100)	302½	302½	298½	301½
Associated Cis. (100)	168½	169	167½	168
Belapur Sugar (5)	238½	239½	237	239½
Bom. Burmah (125)	351½	351½	349½	350½
Do (New) (50)	130	128½	127½	127½
Bx. B. Petrol (4 sh.)	1–3½	1–3½	1½	1½
Bx. I. Corpn. (5)	8½	8–5½	8	8–5½
Indian Copper (2 sh.)	2–12½	2–12½	2½	2–12½
Ind. Inv. Tr. (100)	66½	—	—	69½
Port Canning (100)	22½	—	—	22½
Premier Cou. (30)	85½	85½	84½	85
Shivrajpur (10)	37½	37	36	36½
Tata Chemicals (10	8–12½	8½	8½	8½
Tata Oil (25)	30½	30½	30½	30½
Walchand Ind. (100	143½	—	—	146½
W. I. Match (100)	238½	238½	236½	237½
GOVERNMENT SECURITIES		Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	
	Rs.			Rs
2½% 1954	98½	—	3 43	98½
2½% 1961	98½	—	3 28	98½
2½% 1960	90½	—	3 89	90½
2½% 1962	93½	—	3 82	93½
2½% 1974	91½	—	3 87	91½
3% 1957	82½	—	3 91	82½
3% 1958	98½	—	3 40	98½
3% 1959-61	98½	3.74	3 42	98½
3% 1964	96½	3.57	3 57	96½
3% 1963-65	92½	—	3 86	92½
3% 1966-68	92½	3.93	3 80	92½
3½ 1970-75	90	4.00	3 89	90
3½% 1986 Con. Loan	86½	4.12	3 91	86½
3½% 1954-59*	82	—	3.46**	81½
4% 1960-70	100½	3.32	3 46	100½
4½% 1955-60	102	3.67	3 84	102½
4½% 1958-68*	103½	3.00	4 01	103½
3½% 1961 N.P. Bonds	105	3.24	4 05	105
	98½	—	3.74	98½

BRITISH GOVERNMENT SECURITIES

	23-8-53 £	High £	Low £	26-8-53 £
2½% Brit. Consols	60½	61	60½	60½
3% Savings Bonds 1955–75	75	—	—	—
3% War Loan 1955-59	86½	—	—	86½
3½% War Loan 1952	101½	102½	101½	102½
3½% Brit. Iron and Steel 1979-81	81½	81½	81½	81½
4% Funding Loan 1960-90	91	91½	91	91½
	101½	—	—	101½

sd=Ex-dividend. X.R.=Ex-Right. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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DOLLAR-STERLING RELATIONS

THE move for convertibility of currencies and relaxation of trade restrictions had received a perceptible setback in recent months. The proposals of the Commonwealth Economic Conference seemed to have failed to impress the U.S., despite the elucidation given by Mr. Anthony Eden, the British Foreign Secretary, and Mr. R. A. Butler, Chancellor of the Exchequer, to the American Administration in March last. Nothing concrete emanated from these talks. The Continental powers such as France, Italy, the Netherlands and Belgium were also not very enthusiastic about them. It, therefore, looked as though convertibility and freer trade would remain only as distant economic ideals, almost incapable of realisation. The report of Mr. Lewis W. Douglas, Adviser to President Eisenhower and a former U.S. Ambassador to Britain, on Dollar-Sterling Relations, however, serves to revive the waning faith in the movement. This report and the warm support it has received at the hands of Mr. Eisenhower are a refreshing indication of the existence of liberal elements in the U.S. which are alive to the necessity of altering their country's foreign economic policy, with a view to ensuring unity among the free nations.

The Douglas Report, the full text of which is yet to be received, endorses the Commonwealth's broad aims for achieving freer trade and convertibility as set forth in the *communique* issued after the conference of Commonwealth Ministers in December last. Mr. Douglas, according to Press summaries of his report, admits without reservation that the U.S. "can no longer pursue protectionist policies of a debtor nation and hope to escape from Government intervention, restrictionism, State planning and discrimination against American products in the international markets." Looking bravely and realistically at the trade policies of his country, Mr. Douglas candidly remarks: "For 30 years, the barriers that we have erected against imports into the U.S. have been incompatible with, and have operated against, the re-establishment of international economic and financial health and equilibrium." Then, Mr. Douglas goes on to sound a note of warning to his countrymen that if the recent steps by Britain towards greater economic freedom were allowed to fail, it would be "the final failure of an economic system of which the market place is the central feature." While not denying that Britain and sterling area countries have yet to do a lot more to strengthen the value of their currencies, he asks the Americans to remember that, during the past year and a half, these countries, especially Britain, have taken a variety of steps as part of their plan to return to a freer economy based on "trade, not aid." The U.S. so far has scarcely done anything to facilitate convertibility of currencies on these lines. It has, of course, continued to provide aid, albeit on a smaller scale, but what the non-dollar, developed countries want is the removal of trade barriers which will enable them to earn more dollars.

The realistic manner in which Mr. Douglas deals with the whole problem will be further evident from the following extract from his report:

"It is doubtful whether the world can recover a high degree of economic freedom or whether American exports—so important to large segments of our country—can enter foreign makets without benefit of continued American subventions and subsidies, unless sterling makes further progress towards its own emancipation. If further progress is not made towards the removal of restrictions on trade and a more unfettered exchange of currencies, it is quite likely that, in spite of international political institutions that have been erected or that may be erected in the future, the unity of the free world will remain precarious and fragile."

In order to impart confidence to the non-dollar countries in the intentions of the U.S., Mr. Douglas urges the American Administration to make a prompt announcement that it is determined to work towards "a progressive, vigorous and consistent relaxation of our foreign trade legislation." Instead of implementing this advice straightway, President Eisenhower has merely turned over the report to the 17-man Foreign Economic Policy Commission as a piece of evidence to be carefully considered by it. This action has had a sobering effect on the initial hopes that the U.S. would act quickly. Apart from the delay that usually takes place when such a procedure is followed, London observers feel that nothing may come out of this Commission, as it is dominated by the protectionists of the old school. Of the seventeen members, ten are Congressional members, the majority of whom is said to belong to the protectionist bloc. Of the remaining seven members chosen from outside the Congress, six are not likely to constitute "an effective counter-weight" to the protectionists. The liberal internationalists are thus said to be in a hopeless minority. It is not known how far this reading of U.S. politics will prove correct. But it is to be hoped that the Douglas Report will serve as an eye-opener to the Congressmen belonging to the protectionist school. If it does, Mr. Douglas will have made a great contribution to the development of world trade and the maintenance of unity among the free countries.

Apart from the plea for liberalisation of the U.S. tariff restrictions, the Douglas Report contains four specific suggestions. These are:

(1) An increase of private investment of dollars in foreign countries.

(2) A definition of terms by the International Bank upon which investment of private funds abroad might be made with reasonable immunity against most of the political changes.

(3) Consideration by American banking houses of participation in sterling loans made by London banks with some sort of a British guarantee of a rate of exchange.

(4) Development of measures to abate violent fluctuations in the prices and volumes of the major raw materials entering international trade.

Detailed comment on the above suggestions must await the arrival of the full text of the report. It can, however, be stated that, as phrased above, they are more or less in line with the reported proposals of the Commonwealth countries. It must be obvious to anyone that the implementation of the first suggestion is not entirely within the powers of the U.S. Administration. It will depend mostly upon the willingness of private enterprise in that country to invest in overseas countries and the readiness of the countries needing foreign capital to provide the necessary climate. It is true that the U.S. Government can provide certain incentives to private capital to move out and that the World Bank can provide the guarantees as proposed in the second suggestion. But the fact remains that at present, American capital is extremely reluctant to go outside the U.S., as chances for profitable investment at home are still good and as the risk involved in investing in foreign countries is great. There is also the fact that, in some of the underdeveloped areas, powerful indigenous capital is very jealous of entry of foreign capital and wants all sorts of restrictions to be placed upon such capital. The atmosphere, therefore, is not favourable for U.S. private capital to flow out. Mr. Douglas himself seems to be aware of this. Hence his suggestion for association of American banks with British banks in providing finance for development through the Commonwealth Development Corporation. This may prove to be a good stopgap arrangement, until conditions for the flow of private investment become more favourable.

Not for the first time has the proposal for ironing out peaks and abysses in prices of raw materials and the volume of such goods entering world trade been put forward. But, according to Press reports, there is a variation in the technique advocated by Mr. Douglas. Instead of commending inter-Governmental commodity agreements, he seems to favour what is described as "tracyclical commodity buying," by co-ordination between Governments. Under his scheme, "purchases by Government agencies may be diminished when the business community is building up inventory, and increased when the business commu-

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nity is liquidating inventory, thereby using Government purchases, to the extent they are necessary for other reasons for the purpose of mitigating the effects of cyclical movements in the critical materials." One merit of this suggestion is that it provides for non-interference by Governments in the activities of private enterprise engaged in trade. Another is that it avoids arrangements of a type analogous to cartels which are taboo under the constitution of not only the U.S. but also of several other free countries.

The U.S. offers better prospects for imports of raw materials than for manufactured goods in which it is almost self-sufficient. There should, therefore, be not much difficulty for that country to agree to a scheme for stabilising the prices of raw materials. There are, however, some economists of international repute, as, for instance, Sir Arthur Coupland, who hold the view that such a scheme will meet with insuperable practical difficulties when it comes to be implemented. They, therefore, feel that the best alternative will be to raise the price of gold. But, significantly enough, the Douglas plan makes no reference to this issue. It may be argued that, since this is a delicate issue and cannot be mentioned in a report of such semi-official nature without giving rise to wild speculation in the free markets of the world in gold, silence means approval. That, however, remains to be seen.

One of the two basic conditions mentioned by the debtor countries for venturing into convertibility of their currencies is freer U.S. tariff policies to allow the earning of more dollars. This condition has been repeated so often that it has become axiomatic. But that does not necessarily mean that the fulfilment of this condition by the U.S., even in a liberal manner, will automatically solve the problem. As pointed out by us on an earlier occasion, the U.S. has such a vast productive capacity and its efficiency is so high that it may not offer any vast markets for imports of manufactured goods. And even this limited market will be available only to those producers whose efficiency is high. This point must be borne in mind if disappointment is to be avoided in future.

Another point that is being repeated so often without realising its limitations is the comparison of the U.S. as a creditor nation with the U.K. when it was a creditor country, implying thereby that the U.S. must follow the same policy of free trade which the U.K. practised as a creditor country. Such a comparison is patently wrong, for the internal economic structure of the U.S. and its political status are by no means comparable with those of Imperial Britain. There are obvious limits up to which the U.S. can afford to reduce its tariff walls. In short, improvement in export trade with the U.S. will provide only a limited solution. For the rest, the solution lies in (a) the economic development of underdeveloped areas and (b) the re-opening of trade between Western and Eastern Europe, as well as between China and Japan. The former, namely, the economic development of underdeveloped countries, will provide an opportunity for the U.S. to invest its export surplus by way of aid either directly or through the U.N. bodies. This, in turn, will offer an outlet for the manufactured goods of Western Europe. The latter, namely, the resumption of trade with Communist countries, will reduce the dependence of Western Europe and Japan on the dollar area for the sale of their goods or for the supply of food and some of the raw materials required by them. Again, if Japan were to resume its trade with China, it would not find it necessary, as it does now, to enter into keen competition for the limited markets in South-East Asia and the Middle East.

ECONOMICS OF DEVELOPMENT

THE post-war years have brought the importance of the improvement of living conditions in the backward regions to the forefront of international economic discussions. If the inter-war years were concerned with the political progress of the backward regions under the tutelage of one or more of the Western powers, the emphasis has now shifted to economic progress of these regions. At no other period in world history has there been so universal an agreement on the need for economic progress of the world as a whole or so concerted an effort at such progress as in recent years. The Point Four Programme, Colombo Plan, Technical Assistance Programme, World Bank Loans and Foreign Aid by the U.S. are only a few of the many forms in which the new international economic philosophy is being implemented. That all this effort is being made by the "free" world, and not, as may be commonly expected, by the countries which have harped unceasingly on the inequality of classes and countries, demonstrates the essential worth of the "democratic" ideals.

The task of economic development of the backward regions calls for the highest levels of economic statesmanship. But it would be wrong to underestimate the rigorous discipline which it imposes on the regions which have still to be developed. The way to economic prosperity is, after all, not strewn with roses. Nor does progress depend entirely on the helping hand, the sympathetic guide. The industrially advanced countries, which have realised the importance of universal economic progress, can only point the way and lend some assistance. But, ultimately, all effort at progress must come from within the backward countries themselves. What then are the problems which are implicit in this movement? What intractable issues do they face? What economic thorns and obstacles hamper their march towards prosperity? These questions have been engaging the attention of many economic thinkers. By far the most effective contributions to the new study, which may well be called the "Economics of Development," have come from the Western thinkers themselves. Among their contributions, the pamphlet, *Developed and Underdeveloped Countries in International Economics*, published by the Bureau of Business and Economic Research, University of Maryland, U.S., will take a high place. The pamphlet does not attempt to give a ready-made solution; no economist will probably be so foolhardy as to do that. But it does attempt, within a small compass of six pages, at a general summing up of some of the chief problems involved in the development of the economically backward regions.

The first question that presents itself for the enquiring student of this new study is to define what precisely is meant by an "undeveloped country." After all, there is no country which is cent per cent undeveloped. A number of criteria for measuring "underdevelopment," as the authors point out, has been proposed, ranging from population per square mile to the ratio of imports to exports. After examining some of these definitions, the authors give a definition of their own, according to which an underdeveloped country is an area which, relative to other areas, has low *per capita* real income and low *per capita* capital employment. Even this definition is not perfect, for a well-balanced and self-sufficient economy would tend to show smaller *per capita* income and smaller *per capita* amount of capital in use than a new agricultural, highly specialised industrial country. Even so, it may be taken as a workable definition.

What is the nature of the problems that present themselves when such a country seeks to improve its economy? The backward country is engaged in the production of primary commodities. The pamphlet examines the argument that in international trade between manufacturing areas and primary producing countries, the gains in trade revert to the exporter of manufactures. Broadly speaking, the pamphlet seems to accept the pith of this argument, for it recognises that productivity per worker tends to be considerably smaller in primary than in manufactured products. The relative place of the machine is held sufficient to account for many differentials between the primary countries and industrial areas. Industrial countries have an additional advantage, in that the prices of their products are less susceptible to violent fluctuations. This aspect needs to be corrected by concerted effort, which in turn, points to the need for "combining agriculture and manufacture as one means of smoothing price fluctuations." These fluctuations can also be corrected by commodity agreements, and export control. But there are difficulties. Export control reduces opportunities for earning foreign exchange. If all producing countries act in concert to prevent an oversupply, they are accused of establishing monopolies or cartels.

By and large, industrialisation of these regions is an effective corrective to the state of abject dependence on foreign countries. A host of problems presents itself to a country which is in its initial stages of industrial development. There is shortage of investment capital. There is no knowing which industries will be useful for the country to concentrate upon. It is difficult to know whether it is producing efficiently or not. Also, it will be compelled to export more of its primary commodities in order to pay for its imports of machinery and equipment. There is a tendency to export more when the times are good and little incentive to take counter-cyclical measures to correct booms and depressions. But these defects are not confined to the economic administration in underdeveloped countries only. Even manufacturing countries have their "contrariness." In this connection, the pamphlet asks two pertinent questions: (1) Why does a manufacturing country subsidise products for export, when these products are produced more cheaply elsewhere? (2) Why do manufacturing countries export some primary products in competition with non-manufacturing countries? There are only two justifications for such a policy. They are: the countries want to be assured of productive competence in an emergency, particularly war, and they want to assure themselves of employment in the particular fields. These arguments, according to the pamphlet, may have weight at national levels. Nevertheless, it must be clear that such practices do impede development elsewhere.

Undeveloped countries seek to promote industrialisation through the protectionist device. One of the regrettable losses in the transition from an agricultural to a manufacturing community, according to the pamphlet, is the sacrifice of consumers' interest in favour of producers. The authors are sharply critical of the use of tariff walls, and of the "infant industry" argument by which they are defended. Some infants, they point out, never "mature." The U.S. too has "some infants with long beards." Protectionism involves many problems. (1) By what criteria will the authorities select the industries to be protected, and the period of time? (2) What is to prevent the stifling of initiative and efficiency in protected industries? (3) When does an infant mature? (4) How can the resulting higher cost to other industries and to the general economy be prevented? In view of these and other difficulties, the authors prefer subsidies to tariffs. Subsidies provide an opportunity to assess costs specifically and permit the development of a more natural market. As regards quantitative restrictions on imports and tariffs, they prefer the latter since the former stifles all "competitive incentive" and also prevents importation of some commodities, either of special qualities or produced at very low cost.

Foreign investment, as all underdeveloped countries are slowly beginning to realise, plays an important part in economic development. The authors note with regret that in most countries foreign capital is not available currently in sufficient quantity to provide the needed impetus to new developments, and that the U.S. is the only country which is in a position to make large outlays. Another current trend is that individual investors are receding to the background, their place being taken up by institutional investors, the Governments of the investing countries and international agencies. The authors have laid down certain criteria for making the loans or aids from these bodies more effective: (1) In the aid extended by technically advanced countries, care should be taken not to duplicate equipment, thereby merely providing a replica of their economies. (2) All "tied" loans should be eliminated. (3) It is better to avoid intermediary "brokerage" service by a third nation. (4) Multilateral agreements are to be preferred to bilateral agreements. (5) Additional specialised agencies for handling loans and supporting economic development should be provided. (6) The U.N. should be assigned more authority over international trade and finance and power of co-ordination of activities of related organisations.

Such, in brief, are the conclusions which emerge from this interesting study. Both the diagnosis of the economic malady that afflicts the backward nations and the lines of treatment are stated with admirable comprehensiveness. This is the more notable, because it has been done within the compass of a small pamphlet. Again, no attempt, it is noteworthy, has been made to underrate the difficulties involved. We would like, once again, to emphasise that there is no royal road to prosperity. Nothing less than a revolution in the mental attitudes of the people towards capital formation, and all the austerity it implies in the initial stages, and the importance of economic efficiency at all levels and spheres of production will bring about economic transformation. The sooner this is realised and corrective measures adopted the speedier will be the pace of development.

OUTLOOK FOR T.I.S.CO. BRIGHT

ANOTHER INDO-GERMAN DEAL—MR. RUIA ON COTTON

THURSDAY, 5 P.M.

THERE have been no new developments on the Stock Exchanges since last week. The Bombay Stock Exchange opened to-day on a steady note, after a spell of holidays since Friday last, and finished in a listless manner. Price movements were narrow and the turnover small. The only development worth mentioning was a slight improvement in the value of Indian Irons, due to profit-taking by bears, induced by Mr. Nehru's statement in Parliament, reiterating the Government's determination to end the strike at Burnpur at an early date. The Government has been interesting itself in this matter for some months now, but it could do nothing to prevent the closure of the plants. It is not known how it is going to settle the dispute quickly now.

MARKET GOSSIP

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The short-term money market witnessed some demand for funds to-day, and the inter-bank call rate spurted from 1 per cent. to 1½ per cent.; it is said that there were some borrowers who were even prepared to pay 1¾ per cent. This demand was due, in the first place, to the heavy withdrawal of funds by the Tata Iron and Steel Co., Ltd., to pay its dividend through its bankers and, secondly, to the forthcoming Bombay Municipal Loan. It is felt that a good part of these funds will come back to the market in a week and that it may, therefore, be easy again. According to some well-informed sources, however, this easiness may prove to be a short-lived affair, for a sizable demand for bank credit may arise in case the Government of India were to decontrol wheat, as was announced by the Food Minister a few weeks ago. It would appear that the Government is contemplating sale of a part of its wheat stocks to the trade as the first move to decontrol wheat. This operation may later on be followed by the sale of imported sugar to private trade for direct distribution to consumers. Again, in a few weeks' time, the new season's agricultural crops may start moving. As the size of these crops is expected to be bigger than last year and their movement may commence a little earlier than usual owing to timely rains, the slack season for the money market may prove to be a short one this year.

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Mr. J. R. D. Tata's speech at the forty-sixth annual general meeting of the Tata Iron and Steel Co., Ltd., is an interesting one for those who are concerned more with the general economic problems and less about investment in the shares of the Company. His stress on the population aspect of the economic problem is apt and forceful. It is an aspect which has not received much attention in the discourse on unemployment during the past few weeks. By a mere coincidence, our columnist "Rover" too, emphasises the same point in his contribution this week. Equally relevant are Mr. Tata's remarks on the Government's tendency to depart from the concept of mixed economy. We propose to deal with Mr. Tata's carefully studied observations on the general economic problems at some length next week. But a brief reference may be made here to the points in his speech that are of interest to the share market.

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There is not much in Mr. Tata's speech or even in his replies to the questions from shareholders that is of interest to the market. From this point of view, the meeting was a dull one even though it lasted, as in the past, well-nigh four hours. Broadly speaking, the conclusion that can be drawn from Mr. Tata's remarks is that the outlook for the Company is not bearish. On the contrary, there is sufficient reason to take a slightly bullish view of the future, other things remaining the same. It seems that the Company will be able to maintain the present level of dividend in the coming year, even though the price of the capital to be remunerated may be a little higher consequent on the conversion of the deferred shares. The relationship with the Company's labour is peaceful and harmonious. It is true that, as a result of the revision in the scheme for profit-sharing bonus, the Company will have to pay a little more than hitherto. But this is expected to be compensated by contentment among the workers. The latter have agreed to do their best to raise their productivity. Many a shareholder accused the Chairman of indulging in a policy of appeasement of workers, but Mr. Tata tactfully replied, by drawing their attention to the fact that, during the last 25 years, there was no strike in the Company's works. He, however, conceded that the Company had bought this peace at a high price. He revealed that the work that was being put in by the labour at Jamshedpur to-day was equal to only two or three hours of hard work, though they were being handsomely paid on the basis of eight hours per shift.

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Although production of steel is likely to be somewhat lower until 1955, as a result of modifications to the plant under the modernisation and expansion programme, the profits of the Company are not likely to be affected, as the Tariff Commission has, in estimating costs and fixing prices, taken into account that fall. The Chairman said that this year the production of saleable steel might be about only 760,000 tons, as against 790,000 tons produced in 1952-53. Market men will do well to bear in mind this point, because some of the speculators may try to play up any shortfall that may be seen in the monthly production figures, in the coming months.

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There is no need whatever to fear that the proposed erection of steel plant by the Government of India, in co-operation with two German combines, will adversely affect the fortunes of the Company. The demand for steel in this country will continue to be more than the supply, even after the Government's scheme fructifies. In this connection, the figures given by Mr. Tata will be read with interest. Citing the Planning Commission as his authority, Mr. Tata revealed that, as against the present estimated demand of 2.3 million tons, the production at present was only about 1 million tons. By 1956, the output was expected to rise to 1.75 million tons, but, at the same time, the demand also was expected to increase to 2.8 million tons. Thus, the supply would fall short of the demand by over a million tons even by 1956. As against this, the Government contemplated to put up a factory of only 500,000 tons capacity and it would take several years for the project to be completed. The only manner in which this project was likely to affect this Company, as well as the I.I.S.Co., was that their strip mill plants might become obsolete, requiring their closure, as the Government intended to start a modern strip mill to produce flat rolls. But that would not seriously affect the existing companies. Some idea of the low rate at which the Company is selling steel will be evident from the fact, revealed by Mr. Tata, that, whereas it is getting only Rs. 350 per ton, imported steel costs, including the duty, Rs. 732 per ton. The price that the consumer pays now is Rs. 479 per ton, as the imported steel is being heavily subsidised at the expense of domestic producers.

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The problem of unemployment continues to engage the attention of the responsible members of the Cabinet. A number of suggestions have been made in recent weeks by various bodies, eminent economists and leaders of industry to combat this menace. The Planning Commission and the Commerce and Industry Ministry have taken note of the fact that the investment programme under the Five-year Plan, both under the Government and private sectors, has been lagging behind. They are of the view that this factor should not only be rectified but further measures should also be taken to expand it to an appreciable extent in order to absorb more unemployed people. In the meanwhile, Prof. D. R. Gadgil has, in the course of a lecture at the Delhi University, come out with a new slogan which connotes the reversal of the Keynesian doctrine to some extent. It may be mentioned here that the late Dr. Keynes used to say that "in the long run we are all dead," meaning thereby that it is often necessary for human beings to think in terms of fairly short-term goals when deciding on their policies. 'In view of the peculiar economic problems facing the country at present, according to the learned professor, if we take care of the "long-term," the "short-term" will take care of itself. Prof. Gadgil is of the view that the present situation is but part of a cycle. He has characterised the present unemployment situation as "technological unemployment." He thinks that the progress of technique in one sphere creates unemployment in another, as it is no longer possible to continue production in the sphere with a lower level of technique. He has, therefore, pleaded for greater investment in order to increase the *tempo* of the economy activity in the country.

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In the meanwhile, the Ministry of Commerce and Industry, under the leadership of Mr. T. T. Krishnamachari, has been trying to evolve a plan to set up an industrial development corporation with a capital of Rs. 500 crores. It is not known as to how far this Ministry can take the initiative in this respect, since the Production Ministry is concerned with the exclusive function of looking after the State-owned industries. The Industrial Finance Corporation is now under the charge of the Finance Ministry. A huge corporation with high technical and managerial personnel to look after it is, indeed, a grand idea. To a large extent its scope and functions are akin to those of leading industrial banks of Germany. For instance, the proposed corporation can take the initiative in regard to the establishment of new industries and run such industries for a few years. It can have the option of selling such industries to private enterprise after some time. Anyway, the whole scheme may take some more time before it takes concrete shape, since many other Ministries, including the Planning, Production, Finance and Commerce and Industry Ministries are concerned with it.

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Indo-German economic co-operation is getting closer. Close on the heels of an agreement with the German firm, Krupps, for the establishment of a steel factory, the Government of India is now trying to implement the proposal to set up a heavy electrical machinery industry in the country. The German firm concerned, in this connection, is the famous firm of Siemens, whose experts have already arrived in the country to examine the whole scheme afresh. It will be remembered that, a few years ago, American and British interests conducted a similar survey, but the scheme could not be pushed through, in view of the financial stringency of the Government of India at that time. If Siemens enter into an agreement with the Government, it is believed that the agreement will be similar to the one which the Government has had with Krupps. In this connection, the correspondent of the *Financial Times* writes:

"Earlier reports have been prepared by Associated Electrical Industries (India), a subsidiary of Associated Electrical Industries and Westinghouse Electrical International Company and International General Electrical Company of the U.S. No firm decision on these reports, however, has so far been taken. It is believed that Siemens is prepared in principle to participate financially and technically in the project. Its representatives have been invited here to survey prevailing conditions. The Government's share of expenditure on this account is not expected to exceed Rs. 5,00,000 during the current financial year. A committee, which was appointed early in 1948 to examine the need for such a plant, recommended that it should be planned immediately as a Government project in collaboration with foreign manufacturers of international repute. After extensive surveys, A.E.I., International G.E.C. and Westinghouse, submitted their reports towards the end of 1949. They covered a scheme for the production of heavy power plant of an aggregate capacity of 300,000 kw. per year. Following consideration of the three project reports, the exploratory committee recommended the establishment of a factory for the manufacture of 175,000 kw. of plant per year. Only Westinghouse showed willingness to participate financially in the project and for its affiliated company, Westinghouse International Development Company, to undertake the erection and technical management of the factory for an initial period of ten years. Accordingly, the exploratory committee recommended that the erection of the plant should be entrusted to Westinghouse and suggested further negotiations to settle questions of financial participation and other details. Financial stringency then prevailing, however, prevented further consideration of the project. The scheme was revived in August, 1952, as plans for hydro-electric development had made considerable headway and large-scale railway electrification was becoming a necessity. In addition, demand for a heavy electrical power plant was bound to increase by the end of the first Five-year Plan. The intention now is to provide a sum of Rs. 70 million (£5.25 million) for the project out of the lumpsum provision of Rs. 500 million in the Five-year Plan for basic industries and transport."

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There has been a notable change from an absolute sellers' market, which cotton enjoyed during the past decade, to a market where, even if the buyers cannot dictate the prices, the sellers can no longer hope to have their own way entirely. The fact is that cotton buyers are becoming more sensitive to prices and quality, which only reflects the emergence of similar conditions in the cotton textile markets all the world over. It is, therefore, hardly surprising that the Indian cotton interests should be reluctant to accept the need for continued retention of the controls which were instituted at a time when cotton was admittedly scarce. Mr. Madanmohan R. Ruia, President of the Coton Buyers' Association, was understandably anxious to see that the control on cotton was lifted. Speaking at the annual meeting of the Association, held this week, Mr. Ruia reiterated the demand he made last year for the decontrol of cotton. He said that the situation had so drastically changed in the sphere of both the textile industry and the cotton trade that the need for decontrol has become more urgent than it ever was. The prevalence of buyers' market conditions, the recession in domestic and foreign textile markets and the easier access which the mills have to world supplies of cotton were the factors which made him think that the decontrol of cotton would not lead to any rise in the price of indigenous cotton, nor disturb the general structure of textile prices in the country.

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But Mr. Ruia obviously recognises that the decontrol of cotton will not, by itself, solve all problems in the sphere of the cotton trade and the textile industry. He rightly urged that India should make a sustained and determined effort at improving the Indian cotton economy, so that the country could rise above the present subsistence level. Appropriately enough, he questioned the adequacy of the target of 40 lakh bales, fixed for cotton production by the Planning Commission. He said that the country should have a higher target—60 lakh bales, to be reached in the course of the next five years. He did well too to emphasise that this target could be reached if the farmers were taken into confidence and educated by intelligent propaganda designed to interest them in the cultivation of more cotton. He also urged that, along with the drive for increased production of cotton, systematic efforts should be made to raise the level of consumption of cloth in the country. This is a point which deserves particular emphasis, for the prosperity of the cotton farmers is inextricably linked with the prosperity of the mill industry, which, in its turn, depends upon the increase in the consumption of cloth.

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Mr. Ruia made two notable suggestions in regard to cotton export policy. He said that the Government should, after assessing the exportable surplus, make an early announcement of the quota for export. It may be mentioned, in this connection, that the Government's failure in the past to announce quotas promptly enough cost the country dear, for it led to loss of markets and less of opportunities to earn better prices. It must, however, be said to the credit of the Government that in the 1952-53 season, it effected some welcome improvements in its export policy. Even so, there is need to bear in mind the consideration that a sound export policy announced promptly and implemented without delay, will greatly assist the exporters. Secondly, he urged the need for keeping the question of export duty under constant review, so that it could be adjusted, from time to time, in order to enhance the competitive capacity of Indian cotton in foreign markets. He also suggested that official assistance should be given for

(Continued on page 497)

EQUITIES RULE DULL

NARROW FLUCTUATION IN PRICES

(From Our Own Correspondents)

BOMBAY, *3rd September*

THE Stock Exchange has passed through a very dull week. Trading was interrupted by continuous holidays, from 29th August to the 2nd inst. Also, there was no important event which could inspire operators to enlarge their dealings. The trading on Friday, which was the last day of settlement, was mostly of a squaring-up nature; it was featureless to-day too. The turnover of business during this brief period of two days was, therefore, extremely small, with fluctuation in prices confined to narrow limits.

The steel section, the leader of the market, lacked support, as traders preferred to await the outcome of the annual meeting of the Tata Iron and Steel Co., Ltd. that was held to-day. Towards the close of the week, however, steel shares received enquiries from professional traders who were induced by expectation of an early intervention of the Government in the settlement of the labour dispute at the Burnpur Works of the I.I.S.Co. Tata Deferreds opened the week fully steady at Rs. 1,957-8, but receded to Rs. 1,947-8 to-day for want of support. There was a slight recovery at the close, when a good part of the previous loss was made up. The closing quotation, at Rs. 1,952-8, however, was lower by five points than that a week before. Tata Ordinaries after receding from Rs. 338-4 to Rs. 337-8, recovered to finish at Rs. 338-12, the net gain over the week being As. 8. Indian Irons were neglected at Rs. 22-0½ on Friday, as against Rs. 22-4 last week. The loss was fully made up to-day when the quotation touched Rs. 22-7-6, although it was a shade lower at Rs. 22-6-6 at the close.

The textile section presented a mixed trend. Thus, a few scrips were involved in unloading operations by prominent parties and suffered losses, while a few others registered improvement, on bear covering induced by reports of a revival of domestic demand for cloth. Ahmedabad Advances, Bradburys and Podars dropped Re. 1-4 each to Rs. 138-12, Rs. 820 and Rs. 125, respectively. B.R. Cottons lost a rupee to Rs. 48. Central Indias and Swadeshis shed a like amount to close at Rs 158-8 and Rs. 247, respectively. Standards declined by As. 10 to Rs. 309-6. Tata Mills and Elphinstones were lower, each by As. 8, the former at Rs. 41 and the latter at Rs. 38. Kohinoors fell by As. 4 to Rs. 167. Morarjees, however, rallied 5 points to Rs. 185. Vishnus also had good enquiries and advanced by Rs. 3-6 to Rs. 151-14. Centurys provided a bright spot, in view of the proximity of dividend payment on the 8th inst., and hardened by Rs. 3 to Rs. 271-12. Swans moved up from Rs. 460 to Rs. 462-8 and Finlays from Rs. 322 to Rs. 323-8. Gokaks improved by As. 10 to Rs. 228, following announcement of an interim dividend of Rs. 5 per share for the year ending December, 1953. Bombay Dyeings were better at Rs. 378-2, as against Rs. 377-8. Simplex were As. 4 higher at Rs. 167.

In the banking section, business continued to be at a low ebb, but prices were fully maintained. Central new shares rose by Re. 1-8 to Rs. 68 and old shares were higher by As. 4 at Rs. 64-4. Imperial Fully Paids were steady at Rs. 1,827-8, Barodas at Rs. 110 *ex-div.*, Bank of Indias at Rs. 154-12, and Union Commercial at Rs. 36-4.

Insurance scrips were dull during the week under review. New Indias were taken up to Rs. 40-8, as against Rs. 40-4. Other shares were fully steady. Vulcans were done at Rs. 11-2 *ex-div.*, as against Rs. 11-15. Indian Mercantiles, however, receded by As. 2 to Rs. 38.

In the electric section, Tata Powers met with selling pressure and were marked down by As. 10 to Rs. 1,415. Bombay Suburbans receded by As. 10 to Rs. 142-8. Ahmedabad Electrics were active at Rs. 113-2, as against Rs. 112-3, in view of the proximity of dividend payment on the 10th inst. Tata Hydros gained As. 8 to Rs. 142-8. Andhra Valleys were unaltered at Rs. 1,352-8 *ex-div.*, as also Amalgamateds at Rs. 11.

Selective buying enquiry was the feature of trading in the miscellaneous section. Walchandnagars moved up by Rs. 2-8 to Rs. 148-12. Associated Cements gathered As. 12 to Rs. 168-12. Tata Chemicals were a shade higher at Rs. 9-12. National Rayons were subjected to selling pressure and declined from Rs. 112 to Rs. 107-8. For want of support, *Wimcos* reacted from Rs. 237-8 to Rs. 235. Bombay Burmahs also lost a similar amount to Rs. 348-2. Belapurs were placed As. 8 lower at Rs. 239, Tata Oils and Killick Industries declined by As. 4 each to Rs. 30-4 and Rs. 155, respectively.

Among mining and miscellaneous shares, Alcock Ashdowns were sought As. 10 higher at Rs. 302-8. Indian Coppers were a shade better at Rs. 2-13-9. The Directors of the Company have maintained the dividend at 2½ per cent. for the year ended December, 1952. Shivrajpurs were fully steady at Rs. 58-8 and Larsen and Toubros at Rs. 10-14 *ex-div.* Premier Constructions, on the other hand, fell by As. 4 to Rs. 84-12.

Transport company shares were steady. Scindias were half an anna higher at Rs. 13-8. India Steamships were transacted at Rs. 6-12, same as last week.

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Calcutta Stock Exchange

CALCUTTA, *1st September*

Although turnover remained restricted, conditions on the Calcutta Stock Exchange were somewhat better during the week under review. The introduction in Parliament of a Bill fixing the different rates of Estate Duty has removed one uncertainty. The rates have not been a subject of undue criticism in the market, and how and to what extent they would affect investment is being discussed. Parliament may modify the rates, and market circles hope that the plea of the Indian Chamber of Commerce, Calcutta, to raise the two exemption limits to Rs. 1 lakh and Rs. 1½ lakhs, as against Rs. 50,000 and Rs. 75,000, respectively, would succeed. The situation in Burnpur has not improved, but Indian Irons made an impressive recovery, on expectations of an early settlement at the Works. The strike threat and the lockout have brought matters to an edge. A settlement, whereby the Works can return to normal production, must be the outcome. It was mainly on this expectation that buyers were interested in offers of the speculative counters, resulting in improvement in prices.

The market's leading section, namely, jutes, could only remain idle, in view of the fall in the prices for jute goods. Naturally, offers in this section could not be absorbed and transactions were limited to the more popular counters coming at attractively lower rates. Coals were quiet, and the news that India's negotiations with Egypt for the supply of 100,000 tons of coals have failed cautioned buyers. Expansion of India's overseas market for coal is difficult, in view of the stiff competition from other coal-producing countries. In fact, exports are declining. Japan does not want as much coal as she had originally desired. The market remained closed yesterday.

For reasons already stated, Indian Irons, which had improved from Rs. 22-2 to Rs. 22-9, faced rough weather to-day and declined to Rs. 22-1. After being lower at Rs. 22-4, Jessops were taken at Rs. 22-10, with Marshalls coming to business at Rs. 5-1. Kumardhubis changed hands at Rs. 7-4, as against Rs. 7-1 earlier in the week, while Burn & Cos., after being lower at Rs. 278, recovered to Rs. 281 to-day in transactions of small lots. Indian Standard Wagons were, however, a shade better at Rs. 88, while Braithwaites were unchanged at Rs. 11-2.

Features were provided in the miscellaneous section which generally remained steady. Interest in F. & C. Oslers has not yet subsided and, over the week-end, this counter reached a high of Rs. 7-10. To-day's realisation was, however, only Rs. 7-7. Titaghur Papers recovered from Rs. 24-10 to Rs. 35-4. Rallis were enquired at Rs. 68-12, while Indian Cables gathered moderate strength at Rs. 18-7. Indian Coppers interested buyers at the fractionally improved rate of Rs. 2-14. B.I. Corporations changed hands at Rs. 8-6, while Rohtas Industries, at Rs. 8, tended to be fractionally better. Martin Burns recorded a rate of Rs. 17-13, Angelo Bros. Rs. 17, Jardine Hendersons Rs. 130, and Sone Valley Cements Rs. 6-11.

Jutes were featureless. Howrahs opened at Rs. 22-15 and, after being traded at rates up to Rs. 23-2 over the week-end, shaded to the opening level to-day. Fort Glosters declined further to Rs. 387 and Gourepores lost five points to Rs. 265. Nuddeas were unchanged at Rs. 43-8, while Kamarhattis were a shade better at Rs. 180-8. Presidencies were supported at Rs. 4-8 and Agarparas were enquired at Rs. 17-2.

Coals were subjected only to small changes mainly in the downward direction. Thus, Karanpuras lost Rs. 2 to Rs. 80 and Standards declined from Rs. 20-12 to Rs. 20-8. Barrakurs were quiet at Rs. 8-11, while Bengals were better at Rs. 509. Equitables were bid at Rs. 33-13 and Dhemo Mains at Rs. 8-12. East Indians were easy to-day at Rs. 22-12. In transactions earlier, South Karanpuras moved from Rs. 9-7 to Rs. 9-10.

Only a small number of transactions was recorded in the tea section. These were at lower rates. Thus, Tezpores were lower by a rupee at Rs. 14-4 and Jutlibaris by As. 8 at Rs. 9-8. Ledos realised Rs. 7-2. In the sugar section, Champarans were unchanged at Rs. 24-4, while Belsunds were earlier raised to Rs. 7-14 from the previous rate of Rs. 7-8.

Latest Quotations

Bullion ..	Gold Ready (.999)	—	Rs. 87-11-0
	Gold Forward	—	,, 87-3-0
	Silver Ready (.996)	..	,, 156 14-0
	Silver Forward	—	,, 156-14-0
Cotton ..	California St. Mfg.	..	Rs. 1,625-0-0
	Vijay	..	,, 880-0
	Varad Ready ..	..	,, 725-0
	Bengal New ..	..	,, 520-0
Jute ..	Raw Jute, Assam Bottoms per maund ..		Rs. 26- 0
	Hessians, (40" 10 ozs.)100Yds.		Rs. 43- 4
	Heavy Goods B. Twill, (per 100 bags) Ready ..		Rs. 96-14
Tea ..	For Internal Consumption—per lb.		
	Medium Dooars Dust		Re. 1-0½ to 1-10
	Best Assam C.T.C. Dust		Rs. 2-3 to 2-5
	For Export—		
	Clean Black Pekoe ..		Re. 1-14-0
	Clean C. B. Pekoe ..		,, 1-11-3
	Medium Assam B. Pekoe ..		1-12-6
	Good Assam B. Pekoe		Rs. 2-8 to 2-10
Produce ..	Linseed Bold (Cwt.)		Rs 29 12 0
	Groundnuts (B. Rly.) (Cwt.)		,, 51- 4 0
	Castor Seeds (Madras) (Cwt.)		,, 28-12-0
	Castor Oil Commercial		,, 16-4-0

Among textiles, Dunbars receded by 10 points to Rs. 171, while Kesorams were an anna better at Rs. 18-7. Muir Mills were sought at Rs. 212 and Cawnpores received attention at Rs. 8-4.

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Madras Stock Exchange

MADRAS, *3rd September*

Trading on the Madras Stock Exchange this week was chiefly confined to rubber and textile scrips. Textile shares particularly seemed to shake off their lethargy and forged ahead on expectation of an improvement in export demand for cloth and yarn in the next few weeks. In the rubber section, the increase in dividend of Malankara Rubber and Produce Co., Ltd., from 35 per cent. to 55 per cent., had a heartening effect on the sentiment of operators. Rubbers also, as a consequence, fared better, with values of some popular counters recording sizable gains. But for the activity in these, the rest of the market may be said to have presented generally a discouraging appearance. Teas came in for some selling pressure. The passing over of the dividend of Chembra Peak Estates again this year (31-3-1953) also dampened the enthusiasm of operators. Besides, export enquiries for tea leaf were not as brisk as expected. Coffee and miscellaneous scrips ruled colourless in the absence of any favourable development. Banks presented no better trend. As a result, business done in these scrips was negligible and prices disclosed minor losses over the week.

In the textile section, Metturs shot up from Rs. 194 to Rs. 198 and Dhanalakshmis from Rs. 180 to Rs. 182. S. K. Rajendras put on Re. 1 and finished at Rs. 44. Maduras gained As. 8 to Rs. 37-6. Mysore Spuns were higher by As. 3 at Rs. 3-6. Saradas, however, lost Rs. 5 to Rs. 66 and Rangavilas As. 8 to Rs. 49-8 *cum-div.* Buckinghams were done at Rs. 121 *ex-div.*, as against Rs. 122-8 *cum-div.* Premiers were enquired at Rs. 83 *ex-div.*, as compared with Rs. 91 *cum-div.* Business in Cannanores was done at Rs. 92 *cum-div.* The Directors have maintained the dividend of 12 per cent. for the year ended 31st March, 1953.

Among plantings, rubbers were well supported. Malankaras were higher by Rs. 9 at Rs. 116 *cum-div.* The Company proposes to issue one bonus share for every share held by means of capitalising a sum of Rs. 4.5 lakhs. After the bonus issue, the Directors propose to break up the Rs. 30 paid-up shares into three shares of Rs. 10 paid-up each. Kailas improved by two annas and a half to Rs. 3-11 and Pullangodes by an anna and a quarter to Rs. 2-9½. Thirumbadis rallied an anna and finished at Rs. 2-15. T.R.Ts. (tea and rubber) were higher by a similar amount at Rs. 7-6½.

Tea scrips ruled quietly easy. Chembras declined by As. 6 to Rs. 2-4½ and Kalasas by an anna to Rs. 12-6. Waterfalls were slightly lower at Rs. 3-2. Emerald Valleys, however, gained As. 3 to Rs. 4-4.

Coffee shares were generally dull. Coffee Lands were unchanged at Rs. 10-8. Consolidated Coffees at Rs. 18-8 and Mysore Coffees at As. 8½. Puthuthottams were slightly better at Rs. 3-9½ Stanes Amalgamateds (tea and coffee) were higher by an anna at Rs. 9.

Miscellaneous scrips lacked enterprise. Binnys were done at Rs. 110 *ex-div.*, as against Rs. 114 *cum-div.*, and General Papers at Rs. 7-6 *ex-div.*, as compared with Rs. 8-4 *cum-div.* Andhra Cements 'A' lost As. 8 to Rs. 99-8. Mettur Chemicals, however, gained As. 5 to Rs. 4-1. Nundydroogs put on a similar amount to Rs. 4-5.

Among banks, Bank of Mysores was done at Rs. 276 *ex-div.*, as against Rs. 284 *cum-div.* Indian Banks, Rs. 100 paid-ups, gained Re. 1 to Rs. 102. Andhra Banks, Rs. 100 paid-ups, were quiet at Rs. 103 and Travancores at Rs. 11-4.

HEAVY CHEMICALS LTD.

There is no doubt that there is a great future for the heavy chemicals industry in the country, considering that its products have a gradually expanding market. It is, therefore, gratifying to note that the new company, Heavy Chemicals Ltd., has been formed, with a view to manufacturing high-test hypochlorite, in addition to caustic soda, titanium tetrachloride, titanium dioxide and ferric chloride. The Company's factory will be located at Milavittan, Tuticorin, where the foundation-stone for the factory's buildings will be laid by the Rajpramukh of Mysore on 6th September. This site has been chosen, in view of the easy availability of raw materials near the factory site and the close proximity of the railway line and port facilities at Tuticorin. The necessary power will be supplied by the Papanasam hydro-electric grid. It is these facilities which make the new venture an attractive commercial proposition.

The project for the manufacture of heavy chemicals has been split into two stages. During the initial stage, the factory is being designed to produce 5 tons of electrolytic caustic soda per day, and the entire by-product, chlorine, will be utilised for the manufacture of high-test hypochlorite—a highly concentrated bleaching powder. In the second stage, the capacity of the caustic soda plant will be stepped up to 10 tons per day and the surplus chlorine will be utilised for processing ilmenite to produce titanium tetrachloride, titanium dioxide and ferric chloride.

The whole enterprise is a product of Indo-Swiss co-operation, the plant for the factory is being supplied by Messrs. Krebs/De Roll S.A., Zurich, Switzerland, who, along with the Directors and friends of the Company, are providing Rs. 35 lakhs of the total issue capital of Rs. 50 lakhs; the balance of the capital, namely, Rs. 15 lakhs, is now offered for public subscription.

NEWS IN BRIEF

THE Rajasthan Government has drawn up a five-year plan for road building which is estimated to cost Rs. 4 crores. It provides for construction of *1,223 miles of metalled roads, 286 miles of gravelled roads*, 56 miles of fair-weather roads and asphalt surfacing of 222 miles of road.

It is learned that two new Postal circles, Rajasthan and Andhra, will be created from 1st October next. The Rajasthan circle will include Madhya Bharat and Bhopal with its headquarters at Jaipur. These circles will be under the charge of the Director of Postal Services.

The Government of Hyderabad has appointed a Committee of officials under the chairmanship of Mr. Devi Singh Chauhan, Minister for Rural Reconstruction, to review the work done by the marketing department and suggest ways and means for improving the working of regulated markets.

The Government of India has, with the concurrence of the Federal Council of Switzerland, decided to raise the Legation of India in Switzerland to the status of an Embassy and to appoint Mr. Yesdezard Dinshah Gandevia, till now Envoy Extraordinary and Minister Plenipotentiary, as Ambassador Extraordinary and Plenipotentiary of India in Switzerland.

The Government of Travancore has constituted an advisory committee on the Norwegian-aided fisheries' development project in the State. The Committee includes Dr. D'Lund, Mr. M. Krishtensen and Mr. P. Bog, fisheries experts from Norway. The State Director of Fisheries will be the convenor of the Committee. A ten square mile area near Quilon with a population of 12,000 has been selected for the project.

The Bhopal Abolition of *Jagirs* and Land Reforms Bill, adopted by the State Legislature on 6th August, 1953 and now awaiting the assent of the President, is tentatively fixed to be enforced in the State on 2nd October. With the enforcement of the Bill, all the *Jagirs* in the State will be taken over by the Government. Payment of compensation has been fixed on a sliding scale.

The Government of India has constituted a Technical Committee, consisting of Mr. C. A. Cornelius, Manager, Telephone Workshops, Bombay, as the Chairman, and two other members from the Ordnance and the Ministry of Railways, respectively, to examine the question of classification of industrial employees of the Posts and Telegraphs Workshops and advise the Government on measures to be taken to remove anomalies. The headquarters of the Committee will be situated at Calcutta.

In pursuance of its policy of encouraging cottage industries, the Government of Bombay has directed that products of cottage industries should be obtained for all Government buildings, including Ministers' houses, inspection bungalows, circuit houses, residential buildings, etc., which are to be furnished by the Public Works Department, at the time of initial furnishing or replacement. However, where the difference in cost between cottage industries' products and others is considerable, preference to cottage industries products will be limited to 25 per cent. in prices.

It will be possible for the servants of the Government of Bombay, in future, to get advances from the General Provident Fund and the Contributory Provident Fund for house-building purposes, i.e., for the purchase or construction of a house, including the cost of a site. Such an advance from the Provident Fund is permissible not more than three years before the Government servant concerned is due to reach the age of superannuation. These advances will be recoverable in equal monthly instalments of not less than one-sixtieth each of the amount of advance, with three additional instalments for interest at the rate prescribed in the relevant provident fund rules.

About 2,500 workers of the Tata Chemicals Limited of Mithapur (Saurashtra) are expected to get an increase in wages and other benefits approximately amounting to Rs. 2 lakhs annually as a result of an agreement arrived at between the management and the workers in Bombay, last week. According to Mr. J. D. Choksi, Director, Tata Chemicals Limited, the agreement, which was reached between representatives of the I.N.T.U.C. led Tata Chemicals' Khamgar Sangh and of the management, covers all outstanding issues including minimum wages, increase in basic wages and dearness allowance.

The locust invasion in Rajasthan during the current year has been the worst during the last 80 years. The movement which started in the middle of May this year continues. No less than 277 reports of swarm movements have been received from the cultivated area of Rajasthan. The total of swarm movements during 1951 and 1952 were 139 and 15, respectively. Hoppers emergence, which roughly started during the third week of July, is likely to continue till early September. Nearly 1,220 villages in 10 districts of the State are infested by locust eggs. Jaipur, Nagour, Alwar and Jodhpur are the worst infested districts.

The Government of Mysore has ratified the agreement entered into at Bhadravati on 17th August relating to demands of labour between the Labour Association of the Mysore Iron and Steel Works at Bhadravati and Mr. H. Siddaveerappa, Home and Industries Minister. According to the agreement, there will be an industrial truce for three years. The labourers of the Mysore Iron and Steel Works will get a bonus of three months' pay for the year 1952-53 and they will get dearness allowance at the rate now being paid to Government employees at Bangalore. A service gratuity scheme is also to be sanctioned.

A tool-room equipped with some of the most modern machine tools supplied by British factories was opened by Mr. G. H. Middleton, acting High Commissioner for the United Kingdom in India, at the Indian Institute of Technology at Kharagpur, to-day. The equipment which includes jig borer, milling, shaping, sawing and grinding machines, lathes, lapping machines and precision measurement instruments has been provided by the British Government under the Technical Co-operation Scheme of the Colombo Plan. The total value of equipment is estimated at Rs. 4,70,000. Another Rs. 1,00,000 worth of equipment has been made available by the U.N.E.S.C.O. for this tool-room. The tool-room at Kharagpur is intended to serve two important objects. The machines will be used first to service large student-workshops, already established at the Indian Institute of Technology, and, secondly, to produce laboratory and scientific equipment needed for technical education and research work, prototypes of machinery and production tooling.

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From Abroad

South Africa signed two loan agreements, aggregating $60 million, with the International Bank for Reconstruction and Development on 28th August, 1953.

The leading cotton spinners in the U.S. are expected to effect cut in prices of mercerised yarn. This move is the result of poor demand for all types of mercerised yarn and the consequent accumulation of stocks.

New textile fibres made from cotton have been unveiled by the Institute of Textile Technology in the U.S. The new basic fibre (T-7) is produced by treating ordinary cotton fibre, yarn or fabric in a solution which contains acrylonitrile. The process results, among other things, in permanent resistance of the end product to micro-organism attack, such as mildew and bacteria.

The United States is to give Iran about $23 million worth of economic and technical aid in the coming year. The economic aid will be about $10 million, the rest being technical aid for the development of agriculture and implementation of industrial and welfare programmes. In addition, Iran will continue to receive U.S. military aid which amounts to about $20 million.

Export controls on 70 steel mill products have been relaxed in the U.S. These products include those of carbon, steel or iron, with the exception of alloy nails. About 50 of these items have been removed from the Office of International Trade's (O.I.T.) positive list of commodities and may be exported to all countries, excepting Hong Kong, Macao and U.S.S.R. and its satellites, under the general licence without prior application to the O.I.T.

With a view to assisting the export trade, the Government of Denmark has decided to release Kr. 75 million (£3.9 million) of Denmark's Kroner quota in the World Bank to be loaned to countries which would otherwise have no possibility of financing imports of Danish goods. Two limits, however, have been imposed. First, the entire amount should not be loaned by the Bank at short notice and must be spread over two years or more. Secondly, the money should be loaned mostly to the so-called "third countries." The borrowing countries can spend the money at their own discretion and the Bank is at liberty to choose which countries are to receive the loans.

British shipyards completed 18 new merchant vessels, aggregating 110,579 tons, in July this year, according to Lloyd's List. It was the highest output for the month since 1949 and was well up to the average of recent months. With deliveries in each of the last five months exceeding the 100,000-ton mark, completions both as regards the number of ships and their total tonnage, are now running ahead of the 1952 and 1951 totals. Tanker tonnage was responsible for a large portion of the completions in July. The July total of six tankers, of 68,328 tons gross, brought completions of this type of vessel this year to 34 of 412,916 tons. Among other vessels to finish their fitting-out were two cargo liners of 15,460 tons, three tramps of 16,371 tons and three colliers of 7,875 tons.

The fourth session of the Building, Civil Engineering and Public Works Committee of the International Labour Organisation will be held in Geneva from 26th October to 7th November, 1953. The Committee will examine the General Report which deals, *inter alia*, with (a) action taken in the various countries regarding the conclusions arrived at previous sessions of the Committee, (b) steps taken by the Office to follow up the studies and enquiries proposed by the Committee, and (c) recent events and developments in the construction industry. It will also examine the method of facilitating the progressive application of the principle of a guaranteed wage, including methods of eliminating temporary stoppages or fluctuations in plant operations and in employment. The Committee will discuss factors affecting productivity in the construction industry. India is a member of this Committee.

PERSONAL

MR. T. Swaminathan, I.C.S., Textile Commissioner to the Government of India, left for Tokyo to study the recent developments in the Japanese textile industry.

Mr. J. Rameshwar Rao, formerly First Secretary in the Office of the Indian High Commissioner at Nairobi, has been appointed Indian Commissioner to the Gold Coast and Nigeria with his headquarters at Accra (Gold Coast).

Mr. Carl Campbell, a marketing specialist, U.S. Department of Agriculture, will be visiting India, Pakistan and Japan, next month, with a view to exploring the possibility of arranging U.S. cotton exports to these countries.

Mr. A. V. Thomas has been elected Chairman of the United Planters' Association, Coonoor, for 1953-54. Mr. J. B. Soutar, Mr. M. S. Calderwood and Mr. N. B. Athrey have been elected Chairmen of the Tea, Rubber and Coffee sections of the Association, respectively.

Lt.-Col. Jaswant Singh and Dr. C. V. Ramchandani, Additional Directors-General of Health Services, will represent India at the sixth session of the WH.O. Regional Committee for South-East Asia which is scheduled to be held at Bangkok from the 16th to 19th inst.

Mr. S. Y. Iyer, Accountant, Caltex (India) Limited, left Bombay for the United States, under Caltex (India) Limited's Technical Training Programme of imparting advanced technical experience to Indian employees to qualify them for positions of greater responsibility.

Mr. Mikhail Alexeevich Menshitkov has been appointed Russian Ambassador to India *vice* Mr. Ivan Alexandrovich I. A. Benedictov, who has been recalled by the Soviet Government to take charge of his previous post of Minister for Agriculture.

Dr. A. Basch, Chief of the South Asian division of the World Bank, who arrived here from Colombo on 29th August, 1953, left for New Delhi on Wednesday last. Dr. Basch is expected to stay in India for three weeks, with a view to reviewing the overall economic and financial position of the country.

Dr. B. V. Narayanaswamy Naidu, Member, Tariff Commission, has been appointed Chairman of the Forward Markets Commission. Mr. T. Swaminathan, I.C.S., Textile Commissioner to the Government of India, has been appointed a part-time member. Mr. M. A. Mulky, Assistant Economic Adviser to the Central Commerce Ministry, will be the Secretary to the Commission.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *8th September*

Trade Disputes

There can be no two opinions about the fact that the placing of such a measure as the Trade Disputes Bill on the Statute Book will prove a big step forward in labour legislation in India. But the Bill has a long and difficult way to go before it reaches the Statute Book, and we shall not be surprised to find it considerably modified by the time it reaches its journey's end. But it is most important to remember that the Bill, as drafted, is directed, principally, against illegal strikes, the definition of illegal strikes for the purposes of the Bill limits them to public utility services, railways, postal department, telegraphs, telephones, any industry which supplies light or water, and any system of public conservancy. But also included in the Bill are proposals for constituting courts of enquiry and conciliation boards, whose job it will be to bring about a settlement of disputes. In the event of failure to secure a settlement, a full report of the findings and recommendations will be submitted to the appointing authority, the local Government or the Governor-General-in-Council, the latter in case the employer is the head of a department under the control of the Governor-General-in-Council or a railway company. Necessary powers will be given to the court of enquiry to conduct its investigation. The Bill also provides for dealing with interfering outsiders bent on mischief-making. In the main, however, the provisions are for illegal strikes and does not appeal to us as a remedy of the strike evil outside of public utility services, so that, in its draft form, while it contemplates the functioning of courts of enquiry and conciliation boards generally, its special provision for dealing with offenders is limited to strikes in public utility services.

There is another Bill before the Legislative Assembly with the object of amending the Indian Penal Code in its reference to labour dispute. This is another instance of callous manner in which politicians mess about aimlessly, if not maliciously, with industrial matters. Mr. Joshi's Bill seeks to give immunity to any two or more persons who claim to be interested in a trade dispute but who have no connection with registered trade unions. It does not matter who the persons are. They may, as Lord Loreburn said, in the case of Conway *vs.* Wade (1909), A.C. 506, be intruders intervening as mere mischief-makers, actuated by personal, sectarian or political motives, who stir up strife which has not been previously thought of by any of the employers or workmen concerned and where the dispute only exists in the mind of the intruder as a possible result of his intervention.

This Week's Survey



BRITISH LABOUR ON NATIONALISATION

NOW that the British Labour Party is in opposition, one would think that the Party would be more vocal in its demand for nationalisation. Actually, second thoughts on the subject have induced a revision of its attitude towards the subject. The General Council of the Trade Union Congress says, in a report to be submitted to the meeting of the Congress this month, that public opinion is not "strongly prepared" for the transfer of "further industries to public ownership." This indicates a welcome change in the Council's attitude. It would, however, be wrong to think that the entire Party shares this view, for there is still a section which continues to believe that further doses of nationalisation alone will strengthen the country's economy. The Council itself has not lost its faith in nationalisation. Only, it emphasises that any extension of this principle must bear relation to the country's economic position and attract wide support. Even so, the Council is convinced that water supply should be brought under State ownership, and that the area of publicly owned lands should be enlarged.

The Council has rejected, after consideration, the case for the nationalisation of specific industries, such as aircraft, banking and insurance. It would be unwise, according to the Council, to commit itself, at this stage, to measures for "public ownership or further measures of public control in the aircraft industry." Referring to banking and insurance, the Council says that the arguments for nationalisation are not "weighty enough to counter-balance adverse repercussions at home and abroad which might be caused by further Government intervention in this sector." But it finds that there is need for "public control"—the word "nationalisation" is not used here—over the chemical industry, because of its monopolistic structure and its importance to the economy. The next Labour Government, according to the Council, should institute an inquiry into the industry before a final decision is taken on the nature and extent of control over the industry. For the shipbuilding and marine engineering industries a development council is regarded as "more appropriate" than State ownership.

MALABAR'S ECONOMY

The annual meeting of the Cochin Chamber of Commerce provides an opportunity for the President of the Chamber to review Malabar's economy. Like his predecessors in that office, Mr. H. U. Buechi, President of the Chamber for this year, made a rapid and comprehensive survey of this south-western region which is growing in importance and economic status. Plantation products such as pepper, tea, rubber, cashewnuts, and the coir industry are, as is well known, the mainstay of this region's economy. He deplored that pepper growers did not realise the need for meeting the challenge from the pepper producers in other countries who were willing to sell pepper at "whatever price they can get for it." In lemongrass oil, another Malabar product, competition from Central America "continues to be severe."

The effect of the last year's depression was less severe for the tea industry in the South than for its counterpart in North India, because the former produces high grade teas which are less susceptible to setbacks in tea export. He stated that the changes made in the excise duty resulted in some confusion inasmuch as the arbitrary selection of 60 lbs. package for qualifying for the reduction in the duty "encourages" the sale of loose tea with all its attendant risk of adulteration. Rubber had not fared well, for the supply in 1952—the output of 19,863 tons plus imports of 3,000 tons—exceeded the consumption estimated at 21,061 tons. He warned that the position was likely to worsen in the current year, as the Indian rubber output was expected to improve further, whereas the demand had not increased. Trade in cashewnut, India's dollar earner, was expected to be bright. He revealed that the current year's consumption of cashewnut in the U.S., according to present indications, would be higher than last year.

There has been much truth and some untruth in the Parliamentary discussions about the coir yarn industry. It is, therefore, instructive to know what the chief of the leading commercial body in Malabar, the region that is vitally interested in this industry, has to say about it. From the point of view of the industry, he described the year 1952 as a "period of adjustment to more normal trading conditions." Since August, 1952, when prices reached their lowest level since 1949, prices have improved; they are now 15-20 per cent. higher than a year ago. Although exports of coir yarn are 12 per cent. below the record level, touched in 1952-53, they are 20 per cent. above last year's levels. Exports of coir mats and mattings are only 5 per cent. below the 1950-51 record levels and are 37 per cent. above the 1951-52 level. He added: "Unemployment in the districts has been greatly relieved and a further slight increase in production would probably be absorbed without difficulty." Judged by any standard, this would certainly be regarded as an improvement. He rightly deplored that many statements were made which were based on insufficient knowledge.

There is a tendency in this country to cry "wolf" at the slightest signs of a trade recession; this tendency betrays a deplorable lack of confidence. It must, however, be pointed out that Mr. Buechi, on his part, did not suggest that all was well with the industry. For he said: "Rationalisation in the methods of production of coir and coir manufactures will have to be introduced to consolidate the position of this important export industry of the Malabar coast." In his view, "sufficient opportunity" had not been given to all interests to study the "Coir Bill" since the rules to be made thereunder had not been published. The Government will, perhaps, do well to bear this criterion in mind, and consult all the interests concerned by giving them an opportunity to know the Bill in all its aspects, so that it could have the benefit of informed criticism. Also, the Bill, which will have, as Mr. Buechi said, "long-term repercussions" on the trade, needs to be revised in the light of the improvement that has recently taken place in the sphere of the coir industry.

PLANTATION LABOUR

Three important points relating to labour relations in plantations were stressed by Mr. C. F. Clark, acting President of the Southern India Estate Labour Relations Organisation, in the course of his address at its annual general meeting, held at Coonoor (Nilgiris) last week. First, there should be effective control and regulation over labour and their trade unions, so as to provide for the development of trade unionism on healthy lines. Secondly, improvement in workers' living conditions cannot be had without an increase in the per capita output of work. In this connection, he condemned the Plantation Labour Act as a hasty piece of legislation. Finally, the Appellate Tribunals should be retained.

The demand for effective control and regulation over labour and trade unions is justifiable, because it will help keep the trade unions free from outside interference and political and partisan influence which has led to exorbitant labour demands, which cannot be met by the industry concerned. So far as healthy development of trade unionism is concerned, there are no two opinions. Dealing with this aspect, Mr. Clark pertinently observed: "It is my belief that, until such time as there is a single union for staff, and one for labour, free from any political bias and until affairs of these unions are conducted by our workers without the interference of outsiders, there can be little likelihood of any co-operation between managements and unions."

That the living conditions of workers cannot be improved, unless the plantation industry earns enough profits to pay for all their members, is a plain fact. It is easy to over-emphasise the need for redistribution of incomes. But, even if the so-called profits of the industry are redistributed for the benefit of every worker, it will not, as pointed out by Mr. Clark, increase the per capita income by anything like one anna per day. How then are their living conditions to be improved? Answering this question, Mr. Clark said: "The only way India can achieve lasting improvement in living conditions is by the present sacrifice to increase capital equipment and by the present and the future determination to work and earn the improved living conditions by increasing the per capita output of work."

So long as labour and industrial tribunals exist, and voluntary negotiations do not displace them, there is a need for retaining appellate tribunals in order to ensure uniformity of decisions in respect of labour disputes. Adverting to the decisions of industrial tribunals, Mr. Clark said that, even if these were assisted by assessors, there must be the right of appeal to an appellate tribunal. It was only the Appellate Tribunal which could make a final decision on questions of law and which could ensure that their evidence was appreciated properly. He pointed out that the findings of the Appellate Tribunal had, because of the authority behind their rulings, helped very considerably in avoiding disputes. To do away with this Tribunal would cause indecision and uncertainty. There is no doubt that, in its absence, different industrial tribunals, as he foresaw, would make varied decisions on identical or nearly identical problems.

BURNPUR LABOUR DISPUTE

The labour dispute in the factories of the Indian Iron and Steel Company and the Indian Standard Wagons Company has taken an awkward turn. The lockout declared on 24th August has adversely affected the earnings of no less than 14,000 workers. The situation has gone out of the control of the labour leaders themselves, thanks to the absence of any understanding between the rival leaders. Mr. Michael John, President of the I.N.T.U.C., and also of the Asansol Iron and Steel Workers' Union, has been advising labour to withdraw the strike, while Mr. C. I. Vyas, Chairman of the Action Committee, an illegal body, has decided to continue it until the demand for the recognition of the Action Committee leadership is accepted.

The tragedy of the situation is that the trouble at Burnpur did not originate from any disregard by the management, of any labour demand such as increase in wages, bonus and the like. It is the result of power politics, pure and simple. The sound trade union, which has been in existence since 1946, when it was organised by the late Prof. Abdul Bari, is no longer there. The workers have fallen a victim to the machinations of a few political personalities who, in order to achieve their selfish ends, have been trying to disrupt all organised and established trade union movement. The so-called leaders of the Action Committee have stood in the way of all attempts at reaching a settlement. By holding certain key positions in the factories, they have, succeeded by coercion, intimidation and hooliganism in making it impossible for willing and production-minded workers to do normal work.

The struggle for leadership of the Union, which began six months ago through go-slow tactics, and culminated with the lockout of the workers, has resulted in no small loss to the nation, not to speak of the shareholders and workers. India has lost more than 100,000 tons of iron and steel, which is vital to the success of the Five-year Plan. This has led to a flourishing black market in steel sheets and sections. The workers themselves have lost no less than Rs. 25 lakhs, even at a conservative estimate, in terms of wages and production bonuses. India's credit as a borrower from the World Bank is likely to be impaired to no small extent. Finally, to make up the shortage of steel, India has to import its requirements, which involves a considerable loss of foreign exchange.

It is common knowledge that neither the State Government nor the Government of India nor any other agency has succeeded in convincing the strikers of their folly. Unfortunately, it would appear that the governing party of West Bengal is itself of divided opinion regarding the dispute, some favouring Mr. John, the constitutionally elected leader of the Workers' Union, and others Mr. Vyas, who has no locus standi at all. This is certainly a preposterous situation. And this clearly explains the lack of determined and strong measures on the part of the State Government to effect a settlement. The vacillation by the West Bengal Government has encouraged the Communist and other leftist parties to exploit the situation to their advantage.

It is high time that inter-trade union jealousies, which are now causing serious injury to the country's economy, were promptly put an end to. The trade union leaders must understand their rights and responsibilities to the workers and not try to make capital use of their ignorance for their selfish ends. The State and the Central Governments should take determined and firm steps towards putting an end to this impasse. The Burnpur plants are valuable assets of the nation. There can be no greater disservice to the nation than to render them idle, or to bring them to a state at which they would be unworkable without incurring heavy expenditure.

REACTIONS TO TWO-POINT SALES TAX

Ever since its publication a fortnight ago, the Bill to amend the Bombay Sales Tax Act, 1953, has been engaging the serious attention of the business community. The latest to make its pronouncement on it is the Indian Merchants' Chamber, Bombay. In a memorandum to the Government, the Chamber has advanced some cogent reasons for modifying the Bill in some important directions. The points raised by it are of vital interest not only to the business community but also to the economy of the Bombay State itself.

The Chamber has endorsed the view expressed by us in a leading article two weeks ago that the scheme and structure of the tax are so complicated that the Government's objective of giving further facilities to trade and industry in the State and of securing uniformity in the tax system will not be realised. The Bill does not satisfy, asserts the Chamber pertinently, the test of simplicity. It will, therefore, act harshly on a large number of dealers with no organisational set-up to follow the implications of the Bill. Again, the so-called two-point scheme, which is intended to substitute the multi-point scheme, is something more than a two-point system in that the sales tax of 3 pies in the first stage, the general sales tax of six pies and special sales tax are to be levied on as many as 54 items. The worst feature of the Bill is that it does not adequately recognise the special position of the Bombay State as a distributing centre of all-India importance. Although the new scheme is a little better than the present multi-point scheme, it still contains certain features which will divert the trade to certain other States. Thus, so long as exports outside the State are not made completely free from liability to sales tax at the first stage (that is, at 3 pies), elimination of some of the stages in the normal handling of trade and intermediaries is unavoidable. In effect, it will encourage the purchasers outside the State to deal with the manufacturer or the importer directly and thus result in elimination of middlemen in the State. In other words, it will divert handling of trade from Bombay to centres in other States. The articles liable to special levy should be really luxury articles and not articles of common consumption which should be exempted as the cumulative incidence of sales tax on them will be as high as 21 pies in the rupee.

After pointing out these defects in the Bill, the Chamber makes certain suggestions for revising it. It emphasises the need for giving greater consideration to the importance of evolving a scheme which will be simple in application and easy to understand. With a view to avoiding the diversion of handling trade from Bombay, the Government is requested to exempt goods sold outside Bombay from the tax in the first stage also, in the same manner as it is proposed to exempt them from the tax in the last stage. As the proposal to reduce the turnover limit to liability to sales tax from Rs. 30,000 to Rs. 15,000 would cause hardship to a number of small traders, the Chamber suggests that the limit should be the same as it is at present. It is further stated that there is no point in the proposal which seeks to prescribe a limit of Rs. 50,000 for eligibility for the grant of licence to manufacturers whose purchases of raw materials are exempted from sales tax. As the small manufacturers below a turnover limit of Rs. 50,000 also need such exemption, the Chamber rightly contends that this limit on monetary turnover is meaningless and will penalise the small industries. The Chamber has also pleaded forcefully the need for exempting from the tax the essentials of life listed under the Central Act, even though constitutionally, the Bombay Government may have powers to continue this tax. What is required to be followed is the spirit underlying the exemptions under the Central Act. Further, the Chamber has protested—justifiably, of course—against the inclusion of some of the articles of daily necessities such as betel leaves, betel nuts, matches, pepper, tamarind, chillies, etc., in the list of goods subject to the levy. These goods are now exempt from it.

OFF THE RECORD

(By "ROVER")

AS day follows another day, I am getting confirmed in my view that we are gradually but steadily becoming a nation of smug prudes. This is not the same as being a nation of puritans. There is a rugged strength and singleness of purpose, a suggestion of integrity and sincerity about a genuine puritan. He may be uncouth; he might even be forbidding. His vision may be narrow and circumscribed. He does create unnecessary tensions and perpetually tries to reduce life to a stagnant pool, from a free flowing river which it often is and always ought to be. But he is neither a humbug nor a fraud.

When a puritan deteriorates and loses his soul and his strength, when he succumbs inwardly, guiltily and self-consciously to softness and sentiment in some form or other, he transforms himself into what I call a smug prude. Instead of openly assailing facts, which are unpleasant and unpalatable to him, he just refuses to face these facts and tries to cover them up by a veil of silence. A prude holds fast to his belief that he can dismiss an ugly fact out of existence by refusing to talk about it.

Our long campaign for independence imposed upon us a certain degree of puritanism. It was partly a necessity for developing our strength and power of resistance and partly a half-hearted and grudging tribute to the only effective leadership which was available in the country. After independence, it was inevitable that a new set of political, social and economic problems should be posed before the country. A new outlook, more healthy and more normal in the sense of being more suited to our national character, growth and history, became a necessity for solving these problems. With the passing away of Gandhiji, real puritanism, which had sprung up spontaneously from his very nature, disappeared from the country's leadership. What remained was a soulless form, acquired and donned by lesser men, who lacked innate strength.

Years ago, in the formative stages of their character and career, these second-rank leaders had accepted this puritanism as they had accepted khadi, to receive and reflect the light and leadership of the saint which they could not evolve from their own natures. A few, like the Prime Minister, endowed with inner strength, had created a new synthesis by accepting and absorbing Gandhiji's tenets only to the extent they did not go to disintegrate their own nature. For the rest, the dead form of puritanism remained merely as a borrowed garment to cover the nakedness of their own souls. This limp and lifeless puritanism soon putrefied itself, as it always does, into irritating smugness and exasperating prudishness. When Gandhiji saw a cesspool, he honestly tried to clean it; most of his followers to-day, barring a few exceptions, try to look the other way and hasten to leave its vicinity to escape the stink.

We have a number of problems facing the country to-day. But the problem of all problems, one which cuts across all these problems, is the emergence of unemployment on a vast scale, with all its implications of poverty, demoralisation and instability. A mere glance at the newspapers for a week would convince one of the enormity and urgency of this problem. Hardly a day passes when some leader or other does not dilate upon it and make his own suggestions for curing this deep-seated disease in the body politic. A thousand remedies have been suggested and more are being put forth by those who look upon themselves in the role of physicians. Some of these have merit, inasmuch as they can alleviate the pain for a period of time. Others are childish, arising from prejudices which go with every political ideology and look upon the patient in the light of an interesting case on which they could try and test their skill. Some others are silly and a few are dangerous, because they would kill the patient or drive him insane. There are even fantastic suggestions which amount to giving the patient a new body.

It seems to me that there is a conspiracy not to trace the disease to the prime conditions which gave rise to it. Everyone appears to be busy emphasising one or another of the conditions and causes which worked to aggravate it and which brought the distemper to the fore. To one whose mind is not muddled with cramping prejudices, which are often accepted as logical conclusions and convictions, to one who is free from preconceived theories about economics or politics, to one used to rely on his commonsense and observation, the close and intimate relation between the size of population and the opportunities for unemployment at a given time or stage of economic development is patent and obvious. A small part of unemployment which results from maladjustments can be diminished by taking steps to remedy these defects. But the volume of unemployment to-day, which is increasing from year to year, cannot be reduced to a reasonable and bearable stage by merely tinkering with the machinery of production or distribution.

The basic fact is that a given volume of production can maintain only a certain number of people in average comfort. It might maintain a few more with some reduction in the standard of living. It might maintain still more in a state of poverty, distress, squalor and disease. Another equally basic fact, not so much of economics as of life itself, is that there are limits to the rate of seeking and bringing about increase in the production of wealth. These are conditioned by the available resources and the skill, industry and character of the people concerned. As it is, most of us are living a life of chill penury, semi-starvation, filth and disease. A better distribution of the wealth that we annually produce, a system of distribution, which is more in conformity with the most advanced ideas of social justice, would possibly improve these conditions slightly. But even if this could be effected overnight by a miracle, we would still be a hungry people, ill housed, scantily clothed, poorly educated and diseased. We will still have a long leeway to make up by way of improving and expanding our productive capacity to provide a bare minimum of living standards for the number of people we have at present. This in itself is a gigantic task and, if we could achieve it in a generation or two, it would be a glorious achievement for us.

But, if in the years when we shall be engaged in rebuilding our economy, if the number of people to be fed and housed and clothed and educated and kept employed keeps increasing even at a rate no higher than the pace of our economic development, we shall have the same low standard of life in 1980, as we have to-day. If it increases at a rate higher than the development, which with our obvious limitations we can secure during the next twenty-five years, the plight of our people during the interval, as well as at the end of this period, will be even greater than it is to-day. It is little use kidding ourselves by saying that we shall achieve immediately a rate of wealth production which will far outstrip the normal rise in population even if it is allowed to go unchecked as at present. This idle day-dreaming will take us nowhere. We have to recognise our limitations of capital, machinery, training and a host of other things which are necessary for rapid economic development.

Without a check on the increase of population, our best efforts would not go to reduce our poverty and starvation. In fact, we shall be worse off materially in almost every aspect at the end of even the most successful implementation of not one but five Five-year Plans, in spite of the tremendous effort and sacrifice which this will demand. Have we a right to ask for this endurance and endeavour, over a prolonged period, from people who are already unhappy, if after they have given these, they are to find themselves steeped only in more miseries? And, what is more pertinent, will the enthusiasm which alone can lead people to make this sacrifice and give the requisite degree of co-operation be there, if they find that, year after year, the degree of their deprivation increases instead of diminishing and that their children will have to face even a harder life than they are required to-day? It is not as if we need more men to work our industries and agriculture. We have millions to-day for whom we have no work. Why then add to these numbers to make the task of the next generation even harder than ours?

Any country which cannot maintain its population at a reasonable standard of living and decency is overpopulated. No amount of sentimentalising or sophistry can cloud the truth of this self-evident axiom. There is little sense and less logic in the fatuous talk about the country being potentially capable of maintaining the huge population of to-day. When you have turned these so-much-talked-of potentialities into actualities, you would be polite welcome to raise the population to any astronomical figure. As our economy stands now and as it is likely to figure out a generation hence on the most optimistic of estimates, it just cannot stand the increasing pressure of the excess of births over deaths, without a disaster in the near future both to the economy and to a large mass of the people themselves. An overpopulated country owes it to itself and to the future generations to take all possible steps within its power to check further increase. It is more essential to have planned parenthood than to have planned production of wealth, because the latter cannot have any meaning and significance except on the basis of the former. And this planning for restricting the size of families within accepted limits will have to be undertaken on a country-wide and official basis. It cannot be left to the good sense of every citizen, partly because, barring a few emancipated souls, the average citizen is as much a victim of the social taboo which surrounds this subject as his more enlightened rulers and partly because neither the necessary information nor the means are within his reach.

The problem of overpopulation has always been with us for the last seventy years. In spite of a fairly rapid pace of development in every sphere of life, education, medical relief, communications, housing, food, clothing, etc., the increase in population has outpaced this national effort. Large-scale unemployment has merely brought it to the fore. But, as there is no work for earning their living for a large number of people, there are not enough schools for all the children, enough maternity homes for all the expectant mothers, enough hospitals even for those seriously ill or enough houses for all to live in. This fact of too many babies being born every day, cuts across almost every phase of our national life. It should have been noticed, studied and ways and means found to restore a workable balance between the number of children born and the creation of conditions which would enable them it live a normal life. Even if our foreign rulers did not think it prudent to interfere with something which they regarded as delicate, our own Government should have recognised this menace and taken early steps to remove this root of poverty, ignorance and disease. But the prudes posing as pseudo-puritans, though they did not hesitate to invade the individual citizen's life in its most personal and private recesses, were all for letting the citizens breed unwisely and indiscreetly. There is little hope for the future, unless the prurient minds of these self-styled protectors of our morals and religions are fumigated and little sunshine and open air let into them to disinfect them.—*All Rights Reserved.*

AMERICAN LETTER

GREAT POPULAR SYMPATHY FOR INDIA

ECONOMIC TRENDS DO NOT POINT TO ANY SLUMP

(From Our Own Correspondent)

NEW YORK, 26th August

THE controversy over whether or not India should be included in the Korean peace talks continues at this writing. It may be added, in passing, that this is strictly a diplomatic issue and the British Foreign Office is working hard to compromise it. The main point is, however, so far as India is concerned, that there is little popular grasp here over this burning question. Publicity of Indian Army personnel moving into the neutralised zone of Korea has been widespread in this country and it was very favourably received and there is great sympathy here with Indian aims, philosophies and aspirations by the man in the street who is more impressed by Mrs. Eleanor Roosevelt's writings on India than by the *pronunciamentos* of John Foster Dulles, Secretary of State of the United States, or by whatever is said in the United Nations.

It is too involved for the average person to understand why Great Britain wants India to participate and Washington opposes it. The confusion is all part and parcel of the confusion over the armistice which means neither peace nor victory, over the tales of horror related by released prisoners of war, over the announcement by the Kremlin that Moscow has the hydrogen bomb and over the general uncertainty of the situation, indicating peace one day and war the next. In other words, despite official statements to the contrary, great popular sympathy exists in the United States for the role India and her Prime Minister Nehru have played in bringing about an end to the shooting on the Korean peninsula.

Most financial and business markets showed remarkable calmness in the face of dramatic events. Stocks have been declining in the last few days, but the end of August always signals the end of the summer rally and a traditional reaction sets in during the so-called "Indian summer."

The death of Senator Robert A. Taft was a severe blow to the Administration. Before his death, he was able to hold together the various factions of the Republican Party in the Congress, attract conservative Democrats and, thus, roll up an impressive legislative record. Senator Taft provided experienced political leadership for a new Administration, which from the President down is staffed with business men who have no or little political experience. At this point, no successor to Mr. Taft has appeared on the horizon and President Eisenhower's future plans may have tough legislative sledding. That is the appraisal of keen observers.

The American economy as a whole continues in its previous state of flexible stability. One of the softest spots is the New York wholesale apparel industry where business is as bad as it was two years ago. There is no or little explanation why retail stores do not order more dresses and coats. At the same time, savings of all categories continue to rise to record levels; industrial activity, employment and incomes are also at highly satisfactory levels. Securities' yields have dropped somewhat, with bond prices recovering, and complaints over the new free market policy of the Treasury have been reduced to a whisper.

Softness of farm and commodity prices, weakness in metals and bulging automobile showrooms and car-lots are other grounds for concern, although the car situation has improved somewhat in recent days to the point where dealers report selling one used car for every new one. The newly freed markets, generally, have responded well to the new policies, although some abusive advantages seem to have been taken in several parts of the country with the expiration of Federal rent control which, in turn, has resulted in a marginal increase in the cost of living.

In fact, with the necessity of further deficit financing, increase in rents, higher transit fares in many communities, to mention only a few factors, inflationary forces in the United States economy are by no means dead. Within the concept of the "sound dollar policy," they are offset by greater economy in Government, already accomplished by reduction in expenditures and proposed by ex-President Herbert Hoover's new reorganisation group as well as by lower commodity prices.

To be prepared against the possibility of an economic downturn, however improbable it may appear at this time, it is nevertheless cheering news that an anti-recession blue-print is now being worked out under the direction of Dr. Arthur F. Burns, Chairman of the President's Board of Economic Advisers. The plan is expected to be ready by the end of the year.

Meanwhile, another board of business men is being appointed from various regions of the country who are to report on conditions in their areas directly to the White House. Such reports, presumably, would be well ahead of usual Governmental statistical procedure.

So far, nothing spectacular seems to have been proposed in the unlikely event of a business downturn but the obvious, such as easing of fiscal policy; a national public works programme, badly needed rebuilding of highways and, perhaps, lowering of taxes—all stimulants, if necessary. Rehabilitation of Korea, aside from its political effect, comes under the same general heading.

Current statistics are excellent. Personal incomes have continued their steady climb for four consecutive months. In June, they reached a new high at the seasonally adjusted annual rate of $285,900 million. Despite a rising volume of consumer credit, delinquency ratios have been declining in various categories, while there has been some increased slowness of collections and of prompt and discount payments among commercial accounts. The reductions, however, are fractional.

Nearly all industrial surveys made at the end of the Korean fighting seem agreed that little immediate effect on the economy can be expected. Some excutives speak of a temporary adjustment period which America would take in its stride but which may be rather tough in spots —yet not sufficiently so to upset the overall picture.

If any generalisations can be made at all, it would seem that whatever adjustments are in the offing, will be selective, as the stock market has been for some time, and they are unlikely to upset the flexible stability of the economy as a whole.—*All Rights Reserved.*

(Concluded from next column)

Congress. Moreover, it would help the British Government and the Commonwealth Governments in their cautious moves towards greater trade and currency freedom. But quite clearly Mr. Douglas does not expect that the British will make any dash for convertibility on the 1947 model, and anyone who had entertained such hopes (or fears) must accept that now that the President's own adviser has said what British economists and exporters have said for years, the ball is positively in the American court. Let the President declare for liberalisation and begin helping the sterling world by more investment dollars and by steady buying of tin, wool and cocoa, and the British Government can address itself to the next step it could itself take. But are the Americans yet ready even for a statement of good intentions in their trade policies?—*All Rights Reserved.*

CONVERTIBILITY OF STERLING

AN AMERICAN'S PLEA TO THE U.S.

(From Our Own Correspondent)

LONDON, 29th August

AFTER the British Chancellor's visit to Washington last March, President Eisenhower asked the former Ambassador to the United Kingdom, Mr. Lewis Douglas, to report to him on the trade and currency relationship of the United States to the sterling area. The President wanted to know what was at the bottom of the convertibility issue and Mr. Douglas' study is a refreshing piece of liberalism in foreign trade thinking. Mr. Douglas points out the desirability of sterling—the currency in which the largest share of the world's trade is done—being made convertible as early as possible and then goes on to attack the insularity of America who should "begin as soon as possible to remove from its own policies the impediment to freer trade and currencies." We have never before had, from the American side, such a confession as it were, that United States trade policy was responsible for the imbalance between $ and £ and the chief stumbling block to sterling convertibility.

LONDON LETTER

America, Mr. Douglas declares, pursues "trade policies . . . more appropriate to a debtor than to a creditor country" by protecting her markets and subsidising services which foreign enterprise could render better. He wants an end to the protectionist policies, something done to remove violent fluctuations in the United States' demand for staple products of the sterling area, and a bigger American entry into private overseas investment. As a start, he asks for "a prompt announcement that it is the determined policy of this country to work towards simplification of our Customs practices and a progressive, vigorous and consistent relaxation of our restrictive foreign trade legislation." He is realistic enough to appreciate that this would not bring about convertibility overnight, but has taken care to point out that it can produce the climate in which convertibility could be considered with confidence.

The report makes practical proposals on the two other issues: the need to increase overseas investment, probably only possible at present through Government agencies or by United States banks participating in loans made by British banks; and the need to stabilise raw material demand—using Government purchases as a buffer to take up the slack caused by a fall in private buying. All these are measures which do not require any legislation, and, therefore, need not be subject to the long Congressional delays bound to attend any move to liberalise American import policy.

The note of urgency on the need to act before the ideas of freedom fade away again and the world lapses into acceptance of the permanence of restrictionism, is a most encouraging feature of the study. The President and the American financial world could act now to sow the seed of liberalisation and thus enormously help when the time came to put measures to

(Continued in previous column)



MENACE OF GROWING UNEMPLOYMENT

NEED FOR EARLY SHORT-TERM SOLUTION

(By DR. JOHN MATTHAI)

NO period since the end of the war has presented economic trends so difficult to determine and to interpret as the past 12 months. Although the level of purchasing power and, consequently, the demand for goods is lower, and although industrial and agricultural production has not merely been maintained but has increased, the price movement is showing an upward trend. Rising prices and increased production would presume better employment, but instead, unemployment is increasing. In spite of the fact that the volume of money has dwindled, there has been a good response to Government loans, particularly of the State Governments. I have no authentic explanation to offer for these apparently contradictory movements. My object in this talk* is to urge the need for exploring the subject and examine if the contradictions can be resolved and the conflicting trends fitted into an intelligible pattern. There is, otherwise, the danger of fanciful hypotheses and half-baked remedies clouding public opinion and making confusion worse confounded.

Supply of Money

Let me first take the supply of money on which purchasing power depends and indicate some of the more important factors which have led to its curtailment:

(1) This is largely the result of the deflationary measures adopted towards the end of 1951, consisting of the increase in the bank rate, the curtailment of open market operations and the selective restriction of bank credit. In spite of the Reserve Bank agreeing to discount usance bills, there are still large pockets in business and industry in which money supply is constricted.

(2) On account of the fall in the prices of export commodities, as compared with imports, the terms of trade have moved adversely to India.

(3) Agricultural incomes have declined since last year, the resulting situation having been only slightly altered by the recent rise in prices. Further, the general relaxation of the control of foodgrains has reduced the black-market income of the trader.

(4) The unemployment which has resulted from various causes has led to a corresponding reduction in purchasing power.

The extent to which these factors have affected the availability of money and of incomes is evidenced by the rise in interest rates, the fall in demand deposits (as distinct from time deposits) of scheduled banks, the fall in railway passenger earnings, the drop in the current receipts of Central excise revenue and so on.

State Loans

If money is scarce, how is it that there has been such a satisfactory response to the recent State loans? The following facts provide some explanation:

(1) There has been undoubtedly a good deal of official propaganda as in the case of war loans during the British regime. But the theory of official pressure is somewhat overdone because, unless there are spare funds, even official pressure cannot produce results. As compared with the war period, official propaganda must have worked under more difficult conditions, because then there was a current flow of inflated income which has now ceased;

(2) the existence of compulsory provident and other funds which are held by Government provide an increasing source from which loan can be fed;

(3) the slow rate at which funds intended for capital expenditure are absorbed results in unspent balances in the hands of public authorities such as municipalities and local boards;

(4) the cessation of speculative transactions which has followed the slump in 1952 and the fall in the quantum of import trade have reduced the outlet for bank advances. Banks, therefore, are in a better position to invest in Government loans; and

(5) the attractive terms offered by the State Governments have provided a strong incentive to banks and other financial institutions for investing the funds thus released in Government loans.

Level of Prices

I turn next to the level of prices. If purchasing power is lower, it must be presumed that the effective demand for goods is weaker. Moreover, the estimated production of foodgrains in 1952-53 shows a substantial increase, and there are also large stocks of foodgrains imported from the U.S.A. under the wheat loan. If the demand is less and the supplies are greater, how does it happen that prices of foodstuffs have risen?

(1) There is, first of all, the purely adventitious circumstance that food subsidies have been substantially curtailed since the beginning of 1952—a circumstance which has little to do with the economic law of demand and supply;

(2) the relaxation of control, as happens generally, leads to a rise in open market prices. At the same time, it leads also to a fall in black-market prices. Setting one against the other, it is a fair presumption that the average price paid by the consumer is not greater but probably less; and

(3) our wholesale index number is apt to present a distorted picture of price movements and it is likely that the recent upward movement in food prices, as shown by the index number, exaggerates the increase which has taken place. The index for rice, for example, is mostly determined by the free market quotation at Patna, with the result that local circumstances, such as a temporary interruption of railway transport, may affect these quotations and vitiate the general picture. Similarly, substantial reductions in the pool price of wheat and in the open market prices, which are reported to be below the prices in fair price shops, are not reflected in the price index for wheat.

If the increase in prices is to this extent illusory, the growth of unemployment becomes less difficult to explain. But there is still the anomaly that unemployment is growing while industrial and agricultural production has improved or is at least maintained.

Unemployment

Broadly, the position is that, except during the war, unemployment has been steadily increasing, because economic activity has failed to keep pace with the increase of population. Assuming an increase in population of 4 million per annum, there is need for providing additional employment for 2.2 million adults, men and women, if at least the status quo is to be maintained. Even if the Planning Commission's optimistic assumptions of additional employment are fulfilled and even if the greater part of the adult women population is left out of account in planning gainful employment, we are still left with the prospect of ever-increasing unemployment—a serious matter in a country in which every adult is a voting citizen.

Although we have been responsible for our own affairs practically since the war, we have overlooked the potential menace of growing unemployment. The persistence of inflation since the war, with the deceptive stimulus it provides for economic activity, and the momentary pressure of other urgent problems diverting public attention, have made us inappreciative of its implications.

We have been more appreciative of food scarcity and have bent our energies mainly to remedying it. But food, even if available, must be bought. This does not happen, unless there is sufficient employment that yields income. What we are apt to forget in our planning is that a community to be economically viable must not merely produce but be able to market what it produces. In the suggestions so frequently made about cottage industries and co-operative production, for instance, the difficulties of marketing do not seem to receive sufficient consideration. There is no more important and difficult problem in economic planning. When Roosevelt planned his New Deal and Keynes built the philosophy of his General Theory, this was the problem to which both devoted their main thought.

Mass unemployment, either as under-employment or as disguised unemployment, has been with us as far back as we can remember. What is it that has suddenly brought the problem to the fore? The spurious economic activity which war-time inflation created has ceased or is languishing. This is another way of saying that the seller's market is giving way to a buyer's market. The inflationary boom which started with World War II in the final stages of its long-drawn subsidence, received a fresh impetus from the Korean war which also has now ceased.

Neither of these has so far affected production. The reason is not that current demand is keeping pace in India but rather that the cessation of the boom has made the position regarding raw materials and capital equipment easier, because of lessened world demand. The gradual cessation of the boom has not so far affected production which still has some past arrears of demand to feed it, but it has definitely affected trade in both volume and turnover. It is in the sphere of trade that the reason for the present decline in employment opportunities should be principally sought.

We have no definite information regarding the extent to which unemployment has increased, but some indication is provided by the Employment Exchange statistics. These show that (1) the number of new registrations was higher in 1952 than at any time before, (2) on the other hand, the number of placements has gone down by half, since the beginning of 1952, the absorption in private employment being down by three-fourths, and (3) the number of applications at the same time has gone up by nearly half. The Employment Exchange figures relate entirely to people in search of clerical and unskilled jobs in cities and throw a disturbing light on unemployment as a social problem affecting the educated middle-class population.

Retrenchment

What has brought the problem with almost dramatic suddenness to public consciousness is, therefore, (1) its emergence in sharp contrast with the inflationary boom conditions of the immediate past and (2) its heavy impact on a section of the population so politically conscious and mentally alert as the urban middle class.

Several circumstances may be mentioned which have led to this increase in urban unemployment:

(1) the total value of foreign trade in 1952-53, as compared with the previous year, after allowing for the fall in prices, points to a substantial reduction in the volume of commercial activity in internal as well as external trade;

(2) although industrial employment has been generally maintained in the large organized industries, there has been curtailed activity in specific industries; for example, in tea, jute, mica and shellac, on account of weak foreign demand, and in the automobile industry and small-scale engineering industries because of slack internal demand; and

(3) the growing volume of welfare legislation has so increased labour costs with no corresponding increase in output that it constitutes a strong factor operating against additional employment and in favour of retrenchment.

There are also other causes which in varying degrees have worked in the same direction; e.g., decontrol has led to retrenchment in Government offices of persons for whom no alternative employment is available; small dealers have been displaced from business, as a result of the multi-point sales tax in States like Bombay; considerable unemployment has resulted in cities from the enforcement of prohibition; heavy taxation of motor vehicles has led to a large reduction of lorry traffic; low purchasing power has reduced employment among people catering for public entertainment—in Bombay alone a fall of 20 per cent. being anticipated in the entertainment tax receipts in 1953-54, as compared with 1951-52, with no change in the rate of tax.

Remedies

Remedies for unemployment have been proposed recently by the Planning Commission and by leaders of business and political opinion. Most of the remedies suggested, however, valuable in their own way, view the problem as a long-term one affecting the entire range of Indian economy. Regarded in this way, unemployment will not find an effective solution, unless we are prepared for a comprehensive recasting of the structure and the underlying assumptions of our economy. However, much some of us may be dissuaded by ideas based on past experience from facing this task, I have little doubt that the logic of events will leave us no choice in the end. The sooner, therefore, our thinking is geared to the wider objective of business conceived as a form of national service par excellence with all that it implies, the better for the country and the interests concerned.

Meanwhile, if the recent increase in unemployment is looked upon as a short-term problem calling for immediate remedy at the point where its impact has been abnormally heavy and sharp, a solution might usefully be considered on such lines as these:

(1) the committee now engaged in investigating the unutilised capacity of engineering and allied industries must expedite its task, including in it not merely an estimate of existing surplus capacity but also how far, with such adaptation and expansion as can be readily carried out, it can meet further requirements,

(2) the Government should arrange immediately for a properly-phased programme of purchases in India over the next few years of engineering stores and the simpler forms of mechanical equipment required by the railways and by the Defence and Production Ministries,

(3) except where imperative considerations of foreign exchange are involved, imports should be regulated by Customs tariffs fixed at adequate rates rather than by import quotas;

(4) an examination should be made of segments of the public sector where the pace of development might be worked down, so that monetary and physical resources may be released for employment in the private sector;

(5) credit restrictions should be relaxed and means devised for channelling credit into industries which can provide employment;

(6) a reasonble system of compensation should be instituted for workers displaced, as a result of unavoidable retrenchment.

The present position is difficult enough. But more difficult times may be ahead, if the Korean settlement leads to an intensification of Japanese competition in export markets, and if a recession occurs in the U.S.A. On the latter, opinion is divided, the general trend being still optimistic. But the existence of large dealers' stocks, the huge expansion of instalment credit, the curtailment of construction activity and the fall in agricultural prices, are symptoms which cannot be disregarded.

*Text of the speech delivered by Dr. John Matthai at the Commerce Graduates' Association, Bombay, on 28th August last.

THE HONGKONG AND SHANGHAI BANKING CORPORATION
ANNOUNCE
THE OPENING, ON 1st SEPTEMBER 1953, OF THEIR NEW OFFICE IN
PARIS
AT
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INVESTMENT WITHOUT INFLATION

DEVELOPMENT OF EFFECTIVE CAPITAL MARKET ESSENTIAL

INDIA, like all other undeveloped countries, attaches great importance to achieving a large volume of investment, with a view to raising the living standard of the people. It is, therefore, in need of a very large volume of capital in order to undertake the desired investments. An extent of the country's needs is visualised in the Five-year Plan. The Plan envisages, as readers are aware, a total expenditure of Rs. 2,069 crores against which the available resources (including the foreign aid of Rs. 156 crores) is placed at Rs. 1,414 crores. The gap of Rs. 655 crores is sought to be covered by means of additional borrowing and taxation to the tune of Rs. 365 crores and through deficit financing to the extent of Rs. 290 crores. If the amount to be raised by additional taxation and borrowing fails to close the relative gap, the door is left open for a further measure of deficit financing over and above the amount of Rs. 290 crores. This uncovered balance (Rs. 655 crores) in the Plan has given rise to a controversy regarding the advisability of the country resorting to deficit financing.

The issues involved in undertaking large investments for financing capital expansion programme are, however, not peculiar either to India or to other underdeveloped countries alone. Similar issues have faced even the industrially advanced countries. They too are in need of capital and are continuously applying their minds to the various means of obtaining it. This is in increasing evidence in Europe. In this context, an interesting article, entitled "Investment without Inflation" by Mr. Per Jacobsson, appearing in the July issue of the *Quarterly Review* of Skandinaviska Banken, Stockholm, dealing with the various issues of raising capital for investment makes useful reading. A summary of the article is, therefore, given below.

Limited Availability of Capital

The author of the article referred to above sets out with the warning that the underdeveloped countries are prone to over-estimate the amount of capital which they hope to obtain from industrialised countries in the West. This tendency is attributed to an exaggerated idea of the importance of the aid furnished to Western Europe through the Marshall Plan. How this belief is not quite true is pointed out by quoting the President of the World Bank who said early this year that "European countries themselves have financed 90 per cent. of their reconstruction out of their own scurces." In view of this, the author emphasises the fact that, "while it is probable that certain amounts will continue to be made available through grants-in-aid, the overseas countries will have to obtain the bulk of the funds they need from domestic savings, supplemented by loans issued abroad and direct investments by foreign firms."

Then the writer proceeds to consider the question of the availability of capital resources for investment abroad, by reviewing the position in some of the leading industrial countries. Thus, Switzerland, with a high rate of domestic savings and relatively limited opportunities for investment at home, is in a position to allow foreign loans to be issued on its market, but the amounts involved are very limited. Again, the U.S. too, has a plentiful supply of domestic savings, but it has also great opportunities for investment at home. It has, therefore, no great urge to place money abroad. And the U.K. which had, in 1952, a surplus on the current account of its balance of payments, has commitments under the Colombo Plan and in other ways with its own Commonwealth. It is true that some countries of Western Europe may soon resume capital exports, but the amounts will necessarily be limited for some years to come.

Pointing out thus that few countries have large capital resources available for investment abroad, the writer of the article under review proceeds to emphasise the fact that, in order to develop their own resources, the countries planning for large investments must concentrate, first of all, on measures for stimulating domestic savings. But here he utters a warning against taking recourse to bank credit. "One sometimes hears it said," he says, "that the overseas countries, with their great need of capital, cannot be expected to apply a severe monetary policy and that they will, therefore, very likely continue to use somewhat inflationary methods." To such of the countries which propose to finance development through bank credit, the writer conveys a warning quoting two authorities. One is Professor Eric Lindabl of Sweden who has served as a U.N. expert in Chile. This eminent economist declared: "In many countries, inflation might be said to have proved beneficial to employment and, perhaps, also to capital formation, since large business profits had made it possible for many firms to achieve a high level of self-sufficiency. But, if inflation were allowed to continue, the effects would be different—as had been shown by the experience of Chile in which country the rate of capital formation was lower than would have been the case had there been no inflation." The other authority quoted by the writer is the Bank for International Settlements which in its latest Annual Report observes that it has been the experience of countries outside Europe that, in the long run, inflationary deficit financing defeats its own object. Pursuing the point further, the writer observes that there is reason to believe that inflation has already had a sufficient run to make people aware of the actual dangers involved. The disorganisation and distrust engendered by inflationary financing tends, he says, to diminish the flow of savings available and in that way, to reduce the volume of investments. Moreover, many of the investments undertaken in a period of inflation are apt to be of a wasteful character so that there is also a loss on that score, he adds.

Idea of Deficit Financing

The writer then traces the origin of the idea of deficit financing to the belief that a progressive community requires a constantly increasing volume of credit and that there is a certain amount of room for credit expansion which may have to be rendered effective by an official investment policy. This belief ignores, he says, three things:—

(1) the idea of deficit financing was applied by the late Dr. Keynes to a world in the grip of depression. It is often forgotten that the methods applicable to depression would not be suitable to conditions of the post-1945 boom. These latter conditions may instead call for methods based on classical principles. Dr Keynes himself wrote shortly before his death that he found himself "moved" not for the first time to remind contemporary economists that the classical teaching embodied some permanent truths of great significance which the modern economists were able to overlook, because we appreciate them with other doctrines which we cannot *now* accept without much qualification;

(2) it is not always sufficiently realised that the amounts which need to be added each year to the note circulation and the volume of demand deposits in order to ensure relatively stable prices are not very large. Accordingly, such an expansion cannot be counted upon to provide very much of the new capital needed;

(3) normally, the required expansion in the volume of money is brought about by transactions relating to the balance of payments or by internal credit operations, that is, by the lending of the commercial banks to private business. It is possible, of course, that the credit volume may increase by Government obtaining loans from banks. In that case, the Government spends the newly-created purchasing power and those firms and individuals who do not participate in such Government spending as recipients of money and who need credit for carrying on their activity, are deprived of it. As these firms would still borrow, the total of new money finally injected into the economy will be excessive. Where this is taken into account, it becomes clear that the amounts which the Government can safely obtain from the banking system by virtue of the necessary annual increase in the money volume are so small that it is best to leave them out of account. There are no untapped sources of capital available in the banking system.

Domestic Savings

Thus pointing out that the additional expansion in the money volume would extend the banks' lending capacity only to a limited extent, the writer, next refers to the question of banks lending activity based on genuine savings, namely, deposits placed with them by the public. Here again, there is the danger of using current deposits for financing medium and long-term projects. In recent years, however, German banks are known to have financed such projects without any adverse effect on Germany's monetary reserves. The reason for this is that the banks have received sufficient amounts of genuine savings from the public to provide a backing for their medium and long-term credit. Although such lending is non-inflationary in character, it is being realised in Germany that the channelling of a very considerable part of the country's savings through the banking system can prove perilous in times of crisis. The German authorities are, therefore, anxious to develop the capital markets. An important step, in this direction, was taken in May, this year, when it was decided to issue 5 per cent. mortgage bonds at 93, instead of at 99, as decided early. "The Germans have had such bitter experience of the effects of acute banking crisis (in 1931) that they," warns the author, "ought certainly to do everything possible to avoid the repetition of the mistakes made in the past."

The writer, therefore, advocates the need for developing wide and effective capital markets with flexible rates of interest as an indispensable part of the credit machinery. He observes:

"Without such markets it becomes very difficult to 'unload' the bank credits by which the construction of houses and other capital assets has been pre-financed and, in general, to avoid an excessive amount of medium and long-term lending by the commercial banks. The great advantage of the capital markets is that they are fed by genuine savings and that, therefore, the funds obtained through them are of a non-inflationary character so long as the central banks avoid giving artificial support to the bond market. The acceptance of a flexible rate is in some respects of greater importance in the long-term market than in the short-term market, since the provision of newly-created money for the financing of long-term investment is bound to lead to an over-large increase in the volume of monetary purchasing power."

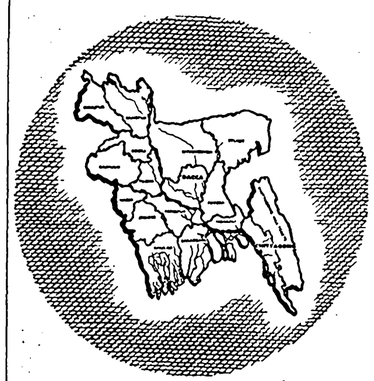
Rate of Saving

The writer considers that there is no danger of an undue reduction in the volume of investment, if the interest rates were to increase, especially as investment opportunities will be plentiful. On the contrary in such circumstances, it will be necessary, he says, to ensure that the volume of investment is not greater than is warranted by the flow of genuine savings. In more than one country, he observes, the raising of the official discount rate has led to an acceleration in the rate of saving and has thus also made possible an increase in the volume of investments. Proceeding he observes:

"It is not always sufficiently realised that investments ostensibly financed by credit expansion are often in fact covered by drafts on the monetary reserves. When new purchasing power is created and used to pay wages, etc., there will be an increase in demand for consumer and other goods, and when there is already full employment, the extra demand will lead to larger imports, and, at the same time, will tend to reduce the volume of exports. Experience has proved that restrictions on foreign exchange and trade are powerless to prevent an inflationary increase in purchasing power from giving rise to a balance-of-payments deficit which, unless covered

(*Continued on page 467*)

When you go to East Pakistan



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THE CANNANORE SPINNING AND WEAVING MILLS, LTD.

CANNANORE

THE SEVENTH ANNUAL REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

LADIES AND GENTLEMEN,

Your Directors have pleasure in submitting herewith the Seventh Annual Report, the audited Balance Sheet and the Profit and Loss Account for the year ended 31st March 1953.

During the year ended 31st March, 1953, after allowing for all expenses and providing for depreciation on buildings and machineries to the extent of Rs. 3,14,974-7-6, but without providing for initial and additional depreciation allowed by the Government of India for new industries, the net Profit of the year amounts to Rs. 3,84,769-0-3. This amount together with Rs. 2,837-10-8, profit carried forward from last year's account makes available for appropriation a sum of .. .. Rs. 3,87,606 10 11

	Rs.	a.	p.
Your Directors have made the following appropriations as shown below—			
Raw Material Fluctuation Reserve	1,25,000	0	0
Balance Rs.	2,62,606	10	11
Your Directors recommend 12 per cent. dividend on the paid-up share Capital (with tax) .. .. Rs.	1,79,908	0	0
and to pay a bonus of 3 months' earned basic wages to workers and 4 months' basic salary to staff, and to carry forward the balance to next year's account.			

The difficulties regarding cut in power supply were experienced during this year also but your Directors are pleased to inform you that your mills did not suffer much on this account as a Generator Set of 180 kw., referred to in the last report, was commissioned.

To supplement the increased power cut another Generator Set of 250 kw. was purchased at a cost of Rs. 81,975-4-6. In spite of the cut in supply of electricity our Company has kept up a decent level of profits.

The addition of 3,200 spindles and necessary preparatory machines referred to in the last report under the expansion scheme, could not be finalised as necessary import licence was not granted by the Government.

During the year under review the following additions have been made to the mills:

	Rs.	a.	p.	Rs.	a.	p.
Leasehold land and improvement	19,652	2	0			
Plant and Machinery	2,93,640	12	9			
Electrical Equipments	21,730	12	4			
Buildings	1,03,611	4	1			
Well and Water works	24,901	4	6			
Furniture and Fixtures	3,591	3	4			
				4,67,127	7	0

The relationship between the Management and labour had been cordial throughout and the Directors extend their thanks to the Staff and workers for their co-operation.

Directors.—The following Directors retire by rotation and they are eligible for re-election. They offer themselves for the same: (1) Jb. K. T. Packer Haji, (2) Sri. P. Raman Chettiar, (3) Sri. T. Gopalan, (4) Sri. K. P. Chandu.

Auditors.—Messrs. Sankaran and Raman, the Auditors, are to retire. They are eligible for re-election. You are requested to elect the Auditors and fix their remuneration.

By Order of the Board,
A. K. KUNHI MAYAN HAJEE,
Chairman.

CANNANORE, 10*th August*, 1953.

BALANCE SHEET AS AT 31st MARCH 1953.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
Capital—						
AUTHORISED—						
20,000 Ordinary Shares of Rs. 100 each				20,00,000	0	0
ISSUED, SUBSCRIBED AND PAID-UP—						
15,000 Ordinary Shares of Rs. 100 each fully called	15,00,000	0	0			
Less—Calls unpaid (dues from Directors—Nil)	771	0	0			
				14,99,229	0	0
General Reserve				3,60,000	0	0
Reserve for Taxes				1,500	0	0
Loans—						
SECURED—						
From Banks against Mortgage of Fixed Assets	8,86,666	10	8			
From Banks against Security of Stock-in-trade	12,00,862	13	5			
Interest accrued but not due	12,191	9	4			
				20,99,721	1	5
UNSECURED—						
Short-term Loans				3,37,255	12	11
Unclaimed Dividends				4,502	8	0
Advance against Orders				15,862	5	8
Liabilities—						
For Goods Supplied	1,34,510	0	4			
For Expenses	23,715	12	2			
For Managing Agents including Commission	37,646	14	7			
For Other Finance	5,557	6	8			
				2,01,558	1	9
Profit and Loss Account—						
As per last Balance Sheet	4,91,072	12	5			
LESS—Appropriations— Rs. a. p.						
Dividends 1,79,788 0 0						
General Reserve 1,25,000 0 0						
Raw Material Fluctuation Reserve .. 1,20,000 0 0						
Bonus to Workers 63,447 1 9						
	4,88,235	1	9			
Profit since last Balance Sheet	2,837	10	8			
	3,84,769	0	3			
				3,87,606	10	11
Raw Material Fluctuation Reserve	1,20,000	0	0			
LESS—Transfer to Profit and Loss Account	1,20,000	0	0			
				Nil.		
Contingent Liabilities:						
1. Bills Discounted .. .. Rs. NIL.						
2. Claims against the Company not acknowledged as debts .. Rs. 3,43,945 11 9						
Total .. Rs.				48,97,235	8	8

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
Fixed Capital Expenditure—						
LEASEHOLD LANDS at cost—						
As per last Balance Sheet	22,624	0	0			
Additions—Improvements	19,652	2	0			
	42,276	2	0			
LESS—Written off to date	10,765	2	0			
				31,511	0	0
BUILDINGS at cost—						
As per last Balance Sheet	8,78,289	10	6			
Additions during the year	1,03,611	4	1			
	9,81,900	14	7			
LESS—Depreciation to date	1,57,345	14	7			
				8,24,555	0	0
PLANT AND MACHINERY at cost—						
As per last Balance Sheet	26,51,643	12	3			
Additions during the year	2,93,640	12	9			
	29,45,284	9	0			
LESS—Depreciation to date	12,63,868	3	0			
				16,81,416	6	0
ELECTRICAL EQUIPMENT (at cost)—						
As per last Balance Sheet	2,26,839	11	4			
Additions during the year	21,730	12	4			
	2,48,570	7	8			
LESS—Depreciation to date	1,00,954	7	8			
				1,47,616	0	0
WELL AND WATER WORKS: At cost:						
Incurred in the year	24,901	4	6			
LESS—Depreciation to date	1,245	4	6			
				23,656	0	0
FURNITURE AND FIXTURES (at cost)—						
As per last Balance Sheet	18,625	9	7			
Additions during the year	3,591	3	4			
	22,216	12	11			
LESS—Depreciation to date	3,843	12	11			
				18,373	0	0
				57,57,127	6	0
Stores, Spares, Gears, etc.				2,13,170	10	7
Livestock and Vehicles				44,292	0	0
Stock-in-trade—						
Cotton and Staple at cost, Yarn at ceiling rates, Waste at contracted rates; Inventory and Value certified by Managing Agents—						
Finished Goods	1,80,465	5	6			
Raw Materials, etc.	14,01,411	5	9			
				15,31,876	11	3
Book Debts (for Goods Supplied and Others)—						
(Considered good but unsecured)						
Directors and Institutions in which one or more Directors are interested	1,05,203	5	10			
Others	1,18,930	13	1			
				2,24,134	4	11
Advances (considered good)—						
Staff	5,412	13	6			
Purchases, etc.	1,19,589	14	8			
Prepaid Expenses	6,629	12	8			
Deposit: Electricity (including interest accrued)	5,162	8	0			
				1,32,775	0	10
Investment—						
National Savings Certificate				6,000	0	0
Cash and Other Balances—						
Cash on Hand	16,971	8	8			
Stamps on Hand	409	0	0			
	17,380	8	3			
Cash with Bankers on Current Account	470	0	5			
				17,850	7	1
Total .. Rs.				48,97,235	8	8

Dr. *PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 1953.* *Cr.*

EXPENSES	Rs.	a.	p.
To Opening Stock and Trading Expenses including Cotton, Stores Consumed, Wages, Power, Insurance, Repairs to Machinery, etc.	45,95,401	9	2
,, Managing Agents' Allowance	12,000	0	0
,, Establishment	25,730	6	2
,, Printing, Postage, Telegrams and Advertisement	20,331	13	2
,, Travelling and Conveyance	18,465	4	6
,, Interest and Bank Charges	1,52,123	14	9
,, Depot Expenses and Commission	39,534	12	11
,, Sundries	4,536	2	11
,, Repairs to Buildings	1,023	11	8
,, Repairs to Furnitures	193	14	3
,, Directors' Sitting Fees and Travelling Expenses	4,184	0	0
,, Audit, Legal and Filing Fees	2,202	14	0
,, Depreciation	3,14,974	7	6
,, Donations and Charities	12,543	8	0
,, Loss in sale of Motor Car	858	12	0
,, Managing Agents' Commission	34,680	9	7
,, Net Profit	3,84,769	0	3
Total .. Rs.	59,19,224	12	9

INCOME	Rs.	a.	p.
By Sales and Closing Stock—			
Yarn and Waste	57,89,568	4	3
,, Transfer Fees	20	0	0
,, Sundry Income	9,636	8	6
,, Raw Material Fluctuation Reserve	1,20,000	0	0
Total .. Rs.	59,19,224	12	9

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the Balance Sheet of the Cannanore Spinning and Weaving Mills, Ltd., as at 31st March 1953, as set forth above and the Profit and Loss Account for the year ended that date and have obtained all the information and explanations we have required.

In our opinion, such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and the Balance Sheet exhibits a true and correct view of the state of the Company's affairs on that date according to the best of our information and the explanations given to us and as shown by the books of the Company. We are further of the opinion that books of account have been kept by the Company for the period under report as required by Section 130 of the Indian Companies Act.

SANKARAN & RAMAN,
Chartered Accountants,
Auditors.

MADRAS, 5th August, 1953.

FOR THE MALABAR INDUSTRIAL SYNDICATE,
K. DAMODARAN,
Managing Partner,
Managing Agents.

C. GOPALAN NAIR,
Accountant.

CANNANORE, 3rd August, 1953.

KUNNUMMAL APPA NAIR
HARIDAS GORDHANDAS
K. C. KORAN
T. GOPALAN
P. RAMAN CHETTIAR
K. DAMODARAN
P. K. BAPPU
K. V. KANNAN
K. P. CHANDU
C. M. RAMUNNI
A. K. KUNHIMAYAN HAJEE
A. K. KADREKUTTY
K. T. PACKER HAJEE
} Directors.

WOOL IN WORLD ECONOMY

CHANCES OF COMPETITION FROM SYNTHETIC FIBRES EXAGGERATED

THE rapid pace at which developments have been taking place in the sphere of synthetic fibres of late have aroused much concern among wool interests over the future of raw wool and wool textile trade. A section of wool interests points out that the growing supply of man-made fibres—rayon and nylon in particular—have made great inroads into wool markets for apparel and decoration. In fact, the section fears that competition from such fibres is a serious threat to wool textile activity. These fears are, however, considered to be rather exaggerated. This, at any rate, is the view often expressed by the International Wool Secretariat (I.W.S.). The Secretariat's slogan is: "There is no substitute for wool."

Raw wool possesses certain unique qualities which are conspicuous by their absence in synthetic fibres. It is no wonder, therefore, that the demand for wool has considerably increased in recent years. The aggregate world demand for wool during the current (1953-54) season, for instance, is estimated at as high as 2,600 million lbs. (clean), which compares favourably with 2,472 million lbs. per annum in 1947-49 (average) and 2,058 million lbs. per annum 1934-38 (average). Indeed, the world wool trade at present is characterised by a feeling of confidence. Business seems to be on a more stable basis than the trade had seen for a long time. The following extracts from the I.W.S.'s latest publication, namely, the Annual Review for 1952-53, entitled *Wool in the World To-day*, bears eloquent testimony to this:

"... throughout the post-war era, with the exception of a period in 1951-52, there was considerable pressure on wool supplies, a clear indication of the fibre's popularity. Of this, the recent recovery in the textile industry has given further evidence. First, after more than 18 months of an almost continuous fall in output, employment and prices, wool values have recovered more rapidly than other natural fibres. Secondly, the use of non-wool materials in the wool textile industry, which increased appreciably in 1950-51, has not recovered to the same extent as wool. Consequently, the proportion of wool to total fibres used is now higher than it has been for two years. As on other occasions, the prophets of gloom have been proved wrong and both wool growers and wool textile manufacturers may look confidently ahead to the ever-increasing use and usefulness of wool."

Growing Demand for Wool

The remarkable recovery in wool and wool textile industry and trade in recent months also clearly indicates the growing demand for raw wool. Referring to the conditions in the year 1952, the I.W.S. observes:

"... the year (1952) was not half-spent before the industry started to slough its despondency. On the primary markets, prices levelled out, held firm, rose a little. Above all, they kept steady. In the mills, the level of employment climbed; output rose. Consumption of virgin wool in the main textile manufacturing countries showed a steady increase. And the fact that this was largely at the expense of other materials used in the industry reflected not only the more competitive level of raw wool prices but also something far more significant—the great attractiveness of the natural fibre."

Wool is one of the world's staple commodities. Its use in manufacture is widely diffused throughout the world. Nearly 50 per cent. of the countries depends for raw wool upon the surplus of the five primary producing countries —Australia, Argentina, New Zealand, Union of South Africa and Uruguay. Thus, the world's two leading consuming countries now use imported wool for 84 per cent. of their requirements, as compared with 73 per cent. in the pre-war period.

It is a matter for speculation whether this degree of regional specialisation between wool-growing and wool textile manufacturing will remain unchanged, for secondary industries have grown rapidly in what were traditionally regarded as agricultural economies. Consumption of raw wool in the wool textile industries of the five surplus countries has risen 115 per cent. between pre-war (1934-38 average) and 1950 and there is every indication that the trend, at any rate in the British Commonwealth, is still rising. The Soviet Union and the United States are big wool producers too; but the needs of their textile industries leave no exportable surplus. The United States, ranking fourth as a wool producer, provides only about one-third of its apparel wool requirements and is entirely depended on carpet wool imports.

Of the total world output of wool, amounting to 2,435 million lbs. in 1952-53, wool of the apparel type accounts for about 80 per cent.; of this, nearly 40 per cent. is merino wool. The chief producers of merino wool are Australia, the Union of South Africa and the U.S., their shares during the 1950-51 season being 63 per cent., 15 per cent. and 13 per cent., respectively. Carpet wool is produced mainly in Argentina, the U.S.S.R. and the countries of Asia, Africa (except the Union) and the Balkans. The major portion of carpet wool traded in the world market comes from Argentina, India and Pakistan.

World Trade in Wool

The world trade in raw wool has recently grown substantially, as will be evident from the following table giving exports from the five main surplus countries:

(Million lbs. actual weight)

	1934-38 (average)	1947-49 (average)	1950-51-1951-52 (average)
Australia	806	1,055	958.5
New Zealand	269	404	357.0
Union of S. Africa	229	215	205.5
Argentina	249	337	136.0
Uruguay	95	127	101.5

These increases in the volume of exports are reflected in the mill and *per capita* consumption of virgin wool in the different countries, as will be seen from the figures given below:

	Mill consumption (Million lbs.)		*Per capita consumption* (In lbs.)	
	1934-38 (average)	1950-52 (average)	1938	1950
World	2,058	2,407	0.9	1.1
U.S.A.	330	539	2.27	4.4
United Kingdom	435	430	6.07	6.6
France	232	227	4.87	5.7
Germany	140	124	3.1*	3.3*
Italy	57	116	0.33	2.0
Japan	108	84	0.9	0.7
Argentina	86	71	3.1	4.4
Australia	35	63	7.7	11.7
Belgium	60	65	4.37†	4.0†
Netherlands	10	29	1.7	4.5
Canada	20	28	3.7	4.8
India			0.13	0.04
Pakistan				0.02

* German Federal Republic.
† Belgium and Luxembourg.

There is, of course, much inequality in wool consumption by the population of different countries, due to variety of climate, habits and difference in income.

The economies of the main wool surplus countries are, in varying degrees, dependent upon the wool trade. Earnings from exports account for almost the entire wool incomes, as is indicated in the following table (figures relate to the year 1950-51):

	Value of wool production as % of national income	*Value of wool export as % of*	
		National income	*Total exports*
Australia	23.8	20.1	64.0
New Zealand	23.3	12.5	44.0
Union of S. Africa	8.1	8.0	31.0

A reference may now be made to the trend of raw wool prices in the world market. Since the recent world war, the prices have not been out of line with those of other raw materials, as the following table shows:

(Base: 1934-38=100)

	1946	1948	1950	1951	1952
Basic raw materials	195	305	498	563	473
Raw wool	172	299	673	869	490
Cotton	203	395	571	812	626
Rayon staple	105	124	141	189	202
Silk	N.A.	228	392	537	550
Jute	236	504	665	1,128	804
Rubber	230	176	453	694	393
Copper	182	310	414	511	601
Lead	230	491	549	835	700
Zinc	239	443	660	950	828

N.A.=Not available.

Until 1950, compared with pre-war, the average raw wool price index did not rise appreciably more than that of most basic industrial raw materials. Indeed, it had increased less than some, as, for instance, jute, cotton, lead and zinc.

Prospects

Prospects for world wool export trade depend largely on the growth of demand for woollen goods, which, in turn, is influenced by a score of factors. True, the development of wool textile industries in the deficit areas may lead to some substitution of domestic production for imports. As the I.W.S. pertinently remarks, "it cannot be expected that the demand for woollen goods, in future, will be so bright as in the years from 1946 to 1951. For the post-war boom is over; war inflated incomes have largely vanished; wardrobes have been replenished. And, in a politically insecure world, heavy taxation for defence is likely to continue to make inroads "into consumers' spendable incomes." Nevertheless, the I.W.S. strikes an optimistic note about the future. Says the Secretariat:" ... in the world as a whole, real additional incomes are steadily rising, due to technological advancement and the development of backward areas. At the same time, there is a tendency for wealth to be more evenly distributed. Thus, it is reasonable to anticipate a fairly steady demand for wool goods. The International Wool Secretariat will pay its part in helping to maintain that demand."

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RATED CAPACITY OF COTTON MILLS

The Textile Commissioner to the Government of India is reported to have asked all the cotton mills in the country to submit certain details about their equipment for purposes of competing the rated capacity of the cotton textile industry. The need for such competition has arisen from the wide divergence in the existing estimates of rated capacity of the industry. Emphasising this need, the Planning Commission, in the final version of the Five-year Plan, has made the following observations:

"... it is desirable to undertake a survey of the rated capacity of a few of the important industries and the cotton textile industry is one of them. The rated capacity is a complex technical concept which should take into account the design of the plant, number of shifts per day, in the case of plants adopting patch or discontinuous processes and the number of working days per annum. In calculating the rated capacity, one has also to take into account, the balance between different sections in a given unit and the age of the plant and its conditions."

The Textile Commissioner's latest move, referred to at the outset, is a sequel to this recommendations. He has asked the cotton mills to furnish information regarding, among other things, (1) number of spindles and looms in their mills and the average production in different counts, (2) number of spindles and looms remaining idle, and (3) total capacity of the plant if all the idle spindles and looms are put to work. The mills have been particularly asked to take into account the "actual working conditions in the mills, especially the efficiency of the workers." With a view to maintaining uniformity, the mills, it is suggested, should take the working results of the months of June and July, 1953 and work out the rated capacity on the basis of 305 working days per annum. The information should reach the Textile Commissioner's office "preferably within a month's time."

A correct and accurate estimate of the rated capacity of the cotton mills will enable the Government to adjust the production programme and pattern of development accordingly. It will also help facilitate the study relating to productivity rationalisation, quality control, etc. Another distinct advantage is that it will assist the task of bringing about a co-ordination between the mill and the handloom sectors of the cotton textile industry.

WOOL EXPORTS FROM AUSTRALIA

The 1952-53 season was a most favourable one for Australia's wool export trade, in that it witnessed a distinct improvement in exports. Thus, the quantity of wool actually shipped from Australia during the year under review was as much as 983 million lbs. (greasy basis) which, as compared with the previous year, was higher by 159 million lbs., representing an increase of 18 per cent. Larger volume of exports, coupled with the rise in the world level of wool prices, resulted in a perceptible improvement in earnings from exports by over 24 per cent., the actual figure being £A336.58 million, as against £A278.48 million.

INCREASE IN CLOTH EXPORT TRADE

ATTRACTIVE OFFER MADE FOR 130-YEAR-OLD TEXTILE FIRM

(From A Special Correspondent)

MANCHESTER, *25th August*

MANCHESTER LETTER

AFTER so many disappointing months of export returns for cotton goods this year few traders in Lancashire expected that July would provide any substantial improvement, but in actual fact shipments of cloth from the U.K. were the highest in any month since March, 1952. The yardage exported was 66,958,000 valued at £7,930,329. This represented an increase of nearly 30 per cent. on the June figure.

For the first seven months of this year cloth exports aggregated 409,459,000 square yards, against 433,318,000 yards in the same period of 1952. A feature of last month's shipments was the sharp rise in the quantity of goods sent to Australia from 8,752,000 to over 14,000,000 square yards. This followed the easing of import restrictions and raised hopes that a further improvement in sales will be effected later in the year.

Chief buyers of Lancashire cloth so far this year have been (in square yards, with 1952 comparisons): West Africa 80,202,000 (102,526,000); South Africa 53,557,000 (32,659,000) and Australia 47,350,000 (54,575,000).

Little change occurred in the quantity of yarn exported in July, the total of 3,210,200 lbs. being barely 50,000 lbs. higher than in June. The average for the year, however, was fully maintained.

For the seven months cotton yarn exports amounted to 23,031,700 lbs. valued at £9,343,071 against 21,764,100 lbs. worth £11,329,028 in 1952. Leading markets have been (with 1952 comparisons): Australia 3,009,300 (1,823,200) lbs; Irish Republic 2,928,700 (1,864,500) lbs. and Canada 2,555,200 (1,108,200) lbs.

Exports of cotton goods in July earned £11,833,254, the highest monthly total this year, but imports cost less than £1,000,000 for the first time for several years. Arrivals of foreign grey cloth, at 4,130,000 square yards, were the lowest since December. Again, more than half the supplies came from Japan. For the seven months imports totalled 45,507,000 square yards against 109,081,000 square yards last year.

Still More Spindles

World trade in cotton goods between nations tends to decline, but the quantity of installed machinery shows further expansion. The latest statistics issued by the International Cotton Federation disclose an increase of 1,377,000 in the number of cotton spindles in place in all countries in the year ended January, 1953, which was a period of pronounced depression in nearly every textile producing area.

The world's spindleage now stands at 129,246,000, of which Europe contains 72,195,000, North America 25,505,000 and Asia 25,634,000 spindles. In spite of its steady contraction, the Lancashire industry still retains the largest quantity of machinery in place, having 27,232,000 spindles at its disposal against 23,082,000 spindles in the United States and 11,427,000 spindles in India.

A feature of these returns is that Lancashire now possesses more spinning machinery using rayon staple fibre than any other country. Spindles on spun rayon output jumped by more than 500,000 in six months to a total of 1,831,000. Other countries well engaged on synthetic fibre production are Germany with 1,420,000 spindles and the United States 1,366,000 spindles. On the other hand, due to shift work, the United States used 83,362 tons of rayon staple in the period and Germany 41,357 tons against Lancashire's 28,702 tons.

The usual enquiry made by the International Federation on the number of spindle-hours worked during the six months again puts Lancashire at the bottom of the list. British spindles worked 872.65 spindle-hours compared with 2,543.17 in the United States, 1,872.24 in Japan and the peak of 3,379.58 spindle-hours in Egypt's mills.

Mule Spinning

A new "health charter" for the 20,000 workers in Lancashire's mule spinning industry will come into effect in 1954. Under the charter all workers in mule spinning will be medically examined every six months and a special lubricating oil will be used for the mule spindles which, it is believed, will virtually banish the occupational disease of "spinners' cancer."

Mr. Charles Schofield, General Secretary of the Operative Spinners' Amalgamation, said that 10th August was the closing date for objections to the Minister of Labour on the draft regulations which he has already announced. "Six months after the order is made the new regulations can be expected to operate," said Mr. Schofield.

Union leaders believe they will mark a historic turning point in the long campaign against industrial disease in mule spinning.

Labour's View on Cotton

Government control over sections of the cotton industry is urged in a textile policy "blue-print" compiled for leaders of Lancashire's 280,000 mill workers by Mr. Harold Wilson, M.P., former President of the Board of Trade in the Labour Government.

The document will be considered by the Legislative Council of the United Textile Factory Workers' Association—the central assembly of cotton unions—at a meeting in Manchester on 31st August.

The document, it is believed, does not recommend any outright nationalisation of the cotton industry at an early date, but calls for Government controls compelling greater modernisation and efficiency.

State-sponsored buying of Lancashire's raw material is advocated and the minimum price scheme operated by the Yarn Spinners' Association is criticised.

Anglo-Nigerian Trade

Mr. A. C. Nwapa, Nigerian Minister of Commerce and Industry, said at the start of a three-day visit to Lancashire last week that he would be having discussions with a leading textile machinery company at Oldham on the subject of establishing a cotton manufacturing industry in Nigeria. The talks would only be exploratory at this stage and certain difficulties, including transport, would have to be overcome. Nigeria, he said, had only two mills and these were operating on an experimental basis.

In recent months, Nigeria has been the leading customer for Lancashire textiles, shipments in the first half of this year totalling more than 43,000,000 yards. Referring to recent price levels of Lancashire textiles, Mr. Nwapa said he had received complaints from Nigerian importers that since the beginning of the month "they had been going up instead of down."

It had been suggested to him in Nigeria that he should go out to Japan "if Lancashire does not treat Nigeria kindly over prices." Under Nigeria's import licensing scheme more Japanese textiles had recently been allowed into Nigeria but the effect so far on the pattern of trade had not been staggering because of the stocks which had been built up. One type of Japanese woven cloth being admitted was offered at a price with which Lancashire could not compete.

Rylands Take-over

Speculation over the possibility that groups of British stores were bidding for Rylands and Sons, Ltd., the 130-year-old Manchester textile manufacturing and warehouse firm, ended last week when it was announced that Mr. C. F. Loos, a Belgian financier, had offered £4,000,000 for the £2,000,000 ordinary stock of the Company.

Mr. Loos is President of the Board of S.A. Papeteries de Genval, of Genval, Belgium, and is also a Director of Thomas Witter & Co., Ltd., a linoleum firm which is allied to Rylands.

The offer of £2 for each £1 stock unit of Rylands is conditional upon acceptance not later than 21st September by holders of 90 per cent. of the stock, or a lower percentage agreed by the purchaser not later than 5th October.

Advice from Sir Edward Rhodes, Chairman of Rylands, and his Directors is to accept the bid. They say they will accept themselves other than their qualification stock. "We are satisfied that Mr. Loos is well able to carry out his offer," declared Sir Edward.

Raw Cotton Imports

Imports into the United Kingdom last week amounted to 10,796 bales, the chief arrivals being Sudan 3,800 bales, American 2,726 bales, East African 1,431 bales and West African 1,346 bales.—*All Rights Reserved.*

Russia has made an offer of 2,000 to 3,000 tons of cotton to the Liverpool Cotton Association. But British textile circles have not been impressed by the terms of the offer, particularly because the varieties are described by names of Russian types. It should appear that the Association's authorities have asked Russia to forward samples of the cotton offered.

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MONSOON MEETING OF INDIAN CENTRAL COTTON COMMITTEE

PRESIDENT REVIEWS RESEARCH SCHEMES

THE Indian Central Cotton Committee is generally concerned, at its monsoon meetings, with cotton research and cotton development schemes. At this year's meeting, too, held last week in Bombay, under the chairmanship of Mr. M. R. Bhide, I.C.S., President of the Committee, the various research and extension schemes were first examined by different sectional committees and later reviewed by the parent Committee. Among the subjects which figured prominently in the discussions, mention must be made of the need for accelerating the production of extra-long staple cotton, the removal of tolerance clause in respect of Jarilla and 4F in the Indian Cotton Contract of the East India Cotton Association and the question of rationalisation of the production of different varieties of cotton.

Mr. Bhide reviewed, in the course of his speech at the meeting of the Committee, the research schemes in the sphere of cotton cultivation. In the E. Punjab, the "outstanding achievement" is the isolation of LL.29 and 216F/14, the two improved strains which bid fair to outyield the existing strains, L.S. and 320F. In Rajasthan, American strains are being developed; strains 216F and M.49-398 have been found to be superior to Indore 1. Two improved Deshi strains, D.46-5 and D.48-154, have surpassed Jarilla in yield and ginning properties in Madhya Bharat and are on a par with Jarilla in fibre properties. Attempts are being made in that State to distribute seeds of these strains on a large-scale in the current season. A similar attempt is being made in Hyderabad State in respect of the strain 11-45-2204 derived from Gaorani 12. In Madhya Pradesh, Buri 0394 is gaining in popularity. Referring to the work in Bombay and Madras, Mr. Bhide said:

"In Bombay, Kalyan of North Gujerat, Vijay of Middle Gujerat, Vijalpa of South Gujerat, Virnar of Khandesh, Jayadhar and Laxmi of Karnatak are reported to be growing in popularity and have more or less established themselves. Work is also in progress for obtaining types superior to these, under the different breeding schemes in operation in the State. Several seed distribution schemes, whose object is to bring the results of research to the door of the cultivator, have also been in operation, and in order to encourage the cotton growers in the maintenance and extension of these improved varieties, the State authorities appear to be launching a new system of self-supporting schemes. There is also an attempt by the Surat workers to grow a hybrid cotton, similar to that we have heard in maize. It is stated that the quality of this hybrid cotton bids fair to be on a par with Egyptian cotton. It is an innovation whose progress is well worth watching with interest.

"In the State of Madras, work is in progress for the isolation of very high quality American cottons. We have had before, the Madras Uganda 1, which is similar to East Africans and the latest strain is said to be Madras Uganda 2, which is even superior to the previous sister strain. Unfortunately, the State has been having continued drought for the past five or six years. We do hope that the conditions this year would be more favourable and the experiments would bear better results."

Target for Cotton

Proceeding, Mr. Bhide referred to the target of 39 lakh bales, set for the year 1952-53 by the Government on the recommendation of the Committee. This target could not be achieved, because seasonal conditions were unfavourable. Although some increase in cotton output was registered in the Punjab, P.E.P.S.U., Rajasthan, Madhya Bharat, Saurashtra, Bombay and Bhopal, there was a shortfall as compared with the previous year of about 4½ lakh bales in Madhya Pradesh, Madras, Hyderabad and Mysore. He estimated the output for the 1953-54 season at about 36.4 lakh bales. This is in consonance with the respectable trade estimaters.

Mr. Bhide next referred to the programme of work for 1953-54 and observed that the Cotton Extension scheme had been continued in all the States. The Government of India, he said, has sanctioned to all the States financial assistance to the extent of Rs. 9.5 lakhs as outright grant for the staff and Rs. 36.7 lakhs as loans for the purpose of the distribution of improved seed. Referring to the prospects for the 1953-54 season, he said:

"The monsoon has started well and cotton sowings are over except in the Bombay-Karnatak and parts of Hyderabad, Mysore and Madras States. The weather conditions on the whole have so far been favourable for the cotton crop and if they continue to remain so during the next few months, we can expect a production of about 40 lakh bales, if not 42 lakh bales, being the target fixed for 1953-54."

Earlier, the Agricultural Research Sub-Committee of the Indian Central Cotton Committee split into four sectional sub-committees which examined in detail the progress reports of schemes financed by the Committee, proposals for new schemes and extension of the old schemes. The Cotton Forecast Sub-Committee approved the report of the crop estimating survey in Bombay, Madhya Pradesh and Mysore, stressed the need for exercising adequate supervision over the experiments. It recommended for approval similar surveys in the Punjab, Hyderabad and Madhya Bharat, to be financed by the Committee for a period of five years. Suggestions were made for improving the accuracy of crop forecasts.

Proposals for the development of the production and utilisation of ramie fibre were considered by the Technological Research Sub-Committee, which decided to refer the matter to the Central Government. It approved the programme of work of the Committee's Technological Laboratory. The Agricultural Research Sub-Committee considered the question of inviting Dr. S. C. Harland, a geneticist and botanist of international repute, to visit India for six months to review the cotton research work in this country and to give advice on the future course of investigations to be undertaken in the different cotton-growing States.

New Schemes

The reports of the sub-committees were later approved by the parent body. Among the new schemes, which received the Committee's approval, one relates to the study of agronomy of long-staple American cotton in Madhya Pradesh and another for the cultivation of an early variety of cotton suitable as an off-season crop in the paddy areas of the Madras State. An important subject considered was the resolution moved by the Vice-President of the Committee recommending the removal of the tolerance clause in respect of Jarilla and 4F in the Indian Cotton Contract of the East India Cotton Association. It was decided that the views of the State Governments, Mill-owners' Associations, Market Committees, etc., should be obtained and placed before the Committee.

The question of rationalisation of the production of different varieties of cotton received the attention of the Committee. It was suggested that a stage has been reached when the Committee should take positive steps to increase the production of short-staple cotton to meet the requirements of the mill industry as well as for export. Here the question is a choice between producing a surplus short-staple variety for export and increasing the production of medium- and long-staple cotton so as to reduce the dependence of this country on imported cotton. The Committee did well to reject the former alternative in favour of the latter. Mr. Bhide rightly emphasised the need for accelerating the production of extra long-staple cotton in order to replace at least a part of the foreign cotton at present being imported to meet the mills' requirements. On the general aspect of rationalisation of the production of different varieties of cotton, the view was expressed that its consideration would be premature until data for a few years under a decontrolled economy were available.

During the cotton year 1952-53, which closed on 31st August, 1953, Pakistan's cotton exports aggregated 16½ lakh bales. The season closed with a carry-over of 1½ lakh bales. During the year, Japan was Pakistan's biggest buyer, lifting 7 lakh bales. Prominent cotton merchants believe that the prospects for the new crop are not bad. They estimate that out of the new crop of 15 lakh bales, Japan may lift as much as 5 lakh bales.

THIS IS AN ANNOUNCEMENT—NOT A PROSPECTUS

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent, the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

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30,000 Preference Shares of Rs. 100/- each	**Rs. 30 Lakhs**
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35,000 Ordinary Shares of Rs. 100/- each	**Rs. 35 Lakhs**
15,000 Preference Shares of Rs. 100/- each	**Rs. 15 Lakhs**

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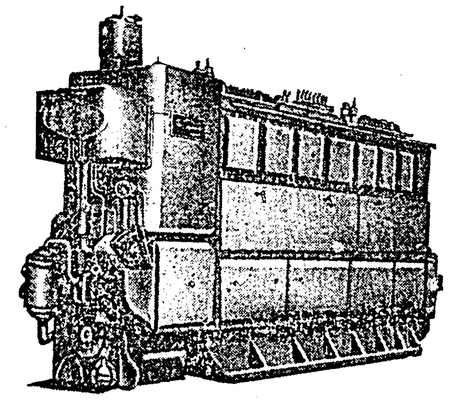

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INTERNATIONAL SUGAR AGREEMENT

EXPORT QUOTAS TO BE LINKED TO PRICES

AFTER prolonged deliberations lasting over six weeks, the International Sugar Conference at London has succeeded in evolving a world marketing scheme for sugar. A five-year world commodity agreement on sugar was signed by delegates from 51 countries on 24th August last. The agreement is modelled more or less on the lines of the one signed in 1937. It seeks, for instance, to stabilise prices, prevent accumulation of huge surpluses, maintain steady supplies in the "free" market, and give those countries that depend on it a share of any expansion in world consumption of sugar.

The new agreement is, as is only to be expected, based on the principle of compromise between the two vital interests in the world sugar trade. Thus, the importers are given insurance against repetition of shortages and high prices by exporters undertaking an obligation to carry certain stocks of sugar. Similarly, exporters are given some guarantee against excessively low prices "which could bring disaster to sugar producers in their areas and, in turn, affect markets for other commodities." In other words, the agreement aims at assuring supplies of sugar to importing countries and markets for sugar to exporting countries both at equitable and stable prices.

The two other objectives that the agreement seeks to fulfil are: to maintain the purchasing power in world markets of countries largely dependent upon production and export of sugar by providing adequate returns to producers and to raise consumption of sugar throughout the world. The participating countries have agreed to adopt suitable measures to fulfil their obligations, with a view to achieving these objectives. The participating importing countries have agreed not to permit imports from non-participating countries in excess of those imported in any of the calendar years 1951, 1952 and 1953.

Basic Export Quotas

The agreement will become fully operative on 1st January, 1954, and will terminate at the end of five years, that is, on 31st December, 1958. The basic export quotas fixed for each of the first three calendar years (1954, 1955 and 1956) amount to 5.39 million metric tons. The individual export quotas are as follows:

(In thousand tons)

Cuba	2,250
Dominican Republic	600
China (Jalwan)	600
Peru	280
Czechoslovakia	275
Indonesia	250
Poland	220
U.S.S.R.	200
Brazil	175
East Germany	150
Mexico	75
Denmark	70
Belgium (including Belgian Congo)	50
Haiti	45
Hungary	40
Netherlands	40
Philippines	25
Yugoslavia	20
France	20
Colombia	5
Total	5,390

The quotas allotted to Czechoslovakia and Poland do not include exports to the U.S.S.R. which are outside the agreement. Although Costa Rica, Ecuador and Nicaragua have not been allotted any basic tonnages, each may export up to 5,000 tons (raw value) per annum. The foregoing list does not include the U.K., Australia and South Africa, the sugar trade of which is guided primarily by the Commonwealth Sugar Pact. These countries, however, have undertaken to limit net exports under this Pact to 2,413,783 tons during each of the years 1954 and 1955 and to 2,490,018 tons in 1956. This limitation will leave available to the "free" market a share in the Commonwealth market.

Changes in Quotas

The aforesaid export quotas, it must be pointed out, are not rigid, inasmuch as they will be varied according to the ruling market price for sugar *vis-a-vis* the maximum and minimum levels laid down, namely, 4.35 cents and 3.25 cents per lb. f.a.s. Cuba. Accordingly, if the average daily spot price were to fall below the minimum for 15 consecutive market days, the International Sugar Council, to be established shortly to administer the agreement, would reduce the export quota in order to stabilise the price. But, if no agreement is reached on the actual quantity to be cut within ten days, the aggregate basic tonnages themselves will be cut by 5 per cent. A similar procedure for varying the quotas has been laid down to enforce the maximum price. In this case, the export quotas will be raised by mutual agreement; if no such agreement is reached within the specified time, the export quotas will be automatically raised by the Council by 7.5 per cent.

Adjustment of Output

Those exporting countries, the basic quotas of which exceed 75,000 tons, should not export more than 80 per cent. of their initial quotas during the first eight months of any year, unless the Council were to raise the percentage. They should also adjust production to meet their domestic needs and the permitted exports, on the one hand, and maintain maximum stocks, on the other. The maximum stocks have been fixed "at 20 per cent. of the annual output on a fixed date each year immediately preceding the start of the new sugar crop." The Cuban stabilisation reserve is, however, not to be considered as part of the stocks available for the "free" market.

The agreement has also made provision for dealing with subsidies on sugar which operate directly or indirectly either to increase exports or to reduce imports. Before the beginning of each quota year the Council will call for estimates from exporting countries with regard to the net import requirements of the "free" market. The fixation of initial "free" market export quotas will be done at least 30 days prior to the commencement of each quota year.

During the third year of the agreement, the Council will review the working in the light of the then prevailing circumstances and report its findings. Any participating country which desires to withdraw can do so.

For more than one reason, the new sugar agreement assumes special significance. By far the most important reason is that this is the first time since the establishment of the United Nations that the Communist world has joined hands with the free countries in the task of preventing wide fluctuations in the prices of an important commodity like sugar. What is more, the technique of the agreement is more advanced than that of the International Wheat Agreement which seeks merely to control the world market by fixing prices within which countries agree to buy and sell given quantities. Thus, it seeks to control supplies in such a way that the "free" market itself will not vary for long outside an agreed price range.

Success of the Agreement

Considering the need for preventing wide fluctuations in prices of sugar, which are detrimental to the long-term interests of both producers and consumers, the working of the new world agreement on sugar will surely be watched with keen interest. How far and to what extent the agreement will impart stability to world sugar markets is anybody's guess. Much depends on the price levels in the "free" sugar market. This in itself is a welcome feature, in that it introduces flexibility to the working of the agreement. But the mechanism of the agreement depends on the faithful implementation of a long series of undertakings by each Government. This implies, to quote the *Financial Times*, "that every one will always act quickly, according to reason, and without undue disturbance either from natural forces or monetary difficulties. Though there is provision for these things on paper, the real success of the agreement will depend on the Council's ability to establish its prestige and to mobilise the collective will of its members. Only experience will show whether it can do so."

SUGAR PRODUCTION AND STOCKS

The production and despatches of sugar for the current (1952-53) season amounted to 1,317,629 tons and 1,221,469 tons, as against the corresponding figures of 1,486,686 tons and 879,483 tons during the previous season.

The opening stock, production, despatches and closing stocks of sugar during the fortnight ended 31st July, 1953, were 600,065 tons, *nil*, 72,598 tons and 527,469 tons, respectively. The figures for the corresponding fortnight of the previous season were 766,294 tons, 2,812 tons, 59,291 tons and 709,715 tons. Figures for the current fortnight relate to 124 factories representing 91.55 per cent. of the total cane-crushing capacity, while those for the previous year relate to 127 factories representing 92.55 per cent. of the total cane-crushing capacity.

WAGES OF COLLIERY LABOUR

IS THERE NEED FOR REVISION?

THE chief problem facing the industrial tribunal, to be set up shortly by the Government of India for settling labour disputes in collieries, is the revision of the wage structure. While employees are demanding an upward revision, employers are complaining that it is not possible for them to maintain even the present wage levels without substantial aid to the industry either in the form of restoration of the so-called voluntary price-cut of 1949 or in some other way. The problem is a very complex one, no doubt, but it requires to be satisfactorily settled, inasmuch as the maintenance of healthy labour relations in the collieries is of prime importance to ensure smooth progress of the nation.

The coal industry has a wage-price structure, following the 1947 Conciliation Board Award. The implication of this is that a change in the wage cannot be had, without a corresponding change in the selling price also. Upward revision of wage levels, therefore, will have to be accompanied by an increase in the price of coal. It may be argued that the increase can be met out of profits. But, unfortunately, the profit margins of the coal industry are by no means large enough to permit that course. An analysis of the balance-sheets of several representative companies discloses that profits are equal to no more than 2½ per cent. of the aggregate working fund.

Ability to Pay

It is common knowledge that wages, turnover and prices are interrelated to each other. The price charged to the consumer should be within his capacity to pay. It should also provide for expansion of consumption, as the output of the industry increases. And wages should be related to productivity which determines the collective output. Ultimately, it is the "ability to pay" theory that determines the structure of wages. Moreover, there is a limit even to the increase in wage levels. After a certain limit which ensures a living wage and after providing for adequate return on capital, any accumulation of profits should be returned to consumers in the shape of lower prices. But, in a period of price-controls, it is difficult to tamper with the wage structure in utter disregard to its effects on the statutorily fixed selling prices.

All these do not mean that we are advocating a policy of wage freeze. We are only emphasising the need for restraint, which should not be confused with the wage freeze. It is important that extravagant unjustifiable claims which the industry cannot sustain should not be advanced. It is true that the term "justifiable claim" is a notoriously elastic phrase, which varies according to one's interpretations. What is a "justifiable claim" in the eyes of trade unions may not be so in the eyes of employers' organisations. Again, who is to decide what are "justifiable claims"? "A tribunal", may be the answer. But a decision by a tribunal may not lead to friendly relations between employers and employees, as witness the bank disputes in India.

The solution to the problem lies in mutual agreement between employers and employees. The employees must be made to feel that they are not merely wage earners but collaborators in the industrial concern. The human relationship should be the foundation of the industrial concern, which is a real working community. Labour should realise the fundamental law of nature, under which wages cannot always be increased at the expense of profits. To quote Mr. Lincoln Evan, Chairman of the U.K. Economic Committee: "We know that wage levels do affect prices and we are only misleading our people by encouraging them to believe that all increases we demand can be met out of profits, because that is simply not true. Let us be honest about it. Broadly, the position is that we all pay for each others' wages and so it goes on."

That is the real truth and the trade union leaders, who have urged for an upward revision of the wage structure, should take note of it. It is true they have got power behind them but it is not for getting intoxicated. The trade union leaders have a responsibility not only to the workers they represent but also to the shareholders who have invested their savings in coal companies and consumers of coal in general. It is to be hoped that they will not make things worse by inciting the workers to put forward unjustifiable demands that may make the working of even the tribunal difficult, if not impossible.

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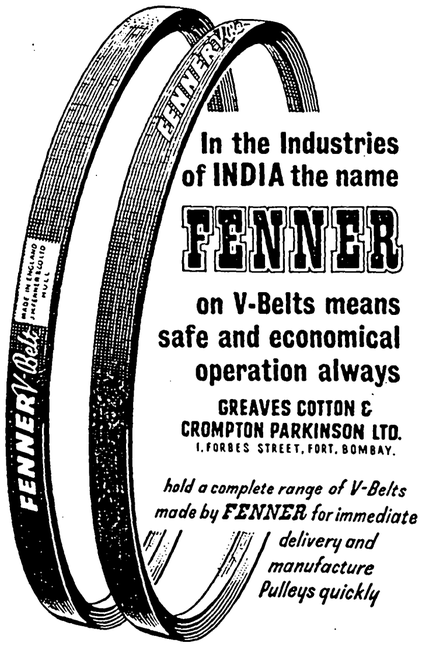

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PLYWOOD AND TEA CHEST INDUSTRY

PROTECTION TO CONTINUE FOR FOUR MORE YEARS

THE decision of the Government of India to continue protection for four more years to the plywood and tea chest industry seems to be well justified. Although the industry has made notable progress during the past six years of protection, it is still not out of the wood. The cost of production of plywood tea chests continues to be high, as compared with that of imported panels. The size of most of the factories is below the economic unit. The average installed capacity of a plywood factory in India is 2.6 million sq. ft. per annum, while the capacity of some of the modern factories elsewhere in the world is of the order of 100 to 200 million sq. ft. per annum. The smallness of the unit has made it difficult to introduce economy measures such as mechanisation of various processes, utilisation of waste veneer and the control of quality by well equipped laboratories and supervision by technically qualified personnel during the various stages of production. The distribution of limited resources of timber amongst the large number of factories, each working much less than its capacity, has become difficult and yet some units have been added to the approved list in recent years.

As regards the measure of protection, the Government has continued the existing duty of 31½ per cent. *ad valorem* for a further period of 4 years, with effect from 1st January, 1954. According to the Tariff Commission, this measure will ensure the industry the necessary sense of security and will enable it to incur the capital expenditure required for modernisation and expansion with a view to making the industry an economic one.

The Government of India has decided to frame its import policy for the future, as in the past, in the light of prevailing conditions of internal production, demand and availability of foreign exchange. The import policy for 1953 has already been announced. No imports were licensed during January-June, 1953, and only a small quota has been allotted for July-December, 1953, to meet the requirements of superior packing for high-grade tea. This decision is virtually in line with the recommendations of the Tariff Commission, which has observed that no imports should be allowed in 1953 and that, if in subsequent years, the tea position improved and the whole of the required number of tea chests were not available from indigenous manufacture, a small quantity of tea chests could be imported to cover the gap.

Imports

The recommendations of the Tariff Commission to ban imports is justified on the ground that the stock of tea chests at the end of December was 4,100,000 and a further quantity of 3,600,000 was expected to be manufactured by the approved factories in 1953, thus making a total of 7,700,000 chests. As against this, the demand is estimated at only 5,000,000 tea chests for the year 1953. This leaves a substantial surplus of the order of 2,700,000.

The present annual installed capacity of tea chests is 8,200,000 of which 13.5 per cent. is located in Assam, 40.6 per cent. in West Bengal, 32.3 per cent. in South India and the balance of 13.6 per cent. in the other States. The actual production in 1952 was 4,835,135 chests as against 2,317,092 in 1950. It is, however, expected to decline in 1953 to 3,600,000 chests due to the closing down of certain factories and slowing down of production in others owing to the existence of heavy stocks.

The Tariff Commission's examination is stated to have revealed a considerable improvement in the quality of indigenous tea chests since the last Tariff enquiry in 1950. The general opinion of importers is that the quality of plywood manufactured by well-equipped factories has shown definite improvement in recent years. A large bulk of indigenous products has been in conformity with the specifications laid down by the Indian Standards Institution. Nevertheless, the consensus of opinion among tea producers is that the quality of Indian tea chests is still not as high as it should be. The manufacturers of chests should, therefore, continue to pay attention to improving the quality of their product. It is true that the U.N. plywood expert, Dr. Otto Kraemer, who attended the public enquiry, expressed general satisfaction about the quality of the indigenous product, but he stressed that, in order to maintain a standard quality and also to rationalise production, the manufacturers of plywood for tea chests should concentrate on limited species of timber which are best suited for making tea chests. The Tariff Commission, therefore, has suggested that the Tea Chest Committee should collect data regarding actual experience of consumers about the panels manufactured with the different species of timber at present in use and make recommendations for revision of the present schedule of the species of timber given in the tentative specifications of the I.S.I. The Tariff Commission has also recommended stricter inspection by Government inspectors, prior to grant of approval to new factories. It is gratifying to note that the Government has accepted their recommendations.

Apart from the question of quality, it is common knowledge that a chest with 12 battens is more durable than one with 8 battens and that, in the case of 8-batten-type chests, sufficient nails, rivets and staples should be used. Metal strips and wooden battens, it is suggested, should be of Indian Standard Specification. The general opinion at the enquiry was that a tea chest should ordinarily contain 115 lbs. only, but in no case more than 120 lbs. and that stuffing them with 140 lbs. should be given up altogether. This view has been accepted by the Tariff Commission. The Government has invited the attention of the tea industry to this aspect.

Supply of Raw Materials

The plywood industry is finding it difficult to get its raw materials in sufficient quantity and at reasonable prices. The main varieties of timber used by the Malabar Plywood Factories are pali and vilapine. The general complaint is that timber of only smaller girth and poor quality is available and that also not in the required quantities. It is felt that a co-ordinated policy should be adopted for all the States of South India in which the plywood industry is located so that softwood species suitable for the manufacture of plywood are set apart for the exclusive use of the industry. The South Indian Manufacturers' Association has complained against the Government's policy of auctioning such softwood timber along with forest timbers instead of reserving it for the plywood industry. It was recommended by the Tariff Board in 1947, and reiterated in 1950, that species of timber suitable for the plywood industry should be earmarked for it. Recently, however, the Forest Department of the Government of Madras called a conference at which an agreement was reached whereby private extractions by the plywood industry of certain species of peelable timber will be permitted. This will ease the situation considerably, but will not solve the problems of the South Indian plywood factories either in respect of quantity or quality of their raw material. The attitude of other State Governments, too, is not helpful. The West Bengal Forest Department, for instance, is not allotting birchwood to plywood factories for the manufacture of tea chests. This wood is considered to be the best plywood timber in India. These birch trees are available in the Himalayas in the Kurseong Division and hence it is not possible to extract the said timber in log form. It was, therefore, represented at the enquiry, that, in order to enable a factory to make veneers out of this timber, a peeling unit has to be installed at the site of the Himalayas. If this unit is to work economically, the factory must be assured of the supply of birch coupes for a sufficiently long period. The Tariff Commission has, therefore, suggested that the West Bengal Forest Department should consider the possibility of allotting such birchwood coupes only to plywood factories on the basis of three-year contracts.

The cost of timber forms about 50 per cent. of the cost of a tea chest and as such the price of timber should be reduced to enable the industry to reduce the cost of tea chest. The plywood manufacturers have been saying that the price of timber supplied to Calcutta factories by the Government from the Andamans is high. There seems to be some force in this contention, for, the Tariff Commission has drawn the attention of State Governments to the desirability of bringing down the price of timber. It is to be hoped that the State Governments concerned will take due note of the Commission's suggestion in regard to both the supply of timber and its prices to the tea chest manufacturers and implement them at an early date. By doing so, they will be ensuring the economic working of this industry and thereby the maintenance of employment.

(Concluded from next column)

would have been higher still, had not the Pakistan Government imposed an additional export duty and a licence fee on jute exported to India to the extent of Rs. 3-4 (P) or Rs. 5 (I) per maund. Now that these discriminatory levies have been removed, one can look forward to increased supplies of Pakistani jute. In the past, various impediments had been placed by the Pakistani customs authorities on the flow of jute to India from that country. The improvement in the political relationship between the two countries noticeable in recent months and the desire to have a new trade agreement should help the removal of these impediments. The resulting liberal supplies of good quality jute from Pakistan will enable the mills in this country to manufacture goods which can easily compete with Continental mills in world markets.

CONSUMPTION OF RAW JUTE BY U.K.

The increase in the British consumption of raw jute is reflected in the improved imports for the first-half of this year at 581,050 bales, costing £8,314,152, as compared with 361,970 (£10,448,939) bought in the same period last year. Dundee mills are working to full capacity and often two shifts because, despite irregularity in Calcutta goods prices, manufacturers in most Dundee centres are doing good business. Certain types of hessian are in short supply and intending buyers have to turn to imported goods for immediate supply. But Dundee goods, admittedly superior in quality to the imported ones, are generally preferred when available. Rumour is afloat that the jute control is to end soon. If there is any truth in it, manufacturers fear Dundee would be unable to compete with Calcutta goods should the latter be permitted to enter U.K. free of import duty. There is a wide margin of differences between ruling prices of Calcutta goods and those of Dundee.

JUTE SUPPLY IN 1953-54

POSITION FAIRLY COMFORTABLE

THE optimistic forecast about jute production for 1953-54, made a fortnight ago by the Department of Trade Promotion and Commercial Intelligence, Government of Pakistan, provides an occasion for discussing the prospects of jute supplies in the current season which started on 1st July last. The *Jute Survey* for the month of July, issued by the Department, places the jute crop of Pakistan (preliminary estimate) at 3.5 million bales, as compared with the actual of 6.82 million bales in 1952-53. This preliminary estimate, it may be noted, is less than the quantity which the Pakistan Government had provisionally estimated. Owing to heavy carry-over of raw jute, the Government had decided, in November last, to reduce production of raw jute to only 4.2 million bales for the current season. Again, in February, 1953, the Government banned cultivation of *mesta*, an inferior quality of jute, and curtailed acreage under jute in 13 sub-divisions to two annas of the basic average. The object of these restricted measures was to see to it that the reduced production, together with the carry-over from 1952-53 season, was to stabilise the prices of jute at a level which would be fairly remunerative to the Pakistan grower. How far this hope will be realised remains to be seen.

On the basis of preliminary estimates about the size of the crop in Pakistan of 3.5 million bales, as mentioned above, the *Survey* places the total availability of jute in Pakistan during the 1953-54 season at 6.3 million bales, including carry-over of 2.8 million bales at the end of the 1952-53 season. The same official *Survey* place the Indian crop for 1953-54 at 3.0 million bales and estimates the total world supply of jute during the 1953-54 season, at 9.3 million bales as against this, the world demand is estimated at 100 million bales.

Jute circles in India, however, have not taken these estimates seriously, because the past experience has shown that Pakistan official estimates are invariably very much lower than actuals. It may be noted here that estimates made by well-established raw jute traders were represented in Pakistan, place the jute crop in that country at about 4 million bales. They place the carry-over crop at about 2.8 million bales. The total availability of jute, in Pakistan, in the season is thus put at about 6.8 million bales.

Indian Crop

Apart from placing the Pakistan crop at a higher figure, the Indian trade estimates put the domestic crop too at a figure higher than that visualised by Pakistan officials. The Indian crop, which was first expected to be as low as 3 million bales, was subsequently revised to 3.5 million bales. Trade circles are confident that the Indian jute crop during the 1953-54 season will not be less than 3.5 million bales, if not more. This compares with 4.7 million bales, for 1952-53, as stated by Dr. P. S. Deshmukh, Minister for Agriculture, during question hour in Parliament on the 24th ultimo. The decline in the current season's crop is attributed to low prices of jute in the last season which discouraged cultivators to take to jute crop. As the carry-over at the end of 1952-53 is estimated at about 1.5 million bales, the total supplies in India may be taken to be 5 million bales. On this basis, the total world supply of jute during the 1953-54 season may be (Pakistan 6.8 million bales and Indian crop 5.0 million bales) of the order of 11.8 million bales, that is, an increase of 2.5 million bales over the estimates of Pakistan officials.

Whatever the size of the crop, trade circles seem to agree that world supply of the raw jute in 1953-54 will be considerably less than that during the 1952-53 season. Consequently, it is felt that there will be no burdensome surplus of jute to depress prices and that there will be no distress to be experienced by the jute grower both in India and Pakistan. Besides, a certain amount of satisfaction is felt at not only the lower crop but also the improvement in the quality of Indian jute assisted by timely and adequate rainfall this season. In India, yields are expected to be higher than what they were in the previous years. This improvement in the weather has encouraged some to expect the Indian crop to be even higher than the 3.5 million bales referred to above.

In so far as the Indian jute mills are concerned, they have very little to worry about supply of raw jute this season. Not only the domestic crop but also a fairly large quantity of Pakistan jute can be expected to be at their disposal. In the eleven months of the 1952-53 season, Indian purchases of Pakistan jute aggregated 1.3 million bales. This quantity

(Continued in previous column)

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HOUSING FOR WORKERS IN ASIA

PROBLEM TO BE DISCUSSED BY I.L.O ASIAN REGIONAL CONFERENCE

THE subject of housing for workers in Asian countries is on the agenda of the 12-day I.L.O. Asian Regional Conference scheduled to commence on the 14th inst. at Tokyo. The International Labour Organisation has prepared a comprehensive report on this subject, with a view to facilitating scientific discussion. The report is based on information supplied by the various member-Governments in answer to a questionnaire. It has widely made use of reports and blue prints issued in Asian countries on housing workers.

The full text of the report is not yet available, but from a Press summary issued by the I.L.O. we find that the various obstacles which are in the way of solving housing shortage constitute one of the subjects covered by the report. These obstacles are *inter alia*, the limited capacity of the construction and construction materials' industries, competition for the limited supply of available materials from other types of urgent developmental projects, the discouraging outlook for investment in rental housing, natural disasters such as typhoons and earthquakes, the high cost of housing which cannot be met by the low purchasing power of the population and the lack of skilled and semi-skilled labour.

The problem of housing acquires great importance in the face of increasing population and the rapid disintegration of the joint family system of living, resulting in a multiplication of independent family units. The need to divert essential housing materials like cement and steel from housing to national development projects such as dams and hydro-electric stations has aggravated the situation.

The shortage of building materials such as steel and cement emphasises the need for a search for substitute materials such as treated timber and bamboo and the efforts to make better use of traditional materials such as cowdung and molasses. This explains the utility of building research in the Asian region. Research, it is needless to add, may help bring down costs of buildings. It is gratifying to note that most of the countries in Asia, including Australia, Burma, Malaya, India and Indonesia, are experimenting with treated timber as a substitute for steel. In Malaya, research has indicated many possible uses for timber that had previously been regarded as useless, merely because it was untried. In the Philippines, preservatives are being developed to protect wood from fungi, termites and other borers. India too is finding new uses for the ubiquitous bamboo and has developed bamboo wall boards and cellular wall panels. Much excellent research in Asia is being conducted with the aid of the Food and Agricultural Organisation. The F.A.O. has shown that treated timber has a life of between 18 and 20 years, as against two and three years for untreated timber.

Cement

Although cement is temporarily in short supply, Asian countries have not slackened long-term research in its uses for housing. Promising results have been held out by experiments carried out in India in the development of foam concrete blocks utilising fine pulverised rock. In Pakistan, new methods of roofing construction utilising flat slabs of concrete have been developed. Experiments with a domed type of concrete cement roofing have also been conducted in Pakistan. If successful, they should reduce the cost of roofing by about 40 per cent. In Singapore, pre-cast artisan quarters have been constructed on very light concrete rafts, sitting immediately on the ground.

India has carried out a considerable amount of laboratory work on "low cost poor man's plasters." These plasters take into account the traditional habits and materials. A stabilised plaster developed is compounded from such ingredients as fresh cowdung, linseed, straw, sunnhemp, fibre wastes and molasses. Plasters such as these are expected to help tide over the periods during which the bulk of the country's cement is being channelised into giant irrigation and hydro-electric projects. In the Philippines, private firms are experimenting with grass asphalt blocks, asbestos clay tiles, coconut husk products, bagasse boards and sawdust bricks.

There is also a search for lost knowledge. The Sub-Committee on National Housing of the Indian Planning Commission has made the interesting suggestion that a great deal might be achieved in housing research if attemps are made to rediscover old specifications and methods of production as well as develop new ones. Research, for example, might be directed towards rediscovering the secret colour technique of the Ajanta caves, the timber ribs of the Karla caves and the freedom from rust of the iron pillar at Delhi. In fact, some Indian blacksmiths are smelting rustless iron.

Can young Asian scientists wrest from the ruins of the past the secret of their continents' former architectural greatness? Can they rediscover the technique of the artisan who, a thousand years ago, laid together the stones of Angkor Vat? The answer lies in the building laboratories and training centres which Asian countries are setting up. The romance of the past can, certainly, be an inspiration for the future.

Part of Overall National Planning

The I.L.O. report has stressed that the housing of workers must be viewed as an integral part of overall national planning. It quotes, approvingly, from the report of the Madras Provincial Town Planning Enquiry Committee which said that "the ideal of town and country planning is that of shaping and developing an ideal village, town or city which shall secure a life for the citizens healthy, convenient, prosperous and wholesome to the fullest extent that is humanly practicable." The I.L.O. report lays down certain fundamental principles in which national housing programmes for workers might be based and recommends the following measures for expanding and improving short-life housing, which can provide the most immediate solution to the workers' housing problem throughout Asia:

"First of all, it is necessary to develop new and powerful incentives to stimulate workers to improve their housing conditions, as, for instance, land reform, home ownership, the provision of well-planned community layouts, and the provision of grants-in-aid by Governments and employers and to reinforce these new incentives by a simultaneous improvement. Secondly, Governments will need to take specific steps to ensure that minimum standards for the construction and maintenance of short-life housing and community facilities are observed. Thirdly, effective mobilisation of unused resources for short-life housing also requires the development, on a national scale, of Government departments or other authorities competent (1) to advise on improvements in housing design, neighbourhood planning, and utilisation of local materials, (2) to distribute monetary aid and direct assistance such as materials, building components, building tools or equipment to process building materials, (3) to provide training in required skills, and (4) to assist in organising and carrying out of self-help projects. Finally, the implementation of a policy of urban decentralisation will facilitate the improvement of housing conditions by lessening overcrowding and by extending the scope for short-life housing."

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DEVELOPMENT OF SHIPPING

CENTRE MUST PROVIDE LIBERAL AID

LAUNCHING the s.s. *Bharatratna*, an 8,000-ton cargo ship, at Visakhapatnam, last week, Mr. C. R. Srinivasan, Chairman, Bharat Line Ltd., dealt with the Government of India's policy of assistance to shipbuilding and shipping. While commending the Centre's policy which provides for subsidies and loans, he felt that what had been done so far was not enough for placing the shipbuilding industry on solid foundations. He mentioned the following points in support of his contention:

The cost of shipbuilding in India is very high due, among others, to the need for importing a good part of mechanical equipment from abroad, in the absence of ancillary and auxiliary industries to manufacture them in the country. The imports, accounting as they do for 40 per cent. of the parts of a ship, include electric fittings, copper pipes and steam fittings together with all prime and auxiliary machineries.

The Government of India has accepted the principle to charge the ships built at the shipyard a price equivalent as nearly as possible to the cost of construction in the U.K. and to pay the difference between the actual cost of construction and the U.K. parity price as subsidy. But the main trouble is the determination of the U.K. parity price, as foreign shipyards cannot be expected to quote a price unless they have a reasonable prospect of getting orders. A building subsidy, however, as pointed out by Mr. Srinivasan, can only be a short-term measure and the use of public funds for the purpose can be justified only if it serves a long-term end. It is, therefore, essential that the Visakhapatnam shipbuilding yard must be made an economic proposition as early as possible. And to do so, it will be necessary to expand the yard and help the development of auxiliary industries.

The Central Government has offered to lend money to shipbuilding companies to acquire ships. So far, the Centre, according to a statement made by the Deputy Minister for Railways and Transport, has granted loans, ranging from Rs. 3 lakhs to Rs. 42 lakhs, to eight shipping companies for the purchase of ships to be operated in the coastal trade of the country. The period of repayment of the loan varies from company to company from four years to 10 years. In some cases, the rate of interest is 4 per cent., while in others it is 4½ per cent.

The shipping companies feel that the terms of loan should be more liberal. Mr. Srinivasan, too, subscribes to this view. This is necessary, according to him, if India is to reach even the Planning Commission's modest target of 600,000 gross registered tons by 1957, not to mention the goal of 2,000,000 tons considered necessary by the Shipping Policy Committee in 1947. The present size of Indian shipping is no more than 400,000 gross registered tons. The Hindustan shipyard is expected to build only 100,000 gross registered tons between now and 1957. The balance, namely, 100,000 tons, is to be obtained from abroad and that too only from the second-hand tonnage market.

Few of the existing shipping companies possess adequate reserves of their own for expanding their tonnage. The cost of a ship of 5,000 tons built in the Hindustan shipyard is Rs. 60 lakhs, including the subsidy from the Government. At this rate, it will require Rs. 12 crores to buy the 100,000 tons of shipping from the yard. The rest of the 100,000 tons needed to reach the target will cost over Rs. 7 crores, that is, for 20 ships at the rate of Rs. 36 lakhs per ship of 5,000 gross registered tons. Thus, the shipping companies will require in all more than Rs. 19 crores, if they are to play the full part envisaged in the Plan.

Where is the capital of this magnitude to come from? The companies have not adequate resources. The only source left open is the Government, as will be seen from the following extract of Mr. C. R. Srinivasan's speech:

"Looking at it from the point of view of shipping companies, I have no doubt that every company is anxious and willing to serve the national economy to the utmost extent possible. If this natural desire is to be reflected in effective action, it would be wise to take note of the limitations under which they are operating. They have not large funds at their disposal to cover the expanding needs of their service. In fact, the funds they have may be used to better advantage by buying in the second-hand market. Yet the Scindias have elected to support the shipyard by reason of their association and the Bharat Lines have come forward to place orders, out of a lively sense of responsibility to the State. But if these orders are to continue in a steady flow, easier and better terms should be offered to the shipping companies."

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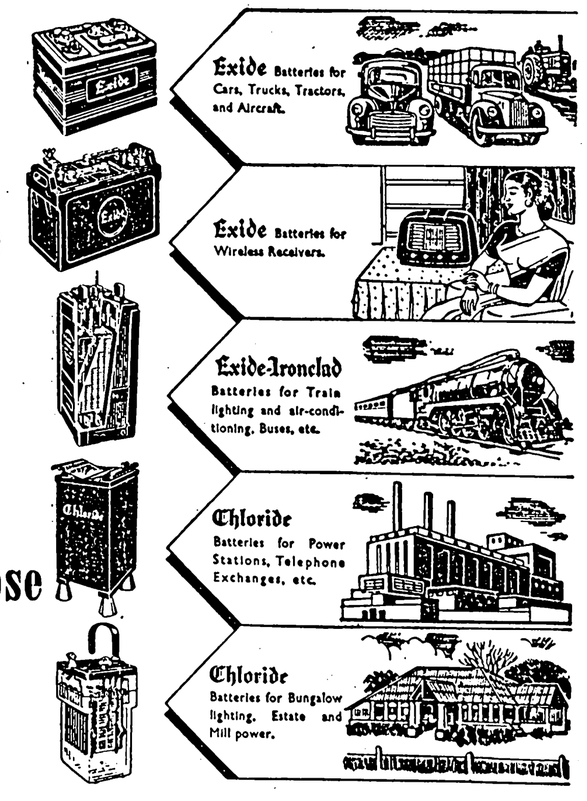

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INSURERS' LIABILITY IN RESPECT OF ILLITERATE POLICYHOLDERS

SIGNIFICANCE OF MADRAS HIGH COURT'S JUDGMENT

AN interesting judgment of far-reaching implications to the business of life assurance was delivered by their Lordships Mack and Krishnaswami Naidu, J.J., in a case in which the Oriental Government Security Life Assurance Company, Ltd., figured as the defendants and the wife of a deceased policyholder of the Company as the plaintiff. The case was filed by the wife for the recovery of Rs. 52,750 on a with-profit endowment policy for Rs. 50,000 for 25 years, taken by her husband in July, 1945.

Briefly stated, the facts of the case are that the policyholder had assigned the policy to his wife and paid the first and second premia before he died in a nursing home after an accident which necessitated an operation in his thigh. After the death, his widow claimed the insurance amount. The Company did not pass the claim on the ground that the assured had given false and inaccurate answers to some questions on the proposal form, and in his personal statement before the Company's doctor to the effect that he had no previous ailment or sickness and that he had never consulted a medical practitioner. The widow thereupon filed a suit in the court of the Additional Subordinate Judge, Coimbatore, for the recovery of the amount. The Subordinate Judge upheld the contention of the defendant company. Against this judgment, she preferred an appeal to the Madras High Court.

Their Lordships reversed the decision of the lower Court and gave a decree as prayed for in the suit, with costs, for Rs. 52,750 and interest at 6 per cent. from 16th August, 1946, the date on which the necessary proofs were supplied to the Company by the widow. In the course of their judgment, their Lordships subjected the evidence in the case to a critical scrutiny. They stated that they had no evidence whatsoever from any person who had put any one of the questions noted in the form to the assured, who was ignorant of English. There was no evidence as to the person who put the questions or who interpreted them or who typed the answers. With not a single one of the witnesses examined, the defence of the insurance company exposed itself, they pointed out, to the criticism that it failed to furnish strict legal proof that the assured, in fact, had given negative answers to the questions regarding his illness and other related matters. Having obtained this contract of insurance from a man now dead, the Company had "sought to enforce the contract literally taking it by itself to the exclusion of other contemporaneous circumstances."

Proceeding, their Lordships observed that the Company had sought to repudiate the contract solely on the testimony of a single doctor that some negative answers to some questions, which were really difficult to answer in the limited space provided in the form, were false and inaccurate. Their Lordships felt that the mere signature on these forms and the binding declaration in English of an insured person who does not understand English, is not enough to prove his knowledge of what he is signing and to bind him literally and irrevocably to such a contract. They added:

"It is an elementary law of justice that a person cannot be bound in law by his signature to a document which he does not understand. In the case of illiterate persons, it is, in our opinion, necessary that the person who interprets the form to them, and records their answers, must be examined before they can be bound by the consequence of their marks or answers. The legal principle or theory about the binding nature of the contract, if pushed to the extreme logical sequence, may, more often than not, result in grave injustice, as in the present case, if not in absurdity. It is true that hard cases must not be allowed to make bad law. But, on the contrary, good law should not be permitted, by misapplication, to be pushed to such literal technical extremes as in the defence of the present action and degeneration into a mechanical machinery which results in injustice without regard to the human background, facts and circumstances."

Two aspects of this judgment deserve the notice of all insurers in the country. The first relates to the learned Judges' observations about the need for properly interpreting the proposal forms to the English-ignorant prospects. In a country like India, where education itself is not widespread and where it is only a small minority that can claim adequate knowledge of the English language, it is necessary that utmost care must be taken to explain the meaning and significance of the questions in the proposal form and of the answers that they may give. The insurers will also do well to examine whether it will not be better to have independent witnesses at the time these forms are filled in, so that they may have some positive evidence in order to prove that the questions were explained to the prospect and the importance of giving correct answers to them impressed upon him. Insurers will do equally well to examine whether the time has not arrived when they can adopt proposal forms in Indian languages, so that they may be understood by a larger section of the insuring public.

The second aspect relates to what may be called the format of the proposal form. Their Lordships made, as already stated, a brief reference to the "limited space" available in the form for answering some of the questions. It seems necessary to rectify this defect. Many questions in the proposal forms, issued by Indian insurers, are much too complicated to be answered within the limited space provided against the questions. This applies to the question relating to family history. It applies particularly to two other questions which figure in the proposal forms of nearly all insurers. These questions are: whether the prospect has had any illness, considered by him to be important or not; on what occasions and for what diseases or injuries the prospect has sought medical advice or treatment. These questions are invariably to be found in all proposal forms. It is true that they are important questions from the insurer's point of view. It is also necessary that they must be answered candidly by the prospects. But the question is whether it is possible to compress all the information, he would like to give or must give, within the small space allotted to these questions. That apart, the temptation to dismiss the questions by negative answers is too great to be resisted, especially when the agent is in a hurry to complete the forms. Great care must, therefore, be taken by persons who want to insure their lives not to fall a victim to such pressure tactics. They must take their own time to study the questions and give the correct answers always, remembering that, if the claim were to fall due in the event of their death, they would not be there to counter the insurers' claim. The insurers also must take care to see that the prospect is not penalised by additional burdens for stating candidly the minor illness or illnesses from which he may have suffered before taking a policy.

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That a well-managed enterprise can make rapid headway even in an overcrowded business field is evident from the remarkable progress of the Indian Trade and General Insurance Company, Ltd. (General Manager: Mr. T. M. Sturgess), which has grown from strength to strength during the last nine years of its existence. Between 1944, when the Company was first founded, and 1952, the latest year for which the accounts are now presented, the Company's net premium income has increased from Rs. 2.80 lakhs to Rs. 40.53 lakhs. Over the same period, reserves and funds have expanded from Rs. 1.47 lakhs and Rs. 25.45 lakhs to Rs. 28.12 lakhs and Rs. 53.13 lakhs. All along, the one important concern of the Directors was to strengthen the finances of the Company. They, therefore, paid no dividend at all. It is only now that a dividend of Re. 1-8 per share of Rs. 40 each has been proposed by the Directors.

The progress which the Company has made during the nine years ended 1952 in premium income and in its reserves, funds and assets positions will be clear from the following table:

(In lakhs of rupees)

Year	Net premium income	Reserves	Funds	Total assets
1944	2.81	1.47	25.45	26.69
1945	4.89	2.72	29.26	29.83
1946	8.18	4.92	29.59	33.87
1947	12.07	7.47	31.89	39.70
1948	15.84	10.43	34.55	45.47
1949	21.13	14.04	38.15	50.75
1950	24.66	15.50	39.66	56.66
1951	29.60	19.31	43.92	64.03
1952	40.53	28.12	53.13	77.92

The net premium income of the Company established a new record during 1952 when it was Rs. 40.53 lakhs, as compared with Rs. 29.59 lakhs in the previous year. The Company has been writing a larger volume of business abroad than it does in India. This factor has stood the Company in good stead, for the slight decline in the volume of its Indian business has been more than made good by its foreign portfolio. Although the Company's premium income from Indian business declined slightly from Rs. 18.34 lakhs to Rs. 18.21 lakhs, the income from its foreign business improved from Rs. 11.25 lakhs to Rs. 22.33 lakhs. The Company writes a large volume of business in all the three departments—fire, marine and miscellaneous—but it is the fire department that continues to be its mainstay. The premium income for the fire department improved from Rs. 13.56 lakhs in 1951 to Rs. 22.61 lakhs. In the miscellaneous and marine departments too, the income moved up but only at a small pace. In the former, it rose from Rs. 7.66 lakhs in 1951 to Rs. 8.02 lakhs and in the latter from Rs. 8.37 lakhs to Rs. 9.90 lakhs. The following table shows the results of the working of the Company during the four years ended 1952:

(In lakhs of rupees)

	1952	1951	1950	1949
Net premium—				
Fire	22.61	13.57	8.32	9.37
Marine	9.90	8.37	9.54	6.08
Miscellaneous	8.02	7.66	7.75	5.67
Net claims paid and outstanding—				
Fire	7.23 (32%)	3.82 (28.2%)	3.22 (38.6%)	2.66 (29.4%)
Marine	6.96 (70.4%)	6.32 (73.7%)	3.66 (42.7%)	2.75 (45.3%)
Miscellaneous ..	4.12 (51.4%)	3.92 (51.2%)	2.25 (29%)	1.34 (24.2%)
Commissions and expenses of management—				
Fire	46%	46.6%	61.9%	52.8%
Marine	16.8%	19.5%	32.8%	22.9%
Miscellaneous ..	41.3%	40.8%	56.6%	50%
Funds—				
Fire	11.31	6.78	3.95	4.22
Marine	8.22	6.28	5.66	4.96
Miscellaneous ..	4.01	3.83	3.49	2.65

The Company's claims experience reveals a mixed pattern, as a reference to the table above will confirm. In the fire department, the loss ratio has gone up slightly from 28.2 per cent. to 32.0 per cent. and in the miscellaneous department from 51.2 per cent. to 51.4 per cent. It is in the marine sector that the loss ratio, though a little better than in the previous year, was still as heavy as 70.4 per cent., as against 42.7 per cent. in 1950.

The working of the fire and miscellaneous departments resulted in a profit of Rs. 64,195 and Rs. 45,669 respectively, as against Rs. 37,559 and Rs. 22,340 in 1951. The working of the marine department, however, resulted in a loss of Rs. 51,287; the loss in the previous year was Rs. 19,971. After crediting the profit and loss account with the income from interest and dividends, the profits made from the fire and miscellaneous sections, and making the necessary adjustment for the loss in the marine section and a provision of Rs. 37,000 for bad and doubtful debts, there is a balance of Rs. 99,809. This sum, together with the amount brought in from the previous year (Rs. 11,077), makes in all Rs. 1.11 lakhs. Out of this sum, Rs. 10,000 has been transferred to the reserve for taxation, leaving a balance of Rs. 1.01 lakhs. The Directors have recommended the payment of a dividend at the rate of Rs. 1-8 per share (Rs. 40 paid-up) which will absorb Rs. 90,000, leaving a balance of Rs. 10,886 to be carried forward to the current year's accounts.

The financial position of the Company is sound. Apart from a capital of Rs. 24 lakhs, the Company has reserves and funds to the tune of Rs. 28.12 lakhs, inclusive of the fire fund at Rs. 11.31 lakhs, marine fund at Rs. 8.22 lakhs and miscellaneous fund at Rs. 4.01 lakhs.

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Reserve and Other Funds -	Rs. 1,69,000	Working Capital - -	Rs. 70,50,000
		Annual Turnover	Exceeds—Rs. Ten Crores

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CAPITAL PAID-UP .. .. Rs. 2,50,00,000
RESERVE FUND .. .. Rs. 3,52,00,000

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BHUJ (Kutch)
CALCUTTA, 23-B, Netaji Subhas Road (Main Office), Bara Bazar, Chowringhee Square
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Mr. RAMNIWAS RAMNARAIN.
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INDO-PAKISTAN TRADE AGREEMENT

PLEA FOR REVISION ON COMPREHENSIVE BASIS

A NUMBER of suggestions for expanding the trade between India and Pakistan has been made by the Bharat Chamber of Commerce, Calcutta, in the course of its memorandum on the renewal of the Indo-Pakistan Trade Agreement submitted last week to the Secretary, Ministry of Commerce, Government of India. The memorandum has not come a day too late. It is timed well, now that the representatives of India and Pakistan are to meet shortly to negotiate for the continuation of the Agreement which is to expire at the end of the current month. More than that, the suggestions made by the Chamber are based on the actual experience of the country in recent years. They, therefore, deserve to be borne in mind by the officials concerned.

At present, the trade between the two countries is hampered by impediments in the way of settling the financial accounts between the two countries. These impediments fall under two heads. One is the fixation of "verified price" by the Pakistan customs authorities of goods purchased by Pakistanis at an agreed price from India. The customs officials in Pakistan arbitrarily put a value on the goods for the purpose of assessment of the duty. This assessment value is taken as the "verified price" by banks in Pakistan which refuse to make the payments to the Indian exporter except at what is termed as the "verified price." This price is invariably lower than the price at which the buyer agrees to pay the Indian exporter who thus becomes the ultimate sufferer.

Another handicap arises from the operational complexities of foreign exchange regulations in Pakistan. These regulations cause difficulties in obtaining payments from Pakistan, although formal transfer of funds in respect of current transactions is permitted. Unless proper arrangements are made in regard to payment and transport facilities, customs duties and regulations, no comprehensive agreement on merchandise trade will yield satisfactory results. The Bharat Chamber has, therefore, done well in insisting on the Government of India to have specific provisions in regard to operational facilities incorporated in any new agreement to be signed by the two countries.

The Chamber emphasises that the current Indo-Pakistan Trade Agreement is wholly unsuited for trade between the countries which in pre-Partition days, was complementary in character. The special relationship between the countries is recognised in the G.A.T.T. which envisages that, in the special circumstances, the two countries may enter into special arrangement including even the introduction of preferential duties on goods exchanged between them. The Chamber observes that this principle was at least partially followed in the Trade Agreements of 1950 and 1951. The current Agreement, which paid little attention to this salutary principle, is considered to be a complete reversal of the principle. It, therefore, suggests that the basis of the coming agreement should be at least the Agreement of 1951.

Being an association of trading interests in the Eastern State of India, the Chamber has naturally stressed the importance of augmenting the trade between West Bengal and East Pakistan. The fortunes of the small and medium-sized industries of the eastern part of India are largely dependent on the Pakistan market. The bulk of the trade between India and East Pakistan is through land frontiers. This trade is vital to the economies of the States of Assam, West Bengal, Bihar and Tripura. In 1951-52, out of the total exports, valued at Rs. 22.8 crores, to East Pakistan, Rs. 20 crores went through the land routes. It is otherwise in the case of India's trade with West Pakistan. For, out of the total exports, valued at Rs. 22.5 crores, to Western Pakistan, the bulk, or Rs. 16.1 crores worth of goods to be precise, went through sea and air routes. In view of the economic importance of the trade, the Government is urged to make all efforts to secure as much freedom as possible for trade between India and Pakistan, especially on the eastern border.

The Chamber has further suggested that a special schedule should be framed in respect of the items of goods which India or West Bengal should be permitted to re-export to Pakistan. The territories in East Bengal are within the hinterland of the Port of Calcutta and customarily the requirements of the markets in East Bengal were being imported through this port before the partition. As this trade has been dislocated since Independence, it is suggested that measures should be taken to restore the trade. The deterioration in this re-export trade would appear to have been pronounced in 1952-53, when such amounted to Rs. 20.18 lakhs only, as against Rs. 56.75 lakhs in 1951-52. The goods involved generally came from the U.K., the U.S.A., Hong Kong, Switzerland, etc. For encouraging the re-export trade, as also for enlarging the volume of trade between the two countries, it is considered that there should be some sort of agreement between the two countries for making suitable adjustments in their import-export policies. This will prevent, it is said, the dealer in one country taking advantage over the dealer in the other. An instance given by the Chamber is revealing. Through the device of issuing import licences, the Government of Pakistan has, sometimes, given the monopoly to certain agents. These agents are stated to have approached the holders of export licences in India to sell out their licences on small margins, so that they themselves could make the purchases direct from the mills and factories in India. The exporters in India have thus been compelled to come to terms with such monopoly importers in Pakistan. The new agreement should see to it that no such unfair practices become possible.

It is also found that Pakistan's share in the total exports of India has steadily fallen From 16.9 per cent. in 1948-49, it gradually declined to 8.4 per cent. in 1949-50, and still further to 4.9 per cent. in 1950-51. It no doubt improved to 6.1 per cent. in 1951-52 but only to recede again, roughly to 5.6 per cent. in 1952-53. There is need, therefore, not only to arrest the decline but also to improve and enlarge the exports, so that proper balance may be restored in the trade between the two countries. And all this trade, the Chamber avers, should be carried on on the basis of as *free a trade through private channels* as may be possible in the present circumstances. Besides, the Agreement should be at least for three years and not for one year as at present. For long-period agreements help minimise uncertainty and impart a certain amount of stability to the trade.

The Chamber has advocated the inclusion of a number of items in the schedule to the present Agreement. These include glass and porcelain crockery, hurricane lanterns, globes and glass tumblers, electric fittings and bulbs, cycles and accessories, ceiling fans, stationery goods, imitation *jari* goods, sanitary requisites, cosmetics, buckets and other household utensils made of steel, brass and bell-metal, fishing nets and twines, hosiery goods, coal-tar paints, cotton-waste blankets, boots and shoes, chillies, dates, biscuits, salt, small tools and appliances, candles, steel re-rolled rods, matches and coir and coir yarn. The Chamber has also pleaded for special efforts by the Government of India for securing markets for Indian sugar, tea chests, electric motors of Indian origin, coal-tar products, cement, and cotton textiles.

(*Concluded from next column*)

does, and (iv) garnet paper and sand-paper of indigenous manufacture do not last as long as the imported variety. The inferiority of the indigenous product is partly due to the fact that it is glue-bonded, while the imported material is resin-bonded. Resin is heat resisting and gives the cloth and bonds longer use, as the grain particles do not fall off by generation of heat. Climatic changes too, it is stated, affect emery cloth. Whatever the reasons, these deficiencies are of a serious nature and, unless they are quickly elliminated, the industry will not have justified the protection given to it. We do not think that the industry will have any incentive to improve its quality so long as it enjoys the shelter given by the ban on imports. Now that the balance of payments position is better, the Tariff Commission will do well to deprecate this additional protection to the industry.

Closely allied to the question of quality is that of raw materials used by the industry. These raw materials are broadly classified under four heads: (a) natural abrasive minerals such as emery, garnet, corundum, flint, quartz, etc.; (b) synthetic abrasive minerals such as silicon carbode, aluminium oxide grain; (c) backing materials such as hide, glue, technical gelatine and synthetic resin glue. Of these, all the natural abrasive minerals are available in the country except emery of the required quality. Among others, some of them have to be imported. The problem before the Commission now is to assess the extent to which the various raw materials of both foreign and indigenous origin are required and their respective costs.

INDIAN ABRASIVE INDUSTRY

TARIFF COMMISSION REVIEWS CLAIM FOR ASSISTANCE

THE Indian abrasive industry has enjoyed protection for well over six years. In addition, it has obtained the advantage of a somewhat sheltered home market during the last two or three years, owing to import restrictions necessitated by balance of payments considerations. Protection was first granted to the industry in 1947. Since then, on review of the industry's position at successive stages, protection has been continued and is due to expire on 31st December. At present, abrasives made of paper is subject to a protective duty of 37.8 per cent. *ad valorem* standard and a preferential duty (for U.K. and British Colonies) of 25.2 per cent. *ad valorem*. Coated abrasive emery cloth enjoys a protective duty of 36.75 per cent. *ad valorem* standard. This scheme of protection covers abrasive papers, emery cloth, abrasive rolls, coils, discs, belts, shapes, tapes made of paper, cloth or a combination of both. These are essential stores extensively used by many industries, especially by engineering works, automobile works, leather factories and railway workshops.

Now that protection to the abrasive industry is due to expire, as stated above, at the end of the current year, the industry has put forward claims for the continuance of protection. An enquiry into these claims was opened by Mr. M. D. Bhat, Chairman, Tariff Commission, at Bombay, on 27th August last. These claims, as was pointed out by Mr. Bhat in his exhaustive analysis of the industry's problems, fall into three or four forms: (1) continuance of protective duties at least, at the same, if not at enhanced, rates; (2) ban on imported abrasives, except when these cannot be supplied by indigenous industry; (3) continuance of the existing rebate of import duty on imports of certain raw materials such as resin and technical gelatine; and (4) technical assistance in the form of facilities for technical training abroad or technical collaboration with foreign manufacturers. A consideration of these general claims is complicated by the fact that one of the producers has boldly come forward to say that, as the cost of production is relatively low in India, and as the industry is making decent profits, it needs no protection, particularly as the normal revenue duty is sufficiently high. It is gratifying to find that there are still some industrialists in this country who are prepared to give up protection when they do not need it. It is to be hoped that the Commission will subject the claim for protection from the other sections of the industry to a searching scrutiny. This necessarily involves a careful assessment of the c.i.f. and landed price of the imported product and also of the estimated ex-works prices of the indigenous product. The data furnished by importers regarding the former being inadequate, the Commission has to go into the question quite thoroughly before arriving at the final decision.

The Chairman of the Commission seems to be convinced that the fairly long period of protection enjoyed by the abrasive industry has resulted in an appreciable measure of its development. This is reflected in the output figures furnished by him. The production of abrasive paper and cloth amounted to 25,820 reams and 61,750 yards respectively in 1946. In 1950, when the production figures were reduced to expression in terms of reams, production was 30,662 reams of abrasive paper and cloth, exclusive of the production of assorted sizes of abrasives which were estimated to be equivalent to another 628 reams. In 1932, the former rose to 55,060 reams and the latter to 3,000 reams.

As against the present output, the data furnished regarding indigenous demand reveal a good deal of divergence. This variation ranges from 70,000 to 80,000 reams to as much as 350,000 reams per year, as estimated by different agencies. These estimates will have to be examined by the Commission before reaching final agreed figures in respect of current and future demand for (1) coated abrasives of all types and (2) coated abrasives of principal types, separately. Similarly, there appears to be discrepancies, as pointed out by Mr. Bhat, in the figures relating to rated capacity furnished by certain units to the Ministry of Commerce and Industry and to the Tariff Commission. These figures too will have to be verified.

One of the principal issues which determine assistance to an industry is the question of quality of the product manufactured. The quality of abrasives produced in India is considered to be satisfactory in many respects. But there still appear to be certain deficiencies. These, according to Mr. Bhat, are: (i) the backing provided is not of the proper type and strength, and very often gets torn off; (ii) the bonding between abrasives and the backing is poor, and, therefore, the abrasive is dislodged and flung off while in motion; (iii) the emery used does not possess the same abrasive property as the imported product

(*Continued in previous column*)



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Head Office: 8, Underhill Road, Delhi.
STATEMENT OF ACCOUNTS AS ON 30-6-1953.

		Rs.
LIABILITIES		
(i) Paid-up Capital		87,50,000
(ii) Reserve Fund		89,06,328
(iii) Deposits		62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.		12,82,96,445
	Total	76,85,23,136
ASSETS		
(i) Cash and Balances with Bankers.		7,14,88,955
(ii) Investments :		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373		
(b) Other Investments .. Rs. 94,24,911		27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets : Including Bills Receivable, etc.		10,17,65,398
	Total	76,85,23,136

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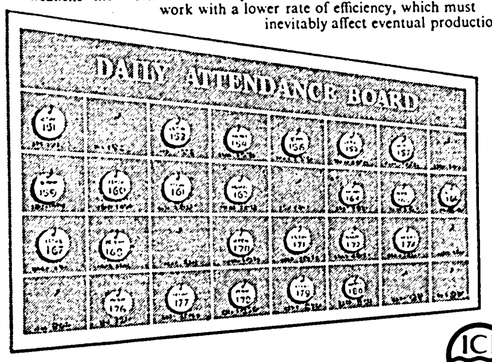

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BRITAIN'S ECONOMY GAINS IN ELASTICITY

MOVEMENT TOWARDS GREATER FREEDOM

(By PAUL BAREAU)

DURING the past 18 months, Britain's economy has taken some deep draughts of freedom—and looks a great deal the better for it. To those who live in the United Kingdom the process may have lost some of its sharp outlines, because it has been gradual and continuous; but to the overseas visitor who goes to Britain this summer after an absence of two or three years, the change in climate—*economic* climate, that is—will appear very remarkable. From having an essentially controlled economy, the people of Britain are now operating in an atmosphere of such freedom as has not been enjoyed by them for 14 years.

Before I enumerate the most important of these steps to freedom and survey what remains of the area of controls, let me make it quite clear that this move to economic freedom has not been due to a sudden and dramatic discovery of its virtues. It has, certainly, involved major policy decisions which have been influenced by the change in the political complexion of the Government; but the existence of controls between 1939 and 1951 and their rapid diminution since then are to be explained by something far more fundamental than the political labels attaching to the governing parties.

Without labouring what should be an obvious point, let me say that, in World War II, a controlled economy was part of the recipe for victory. Shipping control had to be applied by a nation which depended for its life on overseas supplies; import controls and bulk contracts were necessary to keep imports down to bare essentials; exchange control had to be introduced to save precious gold and overseas currencies; rationing had to be introduced to make certain that a large enough proportion of the national resources were kept intact for the war effort. All this and the rest of the paraphernalia of economic controls were essential in the prosecution of a total war, and were unquestionably part of the effort which tipped the scales in Britain's favour.

Similarly in the post-war period, when an immense task of reconstruction and rehabilitation had to be tackled with much reduced resources, there could be no question of a sudden dash for freedom, of the kind of "return to normalcy" which after World War I led to the economic and political insanity of having over 2,000,000 unemployed within two years of the armistice—at a time when the labour of every man in Britain was desperately needed to make good the damage that had been sustained between 1914 and 1918. But it can be argued that, after World War II, Britain leaned towards the other extreme and clung overlong to physical controls of the price-fixing, rationing character.

If that be so, ample atonement has been made in the past year and a half. The basic decision that has made all other steps to economic freedom possible was the abandonment of artificially cheap money and the restoration of credit discipline. "Control the volume of money and credit and economic freedom cannot be abused"—that good precept has been applied. The second basic decision has been to allow the price system to work, first, by cutting cost-of-living subsidies and thus re-creating a more realistic structure of prices, and, secondly, by abolishing price controls over all but minor segments of the economy.

All this was done in a belated recognition of the fact that the worst enemy of monetary stability is the attempt to veil the reality of inflation behind a facade of price controls and subsidies. A free economic system will only operate if the people are allowed to spend their free income as they like and in a manner undistorted by price controls or rationing. The move towards such freedom over the past year and a half has been the greatest victory for economic freedom in Britain.

Rationing is fast disappearing. The most recent achievements under this head are the abandonment of rationing of eggs, sweets, ham, feeding-stuffs—and there are more to come, notably sugar, which has been definitely promised for later in the year. This will leave the field of rationing occupied solely by meat and fats, and even on their score fervent hopes of complete decontrol are held.

That performance has also applied to the bulk trading in foodstuffs. Little by little, this is being handed over by the State to private enterprise. Dealings in coffee, tea, sugar, grains, feeding-stuffs, once the sole monopoly of Government departments, have been or are being handed over to private trade. That is also occurring in other commodities including tin, lead, zinc, copper, aluminium and cotton. In fact, very little will soon be left of the immense empire of monopolistic import trading that was once held by the Ministries of Food, Supply and Materials. The time is approaching when the dismantling of a large part of this administrative apparatus will be possible—with a considerable reduction not only of the officials concerned, but in the men in commerce and industry who have been kept busy filling the forms.

What, then, remains of the elaborate system of physical controls through which Britain's economy was operated during and after the war? First, there is exchange control, which prevents a Briton exporting capital, spending as much as he likes abroad, and compels him to remit to the authorities the overseas currencies he may earn in trade.

The operation of this control has been made much easier, and significant steps have been taken in re-creating a free foreign exchange market in Britain. But while the reserves of gold and dollars are as inadequate as they are to-day, this restriction on payments into and out of Britain must remain. The objective, however, is to ease them as fast as possible and to move towards the convertibility of sterling.

In the same category must be classed the controls on certain imports that need licences. They have been eased; but the size of the reserves makes it necessary to restrict those imports that cost the currencies of which Britain is in dire need—dollars. Britain hopes for the day when her earnings of dollars through exports to the United States will be sufficient to dismember what remains of these discriminatory restrictions on imports from the dollar world. There are still restrictions on certain building projects, but their main intent is to economise the use of scarce materials, such as certain types of steel that are urgently needed for the defence and export industries. There are also restrictions on exports of strategic materials to Communist countries—a matter of obvious wisdom and precaution. Looking at what has been done in dismantling controls and at what remains, it can surely be claimed that Britain's economy has gained enormously in elasticity in the last few months, and that a good case can be made for retaining what remains of these controls.—*Exclusive to "Commerce."*

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DEVELOPMENT OF BRITISH GUIANA

REPORT OF WORLD BANK

SINCE India has chosen to remain in the sterling area, economic developments in any part of the area arouse considerable interest in this country. The interest is greater, when such developments take place in the British colonies, for these colonies play a vital role in the sterling area's export trade with the dollar countries, especially the U.S. The latest report of the World Bank Mission, which recently visited British Guiana (South America) at the request of the Government of that colony to advise on the formulation of a general expansion plan for economic development, therefore, assumes special significance.

The World Bank Mission, in its report, has drawn up a five-year development programme aimed at increasing the Colony's national income by 20 per cent. and the per capita income by 6 per cent. A factor which has largely influenced the Mission's recommendations is the rapid growth of population at a rate of 2.8 per cent. per annum. The development programme calls for a Government expenditure of $38.5 million over the five-year period ended 1958, to be met partly from Government revenues and partly from loan issues. Priority has been accorded to agriculture. This is only to be expected, considering the fact that agriculture is the chief economic activity in British Guiana. Thus, agriculture (including processing of agricultural products) contributes 38 per cent. to the total national income and accounts for two-thirds of exports and 40 per cent. of the labour force employed. The programme aims at raising the output of the principal food crops and achieving a better dietary balance through higher production of meat and fish. These targets are to be attained by means of extending and improving small-scale farming. The implementation of these existing Government projects for land reclamation, designed to bring under cultivation 67,000 more acres, is also included. In this connection, specific recommendations have been made, covering land settlement and tenure, agricultural credit, processing and marketing, and research and extension services.

Next in importance to agriculture come transport and communications. The development plan envisages improvement in the existing roads and construction of modern trunk highways with feeder roads on the coast and in the interior. It also envisages rehabilitation and modernisation of railways, improvement of intercoastal ferry and shipping services, establishment of a modern telecommunications service, and expansion of internal air and postal services. For the development of forests, measures have been suggested for raising output of lumber and wood products and for undertaking a programme for the long-range exploitation of forestry areas.

About 80 per cent. of the Colony's industrial production is based on local raw materials. Although there is little prospect of any spectacular growth of industry in the near future, the World Bank Mission feels that there are opportunities for expanding the existing industries and establishing new ones. It suggests a system of industrial credits for encouraging such development. The specific proposals that the Mission has made cover setting up of more rice mills, a milk pasteurisation plant, an ice factory, a fish-meat factory, an abattoir, among others.

In the rural sector, the need for rural and urban housing and for additional primary schools has been stressed. The Mission has also included in its programme funds for continued geological, hydrographic, aerial and soil surveys which are essential for the future development of the Colony's resources. The World Bank Mission has suggested that the administrative machinery for the planning and execution of the development programme should have two parts: (a) An Economic Council with a Secretariat under the administration of the Development Secretary, and (b) a Credit Corporation. The latter body is to administer all public loans to private enterprise in agriculture, industry, forestry, fisheries and housing construction.

The development programme, as suggested by the World Bank Mission, should doubtless form the basis for the progress of the economy of British Guiana as a whole. Commendable progress has already been achieved in many fields, thanks largely to the active assistance rendered by the British Government. This is indicated by the rapid strides made in fiscal and public administration, education and public health. Surely, the degree to which the economic problems outlined in the World Bank Mission's report is met "will be a crucial test for both the Government and the people" of British Guiana.

Notices

NATIONAL MACHINERY MANUFACTURERS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifth Ordinary General Meeting of National Machinery Manufacturers Ltd., will be held at Sir Vithaldas Chambers, 16, Apollo Street, Fort, Bombay, on Wednesday, 23rd September, 1953, at 4-30 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st December, 1952.
2. To elect Directors in place of Messrs. K. M. D. Thackersey, Kasturbhai Lalbhai and D. M. Khatau who retire by rotation and who, being eligible, offer themselves for re-election.
3. To elect a Director in place of Mr. N. Mafatlal who retires under Article 134 of the Articles of Association and who, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th September, 1953, to 25th September, 1953, both days inclusive.

By Order of the Board,
M. M. PANICKER,
Secretary.

THANA, *26th August*, 1953.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Forty-first Half-yearly Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3-00 p.m. on Wednesday, 30th September, 1953, for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the half-year ended 31st March, 1953.
2. To declare Dividends.
3. To elect Directors.
4. To elect Auditors.
5. To transact any other ordinary business that may be brought before the Meeting.

The Share Transfer Registers of the Company will be closed from the 17th September, 1953, to the 30th September, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *26th August*, 1953.

Printed copies of the Report and Accounts will be despatched to Shareholders on or about 10th September, 1953. Dividends will be paid to Registered Shareholders only.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 26th August, 1953, the following Dividends were recommended to be paid for the half-year ended 31st March, 1953, without any deduction for Income-tax paid by the Company. On 1st Preference Shares—3 per cent. per annum, on 2nd Preference Shares 4½ per cent. per annum, on Preferred Ordinary Shares—10 per cent. per annum, and on "A" and "B" Ordinary Shares—Annas 12 per Share plus As. 4 Bonus per Share.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *27th August*, 1953.

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fifty-first Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12-5 p.m. on Friday, 25th September, 1953, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th June, 1953, and the Balance Sheet as at that date.
(2) To declare Dividends.
(3) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 11th September to 25th September, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary.
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *28th August*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 25th day of September, 1953, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Forty-first Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12-00 noon on Friday, 25th September, 1953, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th June, 1953, and the Balance Sheet as at that date.
(2) To declare Dividends.
(3) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 11th September to 25th September, 1953, both days inclusive.

By Order of the Board.
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary.
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *28th August*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 25th day of September, 1953, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

INDIAN COPPER CORPORATION LIMITED

DIVIDEND No. 25

NOTICE

NOTICE IS HEREBY GIVEN THAT AT THE Twenty-ninth Ordinary General Meeting to be held at the Royal Exchange Hall, Royal Exchange, Calcutta, on Wednesday the 25th day of November, 1953, at 11-30 a.m., the Directors will recommend payment of a dividend (No. 25) for the year ended 31st December, 1952, of 12½ per cent. (3 pence, i.e., two annas eight pies per unit of stock) free of income-tax payable by the Company. Subject to confirmation of members, the dividend will be paid on the 25th November, 1953, to all members registered in the books of the Company at close of business on the 21st September, 1953.

The Transfer Books will be closed from the 22nd September to the 13th October, 1953, both days inclusive.

By Order of the Board.
G. A. CARVER.
Secretary.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *28th August*, 1953.

MACNEILL AND BARRY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fourth Ordinary General Meeting of the Company will be held at the Registered Office, No. 2, Fairlie Place, Calcutta, on Saturday the 26th September, 1953, at 11-00 a.m.

BUSINESS

1. To receive the Directors' and Auditors' Reports and to adopt the Statement of Accounts for the year ended 31st March, 1953.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. To transact any other competent business.
6. As Special Business. To approve of a variation in the rate of commission payable to Mr. C. B. Park in terms of Clause 3(b) of his Service Agreement with the Company dated 23rd April, 1951.

By Order of the Board,
A. H. FORSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, *29th August*, 1953.

THE KARANPURA COLLIERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Ordinary General Meeting of the Shareholders of the KARANPURA COLLIERIES LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday the 24th September, 1953, at 10-45 a.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the year ended 28th February, 1953, declaring the arrears of dividend on the 5½ per cent. Cumulative (Taxable) Preference Shares for the period 23rd October, 1946, to 28th February, 1949, electing Directors and Auditors and for transacting any other Ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 10th to 24th September, 1953, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, *27th August*, 1953.

THE KARANPURA COLLIERIES LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming General Meeting of the Shareholders, the payment of arrears of dividend on the 5½ per cent. Cumulative (Taxable) Preference Shares for the period 23rd October, 1946, to 28th February, 1949.

By Order of the Board,
BIRD & CO., LIMITED,
Managing Agents.

CALCUTTA.

The Textile Commissioner says, in a Press note, issued this week, that applications are made to the licensing authorities under the Cotton Control Order, 1950, for renewal of the licences granted under clause 9 of that order after the expiration of the validity period of those licences. The Textile Commissioner desires to emphasise that any business carried on or any cotton stored by a person after the expiration of the period of licence is a contravention, punishable by law. Any application for renewal after the date of expiry will not be held sufficient to condone the contravention. Such applications must, he adds, be made always before the date of the expiration. The licensing authorities are entitled to refuse renewals of the licences, if the applications for the same are made after the date of the expiry of the licences.

RESULTS OF MYSORE PAPER MILLS SATISFACTORY

DIVIDEND WELL MAINTAINED

FOR the Mysore Paper Mills Ltd. (Secretary: Mr. C. V. Ramachandra Rao, Bangalore City), the year ended March, 1953, has turned out to be another satisfactory one. The Company's trading profit for the year under review, according to the audited statement of accounts, amounted to Rs. 18.55 lakhs, which compares favourably with Rs. 15.01 lakhs for the previous year. The improvement reflects, in the main, the substantial reduction in the consumption of expensive wood-pulp, rendered possible by the rise in the output of pulp from indigenous raw materials. Moreover, the measures taken for enhancing the operational efficiency also went a long way towards not only reducing the manufacturing expenses, but also neutralising the effect of increase in prices of raw materials, chemicals and spare parts. Although the profit is higher, the Directors have not raised the dividend, probably because of the need to provide a larger sum for depreciation on fixed assets. Thus, the return to shareholders has been maintained at 10 per cent. (made up of a dividend of 6¼ per cent. and a bonus of 3¾ per cent.). It will be conceded by all fair-minded shareholders that a return of 10 per cent. is a decent one.

The trading profit of the Company, as already noted, shows a rise of Rs. 3.54 lakhs to Rs. 18.55 lakhs, though receipts by sales (net) show a fall from Rs. 65.56 lakhs to Rs. 64.14 lakhs. Some idea of the reduction in costs can be had from the fact that the value of raw materials and stores consumed in 1952-53 was only Rs. 22.94 lakhs, as against Rs. 25.70 lakhs in 1951-52. There was a saving of nearly a lakh of rupees in salaries, wages, etc., which aggregated Rs. 25.65 lakhs, as compared with Rs. 26.52 lakhs. Larger provision has been made for depreciation on fixed assets, the sum actually earmarked being Rs. 6.09 lakhs (this represents the full amount admissible under the Income-tax Act), as against Rs. 3.82 lakhs. In view of the higher profit, the provision for taxation is higher by Rs. 30,000 at Rs. 5.30 lakhs. After these two essential provisions, the net profit works out to a slightly lower figure of Rs. 5.05 lakhs, as against Rs. 5.16 lakhs for 1951-52. Out of this amount, a sum of Rs. 2 lakhs has been added to the rehabilitation reserve fund and of Rs. 50,000 to the general reserve. These transfers are the same as those a year ago. The 10 per cent. return to shareholders takes up Rs. 2.50 lakhs. The sum carried forward to the accounts of 1953-54 is Rs. 57,212, which is a rise of Rs. 4,897 over the sum brought in.

Financial Position

That the financial position of the Company is quite satisfactory will be evident from the following synopsis of the Company's latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital	25,00,000	Gross block	68,41,588
Reserves and surplus ..	16,07,512	*Less*—Depreciation ..	39,54,440
Provision for taxation.	5,65,840		
Liabilities*	39,57,375	Net block	28,87,148
		Work in progress ..	7,54,245
		Stock-in-trade ..	2,62,015
		Stores, spares, etc.	20,62,897
		Debts, deposits and advances	31,22,864
		Investments	72,700
		Cash	4,26,358
Total Rs.	86,27,727	Total Rs.	86,27,727

* Includes a loan of Rs. 15 lakhs from the Industrial Finance Corporation.

The position in respect of reserves and surplus is very comfortable, such together being equal to over 64 per cent. of the paid-up capital. The gross block has been written down by about 32.7 per cent. The current liabilities, including provision for taxation, are only a little over half of the current assets.

The implementation of the expansion programme of the Company is well under way. An indication of this is provided by the fact that, more than half of the estimated cost of this programme (Rs. 65 lakhs), Rs. 37.04 lakhs, to be precise, has already been expended. This clearly shows that the Directors are making earnest efforts to expand the Company's output, with a view to meeting the increasing demand for paper. The expansion scheme is being financed with the help of the Industrial Finance Corporation which has given the Company a loan of Rs. 50 lakhs. During the year, the Company had taken Rs. 15 lakhs out of this loan. The Company's expansion programme, it may be noted, envisages an increase in its annual rated capacity from 4,000 tons to 8,000 tons by the end of 1954.

The Rs. 10 paid-up ordinary shares of the Company are now being quoted at about Rs. 14-14 ex-div., at which rate and on the basis of a return of Re. 1 per share, the yield works out to a little over 7 per cent. free of income-tax

CANNANORE SPINNING AND WEAVING MILLS LTD.

The notable rise in the profit of the Cannanore Spinning and Weaving Mills Ltd. (Managing Agents: The Malabar Industrial Syndicate, Cannanore), witnessed in the year ended 31st March, 1952, could not be maintained in the following year, that is, the year ended 31st March, 1953. In fact, the results of the Company for the year show a setback in the profit. Thus, in distinct contrast to an increase of Rs. 2.18 lakhs to Rs. 8.55 lakhs during 1951-52, the gross profit for the year under review, at Rs. 5.94 lakhs, records a marked fall of Rs. 2.61 lakhs or about 30 per cent. After providing a somewhat smaller sum of Rs. 3.15 lakhs, as against Rs. 3.20 lakhs, for depreciation, the net profit (subject to taxation) works out to Rs. 2.65 lakhs, which is Rs. 2.11 lakhs lower than that for the previous year. It must be added here that the Directors have not provided for initial and additional depreciation.

As a result of lower profit, no addition is proposed to be made to the general reserve. Last year, it may be noted, a sum of Rs. 1.25 lakhs had been added to this account. Larger provision, however, has been made for raw material fluctuation reserve, the sum earmarked being Rs. 1.25 lakhs, as against Rs. 1.20 lakhs. But the real addition to this reserve is only Rs. 5,000, because the Directors have withdrawn the entire sum of Rs. 1.20 lakhs transferred last year and credited it to the profit and loss account for 1952-53. It is inexplicable as to why the Directors have done so. The dividend to shareholders is proposed to be maintained at the handsome rate of 12 per cent. per annum. This absorbs Rs. 1.80 lakhs. After paying a bonus of three months' earned basic wages to workers and four months' basic salary to staff, the balance (subject to taxes) is to be carried forward to the next year's accounts.

The contraction in the Company's earnings is not surprising, considering the change-over from a sellers' to a buyers' market in cotton textiles. Not only were exports at a low ebb, but the internal offtake also was not encouraging. There was a sharp fall in the value of raw material. Besides, the Company's production was, to some extent, adversely affected by cut in power supply. In order to minimise the loss, the Company installed a generator set of 180 kw. Another set of 250 kw. has been purchased at a cost of Rs. 81,975. Considering all these adverse factors, the results of the Company for the year 1952-53 must be said to be quite satisfactory.

The following table shows at a glance the salient features of the Company's results for the year under review, as compared with those for 1951-52:

(In lakhs of rupees)

	Year ended 31st March	
	1953	1952
Sales and closing stocks	57.90	64.64
Expenses†	51.71	56.15
Gross profit	5.94	8.55
Managing Agents' commission	0.35	0.60
Depreciation	3.15	3.20
Net profit (subject to taxation)	2.65	4.75
From raw material fluctuation reserve ..	1.20	Nil
To raw material fluctuation reserve ..	1.25	1.20
To general reserve	Nil	1.25
To dividend	1.80 (12%)	1.80 (12%)

† Include purchases of cotton and stores, as also value of closing stock brought in from previous year.

The following synopsis of the latest balance-sheet of the Company will give one an idea of its finances:

Liabilities	Rs.	Assets	Rs.
Capital	14,00,200	Gross block	42,85,151
Reserves	3,50,000	*Less*—Depreciation ..	15,38,023
Provision for taxation.	1,500		
Liabilities	30,46,607	Net block	27,27,128
		Stocks	15,31,877
		Stores, spares, etc. ..	2,57,472
		Debts, deposits and advances	8,56,909
		Investments	6,000
		Cash	17,850
Total Rs.	48,97,236	Total Rs.	48,97,236

MEGNA AND INDIA JUTE MILLS

The difficult trading conditions under which Indian jute companies have been operating are reflected in the financial results of the India Jute Company, Ltd., and the Megna Mills Company, Ltd., for the half-year ended 30th March, 1953. For the gross profits earned by these two Companies, which are managed by Messrs. Mackinnon, Mackenzie & Co., Ltd., Calcutta, during the half-year under review, have been generally lower than those for either of the two preceding half-years. The results for the three half-years show that, in both cases, their gross profits have successively declined. Thus the gross profit of the India Jute, which stood at Rs. 9.60 lakhs for the half-year ended 31st March, 1952, declined to Rs. 5.68 lakhs in the following half-year and still further to Rs. 5.10 lakhs in the half-year under report. Similarly, the gross profit of the Megna Mills declined during the three six-month periods from Rs. 11.55 lakhs to Rs. 10.07 lakhs and then to Rs. 5.54 lakhs. The figures reveal that the fall during the accounting period under review, has been more pronounced in the case of the Megna Mills than in the case of the India Jute. The position would have deteriorated further, but for the reduction in the export duty on sackings from Rs. 175 to Rs. 80 per ton, with effect from 1st March, 1953. The Directors, in their report to shareholders, observe that the reduction helped to prevent further deterioration of the market but did not stimulate demand for jute goods. The removal of discriminatory treatment by Pakistan in the matter of raw jute exports to India and the abolition of export duty on twines, announced on 16th July last, should, however, considerably help improve the results for the current half-year.

The continuous decline in gross profits is attributable to several handicaps suffered by the Companies in common with the other units in the industry. Although the export duty on hessian was halved on 18th February, 1952, from Rs. 1,500 to Rs. 750 per ton, and still further to Rs. 375 per ton in May, 1952, there was no significant benefit to the industry, because prices of jute goods continued to sag. The demand for jute goods was generally low and particularly poor in the case of hessian twines, one of the important products made by both the Companies. During the half-year under review, Dundee was short of hessian yarn, but the Companies could not take advantage of it, as the export duty of Rs. 175 per ton drove Dundee to the Continental mills. The demand thus being poor, the Companies had to close down a part of their machinery and restrict production. Business in sacking remained unprofitable throughout.

Despite the fall in the profits, both the Companies have decided to maintain the dividend at the nominal level of 5 per cent. per annum, a rate which is being repeated since the half-year ended 30th September, 1951, for which half-year it was only at 2½ per cent. per annum. Even this dividend would not have been possible but for the Managing Agents waiving a sizable part of the commission due to them, as will be shown presently.

The following table brings out the main features of India Jute's results for the half-year under review as compared with those of the preceding half years:

India Jute Co., Ltd.

(In lakhs of rupees)

	For the half-year ended			
	31-3-1953	30-9-1952	31-3-1952	30-9-51
Sale proceeds ..	103.97	157.93	220.90	253.43
Stocks of manufactured goods	8.12	4.73	20.03	27.74
Expenses	97.25	138.09	203.70	275.77
Gross profit (+) or loss (—)	+6.10	+6.68	+9.60	—17.51
Managing Agents' remuneration	1.05	5.80	8.19	1.17
Depreciation	1.57	1.62	1.43	1.35
Taxation				0.14
Net profit (+) or loss (—)	+3.48	+0.36	+4.98	—20.17
Dividend on investment in subsidiary ..	1.36	1.36	1.36	0.68
Other income	0.60	0.06	0.18	20.08
To reserves	1.00		3.00	
To other provisions ..	0.60	0.25	0.16	0.17
Dividend	2.17	2.17	2.17	1.09
	(5% p.a.)	(5% p.a.)	(5% p.a.)	(2½% p.a.)
Carry forward	0.55	0.74	1.43	0.33

Out of the commission of Rs. 2.70 lakhs due to them, the Managing Agents have waived Rs. 75,000 in order to assist the finances of the Company.

In the case of the Megna Mills also, the Managing Agents have waived a sum of Rs. 75,000 out of the commission of Rs. 2.95 lakhs due to them. The following table shows at a glance the particulars of the Company's results for the half-year under review against the background of those for the three preceding half-years:

Megna Mills Co., Ltd.

(In lakhs of rupees)

	For the half-year ended			
	30-1-1953	30-9-1952	31-3-1952	30-9-1951
Sale proceeds ..	112.00	176.03	237.89	252.01
Stocks of manufactured goods	2.41	8.32	21.80	23.08
Expenses	100.55	161.78	222.44	206.43
Gross profit (+) or loss (—)	+5.54	+10.07	+11.55	—7.67
Managing Agents' remuneration	2.18	4.08	3.37	1.37
Depreciation	2.91	2.94	3.01	1.43
Taxation	0.12	0.13	0.25	0.13
Net profit (+) or loss (—)	+0.33	+2.92	+4.92	—10.60
Other income	1.14	0.36	0.01	11.10
To reserve	..	1.00	2.00	..
To other provisions ..	0.32	0.10	0.16	0.18
Dividend	2.04	2.04	2.04	1.02
	(5% p.a.)	(5% p.a.)	(5% p.a.)	(2½% p.a.)
Carry forward	0.23	1.18	1.02	0.29

The ordinary shares of India Jute (Rs. 125 each) are at present quoted at Rs. 120. At this rate the latest dividend gives a yield of 5.2 per cent. The Rs. 100 ordinary shares of Megna Mills are quoted at about Rs. 91 per share. The yield calculated on the basis of the latest dividend works out to 5.5 per cent. per annum.

AMERICAN CAPITALISM

American capitalism, through group ownership of corporations, differs from the Communist and Fascist economic systems, as well as from the old-style capitalism's control by comparatively few wealthy individuals. About 6,500,000 persons, through investment of their savings in stock, share in the ownership of U.S. business and industry. These American "capitalists" represent a cross-section of the United States—farmers, workers, teachers, business and professional men. United States insurance companies, for example, have invested $29,000 million in commercial enterprises. This represents the individual contributions of 86 million American insurance policy holders.

Approximately 4,000,000 firms and corporations contribute to the nation's economic life. Business organisations have become bigger, but there are more businesses and more owners. A 1952 report of the National City Bank of New York City showed that assets of the 100 largest U.S. manufacturing corporations aggregated more than $60,000 million. Owners of these companies actually outnumbered their employees. And this report did not include the American Telephone and Telegraph Company, which has more than a million owners, or the Metropolitan Life Insurance Company with over $10,000 million in assets and more than 33 million policyholders.

DIVIDEND LEVEL OF ORISSA MINERALS STEPPED UP

SIX-FOLD INCREASE IN GROSS PROFIT

IN the stock markets, it is always pleasant to turn to a scrip which has steadily appreciated in value. One of these is the shares of the Orissa Minerals Development Company, Ltd. (Managing Agents: Bird & Co., Ltd., Calcutta) which have moved up, over a period of 12 months, by 11 points to Rs. 35-12. That this scrip merits the attention which it has received from the investors will be evident from the fact that, during the six months ended 31st December, 1952, the latest period for which the Directors' report and statement of accounts are available, the sale proceeds of the Company at Rs. 72.30 lakhs have, as compared with the previous half-year, more than doubled, while the gross profit at Rs. 24.01 lakhs shows nearly a sixfold increase. The shareholders participate in this prosperity by way of an increase in dividend from 30 per cent. (per annum) for half-year ended 30th June, 1952, to 40 per cent. (per annum) for the half-year under review. This 35-year old company, as the Directors point out, with justifiable pride, holds a "unique position" in Orissa, where it is one of the few pioneer companies to prospect and develop iron ore and manganese ore. It holds long-term mining leases for exploiting properties, covering an area of 50 square miles in the Keonjhar District (Orissa), E.I.R., which have deposits of manganese ore, manganese dioxide and iron ore.

The improvement in trading profit is agreeably surprising, for the Directors had struck a cautious note in their previous reports emphasising the growing competition in the market for manganese ore and manganese dioxide, especially the lower grade ores. No difficulty, we are told at the time the report for the half-year ended 30th June, 1952, was presented, was being experienced in respect of the highest grades for manganese ore, and manganese dioxide and iron ore, though there were indications of "lessening demand" and of "severe competition" in these two commodities. Apparently, these conditions, did not turn out to be so serious as to affect the fortunes of the Company.

The following table compares the raisings and despatches of iron ore, manganese and manganese dioxide during the four half-years ended 31st December, 1952:—

(In tons)

For half-year ended	Raisings	Despatches
Iron ore—		
31-12-1952	2,14,378	1,58,490
30-6-1952	3,09,359	2,85,693
31-12-1951	4,30,264	4,27,433
30-6-1951	2,62,787	2,83,986
Manganese ore—		
31-12-1952	25,909	23,979
30-6-1952	..	12,491
31-12-1951	..	2,214
30-6-1951	..	1,705
Manganese dioxide—		
31-12-1952	1,977	4,475
30-6-1952	..	1,527
31-12-1951	..	609
30-6-1951	..	1,194

The table above shows that, while despatches of manganese ore and manganese dioxide have improved, those of iron ore have fallen. The Directors attribute this decline to "reductions in the requirements of the indigenous steel works." Exports of iron ore also declined from 51,013 tons to 33,060 tons. This reduction, we are told, is due to restrictions on wagons imposed by the railways.

It is gratifying to note that, while the sale proceeds have improved from Rs. 34.81 lakhs during the half-year ended 30th June, 1952, to Rs. 72.31 lakhs in the following half-year, expenditure has recorded a less proportionate increase from Rs. 30.54 lakhs to Rs. 48.29 lakhs. The trading profit, therefore, has recorded a sharp rise. It must, however, be added here that this increase in turnover and profit is due partly to the improvement in sales and partly to the fact that the Company has taken over the export work, which was formerly done by the subsidiary company, the Eastern Shipping Syndicate. The Company's share of the profit from the Syndicate in the half-year under review was, therefore, only Rs. 9,118, as against Rs. 9.43 lakhs in the previous half-year. The profit, which would normally have occurred in the accounts of this Syndicate, is now reflected in the parent Company's profit and loss account.

The following table gives a bird's-eye view of the progress of the Company over the four half-years ended 31st December, 1952:—

(In lakhs of rupees)

	For half-year ended			
	31-12-52	30-6-52	31-12-51	30-6-51
Sale proceeds	72 30	34 81	45 07	32 83
Expenditure	48 29	30 54	40 79	30 13
Gross profit	24 01	4 27	4 27	2 70
Other income	0 33	9 81	2 03	1 77
Provision for :				
Managing Agents' commission	2 82	1 26	0 50	0 37
Depreciation	0 84	1 23	0 50	0 50
Taxation	10 00	5 53	2 60	1 51
Net profit	10 85	5 91	1 94	1 83
Transfer to :				
General reserve	2 90	1 00	..	0 10
Mechanisation reserve	2 00	1 50	0 75	0 75
Building reserve	2 50	1 00	0 25	0 20
Other reserves	0 50	0 50		
Dividend	2 00	1 50	0 75	0 50
	(20%)	(15%)	(7½%)	(5%)
Carry forward	1 23	0 74	0 45	0 37

It will be seen from the table above that the net profit, after meeting depreciation, Managing Agents' commission and providing for taxation, is considerably higher at Rs. 10.85 lakhs, as against Rs. 5.91 lakhs in the previous half-year and only Rs. 1.94 lakhs in the corresponding half-year in 1951. The Directors have wisely decided to conserve the major portion of the profit. Thus out of the total net profit of Rs. 10.85 lakhs, no less than Rs. 7.90 lakhs have been ploughed back, the dividend absorbing only Rs. 2 lakhs or less than 20 per cent. of the profit. That all the appropriations to the various reserves, as well as the enhanced dividend, have been fully earned is evident from the fact that the amount carried forward is about Rs. 50,000 more than the sum brought in.

The financial position of the Company is strong and excellent, as will be seen from the following summary of the latest balance-sheet as at 31st December, 1952:—

Liabilities	Rs.	Assets	Rs.
Capital ..	10,00,000	Gross block ..	32,94,109
Reserves and surpluses ..	26,97,421	*Less*—Depreciation ..	19,37,654
Liabilities ..	59,25,221	Net block ..	13,56,455
		Work-in-progress ..	49,138
		Stores ..	4,08,011
		Stock-in-trade	9,88,115
		Debts, deposits and advances ..	33,80,324
		Investments	31,41,509
		Cash ..	2,99,090
Total Rs.	96,22,642	Total Rs.	96,22,642

The salient features of the Company's finances are: The paid-up capital is relatively small as compared with its earnings so that its dividend-paying capacity is high. This is, of course, the result of large reserves held by the Company, reflecting the judicious financial policy of the management. Liabilities are covered by current assets by a wide margin. The fixed assets seem to have been adequately depreciated. The liquidity of current assets is of a high degree; apart from the comfortable cash position, the investments include Rs. 16.16 lakhs in Gilt-edged securities and Rs. 10 lakhs in fixed deposits in the banks. The break-up value of the shares works out to Rs. 36.97 per share of Rs. 10 each which must be regarded as quite satisfactory, even after making allowance for the fact that the Company's fixed assets are of a wasting nature.

In assessing the prospects for the Company, one must bear in mind the Directors' observations that, although the demand for manganese ore, manganese dioxide and iron ore has continued to be "good" during the half-year under review, there are "very definite" indications of growing competition from other parts of the world and that such "increasing competition will bring about a reduction in the prices obtainable." Among the ores, which the Company mines, there is a good demand for iron ore for export. But the Directors warn that "it is problematical whether this will continue indefinitely, particularly the demand from Europe." So far as manganese ore is concerned, India enjoys the distinction of being one of the few countries which are well endowed by nature with ample reserves of this ore. But this is a strategic commodity. With the decline in re-armament activity, its prices might conceivably decline. Also, Russia is now arranging a series of barter deals with important European countries trying to exchange its manganese ore, among other commodities, for textile and other consumer goods. These deals, when they are concluded, might mean a slight decline in the demand for the Indian ore. Even so, it should be possible to find remunerative markets for high grade ores of all varieties which the Company mines successfully every year. The Rs. 10 paid-up ordinary shares of the Company are being quoted at Rs. 35-12 at the time of writing, to give a yield of 11 per cent. per annum, free of income-tax.

Points From The Chair

Outlook for Dictaphones

"WE have been enjoying for some time a sellers' market and, since the beginning of the present year it has been brought home to us that we are no longer enjoying this condition but our objective has not changed and our objective is the business of rendering a service to individuals, corporations, institutions and Governments who, through the use of Dictaphone dictating machines, can double their capacity to get things done. This friend of mine, when I gave him the interpretation of our business, said: 'Well, I have greater respect for you now—more than I would have had if you had told me your business was making dictating machines.' Ours is a human relations activity and I say to you that a sound business engagement is the result of vision, enterprise and service, and those factors are the products of the heart and not of the market-place. Industry has been influenced by individuals who believed that they could go and buy loyalty, buy brilliancy, buy this, that. But enduring business enterprise is not built up that way. You cannot purchase it. You cannot pick a successful organisation out of a hat. A good organisation depends on the product, an understandable operating programme, an organisation that believes, and the spiritual qualities which we must cherish and preserve."

C. KING WOODBRIDGE,
Dictaphone Company Ltd.

Detention of Vessels

"During the year under review, the Governments of India and Pakistan both introduced a system of passports, which resulted in a considerable hold-up of vessels at border check points, and has adversely affected the number of passengers carried by your Company. Detentions at frontier points for Customs examinations have also added enormously to the turn-round time of vessels, and I am glad to say that the United Nations Organisation has also drawn attention to these delays and that they, in consultation with the respective Governments, are now considering how they can be overcome. I have every hope that the outcome will be satisfactory and will enable the Company's vessels to proceed without the existing delays. Various trade agreements between India and Pakistan were concluded during the year under review, and the agreement, which was due to expire on the 30th June last has been extended to 30th September, 1953, pending the completion of negotiations for a new agreement. The existing agreement covers only a limited range of goods and it is greatly to be hoped that the new one will cover a much wider field. I am pleased to advise that our relations with the Governments of India and Pakistan continue to be on a friendly basis. It is satisfactory that meetings are taking place in a friendly atmosphere between the leaders of the two Countries, and I hope that as a result a settlement of outstanding disputes will be achieved, as it is only under the influence of friendly relationships between India and Pakistan that we can look for an era of satisfactory trading."

A. L. B. TUCKER,
India General Navigation and Railway Co., Ltd.

Competition in Business

"Any consideration of the immediate prospects of the group must have regard to the changed atmosphere of trading. The decline in new business, which was evident in the closing months of the year, has continued and, with the working-off of the backlog of orders, has particularly affected the production level of those departments manufacturing our gunmetal valves and iron cocks. There is also no doubt that a more competitive period lies ahead in the home and overseas markets. The keener conditions, which have been existing since the end of 1952, are affecting profit margins and shareholders must, therefore, expect that it will be increasingly difficult to maintain the past high level of earnings of the group. It is important that the advantage of the much freer availability of our raw materials at prices competitive with world prices must not be jeopardised by any further increase in wages which are not accompanied by increased effort or output and by increases in the cost of services, particularly those for fuel and transport."

N. P. NEWMAN,
Newman, Hender & Co., Ltd.

Conditions in Building Industry

"Stockholders have no doubt noted the sound financial position which is essential to the Board's policy of losing no favourable opportunity of adding to the Company's reserves of ballast-bearing lands. It must be explained that the securing of adequate land replacement is an ever present problem, but it has become more difficult to make the longer-term provisions since the Town and Country Planning Act of 1947. This Act not unreasonably gives the right to various authorities to object to the development of land in any manner which might adversely affect their several interests, and, as a consequence, development of land for ballast extraction becomes restricted or subject to many conditions which now include reinstatement for some useful purpose."

H. W. WILKINSON,
Thames Grit and Aggregates, Ltd.

PROFITS OF MYSORE SPINNING LOWER

MCLEOD GROUP TEA COMPANIES REPORT SET-BACK IN RESULTS

Mysore Spinning and Manufacturing Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. N. Sirur & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 28th February, 1953.

The result of the Company's operations during the year shows a profit of Rs. 6,51,512 (Rs. 8,20,434) which with Rs. 38,347 (Rs. 33,801) brought forward from the previous year's account and with Rs. 4,527 (nil) being surplus of provision made for bonus to staff in the years 1941 to 1945 written back makes a total of Rs. 6,74,417 (Rs. 8,54,235). From this sum the directors have declared an ad-interim dividend of Rs. 3 (Rs. 4 including Re. 1 bonus) per share on 39,736 ordinary shares, absorbing Rs. 1,19,208 (Rs. 1,58,944), and an ad-interim dividend of Re. 1-2 (Re. 1-2) per share (less income-tax) on 14,901 4½ per cent. cumulative preference shares, absorbing Rs. 16,764 (Rs. 16,764). The directors have allocated to provision for taxation Rs. 92,600 (Rs. 2,35,000), reserve fund Rs. 9,332 (nil) and machinery rehabilitation reserve fund Rs. 1,00,000 (Rs. 1,50,000), leaving a balance of Rs. 3,37,113 (Rs. 2,93,527). The directors propose to dispose of this amount as under:—

Payment of a final dividend of Rs. 3 (Rs. 3) per share and a bonus of Rs. 4 (Rs. 3) per share for the year on 39,736 ordinary shares of Rs. 50 each, (making a total of Rs. 10 (Rs. 10) per ordinary share for the year or 20 (20) per cent. per annum) Rs. 2,78,152 (Rs. 2,38,416) and a final dividend of Re. 1-2 (Re. 1-2) per share (less income-tax) on 14,901 4½ per cent. cumulative preference shares Rs. 16,764 (Rs. 16,764) leaving to be carried forward to next year's account Rs. 42,197 (Rs. 38,347).

A sum of Rs. 1,15,667 has been transferred from labour colony fund to reserve fund. This sum represents the cost of labour quarters constructed since the creation of the labour colony fund in 1943-44 upto the close of the year under report.

The fall in the profits during the year under report is due mainly to the sudden slump which set in about March, 1952. After the bulk of the cotton quotas had been purchased at ceiling rates the prices of the raw material declined precipitously and Government at once slashed down the prices of yarn and cloth with the result that for quite a long time goods manufactured out of high priced cottons had to be sold at considerable losses. It was only when Government, realising the gravity of the situation, relaxed the export controls on cloth that the mills could sell some of their manufactures at better margins in the overseas markets.

The Mill property and stocks are insured for the sum of Rs. 3,16,04,015 (Rs. 3,06,05,590) and the profits and standing charges for Rs. 40,00,000 (Rs. 45,00,000) for 24 months' benefit, that is Rs. 20,00,000 (Rs. 22,50,000) annually.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,36,660	Block ...	33,78,659
Reserves ...	66,50,092	Stock-in-trade	65,39,592
Provision for taxation ..	2,94,388	Stores, spare parts, etc.	14,84,625
Liabilities ...	70,75,127	Debts, deposits and advances ...	17,35,664
Profit and loss account ..	3,37,113	Investments	33,50,700
		Cash ...	1,03,950
Rs.	1,65,93,280	Rs.	1,65,93,280

Sungma Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a loss, before providing for depreciation, of Rs. 3,04,072 (profit of Rs. 38,327) to which was added adjustments in respect of seasons 1948 and 1951 Rs. 25,000 (credit of Rs. 2,564) and depreciation for 1952 Rs. 21,428 (Rs. 26,605) making a total of Rs. 3,50,500 (Rs. 13,377). From this amount was deducted provision for taxation over provided in previous years now written back Rs. 7,476 (nil) and balance of profit brought forward from 1951 Rs. 19,301 (Rs. 5,924) leaving a balance at debit of profit and loss account to be carried forward to 1953 of Rs. 3,23,732 (credit of Rs. 19,301).

The saleable crop from Sungma and Turzum Estates weighed out at 3,868 (5,124) maunds against an estimate of 5,300 (5,300) maunds and was disposed of at an average price of As. 27.65 (As. 32.47) per lb. The estimate for season 1953 provides for a saleable crop of 4,590 maunds at an all-in cost of Rs. 6,23,217.

The results were disappointing. The huge drop in crop due mainly to unfavourable climatic conditions and a fall of nearly As. 5 per lb. in the average prices realised as compared with the previous season have contributed to this result.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,25,000	Block ...	9,59,793
Reserves ...	5,74,510	Stock of tea	1,48,212
Liabilities ...	8,24,268	Stores, etc. ...	4,71,540
		Debts, deposits and advances ...	1,17,383
		Investments	2,818
		Cash ...	300
		Profit and loss account ...	3,23,732
Rs.	20,23,778	Rs.	20,23,778

Baghmari Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a loss, before providing for depreciation, of Rs. 79,334 (loss of Rs. 6,819) to which amount was added adjustments in respect of season 1951 Rs. 10,219 (Rs. 10,680), depreciation for 1952 Rs. 81,910 (Rs. 78,792), and loss brought forward from 1951 Rs. 89,152 (profit of Rs. 5,857) making a total of Rs. 2,60,615 (Rs. 89,152), from this sum was deducted provision for taxation over provided in previous years now written back Rs. 1,705 (nil) leaving a balance at debit of profit and loss account to be carried forward to 1953 of Rs. 2,58,910 (debit of Rs. 89,152).

The saleable crop weighed out at 9,946 (7,861) maunds against an estimate of 10,000 (9,850) maunds and was disposed of at an average price of As. 20.16 (As. 24.21) per lb. The estimate for season 1953 provides for a saleable crop of 9,000 maunds at an all-in cost of Rs. 8,84,890. The substantial drop in the market value of the tea has resulted in a heavy loss being incurred.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,50,000	Block ...	10,66,743
Reserves ...	7,21,416	Stock of tea	4,56,027
Liabilities ...	11,10,939	Stores, etc.	4,50,135
		Debts, deposits and advances ...	1,44,204
		Investments	1,107
		Cash ...	25,229
		Profit and loss account ...	2,58,910
Rs.	23,82,355	Rs.	23,82,355

Ranicherra Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a loss, before providing for depreciation, of Rs. 4,41,193 (profit of Rs. 1,12,254) to which was added depreciation for the year 1952 Rs. 1,69,475 (Rs. 73,332) making a total of Rs. 610,668 (Rs. 24,599). From this amount was deducted adjustments in respect of season 1951 Rs. 13,006 (Rs. 19,042), claim on lorry Rs. 2,948 (nil) and balance of profit brought forward from 1951 Rs. 20,652 (Rs. 5,803), leaving a balance at debit of profit and loss account to be carried forward to 1953 Rs. 5,74,064 (credit of Rs. 20,652 after making provision for reserves).

The saleable crop weighed out at 12,851 (13,829) maunds against an estimate of 14,435 maunds and was disposed of at an average price of As. 17.74 (As. 24.90) per lb. The estimate for season 1953 provides for a saleable crop of 12,210 maunds at an all-in cost of Rs. 10,65,324.

The results are disappointing. The substantial drop in crop due mainly to unfavourable climatic conditions and a fall of over As. 7 per lb. in the average prices realised, as compared with the previous season, have contributed to this result.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,65,000	Block ...	11,31,793
Reserves ...	4,43,433	Stock of tea	5,23,881
Provision for taxation ...	9,184	Stores, etc. ...	4,43,406
Liabilities ...	16,99,892	Debts, deposits and advances ...	2,35,019
		Investments	2,113
		Cash ...	6,938
		Profit and loss account ...	5,74,064
Rs.	29,17,514	Rs.	29,17,514

Margaret's Hope Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a profit, before providing for depreciation, of Rs. 1,715 (Rs. 84,575) to which was added adjustments in respect of season 1951 Rs. 4,345 (debit Rs. 5,711) and balance of profit brought forward from 1951 Rs. 17,311 (Rs. 1,271) making a total of Rs. 23,371 (Rs. 65,932). From this amount was deducted depreciation for the year 1952 Rs. 20,082 (Rs. 21,927) leaving a balance at credit of profit and loss account of Rs. 3,289 (Rs. 44,005) to be carried forward to 1953.

The saleable crop weighed out at 4,893 (4,117) maunds against an estimate of 4,960 (4,960) maunds and was disposed of at an average price of As. 30.12 (As. 35.40) per lb.

The estimate for season 1953 provides for a saleable crop of 4,960 maunds at an all-in cost of Rs. 6,04,347.

The results were not satisfactory. The huge drop in the prices realised in 1952, as compared with the previous season, has adversely affected the trading results.

India Jute. ... Ltd.

... ver, but f... ges fr...

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	4,19,414
Reserves ...	2,50,000	Stock of tea	3,42,242
Provision for taxation ...	17,000	Stores, etc. ...	1,53,275
Liabilities	3,88,471	Debts, deposits and advances ...	1,35,928
Profit and loss account ...	3,289	Investments	1,710
		Cash ...	6,191
Rs.	10,58,760	Rs.	10,58,760

Tirribannah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a loss, before providing for depreciation of Rs. 1,35,159 (profit of Rs. 82,002) to which was added adjustments in respect of season 1951 Rs. 5,239 (Rs. 3,993) and depreciation for the year 1952 Rs. 42,457 (Rs. 81,239) making a total of Rs. 1,82,855 (credit of Rs. 42,478). From this sum was deducted the balance of profit brought forward from 1951 of Rs. 11,494 (credit of Rs. 9,804) leaving a balance at debit of profit and loss account to be carried forward to 1952 Rs. 1,71,361 (credit of Rs. 11,494 after payment of ordinary and preference dividends and transfer to general reserve).

The saleable crop weighed out at 6,182 (6,580) maunds against an estimate of 7,500 (7,300) maunds and was disposed of at an average price of As. 18.72 (As. 25.30) per lb.

The estimate for season 1953 provides for a saleable crop of 6,250 maunds at an all-in cost of Rs. 5,50,595.

The results were not satisfactory. The substantial drop in crop due mainly to unfavourable climatic conditions and a fall of over As. 6 per lb. in the average prices realised, as compared with the previous season, have contributed to this result.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Block ...	4,10,532
Reserves ...	3,00,150	Stock of tea	1,95,099
Provision for taxation ...	40,574	Stores, etc.	2,16,660
Liabilities ...	4,33,188	Debts, deposits and advances ...	93,142
		Investments ...	1,412
		Cash ...	5,106
		Profit and loss account ...	1,71,361
Rs.	10,93,912	Rs.	10,93,912

Bhagalpur Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The revenue account shows a profit on the year's working of Rs. 1,85,249 (Rs. 1,82,918) after deducting arrears of depreciation Rs. 9,330 (Rs. 9,353), bonus to staff Rs. 10,600 (Rs. 11,278), contribution to Vallabhbhai Patel national memorial fund Rs. 181 (nil), provision for gratuity to resident engineer Rs. 3,000 (nil), provision for taxation Rs. 35,600 (Rs. 52,500), reserve for deferred taxation Rs. 22,000 (Rs. 23,000) and appropriations under the Electricity (Supply) Act, 1948 Rs. 11,564 (Rs. 26,660) there is a net profit for the year of Rs. 92,954 (Rs. 57,604). This profit added to the credit balance of Rs. 15,879 (Rs. 14,476) brought forward from the previous year and an excess profits tax post-war refund of Rs. 860 (nil) results in a credit balance on profit and loss account of Rs. 1,09,694 (Rs. 72,079) which the directors recommend be disposed of as follows:—

Payment of a dividend of As. 8 (As. 10) per share for 1952 without any deduction of income-tax payable by the Company Rs. 36,960 (Rs. 46,200), transfer to general reserve Rs. 30,000 (Rs. 10,000) and carry forward Rs. 42,734 (Rs. 15,879).

A continuous supply of electricity was maintained throughout the year, and an increase of approximately 10 per cent. in the number of units sold was recorded as compared with the previous year. The number of units of electricity sold during the year was 35,41,862, as compared with 32,03,745 in 1951 and 27,62,334 in 1950.

The number of consumers connected to the Company's system at the close of the year was 2,984 with a connected load of 3,551 kw., as compared with 2,756 with a connected load of 3,250 kw. at the close of the previous year.

The directors report, that the order for a new 720 kw. generating set required to meet the additional demand on the Company's system, and mention of which was made in the last report, has been cancelled. This step had reluctantly to be taken as the necessary finance for the purchase of the unit was not forthcoming, the reason being that the restrictive nature of the Elecricity (Supply) Act, 1948, made it impossible for the Company to offer terms sufficiently attractive to interest prospective investors. No further substantial expansion of the undertaking can consequently be expected unless and until the above Act is so amended as to enable a fresh appeal to be made under more favourable circumstances. Meanwhile the directors have recommended a dividend of As. 8 per share for 1952 as compared with the 1951 dividend of As. 10 per share in order that, as far as possible, funds may be conserved for the purchase of new equipment.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,91,485	Block ...	8,96,640
Reserves ...	4,95,184	Stores ...	3,34,931
Provision for taxation ...	83,979	Debts, deposits and advances ...	2,87,879
Liabilities ...	3,25,926	Investments	19,095
Profit and loss account ...	1,09,693	Cash ...	67,722
Rs.	16,06,267	Rs.	16,06,267

India General Navigation and Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kilburn & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The result of the year's working, after providing for all revenue expenditure and depreciation, is a profit of £126,124, compared with a profit of £20,344 for the previous year. Including the balance of £9,761 (£4,791) brought forward from 1951, and a credit of £33,310 in respect of over-provisions made in previous years, the amount available in the appropriation account is £169,195 (£25,135), from which the following transfers have been made to fleet reserve £100,000 (nil) and contingency reserve £29,942 (nil). The directors recommended the following dividends:—

On the cumulative preference stock 6 (12) per cent. (Net) £8,053 (£15,374 for two years 1950 and 1951) and on the ordinary stock 5 (nil) per cent. (Net) £18,028 (nil) leaving to be carried forward £13,172 (£9,761).

As an interim-dividend of 3 per cent. was paid on the preference stock in April last, there will remain 3 per cent. to be distributed on that stock. No interim-dividend was paid in respect of the ordinary stock. The transfer, of £29,942 to contingency reserve is to meet a loss which has arisen in a settlement of railway through traffic transactions dating back over several years and which will be adjusted during the current year. With regard to depreciation, the directors have followed the procedure of the past two years and so far as the fleet is concerned, the provision made has generally been allocated to the more modern and expensive units. Depreciation at the normal rates has been provided in respect of the immovable block and motor vehicles. In view of the continued very high cost of replacements to the fleet, the Board deem it prudent to transfer the sum of £100,000 to the fleet reserve. Owing to losses carried forward from previous years no further provision for taxation is necessary.

As advised in the last report, the second of the powerful tugs went into commission during the year, together with five of the deep sea barges, leaving one barge, which is at present under construction, to complete this portion of the rebuilding programme. The directors are pleased to advise that these vessels are proving most useful additions to the fleet.

During the latter part of the year 1951, an Expert Working Group on Inland Water Transport, associated with the Economic Commission for Asia and the Far East, under the auspices of the United Nations Organisation, toured the Asian, European and American Continents to examine I.W.T. operations. Representatives of the Company accompanied this Commission.

The Company has during February of this year carried out extensive Towing Trials with the object of obtaining up-to-date data as to the best methods of towage and craft design. These trials were attended by representatives of the Governments of India and Pakistan, together with those of other Governments interested in I.W.T. problems, and of Messrs. William Denny & Bros., Ltd., of Dumbarton, Scotland, who have designed and built many of the vessels in your Fleet. I am pleased to say that these trials were most successful and have provided all concerned with much valuable information.

With regard to prospects for the current year, the directors regret that, having regard to the difficulties which have already been referred and to the economic depression which at present overshadows both India and Pakistan, earnings to date have shown a most serious decline and it is feared a loss on the year's workings is inevitable.

The chief items of carriage by the Company are jute and tea. With regard to the former, the crop for the current year is estimated to be considerably less than for the previous year, which also applies to the tea crop. As is generally known, the tea industry passed through a crisis last year, with the result that gardens are purchasing only the absolute minimum of stores, etc., and this policy, of course, very materially reduces the upward carriage of your Company. There has, however, been a considerable improvement in the tea market since the beginning of the year and when more funds become available from the sale of the new crop we may expect increased traffic to the tea gardens. In the meantime the managements, both in India and Pakistan, are taking steps to curtail expenditure wherever possible.

The cost of coal, which is controlled by Government, is of course a serious matter for the Company and will, I trust, be substantially reduced.

In conclusion, the directors would like to convey to the managements and to the staff in both India and Pakistan their appreciation of and thanks for the valuable services throughout the past year.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	899,610	Block ...	1,895,106
Reserves ...	1,123,737	Stocks & stores	769,279
Provision for taxation ...	45,340	Debts, deposits and advances ...	1,079,415
Liabilities ...	1,755,712	Investments	40,470
Profit and loss account ...	13,172	Cash ...	53,301
£	3,837,571	£	3,837,571

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

COMPANY MEETINGS AND DIVIDENDS

LEDO TEA CO., LTD. Annual General Meeting, Calcutta, 8th September, 1953. Dividend: Nil. Transfer books closed from 2nd to 8th September, 1953, both days inclusive.

INDIA JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 9th September, 1953. Dividend: Rs. 3-2 per share. Transfer books closed from 26th August to 9th September, 1953, both days inclusive.

MEGNA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 9th September, 1953. Dividend: Rs. 2-8 per ordinary share. Transfer books closed from 26th August to 9th September, 1953, both days inclusive.

INDIA GENERAL NAVIGATION AND RAILWAY CO., LTD. Annual General Meeting, London, 10th September, 1953. Dividend: 5 per cent. Transfer books closed from 28th August to 10th September, 1953, both days inclusive.

SILVA (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 10th September, 1953. Dividend: As. 12 per share. Transfer books closed from 1st to 10th September, 1953, both days inclusive.

MOZUFFERPORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 11th September, 1953. Dividend: Nil. Transfer books closed from 4th to 11th September, 1953, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Half-yearly General Meeting, Calcutta, 11th September, 1953. Dividend: Nil. Transfer books closed from 5th to 11th September, 1953, both days inclusive.

TEEN ALI TEA CO., LTD. Annual General Meeting, Calcutta, 11th September, 1953. Dividend: Re. 1 per share. Transfer books closed from 4th to 11th September, 1953, both days inclusive.

CANNANORE SPINNING AND WEAVING MILLS, LTD. Annual General Meeting, Kakkat, Cannanore (North Malabar), 13th September, 1953. Dividend: Rs. 12 per share. Transfer books close from 7th to 20th September, 1953, both days inclusive.

CALCUTTA JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 14th September, 1953. Transfer books closed from 4th to 14th September, 1953, both days inclusive.

BANARHAT TEA CO., LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: Rs. 17-8 per share. Transfer books close from 7th to 18th September, 1953, both days inclusive.

CHOONABHUTTE TEA CO., LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: Rs. 10 per share. Transfer books close from 7th to 18th September, 1953, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Indore, 26th September, 1953. Dividend: Rs. 6 per share payable on 12th October, 1953. Transfer books close from 7th to 26th September, 1953, both days inclusive.

GOKAK MILLS LTD. Ad-interim dividend of Rs. 5 per share, free of income-tax, for the half-year ended 30th June, 1953, payable on and after 26th October, 1953. Transfer books close from 6th October to 19th October, 1953, both days inclusive.

BALMER LAWRIE & CO., LTD. Interim dividend of Rs. 5 per ordinary share, free of income-tax, for the year ending 31st December, 1953, payable on or after 25th September, 1953. Transfer books close from 14th to 25th September, 1953, both days inclusive.

MYSORE LAMP WORKS LTD. Dividend of Re. 1 per share (tax-free), for the year ended 31st March, 1953.

SRI RANGA VILAS GINNING, SPINNING AND WEAVING MILLS LTD. Dividend of Rs. 3 per share for the year ended 31st December, 1952. Transfer books closed from 19th August to 16th September, 1953, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Interim dividend of Rs. 10 per share (tax-free), for the half-year ended 30th June, 1953.

KAILAS RUBBER CO., LTD. Dividend of As. 8 per share, free of tax, on ordinary shares, for the year ended 28th February, 1953. Transfer books close from 15th to 24th September, 1953, both days inclusive.

UNITED NILGIRI TEA ESTATES CO., LTD. Final dividend of Rs. 13 per share, for the year ended 31st March, 1953. Transfer books close from 15th to 22nd September, 1953, both days inclusive.

MALANKARA RUBBER AND PRODUCE CO., LTD. Dividend of Rs. 16-8 (55 per cent.) per ordinary share, for the year ended 31st March, 1953. Transfer books close from 12th to 25th September, 1953, both days inclusive.

MYSORE TOBACCO CO., LTD. Dividend of Re. 1 per share, for the year ended 31st March, 1953. Transfer books closed from 28th August to 10th September, 1953, both days inclusive.

COMPANY REGISTRATIONS

BOMBAY STEAM NAVIGATION CO., (1953) LTD. (First Director: Mr. Shantikumar N. Morarjee.) Business: To Purchase, Charter, Hire, Build or Otherwise Acquire, Steam and Other Ships for purpose of Transporting Passengers, Mails, Troops, etc. Authorised capital: Rs. 50,00,000. Private company. Address: "Scindia House," Dougall Road, Ballard Pier, Fort, Bombay.

VERMA AND RANADE LTD. (First Director: Mr. S. Y. Ranade.) Business: Builders, Contractors, Electricians, Merchants, Manufacturers of Bricks, etc. Authorised capital: Rs. 5,00,000. Private company. Address: "Janmabhoomi Chambers," Fort Street, Bombay, 1.

QUESTION HOUR IN PARLIAMENT

Cases of Concealed Income

SO far as the cases disposed of by the Income-tax Investigation Commission from 1st January, 1952, are concerned, the highest amounts of concealment in the case of an individual, a firm and a company are Rs. 16,05,540, Rs. 89,96,722 and Rs. 59,74,714, respectively. Figures of individual cases of concealment in respect of voluntary disclosures and concealments found out by Income-tax officers in the course of normal assessment are not available. The collection of this information will involve a very large amount of time and labour not likely to be commensurate with the result aimed at.

—*Finance Minister*

Locust Control

It is estimated that the Government of India will spend about Rs. 9 lakhs on the Locust Warning Organisation and Rs. 14 lakhs on the co-ordinated locust control scheme in scheduled desert breeding areas of Rajasthan, Saurashtra, Bombay, Kutch and P.E.P.S.U., during the current financial year. The latter amount will be subsequently recovered from the beneficiary States on an agreed basis. The vulnerable States have their own anti-locust organisations to fight the locust menace in their respective cultivated areas. They also contribute towards the co-ordinated anti-locust scheme sponsored by the Central Government.

—*Deputy Food Minister*

Loans for Fertiliser Purchase

The Government of India has advanced a sum of Rs. 480.87 lakhs as short-term loans to States for the purchase and distribution of fertilisers during 1953-54.

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Tubewells in U.P.

The Five-year Plan of U.P. originally provided for the construction of only 1,000 tubewells. But, on subsequent representation of the U.P. Government, the number was increased to 2,000 tubewells, subject to T.C.A. assistance being made available. The programme for the construction of 1,275 tubewells under the T.C.A. projects and of 260 tubewells under the State scheme has already been approved by the Government of India and it is scheduled to be completed within the period of the Five-year Plan. The construction of the remaining 465 tubewells will depend upon further programmes being taken up under foreign aid during the Plan period.

—*Food and Agriculture Minister*

Unemployment in India

The report of the National Sample Survey on unemployment in India is expected to be available by February 1954. The Planning Commission has instituted enquiries through the National Sample Survey. A preliminary survey into unemployment in 18 towns excluding the four cities of Bombay, Calcutta, Madras and Delhi will start by the end of September. A sample enquiry into unemployment in Delhi, based on the live register of employment exchanges, will begin in a few days. An intensive enquiry on employment has already begun, in the Calcutta area, on the basis of 4,000 households. A proposal is also under examination for a study of the unemployment problem in Travancore-Cochin. One of the items on which information is sought through the Sample Survey is the expected income of the individual and his actual income. This will give some idea about the extent of unemployment. The survey is confined to urban areas as unemployment is more there than in rural areas. For immediate relief to the unemployed, the National Extension Service will provide employment to about 84,000 persons, while the rural teaching programme will absorb another 80,000. The cottage industries and other development projects will also provide additional employment.

—*Deputy Minister for Planning*

Foreign Investments in India

Foreign residents sold or liquidated business in India to the extent of about Rs. 15.84 crores during July, 1947, to March, 1953, while during the same period foreign investments in India amounted to about Rs. 8.26 crores. Of the business liquidated by foreign residents, manufacturing industries accounted for Rs. 117 lakhs, trading concerns for Rs. 98 lakhs, electricity supply utilities for Rs. 503 lakhs, mining and transport for Rs. 18 lakhs each, plantations for Rs. 265 lakhs, engineering for Rs. 20 lakhs and managing agencies for Rs. 531 lakhs. Of the Rs. 8.26 crores invested in India, Rs. 6.93 crores were from the United Kingdom, Rs. 7.87 lakhs from the United States, Rs. 16 lakhs from Canada, Rs. 66 lakhs from Switzerland and about Rs. 42 lakhs from other countries.

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Unauthorised Imports

The value of properties confiscated by the Customs authorities for unauthorised imports during 1952-53 was approximately Rs. 1,69,27,000. The amount of fines recovered in lieu of confiscation was about Rs. 37,38,000. In addition, personal penalties amounting to nearly Rs. 1,50,000 were recovered. The amount realised from the sale of confiscated goods was roughly Rs. 30,54,000.

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Corporations Assessed for Income-tax

The number of State trading firms and corporations under the Government of India that had paid, or had been assessed for income-tax for 1952-53 was only two. The total amount of capital invested by the Government of India in the two corporations is Rs. 2,46,70,000. Interest is not payable on share capital and no interest has been charged from the two corporations in question on the capital invested in them.

—*Deputy Minister for Finance*

MONEY LISTLESS

(From Our Own Correspondent)

BOMBAY, 2nd *September*

The short-term money market presented a holiday atmosphere during the week under review. The banks and the principal markets remained closed on the 1st and the 2nd inst., owing to *Janmashtami* and Parsi New Year, respectively. There were, therefore, no new developments in the market. The trend was distinctly easy. The supply of floating funds increased while borrowers were scarce. The call money rate among Exchange banks and big Indian banks remained unaltered at 1 per cent. The rate for renewals too was unchanged at 1¼ per cent. The call rate among small Indian banks moved between 2¼ per cent. and 2 per cent. There were few bidders for short-term deposits from 1 to 2 months, the rate for which continued to stand at 2 per cent. Three months' money was on offer at 2¼ per cent. The quotation for house money was 2 per cent. Owing to the bank holidays, there was no sale of treasury bills. As reported last week, tenders for Rs. 1.5 crores worth of these bills have been invited on 7th September next.

The consolidated statement of the position of Scheduled banks for the week ended 21st August, 1953, reveals a marked improvement of Rs. 5.32 crores in demand deposits, as against a sharp drop of Rs. 7.5 crores in the previous week. Time deposits which had risen by Rs. 21.21 lakhs a week before have, on the contrary, declined by Rs. 1.58 crores. Borrowings from banks were better by Rs. 19.72 lakhs, while those from the Reserve Bank registered a fall of Rs. 34 lakhs. A fall of Rs. 47 lakhs is also seen in the borrowings from the Imperial Bank. On the assets side, advances have declined further, this time by Rs. 2.64 crores, as against Rs. 5.4 crores in the previous week. Inland bills purchased and discounted too have fallen but by Rs. 1.44 crores only. A minor rise of Rs. 40 lakhs is seen in investments. But cash on hand and the balances with the Reserve Bank have together gone up by Rs. 4.34 crores.

With broadened enquiries for short-dated loans, the Gilt-edged market was comparatively more active this week. Most of the loans have registered an increase of one anna in their quotations on balance. On some buying but mostly on bear covering, 3 per cent. 1986 Conversion loan improved by As. 5 to Rs. 82-4. The demand for the loan has increased in view of the approaching date of interest payment on the 16th inst. Among other 3 per cent. loans, 1958 and 1959-61 have risen by an anna to Rs. 98-2 and Rs. 96-2 respectively. 1963-65 and 1964 loans are up by a like amount to Rs. 92-7. 3½ per cent. 1961 National Plan Bonds were unchanged at Rs. 98-6.

In the foreign exchange section, the rupee-U.S. dollar rate moved up during the week by As. 4 to Rs. 476¼ per $100. In New York, spot sterling was quoted lower at $2.81-1/16—2.81-3/16 as against $2.81-7/16—2.81-9/16 a week ago. The forward rate for three months was also lower at $2.80¼—2.80⅜ as compared with $2.80⅞—2.81. The rate for six months too registered a recession from $2.80-5/16—2.80-7/16 to $2.80-2.80⅛.

TEA PRICES IMPROVE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 29*th August*

The total offerings in dust sale 'Q,' which was held on Tuesday, 25th August, 1953, amounted to 125,000 lbs. There was strong general demand and prices were albeit irregularly, an anna dearer for all types. Demand for better liquoring dusts was better.

London Market.—More general demand for common tea. Prices from a farthing to half penny higher.

Colombo Market.—Strong demand for low-grown. Mediums firm to dealer. Dimbula Dickoya kinds 10 to 15 cents dearer. Uva sorts lower, following quality except best.

Calcutta Market—Export.—Market generally half an anna to one anna easier, but good demand at lower prices.

Dust: Market opened easier but strengthened towards the end of sale, except for C.T.Cs. which closed lower by As. 4.

Export Quota.—During the week under review, it was learned that the Tea Licensing Committee had been authorised by the Government to increase the release of export quota from 115 per cent. to 122½ per cent. of the standard exports. The market reacted sharply to this news and the price fell to 11¼ pies (sellers).

Forthcoming Auctions.—Dust sale 'R' will be held on Tuesday, 8th September, 1953.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:

Sale 18. 1,175,000 lbs. Strong general demand. Common sorts steady. Medium and good medium types suitable for blenders half an anna to one anna dearer. Best liquoring dearer with improving quality, whole leaf weaker."

HIDES WEAK

(From Our Own Correspondent)

KANPUR, 31*st August*

The hides and skins market showed improved tendency in the initial sessions of the week under review. But due to severe shortage of supply, the market turned weak towards the close. Sellers were eager to lighten their commitments, while buyers showed little interest. There was little activity in the skins section, although prices reacted appreciably, owing to poor demand from Madras dealers.

The closing quotations are:—wet salted cow 1st grade superior Rs. 370 and inferior Rs. 260; 2nd grade superior Rs. 260 and inferior Rs. 180 per score; wet salted buffalo hides 1st grade 1 lb. 10 ozs. and 2nd grade 2 lbs. 6 ozs. per rupee; goat skins 1st grade Rs. 250 and 2nd grade Rs. 210 per 100 pieces; sheep skins Rs. 280 per 100 pieces.

SPURT IN SILVER

(From Our Own Correspondent)

BOMBAY, 2nd *September*

The bullion market displayed a firm trend during the week under review. The firmness was more pronounced in the silver than in the gold section. This was due to renewed speculative support, induced by encouraging demand for ready silver and expectation of still larger offtake in the coming weeks. Improvement in prices in other markets and firm advices from up-country centres fanned the bullish fervour further. Short-sellers were, therefore, eager to cover their outstandings, while the bulls lent renewed support. The value of silver staged a swift rise and gold followed the white metal.

Silver for forward delivery (*Bhadrapad*), which was as low as Rs. 152-8 last week, registered a rapid advance to touch Rs. 158-5 to-day, the highest for the past nine weeks. At this level, however, profit-taking set in and the quotation slided down to close at Rs. 157-11.

Ready silver (.999) opened the week at Rs. 155-13 and, after advancing by Rs. 4-12 to Rs. 160-9, finished lower at Rs. 159-15. The daily average offtake was 18 bars, while arrivals were 14 bars.

Gold for forward delivery (*Bhadrapad*) was fully steady at Rs. 86-15 on the opening day, as against Rs. 86-13 last week. On renewed support extended by professional traders, the yellow metal spurted to Rs. 88-4 on the 29th inst. The improvement could not, however, be sustained to-day, when, on account of scattered selling pressure which was, however, well absorbed, the quotation declined to finish at Rs. 87-7.

Ready gold, after rising from Rs. 87-15 to Rs. 82-12 on Saturday, reacted to Rs. 87-12 to-day. Towards the close, however, it was slightly better at Rs. 87-13. The daily average arrivals and offtake were even at about 4,000 tolas.

Business in the *Aswayuj* delivery contract is expected to commence on Tuesday next. A decision to this effect is to be taken by the Bombay Bullion Association at its meeting convened on the 4th inst.

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

	2-9-53	Highest	Lowest	26-8-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 13	88 12	87 9	88 1
Forward	87 7	88 4	86 12	86 13
Sovereign	58 0	58 4	58 0	58 4
SILVER				
Ready (.999 fine Mint)	159 15	160 9	155 11	156 11
Forward	157 11	158 5	153 3	152 15
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

METALS LIVELY

(From Our Own Correspondent)

CALCUTTA, 1*st September*

The feature of trading in the metal market during the week under review was the return to liveliness, although the turnover was low as usual. Quicksilver, after remaining dull for the past several weeks, was in moderate demand, following the reported finalisation of a fairly large export business, in both Calcutta and Bombay. Consequently, the price shot up to Rs. 500 per flask of 75 lbs., as against Rs. 456. In fact, ready supplies have become difficult to be located, although, in the country as a whole, there are plentiful stocks which would more than meet industrial requirements for about five more years.

Better advices from Singapore and smart recovery of the settlement price in London made the local quotation for tin improve from Rs. 405 to Rs. 413. This improvement merely reflected market trends abroad; it was thus not a result of an increase in turnover. Attention is naturally given to official reaction in the United States to the holding of an International Tin Conference in November next, and America is known to hold the opinion that ratification of any tin agreement would depend upon its foreign economic policy.

Copper was steady and electrolytic material gained from Rs. 165 to Rs. 167. Demand was poor, as consumers were interested only in getting their day-to-day requirements. The fire-refined copper ingots were traded at Rs. 150 per cwt. Lead was better at Rs. 68, as against the opening quotation of Rs. 67. The improvement of Re. 1 was due to the delay in arrivals of some incoming shipments, yet on the high seas. Electrolytic zinc was quiet at Rs. 55.

DEMAND FOR HIDES POOR

(From Our Own Correspondent)

MADRAS, 31*st August*

The conditions in the market for cow hides remained unchanged during the week under review. Due, however, chiefly to holidays, the clearance was smaller. The U.K. demand was primarily for lower grades, fifths in all weights and lightweight inferiors. For better grades, the U.K. enquiry was very patchy. There was good demand for 12/13 lbs. buffaloes from the U.K., but other weights were very difficult to sell. Lack of demand for both cow calf and buff calf from the U.K. persisted.

Tanned goat skins in the London auctions declined by 6*d.* to 1*s.* per lb., but prices this side remained unchanged. There was again, a large clearance of sheep skins during the past week, although prices did not register any change. The quality of arrivals of both tanned goat and sheep in the local market continued to be very poor. Raw prices remained firm.

COTTON EASY

(From Our Own Correspondent)

BOMBAY, 2nd *September*

For the cotton trade, the meeting of the Indian Central Cotton Committee, last week, in Bombay, had special significance from several points of view. In the first place, it went a long way to confirm the general opinion that the country was quantitatively approaching self-sufficiency in cotton. Mr. M. R. Bhide who presided over the meeting, in his capacity as Vice-President of the Indian Council of Agricultural Research, stated that the monsoon continued to be favourable and if it persists till the end, a production of 4.0 million bales, if not 4.2 million bales, which was the target fixed for 1953-54, could confidently be expected. Apart from making Indian cotton cheaper, this would reduce the quantum of imports to a certain extent and save foreign exchange for the country. In addition, a greater proportion of Indian cotton used in our total cloth production, even without reduction in price, would go to lower the price of cloth. This would make it more easily saleable both within and without the country and would aso help in reducing the cost of living.

The increase in overall production of cotton though naturally welcome to all interests, the growers, the trade and the textile industry, has caused some anxiety amongst that section of the trade which is interested in the export trade of this commodity. The increase in production is accompanied by a change in the proportion which short-staple cotton bears to the medium-staple varieties. The effort of the Committee has been directed naturally towards an extension of the area under better varieties and there has been a significant shift of area under this crop from short-staple varieties to medium-staple cotton. Any reduction in the quantity of the former, means a reduction in the quantity of exports.

The shippers therefore raised a cry for a rationalisation and revision of the production pattern. The only plea they could advance for arresting the present shift was that the country would earn less foreign exchange if there was less of exportable cotton available. Quite a lot of noise was created by this section of the trade about this development. But the Committee very wisely decided that the time for any such reversion in its policy had not arrived, because we had not yet reached the self-sufficiency point with regard to our requirements from medium- and long-staple varieties and that in any case, it would be more in the interests of the country's economy to increase the production of long and extra long-staple cotton, to minimise the imports of these costly varieties. In this connection, the Chairman made a welcome announcement that the Bombay State authorities were trying to grow a new hybrid cotton, which could replace the use of Egyptian cotton.

The optimistic crop outlook had a heavily depressing effect on the forward market. Last week, the quotation for February contract was pushed down to Rs. 633, almost a hundred rupees below the level at which the August contract expired last week. Since then, there has been a modest revival, but the sentiment continues to be bearish. It is expected the trading in May and August contracts will be allowed as soon as the negotiations between the E.I.C.A. and the Textile Commissioner with regard to the reversion of the schedule of tenderable varieties are believed to have advanced appreciably. Before the holidays, activity in the spot market had increased, especially with regard to imported cottons.

The forward section of the cotton market remained closed on 31st August and 1st September, on account of *Gokul Ashtami*. The spot market remained closed on these two days and also on 2nd September on account of Parsi New Year. In the forward section, I.C.C. February opened the week at Rs. 636 and moved up to touch a high of Rs. 640½. But the profit-taking at this level, coupled with some selling pressure induced by good prospects for new crop, depressed the contract to Rs. 632½ on 29th August. But it recovered, on good support at low levels, to Rs. 638 on 2nd inst. before it reacted to Rs. 634 towards the close of the trading session.

The following is the trend of prices in the forward market during the week ended to-day:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 636	640½	632½	634

In the spot market, the prices remained practically unchanged over the week.

Though trading activity at Karachi still continues to be more or less at a standstill, so far as the export trade is concerned, the market on the whole is in a very complacent mood about the result of the season's working. The total quantity of cotton shipped during 1952-53 amounted to 16.5 lakhs, which is a record since partition. The carry-over is only 1.5 lakh bales which in view of the smaller crop expected this year is not likely to depress the prices of the new crop. Japan purchased about seven lakh bales and Karachi's expectations are that it will take about a third of the new crop. Apart from Japan, other buyers of this cotton are still holding off as the present quotations on parity are regarded as higher and a scramble for cotton is out of the question. The latest available quotations from Karachi are:

Punjab Deshi Rs. 68; L.S.S. Punjab R.G. Rs. 58½ to Rs. 59; S.G. Rs. 63; N.T. R.G. Rs. 62 to Rs. 63; S.G. Rs. 66 to Rs. 67; 289F Punjab R.G. Rs. 65½; S.G. Rs. 69½; Sindessi new crop Oct.-Nov. Rs. 68½; N.T. R.G. Rs. 67½; S.G. Rs. 71; 289F Punjab R.G. Rs. 70½N; S.G. Rs. 75½N.

At Alexandria also, the tempo of trading is low in keeping with other world markets, but it is definitely higher than at Karachi. What is more, there are already signs of a revival of interest from abroad, though it is confined primarily to medium grades. India has put through some good business although the difficulty regarding payment for the previous purchase of about 30,000 bags has not been resolved. Now that the Cotton Import Advisory Committee has recommended full payment in sterling for this cotton, this phase might come to an end at an early date.

At New York, the same listless conditions as in the last two weeks persisted. As usual, the fluctuations have been narrow and the volume of trading considerably reduced. But as the prices are getting stabilised around the present levels and there is no likelihood of a further fall of any magnitude, it is believed there that the consuming countries will now gradually begin to cover their requirements for the next few months. This is likely to be the case also because it has now been made authoritatively clear that there will be no subsidy for exports at any time during the season.

The following are the latest quotations from New York, as compared with those ruling a week and a fortnight ago:

(In cents per lb.)

	31-8-53	25-8-53	18-8-53
Spot	33.75	33.80	33.70
October	33.33	33.54	33.43
December	33.60	33.84	33.60
March	33.86	34.00	33.79
May	33.86	33.96	33.76

ART SILK YARN LOOKS UP

(From Our Own Correspondent)

BOMBAY, 2nd *September*

The week under review was a very short one for the art silk yarn market, the number of sessions being limited to only three. For the market remained closed on Monday and Tuesday, on account of *Gokul Ashtami*, and to-day, on account of Parsi New Year. During this brief period, the market exhibited active conditions with values moving upwards on the changes in the import policy announced by the Government. The market was also assisted by good enquiries in the ready section in sympathy with the improvement in the rayon market.

The Government of India has extended the restriction of 5 per cent. and 20 per cent. on imports of 150D and 120D bright finishes, respectively, to all yarns of bright finish, such as double yarn, crepe and voile yarns, twisted yarn, acetate, bemberg, and spun-dyed rayon yarn. Further, the restriction applies to licences granted to both established importers and actual users.

The latest decision of the Government to tighten restrictions on imports of art silk yarn has been criticised by the traders. The decision, it is said, is most unjust, inasmuch as it ignores the fact that bright acetate, bemberg and spun-dyed rayon yarn are not at all produced in the country and as such the consumers of these varieties are entirely depending on imports. If, however, the Government wanted to restrict imports of art silk yarn, it could have been done, it is pointed out, by banning imports of third and fourth quality yarn of bright finishes.

In the forward section, 150D September delivery contract rose by 9 points to close at Rs. 785 on the 29th inst. August contract terminated at Rs. 781. Business in this contract was commenced at Rs. 775 on 1st July, 1953. The highest level touched was Rs. 817 on 30th July and the lowest was Rs. 765 on 9th July. The net gain over the period of the contract was Rs. 6. In the ready section, 150 Italy and 120 Japan gained an anna each to Rs. 3-15 and Rs. 4-1½, respectively. 150 Japan was higher by half an anna at Rs. 4-1½. 120 Italy was fully steady at Rs. 4-2.

The table below gives the prices of art silk yarn quoted on 29th August, as compared with those on 26th and 19th August, 1953:

	29-8-53	26-8-53	19-8-53
	Rs. a.	Rs. a.	Rs. a.
150D August (per case of 200 lbs.) ..	781 0	773 0	773 0
150D September	785 0	776 0	774 0
120 Japan (per lb.)	4 1½	4 1	4 1½
150 Japan	4 1½	4 0½	4 1½
120 Italy	4 2	4 1	4 1
150 Italy	3 15	4 2	3 14

Trading in the staple fibre yarn section closely followed the pattern of the art silk yarn market. The low levels of prices prevailing in the last few weeks attracted some support and resulted in a substantial recovery in values. Staple fibre yarn 240s September contract rallied 21 points to Rs. 674. As compared with the opening quotation of Rs. 730 on 1st August, 1953, however, it was still lower by as much as Rs. 56.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 2nd *September*

The oilseeds market put on a cheerful appearance this week. The groundnut section ruled virtually firm. Caught in the tightened grip of bulls, who sought to push up values with a view to exacting the maximum profit from the maturing August-September contracts, groundnuts forged ahead to further fresh levels. In sympathy with groundnuts, the linseed section also looked up. Further, squaring up business transactions in the outstanding contracts too contributed to the upward trend to some extent in these two sections. But, on continued tussle between bulls and bears, the castorseeds section swung either way. The *kardi* and *niger* seed sections met with broadened enquiries. As a result, the market witnessed sizable business, and prices, on balance, disclosed considerable gains in all the sections.

The technical position of stocks in groundnuts is very much encouraging to bulls. Saurashtra interests, who had been aggressively selling recently, have withdrawn from markets and shorts are at their wits end to cover up their commitments. Bold F.A.Q., which opened at Rs. 50-8, as against Rs. 49, improved to Rs. 52 on 29th inst. But, when the market opened to-day, after remaining closed for two days, the rate declined, on profit-taking to Rs. 51-4. August-September delivery improved from Rs. 46-8 to Rs. 48-4, and December-January from Rs. 31-6 to Rs. 31-14. Khandesh quality gained Rs. 2-4 to Rs. 52-4. Khandesh quality October was done at Rs. 39, as against Rs. 37. Groundnut oil ready advanced from Rs. 27-12 to Rs. 28 and Railway Receipts from Rs. 26-8 to Rs. 27. September, October and November deliveries changed hands at Rs. 28-12, Rs. 21-12 and Rs. 18-9, as against Rs. 25, Rs. 21 and Rs. 18, respectively.

The present high prices will not persist for a long time. For, within a few weeks, new crop from Khandesh, Davangere and other areas will begin to move. Already, new crop has appeared on the Pollachi Market.

In the linseed section, Bold steady registered a gain of As. 8 to Rs. 29-12. August-September deliveries declined by As. 14 and finished at Rs. 30-2. October-November and February-March deliveries were enquired at Rs. 28-12 and Rs. 24-14, as against Rs. 28-6 and Rs. 24-1, respectively. Linseed oil ready lost As. 4 to Rs. 16.

Among castorseeds futures, September-delivery opened at Rs. 140-10, as against Rs. 140-14. It fluctuated between Rs. 145-10 and Rs. 139-12, before closing at Rs. 145-4. May delivery changed hands at Rs. 126-8, as against Rs. 126-12, the highest and the lowest touched being Rs. 127-8 and Rs. 125-8. In the spots, F.A.Q. rallied Re. 1-8 to Rs. 28-12, while Madras quality lost As. 4 to Rs. 28-12. Castoroil B.S.S. improved by As. 2 to Rs. 17-6. First pressures put on a similar amount to Rs. 17-2, while commercials were steady at Rs. 16-4.

Among other seeds, *kardi* bold was higher by As. 12 at Rs. 26. August-September delivery rose by As. 10 to Rs. 25, while October-November, delivery eased from Rs. 24 to Rs. 23-14. *Niger* F.A.Q. and Madras were done at Rs. 37 and Rs. 36-8, as against Rs. 34-4 and Rs. 35, respectively.

The following table shows the prices of oilseeds and oil on the 2nd inst., as compared with those at the end of the previous two weeks.

	2-9-53	26-8-53	19-8-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	51 4	49 0	49 0
August-Sept.	48 4	46 8	45 8
December-January	31 14	31 6	31 12
Linseed—			
Bold Ready (per cwt.) ..	29 12	29 4	29 8
Castorseeds—			
Sept. (per candy of 5 cwts.).	145 4	140 14	148 4
May 1954	126 8	126 12	132 0
Madras (per cwt.)	28 12	29 0	29 12
Groundnut oil—			
Ex-mill Ready (per quarter).	28 0	27 12	27 4
Castor Oil—			
Commercial (per quarter)..	16 4	16 4	16 12

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 2nd *September*

The reported move on the part of the Government of India to sell the imported sugar at a price higher than that of indigenous sugar was responsible for the steady undertone of the Bombay sugar market during the week under review. There was an all-round rise in sugar prices. Thus, in the forward section, *Bhadrapad* delivery registered a handsome improvement of Re. 1-11 to Rs. 88-4 per bag over the week; at one time, it was still higher at Rs. 88-8. The improvement might have been more marked but for the Union Food Minister's announcement in Parliament yesterday that the Government intended to import 200,000 tons of sugar, instead of 100,000 tons as contemplated a few weeks ago. In the spot section, the prices of small, medium and large grain sugar advanced by Rs. 2-8, Re. 1-8 to Rs. 3 and Re. 1 to Rs. 91-8, Rs. 93 and Rs. 95 to Rs. 97 per bag, respectively. The Bombay Government's sale of sugar at Rs. 85-4 per bag (wholesale) would appear to have had no tangible effect on the prices of sugar in the spot market.

The week under review witnessed a fall in arrivals of sugar into the Bombay market, the actual arrivals being 13,000 bags, as against 18,000 bags in the previous week. Consequent on poor arrivals and larger offtake, the stocks with spot trade are estimated a little lower at 23,000 bags, as against 24,000 bags a week before.

The steady to firm undertone of the Bombay sugar market, as noted above, despite reports that imported sugar will be arriving in a couple of weeks' time, may appear somewhat strange. But the reasons for such a state of affairs are not far to seek. The chief factor is the reported decision of the Government of India to sell sugar at a higher price, namely, As. 13 per *seer*, as against the price of As. 12-9 for indigenous sugar. The Government, it is reported, has decided to arrange for the sale of imported sugar through the Bombay Sugar Merchants' Association at As. 13 per *seer*, which works out to Rs. 89-6 per bag. Formerly, it may be noted, the Government had invited tenders from traders and consumers. The tenderers and traders in the up-country sugar markets are naturally baffled by the sudden change in the Government's policy. Pending the developments in regard to the distribution of imported sugar, the up-country markets are buying on a hand-to-mouth basis and are keeping their stocks at a low level.

It is not unusual to witness different sugar interests laying blame at the doors of one another for the high prices of sugar. The consumers, for instance, blame the trade for profiteering and hoarding; the trade blames the industry for malpractices; the industry accuses the Government of high taxes; and the Government points the accusing finger at the industry and trade for non-co-operation. Each interest is trying to strengthen its case with its own facts and figures except, of course, consumers who appear baffled.

The previous season's bumper sugar production had greatly worried the Central Food Ministry and the industry. This had resulted in a bearish tendency in the spot sugar market early in the year. It was generally thought that the sugar stocks were far in excess of the country's requirements. But movement in our prices and offtake in sugar told a different story. If only the sugar industry had visualised such a high level of consumption, as is now in evidence, it would have stepped up the output accordingly. Learning from experience, everybody is emphasising the need for maximising sugar output. The present fight in New Delhi is the fight to secure as large a profit as possible at the cost of the consumer. It is rumoured that a minimum price of sugarcane will be fixed at the present level of Rs. 1-5 per maund. It is also reported that a tentative programme is being drawn up to import sugar to meet any unfavourable situation during the ensuing (1953-54) season.

* * * *

In our sugar report last week, the quotation for *Bhadrapad* delivery as on 17th August, 1953 was inadvertently mentioned as Rs. 92-10, which was the quotation for *Shravan* delivery. It should have been Rs. 88-10. Another inadvertent mistake that had crept in the same report in the sentence reading "complete decontrol of sugar would enable millers to 'minimise' their output. Instead of the word 'minimise' the word 'maximise' should have been there.

JUTE GOODS EASY

(From Our Own Correspondent)

CALCUTTA, 1*st September*

Jute markets were again easy this week and prices of jute goods were hammered to lower levels. Demand from overseas buyers was negligible, and nervous holders unloaded some of their stocks in a declining market. Genuine buyers kept off the market in the expectation that the situation demanded a further drop in prices. Buyers for the United States were stated to be biding for time, and trade circles feel that it would be better if New Delhi could make some announcement on the question of export duties. If the duties are to be maintained at current rates despite trade demand for their revision, if not total abolition, New Delhi has to say so, so that buyers can know the current position. If, however, the Government were to see eye to eye with the trade and the industry and abolished or revised the duties, it would be a good thing, as the prevailing dullness in the market can be driven away, and mills can be relieved of a good portion of their stocks. The crux of the whole matter is that a decision has to be made soon before business diverts itself from this country to the Continent. The subject of export duties has not been referred to the Jute Commission, and, therefore, a revision in the duties would not prejudice the work of the Commission but would be welcomed by the trade and industry.

If this report has reverted to the subject of the export duties this week, it is only on account of the steep drop in prices which make production uneconomic. The time for levying export duties has gone, and in recent months we have witnessed revisions and abolitions. No doubt, the duties on jute goods had also been revised, but the time lag between the trade demand and action in New Dehi had caused diversion of business from this country and reduced the country's foreign exchange earnings. Market circles, therefore, feel that a realistic approach to this matter is needed in New Delhi.

Opening at Rs. 44-10, ready 40" 10 oz. hessian gradually fell to, and closed for the week-end at, Rs. 43-10, the October-December position slipping to Rs. 43-8 from Rs. 44-3. Earlier in the week, there was some covering demand, but for which prices would have moved down to further lower levels. B. twills at Rs. 97-12 lost as much as Rs. 2-8 and forward positions registered a similar trend. Owing to their anxiety, weak holders were willing to discount rates, and, in fact, cabled some offers to overseas buyers. This prevented any business coming in, as buyers were fully aware of the market trend and expected the continuation of the downward movement. Another factor which added to the dullness in sacking goods was the unwillingness of the authorities to grant licences to some exporters on the information that the goods involved were meant for re-sale. On account of Janmashtami the market was closed yesterday.

The raw jute market was idle, and in view of the conditions in the goods market mills were reluctant to increase their stocks of the raw material. However, quotations were not affected as stockists were confident that mills would soon have to replenish their stocks. Arrivals of the new crop were on the increase and stockists did not hesitate to accept all that came in their way.

FOODGRAIN PRICES RECEDE

(From Our Own Correspondent)

HAPUR, 1*st September*

The Indian Food Minister's references to the overall foodgrain supply position in the country and the fall in the international prices of wheat have reacted bearishly on all foodgrain markets in India and have encouraged the State Governments to relax controls further. Floods in recent weeks are reported to have done quite extensive damage to standing crops in some States, but this is more than counterbalanced by improved harvest prospects elsewhere.

The food position in Uttar Pradesh is quite satisfactory. There was substantial increase in *rabi* production last year, grain yield being higher by 20.7 per cent. and wheat by 10.5 per cent. than last year's figures. *Kharif* crops this year are generally good and prospects of *rabi* sowings are excellent. The State Government has decided to deration a dozen more towns in the State from 1st October next. The entire State would now be de-

(*Continued on page* 467)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	21st August, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.44	1,093.23	1,101.08	1,103.17	1,093 09
Notes held in Banking Department	35.05	88.09	29 51	26.79	30 69
Foreign Securities	99.80	573.15	573.15	583.15	538.15
Rupee Securities	37.59	424 90	424 90	424.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	129 41	114 67	92 67	120 90
Other Governments	..	21 10	18 45	38 81	9 43
Balances held abroad	10.08	125 93	127 53	122.52	141.70
SCHEDULED BANKS					
Demand Liabilities	184.87	523 18	522 66	535 82	554 83
	..	(12 66)	(12 46)	(13 66)	(11.93)
Time Liabilities	108.84	328 52	330 10	328 31	314 76
Borrowings from Reserve Bank	..	(2 10)	(2 10)	(2 08)	(5 51)
	..	2 21	2.55	1 94	2 67
		(0.49)†	(0.49)†	(0.49)†	(1.12)†
Borrowings from Imperial Bank	..	5 78	6 25	6.17	3 55
Cash in India	6.71	31 22	29 86	30 92	32 82
Balances with Reserve Bank	25.28	44.10	41.12	50.53	64.66
Excess over statory limits	16.58	11.13	8 39	17.18	30.63
Balances with other banks in current account in India	..	9 85	10.19	11.31	12.96
Money at call and short notice in India	..	16.87	16.16	17.22	19.43
Investments (at book value)	..	823 66	823 07	815 61	802.58
Advances and Bills	106.09	476 79	480 68	489 99	479.78
IMPERIAL BANK					
Deposits	87.76	206.66	204 76	211.31	223.83
Investments	51.99	99 51	98 91	86 61	86.67
Advances	30.87	108 17	109 64	115.15	124.13
Cash	14 69	19 80	17 23	25 38	29 66

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	28th August 1953		20th August, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,09,317	44,75,15,000	1,53,087	33,64,09,000
Calcutta	1,48,824	44,91,29,954	1,04,805	33,32,95,886
Madras	64,219	7,71,50,755	51,892	5,83,42,264
All Centres—				
1951	..	..	1,06,94,122	2180,56,86,859
1952	..	..	1,06,41,941	26,79,81,57,000
May 1953	..	..	26,85,000	6,43,25,00,000
June	..	..	24,65,000	5,34,71,00,000

Reserve Bank of India

Statement of Affairs for the week ended 21st Aug., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	129 40.62,000
(2) Other Governments	21 10,43,000
(b) Banks	45,79,02,000
(c) Others	57 20 11,000
Bills Payable	3 66,25,000
Other Liabilities	2 60 92,000
Rupees	275,76,65,000

ASSETS	Rs.
Notes	25,06,74,000
Rupee Coin	14,77,000
Subsidiary Coin	4,87,000
Bills Purchased and Discounted—	
(a) Internal	18,50,000
(b) External	..
(c) Government Treasury Bills	5 52 82 000
Balances held abroad*	125 93 32 000
Loans and Advances to Governments	20,00,000
Other Loans and Advances	10,86 79 000
Investments	88,70,15 000
Other Assets	5 07 09,000
Rupees	275,76,65,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	38,08,74,000	
Notes in circulation	1093,22,61,000	
Total Notes issued		1131,31,35,000
Total Liabilities		1131,31,35,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	573,15,11,000	
Total of A		613,16,82,000
B. Rupee Coin		93,24,42,000
Government of India Rupee Securities		424,90,11,000
Internal Bills of Exchange and other commercial paper		....
Total Assets	....	1131,31,35,000

Ratio of Total of A to Liabilities: 54.200 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 21st Aug., 1953

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks	12,65,76,000†
(ii) Other demand liabilities	515,52,31,000
2 Time Liabilities in India :	
(i) Borrowings from banks	2,09,60,000†
(ii) Other time liabilities	326,42,31,000
3. Cash in India	31 21,86 000
4. Balances with the Reserve Bank in India	44,10,06,000
5. Balances with other banks in current account in India	9,84,79 000
6. Money at call and short notice in India	16,86,61,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	823,55,90,000
8. Advances in India	625,80,70,000
9. Inland Bills purchased and discounted in India	49,28,26,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	21st August 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5	1-5
Sellers T.T. D.D. upto six months	1-5	1-5
Buyers T.T. spot to nine months	1-5	1-5
Buyers T.T. 10 to 12 months	1-5	1-5
Bombay on New York—		
Sellers T.T. D.D.	Rs. 476½	475½
Buyers T.T.	Rs. 472½	471½
London on New York	$ 2.81 3/4-2.81 1/4	$ 2.81
London on Paris	Fcs. 974½-974½	980½-980½
London on Berne	Sw. Fcs. 12.17½-12.17½	12.17-12.17½
New York on London	$ 2.81 3/4-2.81 1/4	$ 2.81 3/4-2.81 1/4

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in million)	In terms of rupees (Crores)	Per capita income (Rs.)
India	1948	342.13	..	6,780	255
Pakistan	1949	79.04	..	1,671	239
Burma	1951	18.87	Kyats 3,166	317	169
Ceylon	1951	7.74	..	571	582
Japan	1951	84.80	Y. 4,849,400	6,414	774
Philippines	1951	20.23	Pe. 7,986	1,820	856
New Zealand	1951	1.95	£(N.Z.) 818	820	4,206
Australia	1951	8.43	£(A.) 3,238	3,454	4,317
U.K.	1951	50 43	£ 13,648	18,197	3,608
U.S.A.	1952	156 98	$ 290,140	138,250	8,808
Canada	1952	14.43	$ 18,507	8,246	5,714
France	1951	43.24	F. Fr. 9,083,000	12,872	2,929
W. Germany	1951	48 11	Dm. 90,320	10,257	2,128
Italy	1951	46.60	Lr. 7,746,000	5,802	1,167
Norway	1952	3.32	Kr. 16,596	1,106	3,331
Sweden	1951	7.07	Kr. 26,800	3,439	4,864
Netherlands	1952	10.85	Fl. 17,550	2,200	2,120
Denmark	1951	4.80	Kr. 20,716	1,439	2,946
Switzerland	1951	4.78	S. Fr. 19,500	2,166	4,566

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, June, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 21st August, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	37,01,37,000
(b) Provincial Governments	1,32,05,000
(c) Banks	20,33,01,000
(d) Others	2,41,63,000
Bills Payable	1,39,23,000
Other Liabilities	2,23,59,000
Rupees	71,61,50,000

Assets	Rs.
Notes	9,11,77,000
Rupee Coin	4,000
Subsidiary Coin	8,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	9,99,000
Loans and Advances to Governments	1,89,10,000
Provincial Governments Debtor Balances	10 49 52 000
Other Loans and Advances	1,52 00,000
Investments	35,64,64,000
Other Assets	10,00,72,000
Rupees	71,61,50,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,11,77,000	
Notes in circulation	202,47,09,000	
Total Notes issued		211,58,86 000
Total Liabilities		211,58,85,000

ASSETS	Rs.	Rs.
1. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion	..	
Sterling Securities	39,38,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,96,000	
		89,14,82,000
B. Rupee Coin	6,41,92,000	
Government of Pakistan Securities	111,77,36,000	
Internal bills of exchange and other commercial paper	....	
		118,19,28,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	9,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		211,58,85,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44.00 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
2nd June	1.00	2.02	1.00	2 6 6	32
9th ,,	1.00	2.10	1.00	2 6 6	32
16th ,,	1.00	2 23	1.00	2 6 6	23
23rd ,,	1.00	2 90	1.00	2 6 6	21
1st July	1.00	2 71	1.00	2 6 6	21
7th ,,	1.00	3 03	1.00	2 6 2	8
14th ,,	1.00	2 81	1.00	2 6 2	9
21st ,,	1.00	2 80	1.00	2 6 2	10
28th ,,	1.00	3 76	1.00	2 6 2	30
4th August	1.50	2 61	1.50	2 6 3	40
11th ,,	1.50	2 02	1.50	2 6 3	43
18th ,,	1.50	1.85	1.50	2 6 5	65
25th ,,	1.50	2 02	1.50	2 6 8	98
Total	15 00	32.86	15.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	6½	6
Belgium	18th Dec., 1952	2	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1951	7½	8½
France	9th Nov., 1951	5	4
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	8th April, 1950	4½	4
Japan	1st Oct., 1951	8.11	6.84
Netherlands	7th April 1953	2	2½
New Zealand	28th July, 1941	3	1½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	3	3
Portugal	15th Jan., 1942	3	2½
South Africa	27th May, 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	3½	3
Switzerland	26th Nov., 1948	2½	2
Turkey	26th Feb., 1951	2	3
United Kingdom	12th Mar., 1952	2½	4
U.S.S.R.	1st July, 1936	2	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	February, 1953	1952	Eleven months—April to Feb., 1952-53	1951-52
Import Duties :				
Revenue	9.03	11.56	102.00	119.76
Protective	..	90	6.93	9.78
On surplus disposals	..	8	5	57
Total import duties	9.02	12.49	109.03	129 76
Export Duties	9.19	7.31	50.41	83 25
Land Customs	16	27	2.46	2.99
Miscellaneous	8	7	1.08	1.04
Gross total customs	12.05	20.54	162.93	217.04
Refunds and drawbacks	14	81	2.49	4.14
Net Customs	12.81	20 83	160 49	212.60
Gross excise	7.70	8.86	76.35	81.11
Refunds	1	17	1.85	1.59
Net Excise	7.69	8.69	75.00	79.52
Net total of customs and excise	20.50	27.02	235.49	292 12

Imperial Bank of India

Statement of Affairs for the week ended 21st Aug., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital :—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25 00,000
Deposits and other Accounts		206,66,17,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,84.14.000
Bills for Collection being Bills Receivable as per contra		55,17,000
Acceptances, Endorsements and Other Obligations as per contra		1.06.000
Other Liabilities (including Inter-Office Adjustments)		1.00.20.000
Total	Rs.	223,54,24,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		15 97,06,000
Balances with other Banks		3,82,06.000
Money at Call and Short Notice		95,20,000
INVESTMENTS		
Government and other Trustee Securities	79 26,75,000	
Other Authorised Investments	10,53,77,000	
		89,80 52,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	86,14 27,000	
Bills Discounted and Purchased	22,03,05,000	
		108,17,32,000
Bills Receivable being Bills for Collection as per contra		55,17,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1.06.000
Premises less Depreciation		1,30 94 000
Furniture and Fixtures less Depreciation		36 12,000
Other Assets (including Inter-Office Adjustments)		1,56,80,000
Total	Rs.	222,54,24,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings @	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1,84	1,47	76	74	20,40	22,86	83,26	29,91	— 12,81	..	..
1951-52	1,75	6,08	77	2,91	22,08	46,91	1,07,55	74,18	— 27,55	13,10	6,81
1952-53	1,63	6,84	66	3,27	23,66	64,18	1,12,36	91,01	— 31,06	7,54	13,39
May 1952	12	6,20	2	2,93	2,12	70,23	9,05	77,85	— 28,26	56	19,86
June ,,	12	6,27	6	3,01	1,81	71,54	9,38	80,03	— 28,58	69	20,53
July ,,	13	6,33	10	3,08	2,03	73,14	10,29	82,54	— 28,92	74	21,25
August ,,	15	6,40	6	3,11	1,76	74,45	8,61	83,76	— 29,16	74	21,85
September ,,	10	6,44	3	3,11	1,84	75,78	8,79	84,91	— 29,41	65	21,89
October ,,	11	6,48	5	3,14	1,71	76,77	8,36	88,25	— 29,69	52	22,38
November ,,	10	6,50	3	3,16	1,71	77,99	8,03	85,54	— 29,99	58	22,92
December ,,	8	6,51	3	3,16	1,58	79,24	9,45	83,95	— 30,23	48	23,43
January 1953	10	6,54	4	3,19	2,02	80,77	8,38	86,09	— 30,51	58	23,98
February ,,	14	6,61	5	3,22	1,88	82,14	8,36	86,36	— 30,76	58	24,48
March ,,	32	6,84	9	3,27	2,66	84,18	13,75	91,01	— 31,30	62	25,08
April ,,	11	6,80	5	3,27	2,24	85,95	9,86	93,01	— 31,58	60	25,64
May ,,	12	6,83	4	3,29	2,08	87,57	9,55	93,80	— 31,52	60	26,38
June ,,	..	..	..	..	..	..	..	..	..	59	27,00
										59	27,56

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

...OUS STATISTICAL INFORMATION—*Continued.*

...habad Bank	22-8-'53	15-8-'53	25-7-'53	23-8-'52
(A) Government and Semi-Government Securities :				
1. Government of India Loans	91.9	91.9	92.0	91.1
	92.0	92.0	92.2	91 2
2. Municipal, Port Trust and Improvement Trust Loans	86.8	86.6	86.7	86 9
(B) Fixed Dividend Industrial Securities :	91 3	91 2	90 8	91 3
1. Electricity	79 4	79 6	79 1	75 4
2. Cotton	127 7	127 9	127 9	128 5
3. Jute	80 8	80 6	80 9	80 3
4. Coal	100 9	101 2	99 2	96 0
5. Iron and Steel	84 5	84 5	84 2	85 8
6. Sugar	89 7	89 7	89 7	91 5
7. Paper	89 8	89 8	89 8	87.5
8 Plantations	99 0	98 6	97.0	100 6
(C) Variable Dividend Industrial Securities	105 2	105 7	108 2	107 8
1. Banks	102 8	102 5	105 0	102 2
2. Insurance	96 5	96 3	99.5	101 9
3. Investment Trusts	129 6	129 8	130 4	129 5
4. Electricity Companies and Tramways	84 2	83 8	84.4	82 3
5. Shipping and Other Transport Companies	86.6	87 1	85 8	83 8
6. Railways	74 6	74 6	74.6	73 4
7. Plantations	122 3	122 6	123 6	129.4
8. Cotton Woollen and Silk	135 6	136 6	135 9	137 1
9. Jute	69 5	69 9	70 8	77.8
10. Coal	92 4	93 2	87 4	91.5
11. Mining and Oil	58 7	59 8	59 7	63 5
12. Iron and Steel	136 6	138 9	137.7	136 3
13. General Engineering	143 0	144 1	144 6	139 0
14. Sugar	82 8	83 1	82 5	86 8
15. Breweries	87.7	87 9	88 4	91 6
16. Chemicals	153 9	154 5	153.4	140 1
17. Paper	113 3	114 3	113 2	111 6
18. Cement	139 4	138 9	142 3	139 6

II. Regional

Region and Group	Week Ended 22-8-'53	15-8-'53	25-7-'53	23-8-'52
(A) BOMBAY— Government and Semi-Government Securities	91 8	91.8	91.8	91.2
Fixed Dividend Industrials	93.0	93.1	92.7	92.5
Variable Dividend Industrials	124 4	124.7	125.5	122 8
(B) CALCUTTA— Government and Semi-Government Securities	92.4	92.5	92.6	91.5
Fixed Dividend Industrials	88.5	88.4	88.5	88.1
Variable Dividend Industrials	92 1	92.5	93.0	95.7
(C) MADRAS— Government and Semi-Government Securities	91.5	91.5	91.7	90.5
Fixed Dividend Industrials	103 0	102.6	101.6	106.0
Variable Dividend Industrials	129.5	129.7	129.0	133.0

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,582	12,606,704
1951	1,071	691,881	8,816,928
1952	963	809,242	8,336,961
May 1951	109	56,604	277,314
June ,,	148	93,446	440,248
July ,,	180	72,454	671,705
August ,,	108	64,484	289,907
September ,,	88	24,777	98,760
October ,,	108	67,896	190,781
November ,,	125	64,147	189,374
December ,,	118	76,106	365,149
January 1952	98	803,821	674,240
February ,,	88	68,180	315,907
March ,,	87	42,420	142,498
April ,,	184	80,437	234,346
May ,,	116	80,092	254,864
June ,,	101	89,851	287,042
July ,,	82	40,754	171,268
August ,,	88	45,845	146,533
September ,,	98	57,878	460,552
October ,,	96	78,181	349,618
November ,,	97	45,766	173,245
December ,,	81	37,825	165,017
January 1953†	85	42,383	244,414
February ,,	45	28,477	123,411
March ,,	67	33,231	216,207
April* ,,	70	48,935	215,551
May ,,	81	34,350(a)	217 626(b)
June ,,	98	80 157	252,059

† Figures for 1953 are provisional. * Revised.
(a) Not known in three cases. (b) Not known in six cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns †	Units generated ‡	Units Sold
1950-51	546	6,279.9	4,225.9
1951-52	572	5,946.1	4,849.0
1952-53	614	6,301.4	5,134.5
January 1952	568	500.8	409.7
February ,,	571	490.7	391.0
March ,,	578	481.8	392.9
April ,,	577	458.8	393.8
May ,,	581	514.4	418.1
June ,,	583	500.1	406.8
July ,,	588	534.0	429.7
August ,,	592	551.6	428.7
September ,,	597	530.8	430.6
October ,,	599	548.2	441.5
November ,,	605	529.7	436.4
December ,,	608	553.3	457.5
January 1953	611	535.5	441.8
February ,,	614	493.6	417.4
March ,,	614	538.0	435.7
April ,,	616	530.9	438.1

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	15th August, 1953	8th August, 1953	16th August 1952	July, 1953	July, 1952	Percentage of increase (+) or decrease (—) in July, 1953 as compared with July, 1952	1953	1951
Food Articles	409.8	410.1R	374.4	408 4	367.6	+10 6	389.8	409.8
Cereals	482	482R	465	483	457	+ 5.8	450	482
Pulses	507	511	513	503	480	+ 4.8	498	506
Other	291	291	235	285	234	+23 1	228	290
Industrial Raw Materials	469.4	461.2	446.3	426 5	415 1	+10 4	453.8	488.8
Fibres	440	436	430	419	429	— 2 3	454	482
Oil seeds	653	666	608	676	477	+41 5	484	679
Minerals	467	461	468	462	488	— 5.3	464	476
Others	361*	358	321	359	298	+20 5	341	393
Semi-Manufactures	368.2	362.1	351.7	365 4	347.2	+ 5 2	346.5	377.5
Leather	404	404	353	417	353	+18 1	348	458
Mineral oils	224	224	226	223	221	+ 0 8	221	197
Vegetable oils	598	598	480	597	459	+30 1	552	679
Cotton yarn	443	443	453*	448*	454*	— 1 3	455*	458
Metals	223	223	217	224	219	+ 2 3	211	197
Oil Cakes	449	442	462	448	440	+ 1 8	440	500
Others	299	253	263	255	258	— 1.2	278	350
Manufactured Articles	371.6	371.5	366.4	367 3R	368.7	— 0.4	377.5	395.5
Textiles	412	413	402	406R	406	+ 0 3	423	468
Jute	421	418	416	410	430	— 4.7	506	503
Cotton	415*	415*	339*	410* R	389*	+ 5 4	401*	400*
Rayon and Silk	403*	417*	491*	400*	508*	—21 8	456*	511*
Woollen	320	320	378	320	378	—15 3	346	378
Chemical products	337	337	328	336	328	+ 2 4	331	333
Others	295	295	295	295	297	— 4 0	298	320
Miscellaneous	705.0	704.0	627.0	693 9	629 5	+10 2	625.6	729.6
ALL Commodities	411.7	411 7R	387.8	407 7R	383 8	+ 6 2	396 9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
September 51	—	335	239	319	379	375	346	144	179	150	161	170	
October ,,	—	353	254	323	409	393	378	156	184	181	165	165	171
November ,,	—	333	252	325	444	397	374	157	147	182	135	168	168
December ,,	—	331	252	325	449	397	378	157	144	181	150	166	156
January 1952	146	331	246	333	442	393	377	158	142	179	147	162	156
February ,,	144	334	241	318	441	392	376	161	142	178	145	155	155
March ,,	135	313	229	302	412	378	340	153	136	177	140	150	145
April ,,	141	348	242	321	415	377	339	156	148	169	138	153	144
May ,,	140	339	264	310	412	376	339	327	148	168	143	153	143
June ,,	140	338	262	306	424	373	342	171	142	171	141	153	148
July ,,	142	330	263	304	436	377	354	331	143	173	143	161	155
August ,,	144	349	267	312	460	390	369	336	143	176	149	160	157
September ,,	143	341	269	310	464	393	369	336	143	176	149	157	158
October ,,	144	345	274	311	466	381	365	327	146	179	143	154	158
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	265	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	380	334	351	136	172	132	150	144
March ,,	142	358	265	322	448	381	333	353	138	165	131	148	145
April ,,	142	359	268	327	454	384	344	354	137	166	134	148	146
May ,,	145	363	275	330	441	391	345	356	139	173	127	152	155
June ,,	—	371	282	334	453	..	..	360

MISCELLANEOUS STATISTICAL INFORMA...

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton*	74,674†	73,665††	23,424†	20,741††
Wheat	tons	24,041†	23,450††	6,782†	6,039††
Jowar	tons	41,945†	39,144††	6,038†	5,944††
Bajra	tons	25,292†	22,839††	2,922†	2,299††
Barley	tons	7,501†	7,632††	2,664†	2,593††
Maize	tons	8,795†	8,073††	2,807†	2,621††
Ragi	tons	5,388†	5,399††	1,235†	1,212††
Gram	tons	16,719	13,709	3,157	2,583
Other millets & pulses					
	tons	89,725	89,770	8,388	8,401
Jute	bales	1,834†	1,951††	4,695†	4,578††
Cotton	bales	15,674†	16,194††	3,060†	3,153††
Sugarcane 2nd	tons	4,248†	4,326††	5,035†	5,288††
Groundnut	tons	11,862†	11,764††	2,984†	3,045††
Linseed	tons	3,394†	3,402††	355†	316††
Castorseed	tons	1,349†	1,425††	107†	105††
Rape and Mustard Seed	tons	5,707	5,097	900	745
Sesamum (supp)	tons	5,751†	5,845††	451†	439††
Tobacco	tons	764†	659††	211†	192††
Pepper	tons	203†	202††	22†	23††
Ginger	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1953	78.4
	Corresponding month 1952	83.8
	July 1952 to June, 1953	891.6
	Corresponding period 1951-52	944.9
Stocks	At the end of July 1953	155.7
	Corresponding month 1952	100.5
		(In 000 bags)
Exports (Jute Bags)	Week ended 18th July, 1953	13.07
	Corresponding week 1952	38.74
	From 1st Jan., to 18th July, '53	14,03.91
	Corresponding period 1952	23,65,00
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 18th July, 1953	33.92
	Corresponding week 1952	59.87
	From 1st Jan., to 18th July, 1953	65,24.32
	Corresponding period 1952	53,49.49
	RAW JUTE	(In 000 bales)
Exports*	Week ended 18th July, 1953	—
	During April, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	July, 1953 (in lakh bales)	4.54
	Corresponding month 1952	4.86
	Twelve months ended June, 1953	52.00
	Corresponding period 1952	54.80

† Estimated. * From Calcutta.

TATA IRON AND STEEL CO., LTD., PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Do.	31st March, 1950..	10,41,700	927,500	720,000
Do.	31st March, 1951..	11,15,200	10,62,100	7,76,500
Do.	31st March, 1952..	11,30,000	10,67,100	7,90,200
Do.	31st March, 1953..	11,68,000	10,61,900	7,91,800
Four months ended 30th July, 1953		3,74,400	3,56,800	2,46,800
March	1951..	91,800	86,600	71,400
April	.. ..	81,500	79,600	65,000
May	.. ..	94,300	92,200	66,600
June	.. ..	84,100	80,800	65,800
July	.. ..	93,000	85,400	66,700
March	1952..	1,02,100	92,100	67,400
April	.. ..	93,000	86,600	62,900
May	.. ..	95,000	83,200	61,700
June	.. ..	88,400	83,100	64,800
July	.. ..	93,400	91,000	66,800
March	1953..	97,400	88,600	65,500
April	.. ..	97,000	83,100	60,800
May	.. ..	95,900	85,000	62,000
June	.. ..	90,400	82,600	64,000
July	.. ..	91,100	86,100	64,800

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months, April to March,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports —				
Foodstuffs	11.37	25.60	175.64	262.06
Raw materials	10.27	21.54	179.01	154.08
Manufactures	23.06	30.23	274.00	341.38
Other items	42	76	4.30	5.85
Total Imports*	45.46	87.95	632.95	862.84
Exports —				
Foodstuffs	12.04	12.94	142.16	158.16
Raw materials	10.82	12.69	145.03	139.68
Manufactures	21.29	26.84	259.76	400.31
Other items	29	43	4.09	3.63
Total Exports	45.34	52.90	551.04	701.80
Total Re-exports	88	59	5.74	13.76
Balance of trade in merchandise	+ 24	—34.45	— 76.17	—147.28
Balance of transactions in private treasure	..	..	— 7	— 14
Total Visible Balance of Trade	+ 24	— 84.45	— 76.24	—147.42
Exports —				
Total Cwealth Countries	20.29	29.46	252.65	288.63
Total Foreign Countries	25.17	64.49	380.30	574.21
Imports —				
Total Cwealth Countries	23.69	25.08	261.90	365.20
Total Foreign Countries	21.78	27.82	249.14	338.60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	39	8.53†	18.64†	27.14†
Imports	1.58†	8.62	25.18	80.45
Balance of trade in merchandise	— 1.19†	+ 1 †	— 6.32†	—53.31†

† Provisional.

RETAIL PRICE INDEX NUMBERS (BY GRO...

(Base : 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food								
	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953						
Eastern Zone																		
Bamra	187	202	257	92	97	93	128	121	125	132	140	141	104	109	..	..	..	..
Malbeng	163	x	x	142	x	x	113	x	x	122	x	x	121	x	x	..	..	..
Shankargarh	136	143	153†	144	155	159	156	147	154	146	149	145	101	95	100	161	120	..
Sonaili	268	283	224†	159	187	167	195	175	189	201	175	191	125	125	125	239	199	..
Northern Zone																		
Multapi	110	124	131	134	158	158	165	178	183	150	165	169	123	123	123	176	168	166
Nana	268	205	208	238	254	240†	197	184	194†	216	196	206	121	117	122	206	184	184
Salamatpur	242	213	229†	239	269	267	206	190	198	218	210	217	129	129	129	159	159	159
Southern Zone																		
Krishna	186	191	206†	168	165	175	162	162	163	167	168	172	116	130	134	152	132	133
Lakh	197	174	174	154	104	104	123	132	134	142	146	147	88	88	89	184	134	144
Malur	172	218	210	128	144	143	136	150	154	143	161	164	97	97	100	207	195	195
Muniguda	219	210	224†	220	191	175†	142	216	226†	196	211	213	130	128	124	210	164	158
Kudchi	157	181	181	125	139	139	147	161	160	146	162	169	113	120	113	150	122	120

Name of Centre																		
	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953						
Eastern Zone																		
Bamra	187	202	257	92	97	93	128	121	125	132	140	141	104	109	..	..	..	..
Malbeng	163	x	x	142	x	x	113	x	x	122	x	x	121	x	x	..	..	..
Shankargarh	136	143	153†	144	155	159	156	147	154	146	149	145	101	95	100	161	120	..
Sonaili	268	283	224†	159	187	167	195	175	189	201	175	191	125	125	125	239	199	..
Northern Zone																		
Multapi	110	124	131	134	158	158	165	178	183	150	165	169	123	123	123	176	168	166
Nana	268	205	208	238	254	240†	197	184	194†	216	196	206	121	117	122	206	184	184
Salamatpur	242	213	229†	239	269	267	206	190	198	218	210	217	129	129	129	159	159	159
Southern Zone																		
Krishna	186	191	206†	168	165	175	162	162	163	167	168	172	116	130	134	152	132	133
Lakh	197	174	174	154	104	104	123	132	134	142	146	147	88	88	89	184	134	144
Malur	172	218	210	128	144	143	136	150	154	143	161	164	97	97	100	207	195	195
Muniguda	219	210	224†	220	191	175†	142	216	226†	196	211	213	130	128	124	210	164	158
Kudchi	157	181	181	125	139	139	147	161	160	146	162	169	113	120	113	150	122	120

	161	201	200			
	222	189	189			
	159	229	231	231		

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Islands—		
Cotton Receipts	Week ended 27th Aug., 1953	16,966
	Corresponding week, 1952	27,882
	1st Sept. 1952 to 27th Aug., 1953	18,16,960
	Corresponding period, 1951-52	19,75,068
Cotton Exports	Week ended 27th Aug., 1953	—
	Corresponding week, 1952	5,750
	1st Sept. 1952 to 27th Aug., 1953	5,27,093
	Corresponding period, 1951-52	1,77,775
Mill Consumption	1st Sept. 1952 to 27th Aug., 1953	12,23,006(a)
	Corresponding period, 1951-52	9,95,997
Stock (with exporters dealers and mills)	On 20th Aug., 1953	4,00,247
	Corresponding date, 1952	5,27,484
Karachi (Pakistan)*		
Receipts	Week ended 15th Aug., 1953	892
	Corresponding period 1952	5,815
	1st Sept. 1952 to 15th Aug., 1953	16,45,965
	Corresponding period, 1951-52	16,65,073
Exports	Week ended 15th Aug., 1953	7,800
	Corresponding period, 1952	23,000
	1st Sept. 1952 to 15th Aug., 1953	15,95,800
	Corresponding period, 1951-52	12,01,000(a)

Particulars	From 1st Sept., '52 to 24th August, 1953 Bales	From 1st Sept., '51 to 24th August, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	16,250	8,008
Continent	1,05,304	42,476
China	318	750
Japan	1,55,597	1,08,079
U.S.A.	48,138	13,601
Other Countries	5,486	1,436
Total to all foreign countries	8,27,093	1,74,350
Coastal Ports	1,40,020	1,04,964

Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—	
Indian Mills—	
Foreign	2,98,396
Indian	63,581
Foreign	56,92,727
Indian	6,34,081
Foreign	21,71,108
Stocks (Mills and Elsewhere)—	8,08,606
Indian	13,05,639
Foreign	2,43,049
Indian	13,65,441
Foreign	4,23,856
Cotton Pressed †	2,593
	4,396
	22,04,425
	21,91,304

* As reported by the Karachi Cotton Association Ltd. (a) Adjusted. †Incomplete.

Particulars	May, 1953		Nine months September 1952 to May, 1953 Same Period 1951-52	

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103½
4 % Bonds	1926-33	63,30,26,000	1960-70	102½
3 ½% Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3 ½% Loan	1950	30,33,10,000	1964	93⅛
3 ½% Loan	1943	1,10,11,78,000	1966-68	90⅛
3 ½% V. Loan	1944	1,14,06,89,000	1937	98⅛
2½% Loan	1945	1,15,05,83,000	1970-75	86½
2½% Loan	1945	1,13,65,54,000	1959-61	94⅜
3 ½% Loan	1951	50,35,63,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1946	57,00,69,000	1961	90⅞
2½% Loan	1946	35,06,06,000	1954	98⅜
2½% Loan	1946	14,77,49,000	1976	82½
2½% Loan	1947	75,86,74,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 ½%Loan	1896-97	8,93,35,000	'At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100‡
4½% Loan	1928	3,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	100⅛
3 ½% Bombay	1952	3,66,72,700	1st Aug. 1964	100⅛
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1953-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah				
Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 ½% Madras	1938	1,42,08,300	15th Sept. 1953	99—94
3 ½% Madras	1939	1,29,76,600	21st June 1959	95⅛
3 ½% Madras	1942	1,23,23,000	18th Sept. 1955	99
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98—93
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	90⅛
3 ½% Madras	1950	4,47,00,000	31st July 1960	93⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 ½% Madras	1952	3,00,00,000	1st Aug. 1964	99—91
3 ½% Mysore(f)	1930	1,63,44,300	1st Nov. 1953	104
4 ½% Mysore(f)	1933	2,98,81,200	1st Dec. 1953-63	100
3 ½% Mysore(f)	1936	3,99,72,900	30th April 1956-61	98
3 ½% Mysore	1947	3,08,03,700	25th Jan. 1958	98—93
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 ½% M.P.	1942	50,00,000	15th Aug. 1953	99
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,28,800	31st Sept. 1964	91⅛
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛N
3 ½% Punjab**	1942	2,33,20,000	18th Sept. 1953	99⅛N
3 ½% Punjab**	1943	2,46,78,300	14th Sept. 1956	99⅛N
3 ½% Punjab**	1945	2,93,81,600	14th Sept. 1960	98⅛N
3 ½% Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 ½% U.P.	1936	1,61,96,500	15th Sept. 1961-66	90⅛
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
2½% U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
2½% U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜N
3½% U.P.	1951	3,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛N
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1931	1,75,00,000	17th Sept. 1962	98N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛N

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1903	1963	
13,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,33,876	4	1913	1960	D
80,00,000	4	1913	1974	99½N
88,25,000	4	1914	1973	99N
10,00,000	4	1915	1960	
55,00,000	4	1915	1973	112N
61,61,000	4	1922	1960	
11,51,000	4	1927	1961-79	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	D
24,18,000	3½	1932*	1962	
15,00,000	3½	1934*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,01,300C	3½	1921	1981	79
1,50,00,000C	5	1921	1951	144N
1,24,06,300	6	1925	1953-85	103
98 21 600	5½	1926	1954-86	104⅛
1,49,84,500B	5	1926	1956-86	103⅛
1,49,49,500B	5	1927	1957-87	103⅛
1,49,30,000	5	1928	1958-88	103⅛
80,00,000	4½	1928	1964	92⅛
21,79,000C	3	1933	1954	99½
60,00,000	3½	1933	1965	96⅛
1,00,00,000	3	1933	1963-68	88
1,00,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	84⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
50,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£86⅛
£901,000	5	1924	1954-84	£86⅛
£235,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,31,489	4	1918	1982	A
3,42,951	4	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M.
4,47,597	5½	1923	1953	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1903	1963	
60,00,000	4	1904	1964	
50,00,000	4	1904	1964	
30,00,000	4	1905	1963	
25,00,000	4	1906	1965	
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	
20,00,000	4	1912	1972	
18,00,000	4	1913	1972	
50,00,000	4	1914	1974	97½N
50,00,000	4	1916	1976	99N
40,00,000	5	1919	1961-79	112N
66,00,000	6	1920	1935-80	
20,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1957-87	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1960	£93⅜N
£333,000	4	1910	1970	£95⅜N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	5	1930	1960	100
35,00,000	3½	1933	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1937	1967	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1932	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913-14	1954	99⅛
50,00,000	4	1913-15	1974	99⅛
20,00,000	4	1913-15	1965	99⅛
10,00,000	3	1920	1980	113
1,60,00,000	6	1924	1954	102⅛
25,00,000	5	1924	1958	103
26,14,000	5	1929	1949-59	103 to
8,45,500	5	1929	1936-59	103
26,21,500	5	1929	1959	102⅛
8,23,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1948	1979	86⅛
4,00,00,000	3½	1950	1965	91⅛
2,50,00,000	4	1952	1966	80
2,00,00,000	3½	1951	1966	97
Rs.				Rs.
CALCUTTA				
34,45,500	6½	1925	1955	103⅛
84,70,000	6	1925	1955	104⅛
36,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1959	103⅛
10,00,000	5½	1932	1962	108
23,93,500	5½	1932	1962	
5,19,000	3	1936	1963	100
60,00,000	3	1936	1966	88⅛
1,46,100	3	1936	1953	99⅛
3,11,400	3	1937	1954	99
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98⅛
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	98⅛
15,36,800	3	1938	1956	98⅛
15,36,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	96⅛
21,10,000	3½	1942	1972	93
13,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,68,000	3½	1951	1966	96
87,36,000	4	1952	1962	99⅛
Rs.				Rs.
MADRAS				
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	101N
6,00,000	6	1925	1955	107½N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1953.

*Loans held entirely by the Trustees.
A=Held by Government of India.
**Quotations in Pak. Currency. ***Rupee Counterparts.

PREFERENCE SHARES

Company	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	129½xd	100
BREWERIES AND SUGAR						
Bharat Sugar	3,03,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6‡	Mar. Sept.	99½	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	142	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	108	100
‡East India Distilleries	£200,000	1897	7	Jan. July	153	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	175	100
Ramnagger Cane	4,00,000	1933-34	6	Aug. ..	101	100
Ravalgaon Sugar	20,00,000	1943	5‡	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore ..	13,00,000	1946	5(c)	Dec. ..	6‡	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6‡	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8‡	10
Equitable	4,00,000	1895	5	Mar. Sept.	119	100
Karanpura Collieries	7,50,000	1946

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Pre. quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5			12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	48	100	6 0	6 0			12	Y.P.T.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	378½	250	17 8	20 0	20 0	7 8(i).	12	Y.
10,00,000	27,25,759	54,19,515	48,78,797	80,337	Ramnarain Sons, Ltd.	38,352	860	Bradbury Mills	820	100	100 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	270½	100	18 0	20 0			12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	69	100	*Nil*	*Nil*	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	111½	100	7 8	7 8	7 8		12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	65	50	*Nil*	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	37,15,000	3,622	Purannal Radhakishan & Co.	50,296	928	Edward Textiles	237½	200	13 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,223	41,862	Chidambaram Mulra) & Co., Ltd.	44,768	836	Elphinstone Spg. & Wvg.	38½	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	323	100	15 0	20 0	20 0		12	Y.
12,00,000	65,36,400	98,72,638	82,61,500	4,762	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	5,530	1,000	175 0	200 0	200 0*		3	Y.P.
									—	250	43 12	50 0	50 0			
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills	84	10	0 12½	1 1½			12	Y.
50,00,000 D									1-3½	1D	0 2	0 4				
9,00,000	65,91,320	98,10,275	76,94,000	7,671	Damodhar Thackersey Mooljee &Co.	47,172	1,191	Indian Mfg.	3,310	1,000	175 0*	200 0*	200 0*		3	Y.P.
										500	87 8	100 0	100 0			
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	178½	100	12 0	14 0	10 0		6	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,083	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	295	100	18 0	23 0*	18 0	6 0(i).	12	Y.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	86½	100A	7 8	5 1	6 4		6	Y.P.
3,60,000B									20B	20B	1 8	1 0	1 4			
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	93N	50	4 0	7 0	3 0		3	Y.
51,75,000	24,92,735	1,71,00,016	1,44,33,016	2,80,686	Piramal Gangadhar, G. Chatarbhuj, G. Piramal	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	185	100	17 0	15 0	12 0		12	Y.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.	111½	100	National Rayon Corporation	111½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	131½	100	12 8	15 0	10 0		12	Y.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	150	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	33,720	873	New Union Mills	25½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	116½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,86,550	24,19,688	21,30,000	1,25,251	Rodar Sons, Ltd.	32,600	930	Rodar Mills	125	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk Mill	20½	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	72½	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,961	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills	172½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	168	50	14 0	17 0	15 0(p)	15 0	3	Y.
56,00,000	1,30,69,660(e)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	51,892	1,633	Standard Mills	311½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	248	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	33,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	462½	100	20 0	25 0	30 0		12	Y.
32,54,438	59,55,268	68,88,347	29,93,248	23,138	Tata Industries Ltd.	53,248	1,800	Tata Mills	41½	25	4 0	4 0	3 0		12	Y.T.
12,00,000	51,36,933	86,62,657	66,93,000	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,500	1,000	175 0*	200 0*	200 0*		3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	139½	100	8 0	12 0	10 0		6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	453½	100	15 0*	20 0*			12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,13,000	1,309	Narottam Lalbhai & Co.	31,443	1,216	Arvind Mills	782	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,83,150	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Arvodaya Ginning & Mfg.	310	200	30 0	35 0*	15 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	480	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,33,344	2,87,005	Karamchand Thapar & Ltd.	1,09,088	2,400	Bharat Spg. & Wvg.	1,025	500	55 0	70 0	70 0		12	Y.P.
30,00,000	44,86,000	88,67,870	52,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	500	125	35 0	35 0	35 0		12	Y.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	578							
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	625	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,687	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	770	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	46,680	1,095	Rajnagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	15 0		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	640	Rohit Mills	121½	100	30 0	9 0	9 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,531	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	319½	50	15 0	18 0	16 0		12	Y.P.
19,32,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	383½	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	816	Vijaya Mills	520	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
13,00,000	1,80,519	32,00,682	17,29,664	1,95,043	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	0 8	0 5			12	Y.P.
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	38N	40	*Nil*	3 0	3 0		12	Y.
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	285½	100	*Nil*	*Nil*	*Nil*		6-12	H.P.
													7 0			
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	171	100	*Nil*	*Nil*	*Nil*		6-12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	18½	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	†	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,47,726	33,08,018	10,28,558	—8,38,366	Samuel Aaron, Esq.	12,300	376	Aaron Spg. & Wvg. Mills	4½	10	0 3	*Nil*			12	Y.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	30,000		Ambapore Textiles(Cochin) Ltd.	69N	100	3 8	6 0	6 0		12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Azam Jahi Mills							12	Y.
40,50,000	93,74,285	2,73,75,543	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	257½d	100	17 8	20 0	15 0	10 0(i)	12	Y.
									13½	10	1 4	0 8	0 8			
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills			*Nil*	0 8	0 4		6-12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	2 8	3 0	3 0		3	Y.
1,78,47,800	1,57,93,696	5,14,83,572	2,64,81,355	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	123cd	100	6 14	7 8	4 0		12	Y.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,338	4	Cambodia Mills	11	10	*Nil*	1 4	1 0		12	Y.P.T.
30,00,000	21,97,992	56,51,479	43,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Coimbatore Cotton Mills	5 8	10	0 9	0 10	0 9	0 9	3	Y.
12,00,000	15,07,000	27,82,648	17,29,989	—1,32,723	R. Rheenda Naidu & Co.	28,864		Coimbatore Pioneer Mills	117	100	12 8	12 8	9 0		6	Y.
20,00,000	7,19,870	23,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	42	50	2 8	5 0	*Nil*		6	Y.
20,76,900	4,40,358	1,10,86,516	66,17,387	—2,70,999	R. G. S. Naidu & Co.	19,700		Coimbatore Mills	159½	100	6 0	6 0	2 0		6	Y.
46,87,500	94,72,298	2,04,37,857	1,36,21,766	—16,28,224	Tata Industries, Ltd.	1,15,188	2,062	Central India								
2,89,84,975	1,21,45,274	5,77,14,603	2,93,00,000	1,53,862	Shri Ram Industries Ltd.	75,604	1,830	Delhi Cloth & General Mills	29½	100	25 0	20 0	10 0		12	Y.
1,00,505									2½	1D	0 2	0 4				
24,34,800	16,26,596	37,58,169	25,25,428	20,746	M. N. Chettiar & Sons	29,300	201	Dhanalakshmi Mills	180	100	25 0	20 0	10 0		12	Y.
40,00,000	41,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	178½	100	1 2	1 8			9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	228½	100	10 0	14 0	17 0*		12	Y.
50,00,000	12,29,862	1,21,16,721	81,08,323	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	93½	100	4 0	5 0			12	Y.
8,90,000	11,61,067	26,01,526	13,35,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	61	50	5 0	5 0	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	24,177	Kothari & Sons	13,824		Kothari Textiles	104	10	0 11	0 12	0 12		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	570	250	37 8	50 0*	37 8		12	Y.P.
									82	50	4 0	4 0	5 0	5 0		
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	40	25	2 4	3 0	3 0	2 8	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	37½	15	2 4	3 0	3 0		12	Y.
12,00,000	4,17,363	24,12,416	15,52,690	—22,390	A. L. A. R. S. Chettiar and 2 others	21,856	603	Maduri Spg. & Wvg.	142	200	8 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	36,416	678	Meenakshi Mills	197	100	23 0	18 0	12 8	12 8	3	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	49,456	952	Mercara Mills	100½	100	6 0	6 0	3 0		12	Y.
94,91,850	22,59,837	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	143½	100	7 8	7 8	7 8		6	Y.
30,00,000	25,00,000	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Mulr Mills	209	100					12	Y.P.
19,86,800	66,50,072	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,632	500	Mysore Spg. & Mfg.	130	50	10 0	9 0	10 0*	10 0*	3	Y.P.
11,61,780	8,71,720	27,85,556	14,26,410	—4,60,002	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	58½	10	0 8	0 10			12	Y.
22,89,883O	23,94,590	90,45,280	90,45,280	—15,88,215	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	178	O. 25	O. 1	*Nil*	*Nil*		12	Y.P.
3,07,095D										D. 1	*Nil*	*Nil*	*Nil*			
83,03,800	61,53,493	1,58,62,385	59,76,131	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	90N	100	5 8	6 8	7 0		9	Y.
4,00,000A									94½	50A	5 0	6 0	6 0			
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	89	75B	7 8	12 0	11 4		12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	103	100	7 4	8 0			12	Y.
16,81,200A				2,062	A. G. Gurusamy Naidu & Co.	38,664	200	Radhakrishna Mills	158½	100A	16 0	16 0	6 0		12	Y.
8,40,600B	16,65,842	32,66,772	24,17,950						78	50B	8 0	8 0	3 0			
15,00,000	25,00,000	20,61,036	13,70,469	2,54,884	B. R. Naidu & Sons	25,896	600	Rajalakshmi Mills	82	50	4 8	5 0			12	Y.
60,00,000	60,66,508	1,04,90,737	26,32,665	63,528	J. P. Srivastava & Sons (Rampur)	32,580	440	Raza Textiles	55N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,41,300	10,52,625	23,98,011	17,73,000	3,083	G. Liladhar & Co., Ltd.	13,824	416	Shree Sajjan Mills	75½N	100	6 0				12	Y.
7,79,700	2,24,939	21,50,228	16,08,115		T. R. A. Iyer & Bros., Ltd.	38,416		Sitaram Spg. & Wvg.	36½	60	*Nil*	3 0			3	Y.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,610	1,000	*Nil*	*Nil*	*Nil*			
					(Ahmedabad), Ltd.	25,200	292	Sri Krishnarajendra Mills		500	4 0*	4 0	3 0*	4 0*	3	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	27,340	992	Sutlej Cotton Mills	44	50	4 0	4 0	4 0		3	Y.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.				37N	10					3	Y.
17,50,000D										100	0 8	0 8				
1,57,50,000 P	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	10P	O. 0 14	2/5 0	14 2/5		12	Y.P.
									5½	10	*Nil*	*Nil*	*Nil*			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,353	Emcete & Sons (Travancore), Ltd.	16,000		Travancore Rayons	8½	10	1 0	1 0	0 11	1/5	12	Y.P.T.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	33,704	270	Trichunopoly Mills	88	10	1 0	1 0	0 11	1/5	12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	Vasanta Mills	161	100	9 0	10 0	12 0					12	Y.
32,00,000	30,43,559	1,20,65,197	85,26,292	2,21,881	R. K. S. Chetty & Brothers	54,280	1,495	Vishnu Cotton	150	100	9 0	14 0*	10 0		12	Y.P.
					Bombay Co., Ltd.											

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

MISCELLANEOUS COMPANIES

Carried Forward	Depreciation	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES											
19,92,000	16,71,676	96,59,717	48	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari		9	25	*Nil*	2 13g	*Nil*		5	Y.P.
				13,649				20½	10	*Nil*	1 2g	*Nil*			
16,20,630	14 30,304	22,75 857			Parry's Holdings Ltd.	Dyer Meakin Breweries		5	5	1 0	0 8	0 8		3	Y.
£80,000A	£560,156	£1,122,135		£37,421		East India Distilleries and Sugar		20½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B									B. £1	Sh. 3	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	37	—7,87,632	S. P. Smith, Esq.	Murree Brewery		8½	5	*Nil*	*Nil*	*Nil*		8	Y.
6,00,000	9,00,000	12,13,592	56	3,951	Vittal Mallya, Esq. (Chairman)	United Breweries		167cd	75	11 4	7 8	15 0		3	Y.
CEMENT											
11,37,700A	8,71,294	72,62,714	341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.		99½	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B								10	B. 10	0 6	0 12	0 12			
43,14,600Q	11,13,132	1,01,23,397	834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement		3½	O. 10	0 8	*Nil*	*Nil*		3	Y.T.
4,70,976D								8	D. 1	*Nil*					
10,36,20,438	4,95,07,009	15,65,68,404	1,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies		168½	100	8 8	9 8	9 8		7	Y.
60,00,000O								6½	O. 10	0 8	0 10	0 10			
26,49,797O	43,46,380	69,78,209	37,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)†		18	O. 2½	0 2	0 24	0 24		12	Y.P.T.
50,00,000D								1½	D. 1	*Nil*	*Nil*	*Nil*			
62,50,000O								17	O. 25	*Nil*	*Nil*	1 4½			
7,50,000D	4,00,000	1,26,71,467	27,600	90,853	Esen Ltd.	India Cements Ltd.		3½	D. 5	*Nil*	*Nil*	*Nil*		3	Y.P.
73,00,000	20,05,000	1,72,56,055	1,85,166	38,658	Martin Burn Ltd	Sonevalley Portland Cement		6½	5	0 3½	0 6¾	0 8		12	Y.
CERAMIC; MINING AND QUARRYING											
31,70,655	1,00,000	56,44,143	16,17,762	3,671	S. Lall Bhagat & Co.	Bengal Potteries		2½d		2½	0 2	0 2½		12	Y.
				15,680	Bird & Co., Ltd.	Bisra Stone Lime Co.		28½N	10	0 8	0 14	0 14	0 14	3, 9	H.
10,00,000	21,89,785	53,01,488	31,14,250							0 14	0 14	0 14			
				£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation		2-12½	Sh. 2	3d.	3d.			12	Y.
£914,200	£846,000	£1,643,983	£840,110	1,37,234	Bird & Co., Ltd.	Karanpura Development		13½	10	*Nil*	*Nil*	*Nil*		6, 12	H.
20,00,000

MISCELLANEOUS COMPANIES—Continued

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Div. 1950 Rs. a.	Div. 1951 Rs. a.	Div. 1952 Rs. a.	Div. Rs. a.	Ref.
PAPER													
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	42	2½	1 4	1 9	1 9		H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	161xd	100	1 4	1 9	Nil	6,12	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	133xd	10	5 0 8h	0 12	1 0*	1 0* 3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	31½	10	0 12	1 0	1 0*	3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18	10	1 8 0 8	1 0 0 12	1 0 0 12	6,12	H.P.T.
20,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	8 / 6	O. 10 / A. 10	0 10 / Nil	Nil / Nil	0 4 / 0 4	3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500P.O.	2,52,52,615	4,78,98,548	2,83,00,698	5,00,114	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35½ / 4½	B. 10 / P.O. 2½	1 0 / 0 14* / 0 2	1 0 / 1 0* / 0 2	1 0 / 1 0* / 0 2	3,9	H.P.
PRESSING													
8,00,000	5,92,365	15,58,964	10,46,391	30,468	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0	6	Y.
4,30,000	90,000	6,89,525	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	6 0	6 0	5 0	7	Y.
5,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0	6	Y.
PROPERTY AND LAND													
10,00,780O. / 2,00,000D.	6,02,582	42,65,284	19,09,280	419	S.A. Basil, Esq., &others (Directors)	Humayun Properties	10½ / 1½	O. 10 / D. 1	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8½ / Nil	9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd.	Port Canning Land	22½	100	2 0	1 8	1 0	4	Y.
94,00,000	35,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary	32	100	Nil	3 0	2 0	4	Y.P.
SAW MILLS AND TIMBER													
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6½	3	0 8	0 8	0 4		
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading	350 / 127½	Old 125 / New 50	15 0 / 15 0	17 0 / 15 0	22 8 / 9 0	9 5 0() / 2 0()	Y.
6,00,000	....	2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	38N	100	5 0	Nil	5 0	6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31½	10	3 8	3 8	3 0	9	Y.
SUGAR (U.P. and Bihar)													
14,00,000	9,81,419	37,27,464	25,16,456	18,412	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	1 0	Nil		
12,00,000A. / 3,00,000B	29,35,033	44,92,506	29,21,822	2,81,000	Narang Bros. & Co., Ltd.	Basti Sugar	120N / 11½N	A. 100 / B. 10	6 4 / 0 10	18 0 / 1 0		6	Y.
19,49,050	3,00,000	27,54,526	10,29,841	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7½	7½	Nil	0 10	0 12	9	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	16½N	10	1 0	1 8	1 8	6	Y.P.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	68	10	Nil	Nil	Nil	6	Y.P.T.
15,00,000	55,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	34½	10	2 0	3 0	2 0	10	Y.P.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd.	Champarun Sugar	24½	10	1 8	1 8	2 0	6	Y.
35,00,000A. / 10,00,000O.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N / 25N	A. 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	50N / 25N	80 / 46	3 0 / 1 8	4 8 / 2 8	Nil / Nil	7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	25	10	1 0	2 8	Nil	6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 10	0 8	5	Y.
13,59,375	43,31,823	52,90,359	15,27,000	39,355	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N / 10N	100 / 10	15 0 / 1 12	20 0 / 5 0		6	
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	85	100	3 4	11 0	6 0	7	Y.P.
12,00,000	11,70,686	26,67,609	17,89,472	71,500	Narang Bros. & Co., Ltd.	Punjab Sugar	98N	100	6 0		6 0	10	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,415	Begg, Sutherland & Co., Ltd.	Puraipore Co.	13	10	1 8	2 0	1 0	10	Y.P.
8,00,000	6,03,850	24,18,182	20,01,613	15,410	Begg, Sutherland & Co., Ltd.	Ryam Sugar	18	10	1 8	2 8	1 0	6	Y.P.
11,99,000	17,24,706	36,11,160	20,82,129	23,281	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14½	10	1 8	2 0	1 0	6	Y.
20,00,000	20,68,560	1,03,36,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	0 6	1 0	1 8	7	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 6½	6	Y.
6,50,000O. / 1,75,000D.	47,625	27,92,174	11,46,770	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	11N / 0. 10 / D. 2½	O. 10 / D. 2½	Nil / Nil	Nil / Nil		10	Y.P.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	18N	10	1 12	2 0	1 0	6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	14	10	0 4½	2 0	0 8	9	Y.
Other Centres													
46,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd.	Belapur Company	238	50	12 8	14 0	16 0	9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	Nil	5 0	3 0	6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	22	10	1 8	2 8	2 0	9	Y.P.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	10½N	10	0 12	1 0	0 12	10	Y.
21,79,280	90,00,000	94,96,051	62,24,358	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0	6	Y.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	88½	50	8 0	8 0	8 0	9	Y.
16,39,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnugger Cane and Sugar	11½	10	0 9½	0 12	0 12	9	Y.P.
20 00,00000. / 4,00,00000P.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 7N	O. 50 / D. 10	7 0	9 0	9 0	9	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,03,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	10½N	10	1 0	1 4	0 12	10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil	7	Y.P.
77,50,000 / 23,50,0000.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	148½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	9	Y.P.T.
TRANSPORT													
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	158	100	10 0	12 8	12 8	10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	£13,172	Dinshaw Ltd.	Bharat Line	83	100	3 0	4 0	5 0	12	Y.
6655,580	£1,123,737	£5 428,105	£3,532,999	2,26,066	Kiburn & Co., Ltd.	Indian General Navigation & Rly. Co.	84½xd	£10	Nil	Nil	Sh.10	12	Y.P.
2,25,00,000	36,99,233	3,87,93,426	1,03,39,078	1,58,231	Lionel Edwards Ltd.	India Steamship Co.	6½	10	Nil	Nil	0 8	3	Y.P.T.
6,59,62,018	3,81,43,387	12,98,97,421	3,04,50,000		Narottam Morarjee & Co.	Scindia Steam Navigation Co.	13½	15	Nil	Nil	0 8	6	Y.T.
UNCLASSIFIED (Bombay)													
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	30 0	30 0	35 0	9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0	12	Y.
25,00,000	1,00,000	25,18,130‡‡	8,079	8,955	Dewan Chand Nanji Investment Co.	Chhotabhai Nanji Ltd.	23	10	0 12	1 0	1 0	3	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	2 8	12	Y.P.
99,99,250	18,35,375	1,26,92,333‡‡	10,053	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	69½	100	4 0	4 8	4 8	12	Y.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	135 / 120	100 / 75	8 8 / 2 2	9 0 / 2 8	10 0 / 2 8	4 00() / 2 00() / 6	Y.
2,06,71,500A. / 10,00,000B.	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	39½ / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	6	Y.
10,21,200	3,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40	20	2 0	3 0	3 0	12	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)	Western India Match Co.	233½	100	11 0*	11 0*	11 0*	12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay (Chairman)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	12	Y.
Other Centres													
47,50,000O. / 2,50,000D.	15,00,000	1,35,46,950	50,22,899	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3 / 2½	O. 10 / D. 2½	Nil	Nil	Nil	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	17	10	1 12	2 8	1 4	8	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,33,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*	12	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	5	10	0 9 3/5	0 9 3/5	0 8	3	Y.P.
30,00,7000. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	270 / —	O. 100 / D. 40	20 0* / 6	25 0* / 8 0*	20 0* / 6 0*	5 00()	Y.P.T.
20,00,000	8,38,806	54,303,140‡‡		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	158	10	1 2	1 4	1 4	12	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	10	10	1 4	1 4	0 12	9	Y.P.T.
3,25,00,000	1,05,00,000	2,23,59,029	1,84,14,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd.	8½	5	0 12	0 12	0 8	3	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	27½	10	2 0	1 8		12	Y.P.
51,26,000	47,57,061	1,26,55,4208	....	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	141	100	9 0	9 0	9 0	12	Y.P.T.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	175	100	12 8	12 8	20 0	3	Y.P.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	10 0	10 0	9	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	237	250	15 0	15 0	15 0	3	Y.P.
12,42,800	5,06,049	60,60,790	41,30,369	39,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	10 0	10 0	3	Y.
4,96,12,650	1,92,800	2,61,59,792	1,21,00,053	3,47,260	Birla Bros., Ltd.	Hindustan Motors	3½	10	Nil	Nil	Nil	12	Y.P.T.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	100	3 8	5 0	5 0	12	Y.
1,52,89,220	99,40,984	57,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Cables	18½	10	2 8	1 0	1 0	12	Y.P.
8,27,970	5,28,000	14,27,460	7,51,385	39,038	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	12½xd	10	1 0	1 0	1 0	3	Y.P.
40,00,000O. / 6,34,000O.	57,45,280	29,81,477‡‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	129	100	10 0	10 0	10 0	7 8	Y.P.
66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2 / 130	O. 5 / D. 1 / O. 100	Nil	Nil	Nil	3	Y.
5,00,00,000D.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	—	D.O. 10	12 8	12 8		12	Y.P.
1,30,55,750	30,19,025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	17½	10	1 4	1 12	1 6	9	Y.
6,35,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	0 10	Nil	Nil	3	Y.
3,75,000	7,15,916	8,97,041	2,63,636	3,666	M. Hayath, Esq. (Controller)	Mysore Lamp Works	17½xd	10	1 0	1 0		12	Y.
10,00,000		11,45,854	5,95,996	11,339	B. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10xd	10	Nil	1 0	1 0	3	Y.
20,00,000	23,16,171	50,16,078	28,73,987	11 045	Associated Industrial Development Co., Ltd.	National Insulated Cable	13	10	0 8	0 8	0 12	3	Y.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	8½	10	0 4	0 8	0 8	12	Y.P.T.
40,00,000	24,00,000	41,58,336	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½	2	1 9 3/5	0 10½	0 4½	12	Y.P.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq.	Ralli's (India) Ltd.	68	100	8 8	9 0	Nil	12	Y.P.T.
1,14,00,000	78,53,108	6,09,39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	8½	10	Nil	Nil	1 0	8	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,233	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	13½	10	1 0	1 0	1 0	10	Y.P.T.
35,00,000	35,00,000	12,11,901‡	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	10½	10	1 0	1 0	1 0	6	Y.P.
75,00,000	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 6½	Nil	Nil	12	Y.P.

‡‡ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

Shaw Wallace & Co.00,

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed Rs. a.	Reference Rs. a.
ASSAM															
4,45,700	5,02,362	8,88,306	3,86,105	....	McLeod & Co., Ltd.	925	Amluckie	275N	100	25 0	Nil			12	Y.P.
2,76,500	4,21,500	7,43,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	14cd	10	2 8	0 12	0 12		12	Y.
3,50,000	6,15,999	9,34,560	1,33,123	48,872	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	25	10	4 0	3 0			12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	25½	10	1 12	Nil	Nil		12	Y.
3,40,000	7,11,053	7,05,721	2,07,883	44,989	Andrew Yule & Co., Ltd.	360	Baimatia	35	10	3 0	2 8			12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	10½	5	1 8	1 0	1 8		12	Y.
3,20,000	4,90,000	6,72,731	1,29,032	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	24	10	3 8	1 8			12	Y.
16,50,000	17,31,058	44,86,333	18,66,359	82,300	Williamson Magor & Co., Ltd.	4,018	Bishnauth	25	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bishakhat	4½	10	0 8	Nil	Nil		12	Y.P.
7,50,000	3,40,000	7,64,816	1,66,959	22,297	McLeod & Co., Ltd.	450	Borrnah Jan Tea	11½	10	1 8	1 8			12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11½	10	1 0	1 0			6	Y.P.
1,20,000	1,83,234	3,66,010	1,23,491	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7½	10	1 0	Nil			12	Y.
6,00,000	7,50,000	24,24,301	14,67,578	25,545	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	225	100	30 0	22 8			12	Y.
17,53,440	5,40,608	19,11,105	2,07,665	54,461	James Warren & Co., Ltd.	426	Dhelakhat	10½	10	1 9 3/5	1 3½			12	Y.P.
4,68,970	2,71,019	10,66,372	3,24,106	25,794	James Finlay & Co., Ltd.	613	Dhunseri	10½	10	2 0	1 0			12	Y.
4,50,000	2,75,000	6,91,361	89,333	14,389	McLeod & Co., Ltd.	458	Dihrugarh	7½	10	1 0	1 0			12	Y.
2,36,700	3,72,500	8,29,204	3,79,204	35,409	Williamson Magor & Co., Ltd.	611	Dimakusi	30½	10	4 8	1 8			12	Y.P.
5,60,500	4,50,000	16,38,157	9,59,157	1,15,948	Williamson Magor & Co., Ltd.	669	Duffla ghur	32½xd	10	2 4	4 0	2 0		12	Y.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	16	10	2 4	1 0			12	Y.
3,60,000	3,00,000	7,93,632	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	17	10	3 0	1 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	26½	10	4 0	3 0			12	Y.
A. 4,94,360 / B.2,40,790	12,87,810	17,08,255	4,58,704	82,387	Octavius Steel & Co., Ltd.	1,393	Grob	16 / 8	A.10 / B.5	3 0 / 1 8	3 0 / 1 0			12	Y.
2,00,000		6,50,000	6,89,042	2,11,316	27,061	476	Hoograjuli	28	10	1 8	1 0	1 8		12	Y.
4,35,000	8,04,216	17,05,270	7,74,371	35,208	Andrew Yule & Co., Ltd.	1,260	Hootungoree	290N	100	25 0	17 8			12	Y.
7,50,000	5,85,000	11,98,156	1,61,426	29,063	Gillanders Arbuthnot & Co., Ltd.	1,166	Jutibari	91	10	1 4	0 8			12	Y.
2,40,000	80,000	11,45,855	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,017	Kingsley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,113	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd.	673	Ledo	16	10	2 0	Nil	Nil		12	Y.P.
4,80,000	57,154	8,52,930	52,930	286	Duncan Bros. & Co., Ltd.	433	Mahmoth	2½	10	0 8	Nil	Nil		12	Y.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	325	Murphulani	323N / 20½ / P.O.10	100 / 10 / 3	45 0 / 2 0 / 3 8	35 0 / 2 0 / 2 8	Nil / 2 0½ / 2 8½		12	Y.
O. 50,000 / P.O.2,00,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	540	Naga Hills	25 / 11½	P.O.10 / 10	2 4	2 4			12	Y.
4,00,000	3,41,211	5,78,550	3,61,800	20,262	S. C. Sen, Esq., Supervising Director	810	Namburnadi	6½	10	1 0	Nil	Nil		12	Y.
5,15,000	—	10,14,665	4,66,665	—99,094	Shaw Wallace & Co., Ltd.	935	New Cinnatollah	72N	100	Nil	Nil	Nil		12	Y.
2,00,000		5,92,221	1,92,221	—44,129	Duncan Bros. & Co., Ltd.	337	Rajgarh	20	10	3 0	1 12			12	Y.
2,00,000	4,77,500	5,89,719	1,51,510	29,091	Andrew Yule & Co., Ltd.	889	Sapoi	8½	10	0 12	0 4			12	Y.
6,00,000	3,51,802	12,93,423	5,97,805	18,568	James Finlay & Co., Ltd.	513	Tara Ali	20	10	1 0	1 12	1 0		12	Y.
3,00,000	6,55,000	10,86,022	2,48,752	61,699	Octavius Steel & Co., Ltd.	495	Teloiian	9½	10	1 12	1 0			12	Y.
5,98,000	4,50,105	9,05,941	2,48,197	23,492	McLeod & Co., Ltd.			17½	10	3 0	1 8			12	Y.
4,00,000	5,10,127	7,11,227	1,35,514	68,083	Gillanders Arbuthnot & Co., Ltd.	504	Tengpanu	—	10	3 8	0 12			12	Y.P.
15,86,310	12,00,000	31,23,352	10,86,352	35,915	Shaw Wallace & Co., Ltd.	2,101	Terpore	14½	10	3 8	0 12			12	Y.
5,20,000	9,50,000	17,65,879	6,75,483	15,567	McLeod & Co., Ltd.	1,050	Tyroon	21½	10	2 8	2 0			12	Y.
CACHAR															
3,00,000	1,75,000	5,00,750	1,63,383	—2,77,756	Gillanders Arbuthnot & Co., Ltd.	862	Arcutlipore	3½	10	Nil	Nil			12	Y.
7,00,000	2,65,000	7,57,632	32,964	—2,73,092	Octavius Steel & Co., Ltd.	949

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,73,184	48,22,130	3,33,368	B. N. Elias & Co., Ltd.	879	Agarpara	17	10	¾+¾	1	½	1	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	170	100	4	10	15	15	5, 11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	5	Nil	3, 9	H.P.T.
30,00,000	2,10,000	1,16,99,590	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	147	100	Nil	2½	Nil	Nil	6, 12	H.P.T.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	198	100	Nil	10	10	10	6, 12	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	129	100	11½	6	5	5	3, 9	H.P.
20,00,000	29,77,565	97,17,334	63,51,882	72,634	Jardine Henderson & Co.	959	Bally	158	100	6+6	6	1	Nil	3, 9	H.P.T.
£275,000	£639,470	£1,328,460	£1,025,230	£91,091	Sir John H. Burder (Chairman)	1,890	Barnagore	£1	£1	£1	£1	£1	£1	3, 9	H.P.
28,00,000	32,59,373	88,01,240	47,68,254	26,347	Andrew Yule & Co., Ltd.	820	Belvedere	197	100	7+10	12½	15	7½	6, 12	Y.P.
22,50,000	55,95,000	51,03,383	22,50,305	4,07,203	Soorajmull Nagarmull	600	Bengal	14½	10	1½	3			6	H.P.
30,42,000	2,64,16,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	34¼xd	10	2½	3	3	3	3	Y.P.T.
36,00,000	29,72,923	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	135	100	3+10	10	12	6½	6½	Y.P.
16,00,000	14,10,773	68,13,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	502	Bokaro-Rampur	93	10	Nil	1	1		6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	616	Borrea	25	10	4+10	10	12½	6	6, 12	H.T.
90,92,480	1,65,60,398	4,03,65,968	1,60,47,288	1,13,021	Bird & Co., Ltd.	1,400	Burrakur	8	10	13½	15	15	15	6, 12	H.P.
49,97,000	750	22,35,410	57,645	8,776	Hindustan Investment Corpn., Ltd.	1,300	Central India	4	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..	520	Central Kurkend	15N	10	3+6	10	12	6	6, 12	H.P.T.
6,00,000	1,40,000	7,50,000k	....	13,973	P. W. Heilgers & Co., Ltd. ..	300	Churia	2½	4	¾+¾	1½	4½	2½	6, 12	Y.
16,00,000	2,70,000	45,41,647	25,27,346	24,435	Macneill & Barry Ltd.	1,000	Dhemo Main	8½	10	1½	3½	7½	2	6, 12	H.
£120,000	£424,897	£878,414	£669,896x	£78,839	Jardine Henderson Ltd.	1,779	East Indian	22½	£1	1+3	8	6	6	6, 12	H.
29,63,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	1,884	Equitable	222xd	100	5+12½	15	17½	10	6, 12	H.
10,00,000	2,62,255	8,41,725	2,13,963	66,865	Bhatter's Agency Ltd.	500	Fort Gloster	38½	10	1+1	1½	1½	1½	6, 12	H.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	1,014	Fort William	135	100	2½+20	12½	12½	10	6, 12	H.P.T.
84,32,100	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	296N	100	Nil	4	6	Nil	3, 9	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	61	100	Nil	3½	2½	2½	3, 9	H.
24,00,000	27,30,664	2,19,21,184	1,62,21,137	1,57,647	Macneill & Barry Ltd.	1,394	Gourepore	685	300	45	90	30	Nil	6, 12	H.P.
40,00,000	34,05,591	81,94,127	48,19,471	3,06,824	Bangur Bros., Ltd.	1,078	Hastings	265	100	2½+15	10	10	1½	Nil	3, 9	Y.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	110N	10	10	7	10	Nil	Nil	3, 9	H.P.
50,00,000	50,62,500	1,56,87,559	1,09,33,235	1,55,027	Jardine Henderson Ltd.	1,940	Howrah	31½xd	10	1	3	1	1	2, 8	H.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	73½	10	1+1	3½	7½	2	6, 12	Y.P.
O. 87,00,000	18,45,066	1,11,41,130	70,52,201	77,979	Mackinnon Mackenzie & Co. ..	1,076	India	120xd	O. 125	3½+9½	3½	1½	3½	3½	Y.P.T.
D. 30,00,000								—	D. 1	A.7-8 7-8	⅜		⅜	3, 9	H.
24,00,000	20,07,975	1,36,48,345	1,16,47,605	92,900	Jardine Henderson Ltd.	1,797	Kamarhaty	180	100	8½+8½	10	12½	8½	6, 12	H.P.
'A' 19,20,000								171	'B' 100	8½+8½	10	12½	8½		
30,00,000	12,18,800	1,30,36,108	92,12,151	83,881	Jardine Henderson Ltd.	1,527	Kankanrrah	146	100	Nil	5	7½	6	6, 12	H.P.
'B' 24,00,000								142	'B' 100	Nil	5	7½	6		
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	232	100	10+10	12½	12½	7½	6, 12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,490	4,00,393	Anderson Wright Ltd.	1,530	Khardah	177	100	Nil	15	10	6	6, 12	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	185xd	100	11½	10	9	10	7	4¥	3, 9	H.P.
24,48,000	48,82,303	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	126xd	100	2+10	11	8	7	3	2¥	3, 9	H.P.T.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	840	Lawrence	158xd	100	5+9	12½	11	11	4	2¥	3, 9	H.P.
10,00,000	36,51,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd.	558	Lothian	235xd	100	5+10	12½	17½	15	15	15¥	3, 9	H.P.
81,65,200	24,87,140	1,94,76,907	1,13,95,064	1,17,533	Mackinnon Mackenzie & Co. ..	1,008	Megna	90xd	100	2½+6½	2½	11	2½	2½		5, 11	H.P.
29,98,900	41,03,068	1,35,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Naihati	118	100	Nil	5	10	6	6	Nil	Nil	3, 9	H.
12,00,000	23,05,000	25,99,086	16,42,880	17,184	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	1+1	1½	1½	1¼	1¼	1¼	3, 9	H.
35,00,000	44,27,437	27,58,552	8,93,551	1,01,832	Andrew Yule & Co., Ltd.	852	National	21	10	1+1	1½	1½	1½	1¼	1¼	4, 10	H.T.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	36½	10	1½+1½	2½	5	2	1	1¼	4, 10	H.P.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	709	New Central	260	100	4+10	15	15	10	12		6, 12	H.P.T.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	18½xd	10	Nil	Nil	11	8	7	3	6, 12	H.P.
66,79,500	32,37,529	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	43	50	Nil	1½	1½	1½	1	Nil	Nil	3, 9	H.P.T.
50,00,000	22,73,049	70,35,063	47,87,892	81,356	Andrew Yule & Co., Ltd.	601	Orient	166	100	4+10	12	12	Nil	6		3, 9	H.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	4½	5	Nil	Nil	Nil	Nil			5, 11	H.P.
20,00,000	....	26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	305	Rameshwara	5½	10	Nil	Nil	Nil	Nil			6, 12	H.T.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	15	10	Nil	½	Nil	Nil			3, 9	H.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Ramnuggur	14½	£1	10%	10%	10%	10%	¼¥		3, 9	H.P.T.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Bagaria More & Co., Ltd. ..	911	Shree Ambica	14½	10	Nil	1½	1½	1½			6, 12	Y.P.
7,00,000	7,74,813	48,14,436	29,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½N	10	½	Nil	Nil	Nil			3, 9	H.P.
25,19,600	49,33,937	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	650	Standard	135xd	100	3+6	9	8	8	1	1¥	3, 9	Y.P.T.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	14½	£1	10%	10%		10%			3, 9	H.P.
35,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	138	100	1+7	12½	11	10	1	1¥	6, 12	Y.P.
£400,000	£587,164	£1,099,917‡		£119,908	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14½	£1	10%	10%		10%			3, 9	H.P.T.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	1	1	Nil	1/40	1/40	Nil			6, 12	Y.P. H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1949 Rs.	1950 Rs.	1951 Rs.	1952 Rs.	Accounts Closed	Reference
25,50,000	15,75,000	64,99,011	45,49,011	25,799	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18½	10	¾+¾	1	1	¾	3, 9	H.
12,00,000	8,32,703	37,16,954	33,85,714	60,294	Jardine Henderson Ltd. ..	Bararee Coke	17½	10	¾+¾	3/5			3, 9	H.
6,00,000	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd. ..	Bengal-Bhatdee	6¼N	10	½				3, 9	H.
1,00,00,000	1,09,50,000	5,08,61,725	3,24,30,103	8,02,968	Andrew Yule & Co., Ltd. ..	Bengal Coal	509	200	16+17½	17½	17½	17½	6, 12	H.
2,25,000	5,14,434	23,84,661	21,98,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	1½+1½	1½		20	4, 10	H.P.
13,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd. ..	Bhaigora	5½	10	Nil				6, 12	H.P.
69,99,953	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5	10						
7,15,000	14,64,077	50,70,322	33,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbarasee	13½	10	Nil				6	Y.
16,00,000	14,10,773	68,13,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Rampur	9½	10	Nil	Nil	Nil	Nil	6, 12	Y.T.P.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	25	10	¾+1½	1½	1½	1½	6, 12	H.
90,92,480	1,65,60,398	4,03,65,968	1,60,47,288	1,13,021	Bird & Co., Ltd.	Burrakur	8½	10	13½	15	15	15	6, 12	H.T.
49,97,000	750	22,35,410	57,645	8,776	Hindustan Investment Corpn., Ltd.	Central India	4½	10	Nil	Nil	Nil	Nil	6, 12	H.P.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	15N	10	3+6	10	12	6	6, 12	H.P.T.
6,00,000	1,40,000	7,50,000k	....	13,973	P. W. Heilgers & Co., Ltd. ..	Churia	2½	4	¾+¾	1½	4½	2½	6, 12	Y.
16,00,000	2,70,000	45,41,647	25,27,346	24,435	Macneill & Barry Ltd.	Dhemo Main	8½	10	1½	3½	7½	2	6, 12	H.
£120,000	£424,897	£878,414	£669,896x	£78,839	Jardine Henderson Ltd.	East Indian	22½	£1	Nil				6, 12	H.
29,63,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	38½	10	2½+2½	2½	2½	2½	6, 12	H.
10,00,000	2,62,255	8,41,725	2,13,963	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	15½	10	¾	2		2	6, 12	H.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurmladih	13½	10	1				3, 9	H.P.
3,50,000	5,50,000	12,53,839	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	Kalapahari	40N	10	1+1½				6, 12	Y.
20,00,000	....	21,96,426	68,340	—1,35,692	Bird & Co., Ltd.	Karanpura Collieries ..	80	100	¾	Nil	1½	1½	6, 12	H.
5,00,000	11,25,000	42,50,791	32,33,631	89,823	Andrew Yule & Co., Ltd. ..	Katras Jherriah	38	10	1+1	1½	1½	Nil	2, 8	H.
1,38,400	93,000	10,63,519	3,25,519	1,063	Beriwala & Co.	Khas Kajora	7½N	10	¾+¾	⅜	⅜	1	1, 7	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd. ..	Kusrdi	5½N	10	¾	¾	1½	¾	6, 12	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd. ..	Lakurka	11N	10	¾	¾	¾	¾	6, 12	H.P.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd.	Nazira	6½	10	1	1	1	1	6	Y.
17,76,230	10,67,000	1,16,02,941	81,01,381	55,799	Andrew Yule & Co., Ltd. ..	New Beerbhoom	17½	10	Nil 3/10	3/10	Nil	Nil	6, 12	H.
6,00,000	3,30,000	31,32,539	18,57,919	—7,595	Octavius Steel & Co., Ltd. ..	New Manbhoom	8½	10	Nil ½	½	Nil	½	4, 10	H.P.
											Nil	Nil	3, 9	H.
1,15,000	3,51,004	12,56,672	7,30,294	12,237	Andrew Yule & Co., Ltd. ..	North West	14xdN	10	¾+¾				3, 9	H.
1,57,500							10⅝xdN	7½						
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	18½N	10	9/40+1	1	1½	1½		
10,00,000	1,10,000	33,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	12½N	10	1				6, 12	H.P.
8,34,000	20,551	16,29,203	5,77,935	70,539	Deepchand Kishenlall	Parasea	3½	10	Nil	Nil	Nil	Nil	12	Y.T.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	20½	10	¾+¾	¾			6, 12	H.P.
23,99,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd. ..	Ranegunge	8½	10	Nil	Nil	Nil	Nil	2, 8	H.
13,50,000	6,88,385	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd. ..	Rewa	3½	10	¾+¾	—	¾		3, 9	H.
20,00,000	3,10,464	28,07,515	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	7½	10	Nil	Nil	Nil	Nil	6, 12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½N	2½	¾+¾	¾	¾	¾	6, 12	H.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd. ..	Seebpore	25½	2½	2½+2½	2½	2	2	6, 12	Y.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	9	10	¾+¾	¾	Nil	Nil	6, 12	H.P.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)								6, 12	H.T.
17,50,000	10,70,000	34,29,846	13,40,707	15,868	Singareni	South Karanpura	6½	10	9/20				12	Y.T.
8,00,000	13,68,503	2,33,837	56,445	86,379	Bird & Co., Ltd.	Standard	9½	10	1+1	½	½	½	2, 8	H.
10,00,000	12,950	30,13,423	15,43,501	—3,64,536	P. W. Heilgers & Co., Ltd. ..	Telcher	20½	10	¾+1				6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	Union	24	2½	Nil	Nil	Nil	Nil	12	H.
49,98,000	21,916	43,07,187	11,17,093	42,176	Hindustan Investment Corpn., Ltd.	West Bengal	23	10	1+1	1½	1½	1½	6, 12	Y.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	4½	10	¾+¾	¾	¾	¾	6, 12	H.
							17½	10				Nil	6, 12	Y. H.

* Including bonus. x Sales and amount written off. (k) Investments.

(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 468 in the debentures section:—

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

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

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

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

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 1953 or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 427)

facilitating transport of cotton from up-country centres to Bombay, in order to enable the shippers to fulfil their export commitments. Finally, he argued that, since it was necessary in the interests of the country's foreign exchange requirements to increase their exportable surplus of Bengal Deshi cotton, the Government should specifically encourage the cultivation of the cotton in areas where no better staple varieties could be raised. This question deserves to be examined in all its aspects, before a final decision is taken. There is much to be said for increasing the exportable surplus of cotton. But it is also arguable that nothing should be done to interfere with the present trend towards increasing the supply of superior varieties, for a portion of which the country continues to be dependent on overseas exporters.

• • • •

Mr. Ruia's reference to the change in the character of the world cotton trade gains additional importance in the light of the fact that, even in the U.K. which is an entirely cotton importing country, more and more spinners are leaving the fold of the Raw Cotton Commission, in order to make their own private arrangements for the importation of cotton. From 1st September this year, a new buying season has opened for individuals and firms interested in the use of cotton. The Ministry of Materials has estimated that, during this season, the proportion of purchases through individual merchant firms will amount to about 50 per cent. of supplies. A large number of the spinning combines, it is stated, have increased their private purchases. It may be mentioned, in this connection, that it is now over a year since the monopoly of the Commission was broken as a result of the freedom given to spinners to choose between public and private buying of their raw materials. The spinners' response to this freedom shows that the majority of them prefer private arrangements.

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The significance of the "progressive prosperity" movement, launched by the internationally known *Cotton Trade Journal* of the U.S., was explained by Mr. Francis G. Hickman, the Editor of the *Journal*, at a meeting organised by the Cotton Buyers' Association, Bombay. Mr. Hickman pointed out that the movement aimed at the dissemination of the technical know-how among cotton farmers for cutting down costs of production and for increasing the yield of cotton. The movement was intended to improve the position of the cotton trade by avoiding the evil effects of periodical depressions which follow temporary periods of prosperity. Giving his impressions of his recent world tour, Mr. Hickman said that he found that the textile industry, particularly in Europe, was in a somewhat depressed state. Mills were, therefore, becoming quality-minded, so far as their cotton purchases were concerned. Accordingly, it was essential that the cotton farmers should devote more and more attention to the quality of cotton. Measures, he said, should be taken to eliminate the evil of "mixing." Mr. Madanmohan R. Ruia, President of the Association, who welcomed Mr. Hickman, paid a tribute to the services rendered by him in publicising in the U.S. the great harm that had been done by the exports of damaged cotton by that country. He said: "Cotton is an international commodity, and we, in the cotton trade in this country, rightly belong to the world cotton fraternity." He claimed that in no other sphere was there such "close understanding and co-operation" as in the sphere of the cotton trade. He added that he was happy to note the *Cotton Trade Journal* was continuing "its efforts to maintain the cohesion in the world cotton trade."

BANKING

(Concluded from page 434)

by loans or grants from abroad, will cause a reduction in the monetary reserves. As is pointed out in this year's Annual Report of the Bank for International Settlements (already referred to above), "investment which is financed by inflation will soon be found to be no investment at all in the proper sense of the word, since it eats up already existing assets (monetary reserves, etc., as fast as, or even faster than it brings forth new productive assets."

IMPERIAL BANK'S EXPANSION PROGRAMME

A fair measure of progress would appear to have been achieved by the Imperial Bank of India in implementing its first phase of the expansion programme in India last year. Upto 30th June last, the Bank actually opened 26 branches and converted eight of its Treasury Pay Offices into full branches. This achievement is not very unfavourable, as it falls short of the original programme only slightly, in that it was intended to open 30 new branches and convert 13 Treasury Pay Offices by June this year. Giving this information, the Chairman of the Bank, in his speech at the latest annual meeting held at Madras on the 28th ultimo, stated that the second phase of the programme covering the three-year period ending June, 1956, would be the subject of discussion with the Reserve Bank of India shortly.

It may be noted here that, following certain recommendations of the Rural Banking Enquiry Committee, the Imperial Bank of India, in consultation with the Reserve Bank of India, had decided to open about 30 new branches before the end of June, 1953, and to convert some of its existing Treasury Pay Offices into full branches within the same period. It was anticipated that the number of such pay offices to be converted would be 13, thus bringing the total number of branches to be opened in India to 43, as compared with the total of 16 offices closed in Pakistan. The closure of offices in Pakistan was partly in consequence of the termination of the agency arrangements and partly of insufficient business at many of the centres where the National Bank of Pakistan also was permitted to operate. Last year, as a result, 16 branches of the Imperial Bank were closed down in Pakistan. Now the Bank is functioning in Pakistan at only nine centres, namely, Chittagong, Dacca, Hyderabad (Sind), Karachi, Lahore, Lyallpur, Mirpurkhas, Mymensing and Naraingunge.

The Chairman, in his address referred to above, touched on the new monetary policy inaugurated by the Reserve Bank of India towards the close of 1951. He said that the process of transition and adjustment to this policy was further consolidated during the year ended June, 1953. He observed that, during the period, commodity prices in this country were comparatively free from the sharp fluctuations witnessed in the previous year. Food position also showed improvement. Money supply declined, with a reduction in the volume of bank credit and a sizable diminution in bank advances. Deposits of Scheduled banks were, on the whole, fairly well maintained. There was, besides, a general increase in interest rate on deposits resulting in a change in their composition with a switch-over from demand to time deposits.

MARKET REPORTS

(Concluded from page 457)

controlled, with the exception of the hilly and flood-affected eastern districts and the principal cities of Lucknow, Banaras, Allahabad, Kanpur and Agra. The present system of food controls in U.P consists of fair price shops where wheat is sold by the Government at cost price. Free market in wheat and other grains is allowed at the same time. During recent weeks, the offtake from these shops has been meagre even in the principal cities and there seemed to be no point in maintaining the system, except in scarcity regions and in five premier cities as a precautionary measure.

With the popularity amongst the cultivators of the Japanese method, the paddy production in Uttar Pradesh may be expected to record a substantial increase in the State. Paddy cultivation in the Japanese way is on trial on an intensive scale in the 29 districts. The reports of the progress of the campaign for some districts have shown that the new method not only envisages good results but is also catching the imagination of the cultivators.

Restrictions on the price, purchase and movement of wheat and wheat products within the State of P.E.P.S.U. have been removed. These restrictions were imposed by the State Government during the year 1949 and 1951.

The wheat position is so satisfactory in the Punjab that the State Government has agreed to the request of the Himachal Pradesh for the supply of another 2,000 tons of wheat. Punjab's present wheat stocks aggregate about 35,000 tons. Last month also, the Punjab Government gave Himachal Pradesh 2,000 tons of wheat. The Government has exempted the Moga and Talwandi grain markets from the Punjab Grain Export Order to a certain limit. Both these markets will export 6,000 tons of grain.

The food situation in Madhya Bharat is satisfactory, except in some scarcity districts. The Government of India has allotted to the State 10,000 tons of foreign wheat, of which more than 3,000 tons have already ar

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,800 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	351xd / 180xd	100 / 50	18 0 / 9 0	18 0 / 9 0	18 0 / 9 0	9 0(i) / 4 8(i)	12	Y.P.
1,01,000	12,03,000	7,231	Andhra Bank	103 / 54	100 / 50	6 0 / 3 0	6 0 / 3 0	6 0 / 3 0	2 8(i)	6 12 / 12	H. / Y.
23,99,000	1,28,00,000	2,38,382	Bank of Baroda	112	50	6 0	6 0	6 0	2 8(i)	12	Y.
1,00,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
50,00,000	3,52,00,000	63,200	Bank of India	155xd	50	7 0	7 0	7 0	1 8(i)	6 12	R.L.Y.
2,50,000	24,00,000	35,324	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
19,38,375	15,00,000	2,44,634	Bank of Jaipur	19½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	25,280	Bank of Mysore	284cd	100	16 0	16 0	16 0	8 0(i)	12	Y.
50,00,000	42,61,693	9,417	Bombay State Co-operative Bank	59½	50	2 8½	2 8½	2 8½		6	Y.P.T.
59,19,600	16,50,000	9,244	Canara Bank Ltd.	89	50	4 8	4 8	4 8		12	P.Y.
15,00,000	18,00,000		Canara Banking Corporation Ltd	85	50	5 0	5 0	5 0		12	Y.P.
7,50,000				64½	25	3 8	3 8	3 8	1 4		
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	67½	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
52,42,375 'A'				34½	50	1 8	1 12	1 12		12	Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	8½N	20	2 0	4 0	4 0		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	9	50	—	—	—		12	Y
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank		50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	103N	100	6 0	6 0	5 0		9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,825	500	80 0	80 0	80 0	40 0(i)	6 12	R.L.H.
1,87,50,000				440	125	20 0	20 0	20 0	10 0(i)	6 12	R.L.H.
24,00,000				182	100	12 0	12 0	12 0			
16,00,000	73,50,000	1,04,201	Indian Bank	143	85	10 3½	10 3½	10 3½		6.12	R.L.H.
15,40,000				103½	60	7 3½	7 3½	7 3½		.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	89½	100	5 0	6 0	6 0		12	Y.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0		12	Y.
2,50,000				18½	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				35	50(C)	3 0	3 0	3 0			
87,50,000	89,00,000	1,92,605	Punjab National Bank	223cd	25	1 0	1 0	1 0	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,610	Travancore Bank	11½	25	—	—	—		12	Y.
40,00,000	40,00,000	2,06,135	Union Bank of India	6–6½	5	0 5	0 5	0 5		6.12	H.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36½	50	2 0	2 0	2 0			

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)						
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£–2–1–10½	£5	14†	14†	16†	3†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7	£5	7†	6†	7†		12	R.L.Y.
H.K. $20,000,000	H.K. $16,000,000	£418,242	Hongkong and Shanghai Banking Corporation	H.K. $89½ / £2-1-3-9 / 11-6-3	H.K. $125 / £1	5* / 12†	5* / 12†	5* / 12†	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£24½ / £24½	A £12½ / B £12½ / C £5	12† / 12†	12† / 12†	14† / 14†	7†(i) / 7†(i)	12	R.L.Y.
£1,437,296											
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24½ / £10½		12† / 16†	12† / 16†	14† / 16†	7†(i) / 8†(i)	12	R.L.Y.
£375,000											
£300,000				£32½	£12½	16†	16†	16†			
£2,281,250	£3,675,000	£323,703	National Bank of India							12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency

††O.S. Currency (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	1938 / 100	1st June .. 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941 / 90½	28th February .. 1963(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd	1936 / 99½	30th December .. 1953
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942 / 103½	27th December .. 1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	1944 / 90	1st November .. 1959-64
10,00,000	6	1st May and 1st November	Walchandnagar Industries	1941 / 105	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944 / 96	1st November .. 1959-64
COTTON					
6,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942 / 85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897 / 98½	13th November .. 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1922 / 99½	1st January .. 1967-72
13,68,000	5½		Swadeshi Textiles	1949 / 78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	1944 / 101	1st November .. 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950 / 96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
88,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940 / 100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949 / 94	31st December .. 1964
2,64,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950 / 101½	1st January .. 1970
25,00,000	4	30th June and 31st December	Giurepore Electric Supply Co., Ltd.	1945 / 86	31st December .. 1970
15,00,000	5	1st January and 1st July	Bihar (Dhanbad) Electric Supply Co. Ltd.	1951 / 96	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940 / 97	1957-63
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939 / 94	1st October .. 1954 / 1953-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94	1st July .. 1957-67
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	1948 / 104½	15th September .. 1931-55(b)
49,23,000	4	1st April and 1st October	Tata Power	92½	15th September .. 1965-70
1,00,00,000			Tata Power		
ENGINEERING					
5,00,000	5	30th June and 31st December	Britannia Engineering	1945 / 98	31st December .. 1954
2,00,000	6	30th June and 31st December	Bridge and Roof (India) Ltd.	1928 / 99	30th June .. 1958
50,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942 / 103	1st July .. 1957-63
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936 / 104	31st December .. 1960(ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946 / 88	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950 / 100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950 / 95	31st December .. 1960
JUTE					
£2,00,000	4½	1st October and 1st April	Agarpara	1939 / 99	31st March .. 1954
6,00,000	4	30th June and 31st December	Alexandra	1939 / 98	30th June .. 1954(a)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945 / 90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940 / 99	30th June .. 1955
12,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945 / 90	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949 / 91	31st December .. 1959(e)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951 / 97	30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	1951 / 95	15th July .. 1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947 / 92½	30th June .. 1957(d)
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949 / 88	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	1952 / 98½	31st March .. 1967
25,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947 / 98½N	31st March .. 1954
5,00,000	5½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939 / 93	14th May .. 1959
3,00,000	4½	30th June and 31st December	Northbrook Jute Co., Ltd.	1945 / 88	31st December .. 1964
20,00,000	4	30th June and 31st December	Presidency	1943 / 93	30th June .. 1958
8,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950 / 96	5th September .. 1965
85,00,000	5	14th March and 14th September	Rossmith Jute	1937 / 96½	14th September .. 1957
8,00,000	4½	30th June and 31st December	Union	1937 / 97	30th June .. 1957(d)
12,00,000	4½	31st January and 31st July	Waverley	1923 / 84	31st July .. 1960(e)
10,00,000	3½				
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	1936 / 86	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945 / 99½	1st November
£350,000	4½	1st January and 1st July		1900 / £100N	At 105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways	1933 / £102N	1st October .. 1974
£201,067	5	1st April and 1st October	Kalighat-Falta Railway	1934 / 99	30th September .. 1953
3,00,000	3½	30th September and 31st March	Katakhal-Lalabazar Railway	1945 / 89	31st December .. 1959
8,50,000	3½	30th June and 31st December			
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906 / £90½N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	/ 96½	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 / 100	1st January .. 1945-53
3,65,200	5½	31st March and 30th September	Tevkor Rubber Estates	1944 / 100	31st March .. 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943 / 101½	1st January .. 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1948 / 101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 / 98	31st December .. 1965
27,60,000	4½	1st April and 1st October	Associated Hotels of India	1948 / 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 / 96½	30th June .. 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1913 / 92	1st February .. 1964
21,55,000	4	1st July and 1st January	Clive Buildings	1936 / 88½	1st July .. 1986
80,00,000	5	15th March and 15th September	Delaoussie Properties	1944 / 87	15th September .. 1961
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950 / 101½	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949 / 97	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 / - 465 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 / 410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951 / 90¾	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 / 93½	31st March .. 1961
1,00,00,000	5½	30th June and 31st December	Robtas Industries Ltd.	1946 / 84½	31st December .. 1959

Note—See page 466 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd September, 1953.

	Closing quotations 27-8-'53	High	Low	Closing quotations 3-9-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154½	155	154½	154½
Bank of Baroda (50)	111½	112	110	110xd
Central (25)	66½	64½	64	64½
Imperial (F.Pd.) (500)	1,827½	1,827½	1,825	1,827½
Imperial (F.Pd.) (125)	440	—	—	440
Union Bank (5)	6–6½	6–6½	6½	6½
United Com. (50)	36½	36½	36	36½
COTTON MILLS				
Ahm. Adv. (100)	140	140	138½	138½
Apollo (2)	2⅛	2⅛	2–6½	2–6½
Bombay Dyeing (250)	377½	379½	375½	378½
Central India (100)	159½	159½	158½	159½
Century Mills (100)	268½	272½	268	271½
Calabs (100)	69	—	—	69
Edward Textile (200)	237½	—	—	237½
Elphinstone (50)	38½	38½	38	38
Finlay (100)	322	325	323	323½
Hindustan (100)	227½	228½	228	228
Ind. Untd. Defd. (1)	1–3½	1–3½	1–3½	1–3½
Ind. Untd. Ord (10)	8½	9	8½	9
Indore Malwa (100)	92½	93½	91½	92½
Khatau (100)	174½	—	—	176½
Kohinoor (100)	295	296	293½	294½
Lakshmi (100)	570	—	—	570
Madhusudhan (100)	86½	—	—	86½
B. R. Cotton Mills (100)	48½	—	—	48
Minerva Mills (100)	100½	—	—	100½
Model Nagpur (250)	143½	—	—	143½
Morarji (100)	190	185	180	185
Mysore (100)	130	—	—	130
New City (100)	151½	—	—	151½
New Great (100)	150	—	—	150
Pannalal (100)	116½	—	—	116½
Pedar Mills (100)	126½	126½	125	125
Sassoon Silk (10)	20½	—	—	20½
Sassoon Spg (10)	25½	—	—	25½
Shahlapur (1,000)	1,610	—	—	1,610
Simplex (50)	166½	168	167	167
Sradesh (100)	248	249½	246½	247
Swan (100)	460	—	—	462½
Tata M.† (25)	41½	41½	—	41
Vishnu (100)	148½	151½	150	151½
Western India (1,000)	3,500	—	—	3,500
ELECTRIC COS.				
Ahmedabad (100)	112½	113½	112½	113½
Amalgamated (10)	11	—	—	11
Andhra Valley (1,000)	1,452½	—	—	1,452½
Bom. Suburban (100)	121½	121½	121½	121½
Surat (100)	121½	—	—	121½
Tata Hydro (100)	142	142½	142	142½
Tata Power (1,000)	1,425	1,420	1,410	1,413
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)†	627½	—	—	627½
Ind Mercantile (20	40	—	—	38
Jupiter (15)	6½	—	—	6½
New India (15)	40½	40½	40½	40½
Oriental (200)	6,825	—	—	6,825
Universe (10)	8½	—	—	8½
Vulcan (10)	11½	11½	11½	11½xd
STEAMER COS.				
Scindia (15)	13–7½	13–8½	13½	13½
STEEL COS.				
Ind Iron (10)	22½	22–7½	22–0½	22–6½
Tata Steel Defd. (30)	1,957½	1,960	1,947½	1,952½
Tata Steel Ord (75)	338½	338½	337½	338½
MISCELLANEOUS				
Alcock Ashdown (100)	301½	302½	300	302½
Associated Cin. (100)	168	169	168	168½
Belapur Sugar (5)	23½	23½	23½	239
Bom. Burmah (125)	350½	351½	348½	349½
Do. (New) (50)	127½	128½	127½	129½
Br. B. Petrol (4 sh.)	1½	1–3½	1–2½	1½
Br. I. Corpn. (5)	8–3½	8–6½	8½	8–6½
Indian Copper (2 sh.)	2–1½	2½	2–1½	2–1½
Ind. Iav. Tr. (100)	69½	—	—	69½
Port Canning (100)	22½	—	—	22½
Premier Cos. (50)	85	85½	84½	85
Shiv (10)	56½	56½	56½	56½
Tata Chemicals (10	8½	—	—	8½
Tata Oil (25)	30½	30½	30½	30½
Walchand Ind. (100	146½	148½	146½	148½
W. I. Match (100	237½	235½	235	235
GOVERNMENT SECURITIES		Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	
	Rs.			Rs
2½% 1954	98⅛	—	3.43	98⅛
2½% 1955	98⅛	—	3.28	98⅛
2½% 1961	90⅜	—	3.88	90⅜
2½% 1960	91⅜	—	3.81	91⅜
2½% 1962	91⅜	—	3.87	91⅜
2½% 1976	82½	—	3.91	82½
2½% 1957	98⅛	—	3.42	98⅛
3% 1958	98⅜	—	3.41	98⅜
3% 1959-61	96⅜	3.73	3.57	96⅜
3% 1964	92⅜	—	3.85	92⅜
3% 1963-65	92⅛	3.93	3.79	92⅛
3% 1966-68	90	4.00	3.88	90⅜
3% 1970-75	86½	4.11	3.92	86½
3% 1986 Con. Loan	82	—	3.65**	82½
3½% 1954-59*	100½	3.32	3.46	100½
4% 1960-70	102⅜	3.66	3.84	102⅜
4½% 1955-60	103½	3.00	4.01	103½
4½% 1958-68*	105	3.40	4.05	105
5½% 1961 N.P. Bonds	98½	—	3.74	98½

BRITISH GOVERNMENT SECURITIES

	27-8-53 £	High £	Low £	2 9-53 £
4½% Brit. Consols	60⅜	61⅛	60⅜	60⅛
3½% Savings Bonds 1955-65	75	—	—	—
3½% War Loan 1955-59	86⅜	86⅜	86⅛	86⅛
3½% War Loan 1952	102⅛	102⅛	102⅛	102⅛
3½% Brit. Iron and Steel 1979-81	82	82½	82	82½
4½% Funding Loan 1960-90	91⅛	—	—	91⅛
	101⅛	101⅜	101⅜	101⅜

xd—Ex-dividend. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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A POLITICAL DEBATE ON AN ECONOMIC PROBLEM

LAST week's debate in Parliament on the problem of unemployment, an economic one, pure and simple, turned out, as might have been anticipated by those familiar with the antics of the non-official sponsors of the resolution on the subject, to be a full-fledged political debate. The occasion was availed of by every member of the opposition to give free expression to his pet political thoughts. And where unemployment was touched at all, it was more by accident than design. The result was that no fresh light was shed on the problem, and no practical guidance given either to the Government or the country. This is deplorable, in all conscience. Only, it is less deplorable than the fact that, when the speakers deviated from the main theme, they permitted themselves to make statements which had little relevance and scarcely any truth.

The non-official resolution on unemployment urged the Government to set apart at least Rs. 50 crores for the purpose of opening free kitchens, to reduce the prices of food, clothing and other essential commodities by 30 per cent., to buy unsold stocks of cottage industries, to undertake a programme of national housing, irrigation works, road construction, and railway development, of construction of schools and hospitals, to redistribute land, and to confiscate British capital and to stop competition from foreign-owned domiciled companies. Judged as a piece of political polemics, this resolution would take pride of place as an excellent electioneering manifesto for the extremist political party which sponsored it. But nobody in Parliament stopped to ask how the Government was to get the money for implementing these grandiose schemes recommended by the resolution, or to question the relevance—quite apart from the legal, political and economic justice—of the suggestion for the confiscation of British capital. How little the opposition members themselves had studied the implications of the resolution is clear from the fact that no speaker made the slightest reference to the suggestions in the resolution; all members converted the debate into an occasion for a general discussion on unemployment. Apparently, they were convinced that these suggestions deserved no better treatment than studied neglect.

Among those who indulged in what is well described by that Parliamentary jargon "terminological inexactitudes," Mr. Kripalani seemed to take the front rank. This is a pity, for his long association with the party in power and his erstwhile connections with the leaders who now run the Government do entitle him to be heard with respect. He said that "foreign interests were to-day more fully entrenched in the country's industry and commerce than was the case under foreign rule," and added that "our banking and insurance is mostly in the hands of foreigners." Now both these statements are palpably absurd. There has actually been a flight of foreign capital in recent years. According to a modest estimate, between July, 1947 and March, 1953, foreign residents sold or liquidated their businesses in India to the tune of Rs. 15.84 crores, whereas foreign investments during the same period were only Rs. 8.26 crores. Since then, there have been some notable additions to foreign investment. But the facts bear no resemblance to the lurid picture painted by Mr. Kripalani. Again, foreign banks do only a small fraction of internal banking business and, so far as foreign exchange banking is concerned, the share of Indian banks has been rapidly expanding in recent years. Again, foreign insurers transact only 10 per cent. of the total insurance business in this country, leaving 90 per cent. of the field to domestic companies. The truth is that India is not getting as much foreign capital as it needs; it has to be coaxed, before it can come into the country which is not so plentifully supplied with this commodity that it can indulge in the luxury of refusing it, if it comes from abroad.

It was left to Mr. C. D. Deshmukh, Finance Minister, and Mr. B. R. Bhagat, his Parliamentary Secretary, to attempt a more rational explanation of the problem and to indicate the Government's measures to tackle it. Mr. Bhagat said that both unemployment and underemployment were increasing, because employment opportunities did not keep pace with annual additions to the labour force, thanks to the increase in population. The problem of unemployment, he said, was most acute in respect of persons seeking clerical jobs and among semi-skilled and unskilled labour. Unskilled workers accounted for 2.3 lakhs, or 50 per cent. of the total number of persons on the live register of the Employment Exchanges. He also announced that the National Sample Survey (Ministry of Finance) was undertaking an enquiry into the magnitude of the problem in Calcutta and certain other towns. The Survey will also study the problem of unemployment in the Travancore-Cochin State which has important rural aspects and the employment potentialities in the larger irrigation and power projects. Mr. Deshmukh drew attention to the Rs. 14.7-crore scheme for giving employment to 84,000 teachers, to which a reference has already been made in *Commerce*.

These diagnostic attempts are welcome; at least, they will serve to correct many erroneous and exaggerated views on the problem. But a lasting remedy—apart from palliatives, such as the 84,000-teacher scheme—must take into account some basic facts about the situation. It is necessary, for instance, to recognise that the problem could not have arisen in its present acute form, if private enterprise had been permitted a less fettered field, if States had been prevented from dissipating their resources on costly and unnecessary social and moral reforms, and if fissiparous tendencies, such as the movement for linguistic division, had been curbed. Again, if the State had co-operated with the Centre in regard to taxation and labour laws, there would have been less distress in the sphere of trade and industry than there is now.

Except those who believe, on purely political considerations, in a completely regimented State-dominated economy, all will concede the need for providing special stimulus to the private sector which offers, by and large, the largest field of employment opportunities. Dr. Matthai, whose clear analysis of the problem of unemployment was published in our last issue, rightly urges the need for an examination of the "segments of public sector where the pace of development might be worked down, so that monetary and physical resources may be released for employment in the private sector." In this connection, the World Bank has made a few notable observations. Among the forms of "misdirection" of financial resources in underdeveloped countries, to which the World Bank has drawn pointed attention in its latest report, mention must be made of the "use of public funds for purposes that private investors, given proper incentives, would have been willing to pursue." The Bank finds it difficult to justify the diversion by the Government of an underdeveloped country of its own (Government's) "financial and technical resources into enterprises for which private capital and management are available, since that will lessen the resources available for providing basic services and utilities that generally lie outside the scope

of private initiative." It is only necessary to recall the genesis and the effects of the nationalisation of road transport, air transport, of the starting of State-owned machine tool factory, and of the proposed steel plant in this country, in order to realise the full force and significance of the aforesaid observations of the World Bank. None of these measures could be justified in the context of the limited availability of capital resources in the country and the need for their effective and efficient utilisation. All these measures leave not only less money in the hands of the Government to embark upon more essential schemes, which might enlarge the scope of employment, but also result in the loss of potential sources of savings that would be available for further investment in future.

The World Bank Report, illuminating as it is, has nevertheless ignored a form of "misdirection of financial resources," which is peculiar to this country, namely, the prop given, at the expense of the consumer and the taxpayer, to uneconomic units and uneconomic means of production. This form finds expression in the Government's extreme solicitude for the handloom industry—the mill industry has to be penalised for that—and in its anxiety to prevent the expansion of efficient units in an industry. All this raises a whole host of economic issues which have an immediate relevance to the problem of unemployment. How far is it correct to pamper inefficient units on the specious plea that they provide employment? In other words, is it right to stigmatise, stifle and finally destroy all incentive to promote efficiency on the ground that the development of efficient units is detrimental to the interests of the workers in the inefficient units or that some sort of protection must be given to indigenous capital against foreign capital? Is it desirable—apart from the question whether such measures can succeed at all, in the long run—to keep alive economic anachronisms through artificial aids? These are not academic questions. On the right answer to them will depend the future economic progress of this country. That far too much stress—more than what is necessary—and at least, some misguided emphasis, may be laid on employment, to the exclusion of efficiency, is clear from one revealing piece of statistical information which Mr. Bhagat gave in Parliament. He revealed that, although as many as 24 textile mills had closed down totally or partially during the period May, 1951—July, 1953, the number of workers employed by the industry as a whole rose by 28,000 to 819,000. If a conclusion may be hazarded, it is that the closure of uneconomic units does not necessarily lead to a decline in total employment.

But the whole issue is bound up with the larger question of what kind of economy the country should choose. Great store is being set by the policy of resuscitating village industries and handicrafts. At the same time, large-scale industries, such as steel plants—no steel industry can survive, if there are no large-scale industries to absorb the steel output—and machine tool factories, are being started. Textile mills are exhorted to produce for export, but they are being penalised for producing goods at low cost, and for competing with the handloom industry. It is time these and other contradictions in the Government's economic policy were resolved. The country should either choose the path chosen by all countries which have industrialised themselves, so that it may attain newer and higher levels of prosperity and living standards, or apply the reverse gear and go back to the earlier era of a self-sufficient village economy, with all its implications of a sub-standard existence. Abraham Lincoln once said that no nation could exist half-free and half-slave. His modern economic counterpart might well claim that no nation can have an economy, of which one-half is medieval and the other half modern. The choice must be made, and the sooner it is done the better. If it is higher level of productivity, and the vigorous use of science and equipment, then it is necessary to pay the price—a certain transitional stage of economic disequilibrium. To beat a hasty retreat in the face of this disequilibrium is hardly the way in which a nation, with a forward-looking mind, will behave. And yet, this is precisely what is being done now, or, at least, what many are asking the Government to do. It is being urged, on the one hand, to give preference to cottage industries, and, on the other, to revise the Five-year Plan in a manner which will result in a slowing down of the progress of those parts of the Plan such as the large irrigation, power, and industrial projects which are designed to remove the basic defects in the country's economy. If the Government yields to these demands, it will be an end of all hopes of economic progress.

THE NEW STATE-OWNED STEEL PROJECT

THE Government of India's move to establish a steel plant, in collaboration with two world-renowned German steel makers, has received less attention than it deserves. Even Mr. J. R. D. Tata refrained from saying anything on this project in his speech at the last annual meeting of the Tata Iron and Steel Co., Ltd., though it was undoubtedly a fitting occasion for him to take the public into his confidence on the implications of the Government's action, which he, being an expert on the subject, must be fully aware of. On the next page, we publish the reactions of Mr. Padamji P. Ginwala, Adviser to the Indian Iron and Steel Co., Ltd., Calcutta, who has raised certain pertinent issues of great public importance.

The first issue which Mr. Ginwala has raised is a constitutional one. It is surprising that not a single member of Parliament raised it, when Mr. K. C. Reddy gave a few details of the deal. It will be interesting to know what the Auditor-General of India will have to say on it. The sum involved in the deal is not small; it is as much as Rs. 72 crores. Even supposing the Government has powers to lock-up such large resources without the specific sanction of Parliament, did the Government consult any expert opinion before signing the agreement? Did it consult, for instance, the Tatas or the Martin Burns who are competent people to advise it on such a highly intricate business and whose stake in the industry is large? We have reasons to feel that it did not. It would appear that, only a few days ago, that is, several days after the agreement was signed, the Government invited Mr. Jehangir J. Ghandi, Special Director of the Tata Iron and Steel Co., Ltd., for consultations. It is not yet known what his reactions are. But, surely, this consultation should have preceded the conclusion of the agreement. As it is, the whole thing has now become a *fait accompli*.

The least that the Government can and should do now is to associate expert opinion in the country with the implementation of the agreement. This is very necessary, because one of the anomalous features of the agreement is that the German "collaborators," to use the expression of Mr. Reddy, are not merely technical consultants but also the tenderers for plant and machinery. One need only to refer to the remarks of Mr. Ginwala to appreciate what this means. In raising this point, it is not our intention, nor that of Mr. Ginwala, we are sure, to cast any aspersions on the integrity of the German companies concerned. But it is our duty to draw the attention of the public to this strange feature of the agreement. The provision for global tenders will become meaningless, unless the Government rectifies this anomaly. And one way of doing it is to have on the executive committee or the board that will be in charge of the implementation of the project an expert or two of our own, having intimate knowledge of the steel industry.

Another defect in the Government's move is that it has still not made up its mind on many vital issues of policy, on which a decision should have been taken already. How is the project, for instance, going to be administered? Is the Government going to have a corporation similar to the one in the case of the Sindri Fertilisers? Or is it going to have a sort of public company, with provision for indigenous investors also to participate in it? Whatever form it may take, Parliament should demand a suitable form of control, inasmuch as huge sums of public money are involved and as its powers of supervision over such big projects are greatly restricted. It is high time Parliament paid some thought to the important issues of principles raised by the Auditor-General in his report to the Sub-Committee of the Public Accounts Committee, which are quite relevant in this context and to which a reference was made in these columns two weeks ago. Incidentally, Mr. Ginwala raises a very relevant point when he questions the equity character of the capital which the German collaborators have agreed to contribute. It is a misnomer to call it equity capital, as the Germans have been given the option to take back, after ten years, the Rs. 9 crores they are putting in, irrespective of whether or not the project makes a profit or loss. Supposing in the first 10 years the project suffers a loss, will it be equity to return the capital invested by the Germans rupee for rupee? If this is the nature of the financial assistance, then it is better to call it a loan.

The Government has not yet decided the area where the factory is to be located. Is it going to be in Madhya Pradesh or in Orissa? It is stated that this question will be decided after the German technicians make a survey of both the States. Mr. Ginwala correctly contends that it is for the Government of India to decide the locality, leaving the question of the exact site in that locality to be chosen by the Germans. There is, however, one plausible explanation as to why the Government is still unwilling to make up its mind, even though it has had the benefit of advice from several experts, both Indian and foreign. And that is that it does not want to displease either of the two States competing for the honour of housing the new steel plant. It may, therefore, prefer the German technicians to arbitrate on this dispute This may be a good political expedient, but it amounts to the Centre shirking its responsibility.

No light has been thrown by the Government on the extent to which the agreement provides for the utilisation of domestic resources in the manufacture of the plant and machinery to be installed in the factory. It is needless to add that provision should be made for the maximum utilisation of domestic materials and skill. For this will mean not only an expansion in employment opportunities but also a chance for Indians to learn the technique of plant manufacture. Expert opinion holds that the Indian engineering industry is to-day capable of carrying out quite a large portion of the work involved. If adequate provision has not already been made for employing these sources, the agreement must be suitably revised. It may be mentioned here that, when Russia first launched on establishment of heavy industries in cooperation with foreign technical assistance, it made it a condition for the manufacture of the bulk of the plants in the domestic factories. This procedure might have cost the Russians much more than what it would have, had they imported all the capital goods involved from the countries that provided the technical assistance but it gave them valuable experience which was useful later in expanding their industries.

When the project is completed, the capital cost will turn out to be very much larger than the present estimates. The sum of Rs. 72 crores mentioned by the Government does not, we presume, include the capital that will be required for installing refractories, for opening up the mines and for housing the workers. The latter alone may easily cost anything between Rs. 12 and Rs. 15 crores, if the labour is to be given the same amenities as are provided by the Tatas, as indeed, they will have to be. Even on a conservative estimate, the total capital expenditure will easily be more than Rs. 100 crores. The whole project could have been completed at a much lower cost had the Government gone ahead with it five years ago. Some idea of the saving which the country would have had in capital expenditure alone, if it had done so, can be had from the fact that the cost of a 500,000 to 600,000-ton capacity plant estimated by the two foreign firms (U.S. and British) in 1948 was only Rs. 50 crores, as against the present estimate of about Rs. 72 crores. Further, lower capital expenditure means lower cost of production per ton of steel. Thus, the delay in implementing this project has meant needlessly higher prices for consumers of steel for several years to come.

A reference may be made, in passing, to another implication of the proposed project to consumers of steel and the existing producers of this metal. As the cost of production of steel by the Government's plant will be higher than that of either the T.I.S.CO. or the I.I.S.CO., the present system of control on prices, that is, a uniform price for consumers and differential prices for producers, can be expected to continue for as long a time as one can foresee. It is also possible that the existence of Government-owned units and private-owned units in the same sector may result in certain complications which may ultimately lead to nationalisation of the private-owned units, unless, of course, by that time the country has the good fortune to have a Government which recognises the virtues of private enterprise, in which case, the State-owned units may be turned over to private ownership. The way in which the existing steel producers are getting themselves indebted to the Government by borrowing large sums from it is also likely to tempt the future Government to take over their ownership, as has happened ere now in the case of the companies that were engaged in civil aviation. No one can say that such a thing will happen, but, at the same time, none can ignore the straws in the wind and turn a blind eye to the possibilities in the future.

REACTIONS OF MR. PADAMJI GINWALA TO INDO-GERMAN STEEL AGREEMENT

MAIN FEATURES OF NEW SUGAR POLICY

THURSDAY, 5 P.M.

A CRITICAL but constructive analysis of the Government of India's recent agreement with two German concerns for the establishment of a steel plant was made by Mr. Padamji P. Ginwala, in the course of an exclusive interview to *Commerce* before he left for Europe yesterday. The importance of the project to the economy of the nation is obvious and, if it is to be successful, it must be planned and executed with the largest measure of efficiency possible. We, therefore, make no apology for devoting the major portion of these columns this week to the observations of Mr. Ginwala, who is an acknowledged authority on iron and steel industry. Mr. Ginwala has been connected with this industry for several years in his capacity as an adviser to, and executive director of, the iron and steel companies under the management of Messrs. Martin Burn Ltd., Calcutta. As the Chairman of the Iron and Steel (Major) Panel, appointed by the Planning and Development Ministry, Government of India, in 1945, he has made a significant contribution to the preparation of the plan for the development of the iron and steel industry. He is, therefore, competent to express an opinion on the Government's plans for establishing a steel plant and his views deserve to be given careful consideration by the authorities concerned.

MARKET GOSSIP

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In the course of his brief interview to this journal, Mr. Ginwala first questioned the manner in which the deal was concluded with the German concerns and the country firmly committed to it without the sanction of Parliament. He observed:

"About the first week of August, 1953, Mr. K. C. Reddy, Production Minister, made in answer to some questions in Parliament, a very candid and praiseworthy confession that, though since 1947 no less than 49 project reports had been prepared by various consulting engineers, committees and experts, no progress had been made towards the erection of a new Government-sponsored iron and steel plant. On 17th of August, it was announced in the Press that Mr. A. K. Chanda, Secretary to the Production Ministry, had signed at Bonn, on Independence Day, an agreement with a German combine, consisting of the world-famous steel plants and armament manufacturers, Krupps and Demaag, for the construction of an iron and steel plant, with their technical and financial cooperation. On 24th of August, Mr. K. C. Reddy disclosed in Parliament some of the terms of this agreement. This is, indeed, very good news as far as it goes. But there are various principles involved in the manner of signing and announcing this agreement which have been honoured more in their breach than in their observance, about which both Parliament and the public have the right and duty to complain. Whilst Parliament is actually in session, an agreement of first-rate national importance, involving an estimated expenditure of some Rs. 72 crores and a heavy burden on our meagre financial resources, is not only negotiated, but concluded, without first informing it of its terms and conditions and obtaining formally its general approval. No one can reasonably question that the rules of diplomacy demand that, whilst negotiations are being actually carried on, on any important public matter, no disclosure or discussion of them is permissible. But, except in an authoritarian State, both Parliament and the public cannot be by-passed in this way when Parliament is in session; nor is it in accordance with any democratic rule that both of them should be presented with a *fait accompli*, leaving them no other alternative than acquiescence in what might, on examination, prove contrary to the national interest. Many transactions in the past have been concluded by the Executive Government in this way, without taking either Parliament or the public into their confidence. Now and again, it has been reported that important deals were put through and carried out by the executive officers of the Government, without the consent or even the knowledge of their Ministers. Parliament should have sufficient self-respect and sense of its own responsibilities to prevent this flouting of its rights and authority by its Ministers or their executive officers. If Parliament does not wake up in defence of its own rights and privileges, parliamentary government in India deserves to be proclaimed a failure and our democracy no more than an idea on blotted paper."

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Deploring the meagre information provided by the Production Minister on the terms of the agreement, Mr. Ginwala remarked:

"Even at this late stage, why was the entire agreement not laid on the table of the House, instead of the Minister mentioning to it a few of what he called its principal terms? No one who has any knowledge of the development of the iron and steel industry can dispute the claim of Krupps and Demaag as two of the most outstanding manufacturers in the world not only of all forms of steel and armament, but of the plant, machinery and equipment for their production. No better technical advice can be found elsewhere, provided the advisers were themselves not so vitally interested in selling to their clients their own machinery, especially to those who have little knowledge of the industry and are unable to judge for themselves the price or value of what they were purchasing. What good will the invitation of global tenders do, if the consultants themselves are among the tenderers and are in a position to decide in their own favour?"

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Mr. Ginwala then referred to the reported provisions of the agreement relating to the participation of German firms in the capital structure of the project and made the following interesting comments:

"It has been stated, outside Parliament, that the financial contribution of the Combine is to be on 'equity basis.' It is certainly a new form of equity investment which can be withdrawn by the investor after a certain period. Investment of equity capital always implies a certain amount of business risk. What risks are our collaborators taking and, in the meanwhile, what return do they expect and how is it secured until the withdrawal of their contribution? It will be a simpler and more straightforward description of the transaction to call it a contract between the Government of India and Technical Consultants, who are also manufacturers of plant and machinery, for the construction of a major steel works at an estimated cost of about Rs. 72 crores which, there is no doubt, will be exceeded, than to exalt it into one of genuine financial partnership."

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Alluding to the problem of finding the remainder of the capital required for the project, he posed the following queries:

"It is not disclosed how and in what form the estimated capital of over Rs. 65 crores to be supplied by us is to be found within four years after the details have been settled. is it going to be equity, preference, or debenture capital or consist of negotiable bonds, or a combination of all these? Are the Government sure that the International Bank will be willing to supply Rs. 20 crores for financing a purely business project of this kind sponsored almost wholly by the Government in association with a foreign firm? This Bank normally helps to finance public utility projects wholly owned and controlled by Governments, or offers loans guaranteed by member-Governments to key industries run entirely by private agencies. If it adheres to this normal practice, as it well may, the chances of the Government securing its financial help appear to be rather remote."

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It has been stated by the authorities that "the German collaborators expect that the plant can be commissioned within four years after preliminary details have been settled." Commenting on this, Mr. Ginwala described it as "optimism *in excelsis*." And he gave a convincing explanation: "If a plant of this magnitude can be built and brought into operation on a virgin site, with undeveloped sources of some important raw and auxiliary processed materials, adequate but distant engineering facilities and the doubtful reliability of labour within at least seven years," he added, "we shall have good reason to congratulate ourselves and our experts." In conclusion, he said:

"There are many other important points which would need very careful consideration. In a short interview, I cannot very well deal with them. But there are two of these which I would like to mention. Each one of the two German collaborators has special patented processes for the manufacture of pig iron or ingot steel. It has been claimed that they are a great departure from the orthodox methods and they have been a success either in Germany or elsewhere. I hope that no attempt will be made to introduce these processes, for they may not be suitable for our raw materials or to meet our requirements. It is better for a country, which has limited finances, to follow the beaten track which the rest of the world is doing. The second point that I wish to emphasise is that the Government are going to leave the selection of the site to the experts. There is a distinction between a site and a locality which must be borne in mind. It is for the Government, as a matter of policy, to select the locality on larger national considerations and not as a pure and simple question of economics which, in my judgment, at any rate, are about even as between all localities outside Bihar. After the Government has selected the locality or the State, they must direct the experts to select the best site for the location of the plant, having regard to the state of communications, proximity of raw materials, cost of distribution, etc."

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A distinctly quiet trend has come to prevail in the share market. Although it has been in a holiday mood for the second week in succession—the market has had only one session since last week-end and that, too, on Tuesday—the kerb rates reveal a further, albeit slight, drop in values. Contrary to earlier expectations that, after the Tata Iron and Steel shares become ex-dividend, they would go up, these shares have taken a downward turn. If the intrinsic merits of the shares were the determining factor, as they would ultimately be, the falling trend cannot persist for long. But in markets, where speculation has become the mainstay, intrinsic factors do not always assert themselves. At present, the trend of the market is being influenced by two factors. One is the continuation of the lockout-cum-strike at the works of the I.I.S.CO. which is having a depressing effect on the Calcutta market. The other factor is the weakness of the cotton market, where I.C.C. February delivery has slumped by Rs. 14 over the week to Rs. 620 and May delivery by about Rs. 10 to Rs. 621. Since the bulls in the Deferreds are said to be bulls in cotton also, the operators feel that they cannot have the same strong hold over the share market as they would have had, if cotton had been firm. Discouraging reports from the cloth market and the downward trend in jute and jute manufactures have also imparted an easier feeling to the Stock Exchanges. In bullion, the upward trend witnessed last week has suffered a distinct reverse, though, over the week, the prices of both gold and silver show no perceptible change.

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It is only the oilseeds market which has struck a discordant note this week, in that it has been ruling strong. In the ready section, groundnuts have gone up by Rs. 2 to Rs. 34. Similarly, castorseeds ready have risen by Rs. 3-8 to Rs. 33, and forward by as much as Rs. 20 to Rs. 168. Prices of groundnut oil also have shot up by Rs. 3-8 to Rs. 31-8. The strength of this market is the result of a squeeze on bears in the face of limited supplies, which is evident, to a large extent, from the big discounts at which new crop positions are standing. In the case of groundnuts and castorseeds these discounts are as much as Rs. 20 and Rs. 42, respectively. But, to some extent, these heavy discounts are due to large short sales, the effect of which may well be higher prices, especially if the crop turns out to be less than anticipated by the bears.

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No official announcement has yet been made of the outcome of last week's conference at New Delhi on sugar. This conference was attended by the representatives of State Governments, producers of sugar and merchants. Delay in announcement does not mean that no decisions were reached. On the contrary, we reliably understand that a series of decisions was taken on the price of sugarcane, fair price of sugar, temporary excise duty, sugarcane cess, imports of sugar, etc. In spite of Mr. Kidwai's announcement in Parliament only a week ago that there would be no increase in the price of cane, he had to agree, so we are told by a reliable source, to a higher price. The delay in the official announcement of the results of the Conference is due it is said to the need for securing the consent of an important State Government which is said to be quite unhappy with the decision of the Centre not to go the whole hog with it in the matter of the minimum price for cane, According to our information, the following are the salient features of the sugar policy for the coming season as has been accepted by the Conference:

(1) The sugarcane producer to be paid Re. 1-8 per maund, provided the State Governments agree to reduce their cane cess by an anna. If they do not, then the sugarcane price will be fixed at Re. 1-7 per maund. In any case, a rise of As. 2 per maund in the cost of cane to the factories is certain.

(2) The existing extra excise duty of Re. 1 per cwt. will not be levied on sugar produced during the ensuing (1953-54) season.

(3) There will be no control on sugar. But control on existing lines will be maintained on stocks of sugar with millers.

(4) The Government's idea of fair price for sugar at Rs. 27 per maund ex-mill will be applicable to sugar produced in the 1953-54 season. This idea of fair price will, however, be only theoretical and will operate only in the event of the Government deciding to requisition sugar stocks from the mills.

(5) Further imports will be made to meet any unfavourable development in the supply of sugar in the country.

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It will be seen from the foregoing that the conference has hit at a compromise. Every interest involved has surrendered something but got something in return, the only exceptions being the State Governments and the consumer. The canegrowers do not get all that they wanted, but they get a tangible gain of As. 2 per maund. The State Governments, however, have to lose a part of their revenue by way of cane cess. The Centre is ready to give up the additional excise duty, but it will more than make up this loss through import duty and a large profit on the sale of imported sugar. The total gain to the Centre in this manner will be no less than Rs. 15 crores. Making an allowance for the loss of revenue by way of the extra excise duty, it can hope to net in a clear profit of Rs. 12 crores at least. So far as the sugar factories are concerned, they have been guaranteed a protected market by the Centre agreeing to sell the imported sugar at Rs. 5 above the ex-dock price. This is in striking contrast to the threat of dumping cheap foreign sugar which Mr. Kidwai held out to the factories some time ago. The change in the attitude of the Government ensures them a price at which they get a handsome margin of profit. Only, the poor consumer has been left high and dry, in the sense that the hope of sugar at lower prices held out by the Government will remain unfulfilled. He can, however, have the satisfaction that he is assured of a regular and plentiful supply.

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An important provision in the Bombay Government's Bill, introduced in the Legislative Assembly this week, to amend the Payment of Wages Act, 1938, relates to compulsory saving, by workers, of bonus in excess of a certain prescribed minimum. The Bill provides that, when the "amount of bonus payable to an employee exceeds one-fourth of his earnings, exclusive of dearness allowance, for the year of bonus, such excess shall be paid or invested in the manner prescribed." What is proposed is that such excess should be credited to the workers' provident fund. Thus, the whole proposal is aimed at making the workers save something for the nation. There is no reason why a worker should not contribute to national prosperity in which he is a partner, especially when that contribution is taken purely in the form of a loan, returnable at a later date. If it is universally recognised that the State has a right over adventitious income, whether excess profit or capi-

(*Continued on page* 515)

TRADING IN SHARES FEATURELESS

TURNOVER SMALL

(From Our Own Correspondents)

BOMBAY, 10*th September*

DULL and featureless conditions characterised trading on the Bombay Stock Exchange during the week under review. Owing to intervention of holidays, enthusiasm for trading was lacking and operators exercised extreme caution. Turnover of business was, therefore, greatly restricted, with values moving within a narrow range. The undertone of the market was a shade easy.

Bearish reports, such as slump in Wall Street and easy conditions in the local cotton market, imparted weakness to trading in shares. Lack of encouraging advices from Calcutta was another unhelpful factor. Textiles were particularly subdued, thanks to reports of accumulation of large stocks of cloth in Ahmedabad and other centres. Steels also were generally subdued, although, in the beginning, there was some buying support induced by the note of mild optimism struck by the Tata Iron and Steel Company Chairman at the Company's annual meeting last week and by reports about serious efforts by a group of workers to end the lock-out in the Burnpur Works.

Tata Deferreds and Ordinaries, which were listed ex-dividend on Thursday last, recorded a handsome improvement to Rs. 1,850 *ex-div.* and Rs. 319 *ex-div.*, respectively, on Friday. The closing rates for these scrips last week were Rs. 1,952-8 *cum-div.* and Rs. 338-12 *cum-div.* The improvement, however, was not maintained during the subsequent sessions and the values receded to Rs. 1,832-8 and Rs. 317, respectively, early on Tuesday (the last day of the week). Towards the close, however, they stood a shade better at Rs. 1,835 and Rs. 317-8. Indian Irons opened the week fully steady at Rs. 22-11-6. After fluctuating between Rs. 22-13 and Rs. 22-10, they finished the week higher at Rs. 22-11, as against Rs. 22-6-8 a week ago.

In the textile section, activity was at a low ebb and prices were distinctly downwards, although certain counters recorded sizable gains on selective support. Thus, Minerva Mills lacked support and were marked down by as much as Rs 9-8 to Rs. 91. Svadeshis suffered a loss of Rs. 5-8 to Rs. 241-8. Bombay Dyeings receded by Rs. 4-3 to Rs. 373-12. Vishnus lost a like amount to close at Rs. 147-8. Kohinoors dropped Rs. 3-8 to Rs. 290-12 and Standards Rs. 3-2 to Rs. 306-4. Central Indias and Gokaks finished lower by Rs. 2-8 each, the former at Rs. 156 and the latter at Rs. 225-8. New Greats shed Rs. 2 to Rs. 148. Western Indias, on the other hand, met with special buying support, in view of the proximity of dividend payment on the 14th inst., and spurted by Rs. 50 to Rs. 3,550. Simplex also elecited support and advanced by Rs. 5 to Rs. 172. The extraordinary general meeting of the Simplex Mills Co., Ltd., held in Bombay on Friday last, passed a resolution to capitalise the sum of Rs. 10.5 lakhs, being part of the machinery renewal reserve account of Rs. 37 lakhs. Phœnix hardened from Rs. 116-4 to Rs. 120. B. R. Cottons and Indore Malwas put on Re. 1-4 each to Rs. 49-4 and Rs. 93-12, respectively. Khataus were fully steady at Rs. 178, Finlays at Rs. 323-8 and Ahmedabad Advances at Rs. 138-12. Centurys were quoted at Rs. 260 *ex-div.*, as against Rs. 271-12 *cum-div.*

Business in bank shares was on a restricted scale, but prices were fully steady. Imperial Fully Paids gathered Rs. 2-8 to Rs. 1,830, while Partly Paids were unchanged at Rs. 440. Bank of Indias gained As. 12 to Rs. 155-8. Union Banks were a shade higher at Rs. 6-6-6. Barodas were steady at Rs. 110 and United Commercials at Rs. 36-4. Central new and old shares, however, were neglected at Rs. 67-8 and Rs. 63-12, as against Rs. 68 and Rs. 64-4, respectively.

The miscellaneous section displayed distinct weakness. Bombay Burmahs were marked down by Rs. 6-4 to Rs. 341-14. Walchandnagars suffered a loss of Rs. 2-8 to 146-4. Wimcos fell from Rs. 235 to Rs. 233-12. Belapurs declined by Re. 1-8 to Rs. 237-8. Dharamsi Morarji Chemicals, however, were placed higher at Rs. 45 *ex-div.*, as against Rs. 43 *cum-div.* National Rayons registered a notable recovery from Rs. 107-8 to Rs. 111-12. British India Corporations evoked special buying enquiry and gathered As. 6 to Rs. 8-12-6. Associated Cements were fully steady at Rs. 68-12. Tata Chemicals and Killick Industries were unchanged at Rs. 30-4 and Rs. 155, respectively.

Mining and engineering shares lacked support. Alcock Ashdowns receded by Rs. 2-8 to Rs. 300. Premier Constructions lost As. 12 to Rs. 84. Shivrajpurs were transacted As. 8 lower at Rs. 56.

Transport company shares were cheerful and tended to look up. India Steamships were bid As. 8 higher at Rs. 7-4, on rumours of higher dividend. Scindias went up by As. 2 to Rs. 13-10.

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Calcutta Stock Exchange

CALCUTTA, 8*th September*

There was a further improvement in the general conditions on the Calcutta Stock Exchange during the week. Although the improvement did not result in a striking increase in the volume of transactions, revived interest in selected counters brought about some limited gains. The interest shown in the speculative Indian Irons was not truly justified by the news from Burnpur; but market circles became jubilant earlier in the week, as a result of the Prime Minister's criticism in Parliament, of the go-slow policy of the workers in no uncertain terms. Thereafter, hopes that a settlement would be reached by the Government's intervention and that normal production would soon be resumed, were held. These hopes are slowly disappearing, and yet, if fractional recovery is registered even now, it is due to the assumption that everybody concerned would see to it that one of India's major industrial undertakings, that is in Burnpur, would not be allowed to remain closed for long. Sympathy for the management who remained remarkably patient during all these months of "go-slow" is readily given, and it is to be hoped that Burnpur will soon be sending out tons of steel which alone will prevent the closure of the numerous engineering industries dependent on I.I.S.Co. steel.

Particular interest was evinced in the shares of the Begg Sutherland group of companies. The market noted with satisfaction the able reply which the Minister for Food and Agriculture gave in Parliament to the demand for raising prices of sugarcane. However, Mr. Kidwai soon followed up by saying that, if sugar consumption continued high, imports would have to take place next year also. Later rumours that sugarcane prices are to be raised and that the excise duty on sugar is to be reduced to the extent of the increase in cane prices have been carefully watched. That the mills are producing as much sugar as the country needs is the view of mills which are critical of the distributive arrangements made by the Government. The Company Law Amendment Bill introduced in Parliament last Wednesday has pleased the middle class investors in whose interest sufficient safeguards in the Bill are provided.

Sectionwise, selected features were provided in the miscellaneous section. B.I. Corporations advanced to Rs. 8-14 from Rs. 8-6, although the rate to-day was Rs. 8-12. Indian Cables at Rs. 19-1 showed further improvement. Titaghur Papers were steady at Rs. 35-8, while F. & C. Oslers sagged to Rs. 6-15 from Rs. 7-7. India Steamships were in moderate demand, and in transactions were raised to Rs. 7-5 from Rs. 6-12. Metal Boxes came to business at Rs. 18-8, Rallis realising Rs. 67-4.

In the engineering section, Indian Irons recovered some lost ground, the price improving to Rs. 22-15 from Rs. 22-10. At this stage, profit-taking intervened and the rate fell to Rs. 22-11. Burn & Cos. were better at Rs. 282, while Texmacos were unchanged at Rs. 5-14. Jessops put on As. 2 at Rs. 22-12, and earlier Braithwaites realised Rs. 11-3.

Sugar shares were held steady. Balrampores featured with a rise to Rs. 8-11 from Rs. 7-8, and Champarans jumped to Rs. 26-8 from Rs. 24-4. From Rs. 34-12, Cawnpores fetched prices up to Rs. 36-12, but were to-day quoted at Rs. 36-7.

In the absence of good news from the jute goods market, jutes continued to be lifeless. There were, however, a few features on interested buying which paved the way for a partial recovery of the counters concerned. Fort Glosters were sought at Rs. 382 and Anglo-Indias met with business at Rs. 197. Speculative Howrahs were better at Rs. 23-4 as against Rs. 22-10 earlier, while Indias were extremely quiet at Rs. 119. Pelvederes changed hands at Rs. 200 and Nuddeas met with business at Rs. 43-8. Nationals were wanted to-day at Rs. 23-6 and Orients at Rs. 170.

A sparkle of interest was in evidence for selected tea shares during the sessions, to-day and yesterday. This contributed to an increase only in the number of transactions, and not in prices. Thus East Indias recovered to Rs. 16-4 from Rs. 15-4 earlier. Hasimaras were better at Rs. 24, as compared to the earlier level. Seajulls were, however, lower at Rs. 15-8, Dimakusis being unchanged at Rs. 31.

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Madras Stock Exchange

MADRAS, 10*th September*

No marked change was noticeable in the behaviour of the Madras Stock Exchange this week. It repeated last week's performance. Thus, the upward trend witnessed then in the textile section persisted this week also. On reports of good export demand for cloth, as indicated by record shipments of cloth last month, many popular counters met with support and registered further gains. Rubbers were again active, while tea and coffee scrips were colourless. Miscellaneous scrips were no exception to the generally dull conditions, with some activity confined to certain selective scrips. As a result, trading on the Stock Exchange remained restricted and the list on balance revealed a sprinkling of both losses and gains.

On expectations of better cloth sales, textile scrips came in for considerable enquiry. Coimbatore Cotton as a result shot up from Rs. 150 to Rs. 157 and Buckinghams from Rs. 121 to Rs. 124. Bangalore Woollens improved by Rs. 2-8 and finished the week at Rs. 260. Maduras were higher by As. 14 at Rs. 33-4 and Metturs by As. 8 at Rs. 198-8. Mysore Spuns rallied As. 7 to Rs. 5-13.

Among plantings, rubbers fared better. Malankaras gained Re. 1-8 to Rs. 117-8 *cum-div.* Peninsulars were higher by As. 3 at Rs. 8-13 and Rajagiris by As. 2 at Rs. 11-11. Pullangodes improved by an anna and a half at Rs. 2-11. Athimattam (rubber and coffee) was higher by As. 2½ at As. 13½.

Equities in the tea section ruled cheerless. Kalasas lost As. 7 to Rs. 11-15. Chembras were fractionally lower at Rs. 2-4. But for these, most of the rest of the scrips were virtually unchanged. Thus, Emerald Valleys were done quite at Rs. 4-4 and Periakaramalais at Rs. 7 *ex-right*. Waterfalls were dull at Rs. 3-2. Kalpettas (tea and rubber), however, put on Re. 1 to Rs. 19-4.

Coffee scrips were not in favour. Consolidated Coffees lost an anna to Rs. 18-7, while Nil. Neerugundis gained an anna and a half to Rs. 3-10½. Shevroys were fractionally higher at Re. 1-3½. Mysore Coffees, however, were unchanged at As. 8½.

Among miscellaneous shares, Mettur Chemicals disclosed a gain of As. 3 to Rs. 4-4 and Indian Steel Rolling Mills As. 2 to Rs. 11. South Arcot Electrics shot up by Rs. 2 and closed at Rs. 93. But Indian Cements lost As. 6 to Rs. 16-10 and Bruntons As. 2 to Rs. 3. India Sugars were down by As. 8 at Rs. 21-8. Parrys were lower by an anna at Rs. 4-13. Mysore Chemicals and Fertilisers were done at Rs. 8-2 *cum-div.*, as against Rs. 8-3. The Directors have declared a dividend of 6¼ per cent., free of income-tax, for the year ended 31st March, 1953. The dividend during the previous year was 9 per cent., free of income-tax.



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Notice

BAGALKOT CEMENT CO., LTD.

75, APOLLO STREET, FORT, BOMBAY 1.

NOTICE

THE FOURTH ORDINARY GENERAL MEETING of the Shareholders of Bagalkot Cement Company, Limited, will be held on Wednesday the 23rd September, 1953, at 5 p.m., at the Offices of Kilachand Devchand & Co., Ltd., 45-47, Apollo Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1952.
2. To elect Directors.
3. To appoint Auditors for the current year and fix their remuneration.
4. To sanction distribution of dividend guaranteed by the Government of Bombay.

The Share Transfer Books of the Company will be closed from Saturday, the 5th September, 1953, to Wednesday the 23rd September, 1953, both days inclusive.

By Order of the Directors,

TENDULKAR INDUSTRIES LTD.,
Managing Agents.

BOMBAY, 12*th August*, 1953.

NEWS IN BRIEF

THE damage as a result of the recent floods in Bihar is estimated to amount to Rs. 21.03 crores.

The Indian Union Communications Ministry will be taking over the Posts and Telegraphs Department of Jammu and Kashmir State on Tuesday next.

The gross traffic receipts of the Indian Railways during 1952-53 amounted to Rs. 270.6 crores and the total expenditure aggregated Rs. 223.4 crores.

An average of 16 new locomotives every month, of which three are made in India, have been acquired by Indian railways during the 40 months ended 31st July, 1953.

The Tariff Commission has prepared a questionnaire for producers, importers and consumers in connection with its enquiry into the continuance of protection to the pickers industry.

An industrial and handicrafts exhibition will be held under the auspices of the Cottage Industries Department of the U.P. Government in Mussoorie for a month commencing from the 20th inst., as part of the Mussoorie festival or tourist *mela*. The exhibition will include Government handicrafts, a sericulture scheme from Dehra Dun and a Government wool scheme.

A Bill seeking to amend the Factories Act, in order to give effect to the I.L.O. Convention prohibiting employment of women and young persons during night, was introduced in the Council of States on the 3rd inst. The amending Bill also seeks to effect changes in respect of annual leave and to remove some practical difficulties experienced in the working of the Act.

About 40 million lbs. of tobacco are stated to be lying unsold with the growers and traders in Andhra area. It is suggested that the extension of the market yards system to the whole of the producing area, the installation of the tobacco re-drying plant, a re-examination of the number of tobacco grades and the sending of delegations abroad to explore the possibilities of finding new markets for medium and low-grade Indian tobacco will go a long way towards helping the growers.

With a view to promoting fundamental research in universities and other educational centres, the Government of India has decided to set apart a small sum for giving grants-in-aid to individual research workers who have been experiencing difficulties in the furtherance of their work in science subjects, such as physics, mathematics and biology and technology. The grants will be made available for the purchase of special apparatus or for its construction, consumables, stores, books, etc.

The Commodity Controls Committee has suggested that the Constitution should be suitably amended so as to give Parliament the necessary legislative powers to enact a single permanent and consolidated law conferring upon the Central Government the reserve power of control over any commodity at any time. The Committee is of the view that, for balanced progress in the economic field, the Government must retain the power of overall guidance and control and that controls on all essential commodities should be regulated on an all-India basis.

An average of 3,679 wagons loaded with coal left the Indian collieries every day during the month of July, 1953. The loading was 74 wagons per day above the minimum movement target guaranteed by the Indian Railways, and six wagons per day more than during the previous month. Of the total wagons despatched, 82 per cent. was from coalfields in West Bengal and Bihar, the balance being from coalfields in Vindhya Pradesh, Orissa, Madhya Pradesh and Hyderabad. The total despatches of coal during the month amounted to 2,404,497 tons.

The Madras Government has refused to lend the British-owned Madras Electric Tramways Company Rs. 300,000 to enable it to resume city tram service, which has remained suspended since 12th April, 1953. The loan is stated to have been refused on the ground that it would create a bad precedent and might lead to similar requests for financial assistance from other undertakings. The State Government is considering the cancellation of the Company's licence. Under the Tramways Act, the Company can suspend its service for a continuous period of three months only. The period expired on 12th July.

Details regarding the position in respect of sugar supplies in the country during the current (1952-53) sugar season was laid recently on the table of the House of the People by the Central Food and Agriculture Minister. The total supply of sugar available during the season amounts to 1,797,000 tons, as against the estimated offtake of 1,638,000 tons. The quantity of sugar actually released for internal consumption up to 25th August, 1953, was 1,548,000 tons. Of this, the quantity despatched from the factories to consuming centres during the period 1st November, 1952, to 31st May, 1953, was 917,000 tons. The closing stocks of sugar with the factories as at the end of May, 1953, aggregated 873,000 tons.

The officers of the West Bengal Government have returned from Canada after completing arrangements for the supply, under the Colombo Plan, of about Rs. 1 crore worth of hydro-electric equipment from that country for the Mayurakshi Reservoir Project. The equipment contracted for consists mainly of turbines, generators, transformers, etc., for the power house to be built at the Masanjore Dam. The goods, which will be supplied at the lowest world prices, are expected to be received in Calcutta over a period of 18 months. Under the terms of the contract, the installation of the equipment at the dam will be carried out by engineers of the manufacturing firms. This will be supervised jointly by engineers of the supply agency and of the State Government.

It is learned that Mr. A. N. Khosla, Chairman of the Technical Consultants for the Bhakra Dam has submitted his final recommendations on the Bhakra design and construction policies of the Bhakra Control Board. In his report, Mr. Khosla is understood to have confirmed his earlier recommendation for the elimination of the tunnel outlet works and the tunnel spillway from the design of the 680-foot-high Bhakra Dam. This change, along with a few others, besides being "an improvement in design," is expected to result in a saving of over Rs. 3 crores in the construction of the Rs. 152-crore Bhakra Project. Mr. Khosla is also reported to have re-affirmed his faith in the talent and competence of the Indian engineers for design and construction purposes. He has not recommended further employment of foreign experts in the construction of the Bhakra Dam. He has partly disagreed with some of the recommendations of the foreign experts regarding the concreting details of the Bhakra Dam.

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From Abroad

Iran will use the U.S. aid of $45 million (about £16,107,100) to develop agriculture and industry, as well as for the construction of houses to the poor.

A penicillin manufacturing plant is proposed to be opened in Pakistan with the help of some international organisations. The installation of a D.D.T. manufacturing plant at Naushera (N.W.F.P.) is making satisfactory progress.

Uranium ores of high grade have been discovered at Bruce Mines, Ontario, 40 miles east of Sault Ste. Marie. Uranium deposits in granite, of a type prevailing in the Athabasca uranium area of Western Canada, have also been found in Cape Breton Island.

A trade pact between Russia and Iran was signed at Teheran on the 4th inst. The pact seeks almost to double the barter trade between the two countries. It provides for the exchange of a wide variety of manufactured goods from Russia and raw materials from Iran.

The next British Industries Fair will open on 3rd May, 1954. Apart from the 9,000 firms which exhibited this year, a further 21,000 manufacturers throughout Britain are being invited to take part. If even a small proportion of these latter accept, the 1954 Fair is likely to be one of the biggest trade fairs in history.

Hungary has extended economic and technical help to North Korea. The aid includes supply of engineering goods, factory equipment, agricultural implements and consumer goods. Hungary is also offering technical aid for the reconstruction of towns and villages and the restoration of war-damaged factories.

It is impossible to bring about sterling convertibility until the sterling area countries are allowed to earn more dollars. This is the view of Mr. Sidney Holland, Prime Minister of New Zealand. According to him, no official advice has yet been received concerning the reported proposal of the U.S. Government to provide a $5,000 million fund to help make sterling convertible into other chief currencies of the world.

The U.S. Administration is giving serious consideration to proposals that will effect immediate liberalisation of the "Buy American" Act restrictions on Government purchases of foreign goods. The proposals now being examined, if accepted, will establish uniform "Buy American" Act policies for all Government agencies, including the Defence and Interior Departments.

The execution of the Pakistan Government's programme of diesel electric traction on the railways has been carried a stage further, with the arrival of nine broad-gauge express passenger diesel electric locomotives from the U.S.A. The locomotives (of 1,600 horse-power each) have been manufactured by the American Locomotive Company, New York. They have cost the Pakistan Government Rs. 71,00,982 f.o.r. Karachi.

The Economic Deliberation Council of Japan has submitted to the Government a plan for national economic self-sufficiency by 1957-58. The plan calls for an expenditure of 1,278,500 million yen (about £1,278.5 million), of which 250,200 million yen are earmarked for expanding exports and 1,028,300 million yen for promoting stability and economy in domestic finances.

The output of steel in the U.K. averaged 276,600 tons per week in July, 1953, the highest rate ever recorded in July, as compared with 273,800 tons per week in July, 1952 and 276,300 tons per week in July, 1950, the previous record. The production of steel in the first seven months of the year averaged 338,100 tons per week, as compared with 303,000 tons last year, an increase of 16 per cent. Pig iron production averaged 202,400 tons, as against 201,600 tons in July, 1952.

Import of jute into Egypt is now limited to sacks for packing of rice and onions subject to certain other restrictions. Importers of sacks for rice will have to purchase from the Agricultural and Credit Bank a quantity of sacks equivalent to three times that imported. Importers of sacks for onions will have to follow the same procedure, but the amount of sacks (or hessians) to be purchased from the Bank will be double that to be imported.

PERSONAL

MR. Eugene Black will continue to serve as the President of the International Bank for Reconstruction and Development for another term of five years ending 30th June, 1959.

Dr. P. S. Lokanathan, Executive Secretary, Economic Commission for Asia and the Far East, has been elected Chairman of the Working Party to study the question of financing the economic development of Asian countries.

Mr. Richard M. Lyman, Director of the I.L.O.'s Asian Field Office at Bangalore, left for Tokyo to attend the I.L.O.'s Asian Regional Conference which is to be held there from the 14th to 26th inst. After attending the Conference, Mr. Lyman will proceed on home leave to the U.S.A. and will return to Bangalore early next year.

Mr. C. M. Kothari, one of the partners of Messrs. Kothari and Sons, Madras, has been nominated by the Government of India as a Director of the Tea Council of America to represent Indian tea producers. Mr. Kothari will be leaving for the U.S. next week to attend a meeting of the Tea Council and the International Tea Convention at White Sulphur Springs (West Virginia).

Mr. Hirday Nath Kunzru, M.P., has been appointed Chairman of the Committee constituted by the Government of India to enquire into the prevalence of corruption in Indian railways. The other members of the Committee are Mr. Shah Nawaz Khan, Dr. W. S. Barlingay, Mr. K. S. Hegde, Mr. K. L. More, Dr. A. Krishnaswami, Mr. K. Raghuramiah, Mr. P. S. Rajgopal Naidu, Mr. Ram Subhag Singh, Mr. S. C. Samanta, Mr. Sarangadhar Das and Mr. M. D. Upadhyaya.

Mr. Abid Ali, Union Deputy Minister for Labour, will lead the Indian Delegation to the second Asian Regional Labour Conference to be held at Tokyo from the 14th to 26th inst. Mr. R. Maulik, Chairman of the Indian Mining Association, will be the employers' delegate and Mr. Khandubhai K. Desai, M.P., the workers' delegate. Mr. P. Chentsal Rao, Deputy Secretary, All-India Organisation of Industrial Employers, and Mr. S. R. Vasavada of the Textile Labour Association, will be the advisers to the employers' and the workers' delegates, respectively.

SIR RODERICK CHISHOLM

Sir Roderick Chisholm, who has just retired from his position as Managing Director of the Imperial Bank of India and sailed for the U.K. last week, can look back with pride over three decades of most useful service in the field of Indian banking. Having joined the Imperial Bank as early as 1920, his career has broadly synchronised with the growth of the Bank, and, indirectly, of Indian banking itself. But the position, which he has just relinquished, was the one which called, both at the time he occupied it (1945), and in subsequent years, for extraordinary financial and banking acumen, for these years witnessed not only the aftermath of war, but of the partition of the country, and the devaluation of the Indian rupee in 1951. It is a tribute to Sir Roderick's powers of financial judgment—a quality of which no man can have too much—that the Bank's position remains unshaken by the vicissitudes of the post-war period. Above all, the Bank had to adjust itself to the new political and economic conditions in the country. Sir Roderick was again found equal to this task. We wish him many years of happy retirement.

Sir Roderick is succeeded by Mr. S. K. Handoo, who, as a member of the Bank's staff and as Deputy Managing Director of the Bank since 1950, has already acquired considerable experience in handling banking problems. We wish him success in his new and more responsible position.

"COMMERCE" 1928

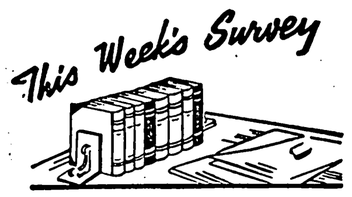
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 15*th September*

Captains of Agriculture

If reliable leaders are necessary in industrial enterprise, they are even more necessary in agriculture. Agriculture, whether in Europe, the Americas, or Asia, can never again be wholly reliant upon the cheap peasant labour, which, in the past, has been the backbone of the industry. True, in countries like India and China, where the population is still at a very low level of education and where about 70 to 90 per cent. of the population work on the land and are of the peasant class and are under-educated, it is possible to farm economically on the old methods, but, as these communities receive higher education, they will naturally demand better wages. India certainly does supply food for Europe, but, at the present time, China does not grow sufficient to feed her intense population and cannot afford to buy from other countries. As the food production in the world is not keeping pace with the increase in population, there is the hope of a more prosperous agriculture in intensive food production, and this can be accomplished by improved technical skill in farming. This point was made by the Geneva Economic Conference, and only after a general investigation of the agricultural methods employed in most parts of the world.

Industry is exploiting every new invention and method of increased production and economic efficiency; agriculture must do the same. While it is extremely important for agriculture that industry should be prosperous, on the other hand, it is necessary for industry that agriculture should be flourishing, as the consequent increased purchasing power would reflect and stimulate industrial output and would tend to keep prices down.



RETURN ON GROSS BLOCK

WHAT should be the adequate return on gross block employed by industries? This is a subject on which a great deal of discussion has taken place. It is a subject which comes up perpetually when the Tariff Commission is asked to fix prices for commodities. When the Commission examined the case for the increase in the retention prices of steel produced by the Tata Iron and Steel Company, Ltd., it recommended an increase of 2 per cent., that is, from 8 per cent. to 10 per cent. in the rate of return on the Company's gross block. The Government, it may be recalled, turned down this demand on the ground that it was making a "special loan on favourable terms" to the Company. The Company got, therefore, an increase of only Rs. 47 per ton as against an increase of about Rs. 67 which it might have got if the Commission's recommendation had been accepted.

Mr. J. R. D. Tata, Chairman of the Company, made some notable observations on this issue at the last annual meeting of the Company. He said that the Company was "grateful" to the Government for the loan on favourable terms. But he rightly argued that the acceptance of the increase in the rate of return on gross block, recommended by the Commission, would "not have been inconsistent with the grant of the proposed advance, as the Government could have directed that it be used either to reduce the total amount of their loan or to accelerate its repayment." The main arguments by which the demand for an increase in the rate of return on gross block was supported were that the 8 per cent. return was not adequate to attract fresh investment for the industry or to build up sufficient reserves for the purpose of modernisation and expansion. The Commission too was convinced of these arguments. In allowing the 2 per cent. increase, it made it clear that the additional amount should be set apart for the specific purpose of modernisation and expansion. The Company had readily agreed to abide by this condition.

The Government's rejection of the Commission's recommendation is, therefore, regrettable. The whole issue about the rate of return on gross block deserves to be considered without reference to the grant of the loan to T.I.S.CO., by which the Government has justified the rejection of the Commission's recommendation of an increase in this rate. A critical examination of this issue was, as our readers must have noticed, made by Mr. Padamji Ginwala in the course of an excellent series of thought-provoking articles he wrote for *Commerce* in recent weeks. In effect, he argued that the 8 per cent. return, which the Government has now accepted, is a piece of economic anachronism. The rate had been accepted as correct by the previous Tariff Boards in the thirties. It might have held good in those fortunate days when the rate of taxation for companies stood at an attractively low rate of As. 2½ in the rupee. It cannot certainly hold good now when the rate is As. 7 in the rupee. Again, the managing agency commission was formerly treated as a charge to be added to expenses. But now it has to come out of the 8 per cent. return. Again, in those days, there was nothing like profit-sharing bonus which is in vogue now. This item of expenditure too has to come out of the 8 per cent. return. Really speaking, profit-sharing bonus has to be treated as part of the wage bill inasmuch as it has come to be regarded by the industrial courts, the Government and the labour unions as part of the remuneration payable to workers. Mr. Ginwala calculated that in most industries, the profit-sharing bonus and managing agency commission account for 1½ to 2 per cent. and the tax (As. 7 in the rupee) for approximately another 3 per cent., leaving a net return of 3.5 per cent. to 3 per cent. He went on to pose the question whether this rate of return would be sufficient to attract risk capital when the Government itself was paying 3½ per cent. and the World Bank was charging 4½ to 4¾ per cent. Mr. Tata struck the same note when he emphasised that the Government "must surely be aware that they cannot possibly attract risk capital, either Indian or foreign, to this industry on the basis of a net return of 3½ per cent." He, therefore, hoped that the Government would "reconsider" the position it has taken up on this question. The inadequacy of the 8 per cent. return should be evident to those who have followed Mr. Ginwala's well-reasoned arguments. In fact, those who know that the return is related to the historical cost of the block and not to its replacement value, which is several times the original cost, will readily concede the case even for a larger increase in the rate of return than the mere 2 per cent., now demanded by the management of T.I.S.CO.

G. A. T. T.

Great significance is attached by Britain and other countries to the forthcoming meeting of the contracting parties to the General Agreement on Tariffs and Trade (G.A.T.T.), scheduled to commence at Geneva on Thursday next, in view of the fact that the return of the buyers' market the world over has made all countries more than ever eager to safeguard their position in the world markets. The forthcoming session is also important, because it will deal with the question of the admission of Japan into the Organisation. Since Japan has turned out, once again, to be a major competitor in world trade, the attitude of some of the contracting parties to the admission of this country into the G.A.T.T. may be stiffer than it was before.

There is as yet no clear and common approach to the question of Japanese entry into the G.A.T.T. In the U.K., for instance, although the question has been discussed by the Government for some time past, its exact views are still not known. The Government is believed to favour freer trade and payments, although it has been compelled to take into account the Lancashire textile industry's fears of growing Japanese competition. West Germany seems to have taken a friendly view. Belgium and Holland are expected to support Japanese admission subject, however, to certain conditions. The U.S. Government's attitude will be based on the principle of compromise. The two countries which are strongly opposed to the Japanese admission are stated to be Australia and France. It remains to be seen whether these and other countries will change their attitude towards the Japanese entry into the G.A.T.T., now that Japan is reported to have modified its original approach and is asking only for a provisional associate membership of the Organisation. This form of membership, it is stated, confers temporary rights to most-favoured-nation treatment.

Another important item on the agenda of the Geneva meeting of the G.A.T.T. is the one relating to the extension of negotiated tariff schedules beyond 31st December next. This issue, as readers are aware, has evoked particular attention in the past few days. There is a school of thought in the U.K. and the Commonwealth countries which has put forward a vigorous plea for withdrawal from the G.A.T.T. The plea is evidently based on the anxiety to enjoy special privileges in the sphere of world trade. This anxiety is understandable, but it should not be carried so far as to scrap the G.A.T.T. altogether. For it is high time that the free countries realised the fact that courageous steps are needed if we are to achieve convertibility of currencies and extensive liberalisation of trade. Certainly, the G.A.T.T. is the most effective instrument for preventing the revival of tariff warfare among nations which had been responsible for high prices and restricted markets in the past. There is, therefore, the imperative need not only for extending the period of the present tariff schedules but also for enlarging the scope of the schedules so as to cover a wider field of world trade. The need for this is particularly urgent in the present context, when the U.S. is trying to define its own position towards the G.A.T.T. It is scarcely necessary to point out, in this connection, that the most outstanding achievement of the G.A.T.T. in the past six years has been the progressive reduction in U.S. tariff barriers through international negotiation. Some in the U.K. are critical of the utility of the G.A.T.T. But there are many who feel, as the *Economist* rightly does, that the tariff concessions given by the U.S. are, in the present circumstances, more valuable than those given by any other country. Further, any demand for withdrawal from the G.A.T.T. will be inconsistent with the plea for an all-round reduction in the U.S. tariff barriers.

The British Government is reported to have decided not to raise, at the Geneva Conference, the issue of the future of Imperial Preference and its relationship to the G.A.T.T. The British delegates to the Conference will, we are told, only confine themselves to seeking (1) certain specific adjustments in the rules of the G.A.T.T. organisation which will permit the U.K. to give greater protection to domestic agriculture, without being forced, at the same time, to impose duties on food imports coming from the Commonwealth, and (2) more flexibility in Colonial tariffs. Alluding to this, the Foreign Editor of the *Financial Times* observes as follows:

"The immediate need which the British delegate will press at the forthcoming Geneva conference is for more freedom to organise the protection of certain branches of British agriculture as and when this is judged to be in the national interest. At the moment, this task is performed through the unsatisfactory method of import quota restrictions. Apart from the difficulties which this method causes for any long-term plan for the encouragement of domestic producers, who continue to feel insecure without the support of a tariff, it makes British import policy appear arbitrary and unpredictable to foreign suppliers of foodstuffs for the British market, particularly the exporters of fruit and vegetables from the Continent of Europe. It is, in fact, the organisation of a better system of control over importing horticultural produce that Britain is chiefly concerned to secure at Geneva."

The question of revising the G.A.T.T. in such a way as to provide for restoration of freedom to Imperial commercial policy has found increasing support not so much in the U.K. as in Australia. It was only a few days ago that Mr. R. G. Menzies, Prime Minister of Australia, declared that his Government had been far from satisfied with the operation of the G.A.T.T. and that his country's delegation to the Geneva conference would press for a comprehensive review of the Agreement. The Australian initiative, it must, however, be emphasised, is prompted more by its own domestic conditions than by the need for the establishment of a closer commercial tie-up among Commonwealth countries through the revision of the G.A.T.T. For the tariff wall in Australia is already high and trade and industry in that country are urging the Government to raise the tariffs still further. Since the beginning of this year, no fewer than 30 applications for increased tariff protection have been referred to the Tariff Board for enquiry. Among these, seven cover textiles, seven chemicals, four paper and wood products, and the rest miscellaneous engineering and electrical goods. There is an even stranger aspect than this. Some of the most important applications have, in fact, come from the Australian subsidiaries of British companies. If Australia were really eager to bring about a closer commercial tie-up among the Commonwealth countries, it would do well to effect a downward revision in tariffs, which are at present very high, thereby allowing a freer flow of imports from other Commonwealth countries.

TOWN AND COUNTRY PLANNING

The All-India Institute of Town Planners finalised a draft legislation on town and country planning, at its annual conference, held in Secunderabad last week. The full text of it is not yet available. But from Press reports, it is clear that the legislation, which is designed to arrest haphazard growth of towns and rural centres, provides a model for planned development of urban and rural areas. According to it, the State Governments are to be solely responsible for planning and regulation of towns and urban areas in their jurisdiction. The role of the Central Government will be confined to social welfare activities such as industrial housing and re-development of urban areas. Further, in cases where problems arise in which two or more States are concerned, the Centre will have to advise, co-ordinate and even direct as to the most desirable form of agreement among the States concerned. In drawing up the legislation, we are told that developments abroad, especially in the U.K. and the U.S., have been taken note of and adapted to Indian conditions.

The need for model legislation for town and country planning is a long-felt one. Town and country planning has suffered through want of adequate legal powers to control use of land and construction of buildings, though it must be admitted that neither the State Governments nor the local authorities have shown a full appreciation of the situation or utilised such powers, as they already have, to promote proper development. It is true that, in some States, legislation on town planning has been enacted or is contemplated. But there is need for a certain uniform policy. This explains why the Planning Commission recommended that "there should be a National Town and Country Planning Act which would provide for zoning and use of land, control of ribbon development, location of industries in areas considered suitable, clearance of slums, carrying out of civic and diagnostic surveys and preparation of master plans." The draft legislation, which the Institute has prepared in response to the suggestion made by the Planning Commission, is expected to meet the requirements of a model legislation for the States.

Latterly, regional planning has become even more important in view of the implementation of the several river valley schemes and community development projects. Such regional planning should take into account the population, agricultural conditions, industries and communications of a region, with a view to securing a balance of population in the particular area between villages, market towns and industrial centres. Such plans will help at integrating agriculture and industry in rural areas and will provide for dispersal of industries from the existing centres, development of cottage and small-scale industries and services such as medical aid, education and recreation facilities. It is not known whether the Institute's model legislation provides for regional planning on these lines.

One of the obstacles in the way of town and country planning is lack of trained personnel. It is gratifying to note that the Government of India is aware of this problem, for it has accorded sanction to the opening of a school of town and regional planning in Delhi, at the instance of the Institute, as a combined enterprise of the Institute and the Government.

INDIA AND BURMESE RICE

India's inability to buy high-priced Burmese rice is reported to have been interpreted by a responsible official of the Burmese Government as being the cause for scuttling the projected Indo-Burmese barter deal. The Food Minister of the Government of India, Mr. Rafi Ahmed Kidwai, has been accused by the unnamed Burmese official as the villain of the piece. He is said to have observed that the recent trade talks between India and Burma had every chance of success but for the Indian Minister's intransigence. Allegations such as these, if allowed to go uncontroverted, are likely to affect the existing friendly relations between the two countries. In the circumstances, those who referred to these allegations in Parliament this week must be said to have contributed something towards removing any misgivings that may exist in the public mind regarding the real cause for the breakdown of the Indo-Burmese trade talks. For it gave a timely opportunity to the Food Minister to make a detailed statement in the House on the recent Indo-Burmese trade talks.

India has been threatened by Burma that it would buy its needs from, and sell its rice to, countries other than India, if India failed to buy its rice. There is no need for such a threat for India is prepared to buy Burmese rice, provided such is offered at a price which suits this country. During the negotiations with the Burmese representatives, it was pointed out, we are told by the Food Minister, that India was prepared to buy this year one million tons of rice if the price was about Rs. 16 a maund, landed in India, and this position, it is learned, still holds good. Burma should take note of the fact that, owing to an improvement in its domestic producion of rice, India is not in dire need of having to buy rice at any price. If Burma has a large surplus of rice to dispose of, then it should snatch the offer of Mr. Kidwai. The willingness of the Government of India to permit imports of as much as a million tons of rice from Burma, provided it is cheaper than the domestically grown rice, is an indication of its desire to restore the pre-war pattern of trade with Burma. The door is thus open to our neighbouring country. Only, it must realise that the days when it can dictate its own price are over.

As regards satisfying the requirements of Burma, there is little cause for that country to feel disappointed. For, to quote Mr. Kidwai, "whatever they wanted we gave them and that at a price which compared favourably with the prevailing rates in other countries." Here then is another instance of India's anxiety to maintain friendly relations with Burma. Asked about the barter deal suggested by Burma, the Minister added that, after the Mission made its purchases, it offered some rice in barter. As the rice was not wanted the barter deal was dropped. Mr. Kidwai admitted the fact that rice was the principal crop of Burma and was treated as a money crop and, therefore, it was open to Burma to fix a price which would suit it. But then it cannot expect India to pay a price which does not suit its economy.

OFF THE RECORD

(By "ROVER")

IF Mr. J. R. D. Tata were a less tactful, less conciliatory and more outspoken man, he would have given expression to his feeling of frustration and bitterness differently and more pointedly at the annual general meeting of the Tata Iron and Steel Company last week, while addressing the shareholders of this Company. Even as it is, it did not need much reading between the lines on my part, in spite of the restraint, admirable in the circumstances, to which he must have subjected himself while drafting this speech, to see that here was a desperately disappointed and disillusioned man, struggling hard to remain polite, patient and reasonable, in the face of continued provocation.

It is the kind of feeling which only a man of breeding and refinement, unhappily married to a selfish, self-willed and spoilt woman, who is unscrupulous enough to bring all those feminine weapons into play, which drive honourable and sensitive men crazy or reduce them to a state of helplessness and abject surrender, alone can understand. Society is ever ready to believe the worst about a man, when the accusation of disloyalty, neglect and cruelty comes from a tearful but scheming wife, posing as an injured innocent. To-day, the public in India is equally ready to join in holding the business community guilty of greed, corruption and anti-national attitude and to uphold the Government in treating it with suspicion and contempt. In the eyes of the Government, nothing that a business man or an industrialist does could possibly be right. Gross and erring as he is, as his place is indispensable at present, he has to be tolerated as a necessary evil, but kept in his place by constant snubbing and watchful surveillance.

In such a set-up, tied hand and foot by official and public opinion, there is nothing for the unfortunate industrialist but to grin and bear it or if it be altogether beyond his power of endurance to grin, he should bear it with a wry face reconciling himself to the fact that this would be entered as sullenness against him. Perhaps, Mr. Tata was well aware of the futility of any protest on his part against the Government for such treatment of the fraternity to which he belongs. All the same, it is to his credit that, instead of just caving in, he chose to put up a well-reasoned, dignified and restrained yet bold case for the consideration of the public and the Government. What was more significant about this speech was its freedom from rancour or a sense of despair, to which a lesser man would have easily succumbed in the circumstances. There was not a single note of petulance or a hint of retiring in a corner to nurse his grievances.

Judging by the way things have been drifting possibly towards an ultimate and open breach and disaster, it was time that somebody brought forward the whole issue of the place of business and industry both in the concept of a mixed economy and in the new Indian polity, *vis-a-vis* the Government and other elements in society for a clear definition. It is not a question of obtaining, usurping or maintaining rights and privileges for a specified community, but getting its assignment and functions properly demarcated to enable it to fill the bill properly. Industry must know what is expected of it and allowed enough freedom within the limits of the social and economic structure accepted for the time being by the country. Unless this is done, it could neither plan or function properly.

As clearly set forth by Mr. Tata on this occasion, the business community's stand is not against the accepted policy of a mixed economy or for a return to *laissez faire* conditions. Used to working under conditions of comparatively greater freedom within its own sphere of operation since its inception, Private enterprise, besides accepting the new conditions, has given during the last six years sufficient proof of its readiness to co-operate by increasing investment and production. In fact, the new concept has met with varying degrees of resistance from almost every class of the people such as landlords, agriculturists, workers, the general run of consumers and politicians. Only the private sector of industry has gone on doggedly and patiently to fall in line with Government policies, even when some of these proved to be extremely irksome or almost unworkable. It is a strange irony of fate that the more it has bent itself in submission to the will of the Government on small issues and great, the more it has been trampled upon and kicked about while those who resisted it in utter disregard of the interest of the nation as a whole, by staging strikes and holding up production or diverting land deliberately to more paying commercial crops from foodgrains, when people were dying for want of food, were patted on the back and pampered at every turn.

Year after year, Governments, State and Central, apart from taxing commerce and industry to an extent, which, but for past savings and reserves, would have paralysed them, kept on adding one weapon after another to be used against erring units on the slightest suspicion of mismanagement or inefficient management. But it did not think it necessary to take any active steps against erring unions, when they, by their untional activities, robbed the country of millions of yards of cloth, when cloth was strictly rationed, or one lakh tons of steel, even though industrial expansion is held up for want of enough steel in the country and though steel is being imported at almost double the price of home-made steel. If anti-national behaviour on the part of any section or society is to be unreservedly condemned, there should be legislation in other spheres to match the Industries (Regulation and Control) Act or the revised version of the Indian Companies Act introduced in Parliament last month.

After seven months of 'go-slow' tactics resulting in the ultimate closure of one of the most important units of steel production in the country, all that the Government did was to express disapproval. Instead, if production had been consistently falling in any unit through some mistaken policy of the management, the same Government would have come down on it with a heavy hand. As a result of Government policies, a kind of subconscious 'go-slow' policy on the part of the workers has been in operation for some time in almost every factory and farm, as a result of which the country has been losing crores of rupees worth of agricultural and industrial produce every year. In view of all this, it is not surprising that the private sector of industry should feel discouraged and disillusioned and wonder, at times, whether subordinating self-interest in the interest of the nation as a whole is not exclusively the duty of business men, with other elements in society allowed to seek more power or profit at the cost of the nation.

What I have said above should not be taken as a defence of lapses on the part of individual black sheep amongst the business community. Apart from mistakes and serious errors of judgment leading to disasters, there have been enough scandals involving moral turpitude on the part of those in the party in power and amongst the Governments themselves, to discourage one from judging and condemning a whole class for the sins of some of its constituents. Judging by the record of the last six crucial years, it is the business community as a whole which emerges with credit not only for keeping the wheels of industry running in spite of physical and psychological obstruction, but for more loyal co-operation in the national effort to rebuild society on a new pattern. The position to-day would have been vastly different and far more critical, if industry had taken it into its head to behave more or less on the same irresponsible and selfish lines, as most of the other important sections of society.

A wise Government, a Government free from class prejudice, one with some sense of proportion and fair play, would appreciate this record and create an atmosphere which would encourage the private sector to put forth its best effort in the service of the country, instead of treating it with cold contempt. If there were someone with imagination enough and with a degree of requisite detachment in the Government of India, he would listen to what amounts to almost the last desperate plea of this sadly battered community, put forth through one of its most respected spokesmen possessing an unblemished past, and re-examine the attitude of his Government in the light of what Mr. Tata said last week. If this re-examination leads to a revision of the present relations existing between the Government and industry which resemble those between the police and potential criminals the response from the latter would be immediate and the results in terms of expansion and production truly amazing. What is wanted is trust and mutual confidence, with a proper appreciation of each other's difficulties and limitations and not suspicion. The Government can exact implicit obedience from this community, because of the authority it wields and because of the heavy loss involved for industry in case of defiance or recalcitrance; in fact, the Government are getting this obedience from it even to-day. But abject surrender cannot bring even half the tribute, which confidence and willing co-operation can obtain.

All that industry asks for to-day is a clarification of the position with regard to the declared policy of running a mixed economy. Such a reassurance has become necessary, because of the wide gulf dividing the policy announced by the Government and its day-to-day behaviour as well as its general attitude as exemplified in the case of the nationalisation of the air transport industry and the threat uttered by the Central Minister for Commerce and Industry with regard to the automobile industry last week. How is the private sector to function side by side with the public sector, if it is denied a voice or even consultation in matters vitally affecting it or the economy as a whole or if Government policies which result in, if not deliberately aim at, "discouraging creative enterprise and initiative, inhibiting savings and destroying the confidence of the investors." The automobile industry would need additional capital on a large scale to secure a progressively greater manufacture of parts as directed by the Government. Would it be able to obtain it from investors with this threat of nationalisation hanging on its head?

It is such intemperate, indiscreet and arrogant utterances of men like Mr. Krishnamachari and Mr. N. V. Gadgil, who cannot open their mouth without giving voice to some threat or other to the comparatively docile business community, which is really responsible for creating a doubt amongst those so threatened, as to whether it is not, after all, the intention of those in power to have a "wholly State-dominated economy, where the industrial class is temporarily tolerated and permitted to survive pending further developments," but destined ultimately, as a class, to extermination. The Government and the country can liquidate this class if they so desire, but they will soon discover that they will be the poorer for it in the present context of things, with the State's proved incompetence for running even the few experiments it has undertaken. And, in any case, we that is, the country and the Governments, cannot in this case expect the condemned business community to go on functioning naturally in the interval and to provide a halter gratis for hanging it, when the time comes for carrying out the sentence.—*All Rights Reserved.*

PAKISTAN NOTES

FURTHER TALKS ON EVACUEE PROPERTY

EARNINGS FROM EXPORTS RECEDE

A CONFERENCE of the representatives of the Governments of India and Pakistan is scheduled to be held at New Delhi next week to examine the issues relating to an agreement on the question of evacuee property in both the countries. The conference will follow up the series of discussions held at Karachi during the period 27th July to 13th August, 1953. The deliberations of the conference and the agreement that will be reached will be watched with great interest. For, the dispute over the evacuee property issue has all along been one of the major hurdles in the way of harmonious economic relations between India and Pakistan. Certainly, the successful outcome of the Indo-Pakistan conference of co-operative officials of the two Punjabs, recently held at Lahore, augurs well for the future of Indo-Pakistan relations. According to Press reports, the Lahore meeting had 52 items on the agenda. Most of the decisions relating to the settlement of evacuee claims and exchange of records were arrived at unanimously. A cordial atmosphere prevailed during the discussions.

Meanwhile, the Government of India has conveyed to the Pakistan Government its formal decision to confirm the agreement reached at the recent Karachi conference on evacuee property. The agreed items include refund of cash security deposits of contractors, personal and household goods, payment of compensation for movable property allotted or acquired by Governments for rehabilitating refugees and restoring the seized articles. Another question on which agreement was reached relates to steps for facilitating transfer of court deposits, deposits of minors and others under the guardianship of courts, and deposits of wards under the Court of Wards Act. The desirability of expediting the verification of claims by employees of State Governments and local bodies regarding pensions and provident fund through the Central Claims Organisation was also recognised.

Balance of Payments

The distinct improvement in Pakistan's balance of payments position, witnessed during the first quarter of this year, seems to have been arrested in the subsequent quarter. There has been a marked reduction in the surplus in the balance of payments, which, during the three months ended June, 1953, amounted to only Rs. 1.5 crores, as against Rs. 5.46 crores in the previous quarter. The reduction in the surplus has occurred despite an appreciable fall in payments for imports, from Rs. 41.27 crores to Rs. 34.60 crores. There was a shrinkage in the receipts from exports, the actual figure for the quarter under review being Rs. 36.10 crores, which is Rs. 10.40 crores lower than that three months before.

The aggregate deficit for the foreign exchange year 1952-53 was, however, lower, being Rs. 41.4 crores, as against Rs. 46.3 crores in the previous year, thanks to the slight improvement in the balance of payments during the January-June, 1953 period. Payments for imports were considerably less, due to drastic cut in imports on private account. They amounted to Rs. 192.7 crores, as compared with Rs. 287.9 crores. Receipts from exports aggregated Rs. 152.2 crores, as against Rs. 240.6 crores in 1951-52.

The relatively better foreign exchange position noted in the final half of this year reflect only the seasonal favourable trade balance —the January-June period is a busy season for Pakistan's export trade—and partly also the effect of the Government's rigid import policy. For the foreign assets of Pakistan still stand at a low level; these amounted to Rs. 81.23 crores as on 14th August, 1953, as against Rs. 150.52 crores in the beginning of last year. Indeed, to quote one report: "Pakistan's balance of payments position remains delicate. Prospect of a liberal import policy in the future have diminished and consumers fear another rise in prices of goods."

Be that as it may, the marked fall in the receipts from exports during the year under review, as noted above, has been accounted for mainly by the appreciable decline in the value of raw cotton exports. Thus, 1.5 million bales of cotton exported during 1952-53 earned for Pakistan only Rs. 64.81 crores, while a lesser quantity of 1.1 million bales earned as much as Rs. 80.96 crores in the previous year.

Pakistan's balance of payments with the dollar area during 1952-53 shows an improvement of Rs. 15 crores, the actual deficit declining from Rs. 25.87 crores to Rs. 10.95 crores. This fall in deficit was due partly to larger dollar earnings, on account of heavier purchases of jute and wool by the U.S., and partly to reduced expenditure. The deficit with the U.K. was to the extent of Rs. 50 crores. India, Japan and the U.K. were among Pakistan's ten major suppliers and customers. Pakistan's imports from India stood at Rs. 12.56 crores, while exports to India were worth Rs. 14.50 crores.

National Plan

The National Planning Board, recently set up by the Government of Pakistan, is expected to submit an interim report by March or April next year. An indication of this was given by Dr. Zahid Hussain, the Board's Chairman, the other day. "Our best endeavour," Dr. Zahid Hussain is reported to have said, "would be to complete the Plan by December, 1954." The Pakistan Government has already taken steps to obtain the services of foreign experts and arangements are being made for acquiring the services of experts within the country.

Jute Policy

Reports from Karachi aver that there will not be any major change in the Pakistan Government's jute policy for the next season. Pakistan, it is maintained in official circles, will be able to sell its estimated jute crop of 3 million bales, together with the previous year's carry-over of 2.5 million bales, before the season is out. Raw jute output during the coming season is estimated lower, owing to decreased sowing. Most cultivators have reduced their acreage and changed over to food production, thanks to extremely low level of prices for raw jute.

According to the Chairman of the Pakistan Jute Board, however, jute prices in East Bengal are tending to move up and export prices are also claimed to be higher. Importers of Pakistan raw jute in Britain, it is stated, are not buying "in a big way." Last year, they bought about 300,000 bales. Since 1st July, 1953, licences for the export of 300,000 bales to India have been issued. The quantity of exports to other overseas countries, for which licences have been given, amounts to 300,000 bales.

Development of Telecommunications

In the development of the telecommunication system in Pakistan, the U.K. has played a notable part. As early as in 1951, the U.K. Government provided an expert under the Colombo Plan to Pakistan to advise the latter on the question of modernising training facilities in the telecommunication services. In his report, the expert recommended the setting up of three regional centres in both wings of Pakistan. The Pakistan Government accepted the recommendation and requested the U.K. Government to provide equipment for the centres (at a cost of £27,000). The request has been conceded. Besides equipment and services of an expert, the U.K. Government has offered to provide demonstrators, instructors and financial assistance to run these centres.

Cotton for Canada

Efforts are being made to develop a regular market for Pakistan cotton in Canada. Several leading cotton importers in Canada, it is reported, have evinced keen interest in Pakistan cotton and some have already made contracts with Karachi traders. Pakistan can sell about 100,000 bales of cotton per annum. The success of the efforts to promote Pakistan's cotton exports to Canada, however, depend on three essential factors. First, Pakistan should export only those varieties which are required by Canadian mills. Secondly, the existing ginning standard should be improved. Finally, cotton prices should be maintained at slightly competitive levels.

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commodity arrangements do not work, unless there is goodwill behind them and it sets out a framework in which, given the goodwill of the exporting and importing countries, a fair amount of order can be brought into sugar marketing without penalising consumers by making them pay too high prices for sugar, yet ensuring a proper return and absence of wild price fluctuations to the producers.—*All Rights Reserved.*

AGREEMENT ON SUGAR

TERMS CONSIDERED SENSIBLE

(From Our Own Correspondent)

LONDON, 5th *September*

WHEN the Minister of Food opened, in mid-July, an International Conference on sugar convened in London by the United Nations, could not have suspected that the Conference was going to meet with such signal success, at least on paper, in a way that singles it out from most post-war international conferences as well as attempts at commodity agreements. In the event, agreement has been reached between 51 countries—subject, of course, to ratification which may be an important qualification—and these embrace the Iron Curtain countries as well as the followers of the U.S.A. The terms of the Agreement, moreover, are sensibly arrived at, inasmuch as the quantities to enter the free market are set at reasonable levels and the price ranges permitted are wide enough to cover the likely fluctuations. The Conference has not attempted to do too much and for that reason it is the more likely to succeed.

LONDON LETTER

Its objects were to secure supplies of sugar to importing countries and markets for sugar to exporting countries at equable and stable prices, to increase the consumption of sugar throughout the world and to maintain purchasing power in world markets of those countries whose economies are largely dependent on sugar exports.

The British view at the Conference was that sugar supplies had been increasing to such an extent that they were likely to become out of hand in relation to demand. There was the added complication that the increased supplies could only be purchased for dollars, and recently, if the United Kingdom had not bought up the Cuban sugar surplus and Cuba had not at the same time agreed to limit her production, a severe crisis might already have hit all the exporting countries outside the Commonwealth.

The producers agreed to limit export quotas over the next five years beginning in January, but wanted to set a limit as high as 7 million tons. Over the past season, the commercial trade in sugar has been no higher than 4½ million tons, but, with the United Kingdom derationing later this month, this figure would rise to 5 million tons. The exporters finally agreed to be satisfied with quotas of 5.4 million tons which are divided roughly as follows:—

(Million tons)

Cuba	2.25
Central and South America ...	1.15
The Far East	0.9
Eastern Europe	0.9
Western Europe	0.18

In addition, the Colonial Empire, Australia and South Africa will limit their exports to just under 2½ million tons, and the Eastern European countries may also ship outside the figures shown to the U.S.S.R.

The price limits within which these quotas are to be observed range from 3.25 to 4.35 cents per lb. free alongside steamer Cuban port. During the course of the Conference, actual prices rose at one point to 3.7 cents and then fell back to under 3.4 cents. Since between now and the end of the year, at least the exporting countries are free to unload their surpluses before the Agreement comes into force, it is possible that the bottom price set by the Conference may be passed. But that does not necessarily mean that the price is likely to bump along the bottom once the Agreement comes into operation. In any event, the Agreement provides that, if free market prices do fall below the established figure, export quotas will be cut automatically by at least 5 per cent. and more by agreement. Similarly, if the price rises above the ceiling, quotas will be increased automatically by 7½ per cent., or more by agreement. Furthermore, exporters will be required to maintain stocks equivalent to 20 per cent. of their annual production to insure against deficits. If, in spite of all these provisions, the Agreement does not work satisfactorily, it will be reconsidered in three years' time. Russia and the Soviet bloc countries, however, will not observe those Articles of the Agreement which limit production and stocks on the ground that they have "full-scale planned economies."

This Agreement may be termed "an agreement to agree." It recognises that international

(Continued in previous column)

WORLD BANK COMPLETES SIX YEARS OF LENDING OPERATIONS

TOTAL LOANS AMOUNT TO $1,591 MILLION

ALTHOUGH the International Bank for Reconstruction and Development was founded in 1946, it is only six years now since it started its operations. From a survey of its activities during this period, it can be said, without fear of contradiction, that the Bank has achieved a fair measure of success in discharging its functions laid down by its founders, and has proved itself as an effective instrument of international co-operation. The functions of the Bank include, among others, the mobilisation of world savings for making capital available at reasonable rates of interest, over long periods, for projects calculated to raise the productivity of the borrowing country. Expansion of investment to provide capital for both reconstruction and development of the war-ravaged countries is another task entrusted to it by its founders. The Bank has also to organise mobilisation of economic resources in underdeveloped countries for raising the standard of living of the masses. The Bank's Annual Report for the year ended 30th June, 1953, presented to the Board of Governors at their eighth session held in Washington this week, provides enough evidence of the good work that it has done in the past six or seven years.

The year under review witnessed an increase in the number of the Bank's members. The number of countries to which loans were granted also rose. Resources available for lending were also augmented. Disbursements on new and existing loans were, in fact, the largest for any year since the Bank's development began. The net earnings from the Bank's operations also showed improvement, and, therefore, there was an increase in net accretions to both the general and special reserves, constituted under the Articles of the Bank.

As in previous years, the accommodation provided by the Bank covered a variety of projects—agriculture, electric power, transportation, communications, industry and general development. And what is more, being alive to the criticism that the Bank has been devoting less attention to backward regions, the Bank continued to bestow increased attention to the needs of underdeveloped countries.

With the admission of Germany, Japan and Jordan during the year, the membership of the Bank rose to 54, and, along with it, the total subscribed capital to $9,036 million.

Total Loans Granted

The table below gives an idea of the trend of lending by the Bank during each of the last three years:

	1952-53	1951-52	1950-51
No. of loans	10	19	21
No. of countries	9	16	11
	(In million dollars)		
Loans sanctioned during the year ...	178.6	298.6	207.1
Progressive total of loans sanctioned	1,591	1,412	1,114
Disbursement during the year ...	226.8	184.8	77.6
Total disbursements to date ...	1,103	876.5	691.7

It will be seen from the above table that, during the year under review, the World Bank made only 10 loans to 9 countries, whereas, in the preceding year, 19 loans were granted to 16 countries. Similarly, in line with the number of loans, the value of loans also shows a decrease, from $298.6 million to $178.6 million. This brings the total of the Bank's loans to $1,591 million shared by 29 countries, as compared with $1,412 million to 27 countries, in the preceding year. The decline in the loans sanctioned during the year under review does not necessarily mean that the Bank was unwilling to extend credit where it was needed. Two explanations seem to hold good for this trend. First, with the recovery made by the countries directly affected by the last war and with some of the countries passing through a period of slump in the earlier months of the year, the demand for accommodation from the Bank must have been less. Secondly, with the pressing demands of many countries for financing their approved development programmes having already been met, fresh demands can only come along with new development schemes drawn and presented to the Bank. The approval of these new schemes by the Bank will necessarily take some time. Hence in a particular year, the loans granted may be somewhat lower than in the previous year.

Two of the ten loans issued during the year under review were made in support of a broad range of economic projects. Agriculture, basic industries and transport benefited from a loan to Australia. In Yugoslavia, the Bank supported a group of projects calculated to improve the country's balance of payments. The Bank gave loans to specific key industries such as iron and steel in India, wood products industries in Finland and for a fertiliser plant in Iceland.

The table below gives a synopsis of the Bank loans classified by purpose and area as on 30th June, 1950:

(In millions of United States dollars, net of cancellations and refundings)

Purpose	Total	Area				
		Asia and Middle East	Africa	Australasia	Europe	Western Hemisphere
Grand total	**1,660**	**187**	**132**	**150**	**734**	**357**
Reconstruction Loans—						
Total (France, the Netherlands, Denmark, Luxembourg) ...	497	..	..	..	497	..
Other Loans—						
Total	1,063	187	132	150	237	357
Electric power (machinery, equipment and construction materials)	404	28	58	30	35	253
Transportation	242	72	34	39	35	62
Railroads: locomotives, rolling stock, rails, shop and station equipment	150	63	31	16	3	37
Shipping: vessels and marine equipment	12	..	..	..	12	..
Airlines: planes and equipment	14	..	..	7	7	..
Roads: building machinery and equipment ...	46	5	2	16	..	23
Ports: docks, loading and dredging machinery and harbour craft	20	4	1	..	13	2
Communications (telephone and telegraph equipment and supplies)	26	2	..	..	..	24
Agriculture and Forestry	150	51	..	54	28	17
Mechanization: general farm machinery and equipment.	59	..	..	44	2	13
Irrigation and flood control: construction equipment and materials	60	41	..	5	13	1
Land improvement: machinery, construction equipment and materials	19	10	..	5	2	2
Grain storage: construction materials	5	..	..	4	1	..
Timber production: machinery and vehicles ...	7	..	..	7	..	..
Industry	149	32	..	27	90	..
Manufacturing machinery	126	32	..	20	74	..
Mining equipment	23	..	..	7	16	..
General Development	92	2	40	..	49	1
Development banks	12	2	..	..	9	1
General development plans	80	..	40	..	40	..

It will be seen that the share of Asia and the Middle East is only $187 million, representing only 17.5 per cent. of the total of $1,063 million granted to all the five regions namely, (*a*) Asia and Middle East, (*b*) Africa, (*c*) Australia, (*d*) Europe and (*e*) Western Hemisphere. It is true that, a year ago, the share of this region was even less at 14.6 per cent. of the total. Nevertheless, it must be said that the assistance rendered by the Bank to this area still constitutes only a fraction of its needs.

During the year under review, the total disbursements amounted to a sum equivalent of $226.8 million. This sum, which covers new and existing loans, was the highest reached since the Bank commenced its development lending operations. Total disbursements to-date amounts to $1,103 million, of which $1,014.5 million is repayable in U.S. dollars. A notable feature of the disbursements during the year was that a substantial portion of such was spent outside the U.S. This was due to an improvement in the supply position of goods outside the U.S. particularly in Europe. This has enabled the European countries to benefit from the Bank's policy of encouraging the purchase of materials and equipment from whatever source could offer the terms most favourable to the borrower. The following table shows the geographical distribution of loan expenditures to the end of 1952-53: (Dollars in millions)

Area of expenditure	*Total to 30-6-1952*		*Fiscal year 1952-53*		*Cumulative total to 30-6-1953*	
	$	%	$	%	$	%
United States ...	626.2	71.4	144.1	63.5	770.8	69.8
Canada ...	61.7	7.0	9.7	4.3	71.4	6.5
Europe ...	125.0	14.3	68.2	30.1	193.2	17.5
Latin America ...	58.4	6.7	2.6	1.1	61.0	5.5
Africa ...	2.5	0.3	1.8	0.8	4.3	0.4
Near East ...	2.5	0.3	..	..	2.5	0.2
Far East ...	0.2	..	0.4	0.2	0.6	0.1
Total ...	876.5	100.0	226.8	100.0	1,103.0	100.0

In spite of difficulties in the world money markets, further progress was made by the Bank in broadening the sources of supply for funds required by it. The bond market in the U.S. was seriously affected by the return to freer money market conditions and by a sharp rise in yields on the United States Treasury and other high grade bonds. Despite the hardship caused by these conditions, the Bank was able to sell new bond issues worth $71.6 million. In October, 1952, the Bank issued 19-year 3½ per cent. bonds worth $60 million at 98. Nearly $20 million of this was subscribed by investors outside the U.S. In November, 1952, the Bank floated in Switzerland 3½ per cent. Ten-year Bank Bonds at 98½. The bonds amounted to 50 million Swiss francs or approximately $11.6 million. The Bank further added to its resources by selling $13.6 million of securities from its portfolio. The Bank's resources of non-dollar funds were increased by further releases of the capital subscriptions paid in by members in their own currencies. The equivalent of $26.6 million was released in this way. In addition, the U.K. agreed to make available, subject to consultation £60 ($168 million) for disbursements by the Bank for projects in Commonwealth countries of the sterling area over a six-year period. The gross available funds thus, on the whole, amounted to $1,584 million, as against $1,454 million a year before. Out of these available resources, as much as $1,103 million have already been distributed. This leaves a balance of $481 million available for disbursements.

The net income resulting from the Bank's operations during the year was $18.5 million which was added to the supplementary reserves. This reserve stood at $76.5 million at the end of the year. The special reserve rose to $37.2 million making the Bank's total reserve from operations $113.7 million.

In addition to loan operations, the Bank has been active in helping its members to assess their economic resources and to prepare programmes of development. The general survey mission remains the Bank's main way of performing services of this kind and the reports prepared by it are being used as a basis for further action by Governments.

Loans to India

India has now become one of the chief beneficiaries of the World Bank. It has so far obtained loans aggregating $109.8 million. The Bank gave three loans to India in 1949-50, amounting to in all $62.5 million which was finally reduced to $58.8 million at India's own request. Again, during the year under review two more loans were granted. One of these, for a sum of $31.5 million, was granted to the Indian Iron and Steel Co., Ltd., Calcutta, and the other of $19.5 million for further development of the Damodar River Valley.

The loan to the Indian Iron and Steel Company (I.I.S.Co.), made in December, 1952, and amounting to $31.5 million, resulted from recommendations made by a Bank mission that went to India under the leadership of the Chairman of the First Boston Corporation to examine means of increasing iron and steel production. Although the proceeds of other loans have been paid through intermediate agencies to private manufacturers, this is the Bank's first loan in the manufacturing field to be made directly to a private concern. It will be used to finance imported equipment and services which I.I.S.Co. needs to carry out a five-year project to increase its annual productive capacity from 350,000 tons to 700,000 tons of finished steel, and from 160,000 to 400,000 tons of iron for sale to foundries. When this project is completed, India's finished steel capacity will be about one-third higher than in 1952, and her foundry iron capacity will be doubled.

The Bank's $19.5 million loan of January, 1953, is for key projects in the Plan for the development of the Damodar River Valley, an important agricultural and industrial area west of Calcutta. This loan will help to finance the construction of two storage dams, two hydro-electric plants, and a barrage and irrigation system. The hydro-electric plants will have a combined capacity of 100,000 kilowatts. The irrigation system will supply water to a million acres and should make it possible to increase the production of foodgrains by 400,000 tons a year.

The Bank is studying an application for a loan to the power companies in the Tata group for the construction of a thermal-electric generating plant on Trombay Island near Bombay.

TRAINING COLLEGE FOR BANK EMPLOYEES

SOME THOUGHTS ON PROPOSED SCHEME

DURING the last 12 years or so, on account of the stimulus provided by the Second World War, banking in India has expanded rather rapidly, as shown by a considerable increase in the number of joint-stock banks and their branches. Consequently, many of the banks have been feeling the handicap of a shortage of trained personnel. This handicap can be removed only by making proper arrangements for the adequate training of employees of banks holding clerical and supervisory posts. Such training alone would enable the public to obtain satisfactory services from banks.

In Britain, the big banks have been running their own training institutions, with great benefit to themselves and to the public. Their training schemes are divided into three stages, namely, post-entry training for new entrants of ages between 17 and 23 years, intermediate training for potential security clerks and chief clerks of ages between 24 and 30 years and training for management for potential managers of ages above 30 years. There are similar training institutions in other Western countries also. In India, one big bank has been running its own training school at Calcutta at considerable cost. A few other big banks in India have made arrangements in their own head offices for providing some practical training to men selected for supervisory posts. One big bank sends such men for training to its London office. The bigger banks in India possess adequate resources and facilities for giving proper training to their employees. But most of the medium-sized and smaller banks do not possess such resources and facilities. Many of them function in the mofussil, away from the big centres, and have to carry on with employees who have not received proper training in modern banking methods and procedure. Hence, the experience of the public has been that the services rendered by many of such banks are generally not as efficient as they should and can be. It is, therefore, necessary to remove this defect from the banking structure in India as early as possible. The Reserve Bank, as the friend and mentor of the commercial banks, has been keenly alive to this need for some time.

The Indian Institute of Bankers has been rendering useful service to banks for a number of years by conducting its Associate Examination in two parts for the benefit of bank employees. But, beyond arranging for the delivery of a few lectures every year at three or four centres to help the bank employees preparing for its examinations, it has not been able to provide any practical training for them. The Reserve Bank, therefore, has now taken up the question very actively.

Need Explained

It is necessary to provide practical training to persons holding clerical, as well as supervisory, posts in banks. One banker has expressed the opinion that making provision for the practical training of bank clerks is, perhaps, even more necessary than making similar provision for supervisors. But the difficulty with regard to the former is that, as bank clerks are spread in large numbers all over the country, it is not possible to provide for their practical training by establishing training institutions for them at one or two centres. The only way to provide such training seems to be to hold evening classes for them at several centres in India and to induce experienced local bankers to impart training at such classes in a spirit of national service. The Reserve Bank seems to be fully alive to this need and will probably deal with it a little later. For the present, however, it has decided to sponsor a scheme for establishing a training college for only the supervisory staff of banks. Such a training college for the supervisory staffs of co-operative banking institutions and co-operative organisations existing in the country has been functioning successfully at Poona for the last two years.

The success of the scheme will depend upon full co-operation from all banks—the Imperial Bank, the Exchange Banks, the big Indian banks and also the medium-sized and smaller Indian banks. A committee, consisting of the representatives of all the above banking interests and a couple of experts in banking education, has been established to give effect to the scheme and the Governor of the Reserve Bank has made it known that the Reserve Bank will meet the entire expenses of establishing and running the scheme. This is a wise decision, because the Reserve Bank, with its enormous annual profits, can afford to spend, annually, a lakh and a half or a couple of lakhs of rupees on the running of the college, without feeling the expense. Further, the expense will be in the interests of the nation, as it will promote the development of commercial banking in India on sound lines.

Bombay to Have the College

It is proposed to establish the college in Bombay, because Bombay would be the most suitable centre for the purpose. As the headquarters of the Reserve Bank are located in Bombay, the Bank will be able to supervise the working of the college effectively. Moreover, several departments of the Reserve Bank, such as those of Banking Operations, Banking Development, Exchange Control, Agricultural Credit and Research and Statistics, are located in Bombay. They will not only be able to give guidance to the college in Bombay, but will also be able to spare officers for giving periodical lectures on banking subjects pertaining to their departments, to the trainees in the college. The head offices of some of the bigger banks are located in Bombay and they too will be able to give guidance and evening lectures to the college. Furthermore, Bombay will be more convenient than Calcutta to the trainees coming from the South, while it will be as convenient as Calcutta to those coming from the North. Finally, the Sydenham College of Commerce and the School of Economics of the University of Bombay will be able to help the proposed college, especially as regards the more theoretical aspects of the training.

Trainees will receive the greatest benefit from the college, if it can be made residential. They can then lead a corporate life, discuss problems among themselves and with their teachers, out of regular college hours and engage themselves in sports, recreation, etc. But, on account of the prevailing scarcity of accommodation in Bombay, it will be difficult to secure a building, which can house the college as well as the students, especially in Bombay City or the near suburbs.

For the successful functioning of the college, it is necessary to have, as its Principal, a person who has had not only considerable experience in practical banking in high posts for several years, but also experience of imparting banking knowledge to others. It would not be difficult to find a person in India possessing the former qualifications but it would be very difficult to find one in India possessing both the qualifications. For the first two years of the college, therefore, it is proposed to secure the services, under the Colombo Plan, of two English bankers who have had experience of running training colleges in England. One of them will act as the Principal of the college. A senior Indian banker, possessing sufficient experience in practical banking in high executive posts, will be associated with these two English bankers, as a Professor, and will become the Principal of the college, when the latter retire from it. It will be difficult for any Indian bank to spare the services of one of its senior officers for the purpose, but one of them should come forward and offer to do so in the larger interests of the banking system of the country. It is expected that the work done by the above members of the teaching staff will be supplemented by occasional lectures from senior officers of the Reserve Bank and other banks in Bombay.

Intensive Courses Planned

Intensive courses of study of the practical aspects of commercial banking will be conducted at the proposed college with the help of forms, documents, registers and other books, which are usually maintained in modern banking institutions conducting business on sound lines. A "model (dummy) bank" will also be attached to the college for the purpose of explaining the working of all departments of a modern bank. The main emphasis in this training will be on the practical aspects, although the training will have to include theoretical aspects also, as, in a subject like the law and practice of banking, theory cannot be separated from practice. Each batch of trainees will receive training for a period of about four months. On the completion of a course, the trainees should be subjected to a test and, on passing it, should be given a certificate by the college. In the absence of a test and a certificate, the trainees may not do their best to benefit fully from the course. An eminent educationist and an experienced banker from outside should be associated with the college authorities in the conduct of the test.

The success of the college would depend upon the readiness with which commercial banks, particularly the medium-sized and the smaller ones which, as mentioned above, lack the requisite resources and facilities for giving proper training to their employees, would be able to spare officers, year after year, to receive training at the college and to bear the expenses involved, namely, salaries and travelling, lodging and boarding expenses. If the college is run on sound lines, even those big banks, which have their own training arrangements at present, will find it advantageous to send their officers to the college for training and to bear the expenses mentioned above. Medium-sized banks also can afford the expenses, but some of the smaller banks may not be able to do so. If the Reserve Bank finds a few deserving cases among the latter, it should subsidise them for the purpose. If the number of applicants for admission to the college exceeds the number of seats available in it, the selection of trainees should be left to the college authorities, who will consider not only the suitability of the applicants, but also the need of the banks which they represent, for trained personnel.

Under the supervision of the Reserve Bank and with the co-operation of commercial banks, the college may be expected to prove a success, as similar institutions have done in England and several other Western countries.

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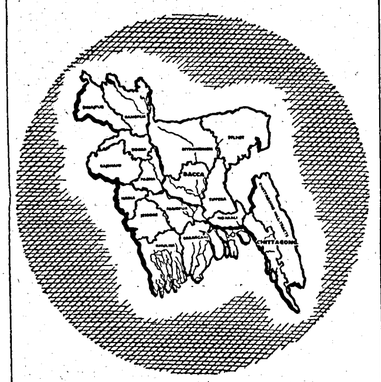

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Mr. A. W. Tuke, Chairman of Barclay's Bank Ltd., was elected President of the British Bankers' Association for the coming year at its latest annual general meeting. Lord Aldenham, the Chairman of the Westminster Bank Ltd, Mr. A. P. Anderson, General Manager of the British Linen Bank and Mr. R. N. Drake, Chief Manager of the Mercantile Bank of India Ltd., were elected Vice-Presidents. Mr. Drake was some time ago the Manager of the Mercantile Bank of India Ltd., Bombay, and many of the Bank's other branches in the Far East and possesses a sound knowledge of economic and financial conditions in India and the Far East.

WORLD BANK LOANS

The International Bank for Reconstruction and Development made four loans to two countries on the 4th inst. Two of the loans amounting to $3.95 million were granted to Nicaragua. Of this, a sum of $3.5 million is for highway construction and the balance for electric power. The loans are for a period of 10 years and bear interest at 4½ per cent. including 1 per cent. commission. Amortisation payments will begin on 15th March, 1957.

The recipient of the other two loans is Iceland. One of the loans will be in European currencies equivalent to $1.35 million for carrying forward a programme of agricultural development. The other loan, amounting to $252,000, is intended for the construction of a building to house radio transmitter equipment serving North Atlantic air traffic. The loans are for a period of 12 months and bear interest at 4½ per cent. including the statutory commission of 1 per cent. Amortisation payment will begin on 15th July, 1954.

DEVELOPING UNDERDEVELOPED ECONOMIES

WORLD BANK MAKES SOME NOTABLE OBSERVATIONS

[The growing interest which the International Bank for Reconstruction and Development has been taking in the development of underdeveloped areas for the past one or two years is fully reflected in the prominence given by the Bank in its eighth annual report to a discussion of the problems relating to the development of these areas. A whole chapter has been devoted to this subject. As the subject is of topical interest to this country, a verbatim reproduction of the chapter is given on this page. The observations of the Bank deserve to be carefully read and pondered by all politicians, especially members of Parliament and legislatures of the various States, as well as by the administrators, in whose hands the destiny of this nation lies now.—ED.]

THE Bank is now beginning its eighth year of work. Since 1946, it has had opportunities to observe the process of economic development in many countries and on almost every level of effort, from village to Cabinet council. Bank officers, staff and consultants have visited all the Bank's 54 member-countries and many overseas dependencies as well. Their business has been carried out for a wide variety of purposes: to make broad economic assessments; to consult on major policies affecting development; to study individual projects and examine the possibility of making loans for them; to assist in dealing with problems of management, engineering and finance arising in the course of project execution; to help in the mobilisation of local capital; and to gain knowledge of or consult upon many other problems of concern to the Bank and its members.

Many observations by the Bank confirm the widely held belief that the resources of most underdeveloped areas are adequate, if effectively used, to support a substantially higher level of production and income. There are many and complex reasons why these areas have not been more developed. Many cultures, for instance, have placed a low value on material advance and, indeed, some have regarded it as incompatible with more desirable objectives of society and of the individual. The character of government has not always been of a sort to create popular incentives; certain forms of social and economic organisation have offered obstructions. In part, the reasons have been physical. Climate and topography have imposed limits on economic growth; distances from centres of technological innovation and capital resources, especially in the past, have been hindrances.

Capital Alone Not Sufficient

Capital equipment can now readily be sent to most parts of the world; technical skills can be imported. Both the tools and the knowledge needed for development are within reach. But this does not mean, as is too often assumed, that the chief requirement is to finance imports of foreign equipment and to attract foreign technicians. The availability of capital for these purposes cannot, by itself, be expected to remove some of the most important obstacles to economic growth.

To a greater or lesser extent, these obstacles to growth exist everywhere. In one country or another, they include: the lack of traditions of political responsibility; the weakness of economic initiative; low standards of education and training; and insufficient understanding that economic progress requires patience, effort and self-denial. The consequences may be lack of confidence between a Government and its people and frequent changes in Government policies and personnel; unsound economic and financial policies, dictated by political pressures and often leading to prolonged periods of inflation; a reluctance of important groups to accept necessary economic and social changes; waste of public funds on non-productive activities; and weak administration in Government and business. These factors discourage domestic savings, and deter foreign investment.

An Example

The interdependence of each aspect of society in the development process is reflected in the fact that, in countries now described as "developed," the era of technological change and rapid economic growth was preceded and accompanied by other changes of great importance. These included the evolution of new ideas concerning man, society and the physical world, and the evolution of new political and economic institutions that made it possible to apply capital productively and share the benefits of technology among large numbers of people. Not only the printing press and the steam engine, but the school house and the joint venture corporation have their chapters in the still unfolding story of economic development.

The institutions that can promote economic growth cover an extremely wide range. Among a great many developments in this field, the remainder of this chapter is confined to one: the establishment, in an increasing number of underdeveloped countries, of institutions to weigh Government policy and guide Government investment in economic development. This is a comparatively new phenomenon. It has been selected for comment because the Bank believes that, in the underdeveloped countries in which much of its work is now centered, organisational innovations of this kind can enhance the effectiveness with which existing resources are used.

Place of Governmental Programming Units

One of the universal findings of the Bank's missions has been that underdeveloped countries have much to gain from a better direction and balance of investment. The misdirection of financial resources has taken many forms: the investment of money in commodity speculation or idle land; the construction of factories in the absence of markets; the building of a few monumental projects at the cost of more modest but more pervasive programmes; the use of public funds for purposes that private investors, given proper incentives, would have been willing to pursue; the lack of foresight that has led to the building of hospitals and universities without adequate concern for the availability of trained doctors, nurses or teachers.

The policies of Government are no less important in underdeveloped countries than they are elsewhere. The level of Government spending, the tax structure, tariff and monetary policies, among other things, influence the total amount of investment, the sources from which it comes, and the purposes to which it is put. The Government's own share of investment in an underdeveloped country, moreover, commonly amounts to between one-quarter and one-third of the total; it is not only important in itself, but may have a direct effect on what enterprises are possible and profitable in the private sector.

The fact that financial and technical resources are limited in underdeveloped countries makes the most effective use of these resources a pressing necessity. It lays on Government a responsibility to develop its own policies and investments so that they will help to stimulate the economy as a whole to greater productivity, increased savings and investment and, as a result, higher living standards.

Controls

This does not imply a detailed blueprinting of the economy or even of the Government's role in it. Still less does it imply close and coercive economic controls which are more likely to breed new controls than new production. Nor, finally, does it justify the Government's diversion of its own financial and technical resources into enterprises for which private capital and management are available, since that will lessen the resources available for providing basic services and utilities that generally lie outside the scope of private initiative.

But a stringency of financial and technical resources does mean that the Government should exercise its influence consciously and consistently, rather than inadvertently and sometimes at cross-purposes with itself. A useful instrument in this regard is a broad development programme which looks ahead for a period of years, sets out major goals in production and investment, and provides a guide to Government decisions on policy, on approximate magnitudes of public investment in different sectors of the economy, and on the choice and timing of individual projects.

The formulation and carrying out of a development programme of this kind tries to satisfy five objectives: (a) to review the total of Government investment, so that it will neither unduly restrict private investment nor exceed total capital resources and so produce inflation or other unhealthy results; (b) to co-ordinate development planning within the Government, so that projects in one sector will be supported by whatever complementary investment is needed elsewhere; (c) to establish priorities among development objectives and plans to insure the best and most timely use of the finance, manpower and other resources available; (d) to give encouragement by policies and specific measures to the most useful private activities; and (e) to keep fiscal and economic policies consistent with the long-run objectives of economic growth.

Functions

An increasing number of underdeveloped countries have brought some or all of these functions together in a governmental programming unit. Among the units recently established, some with Bank advice, are a National Bank for Development in Brazil, a National Ministry of Planning and an Economic and Social Board in Burma, a Planning Committee of the Cabinet in Ceylon, a National Planning Council in Colombia, a Planning Commission in India, a Development Board in Iraq, a National Economic Council in Nicaragua and a Planning Bureau in Surinam.

In the main, these units have assumed the same essential duties, as a comparison of the Indian Planning Commission and the Colombian Planning Council will suggest. At the time of its formal establishment in 1950, the Indian Commission was instructed

(a) to make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibility of increasing resources that are found to be deficient in relation to the nation's needs;

(b) to formulate a plan for the most effective and balanced use of the country's resources;

(c) on a determination of priorities, to define the stages in which the plan should be carried out and propose the allocation of resources for the due completion of each stage;

(d) to appraise from time to time the progress achieved in the execution of each stage of the plan and recommend the adjustments of policy and measures that the appraisal may show to be necessary; and

(e) to make such interim recommendations as appear to be appropriate on consideration of prevailing economic conditions, current policies, measures and development programmes.

In the case of Colombia, something in the nature of an approved development programme existed in 1951, in the form of recommendations made by a citizens' development committee on the basis of proposals presented by a Bank general survey mission in 1950. Along the lines of the mission's proposals, a National Planning Council was created in 1951, and began work in April, 1952. Among its functions are

(a) to study variations in the structure of the national accounts, in order to obtain a continuing picture of the development of the economy;

(b) to study and co-ordinate investment projects, indicating the priority which these projects should have in the light of the resources and needs of the country;

(c) to study the co-ordination of the different programmes prepared in the Government, to avoid possible conflicts and inconsistencies among efforts in various fields; and

(d) to serve as a consultative body to the President of the Republic in economic and financial matters.

One other function is commonly included in the work of programming units. The effective use of resources for development embraces the subject of how external assistance is to be used. The Nicaraguan Economic Council, the Colom-

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bian Planning Council and the Planning Committee in Ceylon, for instance, serve as screens through which Government requests for foreign loans or other financial assistance to development must pass. In these and other cases, this screening also applies to technical assistance from abroad.

The Bank's general survey missions have repeatedly stressed the importance of keeping the public informed as a means of spreading understanding and enlisting the wide support vital to the success of any development programme. In some countries, this kind of education is the task of State Ministries of Information; in other countries, it is not performed at all. In Nicaragua, where there is no Ministry of Information, the Economic Council has established as part of its own secretariat a small office "to bring to the attention of the public the progress of economic development."

Organisation

The organisation of programming bodies is not uniform among the Governments that have them, and the organisational recommendations of the Bank's general survey missions have differed from one country to another. There has been common agreement, however, on the standards to be met.

The programming unit must be situated on an influential level of Government, and it particularly must have the right, express or implicit, to state its views on development expenditures before commitments for these expenditures are accepted. Several units meet this standard by having direct access to the Prime Minister or the Chief Executive of the Government. The National Planning Council of Colombia is attached to the Office of the President, as is the National Economic Council of Nicaragua. The Prime Minister is the Chairman of the Economic and Social Board of Burma, the Planning Committee of Ceylon, the Planning Commission of India and the Development Board of Iraq.

The programming body cannot function objectively if at the same time it is charged with executive responsibility for carrying out projects in some particular sector of the economy. Generally speaking, Governments have tried to achieve impartiality in the planning body either by making it a forum in which the differing views of responsible executives can be reconciled, or by composing it of persons who have no operating responsibilities. In the Ceylon Planning Committee and the Nicaraguan Economic Council, for instance, the programming group is composed of all the ministers concerned with economic matters, so that all may have their views represented. The Nicaraguan Council's membership includes the Minister of Economy (as Chairman), the Ministers of Finance, Agriculture, and Public Works, the principal Secretary of the President, and the General Managers of both the Central Bank and the newly created Development Institute; other ministers participate from time to time as matters arise which directly concern them. In the case of the Indian Planning Commission the members, apart from the Chairman, have no other responsibilities in the Government.

In any case, the programming body needs to be supported by a secretariat competent to bring it a balanced judgment on the separate plans of the ministries and departments. It is impossible to generalise on the size and composition of this staff. The secretariat of the Colombian Planning Council is small, and is able to rely to a considerable extent on research and staff services of the Central Bank. The secretariat of the Indian Planning Commission is rather extensive and is divided into the following sections: resource and economic surveys; finance; industry; trade and communication; food and agriculture; resource development; employment and social services. Several programming units regularly have the advice of Advisory Councils composed of private persons drawn from industrial, agricultural and trade groups.

Some Points of Emphasis

A feature to be emphasised is that the basic process entrusted to these units is programming, and not planning in a detailed sense. Planning, in terms of concrete projects and specific policies, remains the work of other ministries and agencies. The programming unit stimulates planning and fact-gathering where they need to be done; it views plans and policies objectively, measuring them against one another and against the resources available; and it recommends whatever modifications of substance and timing are necessary to bring them together into a coherent whole.

The Bank's general survey missions have frequently stressed that it is an important task of these units to keep informed of progress, and to recommend changes that may be required by circumstance. While the goals themselves may stand, it is only realistic to anticipate that they may be advanced or deferred by events impossible to foresee. The timing and amount of investment may be influenced by unexpected difficulties in the construction of a basic project, by unexpectedly rapid development in some sectors, by changes of price levels and costs, by fluctuations in the amount of local and foreign capital available, and by many other factors. Any long-term development programme therefore needs to be kept continuously under review and to be subjected to periodic modification.

It is implicit in the functions of the programming body that it provides a prod to action. In the past, some Governments have made the mistake of supposing that they had fulfilled their responsibility by drawing up a programme, and have left promising plans to exist only on paper. But programmes are not a substitute for action; and the existence of a programming unit empowered to review and to report to those in final authority can do much to see that plans are put into effect.

It is also obvious that the establishment of a programming institution is not in itself a panacea. Little purpose can be served by this type of body unless a favourable climate is provided by appropriate fiscal and monetary policies and by other steps to expand investment resources and to steer them into the most productive courses. Nevertheless, in any community where resources are limited and the calls upon them are particularly urgent, a programming institution can help to lift development projects out of the arena of day-to-day stringencies and short-term needs. It can also bring more clearly into view, at a time when self-denial will inevitably be called for, the gains to be won by steady pursuit of basic economic improvements.

STERLING AREA GOLD AND DOLLAR RESERVES

During August, the sterling area had a gold and dollar surplus of $13,000,000. The gold and dollar reserves stood, therefore, at $2,469 million at 31st August, 1953, according to an announcement issued by the British Treasury. The surplus arose after taking account of (a) receipts from the U.S.A. during the month of $19,000,000 as defence aid, (b) payment to the European Payments Union of $6,000,000 representing that part of the July deficit of $4,000,000 which was settled in gold or dollars, and (c) payment to Canada of $39,000,000 under the interest-free loan of 1942.

On the provisional figures for the month, the U.K. had a deficit in August with E.P.U. of £10,600,000, which will fall to be settled in September, if no country uses the existing resources of sterling, as to £5,300,000 in gold or dollars and £5,300,000 by an increase of the debit to the Union.

Commenting on the above figures, a Treasury spokesman said that, although there was an increase of only $13,000,000 in the reserves during August, as compared with a rise of $89,000,000 in July, a good deal of the decline could be accounted for by the payment of $39,000,000 to Canada during August, by the lower amount of U.S. aid receipts—$19,000,000 against $36,000,000—and by the transfer of $6,000,000 to E.P.U. compared with a receipt of $2,000,000 from E.P.U. in July.

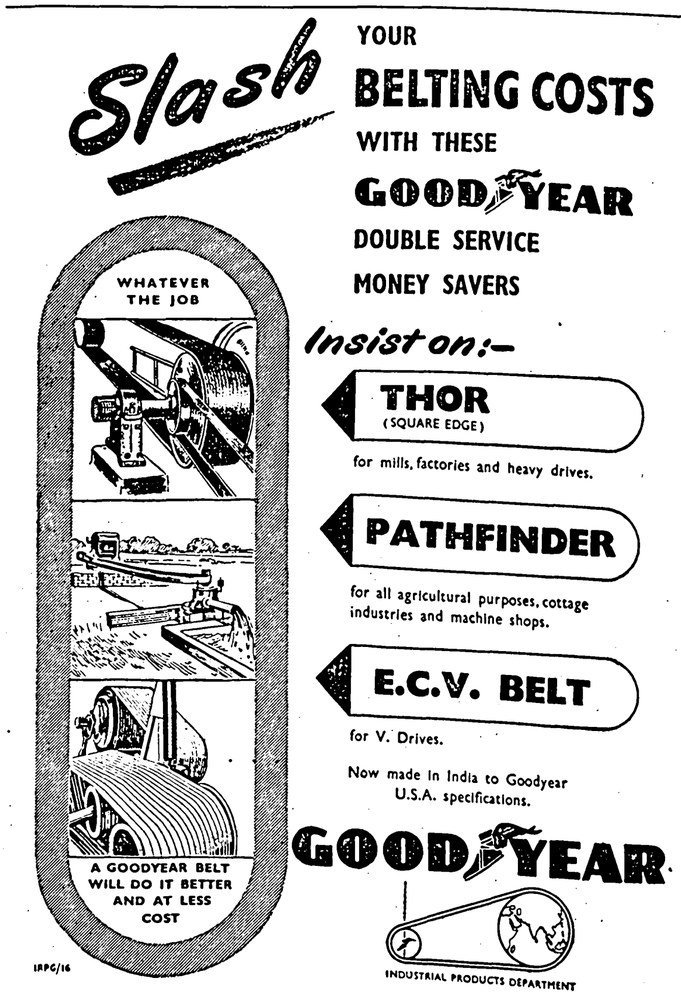
FINANCE CORPORATION FOR ASSAM

An industrial finance corporation for Assam will be set up, with an authorised capital of Rs. 2 crores and paid-up capital of Rs. 1 crore to be divided into shares of Rs. 100 each. The paid-up capital will be distributed as follows: Assam Government Rs. 25 lakhs, Reserve Bank of India Rs. 20 lakhs, Scheduled banks, insurance companies, etc., Rs. 30 lakhs, and other parties Rs. 25 lakhs.

The establishment of this Corporation was approved by the State Assembly last week.

Moving the official motion, the Finance Minister, Mr. Motiram Bora, emphasised the need for a finance corporation which could provide long-term loans at cheaper rates of interest to small-scale industries and help in the expansion and development of medium-sized industries in the State. The Finance Minister drew pointed attention to the fact that unemployment in the country was on the increase and he thought the Corporation would be immensely useful in fighting that menace.

The Finance Minister added that the Assam Co-operative Apex Bank would finance the co-operative credit societies and agricultural development schemes.



NEW PROCEDURE FOR DETERMINING COTTON PRICES

MILLS FACE MANPOWER SHORTAGE

(From A Special Correspondent)

MANCHESTER, 1st September

MANCHESTER LETTER

A NEW and—on the face of it—more complicated procedure for establishing prices for raw cotton has now been issued by the Raw Cotton Commission and will continue in force for those Lancashire spinners who are still obtaining their supplies from this organisation. The revised schedules, operative from the beginning of September, provide users with no less than 34 index prices, plus differentials, applicable to the various growths of cotton sold by the Commission. Cover is based on a single quotation for all growths.

The obvious intention of the Commission, as previously expressed, is to keep its price levels in strict uniformity with replacement costs by altering quotations more frequently than in the past. To this end United States cotton is given nine index prices, ranging from high grade good staple to low grade short staple cotton. Based on these indexes are differentials according to type and length of staple.

A similar procedure is being adopted in the case of other growths, Egyptian qualities having nine index prices—three for Karnak, three for Giza and three for Ashmouni and Zagora—and Sudan varieties having seven index prices. Among other growths, two prices are quoted for Pakistan and for Peruvian.

In the initial stages of the new season the Commission is selling cotton for September delivery on "ex stock" terms only. This involves, in the case of 15/16" staples and above in American, an addition of 20 points and in the case of Karnak, Ashmouni and Giza an addition of 25 points. October quotations vary according to individual descriptions and qualities but for November/December delivery American and Egyptian cotton will generally be available at a forward discount.

One Cover Symbol

The index prices are those quoted by the merchanting section of the Commission as actual selling rates for spinners, but the new separate cover section of the organisation is to maintain its identity by the introduction of a new standard symbol, known as ATNY, on which cover transactions will be based. As all major overseas markets are now linked to New York, this cover quotation will itself move similarly.

The notional figure for this symbol is not strictly comparable with the old American quotation, as it does not include certain allowances for charges formerly calculated and thus shows a small discount on the previous quotation. The actual cost of cotton is but little altered and yarn quotations show only minor variations on the previous rates ruling.

This complicated change in procedure is bound to create a certain amount of confusion in the market in its initial stages. Spinners and manufacturers have spent some time checking their current price lists against the proposed range of values put out as an explanatory schedule by the Commission. The symbol price, in any case, is liable to daily fluctuations in the future, and yarn quotations will vary accordingly.

The aim of the Commission in safeguarding itself against increasingly heavy losses is understandable. In the past the need to maintain large stocks for the benefit of its customers has handicapped the organisation, and there is a natural wish to avoid a repetition of recent financial disasters caused by falling world values.

Overseas Display

Yet another venture aimed at publicising Lancashire cotton goods has this week been undertaken by the Cotton Board. For the first time an exhibition of suitable wares has been taken to Scandinavia and a display given at the Swedish capital of Stockholm.

Fifteen of the leading houses of Manchester and district have combined to assist the Board's Colour, Design and Style Centre in putting "British cottons" on the map at the Stockholm Fair, exhibiting 300 fabrics including a collection of 100 dress materials and more than this number of shirtings and pyjama cloths, velvets and corduroys and other men's fabrics. In addition, furnishings have also been on show.

To maintain interest in the display, models from London have been flown over to show the latest fashion products from Lancashire designed by the leading exponents of this art.

Rebuilding Manpower

From whatever angle conditions in the trade are viewed at the moment, the importance of the labour force needs no particular emphasis. Early last year it was freely commented that the worst feature of the depression was the appalling waste of labour, which reached alarming proportions as mill after mill was forced to adopt short-time working or close indefinitely. The revival was quicker in its intensity than many people then visualised but all the pessimistic forebodings about the loss of manpower have unfortunately been realised.

Compared with the position in the final quarter of 1951, when the post-war peak in manpower for spinning and weaving was reached, the industry is still some 40,000 operatives short of the number then on the books of employers. About 20,000 workers have been regained but the others have clearly drifted into other employment or have forsaken the mills in favour of retirement. Many married women who were prevailed upon to resume their old employment or take on part-time work during the prosperous years have obviously gone back home.

It is now a question whether they will continue to resist the blandishments of those who would again offer inducements for them to return to their spindles or looms. Numerous vacancies are being advertised locally and through employment exchanges, but the response from the potential labour supply is not altogether encouraging. On the other hand, the end of the summer term has brought school-leavers into the spinning trade, according to the latest figures issued by the Cotton Board, and in the last two weeks of July spinning manpower rose by 624, largely as a result of this development.

It is not without significance that the number of unfilled jobs in the cotton trade notified to the employment exchanges has been steadily rising from below 2,500 vacancies in November last year to more than 6,000 in July. Throughout this period the exchanges have continued to place workers in various departments of the mills but the number thus found employment has by no means equalled the notified vacancies.

More Shift Work

"More and more" weaving mills in the Lancashire cotton industry are introducing "Housewives' shifts" in the evening to ease an acute shortage of full-time workers, Mr. Lewis Wright, newly-elected General Secretary of the 90,000—strong Weavers' Amalgamation—the cotton industry's biggest trade union—said in Manchester.

Millowners were making application to the union for permission to operate the shifts—normally of four hours' duration from 5-30 to 9-30 p.m. "Subject to certain conditions we are giving our approval," said Mr. Wright.

Two more weaving mills had been in touch with the union in recent days about launching housewives' shifts. The shifts are generally staffed by married women with family commitments which prevent them from putting in a full day's work at the mill.

Union Bosses Supported

Leaders of Lancashire's 280,000 cotton workers announced in Manchester this week that they would back the T.U.C. policy of putting forward union chiefs for Government denationalisation boards.

It was the first statement of policy by the "Cotton Workers' Parliament"—the Legislative Council of the United Textile Factory Workers' Association—since the appointment of Sir Andrew Naesmith, now retired as Weavers' Amalgamation Secretary, to part-time membership of the Government's Steel Board.

Appointment of Sir Andrew—with two other union chiefs—to the Steel Board caused a storm in union circles. There will be more criticism at next week's T.U.C. at Douglas.

Mr. Harold Bradley, Legislative Council Secretary, said after the meeting that it was the Council's view that trade union representatives who were selected and able to serve on Government bodies should do so irrespective of the nature and political colour of the Government of the day.—*All Rights Reserved.*

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AID TO HANDLOOM INDUSTRY

BOMBAY URGES RESERVATION OF MARKETS

IT is, indeed, regrettable that, when the various sectors of the cotton textile industry are being subjected to a comprehensive and impartial enquiry by the special committee appointed by the Government of India last year, the Bombay Legislature should have hastily decided to recommend to the Centre reservation of certain fields of cotton textile production exclusively for handlooms. The Bombay Legislative Assembly unanimously passed a resolution on the 31st inst., urging the Government of India to reserve the manufacture of bordered *dhotis* and coloured *saris* of 40 counts and below to the handloom industry. This demand is somewhat milder than the one adopted by the Madras Legislative Assembly in November last, emphasising the need for reserving the market for all bordered *dhotis* and coloured *saris* for the handlooms. Nevertheless, the resolution is not only untimely but also drastic and will, if implemented, adversely affect the mill sector, without, at the same time, giving any worthwhile relief to handloom weavers. We thought that, as the Bombay State's stake in the cotton mill industry is large, larger than any of the other States, the legislators of this State would not blindly imitate Madras. But we now find that we were sadly mistaken. Evidently, our M.L.As did not realise, when they voted for the resolution, its implications to the economy of their State. They seem to have been carried away by their devotion to cottage industries so much that they were not fully conscious that they were cutting the ground under their feet.

The aforesaid decision of the Bombay Legislative Assembly has, naturally enough, caused considerable concern among the millowners. They rightly feel that sufficient thought has not been given to the serious consequences of such a step. *Dhotis* and *saris* constitute an important element in mill production. Thus, out of the total 4,599 million yards of cloth manufactured in mills in 1952, these varieties accounted for as much as 1,332 million yards, representing over 28.8 per cent. The cotton mills in Bombay State account for 65 per cent. of the country's entire cotton textiles production. In 1952, these mills produced 3,027 million yards of piecegoods, *dhotis* and *saris* alone accounting for 755 million yards. As we pointed out only three weeks ago, in the matter of *dhotis*, both the industry and the consumers are already suffering from a serious hardship. With effect from December last, the Government of India has enforced a cut of 40 per cent. on the manufacture of *dhotis* by mills. "This reservation," to quote a leading millowner of Bombay, "has, far from benefiting the handlooms, created an artificial scarcity of mill *dhotis* which are being sold at an exorbitant premium. The fact that the Union Government has felt constrained to relax this restriction in the case of several mills in Bengal is a tacit admission that reservation of fields of production is not a panacea to the ills of the handloom industry."

Serious Consequences

In view of all this, further restrictions on *dhoti* and *sari* production will only aggrevate the prevailing scarcity conditions, thereby causing undue suffering, particularly to the agricultural and working class population. If the recommendation of the Bombay Legislative Assembly were enforced, mills would have to change-over to the production of *dhotis* and *saris* of over 40 counts. This will necessitate imports of larger quantities of foreign cotton. Otherwise, thousands of looms, on which these varieties are being produced, will either be compelled to remain idle or be switched over to the manufacture of other varieties for which there is no market. Should this happen, there would be a serious fall in production of mill cloth and, consequently, an increase in unemployment among workers.

The need of the hour is more cloth for the consumer at economic prices. The Bombay Legislative Assembly's move seriously militates against this goal without bringing any tangible advantage to the handloom weaver whose cloth being admittedly more expensive than the mill product, is not within the reach of the ordinary consumer. Thus, the reservation of markets for handlooms at the expense of the more economic units is not the way to improve the conditions of the handloom weavers. The correct way is, as we have ere now stressed, to find out the root causes of their economic difficulties and evolve suitable measures for removing them. One of the difficulties is the lack of proper organisation. The need for this has arisen from the fact that the weavers are innumerable and scattered all over. The Bombay Government's plan for encouraging the formation of handloom co-operative societies with a loan of Rs. 20 lakhs has, therefore, come not a day too soon.

The salient features of the Plan, as outlined by Mr. M. P. Patil, Bombay's Minister for Co-operation, in the course of a Press conference at Poona recently, are as follows:

The co-operative societies will be given loans upto Rs. 100 per loom for supplying yarn to over 60,000 weavers who have already become members of the societies. The rest will be induced to join them, and if necessary, loans will be given for contribution to the share capital of the weavers' co-operative societies. Yarn will be purchased by the society from wholesale co-operative societies and supplied to the weavers. The cloth will be taken over by the societies and the weavers will be paid wages on the basis of As. 10 for a day's work. The goods will be sold at market rates. Any profits earned will be shared equally by the societies and the weavers. Special staff will be appointed to assist the societies in the maintenance of accounts and to help them market their goods. Supervisors will be appointed at the rate of one for 250 looms. The entire operations in regard to the organisation of the co-operative societies are to be controlled by a district committee consisting of the Collector as chairman and representatives of the co-operative societies and the Co-operative Department. It will be the function of the control committee to assist the societies and to form new ones where it is necessary to do so. It will sanction advances to societies and also arrange to purchase yarn wholesale and distribute it to the societies. It will also direct production by restricting it to the varieties of cloth which are in demand and can be sold easily.

In the meantime, the Government of Bombay has increased the price preference for handloom cloth *vis-a-vis* other varieties from 15 per cent. to 20 per cent. The value of handloom cloth purchased by the Government during 1952-53 was Rs. 4.41 lakhs, as against Rs. 4.13 lakhs in the previous year. Incidentally, it may be noted that, during the last seven years, there has been a rise of 33 per cent. in the number of handlooms in the State, the actual number at present being 197,751. The value of yarn distributed to the handlooms has also increased, from Rs. 8 crores in 1948 to Rs. 12 crores in 1951.

In the past 12 months, there has been no scarcity of yarn, thanks to increased production by mills. This, however, has not helped the handloom industry, the demand for the product of which has suffered a marked decline. It is this factor which has caused unemployment and distress in the industry. Stocks are reported to have accumulated with several handloom co-operative societies and dealers, and weavers are unable to obtain yarn on credit and sell their finished products. The Bombay Government has, therefore, done the right thing in concentrating its efforts on the formation of weavers' co-operative societies for the joint purchase of yarn and marketing of the finished goods. The Government has recommended to the Centre nine schemes, costing Rs. 68 lakhs, for improving the lot of weavers. The schemes cover, among others, opening of sales depots in the districts, provision of mobile vans in order to push up sales of handloom cloth, granting of subsidies on sales of handloom cloth, establishment of dye-houses, and installation of bleaching, finishing and calendering plants for cloth. But, as against the demand of Rs. 68 lakhs, the Bombay Government is expected to receive a grant of Rs. 40 lakhs only from the Centre from the handloom cess.

IMPORTS OF COTTON PIECEGOODS INTO PAKISTAN

The Government of Pakistan, according to a recent report from Karachi, has decided to issue licences for the import of Japanese cotton piecegoods worth Rs. 3.5 crores during the current shipping period ending December, 1953. The aggregate value of cotton piecegoods that Pakistan will be importing during the coming year is estimated at Rs. 15 crores. Piecegoods imports during 1952-53, it may be noted, were extremely low, the actual value of such being only Rs. 9 crores, as against Rs. 37 crores in 1951-52. Similarly, imports of cotton yarn fell from Rs. 25 crores to Rs. 6 crores. The chief factor responsible for the marked decline in imports was the restricted import policy.



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COTTON IN PAKISTAN DURING 1952-53 SEASON

IMPRESSIVE RISE IN EXPORTS

IN retrospect, the Pakistan Government may congratulate itself on its success at accomplishing the difficult task of promoting exports of cotton during the 1952-53 season, in which the offtake aggregated 1.65 million bales, as compared with 1.246 million bales in the previous season. This is a notable achievement considering that the Government was faced early in the season by a very large crop, estimated at 1.90 million bales, as against 1.57 million bales in the previous season (1951-52), and by a very low level of export demand. But it must be remembered that this successful achievement of a high level of exports has rendered possible only through a sizable fall in prices, and reduction in export duties. It must also be remembered that the Pakistan Cotton Board suffered an estimated loss of over Rs. 5 crores in an effort to dispose of the burdensome surplus of cotton which it had to acquire in its attempt to sustain prices.

Even before the 1952-53 season commenced, the Government had announced that it would be willing to permit exports at prices which were 10 per cent. below its purchase prices. Normally, this would have led to a spurt in demand. But so sluggish was the foreign demand that even this announcement failed to bring import orders from abroad. In September 1952, when the Government made its policy announcement for the 1952-53 season, it abolished the export duty on Comilla and Deshi cotton and reduced the duty on other varieties from Rs. 180 to Rs. 90 per bale. Despite these concessions, prices failed to improve. Between September, 1952 and December, 1952, the prices actually slumped, N.T. S.G. alone falling by Rs. 30 to Rs. 70 per maund. The Government was compelled, in December, 1952, to announce further concessions in export duty in respect of the old (1951-52) crop. Indeed, for the first time in post-war years, Pakistan cotton began to be available at a discount under the American growths.

The opening of the current calendar year witnessed a serious debacle in the Karachi cotton market, thanks to continued poor demand for Pakistan cotton. N.T. R.G., for instance, slumped to Rs. 58 per maund. Towards the end of January, 1953, the Government fixed floor prices for export at Rs. 56 for 4F R.G., Rs. 53 for LSS N.T. R.G., Rs. 61 for 289F, R.G. (with a premium of Rs. 3 for saw-ginned varieties). It was not until April, when a trade agreement was concluded with Japan, that any real sign of recovery took place. Under this agreement, Japan agreed to buy before March 1954, 650,000 bales of Pakistan cotton, on the condition that Pakistan will import 80 million square yards of Japanese cloth. Japan's allocation of foreign exchange to its importers for purposes of buying Pakistan cotton was as under:

2nd quarter of 1953 150,000 bales; 3rd quarter of 1953 100,000 bales; 4th quarter of 1953 275,000 bales; and 1st quarter of 1954 125,000 bales.

The conclusion of this agreement was followed by a spurt in prices. A factor, which assisted this spurt, was that the U.K. and Hongkong also began to evince keen interest in Pakistan cotton. There was some demand from China too. Australia placed raw cotton from non-dollar countries in the O.G.L. with effect from 1st April, 1953. This too was interpreted as a bullish factor for Pakistan cotton. The net effect of these measures was that, in May alone, there was an improvement of Rs. 30 to Rs. 40 per candy in the Karachi market. This improvement was well maintained in June also, when there were enquiries from Australia, France and China. There was, however, a slight setback in July, for it was feared that Japan might not be able to lift cotton in accordance with this agreement pending certain clarification about Pakistan's import policy for cloth, with which its own cotton purchases were tied. Since then, all these issues have apparently been settled to the mutual satisfaction of the parties to the agreement, for Japan has emerged as the single largest customer for Pakistan cotton in the 1952-53 season, its share being of the order of 700,000 bales out of Pakistan's total exports of about 1,650,000 bales.

The Pakistan Government has lifted the ban on forward trading in cotton for the 1953-54 crop with effect from 8th August, 1953. Forward trading in new crop commenced in the Karachi market on 10th August, with N.T. R.G. being quoted at Rs. 72 per maund. But trading in the new crop is of a restricted nature, in view of the fact that the old crop is available at a discount of Rs. 5 to Rs. 6.

That Japan, which took 700,000 bales, was the chief customer for Pakistan cotton during the 1952-53 season has already been mentioned. The other leading importer was the U.K. which absorbed 135,000 bales. All other European countries together took 400,000 bales. Although the quantity of cotton exported in the 1952-53 season was greater than that in the preceding season by a little over 400,000 bales, the amount of foreign exchange which it fetched was lower at Rs. 70 crores, as against Rs. 77 crores in the previous season. This will give one an idea of the extent to which the value of Pakistan cotton was deflated during the season just ended by the return of the buyers' market.

MILLS' CONSUMPTION OF COTTON

A notable feature of the mills' consumption of cotton in recent months is that the mills are not only consuming more cotton than they did a year ago but are utilising a relatively larger proportion of Indian cotton. During the nine months ended May, 1953, Indian mills consumed 3,316,308 bales of cotton, as compared with 2,979,714 bales in the corresponding period of 1951-52. Out of the total of 3,316,808 bales consumed by mills, Indian cotton accounted for 2,682,727 bales, as against only 2,171,108 bales in the same period of the 1951-52 season, and foreign cotton for 634,081 bales, as against 808,606 bales. Thus there was nearly an increase of 23 per cent. in the consumption of Indian cotton, whereas there was a fall of about 22 per cent. in the consumption of foreign cotton.

A glance at the table below reveals that, among the Indian varieties of cotton, Jarillas continue to be the most widely used variety, the consumption of this variety improving from 797,341 bales to 1,149,675 bales. Among the foreign growths consumed by the mills, Americans are the most important. Even so, the consumption of this variety declined from 468,052 bales to 321,021 bales. It is noteworthy that there are no significant variations in the consumption of Egyptian and East African cottons which accounted for 130,738 bales and 136,540 bales, respectively.

The following table gives the chief varieties of cotton consumed by Indian mills:

Consumption of Cotton

(In bales)

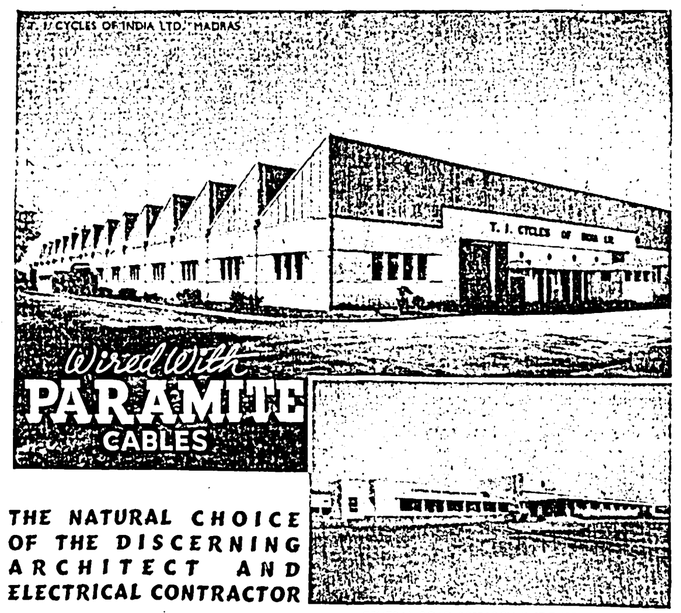
	From 1st Sept. 1952 to 31st May 1953	From 1st Sept. 1951 to 31st May 1952
Total consumption of Indian cotton:	2,682,727	2,171,108
Of which:		
Bengal Deshi	128,937	88,240
Oomras short staple	24,355	15,713
Jarilla	1,149,675	797,341
Gaorani 6 and 12	144,901	77,681
Buri	74,450	71,196
Broach Vijay	221,827	204,410
Surti	99,194	79,410
Wagad	72,419	167,813
Farm	90,420	118,306
Jayadhar	130,181	120,387
Cambodia	83,243	126,869
Karunganni	71,098	74,118
Total consumption of foreign cotton	634,081	808,606
Of which:		
Egyptians	130,768	130,113
East Africans	136,540	136,137
U.S.A.	321,021	468,052
Grand Total (Indian and Foreign).	3,316,808	2,979,714

The mills had, as on 31st May, 1953, cotton stocks estimated at 1,548,487 bales, as compared with 1,789,097 bales on the same date last year. The composition of these stocks was as follows:

(In bales)

	As on 31-5-1953	As on 31-5-1952
Indian cotton	1,305,438	1,365,441
Foreign cotton	243,049	423,656
	1,548,487	1,789,097

It will be seen from the figures above that the mills' stocks, as at the end of May, 1953, had been more heavily depleted than at the end of the same month in the previous year. The availability period of these stocks, on the basis of the consumption during the nine-month period under review, was 4.1/5 months, as against 5.2/5 months in the previous year.



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DEBATE ON SUGAR IN PARLIAMENT

NO RISE IN CANE PRICES, SAYS MR. KIDWAI

ONCE again, the problems relating to sugar and sugarcane came up for discussion on the floors of both the House of the People and the Council of States last week. This is not surprising considering the changes that have taken place in the Indian sugar trade during the last few months. Despite the Government of India's decision to import sugar, prices continue to rule high and scarcity of supplies is being felt in several parts of the country. The trend of debate in the two Houses, however, could not but conform to the same old set pattern, namely, the members pointing to the series of omissions and commissions on the part of the Government and the Government spokesmen defending the official policies. Most of the members who participated in the debate seemed to ignore the fundamental factor that a solution to all the ills of the sugar industry lies, not in palliatives or short-term remedies, but in devising ways and means of stabilising the industry as a whole, including the agricultural side of it.

Replying to the questions on sugar prices, Mr. Rafi Ahmed Kidwai, the Union Food and Agriculture Minister, maintained that the Government had no reason to believe that the recent increase in the price of sugar was due to hoarding. He felt that it was due chiefly to increased consumption. In support of this contention of his, Mr. Kidwai said that the amount of money advanced by the banks against sugar stocks during the current (1952-53) season was not more than the normal. Proceeding, he said: "If all the released sugar had been hoarded, with the approach of the next season and the prospect of import of two lakh tons, the hoarders would have come out into the market, as many other things were coming out, and prices would have gone down. The fact that there had been no such reaction is another proof that there is no hoarding."

These observations are correct only to some extent. For it must be admitted that the rise in sugar prices in the early months of the year was due as much to the short production of *gur* and *khandsari* and the consequent rise in their prices, leading to an enlarged demand for sugar, as to the speculative activity indulged in by a section of the sugar industry and trade. The speculative activity was, in turn, the direct effect of the bullish twist which the Government gave to the sugar market, first, by allowing exports of sugar and, secondly, by holding up releases of sugar from the factories. Thanks to the bullish twist, a section of the sugar traders (and also of the industry) enlarged their commitments in the hope of realising higher prices. It is true that, in order to bring down prices, the Government moved increased quantities of sugar to important markets by allotting more wagons and giving sugar from the special stocks held by factories at the statutory ex-factory price of Rs. 27 per maund to State Governments and other agencies for distribution through fair price or ration shops. When it found that all this was not sufficient, it decided to import sugar. But the mischief had already been done.

Inasmuch as all these steps were belated, and, what is worse, were not properly implemented, they could not, and have not still been able to, bring down the prices of sugar. Once prices are pushed up and the wholesale and retail merchants are compelled to take delivery of sugar at higher prices, prices cannot easily go down, for by then several vested interests will have come into existence which will not let prices decline. After all, there is something to be said in favour of the old adage, "A stitch in time saves nine." If the Government had promptly nipped the trouble in the bud, things would not have been so bad as it has been in recent weeks. It is, therefore, amazing that Mr. Kidwai should have stated that hoarding was not responsible for the rise in prices. His own colleague, Dr. Punjab Rao Deshmukh, Minister for Agriculture, however, was correct when he admitted that one of the reasons for the rise in sugar prices could be attributed to "speculative activity and all-round hoarding tendency in sugar, due to a feeling that, after reserving a carry-over of three lakh tons, the quantity available would not be enough to meet the demands." Even in the beginning of the season, the Government should have completely decontrolled the industry or released the major portion of the stocks with the factories. The circumstances at that time were quite propitious for such a course. Thus, the stocks of sugar with the mills were plentiful—the closing stocks as at the end of October, 1952, amounted to as much as 467,000 tons—and prices of sugar were at a comparatively low level.

As regards sugarcane prices, several members put forward a vigorous plea for an upward revision of the statutory prices, as, in their opinion, the present minimum of Re. 1-5 per maund was too low. Evidently, in their anxiety to better the lot of the cane-grower, the members did not care to find out how the income from cultivation of cane compares with the alternative crops which the agriculturist can grow. As Mr. Kidwai pertinently remarked, there is no compulsion on the cultivator to grow sugarcane. In Uttar Pradesh, the largest cane-growing area in the country, for instance, the agriculturist can grow, as an alternative to cane, two crops—wheat for some period and *jowar* for the other period. It has been calculated that the income from these two is less by Rs. 70 per acre, as compared with even the reduced price for cane. The contention that the minimum price of Re. 1-5 per maund is too low does not, therefore, hold water. It is indeed gratifying to note that the Food and Agriculture Minister simply dismissed the plea for an upward revision in cane prices, by categorically declaring that the Government would not raise the minimum price for the coming season.

Moreover, the price fixed for the cane is only the minimum price. The restrictions which had previously been imposed on the cane cultivator, such as those on the manufacture and movement of *gur*, no longer exist now. If the grower can get a higher price by producing *gur*, he is free to do so and force the millowners to offer higher prices. It is interesting to note, in this connection, that, whereas prices of *gur* have gone up by 96 per cent. since the beginning of the season, those of white sugar have risen by only 8 per cent. This means that the *gur* was in a highly competitive position *vis-a-vis* white sugar in regard to purchases of cane.

It is not, however, so much the question of fixing a higher or a lower minimum price for sugarcane as the one relating to the basis on which such a price should be fixed that is important. There are now no two opinions on the present policy of the Government in regard to fixation of prices. That it is defective for two reasons is generally admitted. First, it does not provide any incentive to the agriculturist to improve the quality of cane, that is cane which gives higher yield of sugar per acre. Secondly, to the extent it has compelled the factories to crush whatever cane is made available, the policy has been responsible for the poor recovery of sugar and, consequently, higher cost of sugar manufacture. If, therefore, the cost of sugar production is to be reduced, it is imperative that a more rational basis for fixing cane prices should be adopted. It is refreshing to find that Mr. Kidwai is now realistic enough not only to appreciate this point of view but also to advocate it to the House. Thus, requesting, the House to take into consideration the difference in recovery in different areas, he pointed out that, in the Punjab, the recovery was less. Yet, the cane-growers there got Re. 1-5 per maund. In South India, the recovery was high. But there, too, they got the same price. Proceeding, he remarked: "I have been trying for the last one and a half years to find out a formula which will pay the cane-grower a price in proportion to the recovery. That will be the most satisfactory formula."

Although Mr. Kidwai is fully convinced that the introduction of the method of basing sugarcane prices on sucrose content is the most satisfactory formula, he is chary of trying it, because he "cannot trust the millowners not to take advantage of it." This fear of Mr. Kidwai is, to say the least, clearly exaggerated. For the chief impediment in the way of this scheme is the absence of suitable organisation for conducting the chemical analysis of cane in every region. This is not such a difficult proposition for those areas where, as in the Deccan, sugarcane is grown on large farms on scientific basis. This will enable testing the sucrose content of cane by the sampling method. The real difficulty in applying the method of payment on the basis of sucrose content to the two major sugar-producing States, the U.P. and Bihar, arises, because there sugarcane cultivation is done in thousands of small farms scattered all over. Consequently, the quality of cane supplied by these farms is liable to wide variation, even though they may be situated in a particular region. For instance, a farmer tilling a five-acre piece of land may be enterprising and painstaking in growing good cane. Naturally, the quality of cane grown in his farm will be better than the cane grown in a neighbouring field cultivated by an indifferent and less skilful farmer. There will thus be no uniformity in the quality of cane coming from small farms. And it will be very difficult to test the cane supplied in small quantities, in order to find out what the sucrose content is and to fix the price on that basis. The impediment, however, can be eliminated, to a considerable extent, provided the State Governments encourage co-operative farming on scientific lines and bring about consolidation of agricultural holdings. The U.P. Government has already made a beginning in this direction. And Mr. Kidwai would be giving a fillip to that welcome movement, if he were to take early steps to implement the scheme of fixing sugarcane prices on the basis of quality, instead of on quantity.

SUGAR IMPORTS

The Government of India has completed arrangements for the purchase of another 130,000 tons of foreign sugar. This was disclosed by Mr. Rafi Ahmed Kidwai, the Union Minister for Food and Agriculture, while replying to a question in the House of the People the other day. According to Mr. Kidwai, the sugar so far contracted for import includes 9,000 tons of Mexican refined sugar at Rs. 26.57 per maund (ex-Indian Port), 10,000 tons of British refined sugar at Rs. 26-15-6 and 30,000 tons of Java refined sugar at Rs. 25-11-6. In addition, the purchase of 12,000 tons of Mexican refined sugar at Rs. 23-14-3 has been arranged through the Indian Supply Mission. A further quantity of 20,000 tons of British refined sugar is being secured at Rs. 25-12-10 for delivery in October-November, 1953 and 20,000 tons at Rs. 25-3-6 (October-December). About 30,000 tons of Cuban sugar have also been purchased at Rs. 25-8-1 (October-November). It may be noted that 6,300 tons of sugar have already been imported from Java. Answering supplementaries, Mr. Kidwai revealed that a distributing agency had been formed in West Bengal to handle the sale of imported sugar. This, it is said, is a limited company and it has undertaken to sell sugar at a uniform rate of As. 12-9 per *seer* throughout the State. The price will remain steady. In other port towns, associations are being formed, but arrangements have still not been completed. The distributing agencies will be private agencies. The distribution has been arranged at a fixed price.

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(i) Paid-up Capital		87,50,000
(ii) Reserve Fund		89,06,328
(iii) Deposits		62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.		12,82,96,445
	Total	76,65,23,136

ASSETS		
(i) Cash and Balances with Bankers,		7,14,88,955
(ii) Investments :		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373		
(b) Other Investments .. Rs. 94,24,911		27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets : Including Bills Receivable, etc.		10,17,65,398
	Total	76,65,23,136

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Kumbakonam	Tenkasi	

S. KRISHNASWAMI,
Secretary.

ECONOMIC DEVELOPMENT OF BURMA

BUDGET REVEALS HEAVY DEFICIT

FOR a small country like Burma with a population of about 17 to 18 million and with revenue resources not exceeding Rs. 80 crores, the overall deficit of Rs. 33.11 crores revealed in the budget estimates for 1953-54 is indeed considerable. Revenue surplus and capital receipts are together estimated at Rs. 16.87 crores, as against the capital expenditure of Rs. 54.98 crores. This huge deficit on capital account does not, however, mean that the financial position of the Burmese Government is very shaky, since the whole of the deficit is to be met from accumulated reserves "without any need to resort to borrowing from abroad." Emphasising this very aspect, in the course of his budget speech, the Finance Minister of Burma, U Tin, made the following significant remarks:

> "It would indeed be tragic and would almost amount to an act of criminal negligence, if, instead of utilising these reserves for productive enterprises, we were to lie back and feel smug and complacent about them. The huge deficit on capital account is, therefore, not a deficit in the ordinary sense, but a real investment for prosperity and better standards of living. Emphasis . . is laid on our industrial development and rehabilitation of ports, waterways, railways and highways. Irrigation has also been given high priority for the promotion of agriculture, and a heavy programme of public works, as well as residential building construction has been drawn up and provided for."

The foregoing brief extract from the Finance Minister's speech clearly indicates the Government's keen anxiety to achieve a rapid rate of economic development. This is only to be expected, considering that the standard of living of the masses is at a deplorably low level as compared with the other South-East Asian countries, let alone the economically advanced countries of the West. Destruction during the Second World War severely affected the productive capacity of Burma. Much of the loss was made good during the early post-war years, but the insurrection of 1948 brought further widespread destruction and disruption of economic activity.

Gross Domestic Production

The gross domestic output in 1950-51, for instance, was less than 70 per cent. of that in 1938-39, as the following table shows:

(Millions of *Kyats*)

	1938-39	1946-47	1947-48	1948-49	1949-50	1950-51
Agriculture and fisheries	533	1,118	1,443	1,346	1,158	1,435
Forestry (including milling and marketing of timber).	135	241	273	217	204	265
(a) State Timber Board and predecessors	..	20	26	16	7	13
(b) Other ..	135	221	247	201	197	252
Mining and quarrying	124	20	29	20	24	35
Processing (rice) ..	67	120	125	145	135	145
Manufacturing	..	178	236	271	241	316
State transport and communications ..	41	90	81	69	82	97
State banking ..	..	..	1	2	2	2
Public utilities ..	9	16	15	16	16	20
Public authorities ..	95	235	218	208	234	262
Rental value of housing	55	149	191	153	153	157
Other industries and services.	383	766	878	790	784	935
Total gross domestic production ..	1,441	2,928	3,506	3,234	3,033	3,670
Gross domestic production at 1947-48 prices ..	3,152	2,935	3,506	3,206	3,031	3,487
Gross domestic production at 1947-48 prices as a percentage of 1938-39 prices ..	100	57	68	62	59	67

Source: * *Burma—Review of Commercial Conditions.*

The year 1953-54 is expected to witness the post-war peak in economic activity in Burma. The target for gross production is fixed at Rs. 520 crores, which represents a rise of 12 per cent. as compared with 1952-53. The bulk of this production, amounting to Rs. 392.5 crores, represents goods and services that will be made available for consumption in both private and public sectors. About Rs. 20 crores will be accumulated as net investment abroad. Of the remaining Rs. 107.5 crores, Rs. 56.4 crores will be allocated to capital formation in the private sector and Rs. 51.1 crores in the public sector. This gross capital formation, which represents 24.5 per cent. of the country's total production, compares favourably with 22 per cent. in 1952-53 and 23 per cent. in 1938-39. The extent to which the target now set will be realised will, of course, depend less on economic factors such as the availability of resources (financial and material), than on the Government's ability to organise suitable administrative machinery necessary for carrying it out, not to speak of the availability of technical and managerial personnel.

Out of the public capital, about 64 per cent. will be spent on production enterprises. The pattern of expenditure is Rs. 4 crores for power production, Rs. 3.5 crores for marine development, Rs. 3.1 crores for industries, Rs. 3 crores for agriculture, Rs. 1.13 crores for irrigation and Rs. 1 crore for mining.

Despite the notable increase in domestic production envisaged in the development programme, the Government fears the possibility of several bottlenecks creating inflation in certain specific sectors of the economy. It has accordingly contemplated measures to counteract such a tendency, as, for example, considerable liberalisation of imports. It has already announced its decision to end preferential tariff rates from 1st October next, replacing it by a single rate tariff allowing for stiffer competition among the importing countries.

Rice

The Burmese economy is largely dependent on the production of rice, which has been hit badly by insurgent activities. The quantity of rice produced in 1951-52 was not more than 5 million tons, as against 7.8 million tons in 1938-39. Nearly two-thirds of the country's total cultivated area of 18.81 million acres are devoted to the cultivation of rice. The other important agricultural crops are pulses, sesamum, groundnuts and cotton. Millets, wheat and tobacco are also grown extensively.

Next to rice, Burma's chief export product is teak. Forests cover about 58 per cent. of the area of Burma. They yield about ten species of well-known hardwoods, but, of these, teak is only important for export. The annual export of teak from 1934-40 averaged about 450,000 tons; all other hardwoods averaged 82,500 tons. The annual consumption of timber in Burma for housing in 1934-40 averaged about 300,000 tons, the consumption of wood for fuel being about 20 times that amount. About 1,700,000 tons of bamboo are used annually for housing. The industry came to a standstill during the war and about half the elephants used were lost. Recovery was hindered by the insurrections and the amount of teak available for export is very much less than in pre-war years. The timber trade is mainly in the hands of the State Timber Board, which operates a number of large saw mills and markets about 70 per cent. of the whole production.

Mineral Resources

Burma is well endowed with mineral resources, the exports of which in 1939-40 accounted for about 38 per cent. of the total value of export trade. As a result of the damage during the war and the insurrection which broke out in 1948, the mineral exports are at present little more than 2 per cent. of the total exports. The aggregate output of petroleum during 1951 was a bare 708,000 barrels, as against 6,494,000 barrels in 1939. The two other mineral products, the outputs of which have suffered steep falls, are lead and zinc, the quantities actually produced in 1951 being 6,200 tons and 500 tons, as against 77,200 tons and 59,300 tons, respectively, in 1939. Although deposits of lignite coal of low calorific power are widespread in Burma, they have not been exploited on commercial scale. One of the richest seams so far discovered is at Kalewa on the Upper Chindwin and plans for the working of this deposit are now under consideration.

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The manufacturing industry in Burma is in an initial stage of development and consists mainly of small-scale firms employing crude methods. Productivity is low and the fact that costs are not excessive is due to the low wages paid. The only modern factory is the Government-run cotton spinning and weaving factory.

Transport

River transport is an important and essential feature of Burma's economy. The main river routes consists of the Irrawaddy river from the delta to Bhamo (about 1,000 miles) and the Chindwin, a branch of the Irrawaddy, from Pakokku to Homalin (about 400 miles). The Irrawaddy is connected to Rangoon by the 22-mile long Twante Canal. The railway system suffered considerable loss during war years. The track mileage was reduced from 2,059 in 1939-40 to 1,510 in 1946-47. The number of locomotives passenger coaches and freight cars also declined from 206, 718 and 8,317 to 101, 225 and 4,815, respectively.

Reconstruction after the war was interrupted by the insurrection, and, in mid-1950, service was confined to a few isolated segments; since then service has been restored on most of the major lines, but it is still continually harassed by the mining of trains, destruction of bridges, burning of stations, etc. No recent details of freight and passengers carried are available, but they are considerably below pre-war figures. Although the gauge, one metre, is the same as that of the railways of Siam and Malaya, there is no connection between them; the war-time Burma-Siamese railway has been abandoned. There are about 6,000 miles of surfaced road in Burma, most of which are in a bad state of repair, and about 6,000 miles of unsurfaced road which cannot be used in the rainy season. As a result of the disruption of the country's surface transport by the insurrections, internal aviation is very important. In mid-1950, surface transport between most of the important towns in Burma was impracticable and air travel is still the only convenient and speedy form of passenger travel within Burma. The Union of Burma Airways, a Government corporation, has the exclusive monopoly of all internal routes and serves 18 cities in Burma. It also operates routes to Bangkok, Chittagong and Calcutta. An up-to-date international airport, which has been recently completed at Mingaladon on the outskirts of Rangoon, is served by six foreign airlines. Rangoon is by far the most important Burmese port; in the 1930's, it handled an annual tonnage (exports and imports) of about 5 million; this had fallen in 1950 to about 1,400,000 tons, but was 1,998,590 tons in 1952. Akyab, Bassein and Moulmein have some importance as rice shipping ports, whilst in normal times substantial volumes of mineral ores are shipped from Tavoy and Mergui. There are regular shipping services to India and the United Kingdom.

Foreign Trade

The foreign trade of Burma is below normal at present, because parts of the territory are still either in insurgent hands or at the mercy of insurgent raids. The output of exportable products has, therefore, considerably suffered. It has no petroleum and very little minerals to export, its teak exports are small and, above all, it has only about one-third of the amount of rice available for export that it had in pre-war years. This has severely reduced the foreign exchange available for imports and the purchasing power of its inhabitants. How Burma's export trade has shrunk in recent years will be clearly evident from the figures given below:

	1938-39	1946-47	1947-48	1948-49	1949-50	1950-51
Rice and rice products (thousand tons) ..	3,329	921	1,254	1,193	1,129	1,368
Teak (thousand cubic tons) ..	204	41	91	67	16	50
Other timber (thousand cubic tons)	47	4	32	20	3	18
Metals and ores (thousand tons) ..	168	8	12	16	4	9
Petroleum (thousand barrels)	4,597	..	..	..	..	..
Value of exports of above (million *kyats*)	417	432	672	668	602	826
Value of all other exports (million *kyats*)	61	33	72	62	55	149
Value of all exports (million *kyats*)	478	465	744	728	657	975

Source: *Burma—Review of Economic Conditions.*

Burma's foreign trade with the different regions in the world during the fiscal year ended September, 1951:

(In thousand rupees)

	Exports	*Imports*
South-East Asia	208,172	48,489
Rest of Asia	818,432	402,067
Middle East	33,573	15,269
North America	5,111	13,823
South America	99	17
N. W. Europe	91,352	185,369
Southern Europe	1,757	2,519
E. Europe and U.S.S.R.	..	1,886
Africa	21,929	640
Oceania	279	18,845
Total ..	980,784	654,423

PROBLEMS FACING INDIAN COFFEE INDUSTRY

ENQUIRY BY TARIFF COMMISSION URGED

THE Annual General Meeting of the Coffee and Minor Products Section of the United Planters' Association, held on 29th August, 1953, adopted a resolution requesting the Government of India to institute an enquiry into the affairs of the coffee industry with special reference to the following matters:

(i) whether the industry is established and conducted on sound lines;

(ii) whether the fullest use is being made of the natural and economic advantages enjoyed by the industry;

(iii) the true cost of producing coffee with special relation to (a) ascertaining a fair average cost of production, (b) the necessity for rehabilitating a large proportion of the present stand of old coffee, (c) the necessity for building up reserves, (d) how the industry can meet the cost of recent and projected labour legislation and (e) what should be a fair return on the capital employed in the industry, not only to meet the present and estimated future demands on it but also to encourage its expansion;

(iv) how coffee can best be marketed in India, so that it may flow freely and cheaply to the consumer; and

(v) how best to take advantage of the world shortage of coffee and the high prices obtainable outside India.

The demand for such an enquiry is a step in the right direction. For, in recent years, the industry has been subjected to a good deal of criticism at the hands of the Government of India and the consumers for the high prices of coffee. The relations between the Coffee Board and the Government of India have also deteriorated, each accusing the other for the high prices. Many of the criticisms against the industry are unwarranted and appear to be the result of deep-rooted prejudice. It is, therefore, natural that the industry should be anxious to have its honour vindicated by an impartial body like the Tariff Commission. It is to be hoped that, in fairness to the industry, the Government will accede to its demand and refer the points raised by it to the Tariff Commission.

Regulation of Coffee Prices

The United Planters' Association is very much concerned at the policy of the Government of India regarding regulation of coffee prices. It is in favour of allowing exports of coffee to some extent for two reasons. First, there is some surplus in the country. Secondly, a part of the high profit earned in export markets could be utilised for subsidising internal prices. Mr. W. W. Kilgour, the retiring Chairman of the Coffee Section, pointed out, in his address at the annual meeting of the Association, that, on 1st August, 1953, the stocks available with the Coffee Board were 14,700 tons, which were twice the amount on the same date the previous year. Again, as against 15,820 tons offered for sale during January to July, 1953, only 9,698 tons were absorbed. The sales, however, were in line with those in the previous year. Thus, he declared that there was a clear case for permitting exports of the surplus coffee. The Government of India, however, is against exports. It is of the considered opinion that exports will only aggravate the situation by arresting and reversing the recent downward trend in prices of coffee.

The quantity which coffee interests would like to export is not very large. It constitutes only a very small proportion of India's production. The revised estimate of coffee crop for 1952-53 places it at 22,000 tons, as against the earlier estimate of 21,000 tons; some actually expect it to turn out to be 22,700 tons. As against this, the Indian consumption is normally put at 18,500 tons. On this basis, there is a surplus of 3,500 tons to 4,200 tons. Out of this, the coffee interests say that it would be sufficient if they are allowed to export 2,000 tons only.

How far the aforesaid claims of the industry are correct is hard to say. If there is so much stock as is contended by the planters, why not withdraw all controls on the coffee industry and leave it alone? The demand for coffee has been steadily expanding and the supply seems to be less than what the country could absorb if prices were reasonable. Decontrol will show, after some months, whether there is a real surplus of coffee or not. If it proves, by way of a sharp fall in prices, and heavy accumulation of stocks, that there is a surplus, then a small quantity could be allowed for export.

If the Government is not in favour of decontrol, the best course will be to refer the industry to the Tariff Commission. The present form of control is not conducive to the growth of the coffee industry and without an expansion in output there can be no sustained fall in the prices of coffee seeds. The return to the grower at the current level of coffee prices, according to the producers, is insufficient to earn the minimum return necessary to meet even the current costs of production, let alone the hazards of agriculture and the incentive for rehabilitation and expansion. In fine, under the present system of control, the future of the coffee industry in India and the welfare of workers employed by the industry and their families are at stake.

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It is learned that a joint conference of the representatives of the Coorg, Mysore, Travancore-Cochin and Madras Governments and the representatives of the plantation industry in these four States will be convened to meet on 16th September at Madras. It is stated that the conference will aim at presenting to the Government of India a clear picture of the needs of the planting industry. Though the main emphasis is on coffee industry, the agenda of the conference is said to be so broadbased as to include other plantation industries also. The conference is expected to make recommendations in regard to coffee marketing policy, fixation of price on the basis of a correct appreciation of the cost of production, need for enquiry into the coffee industry by the Tariff Board, etc.

APPLICATION OF GAMMEXENE

The research department of the India Coffee Board is conducting experiments for reducing the cost of application of Gammexene, among others. The use of Gammexene in the fight against the white stem borer of coffee, one of the deadliest diseases affecting coffee plantations, has been found to be very expensive. It is said to cost not less than Rs. 20 per acre, which might be considered uneconomic and probably beyond the financial capacity of the small-scale estate owners. It is held that a substantial use of Gammexene can be made if it is possible to reduce the cost by 70 per cent. The application of Gammexene differs in different zones greatly and the major flights of beetle responsible for this disease which cuts into the economy of plantations occur late in December. The entomologists of Mysore and Madras have been asked to help the research organisation of the India Coffee Board in their work.

PLANTATIONS OWNED BY FOREIGNERS

During question hour in Parliament, Mr. Rafi Ahmed Kidwai, Union Food Minister, disclosed that foreigners owned 39 coffee plantations in India, covering an area of 9,659 acres, valued at Rs. 123.39 lakhs. The number of tea plantations owned by foreigners in North-east India was 342. They covered an area of 421,551 acres. The value of the estates was not available. Proceeding, he said that the number of rubber estates owned by foreign interests was 35. Eighteen parties owned these estates covering an area of 27,970 acres, valued at Rs. 5 crores.

FIRST RAW JUTE FORECAST

The first official raw jute forecast for the 1953-54 season has just been released from New Delhi. According to the Directorate of Statistics, Ministry of Food and Agriculture, the area sown, in the Indian Union, to raw jute is estimated at 1,269,000 acres, as against 1,757,000 acres in the corresponding estimate of last year. This shows a decline of 488,000 acres or 27.8 per cent. The decline in acreage during the current season has been shared, it is stated, by all the jute-growing States, specially Bihar and West Bengal, and is attributed partly to unfavourable conditions at sowing time and partly to low prices of jute in the past season.

The information given in this estimate relates to the period generally up to the middle of July 1953. Till then the condition of the crop was reported to be generally satisfactory; but subsequent reports indicate damage to the crop by excessive rains and floods in Bihar and the U.P. and by insect pest, etc., in the U.P. and Bengal.

The estimate does not give the complete area sown to this crop. The area reported in the final estimate is generally higher than that in this estimate. Calculated on the basis of an average yield of 2.6 bales of raw jute per acre, the yield on the acreage of 1,269,000 acres may be put at 3,299,000 bales. But, as the extent of damage to the crop is not known and as the final estimate generally shows a higher acreage, this season's crop may be expected to be not less than 3.5 million bales, as compared with the actuals of 4.7 million bales for the 1952-53 season.

U.S. CONSUMPTION OF BURLAP

INDIA'S SHARE IN TOTAL OFFTAKE FALLS

THE U.S. consumption of burlap during July, 1953, was 56 million yards, which is three million yards lower than in June, 1953. The total estimated consumption of burlap in the U.S.A. for the seven months of the current year, that is January to July, 1953 at 442 million yards, shows an increase of 27 million yards over that in the corresponding period of last year when such amounted to 415 million yards.

The table below shows the U.S. burlap consumption in each of the seven months of 1953, as compared with that in the corresponding months of last year:

(In million yards)

	1953	1952
January	73	48
February	58	55
March	69	57
April	68	58
May	59	64
June	59	61
July	56	72
Total ...	442	415

Stocks of burlap in the U.S. at the end of July amounted to 195 million yards. These compare with 210 million yards in June, 1953 and are the lowest since March, 1953, when they stood at 208 million yards.

The latest month for which figures relating to U.S. imports of burlap are available is May, 1953. In that month, the U.S. imported 15,300 tons of burlap. This compares with 17,600 tons in April and 18,600 tons in March this year. Of the total imports for May, purchases from India accounted for as much as 11,000 tons, as against 13,900 tons and 14,500 tons in the preceding two months, respectively. The balance of 3,600 tons was received from Belgium (1,100 tons), West Germany (700 tons), France (1,100 tons), Italy (100 tons), the Netherlands (200 tons), U.K. (200 tons), Australia (200 tons), and from others (100 tons).

Burlap Imports

The total burlap imported by the U.S. during the five months ended May, 1953 aggregated 90,900 tons. This represented an increase of nearly 15,000 tons over the quantity of burlap imported in the same period in 1952. Of this total, despatches from India amounted to 70,200 tons as against 62,600 tons in the same period last year. Expressed in terms of percentage, India accounted for nearly 70 per cent. of the total in the five-month period under review, as against 81.5 per cent. in the same period of the previous year. The decline in India's share in the total U.S. offtake of burlap is due to increased despatches from a number of continental countries. The bulk of the increase is accounted for by France which sold during the period as much as 6,200 tons as compared with only 900 tons a year before. Belgium's share of the U.S. burlap trade rose from 3,100 tons to 4,700 tons. Germany's share, however, remained unchanged at 4,500 tons. Among others which increased their burlap sales to the U.S. were the Netherlands, the U.K., Australia and a few others. These figures clearly show how the continental countries have been slowly elbowing their way into the U.S. market for burlap formerly served by India. It is, however, possible that figures for subsequent months of the current year may reveal improvement in the U.S. offtake of Indian jute goods. This is because owing to the abolition of the discriminatory licence fee and export duty on East Bengal jute exports to India by the Pakistan Government, India now is in line with the continental countries, in regard to the purchases of raw jute from Pakistan and is thus in a better position to compete with the Continent in the U.S. markets in goods manufactured from Pakistani jute. Secondly, the Government of India has abolished the export duty on jute specialities and miscellaneous jute manufactures other than cloth and bags. These specialities include jute mesh, jute carpet yarn, paper lined hessian, jute tarpaulins, jute rope, and jute mattings. Following this step, Indian jute mills should be able to regain their markets for these goods in the U.S.

The Government of Pakistan has decided to lift the price control on exports of jute. It is reported that this is a part of the Government's jute policy for the current year due to be announced shortly.

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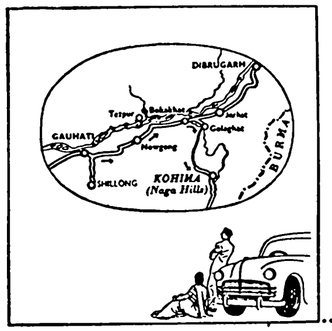
spring dances of nagas



Each year during the spring festival, tiny villages nestling among the Naga Hills in Assam resound with the beating of drums and the singing of traditional tribal chants. Decked in full war-paint, Naga menfolk run through a rich repertory of dances, mostly martial in character. Slender Naga maidens, liberally adorned with bead necklaces, brass bangles, and amulets, dance before the village chief's house, swaying hand in hand for hours on end to the accompaniment of charming melodies.



Kohima, administrative headquarters of the Naga Hills area gives ready access to the entire region. It is linked by road with Gauhati through Nowgong and Bokakhat. The stretch between Golaghat and Kohima is motorable in the dry season. Kohima has an inspection bungalow, and petrol is also available here.

A visit to the colourful Naga Hills is a pleasure brought within the reach of all by the safety and comfort of road travel assured by John Boyd Dunlop's invention of the pneumatic tyre.

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EXPANSION OF WEST EUROPEAN STEEL INDUSTRY

WILL LOANS BE FLOATED IN U.K.?

THE latest reports from Luxemburg disclose two new important developments relating to the European Coal and Steel Pool. The most important of them relates to the possibility of raising loans in the London market for financing the expansion of the European coal and steel industries. It is stated that the High Authority of the European Coal and Steel Pool considers London as a possible source of finance and the U.K. engineering industry as the possible supplier of the necessary equipment. Next to Britain, Sweden is considered to be the best outside market for floating loans.

There is no possibility of floating loans in the United States. For, loans through commercial channels in the U.S. market is considered to be expensive. Moreover, as the High Authority has no sources of dollars, the currency risks of such transactions are expected to be considerable. Partial dollar finance through U.S. Government agencies has, however, been recommended by President Eisenhower, but the amount of such aid is not predictable as yet. Whatever may be the amount, the High Authority will no doubt avail itself of such an offer. The High Authority is expected to be the actual borrower and, naturally, it will assume the obligations regarding repayment and interest. It will re-lend the money to private companies belonging to the Pool.

In addition, loans will be floated in the capital markets of the six pool countries themselves. These sources of finance are actively being considered for projects such as workers' housing requirements. As the capital markets on the Continent are, however, tight, the loans that will be floated there will be short-term ones for financing small schemes.

Plans for Increasing Production

The West European countries have ambitious plans for increasing the productive capacity of their iron and steel industry. Production of crude steel in 1952 and the targets of production for 1956 of some of the European countries are as follows:

(In millions of tons)

	1952	1956
U.K.	16.12	20.00
West Germany	15.65	20.00
France	10.89	17.00
Saar	2.77	—
Belgium	5.01	5.70
Luxemburg	2.95	3.40
Italy	3.48	4.00

No reliable estimate of the capital needed for reaching these targets is available. It is, however, stated by some that about $660 million will be needed for investment in the steel industry in 1953 alone, as against an estimated $574 million in 1952. These are gross assessment figures, including replacements. About half of it may come out of sales revenue (more than half in the case of Germany and rather less than half in the case of France). It is, however, feared that, with the recent downward trend in steel prices, the amount of sales revenue available for investment will diminish sizably.

The question of raising a loan in the U.K. is expected to help to usher in the much desired closer association between the High Authority and the U.K. It is presumed that a large part of the loan raised in the U.K. will have to be spent in that country itself and that in the absence of convertibility of the pound, the question of lending sterling for purchase of equipment payable in dollars does not arise.

Cartels

Another important development relates to the measure taken by the High Authority to fight against suspected European coal and steel cartels. According to a decision of the High Authority taken some weeks ago, all joint-selling, joint-buying and similar organisations in the six countries of the European Coal and Steel Pool, which have not applied for official recognition of their status by the High Authority, have been declared illegal, with effect from 31st August. The Schuman Plan Treaty allows the continuation of such bodies to be licensed, provided they are not culpable of monopoly or other restrictive practices.

Already, applications of a number of associations for continuation of licences have been refused on the ground that their Articles do not conform to the requisite pattern. A large number of other applications are still being considered. The applicants are permitted to continue their activities until the decision of the High Authority is given. The decision may be either acceptance or rejection or qualified acceptance, subject to the amendment of the Articles of the associations concerned. Associations illegalised by the decision of the High Authority cannot sue the Authority in any of the courts of the six member-nations. It is felt that this development does not directly affect secret national and international cartels, which are believed to be now influencing the maintenance of coal and steel prices. It only affects the national and local associations, which are capable of exercising disciplinary action over their members' prices and marketing arrangements.

TUNGABHADRA PROJECT

Clarifying the attitude of the Government of Mysore towards the Tungabhadra Project, Mr. K. Hanumanthaiah, Chief Minister, Mysore, declared, while addressing the Tirupathi Forum, Tirupathi, last week, that, so far as the benefits of the project were concerned, they must be jointly and equitably enjoyed by all the people concerned, subject to an agreement at a conference of the Andhra, Hyderabad and Mysore Governments. If they failed to come to an agreement, the Centre would arbitrate. The Andhra Bill envisaged that the benefits accruing from the project must be subject to an agreement between the Governments concerned. So also the liabilities. He, however, made it clear that liability of the Governments should be in proportion to the benefits enjoyed.

Dealing with the legal aspects of the question, Mr. Hanumanthaiah said that the reservoir was situated in that portion of Bellary taluka which would be added on to Mysore State. About 60 miles of channel would go to Mysore territory and 120 miles of channel to Andhra State. Each State was a legal entity and, therefore, there could not be any extra-territorial jurisdiction. Accordingly, the ownership of property concerned should rest with the respective Governments as per definition of Transfer of Properties Act. The Andhra Bill itself had defined the boundaries and the land so defined included everything appertaining to it. Whatever be the property, the right of its ownership would vest in the States in which it is situated.

EXPORTS OF IRON AND MANGANESE ORES

The Government of India has announced its policy regarding exports of iron and manganese ores. According to it, it has decided, as an interim measure, not to alter the existing procedure for the grant of export licences for the export of these ores from ports other than Calcutta and Madras. Exports from the ports of Calcutta and Madras will, however, be allowed for the time being on the basis of past performance of the shippers and the eligible shippers will be granted export allocations equal to 25 per cent. of their best exports during any of the three financial years ended March, 1953. The quotas allotted to individual shippers will be valid for shipment during the period 16th October to 31st December, 1953. Shippers who are able to ship their allotment in full before 31st December, 1953, can apply for additional allotment to the respective Export Trade Control Officers. The Government of India has also proposed to consider the question of giving mine-owners, who are not eligible to receive export allotments, as established exporters, but would like to enter the export trade, an opportunity to export these ores. With effect from 16th October, 1953, railway wagon allotments will be made only to holders of export allotments. The railways will register indents in accordance with the usual procedure and make allotments *pro rata* in order of registration.

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NEW MULTI-PURPOSE PROJECTS

PROGRESS OF INVESTIGATIONS AND SURVEYS

PROGRESS towards the implementation of the five new projects, namely, Koyna, Rihand, Krishna, Chambal (Stage I) and Kosi (Stage I) included in the Five-year Plan, has been encouraging. According to Mr. Jaisukhlal Hathi, Deputy Minister for Irrigation and Power, surveys regarding Koyna and Rihand projects have been completed. Detailed investigations in respect of the remaining three projects are nearing completion. The progress of investigations and surveys in regard to Chambal, Kosi and Krishna projects are as follows:

Under the Chambal project, which is designed to provide, when completed, irrigation facilities for 1,200,000 acres in Madhya Bharat and Rajasthan and generate 80,000 kw., excavation of foundations at the Gandhi Sagar dam site has been taken on hand; about 1.5 million cubic feet of earthwork had been excavated by the end of June, 1953. Field investigation in connection with Kotah barrage (Rajasthan), which is the next item of work to be taken up for construction, is nearing completion. Survey of alignment and preliminary estimates for the main canal has been completed. Surveys of the distributaries are nearing completion. Work on Kotah barrage and the canal system is expected to commence next month. Other phases of investigation such as revenue, agricultural and soil are under way. The aggregate cost of the project is estimated at Rs. 33.75 crores.

The investigations on the Rs. 66-crore Kosi project, which will provide irrigation facilities to 2,620,000 acres in Bihar and Nepal, besides generating 40,000 kw., were started in 1946. Contour maps for the entire area are being prepared by the Geological Survey of India. Geological excavations at Barahakshetra and Belka dam sites and investigation of construction materials, as also hydro-meteorogical and seismological observations, have been carried out.

These surveys now being conducted by the Survey of India will require another three years or so to complete. It will also be necessary to continue the hydro-meteorological, seismological, groundwater, silt and discharge observations year after year. Investigations, on an emergency basis, are being vigorously continued by the Central Water and Power Commission, with a view to mapping the areas, which are often subject of floods, and to evaluate in detail the extent of damages and losses caused by floods and of the concrete benefits (with a rough estimate of their monetary value) that would flow from the preventive measures proposed. This work is expected to be completed within the next few months.

Krishna

The scope of the Krishna project, which is intended to serve Andhra and Hyderabad, is not yet defined. However, almost all the field investigations in regard to Nandikonda dam has been completed. The project report and proposals are under examination. Field work on the Nandikonda right bank canal on the Madras side is nearly completed and the designs and estimates are getting ready. Final proposals are expected to be available by October, 1953. Investigation on the Nandikonda canal on the Hyderabad side is completed. Proposals for Pennar dam are under examination by the Chief Engineer, whose report will be submitted for consideration to the Government of Madras shortly. Field investigations relating to Pulichintala dam and canal system are nearing completion. The entire investigations are expected to be completed by September 1954.

The aggregate cost of all the five projects will be over Rs. 200 crores, out of which it is expected that it might be possible to spend Rs. 40 crores on them during the period of the Plan. The financial and technical responsibility of the Central Government and of the State Governments concerned (and of the Government of Nepal relating to Kosi project) with regard to these projects and the programme of their construction will be settled before work is commenced on any project. The following table gives the area which will be served and the benefits that are expected to be derived by the construction of these projects:

Name of the project	Area served	Total estimated cost	Ultimate benefits	
			Irrigation	Power (installed
		(Rs. lakhs)	('000 acres)	('000 kw.)
Kosi (Stage 1) ..	Bihar and Nepal	66.00	2,620	40*
Koyna (Stage 1)..	Bombay	33.00	..	240
Krishna (scope not yet defined).	Madras and Hyderabad ..	N.A.	N.A.	N.A.
Chambal (Stage 1)	Madhya Bharat and Rajasthan	33.75	1,200	80
Rihand	Uttar Pradesh..	35.000	..	240

* Also flood control. N.A.—Not available.

TIN IMPORTS BY U.S.

Imports of tin into the United States were valued at $42 million in the first quarter of 1953, as compared with the 1952 quarterly average of $38 million. Ore imports from Indonesia aggregated 1,468 long tons, valued at $6.15 million, an increase of 35 per cent. in volume and 40 per cent. in value. Tin imports from Malaya, at an estimated value of $31 million, remained at about the same level as the quarterly average in 1952. The Malayan Tin Bureau, industry association in Washington has pointed out that the current level of American economic activity, particularly in such tin-consuming industries as automobiles and trucks, rail-road equipment, aircraft, air-conditioning, and radio and television, indicates a rising level of tin consumption in the U.S.

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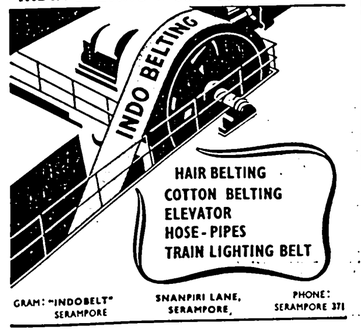

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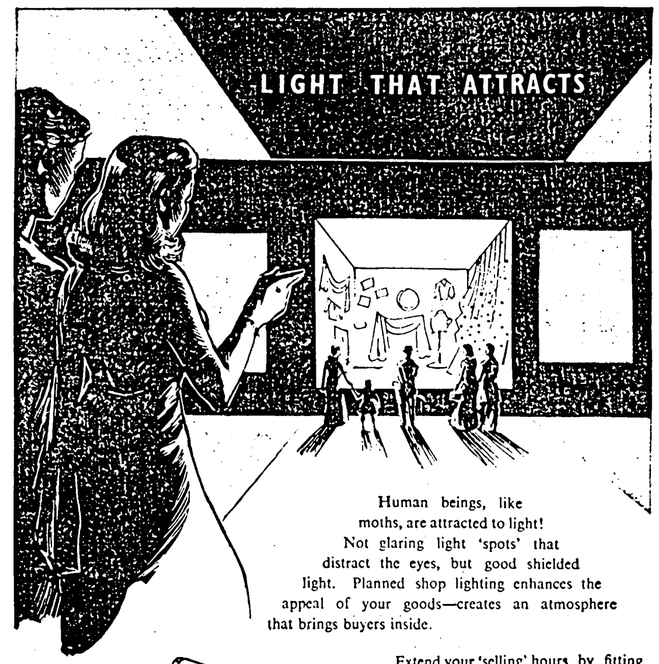

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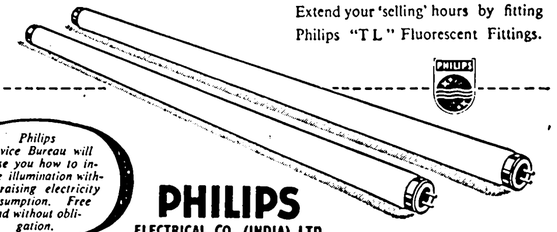

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EFFECT OF HIGHER BANK RATE ON INSURERS

ANALYSIS OF VALUATION REPORTS

MANY Indian insurers felt genuinely perturbed when the Government decided to end, in November, 1951, the cheap money policy it had, unwisely in the opinion of some, pursued for a number of years. When the Bank rate was increased from 3 to 3½ per cent. towards the close of 1951, it had been widely predicted that insurers would be badly hit by the change. No doubt, the fall in the value of Government securities, which followed the upward revision of the Bank rate, made the valuation of assets, a large part of which is held in Government securities, a somewhat difficult proposition. Insurers were compelled to value these assets at the market price, which was and still is below their face value. They knew that they would generally hold the securities till the date of maturity when they would be able to get the face value. The loss was thus only a paper loss. But still, as is well known, nearly all insurers have had to set apart sizable sums by way of provision for depreciation of investments.

Despite the unfavourable effect of the increase in Bank rate, insurers have not suffered any serious setback. This is because they are able to earn a larger yield on their current investments. An analysis of insurers' valuation reports shows that many insurers have actually improved their position. At any rate, the fears that were once entertained about the Bank rate have proved wrong. This fact has been brought out in an interesting analysis of the valuation reports of Indian insurers, made by Mr. K. R. Srinivasan, Actuary, Oriental Government Security Life Assurance Company, Ltd., in his address at the last meeting of the Actuarial Society of India.

Mr. Srinivasan has analysed the valuation reports under three headings: (1) Rate of interest, (2) surplus disclosed, (3) allocation of surplus. Under the first heading, he has investigated whether the rate of interest assumed in the insurers' latest valuation report, was the same as, or higher than, or lower than the rate of interest in their previous valuation. He has compared, under the second heading, the surpluses disclosed in the 1951 valuation with the magnitude of the surplus disclosed in the previous valuation. Under the third heading, he has investigated the allocation of surplus of the insurers. The following tables give the results of the analysis:

Results of 1951 Valuation

Rate of Interest

		No. of Insurers
Same as the rate used for preceding valuation		22
Higher than the rate used for preceding valuation—		
By ½ per cent.	4	
By 1 per cent.	9	19
By 1½ per cent.	5	
Lower than the rate used for preceding valuation ..		4
Total ..		44

Surplus

		No. of Insurers
Larger surplus than at previous valuation ..	29	
Smaller deficit than at previous valuation ..	5	39
Previous valuation deficit—1951 valuation surplus ..	5	
Smaller surplus than at previous valuation ..	..	5
Total ..		44

Allocation of Surplus

		No. of Insurers
Higher rate of bonus distributed than at preceding valuation	12	
Preceding valuation surplus not distributed: bonus declared at 1951 valuation ..	11	29
Preceding valuation deficit; 1951 valuation surplus not distributed	5	
Same rate of bonus distributed as at preceding valuation	8	
Both valuations surplus; but not distributed ..	5	13
Both valuations deficit	5	
Lower rate of bonus distributed than at preceding valuation	2	
Bonus declared at preceding valuation; 1951 valuation surplus not distributed ..	1	3
Total ..		44

It will be clear from the first table that quite a few of the insurers, if not the majority of them, have been able to adopt a higher rate of interest in their valuation. The second table reveals a welcome trend, in that it shows that 29 companies out of 44 were able to disclose a larger surplus than in the previous valuation. Also, five companies could show a smaller deficit and five others succeeded in converting the deficit in their previous valuation into a surplus. An equally welcome trend is the distribution of larger bonuses. Among the insurers whose valuation reports are analysed, 12 insurers, as a reference to the third table shows, were able to declare a higher bonus, and 11 others, who had passed over the bonus in the previous valuation, declared a bonus in their 1951 valuation. Commenting on these results, Mr. Srinivasan says:

"The broad picture which emerges from the above is that, of the 44 insurers, 29 showed better results at the 1951 valuation than the preceding one judged by the amount of surplus or deficit and it was only five insurers whose 1951 valuation disclosed a smaller surplus than the previous valuation. Judging by bonus distribution or surplus carried forward or to a reserve, the 1951 results were better than those in the preceding valuation in the case of 28 insurers, same or similar in the case of 13 insurers and worse in the case of only three. If a general conclusion can be hazarded, it is that these insurers have on the whole emerged successfully from the ordeal and that the fears entertained in certain quarters that they would not be able to do so have been happily belied."

This is certainly an encouraging conclusion. Indeed, when the time comes round for the analysis of the valuation reports, published in 1952 and 1953, Mr. Srinivasan's conclusion is bound to be strengthened by additional evidence. Lest anyone should state that this heartening conclusion does not fully take into account the temporary hardship caused to insurers by the need to provide for depreciation of their investments, it seems necessary to add that such provisions have undoubtedly gone to strengthen the secret reserves of the companies, which may normally be expected to keep the securities till the date of maturity.

EXPENSE RATIO UNDER INSURANCE ACT

RISE IN COSTS EXPLAINED

(By V. E. RAYMOND)

THE Insurance (Amendment) Act, 1950, was the logical outcome of the ever-rising cost of Indian insurance. An urge to display in the annual reports, figures depicting a larger volume of completed new business year after year had fired the insurers' imagination. And since a bigger and bigger volume of completed new business each year does go a long way in making a company more and better known, it can readily be realised how attention was concentrated mainly on bigger annual business to the exclusion of other equally important considerations. Unfortunately, however, this period coincided with the immediate post-World War II period, when the aftermath of that war in the nature of higher living costs, etc., was both predominant and unfamiliar, leaving in its wake a truncated insurance market, particularly the life insurance market, where what may be termed as selling at high pressure necessarily became the order of the day.

This high pressure selling was further exaggerated by the ever-present force of competition. In addition to the higher costs incurred on this count, insurers had to contend with rising costs all round them not of their own making. It was inevitable, therefore, that the authorities, and to some extent insurers themselves, should step in to arrest this procedure. The result was the relevant clauses in the Insurance (Amendment) Act, 1950, restricting expenses of management in life and general insurance business alike.

The Amended Act has now laid down certain limits, expressed as percentages of premiums received, which the expenses of management of the insurer shall not exceed. These limits, extended perhaps to a very minor extent for particular insurers or for a particular year, are definite barriers which an insurer will transgress only at his own peril. Definite remedial action is prescribed for the transgressor.

There can be no gainsaying the fact that Indian insurance will generally tend to show a better overall picture when the limitations and restrictions now statutorily imposed have had sufficient time to imprint their effects upon the industry concerned. From this point of view the restrictions need certainly to be welcomed. But in assessing who is an extravagant insurer and who is not, there would certainly appear to be room for genuine doubt as to whether and at all times strict justice will be done in naming the offender. Thus, for instance, in a speech at the ordinary general meeting of one of the leading insurers of this country held recently, the chairman commented upon the considerable increase in the number and amounts of policy loans taken during the course of the year. This necessarily involves increased clerical work, supervision, etc. Similarly, applications for paid-up policies and surrender of policies have also increased, involving likewise increased clerical labour, postage, etc.

It is quite possible that for similar reasons, an insurer's salary bill increases with a consequent increase in his expense ratio; and if such conditions or reasons are multiplied under

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two or three heads of expense the total difference to his expense ratio may be appreciable. There is no insurer in India to-day who is not experiencing a higher salary bill, or providing more perquisites for its staff than was done in years gone by, or is not surrounded by increased costs in every direction. Assuredly, in assessing the extravagant insurer, all these considerations, minor if one chooses to call them so, must receive due recognition.

But more important than this is the fact that the insurer himself is the person most competent to know and to explain the reasons for his non-compliance, if any involved, with the clauses of the Insurance Act as strictly interpreted. In an argument on this vital issue, vital to all insurers in India alike, the standpoint of the insurer as against the views of a body of persons, however competent, must not only receive due recognition but even preference, provided there is no *mala fides* on his part. Insurance, and life insurance in particular, is not a business in which alterations can be given effect to overnight. The long-term point of view is intrinsic in the very business every insurer transacts, and that consideration must necessarily play an important role in his business. It must, therefore, take some time for such a business to absorb new measures, and for the effect of such measures to become apparent.

The responsibility to be borne by those in authority in this matter is, therefore, a grave one. Both the insurer and the Controller of Insurance are called upon to play their parts wisely and well, each owing obligations to the other, and both owing obligations to the policyholder who, after all, is the person most affected, in a country where insurance is yet in its infancy and has plenty of scope for development.



INDIAN TRADE AND GENERAL INSURANCE COMPANY, LIMITED

LALA KARAM CHAND THAPAR'S STATEMENT

IN his statement, accompanying the report and accounts of the Indian Trade and General Insurance Company, Ltd., for the year ended 31st December, 1952, the Managing Director of the Company, Lala Karam Chand Thapar, has taken strong exception to the practice, adopted by some insurers, of extending credit to their clients. He has condemned it on the ground that it is the function of banks and not of insurance offices to provide credit. He, however, recognises that the "Code of Conduct" now in force has gone some way towards correcting this evil. He has urged all executives to abide strictly by the "Code."

The following is the full text of Lala Karam Chand Thapar's statement:—

"In reviewing the progress of the Company during 1952, it is essential to give at least a brief outline of the economic background that prevailed in India during the period and to make the point that from the very nature of our business, the insurance industry in India, as elsewhere, is particularly sensitive to financial and economic changes. In the early part of the year there was an abrupt fall in world values of all Indian commodities; whilst jute suffered the most severely, our other staple exports such as tea, cotton, oilseeds, hides and skins, mica and shellac, etc., also experienced a very substantial drop in values, and it was only towards the close of the year that commodities showed signs of settling down at lower price levels; the year was, therefore, one of general depression and financial stringency and with this background in mind I think we may congratulate ourselves on the results disclosed in the accounts now submitted.

"In an earlier statement to shareholders I mentioned that we were reinsuring our fire account rather more heavily abroad in return for overseas business, and that the full benefit of this policy would later be reflected in our figures. I am happy to say, as you will see from the accounts, that my prediction was fully warranted and the policy then adopted has enabled us to stabilise our business by giving us that very much wider spread of risk which is so essential to a balanced account.

"Our total net premium income in all departments amounted to Rs. 40,53,261 as against Rs. 29,59,873 in 1951.

Net Premium Income

"To the net premium income of Rs. 40,53,261 must be added interest and dividends (less income-tax) amounting to Rs. 1,45,222 and miscellaneous receipts of Rs. 7,841; the total income of the Company thus amounted to Rs. 42,06,324. Claims paid and outstanding take Rs. 18,32,304, commissions, expenses of management and foreign taxes Rs. 14,21,891, Company's contribution to provident and pension fund and bonus to staff total Rs. 63,794 and depreciation, bad debts and other debits account for a further Rs. 87,311, leaving a balance of Rs. 8,01,024 to which must be added the balance carried forward from the previous year, amounting to Rs. 11,077, making a total credit balance of Rs. 8,12,101. Out of this balance an amount of Rs. 6,64,215 is placed to reserve for unexpired liabilities in all departments, and after reserving Rs. 37,000 for bad and doubtful debts and Rs. 10,000 for income-tax, there is an available balance at the end of the year of Rs. 1,00,886.

"I may be excused for emphasising with some pride that this profit has been achieved after placing to various reserves, out of revenue, a further sum of over Rs. 7,00,000; reserves standing in our balance-sheet at the close of the year, including reserves for unexpired liabilities, now exceed Rs. 28,00,000 or substantially more than our paid-up capital of Rs. 24,00,000. I may add here that, following normal practice, full provision has been made for claims intimated but not settled at the end of 1952.

"It has throughout been the policy of your Directors to build up reserves. The funds of our Company now amount to over Rs. 53,00,000, whilst the book value of our investments is in excess of Rs. 38,00,000, and our total balance-sheet assets fall a little short of Rs. 78,00,000. I hope that shareholders will agree that the conservation of the Company's resources by your directors has been more than justified by results.

"The question of payment of a dividend to shareholders has received the serious consideration of your Directors and they feel that the stage has now been reached when they can safely recommend a modest dividend of Re. 1-8 per share, tax-free, which will absorb Rs. 90,000. This dividend is more than covered by the interest on our investments which, after deduction of income-tax, amounted to Rs. 1,45,222. Your Directors feel that this modest maiden dividend is one which the Company can maintain, if not improve upon, in the future.

"Our foreign treaty income in 1952 amounted to over Rs. 18,50,000 and accounted for almost half of our total net premium for the year; this emphasises the international character of our business and the advantages accruing to the industry and the country through the complete freedom we enjoy to exchange our reinsurances to the best advantage in the world markets.

Expenses of Management

"Our 1951 accounts disclosed a substantial and most welcome reduction in the cost of our business compared with previous years and you will, I am sure, be pleased to see that this favourable trend has continued during 1952, management expenses, commissions, depreciation and foreign taxes work out at 37.9 per cent. of net premium income as against 40.26 per cent. in 1951.

"Whilst plans that your Directors have in view for the future expansion of your Company's business, both at home and abroad, cannot be implemented without expenditure on a larger scale than hitherto, you may rest assured that your Directors will continue to keep a watchful eye on all outgoings.

"Our overall claims ratio at 45.2 per cent. of net premiums showed some improvement on the 1951 ratio of 47.52 per cent., and can be considered as satisfactory.

"The report accompanying our 1952 accounts deals with the revenue and balance-sheet position and I have little to add except to record satisfaction at the results disclosed.

"The substantial increase in net premium income in our fire account, mainly due to the increase in our foreign treaty business, has brought in its wake a very heavy financing charge, the increase in reserves required to maintain them at 50 per cent. of the premium being as much as Rs. 4,52,372 or 20 per cent. of the net premium income for the year; it is more than satisfactory to record that in spite of this it has still been possible to make a transfer to profit and loss.

Marine Account

"As regards our marine account, which shows a loss of Rs. 51,287, I would emphasise that this is not an underwriting loss; in the circumstances obtaining in the marine market to-day your Directors have thought it prudent to further strengthen the marine fund to a figure equivalent to 83 per cent. of our income as against 75 per cent. in 1951; this necessitated the transfer of a further Rs. 1,94,099 to the fund and it is this strengthening of the reserve position which has brought out this small loss.

"Ever since the decision was taken to abolish the combined marine surcharges on marine cargo risks in 1949, competition has forced basic rates the world over down to a level which is definitely uneconomic and the tendency to-day is to use the war risk rate to subsidise inadequate marine rates; to make matters worse these rates in many cases include risks which are not marine or transportation risks at all, and the increasing practice of granting all risks cover in a buyers' market is quickly reflected in the claims figures.

"With the drop in values of all commodities and the operation of import and export restrictions taken together with current competitive rates, it would be foolish to expect to maintain, let alone increase, our present income with a reasonable prospect of maintaining a profitable account.

"If companies are underwriting for profit and not for premium they must squarely face up to reduced incomes in their marine departments for some time to come.

"The results of our miscellaneous account show no great variation from that of previous years, both the claims and cost ratios being practically the same; the larger profit disclosed is due almost entirely to the smaller financing charge required to maintain the reserve at 50 per cent. of the premium.

"Motor rates were enhanced at the beginning of the year but it is doubtful whether the benefits of these increased rates will be reflected in the accounts in the immediate future.

Insurance Act

"One of the unfortunate features of the Insurance Act is that the quantum of management expenses is based on the gross direct premium in India: this is without any doubt responsible for the severe and in many cases unhealthy competition for direct business quite irrespective of the quality of the business. Our direct Indian premium is particularly susceptible to economic ups and downs and it is unfortunately impossible to adjust management expenses from year to year to fall in line with wholesale prices or any other yardstick adopted for measuring prosperity or recession. As a result some companies find themselves between the 'devil' of expense ratio and the 'deep sea' of increasing claims. Government are alive to the position and have the matter under review; it is to be hoped that some other formula on which to base the quantum of expenses may soon be devised which, while equitable to all, will avoid such undesirable consequences as exist to-day.

"Another result of this unbridled competition for direct business is the facility of almost unrestricted credit extended by some offices and principal agents to agents and insured parties; as a consequence it is not surprising that a belief is growing in certain circles that payment of insurance premiums may with impunity be endlessly postponed or, better still, under one pretext or another, evaded altogether. After all, it is the function of banks and not insurance offices to provide credit.

Code of Conduct

"The 'Code of Coduct' now in force for general insurers has gone some way towards correcting this undesirable trend, and it is obviously the duty of all executives to abide strictly by the 'Code', in this important respect and eradicate this evil feature of our business once and for all.

"Insurance may aptly be described as the lubricating oil without which the complicated credit machinery of industry and trade would quickly grind itself to a standstill—we have an essential function to perform and a dignified part to play in building up the economy of our country and this should always be borne well in mind by those in executive control of our insurance offices.

"Sir Purshotamdas Thakurdas in his recent speech at the annual general meeting of the Oriental Government Security Life Assurance Company, Ltd., has referred in well-measured terms to foreign insurance companies indulging in methods calculated to hamper the growth of national institutions. Whilst Sir Purshotamdas may have had life assurance chiefly in mind, the same can be said with equal or greater force of general business.

Foreign Insurers

"Instances are not lacking of foreign insurers who have recently established themselves in India without connections or background and who can only hope to build up a portfolio by buying business with complete disregard to the provisions of the Insurance Act, and to the detriment of general insurance as a whole and national institutions in particular. Such companies will do well to pay attention to this timely warning which, if unheeded, can only lead to corrective measures at the very highest level.

"In spite of some of the difficulties with which we are beset, I have no hesitation whatever in expressing my confidence in the future of Indian insurance and there is no doubt in my mind that this important national industry will continue to grow in strength from day to day and play its full part in strengthening the national economy.

"I cannot conclude this statement without asking you to join with me in thanking our General Manager, Mr. Sturgess, and his able group of officers and staff for the good work they have put in, without which I should not now be in the position to place before you this satisfactory picture of the Company's progress.

"At the same time I would like to thank all our old friends, principal agents, agents and clients, both here and abroad, for their continuous and encouraging support."

TATA IRON AND STEEL COMPANY, LIMITED

MR. J. R. D. TATA'S ADDRESS AT ANNUAL GENERAL MEETING

GOVERNMENT ASKED TO CLARIFY ITS INDUSTRIAL POLICY AGAIN

THE time has come for the Government to clarify its position and to state whether its ultimate goal is, in fact, a mixed economy in which both the public and State sectors are permitted to function efficiently or a State monopoly of all industrial enterprise. This demand was made by Mr. J. R. D. Tata, Chairman, the Tata Iron and Steel Company, Ltd., in the course of his address at the Forty-sixth Annual General Meeting of the Company held at Bombay on the 3rd inst. He said that the State must, where necessary, exercise a reasonable, but not paralysing, degree of supervision over industry and business. A mixed economy could only function, Mr. Tata said, if there was within the community a balance of forces with free enterprise operating as one of the autonomous forces pulling its weight alongside State enterprise, trade unions and other elements in society. Referring to unemployment, one of the most disturbing symptoms of our economic *malaise*, Mr. Tata urged the Government to undertake a continuous and scientific study of the problem of population which was closely connected with that of unemployment.

The following is the full text of the speech delivered by Mr. Tata on the occasion:

"LADIES AND GENTLEMEN,

"I am sure you will wish me, at the outset, to say a few words about Dr. Matthai whose appointment to the Taxation Enquiry Commission has necessitated his resignation from the Boards of the Steel Company and Tata Industries and whose services, for the second time in seven years, we have lent to the State for an important national purpose. I should like, on your behalf and mine, to express our gratification at his selection as Chairman of the Commission and pay tribute to him for his public spirit in undertaking this heavy task at considerable personal sacrifice to himself.

"Dr. Matthai has contributed much to the fields of economics, industry and administration to which he has brought a degree of realism and clear thinking somewhat rare these days.

"On the Matthai Commission rests a heavy responsibility, as its findings and recommendations will have considerable influence on the fiscal and taxation policies for many years to come. Those of us who have known Dr. Matthai for many years can have no doubt that the task will be accomplished with wisdom and a deep knowledge of the subject. On your behalf and mine, I wish him and his colleagues all success in their difficult assignment.

"On the resignation of Dr. Matthai, your Directors appointed Mr. J. D. Choksi as Vice-Chairman of the Company. Mr. Choksi, who has been a Director of the Company for many years and is a senior Director of Tata Industries, is well known to you all. I am sure you will approve of his appointment.

World Scene

"Since we last met a year ago, important developments have taken place on the world's political and economic scene. Perhaps the most significant is the apparent change which has taken place in Soviet policy, since the death of Marshal Stalin. While it is too early to judge what the real reasons for the new trend are, how long it will last and where it will ultimately lead, it can no longer be doubted that it has eased international tension both in Europe and the Far East, and brought hopes of better days to millions of peace-hungry people. Business and industry, in particular, should unreservedly welcome it, for there are few more untrue and yet more studiously fostered theories than that capitalism thrives on war or preparations for war. In actual fact, war and its aftermath of economic chaos, more than any other factor in this century, have been responsible for the decline or disappearance of capitalism, and, along with it, of democracy in large parts of the world. While business and industry may derive temporary stimulus from war orders, in the long run, they can flourish only under conditions of peace and stability in which the people have an inducement to save and to build for the future.

"Particularly in poor and relatively backward countries like our own, the vital need for economic and social development is totally irreconcilable with the diversion to defence of an unduly large part of available resources. We have, therefore, everything to gain from a lasting peace throughout the world in general, and from the peaceful settlement of all outstanding problems in our own neighbourhood, in particular. The resulting release of additional funds for nation-building purposes would, over a period of years, make a substantial difference to the economic health of the nation.

"In the meantime, the economic situation in the country, as it has evolved during the last year, shows little cause for complacency. Although agricultural and industrial production was somewhat better in 1952 than in the previous year, the volume of trade, particularly foreign trade, showed a substantial fall. Bank advances fell by nearly Rs. 70 crores, while the volume of money with the public decreased by Rs. 37 crores over and above the reduction of Rs. 173 crores in 1951-52, representing a total decrease of Rs. 210 crores for the two years. Taking all factors together, it seems evident that money income, i.e., the purchasing power of the people, has been reduced.

Unemployment

"One of the most disturbing symptoms of our economic *malaise* is the increasing unemployment reported from various parts of the country in recent months. Economists and financial experts have been at some pains to explain to us the reasons for this sudden aggravation of a longstanding problem. I wonder at the almost complete absence of any reference in any quarter to the growth of our population, as one of the causes of this alarming trend, if not the major cause.

Population

"When addressing you two years ago, I referred to this formidable problem and made a special plea that as a first step Government should constitute a high-power commission to investigate it in all its aspects. Nothing has been done, and I feel I must once again use my small voice to sound the alarm at the gathering shadows which threaten to overwhelm us.

"Our population is increasing at the rate of nearly five million a year. Even if we sought only to maintain the existing population on its present low standard, we would have to find work each year for an additional two and a half million men and women. As the land is already overburdened with man-power, employment would have to be found for them outside agriculture, i.e., in industry and services. Even assuming a much smaller capital expenditure per industrial worker than in Western countries and a high proportion of employment in small-scale industries and services, requiring little or no capital equipment, the financial and other requirements would be well beyond our present means.

"But if it were possible, for the next twenty-five or fifty years, to keep our population static or at least to reduce the rate of its growth, which, I am convinced, is not beyond the medical, scientific and administrative possibilities of the day, the whole picture would change and every successive advance in our economic output would result in some improvement in the living standards of our people. I, therefore, plead once again that early steps be taken to undertake a continuous and scientific study of this vital problem in its biological, economic and social aspects, for it is only on the basis of established facts and possibilities that subsequent action can be taken, if found necessary and practicable.

"I do not, for a moment, suggest that in the negative task of controlling the growth of our population lies a universal remedy for our economic ills. But such control is necessary to enable constructive work to bear fruit. Real progress could be achieved only if, simultaneously, we continued to make every effort to increase the productivity of our country. I am not sure, however, that even, on this positive side of our task, we are proceeding in the best possible way.

Mixed Economy

"Our Government have adopted the concept of a mixed economy for the country, a concept which has found broad public acceptance and in which business and industry are anxious to co-operate. A mixed economy, however, implies the co-existence of State enterprise and free enterprise, and cannot mean a wholly State-dominated economy where the industrial class is temporarily tolerated and permitted to survive, pending further developments. A mixed economy can only function, if there is within the community, a balance of forces, with free enterprise operating as one of the autonomous forces pulling its weight alongside State enterprise, trade unions and other elements in society.

"I am led to make these observations, because I have noted a tendency on the part of Government, perhaps not deliberate, to deny to free enterprise a voice, or even consultation, in matters vitally affecting it or the economy as a whole. The manner in which, for instance, the Indian air transport industry was recently nationalised, and the terms on which this was done, would seem to indicate that Government see no reason to carry with them the industrial sector and its representatives or even to give them a hearing before making up its mind. May I suggest that the time has come for Government to clarify their position and to state whether their ultimate goal is, in fact, a mixed economy, in which both sectors are permitted to function efficiently, or a State monopoly of all industrial enterprise?

"In contrast with conditions in our own country, a clear reversal of trend is taking place in most other free countries of the world after many years' experience of State ownership and rigid control of all economic activities. The truth is beginning to dawn, elsewhere at least, that State socialism in action, as distinct from theory, is hardy the economic and social panacea claimed by its advocates and that it does not lead to a classless society but to a dangerous concentration of all economic power into a few bureaucratic hands, which, while acceptable in a totalitarian State, is irreconcilable with real democracy.

Not A Plea for Laissez Faire

"This is not a plea for a return to the old-time *laissez faire* in economic matters. The interest of the nation as a whole must prevail over the interests of the few. The State must, where necessary, exercise a reasonable, but not a paralysing, degree of supervision over industry and business. It should also take a positive part in production in such fields as are best suited to its organisation and methods, within the limit of its resources and subject to a realistic assessment of priorities. But it should not lose sight of the primary objective, which is to expand production and employment. That object cannot be achieved by discouraging creative enterprise and initiative, inhibiting savings and destroying the confidence of the investor. I earnestly believe that realistic and well-thought-out policies, free from doctrinaire considerations, and aimed at encouraging production, fostering savings, recognising honest and efficient management, while deterring anti-social activities, would go a long way towards energising free enterprise. They would also help to instil in the private sector a sense of trusteeship as advocated by Mahatma Gandhi and would put squarely upon it the responsibility for placing national above sectional and personal interests. Such policies in respect of the private sector, combined with State enterprise in appropriate fields, assistance to small-scale and cottage industries and to the co-operative movement, land and social reforms and measures to control the growth of our population, would, in my humble judgment, provide the right kind of programme to revolutionise the economic activity of the country and to make a real success of the concept of a mixed economy.

Accounts

"Coming to our own affairs, I need say little more about the operations and profits of the Company during the year under review than that they were mainly characterised by a small reduction in production and despatches on the one hand, and a continued upward trend in costs on the other, the largest single item being, as usual, in respect of payments to employees. As, however, most of the workers at Jamshedpur have now reached the top of the incremental scales introduced in 1947-48, I hope we may look forward, for a period, to some measure of stabilisation in the total amount of wages paid and in the labour costs per ton.

"Production until 1955 is likely to be somewhat lower than in 1952-53, as a result of modifications to the plant under the modernisation and expansion programme. As this expected reduction has been taken into account by the Tariff Commission in estimating costs and fixing prices, the profits of the Company are not likely to be affected thereby.

"The shareholders will note from the balance-sheet that, for the first time in many years, the trend towards higher stock figures has been reversed in respect of raw materials. Since the close of the year under review, increased despatches, particularly of old stocks, have further reduced our inventories. We hope gradually to reduce also our stocks of stores and spare parts as a result of the overhaul of our stores facilities and procedures which is now approaching completion. As against this, our heavy programme of capital expenditure and the consequent creation of entirely new plant and equipment will tend to add to our stocks, to some extent, but by careful control and planning helped by quicker deliveries resulting from an improved international situation, we hope to maintain our total stocks at a reasonable figure.

Tariff Commission Enquiry

"The findings and recommendations of the Tariff Commission and the orders passed by Government on the subject have been described at some length in the Directors' report. I shall, therefore, confine my remarks to only one point of special importance to us, namely, the Government of India's rejection of the Commission's recommendation for a 2 per cent. increase in the return on the gross block, subject to such increase being taken to reserve for the specific purpose of modernisation and expansion. We have, during the last few years, repeatedly represented to the Tariff Commission and to Government that a gross return of 8 per cent. on capital expenditure, leaving a net return of about 3½ per cent., was totally inadequate to build up sufficient reserves or to attract fresh investment in the industry for financing the modernisation and expansion of the plant. We were, therefore, gratified to find that the Commission had accepted the Company's strong case on this point and recommended an increase which though small would have enabled us to set aside, and ultimately plough back into the industry, an additional Rs. 50 lakhs or so per year. Government, however, rejected this recommendation on the ground that they had already agreed to advance to the Company a loan of Rs. 10 crores, towards the financial requirements of the expansion programme.

"While it is true that Government have agreed to make such an advance to the Company on favourable terms and subject to repayment only out of a future increase in return, for which we are grateful, I feel that acceptance of the small increase recommended by the Tariff Commission would not have been inconsistent with the grant of the proposed advance, as Government could have directed that it be used either to reduce the total amount of their loan or to accelerate its repayment. Government must surely be aware that they cannot possibly attract risk capital, either Indian or foreign, to this industry on the basis of a net return of 3½ per cent. Considering that the lack of capital has, since the war, been the main obstacle to the creation of the additional steel capacity so badly wanted by the country, I hope that Government will find it possible to reconsider the position they have taken up on this issue.

Profit-sharing Bonus

"The profit-sharing bonus scheme agreement between the Company and the Tata Workers' Union at Jamshedpur, which was in force since 1948, expired last year. The Union expressed a desire to enter into a new agreement on similar lines for a period of years but with a higher percentage of the profits. In view of the impending Tariff Commission enquiry into steel prices, at which labour costs and our plea for the inclusion of the profit-sharing bonus as an item of cost were likely to be discussed, negotiations were postponed and could only be resumed recently after the publication of the Commission's report and Government's orders thereon.

"We have now entered into a fresh profit-sharing agreement with the Tata Workers' Union on terms similar to those of the previous agreement but with the percentage of net profits payable to labour increased from 27½ per cent. to 30 per cent. As there was no agreement in force for the year 1952-53, an *ad hoc* settlement for that year has been made whereby a sum of Rs. 106.50 lakhs will be distributed as against the sum of Rs. 98.53 lakhs provided in the accounts. The additional amount will be a charge on the profits of the current financial year.

"In the course of the protracted negotiations with Mr. Michael John, the President of the Union and President, this year, of the I.N.T.U.C., we pointed out that there was no case for any appreciable increase in the profit-sharing bonus, and that any such increase would come out of the shareholders' modest net return on their investment. We emphasised the very large increase in the total emoluments of labour which the Company had granted in various forms in the last few years, resulting in a substantial increase in their real earnings, without any corresponding return to the Company in the form of greater efficiency or output *per capita*. At the same time, we accepted the contention of the Union representatives that peace had been maintained in the industry.

"We discussed, at length, the means by which labour output could be increased and agreed that the existing incentive schemes should be modified so as to lay greater emphasis on productivity. We had also a helpful discussion regarding the ways and means by which efficiency could be increased and discipline promoted. We hope that, as a result, a better understanding will prevail in the future between the Company and the Union on these important issues, and that in the course of time worthwhile results will be achieved.

Output Per Worker

"We must, however, face the fact that today the prospects in India of a substantial increase in output *per capita* are not very promising. While in industrially more advanced countries management, unions and Government are all agreed on the benefits of high labour productivity, and all three co-operate towards its achievement, we are faced here with a continuing reluctance to learn from the experience of a century of industrialisation in Europe and America and to accept the fact that increased productivity does not lead to unemployment, but, through increased purchasing power, to enlarged opportunities for employment. In spite of a continuous reduction in the number of men employed per unit of production, as a result of mechanisation and greater efficiency, total employment in Europe and America is to-day at a higher level than ever before.

"If, in their anxiety to deal with the present unemployment in the country our political and labour leaders adopt policies which frustrate attempts at improving efficiency and output *per capita* in industry, such policies will jeopardise any chance that India may have of rapid economic progress, destroy her competitive position in world markets and, as a result, ultimately lead to still greater unemployment.

Deferred Share Conversion Scheme

"I hope this is the last annual general meeting at which I shall have to discuss the deferred share conversion scheme and that the



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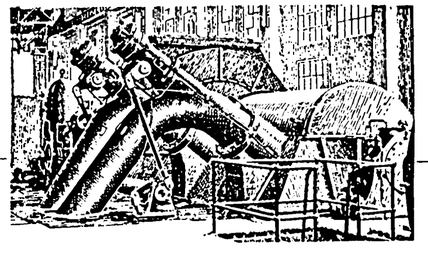

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scheme will have been put through well before we meet again next year.

"The long-drawn-out mediation proceedings, which began early in 1951, were completed in May this year with the publication of Mr. Motilal Setalvad's award. In accordance with their previous undertaking, the Directors have accepted the ratio recommended by the Mediator. The legal and other formalities required to put through the scheme are in hand, and the special meetings of the two classes of shareholders will be held early in November.

"In pursuance of the decision of the Directors and the Managing Agents to remain entirely neutral in the mediation proceedings, an attitude which they rigorously maintained throughout, I do not propose to express any view at all on the recommendation of the Mediator which, as I have said, has been accepted by the Directors and embodied in the scheme. Our neutrality, however, applied only to the mediation proceedings and not to the conversion scheme itself to which we are wholly committed and which we consider to be more than ever in the Company's interests. I deem it my duty, therefore, to draw the attention of the shareholders to the activities of a small minority of deferred shareholders, who are making every effort to defeat the conversion scheme.

"It was mainly at the instance of this very group that your Directors agreed to refer the conversion ratio to the advice of an independent mediator. I leave it to you to judge the propriety of the action of these same shareholders in now seeking to reject the opinion of such a distinguished and obviously impartial person as the Attorney-General of India merely on the ground that his recommendation falls short of their demand. I trust that the majority of the deferred shareholders who have their own interests and those of the Company at heart will not be misled by the propaganda of the opponents to the scheme.

"I hope every deferred shareholder, who is in favour of the scheme, will realise the necessity of being present at the special meetings and casting his vote, as the voting requirements under section 153 of the Indian Companies' Act are such that every vote which is not cast is in effect equivalent to a vote against the scheme.

Before leaving the subject, I may mention two other points concerning the scheme which I believe are of special interest to shareholders.

"The first one refers to the proposed issue of bonus shares to be made simultaneously and, in effect, as part and parcel of the conversion scheme. I have, on numerous occasions, mentioned the Directors' desire to make available to the shareholders, in the form of bonus shares, a part of the reserves accumulated from undistributed profits in past years, as soon as the disappearance of the deferred shares made such an issue practicable. Your Directors decided that, subject to the approval of the Government of India, this proposal should be implemented simultaneously with the conversion of the deferred shares, and that it should consist of the issue of one new ordinary share for every ordinary share held after conversion. The conversion scheme together with the bonus issue will involve the capitalisation of about Rs. 6.87 crores out of the Rs. 11 crores in the reserve fund, and will bring up the total issued capital of the Company to Rs. 17.33 crores, of which Rs. 7.69 crores will be preference capital and Rs. 9.64 crores equity capital. I hope that this added feature of the conversion scheme will meet with your approval.

Issue of New Capital

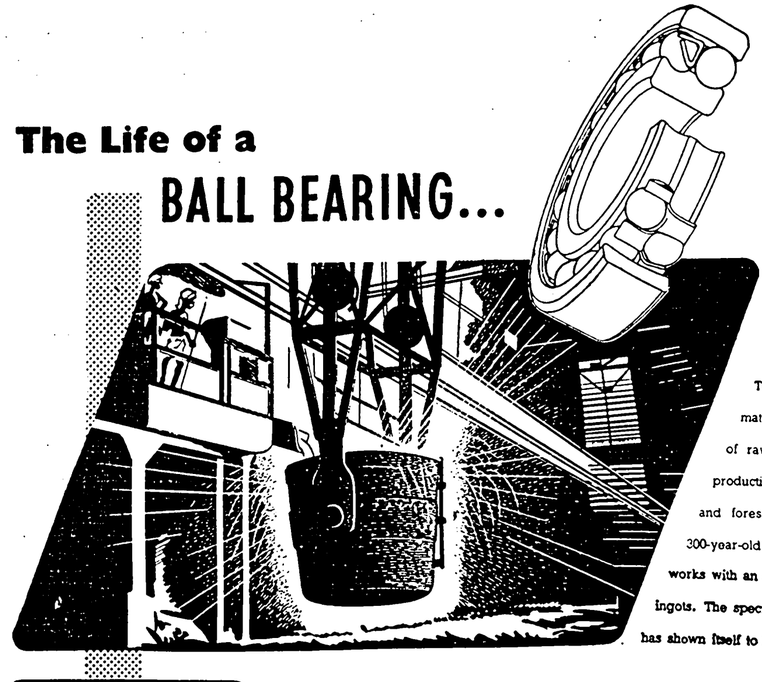
"The second point refers to an assurance sought by the shareholders and given by me first in 1950 and again in 1951, that the Directors would not seek to raise fresh capital in the near future and until the investment market improved. Two years have passed since then and in response to the request of some shareholders, I willingly renew my previous assurance. I hope that this will satisfy those shareholders who still harbour fears on the subject, but I also hope that it will not be interpreted as meaning that we shall never need to raise fresh capital. If the Company is to continue to hold its position in the industry and to play its full part in the economic development of the country, it must continue to expand in the future, as it has in the past, whenever the opportunity arises. To the extent that we can finance such expansion out of internal savings and borrowings, we shall do so, but if, in view of the enormous cost of iron and steel making plant, we have to seek funds beyond our own savings, some issue of capital may prove necessary. However, no decision to issue fresh capital will be taken without consulting the shareholders.

Educational Grants

"In my speeches of the last two years, I have mentioned the decision of the Managing Agents to forgo a part of their commission with a view to placing it at the disposal of the Company for providing engineering and other educational facilities in the areas in which the Company's main operations are carried on. In pursuance of this decision, the Managing Agents waived a sum of Rs. 7½ lakhs for each of the last two years and Rs. 5 lakhs this year, bringing the total to the figure of Rs. 20 lakhs, subject to tax, which they originally had in mind. Out of the funds so made available, the Board have already sanctioned grants of Rs. 4 lakhs for a college in Chaibassa, a little under a lakh spread over the next five years for engineering scholarships to Bihari students, Rs. 6 lakhs to the Bihar Institute of Technology at Sindri, and Rs. 3 lakhs for setting up a Polytechnic Institute in Hirakud, Orissa. These grants and proposals are in addition to the maintenance of a Chair in Geology in the Patna University at a cost of Rs. 18,000 per annum.

"Before closing, I believe you will wish me, on your behalf, to place on record our sorrow at the death of Mr. Jagmohandas Kapadia whom we all miss at this meeting to-day. As Secretary of the Bombay Shareholders' Association and as an expert in company law and accounting, Mr. Kapadia applied his great abilities and devoted much of his time and energy to safeguarding the interests of the investor and to promoting sound and honest management. In him the investing public have lost a stout-hearted champion. His place will be hard to fill.

"As usual, I have much pleasure in placing on record our appreciation of the good work put in by the management and all employees at Jamshedpur and elsewhere during the year. In our skilled workers, our supervisory staff and our top management, we have a fine team of men who constitute an invaluable asset not only to your Company but to the country as a whole. The continued success of the Company's operations is safe in their hands and we extend our thanks and good wishes to them."



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REGULATION OF WAGES IN ASIAN COUNTRIES

ARE WESTERN STANDARDS APPLICABLE?

THE problems relating to wage policy in Asian countries are scheduled to be discussed at the I.L.O. Asian Regional Conference, which will commence its 12-day session at Tokyo next week. As usual, the I.L.O. has prepared a report for submission to the Conference, with a view to facilitating a scientific discussion of the subject. The text of this report is not yet available to the public. But, according to a Press *communique*, issued by the New Delhi office of the I.L.O., it deals with the various issues relating to effective utilisation of surplus labour, fixation of minimum wages, maintenance of balance between workers' effective demand and supply of essential consumer goods, among others.

The problem of regulating wage levels is of great importance to Asian countries. The ever-growing pressure of labour supply in the face of inelasticity of employment opportunities, makes it difficult to prescribe, let alone enforce conditions as to wage levels. The tremendous problems of restoring and maintaining balance of payments difficulties and the absence of organised labour, especially in the agricultural sector, has aggravated the situation. Small wonder, therefore, that, even to-day, the law of supply and demand determines the level of wages in most sectors of the Asian economies. And, as supply exceeds the demand for labour, the level of wages received by workers is often below the minimum subsistence wage.

From what has been stated above, one should not rush to the conclusion that employers in Asia are exploiting the excess supply of labour. In organised fields of industrial and industrial-cum-agricultural employment, workers are getting a level of wages which is higher than the capacity of employers to pay and that warranted by the productivity of workers themselves. This has been so because of the effectiveness of labour unions which have grown in strength in several parts of Asia. The effects of such a situation on the general employment level is restrictive, for it has a depressing influence on fresh investment and the opening up of new avenues of employment. Thus, Asia presents the strange spectacle of a vast field of unemployment and underemployment punctuated by oases of well-paid employment.

Not an Isolated Problem

Wage regulation cannot be isolated from a general economic development programme. Land reform, training programmes, labour service organisation, improved credit facilities, co-operative farming, public works in respect of villages and communications may be necessary accompaniments to the achievement of a desired level of minimum wages.

If wage regulation is to be effective, it must result in an improvement in wage levels and working conditions where they are low and poor and prevent a deterioration in the existing wage levels, as a result of changes in general economic conditions. Are present conditions favourable for such a reform? He will be a bold man who replies in the affirmative. The least that can be done is to prevent a deterioration in the conditions of those who are employed in industries and plantations, provided the workers do a full day's work and show higher productivity. A general all-round improvement in employment at minimum economic wages will be possible only if a general economic development programme is undertaken. But this is easily said than done.

It is not possible to apply Western standards of wage levels to Asian countries. Although few will deny that full employment and living wage should be the basic objectives of social and economic policy, none can dare say that they are capable of realisation in the near future. The pressure of population is alarming, while there is a chronic shortage of capital resources for investment. It is not the question of living wage that is at stake but the bare subsistence wage itself. The first objective of planners in these countries is one of providing greater opportunities for employment. There is a necessity, therefore, to keep wages at low levels.

The need of the hour is to ensure that the total output rose as fast as possible and that the demand for capital conflicted as little as possible with the demand for consumer goods and to bring about a proper balance between workers' effective demands and the supply of consumer goods. In the initial stages of economic development, when employment will be increasing faster than the supply of essential consumer goods, Governments will have to place some restraint on workers' demands.

It is well known that, in the present economic and political situation, the standard of living of the individual workers and of the masses can only be raised in proportion to the increase in productivity. This recognition gives wage policy a new goal. "It demands," as Dr. Franz Spiegelhalter Koln puts it, "the abandonment of the backward looking attitude, which has security as its only aim, and of the concept of sharing out, which only shares out the poverty that exists without remedying it." A proper wage policy for the underdeveloped areas, therefore, would be one which provides "a spontaneous incentive to increased productivity."

Protection for Worker

The object of wage regulation is to protect the worker. This protection may take the form of providing that wages are a first charge on the enterprise. It may include prohibition of payment of wages in other than legal tender, or prohibition of other restrictions as to the place or the manner in which wages may be expended. It may be aimed at preventing deductions by way of discount or interest charges on wages advanced to the worker; this may also apply to debts contracted by a worker in shops or stores situated on the property of the employer. Regulations may also provide for payment of wages during rest days or even during illness. Provision may also be made for overtime payments. The most important function of wage regulation, however, is to ensure that the worker is paid at least a minimum wage which will guarantee subsistence or that he is paid wages equivalent to the value in the market of the net product of work done.

Wage regulation can be achieved by various methods but the two common ones are collective bargaining and State intervention. A careful examination of the conditions in Asian countries disclose that wage regulation through some kind of State intervention is desirable, especially in regard to agricultural workers, who are generally unorganised and therefore exposed to exploitation. Another reason for such intervention is the high rural birth rates and lack of opportunities for alternative employment, which tend to create a buyers' market in respect of labour so that agricultural wage rates compare unfavourably with those in other occupations.

As the payment of agricultural wages in kind is customary in Asian countries and as finance and trade facilities are not developed sufficiently in many parts of Asia, provision should be made for the regulation of payments in kind also. These payments should correspond both in quality and quantity to the actual needs of the worker and his family. When expressed in terms of a cash equivalent, such payments should conform to the prices prevailing in the locality. In considering adequacy of wage payments as a whole, account should be taken of allowances in the form of meals, lodging, wood, clothes and tools, with a view to eventual creation of conditions, under which wages may be effectively regulated by collective bargaining, instead of by minimum wage-fixing machinery. Measures should be taken to safeguard the freedom of association of employers and workers and to encourage the growth of workers' and employers' organisations in rural areas.

It will not be possible to have a single wage policy for the whole of Asia. For conditions differ from country to country in accordance with the density of population and the rate of economic development. The policy should, therefore, be expressed only in terms of broad principles. Further, it should be sufficiently flexible so as to adapt it to changing circumstances. The task is not easy. It requires not only the will but also the power to execute it.

As far as India is concerned, the advent of independence and the establishment of popular responsible Government have naturally been accompanied by an increasingly sympathetic approach by Government to the problem of labour, an acuter realisation by the Government of its responsibility for promoting measures designed to ensure social justice and rising living standards of workers, and a new insistence on the recognition of labour not as a junior partner in industry entitled merely to a living wage, but as an equal partner with capital in the field of production entitled to an equitable share in the outturn of industry. There can be no better evidence of this new spirit which pervades Governmental labour policies in India to-day than the guarantees under the fundamental rights and the directives of State policy embodied in the Constitution.

The real achievements in the sphere of wage legislation in India have been the progressive extension of the provisions of the Payment of Wages Act, 1936, and the adoption of the Minimum Wages Act, 1948. The Payment of Wages Act, however, seeks only to ensure the regular payment of wages and to prevent the exploitation of wage earners by arbitrary deductions and fines. It does little to help the worker with no bargaining power to secure a living wage. This gap has been filled by the Minimum Wages Act, which may rightly be described as a new landmark in Indian labour legislation. The Act provides for the statutory fixation of minimum rates of wages in a number of employments, including plantations and agriculture.

STEPS TO RAISE PRODUCTIVITY

Mr. Alan W. Baker, a British consultant engineer, who was a member of the five-man team of production engineering experts sent recently by the International Labour Organisation to India, has expressed the view that a solution of the country's vast and complicated problems must be sought through increasing the productivity of its resources in men and materials. The experts, who stayed in India for eight months, worked in two groups—one in the engineering industry in Calcutta, and the other in the cotton textile industry at Ahmedabad and Bombay. Mr. Baker was a member of the engineering group. The mission's task was to demonstrate how productivity could be raised by the application, in selected factories, of modern techniques of work, study and plant organisation and, in appropriate cases, by the introduction of a system of payment by results.

On the conclusion of his mission, Mr. Baker said, he was confident that the team had demonstrated that productivity in India could be increased greatly without in any way reducing employment and without additional capital equipment. He emphasised that the team's operations were to be regarded as a pilot project, designed to show what could be achieved by present-day techniques for the organisation of operations and plants. He said: "The problems that India has to face are immense and complicated and they will take a long time to solve. But we have been able to show how the output, can be increased measurably with the present resources and that can be regarded as a contribution to helping India surmount her difficulties. If India is to maintain the living standards of her people, production and productivity must be increased". Mr. Baker said that the mission had found support for its programme from the Government, from managements and from workers. He disclosed that earlier there had been some suspicion among the workers that measures to increase productivity might result in the loss of jobs, but, as soon as these fears were set at rest, the workers co-operated completely.

An important part of the team's work was the training of individuals, selected by managements and the unions, in the fundamentals of modern methods of work study and procedures for the improvement of efficiency and productivity. As this training proceeded, the responsibility for carrying out work studies and suggesting improvements was entrusted to the trainees. As a result of studies of lay-out, work methods, products and machines, the engineering group was able to bring about spectacular increases in productivity, ranging up to more than 200 per cent. in certain operations.

EMPLOYMENT SITUATION IN JULY

The overall employment situation in India continued to be unsatisfactory during July, 1953. The total number of unemployed persons, who registered themselves at the employment exchanges during the month, was 136,333, as compared with 123,883 during the previous month, thus bringing the number of the live register at the end of the month to 493,408, nearly 19,500 higher than at the end of the previous month. 14,487 persons were placed in employment and the number of vacancies available to the exchanges during the month was 18,714, as against 21,398 during the previous month.

Under the training schemes of the Ministry of Labour, 7,775 persons, including 9 women and 1,893 displaced persons, were receiving training at the different training institutes and centres at the end of July 1953. There were also 212 instructor trainees at the Central Training Institute, Koni-Bilaspur. In addition, under the apprenticeship training scheme for displaced persons, 572 apprentice-trainees were undergoing practical training in production work in Uttar Pradesh and West Bengal at the end of the month.

DEVELOPMENT OF PLASTICS INDUSTRY

POSSIBILITIES OF EXPLOITING INDIGENOUS MATERIALS

FEW industries in India have grown so fast in recent years as the plastic industry. The reason for its rapid growth lies in the variety of uses to which plastic materials can be put. The demand for plastics is now based not merely on their being substitutes for scarce materials such as metal, wood and fibre, but on their suitability for special industrial purposes. It has also some special characteristics as, for instance, chemical resistance, non-inflammability, lightness in weight, dimensional stability over wide ranges in temperature, good insulation and other electrical properties. This is not all. Plastics can also be moulded into a variety of forms. They can be cast in liquid form, expanded to light sponges, both flexible and rigid; pressed to hard board; extruded to unlimited lengths of rod, tube or profile; calendered to continuous flexible sheet, and moulded to any number of intricated shapes with accurate dimensions. Plastics also bring some economic advantages. They render mass production . easier, maintenance costs lower, and handling of materials in certain respects very convenient. All these advantages have been possible on account of extensive application of scientific knowledge to production.

Recognising the importance of science thus to the industry, considerable attention is being devoted in the various research institutes of the country to discover how best the Indian plastics industry can be developed with the help of indigenous raw materials. An idea of what is being done in this direction is provided in an interesting article on "Plastics—Progress in India," by Mr. S. L. Kapur, National Chemical Laboratory, Poona, contributed to the August issue of the *Journal of Scientific and Industrial Research*. Those engaged in the manufacture of plastic goods will find in this article material of much practical benefit to them, especially in regard to research.

We are told that research is being carried on, in the Poona Laboratory, the Indian Lac Research Institute, Ranchi (I.L.R.I.), the Forest Research Institute, Dehra Dun (F.R.I.), Indian Institute of Sugar Technology, Kanpur, and a few others. Organisations connected with the development of the plastics industry in India are the Research Committees on Plastics, Oils Chemicals and Cellulose, Council of Scientific and Industrial Research (C.S.I.R), Defence and Development wings of the Government of India, the Indian Standards Institution and the All-India Manufacturers' Association in Plastics, Paints and Chemicals.

In recent years, India has also made some progress towards the establishment of plastics industry. There are about 80 organised factories and several cottage-scale establishments, with a capital investment of Rs. 6 crores. The industry provides employment for about 10,000 workers. It depends on imported moulding powders, the consumption of which is estimated at 8,000 tons, comprising 5,000 tons of thermo-plastics and 3,000 tons of thermo-setting. A few firms have started manufacturing general purpose phenolic moulding powders from imported phenol and formaldehyde. The present annual production of moulding powders is about 250 tons. The installed capacity for alkyd resins is about 800 tons a year, but the actual output is only 100 tons. Polystyrene moulding powders, of which 2,500 tons are consumed annually, have found favour, by reason of their low price, and are used in the making of accessories for electrical goods, radios, automobiles, toilet requisites and other articles of novelty and utility.

A sound heavy chemicals industry is one of the essential requirements of a modern plastics industry. India does not possess an integrated basic chemicals industry and its petroleum resources are meagre. Developments in the field of plastics industry have, therefore, been restricted to the utilisation of agricultural products and natural resins. Other raw materials available in the country are benzene, alcohol and cellulose.

The coke ovens in operation in the country are estimated to produce 4.5 million gallons of benzene, but only 2.7 million gallons are actually recovered. Coal-tar distillation has not received sufficient attention and very little phenol is recovered, although about 140 tons of phenol can be recovered annually from 90,000 tons of available coal-tar. The present annual demand by the plastics industry for phenol is of the order of 50 tons.

Ethylene is the key chemical for the preparation of several plastics, such as vinyl chloride, vinyl acetate, vinylidine chloride and styrene. It can be manufactured by the catalytic dehydration of ethyl alcohol. About 400,000 tons of molasses are obtained annually as a by-product of the sugar industry, and this could yield about 280 million gallons of alcohol. Chlorine, another important raw material utilised by the plastics industry, is also freely available, and, at present, about 800 tons of chlorine produced in the country are not being utilised.

Acetylene is employed in the synthesis of basic chemicals required in the manufacture of plastics and elastomers. The starting material for acetylene is calcium carbide which can be manufactured from lime and coal by an electro-thermal process. The development of multi-purpose hydro-electric projects, and the availability of large quantities of superior grades of coal and lime in the country should make the manufacture of calcium carbide economical.

Cellulose, the starting material in the manufacture of cellulose plastics, can be obtained from agricultural and forest produce. The cultivation of cotton rich in linters, compulsory delinting of all grades of cotton and use of low grade cotton waste and cotton dust from textile mills should augment, it is stated, the supplies of cellulose. The manufacture of cellulose acetate at Hyderabad and of cellulose nitrate at the cordite factory at Aravankadu, Nilgiris, is stated to be under consideration.

Other potential sources of plastics and plasticizers are vegetable oils, proteins from oilcakes, animal protein from horns, hoofs and slaughter-house waste, lignin from saw-dust and sulphate black liquor, monohydric phenols from wood-tar effluents, and shellac. The establishment of oil refineries now under way would provide, we are told, a wide range of raw materials for the plastics industry in India. Investigations at the Indian Lac Research Institute, Ranchi, have shown that jute-stick flour could be processed and successfully used as a filler in phenolic moulding powders. Jute and cotton tuft can be used as fillers in shellac moulding compositions.

A few manufacturers in India have been using cashew nut shell liquid in conjunction with phenol in the manufacture of phenol formaldehyde moulding powders. A new application of phenolic constituents of cashew nut liquid and bhilawan shell liquid is in preparation of ion-exchange resins. The possibilities of producing these resins at economic prices are being considered by the National Chemical Laboratory. India produces 14,000 tons of cashew nut shell liquid annually.

The Tata group of industries has been exploring the possibilities of developing moulding compositions from oilcakes and saw-dust. The process consists of an autoclaving mixture of oilcakes and saw-dust at high pressures for general hours. Compositions suitable for the production of articles by compression moulding are obtained.

The Poona Laboratory has undertaken the work of using tobacco seed oil (annual production 5,000 tons) in surface coating compositions. Investigations have shown that *kamala* seed oil is better than tung oil in formulations of wrinkle finishes on surfaces. The oil has been processed into products which give decorative and protective finishes on air drying.

Apart from what is stated above, the article referred to above contains a mass of information regarding the possibilities of developing the indigenous resources for the benefit of the plastics industry. While space considerations preclude us from going through these details, we cannot but resist the temptation to quote here the conclusions of the writer of the article. He remarks: "The full possibilities of using plastics in this country, both in the production of utility articles and in industry, have yet to be explored. The demand for both raw material and fabricated plastics, therefore, is bound to grow with the rapid industrialisation of the country and with the completion of the hydro-electric projects under way. The production of moulding compositions in the country would also lead to the growth of new industries. The exploitation of existing and potential resources for the production of a wide range of articles, therefore, merits the attention of both the Government and the industry."

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ous chemical manufacturers have discovered a whole series of synthetic detergent substances and are engaged in solving the intricate problems connected with producing them at a cost which will make them saleable. The soap industry has applied its knowledge of washing problems to putting the new substances to practical use in preparations of domestic and other washing products that meet the users' needs. If the soap manufacturer loses efficiency, the chemical manufacturer can step into the breach and *vice versa*. Consequently, the detergents industry has made the soap industry as a whole more dynamic. It has created new and fundamental problems which require re-examination in the methods of their production. This may well lead to greater possibilities of expansion.

In 1952, the various blended powders accounted for as much as 43 per cent. of the sales by weight of all domestic detergents in the U.S., as compared with 22 per cent. in Great Britain and 23 per cent. in Holland, excluding toilet soaps. World sales of detergents in that year amounted to one million tons (excluding the Soviet Union). Of this, North America accounted for 800,000 tons and Europe 300,000. This compares with world sales of soap estimated at rather more than 5 million tons. The synthetic products thus constitute a major technological development which has considerable impact upon the world market not only for soap but also for the vegetable oils from which soap is derived.

SYNTHETIC DETERGENTS INDUSTRY

POTENTIAL COMPETITOR TO SOAP IN WORLD MARKETS

SYNTHETIC detergents are synthetically produced chemical substances, with cleansing properties similar to soap. But, unlike soap, these detergents do not produce scum in nard water. They are better at removing grease but relatively ineffective in cleaning soiled fabrics. The well-known powders sold for household purposes are thus a blend of synthetic detergents and certain types of phosphates and other chemicals, which makes them useful for the whole range of domestic washing purposes.

Synthetic detergents industry is yet to develop in India and backward countries. This is because the purchasing power of the people in these regions is very low. Washing habits too are quite different from those in the West, in that people generally wash clothes in rivers, tanks, or wells, instead of in tubs or bowls, as in the West. Consequently, soaps or washing powders are in little use and those engaged in the manufacture of synthetic detergents have yet to discover an effective and cheap detergent which is within the meagre means of the masses. Sir Geoffrey Heyworth, Chairman of Unilever Ltd., a concern which carries on a considerable part of the world trade in substitutes for soap, observed, in the course of his review of the position of the synthetic detergents industry last June, that consumption of detergents in underdeveloped countries can be expected to increase as the standard of living improves in them.

The new blended synthetic detergents have achieved a wide acceptance in North America and Europe. The main reason for their popularity is that they do not form insoluble precipitates with the salts responsible for the hardness of water in contrast to soap which forms an insoluble scum tending to adhere to the washing materials and make a lot of rinsing necessary. There is, however, one disadvantage of the blended synthetic products. It is that the detergents are somewhat more expensive to produce than corresponding soap products. In the United States, a packet of a blended synthetic product now costs some 7 per cent. more than a soap product. In certain other countries the differential is a little higher. In Canada and some European countries, the detergents are costlier than soaps by about 12 per cent. to 15 per cent.

The chief consideration which seems to have weighed most with these Western countries in developing the synthetic detergent industry is that it tends to lessen the traditional dependence of the soap industry on oils and fats and thus helps to ease the scarcity of oils and fats which prevailed for some years after the war. It is pointed out that, had synthetic detergents never been discovered, the world consumption of soap would have been commensurately greater. Whether this view is correct cannot be proved. But Sir Geoffrey opines that most of the consumption, of blended synthetic detergents has been for purposes for which soap would previously have been used. And, if this demand had had to be met entirely by soap, it would have required an additional world production of oils and fats of about half a million tons. It is possible that the derationing of margarine—which is now complete everywhere except in Britain, Finland, Israel and Austria—might have taken longer and so might the derationing of soap. Blended synthetic products have eased, he points out, the post-war problem of meeting the world demand for oils and fats at a more reasonable level of prices.

There is also another reason for the development of the detergents industry in that it has created a demand for important new chemicals. "Up to date, a very large number of different materials," remarks Sir Geoffrey, "have been evolved, all of which broadly possess the same detergent characteristics, but which differ in chemical composition and in behaviour in use. Some of them are produced from natural vegetable or animal oils and fats. Others are derived from a petroleum base. Thus they are manufactured wherever the chemical and petroleum industries have assumed important dimensions." With their new interest in the production of materials for the manufacture of blended washing products, the chemical industries have become potential competitors to the original soap industry, and soap manufacturers have the opportunity to extend into chemical manufacture. Pioneering work is being done on parallel lines by a number of separate industries. Vari-

(Continued in previous column)

SALES TAX LEVY

C. R. OPPOSES CENTRALISATION

MR. C. Rajagopalachari, Chief Minister, Madras, has raised his influential voice against the demand for uniformity and centralisation of sales tax. Speaking at the South Indian Chamber of Commerce, he opposed the demand for uniformity on the ground that the revenue requirements of various States and the volume of trade in the States were different; sales tax rates would necessarily have to be different. Also, uniformity meant taxation at the minimum rate. This was because the rate would have to be such as could be borne by all States, irrespective of whether they were rich or poor. He argued that the consideration that the economic conditions differed in different parts of the country was one reason why this source of revenue had been allotted to the States. He thought that uniformity and centralisation went together. If business men preferred uniformity, it was because they knew they could be free from the tyranny of the legislature nearer to them, whereas the distant Central legislature could be "approached in different ways and from different angles." So far as the States were concerned, this demand, if granted, would mean that they would not be able to increase the tax burden from time to time. He also opposed the demand for centralisation of sales tax, which he thought was part of the demand, made by a certain section of Indian opinion, for the country being governed as a unitary State. He said: "A big country like India, governed by one unitary Government, would lead to a new state of affairs. No local opinion could exercise any great weight on that Government. The machinery for co-ordinating the wishes of the people would necessarily be weak and the Centre would very soon come to be considered as a "tyrannical Government."

The Madras Chief Minister was certainly correct when he said that uniformity in sales tax would lead to uniformity at a low level of tax rates. To this extent, it would result in a loss of revenue for the richer States which could afford to tax the people at higher rates. But the need for uniformity has been advocated not because the people want to be centrally governed but because the present tax system interferes with the free exchange of goods between States. The crop of litigation, which has grown as a result of the sales tax laws in different States, shows how detrimental the present system has been to the smooth flow of inter-State and foreign trade. Mr. Rajagopalachari threw no light on the way in which these problems could be overcome without going the whole hog of centralisation. Business men are not concerned whether it is the Centre that collects the tax or the State that does it. They advocate centralisation because they feel that it is the only way to end the present confusion. But, if it could be ended through mutual understanding among the States, or by some other method, they would welcome it. It is not that they love the Centre more; their demand is the result of the confusion and complications created by the State Governments in their anxiety to mulct the consumers as much as they can by way of sales tax. Mr. Rajagopalachari recognised this aspect of the sales tax controversy when he said, in reply to the demand for replacing the multi-point sales tax with single-point sales tax, that it would be good if the Government invented a tax system that reduced the "harassment to the people" without reducing the revenues of the Government.

PROTECTION TO WOOD SCREW INDUSTRY

The Tariff Commission has submitted its report on the continuance of protection to the wood screw industry. Its recommendations on the basis of an enquiry undertaken by it are as follows: (i) protection at the present rate of duty, namely 31½ per cent. *ad valorem* should be continued for a period of four years i.e., upto 31st December, 1957; (ii) so long as the policy of licensing imports has to be continued for balance of payments considerations, the desirability of maintaining and expanding indigenous production of wood screws should be kept in view and the quantum of imports regulated accordingly; (iii) the Government should sympathetically consider the possibility of granting licences for imports of wood screws on the basis of quantity and not value of the best years' imports; (iv) the Government should ask the indigenous producers of steel wire to produce wire of the requisite specifications and supply it to the wood screw industry.

As regards recommendation (i) the Government has agreed that the protection should be continued for a further period of four years but as regards the quantum of protection, the Government has decided, in consultation with the Tariff Commission, that the rate of protective duty should be fixed at 31½ per cent. *ad valorem* or As. 5 per gross, whichever is higher.

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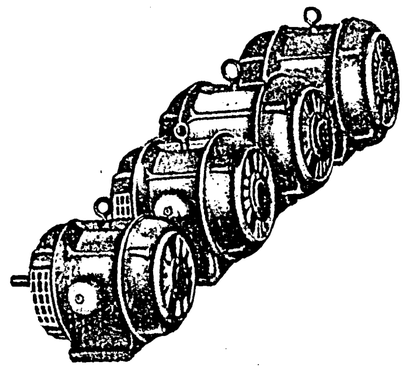

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GOVERNMENT ELECTRIC FACTORY—BANGALORE 2

Notices

INDUSTRIAL FINANCE CORPORATION OF INDIA
KEELING ROAD, NEW DELHI

NOTIFICATION

IN PURSUANCE OF REGULATION 34 OF the General Regulations of the Corporation, it is hereby NOTIFIED for the information of the Shareholders of the Corporation that the following valid nominations of candidates for election as Directors on the Board of Directors of the Corporation are received, namely:—

(i) Nomination for election of one Director representing shareholders referred to in clause (c) of Section 10 of the Industrial Finance Corporation Act, 1948 (Act XV of 1948), in favour of Sir S. V. Ramamurty, I.C.S. (Retired), "Venkata Vilas," Graemes Road, Cathedral P.O., Madras.

(ii) Nomination for election of one Auditor under Section 34 of the Industrial Finance Corporation Act, 1948, in favour of M/s. S. B. Billimoria & Co., 113, Mahatma Gandhi Road, Fort, Bombay.

As the number of valid nominations so received is equal to the number of vacancies to be filled in, the above candidates validly nominated are in accordance with the said Regulation deemed to be elected at the Fifth Annual General Meeting of the Shareholders of the Corporation convened for the purpose on Saturday, the 19th September 1953, at 4.00 p.m. (Standard Time), in the hall of the Constitution Club, Curzon Road, New Delhi.

2. It is further Notified that the following valid nominations of candidates for election as a Director representing Shareholders referred to in Clause (d) of Section 10 of the Industrial Finance Corporation Act are received, namely:—

(1) Mr. S. C. Roy,
C/o Aryasthan Insurance Co., Ltd.,
15, Chittaranjan Avenue,
Calcutta-13.

(2) Mr. C. M. Srinivasan,
General Secretary,
Indian Mutual Life Association Ltd.,
No. 10 Mount Road, Madras.

Election of one Director representing Shareholders referred to in Clause (d) of the said Section will take place at the meeting referred to above.

3. No nomination has been received for election as a Director representing Shareholders referred to in Clause (e) of Section 10 of the Industrial Finance Corporation Act.

V. R. SONALKER,
Managing Director.

DATED, *7th September*, 1953.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

BY ADVERTISEMENT IN NEWSPAPERS in November, 1952, and also in the Directors' Report for the year ended 31st December, 1952, shareholders were informed that the date for conversion of fractional certificates into whole Ordinary shares had been extended to the 30th September, 1953.

The Directors have decided to further extend the date by which such fractional certificates should be presented for conversion into Ordinary shares to the 30th September, 1954.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, *3rd September*, 1953.

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT Interest for the half-year ending 30th September, 1953, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 30th September, 1953, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, *7th September*, 1953.

THE PRAGA TOOLS CORPORATION LIMITED

NOTICE

THE NINTH ANNUAL GENERAL MEETING of The Praga Tools Corporation Limited will be held at the Registered Office of the Company at 17, Saifabad, Hyderabad Deccan, on Wednesday the 30th September, 1953, at 11 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Manufacturing, Trading and Profit and Loss Account for the period, 1st January, 1952 to 31st December, 1952.
2. To elect a Director in place of the Financial Secretary, Government of Hyderabad (Mr. C. Damodar Reddy) who retires by rotation in accordance with Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
3. To elect a Director in place of Mr. M. R. Patny who retires by rotation in accordance with Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
4. To elect a Director in place of the co-opted Director, Mr. Vadilal M. Parekh, who retires in accordance with Article 99 of the Articles of Association of the Company and being eligible offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Wednesday the 23rd September, 1953, to Wednesday the 30th September, 1953 (both days inclusive).

By Order of the Board,
For THE PRAGA TOOLS CORPORATION LIMITED,
THE UNITED INDUSTRIAL CORPORATION LTD.,
S. M. HOSAIN,
Director,
Representatives of the Managing Agents,
(THE INDUSTRIAL TRUST FUND).

HYDERABAD DECCAN, *20th August*, 1953.

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED
(Incorporated in England)
The Liability of Shareholders is Limited

DIVIDENDS

THE FOLLOWING FINAL DIVIDENDS have been recommended for the year ended 31st March, 1953, payable on the 14th October, 1953:—

(1) On the Preference Shares 2½ per cent. (Two Shillings and six pence per Share) less U.K. Income Tax of nine shillings in the £ Sterling.

(2) On the Ordinary Shares 17½ per cent. (Seventeen Shillings and six pence per Share) less U.K. Income Tax of nine shillings in the £ Sterling.

Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 30th September, 1953, or to their Mandatees.

Dividend Warrants to Shareholders on the Calcutta Register will be made payable in Calcutta.

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

The Share Transfer Books will be closed from the 17th September, 1953, to 30th September, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Agents.

4, CLIVE ROW,
CALCUTTA, *3rd September*, 1953.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 30th September, 1953. The Preference Share Registers will be closed from the 23rd September to the 30th September, 1953, both days inclusive. Payment will be made on or after 8th October, 1953, to those Preference Shareholders whose names appear on the Company's Register on the 30th September, 1953, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, *7th September*, 1953.

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-second Ordinary General Meeting of the Bank will be held at the Registered Office of the Bank, 9, Bakehouse Lane, Fort, Bombay, on Saturday the 26th September, 1953, at 2 p.m. (S.T.), to transact the following business:—

1. To adopt the Report of the Directors and the Audited Statement of Accounts of the Bank for the year ending 30th June, 1953.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board,
V. M. THAKORE,
General Manager.

BOMBAY, *11th September*, 1953.

The Transfer Books of the Bank will be closed from 14th September, 1953, to 26th September, 1953, both days inclusive.

The Dividend when declared will be payable at the Bombay Office on and after Monday the 12th October, 1953, to those shareholders whose names stand on the Register on 11th September, 1953.

GILLANDERS ARBUTHNOT AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Preference Share Register of Members of the Company will be closed from the 17th September to the 1st October, 1953, both days inclusive, for payment on the latter date of an Interim Preferential Dividend on account of the year ending 31st March, 1954, on the Preference Shares of the Company at Rs. 2-8 per share less income-tax.

As Dividend Warrants are sent only to Registered Shareholders or to their Mandatees, shares on blank transfers should be submitted with completed transfer deeds for registration before the Preference Share Register of Members is closed.

By Order of the Board,
A. J. ELKINS,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *2nd September*, 1953.

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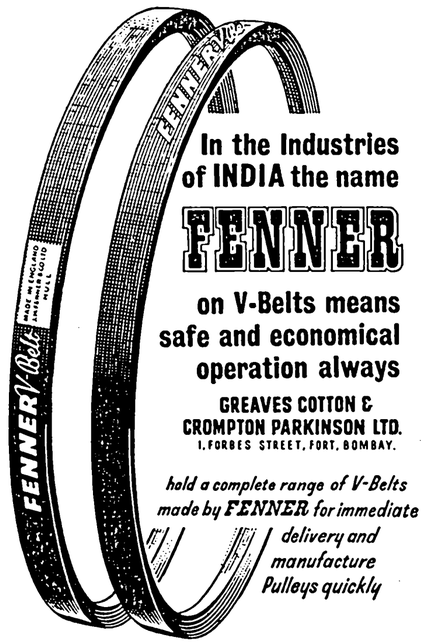

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BIRLA JUTE REPORTS SIZABLE DROP IN SALES

DIVIDEND, HOWEVER, MAINTAINED

THE setback which the premier export industry in the country, namely, the jute industry, suffered in 1952 through fall in the foreign offtake of jute goods is reflected in the annual reports of more than one jute mill company. The latest report of the Birla Jute Manufacturing Co., Ltd. (Managing Agents: Messrs. Birla Brothers, Ltd., Calcutta), that for the year ended 31st March, 1953, proves no exception to this general trend, for it shows, when compared with the previous year, a sizable decline in gross profit from Rs. 71.91 lakhs to Rs. 49.89 lakhs. If the return to the shareholders has nevertheless been maintained at 30 per cent., it is because no allocation has been made in the reserve fund which received Rs. 20 lakhs in the previous year, though a new fund, the dividend equalisation fund, has been created with a maiden transfer of Rs. 5 lakhs.

The salient features of the Company's results for the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st August			
	1953	1952	1951	1950
Sales	325.76	600.34	374.43	456.45
Stock	4.37	7.51	23.42	8.16
Expenses	274.60	514.77	320.37	397.12
Gross profit	49.89	71.91	71.85	61.95
Other income	3.49	3.53	2.11	2.31
Other expenses	1.47	1.86	1.99	1.85
Managing Agents' remuneration	6.82	12.55	7.73	9.60
Provision for—				
Depreciation	7.00	7.00	15.00	10.00
Taxation	23.00	24.75	21.50	17.50
Net profit	15.09	29.25	27.73	25.41
To reserves	5.00	20.00	20.00	15.00
Dividend—				
7½% pref.	1.31	1.31	1.33	1.33
Ordinary	9.13	9.13	9.13	7.60
	(30%)	(30%)	(30%)	(25%)
Carry forward	1.03	1.53	2.66	6.25

Two features of the above table deserve notice. In the first place, expenses have fallen just as precipitately as sales—both by about 46 per cent. This is presumably because raw jute purchases were judiciously made by taking into account the prices for the manufactured goods. Also, this is due to the fact that the item 'salaries and wages' has been suitably pruned from Rs. 65.84 lakhs to Rs. 59.93 lakhs. It is noteworthy that the ratio of gross profit to turnover has improved from 12.0 per cent. to 15.3 per cent. But the profit per loom—the Company's factory has 1,373 looms—has fallen from Rs. 5,237 in the year ended 31st March, 1952 to Rs. 3,634 in the year under review. This serves to bring out the significance of the cryptic remark, made by the Directors, that the general recession in prices of jute and finished goods continued throughout the period covered by their latest report.

Despite the steep fall in gross profit, it is noteworthy that the transfer to depreciation has been maintained at Rs. 7 lakhs. Taxation absorbs slightly less at Rs. 23 lakhs. Net profit at Rs. 15.09 lakhs, however, shows a fall of nearly 50 per cent. The scheme of allocation reveals, as already stated, a prominent lapse in that no transfer to the general reserve fund has been made. The Directors are, perhaps, justified in suspending the policy of reserve accumulation in order to maintain the established rate of dividend; in view of the fact that the total reserves of the Company have reached the impressive total of Rs. 264 lakhs, as against a paid-up capital of Rs. 55.10 lakhs. As already mentioned, the Directors have, however, created a new fund, the dividend equalisation fund, with an initial transfer of Rs. 5 lakhs. The payment of 7½ per cent. preference dividend absorbs Rs. 1.31 lakhs, and 30 per cent. ordinary dividend Rs. 9.13 lakhs, leaving Rs. 1.03 lakhs to be carried into current year's account, as against Rs. 1.38 lakhs brought in.

The financial position of the Company continues to be strong. The gross block of Rs. 306.31 lakhs has been written down to Rs. 183.18 lakhs. Investments aggregate Rs. 83.62 lakhs, of which Rs. 79.43 lakhs are in shares and debentures. The Company has a good liquid position in that the cash in hand and with bankers amount to Rs. 14.37 lakhs. On the liabilities side, it is noteworthy that the Company's reserves and surplus aggregate Rs. 265.10 lakhs. The current liabilities, amounting to Rs. 69.77 lakhs, are more than adequately covered by current assets amounting to Rs. 206.80 lakhs.

The Company's management had started a subsidiary company, called the "Bharat Overseas Corporation" in New York, with a view to making direct shipments of the mill's products to hard currency areas. It would appear that, after the formation of the concern, no business "could be done on these lines" since marketing conditions had changed. But the management continues to be resourceful. It has decided to start a small factory for producing calcium carbide. Referring to this enterprise, the Directors observe:

"This is an entirely new industry for India and there should be ample scope for its development. Almost all the machinery has been purchased while the buildings are under construction. It is expected that the factory will go into production about the end of this year."

The Company's Rs. 10 shares are being quoted in the neighbourhood of Rs. 34½ x.d. On this basis, the yield works out to about 7 per cent. This is an attractive yield, considering that the Company is still thinking in terms of many-sided expansion of its activities.

(Concluded from next column)

Of this, a sum of Rs. 2.50 lakhs has been transferred to reserves. Dividends on ordinary shares at Rs. 6 per shares and on preference shares at Rs. 3.8 per share, being the same as in the previous half-year absorb Rs. 1.31 lakhs, leaving thereby a balance of Rs. 84,000 to be carried forward.

The finances of both the companies are sound. Both have reserves which exceed their capital. The current liabilities of both are relatively small as compared with their turnover and well covered by current assets. Fixed assets of both have been provided with adequate depreciation. The net block is almost at par with the paid-up capital of the Cheviot, whereas, in the case of the Orient, it is about Rs. 2½ lakhs under the capital. The liquid assets of both the companies are, however, small, almost the entire reserves being utilised as working capital. Accordingly, they will have to rely on borrowings, if they decide to embark on modernisation of their machinery.

The following synopsis of their latest balance-sheets will provide a broad picture of their financial strength:

	As at 31st May, 1953	
LIABILITIES	*Cheviot* Rs.	*Orient* Rs.
Capital	25,95,000	24,91,000
Surplus and reserves ...	29,23,291	27,61,685
Current liabilities ...	8,13,176	6,68,821
ASSETS		
Gross block	79,79,086	70,68,289
Less—depreciation ...	54,30,736	48,27,892
Net block	25,48,350	22,40,397
Book debts	43,753	92,737
Stocks	34,87,263	31,97,774
Advances	1,78,146	1,42,257
Investments	66,325	1,16,856
Cash	7,630	1,31,485
Total ... Rs.	63,31,467	59,21,506

The Rs. 100 fully paid-up ordinary share of the Orient Jute is quoted currently at Rs. 166. At this rate and on the basis of the latest dividend the yield works out to 7.2 per cent. per annum. The ordinary shares of Rs. 100 paid up of the Cheviot Mills are quoted at Rs. 212 each, which on the basis of the dividend at Rs. 6 per share for the half-year, fetches a yield of 5.6 per cent. per annum.

PROFESSION OF ACCOUNTANCY

The Government of India has for some time past been receiving enquiries as to the status of the members of the Society of Incorporated Accountants and Auditors of India, Delhi, in the matter of practising the profession of accountancy in the country. The Government wish to make it clear that the Institute of Chartered Accountants of India, constituted under the Chartered Accountants Act, 1949, is the only statutory body, the members of which, viz., the Chartered Accountants, are entitled to be appointed throughout India as auditors of companies under section 144 of the Indian Companies Act or to undertake any audit work required to be done by chartered accountants under the law. The only other class of accountants entitled to be appointed as auditors of companies under the Indian Companies Act are the restricted State auditors under the Restricted Auditors' Certificates (Part B States) Rules, 1951.

The Society of Incorporated Accountants and Auditors of India is not recognised either by the Government of India or by the Institute of Chartered Accountants of India and its members are not eligible to be appointed as auditors of companies under the Companies Act or to undertake any other audit work required by law to be done only by chartered accountants. Nor are they eligible to practise as income-tax practitioners under section 61(2) of the Income-tax Act, 1922.

ORIENT AND CHEVIOT JUTE MILLS

EARNINGS IMPROVE

THE half-year ended 31st May, 1953, has been a little more favourable than the preceding two half-years for both the Orient Jute Mills Co., Ltd. and the Cheviot Mills Co., Ltd., under the management of Messrs. Andrew Yule & Co., Ltd., Calcutta. In fact, there has been a steady improvement in the financial results of the two companies since the half-year ended 31st May, 1952, when both suffered heavy losses. In that half-year, the Orient Jute reported a trading loss of Rs. 4.82 lakhs and the Cheviot of Rs. 2.95 lakhs. This feature was common to most other units of the industry, owing to difficult trading conditions created by declining prices, slackness in demand for jute goods, accumulation of stocks and cut in production. The improvement in the conditions noticed since the second half of 1952 and early this year is fully reflected in the financial results of the two companies under review. Thus, the Orient's gross profit, which amounted to Rs. 1.54 lakhs for the half-year ended 30th November, 1952, has risen by more than three times to Rs. 4.88 lakhs for the half-year under review. In the case of the Cheviot, the improvement is even more spectacular, having risen from a mere Rs. 17,000 for the half-year ended 30th November, 1952 to as much as Rs. 5.54 lakhs for the six months under review.

Orient Jute

The following comparative table giving the salient features of the Orient Jute's results for the four half-years provides an idea of its progress:

(In lakhs of rupees)

	31-5-53	30-11-52	31-5-52	30-11-51
Sales	40.00	52.29	76.47	74.90
Stocks	6.92	8.04	8.93	13.80
Expenses	89.05	44.77	77.87	75.99
Gross profit (+) or trading loss (—)	+4.89	+1.54	—4.82	+1.84
Managing Agents' commission	0.87	0.25	0.25	0.11
Provision for—				
Depreciation	0.40	0.86	0.86	0.86
Taxation	0.23	..	..	0.30
Loss on forward contract..			2.97	
Other income	0.40	0.12	0.23	0.01
Net profit (+) or loss (—) ..	+4.23	+1.05	—9.07	+0.87
Withdrawals from reserves and R.F.T. funds, etc. ..		2.97	8.57	..
Transfer to reserves ..	2.50	1.75	..	..
Other provision				0.06
Dividend	1.49	1.49	0.25	0.89
	(6%)	(6%)	(2%)	(24%)
	p.a.	p.a.	p.a.	p.a.
Carry forward	1.06	0.81	0.03	0.89

Orient Jute's gross profit at Rs. 4.88 lakhs for the half-year under review is higher by Rs. 3.34 lakhs over that of the preceding year. The net profit, after making a higher provision for depreciation and Managing Agents' commission of Rs. 40,000 and Rs. 37,000 respectively, and for taxation at Rs. 28,000, amounts to Rs. 4.23 lakhs, as against Rs. 1.05 lakhs for the previous half-year. With the sum of Rs. 81,000 brought in from the preceding year, the Directors have been able not only to maintain the dividends but also to set aside a sum of Rs. 2.50 lakhs for reserves. Dividend at Rs. 6 per share of Rs. 100 each for the half-year absorbs Rs. 1.49 lakhs. The balance of Rs. 1.06 lakhs as against Rs. 81,000 brought in has been carried forward to the accounts for the next half-year.

Cheviot Mills

The table below shows at a glance the progress of the Cheviot Mills in the last four half-years.

(In lakhs of rupees)

	31-5-53	30-11-52	31-5-52	30-11-51
Sales	42.74	57.81	75.63	74.00
Stocks	6.52	6.08	18.54	12.06
Expenses	38.64	51.23	79.43	67.55
Gross profit (+) or trading loss (—)	+8.64	+0.17	—2.05	+7.43
Managing Agents' commission	0.36	0.25	0.25	0.62
Bad debts written off ..	0.57	..	..	..
Provision for—				
Depreciation	0.50	0.50	0.43	0.62
Taxation	0.21	..	..	2.25
Loss on forward contract..			2.90	
Other income	0.29	..	0.18	0.01
Net profit (+) or loss (—) ..	+6.19	—0.58	—6.40	+4.19
Withdrawals from reserves and R.F.T. funds, etc. ..		2.90	6.82	
Reserves	2.50			1.00
Other provision		0.75	..	0.06
Preference dividend	0.85	0.85	0.85	0.85
Dividend on ordinary shares.	0.96	0.96	0.96	1.91
	(12½%	(12½%	(12½%	(24%
Carry forward	p.a.)	p.a.)	p.a.)	p.a.)
	0.84	0.46	0.50	1.95

The Company's gross profit for the half-year under review amounts to Rs. 5.54 lakhs, which, year, shows a spectacular rise of Rs. 5.37 lakhs. Of this, the Managing Agents' commission absorbs Rs. 36,000, as against Rs. 25,000 and taxation Rs. 21,000, the net profit being substantially higher at Rs. 4.19 lakhs, as against Rs. 58,000 for the preceding half-year. With Rs. 46,000 brought in from the previous account and Rs. 29,000 being other income, the sum available for distribution amounts to Rs. 4.65 lakhs.

(Continued in previous column)

JUPITER GENERAL INSURANCE COMPANY, LIMITED

ADMINISTRATOR'S REPORT FOR 1952

IN his statement on the working of the Jupiter General Insurance Company, Ltd., Bombay, issued along with the report and accounts for the year ended 31st December, 1952, Mr. R. Varadachari, the Company's Administrator, says that he is convinced that the practice of allowing reserves only to the extent of 100 per cent. in marine and 50 per cent. in the fire and miscellaneous departments, followed by the Indian income-tax authorities, is detrimental to the interests of Indian insurance. Referring to the Company's progress in the period that followed the suspension of the original management, he points out that the fact that the Company emerged successfully from the "ordeal" is really a "tribute to its own inherent strength and organisation."

The following is the full text of Mr. Varadachari's statement:

"The revenue accounts and the balance-sheet annexed to this note along with the auditors' report relate to the year ended 31st December, 1952, i.e., the 33rd year of this Company. The proceedings started by the police against certain former Directors and officers are going on in the Magistrate's Court. I have taken steps to notify our clients and constituents that the alleged offences relate to 1949 and 1950 and that the management of their period have been divested completely of their powers from the 11th July, 1951, and have nothing to do with the present working of the Company.

"The accounts of the year have been closed with a net profit of Rs. 3,92,137 in the general department and an addition of Rs. 24,53,686 to the life fund. This result must be considered satisfactory considering the circumstances in which the Company's business was carried on. If the year 1951 was an unhappy and critical one for the Company, the year 1952 was a trying one. In the Indian market 'Jupiter' has no tied business, which many other companies of similar standing have. In the beginning of the year there were some indications that the trade had realised the alarming proportions to which rebating and other attendant evils had attained and were attempting to take some steps to reduce the evil, but there was an unfortunate retrogression in the latter half of the year with the result that there was a scramble for business at any price and obviously 'Jupiter' could not enter into this race.

London Market

In regard to the London reinsurance market, the police action and the proceedings against the ex-Directors in the Magistrate's Court have had the most disastrous effects and most of the English companies gave notice of cancellation of their reinsurance treaties which took effect from the 1st January, 1952, so that during the whole of 1952, there was practically no 'reciprocal' business from the London market and, in addition, there was an actual outgo of nearly Rs. 4.25 lakhs which 'Jupiter' had to give to these companies as consideration for the withdrawal of the unexpired portfolios in accordance with the usual terms of the treaties. In view of the seriousness of this position, I undertook a visit to London in August, 1952, and with the help of our London Agents, Messrs. B. W. Noble Ltd., established personal contacts with the executives of companies with whom 'Jupiter' had previously treaty relations. The result of the visit may be summarised in the words of Messrs B. W. Noble, Ltd., in their letter dated 15-10-1952:—

"'Quite apart from the assurance and confidence we gained from many discussions with Mr. Varadachari regarding the present position of the 'Jupiter,' an abundance of goodwill has been created by his visit. Already as a result of our being able to introduce Mr. Varadachari to the many important British companies who are reinsurers of the fire business of the 'Jupiter,' the majority of such companies have freed a share of their reinsurance business to cede as reciprocity for the 'Jupiter' as an earnest of their desire to assist the 'Jupiter' under its present regime to regain the position it formerly held in the Indian insurance market. There can be no doubt that the visit of Mr. Varadachari was well timed and the information he was able to give first-hand to the British insurers of the 'Jupiter' dispelled any remaining misgivings which may have existed in the minds of the executives of such reinsurers.'

Good Results in 1953

"The seemingly adverse result of the year, as compared with the previous year, was due entirely to the cancellation of the treaties which followed the happenings, within the 'Jupiter' resulting in a temporary loss for one year of reciprocity and the withdrawal of unexpired portfolios relating thereto. There is every reason to hope that the restoration of the treaties will show good results in 1953.

"The total premium during the year amounted to Rs. 77.60 lakhs as against Rs. 88.77 lakhs in the year 1951. The fall of Rs. 11.17 lakhs is almost wholly due to the reduction in the premium in the fire account. While many companies have recorded an increase in the fire department, there has been a fall under this head in the case of 'Jupiter,' but the reasons for this have been explained in the previous paragraph. The indications are that the fall has been arrested in the year 1953. The marine, miscellaneous and life departments have kept up the previous figures more or less.

"An analysis of the detailed figures shows that the fire premiums amounted to Rs. 18.90 lakhs as against Rs. 28.33 lakhs in the previous year. The account closed with a profit of Rs. 2,43,445 as against Rs. 5,86,327 in 1951. The reserve has been kept at Rs. 10.50 lakhs. The cost of management was pretty high during the year but this was due to the fact that it was considered inadvisable from the business point of view to cut down the staff though the premiums fell down temporarily during the year.

"In the marine department the net premium amounted to Rs. 4,47,591 as against Rs. 4,75,230 in the previous year. The profit of this department was Rs. 1,11,616 as against Rs. 81,920 in 1951. The reserve has been kept at Rs. 7,75,000.

Miscellaneous Department

"In the miscellaneous department the net premium was Rs. 14,85,372 as against Rs. 15,81,890 in the previous year. The account closed with a loss of Rs. 79,636 as against a profit of Rs. 32,456 in the year 1951. The reserve has been kept at Rs. 7,45,000.

"It is well known that this department has not been profitable all over the world, but in the case of the 'Jupiter' particularly the unfortunate result is almost entirely due to the disastrous nature of the business done for a short period in Trinidad. For some reason or other which it is not possible to gather from the records, the previous management opened a chief agency in Trinidad in September, 1950. Soon after I took over, I found that it was impossible to control this agency and that it was doing business in an unprofitable manner. I, therefore, took immediate steps to close that agency, but within the short time that it was in existence huge claims and litigation in Courts have arisen. With the help of our London Agents I have now appointed a Chartered Accountant of Trinidad to take charge of our office and wind-up the agency.

Life Department

"The records show that the first life policy was written on 21st May, 1928, and the year 1953 may be said to be the silver jubilee year of this department. The new business completed during the year 1952 amounted to Rs. 1,06,40,350 covering 3,480 policies as against Rs. 1,08,63,050 covering 3,223 policies in the previous year, the annual premium receivable being Rs. 5,70,761 as against Rs. 5,91,716 in 1951. Every effort was made to bring down the cost of this department and actually the renewal expense ratio during the year works out to 15.2 per cent. as against 17.8 per cent. in 1951 and 24.4 per cent. in 1950. The expense ratio has come within the limits prescribed by the statute. The life fund increased in the year by Rs. 24,53,686. The actuarial valuation of the assets and liabilities of the Company as at the end of 1952 is going on. The gross interest earned on the mean life fund during the year was 3.7 per cent. while the net yield was 3.1 per cent. as against 3.5 per cent. and 2.9 per cent. respectively in the previous year.

"Including the balance brought forward from last year the total available profit amounts to Rs. 6,55,010 out of which Rs. 2,50,000 is allocated as taxation reserve and the balance of Rs. 4,05,010 is carried forward. The first charge on the profit is the dividend due to the preference shareholders for the last three years. It is, however, not possible to consider any dividend for the ordinary shareholders at the moment. Prudence requires that it is in a year like this that the powerful backing of strong reserves is essential. As will be noticed from the revenue accounts, the total of the departmental reserves has been reduced from Rs. 33.50 lakhs of last year to Rs. 25.70 lakhs because there has been a reduction in the premium, but, if as we hope, the business of the Company improves during 1953, the necessity for strengthening the reserves will be all the greater. It is rather unfortunate that the Income-tax Department insists upon allowing only a reserve of 100 per cent. under marine and 50 per cent. under fire and miscellaneous. But I am quite convinced from my experience of income-tax administration for a long time and of insurance for the last two years that this rule-of-thumb method is not appropriate to all companies and that it is acting detrimentally to the interests of Indian insurance in not encouraging the creation of adequate reserves to meet any emergencies. Though the figures are the same as those usually adopted by the English income-tax authorities, the practice is not the same in the two countries. For instance, in the case of marine accounts, the practice in the U.K. is to allow the companies to close the accounts of the department not for the fixed period of 12 months called the 'accounting year' in India, but for a period of two years and allow a reserve of 100 per cent. As settlement of marine claims takes a long time, this acts as a cushion and a reserve of 100 per cent. is probably considered adequate in such circumstances. But even in the case of fire, the U.K. authorities consider any special circumstances that may be put forward.

Rule-of-thumb Method

Apart from this, it should be remembered that the English insurance companies are giants with a long history of over 100 years and have huge funds at their disposal which could stand any catastrophic losses. It is, therefore, inappropriate to judge the comparatively new insurance companies of India on the same standard and apply a rule-of-thumb method. In continental countries it is the Government departments which insist upon strong reserves being maintained by the companies. After a careful consideration of all the relevant factors and discussion with our auditors I have provided reserves which I consider to be adequate though they exceed the limits of the Income-tax Department, but at the same time it is necessary to keep something more as a stand-by in case of sudden necessity and it is for this reason that the balance in the profit and loss appropriation account has been carried forward. I do hope that the necessity to touch this may not arise at all and if the business improves and the reinstatement of the treaties produces satisfactory results there is every reason to hope that 'Jupiter' would be in a position to pay the usual dividend to its shareholders in future years. It is really unfortunate that for the last three years the ordinary shareholders have not received any dividend, but it is entirely due to causes which arose within the 'Jupiter' itself between the years 1949 to 1951 and not from any extraneous causes. That the Company emerged from the ordeal successfully is really a tribute to its inherent strength and good organisation.

Capital Reconstruction

"It will be noticed from the balance-sheet that the Company has two classes of shares, preference and ordinary, with different face values and different proportions of paid-up amounts. This contravenes the provisions of section 6A(1) of the Insurance Act, 1938, and with a view to bringing the capital structure in conformity with the provisions of this section, a scheme of reconstruction was prepared and circulated to the shareholders. A meeting of the shareholders was held by me on the 7th February, 1953, and their opinions taken and submitted to the Controller of Insurance. He has sanctioned the scheme with certain modifications to take effect from 31st May, 1953. The share capital will in future consist of 200,000 ordinary shares of Rs. 100 each. The necessary steps to implement this order are being taken.

"From 11th July, 1951, up to date, the amount collected by me out of the investments made by the previous managements in both the

(Continued on page 515)

SLUMP IN TEA TELLS ON CHEMBRA PEAK'S EARNINGS

RESULTS OF SIJUA ELECTRIC SATISFACTORY

Chembra Peak Estates Ltd.

THE directors of the above Company (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode, Malabar) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The 1948 new clearing comprising 24.23 acres of robusta coffee has been brought into bearing and is included under the mature coffee area.

The accounts showed a loss of Rs. 2,30,243 (profit of Rs. 2,44,904) from which was deducted the credit balance brought forward from last year of Rs. 1,53,541 (credit of Rs. 57,637) leaving a loss of Rs. 76,702 (Rs. 1,53,541 after provision for tax and transfer to general reserve) which was carried forward.

The year's working resulted in a loss of Rs. 2,30,243 on account of the large shortfall in tea crop and the drastic slump which affected tea prices for the greater part of the year. In view of the heavy loss incurred, no dividend was paid for the year. For the year 1951-52 also, no dividend was paid.

The directors and the managing agents and secretaries, Messrs. Peirce, Leslie & Co., Ltd., have decided, in view of the Company's financial position, to forego the following amounts due to them for the year, the managing agents their commission amounting to Rs. 18,580, and the directors their fees amounting to Rs. 3,600.

The Company's general reserve remained unchanged at Rs. 5,50,000 (Rs. 5,50,000) and staff pension fund reserve Rs. 50,000 (Rs. 50,000). The additions of Rs. 49,969 represent expenditure on Assistant Manager's bungalow, labour quarters, water supply and on coffee drying ground. The additions of Rs. 15,419 represent expenditure on new coffee clearings.

A total crop of 5,29,079 lbs. of tea was harvested as compared with the previous season's crop of 8,15,890 lbs. The shortage of crop was mainly due to unfavourable weather conditions. The cost of production was As. 31.00 (As. 18.40) per lb. and the average price realised As. 20.45 (As. 24.89) per lb. The unsold stock has been valued at prices since realised As. 24.79 per lb.

The Company was allotted 6,07,799 (6,11,312) lbs. export quota for season 1952-53, being 86.50 per cent. of the best crop basis and the surplus quota was sold at market rates. The crop estimate for 1953-54 is put at 8,00,000 (7,05,000) lbs. to be harvested at an f.o.b. cost of As. 21.25 (As. 22.72) per lb.

A total crop of tons 108-19-2-5 (42-12-0-1) was delivered to the Coffee Board and has been valued at Rs. 2-4 (Rs. 2-4) per point or Rs. 119.29 (Rs. 120.61) per cwt. The 1953-54 coffee crop is estimated provisionally on blossom at 55 (88) tons.

A great amount of money was spent on the Estate during the past year, on weeding and cultivation in particular, and it was most disappointing that this expenditure produced no tangible results. But that was not the fault of the management, and climatic conditions were very much unfavourable. It was most unfortunate that this expenditure should have been incurred at a time when prices were so low, but work had to be found for the large labour force, and the quality of work done was excellent and should bear fruit in the coming years.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,33,400	Block ...	12,93,981
Reserves ...	5,51,477	Stock-in-trade	2,83,825
Provision for taxation ...	13,627	Stores, etc.	1,54,412
Liabilities ...	4,22,339	Other assets	46,210
		Debts, deposits and advances ...	36,308
		Investments	500
		Cash ...	26,905
		Profit and loss account ...	76,702
Rs.	19,20,843	Rs.	19,20,843

Sijua (Jherriah) Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The profit and loss account, including the credit balance of Rs. 37,987 (Rs. 13,816) brought forward from the previous year and a sum of Rs. 19,366 (Rs. 35,650) written back from tariffs and dividend control reserve in accordance with Clause II(2) of the sixth schedule to the Electricity (Supply) Act, 1948, and after allowing for sundry charges, depreciation, taxation, etc., placing Rs. 27,712 (Rs. 26,567) to reserve for contingencies and Rs. 33,000 (Rs. 20,000) to reserve for new plant, showed a credit balance of Rs. 1,70,858 (Rs. 1,63,987), which the directors disposed of as follows:—

In paying a dividend on the ordinary shares at the rate of 7½ (7½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 1,26,000 (Rs. 1,26,000) and in carrying forward Rs. 44,858 (Rs. 37,987).

In March, 1952, power from the D.V.C. supply at Sindri became available and though it proved somewhat costly, the Company was at least enabled during the monsoon of this year to fulfil all the calls made on it and as a result the units sold were considerably greater than ever before. The total number of units sold in 1952 was 78,879,406 (as against 72,413,091 in 1951). In 1952. 19.86 million units were supplied by the D.V.C.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,80,000	Block ...	19,47,812
Debentures ...	15,00,000	Stores and spare gear	11,64,786
Reserves ...	4,65,392	Work-in-progress ...	5,36,834
Provision for taxation ...	1,30,173	Other assets	61,022
Liabilities ...	13,28,057	Debts, deposits and advances ...	11,70,895
Profit and loss account ...	44,858	Investments	79,131
		Cash ...	1,88,000
Rs.	51,48,480	Rs.	51,48,480

Teen Ali Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

A crop of 7,969 maunds was manufactured and disposed of for sale in Calcutta for export 7,205 maunds and for sale in Calcutta for internal consumption 764 maunds. The average price per lb. realised was Re. 1-9-11 as compared with Re. 1-11-3 per lb. obtained for the previous season's crop of 7,096 maunds. The Company's export quota for season 1952 was 3,952 maunds.

No extensions were put out during the year and the area under cultivation remains unchanged at 512.71 acres as at 31st December, 1952.

The revenue account showed a profit of Rs. 1,26,422 (Rs. 2,02,018) and after deducting from this pension to retired manager Rs. 2,000 (Rs. 2,000), staff commission and bonus Rs. 7,323 (Rs. 12,056), managing agents' commission on profits Rs. 2,441 (Rs. 4,019), reserve for taxation Rs. 17,000 (Rs. 50,000), depreciation Rs. 52,456 (Rs. 36,218), loss on sale of investments Rs. 4,022 (*nil*), and provision for sales tax Rs. 11,800 (*nil*), there was a balance of Rs. 29,380 (Rs. 97,366). To this amount was added interest on investments (net) Rs. 2,583 (Rs. 2,588), sale of machinery, Rs. 9,000 (*nil*), forfeited dividends Rs. 775 (Rs. 419) and excess provision for taxation—written back Rs. 12,000 (Rs. 10,000) leaving a net profit for the year of Rs. 53,738 (Rs. 1,10,373). After adding to this the credit balance of Rs. 32,961 (Rs. 27,462) brought forward from the previous year and transferring Rs. 30,000 (*nil*) from dividend equalisation reserve account, there was a credit balance of Rs. 1,16,699 (Rs. 1,37,835) on profit and loss account. The directors disposed of this amount by paying a dividend of 10 (17½) per cent. for season 1932 without any deduction for income-tax paid by the Company Rs. 30,000 (Rs. 52,500), by placing to reserve account Rs. 25,000 (Rs. 50,000) and in carrying forward Rs. 61,699 (Rs. 35,335).

The estimates for season 1953 are as follows:

Garden	Crop	Expenditure: Garden	Expenditure: Calcutta	Total
	Mds.	Rs.	Rs.	Rs.
Teen Ali	7,017	5,77,395	1,43,639	7,21,034*

* Excluding capital expenditure estimated to amount to Rs. 24,600.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	8,37,270
Reserves ...	6,55,000	Stock of tea	4,38,457
Provision for taxation ...	67,642	Stores, etc.	2,09,197
Liabilities ...	5,37,917	Debts, deposits and advances ...	1,07,348
Profit and loss account ...	61,699	Investments	1,000
		Cash ...	28,986
Rs.	16,22,258	Rs.	16,22,258

Banarhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 1,91,431 (Rs. 1,53,787) for depreciation, the season's working resulted in a profit of Rs. 4,40,544 (Rs. 11,79,455). After bringing in the balance from last year, and the excess profits tax refund, charging managing agents' commission, providing Rs. 1,11,000 (Rs. 3,20,000) for taxation and transferring Rs. 1,00,000 (Rs. 1,00,000) to general reserve, there remains a balance of Rs. 5,05,074 (Rs. 8,35,848) at credit of profit and loss account. From this the directors recommend payment of the preference dividend of Rs. 6-8 (Rs. 6-8) per share, absorbing Rs. 26,000 (Rs. 26,000) and a dividend on the ordinary shares of Rs. 17-8 (Rs. 10 interim plus Rs. 25 final) per share, absorbing Rs. 2,62,500 (Rs. 5,25,000), leaving a balance of Rs. 2,16,574 (Rs. 2,84,848) to be carried forward.

A total crop of 35,850 maunds was secured and sold at an average price of Re. 1-8-2 per lb. This compares with a crop of 42,601 maunds secured in season 1951, which sold at an average price of Re. 1-10-11 per lb. Weather conditions were not as favourable as in the previous season.

Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and there is reason to anticipate that the results for season 1953 will show an improvement. Estimates for the present season have been framed for a regulated crop of 36,900 (40,500) maunds to cost Rs. 31,62,728 (Rs. 44,07,120).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,00,000	Block ...	18,80,695
Reserves ...	16,75,000	Stock-in-trade	20,07,918
Provision for taxation ...	35,144	Stores ...	7,16,698
Liabilities ...	20,32,761	Debts, deposits and advances ...	9,45,987
Profit and loss account ...	2,16,574	Investments	5,412
		Cash ...	3,02,769
Rs.	58,59,479	Rs.	58,59,479

Choonabhutti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 65,325 (Rs. 52,928) for depreciation, the season's working resulted in a loss of Rs. 38,815 (profit of Rs. 4,00,683). Setting against this an excess profits tax refund and the balance brought forward from the previous year there becomes, after charging managing agents' minimum commission, a credit balance of Rs. 58,942 (credit of Rs. 90,853 after paying dividends), which sum the directors recommend should be carried forward. There has however also been brought to profit and loss account the sum of Rs. 73,000, being tax provision of previous accounting periods now ascertained to be surplus, and the directors recommend payment out of this surplus of the preference dividend of Rs. 6-8 (Rs. 6-8) per share, absorbing Rs. 13,000 (Rs. 13,000), and a dividend on the ordinary shares of Rs. 10 (Rs. 7-8 interim plus Rs. 22-8 final) per share, absorbing Rs. 60,000 (Rs. 1,80,000).

A total crop of 10,450 maunds was secured and sold at an average price of Re. 1-6-2 per lb. This compares with a crop of 13,249 maunds secured in season 1951, which sold at an average price of Re. 1-9-4 per lb. The shortfall in crop, as compared with the previous season, was due to the unfavourable weather conditions that prevailed during the latter part of the year.

Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and there is reason to anticipate that the results for season 1953 will show an improvement. Estimates for the present season have been framed for a regulated crop of 12,400 maunds to cost Rs. 10,10,542.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	6,36,657
Reserves ...	5,75,000	Stock-in-trade	5,84,174
Provision for taxation ...	1,06,775	Stores ...	2,27,778
Liabilities ...	4,83,880	Debts, deposits and advances ...	2,10,550
Profit and loss account ...	58,942	Investments	2,08,968
		Cash ...	1,56,470
Rs.	20,24,597	Rs.	20,24,597

Basmatia Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 26,939 (Rs. 17,788) for depreciation, the season's working resulted in a profit of Rs. 1,80,079 (Rs. 2,04,990). After bringing in the balance from last year, charging secretaries and agents' and directors' commissions, providing Rs. 48,000 (Rs. 55,000) for taxation and transferring Rs. 25,000 (nil) to general reserve, there remains a balance of Rs. 1,31,629 (Rs. 1,29,989) at credit of profit and loss account. From this the directors recommend the payment of a dividend of Rs. 2 (Rs. 2-8) per share, absorbing Rs. 68,000 (Rs. 85,000) and leaving a balance of Rs. 63,629 (Rs. 44,989) to be carried forward.

A crop of 6,508 maunds was secured and sold at an average price of Re. 1-10-1 per lb. This compares with a crop of 6,723 maunds secured in season 1951, which sold at an average price of Re. 1-12-0 per lb.

A satisfactory tea seed crop was secured, but sales were below normal owing to the depressed state of the tea industry at the time of the seed harvest.

Estimates for the current season have been framed for a regulated crop of 5,900 maunds to cost Rs. 5,84,873. The 1953 crop is being manufactured in the new factory, which is now complete.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,40,000	Block ...	7,19,561
Reserves ...	7,36,034	Stock-in-trade	4,37,147
Provision for taxation ...	25,797	Stores ...	98,396
Liabilities ...	3,53,532	Debts, deposits and advances ...	2,20,237
Profit and loss account ...	63,629	Investments	2,160
		Cash ...	41,511
Rs.	15,19,012	Rs.	15,19,012

British India Electric Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1952.

(Continued on next page)

COMPANY MEETINGS AND DIVIDENDS

DHANRAJ MILLS LTD. Annual General Meeting, Bombay, 16th September, 1953. Transfer books close from 16th to 30th September, 1953, both days inclusive.

NASKARPARA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th September, 1953. Transfer books closed from 10th to 17th September, 1953, both days inclusive.

RAJNAGAR TEA CO., LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: *Nil*. Transfer books closed from 11th to 18th September, 1953, both days inclusive.

NEW SAMANBAGH TEA CO., LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: *Nil*. Transfer books closed from 11th to 18th September, 1953, both days inclusive.

PATNA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: As. 12 per share. Transfer books closed from 4th to 18th September, 1953, both days inclusive.

TEZPORE TEA CO., LTD. Annual General Meeting, Calcutta, 18th September, 1953. Dividend: *Nil*. Transfer books closed from 11th to 18th September, 1953, both days inclusive.

TEXTILE MACHINERY CORPORATION LTD. Annual General Meeting, Calcutta, 21st September, 1953. Transfer books closed from 1st to 21st September, 1953, both days inclusive.

TIDE WATER OIL CO. (INDIA) LTD. Half-yearly General Meeting, Calcutta, 23rd September, 1953. Dividend: *Nil*. Transfer books closed from 10th to 23rd September, 1953, both days inclusive.

NATIONAL MACHINERY MANUFACTURERS LTD. Annual General Meeting, Bombay, 23rd September, 1953. Transfer books closed from 10th to 25th September, 1953, both days inclusive.

SEAJULI TEA CO., LTD. Annual General Meeting, Calcutta, 24th September, 1953. Dividend: *Nil*.

KARANPURA COLLIERIES LTD. Annual General Meeting, Calcutta, 24th September, 1953. Transfer books closed from 10th to 24th September, 1953, both days inclusive.

ESTRELA BATTERIES LTD. Annual General Meeting, Bombay, 25th September, 1953. Transfer books closed from 9th to 25th September, 1953, both days inclusive.

KAMARHATTY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 25th September, 1953. Transfer books closed from 11th to 25th September, 1953, both days inclusive.

KANKNARRAH JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 25th September, 1953. Transfer books closed from 11th to 25th September, 1953, both days inclusive.

BASMATIA TEA CO., LTD. Annual General Meeting, Calcutta, 25th September, 1953. Dividend: Rs. 2 per share. Transfer books close from 15th to 25th September, 1953, both days inclusive.

MACNEILL AND BARRY LTD. Annual General Meeting, Calcutta, 26th September, 1953.

MYSORE CHEMICALS AND FERTILISERS LTD. Annual General Meeting, Mysore, 26th September, 1953.

BARAREE COKE CO., LTD. Half-yearly General Meeting, Calcutta, 28th September, 1953. Dividend: As. 11-1/5 per share. Transfer books close from 15th to 28th September, 1953, both days inclusive.

UNITED BREWERIES LTD. Annual General Meeting, Madras, 29th September, 1953. Transfer books close from 21st to 29th September, 1953, both days inclusive.

TITAGHUR PAPER MILLS LTD. Half-yearly General Meeting, Calcutta, 30th September, 1953. Dividend: As. 12 plus As. 4 (bonus), per share on 'A' and 'B' ordinary shares and As. 2 per preferred ordinary share. Transfer books close from 17th to 30th September, 1953, both days inclusive.

PRAGA TOOLS CORPORATION LTD. Annual General Meeting, Saifabad, Hyderabad (Deccan), 30th September, 1953. Transfer books close from 23rd to 30th September, 1953, both days inclusive.

INDIAN COPPER CORPORATION LTD. Annual General Meeting, Calcutta, 25th November, 1953. Dividend: As. 2½ per share, free of income-tax. Transfer books close from 22nd September to 13th October, 1953, both days inclusive.

(Concluded from previous page)

After providing for depreciation, the loss for the half-year was Rs. 2,59,430 (profit of Rs. 45,729) to which was added the balance brought forward of Rs. 44,661 (debit of Rs. 1,52,360) making a total of Rs. 3,04,091 (debit of Rs. 1,06,631) at the debit of profit and loss account, which was carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	5,35,727
Reserves ...	1,06,358	Materials and stores ...	16,43,586
Provision for taxation ...	9,136	Work-in-progress ...	4,75,604
Liabilities ...	30,17,216	Goods-in-transit ...	98,228
		Debts, deposits and advances ...	5,58,690
		Investments	2,000
		Cash ...	14,784
		Profit and loss account ...	3,04,091
Rs.	36,32,710	Rs.	36,32,710

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

QUESTION HOUR IN PARLIAMENT

Locomotive Manufacture in India

DURING the period 1st April, 1950 to 31st July, 1953, 76 broad-gauge and 44 metre-gauge locomotives were manufactured in India and 213 broad-gauge, 265 metre-gauge and 47 narrow-gauge locomotives were received from abroad. The existing average imported price of a broad-gauge 'W.G.' locomotive, which is the only type at present manufactured at the Chittaranjan Locomotive Workshop, is approximately Rs. 5.35 lakhs, which is also the cost charged to the railways for a locomotive manufactured at Chittaranjan, excluding expenditure on the development of the factory. The imported price of a metre-gauge 'Y.G.' locomotive is about Rs. 3.5 lakhs, while the T.E.L.C.O. price for a similar locomotive, in the development stage, is expected to be about Rs. 4 lakhs.

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Railways Run Ferry Services

The Indian railways run six ferry services for passengers between (1) Dhanushkodi in India and Talaimannar Pier in Ceylon, (2) Sakrigali Ghat and Manihari Ghat, (3) Amingaon and Pandu, (4) Barari Ghat and Mahadeopur Ghat, (5) Mokameh Ghat and Somaria Ghat, (6) Paleza Ghat and Dighat Ghat and Mahendru Ghat. Ever since its inauguration in 1914, the ferry service between Dhanushkodi and Talaimannar Pier has been working at a loss except during the war years from 1942-43 to 1945-46 and during 1948-49. The ferry between Sakrigali Ghat and Manihari Ghat is worked at a profit. Regarding the other ferry services, no separate profit and loss account is maintained.

—Deputy Minister for Railways and Transport

Central Committee for Land Reforms

The Central Committee for Land Reforms, which consists of the Chairman and the members of the Planning Commission and the Union Minister of Food and Agriculture and the Minister of Agriculture, was set up with the object of ensuring the implementation of the land reforms programme contained in the Five-year Plan. The Committee's work is of a continuing character, since it considers, amongst other things, land reform proposals from State Governments as and when they are received. The Committee began to function in May, 1953, and has since met four times. Representatives of State Governments are, as a rule, invited to attend meetings of the Committee when their proposals are under consideration.

—Deputy Minister for Irrigation and Power

Foreign Insurers

Foreign insurers in India received in 1951 Rs. 11.68 crores as insurance premia, as compared with Rs. 12.15 crores in 1950. These figures take into account reinsurance ceded and accepted. Indian insurers received from foreign countries Rs. 8.73 crores in 1951, as against Rs. 7.70 crores in 1950.

—Finance Minister

Levy of Sales Tax

Consequent on the Supreme Court's judgment, several State Governments had issued notices to dealers outside their States asking them to apply sales tax, with retrospective effect from 26th January 1950, on commodities sold by the dealers to parties within the States. The Government of India felt that such a retrospective levy might be causing some hardship as the dealers themselves had not collected such tax during the period. The Centre had, therefore, advised the State Governments not to give effect to their notice but to send their comments to the Centre. In reply, the West Bengal Government has informed the Centre that they had issued no such notice, while Hyderabad and Saurashtra have agreed to the proposal of the Centre. Other States have stated that the matter was receiving their attention.

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Article 286 of the Constitution of India does not provide for complete exemption for inter-State trade from sales tax, and a way has to be found for the States to exercise their legal rights where they so desire without avoidable inconvenience and hardship to the trade.

—Deputy Finance Minister

Oil Refineries in India

The entire petroleum industry in the world is a monopolistic business and, so long as we are not able to change this sorry state of affairs, we have to put up with it. The prices at which the production of the refineries being established in India will be sold will not be related to the cost of production in any particular area but fixed internationally. Under the agreement, the companies will be permited to establish prices at a level not higher than that at which equivalent imported products can be made available for sale. The companies have also been assured exemption from sections 15 to 18 of the Industries (Development and Regulation) Act. After the establishment of the refineries, the position will in no respect be disadvantageous to India, as compared with the present position, when India is dependent almost wholly on imported products. The oil refinery companies have also been assured of some concessions in import duties.

Imports of Rice from Burma

The Government of India has informed the Government of Burma that India does not require any more rice during the remaining period of 1953 and that in December, 1953, it will give it an indication of its requirements for 1954. The internal rice position in India is fairly satisfactory. In view of the low prices of indigenous rice in the Indian markets, it is very difficult for the Government of India to purchase rice from Burma at the rates demanded by it. India can buy one million tons of rice annually if the price is about Rs. 16 per maund landed in India.

—Food Minister

W. T. HENLEY'S TELEGRAPH WORKS CO., LTD.

SIR JOHN DALTON'S ADDRESS AT ANNUAL MEETING

THE Annual General Meeting of W. T. Henley's Telegraph Works Company, Limited, was held on 19th June, 1953, at Dorchester Hotel, Park Lane, London, W., Sir John Dalton, A.M.I.E.E., F.C.I.S., the Chairman, presiding. In the course of his speech the chairman said:

"The balance in our trading account for the year 1952 is £1,364,135, which is within £5,000, of the balance in 1951.

"I am glad to report that the plant in all our factories has been well maintained and we are continuing to equip our factories with the most modern type of machinery in order to ensure lowest possible cost and highest possible quality of product.

"Our factory at Birtley, County Durham, is, in my opinion, the finest and most modern cable factory in the country. Installation of new plant in this nine-acre works continued during the year and a substantial increase was shown in tonnage of cable despatched.

Change in Business Outlook

"There is no doubt that 1952 saw a change in the business outlook. It witnessed the end of a long period of booming trade conditions in most overseas markets, and at home a slackening of activity in many industries which broadened, as the year advanced, into something of a trade recession. In other words, our companies, together with most other companies, faced a somewhat sudden change to conditions of acute competition. As an example of the attitude taken up by your Company in these changed circumstances, you may have noticed that we tendered for and obtained a contract in America a few weeks ago for the Seattle City Light Department against tenders from both British and American cable makers. We were nearly £20,000 under the nearest American bid.

"Henleys continue to enjoy the confidence of the Government departments, the nationalised industries, the shipbuilding and other great industries and of similar organisations in countries overseas. Indeed, our products are in demand in no less than 60 overseas countries.

Exports

"Exports represent an important part of our business but, during 1952, we were handicapped both by copper rationing and by restrictions upon imports imposed in our principal overseas markets. Nevertheless, our export sales increased in relation to 1951 by approximately 10 per cent. Noteworthy contracts were received from the Government of Madras and the Government of Pakistan.

"The tax reliefs, outlined in the Chancellor's Budget, may be expected to act as an incentive to industrial modernisation and re-equipment and, coupled with the modified rearmament programme, should help to arrest the downward trends in economic activity."

The reports and accounts were unanimously adopted and the final dividend of 8 per cent. which, together with the interim dividend of 5 per cent. already paid, becomes equivalent to 10½ per cent. on the ordinary stock issued at the end of the year, namely, £4,875,000.

INCOME-TAX FOR THE LAYMAN

The Central Board of Revenue, Union Ministry of Finance, has brought out a new booklet entitled *Income-tax for the Layman*, explaining the basic features of the income-tax law and administration in India.

As its name implies, the booklet is intended for the ordinary taxpayer who has no time to study the complicated legislation on the subject. The provisions of the Indian Income-tax Act and the Finance Act are explained in simple language and illustrated by numerous worked-out examples.

Some of the special features of the booklet are the provisions in regard to the exemptions and reliefs to which the assessees are entitled and the procedure for claiming refunds. A statement of the tax payable on different ranges of income is also given to enable the assessees to know, at a glance, the amount of tax payable on their total incomes. A separate chapter has been devoted to non-residents, explaining their rights and obligations under the Act. The rules and forms relating to the registration of firms and the rates of depreciation admissible under the Income-tax Act are reproduced in the form of appendices for the convenience of the assessees.

MONEY IN DEMAND

(From Our Own Correspondent)

BOMBAY, *9th September*

Conditions in the short-term money market hardened further this week in favour of lenders. Funds were in short supply, while demand broadened. The market seems to have been depleted of funds, on account of transfer of surplus cash to Calcutta prior to the holidays. It is stated that some lenders did so, as call money there fetched as much as 2¼ per cent. as against 1 per cent. here early last week. Some of the big Indian banks, therefore, had to go to the Reserve Bank for accommodation, while others bid at higher rates for call money in order to procure overnight funds, as their advances remained locked up in commodities. The most representative rate for inter-bank call money was 2 per cent. while a few stray deals were done even at 2½ per cent. Though the Exchange banks also felt the need for funds, they were unwilling to offer more than 2 per cent. In fact, some of them preferred to sell sterling to accommodate their clients. Among the small Indian banks, inter-bank call rate stood at 2½ per cent. The rates for short-term deposits were unchanged, with three months' deposits fetching 2 to 2½ per cent. Four to eight months' were absorbed at 2½ per cent. and nine to 12 months' 2½ per cent. House money was quoted at 2½ per cent.

Tenders for three months' Treasury Bills at Rs. 1.77 crore, were just Rs. 22 lakhs lower than those offered in the previous bid a fortnight ago. This, in a way, reflects the diminishing supply of funds in the market. The average rate of accepted tenders was, however, one pie lower at Rs. 2-6-7 per cent. per annum. Tenders for another Rs. 1.5 crore worth of Treasury Bills have been invited for the next week.

The statement of affairs of the Reserve Bank of India for the week ended 4th September, 1953, discloses a sharp expansion of Rs. 8.57 crores in notes in circulation. This has been more than offset by notes held in the Banking Department which has receded by Rs. 8.90 crores. The net fall in total notes issued has been covered by a suitable adjustment in rupee coin. In the Banking Department, deposits of the Central Government have declined to the extent of Rs. 6.56 crores. Deposits of other Governments have also declined, but only by Rs. 4.04 crores, while those of other banks have risen by Rs. 2.26 crores. The assets side reveals a sharp drop of Rs. 9 crores in cash balances, while balances held abroad have improved by Rs. 1 crore.

The Scheduled Banks' consolidated return for the week ended 28th August last reveals a minor drop of Rs. 28 lakhs in demand deposits, but a rise of Rs. 2.79 crores in time deposits. A small increase of Rs. 36 lakh is seen in borrowings from banks. Borrowings from the Reserve Benk are fractionally lower by Rs. 8 lakhs, and those from the Imperial Bank by as much as Rs. 43 lakhs. On the assets side, advances show a recession of Rs. 1.97 crores. Similarly, bills purchased and discounted are lower by Rs. 1.48 crores. Investments, however, are better by Rs. 3.32 crores. Cash balances, too, are higher by Rs. 2.34 crores.

The Gilt-edged market continued to present cheerful conditions. Enquiries were witnessed for most of the short and medium dated loans. The turnover, however, was not considerable, owing to the intervention of several holidays during the week under report. Small business was done in 2½ per cent. 1954 loan at Rs. 98-10. 2½ per cent. 1955 loan changed hands in small lots at Rs. 98-6. Deals were reported done at Rs. 98-7 in 3 per cent. 1957. Among other 3 per cent. loans, 1958 were bid at Rs. 98-2. 1959-61 had sellers at Rs. 96-0-6. Both 1963-65 and 1964 were wanted at Rs. 92-8 and Rs. 92-7-6, but no sellers. 1966-68 were in demand at Rs. 90, but sellers wanted Rs. 90-0-6. 1970-75 remained unchanged at Rs. 86-8. 3 per cent. Conversion loan, which had gone up to Rs. 82-4-6, were on offer at Rs. 82-2. The National Plan Bonds remained unchanged, with the Reserve Bank freely selling at Rs. 98-6. Among the State loans, Bombay 4 per cent. 1963 loan had good enquiries at Rs. 100-7. Some transactions were put through in 4 per cent. 1963 Madras loan at Rs. 99-10. The new Bombay Municipal Loan, 4 per cent. 1963, issued last week, were done at Rs. 99-11, as against the issue price of Rs. 99-4.

In the foreign exchange section, the rupee-dollar rate moved up by a further As. 4 to Rs. 476¼ per 100 dollars, in sympathy with the weakness of sterling in overseas markets. In New York, spot sterling receded from $2.81-1/16—2.81-3/16 to $2.80-11/16—2.80-13/16. In the forward section, three months' sterling stood at $2.80¾—2.80¼ as against $2.80¼—2.80⅜ a week ago.

STRONG DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *8th September*

The feature during yesterday's export auction in tea was the strong demand which pushed up prices for almost all varieties. Offerings aggregated 52,700 packages. Support was given to medium broken pekoes, which were steady. Common brokens, low mediums and mediums gained half an anna to an anna and commonest types were higher by an anna. Whole leaf grades were bought at prices which were occasionally raised above valuations. The weak spots of the market, however, were provided by medium B.O.Ps, the prices of which eased slightly. A fall in quality made good Assams quiet. Flavoury Darjeelings were an insignificant quantity. Quotations were: Best C.T.C. Assam B.P. Rs. 2-4, clean black pekoe Re. 1-12-6 to Re. 1-13, medium Assam B.P. Re. 1-12, and clean common B.P. Re. 1-11.

Black leafy varieties suitable for export were a strong feature and realised prices half an anna above brokers' valuations during last week's auction for domestic consumption when dusts offered amounted to 11,114 packages. Dooars and mediums were quiet, and C.T.C. Assams were lower by As. 2 than the previous rates. Quality offered showed a decline. Nevertheless, there was moderate demand.

BULLION PRICES RECEDE

(From Our Own Correspondent)

BOMBAY, *9th September*

After remaining fully steady in the earlier sessions of the week under review, the bullion market developed a substantial degree of weakness during the subsequent sessions. The initial steadiness was the result of poor offerings and scattered professional support induced by favourable rains and brighter outlook for agricultural crops. Bullion prices, as a consequence, staged an impressive rise. This was particularly marked in silver. The closing price of Rs. 158-11 on Friday being Rs. 5 higher than the previous clearing rate, a special clearing was enforced in silver on that day. Clearing rates for silver and gold were fixed at Rs. 158-8 and Rs. 87-4, respectively.

At higher levels, however, profit-taking set in and values of both the white and yellow metals suffered a fall. Weak advices from cotton markets, heavy arrivals of silver and reports of a move on the part of the Bullion Association to amend the bye-laws to make the contract more favourable to the bears, imparted further weakness to the market. Not only were the previous gains completely lost, but the closing rates yesterday stood very much lower than those on Wednesday last. The market remained closed to-day, on account of a Jain holiday.

The proposal for amending the bye-laws of the Bombay Bullion Association, with a view to restricting the penalty for non-delivery, was discussed by the Bullion Board at a meeting held yesterday. No final decision, however, was taken. Further discussions will be held at a meeting on Friday next.

Silver for forward (*Bhadrapad*) delivery opened the week at Rs. 157-11. After advancing to Rs. 158-11 on Friday, it receded to Rs. 156-10 before closing slightly higher at Rs. 156-11 yesterday.

Ready silver (.996) improved from Rs. 157-11 to Rs. 159 on Saturday. Yesterday, however, it was easy at Rs. 156-11. The daily average offtake was 25 bars and the floating stocks are estimated at 1,800 bars.

Gold for forward delivery (*Bhadrapad*) opened the week at Rs. 87-7. For want of support, it reacted to Rs. 87-3 at the close on that day itself. There was a slight improvement on the following day. On Monday, reaction again set in and the quotation slided down to Rs. 86-13 yesterday; at one time, it was still lower at Rs. 86-12.

Ready gold recorded a rise from Rs. 87-11 to Rs. 88 on the 8th inst. Thereafter, it receded gradually to finish the week at Rs. 87-7. The daily average arrivals were larger than the offtake, being 3,000 tolas, as against 4,000 tolas. The floating stocks are estimated at 20,000 tolas.

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

	8-9-53	Highest	Lowest	2-9-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 7	88 0	87 3	87 13
Forward	86 13	87 9	86 12	87 7
Sovereign	57 12	—	—	58 0
SILVER				
Ready (.999 fine Mint)	156 11	158 13	156 11	159 15
Forward	156 11	158 11	156 10	157 11
London Ready ..	74*d.*	—	—	74*d.*
London Forward .	74*d.*	—	—	74*d.*
New York Ready .	74*d.*	—	—	85½c.

BRADFORD WOOL FIRM

(Messrs. J. Hardacre and Co.)

BOMBAY, *8th September*

The first wool sales of the new season opened at Sydney yesterday. Most descriptions were par to 5 per cent. dearer than those at the close of last season. Subsequently, however, some irregularity and weakness appeared. One view of this is that it is not unusual at the beginning of a season for wool prices to discard a little of the opening premium which is forced by urgent need and by test orders from firms who wish to ascertain actual replacement costs at the earliest possible moment. At any rate, though this present phase may only turn out to be one of adjustment, the market in Bradford has shown some weakness. Top-makers have reduced their quotations from the more or less protective levels of last week. It will be noted that cross-breds are virtually unchanged; the offerings at Sydney consisted almost entirely of the fine faulty descriptions, and these can have very little bearing on the cross-bred market.

The U.S. came into the market at the close of the Sydney sale, and it is rumoured that Japan will be operating at Brisbane next week. This was a feature of sales at this centre all through last season. The opening sales at Cape Town were very firm, France being the principal operator.

To-day's quotations (in pence per lb. c.i.f. Bombay) for Bradford oilcombed tops are given below:

48's carded (Oct.-Nov., 1953)	88½
58's super (Oct.-Nov., 1953)	126
60's super (Nov., 1953)	149
64's super (Nov., 1953)	165
70's super (Nov., 1953)	188
Fibro (3D. 4") (Nov., 1953)	42½
46/48's scoured clothing wool (Nov., 1953)	78

The undertone of the Bradford market is firm.

FORWARD COTTON EASY

(From Our Own Correspondent)

BOMBAY, *9th September*

After the interest evoked in the matter of the total quantitative production of cotton at the end of the current season, this interest is now gradually shifting from the volume of the crop to its quality. Subject to the remaining part of the monsoon proving as satisfactory as the rest of the season, a good crop is now assured which will be short of four million bales. The change in the pattern of this crop with a greater ratio of medium-staple cotton than the previous year's and its repercussions on exports and imports and the productive cost of cotton textiles in India were referred to in the last week's report. The trade has now been struck by another aspect of this year's crop, as the weather conditions on the whole have been very satisfactory, if not ideal. It is expected that within each defined variety, the quality of cotton itself will be much better this year than during the last two or three years. What is meant to convey is that Surti or Vijay cotton will be better than the Surti or Vijay cotton of the previous year. Price for price, this general improvement in the quality of the bulk of the cotton in each defined style will go further to reduce the productive cost for cloth by assuring a better supply to the mills.

In spite of its being a week punctuated by a number of holidays, there have been heavy fluctuations in the forward market. The bearish feeling generated by crop expectations gathered further strength during the week and gave rise to what might almost be called a landslide. February delivery has already gone below the Rs. 625 mark (yesterday it had touched Rs. 621), and though a technical improvement is not unlikely, sentiment in the market still continues to be bearish. Perhaps the fact of a good crop and a good supply position has been a little overemphasised and a section of the trade as also of the textile industry might come to make purchases at the present levels and to lend the sorely needed strength to the market.

Trading in May delivery, which was allowed late last week, was more or less at par with February prices at the commencement, which goes to show the strength of the bearish feeling in the market. However, commonsense prevailed and the difference between the two deliveries widened in further transactions in favour of May to Rs. 6 though even this is very low considering the expenses of carrying cotton for three months. But once again this difference has been reduced. This pattern of trading in these two deliveries is likely to undergo a considerable change during this month and the volumes of straddle business beyond the normal range might develop in the course of this trading. Operators would be well advised to keep an eye on this difference between the February and May prices rather than on the actual price of either delivery itself.

In the spot section, considering the number of holidays and the holiday feeling in general, the activity widened with consumer interest centred on certain desirable new crop varieties, especially for early delivery contracts. The premia paid on these have been on the upgrade, though sooner or later these will have to go down in view of the fact that the all-round quality this year for each variety will be superior. Interest in imported cotton also is growing apace, in view of the fact that barring Karachi, which has no practical interest for the Indian market, cotton prices elsewhere are at fairly attractive levels.

I.C.C. February opened the week at Rs. 628 and fluctuated between Rs. 634½ and Rs. 618½ before it finished the week at Rs. 620. Trading in I.C.C. May commenced on 5th September. Although it opened at Rs. 635½, it soon yielded ground, induced by better crop prospects, to touch a low of Rs. 620, though it closed a shade higher at Rs. 621½.

The following is the trend of prices in the forward market during the week ended to-day:

	Op.	*H.*	*L.*	*Cl.*
I.C.C. Feb. (Rs.) ...	628	634½	618½	620
I.C.C. May (Rs.) ...	635½	636½	620	621½

The following are the latest quotations from the spot market:

Bengal *Deshi* Rs. 560; Berar *jarillas* Rs. 710; Vijay Rs. 870; Oomra *Deshi* Rs. 630; Mogiai Rs. 615.

At Karachi, there has been a very slight stiffening of prices as a result of some interest shown by the U.K., France and Italy. However, this interest has not materialised into firm sales and the volume of business for export is very small. In the view of the world supply position this year, Karachi will have to make up its mind sooner or later to bring its prices down to world parity, especially if it wants to maintain its continental clientele. It is likely to find that Japan, though a good customer for its cotton, will be a shrewd bargainer and will not agree to pay prices higher on parity, unless it derives corresponding advantages in other directions. The course of negotiations will not run as smooth as Karachi expects and unless it wants to be left with a good volume of unsold cotton at the end of the season on its hand, it will have to keep its continental trade going. Recent rains appear to have done some damage to the cotton crop and this is likely to reduce yields. The volume of new crop cotton which was expected definitely to be lower this year might be lowered still further because of this seasonal development. On the whole, dull conditions are likely to persist in this market for the time being.

The following are the latest available quotations from the Karachi market:

Punjab *Deshi* Rs. 68; 4F Punjab R.G. Rs. 54-3/16; S.G. Rs. 58½; L.S.S. Punjab R.G. Rs. 58; S.G. Rs. 62; N.T.R.G. Rs. 61½; S.G. Rs 65½; 289F Punjab R.G. Rs. 64; S.G. Rs. 69; New crop Sind *Deshi* Oct.-Nov. Rs. 68½; Punjab *Deshi* Rs. 68; 4F Punjab R.G. Rs. 64½; S.G. Rs. 69¾ to Rs. 70½; 289F Punjab R.G. Rs. 70; S.G. Rs. 75.

At Alexandria, there are no developments either with regard to the volume of trading or prices. The condition of the crop is reported to be satisfactory and progress excellent with the result that the small premium which was being paid by private buyers in upcountry centres over the prices fixed by the Cotton Commission is gradually disappearing. Foreign interest is still centred more on Ashmouni than on the longer staple varieties in which sales till the end of August for supply from the new crop amounted to a little over 60,000 bales, which constitutes more than half of the total quantity of sales effected so far. The proportion of Karnak and Giza in this total constitutes about less than 20 per cent. each, though when Indian and the U.S.A. interest on a larger scale materialises, this ratio is likely to change as the longer staple varieties are more favoured by these countries.

With an estimated increase of 554,000 bales in the official estimates in the U.S. cotton crop announced yesterday, prices in the New York market had a further small setback. But for the fact that cotton now stands near the loan level, the effect of this official forecast would have been more bearish. It is, however, likely to have wider repercussions in the world markets as the season advances.

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

	8-9-53	31-8-53	25-8-53
Spot	33.75	33.75	33.80
October	33.30	33.33	33.54
December	33.52	33.53	33.80
March	33.81	33.86	34.00
May	33.82	33.86	33.96

ART SILK YARN FULLY STEADY

(From Our Own Correspondent)

BOMBAY, *9th September*

The art silk yarn market passed through yet another short week, the number of sessions being limited to only three. For the market remained closed on the 5th inst., and to-day. This brief period witnessed a further broadening of activity. Operators showed greater inclination to enlarge their commitments, induced by encouraging reports from consuming centres and depletion of floating stocks. The values of art silk yarn forged ahead. The improvement was, however, short-lived, as, yesterday, profit-taking wiped out a portion of the earlier gains. Nevertheless, the closing rates were higher than those at the end of last week and the undertone of the market was fully steady.

Now that the Government of India has, as reported last week, extended its policy of restriction on imports of art silk yarn to include all varieties, trade circles feel that the market would experience a shortage of supplies in the coming weeks. This, coupled with the revival of sales in rayon fabric markets leading to a larger demand for yarn, will, it is feared, bring about a sharp rise in prices of art silk yarn. It is, therefore, urged that the Government of India should retrieve its decision and thereby enable the rayon goods manufacturing units to supply handloom weavers adequate quantities of art silk yarn at low prices.

In the forward section, 150 September delivery contract rallied 12 points to Rs. 797 on Friday, but reacted to finish lower at Rs. 792 yesterday, the net gain over the week being Rs. 7. Business in October contract commenced at Rs. 790 on the 3rd inst. After improving to Rs. 800 the following day, it slided down to Rs. 798 yesterday. In the ready section, 120 Japan and 120 Italy gathered an anna and a half each to Rs. 4-3. 120 Italy and 150 Italy were higher, each by an anna, the former at Rs. 4-3 and the latter at Rs. 40.

The table below gives the prices of art silk yarn quoted yesterday, as compared with those on 29th and 26th August, 1953:

	8-9-53	29-8-53	26-8-53
	Rs. a.	Rs. a.	Rs. a.
150D August (per case of 200 lbs.) ..	—	781 0	775 0
150D September ,, ,, ..	792 0	785 0	776 0
150 October ,, ,, ..	798 0	—	—
120 Japan (per lb.)	4 3	4 1½	4 1
150 Japan ,, ...	4 3	4 1½	4 0½
120 Italy ,, ...	4 3	4 2	4 1
150 Italy ,, ...	4 0	3 15	4 2

The staple fibre yarn section displayed a firm trend during the week under review. The chief bullish factor which imparted strength to the section was a rumour regarding the possibilities of a revision of the Government's import policy in such a way as to cover only yarns of counts 80s and above—single and folded. Another helpful factor was the expectation that the Yarn Merchants' Association, Bombay, would not interfere with free trading. The rumours about the Association fixing floor prices for staple fibre yarn were also discounted by traders. The buying support that ensued, as a consequence, lifted up the values, which persisted till the close yesterday. Thus, staple fibre yarn 2/40s September contract firmed up from Rs. 674 to Rs. 697.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, *9th September*

The oilseeds market remained closed on the 5th inst. and to-day. In the remaining days of the week, the market presented a mixed trend. Ready deliveries in the groundnut section soared up to new high levels on bull squeeze, occasioned by scarcity of floating stocks in groundnuts. But forward deliveries in the new crop lacked buyers, consequent on reports regarding prospects of a bumper crop this season. The linseed section also displayed a similar trend in sympathy with groundnuts. There was a bear-bull tussle in September delivery in castorseeds, with the result prices experienced wide fluctuations. May delivery, however, presented a generally easy trend. But spot in castorseeds improved on covering by bears.

In the groundnuts section, Bold F.A.Q. shot up from Rs. 51-4 to Rs. 53-8. August-September delivery was done higher by Re. 1-4 at Rs. 49-8, while December-January delivery ruled quiet at Rs. 31-14. Khandesh quality, however, advanced from Rs. 52-4 to Rs. 53-8. Groundnut oil ready rallied Rs. 3 to Rs. 31, and railway receipts, Rs. 2-4 to Rs. 30. September delivery was done at Rs. 26-14, as against Rs. 25-12. October delivery lost Rs. 2 to Rs. 22-12. But, November delivery gained As. 5 to Rs. 18-14.

Linseed Bold ready firmed up from Rs. 29-12 to Rs. 30-8. August-September delivery gained As. 2 to Rs. 30-4, while October-November delivery lost As. 12 to Rs. 28. February-March delivery changed hands at Rs. 24-4, as against Rs. 24-14. Linseed oil, however, was higher by As. 3 at Rs. 16-3.

Among castorseeds futures, September delivery, which opened at Rs. 142-4, as against Rs. 145-4, fluctuated between Rs. 154-12 and Rs. 148, before closing at Rs. 154-8. May delivery, on the contrary, sustained a loss of Re. 1-14 to Rs. 124-10, the lowest touched during the week. The highest touched was Rs. 126-14. Of the spots, Madras quality improved from Rs. 28-12 to Rs. 31. F.A.Q. rallied Re. 1-12 to Rs. 30-8. Castor oil B.S.S. was up by As. 6 at Rs 17-12 and I Pressure by As. 4 at Rs. 17-6. Commercial quality, however, was unchanged at Rs. 16-4. It is reported that total tenders delivered in castorseeds September so far is 3,700 candies.

Among other seeds, *kardi* Bold ready disclosed a gain of As. 4 to Rs. 26-4. August-September delivery was quiet at Rs. 25, while October-November delivery lost As. 2 to Rs. 23-12. Niger F.A.Q. was down by Re. 1 at Rs. 36, while Madras ready gained As. 4 to Rs. 36-12.

The following table shows the prices of oilseeds and oil on the 9th inst., as compared with those at the end of the previous two weeks.

	8-9-53	2-9-53	26-8-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	53 8	51 4	49 0
August-Sept.	49 8	48 4	46 8
December-January	31 14	31 14	31 6
Linseed—			
Bold Ready (per cwt.) ..	30 8	29 12	29 4
Castorseeds—			
Sept. (per candy of 5 cwts.).	154 8	145 4	140 14
May 1954	124 10	126 8	126 12
Madras (per cwt.)	29 12	28 12	29 0
Groundnut oil—			
Ex-mill Ready (per quarter).	31 0	28 0	27 12
Castor Oil—			
Commercial (per quarter)..	16 4	16 4	16 4

LINSEED LOOKS UP

(Messrs. A Bradley & Co.)

CALCUTTA, *7th September*

Linseed prices ruled firm during the week under review. Although activity was on a limited scale, the undertone was steady. Local sellers showed little interest, owing to firm conditions ruling at the producing centres. Moderate interest was shown by crushers at lower prices and small ready lots changed hands at prevailing prices. The oil section was firm, following improved demand from *vanaspati* buyers and better undertone in groundnut oil. Activity was reported on a slightly larger scale.

Latest quotations are: Ready Rs. 21 and September-October Rs. 21 per maund.

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, *9th September*

With commendable speed and practical realism, the Central Food Ministry has retrieved its earlier erroneous decision to hand over the imported sugar to the Bombay Sugar Merchants' Association for sale in the market. The Ministry has now reverted to the original idea of distributing the sugar to the diverse group of consumers and traders on the basis of tenders. Tenders up to 2,500 bags of sugar have already been accepted in full for British refined sugar, which is expected to arrive at the Bombay harbour on the 17th inst., and the tenderers have been asked to make full payment of the balance by to-morrow. With regard to further tenders for 8,000 to 10,000 bags of sugar, tenderers have been given a slightly larger allotment. The Food Ministry has also invited tenders for Mexican sugar (packed in cotton cloth) at Rs. 50 per maund. This decision has been greatly welcomed by the trade. The earlier decision, it will be recalled, entailed an avoidable addition of a few vested interests as middlemen, which would have resulted in higher prices for consumers had it been accepted.

The Government of India released, on the 5th inst., 100,000 tons of sugar for sale in the free market, with a view to meeting the heavy demand, pending arrivals and deliveries of imported sugar. This release is out of the 240,000 tons of unreleased stocks with the mills. This is a welcome step, indeed, and is, incidentally, in accordance with the suggestion put forward in these columns two weeks ago.

The acceptance of tenders for British refined sugar, invitation of tenders for Mexican sugar, release of 100,000 tons for sale in free market and the announcement of the Government's decision to purchase a further 100,000 tons of sugar abroad have all combined together in not only checking the rising prices but also bringing about a downward trend in both the spot and forward prices. Forward sales in British refined sugar have already commenced, the rate actually quoted at present being Rs. 86 per bag ex-godown. The forward section of the Bombay sugar market, which had firmed up to Rs. 87-14 on the 3rd inst., receded to Rs. 86-12. Owing, however to the tight stock position and to rumours of the late arrival—by a week—of British refined sugar, the price is quoted higher at Rs. 88-4 per bag to-day. The prices of sugar in the spot section have also declined. Thus, small, medium and large grain sugar are quoted at Rs. 89, Rs. 91 and Rs. 95, as against Rs. 91-8, Rs. 93 and Rs. 95 to Rs. 97, respectively, in the previous week. The demand is good.

There was a further fall in arrivals of sugar into the Bombay market during the week under review. The quantity that actually arrived was 11,000 bags, as against 13,000 bags last week and 18,000 bags two weeks before. The stocks with the spot trade are estimated at 20,000 bags, which include wet sugar also.

SUGAR PRICES MAINTAINED

(From Our Own Correspondent)

HAPUR, *8th September*

Crystal sugar markets remained steady during the week under review. This was particularly so at the ports of Bombay, Madras and Calcutta, despite the recent announcement that substantial quantity of imported sugar would reach these ports before the end of this month. Prices of sugar advanced at Madras, due to better demand and low stocks. Bombay remained extremely steady under the pressure of pre-festival demands, owing to insufficient arrivals, the Deccan sugar mills being conspicuously absent, in spite of their getting special quota. They are withholding sales in anticipation of higher prices in mofusil centres. The stock position at the ports is thus very tight and there are growing apprehensions that imported sugar, when received, may not be sold at cheaper rates. The Government of India has released a further quantity of 100,000 tons of sugar for free sale this week. In North Indian markets, offers are still reserved, while there is good enquiry from importing areas.

The latest sugar quotations (per maund) are: Ambala Rs. 31-15-9, Amritsar Rs. 32-4, Delhi Rs. 32-6, Jullundur Rs. 31-2, Agra Rs. 31-2, Hapur Rs. 31-4, Kanpur Rs. 31, Mathura Rs. 30-14, Meerut Rs. 30-14, Muzaffarnagar Rs. 31-4, Patna Rs. 31-4, Calcutta Rs. 31-12, Madras Rs. 34-12, Bombay Rs. 33-12, Bhavnagar Rs. 33-6, Nagpur Rs. 32-15-6 and Indore Rs. 30-11.

The *gur* markets remained quiet to steady. There was moderate export enquiry in the market and a few wagon-loads were sent to Gujar and West Bengal. As there was short production last year, due to extensive crop damage in West U.P. districts, very little *gur* stock is now left here and in the adjoining areas. In view of the very attractive prices, it is anticipated that the *gur* manufacturing season will start early this year.

Gur advices from South Indian *mandies* report fairly steady conditions. New *gur* arrivals at Baramati were fairly satisfactory and found good buyers from Hyderabad, Gujrat and Bombay districts. The undertone remained steady. The railway booking condition also remained satisfactory. Ankapalli was steady with moderate demand. Kolhapur, Shrirampur and Kopergaon remained quiet with only poor offtake. The current *gur* quotations (per lb.) are:

Baramati: new yellow Rs. 25 to Rs. 25-8 and old *kesari* Rs. 22-12 to Rs. 23-8; Ankapalli Rs. 21-4 to Rs. 21-8; Amritsar Rs. 18-8 to Rs. 19; Ambala Rs. 18-8; Delhi Rs. 22; Jullundur Rs. 22 to Rs. 19; Agra Rs. 22 to Rs. 16; Hapur Rs. 20 to Rs. 17; Kanpur Rs. 22 to Rs. 19; Mathura Rs. 18-12 to Rs. 16; Meerut Rs. 21 to Rs. 19; and Muzaffarnagar Rs. 22 to Rs. 19; Calcutta Rs. 21 to Rs. 23-8; Madras Rs. 23 to Rs. 27; and Bombay Rs. 23 to Rs. 28.

JUTE GOODS RECOVER AT CLOSE

(From Our Own Correspondent)

CALCUTTA, *8th September*

Although over the week-end and yesterday there was a small recovery on account of bear covering, generally easy conditions invaded the jute goods market during the week, and prices lost on balance visibly. Overseas enquiries were very poor, and total sales of this week, which were mainly for internal consumption, were only an insignificant quantity and did not mean anything to mills which have huge stocks of hessian and sacking goods. Mills were, therefore, cautious and showed no pronounced anxiety to sell in this declining market; but the behaviour of other stockists and speculators was different. They were bent upon selling as much as they could in a market where buyers were not interested to increase commitments and where shippers were silent. This tendency on the part of the sellers of the above description made prices drop further.

Although only little business was done, specialities, especially paper-lined hessian, came in for special attention as the announcement which abolished the export duty on specialities as from 16th July has been clarified by the Central Board of Revenue to the satisfaction of the trade. As has already been stated in these columns, the Customs authorities here had felt that, in view of the wording of the earlier announcement, the duty on paper-lined hessian had not been withdrawn. Following this interpretation, export business in this particular variety of specialities came to a standstill. The matter was referred to the Government, and the Board has now announced that, as from 16th July, the duty payable on all jute goods, excepting standard cloth and standard bags (hessian and sacking), and such as light weight jute mesh and paper-lined jute bags stands withdrawn. It is expected that paper-lined hessian being very useful to foreign consumers will be exported in greater quantities. Production of specialities is at present low, and if exports increase more mills could produce goods coming under this description. This would be a welcome diversion for mills, if the present easiness in hessian and sacking prices continued.

(*Continued on page 515*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	28st August, 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,032.93	1,093.23	1,094.14	1,055.76
Notes held in Banking Department	35.05	34.41	33.09	46.30	38.87
Foreign Securities	39.50	558.18	573.15	583.16	538.16
Rupee Securities	37.39	424.90	424.90	424.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	134.18	122.41	108.29	124.70
Other Governments		24.28	21.10	36.09	11.40
Balances held abroad	19.08	141.25	125.93	120.79	141.14
SCHEDULED BANKS					
Demand Liabilities	134.87	523.21	523.18	530.29	553.78
		(12 97)	(12 66)	(14 3·)	(14 33)
Time Liabilities	102.84	331.36	325.82	325.27	313.50
Borrowings from		(2.15)	(2 10)	(2 29)	(5 02)
Reserve Bank	..	2.13	2 21	2 33	2 30
		(0.49)†	(0 49)†	(0.49)†	(1.00)†
Borrowings from Imperial Bank		5 35	5.78	6.46	4 21
Cash in India	6.71	31.73	31.22	30 69	32.78
Balances with Reserve Bank	25.23	45.93	44 10	44.78	66.78
Excess over statutory limits	16.52	12 90	11.13	11.71	32.58
Balances with other banks in current account in India	..	10.26	9.85	10.65	13.03
Money at call and short notice in India	..	16 72	16 87	18.53	21.03
Investments (at book value)	..	326 88	321.56	316.41	303.61
Advances and bills	105.09	473.34	476 79	489.51	476.19
IMPERIAL BANK					
Deposits	87.76	206.70	206.66	208.19	224.49
Investments	51.99	90 78	89 81	86.71	86 67
Advances	30.87	106.84	106 17	114.85	121.70
Cash	14.69	20.81	19 80	20.93	31.83

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	4th September, 1953		28th August, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	1,63,023	41,63,19,000	2,00,317	44,78,16,000
Calcutta	1,29,446	51,81,29,480	1,48,824	44,91,29,954
Madras	65,415	7,74,81,971	84,219	7,71,50,758
All Centres—				
1951	..	..	1,05,94,122	3180,46,86,859
1952	..	..	1,06,41,941	26,79,51,57,000
June 1953	..	..	24,65,000	5,34,71,00,000
July "	..	..	27,12,000	5,71,04,00,000

Reserve Bank of India

Statement of Affairs for the week ended 4th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	127,61,99,000
(2) Other Governments	20,24,00,000
(b) Banks	50,75,98,000
(c) Others	57,32,93,000
Bills Payable	2,15,24,000
Other Liabilities	9,45,12,000
Rupee	277,58,31,000

ASSETS	Rs.
Notes	25,42,84,000
Rupee Coin	12,82,000
Subsidiary Coin	4,52,000
Bills Purchased and Discounted—	
(a) Internal	17,50,000
(b) External	
(c) Government Treasury Bills	3,83,90,000
Balances held abroad*	142,41,66,000
Loans and Advances to Governments	2,00,000
Other Loans and Advances	11,38,83,000
Investments	87,76,96,000
Other Assets	6,11,95,000
Rupee	277,58,31,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,42,84,000	
Notes in circulation	1091,50,08,000	
Total Notes issued		1116,92,92,000
Total Liabilities		1116,92,92,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		
Government of India Rupee Securities		93,85,09,000
Internal Bills of Exchange and other commercial paper		424,90,11,000
Total Assets		1116,92,92,000

Ratio of Total of A to Liabilities: 53.555 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 28th Aug., 1953

		Rs.
1.	Demand Liabilities in India :	
	(i) Borrowings from banks	12,96,95,000†
	(ii) Other demand liabilities	5,16,23,93,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	2 14,80,000†
	(ii) Other time liabilities	2,29,21,11,000
3.	Cash in India	31,72,64,000
4.	Balances with the Reserve Bank in India	45,93,08,000
5.	Balances with other banks in current account in India	10,25,70,000
6.	Money at call and short notice in India	16,71,63,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	3,26,87,81,000
8.	Advances in India	4,26,63,45,000
9.	Inland Bills purchased and discounted in India	46,80,56,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		8th September 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5	1-5
Sellers T.T. D.D. upto six months	s.	1-5	1-5
Buyers T.T. spot to nine months	s.	1-6	1-6
Buyers T.T. 10 to 12 months	s.	1-6	1-6
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476	476
Buyers T.T.	Rs.	472	472
London on New York	£	2.80-2.80	2.81-2.81
London on Paris	Frs.	972-972	974-974
London on Berne	Sw. Frs.	12.17-12.17	12.17-12.17
New York on London	$		2.81-2.81

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)		In terms of rupees (Crores)	Per capita income (Rs.)
India	1948	342.12	..	..	8,780	255
Pakistan	1949	75.04	..	..	1,871	228
Burma	1951	18.67	Kyats	3,166	817	169
Ceylon	1951	7.74	..	..	481	582
Japan	1951	84.30	Y.	4,849,400	6,414	774
Philippines	1951	20.25	Fe.	7,586	1,826	856
New Zealand	1951	1.25	£(N.Z.)	615	820	4,206
Australia	1951	8.43	£(A.)	3,238	3,454	4,317
U.K.	1952	50.43	£	13,848	18,197	3,603
U.S.A.	1952	156.98	$	290,400	138,280	8,808
Canada	1952	14.48	$	18,807	8,240	5,716
France	1951	42.24	F. Fr.	9,082,000	12,872	2,929
W. Germany	1951	48 11	Dm.	90,200	10,227	2,126
Italy	1951	46.90	Lr.	7,746,000	5,902	1,257
Norway	1952	3.32	Kr.	16,596	1,106	3,331
Sweden	1951	7.07	Kr.	86,800	8,439	4,584
Netherlands	1952	10.25	Fl.	17,550	2,200	2,120
Denmark	1951	4.30	Kr.	50,710	1,439	3,346
Switzerland	1951	4.76	S. Fr.	19,600	2,166	4,556

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : United Nations Monthly Bulletin of Statistics, July, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 28th August, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	88,02,85,000
(b) Provincial Governments	86,47,000
(c) Banks	22,65,75,000
(d) Others	2,45,40,000
Bills Payable	83,57,000
Other Liabilities	1,62,96,000
Rupees	72,47,00,000

ASSETS	Rs.
Notes	10,77,19,000
Rupee Coin	4,000
Subsidiary Coin	10,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	9,99 000
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	10,55,45,000
Other Loans and Advances	1,29,00,000
Investments	38,54,80,000
Other Assets	9,40,42,000
Rupees	72,47,00,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,77,19,000	
Notes in circulation	200,91,87,000	
Total Notes issued		211,69,06,000
Total Liabilities		211,69,06,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	39,83,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B Rupee Coin	6,52,13,000	89,14,77,000
Government of Pakistan Securities	111,77,36,000	
Internal bills of exchange and other commercial paper	....	
		118,29,54,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,05,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4 24,75,000
Total Assets		211,69,06,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation : 43.98 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
9th June	1.00	2.10	1.00	2 6 8	27
16th "	1.00	2.23	1.00	2 6 8	28
23rd "	1.00	2.90	1.00	2 6 8	21
1st July	1.00	2.71	1.00	2 6 8	23
7th "	1.00	3.03	1.00	2 6 2	8
14th "	1.00	2.81	1.00	2 6 2	9
21st "	1.00	2.80	1.00	2 6 2	10
28th "	1.00	3.76	1.00	2 6 2	30
4th August	1.50	2.61	1.50	2 6 3	40
11th "	1.50	2.02	1.50	2 6 3	43
18th "	1.50	1.85	1.50	2 6 3	45
25th "	1.50	2 02	1.50	2 6 3	65
8th September	1.50	1.77	1.50	2 6 7	77
Total	15.50	32.61	15.50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5	6
Belgium	18th Dec., 1952	2½	3
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	3rd April, 1953	3	2½
Finland	16th Nov., 1951	7½	6½
France	9th Nov., 1951	3	4
Greece	15th July, 1948	10	12
India	14th Nov., 1951	3	3½
Italy	4th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	17th April 1953	2	2½
New Zealand	24th July, 1941	3	4
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	..	3
Portugal	18th Jan., 1944	3	4
South Africa	27th Mar., 1952	3½	4
Spain	16th Mar., 1949	4	4½
Sweden	1st Dec., 1950	4½	4
Switzerland	26th Nov., 1936	4	3½
Turkey	24th Feb., 1951	5	6
United Kingdom	12th Mar., 1952	2	3
U.S.S.R.	1st July, 1938	3½	4
U.S.A.	16th Jan., 1933	1½	2
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	February, 1953	February, 1952	Eleven months—April to Feb., 1952-53	Eleven months—April to Feb., 1951-52
Import Duties :				
Revenue	9.03	11.56	102.00	119.76
Protective	49	90	6.98	9.75
On surplus disposals		3	5	27
Total import duties	9.52	12.49	109.03	129 76
Export Duties	8.19	7.81	80.41	83.25
Land Customs	18	27	2.46	2.99
Miscellaneous	8	7	1.08	1.04
Gross total customs	12.95	20.64	192.98	217.04
Refunds and drawbacks	14	21	2.49	4.44
Net Customs	12.81	20.33	160.49	212.60
Gross excise	7.70	8.86	75.35	81.11
Refunds	12	17	1.35	1.69
Net Excise	7.58	8.69	75.00	79.52
Net total of customs and excise	20.39	27.02	235.49	292,12

Imperial Bank of India

Statement of Affairs for the week ended 4th Sept., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 70,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,80,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders — Rs. 375 per share on 1,80,000 shares	5,62,50,000	
Reserve Fund and other Reserves		5,62,50,000
Deposits and other Accounts		6,35,00,000
Borrowings from other Banking Companies Agents		207,61,87,000
Bills Payable		3,16,81,000
Bills for Collection being Bills Receivable as per contra		56,93,000
Acceptances, Endorsements and Other Obligations as per contra		1,06,000
Other Liabilities (including Inter-Office Adjustments)		4,41,53,000
Total	Rs.	227,65,25,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,10,83,000
Balances with other Banks		4,19,15,000
Money at Call and Short Notice		96,89,000
INVESTMENTS—		
Government and other Trustee Securities	80,24,52,000	
Other Authorised Investments	10,53,77,000	
		90,78,29,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	86,07,37,000	
Bills Discounted and Purchased	18,83,70,000	
Bills Receivable being Bills for Collection as per contra		106,46,07,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		56,93,000
Premises less Depreciation		1,06,000
Furniture and Fixtures less Depreciation		1,31,74,000
Other Assets (including Inter-Office Adjustments)		36,86,000
Total	Rs.	1,88,03,000
		227,65,25,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@		2½% Ten-Year Treasury Savings Deposit Certificates §	
	National Savings Certificates †											
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49	1.54	1.47	76	74	20,40	22,86	83,26	29,91	—	12,31	..	..
1951-52	1.75	6.08	77	2.91	22,08	66,81	1,07,55	74,18	—	27,55	19,10	18,39
1952-53	1.63	6,84	66	3.27	23,66	84,18	1,12,36	91,01	—	31,06	7,56	25,84
June 1952	12	8.27	6	3.01	1,81	71,64	9,88	80,03	—	28,58	69	20,53
July "	15	8,33	10	3.08	2,03	72,14	10,29	82,54	—	29,92	74	21,25
August "	15	8,40	6	3.11	1,76	74,48	8,61	83,76	—	29,92	74	21,25
September "	10	8,44	8	3.11	1,84	75,73	8,79	84,91	—	29,10	65	21,69
October "	11	8,48	5	3.14	1,71	76,77	8,36	85,25	—	29,41	82	22,84
November "	10	8,50	3	3.16	1,71	77,99	8,09	85,54	—	29,69	66	22,92
December "	8	8,51	3	3.16	1,86	79,34	8,45	85,95	—	29,99	66	22,46
January 1953	10	8,54	4	3.19	2,02	80,77	8,38	86,09	—	30,23	48	23,94
February "	14	8,61	5	3.22	1,86	82,14	8,36	86,86	—	30,51	68	24,48
March "	12	8,64	9	3.27	2,66	84,16	13,76	91,01	—	30,76	68	25,06
April "	11	8,80	5	3.27	2,24	85,95	9,66	93,01	—	31,06	60	23,64
May "	12	8,83	4	3.29	2,08	87,57	9,55	93,80	—	31,30	80	26,86
June "	11	8,82	4	3,31	2,25	89,33	9,43	93,80	—	31,52	68	27,00
July "	..	..	..	..	..	..	..	..	—	31,78	69	27,66
											66	24,80

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base: 1935=100)
1. All-India

Group and Sub-Group	Week Ended 29-8-'53	22-8-'53	1-8-'53	30-8-'52
(A) Government and Semi-Government Securities ‡	91.8	91.9	91.9	91.1
1. Government of India Loans	92.0	92.0	92.0	91.2
2. Municipal, Port Trust and Improvement Trust Loans	86.8	86.8	86.6	86.1
(B) Fixed Dividend Industrial Securities	91.1	91 3	90 9	90.9
1. Electricity	79 2	79 4	79 7	75 7
2. Cotton	227 5	227 7	227 6	228 3
3. Jute	80 4	80 8	80.6	80 7
4. Coal	103 5	100 9	98 8	95 9
5. Iron and Steel	84 5	84 5	84 2	84.4
6. Sugar	90 2	89 7	89 7	91.5
7. Paper	89 8	89 8	89 8	86.9
8 Plantations	98 9	99 0	98 9	100 7
(C) Variable Dividend Industrial Securities	104 5	105 2	106 2	107.7
1. Banks	103 0	102 8	102 9	102.1
2. Insurance	96 5	96 5	99 0	101 8
3. Investment Trusts	129 4	129 6	130 7	139 5
4. Electricity Companies and Tramways	84 0	84 2	84.4	82.4
5. Shipping and Other Transport Companies	86 2	86 6	86 4	85 1
6. Railways	74.6	74 6	74.6	73 6
9. Jute	121 7	122 3	123 1	127 5
10. Cotton Woollen and Silk	81 6	82 4	85 8	92 2
11. Mining and Oil	87.1	88.7	89 9	92 8
12. Iron and Steel	131 2	136 6	139 1	137 8
13. General Engineering	142 6	143 0	143 6	138 9
14. Sugar	82 8	82 8	82 8	86 4
15. Chemicals	66 9	67 7	69 5	61 6
16. Cement	133 5	133 9	134 0	137 9
17. Paper	113 0	113 8	115 8	112 3
18. Current	138 1	138 4	141 1	140 2

II. Regional

Region and Group	Week Ended 29-8-'53	22-8-'53	1-8-'53	30-8-'52
(A) BOMBAY—				
Government and Semi-Government Securities	91.8	91.8	91.7	91.2
Fixed Dividend Industrials	93 0	93.0	92.9	91.5
Variable Dividend Industrials	123 9	124 4	125.4	123 1
(B) CALCUTTA—				
Government and Semi-Government Securities	92.5	92.4	92.5	91.6
Fixed Dividend Industrials	88.2	88.5	88.2	89.2
Variable Dividend Industrials	92 4	92 1	93.1	95.5
(C) MADRAS—				
Government and Semi-Government Securities	91.5	91.5	91.5	90.5
Fixed Dividend Industrials	103.0	103 0	101.7	106.1
Variable Dividend Industrials	129.1	129.5	129.2	132 8

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,852	12,806,704
1951	1,071	691,321	3,818,928
1952	963	809,242	3,836,961
May 1951	109	56,604	277,314
June "	146	92,446	448,258
July "	130	72,454	371,706
August "	108	64,884	288,907
September "	88	24,777	93,109
October "	103	67,898	190,761
November "	125	64,147	159,741
December "	118	76,196	365,149
January 1952	98	808,831	676,340
February "	88	69,180	218,607
March "	87	42,450	145,498
April "	134	59,487	284,346
May "	116	80,092	254,885
June "	101	99,881	287,062
July "	83	40,754	171,288
August "	88	45,856	148,533
September "	96	57,874	160,858
October "	96	78,181	349,618
November "	87	48,766	273,245
December "	81	27,623	165,017
January 1953†	85	42,383	244,414
February "	45	26,477	124,411
March "	57	31,231	216,207
April* "	70	48,895	215,664
May "	81	84,350(a)	217,526(b)
June "	98	80,157	252,059

† Figures for 1953 are provisional.
(a) Not known in three cases. (b) Not known in six cases.

* Revised.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,651.1	3,777.7
1951-52	573	5,945.1	4,849.0
1951-52	614	6,301.6	5,134.8
1952-53	..	..	..
January 1952	568	500.8	409.7
February "	571	480.7	391.0
March "	578	481.8	392.9
April "	577	486.8	393.8
May "	581	514.4	418.1
June "	583	500.1	406.8
July "	588	511.6	417.7
August "	592	521.6	428 7
September "	599	520.3	430.6
October "	603	529.7	441.5
November "	608	552.2	457.8
December "	..	..	..
January 1953	611	535.5	441.8
February "	614	498.6	417.4
March "	614	538.0	435.7
April "	616	530.9	436.1
May "	620	560.4	456.1

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	22nd August, 1953	15th August, 1953	23rd August 1952	July, 1953	July, 1952	Percentage of increase (+) or decrease (—) in July, 1953 as compared with July, 1952	1953	1951
Food Articles	406.1	409.8	377.6	408 4	387.6	+10 8	388.8	409.8
Cereals	479*	482	467	483	457	+ 5 9	450	493
Pulses	502	507	510	503	480	+ 4.8	482	506
Other	291	291	240	288	234	+23 1	225	299
Industrial Raw Materials	434.6	439.4	459 8	440 5	426 1	+10 4	452.8	502.2
Fibres	432	440	419	429	429	— 2 9	454	575
Oil seeds	650	653	524	675	477	+41 5	484	679
Minerals	454	447	461	462	462	— 4 3	458	426
Others	363*	361*	326	359	293	+20 5	341	533
Semi-Manufactures	384.6	388 8R	352.5	386 4	347.2	+ 5.2	346.5	377.5
Leather	407	404	345	417	353	+15 1	345	458
Mineral oils	227	227R	226	222	221	+ 0 5	221	197
Vegetable oils	583	594	485	507	459	+10 1	459	679
Cotton yarn	441	443	455*	440	454*	— 1 3	453*	458
Metals	224	223	217	224	219	+ 2 3	211	197
Oil Cakes	435	449	465	448	440	+ 1 8	440	500
Others	300	299	262	253	235	—11.2	273	330
Manufactured Articles	370.4	371.0	367.7	367 3R	368.7	— 0.4	377.5	396.8
Textiles	411	412	404	406R	406	+ 0 2	425	468
Jute	415	421	430	410	420	+ 4.7	508	508
Cotton	415*	416*	390*	410* R	390*	+ 5 4	401*	400*
Rayon and Silk	404*	403*	401*	400*	398*	+ 2 8	391*	411*
Woollen	320	320	320	378	320	+15 3	346	378
Metal products	337	337	327	336	328	+ 2.4	321	285
Others	335	335	296	285	297	— 4 0	298	300
Miscellaneous	707 8	705.0	634.2	693 9	629 5	+10 2	626.6	729.8
All Commodities	409.4	411.9R	391.4	407 7R	383.8	+ 6 2	388 9	439.3

R—Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944—100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
September 51	—	325	233	319	470	389	375	340	144	179	150	161	170
October "	—	332	234	323	469	393	378	336	144	181	145	165	171
November "	—	333	232	328	466	397	374	337	147	183	155	168	168
December "	—	331	232	325	449	397	370	337	144	181	150	166	158
January 1952	146	331	246	323	442	393	337	338	142	179	147	162	156
February "	144	334	241	318	441	382	343	336	141	178	145	155	155
March "	135	313	229	300	412	378	340	333	136	177	140	150	145
April "	141	345	242	331	415	377	339	326	148	169	138	153	144
May "	140	339	264	310	412	376	339	327	148	168	143	153	143
June "	140	338	263	308	434	373	342	330	143	171	141	153	148
July "	144	340	263	304	454	377	354	331	143	171	143	161	155
August "	144	340	267	312	466	388	369	336	143	176	149	160	157
September "	143	341	269	310	463	381	364	328	145	178	143	157	158
October "	144	343	274	311	466	381	363	327	145	179	143	154	158
November "	143	347	271	306	459	380	357	328	143	176	139	150	150
December "	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	133	165	134	149	146
February "	141	351	264	315	459	380	334	331	136	167	132	150	144
March "	142	358	265	322	448	381	333	353	138	165	131	148	145
April "	142	360	268	327	434	384	344	354	137	166	134	148	146
May "	145	363	275	330	441	391	345	358	139	173	137	152	153
June "	—	371	282	334	453	393	363	360	140	180	128	156	159
July "	—	373	288	333	..	..	..	..	142	..	..	..	..

* Figures are subject to revision month to month

INDUSTRIAL P

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton*	74,674†	73,665††	23,424†	20,741††
Wheat	tons	24,041†	23,450††	6,762†	6,039††
Jowar	tons	41,945†	39,144††	6,038†	5,944††
Bajra	tons	25,282†	22,839††	2,922†	2,299††
Barley	tons	7,550†	7,835††	2,664†	2,293††
Maize	tons	8,796†	8,073††	2,867†	2,021††
Ragi	tons	5,888†	5,399††	1,235†	1,212††
Gram	tons	17,267†	16,587††	3,771†	3,293††
Other millets & pulses	tons	39,725	39,770	6,886	6,401
Jute	bales	1,854†	1,951††	4,695†	4,578††
Cotton	bales	15,674†	16,104††	3,050†	3,133††
Sugarcane	tons	4,376†	4,702††	5,260†	6,068††
Groundnut	tons	11,862†	11,798††	2,894†	3,045††
Linseed	tons	3,394†	3,402††	855†	816††
Castorseed	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed	tons	5,707	5,097	900	743
Sesamum (supp)tons		5,751†	5,845††	451†	435††
Tobacco	tons	763†	650††	211†	192††
Pepper	tons	203†	202††	22†	23††
Ginger	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1953	78.4
	Corresponding month 1952	83.8
	July 1952 to June, 1953	891.6
	Corresponding period 1951-52	944.9
Stocks	At the end of July 1953	135.7
	Corresponding month 1952	100.5
		(In 000 bags)
Exports(JuteBags)	Week ended 25th July, 1953	46.47
	Corresponding week 1952	52.44
	From 1st Jan., to 25th July, '53	14,50.38
	Corresponding period 1952	24,17.44
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 25th July, 1953	3.01.70
	Corresponding week 1952	1.00.39
	From 1st Jan., to 25th July, 1953	63,26.02
	Corresponding period 1952	54,49.88
	RAW JUTE	(In 000 bales)
Exports*..	Week ended 25th July, 1953	—
	Corresponding week 1952	—
	During April, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	July, 1953 (in lakh bales)	4.54
	Corresponding month 1952	4.86
	Twelve months ended June, 1953	52 00
	Corresponding period 1952	54.80

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co., Year ended 31st March, 1952..	11,30,000	10,67,100	7,99,200
Do 31st March, 1953..	11,56,000	10,61,900	7,91,800
April to August, 1953 ..	3,74,400	3,36,800	2,46,600
June 1952..	68,400	63,100	64,800
July	93,400	91,000	66,800
August	1,00,700	90,500	67,700
June 1953	90,400	82,600	50,000
July	91,100	86,100	64,800
August	94,100	83,400	63,700
Indian Iron and Steel Co.,			
Jan. to July, 1953	3,40,110	2,16,200	1,36,250
April 1953.. ..	52,210	30,980	19,990
May	57,810	32,580	19,700
June	56,730	23,010	13,020
July	21,750	8,370	4,610

SEA-AND AIR-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :—				
Foodstuffs	11,37	85,40	175,64	262,05
Raw materials	10,62	21,54	179,01	254,06
Manufactures	23,06	80,25	274,03	341,35
Other items	42	76	4,30	5,35
Total Imports* ..	45,46	87,95	632,95	862,84
Exports :—				
Foodstuffs	12,94	12,94	142,16	158,18
Raw materials	10,82	12,49	145,03	159,68
Manufactures	21,29	26,84	258,76	400,31
Other items	29	43	4,09	8,65
Total Exports ..	45,34	52,90	551 04	701,80
Total Re-exports ..	86	59	8,74	13,76
Balance of trade in merchandise	+ 24	—34,45	—76,17	—147,28
Balance of transactions in private treasure ..	..	..	— 7	— 14
Total Visible Balance of Trade	+ 24	—34,45	—76,24	—147,42
Imports :—				
Tota (Ceylon Countries..	20,29	25,46	252,65	298,63
Total Foreign Countries ..	25,17	64,49	380,30	574,21
Exports :—				
Total (Ceylon Countries..	23,59	25,08	261,00	365,20
Total Foreign Countries ..	21,75	27,82	290,14	336 60

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

LAND-BORNE TRADE : INDIA

Particulars	March,		Twelve Months April to Mar.,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Exports	39	3,53†	18,84†	27,14†
Imports	1,58†	3,62	25,16	80,45
Balance of trade in merchandise	— 1,19†	+ 1	— 6,32†	—53,31†

† Provisional.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953
Eastern Zone																					
Banura ..	187	262	257	92	97	93	123	121	125	132	140	141	104	109	114	218	216	215	170	197	209†
Malbang ..	163	x	x	142	x	x	113	x	x	122	x	x	121	x	x	163	x	x	108	x	x
Shankargarh	136	143	153†	144	155	159	156	147	154	146	148	145	101	95	100	161	126	122	136	145	155†
Sonaili ..	268	183	224†	159	167	167	195	175	189	201	175	191	125	125	125	239	199	199	310	310	310
Northern Zone																					
Multapi ..	110	124	131	134	153	158	165	178	183	150	165	169	123	123	123	176	166	166	160	201	200
Nana ..	268	205	218	218	254	280†	197	184	194†	216	196	206	131	117	122	206	184	184	222	149	169
Salaatapur ..	242	213	229†	239	269	267	206	190	198	218	210	217	129	129	129	139	139	139	259	251	251
Southern Zone																					
Krishna ..	186	191	206†	168	165	175	162	162	163	167	168	172	116	130	134	152	132	133	206	175	175
Lakh ..	197	374	374	158	198	198	123	132	134	142	186	187	88	88	89	135	138	138	144	138	137
Malur ..	172	216	210	128	144	143	136	150	154	143	163	164	97	102	107	195	195	195	163	171	178
Manigunda ..	219	210	224†	220	191	178†	192	216	226†	196	211	218	127	123	123	210	164	156	240	202	200
Kudchi ..	157	181	181	128	139	139	147	161	169	146	162	168	113	120	113	150	122	120	191	193	194

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Islands—		
Cotton Receipts	Week ended 3rd Sept., 1953	23,265
	Corresponding week, 1952	41,018
	1st Sept. 1952 to 31st Aug., 1953	18,36,499
	Corresponding period, 1951-52	20,06,918
Cotton Exports	Week ended 3rd Sept., 1953	120
	Corresponding week, 1952	—
	1st Sept. 1952 to 31st Aug., 1953	8,27,213
	Corresponding period, 1951-52	1,86,691
Mill Consumption	1st Sept. 1952 to 31st Aug., 1953	12,37,406
	Corresponding period, 1951-52	10,04,097
Stock (with exporters dealers and mills)	On 31st Aug., 1953	4,02,594
	Corresponding date, 1952	6,73,376
Karachi (Pakistan)*		
Receipts	Week ended 29th Aug., 1953	—
	Corresponding period 1952	17,527
	1st Sept. 1952 to 29th Aug., 1953	16,47,480(a)
	Corresponding period, 1951-52	15,90,973
Exports	Week ended 29th Aug., 1953	—
	Corresponding period, 1952	12,000
	1st Sept. 1952 to 20th Aug., 1953	16,20,000(a)
	Corresponding period, 1951-52	12,19,500

Particulars	From 1st Sept., '52 to 31st August, 1953 Bales	From 1st Sept., '51 to 31st August, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	16,250	8,408
Continent	1,06,424	44,070
China ..	318	750
Japan ..	1,55,597	1,17,073
U.S.A. ..	43,134	14,764
Other Countries	6,486	1,636
Total to all foreign countries ..	8,27,213	1,86,691
Coastal Ports ..	1,41,236	1,10,761

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian ..	May, 1953	2,08,896
Foreign ..		63,581
Indian ..	Nine months September 1952 to May 1953	26,82,727
Foreign ..		6,84,081
Indian ..	Same Period 1951-52	21,71,106
Foreign ..		8,08,606
Stocks (Mills and Elsewhere)—		
Indian ..	As on 30th May, 1953	13,05,455
Foreign ..		2,45,049
Indian ..	As on 30th May, 1952	13,85,441
Foreign ..		4,23,656
	Week ended 28th Aug., 1953	256
Cotton Pressed †	Corresponding week, 1952	146
	1st Sept. 1952 to 25th Aug., 1953	29,36,148
	Corresponding period, 1951-52	32,40,789

* As reported by the Karachi Cotton Association Ltd (a) Upto 22nd August, 1953. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103¼
2½ Bonds	1926-33	61,30,26,000	1960-70	102 ⅛
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92 ⅜
3 ½ Loan	1950	30,33,10,000	1964	92 ¼
3 ½ Loan	1943	1,10,11,78,000	1966-68	90 ⅜
3 ½ V. Loan	1944	1,14,06,89,000	1957	98 ⅛
3 ½ Loan	1945	1,15,05,83,000	1970-75	86½
3 ½ Loan	1945	1,15,64,64,000	1959-61	96 ⅜
3 ½ Loan	1951	50,35,61,000	1958	98½
2½ Loan	1946	45,63,07,000	1960	93 ⅜
2½ Loan	1946	57,00,69,000	1961	90 ⅜
2½ Loan	1946	35,06,06,000	1954	98 ⅛
2½ Loan	1946	14,77,48,000	1976	82¼
2½ Loan	1947	75,86,72,000	1962	91 ⅛
2½ Loan	1948	60,45,01,000	1955	98½
3½ % Loan(N.P. Bonds)	1953	75,00,00,000	1961	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice On September, 1986 or later at option of Government after three months' notice.	82 ⅛
3 % Loan	1946	248,91,90,000		82 ⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	105

Loan	Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
	Rs.				
BOMBAY					
	36,50,000	4	1904	1964	Rs.
	35,00,000	4	1905	1965	
	13,50,000	4	1906	1967	
	44,00,000	4	1907	1967	
	75,00,000	4	1908	1968	97½N
	40,00,000	4	1909	1970	
	56,50,000	4	1910	1971	
	75,00,000	4	1911	1972	
	1 10,00,000	4	1912	1973	
	14,35,000	3½	1912*	1960	D
	80,00,000	4	1913	1974	99¼N
	88,25,000	4	1914	1975	99N
	10,00,000	4	1915*	1960	
	55,00,000	4	1915*	1975	
	61,61,000	4	1922*	1960	
	11,51,000	4	1924*	1960	
	10 25,000	3½	1926*	1960	
	35,00,000	3½	1929*	1970	
	12,50,000	3½	1930*	1960	
	12,50,000	3½	1931*	1961	D
	13,50,000	3½	1932*	1962	
	24,58,000	3½	1933*	1973	
	15,00,000	3½	1936*	1946	
	48,04,000	3½	1936*	1960	
	10,00,000	3½	1938*	1968	
	7,00,000	3½	1941*	1971	
CALCUTTA					
	Rs.				Rs.
	90,24,300	4	1914	1974	99½
	76,90,100	4	1915	1975	98½
	68,02,300C	3½	1921	1981	79
	1,50,00,000C	4	1921	1981	94N
	1,24,06,300	6	1923	1955-85	105
	98 21 600	5½	1926	1956-86	104½
	99,84,500B	5	1926	1956-86	101½
	1,49,49,500B	5	1927	1957-87	101½
	1,49 10,000	5	1928	1958-88	104½
	80,00,000	4½	1931	1991	92½
	21,75,000C	3	1933	1974	99½
	60,00,000	3½	1935	1965	96½
	25,00,000	3	1938	1963-68	88
	50,00,000	3	1939	1969	90N
	50,00,000	3	1945	1975	82½
	50,00,000	3	1946	1976	82
	50,00,000	3	1946	2006	78½
	50,00,000	2½	1947	1977	78½
	50,00,000	3	1948	1978	81
	50,00,000	3	1949	1959	94½
	50,00,000C	3	1950	1980	80
	1 00,00,000	3	1950	1960	94
	1 00,00,000	3	1950	1960	94
	50,00,000	3	1951	1981	79
	1,50,00,000	3½	1951	1961	97½
	50,00,000	4	1953	1983	99½
	50,00,000	4	1953	1983	97
STERLING LOANS					
	£892,600	5	1923	1953-83	£86½
	£901,000	5	1924	1954-84	£86½
	£833,100	5½	1932	1962	£96
MADRAS					
	Rs.				Rs.
	46,60,347	4	1912	1982	
	32 14,994	4	1917	1982	
	3,71,489	4	1918	1982	A
	43,05,911	4	1918	1982	
	7,46,044	6	1920	1982	
	2,15 852	6	1921	1952	
	1st Aug.				
	3,32,322	4½	1922	1952	M
	4,47,597	5½	1923	1952	
STERLING LOAN					
	£330,000	5½	192	1953	£100N

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½N
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115N
10,00,000	5	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1924	1959	107
50,00,000	5	1924	1959	100
35,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	89
30,00,000	3	1937	1967	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Loan	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	140xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	103	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	15½	£1
Gwalior Sugar	6,73,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	153	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	10
Upper Gangetic	1,50,00,000	1932	3	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,90,800	1901-19	7	Apr. Oct.	121	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	119xd	100
Karanpura Collieries ..	1,50,000	1946	5½(a)	.. ..	92	75(pp)
††Khas Kajora	1,93,000	1931	3	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance]	10,00,000	1939	5	Apr. Oct.	110½	100
Bangalore	3,00,000	1884	6½	Jan. July	128½	100
Basanti Cotton	3,00,000	1938	6½	Nov ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	140	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	92	100
Do. 'B'	14,71,000	1919	7	June Dec.	320xd	250
Bradbury	21,30,200	1920	7½	Jan. July	137½	100
Buckingham & Carnatic ..	1,00,000	1928	7	Apr. ..	129	100
Cambodias	50,00,000	1913	5	Apr. Oct.	512½	500
Central India	1,00,000	1935	6½	Nov. ..	124½	100
Coimbatore Pioneer ..	1,00,000	1913	8	May Nov.	143	100
Elgin	11,00,000	1913	8	May Nov.	10	10
Do. 'B' Pref. ..	4,20,000	1943	5	July Jan.	10	10
Elphinstone	23,00,000	1919	7(a)	May Nov.	88½	100
Kesoram	20,00,000	1919	7	June Dec.	132	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	..	100
Do. (2nd)	29,92,500	1947	4	.. ..	87½	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	232½	250
Morarjee Gocouldas Spg. & Wvg.	17,23,000	1919	4½	January	75	100
Mukr Mills	30,00,000	1900	6	Jan. July	108	100
Mysore Spg.	7,45,050	1944	4½	.. ..	..	50
New Great	8,00,000	1913	5½(a)	Mar. ..	185	200
New Victoria	26,05,500	1920	8	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb. ..	99	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	36	50
Shree Niwas Cotton ..	4,00,000	1944	4	.. ..	..	100
Sholapoor	32,00,000	1943	3(c)	.. ..	80	100
Svadeshi	15,00,000	1935	5	Apr. Oct.	114	100
Swadeshi (Kanpur)	33,00,000	1927	6	June ..	88	100
Swadeshi (1st)	3,00,000	1931	6½	Apr. Oct.	120	100
Vasanta (1st)	1,50,000	1938	6	.. ..	109½	100
Do. (2nd)	15,66,500	1908	7(a)	Apr. ..	528½	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,202½	1 000
Calcutta Electric	£1,900,000	1909-11	5(c)	June Dec.	12½xd	£1
Dacca Electric	6,00,000	1940	6	Dec. ..	9	10
Nasik-Deolali Electric ..	4,00,000	1935	7(a)	June Dec.	105	100
Poona Electric	2,00,000	1933	6	Jan. July	92½	100
South Arcot	18,00,000	1940	3½	July Nov.	9½	10
South Madras (1st)	8,00,000	1940	5½	.. ..	9½	10
Do. (2nd)	5,00,000	1939	6½	Apr. ..	132½	100
Surat Electric Co.	89,21,000	1907	7(a)	May Nov.	1,318½	1,000
Tata Hydro-Electric Power ..	89,28,000	1918	7½(a)	May Nov.	..	100
Tata Power	1,25,000	1928	6	Mar. Sept.	8½	10
Vallore	1,00,000	1933	6½(a)	Sept. ..	82½	100
Vizag						
ENGINEERING						
Authur Butler (Mozaffarpore)	1,30,000	1919	7	Mar. ..	8½	10
Burn & Co., Ltd. (1st) ..	13,00,000	1895-98	7	Feb. Aug.	133	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	119	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1950	3	Dec. ..	106½	100
Indian Standard Wagon ..	19,66,500	1918	7	June ..	132	100
Indian Steel Rolling ..	4,90,950	..	3½	.. ..	8½	10
Jessop	10,00,000	1941	5	May Nov.	106	100
†††Kumardhubi Engin. ..	12,00,000	1919	5	June Dec.	94	100
Larsen and Toubro Ltd. ..	3,50,000	1946-47 51	5	.. ..	86	100
McKenzies (1st)	5,50,000	1907	3½	.. ..	80	100
Premier Construction (1st)	10,00,000	..	6½(a)	.. ..	..	100
Do. do. (2nd)	10,00,000	1936	6½(a)	.. ..	93½	100
Do. do. (3rd)	56,25,000	1947	4½(a)	.. ..	5½	10
Steel Products	3,00,000	1917	3	.. ..	1¼N	10
Tata Iron and Steel (1st) ..	75,00,000	1908	..	Nov. ..	176½	150
Do do. (2nd) ..	6,93,81,900	1908	7½(a)	May ..	134	100
					80	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	123	100
Albion	9,00,000	1909	7	May Nov.	108	100
Alexandra	15,00,000	1905	6	Feb. Aug.	105	100
Alliance	40,00,000	1917	7	May Nov.	118½	100
Anglo-India	10,00,000	1909	3½	May Nov.	93	100
Auckland	13,00,000	1945	4½	June Dec.	75	100
Do. (2nd)(f)	10,00,000	1918	7	Apr. Oct.	119	100
Baily	£200,000	1896	5(a)	May Nov.	49	100
Barnagore	7,00,000	1906	3	Jan. July	122	100
Belvedere	23,84,200	1919	7½(a)	June Dec.	100xd	100
Birla	9,00,000	1894	..	May Nov.	120xd	100
Budge-Budge	6,00,000	1934	3½	Jan. July	99	100
Calcutta	10,00,000	1915	7	June Dec.	119½xd	100
Caledonian	10,00,000	1919	7	June Dec.	120	100
Chevriot	5,00,000	1928	7	Mar. Sept.	116	100
Chitavalah	9,00,000	1900	6	May Nov.	94	100
Clive 1st Pref.	8,00,000	1905	7	May Nov.	98	100
Do. (A) 2nd Pref. ..	15,00,000	1903-13	7	May Nov.	117½d	100
Dalhousie	5,00,000	1897	6	June Dec.	97	100
Delta	10,00,000	1912	7	Feb. Aug.	117	100
Empire	14,00,000	1890-98	7	May Nov.	134	100
Fort Gloster	7,00,000	..	5	.. ..	88	100
Do. 2nd Pref.	7,00,000	1911	7	May Nov.	117N	100
Fort William	17,50,000	1916	8	June Nov.	120	300
Ganges	6,00,000	1895-04	6	Mar. Sept.	105	100
Gourepore	26,50,900	1935	6	Mar. Sept.	101½xd	100
Hastings	25,00,000	1913	10	May Nov.	141xd	100
Hooghly	11,76,000	1913	7	May Nov.	123	100
Howrah	8,75,000	1890	7	May Nov.	118	100
Do. (A)	17,50,000	1903-06	7	May Nov.	111	100
Hukumchand	40,00,000	1919	7	June Dec.	110	100
Kamarhatty	16 00,000	1898-04

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5			12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	49,152	1,021	B. R. Cotton Mills ..	49	100	6 0	6 0	Nil		12	Y.P.T.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	373½	250	17 8	20 0	20 0	7 8(i)	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills ..	712xd	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,43,74,311	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg. ..	260xd	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	39,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill ..	69	100	Nil	Nil	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg. ..	111½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	65	50	Nil	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles ..	237½	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,223	41,862	Chidambaram Mutiraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	38	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,872	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	323½	100	15 0	20 0	20 0		12	Y.
12,00,000	65,36,400	98,72,638	82,61,500	4,762	Thackersey Mooljee & Co. ..	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,520	1,000	175 0	200 0	200 0*		3	Y.P.
									9–5½	250	43 12	50 0	50 0			
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills ..	1½	10	0 12½	1 1½			12	Y.
50,00,000D									3,350	1 D	0 2½	0 4				
9,00,000	65,91,320	98,10,275	76,94,000	7,671	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.		1,000	175 0*	200 0*	200 0*			
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	178½	300	87 8	100 0	100 0		3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Kilkick Industries Ltd. ..	1,11,464	1,846	Kohinoor Mills	290½	100	18 0	25 0*	18 0	6 0(i)	12	Y.P.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills ..	86	100A	7 8	8 0	8 0		6	Y.P.
3,60,000B										20B	1 8	1 0	1 4			
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd. ..	33,750	451	Modern Mills	95N	50	4 0	7 0	5 0		10	Y.T.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	185	100	17 0	13 0	12 0		12	Y.P.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd. ..			National Rayon Corporation	111½	100	Nil	Nil	Nil		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	151½	100	12 8	15 0	10 0		12	Y.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Spg. & Wvg. ..	148	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,352	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd. ..	33,720	873	New Udion Mills	25½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd. ..	54,208	1,190	Phoenix Mills	120	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd. ..	32,600	930	Podar Mills	125	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk Mill	20	10	2 0	2 0	1 4		12	Y.P.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,256	Sassoon Spg. & Wvg. ..	25½	10	10 12	12 0	12 0		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd. ..	66,432	1,640	Shree Niwas Cotton Mills ..	172½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,340	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd. ..	36,116	1,276	Simplex Mills	172	50	14 0	17 0	15 0(p)	15 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard Mills	306½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd. ..	65,040	2,000	Svadeshi Mills	261½	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd. ..	35,804	552	Swan Mills	200½	100	25 0	25 0	30 0		12	Y.
32,54,438	1,55,55,268	68,88,347	29,93,293	23,338	Tata Industries Ltd. ..	63,248	1,800	Tata Mills	41½	25	2 0	4 0	2 0		12	Y.
12,00,000	51,56,933	86,62,657	66,95,000	4,299	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spg. & Mfg.	3,550	1,000	175 0*	200 0*	200 0*		3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd. ..	44,224	1,016	Ahmedabad Advance Mills ..	138½	100	8 0	12 0	10 0		6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	430	100	15 0*	20 0*			12	Y.P.
21,00,000	2,07,45,673	1,18,76,139	76,13,000	1,309	Narottam & Lalbhai & Co.	62,448	1,216	Arvind Mills	772½	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd. ..	35,884	884	Aryodaya Ginning & Mfg.	309½	200	30 0	35 0	35 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co. ..	37,368	914	Bahuka Mills	457½	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,49,673	3,68,18,284	2,87,33,384	24,005	Jagabhai Bhogilal Nanavaty & Co. Ltd.	1,39,120	2,400	Calico	1,035½	500	55 0	60 0	60 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills ..	1,025	500	55 0	60 0	60 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,932	864	New Shorrock Spg. & Wvg.	377	123	33 0	35 0	35 0		12	Y.P.
12,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co. Ltd.	24,840	528	Nutan Mills	623½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,615	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co. ..	46,680	1,093	Rajnagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	Nil		12	Y.P.
12,00,000	13,93,067	39,67,450	26,32,655	—13,90,510	Manaklal Hutheesing & Co.	33,156	640	Rohit Mills	130	100	30 0	9 0	9 0		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lalubhai Gordhandas Ltd. ..	53,156	1,323	Shri Ambica Mills	320½	50	15 0	18 0	16 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	43,704										
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,624	720	Shorrock Spg. & Mfg. ..	383½	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,376	816	Vijaya Mills	520	400	30 0	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	1,80,519	32,00,682	17,29,664	1,93,043	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	4½	10	0 8	0 5			12	Y.P.
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textiles Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills ..	38N	40	Nil	3 0			3	Y.
6,00,000	22,76,073	77,07,829	51,15,000	—28,432	Bowreah Bullen & Co., Ltd.	42,872	841	Bowreah Bullen Mills ..	285	100	Nil	Nil	Nil		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	176	100		Nil	Nil		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd. ..	69,352	1,990	Kesoram Cotton Mills ..	18½	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,47,726	33,08,018	10,28,558	—8,38,366	Samuel Aaron, Esq. ..	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil			12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramal & Co., Ltd. ..	50,000	640	Alagappa Textiles (Cochin) Ltd.	6½	10	0 14 2/5 0	9 3/5			12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund, ..	19,944	440	Azam Jahi Mills	69N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,083	Bangalore Woollen, Cotton and Silk Mills ..	260	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills..	14½	10	1 4	2 0	2 0		6.12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd. ..	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	Nil	2 8	3 0		3	Y.
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic ..	124xd	100	6 14	7 8	4 0	4 0(i)	12	Y.P.T.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd. ..	17,336	4	Cambodia Mills	11½	10	Nil	4 1	3 0		12	Y.
30,00,000	21,97,992	54,51,479	45,04,813	39,839	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles ..	88	5	0 9	0 9	0 9	0 9	12	Y.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co. ..	28,864		Coimbatore Cotton Mills ..	117	100	12 12	12 8	9 0		12	Y.
20,00,000	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co. ..	19,700		Coimbatore Pioneer Mills ..	117	100	7 8	8 0	6 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,587	—2,70,999	R. G. S. Naidu & Co. ..	19,700		Coimbatore Spg. & Wvg. ..	42	50	2 8	3 0	Nil		12	Y.
46,87,500	94,72,298	2,04,37,857	1,36,21,766	—16,28,224	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	156	100	6 0	6 0	2 0		6	Y.P.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd. ..	75,604	1,830	Delhi Cloth & General Mills..	30½	10	Nil	0 4			6	Y.P.
1,00,50,5										25	23 0	20 0				
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons ..	29,500	201	Dhanalakshmi Mills ..	182	10	1 2	1 8	10 0		12	Y.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	178	10					9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	225½	100	10 0	14 0	17 0*	5 0(i)	12	Y.
50,00,000	12,29,862	1,21,16,721	81,08,323	6,989	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United ..	93½	100	4 0	5 0			12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd. ..	13,824		Janardana Mills	61	50	3 0	7 8	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	13,824		Kothari Textiles	10½	10	0 11	0 12	0 12		12	Y.P.
32,00,000	70,45,345	1,38,43,856	99,43,534	1,99,524	Bombay Co., Ltd. ..	53,642	1,213	Lakshmi Cotton Mfg. ..	170	250	37 8	50 0*	37 8		12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	O. K. Naidu & Co. ..	73,504	200	Lakshmi Mills	81	50	4 0	5 0	5 0		3	Y.
									40	25	2 0	3 0	2 8	2 8		
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd. ..	4,64,748	..	Madura Mills	38½	25	2 0	3 0	3 0		12	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others	21,856	603	Malabar Spg. & Wvg. ..	142	200	8 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	678	Mettur Industries Ltd. ..	198½	100	25 0	12 8	12 8		12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd. ..	36,416	932	Minerva Mills	91	100	6 0	6 0	5 0	12 8	3	Y.
94,91,850	25,39,837	1,34,73,361	75,31,528	29,643	Banalal Abirchand Dadabhoy & Co.	46,318	1,834	Model Mills (Nagpur) ..	143½	100	15 0	7 8	7 8		12	Y.
30,00,000	32,19,600	1,53,39,372	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	210	100	Nil				6	Y.
19,86,800	66,50,072	93,64,213	59,85,574	42,197	N. Sirur & Co., Ltd. ..	49,632	500	Mysore Spg. & Mfg. ..	130	50	10 0	9 0	10 0*	10 0*	2	Y.P.
13,61,780	8,71,720	27,85,556	14,26,410	—4,60,002	Sri N. O. Naik	6,000	..	Mysore Spun Silk Mills ..	5½	10	Nil	0 10	Nil		3	Y.
22,89,88300									1½	O. 2½	Nil	Nil	Nil			
3,07,095D	25,94,590	90,45,280	90,45,280	—15,88,215	J. P. Srivastava & Sons, Ltd.	30,896	717	Osmanshahi Mills	90N	D. 1	Nil	Nil	Nil		12	Y.P.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund ..	22,800	..	Palani Andavar Mills ..	64½	100	5 8	8 0	7 8		9	Y.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co. ..	27,980	..	Pankaja Mills Ltd. ..	75½	50A	5 0	8 0	7 8		12	Y.
6,00,000B									73	100A	8 0	12 0	11 4			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons ..	38,864	200	Radhakrishna Mills ..	158½	100A	16 0	16 0	6 0		12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	25,896	..	Rajalakshmi Mills	38	50B	4 0	5 0	3 0		12	Y.
8,40,600B									50½	50	4 0	5 0				
15,00,000	25,00,000	20,61,036	13,70,469	2,54,884	B. R. Naidu & Sons	32,580	600	Raza Textiles	4–8½	10	Nil	Nil			12	Y.P.
60,00,000	62,66,508	1,04,60,737	26,32,665	3,506	J. P. Srivastava & Sons (Rampur).	13,824	440	Shree Sajjan Mills ..	75½N	100	6 0				12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Lladhar & Co., Ltd. ..	18,416	416	Sitaram Spg. & Wvg. ..	16½	60	Nil	3 0			3	Y.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.										8	Y.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg. ..	1,610	1,000	Nil	Nil	Nil		3	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq. ..	22,200	292	Sri Krishnarajendra Mills ..	44½	50	4 0*	4 0*	3 0*	4 0*	3	Y.
15,00,000	93,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd. ..	27,340	992	Sutlej Cotton Mills	37N	10	4 0	4 0	4 0		3	Y.
17,50,000D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	9½	100	0 8	0 8			12	Y.P.
1,57,50,000Pref									99½	10P.O.	0 14 2/5	0 14 2/5	0 14 2/5			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.	16,000	..	Travancore Rayons	4½	10	Nil	Nil	Nil	Nil	12	Y.P.
13,98,630	7,23,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons ..	33,704	270	Trichinopoly Mills	8½	10	1 0	1 0	0 11 1/2		12	Y.P.T.
21,00,900	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	54,280	1,495	Vasanta Mills	159	100	9 0	10 0	12 0		12	Y.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.			Vishnu Cotton	148½	100	9 0	14 0*	14 0*		12	Y.

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9	25	Nil	2 13g	Nil		5	Y.P.
16,20,630	14,30,304	22,75,857	9,87,293	13,649		Dyer Meakin Breweries ..	20½	10	Nil	1 2g	0 8		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd. ..	East India Distilleries and Sugar ..	1	1	1 0	1 0	1 0		9	Y.
£300,000B							15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	20½	B. £1	Sh. 1	Sh. 1	Sh. 1		9	Y.
6,00,000	9,00,000	12,13,592	12,13,586	3,951	Vittal Mallya, Esq. (Chairman)	United Breweries	4M		Nil	Nil			8	Y.
							159½xd	75	11 4	7 8	15 0		3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	99½	A. 100	3 12	7 8	7 8½		12	Y.P.T.
39,63,334B							10	B. 10	0 6	0 12	0 12			
43,14,600C	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	3½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D							½	D. 1	Nil					
10,56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd. ..	Associated Cement Companies ..	168½	5	8 8	9 8	9 8		7	Y.
60,00,000O							6½	O. 10	0 8	0 10	0 10			
26,49,797O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	1½	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D							Nil	D. 1	Nil	Nil	Nil			
62,50,000O	4,00,000	1,26,71,467	23,27,600	90,853	Essen Ltd.	India Cements Ltd.	16½	O. 25	Nil	Nil			3	Y.P.
7,50,000D							3½	D. 5	Nil	Nil	0 4½			
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement ..	6½	5	0 3½	0 6g	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,00,000	56,44,143	16,17,762	3,671	S. Lall Bhagat & Co.	Bengal Potteries	2½xd	2½	0 2

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	41½	25	1 4 / 1 4 / 5 0	1 9 / 1 9 / 5 0	1 9 / Nil / 5 0		6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	160‡xd	100	5 0	5 0	5 0	1 0*	3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	13½	10	0 8h	0 12	1 0*		3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	31½	10	0 12 / 1 8	1 0 / 1 0	1 0 / 1 0		3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	17½	10	0 8 / 0 10	0 12 / 0 12	0 12 / 0 12		6,12	H.P.T.
20,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	8‡ / 8‡	O. 10 / A. 10	Nil / 1 0	0 4 / Nil	0 4 / 0 4		3,9	H.P.T.
56,00,000A. / 56,04,800D. / 4,37,500P O.	2,52,52,615	4,78,98,548	2,83,00,698	5,00,114	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	35‡ / 4½	A. 10 / B. 10 / P.O. 2½	0 14* / 0 14* / 0 2 / 0 2	1 0* / 1 0* / 0 2 / 0 2	1 0* / 1 0* / 0 2 / 0 2		3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,58,964	10,46,391	30,468	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	90,000	6,89,525	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	5 0	5 0	5 0		7	Y.
5,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,780D. / 2,00,000D.	6,02,582	42,65,284	19,09,280	419	S.S.A. Basil, Esq., &others (Directors)	Humayun Properties	10‡ / 1‡	O. 10 / D. 1	0 9 3/5 0 / Nil / Nil	9 3/5 0 / Nil / Nil	0 8 / Nil / Nil		9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd. ..	Port Canning Land	22½	100	2 0	1 8	1 0		4	Y.
94,00,000	35,56,934	97,99,238	88,013	4,609	Andrew Yule & Co.	Midnapore Zamindary	33½	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Birdj'& Co.	Assam Saw Mills	6‡	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading ..	34‡‡ / 127‡	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 8 / 9 0	5 0(§) / 2 0(§)	5	Y.
6,00,000	....	2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	38N	100	3 0	Nil			6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	30‡	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,419	37,27,464	25,16,456	18,412	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9	5	Nil	1 0	Nil		6	Y.
12,00,000A. / 3,00,000B	29,35,035	44,92,506	29,21,822	2,81,000	Narang Bros. & Co., Ltd.	Basti Sugar	120N / 11‡N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0			4	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8	7½	Nil	0 10	0 12		9	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	161N	10	1 0	1 8	1 8		6	Y.P.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7‡	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	55,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	36‡	10	2 0	3 0	2 0		10	Y.P.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd. ..	Hindustan Sugar Mills	26‡ / 130N	10 / 'A' 100	1 8 / 6 0	2 8 / 9 0	2 0 / 12 0*		6	Y.P.
35,00,000A. / 10,00,000D.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.		— / 50N / 25N	'B' 100 / 80 / 40	6 0 / 3 0 / 1 8	9 0 / 4 0 / 2 0	12 0* / Nil / Nil		7	Y.P.
18,00,000	8,70,387	68,10,159	53,07,987	—4,15,271	Kilachand Devchand & Co. ..	Kesar Sugar	25N	40	1 8	2 0	Nil		7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	26‡	10	0 8	0 10	0 8		6	Y.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	180N	100	15 0	20 0			3	Y.
13,59,375	43,31,823	52,90,359	15,27,000	39,355	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	45N	25	3 12	5 0			6	
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	95N	100	3 4	11 0	6 0		7	Y.
12,00,000	11,70,686	26,67,609	17,89,472	71,500	Narang Bros. & Co., Ltd. ..	Punjab Sugar	15	100	6 0	6 0			10	Y.P.
9,00,000	14,71,701	33,72,806	27,79,093	19,433	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17	10	1 8	2 0	1 0		6	Y.P.
8,00,000	6,03,850	24,18,182	20,01,613	15,410	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	14‡	10	1 0	2 0	1 0		6	Y.
11,99,000	17,24,706	36,11,360	20,82,129	23,281	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	10N	10	0 6	1 0	1 0		7	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar							10	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6‡	10	Nil	0 8	0 6‡		6	Y.
6,50,0000. / 1,75,000D.	47,625	27,92,174	11,46,770	—14,73,636	N. K. Jain & Co., Ltd.	South Behar Sugar	1‡N	O. 10 / D. 2½	Nil				10	Y.P.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	20N	10	1 12	2 0	2 0		6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,663	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	14	10	0 4‡	2 0	1 8		9	Y.
Other Centres														
45,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd. ..	Belapur Company	237‡	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.D.)	Gwalior Sugar	40N	100	Nil	5 0	3 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..	21‡ / 102N	10 / 10	0 8 / 0 12	2 8 / 1 4	2 8 / 1 4		9	Y.P.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar					0 12		10	Y.
21,79,280	90,00,000	94,96,051	62,24,558	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43‡	10	2 0*	2 0	2 0		6	Y.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kanulal Ltd.	Phaltan Sugar	88	50	8 0	8 0	8 0		9	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	18	10	0 9‡	0 12	1 0		8	Y.P.T.
20,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 10N	O. 50 / D. 10	7 0	9 0	9 0 / 1 0	1 0‡	9	Y.P.T.
4,00,000D. / 19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	10‡N	10	1 0	1 4	0 12		10	Y.
30,00,000	10,73,392	58,70,156	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	41	Nil	Nil	Nil	Nil		7	Y.P.
77,50,000A. / 23,50,000D.	42,73,988	1,72,24,516	86,54,833	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries ..	146‡	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	155	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000	....	3,00,72,740	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	82xd	100	3 0	4 0	5 0		12	Y.
1,655,580	£1,123,737	£5,428,105	£3,532,999	£13,172	Kilburn & Co., Ltd.	Indian General Navigation & Rly. Co.	7‡	10	Nil	Nil	Sh.10		12	Y.P.
2,25,00,000	56,99,233	3,87,93,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	13‡	15	Nil	Nil	0 8		3	Y.T.
6,39,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co. ..							6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	30 0	30 0	35 0		9	Y.
13,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		12	Y.
25,00,000	1,00,000	25,18,130§§	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	9‡	25	0 12	0 12	0 12		3	Y.
14,96,150	3,30,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	2 8		3	Y.
99,99,250	18,35,375	1,26,92,333§§	10,053	1,85,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	135	100	8 8	9 0	10 0	4 0(§)	12	Y.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	120 / 39‡	75 / A. 100	2 2 / Nil	2 4 / Nil	2 8 / Nil	2 0(§)	6	Y.
2,06,71,500A. / 10,00,000B	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	—	B. 10	Nil	Nil	Nil		6	Y.
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	40	20	2 0	3 0	3 0		12	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)	Western India Match Co. ..	233‡	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay (Chairman) ..	W. H. Brady & Co., Ltd. ..	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. / 2,50,000D.	15,00,000	1,35,46,950	50,22,899	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3‡ / 1‡	O. 10 / D. 2½	Nil	Nil	Nil		3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	17‡	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	21	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	48	10	0 9 3/5	0 9 3/5	0 4		3	Y.P.T.
30,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	270 / —	O. 100 / D. 40	20 0* / 6 0	25 0* / 8 0*	20 0* / 6 0*	5 0(§)	12	Y.
20,00,000	8,38,806	54,303.14§§	....	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	15‡	10	1 2	1 4	1 0		9	Y.P.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	10	10	1 4	1 4	0 12		9	Y.P.T.
3,25,00,000	1,05,00,000	2,23,39,029	1,84,16,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd. ..	8–12‡	5	0 12	1 0	0 8		12	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	27‡	10	2 0	1 8	1 8		12	Y.P.T.
51,26,000	47,37,061	1,26,35,420‡	....	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	141	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,600	18,10,721	50,793	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	171	100	10 0	12 8	20 0		3	H.
65,00,000	31,28,294	31,63,902	3,85,563	2,07,524	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	10 0	10 0		9	Y.P.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	261	250	15 0	15 0	15 0		3	Y.
12,42,800	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hindustan Motors	3–13‡	10	Nil	Nil	Nil		12	Y.P.T.
4,96,12,650	1,92,800	2,61,39,292	57,52,719	3,67,260	Birla Bros., Ltd.	Indian Aluminium Co.	105	100	3 8	5 0	5 0		12	Y.P.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Cables	19	10	1 0	1 0	1 0		12	Y.P.
1,52,89,220	99,40,984	37,92,690	32,31,748	9,29,354	D. J. McIntosh, Esq.	Indian Rubber Manufacturers ..	12‡xd	10	1 0	1 0	1 0		3	Y.P.
8,27,950	5,28,000	14,27,460	7,31,385	39,038	D. S. Moulton & Co. (India), Ltd.	Jardine Henderson	121xd	10	1 0	1 0	1 0		3	Y.P.
2,00,00,000	57,58,280	29,81,477‡	6,26,477	4,64,163	O. M. Mackinlay, Esq.							7 8	3	Y.P.
6,34,000O. / 66,000D.	6,03,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlana & Co.	8 / 130	O. 2 / D. 1 / O. 100	Nil	Nil	Nil		3	Y.
40,00,000O.	57,99,632	23,19,033‡	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.		D.O. 100	12 8	12 8			12	Y.P.
5,00,000D O. / 1,30,35,750	30,19,025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	18‡	10	0 12	1 0	1 6		9	Y.
6,35,250	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4‡	10	0 10	Nil	Nil		3	Y.
3,73,000	7,15,916	8,97,041	2,63,636	3,666	M. Hayath, Esq. (Controller) ..	Mysore Gramo Works	17‡xd	10	1 0	1 0			3	Y.
10,00,000	....	11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10cd	10	Nil	1 0	1 0		3	Y.T.
20,00,000	23,16,171	50,16,078	28,15,987	11,045	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	13	10	0 8	0 8	0 12		3	Y.P.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	8‡	10	0 4	0 8	Nil		3	Y.P.
40,00,000	24,00,000	41,39,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4‡	2	1 9 3/5	0 10‡	0 4‡		12	Y.P.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq. ..	Ralli's (India) Ltd.	67‡	100	8 8	9 0	Nil		12	Y.P.T.
1,14,00,000	78,53,108	6,09,39,407	2,16,88,623	7,19,486	C. W. Stephenson, Esq.	Rohtas Industries	8‡	10	Nil	0 12	1 0		8	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	3,36,552	Shaw Wallace & Co., Ltd. ..	Spencer & Co., Ltd.	13‡	10	1 0	1 0	1 0		10	Y.P.
75,00,000	35,00,000	12,11,901‡	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	10‡	10	1 0	1 0	1 0		6	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3‡	10	0 6‡	Nil	Nil		10	Y.P.

§§ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.
‡ Excluding goodwill (written down) Rs. 30 lakhs. § Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,02,362	8,88,306	3,86,105	....	McLeod & Co., Ltd.	825	Amluckie	275N	100	25 0	Nil			12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea ..	14cd	10	2 8	0 12	0 12		12	Y.
3,50,000	6,13,909	9,34,360	1,33,123	48,872	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	24‡	10	4 0	3 0			12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	10	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,581	63,629	Andrew Yule & Co., Ltd. ..	369	Basmatia	25	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	5	10	1 8	0 8			12	Y.
3,20,000	4,90,000	6,72,731	1,29,032	54,942	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	23	10	3 8	1 8			12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd. ..	4,038	Bishnauth	24‡	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	4½	10	0 8	Nil	Nil		12	Y.
7,50,000	3,40,000	7,64,836	1,66,959	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	10‡	10	1 8	1 8			12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	11‡	10	1 0	1 0			6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7‡	10	1 8	Nil			12	Y.
6,00,000	7,50,000	24,24,301	14,67,578	25,545	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia ..	220	100	30 0	22 8			12	Y.
17,53,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd. ..	426	Dhelakhat	10‡	10	1 9 3/5	1 3‡			12	Y.
4,68,970	2,71,039	10,66,372	3,24,106	25,794	James Finlay & Co., Ltd. ..	613	Dhunseri	9‡	10	2 0	1 0			12	Y.P.
4,50,000	2,75,000	6,93,361	89,330	14,389	McLeod & Co., Ltd.	458	Dibrugarh	7‡	10	1 0	0 8			12	Y.
2,36,700	3,72,500	8,29,204	3,79,204	35,409	Williamson Magor & Co., Ltd.	611	Dimakuri	31	10	4 8	2 12			12	Y.P.
5,60,500	4,50,000	16,38,157	9,58,157	1,13,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	32‡xd	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea ..	16‡	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,386	Andrew Yule & Co., Ltd. ..	407	Gillapukri	16‡	10	1 0	1 0	Nil		12	Y.
3,30,000	4,00,000	12,09,149	5,56,140	1,11,345	Williamson Magor & Co., Ltd.	522	Gohpur	26‡	10	4 0	3 0			12	Y.
▲4,94,360 / B.2,40,790	12,87,810	17,08,255	4,38,704	82,387	Octavius Steel & Co., Ltd. ..	1,393	Grob	15‡ / 8	A.10 / B.5	3 0 / 1 0	2 0 / 1 0			12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	25xd	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd. ..	1,288	Hoolangooree	290N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	11,98,156	1,61,426	29,063	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	9‡	10	1 4	0 8			12	Y.
2,40,000	80,000	11,43,851	6,20,851	3,593	Shaw Wallace & Co., Ltd. ..	1,166	Kalingaly-Golaghat (Assam)	19‡N	100	20 0	Nil			12	P.Y.
5,63,690	1,69,133	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd. ..	1,037	Lodo	7‡	10	2 0	Nil	Nil		12	Y.
6,50,000	1,68,000	8,95,226	3,94,225	8,749	Duncan Bros. & Co., Ltd. ..	1,072	Mahalkata	24‡	10	3 0	Nil	Nil		12	Y.
4,80,000	57,154	8,52,930	52,930	286	Duncan Bros. & Co., Ltd. ..	673	Mohoema	21‡	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,031	Kettlewell Bullen & Co., Ltd.	433	Mohola	373N	100	45 0	35 0	Nil		12	Y.
O. 50,000 / P.O.2,00,000	3,65,000	8,80,913	4,99,415	37,518	Andrew Yule & Co., Ltd. ..	325	Murphulani	20‡xd / 25xd

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,73,184	48,22,130	3,33,368	B. N. Elias & Co., Ltd.	879	Agarpara	17½	10	8+3	1+1	1+1		3.9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	—16,515	Sahu Jain Ltd.	498	Albion	170	100	4+10	15+15	8+10		5.11	H.P.
6,00,000	3,55,000	49,90,030	29,18,370	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	Nil	5	Nil	Nil	Nil		6.12	H.P.T.
30,00,000	2,10,000	1,16,99,350	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	Nil	25	Nil				6.12	H.P.T.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,361	Anglo-India	Nil	10	10	10+10	10+15	7½	3.9	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	129	100	13+4	6+5	5+4	2½	3.9	H.P.T.
20,00,000	29,77,365	97,37,334	63,51,882	72,634	Jardine Henderson & Co. ..	959	Bally	158	100	6+6	6+6	Nil	4½	3.9	H.P.T.
£275,000	£639,470	£1,32,58,460	£1,05,230	£91,091	Sir John H. Burder (Chairman)	1,890	Barnagore	150	£5	£1	£1	£1		3.9	H.P.
28,00,000	32,59,373	88,01,240	47,68,254	26,347	Andrew Yule & Co., Ltd. ..	820	Belvedere	200	100	7+10	12½+15	7½+7½		6.12	H.P.
22,50,000	55,95,000	51,03,385	22,50,305	4,07,701	Soorsaimull Nagarmull	600	Bengal	14½	10	1½	3	3	3	6.12	H.P.
30,42,000	2,64,96,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	34xd	10	2½	3	3	3	6	Y.P.T.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	155	100	3+10	10+12	6½+6½	6f	4.10	H.P.
7,47,380	2,89,739	39,44,696	26,23,963	74,738	Dayaram & Sons	502	Calcutta Jute Mfg.	16N	10	Nil	1+1			6.12	H.P.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd. ..	616	Caledonian	157xd	100	4+10	10+12	6+6	6f	6.12	H.P.T.
59,16,400	1,05,23,478	1,63,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd. ..	1,400	Champdany	145	100	3+5	5+7	7+8	3f	3.9	H.
16,00,000	24,52,872	79,40,140	53,80,736	45,839	Andrew Yule & Co., Ltd. ..	530	Cheviot	205	100	6+10	10+12	6+6		3.9	H.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalah	295	10	3+3	3+4½	2½+1½		3.11	H.P.
16,00,000	17,00,000	77,89,914	64,74,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	3½	2		6.12	H.T.P.
31,49,200	59,29,308	1,28,67,836	61,35,713	8,357	Bird & Co., Ltd.	766	Dalhousie	137	100	1+3	3+6	6+1	1f	3	Y.P.
28,00,000	44,74,179	73,79,359	45,61,799	1,17,790	Andrew Yule & Co., Ltd. ..	779	Delta	222	100	5+12½	15+17½	10+10	10f	3.9	H.P.
15,00,000	2,50,000	75,63,704	53,68,650	47,730	McLeod & Co., Ltd.	580	Empire	20½	10	1+1	1½+1½	1+1		6.12	H.P.
21,00,000	57,78,539	2,62,73,643	1,77,44,591	1,801	Fort Gloster Industries Ltd.	1,884	Fort Gloster	183	100	2½+20	12½+12½	Nil		6.12	H.T.P.
14,00,000	4,97,921	69,94,729	43,27,194	—8,32,397	G. C. Bangur & Co.	1,014	Fort William	296N	100	Nil	4	Nil	Nil	3.9	H.P.T.
10,00,000	2,62,255	9,41,725	2,33,961	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	67	100	Nil	3½	2½+2½	Nil	3.9	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	685	100	45	50	50	Nilf	3.9	H.P.
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Gouripore	265	100	2½+15	10+10	12 Nil	Nilf	12	Y.
40,00,000	34,05,597	81,94,127	48,19,471	1,38,646	Bangur Bros., Ltd.	1,078	Hastings	100xdN	100	10	7	10		3.9	H.P.
16,80,000	13,70,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	33xd	10	1	1	1½	1½	3	Y.P.
63,62,500	30,83,570	1,56,87,539	1,09,32,235	1,35,027	Jardine Henderson Ltd.	1,940	Howrah	23½	10	4+4	8+8	5+5	4f	3	Y.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	39	7½	3½	5	5		3.9	H.P.
O. 87,00,000	18,45,066	1,11,41,130	70,52,201	77,979	Mackinnon Mackenzie & Co. ..	1,076	India	119	O. 125	3½+9½	3½+4½	3½+3½		3.9	H.
D. 30,00,000									D. 1	A.7-8 7-8	4 6	Nil	Nil		
" 24,00,000	20,07,975	1,36,48,345	1,16,47,605	92,900	Jardine Henderson Ltd.	1,797	Kamarhatty	181	100	8½+8½	10+12½	8½+6½		6.12	H.P.
" 19,20,000								171	'B' 100	8½+8½	10+12½	8½+6½			
30,00,000								148	100	Nil	5+7½	6+4			
" 24,00,000	12,18,800	1,30,36,108	92,12,151	83,881	Jardine Henderson Ltd.	1,527	Kanknarrah	144	'B' 100	Nil	5+7½	6+4		6.12	H.P.
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	232	100	10+10	12½+2½	7½+7½		6.12	H.P.
54,00,000	22,65,375	1,60,84,337	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,530	Khardah	172	100	Nil	15+10	10+15		3.9	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	188	100	11+4	10+9	10+7	4f	3.9	H.P.
24,48,000	48,82,305	1,33,96,808	76,74,073	22,044	Bird & Co., Ltd.	931	Lansdowne	126	100	2+10	11+8	7+3	2f	3.9	H.P.T.
28,00,000	58,69,796	1,13,85,476	61,81,380	7,757	Bird & Co., Ltd.	840	Lawrence	158	100	2+9	12½+11	11+4	2f	3.9	H.P.
10,00,000	36,31,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd. ..	538	Lothian	235xd	100	3+10	12+17½	15+15	15f	3.9	H.P.
81,63,200	24,87,140	1,94,76,903	1,13,93,064	1,17,533	Mackinnon Mackenzie & Co. ..	1,008	Megna	90	100	2½+6½	2½+1½	2½+2½		3.9	H.
29,98,900	41,03,068	1,35,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Nasharpara	118	100	Nil	5	10+6	6 Nil	Nilf	3.9	H.
12,00,000	23,05,000	25,69,086	16,42,880	17,184	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10		3	Nil		3.9	H.
35,00,000	44,27,437	27,58,352	8,93,551	1,01,832	Andrew Yule & Co., Ltd. ..	852	National	23½	10	1+1	1+1	1+1	1f	4.10	H.P.
7,50,000	41,00,000	25,73,900	16,24,098	1,23,783	McLeod & Co., Ltd.	341	Naihamla Jute	34½	10	1½+1½	2½+5	2+1		6.12	H.P.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	709	New Central	260	100	4+10	15+15	10+12		6.12	H.P.T.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	188	10	Nil	Nil	1	1	3.9	H.P.T.
66,79,500	32,37,329	2,12,53,604	1,35,98,606	30,451	Macneill & Barry Ltd.	1,092	Ludda	161	50	Nil	1½	1+1½	Nil	Nilf	3.9	H.
50,00,000	22,73,049	70,35,063	47,87,892	81,356	Andrew Yule & Co., Ltd. ..	601	Orient	167	100	4+10	12+12	1+4		3.9	H.
25,00,000	4,39,178	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	4½	5	Nil	Nil	Nil		5.11	H.P.
20,00,000		26,15,293	7,67,981	—3,29,349	Macneill & Barry Ltd.	303	Rameshwari	5	10	Nil		Nil		6.12	H.T.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	15½	10	Nil	Nil	Nil		3.9	H.P.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	14½	£1	10%	10%	10%	1f	3.9	H.P.T.
50,00,000	13,07,220	97,20,210	59,19,652	6,05,569	Begaria More & Co., Ltd. ..	911	Shree Ambica	21	10	Nil	1½+1	1f		12	Y.P.
7,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½N	10	½	Nil	Nil		3.9	H.P.
23,19,600	49,32,957	97,24,213	56,00,072	10,963	Bird & Co., Ltd.	650	Standard	135	100	3+6	9+8	8+1	1f	12	Y.P.T.
£600,000	£849,572‡	£900,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	14½	£1	10%	10%	10%		3.9	H.P.
33,98,600	94,31,454*	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	134	100	1+7	12½+1	10+1	1f	12	Y.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14½	£1	10%	10%	10%		3.9	H.P.T.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	5	1	Nil	1/40 1/40	Nil		6.12	Y.P. H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1949 Rs.	1950 Rs.	1951 Rs.	1952 Rs.	Accounts Closed	Reference
23,50,000	15,75,000	64,99,011	45,49,011	25,799	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18½	10	3	1	1		3.9	H.
12,00,000	8,42,703	37,55,383	34,25,643	58,826	Jardine Henderson Ltd.	Bararee Coke	17½	10	3+3½	1	1		3.9	H.
4,49,350	70,000	8,49,159	5,24,703	5,169	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	7N	10					3.9	H.
1,00,00,000	1,09,50,000	5,08,61,725	3,24,30,103	8,02,968	Andrew Yule & Co., Ltd. ..	Bengal Coal	505	200	16+17½	17½+17½	17½+17½	20+20	6.12	H.
2,25,000	3,14,434	25,84,481	21,98,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	1½+1½	1½+1½	1½+1½		4.10	H.P.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	3½	10	Nil				6.12	H.P.
69,99,953	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5½	10					9	Y.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulabarrage	14½	10	Nil				6	Y.T.P.
16,00,000	14,10,773	68,13,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9½	10	Nil	Nil	Nil	Nil	6.12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	23	10					6.12	H.T.
90,92,480	1,65,60,398	4,03,65,968	1,60,47,288	1,13,021	Bird & Co., Ltd.	Burrakur	8½	10	13½				6.12	H.P.
49,97,000	750	22,35,410	57,645	4,776	Hindustan Investment Corpn., Ltd.	Central India	4½	10	Nil				6.12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,334	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14½N	10					3	Y.
6,00,000	1,40,000	1,50,000‡		13,973	F. W. Heilgers & Co., Ltd. ..	Churia	2½	4					6.12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,433	Macneill & Barry Ltd.	Dhemo Main	8½	10					6.12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,839	Jardine Henderson Ltd.	East Indian	23	£1	Nil				6.12	H.
29,61,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	33½	10	2½+2½	2½+2½	2½+2½	3½ Nil	4	Y.
10,00,000	2,62,255	9,41,725	2,33,961	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	2	2	2	2+1½	6.12	H.P.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriladih	14½	10					3	Y.
3,50,000	3,50,000	12,53,839	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	Kalepahari	40N	10	1	1½	1½	1½	6.12	H.
20,00,000		25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	82	100	Nil	Nil	Nil	Nil	2.8	H.
3,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd. ..	Katras Jherriah	38	10	1	1	1½		2	Y.P.
1,38,400	93,000	10,63,519	3,25,519	1,063	Bertwala & Co.	Khas Kajora	7N	10	½	½	½	½	1.7	H.
11,00,240	50,000	33,87,375	10,31,184	3,411	H. V. Low & Co., Ltd.	Kuardi	5 xN	10	3½	3½	3½		6.12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	Y.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd...	Nazira	6½	10					4	Y.
17,76,230	10,67,000	1,16,02,941	81,01,381	53,799	Andrew Yule & Co., Ltd. ..	New Beerbhoom	17½	10	Nil 3/10	3/10 3/10	Nil	Nil	6.12	H.
6,00,000	3,30,000	31,32,539	18,57,919	—7,595	Octavius Steel & Co., Ltd. ..	New Manbhoom	8½	10	Nil		Nil	Nil	4.10	H.P.
1,15,000	5,51,004	12,56,672	7,30,294	12,237	Andrew Yule & Co., Ltd. ..	North West	12½N	10					3.9	H.
1,57,500							8½N	7½						
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	17N	10	9/40					
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11½N	10					6.12	H.P.
8,34,000	20,551	16,29,203	5,77,935	70,539	Parasea	Parasea	3½	10	Nil	Nil	Nil		12	Y.T.
13,73,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	20½	10					6.12	H.P.
23,99,500	13,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranerungue	7½	10	Nil	Nil			2.8	H.
13,50,000	6,88,385	29,87,472	23,74,472	36,006	Shaw Wallace & Co., Ltd. ..	Rewa	19½	10				Nilf	3.9	H.
20,00,000	3,10,464	28,07,516	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	7½	10	Nil			6+1	6.12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½N	2½					6.12	H.
2,80,000	5,43,826	28,04,096	14,32,569	30,584	Andrew Yule & Co., Ltd. ..	Seebpore	25½	7	2½+2½	2½	2	2		Y.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	8½	10				Nil	6.12	H.P.
63,21,450	13,25,934	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	9/20				6.12	H.T.
17,50,000	10,70,000	34,29,846	13,40,707	15,868	Bird & Co., Ltd.	South Karanpura	9½	10	1+1				12	Y.T.
8,00,000	13,68,503	2,33,837	56,445	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	20½	10	8+1				2.8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Telcher	2½	2½	Nil	Nil	Nil		6.12	H.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd. ..	Union	23	10	1+1	1+1	1½+1½	1½+1½	9	Y.
49,98,000	21,916	45,07,187	11,17,093	42,176	Hindustan Investment Corpn., Ltd.	West Bengal	4½	10	1+7	1+7	1½+1	1½+1½	6.12	H.
7,00,000	6,63,000	40,16,017	19,92,108	3,514	Macneill & Barry Ltd.	West Jamuria	17	10	3+3	3+3	3+3	Nil	3	Y.
													6.12	H.

* Including bonus. x Sales and amount written off. (k) Investments.

(f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 516 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ¼ per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March 1957.

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

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

MARKET GOSSIP

(Concluded from page 471)

tal gains, then it is not arguable that it should also have a right over a similar income in the shape of bonus. And in this country, where the avenues for squandering additional income are many, thanks to gambling dens, and the habit of saving is not so widespread, there is a great deal to be said in favour of enforcing a limited form of compulsory saving.

• • • •

The proposal is, therefore, unexceptionable. But it would be wrong to claim, as the Bombay Labour Minister did, a great deal in its favour, considering that the Bill contemplates the compulsory saving of bonus only in excess of three months' wages. Now that profit-margins are everywhere shrinking, it is unlikely that many establishments will be able to distribute more than three months' wages as bonus. The textile industry, the largest source of factory employment, is likely to distribute only two months' wages as bonus, or a little more than that. If the minimum had been prescribed, as was originally contemplated, at two months' wages, then the proposal might possibly have fulfilled its objective to some extent. As industrial profits now stand, the Bill is likely to remain a dead letter or of limited value only. It was, therefore, somewhat amusing to see the Minister singing the Bill's praises with such warmth, and even more amusing to see the labour spokesman holding out vociferous threats at the Government for having brought forward this measure. Both are counting the chickens before they are hatched.

• • • •

The second estimate (8th September, 1953) of the U.S. cotton crop, released by the Department of Agriculture this week, places the 1953-54 crop at 15,159,000 bales, as against the August estimate of 14,603,000 bales, and 15,136,000 bales in the 1952-53 season. The average output during the last 10 years has been 12,215,000 bales. The Department estimated that 23,737,000 acres of the 24,618,000 acres in cultivation on 1st July will be harvested this year with yield averaging 306.6 pounds of lint per acre. Last year, the yield per acre was only 282.7 pounds. The average yield during the last 10 years has been 271.4 pounds per acre. Be that as it may, the latest estimate of the 1953-54 crop is 554,000 bales above the earlier (August) estimate. It may be recalled that the August estimate of 14,603,000 bales was some half a million bales below the trade ideas of the new crop. The latest estimate is, therefore, very much above the original private estimates of the crop. It is now becoming increasingly clear that the U.S. will have a large surplus to find a market for in the 1953-54 season. The carry-over, as on 1st August, 1953, is placed well above five million bales. Thus, the total supply in the current season will aggregate over 20 million bales. If domestic mills absorb 9½ million bales, there will be an exportable surplus of over 10½ million bales. This is a very large surplus. Indeed, some traders doubt whether even three million bales out of this exportable surplus can be disposed of. Small wonder then, that the New York market has shown a tendency to decline. A severe slump, however, is ruled out, thanks to the price support programme and the possibility of U.S. farmers agreeing to a cut in acreage for next year, as they have already done in the case of wheat. The following table gives the trend of prices in the New York market in recent weeks:

(Cents per lb.)

	Before August estimate	After August estimate	Before September estimate	Current
Spot	34.05	33.80	33.75	33.75
October ...	33.73	33.62	33.35	33.31
December ...	33.91	33.73	33.59	33.52
March	34.14	33.84	33.87	33.81
May	34.15	33.83	33.90	33.82

It will be noted that, though the trend has been downward, there has been no appreciable fall in prices after the announcement of the second crop estimate.

• • • •

Next to the U.S. Pakistan is a leading exporter of cotton. It is, however, too early to estimate the exportable surplus in that country. Pakistan commenced its 1952-53 season with a carry-over of about 5 lakh bales, which, together with the season's crop of 19 lakh bales, made an over-all supply of nearly 24 lakh bales. Domestic consumption is placed at between 3 and 4 lakh bales, while foreign offtake has accounted for 16½ lakh bales. This leaves a carry-over of about 3 lakh bales at the beginning of the current season. The 1953-54 crop is estimated at about 15 lakh bales. Thus, the over-all supply in Pakistan is likely to be of the order of 18 lakh bales. Domestic consumption may be expected to absorb a little more than it did in the 1952-53 season, thanks to the increase in the spindles installed. If the mills and other consumers take about 4 lakh bales, the exportable surplus will then be of the order of 14 lakh bales. This may not be a large surplus for a country which exported 16½ lakh bales in the 1952-53 season. But there are two factors which must be remembered. In the first place, the actual crop may turn out to be higher than the present estimate of 15 lakh bales. In that case, exportable surplus will increase. Secondly, foreign offtake will depend on the level of world textile activity, and on the extent to which Pakistan's prices are competitive *vis-a-vis* other suppliers'.

MARKET REPORTS

(Concluded from page 505)

Ready 40" 10 oz. hessian opened easy at Rs. 43-4 last Wednesday. Shippers were in no mood to buy despite offers at discounted rates, and weak holders under the fear of the continuation of the declining trend, preferred to convert into cash as much of their possessions as they could at the lower rates rather than wait indefinitely and block their investment. Thus bears were aided. The attempt of mills to secure business for the January-March and the October-December positions had little effect on the shy buyers. Towards the end of the day, however, local covering brought in a ripple of activity and quotations for both hessian and sacking registered fractional gains. On Thursday, however, conditions took a turn for the worse and 40" 10 oz. hessian lost to Rs. 42-13 while B. twills were thrashed down to Rs. 94-12 from an overnight rate of Rs. 96-2. Scattered sales were recorded, but buyers for moderate quantities kept out of the market. Prices were further affected on Friday, and the two constructions were hammered down to Rs. 42 and Rs. 93-6 respectively. There was, however, moderate activity and prices were subjected to wide fluctuations in the downward direction by bears and bulls. On Saturday, 40" 10 oz. hessian recovered to Rs. 42-6 and B. twills to Rs. 94-12 following bear-covering. Even these rates were considered too low by mills who did not make offers. The rates have since further improved to Rs. 42-8 and Rs. 95 respectively.

The raw jute market was extremely quiet, as mills considered that in view of the decline in the prices of jute goods, the time was not appropriate for making purchases of raw jute. Some business was done earlier in special Pakistani cuttings at Rs. 80 a bale. Sellers were anxious to do business, although arrivals of the new crop were small. A quantity of 25,000 maunds of locally supervised northern jute bottoms changed hands at Rs. 27-8 a maund. New crop Assam bottoms were quoted at Rs. 26-8 and middles at Rs. 29-8. Pakistani new crop middles and bottoms were priced at Rs. 32 and Rs. 28-8 respectively.

PEPPER STEADY TO FIRM

(Messrs. Parekh and Co.)

BOMBAY, 8th September

During the earlier part of the week, the session under review was once again short owing to intervening holidays. The pepper market ruled steady to firm in view of the improved enquiries from New York for shipment by nearby steamers. Some business for shipments by steamers sailing during the first week of September was done at as high as $1.06. Locally, whole September shipment was traded in at $1.04, while October shipment changed hands at $0.97. In the latter part, however, the market ruled quiet in sympathy with New York, where trading proved a quiet pre-holiday affair owing to the approaching "Labour Day" holiday. Knowledgeable sources among the trade expect a general improvement in the pepper trade, during the coming months because of the following reasons, among others:

(1) Pressure from Sarawak appears to be receding, though slowly, nearly half of the total production of Sarawak black having been exported;

(2) Sources close to Lampong have revised their estimate of Lampong black to about 3,500 tons, owing to a partial failure of the crop in the Island. Lampong crop being thus smaller than earlier expectations, there is no selling pressure from that source, even though the harvesting of the main crop will be ending very soon;

(3) development of autumn demand both in the U.S.A. and on the Continent; and

(4) selling policy of the Indian grow

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,33,956	10,66,174	Allahabad Bank	380xd / 190xd	100 / 50	18 0 / 9 0	18 0 / 9 0	18 0 / 9 0	9 0(i) / 4 8(i)	12	Y.P.
1,01,000 / 23,99,000	12,03,000	7,231	Andhra Bank	103 / 54	100 / 50	6 0 / 3 0	6 0 / 3 0	6 0 / 3 0		6.12	H.
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	110xd	50	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,533	Bank of India	155½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
18,18,375	24,00,000	63,200	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	33,324	Bank of Jaipur	19½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	276xd	100	16 0	16 0	16 0	8 0(i)	12	Y.
39,18,600	42,61,693	23,280	Bombay State Co-operative Bank	59½	50	2 8	2 8	2 8		6	Y.P.T.
10,00,000	16,50,000	9,417	Canara Bank Ltd.	85	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	638	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
58,42,375 'A'	90,00,000	1,47,808	Devkaran Nanjee Banking Co.	671	25	3 8	3 8	3 8	0 12(i)	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	34½	50	1 8	1 12	1 12		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	88N	20	2 0	4 0	4 0		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	9	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	101N	100	6 0	6 0	5 0		9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,830	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				441½	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				182	100	12 0	12 0	12 0			
16,00,000	73,50,000	1,04,201	Indian Bank	143	85	10 3½	10 3½	10 3½		6.12	R.L.H.
15,48,000				102½	60	7 3½	7 3½	7 3½			
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	89½	100	5 0	6 0	6 0		.12	R.L.H.
6,25,800	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0		6.12	H.
2,50,000				18½	25(B)	2 4	1 14	1 8			
10,00,000				35	50(C)	3 0	3 0	3 0			
87,50,000	89,00,000	1,92,605	Punjab National Bank	21½	25	1 0	1 0	1 8	1 0(i)	12	Y.
8,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—		12	Y.
68,00,000	30,00,000	2,06,135	Union Bank of India	6–6½	5	0 5	0 5½	0 5½		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36½	50	2 0	2 0	2 0		6.12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£–2–2–4‡	£5	14†	14†	16†		12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6‡‡	£5	7†	6†	7†	3†	12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£89‡	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2–14–0 / £1–6–3	£1	5‡ / 5‡	12† / 5‡	12 5‡	5‡	12	R.L.Y.
£375,000				£24‡	A £12½	12†	12†	14†	7†(i)		
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24‡	B £12½	12	12†	14†	7†(i)	12	R.L.Y.
£300,000				£10‡	C £5	12‡	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£31‡	£12½	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency. (i) Interim. *£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1938 / 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	1941 / 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	99‡	30th December / 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December / 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November / 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April / 1956-61
23,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November / 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April / 1964
4,00,000	4½	19th May and 10th November	Bengal-Nagpur	98‡	15th November / 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	99‡	1st January / 1967-72
13,68,000	5½		Hyderabad Textiles	78N	1st January / 1956-59
40,00,000	5	1st June	Tata Mills	101	1965–71
ELECTRICS					
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	1950 / 31st March / 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June / 1968
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1st October / 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December / 1964
2,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January / 1970
45,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	86	31st December / 1970
15,00,000	5	1st January and 1st July	Bihar (Dherrian) Electric Supply Co. Ltd.	96	30th June / 1951
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	1940 / 1956-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1939 / 1st October / 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July / 1957-67
47,73,000	4	1st April and 1st October	Tata Power	100‡	1940 / 15th September / 1951-55(i)
2,50,000	4	1st April and 1st October	Tata Power	92‡	15th September / 1965-70
ENGINEERING					
3,00,000	3½	30th June and 31st December	Britannia Engineering	98	1942 / 31st December / 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	99	1928 / 30th June / 1958
30,00,000	3½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1943 / 1st July / 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	494	1936 / 31st December / 1966(ff)
10,00,000	4	31st May and 30th November	Kamardhebi Engineering Works Ltd.	88	1946 / 31st May / 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1950 / 15th October / 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	95	1950 / 31st December / 1960
JUTE					
£2,00,000	4½	1st October and 1st April	Agarpara	99	1939 / 31st March / 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	1939 / 30th June / 1954(h)
18,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90‡	1945 / 31st December / 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	1940 / 30th June / 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	1945 / 30th June / 1960
9,00,000	5	31st January and 31st July	Calcutta	91	1949 / 31st July / 1959(e)
10,69,000	5	30th June and 31st December	Chengalsah Jute Mills	97	1951 / 30th June / 1966
8,86,000	5	30th June and 31st December	Empire	95	1951 / 30th June / 1966
85,00,000	3½	1st January and 1st July	Hukumchand	92‡	1947 / 30th June / 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	1949 / 31st December / 1964
25,00,000	3½	30th June and 31st December	Nahati	98	1952 / 31st March / 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98‡N	1947 / 31st March / 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	1939 / 14th May / 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	1945 / 31st December / 1964
8,00,000	4	30th June and 31st December	Presidency	93	1943 / 30th June / 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96‡	1950 / 5th September / 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	1937 / 14th September / 1957
12,00,000	4½	30th June and 31st December	Union	97	1937 / 30th June / 1957(d)
10,00,000	5½	31st January and 31st July	Waverley	84	1925 / 31st July / 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	86	1936 / 1st July / 1956
6,30,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99‡	1945 / 1st November
£350,000	4½	1st January and 1st July	Calcutta Tramways	A 103% at any time on 6 months' notice or at par or every seventh year.	1906 / £100N
£201,067	5	1st April and 1st October		98‡	1933 / £102N / 1st October / 1974
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	99	1934 / 30th September / 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	89	1943 / 31st December / 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£90‡N	1905
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September / 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	100	1943 / 1st January / 1945–55
3,68,200	3½	31st March and 30th September	Teokoy Rubber Estates	100	31st March / 1949–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	101‡	1st January / 1945–53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	1946 / 30th September / 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	1948 / 31st December / 1963
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	1948 / 31st December / 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96‡	1937 / 30th June / 1957(f)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1915 / 1st February / 1964
81,55,000	4½	1st July and 1st January	Clive Buildings	88‡	1936 / 1st July / 1986
80,00,000	4	15th March and 15th September	Dalhousie Properties	87	1946 / 15th September / 1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	101‡	1950 / 1st January / 1971
20,00,000	5	15th March and 15th September	Metur Chemical Industries	97	1949 / 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	465 (per note)	1946 / 30th September / 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd (Convertible Notes)	410 (per note)	1947 / 31st December / 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd	90N	1951 / 1st April / 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	93‡	1951 / 31st March / 1961
1,00,00,000	5	30th June and 31st December	Robtas Industries Ltd.	84‡	1946 / 31st December / 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	102‡	1953 / 1st May / 1968

Note—See page 514 for explanations to abbreviated marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 8th September, 1953.

	Closing quotations 3-9-'53	High	Low	Closing quotations 8-9-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154½	155½	154½	155½
Bank of Baroda (50)	110xd	—	—	110
Central (25)	64½	64½	63½	63½
Imperial (F.Pd.) (500)	1,827½	1,830	1,827½	1,830
Imperial (P.Pd.) (125)	440	—	—	440
Union Bank (5)	6‡	—	—	6–6½
United Com. (50)	36½	36½	36½	36½
COTTON MILLS				
Ahm. Adv. (100)	138½	141½	138½	138½
Apollo (2)	2–6‡	2½	2½	2
Bombay Dyeing (250)	378½	377½	373½	373½
Central India (100)	159½	159½	156	156
Century Mills (100)	271½	271½	260	260xd
Calcha (100)	69	—	—	69
Edward Textile (300)	237½	—	—	237½
Elphinstone (50)	38	—	—	38
Finlay (100)	323½	—	—	323½
Gokak (100)	228	228½	225½	225½
Ind. Unit. Def'd. (1)	1–3‡	1–3‡	1–3‡	1‡
Ind. Unit. Ord. (10)	9	9–6‡	9	9–5‡
Indore Malwa (100)	92½	93½	91‡	93‡
Khatau (100)	178½	—	—	178½
Kohinoor (100)	294½	294	290‡	290‡
Lakshmi (250)	570	—	—	570
Madhusudhan (100)	86‡	—	—	86‡
B. R. Cotton Mills (100)	48	49½	49	49½
Modern Mills (100)	100‡	—	—	91
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	185	—	—	185
Mysore (50)	130	—	—	130
New City (100)	131‡	—	—	151‡
New Great (100)	150	148‡	148	148
Pearl Mills (100)	116‡	120	118‡	120
Sassoon Silk (10)	123	—	—	125
Sassoon Spg. (10)	20‡	—	—	20‡
Shalapur (1,000)	25‡	—	—	25‡
Simplex (50)	1,610	—	—	1,610
Srinivas (100)	167	172	166	172
Swan (100)	247	247	241‡	241‡
Tata M. L. (25)	462‡	—	—	462‡
Vishnu (100)	41	41‡	41	41
Western India (1,000)	151‡	151‡	147‡	147‡
	3,500	3,550	3,520	3,550
ELECTRIC COS.				
Ahmedabad (100)	113‡	113‡	112‡	113‡
Amalgamated (10)	11	—	—	11
Andhra Valley (1,000)	1,452½	1,452½	1,340	1,342½xr
Bom. Elec. Sup. (100)	121	121‡	120	120
Surat (100)	125	125‡	125	125‡
Tata Hydro (100)	142½	—	—	142½
Tata Power (1,000)	1,415	1,416½	1,410	1,411½
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	627‡	660	627‡	660
Jupiter (15)	38	—	—	38
New India (15)	40‡	40‡	40‡	40‡
Oriental (100)	6,825	—	—	6,825
Universal (10)	—	—	—	8
Vulcan (10)	11‡xd	11‡	11‡xd	11‡
STEAMER COS.				
Scindia (15)	13‡	13–10‡	13‡	13‡
STEEL COS.				
Ind. Iron (10)	23–6‡	22–14‡	22–9‡	22‡
Tata Steel Def'd. (50)	1,952‡	1,830	1,832‡	1,835xd
Tata Steel Ord. (75)	338‡	319	316‡	317½xd
MISCELLANEOUS				
Alcock Ashdown (100)	302‡	302‡	299‡	300
Associated Cts. (100)	168‡	169‡	168‡	168‡
Belapur Sugar (5)	239	239	237	237‡
Bom. Burmah (125)	348‡	348	341‡	341‡
Do. (New) (50)	128‡	128‡	126‡	127‡
Br. B. Petrol (4 sh.)	1‡	1‡	—	1‡
Br. I. Corpn. (5)	8–6‡	9	8‡	8‡
Indian Copper (2 sh.)	2–1‡	2‡	2–1‡	2–1‡
Ind. Inv. Tr. (100)	69‡	—	—	2‡
Port Canning (100)	22	—	—	69‡
Premier Cem. (50)	84	85‡	84	22
Shirvajee (10)	56	56‡	55‡	84
Tata Chemicals (10	8‡	8‡	8‡	56
Tata Oil (25)	30	30	30	8‡
Walchand Ind. (100	148‡	148	146	30
W. I. Match (10C	238	235	233‡	146‡
				233‡

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1934	—	3.46	98‡
2½% 1948	—	3.28	98‡
2½% 1950	—	3.88	90‡
2½% 1956	—	3.81	93‡
2½% 1962	—	3.87	91‡
3% 1957	—	3.91	82‡
3% 1958	—	3.42	98‡
3% 1959-61	—	3.41	98‡
3% 1964	3.74	3.57	96‡
3% 1963-65	—	3.84	92‡
3% 1966-68	3.93	3.78	92‡
3% 1970-75	3.99	3.88	90‡
3% 1986 Con. Loan	4.11	3.92	86‡
3½% 1954-59*	—	3.65*e	85‡
4% 1960-70	3.32	3.46	100‡
4½% 1955-60	3.66	3.84	102‡
4½% 1938-68*	3.00	4.02	103‡
3½% 1961 N.P. Bonds	3.40	4.05	105
	—	3.74	98‡

BRITISH GOVERNMENT SECURITIES

	3-9-53 £	High £	Low £	8-9-53 £
2½% Brit. Consols	60‡	60‡	60‡	60‡
3% Savings Bonds 1955-65	86‡	86‡	86‡	86‡
3% War Loan 1955-59	102‡	102‡	101‡	101‡xd
3½% War Loan 1952	82‡	82‡	82‡	82‡
3½% Brit. Iron and Steel, 1979-81	91‡	91‡	91	91
4% Funding Loan 1960-90	101‡	101‡	101‡	101‡

xd=Ex-dividend. ** Current Income. * Rupee Counterparts. xr=Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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ESTATE DUTY BILL

THE debate on the Estate Duty Bill, which was adopted by the House of the People on Tuesday this week, was, indeed, a marathon performance. The House considered 387 amendments, of which 52 were accepted. It hammered at the Bill for no less than 92½ hours. All this was well worth doing, for an important measure, such as the Estate Duty Bill, ought to receive expert and close legislative supervision. So strong was the opposition in the initial stages of the debate that it looked as though the Bill would not receive the consent of the House during its current session. If, however, this expectation did not materialise, it was because of the Finance Minister's keen sense of humour, by which he allayed some of the minor fears, and of his unfailing courtesy to the point of view of the Opposition. He did not, of course, make any major concessions. But he was good enough to meet, at least, some of the legitimate objections which had been raised in Parliament. In fine, the country owes it to his powers of gentle persuasion that the Bill was carried through without generating the ill-will which a few less well-informed but more vociferous men might have earned for the measure.

If the Bill has finally ceased to frighten at least most of the people whom it will affect, it is because Mr. Deshmukh laboured hard to show that the Duty would not weigh as heavily as was formerly feared. He accepted an amendment which raises the exemption limit for non-Hindu undivided families, namely, those governed by laws other than Mitakshara, Marumakkathayam and Aliyasanthana, from Rs. 75,000 to Rs. 1 lakh, though the limit for others has been kept unchanged at Rs. 50,000. Also, he did well to emphasise that the Bill contemplates the slab system of rates and not the step system, so that the total duty, likely to become payable on an estate, will be less than in countries with a step system. Mr. Deshmukh claimed that the incidence of the Duty would be lighter in this country than in many other countries which have a similar legislation and he gave the following figures in support of his contention.

Value of estate	India %	U.K. %	Australia %	Ceylon %	Pakistan %
Rs. 1.5 lakhs	2.5	6.0	3.0	5.0	6.0
Rs. 2.0 lakhs	4.38	8.0	5.2	7.0	6.0
Rs. 3.0 lakhs	7.08	15.0	7.1	8.0	8.0
Rs. 5.0 lakhs	10.25	24.0	10.3	10.0	12.0
Rs. 20.0 lakhs	20.0	50.0	26.1	16.0	30.0

Mr. Deshmukh's contention is only partly true, in that, as he himself is aware, a comparison of the aforesaid type is not on all fours. For conditions in one country are not similar to those in another. Again, it cannot be said that the incidence of the Duty is what the country can afford to bear having regard to its need for risk capital. What most people were worried about was that the proposed rates of Duty might be progressively raised in the coming years to meet the revenue requirements of the Government. It is, however, gratifying to find that Mr. Deshmukh made certain guarded observations which could be interpreted to mean that the rates are not likely to be raised for some years. His actual words deserve to be quoted here. He said:

"Now this does not contain any threat to anybody. It does not mean that the very next year, we shall try to see how we can raise them, because, if that was the intention, then we should not have given up this separate Finance Bill and included the rates here. I myself anticipate—and this is purely a factual anticipation—that it will be some years before we feel ourselves competent to deal with this question of rates with all the administrative experience at our back, and may be, at that time, we shall be in a position to evolve a far more satisfactory pattern than it is to-day. In any case, whatever pattern we evolve must appear as satisfactory in the circumstances which are going to prevail at that time. Therefore, it is fruitless to try and see what one could do in the future. All that I am convinced about is this: if we are to try to introduce any steep gradation in these rates, as, for instance, merely copy out figures from the U.K. and put 60 per cent. or something like that, I think evasion would be practised on a far larger and far more extensive scale."

It will be observed from the above quotation that Mr. Deshmukh has tried to be as non-committal as possible. But there is at least one significant observation, namely, his warning that any attempt at steep gradation in these rates would lead to evasion on an extensive scale. Earlier, Mr. Deshmukh further granted that, though the proposed rates would not, in his opinion, impede capital formation, there was a point beyond which "incentive is bound to be destroyed." He made this remark, it must be added here, in reply to those who argued that the rates of the Duty announced by him were unduly generous.

Are the former Princes liable to pay Estate Duty? Mr. Deshmukh could not throw much light on this question. This is because the Princes' privy purse and property rights are governed by certain constitutional provisions, by treaties entered into between the Central Government and the Princes concerned. It would be too hazardous, legally and constitutionally speaking, for a Finance Minister to forecast the effect which the Bill would have on the Princes. Although some of these matters are likely to figure in law suits in the Supreme Court, Mr. Deshmukh made out two points which, in his judgment, appeared to set forth their correct position. So far as the Princes' privy purse was concerned, he declared that, as it was subject to revision, it did not constitute a "property" which the Government contemplated for the purposes of this legislation. So far as the "purely private property" of the Princes was concerned, he said that, to his knowledge, there was nothing in the Constitution or the Bill which would save it from the levy of Estate Duty.

An important amendment, which was accepted by the Government and which does not seem to have received much attention, is that which relates to the exemption of insurance policies taken out for the purpose of paying the Duty. In the Bill, it had been clearly stated that no Estate Duty was payable in respect of the moneys payable under one or more policies of insurance, effected by the deceased on his life for the purpose of paying Estate Duty or assigned to the Government for the purpose, to the extent of the amount of the duty payable. In amending the Bill, the Government has whittled down this relief by fixing a limit to such exemption; the limit is fixed at Rs. 50,000. Surely, there is a great deal to be said for encouraging the honest taxpayer who is willing, even when he is alive, to provide, through insurance or otherwise, for the payment of the duty on his death. But, if the Government felt that it was giving away too large a revenue by this exemption, it could at least have prescribed a more generous limit than the Rs. 50,000, at which level it has sought to limit the exemption. So far as insurance companies are concerned, the amendment means a loss, as the incentive to insurance in the original clause has been considerably reduced.

If the Finance Minister was then somewhat ungenerous in his attitude towards those who are both wise and conscientious enough to provide for the payment of the Duty, he was at least more considerate in his treatment of agricultural property. Thus, an amendment to

clause 34 provides that, where any property passing on the death of any persons consists wholly or in part of agricultural land, and the principal value of the estate does not exceed Rs. 2 lakhs, there shall be allowed by way of rebate:

(a) In the case of an estate which consists wholly of agricultural land, a sum representing one-fourth of the estate duty payable; and

(b) in the case of an estate which consists in part only of agricultural land, a sum representing one-fourth of the Estate Duty payable on that part of the estate which consists of agricultural land, the duty on such part being a sum which bears to the total amount of Estate Duty the same proportion as the value of the agricultural land bears to the value of the estate.

The purpose of this concession is clear. Inasmuch as quite a large portion of investments of people of moderate means is generally in agricultural property and as it is very necessary to ensure a steady flow of capital investment in agriculture in order to enhance the productivity of land, this concession is quite welcome.

The position of gifts under the Bill, naturally enough, evoked considerable interest in Parliament. Gifts, which "shall not have been *bona fide* made two years or more before the death of the deceased," are deemed to pass on the death, provided that, in the case of gifts made for public charitable purposes, the period is fixed at six months. This time limit does not govern the case of gifts made in consideration of marriage of daughters, provided that such gifts do not exceed Rs. 5,000. Many members insisted that the period should be shortened or the time limit removed altogether. Mr. Deshmukh contended that experience in all countries had shown that gifts shortly before death were a familiar method of evading the Duty. In some countries, there was, therefore, a tax on gifts. He recalled that, in Britain, where the period originally prescribed was one year, the Government was compelled through "bitter experience" to revise it upwards to five years. The use of the expression "*bona fide*" in the context of gifts has led to considerable misgivings among the people. Many are afraid that this vague term may be so interpreted by the Estate Duty Collector as to harass the assessee. Mr. Deshmukh, therefore, did well in referring to this criticism. Explaining what was meant by "*bona fide* gifts," Mr. Deshmukh said that this expression had to be interpreted to mean that there must be no "secret arrangement or reservations." The intention was to provide that the transaction should be "real and genuine."

He regretted—and that rightly in our opinion—that donations to *Bhoodan Yagna*—that is, the movement for voluntary land gifts, initiated by Acharya Vinoba Bhave—could not be exempted from the time limit prescribed by the Statute, because the exact legal position of these lands and the rights of ownership had not been settled. The *Bhoodan Yagna* is a vague form of charity. One does not know how the lands given away by the donors have been or will be dealt with. Are the lands being given to the really needy? Is no favouritism being shown in the distribution of such lands? Is this movement in the larger interests of the nation? Will it, for instance, result in better productivity? Will it not aggravate the evil of fragmentation of lands? Until, therefore, it is clearly established that donations to *Bhoodan Yagna* are a form of charity that will be conducive to the economic growth of the country and/or that it will surely bring about a better social order, or that it is a form of charity which stands out in refreshing contrast to others, there is no justification for giving them special treatment.

Yet another issue which figured prominently in the debate, was the question of setting up an independent appellate authority to which an appeal could be preferred, if a party was dissatisfied with the decision of the taxing authority. The position now is that an appeal can be made to the Court when a question of law is involved. But, if there is a difference of opinion on matters relating to the facts of the case, the decision of the Central Board of Revenue is final. The opposition to this arrangement springs from the fear that the Central Board of Revenue will not interfere with and that the Board might even actively support and confirm the decisions taken by its subordinate officers. In this respect, Mr. Deshmukh's defence of the existing position, to say the least, was not very convincing. It is true that, from the purely administrative point of view, there is a great deal to be said for avoiding the delays inevitable in references to law courts. But that is not so important as the necessity for ensuring that justice will always be done. And how can one be sure of this, so long as the prosecutor and the judge belong to the same interest?

Mr. Deshmukh was afraid that, if appeals were allowed to an outside authority, it might lead to "confusion and lack of uniformity." This is an inconvenience which must be endured in order to see that no room is provided for an assessee to feel that he has been done an injustice. It is, however, gratifying to note that Mr. Deshmukh was not dogmatic on this question, for he asked that a "trial" be given to this method. Equally gratifying was his decision to move an amendment to the effect that the rules made by the Central Board of Revenue under its rule-making powers would be specifically subject to the approval of the Central Government and that the rules would also be laid before both the Houses of Parliament. Nevertheless, all this does not completely meet the demand for an independent appellate authority. If the ends of justice are to be served, the courts must be allowed to be the final authority on these matters. It is, however, to be hoped that, if the trial asked for by Mr. Deshmukh shows—as the experience of the working of the income-tax law has shown—the need for an independent appellate authority, no attempt will be made to resist the demand for such an authority on the ground that it would interfere with the smooth functioning of the administrative machinery.

Now that the House of the People has adopted the Estate Duty Bill in its entirety, it is well that the controversy over the appropriateness of the Duty in the Indian context should end. Even so, it is difficult to withhold a few comments, if only as a guidance to the future. Many official amendments, it is somewhat deplorable, were moved during the course of the debate. The amendments relating to the rates, the exemption limits, the share transfers, the re-definition of gifts were all introduced by the Government in the course of the debate. An amendment relating to public charitable purposes was introduced but withdrawn. Another clause—not of much significance, it is true—was deleted, because the Finance Minister himself could neither give nor obtain from his legal advisers any explanation for its presence in the Bill; it had been copied, as all the rest of the Bill has been, from the English Statute. However ably it might be argued that these changes were the result of careful after-thoughts on the part of the Government, or of a desire to accommodate the opposition, it would be difficult not to get the impression that adequate thought was not given to the Bill in the beginning. It is to be hoped that, in future, the Government will keep official amendments to any Bill that it may move to a minimum, and that whatever changes are deemed necessary will be made before the Bill is brought before Parliament. This will save the Government and Parliament much time, and, at least, some unjust criticism.

Again, the Finance Minister could give a no more satisfactory explanation for the rigour of the Bill's language than that the New Zealand Bill was equally complicated; he forgot that the New Zealanders use their own language in their Acts. The fact remains that, despite all the changes which have been made, the Bill remains a more complicated and verbose measure than any that received Parliamentary assent. It would be surprising if the administration of the new levy did not give rise to difficulties through imperfect understanding of the measure by the administrators. If the explanation is that the language had to be made rigorous in order to give no scope for evasion, it seems necessary to point out that to create confusion is scarcely the way to prevent evasion.

TAX RELIEFS IN AUSTRALIA

TAXPAYERS in Australia have every reason to feel gratified at the budget for the financial year 1953-54, presented by the Federal Treasurer, Sir Arthur Fadden, in the House of Representatives on Wednesday last week. For the budget, besides revealing a surplus—surplus budgets are unusual in these days of inflation—contains a series of tax concessions (worth about £A118.4 million), with a view to promoting higher levels of all-round productivity. Thus, the budget provides for a substantial reduction in company taxation and income-tax cuts averaging 12½ per cent. for salary and wage earners. The tax on public companies has been reduced from 7*s.* in the £ to 6*s.* for incomes up to £5,000 and from 9*s.* to 7*s.* for incomes above £5,000. Similarly, tax on private companies has been reduced from 5*s.* to 4*s.* for incomes upto £5,000 and from 7*s.* to 6*s.* for incomes above £5,000. Under the new income-tax, Australians at all ranges of income will, it is claimed, be paying "substantially lower" amount than their confreres in the U.K. and New Zealand.

Another important tax concession is that goods subject to sales tax varying from 20 to 50 per cent. will, in future, be taxed only at 16⅔ per cent. or less. A few essential goods, such as matches, are to be exempted from sales tax altogether. The other concessions proposed include abolition of entertainment tax and differential rates of tax on income from property, reduction in customs and excise duty on spirits by 21*s.* per gallon, increase of the exemption limit for pay-roll tax from £1,040 to £4,160 per annum, extension of the retention allowance of 10 per cent. to property income received by private companies, and enhancement of exemption limits for estate duty.

The foregoing tax concessions clearly indicate the anxiety of the Australian Government to give the utmost possible encouragement to individual effort, business enterprise, and individual and collective saving. To quote Sir Arthur Fadden: "We must now press on with the greatest tasks of developing our resources, expanding our industries, increasing our population and building up our national standards of life. . . so far as it is in the power of the Government to give this stimulus, this budget should provide it." This is, indeed, an admirable piece of economic judgment which the Governments—Central and State—in India will do well to emulate. As readers are aware, the Governments have not only failed to provide sufficient incentive to private enterprise by way of tax reliefs but also exhibited their eagerness to het in as much revenue as possible, even utterly disregarding, in some cases, the very canons on which taxation is based. Cess on sugarcane, additional excise on mill-made cloth and high rates of sales tax are instances in point.

Be that as it may, the chief factor which has rendered it possible for the Australian Government to give tax reliefs has been the substantial recovery in the country's economy from the difficulties of the year 1951-52, thanks to the firm conditions in the world wool market. The national income of Australia during 1952-53 was higher by £A300 million than that in the previous year. Again, the trading deficit of £A378 million was converted into a surplus of £A353 million. As a result, Australia's internal reserves rose to £A548 million, as against £A362 million, and export income amounted to as much as £A871 million, the second highest figure ever reached. What is more, the pressure of inflation has been reduced, if not altogether overcome, and the drastic import cuts will be relaxed to the extent of 10 per cent., with effect from 1st October next.

In view of all these, the Australian Federal Treasurer struck a note of optimism and declared: "Australia's export earnings are relatively high and our overseas reserves have been built up again; so, we can obtain all essential things we require from abroad. We have had an extraordinarily fortunate run of seasons, which for the time being, look like continuing." It is, however, difficult fully to share this optimism, for much depends on whether the favourable trends in Australian economy will continue, what with the present increased cost of industrial production and the consequent necessity to impose high tariff walls. As has been aptly remarked by a contemporary, Australian products are vulnerable to foreign competition even in the home market. The real value of the tax concessions proposed in the budget will, therefore, be gauged only by their results in improving productivity and lowering prices, thereby augmenting national earnings. Unless there are higher production and higher savings, the purpose of the budget will be defeated, the tax reliefs leading merely to renewed import restrictions.

BANK RATE IN BRITAIN REDUCED

INDIA MAY NOT FOLLOW SUIT

THURSDAY, 5 P.M.

THE week under review was a dull and drab one till the time was up for writing the notes for this column. But in the nick of time came news of two important developments which have transformed the week into an eventful one. First came the announcement that the British Bank rate had been reduced from 4 per cent. to 3½ per cent., with effect from to-day. Then came the news that the management of the Indian Iron and Steel Co., Ltd., and the Indian Standard Wagon Co., Ltd., has lifted the 24-day old lock-out. From the point of view of the share markets, both the developments should have a favourable psychological effect. The management of the I.I.S.Co., and Standard Wagon will have decided to lift the lock-out only after making sure that the majority of workers will resume work at the normal pace. This event, therefore, should, other things remaining the same, arrest the demoralising effect the Burnpur strike was having on the share markets all these days. The other event, namely, the lowering of the Bank of England rate, provides a strong support to the view that the peak of higher interest rates has passed. This means that, eventually, lower yields on the Gilt-edged and equities but higher prices for them will come to prevail, provided, of course, other things remain the same.

MARKET GOSSIP

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It was on 12th March, 1952, that the Bank of England raised its discount rate from 2½ per cent. to 4 per cent. Thus, after an interval of a little over 18 months, it has lowered the rate to 3½ per cent. The reduction, it will be noted, has been at a smaller rate than the increase. Why has Britain chosen to do so? Does the fact that it has done this a week after the I.M.F. meeting and two days after Mr. Butler had a secret meeting with President Eisenhower's Economic Adviser, Dr. Gabriel Hauge, signify anything? It is beyond our ken to say definitely whether there is any connection between the two. A guess, however, can be hazarded. Britain now seems to realise that U.S. co-operation for convertibility of currencies is still a long way off. There was, of course, quite a lot of talk on convertibility at the annual meetings of the I.M.F. and the World Bank, held at Washington last week. Both the babes of Bretton Woods commented favourably on the Commonwealth proposals and the British ideas on freer trade and payments were strongly supported. Others who spoke also stressed the urgent need to break down trade barriers and eliminate artificial restrictions. But the crux of the problem is the U.S. attitude. When will the U.S. respond to Mr. Butler's idea of "trade, not aid." The U.S. representatives have made it clear that their Government cannot make any move in this direction until the Commission on Foreign Economic Policy reports its findings. This means no action by the U.S. till about the middle of next year. But, evidently, Britain does not want to wait till then, with its fingers crossed. It must be anxious to push on with its export drive by taking time by the forelock. The reduction in the Bank rate is, perhaps, a step in that direction.

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It is common knowledge to economists that a country generally reduces its Bank rate when it is faced with possibilities of an economic recession. Britain raised its Bank rate, with a view to fighting inflation and correcting the deficit in its balance of payments position. Now, both these objectives have been achieved. Inflation is well under control and the balance of payments deficit has been converted into a surplus, with gold and dollar reserves having steadily advanced to a fairly comfortable level. Further, the terms of trade also have been running in favour of Britain for the past several months. Why then keep the Bank rate at as high a level as 4 per cent? Indeed, a position has been reached by Britain when the 4 per cent. Bank rate could easily be a disadvantage. The British banks and discount houses have been losing a part of their finance business to other markets, with the result that Britain has been suffering a sizable cut in its invisible export trade. Following the high level of industrial production and keen competition in export markets, particularly from Germany and Japan, a higher Bank rate may prove a handicap to British exporters. It will be recalled that, six weeks ago, the restrictions on acceptance credits were relaxed by the Bank of England with a view to stimulating exports. The reduction in Bank rate is probably the next logical step in that direction. British exporters will now be able to finance their business at cheaper rates of interest. It may be noted here that some of the Continental countries, as well as Commonwealth countries, lowered their Bank rates some time ago. Britain has now followed them.

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The question that is now being discussed in market circles here is whether India will follow the footsteps of Britain and lower its Bank rate. One reason why this question is at all raised is that India raised its Bank rate in November, 1951, soon after Britain did so. But that is no argument at all. What happened two years ago was purely a coincidence. Those who are not impressed with this explanation will do well to recall that, when Britain raised its Bank rate again, in March, 1952, from 2½ per cent. to 4 per cent., India made no change. Some say that the Reserve Bank's decision to-day to suspend the sale of 3½ per cent. 1961 National Plan Bonds which it was freely selling all these days cannot also be a pure coincidence. That, however, amounts to reading too much into the Bank's action. Our enquiries reveal that the Reserve Bank stopped selling this loan, because during the last two or three days, a few institutional investors turned out to be sellers and the Bank did not want to add to these sales, lest such should depress the market.

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There is, of course, no reason why the Reserve Bank should reduce the Bank rate. In the first place, India did not push up its Bank rate as high as was done by Britain. Secondly, the persent Bank rate is not in any way an impediment to the expansion of business. A mere reduction of ½ per cent. in the Bank rate may not give any perceptible stimulus to genuine economic activity, which is suffering from a series of disincentives unconnected with the Bank rate. On the contrary, it may prove a stumbling block to economic development by strengthening the hands of speculators who still dominate the scene. Thirdly, the effective Bank rate in India has been 3 per cent. ever since the first quarter of 1952, when the so-called Bill market scheme was ushered in. The commercial banks have been borrowing most of their requirements from the Reserve Bank at this rate. And, fourthly, so long as the Treasury Bill rate is less than 2½ per cent., the banks can raise funds at that rate by rediscounting their Treasury Bill holdings. Conditions are thus different from those in Britain.

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The lowering of the Bank rate in Britain may have some indirect benefits to India. The sterling loans held by the Reserve Bank of India will appreciate in value, thereby offsetting a part of the depreciation suffered when the Bank rate was reduced. Importers of British goods may get credit at London at a somewhat lower rate of interest. Competition for short-term funds in India from the Exchange Banks may not be as keen as it was at one time this, as well as last, year. This effect would, of course, be much more perceptible had the British Bank rate been reduced at least to 3 per cent. Even the Indian life insurers may get some relief in competition with the British insurers in this country, inasmuch as the effective yield on the latter's total investments will go down. Finally, there may be a sentimental rise in the value of the Gilt-edged securities. The British Government's action may induce confidence among investors, confidence born of the belief that there may be no further rise in interest rates. If this belief gains ground, the 4 per cent. loans and the long-dated loans offering a little less than 4 per cent. return will be the largest beneficiaries.

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Since the above was written, France, too, has reduced its Bank rate, but details are lacking. The Bank of England described the change in its rate as a "technical adjustment" made to ensure that the Bank rate did not get out of touch with market rates.

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Although the management of the I.I.S.Co. has lifted the lock-out, the Action Committee, which is defying the lawful union of the Works at Burnpur, has not called off the strike. It therefore, remains to be seen what turn the new situation at Burnpur will take. The Action Committee may try to give trouble by resorting to picketing. But nothing may come out of it, if the workers have learned a lesson. Nevertheless, it is better to wait and see, instead of rushing to take a view of these scrips. The technical position of these shares is also a little confused, in that, as against heavy short-sales, a few parties have bought some lakhs of the shares, evidently in anticipation of an early end of the lock-out. A tussle may well develop between the bulls and the bears, the outcome of which is difficult to predict. Further, all the other sections of the stock market, as well as the commodity and bullion markets are depicting a downward trend. A change in the British Bank rate cannot have anything but a slightly sympathetic effect on shares. A distinct and a sustained change in the trend of the markets can be expected only if the Government of India's economic policy undergoes a change in favour of private enterprise. Will there be any real change of heart in the near future? Mr. Kidwai was in Bombay this week holding secret discussions with top-ranking business leaders for solving the unemployment problem. It remains to be seen whether any good will come out of it.

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For the past several days, the pound sterling has been ruling weak in terms of the U.S. and the Canadian dollar. The sterling has fallen well below its parity with the U.S. dollar for the first time during the past 10 months, the net depreciation over the week being over one cent. The spot sterling, which stood at $2.80.11/16—$2.80.13/16 a week ago, touched a low of $2.79½—$2.79¾, that is, ¼ cent below the parity rate on Tuesday this week. Since then, there has been a fractional rise to $2.79¾—$2.80. But, as compared with the rates that prevailed towards the close of August, they show a perceptible fall. On 31st August, for instance, spot sterling was being quoted at $2.81¼—$2.81½. The forward rates, too, have declined more or less to the same extent, which means that the market expects sterling to be still cheaper during the next three to six months. The Canadian dollar has also been ruling strong; at one time, the spot rate on Montreal was as low as $2.73¾—the worst level for the pound since the end of March, 1953. There has been a slight recovery since then, but, on balance, there has been a loss of 0.25 cent. It may be noted here that on 31st August, 1953, the spot rate on Montreal stood as high as $2.77¾. This means that, during the past fortnight, the pound has weakened by 2 cents in terms of the Canadian dollar. In consonance with these movements, the Indian rupee, too, has been marked down a little.

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The decline in the value of the pound, as noted above, has not led to any feeling of pessimism in London City circles. They regard it purely as a seasonal development. Traditionally, sterling-dollar exchange rate moves against Britain as autumn approaches, for heavy American staple imports such as wheat and cotton commence at this time of the year and exchange has to be fixed by the importers not only in Britain but also in other parts of the sterling area. Again during the past 14 years, these commodities were being imported into Britain by the Government and were, therefore, paid direct from dollar reserves at the Bank of England. With the freeing of wheat and partial freeing of cotton, private importers are once again buying their dollars in the open market. This is the chief factor for the substantial fall in the pound.

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There are, of course, other causes, too. One is that, in the past, the dollar rate had moved up to a high level because Japan bought a substantial amount of sterling by selling dollars. This support to the pound now seems to have disappeared. Another reason is said to be the relaxation of the restrictions on acceptance credits six weeks before. This has led to importers from Britain not buying sterling immediately; they have now more time to settle their import bills than about a month and a half ago. Yet another reason is that, when everything was bright, some had oversold dollars against sterling. They are now believed to be covering these sales. The conclusion of London money market circles is that the setback sufferred by sterling in the past two weeks is only of a temporary nature and that there is nothing tragic about it. It is pointed out that, even at the present rate, the pound is nearly 9 cents above the lower limit, notwithstanding the fact that a large part of the import trade has now been turned over to private trade and that import restrictions have been considerably relaxed. If only the Bank of England had taken it into its head not to let the pound fall, it could have easily done so. But the fact that it did not do so is an indication of its confidence in the inherent strength of the pound sterling. Moreover, there is no justification for the Bank to intervene now, because the pound is still well above the lower limit of $2.78 per £. After all, the present policy of the British Government is to let the foreign exchange market function as freely as possible within the upper and lower limits of $2.82 and $2.78.

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We invite readers' attention to the very interesting discussion of the problem of power resources in underdeveloped countries by Mr. Eugene R. Black, the Chief of the World Bank, which appears elsewhere in this issue. We concur wholeheartedly with the views expressed there about the imperative necessity to provide adequate incentive to those who are engaged in power production. The gist of Mr. Black's argument is that, if power is made cheap by charging rates that do not provide an economic return, the power undertakings will be denied the ability to raise not only the finance needed for expansion but even the funds to maintain their existing plants in good order. If cheap power is obtained at the sacrifice of all hopes of building up more power, it would certainly cost the country dear in the long run.

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And yet, this is precisely what is happening in this country where private electrical undertakings are prevented from earning sufficient profit that will permit them to expand their power resources. The profit level is controlled by a reference to the capital base on which they are not allowed to earn more than 5 per cent. This restriction does impose a severe strain on these undertakings which find that they cannot possibly attract, on the terms that they can afford to offer, risk capital to this essential enterprise on anything like the scale on which such capital has to be attracted, if power output has to be augmented. It is a pity that this antediluvian restriction is still allowed to mar the statute book and that no attempt is being made by the Government to rectify the error. Since the time this limit was imposed, there has been a steep increase in the cost of electrical equipment, an upward revision of the Bank rate and a general re-alignment of all interest rates at higher levels. And yet, the Government expects these undertakings to perform the economic miracle of borrowing at a high rate in order to earn a very meagre and inadequate return. The least that the Government should do is to increase the 5 per cent. limit to 6 per cent. and also allow a certain additional return to the undertakings on the understanding that such return would be used only for purposes of development and expansion. Those who argue that it would lead to cost-inflation in the industrial sphere generally ignore the fact that electricity charges form a comparatively minor element in the total cost of manufacture. In any case, the community must pay for development; for the alternative may well be that it will have to do without such development.

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The Pakistan Government's decision to impose an export duty of Rs. 60 per bale on short-staple cottons has naturally enough been followed by a decline in the prices of these cottons. Sind Deshi, for instance, has declined by nearly Rs. 10 to Rs. 11 per maund, as compared with the prices which were ruling before the announcement of the Government's decision (9th inst.). New crop Sind Deshi is now quoted at Rs. 59, as against Rs. 68 before the duty was reimposed. But the point about the decline in the prices of these cottons is that the decline is roughly equivalent to the duty itself; the duty works out to about Rs. 12

(Continued on page 563)

SHARES RULE EASY

TEXTILES DEPRESSED

(From Our Own Correspondents)

BOMBAY, *17th September*

THE Bombay Stock Exchange presented distinctly easy conditions during the week under review, under heavy unloading by those operators who had lost heavily in the cotton market, on account of steady fall in the values of cotton for some time past. Share values were marked down considerably. Besides, discouraging reports of cloth accumulations with trade in many centres, particularly Ahmedabad and Indore, induced liquidation in textile shares The sentiment was also adversely affected by rumours of a cut in cloth prices by one of the leading cotton mills in India. Again, renewed reports regarding slump in Wall Street caused nervousness among traders who feared possibilities of a similar slump in India. There were also other unhelpful factors such as slow progress of the Five-year Plan, lower output of steel at Tata Iron and Steel Works and reports of additional steel plant construction by the Government. The cumulative effect of all these factors was lack of confidence in shares. The undertone of the market was, therefore, easy, although, towards the close to-day, the sentiment of operators appeared to be slightly better.

With the exception of Indian Irons, steel shares lacked support and staged a retreat. Tata Deferreds, the leader of the market, were marked down to Rs. 1,797-8 yesterday, as against Rs. 1,835 last week. The lower level evoked some support and the scrip recorded a partial recovery to close better at Rs. 1,811-4. The net loss over the week amounted to Rs. 23-12. Ordinaries receded from Rs. 317-8 to Rs. 311-12 yesterday, but retrieved its position and finished at Rs. 313-12 to-day, the net loss being Rs. 3-12. Indian Irons, however, proved an exception and elicited good buying enquiries, on expectations of an improvement in the labour situation at Burnpur Works. After business hours, it was reported that the management had decided to withdraw lock-out orders. Two prominent bull operators were stated to have held large stocks of the scrips, amounting to as much as 700,000. To-day's closing quotation for this scrip was higher by As. 4 at Rs. 22-15, although, at one time yesterday, it had gone up to Rs. 23.

Textile shares were the worst sufferers this week. Bradburys slumped by Rs. 32-8 to Rs. 680. Central Indias dropped Rs. 9 to Rs. 147. Colabas receded by Rs. 6-8 to Rs. 62-8. Standards shed Rs. 6-4 to Rs. 300. Bombay Dyeings lost five points to Rs. 353-12 and Kohinoors four points to Rs. 286-12. Despite the increase in dividend from Rs. 5 to Rs. 6 for the year ended December, 1952, announced by the Directors of the Indore Malwa United Mills Ltd., the shares of this Company suffered a loss of Rs. 4-6 to Rs. 89-6. Phœnix and Podars fell, by Rs. 3-12 each, to Rs. 116-14 and Rs 121-4, respectively. Centurys were lower by Rs. 3-8 at Rs. 256-8 and New Greats by Rs. 3 at Rs. 145. Gokaks, Tata Mills, New Unions and Swadeshis were all neglected at Rs. 223-8, Rs. 39-1., Rs. 24 and Rs. 240, respectively. The corresponding quotations last week were Rs. 225-8, Rs. 11-8. Rs. 25-12 and Rs. 241-8. Apollo Mills, on the other hand, were a shade better at Rs. 2-8-6, although the dividend for the year 1952 was reduced from As. 5 to As. 4 per share. Simplex were transacted at Rs. 128-8 *ex-right*, as against Rs. 172, and Finlays at Rs. 248 *ex-right*, as against Rs. 323-8. Ahmedabad Advances were fully steady at Rs. 135-12.

Bank shares were subjected to selling pressure and suffered losses. Imperial Fully Paids declined by Rs. 2-8 to Rs. 1,827-8. Bank of Indias and Central Bank new shares lost As. 8 each to Rs. 155 and Rs. 67 respectively. United Commercials were lower by As. 4 at Rs. 36. Union Banks were unimpressive at Rs. 6-6. Central Bank old shares, however, were unaltered at Rs. 63-12.

The miscellaneous section also displayed easiness in sympathy with the general trend of the market. Bombay Burmah olds dived down to Rs. 327-8, thereby losing Rs. 14-6, and new shares slipped by Rs. 5-10 to Rs. 121-14. Wimcos sagged from Rs. 234-2 to Rs. 228-8. Belapurs fell by Re 1-8 to Rs. 236 and A. C. Cs by Re. 1-4 to Rs. 167-8. National Rayons and Killick Industries were lower by As. 12 each at Rs. 111 and Rs. 154-4, respectively. Tata Chemicals lost As. 6-6 to Rs. 8-5-6 and Tata Oils As. 4 to Rs. 30 *ex-div.* British India Corporations fetched Rs. 8-8-6, as against Rs. 8-12-6.

Weakness was in evidence in the mining and engineering section too. Alcock Ashdowns dropped Rs. 3-2 to Rs. 296-14. Shivarajpurs eased by Re. 1-8 to Rs. 54-8 and Premier Constructions by Re. 1 to Rs. 83. Bombay Burma Petroleums were a shade lower at Re. 1-4-9. Indian Coppers, however, evoked some buying support and slightly improved to Rs. 2-14-3.

Electric company shares also participated in the downward trend. Tata Powers and Andhra Electrics receded by Rs. 12-8 each to Rs. 1,398-12 and Rs. 1,330 *ex-right*, respectively. Ahmedabad Electrics fetched Rs. 11-9, as against Rs. 13-2. Bombay Suburbans declined by As. 15 to Rs. 119-1 and Tata Hydros by As. 12 to Rs. 141-12.

Among transport group shares, Scindia Steams lost As. 4-6 to Rs. 13-5-6. India Steamships, however, was fully steady at Rs. 7-4.

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Calcutta Stock Exchange

CALCUTTA, *15th September*

Conditions on the Calcutta Stock Exchange improved further during the week under review, with a small increase in the number of transactions. The raising of the exemption limit of Death Duty for non-*Mitakshara* property from Rs. 75,000 to Rs. 1 lakh was noted with enthusiasm. Tea shares provided striking features and were consistently sought for throughout the week. The strong demand for tea in the auctions, at both Calcutta and London, and the improvement in prices were factors which changed the idea of operators with regard to tea shares. Larger volume of business at hardening rates was in refreshing contrast to the trend in recent weeks and imparted general strength to the market. Sugar shares were also counters of special interest to operators. Although Indian Irons fluctuated within narrow limits in either direction, the counters were generally steady. The labour situation in Burnpur has improved, and it is expected that, before long, the remaining workers would be back on their jobs and thus pave the way for the resumption of 100 per cent. production.

Notwithstanding such improved sentiment, jute shares—these are of great importance to the Calcutta market—remained idle. This could not have been otherwise, in view of the unsatisfactory prices obtained for jute goods. Market circles feel that only the abolition of the export duties on jute goods will reduce stocks with mills and drive away the dullness now prevailing in jute counters. The trend to-day was definitely better, following New Delhi's announcement reducing the export duty on hessian from Rs. 275 to Rs. 120 per ton with effect from to-day. Gains were also registered.

Sectionwise, teas were cynosures, for reasons already stated, which resulted in a remarkable increase in business. Gains were widespread. Some of the more important and impressive gains of the week are indicated in the following table:

	Opening or previous rate	*Highest Realisation*	*Gain*
	Rs.	Rs.	Rs.
Banarhat	290	312	22
Hantapara	145	165	20
Patrakola	106	119	13
Choonabhutti	220	228	8
Central Cachar	53	58	5
Killcott	10½	13½	3
Jayabirpara	18½	21½	2½
East Indian	16½	19½	2½
Teloijan	9½	10¹¹	1⅛
New Chumta	17	18½	1½
Hasimara	25½	26¹	1½
Nambhurnadi	5½	7	1½
Hattikhira	9½	10½	1½
Dhekakhat	10½	11	½
Tea Ali	20	20½	½

Next to teas, sugar shares occupied the attention of operators. The high levels touched last week were well maintained. Thus, Cawnpores were put through at Rs. 36-8 and Ramnugger Canes at Rs. 18-4. Dharbangas were strongly held at Rs. 8-1. Dyer Meakin Breweries at Rs. 5-15 added an anna. Balrampores were wanted at Rs 8-14. Champarans were, however, a shade lower at Rs. 25-8.

The improved conditions in Burnpur were cheered in the market, and Indian Standard Wagons spurted from Rs. 88 to Rs. 104-8. Indian Irons were in the limelight, and although the rate did not move farther than Rs. 22-15 for the major part of the week, the counters were nevertheless steady. To-day's rate was slightly better at Rs. 23. During August, 1953, the production of pig iron in the Indian Iron and Steel Company, Ltd. was lower at 20,230 tons, as against 21,150 tons in July. Steel ingots amounted to 7,710 tons (8,370 tons), and semis and finished steel to 4,190 tons (4,570 tons). The figures for July showed a great fall, which was further affected in August by labour trouble. Jessops were unchanged at Rs 22-11, Kumardhubis were done to-day at Rs. 7-7. Indian Galvanisings improved from Rs. 12 to Rs. 12-12.

The miscellaneous section provided selected features. India Steamships, at Rs. 7-5, carried the improvement recorded last week. Dunlop Rubbers were better at Rs. 28-2, as against Rs. 27-8, while Indian Cables eased from Rs. 19-1 to Rs. 18-14. B.I. Corporations recorded business at Rs. 8-10 earlier, while Jardine Hendersons were lower at Rs. 117. Martin Burns were sought at Rs. 17-12, F. & C. Oslers at Rs. 7-5, and Rohtas Industries at Rs. 7-6. An easing tendency was in evidence in Ganges Ropes at Rs. 168 and Indian Wood Products at Rs. 30, as against Rs. 171 and Rs. 30-8, respectively.

The jute section remained dull, practically throughout the week, but to-day, conditions were better, on hopes that exports of hessian would increase, following the reduction in hessian duty. Market circles aver that this is a prelude to the total abolition of the duty and that a similar treatment should be given to sacking. Howrahs opened at Rs. 23-2 and, after sagging to Rs. 22-15, reached the opening level. Fort Glosters were quiet at Rs. 380, Reliances at Rs. 15-1 and Waverley at Rs. 5-2. Nuddeas eased from Rs. 44-4 to Rs. 43-12. Anglo-Indias were to-day better at Rs. 207, as against Rs. 197 previously.

In an otherwise featureless coal section, New Beerbhooms were fractionally better at Rs. 18-4 and South Karanpuras advanced from Rs. 9-15 to Rs 10-5. East Indias were transacted at Rs. 22-15 and Equitables were unchanged at Rs. 36. Kalpaharis realised Rs. 41-2, Unions Rs. 23-2, and Burrakurs Rs. 9-3. Bengals changed hands at Rs. 508

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Madras Stock Exchange

MADRAS, *15th September*

The Madras Stock Exchange ruled a shade better this week. Activity in the market was a little more broad-based than what it was a week ago. Textiles continued to evoke selective support on favourable export enquiries. In plantings, the upward trend witnessed in rubbers for some time past persisted this week also Teas, however, lacked vigour, despite the higher prices fetched for quality teas at recent auctions in Calcutta and London. Coffee scrips were quiet on lack of demand and continued accumulation of stocks. But miscellaneous and banking scrips came in for considerable enquiry. Consequently, business done in the market was sizable and prices generally disclosed fair gains.

In the textile section, Bangalore Woollens staged a sharp rise of Rs. 10 to Rs. 270. Cannanores gained Rs. 2 to Rs. 94 *cum-div.* and Sri Krishna Rajendras Re. 1-4 to Rs. 45-8. Radhakrishnas 'B' were As. 8 higher at Rs. 78-8. Cambodias put on As. 5 to Rs. 11-9. Maduras revealed a fractional rise at Rs. 38-6. But Malabar Spinnings and Coimbatore Spinnings reported a loss of Rs. 2 each to Rs. 140 and Rs. 40, respectively. Rajalakshmis were lower by Re. 1 at Rs. 81. Lakshmis, Rs. 50 paid-ups, were done at Rs. 80, as against Rs. 81.

Among Plantings, Rubbers were well supported. Malankaras rallied As. 8 to Rs. 118 *cum-div.*, and Travancore Rubbers As. 7 to Rs. 12-14. Peninsulars improved by As. 5 to Rs. 9-2. Thamaraparys and Teekoys gathered As. 4 each to Rs. 14 and Rs. 6-14, respectively. Rajagiris advanced by As. 2 and finished at Rs. 11-13. Thirumbadis and Mercaras were better at Rs. 3 and Rs. 3-1, respectively. Cochin Malabars were fractionally lower at Rs. 6-6½. Nilambur rubbers were unchanged at Rs. 9-2 *cum-div.* The Directors have maintained the dividend of 10 per cent. for the year ended 31st December, 1952.

Tea scrips presented a dull appearance. But for Highland Produces, which recorded a gain of As. 6 to Rs. 11, almost the rest of the scrips were either easy or unchanged. Thus, Peermades lost As. 8 to Rs. 26-8. Ouchterlonys and Kalasas were slightly lower at Rs. 4-1 and Rs. 11-14½, respectively. Haileyburias were done at Rs. 12-8 *ex-div.*, as against Rs. 13-8 *cum-div.*

Coffee scrips were colourless. Consolidated Coffees gained an anna to Rs. 18-8, while Coffee Lands were unchanged at Rs. 10-8. Kadur Coffees and Puthuthotams were quiet at Re. 1-7 and Rs. 3-9, respectively. But Neelamalais (tea and coffee) gained As. 2 to Rs. 3-15, whereas Stanes Amalgamateds (tea and coffee) lost an anna to Rs. 3-1.

In the miscellaneous section, Binnys improved by Re. 1-8 to close at Rs. 111-8 and Andhra Cements 'A' by Re. 1 to finish at Rs. 100-8. Berhampur Electrics advanced from Rs. 5 to Rs. 5-8 and Cochin State Electrics from Rs. 9-3 to Rs. 9-7. Mettur Chemicals hardened by As. 4 and closed at Rs. 4-8. Spencers showed a gain of As. 8 to Rs. 14-4 and Mysore Papers of As. 3 to Rs. 14-1. South India Salts, however, lost Re. 1 to Rs. 2 and Mysore Stonewares As. 5 to Rs. 8-12. India Sugars eased from Rs. 21-8 to Rs. 21-4 and Jeypores from Rs. 13 to Rs. 12-14.

In the banking section, Andhra Banks, Rs. 100 paid-ups, shot up from Rs. 103 to Rs. 110 and Rs. 50 paid-ups Re. 1 to Rs. 55. Bank of Mysore improved by Rs. 4 to Rs. 280. Imperial Banks (Rs. 500 paid-ups), however, lost Rs. 5 to Rs. 1,830. Indian Banks, Rs. 100 paid-ups, were done at Rs. 181-4 *cum-div.*, as against Rs. 182.

Latest Quotations

Bullion ..	Gold Ready (.999) ..	Rs.	86-12-0
	Gold Forward	,,	86-6-0
	Silver Ready (.996) ..	,,	156-9-0
	Silver Forward	,,	156-0-0
Cotton ..	California St. Mdg. ..	Rs.	1,580-0-0
	Vijay	,,	860-0
	Khandesh	,,	785-0
	Bengal Deshi	,,	560-0
Jute ..	Raw Jute, Assam Bottoms per maund ..	Rs.	26- 8
	Hessians. (40" 10 ozs.)100Yds.	Rs.	42-15
	Heavy Goods B. Twill, (per 100 bags) Ready ..	Rs.	93-12
Tea ..	For Internal Consumption—per lb.		
	Medium Dooars Dust	Rs.	1-9-0
	Best Assam C.T.C. Dust	Rs.	1-5 to 2-0
	For Export—		
	Clean Black Pekoe ..	Re.	1-12-6 to 1-13-0
	Clean C. B. Pekoe ..	Re.	1-10-6
	Medium Assam B. Pekoe ..	,,	1-11-6
	Good Assam B. Pekoe ..	Rs.	2-5 to 2-6
Produce ..	Linseed Bold (Cwt.)	Rs	23- 2-0
	Groundnuts (B. Rdy.) (Cwt.)	,,	52-0-0
	Castor Seeds (Madras) (Cwt.)	,,	33-0-0
	Castor Oil Commercial	,,	17-0-0

INDO-GERMAN STEEL PROJECT

In the issue of *Commerce* dated 29th August, (*vide* page 423), we discussed the financial implications of the Indo-German steel project and asked as to how the Government could hope to make a profit large enough to permit the payment of a fee of Rs. 2.1 crores to the German participants and still leave a sufficient margin for a reasonable return on the capital invested. We are now authoritatively informed that this criticism is not warranted by the facts of the agreement between the Government and the German combine, since the fee of Rs. 2.1 crores is an overall figure, and not a recurring commitment by the Government, annual or otherwise. This, however, was not quite clear from the Production Minister's first statement in Parliament on 24th August, 1953.

NEWS IN BRIEF

THE House of the People unanimously passed the Estate Duty Bill on 15th September, 1953.

The Government of India has decided to abolish the contract system in all railway collieries and has already done so in nine of them.

Air-India International will increase the frequency of the Bombay-Nairobi run from six to eight flights from 3rd October.

An all-India Mill Cloth Exhibition will open next Monday at Ahmedabad. About 200 textile mills of India are expected to display the specimens of cloth manufactured by them.

The Bill to amend the Bombay Sales Tax Act, 1953, which proposes to levy sales tax at the first and the last stages only instead of at multi-points, has been referred to a fifteen-member Select Committee.

The Government of India has lifted, with effect from 9th September, all controls which it was exercising, under the Supply and Prices of Goods Act, 1950, on tanning materials, casein and, tannery wool.

The Bombay High Court has declared the Bombay Labour Welfare Fund Act, 1953, and the Rules made thereunder, to be valid. The Act and the Rules were challenged by the Bombay Dyeing and Manufacturing Co., Ltd.

The Government of Hyderabad introduced in the State Legislative Assembly on 10th September, a Bill to consolidate and amend the Debt Conciliation Act. The Bill is modelled on the analogous legislation in Bombay.

The Government of India has permitted the Indian Airlines Corporation to recommence its service on the Bangalore-Mangalore sector from 1st October. It has also permitted a bi-weekly service on the Hyderabad-Poona and Poona-Bombay sector from 3rd October.

So far, the Government of India has sanctioned a sum of Rs. 34,55,775 for the construction of 1,802 tenements under the revised subsidised industrial housing scheme for 1953-54 to various State Governments, industry, employers and workers' housing co-operatives.

The Madras Government has given time upto 23rd September to the Madras Electric Tramway Co., Ltd., to resume tram service in the city. If the Company fails to do so by that time, the Madras Government will have the option to cancel the licence granted to it under the Indian Tramway Act.

The experiments carried out at the Central Laboratories for Scientific and Industrial Research, Hyderabad, have shown that aca-catechin, a crystalline product obtained from the ethyl acetate extract of katha, is highly efficient in preventing vegetable oils turning rancid. Katha, a mixture of several catechins, is obtained from the heartwood of *Acacia catechu*, which grows in abundance in India and which has now become a flourishing industry.

Investigations initiated at the Central Building Research Institute, Roorkee, to find out a profitable use for the coal ash discharged from the boilers of the Sindri Fertilisers and Chemicals Ltd. have disclosed that the ash can be used as an aggregate in light-weight concrete in building construction for non-load bearing beams not directly exposed to outside atmosphere. Nearly 300 to 400 tons of coal ash are discharged from the factory daily.

A six-day conference of the Ministers for Agriculture in the States and at the Centre will commence in New Delhi on the 24th inst. The agenda before the conference covers, among others, matters relating to ceilings on holdings of land, resumption of land by landlords for personal cultivation, fixation of minimum size of holdings and acquisition of land by tenants. According to a New Delhi report, a note on some aspects of the Chinese agricultural economy has already been circulated among the Ministers for their guidance.

A seven-member "Exploratory Trade Mission" from the Indian Council of Foreign Trade will shortly leave on a seven-day visit to Egypt. The Mission will study the possibility of developing Indo-Egyptian trade in the light of the trade agreement signed between the two countries in July this year. The Mission will be led by Mr. Murarji J. Vaidya, President of the Council. The members of the party represent various trades and industries, including engineering, pharmaceuticals, spices, coal and machine tools.

The Government of India has revised its import policy so as to allow established importers of coconut oil to import palm oil in lieu of coconut oil to the extent of one-third of the face value of the licence. This revision is stated to have been made to enable small soap factories to obtain their requirements of palm oil from imported stocks, as the import of palm oil on its own quota of 100 per cent. is inadequate. Till now, established importers of coconut oil could utilise not more than two-thirds of the face value of the licence for the import of coconut oil, the balance being utilised for copra and coconut kernel.

The Government of India has decided to permit the export of an additional quantity of raw wool, besides the 9 million lbs. already licensed for export. It will be recalled that the Government of India announced on 30th March that exports of raw wool would be licensed freely upto a ceiling of 9 million lbs. The quantity was licensed in full by 9th July, 1952 and further licensing was stopped by public notice at the ports on 14th July, 1953. It has now been decided to give export licences on application to actual shippers upto 20 per cent. of shipments effected by them during January-June 1953.

The Tamil Chamber of Commerce has addressed a memorandum to the Ministry of Commerce and Industry, Government of India, urging that the restrictions on the export of iron and manganese ores from Madras Port imposed by the Central Government by its notification dated 2nd September should be removed. Such restrictions have been imposed only in respect of the Madras and Calcutta ports. There is no congestion, according to the Chamber, in the Madras Port in regard to such traffic, while there is congestion in Bombay and Visakhapatnam. Further, Madras Port is developing good export traffic in ores. The restriction, the Chamber has stated, will adversely affect Indian export trade in minerals, especially now when competition from Russia and the Philippines is increasing.

A Bill seeking to extend protection, among others, to the power and distribution transformers industry was introduced in the House of the People this week. Protection to the extent of 10 per cent. *ad valorem* is proposed to be given to this industry till 31st December, 1955. The Bill also seeks to continue protection in respect of glucose till the end of 1954, hydro-quinine industry till the end of 1955 and plywood and battens for tea chests and iron or steel wood-screws till the end of 1957. Protection originally granted to these industries is due to expire on 31st December, 1953. Other objects of the Bill include discontinuance of protection to the dry battery industry from 1st January, 1954 and ratification of enhancement of customs duty on body panels, including turret tops and sides, for passenger cars, announced earlier.

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From Abroad

Twenty oil-fired locomotives are to be manufactured for Egypt at the M.A.V.G. factory in Hungary during the last quarter of this year.

Trading in burlap futures commenced in New York on the 9th inst. under the auspices of Commodities Exchange Inc.

A representative of a Japanese tanker company has signed an agreement with the Iranian Government for the exchange of Japanese tankers for Iranian oil.

The representatives of nine Commonwealth countries held at London last week preliminary discussions on the various problems relating to the *forthcoming* session of the G.A.T.T.

The U.S. Government proposes to ask the private welfare organisations and universities to take a bigger share in the running of the multi-million dollar Point-Four aid programme for underdeveloped countries.

The Tokyo Appeal Court has rejected the Anglo-Iranian Oil Company's appeal against a lower court ruling rejecting the Company's application for an interim order impounding Iranian nationalised oil imports into Japan.

An order from the Bonneville Power Administration of Oregon (U.S.A.) for a 250,000-k.v.a. three-phase transformer bank for service on the Administration's 230-volt system has been received by a British electrical firm. The value of this contract is about $650,000.

Five Hollywood experts have been engaged by the Pakistan Government to help raise the technical and artistic standards of the Pakistan film industry in a six-month training plan under the U.N. Technical Aid Programme.

The U.S. is expected to provide about £450 million economic aid to Western Europe during the fiscal year ending June, 1954. The recent allocation of £45 million, given as an emergency aid to Iran, will be used to supply commodities which Iran cannot import in most circumstances.

An agreement for the acquisition of 50,000 tons of fertilisers and distribution in Pakistan has been signed between the Governments of Pakistan and the U.S. under the T.C.A. Programme. The project is estimated to cost the Pakistan Government over Rs. 30 lakhs, while the U.S. Government will incur an expenditure of $3.1 million. The proceeds from the sale of fertilisers will be used for Pakistan's agricultural and economic development.

The Pakistan Government has accepted the offer made by the U.K. under the technical co-operation scheme of the Colombo Plan to provide 35 mm. and 16 mm. editing equipment of advertising films and publications. This equipment will facilitate the training of Pakistani staff in this specialised branch of film industry. The cost of the equipment is estimated at £2,600.

The new plant that is being set up at Milan (Italy) for the manufacture of acetate yarns and staple fibres is expected to commence operations in about three weeks' time. The plant is a joint Anglo-Italian venture, with an aggregate capital of 1,000 million lire (£578,000), subscribed in equal parts by the Snia Viscosa of Italy and Courtaulds Ltd. of England. The capacity of the plant is 4.4 million lbs. per annum. The total world output of acetate yarn, it may be noted, amounted to 478 million lbs. in 1952, as against 151 million lbs. in 1938.

PERSONAL

MR. J. R. D. Tata, Chairman of Tata Sons Ltd., left for London *en route* to Montreal to attend the meeting of the International Air-Transport Association to be held at Montreal next month.

Mrs. Vijayalakshmi Pandit, leader of the Indian delegation to the U.N. General Assembly, has been elected President of the Assembly for the current session.

Mr. Barret Eldridge, District and Sales Manager of Pan American Airways, who arrived in Bombay last week, is on an inspection tour of India.

Mr. G. V. Mavlankar, Speaker of the House of the People, returned from the U.K. on Saturday last, after attending the meeting of the Commonwealth Council of Parliamentary Associations and the Commonwealth Speakers' Conference.

Mr. Everett Franciss Drumright, American Consul-General in Bombay, left for the U.S. on home leave and for consultations with the home Government. Mr. R. Smith Simpson, American Consul, will be in charge of the Consulate-General during Mr. Drumright's absence.

Mr. D. N. Shroff, President of the Silk and Art Silk Mills' Association and Vice-President of the International Silk Association, will lead a nine-man Indian delegation to the International Silk Congress scheduled to commence its six-day session at Milan (Italy) on the 28th inst.

Mr. Abid Ali, Union Deputy Minister for Labour and leader of the Indian delegation to the I.L.O. Asian Regional Conference now in session at Tokyo, has been elected Vice-President of the Conference. Mr. Khandubhai K. Desai, a member of the delegation, has been elected leader of the workers' group and Vice-Chairman of the Selections Committee.

Mr. D. P. Karmarkar, Union Minister for Commerce and leader of the Indian delegation to the meeting of the contracting parties to the G.A.T.T., now in session at Geneva, left on Saturday last. Mr. L. R. S. Singh, Minister (Commercial) at the Indian High Commission in London, will be the alternate leader and Mr. S. Sen, Consul-General in Geneva, member. Messrs. G. L. Bansal, M.P. and Secretary, Federation of Indian Chambers of Commerce and Industry, A. K. Chakravarty, Assistant Secretary, Central Commerce and Industry Ministry, Mr. B. K. Kochar, Commercial Attache, Indian Embassy in Bonn, and V. Kesavan, Second Secretary (Commercial) Indian Embassy in Brussels, are the four advisers to the Indian delegation.

"COMMERCE" 1928

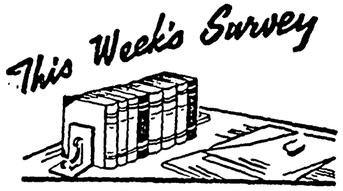
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 22nd *September*

Workmen's Compensation

In these days of widespread labour unrest, it is reassuring to refer to the Annual Report on the Working of the Workmen's Compensation Act which was placed on the Indian Statute Book in 1923. The Act has barely been three years in operation in India, and yet, judging by the reports recently published in *Commerce*, the measure seems to have conferred immense benefit on the Indian workmen. As the Act gains in popularity, the Commissioners' work in all Provinces is increasing. A comparative statement, furnished with the report of the Bengal Commissioner for 1927, of the total number of applications filed, compensation deposited and court fees realised shows that, besides the applications formally filed, the Bengal Commissioner—whose post has, by the way, been made permanent—had to deal with a number of informal applications both from workmen and from employers. In some of these, the claims were amicably settled, the Commissioner playing the part of a good Samaritan—that is, an arbitrator. In Bengal, the working of the Act during the year under review was on the whole satisfactory and shows that it is growing in popularity, though there is still much to be desired in this respect. The Act may now be said to be fairly well known to the workers in the jute industry.

The Bengal Jute Workers' Association continued, during the year, to assist its members to obtain compensation, both by agreement and by application to the Commissioner where agreement could not be reached. During the year under report, Mr. Lethbridge, the Commissioner, visited various jute mills on either side of the Hooghly in connection with the local trial of contested claims. This, it is hoped, had its effect in spreading knowledge of the Act amongst jute workers. The larger concerns generally assisted their workmen in recovering compensation. The Calcutta Claims Bureau, representing the majority of insurance companies, settled numerous *bona fide* claims without litigation, and dealt with these and with contested claims with its usual promptness and care. But the coalfield workers still appear to be generally ignorant of their rights under the Act and, naturally, the paucity of claims from the Raneegunge coalfield still continues. This is probably due, amongst other causes, to the absence of any trade union to represent their interests.



MR. T. T. KRISHNAMACHARI ON UNEMPLOYMENT

MR. T. T. Krishnamachari, Minister for Commerce and Industry, rightly emphasised that it was only through rapid industrialisation that the country could tackle the problem of urban and rural employment. Speaking in the course of a debate on unemployment in the Council of States, he pointed out that the problem could be tackled only if, in the next four or five years, about 30 or 40 industrial units were set up in the interior, and small townships created around these units. He pointed out that the country's economy was still sound. Industrial production had increased. In 1950, it had increased by 5.2 per cent. over the 1946 level, in 1951 by 17.2 per cent., in 1952 by 28.5 per cent. and in the first quarter of 1953 by 32.6 per cent. There had been an increase of five million tons in the production of foodgrains. The cost of living had increased only by two per cent. between 1950 and 1952, as compared with 19 per cent. in the U.K., and 31 per cent. in France.

The Commerce and Industry Minister paid a tribute to the Government's monetary policy which, he said, was responsible for keeping the living costs under check. He was not prepared to accept the plea that the Government should restrict its expenditure in the public sector. But he admitted that the Government felt that the situation demanded a revision of the Five-year Plan. Finally, he doubted the wisdom of carrying the policy of supporting village industries too far. He urged moderation in the policy, saying that while the reservation for handlooms had not helped Madras, it had pushed up the prices of cloth in Rajasthan, West Bengal, Orissa, U.P. and the Punjab.

The Minister has certainly said as much as he could possibly say in the course of a short speech in the course of a general debate. His speech must serve to correct the exaggerated emphasis that is being placed on the problem of unemployment itself, the wrong inferences that are drawn about the state of Indian economy, and the high expectations that are raised by some people who believe that the revival of village industries would effectively exorcise the ghost of unemployment. His emphasis on rapid industrialisation is to be welcomed.

Many will, however, wish that there was more convincing evidence of the Government's desire to see that the private sector made an adequate contribution towards the industrialisation of the country. Unfortunately, there is sufficient evidence to make one doubt whether the Government is really earnest about letting the private sector play its full part. How else can one interpret—to take only a recent instance—the Commerce and Industry Minister's threat of nationalisation of the automobile industry? How else, again, is one to interpret the Minister's oft-repeated threats against the plantation industry? Indeed, the manner in which the many restrictions on this industry, as on several others, is conceived and supervised shows that the Government is more anxious to control, if not to acquire, the fields in which private enterprise is engaged than to help the private sector start something new. It is a policy of negation, not of constructive enterprise.

JAIPUR OCTROI TROUBLE

Following the withdrawal of the *hartal*, which had been undertaken by the people of Jaipur, against the imposition of octroi in that city, the Government of Rajasthan has decided to appoint a committee to report on the question of this levy. Pending the receipt of the recommendations of the Committee, the personnel of which is yet to be announced, the Government of Rajasthan has suspended the realisation of octroi.

It will be recalled that octroi was imposed, for the first time, on 1st September, by the Municipal Council, at the instance of the Government of Rajasthan. But the Jaipur Municipal Council decided to suspend the imposition and to reconsider the question on 3rd September, following the resentment among the public, especially business interests, at the imposition of this duty. The Government of Rajasthan superseded the Council with effect from 4th September and appointed Mr. R. D. Thapar as the Administrator. Subsequently, on the 5th September, it revised the schedule so as to exempt certain articles from the levy and to reduce the rates on others.

A study of the conditions of the Jaipur Municipality discloses that its finances have been deplorable; indeed, they have deteriorated to such an extent that it has not been regularly disbursing even the salaries of its employees. Further, the Council has a huge sum, exceeding Rs. 20 lakhs, outstanding against it on account of electricity and water. It is because of this state of affairs that the Government of Rajasthan induced the Municipality to impose house-tax and octroi. There is no reason why these taxes should not be imposed, especially when they are being levied by a number of local bodies throughout the other parts of the country. And there appears to be no reason why the business community should start an agitation against such a simple and legitimate form of taxation. If the incidence is heavy, as is contended, the proper thing to do would be to ask for a reduction in the rates and not indulge in unconstitutional methods, demanding suspension of the duty.

It is true that there are certain allegations against the Government to the effect that the deplorable state of the municipal finances was due to the Government not honouring its commitments. It is, for instance, stated that the compensation paid to the Municipality in respect of duties levied by the Government on *gur* and sugar is disproportionately low. But these are issues which should be settled between the Council and the Government. It is indeed preposterous that the Jaipur Municipal Council members should have lent their support to the *hartal*, as they are reported to have done. The Municipal Councillors are the city fathers and it is their duty to see that the resources needed to finance their work are obtained through legitimate channels and the Municipality is made self-supporting. After all, the imposition of octroi was a long overdue measure and as such it did not deserve the opposition it had evoked, much less the fierce form this opposition assumed. It is to be hoped that, on second thoughts, better sense will prevail among business men in Jaipur and that they will reconcile themselves to the necessity to pay what has come to be universally regarded as a legitimate form of local taxation. The fact that they were free from it all these days is no excuse for revolting against its imposition. And above all, like laymen, they should not resort to methods of protest which are undemocratic, however adamant the Government of the day may be. What else is a *hartal* if it does not tantamount to an illegal strike?

F. A. O. REPORT ON FOOD

If there is one thing which has struck all observers of the world economic scene as by far the most significant development in recent years, it is the increase in food and agricultural production which has been reported from all parts of the world. To people in many parts of the world, who have learned through bitter experience to regard food shortage as a well-nigh permanent aspect of world economy, this improvement is, indeed, a very welcome development. This improvement now finds statistical support in the report of the U.N. Food and Agricultural Organisation (F.A.O.), entitled "The State of Food and Agriculture, 1953," which points out that the world's food output in 1953 caught up, for the first time since World War II, with the growth in world population. Many countries have contributed to this improvement. There was a record rice crop in the Far East. But the demand for imports is also high, thanks to crop failure in Pakistan. Agricultural output in Oceania was about 10 per cent. higher in 1952-53 than in the previous year. North America recorded increased supplies. Agricultural output in North-Western Europe rose by 2 per cent. in 1952-53 and in Latin America by 9 per cent.

This is, however, an overall picture; also it refers only to the year 1952-53. It would, however, be folly to overlook several dark spots in this picture. And it is to these spots that the report makes pointed references. Although the total agricultural production in Asia and the Far East has regained its pre-war level, it is still 15 to 20 per cent. below the pre-war *per capita* level, thanks to the increase in population. In other words, though the world total production of food may have caught up with the growth in world population, the rise in production in Asia and the Far East has not been keeping pace with the expansion in population. The report warns, therefore, that this region, with nearly half the world's population, remains the crux of the problem. In his foreword to the Report, Mr. Norris Dodd, Director-General of the F.A.O., warns that nearly 70 per cent. of the world's population lives in the less developed regions and that it would require an additional supply of food equal to the 1952-53 production of food in North America and Oceania combined before the people in the underdeveloped countries can raise their average diet to the present average for the world as a whole. Food stocks, as is well known, are accumulating in many parts of the world. This might give one an erroneous impression that they are in excess of the world's demand. But Mr. Dodd emphasises the fact that these stocks "shrink into insignificance" when compared with the "real human needs" of the deficit countries.

What then is the real solution for the problem of food deficit in underdeveloped countries? The answer is that there is no simple solution. A basic improvement in the countries' food supply, as Mr. Dodd says, must come primarily from a "steady improvement in their own production." He lays special emphasis on two points:

(1) Until the productivity of agriculture per man and per hectare in the underdeveloped countries can be raised substantially there is no possible way of alleviating the grinding poverty of their rural populations.

(2) If allowance is made for qualifying as calorie content, the average diets per person in North America, Western Europe, Australia and New Zealand are two to three times those of most underdeveloped regions whether measured in money values, original calories or the agricultural resources needed to produce them.

The Report says that so far as agricultural production is concerned, "the prospects for 1953-54 are "favourable," though it warns that one or two years of bad weather could "seriously alter" the world food position. The main problem for the immediate future is the problem of markets. If defence expenditures were reduced, the question is whether industrial activity would maintain itself at a level at which it could provide a market for the expanding volume of food and agricultural raw materials. This is, indeed, a serious problem.

MAJOR CHANGE IN FOOD POLICY

In the past few days, events on the food front have moved with dramatic speed. On the 10th inst., the Bombay Government announced the removal of restrictions on the quantum of foreign wheat which ration-card holders can buy in all the 45 fully rationed cities; this relaxation, which will not apply to "local wheat," will come into effect from the 21st inst. The controls on the movement of wheat between urban and rural areas, as also on the price of this wheat will, however, continue. Two days after this decision, that is, on the 12th inst., the Central Government gave permission to flour mills for exporting wheat flour in order to enable them to recapture their pre-war markets for flour in Burma and South-East Asian countries. Wheat will be released to the mills from the Central food stocks on condition that the mills replace the stocks by importing an equivalent quantity of wheat within six months from the date of export. Again on the following day, the Government came out with a major change in its food policy by permitting private trade to have a share in the imports of rice from the soft currency areas for sale in non-rationed areas. And on the 14th inst., it passed on to private trade the import of three more food items, namely, self-raising flour, maize and barley. There will be no control on price, sale and distribution of these three items. Control on movement of self-raising flour from one State to another will be withdrawn, while that of the other two, namely, imported maize and barley, will be subject to the permit system.

The developments noted above indicate a revolutionary but welcome change in the food policy of the Government which has been in force for one full decade now. For the first time since the pre-war period, exports have been permitted in a cereal product such as wheat flour. Again, for the first time, non-Government agencies have been permitted to enter, albeit on a limited scale, the field of foreign trade in foodgrains. These changes mark a big stride in the country's march towards complete decontrol of foodgrains, and are in accordance with the Government's accepted policy of gradual decontrol. Besides, they are justified by the world supply position of wheat and rice and the large stocks of wheat which the country is said to possess.

The decision to pass on to the trade the import of an increasing number of food items is welcome for two reasons. One is that it will facilitate imports of superior quality of foodgrains at cheaper rates and avoids wastage on account of bad storage—a common occurrence under State control. The other is that it will provide a few fresh avenues for employment. The flour mills, for instance, can now expand their activity, in order to cater to the needs of the nearby export markets. The trading concerns participating in the export and import trade of food items may also be in a position to employ some more people. It is true that there will be some retrenchment of staff employed by the Government in its rationing departments, but it seems to us that the net result of these changes will be an increase in employment opportunities.

UNEMPLOYMENT IN WEST BENGAL

Perhaps West Bengal is the first State to formulate a programme for tackling unemployment in the State in accordance with the 11-point programme of the Planning Commission communicated to the States early in August. The scheme has been submitted to the Government of India for approval and grants. The programme consists of nine tiers as follows:

1. Appointment of 30,000 persons during the next three years for undertaking the task of teaching and doing social work in rural areas;
2. housing scheme at a cost of Rs. 1.5 crores, giving employment to about 3,900 people;
3. development of small-scale industries at a cost of Rs. 75 lakhs;
4. establishment of a coke-oven gas plant costing Rs. 9 crores;
5. Calcutta sewage disposal scheme costing Rs. 3.2 crores at the beginning;
6. land reclamation scheme in the Salt Lake area, east of Calcutta, at an expenditure of Rs. 7.50 crores;
7. transmission and supply of surplus electric energy from the D.V.C. to rural areas at an expenditure of Rs. 3.75 crores. The State Government has approached the Government of India for permission to lay down the transmission line;
8. increase in the number of Calcutta's transport vehicles by issuing 700 more licences. This would employ roughly about 1,200 more people; and
9. implementation of the Ganga barrage scheme which will reclaim large tracts of land in Murshidabad, Malda and Nadia, connecting at the same time the middle and southern portions of the State.

It is true that the programme cannot solve the problem of unemployment completely. But it will certainly help arrest the rising trend witnessed in recent months, provided it is efficiently implemented. The success of even this limited scheme for tackling unemployment, however, will require an atmosphere of quiet and peace in that State. Unfortunately, Bengal has been disturbed by industrial unrest for some time now. The Burnpur labour trouble has accentuated the evil of unemployment. It has already made, or is likely to make, the position of industries dependent on the Indian Iron and Steel Company's products for their raw materials requirements somewhat difficult. It will be evident from this incident that the Government's efforts alone are not enough to solve the problem of unemployment in that State. It calls for all-round co-operation and effort which, it is to be hoped, will be forthcoming, if only because Bengal has, in the past, suffered relatively more than other States, thanks to famine and Partition. The people of West Bengal must realise that, if they show scant regard for law and order and indulge in strikes, they will be paving the way for utter chaos which will make their position even more miserable than now.

(Concluded from third column)

about the volume of unemployment, as so many obstacles in the efforts for expanding the scope for employment. Did it ever occur to the soap manufacturers that a Government which could prevent one firm from importing machinery likely to displace some human labour, might also, when urged by the cottage industry section of the soap industry, ban the making of washing soap or even some inferior varieties of toilet soap in factories on the plea of providing more employment? I cannot help feeling that by this successful but cheap and foolish manœuvring to block the progress of a single foreign soap manufacturing concern, the private sector of industry as a whole has not won a victory but has actually lost an important battle in the war in which it is engaged, without a single shot being fired by either side.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

ANONYMITY confers an advantage at times on those whom it otherwise buries. I have gradually grown up, as a result of life's inevitable buffetings, to a realisation that things in retrospect do not matter as much as we fondly but wrongly imagined when we were in the midst of them. Besides, I have not been gifted with that kink in my nature, which compels a fellow to be perpetually at war with himself and so always in a state of war with all around him, except sycophants. Beginning in all such men as a mild and modest urge to reform their own erring selves, this spark is fanned into a roaring fire by their selflessness and misplaced zeal to reform others. Consumed by this devastating conflagration within them, which leaves them no peace or a trace of their former amiability and reasonableness, they step out to spread this fire by setting the little world around them ablaze.

There is nothing more suspect in the eyes of these crazy crusaders than ease and comfort, rest and peace, joy and good cheer. If a thing is pleasant, it needs must harbour evil in some fold of its womb; if a man appears happy, he cannot but be wallowing in sin. Strangely lacking in the knowledge of the positive contents of virtue and goodness, they see evil in things and not in men and women. Take away those little things which seem to bring joy or pleasure, rob people of those aids to ease and comfort and you would have destroyed all evil and established a reign of virtue. Deny them tea or coffee, cigarettes, wines and spirits, dancing and racing and you would have turned your contemporaries into models of virtue.

These kill-joys are firmly convinced that their good intentions would justify any means they employ. They, therefore, easily become, in course of time, unpleasantly insolent, bellicose and belligerent, in their search for more power and authority, for the solely benevolent purpose of coercing their fellow men into a dull and uniform pattern of priggishness, which they mistakenly regard as righteousness. Blinded by the glare of their mission, these modern Messiahs fail to notice that, as a rule, in trying to dig out a grain or two of evil, which, if ignored, would lose a greater part of its attraction, they create deep, dark and foul voids and chasms of hypocrisy and hatred.

I have purposely been at great pains to clear my position, because I am going to be a little unpleasant myself. It is necessary for me to explain that what I am going to write this week is not conceived in any such crusading spirit of chastening and chastising those amongst the business community, who have succumbed to the lure of ease and comfort and so clamour for an extreme form of protection from what they call foreign competition within the frontiers of our own country. Being a timid and peace-loving man, I do not fancy myself as cast into the shape of a valiant fighter for any of the lost causes. Having an average respect and affection for those amongst whom my lot is cast and wanting to live in amiable harmony with them, I am not moved by a desire to rub them up the wrong way, much less to exacerbate them into a state of hostility either towards me or to the idea which I want to put forth for their consideration.

Besides, I do not mind admitting that, were it not for the protection which anonymity affords to me from the wrath or displeasure of those few who flatter me by reading this column, I doubt if I would have chosen to criticise what is to-day a fairly popular attitude towards this extreme and unhealthy form of *swadeshi* which our soap manufacturers are preaching to-day. My only desire is to draw their attention and the attention of the whole of the business community to certain unreasonable aspects and implications of this attitude and some of the undesirable consequences, which are likely to follow from it, to the detriment not only of this or that industry but of industry in general. It is not pleasant to uphold unpopular causes and I do so only because I feel a little disturbed not about the future of the few foreign industrial units in the country possessing endless resources and are quite capable of fighting their own battles, but about that of our own expansion and development which are still to be achieved.

Having thus made my long *apologia* and in the process of doing it, having got rid of a few of my own pet irritations caused by some of our dangerously and menacingly well-meaning, smug and self-appointed saviours, I confess that I do not quite see eye to eye with those, whom I otherwise respect and admire, moaning loudly about the efforts of the one prosperous foreign firm engaged in making soap to reduce its cost of manufacture and, incidentally, to increase its production, by proposing to import plant and machinery for modernisation. It is not as if I do not appreciate the ambition of our own industrialists not to leave the responsibility to outsiders for helping our countrymen to keep their persons and clothes as reasonably clean as our unhelpful climate would allow. But, much as I value cleanliness and much more though I value this enthusiasm of such renowned firms as the Tatas, Godrej and the Sarabhais for securing a wholly home-made and *swadeshi* brand of cleanliness in preference to that resulting from unwelcome foreign aid, I rather like, looking to the comparative emptiness of my wallet, to be clean at as little cost as possible.

My attitude regarding the price and quality of soap might quite conceivably not have been so callous and mercenary, if I was asked to choose between imported soap of good quality at cheaper rates and somewhat dearer soap of passable quality made within the country. My love for *swadeshi* would have definitely made me plump for soap made in India, even if it cost me an anna or two more per cake and was not quite as good as that dumped by designing persons from abroad. But I am not subtle enough to distinguish between one brand and another of this useful commodity, both made within the country, with Indian labour, from indigenous materials and under identical conditions, one made by a firm owned by foreign capital and the other by Indian. One is as much *swadeshi* for me as the other and quality for quality, if one be cheaper than the other, that which costs me less naturally gets my patronage.

On the contrary, when I hear our own manufacturers complain, in a manner which is not very dignified, about this competition at home which is killing them, I am led to suspect that either they are inordinately inefficient, even though long established, or that they want to secure a clear field for fleecing me more by making things more difficult for this other unit, which wants to provide me with soap at a still lower cost by modernising its plant. I am almost glad that this one British unit is there, because its presence, incidentally, safeguards my interests as a consumer and stands as a permanent reminder to our own manufacturers that good soap could be made and sold cheaper. Conditions in some other more important industries, such as cotton and jute, textiles and sugar, are similar if not worse. There are a number of well-established foreign-owned concerns working cheek by jowl with Indian units in these fields. Though the sugar industry is of a comparatively recent origin and has to contend against its cottage industry counterpart as in soap, there is no complaint from the Indian sector about ruinous competition from that controlled by outsiders or manufacturers of *khandsari* and *gur*, even though the latter do not pay the heavy excise duty and cane-cess, amounting to about sixteen to twenty per cent. of the selling price of mill-made sugar.

Curiously enough, the indigenous soap manufacturers have succeeded in getting the application of this competing firm for import of modernisation plant rejected by the Government. They must be feeling satisfied with their victory, because Lever Brothers would not now be able to increase their output. But I hope industrialists as a class are not so blind as to fail to see that this temporary victory has been won at a tremendous cost to the future of Indian industry as a whole. They must also have noticed that Mr. Karmarkar, the Central Minister for Commerce, did not at all seem happy about this decision and the confession that this application from Lever Brothers was being rejected by his Ministry was virtually dragged out of him under a volley of supplementaries. I wonder if they also noticed that this concession was extracted by them from an unwilling Government with the help of the Communist Party in Parliament. And, finally, be it noted that the Government yielded in this instance not on the issue of increased competition which the Indian-owned units would have to meet with. Reluctantly and under heavy pressure, the authorities gave in because of their fear that this modernisation plant might throw a few more men out of work, when unemployment in the country had already reached a critical stage.

Industry must be aware that the greatest fight ahead of it in the near future is over this question of modernisation and rationalisation. There is no future for it, either in the home markets or abroad, unless it can bring down the cost of manufacture substantially. The only way in which it can do so is by rationalising its technique and modernising its present obsolete plants. Organised labour would strenuously resist any effort on its part to do so. The Government is more likely to support labour in this struggle than industry, especially as unemployment on a large scale is bound to remain with us for long years to come. By its short-sighted opposition to the effort of Lever Brothers to modernise its plant, for a temporary advantage which a section of the soap industry in the country might win as a result of this opposition, industry as a whole in the country has conceded in advance and in principle the correctness of the irrational stand workers are bound to take against its efforts at improving technical processes in the factories.

In a blind fit of temporary jealousy and out of a desire to put impediments in the path of a successful rival concern, the soap manufacturers have, in fact, caused more damage to industry than what I have so far hinted at. They cannot be unaware of the fact that there is a strong and influential section in the Congress Party, which is dead against all large-scale industries on principle. Their concept of the national economy stops short at cottage and small-scale industries. They regard machines and mechanised industry as the Devil's own contraption designed to demoralise humanity. Not infrequently, the Government has to yield to the pressure from this section, even though it has not the same faith in the spinning wheel, the handloom, the bullock-cart and the *ghani* as the more orthodox Gandhians. By raising this hue and cry against the import of modernisation plant by a more go-ahead unit than themselves, they have strengthened the hands of the reactionaries and made it easier for the hard-pressed Government to make more and more concessions to them.

These concessions could only be of the nature of additional levies on machine-manufactured goods for subsidising the products of the corresponding cottage industries and reservation of certain fields of production in favour of them. If improved machinery could be looked upon as a potential menace to employment, the presence and use of any machinery, even obsolete and inefficient machinery, could also come to be accepted by the Government and the country, already gone panicky

(Continued in first column)

GOVERNMENT DECIDES TO REVISE FIVE-YEAR PLAN

TASK BEFORE ANDHRA STATE

(From A Special Correspondent)

NEW DELHI, 14*th September*

THE Government of India's emphasis has now begun to shift from agriculture to industry. The sponsors of the Five-year Plan doubtless devoted greater attention to the improvement of the production of food and commercial crops, especially in the early stages of the Plan, in view of the scarcity of foodgrains and the difficulties of obtaining adequate quantities of raw jute and raw cotton at that time. Now that the supply position of these has recorded a remarkable improvement not only in India but also all the world over, it is felt in Government circles that the time is now opportune for the intensification of its efforts at speedier industrialisation of the country, especially in the public sector.

DELHI LETTER

Some other factors that have been helping the Government to veer round to this view are the better availability of capital goods in western countries with the termination of the Korean war and shorter delivery period therefor, favourable balance of payments position due to reduction in the value of food, raw cotton and raw jute imports, accumulation of sterling balances and, above all, the necessity to embark on a bold and imaginative plan to fight the growing unemployment in the country. The increase in the *tempo* of industrialisation will be commensurate more or less with the trend of commodity prices in the country and the Government's ability to keep down the inflationary potential. In other words, the Government will be inclined to take up a bolder programme, if there were to be a stable price level and the prices of foodgrains and other essential articles were to be brought down at reasonable levels so that the poorer sections of people might not find it difficult to purchase these commodities.

Industrialisation

These factors are doubtless responsible for the forthright assertion of Mr. T. T. Krishnamachari, Commerce and Industry Minister, Government of India, in the Council of States this week that "only industrialisation could tackle the problem of urban as well as rural unemployment." While the demarcation of sectors between cottage and large-scale industries might serve some purpose so long as it was not carried too far, the Minister remarked that the only solution to unemployment would be to establish in the next four or five years about 30 or 40 industrial units, not in Calcutta, Bombay or Bihar, but right in the middle of the country in various places and create townships round them. The Commerce and Industry Minister made some more policy statements in Parliament at the time of the discussion of the unemployment problem. He pointed out that the foreigners had an important place in the field of manufacturing, but in the trading sector he desired that they should gradually vacate their hold in favour of Indians. Despite the Government's desire to encourage well-established and reputed foreign manufacturing concerns in the industrial field with a view to increasing the competitive capacity and the productive efficiency of indigenous concerns, in actual practice Government's actions would appear to be not in conformity with its declaration. For instance, this week, Mr. D. P. Karmarkar, Minister for Commerce, unequivocally declared that permission to a leading foreign soap manufacturing concern for the importation of plant and machinery for modernisation would be refused. This sort of treatment is, to say the least, not conducive to the inflow of foreign capital.

Mr. T. T. Krishnamachari, Commerce and Industry Minister, indulged in some plain speaking in Parliament this week, where some members were vehement in criticising the Government's import policy from time to time. The Minister pointed out that in order to export, India had to import something from other countries. The Government was not able to export sports goods to France though there was a market for it, simply because it was not willing to permit imports of French perfumery into India, he said. On these luxury items, the Exchequer got almost equivalent value by way of customs duties. This mopped up the surplus money and kept under check inflationary potential to some extent.

Commodity Controls Committee

The Government of India's reaction to the recommendations of the Commodity Controls Committee has, on the whole, been favourable. In fact, the Government feels happy to note that by and large the Committee has endorsed the existing policy of the Government regarding controls. The Committee's conclusions are in accord with Government's views on the subject. According to the Committee, the Government must, in the last analysis, retain the powers of overall guidance and control; and controls on all essential commodities should be on an all-India basis. The Government agrees with the Committee that legislation in respect of the above can only be undertaken if the Constitution is amended to confer upon Parliament the necessary legislative powers. The Government proposes to examine the alternative to the amendment of the Constitution, which is to confer legislative powers on Parliament in respect of foodstuffs, cattle fodder, raw cotton, cottonseed and other agricultural products by making an appropriate new entry in the concurrent list. The Government does not propose to extend the life of the Supply and Prices of Goods Act, 1950, beyond 15th February, 1954, when it is due to lapse. In the meantime, with immediate effect, the controls exercised under this Act on casein tanning materials and tannery wool will be lifted. The question whether controls on non-ferrous metals, caustic soda, soda ash and sulphur which are being exercised under this Act should be abolished or continued under the Industries (Development and Regulation) Act is under examination. Regarding the withdrawal of the Drugs (Control) Act, 1950, the Government is now consulting the State Governments on this point. It has also agreed in principle to the Committee's recommendations regarding the futures contracts. The Government is also in agreement with the principles underlying the Committee's recommendations in regard to the penal provisions of the control laws.

Flood Control

The recent devastating floods in Assam, Bihar, Uttar Pradesh and Andhra have begun to command the attention of the Government of India. The Kosi floods in Bihar have now become a regular annual feature, as also those of the Brahmaputra in Assam. In order to prevent the floods in these rivers, the Government is desirous of adopting the necessary river taming methods. For this purpose, some engineers are expected to visit China where this type of work is reported to have kept up at a high level, especially in the famous Yellow River. Perhaps, at the time of the Second Five-year Plan, the Government will lay considerable emphasis on this aspect of work in river projects. The Government is also reported to have decided to create a pool of heavy machinery needed in work on projects such as earth-moving and dredging equipment. This will curtail machinery needs of these projects and facilitate the speedier working of these projects in an economical manner.

Andhra State

With the passing of the Andhra State Bill by the House of the People and the Council of States, Andhra State will be ushered in on 1st October, according to the original schedule. The creation of a new State is considered as a great experiment and the Andhra statesmen will have to work assiduously and patiently to build up this State on solid foundations. The economic potentialities of this State are considerable, particularly its agricultural wealth. Since this State is being watered by the two important rivers of the country, the Godavari and the Krishna, with their innumerable tributaries, the scope for big and small-scale irrigation projects is large. There are already a number of large-scale irrigation projects which await implementation, prominent among them being the Nandikonta, the Ramapadasagar, the Krishna-Pennar, the Pulichintala and the Vamsadhara projects. The total cost of these works is estimated at between Rs. 300 and Rs. 350 crores and it will take nearly 15 to 20 years to complete all these schemes. Generous help from the Centre will be necessary for the implementation of these projects. On their completion Andhra will become the granary of the South. Besides foodgrains, the State can grow more cotton, tobacco, sugarcane, etc. These apart, the mineral resources of the State are stated to be satisfactory, particularly in regard to manganese, coal, cement, building stones, etc. By methodical and patient work, the State can be made to rank as an important economic unit of the Indian Union.

Notice

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 5th October, 1953, to the 12th October, 1953, both days inclusive.

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AMERICAN LETTER

MISGIVINGS ABOUT ECONOMIC STABILITY

ADMINISTRATION APPOINTS TROUBLE-SPOTTER

(From Our Own Correspondent)

NEW YORK, 10*th September*

MOST of the news in the last two weeks, of significance to the American economy or to world trade, emanated abroad. The accent was more on the Far East which is receiving more attention in Washington these days than on Europe where the re-election of Chancellor Adenauer's coalition parties in Western Germany heralded another period of close co-operation with the Western powers. In the Orient, the Korean question is still the big issue. Both sides now accuse one another of withholding prisoners of war and final settlement seems just as insoluble as a few months ago. Indeed, the pessimists in the United States assert the difficulties will be so great that no peace conference will even be held. Others assert that, if a conference is actually held, the only thing it can ratify is the military line of demarcation. Somewhat disturbing to American ears were the remarks by John Foster Dulles, Secretary of State, that United Nations forces would cross the Yalu River and attack bases of the enemy in Manchuria if the Korean war should be revived. Also, that the United States would not stand by idly if Communist China were to join the war in Indo-China. In the Middle East, the deposition of Premier Mussadiq of Iran who was succeeded by Major General Zahedi was considered here as a distinct setback for the Communist forces and the Washington Administration was quick in authorising immediate financial help to keep the new Government in power at Teheran.

The question so far as Iran is concerned, is that of oil, of course. Under the Mussadiq regime, numerous attempts had been made to bring about an agreement with the national Anglo-Iranian Oil Company regarding compensation to Britain and reopening of the Abadan refinery. The previous output of this installation, the largest of its kind in the world, has since been made up by increased production in other parts of the world. Therefore, the prospects of having Abadan get back into production have been viewed with alarm here from time to time for fear of overproduction. The best information is that, if an agreement were signed with London to-morrow, it would probably take anywhere from six months to one year to get refinery operations back to par. If that happens, Abadan output would be about 6 per cent. of world production. Since the latter increases, normally, between 6 and 8 per cent. a year, nothing but a temporary dislocation is to be expected.

Ever since disturbing reports have been received about declining friendships for the United States from as widely divergent places as Europe, Latin America and recently from the Far East, it has become evident that the Eisenhower Administration desires to shape and bring about a more friendly foreign trade policy. The nub of the problem is that "trade not aid" is a fine slogan, but it remains just that, unless the world is enabled to buy here. The question is particularly acute now, when American aid in various forms has been cut sharply, but trade is unable to take up the resultant vacuum.

In this connection, Lewis Douglas, former Ambassador to the Court of St. James, submitted a special report to President Eisenhower, urging that the United States declare immediately a policy of lower customs and tariff barriers, even before the new 17-man Foreign Economic Policy Commission makes its report. Mr. Douglas, who now serves as special deputy to the Secretary of State, suggests that this would help particularly the position of British Commonwealth nations whose economic health is of major national interest to the United States.

Campaign for Lower Tariffs

In the meantime, a group of business men have formed a committee to arouse public awareness of this problem. The group plans a campaign for lower tariffs and it is patterned after the Committee for the Marshall Plan which helped sell the idea prior to adoption of this foreign aid legislation in 1948.

(Continued on page 563)

I.M.F. ON WORLD MONETARY TRENDS

INFLATIONARY MEANS OF DEVELOPMENT DEPRECATED

A REFRESHING feature of the latest Annual Report of the International Monetary Fund (I.M.F.), submitted to the annual meeting of the Board of Governors held in Washington last week, is the note of optimism on the world payments situation. This is in distinct contrast to the somewhat depressing note on the continuing imbalance in world trade struck by the Fund in the previous report. Substantial progress, says the Fund, has been made in the direction of general payments balance; indeed, the improvement in the world's balance of payments with the dollar area during the year 1952-53 appears to have certain elements of permanence which were absent in 1950. Nevertheless, the Fund warns against complacency, as witness its remark that the world cannot rest content with its present position. This is particularly so, because, in course of time, some of the temporary elements which have contributed to this progress will cease to operate. It is, therefore, important to avoid retrogression from the present position.

The Fund's analysis of the world payments situation during the year under review may be summarised as follows:

(1) Despite the downward trend in world trade that became evident early in 1952, the world payments position for the year as a whole showed a much better balance than in 1951.

(2) The widespread payments crisis at the beginning of 1952 affected particularly the raw material exporting countries.

(3) The most significant statistical evidence of the improvement in the world payments position in 1952 is the balance of payments of the rest of the world with the United States.

(4) The supply position outside the dollar areas has also improved on the whole, as a result, in part, of the abatement of inflationary pressures.

(5) It would be rash to take it for granted that the battle against inflation has now been won. It is significant that, in many parts of Europe, the inflationary impact of rising defence expenditures was kept in check throughout 1952.

(6) In 1952, as in 1951, the overall inflationary tendencies were, as a rule, stronger in the raw material producing countries than in the industrial nations.

World Trade With U.S.

The Fund refers, in particular, to what is called the "residual dollar problem", and points out that the U.S. balance of payments surplus disappeared in the second half of 1952 when the country had a small deficit with the rest of the world. Such a welcome change was brought about by an effective control of inflation, although it must be admitted that, even to-day, inflation has by no means ceased to be a problem. Proceeding, the Fund is of the opinion that, in order to prevent any deterioration in the present position, it is of the utmost importance that a high level of employment is maintained in the U.S. and that proper monetary and fiscal policies are enforced in Europe.

The Fund is cautiously optimistic about the attainment and maintenance of a rough balance of payments between the U.S. and the rest of the world. But it warns against its precarious character. Thus, the Fund observes:

"For many countries, the balance would be disturbed by any considerable weakening of the prices of their staple exports. The possibility of a decline in United States' activity has also caused concern. It should not be assumed that an easing of political tensions, which permitted a substantial reduction of defence expenditure, would necessarily be followed by any serious contraction of economic activity as a whole in the United States. The U.S. economy has shown a degree of adaptability sufficient to take full advantage of the opportunities for the higher real levels of production and consumption that relaxation of rearmament pressures would permit. The maintenance of high levels of production and employment is a major objective of public policy in the United States. The greater the success of U.S. policy in maintaining domestic stability, the better the prospects for continued progress towards the establishment of a stable multilateral international trading system."

Convertibility Aims

In the considered opinion of the Fund, the improvement in the general payments position in recent months, as noted above, has been, in a large measure, the result of the return to "active monetary policies." It commends the renewed efforts of several countries to achieve convertibility of currencies, but stresses the fact that convertibility is not an end in itself. To quote the Fund's own words:

"The view that convertibility is an attractive ideal which cannot, however, be realised in a remote and indefinite future, has increasingly given way to the conclusion that progress towards the establishment of convertibility and progress towards the elimination of the dollar shortage should proceed side by side. However, convertibility is not an end in itself. It is only desirable, because it makes possible greater flexibility in international payments, and the benefits of the international division of labour, based on unhindered multilateral trading. It would be valueless if progress towards convertibility by any country was achieved at the cost of imposing new restrictions on trade. The renewed determination with which many countries are endeavouring to move towards convertibility is a most encouraging development. The I.M.F. itself must do everything to support the efforts that are being made, and to take advantage of the recent progress which has occurred towards a better balance of payments of the rest of the world with the dollar area."

Important Measures

The Fund lays special emphasis, in this connection, on two important factors. First, the determined efforts of some countries to achieve convertibility of currencies deserve the utmost encouragement. Secondly, the uncertainty of the timing of decisive steps does not mean that countries cannot, in the meantime, take less far-reaching measures which have immediate value. These include, among others, (a) domestic financial and economic stability, (b) larger dollar earnings, (c) education and ultimate elimination of exchange restrictions and discriminatory trade restrictions, and (d) restoration of international capital markets. The Fund wants serious attention to be paid to the last-mentioned measure. For, according to it, capital imports may be a necessary condition for the elimination of inflationary pressures in the underdeveloped countries. At the same time, many underdeveloped countries are recognising that they have a responsibility for ensuring the maintenance of conditions which will make foreign investors feel assured of reasonable security for their investments and the earnings expected to flow from them. In this connection, the Fund makes the following points:

It would be entirely appropriate that, to the extent that an increased flow of capital—particularly long-term capital—from the U.S. to the rest of world can be developed, the U.S. should have a corresponding current account surplus. If the U.S. current account were balanced, the existing disparity between the rate of capital accumulation in the U.S. and in other countries would be accentuated. And any further widening of the gap between the productive capacity in the U.S. and in the rest of the world would place severe strains on many other countries in their efforts to maintain international equilibrium. For no group of countries do these considerations have more direct relevance than for the less-developed raw material-producing countries. Rapid development through diversified industrialisation has come to be accepted as an important objective of economic policy in many of these countries, chiefly because it seems to be the most satisfactory way to increase real incomes. Implementation of broadly-based development programmes should be regarded by both the underdeveloped and the more highly industrialised countries as something which would raise the general level of real income of very large sections of the world's population. At the same time this would be an important element in any general programme for establishing a stable world economic order based upon expanding multilateral trade and general currency convertibility.

During the last few years, it has been increasingly recognised in many underdeveloped areas that development programmes, in which inflation plays a large part, are likely to produce a disappointing result. Even if productive capacity is thereby expanding, the benefits gained may be more than counterbalanced by the unfavourable effects of inflation. One of the undesirable distortions in the structure of production that inflationary financing is likely to produce is an undue contraction of production of the traditional staple foods and raw materials. Such contractions are not only contrary to the interests of the underdeveloped countries themselves. They may also check the progress towards the more stable pattern of world trade that would be possible if these goods could either be substituted for some of the dollar imports of the rest of the world, exported directly to the dollar area, or substituted for goods now being imported from the dollar area into raw material-producing countries. Avoidance of inflationary developments is in the interests of the underdeveloped countries, but that such avoidance should be made easier is also in the interests of the rest of the world. If adequate capital imports should not be available, the expansion of the economies of underdeveloped countries would be unduly curtailed. And, since, in many of those countries, an effort could be made to fill the gap by inflationary finance, capital imports might be a necessary condition for the elimination of inflationary pressures there.

(Concluded from next column)

£220m., £409m., £317m., £26m., £156m., £71m. and finally £80m. All these are attempts to measure the same thing. "You pays your money and you takes your choice"—anywhere between £26m. and £409m. This may speak volumes for the intellectual integrity of our Government statisticians, but not for the validity of this particular figure.

"One other complaint: This latest edition of the Blue Book, though it is entitled "National Income and Expenditure," falls, for the first time, to give a figure of national income. This failure is due to inability or unwillingness to give a figure for depreciation of assets in this country, a deduction which must be made from the gross national product in order to arrive at a true figure of national income. In previous issues, the Inland Revenue figures of depreciation had been used for this purpose. Their inadequacy and arbitrariness have now been recognised by our statisticians, who, however, have not had the courage to provide a more realistic estimate. And so the one basic figure which the searcher after truth would expect to find in these hundred pages of tables and footnotes, is not there."

THE WEALTH OF BRITAIN

CAPITAL FORMATION UP

(From Our Own Correspondent)

LONDON, 10*th September*

THREE things stand out from the report just issued by the Government statisticians on National Income and Expenditure. First, in terms of money, this country's wealth has gone up over the last seven years by leaps and bounds; secondly, in terms of real resources, the increase has been very much less; and thirdly, most of the true increase has had to be devoted to financing exports. A corollary of the last is that far too little money has been available for reinvestment in industry.

LONDON LETTER

Money income in 1946 was under £900 million. In 1952, it was £13,653 million, but two-thirds of this increase was due to a rise in prices. If a comparison is made in terms of 1948 prices, taking 1948 as the first fairly stable post-war year, then the total quantity of goods and services in this country was £9,636 million in 1946 and this had increased to £11,117 million by 1952—an increase of 15 per cent. If we add to this the additional imports, the total increase becomes £1,868 million, but, of this latter figure, £1,181 million went to additional exports. Consumers, for instance, increased their total share of the national product by little more than £500 million or some 7½ per cent.

It has been noticed with gratification that year by year manufacturing output was rising steeply. Agriculture, distribution and other industries, however, lagged far behind, so that the total increase in national production has only been of the order of 12 to 15 per cent. and, as shown above, a great part of this has had to be deflected to exports. Some calculations, indeed, put the net increase in the consumers' true resources at only 5 per cent.

At 1948 prices, capital formation took as much as £540 million more in 1952 than in 1946; a theoretical increase of 60 per cent. But, when allowance is made for depreciation, there is a suspicion that the net increase in annual investment is almost nominal. This statement, however, disguises the truth that investment in farming in this country has undoubtedly increased enormously, although this process began during the war, and the nationalised corporations have also been large investors. On the other hand, many small industries have probably, on balance, not made adequate allowance for depreciation.

The State takes a smaller share of national income now than it did in 1946 and the drop in terms of 1948 is put at £400 million, but, of the £2,258 million that Public Authorities absorb, half goes to defence, 30 per cent. to social services, 10 per cent. to various Government services and public services such as roads, etc., and 10 per cent. to administration.

The most hopeful feature in the whole study is now that as the terms of trade are moving in this country's favour, a smaller proportion of the national wealth will have to go to exports and a greater proportion will be available either for more capital formation or more consumption. But, meanwhile, the Report will help the consumer to understand why, in spite of increases in the output of industry of the order of 5 per cent. per annum and in spite of the publicised large increases of money national income, he finds himself very little better off to-day than he was six years ago.—*All Rights Reserved.*

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HIT OR MISS ESTIMATES

Commenting on the report, referred to above, Mr Oscar Hobson, the talented City Editor of the *News Chronicle*, observes as follows:

"The fact which has drawn most attention and also most applause is its revelation that last year personal savings in Britain amounted to £502 million, more than twice any previous post-war figure. Before we start patting ourselves collectively on the back for this performance, let us look a little more closely at this figure of personal savings. It is arrived at by a process of deduction. The Government statisticians estimate that gross personal incomes last year amounted to £12,628 million.

After meeting the calls on that income, consumer expenditure (including indirect taxation) £10,478m., direct taxation £1,168m., National Insurance contributions £476m., etc., there remains £502m. for personal savings, including provision for depreciation. This residual figure is very much of a hit-or-miss affair. When the Government issued its preliminary estimate of 1952 national income last April it estimated this item of savings at £341m., so that in less than six months second thoughts and amendments of other figures have already caused an upward revision of 47 per cent.

One cannot accuse the Central Statistical Office boys of not trying to get their sums right—they are always prepared to go back and revise earlier guesses. Take, for example, the figure of personal savings for the year 1948. This is how it has appeared in successive editions of the National Income report since that for 1948:

(Continued in previous column)

RESULTS OF INDUSTRIAL FINANCE CORPORATION

GUARANTEED INTEREST PAID WITHOUT STATE AID

INDUSTRIAL concerns in India seem to have not taken full advantage of the long-term credit facilities provided by the Industrial Finance Corporation of India during the year ended 30th June, 1953. Although the number of applications rose from 54 to 74 and the amount of loan sought from Rs. 7.3 crores to Rs. 8.25 crores, the actual number of applications sanctioned and the loans granted thereon declined from 33 and Rs. 4.45 crores to 14 and Rs. 1.43 crores respectively. The number of rejections, too, was high at 30, as against 19 in the preceding year. Besides, the number of applications under consideration at the end of the year, too, remained very high at 41 for loans amounting to Rs. 5.22 crores, as compared with 17 applications for Rs. 2.02 crores in the preceding year. The reasons for this state of affairs is explained by the Directors of the Corporation in their report for the year ended 30th June, 1953, thus: "Though the number of applications was larger than in previous years, the proposals were often not well thought out, and some of the applicants did not show keenness in pursuing their applications. Schemes for expansion and modernisation normally require greater scrutiny than simple proposals for putting up a new factory. For this reason, more time had to be devoted on the consideration of the applications."

Another feature of the Corporation's working in 1952-53 was the widening of the gap between the actual commitments for the loans sanctioned and the amount availed of by industrial concerns. The loans sanctioned by the Corporation since its inception to 30th June, 1953, aggregated Rs. 15.48 crores. Of this, a sum of Rs. 2.31 crores was not at all availed of by the industrial concerns. In the preceding year, out of a total loan of Rs. 14.05 crores granted, a sum of Rs. 1.5 crores was declined by concerns to which the loans had been granted. This growing tendency on the part of applicants to decline the amounts sanctioned constitutes a problem to the Corporation. Several causes appear to be responsible for this not entirely adverse tendency. To mention some of them. On account of changes in economic conditions, some companies have not availed themselves of the loans sanctioned to them. Two concerns, for instance, which had been granted loans aggregating Rs. 55 lakhs, declined to use the loan on the ground that their financial position had improved since they submitted their applications. Another company reduced its demand by Rs. 23 lakhs because of the uncertainty of getting its raw materials at an economic price. Two other companies decided to reduce their borrowings from the Corporation, while a few others were not given the loans sanctioned, because they did not fulfil some of the conditions.

Non-utilisation of Loans

The failure to utilise the loan amounts granted, as stated above, will involve the Corporation in undergoing a loss on that account. It has to be remembered that the Corporation has to secure the needed funds by borrowing at a particular rate of interest. It has to keep these funds invested in Government securities fetching a lower rate of interest till the borrower concerns actually draw them out. And, if the extent of non-utilisation of these loans goes on increasing, there will be a corresponding rise in the loss suffered by the Corporation. The Corporation has not been levying a commitment charge on the loans declined or balance of the loan not utilised, as the World Bank is doing. It may be noted that commercial banks too levy a special charge on certain types of accommodation arranged for but not availed of.

Owing to the prevalence of the tendency noted above, the difference between the loans sanctioned and the loans outstanding will widen progressively. During the year under review, however, the difference was not as large as that of the previous year, as will be evident from the table below:

(In crores of rupees)

As at	Loans sanctioned	Loans outstanding
30th June, 1949	3.42	1.33
30th June, 1950	7.19	3.42
30th June, 1951	9.58	5.66
30th June, 1952	14.03	7.25
30th June, 1953	15.47	9.87*

* Includes expenses incurred for running a company the management of which has been taken over by the Corporation.

It will be seen from the above table that the difference between loans sanctioned and those outstanding which stood at Rs. 3.92 crores as at the end of June, 1951, and widened to as much as Rs. 6.78 crores at the end of June, 1952, shrank to Rs. 5.68 crores. This shrinkage is due to the fact that the figure includes the amount spent by the Corporation on the management of a company taken over by it.

Profits Improve

It is, however, gratifying to note that, for the first time since its inception, the accounts of the Corporation show a profit which is large enough to pay the whole of the guaranteed dividend of 2½ per cent. on its paid-up capital of Rs. 5 crores, without assistance from the Government by way of subvention. The profit before taxation for the year ended 30th June, 1953, aggregated Rs. 23.17 lakhs as against Rs. 9.26 lakhs in the preceding year. This improvement in the results of working has enabled the Corporation not only to set aside a sum of Rs. 11.25 lakhs for payment of the guaranteed dividend but also to transfer to the reserve fund a sum of Rs. 2.5 lakhs after providing Rs. 9.42 lakhs for taxation. This marks a turning point in the history of the Corporation, as it has reached a stage when it is financially independent of Government assistance in the form of subvention. In the preceding four years, it may be noted here, the Corporation had received an aggregate amount of Rs. 26.9 lakhs as subvention.

The total amount of bonds outstanding at the end of the year under review remained at Rs. 5.80 crores. Arrangements are, however, stated to have been made for the sale of further bonds of the face value of Rs. 2 crores. The Directors observe that, with the rising cost of borrowing, the Corporation was compelled to raise its rate of interest on its loans to 6½ per cent. with a rebate of ½ per cent. for prompt payment of interest and instalments of principal on the due dates.

The Corporation continued, as usual, to render financial assistance to various types of industries. The types of industries and the amount of accommodation sanctioned to each of them during the year, as compared with those of the previous year, together with the aggregate figures up to the end of 1952-53 are as follows:

(In lakhs of rupees)

Type of industry	Amount sanctioned during year ended 30-6-53	Amount sanctioned upto year ended 30-6-52	Total
Textile machinery	..	64.00	64.00
Mechanical engineering	5.00	68.00	73.00
Electrical engineering	12.00	1,14.50	1,26.50
Cotton textiles	65.00	2,04.75	2,69.75
Woollen textiles	..	35.00	35.00
Rayon industry	..	50.00	50.00
Chemicals	11.75	1,86.00	1,97.75
Cement	..	90.00	90.00
Ceramics and glass	..	..	..
Oil mills	..	1,19.00	1,19.00
Electric power	3.50	2.50	6.00
Metallurgical industry (non-ferrous metals)	25.00	17.50	42.50
Iron and steel (light engineering)	..	35.00	35.00
Aluminium	17.50	50.50	68.00
Sugar industry	..	50.00	50.00
Mining	..	1,15.00	1,15.00
Paper industry	..	80.00	80.00
Automobile and tractor industry	..	74.00	74.00
Unclassified	..	50.00	50.00
	3.50	47.70	51.20
Total	1,43.25	14,03.45	15,46.70

N.B.—The above figures include loans aggregating Rs. 2.31 crore made available but not utilised by borrowers.

It will be noted from the foregoing table that the textile industry stands foremost among the borrowers from the Corporation, accounting, as it does, for nearly a fifth of the total amount sanctioned. The chemicals industry continues to hold the second place, while electric and ceramic and glass industries have stolen a march over the sugar industry, which has moved down from the third to the fifth place. It may be noted also that, as many as 11 types of industries which received loans in 1951-52 did not receive any assistance during the year under review.

The following table shows the State-wise distribution of the loans and the aggregate amount sanctioned as at the end of June, 1953, as compared with those at the end of the previous year.

(Rs. in lakhs)

	Up to 30th June, 1953		Up to 30th June, 1952	
	No. of units	Amount	No. of units	Amount
		Rs.		Rs.
Assam	..	..	..	..
Bombay	27	427.5	29	415.00
Bihar	5	83.0	7	83.00
Madhya Pradesh	3	89.75	4	29.75
Punjab	4	27.50	4	20.00
Madras	6	126.50	6	121.50
Orissa	2	59.00	2	59.00
U.P.	7	54.70	9	54.70
West Bengal	17	301.75	16	250.00
Rajasthan	2	60.00	2	60.00
Saurashtra	8	140.00	4	140.00
Madhya Bharat	1	8.50	1	8.50
Travancore-Cochin	9	65.50	8	65.50
Mysore	7	98.00	5	71.00
Hyderabad	2	60.00	1	40.00
	98	1,546.70	94	1,403.45

Most of the borrowers have, it is gratifying to note, been paying interest and the instalments of principal on the due dates. In a few cases, however, extension of time has been allowed.

During the period under review the Indian Finance Corporation Act, 1948, was amended with a view to extending the scope of the Corporation's activities considerably. As an account of these provisions were covered in these columns when the Bill was under consideration of Parliament last year, there is no need to refer to them once again here. However, the debate gave rise to a series of criticisms on the working of the Corporation. The Corporation, therefore, requested the Government to appoint a committee to enquire into the points raised in the course of the debate. The Government readily complied with this request by appointing a committee, with some members of Parliament on it. We are told that the Committee has already submitted its report to the Government, but the latter has not so far published it.

CHEQUES IN HINDI

The order of the U.P. Government directing local Boards in the State not to issue cheques in Hindi was the subject matter of a short notice question in the House of the People this week. Replying to the question, Mr. C. D. Deshmukh, Finance Minister, stated that though Hindi was the State language of U.P., audit was a Union subject under the Constitution and Union work was to be carried on in English for a period of 15 years from the commencement of the Constitution. The Centre was specially concerned with the method of the working of the Accounts and Audit Departments. A large portion of its personnel was not conversant with Hindi. Many of the terms in the fundamental rules, in the subsidiary rules, and in the code were technical and they had yet to be translated. Once the translation had been prepared and the terms had become familiar to the subordinate staff, Mr. Deshmukh added, the Government could gradually replace English by Hindi, which was the common objective of all.

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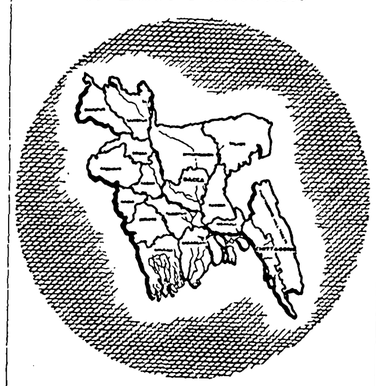

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MR. BLACK ON SOME ASPECTS OF WORLD ECONOMIC SITUATION

FINANCE FOR POWER DEVELOPMENT

MR. Eugene R. Black, President of the International Bank for Reconstruction and Development devoted a large part of his address to the eighth annual meeting of the Bank, held at Washington on 9th September, 1953, to some of the problems of the underdeveloped countries. He stressed, in particular, the need for the Governments of these countries following a realistic policy in the matter of fixing the tariff rates for consumers of electric power, so that the difficulty of raising finance for implementing the power projects could be minimised. He urged them not to ignore the necessity for providing an economic return in their anxiety to keep the charges at a low level for political reasons. Mr. Black referred also to the role which the U.S. should follow, as the largest creditor nation, in solving the economic ills of the world and the obligations of the rest of the world to drive back the inflationary tide and to remove other major obstacles to progress.

The following are extracts of the salient features of Mr. Black's address:

The bulk of our investment operations has been in the field of public utilities, especially of electric power, and we are constantly encountering the importance of power, even where we are financing projects outside the immediate power field. The authorities and the industrialists, and, indeed, the community at large, in our underdeveloped member-countries, are highly "power-conscious." The slogan almost everywhere is "Cheap power, and more of it." I certainly share the view that, if plans for general economic development are to go forward at the desired pace, an expansion of power facilities is essential. The technical advances which have made it possible to produce electricity at a central point and to distribute it over wide areas have given the world the most economical and convenient source of heat, light and power yet known to man. There is an ever-growing tendency towards the substitution of electricity for other forms of energy. With the expansion of industry and agriculture and the rise in the standard of living, the demand for power is ever-increasing; and as availabilities of power increase, new demands are created. Consequently, in a developing country, there is likely to be a legitimate need for a steady increase in power supplies over the foreseeable future, for purposes necessary to orderly economic progress. But, in most places, there are stubborn factors which operate in such a way that the supply tends always to lag behind the demand.

The approach to a power expansion policy of a nation deserves, I think, more serious study and more careful planning than have sometimes been given to it. For example, there are the alternatives of hydro-power and thermal power. Technical considerations aside, the choice between the two must be carefully weighed. Hydro sources may provide power at cheaper costs of production, but the amount of the capital investment may present a serious financial problem. Thermal sources, on the other hand, may necessitate the use of scarce foreign exchange for the importation of needed fuel. But—given even the most prudently planned expansion programme—acute problems arise in the field of finance.

In 1950, some 20 countries, with a population of about 500 million, had an average annual per capita consumption of electricity of about 500 kilowatt hours. These countries, with less than one-third of the world's population (excluding Russia and China), used over 90 per cent. of the world's electric power. In the rest of the world (again excluding Russia and China), with a population of over eleven hundred million, per capita use averaged only 50 kilowatt hours per year. To visualise what this low level of consumption means, imagine each family of five confined to the use of one moderate-sized lamp, and no power at all for industrial or any other purposes. Even if, over the next ten years, the present low per capita consumption in the less developed countries were to be no more than doubled, an investment of as much as ten billion dollars would probably be needed, of which more than half would have to be spent on imports.

Beyond Normal Operating Revenues

The funds for expansion should come, to some extent, from re-invested earnings of the undertakings themselves. But, usually, the demand for expansion is on a scale certainly greater than could be financed on a cash basis out of normal operating revenues. Permanent investment of this kind should properly be financed on a long-term basis. But here a serious obstacle presents itself. In most of the underdeveloped countries, a capital market does not exist to which recourse can be had for funds for power development in the manner that has become routine in North America and in Western Europe.

In my opinion, the mobilisation of investment funds for the expansion of power services in our underdeveloped member-countries presents a financial problem of the most urgent importance and of the greatest complexity. The development of a capital market that will be receptive to offerings of bonds or shares of power undertakings will be a slow process at best. In the meantime, the only alternative sources of the needed investment funds are the Government, or the consumers themselves. But, in a developing country, the simultaneous claims on Government funds for public investment are heavy and pressing: it seems to be a prudent policy to conserve those funds for necessary projects which are not themselves direct revenue-producers. I, therefore, see considerable merit in the view that, to the maximum possible extent, those who are the users of power should contribute more than they have done in the past towards providing the funds for expansion. I do not believe that such an approach would impose an unduly heavy burden; the cost of power within any likely limits, can only be a small factor in the production costs of industry or in the domestic budget.

If the needed flow of funds is to be induced, novel and ingenious financing techniques will have to be adopted to meet conditions where orthodox financial institutions or mechanisms or investment habits are, so far, in their infancy. For example, I think it is worth considering the possibility of imposing a "construction funds surcharge" on the basic rates, which would be paid by the consumer in cash, but in return for which he would be entitled to receive an equivalent in stock or debentures of the undertaking.

A Regrettable Trend

It is, I think, regrettable that, at some times in some countries, the rates charged to the consumer for power are fixed by the authorities more with reference to the political factors of the times than with proper regard to the economic necessities of particular situations. When this happens, every sound financial and business consideration runs the risk of being sacrificed in what is believed to be the cause of cheap power. But, if power can be made cheap only by charging rates that do not provide an economic return, the power undertakings are denied the ability to raise not only funds to finance needed expansion, but even the funds to maintain their existing plants in good order. In such circumstances, a community in the long run must be a heavy loser. All these considerations that I have mentioned apply with equal force whether the industry is Government-owned or privately-owned, and whether the private segment is in domestic ownership or in foreign ownership. The economic facts of life are no respecters either of Governments or of persons.—(Italics ours—Ed.)

In one of our member-countries, where the Bank has financed power development on a substantial scale, the problems of future financing have recently become pressing. The authorities in that country have agreed with the Bank that a joint study should be undertaken of the power expansion programme and of the measures required to finance development, both in the private and in the Government sector. I hope that conclusions and recommendations will emerge that will evoke wide interest.

Less Hazardous

Looking at the international investment picture as a whole, it can be said, without undue complacency, that the flow of funds across national borders is now a somewhat less hazardous operation than it was in the first post-war years. But world economic conditions remain, in a variety of ways, unfavourable to the international movement of capital. It should be the concern of all of us to see how these conditions can be improved in the coming years. There is, I think, too much of a tendency to single out some one among the many factors that impede the world's economic progress and to attribute all the world's difficulties to that one factor alone. I am sure that this approach is too narrow to provide a correct appreciation of the economic problems facing the world.

It is true, for instance, that, without great effort and a growing hospitality towards foreign capital in the underdeveloped regions, economic progress in these regions will continue to be slow and unsatisfactory. But it is also true that the extent to which production will increase in the underdeveloped regions will depend, in large part, on conditions and policies elsewhere. Especially, it will depend on whether the more advanced countries will continue to provide a satisfactory market for the products of these regions and supply to them the funds needed for their development. Similarly, it is true that there must be an increase in European industrial efficiency if European countries are to restore a satisfactory balance in their external accounts and raise the living standards of their people. But it is also true that an increase in efficiency will not solve the payments problem of European countries, unless Europe is given the opportunity to sell its goods in the markets which supply its primary products. This means that European difficulties cannot be solved by increased efficiency alone. There must also be an expansion of trade between Europe and other regions which does not depend only on European policies. Moreover, the Bank's experience in recent years has convinced us that an increase in European efficiency may itself partly depend upon increased availability of capital from the Western Hemisphere. Finally, while it is true that the liberalisation of United States imports is an essential condition for the elimination of the dollar shortage and the expansion of international investment, it is equally true that liberalisation alone will not restore balance in the world economy. There is also urgent need for the rest of the world to drive back the inflationary tide and to remove other major obstacles to progress.

Role of the U.S.

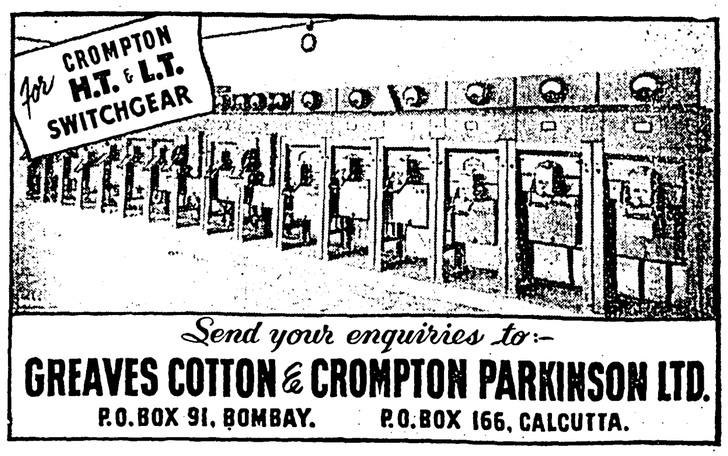
It will, therefore, require the joint efforts of all of us to deal effectively with the difficulties still facing the world. But the United States, because of its towering position, has no doubt special responsibilities in this field and must play a leading part in every effort to improve world economic conditions. The United States can hardly reconcile her position as the giant of the world economy with the fear of foreign competition, which is implied, and is, indeed, expressed, in the maintenance of high trade barriers and other restrictions against foreign goods. The consequence of these restrictions is to deprive foreign countries of the opportunity of earning dollars with which to purchase American goods and to service American capital. These barriers make the world, including the United States, poorer than it would be if foreign products had easier access to the American market. In this context, I should like to stress my opinion that the recent improvement in the world payments position has certainly not removed the need for a more liberal United States policy on foreign trade. The improvement was not achieved without severe restrictions upon the imports of the non-dollar world and upon American exports. Many markets have, ever since the war, been hedged round with quotas and similar restrictions. These restrictions were sharply increased last year in response to the payments crisis. Balance was restored largely as a result of the fall in imports from hard currency areas. A considerably higher level of buying from hard currency areas could be expected if a more stable payments position permitted the abandonment of these restrictions.

World Balance Precarious

The world balance recently achieved is, in fact, precarious. Merely to refrain from reversing the downward trend in United States import tariffs over the last two decades would not be enough to put international trade on an even keel. Fresh action is required if a durable contribution is to be made by the United States to the post-war dollar shortage and to the avoidance of the periodic crises which this has induced in many parts of the free world. A further reduction in the obstacles to imports into the United States could make this durable contribution.

But I do not need to labour this point. The case for a more liberal import policy has already been argued not only in the world at large but also within the United States. Two important official reports to the United States Government during the present year have strongly advocated this policy. It is my hope that due attention will be paid to these reports by the Commission which is shortly to begin a thorough study of the whole question of the future foreign economic policy of the United States. Prominent United States industrialists, also, have recommended the lowering of tariffs, and have expressed their confidence in the ability of their enterprises to stand up to the full force of foreign competition. A step in the direc-

(Continued on page 563)



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WORLD COTTON SPINDLEAGE

PACE OF EXPANSION RETARDED

IF any proof is wanted to prove that the buyers' market in cotton textiles has come to be well established the world over, it is provided by the slow pace of expansion in the world cotton spinning capacity during the half-year ended January, 1953, which is in distinct contrast to the hectic activity witnessed in the preceding half-yearly periods. The number of spindles installed during the six months under review was a bare 186,000, as against as many as 1.39 million and 1.87 million in the two preceding half-years, respectively. The aggregate number of spindles in the world as at 31st January, 1953, according to *International Cotton Statistics*, published by the International Federation of Master Cotton Spinners' and Manufacturers' Associations, Manchester, was 129.25 million, as against 129.06 million on 31st July, 1952, and 127.87 million on 31st January, 1952.

The slow pace of expansion in cotton spindles installed would have been even more marked but for the efforts of the underdeveloped countries in Asia, Africa and South America to expand the size of their cotton textile industry, with a view to reducing their dependence on foreign imports, on the one hand, and to providing more employment opportunities to the people, on the other. The number of spindles in the countries of Asia and Oceania at the close of the six months under review, for instance, was substantially higher at 25.63 million, as against 24.67 million six months before. Similarly, the number of spindles in Africa and South America rose from 812,000 and 4,928,000 to 885,000 and 5,027,000, respectively. The countries of Europe and North America, however, witnessed a downward trend in spindleage, the number actually installed being 72.20 million and 25.51 million, as against 72.99 million and 25.66 million, respectively.

Trend of Expansion

The following table indicates the trend of expansion in spindleage in the several important cotton textile producing countries in the world during the six months ended January, 1953, as compared with the two previous corresponding periods.

(In millions)

	Aug., 1951 to Jan., 1952	Feb., 1952 to July, 1952	Aug., 1952 to Jan., 1953
U.K.	27.93	27.98	27.23
U.S.A.	23.12	23.23	23.08
India	11.24	11.24	11.43
U.S.S.R.	9.90	9.90	9.90
France	8.11	8.06	7.96
W. Germany	..	6.24	6.28
Japan	6.49	6.95	7.46
Italy	5.74	5.72	5.78
China	4.10	4.10	4.10
Brazil	3.23	3.25	3.33
Czechoslovakia	2.39	2.33	2.33
Spain	2.21	2.23	2.23
Belgium	1.86	1.85	1.83
Pakistan	0.84	0.43	0.63
Other countries	14.08	15.60	15.63
Total	127.06	129.06	129.25

The above table reveals that the U.K., the U.S., France, and Belgium did not witness any addition to the spindleage. On the contrary, there was a fall in the number of spindles actually in existence. This indicates that the spindles which had been worn out were not replaced but scrapped, following slackness in the export demand for cloth and appreciable decline in prices. This has been particularly so in the case of the U.K. To quote a recent publication of the I.L.O.: "In considering the future prospects of the U.K. cotton textile industry, one should bear in mind that, as a result of textile developments in other countries, there has been a movement of resources in the U.K. away from textiles and other light industries towards industries such as engineering, vehicles and chemicals."

Spindleage in Japan

Japan, on the other hand, witnessed a further expansion in the spindleage, although the pace was rather slow; the number of spindles added during the six months under review was not more than 49,000 which was more or less the same as in the previous six months. The number of spindles at the end of January, 1953, was 7.46 million, which is equal to about 60.7 per cent. of Japan's pre-war capacity of 12.28 million spindles. The cotton spinning firms in Japan it may be noted here, are reported to have concentrated their efforts more on modernising the equipment, in order to improve the technical efficiency and the quality of textile output, than on enlarging the size of the industry as such.

India is another country the cotton spindleage of which recorded a rise, albeit negligible, from 11.24 million to 11.43 million; in the previous half-year, it may be noted, there were no additions to the spindleage at all. The number of spindles exceeds the Planning Commission's target for 1955-56 by 140,000. The rate of expansion in spindleage would have been more marked but for the Government of India's decision not to give permission for the establishment of new composite mills during the period of the Five-year Plan, in accordance with the specific recommendations of the Planning Commission. Among the other countries which too witnessed an increase in the number of spindles, are Pakistan, Italy, Brazil and West Germany.

The expansion in world cotton spindleage is shared by ring spindles, spindles spinning Egyptian cotton and spindles spinning staple fibre. The number of these as at 31st January, 1953, was 108.38 million, 20.40 million and 6.34 million, as against 107.43 million, 20.25 million and 6.12 million, respectively, six months before. The number of mule spindles, however, continued to register a fall, the exact recession being 80,000 to 20.87 million. In the previous six months, the recession was to the extent of 34,000 spindles.

Pattern of Spindleage

An idea of the distribution of the different kinds of spindles in different countries as at the end of January, 1953, can be had from the following statement:

(In thousands)

	Ring spindles	Mule spindles	Spindles spinning Egyptian cotton	Spindles spinning rayon staple fibre
U.K.	10,824	16,948	12,006	1,851
U.S.A.	23,062	..	1,500	1,366
India	11,192	245	1,128	223
U.S.S.R.	8,700	1,200	45	..
France	6,932	1,032	1,265	263
W. Germany	6,079	200	630	1,420
Japan	7,460	..	321	8
Italy	5,729	52	1,450	400
China	4,100	..	250	..
Brazil	3,328	..	..	25
Czechoslovakia	1,930	400	450	..
Spain	2,081	145	340	100
Belgium	1,783	50	..	..
Pakistan	624	5	..	..

It will be seen from the above figures that the bulk of the spindles in the majority of countries consists of ring spindles. The U.S., Japan, China and Brazil do not have any mule spindles at all. In other countries, the proportion of mule spindles to the total is negligible. It is only in the U.K. that the number of mule spindles is larger than that of ring spindles. Vigorous efforts are, however, being made to replace mule spindles by ring spindles.

Cotton Consumption

The expansion in the world cotton spindleage during the six months under review was accompanied by a rise in world consumption of cotton, which was in distinct contrast to the trend in the previous half-years. Thus, the quantity of cotton actually consumed during the period July, 1952 to January, 1953, amounted to 17.37 million bales (of 500 lbs. each), as against 16.25 million bales and 16.41 million bales in the two previous half-years, respectively. The increase was in evidence in all the varieties of cotton, except in the American varieties, the consumption of which showed a decline. The following table gives an analysis of these totals according to the principal growths of cotton:

(In million bales of 500 lbs. each)

	Six months ended		
	January 1952	July 1952	January 1953
American	7.11	6.87	6.69
East India and Pakistan	2.12	2.14	2.62
Egyptian	0.55	0.46	0.55
Sundries	6.63	6.78	7.51
Total	16.41	16.25	17.37

The rise in world consumption of cotton, as noted above, was mainly accounted for by India, the quantity actually consumed during the six months ended January, 1953, being as much as 2.18 million bales, as compared with 1.96 million bales in the preceding half-year. Consequently, the production of yarn was substantially higher at 764 million lbs., as against 701 million lbs. Japan also accounted for larger cotton consumption, the figure for the period under review being 953,000 bales, as against 868,000 bales. Despite the reduction in the number of spindles, consumption of cotton in the U.S. and the U.K. was higher, being 4.75 million bales and 758,000 bales, as against 4.43 million and 674,000 bales, respectively. The cotton spinning mills in the U.S.S.R. also consumed more cotton, the exact quantity being 1.61 million bales, as against 1.59 million bales. In contrast with this general trend, cotton consumption in France during the period under review was lower at 553,000 bales, as against 597,000 bales. Among the other countries which accounted for lower consumption are Czechoslovakia, Mexico and Argentina.

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TRAINING TEXTILE TECHNICIANS

In these days of growing competition for textile markets—domestic and overseas—the need for maintaining a high level of efficiency of manufacture, with a view to producing quality goods at a low price, can scarcely be emphasised. It is here that the technicians play a vital role. It is, therefore, but natural that considerable importance is being attached to the need for maintaining a steady flow of trained technicians into the various sectors of the textile industry—cotton, wool, silk, rayon and jute. Special mention must be made, in this connection, of the efforts of Imperial Chemical Industries (India) Ltd. to meet this need. Through their several apprentice courses, some of which are run in collaboration with State Governments and well-known textile institutes and colleges, I.C.I. has been rendering valuable assistance by providing facilities in dyeing, printing and other textile chemical processes. Since the first apprentice school was started in 1940, over 1,000 students are said to have been trained.

The I.C.I. provides for a three-month course in dyeing. Theoretical and practical training is given in the processing and dyeing of cotton as also of other important textile yarns and fabrics. At the end of each three-month course, examinations are held and successful students are given certificates. The best student receives a well-known textbook on dyeing as a prize. About 60 to 70 students pass out of this school every year. In the case of printing courses, lack of accommodation has prevented I.C.I. (India) from taking more than four apprentices at a time. Each batch of students is given six weeks' training in the printing of all textile fabrics by machine, screen and block. In the screen printing section, apprentices can also learn full details of screen manufacture and factory arrangement. It may be mentioned, in this connection, that the present size of the screen printing industry in India is due, *in no small measure*, to I.C.I. demonstration work. The photographic method of screen making, introduced and popularised by I.C.I., has led to a considerable improvement in the quality of Indian screen prints, many of which are now being exported.

Among the other schemes worked out by I.C.I. is the one undertaken jointly with the Bombay Government under the latter's Technical Education Scheme. Since the pre-war years, two Government-sponsored apprentices have been accepted every year for a four-year course in the I.C.I. Laboratory in conjunction with lectures at the Victoria Jubilee Technical Institute, Bombay. Each Government apprentice receives a stipend. On completion of their courses, many of them are absorbed in the I.C.I. organisation. The Government Textile Institute, Kanpur, the Kala-Bhawan Technical Institute, Baroda, and the Government Institute of Dyeing and Calico Printing, Ludhiana, each send two apprentices to the I.C.I. Research Laboratories every year, for attending courses over periods varying between a month and a year. Stipends are given to these students also.

Apart from these apprentice courses, a stream of visitors from mills and bazaar customers throughout India come to the I.C.I. Technical Service Laboratories to seek advice on problems relating to the application of dyes, chemicals and auxiliary products in every branch of textile manufacture.

Since these I.C.I. apprentice courses were started, over 1,000 students have been trained in various ways. Many of these men are now occupying important technical positions in textile mills all over India.

REVIVING LIVERPOOL COTTON MARKET

MILLS' SEARCH FOR WORKERS

(By A Special Correspondent)

MANCHESTER, *8th September*

SINCE the Hopkins Committee Report on the future of cotton buying recommended that a way must be found to avoid public money being risked in providing cover for spinners, trade leaders in Lancashire have not been idle. Several meetings between the parties most immediately affected have taken place and a summary of the progress made has been presented to Government officials.

MANCHESTER LETTER

It is understood that Mr. Thorneycroft, President of the Board of Trade, is anxious to make an official statement on the position soon after Parliament reassembles. To enable his staff to draw up details, a deputation from the Liverpool and Manchester Cotton Associations and the Master Spinners' Federation visited London last week. There they were asked to answer ten questions on the basis of the current scheme and its effectiveness in certain circumstances.

There are a good many uncertainties which must remain unresolved until actual experience of trading conditions is once more gained, but the authorities are very naturally anxious to avoid taking any action which might cause trouble later on. The currency problem is the biggest stumbling block and although at present the outlook is relatively clear, the possibility of more unsettled conditions in the future cannot be disregarded. However keen the Government is to resuscitate the Liverpool market, it must bear in mind the overall economic health of the nation. Should a new dollar crisis arise it is important that there should be no drain on the precious currency.

In the early stages of drawing up the basis for the re-establishment of a futures market, much depends on the type of contract which the sponsors have in mind. Liverpool interests clearly lean towards the introduction of a purely American contract in the first place as this would be the easiest method of conducting their affairs. As time went on other contracts would be added, they argue, and a gradual reversion to pre-war conditions could be effected. In the years since 1939, however, conditions have vastly altered and some traders are not entirely happy about the establishment of a contract tenderable against a growth of cotton, which accounted for imports of only 350,000 bales out of nearly 1,350,000 bales last season.

In particular, there is anxiety among those who have worked so hard to build up the British Commonwealth as a producer of raw cotton. Pressure is being exerted in certain quarters for Empire cotton to be tenderable against the American contract and the leaders of the Empire Cotton Growing Corporation have not been left out of the discussions which have been in progress during the past few weeks.

It has not been an easy week for traders in Manchester, harassed as many have been by the new system of price changes, which have caused revisions in yarn quotations nearly every day. Despite the warnings which had been sent out beforehand, the comprehensive nature of the adjustments from the beginning of September resulted in much discussion and not a few arguments.

Merchants and manufacturers particularly were puzzled at the apparent anomaly of cheaper cotton rates without a compensating fall in yarn prices. The explanation—that the former symbol was not strictly comparable to the new cover base ATNY—took some time to sink in.

Fortunately, at the moment, variations in quotations in the New York market are relatively narrow, and the changes announced by the Raw Cotton Commission have been within a range of 10 points. Spinners received due guidance from the Yarn Association to enable them to make swift adjustments to prices in line with the cover symbol revisions, and the appropriate formula is already well established.

One feature of the new trading conditions—cover at the current day's price ending at 3.30 p.m.—caused a stir among spinners at the outset. Some contended that it would restrict the hours of trading, as there would be reluctance to accept business late in the afternoon not knowing the cotton price which would be quoted on the morrow.

Among the larger firms, however, the opinion gained ground during the week that opportunities of arranging transactions should not be lost for this reason. Orders have already been booked at one day's price, while cover has had to wait until the next day—possibly at a different rate. The view is generally held that gains and losses made in this way will even themselves out over the months.

Cotton Board Meeting

Sir Oliver Franks, former British Ambassador to the United States, is to be a speaker at this year's Cotton Board Conference, to be held at Harrogate from 16th to 18th October. Sir Oliver, who is now Deputy Chairman of Lloyds Bank, has accepted an invitation to speak on the general economic outlook.

Other speakers at the conference will include the Hon. A. D. Campbell and Mr. J. F. Simpson, leaders of two recent Lancashire cotton missions to East and West Africa respectively.

A novel feature of this year's conference will be a special exhibit in the Annexe to the Royal Hall, Harrogate, showing some results of research on spinning and weaving.

Employment in Mills

A further decrease in unemployment in the Lancashire cotton industry is recorded in Ministry of Labour returns for August, issued in Manchester.

The out-of-work figure in cotton spinning and weaving—now down to its lowest level since December, 1951—is 2,400 of which 800 are only temporarily stopped.

The biggest hunt for workers for 19 months is on in the Lancashire mill towns. With more orders for yarn and cloth flowing in than at any time since before the slump set in, many mills are finding they have nowhere near enough operatives to achieve speedy deliveries.

Employment exchanges throughout the cotton textile belt report a total of over 6,000 vacancies for textile workers in the principal mill towns. The spinning section of the industry requires another 4,300 operatives, roughly 1,500 more workers are needed in the weaving sheds and the finishing section is searching for close on 500 workers to bring it up to strength.

"The demand for labour in cotton is greater now than at any time since February, 1952," according to a Ministry spokesman. Industry leaders say orders are being lost because labour shortages prevent deliveries quick enough to satisfy prospective customers. "With more manpower to staff idle looms and spindles we could expedite commitments much more swiftly," a spokesman for a big group of Lancashire mills said to-day.

But more workers are going back to the mills every week, Cotton Board figures show. Many of them are former operatives who switched to "safer" industries when the recession reached its worst. Others are housewives joining the evening shifts which are being resumed at many mills.

So far this year nearly 1,000 part-time workers alone have been recruited to the spinning section of the industry.

Training Mill Officials

A clear indication of career prospects to encourage youths to train for supervisory posts in the cotton industry has been demanded by the Textile Officials' Association in a report to members issued from the Association's Manchester headquarters.

Warning that a time was coming when there would be a general shortage of supervisors in the cotton industry, Mr. Stirling T. Marron, Association General Secretary, said: "What chance have we of obtaining the services of either the grammar or secondary schoolboy as trainees to take up the supervisory and technical posts? If there is no accepted scheme in our industry then we have nothing in the shop-window to sell."

Neither education authorities nor his own Association were in a position to give advice about commencing wages and conditions, future prospects and the further educational facilities offered by the companies.—*All Rights Reserved.*

German firms are to re-enter the forthcoming Textile Machinery Exhibition which is scheduled to be held in Manchester on 14th October, 1953. There will be 19 German firms and altogether more than one-fifth of the 264 exhibitors will come from overseas. Swiss manufacturers will also be strongly represented, together with important contingents from France and the U.S. The Exhibition will be 60 per cent. greater than its predecessor in 1949. There will be something new displayed for every section of the industry. Spinners of man-made fibres will be shown an entirely new blending line and card for spun-rayons and synthetics, which work on an entirely new principle. Short processing of the man-made fibres will also be seen and the cotton spinners will be able to see two new developments of blowing-room machinery For the woollen industry, a new large package ring frame and a new automatic hopper feeder will be shown. In the weaving section, there will be several entirely new models among a selection representative of British, American and Continental manufactures. The main features of the dyeing and finishing section will be the new materials used in machine construction and the developments which have taken place in recent years in the automatic control of drives and processing conditions.

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COTTON EXPORTS IN 1952-53 SEASON

EARLY DECISION FOR CURRENT YEAR URGED

THE total export of Indian cotton during the 1952-53 cotton year, that is, the year ended 31st August, 1953, aggregated 327,213 bales as against 186,691 bales in the previous year. The export quota allotted for the season, it might be mentioned, was 250,000 bales, as compared with 352,000 bales in the previous season. If actual exports have exceeded the allotted quota, it is because a portion of the previous season's unutilised quota had been brought into the 1952-53 season. The 1952-53 season's export quota of 250,000 bales consisted of 150,000 bales of Bengal *Deshi*, 50,000 bales of C.P. I and C.P. II *Deshi* and 50,000 bales of Dholleras and Mathias. The Government, however, permitted, in February this year, the conversion of unutilised quotas of Mathias, Kalagins, Dholleras, C.I. and C.P. I and C.P. II and Oomra *Deshi* and Bengal *Deshi* to the extent of 50 per cent. of such quotas. It is not known what quantity of exportable cotton has been converted in the manner permitted by the Government.

The overall exports of cotton at 327,213 bales is certainly encouraging, though this level could not have been reached without the timely help which the Government gave in November last year in the shape of a reduction in the export duty on Bengal *Deshi* cotton from Rs. 200 to Rs. 125 per bale of 400 lbs. and of the abolition of the duty on Assam/Comilla cotton.

Japan and the Continental countries were the chief importers of Indian cotton during the 1952-53 season, their offtake being 155,597 and 105,424 bales, respectively, as against 117,073 and 44,070 bales in the previous season. The U.K. was a customer of relatively minor importance, its share in India's total exports being a mere 16,250 bales. The following are the destinations of India's exports of cotton during the 1952-53 season and the 1951-52 season:

(In bales of 400 lbs.)

	1952-53	1951-52
U.K.	16,250	8,408
Continent	105,424	44,070
China	318	750
Japan	155,597	117,073
U.S.	43,138	14,754
Other countries	6,486	1,636
Total ...	327,213	186,691

The Government's export policy for the 1953-54 season has not been announced yet. It might be recalled that the entire export quota for the 1952-53 season was announced in October, 1952, in the course of two announcements. Trade interests are now anxious that the quotas should be announced early enough this season. In a communication addressed to the Ministry of Commerce and Industry, Government of India, the East India Cotton Association has urged that the Government should announce immediately its policy regarding exports of short-staple cottons for the 1953-54 season, since the Bengal crop will begin moving in October and foreign enquiries are already being received by Indian exporters. The Association has further pointed out that, in view of the "generally low prices" of cotton and the satisfactory character of the new crop, an early announcement of the export policy is "imperative in the interest of the cotton grower and cotton marketing."

Allied to this question of the early announcement of export policy—the Government's failure to announce promptly its cotton policy lost many a good market in the 1951-52 season—is the question of the proper level of export duty on cotton. The Government is certainly entitled to see that in the interests of both its revenue and the need for maintaining the level of Bengal Deshi prices at reasonably low levels so as not to exceed the prices of better varieties, an adequate level of export duties is imposed on cotton. Only, the Government should not carry its "revenue" considerations too far, since it is bound to interfere with exports and defeat the very purpose for which these duties are meant. From this point of view, there is a large body of opinion which now feels that the Government should effect a cut in the present scale of export duties which, it is felt, are not in conformity with the declining trend of cotton prices in the world. It is further felt that the Government should exploit the natural conditions which give this country a certain monopoly character in respect of short-staple varieties, so as to augment the production of these varieties.

PAKISTAN'S EXPORT POLICY

The Pakistan Government has announced its cotton export policy for the 1953-54 season. The only significant change in the policy, as compared with that for the 1952-53 season, is that an export duty at the rate of Rs. 60 per bale has been imposed on short-staple Deshi cottons, namely, Bengals and Comillas. There is no other change in the export policy. Thus, the export duty of Rs. 90 per bale on other cottons continues unchanged. Also, cotton continues to be on the Open General Licence list for export; export sales of individual shippers will not, therefore, be restricted by quotas. Again, the minimum prices for export sales are the same as were fixed for the 1952-53 season. It may be recalled that, in January, 1952, the Government announced a schedule of prices below which export sales would not be permitted. By this schedule, the Government fixed the export price for N.T. and L.S.S. R.G. at Rs. 38 per maund, for 4F R.G. at Rs. 56 per maund and 289F R.G. at Rs. 61 per maund; the premium for saw-ginned varieties was fixed uniformly at Rs. 3 per maund.

PAKISTAN'S COTTON EXPORTS

Reviewing the 1952-53 cotton season in Pakistan last week, we stated that Japan was the most important customer for Pakistan cotton in that season. The break-up of Pakistani cotton export trade shows that Japan bought in 1952-53 more than twice the quantity of cotton it took in the previous season; it accounted for over 700,000 bales out of the total export trade of 1.64 million bales. Next to Japan, the Continental countries absorbed the largest quantity of Pakistan cotton, their share amounting to 419,596 bales, as against 286,223 bales in the previous season. The following are the countries which participated in Pakistan's export trade in the 1952-53 and 1951-52 season:

	1952-53	1951-52
U.K.	138,907	86,827
Continent	419,596	286,223
China	183,347	517,616
Japan	700,655	299,068
U.S.A.	12,170	1,261
Australia	34,745	11,759
Asiatic ports	16,373	2,167
Indian ports	100	975
E. Pakistan	37,570	27,125
Other foreign ports ...	97,289	8,786
Total ...	1,640,752	1,241,807

EGYPTIAN COTTON

A preliminary estimate of the Egyptian cotton crop for the 1953-54 season places it at 990,670 bales of 730 lbs. each as against the 1952-53 commercial crop of 1.34 million bales. The composition of the estimated 1953-54 crop and of the 1952-53 crop is as follows:

(In bales of 730 lbs. each)

	Estimate 1953-54	1952-53 commercial crop
Karnak	315,600	580,900
Menouf	13,800	22,800
Giza 30	266,100	175,200
Zagora	34,000	34,500
Ashmouni	357,000	499,700
Dandera	3,900	4,500
Others	270	23,100
Total ...	990,670	1,340,200

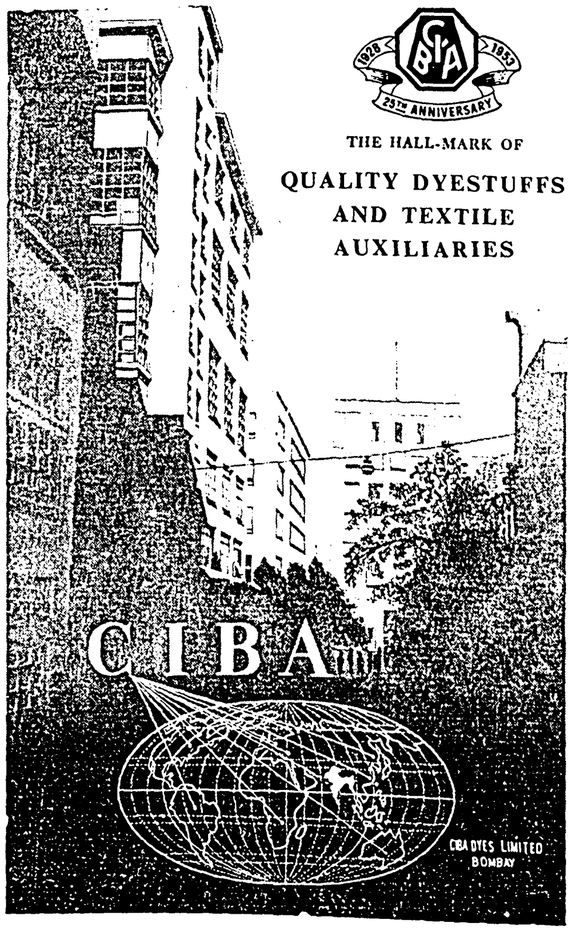
COTTON PRICES

There is sufficient evidence in nearly all markets to prove that the "Korean" boom has become history and that price trends no longer suggest the repetition of the kind of activity that followed the Korean hostilities. Cotton is no exception to this trend. Even in India, which enjoys a comparatively sheltered market, so far as cotton is concerned, the prices of cotton are less than 50 per cent. of the levels touched in the 1950-51 season and much below the prices seen in the 1951-52 season. The following table, which we reproduce from the monthly report of the well-known firm, Messrs. Volkart Brothers, shows the trend of prices in the 1951-52 and 1952-53 seasons and the high levels touched in the 1950-51 and 1951-52 seasons.

(Rs. per candy of 784 lbs.)

	1953		1952		High	
	31st Aug.	30th April	31st Dec.	30th Aug.	1951-52	1950-51
Karnak C.T. 154 ..	2,044	1,913	2,116	3,212	5,304	5,300
Karnak C.T. 163 ..	1,842	1,703	1,998	2,158	4,339	4,700
Ashmouni C.T. 3 ..	1,578	1,508	1,738	1,910	3,256	4,035
Sudan G. 45	...	1,834†	1,813	2,560	6,067	4,700
Fima 1. 1†	...	1,834	...	2,435	4,825	4,900
Tanguis T. Alas. ..	1,706	1,665	1,735	2,055	2,955	3,950
Mah African M.F. 82..	1,600	1,518	1,565	1,760	3,2702	4,125
Californian S.M. 1† ..	1,628	1,630	1,617	1,877	2,063	2,300
Mexican S.M. 1" ..	1,586	1,536	1,525	1,758	2,053	3,675
Brazilian Middling 1" .	1,550	..	2,030	2,200	3,000	3,350
Turkish S.M. to Midd. 1/8" to 1/4" ..	1,653	1,712	1,560	1,808	3,375	5,200
Pakistan S.T.R.G. M-SLM 1" ..	1,290	1,295	1,325	1,940	2,530	3,375
*S.F. Surti 1" ..	910	960	840	890	1,025†	935†
*S.F. Laxmi 1" ..	960	980	875	910	1,600	..
*Fine Jayadhar 1" ..	920	955	845	890	1,047‡	1,450
*Jarilla 1"	725	760	645	750	820†	770†

* Measurements based on Indian staple standards; for other descriptions, on American staple standards. † Nominal.



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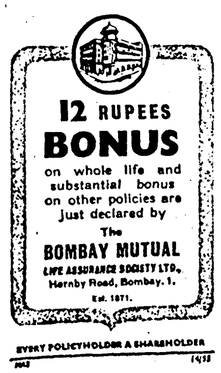





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DISPERSAL OF SUGAR FACTORIES

BIHAR'S OPPOSITION UNJUSTIFIED

WHEN Mr. Rafi Ahmed Kidwai, the Union Minister for Food and Agriculture, stated, while replying to a debate on sugar in the Council of States the other day, that sugar production could be increased only by a redistribution of the existing sugar factories, he was only emphasising a worn-out but very pertinent point. As readers are aware, a serious defect in the development of the sugar industry in India is the location of the majority of sugar factories in areas which are quite unsuited to the cultivation of good quality cane. Thus, out of a total number of 159 sugar factories, as many as 102 are situated in the two States of Uttar Pradesh and Bihar which compare very unfavourably with the Bombay Deccan and South India as regards sugarcane cultivation. It is a long accepted fact that this defect must be eliminated in course of time by encouraging the dispersal of factories from Bihar and U.P. to the Deccan and South India. It has also been incorporated in the industrial policy of the Government of India. And when this was done, the U.P. and Bihar Governments, if our memory serves us right, did not oppose it. The present decision of the Government of Bihar to oppose the scheme for the dispersal of the sugar units to areas which are more suitable for cane development is, therefore, ununderstandable and graceless.

It may be noted here that one of the sugar mills in South Bihar (South Bihar Sugar Mills Ltd.) wants to shift to the Deccan and has completed all arrangements to do so. But the Bihar Government will not let it move out. A few days ago, the Bihar Industries Minister, Mr. M. P. Sinha, rushed to New Delhi to register a strong protest to the Government of India against its policy of dispersal of sugar factories from his State. The outcome of this visit is not yet known. Last week, the opposition members in the Bihar Legislative Assembly criticised the Government of India's policy and said that it was like the "mad project of Mohammad Tughlak." The Assembly also passed a special resolution recommending to the State Government to request the Central Government not to shift the South Bihar Sugar Mills outside the State, as it would entail hardship to lakhs of cultivators.

No Moral Justification

The South Bihar Sugar Mills Ltd., which is under the management of Messrs. N. K. Jain & Co., Ltd., owns a factory at Bihta on the Eastern Railway in the Patna District, with a crushing capacity of 1,300 tons of cane per day. It has been suffering a loss for several years, the total debit balance at the end of 1951 being no less than Rs. 14.94 lakhs. The Company has paid no dividend for the past 10 years, its Rs. 10 paid-up ordinary shares now being nominally quoted at Re. 1-8 per share on the Calcutta Stock Exchange. The Bihar Government, which is now anxious to prevent the migration of this factory to a more suitable area, has done scarcely anything to enable the factory to get sufficient supply of good quality cane at economic price. It is difficult to understand as to what moral justification this Government now has to thwart the attempts of the Company to recoup its energy by moving to a healthy climate.

One of the reasons advanced against the shifting of the aforesaid factory is that it would entail hardship to lakhs of cultivators. This line of reasoning is misleading, for there is nothing to prevent these cultivators from growing foodgrains, in which this country is still deficient and which still fetch a handsome price. In fact, the farmers in this area would appear to have already diverted their land to rice and that seems to have been the main cause of the Company's uneconomic working in recent years. As regards the factory workers, some other alternative source of employment must be found for them. There is no reason why precious capital should be wasted in an area where sugar production has become uneconomic for several reasons. Nobody in the Bihar Legislative Assembly, who voted for the resolution referred to above, seems to have cared to ask as to how long the shareholders of the Company should suffer without a return on their capital. If the Bihar Government is anxious to retain sugar factories in areas which are unsuitable for them solely for the sake of providing employment to people, it must aid such factories by giving special concessions and by providing suitable facilities for the supply of raw material. But any such assistance will be justified only if there are no other profitable means of providing employment for people in those areas. Otherwise, it would amount to throwing away good money after bad. Before rendering any such aid, therefore, the Bihar Government must make sure on this point by having an expert examination.

That apart, there is the larger issue of the dispersal of sugar factories in general. As the States of Bihar and Uttar Pradesh are in the sub-tropical region, the scope for intensive development of sugarcane is limited. Thus, not only is the yield of cane per acre very low but the quality also is poor, as compared with the regions in the tropical region. It is no wonder, therefore, that, notwithstanding the conscious and determined drive by the authorities, the importance of these two States in the sphere of sugarcane cultivation is gradually receding, as will be clear from the figures given below:

	Percentage of area to total cane area		Percentage of production to total cane output	
	1931-32	1952-53	1931-32	1952-53
U.P.	62.6	60.3	62.1	60.4
Bihar	11.2	8.2	9.6	4.5
Madras	6.6	6.0	9.1	13.3
Bombay	2.6	4.2	5.0	8.7
Hyderabad	1.4	2.1	1.4	3.4

Cane Cultivation

It will be seen from the above table that, during the last 11 years, the U.P. and Bihar have lost their share of the area under cane and, consequently, also of cane production, which is in distinct contrast to the trend in Bombay, Hyderabad and Madras. What is more, while the extent of fall in cane production in U.P. and Bihar is more than proportionate to the reduction in the area under cane, the reverse has been the case with the other States. This comparison clearly shows that the average yield of cane per acre in U.P. and Bihar has gone down, while that in other States has increased. With regard to recovery percentage of sugar also, the States of Uttar Pradesh and Bihar compare unfavourably with other States. The percentage of recovery of sugar in cane grown in these two States during 1952-53 was as low as 9.78 and 10.10, respectively, whereas it was 11.59 in Bombay, 11.37 in Mysore and 10.48 in Hyderabad. These statistics confirm the well-known fact that the tropical conditions of South India are more suitable for cane development than the sub-tropical climate of North India.

In view of these factors, one would naturally ask: How then could the sugar factories in the U.P. and Bihar be assured of adequate supplies of high quality cane at reasonable prices? The answer to this poser cannot but be in the negative. In fact, it is this factor which has primarily been responsible for the high cost of sugar production in these States *vis-a-vis* that elsewhere. It is not, therefore, surprising that several factories are either idle or working below capacity. During the 1952-53 season, for instance, five factories in the U.P. and three in Bihar did not work at all.

The foregoing account lends admirable support to the view of Mr. Kidwai, referred to at the outset. It is precisely these considerations that provided the grounds for the Planning Commission's recommendations on this question. In its development programme for the sugar industry, the Commission has specifically emphasised the need for shifting some of the factories at present located in areas where sufficient cane supplies are not available to areas which are assured of adequate supplies of the right quality cane or which are suitable for growing cane.

Few would dispute the reasoning behind this suggestion. For it is an economic truism that an industry should be located in a region which is best suited for it in the matter of availability of plentiful raw material supplies, transport facilities and proximity to consuming markets. It is unfortunate that, in the past, development of the sugar industry should have taken place without due regard for the essential principles of location. If the Indian sugar industry is to be set on a sound footing, it is imperative that the defects in the location of the industry are removed as early as possible by the process of dispersal. It is, therefore, high time that the Government of India appointed, as recommended by the Planning Commission, an expert committee to examine carefully all the factories which are not working or which are working below capacity, due to paucity of cane supplies, with a view to determining which of the factories should be shifted from their existing location.

While implementing the suggestion for the dispersal of factories, special care, it must be stressed, should be taken to ensure that the factories will make arrangements to have their own sugarcane farms, as is the case now with the factories in the Deccan, or, alternatively, be assured of adequate cane supplies from the surrounding areas. Unless this is done, the hope of these factories securing adequate supplies of cane and producing maximum quantity of sugar at economic prices will not be fulfilled.

Facilities for Transfer

In conclusion, it must be said that, if the dispersal of factories is to gain momentum—so far only one factory seems to have volunteered to move itself out of the sub-tropical region—the State Governments in the tropical region, namely, Bombay, Hyderabad, Andhra, Mysore and Madras, must make it worthwhile for the factories to shift from the North. At present, the policy of these Governments, especially that of Bombay, is scarcely conducive to the establishment of more sugar factories. In fact, they are subjecting the sugar industry to so many impediments such as the high rate of irrigation taxes, irksome control over utilisation of molasses, profiteering in the sale of manure, prohibitively high rates of sales tax, etc., that the natural advantages offered by the Deccan and South India have been nearly, if not more than, offset. The State Governments should revise their policy in these respects and also take energetic measures for increasing the irrigation facilities. The Governments concerned will do well to remember that the establishment of new sugar mills in their States will be in their own interest. Besides providing additional tax revenue to the exchequer, these new units will not only provide employment to the people but also go a long way towards reducing their dependence on far-off States for supplies of sugar.

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Since writing the above, the Union Food and Agriculture Minister, Mr. R. A. Kidwai, has stated that a proposal for the shifting of the aforesaid sugar factory in Bihar to Bombay State is under the Government's consideration. Replying to a question in the House of the People on Monday last, the Minister said:

"The particular factory has been working for the last seven years at one-third its capacity, due to difficulties of getting sugarcane in competition with other manufacturers. The application of the factory for a licence to shift to Bombay State was considered by the Licensing Committee set up under the Industries (Development and Regulation) Act. The Bihar Government representative has opposed it on the ground that the Government has taken certain measures to rehabilitate the factory by loans. The factory, however, contends that, even with all the facilities, it will not be possible to develop cane in the area to the extent necessary for a full crush. The Licensing Committee recommended the shifting of the factory to the Bombay area. This recommendation, with particular reference to the representations received from the Bihar Government is now under the consideration of the Central Government."

SUGARCANE PRICE

The Government of India's policy regarding sugarcane prices was subjected to strong criticisms in the Bihar Legislative Assembly last week, when the latter took up for consideration a non-official motion on fixation of cane price for the ensuing (1953-54) sugar season. Most of the criticisms advanced by the Opposition were based on the ground that the price of Re. 1-5 per maund of sugarcane fixed for the current season was too low and had hit the cane growers hard. The Government of Bihar also would appear to feel likewise, as note the remark of the Industries Minister, Mr. Mahesh Prasad Sinha, that, "if the price of cane is not raised this year, the sugar industry would be adversely affected." Nevertheless, the Minister conceded that there were certain other factors which the Centre had to take into account while fixing the cane price. The Centre, for example, compared the per-acre yield of cane in Bihar with that in Bombay, Madras and Uttar Pradesh. It had also to bear in mind the competitive price of sugar in the world market.

Proceeding, Mr. Sinha observed that, although he did not hold any brief for the Centre, he had to take notice of the basic facts of the case. In U.P., he said, only one-fourth of the cane grown went to the mills and the growers there relied more on the *gur* industry than on sugar mills. Naturally, U.P. did not have the same problem to face as Bihar where three-fourths of the cane grown was supplied to mills and only one-fourth found its way to the *gur* industry.



COAL MINERS' BONUS SCHEME

IS IT BASED ON SCIENTIFIC LINES?

RECENTLY, we discussed in this column the chief question to be answered by the industrial tribunal to be set up shortly, namely, whether there is need for an upward revision of the wage structure of colliery labour. This week, we propose to discuss the next important problem; what should be the basis for payment of bonus and whether the bonus scheme, as prevailing now, needs revision? The present scheme, which is based on attendance and not on production and provides for payment of bonus on a quarterly instead on an annual basis, has come in for a good deal of criticism both by colliery owners and labour.

It will be recalled that, under the Conciliation Board Award, 1947, the original intention was that bonus should be a production bonus, the first two months' bonus being dependent on attendance and the third month's being directly linked to production. Owing to varying factors affecting production from colliery to colliery, it was, however, decided to link the entire bonus to attendance purely as a temporary measure. Further, although it was originally intended that bonus should be payable annually, the industry was prevailed upon to agree to pay every quarter.

Labour has been complaining that the bonus scheme has failed to supplement the low level of wages even to some extent which, it is now stated, was its aim. It alleges that the percentage of workers getting bonus is low. It contends that, as bonus is paid on total earnings and that as earnings are conditioned by the supply of tubs and wagons, factors which are not within its control, the bonus system has yielded very little benefit.

Colliery owners have been complaining that, while the bonus scheme has exceeded all expectations in enhancing the attractiveness of work in the collieries, it is doubtful whether it has achieved any great success in increasing the productivity of the labour force, which is the main aim of the scheme. According to the Indian Mining Association, it has resulted only in "more wages for less work." The linking of bonus to attendance has put a premium on inefficiency. Further, the payment on a quarterly basis, instead of on an annual basis, has prevented the realisation of the object of stabilising the labour force.

Thus, it is clear that the bonus scheme has satisfied neither the employer nor the worker. A dispassionate study of the problem discloses that the scheme is not based on scientific lines. The most glaring defect in the scheme is that it has virtually destroyed the relationship between achievement and remuneration. In other words, the worker gets his wage and a share in profit, irrespective of his efforts. The scheme provides no incentive to the worker to increase his productivity.

Productivity of Labour

It is common knowledge that profits made by industry depend on several factors, besides the efforts of labour. An undertaking in which labour has performed its full part may fail to make any profits for other reasons, while large profits may be made by another undertaking where labour fails to play its part in full. The productivity of labour is dependent, among other things, on the nature of equipment, efficiency of organisation and supervision. Profits depend not merely on productivity of workers but also on favourable trading conditions, monopolistic position, and the like. Consequently, profit-sharing unrelated to productivity gives a share in the hotch-potch of fluctuating elements, which include risk and trade fluctuation profits, friction and accidental profits, domination and differential profits, etc., all of which are of a short-term nature.

Certainly, this is not the state of affairs which profit-sharing, as an instrument for stimulating economic activity, is sought to achieve. While, on the one hand, it seeks to make up the difference between the low wage paid and a fair living wage, on the other, it aims at increasing productivity by providing incentive for harder work. Profit-sharing correlated to productivity gives rise to additional productivity. It is after all profits resulting from increasing productivity that is everlasting. All others are "risk profits." Division of risk profits between capital and labour is only of incidental nature. As such, profit-sharing, which is a part of wage policy, should push the productive idea forward in such a way as to guarantee in advance the intimate coupling together of individual effort and remuneration, which alone can provide spontaneous incentive to increased productivity. This will guarantee stabilisation and regular attendance of the labour force also.

How is the collective share of labour to be determined and how is that share to be distributed among workers? This is, indeed, a complex problem. It is this task that is to be faced by the tribunal. It is to be hoped that it will succeed in arriving at a formula which will be conducive to productivity and expanding economy.

TRANSPORT OF COAL BY RAILWAYS IN 1952

The Indian railways during 1952 carried a total of 33.20 million tons of coal out of 33.76 million tons, which were available for despatch at pitheads, or just over 98.3 per cent. of the total. This is indicated by an analysis of coal loading statistics for the past year which has now become available. The balance of 1.7 per cent., or about 156,000 tons, which was not carried, consisted mainly of inferior quality and rejected coal and shale.

The total coal raisings in India during 1952 slightly exceeded 36.30 million tons, as compared with 34.43 million tons during 1951. Consumption at the collieries themselves aggregated 2.53 million tons in 1952, as against 2.47 million tons in the previous year. The gross quantity available for despatch in 1952 was 33.76 million tons, as compared with 31.96 million tons in 1951, an increase of 1.80 million tons. The railway despatches from pitheads were proportionately heavier in 1952 than in the previous year. While only 31.05 million tons were carried in 1951, the quantity lifted in the following year was 33.2 million tons, an increase of 2.15 million tons.

GIRIDIH COALS

Investigations recently conducted at the Fuel Research Institute, Jealgora, on the Giridih coals to provide data and information for the proposed coke oven battery of the State railway collieries have disclosed that Giridih coals are particularly suitable for the production of high class coke, as they possess good coking properties and their ash and phosphorus contents are low. The Lower and Upper Karharbaree seam coals have given satisfactory cokes of low ash acceptable for metallurgical uses. The Upper Karharbaree seam, which has so far not been worked, is thus a valuable source of coking coal for the projected coke plant. These seams can also be washed and carbonised to produce low ash coke for special metallurgical uses. The Bhadua seam, however, gives comparatively poor coke with high ash on straight carbonisation. Washing improves the coking characteristics and metallurgical coke can be obtained by coking washed coal or blends of it with suitable proportions of Lower and Upper Karharbaree seams.

(*Concluded from next column*)

on 19th August that exports would not be allowed, unless the prices come down. At the foot of this page are given the sales averages realised at the Board auctions since January, 1953, as compared with the corresponding months of 1951 and 1952.

Current prices are below the basic price based on the cost of production and the shortfall can be made up only by the higher prices which will be realised on exports. The question may be asked, would the market rise if the Government announces its intention to export? The position is quite simple. The Board works on actual figures of coffee received and sold and in stock. Its figures are available to the entire trade. If sufficient stock is retained to cover the remaining four months and, in addition, a buffer stock of 1,500 tons, the trade would understand the situation and would take no chances since the Board can visit great loss on them if it chose to push its reserve stocks into the market.

The present difficulty, therefore, arises solely from the Government's reluctance to dispose by export of an excess stock which has no possibility of being utilised in the internal market before the next crop arrives. Anxiety is being expressed by those concerned as to how the godown accommodation will stand up to the monsoon carry-over of surplus coffee plus the arrangement for storing the 1953-54 crop which may yet turn out to be a record.

COFFEE SITUATION

CASE FOR PERMITTING EXPORTS

(From A Correspondent)

THE Indian Coffee Board holds an unusually large stock of coffee, according to the figures available up to the end of July, 1953. With 14,798 tons, it is 6,000 tons more than the stock held on the same date a year previously. Normally, the new crop begins to arrive in October in the Palnis, with increasing arrivals in November and December from all districts. Enough coffee from the next crop for the internal market should be available from January onwards.

The amount of coffee released from January, 1953, through to July averages 1,371 tons per month. During this period, there have been heavy withdrawals, as the coffee exposed for sale by the Board was not taken up by the wholesale and retail trade or the co-operative societies. If the same quantity of coffee were released in the last five months of the year, as found to be the actual demand during the period January-July, the amount of coffee required would be 6,655 tons. This would leave 8,143 tons in stock with the Board. Allowing a carry-over of 1,500 tons into next season, there would still remain 6,643 tons. Actually, the quantity will be considerably in excess of 7,000 tons, for only 600 tons were sold in the August Pool auction against an expectation of 1,000 to 1,200 tons.

Part of this stock has been shifted, at extra cost to the Board, from the monsoon-affected west coast to Coimbatore, inland. This coffee is bound to have suffered some moisture damage resulting in a loss in its value in the export market. If a decision to export is still further delayed, a much greater deterioration will have taken place, resulting in greater loss. As it is, the large stock which will be left over at the close of the monsoon must suffer a weight loss of approximately 3 per cent. in the succeeding dry months. This is an absolute loss with no gain to either the producers or consumers.

Authoritative circles have accused the trade of standing aloof with the intention of defeating the Government policy of bringing down prices. Actually, the trade is in a difficult situation. Government have not indicated how far it intends to bring down prices, but it has the power to order a reduction at any time whether such a step can be justified or not. Faced with this uncertainty, the trade would be running an unnecessary business risk by buying any more coffee than it can immediately sell. This explains the reluctance of the trade to enter the market in normal strength.

Payment to Growers

So long as large stocks of coffee remain unsold, the Board will find it impossible to pay the growers whose coffee it holds. The borrowing power of the Board has been raised to Rs. 2 crores recently, but, at that time, the large accumulation of stocks was not contemplated and payments to growers cannot be maintained within the limits of the Coffee Board's borrowing powers, which would have to be doubled. This additional credit is not readily obtainable and the charges only add to the cost of the coffee; yet the grower has to be paid for his produce. Under the Coffee Market Expansion Act, 1947, the coffee growers have to hand over their crop to the Board, an obligation which is not laid on the producers of any other product in India. This lays a corresponding obligation on the Board to maintain payments which it cannot do at present as large stocks remain unsold.

Apart from the loss in value, due to deterioration in quality and the loss in weight, the financing charges—the cost of warehousing the large stock, etc.—will absorb some Rs. 4.2 lakhs for six months. The total loss inclusive of deterioration and driage involved in a six months' delay in disposal of stocks might well amount to over Rs. 20 lakhs.

The Hon'ble Minister for Commerce and Industry, without waiting for the findings of the Cost Accountant sent to enquire into the cost of production of coffee, stated in Parliament

(*Continued in previous column*)

Average prices per cwt. at auctions

(*Source* : Indian Coffee Board)

	Plantation A			Arabica cherry			Robusta		
	1951	1952	1953	1951	1952	1953	1951	1952	1953
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
January	209 10	222 2	*Nil*	197 8	214 11	*Nil*	177 9	195 9	*Nil*
February	215 3	209 13	258 5	208 7	200 1	206 5	203 3	190 0	157 3
March	214 1	196 7	230 3	206 15	185 7	203 11	200 13	180 9	149 3
April	205 3	207 7	215 13	194 2	182 9	186 8	193 9	166 8	148 4
May	203 14	238 11	220 11	186 7	210 13	189 3	188 4	179 10	153 5
June	206 5	252 0	214 6	185 3	222 8	185 1	192 9	206 15	152 6
July	214 14	269 6	217 7	192 14	226 8	185 2	195 10	212 2	150 14

EXPORT DUTY ON HESSIAN

FURTHER REDUCTION ANNOUNCED

THE Government of India has announced a reduction in the export duty on hessians from the existing rate of Rs. 275 per ton to Rs. 120 per ton. A Press Note issued by the Finance Ministry on the 14th inst., said: "In accordance with their policy of keeping under constant review all export duties, the Government of India have examined the effect of the present duties on hessian (cloth and bags). They consider that the present rate of duty is retarding the export trade, and in order to improve their competitive position in foreign markets, they have decided to reduce, with effect from 15th September, 1953, the export duty on such goods from Rs. 275 per ton of 2,240 lbs. to Rs. 120 per ton." This reduction, of course, follows the minor concession shown by the Government in the abolition of export duty on certain specialities given effect to as from the 16th July last.

The reduction, though welcome, is both belated and parsimonious. It is now fifteen months since the Government last reduced the duty on hessians from Rs. 750 to Rs. 275 per ton. Events in the field of exports since then revealed that the reduction brought no appreciable relief to the mills. For stocks at the end of each month continued to be high and no large demand for jute goods developed, even though prices steadily showed a downward trend. The industry went on, all these months, appealing to Government to abolish the export duties. Instead the Government has now preferred to bring it down to Rs. 120 from Rs. 275. Even this reduced duty is not likely to bring any appreciable results. For the way in which prices have been declining in the commodity markets in the world suggests that the reduction is not adequate enough to attract more orders. The least that the Government should have done was to bring it down at least to the pre-war rate of Rs. 32 per ton, although the long suffering to which the industry was subject since devaluation in 1949, warranted total abolition of the duties. It is needless to add here that the opportunities for expanding sales of jute goods by mills which such an action would have provided, would, in turn, have brightened the prospects for providing more employment to the unemployed in the jute industry.

In Retrospect

As we have referred to the deleterious effect of the export duties on jute goods in these columns, time and again, we do not propose to deal with it once again here. It will, however, not be inappropriate to record the changes in these duties which have taken place since the pre-war years.

Variations in Export Duties

(Rs. per ton)

	Hessians	Sackings
Pre-war	32	20
November, 1946 ...	80	50
28th September, 1949	250	50
21st October, 1950 ...	750	50
20th November, 1950	1,500	150
30th March, 1951 ...	1,500	350
20th February, 1952	750	350
7th May, 1952 ...	275	175
15th September, 1953	120	175

It will be seen from the above table that the duty on exports of sackings is allowed to be retained at Rs. 175 per ton, while that on hessians is kept at considerably lower level. This is quite contrary to the practice prevailing hitherto, namely, of keeping the duty on sackings below that on hessians. It is to be hoped that the Government will revise also the duties on sackings, so that they may be in line with the practice followed till now.

That both hessians and sackings need strong stimulus to expand their sales is evident from the steady deterioration in the value of both hessians and sackings. Owing to some improvement in the offtake of these goods by the U.S., Argentina and Australia, they managed to stand at fairly high levels during June and July this year. Thus, B. Twills were at their highest for the year so far at Rs. 105-4 per 100 bags on 1st June last. Hessians 40"×10 oz. touched the peak at Rs. 47-2 per 100 yards on 25th June. In sympathy with the firmness in jute goods, during this period, raw jute, Assam bottoms, which had reached a high of Rs. 30 per maund towards the close of May, continued to remain steady throughout this period at between Rs. 26 and Rs. 28-8 per maund. But since July, the markets have sustained a setback which has continued except in the middle of August, till almost the close of last week, that is, on the 11th inst., when B. Twills were quoted at Rs. 90-10 and hessians Rs. 40-6. Raw jute prices, too, could not but decline, as mills were reluctant to buy, in view of the unremunerative rates prevailing in the goods section. Raw jute, Assam bottoms, stood, therefore, at as low as Rs. 24-8 (6th September) as against Rs. 30 three months ago. Since then, however, there has been some improvement in both the sections of the market owing to short-covering occasioned by reported buying from the U.K. Thus, on the 14th inst., B. Twills were in demand at Rs. 94-4 per 100 bags and hessians at Rs. 41-14 per 100 yards. Raw jute also rallied to be quoted at Rs. 25-8. The current levels are considered to be unremunerative to both the mills and the jute grower. It remains to be seen as to what extent the present reduction in the duty on exports of hessian will bring relief to both.

PAKISTAN'S JUTE POLICY

The Government of Pakistan has announced its jute policy for the 1953-54 season. The fact that there will be no possibility of a glut in jute supplies in the current season would appear to have prompted the Government not only to remove control on internal prices of jute but also to withdraw the price-support scheme which was in existence during the past three seasons. The decision must have come as a great relief to the Pakistan Jute Board, as its experience of administering the price-support policy during its operation was none too happy. Following the introduction of this policy in October, 1949, the Jute Board found itself so entangled in a labyrinth of legal enactments and orders and financial difficulties, that till now it found no way to extricate itself from them. The measures taken by the Government included fixation of minimum prices for raw jute, ban on exports of jute, control on freight and baling charges, and preparation of a list of merchants to handle the trade. In fact, at one time, the Pakistan Government even sent troops to the Indo-Pakistan border to put an end to the smuggling in jute from East Bengal. In spite of all these measures, it is difficult to say whether the price-support policy brought any appreciable benefit to the jute grower. Profiting by this experience perhaps the Government of Pakistan came to the conclusion that the ultimate solution to the jute problem lay in imposing a drastic cut in the area to be cultivated under jute. It, accordingly, gave effect to this decision last season. In the result, this season's crop is stated to be just enough to meet the requirements of the world.

Simultaneously with the abolition of minimum prices for internal jute, the Government has withdrawn the minimum export prices also. This aspect of the jute policy, too, remained no more than a dead letter, as Pakistani jute could be had at prices in India at below the rates. The new jute policy, however, envisages that the State Bank of Pakistan should continue to exercise the usual check on export prices in consultation with the Jute Board in the light of market trends.

The export duty on long jute cuttings and jabbi will remain unchanged under the new policy. But an export duty of Rs. 5 per bale of 400 lbs. would be levied on cut-rope. Jute exports during the 1953-54 season will continue to be on the O.G.L. for countries in the American account area and Argentina. For other countries, export licences will be issued by the Jute Board. Jute in the border areas will be purchased by co-operative societies, but the price at which these purchases will be made is not known.

The total exports of jute from Pakistan during the 1952-53 season amounted to 5.3 million bales, valued at Rs. 57 crores, as compared with the exports in the 1951-52 season at 4.88 million bales, valued at Rs. 99 crores. It will be noted that, in the 1952-53 season, although the quantum was higher, the value earned registered a sharp decline. This reflects the extent to which the value of raw jute had shrunk during the last season, as compared with the boom year, 1951-52.

Pakistan's jute exports to dollar countries improved from 1.71 lakh bales in 1951-52 to 5.54 lakh bales in 1952-53.

The carry-over of raw jute at the end of the 1952-53 season was estimated to be as low as 2.8 million bales.

As regards India's imports of Pakistan jute, the latest figures available relate only to the 11 months of the season 1952-53. During this period India imported 1.3 million bales, as against 1.6 million bales in 1951-52. Exports to the U.K. in the same period, last season, amounted to 800,000 bales as compared with 500,000 bales in 1951-52. This shows that, during the season, India purchased less jute from Pakistan, while the U.K.'s purchases of Pakistani jute improved considerably. The reason for the lower Indian offtake was the imposition of discriminatory levies on jute exported to India which was removed later at the intervention of the G.A.T.T.

TREND OF TEA SALES

QUALITY TEAS FETCH BETTER PRICES

THE prices fetched by tea in the latest Calcutta, as well as London, auctions are encouraging. The decline witnessed in prices in the last two sales in August in Calcutta has given way to a steady improvement. Clean Common B.P., for instance, which was quoted at Re. 1-11-3 in sale No. 8, has improved to about Re. 1-13 in sale No. 13. Prices in London auction on 7th September for best qualities were higher by about 2d. per lb.

The following comparative table gives the quantity offered for export and dust teas sold upto the end of August and the average price realised for tea auctions, held at Calcutta, as given by Messrs. J. Thomas & Co., Ltd., Calcutta, in their latest monthly report:

	1953-54		1952-53	
	Export (Packages)	Average Rs. a. p.	Export (Packages)	Average Rs. a. p.
Assam	132,945	2 0 3	180,055	1 13 7
Darjeeling ..	31,353	2 10 6	40,574	2 0 0
Dooars	109,765	1 12 0	107,529	1 2 8
Cachar, etc. ..	67,641	1 11 0	57,155	0 14 9
Total ..	331,744	1 14 9	345,303	1 8 6
Dust	125,112	1 10 7	104,111	1 6 6

It will be evident from the foregoing table that, while sales for export declined by 14 per cent., sales of dust tea rose by 20 per cent. Until the last sale in the month of August, the Calcutta market was about an anna per lb. above the price at London for Clean Commons, Low Mediums and teas in general. The reason for this was undoubtedly the strong demand which came from buyers for Indian consumption. By the time of the last sale in August, both markets were quoting almost the same rates for these types of tea. This was due not to any decline in demand in Calcutta but to the fact that the supply of tea for sale in Calcutta was more than that in London. Another feature of the market was the steady and sustained support given to B.O.P.'s and O.F.'s suitable for Eire. Prices for these fell only when quality showed a seasonal decline, but there was always a keen demand for these descriptions. Wholly leaf grades, especially stylish O. Pekoes, were also strongly competed for and, throughout the month, Turkey was a steady buyer.

Discriminating Demand

Looking at the overall position of tea, the supply and demand was, according to Messrs. J. Thomas & Co., Ltd., more evenly balanced during August than at any time for some time past. Although all the tea markets were generally firm, demand was discriminating. This is, a warning to producers, in that any falling away from the present standard of plucking better quality tea leaves will result in glutting the markets once again with unwanted teas, thereby courting the disastrous effects of the previous seasons.

The stocks of tea at London and Provincial Bonded Warehouses on 28th August, 1953, were 91,347,804 lbs., as against 110,728,485 lbs., a decline of 19,380,681 lbs. The exports of North Indian tea to various overseas countries from 1st April to 22nd August, 1953, as compared with those in the corresponding period in the previous year, disclose a substantial increase. Thus, they amounted to 92,390,434 lbs., as against 89,159,533 lbs., an increase of 3,230,901 lbs. Exports from Calcutta Port to the U.K. were 67,752,086 lbs., as compared with 55,203,370 lbs., and to other places 23,583,251 lbs., as compared with 33,351,773 lbs. Exports from Bombay Port were 1,055,097 lbs., as against 604,390 lbs.

Continued efforts are being made to popularise the tea-drinking habit in overseas countries. It is stated that the Government of India will shortly set up a tea council in Canada in collaboration with that Dominion's trade interests. Mr. C. M. Kothari, a Director of the Government of India's Tea Council of America, is expected to explore the possibility of reaching an agreement between the Government of India and the Canadian tea interests in this regard. The Government of India has also proposed the formation of an Indo-Ceylon Tea Promotion Council, which is now being considered by the Ceylon Commerce Minister. If the proposed Indo-Ceylon Tea Council were to meet with success, Indonesia and Pakistan are likely to be invited to join it.

The Deputy Commissioners of Cachar, Sibsagar and Lakhimpur districts have been directed by the Government of Assam to take over closed tea gardens in their respective zones for the purpose of rehabilitation of the jobless tea garden workers.



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	Rs.
(i) Paid-up Capital	87,50,000
(ii) Reserve Fund	89,06,328
(iii) Deposits	62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.	12,82,96,445
Total	76,65,23,136

ASSETS

(i) Cash and Balances with Bankers.		7,14,88,955
(ii) Investments:		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs.	27,02,26,373	
(b) Other Investments .. Rs.	94,24,911	27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets: Including Bills Receivable, etc.		10,17,65,398
Total		76,65,23,136

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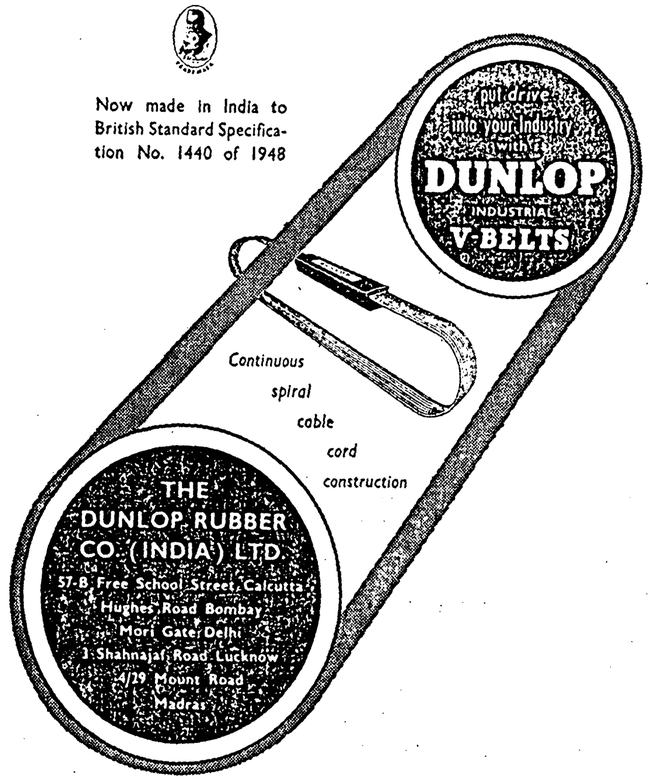

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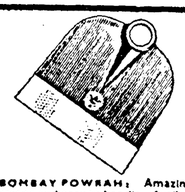

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AG. 2310

DEVELOPMENT OF IRON AND STEEL INDUSTRY IN E.C.A.F.E. REGION

JAPANESE OPERATIONAL TECHNIQUES FAVOURED

THE Iron and Steel Sub-Committee of the Economic Commission for Asia and the Far East (E.C.A.F.E.), which concluded its fifth session at Bangkok, a few days ago, called for increased production of iron and steel in the E.C.A.F.E. region. The session, which was attended by exports from Burma, China, France, India, Indonesia, Japan, Laos, the Netherlands, Thailand, the U.S.S.R., the U.K., and the U.S., and observers from the International Chamber of Commerce, considered proposals for the improvement of Asian production methods. It considered that many of Japan's operational techniques could be usefully practised in the countries of the E.C.A.F.E. region, especially those relating to exploitation of iron ores, charcoal blast furnaces, sintering, coal-washing, utilisation of non-coking coals, electric smelting, electric furnaces, open-hearth furnaces, use of oxygen in steel making, etc.

In view of the lack of coking coal in many Asian countries, the experts drew the attention of the Governments concerned to the possibility of producing charcoal pig iron and expressed satisfaction at the successful utilisation of charcoal blast furnaces in Japan, Brazil and Sweden. They disclosed that the possibilities for the manufacture of charcoal pig iron existed particularly in Burma, Indonesia and Thailand. They further observed that the use of pyrite cinder could be introduced with advantage in some countries as raw materials. The experts felt that the manufacture of pig iron by electric smelting could be adopted by countries where power is cheap, as compared with coke, or coal is not available or has to be imported. (Such furnaces already exist in India and Japan and are being considered by Burma and Indonesia.) They further expressed the view that the electric arc furnace of steel-making was suitable for Burma, Taiwan and Indonesia.

Expansion Programmes

The importance of these recommendations needs no emphasis. For establishment and expansion of the iron and steel industry, where resources permit, is the first essential step in any programme of rapid economic development of the nations. In fact, an index of a nation's economic advancement, be it in agriculture or industry, is provided by the consumption of iron and steel. It is a pity that, although the E.C.A.F.E. region contains more than half the world's population, production of iron and steel there accounts for not more than 3 per cent. of world output. There can be no doubt that, with effective utilisation of resources, production of iron and steel can be increased to well above its present low level. It is, however, gratifying to note that the various countries of the region have plans for establishing or expanding iron and steel industry. They are as follows:

(1) India is proceeding ahead with its plans to increase its output of iron and steel by a million tons;

(2) Japan has a comprehensive modernisation programme;

(3) The Philippines expect to commence operation of its new iron and steel plant early next year;

(4) Thailand has plans under active consideration for a moderate sized blast furnace, steel plant and mills, in addition to its existing facilities;

(5) Burma is placing orders for equipment and machinery abroad to put up a hand-operated steel mill;

(6) China has plans for installing additional blast furnaces, coke ovens, electric furnaces and rolling mills;

(7) Indonesia is anxious to install a steel plant and is putting up a mill of small capacity to roll scrap in Java;

(8) Pakistan has schemes to utilise scrap and rehabilitate its re-rolling industry; and

(9) Viet Nam and Korea are awaiting more settled conditions to complete plans for the utilisation of their large iron ore resources.

Japan is an outstanding example of what can be achieved by a country with the necessary will and initiative, in spite of serious handicaps due to lack of suitable raw materials. It is true that the Sub-Committee has recommended that Japan's operational techniques can be usefully practised by the other countries of the E.C.A.F.E. region. That does not mean that every Japanese method and technique can be applied wholesale to any particular country or that they are the only models for the countries of the region. Nevertheless, having regard to the conditions of the countries of the region, one is justified in hoping that the more important techniques followed by Japan may be suitably introduced, with adaptation wherever necessary, to suit the peculiarities of each country belonging to the region.

The Sub-Committee's suggestion for the use of pyrite cinder as raw material in certain countries is believed to be appropriate. For, under sintering, one can, it is said, utilise waste materials such as ore fines, flue dust and coke breeze. Sintering and ore beneficiation will have the further advantage, according to some experts, of "improving the burden" and this will benefit countries suffering from lack of coking coal. There are proposals for the installation of sintering plants in India and Taiwan.

The Sub-Committee also underlined the importance and benefits of coal-washing and recommended it wherever practicable. (India has already installed two washing plants and it is proposed to erect some more plants.) For, it will help reduce the ash content of coal, thereby improving its grade. It may be noted, in passing, that Japan has offered co-operation with other countries of the region to push to a successful conclusion tests and experiments in the utilisation of non-coking coal, especially by the manufacture and use of semi-coke, *bojuntan* and other similar processes. The Sub-Committee was of the view that the reserves of scrap in countries like Burma or Indonesia were large enough to support a small industry for 20 to 30 years, even though the recurring yearly supply of scrap might not be of any considerable magnitude. It was further of the opinion that there was good scope for the manufacture of wire products in these countries. In Taiwan and Thailand, there were stated to be possibilities for the establishment or expansion of small rolling mills for the manufacture of ordinary commercial quality products.

EXPLOITATION OF MINERALS IN RAJASTHAN

The second meeting of the Rajasthan Mineral Advisory Council, which was held at Jaipur last week, stressed the need for reorganising exploitation of minerals in Rajasthan on a scientific basis, as a lot of precious mineral deposits were being wasted due to crude handling. Mr. Raj Bahadur, Deputy Minister for Communications, highlighted the importance of providing sufficient power, necessary communication and transport facilities for the development of mining enterprise in that State.

Mining in Rajasthan accounts for as much as 17 per cent. of the aggregate mineral output of India. It is thus one of the bigger producers of minerals in India. It is the sole supplier of marble in India, its quarries at Makrana in the Jodhpur Division being well known. It is the second biggest supplier of mica in India. The average production of mica is about 22,015 cwts. per year. Rajasthan is supplying vast quantities of gypsum to the Sindri Fertiliser Factory. The average tonnage of gypsum mined in the State is 334,676 tons per year. Besides these, the State possesses deposits of lead, zinc, maganese, tungsten, emerald, Fuller's earth, glass sand, soapstone clays, kyanite, limestone, sandstone, quartzites, kankar, asbestos, calcite, sodium sulphate, salt, saltpetre, solenite, felspar, beryl, ochres, gypsum and bentonite. The State is also stated to possess considerable deposits of copper, lignite and oil the economic possibilities of which are yet to be investigated.

The State Government has an ambitious programme for mineral development, but not the funds for implementing it. The development scheme envisages opening of a mining technological institute and laboratory, besides building an efficient system for providing technical assistance to mining companies and the establishment of tungsten-ore-dressing mills, among others. At present, the State Government has been operating, as an experimental measure, four mines, namely, a lignite colliery at Palana, wolfram mines at Degana, limestone quarry at Naila and slab-stone quarry at Bhankri. (During the last two years, these enterprises have resulted in a net income of Rs. 2½ lakhs to the State.) Besides, the State Government has been providing technical assistance to the mining industry through inspections of the mineral deposits and by conducting field surveys of minerals.

The possibilities of setting up a zinc smelter plant at Zawar in Udaipur Division is under the consideration of a zinc committee appointed by the Government of India. A private company has formulated a scheme for setting up a plant to produce 50 to 100 tons of sulphur, and about 400 tons of cement, per day, as a subsidiary industry to gypsum. A plant is being set up to produce 30 tons of Plaster of Paris at Bikaner by the commercial concern which is now working gypsum mines.

BENGAL—BASIN OIL EXPLORATION

Mr. R. T. Burton, General Manager of Standard-Vacuum Oil Company, said the other day that some of the recent reports on the Company's exploration activities in the Bengal Basin area did not portray an accurate picture of the present situation. Optimistic reports concerning the presence of petroleum deposits in the area, as well as those giving out the opposite view, were both premature. Mr. Burton pointed out that the data collected through the magnetometer survey carried out by the Company in 1951-52 were still being studied by geophysicists. Any comment as to the result at this stage would, therefore, be speculative. Moreover, he emphasised, the magnetometer is not an oil-finding instrument but is used only to indicate whether underground rock conditions are favourable for additional oil prospecting.

Even when the survey results are known, they will by no means prove conclusively the presence or absence of petroleum in the Bengal Basin area. At best, they may be interpreted to indicate the approximate thickness of sedimentary rocks below the area surveyed. Any attempt to read more than this into the results could very likely prove to be a costly error of judgment. The interpretations of the results may help to narrow down the area in which further ground investigations may be desired. Mr. Burton went on to say that the aerial magnetometer survey provided much faster coverage than ground magnetometer work. The use of the aerial magnetometer enabled the survey of 73,000 square miles to be carried out within about four months.

If the survey results indicate the presence of favourable underground rock conditions in the Bengal Basin area, much more detailed investigations covering on-the-ground geological and geophysical techniques would be required. If these prove encouraging, actual drilling may be justified. This may involve years of painstaking work and crores of rupees. Mr. Burton concluded by saying that, despite all the advances in exploration technique, actual drilling, which is very costly, still provides the only absolute test for the presence of oil. Even after prolonged and expensive preliminary researches, statistics show that only one test well in ten actually strikes oil and only one well in 40 discovers a major oil field.

ENQUIRY INTO CONDITIONS OF CIVIL AIRLINES' EMPLOYEES

The Indian Airlines Corporation has appointed a three-man services committee, with Mr. W. R. Puranik, a retired Judge of the Nagpur High Court and a retired member of the Union Public Service Commission, as Chairman, to make recommendations regarding rationalisation of pay for different categories of personnel of air companies taken over by the Corporation and the formulation of a suitable wage structure. The Committee will also make recommendations on the following:

(1) The procedure to be followed for bringing existing personnel on the approved new pay scales; (2) the principles to be followed for determining seniority as between personnel of the same rank belonging to different companies doing more or less similar duties; and (3) the formulation of common service conditions in the matter of leave, holidays, T.A rules, insurance facilities, bonus, allowance, provident funds, gratuity, pension schemes and residential accommodation. The members of the Committee are Mr. S. B. Bapat, Ministry of Home Affairs and Mr. G. P. Shahani, Secretary of the Air Transport Licensing Board.

BUILDING EXHIBITION IN THE U.K.

The Building Trades Exhibition, which will open on 18th November at London, will contain nearly 600 stands, which will provide the largest and most representative display of its kind ever seen in the U.K. Prefabrication and pre-stressed concrete will provide the two main features of the exhibition. Every type of machinery and plant used in the building industry will find a place in the display. Many manufacturers will show new or re-designed plant and tools. In addition to the exhibits of the Department of Scientific and Industrial Research and the Building Research Station, plant and equipment developed as the result of close co-operation with those organisations will be displayed by a number of leading manufacturers. The exhibition will close on 2nd December.

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WILL IT SOLVE PROBLEM OF UNEMPLOYMENT?

IN this country there is a class of politicians who never seem tired of repeating the threat of nationalising banks and insurance companies. Being unable to find any effective remedy for the many economic ills which afflict the country to-day, they imagine that such a remedy lies in the nationalisation of these two institutions. They do not, of course, stop to think what grand purpose they seek to achieve thereby. The latest among the converts to this philosophy is Mr. J. B. Kripalani, who said in Parliament recently—he was speaking on the non-official resolution on unemployment—that, if the Government was "really serious" about solving the problem of unemployment, it should nationalise banks and insurance companies.

It is not, of course, clear how the nationalisation of insurance would go towards providing a solution for unemployment. If anything, State ownership of insurance is bound to lead to a decline in employment, for there would then be only one organisation to cater to the needs of the insuring public. It might be claimed, of course, that the State ownership of private savings will provide the State additional funds with which it can pursue development schemes. This is the specious plea on which certain politicians generally justify the demand for nationalisation. But they overlook the fact that the Government already possesses ample powers of control over the investments of insurance companies. They are required by law to keep a proportion of their investments in Government securities. The rest is distributed among: (1) securities, approved by the Government, such as the obligations of Part B States, Municipal, Port Trust and Improvement Trust securities, (2) loans on policies, agents' balances, deposits, land and house property, and (3) miscellaneous investments. Among these three forms of investment, the first already fulfils the purposes of national development. The second form of investment cannot be disturbed since there will be need for these investments whether insurance service is performed by the State or private enterprise. It is only the third form of investment, namely, the investment in industrial equities that the Government may hope to divert to its own use through nationalisation of insurance.

How much do the advocates of nationalisation of insurance hope to gain by diverting this portion of the insurers' investments to the State's use? In the analysis of the distribution of assets, held by insurers, which Mr. K. A. Pandit, the well-known practising actuary, presented in these columns some time ago (*vide Commerce* dated 9th May, 1953), he estimated that only about Rs. 44 crores out of the insurers' total assets of Rs. 250 crores and another Rs. 4½ crores every year, would be available to the Government for purposes of re-investment through the nationalisation of insurance. This sum would hardly be sufficient to meet the cost of even one of the large-sized multi-purpose projects undertaken by the Government of India. And it must be remembered that the Government will not be able to acquire even this small amount unless it pays compensation to the insurance companies which it takes over. How then can it be contended that the nationalisation of insurance will solve the problem of unemployment?

It might, on the other hand, be truly contended that the ending of the little support that insurers give to the investment market—for nationalisation of insurance will mean nothing more than that—will worsen conditions in this market, with inevitable repercussions on further investment and employment. In fact, nationalisation of insurance, unlike the nationalisation of any other sector of private economic activity, vitally concerns the entire investment field. The entire private sector is concerned in this problem, for insurers help keep alive investment activity to a relatively greater degree than any other form of private enterprise.

Those who urge nationalisation of insurance might suggest that a Government-owned insurance company might itself lend its funds to the private sector. In the first place, this makes nonsense of the claim that the insurance companies should be taken over by the Government in order to obtain funds for investment in the public sector. Secondly, the joint-stock enterprises, which now look up to insurance companies for support, cannot possibly obtain the same favourable terms if all investible funds were owned by a single agency, namely, the Government. It is well to remember that, if these enterprises get support which gives them satisfaction, it is because the insurers are competing among themselves in order to find profitable outlets for their investible funds. If the Government owned these funds, it would be tempted to use its enormous power in order to dictate the price at which it would lend its support to the investment market.

Whichever way the subject is looked at, it becomes abundantly clear that the nationalisation of insurance is hardly a solution for the problem of unemployment. On the other hand, it might conceivably make the problem worse. The suggestion, made by Mr. Kripalani and others of his way of thinking, could, of course, be opposed on other and more important grounds, such as the setback which this essentially personal form of service will suffer when it is taken over by the State, the damage which a wooden and unimaginative bureaucracy can inflict on insurance and the irreparable loss which it will sustain through the withdrawal of private initiative and effort. It would be folly to nationalise insurance on any pretext. But it would be nothing short of a national disaster to do it in the hope that it would provide a solution for unemployment.

BOMBAY MUTUAL LIFE ASSURANCE SOCIETY LTD.

Established as far back as in 1871, the Bombay Mutual Life Assurance Society Ltd. (Manager: Mr. M. V. Sohonie, Bombay) is not only one of the oldest among the Indian insurers but also one of the very well established life offices in the country. During the year 1952, to which the Society's latest report and accounts refer, it was able to show a sizable increase in life business which improved by Rs. 4.33 crores to Rs. 43.14 crores. The Society's new life business, it may be added, was only Rs. 4.23 crores in 1951 and Rs. 4.10 crores in 1950. Of the total business in force, namely, Rs. 43.14 crores, assurances to the extent of Rs. 1.15 crores were reinsured.

Being a well-established office with a good record in the selection of lives, the claims by maturity form the major proportion of the total claims. During 1952, the claims aggregated Rs. 55.91 lakhs, against Rs. 50.96 lakhs in the previous year; of the total claims, claims by maturity accounted for as much as Rs. 35.12 lakhs as compared with Rs. 32.96 lakhs in 1951. These are the claims, as shown in the balance-sheet. But since then, Rs. 10.84 lakhs have been paid.

The income for the year under review improved by Rs. 5 lakhs to Rs. 2.38 crores, of which Rs. 1.96 crores was derived from premiums, the balance representing the income through interest, dividends and rents. The outgo aggregated Rs. 1.18 crores, as against Rs. 1.42 crores. Of the total outgo, the expenses for the year at Rs. 48.23 lakhs were higher by Rs. 3.41 lakhs. This increase in expenses reflects the higher cost of office management, the salaries and other emoluments paid to staff, other than agents, which rose by Rs. 3.15 lakhs to Rs. 19.99 lakhs. The renewal expense ratio was higher at 17.37 per cent. as against 15.56 per cent. in 1951. The mean rate of interest earned during the year was somewhat lower at 3.54 per cent. as against 3.83 per cent. in the previous year.

There has been an impressive increase of Rs. 1.24 crores in the balance-sheet total which now stands at Rs. 13.74 crores. The assets include loans on the Society's policies within their surrender value to the tune of Rs. 1.00 crore, investments (at book value) Rs. 11.10 crores and house property valued at cost Rs. 0.93 crore. Loans on Society's policies have gone up by as much as Rs. 21 lakhs during the year under review. This increase is in line with the general experience of all insurers and indicates that the insured are increasingly turning to their insurers for accommodation. On the liabilities side, the life assurance fund has improved by Rs. 1.19 crores to Rs. 12.68 crores. The book value of the Society's assets in India, at Rs. 13.27 crores, is no doubt higher than their market value by Rs. 35 lakhs. But this difference is more than sufficiently covered by the reserve funds of Rs. 52.45 lakhs which include the investment reserve fund of Rs. 35.60 lakhs and building depreciation fund of Rs. 7.11 lakhs.

(*Concluded from next column*)

No provision has thus been made for payment of dividends on ordinary or preference shares; preference dividends are in arrears for the last three years. The Administrator has recognised that the first charge in the profit is the dividend on preference shares. He says: "It is, however, not possible to consider any dividend for the ordinary shareholders at the moment." He is fully justified in holding the view that prudence requires that, in the critical period through which the Company has passed, it should have the "powerful backing of strong reserves."

RESULTS OF JUPITER

WELCOME DECLINE IN EXPENSE RATIO

THE year 1952, to which the latest report and accounts of the Jupiter General Insurance Company, Ltd. (Administrator: Mr. R. Varadachari, Bombay), refers, is the first complete year under which the Company has been under the guidance of the Administrator. The Company was started in 1919 under excellent auspices, but, during the period 1942-50, there were as many as six changes in the management, the shares having been purchased by one group after another at prices which bore no relation to their market value or their intrinsic merit. These changes culminated with the arrest by the police, early in 1951, of the Chairman and a few others connected with the management for alleged criminal breach of trust and other alleged charges.

The Company, which is a composite office, transacts all the chief varieties of insurance business, namely, life, fire, marine, and miscellaneous business. The total premium income from all these departments declined from Rs. 83.77 lakhs in 1951 to Rs. 77.60 lakhs in the following year. This decline is almost wholly accounted for by the decline in the fire premium income, which was only Rs. 18.90 lakhs, as against Rs. 28.33 lakhs in 1951. In the life department, some notable changes have taken place. The Administrator has taken care to see that expenses are reduced to the minimum and that they are brought within the limit laid down by the relevant provisions of the Insurance Act. Thus, the renewal expense ratio was only 15.2 per cent. in 1952, as against 17.8 per cent. in 1951 and 24.4 per cent. in 1950. Gross interest yield on investments has gone up from 3.5 per cent. to 3.7 per cent. and the net yield from 2.9 per cent. to 3.1 per cent. New business in 1952 aggregated Rs. 106.40 lakhs, as against Rs. 108.63 lakhs in the previous year.

In the fire department, the net premium income has, as already stated, come down from Rs. 28.33 lakhs to Rs. 18.90 lakhs. This is in contrast to the general trend of fire business in the country. But the Jupiter's position was somewhat unfortunate, because the London market cancelled its reinsurance connections with the Company, following the proceedings against the ex-Directors of the Company. Mr. Varadachari undertook a visit to London last year and did much to repair the damage caused by the loss of reinsurance contacts. He now believes—this belief is shared by the London Managers of Jupiter—that the restoration of treaties, which is now taking place, will result in an improvement in the Company's results for 1953. In fact, the indications are, according to the Administrator, that "the fall has been arrested in the year 1953." The working of the fire department resulted in a profit of Rs 2.43 lakhs, as against Rs. 5.87 lakhs in 1951.

The marine department earned a net premium income of Rs. 4.48 lakhs, as compared with Rs. 4.75 lakhs in the previous year. The profit in the department was, however, higher by Rs. 0.30 lakh at Rs. 1.12 lakhs. In the miscellaneous section, the net premium income was somewhat lower at Rs. 14.85 lakhs, as against Rs. 15.82 lakhs. The profit position was, however, somewhat disquieting, for the working of the department resulted in a loss of Rs. 0.80 lakh as against a profit of Rs. 0.32 lakh in 1951. It is true that the miscellaneous section has not been working on a very profitable basis in most countries to-day. But there were special reasons why it was particularly unprofitable in the case of the Jupiter. The unfortunate result of the working of this section was "almost entirely due to the disastrous nature" of the business done for a short period in Trinidad where the previous management had opened a chief agency. The agency has since been closed down.

The credit side of the profit and loss account shows a total of Rs. 8.72 lakhs, inclusive of Rs. 3.55 lakhs being the profit transferred from fire and marine revenue accounts and Rs. 4.17 lakhs being the refund of income-tax relating to past years. The other side of the account shows a total outgo of Rs. 4.80 lakhs, inclusive of Rs. 3.01 lakhs being the loss on sale of investments. The balance for the year is thus Rs. 3.92 lakhs, which, together with Rs. 2.63 lakhs brought in from the previous year, makes in all Rs. 6.55 lakhs. Out of this, a sum of Rs. 2.50 lakhs has been allocated to taxation revenue and the balance of Rs. 4.05 lakhs has been carried forward.

(*Continued in previous column*)

THE BOMBAY MUTUAL LIFE ASSURANCE SOCIETY LTD.

NEED FOR EXEMPTING MUTUAL INSURERS FROM INCOME-TAX

MR. U. S. DESAI'S SPEECH

ADDRESSING the members of the Bombay Mutual Life Assurance Society Ltd. at the Annual General Meeting of the Society, held in Bombay on Monday, 14th September, 1953, Mr. Umakant S. Desai, Chairman of the Society, said that mutual insurers should be accorded, for income-tax purposes, the same status as co-operative insurers, and exempted from income-tax completely.

The following are extracts from Mr. Desai's speech:

New Business

"During the year the new business completed amounted to Rs. 4,32,87,250 as against Rs. 4,23,20,250 in the previous year. This shows an increase of about Rs. 10 lakhs over last year's figures. Considering the situation in which the Society was placed, the increase in business, though small, must be considered satisfactory. Our average sum assured per new policy issued during the year is Rs. 2,571, as against Rs. 2,600 in the previous year."

After referring to the various items regarding income and expenses, investments and organisation, he said:

Exemption From Tax

"In my speech last year, I had pointed out that mutual life companies should be exempted from income-tax completely. The question of taxation of life assurance companies, in general, needs fresh examination. The present basis of taxing a proportion of valuation surplus is theoretically unjustifiable. The appointment by the Government of India of a Commission to enquire into the taxation methods and practices of this country is, therefore, timely and welcome. Under the distinguished chairmanship of Dr. Matthai, it would be natural to hope for a full study of the special problems of life insurance taxation.

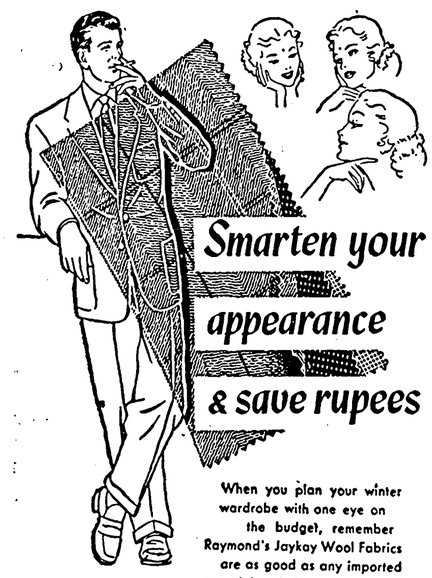
"Already, a few basic principles appear to have been accepted by Government. The inequity of taxing policyholders' share of surplus is probably recognised since the Government have now agreed to exempt 80 per cent. of such surplus from taxation, as compared to the previous limit of 50 per cent. In justice, 100 per cent. of such surplus must be tax-exempt. Secondly, the mutual offices have been charged a lower super-tax as compared to proprietary offices. In full justice to the mutual offices, they should be exempted from income-tax completely. The concession made by Government shows that they have appreciated the mutual offices' claims, though only in a small measure.

"To argue, as has been done in some quarters, that the mutual offices and proprietary offices carry on the same business and, therefore, there is no need further to differentiate between them, is to miss completely the essentials of the problem. All taxation of income is based on the status of the assessee. Different statuses, though employed in similar activities, are taxed at different rates. The structure of mutual offices is completely different from that of proprietary offices, and this fact has only to be recognised by the Government. The Government do appear to recognise the co-operative life offices to be different for they have differentiated them in taxation matters. Why should the same awareness be absent towards mutual offices? It would be interesting, in this connection, to quote section 95(1) (*a*) and (*b*) of the Insurance Act, 1938:

"(*a*) 'Mutual insurance company' means an insurer, being a company incorporated under the Indian Companies Act, 1913, or under the Indian Companies Act, 1882, or under the Indian Companies Act, 1866, or under any Act repealed thereby which has no share capital and of which by its constitution only and all policyholders are members, and

"(*b*) 'Co-operative life insurance society' means an insurer being a society registered under the Co-operative Societies Act, 1912, or under an Act of a State Legislature governing the registration of co-operative societies which carries on business of life insurance and which has no share capital on which dividend or bonus is payable and of which by its constitution only original members on whose application, the society is registered and all policyholders are members.

"It will be seen that the structure of these two types of companies is similar. The mutual and the co-operative offices are governed by identical sections of the Act. What is, therefore, applicable to co-operative life insurance companies should apply also to mutual life insurance companies. Indeed, the claim of mutual insurance companies is stronger, in view of the fact that, in their case, only and all policyholders are members, and no other class, e.g., 'original members' exists, as it does in co-operative life insurance companies."



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SOME PRINCIPLES OF INDUSTRIAL ARBITRATION

PAYMENT OF BONUS—ACTION AGAINST WORKERS DURING DISPUTE—LAST COME FIRST GO

(By "LIBRA")

IN the sphere of industrial adjudication, the birth of the Labour Appellate Tribunal was never regarded as an unmixed blessing. It was enthusiastically hailed by its admirers and denounced by its critics in no uncertain terms. Now, nearly after three years of its existence, the dust of controversy appears to have settled down to reveal this judicial institution in its proper perspective. There is no doubt that the Labour Appellate Tribunal has brought much needed uniformity in the decisions of the tribunals in all parts of India by laying down broad principles for their guidance and has exercised a steadying influence. The principles which have been enunciated and the precedents created by the decisions of the Appellate Tribunal have given a definite shape to the industrial law of the land and most of the solutions offered on the important problems of the day can now be tested on the touchstone of these decisions.

The principles laid down are no doubt salutary and have served their purpose well, but their practical application often reveals certain shortcomings which need attention. Let us take, for example, the problem of bonus. In its decision in Appeals Nos. 1 and 5 of 1950, the Labour Appellate Tribunal states that "where the industry has capacity to pay and has been so stabilised that its capacity to pay may be counted upon continuously, payment of 'living wage' is desirable; but, where the industry has not that capacity or its capacity varies or is expected to vary from year to year so that the industry cannot afford to pay 'living wages,' bonus must be looked upon as the temporary satisfaction wholly or in part of the needs of the employee." The payment of bonus is thus an attempt to bridge the gap between the actual wages of an employee and the living wage to which he is entitled.

In summarising the concept of living wage, the Committee on Fair Wages has said that "the living wage should enable the male earner to provide for himself and his family not merely the bare essentials of food, clothing and shelter but a measure of frugal comfort, including education for the children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes, including old age."

Why Not Monthly Payment?

Viewed from a practical angle, it is doubtful whether the annual payment of a lump sum as bonus can adequately satisfy the above needs of the worker, and ensure a decent standard of living for him. During the whole year round, he subsists on his inadequate wage and when he cannot make the two ends meet, especially during illness, or when he tries to escape the daily drudgery of his life by indulging in an orgy of social or religious celebrations, he runs into debt and into the clutches of a usurer. His bonus, when it comes, is frittered away in repaying the debt with usurious interest or else he is gulled into investing it in bogus ventures by sharpers who are ever ready to pounce upon ignorant victims. Would it not be better, therefore, to grant bonus monthly instead of annually? The available surplus for the payment of bonus, after deducting prior charges, can, of course, be calculated annually, but the tribunals can direct the payment to each worker in 12 equal monthly instalments. The monthly remuneration of a worker will thus consist of basic wages, dearness allowance and instalment of bonus. This would allow him to adjust his budget properly, for it has been a common experience that the worker spends beyond his income in the hope of the annual windfall of bonus. His standard of living will also be increased. It is quite wrong to imagine that a worker will save the amount granted annually as bonus. The proper way to provide for his future is by way of provident fund, gratuity and other social insurance schemes.

It would be appropriate here to mention an interesting innovation introduced in the grant of bonus by Mr. I. G. Thakore, an Industrial Tribunal of Bombay, in his recent award dated 20th April, 1953 in References (IT) Nos. 128 and 129 of 1952, between Lever Brothers (India) Ltd., Bombay, and allied concerns on the one hand, and the workmen employed in their commercial establishments on the other. In that award, the Tribunal has referred to the recommendation of the Planning Commission that "the payment of bonuses in cash should be restricted and the balance should go towards the worker's savings" and has expressed his considered opinion as follows:

"It may not be possible to insist on the workers' saving any part of their incomes, but I think it is very essential at any rate that some part of the bonus awarded should be compulsorily saved in the present context of our country's economy. Our country has launched upon the Five-year Plan, the success or failure of which ultimately depends upon the country being able to raise the finance required for implementing it. The workers, who are ultimately to benefit from the successful implementation thereof, must also contribute their share to the capital formation."

He has, therefore, directed that two-thirds of the amount awarded as bonus for the year 1951 should be paid to the workers in cash and the balance of one-third of the amount should be held in trust by the Company for those workers and invested in recognised securities which should be realised and the amount together with interest earned thereon should be paid to the workers as per their share some time between 1st and 31st of January, 1957. However, in case of death, disablement, discharge or dismissal, the whole of the bonus is to be paid to the worker concerned or his heirs.

Too Early to Judge

There is no doubt that this award has made an important departure from the usual practice of granting bonus. But it is still too early to say what would be the reaction of trade unions and workers in general to this principle of compulsory saving of a part of the awarded bonus.

It may be recalled that, in 1949, in the award of the Full Bench of the Industrial Court, Bombay, in Reference (IC) No. 7 of 1949, between the Millowners' Association, Bombay, and others *versus* their employees, the Court had expressed the desirability of ordering at least a part of the amount to be paid as bonus, in the form of National Savings Certificates and had recommended that the Legislature should look into the question whether it would be feasible for the Industrial Court to order such a mode of payment. In direct response to this recommendation, the Government of India promulgated the Industrial Tribunals Payment of Bonus (National Savings Certificates) Ordinance, 1949. Section 3(a) of this Ordinance directed that the second instalment of the bonus payable on or before the 30th June, 1949, under the terms of the award in Reference (IC) No. 7 of 1949, to the extent of two-thirds of the amount thereof, should be paid in the form of Post Office National Savings Certificates. These certificates were cashable and the textile workers of Bombay manifested their opposition to such a savings scheme in no uncertain terms by cashing the certificates as soon as they were received by them, which only duplicated the work of the post office staff.

The Government of Bombay has published in the *Gazette of Bombay* of 5th August, 1953, a Bill to amend the Payment of Wages Act, in its application to the State of Bombay. The amendment to section 6 of the Act provides for the payment of bonus, in excess of basic wages for two months (subsequently amended to three months) into the provident fund account of the employed person if he is a subscriber or for its investment in a manner prescribed by Government.

Another Principle

Another principle governing bonus is that "bonus can be paid if there is a surplus after meeting prior or necessary charges." No bonus need be paid if the profits are just sufficient to meet prior charges like depreciation, dividend, replacement and modernisation of machinery. Thus, even though the majority of the concerns in an industry make large profits, the workers in the concerns in the same industry which make losses, are not entitled to any bonus. Some of such workers might be the most efficient in the whole industry and yet their misfortune in joining such losing units would deprive them of such benefit. Certain trade unions have tried to raise the plea of mismanagement on the part of the losing concerns when, in a particular year, the industry as a whole has shown good profit-making capacity.

There was a good deal of strength in the above argument, especially so far as an industry like the cotton textile industry, which was subject to price controls of raw materials as well as the finished product, was concerned. But experience has shown that there is many a slip betwixt moral certainty and legal proof. To bring home a charge of mismanagement or fraud, especially when all the books of accounts are in the control of the other party, is no enviable task. Nor is it possible for the courts to allow a roving or fishing enquiry into all the transactions of a concern. Balance-sheets can be manipulated, especially in the case of concerns which cannot boast of a reputation for integrity, and substantial profits can be turned into sizable losses. It is not necessary to dilate on this aspect of the problem, as it will lead us to the innumerable alleys and by-lanes of malpractices of the managing agency system, which are too well known to need further expatiation. The much vaunted safeguard of auditing of accounts is nullified by the oft-quoted maxim that "auditors are watchdogs and not bloodhounds."

Good in Principle But Bad in Practice

While retrenching surplus employees for trade reasons, an undertaking has to see that those who have joined last go first. This direction of "last come first go," laid down by the Appellate Tribunal, is quite sound in principle. But, in practice, it may happen that the men who joined last are technically more efficient than some of their more senior colleagues. If, owing to adverse circumstances or a sudden trade slump, the management is forced to wield the axe of retrenchment, it would naturally fall on these juniormost employees. It may, of course, be argued that, if the senior employees are utterly inefficient, they could be discharged after charge-sheeting them and proving their inefficiency. It may also be said that workers who were inept in their work ought to have been discharged before their probationary periods were over. Even in the case of general retrenchment, the Labour Appellate Tribunal has allowed the inclusion of senior employees where inefficiency has been proved. But there is a great deal of difference between utter ineptitude and comparative inefficiency. Judged by ordinary standards, both the junior and the senior worker may be efficient, but, if, as between the two, the junior worker is more efficient, then certainly it would be more useful in the interest of production to retain the junior worker. The management, of course, would be the authority most competent to decide the comparative superiority of merits or technical ability as between two workers, subject to the condition that it acts without any ulterior motive. It should be open to an aggrieved worker or a union on his behalf to approach a tribunal with an allegation of unjust discrimination.

During Pendency of Dispute

I shall now come to a question which is of vital importance to managements. During the pendency of an industrial dispute before a tribunal, the management cannot suspend, discharge, or dismiss any worker, or make any change in his service conditions without obtaining prior permission of the Tribunal. An application for obtaining such permission has to be made before the Tribunal under section 33 of the Industrial Disputes Act. The Labour Appellate Tribunal has laid down the principle that such a permission can be granted from the date of the order on the application and not with retrospective effect. In case a concern applies for permission to dismiss a worker who is guilty of a misconduct like theft, assault or any other act subversive of discipline, the management can, of course, suspend the worker until the permission to dismiss him is granted by the Tribunal, but, during the period of such suspension, his wages with dearness allowance will have to be paid.

Normally, the period, from the date of filing an application under section 33 to the date on which an order is made after hearing the parties, varies from 15 days in very urgent cases to about two or three months. Since due notice of hearing is to be given to the parties and hearing might be prolonged to allow evidence to be led on both sides or owing to adjournment granted on reasonable grounds, it cannot be said that, on an average, the time taken to decide such applications is inordinate or excessive. On the contrary, it must be said

(Continued on page 549)

FERTILISERS & CHEMICALS, TRAVANCORE LTD.

CHAIRMAN'S SPEECH AT NINTH ANNUAL GENERAL MEETING

FINANCIAL ASSISTANCE FROM GOVERNMENT URGED

THE fear that the prospects for the Fertilisers and Chemicals, Travancore Ltd., were bleak was dispelled by Mr. N. Ranganadhan, the Company's Chairman, in the course of his address at the Ninth Annual General Meeting of the Company, held at Alwaye on 5th September, 1953. The factory, Mr. Ranganadhan declared, was in a position to give a good account of itself if kept supplied with full requirements of raw materials. He, however, expressed concern over the accumulation of large stocks of ammonium sulphate, as a result of high level of production at Sindri and heavy arrivals of imports. He, therefore, urged the Government of India to assist the Company by arranging to lift the stocks as and when produced. Mr. Ranganadhan also wanted the Government to evolve a scheme by which regular offtake of the product at a fair price could be assured. In this connection, he put forward a plea for some sort of subsidy on the product manufactured by the Company till such time as the Company was able to reduce its cost of production by enhancing the plant's capacity. He emphasised, too, the need for financial assistance from world organisations for duplicating the ammonia plant and utilising the ammonia thus produced for the manufacture of additional quantities of ammonium sulphate and new products.

The following is the full text of Mr. Ranganadhan's speech:

"GENTLEMEN,

"It gives me very great pleasure to welcome you to this ninth annual general meeting of the Company and to present to you, formally on behalf of the Board of Directors, their report on the working of the Company for the year 1952. The balance-sheet and profit and loss account have already been circulated to you.

"As you would have seen from the published report, this year's working has shown a net loss of Rs. 15.82 lakhs. Though this figure looks staggering at first sight, the working of the factory was not so dishearfening as one may be tempted to conclude from the loss reported. In spite of the numerous handicaps the Company suffered from during the year under review, which practically kept the plant idle for the first 7½ months, it is encouraging to find that the Company was able to make up for a substantial portion of the loss during the last 4½ months. The fact that 14,622 tons were produced during the 4½ months amply proves that this factory is in a position to give a good account of itself if kept supplied with its full requirements of raw materials.

"I would like to take this opportunity to dispel the fears entertained by some of the shareholders of the Company about the future of this industry. There are, of course, certain handicaps facing this industry, at present, to get over which we require the assistance of the Government of India. I shall deal with them in detail later. I shall first try to answer a question that is sometimes asked and that is: What has the Company done during its few years of its existence?

Return on Investment

"The absence of regular dividends and the very low price at which the shares are now being quoted in the market may lead one to believe that the Company has not justified itself. But it must be remembered that a quick return on investment is not always the criterion by which to judge the success of an enterprise. In an article published recently in the *Eastern Economist* under the caption 'Tatas Dividends—A Provocation to Labour,' the following lines appear:

"'Tatas is the biggest single unit of its kind in the British Commonwealth and one of the biggest in the world, but nobody could have foreseen when the Company was founded with a capital of Rs. 66 lakhs in 1907, and a revenue of Rs. 90,000 that, 44 years later, its capital would be Rs. 10 crores and its revenue Rs. 41 crores. On the contrary, in 1907, the Company's prospects were full of difficulties and risks. The Company failed to pay a dividend in no less than 18 out of its first 28 years, and it averaged only 3 per cent. per annum throughout that period. Indeed, if it had not been for the unforeseen demands made on the Company's production during the 1914-18 war, the statistics suggest that the investor of 1907 might have had to wait until 1935 before he got an anna. To-day, Tatas stands out as a first class investment, yielding a safe 5 per cent. at the current price (the sort of share into which a broker would not hesitate to put the proverbial widow's funds), but, between 1907 and 1935, Tatas could only have been classed as highly speculative. Our courageous investor of 1907, who backed his faith in Tatas unforeseeable future, did not begin to reap his reward until the years following 1936.'

"I do not say our shareholders should wait equally long.

Share of Troubles

"If we were to compare the early histories of other chemical factories, similar in size to ours, it will be seen that our working upto now cannot be considered to be too unsatisfactory. Any factory of the magnitude and complexities of manufacture, such as ours, normally takes a number of years to get stabilised and yield a return to the shareholders. Our share of troubles cannot be considered to be excessive when compared to similar units in countries like Germany and England, which are fully industrialised.

"We have had to compete with ammonium sulphate imported free of duty by the Government of India. While other indigenous products have tariff protection, we get none. The position is aggravated further by our having to pay duty on imported raw materials which go into the production of ammonium sulphate. Representations have been made to the Government of India and the Planning Commission requesting them to give us immediate relief from such disadvantages, which so seriously militate against rapid progress of our industry.

Satisfactory Progress

"In spite of many handicaps, this factory has been able to produce and market over 125,000 tons of sulphate, thereby contributing substantially to the food production drive in the country and effecting, incidentally, a saving in foreign exchange of about Rs. 4 crores.

"We have also paid over Rs. 2½ crores for direct and indirect labour, so far, and continue to disburse about Rs. 4 lakhs every month by way of wages. These are no insignificant contributions to the country's economy.

"A scrutiny of the working of the factory during the last 4½ years, since commencement of commercial production, will show that it has really earned a revenue surplus of over Rs. 99 lakhs. According to the accepted canons of correct accounting, this amount has been utilised towards depreciation for 'whatever indirectly consolidates the position of the Company is to its ultimate benefit.' I can well understand that this procedure may not give some shareholders satisfaction, in that no immediate return has been offered to them. I am sure you will agree that it is imperative we should strengthen and consolidate our financial position before considering the payment of dividend.

Handicaps

"It is both necessary and desirable that shareholders should know the problems that are confronting the Company now, and the steps your Board of Directors and the Managing Agents have taken to solve them.

"Since the commencement of production in Sindri, the supply position of ammonium sulphate in this country has become quite easy, measured in terms of our present meagre consumption. Besides indigenous production, there have also been very large imports of ammonium sulphate by the Government of India under the T.C.A. programme. Even though the Government have now decided not to import further supplies, the quantities they are already committed to are still being received. These arrivals are creating a temporary glut in the market which threaten to slow down absorption of our present production.

"In order to overcome this difficulty, several representations were made to the Ministry of Food and Agriculture, as a result of which they finally agreed to take our production from June, 1953 into the Central Fertiliser Pool. The Governments of Travancore-Cochin and Madras fully supported us in our efforts in this direction. We have not, however, been receiving timely instructions for despatches of current production which is of the order of 4,000 tons per month. Necessary representations have been made in this regard and your Board confidently expects that the Ministry of Food and Agriculture would assist us by arranging to lift the stocks as and when produced.

"This pool arrangement is expected to last only till the end of the year. The Managing Agents have addressed the Ministry of Commerce and Industry, inviting its attention to the factors which render necessary the continuation of the pool. Alternatively, the Ministry has been requested to evolve some other arrangement by which regular offtake of our product at a fair price could be assured.

Financial Assistance

"The factory at Sindri has, because of its size and location, substantial advantages over this factory and is in a position to produce ammonium sulphate at a price cheaper than ours. As such, if the Sindri Factory is permitted full freedom to sell in the South Indian markets without any restriction, it is certain to hamper our sales seriously. For meeting this situation, we have already addressed the Ministry of Commerce and Industry seeking their assistance for a subsidy on our product till such time as we are able, to reduce our cost of production by increasing the plant's capacity. In this connection, a scheme has been submitted to the Government of India seeking their support for financial assistance from world organisations for the duplication of our ammonia plant and for the utilisation of the ammonia thus produced for the manufacture of additional quantities of ammonium sulphate, as also of new products like ammonium phosphate and ammonium chloride. This scheme, when completed, is expected to bring down the cost of ammonium sulphate to an extent that will enable this factory to withstand competition without any subsidy.

Reasonable Price

"The Government of India have also been approached for an assurance that a reasonable price for our product will be fixed after a price investigation has been carried out into our costs of production. This request is based on the principle, followed by the Government of India, of giving assistance to the steel and other industries where units of different capacities and sizes are assured of a reasonable price for their products, with a view to making the maximum use of the total productive capacity available in the country. Our request is all the more just and equitable as the competition we have to meet is from the Sindri Fertiliser Factory, a massive unit established by the Government of India, not as a monopolistic venture, but as a model of corporate endeavour.

"The Ministry of Food and Agriculture is at present doing its utmost in the field of intensive cultivation, which, naturally, should result in the increased consumption of ammonium sulphate and superphosphate. If the application of these fertilisers reach even half the rate at which they are used in countries like Japan, Germany, the U.K. and the U.S.A., there will be need for many more factories in our country to meet the increasing requirements. We may be confident, therefore, that the Government of India will not hesitate to grant us the much needed assistance we have sought of them.

Prospects for 1953

"Now, I may touch on our prospects for 1953. As indicated in the Directors' report, which you received earlier, the raw material position, especially that of sulphur, has considerably eased since September of last year and this is reflected in the production figures for September-October-November-December, 1952. This rate of production could easily have been maintained right from the beginning of this year but for the very severe electricity rationing that was introduced by the Electricity Department, due to extreme drought conditions in this State. The factory was obliged to reduce production to half rate from the 20th January, 1953, and later was compelled to suspend all operations from 12th March to 20th June, 1953. This shut-down resulted in a loss of production to the extent of about 15,000 tons. Since the removal of power restriction, the factory has maintained a very high rate of

(Continued on page 549)

TAX MUSINGS

GROSSING UP OF FOREIGN ANNUITIES

AUTHORITIES FOLLOWING WRONG PRACTICE

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

A VERY intriguing point recently cropped up in one of the assessees' cases. An Englishman resident in India had income from dividends from English companies. He was also the recipient of certain annuities, tax on which, under the U.K. Income-tax, was deducted at source.

The Income-tax Officer, in computing total income, held that the income received by the assessee in the U.K. is liable to be taxed gross. He argued that the income is that which accrued and due from the company. The fact that, under the law, portion of the income is retained or deducted as tax, did not, any the less, mean that it was not your income from which tax had been paid at source. *Prima facie*, this seems to be highly plausible. But on a closer scrutiny of the provisions of law one comes to quite the opposite conclusion.

One such case was already before the Bombay High Court *C.I.T.* vs. *Blundell Spencer & Co., Ltd.*, 1952 (21) I.T.R. 28

That an assessee, a non-resident company registered in the U.K. with its head office in London, received dividend in respect of shares held by it in the company which was assessed to income-tax both in the U.K. and in India. The authorities held that, in grossing up the U.K. dividend, they were entitled to take into consideration the tax paid by the company in the U.K.

The Court held that they were not so entitled to take into consideration the tax paid by the company in the U.K. In the course of their judgment, they observed that sections 16(2) and 18(5) of the Income-tax Act constituted self-contained provisions with regard to grossing up of dividend income and with regard to the relief to be given to an assessee in respect of that grossing up. Section 49B dealt with an altogether different matter, namely, a case where a refund was asked for by the assessee.

Section 16(2) can only apply to income-tax paid by a company in India at the rate laid down by the Finance Act and it cannot apply to the tax paid by a company outside India. There is no provision in the Act for adding to the dividend of a shareholder the tax paid by the company outside India.

When the attention of the Income-tax Officer was drawn to this decision reported in 1952 (21) I.T.R. 28, he agreed that the dividend from the U.K. company should not be grossed up; but he still held that, so far as annuities received from companies in the U.K. were concerned, he was entitled to tax the same gross and not *net* as contended by the assessee. He said that the decision in the above case was an authority for taxing the U.K. dividend income *net*, not an authority for taxing net any other payment annually received from which tax is deducted at source in the U.K. The annuity receivable from the company was the assessee's income and not the one after income-tax is deducted. He cited the instance of interest on Government securities under the Income-tax Act. The income that is taxable is the income which accrues and due on these securities. Tax paid is merely a tax deducted at source for purpose of convenience.

The assessee contended that the argument and the analogy of the Income-tax Officer were both fallacious.

Under the charging section what is taxable is income. And what is income? Something which satisfied the concept of incoming. In *Shaw Wallace's* case (6 I.T.C. 178), the Privy Council laid down the following definition of income:—

"Income in this Act connotes a periodical monetary return 'coming in' with some sort of regularity or expected regularity from definite sources. There must be a 'coming in' in order to satisfy 'income'."

Receivability without receipt for the purpose of income-tax is nothing at all. In *Arunachalam Chetty*, 1 I.T.C., 90, it was laid down that to be income it must become a present enforceable right to demand. In other words, "income" can be income only if it was so completely under his control, that, by an act of his will, he could have it actually transferred to his bankers. It is because of this concept of income you find the provisions of section 18 are framed. Take section 18(3). It says:

"The person responsible for paying any income chargeable under the head 'Interest on securities' shall (unless otherwise prescribed in the case of any security of the Central Government) at the time of payment deduct income-tax but not super-tax on the amount of the interest payable at the maximum rate."

This, therefore, provides that the person paying interest on securities shall always deduct tax at the maximum rate.

Then follow sub-sections (4) and (5) which run:

"All sums deducted in accordance with the provisions of this section shall, for the purpose of computing the income of an assessee, be deemed to be income received.

"Any deduction made in accordance with the provision of this section (and any sum by which a dividend has been increased under sub-section (2) of section 16) shall be treated as a payment of income-tax or super-tax on behalf of the person from whose income the deduction was made, or of the owner of the security or of the shareholder, as the case may be, and credit shall be given to him therefor in the assessment, if any, made for the following year under this Act."

These two sub-sections provide that sums deducted under this section, notwithstanding that they are not receivable by the assessee, will be deemed to be income received by the assessee. Now the legal connotation of the word 'deem' is that, whereas it is not in reality so, the statute requires to be treated as if it were, 4 I.T.C. 312 (P.C.) 1947, I.T.R. 311, 319 (F.C.). Hence it becomes crystal clear that tax deducted at source is not an income in its natural factual sense. It does not and cannot satisfy the concept of "coming in" postulated in the above decisions. It was, therefore, found necessary in section 18(4) that sums deducted as tax shall, for the purpose of computing the income of an assessee, be deemed to be income received. Such a fiction of last was not necessary. Therefore, it follows that that part of annuity deducted at source as tax can never be one's income, unless an artificial definition is provided in the Act itself. Section 18(4) creates a fiction for Indian taxes deducted, not for foreign taxes from a foreign income. Foreign income that can only be taxed thus is the income which is receivable or actually received. And in this case what is received by the assessee is the net annuity.

Apart from this, let us refer to the English Income-tax Act. U.K. Finance Act 1927, section 39(2), runs as follows:

"In estimating under the Income-tax Acts the total income of any person, any income which is chargeable with income-tax by way of deduction at the standard rate in force for any year shall be deemed to be income of that year, and any deductions which are allowable on account of sums payable under deduction of income-tax at the standard rate in force for any year out of the property or profits of that person shall be allowed as deductions in respect of that year, notwithstanding that the income or sums, as the case may be, accrued or will accrue in whole or in part before or after that year."

Here also it is distinctly provided that, for the purpose of the total income under the U.K. Income-tax Act, it shall deem as income that portion which is deducted by way of tax. And that is so, because in so grossing up, credit is given to the assessee in his own assessment. But this grossing up in the U.K. is done under a distinct section of the Act providing the necessary fiction of law. Such grossing up is done for the purpose of the U.K. Act only. It cannot follow that the Income-tax Department here can also gross up such annuities for purpose of the tax in India, although there is nothing in section 18(5) which enables it to give credit to the assessee of the U.K. tax paid by him. The observation of the Bombay High Court in *C.I.T.* vs. *Blundell Spencer & Co., Ltd.*, 1952 (21) I.T.R. 28, are specific on the issue. And the argument briefly is that, if you cannot give a credit to a person under section 18(5), you are not entitled to gross it up under section 16(2). The argument of the Bombay High Court would apply thus, *mutatis mutandis*, even for annuities, which, under the provision of the U.K. Act., the assessee is only entitled to receive net after deduction of tax at the standard rate therefrom. The decision in the aforesaid case applies not only to foreign dividends, but also to annuities.

The matter, though it seems to be *prima facie* in favour of the Income-tax Department's view, appears, on a closer scrutiny of the Act, to be entirely in favour of the contention raised by the assessee. The assessee is entitled in law to succeed.—*All Rights Reserved.*

CONSERVATION OF SOIL

CENTRAL BOARD TO BE SET UP

THE Government of India is expected to set up shortly a Central Board, as recommended by the Planning Commission, for the formulation and implementation of policies in the closely allied fields of land utilisation and soil conservation. The Board will organise and initiate research in soil conservation on various types of land put to different kinds of use like forestry, agriculture and grazing. It will also assist the States in the enactment of suitable legislation, providing for the formation of co-operative associations of farmers and delegation of powers to them for the execution of specified improvements on agricultural lands. It is further expected to co-ordinate inter-State soil conservation programmes.

The need for the establishment of such a Central Board is a long-felt one. For large areas in different parts of the country have been desiccated as a result of soil erosion. The areas, the productivity of which is reduced consequent on moderate soil erosion are much larger still. Sheet erosion, which consists of the washing away of fertile top layers of the soil, is the most extensive form of erosion occurring even on moderately sloping land. Gully erosion, which generally starts after sheet erosion, has remained unchecked for some time, thereby rendering large areas useless. The area of this type of erosion is steadily on the increase. In the dry western parts of the country, erosion as a result of wind action and covering of crop-lands by desert sands along the margins of the Rajasthan Desert constitute serious problems.

The most important cause of erosion is the destruction by wind and water of sloping lands, desert margins and other areas susceptible to erosion. Vegetation acts as a protective cover against these forces protecting the soil from being washed or blown away, thereby preserving the hydrographic balance of nature. Forests, for instance, provide an effective protection against erosion on hill slopes. They check floods in rivers.

The destruction of trees and natural grasses in dry areas has similar harmful effects. Trees act as wind-breaks, reducing the forces of the wind and the grasses bind the sandy soils. But, when such protective vegetation is destroyed, the sandy soils, exposed to the full force of the wind, begin to be blown away. Large areas in the marginal zones of the deserts are thus rendered unproductive by the deposition of sand. It is believed that many deserts of the world, including the Thar Desert of India, have increased in area in historical times by this process.

Shifting Cultivation

The causes for the destruction of forests and soil erosion and the nature and severity of the erosion problem vary greatly in different parts of the country. In some areas in the States of Assam, Bihar, Orissa and Madhya Pradesh, shifting cultivation, which is practised by the tribal people living in these areas, is a major cause for the destruction of forests. Unregulated grazing is another cause of destruction of forests and consequent soil erosion over large areas in all parts of the country. In North-western Himalayas, for instance, grazing by cattle, sheep and goats is the most important cause of depletion of the vegetation cover and soil erosion. Similarly, in large parts of peninsular India, the destruction of forests and soil erosion are mainly due to over-grazing. Intensive felling of trees to obtain fuel or timber and clearance of forests for extension of cultivation under the pressure of demand for agricultural land from the increasing population are other important causes of deforestation and soil erosion.

Besides damage caused as a result of the destruction of forests, considerable erosion results from faulty land-use practices by agriculturists on farmlands themselves. Failure to practise such measures as ploughing along the contours on sloping lands, proper crop rotations and, in particular, growing of cover crops are causes of erosion over large areas. Much damage originates also from negligence of fallows, grazing lands or uncultivated waste lands.

Measures for controlling erosion and reducing productivity of eroded lands can be divided into four classes. The first relates to regulation of land use. This includes all measures for securing such alteration in the existing patterns of land use as are necessary to ensure that the different types of lands are used according to their land-use ability, i.e., the use for which, in view of their physical characteristics, they are best suited. Retiring cultivated lands in highly erosive areas from cultivation and bringing them under forests or grazing, restrictions on or closure of grazing in badly eroded forests, or grazing lands, and settlement of shifting cultivators to permanent cultivation are examples of the type of alterations which are needed. Secondly, there should be planned afforestation of forests by scientific forest management. Thirdly, there should be improvement of land-use practices, which include such measures as ploughing along the contours, strip-cropping on sloping lands and the like. Finally, engineering measures such as the construction of bunds and terraces, check dams, channels for drainage of surplus water, gully plugging, etc., should be undertaken.

Steps for the control of erosion and conservation of soil have been taken for a number of years in certain States like Punjab (afforestation in Sivalik hills) and Bombay (bunding and terracing work in Deccan). More recently, soil conservation work has been taken up in several other States also. But there has been no country-wide effort in this direction so far and even in States, where the work has been going on, this has been on a limited scale. The Central Board to be established is expected to perform this work.

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EMPIRE OF INDIA LIFE ASSURANCE CO., LTD.

1952—ANOTHER YEAR OF SUCCESSFUL WORKING

PUBLIC CONFIDENCE IN COMPANY REVIVED

THE accounts of the Empire of India Life Assurance Company, Ltd., for the year 1952, together with the report of the Administrator (Mr. R. Varadachari, Bombay) thereon have just been published. The management has been conducted on the most conservative lines, particularly in the matter of investments. Almost all the new investments have been made in first class Government and semi-Government securities and adequate steps have been taken for safeguarding the other investments.

The Administrator has been able to reduce the cost of head office management to a remarkable extent, without affecting the quality of service to the policyholders, namely, from Rs. 22,803 per mensem in 1950 to Rs. 9,853 per mensem in 1953. The overall expense ratio has also been brought down. The rate of interest earned is satisfactory and the mortality experience is very favourable.

The following are extracts from the Administrator's report:

"It is satisfactory to note that the confidence of the general public in the improvement of the financial position of the Company, consequent on its management by an Administrator under Government's auspices (this was the first venture of this kind, so to say), has been growing from day to day. When I took over the Company on the 11th June, 1951, the market quotation for its shares was in the neighbourhood of Rs. 400 per share, but the price improved from time to time and the latest quotation is Rs. 627-8 per share. Another pointer in this direction is the fall in the number and the amount of 'surrenders' by the policyholders of the Company during the year.

Statutory Valuation

"The statutory valuation of the Company's assets and liabilities as at 31st December, 1951, was finished on 23rd September, 1952, and this showed that the Company was intrinsically sound and financially strong. After setting apart reserves amounting to Rs. 119 lakhs to meet all contingencies (which sum very few companies in India would be able to find in a time of stress), the valuation showed a profit of Rs. 76,54,366." Of this, slightly more than Rs. 52 lakhs were allotted to policyholders, providing a bonus of Rs. 10 per thousand per annum on whole life assurances and Rs. 8 per thousand per annum on endowment assurances. Rs. 4,02,093 were allotted to shareholders, increasing the shareholders' fund to Rs. 7,64,392. The Administrator accordingly declared (after obtaining direction from the Controller of Insurance) a dividend of Rs. 20 per share for the year 1951.

Importance of Life Assurance

"Life assurance is a specialised kind of saving; it is not the mere accumulation of money but something more. Field workers usually appeal to prospects by stressing the most compelling motive for any person to go in for life assurance, i.e., the desire to discharge his responsibility to his dependents and to make provision for his old age. For the middle-class man there is no better method of saving than by life assurance policies, because they combine an element of saving plus a cover in the case of early death. The taking of an insurance policy often amounts to the postponement of avoidable expenditure; this not only benefits the policyholder and his family, but it is a matter of national importance at the present day. If the Five-year Plan of the Government of India for increasing the wealth and the prosperity of the country is to be a success, as we all hope, it is most essential that the flow of savings through life insurance should be increased so that a good portion of it could be canalised into investments on national development loans. As the average value of a policy in this Company is only about Rs. 2,200, it is a justifiable inference to say that it is the middle class which provides much of the premium; and this class, which has been very badly hit by the prevailing economic conditions, has every right to expect that the companies which receive their hard-earned savings must render a true and faithful account of their moneys.

"As the policyholders are spread over the whole of India and even outside, it is not a practical proposition to expect them to take any effective steps to control the companies' affairs. It is, therefore, the paramount duty of the management to see that the balances of the premiums received, after meeting all claims and expenses, are invested in absolutely safe investments, always keeping in view the interests of the policyholders. Thus, my most important duty has been the continuous scrutiny, in consultation with our legal advisers, of the investments made in the past in the shape of loans to private parties, debentures of companies, mortgages, etc., and to take steps to call back the loans or to secure them by appropriate action.

Investments

"I have been able to recover nearly Rs. 40 lakhs from various parties and have invested the entire sum in Government securities. In regard to debentures of companies incorporated in India—Rs. 1,08,45,000—they represent the investments in four companies made by the previous management, out of which two blocks amounting to Rs. 60 lakhs are redeemable in July, 1957, and the rest partly in 1959 and partly in 1960. Mr. M. J. Rao, the Deputy Administrator, has been nominated, at my instance, as a trustee on behalf of the debenture-holders in one company and Mr. R. B. Pradhan, the Manager, in the other. In addition, Mr. V. H. Deshpande, F.C.A., partner of Messrs. Batliboi and Purohit, has been nominated, at my request, as the Auditor on behalf of the debenture-holders for these two companies. Steps have also been taken to bring down the total of the debentures within the statutory limit prescribed in section 27A of the Insurance Act, 1938. From the 11th July, 1951, onwards up to date, the investments made by me out of current receipts (including opening balances), after meeting all expenses, in securities of the Government of India and of the various States amount to about Rs. 1,40,00,000 so that the total investments in Government securities made within the last two years amount to over Rs. 1,80,00,000. I have deliberately concentrated only on Government securities of the appropriate type in the interests of the policyholders with a view to having, as far as possible, a better spread of the investments than in the past. As these investments have been made only in dated loans, temporary variations in their values can be regarded with some degree of equanimity.

Progress of New Business

"During the year, 13,199 proposals were received for assurances amounting to Rs. 3,86,23,790. Of these and others awaiting completion at 31st December, 1951, 10,058 proposals resulted in policies for Rs. 2,81,45,900, representing an annual income of Rs. 15,27,096 and Rs. 33,008 by single payments. The new business completed during the year was less than that of the previous year by 6.84 per cent. but this fall gives no cause for alarm. As a matter of fact, the new business in the first six months of 1953 has already shown a decided improvement over the figures for the corresponding period of last year.

Code of Conduct

"Attention is now being focused on getting good quality business, because the investigations about the new business of the last few years show that a good deal of it has gone off the books. The percentage of lapses to the total business in force at the beginning of the year was 5.50 as against 6.03 in 1951 and 9.68 in 1950. Every company's report deplores the terrible percentage of lapses prevailing in India but nothing seems to happen about it and the phenomenon seems to recur year after year in respect of every company! This seems to indicate that there is something inherently wrong in the methods of business. It is to be hoped that the new Code of Conduct prescribed recently will improve the tone of the field organisation and that there will not be the unseemly scramble for companies to snatch away agents and inspectors who are reported to have done well in some other company, whether that report was well-founded or not.

Expenses

"The overall expense ratio in the year was 26.93 per cent. as against 27.43 per cent. in 1951 and 30.31 per cent. in 1950. Every effort is being made to reduce the expense ratio and as a matter of fact the expenses on the pay and allowances of officers in the head office have been cut down ruthlessly, as will be seen from the following statement:

Monthly Average of Pay and Allowances of the Officers in the Head Office

1950	...	...	...	...	Rs. 22,803
1951	...	...	...	...	,, 13,469
1952	...	...	...	...	,, 10,717
1953	...	...	...	...	,, 9,853

Business in Force

"The total number of policies in force as at 31st December, 1952, is 1,36,928 assuring a sum of Rs. 29,60,56,165 inclusive of bonus, of which Rs. 28,70,158 (inclusive of bonus) is reassured. The total number of annuity policies in force is 46 with an annual payment of Rs. 63,239.

Claims

"The claims for the year, inclusive of bonus additions, amounted to Rs. 58,96,062 as against Rs. 61,49,263 in 1951. This reduction was almost entirely due to the fall in the claims by death which amounted to Rs. 15,83,485 as against Rs. 18,31,830 in 1951. The mortality experience of the Company continues to be very satisfactory.

Income and Outgo

"The income for the year amounted to Rs. 1,50,33,393 (after deduction of tax at source) of which Rs. 1,17,10,606 was derived from premiums. The outgo amounted to Rs. 94,61,900. The excess of income over outgo is Rs. 55,71,487.

Rate of Interest

"The rate of interest earned during the year (after deducting income-tax at source but including the refunds obtained) was 3.56 per cent. In the previous year the rate was 3.22 per cent. but no refund of income-tax was given in that year. This result should be considered quite satisfactory when it is remembered that nearly Rs. 92 lakhs of the investments shown in the balance-sheet, i.e., the loans to 12 parties at Delhi and the sum due by the Discount Bank of India Ltd., Bombay, in liquidation, have not earned any interest at all."

THE
UNION BANK OF INDIA LTD.
Estd. 1919
Head Office:
APOLLO STREET, FORT
BOMBAY
Capital Paid-up .. Rs. 40,00,000
Reserve and other Funds Rs. 30,00,000
Chairman:
M. S. CAPTAIN, Esq.
OVERSEAS BUSINESS
Special Department at the Bank's Head Office is fully equipped to handle every description of Overseas Banking Business.
INQUIRIES ARE INVITED
London Agents:
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NATIONAL CITY BANK OF NEW YORK
Australian Agents:
AUSTRALIA & NEWZEALAND BANK LIMITED
F. K. F. NARIMAN,
General Manager.

FUTURE OF COMMODITY CONTROLS

ENACTMENT OF CENTRAL LAW SUGGESTED

THE Report of the Commoditv Controls Committee and the Government of India's resolution thereon, placed before Parliament on the 9th inst., have come at a time when controls are being relaxed in many spheres of economic activity and when even imports of some foodgrains by private enterprise are proposed to be allowed. It is, therefore, not surprising that the Committee's work has not received much attention. It is, indeed, doubtful whether the Committee has served any useful purpose, except in one respect, namely, the future of the Essential Supplies Act of 1950. Nevertheless, a brief review of the Committee's findings may be recorded here, if only for purposes of record.

The Commodity Controls Committee, it will be recalled, was appointed under the chairmanship of Mr. S. V. Krishnamoorthy Rao, Deputy Chairman of the Council of State, on 24th October, 1952. The other members of the Committee were all officials of different Ministries of the Government of India, and included Mr. H. P. Pai, Joint Secretary, Ministry of Production; Mr. P. A. Gopalakrishnan, Ministry of Food and Agriculture; Mr. L. K. Jha, Ministry of Commerce and Industry and Mr. B. N. Lokur, Ministry of Law. Mr. M. A. Mulky, Assistant Economic Adviser, Government of India, was the Secretary. The Committee's terms of reference were (a) to examine the working of (i) the Essential Supplies (Temporary Powers) Act, 1946, (ii) the Supply and Prices Goods Act, 1950, (iii) the Drugs Control Act, 1950, and other orders and notifications thereunder, (b) to make recommendations for the revision or repeal of any of the said laws with a view to improving the existing system of controls, and (c) to streamline the control orders and notifications.

The findings of the Committee on the effects of commodity controls on the economy reveal the prevalence of divergent views on the subject. One view held mostly by chambers of commerce was that controls had failed in their objectives and that their effects on the general economy were adverse, as they affected production. As regards supply and distribution controls, it was felt that they failed to make available the goods to those who needed them, while disorganising the established trade channels. Lastly, it was held that they brought about black markets, corruption, hoarding and other practices. Contrary to these views were those held by the State Governments. These pointed out that (a) the existence of controls did not hamper production, (b) prices of essential commodities were stabilised at reasonable levels, (c) proper supply and distribution of the commodities were achieved, and (d) but for controls, equitable distribution of the essential commodities would not have been possible. Some trade associations, too, would appear to have subscribed to this view, with, of course, certain important reservations.

Views Non-commital

The Committee's views on controls are, however, non-commital. It says:

"Our approach to the question of controls. . . is not an academic one. We do not debate whether, in theory, controls are good or bad. We recognise that there are times when controls are necessary and equally that, at times, they may be harmful. Once it is conceded that controls do fulfil a useful function under certain conditions it follows that Government must retain the powers to exercise controls whenever the situation so warrants. Equally, once it is recognised that controls, if wrongly applied, could do a good deal of damage, it becomes obvious that the exercise of those powers must be under constant review and their applications adopted to changing conditions with the least loss of time."

Emphasising thus the need for the Government to review, from time to time, the exercise of its powers to control, the Committee proceeds to give another reason why controls of some form or other are necessary; and that is for purpose of planning. "When a country has chosen, as India has," it observes, "the path of planned progress in the economic field, Government must, in the last analysis, retain the power of overall guidance and control. We have in the rest of the report tried to take cognisance of the need to retain a certain reserve of powers, on the one hand, and the need to relax unnecessary controls, on the other." These observations form the basis of the Committee's recommendations regarding the future of controls in India.

The Committee's main recommendation relates to the enactment of "a single permanent and consolidated law conferring upon the Central Government reserve powers to enable the exercise of control over any commodity at any time." The implementation of this law involves the amendment of the Indian Constitution. This can be done in either of two ways. One of them is to transfer entries 26 and 27 of the State list to the concurrent list. These entries relate to "trade and commerce within the State and production, supply and distribution of goods." If this is not possible, the other alternative is to amend the Constitution, conferring legislative powers on Parliament in respect of foodstuffs, cattle fodder, raw cotton, cottonseed and other agricultural products. This can be done, the Committee points out, by inserting a new entry, "33-A," in the concurrent list.

The proposed law should be on the lines of the Essential Supplies (Temporary Powers) Act, 1950. This Act is due to expire on 25th January, 1955. The Committee has advised the Government to take action in regard to legislation before that date. The Government of India has accepted this resolution and proposes to examine the question in consultation with the State Government.

With regard to the continuation of the Supply and Prices of Goods Act, 1950, the Committee has done well in holding the view that there are no strong reasons to continue the Act. Accepting this view, the Government has gone a step further in lifting controls on casein, tanning materials and tannery wool. It has under its consideration the question whether controls on non-ferrous metals, caustic soda, soda ash and sulphur should be abolished under this Act or continued under the Industries (Development and Regulation) Act.

The Committee has recommended the withdrawal of orders and notifications issued under the Drugs (Control) Act, 1950, and the corresponding State laws. As the powers to exercise such controls are necessary, it is, however, proposed to bring the Drugs (Control) Act, 1950, under the single Central Act referred to above. The Central Government is generally in agreement with this suggestion, and is, it is stated, consulting the State Governments in the matter.

Another important recommendation relates to the creation of separate advisory committees for important commodities such as cotton textiles, iron and steel, and coal. With regard to food controls, the Committee feels that, as long as "the overall deficit in foodgrains persists and there are transport difficulties, recurring famines and local scarcities, resulting from national calamities, continuation of the Foodgrains (Licensing and Procurement) Order, 1952, and other supplementary orders are essential. Till then, forward trading in foodgrains should also be prevented. Rationing is required to be confined only to big cities and highly deficit areas. The Committee has also recommended that early action should be taken to set up a machinery for determining the cost and prices of various competing crops, in order to establish inter-State and inter-commodity price parity. This is, perhaps, the only recommendation of the Committee, the implementation of which will meet with several difficulties of a practical nature. But, then, there is sufficient force in the contention that agriculturists must be assured of a fair measure of security against factors over which they have no control. This is being done in several parts of the free world and India cannot long remain without doing something in this direction.

The Committee's recommendations in regard to controls on cotton, coal, and iron and steel are more or less in line with the present policy of the Government. In regard to salt, about which there has been considerable controversy, the Committee has recommended that, where the nominee system is prevailing, the States should allow free imports by traders other than the nominees.

(Concluded from next column)

The advent of the new chemical plant is also notable for another reason. At a time when unemployment is a growing menace, the new concern helps solve the problem, in its own way, by opening opportunities for several hundreds of skilled, unskilled and technical persons to seek a livelihood. And the fact that the venture sets out to do so at a time when the climate for industrial enterprise is not favourable, speaks of the courage and confidence of those who are responsible for sponsoring it. The compliments paid to these enterprising men by His Highness is well deserving. Addressing them, he said: "You are engaged on an enterprise which will be a source of supply of important chemicals needed for many industries. I congratulate Chevalier Roche-Victoria and his associates upon their initiative and efforts in undertaking this enterprise which will not only contribute to increase the economic resources of the country but also help to find valuable employment for a number of people."

CHEMICALS INDUSTRY IN SOUTH INDIA

FOUNDATION FOR NEW UNIT LAID

THE foundation-stone laying ceremony of the new enterprise, Heavy Chemicals Ltd., at Tuticorin, performed by His Highness the Rajapramukh of Mysore, on the 6th inst., marks a step forward by this country towards the development of the heavy chemicals industry. The advent of this new venture is of immense significance to this country for several reasons and, therefore, deserves to be chronicled in these columns.

The establishment of this manufacturing unit at Tuticorin in the extreme south of the peninsula serves to reduce the imbalance that now exists in the location of industries in India. Most industries in the country having clustered in the North, South India has remained neglected. Very few basic industries have been established there. Consequently, the new chemical unit reduces, to some extent, the lacuna in the economic development of the country. Tuticorin has, as was stated by His Highness Sri Jaya Chamaraja Wadiyar Bahadur in the course of his address laying the foundation-stone, a fine port at the head of the Gulf of Mannar in the southernmost part of the country. It provides many natural facilities for the manufacture of caustic soda, chlorine, bleaching powder and other chlorine products. Its common salt and shell-lime have established for many years a reputation for their high purity—an essential prerequisite for a successful alkali industry—and these are made from the inexhaustible resources of the sea and the splendid coral reefs in the gulf.

The new chemical enterprise is specially designed to exploit the natural resources mentioned above. As was pointed out by Mr. J. L. P. Roche-Victoria, a former Minister of Madras State and the chief promoter of the concern, Heavy Chemicals Ltd. was incorporated in 1951, with an authorised capital of Rs. 1 crore, with the object of manufacturing 10 tons of caustic soda per day, and utilising the by-product, chlorine, for processing ilmenite sand for the production of titanium dioxide and ferric chloride. The project will be executed in two stages. During the first stage, it is proposed to manufacture 5 tons of caustic soda per day and the entire chlorine will be utilised in the manufacture of high test hypochlorite. In the next stage the output of caustic soda will be stepped up from 5 tons to 10 tons a day and the surplus chlorine will be utilised for the processing of ilmenite.

Industrial Use of Chlorine

It is perhaps not so well kown as it should be that industrial applications of chlorine are numerous. This fact has found full emphasis in the speech of His Highness. The greater utilisation of chlorine in India yet remains to be developed as it has been in the more advanced countries of the U.S.A., England and Germany. The manufacture of D.D.T. chlorinated solvents, and of dicalcium phosphates is among the chlorine industries for which priority has been accorded in the Five-year Plan.

In the order of priorities for industries defined in the Five-year Plan, the heavy chemicals industry is given a high place. First comes the fuller use of the existing capacity in producer goods and consumption goods industries. Next in importance is the expansion of capacity in producer-and-capital goods industries. It is in this category that heavy chemicals industry is included along with iron and steel, aluminium, cement, fertilisers, textile machinery, machine tools, etc. As these are key industries, their contribution to industrial expansion will by no means be inconsiderable. The chemicals industry, in particular, has a main role in this expansion. It is of fundamental importance not only to the defence industry but also to a number of subsidiary industries such as glass, paper, soaps, textiles, leather, drugs, ceramics and metallurgy. These industries are dependent on imports of heavy chemicals such as soda ash, caustic soda, sulphuric acid, in which India is not self-sufficient. The observations made by His Highness in his speech are revealing in this context. To quote him:

"Under heavy chemicals, the country produces 11,000 tons of caustic soda, while the target to be reached by 1955-56 is fixed at 33,000 tons. The corresponding figures for soda ash are 45,000 and 78,000 tons, for sulphuric acid 99,000 and 192,000 tons. Your Company's output, which will reach a level of 10 tons of caustic soda per day or over 3,000 tons per year, will make a significant contribution towards the implementation of the Plan in this country."

(Continued in previous column)

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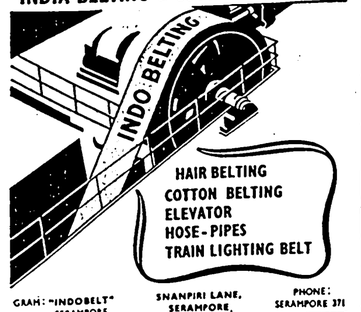

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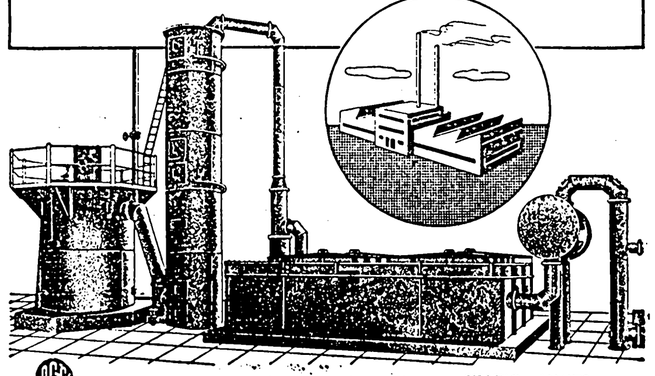

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NEW PUBLICATIONS

Hungry People And Empty Lands. By S. Chandrasekhar. Publishers: Indian Institute of Population Studies, M. S. University of Baroda, Baroda, India. Price: Rs. 15.

THIS is an essay on population problems and international tensions resulting therefrom. Dr. S. Chandrasekhar has advocated the urgent need for a world population policy. Although the title of the book seems to emphasise emigration as the main plank of world population policy, the book does not exclusively deal with that aspect. The policy he advocates is comprehensive, inasmuch as it envisages a simultaneous attack on the problem from all sides, economic, political and social. He wants (1) the liquidation of colonialism, (2) widespread dissemination of contraceptive knowledge, (3) constitution of an international migration authority that will take into consideration the legitimate needs and the available resources of the people, (4) large-scale and rapid industrialisation and (5) world-wide development of agriculture on scientific methods. The author is not unaware of the fact that such a population policy is easily advocated than realised. But he warns, pertinently enough, that the only alternative to it is a third world war, more catastrophic than any so far, thereby proving, once again, the infallibility of the Malthusian Law of Population.

Dr. Chandrasekhar's thesis is based on his belief that, in many parts of the world, food and natural resources are not only not increasing but there is actually a steady depletion of these resources. He maintains that, no matter what science has achieved and going to achieve, nature is niggardly and the resources of the earth are finite and eventual starvation of a large number of masses is inevitable, unless the Malthusian devil is hooked. He points out how the increase in the differential rates of population in different nations aggravates existing differences in land area, food production and consumption, and how they lead to worsening of international tensions.

A notable feature of the essay is the author's case for planned and selective emigration from over-populated Asian countries to thinly settled nations elsewhere. It is true that this is opposed on the score either that it constitutes a threat to the higher standard of living of the immigrant countries or that it conflicts with the policies that uphold racial or cultural superiority. But such persons, the author holds, are only fighting a losing battle. For, certainly, "poverty anywhere constitutes danger to everywhere" and that, in the eyes of God, "all men are alike." Dr. Chandrasekhar does, however, concede that emigration alone will not solve specific population problems, though it might help alleviate the hunger of the millions.

The author is one of those liberals who believe that "no national world population policy can be complete without universal knowledge of and facilities for the practice of contraception." As birth control has begun to stay in the West, despite the Catholic Church, so should it in the East. For birth control is usually associated with a high standard of living. And surely once people come to enjoy a higher standard of living, they become reluctant to give it up and hence voluntarily try to restrict the size of the family through the use of contraceptives, in order to escape the inevitable logic of reduced rations. He has accordingly stressed the need for initiating the birth control movement in the villages, where a majority of the overpopulated nations in Asia live.

The author is a well-known expert on population problems. This work is the result of his untiring efforts over years and of his discussions with experts and scholars of the world, when he was in charge of the demographic research department in the U.N.E.S.C.O., Paris, during 1948-49. It bears the mark of scholarly study of the problem and deep reflection on possible solutions.

Safety in Coal Mines (Vol. 1). Published by International Labour Office, Geneva. (Indian Branch: New Delhi). Price: Rs. 6

The study contains material which was collected and analysed in connection with the preparation of the *Model Code of Safety Regulations for Underground Work in Coal Mines for the Guidance of Governments and of the Coal-mining Industry*, which was adopted by a Tripartite Technical Conference held at Geneva in September, 1949, and published by the International Labour Office in 1950. Some more recent information has also been included.

The study provides statistical material showing the incidence and chief causes of underground accidents in the coal mines of some of the principal coal-producing countries and also a survey of the law and practice in matters relating to coal-mining safety in a few selected countries. The study, however, takes only underground risks into consideration for this purpose. Besides, coal has been taken to mean bituminous coal and anthracite to the exclusion of lignite. The text of the study is supplemented by appendices, comprising lists of laws and regulations, governmental publications and periodicals on this subject.

An analysis of the study gives a clear picture of the magnitude and nature of the underground risks in coal mines and a description of the various means employed to guard against them. The grouping of the contents into four main divisions, namely, statistics, legislation, inspection and general safety activities, reflects the generally accepted view, which is fully shared by the International Labour Office, that safety in coal-mining, as in other countries, cannot be successfully promoted by legislation alone. There must be means of securing the enforcement of legislation—an inspectorate—besides other safety activities such as scientific research, education, training and propaganda. Moreover, there must be cordial co-operation between Governments, employers, workers and scientists. The study sets out to show the part that each can play in promoting the safety of the men in the mines and thus to provide some guidance to all those who are directly concerned with safety in coal mines, including the miners themselves.

International Social Science Bulletin—The Technique of International Conferences. Published by the U.N.E.S.C.O., 19, Avenue Kleber, Paris 16. Price: $1.

The U.N.E.S.C.O., which has for some time been studying improvements in the present methods of holding conferences, has devoted the current issue of its quarterly *International Social Science Bulletin* to consideration of how international conferences can be used more effectively to help the peoples of the world to live more peacefully and more pleasantly together. On the assumption that partnership in the social sciences is of unusual value in research in this field, the *Bulletin* groups under the general heading, "The Technique of International Conferences," a number of detailed studies of various aspects of the problem contributed by leading experts.

Writing on "The evolution of international conferences," Dr. Scelle asserts that they have "become a characteristic institution of a world society alive to the significance of human rights—the institution which most effectively contributes to the integration of that society." Dr. Chaumont takes up the evolutionary aspects of international organisations and international co-operation, considering research into the extent to which the procedure of international conferences reflect co-operation. "The Strategy of Research on International Conferences" is Dr. Cartwright's subject; and he says that it is "important, feasible and, above all, challenging to the ingenuity and skills of social scientists." Rapid advances, he says, may be confidently expected in the coming years.

The *Bulletin* also continues the practice, established in previous numbers, of presenting information about current activities of the United Nations and its specialised agencies in the field of the social sciences. Dr. Kopelmanas considers the experience of the Economic Commission for Europe in connection with the technique of international conferences. Dr. Lall contributes notes on the sixth session of the U.N. General Assembly, and Dr. Veillet-Lavallee on the F.A.O. Conference. The other articles include one by Mr. H. Kabir of the Ministry of Education, Government of India, on "The Gandhian way," and one by Dr. K. Soddy of the World Federation for Mental Health on "International conferences and international non-Governmental organisations."



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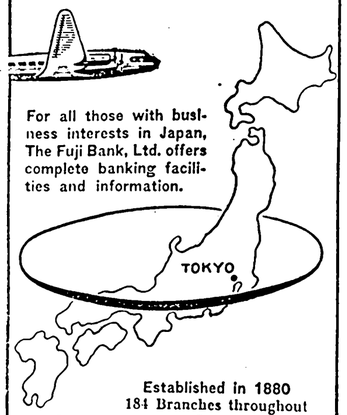

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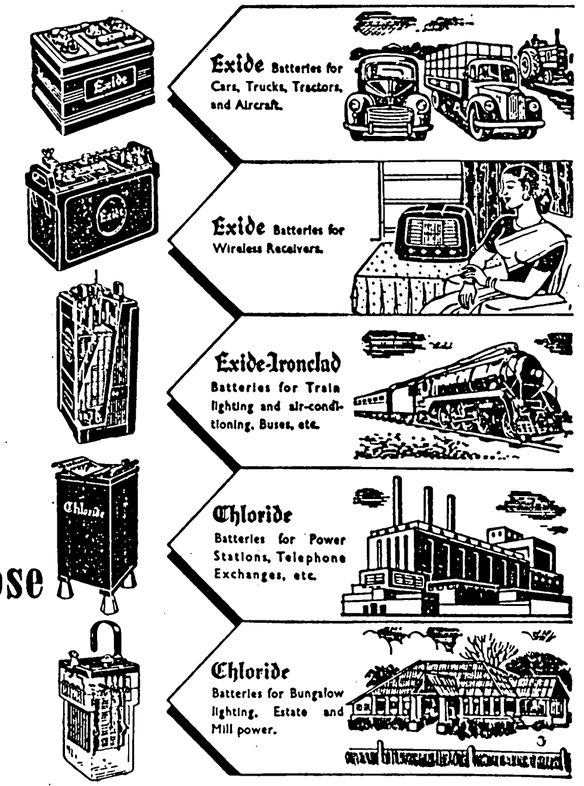

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DIVIDEND STEPPED UP TO 55 PER CENT.

WITH a total area of 1,661 acres devoted to rubber, besides 30 acres to pepper and 164 acres to coconut, the 42-year old Malankara Rubber and Produce Co., Ltd. (Managing Agents: Messrs. John Sons' Estates and Agencies Ltd., Kottayam), is one of the largest plantation companies in South India, with a predominant interest in the cultivation and sale of rubber. During the year ended March 1953, according to the latest report and accounts, the Company was able to improve its sale proceeds from Rs. 6.63 lakhs to Rs. 10.19 lakhs, thanks to the larger yield of rubber. This has resulted in an increase in gross profit from Rs. 3.59 lakhs to Rs. 6.14 lakhs. The shareholders participate in this prosperity through a handsome dividend of 55 per cent., free of income-tax, as against 35 per cent. they received in the previous year.

The increase in profit is due to the record production of rubber. The rubber produced was 732,130 lbs. as compared to 437,676 lbs. in the previous season. This works out to an increase of 67 per cent. As a result of this improvement, the cost of production declined from 55.15 cents per lb. to 49.47 cents per lb. or by 10 per cent. and the average price obtained was 126.15 cents per lb. Although nature may have played a great part in this improvement, it is difficult to withhold praise for the scientific way in which the problem of productivity was handled by the management. The latter introduced a system of payment by results, and effected other changes in the system of tapping. Referring to these changes, the Directors' report says:

"From the commencement of the year under report, all budded areas also were brought under alternate day tapping and the system of payment by results for tapping has been adopted, as a result of which the output per tapper increased. The large increase in the crop during the season was mainly due to these reasons and the decrease in the cost of production was due to the large income in the crop obtained."

The following table shows the progress of the Company over the three years ended March, 1953:

	For year ended 31st March		
	1953	1952	1951
Rubber crop (lbs.)	7,32,130	4,37,676	4,50,365
Estate cost (cents per lb.) ..	49.47	55.15	43.67
Average sale price (cents per lb.) ..	126.15	119.57	
Coconut crop (No. of nuts) ..	3,26,247	3,18,481	2,65,303
Pepper crop (lbs.)	6,752	6,315	6,304
	(Rs. in lakhs)		
Sales	10.19	6.63	5.42
Stock	1.11	1.06	1.36
Estate expenditure	3.81	2.51	2.04
Gross profit	6.14	3.59	3.23
Provision for—			
Depreciation	0.20	0.11	0.04
Management commission ..	0.30	0.18	0.18
Taxation	1.93	1.14	1.05
Net profit	3.71	2.16	1.94
Transfer to—			
General reserve	1.00	0.25	0.20
Dividend (ordy.)	2.48	1.37	1.35
	(55%)	(35%)	(30%)
Carry forward	0.23	0.34	0.39

It will be seen from the table above that the net profit, after providing for depreciation and taxation at a higher level, amounts to Rs. 3.71 lakhs, as against Rs. 2.16 lakhs. The transfer to general reserve has been stepped up from Rs. 0.25 lakh to Rs. 1 lakh, while the payment of the recommended 55 per cent. dividend will absorb Rs. 2.48 lakhs, leaving Rs. 0.23 lakh to be carried forward as against Rs. 0.34 lakh brought in.

Estates Being Improved

The Company's estate is being continuously improved. During the year under review, capital expenditure incurred through construction of new buildings and installation of new machinery, aggregated Rs. 1.01 lakh, as against Rs. 0.25 lakh in the previous year spent on similar purposes. The gross block is valued at Rs. 12.27 lakhs, of which the cost of land (revalued) aggregates Rs. 8.41 lakhs and the rest represents the value of buildings, furniture and machinery. The gross block has been written down to Rs. 10.12 lakhs. Stocks, as on 31st March, 1953, and at prices since realised, aggregate Rs. 1.11 lakhs. The Company has a strong liquid position, as will be evident from the fact that its cash and deposits with banks and post office amount to Rs. 9.39 lakhs, besides investments in Government securities to the tune of Rs. 0.51 lakh. The Company has also large reserves. Thus, as against a capital of Rs. 4.50 lakhs (in 15,000 shares of Rs. 30 each), the Company's reserves aggregate Rs. 7.44 lakhs.

The following summary of the Company's balance-sheet as at 31st March, 1953, will provide a clear picture of its financial standing:

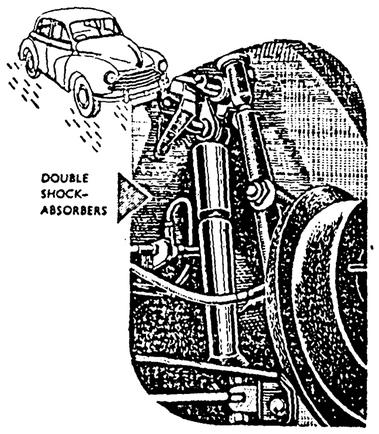
Liabilities	Rs.	Assets	Rs.
Capital ...	4,50,000	Net Block ...	10,11,601
Reserves and surplus ...	10,83,936	Stocks ...	1,10,695
Provision for taxation ...	1,96,487	Debts, deposits and advances ...	29,346
Current liabilities ...	4,12,342	Investments and fixed deposits with banks	4,12,820
		Cash ...	5,78,323
Rs.	21,42,785	Rs.	21,42,785

How comfortable the liquid position of the Company is will be evident from the fact that cash balances alone are sufficient to meet all current liabilities, including those pertaining to the proposed dividend, as well as a good part of the taxation liability. The management, it is stated, proposes (subject to approval of shareholders and sanction of the Central Government) to issue bonus shares for Rs. 4½ lakhs in proportion of 1 share for every one share held, thereby increasing the capital to Rs. 9 lakhs. At the same time, it is proposed to sub-divide each Rs. 30-paid share into three shares of Rs. 10 each. The increase in capital by capitalisation of reserves is justified by its large reserves, though a part of the reserves represents the revaluation of the Company's land, after disposing of a part of it. The sub-division of shares will no doubt increase their marketability. The Company's Rs. 30 paid-up shares are now quoting in the neighbourhood of Rs. 117½ *c.d.*, at which level the yield, on the basis of the current dividend, works out to 15 per cent. per *annum*.

It, however, remains to be seen whether this dividend level can be maintained on the new capital, which will be higher than the present one when the changes, now proposed, are implemented. During the year under review, the improvement in the Company's results was due to the increase in crop through the adoption of the system of payment by results. The Directors have warned that, although this system is being continued, they do not expect to "get the same high crop hereafter." For this reason and also on account of the fact that the estate may suffer a loss of crop of about 40,000 lbs. through the sale of a part of the Company's rubber area, they anticipate a crop for 1953-54 of only 600,000 lbs. of rubber at a cost of 55.72 cents per lb., excluding income-tax and head office expenses, as against 732,130 lbs. produced during 1952-53 at a cost of 49.47 cents per lb. The present high yield on these shares doubtless reflect the possibility of a lower rate of dividend for the coming year. One, however, need not take an unduly pessimistic view, for it should still be possible for the Company to pay a decent dividend to shareholders.

Although the management of the Company has been taken over by Messrs. John Sons' Estates and Agencies Ltd. with effect from 1st April, 1953, the change will not make any difference in the efficiency with which the Company's affairs have been conducted. This is because the services of Mr. P. Kurian John, who, as the Managing Director of the Company since 1927, contributed to the Company's present "strong financial position" are being retained for some time more. He will now function as the Managing Director of the managing agency firm.

Double riding comfort from double shock-absorbers



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HINDUSTHAN 14

OTHER ATTRACTIONS

HINDUSTAN MOTORS LTD, CALCUTTA

AUTHORISED DEALERS AT

Ahmedabad, Allahabad, Ambala, Bangalore, Bezwada, Bombay, Bareilly, Calcutta, Cuttack, Dibrugarh, Indore, Jaipur, Jodhpur, Jullunder, Jamshedpur, Kanpur, Lucknow, Madras, Madura, Nagpur, New Delhi, Patna, Rajkot, Secunderabad (Deccan), Trivandrum, Rangoon, Colombo.

Points From The Chair

Role of Plantations

"INCIDENTALLY, we hear a great deal nowadays of employment and unemployment, but the role of plantations as employers of labour receives scant notice. This Company employs about 1,900 workers. For an expenditure of Rs. 2,069 crores, the Five-year Plan expects to find jobs for only 125,000. And with this difference, also, that the Company not only employs them but houses them and their dependents, ministers to their health, assists them in their recreation and in their religious devotions, and affords schooling facilities for their children and creche feeding for their infants. Is it asking too much that this at least should be set at our credit to help counterbalance the formidable list of iniquities which are sought to be heaped on the other scale?"

W. W. KILGOUR,
Cochin Malabar Estates Ltd.

Insurance and Income-tax

"It is rather unfortunate that the Income-tax Department insists upon allowing only a reserve of 100 per cent. under marine and 50 per cent. under fire and miscellaneous. But I am quite convinced, from my experience of income-tax administration for a long time and of insurance for the last two years, that this rule-of-thumb method is not appropriate to all companies and that it is acting detrimentally to the interests of Indian insurance in not encouraging the creation of adequate reserves to meet any emergencies. Though the figures are the same as those usually adopted by the English income-tax authorities, the practice is not the same in the two countries."

R. VARADACHARI,
Jupiter General Insurance Co., Ltd.

Reasonable Price for Ammonium Sulphate

"The Government of India have also been approached for an assurance that a reasonable price for our product will be fixed after a price investigation has been carried out into our costs of production. This request is based on the principle followed by the Government of India in giving assistance to the steel and other industries where units of different capacities and sizes are assured of a reasonable price for their products with a view to making maximum use of the total productive capacity available in the country. Our request is all the more just and equitable, as the competition we have to meet is from the Sindri fertiliser factory, a massive unit established by the Government of India, not as a monopolistic venture but as a model of corporate endeavour."

N. RANGANADHAN,
Fertilisers and Chemicals, Travancore Ltd.

Importance of Life Assurance

"Life assurance is a specialised kind of saving; it is not the mere accumulation of money but something more. Field workers usually appeal to prospects by stressing the most compelling motive for any person to go in for life assurance, i.e., the desire to discharge his responsibility to his dependents and to make provision for his old age. For the middle-class man, there is no better method of saving than by life assurance policies, because they combine an element of saving plus a cover in the case of early death. The taking of an insurance policy often amounts to the postponement of avoidable expenditure; this not only benefits the policyholder and his family, but it is a matter of national importance at the present day. If the Five-year Plan of the Government of India for increasing the wealth and the prosperity of the country is to be a success, as we all hope, it is most essential that the flow of savings through life insurance should be increased so that a good portion of it could be canalised into investments on National Development Loans."

R. VARADACHARI,
Empire of India Life Assurance Co., Ltd.

Mixed Economy

"Our Government have adopted the concept of a mixed economy for the country, a concept which has found broad public acceptance and in which business and industry are anxious to co-operate. A mixed economy, however, implies the co-existence of State enterprise and free enterprise, and cannot mean a wholly State-dominated economy where the industrial class is temporarily tolerated and permitted to survive, pending further developments. A mixed economy can only function, if there is, within the community, a balance of forces, with free enterprise operating as one of the autonomous forces pulling its weight alongside State enterprise, trade unions and other elements in society. I am led to make these observations, because I have noted a tendency on the part of Government, perhaps not deliberate, to deny to free enterprise a voice, or even consultation, in matters vitally affecting it or the economy as a whole. The manner in which, for instance, the Indian air transport industry was recently nationalised, and the terms on which this was done, would seem to indicate that Government see no reason to carry with them the industrial sector and its representatives or even to give them a hearing before making up its mind. May I suggest that the time has come for Government to clarify their position and to state whether their ultimate goal is, in fact, a mixed economy, in which both sectors are permitted to function efficiently, or a State monopoly of all industrial enterprise?"

J. R. D. TATA,
Tata Iron and Steel Co., Ltd.

(*Concluded from page 540*)

that tribunals are very prompt in disposing of such applications. Managements, however, feel that they are unnecessarily penalised by having to pay the wages of a worker guilty of misconduct during the period of suspension till the date of obtaining permission for his discharge or dismissal from a tribunal. Of course, if the Tribunal finds the worker not guilty of the charge of misconduct then it would be quite proper to direct the payment of his full wages during the period of suspension.

It is for the authorities concerned to seek solutions to the problems to which I have drawn attention in this article. In conclusion, I wish to point out that the object of this article is not to pick holes but to open up avenues of enquiry which may lead to better and more harmonious industrial relations.—*All Rights Reserved.*

(*Concluded from page 542*)

The Planning Commission has recommended that there should be land utilisation and soil conservation boards in each State to prepare and carry out soil conservation plans and that necessary soil conservation legislation should be enacted. It is suggested that each State should carry out a reconnaissance survey for the demarcation of the principal areas affected by erosion and select areas in which soil conservation work will be concentrated during the period of the Plan. A sum of Rs. 2 crores for assisting soil conservation programmes is provided in the Five-year Plan. The proposed Central Board is to examine State programmes and undertake overall co-ordination of soil conservation work by securing inter-State co-operation for soil conservation programmes.

The Central Board's work will be considerably lightened by the action taken already in regard to the desert and semi-desert areas which prevail over large areas in Western India, in Rajasthan and the adjoining areas of Punjab, P.E.P.S.U., U.P., Saurashtra and Cutch. It may be mentioned here that the Desert Afforestation Committee Research Section set up recently at Jodhpur is dealing with the problem of immobilisation of the Rajasthan Desert, under the ægis of the Forest Research Institute, Dehra Dun. As several States are affected by the advance of the desert, and as successful tackling of the problem depends in large measure upon co-ordinated action by the various States concerned, the need for inter-State co-operation in this sphere cannot be over-emphasised. A co-ordinated programme of action alone provides the solution in this regard.

FERTILISERS & CHEMICALS

(*Concluded from page 541*)

production. And it is expected that, by the end of the year, the total tonnage produced will exceed that of any previous year, in spite of the shorter period the factory has worked.

"From information available, it is fairly certain that, in future, we shall not have electricity rationing which had, unfortunately, been a regular feature during the summer months every year since 1948. This altered situation, together with the general improvement in the supply position of raw materials, makes me hope that our production can be maintained at a very high rate from now on and that a brighter future is opening up for this industry.

Labour

"On the subject of labour, I have to say that, though we have had an uneventful time with them during the year, I still feel that it will be conducive to greater harmony, if labour shows a better appreciation of the adverse conditions which we have to contend with and which, in certain other fields, have crippled many ventures.

"I am happy to report that, since the date of the last meeting, considerable progress has been made in the caustic soda project. The erection has been completed and the plant is now in regular production. The construction of the ammonium chloride plant is progressing apace and it is expected to go into production early in 1954.

"Before I conclude, I wish to express our grateful thanks to the Governments of Travancore-Cochin and Madras for their unstinted support and for the help they offered us in overcoming the numerous difficulties that confronted us during the year under review. Also, I should not fail to express our grateful thanks to the Central Government for the assistance they have so far rendered us. Our request to them now is that they will extend to us, in full measure, the help that we have sought from them for surmounting the obstacles which still lie ahead of us and to which I have already referred. I would also like to commend to you the good work done by the Managing Agents and the members of the staff. Their interest and perseverance, in the face of the most trying and disheartening conditions, merit your favourable notice."

Notices

THE APOLLO MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Ordinary General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Delisle Road, Chinchpokli, Bombay, on Wednesday the 30th September 1953 at 4-00 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statements of Account upto 31st December, 1952.
2. To declare a Dividend.
3. To elect a Director in place of the Director who retires pursuant to Article 106 of the Articles of Association of the Company, but being eligible, offers himself for re-election.
4. To elect two Directors in place of those who retire by rotation, but being eligible, offer themselves for re-election.
5. To confirm the donations.
6. To appoint Auditors and fix their remuneration.

The Transfer Books of the Company have been closed from Tuesday the 8th September, 1953, to Monday the 28th September, 1953, both days inclusive.

By Order of the Board,

For and on behalf of the Agents,
THE RAJPUTANA TEXTILES (AGENCIES) LIMITED,
G. D. MORARKA,
Managing Director.

BOMBAY, 9th *September*, 1953.

Note:—The dividend, if sanctioned at the General Meeting, will be payable from Monday the 5th October, 1953, to the Shareholders whose names stand on the Register of the Company on Tuesday the 8th September, 1953, and Dividend Warrants will be duly posted to the Registered Address of such Shareholders.

THE MYSORE SPINNING AND MANUFACTURING CO., LTD.

NOTICE OF EIGHTY-FIRST DIVIDEND

NOTICE IS HEREBY GIVEN THAT A FINAL dividend of Rs. 3 per share and a bonus of Rs. 4 per share on the Ordinary Shares of Rs. 50 each and a final dividend of Rs. 1-2 per share (less income-tax) on the 4½ per cent. Cumulative Preference Shares of Rs. 50 each for the year ended 28th February, 1953, sanctioned by the Shareholders at the Sixtieth Ordinary General Meeting held on the 9th September, 1953, are made payable at the Central Bank of India, Ltd., Bangalore City, on and after Monday the 21st September, 1953, to those shareholders whose names stood on the Register of Members on the 25th August, 1953.

By Order of the Board,

N. SIRUR & Co., LTD.,
Managing Agents.

V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 9th *September*, 1953.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LTD.

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 1st October, 1953, to the 9th October, 1953, both days inclusive.

By Order of the Board,

IMPERIAL CHEMICAL INDUSTRIES (INDIA) LTD.,
Secretaries.

CALCUTTA, 8th *September*, 1953.

LOWER PRICES FOR LUBRICANTS AFFECT TIDE WATER OIL

RESULTS OF KARANPURA COLLIERIES SATISFACTORY

Tide Water Oil Co. (India), Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th April, 1953.

After providing for depreciation and having brought in the balance from the last half-year there is a net loss of Rs. 53,424 (profit of Rs. 52,038 out of which was paid dividend at As. 12 per share, absorbing Rs. 45,000 leaving to be carried forward the balance of Rs. 7,038) which the directors recommend be carried forward.

During this accounting period due to a succession of decreases in the selling prices of lubricants, the results showed a loss and the directors therefore regret they are unable to recommend payment of any dividend.

Turnover was maintained but successive reductions in selling prices of lubricants in this market during the half-year adversely affected the working results.

The qualitative value of the Company's products remains as high as ever and the directors' efforts are therefore directed to reducing the costs connected with putting them on the market and thus meet the new level of selling prices now prevailing.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	1,01,093
Reserves ...	8,95,899	Goodwill ...	2,00,000
Provision for taxation ...	13,380	Stocks ...	22,16,913
Liabilities ...	24,34,438	Debts, deposits and advances ...	11,29,472
		Cash ...	2,42,815
		Profit and loss account ...	53,424
Rs.	39,43,717	Rs.	39,43,717

Karanpura Collieries, Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 28th February, 1953.

Raisings and despatches.—110,960 tons were raised in comparison with a figure of 58,056 tons last year. 112,030 tons were despatched during the year as compared with 62,664 tons last year. It will be recalled that the colliery railway siding was opened to traffic in May, 1951.

The directors report satisfactory progress in the development of the mines. This progress would have been more rapid but for a shortage of electric power. Through the kind co-operation of the Chief Mining Engineer, Railway Board, the colliery has been obtaining its electricity supplies from a neighbouring State Railway's power-house. Unfortunately the power-house has not, at all times been able to supply the colliery's full requirements, with a consequent effect on coal production. However, arrangements are in hand to rectify the shortage, and it is hoped that shortly the colliery will be able to raise coal at the rate for which it was designed. Adequate electricity supply for the future is assured, as the colliery will take its current from the Damodar Valley Corporation when the grid system comes into operation in this area. The directors understand that grid supply is expected to become available in the course of 1954.

Plans laid for the development of the property are being followed successfully and a full working year has made it possible for the Company to purchase various items of plant and machinery previously on hire. The supply of wagons at the colliery has been satisfactory overall and the directors trust this will continue. Relationships with the labour have been satisfactory throughout the year.

After providing Rs. 82,306 (Rs. 68,340) for depreciation and Rs. 30,000 (nil) for taxation and special reserve, and writing off the debit balance as at 29th February, 1952 of Rs. 1,35,692 (debit of Rs. 2,05,584), the profit and loss account shows an available balance of Rs. 73,434 (debit balance of Rs. 1,35,692) which the directors propose to dispose of as follows:—

In paying arrears of dividend on the 5½ per cent. cumulative (taxable) preference shares for the period 23rd October, 1946 to 28th February, 1949 Rs. 71,596 (nil) and in carrying forward Rs. 1,838 (debit of Rs. 1,35,692).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,81,000	Block ...	23,58,690
Reserves ...	14,250	Work-in-progress ...	53,455
Provision for taxation and special reserve ...	30,000	Stock of coal	13,148
Liabilities ...	4,49,347	Stores and spare plant	1,97,192
Profit and loss account ...	1,838	Debts, deposits and advances ...	8,19,333
		Cash ...	34,617
Rs.	34,76,435	Rs.	34,76,435

Rajgarh Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After charging depreciation amounting to Rs. 44,389 (Rs. 17,593), the season's working resulted in a loss of Rs. 5,488 (profit of Rs. 48,374). After bringing in the balance from last year and charging managing agents' minimum commission, there remains at the credit of profit and loss account a balance of Rs. 20,602 (Rs. 64,091). The directors recommend that no dividend be declared and that the credit balance Rs. 20,602 (Rs. 29,691 after paying dividend at Re. 1-12 per share, absorbing Rs. 35,000) in the profit and loss account be carried forward.

A total crop of 4,434 maunds was secured and sold in Calcutta and London at an average price of Re. 1-12-5 per lb. Estimates for the current season have been framed for a crop of 4,575 maunds to cost Rs. 4,49,919.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Block ...	5,01,583
Reserves ...	4,77,500	Stock-in-trade	3,97,208
Provision for taxation ...	30,043	Stores ...	1,13,671
Liabilities ...	4,20,367	Debts, deposits and advances ...	99,394
Profit and loss account ...	20,603	Investments	2,228
		Cash ...	34,429
Rs.	11,48,513	Rs.	11,48,513

Hoolungooree Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 1,04,146 (Rs. 50,082) for depreciation, the season's working resulted in a loss of Rs. 83,355 (profit of Rs. 1,02,257). After bringing in the balance from last year, crediting Rs. 30,000 (nil) provided for taxation in excess of requirements in past years, and charging secretaries' minimum commission, there remains a balance of Rs. 28,147 (credit of Rs. 1,11,333) at debit of profit and loss account. The directors recommend that no dividend be declared and that the debit balance of Rs. 28,147 (credit of Rs. 35,208 after payment of dividend at Rs. 17-8 per share, absorbing Rs. 76,125) be carried forward.

A total crop of 12,680 maunds was secured and sold at an average price of Re. 1-11-1 per lb. This compares with a crop of 13,625 maunds secured in season 1951, which sold at an average price of Re. 1-12-4 per lb. Weather conditions were not as favourable as in the previous season.

Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and it is anticipated that the results for 1953 will show an improvement on the previous season. Estimates for the current season have been framed for a regulated crop of 11,900 maunds to cost Rs. 13,75,778.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,35,000	Block ...	9,71,716
Reserves ...	8,04,216	Stock-in-trade	9,80,157
Provision for taxation ...	5,757	Stores ...	1,98,315
Liabilities ...	12,95,701	Debts, deposits and advances ...	3,42,743
		Investments ...	6,785
		Cash ...	12,811
		Profit and loss account ...	28,147
Rs.	25,40,674	Rs.	25,40,674

Sarugaon Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 46,294 (Rs. 54,980) for depreciation, the season's working resulted in a loss of Rs. 1,10,100 (profit of Rs. 89,002). After bringing in the balance from last year and charging secretaries' commission, the balance at debit of profit and loss account amounts to Rs. 1,07,016; however, there has also been brought to profit and loss account the sum of Rs. 35,000 (nil), being tax provision of previous accounting periods now ascertained to be surplus, and the balance at debit of profit and loss account is thus reduced to Rs. 72,016 (credit of Rs. 66,487 after provision for taxation and transfer to general reserve). The directors recommend that no dividend be declared and that the debit balance of Rs. 72,016 (credit of Rs. 23,187 after payment of dividend at Re. 1-4 per share, absorbing Rs. 43,300) be carried forward.

A crop of 1,977 maunds green tea and 5,508 maunds black tea, total 7,485 maunds was secured and has been sold at an average price of Re. 1-5-5 per lb. This compares with a crop of 8,668 maunds of black tea secured in 1951, which sold at an average price of Re. 1-9-10 per lb. The shortfall in the 1952 crop compared to the previous season, was largely due to unfavourable weather conditions in the latter part of the year.

Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and there is reason to anticipate that the results for season 1953 will show an improvement compared with the previous season. Estimates for the current season have been framed for a crop of 7,600 maunds of black tea to cost Rs. 7,88,120.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,46,400	Block ...	5,95,801
Reserves ...	3,22,500	Stock-in-trade	3,48,412
Provision for taxation ...	17,308	Stores ...	1,93,038
Liabilities ...	7,98,245	Debts, deposits and advances ...	2,13,051
		Investments ...	2,220
		Cash ...	60,415
		Profit and loss account ...	72,016
Rs.	14,84,953	Rs.	14,84,953

Estrela Batteries Ltd.

The directors of the above Company (Managing Agents: Messrs. Choonilal Manilal Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March, 1953.

The accounts show that the profit for the year without providing for any depreciation amounts to Rs. 7,729 (Rs. 1,60,081 after providing for depreciation). After adding the balance brought forward from last year of Rs. 4,425 (Rs. 9,344) and the amount transferred from the reserve fund of Rs. 50,000 (nil), there is an available sum of Rs. 62,154 (Rs. 1,69,425). The directors recommend that this amount be disposed of in payment of a dividend of Rs. 2-8 (Rs. 2-8) per share on 20,000, 5 per cent. cumulative preference shares, free of income-tax Rs. 50,000 (Rs. 50,000) leaving to be carried forward Rs. 12,154 (Rs. 4,425 after placing Rs. 40,000 to gratuity reserve fund and payment of dividend on ordinary shares at Rs. 2-8 per share, absorbing Rs. 75,000). The adverse results of the year are mainly due to the following reasons:—

Unprecedented fall in Government demands to the extent of about Rs. 14 lakhs compared with last year and considerable increase in the manufacturing costs. In view of market conditions, the directors deemed it fit to revise the price structure by increasing the trade discount by 7 per cent., which resulted in additional payment of Rs. 3,15,242 to the dealers. The rise in price of various raw materials and increase in labour costs owing to the award of the Industrial Tribunal, Bombay. The strike of the Bombay Gas Co., Ltd., Bombay, compelled the directors to close the factory for about 20 days, causing considerable loss to the Company. The introduction of the Employees' Provident Fund Act, 1952, and the State Insurance Act by the Government has increased



the manufacturing cost to the extent of approximately Rs. 25,000 which means further additional burden on the profit-earning capacity of the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,97,680	Block ...	25,30,760
Reserves ...	17,83,269	Stock-in-trade	15,66,903
Provision for taxation ...	5,37,553	Stores, etc.	1,80,074
Liabilities ...	10,00,396	Debts, deposits and advances ...	14,07,491
Profit and loss account ...	12,154	Investments	1,119
		Cash ...	74,765
Rs.	58,31,052	Rs.	58,31,052

Mozufferpore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The revenue account for the year showed a profit of Rs. 3,887 as compared with the loss of Rs. 43,348 shown in the previous year's account. After making sundry adjustments the net loss for the year was Rs. 11,984 (Rs. 59,149). To this was added the debit balance on profit and loss account of Rs. 1,05,953 (debit of Rs. 47,567) brought forward from the previous year, resulting in a net debit balance of Rs. 1,17,937 (debit of Rs. 1,05,953) which was carried forward.

A continuous supply of electricity was maintained throughout the year, and an increase of approximately 4 per cent. in the number of units sold was recorded as compared with the previous year.

In September, 1952, certain of the Company's rates for the supply of energy were again increased by the introduction of an adjustment based on the cost of fuel oil, and this provision has resulted in a further improvement in the revenue earnings as from that date.

With regard to the Company's application for a loan to the Industrial Finance Corporation of India mentioned in the last report, no satisfactory progress has so far been made.

The total number of units sold during 1952 was 22,20,788 as against 21,27,457 in 1951. The number of consumers connected to the Company's system on 31st December, 1952, was 1,793 representing a connected load of 1,884 kw., as compared with 1,799 representing a connected load of 1,884 kw. at the close of the previous year.

The additional mercury arc rectifier mentioned in the last report has now arrived in the country and it is expected that his equipment will be in commission by about the end of September, this year. No further appreciable expansion of the Company's system can be undertaken at present, as the plant is already loaded to full capacity.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,82,300	Block ...	15,37,018
Reserves ...	1,69,458	Stores ...	1,00,004
Liabilities ...	12,80,532	Other assets	6,697
		Debts, deposits and advances ...	2,07,981
		Investments	7,537
		Cash ...	55,206
		Profit and loss account ...	1,17,937
Rs.	20,32,380	Rs.	20,32,380

Jaybirpara (Dooars) Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

After providing Rs. 33,309 (Rs. 23,559) for depreciation, the season's working resulted in a loss of Rs. 89,984 (profit of Rs. 1,14,695). After bringing in the balance from last year, crediting excess profit tax post-war refund and debiting managing agents' minimum commission, there remains a balance of Rs. 55,899 (credit of Rs. 28,895 after paying dividend of Re. 1-12 per share absorbing Rs. 61,250, provision for taxation Rs. 35,000 and transfer to general reserve Rs. 10,000), at debit of profit and loss account. The directors recommend that no dividend be declared and that the debit balance in the profit and loss account be carried forward.

A total crop of 7,267 maunds was secured and sold at an average price of Re. 1-7-1 per lb. This compares with a crop of 7,649 maunds secured in season 1951, which sold at an average price of Re. 1-11-0 per lb. The shortfall in the 1952 crop compared to the previous season was largely due to unfavourable weather conditions in the latter part of the year.

Current market rates are considerably higher than was the case when the major part of the 1952 crop was sold and there is reason to anticipate that the results for season 1953 will show an improvement compared with the previous season. Estimates for season 1953 have been framed for a regulated crop of 7,200 maunds to cost Rs. 6,46,165.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	4,96,167
Reserves ...	6,15,000	Stock-in-trade	4,92,231
Provision for taxation ...	65,334	Stores ...	1,20,807
Liabilities ...	4,48,574	Debts, deposits and advances ...	1,77,788
		Investments	89,366
		Cash ...	46,630
		Profit and loss account ...	55,899
Rs.	14,78,908	Rs.	14,78,908

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

COMPANY MEETINGS AND DIVIDENDS

BAGALKOT CEMENT CO., LTD. Annual General Meeting, Bombay, 23rd September, 1953. Transfer books closed from 5th to 23rd September, 1953, both days inclusive.

BHATKAWA TEA CO., LTD. Annual General Meeting, Calcutta, 23rd September, 1953.

KAMARHATTY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 25th September, 1953. Dividend: Rs. 6 per share, on "A" and "B" ordinary shares. Transfer books closed from 11th to 25th September, 1953, both days inclusive.

KANKNARRAH JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 25th September, 1953. Dividend: Rs. 5 per share, on "A" and "B" ordinary shares. Transfer books closed from 11th to 25th September, 1953, both days inclusive.

HYDERABAD (DECCAN) SPINNING AND WEAVING CO., LTD. Annual General Meeting, Begumpet, Hyderabad (Deccan), 25th September, 1953. Transfer books close from 20th to 25th September, 1953, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Indore, 26th September, 1953. Dividend: Rs. 6 per share. Transfer books closed from 7th to 26th September, 1953, both days inclusive.

MYSORE CHEMICALS AND FERTILISERS LTD. Annual General Meeting, Mysore, 26th Septpember, 1953. Dividend: As. 10 per share. Transfer books closed from 15th to 26th September, 1953, both days inclusive.

SHREE SHAKTI MILLS LTD. Annual General Meeting, Bombay, 26th September, 1953. Transfer books closed from 16th to 26th September, 1953, both days inclusive.

NATIONAL SAFE DEPOSIT AND COLD STORAGE LTD. Annual General Meeting, Calcutta, 26th September, 1953. Dividend: As. 3 per share. Transfer books closed from 19th to 26th September, 1953, both days inclusive.

MOHEMA LTD. Annual General Meeting, Calcutta, 28th September, 1953. Dividend: *Nil.* Transfer books close from 22nd to 28th September, 1953, both days inclusive.

DUNBAR COTTON MILLS LTD. Half-yearly General Meeting, Calcutta, 29th September, 1953. Dividend: *Nil.*

UNITED BREWERIES LTD. Annual General Meeting, Madras, 29th September, 1953. Dividend: Rs. 15 per share (including second interim dividend of Rs. 7-8 per share). Transfer books close from 21st to 29th September, 1953, both days inclusive.

DISHERGARH POWER SUPPLY CO., LTD. Annual General Meeting, Calcutta, 30th September, 1953. Dividend: Rs. 6 per share. Transfer books close from 21st to 30th September, 1953, both days inclusive.

HUKAMCHAND MILLS LTD., INDORE. Annual General Meeting, Indore, 30th September, 1953. Transfer books close from 23rd to 30th September, 1953, both days inclusive.

BOMBAY CYCLE AND MOTOR AGENCY LTD. Annual General Meeting, Bombay, 1st October, 1953. Transfer books closed from 17th September to 1st October, 1953, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Half-yearly General Meeting, Calcutta, 1st October, 1953. Transfer books closed from 17th September to 1st October, 1953, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Half-yearly General Meeting, Calcutta, 1st October, 1953. Transfer books closed from 17th September to 1st October, 1953, both days inclusive.

BARNAGORE JUTE FACTORY CO., LTD. Final dividend of 17s. 6d. per share, less U.K. income-tax of 9s. in the £ sterling, payable on 14th October, 1953. Transfer books closed from 17th to 30th September, 1953, both days inclusive.

COMPANY REGISTRATIONS

INTERNATIONAL AUTO INDUSTRIES LTD. First Director: Mr. Chimanlal Dahyabhai Nanavati.) Business: Importers, Exporters, Manufacturers and Dealers in Automobiles, Motor Cars, Motor Lorries, etc. Authorised capital: Rs. 25,00,000. Private company. Address: International Building, Mirjapur Cross Lane, Ahmedabad.

PEOPLE'S OWN HOUSING AND INDUSTRIAL CORPORATION LTD. (First Director: Dr. Rameshwar P. Bhatt.) Business: Builders, Contractors, Sanitary Plumbers and Engineers, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 97, Stock Exchange Building, Apollo Street, Fort, Bombay.

VIPIN BROTHERS LTD. (First Director: Mr. Jivanlal Lalloobhai Shah.) Business: Importers, Exporters and Dealers in Merchandise, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 28, Alexandra Road, Opposite Gamdevi Police Station, Bombay 7.

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for the purchase of the *Bharatmitra* which was launched on 26th August, 1953. A further sum of Rs. 9.8 lakhs will be paid when the ship is delivered.

—Minister for Production

Wagon Supply

Since about the middle of August, 1953, wagons have been available in excess of the overall demand for traffic on the broad gauge of the Northern and Eastern Railways and the metre gauge of the Southern Railway. On all the railways, except the North-Eastern Railway, the movement of traffic for the free routes, namely, routes, the line capacity of which is not a limiting factor, is more or less current generally. As regards routes with limited capacity, the movements are subject to limited quotas, though in some of the cases also the demands for general goods are being fully met. Orders with the indigenous industry, regarding wagons, are to the extent of 8,000 a year and the industry has been able to meet that demand.

—Deputy Minister for Railways

QUESTION HOUR IN PARLIAMENT

Profits of Foreign Concerns

DURING the year 1952, a total of Rs. 14.21 crores had been remitted abroad by foreign concerns by way of profit. Of these, Rs. 2.68 crores were to dollar area countries, Rs. 11.13 crores to sterling area countries and Rs. 40 lakhs to non-sterling non-dollar area countries. The figures for 1951 were: dollar area Rs. 2.92 crores, sterling area Rs. 13.74 crores, non-dollar non-sterling area Rs. 1.29 crores (total Rs. 17.95 crores). In 1950, the remittances were: Dollar area Rs. 4.06 crores, sterling area Rs. 16.12 crores and non-sterling non-dollar area Rs. 53 lakhs (total Rs. 20.71 crores).

—Minister for Finance

Double Taxation Relief

The Government of India has at present bilateral agreements (i) for double income-tax relief with Aden and the British Dominions of Kenya, Tanganyika, Uganda, Zanzibar, Gold Coast, Nigeria, Sierra Leone, Gambia and Mauritius, and (ii) for avoidance of double taxation with Pakistan. The question of having agreements for avoidance of double taxation with the Governments of Burma, Ceylon and the United Kingdom and Canada is under consideration. Such agreements give benefit to Indian business concerns doing business in foreign countries, as well as to foreign business concerns doing business in India. Information regarding the total amount of income-tax liable to be lost annually to the Indian Exchequer by such agreements, is not available and its compilation would involve a good deal of time and labour which might not be commensurate with the result aimed at.

—Deputy Finance Minister

Sale of Foreign Firms

During the period, July, 1947 to March, 1953, facilities for remittance abroad of sale proceeds of foreign undertakings in India were granted in 70 cases and the amount remitted was Rs. 14.91 crores. Of these, 68 cases involving Rs. 14.77 crores were accounted for by the U.K. and once each by Ceylon and Australia, the amounts repatriated in the latter cases being Rs. 41,000 and Rs. 14 lakhs, respectively. No particular procedure has been laid down for the sale of foreign undertakings to Indian nationals. Permission of the Government of India is not necessary for the sales. Remittances of sale proceeds, however, are governed by Exchange Control Regulations. The Government has no direct power to regulate such transactions between the parties concerned and, under the existing agreement in regard to sterling balances, capital remittances resulting from such sales are allowed freely to the sterling area. In certain cases, a transaction is liable to be refused approval under section 87BB of the Indian Companies Act.

—Parliamentary Secretary to Finance Minister

Nepa Mills

The Government of India has so far given a loan of Rs. 97.33 lakhs to the Madhya Pradesh Government for the Nepa Mills Project. A Request for a further loan of Rs. 85 lakhs for this project during 1953-54 is under consideration.

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No Tea Destroyed

No tea fit for human consumption is destroyed in the tea gardens in order to bolster up prices. Tea waste and residue grades unfit for sale are destroyed in order to maintain the quality of tea sold and to prevent adulteration. No tea can be destroyed without first paying duty to the excise authorities. It can be assumed that no tea on which duty has been paid and which can fetch some return will be destroyed unless there is some concerted action on the part of all growers to raise the price. While Government cannot prevent any commodity being destroyed, I have been informed by the excise authorities that no tea fit for human consumption had been destroyed in the tea gardens.

—Minister for Commerce and Industry

Air Ports

There is a proposal to develop the Palam airport in accordance with international standards. In case it is available for development as a civil international airport, the additional cost for developing it would be about Rs. 1 crore. The airport is under the control of the Air Force and it is being utilised both by the civil airlines and by the Indian Air Force. There is no proposal to construct any new airport in its (Safdarjang airport) place. It is possible, however, that, in case Palam is not available for development as an international airport, a new aerodrome might have to be constructed in Delhi to serve the needs of civil aviation.

—Minister for Communications

World Sugar Agreement

India has decided not to join the International Sugar Agreement at present. When the participating countries review the Agreement after three years, the desirability of joining it will be reconsidered.

—Minister for Agriculture

Loans for Shipping Companies

Three ships of aggregate tonnage of 23,000 deadweight, for which keels have been laid by the Hindusthan Shipyard, are under construction now. Two are on the slipway and the third, which was launched on 26th August, 1953, is being fitted up. So far as the programme of expansion of the Yard is concerned, it is still under consideration of the Government. Loans amounting to Rs. 110 lakhs have been sanctioned to Indian shipping companies for the purchase of ships built at the Visakhapatnam Yard. Rs. 26 lakhs to the Great Eastern Shipping Company for the purchase of the *Jagrani*, Rs. 44.5 lakhs to Bharat Lines for the purchase of the *Bharatmitra* and Rs. 29.5 lakhs

(Continued in previous column)

BETTER DEMAND FOR CREDIT EXPECTED

(From Our Own Correspondent)

BOMBAY, *16th September*

The complexion of the short-term money market underwent a perceptible change during the week under review. The slightly firm tendency witnessed last week yielded place to a somewhat irregular trend, in that the demand and supply varied from day to day. Consequently, the inter-bank call rate fluctuated between 2 per cent. and 1½ per cent. The former was doubtless the most representative rate during business hours. But, after clearing hours on some days, call money was available at 1½ per cent. On other days the supply of funds was so short that the market had to go to the Reserve Bank, the lender in the last resort.

The market is taking note of the various developments which are likely to result in a better demand for funds on foreign trade account in the near future. The reduction in the export duty on hessians and the relaxation of the ban on imports and exports of certain food items by private trade are expected to expand the demand for credit. While thus the demand for money is expected to rise shortly, the volume of floating funds in the market is considered to be inadequate to meet the situation. It is pointed out that the surplus funds have shrunk considerably during the past few months following the flotation of new issues by the Central and State Governments and the local bodies. It is said that this week itself the market would have experienced keen stringency but for the supply of inter-bank funds by one of the big banks.

The improvement in the demand for money is also reflected in the slightly higher rates quoted for short-term deposits. The rate for deposits of one month rose from 2 per cent. to 2½ per cent. Two to 6 months' money was keenly sought after at 2½ per cent. House money, however, remained unaltered at 2½ per cent.

Among small banks the inter-bank call money was unchanged at 2½ per cent.

There were no marked changes in the results of Treasury Bills. The amount tendered at Rs. 1.83 crores was just Rs. 6.5 lakhs in excess of that offered last week. The average rate of accepted tenders remained unaltered at Rs. 2-6-7 per cent. per annum. Tenders for another Rs. 1.5 crores worth of Treasury Bills have been invited for the coming week.

A rise of Rs. 1.68 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 11th September, 1953, as compared with that for the previous week. Notes held in the Banking Department, however, have declined by Rs. 1.19 crores, so that the total notes issued are higher by Rs. 48.97 lakhs. This increase has been covered by suitable adjustment in rupee coin and rupee securities. In the Banking Department, barring deposits of the Central Government which have risen by Rs. 18.75 lakhs, those of other Governments, banks and others have declined, the extent of decline being Rs. 39.12 lakhs, Rs. 1.44 crores and Rs. 16.05 lakhs, respectively. Bills payable are higher by Rs. 6.36 lakhs, and other liabilities by Rs. 27.14 lakhs. On the assets side, cash has dropped by Rs. 1.10 crores. Investments are also lower by Rs. 1.52 crores. Balances held abroad, on the other hand, have improved by Rs. 2.21 crores.

The consolidated returns of the Scheduled Banks for the week ended 4th September, 1953, reveal, as compared with those for the preceding week, a fall of Rs. 46.04 lakhs in demand deposits and of Rs. 86.68 lakhs in time deposits. Inter-bank borrowings of a demand nature have gone up by Rs. 84.41 lakhs, while those of a time nature have declined by Rs. 7 lakhs. Borrowings from the Reserve Bank and the Imperial Bank have advanced by Rs. 52 lakhs and Rs. 1.29 crores, respectively. On the assets side, cash has improved by Rs. 3.39 crores. Investments and advances have also risen, the former by Rs. 1.08 crores and the latter by Rs. 1.49 crores. Money at call and short notice, too, is higher by Rs. 68.52 lakhs. Balances with other banks in current account in India, however, are lower by Rs. 51.22 lakhs. Bills purchased and discounted have fallen by Rs. 93.79 lakhs.

The Gilt-edged market continued to present steady conditions with the short and medium-dated loans in good demand at previous week's rates.

In the foreign exchange section, the rupee-dollar rate moved up further from Rs. 476½ to Rs. 479 in sympathy with the weakness of sterling in overseas markets. To-day, however, the rate receded to Rs. 478½ per 100 dollars. In New York, spot sterling was quoted more than a cent lower at $2.79½-2.79¾ as compared with $2.80.11/16-2.80.13/16 a week ago. In the forward section, too, the quotation for sterling was lower. Thus, three months' sterling declined by as much as 1¾ cents to $2.78¾—2.79 and six months' sterling from $2.79¼—2.79½ to $2.78¾—2.78½.

COW HIDES EASY

(From Our Own Correspondent)

MADRAS, *14th September*

The easier tendency which was in evidence in the cow hides market last week continued during the week under review also. At the beginning of the week, sales of medium-weight cow hides were made to the U.K. on the basis of 45d. per lb. for run fourths and fifths, and sellers were eager to make further sales on this basis. Towards the close of the week, however, U.K. buyers had reduced their limits by one penny per pound. The market for fifths alone and light-weight inferior fifths showed no signs of any reduction in price, as demand for these from the U.K. continued to be good. The demand for 12/13 lbs. buffalo hides from the U.K. continued to be good, but few orders were received for other weights.

The market for tanned goat skins showed an easier trend, as tanners were willing to offer at 3d. to 6d. less per pound than they were a week ago. There was good clearance of tanned sheep in the local market and prices were almost unchanged.

GOLD STEADY, SILVER IRREGULAR

(From Our Own Correspondent)

BOMBAY, *16th September*

While the gold section of the Bullion Exchange remained steady during the week under review, the silver section displayed an irregular trend. In the first two sessions, silver was distinctly bearish, following heavy arrivals and rumours of an amendment to the by-laws of the Bullion Association seeking to restrict the penalty in case of non-delivery at the auctions. On the opening day of the week, a prominent bull operator liquidated about 1,200 bars against his ready stocks. The sentiment, however, improved on Monday, on account of good offtake from mofussil centres, encouraging advices from Calcutta and reports that the Board was not anxious to amend the by-laws. The improvement continued on Tuesday also. Not only were the earlier losses completely erased but the closing quotations on that day were higher than those on the opening day. At higher levels, the usual profit-taking set in and the metal drifted downwards to some extent to-day, though, at the close, it was slightly better again.

Silver for forward (*Bhadrapad*) delivery opened the week at Rs. 157-1 and, after receding to Rs. 155-15 on the 11th inst., recovered to Rs. 158-2 yesterday. It reacted to Rs. 156-9 to-day, but finished higher at Rs. 157-7. *Aswayuj* delivery, business in which commenced to-day, opened at Rs. 157-12. After rising to Rs. 158, it receded to Rs. 156-15. Towards the close, however, it was higher at Rs. 157-13.

Ready silver (.996) dropped from Rs. 157-1 to Rs. 155-15 on Friday, but subsequently recovered to stand at Rs. 158-2 yesterday. After declining again to Rs. 156-14 to-day, it closed a shade higher at Rs. 157. The daily average offtake was 15 bars, the estimated floating stocks being 2,000 bars.

Despite apprehensions about large unauthorised arrivals, the yellow metal remained steady, thanks to paucity of stocks. Gold for forward delivery (*Bhadrapad*) improved during the week from Rs. 87-2 to Rs. 87-5; at one time, it had gone up to Rs. 87-10. *Aswayuj* delivery, after losing As. 5 to Rs. 86-6, recovered to finish at Rs. 86-9½.

Ready gold gathered a gain of As. 6 and reached a high of Rs. 88-3 on the 11th inst. To-day, however, it was lower at Rs. 87-10. The daily average arrivals and offtake were even at 4,000 tolas. The floating stocks are estimated at 20,000 tolas.

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

	16-9-53	Highest	Lowest	8-9-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 10	88 3	87 6	87 7
Forward	87 5	87 10	87 2	80 13
Sovereign	58 0	58 2	57 8	57 12
SILVER				
Ready (.999 fine Mint)	157 0	158 2	155 15	156 11
Forward	157 7	158 2	155 15	156 11
London Ready ..	74d.	—	—	74d.
London Forward ..	74d.	—	—	74d.
New York Ready ..	74d.	—	—	74d.

PEPPER FIRM

(Messrs. Parekh & Co.)

BOMBAY, *16th September*

Pepper in all the primary centres during the week showed firm tendency in sympathy with New York who is reported to have paid for shipments by the named steamer during September at as high as $1.11. Tellicherry is quoting Rs. 2,550, while Alleppey is reported to be reserved seller at Rs. 2,400. Dock troubles at Cochin, together with the expected strike of Longshoremen at New York by the end of September, are reported to be some of the reasons for the present improved sentiment at New York. Drying down of aggressive sellings by Sarawak, and unwillingness on the part of Lampong to offer freely created uneasiness among short-sellers at New York where autumn demand from grinders is reported to be developing, though slowly. Favourable weather conditions in pepper-growing districts of Malabar during the months of August and September are reported to have improved some prospect for the better crop result, though it is too early to state anything definitely. Any way, the season this year is expected to be somewhat late than usual. The recent reduction in the export duty on hessians has revived the talk of the imminent reduction in the export levy on pepper, as the present rate of duty is retarding the export trade and in order to improve the competitive position of pepper in foreign markets, there is every possibility that the Indian Government may decide very soon to reduce the present duty, after studying its unfavourable effect on the export of pepper from India during the year. Covering of the short positions by the bears, both in the delivery and A.S.T.A. sections, has improved the local market all round, recent encouraging news from New York having helped the bulls to squeeze the bears, who had held their own ground for the last so many days.

September delivery was traded at as high as Rs. 2,110, while October and December delivery changed hands at Rs. 1,990 and Rs. 1,730 respectively.

In the A.S.T.A. section, September improved from $1.02 to $1.11 and October from $0.97 to $1.06. Some business for November-December was also reported done from $0.94 to $0.95 per lb. c. and f. New York.

Following are to-day's nominal quotations: Ready delivery Rs. 300-320 per cwt; September Rs. 2,060-90, October Rs. 1,950-80 and December Rs. 1,650-80 per candy of 5¼ cwts.

COTTON EASY

(From Our Own Correspondent)

BOMBAY, *16th September*

Forward trading in cotton appears to be completely demoralised for the time being. Every day witnesses new low levels in prices. When it is not the swollen size of the next crop, and reports of favourable weather in cotton growing areas which frighten the market, it is the accumulated stocks in the mills' godowns and the reduced offtake which bring new fears to the minds of the operators. Prices to-day are nearer to the floor level than ever before. This landslide must stop somewhere, because it is certain that the textile industry is in a position to use all the cotton that we can grow in a year especially as the demand for coarse and medium cloth is now greater than that for fine and superfine varieties. To some of the shrewd observers who have seen many such ups and downs in the market, purchases round about Rs. 610 appear to be without any heavy risk and it is likely that good support will be forthcoming round about this level.

This debacle in the forward market has naturally affected the general turnover in the spot market also. Mills are naturally inclined to wait before committing themselves on a large scale for future requirements when prices are on the downgrade. However, sentiment in the spot market is on the whole healthier than at Kalbadevi. Enquiries for popular varieties for immediate requirements are always there and though the buying is selective, prices have not slumped for the type of cotton generally in demand, to the same extent as in the forward market. Mill interest in imported styles also appears to have revived to a certain extent. But this may prove short-lived in view of the consistent weakness of the New York market.

Another important development during the week is the pressure being exerted on the Government of India to announce its export policy for the coming year. What has lent greater support to this demand just at this time is the fact that the Pakistan Government has imposed an export duty of Rs. 60 per bale on *Deshi* and Comilla cotton. This has led to an increase of enquiries from the Continental consumers of such cotton in Bombay. The shippers consider this a good time to confirm sales of whatever quantity of cotton is going to be exported during 1953-54, as prices may not be so attractive and the demand not so great during the latter part of the year. There is also the fear that if it has any difficulty to find buyers for *Deshi* cotton, Karachi might come to reduce or remove the export duty on it. And finally, exportable varieties being of early growh, such cotton will begin to move into the market soon.

All these reasons have led the President of the E.I.C.A. to request Government to announce its policy as well as the quantum for export. The Government is, however, not likely to be in hurry to respond to this call from the trade. It will naturally want that the mills in the country should first be able to secure whatever quantities they want of these cottons at reasonable prices before any export is allowed. The volume of cotton available for purposes of exports this year is likely to be very limited and prices are likely to soar as soon as exports are allowed. This would raise the price for the Indian buyers also, which would be against the Government's policy of reducing cloth prices in general and of discouraging production of short-staple varieties.

After a lot of delay, the issue with regard to the payment for Egyptian cotton which was purchased before the Trade Agreement with Cairo was finally ratified by the two contracting parties has been finally settled in favour of the shippers in Alexandria. The Government here has allowed full payment for this cotton to be made in sterling and directed the Reserve Bank to supply the necessary exchange on production of satisfactory evidence regarding purchase. This will speed up the shipping of the remaining quantity of this cotton.

I.C.C. February opened the week at Rs. 624 as against Rs. 620, at which it closed the previous week. But the reports of good weather in the cotton areas, coupled with scattered profit-taking, again depressed its price which touched a low of Rs. 611 to-day, before it closed slightly higher at Rs. 616½. I.C.C. May shared the same trend. After opening the week at Rs. 627 it fluctuated between Rs. 629 (11th inst.) and Rs. 614 (to-day). At the close of to-day's session it was marked up to Rs. 619½. The following is the trend of prices over the week ended to-day:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ... Rs.	624	625	611	616½
I.C.C. May ... Rs.	627	629	614	619½

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 560, Berar *Jarilas* Rs. 700, Khandesh Rs. 785, Vijay Rs. 860, Oomra *Deshi* Rs. 610, Moglai Rs. 610.

At Karachi, apart from the announcement regarding the imposition of export duties, there has been no development of note. Export duty on varieties other than Bengals and Comillas will continue at the present level of Rs. 90 per bale. Similarly, minimum prices for export sales announced last January will continue to be in force, which means that licences for export will not be issued for those sales which are at a price lower than Rs. 58 per maund in the case of N.T. and L.S.S., Rs. 56 for 4F and Rs. 61 for 289F R.G. quality, with a premium of Rs. 3 per maund for S.G. cotton. There will be no restriction on the quantity exported by each individual shipper until further notice and cotton will continue to be on the Open General Licence. The reimposition of export duty on *Deshi* and Comillas was naturally followed by a sharp decline in the prices of these two varieties. Japan and Spain are believed to have made some purchases of new crop cotton. But apart from this, enquiries from abroad continue to be slack.

The latest available quotations from the Karachi cotton market are: Old crop Sind *Deshi* Rs. 61; Punjab *Deshi* Rs. 59; 4F R.G. Rs. 54½; S.G. Rs. 59½ L.S.S. R.G. Rs. 57½; S.G. Rs. 62½; N.T. R.G Rs. 63½; S.G. Rs. 69. New crop Sind *Deshi* Rs. 59½; Punjab *Deshi* Rs. 56½; N.T. R.G. Rs. 65 to Rs. 65½; S.G. Rs. 69; 289F Rs. 68; S.G. Rs. 73.

At Alexandria, the market is fairly active with increased enquiries from the Continent. While Ashmouni still rules as a favourite of foreign buyers, Karnak has now begun to appear into the picture. The greater demand for Ashmouni from abroad has led the Government to raise the premia for the higher grades of this variety by about a penny per lb. The total crop this year as estimated by the trade will be about 7.25 to 7.5 million cantars, against 9.78 million cantars during the last season. A good rise over last year's production is expected in Giza 30, while Zagora will be of about the same volume as last year. Ashmouni, Karnak and Menoufi all are likely to register heavy decline.

At New York, the tendency throughout the week under review has been bearish. This is in sympathy with Wall Street, where a fairly heavy landslide in stock values has occurred during the week. In fact, an all-round readjustment of prices seems to be going on in the U.S.A. and cotton prices for the time being will depend not on the intrinsic value of the commodity as such, but on its relation with other markets. Until this process of readjustment has been completed, no improvement in cotton prices in the U.S.A. markets is likely.

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

(In cents per lb.)

	15-9-53	8-9-53	31-8-53
Spot	33.75	33.75	33.75
October	33.11	33.30	33.33
December	33.36	33.52	33.59
March	33.71	33.81	33.86
May	33.81	33.82	33.86

ART SILK YARN EASY

(From Our Own Correspondent)

BOMBAY, *16th September*

Rumours of a downward revision in Japanese rayon yarn prices (to the extent of 6d. per lb.) imparted distinct easiness to the art silk yarn market during the week under review. Weak advices from other commodity markets, particularly cotton, also adversely affected the sentiment of the market. The bearish effect was so perceptible that operators overlooked even the possibility of good export trade in Pakistan, following liberalisation of Pakistan Government's import policy. Operators were eager to reduce their commitments, while buyers were extremely reluctant to make fresh purchases in large quantities. There was, therefore, a sharp break in prices of art silk yarn which persisted till the close to-day. The undertone of the market was easy.

Latest reports from Tokyo indicate that "the Japanese rayon yarn producers are considering clipping their prices to cash in quickly on an opportunity to increase sales to India." This anxiety on the part of Japan has been the result of keen competition offered by Italian producers in the Indian market. The price of Italian yarn at Milan is at present 172 yen per lb. (f.o.b.), as compared with the current Japanese export average of 220 yen. Consequent on this wide price disparity, imports of rayon yarn from Japan in recent months have been relatively smaller than those from Italy. The quantity of yarn imported into Bombay Port from Japan during the month of August, 1953, for instance, was only 2.64 million lbs., while that imported from Italy amounted to as much as 10.35 million lbs. It is stated that, with a view to pushing up sales of Japanese yarn in India, Mr. Kawaguchi, Director-General of the Chemical Fibre Association, who had recently been to India on a business trip, is reported to be urging rayon yarn producers in Japan to lower their export prices.

Art silk yarn (150D) September contract slumped from Rs. 784 to Rs. 758, the lowest level touched in the past nine weeks. At the close, however, it was a shade higher at Rs. 760. October contract was hammered down to Rs. 762, as against Rs. 787 last week, before recovering to Rs. 764 towards the close. In the ready section, 120 Japan, 150 Japan and 150 Italy receded, each by As. 2, to Rs. 4-1, Rs. 4-0½ and Rs. 3-13, respectively. 120 Italy lost an anna and a half to Rs. 4-1.

The staple fibre section began the week with a firm tone, some of the prominent operators having held stocks on expectation of a shortage of supplies in the coming weeks. The firm tendency gave way to selling pressure on Friday, as a result of a break in art silk yarn prices, and prices staged a retreat. The downward trend persisted till the close yesterday. The sentiment of operators imclose yesterday. The sentiment of operators improved considerably to-day and prices advanced to levels which, besides making up the previous losses, stood higher than those a week before.

Staple fibre yarn 2/40s September contract, after rallying 23 points to Rs. 712 on Thursday, receded to Rs. 671 yesterday. Thereafter, it improved to Rs. 694 to-day; at one time, it had touched Rs. 698. Business in October contract was commenced at Rs. 670 on Monday. After hardening to Rs. 690 to-day, it reacted to Rs. 666 at the close. The difference between the quotation for the two contracts was as wide as Rs. 28. For there was selling pressure in October delivery, while operators were reluctant to sell in September delivery, due to shortage of stocks.

The table below gives the prices of art silk yarn and stable fibre yarn quoted to-day, as compared with those on the 7th inst. and 29th August, 1953:

	16-9-53	8-9-53	29-8-53
Art silk yarn	Rs. a.	Rs. a.	Rs. a.
150D September (per case of 200 lbs.)	760 0	792 0	785 0
150 October " "	764 0	796 0	—
120 Japan (per lb.)	4 1	4 3	4 1½
150 Japan "	4 0½	4 3	4 1½
150 Japan "	4 1	4 3	4 2
120 Italy "	3 13	4 0	3 15
150 Italy "			
Staple fibre yarn			
2/40s September (per case of 200 lbs.)	694 0	697 0	674 0
2/40s October " "	666 0	—	—

CASTORSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *16th September*

The most important event during the week under review was the decision of the Board of the Bombay Oilseeds Exchange to raise the margin of 10 per cent., against tenders of castorseeds, September, 1953, for delivery up-country, to 50 per cent. This decision, which works against bulls, was taken at a time—that is, on the 14th inst.—when castorseeds, September delivery, stood at as high as Rs. 167. However, desirable it may be, the decision now is regretted in certain sections of the market which point out that a similar action was not taken by the Board in May last, when also the rate for castorseeds stood at the same level as on the 14th inst., namely, Rs. 167. If no effort was made by the Board to raise the margin then, it was because, they observe, the bear operators who control the majority of the votes to-day were bulls then and it was not to their interest to raise the margin. These sections feel that, although the measure is unwarranted, it can be justified only if it is made applicable for all contracts in future.

The above decision has, however, not scared the bulls, as expected. For bulls seem prepared to meet the contingency. They have so far absorbed all the tenders which amounted to 8,300 candies upto yesterday. It is expected that they might absorb upto 20,000 candies. This is attributed to the fact that the bulls have firm export commitments. This explains the reason for the firm trend in September delivery which has recorded a gain of Rs. 14-8 to Rs. 169, the highest and the lowest touched during the week being Rs. 171 and Rs. 157. But May contract declined sharply on continued selling pressure. The spread between this contract and September at the close was Rs. 49-12 as against Rs. 29-14 early in the week. May is quoted to-day at Rs. 119-4, as against Rs. 124-10 end of last week. Among spots, F.A.Q. has shot up from Rs. 30-8 to Rs. 33 and Madras Rs. 31 to Rs. 33-8. Castor oil B.S.S. has gained As. 8 to Rs. 18-4, I Pressure As. 6 to Rs. 17-12 and Commercial As. 12 to Rs. 17.

The groundnuts section has been easy, the turnover being small. Prospects for Pollachi crop seem to be excellent. Bold F.A.Q. has declined from Rs. 53-8 to Rs. 51. August-September delivery is lower by Re. 1-8 at Rs. 48 and December-January by As. 6 at Rs. 31-8. Khandesh quality has eased from Rs. 53-8 to Rs. 52 and October delivery from Rs. 39-8 to Rs. 38. Groundnut oil ex-mill is enquired at Rs. 28-8, as against Rs. 31. Railway receipts have lost Re. 1-8 to Rs. 28-8. September and October deliveries are each down by As. 10 at Rs. 26-4 and Rs. 22-2, respectively. November and December deliveries changed hands at Rs. 18-3 and Rs. 17, respectively.

The linseed section is very much depressed on account of lack of buying enquiry and free offerings in new crop for February-March delivery. Bold ready has glided from Rs. 30-8 to Rs. 28-6. August-September delivery is lower by Re. 1-14 at Rs. 28-0, and October-November by Re. 1-4 at Rs. 26-12. February-March is down by Re. 1-4 at Rs. 23. Linseed oil is enquired at Rs. 15-12, as compared with Rs. 16-8.

Among other seeds, *kardi* seeds are easy, while niger seeds are firm. *Kardi* seeds, Bold, have fallen from Rs. 26-4 to Rs. 25-4. August-September and October-November are lower at Rs. 24 and Rs. 22-12, as against Rs. 25-10 and Rs. 23-12 respectively. But *niger* seeds F.A.Q. have gained Re. 1-4 to Rs. 37-4 and Madras Re. 1-8 to Rs. 38-4.

Arrivals of oilseeds in Bombay from 1st January to 10th September this year were as follows, as compared with those in the corresponding period last year.

(*In cwts*)

	1953	1952
Groundnuts	1,657,450	1,800,010
Linseed	104,748	225,210
Castorseeds	588,554	544,956

Arrivals of oil this year upto 5th September as compared with those in the corresponding period in 1952 were as given below:

(*In tons*)

	1953	1952
Groundnut oil	27,826	56,367
Castoroil	11,592	9,552
Linseed oil	1,816	8,161
Coconut oil	12,912	11,772
Palm oil	5,079	—
Cottonseed oil	4,689	1,890

The following table shows the prices of oilseeds and oil on the 16th inst., as compared with those at the end of the previous two weeks.

	16-9-53	8-9-53	2-9-53
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Bold Ready New (per cwt.)	51 0	53 8	51 4
August-Sept.	48 0	49 8	48 4
December-January	31 8	31 14	31 14
Linseed—			
Bold Ready (per cwt.) ..	28 6	30 8	29 12
Castorseeds—			
Sept. (per candy of 5 cwts.).	169 0	154 8	145 4
May 1954	119 4	124 10	126 8
Madras (per cwt.)	33 8	31 0	28 12
Groundnut oil—			
Ex-mill Ready (per quarter).	28 8	31 0	28 0
Castor Oil—			
Commercial (per quarter)..	17 0	16 4	16 4

LINSEED STRONG

(Messrs. A. Bradley & Co.)

CALCUTTA, *14th September*

There has been little change in the linseed market and, whilst firm prices have been maintained, trading has been limited. Sellers have shown very little interest, owing to poor arrivals. Although demand continues from local crushers to be fairly keen, the daily turnover is small. The oil market is well maintained in sympathy with groundnut oil. The turnover has been rather small, with *vanaspati* buyers purchasing for immediate requirements only. Latest quotations are: Ready Rs 21 and September-October Rs. 21 per maund.

SUGAR RECOVERS

(From Our Own Correspondent)

BOMBAY, *16th September*

Developments during the week under review amply illustrate the highly sensitive nature of the sugar market nowadays. The initial drop in spot and forward sugars, as a result of the announcement regarding the purchase of an additional quantity of one lakh tons of sugar abroad, release of one lakh tons and the invitation of tenders for Mexican sugar, soon evaporated into thin air, and the markets speedily shot up to higher levels. This was due to definite reports that the arrival of steamers carrying foreign sugar has been considerably delayed. It is stated, for instance, that Mexican sugar will not be delivered in Bombay before the 30th inst., and that British refined sugar will not be delivered earlier than 10th October, 1953. Thus, although the delivery of foreign sugar has been delayed, the Union Food Ministry has not hesitated to collect the entire balance of the full amount from the tenderers. The latter had to pay this amount as early as on the 10th inst. They were then informed by the Ministry that the s.s. *Volcano* would unload in Bombay on the 17th inst., but, later on, they came to know that the ship had actually left the U.K. shores only on the 8th inst. They wonder as to how the Ministry could be so ignorant as not to know that even the fastest cargo liner cannot complete the voyage within in so short a time as 9 days. Be that as it may, the tenderers have unnecessarily been penalised by making them lose interest on a large sum amounting to over Rs. 1 crore.

The latest reports indicate that a third ship from Java will touch Bombay harbour during the first week of October and that tenders for Java sugar will be invited during the next week.

In substance, therefore, we may reasonably anticipate a glut of imported sugar in Bombay during the first fortnight of October. It is, therefore, to be hoped that reasonable advance allotment of wagons will be made to the Bombay Port Trust (B.P.T.) Railways by the Ministry of Transport to feed the interior markets with imported sugar. It is clear that, without this facility for movement of imported sugar to the important distributing centres in the interior, we might probably witness a curious phenomenon of cheap prices in Bombay, with a wide disparity by way of high ruling prices in the interior. Extremely heavy demand for sugar is usual in the festive month of October. Even the expected further release on the 3rd or the 5th of next month, which, in no event, can be for more than 70,000 tons, will be inadequate to meet the internal demand for sugar throughout the country. It is, therefore, all the more incumbent upon the Food Ministry to arrange a very liberal allotment of wagons to the B.P.T. Railway for transporting the imported sugar from the Bombay Port to the interior centres.

The forward section of the Bombay sugar market witnessed a smart recovery in prices during the week under review. *Bhadrapad* delivery, which had dropped to as low as Rs. 86-12 per bag last week, firmed up to Rs. 90-6 per bag, due to very tight stock position, good demand and definite news that no imported sugar would be delivered at Bombay before the end of the month. With only a week left for the due date for submitting delivery orders for *Bhadrapad* contract, bulls are in a strong position. To-day's quotation for the contract is Rs. 90 per bag. It is believed that this contract will be squared up around the existing level.

Forward sales in British refined sugar were made at a higher price of Rs. 88 per bag ex-godown. To-day, however, the price went down to Rs. 86, on reports that tenders would shortly be invited for Java sugar.

In sympathy with the forward section, the ready section also registered an improvement in prices. The quotations for small, medium and large grain sugars to-day were Rs. 93, Rs. 95 and Rs. 97 to Rs. 98 per bag, as against Rs. 89, Rs. 91 and Rs. 95, respectively, a week before.

Arrivals of sugar into the Bombay market during the week under review were slightly larger than those in the previous week. The quantity that actually arrived was 11,700 bags, as against 11,000 bags last week. The stocks of sugar (including wet sugar) with the spot trade is estimated at 15,000 bags.

JUTE GOODS IMPROVE SLIGHTLY

(From Our Own Correspondent)

CALCUTTA, *15th September*

Prices of jute goods recorded a small improvement during the week, although they did not reach a desirable level from the point of view of the jute industry. The fractional improvement in prices was apparently due to the publication of stock figures as at the end of August, according to which there was an overall reduction of 3,200 tons. Of the decline, the major portion, that is 2,900 tons, was claimed by hessian, the stock at the end of August aggregating 42,000 tons. Sacking goods held by mills amounted to 89,700 tons, accounting for a fall of only 400 tons. The decline in stocks should not be construed to mean that there was any increase in demand, since production of hessian and sacking goods during August amounted to 30,800 and 35,000 tons respectively, falling thereby to the extent of 4,700 and 5,500 tons. These fall in both cases was due to the shorter working month caused by several holidays in August. Whatever the reasons, the decline in stocks had, this week, some effect in the attitude of buyers, resulting in fractional gains in rates.

In fact, export demand for both hessian and sacking has shrunk during recent months, and this is, in spite of the fact that world consumption of jute goods is on the increase and that the war-time substitutes are being conquered by burlap in view of the latter's new cheapness and reliability and after-use as a packaging material. Not only thus

(*Continued on page 563*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	4th Sept., 1953	A week ago	A month ago	A year ago
RESERVE BANK :					
Issue Department					
Notes in circulation	172.44	1,091.60	1,082.93	1,107.06	1,095 43
Notes held in Banking Department	35.05	25 43	34 41	32.85	23 84
Foreign Securities	89 50	558 15	558 16	583.15	583.15
Total Assets	37.39	424 90	424 90	424.86	464.63
Banking Department					
Deposits of :					
Government of India	14.89	127 62	134 18	103.82	118 84
Other Governments	..	20 24	24 23	27.09	9 10
Balances held abroad	10.08	142.42	141 25	119.15	145.77
SCHEDULED BANKS					
Demand Liabilities	134.37	529 59	529 21	529 97	556 61
		13 81)	(12 97)	(12 23)	(14 05)
Time Liabilities	102 84	330 56	331 36	327 59	314 42
Borrowings from Reserve Bank	..	(2 22)	(2 15)	(2 15)	(3 7•)
	..	2 65	2 13	4 52	2 65
		(0.49)†	(0.49)†	(0.49)†	(1.09)†
Borrowings from Imperial Bank	..	6 44	5 35	7 29	4 44
Cash in India	6.71	31 93	31.73	29 44	33.82
Balances with Reserve Bank	25.28	49 11	45.93	47.05	69.17
Excess over statutory limits	15.52	16 07	12 90	14.00	23.77
Balances with other banks in current account in India	..	9.74	10.26	10.19	12.69
Money at call and short notice in India	..	17.40	16 72	16 23	20.47
Investments (at book value)	..	327 96	326 88	319 05	302 83
Advances and bills	108.09	473 89	473 34	483.35	475.06
IMPERIAL BANK					
Deposits	87.76	207 52	206 70	212 64	220 93
Investments	51.99	90 78	90 78	87.70	85.76
Advances	80.87	106 46	106 84	114 90	119 24
Cash	14 69	25 30	20 81	20 84	33 33

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	11th September, 1953		4th September, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,29 515	47,87,72,000	1 63 028	41,64,19,000
Calcutta	1,52 662	47 44 87,014	1 29 416	51,81,29,489
Madras	72,357	9,07,35,085	65 415	7,74,81,971
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,859
1952	..	..	1,06,41,941	28,79,81,57,000
June 1953	..	..	24,65,000	6 34,71,00,000
July	..	..	27,12 000	5,71,94 00,000

Reserve Bank of India

Statement of Affairs for the week ended 11th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	8,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	127,80,75,000
(2) Other Governments	10,34,89,000
(b) Banks	49 31,97, 00
(c) Others	57 16,03,000
Bills Payable	2 21,80,000
Other Liabilities	9 75 26,000
Rupees	276,11 39 000

ASSETS	Rs.
Notes	24,23 46,000
Rupee Coin	13 61,000
Subsidiary Coin	3,91,000
Bills Purchased and Discounted—	
(a) Internal	17.50,000
(b) External	..
(c) Government Treasury Bills	3,18 05 000
Balances held abroad*	141 62 52,000
Loans and Advances to Governments	4,83,000
Other Loans and Advances	11 27 42 000
Investments	68,21 29,000
Other Assets	6 17 04,000
Rupees	276,11,39 000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	24,23,46,000	
Notes in circulation	1093,18,43,000	
Total Notes issued		1117.41 89.000
Total Liabilities		1117,41,89,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	93	
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		94 54,93,000
Government of India Rupee Securities		424,90,09,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1117,41,89,000

Ratio of Total of A to Liabilities: 53.531 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 4th Sept., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	13,81,37,000†
	(ii) Other demand liabilities	514,77,59,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	2,21,50,000†
	(ii) Other time liabilities	323,31,43,000
3.	Cash in India	31 92,78 000
4.	Balances with the Reserve Bank in India	49,11,44,000
5.	Balances with other banks in current account in India	9,74,43,000
6.	Money at call and short notice in India	17,40,15,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	827,95,02 000
8.	Advances in India	423,02,44,000
9.	Inland Bills purchased and discounted in India	45 86,77,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	15th September 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D.	Rs. 479	476
Buyers T.T.	Rs. 474	472
London on New York	$ 2.79-2.79 1/2	2.80 1/8-2.80 1/8
London on Paris	Frs. 974-974	973 973
London on Berne	Sw. Frs. 12.16 1/2-12.17 1/2	12.17 1/4-12.17 1/2
New York on London	$ 2.79 1/8-2.79 1/8	

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..		9,730	255
Pakistan	1949	79.04	..		1,871	238
Burma	1951	18.67	Kyats	8,166	817	169
Ceylon	1951	7.74	..		451	582
Japan	1951	84.80	Y.	4,849,400	6,474	774
Philippines	1951	20 23	Ps.	7,586	1,820	856
New Zealand	1951	1 95	£(N.Z.)	616	820	4,206
Australia	1951	8 43	£(A.)	3,238	3,454	3,317
U.K.	1952	50 43	£	13 648	18,197	3,608
U.S.A.	1952	156 98	$	290,430	138,280	8,808
Canada	1952	14 43	$	18,307	8,240	5,714
France	1951	42 24	F. Fr.	9,082,000	12,375	2,929
W. Germany	1951	48 11	Dm.	90,900	10,227	2,126
Italy	1951	46 66	Lr.	7,746,000	5,902	1,267
Norway	1952	3.32	Kr.	16,598	1,126	3,392
Sweden	1951	7 07	Kr.	26,800	3,470	4,884
Netherlands	1952	10.34	Fl.	17,550	3,200	3,120
Denmark	1951	4.80	Kr.	20,716	1,489	3,346
Switzerland	1951	4.76	S. Fr.	19,600	3,166	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, July 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 4th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	36,80,00,000
(b) Provincial Governments	79,13,300
(c) Banks	22,24 00,000
(d) Others	2,40 40 000
Bills Payable	61,54,000
Other Liabilities	1,54,30,000
Rupees	70,71,40,000

ASSETS	Rs.
Notes	8,17,07,000
Rupee Coin	3,000
Subsidiary Coin	10,000
Bills Purchased and Discounted :—	
(a) Internal	..
(b) External	..
(c) Government Treasury Bills	9,99 000
Loans and Advances to Governments	1,83 00,000
Provincial Governments Debtor Balances	11 35,43,000
Other Loans and Advances	1,09 00,000
Investments	39 21 34,000
Other Assets	9,02 44,000
Rupees	70,71,40,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,17,07,000	
Notes in circulation	203,47,85,000	
Total Notes issued		211,64,92,000
Total Liabilities		211,64,92,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	89,33,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
		89,14,77,000
B. Rupee Coin	6,43,04,000	
Government of Pakistan Securities	111,77,36,000	
Internal bills of exchange and other commercial paper	..	
		118,25,40,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	8,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		211 64 92,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 43.99 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953					
23rd June	1.00	2 90	1.00	2 6 8	21
1st July	1.00	2 71	1.00	2 6 6	23
7th "	1.00	3 01	1.00	2 6 2	8
14th "	1.00	2 81	1.00	2 6 2	9
21st "	1.00	2 80	1.00	2 6 2	9
28th "	1.00	3 76	1.00	2 6 2	10
4th August	1.50	2 61	1.50	2 6 3	30
11th "	1.50	2 02	1.50	2 6 3	40
18th "	1.50	1 85	1.50	2 6 3	43
25th "	1.50	2 02	1.50	2 6 5	65
8th September	1.50	1 77	1.50	2 6 6	94
15th "	1.50	1.84	1.50	2 6 7	77
"				2 6 7	80
Total	15.00	30.12	15 00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	16th Dec., 1952	3½	3
Canada	17th Oct., 1950	2½	2
Ceylon	25th July, 1953	2½	3
Denmark	3rd April, 1953	3	2½
Finland	16th Dec., 1952	7½	6½
France	9th Nov., 1951	3	4
Greece	12th July, 1948	10	15
India	18th Nov., 1951	3	3½
Italy	6th April, 1950	4½	5
Japan	1st Oct., 1951	5-11	5.84
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1941	4	3
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	3	3½
Portugal	18th Jan., 1944	3	4
South Africa	27th Mar., 1952	3½	4
Spain	26th Feb., 1953	4½	4
Sweden	1st Dec., 1950	3½	4
Switzerland	26th Nov., 1936	4	1½
U.A.R.	16th Jan., 1953	5	4
United Kingdom	12th Mar., 1932	3	2
U.S.S.R.	1st July, 1936	5	4
West Germany	4th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	February, 1953	1952	Eleven months—April to Feb., 1952-53	1951-52
Import Duties :				
Revenue	9.03	11.56	102.00	119.76
Protective	49	90	6.08	9.73
On surplus disposals	..	8	5	27
Total import duties	9.52	12 49	109.03	129 76
Export Duties	3.19	7.81	50 41	83 25
Land Customs	16	27	2.46	2 99
Miscellaneous	6	7	1.08	1.04
Gross total customs	12.95	20.64	162.98	217 04
Refunds and drawbacks	14	31	7.49	4 46
Net Customs	12 81	20 33	155 49	212 60
Gross excise	7.70	6.86	79 35	81.11
Refunds	12	17	1.85	1 69
Net Excise	7.58	6.69	75.00	79.62
Net total of customs and excise	20.39	27.02	235.49	292 12

Imperial Bank of India

Statement of Affairs for the week ended 11th Sept., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35 50 000
Deposits and other Accounts		205,70,89,000
Borrowings from other Banking Companies Agents		
Bills Payable		1,67,01,000
Bills for Collection being Bills Receivable as per contra		58 76,000
Acceptances, Endorsements and Other Obligations as per contra		1,06 000
Other Liabilities (including Inter-Office Adjustments)		1,93,10,000
Total	Rs.	221 93 32 000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18 06 44 000
Balances with other Banks		3 01 35 000
Money at Call and Short Notice		1,02,56,000
INVESTMENTS—		
Government and other Trustee Securities	81 51,46 000	
Other Authorised Investments	10,53 70,000	
		92,05 16,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	85 72,18 000	
Bills Discounted and Purchased	17,01,19 000	
		102,73,37000
Bills Receivable being Bills for Collection as per contra		58,76,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,06 000
Premises less Depreciation		1,81 64 000
Furniture and Fixtures less Depreciation		3,85 85 000
Other Assets (including Inter-Office Adjustments)		1,84,09,000
Total	Rs.	221 93,32,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings §		2½% Ten-Year Treasury Savings Deposit Certificates §	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49 ..	1,54	1,47	76	74	20,40	22,86	83 26	22 91	—	12,31		
1951-52 ..	1,75	6,08	77	2,91	22,08	46,81	1,07,55	74,18	—	27,53	13,10	13,20
1952-53 ..	1,63	6,84	66	3,27	23,66	64,18	1,12,36	91,01	—	31,06	7,54	25,64
June 1952 ..	12	8,27	6	3,01	1,81	71,64	9,38	80,03	—	29,53	69	20,53
July ..	15	8,33	10	3,08	2,03	72,14	10,29	82,84	—	29,92	74	21,25
August ..	15	8,40	6	3,11	1,76	74,45	8,81	83,76	—	29,16	65	21,92
September ..	10	8,44	8	3,11	1,84	75,73	8,79	84,91	—	29,41	62	22,34
October ..	11	8,48	5	3,14	1,71	76,77	8,36	85,25	—	29,49	56	22,92
November ..	10	8,50	3	3,16	1,71	77,99	8,03	85,54	—	29,90	58	23,48
December ..	8	8,51	3	3,16	1,86	79,34	8,45	85,95	—	29,90	58	23,48
January 1953 ..	10	8,54	4	3,19	2,02	80,77	8,34	86,09	—	30,23	48	23,94
February ..	14	8,61	5	3,22	1,88	82,14	8,36	86,36	—	30,31	54	24,44
March ..	22	8,64	9	3,27	2,66	84,18	13,75	91,01	—	30,76	62	25,04
April ..	11	8,60	5	3,27	2,24	85,95	9,66	93,01	—	31,06	60	25,64
May ..	12	8,53	4	3,29	2,04	87,57	9,55	91,90	—	31,30	80	24,36
June ..	11	8,82	4	3,31	2,25	89,33	9,43	93,80	—	31,73	68	27,00
July ..	..	..	..	..	..	..	..	..	—	..	69	27,56
August ..	..	..	..	..	..	..	..	..	—	..	66	24,20

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *

(Base : 1949-50 = 100)

Group and Sub-Group	Week ended 1-8-'53	29-8-'53	5-8-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.3	99.3	99.3
1. Government of India	99.1	99.1	99.1
2. Indian States	95.6	95.5	95.5
3. Municipal, Port Trust, etc.	90.1	90.3	89.8
DEBENTURES OF INDUSTRIAL CONCERNS	100 5	101.1	101 2
1. *Electricity*	102 4	102.6	102.5
2. Jute	94 0	97.8	95.0
3. Plantations	100 0	100 0	100 0
4. Sugar	97 1	99 8	100 1
5. Coal	89 9	90 9	90 8
6. *General* Engineering	97.8	100 8	101.7
7. Shipping	101.7	102 5	102 9
8. Others	99 0	99 6	99 8
PREFERENCE SHARES	87 6	87 9	87.7
1. Electricity	90 4	92 8	94 9
2. Cotton	84 8	84 6	84 6
3. Jute	85.6	85.4	85.4
4. Coal	90 4	91 9	92 1
5. Iron and Steel	93 4	92 7	92 5
6. Sugar	74.7	75.5	76.1
7. Paper	86.7	86.7	86 7
8. Plantations	86 0	87.5	87.5
9. Miscellaneous	84.2	85.6	85.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	93 3	91.8	91.7
(a) Financial	85 8	85.2	85 4
1. Banks	97 1	96 7	96 8
2. Insurance	98.1	95 2	94.7
3. Investment Trust	72 4	70 8	70 8
(b) Public Utilities	107 1	108 8	109 8
1. Electricity	117.3	117.1	117 0
2. Shipping and other Transport	90.1	89.6	89 8
3. Railways	91 8	81 8	82 1
(c) Manufacturing Industries	95 5	93 6	93 4
1. Cotton, Woollen and Silk	94 4	92.5	92 6
2. Jute	79 6	79 8	79 4
3. Iron and Steel	102 4	94 2	97 9
4. Paper	152.5	149 0	149 9
5. Cement	113 1	110 7	111 2
6. General Engineering	102 9	102 4	102 2
7. Sugar and Breweries	83.8	84 4	85 1
8. Chemicals	94 1	92 8	92 5
(d) Non-Manufacturing Industries	89 8	88 9	88 2
1. Coal	74.8	75.0	74 7
2. Mining and Oil	115 1	111.1	111 3
3. Plantations	86 1	84 1	81.6
4. Miscellaneous	86.6	85.3	85.4
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :	89.9	89.7	89.7
1. Bombay	90 2	90 2	90 2
2. Calcutta	90.5	90.5	90.5
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS :	99.7	101.1	101.7
1. Bombay	100.9	101.5	101.5
2. Calcutta	100.4	100.3	100.3
3. Madras			
PREFERENCE SHARES :	94.7	94.8	93.9
1. Bombay	83.1	83.7	83.8
2. Calcutta	87.8	88.5	88.7
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :	101.1	100.1	99 9
1. Bombay	97.9	96.1	96 0
2. Calcutta	91.5	92 0	92.1
3. Madras	89.2	84 9	85.7
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950 ..	814	719,988	12,468,716
1951 ..	1,071	691,821	3,818 928
1952 ..	963	809,242	3,336,961
May 1951 ..	109	56,804	277,814
June ..	146	93,446	448,288
July ..	180	72,454	671,704
August ..	108	64,894	259,907
September ..	108	67,200	190,781
October ..	155	64,147	189,874
November ..	118	76,196	366,149
December ..		106,881	674,340
January 1952 ..	98	63,140	215,807
February ..	87	42,450	148,498
March ..	134	69,457	294,346
April ..	118	80,098	254,888
May ..	101	89,851	257,962
June ..	82	40,764	171,268
July ..	88	46,888	148,533
August ..	96	57,875	460,552
September ..	96	76,161	340,618
October ..	87	49,706	273,245
November ..	81	37,625	156,017
December ..			
January 1953†	85	42 383	244,414
February ..	45	26,477	124,411
March ..	67	33,231	216,207
April ..	70	44,805	215,464
May ..	81	34,350(a)	217 526(b)
June ..	98	80 137	252,059

† Figures for 1953 are provisional. * Revised
(a) Not known in three cases. (b) Not known in six cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	4,681 1	3,777.7
1951-52 ..	614	6,301.4	5,134 8
1952-53 ..	588	6,600.8	5,409.7
January 1952 ..	571	490.7	391.0
February ..	578	481.8	392.9
March ..	577	498.8	398.8
April ..	581	514.4	473.1
May ..	583	500.1	408.8
June ..	568	534.0	429.7
July ..	598	531 6	426.7
August ..	597	553.3	430.6
September ..	599	548.2	441.8
October ..	605	559.7	436.4
November ..	608	552 2	457.8
December ..		535 5	441 8
January 1953 ..	611	498 6	417 4
February ..	614	538 0	435 7
March ..	614	580 9	484 1
April ..	618	620	456 1
May ..		580 4	

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939 = 100)

Particulars	29th August, 1953	22nd August, 1953	30th August 1952	July, 1953	July, 1952	Percentage of increase (+) or decrease (—) in July, 1953 as compared with July, 1952	1952	1951
Food Articles	402.9	406.1	373.6	406 4	367.6	+10 6	359.8	409.8
Cereals	490	479*	463	453	457	+ 8 8	450	493
Pulses	493	502	515	503	480	+ 4.8	458	506
Other	251	257	235	288	234	+23 1	225	290
Industrial Raw Materials	435.5	434.6	458.2	430 5	426.1	+10 4	433.8	502.2
Fibres	431	432	447	419	429	— 2 3	454	528
Oil seeds	658	650	517	675	477	+41 5	484	679
Minerals	451	454	459	442	402	— 4 3	458	458
Others	364*	363*	329	295	277	+20 6	341	533
Semi-Manufactures	384.2	384.6	350.8	385.4	347.2	+ 5 2	346.8	377.8
Leather	407	407	390	417	353	+18 1	346	458
Mineral oils	227	227	228	228	221	+ 0 5	221	197
Vegetable oils	544	543	466	597	559	+ 6 9	459	679
Cotton yarn	441	441	453*	448*	454*	— 1 3	468*	458
Metals	213	224	217	224	219	+ 2 3	211	197
Oil Cakes	427	435	446	448	440	+ 1 8	440	500
Others	300	300	262	283	285	—11 2	278	320
Manufactured Articles	369.3	370.4	365.9	367 3R	368.7	— 0 4	377.8	398.8
Textiles	409	411	401	406R	405	+ 0 2	428	468
Jute	404	415	433	410	430	— 4 7	508	808
Cotton	415*	415*	399*	410*R	389*	+ 6 4	401*	400*
Rayon and Silk	404*	404*	444*	400*	504*	—21 3	488*	811*
Woollen	320	320	277*	320	378	—15 8	346	378
Metal products	327	328	316	328	328	+ 2 4	337	388
Others	285	285	298	285	297	— 4 0	298	300
Miscellaneous	718.8	707.8	633.3	693 9	629 5	+10 2	635.6	729.8
All Commodities	408.3	409 4	389 1	407 7R	383.8	+ 6 2	389 9	439.3

R = Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944 = 100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
September 51	—	335	232	319	470	380	375	340	144	179	150	161	170
October ..	—	332	234	321	469	395	376	356	144	185	155	165	171
November ..	—	333	232	328	464	397	376	357	147	183	155	168	168
December ..	—	331	232	328	449	397	370	357	144	181	150	166	158
January 1952	146	331	246	325	442	393	357	338	142	179	147	162	156
February ..	144	334	241	318	441	382	349	336	141	179	145	155	155
March ..	135	313	229	300	412	378	340	313	136	177	140	150	145
April ..	141	345	242	331	418	377	339	336	145	169	138	153	144
May ..	140	339	264	310	418	358	339	327	146	168	143	153	144
June ..	140	338	263	306	434	375	342	330	145	171	141	153	148
July ..	142	330	263	304	436	377	334	331	143	175	143	161	155
August ..	144	340	267	312	446	388	349	350	143	176	149	160	157
September ..	143	341	269	310	454	396	354	338	145	178	143	157	159
October ..	144	345	274	311	466	381	363	327	146	179	143	154	150
November ..	143	347	271	306	459	380	357	328	143	176	139	150	150
December ..	139	346	262	303

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	ton*	74,674†	73,665††	23,424†	20,741†††
Wheat	tons	24,041†	23,450†††	6,762†	6,039†††
Jowar	tons	41,945†	39,144†††	6,038†	5,944†††
Bajra	tons	25,892†	22,903†††	2,922†	2,294†††
Barley	tons	7,600†	7,835†††	2,564†	2,293†††
Maize	tons	8,796†	8,073††	2,607†	2,021†††
Ragi	tons	5,388†	5,390††	1,255†	1,212†††
Gram	tons	17,267†	16,557††	3,771†	3,293†††
Other millets & pulses	tons	39,725	39,770	6,386	6,401
Jute	bales	1,634†	1,951†††	4,695†	4,878†††
Cotton	bales	15,67*†	16,198†††	3,050*	$ 133††
Sugarcane	tons	4,376†	4,702†††	5,250†	6,068†††
Groundnut	tons	11,862†	11,794†††	2,894†	3,043†††
Linseed	tons	3,394†	3,402†††	355†	516††
Castorseed	tons	1,349†	1,428†††	107†	166††
Rape and Mustard Seed	tons	5,707	5,097	900	748
Sesamum (suppi)	tons	5,751†	5,845†††	451†	438†††
Tobacco	tons	768†	659†††	211†	192†††
Pepper	tons	203†	202†††	22†	23†††
Ginger	tons	46†	47†††	14†	15†††

Source: Ministry of Food and Agriculture.

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

† Relates to 1952-1953. †† Relates to 1951-52.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Aug., 1953	68.1
	Corresponding month 1952	74.3
	Two months ended Aug., 1953	146.5
	Corresponding period 1952	158.1
Stocks	At the end of Aug., 1953	133.6
	Corresponding month 1952	93.9
		(In 000 bags)
Exports (Jute Bags)	Week ended 1st Aug., 1953	24.74
	Corresponding week 1952	24.57
	From 1st Jan., to 1st Aug., '53	15,35.12
	Corresponding period 1952	24,42,01
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 1st Aug., 1953	4,70.66
	Corresponding week 1952	5,92,22
	From 1st Jan., to 1st Aug., 1953	72,96.68
	Corresponding period 1952	60,42,10
	RAW JUTE	(In 000 bales)
Exports*	Week ended 1st Aug., 1953	—
	Corresponding week 1952	—
	During April, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	August, 1953 (in lakh bales)	3.95
	Corresponding month 1952	4.31
	Two months ended August, 1953	8.49
	Corresponding period 1952	9.17

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.				
Year ended 31st March, 1952		11,30,000	10,67,100	7,99,200
Do. 31st March, 1953		11,58,000	10,61,900	7,91,800
April to August, 1953		5,74,400	5,36,800	3,46,800
June	1952	89,400	83,100	64,800
July	,,	93,400	91,000	66,800
August	,,	1,00,700	90,500	67,700
June	1953	90,400	82,600	59,000
July	,,	91,100	86,100	64,800
August	,,	94,100	83,400	63,700
Indian Iron and Steel Co.				
Jan. to August, 1953		3,60,840	2,23,910	1,40,440
April	1953	52,210	30,950	19,000
May	,,	57,810	32,850	19,700
June	,,	56,730	23,940	13,020
July	,,	21,750	8,370	4,610
August	,,	20,230	7,710	4,190

FOREIGN TRADE OF INDIA

Particulars	April, 1953	April, 1952	Twelve Months, April to March 1952-53	1951-52
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	15,12	28,88	175,64	268,05
Raw materials	16,40	24,57	179,01	254,06
Manufactures	22,92	25,21	274,00	341,38
Other items	39	75	4,30	8,35
Total	54,83*	79,41	632,95*	862,84
By land	71	1,70	25,16	80,45
Total Imports	55,54	81,11	658,11	943,29
Exports:				
By sea and air—				
Foodstuffs	8,16	6,93	142,16	158,16
Raw materials	11,30	12,15	145,03	159,64
Manufactures	18,29	23,12	250,76	400,31
Other items	18	35	4,09	3,65
Total	37,93	41,96	551,04	701,80
By land	37	2,72	18,84	27,14
Total Exports	38,30	44,68	569,88	728,94
Total Re-exports	51	41	5,74	13,76
Balance of trade in merchandise	— 18,67	— 36,18	— 86,58	— 209,63
Balance of transactions in private treasure	— 1	...	— 7	— 1,24
Total visible balance of trade	— 18,68	— 36,18	— 86,65	— 210,87
Imports:				
Total C'wealth countries	24,32	24,35	273,88	365,59
Total Foreign countries	31,22	56,76	384,23	577,70
Exports:				
Total C'wealth countries	17,78	22,83	279,84	391,48
Total Foreign countries	20,51	21,85	290,04	337,46

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

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(*Base*: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953
Eastern Zone																					
Ramra	187	262	257	92	97	93	124	121	125	132	140	141	104	100	114	218	216	215	170	197	209†
Malbang	163	x	x	142	x	x	118	x	x	122	x	x	121	x	x	163	x	x	108	x	x
Rhankargarh ..	136	143	153†	144	155	159	166	147	154	146	149	145	101	95	100	161	126	122	136	145	151
Sonaili	268	183	224†	159	167	167	195	175	189	201	176	191	125	125	125	239	199	199	810	810	810
Northern Zone																					
Multapi	110	124	131	134	158	158	165	178	183	150	165	169	123	123	123	176	166	166	160	201	200
Nana	268	205	248	238	258	240†	197	184	194†	216	196	206	131	117	122	206	184	184	222	189	189
Balamatpur ..	242	213	229†	239	269	267	206	190	198	218	210	217	159	129	129	139	139	139	259	231	231
Southern Zone																					
Krishna	186	191	206†	168	165	175	162	162	163	167	168	172	116	130	134	152	132	133	206	175	175
Lakh	197	374	374	158	198	198	123	132	134	142	166	167	68	84	89	138	134	134	144	134	137
Maitr	172	216	210	128	144	143	136	150	154	143	163	164	97	97	100	107	105	105	163	171	173
Muniguda ..	219	210	224†	220	191	178†	182	218	226†	196	211	214	139	128	128	210	164	164	240	202	200
Kudchi	157	181	181	128	139	139	147	161	169	146	162	168	118	120	113	150	122	120	191	193	194

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 10th Sept., 1953	21,956
	Corresponding week, 1952	24,443
	1st to 10th Sept., 1953	25,653
	Corresponding period, 1952	43,609
Cotton Exports	Week ended 10th Sept., 1953	29
	Corresponding week, 1952	—
	1st to 10th Sept., 1953	29
	Corresponding period, 1952	24,061
Mill Consumption	1st to 10th Sept., 1953	35,000
	Corresponding period, 1952	30,800
Stock (with exporters dealers and mills)	On 10th September 1953	8,87,777
	Corresponding date, 1952	8,38,579
Karachi (Pakistan)*		
Receipts	1st to 5th Sept., 1953	N. A.
	Corresponding period 1952	2,302
	1st Sept. 1952 to 31st Aug., 1953	16,48,723
	Corresponding period, 1951-52	15,90,073
Exports	1st to 5th Sept., 1953	N. A.
	Corresponding period, 1952	255
	1st Sept. 1952 to 31st Aug., 1953	16,50,600
	Corresponding period, 1951-52	12,19,500

Particulars	From 1st Sept., '52 to 14th September, 1953 Bales	From 1st Sept., '51 to 14th September, 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	—	20
Continent	—	8,097
China	29	—
Japan	—	18,128
U.S.A.	—	150
Other Countries	—	225
Total to all foreign countries	29	26,620
Coastal Ports	2,455	4,001

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	May, 1953	2,93,506
Foreign		63,531
Indian	Nine months September 1952 to May, 1953	28,52,727
Foreign		6,34,081
Indian	Same Period 1951-52	21,71,108
Foreign		6,08,606
Stocks (Mills and Elsewhere)—		
Indian	As on 30th May, 1953	13,05,438
Foreign		2,43,049
Indian	As on 30th May, 1952	13,63,441
Foreign		4,23,656
Cotton Pressed †	1st to 14th Sept., 1953	1,332
	Corresponding week, 1952	1,537
	1st Sept. 1952 to 31st Aug., 1953	29,41,945
	Corresponding period, 1951-52	22,43,367

* As reported by the Karachi Cotton Association Ltd. N.A.—Not available. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103⅛
4 ½ Bonds	1926-33	63,30,26,000	1960-70	102⅜
3 ½ Loan	1938-39	1,16,17,46,000	1963-83	92¼
3 ½ Loan	1943	1,10,11,78,000	1966-68	90⅞
3 ½ V. Loan	1944	1,14,06,89,000	1957	98⅜
3 ½ Loan	1945	1,15,05,83,000	1970-75	96¼
3 ½ Loan	1945	1,13,65,64,000	1959-61	96⅜
3 ½ Loan	1951	50,35,61,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93¼
2½% Loan	1946	57,00,49,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,48,000	1956	92¼
2½% Loan	1947	75,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 ½%Loan	1896-97	8,93,33,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	‡2
3 ½% Loan	1946	248,91,90,000		‡2
REPATRIATE STERLING LOANS				
3½%Loan	1933	12,50,*000	1954-59***	100⅛
4½% Loan	1928	5,83,20,000	1958-68***	103
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94⅛
3 ½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	3,00,00,000	13th July 1963	99⅛
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	100⅜
3 ½% Cochin	1943	30,00,000	1st Oct. 1953–55	99⅛
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1953–58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956–61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 ½% Madras	1939	1,29,76,600	21st June 1959	95⅜
3 ½% Madras	1942	1,23,25,000	18th Sept. 1955	99⅛
3 ½% Madras	1942	1,25,10,000	14th Sept. 1956	98–⅝
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96⅜
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91⅛
3 ½% Madras	1950	4,47,00,000	31st July 1960	93⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	3,00,00,000	15th July 1963	99⅛
4 % Madras	1952	3,00,00,000	1st Aug. 1964	99⅛
3 ½% Mysore(*f*)	1930	1,63,44,300	1st Nov. 1955	104⅛
3 ½% Mysore(*f*)	1933	2,93,85,200	1st Dec. 1953–63	100⅛
3 ½% Mysore(*f*)	1936	3,99,72,900	30th April 1956–61	98⅛
3 ½% Mysore	1947	3,08,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 ½% M.P.	1942	50,00,000	18th Sept. 1955	99
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅜
3 ½% M.P.	1948	2,03,28,800	13th Sept. 1964	91⅛
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,17,600	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛N
3 ½% Punjab**	1942	2,33,20,000	18th Sept. 1955	99⅛N
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	98⅛N
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛N
3 ½% Travancore	1944	3,00,00,000	15th May 1952–54	99⅛
3½% Travancore	1938	50,00,000	16th Aug. 1958	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1936	1,41,96,900	15th Sept. 1961–66	90⅛
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
2½% U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
3 ½% U.P.	1946	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛N
4 % U.P.	1953	5,00,00,000	13th July 1963	99⅛
3½% W. Bengal	1951	1,73,00,000	17th Sept. 1962	97⅛N
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 %% W. Bengal	1953	3,00,00,000	15th July 1963	100⅛N

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
35,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,33,876	4	1911*	1960	D
80,00,000	4	1913	1974	99½N
88,23,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,31,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,50,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,02,300C	3½	1916	1971	79
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1935–85	103
98,31,000	5½	1926	1956–86	104⅛
99,84,500B	5	1927	1956–86	101⅛
1,49,49,500B	5	1927	1957–87	103
1,49,30,000	5	1928	1958–88	104⅛
80,00,000	3	1931	1961	92⅛
21,75,000C	3	1933	1954	99⅛
60,00,000	3½	1933	1965	96⅛
25,00,000	3	1938	1963–68	88⅛
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	84⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953–83	£86
£901,000	5	1924	1954–84	£86
£835,100	5½	1932	1962	£96
MADRAS				
Rs. 46,60,347	4	1912	1982	Rs.
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	4	1918	1882	
7,46,044	6	1920	1982	
2,13,852	6	1921	1952	M
1st Aug. 3,52,523	4½	1922	1952	
4,47,397	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
10,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½N
30,00,000	4	1914	1974	
23,00,000	5	1919	1937–79	113N
66,00,000	6	1920	1955–80	...
25,00,000	5	1926	1956–86	115N
24,00,000	4	1927	1961–70	98N
10,00,000	3½	1936	1966	
STERLING LOANS‖				
£566,600	4	1909	1969	£93½N
£233,000	4	1910	1970	£95½N
CALCUTTA				
Rs. 50,00,000	6	1925	1955	Rs. 104
23,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs. 49,40,000	4	1913–14	1954	Rs. 99⅛
20,00,000	4	1913–15	1974	99⅛
10,00,000	5	1913–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	6	1924	1954	102⅛
25,00,000	5	1928	1958	...
26,14,000	5	1929	1949–59	105
8,45,500	5	1929	1954–59	110
26,21,000	5	1929	1959	102⅜
8,25,00,000	3½	1947	1979	86⅛
2,50,00,000	3½	1949	1979	86⅛
4,00,00,000	3½	1950	1965	91⅛
2,50,00,000	4	1952	1964	99⅛
2,00,00,000	3½	1931	1966	97
CALCUTTA				
Rs. 34,45,500	6¼	1925	1955	105⅛
84,70,000	6	1925	1955	104⅛
36,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1958	103⅛
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	93⅛
60,00,000	3	1936	1966	88⅛
1,46,100	3	1937	1957	99⅛
3,11,400	3	1937	1954	99
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1956	98⅛
47,50,000	3	1938	1968	88
10,67,700	3	1938	1953	97⅛
13,56,800	4	1939	1956	99⅛
13,56,800	4	1940	1957	99⅛
17,64,400	3½	1943	1959	94⅛
21,10,000	3½	1942	1972	99⅛
15,49,000	3½	1951	1960	96
16,31,000	3½	1951	1961	96
66,88,000	3½	1951	1962	96
87,36,000	4	1952	1962	99⅛
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1923	1953	107⅛N

ABBREVIATIONS—M=Held by Government of Madras. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (*f*) Income-tax free.
Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6¼ to 4 per cent. with effect from 1st April, 1953.
*Loans held entirely by the Trustees. A=Held by Government of India.
**Quotations in Pak. Currency. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	140xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	108	100
¶East India Distilleries ..	£200,000	1897	5	Jan. July	15⅝	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	6,00,000	1922	10	Dec. ..	115	10
Ramnugger Cane	4,00,000	1933-34	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5(*f*)	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.‖	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	2,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	121½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	84	10
Equitable	4,00,000	1895	6	Mar. Sept.	119xd	100
Karanpura Collieries ..	2,50,000	1946	5½(a)	.. ..	92	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July‖	13	10
Osdal	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	8	Feb. Aug.	92	100
Bradbury	14,75,000	1919	7	June Dec.	320	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodias	1,00,000	1928	7	Apr. ..	129	100
Central India	50,00,000	1912	7	Apr. Oct.	519½	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	23,00,000	1919	7(a)	May Nov.	88½	100
Kesoram	20,00,000	1919	7	June Dec.	132	100
Khatau Makanji	29,92,500	1947	4	Nov. ..	—	100
Do. (2nd)	12,00,000	1937	6	Nov. ..	87½	100
Kothari	16,00,000	1896	6(*e*)	.. ..	103½	10
Lakshmi Cotton (Bombay) ..	16,00,000	1947	4½	January ..	233½	100
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	75	100
Muir Mills	30,00,000	1900	4½

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	66,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	Nil		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	48½	100	6 0	6 0	Nil		3	Y.P.T.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	363½	250	17 8	20 0	20 0	7 8(i)	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	67½	250	75 0	100 0	100 0*	100 0	3	Y.P.
1,09,42,800	2,08,18,453	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	253½	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	69	100	Nil	Nil	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	111½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	55½	50	Nil	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Punamal Radhakishan & Co.	50,296	928	Edward Textiles	237½	100	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,245	41,862	Chidambaram Muiraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	37½	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	245xr	100	15 0	20 0	20 0		12	Y.
12,00,000	65,36,400	98,72,638	82,61,500	4,762	Thackersey Mooljee & Co.	45,732	1,022	Hindoostan Spg. & Wvg. Mills	3,385x.d	1,000	175 0*	200 0*	200 0*		3	Y.P.
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills	8½	10	0 12½	1 3½			12	Y.
50,00,000 D.									1½	10	0 2	0 4				
9,00,000	65,91,320	98,10,275	76,94,000	7,671	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	3,370x.d	1,000	175 0*	200 0*	200 0*		3	Y.P.
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	178½	500	87 8	100 0	100 0		6	Y.P.
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	283½	100	18 0	25 0*	30 0	6 0(i)	12	Y.
28,80,000A	60,71,868	1,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	86½	100A	7 8	15 0	6 4		6	Y.P.
3,60,000B										20B	1 1	1 0	1 4			
22,13,050	47,07,870	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	50	4 0	7 0	5 0		10	Y.T.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	185	100	17 0	15 0	12 0		6	Y.P.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation	109½	Nil	Nil	Nil	Nil		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	151½	100	12 8	15 0	10 0		12	Y.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	145	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	25½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	116½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	122½	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	20½	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,566	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	25½	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills	172½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	125½xr	50	14 0	17 0	15 0(p)	15 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	297½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,000	2,000	Svadeshi Mills	236½	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,590	63,86,915	53,43,077	5,71,720	James Finlay & Co., Ltd.	35,804	552	Swan Mills	310xr	100	20 0	25 0	30 0		12	Y.
32,34,438	39,35,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	381½	25	2 0	4 0	2 0		12	Y.T.
12,00,000	51,56,933	86,62,657	66,95,000	4,299	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370xd	1,000	175 0*	200 0*	200 0*		3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	138½	100	8 0	12 0	10 0		6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hotheesing & Sons, Ltd.	42,768	912	Aruna Mills	430	100	15 0*	20 0*			12	Y.P.
21,00,000	2,07,45,673	1,18,76,139	76,33,000	1,309	Narottam Laibhai & Co.	62,448	1,216	Arvind Mills	763	100	25 0	35 0*	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Manaklals & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg.	308½	200	30 0	35 0*	25 0		12	Y.P.
12,00,000	1,00,17,000	1,00,17,000	63,65,453	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	457½	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,003	Karamchand Premchnad Ltd.	1,39,120	2,400	Calico	1,304½	125	12 8	18 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhagalal & Co., Ltd.	39,116	964	New Commercial Mills	1,005½	500	55 0	70 0	70 0		12	Y.P.T.
39,00,000	70,78,354	96,79,583	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,932	864	New Shorrock Spg. & Wvg.	560½	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	617½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Laibhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	770	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	46,680	1,095	Rajnagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	Nil		12	Y.P.
32,50,000	16,11,650	81,93,995	46,17,803	9,866	Lalbhai Gordhandas Ltd.	33,136	640	Rohit Mills	121½	100	15 0	20 0	15 0		12	Y.P.
24,90,150	1,18,66,344	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	311	50	15 0	18 0	16 0		12	Y.P.
19,32,500	32,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	383½	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,376	816	Vijaya Mills	305	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,80,519	32,00,682	17,29,664	1,95,043	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	0 8	0 5	Nil		12	Y.P.
7,11,280	2,05,651	37,16,898	20,48,033	—32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	38N	40	Nil	3 0			3	Y.
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	285	100	Nil	Nil	Nil		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	174	100	Nil	Nil	Nil		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	18½	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mobini Mills	—	10	0 12	0 12			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,67,726	33,08,018	10,28,558	—8,38,366	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil			12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	6½	10	0 14 2/5	0 9 3/5			12	Y.P.T.
30,00,000	21,57,993	56,51,458	45,04,811	39,859	Industrial Trust Fund,	19,944	440	Azam Jah Mills	65N	100	8	6 0	6 0		9	Y.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	10	Nil	Nil	4 0		6,12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	2 8	2 8	3 0		3	Y.
1,78,47,800	1,57,95,696	5,14,83,372	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	124xd	100	6 14	7 14	4 0	4 0(i)	12	Y.P.T.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	11½	10	Nil	1 4	1 0		12	Y.
30,00,000	21,57,993	56,51,458	45,04,811	39,859	Begg, Sutherland & Co., Ltd.	28,896	591	Cawnpore Textiles	8½	5	0 9	0 9	0 9	0 9	3	Y.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	28,864		Coimbatore Pioneer Mills	117	100	7 0	6 0	9 0		12	Y.
20,00,500	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	40	50	2 8	3 0	Nil		6	Y.
20,76,900	4,40,338	1,10,86,316	66,17,587	—2,29,999	R. G. S. Naidu & Co.	19,700	2,062	Central India	143	100	6 0	6 0	2 0		6	Y.P.
46,87,500	94,72,298	2,04,37,857	1,36,21,766	—16,28,224	Tata Industries, Ltd.	1,15,188		Delhi Cloth & General Mills	30½	25	1 0	2 8			6	Y.P.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830		2½	Nil	0 4					
1,00,505																
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	182½	100	25 0	20 0	10 0		12	Y.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	17½	10	1 2	1 0			9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,573	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	225½	100	10 0	14 0	17 0*	5 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	89½	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	61	50	5 0	7 8	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	13,824		Kothari Textiles	104½	10	0 11	0 12	0 12		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	370	250	37 8	30 0*	37 8		12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	80	50	4 0	4 0	5 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	39½	25	2 0	2 0	2 8	2 8		
12,00,000	4,17,363	24,32,416	15,32,690	—22,590	A. L. A. R. S. Chettiar and 2 others	21,856		Malabar Spg. & Wvg.	140	200	8 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Meiyur Industries Ltd.	198½	100	25 0	12 8	12 8	12 8	3	Y.
29,60,684	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	35,418	678	Minerva Mills	91	100	5 0	6 0	9 0		12	Y.
94,91,850	25,39,837	1,34,73,361	75,31,328	29,643	Banalal Ahirchand Dadabhoy & Co	49,456	952	Modal Mills (Nagpur)	140	250	15 0	7 8	7 8		12	Y.
30,00,000	52,19,600	1,33,39,272	1,03,91,631	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	209	100	Nil				6	Y.
19,86,800	66,50,072	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,432	500	Mysore Spg. & Mfg.	130	50	10 0	9 0	10 0*	10 0*	12	Y.P.
13,61,780	8,71,720	27,85,556	14,26,410	—4,60,002	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	3½	10	0 8	0 10	Nil	Nil	2	Y.P.
22,89,881O	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	1½	10	Nil	Nil	Nil	Nil	3	Y.
3,07,093D															12	Y.P.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanabahi Mills	90N	100	5 8	6 8	7 0		9	Y.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	64½	50A	5 0	6 0	7 8		12	Y.P.
6,00,000B						27,980		Pankaja Mills Ltd.	89	75B	7 8	12 0	11 4			
15,00,000	8,56,920	32,56,378	16,33,848	4,411	C. S. R. Mudaliar & Sons	38,864	200	Radhakrishna Mills	73	100	7	5 0			12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.				158½	100A	16 0	16 0	6 0		12	Y.
8,40,600B						25,896		Rajalakshmi Mills	78½	50B	8 0	8 0	3 0			
15,00,000	25,00,000	20,61,036	13,70,469	2,54,884	B. R. Naidu & Sons	32,580	600	Raza Textiles	81	50	4 8	3 0			12	Y.
60,00,000	62,66,508	1,04,60,737	26,32,665	5,506	J. P. Srivastava & Sons (Rampur)	15,824	440	Shree Sajjan Mills	4½	10	Nil	Nil			12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Lladhar & Co., Ltd.	18,416	416	Sitaram Spg. & Wvg.	75½N	100	Nil				3	Y.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.				34½	60	Nil	3 0			12	Y.
16,00,000	1,58,35,370	2,82,47,402	2,03,31,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,610	1,000	Nil	Nil	Nil		3	Y.P.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	23,200	292	Sri Krishnarayendra Mills	—	500	Nil				3	Y.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.	27,340	992	Sutlej Cotton Mills	44½	50	4 0*	4 0*	3 0*	4 0*	3	Y.
									37½	10	0 8	4 0	4 0		3	Y.
17,50,000D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	91	100	0 8	0 8			12	Y.P.
1,57,50,000 PO									91	10P.O.	0 14 2/3	0 14 2/5				
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	34½	10	Nil	Nil	Nil		12	Y.P.T.
13,98,630	7,25,503	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000		Tinchinopoly Mills	8½	10	1 0	1 0	0 11 1/3		12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	159	100	9 0	10 0	12 0		12	Y.P.
32,00,000	50,43,559	1,20,65,197	83,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,493	Vishnu Cotton	146½	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 3 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	25	Nil	2 12x	Nil		5	Y.P.
16,20,630	14 30,304	22,75 857	9,87,293	13,649		Dyer Meakin Breweries	20½	10	Nil	1 2x	Nil			
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	5½	5	1 0	0 8	0 8		3	Y.
£300,000B							15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	20½	B. £1	Sh. 1	Sh. 1	Sh. 1			
6,00,000	9,00,000	12,13,592	12,13,586	3,931	Vittal Mallya, Esq. (Chairman)	United Breweries	4N 159½xd	5 75	Nil 11 4	Nil 7 8	15 0		8 3	Y. Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	100½	A. 100	3 12	7 8	7 8			
39,63,3348							10	B. 10	0 6	0 12	0 12		12	Y.P.T.
43,14,600O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3½	O. 10	0 6	Nil	Nil		3	Y.T.
4,70,976D							1	D. 1	Nil					
10,56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	167	100	8 8	9 8	9 8		7	Y.
60,00,000O							6½	O. 10	0 8	0 10	0 10			
26,49,797O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	13½	O. 25	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D							2½	D. 1	Nil	Nil	Nil			
62,50,000A	8,00,000	1,26,71,467	23,27,600	90,853	Essen Ltd.	India Cements Ltd.	16½	D. 25	Nil	Nil	Nil		3	Y.P.
7,50,000D							6½	D. 5	Nil	Nil	Nil			
73,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement	6½	5	0 3½	0 6½	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,00,000	56,44,143	16,17,762	3,671	S. Lall Bhagat & Co.	Bengal Potteries	2½xd	2½	0 2	0 2½			12	Y.
10,00,000	21,89,785	53,01,488	31,14,250	13,680	Bird & Co., Ltd.	Bisra Stone Lime Co.	29½N	10	0 14	0 14	0 14		3, 9	H.
£914,200	£846,000	£1,64,983	£840,110	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2½	Sh. 2	Nil	0 14	0 14		3	Y.
20,00,000	26,91,410	43,65,527	12,16,525	1,27,234	Bird & Co., Ltd.	Karanpura Development	13½	10	Nil	Nil	Nil		6, 12	H.
6,00,000	2,33,000	8,10,206	4,55,139	7,910	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	9½	10	1 0	1 0	1 0	0 12	3	Y.
10,00,000	27,53,739	33,43,247	19,37,654	1,22,922	Bird & Co., Ltd.	Orissa Minerals	35½	10	0 6	0 12	2 0		6

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	41½	25	1 4	1 9	1 9		6.12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	159xd	100	4 0	5 0	5 0		3.9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	14⅜	10	5 0	5 0	5 0	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	32½	10	0 12	1 0	1 0		3.9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	17⅜	10	1 8	1 0	1 0		6.12	H.P.T.
20,00,000 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9⅛ 9⅛	O. 10 A. 10	Nil	N-I	0 4		3.9	H.P.T.
56,00,000A. 36,04,800B. 4,37,500P O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	34½xd 34½xd	A. 10 B. 10	0 14*	1 0*	1 0*	1 0*f 1 0*f	3.9	H.P.
							4½	P.O. 2½				0 2f		
PRESSING														
8,00,000	5,92,365	15,38,964	10,46,391	30,068	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	90,000	6,89,525	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	6 0	6 0	5 0		7	Y.
5,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	3 0	3 0		6	Y.
PROPERTY AND LAND														
10,00,780O. 2,00,000D.	6,02,582	42,65,284	19,09,280	419	S[A. Basil, Esq., S[Mothers (Directors),	Humayun Properties	10 1	O. 10 D. 1	0 9 3/5	0 9 3/5	0 8		9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882	....‡	David Sassoon & Co., Ltd. ..	Port Canning Land	225	100	2 0	1 8	1 0		4	Y.
94,00,000	35,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Madnapore Zamindary ..	34	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6⅜	3	0 8	0 8	0 8		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading ..	123½ 123½	Old 125 New 50	15 0 6 0	37 8 15 0	22 8 9 0	5 0(S) 2 0(S)	5	Y.
6,00,000		2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	38N	100	5 0	Nil			6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products ..	29½	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,419	37,27,464	25,16,456	18,412	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	8⅜	5	Nil	1 0	Nil		6	Y.
12,00,000A. 3,00,000B.	29,33,035	44,92,506	29,21,822	2,81,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	120N 11½N	A. 100 B. 10	6 4 0 10	10 0 1 0			4	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8	7½	1 0	0 10	0 12		9	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	161N	10	1 0	1 8	1 8		6	Y.P.
52,00,000	23,18,481	1,29,41,870	81,68,293	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	6⅜	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	15,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	36½	10	2 0	3 0	2 0		10	Y.P.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd.	Champarun Sugar	25½	10	1 8	1 8	2 0		6	Y.
35,00,000A. 10,00,000O.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills ..	130N 10	'A' 100 O. 100	6 0 6 0	9 0 9 0	12 0* 12 0*		6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co. ..	Kesar Sugar	50N 25N	80 40	3 0 1 8	4 0 2 0	Nil Nil		7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills ..	24½	10	1 0	2 0	2 8		6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6⅛	10	0 8	0 10	0 8		5	Y.
13,59,375	43,31,823	52,90,359	15,27,000	39,355	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N 45N	100 25	15 0 3 12	20 0 5 0			6	
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	82N	100	3 4	11 0	6 0		7	Y.P.
12,00,000	11,70,686	26,67,609	17,89,472	71,500	Narang Bros. & Co., Ltd. ..	Punjab Sugar	95N	100	6 0				10	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,433	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	15	10	1 0	2 0	1 0		10	Y.P.
8,00,000	6,03,850	24,18,182	20,01,613	15,410	Begg, Sutherland & Co., Ltd.	Ryam Sugar	17	10	1 0	2 8	1 0		6	Y.P.
11,99,000	17,24,706	36,11,360	20,82,129	23,281	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14½	10	1 0	2 0	1 0		6	Y.
20,00,000	20,68,560	1,03,56,230	49,56,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	0 6	1 0	1 8		7	Y.P.
9,99,950	61,823	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6⅜	10	Nil	0 8	0 6⅜		6	Y.
6,50,000O. 1,75,000D.	47,625	27,92,174	11,46,770	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	11N	O. 10 D. 2½	Nil				10	Y.P.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	20N	10	1 12	2 0	2 0		6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	14	10	0 4½	2 0	1 8		9	Y.
Other Centres														
46,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd. ..	Belapur Company	235	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	5 0	3 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries	21½	10	1 8	2 8	2 8		9	Y.P.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10½N	10	0 12	1 0	0 12		10	Y.
21,79,280	90,00,000	94,96,031	62,24,558	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		6	Y.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	88	50	8 0	8 0	8 0		9	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnugger Cane and Sugar	18	10	0 9⅜	0 12	2 0		8	Y.P.T.
20,00,000O. 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm ..	90N 7N	O. 50 D. 10	7 0	9 0	9 0 1 0		9	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	103N	10	1 0	1 4	0 12		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil		7	Y.P.
77,50,000A. 23,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries ..	146‡	A. 100 O. 100	12 0 12 0	14 0 14 0	14 0 14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,15,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	135	100	10 0	12 8	12 8		10	Y.P.
1,00,50,000		3,00,22,130	1,49,00,237	58,906	Jardine Hall	Bharat Line	85	100	3 0	4 0	5 0		12	Y.
£633,380	£1,121,737	£5,428,105	£3,932,999	£13,175	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	82xd	£10	Nil	Nil	5%10		12	Y.P.
2,25,00,000	56,99,233	3,87,93,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil	Nil	0 8		3	Y.P.T.
6,59,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	13¼‡	15	Nil	Nil	0 8		6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,164	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	34N	80	4 0	4 0	4 0		12	Y.
25,03,000	1,00,000	25,18,130§§	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	9½	25	0 12	0 12	0 12		3	Y.
14,96,150	3,83,231	24,77,147	14,00,000	4,425	Choonilal Manilal Ltd.	Estrella Batteries	23N	50	3 0	3 0	2 8		3	Y.P.
99,99,250	18,35,375	1,26,92,333§§	10,053	1,85,238	Premchand Roychand & Sons	Industrial Investment Trust	100	100	4 0	4 8	4 0		3	Y.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	134 121‡	100 75	8 8 2 2	9 0 2 4	10 0 2 8	4 0(S) 2 0(S)	6	Y.
2,06,71,500A. 10,00,000B.	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	39‡ —	A. 100 B. 10	Nil Nil	Nil Nil	Nil Nil		6	Y.
10,21,200	3,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd.	40	20	2 0	3 0	3 0		12	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director).	Western India Match Co. ..	228‡	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay (Chairman) ..	W. H. Brady & Co., Ltd. ..	350¶	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. 2,50,000D.	15,00,000	1,35,46,950	50,22,899	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3‡ 1‡	O. 10 D. 2½	Nil	Nil	Nil		3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	17½	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Eydin, Esq. (Mg. Director)	Assam Match Co., Ltd. ..	21	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India	20	10	0 9 3/5	0 9 3/5	10 0		4	Y.P.T.
30,00,700O. 10,00,000D.	97,71,800	33,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	270 240	O. 100 D. 40	20 0* 6 0	23 0* 8 0*	20 0* 6 0*	5 0(S)	12	Y.
20,00,000	8,38,806	54,303.14§§		1,25,380	Lovelock & Lewis	Binda Investment Ltd.	15§	10	1 2	1 4	1 4		9	Y.P.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	10	10	1 4	1 4	0 12	0 8	3	Y.P.T.
3,25,00,000	1,05,00,000	2,23,59,029	1,84,14,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd.	8–8½	3	0 12	0 12			3	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Slack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	28§	10	2 0	3 0	1 8		12	Y.P.T.
31,26,000	47,37,051	1,26,55,420§		3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd. ..	141	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd. ..	167‡	100	10 0	12 8	20 0		3	H.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	115	100	10 0	10 0	10 0		9	Y.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	261	250	15 0	15 0	15 0		3	Y.P.
12,42,500	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	8 0		6	Y.
4,96,12,650	1,92,800	2,61,59,292	57,52,719	3,47,260	Birla Bros., Ltd.	Hindustan Motors	3½	10	Nil	Nil	Nil		3	Y.P.
1,60,00,000	38,65,000	3,01,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co. ..	105‡	100	3 8	5 0	5 0		3	Y.
1,32,89,220	99,40,984	37,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Cables	18‡	10	2 8	1 0	1 0		12	Y.P.
8,27,970	5,38,000	16,39,460	7,97,308	38,359	E. V. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	124xd	10	1 0	1 0	1 0		3	Y.P.
2,00,01,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	116	100	10 0	10 0	10 0	0 12 7 8	3	Y.P.
6,34,000O. 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2 8	O. 5 D. 5	Nil	Nil	Nil		3	Y.
40,00,000O. 5,00,000D.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq. ..	McLeod & Co.	130 —	O. 100 D.O. 10	12 8 0 12	12 8 0 12			12	Y.P.
1,30,55,750	30,19,025	13,73,127††	4,61,394	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	11‡	10	1 0	1 2	1 6		9	Y.
6,35,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4‡	10	0 10	Nil	Nil		12	Y.
3,75,000	7,15,916	8,97,041	2,63,636	3,666	M. Hayath, Esq. (Controller)	Mysore Lamp Works	17xd	10	1 0	1 0			3	Y.
10,00,000		11,45,854	3,55,996	11,045	S. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10cd	10	Nil	1 0	1 0		3	Y.T.
20,00,000	23,16,171	30,16,078	28,75,987		Associated Industrial Development Co., Ltd.	National Insulated Cable ..	13½	10	0 8	0 8	0 12		3	Y.P.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	8	10	0 4	0 8	Nil		12	Y.P.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½	2	1 9 3/5	0 10‡	0 4‡		12	Y.P.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq. ..	Rallis (India) Ltd.	66	100	8 8	9 0	Nil		8	Y.P.
1,14,00,000	92,32,582	1,19,84,861	70,89,235	5,56,552	C. W. Stephenson, Esq. ..	Robtas Industries	8½	10	Nil	0 12	1 0		10	Y.P.T.
40,00,000	35,00,000	12,11,901§	2,17,120	3,56,616	R. H. D. Campbell, Esq. ..	Spencer & Co., Ltd.	14½	10	1 0	1 0	1 8		6	Y.P.
75,00,000	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd. ..	10‡	10	1 0	1 0	1 8		12	Y.P.
9,98,380						Travancore Ogale Glass ..	3‡	10	0 6‡	Nil	Nil			Y.P.

§§ Includes *investments* at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

¶ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	3,02,362	8,88,306	3,86,105		McLeod & Co., Ltd.	825	Amluckie	275N	100	25 0	Nil			12	Y.P.
2,76,500	4,31,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	13½xd	10	2 8	0 12	0 12		12	Y.
3,50,000	6,15,909	9,34,560	1,31,123	48,872	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	24½	10	4 0	3 0			12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	313	Baghmari	10	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,581	63,629	Williamson Magor & Co., Ltd.	556	Bamuni	27½	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Gillanders Arbuthnot & Co., Ltd.	566	Barjan	23	10	1 8	0 8			12	Y.
5,00,000	4,90,000	6,72,731	1,29,032	34,942	Gillanders Arbuthnot & Co., Ltd.	425	Barkhola	25½	10	1 0	0 8			12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Barnagar		10	1 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Barnbah	4½	10	0 8	Nil	Nil		12	Y.
7,50,000	3,40,000	7,64,836	1,66,959	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea	10½	10	1 0	1 8			12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	—29,101	McLeod & Co., Ltd.	2,670	Brooke Bond India Ltd. ..	11½	10	1 0	1 0			6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,488	25,343	Jardine Henderson Ltd. ..	282	Dejoo Valley	7½	10	1 8	Nil			12	Y.
6,00,000	7,50,000	24,24,301	14,67,578	25,343	James Warren & Co., Ltd. ..	426	Dhelakhat	220	100	30 0	22 8			12	Y.
17,53,440	5,40,608	19,11,105	2,07,664	54,161	James Finlay & Co., Ltd. ..	613	Dhunseri	10½	10	1 3/5	1 0	1 3½		12	Y.P.
4,68,970	2,71,039	10,66,372	3,24,106	25,794	James Finlay & Co., Ltd. ..	458	Dibrugarh	7½	10	1 0	1 0	1 0		12	Y.
4,50,000	2,75,000	6,93,361	89,330	14,389	McLeod & Co., Ltd.	458	Dimakuti	31	10	1 4	0 8			12	Y.P.
2,36,700	3,72,500	8,29,204	3,79,204	35,409	Williamson Magor & Co., Ltd.	669	Duffaghur	33	10	2 4	4 0	2 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,55,157	1,15,948	Williamson Magor & Co., Ltd.	1,178	East India Tea	18½	10	2 4	2 4			12	Y.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	407	Gillapukri	16½	10	1 0	2 0	Nil		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd. ..	322	Gobpur	27½	10	4 0	3 0			12	Y.
3,38,000	4,00,000	12,09,149	3,56,149	1,11,346	Williamson Magor & Co., Ltd.			16½	A.10	3 0	2 0			12	Y.
A.4,94,360 B.2,40,790	12,87,810	17,08,255	4,58,704	82,387	Octavius Steel & Co., Ltd. ..	1,393	Grob	8	B.5	1 8	0 12			12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	25xd	10	4 8	3 0	1 8		12	Y.
4,35,000	6,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd. ..	1,288	Hoolungooree	290N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	11,98,156	1,61,426	29,063	Gillanders Arbuthnot & Co., Ltd.	1,166	Jutlibari	198N	100	20 0	Nil			12	Y.
2,40,000	80,000	11,45,351	6,20,851	3,593	Shaw Wallace & Co., Ltd. ..	1,037	Kingsley-Golaghat (Assam)		100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,99,133	8,53,647	1,03,647	571	Duncan Bros. & Co., Ltd. ..	673	Ledo	19N	10	2 0	Nil	Nil		12	Y.
4,80,000		8,87,549	87,549	—1,89,815	Duncan Bros. & Co., Ltd. ..	673	Mohanna	3½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	375N	100	45 0	35 0	Nil		12	Y.
O. 50,000 P.O.2,00,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd. ..	325	Murphulani	20‡ 17½	A.10 P.O.10	3 0 3 8	2 0 2 0	2 0 2 8		12	Y.
4,00,000	3,41,211	5,78,350	3,61,800	20,262	S. C. Sen, Esq., Supervising Director.	540	Naga Hills	11½	10	2 4	2 4			12	Y.
3,35,000		10,14,665	4,06,665	—99,094	Shaw Wallace & Co., Ltd. ..	810	Namburnadi		10	1 0	Nil	Nil		12	Y.
3,00,000	—	3,92,221	1,92,221	—44,129	Duncan Bros. & Co.,

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
40,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	17½	10	8+1	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,86,331	46,11,580	31,91,093	16,515	Sahu Jain Ltd.	498	Albion	170	100	4+10	15+15	8+10		5, 11	H.P.
6,00,000	3,35,000	49,90,030	29,18,570	—1,61,951	McLeod & Co., Ltd.	446	Alexandra	185	100	Nil	½	Nil	Nil	6, 12	H.P.T.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	147	100	Nil	2½	Nil	Nil	6, 12	H.P.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	207	100	Nil	10	10+10	10+15	7½	3, 9	H.P.
40,00,000	38,68,112	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	123	100	11+4	6+3	5+4	2f	3, 9	H.P.T.
20,00,000	29,77,565	97,37,334	63,51,882	72,634	Jardine Henderson & Co.	959	Bally	155	100	6+6	6+1	Nil	4f	3, 9	H.P.
£275,000	£639,470	£1,328,460	£1,023,230	£91,091	Sir John H. Burder (Chairman) ..	1,890	Barnagore	148xd	£5	£1	£1	£1	Sh. 2½ (i)	3	Y.P.
28,00,000	32,59,373	88,01,240	47,68,254	26,347	Andrew Yule & Co., Ltd.	820	Belvedere	197	100	7+10	12½+15	7½+7½		6, 12	H.P.
22,50,000	33,95,000	51,03,385	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	14	10	2½	3			9	Y.P.T.
30,42,000	2,64,46,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	34½xd	10	2½	3	3	3	3	Y.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	153½	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	16½	10	Nil	1+1	0+8f		6, 12	H.P.T.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	616	Caledonian	163	100	4+10	10+12½	6+6	6f	5, 11	H.
39,16,500	1,05,23,478	1,65,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd.	1,400	Champdany	145	100	3+5	3+5	7+8	3f	3, 9	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd.	530	Chemnot	205	100	6+10	10+12	6+6	6f	5, 11	H.P.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalsah	28½	10	2+2	11+4½	2½+11		6, 12	H.T.P.
16,00,000	17,00,000	77,89,914	64,24,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	3½	2		3	Y.P.
31,49,200	59,29,308	1,28,57,836	61,35,713	8,357	Macneill & Barry Ltd.	766	Dalhousie	133	100	1+3	8+6	6+1	1f	3, 9	H.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	219	100	5+12½	15+17½	10+10	10f	5, 11	H.P.
15,00,000	32,50,000	75,61,304	53,68,650	47,230	McLeod & Co., Ltd.	500	Empire	20½	10	1+1	1+1	1+1		6, 12	H.T.P.
21,00,000	57,78,170	2,62,73,643	1,77,44,591	1,80,493	Bathieveram & Co., Ltd.	1,884	Fort Gloster	380	100	2½+20	12½+12½	10+Nil	Nil	3, 9	H.P.T.
14,00,000	4,97,921	69,94,729	43,27,194	—8,32,397	O. C. Bangur & Co.	1,014	Fort William	309N	100	Nil	4	6	Nil	3, 9	H.T.P.
84,32,100	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	68	100	Nil	33½	23½+2½	Nil	3, 9	H.P.
10,80,000	28,83,794	48,13,743	47,45,252	41,993	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	685	100	45	50	30		12	Y.
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Gourepore	265	100	2½+15	10+10	1½	Nil	Nil	3, 9	H.P.
40,00,000	34,05,591	81,94,127	48,19,471	3,06,824	Bangur Bros., Ltd.	1,078	Hastings	100xdN	100	10	7	10		3	Y.P.
16,80,000	15,20,698	64,93,480	44,81,416	65,139	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	33	10	1½	3½	1½	1½	3	Y.P.
63,62,500	50,83,570	1,56,87,359	1,09,33,235	1,35,027	Jardine Henderson Ltd.	1,940	Howrah	23½	10	2+2	2+2	1+1	1f	3, 9	H.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	39	10	2½	5	5		3	Y.P.T.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	121	O. 125	31+91	31+11½	31+31	31f	3, 9	H.
D. 30,00,000								D. 1		A.7-8	7-8	1+1	1f		
24,00,000	20,07,975	1,36,48,345	1,16,47,605	92,900	Jardine Henderson Ltd.	1,797	Kamarhatty	174	100	8½+8½	10+12½	8½+6		6, 12	H.P.
'B' 19,20,000								165	'B' 100	8½+8½	10+12½	8½+6			
30,00,000								138	100	Nil	5+7½	6+4			
'B' 24,00,000	12,18,800	1,30,36,108	92,12,151	83,881	Jardine Henderson Ltd.	1,527	Kankinarrah	136	'B' 100	Nil	5+7½	6+4		6, 12	H.P.
21,00,000	47,00,000	92,15,718	69,51,367	1,15,896	McLeod & Co., Ltd.	703	Kelvin	232	100	10+10	12½+2½	7½+7½		6, 12	H.P.
54,00,000	22,63,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,330	Khardah	183	100	Nil	15	10+6	10+15	3, 9	H.P.
48,00,000	93,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	188	100	14+4	10+9	10+7	4f	3, 9	H.P.T.
24,48,000	48,82,305	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	123	100	2+10	11+8	7+3	2f	3, 9	H.P.
58,00,000	58,69,776	1,13,85,476	61,81,380	7,757	Deepchand Kishenlall	840	Laxmi	158	100	5+9	12½+11	11+4	2f	3, 9	H.P.
10,00,000	36,31,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd.	558	Lothian	235xd	100	3+10	15+17½	15+15	15f	5, 11	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,448	28,070	Mackinnon Mackenzie & Co. ..	1,008	Megna	90	100	2½+6½	2½+11	2½+2½	2½f	3, 9	H.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Nanhati	118	100	Nil	3	10+6	6	Nil	3, 9	H.
12,00,000	23,05,000	25,69,086	16,42,880	12,184	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	1	1½	1+1	1f	4, 10	H.T.
35,00,000	44,27,437	27,58,552	8,93,351	1,01,832	Andrew Yule & Co., Ltd.	852	National	23½	10	1+1	1+1½	1+1	1f	4, 10	H.P.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	34½	10	1½+1½	2½+5	2+1		6, 12	H.P.T.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	709	New Central	260	100	4+10	15+15	10+12		6, 12	H.P.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	18½	10	Nil	Nil	1	1+½	3f	3, 9	H.P.T.
56,79,500	32,37,539	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Maddox	46	50	Nil	1½	1+1½	1+1	Nil	3, 9	H.
24,91,000	26,56,049	70,68,289	48,27,892	1,05,356	Andrew Yule & Co., Ltd.	601	Orient	174	100	4+10	12+12½	1+6	6f	5, 11	H.P.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	4½	5	Nil	Nil	½	Nil	6, 12	H.T.
20,00,000		26,15,293	7,67,493	—3,29,549	Rameshwara	305	Rameshwara	5½	10	Nil	½	Nil	Nil	3, 9	H.P.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	33½	10	Nil	Nil	Nil	1f	3, 9	H.P.T.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd...	2,013	Samnuggur	14½	£1	10½	10½	10½		12	Y.P.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Begaria More & Co., Ltd.	911	Shree Ambica	13	10	Nil	1½+1	1f		3, 9	H.P.
7,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½N	10	1	Nil	Nil		12	Y.P.T.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	650	Standard	146	100	3+6	9+8	8+1	1f	3, 9	H.
£600,000	£849,927‡	£990,893		£115,163	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	£1	£1	10½	10½	10½		6, 12	H.
35,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	160	100	4+7	12½+11	10+1	1f	12	Y.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd...	1,331	Victoria	14½	£1	10½	10½	10½		3, 9	H.P.T.
2,50 000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	5½	1	Nil	1/40	1/40	Nil	12	H.P.T.
														6, 12	

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1949 Rs.	1950 Rs.	1951 Rs.	1952 Rs.	Accounts Closed	References
25,50,000	15,75,000	64,99,011	45,49,011	25,799	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18½	10	½+½	1+1	1+½	3½+½	3, 9	H.
12,00,000	8,42,703	37,55,383	34,25,643	58,826	Jardine Henderson Ltd.	Barares Coke	17½	10	3½	1+1	1+1	3+½	3, 9	H.
4,49,350	70,000	8,49,159	5,24,703	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	½	½	½	½	6, 12	H.
1,00,00,000	1,09,50,000	3,08,61,725	3,24,30,103	8,02,968	Andrew Yule & Co., Ltd.	Bengal Coal	508	200	16+17½	17½+17½	17½+17½	20+20*	4, 10	H.P.
2,25,000	3,14,434	23,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14	10	1½+1½	1½+1½	½+½	½	6, 12	H.P.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	3½	10	Nil				9	Y.
69,99,953	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	3½	10	½				6	Y.T.P.
7,13,000	14,64,077	50,70,322	33,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbarree	14½	10	½	½+½	½	½	6, 12	H.
16,00,000	14,10,773	68,13,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd..	Bokaro-Ramgur	8½	10	Nil	½	Nil	Nil	6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	25	10	1+1	1½+1½	1½+1½	1½+1½	6, 12	H.T.
90,92,480	1,65,60,398	4,03,63,968	1,60,47,288	1,13,021	Bird & Co., Ltd.	Burrakur	9½	10	1 1/12	1½	1½	1½	6, 12	H.P.
49,97,000	750	12,35,410	37,643	8,776	Hindustan Investment Corpn., Ltd.	Central India	4½	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14½	10	1+1	1+1	Nil	Nil	3, 9	Y.
6,00,000	1,40,000	7,50,000‡		13,973	F. W. Heilgers & Co., Ltd. ..	Churia	2½	10	1	1+1	1+1	1+1	6, 12	H.
16,00,000	2,70,000	43,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	1+1	1+1	1+1	1+1	6, 12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,839	Jardine Henderson Ltd.	East Indian	22½	£1	Nil	1½	1	3	3½ (D)	H.
29,63,760	75,00,380	3,37,02,383	2,73,34,630	2,11,481	Macneill & Barry Ltd.	Equitable	36	10	2½+2½	2½+2½	2½+2½	2+1½	6, 12	H.P.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Musila	15½N	10	½	½	½	½	6, 12	Y.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriladih	14½	10	1+1	1+1	1+1	1+1	6, 12	H.
3,30,000	5,50,000	12,53,839	6,13,347	40,107	Andrew Yule & Co., Ltd.	Kalapahari	41½N	10	1+1½	1½+1½	1½+1½	1½+1½	2, 8	H.
20,00,000		25,62,791	1,30,646	1,838	Bird & Co., Ltd.	Kapasara Collieries ..	24	100	Nil	Nil	Nil	Nil	2	Y.P.
3,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd.	Katras Jherriah	38	10	1+1	1½+1½	1½+1½		1, 7	H.
1,38,400	95,000	10,61,519	3,25,519	1,063	Beriwala & Co.	Khas Kajora	7½N	10	½+½	½+½	½		6, 12	H.P.
11,00,240	50,000	13,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kukurdi	4½N	10	½	½	½		6	Y.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10½N	10	1				6	Y.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd...	Natira	6½	10	½+½	½+½	½+½	½+½	6, 12	H.
17,76,330	10,67,000	1,16,02,941	81,01,381	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	Nil 3/10	3/10 3/10	Nil	Nil ½	4, 10	H.P.
4,00,000	3,50,000	31,32,539	18,57,919	—7,595	Octavius Steel & Co., Ltd. ..	New Manbhoom	8½	10	Nil ½	½ ½	Nil	Nil ½	3, 9	H.
1,15,000	3,51,004	12,56,672	7,30,294	12,237	Andrew Yule & Co., Ltd.	North West	12½N	10	½ ½	½ ½	½ ½	½ ½	3, 9	H.
1,37,500							8½N	7½	½ ½	½ ½	½ ½	½ ½		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Oodal	17N	10	9/40 1	1 1	1 1	1 1	6, 12	H.P.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thaper & Bros.	Oriental Coal	11½N	10					12	Y.T.
8,34,000	20,551	16,29,203	5,77,935	70,539	Deepchand Kishenlall	Parasea	3½	10	Nil	Nil	Nil	Nil	6, 12	H.P.
13,75,000	8,75,000	39,17,649	26,12,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	21½	10	½ ½	½ ½	½ ½	½ ½	2, 8	H.
23,99,300	13,67,105	1,09,49,971	76,28,254	—4,33,764	B. N. Elias & Co., Ltd.	Rapegunge	7½	10	Nil	Nil	—	Nil	3, 9	H.
13,50,000	6,88,383	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd.	Rewa	19½	10	½ ½	½ ½	½ ½	½ ½	6, 12	H.
20,00,000	3,10,000	31,52,110	14,51,165	65	Jaipuria Sons Ltd.	Samla Collieries	7½	10	Nil	1	1	1	6, 12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd..	Searsole	8½N	2½	½				6, 12	H.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd.	Seebpore	25½	7	2½ 2½	2½ 2	2 2	2 1	6, 12	H.P.
8,00,000	8,74,070	30,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	8½	10	½ ½	½ ½	Nil	Nil	6, 12	H.T.
63,21,450	13,23,954	3,24,72,792	2,26,34,394	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	9/20				12	Y.T.
17,50,000	10,70,000	34,29,846	13,40,707	15,868	Bird & Co., Ltd.	South Karanpura	10½	10	1 1	½ ½	½ ½	½ ½	2, 8	H.
8,00,000	13,68,303	2,33,837	56,445	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	20½	10	½ 1	1 1	½ ½	½ ½	3, 9	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,336	Thomas Duff & Co. (India), Ltd...	Villiers Ltd.	2½	2½	Nil	Nil	Nil	Nil	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	Union	23½	10	1 1	1½+1½	1½+1½	1f	9	Y.
49,98,000	21,916	45,07,187	11,17,093	42,176	Hindustan Investment Corpn., Ltd.	West Bengal	4½	10	½ ½	½ ½	½ ½	1½f	6, 12	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	17½	10	½ ½	½ ½	½ ½	Nil	3	H.
													6, 12	

* Including bonus. ‡ Sales and amount written off. (k) Investments.

(i) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 564 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 519)

a maund. This means that the price for the foreign buyer of Pakistan's short-staple cotton remains practically unchanged, but the domestic producer gets Rs. 12 less than before. Thus, practically the entire incidence of the export duty is borne by the producer. Indian short-staple varieties are cheaper by about 2d. per lb. than the corresponding varieties of Pakistani cotton which are priced at 24-24½d. per lb. Perhaps, this will induce foreign buyers to prefer Indian short-staple varieties to the Pakistani varieties. It is, in fact, reported that foreign enquiries are being received, particularly from Holland. Some interest has also been evinced by the U.S. Whether the exporters are able to avail themselves of these enquiries or not will depend on the Government's early announcement of cotton export policy. Movement of the new crop will start in October-November, and arrivals in Bombay could be expected towards the end of this year. If the Government announces the export policy early enough, it would facilitate the conclusion of firm contracts.

• • • •

In our report on the Government's sugar policy for the 1953-54 season published in these columns last week, two errors have crept in. One is about the gain which the Government is expected to make, as a result of allowing imports of sugar. The other is about the additional excise duty. This is Re. 1 per maund and not per cwt., as was mentioned last week. The total gain to the Government will be about Rs. 5 crores and not Rs. 15 crores. To be more precise, it will be Rs. 4.30 crores, made up of Rs. 2.80 crores by way of import duty and Rs. 1.50 crores by way of trading profit. In short, on a transaction of the value of about Rs. 11 crores—the approximate cost of 2 lakh tons of imported sugar—the Government will get a revenue of Rs. 4.30 crores, a profit of nearly 40 per cent!

AMERICAN LETTER

(Concluded from page 524)

On the domestic scene, the economy drive of the Republican Administration continues amid *pronunciamentos* of the professional economists that a recession is under way. Under the new schedules, the next Federal deficit may be less than $4,000 million, which compares with $9,900 million estimated by the preceding Democratic Administration. In other words, an effective balancing of the Budget may be achieved by the end of the current fiscal year, since the cash Budget deficit may be less than $500 million in the present circumstances.

This has been most encouraging to the financial markets and the U.S. Treasury was able to accomplish its September refinancing with great success. This was underlined by Federal Reserve policy which has established a practical ceiling on interest rates through open market operations which assure the commercial banks of sufficient funds to take of normal credit needs.

This Reserve Bank's policy of flexible support was established in May, after the somewhat disastrous happenings during the preceding weeks when Government securities' prices tumbled in an altogether free market without even a semblance of an official umbrella. The shielding of bank reserve positions is now a matter of official policy. Should the business curve turn down, credit may be made more plentiful and if inflation should rear its ugly head again, restrictive measures may be taken.

Trouble-spotter Appointed

Since Government credit policy in the U.S., which is so important for foreign nations because of its world trade implications, depends almost entirely for its success on accurate knowledge and appraisal of business conditions, the appointment by the White House of Walter Williams, Under Secretary of Commerce, as a special trouble-spotter is being applauded. He will organise a nation-wide network of business men whose task will be to give immediate warning of any economic changes in their areas before they show up in statistics.

Official figures could not be better. Despite the marginal drop in prices paid to farmers, the decline in orders for agricultural machinery and somewhat poor textile business, among the soft spots, employment reached a new record in August of 63,408,000 persons and unemployment dropped to a post-war low of 1,240,000 persons.

Construction activity is officially estimated to be 6 per cent. ahead of 1952 by the time the current year closes. Deposits in mutual savings banks reached a new high of $23,700 million at the end of July and for that month personal incomes rose another $1,800 million to an annual rate of $238,100 million. Figures could not be better—yet, there is that apprehension that things cannot possibly continue that way for ever.—*All Rights Reserved.*

BANKING

(Concluded from page 527)

tion of more liberal trade has indeed already been taken. The customs procedure of the United States has, to some extent, been simplified by a law passed this summer. But must else remains to be done if the flow of international trade is to reflect a growing and dynamic world economy.

Let me conclude by expressing my conviction that, in the years ahead, international investment will play an increasingly important part in the world-wide effort to encourage trade and raise production. Helped by the improvements that have already taken place in the world economy, and by those that could follow from the policies that are being advocated, I believe that private capital would make a large contribution to this investment. A swelling stream of international investment would benefit recipient countries by helping to speed their development and to raise their productivity and their living standards. It would also benefit investing countries. They would find eager new markets for their products and wide new applications for their techniques.

Mandate of the Bank

The Bank has a mandate to keep within the field of productive investment and of projects yielding a sound economic return. But our mandate gives full recognition to the place of the private investor within this field and precludes the Bank from undertaking projects for which private capital is available. Indeed, the Bank's work helps to pave the way for other investment. It penetrates territory unfamiliar to most investors, and helps to lay the basis on which other investment can be built. By the sale of its own bonds and of securities from its portfolio, it also provides a channel through which investors around the world can participate in the development projects which the Bank is supporting. With larger opportunities for international investment in prospect, I am confident that the scope of the Bank's activities will widen and its services to the world economy increase.

MARKET REPORTS

(Concluded from page 553)

are Continental mills able to capture lost ground out are successfully diverting business from this country. All these are possible because the Indian goods are priced higher in view of the export duties. The Indian Jute Mills Association has this week supported the trade demand for the abolition of the duties. It has presented its case to the West Bengal Premier who would be taking up the matter with New Delhi. The mills have pointed out that if Government accepts their suggestion, they will be able to dispose of the huge stocks that have accumulated, increase working hours and provide employment to many.

Last Wednesday the markets opened easy, and the lack of enquiries from abroad invited the bears to depress prices. Mills could not continue reserved definitely, but showed an interest to see things get moving by making offers. These factors resulted in hessian 40" 10 ozs, losing from Rs. 41-12 to Rs. 41-3 and B. twills from Rs. 92-12 to Rs. 91-12. Rumours that Australia would soon be in the market for a sizable quantity of sacking did not have any effect on the market in the absence of their confirmation. Reports of the initial trends of trading in burlap futures, which were resumed in

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000				350	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000	1,08,33,956	10,66,174	Allahabad Bank	190	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	7,231	Andhra Bank	103	100	6 0	6 0	6 0		6.12	H.
23,99,000				54	50	3 0	3 0	3 0			
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	110xd	50	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	
2,50,000	3,52,00,000	6,36,553	Bank of India	155	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	19½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	276xd	100	16 0	16 0	16 0	8 0(i)	12	Y.
59,18,600	42,61,693	35,280	Bombay State Co-operative Bank	59½	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	85	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875	3,99,08,177	17,23,013	Central Bank of India Ltd. ..	63⅜	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
£2,42,373				66½	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co. ..	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank ..	9	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank ..	10½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0	6 0	5 0		9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,825	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				445	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000	73,50,000	1,04,201	Indian Bank	181½	100	12 0	12 0	12 0		6.12	R.L.H.
16,00,000				143	85	10 3½	10 3½	10 3½			
15,40,000				102½	60	7 3½	7 3½	7 3½			
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	89½	100	5 0	6 0	6 0		.12	R.L.H.
6,25,800	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0		6.12	H.
2,50,000				18½	25(B)	2 4	1 14	1 8			
10,00,080				35	50(C)	3 0	3 0	3 0			
87,50,000	89,00,000	1,92,605	Punjab National Bank	21½	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,610	Travancore Bank	11½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	51	5	0 5	0 5½	0 5½		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	35½	50	2 0	2 0	2 0		6.12	H.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)						
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-2-4½	£3	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7†	6†	7†	3†	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	$90½	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-14-0 £1-17-0	£1	12†	12†	12 †		12	R.L.Y.
£1,437,296						5†	5†	5 †			
£375,000				£25	A £12½	12†	12†	14†	7†(i)		
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£25	B £12½	12	12†	14†	7†(i)	12	R.L.Y.
£300,000				£10½	C £5	12†	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£32½	£12½	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency (i) Interim. *6 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
13,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries ..	104	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd. ..	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99½	15th November .. 1956(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic ..	99½	1st January .. 1967-72
13,68,000	5½		Jaysbree Textiles	78N	1st January .. 1956-59
40,00,000	3	1st June	Tata Mills	101	 1966-71
ELECTRICS					
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd. ..	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. ..	101	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,55,97,200	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1970
45,00,000	4	30th June and 31st December	Gaurepore Electric Supply Co., Ltd.	86	31st December .. 1970
13,00,000	5	1st January and 1st July ..	Jaipur (Iberrah) Electric Supply Co. Ltd.	96	30th June .. 1976
4,93,000	5½	1st January and 1st July ..	Mysore Electric Supply	97	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply ..	94	1st October .. 1954
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply ..	94½	 1953-63
6,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	94	1st July .. 1957-63
47,73,000	4	1st April and 1st October ..	Tata Power	100½	15th September .. 1951-55(f)
2,50,000	4	1st April and 1st October ..	Tata Power	92½	15th September .. 1965-70
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
2,00,000	5½	30th June and 31st December	Bridge and Roof (India) Ltd. ..	99	30th June .. 1958
50,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	104	31st December .. 1960(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Fagineering Works Ltd	88	31st May .. 1971
1,50,00,000	4	1st April and 1st October ..	Tata Locomotive	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd	95	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April ..	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	99	30th June .. 1955
10,00,000	5½	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	98	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	95	15th July .. 1966
85,00,000	3½	1st January and 1st July ..	Fakirchand	92½	30th June .. 1953
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd	98	31st December .. 1966
85,00,000	5	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	3½	31st March and 30th September	Nellimarla Jute Mills Co., Ltd. ..	98½N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd. ..	93	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd. ..	98	30th December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd	96½	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July ..	Barsaet-Basirhat Light Railway ..	86	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co. ..	99½	1st November
£350,000	4½	1st January and 1st July ..		£100N	At £105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October ..	Calcutta Tramways	£102N	1st October .. 1976
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	99	30th September .. 1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway ..	89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£90½N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	100	1st January .. 1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	100	31st March .. 1949-59
90,00,000	5	30th June and 31st December	Waterfalls Ltd	101½	1st January .. 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	98	31st December .. 1965
26,30,000	4½	1st April and 1st October ..	Associated Hotels of India ..	86	31st December .. 1962
4,90,500	5	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,53,000	4½	1st July and 1st January ..	Clive Buildings	88½	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1961
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber	101½	1st January .. 1971
20,00,000	5	15th March and 15th September	Metur Chemical Industries	97	1st January .. 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	465 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd	90N	1st April .. 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	93½	31st March .. 1961
1,88,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	84½	31st December .. 1968
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	102½	1st May 1968

Note—See page 562 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th September, 1953.

	Closing quotations 8-9-53	High	Low	Closing quotations 17-9-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155½	154½	154½	155
Bank of Baroda (50)	110	—	—	110
Central (25)	63½	64	63½	63½
Imperial (P.Pd.) (500)	1,830	1,837½	1,825	1,827½
Imperial (P.Pd.) (125)	440	445	443½	445
Union Bank (5)	6-6½	6⅞	6⅞	6⅞
United Com. (50)	36½	36½	35½	36
COTTON MILLS				
Ahm. Adv. (100)	138½	—	—	138½
Apollo (2)	—	2-11½	2-8½	2-8½
Bombay Dyeing (250)	373½	372½	363½	368½
Central India (100)	156	155	143½	147
Century Mills (100)	260xd	259½	253	256½
Colaba (100)	69	69	62½	62½
Edward Textile (200)	237½	237½	225	225
Elphinstone (50)	38	38	37½	37½
Finlay (100)	323½	323	242½xr	248xr
Gokak (100)	225½	225	222	223½
Ind. Untd. Defd. (1)	1-1	1-4½	1	1-1½
Ind. Untd. Ord. (10)	9-5½	9-5½	8-12½	8-15½
Indore Malwa (100)	93½	92½	89½	89½
Khatau (100)	178½	—	—	178½
Kohinoor (100)	290½	290	283	286½
Lakshmi (250)	370	—	—	370
Madhusudan (100)	86½	—	—	86½
Maharashtra Mills (100)	49½	49½	48	48½
Model Nagpur (250)	91	—	—	91
Morarji (100)	143½	143½	140	140
Mysore (50)	130	—	—	185
New City (100)	151½	—	—	130
New Great (100)	148	148	144	151½
Phoenix (100)	120	117½	115½	145
Podar Mills (100)	125	125	120	116½
Saraon Silk (10)	20½	20½	19	121½
Saraon Spg. (10)	25½	—	—	19
Shahjapur (1,000)	1,610	—	—	25½
Simplex (50)	172	171	119xr	1,610
Sradesh (100)	241½	241½	236	128½xr
Swan (100)	462½	—	—	240
Tata M. (25)	41	41½	38½	462½
Vishnu (100)	147½	147½	146½	39½
Western India (1,000)	3,550	—	—	142½
ELECTRIC COS.				3,550
Ahmedabad (100)	113½	114	110½xd	
Amalgamated (10)	11	11	10⅜	111⅛
Andhra Valley (1,000)	1,343½xr	1,342½	1,328½	10-15½
Bom. Sub-El. (100)	120	120½	119⅛	1,330
Surat (100)	125⅛	126½	125½	119⅛
Tata Hydro (100)	142½	143	141	126½
Tata Power (1,000)	1,411½	1,410	1,398½	141½
INSURANCE COS.				1,398½
British India (10)	13⅜	—	—	13⅜
Empire of India (100)	660	660	650	660
Ind. Mercantile (20	38	—	—	38
Jupiter (15)	40⅜	—	—	6⅜
New India (15)	40⅜	40⅜	40	40
Oriental (200)	6,825	7,050	6,825	7,050
Universal (10)	8⅜	—	—	8⅜
Vulcan (10)	11⅜	11⅜	11⅜	11⅜
STEAMER COS.				
Scindia (15)	13⅜	13⅛	13⅜	13-5⅜
STEEL COS.				
Ind. Iron (10)	22⅜	23	22-11⅜	22⅛
Tata Steel Defd. (20)	1,835xd	1,831½	1,797½	1,811½
Tata Steel Ord. (75)	317½xd	317⅜	311⅜	313⅜
MISCELLANEOUS				
Alcock Ashdown (100)	300	300	295⅜	296½
Associated Cin. (100)	166½	169	166½	167½
Belapur Sugar (5)	237½	238	234½	236
Bom. Burmah (125)	341½	340	323½	327½
Do. (New) (50)	127½	126½	121⅜	121½
Br. B. Petrol (4 sh.)	1⅛	1⅛	1-1⅛	1-1⅛
Br. I. Corpn. (5)	8-2½	8-11½	8-8½	8-8½
Indian Copper (2 sh.)	2⅛	2-1⅜	2-1⅜	2-1⅜
Ind. Inv. Tr. (100)	69½	—	—	69½
Port Canning (100)	22⅜	—	—	22½
Premier Cos. (50)	84	83½	82	83
Shivaji Dyes (10)	56	56	54	54½
Tata Chemicals (10	8⅜	8⅜	8-4½	8-5⅛
Tata Oil (25)	30½	30½	30	30
Watchend Ltd. (100	146½	—	—	146½
W. I. Match (100	233½	233½	227½	228½

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Re
2½% 1954	98⅛	—	3.46	98⅛
2½% 1955	98⅛	—	3.28	98⅛
2½% 1961	90⅜	—	3.88	90⅜
2½% 1960	93⅜	—	3.82	93⅛
2½% 1962	92⅜	—	3.87	91⅜
2½% 1974	82⅛	—	3.92	82⅛
3% 1958	98⅜	—	3.42	98⅜
3% 1939-61	96⅜	3.74	3.41	96⅛
3% 1964	92⅛	—	3.57	92⅜
3% 1963-65	92⅛	3.91	3.85	92⅜
3% 1966-68	90⅜	3.99	3.78	92⅛
3% 1970-75	86⅛	4.11	3.88	90⅜
3% 1986 Con. Loan	82⅛	—	3.92	86⅛
3½% 1936-59*	100⅛	—	3.66**	82
4% 1960-70	102⅜	3.32	3.46	100⅛
4½% 1955-60	103⅜	3.66	3.85	101⅛
4½% 1958-68*	104	3.00	4.03	102⅛
3½% 1961 N.P. Bonds	98⅛	3.40	4.05	105
		—	3.74	98⅛

BRITISH GOVERNMENT SECURITIES	8-9-53 £	High £	Low £	16-9-53 £
2½% Brit. Consols, 75	60⅜	61⅛	60⅜	61⅛
3% War Loan 1955-59	86⅛	86⅛	86⅛	86⅛
3½% War Loan 1952	101⅛	101⅜	101⅛	101⅜
3½% Brit. Iron and Steel 1976-78	82⅜	83⅛	82⅜	83⅛
4% Funding Loan 1960-90	91	91⅜	91	91⅜
	101⅛	101⅜	101⅛	101⅛

xd—Ex-dividend. xr—Ex-Right. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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POLITICS IN SUGAR

THE Government of India's sugar policy for the 1953-54 season, announced on Thursday last, clearly underlines the fact that there is considerable politics in sugar. How else are we to explain the increase in the minimum price of sugarcane, despite the categorical announcement made by Mr. Rafi Ahmed Kidwai, in the House of the People a fortnight ago, that the Government would not do so? Apparently, Mr. Kidwai could not have his way, in view of the strong opposition from the U.P. and Bihar Governments. And the latter are interested in a high minimum price, because they do not want to lose the support of the ryots in the elections. The Congress Party in these two States has always counted on the backing of the farmers, and it has been trying to earn their affection by offering a high price for sugarcane, the biggest agricultural crop in this area. It will, therefore, be politically inconvenient for anyone to reduce the minimum price of cane. The sharp reduction made last year from Re. 1-12 per maund to Re. 1-5, coupled with the rise in the price of sugar, had caused a loss in the prestige of the Government with the ryots quite a lot and the Opposition parties made much capital out of it. Now that the price of cane has been raised by As. 2 and that the same price has been assured for the 1954-55 season also, the ruling party can recoup a part of this loss.

The fixation of a minimum price for sugarcane for two consecutive seasons is a departure from the policy that was in vogue hitherto. The official explanation for this is that it has been done in order "to meet the longstanding demand of cane growers and to facilitate planning of cane production with the previous knowledge of the minimum price that will be received when the crop becomes ready for the factories." Whether, economically, this is a perfectly logical thing to do is doubtful. But it is quite logical from the political point of view. The General Elections fall in the 1956-57 season and the Congress Party will scarcely have the courage to reduce the price of cane for that season or even for the preceding season. Thus, for all practical purposes, the minimum price of cane for 1955-56 and 1956-57 also will be Re. 1-7 per maund, if not more. This means that consumers will have no chance of getting cheap sugar for four more years and the Government's promise, made about this time last year, has definitely gone by the board. In fact, they should consider themselves lucky if they do not have to pay more. This is undoubtedly an unpleasant prospect, but one has to pay a price for keeping the Congress in power in U.P. and Bihar, the home of the sugar industry. One can, however, have the satisfaction that sugar is a political commodity not merely in India but also in several countries of the world; it enjoys protection and Governmental patronage in some form or other.

From the economic point of view, the wisdom of the Government in fixing the minimum price of cane for two seasons is questionable. Prices of all agricultural commodities are generally going down everywhere and one does not know what they will be a year or two hence. Viewed against this background, the fixation of a minimum price at a higher level than at present sounds rather unnatural. It also means official favouritism to a section of agriculturists, for no other crop is given such a guarantee. The best course would have been the abolition of price control on sugarcane. This would have provided an incentive to the farmer to grow more and better varieties of cane. The argument that decontrol of sugarcane prices will lead to a lower production of cane is untenable, inasmuch as the demand for sugar and gur in the country is large and is progressively rising in keeping with the trend of population.

The next best course would have been to fix the minimum price of cane at a sufficiently low level which would assure a bare subsistence to growers, as has been done in the case of cotton. This would have provided some scope for competition, without which there can be no improvement in the efficiency of sugarcane production which is at a low ebb at present, especially in U.P. and Bihar. Recent pronouncements of Mr. Kidwai, both in Parliament and outside, shows that he is fully aware of all the defects in the present policy of fixing the minimum price of cane at a level which, in actual practice, turns out to be the maximum. He knows that to pay a uniform price for both good and bad quality cane is not in the long-term interests of the sugar industry. If he still persists in pursuing this unscientific and unsound policy, it means only one thing, namely, lack of courage and power to enforce his convictions. If, on all fundamental economic principles, the Union Government were thus to surrender to State Governments, even when it is sure that its stand is correct, while that of the State Governments is wrong, how could one have confidence in its ability to bring about a sustained economic progress in the country?

The new sugar policy of the Government is defective in a few other respects also. The Government has, of course, done well in discountinuing the additional excise duty of Re. 1 per maund of sugar, for the continuation of which there was no justification at all. This will absorb the effect of the increase in the price of cane on consumers, provided the price of sugar does not go up in the coming months. This is an important qualification, for, in view of the expected shortfall in production in the ensuing season and the absence of price control on sugar, one cannot be sure that prices will not go up. True, the Government has arranged for imports of sugar, but, so long as the present policy of selling such sugar at the port towns at Rs. 30 per maund continues, it may not have any appreciable effect on prices in the interior. Further, there may not be a continuous flow of imports. There may thus be plenty of chances for sugar prices to rule high. Incidentally, in abolishing the additional excise duty, the Central Government is not a net loser, in that it will be making a profit of Rs. 4.30 crores by way of import duty and trading profit on 2 lakh tons of imported sugar, for which it has already placed orders. In effect, therefore, the cheap foreign sugar is being indirectly utilised for the benefit of the cane grower, instead of the consumer.

Although there will be no control on prices and distribution, the Government has decided to retain the control on releases and also to reserve approximately 25 per cent. of the year's production as buffer stock. The Government will make releases from these stocks at controlled prices, if and when the market price of sugar rises unduly. The price fixed for this purpose is Rs. 27 per maund and this will, perhaps, be regarded as the fair ex-factory price. Considering that these very features of Government control, namely, regulation of releases and creation of buffer stock, were mainly responsible for the muddle in the season that is now drawing to a close, the authorities have been ill-advised in continuing them. Evidently, our Government never learns from its past mistakes. The decision not to reimpose the price and distribution controls, despite the existence of some theoretical grounds for doing so, is, however, a mercy for which the public and the industry should really be grateful to the Government.

STATE SPONSORED STEEL PROJECT

IT was only to be expected that Parliament would evince considerable interest in the new Union Government-sponsored steel project. Both the financial interest involved—the project will cost about Rs. 72 crores, as now estimated—and the novelty of the venture—the first biggest industrial enterprise by the Government in a field in which private enterprise has succeeded—do invest the project with a new significance. The fact that it has been before the public attention for several years now has not in any way diminished public interest in this enterprise. But neither the manner in which the news of the conclusion of the agreement was broken to the country through a brief statement nor the way in which public criticism of the agreement has been dealt with by the Government spokesmen shows that the Government is fully alive to all the implications of the step it has now taken.

The issues, which were raised by the public and in Parliament, and all of which were not squarely met by the Production Minister, Mr. K. C. Reddy, were: Why was the particular foreign firm chosen for the purpose of participation in the project? How was the German participant's contribution of Rs. 9½ crores to the Rs. 72-crore project arrived at? Was it wise to entrust the negotiations to an individual member of a Government department? Is it not true that private enterprise could have done the same job of raising steel output at a lower cost? What would be the nature of the set-up for the project? These were only a few of the questions which were posed. By design or otherwise, Mr. Reddy's reply, it is sad to note, did not meet any of these objections.

Mr. Reddy prefaced his remarks by a reference to the shortage of steel in the country, about which much has already been said. The present requirements were, he said, about two million tons of steel, which might increase to about 2.8 million tons in 1957. Production in the country, if the expansion plans of the private units were taken into account, would be about 1.5 million tons. There was, therefore, an "immediate need" to put up a plant of one million tons. The capacity of the proposed plant was 500,000 tons for a capital investment of Rs. 72

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crores. If the capacity were increased to one million tons, the capital investment would be much less, say, an addition of Rs. 40 crores or Rs. 45 crores. The Government, he added, would decide the question of location of the factory, after taking into account the reports of the Technical Committee and in consultation with the German firm. Proceeding, he revealed that the representatives of the German firm were coming here at the end of the month when the final agreement would be signed after negotiations on details; the agreement that had been reached was only on "broad heads." Global tenders would be invited for the plant. If the value of the orders with the German firm equalled 20 million dollars, the German investment would be 25 per cent.; upto the second 20 million dollars, it would be 30 per cent. and in excess, it will be 33⅓ per cent. subject to the ceiling of 20 million dollars.

So much for the factual content of Mr. Reddy's statement. The first thing that will strike any impartial observer is as to why the information about the project is given in piecemeal fashion, in driblets as it were. Could not the Government have issued a full statement, say, a white paper, considering that the matter does require much wider publicity than what the Government has given to it? In the absence of such a written statement, the best the Minister should have done was to take Parliament into confidence and place before it full details of the progress of the negotiations conducted so far, both with the particular German firm with which an agreement has been reached and with the firms in other countries which were consulted in the past. This would have allayed public suspicion that the country's interests are not being well served by the present agreement. It is well to remember that all that Mr. Reddy could say by way of reply to the question as to why the particular firm was chosen was that, if there was a single party in the whole world which "had the full know-how" of steel production, it was the Krupps-Demag, and that he could say "categorically" that the agreement was the best the Government could have secured. This is certainly not an adequate reply to the point raised in Parliament. Such assertions will carry the country nowhere. It is not enough that the country should know or learn from Mr. Reddy about the greatness of the Krupps-Demag, but it ought to know why he considers no other concern was better than the German firm or how he considers the agreement best in the interests of the country, even before the details of the agreement have been worked out.

The charge that the conduct of negotiations was left to a single individual was countered by the Production Minister by pointing out that the Government was kept informed of the negotiations, that the Indian Ambassador to Germany was associated with the negotiations and that the Government was satisfied with the "very admirable way" in which the negotiations were carried on. But this assertion, again, does not meet the objections raised. It is not enough that the Government should be able to say that the negotiations were conducted in an "admirable" way or that it kept itself in touch with the progress of negotiations. As the official who negotiated the agreement was not assisted by any technical experts, what the country is anxious to know is whether technical opinion—there is no dearth of such opinion in the country—is equally convinced of the worth of the negotiations or of their result. Finally, it is no aspersion on the ability of any particular individual to conduct negotiations, if Parliament and many outside it feel that, as a matter of principle, no individual should carry so onerous a responsibility.

The question of global tenders for plant, too, has been left unsettled. It is well to remember that the German firm is the technical consultant to the Government-sponsored project and that it will also be one of the tenderers for the plant. Are the two roles mutually compatible? If the examination of the tenders is done with the help of the consultants, how will the Government ensure the impartial scrutiny of tenders? Would firms in other countries at all care to submit tenders under these conditions? If, on the other hand, the German firm is kept out of the business of scrutiny, it will not have fulfilled its role of technical consultants. The Minister says in one breath that the details of the agreement have not been settled, and refers, in another, to the details of the relation between the value of orders with the German firm and the German participation in capital. The text of the agreement, too, has not been laid before Parliament. From all this, it would appear that the agreement—at least the Government's version of it—is in a very nebulous stage. And yet the Minister has no qualms in asserting that it is the best the Government could have secured.

No light was thrown by Mr. Reddy on the administrative set-up of the proposed steel project. Will it be in the form of an official-dominated corporation or a Government-cum-private company? It is not clear whether the Government has taken note of the very serious doubts which the Comptroller and Auditor-General of India has expressed about the legal appropriateness of constituting companies in which the Government is the sole or the predominant shareholder, and also about the constitutional propriety of whittling down Parliamentary control through the creation of separate corporations or companies. Such attempts are being made on the ostensible ground that excessive scrutiny by Parliament would kill the initiative that is needed to make a commercial success of a project. In this connection, Dr. John Matthai made a very notable remark, indeed, when he said early this week, in the course of a discussion on State Transport Corporations that "where a business calls for energy, drive, enterprise, specialised management, etc., the proper solution is not to shelter officialdom from parliamentary scrutiny, but to leave such business in the hands of private enterprise subject to the general control of Government." Proceeding, Dr. Matthai declared that "for Parliament to agree to extend the domain of the executive into untried fields of administration and, in the process, to surrender its own responsibility is bad both for Parliament and the executive."

The Government will have to consider whether, in the light of all that has taken place in the spheres of industrial enterprise to which it is a partner and of the Government-sponsored project, it can ignore the value of this criticism. It should, therefore, decide, without any further delay, as to how the steel project will be administered and what measures it will have to take in order to ensure that efficiency is maintained.

Finally, the Government has not so far met the argument that the private sector in the steel industry could have accomplished the same increase in steel output, as is now visualised by the Government through its project, at less cost. It may be recalled that Mr. J. R. D. Tata stated recently that his company could achieve the same increase at a cost of Rs. 40 crores and that another Indian concern could have done it at a cost of Rs. 60 crores. Thus, the Government project entails a loss of Rs. 12 to Rs. 30 crores. As was pointed out by us on an earlier occasion, if the Government had undertaken the project four years ago or had entrusted the task of increasing production to private enterprise, then the country could have saved even more in terms of capital expenditure. There is, however, no use crying over spilt milk. But the point is whether the country should bear an additional capital expenditure, for no other reason than the desire of the Government to own a steel plant. On what grounds does the Government defend this additional expenditure of capital which is still the scarcest of all commodities in this country? Is not the country being compelled to pay a very heavy price for the fetish of doctrinairism? The country knows it should have more steel. It ought not to matter whether the increase in steel production comes from the private sector or the Government. Indeed, the whole project should be judged only by the standard of economy in the use of capital and economy in operation. The country cannot afford the luxury of the expenditure of a larger capital, if the same result can be achieved with less. It is well to remember that, if the job were left to private enterprise, the latter could not only complete it at less cost but also contribute to the Exchequer by way of taxation on the profit earned by it. In other words, the present arrangement entails a double loss—both excess capitalisation and loss of revenue to the Government.

There are also certain other implications of the project, which deserve scrutiny. It is now a safe bet that the Government-sponsored project will be a high-cost structure. If it is unable to make a reasonable profit, it will be tempted to nationalise the entire steel industry. The existing steel units cannot expand without additional capital. How will the investors respond readily to any demand for funds, if they know that the Government is likely to cast its covetous eyes on the relatively prosperous private units in the steel industry? If the private units are unable to expand their production or are otherwise prevented from making legitimate profits in order to return their borrowings from the Government, they may suffer the same fate as civil aviation. It would be a bad day for private enterprise, if the Government used such means to beat the industry to surrender on the former's terms. But experience in the sphere of civil aviation and the threat that has already been held out to the automobile industry by the present Commerce and Industry Minister do not give anybody the confidence that the Government will not resort to such methods.

GAS INDUSTRY

AS a versatile fuel of high thermal efficiency, gas is entitled to more attention than it has actually received. It is aptly called the "fuel-on-tap"—a term which brings out the convenient form in which this fuel is available. Its use, now a normal feature of domestic life in the West, is confined in this country only to two cities, Bombay and Calcutta. And even in these two cities, its availability is strictly limited. It would, however, be wrong to think that gas is only an additional amenity of the fashionable kitchen. It is capable of much wider application both in non-industrial establishments such as hospitals and laboratories, and in industrial units such as pottery kilns, refractories, and in many other light engineering industries. Small wonder then, that Mr. K. P. Jalan, Chairman of the Bombay Gas Company, Ltd., deplored, when he addressed the annual meeting of the Company this week, that the Planning Commission had "neglected" this industry altogether in its plans for development of industries in the public and private sectors.

This neglect would, perhaps, worry the gas industry less, if it had been allowed the facilities it needs to expand its production. That there is need for such expansion is clear from the fact that the Bombay Gas Company has on its waiting list over 9,000 applicants for new connections. Indeed, if the list is not much larger, it is because most people know that, to expect new connections is to ask for the moon. The Company is, of course, straining its utmost to increase the output of gas; since 1946, it has increased the output by 20.7 per cent. But the increase is insufficient to meet not only the new and unsatisfied demand of fresh applicants but the growing demand of existing consumers.

Why is the Company unable to provide the gas for which there is such a large unsatisfied demand? The answer is: "finance." Increase in production demands mechanical re-equipment and plant expansion which, as Mr. Jalan rightly pointed out, depends on the price of gas and the ability of the Company to give a "reasonable return" on investment. Last year, Mr. Jalan had clearly pointed out how the cost of labour and staff had increased by 286 per cent. over the 1926 level and how the cost of raw materials had gone up by 36.8 per cent. Production, however, had gone up only 171.4 per cent. There is no doubt that any advantage which has accrued to the Company through larger output of gas has been more than offset by increase in the cost of production. And yet, the Company's demand for an increase in the price of gas has not been conceded, so that it still remains where it was in 1926.

The profits of a public utility concern—it is to this class that the gas industry belongs—shou'd doubtless be controlled in the public interest. But there is a danger that this principle could be carried so far as to kill all incentive to expansion. After all, even a public utility concern must attract investors' funds, if it has to expand. No such concern can attract the necessary funds, as Mr. Jalan rightly pointed out, if it is apparent to the investors that they "will be denied the right of being allowed a reasonable return." Last week, we published Mr. Eugene Black's illuminating analysis of the economics of power development in underdeveloped countries, where he has pleaded for special incentives for the investors in this industry. The arguments by which he has supported the demand for special incentives apply as much to the gas industry as to the power industry. The fact is that even a public utility concern has to work in consonance with trends in interest rates. To deny it an adequate return is to smother its progress. It would appear that the Committee which was appointed last year to examine the demand for an increase in gas price has submitted its report to the Government, although neither the report nor the Government's decision thereon has been published, despite the fact that it is long overdue. It is to be hoped that the Government will take a helpful decision on this question. By such decision the Government will enable the Company to increase the gas production and thereby increase the scope for employment in Bombay City.

MR. BARAT ON PROBLEM OF STIMULATING CLOTH OFFTAKE

TAXES ON CONSUMERS NEED TO BE REDUCED

THURSDAY, 5 P.M.

MARKET GOSSIP

THE state of the cloth and yarn markets is disquieting. Despite the approach of the festival season, there are no promising signs of any improvement in the offtake for domestic consumption. Export demand is also slack, after a flutter caused by the shippers to Burma, who wished to stockpile goods in that country before the benefit of low import duties on Indian cotton textiles disappears, as it is scheduled to do, from 1st October, 1953. While the goods are thus not moving out of the market, production has been running at a high level. The result is that stocks have begun to accumulate with the mills and, unless something is done quickly, the position will deteriorate. The Government has always been slow in acting; it has a knack of locking the stable door after the horse has bolted. It is to be hoped that, at least in this case, the Government will not let itself be blamed for procrastination.

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It is not our desire to cry wolf in drawing the attention of the Government to this aspect of the question. There are enough straws in the wind to judge the position correctly. There is a move among the millowners in Indore and Saurashtra to cut production, in order to prevent accumulation of cloth. Several mills in Ahmedabad have given notice to workers to drop the second or the third shift as the case may be. In Bombay, one mill has decided to close down. In Travancore-Cochin State, the State Government has found it necessary to assume the responsibility for running a mill, as the management decided to close it down for the reason that it was uneconomic to continue production. There are, unfortunately, no reliable statistics of stocks of cloth with the mills. Stocks of cloth with mills in Bombay City and Island alone are placed as high as 150,000 bales. In Ahmedabad, they are said to be anywhere between 125,000 and 150,000 bales. In Indore, the stocks are estimated at 32,000 bales. These figures are for packed bales, but it is believed that loose stocks are considerably high.

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A Gujerat millowner contends that the stocks at present cannot be regarded as being unduly heavy, as they do not represent more than six or seven weeks' production. But this contention is fallacious. In the first place, the comparison of stocks with production, when the latter is running at a high level, will lead to misleading conclusions. Secondly, it ignores the fact that stocks of cloth with the trade are fairly large. Again, this line of argument is analogous to the contention that, even at the present rate of production, the supply of cloth in the country (including handloom products) is two or three yards below the pre-war per capita consumption. But, in the present state of economic conditions, this statement is meaningless, if it is to be applied as a yardstick for determining whether there is overproduction or underproduction. What is relevant to the point is not merely the availability of cloth but also the capacity of consumers to buy. It is the latter aspect that is more important now, but the pity is that such has not received adequate recognition even in quarters which ought to know better. And, unless this is recognised, it will be difficult to comprehend correct solutions to the problem.

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What is the correct solution to the problem of liquidating cloth stocks and maintaining production and employment in the industry at high levels? We posed this question to Mr. T. P. Barat, a former Textile Commissioner, Government of India, and at present a Director of the Managing Agency firm of the Bombay Dyeing and Manufacturing Co., Ltd. In an exclusive interview to *Commerce*, he gave the following answer:

"The first essential point to understand is that cloth availability on per capita basis, on which production plans are based, has lost all its significance, in view of the mounting cost of living, which has resulted in the gradual shrinking of purchasing power of the masses. To day, the consumers, after meeting their more important obligations, can set apart only a limited amount of money for purchasing cloth, and they have to accept whatever yardage this amount will buy. Thus, if this amount fetches only 10 yards per capita, the consumption must remain at this level; if it can buy 15 yards, the consumption will increase to that extent. If, therefore, the present problem of cloth accumulation is to be solved, some means should be found to stimulate the offtake of cloth, and, obviously, lowering of the prices is the answer. This is, therefore, the primary question facing the mill industry and the cloth trade, but is it within their power to bring down the cost to a sufficiently low level to gain the desired end? This necessitates a critical examination of the present-day production costs in relation to the prices of cloth charged to consumers, and I propose to do it in as concise a manner as possible. I give below an idea of the increase in the various elements of production costs. Taking base-year 1939 as equal to 100, the index of cost of production has risen as follows:

Wages and salaries	310
Stores, chemicals and dyes ...	350-400
Power and fuel	250
Total manufacturing charges ...	323

"In the above analysis, I have not shown the increase in the cost of raw materials separately, because there is some technical difficulty in taking 1939 as the base-year for cotton. It is, however, possible to take 1942 as the base-year and, on the basis of 1942=100, the increase in the cost of raw material is as follows:

Cotton for coarse cloth	310
Cotton for medium cloth	237

"Briefly speaking, as compared with 1942 price levels, cotton prices in 1952 were 2.5 to 3 times higher, while those of manufacturing charges were twice as much as those ten years before. As against these increases, prices of coarse cloth have gone up by 45 to 50 per cent. and those of medium cloth by about 60 to 65 per cent."

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It will be seen from the above analysis that, unless manufacturing charges are sufficiently reduced, there is scarcely any scope for reduction in the price of cloth. But can these be reduced? Can the price of cotton, for instance, be lowered? Can the wages of workers be cut? Mr. Barat has his own doubts. He says: "In the case of cottons, their prices have been controlled in parity with other competing foodgrains, and, having regard for agriculturists' interests and the need for expanding cotton production, it is, perhaps, not possible to bring about a steep lowering of the cotton prices, though there may be a little scope for some decrease here and there. In the case of manufacturing charges, the largest rise has been recorded in 'wages and salaries' which to-day form almost 18 to 20 per cent. of the cost of cloth. There has also been a perceptible increase in the cost of electricity, due to the imposition of Government duty, an increase in the transport charges of coal, and a steep rise in the price of fuel oil."

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In the above quotation, Mr. Barat, of course, does not squarely answer the question whether wages can be cut or other items of manufacturing expenses reduced. That is, perhaps, because the answer is obvious. It is not a practical proposition to talk in terms of reducing wages. The workers will not accept a cut in their wages and any attempt to force it on them will lead to unrest which nobody wants. Labour can doubtless co-operate in bringing down the production costs by working harder and raising their productivity. But this is easily said than done, for neither our workers nor their leaders are as enlightened as their confreres in other parts of the world to realise the truth of this statement. Other manufacturing charges do not depend on the millowners, as these charges are influenced by factors beyond their control, as Mr. Barat has clearly shown.

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So, what is the alternative? There is the other side to this picture, a glance at which will throw some light on this question. In this connection, Mr. Barat invites the attention of readers to what happens when the mills sell cloth. "In the case of efficient mills," he observes, "the managing agents have been getting 2 to 2.5 pies on the sale of a rupee worth of cloth, while the shareholders have been getting anywhere from 5 to 5.5 pies. Thus, the managing agents and shareholders together realise from a rupee sale of cloth about 7 to 8 pies. For less efficient mills, the figures would be relatively lower. As against this, following are the realisations of the Central and the State Governments on cloth sales:

(a) *Coarse and Medium Cloth*:

"Assuming that the price per yard of coarse and medium cloth is Re. 0-10-0, Governments realise from the consumer on a sale of Re. 1 worth of cloth:

9 pies in the shape of Excise Duty	
6 pies in the shape of Sales Tax	
Total 15 pies	

(b) *Fine Cloth*:

"Assuming that the price of fine cloth is Re. 1 per yard, the Government derive from the consumer:

	Pies
Excise Duty	10-15*
Sales Tax	9
Total	19-24

(c) *Superfine Cloth*:

"Assuming that the price of superfine cloth to be Re. 1 per yard, Government realisations are:

	Pies
Excise Duty	39-45*
Sales Tax	9
Total	48-54

*According to different varieties of cloth.

"In the case of fine and superfine cloth, it has been assumed that there is only a three-point sales tax, that is, from the mills to wholesalers, wholesalers to retailers and retailers to consumers. This seems to be the minimum number of hands through which the cloth must pass.

"The above realisations are not all that Government make on cloth; there are many more, such as import duties on cotton, mill stores, dyes and chemicals, machinery and their parts, etc., etc., as well as sales tax payable on them.

"Even if the managing agents and shareholders make large sacrifices in their share of earnings, that would be a small contribution in lowering the price of cloth to consumers as against various levies, duties and taxes collected by Government at various stages on raw materials and finished products.

"The cotton mill industry was established in the country to clothe India's millions; this is now being used by the Governments to collect revenue for them amounting to crores of rupees, which aggregate to a staggering figure. From the foregoing brief analysis, it is clear that any substantial reduction in the price of cloth to the consumer can take place only if the Governments decide to reduce the manifold duties and impositions on cloth; otherwise, mere talking about cloth accumulation or laborious collection of statistics by the Governments is not going to solve the problem, since whatever may be the production, the offtake will be commensurate with the price level of cloth to the consumer and the purchasing power of the general public."

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Comment on Mr. Barat's conclusions will be superfluous. It is for the powers-that-be to take note of them, if they are to tackle the problem in a realistic fashion. The Finance Minister, in his statement in the Council of States on Tuesday last, glibly remarked that, without an increase in production, the cost of production could not be brought down. Taken by itself and viewed in isolation, he is right in saying so. But it is not so in actual practice for various reasons. The problem facing the cotton textile industry is an instance to the point. The production of this industry has gone up to a record high level, but that, by itself, cannot; as has been impressively brought out by Mr. Barat, bring down the cost. Something more than an increase in production is necessary. The State, which easily gained a vested interest during the days of a sellers' market, must set an example to others by giving up a good part of its share in the pie. To be plain, as taxes now constitute a substantial part of the cost of cloth to consumers, they must be cut, if the offtake of cloth is to be stimulated.

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The possibility of a slump in cotton goods has been having a deterrent effect on textile shares on the Stock Exchange. There is hardly any demand for these shares nowadays, even though first class scrips are standing at attractive levels. Some in the market, however, have not lost all hope. They believe that the Government will come to the rescue of the industry sooner or later. It is this belief that has been responsible for some selective buying in textile scrips, such as Century, Finlay, Standard and Svadeshi. How far this optimism is justified remains to be seen. But these optimists—and they are not many—point to two factors in support of their belief. One is the rumour that Mr. Kidwai may take over the portfolio of Commerce and Industry from Mr. T. T. Krishnamachari. They feel that Mr. Kidwai may prove a more amiable Minister in charge of industries and trade than Mr. Krishnamachari. They argue that Mr. Krishnamachari's defect is that he knows too much about the ways of business men to take them at their word. He does not believe in the saying that, where ignorance is bliss, it is folly to be wise. They are of the opinion that Mr. Kidwai will at least patiently listen to business men and appreciate the practical solutions that may be put forward by them. As an instance, they point to Mr. Kidwai's tactful handling of the sugar industry. The Government's sugar policy, they concede, may have been full of contradictions and may not have fully benefited the consumer. But it has not, they aver, done any harm to the sugar industry. On the contrary, by re-adjusting the import policy on sugar recently and by continuing the control on sugar prices and distribution even at a time when there should have been complete decontrol, they recall, Mr. Kidwai saved the sugar industry from a debacle.

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The other factor on which the aforesaid market men are pinning their hope is the statement of Mr. Deshmukh in the Council of States where he made some significant observations on the problem of unemployment. His reiteration of the Government's faith in mixed economy where both private enterprise and public ownership can co-exist, his remarks on prices indicating his aversion to any sharp fall, his appeal to workers to step up their productivity, his emphasis on the need for allowing even uneconomic units of production to continue with a view to maintaining the level of employment, his belief that economic conditions in the country were favourable for a larger volume of capital investment and, above all, his admission that "it could be argued that the disinflationary policy initiated towards the close of 1951 and continued in 1952 had been carried too far" and that, in the matter of monetary policy, the authorities had to "readjust their steps from time to time"—all these have been interpreted to mean that the Government is now in a more favourable mood than before to give support to industries and to prevent a recession from gathering momentum.

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Mr. Deshmukh's reference to monetary policy is regarded in market circles as being more significant than the others, though it has not yet received much attention in the Gilt-edged market. It is felt that, during the ensuing traditional busy season, Mr. Deshmukh may begin a retreat from the dear money policy followed since November, 1951. He may then find it very convenient to meet the criticism from some sections of business men that the cost of short-term credit and long-term finance for industries has gone up to unduly high levels. It must, however, be added that any such action will not amount to a return to the cheap money policy pursued during the war years. But it may amount to a move towards stabilisation of interest rates at somewhat lower levels than at present.

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It is true that, at the moment, there are not many in the share market who take an optimistic

(Continued on page 611)

EQUITIES MOVE NARROWLY

UNDERTONE STEADY

(From Our Own Correspondents)

BOMBAY, 24*th September*

THE Stock Exchange witnessed dull and featureless trading during the week under review. The undertone remained steady, in the absence of any adverse factors to undermine the confidence of operators, and the sentiment was a little better this week. This was due to the psychological effect of the reduction of the Bank rate in England and the support lent to Indian Irons by Calcutta operators during the last few sessions of the week. But the market, as a result did not experience any large-scale operations to lift prices of equities, owing to lack of support to textile shares. The none-too-encouraging position in the cloth trade restrained operators from extending their commitments in textile shares. The volume of trading was, therefore, very much restricted and price movements were narrow.

The complexion of the steel section was largely influenced by Indian Irons. Tata Deferreds opened the week on a steady note at Rs. 1,816-4 and the value did not make much headway due to prevalence of holiday atmosphere. On Monday this week, the shares dipped to a low of Rs. 1,797-8 under pressure induced by the break in silver prices and weaker advices from Calcutta. At the lower level, however, some resistance developed due to revival of support helped by better advices from Calcutta. This brought about a recovery in Deferreds to Rs. 1,820 to-day before closing at Rs. 1,816-4. Tata Ordinaries remained steady and finished the week at Rs. 315-4, as against last week's closing of Rs. 313-12. The withdrawal of the lock-out at Burnpur helped Indian Irons maintain their values round about Rs. 22-15 early in the week, but the unloading of a block of shares by a big operator in Calcutta brought them down to Rs. 22-1½ on Monday. News that a big broker of Calcutta was taking delivery of a huge block of shares, revived speculative support. Besides, rumours were also current that the Company would be compensated by the Government for the loss of production on account of the recent lock-out by giving an increase in retention price. However, there is still uncertainty about the final outcome, as it is not known whether the Company has approached the Government with a claim for compensation. The share value on the Exchange, therefore, gained to Rs. 22-12½ before closing at Rs. 22-10.

Trading in textile shares was uninteresting due to cautious attitude of operators. Barring a mid-week recession due to the weakness of steels, values were nearly held and minor variations were noted on balance. Bombay Dyings, after dropping from Rs. 368-12 to Rs. 362-8, regained to Rs. 367-8 at the close. Kohinoors closed at Rs. 281 *ex-div.* (dividend Rs. 6 per share) as against Rs. 286-12 *cum-div.* last week. Centurys gained but a rupee to Rs. 257-8. Central Indias showed no change on balance at Rs. 147. Indu Ordinaries were steady at Rs. 8-15, Simplex at Rs. 128 and Svadeshis at Rs. 240-8. Standards put on Rs. 2-8 to Rs. 302-8. Finlays provided a notable feature with a sharp rise of Rs. 8 to Rs. 256 due to interested buying. Gokaks added a rupee to Rs. 224-8. Vishnus, on the other hand, receded by Rs. 3-12 to Rs. 142-8. Khataus were quoted at Rs. 170, as against Rs. 178-1. The Directors have maintained the dividend at Rs. 10 per share for the year ended 30th June, 1953.

Bank shares were steady and small improvements were noted in select scrips. Centrals were maintained at Rs. 63-12 and the new shares gained As. 4 to Rs. 67-4. Imperial Fully-paids advanced by Rs. 2-8 to Rs. 1,830 and Contributories by Rs. 6-4 to Rs. 451-4. Bank of Indias rose by a rupee to Rs. 156. Barodas, however, declined by a rupee to Rs. 109. United Commercials were unchanged at Rs. 36.

The persistent support to Ahmedabad Electrics was a notable feature among public utility shares. The Fully paid-up shares closed As. 10 higher at Rs. 112-3 and the new shares were keenly bid to go up by Rs. 2-8 to Rs. 82. Bombay Suburbans experienced strong support to go up by Rs. 2-3 to Rs. 121-4. Tata Hydro Groups, on the contrary, continued to experience selling pressure, as a result of which Andhra Valleys lost Rs. 2-8 to Rs. 1,327-8, Tata Hydros Rs. 2-4 to Rs. 139-3 and Tata Powers Rs. 11-4 to Rs. 1,387-8. But Surat Electrics were done at the self-same rate of Rs. 126-4 and their new shares at Rs. 95. The Company has declared an interim dividend at the rate of 5 per cent. per annum for the half-year ended 30th June, 1953.

Miscellaneous shares were mostly featureless with minor variations in prices over the week. A.C.Cs. were a fraction better at Rs. 168. After reacting from Rs. 236 to Rs. 234-8 on Monday, Belapurs staged a recovery to Rs. 237-8. Bombay Burmahs were quiet at Rs. 326-4. B.I.Cs. were steady at Rs. 8-8½. National Rayons stood round about Rs. 111. Tata Chemicals were done an anna better at Rs. 8-6½ and Tata Oils As. 4 higher at Rs. 30-4. Wimcos were in the limelight with enquiries and the shares rose by Rs. 6-14 to Rs. 235. Walchandnagars had business at Rs. 146-4.

In the transport section, Scindias moved narrowly before closing at Rs. 13-5, with a fractional loss. India Steamships were a shade better at Rs. 7-5½. Bharat Lines were done at Rs. 84.

In the mining and engineering section, Shivrajpurs had a fractional rise to Rs. 54-12. B.B. Petrols were in demand to go up by As. 2½ to Re. 1-7½. Indian Coppers were just steady at Rs. 2-14. Alcock Ashdowns advanced by Re. 1-14 to Rs. 298-12. Premier Constructions experienced no change over the week at Rs. 83.

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Calcutta Stock Exchange

CALCUTTA, 22*nd September*

After an early rally towards fractionally higher levels, equities on the Calcutta Stock Exchange drifted to dullness and remained quite during the rest of the week under review. Closing levels were generally lower on balance, excepting in teas which remained a bright spot throughout the week. However, the volume of transactions in this section also thinned on account of the easiness in other sections. The striking news of the week for the market was undoubtedly the lifting of the lockout in the works of the Indian Iron and Steel and the Standard Wagon Companies as from Friday last. No doubt, this event had been expected for some time, and the market had already discounted it. Although the entire plant has been put to work, the criterion for market men is how soon production can be brought to a hundred per cent. rate. It would appear that some time has to lapse before certain practical difficulties in the way of restoring full production are solved.

A factor which cautioned operators is the deteriorating change of attitude of the labourer in West Bengal towards his employer, resulting in demands which have little or no relationship with the earnings of the industry for which he is working. Employers' wages bills have already increased during recent years without any corresponding increase in *per capita* production, which, in fact, industrialists argue, has decreased. The opinion that intimidation of employers would only result in the flight of capital from this State to other States with a cooler "climate" is gaining ground. To this extent, operators chose to be cautious and to watch developments before entering into commitments of a long-term nature.

Interest was maintained in the tea section, and buyers outnumbered sellers. Hantaparas added a further gain of Rs. 2 to Rs. 167, and Dhelakhats were steady at Rs. 11-8. Amlackies were bought at Rs. 348, while Hasimaras were fractionally lower at Rs. 27-2. New Dooars jumped to Rs. 311 from Rs. 305, Teloijans changed hands at Rs. 10-12 and Sooms were taken up at Rs. 13-12. A five-anna improvement was recorded in Dibrugarhs at Rs. 8-10 and New Chamtas were supported at Rs. 18-8. Banarhats were firm at Rs. 310.

Jutes were featureless during the week except on last Wednesday. Howrahs were earlier pushed to Rs. 23-6, but thereafter gradually gave way to Rs. 22-14, to-day's closing, however, being at Rs. 23. Orients were wanted at Rs. 173. Deltas eased from Rs. 228 to Rs. 221, and Indias were lower at Rs. 118. Nuddeas were supported at the lower rate of Rs. 44-8, and Presidencies, after being higher at Rs. 5, declined to Rs. 4-14. Anglo-Indias hovered around Rs. 199.

Coals were extremely quiet and the section feelers, Burrakurs, receded from Rs. 9-3 to Rs. 8-13. Bengals were quoted at Rs. 510, but to-day they gave way to Rs. 508. South Karanpuras realised Rs. 10-2. Raneegunges were unchanged at Rs. 7-15, while Khatras Jherriahs were raised from Rs. 38 to Rs. 38-8. Equitables were put through at Rs. 35-15. To-day a somewhat mixed trend was in evidence, for, while New Beerbhooms lost from Rs. 18-4 to Rs. 17-15, Pench Valley were better at Rs. 21-14, as against Rs. 20-6 previously. Talchers showed signs of steadiness and were fractionally better at Rs. 2-9.

In the engineering section, Indian Irons at one time fetched Rs. 23-1, following the lifting of the lock-out at the Burnpur works; subsequently, however, a recession set in for the reason already indicated, the rate moving down to Rs. 22-2 as on date. Indian Standard Wagons were quiet at Rs. 99. Kumardhubis came to business at Rs. 7-8, while Texmacos were unchanged at Rs. 6.

Miscellaneous shares were steady. India Steamships met with moderate enquiries and were strong at Rs. 7-5. Dunlop Rubbers at Rs. 28-5 disclosed a gain of three annas and Titaghur Papers were taken at Rs. 35. Angelo Bros. were steady at Rs. 18, as against a previous rate of Rs. 17. F. & C. Oslers continued to receive enquiries and fluctuated around Rs. 7. Rohtas Industries were better at Rs. 8-12, showing a gain of As. 5. After being higher at Rs. 19, Indian Cables receded to Rs. 18-10. Martin Burns were placed at about Rs. 18 and Metal Boxes at Rs. 18-9. Indian Coppers were wanted at Rs. 2-12 *ex-div.*

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Madras Stock Exchange

MADRAS, 22*nd September*

The Madras Stock Exchange presented dull conditions this week, in the absence of any driving force. Excepting rubber scrips which ruled steadier, the rest were either easy or unchanged. The improvement in trading conditions in the rubber section was due to continued speculative support, as also to some reports of good offtake of rubber in recent days. Textiles were easy because of continued reports about accumulation of stocks of piecegoods with mills and with traders at consuming centres. Tea and coffee scrips generally lacked vigour, though some selective deals were noted in them. Miscellaneous and Banking scrips were unattractive. As a result, the majority of the shares, excluding rubbers which recorded a somewhat smart rise in values, disclosed minor losses over the week. Business done on the Exchange was limited.

In the textile section, Saradas lost Rs. 5 to Rs. 61. Malabar Spinnings eased from Rs. 140 to Rs. 135. Metturs declined by Rs. 3-3 and closed at Rs. 195. Pankajas sustained a loss of Re. 1 to Rs. 72. Buckinghams were done lower at Rs. 123, as against Rs. 124. Sitarams and Travancore Rayons were fractionally lower at Rs. 36 and Rs. 5, respectively. Dhanalakshmis, however, put on Rs. 3 to Rs. 185. Rajapalayams were higher by As. 8 at Rs. 79 and Maduras by As. 4 at Rs. 58-10. Cannanores were done at Rs. 85 ex-div., as against Rs. 94 *cum-div.*

Among Plantings, rubbers provided the highlight this week also. Malankaras were higher by Re. 1 at Rs. 119 *cum-div.* Vaikundams gained As. 5½ to Rs. 14-5½. Anandams and Be Bes put on an anna each to Rs. 8-13 and Rs. 2-14, respectively. Cochin Malabars and Kallas were fractionally higher at Rs. 6-7 and Rs. 3-11¼, respectively. Thirumbadis were better at Rs. 3-0¼. Periakaramalais, however, lost As. 2 to Rs. 6-14.

Tea scrips came in for selective enquiry. Devons gained Re. 1 to Rs. 16. Emerald Valleys improved by As. 2 to finish at Rs. 4-6. Kalpettas (tea and rubber) improved from Rs. 19-4 to Rs. 19-12. Blue Mountains (tea and rubber) were higher by As. 2 at Rs. 2-14½ and Cottanads (tea and rubber) by an anna at Rs. 10-11. Kalasas were done at Rs. 11-6, cum-div., as against Rs. 11-14½. The Directors have declared a dividend of 10 per cent. for the year ended 31st March, 1953, as against 15 per cent. for the previous year.

Coffee scrips were easy. Consolidated Coffees lost As. 4 to Rs. 18-4 and Coffee Lands As. 2 to Rs. 10-6. Nil Neergundis were lower by As. 4½ at Rs. 3-6. Shevroys were fractionally down at Rs. 1-3½. Mysore Coffees were, however, unchanged at As. 8½.

In the miscellaneous section, E.I.D. 'B' Sugars rallied As. 6 to Rs. 20-14 and India Sugars As. 4 to Rs. 21-8. Mysore Tobaccos and Andhra Cements 'B' gained an anna each to Rs. 9-3 and Rs. 10-1, respectively. Rallis, however, lost Rs. 2 to Rs. 66 and India Cements As. 4 to Rs. 16-6. Parrys declined by an anna and finished at Rs. 4-12.

Banks were dull. Barring Andhra Bank (Rs. 50 paid-ups) which gained Rs. 3 to Rs. 58, the rest were either easy or unchanged. Thus Bank of Mysore was lower by Re. 1 at Rs. 279 and Imperial Banks, (Rs. 500 paid-ups), by Rs. 2-8, at Rs. 1,827-8.

FRENCH BANK RATE REDUCED

The Bank of France reduced its discount rate by ½ per cent. to 3½ per cent. on the same day as the Bank of England, namely, 17th September. The simultaneous announcement of cuts in the Bank rates of the two countries is stated to be purely a coincidence, as there was no concerted action by Britain and France.

The discount rates for 30-day advances on public bills and purchase of public bills have been maintained at 3½ per cent. Similarly, the rate for loans against securities is also kept unchanged at 4½ per cent.

The cost of bank overdrafts ruled so far as *high as* 7½ per cent. Big enterprises in France succeeded in securing short-term funds at 5 to 5½ per cent. by discounting bills but most of them had to pay at least 6½ per cent. for long-term financing on the capital market.

The ½ per cent. cut in the Bank rate is reported to be a compromise between the Board of the Bank of France and the Finance Minister, M. Faura, who is reported to have advocated a cut of as much as 1 per cent. The Bank, however, feared the persistence of inflationary tendencies and insisted that the policy of rather tight and limited credit should be pursued.

GRINDLAYS BANK LTD.

The Directors of Grindlays Bank Ltd., London, propose to open a branch in Salisbury, Southern Rhodesia, towards the end of October.

The Bank was founded 125 years ago by Captain Robert Melville Grindlay for the purpose of providing banking and agency facilities to army officers and officials of the East India Company from whose service he had retired, and subsequently of the Indian Government. These services were continued throughout the nineteenth century and are available to this day. In the early twenties, following the Bank's affiliation with the National Provincial Bank Ltd., one of the "Big Five" London banks, its scope widened and exchange and commercial banking were added to its purely private banking and agency activities. It then became one of the recognised British Exchange Banks with branches in India, Pakistan, Burma and Ceylon. It has recently become closely associated with the National Bank of India Ltd.

The personal nature of the services provided to successive generations in the past has resulted in the Bank having extensive family connections throughout the Commonwealth, including Rhodesia, where it is believed many friends are anxious to welcome them. The Bank considers that the coming of Federation is a propitious time to commence operations. The branch at Salisbury is the first of a series to be opened in the Rhodesias.

NEWS IN BRIEF

A MODEL salt factory will be set up in Trivandrum or Cape Comorin.

Out of 113 Indian ships engaged in coastal and foreign trade, 24 ply in foreign trade.

The Cotton Seed (Control) Order 1952, which expired on the 17th inst., has not been extended by the Government of India.

A Soil Conservation Research Centre will shortly be set up in Ootacamund. The entire cost of the scheme will be met by the Government of India.

The target of production of additional foodgrains in the Indian Union for 1953-54, under the Grow-more-food campaign, is 13.54 lakh tons over that of 1952-53.

The Government of Saurashtra has decided to set up an Industrial Finance Corporation, with a share capital of Rs. 1 crore within the next 2 months.

Following the recommendation of the Planning Commission, the Government of India has sanctioned Rs. 3 crores for minor irrigation projects in the Hyderabad State.

Draft proposals for an agreement on reciprocal double taxation relief between India and Burma are now under preparation and negotiations are expected to begin shortly.

A two-day conference of the National Planning Council will open on 5th October. The Prime Minister will inaugurate the conference and the chief ministers of all States will attend.

The main item on the agenda before the 4-day Tripartite Labour Conference, which will open on 9th October, at Naini Tal, will be payment of bonus to sugar factory workers for the year 1952-53.

The Council of States passed the Estates Duty Bill on the 22nd inst., as it had emerged from the House of the People, without any change. The Bill is now ready for receiving the consent of the President.

The Hyderabad State Assembly has passed the Hyderabad General Sales Tax (Second Amendment) Bill, which provides for the inclusion of accessories of refrigerators and air-conditioning plants in the schedule of items subject to additional tax.

The Government of Bombay has approved, in consultation with the Planning Commission, 1,278 schemes, under the Local Development Programme, costing Rs. 46.50 lakhs. The actual work will start on 2nd October. The projects are expected to be completed by 31st March, 1954.

The Indo-U.K. trade for the first seven months of the year was lower than that in the corresponding period last year. While the import of principal items from the U.K. declined from £71 million to £66.8 million, India's main exports dropped from £69.1 million to £58.2 million.

The Government of India has decided to give partial relief in customs duty on reimportation of various kinds of Indian goods, including cinema films, sent abroad for processing, if such processing cannot be done in India. In genuine cases, relief will be granted on an ad hoc basis, provided that no drawback of duty is admissible at the time of export.

The Government of Rajasthan has drawn up a scheme, under its Five-year Plan, estimated to cost Rs. 5 crores, for extending irrigation facilities to 91 per cent. of its cultivable land, which has been depending entirely on the vagaries of the monsoon. The scheme envisages harnessing of the State's meagre water resources by building new canals, lakes, dams and digging and repairing new wells.

The Saurashtra Legislative Assembly passed, on the 17th inst., a Bill to provide for the prohibition of lease of agricultural lands in the State. The new legislation, which follows the Land Reforms Act of 1951 and the *Barkhali* Abolition Act of the same year, aims not only at establishing direct relationship between the State and the tiller of the soil throughout Saurashtra, but also at solving tenancy problems and preventing the evil of absentee landlordism.

The Government of North Borneo has withdrawn the invitation to India to send 10,000 agriculturists for settlement in the British colony to develop its rice resources. The invitation, made last year, contained proposals for giving settlers permanent land tenure, and local citizenship rights. Diplomatic quarters at Singapore aver that the scheme is put in abeyance, as the Colonial Government is faced with "some local opposition," and also is not in a position to finance even a pilot project.

The second meeting of the Central Board of Trustees of the Employees' Provident Fund will be held at New Delhi on 19th October. The Board will review progress reports, with special reference to the prosecution of defaulting employers, exemption of factories and future programme. The question of exempting the handloom industry on economic grounds will also be considered. Other matters to be discussed relate to the formation of regional committees and the powers to be given to the Central Provident Fund Commissioner and other officers under the scheme.

The Madhya Pradesh Government will introduce a Bill in the current session of the State Assembly for ensuring purity of cotton cultivated in the State. The Bill seeks to empower the State Government to fix the variety of cotton to be cultivated in any area and to prohibit the mixing of any variety of the standard cotton with any other inferior variety. It also prohibits or restricts the import, possession or use of, or trade in, any variety of standard cotton mixed with another variety.

Licences issued during the current half-year for the import of pearls from the soft currency area into India will now be available for the dollar area also. This change in import policy is being made to enable importers to obtain their requirements from Venezuela, which is in the dollar area, and which is one of the chief sources of supply of pearls. Under the existing import policy, licences for pearls (unset) are issued to established importers on a quota of 10 per cent. of half of their best year's import from the soft currency area.

The Government of Bihar has approached the Government of India for approval and financial assistance to its scheme, designed to give an impetus to handloom weaving industry in the State. The salient features of the scheme are: (1) Adoption of improved methods of manufacturing handloom cloth; (2) setting up of a finishing plant and dye works for handloom fabrics; (3) making available yarn to weavers at cheap prices; (4) opening of sales emporia in and outside the State; (5) establishment of handloom research and design centre; (6) ensuring quality of handloom textiles; (7) organisation of weavers' co-operative societies; and (8) marketing of products of handloom industry. There are over 2 lakhs of weavers in Bihar.

Air-India International has drawn up a scheme to operate a new service on the 4,500-mile route between Bombay and Tokyo via Calcutta, Bangkok and Hong Kong in the middle of next year. The proposed service to Tokyo will provide a connection with the airline's London-Bombay service. Later, the airline will operate direct London-Tokyo service, via Bombay and Calcutta. Mr. S. K. Kooka, Traffic Manager of Air-India International, and Mr. A. C. Gazdar, the airline's Operation's Manager, have been deputed by the Corporation to carry out a survey of operational and traffic facilities on the proposed Bombay-Calcutta-Bangkok-Hong Kong-Tokyo route. They are expected to be in Japan and the Far East next month. The Lockheed Super-Constellation aircraft, ordered by the airline from the U.S., is expected to be employed on the Bombay-Tokyo run. The aircraft is expected to arrive in Bombay from the U.S. in April or May, next year. At present, India has a direct air link with Thailand and Malaya.

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From Abroad

During the last week of August, the Lancashire spinning mills produced over 91 million lbs. of cotton and rayon yarn, the highest weekly figure for 19 months.

A geological survey of Sylhet to ascertain the possibility of oil in this region has begun. The *preliminary survey* will be completed this winter. Drilling will begin after the report of the survey has been studied.

Eleven jute mills with a total capacity of 6,250 looms will commence production in East Pakistan by the end of 1954, according to Mr. Ghulam Faruque, Chairman of the Pakistan Industrial Development Corporation.

The Governments of Kenya, Uganda and Tanganyika has decided to lift partially the ban on import of textiles from Japan with effect from 1st May, 1954. The ban was imposed last year. From next May, imports of grey unbleached sheetings and woven linen mercerised cloth will be allowed into the East African market.

In the second quarter of this year, foreign nations purchased gold worth $128.2 million from the U.S. This brought U.S. gold sales in the first half of 1953 to $727.3 million. The net sales of gold by the U.S. to foreign nations in the year ended last June aggregated $996.6 million, as compared with $1,670.1 million of net gold purchases by the U.S. in the preceding year.

Business in America had reached a "plateau of prosperity," where it would remain for some months, said Mr. Brenton, President of the American Bankers' Association, which held a four-day convention in Washington this week. According to him, "there may be a little slippage; some industries, like autos, farm machinery and housing, are making readjustments. But it is a very healthy economy and the long-run trend will be up."

The sterling area's economic and financial situation was discussed by Dr Gabriel Hauge, Chief Economic Adviser to President Eisennower, with Mr. Butler, British Chancellor of the Exchequer, at London, last week. They also specifically considered Britain's trading and fiscal problems. The Commonwealth Economic Plan for expanding production and increasing world trade was also examined by Dr. Hauge with Mr. Butler.

There is no fear of cotton being extinguished because of new fibres, according to a Director of the United States National Cotton Council. Cotton could be made more attractive and economical and to hold its position in the textile industry, if it was backed up by adequate research. Cotton accounted for 69.6 per cent. of all textiles used for clothes last year in America. The amount of cotton used in the U.S. rose from 2.800 million lbs. in 1920 to 4,500 million lbs. last year.

The trade agreement between Pakistan and Italy, which came into force on 1st July last, will remain valid for one year. Under the agreement, Pakistan will export to Italy, among others, 40,000 tons raw jute 20,000 tons raw cotton, 5,000 tons chrome ore, 4,000 tons cottonseed, 1,000 tons potassium nitrate, 1,000 tons raw wool and 200 tons turpentine. In return, Pakistan will import about 17 items. Cotton twist and yarns worth £22 million head the list. The trade between the two countries will be conducted through normal trade channels, except where either Government finds it necessary to buy or sell part or the whole of the quantity or value of any commodity or goods specified. All payments and charges will be settled in English pounds sterling. The contracting parties have agreed to grant each other treatment of most favoured nation in matters concerning customs, duties, etc.

PERSONAL

MR. Richard M. Nixon, Vice-President of the U.S., will arrive in New Delhi on 29th November next in the course of his visit to the Far East and South Asia.

Mr. Hugo C. Lane, Vocational and Technical Training Expert, I.L.O's Asian Field Office, Bangalore, has been transerred to the I.L.O. headquarters in Geneva.

Mr. S. C. Roy, a prominent insurance man and industrialist of Calcutta, has been elected a Director of the Industrial Finance Corporation of India to represent insurance companies, investment trusts and other financial institutions.

Dr. B. V. Narayanaswamy Naidu, who has been appointed Chairman of the Forward Markets Commission, assumed charge of his office on the 22nd inst. The office of the Commission is located on the 3rd floor, Hararwala Building, Wittet Road, Ballard Estate, Bombay.

Mr. H. K. Gosh, Officer-in-charge of the lignite project, Neivell, South Arcot District, who has been selected by the E.C.A.F.E. as a member of the party of lignite experts to visit Australia and South-East Asian countries to study the working of such projects, left for Australia early this week.

Mr. A. S. Lall, Indian Consul-General in New York, will lead the Indian delegation to the meeting of the U.S. Tea Council to be held in New York next month. Mr. C. M. Kothari of Messrs. Kothari and Sons, Madras, and Mr. S. H. Davies, Chairman of the Indian Tea Association, Calcutta, who are the other members of the delegation, have already left for the U.S. Messrs. Kothari and Davies will also act as India's Directors on the Council for this meeting.

Mr. George G. Taylor, Jr., a geologist of the U.S. Geological Survey, has been appointed groundwater adviser under the newly established U.S. Foreign Operations Administration, with his headquarters at Calcutta. He will advise Indian geologists on the exploration of untested areas throughout India that hold promise of new groundwater supplies to aid irrigation. He will also serve as adviser on the hydrologic investigation work for additional tube-wells throughout India. Mr. Taylor was formerly ground-water adviser to the Geological Survey of India.

"COMMERCE" 1928

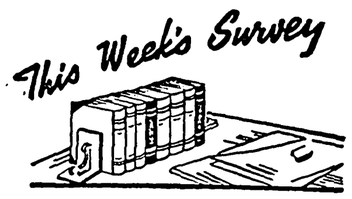
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 29*th September*

Two Rival Metals

In our first editorial of last week, the writer drew a somewhat alarming picture of the growing rivalry that exists between tin and aluminium—alarming, not for those who trade in the latter commodity, but from the viewpoint of the holder of tin investments. The trumpet blast of warning is, to some extent, no doubt justified. During the course of the last 12 months, the tin market has displayed some remarkable and alarming features. With no extraordinary decrease in demand and with no outstanding increase of actual or visible supplies, the price of the metal has fallen from £320 to under £220 per ton. A strictly economic explanation of this position appears to be lacking, but it is by no means impossible that aluminium is already having a greater influence on the tin market than is generally supposed.

It is obvious from the trade returns that the potential expansion in the demand for the metal has not kept pace with the potential expansion in output of the first class mines. This, and the steadily increasing consumption of aluminium, is, we have no hesitation in asserting, the prime cause of the decline in tin market values. Against the price advantage which aluminium commands, we are reminded by a writer in the *Financial Times* that tin is nowhere used as a raw metal but only as a component. It probably would not occasion grave industrial concern if the economic price were fixed at £300 or £500 per ton. For, although it enters into a hundred products, it only does so in the most minute quantities. Enormous as is America's canning industry, 22,000 tons per annum suffice for her requirements in this respect. This figure can only be adequately appreciated when it is borne in mind that 40 lbs. of tin are all that is required to produce one ton of tinplates, or that one pound of the metal can be rolled into 18,000 inches of tinfoil. On the other hand, so far as has been discovered to date, pure aluminium does not lend itself to treatment in this way. But, here, a highly significant fact emerges; in Germany and Northern Europe, aluminium is rapidly displacing tinplate in the manufacture of food containers. In many other directions, it has been permanently substituted for tin.



ECONOMIC TRENDS IN ASIA

THE periodic reviews of the economic trends in Asian countries, made by the Economic Commission for Asia and the Far East (E.C.A.F.E.), are always read with considerable interest. And the latest review, that for the six months ended March, 1953, will be read with particular interest, in view of the forthcoming meeting of the Colombo Plan Consultative Committee commencing at New Delhi on Monday next. While one has to wait for a detailed assessment of the progress of the economic development schemes in the different Asian countries during the third year (July, 1952—June, 1953) of the Colombo Plan, one can get a broad indication of the progress which has been made in the economic sphere from the latest E.C.A.F.E. report.

Considering the conscious efforts made by the Asian countries to raise the living standards of the people, it is indeed comforting to be told that the implementation of the expansion schemes has already begun to bear fruit. Thus, the main factors of the Asian economic development during the period under review, according to the E.C.A.F.E. review, were a substantial increase in rice production, a slow but not untroubled advance in industrial output, and an improvement in the balance of trade.

Thanks to the marked advance in rice production, the region's aggregate foodgrain output was higher than the rate of population growth. There was a reduction in wheat output but this was more than made good by the rise in rice production. Consequent on this and also on the rise in imports from outside areas, the *per capita* supply of cereals in the region was larger by over 2 per cent. One should not, however, rush to conclude that all is well on the Asian food front. For it must be remembered that the supply of foodgrains is still below pre-war level. According to one estimate, Asian people receive about 10 per cent. less in cereal supplies per head than before the war, but the E.C.A.F.E. considers the estimate to be exaggerated, since, in its opinion, the improvement in production of foodgrains during the war years in the Asian countries, as, for example, in India, is understated. Whatever may be the differences in estimates, this much must be accepted, namely, if the entire population of the Asian countries is to be adequately fed, the food production should be augmented considerably.

Industrial production, the report points out, also registered some improvement. This was particularly marked in China, due chiefly to the high rate of public investment. The index of industrial production in the mainland, calculated on the basis of the output of 35 major industrial products, increased rapidly in 1952, when it reached 126 per cent. of the pre-1949 peak, as compared with 56 per cent. in 1949. The rate of increase over a number of years was higher for investment goods than for consumer goods; it was particularly high in the iron and steel industry. Industrial production in Taiwan in 1952 was considerably larger than that in 1951 and this increase continued throughout the first quarter of 1953. New plants and equipment were installed, especially in the power, fertiliser and textile industries.

Industrial production in India was generally high. Three favourable factors responsible for such a state of affairs were better raw material supply position, expansion in public investment and relaxation of official controls. There were, however, several industries in which low export demand and uncertainties in markets for particular goods acted as a brake on output.

In Japan also, industries recorded rises in output, albeit small, under the influence of expanding demand. Industries producing consumer goods showed greater expansion than those producing investment goods. Foreign demand, including procurement contracts, declined, but the expanding home market made up for this decline. The increase in domestic demand was due to higher consumer outlays, which rose by 18.5 per cent., and to larger Government purchases of goods and services which expanded by 22.5 per cent. This rise was sufficiently strong to offset the fall in domestic investment in inventories. In the first quarter of 1953, foreign demand declined further, although special procurement contracts were higher. The high level of demand was reflected in reduction of manufacturers' stocks. Another noteworthy feature was the rise in labour productivity, especially in the textile industries. Money costs of production, however, did not fall to the same extent, because of the rise in money wages, and the competitive position of Japanese industries in world markets remains a serious problem. The high price of coal is a particular handicap, and efforts are being made to bring it down by rationalisation of coal extraction. It is also planned to sink 73 new shafts in the course of the next five years.

The output of electric power registered an increase throughout the region, but it could not fully meet the actual requirements for power. For demand continued to outstrip the provision of additional generating capacity. Many of the countries continued to suffer from shortage of electricity and severe curtailment of supply frequently occurred during peak periods of demand, as well as during the period when the flow of water at the hydro sites lessened. Except in the case of mainland China, India, Japan and Malaya, there was no marked rise in the generating capacity. There were many hydro-electric schemes in the region, but few of them had so far been completed; indeed, some of the schemes had to be slowed down, due to general financial stringency. Nor had there been much increase in the production of power from the existing power plants, which, since the termination of World War II, had generally been operated at full capacity.

The fall in the total volume of exports from the region continued from mid-1952 to the spring of 1953, but the rate of decline was much slower than that in the first half of 1952. On the other hand, total imports into the E.C.A.F.E. countries diminished more rapidly than before. The fall in their value was sharper than that of exports. In consequence, the combined balance of trade of the countries of the region improved and the trade deficit became smaller. Price factors, as well as production in export volume, contributed to these changes. The general decline in export prices ceased after the middle of 1952. Export prices recovered in some countries moderately (Pakistan), and in others more substantially (the Philippines and Ceylon), while, in others, export prices continued to decline (Malaya, India and Japan). Moreover, there was no general trend towards an expansion in export volume.

TRANSPORT SERVICES

The two-day session of the National Development Council, which will commence on 6th October, will consider, among others, the role of private enterprise *vs.* State ownership and management in the field of development of road transport. The Planning Commission has already called for statements from State Governments in regard to their development programmes of road transport. These statements, which will be available by early October, will be discussed by the Council in the light of not only the development of agriculture and industry under the Five-year Plan, but also of their scope for providing employment.

The importance of this session needs no emphasis. For it is common knowledge that the entry of State Governments into the field of transport has not resulted in the hoped-for benefits. The policy of gradual nationalisation of the existing undertakings has prevented private enterprise from expanding its activities. Moreover, public management has not achieved the same efficiency as private management. State management has failed to solve the dual problem of productivity and freedom which widens the sphere of the former. Many of the State-owned and State-managed units are facing severe financial troubles. This is mainly due to incompetence or negligence of the management, which has resulted in high costs of operation. After all, the achievements of private enterprise have been due to a nice calculation of expenses and profits involved in every operation and investment. The private enterprise psychology is not just a quest for profit, but it is also a frame of mind, a habit of estimating the exact cost of traditional methods and the possible yield from new methods.

The least that the Governments can do, therefore, is to see that there is no further encroachment of the State in the sphere of transport. We would ask the State Governments to cry a halt to their policy of nationalisation of transport and allow private enterprise to compete with them. This certainly will be a desirable state of mixed economy. Mixed economy does not necessarily mean monopoly of certain fields of production by State enterprise.

The Council will also discuss problems relating to rail transport. Thus, it will examine the desirability of the creation of stockpiles of commodities needed for industrial development by taking advantage of the slack seasons in the demand for wagons. This, it is stated, will prevent the slackening of development programmes of an essential nature in times of wagon shortage. It is also necessary that stocks of other commodities are not allowed to accumulate for want of transport, as it would depress prices in centres of production and create artificial shortage in centres of consumption. It is gratifying to note that this aspect also will be discussed. Another important question which it will discuss is whether goods transport services should be run by the State Governments or by the railways or by private companies or as some sort of joint undertaking by several parties. It is to be hoped that sound decisions will be taken and, what is more, they will be implemented without delay.

FACTORIES ACT

The Bill to amend the Factories Act, 1948, which has been analysed elsewhere in this issue, needs careful examination. For, while it represents an improvement over the Act in some ways, it is not so in all respects. The prohibition of the employment of adolescents, who have not attained the age of 17, in factories during night, is noteworthy. But the proposed amendment to section 71, which seeks to replace clause (b) of sub-section (1) which prohibits employment between 7 p.m. and 6 a.m., by the clause "during night," is regrettable, because "night" for this purpose is defined as a period of at least 12 consecutive hours, which shall include the interval between 10 a.m. and 6 a.m. This gives the impression that a child can, for instance, be employed in a factory upto 10 p.m., against 7 p.m. now, so long as the child is not made to work from 10 p.m. to 10 a.m., which constitutes a period of 12 consecutive hours as defined in the Bill. This will be a retrograde measure. The statement of objects and reasons says that the amendment has been made to give effect to the relevant I.L.O. Convention. Here lies the irony of the situation. Few will deny that the I.L.O. Convention prescribes only minimum conditions and does not ask for reduction of better comforts already existing.

There are also a number of other provisions of doubtful value in the Bill. Thus, clause 13 of the Bill provides for the calculation of the cash equivalent of the concessional sale to workers of foodgrains and other articles for the purpose of computing ordinary rate of wages of individual workers for payment of overtime wages, and states that the calculation should be computed on the basis of maximum quantity of foodgrains and other articles admissible to a "standard family." This is certainly not fair to employers, since it compels employers to treat even bachelor workers as standard families. It is not fair either to employees with families that are larger than a standard family. The wages should be related to circumstances obtaining in each case and should not be tied up to maximum requirements of a standard family. Again, the Bill deems any days of lay-off, maternity leave and the leave earned in previous year to be days on which the worker has worked for the computation of the period of 240 working days, which entitles a worker to earn leave with wages. This again is not fair. It should be made obligatory on the worker to put in a qualifying period of 240 days of actual work, before he becomes entitled to leave with wages. The Bill does not include clerical employees in sub-section (2) of section 64 (which deals with overtime work), as demanded by employers. This creates a very anomalous situation. For it would be extremely difficult for factories to ask clerical employees to prepare musters, returns, pay-sheets, etc., if they are not allowed to work overtime and earn additional remuneration. It is to be hoped that the Government will rectify these flaws in the Bill before it is finally adopted.

TAXATION IN ASIA

Tax systems in many Asian countries should be overhauled and tax administration simplified and improved. Though Asian tax rates are "not unduly low," tax yields are much below those in developed countries—less than 10 per cent. of national income, as against 25 to 40 per cent. Private savings are inadequate to sustain the necessary rate of investment. For some time to come, public finance will have to carry much of the financial burden of Asian economic development. But to do this, increased tax revenue will be required.

These were some of the main conclusions arrived at by a group of 42 financial experts from 17 Asian and non-Asian countries at a six-day conference on the financing of Asian economic development, held in Bangkok from the 7th to 12th inst., under the auspices of the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.).

Throughout the discussions, considerable emphasis was placed on the "unsatisfactory nature of tax administration and tax enforcement." It was also recognised that an improvement in "tax morale" would raise tax yields. In this connection, it was suggested that village development schemes should be clearly linked with local taxation systems so as to demonstrate to the tax-payer as graphically as possible the benefits of tax payments to him and to his community. Better public information on tax matters would be "extremely desirable" and "relatively inexpensive," it was suggested.

The experts paid particular attention to the possibility of raising the yield of rural taxes. They felt that agriculture was benefiting from the advance in economic development in the form of higher agricultural productivity, higher incomes, and an increase in land values. They, therefore, suggested that efforts should be made to ensure a larger flow of tax payments from agriculture through land taxes, or in some other form of taxation, including the supply of free labour or gifts of land for road building.

Revenue systems in underdeveloped countries of Asia are characterised by the comparatively small proportion of national income which they collect. Generally, there is a heavy dependence on indirect taxes, in contrast to the trends in most advanced countries where taxes on income and wealth form a large part of revenue. The most important of the indirect taxes have been customs duties.

The general opinion concerning income-tax was that no large opportunities were likely to arise in the next few years to "extend income-tax beyond its present limits." However, income-tax yields could be increased substantially by better administration and improved collection. The experts suggested that the Governments must give serious consideration to the question of tax reform and that, with this end in view, statistical data be prepared and studies made.

The experts felt that taxes in most Asian countries were not so high as to discourage foreign capital.

The E.C.A.F.E.'s Working Party of financial experts met at a time when almost all Governments in the region are keenly interested in the question: How to raise revenue to increase the rate of investment and economic development?

The importance of public savings is all the greater because of the inadequacy of private savings and the difficulties in the procurement of foreign capital. While it might be possible to increase public savings, mainly through higher tax yields, prospects for increased private domestic savings and a larger inflow of foreign capital are problematical.

RAILWAY AUDIT REPORT

The latest Audit Report on Railways refers to the year 1950-51 which, it is noteworthy, was the first complete year under the provisions of the new Constitution. Gross traffic receipts during 1950-51 amounted to Rs. 263.01 crores, as against the estimate of Rs. 232.50 crores, and working expenses to Rs. 210.48 crores, as against the estimate of Rs. 181.92 crores. Commenting on the increase in working expenses, the Report points out that it was due largely to the appropriation of Rs. 30 crores to the Depreciation Fund, as against Rs. 15 crores contemplated in the budget. The increased provision was deemed desirable because the "replacement cost had increased fourfold over the pre-war years and bore no relation whatsoever to the original costs." This is indeed a valid criterion for making larger transfers to depreciation. Only, those engaged in the private industrial sector will wonder why, when a similar reason is advanced by them for earning adequate tax relief, the Government does not show any willingness to accept their demand. Surely, what is sauce for the railways must be sauce for private enterprise.

Be that as it may, the Report narrates several instances involving financial irregularities, losses of public money due to fraud or negligence, wasteful or nugatory expenditure. The B.B. & C.I. Railway suffered a loss of Rs. 55,000 in 1950 due to a delay of seven months in introducing increased rates for manganese ore, and the E.I. Railway a loss of Rs. 49,000 because season ticket holders were undercharged for a period of 25 months. The Report narrates an interesting case of fraud in the luggage office of the M.S.M. Railway through grant of free allowance of luggage on time-expired and non-issued tickets. Several other instances of losses, arising from lack of effective control, are mentioned in the Report. The Report emphasises the importance of periodical test-checks in the railways, of the maintenance of check registers and of strict adherence to rules and orders. It is to be hoped that the Railway Administration is gradually becoming alive to the nature of the charges that have been made by the Audit Report, and that suitable steps are being taken to rectify the mistakes which have been pointed out by the Audit officers. When subsequent reports of the Audit Department are released they would show whether any attention has been paid to these objections. They will, therefore, be watched with interest.

OFF THE RECORD

(By "ROVER")

AN adolescent is physically the most awkward and psychologically the most embarrassingly self-conscious of human beings. He is neither sure of himself nor of his surroundings. Oscillating fitfully between the largely make-believe world which happy and healthy children can build around themselves and the world of harsh and often of revoltingly ugly realities, it is difficult for a teenager to find and ascertain his place in this strange world of the grown-ups. With one hand he tries to cling to the familiar ways of childhood, which are fast losing their former fascination, and tries to reach out to the frightening but mysteriously attractive dignity and responsibilities of manhood. After an unhappy spell of uncertain and fluctuating loyalties, aspirations and ambitions, each one of us hits on some mode of adjustment and reconciliation with a not-very-friendly world at varying levels of growth and development, while a few unfortunate ones fail to strike this balance and suffer from arrested growth and maladjustment all their life.

This period of transition and the changes it produces into the mind and body of each individual human being are more pronounced and so more easily noticeable in the case of girls than boys. Being more sensitive and, possibly, because they are required to be more restrained in their expression of the inner conflict and in their movements and having less avenues of escape, girls at this stage appear more out of tune with their world. They are more upset and ill at ease at the prospect of the frightful but at the same time strangely alluring possibilities of fulfilment awaiting them. Our country's economy, and especially that part of it which is conditioned by industry, at its present stage of growth and formation, resembles more a maiden awakening to womanhood than a boy stumbling on gawkily, and in some cases grossly, along his way to manhood. One can see that industry is both bewildered and frightened by what lies ahead. It constantly finds itself out of step at every turn with other more assertive elements of society. It feels alarmed at its growing isolation from the other members of the body politic and unhappy at its growing unpopularity. It gets neither sympathy, understanding nor guidance from the Government, from the workers or from the great body of consumers.

I should like to carry this analogy a little further. Fortunate are the children, who, when they arrive at this awkward and unhappy age, when they are neither care-free, romping kids nor responsible members of society, get special consideration and affectionate guidance from their parents and a helping hand and reassurance from their more grown-up brothers and sisters. The growing pains in their case are minimised and they leave no ugly lesions to torment them from time to time during the rest of their adult life. The transition from childhood to manhood or womanhood is effected at the least cost to themselves and the society, where it is attended by patience and unobtrusive assistance at every dark corner. The others, who are not so lucky and have to make their way alone, often get bruised in spirit and develop some kind of anti-social complex in, desperation and self-defence, if the process of growing up has been more painful than necessary.

Unfortunately for commerce and industry, from 1947 onwards, the Government of India and the State Governments have been harsh, suspicious and intolerant. Obsessed by the fact this infant was prone to be greedy and grasping and at times difficult and cussed, they have had recourse often to primitive methods of correction, which were long ago abandoned by wise parents and progressive pedagogues. This is all the more surprising because they have behaved quite differently with the other elements of society, and though, in their case, because of their own lack of mental and moral equipment, they might not have been as effectively helpful as they might have been if they had been more enlightened, the desire and the willingness to understand and to help has always been there. It is quite possible that the business community has been more recalcitrant and less accommodating to the demands of corporate life than the others, but there is very little evidence to this effect. In any case, the very obvious difference in the attitudes of society in general and the Governments in particular, was enough to turn even an angel into a rebel.

Could it be that the Government of India have been more unfortunate, if not exactly more unwise, in their selection of successive ministers who were put in charge of commerce and industry? Except in the matter of finance and external affairs, the choice of ministers has, in most cases, not been of a very happy nature. Food and Agriculture, Railways, Labour, Health, Defence, Production and Supply and other equally important subjects have all suffered, grievously at times, from misfits having been pushed into these Ministries. In a democracy, perhaps, a little of this is inevitable. Often enough, as in the case of Mr. V. V. Giri, the prevailing prejudice is so heavy that a Minister without a very strong pull with the Prime Minister and the Party caucus, even though well-meaning and competent, has to beat his wings in a vacuum without making any headway.

But the right choice of a Minister for a difficult post like that of Finance, Food or Commerce and Industry does help inasmuch as he does not allow things to deteriorate to any large extent. Mr. C. D. Deshmukh may have made mistakes, even serious ones at times; he may have felt it necessary to yield on occasions to superior political combinations even against his own convictions, but it cannot be gainsaid that by sheer ability and shrewdness, aided by tact and finesse when necessary, he has kept the ship on an even keel even in a sea which has been far from calm in many a crisis. Similarly, the silent but powerful Mr. Kidwai could soon make his presence at the Ministry of Food and Agriculture felt and produce results, after a succession of failures by his predecessors, even though his methods might have often been unorthodox and his success in a measure due as much to luck as to effort.

Superstitious folk would be inclined to believe that some sort of a blight must have settled in the beginning on the Ministry of Commerce and Industry, because even highly competent men like the late Dr. Shyama Prasad Mookherjee and Mr Neogy did not succeed in putting the relations between the Government and the business community on a foundation of mutual understanding. The position deteriorated rapidly in the time of Mr. Hare Krishna Mahatab and did not show any improvement even after he was dropped, when the new Government was formed after the general election and Mr. T. T. Krishnamachari was put in charge of it. But blight or no blight, these two ministers have to be held responsible for the complete lack of harmony and the growing estrangement between the authorities and the industrialists. I still believe that more bad blood has been created by an arrogantly patronising tone and inaptitude resulting from want of tact and consideration on the part of those speaking for the Government with industry than from the pursuit of wrong economic policies.

In any case, I see signs of a dawning realisation at New Delhi of the gravity of the situation. It is felt that the sullen and desperate mood to which the business community has been driven by constant nagging and cold shouldering will react badly not only on the shattered economy of the country but on the fortunes of the party in power. The rising tide of unemployment has frightened and even shaken the leaders of the Party. They see that in any steps which they devise for arresting these turbulent waters threatening to engulf them, the willing co-operation of this community would be very necessary. I understand that a new approach of reconciliation and of extending an invitation to it for co-operation, with an assurance of more considerate treatment, has been decided upon and a new man has also been selected to inaugurate this change.

It is not my habit to start or circulate rumours. There are good reasons to believe that some important changes in the Cabinet have already been decided upon. These will possibly be announced at an early date. Similarly, decisions with regard to modifications in certain policies, especially economic policies, have been taken. In this connection, Mr. Rafi Ahmed Kidwai's recent visit to Bombay and his interviews with some of the top leaders of the business community have a great significance for the future. Mr. Kidwai is the illusive Scarlet Pimpernel of the Congress Party. His capacity for quick, purposeful and effective working behind the scenes is truly remarkable and the Prime Minister has been known to have put this quality of Mr. Kidwai not infrequently to good use, when it was not possible for him to show his own hand. That he was on a delicate mission to Bombay, when he ostensibly came to discuss measures regarding decontrol of wheat with the State Supply Minister at Poona, is known to many. It is, perhaps, not as widely known that he has secured promises of support, co-operation and good advice and guidance whenever necessary from eminent business leaders in his reported new job of Minister for Commerce and Industries. It is quite possible that he may have wanted to feel the ground before agreeing to take on this new and onerous task.

I am inclined to believe that Mr. Kidwai's taking over this key Ministry at this critical stage will be welcomed by the business community in the country. He has an intensely practical outlook and is not either easily carried away by set doctrinaire views acquired in a vacuum by many of his Party colleagues or deflected from his goal by pressure from stubborn and powerful Chief Ministers from some of the major States in the Union. Being a subtle diplomat and an experienced negotiator, he believes in the principle of give and take. Though intent on getting what he wants, he is a man of the world to his finger tips and knows that, while it is good to aim at getting the whole loaf, it is better to take half a loaf than to have no bread at all. For a politician, Mr. Kidwai is an unusually silent man and so he makes a good listener. People who go to him with complaints and difficulties get a patient hearing and not an irritating lecture on the duty of every citizen to make sacrifices in the interest of the country, as is the irritating habit of some of our Ministers.

Whatever one might think of his relations with some of his colleagues in the Government and his methods of settling his differences with them, the business community looks upon him as one who has an open mind and who honestly tries to understand and appreciate the difficulties of those he has to deal with. There is no doubt that, if anyone in the Government to-day can obtain willing co-operation from the industrialists in the national effort and restore confidence amongst them, which has been badly and rudely shaken, it is Mr. Kidwai. New Delhi reports are not very explicit about the new assignment for Mr. T. T. Krishnamachari, but it is believed that his ultimate destination is the Reserve Bank of India.—

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PARLIAMENT ADJOURNS AFTER BRIEF SESSION

SOME CHANGES IN O.G.L. ANNOUNCED

(From A Special Correspondent)

NEW DELHI, 22nd *September*

THE autumn session of Parliament has ended after a brief duration of about six weeks. During this period, it was largely concerned with the disposal of the two important Bills, namely, the Andhra State Bill and the Estate Duty Bill. The Finance Minister showed considerable skill in piloting this new measure of taxation which is considered "as a milestone on the road to social democracy." The revenue from this measure may not be commensurate with the tremendous capital requirements needed for the development of the country, but as a step in the direction of reducing inequalities in the distribution of wealth, its role in the realm of direct taxation is indisputable. During the passage of this measure, the Finance Minister displayed a receptive and open mind and, in consequence, as many as 52 amendments to the Bill were accepted by the Government.

DELHI LETTER

Unemployment Problem

In the present stage of India's development, it is but natural that economic problems have been focussing the attention of Parliament to a greater extent. Thus, during this session members were successful in drawing the Government's attention to the serious and growing unemployment problem, as also in getting a declaration from the Finance Minister that efforts would be made to revise the Five-year Plan from the angle of providing more employment to the educated unemployed. The Commerce and Industry Minister hinted that the Government would interfere and nationalise, if necessary, the automobile industry with a view to safeguarding the strategic and transport needs of the country, in case the industry did not make any genuine effort to be self-sufficient in the manufacture of spare parts. His answers to various interpellations and the tenor of his speeches in Parliament at times indicated that the Minister was not satisfied with the role of the private sector of industry in accelerating the pace of industrialisation of the country. This was the main reason as to why he did not want to slow down the Government's industrial programme. In the course of the question hour, the Prime Minister made an unequivocal declaration that Government would not tolerate the slow down tactics of labour in the industrial or in any other sphere. This statement is expected to have a salutary effect on the recalcitrant labour in the country.

Parliament was able to discuss a number of problems of topical interest on account of one day allotment in the week for private members' business. It was this new privilege that was responsible for some interesting discussion on the unemployment problem, etc. Besides the Andhra State and the Estate Duty Bills, Parliament was able to pass the Collection of Statistics Bill and the Central Silk Board Bill. During the question hour, members were able to elicit information from the Government on a number of subjects. Total number of questions put were placed at the high figure of 5,000, and of this about 2,000 questions were answered.

Agricultural Ministers' Conference

The State Agriculture Ministers' Conference which is scheduled to take place this week, is meeting under a different atmosphere. During the last few years, the Food and Agriculture Ministers of different States used to utilise this Conference only for making exeggerated demands on the Centre in regard to their food deficit quota, with the result that many other items on the agenda used to be relegated to the background. In view of the improved supply position of foodgrains and better prospects thereof in the coming months, the food deficit has no longer become their headache, and hence these State Ministers are now in a position to tackle their problems in a calmer atmosphere.

The agenda for this Conference is a lengthy one and is generally concerned with the improvement of agricultural production more or less on a permanent basis. For instance, the programme of minor irrigation projects is expected to be intensified. The State Ministers will be asked to carry out a thorough investigation of the minor irrigation potential in their respective States and to determine the order of priority based on this survey for their implementation. Most productive schemes among them are to be given first preference in this respect. In order to minimise the cost of the execution, it is proposed that State Governments should enlist the co-operation of farmers likely to be benefited by these schemes and that these farmers should contribute to the works either by way of manual labour or resources or both. Attention is expected to be paid to the acceleration of the tube well schemes in the States of Punjab, P.E.P.S.U., the U.P. and Bihar.

Training of Village Workers

The agenda includes the ambitious scheme for the intensification of training of the village workers for the speeding up of the agricultural development of the country on sure foundations. This programme is expected to be implemented with the assistance of the National Extension Service which will carry out the work by means of increasing the number of agricultural schools and colleges. The State Directors of Agriculture who are meeting to-day and to-morrow, will be discussing certain problems such as the role of agriculture departments in the formation of the National Extension Service, the building up of key personnel for State agriculture departments, soil conservation programmes, supply of seeds, fertilisers, etc., encouragement of co-operative farming, assessment of the results of the Japanese method of cultivation of rice, etc. These apart, these Conferences are likely to consider the development of animal husbandry, fisheries, etc. Besides, the marketing of agricultural products on co-operative basis is also likely to receive some attention.

Changes in Import Policy

The latest changes in the Government of India's import policy indicate that economic conditions in the world have been becoming more and more normal. It is because of these that the Government has adopted a relatively long-term policy in extending the duration of the operation of the Open General Licence system. Thus out of the five O.G.Ls., three have been reissued without any marked change and are valid until the end of September, 1954. Formerly, O.G.Ls. were generally issued on six-monthly basis. Again, the improvement in the industrial production in the country and the better availability of goods in important exporting countries have made the Government introduce quota system in respect of a number of goods. In other words, the difficulty of obtaining some scarce and strategic goods is reported to be gradually disappearing, and the Government does not want to import more goods and certain spare parts than are absolutely necessary. Further, the present policy denotes a certain amount of restriction rather than liberalisation, which is in consonance with its desire to check the spread of unemployment.

Thus two O.G.Ls. relating to Pakistan and Persian Gulf Sheikhdoms and Portuguese possessions have been reissued without change while another two O.G.Ls. for imports from soft currency areas have been merged into one licence. Even here the Government's policy is characterised by either allowing certain raw materials more for purposes of export or for increasing the production of manufactured goods. In the former category, mention may be made of seedlac, while some chemicals such as sulphate of potash, etc., belong to the latter category. About 17 items have been taken away from the O.G.L. list of imports from all countries of the world (excluding South Africa) and among them are spare parts for diesel engines, mechanical pumps and tractors, certain chemicals, scientific instruments, wrought copper and unwrought alloys of brass, bronze and similar alloys, strontium carbonate and nitrate, potassium carbonate, hosiery needles, scientific instruments and microscopes and accessories. For some of them, the quota has been fixed at 100 per cent., while, in respect of others, it has been reduced to 75 per cent. In regard to hacksaw blades, the quota has been fixed at 50 per cent. and for dobby harness plastic cords, it is still lower at 33⅓ per cent. Iron and steel buffers for locomotives, wagons and carriages, whether for railways or tramways, and iron and steel coated and uncoated electrodes and certain textile mill stores, iron and steel chains are to be allowed under a quota system. It may be mentioned that the validity of the open general licence relating to imports from Pakistan has been extended by one month.

Delay in Publication of Statistics

At the time of the discussion of the Collection of Statistics Bill, some members of Parliament stressed the necessity of the Government expediting the publication of books containing statistical information which is of considerable importance to the trade and commercial communities of the country. For instance, the timely release of India's foreign trade statistics or customs and excise revenue statements of the Central Government are very necessary to enable them to assess the trend of trade and budgetary position and prospects. In respect of these, there has not only been no improvement in the reduction of the time lag, but there has been an actual deterioration in the time schedule. It may be noted that there is more than four months' time lag in the issue of the sea and land-borne trade statistics, while in respect of the customs revenue statement, the time lag is nearly six months! A few years ago, the former used to be issued within a duration of less than two months, while in regard to the latter, the public used to get the required information within six weeks. In the absence of the latter, it will be very difficult to forecast the trend of budgetary position of the Government since the customs revenue forms the bulk of Government revenue. It may be mentioned that in important foreign countries, Governments have been able to issue the requisite information within two to four weeks. Here is an instance where the Commerce and Industry Minister can gear up the administration, especially the slow-moving machinery of the office of the Director General of Commercial Intelligence and Statistics, Calcutta, in order to expedite the issue of these vital publications in time. If it takes time to print and bring out the present volumes in size, it is not impossible to publish a small booklet containing important information without any time lag for the benefit of the commercial public. The Government of India which has been anxious to emulate the example of Western industrial nations in the matter of building up industries, must try to follow them at least in small things like the bringing out of statistical publications in time. Otherwise, these books are of historical interest only.

Customs and Excise Revenue

According to the latest customs and excise revenue statement for March, the total customs revenue at Rs. 174.95 crores for 1952-53, compares with the record figure of Rs. 232.03 crores for the previous year. The revised budget figure is Rs. 177 crores. While the revised figure in respect of export duties has turned out to be practically correct, that in regard to import duties has fallen short by Rs. 3 crores. The return from the excise revenue has aggregated Rs. 81.41 crores as against the revised estimate of Rs. 80 crores and the original estimate of Rs. 86 crores. For the current year the revenue from customs has been estimated at Rs. 170 crores and that from excise Rs. 94 crores.

Steel Industry

With the proximity of the date of arrival of German technicians for the establishment of the new steel factory, especially for determining the location thereof, the prospective State Governments which have been anxious to get this factory located within their jurisdiction, are bestirring themselves. Orissa has long been in the run, while Madhya Pradesh has joined the fray with all ardour, its trump card being strategic reasons such as the dispersal of vital factories, economy in transport, etc. Now, Bihar, which has already got within its territory the biggest steel plant of the country, namely, the Tatas, has begun to urge the claims of Sindri. Its reasons for the location of the new plant in Sindri are: the lowest cost for the assembly of raw materials as compared with other sites, excellent drainage system, nearness to coal and coking coal areas, as also to iron ore area, better transport facilities, co-ordination with the Tatas, possibility of setting up a modern coal-tar distillation plant, availability of technical personnel and skilled labour.

PAKISTAN NOTES

NEW IMPORT POLICY ANNOUNCED

RESTRICTIONS TO CONTINUE

THE Government of Pakistan's import policy for the current half-year, announced a few days ago, belies the earlier expectation of liberalisation of imports. Thus, the new policy envisages the continuance of the ban on the open general licence for exports. Again, the number of items in the import schedule has been reduced from 215 to 184. Even among these items, only 33 are essential consumer goods, the remaining items being mainly for industrial and agricultural purposes. Among the items, the imports of which have been prohibited, are woollen fabrics, spices, bidi leaves, cosmetics, cigarettes, blades, cycles and watches.

Restrictions on the import of goods and commodities, barring, however, drugs and medicines, from the dollar area have been continued, the total number of items permitted from the area being 40. Imports of aeroplanes and unmanufactured tobacco are allowed only from this area. The items of imports from Japan include cotton fabrics, iron and steel, and metals. Importable from France under the trade agreement recently signed are 109 items. Italy figures only in the case of cotton twist and yarn.

The foregoing brief account clearly indicates that the restricted import policy of the previous half-year has been carried a stage further. This clearly serves to emphasise, once again, the fact that the balance of payments position is none too happy, despite the improvement in the foreign trade position in the early months of this year. This is due to a marked shrinkage in receipts from exports, thanks to the emergence of a buyers' market the world over. The average monthly rate of foreign exchange earnings during the year ended June, 1953, were Rs. 12.5 crores, as against Rs. 20.0 crores in 1951-52.

The drastic cut in imports on private account will surely lead to an all-round rise in prices of goods in Pakistan. Indeed, to quote one report: "With the exception of cloth which was the only item not on the import list during January-June, 1953, but which has now been included, the new import policy presages rigorous times for the people till the end of the year." While imports on private account are being curtailed, those on Government account, especially of defence equipment and stores, are reported to be very heavy. The balance of payments position is, therefore, bound to deteriorate further. Already, the foreign assets of Pakistan have been depleted; these amounted to Rs. 81.23 crores as on 14th August, 1953, as against Rs. 150.52 crores in the beginning of last year.

Return to Normalcy

Government spokesmen, however, have all along sought to dispel the fear that Pakistan is heading towards such an eventuality. It was only recently, that is on the eve of his departure for Washington to attend the meetings of the I.M.F. and the World Bank, that the Finance Minister of Pakistan, Mr. Mohammed Ali, declared that Pakistan had turned the corner (economically speaking). This view is shared by a section of economic opinion, which believes that Pakistan is returning to normalcy. For instance, in the course of an article contributed to the *Financial Times*, Sir Percival Griffiths observes as follows:

"Pakistan can and will become self-sufficient in coarse cotton textiles and in food, clothing the great majority of her people from domestic production by 1955. In food production, too, progress is being made, though, here, the difficulties are perhaps greater. In years when the monsoon is poor, waters from the Indus group of rivers will be insufficient for Pakistan's irrigation needs, unless great new storage schemes are undertaken and the waters satisfactorily allocated by the World Bank between India and Pakistan. Nevertheless, it is not unduly optimistic to believe that, by 1956 at the latest, in a normal year, Pakistan will be able to feed herself, while, in a good year, she may even, once again, be able to export cereals. By 1955 or 1956, then, we can expect a substantial improvement in Pakistan's foreign exchange position.

"... As regards internal finance, the budgetary position has been distinctly improved, first by the resolute pruning of expenditure, both civil and military, and, secondly, by the sale proceeds of American wheat. The drastic reduction of the areas under jute and the general contraction of trade will affect revenue adversely, but, on a long-term view, this should be more than offset by the many development schemes in progress both in the public and in the private sectors of the economy. The marked progress in the expansion of Chittagong Port this year, the fact that the Chandrakona Paper Mills will shortly be operating and the starting of Sui gas are all encouraging features."

Nevertheless, Sir Percival points out that this does not mean that Pakistan is by any means out of its financial difficulties. He, therefore, warns that, until Pakistan can feed itself and until it can balance its payments without cutting imports too drastically, there will be continuing cause for vigilance and even anxiety.

Supply of Essential Goods

As already noted, the cut in imports on private account may lead to a rise in commodity prices. The latest decision of the Pakistan Government to control the distribution of essential commodities has, therefore, come not a day too soon. The Government has promulgated the Essential Commodities Control of Distribution Order, 1953, with a view to maintaining supplies of certain essential goods and to securing their equitable distribution and availability at fair prices. The order prohibited export or transport of any scheduled article to or from East Bengal, except on a written permit from the Controller-General of Prices and Supplies. It also authorises the Controller-General to regulate the movement of any scheduled article anywhere in Pakistan by movement permits.

Trade With Canada

Pakistan's exports to Canada during the first four months of 1953 were two and a half times larger than those in the corresponding months last year. Trade with Canada during April, 1953, was the highest in the last 18 months. Pakistan's main exports to Canada are, among others, tea, jute, wool, sports goods, especially skis, rackets, badminton shuttlecocks, regalia and badges, brass band instruments. More recently, Pakistan has explored good prospects for cotton in Canada. Canada's main exports to Pakistan include wheat, agricultural implements, automobile parts, manufactures of iron, motor vehicles, radio wireless apparatus, aluminium, copper wire, aircraft parts, electrical goods, etc.

Pakistan's trade with Canada and all other dollar countries is receiving the special consideration of the Department of Trade Promotion and Commercial Intelligence, which, among other things, maintains a close and constructive liaison with Pakistan's trade representatives in foreign countries.

Exchange of Enclaves

An Indo-Pakistan Conference on matters relating to the two Bengals and the exchange of Cooch Behar enclaves is to be held at Calcutta, according to a recent report from Karachi. The Conference is in furtherance of the agreement arrived at between the Prime Ministers of the two countries at the latter's meeting held at Karachi in July last. The Pakistan delegation to the Calcutta Conference will be led by Mr. J. A. Rahim, Foreign Secretary to the Government of Pakistan.

Notice

THE FORT WILLIAM JUTE CO., LTD.

NOTICE

THE HALF-YEARLY ORDINARY GENERAL Meeting of the Company will be held at the Registered office, No. 14, Netaji Subhas Road, Calcutta, on Monday the 5th October, 1953, at 3 p.m., for the purpose of receiving the Directors' Report and Auditors' Report, passing the Accounts for the half-year ended 31st March, 1953, electing Directors, appointing Auditors and transacting such other business as may be brought forward before the meeting.

The Share Transfer Registers of the Company will be closed from 28th September to 5th October, 1953, both days inclusive.

By Order of Board,
Per PRO. BANGUR BROTHERS LIMITED,
R. N. BANGUR,
Managing Agents.

CALCUTTA, *15th September, 1953.*

BANK RATE SURPRISE

WHAT DOES IT SIGNIFY?

(From Our Own Correspondent)

LONDON, *19th September*

THE markets in London have not yet made up their mind whether the unexpected reduction in the Bank rate from 4 per cent. to 3½ per cent. represents merely a technical adjustment which was all that the Bank spokesman claimed for it, a sign of the Government's increased confidence in the commercial future, or the first step in preparation against the oft-feared recession.

LONDON LETTER

Those who hold the last view point to all the signs of recession which have been developing in America this year. There the value of stocks has fallen more than 15 per cent. over the year and it is accompanied by a steady fall in farm prices, equipment, ond even industrial goods. But, on the whole, the stock market has been tempted to regard the move as a sign of confidence and has paid so far little regard to the real technical changes. As a result, business on the Stock Exchange this week has been higher than any day since before the Budget, and some Gilt-edged stocks have advanced by over 3 points. Industrials have also shared in the general rise and, even by the close of business on Thursday, the index had risen 1½ points.

The official explanation of the change is that it is to bring the two "bank rates" into line. The official Bank rate was first raised from its post-war level of 2 per cent. to 2½ per cent. in November, 1951, and then to 4 per cent. in March, 1952. At the same time, in order to prevent an excessive cost to the Treasury, a special rate was introduced at which the Bank made 7-day loans and this rate was kept ½ per cent. below the official Bank rate. Now the special rate disappears, or, rather, is merged in the new official Bank rate of 3½ per cent. The Treasury thus ceases to have a special advantage over first-class commercial borrowers, but it is natural that the markets look at the move (which, after all, could easily have been made the other way by raising the special rate up to the official rate) as one benefiting the commercial bill and, therefore, as a sign of confidence and strength in the money market.

Significance

The bankers' deposit rate normally runs 2 per cent. below the Bank rate but the banks have decided not to cut their deposit rates by the full ½ per cent. in the Bank rate but only by ¼ per cent. in recognition that only part of the normal effect of a drop in Bank rate will this time be felt. It remains true that, although the price of Government short-term paper remains unchanged, the cost of financing trade is reduced. Equally, it is unlikely that there will be a reaction in the present jump in Gilt-edged long-term rates back to the level of earlier this week. They can certainly be expected to fall back somewhat since the rise in prices has been out of all proportion to the fall in the long-term rate of interest; but the ½ per cent. drop in the official rate is almost certain to mean that the long-term rate will find a level at least this much lower than it has been recently.

The freeing of commercial bill rates (to levels five-eighths per cent. below those ruling previously) will probably be accompanied by some reduction in commercial loan rates, although a great volume of business and, of course, personal loans are made by the banks at rates which, indeed, have no relation to the Bank rate. The price of raising long-term capital may be somewhat reduced and all this is likely to give a fillip to investment, but it is already being made clear that the official view is that there is no warrant for a general easing in the tighter credit policy which the banks have adopted over the past 18 months.

The balance of payments position, although sound—and it is noteworthy that there has been no special strain on dollars this autumn, the exchange rate remaining absolutely at parity—has no spectacular margin of safety and the gold reserves, although continuing to rise, are still at a low level in relation to the annual turnover of this country's overseas trade and in relation to its sterling debts.—*All Rights Reserved.*

REDUCTION OF BANK RATE IN BRITAIN

NO FUNDAMENTAL CHANGE IN MONETARY POLICY

THE first reactions to the cut in the British Bank rate were recorded in the "Market Gossip" columns of our last issue. It is now proposed to cover this development in a detailed manner, as it has evoked considerable interest among banks and business men in this country. The Bank of England announced the reduction of the Bank rate from 4 per cent. to 3½ per cent. on the 17th inst. The former rate was in vogue since 11th March, 1952, when it was increased from 2½ per cent. This was the second increase by the Conservative Government. The first increase took place on 8th November, 1951, that is, soon after the Conservative Party assumed power.

The present reduction represents the first downward movement in the Bank rate since October, 1939, when the rate was lowered from 3 to 2 per cent. The lower rate persisted for nearly 12 years thereafter. The table below shows at a glance the trend of changes in the Bank rate in the U.K. during the last quarter of a century:

Changes in the U.K. Bank Rate

Date	*Rate* Per cent.	*Date*	*Rate* Per cent.
1927		1931	
21st April ..	5-4½	21st September ..	6
1929		1932	
7th February ..	5½	18th February ..	5
26th September ..	6½	10th March ..	4
31st October ..	6	17th March ..	3½
21st November ..	5½	21st April ..	3
12th December ..	5	12th May ..	2½
1930		30th June ..	2
6th February ..	4½	1939	
6th March ..	4	24th August ..	4
20th March ..	3½	28th September..	3
1st May ..	3	26th October ..	2
1931		1951	
14th May ..	2½	8th November..	2½
23rd July ..	3½	1952	
30th July ..	4½	11th March ..	4
		1953	
		17th September..	3½

For some months past, it was being felt by many in Britain that the next change in the Bank rate would be in a downward direction. It was this feeling that was responsible for the buoyancy of the London Gilt-edged market all these days. For, during this year, three other countries had preceded the U.K. by reducing their rates of interest. Thus, in March 1953, Austria cut its rates by ½ per cent. to 5 per cent. In the following April, Holland followed, with a cut of ½ per cent. in June; the German rate was brought down from 4 to 3½ per cent. In fact, the lead towards the declining trend had been given in 1952 itself by Belgium and Germany which had reduced their rates from 3½ per cent. and 4½ per cent. to 3 per cent. and 4 per cent. Thus, for more than a year now, the tendency in Europe has been towards softening the interest rates a little. Now that Britain and France have joined this movement, the general level of European Bank rates may be said to have been established at a distinctly lower level than that a year ago. The table below giving an international comparison of Bank rates ruling at present in most of the important countries will be read with interest:

Country	*Rate of interest* Per cent.	*Country*	*Rate of interest* Per cent.
Switzerland ..	1½	France	3½
U.S.*	2	Germany	3½
Canada	2	India	3½
Portugal	2½	Italy	4
Holland	2½	South Africa ..	4
Norway	2½	Denmark ..	5
Belgium	3	Austria	5
Sweden	3	Finland	5½
Spain	3.2	Japan	5.8
U.K.	3½		

* Federal Reserve Bank of New York discount rate.

In marked contrast with the trend in Europe are the interest rates in America which have been hardening. The U.S. provides the only important instance of an increase in Bank rate anywhere in the world over the past year. In January, 1953, the Federal Reserve Bank of New York discount rate was raised from 1½ per cent. to 2 per cent. However, even in the U.S., the trend of open market rates of interest in recent months has been downward, following considerable relaxation in credit restrictions, as, for instance, a lowering of reserve requirements.

The change in the U.K. Bank rate announced last week has been interpreted by a spokesman of the Bank of England as only a technical adjustment. Care has been taken by the Bank authorities to lay stress on the fact that the change does not involve any change in the tighter money policy, that is, making borrowing difficult—which the Government has been pursuing since March last. The Bank of England's directive to commercial banks to exercise restraint in their lendings still continues. The change has been made, we are told, to watch certain technical developments that have taken place since the rate was last raised. In other words, it is a move to bring the Bank rate in line with the market rates. The present reduction in the rate has been welcomed by the city as another step forward towards freedom and flexibility of interest rates.

The developments since the Bank rate was raised and the need felt for a change in the Bank rate in England have been clearly stated by "Lynceus" of the *Economist*, London. He observes: "The increase in the Bank rate to four per cent. in March, 1952, was made at a time, when sterling was under desperate pressure, when gold and dollars were oozing out of the reserves at a rate which would have emptied them in a matter of months. That increase in the Bank rate, in conjunction with other measures as import cuts, had the desired effect. It checked inflation, it revived confidence in sterling, it shifted the balance of payments in favour of the sterling area. Success of that policy was there for all to see in the impressive recovery of sterling exchange and of gold and dollar reserves that has taken place over the past year. If 4 per cent. was the right level for the Bank rate in the desperate circumstances of March, 1952, it had clearly ceased to be the right level in the much more cheerful circumstances of the summer and autumn of 1953."

While thus the 4 per cent. Bank rate did achieve its aim of curbing inflation, another series of events in recent months indicated that the level was not in line with the changes in the economic climate. As already stated, in most countries in Europe discount rates showed a tendency to decline. Secondly, commodity prices registered a steady downward movement. The sellers' market gave place to a buyers' market. Slackness in business conditions, too, appeared in the economy of most countries. There was growing competition in export markets and the cost of existing bank accommodation based on relatively high Bank rate of 4 per cent. exerted itself heavily on export trade and industries. In the circumstances, continuation of the Bank rate at the high level would have accelerated the deflationary conditions. Shrewd observers, therefore, pointed out the need for a reduction in the rate.

Two Rates of Interest

Since November, 1951, there have been two rates with the Bank of England, one the rate at which the Bank advances money to the market against Treasury Bills for a short period of seven days and the other at which the Bank discounts trade bills. The difference between the two rates was deliberately kept at ½ per cent. It may be noted that the Bank rate is the minimum rate at which the Bank of England discounts approved bills of exchange. The Special rate is the rate at which the Bank lends to the money market against Treasury Bills. The Special rate was introduced in November, 1951, when the Bank agreed to lend against Treasury Bills for a period of seven days at ½ per cent. below the Bank rate. The difference between the two rates was maintained when the Bank rate was raised to 4 per cent. in March last, while the rate against Treasury Bills continued to remain at 3½ per cent. For all practical purposes, although the Special rate tended to be effective, for the past few months neither of the rates had been effective, as the authorities gave the market assistance when required without placing it into the Bank. The present reduction in the Bank rate to the level of the Special rate bridges the gap. In this context, the remarks of the *Financial Times*, London, are worth noting. It writes:

"When Mr. Butler raised the Bank rate from 2 per cent. to 2½ per cent., the rate at which Treasury Bills were discounted by the Bank of England was left at 2 per cent. The significance of Mr. Butler's first move towards dearer money was that he made the 2 per cent. rate effective for the money market where before it had been meaningless. When the Bank rate was raised to 4 per cent. in the 1952 budget, the rate at which the Bank of England would rediscount Treasury Bills was again kept at ½ per cent. below the Bank rate. Except for those money rates which are specifically related to the Bank rate, this has in fact been the effective rate ever since then. What the Bank of England has now done is to bring these two rates together. The Bank rate and the rate at which Treasury Bills are rediscounted will now be the same. The significance of this is that any further changes in the Bank rate, either up or down, will have immediate and real effects right through the whole structure of money rates. The authorities have taken up a position, in other words, from which they can operate, if they should so wish, with the maximum effect next time."

Commenting on the change, the *Economist* observes as follows:

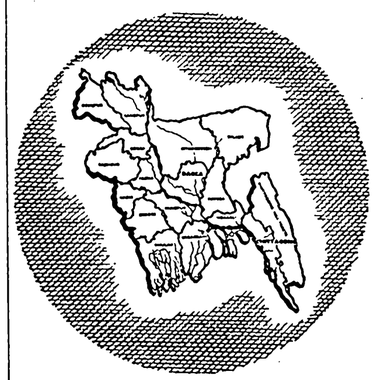
"The technical aspects, however, are certainly of high importance. Since commercial bank lending rates are related to Bank rate proper, the existence of the Bank's Special rate had the effect of producing a wide spread between rates charged to commercial borrowers and those charged in the Government on Treasury Bills. The resultant anomaly was even more clearly shown in the margin between the 3 per cent. rate for first class commercial bills and the 2½ per cent. rate that has been general for Treasury Bills. But the narrowing of these gaps in order to make the Bank rate more effective could have been secured either by reducing Bank rate or by raising the Special rate. To satisfy the purely technical objective of promoting a more flexible and more normal market, the Bank had to impart either an upward or downward twist to at least part of the whole rate structure. It has chosen the latter, and thereby brings about automatically a reduction in the rates charged for the majority of bank advances—excluding those to personal and business borrowers whose loans are running at rates that, though technically based on Bank rate, are subject to high minimum charges. The very fact that there was this impact upon advances rates has caused some softening of rates elsewhere. But since the Bank's move was not a simple cut of ½ per cent. in its own rates, the clearing banks seem to have decided to reduce by only ¼ per cent. the rates that are under their own control. Deposit allowances are apparently to be fixed at 1½ per cent. instead of 2 per cent. and rates charged for call loans against Treasury Bills are likely to move similarly. The commercial bill rate will, of course, fall more sharply, and may be allowed to become a flexible, instead of a pegged, rate. But, in either case, the unnatural margin over the Treasury Bill rate will be narrowed.

"All this, in short, is an important contribution to normality in the rate structure, and will undoubtedly increase the Bank's freedom for manœuvre. But it is idle to pretend that it is wholly technical, and does not betoken a feeling of greater confidence. The stock markets, however, seem in their first response to have put too much emphasis upon the confidence ingredient and too little upon the technical. Gilt-edged prices were marked up immediately and, despite the uncertainties about the technical implications, they climbed even faster. At the close on Thursday, the whole list had been lifted substantially, with the gains in the longer dated and irredeemable stocks ranging up to 1-7/8."

One important effect of the reduction in the Bank rate in the U.K., as will be seen from the above quotation, is the lowering of the lending rates by clearing banks. Thus for loans against Treasury Bills—that is, the call money rate—banks will in future charge 1½ per cent. instead of 2 per cent. and for loans against short-

(Continued on page 611)

When you go to East Pakistan



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HOW RESTRICTIVE ARE U.S. TARIFFS AND QUOTAS?

FINDINGS OF DR. HOWARD S. PIQUET

IN the controversy over the issue of "Trade, not Aid" in the United States, broad assertions have been made ranging all the way from dire prediction of doom if tariffs and quotas are retained to doom if they are removed. A pioneering study by Dr. Howard S. Piquet of the Legislative Reference Service, Library of Congress and a leading authority on international trade and economics, now provides factual data by which economists can measure the magnitude of the effects of a temporary suspension of all tariff duties and import quotas. The study, entitled *Aid, Trade and the Tariff*, is published by the Thomas Y. Crowell Company, New York City.

Using 1951 as a base year, Dr. Piquet examines in detail more than 220 commodities covering 80 per cent. by value of all dutiable imports. In each case, he analyses the extent and the kind of impact each commodity would have on the American market if it could be imported freely, and then he outlines the types of adjustments necessary to absorb these impacts.

His overall conclusion is that the U.S. tariffs and quotas, in general, are not as restrictive as generally thought. Among his findings are:

1. A yearly increase of $800 million or at most $1,800 million of foreign goods would be all that could be expected to enter the United States if tariff duties were temporarily suspended but existing import quotas were maintained. And this increase would be likely to develop only over a period of two or three years during which overseas suppliers would be adjusting themselves to the new market situation.

2. Even in the event that all quotas were temporarily suspended at the same time, imports would rise only $1,200 million or at the most $2,600 million.

3. Of the $3,800 million of dutiable goods coming into the United States in a typical year, only $1,500 million would represent commodities which, with no tariff barriers, would probably flow into the country in large enough volume to account for as much as 10 per cent. of total domestic consumption of the individual items.

For the purpose of study, it was assumed that suspension of import barriers would be for the duration of the dollar-gap emergency only, and that all duties would be suspended simultaneously.

Effect on Individual Industries

According to the study, individual industries would be affected in very different ways by the suspension of tariffs. Worst hit by increased competition from imports would probably be manufacturers of earthenware and china, hand-blown glassware, toys and dolls, clocks, optical instruments, leather goods, selected textiles, canned tuna fish, scissors, knives with folding blades, and other miscellaneous items. Import duty rates on these items now range from 14 per cent. to 184 per cent. At these levels, imports of most of these products normally amount to less than 10 per cent. of domestic production. If tariffs were suspended, imports would be likely, in time, to account for 10 per cent. to 90 per cent. of total domestic consumption.

Dr. Piquet's study explains that of the $10,800 million of merchandise imported into the United States in 1951, appoximately $6,000 million entered free of duty. Broadly speaking, raw materials that are not produced in the United States are admitted into the country free of duty, whereas most foreign products that compete with products made or grown in the United States are subject to duty.

It is pointed out that suspension of tariffs obviously could have no direct effect upon imports that are not dutiable—e.g., coffee, natural rubber, newsprint, paper base stocks, unmanufactured copper, cocoa, tin, vegetable fibres, undressed furs, and fertiliser materials. Of the $4,800 million of dutiable imports entering the United States in 1951, slightly more than one-half consisted of finished and semi-finished manufactured products, over one-third consisted of agricultural products, and the remainder (slightly over 10 per cent.) chiefly of mineral products.

The increase in imports, following tariff (but not quota) suspension, would range from a minimum of approximately $800 million to a maximum of $1,800 million which would represent an increase of 8 per cent. to 17 per cent. in total imports. In terms of dutiable imports alone, the increase would represent an 18 per cent. to 38 per cent. expansion. Or, taking the median between the minimum and maximum estimates, dutiable imports would be larger than they were by 28 per cent. in the absence of tariffs, and all imports (dutiable and free together) would be 13 per cent. larger.

More than 40 per cent. of the dutiable imports covered by the analysis would not be noticeably affected by tariff suspension, Dr. Piquet says. Included in this group are such large imports as petroleum, cut diamonds, burlap, lumber, nickel and lead. Tariffs are relatively unimportant to the trade in these commodities. With regard to the other 60 per cent. (aggregating slightly more than $2,000 million), the study estimated that, on the basis of conditions prevailing in 1951, tariff suspension might make possible a rise in annual volume of between $674 million and $1,400 million.

Commodity Groups

Commodity groups likely to register the most significant increases percentage-wise probably would be in the *textile* group, including such items as coarse linen, towelling and hemmed linen handkerchiefs (from the United Kingdom), linoleum (the United Kingdom and the Netherlands), cotton hosiery (France and the United Kingdom), woollens and worsteds (United Kingdom), and apparel wool (largely from Australia); in the *machinery and vehicle* group, including hosiery knitting machines (United Kingdom), bicycles (United Kingdom and Germany), and sewing machines (Japan, Germany and Italy); and in the *miscellaneous* group, including clocks (France, Switzerland, and Germany), optical instruments (Japan, Germany, and France), and toys and dolls (Japan, United Kingdom, and Germany). The commodity groups showing the smallest overall percentage increases in imports would be *wood and paper products, vegetable food products and beverages*, and *metals and manufactures*. Among the individual commodities which would show the largest percentage increases in imports (100 per cent. to 300 per cent. or more), are earthenware and chinaware, hand-blown glassware, leather gloves, leather handbags, fur-felt hats, clay tile, clocks, canned tuna fish, linen towels, hemmed linen handkerchiefs, scissors and shears, and knives with folding blades.

For the most part, the study said, the commodities in the above group, are subject to relatively high duties, and the volume of imports is small as compared with domestic production. In other words, they are probably significantly restricted by the U.S. tariff.

The Other End of the Scale

At the other end of the scale, out of the $3,800 million of dutiable imports analysed in this study, there are:

$1,800 million consisting either of products that are not produced at all in the United States or of imports which would not increase significantly in the event of tariff suspension—e.g., quebracho tanning extract, handmade oriental rugs, hardwood lumber, and synthetic rubber.

$58 million consisting of import specialities, that is, imports which supply 90 per cent. or more of domestic consumption of like products—e.g., castor beans, edible olive oil, and mica.

$104 million including imports that probably would account for less than 1 per cent. of domestic consumption—e.g., live poultry, cotton yarn, linoleum and paints.

$405 million accounting for between 1 per cent. and 10 per cent. of consumption—e.g., pecans, potatoes, canned tuna fish, plywood and shoes.

Thus, in the aggregate, about $2,400 million of the $3,800 million of dutiable imports analysed consists of items that appear not to be highly competitive with domestic production. At least, the total displacement by such imports would be small.

The other $1,400 million consists of imports that, in the event of tariff suspension, probably would account for between 10 per cent. and 90 per cent. of the domestic consumption of like products. It is in this area in which claims of injury would seem to be the most likely to prevail.

The quotas in effect in 1951 applied to imports of wheat, wheat flour, sugar, long-staple cotton, short-staple cotton, linseed oil, butter, rice and rice products, peanuts, flaxseed, cheese, and live cattle and dressed beef. If, however, these quotas were to be lifted, imports would increase probably by as much as $358 million to $833 million. Imports of the products subject to quota would thus increase by 67 per cent. to 156 per cent. by virtue of quota suspension alone. In terms of *dollar volume* alone, Dr. Piquet says, the most significant increases probably would be in imports of sugar, butter, and live cattle and dressed beef. In terms of *percentages*, the most important increases probably would be of butter, Roquefort and bluemould cheese, cheddar cheese, peanuts, and either flaxseed or linseed oil.

Tariffs and Quotas

Thus, suspension of tariffs might result in an 8 per cent. to 17 per cent. increase in total imports. And if quotas also were to be suspended, the increase would be stepped up to 11 per cent. to 25 per cent. In terms of volume, the increase attributable to quotas would range from $358 million to $833 million. The study points out that it is important to note that the quotas now in effect apply only to agricultural commodities, or simple agricultural manufactures; they do not apply to other manufactured goods.

The study also says that imports of cattle and beef, wheat and wheat flour, cheddar cheese, rice and rice products, and short-staple cotton, even after suspension of quotas, in all probability would be equal to less than 10 per cent. of the domestic consumption of each commodity.

The significant items, Dr. Piquet says, are the competitive commodities—meaning by "competitive" any product the imports of which (after suspension of import restrictions) would account for between 10 per cent. and 90 per cent. of domestic consumption of that product.

Such commodities now subject to quota restriction are sugar, butter, all cheese other than cheddar, flaxseed and linseed oil, peanuts, and long-staple cotton. Imports, which amounted to $435 million in 1951, would probably show a 72 per cent. to 172 per cent. increase (minimum increase $315 million, maximum $748 million) if quotas were to be suspended. Thus, suspension of quotas on these few agricultural products would account for almost as great an increase in imports as would the suspension of tariffs on all "competitive" agricultural imports.

Difference Between 19th and 20th Centuries

On the "Trade, not Aid" issue, Dr. Piquet observes that, although suspension of American trade barriers would certainly reduce the dollar gap in U.S. trade with the rest of the world, it would by no means be permanently or completely eliminated. He indicates that the tendency of other countries to suffer periodic dollar shortages arises less from artificial impediments to trade with the United States than from profound and apparently irreversible changes in the world economy over the past 50 years.

Dr. Piquet points out that policy prescriptions based on an idealised picture of the freely

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COTTON TEXTILE PRODUCTION CONTROL

COMMODITY CONTROLS COMMITTEE URGES RELAXATION

THE observations of the Commodity Controls Committee in so far as cotton textiles are concerned are not of much significance. This is so for two important reasons. First, with the abolition of controls on prices and distribution of cotton textiles, the views of the Committee on it are only of academic importance. Secondly, the Committee has failed to make any specific recommendation regarding production control, barring the general and vague statement that control over production should be progressively lifted and it need be retained only to such an extent as may be required to protect the handloom industry and to ensure that the consumer gets durable cloth. Even the Government of India's decision on this recommendation is very vague, as witness the remarks that the "Government have already relaxed the control over production to a considerable extent and they note the recommendation of the Committee on the subject."

It is, indeed, unfortunate that both the Commodity Controls Committee and the Government have not recognised the need for the immediate withdrawal of at least those controls on production which have nothing to do with the handlooms. Not only has production control not achieved any significant result but, actually, it has acted as a damper on the mills which are compelled to produce, in several cases, unwanted varieties of cloth for which there is no demand. It is no wonder, therefore, that reports of accumulations of cloth have been pouring in from different centres in the past many weeks. Again, the restrictions on the manufacture of *dhotis* by mills has led to a sharp rise in the prices, to the extent of as much as 20 to 30 per cent. It has not succeeded in alleviating the distress of the handloom weaver either.

The chief consideration which has weighed with the Committee in not suggesting removal of production control is that such control is required to protect the consumers' interest against mills "which do not themselves adhere to high standards." Views more or less similar to these have also been expressed by the Working Party on the Cotton Textiles Industry (1952). Thus observes the Party: "... unless the industry as a whole is in a position to put its house in order and adopt measures which will expose erring members and mete suitable punishments to such, if necessary, by claiming powers from the Government for such reform measures being adopted by them, it will be difficult to get out of the era of controls which many of them desire."

These observations are valid only in a sellers' market when supplies available are not adequate to meet the requirements in full. But the point is whether these conditions exist now. The reply to the poser is an emphatic "no." As readers are aware, sellers' market for cotton textiles has completely disappeared and buyers' market has come to be established on a permanent basis, not merely in India but the world over. These are days when consumers' sovereignty is being exercised to the utmost. If, therefore, the cotton textile industry is to put its house in order, it is imperative that the industry should be completely decontrolled. It is only when that the mills will be able to make alterations in their production programmes, with a view to producing the type of cloth which suits them best, on the one hand, and to meeting the changes that may take place in the market from time to time.

That the production control on cotton textiles has outlived its utility is beyond dispute. If any justification were necessary for the complete abolition of this control, it would be found in the fact that the supply position in respect of cloth is quite comfortable and bids fair to be so even in future, thanks to the ready availability of raw materials. The quantity of cloth produced during the first seven months of this year amounted to as much as 2,889 million yards, giving a monthly average of 413 million yards, which compares very favourably with 2,588 million yards, or a monthly average of 384 million yards, in the same period last year. Considering the several favourable factors such as availability of adequate supplies of raw cotton, improved labour situation and better transport facilities, one can legitimately expect the production for the year to aggregate 4,956 million yards (as against 4,608 million yards in 1952)—a level which overtakes the war-time record of 4,850 million yards for undivided India. This figure, it will be interesting to note, is higher than the Planning Commission's target of 4,700 million yards for 1955-56 by 256 million yards.

While production has thus been rising, absorption of cloth has been lagging behind. Demand for exports to overseas markets is low. Internal offtake also has not shown any spectacular improvement. In the circumstances, the Government would be acting wisely if it were to withdraw the production control, thereby leaving it to the mills to produce whatever cloth they think the market can absorb. Indeed, if it tarries any longer, it will be carrying the moral obligation to support the prices of cloth and yarn.

To revert to the report of the Commodity Controls Committee. The Committee has failed to make any specific observations on the question of controls on exports of cotton textiles with a view to ensuring quality. It has merely reiterated the objectives of the Cotton Textile (Export Control) Order, 1949. The only statement that it has made is: "In the event of the supply of cloth and yarn not being sufficient to meet the internal demand, restrictions on export could be imposed. But, in that event all that is necessary is to take action under the export control regulations.

The Committee, however, has put forward an important suggestion relating to the removal of restrictions on the entry of cloth imposed by certain State Governments. In the opinion of the Committee, these restrictions are a retrograde step, as they are against the spirit of the Essential Supplies (Temporary Powers) Act, the main object of which is to make cloth available to the public in plentiful supply and at cheap prices. It is gratifying to note that the Government of India has recognised this aspect. It has already drawn the attention of the States to the undesirability of restricting the movement of cotton textiles into or out of their respective areas.

The other important recommendations of the Committee are that (a) the Government Contractors (Disposal of Cotton Textiles, Unused Materials and Rejected Stores) Order, 1949, should be withdrawn and (b) the returns required to be submitted by the mills should be reduced as far as possible and simplified. The Government of India has accepted the former recommendation, which is only as it should be, in view of the fact that there is no price and distribution control on textiles at present. With regard to the returns, the Government has not announced its decision. The cotton mills have very often complained against the numerous and detailed returns to be submitted to the Government. Indeed, it is said that the returns are so innumerable that the mills have to maintain a full-fledged department for preparing and submitting them. Now that controls have been removed, there is vast scope for reducing the number of returns and, as the Committee has rightly emphasised, only the very important returns should be asked for. Another point to be mentioned here is that the State Governments also call for returns. In this connection, the Committee has made an important suggestion. According to it, a meeting of all the authorities who receive returns from the textile industry, whether the Central Government or State Governments, should be called by the Ministry concerned at an early date and an attempt made to see whether the purpose can be served by copies of certain returns being supplied to more than one authority. Where the number of returns cannot be reduced by making copies of the same returns, unless there are overwhelmingly strong reasons, returns should not be called for more frequently than once a month.

EXPORTS OF CLOTH

The Government of India has extended the period of the free licensing of cotton textiles up to the end of June, 1954. Accordingly, the licences for exports of cotton piecegoods and manufactures other than cotton waste blankets, which are due to expire on 31st December next, will remain valid for a further period of six months. The licensing procedure and other conditions will, however, remain the same.

The above decision of the Government is a sequel to the surfeit of cloth supplies, consequent on the steady and perceptible improvement in output in the past few months. But the extension of the shipment period, in itself, will not lead to any significant rise in exports. True, exports of cloth in recent months have shown a slight improvement, the quantity actually shipped during the month of August, 1953, being 62.7 million yards, as against 56 million yards in July and 52 million yards in June. The aggregate exports for the first eight months of the year amounted to 435 million yards, which compares favourably with 379 million yards in the same period last year. The following table gives the trend of exports during these eight months, as compared with the corresponding period of 1952:

(In million yards)

	1953	1952
January	43.4	30.7
February	28.6	29.4
March	53.9	22.4
April	63.6	26.0
May	64.5	49.4
June	52.1	68.9
July	56.0	69.4
August	62.7	82.6
Total	434.8	378.8

The improvement in cloth exports noted above, it is, however, stated, has been due mainly to the delay in the shipment of cloth in previous months in expectation of the abolition of export duty and partly to the eagerness of Burmese importers to get into their country as much cloth as possible before the end of this month when the Burma Government's Imperial Preference policy ends.

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U.S. COTTON INTERESTS PROPOSE WORLD CONFERENCE

MANPOWER STILL INADEQUATE

(From Our Special Correspondent)

MANCHESTER, 15th September

MANCHESTER LETTER

LANCASHIRE textile exporters with interests in the Indian market were told at Manchester this week (Monday) that prospects for increasing shipments of cotton goods were not encouraging until India's living standards improved. This warning was given by Mr. E. A. Midgley, United Kingdom Trade Commissioner at New Delhi, who paid a two-day visit to the Manchester Chamber of Commerce for talks on trade openings. "India's bread-and-butter needs for textiles," he said, "can be more than met by her own cotton industry."

Proceeding, Mr. Midgley observed: "Our future prospects in India lie in assisting her industrialisation and development programme with capital goods rather than in sending her more consumer goods. The sooner she completes her programme and raises the standard of living, the sooner she will become an attractive market for consumer goods of all sorts, including textiles."

New International Talks?

A full year has elapsed since the delegates of the main cotton exporting nations of the world met at Buxton to consider their mutual problems and to draw up some estimate of the overseas trade which they considered their respective industries were capable of securing during the next few years. Despite the fact that it is already clear that these forecasts are well beyond the grasp of any of the countries so far as 1953 is concerned, there is already talk in some quarters of another conference on similar lines.

This time the initiative comes from the United States, where it has been unofficially proposed that a gathering of the world's cotton leaders should take place at Memphis, in the heart of the cotton-growing area. This is, to some extent, significant, because the sponsors of the movement are men whose life is largely devoted to the production of the raw material and who obviously wish to see increased consumption of cotton as opposed to synthetic fibres.

There is a body of opinion which is by no means in favour of these frequent assemblies of industrialists, believing that less talk and more action is called for. Certainly, there has been a spate of conferences, both regional and international, since the war, and although a good deal of interesting data has been exchanged, it is questionable whether the results have fully justified the hopes expressed by the participants.

At any rate, the suggestion from the United States has not met with unanimous approval among traders in that country. The sponsors of a meeting between American cotton leaders and delegations from Lancashire, Western Europe, India and Japan have been told that the basic problem is as much the price of American cotton as anything else. Although a sudden reduction in support level prices in the United States would cause untold hardship, not only among farmers but in the textile industries of the world, the view is hardening that lower values are necessary if cotton as a fibre is to compete with its rivals.

Labour Outlook

In view of the importance of the subject, it is odd that not one of the sessions at the forthcoming Cotton Board Conference next month is being devoted to the recruitment of labour for the industry. This is a vital factor at the present stage of development and a ventilation of views might well have produced some individual ideas which could be followed up centrally or locally by the trade.

Comparisons between production this year and last year obviously favour the existing level of output, but set against the figures for 1951, the quantity of yarn and cloth now being produced is still well short of the post-war peaks then achieved. With a labour force so drastically reduced, this is not surprising and every effort is required to induce more entrants into the industry.

The following table shows the manpower situation in the various branches, from the post-war high point to the lowest level of the slump, together with the current position:

	Nov., 1951	Aug., 1952	Aug., 1953
Spinning ...	124,630	101,530	109,410
Doubling ...	32,240	23,870	25,510
Waste spinning	7,330	6,610	6,960
Weaving ...	156,680	130,620	137,500
Total ...	320,880	262,630	279,380

Recent reports indicate that more mills are reviving the "housewives' shifts" which were a feature of the trade two or three years back. The spinning section has gained about 1,000 part-timers this year, but a similar movement has not yet occurred in the weaving sheds. The necessity for securing more workers to reduce the length of time taken to complete contracts needs no emphasis to merchants who are constantly being harassed by customers to expedite supplies. The situation in the finishing section is even less encouraging than in the producing branches.

Quality Trade

The future of the British cotton industry in export markets lies in quality goods, says Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation, in his quarterly reports submitted to members this week. According to him, the falling off in overseas trade cannot be regarded with complacency, as, without a substantial Commonwealth and foreign trade, the cotton industry will become merely a very nominal section in the country's economy. "It is, therefore, imperative," to quote him, "that the production and marketing of better types of goods, such as manufactures which have not as yet been produced in other countries, should be kept to the forefront." In his opinion, "bread-and-butter" lines should not be neglected, although it is in this category where international trade is diminishing and competition becoming increasingly intense. The development of overseas trade in high quality goods was adversely affected by the continuation of purchase tax for far less attention is being given to the marketing of goods carrying tax.

Manpower Gain

More full-time operatives were recruited to Lancashire spinning mills in the second week of August than in any week over the past nine months. Cotton Board figures of recruitment and production show that the mills gained 395 more workers than they lost during the week. Only twice in the last four years has the week's recruitment gain been exceeded.

Holidays curtailed output of cotton and rayon yarn to 12,910,000 lbs. which compared with 17,080,000 lbs. in the previous week and 9,120,000 lbs. in the corresponding week of 1952.

Cloth Output

Lancashire weavers produced sufficient cotton and rayon cloth each week in the five weeks ended 1st August to stretch from Britain to Australia and back. Despite holidays, the mills turned out a weekly average of 35,450,000 yards—an impovement of more than 8,000,000 yards a week on the same period last year. As compared with the previous month, however, output showed a drop of 15,000,000 yards a week. Recruitment of full-time operatives to the weaving sheds during the period aggregated 125 and there was slight gain in the number of part-time workers.

New Mill Deal?

Another big Lancashire textile company—the Soudan Mill Co., Ltd., of Middleton, near Manchester—is involved in a take-over bid by an unnamed buyer, it was revealed this week. Mr. W. Wallace Brierley, the Chairman, said that a "conditional offer" had been received for the purchase of the whole of the share capital of the Company and that the offer was one which "very definitely interests" the Directors, who were proceeding further with the negotiations.

Negotiations might take some time, but, in the meantime, the Directors urged stockholders to retain their interest in the Company. "It is the intention of the prospective purchaser to continue working the Company's mills," said Mr. Brierley.

Issued capital of the Soudan Mill is nearly £240,000. The Company operates more than 100,000 mule spindles and 60,000 ring spindles, spinning both cotton and rayon yarns.—*All Rights Reserved.*

Widespread changes were announced in the selling rates for Lancashire spinners, issued by the Raw Cotton Commission. The cover symbol ATNY was reduced by 12 points to 30.09d. per pound for December delivery and by 14 points to 30.58d. per pound for March delivery. Index prices for actual cotton were revised irregularly, all American types being reduced 10 points, with the exception of African BP, which was unchanged. Egyptian qualities were generally advanced in price, following revisions in differentials in the Alexandria market. Karnak types were unchanged, but Giza qualities were raised by one farthing per pound. The two higher grades of Uppers cotton were increased ½d. per pound and third grade by ¼d. Among Sudan varieties, Tokar and certain KL types were raised ¼d. Peruvian cotton remained unchanged. Representative prices included American 15/16-inch middling 31.85d. per pound. Egyptian Karnak type KOMK 43.45d. and Ashmouni type SWAN 34.20d.

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RATIONALISATION OF COTTON PRODUCTION

SHOULD MORE EMPHASIS BE LAID ON SHORT-STAPLE VARIETIES?

A SUBJECT which has recently engaged the attention of cotton interests in the country is the rationalisation of the production of cotton. India, as is well known, is well supplied in respect of short-staple varieties, moderately supplied in respect of medium-staple varieties and very inadequately supplied in respect of long-staple varieties. Considerable research and extension work has been done with commendable results in the sphere of medium-staple varieties. Research workers continue to devote their attention towards the production of long-staple varieties, though the results are not as satisfactory as one might expect. This has led to the controversy whether it was not time that the whole problem was examined anew, and some shift in emphasis was made in research and extension work, so that short-staple varieties, for which there is good demand in foreign markets, got more attention than they have received in the past.

In order to view the whole subject of the rationalisation of the production of cotton in its correct perspective it is essential that one should consider the pattern of yarn production in India, the output of the different varieties of cotton used in the manufacture of different counts of yarn, and follow up this enquiry by an analysis of the deficiency or surplus of the varieties of cotton that are grown in the country. The pattern of yarn production, it is noteworthy, does not show any significant change since the pre-war years, as the following table shows:

	1938-39	5 years ending 1952
	%	%
1-10s	10.50	7.50
11-20s	42.30	50.00
21-30s	26.20	20.00
31-40s	12.00	12.50
Above 40s	8.75	7.00
Waste	1.25	1.20
	100.00	100.00

The following table gives the actual quantity of yarn of different counts spun during the three years ended 1951-52:

(In bales of 400 lbs. each)

	1948-49	1949-50	1950-51	1951-52
1s to 10s	377,202 (10.0)	301,023 (9.0)	208,016 (7.0)	229,309 (7.0)
11s to 20s	2,039,287 (55.0)	1,646,421 (51.0)	1,344,562 (46.0)	1,560,570 (47.0)
21s to 30s	892,537 (16.0)	806,635 (15.0)	437,148 (12.0)	619,703 (18.0)
31s to 40s	382,241 (9.0)	429,275 (13.0)	580,853 (20.0)	536,048 (16.0)
Above 40s	267,845 (7.0)	313,772 (10.0)	296,578 (10.0)	316,576 (9.0)
Waste, etc.	39,379 (3.0)	23,646 (2.0)	33,553 (5.0)	49,404 (3.0)
Total ..	3,698,291 (100.0)	3,225,842 (100.0)	2,904,710 (100.0)	3,312,610 (100.0)

N.B.—Figures in brackets show percentages.

The following table gives the production of yarn by counts in the five calendar years ended 1952:

(In bales of 400 lbs. each)

Calendar year	*Upto 6s*	6-10s	10-20s	20-40s	*Above 40s*	*Total*
1948	402,647*	2,032,743	928,290	255,360	3,619,040 (1,447)
1949 .. 122,690	216,365	1,772,450	978,423	311,965	3,397,903 (1,359)
1950 .. 101,370	132,945	1,416,845	982,052	302,333	2,935,550 (1,174)
1951 .. 109,002	125,754	1,562,980	1,129,586	332,330	3,250,652 (1,3041)
1952 .. 114,930	203,652	1,843,516	1,243,622	212,058	3,622,778 (1,448)
Average for 5 years.. 111,998	216,272	1,726,706	1,051,595	243,410	3,366,983 (1,346)

* Includes 6s also.
N.B.—Figures in brackets denote yarn output in million lbs.

Since 1952, India's yarn output is running close to the Planning Commission's target of 1,600 million lbs. or 40 lakh bales of 400 lbs. each. On the basis of the production trends in recent years, it is possible to make a tentative estimate of the composition of the Commission's target of 40 lakh bales (1,600 million pounds) in terms of the different counts of yarn. The following table gives the probable count-wise composition of the target:

Yarn Production

	In million lbs.	*In lakhs of bales of 400 lbs. each*	*Percentage of Total*
Upto 6s	40	1.00	2.50
6-10s	80	2.00	5.00
11-20s	860	21.50	53.25
21-30s	320	8.00	20.00
31-40s	200	5.00	12.50
Above 40s	80	2.00	5.00
Waste yarn	20	0.50	1.25
Total ..	1,600	40.00	100.00

Having examined the probable composition of the targeted production of cotton yarn, it is now necessary to investigate the supply position of Indian cotton varieties which go into the making of the different counts of yarn. It is, of course, difficult to classify too rigidly the cotton varieties that can be used in the manufacture of different counts of yarn. To mention only one complicating factor, the early pickings give a better yarn than the later pickings. The relationship between the variety of cotton used and the kind of yarn spun will also depend on the mechanical equipment in the mills. Again, a mill may, for reasons of better quality, spin down a given variety of cotton.

Despite these limitations, certain broad classifications can be made of the cotton varieties that are suitable for the spinning of the different ranges of yarn-counts. The following gives such a tentative classification:

Upto 6s: Bengals.

6s to 10s: Oomra Deshi, Mungari, Mathia, Lower Dhollerah.

11s to 20s: Jarillas, H-420, 197/3, L.S.S., Dhollerah, Kalyan, Western (lower quality), Coconada, Tinnevelly, Karunganni.

21s to 30s: Gaorani, Buri, Broach, Vijay, Surti, Jayadhar, Laxmi, Western Farm, Cambodia, 216F.

31s to 40s: Rajapalayam, Californiam, East African, Peruvian, Tanguis.

Above 40s: Sudan, Egyptian, Peruvian Pima.

Waste yarn: Soft waste, Egyptian strippings.

Now it is necessary to find out what quantities of the different varieties of cotton are needed in order to enable the mills to reach the probable targets for the various counts of yarn, and also to estimate the surplus of deficiency in these varieties. The following table gives the adequacy or otherwise of the supply of the varieties of cotton needed to produce different ranges of counts of cotton yarn:

(In lakhs of bales of 400 lbs. each)

	Yarn target 1955-56	*Cotton required*	*Cotton grown**	*Surplus or deficit*
Upto 6s	1.00	1.20	3.00	+1.80
6s to 10s	2.00	2.40	1.50	—0.90
11s to 20s	21.50	25.08	16.50	—8.58
21s to 30s	8.00	9.33	14.50	+5.17
31s to 40s	5.00	5.83	0.50	—5.33
Above 40s	2.00	2.30	..	—2.30
Waste	0.50	..	..	..
Total ..	40.00	46.14	36.00	—10.14

* On the basis of 1951-52 output.

The table above reflects the estimates made by a certain section of expert opinion on cotton. It will be seen from the table that this section estimates that the country would need 46.14 lakh bales of cotton for producing 40 lakh bales or 1,600 million lbs. of yarn, and that, of the cotton so required, all the cotton needed for producing yarn 31s and above will have to be imported, except for some 50,000 bales of 216F and Rajapalayam, grown in India. It estimates the deficiency to be met from foreign sources, in respect of cotton for yarn 30s and above, at about 8.63 lakh bales of 400 lbs. each. For the remaining counts, it estimates the country's cotton requirements at 37.51 lakh bales which could be produced within the country. This section feels that, although there is a surplus suitable for spinning yarn upto 6s counts, namely, Bengal Deshi, it is necessary to encourage its production both because the consumption of this variety is likely to go up and the country should be in a position to export 3 to 4 lakh bales of this cotton. Hence, it urges the need for encouraging the cultivation of this variety and for the concentration of research on increase in the yield of this cotton consistent with the maintenance of its quality. It also feels that Rajasthan, certain areas in Madhya Bharat and Uttar Pradesh may be encouraged to promote the cultivation of Bengal Deshi.

The actual position in regard to the production and consumption of Bengal Deshi is as follows:

(In bales of 400 lbs.)

	Production (official)	*Mill consumption*
1942-43	687,000*	191,919
1943-44	921,000*	167,697
1944-45	562,000*	154,313
1945-46	498,000*	142,639
1946-47	475,000*	118,754
1947-48	237,000	140,393
1948-49	217,000	169,927
1949-50	420,000	147,227
1950-51	437,000	110,338
1951-52	416,000	123,838
1952-53	325,000	172,000

* Undivided India.

There are three other conclusions to which this section attaches special significance. In the first place, it recognises that there is a shortage of 90,000 bales in respect of cotton suitable for spinning 6s to 10s, but it feels confident that by preventing the mixing of Oomra Deshi, which is eminently suited for the production of 10s yarn, with Jarilla, which is grown in the Oomra Deshi tracts, it should be possible to find the quantity of Oomra Deshi and make up the deficiency in the supply of this cotton without recourse to any further expansion of acreage under Oomra Deshi. Secondly, the shortage of cotton in respect of the manufacture of yarn 11s to 20s (*vide* table above) can be made up—at least, partially—by the cultivation of improved seeds, such as 197/3, H-420 in the Jarilla districts and Kalyan in North Gujerat and Saurashtra. Thirdly, it feels that, as regards cotton suitable for spinning 20s to 30s, the surplus that is revealed in the table above is not a real surplus for three reasons: (1) The table is worked out on the basis of the estimated production of yarn 20s to 30s counts. This pattern may change. (2) The quality of some varieties of cotton that are used in the production of the group of yarn counts may be adversely affected by bad weather conditions, so that they become unfit for the manufacture of the counts-group for which they are intended. (3) Some mills may, and actually do, spin down these varieties, in order to obtain better lea strength and superior marketability. For these reasons, it urges that nothing should be done either to discourage their cultivation or to replace them by varieties, such as Jarilla, H-420, which are used for 18s to 20s.

In fine, this section holds that there is both scope and need for increasing the cultivation of Bengal Deshi. It holds that any artificial diversion of Deshi areas to the cultivation of staple varieties is not in the interest of this country. The need for increasing the production of these varieties arises not only from the imperative necessity to increase the exportable surplus of the variety of cotton to about 3 to 5 lakh bales but also from the fact that larger quantities of this variety are needed for such non-mill purposes as the making of *rajais*, padding jackets, etc. Accordingly, it holds that it would be worthwhile to examine the whole question of planning the production of different types of cotton in the country, and to see whether it was not time that the emphasis was shifted from extra long-staple cotton to short-staple cotton.

There is, however, another section of expert opinion which feels that these arguments are not based on very reliable statistical data. It questions the validity of the conclusion that there is a deficit of 8.58 lakh bales in respect of cotton suitable for 11s to 20s counts or that there is a surplus of 5.17 lakh bales of cotton suitable for counts 21s to 30s (*vide* table above). It holds that these estimates of both the deficit and the surplus are on the high side. This section estimates the production of raw cotton suitable for spinning 11s to 20s at 20,08,000 bales and the output of cotton suitable for spinning 21s to 30s at 11,30,000 bales, as against the requirements of 9,33,000 bales. Thus, it places the cotton deficit (for yarn of 11s to 20s group) at only 5.0 lakh bales and the surplus (for yarn of 21s to 30s) at only 1.97 lakh bales. These data are based on the following estimates of the output of different varieties:

(In bales of 392 lbs. each)

For spinning 11s to 20s:

Jarilla (including 197-3, H-420, Malvi) 15,56,000; L.S.S. 1,26,000; Dhollera-Kalyan 171,000; Western (lower quality) 43,000; Coconadas 12,000; Tinnevelly/Karunganni 100,000. Total: 20,08,000.

For spinning 21s to 30s:

Gaorani 2,48,000; Buri 1,05,000; Broach Vijay 1,94,000; Surti 94,000; Jayadhar/Lakshmi 162,000; Western Farm 158,000; Cambodia 1,48,000; 216F 21,000. Total 11,30,000.

This section also contends that although the present production of cotton suitable for the manufacture of 30s and above may be only 50,000 bales, it points out that the production of these varieties is likely to go up in the coming three or four years. The varieties which are used in this range of yarn counts are: Rajapalayam, P.A. 320F, Buri 0394 and MV1 and MV2. Under the seed distribution and multiplication schemes, already in progress, this section places estimates of the area under these varieties and of their targeted production as follows:

Varieties	*Target bred*	*Target date*	*Estimated output* (In bales of 392 lbs.)
	(In acres)		
P.A. 216 F.	85,000	1954-55	40,000
P.A. 320 F.	3,50,000	1958-59	1,75,000
Buri, 0394	2,00,000	1953-54	40,000
M.V. 1) (Rajapalayam) ..	2,50,000	1957-58	1,00,000
M.V. 2)			

If the targets for the production of different varieties, as shown in the table above, are reached, there would be less dependence, according to this section of expert opinion, on foreign varieties. On this basis, this section holds that the country would have to depend on foreign sources of cotton supply for the manufacture of counts 30s and above only to the extent of 5.08 lakh bales, and not to the extent of 8.03 lakh bales, as suggested by the other section of expert opinion. Finally, it argues that it would be too hazardous, technically speaking, to venture any rigid estimate about shortages or surpluses in the cotton supply of individual varieties since actual experience shows that the average count spun from each variety varies from mill to mill.

Difference in Emphasis

Such, in brief, are the points of view of those who urge the extension of the cultivation of short-staple varieties and of those who would like to see that the present trend towards maximising the output of long-staple cotton continued. It would, however, appear that those who urge the production of short-staple cotton do not favour the complete abandonment of all attempts at growing long-staple cotton or at devoting time and resources to experiments on production of extra long-staple. Nor are those who urge the continued concentration of research work on long-staple cotton averse to the improvement of the yield and quality of short-staple cotton. Thus, the difference in their respective points of view seems to be only a difference in emphasis—the emphasis on short- or long-staple cotton. The participants in either side of the controversy would not, perhaps, relish the idea that the whole question should be presented in the form of a cut-and-dried alternative of either short-staple cotton or long-staple cotton. Perhaps, the advocates of short-staple varieties would not, on second thoughts, decry the value of giving encouragement to long-staple varieties in the form of research, etc., merely because it has not yielded so far spectacular results. After all, research implies patient investigation. Impatience is the very negation of research.

There is also a certain amount of confusion in this controversy. To talk in terms of only short-staple and long-staple cottons is to indulge in vague generalities. The classification of the varieties should be clearly stated. There are, for instance, five broad varieties. Short-staple, short-medium staple, medium-staple, medium-long-staple, long-staple and extra-long-staple. What is the contention now? Does it refer only to the question whether or not India should have more short-staple cotton? Or does it also include the question whether India should concentrate more on the production of varieties up to medium-long-staple than on extra-long-staple? Unless the issues are presented in a more precise form than has been done in the preceding paragraphs, there is not much use in discussing them at any great length.

Price Pattern

There is, however, one consideration which seems to have been overlooked by either side to the dispute. For one thing, those who urge that the cultivation of long-staple cotton should continue to receive priority, seem to ignore the decided advantage which the country would derive through some increase in the cultivation of short-staple cotton. Now, the present shortage of short-staple varieties gives them an artificially high price which is out of parity with the prices of better-stapled varieties. This distorts the normal pattern of prices between the various varieties and this could be corrected only through the larger production of short-staple varieties. And it is only when this is corrected that there would be real incentive to produce better staple cottons. From this point of view, a notable suggestion, which deserves the attention of the Central and State Governments, is the creation of separate regions, each region being reserved for the growing of one distinct variety of cotton better suited for that region, as in the Surat and Broach tracts of the Bombay State. This would certainly go a long way towards the growing of pure cottons and curbing the evil of spurious mixing.

But the argument for an increase in the production of short-staple varieties, it is necessary to point out, also cuts the other way. Those, who urge the cultivation of larger quantities of short-staple cottons, base their argument on the ground that India has no clear advantage over its rivals in the foreign textile markets in respect of better varieties of cloth produced out of finer cottons. They argue that India should concentrate its attention on yarn upto 16s and on cloth produced from this yarn, for India's competitive genius lies in coarse and medium varieties. But there is an assured demand not only for coarse and medium, but also for fine medium counts cloth both in the high-income groups of countries in the world and in the low-income groups adjoining either side of India. In order to ensure the production of these varieties of cloth in adequate quantities, it is, therefore, necessary to give a fillip to the production of not only short- and medium-staples but also medium-long and long-staples cottons. There can be no difference of opinion with this line of argument. Accordingly, the Indian Central Cotton Committee and, through it, the Governments should pay more attention than they do at present to the need for producing better varieties of cotton required for spinning and weaving all counts from, say, 11s to 30s which constitute the bulk of the mills' production. They should also endeavour to attain self-sufficiency in those varieties which will replace U.S. cotton or Pakistan cotton. There is no question of concentrating on one of these to the exclusive neglect of the other. Both the objectives must be achieved simultaneously and no impediments should be allowed to stand in the way.

The stress on the need for growing more and better varieties of 11s to 30s cotton should not, however, be carried to such an extent as to say that India should grow more of Deshi (Bengals) varieties of cotton. There is, of course, a case for raising the present level of output of these varieties to some extent, perhaps by a lakh or a lakh-and-a-half bales. But to raise the output of these varieties to a level which will necessitate India making an effort to push their sales in foreign countries is to ask for trouble. Let no one forget the days when Bengals and other equivalent varieties were reduced to the state of orphans. In the first place, India will have to take special measures for pushing the sale of these varieties in foreign markets. Secondly, a large excess in the supply of these varieties would lead to their export to Japan which, with its special equipment and undoubted genius in the mixing of short-staple cotton, would be able to put these varieties to greater advantage than this country. This would naturally result in India inviting unnecessary competition from the Japanese mills in overseas countries. In other words, large exports of *Deshi* cotton will result in lower exports of coarse cloth by Indian mills. This is not a mere question of mills *versus* cotton exporters. That it is something more than that will be evident to all those to whom the relative advantages of exporting manufactured goods as compared with exports of raw materials are obvious.

Better Varieties

There is also another point to be mentioned in this connection. Wherever better varieties of cotton can be grown, even if it involves some effort on the part of the farmer, only the better varieties should be grown, for it means more money for the farmer which he badly needs. By and large, the Indian farmer is conservative and easy-going. He will naturally take to short-staple cottons, unless he is compelled and prodded to grow better varieties. In these circumstances, great care should be taken in permitting an increase in the output of short-staple cotton. This, however, does not mean that no effort at all should be made in the direction of evolving better varieties of short-staple cotton.

There is yet another factor which serves greatly to detract from the value of the present controversy. The whole discussion centres round the rationalisation of cotton production. Now the word "rationalisation" belongs, as is well known, to industrial terminology. How far is it appropriate to apply it to the agricultural sphere? It is not possible to rationalise cotton production in the same manner as the production of textiles or any other industrial commodity can be rationalised. This is so for two reasons. In the first place, there is the unpredictable factor, the weather. Secondly, there is the impact of price-trends. Nothing can prevent a cotton farmer from switching over to groundnut, if cotton is less remunerative than oilseeds. In actual practice, it might be found that many a dream of ambitious cotton planners would be shattered by the merest touch of price realities.

Over 53,000 tons of Government-held stocks of South Brazilian cotton were sold in Sao Paulo during August, 1953. There have been, it is stated, regular and continuous offers from all usual customers for this cotton. The total stocks of unsold cotton, as on 1st September, 1953, are estimated at 270,000 tons, excluding about 50,000 tons of N. Brazilian cotton.

JUTE STOCKS IN AUGUST

POSITION STILL UNSATISFACTORY

THE stock position of jute goods with Indian jute mills, as at the end of August, 1953, is as unsatisfactory as it was in the previous month-end. It is true that, as compared with the stocks at the end of July, it shows a fall of 3,300 tons, but it is still about 10,000 tons higher than the stocks at the end of the same month a year before. At the end of August, the overall stocks stood at as high as 133,483 tons, as compared with 136,807 tons in July, 1953 and 93,894 tons in August, 1952. One of the explanations for the large volume of stocks in the month under review is that the mills had to retain the stocks, because the ships which were intended to leave Calcutta during the month postponed their departure for September. It is, therefore, held that the overall stocks at the end of September will be considerably lower. The declining trend is expected to continue in October also as that month is always a short working month on account of *Puja* holidays.

But one has also to bear in mind that the heavy stocks with mills are also due to a sharp fall in the volume of exports of jute of all descriptions. The latest figures disclose that, during the first eight months of the current calendar year, namely, January-August, 1953, the total exports of jute goods amounted, it is reported, to 450,000 tons. Calculated on the basis of these exports, the total for the whole year may not far exceed 600,000 tons, as against 700,000 tons and 800,000 tons in the financial years 1952-53 and 1951-52 respectively.

The following comparative table shows the position of stocks of the various types of jute goods in each of the three months ended August, 1953 as also in August, 1952.

	As on 31-8-53	*As on* 31-7-53	*As on* 30-6-53	*As on* 31-8-52
Civil				
Hessians	41,475	44,403	44,909	34,598
Sackings ...	88,970	89,218	84,580	53,119
Others ...	1,834	1,681	2,382	1,249
Total ...	1,32,279	1,35,302	1,31,871	88,966
Government				
Hessians	517	537	697	1,651
Sackings ...	684	933	1,122	3,277
Others ...	3	35	150	—
Total ..	1,204	1,505	1,969	4,928
Grand total	1,33,483	1,36,807	1,33,840	93,894

It will be seen from the above figures that stocks of hessians have receded from 44,940 tons to 41,992 tons during the month, while those of sackings have gone down from 90,151 tons to 89,654 tons. The reduction is thus mainly in hessians which are down by 3,000 tons, whereas sackings have gone down by nearly 500 tons. The heavy stocks in sackings underline the need for measures which would stimulate their sales. This can be done by the abolition of export duty on sackings, which at Rs. 175 per ton is not only higher than the duty on hessians which was reduced last week to Rs. 120 per ton, but also acts as a check on the free flow of sackings abroad.

The output of jute goods in August, 1953, as compared with that in the previous month, is lower by more than 10,000 tons. It has declined from 78,353 tons in July to 68,138 tons in the month under review. The consumption of raw jute, on the basis of this production, during the month may be placed at 395,200 bales as against 454,447 bales in the preceding month. Together with the output in August, the total production for the two months' of the current season, namely, 1953-54, amounts to 146,491 tons, absorbing as much as 849,647 bales of raw jute.

The table below gives, at a glance, the output of the three categories of jute goods, namely, hessians, sackings and others at the end of August, 1953, as compared with that in the preceding two months and also in August, 1952.

	August 1953	*July* 1953	*June* 1953	*August* 1952
Civil				
Hessians ...	30,055	33,485	29,662	24,046
Sackings ...	34,671	39,964	37,831	46,578
Others ...	2,420	2,496	2,713	2,946
Total ...	67,146	75,925	70,206	73,570
Government				
Hessians ...	687	1,892	2,140	15
Sackings ...	302	518	310	706
Others ...	3	18	151	—
Total ...	992	2,428	2,601	721
Grand total ...	68,138	78,353	72,807	74,291

SUGARCANE CESS IN STATES

PROPER UTILISATION OF PROCEEDS URGED

AN important aspect of the sugar policy of the State Governments which has evoked bitter criticism for a considerable time now, in the Press and on the platform, relates to the cess on sugarcane. Apart from the economic justification for this levy, the State Governments have laid themselves open to the universal complaint of continuing to spend only a negligible portion of the total cess collected on cane development work, in spite of the Tariff Board's (1950) specific recommendation that the cess proceeds should be utilised exclusively on such work. Even the Central Government spokesmen frankly admit this, as witness the Union Food and Agriculture Minister, Mr. Rafi Ahmed Kidwai's remark, in the Council of States last week, that "all States, except Bihar, are using the sugarcane cess for general budgeting purposes and not for the development of sugarcane exclusively."

This is not the first time that Mr. Kidwai is making such observations, for he had done so on more than one occasion in the past. Even his predecessor, Mr. K. M. Munshi, had emphasised it. Why then, one will naturally ask, has the Government of India not chosen to exercise pressure on the State Governments to devote the revenue raised by way of cess exclusively for sugarcane development work? In fact, the same question was posed by one of the members in the Council. The only reply that Mr. Kidwai could give was: "I wish I had that power. The matter is exclusively within the jurisdiction of the States."

We can appreciate the helplessness of the Food and Agriculture Minister but not the logic of his arguments. The Centre may have no constitutional powers, but it certainly has moral powers. If Mr. Kidwai has been successful in inducing the State Governments to revise their policies in several other spheres of agricultural economy, we do not see any reason why he will fail in this case. Surely, he knows how to make the State Governments behave. All that he has to do is to try and persuade them to utilise the cess properly.

Explanation Not Convincing

The explanation given by the State Governments is that, though the direct expenditure on cane development is only a fraction of the total collection of cess, a large amount of money is being spent for extending facilities of communications and irrigation in different parts which have an indirect bearing upon cane development. We are far from satisfied with this explanation, for the expenditure on the latter is met by other taxes, such as irrigation cess, road tax, etc.

That this issue is of vital importance will be evident from the fact that not much progress has been achieved in the sphere of sugarcane cultivation. The sugarcane cess was imposed for the first time in 1938-39 by the U.P. and Bihar Governments for the specific purpose of raising funds for cane development work. This was later followed by other State Governments. The amount so far collected by all the State Governments by way of cane cess amounts to Rs. 30 to Rs. 40 crores. The Governments of the two States of Uttar Pradesh and Bihar alone account for nearly Rs. 30 crores, according to the estimate of the Indian Sugar Mills Association. But the sum actually spent on cane development work is negligible. It is no wonder, therefore, that cane development work has not achieved any notable success. On the contrary, the average yield (all-India) of sugarcane per acre has not only not registered an improvement but has actually declined. Thus, the figure for 1952-53 was 378 maunds per acre, as against 390 maunds in 1937-38, that is, the year when there was no sugarcane cess at all. The recovery percentage of cane, however, has shown an increase, but only from 9.50 in 1937-38 to 10.01 in 1952-53.

An aspect of the sugarcane cess which merits the immediate and the most careful consideration of the State Governments is that which relates to the rate of cess. Nowhere in the world is such a heavy cess, representing as much as 15 per cent. of the cost of cane, being collected for the development of cane. It is one of the accepted canons of taxation that raw materials should be exempted from tax, though a small cess may be imposed on such raw materials for the purpose of improving its yield or quality or marketing. To quote the significant words of the Tariff Board:

"The levy of a tax on a raw material is, as a rule, wrong in principle and it is particularly objectionable when imposed on the raw material of an industry (sugar industry) which has been nursed by the consumers all over the country for a period of 18 years and for which they have made a heavy sacrifice during all these years."

Since, however, the sugarcane cess has become a part of the structure of State taxation, the Government may not give up this source of revenue altogether. But one can, as we pointed out only recently, legitimately ask for at least a reduction in the rate to a level which will be sufficient to meet the requirements of the cane development programme.

DISTRIBUTION OF IMPORTED SUGAR

The procedure governing the distribution of imported sugar in the various States was explained by the Union Food and Agriculture Minister in the House of the People the other day. The salient features of the procedure are as follows:

In order to ensure supplies of imported sugar to consumers at a reasonable price, as large a quantity of sugar as possible will be sold through the agencies of the State Governments. If however, the State Governments fail to take over the entire quantity for controlled distribution, the balance will be sold to co-operative societies and merchants, first preference being given to the former.

The Bombay and Madras Governments have not agreed to take over any quantity of imported sugar for controlled distribution. Tenders have, therefore, been invited by the Regional Director (Food) from co-operative societies and merchants. Allotments have already been made upto a maximum quantity of 250 tons to each concern out of the quantity which has landed at these ports in the past week. The 7,500 tons of sugar landed at Bombay has been allotted to about 120 merchants, while the 7,300 tons landed at Madras has been allotted to 12 co-operative societies and 170 merchants. The price at which sugar is allotted is fixed at Rs. 30 per maund ex-dock, which is based on a fair average ex-factory price of Rs. 27 for U.P. sugar. There will be no control on the sale of sugar acquired by the tenderers.

The Government of West Bengal has agreed to take 20,000 tons in the first instance, at Rs. 29-4 per maund (ex-dock Calcutta). It has made arrangements with the local Sugar Merchants' Association, which has formed a company, known as Sugar Distributors Ltd., for handling, storing and making retail sale of imported (and also indigenous) sugar at a fixed price of As. 12-6 per *seer*.

The Travancore-Cochin Government has agreed to take over the entire 3,000 tons landed from the first ship at Cochin Port at Rs. 30 per maund (ex-dock). The arrangements for the sale and the rate at which sugar will be sold have not yet been finalised.

SOUTH BIHAR SUGAR MILLS

Apropos the move to transfer the South Bihar Sugar Mills to Bombay State, to which a reference was made in these columns last week, further details were provided by Mr. Rafi Ahmed Kidwai, Union Food Minister, in his written statement laid on the table of the House of the People on the 18th inst. According to this statement, the South Bihar Sugar Mills, Bihta (Bihar) applied in March, 1953, for permission to shift the factory to Bombay State. Messrs. Karnatak Sugar and Cellulose Works, Bombay, which had entered into an agreement for the purchase of the Bihta factory, also applied in June for the grant of a licence for the establishment of a new sugar factory in Bombay State, with a crushing capapcity of 1,200 tons of cane per day by shifting the Bihta factory. The Licensing Committee, set up under the Industries (Development and Regulation) Act, 1951, considered the application of Messrs. Karnatak Sugar and Cellulose Works. The representative of the Bihar Government objected to the shifting of the factory on the ground that the State Government had taken certain measures to rehabilitate the Bihta factory by offering loans to enable the management to make advances to cultivators for seed and manure, for providing facilities for transport of cane, improvement of roads, and sinking of tube-wells for irrigation. The contention of the factory, however, is that, with all the facilities, it will not be possible to develop cane in that area to the extent necessary to give them a full crush. Considering the fact that, at its present site, the working of the factory is uneconomic and that there are good prospects for this factory to increase its production to three times at the new site where the factory will have its own cane farm of about 8,000 acres, the Licensing Committee recommended the shifting of the factory to Bombay area. The recommendation of the Licensing Committee is under consideration of the Government, particularly with reference to representations received from the State Government against the shifting of the factory.

SUGAR PRODUCTION AND STOCKS

The opening stock, production, despatches and closing stocks of sugar during the fortnight ended 15th August, 1953, amounted to 529,751 tons, nil, 56,969 tons and 472,782 tons, respectively. The figures for the corresponding fortnight of the previous season were 690,910 tons, 3,333 tons, 42,899 tons and 651,544 tons. Figures for the current fortnight relate to 125 factories representing 92.93 per cent. of the total cane crushing capacity, while those for the previous year relate to 129 factories representing 90.17 per cent. of the total cane crushing capacity.

CONTROLS ON COAL

RECOMMENDATIONS OF COMMODITY CONTROLS COMMITTEE

THE Government of India has expressed satisfaction with the recommendations of the Commodity Controls Committee in regard to coal. The Committee, the recommendations of which were placed on the floor of Parliament recently, has stressed the need for continuing the existing controls on coal in respect of price, distribution and production. On the question of price, the Committee has thrown cold water on the suggestion made in certain circles that the present fixed prices may be treated as the ceiling. So far as distribution control is concerned, the Committee has urged its retention, as long as wagon shortage in relation to demand persists. Thus, the recommendations of the Committee are in keeping with measures the Government has already taken in the recent past.

A critical analysis of the report of the Committee reveals that its recommendations with regard to retention of price control is beyond dispute. Equally so is its opposition to the suggestion that fixed prices may be treated as ceiling prices. For, if the control is removed, or even if fixed prices are treated as ceiling prices, there will be lowering of prices for coal and cut-throat competition, which was a feature of the pre-war days. Development work of the coal mines will thereby be affected. Besides, the marginal mines will be forced to close down and, once they are closed, it will be difficult and expensive to reopen them. There is also the human factor to be taken into consideration. Competition of the type referred to will ultimately lead to heavy unemployment and suffering of workers engaged in this industry. The closure of marginal units will not be in the interest of the nation, especially in the context of expected steady rise in demand with the progress of the Five-year Plan.

Should distribution control be retained? This question is a highly contentious one. The Commodity Controls Committee, too, has not expressed any categorical opinion. It states: "Even among the industry itself opinion is divided. While one section of the industry was in favour of the removal of distribution control, with some priority over control of wagons, which were limited in number, the other section wanted distribution control to continue mainly on the ground that the transport system still presented difficulties." Representives of the consumers are also of divided opinion. Some feel that, as production of coal is increasing, controls on distribution should go, but others refer to wagon shortage and other transport difficulties and consequently, favour retention of distribution control.

Allocation of Coal and Wagons

The present method of allocation of coal and wagons has again come in for criticism at the hands of the representatives of industry as well as consumers. It is pointed out, for example, that some lower grade coal is being forced on consumers who need better grades. As the ash content of high grade coal is about 15 per cent., as against 35 per cent., or even more, in low grade coal, it is stated that much of the shortage of wagons can be met by distributing only high grade coal. But the production of high grade coal constitutes as much as 80 per cent. of the total output. Consequently, the charge that too much wagon capacity is being wasted is not based on facts. That apart, it is held that, in the present circumstances, the existing system of distribution control is aimed at utilising the better and lower grades of coal and the available transport facilities to the best advantage.

The object of production control is to conserve certain types of coal, the reserves of which are limited, as, for instance, metallurgical coal. Actually, under the Coal Mines (Conservation and Safety) Act, passed in 1952, the Government is empowered to take action for conservation of metallurgical coal. The control exercised under the Colliery Control Order is, therefore, a sort of negative one. So, for all practical purposes, this means, in the opinion of the Committee, that the coal industry is not subject to any production control. Actually the necessity for this type of control, it says, does not arise, as production is increasing. It is true that there has been slight reduction in the rate of production in recent months. But that is not expected to continue for long.

The total production and despatches of sugar during the current (1952-53) season amounted to 1,317,629 tons and 1,281,849 tons respectively, as against the corresponding figures of 1,487,715 tons and 927,790 tons during the previous season.

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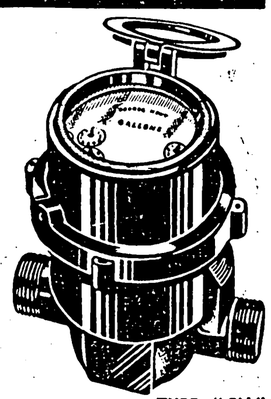
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ANNUAL MEETING OF BOMBAY GAS CO., LTD.

MR. K. D. JALAN PLEADS FOR RECOGNITION OF IMPORTANCE OF GAS INDUSTRY

NEED FOR RAISING THE PRICE OF GAS

THE failure of the Planning Commission to make any reference to the gas industry while formulating plans for the development of industries was deplored by Mr. K. D. Jalan, Chairman of the Bombay Gas Co., Ltd., in the course of his speech at the Annual General Meeting of the Company held in Bombay on 21st September, 1953. He, however, expressed the hope that the Commission would, in the course of its review, consider the importance of this industry in the national economy and make suitable recommendations. The development of the gas industry needed fresh capital and Mr. Jalan felt that investors would not come forth, if they were not allowed a reasonable return. The present price of gas, according to him, did not provide such a return and he, therefore, reiterated his plea, made in previous years, for an upward revision of the price of gas.

The following is the full text of Mr. Jalan's speech:

"GENTLEMEN,

"The year under review 1952 showed at its close considerable improvement in the economic situation of the country and the conditions were reassuring after passing through a phase of troubled waters earlier caused by a steep and precipitous decline in prices. The year 1953 has witnessed the continuation of the trends started earlier. The possibility of armistice which appeared to be obscured by so many political factors has been turned into reality and the repatriation of prisoners of war and an agreement with regard to the future of Korea will open an important chapter of the world history. Though there might be a number of slips between the cup and the lip, I sincerely hope that the Korean problem will be finally solved—a solution in which India will have played a decisive role.

Decline in Prices

"I have made a reference to the Korean war, for its beginning and end have been or are likely to be reflected in a change in the pattern of world economy. At a time when the post-war economic development was just taking a turn that would have had something but a stabilising effect, the post-Korean boom reversed the situation, gave a spur to the production policies of all the countries and checked the depressionist forces from gathering momentum. Prices reached their peak during this period, but the determined efforts of the State policies in India and elsewhere resulted in checking the upward trend of the inflationary spiral which was causing much concern. The decline in prices of primary commodities has created many economic and political problems for India, a country which mainly subsists on agricultural economy. The price index for industrial raw materials which stood at 494.2 on 24th June, 1950, and reached 699.8 in April 1951, touched 382.8 in March, 1952, and stood at 484.6 on 22nd August, 1953, lower by 9.6 points compared with the pre-Korean level. The price index for manufactures stood on the same date at 370.4, as compared with the pre-Korean level of 346.9. Apart from this feature, the improvement has been noticeable on many sides. The food situation has considerably eased and recourse to decontrol, despite the declared apprehensions, has been amply justified. It is estimated that India will not import more than one million tons of foodgrains in the next year. Production of the essential raw materials for two of our main industries, viz., cotton and jute, has shown a considerable increase. Industrial production as a whole has substantially improved. The general index has risen to 141.2 in April this year, against 117.2 in 1951 and 128.9 in 1952. One sector, which has reasons for causing alarm, is our engineering industry where the production has shown a fall.

Central and State Loans

"An important event worth attention was the success of the recent loans issued by the Central and State Governments which were subscribed as soon as they were floated. The public subscriptions amounted to 43.5 crores of rupees in the case of National Plan Bonds 1961. This may not only help the successful flotation of another loan during the current year but reduce the extent of deficit financing as shown in the ways and means position disclosed in the last budget, a possibility which may have mixed reception owing to the fact that this would draw from the public a considerable amount which might have otherwise been spent on consumption and investment which is urgently needed to solve the unemployment problem in the country to which I will make a reference later.

"This, in any case, does not mean that capital formation is proceeding at a satisfactory pace and that there exists the necessary congenial climate for expansion of savings and investment. Capital formation is essential for the economic development of the country, as it provides the necessary base for economic progress. That various factors operating in the adverse direction have been responsible for the very poor formation of capital, is admitted at all hands, and I find a measure of satisfaction in the fact that a Taxation Enquiry Commission with very wide terms of reference and scope is at work to consider and suggest measures for changes in the tax structure of the country. I have no doubt that, with Dr. John Matthai as its Chairman, with his brilliant academic career and vast experience not only in trade and industry but also of the finances of the country as a whole, the Commission will be able to make recommendations, implementation of which will help the growth of capital and thereby provide the means for the economic development of the country.

Growing Unemployment

"An alarming feature of our economy to-day is the growing unemployment which has taken a serious turn recently. That unemployment and under-employment are chronic in this country cannot be disputed by anyone who has even a basic knowledge of the state of our country's economic development and the trends of our population growth. In the last few months, however, increasing attention has been drawn to this problem. The Planning Commission admitted the awareness of this question in the First Five-year Plan, and it appeared to them strange that underdeveloped economy, in which there was shortage of goods and services, should at the same time have insufficient employment opportunities resulting in a surplus labour force. With an annual increase of about 4.2 million persons in the population of the country and about 1.8 million in the labour force, unemployment presents a serious threat to the social and economic structure of the country.

"The First Five-year Plan expects the total employment of about 5.2 million people as a result of the increased economic activities during the period of the Plan. In the absence of any reliable estimate with regard to the magnitude of the problem, it appears to me difficult to indicate what contribution this additional employment will make towards the solution of the problem, but it is clear that it will hardly absorb 50 per cent. of the addition to the active labour force during the period of the Plan itself. Another important and potentially dangerous aspect of the situation is the unemployment of educated persons, whose number has been steeply rising during the past few months according to the live register of the Employment Exchanges. With an increase in the number of persons getting secondary and university education, the number of educated employment seekers is likely to continue to show a disproportionate increase without corresponding employment opportunities. Solution of this problem calls for a dynamic policy for fuller utilisation of our resources which alone can put a check on the deteriorating situation.

"I must emphasise that no one-sided development of our economy will help us in providing adequate employment opportunities for our labour force. Only an all-round development of the different sectors of our economy—agriculture, cottage, small, medium and large-scale industries, communications, social services and tertiary sectors—can provide a sound foundation for any policy that might ultimately lead to full employment. At present the distribution of the population amongst the various occupational groups is very uneven and shows primary dependence upon agriculture. While this pattern is not likely to substantially change in a short period, gradual adjustment with a view to provide an increased proportion of the total labour force in the industrial sector can only provide a lasting solution, as this will in its turn create more employment opportunities in the other sectors, production of raw materials, communications, social services and tertiary sectors.

Five-year Plan

"The First Five-year Plan, of which we are running in the third year, has left the industrial development of the country practically to the private sector. The important role that the private enterprise is expected to play has been fully recognised and it is for the private enterprise to formulate policies for the development of the country's economy in its own spheres. The days of *laissez faire* are gone and if private enterprise is to function, it can only do so by establishing its aliveness to the economic needs of the country and making an effective contribution to its development. There is great scope for private enterprise, there are greater opportunities for it now perhaps than ever before to play an effective and useful role in the development of the country's economic resources. The *entrepreneurs* must sit down and decide how this can be done. It is their charge and they must show that they are capable of discharging the responsibility that the nation has placed upon their shoulders.

"There is no easy road to industrial progress. What is needed is that we must create a cycle where production is increased and the increased production gives rise to purchasing power and newer demands and raises the consumption level. Production and consumption are complementary. I have no ready formula to offer and I do not plead for narrow economic nationalism, but it is only by developing our internal resources and improving the standard of living of the nationals of the country that we can effectively contribute to the formulation and execution of international economic policies.

"One way of finding what we immediately need is by scrutinising our imports during the past few years and then finding out which of the items can be manufactured in our own country and what steps are needed to produce them. Industrial production is interdependent and for the production of one item we need many others, the production of which will need further many, creating new demand and new employment opportunities. Production thus gathers momentum as new needs are created. There might not be any active demand for some items to-day due to lack of purchasing power, but once the production of additional goods creates the purchasing power and pumps it into the hands of the consumers, new demand is created. What may not be needed to-day may form an essential demand to-morrow. A cycle is thus started. A psychology is thus created. And it is in this dynamic aspect of industrial production that our hope for the future lies.

Obstacles to Private Industry

"Private enterprise in India is capable of discharging its duties fully, but to enable it to play the role assigned to it, it is necessary that obstacles by way of unstable economic policy and deterrent action on the part of the State should not be placed and whatever exists should be removed. Taxation is a problem which I need not deal with at length, as the trade and industry has been urging relief in this respect and as the matter is under examination by a body of experts. What I would suggest is that the Commission's final report is likely to take a long time and, therefore, it should make interim recommendations so that capital formation could grow in the meantime and help its investment in industrial development which is so urgently needed. Another instance is the nationalisation of air transport on terms which can by no means be considered reasonable and left a bad taste with the private enterprise and is likely to have serious repercussions on the psychology of the investor and the *entrepreneur*. It is not in these circumstances that private enterprise can do its job; having been assigned the important role of industrial development, it has certainly the right to ask that uncertainties be not created to mar its zeal. What is required is a helpful attitude and not the use of a sword of Damocles as a constant threat hanging over the head. This will only discourage initiative and enterprise and destroy confidence, qualities so essential for the economic progress of the country. A more positive policy aiming at increase in savings, production and investment designed to create confidence and initiative will only be able to achieve the objective.

"While on this question of industrial development I would like to lay particular stress on the development of engineering industry in the country. Unfortunately, some of the industries that were established during the war period under the stimulus provided by the war demand or in the post-war period, have been passing through a phase of great difficulties and to-day we find them in a situation where a substantial part of their production capacity is idle. The engineering industry forms the basic foundation for the industrial development of a nation. The pattern of economic development of all industrial countries shows that the development of engineering industries has played an important role in their economy. If we allow this important sector of our industry to decay, it will not only be unfortunate in the sense that the resources employed therein will be kept idle, but the general industrial development of the country will also be retarded. It is a matter of satisfaction that an agreement has been reached with German manufacturers to set up a steel plant in India and when it goes into production, it will provide the steel needed for the development of our engineering industries. With the prospect of solution of steel shortage it is now necessary to see in what way this section can be developed and if necessary, in the intervening period, with the improved balance of payments position steel could be imported.

Development of Indian Engineering Industries

"Our imports of engineering goods to-day amount in value to about 150 crores of rupees. We have a number of well-equipped and under-equipped engineering factories where perhaps many of the items could be manufactured, if a co-ordinated programme of development were chalked out. The main difficulty with these factories is lack of orders. They hardly know the details of all the requirements in India, which would enable them to assess their own capacity for their manufacture here. In order to see that these factories could be fed by orders to the maximum possible extent, action is needed on the following lines, viz:

1. "First, there should be an immediate survey of the equipment in the various engineering factories all over the country to find out as to what items could be manufactured with the available plant and machinery. Advice of leading experts and engineers in the country and also of foreign experts should be taken to investigate what new lines of production can be undertaken by them with minor adjustments and/or additions in their existing equipment. I know, of course, that an Engineering Capacity Committee recently appointed by the Central Government is now at work, but it is necessary to widen the scope of its terms of reference by asking it not only to assess the capacity and the difficulties in the way of fully utilising it, but also to examine the present and future needs of the country for engineering materials and the possibilities of their manufacture itemwise by the existing units, if it is to serve a more useful purpose.

2. "Secondly, the Government of India should publish the details of all the imports made by them against their requirements during the first three years with the fullest details with regard to quantity, prices, specifications and, if possible, with drawings. The exact nature of the imported items must be stated. This should be available to the industry as a priced publication. It will enable them to find out the items which they can manufacture with their own equipment or to think of going into new lines of production even by installing new equipment where the volume of demand justifies it on economic grounds.

3. "Thirdly, it would considerably help matters if permanent exhibitions could be set up in places like Bombay, Delhi and Calcutta, where representatives of industry could get information with regard to the Government requirements and where such items as are imported by the Government in good quantities could be placed for inspection by the indigenous manufacturers. The initial expenses involved in this may be high, but the benefits that the engineering industries will derive out of these facilities in their working and the encouragement they will get for their expansion and development will more than repay the initial cost.

"Steps in these directions, together with the directives to all Government and semi-Government bodies not to place any orders for engineering materials of imported origin without certification by a high-powered committee of the non-availability of such materials from the indigenous sources, will not only develop the industry, but open new employment opportunities so badly needed to relieve the unemployment situation.

Gas Industry Neglected

"The First Five-year Plan in its final form was approved by the Parliament in December last. I am sorry to say that it has neglected an important industry while formulating plans for the development of industries in the public as well as private sectors. The gas industry, which is non-existent except in the cities of Bombay and Calcutta, has been completely ignored by the Commission. Gas, known as the fuel-on-tap, is the most convenient form of providing domestic heat, as it produces neither smoke nor dust, is clean, hygienic and avoids disfiguring of buildings. Prevention of smoke by the use of gas in place of coal, charcoal and firewood helps in improving the conditions of overcrowded cities and thus helps to improve the standard of living. Apart from these aspects, manufacture of gas from coal not only helps us in checking the depletion of our coal reserves owing to the fact that it shows the highest thermal efficiency, but it is essential for the development of social services like medical establishment, light engineering and chemical industries, pottery kilns, refractories, batteries, laundries, newspapers, and provides important by-products. I would not like to enumerate the various other advantages of gas here, but you will agree that its development is important from the point of view of national economy, and it is only regrettable that the Commission took no notice of these considerations while formulating the Plan. I only hope that it will, in the course of its review, consider the importance of this industry and make suitable recommendations for its development in the urban and industrial areas.

"Coming to the affairs of the Company, as you must have noted from the Directors' report, which has been in your hands together with the balance-sheet and the accounts for the year ended 31st December, 1952, and which I propose to take as read, the Company has not been able to show satisfactory financial results for the year under review as compared with the previous year.

"There has been an increase in the expenditure to the tune of Rs. 4,37,000 of which increase in coal freight alone accounts for Rs. 2,70,000. It has been balanced to some extent by economy in expenditure under 'distribution' to the extent of Rs. 57,000, and Rs. 80,000 under other heads and an increase in the revenue from gas and the by-products amounting to Rs. 1,20,000. Then again the total receipts have been considerably lower than those expected owing to the workers' strike in September.

Demand for Gas Improving

"The sales of gas during the year amounted to 1193,853,200 cubic feet or an overall increase of 0.7 per cent. over the previous year's figures, in spite of a loss in output of 39,400,000 cubic feet during the strike period. The demand for gas is steadily increasing, as is evident from the waiting applications which rose during the year by 1,003 to a new total of 9,299. Despite the fact that provision of new connections is becoming more and more restricted, the sales of gas are increasing and the consumption per consumer rising. In fact, due to overloading of the production plant, restrictions upon new connections had to be applied and towards the end of the year it was decided to withhold all new connections except in exceptional instances.

"In the field of public lighting the good relationship, which has existed between the Company and the Lighting Department of the Bombay Municipal Corporation, has been fully maintained and has led to an equitable share of such new and improvement lighting schemes as have been authorised being given to us.

"The overall situation from the side of demand and consumption is reassuring, but the time is fast approaching when the peak demand for gas will exceed the capacity of the present production and distribution plant, in spite of the fact that the Company has increased its capacity by construction of some retort beds and repairs to the plant, resulting in an increase of gas production by 20.7 per cent. since 1946. The volume of gas to be made and distributed in the peak week, peak day and peak period of each day offers its own problems and the solution can only be found in the provision at an early date of the plant necessary to meet those peaks. I recently visited the U.K. and Germany where I inspected the working of the gas industry and had discussions with the various manufacturers of gas plants. While we have asked some of them to make offers to us for a plant that would suit our needs, the difficulty comes with regard to the provision of finances, the availability of which depends to a certain extent upon the price of gas and its ability to give a reasonable return on the investment. At our last meeting I mentioned that the Government had appointed, on our application, a committee to consider the question of increasing the gas price. The committee, we understand, has submitted its report to Government, but we are not fully aware of its recommendations and the decision of the Government thereon is awaited.

Price of Gas

"The application to the Government for an increase in the price arose out of the increase in the freight rate of coal. It was found that the Company was affected to the extent of nearly Rs. 4,00,000. In addition to this, the increasing price of diesel oil prompted the Company to ask for a compensatory increase in gas price. The first Gas Advisory Committee of 1947 had computed the oil price at Re. 0-6-6 per gallon, whereas in 1952 the price of oil had risen to Re. 1-0-6. The first Advisory Committee, which had given its report in September 1948, based on the accounts of 1946, had recommended Rs. 3 as the price of gas and Re. 0-15-0 as the surcharge which, they stated, should be revised whenever the prices of materials varied. Our application thus covered only the question of increase on account of these two items of increase in the expenditure. It was, however, decided at the first hearing before the Gas Advisory Committee that the price of gas should be reviewed taking into consideration the overall position. It was felt that the expenditure of the Company, which would form the basis for the computation of the price of gas, had shown a rising tendency with the increases in salaries and wages due to the award of the Industrial Tribunal, repairs, etc.—items which are legitimately chargeable to expenditure and that the widening of the scope of the terms of reference would enable the Committee to arrive at a fair rate. It is now sincerely hoped that the Government would see the desirability of giving an increase in the price that would enable the Company to expand its activities and meet the public demand for gas.

Computing Price of Gas

"Ever since the recommendations of the first Gas Advisory Committee appointed in 1947 were given effect to, I have been dealing with the question of gas price at length in my speech at the Annual General Meetings. The appointment of the new Committee last year gave rise to new hopes of getting a fair deal for the investors. While I would not be justified in anticipating the recommendations of the Committee until they are made known to us, I think I will be failing in my duty if I do not tell you that the trend of discussions betwen the representatives of the Company and the Committee towards the end of their deliberations was such as gave us a feeling that some important items of expenditure or provisions essential for the working of an industrial undertaking might be disallowed in computing the price of gas. While I would sincerely hope that our fears are proved unfounded, I cannot help mentioning that the attitude taken in this matter is not only difficult of appreciation but, what is more, is that it might prove a great hindrance in our way in expanding the capacity of the plant. We have often been blamed for stating that without an increase in price no expansion is possible. In making any statement like this I feel our difficulties are not fully realised. Money must be invested if the capacity of the plant is to be increased as is the case with the proposals before us. No funds are available with the Company itself for this purpose and, therefore, investors must come and help. They will not do so until they can get a yield on their investment which might not be in any way inferior to what they could get elsewhere. It is a matter of interest and initiative and these cannot come forth, if it is apparent to the investors that they will be denied the right of being allowed a reasonable return. I, therefore, submit that our requests and statements should not be misunderstood, but the difficulties appreciated. I have earlier laid

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CENTRAL ELECTRONICS RESEARCH INSTITUTE

FOUNDATION-STONE LAID AT PILANI

THE foundation-stone of the Central Electronics Engineering Research Institute, the latest in the chain of India's national research institutions, was laid at Pilani by Mr. Jawharlal Nehru, Prime Minister, on Monday last. It will be recalled that Mr. G. D. Birla offered to donate Rs. 21 lakhs, on behalf of the Birla Education Trust, for the purpose of establishing a research institute at Pilani. This offer was considered by the Governing Body of the Council of Scientific and Industrial Research at its meeting held on 14th March, 1951. A Committee was appointed, with Mr. Kasturbhai Lalbhai as Chairman and Dr. S. Bhatnagar, Dr. H. J. Bhabha, Dr. K. S. Krishnan and Dr. J. C. Ghosh as members, to examine and report on the location and financial requirements of the proposed institute.

The Committee considered that the establishment of an institute, which will have as its objectives advanced training and research in electronics, should receive high priority. It accepted Dr. Bhatnagar's recommendation that the institute should be located at Pilani. It considered also a plan for the proposed institute, which envisaged a capital expenditure of Rs. 50 lakhs and annual recurring expenditure of Rs. 6 lakhs. The Committee recommended, in the first stage, a capital expenditure of Rs. 25 lakhs on buildings and equipment and an annual recurring expenditure of Rs. 5 lakhs. It is gratifying to note, in this connection, that the Birla Education Trust has offered Rs. 50,000 per annum towards recurring expenditure. The Governing Body of the Council, at its meeting held on 4th March, 1953, accepted the recommendations of the Committee. It may be noted that the Planning Commission has made provision for a grant of Rs. 29 lakhs towards its establishment in the First Five-year Plan. A local Planning Committee, with the Director, Scientific and Industrial Research, as Chairman, Mr. G. D. Birla, Mr. Lala Shri Ram, Dr. K. S. Krishnan, Dr. D. S. Kothari and Col. S. D. Pande as members, and the Planning Officer as its Secretary, has been constituted to draw up plans and estimates for the Institute.

Objects of the Institute

The objects of the Institute will be to undertake research and development on all aspects of electronics and engineering. Special attention will be devoted to the utilisation of indigenous raw materials in the manufacture of components, development and use of electronic circuits for industry, building of standard electronic instruments for test purposes, investigations on radar and other types of equipment and applications of electronics in metallurgy. The Institute will undertake projects sponsored by industry and close liaison will be maintained between the Institute and industry. The Institute will consist of a number of divisions, namely, (1) electronic circuits; (2) electronic components; (3) electronic instruments; (4) acoustics-audio equipment; (5) ultra-high frequency and very-high frequency equipment; (6) library and information; and (7) workshops, among others.

The importance of research in electronics needs no emphasis. Electronics is a word of recent origin. It is the branch of science and technology dealing with the flow of electric currents in vacuum. To be a little more elaborate, electronics is concerned with the free or controlled movement of electrons in an exhausted or gas-filled container or a tube, as it is generally called. Although in its infancy still, the lusty infant of electronics has already several notable achievements to its credit. Electronic devices are playing an increasingly important part both in war and peace. Their application in the field of communications, particularly wireless broadcasting, is familiar to all. During World War II, spectacular developments were made in the use of electronic devices for military purposes such as radio-location of aircraft and submarines.

Describing peace-time uses of electronics, Dr. Bhatnagar observed, in the course of his address at Pilani:

"Since the termination of the war, it has proved of great service in making civil aviation and commercial navigation safer, improving tele-radio communications, etc. Amongst its other uses may be mentioned particularly the control of industrial operations, a field in which fairly rapid progress has been recorded in the U.K., the U.S. and other industrial countries, with the result that to-day in one shape or another electronic instruments are required in routine testing in all branches of engineering, science, and medicine. In large-scale industry, they have facilitated automatic control, mass production of parts and their quick gauging and checking. They form the basis for timing devices and, with their aid, it is possible to make the whole process of welding automatic. Besides being quicker, electronic control permits uniformity of operation and introduction of refinements. Similarly, with moderately simple electronic circuits, it is possible to control the speed or voltage of motors and generators within wide limits. Servo mechanisms are useful as signals for some relatively small change in external conditions such as speed, course, voltage, size, mechanical pressure or temperature; they also translate the signal into correction of the main equipment to restore standard external conditions. Automatic control of gas has been achieved by their help and they are also employed for regulating many industrial processes or conditions, automatic contour following machines, automatic printing machines and the like. Other developments include new systems of television in which by mixing of three or four primary colours in appropriate proportions it will be possible to televise colour scenes.

Development of Transitors

"One of the most significant advances in the field of electronics during recent times, however, is the development of 'transitors' in which the use of tiny flecks of germanium with spider-like wire legs, bids fair to bring within the realm of possibility wrist radios, portable television sets and straight musical instruments. In many cases these transitor devices are taking over the work of radio tubes. In hearing aids, for instance, it has been possible to eliminate the hum and ping of hot vacuum tubes. By working more quietly, the new devices enable reproduction of loud noises without much distortion. It has been claimed that, with the aid of transitors, it will be possible to reduce the size and weight of our familiar communication devices to a fraction of their present size with striking reductions in power consumption and improvements in reliability and length of life. Some of them may even work on body heat. This 'fabulous midget,' so small that you can hold a hundred in one hand, has opened new avenues in radio, television, radar, robot brains, guided missiles, automatic gun sighters and the whole field of military and aviation electronics."

The contribution of India to development of this comparatively new science of electronics and its widening applications is very little. Thanks to the initiative taken by the Radio Research Committee of the Council of Scientific and Industrial Research, some research has, however, been started in the universities of Calcutta and Banaras and in the National Physical Laboratory of India. Research is being pursued in the Tata Institute of Fundamental Research, Indian Institute of Science and a few other institutions also. Dr. K. S. Krishnan has done some valuable investigations which promises to provide electronics with many industrial uses. Dr. Bhabha has made important contributions by arranging manufacture of many neat electronic devices. At the instance of the Council of Scientific and Industrial Research, investigations were undertaken during the war years to develop processes for the manufacture of radio components utilising indigenous raw materials. Several processes were developed and their commercial possibilities proved by pilot plant trials. A pilot plant for the production of high vacuum tubes was also set up. Commercial production of many radio components, however, has not been started so far and the radio industry is confined in India to the assembly of broadcast receiving sets and radio amplifiers from components, many of them imported. India imported in 1952-53 wireless apparatus and components valued at Rs. 149.91 lakhs, as against Rs. 206.90 lakhs in 1951-52.

ELECTRONICALLY-OPERATED CAR

In experiments looking toward automatic driving over long distances, the Radio Corporation of America has developed an electronically operated car.

It is devised to travel automatically over a specially wired highway. The experimental car can steer itself along a prescribed route, stop when approaching an obstruction, and turn out of its original lane into a second one to pass a slower vehicle. The model car is guided by a series of wires laid on the road surface or by cables embedded in the road. One wire running the length of the primary traffic lane sets up a magnetic field to be picked up by coils on the car, one on each side of the body. When one coil receives a stronger impulse than the other, the electronic control system detects that the car is veering from its proper course and immediately steers it back, until the coil impulses are of equal strength. A transistor circuit tied in with the ground cable warns the car's guidance apparatus of obstructions ahead. Then the apparatus either stops the car immediately or, if the obstruction is another car moving less rapidly in the same direction, automatically steers the car past the slower one. To permit this automatic passing, the highway must have two lanes for traffic in one direction. Each lane has a guidance wire, and diagonal wires at intervals connect the two parallel wires. The automatic car is shunted to the outer lane and back again to the inner one on these diagonal wires to pass a car moving more slowly.

PORTABLE ELEVATOR FOR BUILDING MATERIALS

A portable elevator for raising bricks, tiles or other similar building materials to a height of about 20 feet has been produced by a London company. Although capable of dealing with bricks at the rate of about 1,500 an hour, it is easy to dismantle it into two portable sections, each light enough to be carried about the building site by two men. This low weight makes it possible to mount the elevator on scaffolding, so that two elevators in tandem can be used to raise materials to the third and fourth storeys of a building.

No bolts or pins are needed to fit the elevator, at a convenient angle, to the base unit (which comprises a 1 h.p. petrol engine, a gear unit and a clutch), attachment being made by a clip arrangement which is claimed to be very quick and simple to manipulate. The attachment arrangements between the elevator and the base unit are such that the former may be operated with the discharge end at all levels between 2 ft. 6 ins. and 22 feet above the loading point; the lower limit permits the elevator to be used, if required, as a simple conveyor.

RENEWABLE HEELPIECES

Renewable leather heelpieces which wearers can fit on their shoes in a few seconds and which, it is claimed, will wear three or four times longer than ordinary heelpieces, have been introduced by a British firm. The makers state that these heelpieces cannot come off in wear, owing to the concealed springs inserted in the heel which grip the ball ends of the prongs contained in the heelpiece. Only direct finger pressure easing the prongs from the springs can remove the heelpiece. Many of the disadvantages associated with the replacement of heelpieces by nailing are also said to have been eliminated.

The heelpiece is a precision produced article. The securing parts are made of nylon plastic, with a proved strength far beyond the wearing strain to which they will be subjected. The new heelpieces are being patented throughout the world. Careful standardisation in co-operation with one of the largest heel manufacturers in Britain will enable the purchaser of a pair of shoes fitted with the new heelpieces to buy a pair of renewals to fit the shoes in most countries.

DISCUSSIONS ON TUNGABHADRA PROJECT

The details of the direction to be issued by the President for the completion of the Tungabhadra Project were discussed at a Conference of representatives of the States of Hyderabad, Mysore and Madras with Mr. V. T. Krishnamachari, Deputy Chairman, Planning Commission, and Mr. Jaisukhlal Hathi, Deputy Minister, Irrigation and Power, held in New Delhi on the 19th and 20th inst. The draft could not be finalised, as Mysore State wanted a week's time to consider certain clauses. It was, however, generally agreed to include in the direction a provision for setting up a board, the composition of which would be decided on receipt of the final views of Mysore. The direction will also specify the functions of the board which will extend to the irrigation and power aspects of the project with reference to their completion and maintenance during the period of construction. The direction will come into effect on 1st October when the Andhra State is formed and remain in force till the States concerned agree on some alternative arrangement. It will be issued under Section 66(4) of the Andhra State Act.

NEW PROCESS RECOVERS ZINC FROM DROSS

The dross—or compound of zinc and iron—which forms at the botton of galvanizing pots in which steel is immersed for coating may have as much as 94 per cent. of zinc combined with 6 per cent. iron; normally the zinc is wasted when the dross is withdrawn from the pots, periodically, in order to avoid damage to the coating. Now a method of recovering the zinc from the dross has been devised by the British Iron and Steel Association.

Though the technique is not yet perfected, the Association says 95 lbs. of pure zinc can be recovered from each hundredweight (112 lbs.) of dross. Its low capital cost, simplicity of installation, operation and dismantling combine to make the process attractive.

MACHINE TESTS ACCURACY OF KEYS

What is claimed to be the first machine ever manufactured to test the accuracy of newly cut keys has recently been produced by a small British engineering firm, which, for a quarter of a century, has specialised in the manufacture of key-cutting machines. Although the key-testing machine has been in production for only a few months, orders—including 50 from the United States—have been coming in from many overseas countries.

The machine enables locksmiths to check almost immediately the accuracy of cut keys to within a tolerance of 1/1,000 in. By simply slipping both the master pattern key and the cut key into the machine, all inaccuracies of the latter are shown up on a dial which magnifies the errors 10 times. The makers claim the machine has the advantages of avoiding annoyance to the customer and of saving wastage of key blanks.



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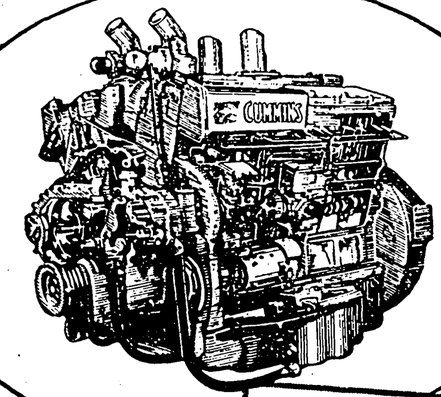

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LIFE ASSURANCE IN 36 COUNTRIES

LEADING POSITION OF WESTERN NATIONS

AN interesting table of the values of life assurance in force in different countries has been computed by the New York Institute of Life Insurance. The 1953 edition of the Institute's *Fact Book* gives the life assurance in force in 1951 in some 36 countries. In the following table, extracted from the *Fact Book*, life assurance amounts, which are naturally expressed in national currencies, have been converted into dollars at the rate of exchange which prevailed in 1951:

Life Assurance in Force in 1951

Converted to U.S. dollars
(000,000's omitted)

Country	Amount $	Country	Amount $
Argentina	467	Hawaii	801
Australia	3,282	India	1,650
Belgium	1,640	Italy	1,132
Brazil	1,555	Japan	1,959
Canada	17,494	Mexico	289
Canal Zone	15	Netherlands	2,146
Chile	234	New Zealand	1,191
Colombia	261	Norway	627
Costa Rica	19	Peru	66
Cuba	295	Philippines	333
Denmark	949	Portugal	102
Dominican Republic	25	Puerto Rico	143
Ecuador	21	Spain	1,099
Finland	541	Sweden	2,694
France	2,774	Switzerland	2,140
West Germany	4,264	Turkey	46
Greece	1	United Kingdom	18,197
Guatemala	26	United States	253,100

It will be seen from the table above that the U.S., the U.K., Canada, and West Germany are the leading countries in respect of life assurance. It will also be observed that the countries with large life assurance amounts to their credit lie in Europe. Some small countries have, through great effort, built up their life assurance amounts to make an impressive total. To this class of countries belongs Switzerland, Sweden and Norway. Of the countries for which the ratio of assurance in force to national income is available, Canada ranked first for 1951, with a rate of 100 per cent. This means that life assurance in force in this country was about equal to one year's national income. Those countries where this ratio exceeded 50 per cent. but was less than 100 per cent., were the U.S., the U.K. and New Zealand.

Indeed, Canada's position in the field of life assurance seems to have improved still further since these figures were computed, for, Canada has been able to increase its life business in 1952 by 15 per cent. over the level reached in the previous year. The net amount of new business effected amounted to $2,287 million, of which $415 million was group business, as compared with $1,990 million, of which $288 million was group business, in 1951. The total net amount of business in force at 31st December, 1952, was $19,090 million, as compared with $17,235 million at the end of the previous year. The business effected and in force was distributed among the companies by nationality as follows:

(In million dollars)

Companies	New business in 1952	Business in force as on 31-12-52
Canadian	1,540	13,085
British	74	443
Foreign	673	5,562
Total	2,287	19,090

Canada also writes a large business in fire and casualty insurance. The net premium income of fire insurance was $134 million and of casualty insurance $272 million. The following tables give the distribution of the fire and casualty premium income among the companies classified according to the country to which they belong:

(In million dollars)

Fire Insurance

	Net premium income	Net claims
Canada	33	13
British	52	24
Foreign	54	24
Total in 1952	139	61
Total in 1951	134	52

Casualty Insurance

	Net premium	Net claims
Canadian	101	57
British	53	28
Foreign	118	65
Total in 1952	272	150
Total in 1951	222	129

Thus, Canada holds a leading position in the field of insurance, though it has a comparatively small population. It is true that India is fairly high up in the list, as a reference to the first table will show, with $1,650,000,000 of life assurance in force to its credit. But this figure is very small indeed for this country which has a population of 357 million. It works out hardly to $4.6 per person. This should serve as a spur to increased effort in the sphere of life assurance.

EMPIRE OF INDIA LIFE ASSURANCE COMPANY, LTD.

If one judges from the "new business" standard only, one would find that the Empire of India Life Assurance Company, Ltd. (Administrator: Mr. R. Varadachari, Bombay), has suffered a setback in its working during the year 1952, for which the report and accounts are now available. Thus, the Company completed only Rs. 2.81 crores worth of business, as against Rs. 3.02 crores in 1951 and Rs. 3.94 crores in 1950. But, if one were to take into account the many unfortunate factors which affected the working of the Company in the few months preceding the arrival of the Government-appointed Administrator, Mr. R. Varadachari, on the scene—he took over the administration of the Company in July, 1951—one would concede that the Company has done much better than might have been expected. Also the "new business" yardstick is only a convenient, but not a very perfect one. An impressive new business figure may subsequently prove deceptive, for, the business acquired through high pressure salesmanship, as actually happened in the case of the Empire of India, may be lost through lapses. The Administrator was naturally concerned in improving the quality and dependability of the business completed by the Empire of India. In this difficult task, he has succeeded to a very considerable extent, as is evident from the fact that the percentage of lapses to the total business in force was 5.50, as against 6.03 in 1951 and 9.68 in 1950. The total business in force, as on 31st December, 1952, was Rs. 29.60 crores.

Next to the lapse ratio, the problem of expenses claimed the Administrator's attention. In the years immediately preceding the assumption of office by the Administrator, new business had been acquired at a heavy cost; the expense ratio had touched the high figure of 33.8 per cent. in 1948. The Administrator has, however, succeeded in reducing the expense ratio. From 30.31 per cent. in 1950, it declined to 27.43 per cent. in 1951 and during the year under review, it was no more than 26.93 per cent.

During the year 1952, claims aggregated Rs. 58.96 lakhs, as against Rs. 61.49 lakhs in 1951. The total income improved from Rs. 1.49 crores to Rs. 1.50 crores, while the total outgo declined from Rs. 1.11 crores to Rs. 94.62 lakhs. Thus, the excess of income over outgo amounted to Rs. 55.71 lakhs, as against Rs. 38.21 lakhs in the previous year. The rate of interest earned during the year was 3.56 per cent.; it was 3.22 per cent. in 1951. The two rates are, however, not strictly comparable, since the rate in 1952 included refunds of tax obtained, whereas there was no such refund in the previous year.

The Company's financial position is sound for, apart from a capital of Rs. 5.15 lakhs, its reserve and other funds aggregate Rs. 10.97 crores of which the life assurance fund amounts to Rs. 9.78 crores. The Administrator has rightly laid particular emphasis on the safety of investments, to secure which he has "deliberately concentrated" on Government securities of the appropriate type. Of the total investments of Rs. 8.48 crores, about Rs. 7.48 crores have been invested in Government securities, or in such semi-Gilt-edged as municipal or port trust securities.

The improvement effected in the working of the Company under the guidance of the Administrator, has resulted in increased confidence among investors. This is reflected in the market value of the Empire of India shares; the quotation now stands at Rs. 627½, at which level it shows an improvement of Rs. 227½ over the quotation at the time the Administrator assumed charge of the Company.

STATE INSURANCE SCHEME

Mr. V. V. Giri, Union Minister for Labour, stated recently in the Council of States, that financial difficulties of State Governments had proved a stumbling block in the execution of the provisional schedule as regards implementation of the Employees' State Insurance scheme. The Governments were, however, co-operating with the Corporation and the Central Government was also assisting them in the conclusion of the necessary arrangements, in order to speed up the implementation of the scheme. He hoped that the second half of 1953 and the year 1954 would witness the extension of the scheme in large areas in the country. He disclosed that the Government of West Bengal had informed the Corporation that it might be possible to implement the scheme in the Howrah District and Calcutta City towards the end of 1953. The Centre was also in touch with the Bombay and Madras Governments to get early implementation of the scheme.

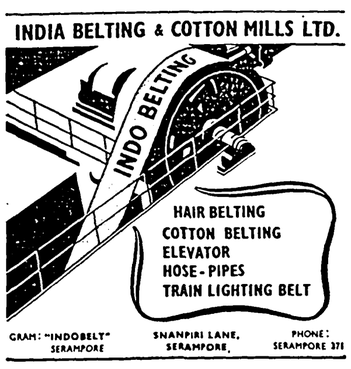
Reviewing the progress of the scheme since it was first introduced in Delhi State and Kanpur area in February, 1953, Mr. Giri stated that it had been extended to seven industrial areas in the Punjab, namely, Amritsar, Ludhiana, Ambala, Abdullapur (Jagadhani), Batala, Jullundur and Bhiwani with effect from May, 1953. The number of employees covered in the three States was 40,000, 84,000 and 32,000 respectively. The amounts collected (up to 30th June, 1953) from the workers and the employers were Rs. 38.96 lakhs and Rs. 174.16 lakhs, respectively.

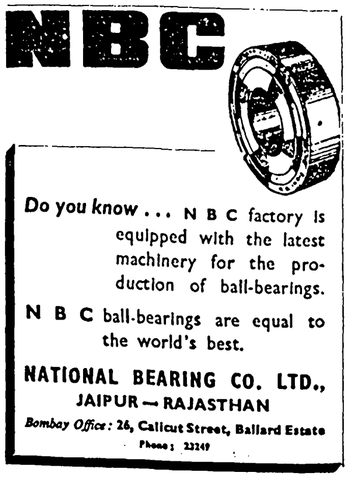
WELFARE STATE

Addressing the annual meeting of the United Dominions Trust Ltd., held recently in London, Mr. J. Gibson Jarvie, Chairman, referred to the concept of the Welfare State and observed as follows:

"The Welfare State is presumed and designed to abolish poverty, but, if it has in fact reduced one form of poverty, it has merely created another in a different class. The country is in a perlous state; there is a crying need for drastic changes in our conception of social rights and duties. There should be free competition between business concerns and between individuals. Our currency should be freed to find its proper level—in all probability a much higher level than that at which it is at present artificially maintained. There should be no interference with natural supply and demand which alone can bring orderly markets out of the present disorder. Only by these means shall we ever get real efficiency, maximum production and—and what is needed to stimulate us as individuals—the opportunity to rise. No man, in present conditions, can establish a fortune unless through a lucky gamble; no man can build his fortune out of wages or salary. Natural incentives must be restored—the opportunity for reward to the able and the willing; hard fare for the able but unwilling. There is no longer real ambition because there is no longer any possibility of satisfying it. The rich are disappearing but no civilisation can exist without them. . ."







ANNUAL MEETING OF MYSORE PAPER MILLS LIMITED

MR. S. MUNINANJAPPA'S ADDRESS

IMPLEMENTATION OF EXPANSION SCHEME WELL UNDER WAY

A NOTE of optimism regarding the prospects for the Mysore Paper Mills was struck by Mr. S. Muninanjappa, B.A., B.L., I.A.S., Chairman of the Company, in the course of his address at the Eighteenth Ordinary General Meeting of the shareholders of the Company held at Bangalore on 23rd August, 1953. The products of the mills, Mr. Muninanjappa stated, continued to find a ready sale at a premium and were generally preferred to others. Alluding to the implementation of the expansion scheme, he said that substantial progress had been made. According to him, contracts for the supply of equipment to double the output had been concluded and the bulk of the machinery on order would be shipped within the next three months. He was confident that, by the time the next annual meeting was held, the new plant would be in service.

The following is the full text of Mr. Muninanjappa's speech:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the eighteenth ordinary general meeting of the shareholders of the Company, and in presenting for your consideration the report of the Directors and the audited balance-sheet for the year ended 31st March, 1953. These have been circulated already, and with your permission, I shall take them as read and proceed to review the salient features of the year's operation.

"An analysis of the working result detailed in the profit and loss account discloses a gross profit of over Rs. 18.5 lakhs, representing an increase of Rs. 3.5 lakhs over the results achieved in the previous year. Of the several factors contributing to this satisfactory result, the foremost was the successful substitution of expensive wood pulp by pulps obtained from indigenous raw materials.

Yield of Pulp from Bamboos

"Extensive tests were carried out during the year to explore the possibilities of increasing the yield of pulp from bamboos. Based on data collected during these trial operations, the method of processing hitherto followed was revised. In consequence, 12 per cent. more pulp than heretofore was obtained, the time taken for processing reduced substantially and the arduous working conditions in the soda recovery plant somewhat eased. The production of bamboo pulp rose to 3,252 tons and exceeded all previous records.

"Corresponding to the progressive increase from year to year in the production of bamboo pulp, the consumption of wood pulp, which, in 1948-49, was 1,800 tons, was reduced to 320 tons. Even this quantity was used not so much for making good the shortfall in production of pulps, as in the previous years, but primarily to impart to papers like bonds, ledgers and posters the special physical characteristics required of them.

Market for Paper Dull

"The market for paper was dull for the major part of the year. In spite of it, by reducing our selling prices, we maintained our position in the market. Our products continue to find a ready sale at a premium and to be generally preferred to others. In deference to the opinions expressed at the meeting last year, priority consideration was given to indents received from co-operative institutions and the quantum of supplies allotted to them substantially increased.

"The terms of the loan of Rs. 50 lakhs, sanctioned by the Industrial Finance Corporation of India, to finance the scheme of expansion were finalised and the deed of hypothecation of the fixed assets of the Company executed and registered during the year. We have since drawn Rs. 35 lakhs out of the Rs. 50 lakhs sanctioned.

"Special mention is to be made of two of the terms stipulated by the Industrial Finance Corporation and agreed to. One requires us to accommodate on the Directorate of the Company a nominee of the Industrial Finance Corporation of India, and the other to obtain the Corporation's prior approval in the event of our proposing to declare a dividend in excess of 7½ per cent.

"In this connection, we are deeply indebted to the Government of Mysore for their valued assistance in finalising the terms of the loan and I wish to avail myself of this opportunity to convey our grateful thanks to them.

Scheme of Expansion

"Substantial progress has been made in the implementation of the scheme of expansion. All the equipments ordered under the first stage of the scheme, initiated in 1950, have been received. Of these, the digester, the evaporator for the soda recovery plant, the water softening plant and the caustic soda plant have been installed and taken to service. The erection of the boiler is in progress and this unit is expected to be in operation by December. These additional installations intended to overcome operational difficulties and reduce production costs involved a capital outlay of Rs. 15.2 lakhs.

"Contracts for supply of equipments to double production have all been concluded. According to the latest advices of progress in fabrication received from the manufacturers, the bulk of the machinery on order would be shipped within the next three months. The civil works, though hampered by heavy rains, are also progressing rapidly. I am confident that, by the time we meet next year, the new plant will be in service.

"The total expenditure till date on account of the expansion scheme stands at Rs. 42 lakhs. Of this, Rs. 21.5 lakhs have been met by drawing on the loan disbursed by the Industrial Finance Corporation of India and the balance from our reserves.

Amenities to Employees

"Your Directors have consistently followed a liberal policy in the provision of amenities to employees and the promotion of their welfare. Housing accommodation has already been provided to 45 per cent. of the employees. Twenty units of labour quarters to house 40 families were built during the year and the construction of an additional 16 units was in progress. Schemes to step up construction still further by taking advantage of the concessions offered by the Labour Housing Corporation are under active consideration. We have provided facilities for primary, secondary and adult education, free medical aid, and extended them wherever necessary. Measures to improve sanitation and public health continued to receive special attention.

"The State Employees Insurance Act came into force in February, 1952, and, since then, we have been remitting our share of contribution to the Fund. We have been shouldering the onerous task of distributing amongst the residents of the colony rationed articles at controlled prices and to meet the cost of such distribution. An independent building for the Employees Co-operative Society was provided during the year. Sanction was accorded to the payment of bonus at one quarter the average basic wage or salary drawn by the employees during the year and Rs. 1.49 lakhs were disbursed on that account. I do trust our employees will appreciate the value of the indirect benefits extended to them and continue to assist us in securing the means further to extend the amenities that conduce to their comforts and well being.

Profit

"While the gross profit for the year has increased by Rs. 3.5 lakhs, the net profit has not shown a corresponding improvement and is, in fact, slightly less than that in the previous year. This is so chiefly because of the increase of Rs. 2.27 lakhs under 'depreciation' to provide for the wear and tear of the additional equipments installed and taken to service during the year. Your Directors have, however, deemed it prudent to maintain the appropriation to reserves and the rate of dividend at last year's levels and have also obtained sanction of the Industrial Finance Corporation of India to recommend payment of a dividend of 10 per cent.

"Your Directors fully recognise that the present healthy position of the Company is entirely due to the goodwill of its clients and the team-work and loyalty of its employees and desire to express their warm appreciation of the sincere co-operation extended by them and their hope that the cordial relations now prevailing will not only be continued but developed and strengthened.

"On behalf of the Board of Directors, I wish gratefully to acknowledge the continuing assistance and encouragement received from the Government of Mysore and the Government of India. Our thanks are also due to the Industrial Finance Corporation, but for whose timely aid it would have been impossible to plan and execute the scheme of expansion.

"My grateful thanks are also due to my esteemed colleagues on the Board for the assistance they have extended to me in the enunciation of the Company's policy and the direction and control of its affairs.

"Gentlemen, with these observations, I commend the Directors' report and the balance-sheet for your consideration and adoption."

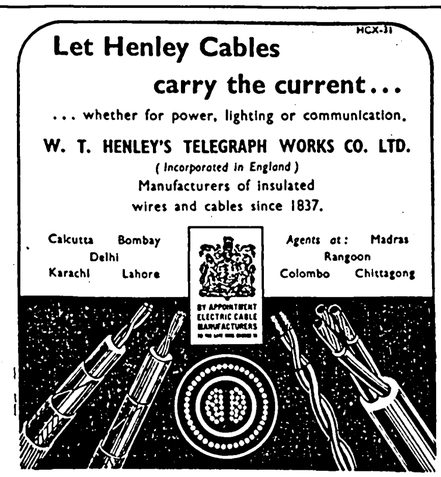
The Chairman's speech was followed by a brief discussion and questions and answers. The meeting then adopted the balance-sheet and profit and loss account for the year ended 31st March, 1953.

The meeting then passed a resolution declaring a dividend of 6¼ per cent. and bonus of 3¾ per cent., in all 10 per cent. (free of income-tax).

Sir V. N. Chandavarkar, Kt., Mr. M. Ct. M. Chidambaram Chettyar, and Mr. R. Sundram Iyer were re-elected Directors.

Messrs. Brahmayya & Co., and Messrs. B. K. Ramadhvani & Co., were appointed Auditors of the Company for the year 1953-54.

With a vote of thanks to the chair, the meeting terminated.



INDUSTRIAL FINANCE CORPORATION OF INDIA

LALA SHRI RAM'S ADDRESS AT THE FIFTH ANNUAL MEETING

FLOTATION OF DEVELOPMENT CORPORATION ADVOCATED

AN appeal to the Government of India for starting a Development Corporation to nurse and develop new industries was made by Lala Shri Ram, Chairman, the Industrial Finance Corporation of India, in the course of his address delivered at the Fifth Annual General Meeting of the shareholders of the Corporation held at New Delhi on the 19th inst. He said: "There are several directions in which such ventures could work, for example, manufacture of raw films, special kinds of steels, and card clothing, to name a few. It seems to me that the time has come for the setting up of a Development Corporation to nurse and develop new industries, and I would earnestly request the Government to give serious thought to the proposal." Dwelling at length on the various allegations made against the Corporation in Parliament in November last, the Chairman maintained that it would be gravely prejudicial to the applicants to publish detailed information about them. Visualising further expansion and modernisation of existing industries in India in the near future, Lala Shri Ram stated that there was increasing scope for the Corporation's activities in the coming years.

The following is the full text of Lala Shri Ram's speech:

"As the necessary quorum is present, we may now commence the proceedings of this meeting.

"The first item on the agenda is the consideration of the annual accounts and of the report of the Board of Directors on the working of the Corporation during the year. As printed copies of the accounts and of the report have been before you for some time, and have been circulated to all shareholders, I shall, if you agree, take them as read; and shall confine my observations to-day to a few points in the accounts, and to certain important aspects of the working of the Corporation during the year.

"The gross profit, during the year under review, was Rs. 23.16 lakhs, as against Rs. 17.48 lakhs in the previous year; and the Corporation has paid, for the first time in the five years of its working, the guaranteed dividend of 2½ per cent. on its paid-up capital without drawing any subvention from the Government of India. This, however, does not mean that it will be possible for the Corporation to reduce its rate of interest on loans, at any rate, in the near future. Apart from anything else, the Corporation has to return to Government quite a large sum of money, namely, about Rs. 27 lakhs, received by way of subvention, to enable the Corporation in the past to pay the guaranteed dividend. This alone may take some years, and it is, therefore, premature to devote further thought to the matter now.

"The first half of the year under review was, as you are aware, featured by an economic recession, which, from one aspect, may be viewed as the first healthy break from the unhealthy post-war boom. Failure of rains and consequent famine in many parts of the country, curtailment of electric power, and shortages of railway facilities added to the difficulties. Speaking in a general way, however, I would say that the year was one of comparative economic stagnation. A buyer's market had definitely displaced the seller's one; and industrialists were, therefore, hesitant about setting up new industries; on the other hand, they had to make their existing concerns efficient and profitable. They were inclined, therefore, to seek loans mainly for renovation of machinery and for making their units economic by suitable expansion. It, therefore, happened that, with the exception of two applications, which covered new lines, all the 74 applications for loans received by the Corporation during the year were for funds for modernisation of machinery or for expansion of existing units. The loans asked for were also for moderate amounts, and no application sanctioned during the year exceeded a sum of Rs. 25 lakhs. I may mention that the cost to the Corporation is the same whether it deals with an application for a crore or a lakh.

"The loans sanctioned by the Corporation from its inception to 30th June, 1953, amounted to Rs. 15,47,70,000. Of this total, a sum of Rs. 2,30,99,200 was not utilised for various reasons which I have mentioned in detail in my previous annual addresses.

"I shall now deal with some general aspects of our functioning during the past year.

"At our last annual meeting, I referred to a scheme we had in mind, viz., to employ, if possible, industrial consultants, each an expert in his own field, on the staff of the I.F.C. It is an ambitious scheme which can be worked up only gradually. Moreover, such specialists have mostly to be recruited from abroad. We have, however, appointed for the time being an engineer of considerable experience. We are also strengthening our banking and administrative staff.

"I have tried every year to utilise this occasion to deal with complaints which the general public or our own clientele have voiced in regard to our functioning. One hardy annual in this category, viz., delays in the sanctioning of loans, has now lost much of its force. Our clients now realise that, unlike short-term loans on commodities and goods by commercial banks, to the procedure of which they are accustomed, our loans, given on the security of fixed capital, have not only to comply with various legal formalities, but should also be satisfactory as regards the merits of the schemes for which the loans are taken. Where an application for a loan furnishes all the requisite information and complies with the various legal requirements, the Corporation is able to arrive at a decision well within two or three months. In fact, the delays cause loss to the Corporation, because money borrowed by it remains idle, and the Corporation is, therefore, keen to deal with applications for loans as quickly as possible. With better knowledge on the part of borrowers of our requirements, these delays will be considerably reduced.

Difficulties Facing Indian Industries

"At this stage, I may, perhaps, refer to some of the difficulties experienced by industrial concerns in this country nowadays. These difficulties fall under various heads, namely, (1) high freight on raw materials generally, (2) difficulties in some cases of supplies of raw materials, (3) difficulties about supply of coal, (4) shortage of electric power, particularly in Bombay and Madras, because of inadequate rainfall, and (5) shortage of railway wagons generally and also of road transport. The causes of most of these difficulties are fairly well known, and I can only hope that the responsible authorities concerned will before long do their best to alleviate the difficulties.

"Experience of our first few years' working showed us the need for amending the statute governing the Corporation in certain important respects, and particularly to enable the Corporation to borrow from the International Bank, to increase the limit of loans to individual borrowers and to take over borrowers' concerns when necessary. In the course of the passage of the amending Bill through Parliament, certain allegations were made against the Corporation; and we immediately requested the Government to appoint a Special Committee to enquire not only into the allegations but into the entire working of the Corporation. The Government accepted our suggestion and appointed a Committee of Enquiry, whose report and our comments on it have been for some time before the Government.

"It may be asked whether such allegations as those made in Parliament could not be prevented by publishing all the relevant facts—not merely the names and amounts—about each application for loan, both those rejected and those granted, but in my opinion it would be gravely prejudicial to the applicants, whether successful or unsuccessful, to publish such detailed information about them and their business. Persons not familiar with banking may not realise that two seemingly similar cases may, in the end, have to be dealt with wholly differently for some important reason or other, the publication of most of which will be definitely harmful to the borrowers. It would be even more inadvisable to publish only the details about sanctioned loans, withholding information about rejected loans, for it would be easy for interested parties to know that certain applications had been rejected, and their prospects of borrowings from other sources will be jeopardised. From every point of view, the publication of names, etc., whether of all cases or only of those in which loans have been sanctioned, will be inadvisable.

Close Supervision Maintained

"On the other hand, we appreciate the desire for close public supervision over an institution of this kind. This is already secured at present in many ways. Firstly, the Government nominates three Directors, and the Reserve Bank of India two Directors. Secondly, the Managing Director is appointed with the approval of Government. Thus, six out of twelve Directors are practically Government nominees; and the other six represent banks, insurance companies and co-operative institutions. Thirdly, there are two auditors, one of whom is appointed by Government with the approval of the Comptroller and Auditor-General. Fourthly, the Comptroller and Auditor-General has the right to inspect and audit, if he so desires. And finally, the Corporation works in the closest touch with Government, and does not, and will not, hesitate to furnish to Government any information the latter may require.

"In the last resort, the success of an institution of this kind will depend on the right exercise of banking judgment, viz., its balancing the need for security of its funds against the duty of helping industrial development; and this must, in turn, depend ultimately on the competence and adequacy of the staff of the Corporation and on the quality of its Board.

"My colleagues are busy and important men with other heavy responsibilities; some as leading industrialists, some as banking and insurance men, some as Government servants and others in spheres of no less valuable work. At great sacrifice, they attend to the affairs of the Corporation, both as members of the Board and as members of the Executive Committee, some of them making frequent journeys from far-off places. The contribution that they have all made to the work of the Corporation, has been of great value. We have so far been fortunate in having unanimous decisions on all matters, whether in sanctioning or refusing loans.

"The exercise of a balanced judgment which is the essence of all banking transactions, and particularly in banking of our type, usually leads to the adoption of a middle course. Such a course would always be open to criticism from opposite points of view as being either too lenient or too strict.

"The Corporation can be thought too niggardly and harsh or too easy-going, according as the critic is overenthusiastic about rapid industrial development or cautious and conservative. Again, it can be accused of charging too low rates on loans and neglecting the interests of shareholders and Government or of charging too high rates in order to pay good dividends. While well-informed criticism is always welcome, the Corporation, if it is to survive, must adopt certain minimum standards of strictness in examining the merits of applications for loans and certain legal safeguards; and it is only to be expected that some of those whose applications have been rejected make a grievance of it in public and make complaints against the Corporation.

"As a rule, we tell applicants for loans in what respect their applications are not in order, and if their applications are finally rejected, we give them the fullest reasons for our inability to assist them. I am sure that if those who receive such complaints merely read the correspondence between the applicants and the Corporation, they would get a true appreciation of the position. We have issued circulars to all chambers affiliated to the Federation of Indian Chambers of Commerce and Industry, explaining the nature of our loans and, in particular, that we give loans for expansion and modernisation.

"I make it a point during my tours, especially in Calcutta and Bombay, to find out informally from commercial bodies and associations whether they have any criticisms of our policy and our standards, and have received no complaints so far. I made special enquiries from the All India Manufacturers' Organisation at Bombay, which is particularly interested in the small industrialists, apart from its general interest in industrial development, and no specific complaint was made.

"I do not however, claim infallibility for us and our staff. The work that we have been doing is of a new type, at least in India; and we are not ashamed to confess that we have slowly felt our way. In the early stages, perhaps, we were groping, if not in the dark, certainly in feeble twilight. It is even possible that we may have made occasional mistakes, though we have so far not discovered any. There may be some among the rejected applicants for loans who feel that we have been too strict. While we have throughout endeavoured to help deserving applications to the best of our ability, our main function is to help industrial development, and we have, in many cases, instead of rejecting applications, asked applicants to modify them so as to qualify for loans.

Scarcity of Experienced Personnel

"It is a point of the criticism that some members of the Board have interest in industrial concerns assisted by the Corporation. In this country, with its limited economic, and more particularly, industrial development, there is a limited number of persons of sufficient status and experience, whether in industry, commerce, banking or insurance to enable the Corporation at all times to have a Board of Directors, none of whom will in any way be connected, actively or passively, not even as a shareholder with any of the concerns seeking loans from the Corporation from time to time. On the other hand, so far as I can judge, it will not be in the interest of the Corporation to run it without the guidance and counsel of persons experienced in industry, banking and finance. With few industries and financial institutions and not too many persons of experience and standing, it is inevitable that most of these persons should be connected in some capacity or other with one or more of the concerns that may ask for loans. So far, there has been no occasion for any conflict between the private interest of a Director and the interest of the Corporation, and it is not too optimistic to hope that the Corporation will not see any occasion for such conflict in the future also. In the meantime, I would submit, in all humility, that those who are working as Directors of the Corporation are doing so at great personal sacrifice. Institutions of this kind involving the exercise of discretion by those in authority can work properly only in an atmosphere of trust and confidence.

"Even as bankers, we have to take some risk; and, though no bank will welcome the taking over of a borrower's concern and running it, for management of industry is a specialist and often whole-time job, such a contingency cannot be altogether avoided. Fortunately, we have not had occasion so far, except in one case, to take over a business concern and run it.

"As you all know, we started the Corporation at a time of extreme shortage of capital in the country; and before long, the long-drawn seller's market gave way to a buyer's market, which was aggravated by the fall of prices in the first half of 1952. Against such a background, it is fairly certain that but for the help rendered by us, many industries which have taken loans from us could not have started the schemes, whether of expansion or of modernisation or of new lines, on which they have launched.

"You will see from the Annual Report that we have arranged to sell further bonds of the face value of Rs. 2 crores, making our total bond issue Rs. 7,80,50,000. Together with our paid-up capital of Rs. 5 crores, we are not short of money, since our existing commitments amount only to a little over Rs. 13 crores.

"With the help of the Government, we arranged for a loan from the International Bank for Reconstruction and Development, and the terms were almost finalised last year by our Managing Director's visit to Washington. The formal sanction of the loan awaited the amendment of the I.F.C. Act, in the course of consideration of which by Parliament allegations were made against the working of this Corporation. As already mentioned, we suggested the appointment of a Committee of Enquiry to go into the matter and felt that until the Government had reached their conclusions on the Committee's report, we should hold this matter in suspense. We shall take up the matter further after the Government have finally dealt with the Committee's report.

Increasing Scope for the Corporation

"Notwithstanding the definite emergence of the buyer's market, and the gloomy view taken by some as to the possibility of continued trade depression, I have every hope that, in India in the coming years, there will be both expansion and modernisation of existing industries, and also the setting up of new industries. It is also likely that, having regard to the heavy Government programme, industries will find it difficult to raise capital. I visualise, therefore, increasing scope for the Corporation's activities in the coming years, and I am confident that the experience gained so far by the Corporation will help it in meeting the demands made upon it. It should, I think, be not too difficult for the Corporation to raise such funds as it may require from time to time, with the help of the Government and of the Reserve Bank.

"Some people think that the Corporation has failed so far to take a broad view of the needs of the industrial development of the country, and particularly of industrially backward areas, and that it does not help in the dispersal of industries. But as we are only a Finance Corporation, and not a Development Corporation, we cannot act as promoters of industries, but can only deal with such applications as are made to us for loans against tangible assets. We have, however, not been indifferent to the needs of industrially undeveloped areas. The statement in Appendix A to our Fifth Annual Report will show that our loans are well distributed. Our policy has been in accord with that of Government; till the Five-year Plan appeared, we were guided by the Ministries concerned, and we now adjust our policy to the Five-year Plan. Our close contacts with the Ministries concerned will, however, continue.

Help to Small Industries Also

"Another criticism is that we have assisted only large industries, and have ignored the small and medium-scale ones. While it should be remembered that the I.F.C. is meant primarily to serve the needs of large-scale industries and that similar Corporations in States are meant to assist the smaller ones, it has also entertained applications from small industries provided they come under the definition of 'industrial concerns' given in the I.F.C. Act. The Corporation has, for instance, given a loan of Rs. 50,000 to a small chemical works.

"I have already referred to the shortage of capital in the country, to the reluctance of the industrialists to embark on new ventures and to the smallness of the loans applied for. On the other hand, it is in the interest of the country that pioneering ventures in new industries should be started as soon as possible. There are several directions in which such ventures could work, for example, manufacture of raw films, special kinds of steels, and card clothing, to name only a few. It seems to me that the time has come for the setting up of a Development Corporation to nurse and develop new industries, and I would earnestly request the Government to give serious thought to the proposal. As a basis of discussion the following outlines of a scheme may be taken. A Corporation may be set up with a capital of, say, Rs. 10 crores, the Government being the predominant, or the sole, shareholder, at any rate, in the beginning. The Board of the Corporation may consist of, say, a representative each of the Finance and Industry Ministries, the I.F.C. and, perhaps, also the Reserve Bank, three experienced industrialists and an experienced banker. The Corporation would set up separate companies for various industries, either wholly with the Corporation's own capital or with such public capital as may be forthcoming in response to a guarantee by the Corporation, say, for the first five years of a 5 per cent. dividend per annum. The Corporation would find funds for about half the capital expenditure in each case, the other half being found by the I.F.C.

Unemployment

"Turning now to the general economic situation, seeing that I have had to dwell at some length with our own affairs, I propose only to deal with one limited aspect of the situation, namely, the problem of urban unemployment. This problem is, in my view, only a worsening of an endemic situation, viz., the absence of growth in opportunities for employment to take up the growing supply of applicants seeking employment. The problem was there with us even before the war and had been covered up for some time by the economic and administrative expansion that we had during the war and for some time thereafter. Since economic activity tended to slow down in 1949, and partly since the recession of the early months of 1952, there has been a marked deterioration in the situation. Moreover, the output of schools and colleges has been increasing rapidly in recent years. I believe that the real remedy lies in reducing the cost of living, and cost of production, and thus reviving the demand for goods and services in general, so that the economy expands all round. Creating employment in artificial ways, such as are now proposed, would only postpone the solution of the problem to a later date, and not solve it.

"As far as the I.F.C. is concerned, I promise that, in its own limited way, it will do its best in giving financial assistance for the setting up of new industries and for the expansion of the existing industries. That is all that it can do.

"In conclusion, I thank my colleagues on the Board of Directors for their co-operation and guidance. As I have already said, they have helped the Corporation at great personal sacrifice. Three of my colleagues, each eminent in his sphere, viz., Sir Biren Mookerjee, Mr. B. K. Shah and Mr. R. G. Saraiya, are retiring from the Board, and I take this opportunity to thank them on behalf of the Corporation for the valuable guidance they have given to us all these years. We shall miss their counsel in future.

"Finally, on behalf of the Board and on my own behalf, I thank the Managing Director and the staff of the Corporation, both here and at the branches, for their loyal and devoted work. They have had to work under heavy handicaps all along, particularly because the field of the Corporation was uncharted."

OUTLOOK FOR RAW WOOL IN AMERICA

TREND OF CONSUMPTION MOVING UP

(By RUTH JACKENDOFF, Director, Department of Economics and Statistics, The Wool Bureau, Inc.)

PEACE in Korea and anticipated cuts in defence spending have been accompanied by periodic predictions of a downward readjustment in the U.S. economy. So far, none of these has materialised, but they have tended to induce a conservative attitude in business, especially as regards inventory policy. This, in itself, may modify the impact of a transition to a lower rate of defence spending, because excess inventories are usually a major feature of business recession.

Primary market prices and wholesale prices of all commodities have tended downward, while the consumer price level has been relatively stable, largely because wage increases have offset some of the declines in raw material costs. Raw wool prices during the current season have recovered some of the losses experienced in the 1951-52 deflation, but continue to be within the competitive range set up by the new synthetics.

Compared with prices immediately preceding the Korean conflict, the primary market prices of fine wool are 20 to 22 cents higher, while those of crossbreds are about the same or slightly lower. A similar comparison for Boston market prices reveals fine wool prices to be about equal to pre-Korean levels and crossbred prices somewhat lower. The lag of Boston wool prices on primary market prices reflects the gradual recovery of U.S. wool consumption, which is in contrast to the dynamic recovery in the United Kingdom and other wool-consuming countries. Yet the trend of raw wool consumption has been steadily upward since mid-1952, without benefit of substantial Government business.

Resurgence of Fashion Interest

On the basis of new orders placed for civilian apparel fabrics, the trend should continue to rise. A resurgence of fashion interest in worsteds, which is still not evident, would expand raw wool consumption at any level of demand, because these fabrics do not utilise waste fibres as do woollens.

Below is a balance-sheet of the U.S. supply-demand factors in wool in an effort to estimate potential import requirements for the remainder of the year. Such an estimate is complicated by the uncertain disposition of the total volume of wool acquired by the Commodity Credit Corporation on 14th May, 1953 under the 1952 loan-support programme.

It is assumed that these wools were all included in trade stocks reported at the end of March, 1953 either as C.C.C.-owned or consigned under loan by growers and dealers. A preliminary estimate of the total volume was placed at 97.5 million pounds (actual weight) probably mostly greasy shorn types. Without attempting an exact conversion of these wools to a scoured basis (since precise quantities of shorn and pulled wools are not known), the total is converted at a 44 per cent. yield to 43 million pounds (clean).

Estimated Statistical Position of Raw Wool in 1953

(In million pounds (clean basis)

	Apparel	*Carpet*	*Total*
Trade stocks, 1st April, 1953	163	42	205
Deduct—C.C.C. potential	—43	..	—43
Free trade stocks	120	42	162
Domestic production, 1953*	+127	..	+127
Total free supply (internal)	247	42	289
Consumption, Apr.-Dec., 1953, at 1st quarter rate of	(94)	(39)	(133)
equals	282	117	399
Import requirements for consumption, Apr.-Dec., 1953	35	75	110
Import, 1st quarter	+59	+39	+98
1953 imports for consumption*	94	114	209
Minimum stock requirements, 4 months	+125	+52	+177
Gross import requirements, 1953	219	166	385
Less—C.C.C. wools†	—43	..	—43
Net import requirements, 1953	176	166	342
Imports for consumption, 1952	249	199	868
1953 as percentage of 1952:			
Gross	88	139	105
Net	71	..	93

* Equals estimated.
† If market prices continue above C.C.C. selling prices, these wools may be absorbed commercially.

The dominating influence of Government spending is reflected in increased employment, production, earnings and sales, including clothing sales. Price deflation at wholesale and some retail levels has restored part of the loss in the value of the dollar. This is reflected in a rise in real total disposable income and *per capita* real income.

Mill consumption and imports of apparel wool continue to be substantially above pre-war levels. Despite the recent decline in mill consumption, the 1952 rate was 23 per cent. above the pre-war average. Imports account for a larger share of mill consumption. In 1951 and 1952, this trend partly reflected the non-competitive price structure of domestic wools under the loan-support programme, rather than true foreign wool requirements.

Consumption of Apparel Wool

However, although mill consumption of apparel wool is recovering, it continues to be below 1950 levels. Since mid-1952, weekly rates of consumption have exceeded those in the corresponding months of the previous year. Any marked recovery must come from increased demand for worsteds, as the rate of consumption on the woollen system for each month since 1951 has, with a few exceptions, exceeded the corresponding monthly rates of preceding years.

General imports of apparel wools grading finer than 40s are rising. Imports for the entire year 1952 were 17 per cent. lower than those for 1951. The rise in imports during the first two months of 1953 was accompanied by a sharp shift from the British Dominions to South American suppliers.

Virgin wool and other animal hairs account for an increasing share of total fibres consumed in wool textile mills. This has been a reversal of the trend since 1948. Synthetic fibres, other than rayon and acetate, are being reported separately from "other fibres" for the first time this year. They account for 3 per cent. of all fibres consumed during the two months of January and February, and represented 3.4 million pounds.

New Orders for Fabrics

The manufacturers' new orders for apparel fabrics are rising. These are unsupported by any significant volume of Government orders and point to a rise in production of apparel fabrics and consumption of apparel wool in the period ahead. Unfilled orders at the end of March, 1953, were at the highest level since the end of March, 1952, and should contribute to increased mill activity. As regards the recent rise in civilian fabric production, this did not entirely offset the decline in Government business. Civilian apparel fabric production was higher in 1952 than in 1951 and continued to show gains in the first quarter of 1953. Since Government business is expected to continue at fairly low rates, civilian demand will have to increase further to reach the level of total production in 1951.

Imports of wool semi-manufactures and manufactures added to mill consumption of raw wool resulted in 23 per cent. increase in civilian *per capita* consumption of raw wool equivalent from 1951 to 1952.

The current rate of wool consumption for both carpets and clothes is not seriously affected by man-made fibre competition. As compared with 1950, the trends of both wool and rayon and acetate staple consumption are low. Non-cellulosic staple fibre consumption is rising sharply. The production of non-cellulosic fibre is still relatively low. In the first quarter of 1953, the rate of rayon and acetate staple consumption would appear to have been affected by competition more from non-cellulosic staple than from wool. The price of fine wool is still within the competitive range of the new synthetic staple prices, but the rising trend of wool prices threatens to send it out of range.

Tailored Clothing

The men's tailored clothing of all types has increased sharply as compared with early 1952. Summerweight suit production, followed by separate trouser production, far outdistanced the gains in regular weight suit and coat production. Rayon and other synthetics continue to make sharp inroads in the summerweight suit market. The production of women's suits during 1952 declined as compared with 1951; this was in contrast to gains in other major outerwear items. Continued popularity of "separates" is tending to reduce the demand for tailored suits. Wool's share of the suit market declined further in 1952, but was stable in skirts and increased in coats. Dollar retail sales of both men's and women's clothing reached new peaks during 1952. In the first quarter of 1953, sales declined.

In view of the tight inventory positions reported to have been maintained in tailored clothing, particularly men's wear, during the past two seasons, it will not be altogether unexpected if 1953 results in the wool trade are considerably better than those of 1952. Initial excitement over the new synthetics has given way to the realisation that their limitations, as revealed by consumer experience, can be overcome when they are blended with wool. To the extent that wool will regain some of its 1951-52 losses to synthetics, the outlook for 1953 is even better.

BRITAIN'S TRADE IN AUGUST

The value of British exports in August was £198,100,000 and that of imports £249,200,000, according to provisional trade figures issued by the Board of Trade. Though both these figures are considerably below the totals for July—which were £234,400,000 and £293,000,000 respectively—the reduction in exports can largely be accounted for by the fact that August, traditional holiday period for British workers, contained only 25 working days and was as well affected by the annual holidays.

The best comparison with earlier periods, says the Board of Trade, is obtained by taking July and August together. The average of exports for those two months was £216,300,000, as compared with the average of £210,000,000 in the second quarter of the year and £208,500,000 in the first. The rate of exports for the third quarter so far thus compares well with the earlier part of the year. The average of imports—£271,100,000—was 7 per cent. lower than the level of the second quarter and slightly below the level of the first quarter.

Re-exports in August aggregated £8,800,000 and the trade gap—or excess of imports over exports and re-exports—was £42,300,000. In July and August, the gap averaged £46,200,000—well below the level of either of the two previous quarters (£53,900,000 in the first and £73,700,000 in the second). Britain's adverse balance of trade is thus being steadily reduced.

The value of Britain's exports to North America in August was £24,500,000—exports to Canada accounting for £11,800,000 and exports to the United States for £12,700,000. The average for July and August together, at £27,300,000 was 8 per cent. below the level of the second quarter, although well above that of the first quarter's average of £24,100,000.

Exports to the U.S.A. in July and August were maintained at the second quarter's average of £13,900,000, but exports to Canada averaged £13,300,000 a month, 15 per cent. below the high level of the second quarter.

NORWAY'S FOUR-YEAR PLAN

An average increase of 3 per cent. per annum in production is envisaged in the economic programme for the period 1954-57 drawn up by the Norwegian Government. A feature of the Plan is that investments are computed to remain unchanged as compared with that in the past few years. It is expected that, as production rises along with reduction in defence expenditure, a high consumption to the extent of 15 per cent. is expected during the four-year period.

The estimated rise in output is dependent upon a reasonable expansion of world trade. Owing to relatively large import and export needs, Norway is highly dependent on world market conditions. It is of major importance to the income from Norwegian foreign trade that the world market offers such opportunities that the export industries and shipping are able to operate at full capacity. Under the Plan, the exports of goods is presupposed to rise by approximately 15 per cent. during the period ending 1957. At the same time, the merchant fleet is expected to grow by 25 per cent. and the net revenues from shipping services by approximately 700 million kroner, based on prices at the end of last year. Imports too are estimated to go up by 500 million kroner during the period.

U.S. CUSTOMS SIMPLIFIED

The Customs Simplification Bill, enacted at the last session of Congress, went into effect early last week. The revised customs regulations ease many restrictions on importers and their foreign suppliers, in line with the U.S. Government's policy to co-operate with other nations in working for freer international trade. The major revisions are: (1) Foreign ships are exempted from payment of duty and internal revenue tax for supplies acquired for maintenance and repair. (2) The period during which imports can be shipped out again and original duty payments refunded has been extended from a maximum of three years to a maximum of five years. (3) The period in which goods not meeting the buyers' specifications can be returned to customs custody for exportation has been extended from 30 to 90 days. (4) The list of products that can be brought into the country temporarily without payment of duty has been broadened and the original bonds that importers must post lengthened from a validity period of six months to one year. (5) The requirement for special marking has been eliminated for a long list of products, including surgical and scientific instruments. (6) Penalties no longer apply for "technical undervaluation" of merchandise by an importer. The term refers to submission of values, with no intention to defraud, that turn out to be less than the values set by customs appraisers. (7) Under certain conditions, importers can correct errors in their entries at customs. (8) The measure also eliminates the provision in the Tariff Act that duties shall be based on the importer's entered value if it is higher than that appraised at customs.

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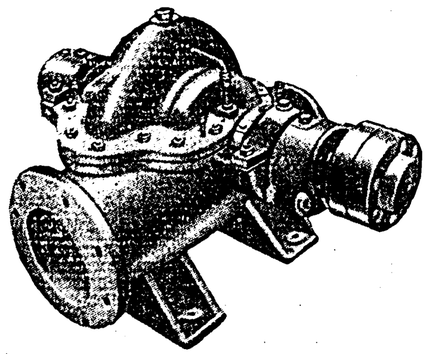

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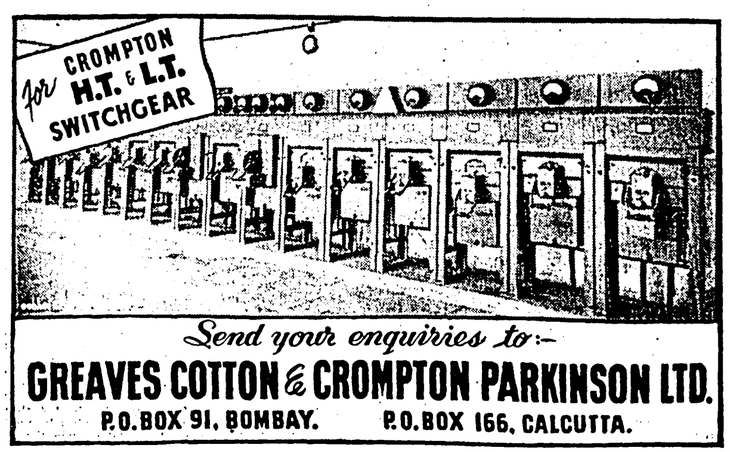

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ECONOMIC DEVELOPMENT OF U.K. DEPENDENCIES

MARKED EXPANSION IN PRODUCTION AND TRADE

BELIEVING that the richer the Colonies the better for all, including Britain, the U.K. Government is determined to do all in its power to help development of economic resources of its Dependencies. These Dependencies—scattered in the various regions of the Caribbean, Far East, and East, West and Central Africa—abound in rich natural resources. Agriculture is the basis of most colonial economies, providing food for local consumption and commodities for export. These latter include sugar, rubber, groundnuts, palm kernels and oil, cocoa, hard hemp, hides and skins, copra and coconut oil, tea, tobacco, cotton, coffee and pyrethrum flowers. The trade in these commodities, supplemented by minerals such as crude oil, refined oil, bauxite, manganese ore and iron ore, has won for these Dependencies an important place in the map of world commerce.

With a view to further developing these Dependencies, the U.K. Government has drawn up a six-point programme for implementation in partnership with their peoples. The plan envisages (1) improvement of communications, (2) development of agriculture, with an emphasis on peasant farming, (3) exploitation and winning of minerals, (4) expansion of electric power, especially hydro-electric, (5) promotion of local industries, and (6) encouragement to scientific research and development.

The six-point plan starts with the advantage of the experience gained from the great deal that has already been done. In the past, good government was established so that private enterprise could forge ahead. Not only extra-territorial enterprise developed Rhodesian copper, Malayan rubber and tin, East African sisal and coffee, the great *entrepots* of Singapore and Hong Kong, but local private enterprise was responsible for the growth of West African cocoa production to half the total world output as well as for growing cotton in Uganda.

Private Investment

In this drive for further economic development, overseas investors' contribution has been considerable. It is estimated that, in the period 1946-50, private investment in African territories alone might have reached a total of £100 to £150 million. Private capital is also being supplemented by Government action also. The U.K. Government is committed to providing (a) money, (b) the things money can buy, and (c) technical assistance to its Dependencies. Besides, the Governments of the Dependencies themselves have plans which are financed from their own revenues, loans and from the money made available by the U.K. Help has been coming from the U.S. through Mutual Security agency also.

The figures relating to the aid available to the U.K. Dependencies from the U.K. Government and from other external sources are revealing. By the Colonial Development and Welfare Acts of 1945-50, the U.K. Parliament voted £140 million for planned development over a period of 10 years ending 31st March, 1959. Of this, £96.7 million has been allocated to individual territories, £34.6 million for purposes such as research which affect all territories and £12.6 million to a reserve for supplementary allocations. During the six years ended 31st March, 1952, over £94 million had been committed and over £56 million actually disbursed.

Two Corporations

Besides, there are two corporations, namely, the Colonial Development Corporation and the Overseas Food Corporation, set up under the Overseas Resources Development Act, 1948. The former has power to borrow £100 million from the U.K. Treasury and spend on schemes which can pay their way within a reasonable period but which are not attractive to private capital working alone. This Corporation had in hand, at the end of last year, 57 schemes, involving a capital commitment of £394 million. The Overseas Food Corporation which started with a capital of £50 million and powers to borrow £5 million from the Treasury, undertakes schemes for the production of foodstuffs overseas to meet the U.K. needs. This organisation has already spent £36 million in East Africa and is now financed by sums voted annually by the British Parliament.

Under the Colombo Plan, the U.K. has undertaken to back the development programmes, involving £107 million, of the Dependencies in South-East Asia—the Federation of Malaya, Singapore, North Borneo and Sarawak.

Apart from the assistance mentioned above, public loans issued by the Colonial Governments also form part of their money for financing the programmes. These loans are mostly raised in London by the Crown agents. A particular attraction of Colonial Government loans is that they rank as trustee securities. The loans raised in this manner amounted to £3.17 million in 1948, £10.7 million in 1949, £17.5 million in 1950 and £24.9 million in 1951. These territories have access to World Bank loans also, guaranteed by the U.K. Government upto £100 million.

The total direct aid provided to the Dependencies during its lifetime, 1948-51, by the U.S. Economic Co-operation Administration set up under Marshall Aid was $13 million in grants for technical assistance and about $12 million in loans which, in effect, were advances against mineral production.

Production

With capital made available thus, production in the Dependencies has not lagged behind. A comparison of the production figures for 1932 and 1952 shows some remarkable increases in both agricultural commodities and minerals. During this period production of sisal, for instance, went up by 165 per cent., cotton by 150 per cent., sugar by 100 per cent. and rubber by 90 per cent. Rice supplies, however, remained a serious problem, especially in South-East Asia. Among minerals, copper output rose from 153,000 tons in 1930 to 310,000 tons in 1951, bauxite output from 170,000 tons to 2,132,000 tons and petroleum products from 2,230,000 tons to 9,518,000 tons.

Trade

The economic development of the Dependencies has made more goods available for export and put more purchasing power into the hands of the people for buying imports of goods they do not yet make for themselves. In 1951, the Dependencies accounted for 5 per cent. of the total world trade. As compared with 1938, the value of their exports (f.o.b.) had risen from £185 million to £1,697 million and imports (c.i.f.) from £182 million to £1,486 million. Imports comprised, among others, cement, iron and steel manufactures, machinery and commercial vehicles. Exports consisted of raw materials such as coffee, copper, sugar, vegetable oils and oilseeds and cotton. These are purchased by the U.K. through bulk purchase contracts. Trade in tin, timber, hides, sago, oranges and grapefruit is in private hands.

The currencies of the Dependencies are linked with sterling. Colonial Governments' reserves are held in sterling and capital is freely transferable between the Colonies and other parts of the sterling area.

PHARMACEUTICAL ENQUIRY COMMITTEE

The Chairman and members of the Pharmaceutical Enquiry Committee, at a meeting with the representatives of the Indian Chemical Manufacturers' Association, at Calcutta last week, emphasised the need for the industry to co-operate with the Government in solving many of its problems. The Chairman pointed out that the present enquiry was with a view to assisting the industry in every possible manner. He assured the members of the Association that the Industrial Finance Corporation was ready to give loans to the industry if it was experiencing lack of funds. The industry was requested to prepare a list of essential drugs which it could produce within a period and also suggest the forms of assistance required for the purpose. The industry was also asked to establish a control laboratory under the joint auspices of the manufacturers and the medical profession.

Tendering evidence, the representatives of the Association drew the attention of the Committee to the fact that Indian pharmaceuticals were generally sold at lower prices in spite of their dependence on imported raw materials, duties levied thereon and fluctuations in their prices. As production in the industry was related to joint costs, it was difficult to draw conclusions from sales of particular products. The existing scale of profits being small, the industry was not in a position, it was stated, to spend desirable amounts on research and development. The Association stressed the fact that the number of units for which manufacturing licences were issued in the various States was out of proportion to the extremely limited number of well established manufacturers. It pleaded that activities of foreign firms in lines already well established in India needed careful examination.

MANAGEMENT OF STATE INDUSTRIES

GOVERNMENT POLICY EXPLAINED

QUESTIONS relating to the working of nationalised industries and the information which Parliament was entitled to get on such undertakings figured prominently in the Council of States last week. An idea of the Government's policy regarding the management of these concerns was given by Mr. K. C. Reddy, Production Minister.

The nationalised undertakings are managed, according to Mr. Reddy, on a particular pattern. In November, 1950, the Cabinet decided to entrust the management of Government industrial undertakings to private limited companies promoted under the Indian Companies Act. The object of this decision has been primarily to extend a measure of autonomy to these units. So far six companies (namely, Sindri Fertilisers and Chemicals Ltd., Hindustan Shipyard Ltd., Hindustan Machine Tools Ltd., Hindustan Cables Ltd., Hindustan Housing Factory Ltd. and Nahan Foundry Ltd.) have thus been constituted. It is intended to form similar companies in some more cases.

Not all the share capital is owned by the Government. Again, the Boards of Directors of these concerns are not solely composed of Government's representatives. For representatives of other partners also serve on these Boards. Even in fully-owned Government undertakings, there are other non-official Directors nominated by the Government. The tendency of the Government in many a matter has, it is stated, been in the direction of giving more and more autonomy to the Boards of Directors rather than curb it at every stage.

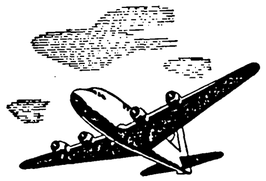
While this is the method now being followed by the Government in regard to the management of nationalised industries, there seems to be no finality about it. For Mr. Reddy observes: "The adoption of the method of promotion under the Indian Companies Act does not mean that we are wedded to this method of managing our undertakings. What we have now attempted to do is only by way of experiment. We have to see how this system works. If after a time, it is found to be not satisfactorily working, our idea is to try out other methods. There is no finality about these things. We are experimenting and, in course of time, we will evolve a type of management which will be satisfactory from all points of view."

As regards the responsibility of the Minister concerned, it is stated that, since autonomy has been given to the units, the Minister cannot be held responsible for those aspects of their working over which he has no control. However, in the articles of association of these undertakings, certain specific reservations are provided for. These reserve provisions will ensure that in matters such as appointment of the Board of Directors, appointment of persons above a particular salary and increase or reduction of share capital, the Government's decision would prevail.

In the course of discussion on the above statement of the Minister, some of the members pointed out that Parliamentary responsibility regarding nationalised industries was becoming increasingly important. Parliament was, therefore, entitled to get full information regarding them. Dealing with this demand, the Minister stated that the extent and the manner of Parliamentary control had to be settled by establishing conventions and that conventions were still being established even in the advanced countries such as the U.K. In the U.K., the convention that, in day-to-day matters of management, there should not be any Parliamentary question had been established. In that country, questions could be asked, he said, in regard to policy or even on administrative matters. Proceeding, he observed: "There is no doubt that Parliament should be given full information regarding the activities and policies of Government undertakings. It would not be appropriate, however, for the Minister to answer questions on matters which completely fall within the competence of the Board of Directors."

TOBACCO ESTIMATE

According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-India supplementary (final) estimate of tobacco, 1952-53, puts the current year's area and production at 798,000 acres and 219,000 tons, as against 712,000 acres and 205,000 tons, respectively, in the partially revised estimate of last year. This shows an increase of 86,000 acres or 12.1 per cent. in area and 14,000 tons or 6.8 per cent. in production.



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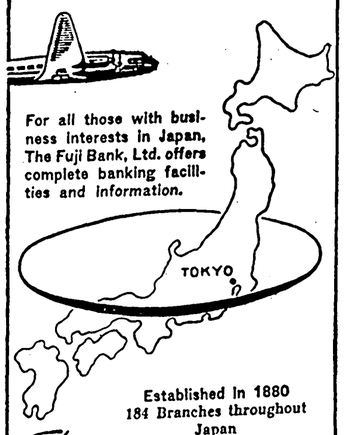

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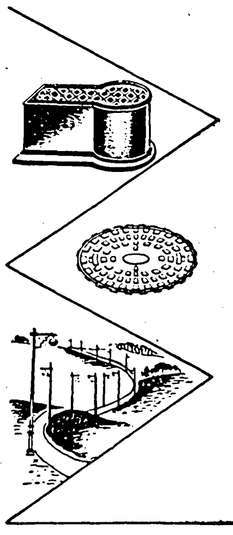

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THE FACTORIES ACT, 1948

PROVISIONS OF NEW BILL ANALYSED

A BILL to amend the Factories Act, 1948, was introduced in the Council of States on 3rd September, 1953. The Bill has three main purposes in view. First, it proposes to give effect to I.L.O. Conventions Nos. 89 and 90 prohibiting employment of women and young persons during night in factories, by amending sections 66, 70 and 71 of the Factories Act, 1953. Section 66, as it stands at present, provides, among others, that no woman shall be employed in a factory except between the hours of 6 a.m. and 7 p.m. It, however, gives the option to a State Government to vary the limits, though "no such variation shall authorise the employment of any woman between the hours of 10 p.m. and 5 a.m." To this section the amending Bill provides an addition that "there shall be no change of shifts except after a weekly holiday." Section 70 of the Act states that an adolescent is one who has been granted a certificate of fitness of work in a factory as an adult and who, while at work in a factory, carries a token of giving reference to the certificate. The Bill seeks to amend this section so as to provide "that no such adolescent, who has not attained the age of 17 years, shall be employed or permitted to work in any factory during night." Defining night, the Bill provides that "night" shall mean "a period of at least 12 consecutive hours, which shall include an interval of at least 7 consecutive hours falling between 10 p.m. and 7 a.m." Section 71 of the Act prohibits employment of children between 7 p.m. and 6 a.m. The amendment seeks to replace it by providing for prohibition of their employment during night. In this case, night is defined as "a period of 12 consecutive hours which shall include the interval between 10 p.m. and 6 a.m."

Annual Leave with Wages

Secondly, the Bill proposes certain changes in regard to annual leave with wages. The statement of objects and reasons says that the provisions of the Factories Act, 1948, relating to annual leave with wages have been causing considerable difficulty, particularly in determining the 12 months' "continuous" service for eligibility to leave with wages. It has, therefore, become necessary, according to it, to simplify the relevant provisions, so as to remove any cause for difference of opinion between employers and workers. Accordingly, the Bill provides a period of 240 days as the minimum attendance necessary during a calendar year to qualify for leave with wage. The condition of qualifying service will not be applicable to workers who are discharged or dismissed in the course of the year by the employer. Proportionate leave will be granted to workers whose service commences after the beginning of the calendar year. The annual leave with wages admissible under the Act "shall be exclusive of holidays occurring during or at either end of the period of leave." No prior notice will be necessary when a worker requires leave to cover a period of illness. The sums payable by an employer on account of leave with wages will be recoverable as if they were wages under the Payment of Wages Act.

Change of Shifts

Finally, the Bill seeks to carry out certain changes in the Act, which are expected to remove certain practical difficulties experienced in its working during the last four or five years. Thus, an amendment has been proposed to enable the Chief Inspector of Factories to permit the exceeding of the limit of nine hours of work in a day for a worker, provided in section 54 of the Act, in order to facilitate change of shifts. Further, an amendment to section 55 permits six hours of work at a stretch, without any interval, when the total number of hours to be worked on any day in a shift does not exceed six. This amendment is intended mainly to enable workers to avail themselves of half holidays in full on Saturdays, wherever such holidays are allowed. It also permits newspaper printing presses to work their entire night shift of six hours at a stretch. Again, the Bill enables the State Governments to declare two or more factories of the same occupier being declared as a single factory if an application for that purpose is made by the occupier. At present, the State Governments are empowered to declare different departments of a factory as separate factories. The Bill also seeks to amend the definition of manufacturing process as provided in the Act to include some of the presses including Government presses. The present definition, as worded, excludes them, as they are not considered as being carried on by way of trade or for purposes of gain, but this was not the intention of the framers of the Act. The definition is further sought to be amended to cover separate presses engaged in "composing types for printing." An amendment to section 64 enables State Governments to frame rules to exempt workers engaged in the printing of newspapers, who are held up on account of breakdown of machinery, from the provisions of the Act governing weekly hours, daily rest and spread-over. The section is also sought to be amended to liberalise overtime working conditions and enable continuous employment of workers in case some of the subsequent shift workers do not turn up in time.

Wages for Overtime

The Bill seeks also to make certain changes in calculation of "cash equivalent of the advantage accruing through the concessional sale to workers of foodgrains and other articles" for the purpose of computing ordinary rate of wages of individual workers, for payment of wages for overtime. This is being done because the existing provision is creating some practical difficulties. At present, calculation has to be made in each individual case taking into consideration the size of the family, the actual rations bought, as distinct from the maximum quantities the worker is entitled to buy and the actual difference. This involves considerable volume of clerical and computational work and the only practical way of avoiding this is to lay down in section 59 itself that the cash equivalent will be computed on the basis of the maximum ration admissible to a standard family of a specific number of consumption units. Accordingly, the section is now sought to be amended.

Under section 58(2) of the Act, State Governments have powers to frame rules exempting any factory or class of factories from the provisions relating to overlapping of shifts. It has, however, been found not possible to prescribe by the rules the type of these factories, as the grant of exemption has to be considered on the circumstances of each case. A re-draft of the section enables State Governments to exempt "any factory class or description of factories."

Safety Provisions

So far as safety provisions in respect of cranes and other lifting machines are concerned, the Bill seeks to provide for safety requirements in regard to chains, ropes and lifting tackles, in addition to cranes and other lifting machinery. An amendment to section 26, besides making clear that all new machines should comply with the requirements of encasement, also authorises State Governments to make rules specifying any further safeguards to be provided in respect of any class or description of machines. By an amendment to section 22 of the Act, the Bill provides that "no woman or young person shall be allowed to clean, lubricate or adjust any part of a prime mover or any transmission machinery, while the prime mover or transmission machinery is in motion, or clean, lubricate, or adjust any part of any machinery if the cleaning, lubrication or adjustment thereof would expose the woman or young person to risk of injury from any moving part either of that machine or any adjacent machinery."

INDUSTRIAL DISPUTES DROP IN JULY

Provisional statistics of industrial disputes for the month of July, 1953, show a decrease in the number of disputes, workers involved and man-days lost, as compared with those in the previous month. The total number of disputes during the month was 79 involving 43,713 workers, with a resultant time-loss of 108,346 man-days. The average duration of disputes during the month came down to 2.5 days from 3.1 days in June. Five of the disputes resulted in lockouts affecting 1,710 workers and accounted for a time loss of 8,210 man-days. Four of these were in West Bengal and one was in Madras. Apart from strikes and lockouts resulting from industrial disputes, there were seven work stoppages not connected with industrial disputes. These involved 60,700 workers and resulted in a time loss of 150,607 man-days. One of these was in Bombay and the rest were in West Bengal.

Sixty-four disputes ended during the month, of which 50 lasted for not more than five days each. Wages, allowances and bonus were the main points of dispute in 21 cases, while grievances relating to personnel alone accounted for 31 disputes. Fourteen disputes ended in complete or partial success to the workers and, in 18 disputes, they were unsuccessful. In 27 cases, the result was indefinite and in five cases not known.

Among the States, West Bengal, as in the previous month, accounted for the largest number of disputes and the highest time loss. As compared with the previous month, West Bengal, Bombay and Madhya Pradesh showed less disputes and a lower time loss. Although Madras recorded a higher number of disputes, the resultant time loss was appreciably less, as compared with that in June, 1953.

Among the industries, cotton textiles accounted for the largest time loss during the period under review. Reduced time losses were recorded during the month in cotton, jute, engineering, iron and steel, food, drink and tobacco, chemicals and dyes, ports, plantations and miscellaneous industries. The jute mill industry, which had accounted for over 70,000 man-days in June, accounted for a little less than 10,000 man-days during the month under review. The industries which showed increased time losses were other "other textiles," paper and printing and mines.

BRITISH TECHNICIANS FOR NEW INDIAN GLASS FACTORY

A batch of technicians belonging to a well-known British firm of glass manufacturers will be leaving the U.K. at the end of this month for India. Members of a 20-man team—part of which is already in India—they will be engaged in training Indian workers at a new glass factory at Asansol, in West Bengal. With their assignments completed, all but one or two of the team will return to the U.K. to rejoin their firm, which has been manufacturing sheet glass for 130 years.

In preparation for their stay in India, the technicians are at present learning Hindi. Instruction in Hindi is, however, only part of an intensive course on Indian affairs arranged for them by the British firm. The technicians have been made honorary members of the British Council Centre in Liverpool, which has enabled them to meet and talk with Indian students and others who are members of the Centre. Film shows and talks have also been arranged by the firm's education officer, who is looking after their general training.

EMPLOYEES' PROVIDENT FUNDS ACT, 1952

The Bill to amend the Employees' Provident Funds Act, 1952, introduced in the Council of States on the 14th inst., seeks to remove certain defects in the working of the Act. The full text of the Bill is not yet available. But, Press reports from Delhi reveal that there is no provision empowering the Government to apply the scheme to a factory not covered by the Act, even when the employer and employees ask for such application. Considerable doubts have also arisen regarding certain expressions used in the schedule to the Act, and no provision has been made in the Act for removing the doubts and difficulties.

The amending Bill is intended to remove the defects in the Act, as above, which have come to light since the Act came into force last year. One of the clauses now incorporated in the Bill provides that the Central Government may apply the Act to a factory, if it is satisfied that the employer and a majority of employees in the factory have agreed to such an application. Secondly, it provides for the recovery of any amount due from the employers in the same manner as arrears of land revenue. Thirdly, it prohibits the reduction by an employer, either directly or indirectly, of the wages of an employee, or the total quantum of benefits in the nature of old age pension, gratuity or provident fund to which the employee is entitled, under the terms of employment, express or implied, by reason only of his (employer's) liability for the payment of any contribution to the fund or any charges under the Act or the Scheme. Fourthly, it provides for inspection of exempted factories. Fifthly, power is sought to be vested in the Central Government to exempt any class of factories from the operation of the Act for such a period, as it may specify, on the ground of either financial position of such class of factories or circumstances of the case. Sixthly, it is sought to vest the Central Government also with power to remove difficulties in the working of the Act, as also any of the doubts. Further, under the Act, employees of the exempted factories are not entitled to benefit of nomination, protection against attachment or prior claim on the assets of an insolvent employer. The Bill seeks to remedy these defects also.

Under the Bill, again, any contravention of the Act or any of the conditions subject to which an exemption is granted will be liable with imprisonment which may extend to three months or with fine extending upto Rs. 1,000 or with both. Power is also sought to recover from the employer damages not exceeding 25 per cent. of the arrears, where an employer either defaults in the payment of a contribution to the fund or to the transfer of accumulations required to be transferred or in the payment of any charges payable under the Act.



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(i) Paid-up Capital		87,50,000
(ii) Reserve Fund		89,06,328
(iii) Deposits		62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.		12,82,96,445
	Total ..	76,65,23,136
ASSETS		
(i) Cash and Balances with Bankers		7,14,88,955
(ii) Investments :		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373		
(b) Other Investments .. Rs. 94,24,911		27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets : Including Bills Receivable, etc.		10,17,65,398
	Total ..	76,65,23,136

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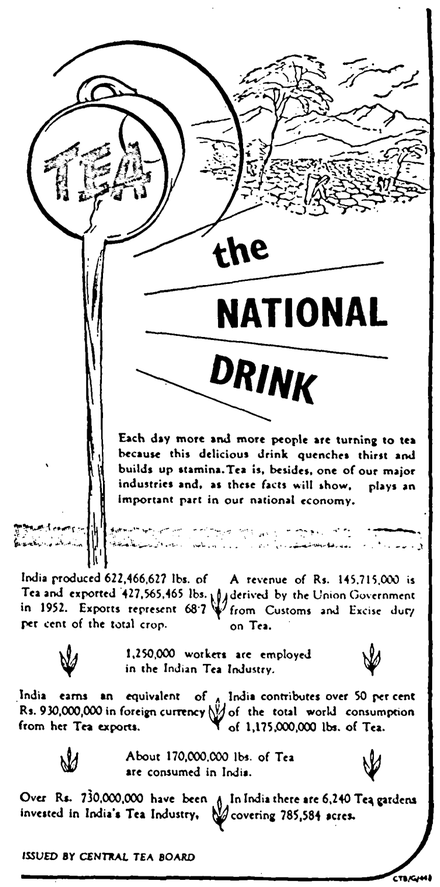

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EARNINGS OF TITAGHUR PAPER RISE

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THE performance of the Titaghur Paper Mills Company, Ltd. (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta), during the half-year ended 31st March, 1953, has been encouraging. Two important factors have been responsible for this. First, production registered further improvement, thanks to the successive improvement effected under the Company's renovation programme, on the one hand, and to the satisfactory supplies of raw materials and coal, on the other. Secondly, there was a better demand for paper which was reflected in increased despatches and lower stocks. The sale proceeds, as a consequence, show a marked rise, from Rs. 269.86 lakhs for the six months ended September, 1952, to Rs. 284.32 lakhs for the period under review. The rise, however, has not been accompanied by a corresponding improvement in trading profit which shows a rise of only Rs. 6.32 lakhs to Rs. 63.90 lakhs. The is due to increase in expenses, as a result of higher labour costs and larger consumption of general stores.

Despite the rise in trading profit, the net profit is actually a little lower at Rs. 27.62 lakhs, as against Rs. 28.48 lakhs. That has been so because of the need for larger provision for taxation and depreciation. The net profit, however, has been sufficiently high to maintain the return to shareholders at 20 per cent. per annum, made up of a dividend of 15 per cent. and a bonus of 5 per cent. per annum.

The results of the Company for the half-year under review, as compared with those for the three preceding half-years, are presented in the following table:

(In lakhs of rupees)

	For the half-year ended				
	31-3-53	30-9-52	31-3-52	30-9-51	
Sale proceeds	284.32	269.86	273.23	258.20	
Stocks	4.56	6.61	5.43	9.65	
Expenses	219.05	214.39	206.24	201.30	
Trading profit	63.90	57.58	63.52	58.34	
Managing Agents' commission	4.30	4.01	4.22	3.97	
Provision for—					
Taxation	21.00	17.50	18.50	17.00	
Depreciation	10.49	7.21	8.50	8.06	
Net profit	27.62	28.48	31.69	29.84	
E.P.T. refund (less tax) ..	..	15.50	..	..	
To general reserve ..	3.00	7.50	3.00	2.00	
,, other funds* ..	14.75	22.75	15.70	14.73	
,, commission to Managing Agents on E.P.T. refund	..	1.26	..	..	
Dividends—					
Preference and preferred ordinary ..	1.02	1.02	1.02	1.02	
Ordinary ..	11.20 (D. 15% +B. 5% p.a.)	11.20 (D. 15% +B. 5% p.a.)	11.20 (D. 15% +B. 5% p.a.)	11.20 (D. 15% +B. 5% p.a.)	
Carry forward	6.44	6.00	4.75	3.98	

* Includes tax contingency reserve.
D—Dividend. B—Bonus.

It will be noted from the above table that a large part of the rise in trading profit for the half-year under review has been taken away by "taxation" and "depreciation," the sum actually earmarked being higher by Rs. 3.50 lakhs and Rs. 3.28 lakhs, respectively. The net profit, therefore, shows a fall, albeit slight, from Rs. 28.18 lakhs to Rs. 27.62 lakhs, as stated above. Out of this profit, a sum of Rs. 3 lakhs has been added to the general reserve, which, as compared with the amount set apart six months ago, is less by Rs. 4.5 lakhs. The sum added to "other funds" also is less, being Rs. 14.75 lakhs, as against Rs. 22.75 lakhs. The fall has been shared by reserve for plant replacement and development (—Rs. 7.5 lakhs) and reserve for taxation contingencies (—Rs. 50,000). The allocation of such large sums to general reserve and other funds in the previous half-year, it must, however, be noted, was possible by the receipt of a sum of Rs. 15.5 lakhs (net) by way of post-war refund of excess profits tax.

That the Company has judiciously husbanded its resources during the past several years is clearly borne out by the strong and sound financial position which it is now enjoying. The reserves and surplus as on 31st March, 1953, amount to Rs. 276.12 lakhs, which are equal to nearly twice as much as the paid-up capital amounting to Rs. 142.92 lakhs. Of these, Rs. 94.49 lakhs represent reserves for plant replacement and development, Rs. 76.30 lakhs capital reserves arising from a revaluation of fixed assets reserves, and Rs. 36.40 lakhs general reserves. Current liabilities (including provision for taxation), at Rs. 124.30 lakhs, are covered by current assets amounting to Rs. 337.62 lakhs, that is by a margin of Rs. 113.32 lakhs. The current assets are represented, in the main, by stocks of paper and raw materials amounting to Rs. 202.71 lakhs, debts and advances Rs. 72.03 lakhs, investments Rs. 77.28 lakhs and cash Rs. 37.71 lakhs. The gross block, at Rs. 485.34 lakhs, has been substantially written down to a book value of Rs. 192.61 lakhs, the depreciation so far provided being equal to about 60.3 per cent. of the gross block.

The Company's Rs. 10 fully paid up ordinary shares are currently being quoted at Rs. 34-6 *ex-div.*, at which rate and on the basis of the annual dividend of Rs. 2 per share, the yield works out to about 5.8 per cent. per annum, free of income-tax.

INDIA UNITED MILLS LTD.

The annual general meeting of the India United Mills Ltd., held on the 18th inst., proved to be such a stormy one that, even after lasting for over three and a half hours, it was inconclusive and had to be adjourned to 8th October, 1953, without the report and accounts being adopted. Many shareholders expressed their indignation over the financial results of the Company for the year ended 31st December, 1952, which disclosed a loss of over Rs. 52 lakhs. Strong criticisms against the management were voiced at the meeting. Almost all of them wanted to know as to why this Company should have suffered such a high loss in 1952 when other mills had made a profit. So numerous and loud were their complaints against the management that there was utter confusion in the meeting.

Explaining the causes for the Company's heavy loss, Mr. Rameshwards D. Bagla, Chairman of the Company, said in his speech to the shareholders that a loss of Rs. 27.61 lakhs was attributable to the valuation of cotton stock as at the close of the year and of Rs. 13.35 lakhs to the gap between the cost and market price of unsold stocks of cloth and yarn as at the end of the year. Besides, the prices realised on sale of cloth during the year were much below the ceiling prices. The Chairman disclosed that the Company had to sell its production at rates ranging from 5 to 30 per cent. below the ceiling prices. He added that the ceiling prices of some varieties were not very remunerative due to the heavy price paid for cotton.

Mr. Bagla further pointed out that the liquid fuel prices increased substantially during the year and resulted in a rise of Rs. 11.50 lakhs to the Company's costs. The Company had also to pay about Rs. 10 lakhs as carry-over charges on cotton bales which could not be paid in time and this increased the cost of cotton. Among the other factors which contributed to the adverse results of the Company were the loss of loom-hours due to power cut, extra cost of power under the power pool scheme, the poor export business, etc.

Readers will recall that, in April last, the Government of India deputed Mr. S. D. Chopra, a chartered accountant of Delhi, to make a full and complete investigation into the working of the Company under the provisions of the Industries (Development and Regulation) Act. This step was taken by the Government as it felt that the Company was being managed in a manner likely to cause serious injury or damage to the interests of the consumers of the mills' products or a substantial body thereof. Adverting to this investigation, Mr. Bagla revealed that, in consultation with the Managing Agents, Mr. Chopra had put up a scheme, as an interim measure, for the conduct of the affairs of the Company. The Directors of the Company had accepted the scheme. One of its provisions seeks to reduce the number of nominees of the agents' firm on the Board of Directors from seven to four and to increase the strength of the Board by taking five more independent Directors.

The Chairman also disclosed that the Company had fared better during the first half of 1953. The renovation scheme undertaken by the Company is expected to result in economy in working and improvement of yarn production qualitatively.

One of the shareholders proposed an amendment suggesting appointment of a committee of shareholders to enquire into the working of the Company during the past year, pending the adoption of the report and accounts for the year. The amendment was seconded, but it was not moved as the meeting was adjourned.

SITHARAM SPINNING AND WEAVING MILLS LTD.

On an application made by the Travancore-Cochin Government to work the Sitharam Spinning and Weaving Mills Ltd., which has remained closed since July, 1953, for alleged want of resources, the Trichur District Judge has granted the Government permission to work the mills. The T.C. Government made this application under section 153(c) of the Indian Companies Act for directions to run the mills. In granting the request, the Judge directed that the Government should prepare, for submission to the Court, a scheme for working the Mills, to produce the labour essential for its working and also to execute a bond embodying the conditions under which it proposes to work the Mills.

The Indian Standard Wagon Co., Ltd., has made an application to the Controller of Capital issues for permission to capitalise its reserves to the extent of Rs. 9,74,625 and to make an issue to its ordinary shareholders of one bonus share of Rs. 25 for each existing share held. It will be recalled that in the year 1926, the ordinary shares of the Company were written down to Rs. 25 each from their original parity of Rs. 100 and that after the bonus issue in prospect, the ordinary share capital will stand at only 50 per cent. of the original amount subscribed.

TRANSFER OF SHARES

ESTATE DUTY BILL SUITABLY AMENDED

THERE has been considerable agitation—and perfectly justifiable agitation—against clause 80 of the original Estate Duty Bill which made it unlawful for a company to register the transfer of any shares standing in the name of a deceased member of the company, unless a certificate from the Controller is produced to the effect that either the Estate Duty has been paid or will be paid or that none is due, as the case may be. This clause was opposed on two main grounds. In the first place, it was contended that the buyer of a share can never know whether the seller is dead or alive. Secondly, he could never know whether the Estate Duty is payable by the seller or not. It was, therefore, rightly contended that the clause would impose considerable hardship on company managements and also interfere with the negotiability of shares. The Finance Minister was, therefore, wise in deciding to amend the clause. The amended clause now reads:

"*If* any member of a company, formed and registered under the Indian Companies Act, 1913 (VII of 1913), dies after the commencement of this Act and the company, through any of its principal officers as defined in section 18, has knowledge of the death, it shall not be lawful for the company to register the transfer of any shares standing in the name of the deceased member, unless the company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced before it a certificate from the Controller that either the Estate Duty in respect thereof has been paid or will be paid or none is due, as the case may be."

The main change introduced by means of this amendment, is the addition of the words "has knowledge of the death." The principal officer of the company cannot transfer the shares from one party to another party only when he has knowledge of the death of the seller. The "principal officer" means a manager, a managing agent or secretary. This is a considerable improvement on the original Bill which imposed, for all practical purposes, a blanket restriction on transfer of shares, for it would have been a well nigh impossible task for a company to determine the status and antecedents of all the holders of its shares who may choose to divest themselves of their holdings. The company would, in such cases, have had to ask for the relevant certificate from the buyers who would, in their turn, have been put to great hardship, since they too could not normally be expected to possess the knowledge about the antecedents of the sellers. The Finance Minister recognised the strength of this contention, for he said, in the course of his speech made prior to moving the amendment:

"Shares are freely convertible and in many cases the transferors are dead and, consequently, if in such cases registration is refused by the company, the free negotiability of the shares is unduly affected. It is for this reason that we seek to modify this clause. We have taken counsel with the various Stock Exchanges in the country, and they generally approve of this amendment."

Incidentally, the need for this amendment would not have arisen if the Government had chosen to consult the authorities of the Stock Exchanges in the country before it agreed to the insertion of the clause at the Select Committee stage. Indeed, the Government might have avoided this amendment if it had even anticipated—as it might well have done—the effect which such restrictions would have on the transfer of shares.

The Bill has a provision which relates to the position of foreign shareholders of companies incorporated outside India but who have been resident in India for two out of the three previous years. The Duty on their shares would be payable by the company and not by the shareholders. Explaining the reason for this provision, Mr. Deshmukh pointed out that that it had been inserted, because, in the case of foreigners, it was not possible for the Government to recover the taxes from them, as ordinarily such foreigners had no assets in India from which the Duty could be recovered. On their shares, the flat rate prescribed in the schedule would be imposed. For income-tax purposes also a flat rate of super-tax was applied in those cases in which foreigners did not declare their total world income. He explained further that the shareholders of such companies, who were domiciled in India, were not affected by the flat rate; they would be assessed in the ordinary way.

Points From The Chair

Solution to Unemployment

"IT is not that there is superfluity of manufactured goods. As a matter of fact, the consumption of various kinds of goods in this country is lower than in any Western country. The standard of living is far below what it should be, which means that the people cannot buy even the normal requirements. On the other hand, there are unemployed people, which means that the work is there and the workless are there, but the two have to be brought together in a properly organised fashion. So far as either reduction in production or complete stoppage of production causing unemployment is concerned, may I suggest that there should not be only two alternatives, i.e., either complete stoppage of work, and employment and starvation for the workers and losses to the employer due to closure, or full remuneration to labour and normal return to the employer. Surely between these two extremes, there must be a *via media*, where both can make sacrifices, so that the factory may not go out of production, but produce goods at prices at which the consumer can buy and to some extent unemployment may be reduced. It is a matter in which it is desirable again that the Government, labour and capital must sit down together before damage is done or a particular unit has to close down causing misery and loss to all concerned."

LALA SHRI RAM,
Jay Engineering Works Ltd.

Prospects for Indian Tobacco

"Tobacco is one of the most important cash crops of the country. In a sense, it is even more important from the point of view of national economy than sugarcane, inasmuch as, besides a large consumer demand in the country, a considerable proportion of tobacco is exported, and in 1951-52 tobacco earned nearly 17 crores of foreign exchange by export. Thanks to the operations of the Mysore Tobacco Company, the cultivation of tobacco has become increasingly popular in the State and has come to stay. Tobacco cultivation holds, therefore, bright and steady prospects and it is gratifying that an increasing number of farmers are eager to take up this cultivation. However, a word of caution to the cultivator is simultaneously necessary. The value of tobacco leaf to curers and packers is almost entirely dependent upon its quality. Therefore, unless the ryot takes special care in regard to the cultivation, spaces the plants properly in the field, uses good seed for the proper variety of plant, applies manures correctly, irrigates the plantation in the required manner and finally picks the leaf, in neither immature nor over-ripe condition, he may not expect a fair price for his produce."

E. V. GANAPATHI IYER,
Mysore Tobacco Co., Ltd.

Britain's Cargo Liners

"A great variety of post-war factors, such as import and export restrictions, political stresses, currency regulations, American aid, etc., have brought about many changes in the general pattern of trade. Outstanding examples of changing conditions in trades, in which your Company is concerned, are the Confederation of Newfoundland with Canada, which has undoubtedly been beneficial to the economy of Newfoundland, but which has had the effect of switching a good deal of traffic away from the United Kingdom and the United States to Canada. Also, the very large movement of coal from the United States to Japan has given employment to a considerable volume of tramp tonnage which has sought homeward employment to Europe from the North Pacific Coast. Normally this should not greatly affect the liner trade from the North Pacific, but, owing to the restriction of dollar purchases, traffic in fresh and dried fruits and canned goods, which, in pre-war days, flowed freely to the United Kingdom, has fallen to such small dimensions as to be practically non-existent. Consequently, liner tonnage, which is expected to maintain regular and frequent outward sailings to support the export drive, is forced to look to an increasing extent to homeward cargoes to bulk commodities, which, welcome as they are, do not require fast and expensive ships for their economical transport."

SIR ERNEST H. MURRANT,
Furness, Withy & Co., Ltd.

Outlook for Rubber

"As you know, the price of rubber, in common with that of palm oil, shows a further fall during the course of this year—a fall which, for estates in Indonesia, threatens an already precariously slender working margin. It is, therefore, with concern that we learn that appreciable further additions to the remuneration of estate workers in Java, South Sumatra and certain other territories have just been officially ordered. An official decision is still awaited covering North Sumatra, where, already, wages are on a higher scale. The increases now reported come at a time when, in recognition of the sharp decline in the value of rubber, sensible reductions have been agreed and introduced in competing territories. These enforced heavy additions to producing costs in Indonesia must jeopardise the economic existence of rubber estates already struggling to make ends meet, unless relief is promptly granted by simultaneously abolishing the extra export duty."

A. L. MATHEWSON,
Allied Sumatra Plantations, Ltd.

Notices

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held on Thursday the 5th day of November, 1953, at 4-30 p.m. (S.T.), at the Registered Office of the Company at Bombay House, 24, Bruce Street, within the Fort of Bombay, when the following Resolution will be proposed as Special Resolution:—

"That subject to the Scheme of Arrangement circularised to the shareholders, copy whereof is placed before this Meeting and for the purpose of identification signed by the Chairman thereof, being sanctioned by the Court and becoming operative and subject to the consent of the Government under the Capital Issues (Continuance of Control) Act, 1947, being given to the issues of capital provided under the said Scheme of Arrangement and herein:—

(a) The Capital of the Company be increased from Rs. 10,52,12,500 to Rs. 17,38,75,000 by the creation of 9,15,500 new Ordinary shares of Rs. 75 each ranking as regards dividend, capital, voting rights and in all other respects *pari passu* with the existing 3,50,000 Ordinary shares which have been issued and are fully paid up.

(b) A sum of Rs. 2,04,75,000 being part of the sum standing to the credit of the General Reserve Fund be capitalised and utilised for the payment and issue as fully paid up of 2,73,000 out of the aforesaid 9,15,500 new Ordinary shares of Rs. 75 each to be distributed amongst and allotted as fully paid up to the holders of the 48,750 Deferred shares in the capital of the Company in the proportion of 5-3/5 Ordinary shares for each Deferred share held by such holders respectively on the footing that they become entitled thereto as capital.

(c) A further sum of Rs. 4,81,87,500 being part of the sum standing to the credit of the General Reserve Fund be capitalised and utilised for the payment and issue, as fully paid, of a further 6,42,500 out of the aforesaid 9,15,500 new Ordinary shares of Rs. 75 each and the said 6,42,500 new Ordinary shares shall be distributed amongst and allotted as fully paid to the holders of the 6,42,500 Ordinary shares resulting from the reorganisation and consolidation of 3,50,000 existing Ordinary shares and the said 2,73,000 new Ordinary shares of Rs. 75 each and 48,750 Deferred shares of Rs. 30 each referred to in Clause 4 of the said Scheme of Arrangement in the proportion of one new Ordinary share for each Ordinary share held by such holders respectively on the footing that they become entitled thereto as capital.

(d) The Articles of Association of the Company be altered as provided in Clause 8 of the said Scheme of Arrangement in manner following:—

(i) For Article 4 substitute the following Article:

"4. The present capital of the Company is Rs. 17,38,75,000 divided into 50,000 six per cent. Cumulative Preference shares of Rs. 150 each, 7,00,000 seven-and-half per cent. Cumulative Second Preference shares of Rs. 100 each and 12,85,000 Ordinary shares of Rs. 75 each."

(ii) In Article 82 for the words "Ordinary and/or Deferred share" substitute the words "and Ordinary Share."

(iii) For Article 140 substitute the following Article:

"140. Subject to the provisions of these Articles and the terms of the Scheme of Arrangement sanctioned by the Court for conversion of the former Deferred shares of the Company into Ordinary shares, the profits of the Company which it shall, from time to time, be determined to divide in respect of any year or other period shall be applied first in paying the fixed cumulative preferential dividend at the rate of six per cent. per annum on the capital paid up on the Preference Shares to the close of such year or other period, and secondly in paying the fixed cumulative preferential dividend at the rate of seven-and-half per cent. per annum on the capital paid up on the Second Preference shares to the close of such year or other period, and the balance of such profits shall be divisible among the holders of Ordinary shares in proportion to the amount of capital paid up on the shares held by them respectively to the close of such year or other period."

Note.—The Scheme of Arrangement above referred to is an arrangement proposed under Section 153 of the Indian Companies Act between the Company and the holders of Ordinary and Deferred shares in the capital of the Company respectively *inter alia* for conversion of Deferred Shares into Ordinary shares and a copy of such Scheme is forwarded herewith along with a circular letter dated the 15th day of September, 1953.

By Order of the Board,
J. R. D. TATA,
Chairman.

BOMBAY, 15*th September*, 1953.

THE INDIA CEMENTS LIMITED
MADRAS

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Seventh Annual General Meeting of the India Cements Limited will be held on Saturday the 24th October, 1953, at 11 a.m., at the registered office of the Company, 11/12, Second Line Beach, Madras, to transact the following business:—

(1) To receive, consider, and adopt the Directors' Report and the audited Balance Sheet as at, and the Profit and Loss Account for the year ending 31st March, 1953.

(2) To declare dividend on Preference Shares.

(3) To elect two Directors in the place of Messrs. S. N. N. Sankaralinga Iyer and P. Suryanarayana, who retire by rotation under Article 114 of the Articles of Association of the Company. The retiring Directors being eligible offer themselves for re-election.

(4) To appoint Auditors and fix their remuneration. (The retiring Auditors, Messrs. P. S. Subramania Iyer & Co., and Messrs. Brahmayya & Co., Madras, being eligible, offer themselves for re-appointment.)

(5) To approve the donations of Rs. 8,184-8-0.

NOTICE is also given that the Register of Members of the Company will be closed from 12th October, 1953, to 24th October, 1953 (both days inclusive).

By Order of the Board,
For THE INDIA CEMENTS LIMITED,
For ESSEN LIMITED,
T. S. NARAYANASAMI,
Director,
Managing Agents.

MADRAS, 6*th August*, 1953.

MACNEILL AND BARRY, LIMITED

NOTICE IS HEREBY GIVEN THAT PAYment of the Half-yearly Interest on the 5 per cent. Debenture Stock 1966-71 of the Company will be made on 1st October, 1953, to those Stockholders whose names appear on the Company's Register on that date or in accordance with their instructions.

MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, 16*th September*, 1953.

PROFIT OF UNITED NILGIRIS LOWER

INDORE MALWA STEPS UP DIVIDEND

United Nilgiri Tea Estates Co., Ltd.

THE directors of the above Company (Managing Agents and Secretaries: Messrs. T. Stanes & Co., Ltd., Coimbatore) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The result of the year's working was very satisfactory, and showed a net profit of Rs. 4,27,232 (Rs. 4,76,306) after providing for reserves for taxation, depreciation and other charges. With the balance brought forward from last year of Rs. 68,786 (Rs. 50,142) a sum of Rs. 4,96,020 (Rs. 5,26,448) was available for distribution, which the directors disposed of in payment of 5 (8) per cent. interim dividend paid on 16th February, 1953, Rs. 68,540 (Rs. 1,09,664), 13 (12) per cent. final dividend (making 18 (20) per cent. for the year) Rs. 1,78,204 (Rs. 1,64,496), transfer to development reserve Rs. 1,50,000 (Rs. 1,50,000), bonus to staff Rs. 8,200 (Rs. 8,500), charity and donations Rs. 5,000 (Rs. 5,000), pension fund Rs. 15,000 (Rs. 20,000) and carried forward Rs. 71,076 (Rs. 68,788).

Capital expenditure during the year were Rs. 36,018 (Rs. 64,211) on buildings, Rs. 22,397 (Rs. 93,140) on factory and machinery, and Rs. 27,470 (Rs. 29,577) on new clearings.

Factory and machinery.—The visiting agent and engineers have recommended for some time past that it is advisable to have a good second drier in the factory in place of the very old double down draft drier which is at present our only spare when there is a rush of leaf. The directors have accordingly decided to order a new 4' e.c.p. drier to pair with the existing 6' e.c.p. and Rs. 65,000 has been included for this in the estimate of Rs. 91,000 for new machinery for the present year. The balance represents a large standby engine and alternator installed already when the electricity cut reached a serious position earlier this year. The dust extraction plant mentioned last year has recently been received. For buildings, fittings and furniture the estimate is Rs. 30,000 including Rs. 52,200 on new labourers' quarters. For new clearings Rs. 73,000 is required. A sum of Rs. 1,50,000 has been recommended for transfer to development reserve to provide finance for this expenditure.

The crop of made tea has totalled 7,46,000 lbs. against the estimate of 9,00,000 lbs., reduced during the year to 8,00,000 lbs., and a crop of 8,10,000 lbs. during the previous year. The cost on the estate was As. 20.75, including excise duty, and the all in cost was As. 25.21, against As. 23.44 the previous year. The selling price averaged As. 35.55 against As. 33.99 the previous year. Crop to the end of the half year, 30th September, 1952, was very short due to drought conditions, having been only 3,23,000 lbs., and as the half-year's results showed a much reduced profit, the directors considered it advisable to reduce the interim dividend. It is fortunate that the results for the second half of the year have proved so satisfactory and enabled the directors to recommend the dividend for the year at 18 (20) per cent. Much more rain is still required. The S.W. Monsoon has been a satisfactory one, and the directors hope the N.E. Monsoon will also not fail us, and with evenly distributed rains, the tea will recover from last year's drought and show an increase over the conservative estimate.

The demand for quality teas as produced by the Company's estates continues satisfactory, and prices are reasonable. The estimated cost of production for the current year is 119.60 cents including excise duty at 1 anna per lb. against As. 3 per lb. for this item last year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,70,800	Block ...	17,41,005
Reserves ...	9,33,759	Stock-in-trade	1,49,526
		Stores, etc. ...	1,43,067
Provision for taxation ...	83,466	Debts, depositsand advances ...	2,43,088
Liabilities ...	3,04,506	Investments	5,05,404
Profit and loss account ...	4,27,479	Cash ...	3,39,920
	Rs. 31,22,010		Rs. 31,22,010

Indore Malwa United Mills, Ltd.

The directors of the above Company (Managing and Selling Agents: Messrs. Govindram Seksaria (Indore), Indore) submit the audited accounts of the Company for the year ended 31st December, 1952.

The profit for the year, after deducting Rs. 5,01,736 (Rs. 4,68,479) for the agents' commission on profits and sales, amounted to Rs. 10,07,825 (Rs. 5,93,132). After adding to this sum the balance brought forward from the accounts of the previous year of Rs. 6,989 (debit of Rs. 3,36,146) there was a total of Rs 10,14,824 (credit of Rs. 2,56,989). From this sum the directors have written off the accrued depreciation for the years 1947 to 1949 as under:—

Buildings Rs. 2,87,126, machinery Rs. 3,60,992, drosophor installation Rs. 783, fire service Rs. 1,533, electric installation Rs. 9,187, motor cars and lorries Rs. 42,744, furniture and dead-stock Rs. 1,526, and ginning factories Rs. 8,109. There was an available balance of Rs. 3,02,824 (Rs. 2,56,989). The directors paid a dividend of Rs. 6 (Rs. 5) per share, free of income-tax, absorbing Rs. 3,00,000 (Rs. 2,50,000), leaving to be carried forward Rs. 2,824 (Rs. 6,989).

During the year under report the control on cotton continued as in previous year. The Company was able to purchase most of its requirements of cotton for the year in the last quarter of the preceding year and the first quarter of the year under report, when the new crop was moving in the market, at ceiling prices. The Company also purchased a considerable quantity of American cotton for fine varieties of cloth. However, the profits of the Company were adversely affected due to worldwide recession in textile and other commodities, specially cotton, and the mills all over India were faced with a serious problem. The steep fall in prices of cotton and certain varieties of cloth which resulted in financial stringency forced certain mills to liquidate their holdings at substantially reduced prices. In view of the above circumstances, the Government of India thought it advisable to make certain changes in their control policy and accordingly the Government withdrew distribution control on superfine cloth of all varieties and on certain varieties of fine cloth. They also withdrew progressively distribution control on coarse and medium varieties of cloth to the extent of 80 per cent. and production control on the manufacture of *dhotis* and *saris*. The aforesaid measures helped the industry to a great extent in the disposal of their stocks. The Government of India, from 1st October, 1952, withdrew price control also over a number of varieties. However, despite all the abovesaid adverse circumstances, the directors reported that the profit for the year was satisfactory. The directors further informed that various measures were being taken by the management to bring down the manufacturing cost and hope that the results of the current year will be much more encouraging.

During the year an expenditure of Rs. 81,012 was incurred on account of structural alterations, additions and extensions to existing buildings, and a sum of Rs. 70,984 was expended for one c.k.t. 2 e.5 capacitor, 12 bahnson h.d., 2 humidifiers with six switches and 1 type humidifiers complete, 8 c.i. ducts, one dronsfield's motor-driven flat grinding and roller covering machine, 3 ring frames comple, one electric motor, one busbar trucking machine, one spinopinc pin machine and one 22" w.h. friction clutches complete.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	42,24,175
Reserves ...	12,52,505	Stock-in-trade	1,04,30,403
Provision for taxation ...	14,90,958	Stores and spare parts, etc.	26,86,527
Liabilities ...	1,02,22,693	Debts, deposits and advances ...	13,70,930
Profit and loss account ...	10,14,824	Investments	1,22,989
		Cash ...	1,45,956
	Rs. 1,89,80,980		Rs. 1,89,80,980

Dishergarh Power Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

In accordance with the provisions of the Electricity (Supply) Act, 1948, Rs. 20,645 (Rs. 18,571) have been transferred to contingencies reserve and Rs. 70,774 (Rs. 2,00,837) have been transferred from tariff and dividend control reserve.

After crediting excess provisions for previous years totalling Rs. 1,71,088, and after charging Rs. 1,89,066 (Rs. 2,19,365) for depreciation and providing Rs. 1,10,000 (Rs. 1,50,000) for taxation in respect of the current year, there remains a balance of Rs. 8,34,915 (Rs. 5,49,854) at the credit of the profit and loss account which the directors recommend should be allocated as follows:—

Dividend of Rs. 5 (Rs. 5) per share on the "A" preference shares Rs. 80,000 (Rs. 80,000), dividend of Rs. 4-8 (Rs. 4-8) per share on the "B" preference shares Rs. 54,000 (Rs. 54,000) and dividend of Rs. 6 (Rs. 6) per share on the ordinary shares Rs 2,59,200 (Rs. 2,59,200) leaving to be carried forward Rs. 4,41,715 (Rs. 1,56,654).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	71,20,000	Block ...	58,11,907
Reserves ...	15,14,079	Stores ...	8,66,419
		Other assets	8,045
Provision for taxation ...	1,78,316	Debts, deposits and advances ...	7,73,400
Liabilities ...	15,74,169		
Profit and loss account ...	4,41,713	Investments	33,54,664
		Cash ...	13,844
	Rs. 1,08,28,279		Rs. 1,08,28,279

Patna Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co. Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The revenue account showed a profit on the year's working of Rs. 9,25,045 (Rs. 6,78,740) to which was added refund of income-tax on investment income Rs. 584 (Rs. 1,222), making a total of Rs. 9,25,629 (Rs. 6,79,961). From this sum was deducted debenture interest Rs. 1,00,000 (Rs. 1,00,000), debenture trustees' fees Rs. 700 (Rs. 700), gratuity to employees Rs. 619 (nil), arrears of depreciation Rs. 20,927 (Rs. 22,522), contribution to Vallabhbhai Patel National Memorial Fund Rs. 1,097 (nil), reserve for deferred taxation Rs. 1,85,000 (Rs. 1,70,000), reserve for contingencies under the Electricity (Supply) Act, 1948 Rs. 25,569 (Rs. 24,847) and reserve for redemption of debentures (special appropriation permitted by Government of Bihar Rs. 3,25,000 (Rs. 25,000). Thus there was a net profit for the year of Rs. 2,66,717 (Rs. 2,73,892). After adding the adjusted credit balance of Rs. 39,826 (Rs. 36,351) brought forward from the previous year and deducting Rs. 2,560 (Rs. 45,908) being the additional bonus paid to employees for 1951 (1949 and 1950), there was a credit balance of Rs. 3,03,983 (Rs. 2,64,335) on profit and loss account. The directors paid a dividend of 7½ (7½) per cent. for the year 1952 without any deduction of income-tax paid by the Company (shares issued in 1952 being entitled to dividend in accordance with the terms of issue and allotment) Rs. 2,42,601 (Rs. 2,24,395) and carried forward the balance of Rs. 61,382 (Rs. 39,940).

During 1952, 1,00,806 shares were offered to the shareholders for subscription out of which up to date only 51,544 shares have been taken up and paid for in full.

A continuous supply of energy was maintained throughout the year, and an increase of approximately 12 per cent. in the number of units sold was recorded as compared with the previous year. Total number of units sold during the year was 25,415,740 (22,707,810).

The number of consumers connected to the Company's system at the close of the year was 12,950 with a connected load of 21,959 kw. as compared with 11,795 with a connected load of 20,248 kw. at the close of the previous year.

There is a continued demand for additional supply within the Company's licensed area, and the prospects are considered good. Satisfactory progress was made during the year with the erection of the fifth boiler.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,92,978	Block ...	82,64,750
Debentures ...	20,00,000	Stores ...	7,29,848
Reserves ...	27,61,487	Debts, deposits and advances ...	8,43,444
Liabilities ...	15,90,406	Investments	1,07,525
Profit and loss account ...	3,03,983	Cash ...	2,03,287
	Rs. 1,01,48,854		Rs. 1,01,48,854

Agarpara Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1953.

Including the sum of Rs. 3,33,368 (Rs. 3,47,176) brought forward from the previous half-year and after deducting the manufacturing and revenue expenses, commission, depreciation and all other charges, there remains a balance of Rs. 3,93,243 (Rs. 19,46,246) for disposal with which it is proposed to deal as follows:—

To payment of dividend on 10,000 preference shares at 7 per cent. per annum, free of income-tax Rs. 35,000 (Rs. 35,000), to payment of dividend on 6,00,000 ordinary shares at 10 (20) per cent. per annum, free of income-tax Rs. 3,00,000 (Rs. 6,00,000) and to carry forward to next period Rs. 58,243 (Rs. 3,11,246).

In accordance with the provisions of the Indian Jute Mills Association working time agreement, the mills worked 42½ hours per week throughout the half-year with 12½ per cent. of the total looms remaining sealed as before.

In the jute and gunny market much speculation and fluctuations created difficult trading conditions during the period under review. Prices steadily declined and as a remedy to this Government reduced the sacking export duty from Rs. 175 to Rs. 80 per ton. This reduction helped to prevent further deterioration of the market, but did not stimulate demand.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	46,61,835
Debentures	12,00,000	Stocks ...	38,57,036
Reserves ...	59,50,000	Stores and spare gear	9,70,183
Provision for taxation ...	11,07,985	Debts, deposits and advances ...	77,22,281
Liabilities ...	20,14,339	Investments	4,31,701
Profit and loss account ...	3,93,243	Cash ...	22,471
	Rs. 1,76,65,567		Rs. 1,76,65,587

Mysore Spun Silk Mills, Ltd.

The directors of the above Company (Chairman: Mr. K. Shamsuddin Khan, Channapatna) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The abnormal factors which led to the temporary suspension of operations in the spun silk section of the mills last year were detailed in the sixteenth general meeting of the Company. The situation having gradually improved during the latter half of the year, action was taken to restart work in all the departments in one shift. There were impediments however to commence work in full swing owing to 40 per cent. cut in power supply from January to March, 1953 and again in June when there was a cut of 75 per cent. for a fortnight and 100 per cent. for one week due to the very low level of water in the Krishnarajasagara reservoir. The factory is now working in full swing, some of the departments working on two shifts also. The majority of the retrenched labour were taken back as and when work increased.

The overhauling, re-conditioning and re-organisation of the entire machinery of the mills undertaken with the help of the Japanese expert last year were completed by the end of July, 1953. As a result of this and due to the introduction of improved methods of processing on the lines prevailing in Japan introduced by the Japanese expert the production in the Factory per unit has increased resulting in lowering the costs of production appreciably and improving the quality and efficiency side by side. As a result of the implementation of the new methods of processing, the Company will be able to reduce its expenditure by about Rs. 2 lakhs per annum.

The filature, carpet and weaving departments of the Mills continued to work in full swing throughout the year and helped appreciably in averting what otherwise would have been a heavy deficit for the year.

The directors are very grateful to the Government of Mysore for their timely help during the year by coming forward to stand guarantee for an additional loan of Rs. 3 lakhs raised from the Bank of Mysore Ltd., and also for their continued solicitude for the successful working of the Company.

The raw material market which underwent steep upheavals during 1950-51 and 1952 is practically steady during the current year and supplies are now available at economic prices. This has helped the Mills to keep a steady programme of manufacture. Though the spun silk section could not work fully for the major portion of the year under report, yet due to the satisfactory working of the other departments, the Company's working during the year has resulted in a small surplus of Rs. 2,232 (loss of Rs. 4,71,298) after providing for depreciation. As during the year there was a fall in the prices of stocks of raw materials and finished goods carried forward from the previous year to the extent of a little over Rs. 1½ lakhs, the directors have appropriated the sum of Rs. 1½ lakhs which had been provided in the balance-sheet as a reserve for such contingencies. The directors hope that with the improvement in the conditions since January this year, the Company's results in future years would be more satisfactory.

The directors propose that the deficit of Rs. 4,60,002 which has occurred as a result of the carry forward of the previous year's losses may be wiped off by adjustment in the reserve fund, leaving a balance of Rs. 2,24,997 in the reserve fund.

The accounts of the Company for the years 1943-44 to 1945-46 are under examination by the income-tax authorities as to whether any profit has arisen which was taxable in British India during that period. This Company has disputed any liability under this head.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,61,780	Block ...	13,97,675
Reserves ...	2,58,745	Stock-in-trade	9,77,024
Provision for taxation ...	57,769	Stores, spare parts, tools, etc. ...	4,03,178
Liabilities ...	13,15,524	Debts, deposits, and advances ...	1,11,113
Profit and loss account ...	2,232	Investments	87,221
		Cash ...	19,837
	Rs. 29,96,050		Rs. 29,96,050

New Victoria Mills Co., Ltd.

The directors of the above Company (Secretaries: Messrs. J. P. Srivastava and Sons Ltd., Kanpur) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The results for the period, after making the usual provisions, showed a loss of Rs. 4,26,666 (profit of Rs. 19,78,141) to which was added depreciation Rs. 5,70,975 (Rs. 4,74,424) leaving at debit of profit and loss account a sum of Rs. 9,97,641 (debit of Rs. 15,88,215 after reducing the debit balance brought forward from the previous year of Rs. 30,91,932).

The directors reported that inspite of the marked improvement in the working of the mills, which resulted in higher efficiency and lower costs, the Company made a loss during the year. These adverse results are entirely attributable to the unprecedented conditions that prevailed in consequence of the landslide in prices of raw materials in the Spring of 1952, which was followed by a general slump in the cloth market. These unforeseen factors have affected the Textile Industry of the country in a manner and to an extent unknown in its annals and the mill was no exception to the misfortunes that flowed from this. The Company had with the object of securing quality cotton purchased a sizable quantity of Indian cotton against their quotas allotted to them in the beginning of the cotton season 1951-52. They were also allotted and secured large quantities of foreign cotton at the much higher market prices ruling early in the season.

At the commencement of the year when ceiling prices of cloth and yarn were based on the ruling prices of new crop cotton, the mill was working on a profitable basis, but unfortunately towards the end of March there was a sudden crash which affected both indigenous and foreign cotton. The Government of India in complete disregard of the prices paid by the mills for cotton revised the prices of cloth in a downward direction. Later in the year when prices of cotton registered a rise the Government declined to accept the just demand of industry for an upward revision in prices which they were bound to do in accordance with the Tariff Board formula and the only action they took was to remove the price and distribution control on a few varieties of cloth. This unreasonable action of Government led to further depression in the piece-goods market and the mills were compelled to dispose of their goods at uneconomical prices which were far below the cost of manufacture. The inevitable consequence of this was lower realisation from sales which resulted in heavy losses.

To add to the difficulties, during the year the Employees Provident Fund Act was put into force under which all workers earning Rs. 300 and below were compulsorily required to contribute 6¼ per cent. of their basic wages and dearness allowance per month to the Fund. Employers were being called upon to contribute an identical amount. The novel feature of this Provident Fund Scheme is that contributions have to be paid not only on the basic wages but on the dearness allowance as well. The introduction of the Provident Fund Scheme has resulted in an increased charge of approximately Rs. 3,50,000 per annum.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	52,02,178	Block ...	45,22,709
Reserves ...	25,62,533	Stock-in-trade	78,63,487
Liabilities ...	1,14,39,826	Stores, etc. ...	20,60,734
		Debts, deposits, and advances ...	20,11,679
		Investments	1,20,894
		Cash ...	39,388
		Profit and loss account ...	25,85,856
	Rs. 1,92,04,837		Rs. 1,92,04,837

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

COMPANY MEETINGS AND DIVIDENDS

JOGTA COAL CO., LTD. Annual General Meeting, Calcutta, 28th September, 1953. Transfer books closed from 14th to 28th September, 1953, both days inclusive.

NILAMBUR RUBBER CO., LTD. Annual General Meeting, Madras, 29th September, 1953. Dividend: Re. 1 per share. Transfer books closed from 22nd to 29th September, 1953, both days inclusive.

DEJOO VALLEY CO., LTD. Annual General Meeting, Calcutta, 30th September, 1953.

DIBRUGARH CO., LTD. Annual General Meeting, Calcutta, 30th September, 1953.

BORMAH JAN TEA CO., (1936) LTD. Annual General Meeting, Calcutta, 30th September, 1953.

APOLLO MILLS LTD. Annual General Meeting, Bombay, 30th September, 1953. Dividend: As. 4 per share. Transfer books closed from 8th to 28th September, 1953, both days inclusive.

RYDAK TEA SYNDICATE LTD. Annual General Meeting, Calcutta, 30th September, 1953. Dividend: Re. 1 per share. Transfer books closed from 10th to 30th September, 1953, both days inclusive.

BARADIGHI TEA CO., LTD. Annual General Meeting, Calcutta, 30th September, 1953. Dividend: As. 8 per share. Transfer books closed from 10th to 30th September, 1953, both days inclusive.

DESSAI AND PARBUTTIA TEA CO., LTD. Annual General Meeting, Calcutta, 30th September, 1953. Dividend: Rs. 10 per share. Transfer books closed from 10th to 30th September, 1953, both days inclusive.

CENTRAL CACHAR TEA CO., LTD. Annual General Meeting, Calcutta, 30th September, 1953. Dividend: *Nil*. Transfer books closed from 10th to 30th September, 1953, both days inclusive.

CHANDYPORE TEA CO., LTD. Annual General Meeting, Calcutta, 30th September, 1953. Dividend: *Nil*. Transfer books closed from 10th to 30th September, 1953, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Half-yearly General Meeting, Calcutta, 1st October, 1953. Dividend: Rs. 2-8 per share. Transfer books closed from 17th September to 1st October, 1953, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Half-yearly General Meeting, Calcutta, 1st October, 1953. Dividend: Re. 1-14 per share. Transfer books closed from 17th September to 1st October, 1953, both days inclusive.

INDIAN STANDARD WAGON CO., LTD. Annual General Meeting, Calcutta, 5th October, 1953. Dividend: Rs. 4-12 (including bonus of Re. 1) per share. Transfer books closed from 26th September to 5th October, 1953, both days inclusive.

HOARE MILLER & CO., LTD. Annual General Meeting, Calcutta, 6th October, 1953.

HASIMARA TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Transfer books close from 1st to 8th October, 1953, both days inclusive.

DIMAKUSI TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Transfer books close from 1st to 8th October, 1953, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Annual General Meeting, Kozhikode, 10th October, 1953. Dividend: 10 per cent. on the ordinary share capital. Transfer books close from 28th September to 12th October, 1953, both days inclusive.

INDIA CEMENTS LTD. Annual General Meeting, Madras, 24th October, 1953. Transfer books close from 12th to 24th October, 1953, both days inclusive.

COMPANY REGISTRATIONS

INTERNATIONAL AUTO INDUSTRIES LTD. First Director: Mr. Chimanlal Dahyabhai Nanavati.) Business: Importers, Exporters, Manufacturers and Dealers in Automobiles, Motor Cars, Motor Lorries, etc. Authorised capital: Rs. 25,00,000. Private company. Address: International Building, Mirjapur Cross Lane, Ahmedabad.

PEOPLE'S OWN HOUSING AND INDUSTRIAL CORPORATION LTD. (First Director: Dr. Rameshwar P. Bhatt.) Business: Builders, Contractors, Sanitary Plumbers and Engineers, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 97, Stock Exchange Building, Apollo Street, Fort, Bombay.

VIPIN BROTHERS LTD. (First Director: Mr. Jivanlal Lalloobhai Shah.) Business: Importers, Exporters and Dealers in Merchandise, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 28, Alexandra Road, Opposite Gamdevi Police Station, Bombay 7.

AGRI-HORTICULTURAL PRODUCTS LTD. (Managing Director: Mr. W. L. Dahanukar). Business: Sugarcane Planters, Importers, Exporters and Dealers in Sugar, Molasses, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 759/75-4, Fergusson College Road, Poona 4.

QUESTION HOUR IN PARLIAMENT

Adulteration of Oil

SO far as the Government are aware, argemone oil is not used in the manufacture of bath soaps, but it is understood that no risk to human health is likely even if it is so used. The question of preventing the use of argemone oil in the manufacture of bath soaps does not arise. Argemone oil is generally used for adulteration of mustard oil. The Government of India has already requested the State Governments concerned to take necessary steps to exterminate the argemone weed wherever found. The Indian Standards Institute has also recently finalised the specification for mustard oil where it has been laid down that the oil should be free from admixture with argemone oil. The Prevention of Food Adulteration Bill, which is pending before the House, when enacted, will also help in preventing the adulteration of edible oils with argemone oil.

—Deputy Minister for Health

Loans to States

During the period April to August, 1953, a sum of Rs. 1,416.90 lakhs had been given to States as loans, including short-term loans under the Grow-more-food campaign. A sum of Rs. 184.37 lakhs had also been given to various States as grants under the G.M.F. scheme.

—Minister for Agriculture

Minimum Wages Act

The suggestion that all major Port Trusts should be exempted from the Minimum Wages Act, 1948, has not been accepted by the Government. The arrears of wages to be paid to the Port Trust employees of Bombay, as a result of this decision, will be paid to them. The Calcutta Port authorities have also been similarly addressed by the Central Government.

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Labour Conditions in Salt Factories

The Government of India sees no sufficient ground to interfere with the action of the Travancore-Cochin Government in setting up a Court of Enquiry to go into the conditions of labour in certain salt factories in the State. In 1951, following a dispute between the employees and employers, a tripartite conference was held and an agreement was reached. The employers, however, later said that they could not implement the agreement, due to an alleged slump. The workers went on hunger strike. Thereupon, the Travancore-Cochin Government set up a Court of Enquiry under the Industrial Disputes Act. The Employers' Association which has made representations to the Central Government on this matter, has been advised to represent its case before the Court of Enquiry.

—Minister for Labour

Orders for Wagons

Up to 31st July, 1953, 350 wagons had been received, as against the orders placed for 3,090 wagons in India and 10 in the U.K. No locomotives or coaches have been received against orders for 50 locomotives in India and 62 coaches, 12 in Italy and 50 in Switzerland. The delivery of the orders placed in 1952-53 are not due for completion before March, 1954.

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Shipping Statistics

Indian shipping companies have been carrying, on an average per sailing, larger tonnages than the foreign lines in Indian trade. I have based my conclusions on the statistics relating to Calcutta, which is the largest export port in the country. Forty-six ships of 97,324 gross tons employed in the coastal and overseas trade are over 20 years of age and may require replacement in the near future. Thirty-seven per cent. of shipping in the coastal trade and about three per cent. of shipping engaged in overseas trade require replacement and the Government is assisting the shipping companies in this regard. A sum of Rs. 6 crores will be advanced as loans to them and the companies are also required to find a sum of Rs. 3 crores. It is estimated that the total cost of replacement will be well within the amount.

—Deputy Minister for Railways

Cloth Control Order

Instructions have been sent to State Governments in regard to 45 textile mills against which prosecution might be launched for contravening the Cloth Control Order regarding production of *dhotis*. About 149 mills have been detected in the act of contravening the Order in this regard during the four months February-May, 1953. In the case of other mills, the excess production is comparatively small and they have been directed to reduce their production in succeeding months so that it is readjusted within the quota. There is no question of any Government refusing to launch prosecution.

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Price of *Dhotis*

The price of *dhotis* have risen in Orissa, Bengal and Uttar Pradesh, and even in other areas. The finer varieties too have registered an increase. The Government's policy in regard to the matter (that is, restriction on production of *dhotis* in favour of handlooms) must be determined by the exigencies of the situation. I am unable to say anything in regard to the future. At the moment, I have no such thought. In regard to the total production of *dhotis* by mills, it is well within the overall quota fixed, namely, 30,000 bales, although individual mills here and there contravene the restrictions of the Order.

—Minister for Commerce and Industry

MONEY RULES STEADY

(From Our Own Correspondent)

BOMBAY, 23rd *September*

The short-term money market ruled steady during the week under review, though trading was dull and the volume of business in the inter-bank call money sector was low in the absence of any further fresh local demand for funds. The inter-bank call rate among the Exchange banks and big Indian banks remained steady at 2 per cent. in the early hours of the day, while left over funds after clearing were on offer at 1½ per cent. The steadiness in call money among these banks was attributed to the fact that Exchange banks remained active borrowers and to the likelihood of the withdrawal next week of a large quantity of funds by a big bank which closes its accounts on the 30th inst. The big Indian banks were not keen borrowers and at times they were lenders. Activity among the smaller Indian banks was subdued and inter-bank call money was bid at 2½ to 2 per cent.

Period money also kept steady at 2½ per cent. for one to two months and at 2¼ per cent. for three to six months. Some banks were prepared to pay slightly higher rates of interest. Thus, they offered 2½ per cent. for three months and 2¾ per cent. for deposits maturing in the first quarter of 1954. House money continued to fetch 2¼ per cent.

The tenders for Rs. 1.5 crores of three months' Government of India Treasury Bills this week brought an offer of Rs. 1.95 crores. This was only Rs. 12.5 lakhs more than that of the previous week. The average rate of accepted tenders was higher at Rs. 2-6-8 per cent. per annum, as against Rs. 2-6-7 per cent. in the previous week.

A perceptible drop of Rs. 11.57 crores in notes in circulation is disclosed by the statement of the Reserve Bank of India for the week ended 18th September, 1953, as compared with that for the previous week. Notes held in the Banking Department, on the other hand, show an expansion of Rs. 9.09 crores. The net decline of Rs. 2.48 crores in total notes issued is covered by a fall of Rs. 3.48 crores in rupee securities and an increase of Rs. 99.97 lakhs in rupee coin. In the Banking Department, the deposits of the Central Government have risen by Rs. 9.42 crores, while those of other Governments have dropped by Rs. 2.55 crores. Deposits of banks and others do not show any notable variations. On the assets side, cash balances have risen by Rs. 9.13 crores, while very minor variations are noted in other portfolios.

The Scheduled Banks' statement for the week ended 11th September, 1953, as compared with that for the previous week, reveals a fall of Rs. 1.81 crores in demand deposits. Negligible changes are seen in time deposits and inter-bank borrowings. Borrowings from the Reserve Bank are lower by Rs. 43 lakhs and those from the Imperial Bank by Rs. 1.95 crores. Advances have recorded a fall of Rs. 4.72 crores and bills purchased and discounted of Rs. 1.43 crores. Investments are higher by Rs. 1.19 crores. Cash has shrunk by Rs. 2.49 crores, while balances with other banks in current account have increased by Rs. 37.46 lakhs and money at call and short notice by Rs. 33.28 lakhs.

The Gilt-edged market was steady during the week under review, though not much activity was reported in Central Government loans. Some support was in evidence in 3 per cent. 1986 Conversion Loan which picked up As. 4 to Rs. 82-3 before closing at Rs. 82-2. 3½ per cent. National Plan Bonds had some small business at Rs. 98-6½. The other Central Government issues were mostly unchanged, except 3 per cent. 1964 which rose by an anna to Rs. 92-8. There were some enquiries for 4 per cent. State loans during the week, as a result of which they recorded a rise of one to two annas. 4 per cent. 1963 Bombay and Madras were done an anna higher at Rs. 100-7 and Rs. 99-11, respectively. 4 per cent. 1964 Bombay, Madras and U.P. each rose by an anna to Rs. 100-7, Rs. 99-11 and Rs. 99-10, respectively. 4 per cent. 1964 West Bengal moved up by As. 2 to Rs. 100-4.

In the foreign exchange section, the rupee became a little stronger in terms of the U.S. dollar. The banks' selling rate for ready dollars declined from Rs. 478-8 to Rs. 478 per $100 and the buying rate from Rs. 474-4 to Rs. 474. In New York, sterling also gained strength, though the closing rates were a shade lower than the highest rates for the week. Thus, spot sterling rose from $2.79½-2.79¾ to $2.80-5/16-2.80-7/16 before closing at $2.80¼-2.80½. Three months' sterling hardened to $2.79¾-2.79¾, from $2.78¾-2.79 a week ago and so also six months' sterling to $2.79¼-2.79¼ from $2.78½-2.78¾.

METALS EASY

(From Our Own Correspondent)

CALCUTTA, 22nd *September*

Conditions in the metal market were easy during the week under review. In view of the coming spell of holidays, manufacturers were interested only in small quantities. Stockists were not willing to discount prices further, as a shift in the international situation over the composition of the Korean political conference was noted.

Tin opened the week at Rs. 415 and, after fluctuating within narrow limits, closed at Rs. 414. The nature and the amount of transactions were such as to prevent the quotations from moving up. After the recent hectic activity, mercury eased to Rs. 500 a flask, as it would appear that the re-export demand remained fulfilled. The occurrence of a spurt depends on the receipt of further enquiries and finalisation of concrete business. Electrolytic copper ingots were quoted at Rs. 167 with little business passing. Electrolytic zinc, which reopened at Rs. 54-8, shaded to Rs. 53, following reports that a moderate quantity would reach this country sooner than earlier expected. Lead was quiet at Rs. 66.

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, 23rd *September*

Conditions in the bullion market were distinctly bearish during the week under review, with prices disclosing a sizable fall, particularly in silver. The erratic trend in silver noted in the previous week yielded place to one of weakness on selling induced by fears about the implications of the proposed change in the by-law relating to the penalty for non-delivery of goods by sellers at the time of settlement. The offtake in silver was also too poor to arrest the downward trend in prices.

Gold also displayed some weakness due to apprehensions about large unauthorised arrivals in the coming months and the decline in offtake, as also in sympathy with silver.

On Saturday last (19th inst.), the Board of Bullion Association decided to bring about a change in the by-law in order to restrict the penalty for non-delivery of bullion at the time of the settlement. The Board's decision is subject to the approval of the General Body of the Association by a two-thirds majority and sanction by the Government of Bombay. The by-law as at present lays down that if a seller defaults in giving delivery, his outstanding sales will be auctioned at prices which will be determined by the purchaser. The proposed amendment to this by-law states: (a) when a seller defaults to deliver goods in terms of his delivery order, he shall pay damages to be determined by an auction and (b) under no circumstances, his damages will be determined by an auction at a rate higher than Rs. 3-8 per 100 tolas in the case of silver and Rs. 2 per tola in the case of gold over the rate of current settlement prevailing on the auction day (that is, the settlement following the one to which the transaction relates).

The above change in the by-law is being opposed by a section of the traders which is of the opinion that it will unduly encourage speculators to indulge in heavy short-sales and will restrict the penalty payable by him if he fails to give delivery of the goods he has sold. In view of the controversy that has risen over the legality of the proposed change in the by-law, the Board is at present engaged in taking legal opinion before placing the proposal before the general body.

Silver for forward delivery (25th September settlement) opened the week at Rs. 157-3 and moved down in successive stages to a low of Rs. 153-5 to-day before closing at Rs. 153-15. Business in the next settlement (October) which was done early in the week at Rs. 157-11 was put through at the close to-day at Rs. 153-15.

Ready silver (.996 Mint) closed to-day at Rs. 153-15, disclosing a loss of Rs. 3-1 over the week. The floating stocks of silver are placed at 2,200 bars. The daily average offtake was no more than 10 to 15 bars.

Gold for forward delivery (24th September settlement) began at Rs. 87-1 and dropped soon to Rs. 86-4 on reports of arrivals of smuggled gold. At the lower level, there was some bear covering which pushed up the price to Rs. 87, but the recovery was not sustained for long. The forward rate, therefore, declined again to Rs. 86-4 before finishing at Rs. 86-5. The forward rate for the next settlement likewise receded from Rs. 86-10 to Rs. 85-9.

Ready gold suffered a loss of Re. 1-1 per tola to stand at Rs. 86-9 at the close to-day. The floating stocks of gold are placed at 20,000 tolas. The daily stocks of gold are placed at 4,000 tolas, while the offtake average arrivals were 4,000 tolas, while the offtake was no more than 3,000 tolas on an average.

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

	23-9-53	Highest	Lowest	16-9-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	86 9	87 8	86 8	87 10
Forward	86 5	87 2	86 4	87 5
Sovereign	58 0	58 2	58 0	58 0
SILVER				
Ready (.999 fine Mint)	153 15	157 5	153 5	157 0
Forward	153 15	157 5	153 5	157 7
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85⅛c.	—	—	85⅛c.

GOOD DEMAND FOR TEAS

(From Our Own Correspondent)

CALCUTTA, 22nd *September*

Offerings during yesterday's tea export sale aggregated 56,000 packages which met with good demand. The most impressive features were tippy Assam B.O.Ps. and O.F.s., the prices of which were raised by As. 3 to As. 4 above brokers' valuations. Other varieties were also better. The medium fannings and commons were priced an anna higher. Low medium brokens were steady and the price advanced by half an anna. C.T.C. Assams and whole leaf grades were sold at firm rates. The quotations were: Best C.T.C. Assam B.P. Rs. 2-2 to Rs. 2-3, medium Assam B.P. Re. 1-13-6, clean black pekoe Re. 1-13 and clean common B.P. Re. 1-12.

Steady conditions were in evidence during last week's sale for domestic consumption. There was good demand for offerings, which amounted to 14,161 packages of dust and 400 packages of other grades. Among dusts, C.T.C. Assams were a strong feature and black leafy types suitable for export met with ready buyers. Small grainy varieties were steady. Small grainy Darjeelings with flavour received good market. The rates were: Best Assam C.T.C. Re. 1-14 to Re. 1-15, medium Assam grainy dust Re. 1-10 to Re. 1-10-6 and medium Dooars Re. 1-9-6 to Re. 1-10.

FORWARD COTTON FINISHES HIGHER

(From Our Own Correspondent)

BOMBAY, 23rd *September*

There is nothing to be surprised at in the recurring concern, expressed by people interested in cotton production from time to time, about the possibility of this ancient fibre, which has clothed mankind for thousands of years, being gradually ousted by new natural and synthetic substitutes. To a certain extent such replacement has already taken place and, in an industrially advanced country like the U.S.A., cotton accounts now only for a little less than 70 per cent. of all textiles used for clothes. However, according to a Director of the U.S. National Cotton Council, there is no need for any fear regarding the extinction of cotton, because of new fibres being evolved, if cotton production is backed up by adequate research and made more attractive and economical. But then, and only then, would it be able to hold its prominent position in the textile industry. In the course of his speech, this expert revealed that the amount of cotton used in the U.S.A. rose from 2,800 million lbs. in 1920 to 4,500 million lbs. in 1952. Cotton constitutes the backbone of India's economy also and it is gratifying to note that the authorities are keenly alive to its importance in the scheme of things and are paying increasing attention to research and development in this field.

But whatever be the future of cotton after a generation or two, the cotton trade in Bombay is obviously gbsessed by the increased production of this commodity expected this year. The forward market has been consistently showing a weakness week after week and the last week under review was no exception to this fact. February was quoted at one time as low as Rs. 607, as a result of further favourable weather reports from several parts of the cotton producing areas and also partly of a reported failure of one broker to meet his liabilities in the last weekly settlement. However, feeling that this process of pushing down prices under one pretext or another had been carried a little too far, some courageous operators came forward to support the market at this stage, followed by some short covering on the part of the bears. There was also some hedge lifting by spot interests and some call fixing by mills. As a result of this, the market staged a good recovery and many shrewd observers are inclined to believe that the price is likely to be stabilised, at least for some time, at about Rs. 610 for the February contract. The premium for May is only Rs. 3-8 at present. But any change in sentiment is bound to be reflected in an increase of this difference in favour of the later contract.

So long as the stock of old cotton, which the bulls were made to accept in the expiring contract for the 1952-53 season, continues to weigh heavily on this market, there cannot be much improvement either in demand or in price. This week however, saw a successful placing of about 10,000 bales of this cotton mainly of Lakshmi and Vijay varieties, with the result that the spot market displayed greater activity all round. In the hope that the export policy of the Government would be announced during the course of this week and that it would include a reduction in the export duty on Mathia, Dhollera and Oomra, there was some enquiry on speculative grounds for some of these short-staple varieties which are not usually in demand. There were also some transactions in Bengals. Greater activity was witnessed in the delivery contract section for October, November and December deliveries on the basis of the low forward contract rates. Similarly, lower prices in New York were responsible for attracting enquiries for imported cotton.

Following reports of comfortable supply position and discouraging advices from cloth markets, forward cotton was subjected to professional selling pressure, which led to a fall in prices. The fall persisted till to-day, when, on account of support at lower levels, there was notable recovery. Not only were the previous losses completely erased, but the closing rates stood higher than those a week before. I.C.C. February contract opened the week at Rs. 616 and after receding to Rs. 608 yesterday, recovered to finish at Rs. 619-12. I.C.C. May contract dropped Rs. 7-8 to Rs. 6-12 yesterday. To-day, however, it was higher at Rs. 622-4. The following is the trend of prices over the week ended to-day:

	Opening	*High*	*Low*	*Closing*
I.C.C. February	Rs. 616	620	608	619½
I.C.C. May	Rs. 619	622¼	612	622¼

The latest available quotations from the Sewri market are: Vijay Rs. 845; Berar *jarilla* Rs. 625; Berar C.P. *deshi* Rs. 650; Mughlai Rs. 635; Bengal Rs. 530; Khandesh New Rs. 75 on.

There is no change in the situation at Karachi. There have been some enquiries from France leading to some transactions in N.T. cotton new crop. But apart from this, U.K. and other Continental centres have remained aloof, in view of the prevailing prices being above parity. The fluctuations in prices, therefore, have been confined to about As. 8 per maund. There may be a little more activity in the coming weeks, as the U.S. prices are likely to be stabilised around the present levels. The latest available quotations from the Karachi market are: Old crop 4F. Punjab R.G. Rs. 54 and S.G. Rs. 59; L.S.S. Punjab R.G. Rs. 56-8 to Rs. 57 and S.G. Rs. 61; N.T. R.G. Rs. 62-8 and S.G. Rs. 66 to Rs. 67; 289F Punjab R.G. Rs. 61 and S.G. Rs. 67. All these quotations are nominal. *New crop:* Sind *deshi* Rs. 59; Punjab *deshi* Rs. 56; N.T. R.G. Rs. 64-12 and S.G. Rs. 68-8; 289F. Roller Rs. 69 and S.G. Rs. 74; 4F R.G. Rs. 51 and S.G. Rs. 55.

At Alexandria, there was some widening of demand for medium-staple cotton. But apart from India, Karnak still remains more or less neglected. There are talks also of a fresh barter deal with Spain for exchange of cotton against sugar. A similar deal is also being mentioned with Formosa. Japan has been a good buyer during the week, while Continental centres in Germany and Italy have continued to show interest. There are rumours that the political tension between Egypt and Hongkong will soon ease and trade relations, especially covering cotton, might be expanded. All this has led the Alexandria market to maintain a very steady front.

At New York, there has been some improvement during the week under review, which is, however, of a technical nature. The bearish wave in the other commodity and equity markets has, however, receded, for the time being at any rate, and this also is likely to help cotton prices to recover to a certain extent. Much of the activity at present is of a switching over nature from October to December contract, with consumer buying absent in either deliveries. Export demand too continues to remain within very narrow limits and, until there is visible improvement in this case, the volume of activity is bound to remain small.

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

(In cents per lb.)

	22-9-53	15-9-53	8-9-53
Spot	33.70	33.75	33.75
October	32.84	33.11	33.30
December	33.13	33.36	33.52
March	33.45	33.71	33.81
May	33.61	33.81	33.82

ART SILK YARN EASY AGAIN

(From Our Own Correspondent)

BOMBAY, 23rd *September*

For the second week in succession, the art silk yarn market displayed easy conditions, values declining further. Traders evinced little interest in fresh business, their sentiment having been adversely affected by disquieting reports of heavy cotton cloth accumulations in many centres, especially in Ahmedabad. The traders seemed to fear that the rayon fabric markets also would face a similar situation. They took note of the reported increase in stocks with mills owing to poor demand for rayon fabrics. In their anxiety to dispose of their stocks, the mills, it was expected, might effect a cut in prices, which meant that art silk yarn values too would be pressed down. The operators were, therefore, generally extremely cautious in purchases, while some among them were eager to liquidate their stocks. The prices, as a consequence, drifted downwards, and in this, weak advices from cotton and oilseeds markets also had their share.

In the forward section, 150D September contract dropped 10 points to Rs. 750; at one time, it was still lower at Rs. 748. October contract receded from Rs. 764 to Rs. 750 before finishing slightly better at Rs. 753. Ready art silk yarn, 120 Italy, fell by an anna to Rs. 4. 120 Japan, 150 Japan and 150 Italy shed half an anna each to Rs. 4-0-6, Rs. 4 and Rs. 3-12-6, respectively.

In sympathy with the art silk yarn market and following reports of larger arrivals, thanks to improvement in output, the staple fibre yarn section presented a weak trend. October contract (2/40s) declined by Rs. 8 to Rs. 658. September contract remained fully steady throughout the week till almost the close to-day, due to strong bull grip. The quotation for the contract was Rs. 700 early to-day, as against Rs. 694. The improvement, however, could not be sustained towards the close, when prices suffered a short break, on reports of a settlement by the prominent bulls with a leading trader who was in short. The closing quotation was as low as Rs. 676, which is Rs. 18 below the previous week's rate.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 16th inst. and 8th inst.

	23-9-53	16-9-53	8-9-53
	Rs. a.	Rs. a.	Rs. a.
Art silk yarn			
150D September (per case of 200 lbs.)	750 0	760 0	792 0
150 October " "	753 0	764 0	798 0
120 Japan (per lb.)	4 0½	4 1	4 3
150 Japan ,, ...	4 0	4 0½	4 3
120 Italy ,, ...	4 0	4 1	4 3
150 Italy ,, ...	3 12½	3 13	4 0
Staple fibre yarn			
2/40s September (per case of 200 lbs.)	676 0	694 0	807 0
2/40s October ,, ,,	658 0	666 0	—

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 23rd *September*

The oilseeds market presented a distinctly bearish trend during the outgoing week. The trend was pronounced in the groundnut section as sentiment of operators was considerably affected by large arrivals of til seeds, estimated at about 10,000 bags during the past fortnight. Also prospects of bumper groundnut crop and discouraging overseas advices contributed to the weakness. The linseed, *kardi* and niger seeds sections ruled in sympathy with groundnuts inasmuch as they mostly constitute substitutes to groundnuts. Spots in the castorseeds section were also easy. But the trend was otherwise in the futures section in which prices were more or less maintained. Barring this section of the market, which recorded narrow variations, the rest of the market disclosed sizable losses over the week.

In the groundnuts section, Bold F.A.Q declined from Rs. 51 to Rs. 47-8. August-September and December-January deliveries eased from Rs. 48 and Rs. 31-8 to Rs. 47 and Rs. 30-6, respectively. Khandesh quality was lower by Rs. 3 at Rs. 49. October delivery lost Rs. 2-4 to Rs. 35-12. Groundnut ex-mill and railway receipts each fell from Rs. 28-8 to Rs. 26. October, November and December deliveries changed hands at Rs. 20-11, Rs. 17-11 and Rs. 16-11, as against Rs. 22-2, Rs. 18-3 and Rs. 17 respectively.

The tussle between bulls and bears in castorseeds, September delivery, still persists. September delivery which opened at Rs. 169-8, fluctuated between Rs. 171 and Rs. 165-8, before closing at Rs. 168. May delivery was at Rs. 119-4, the same as that prevailing at the end of last week, the highest and the lowest being Rs. 120-8 and Rs. 116-14, respectively. Madras quality slipped by As. 12 to close at Rs. 32-12. Castorseeds oil B.S.S. lost As. 14 to Rs. 17-6. I Pressures and Commercial were done lower at Rs. 17 and Rs. 16-6, as against Rs. 17-12 and Rs. 17 respectively.

Heavy drop in values were witnessed in the linseed section. Bold ready, for instance, fell from Rs. 28-6 to Rs. 24-14. So also August-September and October-November, each of which was done lower at Rs. 24-14, as compared with Rs. 28-6 and Rs. 26-12, respectively. February March delivery was lower by As. 10 at Rs. 22-6. Linseed oil fell from Rs. 15-12 to Rs. 13-12.

Among other seeds, *kardi* Bold was down by Rs. 2-4 at Rs. 23. August-September and October-November deliveries were done at Rs. 23 and Rs. 21-8, as against Rs. 24 and Rs. 22-12, respectively. Niger F.A.Q. and Madras eased from Rs. 37-4 and Rs. 38-4, respectively, to Rs. 35 each. December-January was done steady at Rs. 25.

Arrivals of oilseeds in Bombay from 1st January to 21st September this year, as compared with those in the corresponding period last year were as follows:

(In cwts.)

	1953	1952
Groundnuts	1,667,035	1,880,835
Linseed	113,149	231,980
Castorseeds	607,475	567,246
Cottonseeds	667,413	1,078,564
Gingellyseeds	135,912	267,131

Arrivals of oil from 1st January to 19th September as compared with those in the same period last year were as given below:

(In tons)

	1953	1952
Palm oil	7,023	Nil
Coconut oil	13,752	11,825
Castor oil	11,741	9,965
Cottonseed oil	4,932	1,947
Groundnut oil	27,901	57,542
Linseed oil	2,036	8,301

The following table shows the prices of oilseeds and oil on the 23rd inst., as compared with those at the end of the previous two weeks.

	23-9-53	16-9-53	8-9-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	47 8	51 0	53 8
August-Sept.	47 0	48 0	49 8
December-January	30 6	31 8	31 14
Linseed—			
Bold Ready (per cwt.) ..	24 14	28 6	30 8
Castorseeds—	.. ..	.. ..	.. ..
Sept. (per candy of 5 cwts.).	168 0	169 0	154 8
May 1954	119 4	119 4	124 10
Madras (per cwt.)	32 12	33 8	31 0
Groundnut oil—			
Ex-mill Ready (per quarter).	26 0	28 8	31 0
Castor Oil—			
Commercial (per quarter)..	16 6	17 0	16 4

LINSEED EASY

(Messrs. A. Bradley & Co.)

CALCUTTA, 21st *September*

The general decline in the prices of oilseeds, had a bearish effect on the linseed market during the week under review and the undertone is easy. Supplies, however, were still scarce. There has as yet been no notable reaction in the producing centres, although there are keen sellers, chiefly for forward delivery. Moderate interest has been shown by crushers and the daily turnover has slightly improved, with small lots changing hands daily at gradually receding prices. Following the weak trend in groundnut oil, linseed oil prices have declined, business is reported on a very restricted scale, and that too for immediate deliveries only.

Latest quotations are: September-October Rs. 19-12 and October-November Rs. 19-8 per maund.

SPOT SUGAR RECEDES

(From Our Own Correspondent)

BOMBAY, 23rd *September*

Following specific cable advices that the s.s. *Dumphreys*, carrying Mexican sugar, would reach Bombay harbour on Sunday next, price movements in the forward and spot sections of the Bombay sugar market tended to be restricted to a narrow range. There was great rush among traders to submit tenders for Java sugar at Rs. 30 per maund ex-Bombay docks per s.s. *Havildar*, which is scheduled to reach on 4th October, 1953. It looks as though the Central Food Ministry will keep on inviting tenders and declaring arrival dates according to the tentative arrangements made at the time of purchase, without any regard to the actual sailing of the respective steamers. Would it not be better if tenders were to be invited only after the steamers actually leave the port of loading? Surely, such a step will avoid artificial movement of prices based on inaccurate dates regarding arrival of steamers.

Owing to the short position of outsiders, forward sugar (*Badrapad* delivery) was rather firm, and business was done up to Rs. 91-12 per bag, as against Rs. 90 last week. To-day's nominal quotation is Rs. 91-8. To-day being the last day for submitting delivery orders, the contract, it is expected, will be squared up around this level.

The ready section, however, staged a decline in prices, on reports of the availability of cheap imported sugar next week. The demand is confined only to immediate requirements. Small, medium and large grain sugars are quoted at Rs. 91, Rs. 94 and Rs. 96 per bag, respectively. The corresponding quotations for the previous week were Rs. 93, Rs. 95 and Rs. 97 to Rs. 98.

There was a slight improvement in arrivals of sugar into the Bombay market during the week under review, the quantity that actually arrived being 12,600 bags, as against 11,700 bags last week. Stocks (including wet sugar) with the spot trade are estimated at 11,000 bags, which are lower by about 4,000 bags than those a week before.

RISING TENDENCY IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 23rd *September*

During the earlier part of the week, pepper market showed further improvement owing to local short covering and in sympathy with New York which is reported firm in view of the paucity of offers from other competitive centres such as Sarawak, Singapore and Djakarta and owing to the impending stevedore strike at New York by the end of this month. Exporters purchased a fair quantity at Alleppey at as high as Rs. 2,450. Cochin also recorded improvement from Rs. 400 to Rs. 435 per cwt., while Calicut quoted to sell at Rs. 2,600. A good sized turn-over for October and November shipments for New York were done at $1.08 and $0.99 respectively. Shorts covered September shipment up to $1.11. In the delivery section, September, October and December delivery were done at as high as Rs. 2,180, Rs. 2,050 and Rs. 1,730 respectively.

In the later part, however, the market reacted in sympathy with easier advices from New York and Sarawak. Alleppey sold at the reduced price of Rs. 2,350 a fair quantity, while in the A.S.T.A. October shipment was sold at as low as $1.01 and November was done at $0.94. Easiness in the market, however, proved shortlived, in view of the constructive news from Sarawak and Djakarta. Markets in all primary centres again showed rising tendency, and good sized short covering was put through in October shipment at $1.05 and October-November-December was done at $0.99. An expectation of an early decision on the part of the Government for reducing the export levy having failed to materialise, the opinion among a section in the trade is now veering in favour of *status quo* as for the change in the export duty in the near future. However, there are others who believe that in the interest of foreign exports, the Union Government should reduce export duty on pepper so as to put our export on a competitive basis in the world markets, particularly, in view of the recent slow, but steady, competition from other supplying countries.

Following are to-day's nominal quotations:—Ready delivery Rs. 320 per cwt., October delivery Rs. 2,025-45 and December delivery Rs. 1,725-45 per candy of 5½ cwts.

STRONG AND ACTIVE DEMAND FOR TEA

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 19th *September*

Sale No. 19 was held on Tuesday, 15th September, and contained approximately 10,75,000 lbs. From the outset there was a strong and active demand with competition for all types. Commonest kinds were half to one anna dearer, but low medium and medium brokens and fannings met with a strong enquiry and were irregularly As. 1 to As. 2 dearer. Good medium teas, particularly those with a clean leaf and good style, were often As. 2 dearer. There was some improvement in the quality of the high-grown teas and buyers followed this trend with higher prices. Tippy fannings were well supported, but clean black leaf fannings tended easier. Whole leaf grades were stronger and dearer. The following are the quotations:—

	1953	1952
	Rs. a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	1 10 6	0 14 0
		to 0 15 0
Medium Travancore B.O.P. ...	1 12 6	1 10 6
	to 1 13 6	
Anaimallais B.O.P.	1 15 0	2 0 0
Best liquoring Nilgiri B.O.P.	2 6 6	2 15 0
Clean black leaf O.P. ...	2 2 0	2 0 6

London Market.—Strong demand. Good tea dearer where quality improved. Clean commons half penny dearer.

Colombo Market.—Good liquoring fannings dearer. Commonest steady. Others less demand. Low-grown and medium brokens declined eight cents. High-growns declined 10 to 20 cents.

Calcutta Market—Export.—Strong demand. Commons half to one anna, mediums occasionally up to As. 1½, good liquoring often As. 2 to As. 3 dearer.

Dust.—Good general demand, market being As. 1 to As. 1½ dearer for all descriptions. Strongest feature black exportable types. C.T.C fairly well supported at bottom valuations. Darjeelings met with fair enquiry.

Export Quota.—The market has strengthened considerably and business has been done at 15½ pies.

Forthcoming Auctions.—Sale No. 20 will be held on Tuesday, 29th September.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd. wire as follows:

"*Dust Sale S.*—1,75,000 lbs. Strong demand. Market fully firm to dearer for low and low medium types. Medium and better sorts As. 1 to As. 2 dearer."

JUTE GOODS FINISH LOWER

(From Our Own Correspondent)

CALCUTTA, 22nd *September*

The immediate reaction to the reduction in the export duty on hessian from Rs. 275 to Rs. 120 per ton with effect from the 15th inst. was the rise in the prices of both hessian and sacking. The improvement, however, was not sustained, in

(*Continued on page* 611)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	11th Sept., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,093.18	1,091 50	1,101.03	1,095 06
Notes held in Banking Department	35.05	24 23	25 43	29.51	22 59
Foreign Securities	39.50	558.15	558.15	578.15	538.15
Rupee Securities	37.89	424 90	424 90	424.90	464.63
Banking Department					
Deposits of:					
Government of India	14 89	127.81	127.62	114.67	127.84
Other Governments		19 85	20 24	18.46	2 44
Balances held abroad	16.08	144 62	142 42	127.53	147.70
SCHEDULED BANKS					
Demand Liabilities	134.37	526 79	528 59	522.66	551 72
		(13 83)	(13 81)	(12.40)	(14 97)
Time Liabilities	102 84	330 24	330 56	330 10	317 69
Borrowings from Reserve Bank	..	(2 07)	(2 22)	(2 10)	(3.62)
		2 22	2 65	2 65	2 25
		(0 49)†	(0.49)†	(0.49)†	(1.04)†
Borrowings from Imperial Bank		4 69	6 64	6 25	3.61
Cash in India	6 71	30 54	31 93	29 86	33.24
Balances with Reserve Bank	25 23	48 01	49 11	41.12	68.62
Excess over statutory limits	18 52	15.07	16 07	8.33	34.69
Balances with other banks in current account in India	..	10.12	9.74	10.19	12.30
Money at call and short notice in India	..	17 73	17.40	16.16	20.12
Investments (at book value)	..	329 15	327 96	323.07	304.57
Advances and bills	106 09	467 74	473 89	480.65	469.57
IMPERIAL BANK					
Deposits	87.76	205 71	207 52	204.76	218.55
Investments	51 99	92 05	90 72	88 91	87.62
Advances	30.37	102 73	106 46	109.64	117.04
Cash	14 60	22 09	25 30	17 22	20.46

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	18th September, 1953		11th September, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,13,147	51,52,05,000	2,29,518	47,87,72,000
Calcutta	1,59 140	65,17,33,340	1,52,662	47,44,87,014
Madras	66 818	6,77,55,235	72,357	9,07,35,085
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,859
1952	..	..	1,06,41,941	3679,81,87,000
June 1953	..	..	24,65,000	5 84,71,00,000
July	..	..	27,12,000	5,71,94,00,000

Reserve Bank of India

Statement of Affairs for the week ended 18th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		137,22,76,000
(2) Other Governments		17,29,56,000
(b) Banks		45,77,25,000
(c) Others		57,31,91,000
Bills Payable		2,54,18,000
Other Liabilities		11,80,84,000
	Rupees	284,96,54,000
ASSETS		Rs.
Notes		33,32,80,000
Rupee Coin		17,26,000
Subsidiary Coin		4,33,000
Bills Purchased and Discounted—		
(a) Internal		21,50,000
(b) External		....
(c) Government Treasury Bills		2,23,05,000
Balances held abroad*		144,50,59,000
Loans and Advances to Governments		....
Other Loans and Advances		11,59,63,000
Investments		86,62,07,000
Other Assets		9,25,31,000
	Rupees	284,96,54,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1943 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	33,32,80,000	
Notes in circulation	1081,61,13,000	
Total Notes issued		1114,93,93,000
Total Liabilities		1114,93,93,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	858,16,11,000	
Total of A		598,16,82,000
B. Rupee Coin		95,34,95,000
Government of India Rupee Securities		421,42,16,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1114,93,93,000

Ratio of Total of A to Liabilities: 53.650 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 11th Sept., 1953

		Rs.
1.	Demand Liabilities in India	
	(f) Borrowings from banks	13,82,55,000†
	(g) Other demand liabilities	512,96,46,000
2	Time Liabilities in India:	
	(f) Borrowings from banks	2,06,50,000†
	(g) Other time liabilities	328,27,80,000
3.	Cash in India	30,54,29,000
4.	Balances with the Reserve Bank in India	43,01,21,000
5.	Balances with other banks in current account in India	10,11,04,000
6.	Money at call and short notice in India	17,73,43,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	329,14,73,000
8.	Advances in India	423,30,16,000
9.	Inland Bills purchased and discounted in India	44,43,41,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	22nd September 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	478	479
Buyers T.T. Rs.	474	474½
London on New York Rs.	2 80½-2 80¾	2.79½-2.79¾
London on Paris Frs.	981-984	974-977
London on Berne Sw. Frs.	12 17½-12 17¾	12.16½-12.17¾
New York on London Re.	2 80⅛-2 80⅜	2.79⅛-2.79⅜

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India	1948	342.12	..	..	8,780	256
Pakistan	1949	79.04	..	..	1,671	228
Burma	1951	18.67	Kyats	8,166	817	169
Ceylon	1951	7.74	..	451	451	582
Japan	1951	84.30	Y.	4,849,400	6,414	774
Philippines	1951	20.25	Pe.	7,586	1,820	858
New Zealand	1951	1.95	£(N.Z.)	618	820	4,206
Australia	1951	8.43	£(A.)	2,288	3,484	4,317
U.K.	1952	50.43	£	13,648	18,197	3,608
U.S.A.	1952	156.98	$	290,400	138,280	8,808
Canada	1952	14.43	$	18,307	8,248	5,714
France	1951	42.24	F. Fr.	9,083,000	12,872	2,929
W. Germany	1951	48.11	Dm.	90,200	10,237	2,129
Italy	1951	46.90	Lr.	7,746,000	8,802	1,757
Norway	1952	3.32	Kr.	16,596	1,106	3,331
Sweden	1951	7.07	Kr.	86,800	3,459	4,864
Netherlands	1952	10.35	Fl.	17,550	2,200	2,120
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1951	4.75	S. Fr.	19,500	3,166	4,666

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, July 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 11th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	37,15,93,000
(b) Provincial Governments	50,01,000
(c) Banks	21,81,19,000
(d) Others	2,45,50,000
Bills Payable	57,16,000
Other Liabilities	2,10,60,000
Rupees	70,79,32,000
ASSETS	Rs.
Notes	7,89,36,000
Rupee Coin	4,000
Subsidiary Coin	10,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	50,01,000
Loans and Advances to Governments	1,53,00,000
Provincial Governments Debtor Balances	11,40,65,000
Other Loans and Advances	1,09,00,000
Investments	38,71,24,000
Other Assets	9,25,99,000
Rupees	70,79,32,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,89,36,000	
Notes in circulation	203,70,96,000	
Total Notes issued		211,60,32,000
Total Liabilities		211,60,32,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion		
Sterling Securities	30,58,72,000	
Government of India Securities	11,55,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B Rupee Coin	6,43,44,000	89,14,77,000
Government of Pakistan Securities	111,77,36,000	
Internal bills of exchange and other commercial paper	....	118,20,80,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	4,24,75,000
Total Assets		211,60,32,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44.00 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
1st July	1.00	2 71	1.00	2 6 6	23
7th ,,	1.00	3 03	1.00	2 6 2	8
14th ,,	1.00	2 81	1.00	2 6 2	9
21st ,,	1.00	2 80	1.00	2 6 2	10
28th ,,	1.00	3 76	1.00	2 6 2	80
4th August	1.50	2 81	1.50	2 6 3	40
11th ,,	1.50	2 02	1.50	2 6 3	43
18th ,,	1.50	1.85	1.50	2 6 5	65
25th ,,	1.50	2 02	1.50	2 6 8	98
8th September	1.50	1.77	1.50	2 6 7	77
15th ,,	1.50	1.84	1.50	2 6 7	90
2nd ,,	1.50	1.96	1.50	2 6 8	62
Total	15.50	29.13	15.50	.. .. ..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	26th March, 1953	5½	5
Belgium	18th Dec., 1952	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	8½
France	17th Sept., 1953	4	3½
Greece	18th July, 1948	10	18
India	14th Nov., 1951	3	3½
Italy	6th April, 1950	4½	5
Japan	1st Oct., 1951	6.11	6.84
Netherlands	7th April 1953	3	2½
New Zealand	28th July, 1941	3	3½
Norway	9th Jan., 1946	3	4
Pakistan	1st July, 1948	3	3½
Portugal	18th Dec., 1944	3½	4
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1948	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	26th Nov., 1936	2	1½
Turkey	26th Feb., 1851	2	3
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8,99	11.21	111.00	130.97
Protective	34	75	7.35	10.51
On surplus disposals	3	1	4	24
Total import duties	9.40	12.00	118.43	141.76
Export Duties	3.39	5.52	55.38	90.76
Land Customs	1.6	2.1	8.62	5.22
Miscellaneous	7	8	1.15	1.12
Gross total customs	13.02	17.33	177.58	236.85
Refunds and drawbacks	1.8	2.3	3.23	4.32
Net Customs	11.84	17.45	174.35	232.01
Gross excise	7.60	7.01	82.84	87.04
Refunds	..	19	1.41	1.78
Net Excise	7.61	6.82	81.41	85.26
Net total of customs and excise	20.49	24.27	256.36	317.20

Imperial Bank of India

Statement of Affairs for the week ended 18th Sept., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
1,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		205,30,72,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,65,76,000
Bills for Collection being Bills Receivable as per contra		50,19,000
Acceptances, Endorsements and Other Obligations as per contra		1,06,000
Other Liabilities (including Inter-Office Adjustments)		1,11,00,000
Total	Rs.	221,55,23,000
PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,33,84,000
Balances with other Banks		4,04,32,000
Money at Call and Short Notice		82,56,000
INVESTMENTS—		
Government and other Trustee Securities	82,80,02,000	
Other Authorised Investments	10,53,70,000	
		93,34,02,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	86,93,47,000	
Bills Discounted and Purchased	13,99,91,000	
		100,93,38,000
Bills Receivable being Bills for Collection as per contra		50,19,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,06,000
Premises less Depreciation		1,31,76,000
Furniture and Fixtures less Depreciation		37,04,000
Other Assets (including Inter-Office Adjustments)		2,03,40,000
Total	Rs.	221,55,23,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@		3½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49	1.54	1.47	76	74	20,40	22,86	83,28	29,91	—	12,31		
1951-52	1,75	6,08	77	2,91	22,08	46,81	1,07,55	74,18	—	27,55	13,10	13,39
1952-53	1,63	6,84	66	3,27	23,66	64,18	1,12,36	91,01	—	31,06	7,54	23,64
June 1952	12	6,97	6	3,01	1,81	71,64	9,38	80,03	—	28,88	69	20,43
July	18	6,85	10	3,08	2,03	73,14	10,29	82,54	—	29,92	74	21,25
August	15	6,40	8	3,11	1,76	74,43	8,61	83,76	—	29,16	66	21,59
September	10	6,44	8	3,11	1,84	75,78	8,79	84,91	—	29,15	55	22,25
October	11	6,46	5	3,14	1,71	76,77	8,56	85,25	—	29,69	56	22,88
November	10	6,50	3	3,16	1,71	77,98	8,08	85,54	—	29,99	58	23,62
December	8	6,51	3	3,16	1,86	79,34	8,45	86,95	—	30,23	68	23,94
January 1953	10	6,54	4	3,19	2,02	80,77	8,33	86,09	—	30,51	58	24,48
February	14	6,61	5	3,22	1,86	82,14	8,88	86,86	—	30,76	62	25,08
March	32	6,84	9	3,27	2,66	84,18	13,75	91,01	—	31,06	60	25,64
April	11	6,80	5	3,27	2,24	85,95	9,66	93,01	—	31,30	50	26,88
May	12	6,83	4	3,29	2,08	87,57	9,55	93,80	—	31,52	66	27,00
June	11	6,82	4	3,31	2,25	89,33	9,43	93,80	—	31,78	59	27,56
July	..	..	..	..	..	..	..	..	—	..	66	24,20

* At the end of period. @ Progressive net repayments at the end of period from 18th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 5-8-'53	5-9-'53	12-9-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.3	99.3	99.3
1. Government of India	99.1	99.1	99.1
2. Indian States	95.6	95.5	95.5
3. Municipal, Port Trust, etc.	90.1	89.8	89.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.6	101.2	101.3
1. Electricity	102.5	102.5	102.5
2. Jute	94.0	93.0	93.9
3. Plantations	100.0	100.0	100.0
4. Sugar	99.1	100.1	100.1
5. Coal	89.9	90.4	90.6
6. General Engineering	97.8	101.7	101.7
7. Shipping	101.7	102.9	102.9
8. Others	99.5	99.5	100.2
PREFERENCE SHARES	88.1	87.7	87.6
1. Electricity	99.3	99.9	99.9
2. Cotton	84.7	84.6	84.0
3. Jute	85.6	85.4	85.7
4. Coal	92.1	92.1	92.4
5. Iron and Steel	93.5	92.5	89.2
6. Sugar	74.7	76.1	76.1
7. Paper	90.7	90.7	91.1
8. Plantations	87.0	87.5	87.5
9. Miscellaneous	86.5	85.6	85.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	83.0	81.7	81.6
(a) Financial	84.2	83.4	85.2
1. Loans	84.5	84.8	84.6
2. Insurance	94.4	94.7	94.7
3. Investment Trust	71.5	70.7	71.1
(b) Industrial	107.0	106.8	106.9
1. Electricity	117.1	117.0	117.1
2. Shipping and other Transport	90.4	89.8	89.8
3. Railways	81.8	82.1	82.1
(c) Manufacturing Industries	85.4	83.4	83.2
1. Cotton, Woollen and Silk	94.5	92.2	92.1
2. Jute	81.4	79.4	78.7
3. Iron and Steel	102.0	97.9	97.6
4. Paper	111.1	110.9	110.9
5. Cement	111.9	111.2	110 9
6. General Engineering	103.4	102.2	103 3
7. Sugar and Breweries	84.0	85.1	85.0
8. Chemicals	92.4	92.5	92.8
(d) Non-Manufacturing Industries	88.9	86.2	86 9
1. Coal	77.1	74.7	74.1
2. Mining and Oil	114.3	114.3	117.0
3. Plantations	85.6	81.6	80.6
(e) Miscellaneous	86.0	85.4	85.3
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.9	89.7	89.7
2. Calcutta	90.2	90.2	90.2
3. Madras	90.5	90.5	90.6
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	99.7	101.7	101.7
2. Calcutta	101.0	101.5	101.6
3. Madras	100.4	100.3	100.3
PREFERENCE SHARES:			
1. Bombay	94.8	93.9	91.5
2. Calcutta	84.2	83.8	83.8
3. Madras	88.0	88.7	88.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	100.9	99.8	99.5
2. Calcutta	87.5	86.0	86.0
3. Madras	91.0	91.0	91.0
4. Delhi	85.2	85.7	86.1

Source: Department of Research and Statistics, Reserve Bank of India.

* Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man days lost.
1950	814	691,321	12,946,704
1951	1,071	809,242	3,818 928
1952	963		3,336,961
Seven months ended June, 1950	617	350,869	2,159,116
Do June, 1951	765	503,695	2,621,025
Do June, 1952	703	651,106	1,949,996
Do June, 1953	525	314,186	1,382,027
January 1952	95	306,831	674,840
February ,,	88	63,150	215,607
March ,,	87	42,450	142 498
April ,,	134	49,437	284,348
May ,,	118	80,092	256,958
June ,,	101	59,851	257,062
July ,,	88	40 764	171,268
August ,,	88	48,885	148,583
September ,,	96	67,875	460,552
October ,,	96	78,181	849,618
November ,,	87	49,768	272,945
December ,,	81	37,525	153,017
January 1953†	85	42,882	244,414
February ,,	45	24,477	158,411
March ,,	67	38,231	216,207
April ,,	81	45,895	218,864
May ,,	96	84,356(a)	217,256(b)
June ,,	79	43,715	252 059
July ,,	..	80,137	108,346

† Figures for 1953 are provisional. * Revised
(a) Not known in three cases. (b) Not known in six cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns †	Units generated ‡	Units Sold
1948-49	469	4,681 1	3,777.7
1951-52	578	5,948.1	4,869 0
1952-53	588	6,301.4	5,184 3
January 1952	571	490.7	391.0
February ,,	572	461.8	392.8
March ,,	577	488.8	392.5
April ,,	581	514.4	413.1
May ,,	583	500 1	403 8
June ,,	585	534.0	429.7
July ,,	595	531.8	428 7
August ,,	597	530.2	430 6
September ,,	599	548.2	441.5
October ,,	608	529 7	436 4
November ,,	608	552 2	457 8
December ,,	..	..	..
January 1953	611	535 5	441 8
February ,,	614	496 0	417.4
March ,,	614	538 0	435.7
April ,,	614	530 9	434 1
May ,,	616	560 4	456.1

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	5th Sept., 1953	29th August, 1953	6th Sept., 1952	August, 1953	August, 1952	Percentage of increase (+) or decrease (—) in Aug., 1953 as compared with Aug., 1952	1953	1951
Food Articles	402.7	402.9	376.5	407 9	372 9	+ 9 1	359.8	409.8
Cereals	477	480	464	480	464	+ 3 4	450	488
Pulses	471	493	518	501	508	— 0 8	453	506
Other	241	240	288	234	181	+23 1	225	290
Industrial Raw Materials	422.2	425 4R	458.7	428 7	446 4	+ 9 5	423.9	502.2
Fibres	424	431	450	435	432	+ 0 7	454	522
Oil seeds	651	657R	515	641	606	+30 6	484	679
Minerals	467	451	331	454	463	— 1 9	458	526
Others	370*	364*	332	361	316	+14 2	341	523
Semi-Manufactures	364 8	366 2	351 0	364 7	351 0	+ 3 9	340 8	377.8
Leather	402	407	401	406	382	+ 5 8	348	458
Mineral oils	227	227	226	226	226	....	221	197
Vegetable oils	586	584	459	595	475	+25 3	489	679
Cotton yarn	442	441	453*	442	460*	— 2 4	466*	458
Metals	224	223	218	223	218	+ 2 8	211	197
Oil Cakes	433	427	473	439	455	— 3 5	440	509
Others	300	300	283	294	284	+ 6 1	278	390
Manufactured Articles	395.1	389.3	387.6	370 8	366 4	+ 1 2	377.8	388.8
Textiles	401	400	404	411	402	+ 2 2	408	498
Jute	578	576	457	416	419	— 0 7	506	503
Cotton	408*	415*	389*	415*	389*	+ 6 7	401*	400*
Rayon and Silk	395*	400*	348*	409*	407*	— 1 7	411*	511*
Woollen	320	320	327*	320	355	— 9 9	346	378
Metal products	337	337	328	337	328	+ 2 7	311	374
Others	285	285	295	285	297	— 4 0	298	300
Miscellaneous	719.1	718.8	631.6	706 0	635 4	+11 1	638.0	719.8
All Commodities	408 5	408.3	380 7	410 4	387 4	+ 5.9	386 9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	(1944=100)	June 1934	July 1927	January 1928	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
September 51	—	325	253	319	470	389	375	346	144	179	150	161	176
October ,,	—	332	254	323	449	395	378	356	144	181	145	165	161
November ,,	—	332	252	328	464	397	374	357	147	183	155	168	161
December ,,	—	331	252	328	449	397	370	357	144	181	150	166	158
January 1952	146	331	246	325	442	393	367	358	142	179	147	162	156
February ,,	144	334	241	318	441	382	343	356	141	178	143	155	155
March ,,	135	313	229	290	412	372	340	333	136	177	140	150	143
April ,,	141	343	242	331	415	379	339	346	148	169	138	153	144
May ,,	140	339	264	310	412	376	339	337	148	168	143	153	143
June ,,	140	338	265	340	434	377	342	340	148	171	141	153	144
July ,,	142	330	265	364	456	377	354	341	143	175	143	161	155
August ,,	144	340	267	372	468	380	369	338	143	176	149	160	157
September ,,	143	341	269	318	463	381	364	338	143	176	143	157	158
October ,,	144	347	271	311	464	383	367	338	143	176	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	262	303	447	378	346	327

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	*1950-51 Final*	*1951-52 Final*	*1950-51 Final*
Rice	tons	74,674†	73,665††	23,484†	20,741††
Wheat ..	tons	24,041†	23,459††	6,702†	6,034††
Jowar ..	tons	41,945†	39,144††	6,038†	5,944††
Bajra ..	tons	25,592†	22,839††	2,922†	2,299††
Barley ..	tons	7,509†	7,825††	2,664†	2,293††
Maize ..	tons	8,796†	8,073††	2,607†	2,021††
Ragi ..	tons	5,388†	5,399††	1,235†	1,312††
Gram ..	tons	15,267†	16,957††	3,771†	3,293††
Rabi Pulses*	tons	11,593†	11,559††	2,063†	2,047††
Small Millets	tons	12,170†	11,634††	1,032†	1,091††
Jute ..	bales	11,834†	11,991††	4,935†	4,878††
Cotton ..	bales	15,857†	16,197††	3,050†	‡ 3331††
Sugarcane ..	tons	4,376†	4,702††	5,260†	6,065††
Groundnut ..	tons	11,862†	11,794††	2,894†	3,045††
Linseed ..	tons	8,394†	8,402††	855†	816††
Castorseed ..	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed ..	tons	5,707	6,097	900	748
Sesamum (supp)	tons	5,751†	5,845††	451†	435††
Tobacco ..	tons	764†	659††	211†	192††
Pepper ..	tons	203†	202††	22†	23††
Ginger ..	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

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

† Relates to 1952-1953. †† Relates to 1951-52.

* Including gram.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Aug., 1953	68.1
	Corresponding month 1952 ..	74.3
	Two months ended Aug., 1953 ..	146.6
	Corresponding period 1952 ..	158.1
Stocks	At the end of Aug., 1953 ..	133.5
	Corresponding month 1952 ..	98.9
		(In 000 bales)
Exports(Jute Bags)	Week ended 8th Aug., 1953 ..	74.62
	Corresponding week 1952 ..	1,31.93
	From 1st Jan., to 8th Aug., '53 ..	18,00.74
	Corresponding period 1952 ..	25,73,94
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 8th Aug., 1953 ..	4,98.69
	Corresponding week 1952 ..	8,28.00
	From 1st Jan., to 8th Aug., 1953	77,93.37
	Corresponding period 1952 ..	63,70.10
	RAW JUTE	(In 000 bales)
Exports*	Week ended 8th Aug., 1953 ..	—
	Corresponding week 1952 ..	—
	During May, 1953 ..	—
	Corresponding period 1952 ..	—
	During Aug., 1953 (in lakh bales)	8.95
Consumption by Mills†	Corresponding month 1952 ..	8.81
	Two months ended August, 1953	8.49
	Corresponding period 1952 ..	9.17

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.				
Year ended 31st March, 1952..		11,80,000	10,57,100	7,99,200
Do 31st March, 1953..		11,58,000	10,61,900	7,91,800
April to August, 1953 ..		3,74,400	3,39,800	2,46,600
June 1952..		68,400	83,100	64,800
July ,, ...		93,400	91,000	68,800
August ,, ...		1,00,700	90,500	67,700
June 1953		90,400	82,800	59,000
July ,, ...		91,100	86,100	64,800
August ,, ...		94,100	83,400	63,700
Indian Iron and Steel Co.				
Jan. to August, 1953		3,60,340	2,23,910	1,40,440
April 1953.. ..		62,210	30,890	19,090
May ,, ...		67,810	32,850	19,700
June ,, ...		36,730	23,940	13,020
July ,, ...		21,750	8,370	4,810
August ,, ...		20,230	7,710	4,190

FOREIGN TRADE OF INDIA

Particulars	May		Two Months, April & May	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	15,27	27,14	31,02	56,02
Raw materials ..	14,34	23,15	30,04	47,73
Manufactures ..	25,37	27,36	43,29	62,58
Other items ..	41	73	80	1,47
Total ..	55,39*	78,38*	111,05*	157,78*
By land	66	1,33	1,37	3,05
Total Imports ..	56,05	79,75	112,42	160,93
Exports :				
By sea and air—				
Foodstuffs ..	9,28	9,19	17,44	15,52
Raw materials ..	10,02	12,09	21,37	25,15
Manufactures ..	20,05	25,31	38,34	43,43
Other items ..	51	89	70	74
Total ..	39,86	47,88	77,85	89,84
By land	41	3,00	78	5,72
Total Exports ..	40,27	50,88	78,63	95,56
Total Re-exports ..	70	26	1,20	67
Balance of trade in merchandise	— 16,52	29,66	— 35,97	— 64,84
Balance of transactions in private treasure	— 1	— 1	— 1	— 1
Total visible balance of trade.	— 16,53	— 29,67	— 35,98	— 64,85
Imports :				
Total C'wealth countries ..	22,75	21,87	46,71	44,60
Total Foreign countries ..	32,64	56,61	64,34	113,13
Exports :				
Total C'wealth countries ..	18,24	22,86	35,47	†43,80
Total Foreign countries ..	21,62	25,00	42,84	46,24

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

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953	May, 1952	April, 1953	May, 1953
Eastern Zone																					
Bamra	187	262	257	92	97	93	128	121	125	132	140	141	104	109	114	218	216	215	170	197	209†
Malbang	163	x	x	142	x	x	115	x	x	122	x	x	121	x	x	163	x	x	106	x	x
Phanksgarh ..	136	143	153†	144	155	159	156	147	154	146	148	145	101	95	100	161	126	122	136	146	151
Bonaili	268	183	224†	159	167	167	195	175	189	201	176	191	125	125	125	239	199	199	810	810	310
Northern Zone																					
Multapi	110	124	131	134	158	158	165	178	183	150	165	169	123	123	123	176	166	166	160	201	200
Nana	268	205	216	238	258	240†	197	184	194†	216	196	206	131	117	122	208	184	194	222	189	189
Salamatpur ..	242	218	229†	239	269	267	206	190	198	218	210	217	129	129	129	139	139	139	229	231	231
Southern Zone																					
Krishna	168	191	206†	168	165	175	162	162	163	167	168	172	116	130	134	152	132	133	206	175	175
Lakh	197	374	374	153	193	193	123	132	134	142	186	187	88	88	89	134	134	134	144	158	157
Malur	172	216	210	128	144	143	136	150	154	143	163	164	97	97	100	407	105	105	163	171	173
Menlaruda ..	219	210	224†	220	191	178†	192	216	226†	196	211	218	130	123	123	210	164	160	240	202	200
Kudchi	157	181	181	123	139	139	147	161	169	146	162	168	113	120	113	150	122	120	191	193	194

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 17th Sept., 1953 ..	10,678
	Corresponding week, 1952 ..	31,829
	1st to 17th Sept., 1953 ..	36,361
	Corresponding period, 1952 ..	75,438
Cotton Exports ..	Week ended 17th Sept., 1953 ..	634
	Corresponding week, 1952 ..	—
	1st to 17th Sept., 1953 ..	663
	Corresponding period, 1952 ..	26,638
Mill Consumption ..	1st to 17th Sept., 1953 ..	50,500
	Corresponding period, 1952 ..	50,400
Stock (with exporters dealers and mills) ..	On 17th September 1953 ..	3,70,099
	Corresponding date, 1952 ..	5,25,725
Karachi (Pakistan)*		
Receipts	1st to 5th Sept., 1953 ..	N. A.
	Corresponding period 1952 ..	2,302
	1st Sept. 1952 to 31st Aug., 1953	16,48,723
	Corresponding period, 1951-52 ..	15,90,073
Exports	1st to 5th Sept., 1953 ..	N. A.
	Corresponding period, 1952 ..	255
	1st Sept. 1952 to 31st Aug., 1953	16,60,600
	Corresponding period, 1951-52 ..	12,19,600

Particulars	From 1st to 14th Sept., 1953 Bales	From 1st to 14th Sept., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	—	20
Continent	—	8,097
China	29	
Japan	—	18,128
U.S.A. ..	—	150
Other Countries ..	—	225
Total to all foreign countries ..	29	26,620
Coastal Ports ..	2,455	4,001

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	May, 1953	2,03,396
Foreign		63,531
Indian	Nine months September 1952 to May, 1953	26,82,727
Foreign		6,84,081
Indian	Same Period 1951-52 ..	21,71,108
Foreign		8,08,606
Stocks (Mills and Elsewhere)—		
Indian	As on 30th May, 1953 ..	13,05,433
Foreign		2,45,049
Indian	As on 30th May, 1952 ..	13,65,441
Foreign		4,23,656
Cotton Pressed † ..	1st to 14th Sept., 1953 ..	1,312
	Corresponding	1,837
	1st Sept. 1952 to 31st Aug., 1953	29,41,046
	Corresponding period, 1951-52	32,43,747

* As reported by the Karachi Cotton Association Ltd. N.A.—Not available. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1948	9,05,64,000	1955-60	102¼
2½ Bonds	1926-33	63,30,26,000	1960-70	101¼
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92½
3 ½ Loan	1950	30,33,10,000	1964	92½
3 ½ Loan	1943	1,10,11,78,000	1966-68	90½
2½ V. Loan	1944	1,14,06,89,000	1957	98½
3 ½ Loan	1945	1,15,05,83,000	1970-75	86½
3 ½ Loan	1945	1,13,65,64,000	1959-61	96½
3 ½ Loan	1951	50,35,63,000	1958	94½
2½% Loan	1946	45,63,07,000	1960	93½
2½ Loan	1946	57,00,69,000	1961	91½
2½ Loan	1946	35,06,06,000	1954	98½
2½ Loan	1946	14,77,48,000	1976	82½
2½ Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98½
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	92–6½
NON-TERMINABLE LOANS				
3 ½% Loan	(1896-97	8,93,35,000	At option of Government after three months' notice. On 1st September, 1986 or later at option of Government after three months' notice.	82½
3 ½% Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100½
4½% Loan	1928	5,85,20,000	‡1958-68***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 ½% Bombay	1944	3,44,00,000	15th Sept. 1958	97½
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94½
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	100¼
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	100¼
3 ½% Cochin	1943	30,00,000	16th Dec. 1953–55	99½
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955–58	98½
3½% Cochin	1936	70,09,000	1st June 1956–61	99
3 ½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 ½% Madras	1939	1,29,76,600	31st June 1959	95½
3 ½% Madras	1942	1,23,25,000	18th Sept. 1955	99½
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98–8½
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	93½
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91½
3 ½% Madras	1950	4,47,00,000	31st July 1960	93½
3 ½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99½
4 % Madras	1952	5,00,00,000	1st Aug. 1964	99½
3 ½% Mysore(f)	1930	1,63,44,300	1st Nov. 1955	104½
4 ½% Mysore(f)	1933	2,95,85,200	1st Dec. 1953–63	100½
3 ½% Mysore(f)	1936	3,99,12,500	30th April 1956–61	98½
3 ½% Mysore	1947	5,08,07,700	25th Jan. 1958	99½
4 % Mysore	1953	3,00,00,000	15th July 1963	99½
3 ½% M.P.	1942	30,00,000	18th Sept. 1955	99
3 ½% M.P.	1943	30,34,200	14th Sept. 1956	98½
3 ½% M.P.	1944	32,69,800	15th Aug. 1958	96½
3 ½% M.P.	1948	2,03,28,800	15th Sept. 1964	91½
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97½
4 % M.P.	1953	1,00,00,000	15th July 1963	99½
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½N
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99½N
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99½N
3 ½% Punjab***	1943	2,95,81,600	14th Sept. 1960	99½N
3 ½% Travancore	1944	3,00,00,000	15th May 1962–54	99½
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 ½% U.P.	1936	1,61,96,500	15th Sept. 1961–66	90½
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
2½% U.P.	1945	2,24,80,300	14th Sept. 1960	94½
3 ½% U.P.	1946	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97½
4 ½% U.P.	1952	4,13,33,000	1st Aug. 1964	99½N
4 % U.P.	1953	5,00,00,000	15th July 1963	99½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½N

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1 10,00,000	4	1912	1972	
14,35,876	4	1913†	1960	D
80,00,000	4	1913	1974	99½N
18,25,000	4	1914	1972	99N
10,00,000	4	1914*	1960	
35,00,000	4	1915*	1973	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,18,000	3½	1933*	1963	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98½
76,90,100	4	1915	1975	98½
68,02,300C	3½	1921	1981	79
1,50,00,00C	6½	1921	1981	144N
1,21,06,300	5	1925	1955–85	105
98 21 600	5½	1926	1956–86	104½
99,44,500D	5	1926	1956–86	103½
1,49,44,500B	5	1927	1957–87	103½
1,49 30,000	5	1928	1958–88	104
80,00,000	4½	1931	1991	93½
21,73,000C	3	1934	1964	96½
60,00,000	3½	1935	1965	96½
25,00,000	3	1938	1943–68	88
50,00,000	3	1939	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1947	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953–83	£86½
£901,000	5	1924	1954–84	£86½
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
22 14,964	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1939	100
30,00,000	4	1901	1961	
30,00,000	3	June 1902	Dec. 1952	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113N
66,00,000	6	1920	1955–80	
25,00,000	6	1921	1936–86	115N
25,00,000	4	1927	1961–70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£166,600	4	1900	1969	£95½N
£33,0000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
23,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	100
35,00,000	3½	1935	1965	94½
50,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1954	99½
20,60,000	4	1913–15	1954	99½
50,00,000	4	1913–15	1955	100
10,00,000	5	1920	1965	113
1,60,00,000	6	1924	1954	102½
25,00,000	5	1928	1958	
26 14 000	5	1928	1948–59	105
8,45,300	5	1929	1954–59	to
76,21,300	5	1929	1959	102½
8,25,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1966	99½
2,00,00,000	3½	1951	1966	97
CALCUTTA				
34,45 500	6½	1925	1955	105½
84 70 000	6	1925	1955	104½
36 00 000	5	1925	1955	103½
25 00 000	5	1929	1957	103½
25 00 000	5	1929	1958	103½
10 00 000	5	1929	1959	103½
33 91 000	3½	1935	1962	104
60,00,000	3	1936	1966	93½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	99
4,67,100	3	1937	1954	98½
1,52,500	3	1937	1954	98½
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97½
15,56,700	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1943	1972	99½
15,49,000	3½	1951	1961	96
16,33,000	3½	1951	1961	96
66,88 000	3½	1951	1966	96
87,36,000	4	1952	1962	99½
Rs.				Rs.
MADRAS				
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

GOVERNMENT SECURITIES (*Loans held entirely by the Trustees.* A—Held by Government of India.)

PORT TRUST LOANS (**Quotations in Pak. Currency. ***Rupee Counterparts.)

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1953.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	140xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1935	7	July Apr.	110	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	15⅜	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	4,00,000	1933-36	6	Aug. ..	103	100
Ramnagger Cane	20,00,000	1943	5½	Oct. Apr.	70	100
Ravalgaon Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
South Behar Sugar	15,00,000	1946	5(c)	Dec. ..	6½	10
Travancore	12,00,000	1932	5	Dec. ..	90N	100
Upper Ganges	15,00,000	1946	5(a)	Dec. ..	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	121	100
Do. (2nd)	4,50,000	1946	6(a)		8½	10
Equitable	5,00,000	1946	5(a)	Mar. Sept.	119xd	100
Karanpura Collieries ..	7,50,000	1946	5(a)	.. ..	92	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	100
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	140	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	92	100
Do. 'B'	14,75,000	1919	7	June Dec.	320½	250
Bradbury	21,30,200	1920	7½	Jan. July	137½	100
Buckingham & Carnatic ..	1,00,000	1928	7	Apr. ..	129	100
Cambodias	50,00,000	1912	5	Apr. Oct.	518½	500
Central India	1,00,000	1935	6½	Nov. ..	124½	100
Coimbatore Pioneer	11,00,000	1912	8	May Nov.	143	100
Elgin	4,20,000	1943	5	July Jan.	10	10
Do. 'B' Pref.	25,00,000	1919	7(a)	May Nov.	88½	100
Elphinstone	20,00,000

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts.—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2-½	2	0 4	0 5			12	Y.
40,00,000	2,00,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	48½	100	6 0	4 0	Nil		12	Y.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	368½	250	17 8	20 0	20 0	7 8(i)	12	3 Y.P.T.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	685	250	75 0	100 0	100 0	100 0	12	Y.
1,09,42,800	2,08,18,653	2,41,74,511	1,60,92,612	3,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	237	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	39,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	62½	100	*Nil*	*Nil*	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	111½	100	7 8	7 8	7 8		12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	65½	50	*Nil*	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	3,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	225	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	856	Elphinstone Spg. & Wvg.	371	50	4 0	(d)	3 0		12	Y.
40,00,000	68,86,875	80,34,729	64,00,705	5,41,142	James Finlay & Co., Ltd.	40,072	784	Finlay Mills	253xr	100	15 0	20 0	20 0		12	Y.P.
12,00,000	65,36,400	98,72,638	82,61,500	4,762	Thackersey Mooljee & Co.	43,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385x'd	1,000	175 0*	200 0*	200 0*		3	Y.P.
									8½	250	10 0	12½	50 0	50 0		
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills	1-3½	10	0 2	0 4½			12	Y.
50,00,000D.									3,370x'd	1,000	175 0*	200 0*	200 0*			
9,00,000	65,91,320	98,10,275	76,94,000	7,671	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	—	500	87 8	100 0	100 0		3	Y.P.
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co.	77,404	1,517	Khatau Makanji Spg. & Wvg.	170	100	12 0	14 0	10 0		6	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	287½	100	18 0	25 0*	18 0	6 0(i)	12	Y.
28,50,000A.									80	100A	7 8	5 0	6 4			
3,60,000B	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	—	20B	1 8	1 0	1 4		6	Y.P.
22,11,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	50	4 0	7 0	5 0		10	Y.T.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Morarjee Gircouldas Spg. & Wvg.	60,652	1,650	Morarjee Gircouldas Spg. & Wvg.	182½	100	17 0	15 0	12 0		6	Y.P.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinni & Co., Ltd.			National Rayon Corporation	118½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	151½	100	12 8	15 0	10 0		12	Y.
30,00,000	21,71,710	86,62,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	144½	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	33,720	873	New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	116½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	910	Podar Mills	121½	100	10 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.P.
25,00,000	60,49,474	1,17,37,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,249	1,254	Sassoon Spg. & Wvg.	25	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,067	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills	172½	100	14 0	17 8	12 8		12	Y.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	128xr	50	14 0	17 0	15 0(c)	13 0	3	Y.
56,00,000	1,30,69,660(e)	1,18,80,653	78,39,301	2,889	Maiatlal Gagalbhai & Sons	36,116	1,633	Standard Mills	301½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	53,892	2,000	Svadeshi Mills	241½	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	65,040	552	Swan Mills	322xr	100	20 0	25 0	30 0		12	Y.
32,54,418	59,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	35,804	1,800	Tata Mills	391½	100	25 0	4 0	2 0		12	Y.T.
12,00,000	51,56,933	86,62,657	66,93,000	4,299	Thackersey Mooljee Sons & Co.	63,248	1,176	Western India Spg. & Mfg.	3,370xd	1,000	175 0*	200 0*	200 0*		3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	138½	100	8 0	12 0	10 0		6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	417½	100	15 0*	20 0*			12	Y.P.
21,00,000	2,07,43,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	757	100	25 0	25 0*	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,864	884	Aryodaya Ginning & Mfg.	319	100	17 0	22 0	22 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	53,45,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	445	125	12 8	18 0	18 0		12	Y.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Karamchand Premchnad Ltd.	1,39,120	2,400	Calico	304½	125	12 8	18 0	18 0		12	Y.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricunlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	961½	100	25 0	35 0	35 0		12	Y.
39,00,000	70,78,354	94,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	560	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	617½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	616	Raipur Mfg.	712½	100	25 0	25 0*	25 0		12	Y.P.
12,00,000	13,93,367	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	46,680	1,095	Reinagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	Nil		12	Y.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	640	Rohit Mills	130½	100	9 0	9 0	9 0		12	Y.
24,90,150	1,19,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kasidas & Co.	73,796	1,325	Shri Ambica Mills	311	50	15 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,800	9,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	383½	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Handas Achrattal & Co., Ltd.	34,576	816	Vijaya Mills	505	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,80,519	32,00,682	17,29,664	1,95,043	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	0 8	0 5			12	Y.
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	37N	40	*Nil*	3 0	*Nil*	3 0	3	
6,00,000	22,76,072	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	285	100	*Nil*	*Nil*	*Nil*	*Nil*	6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	171	100	*Nil*	7 0	*Nil*	*Nil*	6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	18½	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,518	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	*Nil*	*Nil*		12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,746	2,736	Ramai & Co., Ltd.	30,000		Alagappa Textiles (Cochin) Ltd.	6½	10	0 14 2/3	0 9 3/5			12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Azam Jahi Mills	65N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,345	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	14	10	*Nil*	0 8	0 8		6.12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	2 8	2 8	3 0		3	Y.
1,78,47,800	1,57,95,696	5,14,81,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	123	100	6 14	7 8	4 0	4 0(i)	12	Y.P.T.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	11½	10	1 0	1 0	1 0		12	Y.P.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	0 9	0 9	0 9	0 9	12	Y.
12,00,000	15,07,000	27,82,188	27,82,188	—1,12,723	K. Ibrahim Naidu & Co.	28,864		Coimbatore Cotton Mills	157	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	117	100	7 0	6 0	5 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,587	—2,70,999	R. G. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	39½	50	2 8	3 0	*Nil*		6	Y.
46,87,900	94,72,298	2,04,37,857	1,36,21,766	—16,28,124	Tata Industries, Ltd.	1,15,188	2,062	Central India	148½	100	6 0	6 0	2 0		6	Y.P.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830	Delhi Cloth & General Mills	30½	25	*Nil*	0 4			3	Y.P.
1,00,503										100	25 0	20 0				
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	185	10	1 2	1 8	10 0		12	Y.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	17½	100	4 0	5 0	4 0		9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	224	100	10 0	14 0	17 0*	3 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	89½	100	4 0	5 0	3 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	61	50	5 0	7 0	3 12		12	Y.
24,00,000	17,00,000	43,66,106	9,50,000	54,177	Kothari & Sons	13,824		Kothari Textiles	10½	10	0 11	0 12	0 12		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	250	37 8	50 0*	50 0*	37 8		6	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	79	50	4 0	4 0	5 0		12	Y.P.
1,75,02,480	2,82,94,292	4,16,07,332	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	39½	25	2 0	2 0	2 8	5 0	3	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others	24,252	603	Mettur Industries Ltd.	195	15	2 4	2 8	2 8	2 8	12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	36,416	678	Minerva Mills	111½	100	6 0	6 0	5 0		12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	49,456	952	Mondel Mills (Nagpur)	140	250	15 0	7 8	7 8		6	Y.
94,91,850	25,59,837	1,34,73,361	75,31,528	29,643	Banstial Abirchand Dadabhoy & Co.	86,318	1,814	Muir Mills	210	100	*Nil*				12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	49,632	500	Mysore Spg. & Mfg.	124	50	10 0	9 0	10 0*	10 0*	12	Y.
19,86,800	66,30,072	93,64,213	39,85,574	42,197	N. Sirur & Co., Ltd.	6,000		Mysore Spun Silk Mills	5½	10	0 8	0 10	*Nil*	*Nil*	3	Y.P.
13,61,780	2,54,745	29,34,299	15,36,624	2,232	Sri N. G. Naik				1½							
22,84,8630																
3,07,0951	23,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	0. 2½	*Nil*	*Nil*	*Nil*			12	Y.P.
87,01,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	1 1	*Nil*	*Nil*	*Nil*			3	
4,00,000A.									100	90N	5 8	6 8	7 0		9	Y.
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	64½	50A	5 0	8 0	7 8		12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	72	50B	8 0	8 0	5 0		12	Y.
16,81,200A									100 A	16	0 14	0 16	0 16			
8,40,600B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	158½	50B	8 0	8 0	5 0	6 0	12	Y.
15,00,000	25,00,000	20,61,036	13,70,469	2,54,884	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	78½	50	8 0	8 0	3 0	3 0	12	
60,00,000	62,66,508	1,03,23,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	32,500	600	Raza Textiles	44½	10	*Nil*	*Nil*			12	Y.P.
25,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.	35,804	552	Shree Sajjan Mills	75½N	100	6 0	*Nil*	*Nil*	*Nil*	12	Y.P.
12,74,500	2,24,959	21,50,258	16,08,115	1,083	T. R. Iyer & Bros., Ltd.	18,416	416	Sitarani Spg. & Wvg.	36	60	*Nil*	3 0			3	Y.
16,00,000	1,58,35,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,610	1,000	*Nil*	*Nil*	*Nil*		12	Y.P.
										500	—					
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarayendra Mills	44½	50	4 0*	4 0*	3 0*	4 0*	3	Y.P.
13,00,000	95,93,793	64,96,083	43,13,769	58,49,305	Birla Brothers, Ltd.	27,340	992	Sutlej Cotton Mills	37N	10	4 0	4 0	4 0		3	Y.
17,50,000D										100	0 8		0 8			
1,57,50,000A	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	10P	0 14 2/3	0 14 2/3			12	Y.P.
									9½	10	*Nil*	*Nil*	*Nil*			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	5	10	1 0	1 0	1 0	11 1/5	12	Y.P.T.
13,94,630	7,25,505	12,91,001	9,44,987	9,843	Moolgee Ramjee & Sons	16,000		Trichinopoly Mills	8½	100	9 0	10 0	11 0	12 0	12	Y.
21,00,900	28,00,000	67,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	159	100	9 0	14 0*	14 0*	10 0	12	Y.P.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	142½	100	9 0				12	Y.P.

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(f) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	25	*Nil*	2 13g	*Nil*		5	Y.P.
16,20,630	14 30,304	22,75 857	9,87,293	13,649		Dyer Meakin Breweries	20½	10	*Nil*	1 2g	*Nil*			
£80,000A							5½	5	1 0	0 8	0 8		3	Y.
£300,000B	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15§	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	20§	B. £1	Sh. 1	Sh. 1	Sh. 1			
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	4N	5	*Nil*	*Nil*			8	Y.
							159½	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A.	8,71,294	72,62,714	25,89,341	20,334	Andhra Engineering Co., Ltd.	Andhra Cement Co.	100§	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B							10§	B. 10	0 6	0 12	0 12			
43,14,600D							3½	O. 10	0 8	*Nil*	*Nil*			
4,70,976O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	1	D. 1	*Nil*	*Nil*	*Nil*		3	Y.T.
10,56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	167§	100	8 8	9 8	9 8		7	Y.
60,00,000O.							6§	O. 10	0 8	0 10	0 10			
26,49,797O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	1§	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D.							—	D. 1	*Nil*	*Nil*	*Nil*			
62,50,000O	4,00,000	1,26,71,467	23,27,600	90,853	Essen Ltd.	India Cements Ltd.	16§	O. 25	*Nil*	*Nil*	1 4		3	Y.P.
7,50,000D.							3½	D. 5	*Nil*	*Nil*	0 4			
73,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement	6§	5	0 3§	0 6§	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	23xd	2½	0 2	0 2½	0 2½		12	Y.
10,00,000	21,89,785	53,01,488	31,14,250	13,680	Bird & Co., Ltd.	Bisra Stone Lime Co.	29§N	10	0 14	1 0	0 14		3, 9	H.
£914,200	£846,000	£1,643,983	£840,110	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2-1/4§	Sh. 2	3d †	3d.			12	Y.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	41½	25	1 4 / 1 4 / 1 9 / 5 0	1 9 / 5 0 / 1 9 / Nil	1 9 / 5 0		6,12	H.P.T.
50,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	160	100	5 0 / 5 0	5 0 / 5 0	5 0 / 5 0		3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,312	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½	10	0 8½ / 0 12	1 0 / 1 0	1 0 / 1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	32	10	1 8 / 1 8	1 0 / 1 0	1 0 / 1 0		3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	0 8 / 0 10	0 12 / 0 12	0 12 / 0 12		6,12	H.P.T.
20,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9 / 9	O. 10 / A. 10	Nil / Nil	Nil / Nil	0 4 / 0 4		3,9	H.P.T.
56,00,000A. / 36,04,800B. / 4,37,500P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35½ / 4½	A. 10 / B. 10 / P.O. 2½	1 0 / 0 14* / 1 0 / 0 14* / 0 2 / 0 2	1 0 / 1 0* / 1 0 / 1 0* / 0 2 / 0 2	1 0 / 1 0* / 1 0 / 1 0* / 0 2 / 0 2	1 0*† / 1 0*† / 0 2†	3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,58,964	10,46,391	30,068	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	90,000	6,89,525	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	6 0	6 0	7 0		7	Y.
5,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,780O. / 8,00,000D.	6,02,582	42,65,284	19,09,280	419	S.J.A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / L. 10	O. 10 / L. 100	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8½ / Nil		9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd.	Port Canning Land	22½	100	2 0	1 8	2 0		4	Y.
94,00,000	35,56,934	97,99,238	88,013	4,609	Andrew Yule & Co.	Midnapore Zamindary	34	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	61	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading	323 / 119	Old 125 / New 50	15 0 / 6 0	17 8 / 6 0	22 8 / 9 0	3 0(?) / 2 0(?)	5	Y.
6,00,000	.....	2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	5 0	Nil	9 0		6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	30½	10	3 8	3 8	3 0		6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,419	37,27,464	25,16,436	18,412	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	8½	5	Nil	Nil	Nil		6	Y.
12,00,000A. / 3,00,000B	29,35,035	44,92,506	29,21,822	2,81,000	Narang Bros. & Co., Ltd.	Basti Sugar	118N / 113N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	Nil		4	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	71	10	Nil	0 10	0 12		9	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	16N	10	1 0	1 4	1 8		6	Y.P.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	6½	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	35,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	36½	10	2 0	3 0	2 0		6	Y.P.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd.	Champarun Sugar	25½	10	3 0	3 0	2 0		6	Y.
55,00,000A. / 10,00,000O.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N / —	'A' 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*		6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	50N / 25N	80 / 40	3 8 / 1 8	2 0 / 2 0	Nil / Nil		7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,031	Cotton Agents Ltd.	New India Sugar Mills	24½	10	1 0	2 8	2 8		6	Y.P.
17,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	1 0	0 8		5	Y.
13,59,375	43,31,823	52,90,359	15,27,000	39,355	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N / 45N	100 / 25	13 0 / 3 12	20 0 / 3 0			6	Y.
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	82N	100	3 4	11 0	6 0		7	Y.P.
12,00,000	11,70,686	26,67,609	17,89,472	71,500	Narang Bros. & Co., Ltd.	Punjab Sugar	93N	100	6 0				10	Y.
9,00,000	14,71,701	31,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Purnahpore Co.	14½	10	1 0	2 0	1 0		10	Y.P.
8,00,000	6,03,850	24,18,182	20,01,613	15,410	Begg, Sutherland & Co., Ltd.	Ryam Sugar	17	10	1 0	2 0	1 0		6	Y.P.
11,99,000	17,24,706	36,11,360	20,82,129	23,281	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14½	10	1 0	2 0	1 0		6	Y.
20,00,000	20,68,360	1,03,36,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	0 6	1 0	1 8		7	Y.P.
9,99,950	61,823	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	Nil	0 8	0 6‡	6	Y.
6,50,000O. / 1,75,000D.	47,625	27,92,174	11,46,770	—14,73,656	N. K. Jain & Co., Ltd.	South Behar Sugar	11N / —	O. 10 / D. 25	Nil / Nil	Nil / Nil	Nil / Nil		10	Y.P.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	20N	10	1 12	2 0	2 0		6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	13½	10	0 4½	2 0	1 8		6	Y.
Other Centres														
46,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd.	Belapur Company	236½	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	5 0	5 0	5 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	21½ / —	10 / 5	1 8 / 0 12	2 8 / 1 4	2 8½ / 1 4		9	Y.P.
33,57,520	29,59,133	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	101N	10	0 12	1 0	0 12		10	Y.
21,79,280	90,00,000	94,96,031	62,24,358	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		6	Y.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kanullal Ltd.	Phaltan Sugar	88	50	8 0	8 0	8 0		6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,632	Anderson Wright Ltd.	Ramnagar Cane and Sugar	18½ / 90N	O. 50 / D. 10	3 0 / 7 0	6 0 / 9 0	6 0 / 9 0		9	Y.P.T.
20,00,000O. / 4,00,000D.	24,67,609	74,35,840	43,71,339	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	77N	D. 10	7 0	9 0	0 11½		9	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	101N	10	1 0	1 4	0 12		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil		7	Y.P.
77,50,000A. / 23,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	146½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	155	100	10 0	12 8	12 8		10	Y.
1,00,00,000		3,00,22,730	1,45,00,337	58,606	Dinshaw Ltd.	Bharat Line	83	100	3 0	4 0	5 0		12	Y.
£655,580	£1,121,737	£5,428,105	£3,532,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	76xd	£10	Nil	Nil	Sh.10		12	Y.
2,25,00,000	56,99,233	3,87,93,426	1,01,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	7–5‡	10	Nil	Nil	0 8		3	Y.P.T.
£39,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	13‡	15	Nil	Nil	0 8		6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	3,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		9	Y.
10,00,000	1,00,000	23,18,130‡‡	8,079	8,955	Dena Sons, Ltd.	Dewkaran Nanji Investment Co.	9	10	0 12	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	30	3 0	3 0	3 0		3	Y.
99,99,250	18,35,375	1,26,92,333‡‡	10,053	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	69	100	4 0	4 8	4 8	Nil	12	Y.P.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	193‡ / 122‡	75	2 8	9 0	10 0	4 0(?) / 2 0(?)	6	Y.
2,06,71,500A.	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	39	A. 100	Nil	Nil	Nil		6	Y.
10,00,000B.								B. 10	Nil	Nil	Nil			
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40	10	2 0	3 0	3 0		12	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)	Western India Match Co.	233	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay (Chairman)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. / 2,50,000D.	15,00,000	1,35,46,950	50,22,899	43,857	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½ / 2	O. 10 / D. 10	Nil	Nil	£Nil		3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	9,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	18	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	25,69,194	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	21½	10	1 4*	2 8*	1 4*		12	Y.
20,00,000	12,91,523	92,32,632	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41	10	0 9 3/5	0 9 3/5	0 8		3	Y.P.T.
30,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	265xd / —	O. 100 / D. 40	20 0* / 6 0	25 0* / 8 0*	20 0* / 6 0*	3 0(?)	12	Y.
20,00,000	8,38,806	54,303.140‡‡	....	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	158	10	1 12	1 4	1 4		9	Y.P.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	10	10	1 4	1 4	0 12	0 8	9	Y.P.T.
3,25,00,000	1,05,00,000	2,23,59,029	1,84,14,167	4,13,662	Sir Robert Menzies	Dunlop Rubber (India) Ltd.	8–8½	5	0 12	0 12			12	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Eastern Investments Ltd.	28½	10	2 0	1 8	1 8		12	Y.P.
51,26,000	47,57,061	1,26,35,420‡‡	....	3,15,459	Bird & Co., Ltd.		142	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	170	100	10 0	12 8	20 0		3	H.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	10 0	10 0		3	Y.P.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R Syndicate	Great Eastern Hotel	261	250	13 0	15 0	15 0		3	Y.
12,42,800	3,06,043	60,60,794	41,30,369	3,939	Birla Bros., Ltd.	Hind Motors	100N	100	7 8	7 8	8 0		3	Y.P.T.
4,96,12,650	1,92,800	2,61,59,292	57,52,719	3,47,260	Birla Bros., Ltd.	Hindustan Motors	3½	10	Nil	Nil	Nil		12	Y.P.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	103	100	3 8	5 0	5 0		12	Y.
1,52,89,220	99,40,984	57,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Cables	181	100	2 8	1 0	1 0		12	Y.P.
8,27,970	14,39,460	19,53,187	7,97,308	38,565	O. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	121xd	10	1 0	1 0	1 0	0 12	3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	113	100	10 0	10 0	10 0	7 8	3	Y.P.
6,34,000O. / 90,000D.	6,05,270	6,91,531	4,08,253	—64,594	James & Co., Ltd.	Macfarlane & Co.	2 / 8 / 131	O. 5 / D. 100 / D.O. 10	Nil	Nil	Nil		3	Y.
40,00,000O.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	—		12	8	12 8		12	Y.P.
1,30,15,750	30,19,025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	18	10	0 12	1 0	1 8		9	Y.
6,35,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	0 10	Nil	Nil		12	Y.
4,88,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	16½	10	1 0	1 0	1 0		3	Y.
10,00,000		11,45,534	3,93,996	11,045	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	9½	10	Nil	1 0	1 0	1 0	3	Y.T.
20,00,000	23,16,171	50,16,078	28,75,987	11 045	Associated Industrial Development Co., Ltd.	National Insulated Cable	12½	10	0 8	0 8	0 12		3	Y.P.T.
29,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	9	10	1 0	0 8	Nil		12	Y.P.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½	2	1 9 3/5	0 10½	0 14		12	Y.P.
8,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq.	Rallis (India) Ltd.	65‡	100	8 8	9 0	Nil		12	Y.P.T.
1,14,00,000	78,53,108	6,09,39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	8½	10	Nil	0 12	1 0		8	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	14½	10	1 0	1 0	1 8		10	Y.P.T.
75,00,000	35,00,000	12,11,901‡	2,17,120	3,56,616	R. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd.	11½	10	1 0	1 0	1 0		6	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 6‡	Nil	Nil		12	Y.P.

‡‡ Includes investments at cost. † Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

‡ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,02,362	8,88,306	3,86,105	....	McLeod & Co., Ltd.	825	Amluckie	348N	100	25 0	Nil			12	Y.P.
2,76,500	4,31,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	15xd	10	2 8	0 12	0 12		12	Y.
3,50,000	6,15,909	9,34,560	1,33,123	48,872	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	26	10	4 0	3 0			12	Y.
3,50,000	7,21,416	14,91,743	4,25,000	—2,38,910	McLeod & Co., Ltd.	513	Baghmari	10‡	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	27	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	11‡	5	1 8	0 8			12	Y.
3,20,000	4,90,000	6,72,731	1,29,032	54,942	Gillanders Arbuthnot & Co., Ltd.	566	Belsan	26‡	10	3 8	1 8			12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	26	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	0 8	Nil	Nil		12	Y.
7,50,000	3,40,000	7,64,836	1,66,959	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea	11‡	10	1 8	1 8			12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11‡	10	1 0	1 0			6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7‡	10	0 8	Nil			12	Y.
6,00,000	7,50,000	24,24,301	14,67,578	25,543	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	220xd	100	30 0	22 8			12	Y.
87,53,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd.	426	Dhelakhat	11‡	10	1 9 3/5	1 3‡			12	Y.
4,68,970	2,71,039	10,66,372	3,24,106	25,794	James Finlay & Co., Ltd.	613	Dhunseri	10‡	10	2 0	1 0			12	Y.P.
4,50,000	2,75,000	6,93,361	89,330	14,389	McLeod & Co., Ltd.	458	Dibrugarh	8‡	10	1 0	1 8			12	Y.
2,36,700	3,72,500	8,29,204	3,79,204	35,409	Williamson Magor & Co., Ltd.	611	Dimakusi	32	10	4 8	1 8			12	Y.P.
5,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	33‡	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,71,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	18‡	10	2 0	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	17‡	10	3 0	3 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	28	10	4 0	3 0			12	Y.
4,94,360	12,87,810	17,08,255	4,58,704	82,387	Octavius Steel & Co., Ltd.	1,393	Grob	17‡ / 9	A.10 / B.5	3 0 / 1 8	2 0 / 0 8			12	Y.
2,40,790	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	27	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	250N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	11,91,196	1,61,426	29,063	Gillanders Arbuthnot & Co., Ltd.	900	Hutibari	10‡	10	1 4	0 14			12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd.	1,037	Ledo	7‡	10	2 0	Nil	Nil		12	Y.
4,80,000	—	8,87,549	—1,89,887	—1,89,887	Duncan Bros. & Co., Ltd.	673	Maheema	3‡	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	400N	100	45 0	35 0	Nil		12	Y.
6,00,000	3,76,165	7,29,084	2,76,176	—2,00,704	Octavius Steel & Co., Ltd.	1,110	Loobah	2‡	10	Nil	Nil	Nil		12	Y.
5,63,690	35,000	7,11,181	76,163	—2,00,704	Shaw Wallace & Co., Ltd.	988	New Samanbagh	2N	10	Nil	Nil	Nil		12	Y.
4,00,000	1,68,000	8,95,226	3,94,223	8,749	Shaw Wallace & Co., Ltd.	5,858	Patrakola	121N	100	12 8	Nil			12	Y.P.
36,00,000	15,10,431	51,68,520	11,68,520	1,73,133	Shaw Wallace & Co., Ltd.	613	Rajnagar	44N	10	0 12	Nil	Nil		12	Y.P.
3,20,000	40,000	8,34,532	4,97,032	—54,551	Shaw Wallace & Co., Ltd.	1,170	Teliapara	105	100	7 8	2 8			12	Y.
9,00,000	7,73,407	11,02,712	2,02,712	73,090	Duncan Bros. & Co., Ltd.										
TERAI															
1,25,000	2,96,927	2,03,506	1,15,721	22,289	National Tea Corporation	433	Belgachi	23	10	3 8	3 0			12	Y.
8,40,000	8,14,969	9,90,834	3,60,834	36,887	Duncan Bros. & Co., Ltd.	1,646	Gangaram	190	100	37 8	3 0			12	Y.
3,00,000	3,71,677	8,53,091	1,61,694	12,269	Duncan Bros. & Co., Ltd.	517	Hansqua	14‡	10	2 0	1 12			12	Y.
3,00,000	3,71

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16½	10	¾+¼	1+¼	1+1	¾	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	170	100	4+10	15+15	8+10		5, 11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil 5	5 Nil	Nil		6, 12	H.P.T.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	150	100	Nil 25	Nil	Nil		6, 12	H.P.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros & Co., Ltd. ..	2,561	Anglo-India	199	100	Nil 10	10+10	10+15	7½	3, 9	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	125	100	1½+4	6+5	5+4	2½	3, 9	H.P.T.
20,00,000	29,77,365	97,37,334	63,51,882	72,634	Jardine Henderson & Co. ..	959	Bally	155	100	6+6	6+1	10	4½	3, 9	H.P.
6,71,000	6,39,470	41,34,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,890	Barnagore	144½	£5	£1	£1	£1	£1	3	Y.P.
28,00,000	35,49,623	88,18,168	48,06,254	62,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	200	100	7+10	12½+15	7½+7½	7½	6, 12	H.P.
22,50,000	55,95,000	51,03,385	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	14½	10	2½	3			6	Y.P.T.
30,42,000	2,64,46,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	34½xd	10	2½	3	3	3	3	Y.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	155	100	3+10	10+12	6½+6½	6½	4, 10	H.P.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	16 N	10	Nil	1+1	0+8½		6, 12	H.P.T.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd. ..	1,400	Caledonian	160	100	4+10	10+12	6+6	6½	5, 11	H.
59,16,400	1,05,21,478	1,63,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd. ..	1,400	Champdany	146½	100	3+5	5+7	7+8	3½	3, 9	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd. ..	530	Chetpot	200xd	100	6+10	10+12	6+6	6½	5, 11	H.P.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalsah	28½	10	¾+¾	1+1½	2½+1½		6, 12	H.T.P.
16,00,000	17,00,000	77,89,914	64,24,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	23	10	1½	1½	2		9	Y.
31,49,200	39,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	134	100	1+3	8+6	6+10	1½	3, 9	H.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,792	Andrew Yule & Co., Ltd. ..	779	Delta	221	100	5+12½	15+17½	10+10	10½	5, 11	H.P.
10,00,000	32,50,000	75,61,304	33,68,650	47,730	McLeod & Co., Ltd.	500	Empire	209	10	1+1	1½+1½	¾+¾		5, 11	H.T.P.
21,00,000	57,78,539	2,62,73,643	1,77,44,391	1,801	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	378	100	2½+20	12½+12½	10 Nil		3, 9	H.P.T.
14,00,000		71,79,143	43,27,194	—7,75,693	Bangur Bros., Ltd.	1,014	Fort William	310N	100	Nil Nil	5 Nil	Nil		3, 9	H.T.P.
84,12,100	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	66½	100	Nil 3½	2½+2½	Nil	Nil	3, 9	H.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	300	45	50	30			12	Y.
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,37,647	Macneill & Barry Ltd.	1,394	Gouripore	270	100	2½+15	10+10	1½ Nil	Nil	3, 9	H.P.
40,00,000	46,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100xdN	100	1	1	10	10	3	Y.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	33½	10	1	3	1½	1½	3	Y.P.
65,62,500	50,83,570	1,56,87,559	1,09,33,233	1,55,027	Jardine Henderson Ltd.	1,940	Ichapur	23	10	¾+¾	¾+¾	1+¾	¾	3, 9	H.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,138	Ramdutt Ramkissendas	2,272	Hukumchand	39	7½	3½	1	1½	¾	3	Y.P.T.
D. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	118	125	3½+9½	3½+1¾	3½+3¾	3½	3, 9	H.
D. 30,000								—	D.	A.7.8 7.8		1+1			
24,00,000	20,07,975	1,36,48,345	1,16,47,605	92,900	Jardine Henderson Ltd.	1,797	Kamarhatty	174	100	8½+8½	10+10	8½+6		6, 12	H.P.
'B' 19,20,000								166	'B' 100	8½+8½	10+12	8½+6			
30,00,000	12,18,800	1,30,36,108	92,12,151	83,881	Jardine Henderson Ltd.	1,527	Kankinarrah	141½	100	Nil	5+7½	6+4		6, 12	H.P.
'B' 24,00,000								141	'B' 100	Nil	5+7½	6+4			
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	232	100	10+10	12½+12½	7½+7½		6, 12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,530	Khardah	193	100	Nil 13	10+6	10+15		3, 9	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	192	100	1½+4	10+9	10+7	4½	3, 9	H.P.T.
24,48,000	48,82,305	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	125	100	2+10	11+8	7+3	2½	3, 9	H.P.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	840	Lawrence	158	100	5+9	12½+11	11+4	2½	3, 9	H.P.
10,00,000	36,51,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd. ..	558	Lothian	290	100	5+10	15+17½	13+12	15½	5, 11	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,448	29,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	92	100	2½+6½	2½+11	2½+2½	2½	3, 9	H.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	P. W. Heilgers & Co.	815	Naihati	118	100	Nil 5	10+6	6 Nil	Nil	3, 9	H.
20,00,000	17,75,000	25,77,260	16,42,880	5,104	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	¾+¾	1½+1½	¾+¾		4, 10	H.T.
35,00,000	44,27,437	27,58,552	8,93,551	1,01,832	Andrew Yule & Co., Ltd. ..	852	National	23½	10	1+1	1+1½	1½	1½	6, 10	H.P.
19,75,000	8,75,000	39,37,649	26,12,649	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	34½	10	1½+1½	2½+5	2+1		6, 12	H.P.T.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	260	New Central	100	10	4+10	15+15	10+12		6, 12	H.P.
16,79,850	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	18½	10	¾+¾	1+1	1+¾	¾	3, 9	H.P.T.
66,79,500	32,37,329	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	44	50	Nil 1½	1½+1½	Nil	Nil	9	H.
24,91,000	26,56,049	70,68,289	48,27,892	1,05,356	Andrew Yule & Co., Ltd. ..	601	Orient	171xd	100	4+10	12+12	1+6	6½	3, 11	H.P.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,062	McLeod & Co., Ltd.	400	Presidency	43	5	Nil Nil	¾	¾		6, 12	H.T.
20,00,000		26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	305	Rameshwara	5½	10	Nil ½	Nil	Nil		3, 9	H.P.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	15½	10	Nil Nil	Nil	Nil	1½	3, 9	H.P.T.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	913	Samnuggur	14½	£1	10% 1	10%	10%		12	Y.P.
30,00,000	13,07,220	97,70,210	59,19,652	6,03,669	Bagaria More & Co., Ltd. ..	911	Shree Ambica	13½	10	Nil ½	1½+1	1		3, 9	H.P.
7,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	21½N	10	½	Nil	Nil		12	Y.P.T.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	650	Standard	135	100	3+6	9 8	6+1	1½	3, 9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	14½	£1	10%	10%	10%		12	Y.P.
35,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	160	100	1+7	12½+11	10+1	1½	3, 9	H.P.T.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14	£1	10%	10%	10%		12	Y.P.
2,50,000	1,35,000	36,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	5	1	Nil 1/40	1/40 Nil	Nil		6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1949 Rs.	1950 Rs.	1951 Rs.	1952 Rs.	Accounts Closed	Reference
25,50,000	15,75,000	64,99,011	45,49,011	25,799	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	17½	10	¾+¾	1+1	1+1	1+1	3, 9	H.
12,00,000	8,42,703	37,55,383	34,25,643	58,826	Jardine Henderson Ltd.	Bararee Coke	16½xd	10	¾+¾	1+1	1+1	1+1	3, 9	H.
4,49,350	70,000	8,49,159	5,24,703	5,169	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	67N	10	¾+¾	1+1	1+1	1+1	6, 12	H.
1,00,00,000	1,09,50,000	5,08,61,725	3,24,30,103	8,02,968	Andrew Yule & Co., Ltd. ..	Bengal Coal	508	200	16+17½	17½+17½	17½+17½	20+20	6, 12	H.
2,25,000	5,14,434	25,84,481	21,99,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	1½+1½	1½+1½	¾+¾	¾	4, 10	H.P.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	3½	10	Nil	¾	¾	¾	6, 12	H.P.
69,99,953	13,81,010	1,17,79,347	36,69,702	23,814	Sahu Jain Ltd.	Bharai Collieries	58	10	¾	¾	¾	¾	9	Y.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	14	10	Nil	¾	¾	¾	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	Nil ¼	Nil	Nil	¾ Nil	6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	25½	10	¾+¾	1½+1½	1½+1½	1½+1½	6, 12	H.T.
90,92,480	1,65,60,398	4,01,65,948	1,60,47,288	1,15,021	Bird & Co., Ltd.	Burrakur	8½	10	13/12	Nil Nil	Nil	Nil	6, 12	H.P.
49,97,000	750	22,35,410	57,645	8,776	Hindustan Investment Corpn., Ltd.	Central India	4½	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	16½N	10	¾	¾	Nil	Nil	3	Y.
6,00,000	1,40,000	7,50,000k		13,973	F. W. Heilgers & Co., Ltd. ..	Churia	2½	4	¾	¾	¾	¾	6, 12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhemo Main	8½	10	¾+¾	¾+¾	¾+¾	¾+¾	6, 12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,839	Jardine Henderson Ltd.	East Indian	22½	£1	Nil	1½	¾	¾ Nil	6, 12	H.
29,63,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	35½	10	2½+2½	2½+2½	2½+2½	3 (d)	6, 12	Y.
10,00,000	2,62,215	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	15 N	10	1+3	8+6	6+10	2+1½	6, 12	H.P.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriladih	14½	10	¾+¾	1½+1½	1½+1½	1½+1½	6, 12	Y.
3,50,000	5,50,000	12,51,839	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	Kalapahari	41½N	10	Nil Nil	5 Nil	Nil	Nil	2, 8	H.
20,00,000		25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	82	100	Nil	Nil	Nil	Nil	3, 9	Y.P.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd. ..	Katras Jherriah	38	10	1+1	1½+1½	1½+1½	Nil	1, 7	H.
1,38,400	95,000	10,63,519	3,25,519	1,061	H. V. Low & Co., Ltd.	Khas Kajora	7N	10	¾+¾	¾+¾	¾		6, 12	H.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusardi	4½N	10	1	1	1	1	6	Y.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	Associated Commercial Co., Ltd.	Lakurka	10½N	10	¾+¾	¾+¾	¾+¾	¾+¾	4	Y.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Andrew Yule & Co., Ltd. ..	Nazira	6½	10	¾+¾	¾+¾	¾+¾	¾+¾	6, 12	H.
17,76,230	10,67,000	1,16,02,941	81,01,381	55,799	Andrew Yule & Co., Ltd. ..	New Beerbhoom	17⅜	10	Nil 3/10	3/10 3/10	Nil	Nil ¾	6, 12	H.
6,00,000	3,30,000	31,32,539	18,57,919	—7,595	Octavius Steel & Co., Ltd. ..	New Manbhoom	8½	10	Nil ¾	¾+¾	Nil	Nil	3, 9	H.
1,15,000	3,51,004	12,56,672	7,30,294	12,237	Andrew Yule & Co., Ltd. ..	North West	12½N	10	¾+¾	¾+¾	¾+¾	¾+¾	3, 9	H.
1,57,500							8½N	10	¾+¾	¾+¾	¾+¾	¾+¾		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	17N	10	9/40+1	1+1	1½+1	1+1	6, 12	H.P.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11½N	10	1	1	1	1	12	Y.T.
8,34,000	20,351	16,29,203	5,77,935	70,539	Deepchand Kishenlall	Parasea	3½	10	Nil	Nil	Nil	¾	12	H.P.
19,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	21½	10	¾+¾	¾+¾	¾+¾	¾+¾	2, 8	H.
23,99,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Rajapur	7½	10	Nil ¼	¾+¾	¾+¾	Nil ¾	3, 9	H.
13,50,000	6,88,385	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd. ..	Rewa	19½	10	¾+¾	¾+¾	¾+¾	¾+¾	6, 12	H.
20,00,000	3,10,464	28,07,516	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	7½	10	Nil	¾+¾	¾+¾	¾+¾	6, 12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½N	7½	¾	¾	¾	¾	6, 12	H.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd. ..	Seebpore	25½	7	2½+2½	2½+2	2+2	2+2½	6, 12	H.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	8½	10	¾+¾	¾+¾	Nil	Nil	6, 12	H.P.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	9/20	¾	¾	¾	12	H.T.
17,50,000	10,70,000	34,29,846	13,40,707	15,868	Bird & Co., Ltd.	South Karanpura	9½	10	1+1	¾+¾	¾+¾	¾+¾	12	Y.T.
8,00,000	13,68,503	2,33,837	56,445	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	20½	10	¾+¾	¾+¾	¾+¾	¾+¾	2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,316	Talcher Ltd.	Talcher	2½	10	Nil	Nil	Nil	Nil	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd. ..	Union	22½	10	1+1	1½+1½	1½+1½	1½	9	Y.
49,98,000	21,916	45,07,187	11,17,093	42,176	Hindustan Investment Corpn., Ltd.	West Bengal	4½	10	¾	¾	¾	¾	6, 12	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	17	10	¾+¾	¾+¾	¾+¾	Nil	3, 9	H.
													6, 12	

* Including bonus. z Sales and amount written off. (k) Investments.

(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 612 in the debentures section:—

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

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

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

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

(d) Bearer bonds of Rs. 1,000 each with option of redemption in whole or in part at par on 30th June, 19[illegible] on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' [illegible] in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ¼ per cent. premium 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March 1957.

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

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

MARKET GOSSIP

(Concluded from page 567)

view for reasons mentioned above. But it is equally true that there is no pronouncedly downward trend, notwithstanding the severe shake-outs that are being experienced by Wall Street from time to time; if anything, the trend is steady, in refreshing contrast to the quiet or weak undertone displayed by bullion and most of the commodity markets. Thus, whereas the Tata Steel shares have registered a small gain over the week and Indian Irons are well over the lowest levels registered early in the week, there has been a perceptible fall in bullion and commodities. Cotton, however, is a shade better than a week ago, but it is still appreciably below the levels that were prevailing a fortnight ago. The weakness of commodities is attributable mainly to the fuller realisation that the new crops will be substantially larger than those in 1952-53 and that prices elsewhere in the world are also going down. It is also attributable, in part, to the fast approaching end of the bull grip over the outstanding contracts in old crop oilseeds.

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In bullion, both gold and silver have lost considerable ground. There are fears that large quantities of smuggled gold may find their way into the market in the near future. The offtake of both silver and gold is poor, and operators feel that, in view of the lower prices which agricultural commodities are expected to realise in the coming months and the growing unemployment, the consumption of these precious metals next year will receive a marked setback. The move on the part of the Board of the Bullion Association to amend some of the bye-laws in such a way as to raise the handicaps to the bulls has also contributed to the fall in prices. Though expressed in a language which may connote an entirely different meaning, this move, briefly described elsewhere, aims at nothing short of re-introducing the much discredited practice of placing a ceiling on the carry forward charges which a bull may demand when the market is heavily oversold. To explain this, we will require more space than is at our disposal now. Suffice it to say, however, that, if the bullion authorities wish to encourage gambling in their market, they could think of nothing better.

BANKING

(Concluded from page 574)

dated bonds and other bills, the charge will be 2 per cent. instead of 2½ per cent.

Now the discount market can borrow against Treasury Bills from the Bank of England at Bank rate, namely, 3½ per cent., which is also the Special rate.

It is hoped that the changes noted above will bring about an improvement and some cheapening of the facilities available for foreign trade and will stimulate production for export at competitive rates. It is needless to add that anything that leads to an expansion of the export trade also assists the movement towards the restoration of convertibility of the pound sterling. Says the *Financial Times*: "The whole economy will receive a further incentive to expansion especially in capital investment and in export trade. A rise in the Gilt-edged market always encourages industrialists to invest more freely the profits which are normally retained in business. As well as this, there can be no doubt that the change in the Bank rate (whatever its technical limitations) will, in fact, cause bankers to shade off the price of their advances to industry. And the same cause will lower the rate at which export trade can be financed. As the latest analysis of bank advances shows, industry has recently been repaying debt—and on a considerable scale—rather than investing in new production." And Mr. Roy Harrod urges industrialists that they "should now begin to take longer views, to plan more radical modernisation, increasing capital and horse-power per man, and incidentally planning a higher exploitation of thermal capacity of coal. If the Bank rate reduction and what may follow could be taken as a sign for going ahead with a far more radical reconstruction it could prove a notable turning point in British industrial history."

Another real change will also follow the present cut in the U.K. Bank rate. The change is in respect of the cost of the conversion and funding operations of the U.K. Government. The Government has to repay or convert £577 million of 1½ per cent. Serial Funding Bonds which fall due in November next. Again in March next 2½ per cent. 1952-54 National War Bonds, amounting to £412 million, are due to mature. The lowering of the Bank rate will make the repayment of these stocks, together amounting to £989 million, easier because of the rise in confidence which the change has brought about, and less costly, because of the improvement in Gilt-edged prices and fall in yields. It may be noted that the Gilt-edged values in London have already gone up by about £3 since the Bank rate was changed. Another advantage to the Government is that it will facilitate the sale of steel shares by the Steel Holding and Realisation Steel Agency by enabling it to offer the shares on a lower dividend yield basis. Further, if the liquidity ratio of the banks is to be reduced again to somewhere near the conventional level at which monetary policy can be effective, another large slice of Treasury Bills has to be issued. This operation will be rendered on more favourable terms, owing to the strength of the Gilt-edged market resulting from the reduction in the Bank rate.

HOW RESTRICTIVE ARE U.S. TARIFFS?

(Concluded from page 575)

trading world economy of the nineteenth century underestimate or overlook some of the main institutional features which made the nineteenth century system work—the special economic position of Britain; European control over vast raw material producing areas; general willingness to subordinate domestic welfare to international solvency and acceptance of automatic balancing mechanisms, such as the gold standard, even when they exposed countries to depressions and other unfavourable developments originating in other parts of the world. In the absence and unlikely restoration of such attitudes and institutions, Dr. Piquet implies that doctrinaire free trade policy is doomed to continued frustration.

The author also argues that a narrow protectionism is equally obsolete as the basis for an effective American foreign economic policy in the twentieth century. The United States, he says, must follow policies which bolster the economic health of the free world by integrating the American economy more fully and constructively with other friendly countries.

Though he concludes that possible injury to domestic producers would be less than generally claimed, Dr. Piquet argues that equitable compensation and readjustment assistance should be provided for domestic manufacturers, workers, and farmers who can demonstrate legitimately that their special interests are being sacrificed in the national interest.

ANNUAL MEETING OF BOMBAY GAS COMPANY

(Concluded from page 583)

stress on the industrial development of the country and the necessity of creating a climate that would help achievements of this objective and I can only reiterate that those requirements are needed in no less a degree in the case of the gas industry than elsewhere.

"I drew your attention at our last meeting to the strike of workers in the month of September, 1952, and informed you that the union's demands together with our own application for dismissal of certain workers were under examination by the Industrial Tribunal. You will be gratified to learn that the Company's stand in this dispute was fully vindicated by the Tribunal.

"In conclusion, I wish to point out that despite the financial results being not too satisfactory for reasons earlier mentioned by me, the satisfactory working of the Company, but for the strike, was maintained and I must express on your behalf and on my own our thanks to all the members of the staff and particularly Messrs. Chowdhary and Ruggles for their co-operation and loyalty."

MARKET REPORTS

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,900	1,08,33,956	10,66,174	Allahabad Bank	383½	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				190	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	7,231	Andhra Bank	110	100	6 0	6 0	6 0		6.12	H.
23,99,000				58	50	3 0	3 0	3 0			
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	109	25	6 0‡	6 0‡	6 0	2 8(i)	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,32,00,000	6,36,553	Bank of India	155	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	3 0‡	3 0‡	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	19½	50	1 8	1 8	1 8		12	Y.
50,00,000	14,50,000	2,44,634	Bank of Mysore	276xd	100	16 0‡	16 0‡	16 0‡	8 0(i)	12	Y.P.T.
89,18,600	42,61,693	25,280	Bombay State Co-operative Bank	39½	50	2 8‡	2 8‡	2 8		12	P.Y.
15,00,000	14,50,000	9,417	Canara Bank Ltd.	82	50	4 8	4 8	4 8		12	Y.P.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd	85	50	5 0‡	5 0‡	5 0‡	0 12(i)	12	R.L.Y.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	63½	25	3 8	3 8	3 8	0 12(i)	12	
$2,42,375 A'				67	25	3 8	3 8	3 8		£ 6 12	
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	54½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—		9	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0‡	6 0‡	5 0	40 0(i)	6.12	R.L.H.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,832½	500	80 0	80 0	80 0	40 0(i)	6 12	R.L.H.
1,87,50,000				452½	125	20 0	20 0	20 0	10 0(i)		
24,00,000	73,50,000	1,04,201	Indian Bank	181¼xd	100	12 0‡	12 0‡	12 0‡	6 0(i)	£ 6 12	R.L.H.
16,00,000				143xd	85	10 3½	10 3½	10 3½	5 1 7(i)		
13,40,000				102½xd	60	7 3½	7 3½	7 3½	3 9 7(i)	.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	89½	100	5 0‡	6 0	6 0			
6,25,000				73	100(A)	9 0	7 8	6 0		£ 6.12	H.
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 4	1 8	1 8(i)		
10,00,000				35	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	18	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,00,135	Union Bank of India	5–6½	5	0 5	0 5‡	0 5‡	0 5‡	12	Y.
2 90,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	2 0	2 0	2 0		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£–2–1–7½ £7½	£5 £5	14† 7†	14† 6†	16† 7†	7† 3†	12	R.L.Y. R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank							12	
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£91½	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2–15–6 £1–7–0	£1	12† 5†	12† 5†	12 † 5 †		12	R.L.Y. R.L.Y.
61,437,296				£19½	A £12½	12†	12†	14†	7†(i)		
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£19½	B £12½	12	12†	14†	7†(i)	12	R.L.Y.
£375,000				£10½	C £5	12½	12†	14†	7†(i)		
£300,000				£28½	£12½	16†	16†	16†	8†(i)	12	L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India								

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency (i) Interim. *8 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
10,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
10,00,000	6	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
£5,00,000	4½	1st May and 1st November			
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	30th May and 30th November	Bengal-Nagpur	98½	15th November .. 1956(a)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	99½	30th December .. 1967-72
13,68,000	5½		Jayshree Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
₹8,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,35,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1970
23,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	86	31st December .. 1970
15,00,000	5	1st January and 1st July	Sirsa (Iberrian) Electric Supply Co. Ltd.	96	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,71,000	4	1st April and 1st October	Tata Power	100½	15th September .. 1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power	92½	15th September .. 1965-70
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Flume Pipe (2nd mortgage)	102	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	104	31st December .. 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Fireclaying Works Ltd.	88	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100½	1st October .. 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	95	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexander	98	30th June .. 1954(h)
15,00,000	4	30th June and 31st December	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,49,000	5	30th June and 31st December	Chitavalsab Jute Mills	97	30th June .. 1946
8,86,000	5	30th June and 31st December	Empire	95	15th July .. 1966
85,00,000	3½	1st January and 1st July	Hukumchand	92½	30th June .. 1957
23,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
85,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March .. 1954
5,00,000	4	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
83,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96½	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	86	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99½	1st November
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900 £100N	A 1 03/4% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October	Kalighat-Falta Railway	1933 £102N	1st October .. 1974
3,00,000	3½	30th September and 31st March	Katakhal-Lalabazar Railway	1934 99	30th September .. 1953
4,50,000	3½	30th June and 31st December		1945 89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90½N	
9,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 100	1st January .. 1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944 100	31st March .. 1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943 101½	1st January .. 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 96½	30th June .. 1957(1)
21,00,000	5	1st February and 1st August	Chowringhee Properties	1915 92	1st February .. 1964
21,55,000	4½	1st July and 1st January	Clive Buildings	1936 88½	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946 87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946 79½	1960
1,00,00,000	5	1st January and 1st July	Dunlop Rubber	1950 101½	1st January .. 1971
1,30,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949 97	1964
20,00,000	5	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 465	30th September .. 1976
39,57,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 (per note) 410 (per note) 90N	31st December .. 1972
45,00,000	4	1st April and 1st October	Macneill and Barry Ltd.	1951 93½	1st April .. 1971
75,00,000	5	31st March	Orient Paper Mills Ltd.	1946 86½	31st March .. 1961
1,80,00,000	5½	30th June and 31st December	Rohtas Industries Ltd.	1953 103	31st December .. 1969
4,00,00,000	4	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.		1st May 1968
4,00,00,000	5½				

Note—See page 610 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th September, 1953.

—	Closing quotations 17-9-'53	High	Low	Closing quotations 24-9-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155	156	155	156
Bank of Baroda (50)	110	109½	109	109
Central (25)	63½	64	63½	63½
Imperial (F.Pd.) (500)	1,827½	1,835	1,827½	1,830
Imperial (F.Pd.) (125)	445	452½	450	451½
National (5)	6½	6–6½	6½	6–6½
United Com. (50)	36	36½	36	36
COTTON MILLS				
Ahm. Adv. (100)	138½	—	—	138½
Apollo (2)	2–8½	2–9½	2½	2–9½
Bombay Dyeing (250)	368½	370	362½	367½
Central India (100)	147	149	143	147
Century Mills (100)	256½	258	254½	257½
Colaba (100)	62½	62½	59½	59½
Edward Textile (200)	225	—	—	223
Elphinstone (50)	37½	37½	37	37
Finlay (100)	248xr	256	246	256
Gokak (100)	223½	224½	222	224½
Ind. Unid. Defd. (1)	1–3½	1–3½	1–3½	1–3½
Ind. Unid. Ord. (10)	8–15½	9	8½	8½
Indore Malwa (100)	89½	90	88½	90
Khatau (100)	178½	178½	165	170
Kohinoor (100)	286½	288½	281	281xd
Lakshmi (250)	570	—	—	570
Madhusudan (100)	86½	—	—	86½
B. R. Cotton Mills (100)	48½	—	—	49
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	185	185	182½	182½
Mysore (50)	130	—	—	130
New City (100)	151½	—	—	151½
New Great (100)	145	145½	144	145½
Phenix (100)	116½	—	—	116½
Podar Mills (100)	121½	122½	121½	122½
Sassoon Bpa. (10,	19	—	—	19
Shahpur (1,000)	25½	—	—	25½
Simplex (50)	1,610	—	—	1,610
Swadeshi (100)	128½xr	128½	127	128
Swan (100)	240	242	237½	240½
Tata M.: (25)	462½	462½	305	322½xr
Vishnu (100)	39½	40	39½	39½
Western India (1,000)	3,550	146½	142½	142½
		—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	113½	112½	111½	112½
Amalgamated (10)	10–15½	—	—	—
Andhra Valley (1,000)	1,330	1,330	1,327½	11
Bom. Sub-El. (100)	119½	121½	119½	1,327½
Surat (100)	126½	—	—	121½
Tata Hydro (100)	141½	142	139	126
Tata Power (1,000)	1,398½	1,398½	1,387½	139½
				1,387½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	660	—	—	660
Ind. Mercantile (20	38	—	—	38
Jupiter (13)	6½	—	—	6½
New India (15)	40	40½	39½	39½
Oriental (200)	7,050	—	—	7,050
Universa (10)	8½	—	—	8½
Vulcan (10)	11½	11½	11½	11½
STEAMER COS.				
Scindia (15)	13–5½	13–7½	13–3½	13–5½
STEEL COS.				
Ind. Iron (10)	22½	22½	22–1½	22½
Tata Steel Defd. (30)	1,811½	1,820	1,797½	1,816½
Tata Steel Ord. (75)	313½	315½	312	315½
MISCELLANEOUS				
Alcock Ashdown (100)	296½	298½	295	298½
Associated Cts. (100)	167½	168½	167	168
Belapur Sugar (5)	236	239	234½	237½
Bom. Burmah (125)	327½	329½	323½	326½
Do. (New) (50)	121½	121½	119½	120
Br. B. Petrol (4 sh.)	1–4½	1½	1⅜	1–7
Br. I. Corpn. (5)	8–8	8–9½	8½	8–8
Indian Copper (2 sh.)	2–14½	2⅜	2⅛	2–2
Ind. Inv. Tr. (100)	69½	—	—	69½
Port Canning (100)	22½	—	—	22½
Premier Co. (30)	83	83½	82	83
Shivrapur (10)	54½	55	54½	54½
Tata Chemicals (10	8–5½	8–7½	8⅜	8–6
Tata Oil (25)	30	30½	30	30
Walchand Ind. (100	146½	146½	146½	146½
W. I. Match (100)	226½	235	229½	235

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98½	—	3.46	98½
2½% 1955	98½	—	3.28	98½
2½% 1961	90½	—	3.88	90½
2½% 1960	93½	—	3.82	93½
2½% 1963	91½	—	3.92	91½
2½% 1974	82½	—	3.41	82½
3 % 1957	98½	—	3.42	98½
3 % 1958	98½	—	3.41	98½
3 % 1959-61	96½	3.74	3.37	96½
3 % 1964	92	—	3.84	92½
3 % 1963-65	92½	3.91	3.78	92½
3 % 1966-68	90½	3.99	3.88	90½
3 % 1970-75	86½	4.11	3.92	86½
3 % 1986 Con. Loan	82½	—	3.65**	82½
3½% 1954-59*	100½	—	3.65**	100½
4 % 1960-70	101½	3.92	3.46	101½
4½% 1971-90	102½	3.70	4.03	102½
4½% 1955-58*	101	3.04	4.05	102
3½% 1961 N.P. Bonds	98–6½	3.40	3.74	98–6½

BRITISH GOVERNMENT SECURITIES	17-9-53 £	High £	Low £	22-9-53 £
2½% Brit. Consols	63½	64½	63½	64½
3 % Savings Bonds 1955-75	75	—	—	—
3 % War Loan 1955-59	87½	88½	87½	88½
3½% War Loan 1952	101½	101½	101½	101½
3½% Brit. Iron and Steel 1976-78	85½	86½	85½	86½
4 % Funding Loan 1960-90	92½	93½	92½	93½
	101½	102	101½	102

xd=Ex-dividend. xr=Ex-Right. ** Current income. * Rupee Counterpart

COMMERCE

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

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PROGRESS OF COLOMBO PLAN

THE Consultative Committee of the Colombo Plan, now holding its meeting at New Delhi under the chairmanship of Mr. K. G. Ambegaokar, leader of the Indian delegation to the Committee, has a somewhat more onerous task than its predecessors. Since the Committee last met at Karachi, the economic climate of not only the South-East Asian region, with which it is immediately concerned, but of the world as a whole, has considerably altered. It would, of course, be absurd to suggest that such economic changes as have taken place—the change-over from a sellers' to a buyers' market, from an abnormally higher to a relatively lower level of economic activity, from a more to a less urgent need to devote resources to defence programme—have been of an unhealthy nature just because they have made the essential nature of the problem of stimulating economic development in the underdeveloped countries of this region a more difficult one. These changes were as inevitable as they were necessary. At the same time, the fact remains that it is necessary to realise that these changes have, in a way, accentuated the need for devoting more urgent attention to the problems of this area. Perhaps, the temptation to regard the problems as less easy of solution is now harder to resist. And yet, nothing is more calculated to worsen the problem than for the South-East Asian countries to reconcile themselves to the status of backwardness on the ground that the time is not propitious for the implementation of courageous programmes or for pursuing the solution of the problems with the same idealism which characterised the decisions at the earlier meetings of the Colombo Planners.

The Colombo Plan—or to give it its full name, the "Colombo Plan for Economic Development of South and South-East Asia"—is, as is well known, a six-year development programme which aims at providing basic economic development of the countries of the area. The idea was first mooted at a conference of Foreign Ministers of Commonwealth countries, held in Colombo in January, 1950, and the Plan was subsequently finalised at a meeting of the Consultative Committee in September-October, 1950, in London. The countries which participated at this meeting, which has been rightly described as a "landmark in the history of international economic co-operation," were Australia, Canada, Ceylon, India, New Zealand, Pakistan, the U.K. and Malaya. Subsequently, more countries, including the U.S., joined the Plan, making the Consultative Committee not only representative of the Commonwealth countries but a wider organisation of the free world. The first meeting of the Committee was held in Sydney in May, 1950, the second in London in September, 1950, the third in Colombo in February, 1951, and the fourth in Karachi in March, 1952. Thus, the New Delhi meeting is the fifth of its kind to be held by the Committee. That the Committee is fully representative of a very large proportion of the free world will be evident from the fact that, while the 15 countries —Australia, Burma, Cambodia, Canada, Ceylon, India, Indonesia, Laos, Malaya, Nepal, New Zealand, Pakistan, the U.K., the U.S. and Viet Nam —which are regular members will participate in the discussions, five delegates, representing the Philippines, Thailand, the World Bank, the E.C.A.F.E. and the Bureau of Technical Co-operation of the Colombo Plan, are attending the meeting as observers.

The Committee will review the progress of development in the South and South-East Asian countries. Since the Plan is now in the third year of its operation, it should be possible, as Mr. Ambegaokar stated in the course of a broadcast prior to the meeting, to get a "clearer picture of the extent of development so far achieved as also the requirements of the future." It might be recalled that, in 1950 when the Plan was first drawn up, the development programmes included in the Colombo Plan were those of India, Pakistan, Ceylon, Malaya and British Borneo at a total cost of £1,868 million for the six-year period. The Plan takes into account the respective programmes of the individual countries and estimates the available internal resources and the assistance which is required to ensure a reasonable pace of development. Although the membership of the Plan was originally confined to the Commonwealth countries only, it has attracted the attention and sympathetic support of other countries, including the U.S.

In reviewing the work accomplished under the Colombo Plan, it is necessary to remember that the Plan does not envisage any variety of supra-national authority. Each member-country is free to pursue its own plans, and the others come in only to the extent of seeing how best they can co-ordinate and supplement each other's efforts; the industrially-advanced member-countries, including the U.S., the U.K., Canada and Australia are only interested in giving the aid which the underdeveloped members need. An important aspect of the assistance that is provided under the Plan is in the sphere of technology. It was recognised, at the earliest stages of the evolution of the Colombo Plan, that the South-East Asian region's development could be accomplished only through a judicious use of science and technology. A body, known as the Council of Technical Co-operation, was established and a £8 million fund set up for providing assistance to countries of the area. The framers of the Plan also recognised that, in addition to technological aid, the countries would need capital assistance, for which they relied on the utilisation of external assets of the countries of the area, such as sterling balances, foreign private investments, assistance by international institutions like the World Bank, and assistance on a Government-to-Government basis.

Much ground has already been covered since the Colombo Plan officially came into operation on 1st July, 1951. The Technical Co-operation Bureau, established in pursuance of the Plan, has successfully met the very large number of requests for specialists in every field in which development is planned. The Colombo Plan region has had the benefit of the services of 188 experts and over 1,260 places have been provided for training local personnel to take part in the expansion plans of the countries to which they belong. Financial assistance, too, has been provided by some of the countries, which are members of the Consultative Committee. The Government of Australia, for instance, has promised to make available £A51.25 million over the six-year period, its contribution for the first year being £A8.75 million. Similarly, the Government of Canada has offered to finance development projects in India and Pakistan to the tune of $25 million. The New Zealand Government has offered to provide £3 million. The U.K., of course, has done nothing more than releasing the accumulated sterling balances. The U.S. made available $70 million in 1950-51 and another $150 million in 1951-52, to the countries of this region. Since July, 1950, it has also provided about $280 million as loans to the area, including the wheat loan of $190 million to India.

India has both received and offered technical and financial assistance. Its Five-year Plan envisages a total expenditure of Rs. 2,069 crores—in the first two years of the Plan Rs. 585 crores have been spent—of which total as much as Rs. 521 crores (excluding the deficit financing to the tune of Rs. 290 crores) are estimated to be beyond its resources. Foreign assistance is thus vitally necessary for the implementation of the Plan. The amount of foreign financial assistance so far received by India includes (1) loan from the U.S. ($190 million or Rs. 90 crores for the supply of 2 million tons of wheat), (2) five loans from the World Bank ($190.8 million or Rs. 52 crores), (3) economic assistance from the U.S. ($88.35 million or Rs. 42 crores) and (4) assistance from Norway (Kr. 10 million or Rs. 67 lakhs). Under the Colombo Plan, India received during the two years ended June, 1953, £7.2 million from Australia for wheat, equipment, etc., $28.8 million from Canada during the same period for wheat and vehicles, £250,000 in 1952 from New Zealand; this last mentioned country has also earmarked £375,000 to this country to be spent in the current year. In the sphere of technical assistance, India has received experts, as well as training facilities for Indians to study in advanced countries. India has, in its turn, contributed £750,000 (about Rs. 1 crore) to the £8 million Technical Co-operation Scheme of the Plan. It has so far offered 75 scholarships to students from the Colombo Plan region who have received training in the Indian Statistical Institute, Calcutta, Institute of Sugar Technology, Kanpur, the Customs Collectorate, Bombay, All-India Radio, New Delhi and the Central Rice Research Institute, Cuttack. Facilities for training in a number of other technical institutions, such as the National Physical Laboratory, New Delhi, and National

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Chemical Laboratory, Poona, have also been offered.

It will thus be seen that the Colombo Plan represents the highest level of co-operation among the free nations. External assistance is clearly envisaged. But it is not—as indeed it cannot be—a substitute for one's own effort. The major effort in implementing a programme of development, as Mr. Ambegaokar pointed out, must "necessarily come from within the country itself which must be ready to utilise its resources to the maximum." What is even more important is that these resources must be utilised in a profitable manner. The Committee, which is now meeting in New Delhi, will do well to re-emphasise the value of both internal effort and external assistance in any struggle for the betterment of living standards in the underdeveloped regions, for any exclusive emphasis on the one or the other will defeat the purpose which the planners have in view.

ANDHRA STATE

IT has taken nine months of discussion, consultation and preparation before the Andhra State could be ushered into existence. Ever since Mr. Nehru announced in Parliament, last December, the Government's decision to establish an Andhra State, consisting of the Telugu-speaking areas of the present Madras State, the question of the formation of the new State has engaged the attention of the Central Government, Parliament, the concerned State Governments and the State legislatures, and has been the subject of comment in the Press and on the public platform. That it has taken so much time and energy, not to mention finance, of the administrators at a time when they ought to have been busy with the economic development of the country should make those who participate light-heartedly in the agitation for the creation of linguistic States, as if their creation could be ordered at a moment's notice, a little more sober in their utterances. So far as the Andhra State is concerned, its formation has unfortunately been preceded by such fierce agitation—and counter-agitation—that the goodwill on all sides which marked the Parliamentary discussion in the closing stages of the passage of the Bill comes as a very welcome relief indeed.

The Andhra State Act, which ushers the new State into existence, is a remarkably simple document, considering that the formation of the new State involved some difficult principles of financial and administrative adjustments. The credit for this should go to Mr. Justice Wanchoo, who laboured hard at evolving some acceptable formula of the division of assets and liabilities and related financial questions and to the clarity of mind and sincerity of purpose which Dr. K. N. Katju, the Home Minister, brought to bear on this very controversial issue. The Act generally embodies the principles which Mr. Justice Wanchoo worked out. The only departure from his principle is that, since the Mysore State too has had to be allocated a share—this was not contemplated by Mr. Justice Wanchoo—the division will take place on the basis of 62½ : 36 : 1½, the ratio being based on the population of the residuary Madras State, the Andhra State and the territory now merged into the Mysore State, respectively. All land, stores, articles and other goods will, as Mr. Justice Wanchoo recommended, remain the property of the State in which they are situated. All cash balances in the undivided Madras State and the credit balances with the Reserve Bank will be divided between the States of Madras, Andhra and Mysore in the proportion of 62½ : 36 : 1½. This basis will apply to the division of the State's share of the taxes on income and the excise duties payable in 1953-54 to the undivided Madras State, of the sums at the credit of the Central Road Fund, and of the shares held by the three States in the Travancore Fertilisers and Chemicals Ltd., Madras Radio and Electricals Ltd., and the Madras Industrial Investment Corporation.

The public debt of the undivided State—that is, the loans from the Central Government, the Reserve Bank or any other bank before 1st October—will, however, be apportioned between the three States in proportion to the total expenditure on all capital works and other capital outlays incurred in the territories of the State. The same principle of division will apply to the division of the outstanding public debt of the undivided Madras State—that is, the debt raised by the issue of the Government securities. Nominally, the debt will, from 1st October, be the debt of the Madras State, the Andhra and Mysore States being liable to pay to the Madras State their shares of the sums due from time to time for the servicing and repayment of the debt. Thus, the residuary Madras State has been made responsible to the bondholder in respect of the loans raised in the market. The principle followed here is the same as that which was adopted when undivided India was partitioned and Pakistan was created. All sinking funds, raised before 1st October, 1953, will remain with the State of Madras and the net amount of such funds will be taken into consideration in allocating the dues on account of such loans between the three States.

The right to recover arrears of taxes or loans, including land revenue, will belong to the State in which the taxed property is situated or the taxed transactions take place or the borrower resides. The right to recover any loans or advances before 1st October, 1953, from any person or firm or institution outside the undivided Madras State will belong to the Madras State, but any sum so recovered will be divided between the States of Madras, Andhra and Mysore in the proportion of 62½ : 36 : 1½. The Andhra State will be entitled to 36/100th of the printing machinery in the Government Press at Madras; this share will be given in the form of machinery and, to the extent this is not practicable, through cash adjustments. The liability in respect of pensions of officers, retiring on or after 1st October, will be that of the State granting the pension but the portion of the pension attributable to the service of such officers before that date will be allocated among the three States in the proportion of 62½ : 36 : 1½.

Such, in broad outline, is the scheme for the allocation of assets and liabilities. The one thorny problem was the cost of the construction of the new capital. The Andhras had hoped that this could be settled amicably, if the Madras and Andhra States shared the same capital. But this suggestion was rejected in favour of a separate capital for Andhra. Mr. Justice Wanchoo, who went into this question, held that the new State should get a credit of Rs. 2.30 crores for building its capital from the residuary State. Since the residuary State has no liquid resources from which to pay for this item, he had suggested that the new State's liability on account of public debt might be reduced by this amount, the residuary State taking over the extra debt burden. This suggestion has been accepted by the Central Government. The Seventh Schedule to the Andhra State Act states, *inter alia*:

> "In order to compensate the State of Andhra finally for its relatively smaller share of building, its share in the liability on account of debt to be apportioned between the States of Andhra and Madras under subparagraph (2) of this paragraph shall be reduced by 230.4 lakhs of rupees and the share of the State of Madras in such liability shall be correspondingly increased."

This provision was assailed from certain quarters in Parliament on the ground that it was an unjust impost on the residuary Madras State. But it was defended on the ground that the new State would not have sufficient resources for building a new capital, and that since the original capital had been built through joint revenues, the new State was entitled to compensation. Apart from the question of the economic basis of the allocation, it is to be feared that the sum itself will prove inadequate to serve the purposes for which it is intended. In any case, the new State would be well advised to practise utmost economy in the expenditure of its admittedly limited resources on the erection of its capital. From this point of view, the new State will also be well advised to stick to the present temporary capital, Kurnool. Preparations are already under way for giving this town a "new look." It would be a waste of resources if the capital were once again moved from Kurnool to any other centre. Fortunately, there is no immediate urgency about housing of the High Court and its officers. The Act states that, as from 1st January, 1956, or such earlier date as might be determined, there will be a separate High Court for the State of Andhra. In the meanwhile, the jurisdiction of the Madras High Court will extend to the State of Andhra. The jurisdiction of the High Court of Mysore has, however, been extended to the territory transferred to it with effect from 1st October, 1953.

The position of the Tungabhadra Project, it is really sad to note, is left in a very nebulous condition. All rights and liabilities of the undivided Madras State in relation to the project accrue with effect from the "appointed day" (the inst inst.) to the Andhra and Mysore States, subject to "such adjustments as may be made by agreement entered into by the States after consultation with the President or, if no such agreement is entered into, within two years from the appointed day, as the President may by order determine." These rights and liabilities refer to the administration of the project and the utilisation of the water and power from it. The President has, however, been empowered to give such directions as may be necessary in regard to the completion of the project, pending the conclusion of an agreement between the two States. It will, therefore, be clear that any failure on the part of the two States to reach an agreement within a period of two years will be followed by a decision imposed on the States by the President. Incidentally, there is no room here for appeal to the Supreme Court, although the Court has powers over inter-State disputes. This provision might conceivably raise some ticklish issues in constitutional law. Only, it is to be hoped that the States will arrive at a mutually satisfactory agreement and thereby avoid the unpleasantness of a legal controversy or an imposed decision.

That the Andhra State will be yet another State in the list of deficit States has been clear for a long time now. Its revenues have been estimated at Rs. 17.70 crores and expenditure at Rs. 22.73 crores. How to bridge this gulf will be the first and only one of the many intricate problems which its leaders will be called upon to solve. Mr. Justice Wanchoo felt that its leaders would do well to "scrap" prohibition if the State is "to avoid bankruptcy from the very beginning." Economy in public expenditure and constant vigilance over public administration should be the guiding principles of those on whom the responsibility for laying the foundations of the new State has fallen. Fortunately, there are at least three factors which make their task easier. In the first place, they have no inconvenient traditions to abide by. They are beginning on a clean slate. They have also a negative model of administration in many States, so that, through intelligent observation, they can learn what to avoid. If they scrupulously eschew intolerable taxes which weigh heavily on trade and industry and thus retard economic development, costly and irresponsible administration, thoughtless innovations in education, and squandering of available resources on schemes such as nationalisation of transport, they will have avoided a great many of the pitfalls which have arrested the progress of many States in the country.

Secondly, they have an asset of inestimable value in the person of Mr. C. M. Trivedi, an experienced administrator, who, in the words of that shrewd judge of men, Rajaji, is a "gem," a precious gift which the Andhras have found. Thirdly, the new State has plenty of mineral, agricultural and other resources, not to mention the two great rivers, the Krishna and the Godavari. Mr. V. T. Krishnamachari, Member, Planning Commission, estimated that the State would require Rs. 350 to Rs. 400 crores, if all the resources have to be utilised. The State cannot, of course, find all this capital at once. But, through intelligent husbanding of resources and realistic planning, it should still be possible to implement schemes for the gradual improvement of living standards.

This, however, seems to be a fond hope, for the State is torn by political squabbles. The stability of the Ministry now being formed is most uncertain. The fact that the administration of this new-born State is headed by an eighty-four-year-old man, whose prejudices against large-scale industries are stronger than even those of Rajaji and who is a great devotee of prohibition, may prove a great handicap to the efficient and speedy development of Andhra. Public memory is proverbially short, but it may not be so short as to forget the fact that it was Mr. Prakasam, as the Chief Minister of Madras, who imposed the ban on any further development of the mill industry in South India, with a view to protecting *khadi*, now fighting a losing battle. It is, however, to be hoped that Mr. Prakasam has now turned a saner person and has the courage to give up some of those shibboleths, which the Congress Party could conveniently indulge in during its days of struggle against the British power and to which he still seems to cling. Mr. Trivedi rightly stressed that in States in India—he said he was not thinking of the Centre—"administration is 90 per cent. of the work and policy is 10 per cent." He, therefore, urged that the leaders should realise the vital importance of "good, efficient, clean, progressive and responsive administration." This will be the primary task before those who are now shouldering the responsibility for administering the new State.

SPECIAL COMMITTEE APPOINTED TO ADVISE GOVERNMENT

BANK RATE—I.I.S.CO.—CASTORSEEDS

WEDNESDAY, 5 P.M.

THERE are sufficient indications to show that the Government of India is anxious to stimulate industrial development under the private sector. The speeches of both Mr. T. T. Krishnamachari and Mr. C. D. Deshmukh in the Council of States a few days ago bear enough testimony to that effect. Both feel that plans for industrialisation should not be slackened and that only by more investment can employment opportunities be expanded. Although Mr. Deshmukh has not been able to see eye to eye with Dr. John Matthai, who suggested a reduction in investment in the public sector so that sufficient capital will be available for expansion under the private sector, he readily admitted that there is need for assisting the private sector to a much greater extent than has been done so far by way of loans, higher retention prices, channelling of external aid, etc. This recognition is reflected in the appointment of an *ad hoc* Advisory Committee, consisting of officials and non-officials. The latter include some leading financiers and bankers, as well as level-headed leaders such as Mr. K. C. Neogy. This Committee is expected to start work soon after the return of the Governor of the Reserve Bank of India from Washington. Its function will be to explore ways and means of stimulating investment in the private sector. It will specially examine, so we understand, the question of what the banks can do to help expansion of industries.

MARKET GOSSIP

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While the keenness of the Government to assist the private sector is laudable, the Government does not seem to be moving on right lines. It is not clear, for instance, as to what more the banks can do to assist the industrial development of the country. Can they, for instance, lend more than they are doing against fixed assets? Can they invest in equities, preference shares or debentures? The banks can only provide working capital and they have been doing this to the maximum extent possible, consistent with safety and security. After all, the spread between the interest they earn and the interest they pay being low, it is to their gain to have as much commercial advances as possible. If they are to do more, they must have the backing of the Reserve Bank; the latter must be prepared to provide liberal credit facilities to banks in the hour of their need. After a limit, no prudent banker can afford to give loans against collaterals which he cannot pledge with the Reserve Bank and raise funds when they are needed.

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News about the appointment of this Committee has given rise to speculation about the future of the Bank rate in this country. One source claims that the first thing this Committee will do is to examine whether the shift in the Government's monetary policy in November, 1951, in favour of higher interest rates has adversely affected the economic progress of the country. It is not known how far this report is correct. It may be no more than wishful thinking prompted by Mr. Deshmukh's statement, in the Council of States, to the effect that, to some degree, disinflation might have been carried too far. This is, perhaps, one of the few unwise remarks which Mr. Deshmukh made in an otherwise excellent thesis on the economic *malaise* which afflicts the country. For, this has been interpreted to mean that he may be thinking of altering the policy of higher rates of interest in favour of slightly lower rates of interest by taking the Bank rate back to 3 per cent.

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But, elsewhere in the same speech, Mr. Deshmukh has clearly observed that "judicious support to industries in the private sector rather than an overall change in priorities defined in the Plan or in *fiscal or monetary policy* (italics ours) would, it seems to me, meet the requirements of the case." This remark, too, is significant, perhaps more significant than the one relating to disinflation referred to above. For, here he clearly says that he sees no advantage in making any fundamental change in the monetary or fiscal policy. And one reason why he feels that way is that he is not quite sure that inflationary forces will not recur again. Mr. Deshmukh is fully conscious that, as the development outlay increases, larger quantities of food and other consumer goods would be needed. And since he is contemplating to raise the capital investment in the country, he may not like to take chances by tinkering with the monetary policy every now and then. In fact, he seems to be so much concerned with the possibility of revival of inflation that, in one place in the same speech, though in a different context, he has stressed the "need for caution in stimulating the demand excessively, without significant safeguards."

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Whatever Mr. Deshmukh may have in his mind, there is scarcely any sense in the *ad hoc* Advisory Committee spending its time and energy in conducting a post-mortem examination of the effects of a higher Bank rate. There have hardly been any adverse effects on the country's economy, consequent on raising the Bank rate. It is only speculators that have suffered most and that is not a development for which one need be sorry. On the contrary, a higher Bank rate has done more good than harm. Production has gone up and the balance of payments position has improved. It has encouraged savings, albeit only to a limited extent. It has enabled the Governments, local bodies and industrial houses to raise loans, because a higher rate of interest has provided some inducement to investors to invest in these securities. It might not have led to fresh capital formation and large-scale savings, but it did put an end to the apathy of investors who had funds but would not invest. These are all accepted advantages of higher Bank rate. If it could not do more, it was due to other factors.

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Mr. Deshmukh stated that "looking back one might argue that, to some degree, disinflation was, in fact, carried too far." There is, of course, some truth in this, but not the way many look at it. The disinflation in the monetary sector was certainly not overdone. In fact, the policy of selective credit control, followed by the Reserve Bank, was so liberally applied that all genuine business needs were fully met. Further, although the Bank rate was raised, bank credit in India remained relatively cheaper than in many countries. In the U.K., for instance, immediately after the Bank rate was pushed up, the Bank of England advised the banks to put up their rates for loans, advances, cash credits and overdrafts. In India, the Reserve Bank did nothing of that sort and the banks themselves did not take any initiative in this direction. The fear of competition for business was so strong that no bank dared to put up its advances rate, even though all of them had to pay higher rates of interest on their deposits. It will thus be wrong to attribute the present economic distress in the country to the higher Bank rate.

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It was in the sphere of fiscal and industrial policy that disinflation was overdone and it is in these spheres a corrective action by the Government is needed. The cumulative effect of tax burdens imposed by the Governments has been so heavy that it has robbed the *entrepreneur* of all zest for work and enterprise. Until the incentives for hard work and saving are provided, the situation is unlikely to show any worthwhile improvement. The industrial policy of the Government must be modified in a manner that will win the confidence of business men. The Government should not create the impression that it is tolerating private enterprise just because it is, in its view, a necessary evil. It should provide more evidence of its faith and confidence in private enterprise. It must, in fine, court private enterprise and relax all the unnecessary controls and also the controls which it is not able to administer efficiently. The *ad hoc* Advisory Committee will be doing real work, if it goes into the basic causes of the present economic impasse and suggests suitable remedies. But we wonder whether it will be able to do any useful work, because Mr. Deshmukh seems to have already made up his mind, in that he thinks that there is no need for any change in the fiscal policy of the Government. But it is in this sphere a change is badly needed.

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It is suggested in some quarters that, if the Government is contemplating a cut in Bank rate, it would be well advised to make the change by about the middle of December, 1953, in order to derive the maximum advantage from it. Such a change will help the banks to earn a bonus on their investments in Government securities and make the preparation of their balance-sheets a pleasant task. This school of thought argues that a psychological stimulus through a reduction in the Bank rate will change the sentiment in the markets, now in the doldrums, and bring about a cheerful atmosphere. If, for instance, banks are able to make a better showing, it will tone up the markets in general. This line of argument, however, ignores the fact that, so long as there are other strong disincentives to investment and enterprise, a reduction in Bank rate will only have a short-lived effect and that, after a while, markets will begin to sag again. If the advantages of a lower Bank rate are to be enjoyed in full, the disincentives to business must first be removed. It will be interesting to note, in this connection, that, in Britain, the Government first gave tax reliefs and restored private enterprise to its rightful place before it reduced the Bank rate.

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In saying this, it is not suggested here that there is a case for reduction in the Bank rate in India. In the previous paragraphs, we have mentioned a few points to show why a reduction in the Bank rate will not be desirable. To these, a few more points may be added. Taking the conditions in India, it looks as though a 3½ per cent. Bank rate is more suited than a 3 per cent. rate. As a result of the upward change in the Bank rate, small investors, whose savings are in provident funds, insurance and time deposits with banks, have considerably benefited. They will lose this advantage if the Bank rate is reduced. Further, too low a rate for an underdeveloped country like India will not be conducive to maintenance of efficiency. Easy money will encourage overtrading. In India, the mania for speculation is widely prevalent and a reduction in Bank rate will aggravate it. Again, with India needing foreign capital, both short-term and long-term, the Bank rate should always be higher than in Britain. It was so until March, 1952; when the Bank rate in Britain was 2 per cent., it was 3 per cent. in India. And, during the past 18 months, we have seen the disadvantage of the Indian Bank rate being lower than the British Bank rate. All said and done, there is a link between the Indian money market and the London money market. If the one per cent. difference between the British and the Indian Bank rates is to be maintained, as it well may, there should be no change in the Indian Bank rate even if the British rate goes down to 2½ per cent. It will be interesting to note, in this connection, that this difference of one per cent. was maintained when Britain first raised its Bank rate in November, 1951. It would have, of course, been too much to maintain this difference when the Bank of England put up its rate to 4 per cent. But now that the British rate is going down, let not India neutralise that advantage by lowering its rate too.

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The share market is steady but dull. There is some selective buying but the turnover is very small. Among the speculative counters, Indian Irons, after being firm, are subdued again. The Calcutta operator, who was credited with demanding delivery of 4 lakh shares, is believed to be carrying over his purchases by paying a charge of nine pies per share. Some are hoping that the Indian Iron and Steel Company may not suffer much from the recent strike of its workers—the Action Committee withdrew the strike early in the week—because the loss suffered by it may be added on to its retention price. It is, however, a moot point whether the authorities will agree to such a procedure. It is argued that, as the strike was a factor beyond the control of the management and that as the cost of production is worked out on the basis of actual production, the effect of the strike must be taken into account by the Tariff Commission while fixing the fair retention price. The terms of reference to the Tariff Commission on this subject do not include strike and lockout. There is, however, nothing to prevent the management of the Company from raising the issue with the Government and requesting it to refer the matter to the Commission. The question, therefore, is whether the Government will accede to this request. If it does, then it will be setting a very bad example, because it tantamounts to encouraging indiscipline and intransigence among the workers.

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The downward trend in commodities and bullion, noted in the past week, persists. The cloth market also is still in a depressed state. The only exception is castorseeds, where, owing to a squeeze on bears, there has been a spectacular rise of Rs. 50 per candy in the spot section and Rs. 44 per candy in the forward section, all within a few days. Excessive short-selling, at a time when supplies were short, has been the root of the trouble. It is not surprising that the bulls decided to take full advantage of the position. Never in recent years was the tussle between the bears and the bulls so keen and determined as in the September contract which came to a close to-day. The extent to which the price of castorseeds was pushed up to artificially high levels will be evident from the fact that, whereas ready castorseeds touched Rs. 220 per candy to-day and the September delivery Rs. 210, May 1954 delivery was standing at no more than Rs. 113; in short, the disparity between the old crop and the new crop was as high as Rs. 100 per candy. Further, early in September, that is, 3rd September, to be precise, when the squeeze had first started, September delivery was standing at Rs. 148 and ready delivery at Rs. 147-8. The rate for May, 1954 then was Rs. 125-4, the spread between the two forward positions being no more than Rs. 13 per candy. The behaviour of this market thus provides a striking example to the Forward Markets Commission for studying the working of a hedge market in a commodity.

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There were serious allegations against the Board of the Oilseeds Exchange. It was, for instance, stated that the Board was inclined to favour the short-sellers. At one time, it appeared as though there was some truth in this allegation, for the Board suddenly raised the margin payable by the bulls from 10 per cent. to 50 per cent. When similar circumstances prevailed in May last, no such action was taken by the Board. It was feared that the Board might use its discretionary powers in such a way as to fix a low rate (called the "due rate") for squaring up the outstanding business on 30th September, the expiry date for the Contract. This fear, however, has not materialised. The Board has fixed the due rate at Rs. 208 per candy, as against the ready rate of Rs. 220. This decision would appear to be a fair one and so far as one could ascertain late on Wednesday night, it has been accepted by the bulls.

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Not only has the rise in the price of castorseeds been spectacular, but also the large deliveries. It is stated that as many as 93,100 candies have been delivered against the Contract which has just matured. Of this, over a third, that is, 33,100 candies were delivered on the last day. Evidently, the high prices seem to have induced some of the holders to get rid of their stocks. It is feared by the bulls that a good portion of the tenders must be blank, but the other side points out that that must be an exaggeration, because the penalty for false delivery is Rs. 10 per candy. Those who failed to cover their sales either by delivery or by open market purchases will have to pay a penalty of Rs. 5, that is, their sales will be compulsorily cut off at Rs. 213 per candy.

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The Government of India has now allowed the mills to export pseudo-fine cloth, which had been banned for a long time now. This variety of cloth is not subject to export duty.

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Enquiries made in the cloth market reveal that reports of distress sales through auction on account of dealers who failed to take delivery of cloth are exaggerated. But the trend of demand, it is stated, is abnormally low for this time of the year. Since June last, prices have gone down by about 25 per cent. in superfines, 10 to 15 per cent. in fines and 10 to 12 per cent. in coarse and mediums. Despite this fall, the offtake has been poor, presumably because the dealers feel that a further decline in prices will be inevitable.

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There is a move on the part of the authorities to reduce the statutory selling price of Grades II

(Continued on next page)

DULL CONDITIONS IN SHARES

TEXTILES EASY

(From Our Own Correspondents)

BOMBAY, 30th September

TRADING on the Bombay Stock Exchange during the week under review lacked recuperative strength. For values could not make any notable headway, despite the optimistic interpretation by a section of the market of Mr. Chintaman Deshmukh's observations in the Council of State last week on the expenditure on the Five-year Plan to solve the unemployment problem. The sentiment of operators was adversely affected by uninspiring performance of textile shares, due to reports of "distress" sales in the cloth market, and the bearish trend in the cotton, bullion, grain and other commodity markets. None seemed to have any inclination to do business. Consequently, price movements were narrow and activity was at a low ebb. The undertone of the market remained, however, just steady.

In the steel section, the recovery in Indian Irons due to bull support in Calcutta aided sentiment. Tata Deferreds made a moderate advance from Rs. 1,816-4 to Rs. 1,835 on Monday. There was a mild reaction at this level, and the scrips moved down again to Rs. 1,826-4 this morning. Towards the close, however, they steadied up to Rs. 1,831-4. Tata Ordinaries after improving from Rs. 315-4 to Rs. 316-8 in the early stages, failed to consolidate the gain and closed lower at Rs. 314-12. The smart rally in Indian Irons noted towards the close of last week was kept up early in the week and a further gain from Rs. 22-10 to Rs. 23-1 was recorded on Friday. Although there was a minor recession to Rs. 22-12½, subsequently the shares resumed their upward trend and finished at Rs. 23-2½, a gain of As. 8½ over the week.

Exaggerated reports of "distress" sales in the local cloth market restrained activity in the textile section. Barring a few exceptions, most of the leading counters suffered recessions, Bombay Dyeings which opened at Rs. 367-8 came to be placed at Rs. 358-2 *ex-div.* (dividend Rs. 7-8) yesterday. To-day, there was a further recession to Rs. 356-4 *ex-div.* at the close. Kohinoors backed away from Rs. 281 to Rs. 276-8. Central Indias slipped down from Rs. 147 to Rs. 145. Century dropped a rupee to Rs. 256-8. Finlays gave way from Rs. 236 to Rs. 233. New Greats fell by a rupee to Rs. 144-8. Standards disclosed a loss of Rs. 3-12 to Rs. 298-12, Svadeshis Rs. 3 to Rs. 237-8 and Swans as much as Rs. 8-8 to Rs. 214. India Uniteds proved to be a prominent exception, in that it experienced some good buying support, as a result of which the Ordinaries rose by As. 9½ to Rs. 9-8½ and Deferreds by As. 2½ to Re. 1-6½. Gokaks hardened by Re. 1-8 to Rs. 220. Simplex were steady at Rs. 128-8 and Khataus at Rs. 170.

Bank shares provided a mixed pattern. Barodas were a weak spot and eased by Rs. 2-8 to Rs. 106-8. Central Banks were maintained at Rs. 63-12, while their new shares were put up by As. 12 to Rs. 68. Imperial Fully-paids were better by Rs. 5, while the Contributories were done, Re. 1-4, lower, at Rs. 450. Indias had business done at Rs. 155-8, as against Rs. 157 and United Commercials lost a fraction to Rs. 35-12.

Ahmedabad Electrics continued to be the highlight of the public utility section, with a smart rise of As. 15 to Rs. 113-2. Surats had a rise of As. 10 to Rs. 126-14. Bombay Suburbans were done up to Rs. 121-14, but closed at last week's rate of Rs. 121-4. Tata Hydro group lacked interest. Andhra Valleys were placed Rs. 2-8 lower at Rs. 1,325 *ex-rights*. The Rights were quoted at Rs. 203-12 and Coupons at Rs. 42-8. Tata Hydros declined earlier to Rs. 138, but recovered to Rs. 139-8 *ex-rights*. The Rights were quoted at Rs. 28 and Coupons at Rs. 10. Tata Powers dropped Rs. 6-4 to Rs. 1,381-4 *ex-rights*.

The miscellaneous section provided several bright spots, in distinct contrast with the general market trend. On investment support, A.C.Cs. firmed up by Rs. 2 to Rs. 170. Belapurs attracted good attention, due to proximity of dividend announcement, and rose by Rs. 4-8 to Rs. 242. On short-covering, Bombay-Burmahs (old) advanced by Rs. 5 to Rs. 331-14 and their new shares by Re. 1-14 to Rs. 121-14.

In the mining and engineering group, B.B. Petrols evoked fresh support to go up by As. 11 to Re. 1-8½. Indian Coppers were dull at Rs. 12-13½. Shivrajpurs were done As. 8 better at Rs. 55-4. Alcocks were quiet at Rs. 297-8, while Premier Constructions were wanted Re. 1-4 higher at Rs. 84-4. Larsen and Toubros passed hands As. 2 better at Rs. 10-10.

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Calcutta Stock Exchange

CALCUTTA, 29th September

There was a definite increase in the volume of transactions put through on the Calcutta Stock Exchange during the week under review. This was largely due to the increased activity in the tea, engineering and miscellaneous sections. Tea shares are now considered a good buy in view of the strong demand at the tea auctions; but inter-market speculation has made rates move up to very high levels which, it is feared, are likely to be hammered down at any time. More interest was shown on Indian Irons, and this lent general support to other engineering scrips. Reports that production in the I.I.S.Co. Works at Burnpur was improving gradually resulted in fresh enquiries for Indian Irons. No doubt, the trouble is not yet over completely, as a number of workers have yet to resume work. Nevertheless, the fact that production has gone up by 300 per cent. compared to the period of the "go-slow" movement enlivened activity and invited the speculative element.

Jutes, however, continued to lack enthusiasm, as prices for jute goods did not reach economic levels. Stockists were reluctant to increase their holdings for fear of losses resulting from any further reduction in the export duty, which the trade has demanded and which is needed to push up sales and to ensure fair return to mills. The accumulating stocks and the necessity for mills to buy raw jute to keep plants engaged have caused mills to block considerable money, and it is unfortunate that those who are given to lead labour and demand a "sumptuous" *Poojah* bonus to workers forget the difficulties which mills are facing in their attempt to see plants working. Investors generally are feeling that return on capital invested on industries is diminishing, and if more concessions are made to labour the incentive for savings to be drawn to the market will be further curbed.

Sectionwise, Indian Irons opened at Rs. 22-6 and advanced to a high of Rs. 23-3 on Saturday. The quotation fluctuated round about Rs. 23 during the last two days, and closed to-day at Rs. 22-14. Another strong feature was Indian Galvanisings which, on interested buying, advanced from Rs. 13-6 to Rs. 14-7.

Moderate interest was shown to particular counters in the miscellaneous section, where India Steamships continued to attract buyers and realised up to Rs. 7-9, a rise of As. 5 over the week. Indian Cables were supported at Rs. 19-4, as against Rs. 18-10 last week, and Jardine Hendersons rose from Rs. 115 to Rs. 116. F. & C. Oslers were maintained at Rs. 7-1 and Indian Wood Products at Rs. 30-8. Calcutta Trams realised Rs. 13-14, but at this level operators became cautious as the workers' Union was reported to have decided to go on strike. Dunlop Rubbers at Rs. 29-2, disclosed a gain of As. 13. Angelo Bros. changed hands at Rs. 17-10, Rohtas Industries at Rs. 8-9, and Rallis at Rs. 64. Titaghur Papers scored a rise from Rs. 35-4 to Rs. 36-2.

Sugar shares were steady, as the working results of mills for the current accounting period are expected to prove satisfactory. Champarans changed hands at Rs. 25-9, as against Rs. 25-4 previously. Ramnugger Canes improved from Rs. 18-4 to Rs. 18-8, and Carews gained from Rs. 6-13 to Rs. 7-2.

Teas were in the limelight, and a large number of transactions were recorded at hardening rates. Speculative activity has brought the rates to high levels which, if maintained, will be surprising to the more prudent investors. Patrakolas were pushed up from Rs. 119 to Rs. 125, Teen Alls from Rs. 21-2 to Rs. 22-10, and Dhelakhats from Rs. 11-12 to Rs. 12-8. Gungarams were shown interest at the higher rate of Rs. 202. Banarhats were steady at Rs. 334, and at Rs. 21-4 Seajulls recorded a gain of Rs. 2-4.

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Madras Stock Exchange

MADRAS, 29th September

The performance of the Madras Stock Exchange this week was dull and uninteresting. The easy trend witnessed last week in the textile section persisted this week also. The continued deterioration in the offtake of piecegoods in important consuming centres was mainly responsible for it. Plantings were cheerless, with interest in the scrips generally lacking. Among these, tea and coffee shares presented a poor appearance, while rubbers were somewhat better. Miscellaneous scrips, however, came in for some selective support. Business done on the Stock Exchange was limited and prices fluctuated within narrow limits. The list on balance revealed a sprinkling of both gains and losses during the week.

The textile section lacked enterprise. Maduras improved by As. 14 to Rs. 29-8. This was due to the decision of the Directors to raise the value of the company's gross block by Rs. 1 crore. Mysore Spuns were slightly higher at Rs. 5-14. But for these scrips, the rest presented a cheerless appearance. Thus, Buckinghams lost Re. 1 to Rs. 122. Rajalakshmis were also lower by a similar amount at Rs. 80. Metturs were done at Rs. 194, as against Rs. 195 and Pankajas at Rs. 71-8, as compared with Rs. 72. Bangalore Woollens were quiet at Rs. 270 and Cambodias at Rs. 11-9.

In the tea section, Highland Producers put on As. 4 to Rs. 11-4. Chembras were an anna higher at Rs. 2-5. But Peermades declined from Rs. 26-8 to Rs. 25-12. Chandramalais were slightly lower at Rs. 2-13½. Devoshalas were unchanged at Rs. 16-8. T.R.T. (tea and rubber) were done at Rs. 7-7½, as against Rs. 7-7 and Midlands (tea and rubber) at Rs. 11-8, as compared with Rs. 11-10.

Among rubbers, Rajairis gained As. 3 to Rs. 11-15 and Travancore Rubbers As. 2 to Rs. 13-1. Mercaras improved from Rs. 3-1 to Rs. 3-3. Cochin Malabars, however, lost an anna to Rs. 6-6. Periakaramalais were unchanged at Rs. 6-14 and Pullangodes at Rs. 2-12½.

In the coffee section, Consolidated Coffees and Coffee Lands lost As. 3 and an anna to Rs. 18-1 and Rs. 10-5, respectively. Nil Neergundis were dull at Rs. 3-6 and Kadur Coffees at Re. 1-8. Shevroys were colourless at Rs. 1-3½.

Miscellaneous scrips came in for selective enquiry. Andhra Cements 'A' put on As. 8 to Rs. 101 and Dalmia Cements As. 5 to Rs. 6-14. Indian Steel Rolling Mills rallied As. 4 to Rs. 11-4 and Mysore Papers As. 3 to Rs. 14-4.

MARKET GOSSIP

(Concluded from previous page)

and III coal. It is learned that the Coal Commissioner has asked the colliery interests concerned to show cause why the Grades II and III coal should not be subjected to a price-cut, in view of the strong evidence of the prevalence of rebates on a large-scale. It is stated that the rebate in some cases is as high as Rs. 4, or even more, per ton, that is, about 25 per cent. of the fixed selling prices. The Coal Commissioner, therefore, proposes to recommend to the Government a price cut at a flat rate of Re. 1-5 per ton for Grades II and III.

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It may be recalled that the Government recently accepted the Tariff Commission's recommendation that the demand for passenger vehicles and trucks should be concentrated only in the five automobile firms which have a manufacturing programme, namely, the Hindusthan Motors Ltd., the Premier Automobiles Ltd., the Standard Motors Products of India Ltd., the Automobile Products of India Ltd., Bombay, and the Ashok Motors Ltd., Madras. The last two firms, it is now stated, are contemplating a merger. It is further stated that the Directors propose to raise additional capital from the Indian market. Both the firms, it may be noted, have their principals in the U.K. Thus, the Automobile Products of India is connected with the Rootes Group and the Ashok Motors with the Austin Group. After the merger scheme is put through, one of the firms, it is stated, may concentrate on passenger cars, leaving the manufacture of heavy vehicles to the other.

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Industrial relations in West Bengal are going from bad to worse. The labour leaders are themselves unable to control the situation which they have helped so much to create. Unruly elements are abroad, and seem to be bent upon nothing short of paralysing the State's industrial life. A spirit of defiance is in the air. The Burnpur strike was but the beginning of this indiscipline. It was only a camouflage, as is now clear, for the political ambitions of a few over-ambitious leaders who count cheap the hunger and the misery of the people. It has been followed by waves of strikes, each more dangerously volatile than the preceding. Company officials have been mobbed, literally imprisoned in their cabins and told they could buy their freedom only through a favourable announcement regarding the *Puja* bonus issue. Today comes the news that Calcutta's industrial life has been brought to a standstill through transport strike, strike in the jute mills and a host of other industrial establishments. Now, labour leaders themselves seem unable to do anything more about it. They can only sit back with folded hands and say, in the words which Shakespeare put in the mouth of a mob orator, "Mischief, thou art afoot. Take what course thou wilt."

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How long will this madness last? This is more than we can tell. Unless the leaders know how to control the movements they initiate and the workers learn the difference between a peaceful strike, intended for a specific and justifiable grievance, and violent stoppage of all economic activity, there can be no hope of building up economic prosperity on strong foundations. The Committee of the Indian Chamber of Commerce has done well to warn that it is not "by the methods to which employees are now resorting that business activity can be sustained, much less expanded." It warns further that the employees "may for once have their way, but sooner than later the inexorable working of economic laws will force the issue and give rise to a situation which will be fraught with serious consequences to the entire economy of West Bengal." All this will only worsen the problem of unemployment, particularly acute in that State. The workers are, as the Committee rightly says, "only creating conditions which would scare away trade and industry from Calcutta and West Bengal." It is nothing short of lunacy that the labour leaders should egg the workers on to take extreme measures for earning an extra benefit, such as a *Puja* bonus, at a time when there are people who cannot find even a day's work. We earnestly appeal to West Bengal's leaders in all walks of life to condemn these lawless strikes which must ultimately cause irreparable damage to the State's economy, and help re-establish order and discipline in labour's attitude towards work. Mr. Deshmukh's exhortation in the Council of States, which was a fine piece of the new philosophy of work which this country should learn, has a particular relevance to West Bengal. For, he said:

"I should like to close with a message to the public that whatever we may provide for a plan, no implementation will be complete, unless one revises one's attitude towards work and I find that, in this country, somehow a spirit of despondency is growing in certain sectors and is actively encouraged which has the result of reducing this zest for work. Hon'ble members might be able to recall the *mantra* in Rig Veda *Samhita*, meaning that, on whichever object you fix your mind, you can only get it by endeavour and, Sir, it is this purposeful endeavour that I urge and advocate with all the sincerity at my command."

NEWS IN BRIEF

UNDER the Technical Co-operation Scheme of the Colombo Plan, India had provided till the end of last year, five experts and 75 scholarships to South and South East Asian countries and their students.

Over Rs. 62 lakhs are likely to be spent by Indian railways during the current financial year on providing amenities to passengers, such as more fans, improved lighting, etc., in existing passenger carriages, waiting halls and on station platforms.

The Government of Bombay has abrogated the orders under which a permit of the Director of Civil Supplies, Bombay, was so far required for the import and export of biscuits, vermicelli, spaghetti, macaroni and flake made of wheat into and out of Bombay State.

The fourth meeting of the Central Advisory Council of Industries will be held in New Delhi on the 12th inst., under the Chairmanship of Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry. The Council will consider the report of its sub-committee which met on Wednesday last to review the cases of licensing disposed of by the Licensing Committee.

The Union Food and Agriculture Ministry has informed all State Governments that they can sell wheat in any quantity, both to consumers and traders. This concession will not, however, apply to the States of P.E.P.S.U. and Punjab. Inter-State cordons on the movement of wheat, except on Government account, will continue to remain in force.

The Central Government has empowered the State Governments to issue general permits for movements of cotton textiles from any place in their States. This decision does not apply to movements from Greater Bombay and Ahmedabad. Movement of cloth and yarn can now be made under a general permit of the Textile Commissioner or the State Government concerned.

The all-India first estimate of groundnut for the 1953-54 season places the area at 6,822,000 acres, as against 6,119,000 acres in the corresponding estimate of last year. This shows an increase of 703,000 acres or 11.5 per cent. in area. This estimate does not, however, cover the total area sown to this crop during the season under reference. The area reported at the final estimate stage is generally higher than that in the first estimate.

The Government of India is contemplating imposition of certain restrictions on unlicensed salt producers to improve the quality of their production, according to Mr. K. C. Reddy, Union Minister for Production. The Government propose to introduce a new Bill in Parliament at its next session to give statutory sanction for the collection of cess on salt manufactured and to make the rate of cess uniform all over the country. At present, the rates vary from As. 2 to As. 3½.

The Government of India has decided to extend the period of suspension of clauses 25 and 26 of the Cotton Textiles (Control) Order, 1948, by another three months from 1st October, 1953. The effect of this decision is that mills and dealers can continue to buy or sell or have in their possession time-barred cloth or yarn in packed or open condition till 31st December, 1953. Dealers can dispose of time-barred cloth or yarn in loose condition without getting it T.C.B. stamped by State Textile Controllers. Dealers can also dispose of any T.C.B. stamped cloth or yarn till 31st December, 1953, even though the time limit for disposal of such cloth or yarn has expired.

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From Abroad

Under the restricted crop scheme, Cuba produced 5,687,000 short tons, raw value, of sugar in the 1953 season, a decrease of 28.6 per cent. from the record output of 7,964,000 short tons in 1952.

The average income of an American worker in 1952 was approximately $2,300, according to statistics released last week by the U.S. Bureau of Census. This figure is about $100 above the 1951 level.

Steel production in the U.S. reached a new world mark with more than 114,600,000 tons in the last 12 months. The output was about two and three-quarter times greater than Russia's estimated total this year.

The Pakistan Government has decided to appoint a Committee to enquire into the whole of State trading in jute and cotton. Pakistan lost Rs. 9 crores on 14,50,000 bales purchased by the Jute Board last season by State trading.

The Committee appointed by the Pakistan Government to study the cotton market and various issues connected with the cotton trade and industry has completed its deliberations and has finalised its report for immediate submission to the Government.

Sugar rationing in the U.K. was withdrawn on Monday this week after a period of nearly 14 years. The purchase of 1 million tons of sugar from Cuba recently ensures adequate supplies for two years and provides the additional 500,000 tons a year necessary to abolish the rationing.

A specialised cloth for drop-head coupes, claimed to withstand all climatic conditions, has been developed by one of the most modern textile mills in England. The mill was built four years ago for the special purpose of catering to the motor trade and to-day it exports cloth for interior roofings of cars to many parts of the world.

A meeting of the International Master Cotton Spinners and Manufacturers Association opened in Copenhagen on 25th September, 1953. One of the main points on the agenda of the meeting was the question of arriving at an international cotton agreement as proposed by the International Cotton Advisory Committee.

Ceylon is ready to join hands with India for launching a joint tea promotion drive in Canada, provided the Canadian trade is willing to be a contributing partner. India proposed to Ceylon that a joint tea promotion drive should be made over as wide an area as possible, on the basis of a regional council in each consuming country, with a policy-making central body to co-ordinate the work of regional councils.

Ceylon and China have concluded an agreement under which China will sell rice to Ceylon and buy rubber from it for 1954. The two Governments have also agreed to extend for further two years the trade agreement concluded between them in October, 1952. The new agreement has been negotiated within the framework of a five-year pact on rubber and rice concluded in December, 1952.

The World Bank will shortly issue a $5 million loan in the Netherlands, according to a report from Amsterdam. The loan will have a currency of three years. The rate of interest will probably be 3 to 3½ per cent. and the issue price between 99½ and 100 per cent. Of the $5 million, it is stated, $2 million will be offered to the public and $3 million will be taken up by banks.

The Select Committee of the Upper Chamber of the Burmese Parliament has recommended the dropping of the compensation clause from the new Land Nationalisation Bill introduced in the House recently. The Bill proposed a sliding scale of compensation to landowners. The maximum compensation provided under the Bill was 12 times the land revenue per acre for the first 100 acres. The Bill scaled down the compensation until those having over 1,100 acres would receive only the equivalent of land revenue. The Burmese and Indian landowners have expressed their resentment at the scale of compensation.

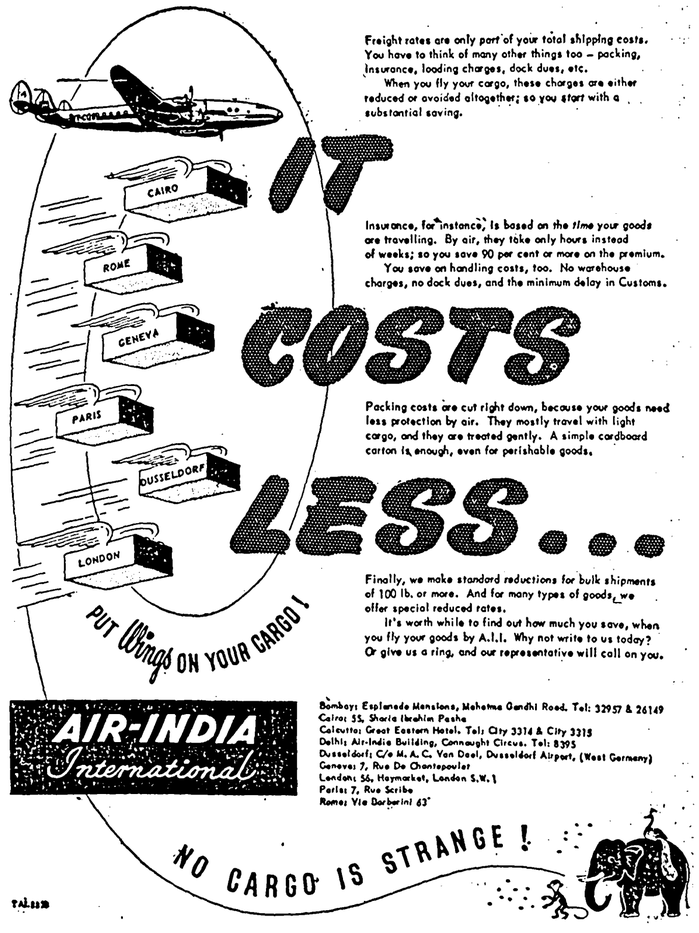
The Trans World Airlines will bring its Constellation Sky Tourist service to India for the first time on 4th October, 1953. The new flights will leave Bombay east-bound for Colombo at 11:35 hrs. every Thursday, commencing 8th October, 1953, and west-bound at 21:30 and 21:15 hrs. every Friday and Monday, respectively, commencing 5th October, 1953. These flights will serve all points on TWA's International network, and link-up with similar flights to Hong Kong and Tokyo on routes for which TWA has applied. TWA will operate their famous 300-mile-an-hour Constellations; omitting a few of the luxuries, and carrying a greater number of passengers, TWA will continue to serve excellent high quality meals on these flights. TWA has pioneered in the development of Sky Tourist services in the U.S.A. and across the Atlantic, and flying millions of passengers yearly, it operates more tourist class services than any other airline in the world. TWA has already been operating 217 schedule Sky Tourist flights each week, on its routes San Francisco, New York, Paris and Cairo.

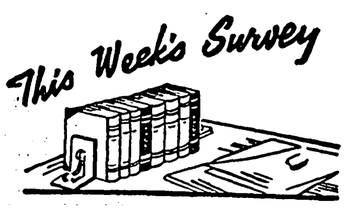
PERSONAL

MR. J. S. H. C. Brown, Labour Commissioner of the Federation of Malaya, has been invited by the Government of India to visit the Nicobar Islands to survey the archipelago's development potentialities. Mr. Brown will visit the Islands early in November and later on visit India.

Mr. A. B. Chatterjee, former Joint Secretary, Ministry of Rehabilitation, Government of India, has been appointed Managing Director, Sindri Fertilisers and Chemicals Ltd., vice Mr. M. P. Pai, transferred to Andhra State.

Mr. Samuel C. Waugh, Assistant Secretary of State for Economic Affairs, leads the U.S. delegation to the Colombo Plan Consultative Committee on Economic Development in South and South-East Asia which commenced its deliberations in New Delhi on Monday last. The other members of the delegation are: Mr. John A. Loftus, Economic Counsellor, American Embassy, New Delhi (Alternate); Mr. Clifford H. Wilson, Director of Technical Co-operation in India; Mr. Rufus B. Smoth, Attache, American Embassy, Karachi; and Mr. Walter S. Anderson, Jr., First Secretary, American Embassy, Rangoon.





CREDITABLE ACHIEVEMENT

A FEW years ago, a sewing machinery industry for India would have been regarded as outside the bounds of possibility. To-day, it is not only a well-established industry in the domestic sphere but is assuming the status of an export industry, thanks to the enterprise of the Jay Engineering Works' management. In his address at the annual meeting of the Company, the Chairman, Lala Shri Ram, devoted a portion to the problem of improving the export trade for its products. The Company exports its products—sewing machines, electric fans and hurricane lanterns—to about 25 countries. This is, indeed, a creditable record. But behind this record lies a story of hard work and reliance on quality and low prices. At a time when the Company's foreign rivals were increasing the prices of sewing machines, the Company reduced its prices by Rs. 25 per machine. The price reduction has not, however, been the only favourable factor. Efforts have been made to improve the quality of the Company's products. It would appear that the whole assembly section has been thoroughly modernised under the direction of a foreign expert. Many costly machines, designed to improve quality and reduce costs, have been installed. Some of these machines are of the "automatic and labour-saving" variety. And yet, their installation has—the inveterate enemies of labour-saving devices and efficiency in industry will do well to note this—resulted not in any decline in employment but in an increase in the workers employed. This is because a larger demand has been created for the Company's products which the consumers have realised are a good "buy" at the price quoted. The Company is, in fact, unable to meet the demand for its products.

But any advantage, which an export industry derives through lower costs and better quality, can be nullified by higher transport and other charges. This has happened to the Jay Engineering Works. It would appear that the Company finds that its rivals have the advantage of lower freight rates. Indian shipping companies would do well, in their own interest, to redress the Company's legitimate grievance. Lala Shri Ram said:

> "I have always held that, if quality articles are produced and at reasonable cost and if the Government, the manufacturers and the workers of this country help in the export business with single-mindedness, I see no reason why the light engineering industry, in particular, and the engineering industry, in general, should not be able to build up a very good market."

It is to be hoped that this consideration will not be dismissed on the ground that it is too trite. Actually, its implemenation will mean greater prosperity for the country.

EAST-WEST TRADE

A notable development of the week is the presentation of the semi-annual report to the U.S. Congress on the administration of the Mutual Defence Assistance Control Act relating to the control of strategic exports to Communist countries. In this report, however, the U.S. President, Mr. Eisenhower, has rejected the demand of Senator Joseph McCarthy to stop aid to the U.K. and other nations which are trading with Communist countries. The report has strongly criticised the advocates of trade blockade, who are spreading the "completely untrue" and "especially unfortunate fallacy" that the Western European Allies have been pouring military supplies into the Soviet group. Although the report does not refer to Senator McCarthy by name, its statements are obviously directed against the "trading with enemy charges" he and several others have made against the U.K. and other countries. The report bluntly says that (1) stoppage of all East-West trade is impossible, (2) the U.S. cannot afford to dictate to its allies, and (3) it is dangerous to think that the U.S. can coerce its allies into doing its bidding by cutting aid. It has expressed its faith in the removal of restrictions on trade among free countries to eliminate undue dependence of the West on the markets in Communist countries. The attitude of the U.S. on East-West trade, as summarised in the report, is as follows:

> "The U.S. does not oppose non-strategic trade as such. If, however, the shipment of non-strategic goods is made contingent on shipment of strategic items, it becomes another matter and must be closely examined by the free nations. The same is true if non-strategic trade is of such a nature as to build up undue dependence upon the unreliable and politically controlled sources and markets in Eastern European countries that are still being forced by Moscow to strain toward Soviet-bloc autarchy. Such dependence is risky, if great enough to make a Western country unduly vulnerable to pressures from the bloc, pressures that would weaken the Western alliance. The question of undue dependence is a hard one. The best answer to it is the development of new sources of supply and new markets within the free world. This cannot be done overnight but it must be done. It means the reduction of tariff walls in the United States, thus allowing more imports to come in from our friends and allies. It means a similar loosening of trade restrictions by other free nations. It means a greater economic integration among the European countries. It means more production per man-hour in the factories, mines and farms of the free world. It means steady advancement in the economic development of the underdeveloped areas of the world. All those things are important for reasons not related to East-West trade, but the problem of East-West trade gives them an additional element of urgency."

The question of trade with Communist countries is as delicate as it is politically explosive. It is easy to talk of a complete ban on trade with the Soviet-bloc but difficult to accomplish. It is certainly a matter of great concern to a number of countries. Hongkong, for instance, cannot do without trade with China and, if the trade is stopped, it will be a dead weight on the U.K. and its allies. Then, there is Japan, the future prosperity of which hangs precariously on the resumption of its trade with the Chinese mainland. The same is true of Western Germany, the trade of which with Eastern Europe is vital to its economy. Again, there are other countries such as Ceylon, Pakistan and many South-East Asian countries which cannot insulate themselves from trading with the Red bloc, except at a very great cost, inasmuch as many of the products of these countries cannot be marketed at present in Western markets profitably.

INDIAN ELECTRICITY ACT

The Government of India has set up an eight-member Advisory Board with Dr. K. P. P. Menon, Utilisation Member, Central Water and Power Commission, as Chairman, to suggest amendments to the Indian Electricity Act, 1910. Announcing the setting up of the Board, the official Press note says that the Government had under consideration for some time the revision of the Indian Electricity Act to remedy the shortcomings in the working and administration of the Act and to bring it in line with the developments in the electricity supply industry in the country. The new Board, it is stated, will take into account the views of the various institutions and State Governments, the proceedings of the Electrical Inspectors' Conference held in December, 1928, the action taken by State Governments to amend the Act, the comments of State Governments on the draft amending Bill circulated by the Labour Department in 1938, similar legislation abroad and the Electricity Supply Act, 1948. The Board is empowered to regulate its own procedure and to determine any matter with the aid of qualified assessors nominated by the Central Government. It is expected to submit its report in six months.

The eagerness of the Government of India to amend the Indian Electricity Act, although commendable, is difficult to explain. For the amendment of this Act is not so urgent as the Electricity Supply Act, 1948, which has virtually put a stop to the development of electricity supply in the urban and rural areas. It is stated that the Government has not been in a position to amend the Act for lack of sufficient time at its disposal. Even the Draft India Electricity Rules, made available to the industry early in 1951, and which was commented upon by the latter in July, 1951, has not yet seen the light for ostensibly the same reason.

The industry has changed hands from ministry to ministry. Originally, it was under the Department of Labour, when Dr. B. R. Ambedkar was the Labour Member. Then, it was taken over by the Ministry of Works, Mines and Power for some time under Mr. Bhaba and, subsequently, under Mr. N. V. Gadgil. It was then passed on to the Ministry of Natural Resources and Scientific Research under Mr. Sri Prakasa. Now it is under the Ministry of Planning, Irrigation and Power. Unfortunately, Mr. Gulzarilal Nanda, who is in charge of it, has been so much engaged with the implementation of multi-purpose projects that he has no time to devote to the problems of the electricity supply industry. Consequently, even to-day it has been regarded as a stepchild. It is surprising how the Government is finding time to amend the 1910 Act, which is not of much importance. Certainly, the intentions of the Government are not understandable.

Even the 1948 Act itself has remained a dead legislation so far as the constitution of the State Electricity Boards is concerned. For, except Madhya Pradesh and Delhi, no State has cared to implement this measure which is one of the chief objectives of the Act. Further, the utility of the part-time Central Electricity Authority under the Act is yet to be assessed. All this discloses the gross neglect of this vital industry. The neglect of the industry may not be due to any calculated action. But the fact is that, as a result of such neglect, the industry has no incentive to expand its capacity.

Be that as it may, the 1910 Act, that is, the Act which is now sought to be amended deals with the technical aspects of electricity supply, even as the 1948 Act regulates the finances of the licensees and introduces new provisions for the constitution of electricity boards. It is true that the 1910 Act has stood the test of time creditably. But there are certain defects which need elimination. Thus, there is a good deal of controversy regarding the ownership of service lines. It is contended that the ownership of service lines should be vested in the licensee, although a part of the costs of these lines has been paid by consumers. It is held that the contention that ownership should vest in the consumer merely because the consumer pays the cost of the service has created innumerable difficulties, for the responsibility of maintenance of service rests with the licensee. Then, the definition of responsibility of interested parties for the cost of moving licensees works when such movement is rendered expedient by civic improvement activities, especially road improvement, is lacking in the present Act. It is argued that the authority responsible for such movement should bear the expenses.

Another difficulty which the private licensees are facing relates to the placing of telegraph lines. It has been difficult to put telegraph lines in private agricultural lands for their concurrence is to be obtained for the purpose. If the private landowners refuse, it will not be possible to have cross-country telegraph lines. This involves the licensees in additional and unnecessary expenditure. It is true that section 51 of the Act provides that the State Government may confer upon any public officer or licensee any of the powers which the Telegraph Authority possesses under the Act with respect to the placing of telegraph lines and posts. Actually, the Government of Bombay has issued an order under section 51. But it involves considerable delay and other inconveniences. It is, therefore, held that the 1910 Act should be so revised as to enable licensees to pitch their telegraph posts in private lands, of course, on payment of nominal rent. Such is justifiable as land is here used for a public purpose. Further, there is a need for providing facilities for regional development of electricity supply. These are a few of the shortcomings of the Act. It is to be hoped that the Advisory Board will pay proper attention to them. In the meanwhile, the Government will, it is to be hoped, revise the constitution of the Advisory Board so as to provide representation to industry, so that it may be associated with the Amendment Bill in its formative stages.

CONFERENCE ON AGRICULTURE

The six-day conference of State Ministers of Agriculture which concluded at New Delhi this week is undoubtedly a momentous one. It is for the first time since the birth of the Ministry of Agriculture, both in the States and at the Centre, that the Ministers are meeting for so long a period for discussing practically every aspect of agriculture. The fact that on these Ministries falls the responsibility for achieving the targets of agricultural production set by the Five-year Plan invests the conference with special significance. Closer contacts between the State Ministers leading to greater co-ordination of different agricultural policies which this conference has facilitated should doubtless go a long way towards expediting the implementation of the planned programme for food and agriculture.

The decisions taken at the conference so far are so numerous, varied and comprehensive that full justice cannot be done to all of them in the course of a brief survey. A perusal of the list of problems discussed and decisions arrived at reveals that all of them are of vital importance to this country. Few will disagree with the decision of the conference to improve the reliability of agricultural statistics to ensure their prompt publication; this is sought to be done by giving the District Collector the assistance of a statistician and trained primary agencies. Nor will there be any disagreement with the decision relating to transmission of agricultural information at the village level through a single agency trained for the purpose. The proposal to entrust the Development Commissioners with the work of securing co-ordination among different development departments in executing work in the Project areas and Extension Blocks is also on right lines.

The conference has done well also in recommending to States the setting up of basic schools for providing trainees with basic agricultural background for work in villages. It is also intended to attract suitable village-level workers through the creation of such conditions of service as will enable them to rise to higher positions. The State Governments have been asked to frame legislation for bringing larger areas under improved seeds. They have also been requested to arrange for the proper maintenance of all minor irrigation works. Measures for development of cattle wealth in the country have also been recommended.

What is enumerated above relates only to a few of the many recommendations of the conference. It is true that, on all these questions, the decisions reached have been unanimous. But the point is that the State Governments will now be called upon to make available to their respective Ministries of Agriculture adequate funds required to implement these decisions. Burdened as they already are with heavy expenditure, the State Governments will certainly have an uphill task in providing money for the work now chalked out for them by the conference. In the result, many of the resolutions of the conference will remain only on paper, unless the Centre sees to it that they are effectively implemented.

INDIA'S GOOD PLANT STOCK

India is coming to be recognised as the best region in Asia for good plant stock. Dr. Howard S. Gentry, U.S. Department of Agriculture, has been assigned as full-time explorer in India this winter to look, among others, for new grasses and leguminous crops in which India is particularly rich. Dr. Walter Koelz, an ornithologist, is collecting useful plants in Assam at present. He has already sent many useful ones to the U.S. The latest reports indicate that, with high-quality sesame (gingili) seeds exported from India, the U.S. Department of Agriculture's Bureau of Plant Industry has been able to develop a strain with pods that ripen evenly, but do not shatter easily. The first fields cultivated with the improved strain in the Western and South-western cotton tracts in the U.S. has survived the drought to the "amazement" of Texas farmers. As there are many commercial demands for the oil and for the high protein meal that remains after the oil is extracted from the seeds, farmers in Southern U.S. believe that sesame will prove a valuable addition to their agricultural economy.

Sesame is not the only product of India's fields and forests that has been beneficial to the U.S. farmer. The profitable production of perila, the oil of which is used as a substitute for linseed oil in paint and varnish manufacture, is due to the fine strain exported to the U.S. from Surag (U.P.). The U.S. crops developed from this parent source are yielding as much as 1,100 pounds of seed per acre. A soya bean, immune to bacteriological blight, and excellent castor bean, both used largely by American farmers, also originated in India. A particularly good cucumber now being used to improve disease-resistant qualities of an important crop in the southern region of the U.S. came from Silchar (Assam).

(Concluded from third column)

for nationalising agriculture, possibly under the Soviet pattern of collective farms. I should not be at all surprised if what Mr. Gadgil had in mind was one great and grand spree of nationalisation of all economic activities in the country. Since his demotion about a year and a half ago, judging by his speeches in the House and outside it on various occasions, he has, perhaps because of his frustration, been moving not inch by inch, but yard by yard towards the left. His differences with the leaders of his Party and the Government must be regarded as a matter between himself and the Party organisation. It may be that this Party's principles and policies are elastic enough to provide asylum to both Mr. S. K. Patil, who pleads for fair treatment to the private sector, and Mr. Gadgil who condemns it out of hand and consigns it to eternal perdition. I wonder, however, if it has ever occurred to Mr. Gadgil to measure the distance dividing him from Moscow. When he tries to do so, he will find that probably all that he will need will be a short, six-inch foot-rule, which he could easily borrow from any school-boy.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

EVEN advancing years have not turned me so cynical as not to feel duly grateful to someone who comes to my rescue when I am in distress. When this champion of personal liberty hails from a camp, which I hold to be responsible for putting unnecessary and galling chains on me, this feeling of appreciation and gratitude is bound to be all the deeper. In spite of foreign rule and all the humiliation which it meant, people of my generation, men and women, were brought up in certain traditions of personal liberty and ways of life which made for more all-round sociability and zest in life. For these people, the last six years, with their ever-increasing number of petty tyrannies regarding matters which are usually looked upon as of purely personal concern, apart from the disillusionment and frustration they have brought about more important issues of public and corporate life, have meant a period of constant irritations and unhappiness over little details. It is, after all, these details which go to make up a large part of each individual life.

When these restraints and austerities are imposed, not in pursuance of a great and urgent national policy to overcome some temporary crisis in the affairs of the country, but for the personal gratification of the dark and primitive urges of a few benighted persons, who have been pushed into positions of power by some unusual combination of circumstances, the distress they give rise to is all the greater. Sacrifices which have no meaning and which serve no important purpose, save that of providing satisfaction to one who extracts them, are bound to create not a sense of exaltation but of humiliation. One can understand taxation being higher or life economically being harder for people in one State in the country than in another; one cannot reconcile to wanton destruction of the delicate fabric of social and personal life in one State, when there are no such deprivations in others.

When Mr. S. K. Patil, the President of the B.P.C.C., which is one of the four props on which the present State Government of Bombay rests, pointedly put the question, "why should so many sacrifice so much for so few anti-social people," while inaugurating the Hotel and Restaurant Owners' Congress in Bombay last week, he was, indeed, voicing the agony which most of us in this State are feeling to-day. He alone from amongst the vast membership of the Party in power had the courage to speak openly in defence of the people's liberties, which have paradoxically been lost since the country won independence. My gratitude to Mr. Patil is, therefore, neither misplaced nor that of a fleeting nature. His example might inspire the more timid members of the Party, to take a stand against such policies in the legislatures in future and to bring deliverance to a sorely tried people, who have so far felt helpless in the face of authority.

But it is not merely because of Mr. Patil's outspoken criticism of the State Government's policy of prohibition or its ban on night life and revelry for those seeking escape from boredom or distress, which large numbers are liable to experience because of the increasing urgencies and pressure of modern life, that I have been led to refer to this speech of his. I have done so more to draw the attention of the authorities and the public to his more realistic criticism of some of the economic policies in general pursued by the Government and of the labour policy in particular. I think it needed more courage on his part to warn against what he called "the craze of workers for more pay" and to label it as mischievous than it did to condemn the executive's fiat that eating houses must close at 11 p.m. It is all the more mischievous at this time because of the growing volume of unemployment. Employment could have relation only to production which in turn depends on demand. To-day we have reached a stage in this country, when increased production could only be absorbed at diminishing prices.

As Mr. Patil showed, any attempt at coercion of industrial establishments to pay higher wages could only result in retrenchment and ultimate closure of factories and firms, leading to a greater intensification of the problem of unemployment. Mr. Patil's plea to shelve the Minimum Wages Act was very timely, because at present there is a tendency on the part of some of the State Governments to extend the scheme of fixing minimum wages to industries, where workers are well organised and which are not known as sweated industries. The Central Act is wisely confined only to such industries, but the State Government of Bombay, for instance, unduly stretched some of the provisions of their own Industrial Relations Act to fix minimum wages for workers in the sugar industry in the State during this year, when Government's efforts should have been directed at securing a greater scope for employment than higher wages.

What is still more crazy and almost insane to my mind than the workers' cry for more wages at this time is theirs and the Government's growing opposition to modernisation of industrial plants and rationalisation of industrial technique and processes on the mistaken plea that it might lead to throwing some people out of work. In the West and in the U.S.A. more specifically, it is only as a result of continuous improvement of plant and processes that employment for more and more people in industry has been provided. Cheapening of products has always led to ever-widening demand and consequently to the expansion of industry and its providing work for greater numbers. Even in India mechanisation of transport, communications and production of consumer goods has resulted in opening avenues of employment for millions and, but for this during the last half century, the position with regard to unemployment might have been far more distressing and even more menacing than it is to-day.

There might be some sense and logic in a country deciding not to harbour any mechanised industries; but it is nothing short of madness to insist upon having railways and textile mills and cement and steel factories and asking them deliberately to be run inefficiently, lest efficiency should lead to a reduced demand for human labour. And it is the height of insanity for a country indulging in some such belief, to undertake to spend crores on industrial research and even atomic research. When politicians who pride themselves on being educated and even enlightened can be so blind to contradictions crying aloud and drawing attention to themselves, one could not but condone the suicidal conduct of some of the ignorant workers who resort to go-slow tactics, in the hope of reducing the chances of their being retrenched. If this campaign of a group of cave-men in the Congress against mechanisation and rationalisation succeeds even to a small degree, we might as well give up, without any further struggle, all our dreams of fighting poverty and improving the standard of life of the masses.

And this leads me to another speech on the same day, Thursday, September 24, at Poona, by another leading light of the Congress Party. In the past, I had noticed that sudden elavation to office, in the case of some men at least, endowed them with a sense of responsibility and reality. I had, however, to wait till some time after Mr. N. V. Gadgil was thrown out of office to learn that sudden removal from office tended, in some cases, to deprive the victims of all sense of proportion and to turn them into rabid demagogues. Mr. Gadgil is taken to be a trained economist. Besides, Mr. Gadgil must be well informed about the policy of mixed economy enunciated by the Government which speaks on behalf of the Party to which he belongs. He must be equally well informed about the accepted policy of gradually relaxing controls, especially those with regard to food and other agricultural products. He must also be aware of the injunction imposed by his Party on members restraining them from criticising the prevailing policies of the Government in public. He, however, had the temerity, at a specially organised public meeting at Poona, to express his dissatisfaction with the economic policies of the Government and to insist that, in the industrial sphere, the Government must consider afresh the extent to which it should leave the field to private enterprise. When Ministers are busy giving assurances to industrialists with regard to their fears of nationalisation, here is a prominent party member and an ex-minister of the Union, neutralising these with his tirades against the private sector.

With regard to agriculture, Mr. Gadgil's differences with the Government are even more pronounced. When the official policy tends towards greater decontrol, Mr. Gadgil cried for full control over crops, production and distribution. Though he was not very clear on this point, he seemed to hint also at the need

(Continued in first column)

COLOMBO PLAN CONFERENCE BEGINS

CENTRAL INDUSTRIES COUNCIL TO MEET

(From A Special Correspondent)

NEW DELHI, 28*th September*

CONFERENCES and Committees are galore during these days in the Capital. Generally, the intervals between Parliamentary sessions are occupied by the discussions of various problems at the committee and conference levels. During this week, State Ministers of Agriculture and Co-operation began a six-day Conference in order to formulate an effective agriculture policy for the country with a view to increasing production of foodgrains and other commercial crops. This is being followed by the meetings (commencing from to-day) of the Colombo Plan Consultative Committee, which are likely to last until mid-October. In the second week of next month, responsible Ministers of the various participating Governments are expected to take stock of the development plans under the Colombo Plan and to decide further programme for the next one or two years. India's Prime Minister will be inaugurating this meeting on 13th October. These apart, the meeting of the National Development Council which is to be held on 6th October will be important in more respects than one. Although this Council will be discussing the development of the community project work on a more ambitious scale than last year, the forthcoming meeting has a greater significance inasmuch as it will be considering as to how best the Government of India can tackle the problem of unemployment, rural and urban, and also how best its plans could be integrated with the overall planning to lessen the adverse effects of unemployment. On 12th October, there will be a meeting of the Central Advisory Council of Industries which will, as usual, be presided over by the Minister of Commerce and Industry. This Council, consisting of leading industrialists, will review the cases of licensing granted by the Licensing Committee for the expansion and development of industries. A meeting of General Managers of Indian railways is being held to-day with a view to reviewing the progress of regrouping which began about 18 months ago. There will be a conference of representatives of Finance Ministers of States for purposes of discussing the question of Central legislation for the levy of terminal taxes on goods and passengers carried by rail, sea and air.

DELHI LETTER

The Agricultural Conference was an elaborate affair. During its three sessions the Conference discussed a number of problems. Appropriately enough, the Prime Minister addressed this Conference briefly, and in his peculiar way brought its attention to some home truths. He pointed out the widening gulf between the administrator and the common man and stated that, in order to ensure the success of the Five-year Plan or for that matter any other development plans, a closer link between the ordinary villager and the administration should be established. He also instanced the wide disparity between precept and practice, especially in the matter of cow worship and observed that those who worshipped cattle were so little troubled by its starvation.

Colombo Plan

The Consultative Committee of the Colombo Plan which is meeting to-day, has a heavy agenda. This is the first meeting of its kind that is being held in this country in which 17 nations are participating. The officials of various Governments who are meeting to-day, will consider, among other things, the annual report of the Colombo Plan for 1952-53, as also a proposal to set up an information and publicity organisation. The meeting of the Technical Co-operation Council will be held from 9th to 12th October and that of Ministers from 13th to 17th. The Conference will devote special attention to the progress of the Plan ever since its inception more than two years ago and take into consideration in what directions the underdeveloped countries should be helped in order to accelerate the pace of progress. It will be remembered that among the various participating countries, India has been the largest beneficiary. Its outlay on the Plan forms about 75 per cent. of the total of all countries put together. Hence the success of the Plan will be largely determined by the progress that India will make during these years. Since the *tempo* of India's Five-year Plan in which is emerged the original Colombo Plan, is expected to be increased further during the next two years, it can be taken as certain that the donor countries under the Colombo Plan will be more than satisfied by the efforts that are being made by India and other under-developed countries in the matter of raising the living standards of the people.

India Gets Sizable Help

It may be noted that India has been able to secure a sizable help from the leading donor countries under the Colombo Plan. It has been receiving both technical and monetary help either in kind or cash for implementing many important long-term plans. From the U.S.A. and the International Bank of Reconstruction, India has received nearly Rs. 189 crores during the last two years and more. Australia's contribution, which is estimated at slightly above Rs. 6.7 crores, has been utilised in furthering the Tungabhadra Project, as also the Ramagundun Project in Hyderabad State. Canada's contribution, amounting to slightly above Rs. 7 crores, has been earmarked for the Mayurakshi Irrigation Project (West Bengal) and also for improving Bombay's transport. New Zealand's contribution, which is less than a crore of rupees, is being made use of for some health development schemes and that of Norway, amounting to Rs. 67 lakhs, for the furtherance of fishery projects. The sterling balances with the U.K. are being drawn sparsely during the last one year and more in view of the favourable balance of payments position of the country.

Policy for Next Budget

Mr. Chintaman Deshmukh occupies a unique position in the Government of India. Besides the Finance Ministership, he is a member of the Planning Commission and the Economic Committee of the Cabinet. Alike on account of wide knowledge and deep erudition of financial matters and great administrative ability and experience, he has practically been able to formulate and influence the economic policy of the country to a greater extent than anybody at present. His pronouncements on financial matters are, therefore, of particular significance. According to him, the Government's policy would hereafter have to be so based on the possibilities of increasing the employment opportunities as to absorb the large labour surplus available and to add to the volume of production and economic activity. During the forthcoming budget year (1954-55), he is expected to frame his policy from this angle. He has already indicated that, in 1954-55, the development expenditure will go up to Rs. 500 crores, as against Rs. 400 crores this year, without taking into account the proposed readjustment of the Five-year Plan. According to him, the emphasis hereafter will be more on investment and increasing employment, now that the inflationary forces have been eliminated in the country. He is of the firm opinion that "investment in the public sector, at this stage, and for many years to come is of the highest importance for the development of the country's economy," thereby creating additional social capital. Although the Finance Minister has not indicated as to how he would be undertaking the financing of the expanded investment plans, it is more than likely that he would be resorting to the greater use of deficit financing during the next two years. Perhaps, he will be helped to some extent by increased help from the donor countries under the Colombo Plan. One can, therefore, visualise that India will be making sizable economic progress in different spheres during the next few years since economic conditions have become very stable due to improved food prospects.

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BANK RATE IN U.K.

A FLEXIBLE INSTRUMENT

(By OSCAR R. HOBSON, City Editor, News Chronicle)

LONDON, 18*th September*

THE Bank rate bombshell, which pleasantly hit the City at about noon yesterday and hoisted most prices, can seldom have been equalled for its complete unexpectedness. If anyone had anticipated a move of this kind earlier this year, their expectations must have vanished as a result of the recent weakness of sterling in the foreign exchange market, with its reminder that this is the time of the year when Bank rate normally goes up and not down.

The move was, of course, inevitably interpreted as a mark of confidence in sterling and it is notable that the rate on New York which had closed at $2.79-15/16 on the previous day, actually strengthened to $2.80. I will not deny the fact that there were some in the City who regarded this sign of confidence as one of overconfidence.

They would have preferred to see the higher Bank rate maintained until the recovery of sterling and the gold and dollar reserve had been consolidated—especially in view of the occasional indications we have had in the last few months that the demon of inflation had by no means been overpowered in this country.

Nonetheless, a reduction of ½ per cent. as against the increase of 2 per cent. that had ocurred since November, 1951, is far from indicating a return to cheap and abundant money. On the contrary, the earlier instructions to banks to scrutinise all requests for advances with particular severity have not been countermanded.

Towards Easier Money

The change in Bank rate should, of course, be viewed as part of the general world-wide trend towards easier money. It should also be welcomed for its indication that the Bank rate policy is now a flexible instrument and for the implication it carries that the authorities will have no compunction about putting the rate up at the slightest justification for such a move.

The adjustments to the reduction in Bank rate were impressive. In the Gilt-edged market the undated stocks gained about two points. The extent of this rise indicated clearly that there had been no speculative anticipation of a lower Bank rate and that there were no speculative profits to be taken.

The banks yesterday decided that they would reduce their deposit rate from 2 to 1½ per cent. The lower Bank rate is not expected to make any substantial effect on overdraft rates. It will, however, reduce the cost of financing through bills of exchange. The discount market yesterday quoted three months' bank bills at 2½ per cent., as against the previous rate of 3 per cent.

One of the results of the fall in Bank rate should be to narrow the recent artificial gap between rates for Treasury bills and bank bills. This is because the Bank of England has withdrawn the special privileged rate at which it was until yesterday prepared to lend against Treasury bills. From now on Treasury bills and bank bills will find their own level in what is a free market.

More for Production

The British Bankers' Association yesterday published its quarterly classification of advances which shows how well the higher Bank rate and the instructions to banks about scrutinising advances, have done their work. Over the twelve months to August, personal advances have fallen from £392 million to £367 million, and there have also been substantial falls in advances to food, drink and tobacco and retail trades.

On the other hand, advances to iron and steel, shipping and shipbuilding, and woollen textiles are all up. Here at least is one sign that the psychological impact of a lower Bank rate will not accentuate an unhealthy inflationary situation.

II

LONDON, 19*th September*

Yesterday, the City was having its second thoughts on the Bank rate reduction, and the nature of those thoughts can be discerned from the long array of rises which once again embellishes the Stock Exchange list. The Gilt-edged market was trying to complete its adjustments to the new set of circumstances—a complicated process in the course of which a very large turnover of business was done.

Once again, it was the long or undated issues that made the greatest headway, with

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PAKISTAN NOTES

THREE-POINT DEVELOPMENT PROGRAMME FOR PAKISTAN

PRIME MINISTER'S ADDRESS TO BUSINESS MEN

A THREE-POINT programme designed to serve as a foundation for the economic progress of Pakistan was outlined by Mr. Mohammed Ali, Prime Minister, Pakistan, in the course of his recent address to the Pakistan Chamber of Commerce at Karachi. The address reveals that the Government is fully alive to the need for a comprehensive programme of economic development for the country. The programme, as outlined by the Prime Minister, has three objectives:

(1) Regaining not only self-sufficiency, but also substantial surplus in food;

(2) stimulating industrial production with a view to conserving foreign exchange; and

(3) stepping up exports of raw materials and manufactured products so as to secure a sound balance of payments position.

So far as stepping up food production is concerned, it is now common knowledge that many of the recommendations of Lord Boyd-Orr have been accepted. The Government secured 90,000 tons of fertilisers for the 1953 *kharif* crop, in implementation of one of the recommendations of the Committee. Arrangements, according to Mr. Mohammed Ali, are also being made to secure another 50,000 tons for the coming *rabi* crop. It is interesting to note, in this connection, that the fertiliser factory under construction at Daud Khel is expected to go into production by 1956. Dealing with food and agriculture, the Prime Minister observed: "We have reasons to feel sanguine that we shall achieve a large measure of self-sufficiency in food in the course of next two years."

Few will deny that stimulation of agricultural and industrial production will help achieve sound balance of payments position. Referring to the importance of maintaining proper standards of quality, Mr. Mohammed Ali remarked:

"For this purpose, it is essential that there should be arrangements for the proper gradation of quality. There has not been much difficulty in this respect with regard to jute but foreign complaints have been received in respect of cotton. I am sure that you are aware of the nature of these complaints. The crop was mixed during 1947-48 and legislative and executive action had to be taken to prevent the mixture of different varieties. There is, however, still room for improvement in the measures to ensure maintenance of proper quality standards. The Government of Sind and Khairpur are being advised to enact Cotton Control Acts on the lines of Acts already in operation in the province of the Punjab and the State of Bahawalpur. The Pakistan Central Cotton Committee will shortly establish a test house in Karachi and I do hope that the representatives of importing countries will take advantage of the facilities it is hoped to provide. So far as wool is concerned, we have already established a wool test house and it is hoped that proper grading facilities will be available from the next season. Measures designed to improve methods of flaying and curing of hides and skins are also under consideration."

Private Enterprise

Mr. Mohammed Ali expressed his unqualified faith in private enterprise. Consequently, he did not favour the recommendation of the Chamber for the setting up of a Production Authority Board. Referring to the creation of a high-power Planning Board charged with the responsibility of blue-printing and bringing about overall economic development of the country, the Prime Minister averred: "This Board and the Pakistan Industrial Development Corporation which undertakes or sponsors, under Government auspices, the establishment of such basic industries, as are of national importance, and for which private capital is not forthcoming, will, in co-operation, now forge ahead to make Pakistan industrially strong."

Mr. Mohammed Ali, however, felt that the Chamber's suggestion regarding the establishment of an economic council composed of both officials and non-officials was one which needed serious attention. He further said:

"I for one have always held the view that, in the field of commercial enterprise, it is essential that there should be closer and greater co-operation between the Government and the commercial communities. The council may provide an opportunity for mutual consultations and may help towards framing of programmes and formulation of policies, which will take into account the interests of the general public as well as the trading communities. The proposal, therefore, will receive my serious attention."

With regard to foreign capital, Mr. Mohammed Ali averred that so long as indigenous capital was shy, it was difficult to expect foreign capital from abroad. He said that the policy initiated by the Finance Minister in his last budget speech that development schemes would not be allowed to suffer for lack of funds still held good. He called for industrialists and such others as could afford to come forward for investment in industries.

Finally, Mr. Mohammed Ali expressed his disappointment at the statement made by the President of the Chamber that the present price control system would never work in Pakistan. Declaring that price control was essential in the present context, the Prime Minister observed:

"Soon after the termination of hostilities, control was relaxed on most commodities which were no longer in short supply. But, when the supply of any particular commodity gets restricted, control becomes more or less inevitable, because the trade takes advantage of shortages that occur from time to time. We have been forced to bring in controls over various essential commodities, because prices were ascending, in most cases without any economic reason. We are trying to bring in as much essential consumer goods as possible. But all of us must guard against unscrupulous persons taking advantage of the situation. In the fixation of prices, Government did take into consideration the views of the commercial and trading community. I request the commercial and trading communities to co-operate with us in our endeavours to make price control a success in the larger interests of the general consuming public."

Steel Plant

Pakistan has planned to attain self-sufficiency in steel within a period of ten years. According to an agreement signed recently between the Government of Pakistan and Krupps, the latter will set up a plant to manufacture 300,000 tons of steel and 50,000 tons of pig iron. This is expected to save annually foreign exchange to the extent of about Rs. 400 million (about £43.4 million) now being spent on the purchase of steel from abroad for consumption at home. The first batch of Krupps' engineers is due to arrive at Karachi shortly to survey the country's iron ore resources. The operations will be supervised by Mr. B. H. Weight, Chief of the Geological Department of Krupps. The Pakistan Industrial Development Corporation (P.I.D.C.) is entrusted with the task of developing the steel industry. Krupps, which has been appointed technical consultants to the P.I.D.C., will subscribe 10 per cent. of the capital of the industry, which is estimated to range between Rs. 40 million and Rs. 50 million. The preliminary work, it is understood, will be undertaken for a nominal payment. A sum of Rs. 1 million is stated to have been allotted by the Pakistan Government for the survey and prospecting operations which are expected to be completed by March next.

It will be recalled that a survey of the iron ore deposits in Pakistan conducted last year by another German concern, Demags, revealed that the iron ore deposits found in the Attock, Mianwali and Sargodha districts have an iron content of about 45 per cent. and the deposits in Chitral a high percentage of 64 per cent. Iron.

Deposits in the Mianwali District alone are estimated to have a minimum of 10 million tons and a maximum of 100 million tons. The precise quantity of the iron ore in all these areas will be determined by the final survey which Krupps will start. Simultaneously with the survey operations, a scheme will be prepared for a pilot plant capable of producing 15,000 tons of steel ingots per year. The final blueprint for this plant will be submitted by Krupps in November and the plant which will smelt iron ore and convert it into steel ingots is expected to start production by the end of next year.

(Concluded from next column)

finding larger markets for our industrial output. But since the latter course is subject to hazards outside this country's control, it is more intelligent economic policy to aim at reducing the home costs of agriculture. The farmers are themselves aware of the need for this, but their energies have in recent years been too taken up with insisting upon receiving high prices necessary to maintain the marginal producer in existence to concentrate on the more important objective. Public and Government have together shown them the danger signal and we may hear more in the future of rewards for efficiency and less of guarantees.—*All Rights Reserved.*

AGRICULTURE IN BRITAIN

FARMERS PRICING THEMSELVES OUT OF THE MARKET

(From Our Own Correspondent)

LONDON, 26*th September*

THE National Farmers' Union recently asked the Government for a special review of farm prices in view of recent wage increases which, the farmers alleged, were making production uneconomic at present prices. The Government turned down this request and told the farmers they must wait for the usual annual review next spring. The reason for this Government decision has been that, although wages have been going up, other costs, for example, that of imported feeding stuffs, have been coming down. But more important has been the realisation that farm prices must somehow or other be prevented from rising any further.

LONDON LETTER

This harvest time has seen the end of food shortages in the United Kingdom: Eggs, meat, bacon and sugar, all tightly rationed a year ago, are now in plentiful supply, sugar actually coming off the ration at the end of this month. Milk is so plentiful that increased supplies have to be turned to manufacturing, and only butter and cheese remain seriously rationed. Even these represent no hardship, especially cheese, where large quantities of imported varieties nearly as cheap as the rationed supplies are available. But the public are not buying all the food available. They have lost the spending habit on food as a result of 14 years of shortages and a level of taxation twice that of before the war. Tobacco, entertainments, travelling and holidays all absorb a far higher proportion of the consumers' income, and food consumption cannot increase now that the end of rationing has made that possible.

Current Costs Heavy

But the Government is pledged to an expanding agricultural programme. At the same time, they have, to implement their guarantees under the 1947 Agriculture Act for cereals, meat, milk, potatoes and eggs. The public has shown that they are not prepared to pay high prices for food and the Government expansion programme must come to an end unless prices can be reduced. On the other hand, the guarantees of the Agriculture Act prevent a reduction in price without large subsidies being paid to the farmers. Imported barley, for instance, now costs less than home-produced barley, with the result that this harvest the Government is being obliged to buy up all the barley coming on the market and to sell it back to the farmers at a lower price. Next year, to avoid this complicated movement of grain, a system of deficiency payments will be introduced, whereby the farmer will be paid at the end of the cereal year the difference between his guaranted price and the average price which barley has fetched on the market. Thus, grain growers as a body will receive not less than the guaranteed price (they are not prohibited from receiving more if the market will pay it to them), but some individual farmers will get less and some will get more according to their own skill or luck in marketing. An arrangement is already in existence for subsidising the production of eggs, now that market prices have fallen below the guaranteed price to the producer. Similar arrangements are being worked out for meat and bacon; but the result of all these financial exercises is to underline the heavy current costs of British agriculture.

The farmers' proposals are to set up marketing boards and to control production. Such arrangements would ensure guaranteed prices, but they would not mean expanding food production. The cost of producing bacon in this country and in Denmark has recently been under review and British costs are found to be 50 per cent. higher than Danish. Similarly, in eggs, the Danes can incur the costs of shipping eggs to this country, pay a 10 per cent. duty, and still undersell the home market by 15 or 20 per cent.

The only answer lies in a reduction of the cost of producing food in this country, unless the whole programme of agricultural production is to be scrapped and the country is to revert to the pre-war policy of greater dependence on imported supplies. But this only shifts the problem from reducing costs in agriculture to reducing costs in the exporting industries and in

(Continued in previous column)

CO-OPERATIVE CREDIT MOVEMENT IN BOMBAY STATE

GROWING MALPRACTICES THREATEN ITS EXTINCTION

MR. R. G. Saraiya's speech at the annual general meeting of the Bombay State Co-operative Bank, Ltd., held last week in the city, is a painfully sad commentary on the position of the Co-operative Movement in the State. According to him, three powerful factors have impeded the progress of the Movement in the State. First, the scheme for providing institutional credit to agriculturists through an integrated co-operative system is still in an experimental stage. It is beset with so many difficulties that the progress of its implementation has been poor. Secondly, in the absence of proper marketing institutions, the societies have not been in a position to exercise their hold on their members' crops and have, therefore, to rely on the honesty and loyalty of the members for repayment of loans. Local co-operatives have not been strong and efficient to undertake marketing, while the individual borrowers are not disciplined enough to conform themselves to the requirements of the institutional credit system. Thirdly, multiplicity of agencies working in the sphere of providing rural credit and in maintaining supervision and control over the primaries has resulted in lack of efficiency and of unity of purpose.

The adverse effects of these three factors on the Movement have been aggravated to a considerable extent by natural calamities. Thus, during the 1952-53 season, several districts of the State were in the grip of acute drought. Consequently, repayments from societies in these districts were not satisfactory as in the past and extensions had to be granted for the payment of instalments due during the year to the extent of nearly Rs. 45.86 lakhs to about 700 societies. This amount formed 18.2 per cent. of the total repayments due during the year. In addition, advances to the extent of nearly Rs. 30 lakhs were made to such societies to enable them to provide finance to their members for current year's agricultural operations. Thus, as a result of natural calamities like scarcity of rain and recurring famines or floods, not only defaults in repayments and loans got frozen, but further advances had to be granted to the stricken borrowers in the interest not only of the lending bank but also of maintaining agricultural production. Incidentally, overdue interest from agricultural societies increased by nearly Rs. 50,000 during the year on account of scarcity conditions.

Corruption

Of the four aforesaid impediments, it must be admitted that the last, namely, natural calamities, is only a temporary factor, which the co-operative credit institutions suffer in common with other types of banking concerns. When once special types of measures are devised to overcome the evil effects of this passing phase, the problem will cease to be a cause of worry. The other three factors, though a serious matter to reckon with, can, however, be tolerated for a while till proper remedies are applied for their eradication. But what threatens the extinction of the Co-operative Movement is the increase in dishonesty, disloyalty and misfeasance. Mr. Saraiya's remarks on this development are worth mentioning. He said:

"While the need for well-organised and efficient marketing societies is keenly felt on account of the rapidly increasing volume of agricultural advances, there has unfortunately been a marked deterioration in conditions and some of the societies which had made good progress in earlier years have been grossly mismanaged and some have been taken into liquidation. Large amounts have been misappropriated or unauthorised advances have been made which have resulted in large debts and sometimes the closure of the institutions concerned."

Again dwelling on the same aspect, albeit in another context, he observed:

"The increasing number of cases of misapplication of loans by office-bearers and misappropriation of funds and action under section 50A for misfeasance, election disputes resulting in sudden stoppage of work, and delayed enquiries under section 43(1) of the Bombay Co-operative Societies Act, only indicate the ineffectiveness of supervision and control and call for a change in the present set-up."

The aforesaid remarks of the Chairman of the Bombay State Co-operative Bank on the state of affairs of the Co-operative Movement is, in our opinion, only a mild description of a disease that is now rapidly tending to be a cancer. The evil has become so strong that it has tended to shake the confidence of even the staunchest supporters of the Movement in the efficacy of co-operation as an instrument to rejuvenate the economy of the country. Ordinarily one would not have bothered much had the Co-operative Movement been given a minor role in the development of the country. But now that it forms one of the chief planks of the Five-year Plan, one has to look to it with more concern. The important role assigned to Co-operation in the Plan will be evident from the following extract from the Planning Commission's report:

"As an instrument of democratic planning, combining initiative, mutual benefit and social purpose, Co-operation must be the essential feature of the programme for the implementation of the Plan. Besides it is the purpose of the Plan to change the economy of the country from an individualistic to co-operative basis, its success should be judged, among other things, by the extent to which it is implemented through co-operative organisation."

Besides, the Plan suggests, as pointed out by Mr. Saraiya, a number of ways for enhancing the utility of the Co-operative Movement to society such as the conversion of the credit societies into multi-purpose societies, promotion of small savings through co-operative societies, sale and purchase of the people's needs through such institutions and developing the Co-operative Movement in urban areas on extensive lines. It has also suggested that every department and every ministry must accept and adopt the policy of fostering co-operative methods of business.

Some Remedies

While thus the Five-year Plan sets store by the Co-operative Movement, the experience of Mr. Saraiya as the head of one of the leading co-operative banks of the country, supported by the experience of many others, hardly rouses any enthusiasm among the people for supporting the Movement. The main difficulty in the way of organising an integrated institutional credit system is the misfeasance of office-bearers of co-operative organisations. This evil can be minimised by organising frequent inspections and audits of societies. The system of supervision, too, must be improved. The Registrar of Co-operative Societies and his department must be vigilant. They should promptly look into all complaints from members of societies against office-bearers and directors. They should not go out of their way to shield the culprits. There should be less red-tapism in the administration of co-operative laws. But this does not mean that these laws should be interpreted in a liberal manner, especially where the integrity of a co-operator is questioned. In their anxiety to show an increase in the number of societies, the co-operative officials seem to be inclined to condone even serious errors by office-bearers of societies. Perhaps, they will be more vigilant than they are now, if the credit for their work is given on the basis of the quality of the Movement in their jurisdiction than on that of quantity. The democratic character of the Movement must be ensured by the officials of the Co-operative Department taking special care to see that no vested interests are created. The co-operative laws should be so amended as to see that the same persons do not hold key posts of a society for several years continuously. This will minimise the chances for corruption and nepotism.

Another method of achieving this objective is to insist on the appointment of paid men for executive posts of considerable responsibility which require time and energy, the board of directors exercising only an overall control over policy and administration. Such posts should not be filled in by members, as honorary work encourages misfeasance. This is an important requisite, especially for societies in urban areas, for most people in these areas are so busy and preoccupied with earning their own livelihood that they have not much time to take an active part in the working of societies. Consequently, those persons who have some leisure and who see a chance of making something through these co-operative societies crowd in and capture positions of responsibility. Efforts should also be made to impart systematic training in the principles of Co-operation to the staff, both supervisory as well as ministerial, serving in co-operative societies. The National Extension services and the Community Projects should address themselves to the task of reforming the Co-operative Movement on these lines without any further delay.

Finance for Agriculture

Now to refer to the question of finance for agriculture through co-operatives. A proper and effective system of crop finance envisages the linking of credit with marketing so as to ensure that the credit provided for raising crops is self-liquidated. This objective is sought to be achieved by means of starting multi-purpose co-operative societies. The limited experience gained so far in organising these societies would appear to be not quite favourable to its continuation. There is, therefore, a need for reviewing the position carefully before a further move is made in this direction. Another measure suggested is the creation of a common cadre for the employees of marketing organisations appointed and controlled by an efficient agency, such as a federation of marketing societies with the assistance of the Department and financing agencies. The suggestion sounds reasonable and can be given a trial if intelligent young men, with special aptitude for salesmanship, are attracted by the Federation by means of adequate remuneration comparable to those offered by big commercial organisations.

While the agricultural economy is expanding, the extent to which the co-operative institutions can extend financial accommodation for agricultural production is limited by their meagre resources. These resources are, to some extent, supplemented by such assistance as is available from the Reserve Bank of India and the State Governments. There are limitations to assistance from the Reserve Bank, too, although the procedure has been simplified. The Reserve Bank has agreed to discount agricultural paper of primary societies directly financed by Central Co-operative Banks. The credit limit sanctioned by the Reserve Bank to the Bombay State Co-operative Bank for discounting such paper last year was only Rs. 50 lakhs. Further, the State Bank was sanctioned a limit of Rs. 150 lakhs against Government securities under section 17(4) (a) of the Act, at a concessional rate of interest for financing primary societies classed A and B. The Bank availed of Rs. 100 lakhs out of this accommodation.

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(Continued on page 659)

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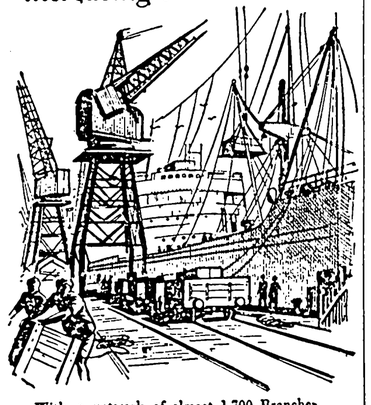

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FREE WORLD COTTON OUTPUT IN 1952-53 SEASON

SLIGHT INCREASE OVER PREVIOUS YEAR ESTIMATED

THE year ended 31st July, 1953, was a year of record production of cotton in the free world. The output of cotton during the year, according to the International Cotton Advisory Committee, aggregated 28.7 million bales, as against the previous post-war record of 28.6 million bales achieved in the previous season. Since the carry-over stocks, as on 1st August, 1952 were 13.3 million bales, as compared with 10.6 million bales on the same date in 1951, the total supply of cotton during the 1952-53 season was 42.0 million bales or 2.8 million bales above the supply in the previous season. The consumption of cotton is now estimated at 25.80 million bales, as compared with 25.15 million bales in 1951-52. The carry-over stocks, as on 1st August, 1953, are placed at 15.5 million bales, or 2.2 million bales larger than the stocks brought into the 1952-53 season or 4.9 million bales larger than the stocks on 1st August, 1951. The free world's exports during 1952-53 are estimated at 10.4 million bales, as against 11.15 million bales in the previous season.

The foregoing is an outline of the position of cotton supply and absorption in the free world. It will be seen that, as compared with 1950-51, consumption has gone up by some 650,000 bales. This is attributed to increases in cotton consumption in the U.S., India and Japan. The following table gives the consumption of cotton in the textile producing countries of the world:

Cotton Consumption

(In 000's bales)*

Continent or country	1952-53	1951-52
U.S.A.	9,457	9,196
Other N. America	765	724
N. America	10,222	9,920
India	3,540	3,530
Japan	2,050	1,818
Other Asian	1,247	1,121
	7,097	6,457
U.K.	1,512	1,759
West Germany	1,065	983
France	1,150	1,226
Italy	850	892
Other European	1,896	1,902
	6,536	6,747
South America	1,443	1,590
Africa	467	445
Free World Total ..	25,805	25,159

* In bales of 478 lbs. net, except in the case of the U.S. where they refer to running bales.

It will be seen from the table above that the U.S. is the largest consumer of cotton. To the overall increase in cotton consumption the Asian countries have contributed a relatively larger share than the countries of any other continent. Referring to the part played by these countries, the journal of the International Cotton Advisory Committee, *Cotton*, says:

"By and large, the significant increase in consumption in Asia was the result of expanding textile production in India and Japan. In India, cotton cloth production has increased continuously over the last six months and in July reached an all-time high. Yarn production, too, was maintained at a high level throughout the 1952-53 season. Accordingly, the Government has lifted all price and distribution controls for yarn and cloth from 1st July. This is in part an acknowledgement that, quantitatively at least, the Indian textile industry is now capable of satisfying both the domestic and export demand for its products in the foreseeable future.

"In contrast to the general tendency in most countries for a seasonal fall off in textile activity during July, cotton yarn production in Japan actually rose to reach a new post-war record of 77 million pounds and cotton consumption for the full 1952-53 season is now expected to exceed 2 million bales or an increase of almost 250,000 bales over the previous season's total. Factors contributing to the favourable situation in this industry in recent weeks have been the more promising demand conditions both at home and in the export field, the abolition of control legislation on yarn production, and the firmer prices for both yarn and textiles which may have given rise to speculative influences.

"In line with the Government's aim of greater self-sufficiency in certain basic industries, the cotton industry in Pakistan has made remarkable progress during the 1952-53 season. At the time of the Partition, Pakistan had 175,000 spindles installed but spindleage is now reported to exceed 400,000 and is continually being expanded. The rate of recent expansion here is demonstrated in the fact that cotton consumption during the 1952-53 season is estimated to have risen by nearly 100,000 bales to a total of 275,000 bales."

Western Europe's textile industries, however, consumed, as a reference to the table will show, less cotton than they did in the 1951-52 season, though the industries "fared better" than was expected earlier in the season. It is noteworthy that, while the consumption of cotton in the U.K., France and Italy is estimated to have fallen by 300,000 bales, the textile industry in West Germany consumed 100,000 bales more than it did in the 1951-52 season. Referring to the textile situation in the main Western European countries, the journal says:

"The extent of the recovery in the United Kingdom textile industry can be judged from the fact that yarn production over the first half of 1953 increased by 63 million pounds, as compared with the same period in 1952. In rayon and other synthetic fibres, production has recently been at record levels. Two discouraging features in this industry are the sluggishness of present export trade and the difficulty in attracting labour after the exodus in 1952.

"Many other European countries, particularly France, Italy and Belgium, are also experiencing difficulties in their export markets for cotton textiles. The French position may be affected by the recent devaluation in the vitally important market, Indo-China, while Italy is still being hurt by import restrictions in European markets."

Exports

There were quite a few significant changes in the pattern of the free world's cotton exports. Total exports are, as already stated, estimated at 10.4 million bales, as against 11.1 million bales in 1951-52. This, however, is not the only significant change. In 1951-52, nearly one-half of the total export of cotton from the free world came from the U.S. In the 1952-53 season this country's share fell to a mere 30 per cent. of the world total, or by 2.4 million bales; its exports for the season are placed at 3,150,000 bales. For the second successive season, Brazil's exports were but a mere fraction of their normal volume. But other countries, in the aggregate, exported over 7 million bales—a figure which is regarded as "easily a post-war record." Exports from nearly all the main producing countries and many of the smaller ones increased and established post-war records in Pakistan, Egypt, Turkey, Syria and Mexico. The following table compares the position of the U.S. in the world export trade in cotton in 1951-52 and 1952-53 seasons:

Cotton Exports

(In 000 bales)

	1952-53	1951-52
U.S.	3,150	5,519
	(30)	(50)
Other countries	7,252	5,615
	(70)	(50)
Total	10,402	11,134
	(100)	(100)

Figures in brackets refer to percentage share in export trade.

Brazil's export trade has shown certain interesting variations in recent years. In the immediate post-war years, exports from this country were well over one million bales each year. But this has proved a short-lived prosperity. In recent years, Brazil's cotton trade has shrunk to a mere fraction of what it was in the period, immediately following the cessation of the war. The seriousness of the recent decline in Brazil's cotton trade can be gauged from the fact that "exports in the last two seasons combined have been well under the smallest volume exported in any previous year." In 1952-53, Brazil's cotton exports were only 150,000 bales. The Brazilian Government has, however, adopted a few measures which are designed to stimulate exports of cotton. The schedule of premiums and discounts has been revised, with a view to making the lower grade cottons more attractive to buyers. Some concessions have also been made in the matter of payment. Discounts varying from 3 to 7 per cent. are available in respect of the 1952 crop cotton payable in desirable currencies. Payment for such cotton in convertible currencies is now rewarded by the granting of a further discount of 2 per cent. These measures, it is stated, have made Brazilian cotton competitive with other growths and have stimulated export enquiries.

A trend which has been very prominent in the free world's cotton trade is the increasing use of bilateral trade agreements in order to stimulate the export of cotton. The trade agreements concluded by Pakistan and Mexico with Japan, and the pacts concluded by Egypt with India, the U.S.S.R. and Yugoslavia, are only a few instances where cotton figures as the principal commodity in the exchange list. The impact of these agreements on the cotton trade will be watched with interest. The journal, on its part, regards the trend as very significant, and says that it is "likely to be of supreme importance in the distribution of cotton trade during the present season."

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INTERNATIONAL TEXTILE MACHINERY EXHIBITION

An international exhibition of textile machinery, which may prove to be the most important event of the year for the world's textile industry, will be held in Manchester this month. Organised by the *Textile Recorder*, it will open on 14th October, 1953. The stand area of the exhibition will be just under 90,000 sq. ft. About a fifth of the 264 exhibitors are from overseas countries. Final details of all the new machinery to be shown are not yet available, but the organisers are confident that the quality of the exhibition will match its size.

There will be something new for every section of the industry. Spinners of man-made fibres will be shown a blending line and card machine for spun rayons and synthetics which, it is claimed, works on an entirely new principle and ensures blending accuracy to within a margin of error of less than one per cent. For the cotton spinner, there are new lines of blowing room machinery, including a ring spinning frame, capable of spinning a much wider range of counts than is normally possible. For the woollen industry, there will be shown a large package ring frame and a novel automatic hopper feed, while for the worsted spinner a system of worsted drawing using the revolutionary auto-levelling principle will be of special interest.

New types of gill-box for wool, synthetic and blended yarns are also to be shown. Two of the most interesting machines in the yarn preparation section will be a radial pirn winder on which up to 2,000 pirns an hour can be wound, and a single-spindle fully automatic pirn winder capable of winding synthetics at 12,000 r.p.m. and versatile enough to wind a range of yarns from the coarsest condenser weft to the finest synthetic. In the weaving section, there will be, in addition to the latest fully-automatic looms, units for adapting existing non-automatics and a wide selection of take-up, let-off and stop motions for fitting to any type of machine.

The main feature of the dyeing and finishing section will be the new materials used in machine construction and the developments that have taken place in recent years in the automatic control of drives and processing conditions. A unit of the molten-metal system is to be shown in operation for the first time to the general public. Besides the machinery for specific sections of the industry, a wide range of accessories of every type is to be shown, and the suppliers of ancillary equipment such as air-conditioning plant, power and transmission equipment will be well represented.

COTTON IMPORTS FROM EGYPT

The Central Government has agreed, it is stated, to permit payment wholly in sterling for cotton imports from Egypt contracted for before the signing of the Indo-Egyptian Trade Agreement on 9th July but received afterwards. It may be recalled that, under this pact, it was agreed that 60 per cent. of the payment for exports from Egypt to India would be made in sterling, the balance being payable in rupees which would be utilised by Egypt for financing purchase of Indian goods. Prior to the pact, all payments were made by India in sterling. Egyptian exporters wanted this arrangement to apply to the cotton they sold to India before the signing of this agreement. The question was the subject of correspondence between the Egyptian exporters and the Government of India. Apparently, the Government has yielded to the demand of the Egyptian exporters, for it had earlier instructed the Reserve Bank to permit sterling exchange facilities to Indian importers only to the extent of 60 per cent. of the value of the cotton imports.

MORE TALKS ON FUTURES TRADING IN COTTON

YARN OUTPUT MOVES UP

(From A Special Correspondent)

MANCHESTER, 22nd *September*

WHILE traders in Lancashire have spent three weeks grappling with the problems raised by frequently changing cotton prices, further developments have been taking place in the moves towards establishing a futures contract in Liverpool. Negotiations have been spurred on by the insistence of the Board of Trade that the principles involved must be established at a very early date, leaving details to be settled during the next few months.

MANCHESTER LETTER

The trade has now settled down to the new arrangements regarding cotton prices which are scheduled to last until at least the end of August next. The cover bases, having been established, are being altered in line with changes in New York on a recognisable formula. Variations in the index prices are being allowed a little more tolerance and are not necessarily moving so strictly in accordance with world values. Any sudden revisions in prices abroad, such as recently occurred in Alexandria, are being reflected in quotations on this side.

In view of the important assets involved it is no wonder that the Board of Trade is anxious to see a smooth change-over from part-public buying to purely private trading in raw cotton. It is equally in the interests of Liverpool and Manchester merchants that there should be no hitch in the proceedings once the decision has been taken.

As in the case of other commodities which have switched back to private trading, the stocks held by, or on behalf of, the Government have presented a problem. Some way of liquidating them by gradual absorption through private channels must be found. It is not outside possibility that the merchanting section of the Raw Cotton Commission might remain in being to act as a merchant and stockholder. Private importers might oppose this suggestion very forcibly but there must be quite a number of individual spinning firms which would not be entirely averse to such an idea.

Free Market

Currency difficulties are almost entirely responsible for nervousness over the reopening of the Liverpool futures market. However encouraging the present position appears to be, a continuance of easy conditions cannot be guaranteed and no one can predict with certainty that a dollar crisis might not again arise within a year or two. The maintenance of a free market in raw cotton would then be jeopardised unless definite arrangements to meet such an emergency are drawn up.

It has not escaped the notice of the Government officials who are concerned with this matter that in the first year of private trading contracors-out from the Commission tended to purchase larger supplies of the traditional American and Egyptian qualities of cotton than outside growths. This has led to some pointed questions being put to the industry as to what would happen when complete private trading is resumed. If dollars were made available for free purchases, for example, would all spinners be likely to increase their proportion of American cotton?

Empire Cotton Supplies

Underlying the discussions now proceeding is the argument between the supporters of Empire cotton growing and the attitude of the Liverpool Cotton Association in insisting on the initial introduction of a somewhat narrow American contract only. Those who wish to see Empire cotton tenderable against this contract have been partly satisfied by an assurance that if the original scheme is successful their proposition should be reconsidered at a later date, perhaps 12 months after the Liverpool market is re-established.

The official view in Liverpool is that a miscellaneous growths contract running alongside the American contract would be subject to considerable weakness and would tend to be neglected, as it was before the war. Once the market is firmly established, however, it should be possible to consider making experiments to broaden the scope of cover.

At the moment it seems unlikely that an Egyptian type contract can be drawn up, due to the control of marketing which is imposed by the Government at Alexandria. If this control was lifted it might be possible to reopen discussions on such a contract, although Liverpool apparently has hopes that it might become the basis for variations in prices in Alexandria, superseding the present arrangement based on New York.

Liverpool raw cotton interests are quite well aware that when the time comes to reopen trading in futures there will be not only some political hostility to the scheme but that spinners who have benefited under the Commission's cover arrangements will be critical of any shortcomings.

Quality Goods Call

Not only are Lancashire producers and merchants catering for export markets disturbed over the slow progress made in expanding shipments abroad. Leaders of the trade unions are also conscious of the unbalanced state of trade so far as its end-uses are concerned.

Calling attention to the situation in his latest quarterly report, Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation, says: "Diminution of overseas trade cannot be regarded with complacency, as without a substantial Commonwealth and foreign trade the industry will become merely a very nominal section of our economy."

Having drawn the attention of the operatives to this disappointing state of affairs, he urges that production and marketing of the better types of goods should be kept to the forefront. Without neglecting the "bread-and-butter" qualities where competition is becoming increasingly intense and economic nationalism prevails, the need to stimulate output and sales of high grade cloths is vitally important.

Union leaders are also at one with the employers on the vexed subject of purchase tax, especially in connection with textile goods suitable for shipment abroad. Mr. Schofield says: "It is most unfortunate for the trade that no disclosure has been made as to whether it is intended to regard the taxation of textiles as an instrument for revenue raising as in the case of tobacco and liquor, or whether the trade shall eventually be freed of this pernicious extortion."

Juvenile Recruitment

A substantial increase in the number of summer school-leavers taking jobs in Lancashire cotton mills has followed the improvement in trade in recent months.

A survey of juvenile recruitment in all the north-west towns where cotton mills are situated, details of which were given by the Cotton Board, shows that 1,488 school-leavers joined the industry at the end of the summer term.

This represents 12 per cent. of all school-leavers in the region and compares with 766 recruits, equal to 6.6 per cent. in 1952.

The industry's highest-ever intake was in 1951 when the total juvenile recruitment was 1,930, equivalent to 15.3 per cent.

"It is a very encouraging result and reflects the greatly increased confidence in the future of the cotton industry," said an official of the Cotton Board.

Yarn Output Up

Lancashire spinning mills recorded their highest output for 19 months in the final week of August, according to the Cotton Board.

With holidays over they produced 19,810,000 lbs. of cotton and rayon yarn compared with 14,160,000 lbs. in the previous week and 15,060,000 lbs. in the corresponding week last year.

An increase during the week of 397 in the number of full-time operatives in the mills gave the industry its biggest manpower gain for nine months.

Textile Deal

A decision on the £4,000,000 deal involving Rylands and Sons, Ltd., the 130-year-old Manchester textile group, and Mr. Charles Loos, the Belgian financier and his associates, has been postponed for a fortnight.

On 21st September—the closing date for stockholders of Rylands to accept the offer of £2 for each £1 stock unit—it was announced that although holders of more than half the £2,000,000 ordinary stock had agreed to accept the terms of the deal, the requisite 90 per cent. had not suppported the plan.

"Under the terms of the deal, Mr. Loos and his associates have the right to consider, until 5th October, whether or not to accept the lower percentage," declared Sir Edward Rhodes, 82-year-old Chairman of the group. "A further announcement will therefore be made on or before that date."

The offer is being kept open until 5th October to give the remaining stockholders a further opportunity to accept.—*All Rights Reserved.*

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ALUMINIUM CORPORATION OF INDIA, LTD.

MR. LAKSHMIPAT SINGHANIA ON STEPS TO DEVELOP THE INDUSTRY

ADDRESSING the shareholders of the Aluminium Corporation of India Ltd. at the Fifteenth Annual General Meeting held at Calcutta, on the 25th September, 1953, Mr. Lakshmipat Singhania made out a strong case for restricting the expansion of aluminium industry to a capacity of only 10,000 tons per annum, for the present. He argued that the industrial use of aluminium in India had yet to develop and that the important role played by the secondary metal to meet the demands of the aluminium utensil industry had been completely overlooked by the Planning Commission, while formulating plans for the expansion of the aluminium industry in India. He deprecated any talk of handing over of key industries to foreign interests for the so-called "know-how," but made an urgent plea for the establishment of a national non-ferrous metal research laboratory in order to create technical talent in the country which was very essential.

Sri Singhani said:

"The Planning Commission have estimated the current consumption at 16,000 tons of primary metal per annum as under:

10,000	tons for utensils;
2,500	tons for A.C.S.R. cables;
2,000	tons for industrial sheets;
1,500	tons for defence requirements and miscellaneous purposes
16,000	tons

They have planned, however, for an installed capacity of 20,000 tons by 1955-56, and almost the entire increased production is expected to be consumed industrially, as the Planning Commission themselves admit that "the amount of aluminium required for utensils may not show any appreciable increase." In other words, the Planning Commission estimate that, by 1955-56, the utensil consumption will remain static at 10,000 tons of primary metal per annum, while the industrial use will go up from 6,000 tons to 10,000 tons per annum. This estimate, on surface, does not look impossible at all, but on analysis, it will be found that facts are entirely different.

"The estimate of 16,000 tons of primary metal per annum is not supported by actual figures. From the table below giving the indigenous production and import in all forms, year after year, after Partition, it will be seen that in no year has the total requirement of the metal, both utensil and industrial, exceeded 12,700 tons, while the average comes to only 10,872 tons.

Year	*Indigenous production*	*Imports in all forms*	*Total metal available*
1948	3,372	9,327	12,699
1949	3,516	8,300	11,816
1950	3,590	5,767	9,357
1951	3,876	8,677	12,553
1952	3,566	5,833	9,399
1953 (6 months).	1,682	2,291	3,973

Heavy Imports

"When it is remembered that the markets had been completely starved of the primary metal during the war, and imports were possible only from the year 1946 onwards, the heavy import of 1948 will be understood as abnormal and only for meeting back demands. Similarly, the expected world shortage of aluminium at the outbreak of the Korean War and the placing of aluminium under O.G.L. by Government, are the causes for the abnormal imports during 1951. In other words, the requirement of the country in all forms is actually much below even 10,872 tons, the average figure. This is further substantiated by the fact that to-day, we have exportable surplus of metal, as the Government has decided to licence exports freely. In my opinion, therefore, there is no justification for estimating the primary metal consumption at more than 9,000 tons per annum. If out of this, we deduct 6,000 tons of primary metal estimated as being put to industrial uses, we get only 3,000 tons of primary metal for utensils. Where then does the balance of the requirements for utensils come from? From secondary metal, which has been entirely overlooked by the Planning Commission. From 1944 onwards, in all about 96,000 tons of primary metal have been put into use. If even 10 per cent. of this comes back as secondary metal, more than 9,600 tons of metal is available and is to-day being used by the utensil industry, which shows preference for the secondary metal, in order to meet the competition in the utensil market. This is proved by the fact that the scrap price which was only 50 per cent. of the primary metal price has now risen to 80 per cent. and is steady at this level, and there is dearth of scrap. Every year, the quantity of secondary metal will be augmented by about 1,000 tons, and soon there can be no doubt that all the requirements for utensils will be met from this source. So if the programme of expansion of the Planning Commission, i.e., to produce 20,000 tons of primary metal by 1955-56, is carried out, the whole of this metal has to be consumed for industrial uses only, as all the demand of 10,000 tons for utensils would have been met from the secondary metal. There is no possibility of any appreciable quantity of virgin aluminium being used for manufacture of utensils, as even in countries like the United States where aluminium utensils are used in each and every kitchen, the quantity of metal used for the purpose hardly exceeds 2 to 3 per cent."

Industrial Use Limited

Speaking on the industrial use of aluminium in India, Mr. Singhania observed: "But the question remains whether any of these industries exist in India today and whether there is a likelihood of using any appreciable quantity of aluminium for the same in the near future. It is common knowledge that large quantities of aluminium are required for construction of aeroplanes, but have we an aircraft industry which can consume even 5,000 tons of metal per annum? The only aeroplane factory in India, i.e., the Hindustan Aircraft Limited, Bangalore, hardly uses any aluminium of indigenous produce for construction of aeroplanes and their parts. Similar is the case of other aluminium consuming industries, too. It is well known that, for industrial uses, aluminium has to be alloyed and extruded into various shapes. For this purpose, high degree of technical skill and elaborate equipments are necessary. These equipments are themselves so costly that there is hardly any possibility of private industries installing the same, unless the demand is large enough to justify huge capital expenses."

Difficulties of Trainees Abroad

Mr. Singhania pointed out that due to lack of technical knowledge, there were no independent fabricators in India as in other countries, to cater to the industrial uses of aluminium and explained the enormous difficulties in training Indian personnel. Proceeding, he said: "Even our own Government have been trying for many years to get some of our technicians trained in aluminium industry abroad, but they have met with no success. Only last year, one of our technicians was selected for training in manufacture of alumina in West Germany for a period of two years under the Indo-German Industrial Co-operation agreement. But after a stay of only six months, the German firm terminated the training on the ground that the trainee was an employee of an aluminium firm in India; all further efforts of the Indian Embassy to prolong the training failed. If such are the difficulties in the way of technical training of our nationals in the manufacture of alumina which is, after all, not so very much of a secret, it is obvious that we cannot expect any extensive and thorough training in the manufacture of different alloys of aluminium for industrial uses, which alone can justify further expansion of aluminium production in this country. In the last two or three years, there has been a large exodus of Indian students to Europe, Canada and the U.S.A. under the Colombo Plan, President Truman's Point Four Programme and a few other educational schemes, but so far not one country has agreed to give training to any of our technicians in the aluminium industry."

Some Suggestions

In view of the above facts and circumstances, Mr. Singhania expressed unreserved concurrence with the first recommendation of the Planning Commission to expand the existing plants to produce a total of 10,000 tons of aluminium per annum but suggested that the further steps for developing the industry should be only,—

"(1) to establish a national non-ferrous metal research laboratory and to start immediate research and training in manufacture of various alloys of aluminium and other non-ferrous metals;

(2) to encourage the starting of aluminium foundries, die-castings and extrusions;

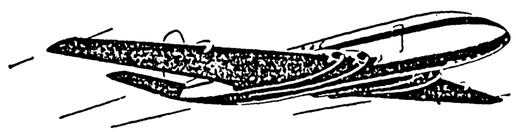
(3) to encourage the use of indigenous aluminium in all defence, transport and building programmes of the Government; and

(4) to make full use of all the extrusion and fabricating capacities in various ordnance factories"

and opined that "if the money which would have gone out by way of interest, etc., to foreign capital is earmarked for these purposes, we shall be having invaluable technical talent and a profitable fabricating industry in the country, which, in turn, would make the aluminium industry pay its way and at the same time remain in Indian control."

Reviewing the working of the Corporation for the year, Mr. Singhania pointed out the difficulties which industries were facing due to political rivalries between labour unions and irresponsible labour leadership and uttered the warning that "trade unionism is following a suicidal path in allowing politics and indiscipline to pervade it and in adopting strike as a weapon for every occasion, just or unjust, frivolous and serious." He said that the Corporation's expansion programme on hand at a total cost of Rs. 80 lakhs was progressing well and was hoped to be completed by March, 1954 and the Corporation had also submitted to the Government complete plans for expansion as recommended by the Planning Commission.

Mr. Singhania concluded by drawing attention to the selfless sacrifices made during the last fifteen years by the shareholders and the Managing Agents in building up this industry, and explained that the Directors were paying one year's arrears of dividend to the Preference shareholders in spite of low profits, only to maintain continuity and to clear the arrears as early as possible.



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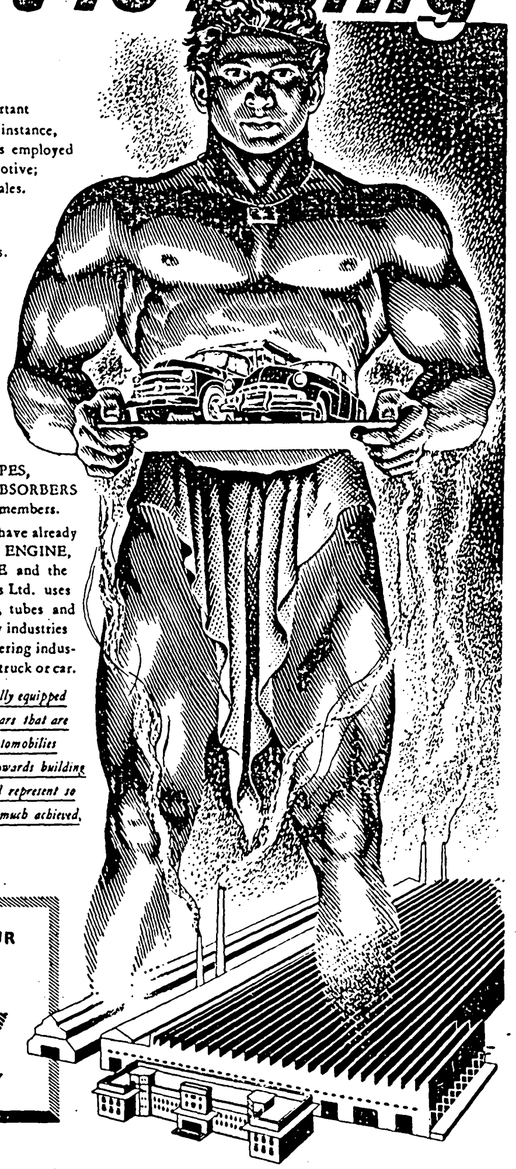

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Over and above this, large capital investments have already been made for the early production of complete ENGINE, TRANSMISSION, REAR and FRONT AXLE and the CHASSIS FRAME. The Premier Automobiles Ltd. uses several varieties of Indian steel, Indian tyres, tubes and batteries. It also supports a number of ancillary industries such as leather, rubber, glass, plastic and engineering industries which supply materials to make a complete truck or car.

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FIXATION OF SUGARCANE PRICES

SUCROSE CONTENT, NOT QUANTITY, SHOULD BE THE BASIS

WHY is it that, when the value of sugarcane depends on its sugar content, the Government of India should fix a flat minimum rate for cane? This is, indeed, a very pertinent question that Mr. P. Hadfield, Managing Director of Messrs. Parry and Co., Ltd., one of India's leading sugar manufacturing firms, posed in the course of his address at the luncheon meeting of the Madras Rotary Club held in Madras the other day. Commending the introduction of the method of basing sugarcane prices on sucrose content, instead of on weight, he said:

"There is not much understanding between the cane growers and the producers. The producers can only give to the growers a certain percentage of the value of the sugar content of the cane. The higher the quality of the cane, the higher is the price he receives. Unfortunately, no machinery has yet been devised whereby the quality of the cane delivered by the grower can be assessed. Consequently, it still pays the grower, by the application of larger quantities of nitrogen, to produce large quantities of cane with relatively little sucrose content in it. The future of the sugar industry in South India—he could as well have covered the whole country—depends on finding out a method of reconciling the interests of the growers of cane and the producers of sugar."

The emphasis on relating cane prices to sucrose content is significant, in that it justifies the criticisms of many sugar industrialists in the country that fixation of uniform prices for all varieties of cane is detrimental to the growth of the sugar industry on economic lines. Even the sugarcane experts who have no direct connection whatever with the sugar industry are also of the same view. It was early last year, it will be recalled, that no less a person than Dr. C. Van Dillewijn, the sugarcane expert of the Food and Agriculture Organisation, drew pointed attention to the deplorably low yield of 1.5 ton to 3 tons of sugar per acre in India, as compared with as high as 8 tons in Hawaii and Java. The most important suggestion which he put forward, in this connection, related to payment of prices for cane on the basis of its sucrose content, instead of on that of weight. It is refreshing to find that the Union Food and Agriculture Minister, Mr. Rafi Ahmed Kidwai, is now realistic enough to appreciate the force of this point of view, as witness the remarks made in the House of the People only recently that "that (the formula under which the sugar producer will pay the cane grower a price in proportion to the recovery) will be the most satisfactory formula."

Feasibility of the Scheme

There is, however, a section of opinion which feels that it is not practicable to introduce the aforesaid system of fixing cane prices in India, because it requires chemical analysis of cane in every region, which is not possible in view of the absence of any suitable organisation for the purpose. But this, as we pointed out three weeks ago, may not be such a difficult proposition for the sugar factories in the Deccan, as they have their own laboratories for testing the quality of the cane supplied to them. The real difficulty to the change-over crops up in the other areas, especially the two major sugar producing States, the U.P. and Bihar where sugarcane cultivation is confined to thousands of small farmers scattered all over. What is worse, the farmers grow different varieties of cane in small areas and supply them to the factories in relatively small quantities.

This difficulty was no doubt appreciated by Mr. Hadfield, too. He remarked: "In most of the sugarcane growing countries in the world, the cane is grown by the factory owner. In India, there are small holdings and many growers, and it is found impossible for one man owning, perhaps, an acre of land to deliver enough cane to keep the factory going." What then is the solution? Mr. Hadfield offered a suggestion. According to it, the growers should be persuaded to form themselves into groups so that 20 or 30 groups can be treated and handled as one unit and the factory will be able to pay each such unit according to the quality of cane supplied. Proceeding, he observed: "If the ryot can be persuaded to grow quality cane, instead of concentrating on quantity, it will enable the establishment of a sound and stable sugar industry. . . The manufacturer now stands alone between the Scylla of the grower demanding high prices for the cane and the Charybdis of the consumer wanting low prices for sugar. He cannot hope to win the consumer to his side, but he can and must win the grower."

PALM "GUR" INDUSTRY IN INDIA

The past four years have witnessed notable expansion in the sphere of the palm *gur* industry, a cottage industry, which has bright prospects and no conflict with any one of the large-scale industries. This is clearly indicated by the marked rise in output. Thus, the production of *gur* during 1952 was 55,000 tons valued at Rs. 2.75 crores, as compared with 30,000 tons valued at Rs. 1.50 crores in 1948. Another indication is provided by the increase in the number of persons employed in the industry, from 180,000 in 1948 to 330,000 in 1952.

Considering, however, the immense potentialities for the development of the palm *gur* industry, the progress noted above pales into insignificance. The potential capacity of the industry is estimated at 1,000,000 tons (worth Rs. 50 crores). The slow pace of expansion has been due to several handicaps. It is to these handicaps that Mr. *Gajanan Naik, Palm Gur* Adviser to the Government of India, has drawn pointed attention in the course of an interesting article contributed to the *Economic Review*, a fortnightly journal of the Economic and Political Research Department of the A.I.C.C. The difficulties are: (i) Uncertainty of continued financial assistance to State Governments from the Central Government, (ii) delay in issuing sanction of the subsidies granted to the States by the Centre, (iii) inadequate funds made available by the Centre to subsidise palm *gur* development schemes in operation in different States, (iv) total lack of provision of funds in the Central budget for research in the problems of industry, (v) conflict with toddy trade, (vi) competition with sugarcane *gur*, (vii) slow action on the schemes in the States, (viii) delay in issuing licences for tapping palms, and (ix) reluctance of tree owners and State Governments to lend trees on reasonable terms to the producers.

The need for accelerating the development of the palm *gur* industry cannot be stressed too strongly. Apart from the fact that the industry is an important source of sugar—palm *gur* is claimed to be superior to cane and beet sugar—it can provide, if fully developed, employment to as many as two million people. Moreover, the development of the industry is expected to release 700,000 acres under sugarcane cultivation for production of 250,000 tons of wheat and 300,000 tons of rice per annum. Incidentally, it may be noted that the areas where palm trees are grown are not useful for any cereal crop. The acreage under palm trees is 1.4 million, the number of trees being 50 million. If the palm *gur* industry is to be set on a stable and sound footing, it is imperative that energetic steps should be taken by the Central and State Governments. In view of the importance of the subject, the several pertinent suggestions made by Mr. Gajanan Naik are reproduced below:

(a) At the Central Government level: (i) long-term decision for financing the State Schemes by the Government of India, spread over at least 5 years in the first instance. It is essential that definite allocation of funds according to the recommendations of the Planning Commission for the development of palm *gur* industry be made; (ii) a high level directive from the Centre to the States to give adequate priority to the palm *gur* schemes both in respect of funds and execution; (iii) elimination of delay by minimising red-tape; (iv) immediate organisation of research stations for tackling urgent problems of the industry; (v) national decision for introducing immediate prohibition of toddy wherever it is sold now; (vi) legislation for control on production of sugarcane *gur* for ensuring proportionate release of land under sugarcane; and (vii) preference to palm *gur* and palm sugar in all purchases on Government account.

(b) At the State Government level: (i) long-term planning, incorporating palm *gur* as a standing feature in the States' Agricultural and Industries Departments; (ii) legislation for ensuring protection of palms from indiscriminate cutting of trees as also palm leaves; (iii) legislation for making it obligatory on the part of palm owners to lend the palm for production of *gur* on reasonable rent; (iv) removal of excise obstacles in the prosecution of the industry; (v) timely sanction of schemes; so also provision of adequate funds for the implementation of palm *gur* development schemes; (vi) delegation of suitable powers to the authorities concerned for speedy action; (vii) preference of palm *gur* and sugar in all State purchases; (viii) organisation of marketing of palm *gur* and allied products on co-operative basis; (ix) increase in training facilities for the villagers; (x) sure participation of States in co-ordinated programmes such as conferences, refresher courses, exhibition, etc., organised by the Central Government; and (xi) active steps for encouraging planting of palms.

The success of the development of the palm *gur* industry depends as much on the efforts of the Central and State Governments as on those of the workers who are directly connected with the industry. As the Union President, Dr. Rajendra Prasad, pertinently remarked not long ago, the palm *gur* workers should not relax their efforts, as the work they have undertaken is of considerable national importance and would prove of great blessing, particularly to the peasants and poor workers of this country.

CONDITION OF SMALL COLLIERIES

CAN DISTRIBUTION CONTROL BE WITHDRAWN?

THE Indian Mining Federation has submitted a memorandum to Mr. K. C. Neogy, Member, National Planning Commission, deprecating the demand, by certain interests, for discontinuance of controls on price and distribution of coal. The Federation feels this demand, if conceded, will have a very deleterious effect on small collieries. It has pointed out that these collieries can exist only under the present policy of protection in the form of reservation of soft coke and brick-burning coke orders which constitute a part of the system of distribution control now in force. Lifting of these controls, according to it, will drive most of the collieries out of existence. The small collieries are stated to account for 60 per cent. of the production of selected B, not to speak of grades I and II, in Bengal and Bihar. A few of these collieries are said to be mining even selected A grade coal, but their production of this grade is too small to bear any comparison with that of the bigger collieries. It may be noted, in this connection, that the designation of small collieries includes not only middle-sized holdings varying from 100 to 1,000 *bighas*, with an annual output varying from 25,000 to 75,000 tons per unit, but also the smaller units, with a holding of 20 to 50 *bighas* each, producing about 5,000 to 10,000 tons per annum.

Although it is generally agreed that price control will have to stay for some time to come, there is a good lot of controversy regarding the need for distribution controls. While one section of the industry is in favour of the removal of distribution control, with some priority over wagons which are limited in number, the other section wants the control to continue mainly on the ground that the transport system still presents several difficulties. Representatives of consumers, too, are of divided opinion in this regard. One thing is certain and that is that distribution control does not provide freedom of choice for consumers. The natural preference, however, in case of such freedom is for better grade coals. This means that, if distribution control is removed, the demand for lower grades of coal will decline sizably.

Assuming that the transport situation is normal, the question whether distribution control should be retained or abolished depends on the acceptance of the principles of allowing free scope for demand and supply. This will naturally result in the closure of the marginal and inefficient units. Whether this development would be in the national interest or not and whether it would not result in the virtual loss of the reserves of these mines are all technical points which require to be carefully considered before a decision is taken.

RAILWAY COLLIERIES

The Government of India has decided to abolish the contract system in all railway collieries and has already done away with it in nine of them. According to a statement placed recently before Parliament, the contract system of coal raising at the railway collieries has been the object of repeated criticism by various committees and commissions which have examined the question, on the ground that it gave rise to various abuses. Labour also has been insistent in demanding the termination of this system. Recognising the force of this criticism, the Government of India has decided to abolish the contract system in all railway collieries. These railway collieries are at present owned by the Government of India in the Ministry of Railways, but are administered by the Ministry of Production. The transfer of the ownership of these collieries to the Ministry of Production has been accepted in principle and formal orders are expected to be issued soon.

The contract system has already been abolished in nine of the railway collieries. The introduction of the departmental system of working in Bokaro and Kargali has been under consideration for some time. It has been decided that every endeavour will be made so that with effect from 1st April, 1954, all coal raising at these collieries may be done departmentally.

The change-over might eventually necessitate a capital expenditure up to Rs. 20 lakhs on the acquisition of land, construction of offices, godowns and quarters for miners, clerical and supervisory staff. But such capital expenditure will be kept down to the minimum. A recurring expenditure of Rs. 6.3 lakhs will also be required on account of pay and allowances of staff.

A sum of Rs. 5 lakhs is required for the construction of staff quarters at Bokaro and Kargali collieries during 1953-54. This will, however, be found from savings under other subheads of the demand.

HINDUSTHAN GENERAL INSURANCE SOCIETY LIMITED

MARGINAL INSURERS FACE PROBLEM OF SURVIVAL

DR. N. N. LAW URGES REVIEW OF INSURANCE LEGISLATION

ADDRESSING the Ninth Ordinary General Meeting of the Hindusthan General Insurance Society Ltd., held at Calcutta on 23rd September, 1953, Dr. N. N. Law, Chairman of the Society, said that, under the insurance regulations, which prescribe a limit on expenses, the question which faces the marginal companies is whether they "can at all survive," even if they are "inherently sound." He pleaded for a "constructive review" and re-examination of the relevant provisions of the insurance law so that a "suitable" policy which will be conducive to the "furtherance of the progress and prosperity of general insurance business" may be evolved. Dr. Law said:

"GENTLEMEN,

"The report of the Directors and the audited accounts and the balance-sheet for the year ended 31st December, 1952, have been in your hands for some time and, with your permission, I propose that they be taken as read.

"Before I come to examine the year under review, I have to record with deep regret the passing away, early this year, of Mr. Nalini Ranjan Sarker, the founder-Chairman of the Society. The many-sided activities of Mr. Sarker who rose to an eminent position in both the political and commercial life of the country need not be recounted here. I should, however, like to recall with gratitude and to place on record the guidance and inspiration he provided to the Society from its inception and even in the midst of his multifarious important activities. Although Mr. Sarker is no longer with us, his inspiration is there, and the best homage that we can pay to his memory is to put forward our best endeavours towards the fruition of his cherished great hopes about this institution in which each one of us can do his part.

Post-war Recession

"As you may be aware, the year 1952 commenced with ominous symptoms of a post-war recession in business which seriously affected the outlook and prospects of commerce and industry in India, particularly by the suddenness of a slump in prices and its growing intensity during the first half of the year. Prices of a number of commodities in India which occupy an important place in her foreign trade received a serious seback. In the first half of 1952 the fall in commodity prices was so sharp that the wholesale price index in Calcutta registered a drop from 491 to 382 between January and March, the worst affected items being raw cotton, jute (both raw and manufactured), tea and oilseeds, the importance of which in the economy of India can be hardly overestimated. Jute faced one of the worst slumps in history and cotton trade met with a veritable crisis. Throughout the year at different points of time, the main industries of the country, jute, textiles, mica and tea faced most perturbing reverses resulting, in some cases, in closure of some units. Both the volume and value of India's export trade showed a heavy decline and the tempo of the business activity of the country sank down to a much lower level, causing and being caused by increased restriction of credit. It was only after the mid year that the deterioration was found to have been arrested to some extent as a result of the decrease in or abolition of some of the export duties, but on the whole, the weakness in the undertone of general trade conditions has persisted almost throughout the year. What made the situation worse was that the level of wholesale prices declining at a rapid rate was not reflected in a corresponding movement of the cost of living indices, which, paradoxically, showed an upward trend. The rigidity of high wages has continued, and resultant inflated cost synchronising with a lower level of prices could not but have a depressing effect on industry and commerce, despite the fact that production in certain industries was fairly well maintained, and in some, even showed an increase.

"It was all but natural that such a setback in general conditions of trade and industry should have its repercussions on the insurance business which thrives on them. It called upon your Society to exert itself to the utmost to overcome the difficulties, and it is a matter of gratification to me to be able to say that despite the heavy odds our Society has acquitted itself well in its working during last year, as will be evident from its business figures. Direct business of the Society in India in the fire department went up from Rs. 6,54,000 in 1951 to Rs. 6,80,000 in the year 1952, marine premium income from Rs. 3,90,000 to Rs. 3,94,000 and miscellaneous accident from Rs. 4,77,000 to Rs. 5,32,000. The increase is, however, not pronounced, but it is significant that in a period so difficult, the Society has been able to maintain the progress against most competitive conditions which are fostered by an attenuated scope of business.

Expense Rates

"Looking at insurance business by itself against the general economic background, a gradual stepping down of prices is, of course, a necessary feature of the transition from war-time economy to peace-time level, and insurance, as any other business, must share in this process. It is the adjustment of costs to prices that presents a problem in this transition, and this calls for the greatest circumspection for the avoidance of any steps under a theoretical bias, so that the remedy may not prove worse than the disease. In this context the expense provisions of the Indian Insurance Act reveal an obvious lacuna which gives serious cause for anxiety. Following the Amending Act, 1950, and Rules framed thereunder, a system has been devised for determining expenses of the insurers. This system for the present is hinged on direct business, and under it a fall in direct business entails a curtailment of permissible expense for the insurance companies. As I have already pointed out, although commodity prices have gone down the cost of living index has not moved accordingly during the year, and this has resulted in a maladjustment, confronting the insurance companies with an embarrassing and difficult situation in the light of the aforesaid provisions of the Insurance Act and Rules, *vis-a-vis* the depressed condition of trade and industry for the duration of its continuance. While a setback in the business of insurance companies under such conditions is all but natural, their permissible limit of expenses has necessarily to go down, following a fall in premium on direct business, whatever be the consequences of the application of such a rigorous formula. The question has, therefore, arisen whether the marginal companies which are hard put to it can at all survive, even if they are inherently sound. While insurance business in India has yet a considerable leeway to make up, it will indeed be unfortunate if such companies are forced out of existence for sheer non-compliance with a technical standard the merit and value of which are open to question.

Prosperity of a Company

"The matter, to my view, calls for critical examination from those who are interested in the well-being of the trade. It seems inequitable to assess the position and prosperity by direct business alone, and even that from year to year. The prosperity of a company is linked up with many factors, of which underwriting plays an important part. It will be unfortunate if the present measuring rod is adhered to without taking into account other facets of insurance business, including incoming and outgoing reinsurances. These two sectors consume a sizable part of the expenses of general insurance, and whilst, therefore, a reasonable proportion of the expenses may be prescribed for direct business, it is both reasonable and a practical necessity that a suitable percentage should also be allowed to cover expenses for the reinsurance business.

"Another undesirable consequence which emanates from this factor of linking up expense with direct business alone is the scramble for direct business in the market which it directly fosters. Admittedly, with limited availability of direct business in the context of present trade conditions, this scramble to seize direct business by any means acts to the unscrupulous as a potent inducement to have recourse to malpractices. It is good that the Code of Conduct has been evolved with a view to improving the ethics of the trade and to eliminating malpractices, which, as pointed out by many, vitiate the trade; but the two principles enunciated by the Government about the present business-expense relationship and the Code of Conduct seem to go one against the other, and the matter calls for a basic rectification by suitable modification of the standard of permissible expense.

Quantum of Expense

"In this connection, it is well to point out that at present whilst formulating their plans and programmes at the beginning of the year, the insurance companies have to work on the basis of some presumed conditions, not having any precise knowledge of the quantum of expense for the year, or of any relaxations that may be made in respect of expenses scheduled for the year, for which plans are made. I understand that the Department of Insurance exercises its discretionary authority after reviewing the results, but such post-mortem examination cannot be conducive to sound planning of business progress. Companies require to have a clear and dependable idea in advance of the limit of their expenses, so that they can adjust their programme accordingly, and refrain from taking a gambling chance.

"Directly connected with the scramble for direct business is the fall in rates of marine and other non-tariff business in the country. Due to slack export market and scramble for what business is available the marine rates have already reached the rockbottom level. It is open to question whether current rates have any statistical relation to claims experience. It is a matter of regret that even under such circumstances, a sizable part of the contract overseas is allowed by authorities to be made on c. & f. basis, which leads to further diminution of business available to Indian insurers.

Difficult Position

"There would thus appear to be no studied policy to ameliorate the difficult position of the insurers in the country. Their only basis of reliance at present is the discretionary leniency of the Government and the Administrative Authority. It is neither desirable nor honourable for insurers to approach the Government for exercise of such discretionary authority, and it stands to reason whether the Administrative Authority, can exercise its authority without subjecting itself to criticism on the score of discrimination. They are not likely to be acquainted with the particular problems facing each insurer, and have, therefore, to evolve a common policy for general application which may not meet the requirements of individual companies. Evidently, this must result in hardship to those companies whose trading conditions may justify special treatment.

"My object in dwelling upon these few salient points in the present address is to draw the attention of the Government and the authorities concerned to some of the outstanding practical difficulties in the working of general insurers. I need hardly stress that these call for a constructive review and re-examination in the light of experience, so that a suitable policy may be evolved conducive to the furtherance of the progress and prosperity of general insurance business in the country on sound lines.

"Before I close, I would like to express my appreciation of the useful services rendered to the Society by the field staff, office and the management of the Company, and their endeavours for establishing the Company on a firm footing. I hope in the years to come their co-operative effort will be available in the same way towards attainment of better results, and steady progress."

The Hindusthan General Insurance Society's financial position is sound, as will be evident from the fact that apart from a capital of Rs. 15 lakhs (in 30,000 ordinary shares of Rs. 50 per share) the Society's reserves aggregate Rs. 13.02 lakhs. The reserves consist of:

General reserve	1,20,000
Exchange reserve	90,000
Reserve for depreciation of investments	1,05,000
Reserve for bad debts	38,500
Fire Insurance Fund	5,08,426
Miscellaneous Insurance Fund	97,360
Workmen's Compensation Fund ...	2,234
Marine Insurance Fund	3,40,000
Total ... Rs.	13,01,520

COFFEE PRICES AND MARKETING POLICY

NEED FOR IMPARTIAL ENQUIRY

THERE seems to be no common ground on which the Government of India, on the one hand, and the coffee interests, on the other, could meet and solve the problem of the coffee industry in the interest of both the coffee grower and the consumer. The various statements issued by the Commerce Minister, the coffee planters and the coffee dealers from time to time go to show that the differences of opinion are widening, with the Government showing no signs of appreciating the well-reasoned view points of the industry.

In reply to a question in the House of the People recently, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, stated that the large stocks of coffee now in the country had had no effect on the consumer's price. It was his personal opinion that the prices had not yet come down to a reasonable level. Obviously, this statement admits that coffee prices have come down in recent times, but not to a "reasonable level." The extent to which prices have come down will be evident from the fact that Plantation 'A' for instance, which stood at Rs. 325 per cwt. in the pool auctions of September, 1952, now stands at Rs. 220 per cwt. In fact, coffee prices have, after coming down rapidly from September, 1952 to April, 1953, more or less stabilised at about Rs. 220 per cwt. The earlier fall in prices was due to the cancellation of the export quota for 1952-53 and the Government's directive to release coffee through various channels.

Although the auction prices are now lower than those a year ago by over 30 per cent., the coffee interests are complaining of lack of offtake and accumulation of stocks. There is reported to be an accumulation of stocks of coffee with the Coffee Board to the extent of 14,700 tons. Does this mean that production of coffee is in excess of consumption? Or does it mean that the price of coffee is still beyond the means of average consumers? There is considerable difference of opinion on this point. Even coffee growers have admitted that consumption in the country is almost equal to production and it was on this basis that an export quota of 2,000 tons was originally fixed for 1952-53. It, therefore, seems that the stocks of 14,700 tons held by the Coffee Board does not represent the real surplus. In other words, coffee has not been freely flowing to the consumers. The reasons for this state of affairs needs to be examined.

Biddings at Auctions Poor

In the meanwhile, the fact remains that bidding for coffee in recent months has been very poor. The Commerce Minister himself admitted that the quantities earmarked for supply through the co-operative societies, propaganda units, etc., have not been fully taken up. According to another source, out of about 1,750 tons offered through Coffee Houses, only 595 tons were taken up by them, during the seven months, January-July, 1953. During the same period, 3,150 tons were offered to co-operative societies which, however, took no more than 1,314 tons, and 3,160 tons were offered at local auctions which could absorb only 1,553 tons. On the basis of these reports, a conclusion that forces itself is that the price of coffee is still high. But it can be argued that, in the previous year when the price of coffee was much higher than now, the offtake was not so poor as at present. Why then, it may be asked, is the demand slack, even though the present prices are lower? A plausible answer to this question will be that the purchasing power of coffee consumers in the country has gone down. In the light of the present economic conditions in the country, that seems to be partly true.

One explanation for the poor offtake of coffee is the uncertainty about the future trend of coffee prices. And, if anyone is to be blamed for this, it is the Commerce and Industry Ministry. Thus, in the face of the constant threats held out by the Commerce Minister and in the absence of any indication as to what extent the Government desires that coffee prices should go down, traders are unwilling to buy coffee in large quantities. Further, the Government has not yet announced the basic price for the current season. It follows from this that, if the offtake of coffee is to be stimulated, the uncertainty caused by the Minister's statements should be quickly removed.

The hesitancy on the part of the wholesale trade freely to buy coffee would appear to have resulted in very restricted supplies at the retail end. That is probably one reason why the price of coffee is still high for consumers. It is true that coffee seeds could be had through India Coffee Houses and co-operative societies at favourable rates, but these sources of supply are not found all over the country and, further, are not accessible to all. Be that as it may, the accumulation of unsold stocks with the Coffee Board has created a problem to the growers. The Board is unable to make payments to the planters and the industry is crying hoarse that it is losing heavily by way of warehouse charges, interest and deterioration of stocks. According to one estimate, the industry stands to lose Rs. 50 lakhs on the 1952-53 crop. What is more, in the face of accumulation of the 1952-53 crop, as mentioned above, the new crop will begin to flow in from December, 1953, onwards. This will further aggravate the problem of warehousing. Coffee growers are, therefore, considerably agitated over the present indecision of the Government.

Basic Price and Grower's Profit

Any suggestion to bring down the basic price of coffee is strongly opposed by producers. They contend that the cost of production has gone up so high that there is scarcely any scope for reducing the basic prices, without jeopardising the future of the industry. The Government, however, argues that the growers have been getting a price far in excess of the basic price. According to an official spokesman, the basic price of Plantation 'A' has been raised from Rs. 90 per cwt. in 1946-47 to Rs. 180 in 1951-52. Similar increases has been made in the case of other varieties also. The basic price does not represent the amount that the grower gets, but only the minimum he is entitled to receive. In addition to it, the grower gets all the profit made at the auctions as well as in exports, if and when they are allowed. In this manner, in 1947-48, as against a basic price of Rs. 120 per cwt. for Plantation 'A', the grower got Rs. 150-8. In 1949-50, as against a basic price of Rs. 135 per cwt., the grower got Rs. 182-8. In 1950-51, he got Rs. 180-13-4, as against Rs. 155 and in 1951-52 Rs. 215 to Rs. 220, as against Rs. 180 basic. There have been similar rises in the case of other varieties also. It is pointed out that, while the basic price is fixed by the Coffee Marketing Committee on the basis of the cost of production, the grower makes additional profit every year considerably in excess on his cost. So far as the consumer is concerned, he has to pay a price in excess of the price that the grower gets, because he has to bear the excise duty and the cost of administration of the Coffee Board, both of which are added to the price paid to the grower. In addition, the profit of middlemen is also borne by the consumer.

It will be noted from the foregoing that the grower has been getting a price in excess of the pool basic price throughout these years. But this is not a new feature. What is relevant to the point is whether the gap between the basic price and the actual price he gets has increased to any worthwhile extent. In other words, the question is whether the gap has increased to such an extent as to cover all the increases in costs and leave a reasonable margin of profit to growers. The latter maintain that it has not. They, therefore, argue that any reduction in the basic price will deprive the planter of all incentive to increase production and will, in the long run, only lead to higher prices and scarcity.

The issues to be thrashed out are, therefore, clear. The consumers' price should be brought to a more reasonable level. At the same time, the grower should be assured of a price which will not take away his incentive to grow more and thereby to bring down his cost of production which will ultimately benefit the consumer. Ways and means must be found to achieve this objective. Since the Government and the industry have failed to arrive at an amicable settlement, the issue must be referred to the decision of the Tariff Commission.

The only other alternative, in the absence of such an understanding, is to free the industry from all controls and allow the inexorable laws of economics to set right the situation. These laws no doubt operate harshly in the initial years and the expected results may not be achieved quickly. But, ultimately, they will restore the balance and bring about a healthy situation. After all, coffee is not a necessity and is consumed only by a section of the people of India. The restoration of free trading will mean that the co-operative marketing at present conducted by the Coffee Board will have to be given up. This will, it is feared, wipe out a large number of small estates. That, however, is inevitable. If the ultimate object is to bring down coffee prices, then only the economic units should be allowed to exist. It is high time the policy of providing crutches to support uneconomic units of production in every sector of activity in the country was ended.

JUTE INQUIRY COMMISSION

The Jute Inquiry Commission visited Sheoraphuli, an important secondary market for raw jute in Hooghly district, recently to make spot study of the factors involved in jute trading and the interests associated with it.

The *kutcha* balers, commissioned agents, and *aratdars* (stockists) working in this centre, who between them buy, sell and store all the jute grown in this predominantly Dalsee area before the fibre is finally disposed of in the terminal market in Calcutta, were individually examined by the Commission. The members of the Commission also witnessed the processes of assortment of fibre and its subsequent transformation into *kutcha* bales. From Sheoraphuli the Commission went to Dankuni, about 12 miles from Calcutta, to see the operations of harvesting and bundling of jute, steeping, retting and extraction of fibre.

Discussions with jute growers working on the fields yielded to the Commission some useful information from the primary producer's point of view. The Commission also saw the standing crops of line-sown jute raised by cultivators under expert guidance of the Indian Central Jute Committee.

FALL IN EXPORTS OF HEMP

WAGON SHORTAGE AFFECTS PRICES

THE latest to complain about wagon shortage among those unfortunate minor industries which have been assigned a lower priority in the scheme of wagon allocation is the hemp industry. Although sunn hemp does not figure so strikingly in the list of export commodities such as jute and tea, it is certainly one of those commodities which, if properly nursed and developed, are capable of adding considerably to the country's earnings. The exports of hemp from India rose from 271,118 cwts. in 1950-51 to 416,997 cwts. in 1951-52. In the following year, however, they dropped to 336,000 cwts. In value these exports represented Rs. 1.28 crores, Rs. 2.48 crores and Rs. 1.44 crores, respectively. The U.K., France, Italy and the U.S. were the principal buyers. The fall in export of hemp in 1952-53, according to Mr. G. S. Poddar, President of the Indian Hemp Association, Calcutta, is not due to any increase in local consumption but chiefly to delays in despatches of hemp to overseas countries on account of railway transport bottleneck. Presiding over the latest annual meeting of the Association held in Calcutta last week, Mr. Poddar observed: "Transport has been the most overriding factor in the situation, and, while buyers naturally chafe against continued and prolonged closure or restriction of bookings and are inclined to doubt often its validity, the sellers themselves have of late become cautious about undertaking commitments."

The complaints of Mr. Poddar, as also of the spokesmen of many other minor industries, such as soap, lamps, pharmaceuticals, leather, etc., which have been persistently heard, should serve as a serious reminder to the Indian railway authorities that, unless they increase their wagon capacity, no major development of the country's economy would be possible. Since the expansion of minor industries is held back by the priority system now in vogue, there is every urgency to see to it that the system is withdrawn as early as possible through measures calculated to augment supplies of wagons on our railways.

There is also another cause which seems to have adversely affected the Indian hemp industry. That is, according to Mr. Poddar, the improved supply position of the fibre in the world. Italy, the Philippines and Indonesia have, it is said, staged a complete revival of their production. In East Africa, the output is stated to have gone up further. The production of hemp in Italy is said to have risen from 64,139 tons in 1951 to 66,741 tons in 1952. It is estimated to go up to 70,000 tons this year. With a carry-over of 30,000 tons there has been a fall of 25 per cent. in the price of Italian hemp. The output in the Philippines in 1952-53 is estimated at 341,518 bales, as against 335,812 bales in the previous year. Besides, the production of other fibres such as sisal, abacca and henequen also seems to be 600,000 tons at present as against 527,000 tons in pre-war years. Again, substitutes such as wood-pulp, flax waste, and flax tows are now freely available to the tissue paper industry which is the main source of demand abroad for Indian hemp. In the result, Indian hemp has been experiencing keen competition from these, with prices experiencing a marked fall in recent years. The price for Indian hemp in the U.K. ranged between £112 and £180 per ton c.i.f. in June, 1951. Since July that year, prices have been sagging, the present quotation being about £64 per ton.

It is stated that in early June this year there were in the home markets nearly 1,200 tons of hemp awaiting movements against previous contracts. Stocks are also stated to be lying in the mofussil but shippers are not taking any interest in them, owing to the downward trend in prices.

The hemp industry is also suffering from another handicap. The competitive power of the fibre seems to have been affected by 'Agmark' charges which have been increased from As. 12 per bale to Re. 1 per bale. The increase is stated to be acting harshly on a small crop such as hemp which can hardly be expected to bear progressively increasing imposts.

In view of the difficulties facing Indian hemp, the Government should go into the complaints of the industry and take such measures as are necessary for the promotion of its exports. It is to be hoped that Mr. D. P. Karmarkar, who is now in charge of export promotion, will look into the matter without delay.

JAY ENGINEERING WORKS LIMITED

LALA SHRI RAM REVIEWS WORKING AT ANNUAL MEETING

PROSPECTS FOR LIGHT ENGINEERING INDUSTRY EXAMINED

THE prospects for the light engineering industry of India in the export trade of the country were examined by Lala Shri Ram, Chairman of the Jay Engineering Works Ltd., in his address to the Company's shareholders at their Annual General Meeting held in Calcutta on 17th September, 1953. Lala Shri Ram saw no reason why the engineering industry, in general, and the light engineering industry, in particular, should not be able to build up a very good export market, if quality articles were produced at reasonable cost and if the Government, the manufacturers and the workers of this country helped in the export business with a single-mindedness. Lala Shri Ram also reviewed the steps taken by the Company itself in this direction. The problem of unemployment in the country and the measures to solve it were also examined by Lala Shri Ram in his speech, the full text of which is given below:

"GENTLEMEN,

"The Directors' report and the accounts have been in your hands and I will make only a few remarks of a general nature.

"I am glad to say that the year ended 31st March, 1953, has been one of slow, but steady, progress. It was a year not very much of increased production, but of consolidation and improvement of quality. This consolidation and improvement was not confined merely to the USHA sewing machines, but equally to electric fans and hurricane lanterns.

"The depression of February-March, 1952, is known to all of you inasmuch as it affected many industries, particularly engineering industries adversely. The position of the lantern industry was particularly bad, but we brought down our prices suitably and saved ourselves from heavy accumulations and subsequent loss. The quality of our fans has also considerably improved, but we did not think it proper to increase the prices on that account.

"I had told you in 1951 that our aim was not merely to make money, but that we wanted to serve our country. We realise more than ever before that there are very few rich people in our country who can afford to buy costly things, and, if we want to serve India, then we will have to manufacture and supply quality goods at prices which our countrymen can afford to pay.

Price of Sewing Machines Reduced

"In view of this policy we reduced the price of our sewing machines also in July, 1953, although it was not necessary to do so, as we had ready sales, but the purchasing power of the people was going down, and we, without any demand from our customers and at a time when all other manufacturers of well-known makes were, in fact, increasing their prices, reduced the prices of our sewing machines by Rs. 20 per machine. This reduction, I am glad to say, has been very much appreciated both by our sales people as well as by our customers.

"During the year under report some unscrupulous dealers had started the practice of importing, under the guise of spare parts, complete units of sewing machines to the detriment of the sewing machine manufacturers in this country, on the one hand, and the manufacturers of spare parts, on the other. We are grateful to the Ministry of Commerce and Industry for taking timely steps for stopping the unfair activities of these people.

"I said, in my speech last year, that we are steadily building up our export business and increasing our sales. You must have seen from the report in your hands that, while the value of exports in 1951-52 was about Rs. 12 lakhs, in 1952-53 it was more than Rs. 16 lakhs. We are exporting to more and more countries every year, and are opening branch offices and appointing agents in many of these, and we hope that the export value this year will be much bigger than what it was in 1952-53. We export our sewing machines, electric fans and hurricane lanterns to about 25 countries.

"But as we try to get over one difficulty, other difficulties arise, and we now find that the shipping charges for about the same distance from India to various importing countries are much higher than from other exporting countries for the same distance to the countries to which they export. We are collecting figures for this purpose and will then approach the shipping companies, as also the Government, to help us out of this new difficulty, so that our competitive capacity in foreign markets may not be unfairly affected.

"I have always held that, if quality articles are produced and at reasonable cost, and if the Government, the manufacturers and the workers of this country help in the export business with a single-mindedness, I see no reason why the light engineering industry, in particular, and the engineering industry, in general, should not be able to build up a very good export market. Our raw materials, such as pig iron and steel, are cheaper than in any country in the world; we have intelligent labour, but what is, however, wanted is that the Government, the manufacturers and the employees should put their heads together and with a firm will to serve the country. The Government can help by carrying at low railway freight rates from the manufacturing centres to the port towns; providing steel, pig iron, etc., of proper quality and at particularly lower prices to the exporting engineering industries so long as these articles are controlled; giving help to the concerns who would produce special kinds of steel, and where import duties on raw materials or semi-finished articles are levied, by either abolishing the same or devising quick and easy refund procedure.

Efforts to Reduce Cost

"While, on the one hand, every effort is made to improve the quality of our products, every effort has been made and is being made to produce articles at decreasing costs to be able to stand in competition, on the other, and our efforts are gradually showing results. This is possible only because every one from the highest to the lowest has co-operated and contributed his mite, and this is only due to our continued friendly relations between officers and the workers, in short, between all concerned. While we are striving to reduce the cost of what we make, it is our definite intention that nobody's income in our concern should go down; if anything, it should improve.

"With the object of improving the quality of our products and reducing the costs, we have installed a number of costly machines, for instance, amongst others, an up-to-date bright bar drawing plant and a die casting machine.

"We have also improved the working conditions in our various sections. In many of our departments the working conditions were not as good as one would have liked them to be, and I am glad that steadily the working conditions are being improved.

"The whole assembly section has been thoroughly revised under an expert engineer from Germany. There are already improvements visible and soon things will be even better.

"The competition in the world market is constantly increasing. Every country to-day finds it more and more difficult to export. It is no longer a sellers' market, but a buyers' market, and, if all the three parties will not take concerted steps, India's exporting industry, in general, and engineering industry, in particular, may seriously be affected.

"In the fan section, the improvements have been indeed very marked and our Deluxe fan is so much in demand that, in spite of the increase in production we have not been able to meet it. More or less the same applies to our other sections, i.e., sewing machines and hurricane lanterns.

"Our foundry to-day is looked upon by all users of good quality and light castings in this part of the country as the one place where they can get their patterns satisfactorily made and satisfactory castings and at reasonable prices. As a matter of fact, the demand on our foundry to-day is more than we can easily meet.

"Our tool room department is equally popular, and both the quality of our work and our prices, as also our meeting the requirements of our customers in promised time, are bringing to us new customers steadily. We now feel that we will have very soon again to expand our tool room very considerably.

Unemployment

"These days, there is great increase in the number of the unemployed. We are glad to say that, in spite of our installing from time to time automatic and labour-saving machines, we have never reduced the strength, but, in fact, the total number of workers is higher to-day than at any time in our history.

"The unemployment position has aggravated, as, due to the lower purchasing power and higher cost of production, a number of factories have found that they could not manufacture their goods at prices within the means of the purchaser. It is the low purchasing power and the high cost of production which has caused a number of factories to close down or to curtail production.

"It is not that there is superfluity of manufactured goods. As a matter of fact, the consumption of various kinds of goods in this country is lower than in any Western country. The standard of living is far below what it should be, which means that the people cannot buy even the normal requirements. On the other hand, there are unemployed people which means that the work is there and the workless are there, but the two have to be brought together in a properly organised fashion. So far as either reduction in production or complete stoppage of production causing unemployment is concerned, may I suggest that there should not be only two alternatives, i.e., either complete stoppage of work and unemployment and starvation for the workers and losses to the employer due to closure, or full remuneration to labour and normal return to the employer. Surely, between these two extremes, there must be a *via media*, where both can make sacrifices, so that the factory may not go out of production, but produce goods at prices at which the consumer can buy, and to some extent unemployment may be reduced. It is a matter in which it is desirable again that the Government, labour and capital must sit down together before damage is done or a particular unit has to close down causing misery and loss to all concerned.

"In India, generally, and in Bengal, in particular, the distress among the educated classes on account of unemployment is of a very serious nature. We, in our own humble way, have made a beginning and we already have amongst our workers over 160 who have studied upto or passed either matric, intermediate or B.Sc., and over 225 middle pass, not to mention over 200 clerks. We are trying to help this class to an increasing extent.

"We are also glad to say that we have devised a system of our own for providing work to those men and women who cannot work in the factory, but need work at their homes. We are now providing work at their homes for over 200 persons, and intend to expand steadily in this direction for the benefit of all concerned.

Suggestions from Employees

"I had told you on previous occasions that we had introduced a scheme of getting suggestions from our employees. This has become a regular feature and is working extremely well. Quite a number of the suggestions made by our workers and accepted and put into practice have helped in solving problems which had been baffling us since long and the Company has given them suitable rewards. We are rightly proud of such men.

"Various types of new ideas, such as quality control, training within industry, time and motion study, handling of materials, etc., have been introduced and are being systematically attended to and are showing good results. As a matter of fact, I am glad to say that all concerned are taking keen interest in this direction.

"On the welfare side, we have built more than 200 additional houses for our workers, and a big theatre and meeting hall with sitting accommodation for over 4,000 persons. We have also built an up-to-date canteen.

"We have various types of outdoor games, and I am glad to say that our football team this year has been an unbeaten group champion in the 'B' Division Inter-Office Football League

(*Continued on page 659*)

PATTERN OF WORLD STEEL PRODUCTION

IMPORTANCE OF CONTINUOUS WIDE-STRIP PROCESS EXAMINED

THE most notable development in the history of the manufacture of steel so far is the development of the continuous wide-strip process, evolved in the early years of the twentieth century. This development has virtually transformed the pattern of world steel production, inasmuch as the wide-strip process is being universally adopted. In view of this, and the anxiety of India to install a steel plant of the latest model, an attempt is made here to review the development of the continuous wide-strip process.

The term "continuous wide-strip process" is used to cover: (a) Fully continuous mills comprising a roughing train of two or more stands placed in tandem and a finishing train comprising four or more stands also placed in tandem, the steel travelling continuously through the roughing and finishing trains without reversing at any stage; (b) semi-continuous mills comprising a reversing roughing train of one or two stands and a continuous finishing train of four or more stands placed in tandem; and (c) in Europe, Steckel mills (a single-stand reversing strip mill with coiling furnaces). The term covers only those mills producing hot-rolled flat products. In Europe, this classification includes only those mills capable of producing strip wider than 500 m.m. In the U.S., the term theoretically applies to mills capable of producing strip of 300 m.m. and more, but there appear to be relatively few mills in the U.S. producing flat products between those widths.

First Mill

The first continuous wide-strip mill was installed in the U.S. in 1924 and now this country has 33 mills, out of a world total of 55 such mills actually in existence or definitely planned. In Europe, the U.K. has been in the forefront in the introduction of the continuous wide-strip process as also the adoption of the associated process such as cold-reduction and electrolytic-tinning. Before the Second World War, Continental Europe possessed only one full continuous wide-strip mill and one Steckel mill (so-called, because it was developed by Mr. A. P. Steckel in 1931-33). This is a single-stand reversing mill, different versions of which may be used (for the hot-rolling or cold-reduction of wide-strip), both being in Germany. It is stated that Demag, one of the German firms with which the Indian Government has concluded an agreement for the establishment of a steel plant in India, was the first to introduce the wide-strip mill in Germany. But, since the war, practically every European country has been trying to adopt this process. As a result, two continuous strip mills have already been installed in France, one semi-continuous mill in Belgium and a Steckel mill in Luxembourg. Holland, Italy and Austria have each installed a semi-continuous mill. West Germany is planning to replace its dismantled Dinslaken continuous mill and also add a second Steckel mill. Belgium is hoping to have a second semi-continuous mill in operation next year. It is expected that, by 1956, there will be 11 continuous wide-strip mills and four Steckel mills in operation in West Europe, at least three and probably more in the U.S.S.R. and East Europe. The U.S.S.R. is said to have already two mills, one of which was obtained as war reparations from W. Germany. Among other countries, Brazil, Canada and Japan have each a wide-strip mill. Australia is contemplating installation of a continuous wide-strip mill.

The development of these mills is a natural corollary of the growth of demand for all types of flat products, which comprise plates, sheets (coated or uncoated), hoop and strip and their derivatives such as cold-rolled sheets and tin-plate, since it is these forms of steel which find new outlets in a highly developed economy. The demand for these products is increasing faster than the demand for any other type of steel. In the U.S., for instance, in 1951, flat products accounted for 58 per cent., as compared with 40 per cent. in West Europe, and approximately 30 per cent. in East Europe, West European output of flat products is expected to rise from a total of some 16.5 million tons in 1951 to no less than 25 million tons in 1956. It is this phenomenal growth in the productive capacity of flat products in West Europe that was the main factor which prompted the U.N. Economic Commission for Europe (Industry Division) to conduct a study of production and consumption trends in flat products and their implications to the economy of Europe. The results of this study (priced at $1 or 7s. 6d. and available from all dealers in U.N. publications) was published in May last.

The bringing into operation of these mills involves three major problems: First, the utilisation of the mills at a sufficiently high rate of operation to ensure reduction in costs; secondly, the probable markets for the products manufactured; and, thirdly, the complications caused by the obsolescence of so high a proportion of the existing plants.

Consumption of flat products can be influenced by the policies followed by Governments and by inducing changes in national habits which represents a problem in itself. The essential factors are, however, on the side of the steel industry, because the products produced should be cheap and of good quality. The principal consuming industries, too, have to alter their policies in such a way as to ensure a mass demand for standardised articles.

Problem of Obsolete Plants

The institution of continuous wide-strip mills and their ancillary undertakings and the modernisation of plate mills will inevitably render obsolete a large part of the existing steel capacity. The full benefits of modern productive presses can be attained more rapidly and the inevitable social disturbances minimised, especially in Europe, if a well-thought-out obsolescence policy bolder than the one that is at present conceived is put into operation. The alternative is likely to be a prolonged death struggle of obsolete sections of the industry to survive, which may, in the long run, be more harmful to the general interests, social as well as economic, in such countries as those of Europe where the pace of development of the continuous wide-strip mill has been sufficiently rapid. Unless, however, concerted effort is made by producers and consumers alike to expand the market for flat products, it is just possible that the present rate of development of the continuous wide-strip mill process may be followed by a period of under-utilisation of the expanding capacity.

Commenting on the market prospects of the rapid development of wide-strip steel mills, the British Iron and Steel Federation, in its July *Monthly Statistical Bulletin*, makes the following significant observations:

"One question posed by the E.C.E. is whether it will be possible to keep all these expensive strip mills fully employed. The Commission has serious doubts on this score, though it specially excludes the U.K. from this conclusion. On the Continent, wide-strip mills have been the major projects in steel-industry development since the war. It is arguable that they have been installed at too fast a rate—partly because questions of national prestige have been involved—despite the attempts at international co-ordination. Some of the mills are not well sited for economical production, and it is doubtful whether in any European country outside the U.K. adequate steel making facilities are being provided to enable the mills to operate at capacity. Whether there will be a sufficient inducement to balance these development projects, and to attempt to operate the European mills at something like the American rate, must depend in part on market prospects. The consuming industries—already considerably more developed in this country than on the Continent—will need to enlarge their capacity further if the demand for flat products is to show the hoped-for expansion. This, in turn, must depend upon the further growth of demand for such "consumer goods" as motor cars, kitchen equipment and containers, which are the typical products of these processing industries.

"In this connection, it is tempting to point to past experience in the U.S., where the development of the continuous strip mill was followed by a sharp fall in the relative prices of sheet and tin-plate; and where demand consequently showed a phenomenal expansion. A relative cheapening of flat products, with a marked improvement in quality, may also be expected as the Continental strip mills come increasingly into production. But the fact remains that American incomes are far above the European level—creating a much bigger market for motor cars and household appliances; and that the burden of taxation relatively to incomes, was considerably lower during the years of expansion in the United States than it is in most European countries to-day. The Continental strip mills—like their American counterparts in earlier years—may, therefore, have to face a period of under-utilisation before the new capacity can be fully taken up. But the period may be shortened, or possibly eliminated altogether, if a concerted effort is made by producers and consumers alike to extend the market for thin flat products."

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PREFABS DESIGNED FOR THE TROPICS

As a result of interest in an exhibit at the last British Industries Fair and of direct market research, one of the leading firms in Britain's rapidly expanding prefabricated-buildings industry is about to produce a new range of units specially designed for tropical climates. A company official, Mr. H. J. Rush, said recently that it was hoped to have them on display at the B.I.F. next spring. He also intimated that the manufacturers, who have so far concentrated on single-storey buildings, are now engaged on production of their first three-storey prototype.

Until this year all the sales emphasis has been on the British home market, and the success achieved can be measured by the fact that to-day 70,000 children all over the country go daily to schools prefabricated by the firm.

Mr. Rush explained that the Company's structures are designed to be as cheap as traditional buildings, to have as long a life, and to be much quicker to put up without making impossible demands on scarce materials or scarce specialised labourers: should be able to erect the main structure of a two-classroom school in one day on a prepared site, with a further five or six days for finishing and decorating.

The firm's present prefabricated buildings, though designed mainly for temperate conditions, are suitable for the tropics in that they incorporate a minimum of timber and are made of materials resistant to damp, rust and insects. The new range of tropical units is, however, being produced with the specific requirements of tropical regions in mind.

TREE-FELLING DEVICE

A hydraulic-powered wedge which fells giant trees in minutes is being tested by the United States Forest Service near San Bernardino, California. The three-foot-long wedge device does the job after preliminary cuts with a chain saw. When the lumberman has determined the direction in which he wants the tree to fall, he saws an undercut in that side of the trunk and another cut on the opposite side. Then, inserting the wedge in the second cut, he pumps the hydraulic mechanism which drives in the wedge to topple the tree. The device eliminates the use of hundreds of wooden and steel wedges as well as the packing and swinging of heavy sledge hammers, according to the Hufford Machine Works of El Segundo, California, its manufacturer. The company claims that the wedge device reduces the danger of falling branches, sometimes caused by the shock of sledge hammer blows, and gives the logger much better control over the direction of the tree's fall. The device can be carried on a sling over a lumberman's shoulder. Only a few minutes and a minimum of effort are needed to topple a 100-foot tree with the combination wedge and saw technique. It has been used in the San Bernardino National Forest to eliminate trees infested with pine beetle.

SHIPPING ACTIVITY AT U.K. PORTS

The aggregate net tonnage of vessels entering British ports with cargo in the foreign trade during July was the highest since August, 1951. Statistics published in the *Board of Trade Journal* show that, at 6,500,000 tons, the July total was 177,000 tons higher than in June, but on a daily average basis entrances were slightly lower, as July was a longer month. The total clearances with cargo were also at a high level in July, rising by 291,000 to 4,600,000 tons net, the highest figure for clearances since August, 1939. The daily average was 3 per cent. higher than in June, and 5 per cent. higher than in July, 1952.

Foreign tonnage accounted for 46 per cent. of entrances with cargo in July, as against 45 per cent. in June, and 42 per cent. in July last year. Foreign tonnage accounted for 36 per cent. of clearances, the same as for July last year but slightly lower than in June. Entrance in ballast totalled 1,700,000 tons net, the daily average being 8 per cent. higher than in June. Clearances in ballast, aggregating 3,600,000 tons, were the highest since the end of the war.

MYSORE IRON AND STEEL WORKS

PROBLEM OF SURPLUS STOCKS OF PIG IRON

AT a time when the iron foundries in India are complaining of gradual deterioration in the supplies of pig iron, the news that the Mysore Iron and Steel Works, Bhadravati, is faced with the problem of disposing of a large quantity of surplus pig iron may sound rather strange. But it does not appear to be so on a careful consideration of facts. The quality of pig iron produced at the Bhadravati Works is high and it is not generally used in the ordinary foundries. Secondly, its selling price is very high. Thus, while the prices of charcoal pig iron and electric pig iron are Rs. 220 and Rs. 200 per ton f.o.r. Bhadravati, pig iron from the Tata Iron and Steel Co., Ltd., is available in Bombay at Rs. 150 to Rs. 160 per ton, irrespective of quality. It is true that the quality of pig iron of the Tata Company is not as high as that of Bhadravati pig, but it is sufficient for the purpose of the foundries.

The main reason for the difficulty of the Bhadravati Works is increased production of pig iron of a high quality for which the market is said to be limited. Formerly, the blast furnace was producing about 25,000 tons. But, presently, this furnace, along with the two electric pig iron furnaces installed, recently, is producing nearly 92,000 tons a year. Another electric pig iron furnace is expected to be ready shortly and, when this goes into production, the total output of pig iron at the Works will be more than 125,000 tons. The three electric pig iron furnaces are expected to produce an average of 360 tons per day.

While the output of pig iron is thus on the upward trend, there has so far been no corresponding increase in the consumption of these types of pig iron in the country. It is stated that, of the present total output of 92,000 tons, nearly 42,000 tons are consumed at the Works and about 4,000 to 5,000 tons per annum are sold outside. There is thus a surplus of about 45,000 tons. The stocks of pig iron at the Works now are estimated at 24,500 tons.

Disposal of Stocks

How to dispose of the surplus output of pig iron is certainly a big problem. This can be done by increasing the capacity of the steel and the casting plants at Bhadravati. Any surplus left over, after meeting the requirements in India, may be exported. It is said that this high quality pig iron is in good demand in many countries, especially in Japan. But it is desirable to devise ways and means of consuming this surplus within the country itself for obvious reasons. We are told that the Mysore Company is fully alive to this need and has been urging the Government of India to sanction early the expansion scheme for steel manufacture already submitted by it. Pending the examination of this scheme, it has submitted another scheme for the installation of a cast iron pipe plant estimated to cost Rs. 45 lakhs. This plant is expected to absorb about 12,000 tons of pig iron per annum. The Works has also submitted a scheme for an alloy and steel plant estimated to cost Rs. 30 lakhs. But, as the plant will not consume pig iron, it is not relevant here. It is to be noted, in this connection, that the management of the Bhadravati Works considers that, if the Works were to run as an economic unit, the major portion of the pig iron produced at the Works should be converted into steel. It feels that, having already completed the first stage of the expansion scheme, it is not desirable to delay further the second stage of the scheme, namely, increase in manufacture of steel. It is true that the price of Mysore steel is higher than that of either of the other two steel-making units in India, namely, the Tata Iron and Steel Co., Ltd., and the Indian Iron and Steel Co., Ltd. But this disadvantage could, it is said, be offset to a large extent by helping the Mysore Works to concentrate on the production of a variety of high quality products for which there is a good market and which fetch higher prices.

With a view to reducing the cost of production of steel, the Works is also examining the alternative processes of the manufacture of steel. It is considering, for instance, the adoption of the Basic Bessemer process, instead of the Acid Bessemer process. For, under the Basic Bessemer process, the cost of steel will be appreciably lower, as basic phosphatic slag will also be produced as a by-product which will go to reduce the cost of ingots by about Rs. 35 to Rs. 40 per ton. The Works is also considering the adoption of the new oxygen process for the manufacture of mild steel. The management of the Works point out that, if these alternatives were adopted, the cost of Mysore steel would not be higher than what it is expected to be in the case of the new Government-sponsored steel plant.

A light maintenance grader which, it is claimed, will handle many of the smaller jobs on which larger earth-moving machines have, until now, had to be uneconomically employed has been introduced by a British firm. The new machine, with a working weight of 8,000 lbs. and a big 42-b.h.p. motor, is capable of moving large amounts of earth and—because of its sensitive hydraulic controls which give quick, easy response to finger-tip touch—of grading to fine limits.



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TRAINING YOUNG MEN FOR INSURANCE WORK—I

LACK OF EDUCATIONAL FACILITIES

AT the last annual meeting of the Chartered Insurance Institute, held in London, the President of the Institute, Mr. H. Routh, referred to the problem of the shortage of recruits to the insurance field in his own country and urged that insurance deserves to "attract the best brains in the country." He was, therefore, led to consider the problem whether British insurance was getting the "best recruits available." In the course of discussion of this problem, he made quite a few interesting observations which deserve as much notice in this country as in the one to which they were addressed.

Mr. Routh deplored that more young men were nowadays being attracted to the universities or technical institutions than formerly. Although he did not, naturally enough, decry university education as such, he asked whether the universities were not admitting young men who "would have been more profitably engaged in business." He added:

"Young men on the threshold of a university career should remember two things. Firstly, a degree does not of necessity mean a job. There is, I believe, a higher proportion of unemployment among university graduates than among unskilled labourers. Secondly, I maintain that several years in commerce give a man an education second to none. The market place is still the best university in the world."

Old-fashioned Virtues

Why does not insurance work appeal to the British youth of to-day as much as it did to an earlier generation of men? Mr. Routh provided the answer by pointing out that it appeared as though insurance had an "old-fashioned sound in the ears of the rising generation." He said:

"As regards those who do not proceed to the universities, I sometimes think that insurance may have an old-fashioned sound in the ears of the rising generation. In fact, insurance in one sense at least is old-fashioned. By that, I mean that insurance upholds certain old-fashioned virtues which are by no means universally popular nowadays—thrift, free enterprise, good faith and individual responsibility and initiative, for example. It is rather a disturbing thought that some of the fundamental principles on which our business is based should seem prim and unfashionable in the modern world. Yet it may be so, and it is possible that young people who hesitate to come into insurance are unconsciously affected by such ideas. If they are, the fault must be partly ours for not proclaiming our faith to people we meet outside insurance. There never has been room for compromise over the essentials of our business. We do believe in thrift, in free enterprise, in good faith and individual responsibility and initiative—and we shall continue to believe in them, whether they are in fashion or not. Perhaps also we have been at fault in telling our new juniors too much about pay and privileges and too little about duty, discipline and diligence."

Since insurers are finding it difficult to attract "new blood" into the industry, they are trying to make working conditions easier by improved salary scales, staff canteens, more free Saturdays and other devices. After referring to this trend towards making service conditions more acceptable to the workers, Mr. Routh said:

"Strange as it may seem, the appeal of comfortable salaries, easy hours, cheap lunches and short cuts to success is limited. In removing all possible reasons for his dissatisfaction with his conditions, you often make a man dissatisfied with himself. This is the dilemma that has arisen out of the numberless manifestations of the welfare principle we have seen in the last few years. It is not for me to deal with the larger implications of that problem, but, as far as the problem concerns insurance, I feel that to preserve the high standards of service and achievement our officials have maintained in the past, we must offer entrants to the business something more dynamic than Saturdays off and subsidised lunches. Far more effective than these are the inspiration of scope to ambition and the satisfaction that comes from doing work that is interesting and important. Such inspiration and such satisfaction we can certainly offer to those who seek a career in our business. ...

"Security and comfort hold out no great attraction to a vigorous young man just commencing his career. We are far more likely to get the best response from him by appealing to his spirit of adventure, enquiry and service—to the latent wish that is in every young heart to work for success and, at the same time, to help his fellow-men. Insurance, we can tell him, offers fulfilment to the most adventurous spirit or the most enquiring mind. There are opportunities abroad for those who seek them and, at the same time, there is infinite scope for adventure and profitable study in the home field, where insurance meets at first and every phase of the industrial, commercial and social activity that gives life and purpose to our native land. We should also tell our young friend that the strength of this country of ours has for many generations resided in that powerful section of the community which is engaged in professional work, commerce, administration and management—and that insurance is the ideal medium for preserving and developing the particular values and professional and administrative abilities that are typical of our best national characteristics and traditions."

Community of Interest

Mr. Routh was justifiably proud of the international character of insurance. There is no doubt that, if there is any profession which might be truly described as being world-wide in scope, it is insurance. Mr. Routh said:

"We might add that insurance, characteristically British as it may be, is also international, and that, in these days of a world in which distance has been annihilated and willy-nilly we are all neighbours, insurance plays an increasingly important role in contributing to international understanding and the achievement of world peace. Insurance men everywhere speak the same language and enjoy a community of interest. In all sincerity, I believe that that friendly relationship between fellow-practitioners of all races and creeds, based on the same ideas, incorporating the same moral standards, can be a powerful factor in the building of a better world. Naturally, one can hardly expect that a raw youth contemplating an insurance career is likely to understand or be directly influenced by these considerations. What I do think is that, if those who seek to influence newcomers to our business are aware of this broad cultural background to our activities, they can hardly fail to impart to the novice the enthusiasm and the questing interest in our many-sided world that have been the mark of the best insurance men throughout the years."

How are candidates for insurance recruited in this country? It is deplorable but true that no systematic attempt has been made to attract able young men to the field of insurance or to train those who are absorbed, apart from the isolated attempts, made by certain leading individual insurers, to train young recruits for executive positions. In general, for the ambitious young man, who has received only pre-university education, there is no means by which he can either improve his chances in life or learn to do his job in a more intelligent manner. In India, the problem is somewhat different from that in the U.K. There is fortunately no lack of manpower. Many are willing to take up a career in insurance, though Government service still attracts the best talent available in the country. But the point is whether insurers provide that all-round training which alone could make their staff more efficient in their work. Again, what facilities have young men in this country to acquire such knowledge of insurance as will make them better field workers or better members of the profession? This is a question which deserves to engage the attention of both the Government and the insurers.

(*To be continued*)

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RUBY GENERAL INSURANCE CO., LTD.

The general decline in business activity which was witnessed in 1952 is reflected in the report and accounts of the Ruby General Insurance Company, Ltd. (Manager: Mr. J. P. Kanoria, Calcutta), for the year ended 31st December, 1952, when the total premium income in the Company's general department aggregated only Rs. 70.38 lakhs as against Rs. 74.24 lakhs in the previous year. This decline was shared by the miscellaneous and marine departments in which the net premium income aggregated only Rs. 34.09 lakhs and Rs. 9.75 lakhs, respectively, as compared with Rs. 39.08 lakhs and Rs. 12.65 lakhs in the previous year. It is, however, noteworthy that the premium income in the fire department registered an increase of Rs. 3.42 lakhs to Rs. 25.94 lakhs. Indeed, the fire account has, once again, proved to be the mainstay of the Company, for it is this account which has, as it did last year, more than made up for the losses sustained in the other two departments. The Directors have consequently been able to maintain the dividend at 3½ per cent.

The following table gives the progress of the Company's fire, marine, and miscellaneous departments during the three years ended 1952:

(Rs. in lakhs)

	Year ended 31st December		
	1952	1951	1950
Fire Department			
Net premium income	25.94	22.52	21.17
Net claims paid and outstanding	7.62	8.49	9.04
Commission and expenses	11.53	7.12	8.04
Profit	4.79	7.91	4.09
Fire Fund	10.88	9.01	10.88
Miscellaneous Department			
Net premium income	34.09	39.08	34.79
Net claims paid and outstanding	24.42	27.05	21.43
Commission and expenses	13.80	18.41	16.80
Profit (+) or loss (—)	—3.93	—6.22	—4.46
Miscellaneous fund	13.88	15.63	13.92
Marine Department			
Net premium income	9.75	12.65	10.40
Net claims paid and outstanding	8.37	8.23	4.72
Commission and expenses	5.10	4.54	4.00
Profit (+) or loss (—)	—1.65	—0.36	+3.14
Marine fund	4.14	5.37	5.19

It will be seen from the table above that the impressive increase in the net premium income in the miscellaneous and marine departments which was witnessed in the year 1951 has been lost during the year under review. Explaining the setback in the marine business, Mr. B. M. Birla, Chairman, stated, at the annual meeting, that it was mainly due to the "serious competition" which this department had to face, "resulting in severe rate cutting." In the miscellaneous section, the decline is due to the adoption of a deliberate conservative policy, for the management has wisely refrained from underwriting uneconomic risks. This should be equally welcomed, for, as the Chairman rightly holds, it is only "by adopting a very cautious underwriting policy that heavy loss in this department can be avoided." But conservation does not mean stagnation. That the Company is alive to the need for exploring new avenues of improving as well as extending its activities is evident from the fact that it is trying to "establish itself as aviation underwriters in the international market." The Chairman expressed the hope that the Government would place the aviation insurance business—now that airlines have been taken over by the Government—with such Indian companies as have established regular aviation departments.

In the life department, the new business completed during the year was Rs. 2.49 crores, as against Rs. 2.58 crores in the previous year. The Company's total premium income improved from Rs. 55.97 lakhs to Rs. 56.07 lakhs. Another feature, which the Company shares with several other insurers, is that the yield from investments has gone up; it was 3.43 per cent., as against 3.02 per cent. in 1951.

The profit for the year, together with the amount carried forward from the previous year and the transfer of Rs. 0.72 lakh from the exceptional loss reserve account, aggregated Rs. 1.67 lakhs. After transferring Rs. 55,000 to the reserve for bad debts, there was a balance of Rs. 1.12 lakhs. The payment of the dividend of As. 4 per share absorbs Rs. 1 lakh, leaving a balance of Rs. 12,157 to be carried forward, as against Rs. 29,214 brought in. The Company's financial position is very sound, as will be evident from the fact that it has, apart from a capital of Rs. 32.0 lakhs, reserves aggregating Rs. 248.10 lakhs, inclusive of fire insurance fund of Rs. 10.38 lakhs, miscellaneous insurance fund of Rs. 13.88 lakhs, marine insurance fund of Rs. 4.14 lakhs and life insurance fund of Rs. 202.78 lakhs.

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HINDUSTHAN GENERAL INSURANCE SOCIETY LTD.

Although the working of the Hindusthan General Insurance Society Ltd. (Officer-in-charge: Mr. D. Das Gupta) during the year ended 31st December, 1952, resulted in a decline of Rs. 2.34 lakhs in the overall premium income which aggregated Rs. 19.82 lakhs, it is satisfactory to note that the net premium income in the Society's accident and marine departments actually moved up from Rs. 2.36 lakhs and Rs. 4.25 lakhs, respectively, in 1951 to Rs. 2.49 lakhs and Rs. 4.62 lakhs in the year under review. Thus, the overall decline is mainly accounted for by the setback only in the fire department. Even here, it is the sizable decline of about Rs. 3 lakhs in the foreign business portfolio of the department that was responsible for the decline in fire business. Commenting on the working of the Society, Dr. N. N. Law, Chairman of the company, made a reference to the decline in general business activity and said:

"It was all but natural that such a setback in general conditions of trade and industry should have its repercussions on the insurance business which thrives on them. It called upon your Society to exert itself to the utmost to overcome the difficulties and it is a matter for gratification to me to be able to say that, despite the heavy odds, our Society has acquitted itself well in its work during the last year, as will be evident from its business figures."

The following table gives the working of the Society during the three years ended 31st December, 1952:

(Rs. in lakhs)

	Year ended 31st December		
	1952	1951	1950
Fire Department			
Net premium income	12.71	15.65	13.85
Claims paid and outstanding	4.78	5.71	6.97
Commission and expences	8.01	7.72	7.28
Profit (+) or loss (—)	+1.06	+1.40	—0.62
Accident Department			
Net premium income	2.49	2.36	2.10
Claims paid and outstanding	1.14	1.27	0.86
Commission and expences	1.40	1.14	0.97
Profit (+) or loss (—)	—0.10	—0.09	+0.32
Marine Department			
Net premium income	4.62	4.25	3.67
Claims paid and outstanding	2.12	2.07	0.65
Commission and expences	1.78	1.35	1.79
Profit	0.23	0.61	1.24

The table above shows how the net premium income in the Society's accident and marine departments has increased from year to year. In the fire department, the decline, as stated already, is due mainly to the setback in the Society's foreign business. The following table gives the premium income from the Society's Indian and foreign business in all the three departments of the Society for the three years ended 31st December, 1952:

(Rs. in lakhs)

	Year ended 31st December		
	1952	1951	1950
Fire			
Indian	2.67	2.21	1.21
Foreign	10.40	13.34	12.34
Miscellaneous			
Indian	2.47	2.22	2.07
Foreign	0.02	0.13	0.09
Marine			
Indian	2.89	2.39	1.61
Foreign	2.23	1.86	2.07

The Society's fire and marine departments are working on a profitable basis. The accident department, however, has again shown a loss, which is by no means an uncommon feature of the working of general insurance companies, whether in this country or abroad. After taking into account the profits from the fire and marine departments at Rs. 1.06 lakhs and Rs. 0.35 lakh, respectively, and the net income from interest, dividends and rents and other sundry items, the profit and loss account shows a credit of Rs. 1.79 lakhs. After making the necessary adjustment for the loss of Rs. 0.10 lakh sustained in the accident department, a sum of Rs. 1.69 lakhs has been carried to the profit and loss appropriation account, which, together with a sum of Rs. 0.19 lakh brought forward from the previous year, makes in all Rs. 1.88 lakhs. Out of this sum, the Directors have provided Rs. 85,000 for tax, Rs. 22,000 for reserve for bad debts and Rs. 5,000 for reserve for depreciation of investments, leaving a balance of Rs. 73,030. The payment of a dividend of Rs. 2 per share or 4 per cent. per year (the same as was paid last year) absorbs Rs. 60,000, leaving Rs. 13,030 to be carried forward. The Society's financial position is strong. As against a capital of Rs. 15 lakhs, it has reserves aggregating Rs. 13.01 lakhs, inclusive of fire insurance fund of Rs. 5.08 lakhs, accident and miscellaneous insurance fund of Rs. 1.00 lakh and marine insurance fund of Rs. 3.40 lakhs.

RUBY GENERAL INSURANCE CO., LTD.

SATISFACTORY PROGRESS IN FOREIGN BUSINESS

PRESIDING over the Annual General Meeting of the Ruby General Insurance Company, Ltd., held at Calcutta on Friday, 25th September, 1953, Mr. B. M. Birla, Chairman of the Company, emphasised the need for a liberal exchange control policy, in order to facilitate the expansion of foreign business by Indian insurers. He pointed out that the Company had maintained its satisfactory progress in the overseas field.

The following are extracts from Mr. Birla's speech:

"GENTLEMEN,

"The report of the Directors and the audited accounts for the year 1952 have been with you for some time and I expect you would permit me to take them as read.

"The following figures will reveal the progress of the Company:

Table A—General

	1952	1951	1950
	Rs.	Rs.	Rs.
Fire ...	25,94,000	22,52,000	21,17,000
Miscellaneous	34,69,000	39,08,000	34,79,000
Marine ...	9,75,000	12,64,000	10,40,000
Total Rs.	70,38,000	74,24,000	66,36,000

Table B—Life

	1952	1951	1950
	Rs.	Rs.	Rs.
New business	2,49,00,000	2,59,00,000	3,27,00,000
Life assurance fund ...	2,02,78,000	1,68,39,000	1,33,71,000
Premium income ...	56,07,000	55,97,000	52,42,000

"There has been a fall in the total premium income in the general business but examining the figures section-wise you will find that there is a satisfactory increase in the fire premium income, in spite of the lower commodity prices and the general business slump prevailing during the year under review. The decrease in the marine premium has been mainly due to the serious competition which this department has to face resulting in severe rate cutting. The scope of marine cover in recent years has become much broader and sometimes the underwriters are called upon to bear the losses which normally are of trade nature. It is, therefore, imperative that the premium rate should be maintained at a reasonable level which will be commensurate with the underwriters' liabilities. The reduction in the miscellaneous premium income has been due to the more cautious policy your Company has pursued in underwriting automobile and other accident risks. The automobile insurance has fared unfavourably all over the world in recent years and it is only by adopting a very cautious underwriting policy that heavy loss in this department can be avoided. It is a matter of satisfaction that the loss in this department is considerably lower as compared to that of previous years.

"Your Company is doing considerable business in aviation insurance and is trying to establish itself as aviation underwriters in the international market. The Government has recently nationalised the Indian airlines. I, therefore, reasonably expect that the Indian companies who have established regular aviation departments would continue to get Government support to sustain their departments sufficiently so that they may be counted as aviation underwriters of good standing in foreign countries.

"The Company has maintained its satisfactory progress in the overseas field but sometimes it cannot expand its activities according to the programme due to the rigid policy of the Insurance Department as well as of the Exchange Control authorities. A liberal policy by the Government would help the establishment of Indian insurers in the international market which will ultimately benefit the national economy.

"The business of life department has been slightly less this year than the previous years but in the last two years its expense ratio has been considerably brought down. Both in the year 1951 and 1952 the life department fund increased approximately by Rs. 35 lakhs annually as against Rs. 25 lakhs in the year 1950. The renewal expense ratio has shown further improvement. The interest yield has also increased and it is 3.43 per cent. in 1952 as against 3.02 per cent. in the previous years. It is hoped that the interest earning of life department would show a further improvement in future years."

ESTRELA BATTERIES LTD.

MR. F. H. MEHTA'S SPEECH AT ANNUAL MEETING

THE Fourteenth Annual General Meeting of the shareholders of Estrela Batteries Ltd. was held in Bombay on 25th September, 1953, Mr. F. H. Mehta, J.P., Chairman, presiding. Before reviewing the working of the Company for the year ended 31st March, 1953, the Chairman referred to the untimely and tragic death of Mr. Jagmohandas J. Kapadia, one of the Directors of the Company, and paid a tribute to his experience and profound knowledge of company law and accounting, which were greatly helpful to the Company. Mr. Mehta thanked the Committee of Management, which was appointed by the Board of Directors in April, 1947, for conducting the affairs of the Company efficiently up to the end of the year, when Messrs. Choonilal Manilal Ltd. took over charge as Managing Agents. Referring to the Company's working, Mr. Mehta said:

"The Directors' report and the audited statements of accounts for the year ended 31st March, 1953, having been in your hands for some time, I will, with your permission, take them as read. Before moving their adoption, I would like to say, at the outset, that the working of your Company for the year under review, has resulted in a meagre profit of Rs. 7,729-1-2 without making any provision for depreciation.

"In order to enable your Directors to recommend the dividend on preference shares, they have to fall back on the reserve fund by transferring the sum of Rs. 50,000 therefrom.

Competition

"The rapid drop in the profits, as compared with the previous year, is due to several reasons enumerated in the Directors' report, such as unprecedented fall in Government sales, strike at the Bombay Gas Co., Ltd., increase in price of raw materials and reduction in selling price of the finished goods. We have, in our industry, a powerful foreign unit which has at its disposal the technical assistance and know-how and other resources of a powerful foreign combine. The prejudice for our products is hampering us to such a great extent that to stand in the market we have always to maintain a price structure about 15 per cent. below theirs. Even the Tariff Commission, during the course of its enquiries, came to the conclusion that 'the two Indian units are already struggling hard to maintain their position in competition with the foreign unit. In the case of this industry, however, which, at present, consists mainly of three units, the elimination of two units will result in the remaining unit acquiring a monopolistic control of the entire field and this is obviously not in the long-term interest of the consumer.' I concur with this view and I feel that, if things are allowed to be continued in this way, a time may come when the Indian units will be non-existent. In view of the above, I appeal to the Government that it should find out a way to allay this difficulty."

Proceeding, Mr. Mehta observed:

"Efforts are being made to improve the quality of our products, as well as to increase production, by introducing new machinery wherever possible, as and when required, in our factory, and to bring down the production cost."

Protection

Adverting to the Government of India's resolution, following the Tariff Commission's enquiry into the continuation of protection to the dry battery industry, not to extend protection beyond 31st December, 1953, Mr. Mehta drew the shareholders' attention that it would be open to the industry to apply afresh for protection, if the underlying assumptions of the Commission's recommendations changed.

Mr. Mehta went on to say:

"In view of the adverse results of your Company, no bonus has been paid to the staff and workers of the Company.

"Regarding the working of the current year, I feel hopeful in the light of the results achieved so far.

"I now propose that the Directors' report, together with the audited statements of accounts for the year ended 31st March, 1953, be received and adopted. After the resolution is duly seconded, I shall be glad to deal with any enquiries from the shareholders."

PROBLEM OF UNEMPLOYMENT

SOME MISCONCEPTIONS REMOVED—ERRORS OF PLANNING COMMISSION BROUGHT OUT

(By Prof. D. R. SAMANT, School of Economics and Sociology, University of Bombay)

THE problem of unemployment has fortunately started attracting increasing public attention in this country. Whether the employment situation has really worsened lately in the proportion to the public agitation on that account may be subject to doubts. All the same, unemployment is an important economic problem in this country and needs serious attention.

Many people seem to be at a loss to explain how employment could have decreased when, as a matter of fact, prices and production have shown some rise during the past few months. But the situation will not prove so baffling, if it is viewed in the context of certain economic conditions and events.

In so far as prices are concerned, it must be remembered that the past year or so has been the period of decontrol. The justification for controls was the supposed disparity between demand and supply which, in the absence of controls, was expected to result in a great rise in prices. But, in spite of there being no significant increase in production, the lifting of controls has not led to much rise in prices. For instance, prices of cereals have risen but a little and so also the prices of cotton textiles. That the prices of such important necessities of life have shown such immaterial rise after decontrol, without there being any noteworthy increase in the supply, means that the demand for them meanwhile must have decreased a great deal. The only other explanation can be that the controls were entirely unjustified. But there is no doubt that controls in those days were justified. So the insignificant rise in prices after decontrol must be attributed to a sudden fall in demand during the corresponding period. This fall in demand must obviously be due largely to fall in employment.

Experience of Other Countries

In other countries, where employment has been maintained at a high level, the rise in prices has been much more. For instance, since 1948, the wholesale price index has risen in some of the important countries as follows:—

	Per cent.
Australia	88
France	57
U.K.	50
Union of South Africa	51
Canada	14

As compared with these figures, prices in India to-day are only round about 3 per cent. higher than in 1948. It must also be remembered that the high prices abroad influence the Indian price level through their influence on the prices of our exports and imports. In short, the small rise in prices in India alongside of increasing unemployment need not cause any perplexity.

Of course, this does not mean that we should have allowed a 50 per cent. rise in our price level too. What it means is that, with any programme of economic development worth the name, it would not have been possible for us to remove controls with such small rise in prices. The fact is that, though the Planning Commission has supported controls, it has removed all need for controls through its financial programme. It has completely failed to grasp that what matters here is not so much the size of public investments but the methods of financing them. Investments financed by external assistance, or by measures of additional taxation and borrowing, or by further deficit financing are not the same thing.

No Cause for Wonder

The next question is why should employment decrease when production is on the increase? The published production figures cover agriculture and large-scale industries. It should be easy to understand that the small increase in agricultural production need not mean any increase in employment. Similarly, such, increase in the large-scale industrial production as has been there can actually come about without any increase in employment or even with decrease in employment. During the war period, first because of high profits and, secondly, because of excess profits tax, employment in factories had increased much in excess of the increase in production. With the disappearance of excess profits and excess profits tax, as well as the controls, the employers are much more interested in keeping costs down. Besides, the labour costs also have increased a good deal recently. The employers, therefore, are now very keenly interested in cutting costs by keeping employment as low as possible and by getting from the workers as much as possible. So, considering the room for improvement in the organisation and management of Indian industries and the intervening surplus employment, there is no wonder if some 12 per cent. increase in industrial production since 1951 is accompanied by fall in employment.

Fall in Demand

But the total fall in demand undoubtedly has been much more than what is likely to be caused by the fall in employment in large-scale industries. This means that employment elsewhere, say, in services and certain other occupations supplying less essential consumption needs must have decreased to a much greater extent. In short, it should be clear, how, viewed against the proper economic background, the small rise in prices and production of agriculture and large-scale industries need not be incompatible with a fall in the total employment and income.

It is, of course, very difficult to make any accurate quantitative statement regarding the size of unemployment, owing to the lack of any up-to-date comprehensive data. The published figures cover only a part of the total employment and are very much in arrears. But, on the whole, it seems that employment in private sector is declining; much more so in the case of unorganised small-scale occupations. Looking to the figures published by the employment exchanges, it is clear that, while registrations are increasing, the placements are decreasing. Considering these facts, it should be obvious that, though accurate figures cannot be given, there are clear trends of declining employment. The situation is made worse by non-absorption of the new entrants to the labour market, who consequently inflate the ranks of the unemployed. For, India, it is not enough to have stable employment, but we must have expanding employment. The development programme, started under the expert guidance of the Planning Commission, was expected to achieve this. But, unfortunately, the introduction of the development programme, far from being followed by *increasing employment opportunities*, has actually been followed by decreasing employment opportunities. Even the Planning Commission had to admit in the Progress Report that, "in the general economic situation, the more serious development has, however, been the appearance of signs of growing unemployment." This is so, in spite of the fact that investments in the public sector under the Plan have been increasing from year to year. Such increase in investments must result in creating additional employment. If, in spite of this, unemployment is growing, it means that employment in other sectors of the economy is decreasing at a faster rate.

Test of An Expansionist Programme

Any expansionist programme worth the *name must result in increasing* the total employment. Increase in employment, if not accompanied by fall in wages, is bound to increase total national income. In India, money wages, far from falling, have actually been rising during the past few years and hence increase in employment must result in increasing national income. An increase in national income must necessarily mean either an increase in money supply or rise in its velocity of circulation or, and usually, both. No increase in employment, with constant or rising wage rates, can therefore be imagined without increase in monetary circulation. Now, according to the Planning Commission's Progress Report, the domestic money supply during the Plan period has declined by about Rs. 115 crores, which, by the way, seems to be an underestimate, looking to the Reserve Bank figures. A part of this decline, the Report says, is due to a shift from demand to time deposits. What, in short, this means is that, during this period, there has been a fall in the quantity as well as velocity of money. With quantity and velocity of money declining on the one hand, and labour costs prices rising on the other, transactions, that is, economic activity, and consequently employment, must have declined still more. In short, there has undoubtedly been a *rapid decline in employment* in the recent past, though there may be differences of opinion regarding the exact magnitude of the rate of that decline.

Wrong Conclusion

According to the Planning Commission, the growing unemployment "is largely a consequence of the break in the world prices, the deterioration in terms of trade, and the effect of these on domestic income." (Progress Report, page 2.) Fall in world prices can affect domestic employment by reducing production for exports or by reducing the surplus in the balance of payments. But, as the production of export commodities has not decreased, it means that fall in foreign demand was made good by rise in internal demand. So employment in the production of those commodities need not fall. Another possible effect of the fall in world prices may be that, as the total income earned from the exports decreases, the employment created by the expenditure of that income will decrease too. But, if whatever is earned abroad is spent abroad, then whether we earn more and spend more or earn less and spend less it will have no effect on domestic employment. From that point of view, inasmuch as there has been adverse trade balance during this period, the high or low income earned abroad must have affected the size of the deficit only and not domestic employment. Besides, a large part of the high income earned because of the high world prices was appropriated by Government by way of export duties. When, following the fall in the world prices, export duties were reduced or removed, a big part of the fall in income was suffered by Government. But this had no adverse effect on Government expenditure which actually has increased. So, in short, it is wrong to say that employment in India has decreased because of the fall in the world prices of our exports.

As regards the deterioration in terms of trade, it may reduce relatively the real national income by reducing the quantity of imports available in exchange for exports; but, by itself, it need not have any adverse effects on domestic employment. The decline in world prices for our exports, therefore, cannot be accepted as the cause of the growing unemployment.

Another explanation offered by the Commission is that "the growth in unemployment recently in evidence is mainly an urban phenomenon caused by a sharp contraction in trading incomes." (Progress Report, page 3.) This is a wrong explanation and that it should emanate from an expert economic body is astounding. The fall in trading incomes is itself the result of fall in demand which in its turn is the result of fall in employment. The Commission has thus reversed the order of the cause and the effect. In so far as foreign demand is concerned, as pointed out above, owing to adverse balance of payments, the high or low profits earned on exports must not have had any effect on domestic employment. The fall in trading incomes from domestic trade no doubt must have caused a second round of contraction of economic activity; but that certainly is not the originating cause.

Not Progress But Regress

As none of the explanations offered by the Commission can be accepted as satisfactory, the cause of the growing unemployment must be sought somewhere else. At the outset, it must be remembered that growing unemployment is the result of declining national income. The total national income is made up of consumption expenditure (public expenditure—transfers) and private investments. And so if total national income, in spite of increase in public expenditure, is declining it means that consumption expenditure and private investments are decreasing more than the increase in public expenditure. This obviously signifies not economic progress but regress.

In respect of determining national income, Government expenditure plays a key role. Private investments, being mostly induced ones, follow up the general trends that may be generated by public expenditure. From the point of view of national income, what is important, as pointed out earlier, is not the size of the public expenditure but the method of financing it. For an expanding economy, Government expenditure must result in initiating a rise in national income. This can be done in two ways by mobilising the idle cash holdings or by increasing the total money supply. Under normal economic conditions, i.e., in the absence of depression, Government borrowings are bound to be more at the cost of private investments, say, in buildings, than by way of mobilising idle cash holdings. Besides, for a rapid economic expansion, as is desired in this country, the monetary circulation must increase by much more than what can be achieved by demobilisation of the idle cash holdings. For this, the total Government disbursements must exceed the total Government collections in form of taxes and loans from the public or what is known as budgetary resources in Government of India's parlance.

Now let us see what has been the result in this respect of the total developmental expenditure by the Central and State Governments during the first two years of the Plan for which figures are published in the Progress Report. Of course, the rest of the budget of these Governments is supposed to be neutral from the income point of view. According to the Progress Report, the total outlay on the Plan by the Central and State Governments during the first two years of the Plan amounts to Rs. 584 crores. As against this, the total withdrawal of money by these Governments amounted to Rs. 596 crores. This figure is made up as follows: Taxes and railway surpluses, which is also a form of tax, Rs. 310 crores; loans from the public Rs. 130 crores; sale of securities, held in reserve, to the public, as the Progress Report admits, Rs. 66 crores; proceeds of the sale of American wheat, approximately Rs. 90 crores: total Rs. 596 crores. So the net effect of the developmental programme during the first two years of the Plan, instead of being expansionist has actually been deflationary. The whole development programme, instead of increasing the supply of money to the economy, has actually resulted in contracting it by nearly 12 crores of rupees.

Deflation Carried Too Far

The situation is made still worse by the adverse balance of payments. The total deficit on current account during these two years amounts to Rs. 169.1 crores. If we deduct from this Rs. 90 crores being the price of American wheat for which an allowance has been made above, the net deficit amounts to nearly Rs. 80 crores. Whether the deficit is financed by liquidating sterling balances or otherwise, it is bound to have deflationary effect on the economy. So Government transactions and the balance of payments transactions taken together, have been responsible for initiating a deflationary trend of the magnitude of more than Rs. 90 crores during the last two years. The total deflationary effect upon the entire economy is bound to be much larger owing to multiplier effects. No one who possesses any knowledge of economics, therefore, need feel surprised at the contraction of economic activity and employment in India during the Plan period.

With such deflationary trends, investments in the private sector cannot be expected to increase. Not only that but they are bound to decrease. Private investments, being induced investments, will not increase, unless effective demand increases. With declining effective demand, private investments are bound to decline. Here again things have been made worse by the rise in rate of interest and the scarcity of finance, thanks to the credit and monetary policy followed during this period. There is thus increase in the costs, on the one hand, and decrease in the expectations of profits, on the other. Under such a situation, private enterprise cannot be blamed for the stagnant or regressive economic conditions. Private enterprise is not on strike, but it simply finds it not worth while to function.

Importance of Demand Ignored

Surprisingly enough, the Planning Commission has completely failed in understanding the importance of demand for realising any increase in production in the private sector. It has proceeded to estimate increases in production and employment with complete indifference to demand as if it is not a determining factor at all. The Plan, too, does not contain anything that might lead to increase in demand in the absence of which all the estimates regarding increase in employment and production are bound to remain on paper only.

For instance, the Five-year Plan contains some estimates of the increase in industrial employment, large-scale, small-scale and cottage during the Plan period. Now, inasmuch as the production of this employment is meant for sale on the market, it will have to be accompanied by an equal increase in demand. Otherwise, howsoever we may wish for that increase in employment, it will simply not take place. Assuming all this increase in production to be of consumption goods, let us make a rough estimate of the rise in income that would be needed to create demand for the expected increase in production. The Planning Commission estimates that the additional employment in the mechanised industrial sector during the Plan period, i.e., 1951-56, will be of the order of four lakhs. Now, according to the National Income Committee, the productivity of the workers in such industries has been round about Rs. 2,000 a year. The total value at that rate of the production of these additional four lakhs of workers will be Rs. 80 crores. In the case of cottage and small-scale industries, the total employment is expected to increase during the same period by 20 lakhs. In this case, the productivity per worker is estimated by the National Income Committee to be Rs. 600 per annum. The total value of the production of the 20 lakhs of workers, therefore, would be Rs. 120 crores. These occupations are also expected to provide fuller employment to 36 lakhs of underemployed persons. Supposing, on an average, they are unemployed to the extent of one-third of the year, their additional contribution to production may be estimated at Rs. 200 per head per annum. The value of their contribution, therefore, will amount to Rs. 72 crores. The total value created annually by the estimated increase in employment will thus be Rs. 272 crores. Now, inasmuch as people spend only a part of their income on industrial products, the total increase in income will have to be much more than Rs. 272 crores if industrial products of that value are to be sold. According to the National Income Committee Report, of the total national output, only round about 17 per cent. consisted of "mining, manufacturing and hand-trades." So, erring on the liberal side, we may take 20 per cent. of the income being spent on consumption of industrial products. In that case, for creating a demand for Rs. 272 crores worth industrial products, the total income will have to rise by nearly Rs. 1,400 to Rs. 1,500 crores. If this increase were to be realised during the Plan period, the national income should have risen by this time at least by Rs. 500 crores. But nothing of that sort has happened. Actually, the national income to-day must have been less than what it was at the beginning of the Plan.

Certain Prerequisites

A pertinent question that arises here is how to follow a policy of expanding employment. Obviously, any increase in employment means increase in production. Such increase in production will not come about unless demand increases; and demand will not increase unless national income increases. National income in its turn will increase only as a result of increase in net investments. Investments for replacement of assets, as well as other investments out of prior savings, cannot increase the total national income. It should also be remembered here that even investments undertaken by new money will not increase national income if they are offset by adverse balance of payments. In short, if investments are to increase employment, they must result in increasing national money income, for that the planned investments must exceed prior savings, voluntary or compulsory, say, in the form of taxes. No increase in public investments financed by increasing taxation of the existing income will achieve any increase in total employment, except in special cases where the taxes may be paid at the cost of savings which would have not been invested. Not only that, but any rise in indirect taxes, impinging upon consumption, for financing more investments is bound to result in reducing total consumption and employment. The Planning Commission, unfortunately, has shown complete ignorance of the basic principles of financing employment expansion. And, if the present financial policy is not changed, we are sure to find ourselves faced by increasing unemployment.

The total amount of net investments needed for bringing about the desired expansion of employment need not be entirely in the public sector. Any increase in Government expenditure is bound to result in increasing demand. To meet the increased demand steps must be taken to increase production. This will be facilitated if institutions like the Industrial Finance Corporation come forward to guide and help private enterprise. They will have to direct and underwrite private investments. The Reserve Bank will have to supply finance, if necessary, against the backing of the underwritten capital issue. In this case, a part of the private investments also will result in increasing national income. Thus, private and public investments, both taken together, will contribute to the expansion of the total income and employment. To achieve maximum employment effect all the new investments should be undertaken not in the old industrial centres but in new places so that the geographical employment multiplier will be very high.

Not an Impossibility

It is frequently maintained that providing employment to the new entrants to the Indian labour market every year is a stupendous task, almost verging on the border of impossibility. But that need not be so. For instance, our Prime Minister is reported to have said recently that nearly 9 lakhs of new workers are to be provided with employment every year. That really need not be a difficult job for our economy. In the first place, all of them need not be employed in large-scale industries requiring huge capital equipment. Many of them will be absorbed in trading and building activities, other small-scale enterprises and personal services. Nearly 4 lakhs of people can be absorbed in this way if our national income increases sufficiently to pay for their services. In that case, only 5 lakhs of workers will have to be absorbed in industries. According to the Census of Manufactures, 1948, the average investment per worker in industrial factories was Rs. 1,100 and odd. If we deduct land values and make allowance for increase in prices, the average fixed capital investment required per worker may be taken as Rs. 2,500. This means total investment of Rs. 125 crores a year for employing 5 lakhs of workers. Supposing that, out of this Rs. 125 crores, nearly Rs. 40 crores are spent for imported capital goods, the remaining Rs. 85 crores, even at a multiplier of two, should generate an income of Rs. 170 crores, which should be enough to create employment opportunities for more than 9 lakhs. For instance, supposing the productivity of the 5 lakhs employed in large-scale industries is Rs. 2,000 per head per annum, the total value of their production will be Rs. 100 crores a year Similarly, supposing the productivity of the remaining 4 lakhs on an average is Rs. 1,000 a year, the total value of their output will be Rs. 40 crores a year. The total income generated by the initial investment, therefore, will be more than enough to create demand for the output of the 9 lakhs new entrants to the labour market. The excess demand created by the investment programme will prove useful in reducing the normal unemployment in the economy. For this, the most essential thing necessary is the net investment of Rs. 125 crores a year, in the public and private sector taken together.

Lastly, it may not be out of place to make here a passing reference to the two commonly held misconceptions regarding the employment problem in India. Quite frequently the present size of India's population and the annual additions to it are mentioned as the causes of unemployment. The large size of population need never be a cause of unemployment. As the consumption wants of population increase in proportion to increase in population, there is no reason why increase in population should be the cause of unemployment. Owing to niggardliness of nature, it may be a cause of relative poverty, but it need never be a cause of unemployment. Unemployment is essentially due to faulty economic organisation.

Technological progress is also frequently mentioned as the cause of unemployment. This again is entirely wrong. Technology simply increases the productivity of human labour. And, so long as total human wants have not become quantitatively absolutely fixed, there is no reason why any increase in the productivity of human labour should be a cause of unemployment. Employment is the function not of productivity but of demand. With deficient demand, unemployment will exist even with low productivity of human labour.—*All Rights Reserved.*

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AGRICULTURAL MINISTERS MEET

PROBLEM OF RIGHT METHODS OF APPROACH TO FARMERS DISCUSSED

THE conference of State Ministers of Agriculture and Co-operation, held at Delhi last week, met in an atmosphere completely different from that in which a series of such conferences were held in the past. Formerly, the conferences were held with a view to co-ordinating measures such as controls on price, procurement, distribution and production of foodgrains. As the country was faced with acute shortage of food, the attention of Ministers used to be concentrated mainly on grow-more-food schemes. The conference also used to devote attention to the question of procurement and supply of foodgrains in both surplus and deficit States. A good deal of time was also spent on allocation of quotas by the Centre to the States. State Governments undertook upon themselves the onerous work of feeding the urban and semi-urban areas through rationing. The Central Government too assumed the responsibility of subsidising foodgrains, giving grants and importing foodgrains to the extent of three million to about five million tons per annum. These allied problems too used to figure in the conferences in the past.

Events on the food front during the past year and a half have so developed that some of the problems noted above are not there, while the importance of others has diminished on account of the improvement in the food position. Thus, thanks to good rains and seasonal weather last year, the overall acreage under cereals was the highest so far in 1952-53, being roughly 200 million acres. In the output of rice, maize and barley, the country witnessed an all-time record during the year. The usual "grow-more-food" method has been supplemented with a drive for rice cultivation. The prices of foodgrains, which had proved a severe headache in previous years, have generally declined and, therefore, give not much cause for anxiety. Again, to-day, modified rationing has been introduced in 13 districts including 40 municipalities in West Bengal. At present, the rationed population in the whole of India stands at 39 million, as against 128 million at the end of 1952. Rice content of the ration has been increased in West Bengal, Madras and Travancore-Cochin. Imported wheat has been supplied at reduced price of Rs. 14 per maund for sale in scarcity areas in Bombay, Mysore, West Bengal and U.P. What is more, all State Governments can now sell wheat in any quantity, both to consumers and traders, except in P.E.P.S.U. and the Punjab. This freedom is the result of large stocks of foodgrains with the Centre as also the States. The total stocks, amounting to 2.2 million tons at the beginning of August last, compared favourably with 1.5 million tons at the end of 1952. The producer is also now free to move his produce wherever he likes within the State and sell it at the best price he can get.

Change in Food Position

In view of the changed position in the supply and distribution of foodgrains as noted above, the conference which met at New Delhi last week under the presidentship of Dr. Punjabrao Deshmukh could devote itself to the constructive task of increasing the output of agricultural commodities, on lines indicated in the Five-year Plan instead of to the negative problems of food controls. Dr. Deshmukh, in his address to the Conference, drew the attention of the State Ministers to the recommendations made by the Planning Commission to achieve the targets. These include, as readers are aware, the land policy aiming at fixing a ceiling on the existing holdings and eliminating fragmentation of holdings, organisation of Community Projects, establishment of National Extension Service, encouragement of the Co-operative Movement, development of cattle wealth, marketing of produce, reclamation of land, establishing contact with farmers through proper agencies. None of these problems is new They have been in existence for centuries. In fact, it was to tackle them that the Departments of both Agriculture and Co-operation were established over half a century ago. The progress made by these Departments during this period has not been as much as one would wish. There has undoubtedly been an increase in the staff of these Departments, in the funds allotted to them and in the land and debt legislation found necessary for ameliorating the condition of the farming classes. Funds also have been expended on spectacular agricultural research schemes. In spite of all this, the results achieved have not been commensurate with the amount of money and effort expended.

The causes for this poor progress are too familiar to need any detailed reference here. Although poverty, ill-health, illiteracy, outmoded methods of cultivation, unhelpful tenancy laws, uneconomic plots, reluctance on the part of farmers to adopt modern process of farming, etc., gave rise to a series of difficulties, the major cause was the lack of proper approach on the part of State Governments in the matter of carrying the results of research to the field. It is, therefore, encouraging to note that a special emphasis on this problem was placed by both the Prime Minister, Mr. Nehru, and Dr. Deshmukh in their addresses to the Conference.

Kisan, the Common Man

In his inaugural address, Mr. Nehru did well in drawing pointed attention to the fact that the common man, whom the Five-year Plan was supposed to benefit, was being forgotten. This was true, he said, not only of planning, but also of the administration in all its aspects. He declared that "no real progress could be achieved till this attitude is corrected." The only test of planning for Mr. Nehru was the improvement in the living conditions of the *kisan*, his food, clothing, shelter, the education of his children and the social services extended to his family. The *kisan* was the common man of India, but his face was being seen less and less in both the publicity work of the Government and the agricultural conferences. The peasant should be taught, he said, better methods of agriculture through these conferences and suitable methods of publicity.

The same aspect was stressed by Dr. Deshmukh also: "I feel distressed," he remarked, "that our Government farms and demonstration plots should, in most cases, run at a loss. We may be prepared to incur generous expenditure on research, but, wherever these results are to be put into practice, we must insist that they are proved and demonstrated to be profitable. Unless this is done, we will not be able to convince agriculturists that our suggestions will definitely benefit them." These observations are a clear indication that the Government is aware of the main defect in the manner of approach. The remedy suggested by Dr. Deshmukh to rectify the defect, namely, establishment of a two-way traffic between the Government farms and the farmers, needs to be applied without any further delay. For the backwardness of the Indian peasant classes can only be set right by bridging the gap that isolates the farmers from the centres of research and knowledge.

Gram Sewaks

The Planning Commission too had recognised the need for establishing links between the farmers and the Government. Hence its recommendation for the organisation of a National Extension Service. It proposed that extension service blocks should be set up to cover one-fourth of the country during the Plan period. Accordingly, a number of Community Projects were started at selected centres in all the States, with a view to associating the farmer with the economic development of rural areas. For the purpose of forming a link between the State and the peasant, *Gram Sewaks* are being trained. This new machinery has brought to the surface certain difficult problems of co-ordination between the administrators and the various technical officers in the States such as Directors of Agriculture, Joint Directors of Extension and Directors of Animal Husbandry. These difficulties have to be overcome through proper co-ordination. Another difficulty which has come to light is that the trainees admitted to the Extension Training Centres have no basic agricultural background. It is now sought to provide these trainees with agricultural education through agricultural schools to be started as wings of these centres.

In the light of the problems facing the Government, some of the important decisions reached at the Conference of State Directors of Agriculture and Extension, held at New Delhi on the eve of the States Ministers' Conference mentioned above, make interesting reading. The Conference discussed at length the role which the Agricultural Departments could play in the formation of National Extension Service and the pattern of administrative set-up for the execution of work in the Community Project areas and extension blocks. Opinion was unanimous on the point that the message to the farmers should not be conveyed at the village level through the staff of different development departments, but that there should be a single agency of a multi-purpose nature, i.e., village-level workers given training in all subjects, to convey development programmes to the villagers.

Development Commissioners

In certain smaller States, the position is simple as all developmental activities like agriculture, co-operation and public health, are concentrated in one department, and, normally, the Secretary of that department is also the Development Commissioner. While in some States the staff of all development departments at the district and village levels is being pooled and given necessary multi-purpose training for being utilised as village-level workers and supervisory staff, in others the work is done by specially trained village-level workers, with advice at the higher level from the technical staff of development departments. In certain States, the village-level workers have also to look after revenue work.

It was stated at the meeting that co-ordination of work between the Development Commissioners in charge of project areas and the heads of various departments was satisfactory, but the real difficulty arose at the stage where work was executed. It was felt that, while the planning of development programmes for the project areas should be done by the district officer in charge of such work, in consultation with the expert departments, the actual agency executing the work, namely, the village-level workers, should be subordinate to the district officer, i.e., the District Magistrate, and not to the expert departments.

The Directors expressed the view that development departments in charge of project work should not grow up to the exclusion of the technical departments, and that the Development Commissioner should mainly be the co-ordinating officer at the higher level and be in a position to command the full co-operation of heads of all the other departments concerned.

As in all rural upliftment matters agriculture would always take a prominent place, it was urgent that the executive agency at the project level should give more weight to good work done for agricultural development rather than concentrate attention on work of a spectacular nature, like construction of roads and digging of channels, which might not, after all, be of much tangible use to the rural population as a whole. Moreover, as the primary function of multi-purpose workers would relate to agriculture, the training of village-level workers for the extension service should generally be under the supervision of Agriculture Departments in the States.

It was agreed that seasonal agricultural courses, recommended by the I.C.A.R. to be conducted by research institutions in State farms for the benefit of extension workers and those interested in improved methods and practices, should be arranged wherever possible. Vacation courses on agricultural farms and advanced courses at research institutions were not favoured, but it was suggested that specialists from research institutions should, whenever opportunity arose, tour extension areas and acquaint themselves with local problems.

The meeting endorsed the recommendations of the Agriculture Information Conference held at Lucknow. It recognised that the appointment of village-level workers and the setting up of the extension service would provide a link between the villager and governmental agencies, but felt that this could be supplemented by constituting information committees at State, district and lower levels.

Agricultural Training

The Centre's offer of assistance to the State Governments for opening basic agricultural schools to make available trainees with agricultural qualifications for entry into the extension training centres was explained in detail. As the Central Government had offered to meet the full recurring and non-recurring expenditure, during the remaining months of the current financial year, in respect of basic schools, the State representatives were asked to submit their schemes as early as possible to secure maximum advantage from the Centre's offer.

The other subjects considered by the Directors were: (1) organising supply of pure seeds and fertilisers and plant protection, (2) conducting surveys of land erosion, (3) improving reliafarming co-operatives, and (5) developing village youth clubs.



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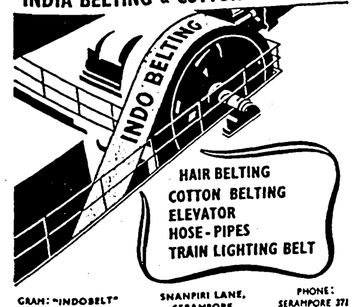

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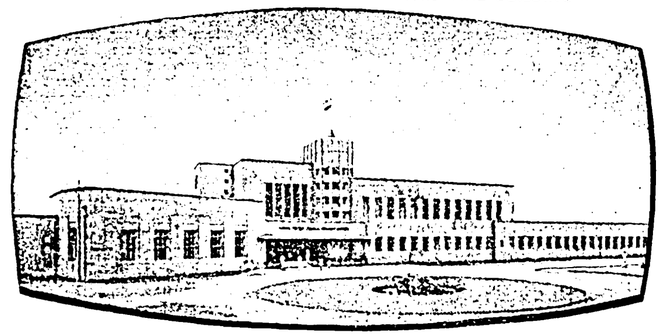

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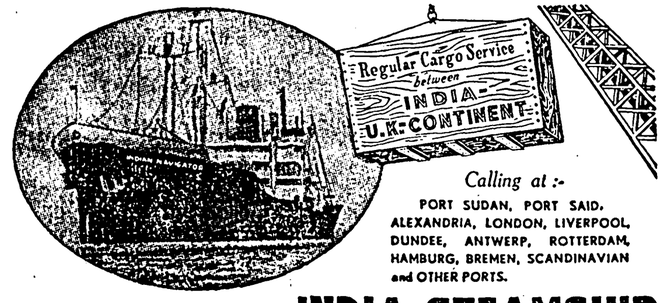

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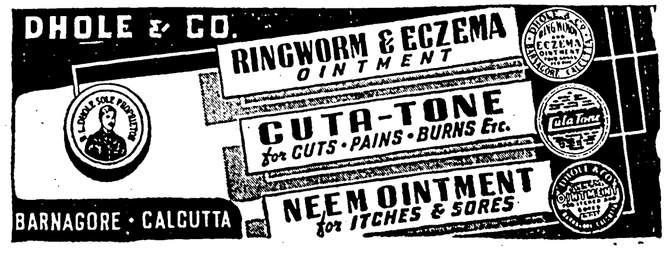

TRADE BETWEEN EAST AND WEST EUROPE

MARKED FALL IN VALUE AND VOLUME

THE United Nations *Economic Bulletin for Europe, First Quarter* 1953,* containing as it does, for the first time, statistics on the trade of Western European countries with the Eastern Zone of Germany, provides a clear picture of the trade between Western and Eastern Europe. Before analysing the different aspects of this trade, it may be mentioned here that the term "Eastern Europe" refers to the U.S.S.R., Czechoslovakia, Poland, Hungary, Rumania, Bulgaria and the Eastern Zone of Germany. The term "Western Europe" is used in this context for all other European countries, excluding Yugoslavia and Albania, namely, the U.K., Finland, Sweden, Italy, Austria, France, Western Germany, Netherlands, Belgium-Luxembourg and nine other countries.

The general level of trade between Eastern and Western Europe is indicated by the value of imports into and exports from Western Europe given in the table below:

Year	Imports into Western Europe	Exports from Western Europe
	(Current value in millions of dollars)	
1949	1,033	828
1950	803	644
1951	1,012	747
1952	991	739

It will be seen from the table above that the value of trade between the two halves was at its peak in 1949. It marked a sizable decline in 1950. However, in the following year, considerable improvement was recorded in both imports into and exports from, Western Europe. Thus they rose from $803 million and $644 million in 1950 to $1,102 million and $717 million, respectively, in 1951. But in 1952, they declined again to $991 million and $739 million, respectively. The decline was, however, greater in respect of the flow of goods from East to West in 1952 than *vice versa*.

Certain interesting features are also revealed by the terms of trade, as indicated by the value and volume indices in the table given below:

(Base: 1950 = 100)

	Index No. unit values		Index numbers of volume	
Year	Imports into W. Europe	Exports from W. Europe	Imports into W. Europe	Exports from W. Europe
1949 ..	116	125	111	103
1950 ..	100	100	100	100
1951 ..	142	119	89	98
1952 ..	146	128	85	91

The above table clearly shows that on balance, the terms of trade were definitely unfavourable to Western Europe. It will be seen that Western Europe paid more for its imports to, than it got on its exports from, Eastern Europe.

One significant feature revealed by the trade figures relating to the two blocs is the rise in the direct trade betwen Russia in Eastern Europe, with Finland in Western Europe. Again, in 1952, Russia took the first place, as the major trading partner on the Eastern side, accounting for more than one-third of the total trade of the area with Western European countries. Poland which stood first moved to the second rank, owing to a considerable drop in its deliveries of coal to W. Europe. Czechoslovakia, which held the third place, also saw its trade with W. Europe fall because of balance of payments difficulties.

On the Western European side, the U.K. continued to be the leading importer, accounting for one quarter of the total Western Europe's imports from E. Europe. Finland's trade with Eastern Europe fostered by long-term agreement, came to represent in 1952, one-fifth of its total exports and total imports alike. Austria appeared next, its trade with East Europe accounting for one-eighth of its total trade. Few other West European countries had more than 5 per cent. of their foreign trade with East Europe in 1952.

Price Policies

The figures given by the publication under reference, also reveal that the further reduction in the volume of East-West trade in Europe in 1952 was accompanied by a greater stability in prices and apparently also by a narrowing or removal of the chief disparities between prices charged in this trade and those ruling in other sectors of international trade. The price policies pursued by Eastern European countries have, it is stated, served to limit the demand for their goods in Western Europe and have thus proved to be a major obstacle to the development of trade. "It is not clear, however," the *Bulletin* says, "that supplies from Eastern European countries would have been forthcoming in greater volume, had their prices been lower and West European demand greater and the prices charged may rather have corresponded only to the marginal amounts of goods available."

Again, for several reasons, West European exports have also tended to command higher prices in East Europe than elsewhere. One has been the high cost of trading with East European countries, because of the formalities required and the uncertainty about the performance of reopened outlets in view of the industrialisation of these countries. Another reason has been the policy, pursued by some Western European Governments, of setting higher prices on exports, either simply to protect their terms of trade or to provide means for subsidising, and thus stimulating, imports from Eastern Europe. During the past year and a half, these disparities have been greatly reduced or have disappeared with the onset of a recession in certain industries of Western Europe, the improvement in supplies of raw materials and fuels in other parts of the world and the search for markets by West European exporters. Price premia are, therefore, paid now only for imports of certain raw materials and foodstuffs in which scarcity still persists. The principal exception in this group, however, has been wheat which is being purchased by West European countries under the World Wheat Agreement at prices lower than those ruling for wheat outside the Agreement.

Composition of Trade

Among the major items of exports from Western Europe to Eastern Europe are: (1) wood, timber and manufactures, (2) iron and steel, (3) ships and boats, (4) minerals, (5) textile manufactures, footwear and clothing, (6) machinery, (7) textile materials, (8) vegetables and animal oils and fats, and (9) non-ferrous metals. In 1952 the exports of the first five items registered a marked expansion, while in the remaining four items, the trade showed sizable recessions. Of the goods belonging to the latter group, most remarkable change was the continued and general decline in machinery exports. While the value of machinery exported by every exporting country to the whole world rose, the decline in the value of such exports to Eastern Europe was hardly less general. The share of machinery in total exports from West Europe to East Europe dropped from one-third in 1950 to one-fifth in 1952. The countries which were affected by the fall were Sweden, Finland, Austria and, to a smaller extent, Italy. The fall was mostly due to payments difficulties arising out of the accumulation of Western European clearing surpluses.

Eastern Europe's exports to Western Europe became heavily concentrated on food, fuel and raw materials, the aggregate share of which in the total rose from three-fifths in 1951 to more than 80 per cent. Within these groups, three main commodities—grain, coal and timber—accounted for one-half of the total in 1951 and slightly more than that in 1952. Livestock exports declined, partially owing to delay in Hungarian deliveries of pigs to West Germany. Exports of butter and margarine increased, particularly from Poland to France and Italy. Petroleum products do not figure prominently in the trade with West Europe. The offtake of coal from East Europe declined from 22 per cent. in 1949 to 14 per cent. in 1952, while, in the latter year, U.S. exports to West Europe accounted for 26 per cent. of the total imports of coal.

Payments Position

The trade between Eastern and Western Europe continues to be conducted predominantly under payments relationships, requiring a fairly close bilateral balancing accounts between individual pairs of countries. The major exception is provided by the facilities for transferability of sterling enjoyed by most East European countries, whereby the U.K. authorises them to use their current earnings of that currency for payments anywhere in the sterling area, and in settlement of direct current transactions for payments to members of the transferable accounts area and to many other countries. If the U.K. is excluded, trade between

(*Continued on page* 647)

* *Vol. 5, No. 2. Price $0.50 or 3s. 9d. Available from Oxford Book and Stationery Co., Scindia House, New Delhi.*

C.S.I.R. ADOPTS NEW PROPOSALS

LABORATORY FOR LEATHER TESTS

SOME very notable proposals, calculated to help industrial research in India, were adopted by the Board of Scientific and Industrial Research and the Governing Body of the Council of Scientific and Industrial Research (C.S.I.R.) at their meetings held at New Delhi last week. These proposals related, among others, to facilities for testing of leather in a Central Leather Research Institute and testing of drugs in the Central Drug Research Institute, research in biophysics as applied to medicine and the appointment of a committee to co-operate with the International Programme of investigations during the third International Geophysical year.

The decision of the C.S.I.R. to set up a control laboratory at the Central Leather Research Institute at Madras is praiseworthy, in that it would help promote expansion of exports of standard tanned leather from India. The laboratory is entrusted with the work of analysing leather samples for fixing standards for East Indian tanned leather. The standard laid down by the laboratory is intended to prevent export of adulterated tanned leather from India. It has been decided by the Government of India that only East Indian tanned leather bearing the "Agmark" label, accompanied by certificates of grading, will be allowed to be exported. The proposed Central Laboratory will be financed by the Agricultural Marketing Adviser, at whose instance the Council has now decided to start the laboratory.

This move to aim at attaining improvement in the standard of tanned leather will by itself not yield results, as it has to be supplemented with other measures too, if exports of tanned leather are to be developed on right lines. It is true that this move would prevent high grading of stocks, poor quality of leather and shipments of adulterated goods—the defects regarding which complaints have not been infrequent. But the East India tanning industry consists of 540 tanneries, big and small, most of them adopting antiquated methods of processing. The tanneries generally do not employ trained leather technologists. These tanneries buy their raw materials from Northern India but do not receive them in time owing to inordinate delay in the supply of wagons for their transport. These stocks deteriorate to some extent owing to poor storage at loading stations. Bad flaying of animals, high cost of raw hides and tanning materials and costlier labour have added to the difficulties of tanners. Something must be done to remove these basic difficulties, if the quality of tanned hides is to improve. It is needless to add that the mere appointment of an organisation to certify the quality and grade will be of no avail, if the tanners are not enabled to make high quality goods. The authorities must, therefore, address themselves to this problem first.

In the meanwhile, there is no doubt that exports from India of tanned hides and skins have been losing ground in recent years. This is, of course, partly due to loss of market in the U.K. to supplies from Africa and to plastics substitutes also. The extent of loss in the value of exports of hides and skins, tanned and dressed, during 1952-53 amounted to Rs. 19.97 crores, as compared with Rs. 24.9 crores and Rs. 25.27 crores in the preceding two years, respectively. The quantity of hides and skins exported amounted to 467,304 cwts. in 1952-53, as against 489,880 cwts. in 1950-51 and 457,320 cwts. in 1951-52.

The second decision of the Governing Body of the C.S.I.R., namely, the setting up of an analytical wing in the Central Drug Research Institute, Lucknow, where commercial testing of drugs and pharmaceuticals will be undertaken, will also be welcome to the interests concerned. This industry too is handicapped by the same difficulties as those of the leather industry in respect of wagon supplies, cost of raw materials and labour and standardisation. These problems, too, need to be dealt with by the Government and the industry.

According to another decision of the Governing Body of the Council, the Central Drug Research Institute will shortly have a nucleus of a Biophysics Instruments Division. Biophysics is a recent development which finds increasing application in the field of medicine and therapeutics. The proposed division, which will function in collaboration with the Medical College at Lucknow, will undertake researches in the application of radio-active elements in the treatment of diseases, electrical stimulation, radiography and other related phenomena.

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NEW PUBLICATIONS

Industrial Law Digest. By N. K. Khare and L. B. Bhide. Publishers: N. M. Tripathi Ltd., Princess Street, Bombay 2. Price: Rs. 10.

THE *Industrial Law Digest* is a supplement to an earlier one entitled *Digest of Decisions of the Hon'ble Labour Appellate Tribunal of India*, by N. K. Khare and N. N. Akruwala, published by the Indian Legal Publication, Ahmedabad, in 1952. The present digest has, however, been entitled differently, as it contains, besides the digest of the decisions of the Labour Appellate Tribunal, the decisions of High Courts, the former Federal Court and the Supreme Court of India pertaining to industrial relations.

Part I of the *Digest* contains exhaustive summaries of the decisions of the Labour Appellate Tribunal of India from 1st January, 1952, to 23rd April, 1953. It is, however, to be noted that some decisions of even earlier dates, which became available later, have been included. The decisions which could not be traced in any of the publications have been marked as unreported. Part II contains summaries of the decisions of the Federal Court, the Supreme Court and the High Courts in India on different aspects relating to industrial relations.

The efforts of the authors in bringing out this volume are commendable, inasmuch as the *Digest* provides for employers, trade unions and all those concerned with labour relations an easy access to the decisions on a variety of subjects on industrial relations. In fact, industrial relations would be smoother, if parties to the dispute are acquainted with not only their rights but also their obligations as the Labour Appellate Tribunal, the High Courts, the Federal Court and the Supreme Court of India have often stressed. As Mr. Shantilal Shah, Minister for Labour and Public Health, Government of Bombay, says in his foreword, the book is expected to prove "useful to judges, employers, employees and trade unionists."

Indian Insurance Directory 1952. Published by Sahakari Vima Prakashan Ltd., 11, Agiary Lane, Bombay 1.

Now in its second year of publication, the *Indian Insurance Directory* is a comprehensive handbook of information relating to insurance. Besides giving the progress of Indian insurance in a series of tables, which deal with such matters as premia income, new business, expense ratio and interest yield, the *Directory* for 1952 reproduces the main provisions of the Indian Insurance Act, the miscellaneous returns to be submitted to the Government by insurers and the registers to be maintained by them under the Act. It also gives, in summarised form, the premium tables of the Indian and foreign insurers. The chapter entitled "Directory of Indian Insurers" gives the head office address, the names of the directors and the branch offices of each individual insurance company. The heart of the *Directory* lies, however, in its three sections: (1) synopsis of revenue accounts of fire, marine and miscellaneous sections of the general insurers; (2) business (new and total business), revenue account, and summary of last valuation results of Indian life insurers and similar information for non-Indian life insurers in respect of their Indian business; (3) summary of the balance-sheets of Indian insurers. Under each section, the information is given for five years ended 1951. This brief account of the contents of the *Directory* ought to show that the Directory may justly lay claim to be a unique reference book of its kind in India. The authors deserve to be complimented on so careful a digest of the massive amount of information that lies scattered in *Insurance Year Books*, balance-sheets and other publications. The *Directory* is, from the purely technical point of view, very well produced. It ought, therefore, to commend itself to all those who are connected with, or are otherwise interested in, insurance in India. The publication, however, lacks one thing, a comprehensive index. Such an index would greatly enhance the value of this very useful publication—a deficiency which, we hope, would be made good in the next edition.

Commodity Trade Statistics—January-December, 1952. Prepared by the Statistical Office of the United Nations, Department of Economic Affairs, New York. Available in India: Oxford Book and Stationery Co., Scindia House, New Delhi.

This publication contains valuable statistical data on the trend of world commodity trade analysed with reference to countries of provenance and destination during the calendar year 1952. The figures relating to imports and exports are grouped according to the Standard International Trade Classification (S.I.T.C.). A notable feature of the publication is the uniformity maintained in presenting the analysis of trade. Thus, with a view to facilitating international comparability of the data, values have been converted into U.S. terms and quantities are, wherever possible, expressed in metric tons. Such a method will surely meet a fairly widespread need and may, as is claimed, "result in economics to many users of trade statistics."

Each group of the S.I.T.C. is fully identified by the number. Abbreviated titles are also given to facilitate the use of tables. No figures less than $1,000 are, however, given. Similarly, the analysis of trade by countries of origin and destination is not carried below the level of $10,000.

Aluminium Panorama. Published by Aluminium Ltd., Montreal (Canada).

Aluminium Panorama, published by Aluminium Ltd., Montreal (Canada), describes the progress of world-wide activities of the Company since 1928. Prefacing this description with an account of the evolution of aluminium from a scarce semi-precious metal to the status of an inexpensive and versatile commodity leading all other non-ferrous metals in the volume of production, the publication points out how it has become virtually indispensable to modern homes, business and industry. It is true, as the authors forecast, that the uses and applications of aluminium are certain to increase. But the metal is not, as they themselves recognise, destined to relegate such commodities of proven worth as wood, steel and copper to inconsequential roles. On the other hand, experience and knowledge will determine the most efficient and economical materials for every purpose. In other words, "aluminium like all other metals," to quote the publication, "will find its markets and its future determined by the uses it can serve best and these uses are expanding."

The publication consists of nine chapters. Of them, mention may be made of the fourth chapter, which deals with raw materials and their processing for aluminium production, with particular reference to bauxite mining in British Guiana, Jamaica, France and French Guinea and of the sixth chapter, which highlights the economic significance of power in aluminium production and an outline of operations relating to aluminium production in Canada, Norway, Brazil, Sweden, Italy and India. Another interesting chapter is the one which deals with basic fabricating processes and the outline of these operations in the U.K., Switzerland, the Netherlands, Denmark, Germany, South Africa, Australia, Mexico and Japan. Research facilities provided by Aluminium Ltd. is also indicated. The publication is bound to appeal to all those who are interested in this important metal of varied domestic and industrial uses.

Statistical Outline of India. Published by the Department of Economics and Statistics, Tata Industries Limited, Bombay House, Bruce Street, Fort, Bombay.

In this little handbook of just forty-four pages, the publishers of *Statistical Outline of India* have succeeded in presenting, in a compact form, the vital statistics relating to India's economy. The book is replete with tables which give at a glance statistics relating to such vital subjects as population, natural resources, national income, industry and transport, foreign trade, banking and insurance, and public finance. Two special tables are devoted to industrial labour and prices. Another special table gives the salient features of the Five-year Plan. Foreign loans and aid received and imports of foodgrains form matters of separate tables. Indeed, the publication contains a mine of information based on data obtained wholly from official sources. It will, there is no doubt, prove as an invaluable book for ready reference on topics connected with Indian economy.

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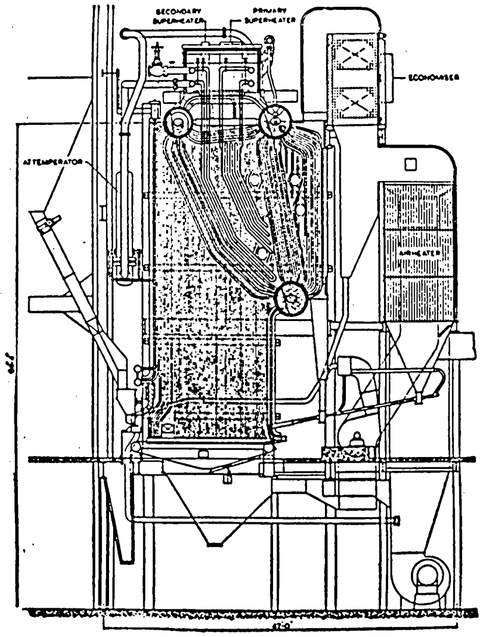

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JARDINE HENDERSON GROUP JUTE COMPANIES FARE BETTER

KANKNARRAH RAISES DIVIDEND, BUT KAMARHATTY MAINTAINS IT

THE financial results of the two jute companies belonging to the group managed by Messrs. Jardine Henderson Ltd., Calcutta, namely, the Kanknarrah Co., Ltd., and the Kamarhatty Co., Ltd., for the half-year ended 30th June, 1953, show a distinct improvement over those for the previous six months. As compared with the results for the corresponding half-year of 1952 also, they are better, though the increase is less marked in the case of Kamarhatty, than in the case of Kanknarrah. This, however, does not mean that the fortunes of the Companies have taken a turn for the better. All that the results of the two companies for the half-year under review suggest is that while the trading conditions in jute goods were somewhat better than in the previous two half-years, they were still below normal and not good enough to allow a reasonable margin of profit.

The trading profit of Kanknarrah for the half-year under review amounts to Rs. 14.92 lakhs and compares very favourably with that of Rs. 8.03 lakhs for the previous six months and Rs. 11.27 lakhs for the corresponding six months of 1952. Kamarhatty has earned a trading profit of Rs. 16.04 lakhs for the half-year ended 30th June, 1953 which represents an increase of Rs. 5.40 lakhs over that for the half-year ended 31st December, 1952. The profit for the half-year under review is only a shade better, as compared with that of Rs. 15.85 lakhs earned during the first half of 1952. After making provision for the Managing Agents' remuneration, depreciation and taxation, the net profits earned by the two companies are too inadequate to allow any addition to the reserves. The net profit of Kanknarrah amounts to Rs. 3.39 lakhs and represents an increase of Rs. 1.24 lakhs and Rs. 0.69 lakh over those earned in the previous two half-years under comparison, respectively. The net profit of Kamarhatty has, however, suffered a slight shrinkage from Rs. 3.33 lakhs for the half-year ended 31st December, 1952, to Rs. 2.94 lakhs, though it is fractionally better than that of Rs. 2.92 lakhs for the six months ended 30th June, 1952. As a result of the small margin of net profits, the two companies have not been able to put by anything to the reserves during the half-year under review also, the third half-year in succession in which they have not been able to strengthen their reserves.

The dividend performance of the two companies is not uniform. Kanknarrah has stepped up the dividend to 10 per cent. per annum from 8 per cent. per annum paid for the previous half-year, to which level it was reduced in two successive half-years from 15 per cent. per annum paid for the six months ended 31st December, 1951. The dividend has thus been restored to the level that was maintained for the half-year ended 30th June, 1951. The Kamarhatty, on the other hand, has merely maintained the dividend unchanged at 12 per cent. per annum; that is, at the level for the previous half-year when it was reduced successively from 25 per cent. per annum for the half-year ended 31st December, 1951.

During the period under review, the prices of raw materials and finished goods reached the lowest point in the early part of April. Thereafter, there was a steady increase in prices of raw materials and hessians. Prices for heavy goods, however, did not increase to a similar degree. Evidently, the remedial measures taken by the Government of India to help stimulate the export trade in jute goods, with a further cut in export duty on sackings from Rs. 175 to Rs. 80 with effect from 28th February, 1953, did not produce the results which might have reasonably been expected. The demand from consuming countries was very much below expectations, especially for sacking goods which became more and more difficult to dispose of. If despite this trend, the two companies have shown better results for the half-year under review, it is presumably due to the easier flow of Pakistan jute to India at cheaper prices, following the abolition by Pakistan of the discriminatory licence fee and the reduction in export duty on the export of jute to India in March, 1953.

How far the trading conditions described above have influenced the financial results of the two companies during the half-year under review can be seen from the table published at the foot of this page wherein they are presented against the background of those for the previous three half-years.

The balance-sheet of the Kanknarrah Co., Ltd., as on 30th June, 1953, shows that the reserves and surplus aggregate Rs. 18.14 lakhs, against a paid-up capital of Rs. 64 lakhs. Provision for taxation stands at Rs. 13.20 lakhs and other current liabilities at Rs. 26.85 lakhs. The gross block of the value of Rs. 131.03 lakhs has been written down to Rs. 36.42 lakhs. The current assets aggregating Rs. 85.77 lakhs cover the current liabilities, including the provision for taxation, by a wide margin of Rs. 45.72 lakhs.

The reserves and surplus of the Kamarhatty Co., Ltd., as at the close of the half-year under review, amount to Rs. 25.76 lakhs and represent 43.5 per cent. of the paid-up capital of Rs. 59.20 lakhs. The gross block of the value of Rs. 136.83 lakhs has been provided with a depreciation of Rs. 117.96 lakhs, so that the book value of the fixed assets amounts to no more than Rs. 18.87 lakhs. The current assets aggregate Rs. 118.03 lakhs and exceed the current liabilities (including provision for taxation) at Rs. 51.94 lakhs by Rs. 66.09 lakhs.

The Rs. 100 paid-up ordinary shares of the Kanknarrah Co., Ltd., are currently being quoted at Rs. 143-8 *ex-div.*, at which rate the yield on the basis of the latest dividend works out to 7 per cent. per annum, free of tax. The Rs. 100 paid-up ordinary shares of the Kamarhatty Co., Ltd., are currently being quoted at Rs. 174 *ex-div.*, at which rate and on the basis of the latest dividend the yield works out to about 6.9 per cent. per annum, free of tax.

TATA DEFERRED CONVERSION SCHEME

The proposal of the Directors of the Tata Iron and Steel Co., Ltd., to convert the Company's deferred shares into ordinary ones in terms of the Mediator's award has been brought to the penultimate stage with the convening of an extraordinary general meeting of the two classes of shareholders to be held on 5th November, 1953. In persuance of the Company's undertaking given to its shareholders to issue bonus ordinary shares by capitalising a part of the reserve fund, the Directors have given notice of their decision to incorporate this latter proposal in the conversion scheme. The issue of bonus shares will, however, be effective only on the conversion scheme being accepted by the two classes of shareholders at the aforesaid meeting.

Under the scheme of arrangement for conversion, circularised to the shareholders, the Directors propose to issue to the existing 48,750 deferred shareholders six fully paid-up ordinary shares, in lieu of each deferred share held by them and in consideration of the extinguishment or modification of the existing rights and privileges attached thereto. This will be carried out as follows:

(i) A sum of Rs. 2,04,75,000 being part of the general reserve fund will be capitalised and utilised for payment and issue of 2,73,000 new ordinary shares of Rs. 75 each to the existing 48,750 deferred shares in the proportion of 5 3/5 ordinary shares for each deferred share held by them; and (ii) the said 48,750 deferred shares will be replaced by 19,500 ordinary shares at the rate of 2/5th of an ordinary share of Rs. 75 each for each deferred share of Rs. 30 under the scheme of reorganisation and consolidation of the two classes of shares.

After the above scheme of reorganisation and consolidation of the two classes of shares is carried out, there will be only one class of 6,42,500 ordinary shares of Rs. 75 each (made up of the 3,50,000 existing ordinary shares, 2,73,000 new ordinary shares stated above and 19,500 ordinary shares in replacement of the existing 48,750 deferred shares).

The Directors propose to capitalise, in addition to the aforesaid sum of Rs. 2,04,75,000, a further sum of Rs. 4,81,87,500 being part of the general reserve and issue 6,42,500 new ordinary shares of Rs. 75 each to the aforesaid 6,42,500 ordinary shareholders as bonus shares in the proportion of one share for each share held by them.

After the aforesaid proposals are carried out, the capital structure of the Company will be as follows:

	Rs.
50,000 6 per cent.-cum-preference shares of Rs. 150 each	75,00,000
7,00,000 7½ per cent. cum-2nd preference shares of Rs. 100 each ...	7,00,00,000
12,85,000 ordinary shares of Rs. 75 each	9,63,75,000
Rs.	17,38,75,000

In a circular issued to the shareholders along with the notice to give effect to the above proposals, the Directors recall that the scheme for conversion of deferred shares was as old as 12 years, having been originally put forward by them in 1941. But in the beginning the scheme was on the basis of a conversion ratio of 5½ ordinary shares for one deferred share. This had to be abandoned due to conditions created by the entry of Japan into the world war in December, 1941, as also due to the lack of voting support from the deferred shareholders to the scheme. Thereafter, several attempts were made from time to time to revive the scheme, but they were of no avail. But now the Company has been "pressed" by the Government of India to implement it. The several steps taken by the Directors to get through the latest proposal upto this stage are only too familiar to the shareholders to be recalled. The issue of bonus shares, which had been under the Directors' consideration for many years, could not be carried out so far, because of the existence of the deferred shares. Even now, there is no unanimity among the deferred shareholders in accepting the conversion scheme on the basis of the present ratio of six ordinary shares for one deferred share. Some of them do not consider this ratio as a reasonable one. Any delay in carrying out the conversion scheme will result in a loss to the deferred shareholders themselves. In fact, by delaying the scheme thus far, the deferred shareholders have already lost a considerable amount by way of dividends. This will be evident from the following comparative statement of dividends which a deferred shareholder would have got on the basis of the dividend distribution for the last five years, if the conversion had been in force in those years:

Year	Dividend to ordinary shareholders	Dividend to deferred shareholders: Before conversion per deferred share	Dividend to deferred shareholders: Resulting from conversion per 6 ordinary shares	Excess in amount of dividend under col. 4 over col. 3
1	2	3	4	5
	Rs.	Rs. a. p.	Rs.	Rs. a. p.
1947-48 ..	14	64 15 0	84	19 1 0
1948-49 ..	14	64 15 0	84	19 1 0
1949-50 ..	16	79 5 0	96	16 11 0
1950-51 ..	18	93 10 5	108	14 5 7
1951-52 ..	21	115 8 0	126	10 11 0

It will be noted that for each of the above years the dividend to deferred holders would have been higher if the conversion scheme had been put through.

The scheme of arrangement for conversion and consolidation and that for issue of bonus shares are subject to the consent of the Controller of Capital Issues. The scheme of arrangement is also subject to the sanction of the High Court. We have no doubt that these approvals can be had without any difficulty provided all the shareholders, or at least a vast majority of them, accept the scheme, as we hope they will. Any attempt on the part of any shareholder to delay the scheme will only result in Government intervention, the outcome of which may not be favourable to the shareholders.

MADURA MILLS CO., LTD.

In a circular addressed to the shareholders of the Madura Mills Co., Ltd., the Company's managing agents, Messrs. A. & F. Harvey Ltd., Madural, point out that a noted firm of valuers and assessors of Manchester, assisted by a senior textile technician supplied by a leading textile machinery makers, made a survey recently of all properties owned by the Company. Their certificate of valuation made on the basis of a fair going concern, which was received early this year, placed the total value of land, buildings, plant and machinery at £5,484,612, which, at 1s. 6d. per rupee, represents over Rs. 7 crores. The Company's managing agents note with gratification that the valuers and the textile technician report favourably on the condition of the buildings and machinery and that the standard of maintenance has been extremely high.

The gross value of the Company's fixed assets as on 31st December, 1952 was Rs. 4.16 crores, on which the depreciation provided was Rs. 3.11 crores, so that the net value of the block was only Rs. 1.05 crores. Thanks to the conservative policy followed by the management over many years, the Company's position as disclosed by the above figures is sound. It has, however, been felt by the management that a moderate revision of the balance-sheet values by writing up the net block, so far as the annual additional provision for depreciation which it involves falls within the Company's means, would be in the interest of the shareholders. The Directors have, accordingly, sanctioned the revaluation of the Company's buildings and machinery by the addition of Rs. 65 lakhs and Rs. 35 lakhs, respectively as on 1st January, 1953. This calls for an additional provision of Rs. 6.75 lakhs in the current and subsequent years. The management feels that by such a step the Company's ability to meet eventual replacement of fixed assets will be considerably improved.

As a result of the above revaluation, there is a credit of Rs. 1 crore which has been placed to the renewal and replacement reserve, which, consequently, stands at Rs. 2.43 crores on 1st January, 1953. The renewal and replacement reserve will be treated as capital reserve.

BAGALKOT CEMENT CO., LTD.

The Directors' report on the working of the Bagalkot Cement Co., Ltd. (Managing Agents: Messrs. Tendulkar Industries Ltd., Bombay) during the year ended 31st December, 1952, read with the Chairman's address to the Company's shareholders at its annual general meeting held last week, reveals that considerable ground has been covered by the Company towards commencement of production. "Looking to the present rate of progress," the Chairman said, "it is hoped that the factory will produce cement some time about the month of October, 1954."

Orders were placed with the manufacturers in Germany and Switzerland between the months of October and December, 1952 for supply of cement manufacturing machinery of a capacity of 300 tons a day and power plant machinery of an installed 3,600 kw. The selection of factory site and locations for various structures and buildings were finalised in December, 1952 and the complete layout of the factory was decided upon in February, 1953 under the advice of a leading German cement manufacturing concern. Construction of the factory commenced in April, 1953 and is stated to be making steady progress. Negotiations for laying a railway siding to the factory site were completed with the Southern Railway. The Railway has taken up the work in hand. In terms of the Company's agreement with the manufacturers of machinery, the latter have undertaken not only the supply of machinery but also the erection and initial operation of the cement plant. The delivery of machinery is due to be completed before the end of March, 1954.

The preliminary operations of the Company during the year ended 31st December, 1952, resulted in a small loss of Rs. 4,848. However, the shareholders have been assured of a minimum dividend of 3 per cent., in terms of the guarantee given by the Bombay Government for the first five years. This is the third year for which the shareholders have received this dividend.

Notices

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Tuesday the 27th October to Friday the 6th November, 1953, both days inclusive.

By Order of the Directors,
TATA INDUSTRIES LIMITED,
Managing Agents.
J. D. CHOKSI,
Director.

BOMBAY, 24*th September*, 1953.

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1964-68 will be closed for transfers from 25th October, 1953, to 31st October, 1953, both days inclusive.

C. W. MIDDLETON,
Secretary and Treasurer,
Imperial Bank of India.
Agents for the Standard-Vacuum Refining Co. of India, Ltd., for the management of the Debentures.

IMPERIAL BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY 1, 28*th September*, 1953.

(In lakhs of rupees)

	KANKNARRAH For the half-year ended				KAMARHATTY For the half-year ended			
	30-6-1953	31-12-1952	30-6-1952	31-12-1951	30-6-1953	31-12-1952	30-6-1952	31-12-1951
Sale proceeds	118.09	110.75	208.88	210.17	137.53	131.77	247.24	274.04
Stocks	19.62	21.77	11.71	38.90	22.82	26.54	13.66	26.54
Expenses	101.02	112.77	169.92	11.77	16.04	10.64	15.85	252.77
Trading profit	14.92	8.05	11.27	8.26	8.40	2.78	8.69	16.20
Agents' commission	2.95	2.26	1.92	1.42	2.35	0.85	0.89	1.40
Other expenses	1.51	0.50	1.00	0.85	0.04	0.90	0.40	1.15
Other income	0.48	0.18	0.85	1.83	1.50	1.50	1.50	1.00
Depreciation	2.50	1.00	1.00	2.00	5.90	5.55	7.25	4.50
Taxation	5.05	2.30	5.00	1.25	5.17	2.94	2.92	6.65
Net profit	3.89	2.16	2.70	5.17	2.94	3.83	..	8.59
Refund of E.P.T.	..	..	..	2.49	..	..	..	4.00
To reserves	..	..	..	3.00	..	..	..	..
Dividends—								
6% preference	0.30	0.30	0.30	0.30	0.48	0.48	0.48	0.48
Ordinary	2.70 (10% p.a.)	2.16 (8% p.a.)	3.24 (12% p.a.)	4.05 (15% p.a.)	2.59 (12% p.a.)	2.89 (12% p.a.)	2.89 (17% p.a.)	5.40 (25% p.a.)
Carry forward	1.23	0.84	1.15	1.99	0.80	0.93	0.67	1.90

Points From The Chair

Expense Ratios of Medium-sized and Big Companies

"THE provision for expense limitations of the life department as laid down in Rule 17(D) of the Insurance Rules is grossly unfair. The same expense ratio is provided for companies having business in force of just over Rs. 10 crores and those having a business in force of Rs. 200 crores. It is unjust to expect younger and middle-sized companies to work within the same expense ratio as provided for big companies. I am not pleading for allowing a higher expense ratio for companies such as ours, but I would like to point out that the older and bigger companies should not be permitted to spend the same percentage of the premium as medium-sized companies. When the Rules were framed it was pointed out that the limits were the ceilings and older and bigger companies would be actually working at much lower expense ratio. The experience of the last few years has shown a tendency amongst the bigger companies to increase their expenses and to pursue an unhealthy and aggressive policy of new business procuration to the severe detriment of others."

B. M. BIRLA,
Ruby General Insurance Co., Ltd.

Dry Battery Industry

"We have in our industry a powerful foreign unit which has at its disposal the technical assistance and know-how and other resources of a powerful foreign combine. The prejudice for our products is hampering us to such a great extent that to stand in the market we have always to maintain a price structure about 15 per cent. below theirs. Even the Tariff Commission, during the course of their enquiries, came to the conclusion that the two Indian units are already struggling hard to maintain their position in competition with this foreign unit. In the case of this industry, however, which, at present, consists mainly of three units, the elimination of two units will result in the remaining unit acquiring a monopolistic control of the entire field and this is obviously not in the long-term interest of the consumer. I concur with this view and I feel that, if things are allowed to be continued in this way, a time may come when the Indian units will be non-existent. In view of the above, I appeal to the Government that it should find out a way to allay this difficulty."

F. H. MEHTA,
Estrela Batteries Ltd.

Lacuna in Expenses Provisions of the Insurance Act

"Looking at insurance business by itself against the general economic background, a gradual stepping down of prices is, of course, a necessary feature of the transition from war-time economy to peace-time level, and insurance, as any other business, must share in this process. It is the adjustment of costs to prices that presents a problem in this transition, and this calls for the greatest circumspection for the avoidance of any steps under a theoretical bias, so that the remedy may not prove worse than the disease. In this context the expense provisions of the Indian Insurance Act reveal an obvious lacuna which gives serious cause for anxiety. Following the Amending Act, 1950, and Rules framed thereunder, a system has been devised for determining expenses of the insurers. This system for the present is hinged on direct business, and under it a fall in direct business entails a curtailment of permissible expense for the insurance companies. As I have already pointed out, although commodity prices have gone down the cost of living index has not moved accordingly during the year, and this has resulted in a maladjustment, confronting the insurance companies with an embarrassing and difficult situation in the light of the aforesaid provisions of the Insurance Act and Rules, *vis-a-vis* the depressed condition of trade and industry for the duration of its continuance."

DR. N. N. LAW,
Hindustan General Insurance Society Ltd.

Lapse Ratio in Life Insurance

"Rough and ready methods of ascertaining lapse ratios cannot and will not give you a correct picture of the situation. For instance, if you work out lapses merely as a percentage of the 'business in force' figure, you are altogether omitting a very important factor, viz., the quantum and percentage of new paid-for business written during the year in relation to the business in force at the beginning of the year. If you confine your attention merely to the volume of new business written in a year, lump all the lapses together and work out a percentage purely on this basis, the result will be equally misleading, because you can never ignore the volume of business in force at the beginning of the year and out of which a number of policies are bound to have lapsed during the year. Further, it may be asked whether you should ascertain the 'lapses' percentage in relation to the volume of business in force at the beginning or at the end of the year. One can say a lot more in this connection, but this is neither the time nor the place for it. What I have only tried to show is the fact that the whole thing is extremely complicated and that it will not be correct to draw conclusions from incomplete or one-sided data."

P. U. PATEL,
Universal Fire & General Insurance Co., Ltd.

Notices

THE ELLORE ELECTRIC SUPPLY CORPORATION LIMITED

(*Registered Office*: MADRAS)

NOTICE OF THE 19th ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 19th Annual General Meeting of The Ellore Electric Supply Corporation Ltd., will be held at the Registered Office of the Company, No. 20, Second Line Beach, Madras, on Thursday the 22nd October, 1953, at 11 a.m.

1. To consider and adopt the Directors' Report and the Audited Accounts for the year ended 31st March, 1953.
2. To consider the declaration of a dividend of As. 12 per share or 7½ per cent. for the year ended 31st March, 1953.
3. To elect Auditors for the current year and fix their remuneration.
4. To elect a Director in the place of Sri C. S. Srinivasa Mudaliar, who retires by rotation, but is eligible for re-election.
5. To elect a Director in the place of late Dr. T. S. Tirumurti.

The Share Transfer Books of the Company will be closed from 8th October, 1953, to 22nd October, 1953, both days inclusive.

By Order of the Board,
CHANDRIE & CO., LTD.,
Managing Agents.

MADRAS, 21*st September*, 1953.

Note.—The Dividend when sanctioned at the Annual General Meeting will be paid on or after 1st November, 1953, to those Shareholders whose names stand on the Register of Members on 8th October, 1953.

THE KHATAU MAKANJI SPINNING AND WEAVING COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventy-ninth ORDINARY GENERAL MEETING of Shareholders of the above Company will be held at the Registered Office of the Company, Laxmi Building, Ballard Pier, Fort Bombay, on MONDAY the 26th October, 1953, at 4-0 p.m. (S.T.), for the purpose of transacting the following business:—

I.—To receive the Directors' Report and Audited Balance Sheet and Abstract of Profit and Loss Account for the year ended 30th June, 1953.

II.—To declare Dividends on Preference and Ordinary Shares.

III.—To elect Directors in place of those who retire by rotation, but are eligible for re-election.

IV.—To appoint Auditors for the current year and to fix their remuneration.

V.—To transact such other business as may be brought forward by the Chairman.

The Share Transfer Books of the Company will be closed from Monday the 12th October, 1953, to Tuesday the 10th November, 1953, both days inclusive.

By Order of the Board of Directors,
LALDAS TRIBHOWANDAS,
Secretary.

BOMBAY, 14*th September*, 1953.

N.B.—The dividends, when sanctioned will be posted and made payable on and after Monday the 2nd November, 1953, to those Shareholders whose names stand on the Register of the Company on 12th October, 1953.

To,

The Shareholders of the Khatau Makanji Spinning and Weaving Co., Ltd., and in particular to:—

(1) Ahmed Mahomed Vaiz Esq., (2) Adam Salemahomed Jhavary Esq., (3) Abbasbhai Dawoodbhai Esq., (4) Messrs. Altaf Husain Qurban Husain and Dilshad Husain Altaf Husain, (5) Mathuradas Dharamdas Esq., and Bai Nandkore Liladhar

RESULTS OF INDIAN STANDARD WAGON HIGHLY ENCOURAGING

BARNAGORE JUTE MAINTAINS DIVIDEND

Indian Standard Wagon Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

After providing for taxation, depreciation and all other charges, transferring Rs. 2,50,000 (Rs. 1,00,000) to general reserve and setting aside Rs 3,00,000 (nil) on plant replacement reserve, the profit on the year's working amounts to Rs. 3,28,977 (Rs. 2,83,032) to which is added the balance brought forward from the previous year of Rs. 10,996 (Rs. 11,812) making a balance available at credit of profit and loss account of Rs. 3,39,973 (Rs. 2,94,844). The directors recommend that this balance be disposed of in payment of dividend at 7 (7) per cent. per annum on the preference share capital; absorbing Rs. 1,37,655 (Rs. 1,37,655), and payment in respect of the ordinary share capital of a dividend of 15 (15) per cent. for the year together with a bonus of Re. 1 (nil) per share (equivalent to a further 4 per cent.) (nil) absorbing Rs. 1,85,179 (Rs. 1,46,194) leaving to be carried forward Rs. 17,139 (Rs. 10,996).

The works of the Company were fully employed throughout the year in all departments and the satisfactory increase in output achieved is reflected in the improved trading results.

The directors consider that the replacement and general rehabilitation and modernisation of the plant, the necessity for which has been foreshadowed for some years, should no longer be deferred. With the advice of the Company's Consulting Engineers, a programme of requirements has therefore been drawn up and the work planned in separate stages which will be undertaken progressively as and when the necessary funds are available. To provide these funds, sums have, as shareholders are aware, been set aside in previous years on the plant replacement reserve. This reserve is being supplemented by a transfer of Rs. 3 lakhs in the accounts under review and further sums will be set aside in the future as opportunity occurs. The first stage of the rehabilitation is estimated to cost approximately Rs. 12 lakhs and finance to this extent being now available, arrangements have been made for this work to be put in hand.

While marking the improved results for the year by the recommendation of payment of a special bonus of Re. 1 per share on the ordinary share capital, the directors have deemed it prudent to strengthen the financial position of the Company by setting aside a sum of Rs. 2,50,000 to general reserve.

On a review of the position the directors are of the opinion that the share capital of the Company should now be brought more into line with the actual capital employed in the business. Application has accordingly been made to the controller of capital issues for permission to capitalise reserves to the extent of Rs. 9,74,625 and to make an issue to the ordinary shareholders of one bonus share of Rs. 25 for each existing share held. As soon as this permission is received, an extraordinary general meeting of the Company will be convened at which the necessary resolutions will be submitted. In this connection it should be noted that in the year 1926 the ordinary shares were written down to Rs. 25 each from their original parity of Rs. 100 and that after the bonus issue in prospect the ordinary share capital would still stand at only 50 per cent. of the original amount subscribed.

Accounts in brief are as under:—

Liabilities		Rs.	Assets		Rs.
Capital	...	30,10,700	Block	...	9,55,974
Reserves	...	20,93,000	Stock-in-trade		7,63,386
Provision for taxation	...	3,80,338	Work-in-progress	...	1,26,49,438
Liabilities		1,40,91,844	Stores, tools, etc.	...	8,73,487
Profit and loss account	...	3,39,972	Debts, deposits and advances	...	43,96,176
			Investments		14,255
			Cash	...	2,63,138
	Rs.	1,99,15,854		Rs.	1,99,15,854

Barnagore Jute Factory Co., Ltd.

The directors of the above Company (Secretary: F. E. Dilley, Esq., London) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The balance available for appropriation as shown in the profit and loss account, amounted to £117,273 (£140,216). The directors have disposed of this sum by paying a dividend for the year of 5 (5) per cent. on the preference shares (net) £5,375 (£5,250), made up of an interim dividend of 2½ (2½) per cent. paid 17th December, 1952 £2,625 (£2,625), and a final dividend of 2½ (2½) per cent. payable on 14th October, 1953, to shareholders on register on 30th September, 1953 £2,750 (£2,625), dividend for the year of 20 (20) per cent. on the ordinary shares (net) £30,078 (£28,875), made up of an interim dividend of 2½ (2½) per cent. paid 17th December, 1952 £3,609 (£3,609), and a final dividend of 17½ (17½) per cent. payable on 14th October, 1953, to shareholders on register on 30th September, 1953 £28,469 (£25,266), and carried forward the balance of £81,820 (£91,091).

Good quality jute was very difficult to secure throughout the year. Pakistan jute which provided the bulk of the supplies up to 1947 has been subject to a discriminatory licence fee on importation into India, in addition to the export duty, and it was not until March, 1953, that the licence fee was withdrawn and the export duty reduced. These duties, coupled with the difference in exchange, kept prices of Pakistan jute out of proportion to that of Indian jute.

The Indian export duty on hessian was reduced from Rs. 750 to Rs. 275 and on sacking from Rs. 350 to Rs. 175 per ton in May, 1952, and that on sacking was further reduced to Rs. 80 in March, 1953, but none of these reductions had any lasting effect on the prices obtainable for the manufactured goods, and prices, particularly of sacking, remained barely economical.

It was recorded in the directors' last report that they had not yet arrived at a suitable solution for transferring control of the Company to India on terms that they could recommend as acceptable to a majority of all classes of shareholders. Meanwhile an approach had been made for the sanction of H.M. Treasury to the transfer and sanction was duly received.

As has been stated, the large majority of ordinary shareholders are in India. On the other hand a majority of preference shareholders are registered in this country and it has hitherto been considered that this class of shareholder must receive some compensation in any scheme for transfer of control from this country. The problem is, however, complicated by the differing circumstances of preference shareholders and there is an appreciable holding in the hands of a class of shareholder who would suffer a considerable diminution of income in any scheme except one which would prove costly to the ordinary shareholders. On the present basis of profits and having regard to taxation changes since the transfer proposal was first put before shareholders, it is not considered that any saving on taxation is now sufficient to justify such compensation and the present time therefore does not seem propitious to proceed with the proposal.

Accounts in brief were as under:—

Liabilities		£	Assets		£
Capital	...	475,000	Block	...	295,737
Reserves	...	646,468	Stocks and stores	...	691,416
Provision for taxation	...	14,800	Debts, deposits and advances	...	97,563
Liabilities	...	206,719	Investments		74,542
Profit and loss account	...	81,820	Cash	...	265,549
	£	1,424,807		£	1,424,807

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

After providing Rs. 1,40,000 (nil) for taxation and transferring Rs. 50,000 (nil) to general reserve there is a balance of Rs. 2,96,617 (Rs. 2,47,738) at the credit of profit and loss account, from which the directors recommend the payment of a dividend on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 24,500 (Rs. 24,500) and on ordinary shares at Rs. 7-8 (Rs. 7-8) per share Rs. 2,10,000 (Rs. 2,10,000) leaving Rs. 62,117 (Rs. 13,238) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief were as under:—

Liabilities		Rs.	Assets		Rs.
Capital	...	35,00,000	Block	...	40,11,914
Reserves	...	35,49,623	Stocks	...	29,51,908
Provision for taxation	...	1,83,113	Stores	...	12,17,404
Liabilities	...	14,67,903	Debts, deposits and advances	...	5,13,579
Profit and loss account	...	62,117	Investments		55,360
			Cash	...	12,591
	Rs.	87,62,756		Rs.	87,62,756

Fort William Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1952.



The accounts showed a loss of Rs. 4,41,218 (loss of Rs. 11,708) after adding the previous loss of Rs. 8,32,397 (credit of Rs. 8,305) besides deducting the reserve of Rs. 4,97,921, there remained a net debit of Rs. 7,75,693 (credit of Rs. 11,596 after paying a dividend at Rs. 3-8 per share absorbing Rs. 35,000) which the directors carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the Company's mills worked 42½ hours per week with 12½ per cent. of the total looms sealed during the period under report.

Jute stocks have been valued at market price and finished goods at contract price.

In spite of measures adopted by the Government of India to encourage the industry by way of reducing the export duty which the directors have already referred in their previous report, the trend of prices for both raw jute and manufactured goods continued downward throughout the entire period.

Though recession in prices of manufactured goods continued the working costs increased considerably due to implementation of Omnibus Tribunal Award and payment of Employer's special contribution towards the State Insurance Scheme. The Provident Fund Act has also taken effect from 1st November, 1952 and it is bound to involve further increase in expenses in the next half-year accounts.

As referred in the directors' last report, the new high speed sacking weft preparing and spinning machinery has been completely installed and now it is working quite satisfactorily.

Accounts in brief were as under:—

Liabilities		Rs.	Assets		Rs.
Capital	...	24,00,000	Block	...	28,51,949
			Stock-in-trade		11,74,881
Liabilities	...	40,71,415	Stores, etc.	...	6,58,081
			Debts, deposits and advances	...	8,52,139
			Investments		97,034
			Cash	...	61,638
			Profit and loss account	...	7,75,693
	Rs.	64,71,415		Rs.	64,71,415

Nilambur Rubber Co., Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Ltd., Madras) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Net profit for the year after providing for depreciation and managing agents' commission, amounted to Rs. 69,424 (Rs. 48,631) to which was added the balance brought forward from last year of Rs. 2,305 (Rs. 3,674), making a total of Rs. 71,729 (Rs. 52,305). The directors have placed to reserve for contingencies Rs. 7,000 (Rs. 13,500), to reserve fund Rs. 27,000 (Rs. 3,000) and to leasehold redemption fund Rs. 1,500 (Rs. 1,500) leaving a balance available of Rs. 36,229 (Rs. 34,305) which the directors disposed of by paying a dividend of 6 (6) per cent. on preference shares Rs. 12,000 (Rs. 12,000), and a dividend of 10 (10) per cent. on ordinary shares Rs. 20,000 (Rs. 20,000) leaving a balance of Rs. 4,229 to be carried forward.

The stock of rubber has been valued at the sale price since realised. A crop of 1,95,669 lbs. of rubber was raised during the year.

Mention was made in the previous report, of the levy of the Coorg Agricultural income-tax with retrospective effect from 1st April, 1950. This will be a recurring burden on the income derived from the property in that State and annual provision will have to be made to meet this tax.

As the experiment of planting coffee in a small portion of the existing rubber area on the Glencoorg Estate has proved promising, the Company has applied to the Coorg Government for permission to be allowed to plant coffee, pepper, etc., in suitable areas and permission is awaited.

The rubber crop of the Nilambur Estate has exceeded the estimate but such excess has been offset by a similar deficit in the crop of the Glencoorg Estate, though in the total, the aggregate estimate has been reached. The new rubber plantation in the Chungathara division of the Nilambur Estate now shows an area of 202 acres. It is in a very healthy condition and holds out good promise for the future.

The directors report that the working results of the Company for the year was satisfactory. They hope that the present rubber price fixation which came into operation from 28th October, 1952, though not upto the expectation of the growers, will at least be continued for a good length of time.

The directors considered that it was desirable to allocate the Glencoorg property account under proper heads of account and accordingly have transferred a sum of Rs. 99,250 to buildings account and a sum of Rs. 5,000 to machinery account and kept the balance of Rs. 1,85,750 in leasehold property account.

Accounts in brief were as under:—

Liabilities		Rs.	Assets		Rs.
Capital	...	4,00,000	Block	...	4,46,508
			Stock	...	77,728
Reserves	...	1,87,962	Stores, tools, etc.	...	23,747
Liabilities	...	54,317	Estate development	...	1,11,899
			Other assets	...	5,460
Profit and loss account	...	71,729	Debts, deposits and advances	...	31,166
			Investments		100
			Cash	...	17,430
	Rs.	7,14,038		Rs.	7,14,038

Investment and Finance Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 28th February, 1953.

Including the sum of Rs. 11,654 (Rs. 19,232) brought forward from the previous half-year, and transferring Rs. 5,000 (nil) from revaluation of investments reserve, and after providing Rs. 2,500 (nil) for taxation and special reserve and utilising Rs. 16,889 (Rs. 22,546) to write off depreciation on investments, there was an available balance of Rs. 26,787 (Rs. 36,164). The directors disposed of this balance by paying a dividend on the 1st cumulative preference shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 5,000 (Rs. 5,000), dividend on the 2nd cumulative preference shares at the rate of 6 (6) per cent. per annum less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 4,425 (Rs. 4,425) and a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 12,500 (Rs. 12,500) leaving to be carried forward Rs. 4,862 (Rs. 14,239).

The downward trend of share prices, indicated in the previous report, continued throughout the period. Numerous factors contributed towards this recess and still persist, resulting in a low level of activity on the Stock Exchange.

The Company's portfolio stands at a conservative figure and book values have been written down to market values wherever necessary.

Accounts in brief were as under:—

Liabilities		Rs.	Assets		Rs.
Capital	...	9,00,000	Investments		10,78,516
Reserves	...	1,24,500	Cash	...	33,902
Provision for taxation and special reserve	...	10,052			
Liabilities	...	71,004			
Profit and loss account	...	4,862			
	Rs.	11,10,418		Rs.	11,10,418

National Machinery Manufacturers Ltd.

The directors of the above Company (Chairman: Mr. K. M. D. Thackersey, Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The net debit balance for the year, subject to depreciation, amounted to Rs. 7,84,910. The directors carried forward this sum to next year's account along with the sum of Rs. 9,44,052 carried forward from the previous year.

During the year, all industrial and residential buildings were completed and taken over by the Company. Building work on the canteen was also completed. Out of a total of 760 items of machine tools and other equipment required, at the close of the year 484 were installed by the factory. During the year, the manufacture of spindles was established and the production of rings, top rollers and fluted rollers considerably increased. Under arrangements with Messrs. Textile Machinery Makers Ltd., the Company imported a number of partly manufactured ring frames for which spindles, rings, top rollers, fluted rollers and weights were supplied from these works. At the end of the year 40 ring frames had been delivered to various customers; in addition a number of individual orders, for fluted rollers, spindles and rings were completed. A high level production of all these items has now been achieved and the back log of orders almost liquidated. We are now in a position to offer reasonable deliveries of all items for which manufacture has been established. The Company's activities are now in the course of being further extended to the manufacture of tin rollers, conversion materials for longer lifts and a wide variety of high draft systems and complete ring frames.

Further applications for shares to the value of Rs. 27.15 lakhs in the new issue were received during the year. Mr. Kenneth Preston, Chairman of Messrs. Textile Machinery Makers Ltd., Oldham, paid a brief visit to the factory in December and attended a Board Meeting by special invitation of the directors.

Accounts in brief were as under:—

Liabilities		Rs.	Assets		Rs.
Capital	...	2,46,31,900	Block	...	2,22,49,204
Liabilities	...	50,88,941	Stock-in-trade		23,12,812
			Stores, raw materials, etc.	...	23,76,395
			Other assets		58,445
			Debts, deposits and advances	...	8,43,519
			Cash	...	1,51,504
			Profit and loss account	...	17 28,962
	Rs.	2,97,20,841		Rs.	2,97,20,841

Dessai and Parbuttia Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Jardine Henderson Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The profit and loss account, after providing Rs. 74,741 (Rs. 82,776) for depreciation, showed a profit of Rs. 27,851 (Rs. 3,89,461), to which was added the balance brought forward from the previous year of Rs. 25,545 (Rs. 21,354). The directors have transferred from reserve account the sum of Rs. 50,000 (nil), making a total of Rs. 1,03,396 (Rs. 4,10,815). Out of this amount was provided for taxation Rs. 9,284 (Rs. 1,10,270), transferred to improvement reserve account Rs. 5,000 (Rs. 75,000) and transferred to taxation equalisation reserve account Rs. 10,000 (Rs. 25,000) leaving an available balance of Rs. 79,112 (Rs. 1,60,545). Out of this sum the directors paid a dividend at the rate of 10 (22½) per cent. per annum without any deduction for income-tax paid by the Company, absorbing Rs. 60,000 (Rs. 1,35,000) leaving a credit balance of Rs. 19,112 (Rs. 25,545) to be carried forward.

As explained in the report for the year ended 31st December, 1951, the amount set aside to taxation equalisation reserve account represents the immediate saving in taxation by operation of initial and double depreciation allowances on new buildings and machinery, the transfer this year amounting to Rs. 10,000. During the year the Company received a refund of excess profits tax under the provisions of section 10(1) of the Indian Finance Act, 1942, read with section 2 of the Excess Profits Tax Ordinance, 1943, amounting to Rs. 5,954 and it is, therefore, considered appropriate that a corresponding transfer should be made to the improvement reserve account, it having been a main object of the excess profits tax post-war refund arrangements to provide for improvements in and rehabilitation of buildings, plant and machinery. Although the results for the year do not by themselves justify the proposed dividend of 10 per cent. the directors feel that, having regard to the Company's current prospects and to the fact that since the end of the War and up to 31st December, 1951, additions to the Company's reserves totalled more than Rs. 3,25,000, which sums have been provided entirely out of the shareholders' undistributed profits of these years, they are justified in recommending this dividend. To enable the dividend to be paid they have, therefore, transferred from reserve account the sum of Rs. 50,000.

A crop of 14,685 maunds was harvested against an original estimate of 13,500 maunds. The following is a comparative statement of tea marketed and average prices realised for the past three years:—

	1952	1951	1950
	Lbs.	Lbs.	Lbs.
	11,31,749	11,15,589	10,74,881
Average sale price per lb. ... Rs.	1 10 11	2 0 9	2 1 0

The average cost per lb. for 1952, exclusive of depreciation, worked out as follows:—

	Rs. a. p.
At Estate	1 5 8
In Calcutta	0 4 8
Total ...	1 10 4

The estimated crop for 1953 is 14,400 maunds.

Accounts in brief were as under:—

Liabilities		Rs.	Assets		Rs.
Capital	...	6,00,000	Block	...	9,17,223
Reserves	...	7,15,000	Capital expenditure		1,03,808
Provision for taxation	...	1,72,000	Stock of tea and tea waste		8,66,202
Liabilities	...	8,63,099	Stores	...	2,00,699
Profit and loss account	...	19,112	Debts, deposits and advances	...	2,51,497
			Cash	...	29,782
	Rs.	23,69,211		Rs.	23,69,211

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

COMMERCE AND INDUSTRIES

(Concluded from page 640)

the two broad groups is seen to be very closely in balance. This balancing extends down to most bilateral relationships. Multilateral settlements have also played a limited role in covering surpluses and deficits in East-West trade.

The basic limitations on the growth of East-West trade are partly political and partly economic. The main economic factor is the limited availability of goods for export. Yet, the development of trade could be made possible, if transfer of Western-owned balances in one East European country were permitted for use in another or converted into sterling. Such arrangements will provide greater flexibility for the development of multilateral trading patterns, whereby exports of West European capital goods may be increased to East European countries and the proceeds used to buy increased quantities of Soviet grain. The creation of additional payment facilities will not, by itself, ensure expansion of trade, but it will help remove any obstacles to such growth arising from payment difficulties.

PACKING CHARGES FOR CEMENT

On 26th November, 1952, the Government of India announced that packing charges for cement would be fixed every quarter on the basis of the average market price for packing material ruling on the first day of each month during the immediately preceding nine months plus Re. 1-4 per ton to cover incidental charges. On this basis, the packing charges for the current quarter worked out to Rs. 11-14 per ton and for the quarter commencing from 1st October, 1953, they worked out to Rs. 11-9 per ton. The Government of India has informed all the State Governments of the revised packing charges.

These are the charges applicable to cement packed in new bags only. Packing charges for cement packed in old bags will be a matter for settlement between the buyer and the seller, but should not exceed the charges fixed for new bags.

BRITAIN'S NEW SHOEMAKING METHODS

Shoe production in Britain, like many other industries, is going through a rapidly changing phase. In the past, the method was to built up shoes by adding various components to one another after the upper had been pulled over the wooden last. Now the use of already prefabricated bottom units is becoming increasingly popular, and novel methods of shoe manufacture are replacing the old. Since the war, an independent industry has grown up which supplies complete bottom units to shoe manufacturers, thus for the first time enabling relatively small shoe firms to produce novel footwear economically.

COMPANY MEETINGS AND DIVIDENDS

INDIAN STANDARD WAGON CO., LTD. Annual General Meeting, Calcutta, 5th October, 1953. Dividend: Rs. 4-12 (including bonus of Re. 1) per share. Transfer books closed from 26th September to 5th October, 1953, both days inclusive.

HOARE MILLER & CO., LTD. Annual General Meeting, Calcutta, 6th October, 1953.

HASIMARA TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Dividend: *Nil.* Transfer books closed from 1st to 8th October, 1953, both days inclusive.

DIMAKUSI TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Transfer books closed from 1st to 8th October, 1953, both days inclusive.

BETJAN TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Dividend: *Nil.* Transfer books closed from 29th September to 8th October, 1953, both days inclusive.

ARCUTTIPORE TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Dividend: *Nil.* Transfer books closed from 29th September to 8th October, 1953, both days inclusive.

SELIMBONG TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Dividend: *Nil.* Transfer books closed from 29th September to 8th October, 1953, both days inclusive.

MANIPUR TEA CO., LTD. Annual General Meeting, Calcutta, 8th October, 1953. Dividend: *Nil.* Transfer books closed from 29th September to 8th October, 1953, both days inclusive.

TAIPOO TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 8th October, 1953. Dividend: *Nil.* Transfer books closed from 29th September to 8th October, 1953, both days inclusive.

DHRANGADHRA CHEMICAL WORKS LTD. Annual General Meeting, Dhrangadhra, 9th October, 1953. Transfer books closed from 1st to 15th October, 1953, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Annual General Meeting, Kozhikode, 10th October, 1953. Dividend: 10 per cent. on the ordinary share capital. Transfer books closed from 28th September to 12th October, 1953, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 12th October, 1953. Dividend: Rs. 7-8 per share. Transfer books closed from 28th September to 12th October, 1953, both days inclusive.

NILGIRI TEA ESTATES LTD. Annual General Meeting, Kottayam, 20th October, 1953. Dividend: Re. 1-4 per share. Transfer books close from 13th to 20th October, 1953, both days inclusive.

SHREE DIGVIJAYA WOOLLEN MILLS LTD. Annual General Meeting, Jamnagar, 23rd October, 1953. Transfer books close from 9th to 23rd October, 1953, both days inclusive.

INDIA CEMENTS LTD. Annual General Meeting, Madras, 24th October, 1953. Dividend: *Nil.* Transfer books close from 12th to 24th October, 1953, both days inclusive.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 26th October, 1953. Dividend: Rs. 10 per share, payable on and after 2nd November, 1953. Transfer books close from 12th October to 10th November, 1953, both days inclusive.

HINGIN-RAMPUR COAL CO., LTD. Dividend of Rs. 3 per share, for the year ended 30th June, 1953. Transfer books close from 20th to 27th October, 1953, both days inclusive.

SURAT ELECTRICITY CO., LTD. Ad-interim dividend of Rs. 2-8 per share, for the half-year ended 30th June, 1953, payable on and after 22nd October, 1953.

MANAR ESTATES LTD. Dividend of 9 per cent. on the ordinary shares, for the year ended 30th June, 1953. Transfer books closed from 1st to 12th October, 1953, both days inclusive.

COMPANY REGISTRATIONS

DAULAT THEATRES LTD. (First Director: Mr. Jehangirji Dhanjibhoy Engineer.) Business: Cinematograph Trade and Industry in all its Branches. Authorised capital: Rs. 5,00,000. Private company. Address: C/o. Daulat Talkies, Grand Baliwala Theatre, Foras Road Junction, Tardeo, Bombay 7.

SUTRAMDAS (INDIA) LTD. (First Director: Mr. R. Sutramdas) Business: Spinners, Weavers, Coirmakers, Silk Mercers. Silk Weavers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 5th Floor, United India Building, Sir Phirozshah Mehta Road, Fort, Bombay.

MONEY DULL

(From Our Own Correspondent)

BOMBAY, 29*th September*

Conditions in the short-term money market were dull, with very little activity during the week under review. Demand for funds was very much on the wane, as reflected in the continued fall in the advances of Scheduled banks. Though there was no surfeit of funds in the market, supply was quite comfortable and borrowers were able to get their requirements without any difficulty. Inter-bank call money among the Exchange banks and big Indian banks was done at 1½ to 1¾ per cent. in the early hours, while left over funds after clearing were on offer at 1½ per cent. Among the smaller Indian banks, the rate was 2¼ to 2 per cent. Fixed money was available at 2½ per cent. for one to two months and at 2¾ per cent. for three to six months.

The tenders for Rs. 1.5 crores of three months' Government of India Treasury Bills evoked a better response this week than in the previous week, the amount offered being Rs. 2.51 crores, as against Rs. 1.93 crores. The average rate of accepted tenders, however, stood unchanged at Rs. 2-6-8 per cent. per annum.

The Scheduled Banks' statement for the week ended 18th September, 1953, as compared with that for the previous week, reveals a sharp fall of Rs. 4.54 crores in demand deposits and Rs. 88.21 lakhs in time deposits. Inter-bank borrowings repayable on demand are lower by Rs. 46.75 lakhs, while those of a time nature are up by Rs. 30 lakhs. There has been practically no change in either the borrowings from the Reserve Bank or those from the Imperial Bank. Advances disclose a decline of Rs. 2.09 crores and bills purchased and discounted Rs. 1.98 crores. Investments have gone up by Rs. 4.01 crores. Cash on hand and balances with the Reserve Bank are together lower by Rs. 84.29 crores, balances with other banks in current account by Rs. 27.27 lakhs and money at call and short notice by Rs. 79.29 lakhs.

There was no change in conditions in the Gilt-edged market during the week under review from those noted last week. The undertone remained steady, but activity continued to be at a low ebb, for want of sellers. Enquiries were there for most of the Central Government loans at quoted rates, but business done was poor. 4 per cent. State Government loans, particularly Bombay loans, continued to elicit investment demand.

3 per cent. 1957 was quoted at the self-same rate of Rs. 98-7 3 per cent. 1958 at Rs. 98-2 and 3 per cent. 1959-61 at Rs. 96-1. Both 3 per cents. 1963-65 and 3 per cent. 1964 were unchanged at Rs. 92-8. 3 per cent. 1966-68 was in demand due to proximity of interest payment; it therefore, rose by an anna to Rs. 90-2. 3 per cent. 1970-75 was maintained at Rs. 86-8 and 3 per cent. 1986 Conversion Loan at Rs. 82-3. 3½ per cent. 1961 N.P. bonds attracted good attention and on brisk buying rose by an anna to Rs. 98-7 at which rate the Reserve Bank of India was also reported to have sold. On keen demand, 4 per cent. 1963 rose by As. 3 to Rs. 100-10 and 4 per cent. 1963 Madras by As. 2 to Rs. 99-13. 4 per cent. 1964 Bombay picked up As. 3 to Rs. 100-10. 4 per cent. 1964 Municipal Loan had buyers As. 2 higher at Rs. 99-12. Bombay State Transport Corporation Bonds were in favour due to proximity of interest payment and business was done an anna better at par.

In the foreign exchange section, the rupee-U.S.-dollar rates were unchanged at Rs. 478 per $100 (banks' selling) and at Rs. 474 (banks' buying). In New York, spot sterling acceded to strength from $2.80½-2.80½ to $2.80-3/16-2.80-5/16. The forward sterling, however, after an initial strength, relapsed to finish at last week's closing rates. Thus, three months' sterling stood on balance unchanged at $2.79½-2.79¾ and six months' sterling at $2.79½-2.79½.

STRONG DEMAND FOR TEA DUSTS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 26*th September*

The total offerings in dust sale "S", which was held on Tuesday 22nd September, amounted to approximately 1,75,000 lbs. There was a strong general demand for all types. Low and low medium dusts were fully firm and occasionally dearer. Medium and better liquoring types were irregularly As. 1 to As. 2 dearer.

London Market.—Strong demand all kinds. Commons half penny, mediums one penny dearer.

Colombo Market.—Good general demand. Low growns steady; mediums firm to dearer; Dimbula Dickoya types advanced ten cents; U.V.A. sorts lower on quality.

Calcutta Market—Export.—56,323 packages. Market firm to dearer. Strong demand for U.K. types, especially at the bottom. Assam B.O.Ps. and O.Fs. renewed interest and often As. 2 to As. 4 dearer.

Dust.—Strong demand. Market As. ½ to As. 1 dearer for medium Dooars and Assams. Best liquoring types well supported. Darjeelings, particularly powdery sorts, As. ½ to As. 1 dearer. Strongest feature commonest and residue types.

Export Quota.—The market has strengthened further to 19-20 pies.

Forthcoming Auctions.—Dust Sale 'T' will be held on Tuesday, 6th October.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:

"*Sale* 20.—10,75,000 lb. Very strong and active demand. Commons and low mediums As. 2 to As. 3 and mediums As. 1 to As. 2 dearer. Best liquoring buyers selective, but dearer with improved quality. Whole leaf As. 1 to As. 2 dearer."

BULLION QUIET

(From Our Own Correspondent)

BOMBAY, 29*th September*

The bullion market continued to rule easy during the week under review also, though the extent of fall in prices was not the same in both the metals. In gold, there was a more marked recession than in the previous week, while in silver, the sharp downward trend noted in the previous week was somewhat arrested. The uncertainty regarding the legality of the proposed amendment to the by-law continued to hang on the market and checked any rise in prices. It is reported that a questionnaire is being prepared by two solicitors to be placed before the Advocate-General for his opinion. Meanwhile, reports of arrivals of smuggled gold and *kutcha* silver and the weakness of other commodity markets were sustaining the bearish sentiment that came to prevail a fortnight ago.

Forward silver (25th September settlement) opened the week at Rs. 154-4 and declined to a low of Rs. 151-15 on Friday before the settlement ran out at Rs. 152-10 on that day. Business in the next settlement (23rd October) opened at Rs. 154-14 and reacted to Rs. 152-9 on Friday. The lower level, however, led to a revival of support and the forward position recovered to Rs. 154-4. But a wave of selling soon ensued and it fell to Rs. 152-15 at the close.

Ready silver (.996 Bullion) began at Rs. 154-4 and finished the week at Rs. 152-15. The floating stocks of silver are reported to be 2,200 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (24th September) commenced at Rs. 86-2 and receded to Rs. 85-5 when the settlement ran out on the opening day of the week. Business in the next settlement (22nd October) began the week at Rs. 85-8 and declined to Rs. 84-1 on liquidation by a prominent bear and the application of *Mandi* option. There was a slight revival to Rs. 84-10 on reports of an improvement in offtake. After a short-lived decline to Rs. 84-2 yesterday, the forward rate steadied up to Rs. 84-9 at the close to-day.

Ready gold declined from Rs. 86-12 to Rs. 85-15. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals and offtake were identical at 3,000 tolas.

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

		29-9-53	Highest	Lowest	23-9-53
		Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD					
Ready (.99 fine					
Mint) ..	..	85 15	86 13	85 4	86 9
Forward ..	..	84 9	85 9	84 1	86 5
Sovereign ..	..	58 0	58 0	57 14	58 0
SILVER					
Ready (.996 fine					
Mint) ..	..	152 15	154 6	152 2	153 15
Forward ..	..	152 15	154 6	152 9	153 15
London Ready	..	74*d.*	—	—	74*d.*
London Forward	..	74*d.*	—	—	74*d.*
New York Ready	.	85½c.	—	—	85½c.

POOR ENQUIRY FOR GUR

(From Our Own Correspondent)

HAPUR, 28*th September*

Gur markets remained quiet. With the arrival of imported sugar in the South and with the new crop arrivals in many markets, enquiry for old *gur* has been substantially reduced. New crop *gur* arrivals have started at Meerut and Hapur, but the quantity received is very small. *Gur* recovery from the cane is extremely poor, but the prices are attractive, and these may come crumbling down as soon as new crop arrivals gather momentum. Already prices of all agricultural produce are falling and *gur* cannot stand alone. It has been officially announced that no control would be exercised by the Government on the movement and price of *gur* and *khandsari* during the coming season.

The *gur* and *khandsari* sections of the Indian Institute of Sugar Technology, Bhadruk, which had been conducting experiments in the manufacture of *khandsari* sugar and *gur* by the open pan system, has evolved an improved process of sugar manufacture with which higher recovery and better quality sugar is obtained. Some improved *kohlus* and crushers and furnaces have also been evolved, for the production of improved quality of *gur*. In order to popularise these improved processes, the authorities are arranging a number of demonstrations during the coming season. New pansera *gur* at Hapur is quoted at Rs. 20 and at Meerut at Rs. 20 to Rs. 20-8.

Crystal sugar markets remained quiet to bearish. Consignments of imported sugar have already arrived at the ports and more may be received in the coming weeks. The market at Calcutta ruled quiet throughout the week, with local sales being small. The public demand was met mostly with cheaper Government subsidised sugar. At Madras prices of sugar in the open market declined by about Rs. 2-8 to Rs. 3 per maund due to arrivals of Java sugar.

Prices have remained stationary or tended to decline in other markets. The following are the latest average sugar quotations in different markets: Ambala: Rs. 32-4, Amritsar: Rs. 32-14, Delhi: Rs. 32-4, Jullundur: Rs. 31-4, Agra: Rs. 31, Hapur: Rs. 30 to Rs. 31-4, Kanpur: Rs. 30-14, Malhuri: Rs. 30-8, Meerut: Rs. 30-14, Muzaffarnagar: Rs. 30-15, Patna: Rs. 31-4, Calcutta: Rs. 30-15, Gauhati: Rs. 32-12, Cocanada: Rs. 33-10, Madras: Rs. 33-4, Bombay: Rs. 34, Bhavnagar: Rs. 33-2, Nagpur: Rs. 32-12 and Indore: Rs. 30-11.

COTTON EASY

(From Our Own Correspondent)

BOMBAY, 29*th September*

The cotton market has wisely turned its eyes now towards the cloth and yarn markets to get a clue about its future dealings. The slump in textiles has already spread to yarn. Since offtake in the handloom and powerloom sections has gone down considerably, the market for yarn has also come to be severely contracted. In spite of the *Pooja* holidays and *Dassera* and *Diwali*, things are very quiet in the cloth market. If further evidence with regard to a lower tempo in the consumption of cotton during the coming months was necessary, it has been provided by the fall in the production of cloth, after months of progressively increasing production. The pressure of cloth stocks in the mills' godowns is being felt and till this is relieved, the mills will be forced to reduce production still further.

All this was not lost upon some of the shrewd operators in the forward cotton market. The week-end had witnessed an artificial splutter in cotton prices lifting them by as much as Rs. 15 per candy for both the February and May deliveries. On Monday, after an initial show of steadiness the market had to yield to heavy bear pressure engendered by disappointing news from the piecegoods markets. Nearly two-thirds of the recent gain came to be sacrificed. As things stand, further recession in prices appears very probable, because the ruling sentiment still continues, even at this lower level, to be bearish. A rumour that the U.S.A. might send about a couple of lakhs bales of cotton as a gift to India has gone further to upset the market and this had its repercussions in the sentiment even at Sewri where spot business is carried on. But for some mills covering their requirements for the next three months and improved offtake by shippers of certain short-staple varieties for export, the price level even in this section might have been lower.

The Press note issued by the Government of India announcing a quota of 175,000 bales for export has come in time to lend some support to the market. This quota consists of 75,000 bales of Bengal *Deshi*, 50,000 bales of Mathias, Kalagins, and Dholleras and 50,000 bales of C.P. I and C.P. II Oomras of not more than 11/16" staple. As in the last season, Comillas and Cocanadas will continue to be freely licensed for export. There will be some disappointment at not getting any reduction in export duties, but the market had already reconciled itself to this eventuality after the reimposition of export duty on *Deshi* varieties at Karachi. Several Continental centres have been eagerly awaiting this announcement and in some cases negotiations for purchase subject to receipt of licences for export had advanced considerably with shippers here. The export trade does not consider the extension of validity of all licences for the export of short-staple cotton of 1952-53 season to the end of October as very helpful, in view of the fact that the Japanese buyers have not made any more to open credits here and so do not appear to be in earnest about the transactions they have entered into. Some of this cotton is likely to be resold to the continent.

I.C.C. February opened the week at Rs. 617½ and moved up, on good support, to touch a high of Rs. 622½ on 26th September. Thereafter, it gradually receded to touch a low of Rs. 612½ on 29th September, before it closed a shade higher at Rs. 614½. I.C.C. May followed a similar trend. Opening the week at Rs. 620½ it fluctuated between Rs. 624½ and Rs. 614 before it closed to-day at Rs. 615½.

The following is the trend of prices in the forward market since our last report was published:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 617½	622½	612¼	614½
I.C.C. May ...	Rs. 620½	624½	614	615½

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 570; Berar Jarillas Rs. 680; Khandesh Rs. 770; Vijay Rs. 850; Oomra *Deshi* Rs. 590; Moglai Rs. 590.

At Karachi, the Pakistan Government is trying to inaugurate an export drive for cotton and other commodities, by appointing a Committee to examine this question and to suggest practical steps in this direction. This Committee has also been asked to consider the advisability of renewing forward trading in the new season cotton. It is expected that about half the quantity available for export this year will be disposed of under the trade agreement which Pakistan has entered into with Japan, Italy and France. Australia is also expected to take a larger quantity than last year and for the rest Karachi will have to look forward to the U.K. and the Continent. The U.K. has been showing some interest and France has already bought a sizable quantity during recent weeks. But it is noticed in the Continental centres that Brazilian cotton, which is selling cheaper on parity, is gradually undermining the demand for Pakistan varieties in these markets. No fresh demand is likely to come from France now as full advantage of the licences issued has already been taken, while Spain will soon turn away from Karachi to New York in view of the new political relation with U.S.A. under which it might be possible for it to secure credit more easily there than at Karachi.

The following are the latest available quotations from the Karachi market: 4F Punjab R.G. Rs. 54 to Rs. 56; S.G. Rs. 58 to Rs. 60; L.S.S. Punjab R.G. Rs. 56 to Rs. 58; S.G. Rs. 60 to Rs. 62; N.T. R.G. Rs. 62 to Rs. 63; S.G. Rs. 66 to Rs. 67; 289F Punjab R.G. Rs. 60 to Rs. 62; S.G. Rs. 66 to Rs. 69. New crop: Sind *Deshi* Rs. 64; S.G. Rs 65 *Deshi* Rs. 56½; N.T. R.G. Rs. 59½; Punjab Rs. 63½ to Rs. 64½; 289F Roller R.G. Rs. 60 to Rs. 61; S.G. Rs. 68 to Rs. 68½; 4F R.G. Rs. 66 to Rs. 66½; S.G. Rs. 70½ to Rs. 71.

The market at Alexandria continues to be active with export demand from several directions. India has been a good buyer and the U.K. and the Continent have all been securing their supplies earlier in view of the smaller size of the crop this year in Egypt. While the Government estimate of the crop is between 7 and 8 million *cantars*, trade ideas regarding the size of the crop place it below seven million *cantars*, as weather conditions during the last two weeks have not been as favourable as before. Demand having been concentrated mostly on Ashmouni, the spot supply of this variety has again gone scarce and as a result of this, the Cotton Commission has raised the ceiling prices of all Ashmouni types. These prices are already higher than New York prices on parity. But those in the up-country local centres, where shippers who have committeed themselves are buying freely are at a considerably higher rate than the Government rates for purchase from growers. Demand for Karnak though limited is on the increase. Japan is also expected to enter into this market soon in view of the reported trade agreement concluded between the two countries.

The market at New York, in spite of numerous efforts to stage a recovery, is not able to get away very far from the 33 cents level. The price level, however, during the few days preceding the maturing of a contract is not a very reliable guide as to the general trend of prices likely to prevail later. Transactions at present are more in the nature of squaring up business in the October delivery or of switching it over to the next delivery. The process of adjustment of commodity prices in the U.S.A. does not appear to have been completed and two-sided fluctuations round about the present levels might be expected during the coming days, till the markets have discovered a more abiding resting place. Much will also depend on the next official forecast.

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

(In cents per lb.)

	28-9-53	22-9-53	15-9-53
Spot	33.75	33.70	33.75
October	32.81	32.84	33.11
December	33.06	33.13	33.36
March	33.46	33.45	33.71
May	33.60	33.61	33.81

ART SILK YARN EASY

(From Our Own Correspondent)

BOMBAY, 29*th September*

The art silk yarn market ruled eventless this week too. The market continued to present an easy tone almost upto the 28th inst. This was due to lack of demand induced by disquieting reports about accumulation of cotton cloth in important consuming centres and with the mills. The demand for rayon fabrics also persisted to be poor. But yesterday at the lower levels, some offtake set in and values as a result rallied slightly, thereby partially wiping out a part of the earlier losses. Despite this improvement, prices at close disclosed heavy losses over the week.

In the forward section, 150D September which opened at Rs. 738 as against Rs. 758, declined to Rs. 723, on the 26th inst. On profit-taking at this level, it shot up by 10 points to close at Rs. 733. 150D October eased from Rs. 753 to Rs. 726, before finally improving to close at Rs. 738. 120 Japan was done at Rs. 4-0-6 as against Rs. 4-1-6. 150 Japan lost an anna to Rs. 3-15. 120 Italy and 150 Italy changed hands at Rs. 3-14 and Rs. 3-13-6 as against Rs. 4 and Rs. 3-12-6, respectively.

In sympathy with the art silk yarn market, the staple fibre yarn too ruled easy upto Saturday the 26th inst. But the recovery that ensured later in September delivery was such as to wipe out not only all previous losses but also to put on a few points. Thus 40×2 September delivery, which fell from Rs. 676 to Rs. 660, shot up to Rs. 678 on short covering, thereby disclosing a gain of Rs. 2 over the week. The short covering was due to reports that most of the goods tendered for delivery were disqualified, as they were not upto the standard counts and tests fixed by the Association. There was also the rumour that the Association might not permit trading in November contract, which is due to start on 1st November. October delivery which was done early in the week, at Rs. 645, as against Rs. 658, declined Rs. 630 on the 26th inst., and thereafter shot up to close at Rs. 648 to-day.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 23rd inst., and 16th inst.

Art silk yarn	29-9-53 Rs. a.	23-9-53 Rs. a.	16-9-53 Rs. a.
150D September (per case of 200 lbs.)	733 0	750 0	760 0
150 October " "	733 0	753 0	764 0
120 Japan (per lb.)	4 0½	4 0½	4 1
150 Japan "	3 15	4 0	4 0½
120 Italy "	3 14	4 0	4 1
150 Italy "	3 13½	3 12½	3 13
Staple fibre yarn			
2/40s September (per case of 200 lbs.)	678 0	670 0	604 0
2/40s October " "	648 0	658 0	666 0

CASTORSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 29*th September*

History was made in the oilseeds market this week with castorseeds September contract being quoted far lower than the spots. Thus September, 1953 was done at Rs. 196 per candy, as against Madras ready and F.A.Q. ready each at Rs. 200 per candy. The bull grip in the market turned out to be tighter and bears struggled virtually for survival. Small wonder, the Board of the Oilseeds Exchange has thought of calling for spot rates in the various up-country centres for the determination of delivery rate of the maturing hedge contract. More so, when the Directors themselves who control the Board are bears. The situation is certainly intriguing and, therefore, provides the appropriate menu for the Forward Markets Commission to gain the practical experience of hedge market.

The other sections of the oilseeds market depicted a highly bearish trend during the week. Expectations of a bumper crop following the official announcement of a rise of 11.5 per cent. in the estimated acreage under groundnuts, continued arrivals of new groundnut crop, the refusal of the exchange to accept new crop, as against the maturing contract and a steep fall in the prices of gingili—all cumulatively weakened the sentiment of operators. Persistent selling pressure which ensued depressed values. Closing quotations were, therefore, substantially lower than those at the end of last week.

Sectionwise, castorseeds, September delivery, opened steady at Rs. 168. On persistent speculative support, the rate gradually shot up to close at as high as Rs. 196, the lowest rate touched during the week being Rs. 165. Total tenders delivered so far are about 60,000 candies. Ready Madras quality and F.A.Q. gained Rs. 7-4 each to Rs. 40. May 1954, however, ruled easy. Opening at Rs. 118-12, as against Rs. 119-4, it gradually declined to Rs. 112, before closing at Rs. 113-4. Castor-oil I pressure was steady at Rs. 17, while commercials lost As. 2 to Rs. 16-4 B.S.S. was down by As. 4 at Rs. 17-4.

The groundnuts section came in for some selling pressure on increasing arrivals of new crop. The Board of Oilseeds Exchange decided to-day that new crop will not be acceptable for delivery, against maturing September contract. Consequently, the September delivery which remained generally steady upto yesterday firmed up to-day on short-covering. September delivery commenced the week at Rs. 44-8, as against Rs. 47. Persistent buying support lifted the rate to Rs. 47 to-day, after a temporary set-back. December-January was done lower at Rs. 28-2, as compared with Rs. 30-6, in view of the prospects bumper crop. Khandesh quality ready new declined by Rs. 4 to Rs. 40. October delivery changed hands at Rs. 34, as compared with Rs. 35-12. Groundnut oil ex-mill and railway receipts lost Rs. 2-8 each to Rs. 23-8. October, November and December were enquired at Rs. 18-8, Rs. 16-4 and Rs. 15-6 respectively, as against Rs. 20-1, Rs. 17-11 and Rs. 16-11 respectively.

The linseed section was distinctly easy. The prices are on the verge of reacting to world market prices. Bold ready fell from Rs. 24-14 to Rs. 22-8. August-September and October-November deliveries declined from Rs. 24-12 each to Rs. 22-12. February-March was lower by As. 14 at Rs. 21-8. Linseed oil suffered Re. 1 to Rs. 12-12.

Other oilseeds and oils too were easy. Among them, *gingili* seed was done at Rs. 200 per candy, as against Rs. 210 and *gingili* oil at Rs. 65 per Bengal maund, as against Rs. 64, *kardi* seeds bold were down by As. 12 to Rs. 22-4. August-September and October-November deliveries eased from Rs. 23 and Rs. 21-8 and Rs. 21-6 respectively. Niger F.A.Q. and Madras declined from Rs. 35 each to Rs. 30-6 and Rs. 31, respectively. December-January was steady at Rs. 25.

The following table shows the prices of oilseeds and oil on the 29th ult. as compared with those at the end of the previous two weeks.

	29-9-53 Rs. a.	23-9-53 Rs. a.	16-9-53 Rs. a.
Groundnuts—			
Bold Ready Now (per cwt.)	—	47 8	51 0
August-Sept.	47 0	47 0	48 0
December-January.. ..	28 2	30 6	31 8
Linseed—			
Bold Ready (per cwt.) ..	22 8	24 14	28 6
Castorseeds—			
Sept. (per candy of 5 cwts.).	196 0	168 0	169 0
May 1954	113 14	119 4	119 4
Madras (per cwt.)	40 0	32 12	33 8
Groundnut oil—			
Ex-mill Ready (per quarter).	23 8	26 0	28 8
Castor Oil—			
Commercial (per quarter)..	16 4	16 6	17 0

FOODGRAINS' POSITION IMPROVES

(From Our Own Correspondent)

HAPUR, 28*th September*

The Indian Food and Agricultural Minister Mr. Rafi Ahmed Kidwai made a detailed review of the country's food situation at Lucknow this week. Mr. Kidwai reiterated that at present there was no food problem as such in the country. There was no shortage of food and people could buy as much as they could consume. Mr. Kidwai stated that there would be all round improvement in the food production next year. He said: "This year the crop has been good in almost all the States. There would be increased yield of rice in Bengal, Orissa, Uttar Pradesh, Punjab, Madhya Pradesh and other States. In the whole of India the total production will certainly go up." The increased production was mainly owing to sufficient rain and the use of more fertilizers.

With a firm note of optimism, Mr. Kidwai observed that the policy of decontrol initiated by him was a complete success. With an increase in production of agricultural commodities all over the world including India, prices tended to fall. The Food Minister was, however, not in favour of any step to bring about further decline in prices which, according to him, created more problems than those it settled. Mr. Kidwai is now on a survey tour with a view to formulating the next year's food policy. Mr. Kidwai told correspondents at Lucknow that India's wheat imports from 1953-54 would be one million tons on the basis of the International Wheat Agreement. He added, however, that India would buy cheap and coarse foodgrains from foreign markets for deficit areas.

The Central Government has authorised the State Governments to sell wheat in any quantity both to consumers and traders. Inter-State cordons on the movement of wheat, except on Government account will continue to remain in force. Imported wheat at subsidised prices has not only been given to Uttar Pradesh and Bihar for distribution in flood suffered and scarcity affected districts, but is also allotted to rice eating States of Bengal, Madras, Mysore, Travancore and Cochin. Rice quotas for States will be raised by about December after the position in regard to rice crop has been finally assessed.

The food position in U.P. continued very satisfactory. The Government of India has now agreed to supply 546,000 maunds of imported wheat at the subsidised rate of Rs. 14 a maund in order to supplement the distribution of foodgrains at subsidised rates in the flood affected eastern districts. The State Government has already distributed 3 lakh maunds of coarse grains at subsidised rates. The U.P. Government has agreed to divert its old stock of 64,000 tons of imported wheat to Bihar. This wheat has been given to the millers, but it found no market as indigenous wheat was available everywhere at comparatively cheaper rates.

Procurement of rice for supply to deficit States under the Basic Plan of the Government of India has been started all over the State. The purchasing rates would be the same as last year. The Indian Food Minister does not appear to be very happy over the procurement situation here. According to him, last year, the U.P. Government fixed procurement price of rice rather high with the result that it became uneconomical to purchase it and the market price started soaring up in the State itself. Under these circumstances the Government had to cry halt to any further procurement. Total purchase of foodgrains upto 10th September amounted to 55,600 tons, of which rice contributed 39,490 tons. *Kharif* crop produce has started reaching the markets everywhere supplementing existing supply of foodgrains.

Local quotations are: Wheat: Rs. 15-8 to Rs. 16-8; gram: Rs. 14-8 to Rs. 15-4; barley: Rs. 10-8; *bejhar*: Rs. 10-8; rice: Rs. 30 to Rs. 20; peas: Rs. 13; *arhar* Rs. 12-12; *urd*: Rs. 18; *moong*: Rs. 16-8, and *Masoor*: Rs. 16.

KIPS BUSINESS POOR

(From Our Own Correspondent)

MADRAS, 28*th September*

Trading in kips has been poor, as importers in the U.K. have been probing into the prices rather than placing business in the usual way. Run, fifths and inferior fifths selections have attracted buyers at a penny or two less than last week, while fourths selections have been unsaleable. Enquiries for cow calf, buff calf and buff hides have been negligible. Tanners are resisting lower prices, in view of the strength in the raw markets.

In the tanned skins section, prices of goat skins have been weak due to absence of shipment business for market qualities. Tanned sheep skins market rules steady and clearances have been fair-sized.

NEW ARRIVAL OF HIDES HEAVY

(From Our Own Correspondent)

KANPUR, 27*th September*

During the week under review the conditions on the local hides and skins market were more or less unchanged. The new arrival was considerable and quite above the average for this period of the year. The main purchasers were the local tanners and the Madras dealers. The latest quotations are as follows:

Wet salted cow, superior heavy Rs. 360, light Rs. 280, medium heavy Rs. 300 and light Rs. 180 per score; wet salted buff, superior 2 lbs. and medium 2 lbs., 12 ozs. per rupee; goat 1st grade Rs. 225 and 2nd grade Rs. 210 and sheep Rs. 300 per 100 pieces.

SUGAR POLICY FOR 1953-54

The Government of India's sugar policy for the ensuing (1953-54) season was editorially commented upon in our last issue. We now give the details of the policy announced by the Government in its Press Note dated 23rd September, 1953:

"The Government of India has decided to fix the minimum price payable for sugarcane by vacuum pan factories in the ensuing season at Re. 1-7 per maund for gate deliveries and Re. 1-5 per maund for deliveries at rail centres, as against Re. 1-5 and Re. 1-3 per maund, respectively, in 1952-53. This decision has been taken after taking all relevant factors into consideration, such as the trend of sugar production, the prevailing prices of sugar, *gur* and *khandsari* and the returns to the cane grower from alternate crops.

As a result of the increase in the minimum price of cane by As. 2 per maund, there should normally be an increase of Re. 1-4 per maund in the price of sugar. In order to prevent this increase in the price of sugar, the Government has decided to discontinue the special additional excise duty of Re. 1 per maund of sugar which it imposed last year for the specific purpose of meeting the loss involved in reducing the price of the previous year's carry-over controlled stocks. The sugar mills have agreed to forgo the remaining As. 4 per maund from the margin of profit. There will, therefore, be no increase in the price of sugar to the consumer.

"It has further been decided by the Government that the minimum price for cane in the 1954-55 season will be the same as in 1953-54, namely, Re. 1-7 per maund for gate cane and Re. 1-5 per maund for rail deliveries. This practice of fixing minimum price for cane one year in advance has been adopted by the Government for the first time in order to meet the longstanding demand of cane growers and to facilitate planning of cane production with previous knowledge of the minimum price

(*Continued on page 659*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept.: 1939 (pre-war)	18th Sept. 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,081.61	1,093.18	1,033.23	1,037.80
Notes held in Banking Department	35.05	33 33	24 23	33 03	34 21
Foreign Securities	39.50	558 15	553 16	573.15	538 15
Rupee Securities	37.39	421 42	424 90	424 90	461 13
Banking Department					
Deposits of:					
Government of India	14.89	137 23	127 81	129 41	133 51
Other Governments		17 30	19 85	21 10	3 85
Balances held abroad	10.08	144 51	144 62	125 93	149 07
SCHEDULED BANKS					
Demand Liabilities	134.37	521 73	526 79	523 18	544 08
		(13 36)	(13 83)	(12 60)	(15 29)
Time Liabilities	102.84	329 76	330 51	328 52	317 85
Borrowings from Reserve Bank	..	(2 37)	(2 07)	12 10	(3 33)
		2 34	2 22	2 21	2 17
		(0 49)	(0 49)	(0 49)	(1 24)
Borrowings from Imperial Bank	..	4 60	4 60	5 78	3 80
Cash in India	6.71	30 77	30 54	31 22	33 02
Balances with Reserve Bank	25 23	46 05	48 01	44 10	62 43
Excess over statutory limits	18.52	14 27	15.07	11.13	28.83
Balances with other banks in current accounts in India	..	9 85	10.12	9.85	12.12
Money at call and short notice in India	..	16 94	17 73	16 87	20 46
Investments (at book value)	..	333 16	323 15	321 50	306 21
Advances and bills	105.09	463 66	467 74	476 79	469 24
IMPERIAL BANK					
Deposits	87.76	205 21	205 71	206 66	217 72
Investments	51.99	93 35	92 05	89 81	89 46
Advances	80.37	100 93	102 73	103 17	117 13
Cash	16 89	22 02	22 00	19 80	27 60

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	25th September, 1953		18th September, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2 15 540	41,54,72,000	2 18,147	51,52,03,000
Calcutta	1.41 924	41,26 13 4 5	1,59 140	55,17 33,510
Madras	67,654	7,76,21,746	66,818	8,77,55,235
All Centres—				
1951	..	..	1,05,94,122	3180,56,66,859
1952	..	..	1,06,41,941	2678,61,37,000
July 1953	..	..	27,11,000	5,71,94,00,000
August ,,	..	..	23,41,000	4,84,84,00,000

Reserve Bank of India

Statement of Affairs for the week ended 18th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		8,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		137,22,76,000
(2) Other Governments		1,72,25,000
(b) Banks		44 77,25, 00
(c) Others		87 31,93,000
Bills Payable		2 54,16,000
Other Liabilities		11 80 84,000
	Rupees	244,06 54,000

ASSETS	Rs.
Notes	83,32 80,000
Rupee Coin	17 26 000
Subsidiary Coin	4.33 000
Bills Purchased and Discounted—	
(a) Internal	21.50.000
(b) External	....
(c) Government Treasury Bills	2,21 05 000
Balances held abroad*	144 50 89,000
Loans and Advances to Governments	....
Other Loans and Advances	11 59 81 000
Investments	58 62 97,000
Other Assets	6 25 31,000
Rupees	284 06 54,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	33,32,80,000	
Notes in circulation	1081,61,13,000	
Total Notes issued		1114 93 93,000
Total Liabilities		1114,93,93,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	60,01,71,000	
(b) Held outside India	....	
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		95 34,95,000
Government of India Rupee Securities		421,42 16,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1114,93,93,000

Ratio of Total of A to Liabilities: 53.650 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 18th Sept., 1953

		Rs
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	13,35,80,000†
	(ii) Other demand liabilities	508,42,56,000
2	Time Liabilities in India:	
	(i) Borrowings from banks	2,36,50 0000
	(ii) Other time liabilities	327,39 39 000
3.	Cash in India	30 76 84 000
4.	Balances with the Reserve Bank in India	46,94,57,000
5.	Balances with other banks in current account in India	9 84 67,000
6.	Money at call and short notice in India	16,94,14,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	333,16,25 000
8.	Advances in India	421,21,05,000
9.	Inland Bills purchased and discounted in India	42,45 40,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		20nd September 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£	1-5/16	1-5/16
Sellers T.T. D.D. upto six months	£	1-5/16	1-5/16
Buyers T.T. spot to nine months	£	1-6/16	1-6/16
Buyers T.T. 10 to 12 months	£	1-6/16	1-6/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478	478
Buyers T.T.	Rs.	474	474
London on New York	£	2 80 A-2 80 5/8	2 80 1-2 80 5/8
London on Paris	Frs	981-981/2	981/2 981/2
London on Berne	Sw. Frs	12 17/16-12 17/16	12 17/16-12 17/16
New York on London	$	2 80 1/2-2 80 5/8	2 80 5/8-2 80 5/8

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	..	8,780	255
Pakistan	1949	79.04	..	..	1,671	212
Burma	1951	18 67	Kyats	8,166	451	242
Ceylon	1951	7 74	..	..	451	582
Japan	1951	84 30	Y.	4,849,400	6,414	774
Philippines	1951	20 25	Ps.	7,586	1,832	536
New Zealand	1951	1 95	£(N.Z.)	516	620	4,206
Australia	1951	8 43	£(A.)	3,238	3,454	4,817
U.K.	1952	50 13	£	13 549	18,197	3,709
U.S.A.	1952	156 98	$	290,490	134,280	8,403
Canada	1952	14 43	$	18,307	8,246	5,714
France	1951	42 24	F. Fr.	9,097,000	12,378	2,929
W. Germany	1951	48 11	Dm.	90,200	10,227	2,126
Italy	1951	46 60	Lr.	7,746,000	5,902	1,267
Norway	1952	3.32	Kr.	16,598	1,126	3,331
Sweden	1951	7 07	Kr.	26,000	3,439	4,864
Netherlands	1952	10 85	Fl.	17,550	3,200	2,120
Denmark	1951	4 30	Kr.	20,716	1,439	3,346
Switzerland	1951	4 78	S. Fr.	19,500	3,165	4,558

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, July 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 18th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	43,99,30,000
(b) Provincial Governments	78,84,000
(c) Banks	15,01,30,000
(d) Others	2,49,09,000
Bills Payable	47,37,000
Other Liabilities	2,33,15,000
Rupees	71,13 84,000

ASSETS	Rs.
Notes	9 24 67,000
Rupee Coin	3,000
Subsidiary Coin	7,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,79 85 000
Loans and Advances to Governments	1,43 00,000
Provincial Governments Debtor Balances	11 52,46,000
Other Loans and Advances	11,00,000
Investments	37,11,34,000
Other Assets	9 56,42,000
Rupees	71,13,84,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,24 67,000	
Notes in circulation	202,40 43,000	
Total Notes issued		211,65 10 000
Total Liabilities		211,65,10,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	89 33,72,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B. Rupee Coin	6,48 22 000	89,14,77,000
Government of Pakistan Securities	111,77 36 000	
Internal bills of exchange and other commercial paper	....	
		118,25,58,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19 02,000	
Sterling Securities	8,06 12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		211 65 10,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 43.99 per cent

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
7th July	1.00	3 03	1.00	2 6 2	8
14th ,,	1.00	2 81	1.00	2 6 2	9
21st ,,	1.00	2 80	1.00	2 6 2	10
28th ,,	1.00	3 76	1.00	2 6 2	10
4th August	1.50	2 61	1.50	2 6 3	80
11th ,,	1.50	2 02	1.50	2 6 3	40
18th ,,	1.50	1 85	1.50	2 6 3	43
25th ,,	1.50	2 02	1.50	2 6 3	65
8th September	1.50	1 77	1.50	2 6 6	94
15th ,,	1.50	1 85	1.50	2 6 7	77
22nd ,,	1.50	1 96	1.50	2 6 7	80
29th ,,	1.50	2.51	1.50	2 6 8	69
					100
Total ..	16 00	23 98	16 00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	6
Belgium	14th Dec., 1952	3½	3
Canada	17th Dec., 1950	2	2½
Ceylon	25th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	8½
France	17th Sept., 1953	4	5½
Greece	12th July, 1944	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct. 1951	5.11	5.84
Netherlands	7th April 1953	3	2½
New Zealand	28th July, 1941	3	2½
Norway	9th Jan., 1948	3	2½
Pakistan	1st July, 1948	..	3
Portugal	12th Jan., 1944	3	3½
South Africa	27th Mar., 1952	3½	4
Spain	15th Jan., 1940	4	4½
Sweden	1st Dec., 1950	4½	4
Switzerland	26th Nov., 1936	2½	3
Turkey	25th Feb., 1951	4	11½
United Kingdom	17th Sept., 1953	2	3
U.S.S.R.	1st July, 1938	3	3½
U.S.A.	18th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.09	11.21	111.00	130 97
Protective	33	73	7.35	10.51
On surplus disposals	3	1	8	24
Total import duties	9.40	12.00	118.43	141 76
Export Duties	3.89	5.52	55.38	90 78
Land Customs	16	23	2.62	3 22
Miscellaneous	7	8	1.18	1.12
Gross total customs	13.02	17.83	177.58	236 85
Refunds and drawbacks	14	88	2.63	4 32
Net Customs	12 88	17 45	174 95	232.03
Gross excise	7.69	7.01	82.84	87.04
Refunds	8	19	1.43	1.78
Net Excise	7.61	6.82	81.41	85.26
Net total of customs and excise	20.49	24.27	256.36	317.29

Imperial Bank of India

Statement of Affairs for the week ended 18th Sept., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		5,62,50,000
Deposits and other Accounts		6,85 00 000
Borrowings from other Banking Companies Agents		205,20,72,000
Bills Payable		
Bills for Collection being Bills Receivable as per contra		2,85,76,000
Acceptances, Endorsements and Other Obligations as per contra		59 19,000
Other Liabilities (including Inter-Office Adjustments)		1,06 000
Total	Rs.	221,55 23 000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17 33 84 000
Balances with other Banks		4 64,32,000
Money at Call and Short Notice		82,56,000
INVESTMENTS—		
Government and other Trustee Securities	82,80 92 000	
Other Authorised Investments	10,53,70,000	
		93,34 62,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	86 93 47,000	
Bills Discounted and Purchased	13,09,91,000	
		100 03,38,000
Bills Receivable being Bills for Collection as per contra		59,19 000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		
Premises less Depreciation		1,81 76 000
Furniture and Fixtures less Depreciation		87 04 000
Other Assets (including Inter-Office Adjustments)		2,03,46,000
Total	Rs.	221 55 23,000

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.09	11.21	111.00	130 97
Protective	33	73	7.35	10.51
On surplus disposals	3	1	8	24
Total import duties	9.40	12.00	118.43	141 76
Export Duties	3.89	5.52	55.38	90 78
Land Customs	16	23	2.62	3 22
Miscellaneous	7	8	1.18	1.12
Gross total customs	13.02	17.83	177.58	236 85
Refunds and drawbacks	14	88	2.63	4 32
Net Customs	12 88	17 45	174 95	232.03
Gross excise	7.69	7.01	82.84	87.04
Refunds	8	19	1.43	1.78
Net Excise	7.61	6.82	81.41	85.26
Net total of customs and excise	20.49	24.27	256.36	317.29

Source: Department of Research and Statistics, Reserve Bank of India.
* Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,858	12,946,704
1951 ..	1,071	691,921	8,818 928
1952 ..	963	809,242	8,386,961
Seven months ended July, 1950	617	350,869	2,159,116
Do July, 1951	765	503,995	2,621,024
Do July, 1952	705	651,106	1,949,995
Do July, 1953	525	314,186	1,332,627
January 1952 ..	95	806,881	674,840
February ,,	88	42,180	218,607
March ,,	87	42,450	142,488
April ,,	124	59,457	234,848
May ,,	118	80,098	254,885
June ,,	101	99,881	287,082
July ,,	83	40,764	171,268
August ,,	88	45,885	148,533
September ,,	96	57,878	450,558
October ,,	87	78,181	349,618
November ,,	87	45,766	273,246
December ,,	81	27,525	158,017
January 1953†	85	42,588	244,414
February ,,	45	28,477	125,411
March ,,	67	34,231	216,207
April ,,	70	49,895	215,864
May ,,	81	34,350(a)	217,526(b)
June ,,	98	80,137	252,059
July ,,	79	43,713	108,346

† Figures for 1953 are provisional. * Revised.
(a) Not known in three cases. (b) Not known in six cases.

ELECTRIC ENERGY‡ GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	4,651.1	3,777.7
1949-50 ..	578	5,444.1	4,449 0
1950-51 ..	614	6,301.4	5,134.8
February 1952..	578	491.8	392 9
March ,, ..	577	498.8	392.8
April ,, ..	581	514.4	413.1
May ,, ..	588	500.1	408 8
June ,, ..	588	484.0	392.7
July ,, ..	588	501.6	428 7
August ,, ..	597	533.3	430 6
September,, ..	599	519.2	411.5
October ..	602	529.7	436 4
November ,, ..	603	552 2	457 8
December ,, ..		535 5	441 8
January 1953 ..	611	498 0	417.4
February ,, ..	614	538 0	435.7
March ,, ..	616	540 9	434.1
April ,, ..	620	560.4	456 1
May ,, ..	625	544.8	450 2
June ,, ..			

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

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings§	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49 ..	1.54	1.47	76	74	20,40	22,86	83,26	29.91	— 12.31	27,65	
1951-52 ..	1.75	3.08	77	2.91	22,08	66,81	1,07,55	74.18	— 27.65	81,06	13,10
1952-53 ..	1.63	6.84	66	3.27	23,66	84,18	1,12,36	91.01	— 31.06		1,64
July 1952	15	6.33	10	3.08	2,03	78,14	10,29	82.54	— 29.92	74	18,39
August ,,	15	6.40	6	3.11	1,76	74,45	8,61	83.76	— 29.92		25,64
September ,,	10	6.44	8	3.11	1,84	75,73	8,79	84.91	— 29.16	74	21,25
October ,,	11	6.45	5	3.14	1,71	76,77	8,36	85.25	— 29.41	65	21,89
November ,,	10	6.50	3	3.16	1,71	77,99	8,05	85.54	— 29.69	52	22,28
December ,,	8	6.51	3	3.16	1,86	79,34	8,45	85.95	— 29.99	58	22,92
January 1953	10	6.54	4	3.19	2,02	80,77	8,36	86.09	— 30.23	58	23,48
February ,,	14	6.61	5	3.22	1,86	82,14	8,36	86.36	— 30.51	48	23,94
March ,,	82	6.64	9	3.27	2,66	84,18	13,75	91.01	— 30.76	58	24,49
April ,,	11	6.60	5	3.27	2,24	85,95	9,56	93.01	— 31.06	62	25,08
May ,,	12	6.63	4	3.29	2,06	87,57	9,55	93.80	— 31.20	60	25,64
June ,,	11	6.62	4	3.31	2,23	89,33	9,43	93.80	— 31.52	60	26,58
July ,,	11	6.73	11	3.38	2,23	91,02	10,26	95.23	— 31.78	58	27,00
August ,,	..	..	..	..	..	..	..	..	— 32.08	66	27,58
										66	28,20
										69	28,47

* At the end of period. § Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1946. ‡ Issued from 1st February 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 15-8-'53	12-9-'53	19-9-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.3	90.2
1. Government of India	90.2	90.1	90.1
2. Indian States	93.6	93.5	93.5
3. Municipal, Port Trust, etc.	90.1	89.0	89.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.6	101.3	101.3
1. Electricity	102.5	102.5	102.5
2. Jute	94.7	95.9	95.9
3. Plantations	100.0	100.0	100.0
4. Sugar	99.1	100.1	100.1
5. Coal	89.9	90 6	90.6
6. General Engineering	99.1	101.7	101.7
7. Shipping	101.7	102 9	102.9
8. Others	99.3	100 2	100 2
PREFERENCE SHARES	88.2	87.9	85.8
1. Electricity	99.3	99 9	99.0
2. Cotton	84.9	84.0	83.9
3. Jute	85.6	85.7	85.9
4. Coal	93.0	92.5	92.5
5. Iron and Steel	93.7	89.2	88.4
6. Sugar	74.7	76.1	76.1
7. Paper	90.5	90.5	90.5
8. Plantations	87.3	87.5	87.5
9. Miscellaneous	86.6	85.2	85.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	92.7	91.6	91.9
(a) Financial	95.3	94.5	95.6
1. Banks	84.4	84.6	85.2
2. Insurance	94.1	94.7	95.5
3. Investment Trust	71.0	71.1	70.6
(b) Public Utilities	108.9	108.9	108.6
1. Electricity	116.9	117.1	116.9
2. Shipping and other Transport	90.8	90.6	91.1
3. Railways	81.8	82.1	81.7
(c) Manufacturing Industries	95.9	93.3	93.0
1. Cotton, Woollen and Silk	96.1	92.6	91.8
2. Jute	80.8	78.7	78.9
3. Iron and Steel	101.7	97.6	97.8
4. Paper	149.8	149.0	146.7
5. Cement	111.6	110 9	110.2
6. General Engineering	103.5	103 3	103 6
7. Sugar and Breweries	84.7	85.0	84.8
8. Chemicals	92.8	92 8	93.1
(d) Non-Manufacturing Industries	88.4	88 9	87.4
1. Coal	76.2	74.1	74.2
2. Mining and Oil	114.2	117 0	116.5
3. Plantations	85.2	89.5	83.4
(e) Miscellaneous	85.7	85.3	85.1
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.9	89.7	89.7
2. Calcutta	90.2	90.2	90.2
3. Madras	90.5	90.6	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	99.7	101.7	101.7
2. Calcutta	101.7	101.6	101.6
3. Madras	100.3	100.3	100.3
PREFERENCE SHARES:			
1. Bombay	94.9	91.5	91.0
2. Calcutta	84.2	83.8	83.9
3. Madras	88.1	88.7	88.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	100.9	99.5	98.7
2. Calcutta	87.1	86.0	86.7
3. Madras	92.3	91.6	91.8
4. Delhi	87.3	86.1	86.2

Source: Department of Research and Statistics, Reserve Bank of India.
* Revised Series.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	12th Sept., 1953	5th Sept., 1953	13th Sept., 1952	August, 1953	August, 1952	Percentage of increase (+) or decrease (—) in Aug., 1953 as compared with Aug., 1952	1952	1951
Food Articles	400.5	402.7	389.6	407 0	372 9	+ 9 1	389.8	400.8
Cereals	475*	477	462	480	464	+ 3 4	450	448
Pulses	476	471	515	501	508	— 0 8	495	506
Other	283	287	229	288	234	+23 1	225	286
Industrial Raw Materials	434.3	432.2	460.3	438 7	440 4	+ 9 5	433.8	500.8
Fibres	424	425	453	433	453*	+ 0 7	454	488
Oil seeds	666	651	518	641	506	+30 6	484	479
Minerals	443	467	439	454	443	— 1 9	468	424
Others	379*	370*	333	361	316	+14.2	341	533
Semi-Manufactures	386.8	384.8	351.5	386.7	381.0	+ 3.9	340.8	377.5
Leather	401	402	400	406	382	+ 6 3	345	453
Mineral oils	227	227	226	226	226	....	221	197
Vegetable oils	591	586	465	595	475	+25 3	459	479
Cotton yarn	446	442	453*	442	453*	— 2 4	466*	488
Metals	224	224	217	223	213	+ 2.8	211	197
Oil Cakes	439	433	470	439	455	— 3 5	448	506
Others	301	300	264	290	264	+ 6 1	278	280
Manufactured Articles	383.3	385.1	368.1	376.8	366 4	+ 1 2	377.8	395.8
Textiles	398	401	405	411	402	+ 2 2	422	448
Jute	377	377	458	419	419	— 0 7	506	503
Cotton	408*	408*	389*	415*	389*	+ 6 7	401*	400*
Rayon and Silk	398*	393*	497*	409*	497*	—17 7	488*	511*
Woollen	310	310	277*	320	355	— 9 9	346	378
Metal products	337	337	324	337	328	+ 2 7	321	383
Others	285	285	296	285	297	— 4 0	298	309
Miscellaneous	718.5	719.1	631.3	766.0	635.4	+11 1	636.9	729.8
All Commodities	405.9	406.5	389.0	419 4	387.4	+ 8.9	389 9	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India† (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	—	330	260	330	451	391	370	334	142	178	141	160	168
1952 ,,	142	337	259	310	441	380	351	330	143	174	142	155	150
January 1952	146	321	246	323	443	393	337	338	142	179	147	162	156
February ,,	144	334	241	318	441	382	343	336

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1951-52 Final	1950-51 Final	1951-52 Final	1950-51 Final
Rice	tons	74,674†	73,865††	23,424†	20,741††
Wheat	tons	24,041†	23,450††	6,762†	6,039††
Jowar	tons	41,945†	39,144††	6,085†	5,944††
Bajra	tons	23,292†	22,539††	3,922†	3,299††
Barley	tons	7,609†	7,835††	2,564†	2,293††
Maize	tons	8,796†	8,073††	2,607†	2,021††
Ragi	tons	6,348†	6,399††	1,255†	1,212††
Gram	tons	17,267†	16,957††	3,771†	3,298††
Rabi Pulses*	tons	11,593†	11,659††	2,063†	2,047††
Small Millets	tons	12,170†	11,834††	1,932†	1,891††
Jute	bales	1,834†	1,951††	4,695†	4,678††
Cotton	bales	15,678†	16,198††	3,050†	3 133††
Sugarcane	tons	4,376†	4,792††	5,260†	5,065††
Groundnut	tons	11,862†	11,791††	2,894†	3,045††
Linseed	tons	3,394†	3,402††	355†	316††
Castorseed	tons	1,349†	1,428††	107†	105††
Rape and Mustard Seed	tons	5,155†	5,015††	824†	916††
Sesamum (supp)tons		5,751†	5,845††	451†	438††
Tobacco	tons	784†	659††	211†	192††
Pepper	tons	203†	202††	22†	23††
Ginger	tons	46†	47††	14†	15††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).
† Relates to 1952-1953. †† Relates to 1951-52.
* Excluding gram.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Aug., 1953	69.1
	Corresponding month 1952	74.3
	Two months ended Aug., 1953	146.5
	Corresponding period 1952	158.1
Stocks	At the end of Aug., 1953	133.5
	Corresponding month 1952	98.9
		(In 000 bags)
Exports(Jute Bags)	Week ended 15th Aug., 1953	36.79
	Corresponding week 1952	49.36
	From 1st Jan., to 15th Aug., '53	17,36.53
	Corresponding period 1952	26,22.89
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 15th Aug., 1953	60.66
	Corresponding week 1952	62.86
	From 1st Jan., to 15th Aug., 1953	78,54.03
	Corresponding period 1952	64,22.94
	RAW JUTE	(In 000 bales)
Exports*	Week ended 15th Aug., 1953	—
	Corresponding week 1952	—
	During May, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	August, 1953 (in lakh bales)	3.95
	Corresponding month 1952	4.31
	Two months ended August, 1953	8.49
	Corresponding period 1952	9.17

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10,67,100	7,99,200
Do 31st March, 1953..	11,58,000	10,61,900	7,91,800
April to August, 1953 ..	5,74,400	5,36,800	3,46,600
June 1952..	88,400	83,100	64,800
July ,, ,, ..	93,400	91,000	66,900
August ,, ,, ..	1,00,700	90,800	67,700
June 1953	90,400	82,600	59,000
July ,, ,, ..	91,100	86,100	64,800
August ,, ,, ..	94,100	83,400	63,700
Indian Iron and Steel Co.			
Jan. to August, 1953	3,60,840	2,23,910	1,40,440
April 1953..	52,210	30,080	19,000
May ,, ,, ..	47,910	32,850	19,700
June ,, ,, ..	36,730	23,940	13,020
July ,, ,, ..	21,750	8,370	4,610
August ,, ,, ..	20,230	7,710	4,190

FOREIGN TRADE OF INDIA

Particulars	May		Two Months, April & May	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—Foodstuffs	15,27	27,14	31,02	56,02
Raw materials	14,84	23,15	30,94	47,73
Manufactures	25,87	27,86	49,29	52,56
Other Items	41	77	80	1,47
Total	55,39*	78,38*	111,05*	157,78*
By land	66	1,35	1,37	3,05
Total Imports	56,05	79,73	112,42	160,83
Exports :				
By sea and air—Foodstuffs	9,88	9,19	17,44	15,52
Raw materials	10,02	12,99	21,87	25,15
Manufactures	20,05	25,31	38,84	48,43
Other Items	51	89	70	74
Total	39,66	47,88	77,85	89,84
By land	41	3,00	78	5,72
Total Exports	40,27	50,88	78,63	95,56
Total Re-exports	70	26	1,20	67
Balance of trade in merchandise	—16,62	—29,66	—35,97	—64,84
Balance of transactions in private treasure	— 1	— 1	— 1	— 1
Total visible balance of trade	—16,63	—29,67	—35,98	—64,85
Imports :				
Total£Cwealth countries	22,75	21,87	46,71	44,60
Total Foreign countries	32,64	56,51	64,84	113,18
Exports :				
Total £wealth countries	18,24	22,88	35,47	†43,60
Total Foreign countries	21,62	25,00	42,84	46,24

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

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	May 1952	April 1953	May 1953	May 1952	April 1953	May 1953	May 1952	April 1953	May 1953	May 1952	April 1953	May 1953	May 1952	April 1953	May 1953	May 1952	April 1953	May 1953	May 1952	April 1953	May 1953
Eastern Zone																					
Bamra	167	202	257	92	97	93	128	121	125	132	140	141	104	109	114	219	216	215	170	197	209†
Malbang	163	x	x	142	x	x	118	x	x	122	x	x	121	x	x	163	x	x	106	x	x
Shankargarh ..	136	143	153†	144	158	159	156	147	154	146	148	145	101	95	100	161	126	122	186	145	158†
Bonaili	268	183	224†	159	187	167	195	175	189	201	175	191	125	125	125	239	199	199	810	810	810
Northern Zone																					
Multapi	110	124	131	134	159	158	165	178	183	150	165	169	128	123	123	176	166	166	160	201	200
Nana	268	205	268	238	258	280†	197	184	194†	216	196	206	131	117	122	206	184	184	222	189	189
Balamatpur ..	242	213	229†	239	269	267	206	190	198	218	210	217	129	129	129	139	139	139	259	281	231
Southern Zone																					
Krishna	186	191	206†	168	165	175	162	162	163	167	168	172	116	130	134	152	132	133	206	175	175
Lakh	197	874	374	158	193	193	123	152	134	142	186	167	88	84	89	138	134	134	144	138	137
Mahur	172	216	210	128	144	143	136	160	154	143	163	164	97	97	100	407	195	195	163	171	178
Moniguda	219	210	224†	220	191	178†	152	216	196	211	218	239	128	128	128	210	164	164	240	202	200
Kudchi	157	181	181	123	139	139	147	161	169	146	162	168	113	120	113	160	122	120	191	193	194

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 24th Sept., 1953	16,238
	Corresponding week, 1952	38,618
	1st to 24th Sept., 1953	52,619
	Corresponding period, 1952	1,14,056
Cotton Exports	Week ended 24th Sept., 1953	760
	Corresponding week, 1952	1,006
	1st to 24th Sept., 1953	1,423
	Corresponding period, 1952	30,228
Mill Consumption	1st to 24th Sept., 1953	84,000
	Corresponding period, 1952	70,000
Stock (with exporters dealers and mills)	On 24th September 1953	3,58,579
	Corresponding date, 1952	5,41,103
Karachi (Pakistan)*		
Receipts	Week ended 12th Sept., 1953	586
	Corresponding period 1952	3,937
	1st to 12th Sept., 1953	586
	Corresponding period, 1952	6,239
Exports	Week ended 12th Sept., 1953	13,753
	Corresponding period, 1952	5,745
	Week ended 12th Sept., 1953	13,753
	Corresponding period, 1952	6,000

Particulars	From 1st to 21st Sept., 1953 Bales	From 1st to 21st Sept., 1952 Bales
Indian Union		
Cotton Exports to—		
Indian Continent	—	20
Japan	497	10,395
U.S.A.	132	—
Other Countries	84	18,124
Total for all foreign countries	—	150
Coastal Ports	663	243
	3,900	29,039
		5,067

Consumption of Cotton—	Period	Quantity (bales of 400 lbs.)
Indian	June, 1953	3,01,878
Foreign		2,07,381
Indian	Ten months September 1952 to June, 1953	29,56,605
Foreign		7,04,211
Indian	Same Period 1951-52	24,23,913
Foreign		6,87,469
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1953	12,03,847
Foreign		2,07,381
Indian	As on 30th June, 1952	15,06,302
Foreign		4,38,470
Cotton Pressed †	1st to 11th Sept., 1953 Corresponding week, 1952	1,191
	1st to 11th Sept., 1953 Corresponding period, 1952	1,816
		2,754
		5,142

* As reported by the Karachi Cotton Association Ltd. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102½
4% Bonds	1926-33	63,30,26,000	1960-70	101
3½% Loan	1938-39	1,16,17,46,000	1963-65	92
3½% Loan	1950	30,33,10,000	1964	90½
3½% Loan	1943	1,10,11,78,000	1966-68	90
3½% V. Loan	1944	1,14,06,89,000	1957	98½
3½% Loan	1945	1,15,05,83,000	1970-75	96½
3½% Loan	1945	1,13,65,64,000	1959-61	96½
3½% Loan	1951	30,35,63,000	1958	98
2½% Loan	1946	45,63,07,000	1960	93½
2½% Loan	1946	37,00,69,000	1961	90½
2½% Loan	1946	35,06,06,000	1954	98
2½% Loan	1946	14,77,48,000	1956	87½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98½
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,35,000	At option of Government after three months' notice; On September, 1965 or later at option of Government after three months' notice.	82
3% Loan	1946	248,91,90,000		82
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1946-59***	100½
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3½% Bombay	1942	3,54,23,300	18th Sept. 1955	99
3½% Bombay	1943	3,50,00,000	14th Sept. 1956	99
3½% Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3½% Bombay	1950	3,01,87,700	31st July 1960	95
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	97½
4% Bombay	1951	5,00,00,000	15th July 1963	100½
4% Bombay	1952	3,66,72,700	1st Aug. 1964	100½
3½% Coorg	1943	30,00,000	1st Oct. 1953—55	99
3½% Coorg	1945	1,00,00,000	16th Dec. 1955—58	98½
3½% Cochin	1936	70,09,000	1st June 1956—61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3½% Madras	1939	1,29,74,600	21st June 1959	99½
3½% Madras	1942	1,23,23,000	18th Sept. 1955	99½
3½% Madras	1943	1,25,10,000	14th Sept. 1956	98½
3½% Madras	1944	1,08,08,900	15th Aug. 1958	96½
3½% Madras	1945	2,82,19,000	14th Sept. 1960	93½
3½% Madras	1946	3,90,93,280	1st Sept. 1961	93½
3½% Madras	1950	4,47,00,000	31st July 1960	93½
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4% Madras	1953	5,00,00,000	15th July 1963	99½
4½ Madras	1952	5,00,00,000	1st Aug. 1964	99½
3% Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104
4% Mysore(J)	1933	2,95,85,700	1st Dec. 1953—63	100½
4% Mysore(J)	1936	5,99,72,900	30th April 1956—61	98½
4% Mysore	1947	5,08,05,700	25th Jan. 1958	99
4% Mysore	1953	3,00,00,000	15th July 1963	99½
4% M.P.	1942	50,00,000	18th Sept. 1955	99
3½% M.P.	1943	50,54,200	14th Sept. 1956	98½
3½% M.P.	1944	52,69,800	15th Aug. 1958	96½
3½% M.P.	1948	2,03,28,800	31st July 1960	94½
3½% M.P.	1950	1,01,44,700	31st July 1960	94½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97½
4% M. P.	1953	1,00,00,000	15th July 1963	99½
3½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½
3½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3½% Punjab**	1943	2,48,78,300	14th Sept. 1956	98½
3½% Punjab**	1945	2,93 81,600	14th Sept. 1960	98½
3½% Travancore	1944	3,00,00,000	15th May 1952-54	99½
3½% Travancore	1936	50,00,000	15th Aug. 1956	99½
4% Travancore Cochin	1933	3,00,00,000	15th July 1963	99½
3½% U.P.	1936	1,61,16,500	15th Sept. 1961—66	90½
3½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1945	2,24,80,300	14th Sept. 1960	94½
2½% U.P.	1945	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97½
3½% U.P.	1952	4,11,33,000	1st Aug. 1963	99½
4% U.P.	1953	5,00,00,000	15th July 1963	99½
4% U.P.	1953	1,75,00,000	17th Sept. 1962	98N
3½% W. Bengal	1951	2,00,00,000	1st Aug. 1964	100½
4% W. Bengal	1952	3,00,00,000	15th July 1963	100½N
4% W. Bengal	1953	3,00,00,000		

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,30,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
40,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
10,00,000	4	1912	1973	
14,35,878	4	1913	1960	D
80,00,000	4	1913	1974	99½N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1965	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,800	3½	1929*	1939	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,38,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98½
16,50,100	4	1915	1975	98½
68,02,300C	3†	1921	1981	79
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	5	1925	1955-85	103
98 21,600	5½	1926	1956-86	104½
99,84,980B	5	1926	1956-86	103½
1,49,49,500B	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	104½
80,00,000	4½	1931	1991	92½
21,75,000C	3	1931	1954	99½
68,00,000C	3½	1935	1965	90½
25,08,000	3	1938	1963-68	88
94,00,000	3	1943	2003-53	70N
50,00,000	3	1945	1975	79
98,00,080	3	1946	1976	82
98,80,000	3	1946	2006	70N
50,00,000C	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1933-83	£86½
£901,000	5	1924	1934-84	£86½
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1919	1982	
2,15,852	6	1921	1952	
1st Aug. 1,33,232	4½	1922	1952	M
4,47,997	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
				Rs.
BOMBAY				
Rs.				
50,00,000	4	1899	1939	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
30,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1907	1967	
25,00,000	4	1908	1968	
18,00,000	4	1912	1972	97½N
50,00,000	4	1913	1973	
25,00,000	4	1914	1974	
25,00,000	4	1916	1976	
66,00,000	5	1919	1957-79	113N
25,00,000	5	1920	1955-80	
25,00,000	5	1924	1956-86	115N
10,00,000	3½	1927	1961-70	98N
		1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£93½N
£333,000	4	1910	1970	£93½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1922	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
30,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	89
50,00,000	3	1938	1968	88
80,00,000	4	1952	1962-68	98
			1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913-14	1954	99½
20,60,000	4	1913-14	1974	99½
20,00,000	4	1914-15	1955	99½
1,60,00,000	5	1920	1980	100
25,00,000	5	1924	1954	102½
26,14,000	5	1929	1959	105
8,45,500	5	1929	1949-59	to
26,21,500	5	1929	1954-59	102½
8,25,00,000	3½	1937	1959	87
2,50,00,000	3½	1947	1979	87
4,00,00,000	3½	1950	1965	92
2,50,00,000	4	1952	1966	97
2,00,00,000	3½	1951	1968	
CALCUTTA				
34,45,500	6½	1925	1955	105½
84,70,000	6	1926	1956	104½
36,00,000	5	1928	1958	104½
25,00,000	5	1929	1959	103½
25,00,000	5	1929	1937	103½
10,00,000	5½	1932	1938	103½
33,91,000	5	1932	1958	103½
60,00,000	3½	1935	1965	93½
1,46,100	3	1936	1966	88½
4,67,100	3	1936	1956	99½
1,62,500	3	1937	1954	99½
4,18,100	3	1937	1954	98½
47,50,000	3	1937	1954	98½
10,67,700	3	1938	1968	88
15,56,800	3	1938	1956	97½
15,56,800	3	1939	1956	97½
17,64,400	3½	1940	1957	99½
10,10,000	3½	1942	1959	99½
15,49,000	3½	1942	1972	95½
16,33,000	3½	1951	1960	96
66,88,000	3½	1951	1961	96
87,36,000	4	1951	1966	96
	4	1952	1962	99½
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1923	1953	107½N

N=Nominal.

ABBREVIATIONS.—M=Held by Government of Madras.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. (f) Income-tax free.
(a) This includes the amount of loan converted into First Development Loan 1970-75.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1953.

**Quotations in Pak. Currency. ***Rupee Counterparts.

*Loans held entirely by the Trustees.
A=Held by Government of India.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	140xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	110	100
Deccan Sugar & Abkhari 'B'	£200,000	1897	7	Jan. July	[15]£	£1
¶East India Distilleries ..	6,75,000(c)	1940	7B	Dec. ..	77	100
Gwalior Sugar	5,00,000	1940	7B	Dec. ..	75	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	15½	10
Purtabpore Co.	6,00,000	1922	10	Jan. ..	103	100
Ramnugger Cane	4,00,000	1931-36	6	Aug. ..	80	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borree	4,00,000	1896-97	6½	Apr. Oct.	118	100
Burrakur (1st)	22,00,000	1901-19	7	Apr. Oct.	120½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	85	10
Equitable	4,00,000	1895	6	Mar. Sept.	119xd	100
Karanpura Collieries ..	1,93,000	1931	5	Mar. Sept.	92	75(pp)
††Khas Kajora	2,00,000	1920	7	July Jan.	6N	10
New Beerbhoom	2,00,000	1898-99	6½	Apr. Oct.	117	100
Ondalf						
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	100
Benares Cotton	1,05,200	1896	7	Apr. Oct.	121	100
Bengal-Nagpur	3,00,000	1896	7	July ..	60	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	92	100
Bradbury	14,75,000	1919	7	June Dec.	320½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodias	1,00,000	1928	7	Apr. ..	129	100
Central India	50,00,000	1912	5	Apr. Oct.	518½	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1913	8	May Nov.	143	100
Elgin .. 'B' Pref. ..	4,20,000	1943	5	July Jan.	9½	10
Do. .. 'B' Pref. ..	25,00,000	1919	7(a)	May Nov.	88½	100
Elphinstone	20,00,000	1919	7	June Dec.	130	100
Kesoram	10,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1947	4	.. ..	89½	100
Do. (2nd)	12,00,000	1937	6	Nov. ..	103	10
Kothari	16,00,000	1896	5(a)	.. ..	233½	250
Lakshmi Cotton (Bombay) ..	17,13,000	1947	4½	January	75	100
Morarjee Goculdas, Spg. & Wvg.	30,00,000	1900	4	Jan. July	108	100
Mukr Mills	7,45,050	1944	6½	.. ..	..	50
Mysore Spg.	8,00,000	1913	5½(a)	Mar. ..	185	200
New Great	26,05,500	1920	6	Apr. Oct.	3½	5
New Victoria	10,00,000	1943	6	Feb. ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2-9½	2	0 4	0 5			12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills ..	48½	100	6 0	6 0			3	Y.P.T.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	358½	250	17 8	20 0	Nil		12	Y.
10,00,000	27,25,759	54,19,513	48,70,797	80,357	Ramnarain Sons, Ltd. ..	38,532	860	Bradbury Mills	257½	250	75 0	100 0	100 0	100 0	12	Y.
1,09,42,800	2,08,18,653	2,43,74,311	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg. ..	257	100	18 0	20 0	20 0	8 0(1)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pitani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	59½	100	*Nil*	*Nil*	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg. ..	111½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd. ..	25,396	928	Dawn Mills	65½	50	*Nil*	6 0	6 0		12	Y.
34,00,000	34,00,000	62,31,113	57,33,000	5,622	Puranmal Radhakishan & Co.	37,664	886	Edward Textiles	225	200	15 0	15 0	15 0		12	Y.
29,93,700	12,93,292	1,10,11,972	73,99,225	41,862	Chudambaram Mulraj & Co., Ltd.	44,768	1,095	Elphinstone Spg. & Wvg.	255xr	100	15 0	20 0	20 0	36 4*	12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	3,385xd	1,000	175 0	200 0	200 0	225 0*	12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,170xd	250	43 12	50 0	50 0	225 0*	3	Y.P.
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills	1½	10	0 12½	1 1½		112 8*	12	Y.
50,00,000D										1,000	175 0*	200 0*	200 0*	225 0*		
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co.	47,172	1,191	Indian Mfg.	—	500	87 8	100 0	100 0	112 8*	3	Y.P.
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	170	100	12 0	14 0	10 0		6	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor Mills	86½	100A	7 8	8 0	10 0	6 0(1)	12	Y.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	1½	20B	1 8	1 0	1 4		6	Y.P.
3,60,000B								Modern Mills	90N	50	4 0	7 0	5 0			
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd. ..	33,750	451	Monarjee Goculdas Spg. & Wvg.	182½	100	17 0	15 0	12 0		10	Y.T.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	National Rayon Corporation	111½	100	*Nil*	*Nil*	*Nil*		6	Y.P.
1,60,42,600	2,66,192	4,27,10,326	70,00,000	38,933	Chinai & Co., Ltd.			New City of Bombay Mfg. ..	151½	100	12 8	15 0	10 0		12	Y.P.
24,00,000	26,69,841	71,22,988	47,20,172	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New Great Spg. & Wvg. ..	144½	100	10 0	12 8	10 0		12	Y.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd. ..	48,395	1,018								12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd. ..	34,208	1,190	Phoenix Mills	116½	100	10 0	10 0	10 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	120½	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	Dawd Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk Mill	19	10	1 0	2 0	1 4		12	Y.P.
25,00,000	60,49,474	1,17,37,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg. ..	25	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills ..	172½	100	14 0	17 8	12 8		12	Y.
31,50,000	49,02,108	78,77,340	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	128xr	50	14 0	17 0	15 0(c)	15 0	3	Y.
56,00,000	-1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard Mills	241½	100	15 0	20 0	20 0		12	Y.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd. ..	63,040	2,000	Svadeshi Mills	314½	100	18 0	18 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd. ..	35,804	552	Swan Mills	39½	100	20 0	30 0	30 0		12	Y.
32,54,438	59,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd. ..	43,248	1,800	Tata Mills	63,248	25	2 0	4 0	4 0		12	Y.T.
12,00,000	60,55,708	98,62,634	75,30,000	6,246	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370xd	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd. ..	44,224	1,016	Ahmedabad Advance Mills ..	138½	100	8 0	12 0	10 0		6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	420	100	13 0*	20 0*	25 0		12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	773	100	23 0	25 0*	25 0*		12	Y.P.
10,00,000	40,81,160	76,03,158	51,30,000	1,11,303	Mangaldas & Bros., Ltd. ..	35,884	884	Ayodya Ginning & Mfg. ..	452½	100	17 0	22 0	22 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Anoka Mills	305	125	12 8	18 0	18 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,400	New Commercial Mills ..	590	500	50 0	70 0	70 0		12	Y.P.
30,00,000	64,66,000	88,67,870	62,25,000	4,885	Tricumlal Bhoglilal & Co., Ltd.	39,316	964	New Shorrock Spg. & Wvg.	563	125	35 0	35 0	35 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864								12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhoglilal Nanavaty & Co.	24,840	528	Nutan Mills	611½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	635	Rupee Mfg.	715	100	23 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,93,069	39,67,450	-13,90,510	Mangaldas Girdhardas Parekh Ltd.	33,156	1,095	Rajnagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	20 0		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lalbhai Girdhardas Ltd. ..	33,156	640	Rohit Mills	120	100	10 0	9 0	9 0		12	Y.P.
24,90,150	1,18,66,344	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.			Shri Ambica Mills	314	50	13 0	16 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	816	Vijaya Mills	505	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,80,519	32,00,682	17,29,664	1,95,043	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills	4½	10	0 8	0 8			12	Y.
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Laxmi Cotton Mills ..	37N	40	*Nil*	*Nil*	*Nil*		3	Y.
6,00,000	22,76,075	77,07,829	51,55,000	-28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	171	100	*Nil*	7 0	*Nil*		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	-27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	182½	15	1 14	1 14	1 12		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd. ..	69,352	1,990	Kesoram Cotton Mills	—	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills		10	0 12	0 12			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	-9,51,538	Samuel Aaron, Esq. ..	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	*Nil*	*Nil*		12	Y.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000	440	Alagappa Textiles(Cochin) Ltd.	65N	10	0 14	2 0	9 3/5		12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund, ..	19,944	1,085	Azam Jahi Mills	65N	100	5 8	6 0	6 0		12	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270½	100	17 8	20 0	15 0	10 0(1)	12	Y.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills..	14	10	*Nil*	1 0	1 0		12	Y.
15,00,000	93,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd. ..	1,19,916	2,781	Birla Cotton Spg. & Wvg. Delhi	38N	10	2 8	2 8	2 8		6.12	H.P.T.
1,78,47,800	1,57,95,496	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	37,536	591	Buckingham & Carnatic Mills	123	100	6 14	7 8	8 0		3	Y.
20,00,000	16,31,836	30,52,240	14,31,870	93,393	Bruce, Leslie & Co., Ltd. ..	28,796		Cambodia Mills	11½	100	1 0	1 4	1 4	4 0(1)	12	Y.P.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,864		Cawnpore Textiles	8	100	0 9	1 0	1 0		3	Y.
12,00,000	15,00,000	27,82,848	17,29,989	-1,32,723	R. Bheema Naidu & Co. ..	19,700		Coimbatore Cotton Mills ..	157	100	12 8	12 8	9 0	0 9	3	Y.
20,00,000	9,19,870	23,84,987	11,33,496	12,319	T. R. N. Naidu & Co. ..	19,700		Coimbatore Pioneer Mills ..	117	100	7 8	9 0	9 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,587	-2,70,999	R. G. S. Naidu & Co. ..	1,15,188	2,062	Coimbatore Spg. & Wvg. ..	40½	50	3 0	6 0	6 0		6	Y.P.
46,87,500	94,72,298	2,04,37,857	1,36,21,766	-16,28,224	Tata Industries, Ltd. ..	75,604	1,830	Central India	145½	100	6 0	6 0	*Nil*		6	Y.
2,89,84,920								Delhi Cloth & General Mills..	30½	100	6 0	6 0	2 0		6	Y.P.
1,00,503	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd. ..	29,500	201	Dhanalakshmi Mills	182½	100	25 0	20 0	10 0		6	Y.P.
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons ..	25,652	1,191	Elgin Mills	171½	100	1 2	1 8	1 8		12	Y.
63,00,000	43,00,000	1,30,76,652	1,01,71,631	1,23,353	Begg, Sutherland & Co., Ltd.										9	Y.P.
39,04,700	43,10,000	82,22,387	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	228	100	10 0	14 0	17 0*	5 0(1)	12	Y.
						50,420	1,420	Indore Malwa United ..	89½	100	4 0	5 0	6 0		12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	23,784		Jamshedpur Mills	61	50	5 0	6 0	6 0		12	Y.
8,90,000	11,01,007	26,01,526	13,35,172	-2,58,201	G. V. Naidu & Co., Ltd. ..	13,824		Kothari Textiles	104	10	0 11	0 12	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	53,642	1,213	Lakshmi Cotton Mfg.	252½	250	37 8	50 0*	37 8		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	73,504	200	Lakshmi Mills	39½	25	2 0	2 0	3 0		6	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co. ..	4,64,748		Madura Mills	39½	25	2 0	2 0	3 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	21,856		Manabar Spg. & Wvg. ..	135	200	15 0	20 0	20 0	12 8	3	Y.
12,00,000	4,13,163	24,32,418	15,52,690	-22,590	A. L. A. R. S. Chettiar and 2 others	24,252	603	Mettur Industries Ltd. ..	195½	100	25 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	36,416	678	Minerva Mills	91	100	6 0	6 0	5 8		12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd. ..	49,456	952	Model Mills (Nagpur) ..	140	250	15 0	12 0	10 0		3	Y.
94,91,850	25,39,817	1,34,73,361	73,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	86,318	1,834	Muir Mills	209	100	*Nil*	7 8	7 8		6	Y.
30,00,000	52,19,600	1,51,39,972	1,05,91,651	-7,77,290	Indian Textile Syndicate Ltd.	49,632	500	Mysore Spg. & Mfg.	122½	100	10 0	9 0	10 0*	10 0*	12	Y.P.
19,86,800	66,50,072	93,64,233	59,85,374	42,197	Kothari & Sons	46,000		Mysore Spun Silk Mills ..	1½	10	*Nil*	0 10	*Nil*	*Nil*	3	Y.P.
22,89,883O	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naik	50,228	1,148	New Victoria Mills	2½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
3,07,095D	25,62,533	98,01,625	52,78,826	-25,85,856	J. P. Srivastava & Sons, Ltd.	30,896	717	Osmanshahi Mills	90N	100	7 8	8 8	7 0		12	Y.P.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund ..	22,800		Palani Andavar Mills	64½	50A	3 0	6 8	7 8		9	Y.
4,00,000A					Bhaghyalakshmi & Co. ..				89	75B	7 8	12 0	7 8			
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	C. S. R. Mudaliar & Sons ..	27,980		Pankaja Mills Ltd.	72	100	10 0	12 0	11 4		12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	158½	100A	16 0	18 0	16 0		12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	B. R. Naidu & Sons ..	25,896		Rajalakshmi Mills	78	50B	8 0	8 0	6 0		12	Y.
8,40,600B					J. P. Srivastava & Sons (Rampur)	32,580	600	Raza Textiles	81	100	8 0	8 0	5 0		12	Y.
60,00,000	25,00,000	20,61,036	13,70,469	2,54,884	G. Liladhar & Co., Ltd. ..	15,824	440	Shree Sajjan Mills	4½	10	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000	62,66,508	1,03,28,822	30,52,326	-11,26,958	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	75½N	100	6 0				12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,328	Under Control of Bombay Government				36	100	*Nil*	3 0			3	Y.
7,79,700	2,24,959	21,50,228	16,08,115	3,083					39½	25	2 0	4 0	4 0		12	Y.
16,00,000	1,58,35,370	2,82,47,402	2,03,51,339	-78,03,793	H. N. Palkar, Esq.	82,992	2,234	Sholapoor Spg. & Wvg. ..	1,610	1,000						
					Birla Brothers, Ltd.	25,200	292	Sri Krishnarajendra Mills ..	—	500	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287		27,340	992	Sutlej Cotton Mills	41½	50	4 0*	4 0*	4 0	4 0*	3	Y.P.
15,00,000	93,93,793	64,96,085	43,13,769	58,49,303	Jalpuria Brothers				37N	10	4 0	4 0	3 0*		3	Y.
17,50,000PO	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Ernoete & Sons (Travancore), Ltd.	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	9½	100	0 8					
1,57,50,000PO	3,25,000	2,67,68,703	53,91,774	2,34,553	Mooljee Rampee & Sons	16,000		Travancore Rayons	9½	100	0 14	2 5	0 14	2 5		
99,92,020	7,23,503	12,91,001	9,44,987	9,843	R. K. S. Chetty & Brothers	33,704	270	Trichunopoly Mills	5*	10	*Nil*	*Nil*	*Nil*	*Nil*		
13,98,630	28,00,000	47,61,131	28,75,811	50,000	Bombay Co., Ltd.	54,280	1,495	Vasanta Mills	8½	10	1 0	1 0	1 0	1 1	12	Y.P.T.
21,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881				Vishnu Cotton	159	100	9 0	10 0	12 0	15 0	12	Y.P.
32,00,000									142½	100	9 0	14 0*	10 0	12 0	12	Y.P.

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(f) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,39,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9	25	*Nil*	2 13¾	*Nil*		5	Y.P.
						Dyer Meakin Breweries ..	20½	10	*Nil*	1 2¾	*Nil*		3	Y.
16,20,630	14 30,304	22,75 857	9,87,293	13,649			5¾	5	1 0	0 8	0 8		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd. ..	East India Distilleries and Sugar ..	15¾	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B							21	B. 61	Sh. 1	Sh. 1	Sh. 1		8	Y.
24,00,000	8,14,510	33,30,482	26,13,607	-7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	*Nil*	*Nil*				
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Maliya, Esq. (Chairman)	United Breweries	159½	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101 A.	100	3 12	7 8	7 8		12	Y.P.T.
39 63,334B							10½ B.	10	0 6	0 12	0 12			
43,14,600C	11,13,132	1,01,23,397	47,61,834	-1,25,357	Eastern Corporation Ltd. ..	Assam Benga l Cement ..	3½ D.	10	0 8½	*Nil*	*Nil*		3	Y.T.
4,70,976D							169½	100	8 8	9 8	9 8		7	Y.
10,56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd. ..	Associated Cement Companies ..	68½	10	0 8	0 10	0 10½			
60,00,000E							14	D. 1	0 2	0 2½	0 2½		12	Y.P.T.
26,49,797O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	½		*Nil*	*Nil*	*Nil*			
50,00,000D							16½	D. 1	*Nil*	*Nil*	*Nil*			
62,50,000G	4,00,000	1,26,71,467	23,27,600	90,853	Essen Ltd.	India Cements Ltd.	6½	D. 25	0 4	0 4	0 4		3	Y.P.
7,50,00D								D. 5	0 8	0 8	0 8			
75,00,000	20,05,000	1,72,56,055	1,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	41½	25	1 4 / 1 4	1 9 / 1 9	1 9 / Nil		6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	160	100	4 0 / 4 0	5 0 / 5 0	5 0 / 5 0		3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14	10	0 8h	0 12	1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	32	10	1 12 / 1 8	1 0 / 1 0	1 0 / 1 0		3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18	10	0 8 / 0 10	0 12 / 0 12	0 12 / 0 12		6,12	H.P.T.
20,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9 / 9	O. 10 / A. 10	Nil / Nil	0 4 / 0 4	0 4 / 0 4		3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500P O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	36½ / 36½ / 4½	A. 10 / B. 10 / P.O. 2½	1 0 / 0 14* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0*† / 0 2†	3,9	H.P.
						PRESSING								
8,00,000 / 4,30,000 / 5,00,000	5,92,365 / 90,000 / 1,45,000	15,58,964 / 6,89,525 / 11,21,900	10,46,391 / 4,68,036 / 9,31,372	30,168 / 1,116 / 20,327	Andrew Yule & Co. / Pyne & Sons / Andrew Yule & Co.	Calcutta Hydraulic / Camperdown / Central Hydraulic	83 / 93N / 95	100 / 100 / 100	3 0 / 6 0 / 5 0	3 0 / 6 0 / 5 0	5 0 / 7 0 / 5 0		6 / 7 / 6	Y. / Y. / Y.
						PROPERTY AND LAND								
10,00,780O. / 2,00,000D. / 60,00,000 / 94,00,000	6,02,582 / 17,23,138 / 35,36,934	42,65,284 / 83,61,045 / 97,99,238	19,09,280 / 17,52,882 / 88,015	419 / .... / 4,609	S.J.A. Basil, Esq., & others (Directors) / David Sassoon & Co., Ltd. / Andrew Yule & Co.	Humayun Properties / Port Canning Land / Midnapore Zamindary	10 / 1 / 25 / 34	O. 10 / D. 1 / 100 / 100	0 9 3/5 / Nil / Nil / Nil	0 9 3/5 / Nil / 3 0 / 3 0	0 8 / Nil / 2 0 / 2 0		9 / 4 / 4	Y.P. / Y. / Y.P.
						SAW MILLS AND TIMBER								
13,99,998 / 94,50,000 / 6,00,000 / 15,00,000	28,08,354 / 3,70,68,876 / — / 18,43,037	13,99,519 / 3,20,32,462 / 2,13,415 / 16,83,461	5,44,419 / 1,18,53,561 / 1,37,061 / 11,63,013	69,978 / 1,57,498 / —1,19,103 / 1,70,441	Bird & Co. / Wallace & Co. / Jardine Henderson Ltd. / Gillanders Arbuthnot & Co., Ltd.	Assam Saw Mills / Bombay-Burmah Trading / Bengal Timber Trading / Indian Wood Products	6 / 328 / 40N / 30	3 / Old 125 / New 50 / 100 / 10	0 8 / 15 0 / 6 0 / 3 8	0 8 / 17 8 / 5 0 / 3 8	0 4 / 22 8 / Nil / 3 0	5 0 / 9 0 / 2 0	9 / 5 / 6 / 9	Y. / Y. / Y.P. / Y.
						SUGAR (U.P. and Bihar)								
14,00,000 / 12,00,000A. / 3,00,000B / 19,49,050 / 13,00,000 / 32,00,000 / 13,00,000 / 18,00,000 / 35,00,000A. / 10,00,000D.	9,81,419 / 29,35,035 / — / 3,00,000 / 13,00,000 / 23,18,481 / 35,56,712 / 32,60,793 / 27,00,000	37,27,464 / 44,92,506 / 27,54,526 / 15,38,162 / 1,29,41,870 / 96,28,542 / 60,37,156 / 68,17,572	25,16,456 / 29,21,822 / 20,60,462 / 10,29,841 / 81,68,293 / 75,34,740 / 45,82,743 / 41,50,000	18,412 / 2,81,000 / 2,37,248 / 40,742 / 41,747 / 31,891 / 17,488 / 50,477	Begg, Sutherland & Co., Ltd. / Narang Bros. & Co., Ltd. / Bangur Bros., Ltd. / Cotton Agents Ltd. / Gladstone Lyall & Co., Ltd. / Begg, Sutherland & Co., Ltd. / Begg, Sutherland & Co., Ltd. / Bachhraj & Co., Ltd.	Balrampur Sugar / Basti Sugar / Belsund Sugar / Bharat Sugar / Carew & Co. / Cawnpore Sugar / Champarun Sugar / Hindustan Sugar Mills	8½ / 118N / 71 / 16½N / 7½ / 36 / 25 / 130N / 50N / 25N	5 / A. 100 / B. 10 / 10 / Nil / 10 / 10 / 'A' 100 / O. 100 /	Nil / 6 4 / 0 10 / 1 0 / Nil / 2 0 / 1 8 / 6 0 / 3 0 / 2 8	1 1 / 10 0 / 1 0 / 1 8 / Nil / 3 0 / 1 8 / 9 0 / 4 0 / 2 8	Nil / 1 4* / 1 0 / 1 8 / Nil / 2 0 / 2 0 / 12 0* / 2 8 / Nil	Nil / 1 4* / 1 0 / 1 8 / Nil / 2 0 / 2 0 / 12 0* / 2 8 / Nil	6 / 6 / 6 / 6 / 7 / 10 / 6 / 6 / 6 / 7	Y. / Y. / Y.P. / Y. / Y.P.T. / Y.P. / Y. / Y.P. / Y.P. / Y.P.
7,89,100 / 11,00,000	17,03,054 / 4,20,000	25,99,076 / 36,39,370	14,56,723 / 23,28,180	1,15,051 / 3,895	Cotton Agents Ltd. / Karamchand Thapar & Bros. Ltd.	New India Sugar Mills / New Savan	24½ / 63	10 / 10	1 0 / 1 0	2 8 / 2 8	2 8 / 0 8		6 / 5	Y.P. / Y.
13,59,375	43,31,823	52,90,359	15,27,000	39,355	Cotton Agents Ltd.	New Swadeshi Sugar Mills	45N	25	3 12	5 0			6	
77,48,500 / 12,00,000 / 9,00,000 / 8,00,000 / 11,99,000 / 20,00,000 / 9,99,950	50,18,919 / 11,70,686 / 14,71,701 / 6,03,850 / 17,24,706 / 20,68,560 / 61,825	1,63,07,813 / 26,67,609 / 33,72,802 / 24,18,182 / 36,11,360 / 1,03,56,230 / 22,84,311	69,00,000 / 17,89,472 / 22,79,092 / 20,01,613 / 20,82,129 / 49,26,080 / 11,98,645	45,193 / 71,500 / 19,435 / 15,410 / 23,281 / 4,188 / 7,687	Oudh Sugar Co. / Narang Bros. & Co., Ltd. / Begg, Sutherland & Co., Ltd. / Begg, Sutherland & Co., Ltd. / Begg, Sutherland & Co., Ltd. / Sahu Jain Ltd. / H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Oudh Sugar / Punjab Sugar / Purtabpore Co. / Ryam Sugar / Samastipur Central Sugar / Shree Krishna Gyanoday Sugar / Sitalpore Sugar	95N / 14½ / 11 / 14½ / 10N / 65	100 / 10 / 10 / 10 / 10 / 10	6 0 / 1 0 / 1 0 / 1 0 / 0 6 / 10	11 0 / 2 0 / 2 8 / 2 0 / 1 0 / Nil	6 0 / 1 0 / 1 0 / 1 0 / 1 8 / 0 8	0 6½	7 / 10 / 10 / 6 / 6	Y.P. / Y. / Y.P. / Y. / Y.
6,50,000O. / 1,75,000D. / 8,00,000 / 16,00,000	47,625 / 10,96,720 / 9,19,618	27,92,174 / 70,75,580 / 30,61,987	11,46,770 / 33,99,734 / 24,31,617	—14,73,656 / 57,216 / 36,665	N. K. Jain & Co., Ltd. / Cotton Agents Ltd. / James Finlay & Co., Ltd.	South Behar Sugar / Upper Ganges Sugar / United Provinces Sugar	145 / 20N / 13½	O. 10 / D. 2½ / 10	Nil / Nil / 1 12 / 0 4½	Nil / Nil / 2 0 / 2 0	Nil / Nil / 2 0 / 1 8		10 / 9 / 9	Y.P. / Y.P. / Y.
						Other Centres								
46,99,750 / 27,68,900 / 13,00,000 / 33,57,520 / 21,79,280	69,25,010 / 2,51,646 / 30,25,936 / 29,59,135 / 90,00,000	64,21,555 / 37,63,451 / 24,51,980 / 39,13,908 / 94,96,051	47,76,406 / 16,01,711 / 14,55,776 / 19,50,442 / 62,24,558	89,148 / 21,013 / 3,71,334 / 7,69,891 / 8,27,296	W. H. Brady & Co., Ltd. / Sir J. P. Srivastava & Sons (M.B.) Ltd. / India Sugar Agencies Ltd. / Govan Bros. (Rampur), Ltd. / A. G. Baddi Gowda, Esq. (Managing Director)	Belapur Company / Gwalior Sugar / India Sugar and Refineries / Buland Sugar / Mysore Sugar	242 / 40N / 21½ / 10½N / 43½	50 / 100 / 10 / 10 / 10	12 8 / Nil / 1 8 / 0 12 / 2 0*	14 0 / 2 8 / 2 8 / 1 4 / 2 0	16 0 / 3 0 / 4 8 / 1 4 / 2 0		9 / 6 / 9 / 10	Y. / Y.P. / Y.P. / Y.
50,00,000 / 16,59,820 / 20,00,000A. / 19,99,600 / 30,00,000 / 77,50,000A. / 23,50,000O.	46,49,631 / 23,50,939 / 24,67,609 / 34,21,961 / 10,73,392 / 42,73,988	1,03,94,086 / 44,76,150 / 74,55,840 / 44,57,626 / 28,53,420 / 1,72,24,516	50,12,837 / 22,24,449 / 43,71,539 / 19,38,191 / 13,08,961 / 86,54,835	3,18,594 / 1,61,632 / 1,89,513 / 6,05,982 / 20,980 / 2,07,926	Mafatlal, Apte and Kantilal Ltd. / Anderson Wright Ltd. / Walchand & Co., Ltd. / Govan Bros. (Rampur), Ltd. / Parry & Co., Ltd. / Premier Construction Co., Ltd.	Phaltan Sugar / Ramnuggur Cane and Sugar / Rewalgaon Sugar Farm / Raza Sugar / Travancore Sugars / Walchandnagar Industries	18½ / 90N / 10½N / 41 / 145	10 / O. 50 / D. 10 / 10 / 10	0 9½ / 7 0 / Nil / 1 4 / Nil / 12 0	0 12 / 9 0 / Nil / Nil / Nil / 14 0	2 0 / 9 0 / Nil / Nil / Nil / 14 0		9 / 8 / 10 / 7 / 9	Y. / Y.P.T. / Y. / Y.P. / Y.P.T.
						TRANSPORT								
23,00,000 / 1,00,00,000 / 665,380 / 2,25,00,000 / 6,59,62,018	1,11,04,304 / £1,123,737 / £5,428,105 / 56,99,233 / 3,81,43,387	1,24,61,121 / 3,00,22,730 / £5,428,105 / 3,87,93,426 / 12,98,97,421	8,22,019 / 1,45,00,237 / £3,532,999 / 1,03,39,078 / 3,04,50,000	2,04,690 / 58,606 / £13,172 / 2,26,066 / 1,58,231	Andrew Yule & Co. / Dinshaw Ltd. / Kilburn & Co., Ltd. / Lionel Edwards Ltd. / Narottam Morarjee & Co.	Bengal-Assam Steamship Co. / Bharat Line / India General Navigation & Rly. Co. / India Steamship Co. / Scindia Steam Navigation Co.	155 / 84 / £10 / 7½ / 13½	100 / 100 / Nil / 10 / 15	10 0 / 3 0 / Nil / Nil / Nil	12 8 / 4 0 / Nil / Nil / Nil	12 8 / 3 0 / Sh 10 / 0 8 / 0 8		10 / 3 / 12 / 3 / 6	Y.P. / Y. / Y. / Y.P.T. / W.T.
						UNCLASSIFIED (Bombay)								
2,40,000 / 13,98,860 / 25,00,000 / 14,96,150 / 99,99,250	89,000 / 1,03,801 / 1,00,000 / 3,83,231 / 18,35,375	5,64,538 / 2,28,588 / 25,18,130§§ / 24,77,147 / 1,26,92,233§§	4,15,364 / 60,000 / 8,075 / 14,08,040 / 10,053	702 / 7,545 / 8,955 / 4,425 / 1,85,258	Forbes, Forbes, Campbell & Co., Ltd. / Parakh Agencies Ltd. / Dena Sons, Ltd. / Choonilal Manilal Ltd. / Premchand Roychand & Sons	Bombay Safe Deposit / Bombay-Baroda / Devkaran Nanji Investment Co. / Estrela Batteries / Industrial Investment Trust	660 / 34N / 9 / 23N / 69 / 100	200 / 8 / 25 / 50 / 100 / 100	30 0 / 4 0 / 0 12 / 3 0 / 3 0 / 8 8	30 0 / 4 0 / 0 12 / 3 0 / 3 0 / 9 0	35 0 / 4 0 / 4 0 / 2 8 / 2 8 / 4 8	Nil	9 / 3 / 3 / 3 / 3 / 6	Y. / Y. / Y. / Y. / Y.P.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	B. D. Sheppard, Esq. (Mg. Director)	Killick Industries	153 / 132½ / 75	100 / 2 / 2	4 0(t) / 2 0	4 0(t) / 2 0	4 0(t) / 2 8		4 0(t) / 2 0(t)	Y.
2,06,71,500A. / 10,00,000B.	5,64,451	2,20,32,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil		6	Y.
10,21,200 / 2,20,00,000 / 45,00,000	3,56,605 / 1,59,69,360 / 42,00,000	14,71,107 / 2,16,78,739 / 1,24,608	12,41,107 / 1,34,40,615 / 1,07,108	36,733 / 4,20,869 / 41,429	Sir Joseph Kay (Chairman) / T. Rydin, Esq. (Managing Director) / Sir Joseph Kay (Chairman)	United Motors (India) Ltd. / Western India Match Co. / W. H. Brady & Co., Ltd.	40 / 236½ / 350N	20 / 100 / 150	2 0 / 11 0* / 11 0	3 0 / 11 0* / 20 0	Nil / 11 0* / 20 0		6 / 12 / 12	Y. / Y. / Y.
						Other Centres								
47,50,000O. / 2,50,000D. / 30,00,000 / 20,00,000 / 20,00,000 / 80,00,700O. / 10,00,000D. / 20,00,000 / 30,64,680 / 3,25,00,000 / 1,60,00,000 / 51,26,970 / 7,00,000	15,00,000 / 37,50,000 / 15,34,104 / 12,91,523 / 97,71,800 / 8,38,806 / 33,27,348 / 1,05,00,000 / 1,25,00,000 / 47,57,061 / 16,97,000	1,35,46,950 / 31,41,173 / 25,69,104 / 92,32,652 / 53,87,807 / 54,303.14O§§ / 99,11,669 / 2,23,39,029 / 4,07,06,331 / 1,26,33,420§ / — / 25,07,609	50,22,899 / 18,88,668 / 17,19,014 / 39,87,830 / 29,87,807 / 1,25,380 / 96,133 / 21,85,999 / 1,84,14,167 / 2,52,71,321 / 3,15,439 / 50,793 / 18,10,721	43,857 / 5,24,909 / 1,35,909 / 9,249 / 5,15,018 / 15½ / 10 / 41,160 / 4,13,662 / 7,01,469 / 1,29,000 / 170 / 115	J. K. Industries Ltd. / Turner Morrison & Co., Ltd. / T. H. Rydin, Esq. (Mg. Director) / Oberoi Hotels (India) Ltd. / O. T. Jenkins, Esq. (Director) / Lovelock & Lewis / P. J. F. Parsons, Esq. (Mg. Director) / Sir Robert Menzies / Cecil Sack, Esq. (Mg. Director) / Bird & Co., Ltd. / MacNeill & Barry Ltd. / Sir Anthony J. Elkins. / B. P. R. Syndicate / Birla Bros. Ltd. / Birla Bros., Ltd. / J. W. Cameron, Esq. (Genl. Manager) / J. J. McIntosh, Esq. / G. S. Moulton & Co. (India), Ltd. / G. M. Mackinlay, Esq.	Aluminium Corporation of India Ltd. / Angelo Bros., Ltd. / Assam Match Co., Ltd. / Associated Hotels of India / Balmer Lawrie & Co., Ltd. / Birds Investment Ltd. / Britannia Biscuits / British India Corporation Ltd. / Dunlop Rubber (India) Ltd. / Eastern Investments Ltd. / Ganges Rope Co., Ltd. / Gillanders Arbuthnot & Co., Ltd. / Great Eastern Hotel / Hind Cycles / Hindustan Motors / Indian Aluminium Co. / Indian Cables / Indian Rubber Manufacturers / Jardine Henderson / Macfarlane & Co. / McLeod & Co.	3½ / 2 / 17½ / 21½ / 4 / 265xd / — / 15½ / 10 / 5 / 5½ / 29½ / 10 / 141 / 10 / 170 / 115 / 261 / 100N / 10 / 10 / 10 / 10 / 10 / 10 / 10 / 10 / 11½ / 1½ / 5 / 1½ / — / 17½ / 4½ / 10 / 64 / 10 / 10 / 10 / 10 / 10 / 10 / 10

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16¼d	10	4+4	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,315	Sahu Jain Ltd.	498	Albion	170	100	4+10	15+15	8+10		3, 9	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	185	100	Nil	5	3	Nil	5, 11	H.P.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	156	100	Nil	25	Nil	Nil	6, 12	H.P.T.
40,20,700	70,44,144	2,27,14,371	1,67,49,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,361	Anglo-India	203	100	Nil	10	10+10	10+15	6, 12	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	125	100	12½+4	6+3	5+4	2f	3, 9	H.P.
20,00,000	29,77,565	97,37,334	63,51,882	72,634	Jardine Henderson & Co.	959	Bally	155	100	7½+4	6+3	5+4	2f	3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,890	Barnagore	139	£5	£1	£1	Nil	4f	3, 9	H.P.T.
28,00,000	35,49,623	88,18,168	48,06,224	62,177	Andrew Yule & Co., Ltd.	820	Belvedere	200	100	7+10	12½+15	7½+7½	7½f	3, 9	H.P.
22,50,000	35,95,000	51,03,383	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	143	10	2½	3	3		6, 12	Y.P.
30,42,000	2,64,76,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	34	10	2½	3	3		6	H.P.
35,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	152	100	3+10	10+12	6½+6½	6f	6	Y.P.T.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	16N	10	Nil	Nil	Nil	Nil	3	Y.P.
18,00,000	31,81,734	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	616	Caledonian	160	100	4+10	10+12	6+8	6f	4, 10	H.P.
39,16,400	1,03,23,478	1,63,18,460	1,07,44,959	1,15,030	James Finlay & Co., Ltd.	1,600	Champdany	141	100	3+5	5+7	7+8	3f	6, 12	H.P.T.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd.	530	Cheviot	200xd	100	6+10	10+12	7+8	3f	5, 11	H.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalsah	288	10	3	11+4	6+6	6f	3, 9	H.P.
16,00,000	17,00,000	77,89,914	64,24,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	3½	2		5, 11	H.P.
31,49,200	59,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	134	100	1+3	8+6	6+1	1f	6, 12	H.T.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	220	100	5+12½	15+17½	10+10	10f	3, 9	H.P.
15,00,000	32,50,000	75,63,304	53,84,000	47,730	McLeod & Co., Ltd.	500	Empire	208	10	1+1	1+1	1+1		5, 11	H.P.
21,00,000	57,78,339	2,62,73,647	1,77,44,591	1,701	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	379	100	24+20	12½+12½	10	Nil	5, 11	H.P.
14,00,000		71,79,143	43,27,194	—7,75,473	Bangur Bros., Ltd.	1,014	Fort William	310N	100	Nil	4	Nil		6, 12	H.T.P.
84,32,100	3,13,094	2,09,14,148	1,34,77,215	—8,29,515	Macneill & Barry Ltd.	1,709	Gangessa Mfg.	661	100	Nil	4	Nil		3, 9	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,158	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	685	100	45	50	Nil	Nil	3, 9	H.P.
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Gourepore	270	100	24+15	10+10	30		6, 12	H.P.
40,00,000	46,39,631	77,52,908	44,31,841	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100xdN	100	10	7	10	Nil	12	Y.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hoogly	33½	10	1	3½	10	10	3, 9	H.P.
65,62,500	50,83,570	1,56,87,559	1,09,33,235	1,33,027	Jardine Henderson Ltd.	1,940	Howrah	23½	10	1+1	3+3	1+1	1½	3	H.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	39	7½	3	5	3	1f	3, 9	Y.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	121	O. 12½	33+91	31+1½	34+31	31f	3, 9	H.P.
D. 30,000									D. 1	A.7-8 7-8				3	Y.P.T.
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	174	100	8½+8½	10+12½	8½+6½	6f	3, 9	H.
'B' 19,20,000								166	'B' 100	8½+8½	10+12½	8½+6½	6f		
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	143½	100	Nil	5+7½	6+6	6f	6, 12	H.P.
'B' 24,00,000								141	'B' 100	Nil	5+7½	6+6	5f		
21,00,000	47,00,000	92,15,718	69,31,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	232	100	10+10	12½+12½	7½+7½	3f	6, 12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,330	Khardah	185	100	Nil	15	10	Nil	6, 12	H.P.
48,00,000	93,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	192	100	14+4	10+9	10+12		3, 9	H.P.
24,48,000	48,82,305	1,33,96,108	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	125	100	2+10	11+8	7+3	4f	3, 9	H.P.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	840	Lawrence	158	100	5+9	12½+13	11+4	2f	3, 9	H.P.T.
10,00,000	36,51,301	30,39,106	33,14,126	64,044	Andrew Yule & Co., Ltd.	558	Lothian	290	100	5+10	15+17½	15+15	2f	3, 9	H.P.
23,99,500	25,35,448	1,93,98,406	1,16,00,448	28,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	92	100	24+6½	24+12	24+24	15f	3, 9	H.P.
29,98,900	41,03,068	1,35,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Naihati	118	100	Nil	5	10+6	6f	5, 11	H.P.
20,00,000	17,75,000	25,77,260	16,42,880	5,104	Howrah Trading Co., Ltd.	425	Naskarpara	14	10	1+1	1+1	6	Nil	3, 9	H.
35,00,000	44,27,437	87,58,552	8,93,551	1,81,832	Andrew Yule & Co., Ltd.	852	National	22½	10	1+1	1+1	1+1		3, 9	H.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	348	10	1+1	1+1	1+1	1f	4, 10	H.T.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	709	New Central	260	100	4+10	15+15	2+1		4, 10	H.P.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	18	10	Nil	Nil	10+12		6, 12	H.P.T.
66,79,500	32,37,529	2,12,90,664	1,33,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	44½	50	Nil	11+11	1+1	1f	6, 12	H.P.
24,91,000	26,56,049	70,68,289	48,27,892	1,05,356	Andrew Yule & Co., Ltd.	601	Orient	171	100	4+10	11+11	1+1	Nil	3, 9	H.P.T.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	92	100	Nil	12+12	1+6	6f	3, 9	H.
20,00,000		26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	303	Rameshwara	5	10	Nil	4	Nil		5, 11	H.P.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	13¾	10	Nil	Nil	Nil		6, 12	H.T.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd...	2,013	Samruggur	14	£1	10%	10%	10%	1f	3, 9	H.P.
30,00,000	13,07,220	97,20,170	59,19,652	8,03,669	Begaria More & Co., Ltd.	911	Shree Ambica	13	10	Nil	10%	10%		3, 9	H.P.T.
7,00,000	7,74,812	48,14,436	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23¼N	10	¾	1¼+1	1f		12	Y.P.
25,19,600	49,32,957	97,24,215	56,445	86,379	Bird & Co., Ltd.	650	Standard	132	100	3+6	9+8	8+1	1f	3, 9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	14½	£1	10%	10%	8+1	1f	12	Y.P.T.
33,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	360	100	1+7	10%	10%		3, 9	H.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd...	1,331	Victoria	14	£1	10%	10%	10+1	1f	12	Y.P.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	5	1	Nil	1/40 1/40	Nil		3, 9	H.P.T.
														12	Y.P.
														6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rr.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1949 Rs.	1950 Rs.	1951 Rs.	1952 Rs.	Accounts Closed	References
25,50,000	15,75,000	64,99,011	45,49,011	25,799	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	17¾	10	1+1	1+1	1+1		3, 9	H.
12,00,000	8,42,703	37,55,383	34,25,643	58,826	Jardine Henderson Ltd. ..	Bararee Coke	16¼d	10	1+1	1+1	1+1		3, 9	H.
4,49,330	70,000	8,49,159	3,24,703	5,109	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6TN	10	Nil	Nil	Nil		4, 10	H.
1,00,00,000	1,09,30,000	5,08,61,725	3,24,30,103	8,02,968	Andrew Yule & Co., Ltd. ..	Bengal-Coal	507	200	16+17½	17+17½	17+17½	20+20	3, 9	H.
2,25,000	5,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	1½+1½	1½+1½	1½+1½		6, 12	H.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	3½	10	Nil	1	1		4, 10	H.P.
99,99,933	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5¾	10	¼	½	½		6, 12	H.P.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbarare	14	10	Nil	1	1		9	Y.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,403	Anderson Wright (Ramgarh), Ltd..	Bokaro-Ramgur	8¾	10	Nil	½	½		6	Y.T.P.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	23¾	10	Nil	Nil	Nil	Nil	6, 12	H.
90,92,480	1,65,60,398	4,01,65,968	1,60,47,288	1,13,021	Bird & Co., Ltd.	Burrakur	9	10	1½/12	1½+1½	1½+1½	1½+1½	6, 12	H.T.
49,97,000	750	22,35,410	37,645	8,776	Hindustan Investment Corpn., Ltd.	Central India	4¾	10	Nil	Nil	Nil	Nil	6, 12	H.P.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14¾N	10	1+1	1+1	Nil	Nil	6, 12	H.P.T.
6,00,000	1,40,000	7,50,000k		13,973	F. W. Heilgers & Co., Ltd. ..	Churia	2¾	4	Nil	Nil	Nil	Nil	6	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhemo Main	8¾	10	1+3	3+3	2+2	3+3	6, 12	Y.
£120,000	£424,897	£875,414	£669,896s	£78,839	Jardine Henderson Ltd.	East Indian	22	£1	5+12½	15+17½	10+10	10f	3, 9	H.
29,63,760	75,00,189	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	33	10	2½+2½	2½+2½	2½+2½	3+3	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	13¾N	10	Nil	2½	2½	3+3	6, 12	H.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriladih	14¾	10	1+1	1½+1½	1½+1½	2+1½	6, 12	Y.
3,50,000	3,50,000	12,53,839	6,13,347	40,107	Andrew Yule & Co., Ltd.	Kalapahari	41¾N	10	1+1	1+1	1+1		6, 12	H.P.
20,00,000		25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	82	100	Nil	Nil	Nil	Nil	3	Y.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd.	Katras Jherriah	38	10	1+1	1+1	Nil	Nil	6, 12	H.
1,38,400	95,000	10,63,519	3,25,519	1,063	Berjora & Co.	Khas Kajora	7N	10	Nil	Nil	Nil	Nil	2, 8	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusrdi	4¾N	10	½	½	½		2	Y.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10¾N	10	3/10	3/10	Nil		1, 7	H.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd...	Nazira	6¾	10	½	½	½		6, 12	H.P.
17,76,230	10,67,000	1,16,02,941	81,01,381	55,799	Andrew Yule & Co., Ltd.	New Beerbhoom	18¾	10	Nil	Nil	Nil		6	Y.
6,00,000	3,30,000	31,32,539	18,57,919	—7,595	Octavius Steel & Co., Ltd. ..	New Manbhoom	7¾	10	Nil	½	Nil		4	Y.
1,15,000	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.	North West	12¼N	10	1+1	1+1	1+1		6, 12	H.
1,57,500							8¾N	7½					4, 10	H.P.
3,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	17N	10	9/40+1	1+1	1+1		3, 9	H.
10,00,000	1,10,000	33,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11¾N	10	Nil	Nil	Nil			
8,34,000	20,351	16,29,203	5,77,933	70,539	Deepchand Kishenlall	Parasea	3	10	Nil	Nil	Nil		6, 12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,959	Shaw Wallace & Co., Ltd. ..	Pench Valley	22	10	¾	Nil	Nil		6, 12	H.P.
23,99,500	15,67,103	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ramagunge	7	10	Nil	½	½		6, 12	Y.T.
13,50,000	6,88,385	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd. ..	Rewa	19	10	Nil	Nil	Nil	Nil	6, 12	H.P.
20,00,000	3,10,664	28,07,516	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	7	10	Nil	½	½		3, 9	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8¾N	7½	1	1	1		4	H.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd.	Seebpore	23	7	2½	2½	2		6, 12	H.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	8¾	10	½	½	½		6, 12	H.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	63,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6¾	10	9/20	½	½		6, 12	Y.
17,50,000	10,86,300	33,53,705	13,67,030	26,614	Bird & Co., Ltd.	South Karanpura	10¾	10	1+1	1	1		6, 12	H.P.
8,00,000	13,68,503	2,33,817	56,445	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	20¾	10	¾	½	½		3, 9	H.T.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	2¾	10	Nil	Nil	Nil		12	Y.T.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	Union	22¾	10	1+1	1+1	1+1	1+1	2, 8	H.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	4¾	10		1½+1½	1½+1½		6, 12	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	17	10	¾	¾	¾	1f	9	Y.
													6, 12	H.
												Nil	3	Y.
													6, 12	H.

* Including bonus. z Sales and amount written off. (k) Investments.

(D) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 660 in the debentures section:—

§§ Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of ½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

BANK RATE IN U.K.

(Concluded from page 620)

rises of more than a point in Old Consols, War Loan and other of the longer-dated securities. The shorter-dated bonds also rose impressively and would have gone ahead further had it not been for considerable sales of such issues as National War Bonds 1954-56 on official account.

Cheerfulness was also evident in other sections of the market and notably in that for shares of discount houses, institutions which automatically receive a substantial increment of profits whenever there is a sharp downward move in interest rates—since they can finance bills and bonds bought on relatively high yield basis with the help of short loans which are now cheaper than they were. Bank shares were also looking up. The Bank rate bonus on their investments has made the preparation of year-end balance sheets a positively joyous prospect.

The Government's Treasury Bill tender attracted unusual interest, as the first to take place after the fall in Bank rate. It showed an average rate on bills of 2-5/32 per cent., a drop of about 5s. per cent. on the figure for the previous week.

A Flexible Instrument

I still find evidence of two very divergent views about the Bank rate change. In the City, generally, the move has proved very heady wine not only in terms of its actual impact on Stock Exchange values, but also of expectations of more to come. The discount market was repeating an old tag that "Bank rate never stays at ½ per cent. for long" and there were many discussions on the timing of the move to 3 per cent.

Among my economist friends and soberer civil servants, there is still some shaking of the heads as to the timing of this reduction in Bank rate at a moment when substantial wage demands are in the offing and when there is increasing evidence of the difficulty which British industry finds in gaining or even holding export markets.

The main answer to this school of thought is that the Bank rate is now a truly flexible instrument and that we can expect it to move far more frequently than of late and to be raised at the slightest hint of trouble.

While it is easy to pretend that Bank rate changes are a purely technical device divorced from politics when the movements are in a downward direction, it may be much more difficult to carry general conviction with this plea if and when the time comes to put the rate up again.—By courtesy: *News Chronicle*.

BANKING

(Concluded from page 622)

against their pro-notes endorsed by the State Bank a sum of Rs. 312 lakhs during the year 1952-53. This compared with Rs. 220 lakhs in the previous year. The total amount drawn amounted to Rs. 193.53 lakhs, as against Rs. 215.50 lakhs last year. The balance outstanding at the close of the year was Rs. 68 lakhs, as against Rs. 148 lakhs the year before.

Although such assistance as this is welcome, it should be noted that a larger measure of credit should come from the co-operative system itself. This point was fully emphasised by Mr. Saraiya. He remarked:

"It is necessary to secure the utmost co-ordination and co-operation of the component units in the credit structure and to mobilise the rural savings and channel them through co-operatives for stepping up agricultural production. In course of time, it should be possible to build up a co-operative agricultural credit system depending mainly on its own resources and supplemented only by assistance from the Central banking institution in the country during periods of seasonal stress and economic strain."

The principle of self-sufficiency, as stated above, is in line with the ideal set down by the Planning Commission. Co-operative institutions should strive hard to achieve it in their own interests which are identical with those of the masses as a whole.

JAY ENGINEERING WORKS LIMITED

(Concluded from page 631)

under the Indian Football Association. As a result, our team has been declared runners-up, and promoted to 'A' Division Inter-Office Football League.

"On the indoor side, we have dramas and religious discourses, etc.

"I have told you on previous occasions that we are expanding our distribution arrangements, and I am glad to say that we have now selling arrangements either in the shape of our own branches, or agents or sub-agents in India and outside in more than 600 places, and the network is steadily increasing. Even now, our General Manager, Mr. B. S. Agarwal, has gone out of India to establish new and to renew old contacts in foreign countries. So far as our export business is concerned, we are extremely grateful to the Ministry of Commerce and Industry and their officers in India and in foreign countries for the very great help they unstintingly give us.

"It is obligatory on our branch managers and agents to send their men to the factory for two to three months, where they are trained in the mechanism of our machines, whether sewing machines or fans, so that they may be able to provide efficient service to the customers, and the servicing arrangements are steadily being improved and expanded.

"In the end, I thank you and I thank all those, particularly our two General Managers, Mr. B. S. Agarwal and Mr. T. R. Gupta, and all my other colleagues, be they technical officers, supervisors, or workers or those working in the office or sales, or in other sections, for their co-operation and help, and I hope that we will go on succeeding from one step to another."

MARKET REPORTS

(Concluded from page 649)

that will be received, when the crop becomes ready for the factories. It is hoped that this new policy will help, to some extent, stabilise the availability of cane to sugar factories, thus avoiding fluctuations in sugar production from year to year.

"No statutory control will be exercised on the price or distribution of sugar, but releases of stocks from factories will be controlled by the Government in the ensuing season in the same manner as was done in 1952-53. Approximately, 25 per cent. of the year's production will, however, be treated as reserve stock from which the Government will make releases at controlled prices, if and when necessary, if the market price of sugar rises unduly high. The possibility of reducing this controlled price below Rs. 27 per maund is being examined. The factories will be free to sell the rest of their production at prices and to buyers of their own choice as in 1952-53.

MORE SUGAR SHIPS NEXT WEEK

(From Our Own Correspondent)

BOMBAY, 30*th September*

Submission of tenders last week in Bombay for sugar shipped per s. s. *Havildar* indicates a certain amount of unreality in the manner in which the imported sugar is being distributed in the country. While tenders for bold grain crystals of Java sugar were more than doubled, those for Mexican and British refined sugar, which is preferred in Calcutta and Madras, were just enough for the shiploads intended to be discharged in the Bombay harbour. This means that the small grain white sugar preferred by the Calcutta and South Indian markets is offered in Bombay, whereas Java sugar favoured by this market is being despatched to Calcutta and other markets. Besides, actual discharge, deliveries and movements of imported sugar show that a bulk of it will be absorbed by the adjacent interior areas with the result that the prices of both indigenous and imported sugar must look down a bit to adjust at a reasonable level.

The offer of tenders for so large a quantity of Java sugar also indicate that the trade considers that purchase at Rs. 30 per maund is almost a guaranteed no-loss business, as witness the long queues this week at the Imperial Bank's call deposit department as late as 7 p.m. to collect the call deposit receipts for submission of tenders. The present tender system also signifies that the Food Ministry does not invest anything in the huge sugar import business, since tenders are invited and deposits accepted even before the ships sail from the port of loading and that full balance amounts are collected far in advance of the actual arrival of the steamers. Lastly, rejection of tenders for Java sugar submitted by parties in the interior and accepting those from local parties, coupled with absolute lack of wagon facilities in the B.P.T. docks, would indic

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Ref.
{8,09,800 14,50,000}	1,08,33,956	10,66,174	Allahabad Bank	{383½ 190}	100 50	18 0 9 0	18 0 9 0	18 0 9 0	9 0(i) 4 8(i)	12	Y.P.
1,01,000	12,03,000	7,231	Andhra Bank	110	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				58	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	106	90	6 0½	6 0½	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12½	0 12½	0 12½		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	155½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,500	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
30,00,000	15,00,000	15,324	Bank of Jaipur	19½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,43,634	Bank of Mysore	277	100	16 0	16 0	16 0	8 0(i)	12	Y.
19,18,600	42,61,693	25,780	Bombay State Co-operative Bank	50½	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd	80	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	{63½ 67½}	25 25	3 8 3 8	3 8 3 8	3 8 3 8	0 12(i) 0 12(i)	12	R.L.Y.
£2,42,375 A											
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	84N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50					12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0	6 0	5 0		9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,830	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				450	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				181½cd	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,94,201	Indian Bank	142cd	85	10 3½	10 3½	10 3½	5 13-5(i)	6.12	R.L.H.
15,40,000				102½cd	80	7 3½	7 3½	7 3½	3 9 3/5(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	89½	100	5 0	6 0	6 0		12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0		6.12	H
2,50,000				18½	25(B)	2 4	1 14	1 8			
10,00,000				53	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	21½	25	1 0	1 0	1 8	1 0(i)	12	Y.
90,00,000	17,50,000	37,610	Travancore Bank	11½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	5	5	0 5	0 5½	0 5½		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	35½	40	2 0	2 0	2 0		12	H

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,000,000	£4,000,000	£399,215	Chartered Bank of Indm. Australia and China	£-2-1-7½	£5	14½	14½	15½	7½	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7½	6½	7½	3½	12	R.L.Y.
$ A. $20,000,000	H.K. $90,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£9½	H.K $125	5*	5*	5*	2*(i)	12	Y.
£14 372,956	£16,000,000	£418,242	Lloyds Bank	£2-15-3 £1-7-0	£1	12½ 5½	12½ 5½	12½ 5½		12	R.L.Y.
£1,437,296										12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£10½	A £125	12½	12½	14½	7½(i)	12	R.L.Y.
£375,000				£10½	B £125	12½	12½	14½	7½(i)		
£300,000				£10½	C £5	12½	12½	14½	7½(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£28½	£125	16½	16½	16½	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency ††U.S. Currency (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £		Principal Repayable	
			BREWERIES AND SUGAR				
£9,50,000	6	1st December and 1st June	Carew & Co.	193b	100	1st June	1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Rammuagar Cane & Sugar Co., Ltd	1936	99½	30th December	1956
10,03,000	6	1st August and 1st February	Ravalgaon Sugar	1942	103	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November	1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	104	1st April	1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
			COTTON				
16,50,000	5½	30th June and 31st December	Bawani Cotton Mills Ltd	1942	83	30th April	1964
4,50,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November	1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1932	99½	1st January	1967-72
13,68,000	5½		Jayshree Textiles	1949	78N	1st January	1956-59
40,00,000	5	1st June	Tata Mills.		101		1966-71
			ELECTRICS				
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	1939	96	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co. Ltd	1949	94	31st December	1964
2,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January	1970
45,00,000	4	30th June and 31st December	Chowringhee Electric Supply Co., Ltd	1945	86	31st December	1970
15,00,000	5	1st January and 1st July	Bihar (Sharsah) Electric Supply Co. Ltd.	1951	96	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97		1957-61
2,00,000	3½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October	1956
1,00,000	3	1st January and 1st July	South Madras Electric Supply		94½		1957-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
47,73,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power		92½	15th September	1965-70
			ENGINEERING				
5,00,000	3½	30th June and 31st December	Britannia Engineering	1945	98	31st December	1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1928	99	30th June	1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	102	1st July	1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	69½	31st December	1966(R)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd	1946	88	31st May	1961
3,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October	1960-65
60,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95	31st December	1960
			JUTE				
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98	30th June	1954(b)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mills Co., Ltd	1940	99	30th June	1955
30,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd	1945	89	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July	1959(e)
10,09,000	3	30th June and 31st December	Chitavelah Jute Mills	1951	97	30th June	1966
8,86,000	3	30th June and 31st December	Empire	1951	95	15th July	1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92½	30th June	1957
25,00,000	3	30th June and 31st December	Kamarhun Jute Mills Co., Ltd	1948	98	31st December	1964
25,00,000	3½	30th June and 31st December	Naihati	1952	98	31st March	1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½N	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	91	14th May	1959
10,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1943	88	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June	1958
15,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd	1950	96	5th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June	1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1935	84	31st July	1960(e)
			RAILWAYS; STEAMSHIP AND TRAMWAYS				
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	86	1st July	1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99½	1st November	
83,90,000	4½	1st January and 1st July		1900	£100N	A-1 105% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways			1st October	
£201,067	5	1st April and 1st October		1933	£102N	1st October	1976
3,00,000	2½	30th September and 31st March	Kalighat-Falta Railway	1936	99	30th September	1953
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1943	89	31st December	1959
4,00,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£90½N		
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		97	1st September	1963
			PLANTING				
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	100	1st January	1945-55
3,68,200	3½	31st March and 30th September	Teekoy Rubber Estate	1944	100	31st March	1949-59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	1943	101½	1st January	1945-53
			MISCELLANEOUS				
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
26,50,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June	1957(f)
21,00,000	4½	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
21,35,000	4½	1st July and 1st January	Clive Building:	1936	88½	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1948	87	15th September	1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	79½		1960
1,30,00,000	3	1st January and 1st July	Dunlop Rubber	1950	101½	1st January	1971
20,00,000	3	15th March and 15th September	Mettur Chemical Industries	1949	96		1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	465 (per note)	30th September	1976
45,00,000	6	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972
90,00,000	3	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April	1971
1,60,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	93½	31st March	1961
30,00,000	4	30th June and 31st December	Whitias Industries Ltd.	1946	84	31st December	1966
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	101	1st May	1968

Note—See page 653 for explanations to abbreviations marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th September, 1953.

—	Closing Quotations 24-9-'53	High	Low	Closing Quotations 30-9-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	156	157½	155½	155½
Bank of Baroda (50)	109	109	106	106½
Central (25)	63½	64	63½	63½
Imperial (F.Pd.) (500)	1,830	1,835	1,830	1,835
Imperial (F.Pd.) (125)	451½	—	—	450
Union Bank (5)	6-6½	—	—	6-6½
United Com. (50)	36	36	35½	35½
COTTON MILLS				
Ahm. Adv. (100)	138½	—	—	138½
Apollo (2)	2-9½	2-9½	2-8	2-9½
Bombay Dyeing (350)	367½	367½	356½	356½xd
Central India (100)	147	147	143½	145
Century Mills (100)	257½	258	254½	256½
Calicos (100)	59½	—	—	59½
Edward Textile (200)	225	—	—	225
Elphinstone (50)	37	38	37½	37½
Finlay (100)	256	257	253	253
Delisk (100)	227	227	223½	226
Ind. Unit. Defd. (1)	1-3½	1-6½	1-3½	1-6½
Ind. Unit. Ord. (10)	8½	9-8½	8½	9-8½
Indore Malwa (100)	90	91½	89½	90
Khatau (100)	170	—	—	170
Kohinoor (100)	281xd	281	276½	276½
Lakshmi (250)	570	—	—	570
Madhusudhan (100)	86½	87	85	87
B. R. Cotton Mills (100)	49	—	—	49
Maneck Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	182½	182½	180	182½
Myrora (50)	130	130	122½	122½xd
New City (100)	151½	—	—	151½
New Great (100)	143	145½	144	145½
Pandua (100)	116½	—	—	116½
Podar Mills (100)	122½	—	—	120
Rampon Bldg (10)	19	—	—	19
Ramsen Spg. (15)	25½	—	—	25½
Sholapur (1,000)	1,610	—	—	1,610
Simplex (50)	128	129	128	128½
Svadeshi (100)	240½	240	237½	237½
Swan (100)	322½xr	322½	314	314
Tata M.I. (25)	39½	39½	39½	39½
Wetwe (100)	142½	143½	142½	143½
Western India (1,000)	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	112½	113½	112½	113½
Amalgamated (10)	11	—	—	11
Andhra Valley (1,000)	1,327½	1,330	1,325	1,325
Bom. Suburb. (100)	127½	127½	125½	125½
Surat (100)	126	126½	126	126½
Tata Hydro (100)	139½	139½	138	139½
Tata Power (1,000)	1,387½	1,387½	1,381½	1,381½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	660	662½	660	662½
Ind. Mercantile (20)	38	—	—	38
Jupiter (15)	6½	—	—	6½
New India (15)	39½	40	39½	39½
Oriental (200)	7,050	—	—	7,050
Universal (10)	8½	—	—	8½
Vulcan (10)	11½	11½	11½	11½
STEAMER COS.				
Scindia (15)	13½	13-11½	13½	13-10½
STEEL COS.				
Ind. Iron (10)	22½	23½	22-12½	23-2½
Tata Steel Def'd. (30)	1,835½	1,837½	1,817½	1,831½
Tata Steel Ord. (75)	315½	316½	314½	314½
MISCELLANEOUS				
Alcock Ashdown (100)	298½	298½	297½	297½
Associated Cin. (100)	168	170½	167½	170
Belapur Sugar (5)	243½	247½	243½	247½
Bom. Burmah (125)	326½	327½	325	331½
Do. (New) (50)	120	121½	120	121½
Br. B. Petrol (4 sh.)	1-7½	1-8	1-7½	1-8½
Br. I. Corpn. (5)	8-8½	8-10½	8-8½	8-8½
Indian Copper (2 sh.)	2½	2-14½	2-13½	2-13½
Ind. Inv. Tr. (100)	69½	—	—	69½
Port Canning (100)	22½	—	—	22½
Premier Con. (50)	83	84½	82½	84½
Shirvanjee (10)	54½	55½	54½	55½
Tata Chemicals (10	8-6½	8-8½	8½	8-8½
Tata Oil (25)	30½	30½	30	30
Walchand Ind. (100	146½	146½	145½	146½
W. I. Match (100'	235	237½	235½	237½

GOVERNMENT SECURITIES	Gross Yield Earlier Redemption	Latest Redemption	Rs.
2½% 1954	98½	—	3.46 98½
2½% 1955	98½	—	3.48 98½
2½% 1961	90½	—	3.88 90½
2½% 1960	93½	—	3.81 93½
2½% 1962	91½	—	3.93 91½
2½% 1976	82½	—	3.92 82½
3% 1957	98½	—	3.42 98½
3% 1958	98½	—	3.43 98½
3% 1959-61	96½	3.74	3.37 96½
3% 1964	92½	—	3.84 92½
3% 1965-45	91½	3.91	3.78 92½
3% 1966-68	90½	3.99	3.88 90½
3% 1970-75	86½	4.11	3.92 88½
3 ½ 1986 Con. Loan	82½	—	3.65** 82½
3½% 1956-59*	100½	3.32	3.46 100½
3½% 1960-70	101½	3.70	3.85 101½
4½% 1955-60	102½	3.04	4.05 102½
4½% 1958-68*	105	3.40	4.05 105
3½% 1961 N.P. Bonds	98-6½	—	3.73 98½

BRITISH GOVERNMENT SECURITIES

	23-9-53 £	High £	Low £	22-9-53 £
3½% Brit. Consols	64½	64½	63½	65½
2½% Savings Bonds 1955-75	88½	88½	88½	88½
3 ½% War Loan 1955-59	101½	101½	101½	101½
3½% War Loan 1952	86	86	81½	81½
3½% Brit. Iron and Steel 1976-78	93½	93½	93	95½
4 % Funding Loan 1960-90	101½	101½	101½	101½

xd=Ex-dividend. xr=Ex-Right ** Current Income. * Rupee Counterparts.

COMMERCE

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

VOL. LXXXVII. No. 2226 BOMBAY, 10 OCTOBER, 1953 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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TAXATION IN UNDERDEVELOPED COUNTRIES

THE fiscal dilemma which stares all administrators in the underdeveloped countries in the face, is that, while they are compelled to collect maximum revenues which could be used for development purposes, they are also under an obligation to provide adequate tax reliefs that would stimulate private investment. It is true that this dilemma presents itself in one form or another in nearly all countries. But it assumes a special significance or presents more intractable problems in underdeveloped countries which have a long economic leeway to make up but which find that sources of revenue are limited and the yield either poor or uncertain or both. This explains why the problem of mobilisation of capital has been kept under constant scrutiny by the U.N. Economic Commission for Asia and the Far East. At the first meeting of the Commission's Working Party of experts on financial aspects of economic development programmes in Asia and the Far East, it may be mentioned here, the fiscal problems of this region received considerable attention and evoked much lively discussion.

As was briefly reported in an earlier issue of this journal, the Working Party recognised that private saving in most countries was inadequate and needed to be supplemented by substantial public savings. It also found that every country in this region had a mixed economy. Development thus depended on public, as well as private, investment. It was, therefore, felt that, while the tax yields should be increased in order to provide the finance necessary for public investment, the taxes should "not stifle incentive." The fundamental purpose of taxation, according to the Party, is to "limit consumption so as to make available resources for investment." But this process should not be carried so far as to create a tax structure that would provide "inadequate incentive to private investment." The Party observed that, in some countries, notably Japan, "general or specific reductions in taxation resulted in an increase of total investment through the stimulus given to the growth of private capital."

The twin purpose of taxation in the countries under reference, according to the Party, should be that it should "limit the growth of consumption, while expanding the rate of investment." Since the rate of investment in the public sector depends on the yield of taxation, the Party's next concern was to examine the tax yields in relation to the national income. It was found that the proportion of national income taken by taxation was "relatively low." This remark needs some examination, for an unqualified statement of this kind might be—indeed, it has been—seized upon by the revenue-minded Governments to increase the level of taxes or to impose new levies. It is, therefore, gratifying to note that the Party emphasised that, if this proportion was low, it was due to the low living standards, the existence of "substantial non-monetised sectors" and serious deficiencies in tax administrations. The Party actually found that, if the low level of national income were taken into account, the tax rates were "not unduly low."

The Party's views on income-tax and sales tax deserve particular notice in this country. The Party found, on an examination of income-tax in this region, that there might be "no large opportunity for extending it beyond its present limits." It was, however, recognised that income-tax was specially suited to developing economies, in that it fell on persons able to bear the tax, and permitted, through appropriate expenditures, the benefits to be more widely diffused." It is necessary to point out that this remark implies that the tax rates are realistically conceived and, further, that the expenditure-pattern is so devised as to enable the country to derive the maximum benefit from it. If this criterion were applied to this country, it would be found that administration leaves much to be desired.

The Party felt that sales tax shared the advantages of many other indirect taxes in "reaching people with incomes low enough to avoid income-tax." The Party further felt that some form of taxation on such low incomes was absolutely necessary, if the revenue required for development were to be raised. It, however, warned against frequent changes in sales tax rates, since they led to speculation about future changes and to undesirable shifts in stocks and sales. Perhaps, the most notable point in the Party's view of sales tax is its emphasis that a "large measure of uniformity within individual countries was extremely desirable" and, further, that "in most circumstances single-point taxes proved to be the most satisfactory from the point of administration and economic effects." The entire agitation against sales tax in this country stems from the fact that both these important considerations, namely, uniformity and single-point levy, have been ignored.

The Party has made quite a few notable suggestions in regard to taxation on land. The Party recommended that Increased attention should be paid to rural taxation, whether in the form of land tax or in some other form. This recommendation is based on the consideration that efforts should be made to ensure that "increased agricultural productivity resulting in increased incomes and increases in land values should also lead to larger tax payments." If the significance of this recommendation has not yet been grasped in this country, it is because the governing party has felt that its implementation is politically inconvenient. This is clear from the fact that, while the State Governments have had no hesitation in imposing heavy taxes on tea, rubber, sugarcane and other plantation industries organised on joint-stock company basis, they have been chary of increasing the rates of land revenue. Thus, while the urban and industrial sector is compelled to bear a disproportionate burden of taxation, the agricultural sector, which has benefited in no small measure from the increase in commodity prices, gets preferential treatment.

There is certainly no need to raise here the traditional controversy about the relative values of agriculture and industry. But it is necessary for the Governments to realise that, although agriculture might be justifiably treated with some special consideration by reason of its dependence on the vagaries of nature, it is folly to exempt it altogether from the contribution it could make to general revenues. If it is politically unwise to ask agriculture to share the tax burden with others, it only exists to that vital economic considerations are sacrificed at the altar of political expediency. It was only this week that Mr. V. T. Krishnamachari, Deputy Chairman of the Planning Commission stressed the need for tapping all available sources of revenue, including better levy and enhancement of water rates. It is to be hoped that this call would evoke a sympathetic response from the State Governments.

Yet another aspect on which the Party had some commendable suggestions to make is the one which relates to export taxes. Although the importance of export duties as a source of revenue to Governments has been rapidly declining owing to the return of the buyers' market in most of the goods exported from this region, the Party's views on it may be noted for future guidance. It is common knowledge that the

countries in the South-East Asian region derive a considerable part of their national income through the exports of a few commodities. This, coupled with the sellers' market in them during the past several years, encouraged the Governments to impose export taxes. Since the prices of these export commodities have fluctuated widely in recent years, the Governments have often been faced with either inflation or depression. The avoidance of these painful alternatives is an important problem for underdeveloped countries. Some members of the Party suggested that the countries could build up foreign exchange reserves or cash reserves during periods of prosperity for use when export earnings declined. This is a valuable suggestion, despite the fact that the fiscal machinery has proved "more successful in securing large revenues during periods of buoyant economic activity than it was in stimulating economic activity when a decline was threatened or existed." The Working Party's emphasis on the building up of cash reserves out of export tax revenues deserves the attention of the Government of India, for, if the windfalls, which periodically accrue to the Government through export booms, were properly conserved in order to grant assistance to the trades and industries concerned during periods of depression, it would go a long way towards the maintenance of the stability of that sector of Indian economy, represented by jute, tea, pepper, coffee, cotton and cotton textile industries, which depend on export markets in varying degrees.

Although the Party was convinced that there was no scope for a large increase in tax rates in this region, it found that there was scope for increasing the tax yields through improvement in tax structure and in tax administration. It emphasised that "tax structures should be simple." And this is an aspect which has been entirely lost sight of in this country. A complex structure promotes evasion of taxes. The Party again stressed the need for tightening up the tax administration. Indeed, more revenue, as experience in this country has shown, is lost through leakages than gained by fresh imposts. The Party was perfectly justified in concluding that the yield from income-tax could be "increased substantially by better administration and improved collection." It rightly stressed, as was pointed out earlier, that "good tax morality" depend upon the public acceptance of taxation as well as upon the application of penalties, and that public acceptance depended upon, at least in part, on widespread knowledge of the uses to which revenues were put. Ultimately, it is not the fear of penalty that makes citizens good taxpayers, but a sense of duty and a consciousness of social obligation. And it is a moot point whether any government can create this consciousness, if it continually treats private enterprise with suspicion and distrust. The Government spokesmen in this country have not enhanced the chances of creating "good tax morality" by harping—very often, unnecessarily—on the failings of private enterprise, ignoring the valuable contributions it has made.

CEILING ON LANDHOLDINGS

AN important aspect of land reform which is once again in the limelight is the fixation of a ceiling on landholdings. The occasion for the revival of this controversy has been provided by the land reform legislation initiated by the Governments of three States, namely, Hyderabad and Madhya Pradesh. The Delhi, Opposition parties in these States have availed themselves of this opportunity to force the issue and demand a ceiling on the amount of agricultural land which a person or a family can hold. The Congress Party itself had, at one time, supported the principle of placing a limit on landholdings. But, on a careful consideration of the issues involved, the top men in the Party have realised that this aspect of land reform is not as sound as it was once believed to be. They have, accordingly, advised the State Governments not to proceed with its implementation. The Opposition is now trying to make political capital out of this development.

In the Delhi State, for instance, the deletion of a clause prescribing a ceiling on holdings from the Land Reform Bill, at the instance of the Central Government, has found stern opposition from certain sections of the State Assembly. The Hyderabad Government, however, has not yet decided to drop its move to fix an absolute limit on the land which any individual may hold in terms of a net annual income. Still the Opposition is critical of it, on the ground that the measure falls far short of its expectations. In Madhya Pradesh, the Revenue Minister has flatly rejected the demand of the Opposition to fix a ceiling on landholdings, in the course of the debate on the Revenue Code Bill. The reluctance of the Hyderabad State Government to drop its proposal, in striking contrast to the realistic behaviour of the Madhya Pradesh and Delhi State Governments, shows that some in the ruling party itself holds divergent views. This divergence of views demonstrates lack of clear perspective of the ultimate shape the land policy must take for attaining maximum agricultural production.

Much of the prevailing controversy on the principle of fixing ceilings on landholdings may, in a way, be ascribed to the vacillating attitude of the Planning Commission. In its draft outline published in July, 1951, the Commission was undoubtedly more practical and realistic on this problem. In that report, it gave valid reasons for being extraordinarily cautious in adopting the principle. It said:

> "It is possible that any large-scale and sudden attempt to break up existing holdings may give rise to such organised forces of disruption as may make it extremely difficult to bring about the very transformation in the organisation of agriculture which is needed. In the conditions of India, peaceful and democratic change is likely to be the most lasting. *It is, therefore, necessary to ponder carefully over the practical results of a policy of ceilings on individual holdings.*" (Italics ours.)

This clear and sagacious advice was, however, modified in its final report, published exactly a year after, in December, 1952. Thus, in this report, it said:

> "The question whether some limit should not be placed on the amount of land that an individual may hold has to be answered in terms of general principles rather than in relation to the possible use that could be made of land in excess of any limit that may be set. We have considered carefully the implication of the various courses of action which are possible. It appears to us that, in relation to land (as also in other sectors of the economy), individual property, in excess of any norm that may be proposed has to be justified in terms of public interest and not merely on grounds of individual rights or claims. *We are, therefore, in favour of the principle that there should be an upper limit to the amount of land that an individual may hold.*" (Italics ours.)

The changeover from an attitude of caution to one of faith in the principle of ceilings, as indicated by its own observations on different occasions as noted above, is hardly justified by the enunciation of the concept of a "family farm" for the determination of the ceiling. The term "family farm" has been defined in a broad way which is capable of varied interpretation. It is defined as a farm which can be managed by an average cultivating family with the usual assistance by seasonal labour. Three times the "family farm" is taken as the proper basis for ceiling landholdings. Even the application of this ceiling is subject to a series of conditions. Thus, the ceilings are not to be given retrospective effect, and are not applicable to present holdings and lands reclaimed. Joint families and succession arrangements under the Estates Duty Act are excluded from it. They are, however, applicable to land acquisition in future and to resumption of land for personal cultivation. Income as the standard for determining ceiling, as now proposed in the Hyderabad law, has been rejected by it. These limitations indicate that, when the concept of "family farm," conditioned by so many exceptions, is put into operation, it is the exception that will govern and not the rule. The very fact that a number of qualifications had to be made is proof enough of the complicated nature of the reform.

Even with regard to the concept of "family farm," the Planning Commission agrees that due regard must be paid to the fertility of the soil, cultivation processes adopted by farmers in particular areas and the enterprise of the cultivator concerned. There are also other factors to be taken into consideration such as the type of crops grown, their relative yields and prices, availability of water supply, proximity to means of communication, etc., all of which have a say in the net productivity of a "family farm." The Commission is fully aware that the acquisition of such land as is in excess of the ceiling will not achieve the aim of providing land for the landless. If, despite all these considerations, the Planning Commission has expressed itself in favour of the principle of ceiling, such must be attributed to political pressure rather than to considerations of cold reasoning.

In this context, the bold lead given by the Union Minister for Agriculture, Dr. Punjabrao Deshmukh, by expressing his disapproval of the principle, is commendable. Summing up the discussions on land policy at the Agriculture Ministers' Conference last week, he strongly pleaded for the abandonment of the policy of putting a ceiling on the existing landholdings. In unequivocal terms he declared: "I firmly believe that it would not be in the interest of any nation like India to disturb the rural conditions too violently. There may be people who differ from me, but I have no doubt whatever that any such interference will, in the end, recoil upon us." Earlier, while inaugurating the Conference, he stated that, in considering the question of ceiling, the danger to production should not be lost sight of. The proceedings of the Conference reveal that Dr. Deshmukh has secured the support of the State Ministers of Agriculture. Although no resolution was passed, the Conference held that the problem should be considered by the National Development Council. It is, however, not yet quite clear from Press reports whether the question received the attention of the Council which met in New Delhi this week. On the Council now devolves the responsibility of giving a clear lead to the country on this highly controversial issue.

A ceiling on landholdings may be beneficial under certain conditions. Concentration of land in the hands of a few people in areas brought under cultivation as a result of development projects, for instance, will be undesirable, as it would serve neither social justice nor economic efficiency. Ceilings, therefore, can be imposed in such areas. But the same can hardly be applicable to the bulk of existing landholdings in the country. The more urgent problem of land policy in the country is to arrest further fragmentation and accelerate the process of consolidation of uneconomic holdings. The solution to this problem lies in determining the economic plot, which, again, bristles with the same difficulties as those in deciding the "family farm" proposed by the Planning Commission. Thus, if once the economic plot is determined, it will, *pari passu*, pave the way for determining the ceiling for landholdings, if conditions warrant such a step. Thus an attempt at imposing ceilings before floors are fixed will be just like putting the cart before the horse.

The Planning Commission has admitted that limitation of holdings may be a varying multiple of productivity, saleability, leasability and revenue assessability of land. For a proper application of this principle, statistics based on land surveys are quite essential. But such statistics are not available, and consequently, any attempt at fixing ceilings will be only arbitrary. Rough estimates made on the basis of such data as are available reveal that, if the ceiling were to be fixed at 30 acres, only about 8 per cent. of the entire cultivated area would be in excess of such holdings. If allowance were made for exemptions mentioned already, only about 4 per cent. of the area, it is stated, would be available for redistribution. Granting that the scheme is implemented to cover this fractional area, there will remain the twin problems of redistribution of the acquired land and of payment of compensation to those from whom the lands were taken. Both these, in their turn, will present numerous other problems. Thus the lands acquired will consist, invariably, of plots scattered over the whole village and will not lend themselves to the introduction of co-operative farming. Besides, it will not be fair to take away land from enterprising farmers and distribute them to landless farmers with no means to cultivate the land efficiently. Then there is the problem of finance, administration and management, in all of which the country is woefully deficient. In these circumstances, any move to impose a ceiling on holdings will only divert the country's attention from more pressing problems the solution of which is urgent.

The experience gained in other countries, too, does not justify the move to impose ceilings. In Communist China, no such limitation is imposed on a cultivators' holdings. Even non-cultivators, it is stated, are allowed to hold lands. In Egypt, the ceiling is fixed at 200 acres as compared with 50 acres in Bombay and 30 acres in U.P. Further, in terms of productivity, the ceiling of 200 acres in Egypt are equal to 600 to 800 acres in this country. Japan seems to be cautious in interfering with age-long tenures and the structure of property. Those who have been clamouring for land distribution in this country will, therefore, do well to ponder these facts, before pressing their claims.

TASK BEFORE COMMITTEE ON FINANCE

SOAP PRICES REDUCED—FOREIGN INVESTORS CONCERNED OVER ESTATE DUTY

THURSDAY, 5 P.M.

A REFERENCE was made in these columns last week to the appointment of a committee of financiers, bankers and officials to explore ways and means of stimulating investment in the private sector. It was also stated that the Committee would start functioning soon after the return of the Governor of the Reserve Bank of India from Washington. This information has now been officially confirmed. Mr. Rama Rau returned to Bombay on the 1st inst. He must have immediately paid attention to this work. For, after the week-end, on the 5th inst. to be precise, the Reserve Bank of India issued a *communique* announcing the terms of reference and the personnel of the Committee. The terms of reference are brief and precise. To quote the *communique*:

MARKET GOSSIP

"The Planning Commission have assigned an important role to the private sector in the implementation of the National Plan. Investment in this sector has not, however, reached the level envisaged in the Commission's Report. The Taxation Enquiry Commission is investigating the effects of the structure and level of taxation of income on capital formation and on maintenance and development of productive enterprise. There are, however, other factors which influence investment in the private sector. With the approval of the Government, the Reserve Bank have decided to appoint a Committee to examine how increased finance could be made available to this sector through sources other than those which are under the consideration of the Taxation Enquiry Commission. In particular, the Committee will examine the possibility of providing, on a larger scale, bank finance for development in the private sector."

• • • •

It will be obvious from the above quotation that the Committee has a specific assignment but that it has not been given a time limit to complete its task. The Committee will not impinge on the sphere of work cut out for the Taxation Enquiry Commission, even though it is clear, as was stated by us last week, that the structure and level of taxation constitute one of the chief factors that have been responsible for the inadequacy of capital required by the private sector for playing the role assigned to it in the Five-year Plan. It will confine itself to an examination of only the other sources through which finance could be made available. It will particularly examine what banks can do in this matter.

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The personnel chosen for carrying out this task is undoubtedly of the right type. The Chairman of the Committee is Mr. A. D. Shroff, whose ability as a financier is well known. Mr. Shroff is, of course, more than a financier. He is an eminent economist and a business man as well. Other members of the Committee are: Messrs. J. V. Joshi, Executive Director, Reserve Bank of India, Bombay; S. Ananthanarakrishnan, Member, Local Board, Reserve Bank of India, Madras; C. W. Middleton, Secretary and Treasurer, Imperial Bank of India, Bombay; B. T. Thakur, General Manager, United Commercial Bank Ltd., Calcutta; V. R. Sonalkar, Managing Director, Industrial Finance Corporation of India, New Delhi; B. K. Dutt, General Manager, United Bank of India Ltd., Calcutta; M. S. Nadkarni, Department of Banking Development, Reserve Bank of India, Bombay; and Dr. K. S. Krishnaswamy, Department of Research and Statistics, Reserve Bank of India, Bombay. Of these, the two last mentioned will act as Joint Secretaries of the Committee.

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As will be seen from the foregoing list, the Committee is dominated by practical bankers who have won the positions they now hold by dint of hard work. It is gratifying to find that official representation is limited only to the executives of the Reserve Bank who have not yet become hidebound by red-tapism. The Committee is, therefore, a live-wire one. Further, it is small and compact. It should, therefore, be able to discharge its functions efficiently and speedily. It can be depended upon to be realistic in its findings and practical in its recommendations.

• • • •

Although we feel that lack of credit is not the main handicap of private enterprise, it will be wrong to dismiss the appointment of this Committee as superfluous. The Committee may not be able to perform any miracle, but it can at least help the powers-that-be understand the issues better and seek a solution to the economic problems on the right lines, provided, of course, they are willing to profit by the experience of these hard-boiled bankers. From this point of view, however, the terms of reference are rather narrow. They should have been so broad-based as to include all the factors, other than taxation, which influence investment in the private sector. This would have given the Committee sufficient room to examine the various disincentives to investment and suggest measures for overcoming them. In any case, it is to be hoped that the Committee, while making its suggestions, will take care to state clearly the conditions under which their proposals will yield results. If, for instance, the Committee were to recommend the provision of medium-term finance for industries by commercial banks, that is to say, mixed banking, then it must tell the Government the kind of economic climate that must be created for its success.

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Even within the present terms of reference, the Committee has, of course, plenty to do. It can, for instance, examine the monetary policy of the Government and its effect on the availability of funds to the private sector. It can go into the working of the Industrial Finance Corporation and suggest measures for increasing its utility. Similarly, it can put forward proposals to bring into existence at an early date the Finance Corporations in the various States and to make them useful agencies for providing long-term finance for small enterprises. It can consider the feasibility of the suggestion for the establishment of a Development Corporation, as suggested by Lala Shri Ram a few days ago. It can indicate the ways and means of attracting foreign capital. It can see for itself to what extent the control of capital issues and the Industries Regulation and Development Act are impeding investment in the private sector. It can scrutinise the working of capital markets and advocate suitable reforms for removal of defects, if any, in them and for reviving the confidence of investors.

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The main function of the Committee will be to explore the ways and means of providing, on a larger scale than hitherto, bank finance for development in the private sector. As mentioned by us last week, we do not think there is much scope for commercial banks, organised as they are at present, to extend more credit of a long-term nature to industries. Even as it is, most of the big banks are financing a substantial amount of replacement and renovation of industries. If they are to do more, they will require the backing of the Reserve Bank of India in the form of expanded rediscount facilities. Suggestions may be made by some for the introduction of mixed banking. Others may cite as examples what the commercial banks in Japan and Germany have done for the industrial development of their countries. Great care and thought must be bestowed by the Committee on such suggestions before recommending their adoption in this country. It must be remembered that India is neither Japan nor Germany. Further, provision of credit alone did not help them rebuild their economy as fast as they have done. There were other far more important factors that contributed to their rapid economic recovery. The Committee will also do well to study the after-effects of large industrial expansion in these two countries based on a liberal bank credit. There is sufficient evidence to show that they have not been quite healthy.

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There has been a welcome improvement in the trend of markets in the city. The downward trend noted in the previous weeks has been arrested in commodities and bullion. Values in these markets are well above the lowest levels touched earlier. In the share market, too, there has been a sizable recovery. The main cause for the improvement in all the markets is covering by bears; only, it has been more marked in shares than in others. Evidently, the bears have decided to book their profits for the present. Market circles are hopeful that the Government will not let the economic situation deteriorate any further and that it will take corrective steps. The appointment of a committee of bankers and financiers by the Reserve Bank, as mentioned above, has been regarded by them as yet another straw in the wind, indicating the direction in which the authorities' thoughts are now running. There are also reports that the question of prohibition will be seriously reconsidered by the Centre. Dr. Punjabrao Deshmukh's statements on this subject, as well as on land reform, are significant.

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The Government of India's concession to imports of palm oil has begun to yield results. Not only has the upward trend in the prices of edible oils been reversed, but the prices of soaps also have started to decline. In fact, the price of the latter would have gone down at least some six weeks ago, but for the monopolistic tactics of the Indian soap manufacturers. But even they had to yield finally and pass on at least a part of the benefit of duty-free cheap palm oil imported from abroad. The soap manufacturers have decided to lower the prices of toilet and washing soaps with effect from the 15th inst. Lever Brothers (India) Ltd., for instance, have reduced the price of their washing bar soap from Re. 1-3 to Re. 1-1-6, Sunlight soap from As. 5-6 to As. 5, Lifebuoy from As. 5-9 to As. 5-3 and Lux from As. 6 to As. 5-9. Tatas have also effected similar reductions. Thus, the price of 501 bar has been cut from Re. 1-2-6 to Re. 1-1-6, 501 special cake from As. 5-6 to As. 5 and toilet soap (Hamam) from As. 6 to As. 5-9. Other manufacturers also have made similar reductions.

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It has been reported in certain circles that Lever Bros. first decided upon a reduction in the price of their soaps, with a view to offering keen competition to other manufacturers and that others had to follow suit. This report is baseless. It is true that Lever Bros. were the first to propose a cut in the prices of their soaps, but it is not true that they made this move in any spirit of unfair competition. They proposed a reduction in their prices, because they wanted to pass on the benefit of the saving in the cost of raw material, consequent on the abolition, on 12th May last, of the preferential import duty on palm oil and the reduction in the standard rate from 43⅓ per cent. to 10 per cent. They made this move nearly a month ago, but had to stay their hand as the other soap makers would not readily agree to it. Even now, the reduction in the price of soap is not as much as it could have been. The Government, we think, will do well to look into this question. It would appear that all the Indian soap makers have formed themselves into a combine and are resorting to restrictive practices, taking shelter under the popular slogan "Swadeshi."

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The controversy relating to the setting off of losses in hedge transactions against other income has again come to the fore. In moving the relevant clause of the Income-tax Amendment Bill, the Finance Minister, Mr. C. D. Deshmukh, had suggested that it would exclude hedge contracts which are entered into by investors and operators in shares in order to guard against losses which might arise in the ordinary course of their business. He had also suggested that the clause would exempt another variety of transactions in which an investor might want to protect himself against any loss in certain scrips he holds by selling some other scrips which he expects will have a reverse movement. This assurance regarding the exemption of an investor's transactions in scrips which he might not possess has been nullified by the Central Board of Revenue which gives a different interpretation to the scope of exemption granted in the Act. The Board has informed the Federation of Indian Chambers of Commerce and Industry that it cannot grant relief to hedging transactions which involve shares outside the assessee's holdings. There is no doubt that the Board's interpretation —however technically correct it may be—goes counter to the specific assurance given by Mr. Deshmukh. In view of this difference in interpretation between the Finance Minister and his Secretariat, the Government will do well to clarify the issues involved, if only to prevent the uncertainty it might introduce into genuine hedging transactions.

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Clause 80 of the Estate Duty Bill has been the subject of extensive comment in the British Press. This clause says that a company incorporated outside India but treated as "resident" for tax purposes, has to pay estate duty on the death of a foreign shareholder of the company. The duty is payable by the company, because, in the case of such foreign shareholders, there are no assets in India from which the duty can be recovered. No duty is, however, payable on shares below the value of Rs. 5,000. On shares in excess of this limit, the duty will be collected at a flat rate of 7½ per cent. The main ground on which this clause has been opposed in British circles is that it will impede the flow of foreign investment into India. Writing under the heading "An Unwise Idea," the *Financial Times*, London, says:

> "Where companies operate outside the territories in which they are registered, there is always a question of the right of two Governments to the tax on those profits. Should the Government of the country in which the company is registered have the benefit of the taxes, or the country in which they are in fact earned? Increasingly this question is being settled by the negotiation of double taxation agreements—unless the companies themselves cut the Gordian knot by the removal of their seat of control to the territories in which they mainly operate. It is possible to argue that if agreement is reached about taxation of income, agreement should also be reached about the taxation of the capital values which result from the same profits, when and if these values become liable for any taxation at all. Let the Indians then help to bring the negotiation of such agreements to a speedy conclusion. It is equally true, however, that in this case it is not very sensible to raise the issue at all. India badly needs outside investment. Outsiders will not be encouraged to buy shares in any company operating in India, still less to invest new money, if it becomes plain that they are to be subject to taxation of this kind, even if the amount were moderated by a double estate duty agreement.
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> "The second point of principle arises from the provision that the tax should be collected not from the shareholder, or rather his executors, but from the company. There is one precedent for this provision, in the tax laws of Queensland, where, apparently, the company is expected to recover the tax from the executors. And there is one apparent parallel which has perhaps encouraged the Indian legislators to enact this clause: nearly all companies collect and pay over income-tax on behalf of their shareholders. But what is an administrative convenience for income-tax is a nightmare for estate duty. Moreover, where, in paying income-tax on behalf of the shareholder, the company acts merely as an agent, in becoming liable to estate duty its own identity is confused with that of its owner's. All in all, the Indian Government, whose previous essays in new taxation have not always been fortunate, would be wise to reflect again on this most unwise proposal."

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The month of September is traditionally a month of setback in balance of payments position for the sterling area, since this month normally reflects the seasonal fall in the flow of exports from the area. It is, therefore, hardly surprising that the increase in the area's gold and dollar reserves was only to the tune of £17 million. In August, the increase was slightly less; it was £13 million. But the area received, in September, £28 million by way of American aid, as against only £19 million received in August. In July, when the increase was £89 million, American aid accounted for £36 million. Be that as it may, the September surplus brings the total of the area's gold and dollar reserves to $2,486 million. The rise in these reserves over the third quarter of the current year

(*Continued on page* 707)

EQUITIES RULE FIRM

TEXTILES IMPROVE

(From Our Own Correspondents)

BOMBAY, *8th October*

THERE was a distinct improvement in the sentiment on the Stock Exchange during the week under review. The main prop for the market was, of course, provided by the steel shares and some miscellaneous industrial shares. Activity broadened in these shares, consequent on their having received the necessary stimulus from several inspiring factors. The report that normal work at Burnpur had almost been resumed and that the output per man was showing a welcome improvement induced fresh interest in Indian Irons and this had a sympathetic effect on Tata Deferreds. The move by a section of the Deferred shareholders to block the progress of the Conversion scheme having proved ineffective, optimism regarding the scheme was revived and it gave fresh support to Tata Steel Shares. Abolition of export duty on iron and steel products, disquieting developments in Korea, appointment of a committee under the chairmanship of Mr. A. D. Shroff to examine the question of providing increased finance to the private sector of industry were additional factors which induced speculative activity. The resulting rise in values induced short covering. Closing quotations were, therefore, higher than those at the end of last week. The undertone remained firm.

In the steel section, Tata Deferreds opened at Rs. 1,830 and moved round about that level till Saturday. From Monday onwards an enlivened activity was noted for reasons stated above and Deferreds advanced to a high of Rs. 1,871-4 this morning before profit-taking pruned it to Rs. 1,868-12. Tata Ordinaries scored a gain of Rs. 6-4 over the week to close at Rs. 321. Indian Irons had a quiet spell early in the week, declining from Rs. 23-2½ to Rs. 22-15, but later on made a spirited rally to close at Rs. 23-11 on revival of support.

Textile shares had a steady spell in the wake of the strength in steels and on expectations that there would be an improvement in the cloth trade in the coming weeks. Kohinoors experienced brisk activity on consistent support due to rumours of good working of the Company. As a result, they advanced from Rs. 276-8 to Rs. 284-8 before finishing at Rs. 283-12. Bombay Dyeings firmed up from Rs. 356-4 to Rs. 364-6 but closed lower on realising at Rs. 362-8. Central Indias spurted by Rs. 4 to Rs. 149. The Company had declared a dividend of Rs. 5 per share of Rs. 100 on the ordinary shares for the year ended 30th June, 1953, as against Rs. 2 paid for the previous year. Century rose by Rs. 5 to Rs. 261-8. Ahmedabad Advances were dull at Rs. 137-3. The Directors of the Company have decided to maintain the distribution to the ordinary shareholders at Rs. 10 per share (Rs. 100 paid-up) including a bonus of Rs. 3 per share for the year ended 30th June, 1953. New Greats had a rise of Re. 1-8 to Rs. 146. Standards hardened by Rs. 5 to Rs. 303-12, Svadeshis by Rs. 3-8 to Rs. 241. Gokaks put on Re. 1-8 to Rs. 227-8. A feature of the trading in the textile section is the spurt in Elphinstones which had a rise of Rs. 5-8 to Rs. 43. It is reported that the Managing Agency of the Company has been acquired by Messrs. Surajmal Nagarmull of Calcutta from the present Managing Agents. India Uniteds, which continued to be well favoured early in the week, met with realising towards the close. The Ordinaries which rose from Rs. 9-8½ to Rs. 9-14 reacted to Rs. 9-7½ and Deferreds, after an advance from Re. 1-6½ to Re. 1-7½, closed lower at Re. 1-5½. Finlays were a quiet feature with a loss of Rs. 4 to Rs. 249 and Swans Re. 1-8 to Rs. 312-8.

Bank shares manifested a steady trend. Barodas had a gain of Re. 1 to Rs. 107-8. Centrals put on As. 12 to Rs. 64-8, while their new shares shed Re. 1 to Rs. 67. Imperial Fully Paids were better by Rs. 5 at Rs. 1,840, while the Contributories were unchanged at Rs. 450. Indias were in good form with a rise of Rs. 2 to Rs. 157-8. United Commercials were steady at Rs. 36.

In the insurance section, a drop of Rs. 150 to Rs. 6,900 was noted in Orientals. New Indias were done at Rs. 40, as against Rs. 39-12. Indian Mercantiles hardened by a similar amount to Rs. 38-4. Vulcans had business at Rs. 11-5.

In the public utility section, persistent buying support was in evidence in Ahmedabad Electrics which shot up by Re. 1-9 to Rs. 114-11. Surats were held at Rs. 126-14. Other issues met with realising. This was more in evidence in the Tata Hydro group. Andhra Valleys dropped Rs. 35 to Rs. 1,290. Their Right shares fell by Rs. 37-8 to Rs. 166-4 and Coupons by Rs. 10-8 to Rs. 32. Tata Hydros declined by Rs. 4-8 to Rs. 135. Right shares by Rs. 6 to Rs. 22 and Coupons by Rs. 3 to Rs. 7. Tata Powers drifted lower by Rs. 26-4 to Rs. 1,335. Their Right shares were quoted at Rs. 228-12 and Coupons at Rs. 45. Bombay Suburbans reacted from Rs. 121-4 to Rs. 120-10.

Miscellaneous group of industrials displayed a firm trend, with several counters reporting smart gains. A.C.Cs. steadied up from Rs. 170 to Rs. 171-8. Belapurs provided a bright spot with a spurt of Rs. 7 to Rs. 249. Bombay Burmahs Old moved up by Rs. 4-6 to Rs. 336-4 and the New shares by Rs. 2-8 to Rs. 124-6. B.I.Cs. were steady with a rise of As. 2 to Rs. 8-11. A sharp advance of Rs. 7-8 to Rs. 119-12 in National Rayons was a notable feature on consistent buying from knowledgeable circles. Tata Chemicals were steady at Rs. 8-9 and Tata Oils experienced a rise of Re. 1-4 to Rs. 31-4. Wimcos responded well to the Directors' decision to issue bonus shares in the proportion of one new share for every four shares held, any jumped by Rs. 5-10 to Rs. 243-2. Walchandnagars put on Re. 1-4 to Rs. 147-8. Scindias hardened by As. 3 to Rs. 13-13½, India Steamships by As. 2½ to Rs. 7-10½ and Bharat Lines by Rs. 3 to Rs. 87.

In the mining and engineering group, Shivrajpurs provided the highlight with a rise of Rs. 7-12 to Rs. 63. B.B. Petrols which had been in favour for the last two weeks received fresh stimulus from the announcement of a 9 per cent. dividend, for the year ended 31st March, 1953, the first to be paid after 1940. As a result, the shares moved ahead by As. 3-3 to Re. 1-12. Indian Coppers were steady at Rs. 2-15. Premier Constructions improved by Rs. 2 to Rs. 86-4. Alcock Ashdowns were taken up from Rs. 297-8 to Rs. 305.

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Calcutta Stock Exchange

CALCUTTA, *7th October*

Although the Calcutta Stock Exchange closed last Saturday on a dull note, conditions were better on Monday and Tuesday following the broadening of activity in speculative issues, and in tea, jute and miscellaneous shares. Transactions also recorded an impressive increase. There was no session to-day on account of *Mahalaya*. Last Friday was also a holiday. The interest in only selected counters during the last two sessions was a result of operators' disinclination to enter into commitments in view of the forthcoming *Poojah* holidays. Since Monday, reports from the jute goods market had been encouraging, and this revived enthusiasm in jute shares. Although demand for jute goods is now equal to production, the lack of interest for jute shares in earlier sessions was due to the low prices realised by jute goods. The need for marketing as much as possible had forced mills to cut down profits to a minimum level. The improvement in prices of jute goods during the last two days was the result of speculative activity, and the more prudent operator doubts, if the gains will be supported by the foreign buyer. This was one more reason why only selected counters in the jute section registered gains.

The market is lacking in outside support, and the real investor feels strongly that this is hardly the time to go in for shares of industrial undertakings situated in this part of the country. Last Wednesday witnessed yet another general strike, and many factories had to keep idle. This sort of general strikes for the ventilation of all grievances, real as well as imaginary, against the Government of the day, and other strikes following demands on employers, only narrow down the capital market.

The rough weather which the cotton piecegoods market is facing was naturally reflected in the textile section, where buyers were difficult to be found. Measures to reduce production in Western India were also a factor which chilled enthusiasm. New Victorias changed hands at Re. 1-2, and Kesorams were taken at Rs. 19-10. Dunbars were dull at Rs. 166, while Cawnpores were unchanged at Rs. 8-1.

Coals fluctuated within narrow levels. South Karanpuras recorded business at Rs. 10, while Bengals were available at Rs. 505 *cum-div.* and at Rs. 496 *ex-div.* At Rs. 79-8, Karanpura Developments showed a loss of As. 8. Churulias were fractionally lower at Rs. 2-1, but Burrakurs, on speculative support, gained from Rs. 8-13 to Rs. 9-2. New Beerbhooms realised Rs. 17-8 *ex-div.*

Upto last Saturday, Indian Irons hovered around Rs. 23-3, but speculative enthusiasm pushed up the value to Rs. 23-11 during the last two sessions. Indian Galvanizings were very steady at Rs. 14-8, and in transactions Kumardhubis advanced from Rs. 7-5 to Rs. 7-9. Burn & Cos. scored a gain from Rs. 280 to Rs. 285, while Bartlas were quiet at Rs. 10. At Rs. 99, Indian Standard Wagons recorded an improvement of Rs. 2-8.

Strong support was given to selected counters in the miscellaneous section, where India Steamships were held very firm at Rs. 7-10. An interesting feature was the spurt in Bengal Flours, which gained from as low as Rs. 16 to Rs. 18-11. Midnapore Zemindaris, after improving to Rs. 35-4, receded to Rs. 33-10 on profit-taking. Moderate attention was shown to British Burma Petrols which at Re. 1-12 were better by As. 4. F. & C. Oslers held a firm ground at Rs. 7-1, and the buying spree pushed Indo-Burma Petroleums from Rs. 62-12 to Rs. 69-4. Other transactions of importance included Ramnugger Canes at Rs. 18-12, Alkali Chemicals at Rs. 16-2, and Shree Gopal Papers at Rs. 18-8. Darbhanga Sugars were steady at Rs. 11-12.

Jutes were dull upto last Saturday, and searched for further lower levels, but the last two sessions witnessed a change in sentiment and selected counters recorded gains which were considered impressive as compared to the lethargy of recent weeks. Although prices of jute goods are such that will give mills a low profit, the increasing nature of sales is beginning to change the ideas of operators. Indias, at Rs. 123, made a six-point gain. Speculative Howrahs were fractionally better at Rs. 23-4. Interest shown in Barnagores raised the rate from Rs. 138 to Rs. 145. Fractional gains were recorded in Chitavalsahs at Rs. 30-3, Nationals at Rs. 22-12, Agarparas at Rs 15-13 and Northbrooks at Rs. 18-2. Deltas, at Rs. 225, had a gain of Rs. 7 and Birlas gathered strength from Rs. 35-8 to Rs. 41.

After an earlier profit-taking, interest in tea shares widened. Thus Hasimaras, after being lower at Rs. 27-2, regained to Rs. 28-8. Baradighis at Rs. 31-8 were better by Re. 1. Nagaisurees had buyers at Rs. 156-8, Tengapanis at Rs. 22-2, and Tezpores at Rs. 16-14. Batelis were, however, fractionally lower at Rs. 12-10 and Dhelakhats at Rs. 12-7.

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Madras Stock Exchange

MADRAS, *6th October*

This week too the Madras Stock Exchange put on virtually a cheerless appearance. Textiles, once again, lacked vigour, on continued reports of cloth and yarn accumulations in important consuming centres and with the mills. There was, besides, a considerable amount of uncertainty, as the effect of new tariffs in Burma on cloth exports was still under close scrutiny. Among plantings, coffee scrips were completely out of shape, in view of the confused outlook for coffee. The performance of tea shares was uninspiring. Rubbers, however, were the only scrips which came in for some notable enquiry. But miscellaneous scrips proved no exception to the generally dull and uninteresting trend. Consequently, business done on the Exchange was limited and price movements were narrow.

In the textile section, Malabar Spinnings lost Rs. 4 to Rs. 126 and Metturs Rs. 2 to Rs. 192. Buckinghams eased from Rs. 122 to Rs. 121. Coimbatore Spinnings were lower, by As 8, at Rs. 39 and Maduras, by As. 4, at Rs. 39-4. Travancore Rayons were down, by an anna, at Rs. 5. But Vasantas gained Re. 1 to Rs. 160 and S. K. Rajendras As. 8 to Rs. 46. Trichinopolys were slightly higher at Rs. 8-11.

The tea scrips were dull. Twyfords improved by As. 2 to finish at Rs. 11-6 and Waterfalls by an anna to close at Rs. 3-5. But for these, the rest of the scrips was mostly quiet. Thus, Blue Mountains were fractionally lower at Rs. 2-15-6. Nilgiri teas were unchanged at Rs. 12-6 *cum-div.* and Chembras at Rs. 2-5. Periakaramalais lost As. 2 to Rs. 6-12.

Among rubbers, Vaikundams advanced from Rs. 14-5½ to Rs. 14-8. Peninsulars gained As. 8 to Rs. 10-8. Thirumbadis and Velimalais were fractionally higher at Rs. 3-1 and Rs. 2-0, respectively. But Anandams had a loss of an anna and a half to Rs. 8-11½. Kallas were slightly lower at Rs. 3-3. Nilamburs were done at Rs. 8-4 *ex-div.* as against Rs. 9-4 *cum-div.*

Coffee scrips were colourless. Consolidated Coffees lost an anna to close at Rs. 18, while Coffee Lands were unchanged at Rs. 10-5. Shevroys changed hands at Rs. 1-3½ *cum-div.*, as against Rs. 1-3½ *ex-div.* The Directors of the Company have recommended a dividend of 6½ per cent. on ordinary shares for the year ended 30th April, 1953. The dividend is the same as that of last year. Kadur Coffees were dull at Re. 1-8.

In the miscellaneous section, Stanes Motors were enquired at Rs. 11-8 *ex-div.*, as against Rs. 12-12 *cum-div.* Spencers gained As. 2 to Rs. 14-6. But Rallis lost Rs. 2 to Rs. 64. Parrys and Mysore Chromes were somewhat lower at Rs. 4-10 and Rs. 4-14½, respectively. Aluminium Industries were colourless at Rs. 11 and India Cements at Rs. 16. Deccan Sugars were quiet at Rs. 8-14 and E.I.D. A's and B's at Rs. 15-6 and Rs. 21, respectively.

CHANGES IN THE CONSTITUTION OF BANK OF MYSORE

As a sequel to the arrangement between the Government of Mysore and the Reserve Bank of India, the Bank of Mysore is shortly to be appointed as the agent of the Reserve Bank of India in the Mysore State. The function of the Bank will be to conduct, on behalf of the Reserve Bank, all the State Government's cash and banking transactions, especially in the mofussil centres. In order to enable itself to carry out these functions, the Bank is now required to make a number of additions to, and alterations in, its Memorandum and Articles of Association. The object of these changes is to bring the practices of the Bank of Mysore in line with those of banks in other parts of India.

One of the important changes prescribes that the Bank of Mysore should not effect any changes in its Memorandum and Articles of Association without the approval of the Reserve Bank of India. Another change seeks to provide that the appointment or removal of the Managing Director of the Bank made by the Board of Directors is subject to the approval of the Government of India. Provision is made for nominating on the Board of the Bank a representative each of the Reserve Bank of India, the Central Government and the Government of Mysore. For this purpose the number of Directors has been increased from 10 to 13. These nominated representatives will serve on the Board at the pleasure of the agencies appointing them.

In addition to the changes in the constitution of the Bank of Mysore as noted above, certain other alterations have been proposed regarding some of its transactions also. One of the changes proposed seeks to impose the maximum limit of Rs. 1 lakh on the amount of bills to be discounted by the Bank for any individual or partnership firm at any time. Similarly, the Bank of Mysore will not have power to make advances, to issue loans or to open cash credit for a period longer than 12 months. There are, of course, provisions to the relevant clauses which are common to all banking institutions.

The appointment of the Bank of Mysore as the agent of the Reserve Bank of India will become effective after all these constitutional changes are completed. It may be noted that the Bangalore Branch of the Reserve Bank of India started functioning as from 1st July.

NEWS IN BRIEF

THE Estate Duty Act will come into force on 15th October, 1953.

The total amount invested in the Indian automobile industry is Rs. 10.03 crores.

The Indian Posts and Telegraphs is the second largest nationalised public utility service in India, employing a staff of about 2,21,000.

The Government of India has decided to continue the free licensing of export of cld hemp rope cuttings, on shipping bills against confirmed sale orders, beyond 30th September to 31st December, 1953.

The Ministry of Commerce and Industry, Government of India, has announced that import of biscuit and bread-making machinery will now be permitted against quota licences issued for other machinery.

The one-man Railway Tribunal, Mr. Sankar Saran, appointed by the Government of India to adjudicate on disputes between the railway labour and railway administration, will commence sitting in New Delhi shortly.

Individuals and associations or bodies desirous of offering their views or making any suggestions in regard to the Bill to amend the Bombay Sales Tax Act, 1953, are reminded that the last date for receipt of memoranda in that respect is 12th October, 1953.

The quota for export of castor oil will be granted for the period August-December, 1953, for a quantity equal to one-fourth of the total exports of castor oil effected by each exporter during the period January-July, 1953, instead of January-June, 1953, as announced previously.

The Assam Oil Company has reduced the price of petrol by As. 2 per gallon in the entire State of Assam and by As. 4 per gallon in Shillong with effect from the 1st inst. This step has been taken on an *ad hoc* basis, pending further examination of the price structure and the economies of production and distribution.

It has been decided to treat fountain pens and ball pens manufactured in India, partly with indigenous and partly with imported parts, as fountain pens and ball pens manufactured in India and to allow their export accordingly without export licences, according to a notification issued by the Deputy Chief Controller of Imports and Exports, Madras.

The Government of India has abolished, with effect from the 7th inst., the export duty on iron and steel bars, heavy structural (plates and hoops. The Government considers that the present rate of duty is retarding the export trade and, in order to improve the competitive position of these manufactures in foreign markets, it has decided to abolish the export duty on these.

A representative of the Ford Foundation and two officers of the Government of India have undertaken a fact-finding tour of U.P. preparatory to the arrival of a team of seven international experts who are to tour India from next month. The team of experts is being sent by the Ford Foundation at the request of the Government of India to give advice and plan development of village and small-scale industries, thereby assisting in the solution of the problem of unemployment.

The Government of Bombay has specified the Chief Inspector of Factories as the authority for purposes of sub-rule 3 of Rule 5 of the Welfare Officers (Recruitment and Conditions of Service) Rules, 1952. As such, when an occupier of a factory makes an appointment of a welfare officer, he should furnish to the Chief Inspector of Factories full details of the qualifications, etc., of the welfare officer appointed and the conditions of his service.

The export of manganese ore and iron ore will continue to be licensed freely from Bombay and other minor ports in the Madras State, provided the ore is ready at the port for shipment. Exports of these ores from Vishakapatnam and Marmagao will be allowed against advance licences. Exports from the ports of Calcutta and Madras will be subjected to quota restrictions, established shippers being allowed 25 per cent. of the best year's exports during any three of the financial years ended 31st March, 1953.

The British Overseas Airways Corporation has introduced two low-fare tourist services linking India with the U.K. with effect from the 1st inst. One of these will operate from Calcutta via Delhi, and the other, connecting with the Far East and Ceylon, will be routed through Bombay. The fares on these will be approximately two-thirds of the existing rates and will include free meals and free baggage allowance. Tourist services will be operated with fully pressurised Argonaut airliners with seating capacity for 54 passengers.

A subsidy and a loan amounting to Rs. 125 lakhs out of the cess on mill cloth have been granted by the Government of India to the handloom industry in Madras. Out of this sum, a sum of Rs. 50 lakhs is given as a subsidy to give rebate on sales. Another sum of Rs. 10 lakhs is set apart for starting new co-operative spinning mills which will provide cheap yarns to weavers' co-operatives. The balance of Rs. 65 lakhs will be in the shape of loans to co-operative societies to develop the marketing aspect of the industry. The allotment for Madras includes an allotment to Andhra also.

The Union Ministry of Commerce and Industry has decided to increase the quota for import of tallow from the existing level of 30 per cent. of half of the best year's imports to 60 per cent., so that a larger quantity of imported tallow may be available for stock and sale. The increase in import quota has been raised, because it had been represented that the quantity licensed for import through established importers is not sufficient to meet the requirements of small-scale manufacturers, who are unable to import tallow direct against actual user licences.

The first month of air transport nationalisation, namely, August, witnessed an increase in air passenger traffic. The Indian Airlines (Line-5) carried by night airmail service 1,065 passengers, as against 1,030 carried in July, and the Bombay-Delhi night service operated by Indian Airlines (Line-6) carried 564 passengers, as compared with 447 in the previous month. The mails and freight carried, however, showed a decline. Thus, Line-5 carried about 200,000 lbs. of mails and more than 64,500 lbs. of freight, a decline from over 216,000 lbs. and 72,000 lbs. respectively in July. Line-6 carried more than 58,000 lbs. of mail and about 24,000 lbs. of freight in August, as against 67,700 lbs. of mail and 27,000 lbs. of freight.

A seasonal fall of over 22,000 in the number of fresh registrations at Employment Exchanges during August checked the steep rise in the number of registered unemployed. Despite this, the number of registered unemployed at the end of August was 4,98,891. The number that sought employment assistance at the Employment Exchanges during the month was 1,14,208, while that of those placed in employment was 13,114. The most notable feature in respect of employment opportunities was a rather sharp drop in Government vacancies, though a further decline in the private sector occurred. There was no sign at the Exchanges of any general improvement in the employment situation. A shortage of highly skilled compounders, electricians and technicians continued to be fairly widespread.

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From Abroad

Production of various sorts of paper in the Netherlands during the first half of 1953 amounted to 190,200 m. tons, as against 160,759 m. tons in the corresponding half-year of 1952.

One hundred American industrialists, members of the Associated Industries of Massachusetts, are to make a ten-day study tour in Sweden in the spring, visiting the important Swedish export industries.

The Pakistan Government has set up a Sub-Committee to investigate ways and means of increasing production of tea in Pakistan from the present 52 million lbs. to 80 million lbs. in the next ten years.

Sweden leads Europe in the number of telephones per inhabitant with 25.2 per hundred and is second only to U.S.A.'s 29.3. Stockholm is second to Washington D.C. among world's capitals, with 49.5 per hundred, as against 63.9.

The construction of a new coal washery, called heavy-liquid washery, is proposed to be taken up in Holland. This will yield considerable advantages, such as the possibility of working poorer seams, enabling the economic life of the mine to be lengthened.

Under the recent Sino-Ceylon trade pact signed on 21st September, which was ratified by the Ceylon Cabinet on the 2nd inst., China has agreed to sell rice to Ceylon at £47 per ton in exchange for Ceylon rubber at 28d. per lb., that is 10d. above the world price.

Some Japanese firms have approached the Pakistan Government with proposals to install industries in Pakistan and these cases are under consideration of the Government. All facilities within the framework of the country's industrial policy will be provided to these undertakings by the Government.

The Pakistan Government is considering a revision of its industrial policy to make it all the more attractive for investment of foreign capital. A foreign company has asked the Pakistan Government permission for oil exploration in 17 areas of East Pakistan after a survey of the region. This was disclosed in the Constituent Assembly last week, by the Pakistan Industries Minister, who, however, did not give the information whether this permission had been granted.

Experiments aimed at domesticating tea are going on in Hungary. Research work has established that several parts of Hungary enjoy climatic conditions similar to those in the tea producing regions of India. Several pounds of refined tea seed were obtained from Georgia, in the Soviet Union, to begin growing tests. The type selected was produced by Soviet research workers and is more frost-resistant than the Indian varieties. Last year, several thousand plants were successfully grown on an experimental farm of Fertod near the Austrian border. This year, experiments are going on in the southern part of county Zala. By next year, it is hoped, greater quantities of seed will be available and it will be possible to experiment in several regions at once. Hungary has already successfully domesticated other non-native plants, such as cotton and lemons.

PERSONAL

MR. B. Rama Rau, Governor of the Reserve Bank of India, has returned from the U.S. after attending the annual meetings of the World Bank and the I.M.F. held at Washington early last month.

Mr B. L. Jalan has been elected President of the Indian Hemp Association, Calcutta, for the current year.

Mr. L. F. H. Goodwin, Managing Director, the Bombay Co., Ltd., sailed for the U.K. this week on retirement from India.

Mr. C. S. Pettit, Managing Director of Messrs. Lever Bros. (India) Ltd., left Bombay this week on transfer to the Company's branch in Belgium. He has been succeeded by Mr. A. J. C. Hoskyns-Abrahall.

Mr. A. N. Khosla, Special Secretary, Union Ministry of Irrigation and Power, left last week for Washington to attend the Indus Basin Working Party talks on the utilisation of the waters of the Indus river system.

Dr. P. K. Kapre, M.Sc., Ph.D., Development Officer (General and Electrical) in the Ministry of Commerce and Industry, Government of India, has joined Messrs. Philips Electrical Co. (India) Ltd. as its new Director. Dr. Kapre is the first Indian to be appointed in the top management of the Company.

Sir Miles Thomas and Lord Douglas of Kirtleside, Chairmen of the British Overseas Airways Corporation and the British European Airways, respectively, whose appointments are due to terminate next year, will continue as Chairmen of the respective airlines for another term.

Mr. D. L. Mazumdar, I.C.S., who has been Officer on Special Duty in the Department of Economic Affairs, Ministry of Finance, dealing with Company Law, has been appointed Commissioner for Corporate Investment and Administration, in addition to his own duties.

Lord Swinton, Secretary of State for Commonwealth Relations, U.K., who left London on the 24th ult. on a two-month tour of Australia, New Zealand, India, Pakistan and Ceylon, will arrive in Calcutta on 14th November. He will be in Delhi from 15th to 19th November and leave for Karachi on 19th November.

Mr. A. C. Ramalingam, J.P., and Mr. C. C. Sutaria, F.C.C.S. (Lond.), have been elected President and Chairman of the first Council of the Institute of Secretaries, a new secretarial body recently established in Bombay to organise and promote the profession of Company Secretaries in India on the lines of similar professional bodies in foreign countries.

Mr. Chhotabhai S. Patel, a prominent business man of Bombay and Chairman of the Bombay State Road Transport Corporation, has been elected Chairman of the Vanaspathi Manufacturers Association of India in the place of Mr. C. S. Pettit. Mr. A. J. C. Hoskyns-Abrahall, Messrs. Lever Bros. (India) Ltd., is the Vice-Chairman.

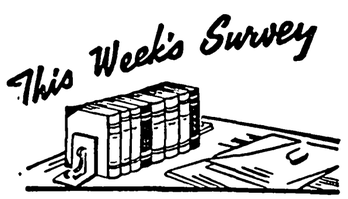
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *13th October*

Agricultural Conference

Keen anxiety at the delay in implementing the proposals of the Royal Commission on Agriculture in India was given expression to at a recent meeting of the Council of State, when the leader of the House, Sir Mahomed Habibullah, accepted on behalf of the Government of India the resolution of Sir Phiroze Sethna, as amended by Mr. Ramdas Pantulu, for prompt action on the Agricultural Commission's recommendations, particularly those relating to the uplift of the agricultural population, including the establishment of central and mortgage banks. The report of Lord Linlithgow was as voluminous as momentous and so many considerations and complications involved the shaping of a final decision on it that no blame can be attached to the Government of India for the cautious, but earnest, manner in which it has been moving in the matter. Notwithstanding preoccupations of a variety, almost unprecedented in the annals of British administration in India, the Government of India has lost no reasonable opportunity in collecting and collating materials likely to help it and its advisers in linking into shape a definite policy to be adopted in regard to the recommendations of the Commission. But as regards a great majority of the recommendations, action can only be taken by Local Governments, while a good number concerns the Government of India. In order to facilitate consideration of the recommendations, especially with a view to determining which recommendations primarily concerned the Local Governments and which the Central Government and which both and also to determine the priority of the recommendations, the Government of India invited, on 23rd July last, all Local Governments to send to a conference in Simla on 1st October and the following days their representatives, including Ministers of Agriculture. The object of the conference was to secure personal discussion and no binding decision and also to find out the best methods of giving effect to the recommendations of the Commission.



INDIAN FOUNDRIES

IN the course of his address to the annual meeting of the Indian Foundry Association, held on the 3rd inst. at Calcutta, Mr. Monilal Atta, the Chairman, stated that the biggest problem facing the Indian foundry industry was lack of demand for foundry products. He attributed this chiefly to two causes, namely, the general trade depression resulting in the reduction of purchasing power in the country and, secondly, the disruption in normal trade between India and Pakistan, especially East Pakistan. Mr. Atta made the following suggestions in order to help the foundry industry:

(a) Government, including the railways, should place bulk orders with foundries. This would give not only stability but result in economy in the cost of production;

(b) Government factories should not be allowed to compete with private industries;

(c) imports from abroad should be stopped and local foundries should be given a chance to meet the country's requirements;

(d) export to neighbouring countries such as Pakistan, Ceylon, Burma, etc., should be encouraged. Foundry items should be included among the items of export whenever a trade agreement is signed with these countries;

(e) Government should carry out a survey of the foundry industry so that reliable data may be available regarding the requirements of different foundry products in the country, the present production, scope of expansion, possibility of export, etc.;

(f) foundries should also adjust their manufacturing programmes according to the changed circumstances; and

(g) the railways should restore the special concessional rates which they had previously granted for despatching cast iron pipes to long distances. They should also remove the restriction on sending foundry goods above 20 mds. from West Bengal to Bihar and other up-country centres.

It is true that the demand for the products manufactured by the foundries is small. But that is due not only to lack of purchasing power and disruption of normal trade between India and Pakistan, especially East Pakistan, but also to the fact that, generally speaking, the quality of Indian foundry products is not very high. Government establishments such as the railways cannot waste public money in buying such products and at the same time expose the public to risk of life. And, in the absence of manufacture of quality products, it is wrong to suggest that the Government factories should not compete with private industries. For the only alternative will then be to allow imports, which is not desirable. The industry will do well to rationalise its production techniques and concentrate on manufacturing special types of goods instead of becoming multi-purpose foundries. It is gratifying to note that Mr. Atta recognised that the foundries should adjust themselves to changed circumstances. But it is surprising that he did not stress the "quality aspect."

The second important problem facing the foundry industry is shortage of pig iron. According to Mr. Atta, only 160,000 tons of pig iron are available, as against a minimum demand of 400,000 to 420,000 tons. Further, the shortage of pig iron has been accentuated by the increasingly larger proportion of off-grade pig iron that is being allotted to foundries, instead of graded pig iron which is what the foundries need most. Moreover, the price of this type of pig iron has registered an increase of 109 per cent., as compared with 1939 prices, whereas the other grades, excepting specials (which were non-existent upto 1948), have registered an increase of less than 60 per cent. This position, in the opinion of Mr. Atta, is not conducive to an increase the output of graded pig iron. He, therefore, suggested that the price of off-grade should either be considerably reduced, or the difference between the off-grade and graded pig iron should be maintained as before and the main producers should be asked to produce at least a minimum percentage of graded pig iron.

That there is shortage of pig iron is in a sense true. The North Indian foundries, which depend mainly on the Indian Iron and Steel Co., Ltd., for their requirements of pig iron, are finding it difficult to get even 40 per cent. of their requirements. The recent strike and lock-out at the Burnpur Works have only aggravated the situation. But there is considerable surplus of pig iron in the South at the Mysore Iron and Steel Works which is going abegging for orders. But the price of Mysore pig iron is higher than that of the other two companies. Also, there is the high cost of rail freight for transferring it to North India. It is true that the price of Mysore pig iron is high because the quality is also high. It is contended that the foundries can do without this additional quality. But it is pointed out in certain circles that, if the foundries were to make use of Mysore pig iron, they will be in a position to produce better quality goods which may, to a great extent, offset the high cost of Mysore pig iron. Surely, some concession by way of railway freight to Mysore pig iron will go a long way towards limiting the increase in production costs. All these are technical problems and, therefore, need careful investigation. Meanwhile, it is to be hoped that the Government of India will institute an enquiry into the conditions of the Indian foundry industry with a view to rehabilitating it. The foundry industry is a basic industry and its future development is undoubtedly of great importance to national economy.

SMALL-SCALE INDUSTRIES

Two notable points were stressed at the recent meeting of the E.C.A.F.E. Working Party on small-scale industries and handicraft marketing, held at Bangkok, at which Mr. K. L. Nanjappa, the Indian delegate, was elected Chairman. In the first place, small-scale industries, it was recognised, could not venture into fields which are more appropriately cultivated by larger industries. Secondly, small-scale producers, it was urged, should concentrate on those lines in which they had a natural advantage and improve their technique of production and marketing. In the Philippines, it was observed, emphasis in the design of fabrics was placed on the materials which could not be woven on the power loom. This included fibre fabrics which "could only be woven on handlooms."

Even in the fields in which the small-scale producers had a natural advantage, it was emphasised, their income, as well as the marketability of their products, could be improved through the application of better production techniques, by mechanising a part of the manufacturing process by developing greater skill, and by improving the marketing facilities. The Party emphasised that there was need for a proper inspection system to ensure standard quality of handicrafts. Quality control should embrace quality of raw material, standard dimensions and specifications as well as workmanship. The Party's experts suggested the establishment of the system of "common facilities," modelled on the Japanese system, which would ensure joint purchasing of raw materials, standardising and mixing of dyes and centralisation of marketing.

Export markets, it was generally conceded, could be won and maintained only through the production of quality articles. Although inspection by producers' organisations would be satisfactory for the domestic market, it was felt that inspection by Government agencies would be necessary for the export market. It was stated that the exports of Asian handicrafts to the U.S. had recently increased in volume but shipments to the sterling area had declined. The experts drew attention to the high distribution costs and profits in the U.S. which were limiting the volume of trade in Asian handicrafts with that country. They also expressed concern over the U.S. tariff policy. They suggested that the exporters should concentrate on low-priced rather than high-priced handicrafts."

Apart from the excellent suggestions of great practical value, offered at the meeting, there are two other matters which are bound to evoke public interest. It would appear that the Party made a marketing analysis of the exhibition of bamboos and lacquerware from Burma, China, India, Japan, the Philippines, Thailand and Viet Nam. It is to be hoped that the results of this analysis will be published for the information of the producers in this region. Again, the Party has endorsed a programme for a five-week study tour of cottage industries in Japan to be carried out in 1954. The report of this team will be awaited with interest.

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BURMA'S NEW TARIFF RATES

Burma has announced new standard tariff rates ranging from 2½ per cent. for essential rehabilitation articles to 300 per cent. on non-essential luxury articles. Although the new rates, introduced in the form of a Bill, have not yet been adopted by the Burmese Parliament, they have been made effective from the first night of this month under a Presidential order. The new rates replace all preferential rates enjoyed upto 1st October by the U.K., India and Pakistan. Some of the rates are as follows:

(1) 5 per cent. to 75 per cent. on the import of textiles;

(2) 300 per cent. on the import of playing cards and gambling requisites;

(3) 150 per cent. on the import of precious stones and jewellery;

(4) 100 per cent. on the import of wines and liquors not containing 42 per cent. proof spirit, as well as on cigarettes;

(5) 50 per cent. on the import of motor cars;

(6) 15 per cent. on the import of ships and shipbuilding materials;

(7) 10 per cent. on import of locomotives and trolleys;

(8) 5 per cent. on the import of building and rehabilitation materials like cement, iron and steel, tin, tin-plates and steel wire and on educational toys;

(9) 2½ per cent. on the import of transport equipment like aircraft and parts and accessories; and

(10) Rs. 10 per ton export duty on rice—husked and unhusked.

The new tariffs are applicable to all imported goods without special preference to any one country. They are so designed as to provide incentive to industrialisation. Thus, capital goods and equipment are charged at low rates. The high duties on tobacco and matches will promote local cigar, cigarette and match industries. The taxes on luxuries will reduce the drain on foreign exchange, which needs conservation for importing essential requirements.

So far as India is concerned, the removal of preferential advantage will expose its cotton goods to Japanese competition. For now Indian goods stand on par with those of Japan in the Burmese market. Hitherto, India was favourably placed, in that it enjoyed a 40 per cent. preference on textiles. Now, the import duty on cotton textiles from India has gone up from 10 to 25 per cent. and on blankets from 5 per cent. to 25 per cent. Netting and cotton yarn imported by Burma from India is now subject to a duty of 10 per cent. and 5 per cent., respectively; there was no duty prior to 1st October. On the other hand, the effect of the abolition of preference is that the duty on imports of Japanese cotton goods has been halved from 50 per cent. to 25 per cent. Thus, to India it is a trial of strength to survive Japanese competition in its traditional market.

ESTIMATES COMMITTEES' POWERS

In all democratic countries, estimates committees have come to be recognised as an important adjunct to the national financial administration. The main function of these committees, as is well known, is to scrutinise the estimates of expenditure submitted by the various ministries. Indeed, the Treasury will have already scrutinised these estimates before they are included in the budget, so that the committees' task is rendered easy thereby. Their function then takes the form of a revision of the estimates. The great importance which the democratic governments attach to their work is reflected in the British practice by which the chairman of the committee is the Leader of the Opposition.

In India, the Estimates Committees and the Public Accounts Committees at the Centre, as well as in some of the States, have distinguished

themselves by a creditable record of painstaking investigation into governmental expenditure. It is, therefore, gratifying to note that it is now proposed to enlarge the powers of the Estimates Committee. Under the existing rule, the Committee can report on "what, if any, economies consistent with the policy underlying the estimates may be effected therein." Under the new rule, the Committee is empowered not only to recommend economies but also improvements in organisation and alternative policies in order to bring about efficiency and economy in administration. Some of these powers have been exercised by the Committee by a convention. It was, however, felt that it would be better to specify the Committee's powers more explicitly. The Committee is now empowered to suggest not only economies and alternative policies, but also to examine whether "the money is well laid out within the limits of the policy implied in the estimate." Armed with these enlarged powers, the Committee can be expected to render more useful service in the cause of national budgetting. Only, it is to be hoped that the Committee's recommendations will at all times be implemented by the Government. From this point of view, the Government's assurance that the "fullest possible weight" would be given to the Committee's suggestions is welcome.

MADRAS TRAMWAYS

The Madras Government's decision to terminate the licence of the Madras Electric Tramways Co., Ltd., will be widely regretted. Although the tram services have remained suspended since 12th April, 1953, there were reports that they might be resumed. Apparently, no agreement could be reached on the outstanding issues. Announcing the decision, the Government says that the management was asked to show cause why the licence should not be cancelled and that the Company has not furnished a satisfactory reply. In exercise of the powers conferred on the Government under the Indian Tramways Act, the Madras Governor has terminated the licence issued to the Company. This Act, it may be pointed out, empowers the Government to terminate the licence in the event of the failure of the licensee to run the service for a period of three months or more. But the Government has given more time to the Company in order to enable the latter to explain the reasons for the termination of its services.

It is unfortunate that the Government does not state in what respects the Company's explanation was unsatisfactory. If the statement, issued by Mr. K. Subramaniam, who represented the Company in its negotiations with the Government, were to be believed, it would appear that the Government has precipitated the permanent closure of the Company's tram services. There were three hurdles to be overcome—the two labour unions' intransigent attitude towards the question of retrenchment, the absence of sufficient liquid resources to resume the services and the arrears of electricity charges. The first obstacle was overcome when the two unions, representing the workers, reached an agreement with the Company stipulating that 1,150 persons should be re-employed. In order to overcome the second obstacle, the Company had applied to the Government for a loan of Rs. 3 lakhs. This application was rejected. The Andhra Bank authorities, whom the management approached, were willing to advance the loan. Thus, the second obstacle too was overcome. The only obstacle that remained was the question of electricity charges. It would appear that the management was engaged in negotiations with the Chief Engineer of Electricity with a view to arriving at an understanding on three points: (1) a fresh agreement as required by the Government for supply of electricity, (2) to fix the amount due to the Government for the supply, (3) to request the Government to receive the agreed amount in instalments. Before these negotiations could come to a close, the Government told the management that the licence was to be cancelled.

If the Government has another, and a more convincing case to present, it will do well to take the public into confidence and issue a statement, explaining the circumstances in which it felt compelled to terminate the Company's licence. Mr. Subramaniam's statement makes it clear beyond a shadow of doubt that the Government has precipitated the closure without seeking the means for the settlement of outstanding differences. By this action the Government has dashed to the ground all hopes of the tramway workers getting back their jobs.

OFF THE RECORD

(By "ROVER")

WHAT a magnificent lark it would be for some adventurous members of our business community, to have the opportunity of spending crores of rupees of other people's money, with no obligation to account for any of the amounts entrusted to their care. It is a pity that no such luck is in store for them with the dark shadow of the proposed comprehensive amendments to the Indian Companies Act, and the vigilance of the Shareholders' Association. The ever-present threat from these factors should be enough to dissuade them from going on such a grand spree. Besides, there are the minions of the Union and the State Police establishments vindictively alert to track those foolish enough amongst business magnates to succumb to such a temptation down to their lair and to expose them to the glare of publicity, by dragglory of this little piece of paradise would be that, secution in a criminal court. The picture of having an unrestricted run through borrowed millions with no one there to ask for accounts is too good to be true for any business man, however astute and adventurous he may be. In the attempt to satisfy the most elementary requirements of the law, he would have to cook up accounts of sorts at least to balance receipts with imaginary items of expenditure. This distasteful and risky task of faking accounts would rob the spree of more than half the pleasure to be derived from it, even though in the case of a business man his conscience may not prove very troublesome.

For the realisation of such an Arabian Nights dream, you would have to arrange matters in such a way as to be placed in charge of one of those big multi-purpose projects, or, better still, something like the gigantic State Corporations in monopolistic control of road transport in big States like Bombay. You could then do with impunity what you dare not attempt when in charge of some joint-stock industrial undertaking, financed by hundreds of small shareholders clamouring all the time for generous dividends. In such a capacity you would also be spared all the trouble of collecting enough mugs from amongst the public to put up the money for you to run through. Crores will literally be thrust on you, by way of capital and loans, by enthusiastic Central and State Governments and all that you would be required to do would be to spend these amounts as quickly as you could. And the crowning glory of this little piece of paradise would be that, instead of condemning you for your failure to maintain accounts of the money advanced to you from time to time, powerful Ministers of the Government would always be there to plead your cause and to defend you for your temporary neglect of such an insignificant part of your activity as that of entering in a book petty details of what you were given and what you paid out to run the show.

I know that you would once again accuse me either of pulling your leg or of exaggerating things. I must, however, assure you that not only was I in dead earnest when I drew the enticing word-picture recorded above but that, having been brought up in the British traditions of journalism as distinguished from those which inspire the scribes on the other side of the Atlantic, I am in a measure guilty of understatement in describing how matters stand with some of our new statutory public corporations created by advocates of public enterprise. Having soared far above the materialistic and mundane level of private enterprise, these political aristocrats naturally look in contempt upon your petty little *bania-like* insistence on proper account books and auditing, which hamper the rapid progress of important and urgent works of public utility. It is not merely the poets and long-haired artists, taking a queer delight in robbing poor barbers of their lawful and legitimate gains, who are above the sordid consideration of filthy lucre. Our Ministers share this noble trait with them. They naturally despise all those like you, who are chained to petty-cash books and postage stamp ledgers and who sit till late hours in their offices to discover the source of and to set right a discrepancy of an anna or two.

For them maintaining of accounts right from the start of a business concern is of little import. Where crores are involved and where all energies have to be bent towards quick spending lest the sources should dry up, they are prepared to overlook such minor matters as book-keeping during the first few hectic years of its history. It is not as if they did not realise the ultimate importance of proper accounts in a business set-up, but, being realists to their finger tips, they hold that first things must come first and such paltry consideration as the need for preparing an accurate annual balance-sheet should not be allowed to hold up the spending of large amounts of money, which is the real measure of the progress achieved by an industrial enterprise. One cannot be in real earnest about securing all-round welfare of the masses, if every time one interrupts real constructive work to jot down in a day-book how many thousands or lakhs one has spent on this thing or that.

Now, please, do not think for a moment that I have spun out this new philosophy of successful business management, all out of my own fervid imagination. I have deduced it from a close study of some of the observations made by no less an authority than Mr. B. J. Patel, Deputy Minister for Public Works in the Government of Bombay, in the State Assembly last week. It appears that, when the Government presented a supplementary demand for over a crore of rupees to be given as additional loan to the Bombay State Transport Corporation, some of the members complained that the Corporation did not keep accounts since its inception. Mr. Patel, being the Minister responsible for this undertaking, assured these critics in his usual suave manner that what they said was true in 1949, but that, during the following four years, the Government and the Corporation had been making progressive efforts to maintain accounts as perfectly as possible. One could gather from what he said that even now they are at the stage of "making progressive efforts" to reach this goal. He did not say when this effort, which does great credit to both the Government and the Corporation, was to be crowned with complete success, but one could take it for granted that it was bound to be so in the course of the next few years. All that I have done is to supply a few explanatory notes to this basic official attitude embodied in Mr. Patel's assurance to the custodians of the public purse.

Bankruptcy of Statesmanship

1st October, 1953, might well prove itself an evil day for India in the long run. This day witnessed the birth of the new State of Andhra. There is nothing wrong with the creation of this new unit in the Union, taken by itself. It was inevitable as a more or less logical culmination of the events of the last thirty years. What is dangerous, however, is the devastating fire it will start in many parts of the country. The passions this will arouse, the bad blood this will create, the intrigues this will give rise to and the unholy bargaining this will lead to in widely scattered areas for the formation of new States will once again start the process of disintegration, which two or three times in the last three thousand years shattered the not-very-firmly-established unity of the country and brought centuries of slavery and unhappiness for our people. We are already in the midst of serious economic difficulties; we are engaged in a life-and-death struggle to extricate ourselves out of them. It will take all our strength during the next twenty-five years to do this. If we are going to dissipate and squander this in bitter political bickerings over redrawing the map of our our country, nothing, not even the Gods who have been kind to us and presented us with chance after chance of redemption, could save us from a fresh repetition of the process of disintegration, which history has so vividly underlined for us in the past.

What has made these apprehensions of mine more acute is the way the protagonists of United Maharashtra have gone, to offer very questionable inducements to the Marathi-speaking people in other States to throw in their lot with the bulk of Maharashtra, which at present forms part of the State of Bombay. If a common language is such a binding force as to overrule all other considerations as those favouring linguistic States would have us believe, these people from Nagpur, Maha-Vidarbha and Marathawad should come rushing to join their long-lost brethren in Maharashtra, especially as the administration of this new State is bound to be more progressive and enlightened than that of Madhya Pradesh or Hyderabad. Instead of doing this, they are holding out and bargaining for guarantees, which points to a state of distrust in their minds about the *bona fides* of the proposed new set-up. And if this be the attitude of the people whom the Maharashtrians in the Bombay State claim as their own blood-brothers, how could they expect the cosmopolitan business community, which has built up Bombay's great industries and commerce and evolved a new pattern of life for the City's millions, to be reconciled to their absorption in a State specially designed to be dominated and swamped by a single linguistic community? Their fears are anything but imaginary, in view of the fact that this community has not shown any special aptitude for business or understanding of the requirements of important key industries.

But apart from the justifiable misgivings of the business community in Bombay, the terms of the agreed formula on the lines of which a demand for the creation of the New Maharashtra or Marathi Pradesh is to be presented to the high power Boundary Commission, which is soon to be appointed by the Central Government, are such as to make one shudder to think what might happen to the future of the country. These include proportionate representation in the Cabinet, special guarantees for fair and adequate *facilities for admission* to educational and other institutions, as well as services under the Government, and specified budget allocations to various regions on the basis of population. Even in such details as the matter of appointment of High Court judges, the principle of zonal representation has been insisted upon. These were the devices which the Britisners employed to divide and rule us. The Constitution of India has taken good care, in the interest of the unity of the country, to eschew this corrosive poison of separate and proportionate representation in Cabinet services, schools and colleges, the High Courts and the Supreme Court, from its entire structure and recognised the claims of certain very backward communities for representation in the legislatures only for a very limited period.

There would be nothing but great calamity for new States based on this foundation of mutual distrust amongst its component parts, which is bound to give rise to perpetual friction and local jealousies. Once such cramping provisions are accepted for Maharashtra, every small region in each State, even if it be a fully linguistic State, would clamour for such guarantees. Incidentally, this also goes to show how weak and flimsy a foundation a common language could provide for the creation of new States, if fundamental unity in other respects is lacking amongst the people speaking the same language. There was a time when Maharashtra bred greater statesmen; the agreed formula evolved for the creation of Marathi Pradesh points not only a bankruptcy of statesmanship but of common sense and patriotism as well. None but those obsessed by a "fixed idea" would agree to pay such a price for its fruition.—

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BUSINESS AWAITING WINTER SESSION OF PARLIAMENT

CENTRE TAKES OVER COMPANY LAW ADMINISTRATION

(From A Special Correspondent)

NEW DELHI, 5th October

THE House of the People is scheduled to commence its winter session on 16th November next and will sit till Christmas. During the five weeks of its session, it is expected to dispose of a number of minor Bills. So far as the Commerce and Industry Ministry is concerned, there are about nine Bills, out of which six are pending Bills, the other three being fresh Bills. Among the pending Bills, mention may be made of the Coffee Market Expansion (Amendment) Bill, 1952, the Rubber (Production and Marketing) Bill, 1952, the Coir Board Bill, 1952 and the amending Bills to the Forward Contracts Act, 1952, and the Indian Tariff Act. The Iron and Steel Control Bill, the Control on the Payment of Royalties Bill and the amendment to the Patents and Designs Act are the three fresh Bills which, if time permitting, will be passed in the forthcoming session of Parliament.

DELHI LETTER

The Bills relating to the Coir Board, coffee and rubber are expected to get high priority. It will be remembered that the Coir Board Bill had been taken up for consideration in Parliament in August last. In view of the importance of this industry to the economy of the State of Travancore and Cochin and also due to the necessity for stabilising it on efficient lines, the Commerce and Industry Ministry is anxious to put this Bill on the statute book as early as possible. The Ministry is also attaching considerable importance to the early passage of the Rubber (Production and Marketing) Bill, as also the Coffee Market Expansion (Amendment) Bill. The natural rubber industry is considered as a strategic industry in these modern times and the Government has been anxious that the output of rubber should not only be increased as early as possible but the cost of production should also compare favourably with that of Ceylon, Malaya and Indonesia. For this purpose, it is likely to introduce a development scheme by levying a larger cess, subject to a maximum of one anna per lb. The object of the Government in introducing this Bill is to alter radically the constitution of the Indian Rubber Board. In order to ensure proper co-ordination between the Board and the Central Government, it has become necessary, the statement of objects and reasons points out, to effect a change in the method of representation of the interests concerned by vesting more powers in the Government in regard to nomination of members of the Rubber Board. Experience of other similar commodity Boards has shown that there are difficulties in according individual representation, by name, to various associations on the Board. The relationship between the Board and the Central Government will be further strengthened if the Chairman and the Vice-Chairman are appointed by the Central Government instead of being elected by the members. The Government says further that "the Rubber Price Advisory Committee, constituted under section 7 of the Act, has outlived its utility, as prices of raw rubber are now fixed on the recommendations of the Tariff Commission," and that "it is, therefore, no longer necessary to have the Committee."

In regard to the coffee industry, the Government is of the view that the Coffee Market Expansion Act, 1942, was passed to meet the situation which confronted the coffee industry on the outbreak of World War II when most of the European markets for Indian coffee were lost. This resulted in a surplus of coffee in the country and a slump in prices. The situation to-day is entirely different. The internal consumption of coffee has increased considerably and it is of the utmost importance to step up production in order to meet the increasing demand of the home market, keep prices at reasonable levels and to meet the country's export requirements. The problem is, therefore, one of the development of the industry rather than of marketing. In the opinion of the Government, the Indian Coffee Board also needs to be reconstituted to ensure better co-ordination between the Board and the Central and State Governments and a more equitable representation of all the interests concerned by changing the present method of according individual representation, by name, to various associations on the Board. The relationship between the Board and the Centre would also be strengthened if the Chairman and the Vice-Chairman are appointed by the Central Government instead of being elected from among the members.

Company Law Bill

The Finance Ministry is anxious to go ahead with the Companies Bill, 1953, which, it will be remembered, is both an amending and a consolidating Bill and is based largely on the recommendations of the Company Law Committee's Report. This Bill is one of the biggest pieces of legislation to be introduced in Parliament in recent times and contains as many as 612 clauses and 12 schedules. The last major amendment of the Indian Companies Act, 1913, was passed in 1936, when the main brunt regarding the piloting of the amended Bill fell on the shoulders of that distinguished and veteran lawyer statesman of Bengal, Sir Nripendra Nath Sircar, who was at that time the Law Member to the Government of India. The passage of the entire Bill will take many days and hence it is doubtful whether the whole Bill could be passed during the forthcoming winter session. Mr. Chintaman Deshmukh, who will be sponsoring this Bill, will have an arduous task since the sheer quantum of work in this connection will be of considerable dimension.

The need to expedite the passage of the Bill has become imperative, now that the Central Government has taken over the administration of joint stock companies from the State Governments, to whom it had relegated this power about 50 years ago. Mr. D. L. Mazumdar, who has been connected with the drafting of this Bill and kindred economic matters during the last few years, has taken charge of the administration and will control the Registrars of Joint Stock Companies of States in his capacity as the "Commissioner for Corporate Investment and Administration." It may be mentioned that the Company Law Committee, under the chairmanship of Mr. C. H. Bhabha had recommended the establishment of a statutory authority for the administration of this part of the Companies Bill. In this connection, the Committee observed: "The working of joint stock companies has a very close bearing on the economic development of the country, and it is futile to try and plan the development of the private sector of the country's economy without being in close and constant touch with the developments that take place in company formation and management. The need for a uniform policy called for uniform administration of the instruments of that policy." For the present, the Commissioner for Corporate Investment and Administration will be working under the administrative control of the Department of Economic Affairs of the Finance Ministry, and the conferment of the statutory status on this new organisation will be deferred for some time more, presumably until the adoption of the Companies Bill by the House. In the meanwhile, the Commission will look after diverse functions such as the capital issue control, regulation of stock exchanges, etc.

The idea of an Industrial Development Corporation has been taking some practical shape during the last few days. It is likely that at the forthcoming Industries Council meeting, the Minister for Commerce and Industry will informally discuss with leading industrialists the role of this Corporation in the development of industries in future. Generally speaking, the Government does not want to stultify the expansion of industries in the private sphere, but since the investment of private capital in what are known as risk-bearing industries has become somewhat shy, especially where the capital requirements are large, the Government is desirous of filling the lacuna. This has become necessary at present from two angles, one for combating the unemployment problem and the other for promoting strategic and key industries. Some of the industries which will come under this Corporation will be the steel, heavy electrical equipment, soda ash, caustic soda, dyestuffs, wood-pulp, raw films, synthetic oils, photographic materials, etc. Among the personnel of the Corporation will be included leading bankers, industrialists, engineers, scientists and some key Government personnel, so as to ensure the development of this Corporation on right lines from the very inception. Side by side, the Government will be encouraging private enterprise to expand by the advance of liberal loans on easy terms. In some foreign countries as, for instance, in Australia, industrial development is being fostered by the Government in a number of ways such as reduction of corporation taxes, lower tax on imports of essential raw materials, etc. The Finance Minister will not be unaware of these recent developments in foreign countries and can be depended upon to take similar measures, if necessary, at the right time.

LABOUR REJECTS MORE NATIONALISATION

DIVISIONS ON ECONOMIC POLICY

(From Our Own Correspondent)

LONDON, 3rd October

A PUBLIC opinion poll taken this week by the only Liberal daily newspaper showed that the Government's popularity has now taken a turn downwards—some think because of insufficiently following up the Prime Minister's move for an easement of international tension earlier this year. However that may be, it gave added point to the annual conference this week of the Labour Party which has been debating the shape of the electoral programme it hopes to put forward in due course. This programme is mainly one of economic priorities but the left wing of the Labour Party was anxious to urge wider and more rapid nationalisation while the right wing was content with the compromises made in the document published earlier this year called *Challenge to Britain*.

LONDON LETTER

Officially, the Labour Party has compounded its differences between right and left and at the Conference the truce began to shape into a likely firm peace settlement. The Conference rejected any idea of further nationalisation and the Labour Party programme becomes principally one of developments in the field of social legislation—health, education, unemployment and sickness insurance, and so on. In other words, they are out to expand the Welfare State but the Conference did not show that the Party has yet got down seriously to the question of priorities. An extension of the Welfare State costs money, and such restrictions in social services as the Conservative Government have introduced have been made on economy grounds. But for the moment the Labour Party accepts the continuance of the cold war and the need for more rearmament. If these are the priorities, then they have to explain how the desired social expenditure is to be financed.

Admittedly, both right and left wings are looking for development of the British economy towards a collectivised society in which economic resources would be used to the best advantage under central direction. The ultimate objective is increased production and, thus, the financing of improved social services. The only difference between right and left wings is how best such economic changes toward a collectivised society can take place and the Conference has shown that progress must indeed be moderate. That is why when it comes to an electoral programme the Party will have to concentrate on what in the immediate future it proposes to do and how it proposes to achieve it.

The left wing has this advantage over the right in that if nothing positive can be put forward to the electorate as a reason why they should vote for a new government, the Party will have to revise its appeal which means its concept of the order of priorities more the way the left would have it go: that is, positive steps to ease the cold war, to reduce dependence on United States' aid—must not the corollary be a reduction in armaments?—more control over investment, and probably more public ownership.

However, the only conclusion an impartial observer can draw from the present state of the Labour Party as revealed at the Conference is that it is wrong to speak any more of division between right and left, that the Party is determined on concentrating on social rather than long-term economic aspects of its programme, but that it has not yet got any clear view of how to finance what it regards as desirable. The divisions on economic policy within the Party have been put to sleep for the time being but they are most certainly likely to re-emerge before the next election.—*All Rights Reserved.*

AMERICAN LETTER

U.S. BANKERS ON ECONOMIC TRENDS

CAPACITY TO ABSORB INCREASED PRODUCTION HIGH

(From Our Own Correspondent)

NEW YORK, 24th September

THE one question which exercises American public opinion at this point is the business outlook. Professional economists are still trying to point out that a recession is not only inevitable, but that it actually began several months ago. There is no sense in denying that the freeing of the markets from Government control by the Republican Administration produced readjustments. Supply and demand, under more normal conditions than previously, have produced the spectre of over-production in some lines, such as housing and that only regionally, and in certain types of automobiles. Farm production, too, is somewhat in excess of foreseeable demand, but all these readjustments, so far, have not resulted in any drop in unemployment or in a decline in income. Up to this point, both of these figures are stable.

This is not to say that farmers are not having a bit more difficult time than when they were riding atop the crest of the wave. Farm income has fallen about 6 per cent. this year and those who bought or over-bought farm equipment to work their land are somewhat pressed to make the payments in order to liquidate the debt on their tractors and combines.

Textiles Feeling the Pinch

Likewise, some textile mills are feeling the pinch of competition from synthetic fibres. The entire economy, in fact, is moving into a more and more competitive area. Gone are the days which lasted about 20 years, when business men could relax and take orders for goods that everyone wanted. To-day, they have again to go out and sell and the better the selling, the better the turnover. That is certainly no calamity as long as savings of all classes remain at the extraordinary levels they have maintained for some time.

Deposits in the 528 mutual savings banks in the United States, for example, rose $89 million in August to reach a new high of $23,820 million. Although this gain was not as great as the deposit increase of $108 million in August, 1952, it was higher than any other August since 1947. Over the first eight months, the deposit rise was $1,209 million, or 11 per cent. above the 1952 increase of $1,085 million for the same period. Nearly the entire August gain represented new money, not interest-dividends credited to depositors' accounts.

It continues to be one of the most encouraging signs that savings are still moving up. This was one of the most compelling topics of discussion among the 6,000 bankers who attended the annual meeting of the American Bankers' Association at Washington. Delegates from the South-west and the Far West were the most optimistic. They flatly declined to go along with the slide-rule economists who have proclaimed for some time the beginning of a recession—yet to occur. From the Middle West voices were heard which viewed with some alarm the decline of farm income and Secretary of Agriculture Benson pleaded with the country bankers to stay with their farm customers and not to cancel loans. Delegates from the Eastern section of the United States frankly admitted soft spots in the economy, such as textiles.

Government officials demonstrated that the U.S. was a sound going concern, operating on the basis of private markets as free as possible from Government interference under the new Republican doctrines.

Value of Rising Population

The latter was pointed up by W. Randolph Burgess, Deputy to the Secretary of the Treasury, who said, "we shall always have as our objective sound money and economic stability, avoiding either inflation or deflation and encouraging, not impairing the steady forward growth of the country's activity."

Consideration of expansion cropped up in another Government announcement, almost akin to the philosophy of the late Lord Keynes. It said, "our ability to carry the debt depends on growth. If we nourish a dynamic economy of free men, so that our strength grows steadily and surely, the debt won't seem as big."

The aim here is, obviously, to point out that a rising population of more consumers will inevitably catch up with whatever over-production may have developed.

What seems even more important is that the state of the nation's business is being bared for everyone to see. If there is going to be a slight recession, industry-wide or by areas, it certainly would be the best advertised slump in history.

The edge of it has already been taken off by the firm commitment of the Eisenhower Administration that the excess profits tax would expire at the end of the year without any request for renewal—which cannot be done without a special session of Congress—and that a reduction of 10 per cent. in personal income taxes would also become effective.

It may be concluded from this that both mean higher take-home-pay for business and wage earners. That, in turn, may well reflect itself in higher retail sales and volume, thus offsetting the statistical tax reduction for the U.S. Treasury.

Congressional Elections

Politically, the jockeying begins for next year's Congressional elections. The stock accusation by the Democrats, now out of office, is that this is a bankers' administration and one dedicated to foster the interests of big business. It is a popular and easily palatable line of attack, but it does not conform to the facts.

The banks have lost as much as they have gained from the sound money policy and industry is certainly going to lose Government contracts, as a result of the decreed reduction in Government spending in the future. The Administration is only pro-business to the extent that it allows free markets; otherwise, it certainly seems determined to operate for the greatest good of the greatest number of people rather than for special interests.

While the playing for positions has begun for the Korean "peace" conference, voices of warning are increasing. They say, in effect, that South Korea will take to arms again after the 180 days from the armistice have elapsed; that the U.S. is committed now to cross the Yalu River and bomb Communist bases in Manchuria and that this would probably herald the start of the next global war with or without atomic weapons.

In the inner circles of the U.S. air strategic command, there seems to be great confidence that the American armed services can cope with almost any emergency which may be presented by an enemy, almost instantaneously.

What is also certain is that President Eisenhower's personal popularity throughout the country has been fully maintained, if indeed it has not increasd. Thus, he could decide on any course of action to-day and have the backing of the country. At the moment, he and his associates in the Government are politically secure—there is no question.—*All Rights Reserved.*

U.S. TARIFFS LOWER THAN THOSE OF MANY COUNTRIES

The American Tariff League has declared that United States tariffs are lower than those of most of the world's trading countries. In a special study submitted to the Commission on Foreign Economic Policy, the League said that the U.S. is seventh above the lowest—in a list of 43 countries—in the ratio of customs collected to total imports. The League, in letters to the Commission members, refuted the recent statement of former U.S. Ambassador to Britain, Mr. Lewis W. Douglas, that "for 30 years the barriers that we have erected against imports into the United States have been incompatible with and have operated against the re-establishment of international economic financial health and equilibrium."

Comparing 38 of 43 trading studies examined, both before and after World War II, the League report shows that the U.S. in 1937 was ninth above the lowest with a ratio of 15.8 per cent. In 1951, the United States dropped to seventh with a ratio of 5.1 per cent. This decrease of 68 per cent, according to the Report, was larger than that listed for all, but eight, of the other countries in the same period. The study lists Chile, Pakistan, Haiti, Egypt, Ceylon, the United Kingdom, El Salvador, Burma, Guatemala, Mexico, Iran, Iraq, Thailand, Venezuela, New Zealand and India—in that order—as having the highest ratio of customs duties collected to total value of imports, with percentages ranging from 46.3 to 17.3. Nations having lower ratios than the United States are listed by the League as the Netherlands, Norway, Sweden, Argentina, Belgium, Luxembourg, Denmark, and Japan, with percentages from 4.6 to 1.6 lower.

PAKISTAN NOTES

PAKISTAN JUTE POLICY

FOOD POSITION DIFFICULT

PAKISTAN'S jute policy came in for a good deal of discussion in the Pakistan Constituent Assembly last week. Initiating the discussion, Mr. Mohammed Ali gave an optimistic picture of the jute position. He said that the supply of jute both from India and Pakistan this year would be nearly 9,200,000 bales, including last year's carry-over. This falls, according to him, short of world demand. Accordingly, he expected the jute prices to be maintained at high levels.

So far as Pakistan is concerned, the Prime Minister said that the Government had restricted jute acreage to 1,000,000. Pakistan would have 5,800,000 bales to sell this year. It was less than the Indian average and foreign demand. This short supply, he added, would ensure better return to the grower. On this basis, he continued, the Government had decided not to interfere with normal trade. Licences, however, would still have to be issued and the State Bank of Pakistan would watch the price trend. This vigilance, the Prime Minister said, was necessary to check malpractices. Mr. Mohammed Ali asserted that the jute industry was improving. Already, Pakistan's manufactures had found foreign markets for their products. The Pakistan Industrial Development Corporation was engaged in establishing jute mills with 6,000 looms capable of consuming 1,200,000 bales of raw jute.

The optimism of Mr. Mohammed Ali was, however, not shared fully by any section of the house. While some members questioned the accuracy of official statistics, a few others charged the Government with complacency. Many members criticised the previous Government's jute policy and the working of the Jute Board. The price-support scheme launched by the previous regime was characterised as a "flop" which had enriched the pockets of middlemen at the expense of growers.

Mr. Chakravarty, the Deputy Leader of the Opposition, and Mr. Ibrahim Khan (League), demanded nationalisation of jute trade. They felt that nothing short of nationalisation would assure a fair wage to the cultivator. Malik Firoz Khan Noon opposed this demand and was against Government blocking the normal trade channels. He criticised the licensing policy of the Government and wanted baling presses to be scattered in rural areas.

A proposal to offer to India only *pucca* baled jute is in the offing. India now imports only *kutcha* baled jute. It is argued that India might favourably view this proposal as this would mean doing away with complaints about the presence of 5 to 10 per cent. moisture in bales. If the offer is accepted by India, it is expected to result in more work for presses in Narayanganj. But, as India will have to pay more, there is cautious optimism among certain circles in regard to its acceptance of the offer.

Foodgrains

The Government of Pakistan may have to import foodgrains next year also. The deficit of foodgrains is estimated at eight lakh tons. Latest reports indicate that the area under wheat will not be more than 9½ million acres and the yield may not exceed 2½ million tons, almost the same as that estimated for this year which is 20.6 per cent. less than last year. The yield of rice, however, is expected to be just over eight million tons, that is, higher by about half million tons. But, the yield of *bajra*, maize, barley and grain are not expected to be encouraging.

In the absence of any foreign aid for the import of foodgrains, Pakistan will be placed in a very awkward situation. To add to this difficulty, the employment situation is deteriorating which calls for intensified investment programmes both in public and private sectors. It is estimated that about one million males are unemployed. Employment exchanges as in India, have become almost instruments for mere recording statistics relating to unemployment. Meanwhile, the cost of living index is increasing.

The most notable development during the week is the announcement by Mr. Mohammed Ali that the deadlock over constitution-making had been broken and a new formula evolved. This is hailed as the best news in six years. Mohammed Ali has succeeded where Liaqat and Nazimuddin failed. Under the new formula, unanimously accepted on 5th October by the Muslim League Party, the Federation of Pakistan will have a bicameral legislature. The Upper House with 50 seats will have five units, namely, (1) East Bengal, (2) West Punjab, (3) N.W.F.P., Frontier States and tribal areas, (4) Sind and Khairpur and (5) Baluchistan, Baluchistan States, Bahawalpur and Karachi, each having equal representation. The 300-member strong Lower House will be based on population basis. Both the Houses will have equal powers. There will be joint session of the two Houses for purposes of election of President of Pakistan and the settlement of differences of opinion between the two Houses.

INVESTMENT OF BANKS IN INDIA

HOLDINGS IN DATED LOANS INCREASE

THE Reserve Bank of India's latest periodical analysis of investments of banks disclose a marked fall in the aggregate investments as on 30th June, 1953, as compared with those at the end of December, 1952, but a perceptible improvement over 30th June, 1952. The fall, as compared with the end of 1952, merely reflects the reduction in the sale of Treasury Bills, which is customary at this time of the year, as it includes the major part of the busy season. Actually, the banks' investments in the dated loans of the Government of India were higher not only as compared with the end of 1952 but also with the end of June, 1952. This was due to the issue of a new 3½ per cent. 1961 loan, known as the National Plan Bond, by the Government of India in June, 1953, which was patronised by the big Scheduled banks to a considerable extent.

The total investments of banks amounted to Rs. 384.46 crores at the end of June, as compared with Rs. 401.78 crores at the end of 1952 and Rs. 381.31 crores on 30th June, 1952. Of the total investments of Rs. 384.46 crores, as much as Rs. 370.61 crores or 96 per cent. were owned by the Scheduled banks, while the Non-scheduled banks' share was Rs. 63.85 crores or 4 per cent. of the total. Of the other domestic investments of Rs. 30.81 crores, the holdings of the Scheduled banks amounted to Rs. 27.88 crores. Foreign investments amounting to Rs. 22.09 crores were almost wholly held by the Scheduled banks.

The table below gives, at a glance, the various types of investments held by all banks as on 30th June, 1953, as compared with their position at the end of the two preceding halves:

(Rs. in crores)

Types of investments	June 1953	December 1952	June 1952
Government securities	331.56	344.96	322.90
	(86.2)	(85.9)	(84.7)
Other domestic investments ..	30.81	32.32	31.43
	(8.0)	(8.0)	(8.2)
Foreign investments	22.09	24.50	26.98
	(5.8)	(6.1)	(7.1)
Total investments	384.46	401.78	381.31

(Figures in brackets are percentages to respective totals.)

Of the total Scheduled banks' holdings of Rs. 370.61 crores, at the end of June, 1953, the share of Government securities was Rs. 321.06 crores. These revealed a fall of Rs. 6 crores, as compared with those at the end of 1952. The fall was equally distributed between Central and State Governments securities which stood at Rs. 289.01 crores and Rs. 31.75 crores, respectively. A point that must be mentioned here is that the decline was wholly due to the shrinkage in the Central Treasury Bills held by the banks. Thus, as against Rs. 17.41 crores on 31st December, 1952, the Treasury Bills with banks on 30th June, 1953 were only Rs. 3.10 crores. Over the year ended June, 1953, however, investments in Central Government securities rose by Rs. 17 crores, while those in State Governments' securities declined by Rs. 1 crore.

Maturity Distribution

Some interesting changes are noted in the maturity distribution of holdings of Scheduled banks during the half-year under review. Investments of these banks in short-dated securities, that is, those maturing within five years, dropped from Rs. 127 crores to Rs. 102 crores. The drop is due to the conversion of the 3 per cent. 1953-55 loan announced at the end of May this year, as also to maturity or rediscounting of Treasury Bills. On the other hand, holdings of short-medium loans (maturing in 5-10 years) increased by Rs. 19 crores to Rs. 159 crores, as a result of investments in 3½ per cent. National Plan Bonds, 1961. Investments in medium-long dated loans (maturing in 10-15 years) and in long-dateds maturing after 15 years remained unchanged at Rs. 28 crores and Rs. 32 crores, respectively.

An analysis of distribution of investments in Government securities (including Treasury Bills) group-wise discloses a drop of Rs. 10 crores to Rs. 232 crores in the holdings of major Indian Scheduled banks. On the other hand, investments of other Indian Scheduled banks and Exchange banks rose by Rs. 2 crores each to Rs. 43 crores and Rs. 46 crores respectively.

The major Indian Scheduled banks' holdings of short-dated securities declined from 38 per cent. of their total securities holdings in December, 1952, to 31 per cent. in June, 1953. Their holdings of short-mediums, however, rose from 43 per cent. to 49 per cent. But the investments of other Indian Scheduled banks in both the categories remained almost unaltered at 26 per cent. and 54 per cent. respectively. The holdings of short-dated loans by Exchange banks fell from 55 per cent. to 42 per cent. of the total security holdings, whereas their investments in short-medium dateds rose from 34 per cent. to 48 per cent. Their holdings of medium-longs and long-dateds, however, showed only minor variations.

Other Domestic Investments

Other domestic investments of Scheduled banks declined by Rs. 64 lakhs to Rs. 27.88 crores. There was a fall of Rs. 1.77 crores in investments in fixed deposits which stood at Rs. 62 lakhs. But holdings of trustee securities, shares and debentures and real estate rose by Rs. 29 lakhs, Rs. 60 lakhs and Rs. 16 lakhs to Rs. 9.1 crores, Rs. 11.6 crores and Rs. 6.2 crores, respectively. Investments in bullion remained insignificant.

The Scheduled banks' holdings of shares and debentures rose from Rs. 10.96 crores to Rs. 11.56 crores during the half-year under review. Nearly two-thirds of the rise was on account of the major Indian Scheduled banks, and that was mainly as a result of an increase in their holdings of industrial debentures. The rest of the increase was accounted for by other Indian Scheduled banks. In the case of other trustee securities, the entire increase from Rs. 8.85 crores to Rs. 9.14 crores was due to the major Indian Scheduled banks and was in respect of municipal and unclassified trustee securities.

The bulk of foreign investments were held by the major Indian Scheduled banks. The total foreign investments at Rs. 21.7 crores as on 30th June, showed a fall of Rs. 2.5 crores. Investments in Pakistan declined by Rs. 3.8 crores to Rs. 8 crores. But investments in the U.K. remained stationary at Rs. 5 crores. There was a rise of Rs. 1.4 crores in investments in other centres, particularly in Burma. Ninety per cent. of foreign investments were held in Government securities, 2 per cent. in other securities and one per cent. in shares and debentures.

The total investments of the Non-scheduled banks receded from Rs. 22.1 crores to Rs. 13.9 crores. This reflects the large reduction in holdings of Government securities by these banks which fell from Rs. 17.9 crores to Rs. 10.5 crores. Investments in Central Government securities came down from Rs. 13.6 crores to Rs. 6.7 crores, whereas those in State Government securities remained around Rs. 4 crores. But the proportion of the latter to total investments rose from 17.1 per cent. to 26.1 per cent. It must be mentioned here that the Non-scheduled banks do not generally invest in Treasury Bills. The total holding of these Bills by them was only Rs. 20 lakhs at the close of December, 1952, and it declined to Rs. 10 lakhs by the end of June last.

The Non-scheduled banks substantially reduced their investments in Government securities maturing after five years, while there was only a small reduction in the holdings of short-dated loans.

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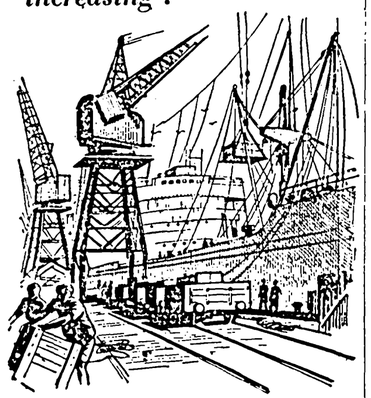

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NEXT COMMONWEALTH CONFERENCE

The Finance Ministers of the Commonwealth will hold their next meeting in Sydney, Australia, in January next year. An announcement to this effect was made by Mr. Robert Menzies, Prime Minister of Australia, last week in the Australian Parliament. He stated: "At the Conference of Prime Ministers in London at the time of the Coronation of Her Majesty, it was agreed that it would be desirable to hold a further meeting of Commonwealth Finance Ministers about the turn of the year. The Chancellor of the Exchequer undertook to communicate with the Finance Ministers in the other Commonwealth countries about arrangements for the meeting. Before I left London, I invited the Chancellor to consider holding the meeting in Australia. . . . I have pleasure now in informing the House that it has been agreed amongst all the Commonwealth countries to hold a meeting of Finance Ministers in Australia between the dates of 8th and 15th January, 1954." A meeting of officials from each of the countries will precede the Conference. These officials will meet on 4th January, 1954.

No details of the agenda for the Sydney Conference are available. But, according to Mr. Menzies, the purpose of the meeting will be to enable the Finance Ministers to review together such subjects as the balance of payments prospects for the sterling area in 1954, progress with the plans for moving towards a system of freer trade and payments covering the widest possible area, and co-operation in development of the economic resources of the Commonwealth. The topics specified by Mr. Menzies are in broad terms and contain no explicit reference to the most discussed question of convertibility of sterling. However, the phrase, "freer trade and payments covering the widest possible area" implies that the coming conference may bestow attention on issues connected with convertibility. As the U.K. in particular is anxious to move as rapidly as possible towards complete freedom for the pound, the conference is likely to review the balance of payments position of not only the Commonwealth countries but others outside, which have established large trade relations with the U.K. and other countries.

Ever since the venue of the next Commonwealth Finance Ministers' Conference was announced, financial circles in London have been discussing the question of convertibility again with great avidity. The question raised by them is whether a definite date for convertibility of sterling will be fixed. According to the *Financial Times*, London, the outlook for sterling appears to be reasonably good. It says:

"The gold and dollar reserve has been rising, not only because of an improvement in the dollar balances of the outer sterling area, but also because of an even more marked improvement in the U.K.'s own dollar trade. During the last year or so, in fact, the improvement has been greater than is perhaps always realised. For the first time since the war, the sterling area has earned a steady surplus of dollars, at a time when prices generally have been falling. And this has meant that the value of the reserve has been rising even faster than its volume. Provided there is no great change in the general level of world production and world trade, there seems no reason why this steady rise should not continue. Though defence aid will fall away in the next month's payment for the offshore orders that have already been placed in Europe will soon take its place."

It is evident from the foregoing remarks that sterling has strengthened considerably. The internal stability of the currency is also indicated by the fact that it has withstood the effects of the freeing of commodity markets from controls. But this by itself is not enough to support convertibility of sterling. According to the original plan, convertibility depends on the extent of help the sterling area was likely to receive from the American Administration either by "trade, not aid" or more directly by a loan. The strength of sterling depends on its ability of being converted into dollars. There is, therefore, a need for sterling and other non-dollar countries to have free access to the American market. This is only possible if the American economic policies are so designed as to make more dollar earnings or dollar capital available to the rest of the world. Unfortunately the American Administration has not so far been in a position to announce its economic policy. And it is now feared that there is no likelihood of any such announcement before the spring of next year when the Randall Commission is expected to submit its report to President Eisenhower. Delays may also occur even after the spring, as the U.S. Administration will still have to prepare a fairly extensive legislative programme and obtain Congressional permission to it. Consequently, any definite and bold stride towards convertibility of sterling will have to await developments in the U.S. Viewed against this background, the Sydney Conference of Commonwealth Finance Ministers is likely to do no more than stock-taking of the position of the respective Commonwealth countries in respect of their trade and balance of payments.

FOREIGN PRIVATE INVESTMENT IN INDIA

VIEWS OF RESERVE BANK GOVERNOR

AT the last annual meeting of the Board of Governors of the International Bank for Reconstruction and Development, held at Washington, there was an informal discussion on private investment, with particular reference to underdeveloped countries. Many leading personalities in the sphere of finance participated in this discussion. These included two persons familiar to India, namely, Sir Jeremy Raisman and Sir George Schuster, both of whom were once in charge of the portfolio of Finance at the Centre. The American representative, Mr. George Woods, Chairman of the first Boston Corporation, was very critical of the attitude of the Governments of underdeveloped countries towards this question. Even Sir Jeremy Raisman was not satisfied with the climate for private investment in these areas, while Sir George Schuster pleaded for better understanding between the capital exporting and importing countries. Some of the issues raised by these speakers were ably met by Mr. B. Rama Rau, Governor of the Reserve Bank of India, who represented India in these annual gatherings. We reproduce below the observations of Mr. Rama Rau, as we feel that full justice had not been done to them by the cabled version of his speech by the news agencies:

"MR. CHAIRMAN,

"You have excluded from the scope of this discussion the question whether private capital movements are preferable to capital movements to Governments or international organisations, or whether they could or should eventually replace them. I cannot, however, refrain from expressing the feeling, particularly in the light of what seems to be the trend of opinion in the United States to-day, that for a very considerable period of time capital movements other than those through private channels will be essential for the task of developing the underdeveloped areas of the world and also to restore equilibrium in the balance of international payments. Before private capital can flow into an area, certain basic economic developments must already have taken place. As has been often emphasised, the private investor in those fields which attract him can operate only if certain basic facilities are available, such as power, transport, communications, and the like. Though there are some underdeveloped countries where this basic development has already taken place and, therefore, satisfies these conditions of private investments, there are, perhaps, the majority where these conditions are not satisfied and where, therefore, a great deal of public capital will have to be invested before the private investor, whether native or foreign, is prepared to take over.

"With these preliminary remarks, I will proceed to discuss and deal with the various points raised by the previous speakers. The principal factors that have operated as deterrents to foreign investment under present conditions have been explained by the speakers on behalf of the capital-exporting countries and also in the reports circulated to us earlier. It is not necessary for me to deal with one of the main obstacles in the way of flow of private capital, which Sir Jeremy Raisman has mentioned, namely, the conditions of political instability in the world to-day and the general tension in international affairs which have made foreign investment difficult and have encouraged investment in the home market, where dividends, as Mr. Woods has just explained, are not much lower than in foreign countries, except in certain spheres. Many of the other impediments which Sir Jeremy Raisman raised are real, but conditions are not uniform for all the underdeveloped countries. In some of the countries in South and South-East Asia, these obstacles do not exist, as, for instance, India, which is naturally the country I know best. It has political stability such as few countries in this unsettled world seem to have to-day. It has an able and efficient administration which, I am bold to say, does not compare unfavourably with that of the most developed countries in the world. It has a judiciary which is impartial and has maintained high traditions of integrity, and which will enforce all contracts, uninfluenced by political considerations. We have an adequate credit structure, and we have adopted in the last two years an effective monetary and fiscal policy which has clearly contributed to the curbing of inflation in the country.

"India has no discrimination whatever against foreign capital. There are no limitations on dividends nor any restrictions on the transferability of profits or the withdrawal of capital. There are no requirements regarding control by Indian nationals nor any legislation, as in some countries, prescribing any particular percentage or proportion of employment for Indians. There has recently been some pressure—I presume this is the point to which Sir Jeremy Raisman referred—for a larger employment of Indians in non-technical posts, but this can hardly be said to be a serious deterrent to the flow of foreign investment.

"The growth of economic nationalism and the influence of socialistic creeds have undoubtedly generated fears of expropriation and nationalisation, especially after the Iranian crisis. This is undoubtedly an important factor. I may explain how this difficulty has been dealt with in India in respect of corporations which have decided to invest large sums in that country. The Standard-Vacuum and other oil companies, who are now setting up refineries in India, have a specific provision in their contracts with the Government, under which an assurance has been given by the Government that they will not take over the refineries for a period of at least 25 years after the commencement of operation. If, after that time, the refineries are taken over by the Government, reasonable compensation will be paid, and necessary facilities allowed for transferring the amounts invested in the Indian companies as share capital and loans. If I may say so, the Indian Government has never dishonoured its agreements with foreign countries or failed to fulfil its foreign obligations.

"Another impediment that has been mentioned in the reports circulated to us is the policy of screening private capital that seeks investment. I may explain that even indigenous capital is subject to this scrutiny by the Capital Issues Committee in India. From the point of view of the underdeveloped countries, screening is absolutely essential, and that for two reasons. First, foreign investment sets up a drain on the foreign exchange resources of the country, because profits have to be remitted and capital has to be repatriated. It is, therefore, essential for the country to see that foreign investment by and large takes place in those industries which will result either in a direct saving of foreign exchange or, through an increase of productivity, lead to the same result indirectly.

"Indiscriminate permission to foreigners to invest, if it were taken advantage of on a substantial scale, might well result in demands for foreign exchange for the remittance of profits and the repatriation of capital reaching limits beyond the capacity of the country to service. This has happened in certain countries. But those countries which are anxious to retain and to build up their credit must necessarily take action to stop this trouble developing at the very root. Screening, therefore, should not be regarded as an obstacle to investment. On the contrary, effective screening is one of the greatest safeguards the foreign investor can have to insure that the country will not get into foreign exchange trouble which might lead to his profits and capital being frozen.

"The second reason why screening is essential is that, if foreign capital is allowed to operate indiscriminately, it will naturally tend to flow where profits are highest. Profits are highest very often in industries which are not essential for the economic life of the country and which, on any rational list of priority, especially in a poor country like India, would come very low on the scale. If capital is available to develop these unessential industries, it is the natural desire of countries to prevent such developments setting up a drain on their resources. Screening, however, has not operated as a serious impediment, though it has in some cases inevitably resulted in some delay.

"It is not for me to say that my country satisfies most of the conditions required by the private investor. I do not expect an investor to take my statements at their face value. But I am sure that some of the speakers here to-day who happen to know India very well will substantially endorse my statements. Nevertheless, it has to be admitted that the private investor, particularly the U.S.A., has not been attracted to India, but this is probably due to ignorance about conditions in India.

"The private investor with small resources will naturally seek safety and prefers to invest in

(*Continued on page 707*)

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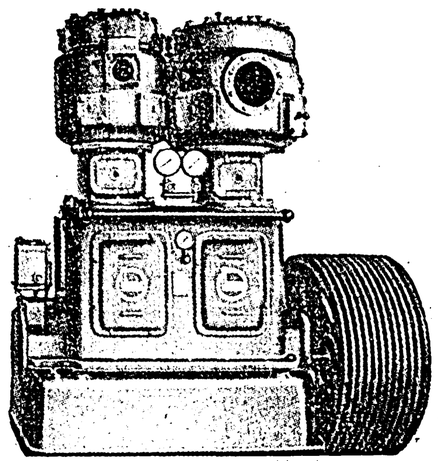

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ALL-ROUND DECLINE IN CLOTH PRICES

HEAVY ACCUMULATION OF STOCKS

THE recent deterioration in cloth markets all over the country, the accumulation of heavy stocks with the mills, and the reduction in cloth prices which the producers have been compelled to effect constitute a problem for the textile industry, the Government and the workers alike. A series of events relating to the setback in trading conditions in the cloth markets have culminated in the reported decision by the managements of seven textile mills in Ahmedabad to close their second shift. Ten more mills, it is stated, are contemplating similar action. Dull trading conditions and poor offtake of mill cloth and yarn have been reported from South Indian textile centres too.

It is, of course, difficult to draw an all-India picture of the textile situation since the necessary data are not now available. According to one estimate, all-India cloth stocks must be of the order of 480,000 bales valued at about Rs. 74 crores. Of these, Ahmedabad and Bombay cities alone are said to be holding not less than 300,000 bales. One report has it that the exact share of Ahmedabad mills is 150,000 bales. In Bombay, the total of uncleared stocks, as at the end of August, is placed at 146,000 bales, as against 86,000 bales on the corresponding date in 1952. In January, 1953, the total of uncleared stocks in Bombay was about 131,000 bales. There was some improvement in the following months and a low of 103,000 bales was touched in May, 1953. Thereafter, the stocks began to rise again and, by July-end, mills held 130,000 bales of uncleared stocks of cloth. By the end of the following month, the stocks moved up further to 146,000 bales. Between August, 1952, and August, 1953, both the stocks of cloth sold, but not taken by the buyers and the stocks of cloth remaining actually unsold have increased, thereby showing that there is not only a decline in the offtake of cloth but an unwillingness on the part of the buyers to take delivery of the cloth bought by them. In August, 1952, the cloth stocks held on buyers' account were 46,000 bales and unsold stocks 40,000 bales. In August, 1953, each of these two varieties of undisposed stocks rose to 73,000 bales. Since then, some 15,000 to 20,000 bales, it is stated, have been added to the stocks. Legal means are, of course, open to the mills to enforce the sales. But the question is the economic significance of this trend.

Government's View

What meaning can be read into the accumulation of cloth stocks? Does it represent merely an adjustment of the mills to the rigours of the climate of free competition, created by the exigencies of the decontrol of textiles? Or, does it portend a recession which must be stemmed by resolute measures? Although the problem of accumulation of mill stocks has been publicised for some time now, no indication is yet available of the official reaction to this problem. Presumably, the Government dismisses it as an exaggerated version. Press reports aver that the Government is not impressed by the demand for the reduction in either the excise or export duty on cloth. The Government, according to the same sources, holds the view that the increase in stocks represents the after-effect of decontrol and of the sales tax legislation in Bombay. Irrespective of what these reports have to say about the official attitude, the fact that the Government has not so far issued a statement of its views on the textile situation suggests that either it is considering the position or has made up its mind that the situation calls for no change in its textile policy. But it is unfortunate that the public should be left guessing about the Government's intentions. It would greatly clear the air, thick with controversy about the textile situation, if it made an authoritative statement on the subject. It is somewhat deplorable that the industry or the public should rely on Press reports to get an insight into the official mind.

The Government would, however, do well to consider some facts about the textile situation. There is no doubt that the stocks have increased. In assessing whether the level of stocks is "alarming" or it is merely a "trifle abnormal," the Government should, in the first place, take into account the fact that the stocks in certain centres, notably Bombay, are the heaviest in the last five years. Secondly, the figures of these stocks, it is well to remember, do not include the stocks which are held by wholesalers and innumerable retailers in the country. Thirdly, it is significant that the stocks have accumulated in a season which is normally associated with plentiful offtake; usually at this time of year a good demand for cloth manifests itself, thanks to the *Dassera, Puja* and *Diwali* festivals. Finally, the fact that the stocks have accumulated despite the undoubtedly substantial recession in prices that has occurred must make the Government a little less complacent in assessing the gravity of the situation.

Some of the leading mills in the country have announced a reduction in prices. The decline in prices since June last, whether effected at the mill-end or at any other point in the course of trade, has been to the extent of 10-12 per cent. in coarse and medium varieties, 15-20 per cent. in fine varieties, and 20-25 per cent. in superfine varieties. Any decline in prices in these days of high living costs ought really to be welcomed. But the question is whether the decline will be conducive to the maintenance of mill activity at a high level. If a diminution in this activity is the price that the country has to pay for the decline in cloth prices, it will, in the end, be found that the cheaper cloth has been too "dearly" bought, for the decline in such activity will inevitably lead to reduced output and higher prices once again.

The question that must be squarely faced is whether the accumulation of stocks does not present a challenge to the Government, the industry, and the workers to find a solution which will promote offtake without any forced closure of mills or reduction in the number of shifts. The immediate problem for the mills is, of course, the locking up of their capital in the shape of uncleared stocks of manufactured goods. If the all-India stocks are taken at 5 lakh bales—each bale consisting of 1,500 yards—and the price of each yard of cloth is taken at a rupee a yard, the amount of capital locked up in these stocks would represent a total of Rs. 75 crores. This is by no means a small sum even for so big and well-organised an industry as the textile industry.

Long-term Problem

The long-term problem, however, consists in stimulating the offtake of cloth. The total supply of mill cloth in the country in the current year may be placed at 4,335 million yards, taking the production at 4,960 million yards (on the basis of the output during the first seven months in 1953) and exports at 625 million yards (on the basis of exports during the first eight months in 1953). This supply—it does not include carry-over stocks nor handloom production at 1,000 million yards—is considerably higher than the 4,000 million yards of mill cloth that was available for domestic consumption in 1952. This increased supply of cloth can be sold, as is now becoming clear, only, if the prices are made more attractive to the buyers.

The buyers' resistance could be broken only through a reduction in prices. And here, the Government could certainly help—so long as the textile production costs continue to be rigid, as they have been—by taking a more realistic view of the imposts on the industry, in the shape of excise duty, export duty, cess on cloth, and sales tax. The excise duty was never conceived as a permanent measure. But the Government has never shown any inclination to revise or abolish it. This attitude might have been correct so long as the industry was prosperous. It would hardly be a correct attitude now.

Export Target

This applies to the export duty too. Exports are now running at an annual rate of 625 million yards. This is certainly better than the exports of 543 million yards which took place in 1952 but far below the level of 732 million yards reached in 1951. Further, the present level of exports is a far cry from the target of 1,000 million yards fixed at the Buxton Conference. It is pertinent to mention here that, when this target was fixed, mill production was considerably lower than it is to-day. The need for at least reaching this target, if not exceeding it, is more urgent now than it was at the time the target was fixed. Again, the duty on coarse and medium cloth exports was imposed, as the Government then felt the need for conserving these stocks for home consumption for fear that they might be drained away to the more prosperous markets abroad. The country can now afford to export more.

Yet another impost, against which the industry has rightly protested, is the duty on imported cotton. This is an unheard of measure in any modern textile producing country. Neither Japan, nor the U.K.—these are two of the leading cotton importing and textile exporting countries of the world—compels its industry to pay such a duty. The least the Government can do—even if it sees no need for abolishing it—is to grant a rebate of the duty on exports of cloth manufactured out of imported cotton. The Government has recognised the justice of this demand and has already initiated legislation for the grant of the rebate of duty. It will do well to expedite its passage through Parliament.

It has been contended that the stocks with the mills have accumulated, because the first wholesalers want to bring the next wholesalers or bigger retailers into contact with the mills, so that sales tax might be eliminated at least at one point. If this is correct, it only strengthens the case for the abolition of the multi-point system. But this line of reasoning does not explain why stocks should have suddenly mounted, even though the multi-point system has been in operation for several months now. Nor does it explain why stocks have accumulated even in States which do not collect sales tax on the multi-point basis.

The workers contend that the industry is raising the cry of accumulation of stocks only to reduce their wages. There is no truth in this contention, for no mill would light-heartedly put up a closure notice. It is absurd to imagine that any mill management would be so foolish as to cut its nose to spite its face. It is in the interests of every mill to work so long as it is profitable to do so. Some labour leaders have, however, appreciated the mills' point of view and have offered to strengthen the latter's case for relief from unjust fiscal burdens. They have, naturally enough, realised that their own prosperity is bound up with the prosperity of the industry. This is a constructive attitude which augurs well for the future of the industry.



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UPWARD TREND IN TEXTILE PRODUCTION

LABOUR SHORTAGE COMPELS 50-YEARS-OLD MILL TO CLOSE DOWN

(By A Special Correspondent)

MANCHESTER, 29th September

MANCHESTER LETTER

RECOVERY in Lancashire from the 1952 slump is just about a year old. Coinciding with this anniversary, production and manpower figures issued by the Cotton Board for the first week in September showed a sharp upward trend. Recruitment of 659 full-time workers in spinning was the highest ever recorded in a week, and cotton and rayon yarn output passed the 20,000,000-lb. mark for the first time since January, 1952.

The 1953 holiday season has been a much happier period than 12 months ago, to judge by the production figures which have come from the mills and the steady rise in employment, which is shown in the table below:—

Week ended			Production (In 000's lbs.)		Recruitment	
			1953	1952	1953	1952
May	30	..	16,190	13,140	—100	—914
June	6	..	13,670	8,020	— 8	—892
,,	13	..	19,550	11,410	+ 69	—526
,,	20	..	19,600	13,710	+ 50	—411
,,	27	..	15,330	10,720	+ 50	—362
July	4	..	12,300	8,200	—122	—161
,,	11	..	14,760	10,700	+ 28	—144
,,	18	..	16,930	12,250	+116	— 85
,,	25	..	16,780	11,130	+315	— 80
Aug.	1	..	16,540	11,500	+309	— 26
,,	8	..	17,080	12,060	+130	— 49
,,	15	..	12,910	9,120	+395	+ 89
,,	22	..	14,160	10,240	+ 81	+ 16
,,	29	..	19,810	15,060	+397	+201
Sept.	5	..	20,020	14,230	+659	+103

During these weeks, yarn output exceeded the previous year's totals by an average of about 5,000,000 lbs. weekly and in the period shown was over 74,000,000 lbs. above the 1952 figures. A major part of this improvement, however, must be attributed to the rapidly expanding output of rayon and mixture yarns which are riding the crest of the wave.

Exports in August

As a holiday month August is not normally expected to provide high production or export returns but the progress recently made in both directions compared with 1952 has been maintained. Overseas shipments of British cotton goods last month were valued at £10,632,780 compared with £8,525,261 in August last year.

Twelve months ago cotton cloth exports slumped to the lowest total for nearly five years back at 41,710,000 square yards. August, 1953, brought a recovery to 56,272,000 square yards, which was 10,000,000 yards lower than the July figure but was well up to the average of the first half of the year, the value being £6,948,535.

Although cloth exports made a slower start in 1953 than in the previous year, they are gradually regaining the ground then lost. For the eight months total shipments at 465,744,000 square yards are barely 10,000,000 yards short of the corresponding figure a year ago, but due to the lower prices ruling their earnings are only £57,804,326 against £71,816,257.

Leading consumers of Lancashire cotton cloth so far this year are (in square yards, with 1952 comparisons): West Africa 91,675,000 (109,241,000); South Africa 59,485,000 (38,242,000) and Australia 56,761,000 (58,447,000).

Yarn exports last month were the highest since March, 1952, with the exception of May this year. The steadiness of monthly totals in 1953 has been remarkable and in August the figure was 3,472,600 lbs., worth £1,312,668. This compares with 1,963,800 lbs., valued at only £970,050, in August last year. For the eight months shipments amounted to 26,506,600 lbs., worth £10,656,356, against 23,675,600 lbs., valued at £12,292,143.

Leading markets for cotton yarn in the first eight months this year have been (with 1952 comparisons):—Australia 3,581,400 lbs. (1,994,300); Irish Republic 3,406,600 lbs. (2,036,500) and Canada 2,849,300 lbs. (1,287,300).

Imports of cotton grey cloth last month, at 4,590,000 square yards, remained at the lower level now being recorded and to the end of August were only 50,094,000 square yards, against 122,574,000 square yards in the same period of 1952. Japan continues to be the chief supplier, having provided 34,148,000 square yards.

Foreign Labour Call

Because of the shortage of operatives in cotton weaving sheds, Lancashire mill employers are seeking permission to bring in Continental workers again to operate idle machines.

Mr. Lewis Wright, General Secretary of the Weavers' Amalgamation, said in Manchester this week that a joint meeting of union representatives and employers was likely to be held shortly to discuss the issue following requests for permission from individual employers in many parts of Lancashire.

Hundreds of looms were idle, he said, and rivals were getting into the market with goods which Lancashire could not supply because of its present labour problems.

Mr. Wright pointed out, however, that there were thousands of former Lancashire operatives who would like to return to the industry but who were rather chary at the moment because they wanted to be sure about the future.

If the present trend of trade continued until spring, thousands of Lancashire workers might return to their old jobs in the mills. Union leaders will meet shortly to discuss their attitude towards the employers' appeals.

Mill to Close

Casualty of the labour shortage now affecting the Lancashire cotton trade due to the revival in activity is the Holyrood Mill Company, Ltd., of Oldham, whose Directors have decided to recommend the winding-up to shareholders. This proposal, coupled with the realisation of assets and a distribution, is to be considered at a special meeting on 19th October.

A circular issued to members declared that the Directors felt considerable capital expenditure would be necessary to meet competition in the near future, probably exceeding present liquid capital. Shortage of operatives, they continued, had handicapped the Company since the mill restarted in 1946 and showed no sign of abating. Since last year's trade depression it had been very difficult to earn more than "a very modest profit."

The Directors estimate that shareholders should receive at least four shillings per two-shilling share after liquidation costs. The mill, which contains nearly 50,000 ring spindles, has been in operation for more than half a century.

New Cotton Wage Peak

Industry in general throughout Britain did not experience the profound depression which attacked textiles last year, and the average earnings of the 6,500,000 workers which are collated half-yearly by the Ministry of Labour continued to register their regular upward movement throughout that period. At the end of April this year the average was not far short of £8, representing a rise of nearly 200 per cent. compared with before the war.

In the cotton trade all previous earnings have been exceeded during the current year. The former peak in October, 1951, was established just before the slump overtook the industry. The revival has been such that by April the average earnings of all cotton operatives were a few coppers above the previous highest, as shown below. These figures do not take into account the 5 per cent. advance which became effective in August.

	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
All workers	s. d.	s. d.	s. d.	s. d.	s. d.
Oct. 1951 ..	166 0	69 1	90 1	57 11	141 1
Apr. 1952 ..	173 7	71 9	92 2	57 9	147 3
Oct. 1952 ..	178 6	74 11	96 4	60 9	151 11
Apr. 1953 ..	185 11	77 7	100 3	62 6	157 7
Cotton					
Oct. 1951 ..	166 10	90 6	105 1	79 11	124 5
Apr. 1952 ..	149 0	80 4	93 9	70 4	111 6
Oct. 1952 ..	160 6	88 6	102 5	77 8	121 0
Apr. 1953 ..	166 1	90 7	106 2	79 0	124 8

Cotton weaving continues to be rather more remunerative an occupation than spinning for adults but juveniles get more pay in the spinning and doubling sections. Average earnings of women weavers, for example, in April were £5 10*s.* 11*d.* per week, while girls in the spinning departments received more than £4 a week and retained their position as the best paid workers in this group in all industry.

Cotton mills are still not working the same number of hours as they did before the slump but the trend remains upward. At the end of April the average was 44.1 hours per week compared with 43.1 hours six months previously. In the spinning section the average was 43.9 but in weaving it was 44.5 hours.—*All Rights Reserved.*

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COTTON CULTIVATION IN ASSAM

ITS IMPORTANCE TO TRIBAL ECONOMY

ALTHOUGH Assam does not figure prominently in the cotton map of the Indian Union, it is a State which produces a variety of cotton, known to the trade as "Comilla," one of the chief varieties of Indian cotton for which there is a sizable export market. The cotton produced in this State derives its importance from the fact that it is cultivated on the hills and not in the plains and also from the fact that its cultivation is an additional source of income to the hill tribes which inhabit the State. Cotton being the chief cash crop which the tribes of Assam hills cultivate, this commodity has come to possess a great significance for the tribal economy of this region. So little is, however, known about the methods of cultivation used by the tribes and of the variety of uses to which this cotton is put that the very comprehensive article, entitled "Cotton in Assam," contributed to the July issue of the *Indian Cotton Growing Review*, the journal of the Indian Central Cotton Committee, by Mr. B. De and Mr. P. M. Ganguli, both members of the Department of Agriculture, Assam State, will be read with particular interest.

Assam accounts for only about 30,000 acres in the total of about 16 million acres devoted to cotton in the Indian Union. The average area under cotton and the output of cotton in the Assam State during the 1947-49 period were 30,564 acres and 11,856 bales respectively. The Garo hills region represents the most important cotton-growing area in the State; this region accounts for 77.6 per cent. of the total production in the State. These hills form the centre of origin of a coarse short-staple cotton, the leaves, flowers and bolls of which are "markedly distinct from other cottons of the world in their predominantly big size." The cultivation of cotton in these hills is an occupation which has been carried on from "immemorial past." The cotton cultivated in the Garo hills is known locally as *kil*. This is grown at an altitude of about 1,500-1,800 feet. These varieties are very coarse and of short-staple (0.5 inch).

The cultivation of cotton in Assam is, as already stated, mainly confined to the hill districts. It is the occupation of the hill tribes who continue to follow "very primitive methods of cultivation," handed down from generation to generation. The authors describe the method of cultivation adopted by the tribes as follows:

"During winter season the headman of a village, i.e., *nkma*, allots plots of land to different families of his village on hill-sides (under his jurisdiction, i.e., *akhing*), preferably at very high altitudes. Trees and shrubs growing on these plots are cut down by the respective families by means of a type of bill hooks, generally in the months of January and February. These cut down jungle trees and shrubs are not removed but are allowed to dry in their positions. These are burnt when thoroughly dried by the summer heat. The whole plot of land thus gets cleared of its forest covering. If any portion is left unburnt, it is burnt again or removed from the field."

The system of cultivation through clearing the ground by burning down the thick jungle, described above, is known as *jhum* cultivation. It is a common practice not to use the same plot of land for more than two successive seasons. It may be mentioned here that cotton in the State gets ready for picking from November onwards and the picking is done till January or February. Generally speaking, the entire crop is harvested in a single picking in December and January in the Garo hills. The bulk of the *kapas* produced in the hills is sent by traders to ginneries at Salmona and Mankachar in the Goalpara District.

There is no doubt that cotton production in Assam has declined. In pre-war years, Assam accounted for a production of 15,000 to 20,000 bales of 400 lbs. each, of which Europe used to take 40 per cent., the U.S. 40 per cent. and Australia and the U.K. 20 per cent. Assam's cotton output declined during the war years to abcut 3,000 bales. This was because there was no export outlet during these years, as a consequence of which the price for *kapas* fell to as low as Rs. 3 per maund. Since then, there has been marked recovery both in prices and production. In recent years, the Garo hills' commercial cotton crop has been placed at 5,000 bales, while the prices have ranged between Rs. 30 and Rs. 35 per maund. Incidentally, it might be pointed out here that the Government estimates place the crop at double the figure. If the official estimate refers to seed cotton, it is certainly very confusing as bales are always made of ginned cotton. The authors have rightly emphasised the need for "regularising the acreage and yield statistics."

Assam cotton is, as already stated, exported abroad where it is used for mixing with wool. In India it is used mainly as stuffing material for quilts, *razais* and cushions. The Lushais use the cotton for making a kind of warm jacket. Some of the finer types, which can spin up to 20s, are used by the hill tribes for making the "beautifully designed fabrics of Assam." The cotton produced in the Garo hills is, however, too coarse for such use. The tribes in the hills do not, in fact, cover themselves completely even in winter, their only protection against cold being a "lit fire around which they sit and sleep."

The short-staple coarse cotton which is produced in the Assam State is capable of being used in other ways. Thus, it can be used as absorbent cotton in hospitals. It can also be used in the manufacture of lamp and candle wicks, ropes and twines and blankets and carpets. It is also capable of being converted into cellulose which is used in the making of artificial silk, rayon, paper, cellophane, explosives and other articles in which cellulose is used. Although it is thus true that these short-stapled varieties are capable of extended use within the country itself, there is no denying the fact that, so long as there are no well organised industries which can utilise these varieties, the country must continue to rely on export markets for the disposal of this cotton.

It is sometimes argued that the exclusive dependence on foreign markets for Assam's cotton could be corrected if the State could be made to grow long and medium-staple cotton. The authors have approached this question in a very realistic manner. They have not ignored the consideration that it might be possible to grow such cotton in the Garo hills or in other hilly tracts in Assam. The authors hold that since cotton is a crop which grows in widely different soils and climatic conditions of tropical and sub-tropical regions, the possibility of the successful "introduction and acclimatisation" of long and medium-staple varieties cannot be "ruled out." Indeed, such varieties of cotton as 4F, L.S.S., Indore I, Buri, etc., it is stated, have been successfully grown in small plots at the Cotton Research Station, Garo hills. They also aver that it is possible to evolve a medium-staple cotton from the "State's own stock of cotton by selection and breeding." But the whole question is whether all this effort will yield results commensurate with the labour involved. In this connection, they observe:

"But taking it for granted that a suitable medium-staple cotton is evolved for the State, how much land can be put under it? At present, there are only 30,000 acres under hill cotton and with utmost effort even if this acreage be doubled up there will be about 60,000-70,000 acres only under this crop. Based on India's average yield, this acreage will produce about 20,000 bales only. This is about one-hundredth of India's total produce and about one-eighty-fifth part of India's total long and medium-staple production. It will be of very little help towards solving India's need for staple cotton. So, there seems at present no need to make this frantic effort for replacing the present indigenous short-staple crop for which there is already a good market in existence. Rather, the need lies in the improvement of the existing cernuum crop—in increasing its yield, ginning percentage and quality, making it more suitable for mixing with wool—a quality the trade demands—and increasing area under it."

Research attention is, therefore, rightly concentrated on the evolution of a suitable variety of hill cotton with high yield, high ginning percentage and maximum possible coarseness. It would appear that Garo hill cotton offers the maximum scope for improvement in these directions. But the improvement of cotton cultivation is not merely a question of research. It is necessary to carry those results of research to the cotton field. This is always a difficult problem in India, but more especially so in Assam's hills which have not yet "received the light of civilisation." The authors observe that the *jhum* system of cultivation, which offers the worst form of soil erosion and makes the soil unimaginably poor within two years of cultivation, must be stopped either by educating the public through propaganda and demonstration or, if need be, by legislation. They add:

"Another point to remember in connection with the improvement of cotton in Assam is that introduction of recommended varieties will only be a half-way approach towards the solution of the problem unless it is accompanied by recommendation and introduction of suitable agronomical practices for the hills. It is well known that proper agronomic practice alone can improve the crop cent per cent or more."

It is to be hoped that the Assam Government will try to achieve these objectives, though it will no doubt have to be assisted by the Indian Central Cotton Committee on the purely technical aspects of cotton cultivation. When such improvement in the cultivation of cotton has been effected, it would be possible to raise the income of these tribes—the cotton they produce is a highly valued commodity in the West—and thereby pave the way for the improvement in their living standards.

NEW EXPORT QUOTA FOR COTTON

In response to the widespread and persistent demand for the announcement of export policy in regard to raw cotton belonging to the 1953-54 season, the Government of India declared, on 28th September, 1953, an export quota of 175,000 bales, made up of 75,000 bales of Bengal Deshi, 50,000 bales of Mathias, Kalagins and Dholleras and 50,000 bales of C.P. I and C.P. II, Oomras of 11/16". The Government has also stated that the present policy of free licensing of Assam Comillas and Coconadas will be continued. The shares of established shippers and new-comers remain the same as they were last year, namely, 80 per cent. and 20 per cent. respectively. Exporters have also been permitted to utilise old stocks for export, through the new quotas that might be allotted to them. The quotas relating to the 1952-53 crop had already been extended to the end of October, 1953.

Two considerations have influenced the recent demand for the early declaration of export quotas. In the first place, the exporters have learnt, through bitter experience of the Government's cotton export policy in the 1951-52 season, that, in the absence of early quotas, it would be difficult to avail themselves of any generous quotas that might be allotted in the later part of the cotton season. Last year, however, the Government recognised the contention of the exporters that they should know well in advance the Government's export policy. It might be recalled that the Government announced the entire export quota for the 1952-53 season in the course of two announcements made in October, 1952. This year, too, the Government has taken the decision fairly early in the season, though it might have been even more prompt than it has been. Another consideration which has influenced the exporters' plea for prompt declaration of export policy is that several enquiries from abroad were received in India for short-staple varieties, following the re-imposition of export duty by Pakistan, the only competitive supplier of these varieties to foreign markets. Indeed, some exporters have already carried their negotiations with foreign importers to an advanced stage, with the usual clause about "subject to the receipt of export licence." It is, therefore, gratifying to note that the Government has been prompt in announcing the cotton export policy for the current season.

The Government has, however, not seen eye to eye with the exporters in the latter's demand for the reduction or abolition of the export duty. The demand can be defended on the ground that the world cotton trade is bound to witness a recession in prices, which would have an unhealthy effect on foreign offtake of Indian cotton. Already, there has been some resistance from the buyers' side. For instance, the U.S. and the U.K., it is stated, have not been too eager to buy from India. Presumably, they would like to hold out a little longer in the hope of buying the varieties at lower prices. Another important buyer, namely, Japan, would no doubt be willing to buy from India or Pakistan. But it is a shrewd buyer and will wait for a favourable chance. It might be mentioned that the Japanese buyers have not opened credits here. It remains to be seen whether they will evince keener interest in the next few weeks.

The rates of export duty on cotton are different for different varieties. At present, the duty on all varieties, except Bengal Deshi and Assam Comillas, is Rs. 200 per bale. On Bengal Deshi varieties it is Rs. 125 per bale. There is no duty on Assam Comillas. Exporters have in the recent past found it difficult to sell non-Bengal Deshi varieties of cotton which are subject to a duty of Rs. 200 per bale. The Government itself has recognised this position and permitted the partial conversion of unutilised quotas for non-Bengal Deshi varieties into Deshi varieties. The position could certainly be set right if the Government decides to reduce the export duty on the non-Bengal Deshi varieties at least to the level of the duty on Bengal Deshi varieties. In the case of Bengal Deshi varieties, it must be conceded that the demand for reduction in export duty has lost some part of its earlier strength, thanks to the re-imposition of the export duty by Pakistan. It will be recalled that, last month, the Pakistan Government re-imposed an export duty of Rs. 60 per bale on short-staple varieties. Hence the case for the downward revision of the duty in India is not as strong as it was earlier. Nevertheless, the Government should keep an open mind on this question. It should not regard the duty as a source of revenue. It must be prepared to reduce it if foreign demand shows distinct signs of slackening, in order to stimulate the exports of these short-staple varieties.

Total pressings of cotton in the Indian Union during the 1952-53 season have been returned at 2,948,918 bales as compared with 3,247,683 bales last season.

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LANDS UNDER SUGARCANE IN BOMBAY

HIGH RATE OF IRRIGATION CESS TO BE LEVIED

THE Government of Bombay has fixed the irrigation cess payable in respect of lands under sugarcane at as high a level as Rs. 22-8 per acre. This cess, which is in exercise of the powers conferred upon the Government by subsection 56E of the Bombay Irrigation Act, 1879, as amended in 1950, will be effective for a period of three years from 15th February, 1954. The fixation of the cess at such a high level is deplorable. It is seven times higher than that recommended by the Cabinet Sub-Committee in 1948. This Committee, it will be recalled, was appointed to suggest measures for improving the financial position of the major irrigation works in the State of Bombay. The Sub-Committee had suggested a cess of only Rs. 3 per acre on lands under irrigable command in the perennial zone. It had clearly expressed the view that the irrigation cess should not be fixed at an unnecessarily high level.

The Government's right to collect an irrigation cess cannot be questioned. We are aware that, under section 56E of the Act referred to above, "the irrigation cess, payable in respect of land under the command of a canal, shall be at such rates and for such a period as may be fixed by the State Government by notification in the official *Gazette*." That section also states that "the determination of such rates and period shall be final and shall not be questioned in any court of law." Thus, *litera scripta*, the Government can fix any rate it likes. But that does not absolve the Government of its moral responsibility. Surely, this blanket authority does not entitle the Government to fix a rate which is uneconomic. That is why the issue had been referred to a Cabinet Sub-Committee. This Committee had made certain specific recommendations. Instead of accepting them, the Government has chosen to disregard them in this important respect. Further, the intention behind the amendment is clearly stated to be to give effect to the recommendation of the Cabinet Sub-Committee.

The statement of objects and reasons to the Bill amending the Act observed: "After a careful consideration of the report and the views thereon conveyed to the Government, the recommendations in regard to betterment levy or charges and irrigation cess contained in the report which relate exclusively to major irrigation projects have been accepted by the Government and the present Bill is designed to give effect to these recommendations." Thus, the relevant Article, read with the statement of objects and reasons, fundamentally violates the spirit behind the amended Act.

In fixing the cess, as mentioned above, the Government of Bombay has also unjustifiably discriminated against lands under sugarcane crop, for the rate at Rs. 22-8 per acre for land under sugarcane is double that fixed for lands under other perennial crops which will also be effective from 15th February, 1954. The Cabinet Sub-Committee, however, made no such discrimination. In the absence of any explanation for such discrimination, it is difficult to understand the consideration that has moved the Government to fix a higher cess for lands under sugarcane crop.

The effect of this high rate on lands under sugarcane is yet to be assessed. It is true that section 56D(1) of the Act provides that "in the case of unallenated land, the occupant, and in the case of alienated land, the superior holder, shall be primarily liable to the State Government for the payment of such cess, inclusive of all arrears of such cess." But section 56D(2) further states that "in case of default by any person who is primarily liable under this section, the irrigation cess including all arrears as aforesaid shall be recoverable from any person in possession of the land: Provided that where the irrigation cess is recovered under this section from a person who is not primarily liable for the same, such person shall be allowed credit for any payments which he may have duly made to the person who is primarily liable, and shall be entitled to credit, for the amount recovered from him, in account with the person who is primarily liable."

Most of the lands under sugarcane crop are unalienated lands; they are held by the sugar companies on a rental basis. According to section 56D, the occupant of the land is primarily liable for payment of the cess and in case of default by him, the tenants, which in the present case are mostly factories, in possession of them. There are, however, certain occupants who are getting rent per acre at a rate which is less than the proposed irrigation cess. In such cases, they would not be in a position to pay the cess and, consequently, the tenants, who have paid the rent, will not be able to recover it from such occupants. In effect, the tenants will have to bear the burden of the cess.

The high cess will certainly have an adverse effect on the production of sugar and enhance the cost of production. As no such tax is levied on sugarcane grown in U.P. and Bihar, which account for about 90 per cent. of the total sugar production in the country, the natural advantages which Bombay Deccan has over these two States will be diminished further.

That the rate is exorbitantly high will be evident from the table given at the foot of the column, compiled by the Sub-Committee, showing culturable and irrigable areas in perennial and non-perennial zones of the major canals in the Deccan and the working expenses and the irrigation cess as proposed by the Committee.

It will be clear from the table that irrigation cess even at Rs. 3 per annum in the perennial zone and at Re. 1-8 per annum in the non-perennial zone is more than sufficient to meet the working expenses. It may be that working expenses have gone up since then, but such could not have risen by as much as seven times. It is to be hoped that the Government of Bombay will revise its rate and fix it at a more reasonable figure on the lines recommended by the Cabinet Sub-Committee.

Statement showing Culturable and Irrigable Areas

Name of canal	Irrigable area under command: Culturable areas under command	Irrigable area under command: Perennial zone	Irrigable area under command: Non-perennial zone	Irrigable area under command: Total	Area irrigated	Amount of irrigation cess: At Rs. 3 p.a. in perennial zone	Amount of irrigation cess: At Rs. 1-8 p.a. in non-perennial zone	Amount of irrigation cess: Total	Working expenses
	Acres	Acres	Acres	Acres	Acres	Rs.	Rs.	Rs.	Rs.
Nira Right Bank Canal	447,726	166,278	..	166,278	85,139	4,98,834	..	4,98,834	4,56,635
Nira Left Bank Canal	149,321	102,250	4,571	149,821	76,799	3,06,750	71,357	3,78,107	3,44,684
Pravara Canals	182,676	125,851	34,649	160,000	88,464	3,76,058	51,974	4,28,027	4,15,899
Godavari Canals	219,390	127,800	8,476	135,776	67,888	2,81,900	12,714	2,94,614	2,99,292
Girna Canal	25,200	25,200	..	25,200	19,266	75,600	..	75,600	1,42,023
Total	1,024,313	546,379	90,696	637,075	335,556	16,39,137	1,36,045	17,75,182	16,88,533

ABOLITION OF CONTROLS ON SUGAR IN U.K.

The Government of the United Kingdom has abolished controls on distribution, use and prices of sugar, syrup and treacle with effect from 1st October, 1953. While making this announcement, the Food Minister stated that price control on invert sugar was being discontinued and that all restrictions on the use of sugar for manufactured food such as cakes, biscuits and sweets would cease.

Commenting on this development, Lord Lyle of Westbourne, President of Tate and Lyle, the world-famous sugar refineries, said that this step marked the end of subsidy to the consumer and that henceforth the price of sugar would reflect the true costs based on the price paid for raw sugar. Refineries, he added, had agreed to relate their selling price of a 2-cwt. bag of refined sugar to the price they pay to the Ministry for raw sugar. Other packings and qualities would also find their true level of price, and distribution through the wholesale and retail trade would come under the influence of competition again.

Lord Lyle, however, observed that Government trading in raw sugar would continue until three problems were solved. First, there was the problem of disposing of the large stocks of raw sugar held by the Government. Secondly, the position of home-grown beet sugar *vis-a-vis* sugar from sugarcane had to be determined. Thirdly, there was the question of implementation of the Commonwealth Sugar Agreement.

Pre-war consumption of sugar in the U.K. was 2.1 million tons per annum or about 100 lbs. per head. Allowing for the 7½ per cent. increase in the population and other factors and taking into consideration the fact that sugar is now free from control, consumption is expected to rise to about 2.25 million tons per annum.

Commenting on the Food Ministry's arrangements to take, before the end of the year, an additional 200,000 tons out of the 1 million tons of sugar purchased from Cuba, Czarnikow's latest review says that this means that about 800,000 tons will be shipped this year instead of the 600,000 tons mentioned in the contract. The year-end stock in the U.K. is expected to be at a peak of about 1.62 million tons.

COAL IN BIHAR

CESS ON DESPATCHES RAISED

THE Government of Bihar has, in consultation with the Government of India, increased the rate of cess, to be collected from the notified collieries in the district of Manbhum on their despatches of coal and coke in 1952-53, to As. 2 per ton. It is stated that this rate will apply in respect of assessment during 1953-54 as well. The Centre, however, seems to have refused to consider the proposal of the State Government to levy a cess on despatches from the mines in the districts of Palamau, Ranchi and Santhal Parganas at the rate of As. 2-6 per ton, unless the financial requirements of the District Boards for 1952-53 were enquired into.

It will be recalled that the Government of Bihar sought the approval of the Centre to levy a cess of As. 3-6 under the Bihar Cess (Amendment) Act, 1952, which was brought into force on 1st April, 1952. The Act authorises the State Government to levy a cess through Local Boards in Bihar at a rate not exceeding As. 4-6 per ton of annual despatches of coal and coke, subject to the consent of the Government of India. When the Indian Mining Association was asked to suggest the rates leviable, it expressed the view that the rates should not be more than what was necessary for the Local Boards concerned to cover their average expenditure, based on the year that had just passed, and leave a small surplus in hand. Accordingly, it recommended that the rates should be as follows:

(Per ton of aggregate annual despatches)

	As.	p.
Manbhum District Board	1	2
Hazaribagh	1	6
Hazaribagh Mines Board	1	2

Although the present rate fixed for the Manbhum District is 10 pies higher than that suggested by the Indian Mining Association, it is lower by an anna and a half than that proposed by the Bihar Government. It is calculated that the income to the Board by this cess will be about Rs. 16 lakhs. About 50 per cent. of the cess is expected to be spent on constructing, maintaining and repairing roads in the sub-division of Dhanbad. So far, the coal industry has alleged that the facilities to the industry provided by the Manbhum District Board is not commensurate with the burden of taxation. It is to be hoped that, in future at least, this matter will receiver proper attention.

The increase in cess, although smaller than that proposed, is expected to weigh heavily on the coal industry. This is so especially now, when costs are rising and the selling prices are statutorily fixed, which have made many of the mines uneconomical. Consequently, unless the loss is compensated by way of a reduction in transport costs, etc., that are expected to follow the facilities to be provided by the Board, the coal mines will be hard hit. The cess on despatches of coal from other areas in the State will be levied by the Local Boards, as soon as their financial requirements are assessed. The rates will be based on the results of the assessment.

COAL IN PAKISTAN

It is learned that Pakistan will be able to reach the target for production of coal of 800,000 tons per annum, originally proposed to be hit by the end of 1957, by the end of this year. During the first quarter of this year, the output of coal was 187,000 tons, giving an annual average of 748,000 tons.

Pakistan imported from India during January-May, 1953 as much as 343,870 tons. Of this, East Pakistan absorbed 239,206 tons and West Pakistan 104,664 tons. The month-wise despatches were as follows:

(In tons)

Month	East Pakistan	West Pakistan	Total
January	51,872	17,535	69,407
February	52,116	19,005	71,121
March	45,279	17,235	62,514
April	42,059	19,569	61,628
May	47,880	31,320	79,200

DESPATCHES OF SOFT COKE

Despatches of soft coke during January-May, 1953, were 505,938 tons, as against 430,068 tons in the corresponding period of the previous year, a rise of 75,890 tons. The month-wise despatches of soft coke were as follows:

(In tons)

	1952	1953
January	90,902	112,650
February	79,018	76,041
March	80,379	112,050
April	85,424	96,459
May	94,345	108,758

TREND OF WORLD TEA PRODUCTION

OUTLOOK WILL DEPEND UPON ECONOMIC FACTORS

TEA plays a minor role in world agricultural economy as a whole, but that does not belittle its importance, which is, in fact, great, to a number of producing and consuming countries. Its cultivation is important, especially to countries with a very high ratio of population to arable land, on account of the high labour requirement and high product value per unit area of cultivation. In India, which is the largest tea producing country in the world, tea provides employment to about a million agricultural labourers. It also contributes 12 to 16 per cent. of the total value of exports from India and 50 to 60 per cent. of those from Ceylon. Its importance to the balance of payments of the sterling area is also considerable. It is, therefore, in the fitness of things that the Food and Agricultural Organisation (F.A.O.) of the United Nations should have devoted some thought and attention to the position and the prospects for this important commodity. In one of its useful series of commodity reports, the F.A.O. has examined the progress of tea production, consumption, trend of prices, and the working of the International Tea Agreement during the two decades ending 1953. This is the first review on tea. (priced at 1s. 3d.) and the credit for it goes to the Sugar and Beverage Section of the Economic Division.

Discussing the trend of production and the future world output of tea, the F.A.O. Report points out that there is not likely to be any fundamental change either in the world production map or within the three major producing countries of the Far East. So far as India, Pakistan and Ceylon are concerned, the F.A.O. finds that the production outlook will depend almost entirely on economic factors, especially on the relationship between cost of production and prices. The Report reveals, significantly enough, that the import demand for tea has not kept pace, since 1934-38, with the increase in population in consuming countries. One of the important reasons for this is the increased competition from other beverages, notably coffee. Consumption in some of the producing countries, however, has increased markedly.

Decline in 1952

World production of tea (exclusive of China and the U.S.S.R.) in 1952 was estimated at about 580,000 metric tons (1 metric ton=2,204.6 lbs). Although this was slightly below the record level touched in 1951, it was 30 per cent. above the pre-war average of about 450,000 metric tons. India, Ceylon and Pakistan, which between themselves had contributed 66.6 per cent. of the total world output in the pre-war years, 1934-38, expanded their production by 54 per cent., to contribute as much as 78 per cent. of the total world production. These countries benefited greatly from the decline in production in Indonesia (Indonesian production during 1950-52 was only half of pre-war average) and the decline in exports from Japan and China.

The following table shows the trend of world production of tea during the last four years, as compared with the pre-war average, and the percentage distribution thereof:

(In 1,000 metric tons)

	1934-38	1949	1950	1951	1952†
India	187.9 (42.9)	265.4 (50.9)	278.0 (49.6)	285.1 (48.4)	281.6 (48.7)
Pakistan ..		21.3 (4.1)	24.2 (4.3)	24.2 (4.1)	24.6 (4.2)
Ceylon	103.9 (23.7)	140.4 (26.9)	143.4 (25.5)	147.6 (25.1)	143.7 (24.8)
Indonesia	75.2 (17.1)	27.3 (5.2)	35.4 (6.3)	46.5 (7.9)	36.9 (6.4)
Taiwan	11.6 (2.6)	10.1 (1.9)	9.6 (1.7)	10.5 (1.8)	11.6 (2.0)
Japan	49.3 (11.2)	32.6 (6.2)	41.7 (7.4)	44.0 (7.5)	48.6 (8.4)
Malaya	0.4 (0.1)	1.5 (0.3)	1.6 (0.3)	1.7 (0.3)	1.7 (0.3)
Nyasaland	4.3 (1.0)	5.7 (1.1)	7.0 (1.2)	7.2 (1.2)	7.2 (1.2)
British East Africa ..	3.9 (1.0)	7.6 (1.5)	9.6 (1.7)	9.9 (1.7)	10.0 (1.7)
Mozambique	0.3 (0.1)	2.8 (0.4)	3.1 (0.6)	3.1 (0.5)	3.2 (0.6)
Others	1.7 (0.3)	7.8 (1.5)	8.4 (1.5)	8.7 (0.5)	9.6 (1.6)
Total ..	439	522	562	589	578

N.B.—Figures in brackets represent the percentages of production to the total.

† Preliminary.

It will be noted that the largest increase (140 per cent.) in production between the years 1934-38 and 1952 took place in Africa, although its contribution to the world supply was only 3.5 per cent. in 1952. This increase in output was due to the rise in planted area in British East Africa and Nyasaland from 13,900 hectares (1 hectare=2.47 acres) in 1939 to 33,000 hectares in 1950 and to the new plantings in Southern Rhodesia, Belgian Congo and Mauritius.

The decline in the total world output in 1952 from the 1951 level was due to two factors, namely, (1) less favourable weather conditions in some areas, such as Ceylon and Indonesia, and (2) economic and social factors, notably the decline in prices which led to internal measures to restrict production. In Indonesia, unsettled social conditions and the spread of disease among tea bushes resulted in a substantial decline in production. India and Pakistan took steps to restrict the output of tea.

Though there was a decline in output during 1952 in India, Ceylon and Pakistan, their overall production during the last few years was on the increase due to a slight expansion in area planted (these countries did not utilise fully the permissible areas under the International Tea Agreement), introduction of high yielding varieties and coarser plucking. High yields per hectare became an economic necessity, in view of the increase in production costs.

No Fundamental Change Expected

No fundamental change either in the world tea production map or in the three major producing countries of the Far East, is anticipated in the course of the next few years, the F.A.O. Report observes. It, however, adds that economic problems will become of increasing importance to India, Ceylon and Pakistan. It further goes on:

"The next few years, may witness some shifts in the internal organisation of production. The rise in the cost of living and in wages of estate labourers, in comparison with pre-war, is creating serious economic problems, especially for estates in India and Pakistan. Since production expanded more rapidly than import demand during the last three years, producers have not been able to pass on to consumers in a relatively competitive market, the full increase in production costs. It is possible that peasant production may become of increasing importance, notwithstanding the better quality control and other marketing advantages enjoyed by estates. Secondly, while the three great producers of the Far East will continue to produce the dominant share of supplies moving in international trade, the contribution of new areas, especially in Africa, is likely to increase in coming years."

Referring to the economic conditions in the tea estates of India, Pakistan and Ceylon, the Report says that a meaningful comparison of current money and real wages with those of pre-war is extremely difficult. For, in addition to money wages, tea estates are required to provide numerous perquisites, such as housing, supplies of food at special prices, medical and various other social facilities. Though these facilities are still primitive, judged by Western standards, and do not exceed the barest minimum, they have, nonetheless, imposed considerable financial burdens on estates in India, Pakistan and Ceylon. Wages also are low as compared with standards in Western countries, but estates have found it necessary to reduce wages. The Report indicates that estates in these three countries may have to face more difficulties in the years to come. Its observations on the future of tea production in these countries and suggestions to lessen the burden on the estates are, therefore, noteworthy. Thus it says:

"While the International Tea Agreement provides a storm shelter for producers in these countries, the possibility of further difficulties cannot be ruled out. The long-term trend can be in the direction of higher wages, not lower. To attain higher productivity per man-day, it will be necessary to raise productivity per tree and per hectare, to investigate more carefully the possibilities of mechanisation of certain operations both from an economic and technical standpoint. The difficulties of mechanisation are well known; but those were at least as formidable in some other agricultural industries until the decline in profitability made mechanisation the only alternative to bankruptcy. Another measure to which these producers may have to resort is simplification of the capital and management structure—amalgamation of small estates into larger producing units, reduction of overhead costs and greater reliance on supplies from peasant producers for processing by estate factories.

"The production outlook in India, Ceylon and Pakistan will depend, therefore, almost entirely on economic factors—specifically on the relationship between production costs and prices. Production can be expanded greatly, both in the short run (through coarser plucking) and in the long run, through fertilisation, replanting with higher yielding varieties and through various cultivation practices. On the other hand, if prices decline to uneconomic levels, output can be adjusted downward more easily than for many other agricultural commodities."

Non-Far Eastern Countries

The F.A.O. does not anticipate any substantial increase in exportable supplies from Indonesia during the next few years. For numerous internal problems will have to be solved before production can be increased. Prospects in Indo-China are no more favourable. Production in China is increasing, but any increase in exportable supplies is likely to be channelled largely to the U.S.S.R. and Eastern Europe. The output in Japan, Taiwan and Malaya is likely to increase slowly. The prospects of production in other countries are more promising. The total production is likely to remain below 35,000 metric tons in the near future, but, in the more distant future, a somewhat greater increase is in prospect. This is more especially visible in African countries. Expansion in production is also expected in Latin America, Iran and the U.S.S.R. The Iranian Government has formulated plans to make the country self-sufficient in tea and the services of production experts have been made available under the U.N. Technical Assistance Programme. Thus, there is a growing tendency to increase production of tea in countries other than the Far Eastern ones and where labour and production costs are lower than in the Far Eastern countries. These trends in production coupled with the development of production in new areas cannot, therefore, be disregarded by the old producers, especially in view of the fact that demand for tea in the principal importing countries is not showing any significant improvement. These countries, especially India, will, therefore, do well to concentrate on measures for expanding their domestic market as an outlet for their increased production. With the efforts that are now being made to raise the living standards of people in these lands, the prospects of success in this direction are promising.



TWIN PROBLEMS OF JUTE INDUSTRY

STIMULATION OF EXPORTS—MODERNISATION OF MACHINERY

IN the course of a stimulating article contributed to the Jute Supplement published by the *Statesman*, the Chairman of the Indian Jute Mills Association, Mr. G. J. Gardner, has focussed public attention on the problems facing the jute industry and the measures that are being taken by the industry to tackle them. Although these problems are familiar, the refreshing manner in which they have been presented by him compels the attention of those who are interested in the jute industry to think again.

In order to emphasise the importance of the jute industry to the country, Mr. Gardner mentions in the article above, the role of jute manufactures in India's export trade. Of the all-India exports for 1952-53, jute goods represented 23 per cent., their value being Rs. 129 crores out of a total of Rs. 551 crores. In 1952-53, jute manufactures represented 33 per cent. of India's exports to the U.S. worth Rs. 37 crores out of a total of Rs. 111 crores. The jute mills in West Bengal employ approximately half of the total industrial workers in that State and their wage bill in 1952 was over Rs. 24 crores.

After stressing the importance of the jute industry thus, Mr. Gardner then proceeds to describe the change which has taken place in the supply position of raw jute. He states that, as a result of the recent agreement with Pakistan, arrangements for the supply of raw jute to the mills are now very much more secure. Although the position may not be entirely satisfactory from the point of view of the quality of jute available to the mills, the industry has now a breathing space to devote more attention to other problems. The more important of these, according to Mr. Gardner, are: (1) the urgent necessity for stimulating a greater offtake of Indian jute goods and (2) the modernisation of machinery of the various mills. To quote Mr. Gardner: "The solution of the second problem theoretically forms parts of the first, but, in view of the time factor, an expansion of the trade must obviously be sought by more immediate means. The rehabilitation of the industry will certainly give improved efficiency and lower costs but such rehabilitation cannot be completely effected in much less than 15 years."

Mr. Gardner admits that the series of reductions in the export duties should be helpful for stimulating greater offtake. But he does not appear to be quite sure whether the new levels of duty, particularly on hessians reduced recently, will solve the problem of reduced offtake. He, however, welcomes the move as a step in the right direction.

Commenting on the problem of modernisation of mills machinery, the Chairman of the I.J.M.A. appears to be very anxious to remove, what he terms as "the entirely erroneous impression" that, by modernisation, the industry means the complete replacement of what is virtually obsolete and worn out machinery. "Nothing could be farther from the truth," he says. "Despite the heavy demands made upon it during the war years, and the difficulties than experienced in its maintenance, the machinery of the industry is in general well looked after, efficient and capable of good production at an economic cost." Pursuing this point further, he avers that modern machinery is expensive and its installation is wise and prudent only when it is justified on economic grounds. Bearing this in mind, considerable progress, he claims, has already been made in the re-equipment of the Indian mills, although much remains to be done. But we are told that the industry's programme cannot be completed overnight and nothing spectacular should be expected for two reasons. One is that machinery makers are limited in what they can supply, and the other is that the mills are equally limited as to the funds available for modernisation. Nevertheless, he seems to have no doubt as to the ability of the mills to solve this latter problem, provided the Government rendered some assistance.

Modernisation of jute mills on the scale envisaged cannot be without some repercussions from the labour point of view. Commenting on this aspect of the problem, Mr. Gardner observes: "That the programme of replacement will be slow and gradual has already been noted and, in the rationalisation which must inevitably attend the installation of modern machines, 'natural wastage' will, for this reason, play an important and 'painless' part. Some actual displacement of labour will, however, clearly have to be made and that is a development which must be recognised and faced by all concerned. The whole object of modernisation is to rationalise the process of manufacture, reduce operating costs and bring about the maximum possible efficiency. Only by doing this can the industry hope to maintain and improve its position in the face of unrelenting competition from substitute packing materials, foreign jute industries and the extension of bulk handling."

Cotton and paper, the increased cultivation of *kenaf* and other substitute raw materials, mills in the Continent of Europe and in Pakistan, small indigenous manufacturing units set up to avoid the necessity for importing bags, and new bulk-handling plants in Australia have all taken advantage of the difficulties of Indian mills. As these are formidable rivals, Mr. Gardner warns against the folly of underestimating them. He thinks that the next decade will be a severe testing time for the industry—a time when short-sightedness, exaggerated caution and complacency must find no place in the counsels of those who desire its well-being.

As regards the outlook for the industry, Mr. Gardner seems to have no doubt about its capacity for expansion, in spite of the development of competition referred to above. "We still have many advantages as compared to our rivals and I am convinced," he remarks, "that, given the full co-operation of all the interests concerned—and I stress the word all—the Indian industry can, and will, maintain and expand its position against all opposition. With the help of research, propaganda and public relations activities which the industry is now developing, he feels that it will be possible to leave no potential source of demand untapped.

DROP IN JUTE GOODS DESPATCHES

Figures relating to monthly shipments of gunnies reveal a marked fall in August, 1953, the latest month for which these are available. The shipments, which were 66,000 tons in July, dropped to 52,400 tons in August this year. The drop has been shared by both hessians and sackings. The former have declined from 38,700 tons to 31,900 tons and the latter more sharply from 29,300 tons to 20,500 tons.

During August, 1953, total despatches of gunnies of all types, for both export and internal consumption, were lower than those in the preceding two months. During August, jute goods despatched by mills aggregated 71,800 tons, as compared with 76,700 tons in July and 77,100 tons in June, 1953. The fall is accounted for by both exports and internal consumption. Exports during the month (hessians, sackings and rope, twine, etc.) amounted to only 63,000 tons, as compared with 67,000 tons in July, 1953. The offtake for internal consumption, which stood at 9,700 tons in July, receded by 1,000 tons to 8,700 tons in the following month.

An encouraging feature of the statistics for the month under review was the increase in the consumption of burlap in the U.S. The consumption, estimated at 75 million yards in August, showed a marked rise of 19 million yards over that of the previous month, namely, July, 1953, though it was still some 9 million yards lower than that in the same month of 1952. Simultaneously with the high consumption, there was also a rise in August-end stocks of burlap, both spot and afloat, held in the U.S.A. Thus, at an estimated quantity of 204 million yards, stocks were 9 million yards more than those at the end of July, 1953, and 8 million yards higher than the stocks in the same month last year.

The higher stocks in the U.S. as at the close of August, despite the increase in consumption, shows that arrivals of burlap must have been more than the offtake. Mill circles are complaining of lack of foreign orders, particularly from the U.S. But a U.S. firm is reported to have pointed out that large quantities of jute goods are being sent out from Calcutta on a consignment basis by people who are not regular shippers These goods, which reach the U.S. unsold, are, it is stated, purchased spot at a discount. This is stated to be the cause of the poor placing of orders with the mills. While the prevalence of this practice is not denied, it is generally felt that the U.S. is anticipating the possibility of a further cut in export duties in addition to the reduction in export duties on hessians announced last month. The present reduction has doubtless rendered Indian jute goods competitive, but it seems that the U.S. market is not very eager to take advantage of lower priced Indian jute goods. This is indicated by the fact that there has been no appreciable rise in the price of hessians since the reduction in the export duty was given effect to. Thus hessians 40 oz. 10 in., which stood at Rs. 41-14 per 100 yards on the eve of the announcement of the cut in export duty, has moved up, but only slightly, to Rs. 43-8 on the 4th inst. This increase is attributed more to large orders recently placed by Argentina than to the offtake by the U.S. In respect of sacking, the position has turned worse, since the prices have gone down from Rs. 94-4 per 100 bags to Rs. 91-8 on the 4th inst.

However, what is most disquieting at the present moment is the steep fall in the prices of raw jute. Thus, Assam bottoms are currently being quoted at Rs. 22 per maund as compared with Rs. 25-8 in the middle of September last. Quite a few causes seem to be responsible for the present weakness of the raw jute market. At the time when first crop forecasts were made in respect of jute output in Pakistan and India, the belief that reduced production would lead to hardening of prices of the commodity later in the season put the mills on their guard and induced them to purchase in advance and build up stocks of raw jute. Having thus made their purchases already, the mills are not inclined to buy now. Consequently, their purchases are now confined to certain select varieties and that too, in negligible quantities. Meanwhile, with arrivals of the new crop on the increase, prices have tended to go down. Further, there would appear to be a growing feeling that the crop this season will not be as small as was anticipated some weeks ago. The market does not seem to have taken seriously the assurance of the Pakistan Prime Minister in the Parliament of that country that the grower would get better return this year, because of a relatively short crop. He said that the Pakistani jute crop this season would be 5.7 million bales, including carry-over of last year. As against this, the world demand for Pakistani jute was 6.0 million to 6.5 million bales. He, therefore, felt that prices were likely to be at a reasonable level this year. Despite this statement, Pakistani jute is being quoted currently at Rs. 16-8 as against Rs. 18 per maund a few days ago.

BRAZIL'S JUTE SUPPLY POSITION IMPROVES

Brazil expects to raise 25,000 tons of fibre from the current year's jute sowings—19,000 tons from the State of Amazonas and 6,000 tons from Para. Besides, jute, production of *Uacima* and other indigenous fibres is estimated to reach a total of 20,000 tons. Stocks held by the Bank of Brazil at Santos amount to 8,000 tons, taking the total of all available supplies to 53,000 tons against the local requirements of 45,000 tons. Last year, Brazil imported 16,530 tons of raw jute, of which a good part is still on hand. Jute growers have benefited immensely by the extension of the Minimum Price Law to jute and similar fibres.

U.K.'s JUTE CLOTH EXPORTS AND IMPORTS

The U.K. imported from India 75,500,000 sq. yds. of jute cloth, valued at £2,586,000, during the seven months ended with July, 1953. During the same period last year, imports from the same source amounted to 88,000,000 sq. yds. worth £7,162,000.

Exports of jute cloth from the U.K. during the current year's first seven months shrank both in quantity and value to 3,700,000 sq. yds. worth £948,000, from 7,800,000 sq. yds. at a value of £1,750,000 to the end of July last year.

While both exports and intake of jute cloth declined, there was a remarkable rise during January-July, 1953, in the U.K.'s imports of jute yarns estimated to total 1,820 tons, costing £297,000, as compared with 180 tons valued at £53,000 during the same time last year.

MR. KIDWAI VISITS JUTE RESEARCH INSTITUTE

Mr. R. A. Kidwai, Union Minister for Food and Agriculture, visited the Jute Agricultural Research Institute farm at Nilgunge, about 16 miles from Calcutta, on the 2nd inst. Pandit K. N. Agha, Secretary, Indian Central Jute Committee, accompanied him. Mr. Kidwai inspected the new building of the Institute now under construction on the farm. He examined the hand-pushed jute seed drill perfected by the I.C.J.C. and other cheap agricultural implements, the use of which has been proved effective in economising the jute cultivation cost and increasing the per-acre yield. He was of the opinion that manufacture of these implements should be undertaken on a commercial scale as soon as possible in order to bring down their price within the reach of the average jute growers.

While going round the farm, Mr. Kidwai was pleased to see the performance, both in quality and yield, of the improved jute strains evolved by the Institute. The progress made in the Institute's research on soil science, jute pests and diseases, and different substitute fibres interested him.

FINAL FORECAST OF E. BENGAL JUTE

Jute production in East Bengal, including Sylhet and Chittagong hill tracts this year is estimated at 25,02,865 bales according to the final forecast of the jute crop for East Bengal for the 1953-54 season. The area under harvest is shown as 7,60,215 acres proportions of litorious and capsularis being 24.7 and 75.3 No mesta has been allowed to be grown this year.

The forecast says that, as price of jute fell considerably in the year 1952 due to overproduction relatively to world demand, the Government of East Bengal has decided to issue licences for growing jute in the 1953-54 season for only 998,430 acres.

AID TO NEW GUINEA KENAF PLAN

The Government of Australia has reportedly decided to invest £2,60,000 on subsidising the plan to expand the production of kenaf in the Oro Bay district of New Guinea. The Government has also granted a lease of 15,000 acres to a local company known as the Erima Estates for developing this fibre. The official aid is intended to be spent on road-building, bridge-building and the construction of wharves.

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(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc. 12,82,96,445
Total .. 76,65,23,136

ASSETS
(I) Cash and Balances with Bankers. 7,14,88,955
(II) Investments:
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373
(b) Other Investments .. Rs. 94,24,911 — 27,96,51,284
(III) Loans and Advances 31,36,17,499
(iv) Other Assets: Including Bills Receivable, etc. 10,17,65,398
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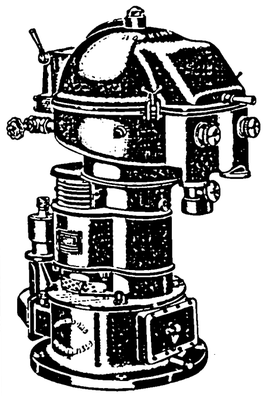

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EUROPEAN COAL AND STEEL POOL

PROGRESS DURING FIRST YEAR REVIEWED

THE European Coal and Steel Pool has completed the first year of its working. A review of the progress made by it during this period will, therefore, be appropriate and useful. It was on 10th August, 1952, that the High Authority, the executive of the Schuman Community responsible for the fulfilment of the provisions of the Schuman Plan Treaty for establishing a European steel community based on a common market, common objectives and common institution, among others, was brought into existence. Six months later, that is, on 10th February, 1953, a common market for coal, iron ore and scrap came into operation. For a short period, until 15th March, however, the scrap market was governed by an interim decision designed to enable a special mechanism for supervising distribution to be set up. The common market for steel began on 1st May, 1953.

Among the first obstacles to free trade within the community which required removal were customs duties and quantitative restrictions. Removal was complicated by member-countries' obligations under the G.A.T.T. and the O.E.E.C. The necessary exemptions were, however, secured. In future, the community will act as a single contracting party to the G.A.T.T. representing the entire European territory so far as the trading policy with regard to coal and steel is concerned. The removal of internal barriers to trade gave rise to the problem of the barriers to trade with third countries, as a lower fence at one point in the common external frontier might divert trade into abnormal channels. But, even in this regard, the Schuman Community is making steady progress. One of the main objectives of the common market is to ensure that consumers in comparable positions within the community enjoy equal access to the sources of production. The commercial policy of the community is accordingly aimed at reaching this end.

Prices

So far as prices are concerned, the High Authority has, according to a review made by the British Iron and Steel Federation, maintained the existing price structure, fixing average maximum prices for each category of coal in each coalfield with particular maximum prices for each of the grades considered to be in short supply. This decision is valid until 31st March, 1954. The flow of coal to the common market was accompanied by a levy on German and Dutch coal output to subsidise coal production in Belgium and Italy, during the transitional period. There is, however, still some confusion in the application of these pricing arrangements. So far as iron ore is concerned, prices are left to find their own level as no supply difficulties are apparent. A discrepancy between home and export price of French ore, however, was removed, resulting in a slight increase in home ore prices. As regards scrap, maximum zonal prices were fixed as from 15th March and an organisation was set up to keep in touch with the scrap situation in the community and to negotiate purchases from outside and to administer a compensation fund to spread the extra cost of imported scrap over all consumers of scrap. An all-round reduction in prices of scrap took place in June last, but the system remains in force. The community has normally a net import of scrap. Prices for steel are allowed to find their own level, as demand and supply are considered to be in approximate balance.

Monopolistic Practices

The High Authority has already made use of its powers to control monopolistic practices. According to a decision taken by the Authority, all joint-selling, joint-buying and similar organisations in the six countries of the European Pool which had not applied to the Authority for official recognition of their status have been declared illegal from 31st August, 1953. The Schuman Plan Treaty, it may be noted here, allows continuation of only such bodies to be licensed as are not culpable of monopoly and other restrictive practices.

Equal treatment of consumers, making comparable transactions, within the community, required the abolition of special transport rates that were being applied to, as, for example, domestic uses of German coal or French iron ore, or exports of Belgo-Luxembourg steel via Antwerp. It is noteworthy that most of these special rates were removed by mutual agreement between member-States, without the intervention of the High Authority, in time for the opening of the common market. Some 12 per cent. of the total traffic in coal and steel in the community (practically all the traffic crossing international frontiers) was subject to these discriminating rates. A few still remain, and the problem of through rates (which would prevent loss of benefit from tapering rates through interruptions at frontiers) has still to be dealt with. The case of traffic subject to contract rates and not to normally published schedules is also being examined and the High Authority is engaged in larger term study of special rail schedules (some of which may benefit coal and steel firms) and of the possibility of harmonising the sales for all kinds of transport within the common market.

Taxes

The problem of indirect (turnover) taxes is also being tackled. Such taxes form a relatively large proportion of the final selling price of coal and steel and other products in all Schuman countries. Discrimination arises on this account, where levels of taxation differ and no uniform system exists under which tax exemptions are granted and compensatory taxes are imposed on products crossing national boundaries. The High Authority wishes to see the following system adopted: products subject to tax should be exempted, or the tax returned, in the case of exports, while in the case of imports a compensatory tax should be imposed, equivalent to the corresponding turnover tax on similar products in the importing country. This system should ensure that, even though the rate of taxation differs in each country, both imported and domestic products bear the same tax burden. The High Authority has, in consequence, decreed that no seller may include in his selling price the amount of tax for which he may claim exemption, and has, on the other hand, requested Governments to examine means by which the present system of exemptions and compensatory taxes can be improved.

Rate of Levy

As regards the finances needed, after assuring adequate initial funds to cover its expenses (by means of repayable advances by member-countries proportional to their national income), the High Authority proceeded to enforce, as from 1st January, 1953, the levy on coal and steel, which it proposed to collect. The rate of levy at present in operation is 0.9 per cent. of the value of output. This is expected to yield some 47 million "E.P.U. units of account" (one E.P.U. unit=one dollar) in the financial year 1953-54. Administrative expenses are expected to amount to some 10 million units of account in the same period.

It will be seen from the foregoing account that the High Authority has done much valuable work during the first year of its existence and has successfully solved the complicated problems arising from its attempt in bringing about a common market in six countries which differed from one another in some material respects. Its success is due as much to the ingenuity of the High Authority as to the commendable spirit of co-operation shown by the member-countries. In fine, the progress of the Schuman Plan in the first year is encouraging enough to hope that, ultimately, it will be a great success and lead to the unification of the European democracies into a single nation.

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TUNGABHADRA PROJECT

INTER-STATE BOARD SET UP

THE Government of India has appointed, with effect from 1st October, an inter-State Board to take charge of, and deal with, all matters relating to the Tungabhadra Project which are common to both the States of Andhra and Mysore. According to a notification issued on 30th September, 1953, by the President, in pursuance of section 66(4) of the Andhra State Act, the functions of the Board, known as the Tungabhadra Board, include the following:

(a) The completion of the construction of the sanctioned Tungabhadra Project and its operation and maintenance during the period of such construction;

(b) the regulation of supplies of water and power in accordance with such rules as may be made in this behalf by the Board;

(c) the maintenance of the dam and reservoir of the project;

(d) the maintenance of the main canal and of other works relating to both the States of Andhra and Mysore;

(e) the granting of leases of fisheries in the reservoir and in the main canal;

(f) the proper utilisation of land acquired for the purposes of the project; and

(g) any other function incidental to, or connected with, the functions specified in clauses (a) to (f).

All matters in which there is any difference of opinion among the members of the Board are to be referred to the Chairman, whose decision thereon shall be final. But, if there were to be any difference of opinion regarding any question of policy or the rights of the States concerned, the matter is to be referred by the Chairman to the Central Government. The decision of the Central Government, in such a case, shall be final. The notification clearly states that the Board shall not deal with any matter in respect of works relating to only one of the States or in which only one State is interested.

Funds

The Governments of Andhra and Mysore are to provide the necessary funds for the construction and maintenance of the Tungabhadra Project. The share of expenditure of each State is to be determined by an agreement between the two State Governments. In the absence of any such agreement, the liability shall be in such proportion as may be fixed in this behalf by the Central Government.

The Board has, in relation to technical sanction, administrative approval and other sanctions required for the construction and maintenance of the project, all the powers which the Chief Engineers of Madras have, in relation to any project in the State of Madras under the Public Works Code and the Electricity Department Code, but the powers exercisable under either of the said Codes by the Government of Madras should be exercised by the Central Government.

The need for the creation of the Board arose as a result of the complications caused by the creation of the Andhra State and the transfer of the Bellary District to the Mysore State. One part of the project is situated in Hospet (north taluk) and the other part in the State of Hyderabad. That part of the project in Hospet (north taluk) has come, with the creation of the Andhra State, under the jurisdiction of the Mysore State. The project not only serves the areas which have gone to the Mysore State but also a part of the Andhra State. Each State, however, is a legal entity and, therefore, there cannot be any extra-territorial jurisdiction. Accordingly, the ownership of properties concerned rests with the respective Governments according to the Transfer of Properties Act. The Andhra State Act itself has defined the boundaries and the land so defined, including everything appertaining to it, in the States in which it is situated.

The Tungabhadra Project was being implemented up to 1st October by the Governments of Madras and Hyderabad. Madras was financing it from its own resources, while Hyderabad was financing its share of the project with the assistance of the Central Government. Under the Andhra State Act, the rights and liabilities of the Madras State in respect of this project have devolved on the Mysore and Andhra States.

Section 66(4) of the Andhra State Act provides the President with power to issue directions, from time to time, as may appear to him to be necessary, particularly in regard to the completion of the project, its operation and maintenance. No such direction shall, however, be issued or have effect after an agreement has been entered into by the States of Andhra and Mysore under sub-section 1 of section 66, or after an order has been made by the President under that sub-section, whichever is earlier. Sub-section 1 reads as follows:

"Notwithstanding anything contained in this Act but subject to the provisions of paragraph 12 of the Seventh Schedule, all rights and liabilities of the State of Madras in relation to the Tungabhadra Project or the administration thereof shall, on the appointed day, be the rights and liabilities of the States of Andhra and Mysore subject to such adjustments as may be made by agreement entered into by the said States after consultation with the President or, if no such agreement is entered into within two years from the appointed day, as the President may by order determine having due regard to the purposes of the project, and any such order may provide for the management of the project jointly by the said States or otherwise:

Provided that the order so made by the President may be varied by any subsequent agreement entered into by the States of Andhra and Mysore."

Paragraph 12 of the Seventh Schedule relates to public debt of the State of Madras liable to be shared by Andhra and Mysore along with Madras itself and the like.

The expression Tungabhadra Project means, according to sub-section 5 of section 66 "the project agreed to between the Government of Madras and the Government of Hyderabad before the appointed day and, so far as the State of Madras is concerned, intended for the supply and distribution of water from the Tungabhadra River by means of high level and low level canals to the districts of Bellary, Anantapur, Cuddapah and Kurnool and for the generation of electric energy, both hydro-electric and thermal, and its transmission and distribution to the said districts and includes any extension or further development after that day of that project for the said purposes."

NEW SOVIET LOCOMOTIVE

A new Soviet-made passenger locomotive of the 2-4-2 type has been put into service on the railways in the U.S.S.R. Its design includes a number of technical novelties; in particular, the axles have roller bearings. The efficiency of the new locomotive is approximately 20 per cent. higher than that of former models. It has a technical speed of 125 kilometres per hour. The work of the locomotive crews is rendered easier by mechanical stoking and improved lubrication system. The size of the cab has been increased and there is a special heating system which makes it possible to regulate the temperature of the cab. Several new locomotives are undergoing tests. The trunkline T.E.-3 diesel locomotive manufactured at the Kharkov Transport Machinery Plant is noted for its high exploitation qualities. It is the most powerful diesel locomotive in the U.S.S.R. An experimental model of a new freight eight-axle electric locomotive has been made. Its capacity is 50 per cent. greater and the speed is 10 per cent. higher than that of operating engines.



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TRAINING YOUNG MEN FOR INSURANCE WORK—II

COMMENDABLE BEGINNING MADE BY LIFE INSURERS

ALTHOUGH Indian insurers have for long realised that insurance is too complex and intricate a business to be left in the hands of untrained men, little concerted effort has been made to train the men who are in the business. This statement, however, deserves to be qualified by a reference to some notable efforts made in the cause of insurance education by individual insurers—the New India Life Assurance Company Ltd., for example—and the Indian Life Assurance Offices Association which conducts examinations in insurance. But individual efforts are no substitute for joint effort and the examinations conducted by the Association deserve much greater popularity than they have attained.

The need for education and training requires no special emphasis. Indian insurers will do well to note what is being done in an allied field, in the field of banking, where the men concerned have not only evolved a course of studies leading to the Associateship of the Institute of Bankers but also a system of training for bank staff. The need for training in insurance is much greater than in banking. For one thing, insurance business is a long-term contract between the insurer and the insured. A banker helps a business only when the latter has a reasonable chance of success. An insurer is a friend in need, for his services become important and useful precisely at the time when his services are most needed—at a critical period in the life of a family or a firm. An insurer's work involves far more sympathy, understanding and goodwill, and knowledge of trade practices and human psychology. That so important a service should be regarded as capable of being performed without specialised training and equipment is to underrate not only the intricacy of the job but also to develop an attitude towards insurance which must ultimately lead to the undermining of the very basis of this business. Indeed, with the advance of technology, insurance is becoming more and more complex, although, in another direction, namely, in the ways of reducing the risks of damage to life and property, science and technology are of increasing importance and value.

Facilities for Training

For such an intricate business as insurance, what are the facilities for training and education in this country? On the technical side of insurance, there are the examinations of the Institute of Actuaries, London, which are becoming more and more popular in India. They are the best, even as they are the most difficult, of their kind, so that no purpose will be served by duplicating these examinations in this country. After all, it will be best if India's connections with that Institute, the most renowned of actuarial bodies in the world, are maintained unimpaired. Also, this will mean that India will continue to benefit from its connection with England, the country which is an acknowledged leader in the insurance field.

In ranks lower than those of an actuary, there are jobs which call for a great deal of initiative, technical training and expert knowledge. The question is whether all that needs to be done is being done in this field. There are two divisions in the field: life assurance and general insurance, including fire, marine and miscellaneous departments. The Indian Life Assurance Offices Association has made a very commendable beginning in the field of insurance education. It has been conducting, since 1945, the examinations which lead to the diploma in life assurance (Dip. L.A.). The examination is conducted in three parts, though a candidate will be declared successful in the latter part or parts only if he passes the earlier ones. The examination consists of the following courses of study:

Part I: Field Workers' Certificate. This part consists of two papers: Paper I—Principles and Practice of Life Assurance; Paper 2—Salesmanship.

Part II: Certificate in Life Assurance. Paper 3—Elementary Human Physiology and Principles of Life Selection; Paper 4—Law relating to Life Assurance; Paper 5—Advertising, Office Organisation and Correspondence; Paper 6—Elements of Actuarial Science.

Part III: Diploma in Life Assurance. Paper 7—Life Office Accounts and Income-tax; Paper 8—Office Premium and Valuation; Paper 9—Investment of Life Assurance Fund; Paper 10—Higher Secretarial Practice.

The scheme of the examinations which are in charge of a Board of Education of the Association, shows that a candidate who passes these examinations will have a very wide and comprehensive knowledge of the subject of life assurance. The fees for the examinations are also moderate, being only Rs. 15 for Part I and Rs. 20 for each of the other two parts. The Association also conducts correspondence courses for the benefit of students who would like to appear for the examinations. And yet, the examinations are not as popular as they should be. Last year—after nearly eight years since the system of examinations commenced—only 12 candidates appeared for the final part. There are now only about 20 diploma-holders in life assurance.

Number of Candidates

The following figures give the number of candidates who appeared and passed in different parts of the examination from 1945 to 1952:

	Part I		Part II		Part III	
	Appeared	*Passed*	*Appeared*	*Passed*	*Appeared*	*Passed*
1945 ..	133	45	12	2	..	..
1946 ..	90	20	20	6	3	..
1947 ..	76	18	13	4	8	2
1948 ..	70	19	22	5	8	3
1949 ..	97	27	15	2	7	2
1950 ..	93	26	18	5	6	3
1951 ..	81	16	25	8	9	3
1952 ..	85	20	13	6	12	7
Total..	..	191	..	38	..	20

It is the duty of all Indian insurers to encourage the members of their staff to take these examinations. Some insurers do, of course, give special increments to the staff who pass these or similar examinations. But this practice is not universally followed. It is to be hoped that every effort will be made by the insurers to provide the necessary incentive for their staff to take the examinations, and also to give the members the necessary facilities, such as study leave and access to their library so that the staff may be encouraged to take the courses of study.

NATIONAL FIRE AND GENERAL INSURANCE CO., LTD.

Established 21 years ago, the National Fire and General Insurance Company, Ltd. (Manager: Mr. S. D. Srinivasan, Calcutta), has gradually built up for for itself an important position among Indian general insurers, with an expanding volume of overseas business. Although the latest report and accounts of the Company—that for the year ended 31st December, 1952—shows that the impressive increase in business witnessed during the year 1951 has not been maintained, the general level of activity was considerably above what it was in 1950. Thus, the net premium income from all the three departments—fire, marine and miscellaneous—was Rs. 38.27 lakhs during the year under review, as against Rs. 41.50 lakhs in 1951 and Rs. 30.08 lakhs in 1950. This setback, it must be noted, is not peculiar to the National Fire and General, for it is a feature that is common to general insurers in India as well as in overseas countries, thanks to the general decline in prices which characterised the trend of world markets in 1952.

The overall decline in the premium income was shared by the fire and marine departments. The premium income in the fire department declined by Rs. 2.53 lakhs to Rs. 19.73 lakhs. In the marine department, the decline was only Rs. 0.75 lakh to Rs. 6.62 lakhs. The premium income in the miscellaneous department was, however, somewhat better at Rs. 11.92 lakhs. The following table brings out the salient features of the working of the fire, marine and miscellaneous departments during the three years ended 31st December, 1952:

(Rs. in lakhs)

	For the year ended 31st December		
	1952	1951	1950
Fire Department			
Net premium	19.73	22.26	12.76
Claims	7.46	8.43	3.26
Reserve for unexpired liability ..	7.89	8.90	5.74
Marine Department			
Net premium	6.62	7.37	7.67
Claims	2.77	2.91	2.05
Reserve for unexpired liability ..	5.29	5.90	4.22
Miscellaneous Department			
Net premium	11.92	11.87	9.65
Claims	7.13	6.66	4.17
Reserve for unexpired liability ..	4.77	4.75	4.34

A notable feature of the Company's business is the increasing importance of its foreign portfolio. Ten years ago, the Company was deriving a premium income of less than Rs. 2 lakhs from business effected outside India. In 1952, the Company's foreign business fetched as much as Rs. 21.26 lakhs. Besides branches in principal towns in India, the Company either has branches or is otherwise represented in Pakistan (both East and West Pakistan), Ceylon, Burma, the U.K., West Germany, Belgium, France, East Africa and Egypt.

Both the fire and marine departments worked at a profit. But the working of the miscellaneous insurance department resulted, as in the case of several general insurers, in a loss, thanks to the increase in cost of claims. The fire and marine insurance yielded a profit of Rs. 4.11 lakhs and Rs. 1.10 lakhs respectively, making a total profit of Rs. 5.22 lakhs. Other income, consisting mainly of interest and dividends, aggregated Rs. 0.41 lakh. Thus, the profit and loss account showed a credit of Rs. 5.63 lakhs. After providing for depreciation on certain items of block account at Rs. 0.11 lakh, for depreciation on investments at Rs. 4.40 lakhs and for the loss of Rs. 1.10 lakhs in the working of the miscellaneous department, there was a profit of Rs. 2,766 which together with Rs. 12,833 brought in from the previous year made in all Rs. 15,599. Out of this sum, the Directors have transferred Rs. 14,115 for taxation, leaving Rs. 1,485 to be carried forward to current year's accounts. The Company has a sound reserve position. As against a capital of Rs. 25 lakhs, its reserves amount to Rs. 18.70 lakhs, inclusive of fire fund of Rs. 7.89 lakhs, marine fund of Rs. 5.29 lakhs and miscellaneous fund of Rs. 4.77 lakhs

NATIONAL INSURANCE CO., LTD.

The National Insurance Company, Ltd. (Manager: Mr. S. D. Srinivasan, Calcutta), is growing stronger every year. The Company transacts both life and general business, though the mainstay of the Company is its life department. In 1950, the National's new life business exceeded the Rs. 8-crore mark by a wide margin. Since then, it has scaled new heights. During the year 1952, to which the latest report and accounts refer, the Company's new business aggregated Rs. 10.07 crores. This figure takes the business in force to an impressive total of Rs. 50.44 crores. A similar trend is disclosed in the general department, too, where the total premium income moved up from Rs. 11.43 lakhs in 1951 to Rs. 14.82 lakhs in the year under review. The profit of the general department has, however, declined from Rs. 4.09 lakhs to Rs. 0.18 lakh. But the handsome amount of Rs. 2.87 lakhs, brought in from the previous year, has enabled the Directors to recommend a dividend of 9 per cent. as against 7 per cent. in the previous year.

The following table shows the progress of the Company during the three years ended 31st December, 1952:

(Rs. in lakhs)

	For the year ended 31st December		
	1952	1951	1950
Life Department			
New business	10.06.97	962.91	8.80
Business in force	50.44.24	46.47.04	41.06.50
Premium income	228.47	209.14	206.85
Claims by death	20.57	18.86	16.41
Claims by maturity	40.29	37.17	33.23
Overall expense ratio .. %	80.23	80.96	33.63
Renewal expense ratio .. %	16.96	16.48	19.80
Fire Department			
Net premium income	4.60	3.54	1.70
Claims	0.86	0.73	0.74
Reserve for unexpired liability ..	1.84	1.42	0.68
Marine Department			
Net premium	5.98	4.95	2.80
Claims	1.38	1.13	0.43
Reserve for unexpired liability ..	3.29	2.72	1.27
Miscellaneous Department			
Net premium	4.24	2.95	1.47
Claims	1.82	1.02	0.23
Reserve for unexpired liability ..	6.83	1.18	0.59

Two features of the above table deserve notice. In the first place, claims by maturity continue to exceed by a wide margin, the claims by death. This suggests that the Company exercises due care in the selection of lives. Secondly, both the overall expense ratio and the renewal expense ratio have shown a fall in recent years; the former has declined from 30.96 per cent. in 1951 to 30.23 per cent. during the year under review and the latter from 16.48 per cent. to 15.96 per cent. Both these ratios, it may be noted here, were substantially higher at 33.63 per cent. and 19.80 per cent. in 1950.

The total profit from the general department was, as already stated, only Rs. 0.18 lakh as against Rs. 4.09 lakhs in 1951. This, together with a sum of Rs. 2.87 lakhs brought in from the 1951 accounts, makes in all Rs. 3.06 lakhs. The payment of the 9 per cent. dividend absorbs Rs. 1.33 lakhs, leaving Rs. 1.71 lakhs to be carried forward to current year's accounts.

The Company's financial position is very sound, as will be evident from the fact that, as against a capital of Rs. 15 lakhs, its reserve and other funds aggregate over Rs. 11.44 crores, inclusive of a life assurance fund of Rs. 10.61 crores, fire fund of Rs. 1.84 lakhs, marine fund Rs. 3.29 lakhs, and miscellaneous fund of Rs. 1.69 lakhs.

REBATING IN INSURANCE

Although the Indian Insurance Act prohibits rebating in any form, it is well known that this evil persists in the insurance field in this country. Many attempts have been made to eradicate the evil. Apparently, they have achieved no marked success. In this connection, Mr. N. H. Lalwani of a firm of insurance underwriters has, in the course of a communication addressed to us, suggested what he considers to be a remedy for this evil. He points out that, since rebating is not shown in the books of accounts, it represents a loss to the shareholders of the insured companies which encourage this practice, and also a loss to the exchequer. He estimates the loss of revenue to the Government through rebating at several "lakhs of rupees." He adds:

"I, therefore, suggest that the Government should insist upon the Tariff Associations to amend their rules whereby public limited companies paying a premium of, say, Rs. 50,000 or over, should be allowed a discount which is equal to the principal agency commission of 20 per cent. on fire and accident and 15 per cent. on marine and a note should appear in the revenue accounts of such companies showing that this discount has been deducted from the premiums. This will not amount to a rebate and, therefore, the anti-rebating law will not be affected. No commission should be paid when such a discount is allowed and the business should be treated as direct."

GENERAL AGREEMENT ON TRADE AND TARIFFS

ITS ACHIEVEMENTS AND FAILURES

(By THE RIGHT HON'BLE C. D. HOWE)

[The General Agreement on Trade and Tariffs, popularly known as the G.A.T.T., has been the target of some justified, as well as of much unjustified, criticism in recent years. In his address at the current session of Contracting Parties to the General Agreement on Tariffs and Trade, Geneva, the Right Hon'ble C. D. Howe, Canadian Minister of Trade and Commerce, subjected the Agreement to a critical study, assessing its achievements against its failures. The following are excerpts from his address.—Ed.]

IT is common in my country, as it probably is in some of yours, to blame trade difficulties on the General Agreement. This is, perhaps, natural, because those who feel that their interests are adversely affected by the General Agreement are inclined to be more vocal than those who benefit. When trade developments are adverse, those affected blame the General Agreement; when trade improves those benefiting take the credit for themselves. While we all know that the G.A.T.T. is an imperfect document, that improvement is possible and we all hope that steps towards improvement will not be too long delayed, I am convinced that, without the General Agreement, the dislocations resulting from the Second World War would have been much more persistent. I believe that all those associated with bringing the General Agreement into being must feel a sense of satisfaction in the accomplishments to date.

I count myself amongst the supporters of the General Agreement on Tariffs and Trade. It is not a perfect instrument, for there are deficiencies and weaknesses in its provisions. It was drafted in troubled times, at the end of the war, as a temporary measure. Some of its important provisions represent only the common ground which could be reached, at that time, between different points of view. In spite of such a modest beginning, however, this General Agreement has served the participating Governments far better than might have been expected. Whatever its shortcomings, it does provide the best basis thus far attained for the successful and efficient conduct of world trade. Under this Agreement, Governments have consulted one another on matters of trade, tariffs have been reduced, and fair trade practices have been established. While there are different viewpoints as to what we should do next, I do not suppose any responsible person wishes seriously to propose that we abolish or weaken the structure of international trade arrangements, which has thus been built up.

Some of the outstanding successes of an international agreement of this sort must go almost unnoticed, while undue attention is often paid to the failures. Although we cannot count the number of trade problems which have been successfully overcome by the influence of this General Agreement, we can at least recognise that the cases are numerous, and that a great service has been rendered to the cause of world trade.

Failures of G.A.T.T.

I must now go on to express disappointment at some of the failures of the General Agreement, but in doing this I do not want to detract in any way from its accomplishments, to which I have already referred. There are reasons for disappointment. World trade is still being hampered by quantitative restrictions. That these are widespread is, on the face of it, an indictment of this Agreement.

If we enquire into this situation, we find that the facts of international trade in the past six years have turned out to be very different from those that were anticipated by different countries when these commitments were entered into. Hard currency countries are dissatisfied that their tariffs have been reduced, and bound, while they have not enjoyed the corresponding freedom of access to markets in soft currency countries, which they expected when this Agreement was negotiated. At times, the question has been raised whether countries in external financial difficulties were adopting measures of policy appropriate to their circumstances. While the General Agreement contains escape clauses for countries which are in difficulties with their balances of payments, it is doubtful whether adequate consideration has been given to the best means of overcoming such difficulties.

On the other hand, many soft currency countries have encountered problems in excess of anything they anticipated at the end of the war. There have been complaints that, under this Agreement, much of the responsibility for the adjustment of world-wide difficulties is placed upon the shoulders of the weakest countries. It is claimed that the responsibilities of creditor countries should be more clearly defined.

Need for Re-examination

The fact that criticisms are being expressed, from these divergent points of view, make me think it would be in the interests of all concerned to undertake a constructive re-examination of this whole Agreement. The time is clearly approaching for the general review of the General Agreement on Tariffs and Trade, which is envisaged in Article XXIX. The question is, when can this advantageously be undertaken? In addition to taking a fresh look at the basic provisions of the Agreement, we may well wish to provide for further multilateral tariff negotiations, connected with the accession of new Governments. At the same time, an opportunity should be afforded to existing Contracting Parties, to carry on such negotiations amongst themselves as may be required.

When these major tasks are undertaken, constructive thought must, of course, be given to the best methods of rectifying the problems of deficit countries, so that they can participate in trade on the basis of the principles of this Agreement. The basic question will be, what policies are most in the interests of world trade and of the countries which participate in it? In answering this question, it will be necessary to give careful consideration to the responsibilities of creditor countries, as well as of debtors, and to reach understandings on this score.

It must be recognised that these large problems of trade and commercial policy can only be dealt with satisfactorily in circumstances where the Governments concerned, and particularly the Governments of the larger countries, have reached some conclusions on where they are going, not only in trade policy but in the field of international finance and payments as well. During the past year, proposals have been put forward, aimed at the achievement of progressively freer trade, and at the convertibility of currencies. While the urgency is very great, a good deal of time is necessarily involved in the consideration of these proposals, because some of them are broad in scope and complex in their details.

U.K.'s Example

Meanwhile several Governments, and particularly the Government of the United Kingdom, have moved courageously ahead with policies which bring ultimate convertibility much more firmly within the range of possibility. During a period of great difficulty for sterling, the United Kingdom Government instituted a policy of placing imports of primary foodstuffs and basic raw materials on a system of open general licence, a system, in other words, of non-discriminatory import control. Since then, great progress has been made in improving the financial position of the United Kingdom and the position of sterling as a currency. If I may be permitted to make a comment, as an outsider, I believe at least some part of this notable success is attributable to these policies I have mentioned, which reduce the costs of production and increase the efficiency of industries. Other countries, which have been pursuing restrictive policies, are showing an increasing amount of interest in what the United Kingdom is attempting to do in this way. I think it clear that, if world trade can be conducted on a non-discriminatory basis for a sufficient number of important commodities, it should be quite possible to take the other steps necessary for the eventual restoration of the convertibility of currencies.

Turning to the United States, an important Commission has recently been appointed in that country to study all aspects of foreign economic policy. It is obvious that proposals such as those emerging from the Commonwealth Conference are now in abeyance, pending the further formulation of policy by the Government of the United States. The conclusions of the United States Government on these questions are of crucial importance for other countries. I feel sure that the ultimate purposes of the United States are constructive in this broad field and I have no doubt that people in the United States are as aware as any in the world of their international responsibilities.

In various Governments, studies are being made, conclusions are being formulated and informal consultations are undoubtedly taking place. This takes time but such work is a necessary part of the process. The Contracting Parties to the General Agreement on Tariffs and Trade will not, therefore, for some months to come, be in the best possible position to conduct the negotiations to which I referred. We have not yet reached that stage. When we do reach it, however, it will be important not to lose time.

In the meantime, my Government believes that the most important question to be faced at the present session is, what to do about the tariff schedules when the period of their assured life expires at the end of this year? In the existing situation, it seems to me that the schedules should be re-bound for a definite period. This period should be as short as possible and still provide enough time for the necessary arrangements to be made. We might consider a period of a year, to extend until the end of 1954.

In the present circumstances, it seems unwise to permit Article XXVIII to be used on a widespread basis, because there is no telling how far the withdrawals might go. As long as it is known that negotiations are being arranged for the latter part of 1954, it should not be too difficult for the Governments concerned to rebind the existing schedules until then. If any such re-binding is to be effective and acceptable, however, there must be no major withdrawals or impairments of the Agreement in the meantime, by any of those concerned. In the broad interests of our export trade in Canada, I believe we can do this, provided other countries will do the same.

Bilateral Trade

Two years ago, bilateralism was probably more of a threat to the ideas of the General Agreement than it is to-day. In the meantime, more people have learned through experience that restrictive trade policies create problems rather than solve them, and that they lead to high costs and inefficiency. There is a tendency, among some of the financially weaker countries, to wonder whether they have been well served by their own restrictions. Two years ago, the threat of economic regionalism was probably more in people's minds than it is to-day. In various parts of the world, ideas have arisen from time to time about escaping from world-wide problems by organising a restrictive trading system among a few countries and erecting barriers against outsiders. Small groups of countries cannot really live in self-sufficiency or in splendid solitude in to-day's world, however, and most of the advocates of regional blocs have had to come up against the inescapable facts of the world situation.

There is an opportunity at present to consolidate our past accomplishments and to prepare ourselves to meet the future. It is possible that new opportunities may arise, next year, for the Contracting Parties to take new initiatives in the development of multilateral world trade. The task of reconstruction of the international trading world is a very large one and it cannot all be done at once. It can only be done through sustained efforts of international co-operation and much has already been achieved. I hope that we shall be in a position to take full advantage of further opportunities when they do arise.

PROBLEMS FACING G.A.T.T.

Writing soon after the commencement of the G.A.T.T. meeting at Geneva last month, Mr Oscar Hobson, City Editor, *News Chronicle*, London, tried to assess the problems facing the meeting. He described the G.A.T.T. as part of the "dreams of a better, saner world" which the leading statesmen of the U.K. and the U.S. dreamt. He added:

"In some ways the dream was a little naive; it did not fully allow for the immense damage of the war years; assumed too readily that the world could get back without much trouble or delay in a normal pattern of trade and payments."

Forecasting the possible decisions which the member-countries might take on the issues facing the Geneva session, Mr. Hobson observed:

"Those tariff reductions negotiated under G.A.T.T. cease to be valid after the end of this year. They must—and certainly will—be extended for at least another year. Japan has applied for membership, backed by the United States. The British Government is not too keen. The Australians refuse to have the Japanese in—though Australia to-day sells 12 times as much to Japan

(*Continued on page 687*)

PROBLEM OF RAISING EMPLOYMENT OPPORTUNITIES

VIEWS OF FINANCE MINISTER

*[Intervening in the debate on the non-officialresolution in the Council of States two weeks before on the unemployment situation in the country, the Finance Minister, Mr. C. D. Deshmukh, gave a clear exposition of the problem. His analysis merits close study by students of economics and business men, as it bears signs of careful preparation and planning. It is a comprehensive account of the economic malaise afflicting the country. Mr. Deshmukh availed himself of this opportunity of making some weighty pronouncements of policy on such issues as revival of food subsidies, foreign investments, retrenchment of workers, promotion of swadeshi, foreign trade, cottage industries vs. large-scale industries, the place of private enterprise in a mixed economy, etc. Although a summary of what he said has appeared in the daily Press, we are reproducing his speech here for purposes of record, in view of the importance of his remarks.—*ED.]

UNEMPLOYMENT is a basic problem, and in its study one must go to the fundamental features of our economy. But we must recognise that, at the present moment, it has also an emergency aspect. In the first place, it has many aspects and its causes are multiple and complex. It would be wrong, therefore, to assume the potential danger from the operation or the lack of solution of this problem merely in terms of what is seen on the surface or to base conclusions regarding its magnitude merely from the variations in the aspects that come to our notice on the surface.

First, as regards facts, it is common knowledge that, in assessing the magnitude and character of the problem, we are handicapped by lack of adequate data. I do not know whether the members of the House know that the Planning Commission has already instituted certain enquiries and that data are being collected in various directions which I shall briefly give. In the first place, there is going to be a study of the trend of migration from the rural areas to the urban areas. This was recognised as an important cause of the growing unemployment in urban areas.

Secondly, there is going to be a survey of households in Calcutta, because it is suspected that in that part of the country, owing to the operation of various causes, this problem is in its most acute form. Thirdly, there is going to be a sample enquiry into the live registers of the Employment Exchange in Delhi. The reason for that is that one ought to be quite clear as to the implications of the figures recorded in these exchanges and that cannot be done until there is a certain amount of sample enquiry. Fourthly, there is going to be a special study of the employment potential of the irrigation and power programmes in the Plan, because it is claimed that, so far as labour intensity goes, these programmes are calculated to give employment to a very large number of people, and the object of this enquiry is to verify such an assumption. Such data as are available at the moment have been scrutinised and the results of the scrutiny were placed before the House of the People by Mr. Bhagat, Parliamentary Secretary, a few days ago. Now, several speakers here also have made reference to the available data, and I do not think it is necessary for me to go over the whole ground again. But, broadly speaking, and concerning oneself with the aggravation of the problem rather than the fundamental problem, one could say that what we are dealing with for the purposes of relief is mainly an urban phenomenon.

Nature of the Problem

Contrary to the view generally held, we find, from the statistics available, that the problem is acute as much among semi-skilled and skilled labour as among persons seeking clerical posts. The statistics of Employment Exchanges show that, while the numbers of the unemployed registered with the exchanges have been going up steadily over the last 12 months, placings have been going down and there has been a large fall in the number of vacancies notified, especially by the private sector. It does not appear, however, that aggregate employment in organised industries has gone down, though it is conceded that in some industries and in certain units of industries, difficulties have been or are being experienced. It is principally in the trade and ancillary services that employment opportunities appear to have declined. These are significant conclusions, because they indicate the remedies that are likely to be successful. In the rural areas, cottage industries and traditional handicrafts have now been fighting a losing battle, and, of course, as everybody knows, in this country, there is a great deal of chronic unemployment in agriculture.

Few will contend that the economy of India as a whole has been running down or has often been stationary during the last two years. Foodgrain production in 1952-53 was about 5 million tons higher than in the previous year, and probably about 3 million tons higher than in the year preceding that. Industrial production rose from an average of—this is an index number—105.2 in 1950 to 117.2 in 1951, to 128.5 in 1952, rising further to a level of 132.6 for the first quarter of 1953. Therefore, for the economy as a whole, the problem so far as one can see, is not so much one of declining employment opportunities as one of a lack of adequate expansion relatively to the increase in the labour force coming on to the market.

My purpose is to show that the total production has increased, and, therefore, *pari passu* the total employment opportunities must have increased. And the point I am making is that they have not increased sufficiently to absorb all the job-seekers that are coming on to the market. I do not deny that there has been some ebbing of demand in certain lines, and that undoubtedly is an aspect of the problem which we must take note of. But it is no less important to keep before our minds the overall situation.

Now, as also for many years to come, the central problem of our economy would be to see how best employment opportunities could be increased rapidly so as to absorb the large labour supply available. This is common ground. We would also have to add substantially to the volume of production and economic activity. This is all as regards facts.

Diagnosis of the Problem

Now as regards the diagnosis, one thing to be remembered is that this problem, in its long-term aspect or in its more permanent aspect, is not with us here and now to-day. One has short memories. The public has short memories. I am referring to the fact that, since the beginning of the war, there has been a great deal of what was bound to be spurious expansion in employment, and, therefore, we are now reverting to the state of affairs that existed, certainly in a very acute form, just before the war. Secondly, to say that the problem of unemployment is a problem of poverty, it seems to me, is to argue in a circle. The real problem is our inability to utilise our resources to the optimum extent. Resources become employable only subject to the removal of certain limitations, and not all of these limitations can be removed at our discretion or simultaneously. And, that, in essence, is the core of what I call the long-term unemployment problem. Now, if our facts are not complete and their inter-connection is not fully understood, then the diagnosis must necessarily be tentative. Translated into practical terms, this means that it is necessary to be particularly watchful in regard to new trends and to keep on checking and re-checking our working hypothesis.

I shall have to revert later to this question of the criteria in terms of which we must work out our employment policy. So far as we can diagnose the situation at present, the recent accentuation—I now come to the short-term aspect—of urban unemployment would seem to be due to the following factors: one is, as I have already stated before, the disappearance of the inflationary conditions which began in 1939 and assumed a more accentuated form after the end of the war. The disappearance of this started since the beginning of 1952, partly as a result of domestic policy and partly as a result of the operation of various international factors. Connected with this is the adverse movement in the terms of trade in the last two years. In simple terms, it seems that we have to export much more or increasingly in order to obtain the same volume of imports. In other words, that brings us to the next reason, that is, our exports are finding it increasingly difficult to find markets outside. What is the reason? The reason is the high cost structure of certain industries or units which had been built up as a result of the inflationary factors which were in operation during the last 13 years and the need to retrench and rationalise by way of adjustment to this transition from a sellers' to a buyers' market. *I should like to observe here that, if we fail to do so, we do so at our peril.* (Italics ours.—ED.). Then, there are subsidiary reasons like the growing urbanisation which, I think, was encouraged by the rationing systems which were in perfect operation in most of the industrial towns in a large number of areas and the large increase in the number of educated men seeking employment. I think it has been stated that, during the last five years, the number of matriculates and graduates has almost doubled. Then, there are psychological factors which are difficult to measure but which are important nevertheless. There is a general transition from a sellers' to a buyers' market with the general psychology based on the shortfall in prices in 1952 which naturally has reacted with varying degrees of adverseness on private investment for the time being.

Development Expenditure

It is often asked as to why the employment situation should have taken an adverse turn while the Plan is being implemented. The answer to this question is twofold. First, the implementation of the Plan in the first two years has necessarily been at a relatively low rate. The Plan had already started operation when the Planning Commission was called into being and it had proceeded for nearly two years before the final version of the Report was brought in. Over the two years 1951-53, the expenditure in the public sector was only about 30 per cent. of the total, instead of 40 per cent. as envisaged. Secondly, there has been a change in world conditions and here we come to factors over which we had no control and which could not have been foretold. There has been a change in world conditions and as I have said, a general change-over from a sellers' to a buyers' market. Now, it was not entirely unexpected that, in the first two years, the rate of development expenditure under the Plan would be comparatively low. Some of the schemes such as the Community Projects—very important schemes—were introduced in the Plan at a late stage, and in some areas the necessary administrative machinery for implementing the Plan to the full extent has not been built up and is not available. In certain States, for example, in the sphere of social services like education and health, progress has been slow for lack of trained personnel, and it takes some time to train personnel. So, while it is true that, in the first two years of the Plan, the development expenditure has been stepped up progressively and that in the current year it is expected to be something like 78 per cent. higher than in 1950-51, the position on the whole is that the Plan has only just started to gather momentum, and, therefore, the full impact of the Plan on employment has yet to come. In the current year, the development expenditure of the Centre and the States together will be over Rs. 400 crores. Next year it will have to be stepped up by another Rs. 100 crores; that is to say, taking into account the readjusted Plan, to a level of Rs. 500 crores, and some further stepping up will be necessary in the year after. So, it is necessary to keep in mind this phasing of the plan of expenditure while appraising the Plan as a whole and indulging in a mood of defeatism.

Change in Economic Climate

There has been a distinct change in the economic climate in this country as well as abroad since the Plan was prepared. I think that even the most hostile critics of the Plan might be prepared to admit this. The major problem at the time the Plan was formulated was to see how best investment could be stepped up without accentuating the existing inflation. The accent of policy under those conditions was to combat or eliminate the inflationary pressures and, in this, we have fully succeeded. The need now, it is recognised, is to shift the stress to investment and employment. The disinflationary policy adopted in 1951 has on the whole, it has been recognised the world over, I think, had very beneficial effects on the economy of the country. On the one hand, there has been a substantial increase, as I have already stated, in agricultural and industrial production. On the other hand, the money supply has been steady or has fallen slightly over the last 12 months. I think it has fallen by about Rs. 28 to Rs. 30 crores. The economic climate is, on the whole, in much better balance than it was one and a half or two years ago. Altogether, therefore, the stage is set and conditions are more favourable now for a more intensive effort at development. When the Plan was first formulated, the change that has now taken place in the world economic conditions, could not have been foreseen, although the trends might have been known. No one could predict, for instance, that the world wheat situation would alter so radically in such a short time. The changes now taking place in the rearmament programmes of major countries or in their stockpiling programmes are also developments to which adjustments have to be made from time to time as the situation clarifies. Considering the increase in domestic production and the outlook of world supplies, one could say to-day that the stage has arrived when investment in the economy could well be stepped up to a level higher than what was contemplated or has materialised so far.

Remedial Measures

Coming to the various remedies suggested, various questions have been asked. I had better deal with them straightaway. Are we going to give free rations and spend Rs. 50 crores on this? The answer is, "No." Are we going to compulsorily retain the profits of British enterprises here? The answer again is, "No." Are we going to stop retrenchment altogether? I say, "No" subject to what I am going to say. My reason for giving these categorical answers is this, that these remedies will only take away the symptoms and will not solve the problem of unemployment. I sincerely believe that the remedies that they have suggested will only aggravate the problem in the long run. They are like distributing poverty because they are all unproductive and likely to be regarded as political, although I do not regard them as such. I think they are short-sighted. The other remedies suggested were ban on imports, and promotion of *swadeshi* as suggested by business men, as well as by several Hon'ble Members here, then encouragement of cottage and small-scale industries, then land distribution, construction of roads, education, social services, etc. In the other House, somebody suggested the abolition of capitalism as a capital remedy for this disease. Then confiscation of British capital has been suggested. Reduction of prices and revival of food subsidies is a remedy that seems to find favour in certain quarters. Then, there are even suggestions for the scaling down of expenditure in the public sector so as to release resources for the private sector and then there is some reference to austerity measures.

Before I take up the discussion of some of these—and it may not be possible for me to deal with all of these—some of it will be covered indirectly by what I am going to say, I should like to refer to the letter to the State Governments which the Planning Commission has already issued. I have heard another criticism that these are only suggestions and that there is no specific way of implementation that has been indicated. I would submit that this criticism is premature. We expect answers from the States working out in detail some of the programmes that have been suggested and giving an indication of the cost involved. Then, it will be for the Central Government to consider how best such of the schemes as appear to be practicable and likely to be effective could be financed. The Planning Commission has issued follow-up letters in regard to each suggestion, giving some guidance and directive in the matter. Then, reference has already been made, I think either by me or by my colleague, to certain plans for establishing an Industrial Development Corporation. Then, there is this question of State Finance Corporations and an examination of any difficulties that might be coming in the way of their establishment. A scheme for the spread of education has already been sent, worked out in detail, together with an indication of the division of financial liability to all the States.

Mixed Economy

I had better deal with the fundamental issue, that is, this question of abolition of capitalism as a remedy for the relief of unemployment. In other words, the feasibility of what has been called the mixed economy approach which has been adopted by the Planning Commission, and on its recommendation, by the Government, has been questioned. The argument is that unemployment arises, because the private sector is not playing its part and will not do so. The remedy, it is suggested, is to abolish capitalism. I would like to state, in this connection, that the concept of mixed economy, in which the public and private sectors would operate side by side, has been accepted by the Government after full consideration of the pros and cons and yesterday I had occasion to remark in some other connection that this really involves a judgment as regards human capacity and human ability to subject the community to various kinds of control and discipline. Now, whatever may be the merits of capitalism and socialism and that is what it amounts to here, a wholesale alteration in the economic system cannot be made, overnight. That I think must be conceded by the most ardent advocates of socialism. *It is also—and that is the Government's view—not desirable to have a completely monolithic structure, so to speak, in which all the crucial decisions will have to be made by the State, because, in the ultimate analysis, the decisions of the State will mean decisions taken by a hierarchy of officials. In my experience of Government, I find it impossible for the very thin layer at the top level to keep control over the thousand and one matters that came up for decision. The capacity of the official machinery to stall, not necessarily viciously but on account of inexperience, on account of their special attitude to things, is immense.* (Italics ours—ED.)

On the other hand—and I hope the advocates of socialism will agree with me—if abolition of capitalism means a judicious expansion of the public sector, a recognition of the vital role of the State in promoting development, a narrowing of economic inequities, a social direction of investment and a cutting down of class barriers, then certainly these are the underlying objectives of the Plan, as they must be the underlying objectives of the advocates of socialism or any other—I was going to say—"leftism." Now there is nothing very much in a name and, indeed, one would hope that, in the not distant future, we should have changed the economic structure substantially in the light of the social objectives we have in view, but it should be realised that, in dealing with short-range plans, it is dangerous to change horses in mid-stream or, if I might alter the metaphor, to change the direction of the ship in the middle of the course, once having decided upon the goal after due consideration. It would be possible for me to elaborate this but I pass on.

Investment in Public Sector

Another issue is whether the scale of investment visualised for the public sector comes in the way of private investment. I refer to this, because this suggestion has come from a very experienced and important a quarter. The view is that expenditure in the public sector should be scaled down in order to release resources for investment in the private sector. Whatever the general case for stepping up of private investment may be—and we certainly admit that there is a very good case—it is difficult to see, in the context of unemployment, how a given amount of investment in the private sector could create more employment than the same amount of investment in the public sector. During the last year, there was, as I have said earlier, a certain amount of deflation of money incomes, partly as a result of domestic policy and partly in consequence of developments abroad. Looking back one may argue that, to some degree, disinflation was, in fact, carried too far. Now, in these matters, it is rarely possible to predict and we have to readjust our sights from time to time in view of the changing trends that make themselves felt or become measurable.

I should like to stress, however, that investment in the public sector, at this stage and for many years to come, is of the highest importance for the development of the country's economy. This investment is certain over a period of years to assist the development in the private sector and that is the important point. It is just the kind of investment which will, in course of time, expand employment opportunities in the entire economy, because, in short, it is directed towards the creation of additional social capital. At the same time, Government have been directly assisting the private sector in a variety of ways—loan assistance, retention price policy, channelling of external aid, etc.

We readily admit that, perhaps, there is need for doing more in this respect; but that is a matter for detailed examination, however, it appears to me that the malady is not that there is over-investment in the public sector, but that investment in the economy as a whole is not high enough to sustain the increasing economic activity and employment. That appears to me to be the crux of the matter. Judicious support to industries in the private sector rather than an overall change in priorities defined in the Plan or in fiscal or monetary policy would, it seems to me, meet the requirements of the case. Of the other remedies suggsted, as I have already stated, doles must be rejected as economically as well as socially undesirable. Indeed, they might even aggravate the malady. At present, our old social institutions like the family and the caste provide a measure of social insurance against unemployment—it is an insurance of a kind—and the incidence of the cost is widely spread. These institutions are, we recognise, becoming less and less capable to afford the necessary protection and the State will have to take over increasing responsibility in this direction as the economy expands and develops. But obviously, this is a big task which can be undertaken only as the economy generates larger surpluses through increased productivity of the resources that it employs.

Foreign Capital

Then there is this suggestion that British capital should be confiscated; and there are elegant variations of it, that the profit should be compulsorily ploughed back or that the management should be transferred to Indian nationals and so on. But I am unable to understand the implication of the last point in the present context. I am not now arguing the case for or against, in respect of this limited point; but I cannot see how change of management is going to create increased employment opportunities. *Now, reverting to the main issue, to me it appears to be extremely unwise to even put out ideas of the confiscation of foreign capital, because I feel that what we need here is not so much management as capital. That is to say, everyone has recognised that all the resources that we can muster, are going to be inadequate for the development that we are planning. And certainly confiscation of the existing sources or concerns is not a very admirable way of inviting additional capital resources from outside.* (Italics ours.—ED.). It is common ground that foreign capital must work within any codes that may be agreed upon and I am quite certain that that matter is in very capable hands.

Cost Structure

I come now to the fundamental issue of how to readjust the Plan and what are the criteria for a better employment policy. I should say that the three criteria, the main criteria in terms of which one should frame an employment policy are: (i) prices, (ii) measurement of the state of employment itself, and (iii) the state of foreign exchange resources.

As regards prices, in the short run, it is difficult in an underdeveloped economy, to increase the supply of consumer goods which the newly employed would want. This is an economic platitude and this is what limits the rate of advance in the direction of full employment. If the increasing incomes which result from larger employment are not matched by a corresponding increase in the supply of essential goods, then the result will be inflation with all the distortions and hardships that are familiar to everybody. Therefore, in trying to provide more employment, it is necessary to keep in mind the necessity of avoiding sharp price rises.

During the last eight or nine months, the index of wholesale prices has risen by 8 to 9 per cent. Ordinarily, this should indicate a high level of effective demand in the economy and an increase rather than a decrease in the level of employment in that economy. But, on analysis, one finds that there are certain limitations of the existing series of index numbers and I think it may not be altogether safe to infer the course of action to be taken in the matter of employment merely from a reading of these series of indices over a short or over a long period of time. A considerable part of the rise in cost has been due, undoubtedly as it appears now, to seasonal factors in particular commodities. For instance, there is tea. The revival of external demand has raised prices and this, incidentally, is not an unwelcome feature, because it adds to our export receipts.

In the last few weeks, there has been, I think, a small downward trend in prices and considering the overall demand and supply situation, we might expect that, in the coming months, the prices will reach a plateau—and that is an important finding so far as the Government is concerned—around a level somewhat lower than was reached in June and July of this year. Now, if one takes a long view of the matter, the rise in the prices since the pre-Korean War period has been, as my colleague has already pointed out, about 3 per cent. And, over the last five-year period, our prices have risen much less than the prices of many other countries, including the United Kingdom and the United States of America. We use this argument only to counter the argument that our prices are rising. When we institute comparisons, we are told that these comparisons take us nowhere. That is what we also say and that is why we are countering the original argument advanced. It seems to me that the consequences of price rises in the short run are exaggerated somewhat and I think that, in a developing economy, a certain amount of price rise becomes inevitable, although since our ultimate objective remains the lowering of the cost structure, it is necessary to aim at a gradual lowering of prices. Therefore, one has got to separate the short-term trends from the long-term trends. Unless there is a little rise in prices, there will not be that incentive to production which would bring about continued production which will help us to keep the cost structure low.

There are many aspects of this price issue into which one cannot go but the position appears to me to be that, while the picture which is sometimes drawn of prices rising rapidly and inflationary forces, by implication, gathering strength—because that would be the only cause of an anticipated continued rise in prices—that picture, I think, is unwarranted, although we recognise that there is need for caution in stimulating the demand excessively without sufficient safeguards. A problem of special importance in this country is the relationship between prices and costs in the economy. If a large and continuing increase in demand is to be sustained and if our position in the export market has to be strengthened, the cost structure of the country must adjust itself to the new circumstances created by the emergence of the buyers' market. That is a vital fact. Now, up to a point, a judicious expansion of purchasing power can, under present conditions, be undertaken with good effect, but, in view of the relatively high level of prices and costs in the country, the need for ultimate reduction of costs and increasing productivity all-round remains paramount.

Balance of Payments Position

I come to the next indicator which is the balance of payments position. In 1952-53, the balance of payments left us with a sizable surplus of Rs. 55 crores and our foreign exchange position at present would permit larger imports of essential goods. To that extent, it would be safe to increase domestic investments; but, here again, there are limits which we must recognise. Part of the improvement in the balance of payments last year was of an altogether exceptional and non-recurring nature—I think it was remittance of capital by our nationals—and, as the Plan gathers further momentum, I believe that import demands are bound to go up either for raw material or for essential goods. One has also to be prepared to meet other unforeseen developments such as sudden drought or any other untoward circumstances. A country's external account is perpetually variable; it depends not only on domestic policy but also on developments abroad. Nevertheless, in so far as we have not been drawing down our sterling balances at the rate expected, there is a certainly scope for the liberal financing of domestic developments

There was some reference to the banning of imports. The suggestion assumes various forms and it was dealt with by my colleague but I would like to deal with it in its economic aspect. It is that we should ban, or at least progressively reduce, imports. *Now, it is true, and it is Government's policy that our aim should be to make this country more and more self-reliant. I will not say self-sufficient, because I do not know of any country in the world which is self-sufficient, unless it is Tongo Island or Christmas Island or some other islands I do not know.* (Italics ours.—Ed.). But, an analysis of our imports at present will show that the quantity of what may be called non-essential goods which are imported is very, very small. And, in the interests of domestic development, we are, at present, protecting some 40 industries and it cannot, therefore, be said that our commercial policy is determined only in terms of immediate cost differences. That would be grossly unfair to my colleague as well as to myself; nevertheless, relative costs are an important consideration. It must also be borne in mind—and that is of immediate importance in the present context—that the banning of imports does not by itself lead to an increase in domestic output. It might merely create monopoly profits for the favoured producers.

In regard to essential imports like food, we are at present in the happy position of being able to reduce our demands from abroad. But, one must have it always at the back of one's mind that more employment means greater demand for food, and here I join issue with those who argue that there is infinite room for austerity in a country run under a democratic constitution. As the development outlay increases, larger quantities of food might have to be imported. In any case, I think it is necessary, before we readjust our plans, to be prepared to import food as and when required. Similarly, we shall need more capital goods; as the economy develops, the character of our exports as well as of our imports is bound to change. This has happened in the case of all countries in regard to their development and they themselves have had to adapt themselves to changing conditions. As industrialisation progresses in areas hitherto undeveloped, these other countries had to switch over to capital goods—from the simpler types of goods at first which they sold to the more complex types. Now, it is in the light of these more fundamental considerations that our export and import policy has to be framed.

Adjustment of the Plan

I come to the question of the adjustment in the Plan. There is a certain conflict between the short-term remedies and the long-term solution of the problem of unemployment. Short-term remedies even amount to providing work irrespective of whether it is productive or unproductive and, to that extent, one might say that, owing to a concatenation of circumstances, one has to lower the efficiency coefficient of our Plan. Now, these certainly have a place; for work, even if it is not fully productive, is, in our opinion, better than doles or acute discontent or frustration. Nevertheless, short-term remedies which come in the way of a satisfactory implementation of a long-term solution must be eschewed. I admit that the choice is difficult and there is need for keeping a balance between these competing or conflicting considerations. Here, therefore, I do support the plea that what we want is increased work and increased production.

Therefore, all the considerations that I have put forward suggest that whatever measures we take for improving the employment situation must be fitted generally into the structure of the Plan. Over a period, the Plan, and the continuation of such Plans for successive periods —I might go even further and say that we must have a succession of plans—is the answer to the problem of unemployment. The Planning Commission is at present considering what adjustments have to be made in the Plan, in view of the present employment or unemployment trends. It is proposed, for instance, to increase the provision for minor irrigation. It is also intended to substitute some of the existing schemes which will immediately provide considerable employment in the rural areas for the educated. That is to say, we are proposing to replace some of the existing schemes by new ones. Training schemes for certain classes are also being prepared. The Planning Commission has written to the State Governments indicating the directions in which the Plan could be expanded or adjusted. This is a series of follow-up letters to which I have referred and it is hoped that decisions would be taken in about a month's time after discussions in the National Development Council which is due to meet early next month. The need at the present moment is, therefore, to concentrate on the fullest possible implementation of the Plan, and our motto has to be "full steam ahead," even if it means some increase in the total expenditure envisaged under the Plan. It is through such adaptations of the Plan that we can take care both of the long-term as well as the short-term aspects of the problem of unemployment, or rather, as we have put it in the amendment, "of increasing the employment opportunities."

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MR. LAKSHMIPAT SINGHANIA'S REVIEW OF INSURANCE PROBLEMS

"THE Estate Duty Bill which is about to be placed on the Statute Book may, in the opinion of many, disintegrate the longstanding economic structure of our society. It should also be considered in this context if the small revenue of Rs. 10 to Rs. 15 crores which the Government estimates to get out of this is at all going to be helpful considering the other repercussions of the measure on the social and economic structure of the country," said Lala Lakshmipat Singhania in the course of his presidential address at the 46th Annual General Meeting of the National Insurance Company, Ltd., held in Calcutta on the 29th September, 1953.

So far as insurance is concerned not only has the Bill given scanty relief but the limits of exemption prescribed are so low that it may act as a deterrent on insurance and may even neutralise the incentive to insurance provided by the income-tax rebate. It will, as he observed, certainly kill the incentive for taking bigger policies by the higher income group and it is extremely doubtful if anyone among them will now be interested in taking life policies for more than the minimum.

Company's Progress

Reviewing the progress of the Company, Mr. Singhania was happy that "National" has scaled a new height by completing a new life business of Rs. 10,06,97,031 as against Rs. 9,62,90,815 of the year previous. The Company, he said, had reached the double figure in crores in respect of new business and he hoped that it might be the beginning of bigger things for the Company. The total business in force of the Company at the end of 1952 stood at Rs. 50,44,24,171 which was an increase of Rs. 3,97,19,755 over that of the preceding year. The total premium income in the life department of the Company has increased to Rs. 2,28,47,323 in 1952, while the life fund stood at Rs. 10,60,92,792. The position of claims was also very pleasing over a number of years; at present the ratio of actual to expected deaths was only 50 per cent.

"National" has thus concluded another successful year and has thrived on a spirit of service which has brought the Company closer and closer to the nation. As a matter of fact, inspired with a spirit of service, "National" has now embarked upon a programme of having new buildings of its own which would serve as service centres of the Company and as a projection of its personality among the people of those areas. The management have actually started construction in Nagpur. Designed on the most modern lines to combine beauty and utility, "National's" building in Nagpur will be a concrete expression of dignity and stability of the Company. As Mr. Singhania said: This building is not intended to be a show of the pomp and power of the National Insurance Company, big though the institution is. It is intended instead as a concrete emblem of our desire to serve the country through insurance and as a symbol of solidarity and security we offer. I like to think that this building of ours will really help us in giving better and varied service to the members of the nation. I also like to think that this building will be a standing testimony to the inherent strength of the Company, being an outward manifestation of its unassailable assets."

General Conditions

Coming to the general conditions, Mr. Singhania said that anything which goes to make a change in the economic pattern of the country and living standards of the people was of the utmost importance to the insurance companies. Such a measure was the first Five-year Plan which hopes to raise capital formation by about 20 per cent. of the additional income each year. But the first two years of the Plan had been mainly a period of preparation, though they had shown signs of improvement in domestic output. But the increase in production did not reflect corresponding increase in incomes available for consumption. It would, therefore, appear to be essential, according to Mr. Singhania, that in the implementation of the Five-year Plan emphasis should be placed on new production which again should be within the reach of the consumers. Merely producing to replace what we had was not going to help, and even production of new goods would be of no avail if there was no corresponding increase in consumption.

Referring to the difficult condition of working of insurance, Mr. Singhania felt that even when the bigger companies were finding it so hard to work within the limited liberty allowed to them under the Act, one could easily appreciate how difficult it would be for the smaller units to manage their affairs. Here, Mr. Singhania suggested that it should be the duty of the bigger and the stronger companies to come forward as sustaining props. Amalgamation of the uneconomic with the economically stronger units would seem to be the only answer to this problem. He hoped that the bigger companies would realise their responsibility in this regard and was glad that "National" had given concrete proof of this responsibility by agreeing to have National Mercantile Insurance Company, (India) Ltd. amalgamated with it.

Postal Insurance Scheme

Speaking about the recent proposal of the Deputy Finance Minister regarding extending the scope and raising the maximum limit of the Postal Insurance Scheme, Mr. Singhania desired it to be clearly understood that the private sector of insurance was not afraid of any intrusion. But he was of the opinion that postal insurance should be made to bear all the expenses incurred by it for running its business, asked to pay income-tax on its income as every other insurer had to do and also to comply with the Act as any other private insurer. It should be, as a matter of fact, all fair play and no favour if the benefit of the Postal Insurance Scheme was to be extended to include other people as well. But it would be unfair protection if postal insurance was allowed to enter the field free from all the irksome restrictions.

Reviewing the position of business in the general department which is only of recent origin, Mr. Singhania said that "National" had written a net premium of Rs. 14,82,107 in 1952 as against Rs. 11,43,279 of the year previous. While talking about general business, Mr. Singhania drew attention to the recent discussion in the Council of States about the formation of a reinsurance corporation being under active consideration. He himself had been stressing, over the last few years, the need for such a corporation which was a "must" for conservation of premium income inside the country and for conservation of India's foreign currency. But he sincerely hoped that the Government would appreciate that if such a reinsurance corporation must fulfil its purpose, it should be managed by private enterprise. Insurance in India is in the hands of private enterprise and nobody will deny that they have done a wonderful job of it. The Reinsurance Corporation too should be under their fostering care so that the two may work in the closest co-operation.

(Concluded from page 683)

as it buys from that country. The solution will be a compromise. Japan will be allowed 'provisional accession' to the Agreement which means that present members will be free either to treat Japan as a new member or to ignore her.

"Last, but far from least, the British Government is going to ask for the right to raise duties on certain foreign imports even though the same goods will continue to come in duty-free from the Commonwealth. This would be against the G.A.T.T. rules as it would create a new preference or widen an existing preference—hence the request for a 'waiver.'

"This may well provide the main issue at the Geneva meeting. It will also supply the answer to the Conservative Government's pledge of protection for British agriculture. Before this year is out we shall probably have steep tariffs on such articles as imported vegetables, fruit, eggs, perhaps bacon. At present British agriculture is protected by Government control of imports, as in the case of meat, or by sudden prohibitions which descend on imports of tomatoes, fruits, cauliflowers, etc., at certain times of the year.

"The Government rightly want to get away from this clumsy type of protection. They want to use tariffs instead. What will our friends the Dutch, the Danes, the French say to this? Will they try to hit back at us? What will the British consumer say? Is there anything left of the free trade fervour that won so many victories against dear food in the past. All these questions will be placed fair and square before us by the end of the year."

THE NATIONAL FIRE AND GENERAL INSURANCE

RESERVES MAINTAINED

"I AM wondering whether the good work that is being done by the insurance industry is getting that amount of publicity that it should have. Where *per capita* insurance is so small, giving increasing publicity to the virtue of insurance should be one of the primary concerns of insurers." With these pregnant words Mr. Lakshmipat Singhania, President of the National Fire and General Insurance Company, Ltd., made a strong plea for publicity and more publicity for insurance in the course of his address to the shareholders of the Company at their Annual General Meeting held at Calcutta on 29th September, 1953.

He urged the different Indian insurance associations to emulate the example of the British Insurance Association and put up insurance stands in the various exhibitions that are arranged from time to time in this country and through them broadcast the message of insurance. He also urged our Government to bring out suitable documentary films on insurance and screen them not only in the cities but also in smaller places for spreading the knowledge of insurance amongst those who have as yet not the faintest idea about what insurance is.

Reinsurance Company

Mr. Singhania who, in the course of such annual addresses, has been bringing to the notice of all concerned the vital necessity of the country having a professional reinsurance company of its own, expressed gratification at the statement made by the Hon'ble the Finance Minister of India, Mr. Deshmukh, that the proposal to establish reinsurance concerns was under the Government's active consideration. He has, however, pointed out that the subject being extremely technical and international in character, the insurance industry may advisably be left to itself to evolve a suitable scheme on its own.

In reviewing the Company's results during the year 1952, Mr. Singhania said that, while the fire and marine departments showed profits, unfortunately the same could not be said of the miscellaneous department—the principal section contributing to the loss of the department was again the motor section.

He was, however, happy to record that the various regional insurance councils of India seized themselves of the serious adverse position and have rationalised the motor rates, increasing the private car comprehensive rates and decreasing the Act and Third Party rates effective from 1st January, 1953.

Premium Income

The result of the Company's operations for 1952 were as follows:

The net premiums this year amount to Rs. 38,26,903, as against Rs. 41,50,029. There is a fall of about Rs. 3,25,000 in the net premium which is mainly accounted for by the fire department, the fire premium being Rs. 19,73,254 against Rs. 22,25,879 last year. The fall is mainly due to trade depression. The marine department shows also a small reduction in premium, as compared with last year. The net premium in 1952 is Rs. 6,61,652, as against Rs. 7,37,464 in 1951.

The miscellaneous department shows a small increase in premium from Rs. 11,86,686 in 1951 to Rs. 11,91,996 in 1952. Claims are higher at Rs. 7,13,088 this year as against Rs. 6,65,900 the previous year.

The expenses of management and commission are within the limits prescribed under the Insurance Amendment Act, 1950, and the reserves in the different departments have been maintained at the same percentage as in the previous year.

The statistical review of the U.K.'s Royal Society for the Prevention of Accidents shows that, based on figures published by the National Safety Council of America, the average risk of being killed in a road accident is more than twice as great in the U.S. as it is in Britain. There were 24 road deaths for every 100,000 inhabitants of the U.S. last year, as compared with 10 in Great Britain. On the other hand, there were 102 deaths per 100,000 vehicles in Great Britain, as compared with 72 in the United States. About one in every three of the 52,800,000 motor vehicles registered in the United States last year was involved in an accident causing damage, injury or death. Of the 38,000 people killed, 8,600 were pedestrians, 14,100 people were killed in collisions between motor vehicles 12,000 in accidents not involving other vehicles, 1,350 in collisions with trains and 500 in collisions with bicycles. The number of people injured was 900,000.

PRESERVED FRUITS INDUSTRY

HIGH TARIFF PROTECTION CLAIMED

ENQUIRY after enquiry into the claims of industries for continuation of protection by the Tariff Commission underlines one significant feature, namely, the continued non-availability of accurate statistics regarding production and consumption of products manufactured by the industries. The statistics presented to the Commission by producers, consumers, traders, and the official agencies during these enquiries reveal such wide divergencies that the Commission has, in every one of these enquiries or reviews of the same industry, unnecessarily to waste a considerable portion of its precious time in arriving at estimates. The latest instance of such divergence is seen in the case of the enquiry for continuance of protection to the preserved fruits industry taken up by Mr. M. D. Bhat, Chairman, Tariff Commission, last week.

From a clear cut analysis of the present position of the preserved fruits industry by Mr. Bhat in his speech while opening the public enquiry on 29th September last, it is evident that the Commission will have a trying time in assessing accurately the annual output and consumption of preserved fruits in the country. For one manufacturer has estimated the demand for preserved fruits at 5,000 to 7,500 tons, while the Ministry of Food and Agriculture has placed it nearly 50 per cent. lower at about 2,480 tons for 1953, 2,844 tons for 1954 and 3,300 tons for 1955. The Ministry has also furnished breakdown figures for canned fruits, crystallised fruits, jams, jellies and marmalades and pineapple products which differ by almost 100 per cent. from those given by the manufacturer. Mr. Bhat, therefore observes: "It appears that the task of estimating the demand for preserved fruits is by no means easy, because while some manufacturers have stated an increase in consumption of preserved fruits in India, others are of the view that a fall has occurred in the demand due to the decline in demand from the defence services and a fall in the purchasing power of the civilian population."

Installed Capacity

More or less a similar disparity is also seen in the data regarding installed capacity and actual production. At the time of the last Tariff Board enquiry, there were 454 establishments engaged in preserving and canning fruits and vegetables licensed under the Fruit Products Order. According to the All-India Food Preservers' Association, the number of such licence holders on 30th April, 1953, was 549. No information is available about the number of licence holders engaged in the manufacture of only protected categories, but the Food Ministry placed the figure at 157. The Tariff Commission has been supplied with information regarding the installed capacity and production by 56 manufacturers only. This shows that the annual installed capacity of these units is about 28,000 tons for all types of protected categories. As regards actual production, the data collected from 53 units reveal that the output was 5,394 tons in 1950 and 5,094 tons in 1951. Again, during January-June, 1953, the actual production of 51 units was 2,619 tons. As against these, the figures supplied by the Food Ministry shows the output at 4,499 tons in 1951 and 1,360 tons in 1952. Commenting on this unsatisfactory position, Mr. Bhat says: "In view of the wide discrepancies in these figures, I suggest that we should examine them closely and discuss the reasons which account for the discrepancy."

The point that emerges from what has been stated above is the continued lack of adequate data, despite the fact that the industry is now appearing before the enquiry body for the fourth time. As this phenomenon is usually noticed in the case of every enquiry, it is high time that the Government and the Tariff Commission paid serious attention to this problem. A solution to this may lie in compelling the industry to submit regular production figures to the Tariff Commission. We have no doubt that such a course will be in the industry's own interests, in that not only will accurate satistics be helpful to them but it will also facilitate the Tariff Commission to complete the enquiry expeditiously.

Now to come to the other aspects of the preserved fruits industry. This industry owes its development largely to the conditions created by the war. The case of this industry was among the earliest to be referred to the post-war Tariff Board and protection was granted early in 1948. The industry has thus enjoyed protection for a little less than six years. The present tariff protection is governed by the decision by the Government on the recommendations of the Tariff Board in 1951. The Board then recommended considerable reduction of duties on all categories of preserved fruits, viz., from 60 per cent. to 36 per cent. *ad valorem* on fruits in syrup, from 80 per cent. to 40 per cent. *ad valorem* on jams, marmalades, etc., and the removal of protective duty on juices, squashes, cordials, etc. The Government accepted the recommendation but decided to levy an additional duty, equivalent to one-quarter of the amount of duty leviable on all fruit products, whether or not they would continue to be subject to protective duties. Protection at this rate was granted and later extended upto the end of December, 1953. And recently, that is from 28th February, 1953, it has received added, though somewhat adventitious, protection from an enhancement for revenue purposes, of the rates of duty on canned, bottled or otherwise packed fruit to 65 per cent. *ad valorem* standard and 55 per cent. *ad valorem* preferential.

Wanted More

Now that the Tariff Commission has taken up the question of continuing protection, the industry has not only asked for continuance of protection at higher rates of duty and that for a fairly long period but also for assistance in almost every conceivable form. The Association has pleaded for an increase in protective duties to as high a rate as 98 per cent. on imports, of which 18 per cent. is required to offset the freight disadvantage of the indigenous producer and 40 per cent. as compensation for consumer prejudice against the indigenous products. The period of protection sought has been for five years. Further assistance in the form of import restrictions, supply of raw materials of better quality and at lower prices and reduction in freight both on raw materials and finished products has also been asked. The supply of extra fine sugar at ex-factory prices has also been suggested. A suggestion has also been made for making available to the manufacturers of cans good quality tinplate at lower rates for cans required by the industry. Among other claims are duty-free imports of machinery, financial assistance, and securing technical experts from abroad.

The categories of preserved fruits which are protected and fall within the scope of the present enquiry are (1) fruits, canned and crystallised, (2) fruits, canned, bottled or otherwise packed, not otherwise specified, (3) jams, jellies and marmalades, canned, bottled or otherwise packed, and (4) canned or otherwise packed apricots, berries, grapes, plums and prunes and fruit salads composed of not less than 80 per cent. in quantity and in value of the above named fruits and (5) pineapples canned or otherwise packed.

As regards the quality of the indigenous preserved fruits, there would appear to have been some improvement in that of products of large establishments. Some large producers have lately introduced modern methods of quality control. Most of the importers seem to be feeling that the imported goods are very well packed, the get-up is good, the fruits are well graded and of selected quality and generally superior to the indigenous products. Consumers' prejudice is attributed to the manufacture of sub-standard goods by a number of so-called factories, licensed under the Fruit Products Order, having no proper equipment, trained personnel or finance and situated in unhygienic surroundings.

For its part, the industry has placed before the Commission for its consideration a series of handicaps under which it is carrying on its operations. Thus fruits of good quality are available to it only at high prices. Sugar required by it is not only costly but contains sulphur. Prices of cans required by it are stated to have risen continuously, thereby inflating its costs. Glass bottles supplied are not colourless and have generally a reddish or greenish tinge and breakage is heavy. Corking and lidding do not ensure perfect airtight seal.

Tall Claims

It is evident from the above that the fruit preservation industry's claims for assistance are very tall. It may be that the industry is operating under trying conditions. The presence of innumerable unorganised units producing low quality products, high costs of production, lack of highly cultured orchards, inferior quality fruits not properly graded and selected, and high cost of raw materials, all these, if true, make one wonder whether the industry will ever be in a position to survive without protection and, if so, whether it is worth having that industry at all. The fact that the industry is putting forward a long list of claims in addition to a very high tariff protection impairs its case for assistance. Having been born under conditions of war, the industry is entitled to the protection promised to all such industries by the Government of India. But, as "protection is not a gift but an opportunity," while it lasts the industry must do everything in its power to deserve it by lowering costs, improving standard of quality of its product and generally by strengthening its technical and financial basis. It will be interesting to know as to what the industry has done to place its house in order and to win over the consumer. Too high a rate of import duty seems to have robbed it of its incentive to improve its efficiency. The Commission must examine whether the industry has grown up on economic lines and whether it is dominated by sub-standard units. It must also lay down specific measures calculated to place the industry on economic lines within a period of time. While the responsibility for providing technical assistance and other aid should be placed on the Food Research Institute, Mysore, the industry must do everything that lies in its power to do its own research. It is to be hoped that, at the next enquiry, the industry will be able to give a better account of itself, justifying the assistance given to it by the Government.



INDIA'S BALANCE OF TRADE

India's foreign trade during the first quarter of the fiscal year 1953-54, that is, April-June this year, has given a better account of itself as compared with that of the corresponding period of 1952-53. For the adverse balance of trade, which stood at Rs. 80.38 crores at the end of June, 1952, had gone down to Rs. 30.24 crores at the end of the same month this year.

Thus the total exports for the period under reference amounted to Rs. 118.89 crores, as against Rs. 147.95 crores for April-June, 1952. The decline in exports were, mainly, in jute yarns and manufactures, oils and oilseeds. Thus, exports of jute manufactures dropped from Rs. 44.07 crores to Rs. 24.65 crores. Exports of oils receded from Rs. 8.6 crores to Rs. 3.41 crores and those of oilseeds from Rs. 2.14 crores to Rs. 78 lakhs. There were certain other commodities the exports of which registered an increase in the period under review. Notable among these were hides and skins, the despatches of which shot up from Rs. 3.54 crores to Rs. 6.48 crores. There was a remarkable increase in the value of shipments of metallic ores and scrap iron which amounted to Rs. 8.51 crores, as against Rs. 5.98 crores.

The fall in the value of imports during April-June, 1953, was even more marked than the fall in that of exports. The imports amounted to Rs. 169.13 crores, which were Rs. 51.95 crores lower than those during the three months ended June, 1952. The decline was reflected in the main in foodgrains, cotton, and a few other items.

The downward trend in the adverse balance of trade witnessed in the first quarter of 1953-54 would appear to have continued in the second quarter as well, though the total value of trade (perhaps volume as well) was relatively smaller. Estimates of the average monthly exports and imports in the second quarter are Rs. 40 crores and Rs. 52 crores, respectively. On this basis, the adverse balance of trade for the second quarter works out to Rs. 36 crores, giving a progressive total of Rs. 86 crores for the first half of 1953-54.

Usually, the second half of the fiscal year witnesses a marked improvement in exports as compared with the first half. For this is the period when a large number of new crop agricultural commodities come on the market and quite a number of them is exported. Considering the sizable increase in the output of cash crops, the quantum of goods available for export this year should be larger than a year before. But this does not necessarily mean an increase in the volume and value of exports, as much will depend on the trend of world prices and the Government's attitude in regard to export duties. If the Government removes the handicaps to the export trade, an improvement can certainly be expected.

The imports, however, may continue to be high as in the past. Recently, not only have liberal imports of palm and cottonseed oils been allowed but also two lakh tons of sugar from Java, Cuba, Mexico and the U.K. As against this, however, there will be some saving in imports of foodgrains and cotton.

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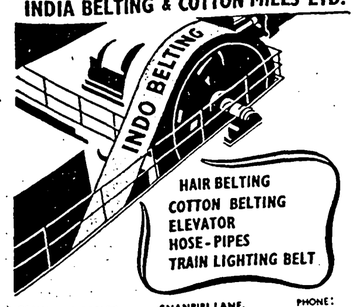

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ECONOMIC RESOURCES OF ANDHRA

FINANCIAL POSITION NOT BRIGHT AT PRESENT

THE Andhra State has come into existence after four decades of persistent agitation. It is the first State to be formed on a linguistic basis and now ranks as the tenth 'A' State. The formation of this State necessitates a brief account of its economic resources, actual as well as potential, with a view to assessing how far the new State will be able to stand on its own feet economically and to contribute to the economic development of the country as a whole.

The new State covers an area of 63,417 sq. miles, and has a population of 20,507,801. In area, it is bigger than that of the residuary Madras State, which now covers only 60,189 sq. miles, but in population the latter is larger, with 35,734,489 people living in it. The Andhra State is, however, larger than West Bengal and Orissa, the two other smaller 'A' States. The density of population of Andhra per square mile is 323, as compared with 594 for Madras, 840 for West Bengal and 244 for Orissa.

The State is situated between 78° W. and 85° E. longitude and 13° N. and 20° S. latitude, and covers 11 districts. Geographically, climatically and agriculturally, it is in the region of transition between sub-tropical and tropical India. The districts are physiographically divided into two groups, namely, (1) Rayalaseema, and (2) the Circars. The districts comprising the former are (1) Cuddapah, (2) Kurnool, (3) Anantapur, (4) Chittoor with the Adoni, Alur and Rayadrug taluks of Bellary. The Circars comprise the coastal districts of (1) Srikakulam, (2) Visakhapatnam, (3) East Godavari, (4) West Godavari, (5) Krishna, (6) Guntur and (7) Nellore.

Climate

The climate of Andhra is warm and humid or hot and humid, according to the season and exercises an overwhelming influence on agriculture with its long hot dry period and short rainy spell. The average total rainfall is the highest for the State in the north with 40 to 50 inches of rain which gradually decreases to 20 inches towards the south and south-west. Two-thirds of the rainfall are from the south-west monsoon. Srikakulam, Visakhapatnam, parts of West Godavari and Nellore Districts suffer from both periodic floods and droughts, while others are more liable to droughts. The yields are thus considerably affected by both droughts and floods and are unpredictable. The fickle-mindedness of the elements makes agriculture in the Andhra State a precarious profession and the lot of those who are dependent on it harder. As the seasons are irregular and vary in intensity, delayed sowings, hurried and inadequate soil preparation, untimely and unwanted rains and lack of drainage are some of the drawbacks of agriculture. The attention of the State Government must, therefore, be devoted not only to preventing destruction by floods but also to raising irrigational facilities, both minor and major, in order to make agriculture immune to natural calamities.

Agriculture

As in most parts of India, agriculture is the main source of subsistence for the people; it provides occupation for 80 per cent. of the population. Nearly 90 per cent. of the total area is devoted to foodcrops. The principal crops of Andhra are rice, millets, groundnut, sugarcane and tobacco. Rice is grown in the Godavari and Krishna deltas, the output being estimated at four million tons per annum. Andhra accounts for more than 60 per cent. of the groundnut produce in undivided Madras. It is claimed that about 80 per cent. of the Virginia tobacco grown in India comes from Andhra.

On division, Andhra gets approximately 52.7 per cent. of the total land area of the undivided Madras State, 51 per cent. of the cultivated area and 40 per cent. of the forest area. The following is the percentage pattern of gross land utilisation now current in the 11 districts of the new State: Land under forest 15.4 per cent., under crops 34.2 per cent., current fallows 9.2 per cent., uncultivated area other than fallows 14.4 per cent., and land not available for cultivation 26.8 per cent.

The general impression is that Andhra will be well off in regard to food. But informed opinion is that the State is just on the border line. According to Mr. S. V. Ramamurthy, the State needs an integrated policy of soil utilisation, with increasing concentration of the cultivation of the crop best suited to the land. There is, it is stated, a large scope for the improvement of crop production of rice, millets, groundnut, sugarcane, tobacco and cotton.

The forests in Andhra have a rich variety of flora, among which the more useful species for timber are *kosum*, rosewood, teak and *irul*. Bamboo suitable for the manufacture of paper pulp also occurs in abundance.

Industry

Andhra is industrially backward. The funds available for capital investment are very limited. The State lacks trained manpower and experienced industrial leadership. It has, however, large natural resources. Its river systems are capable of irrigating 10 million acres. Its mineral resources are adequate for building up chemical and metallurgical industries, and its hydro-electric power resources are immense. At present rice and oil milling are its largest industries. In 1950-51, as much as Rs. 46.4 crores worth of vegetable oils were produced. The value of rice production was Rs. 61.8 crores. There are a few *vanaspati* factories in the State. The manufacture of jaggery and sugar figures next among agro-industries of the State. In 1950-51, the total value of these products was about Rs. 20 crores. There are nine sugar factories with an installed capacity of 50,000 tons a year, as against an estimated consumption of 35,000 tons. It is suggested that about 20 more factories, each with an annual capacity of 7,500 tons of sugar, can very well be established in Andhra. When cheap hydro-electric power is made available from the Godavari and Krishna river systems, manufacture of calcium carbide, ferro-alloys and pig iron can be taken up in the State.

Of about 1.9 million cotton spindles and 8,000 looms in Madras State, Andhra has only 26,000 spindles and no looms. The area is deficit in cloth and, therefore, the establishment of cotton mills is urged. Andhra has two cement factories with an annual productive capacity of 175,000 tons. As limestone and clay are available in all Andhra districts, the scope for the establishment of cement factories is considered to be very large. Andhra has no steel industry. It has adequate deposits of high grade iron ore, dolmite and limestone in Cuddapah, Kurnool and Guntur. Production of iron and steel on a medium-scale basis is considered possible, after cheap power is available.

Minerals

Andhra is potentially rich in a variety of useful minerals. Manganese occurs extensively in the form of such ores as black psilomelane, pyrolusite and leraunite in the Visakhapatnam District. The biggest formations of mica are in the Nellore District along a length of 60 miles with a width of 15 miles. Minor occurrences of mica are present in the Krishna and Godavari Districts. Along a ten-mile belt, stretching from Lingala to Brahmanpalle in Cuddapah, occur asbestos resources. It is estimated that about four million tons of good quality iron ore can be obtained in the Kurnool District. In the same district, as also in Nellore, are found copper ores. Barytes, a chief material for white paint, and gypsum, needed for the manufacture of plaster of Paris, occur in Cuddapah and Nellore Districts. Chromite is found in the Krishna District and lead in the Guntur and ceded districts. Among other minerals which could be worked out after surveys are coal, graphite, diamonds, limestone, sulphur and pyrites.

Electric Power Shortage

Shortage of electric power is the main handicap of industrial progress in Andhra. The State, with an extent of 63,000 square miles and 15,750 villages, has at present only about 251 villages and towns which are supplied with electricity. Rural electrification has not made much headway. The *per capita* consumption of electricity in the Andhra area is only four units. The State is, however, well served with plentiful water-supplies by the two mighty rivers, the Godavari and the Krishna, as also the Pennar. These rivers hold almost all the potential hydro-electric power resources of the State. As the reaches of these rivers lie in the plains of the east, most of the potential water power can only be derived from irrigation-cum-hydro-electric projects, involving construction of large dams and reservoirs costing crores of rupees.

The most important of such projects already taken in hand is the Machkud Scheme, on the borders of Orissa and Andhra. It is now in an advanced stage of construction. The power site is situated at about 125 miles from Visakhapatnam. Its ultimate capacity is 102,000 kw. The first stage of the scheme, comprising three generating units of 17,000 kw. each, is expected to commence operation in 1955. Srikakulam, Visakhapatnam, West and East Godavari, Guntur and Krishna districts will stand to benefit by this project.

The Tungabhadra Hydro-electric Project is another big undertaking. From this, some 27,000 kw. of power will be available initially and 63,000 kw. ultimately. Of this about 32,000 kw. will be firm. The power will be distributed to Bellary, Anantapur, Kurnool and Cuddapah. The Ramapadasagar Project, involving 6,600 feet in length, is designed to supply water to 4.85 million acres and 150,000 kw. of electric power. The project has yet to be sanctioned. The Krishna-Pennar Scheme contemplates a generation of 100 mw. in the near future.

Finances

At present, there are four thermal steam stations at Visakhapatnam, Vijayawada, Nellore and Rajamundry.

The finances of the Andhra State do not appear to be very bright at present. The new Government is likely to meet with a series of revenue deficits, if no care is bestowed on the husbanding of the revenue resources of the State. The revenues of the Telugu districts, as outlined in the Madras Budget for 1953-54 under different heads, are as follows:

(Rs. in lakhs)

Union excise duties	101.44
Share of income-tax	313.19
Land revenue including irrigation charges	494.87
Stamps	186.96
Forests	49.23
Motor vehicles tax	143.43
Sales tax	329.03
Other taxes	114.00

The estimated total revenue of the State is of the order of Rs. 20.77 crores.

On the expenditure side, the important heads are:

(Rs. in lakhs)

General administration	296
Justice	62
Police and jails	282
Education	403
Medical and health	127
Harijan and backward classes	46
Public works	206
Interest	94
Pensions	72
Prohibition	35

The estimated expenditure is Rs. 22.80 crores.

Thus the figures show a revenue deficit of about Rs. 2 crores. According to Mr. Gopala Reddy, a former Finance Minister of the undivided Madras State, the actuals of the first quarter of the current year show that there is less revenue and more expenditure than anticipated. He estimates for the half-year after division, a deficit of over Rs. 2 crores and for the full year, a deficit of Rs. 4 crores. Of the 11 districts in the Andhra State, only four are financially surplus, while in the other districts the deficits are large. The thermal power stations, taken as a whole, are losing concerns. The net receipts are not sufficient to meet even interest on the capital outlay. Sales tax in Andhra area is about a quarter of the entire receipts under that head for the undivided State. The collections in the entire Andhra area is no equivalent to those in the city of Madras. Section 286 of the Constitution is expected to work adversely to both the States, as the goods which passed from one part of the divided State to the other, which were liable to tax then, are required to be exempted now.

Public Debt

The debt of the Andhra State, after making all additions and deductions, will be over Rs. 28 crores. Large sums of money are required to meet the expenditure on the half-built projects. Compensation promised to *zamindars* has to be paid according to schedule. The construction of a new capital needs more than Rs. 10 crores. Nearly Rs. 300 crores are required to take up all the irrigation projects in the State. But more than all this is the immediate prospect of big gaps in the budget, to cover which will be a problem of problems for the new administration. Of course, when all the projects are completed when agriculture is made prosperous, when the mineral wealth is exploited on a large scale and when industrial potentialities are fully exploited, Andhra will become a rich State. If the leaders of the people realise this and work for the economic development of their State with single-minded devotion and in a realistic manner, they will have amply justified their demand for carving out a separate State for themselves, within the four corners of the Union Constitution. They must realise that the achievement of this goal requires efficient administration, economic sagacity and political stability.



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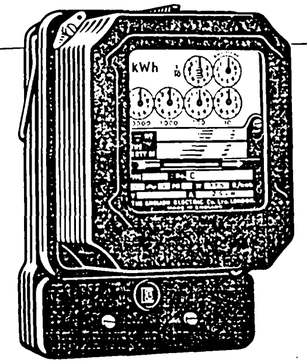

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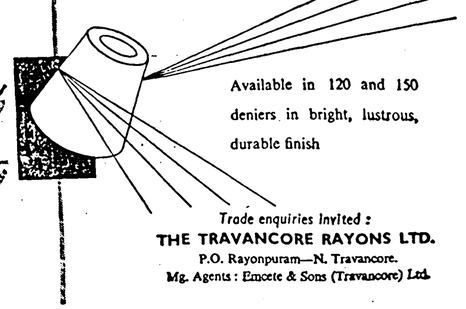

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RECORD OUTPUT OF BENGAL COAL

NET PROFIT, HOWEVER, FALLS—RETURN TO SHAREHOLDERS REDUCED

THE audited statement of accounts of the Bengal Coal Company, Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta), for the half-year ended 30th April, 1953, fully depicts how far the fortunes of the coal industry are being fettered by undesirable controls. Thus, while the output of the Company for the half-year under review has gone up sizably over that for either of the preceding two half-years and touched a record level, the improvement in despatches has not kept pace with that in output. The gross profit for the half-year under review does not show any notable rise over that for the previous half-year, which, it may be recalled, was itself over Rs. 10 lakhs lower than that for the half-year ended 30th April, 1952. Net profit, on the other hand, has suffered a sizable shrinkage and is the lowest for the last three half-years. The Directors have, therefore, decided to pass on a part of this decline to the ordinary shareholders. Thus, the distribution to them is proposed to be reduced from 20 per cent. per annum (made up of a dividend of 10 per cent. and a bonus of 10 per cent.) which had been paid for the previous two half-years, to 17½ per cent. per annum by pruning the bonus part of the return to 7½ per cent.

The Company's raisings for the half-year amount to 12,14,532 tons, representing an increase of 1,58,825 tons and 33,465 tons over those for the previous two half-years, respectively. The output for the half-year constitutes a record in the history of the Company. Despatches (including coal purchased) for the half-year under review are also better at 13,07,370 tons, by 86,434 tons, as compared with those for the half-year ended 31st October, 1952, and by 48,180 tons as compared with those for the six months ended 30th April, 1952. The despatches for the half-year under review are the highest since the half-year ended 30th April, 1950. Though this is satisfactory in itself, the increase in the amount of coal despatched falls considerably short of the rise in output. This has resulted in a sharp rise in the Company's stocks of coal. Thus, the value of the closing stocks, at Rs. 22.85 lakhs, reveals a rise of Rs. 7.07 lakhs.

The gross profit for the half-year under review, at Rs. 42.90 lakhs, shows an increase of Rs. 0.36 lakh over that for the previous half-year, but a decline of Rs. 9.86 lakhs from that for the corresponding half-year of 1952. The net profit which had declined from Rs. 20.89 lakhs for the half-year ended 30th April, 1952, to Rs. 18.71 lakhs in the subsequent six months, has further dwindled to Rs. 15.56 lakhs in the half-year under review.

A more detailed picture of the Company's results for the half-year under review is given in the following table, against the background of those for the previous three half-years:

(In lakhs of rupees)

	For the half-year ended			
	30-4-53	31-10-52	30-4-52	31-10-51
Sale proceeds	315.82	256.83	285.70	286.78
Other income	11.26	9.20	8.18	10.01
Stocks	23.91	14.88	19.24	8.44
Coal purchases ..	23.85	16.78	25.41	29.06
Freight, shipping charges and commission ..	107.33	59.63	81.89	88.36
Other expenses ..	161.52	142.22	145.80	133.82
Gross profit	42.90	42.54	62.76	36.52
Provision for—				
Depreciation	11.20	10.00	7.00	7.50
Taxation and cesses ..	13.85	11.50	21.00	12.25
Managing Agents' commission	2.29	2.23	3.19	2.01
Net profit	15.56	18.71	20.89	14.76
Reserves	7.50	7.50	10.00	5.00
Dividends—				
4½% preference ..	0.33	0.33	0.33	0.33
Ordinary	8.75 (D. 10% +B. 7½% p.a.)	10.00 (D. 10% +B. 10% p.a.)	10.00 (D. 10% +B. 10% p.a.)	8.75 (D. 10% +B. 7½% p.a.)
Directors' commission ..	0.09	0.10	0.10	0.09
Carry forward	6.91	8.03	7.25	6.18
	Tons	Tons	Tons	Tons
Raisings	12,14,532	10,55,707	11,91,067	9,69,231
Despatches (including coal purchased) ..	13,07,370	12,20,936	12,59,190	12,03,916

It will be noted that the rise in sale proceeds and other income has been almost wiped out by the increase in coal purchases, freight, shipping charges and commission and other expenses. Of the increase in other expenses, colliery expenses account for Rs. 13.63 lakhs and salaries and wages for Rs. 5.50 lakhs. The provision for depreciation has been raised by Rs. 1.20 lakhs, on account of the substantial additions made during the half-year under review to the fixed capital expenditure. While the provision for cesses has been reduced from Rs. 1.50 lakhs to Rs. 1.10 lakhs, that for taxation has been stepped up from Rs. 10 lakhs to Rs. 12.75 lakhs. It is noteworthy that the amount set aside for the general reserve has not been affected by the recession in net profit, even though it has meant a reduction in the return to the shareholders and in the amount to be carried forward to the next half-year.

The judicious policy followed by the Directors in conserving the resources of the Company has undoubtedly endowed it with a strong financial position. The reserves and surplus at the end of the half-year under review amount to no less than Rs. 123.91 lakhs, surpassing, once again, the paid-up capital of Rs. 120 lakhs. The gross block, to which Rs. 19.27 lakhs has been added during the half-year under review, stands at Rs. 550.20 lakhs, including Rs. 22.68 lakhs representing plant in transit or pending installation. But this has been written down substantially to Rs. 192.02 lakhs. The current assets aggregate Rs. 281.87 lakhs and exceed the current liabilities and provision for taxation, at Rs. 252.65 lakhs, by Rs. 29.22 lakhs.

The Rs. 200 fully paid-up ordinary shares of the Company are currently being quoted at Rs. 508, at which rate and on the basis of the latest dividend, the yield works out to 6.9 per cent. per annum, free of income-tax.

INDIA CEMENTS LTD.

After having paid a maiden dividend of 5 per cent. on the ordinary shares for the year ended 31st March, 1952, the India Cements Ltd. (Managing Agents: Messrs. Essen Ltd., Madras) has had to go off the dividend list for the year ended 31st March, 1953. This is consequent on the sizable shrinkage in the Company's earnings for the year under review. The gross profit, which had gone up from Rs. 18.72 lakhs for the year 1950-51 to Rs. 28.82 lakhs for 1951-52, has dwindled to Rs. 14.25 lakhs. The net profit, after providing for Managing Agents' commission and depreciation, shows a fall from Rs. 17.94 lakhs to Rs. 5.36 lakhs.

The sale proceeds of cement have gone down from Rs. 101.20 lakhs to Rs. 88.06 lakhs, while the value of the closing stocks has risen from Rs. 8.33 lakhs to Rs. 9.29 lakhs. Manufacturing and other expenses show a decline from Rs. 76.58 lakhs to Rs. 74.94 lakhs. Managing Agents' remuneration has been reduced from Rs. 2.29 lakhs to Rs. 75,841. The provision for depreciation has been nearly maintained, at Rs. 8.13 lakhs (as against Rs. 8.59 lakhs). Out of the net profit, the Directors propose to distribute Rs. 1.49 lakhs as dividend on the 5 per cent. preference shares and Rs. 65,000 as bonus, leaving to be carried forward Rs. 4.01 lakhs, as against Rs. 87,531 brought in. Although the amount required to maintain the dividend on the ordinary shares at 5 per cent. is only Rs. 3.04 lakhs, the Directors have proposed to carry over this larger sum, pending the decision of the Government of India on the question of revising the price of cement, which was referred to the Tariff Commission and on which the Commission has already submitted its report to the Government.

Describing the trading conditions during the year under review, the Directors observe: 'During the year under report, the cement industry, in general, has had to face a number of difficulties. The railway freight on coal was increased by 30 per cent. Provision had to be made for provident fund and health insurance scheme for labour. The selling price of cement was reduced by Rs. 7-8 per ton as from 1st April, 1952, and by a further amount of Rs. 11-5 per ton as from 1st December, 1952. Our factory, in addition, had to face a severe power cut for nearly four months during the financial year. We have, however, as already mentioned in our last general meeting, installed three diesel generators by the middle of March, 1953."

The following synopsis of the Company's balance-sheet as on 31st March, 1953, provides an idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ..	98,93,555	Gross block	1,43,54,423
Reserves and surplus	8,01,322	*Less*—Depreciation ..	31,47,637
Liabilities ..	73,86,241	Net block	1,12,06,786
		Stocks ..	9,28,789
		Stores, etc. ..	32,43,522
		Debts, deposits and advances ..	15,50,656
		Investments	7,34,642
		Cash ..	4,21,723
	Rs. 1,80,86,118		Rs. 1,80,86,118

Of the reserves and surplus, Rs. 4 lakhs represent mortgage loan redemption reserve and the balance the unappropriated surplus. The Company has taken a loan from the Industrial Finance Corporation of India, the outstandings of which at the end of the year amount to Rs. 36 lakhs. Other borrowings (secured and unsecured) aggregate Rs. 19.88 lakhs

PROFIT OF ALUMINIUM CORPORATION DROPS

ARREARS OF PREFERENCE DIVIDEND REDUCED

PROLONGED labour trouble at the works, coupled with trade depression, had an adverse effect on the financial results of the Aluminium Corporation of India Ltd. (Managing Agents: Messrs. J. K. Industries Ltd., Calcutta), for the year ended 31st March, 1953. The Company's gross profit for the year under review shows a shrinkage from Rs. 11.93 lakhs earned in 1951-52 to Rs. 5.62 lakhs. The Directors were, therefore, unable to provide full depreciation for the year. Accordingly, they provided only a sum of Rs. 3.15 lakhs (as against Rs. 11.93 lakhs set aside for the previous year). They, however, decided to pay the dividend on the cumulative preference shares for one year, that is, for the year 1947-48, thus reducing the arrears of dividend on these shares.

Loss of production due to labour strike and lower offtake on account of the general slump meant a decline in the Company's sales and an accumulation of its stocks. The net sale proceeds for the year amounted to Rs. 41.36 lakhs, as against Rs. 52.30 lakhs. The value of closing stocks shows an increase from Rs. 28.59 lakhs to Rs. 34.77 lakhs. Expenses reveal a decline from Rs. 49.53 lakhs to Rs. 43.43 lakhs, mainly due to smaller consumption of raw materials and stores and loss of wages by labour.

The operations in all the departments of the Company's works, including colliery, were satisfactory during the first four months of the year. But, towards the close of July, the workers of the cell house adopted go-slow tactics. As it was found impossible to keep the furnaces running, the entire cell house had to be closed down from 12th August. This resulted in the gradual closing down of other production departments. Soon, the colliery also had to be closed on account of a strike by the power house workers. It was not until January, 1953, that normal operations were commenced. On the whole, the cell house remained closed for 138 days, with a huge loss of production of metal and corresponding loss of production in other departments. The general slump of last year also had an adverse effect on the trading activity of the Company. As the Indian rollers had previously made commitments for imports, based on the then current fear of world-wide shortage of metal, large quantities of metal continued to come in with no offtake. The utensil market was also very poor and, consequently, stocks accumulated everywhere. The Company had to carry large stocks of metal. With the increase in price of aluminium by the U.S.A. and with the prices of indigenous metal remaining at a low level, some stocks began to move out from November, 1952. Even at the end of the year under review the position was far from satisfactory. Sales of sheets and circles of the Corporation, however, continued to be good, in spite of the competitive markets.

The Company's financial position is disclosed by the following summary of its balance-sheet as on 31st March, 1953.

Liabilities	Rs.	Assets	Rs.
Capital ..	90,00,000	Gross block	1,56,92,044
Reserves and surplus ..	15,70,991	*Less*—Depreciation ..	53,15,329
Mortgage debentures ..	65,00,000	Net block	1,03,76,715
Liabilities ..	18,28,452	Stock - in - trade ..	34,76,909
		Stores, raw materials etc. ..	17,72,596
		Debts, deposits and advances ..	21,25,798
		Cash ..	11,47,425
	Rs. 1,88,99,443		Rs. 1,88,99,443

Due to delayed deliveries of some of the machineries ordered from foreign suppliers, the entire loan of Rs. 50 lakhs, sanctioned by the Industrial Finance Corporation of India, could not be drawn by the Company and utilised. Up to the end of the year under review a sum of Rs. 40 lakhs was drawn. During the year, the additions to the fixed assets amounted to Rs. 21.89 lakhs.

As regards the Company's expansion programme, there was a delay in the delivery of the rolling mill plant and the first consignment of the plant was shipped only in January, 1953. The entire plant has since been received and the erection is progressing satisfactorily. The delivery of the boiler was also delayed. The entire boiler plant had been shipped and was expected to be received by the end of August, 1953. The other expansions in the remelting section, alumina house, etc., have almost been completed. A new railway siding has been constructed to serve the rolling mills. The Managing Agents have taken steps to expand the works as far as finance could permit. A comprehensive expansion plan has been drawn up as recommended by the Planning Commission and has been submitted to the Government for approval.

Points From The Chair

Aluminium Consumption in India

". . . ALUMINIUM can be put to several industrial uses and, in fact, extensive use of the same is being made in most of the advanced countries of the world. The United States of America, for example, consumes 30 per cent. of her total production of aluminium for building trade, 15 per cent. for electrical industry, 20 per cent. for transport, 15 per cent. for food and chemical industry, 18 per cent. for miscellaneous and only 2 per cent. for utensils. But in India utensils account for 75 per cent. of the total production, the balance 25 per cent. being used mostly for foils and cables. Of late, lots of propaganda for extensive use of aluminium metal in different industrial fields have been made in this country through extensive advertisements, giving illustrations from various publications from large aluminium producing countries of the world. As propaganda for educating the public for industrial uses of aluminium these advertisements are excellent. But the question remains, if any of these industries exist in India today and if there is a likelihood of using any appreciable quantity of aluminium for the same in the near future. It is common knowledge that large quantities of aluminium are required for construction of aeroplanes, but have we an aircraft industry which can consume even 5,000 tons of metal per annum? The only aeroplane factory in India, i.e., the Hindustan Aircraft Limited, Bangalore, hardly uses any aluminium of indigenous produce for construction of aeroplanes and their parts. Similar is the case of other aluminium consuming industries, too."

LAKSHMIPAT SINGHANIA,
Aluminium Corporation of India Ltd.

Fair Price for Natural Rubber

"Quite a consensus in the U.S.A., while not prepared to bolster artificially the price of natural rubber produced in Malaya and Indonesia, still desire to see that products in these Eastern countries do not go out of production, an eventuality which might certainly happen, if the artificial price of Government-produced synthetic rubber, as compared with natural, was to continue indefinitely. The effect of this on the economy of these countries would open the door to communistic infiltration. The Rubber Study Group is meeting again in London, in October this time, to seek agreement as to whether a buffer stock scheme can be put into operation, especially as regards U.S. participation. From my own point of view, I doubt whether a buffer stock scheme would be successful. I believe that, in the long run, general expansion of consumption in the world in the use of rubber, whether natural or synthetic, is capable of giving both the natural and synthetic product a fair price. Restrictive measures, whatever they may be, can only be temporary palliatives."

C. C. IVESON,
Telogoredjo United Plantations, Ltd.

Shipbuilding and Rising Costs

"I am certain that the only possible policy for a company such as ours is a conservative dividend policy and the avoidance in both good times and bad of large fluctuations in dividends. With ships costing three to three and a half times as much as in 1939, provision for replacement and development has become very difficult, if we are to contribute our full quota to increased productivity and keep the tools of our trade up to date. Like all shipowners we are continually up against the problem of the present enormous cost of building new vessels, and there is clearly a limit beyond which it is quite uneconomic to build tonnage. I venture to suggest that that limit has now been reached and that unless a great effort is made by all concerned not only to halt the continuous rise in prices which we have experienced since the war but to reduce the cost of new ships, this country cannot hope to maintain for long its position as the largest shipbuilders in the world."

A. R. S. NUTTING,
Coast Lines, Limited.

Higher Productivity Wanted

"At the risk of repetition, the position remains more or less the same. We have the orders (for engines, diesel locomotives, etc.) but, because of failure to obtain licences or of lack of sterling, our despatches are restricted. These are matters that are beyond our control and we can only continue to draw attention to them. Finally, I must speak out and express the utmost concern that, in these circumstances, responsible Trade Union officials should be pressing their claim for a further wage increase. The sellers' market is gone and, surely, it is a matter of plain common sense that we will survive as an industry only by increasing productivity. What hopes have we of effecting reductions or of remaining competitive, if we are to go on paying more for the same amount of work? I feel it is my business to continue to direct attention to these matters. To my mind, they are of such vital importance that they cannot be overemphasised."

W. J. RUSTON,
Ruston and Hornsby Ltd.

Sound Foundation for Industry

"The Americans do not believe in the theory that increased production and work-loads by operators necessarily cause unemployment. On the contrary, they have proved that reduced costs result in increased purchasing power, thereby increasing the demand for the particular product. Some people in Ireland are under the mistaken opinion that, as long as there are tariff walls, the profits of inefficient factories are guaranteed and the same work-load as operates in other countries does not have to be undertaken. This cannot be a sound foundation for industry."

C. O. STANLEY,
Sunbeam Wolsley, Ltd.

Notices

THE CENTRAL INDIA SPINNING, WEAVING & MFG. CO., LTD.

NOTICE

THE SEVENTY-NINTH ORDINARY GENERAL MEETING of the Shareholders of THE CENTRAL INDIA SPINNING, WEAVING & MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Thursday the 29th October, 1953, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 30th June, 1953.
(2) To declare dividends.
(3) To elect three Directors in place of those who retire by rotation but are eligible for re-election.
(4) To appoint Auditors and to fix their remuneration.

The Transfer Books of the Company have been closed from Monday the 5th October, 1953, to Saturday the 31st October, 1953, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, *6th October, 1953.*

Note.—The dividends, if sanctioned at the General Meeting, will be payable from Friday the 30th October, 1953, to the Shareholders whose names stand on the Register of the Company on the 5th October, 1953, and the dividend warrants will be duly posted to the registered addresses of such Shareholders.

THE AHMEDABAD ADVANCE MILLS LIMITED

NOTICE

THE FIFTY-FIRST ORDINARY GENERAL MEETING of the Shareholders of THE AHMEDABAD ADVANCE MILLS, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Friday the 30th October, 1953, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 30th June, 1953.
(2) To declare Dividends.
(3) To elect three Directors in place of those who retire by rotation but are eligible for re-election.
(4) To appoint auditors and to fix their remuneration.

The Transfer Books of the Company will be closed from Monday the 5th October, 1953, to Saturday the 31st October, 1953, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, *5th October, 1953.*

Note.—The dividends, if sanctioned at the General Meeting, will be payable from Saturday the 31st October, 1953, to the Shareholders whose names stand on the Register of the Company on the 5th October, 1953, and the dividend warrants will be duly posted to the registered addresses of such Shareholders.

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TRANSFER BOOKS of the Company will be CLOSED from the 7th day of December, 1953, to the 24th day of December, 1953, both days inclusive.

By Order of the Board,
T. RYDIN,
Managing Director.

BOMBAY, *22nd September, 1953.*

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have declared the payment, on 1st November, 1953, of the Dividend due on the 5 per cent. Cumulative Preference Shares of the Company for the half-year ending 31st October, 1953, without any deduction in respect of Income Tax payable by the Company.

The Preference Share Transfer Register of the Company will be closed from 26th October to 1st November, 1953, both days inclusive.

Dividends are paid only to Registered Shareholders or their Mandatees.

By Order of the Board,
F. RANKEN,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *1st October, 1953.*

BALMADIES PLANTATIONS LIMITED

MADRAS

NOTICE IS HEREBY GIVEN THAT THE TENTH Ordinary General Meeting of the above Company will be held at the Registered office of the Company, "Oriental Buildings," Armenian Street, Madras, on TUESDAY the 3rd November, 1953, at 4-30 p.m., to receive and adopt the Balance Sheet and Profit and Loss Account for the year ended 31st May, 1953, to elect Directors in place of those retiring, to declare Dividend on Ordinary and Preference shares and to elect Auditors for the current year.

The Share Transfer Books of the Company will be closed from 14th October to 3rd November, 1953, both days inclusive

By Order of the Board,
PLANTING AGENCIES, LTD.,
Managing Agents.

MADRAS, *30th September, 1953.*

The Directors have recommended a Dividend of 12½ per cent. on Ordinary shares and 6 per cent. on Preference shares, which if passed at the Meeting, will be paid to those Shareholders whose names are on the Company's Register on 3rd November, 1953.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th October, 1953, to the Registered holders as at that date, a first interim Dividend of 2½ per cent. on the Ordinary Share Capital of the Company in respect of 1953 working. The Ordinary Share Transfer books will remain closed from 22nd October, 1953, to 31st October, 1953, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

ALLEPPEY, *30th September, 1953.*

INDUSTRIAL FINANCE CORPORATION OF INDIA

KEELING ROAD, NEW DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT A SPECIAL GENERAL MEETING of the Shareholders of the Corporation will be held at the HEAD OFFICE of the Corporation, U.S. HOSPITAL BUILDING, KEELING ROAD, NEW DELHI, on SATURDAY, the 21ST NOVEMBER, 1953, at 2-30 p.m. (Standard Time), for the purpose of electing one Director under section 10(e) of the Industrial Finance Corporation Act, 1948, to fill the vacancy caused by the retirement of Mr. R. G. Saraiya, O.B.E., one of the Directors representing Co-operative Banks on the Board of Directors of the Corporation.

V. R. SONALKER,
Managing Director.

3rd October, 1953.

GILLANDERS GROUP OF TEA COMPANIES SUSTAINS LOSS

UNITED BREWERIES EARN LOWER PROFIT

Manipur Tea Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Except for drought conditions in the early part of the year, and a short period of very heavy rain during October, conditions generally were favourable for growth and operations. Hail damage was only slight, and there was fortunately no repetition of the storms which did so much damage in the previous year.

Helopeltis was more in evidence in 1952 than in the previous year, also black rot, but red spider attacks were less severe than in previous years.

The total outturn amounted to 4,363 mds. which compares with the 1951 harvest of 5,438 mds. and an estimate of 6,000 mds. The shortfall was due entirely to the indifference and indiscipline of the labourers. The directors commented on labour conditions at this garden in previous reports, and during 1952 there was no improvement. The crop was sold partly in London and partly in Calcutta, but the prices realised were unremunerative and below the cost of production. The acute recession which set in towards the end of 1951, with a catastrophic fall in prices continued throughout the greater part of 1952, and prices for common teas fell to a very low level.

The net sale proceeds realised amounted to Rs. 3,23,399 compared with the 1951 proceeds amounting to Rs. 4,99,124. The substantial drop is due partly to the shortfall in crop and partly to the lower prices obtained for the crop.

The total garden outlay amounted to Rs. 7,56,538 compared with the outlay in 1951 of Rs. 7,17,300. Labourers' wages, dearness allowance and compulsory allowances together with the cost of foodstuff concessions continued at a high level during the year and constituted a large part of the total outlay, and accounted for the greater part of the increase in expenditure. Loss on sale of rice cost As. 6.28 and dearness allowance As. 4.29 per pound of tea.

The year's working resulted in a loss of Rs. 4,80,891 (loss of Rs. 2,50,777) and after adjustment for contributions to pension and provident funds, provision for leave and passage reserve and depreciation the total loss for the year amounted to Rs. 5,27,086 (loss of Rs. 2,92,788), bringing the balance at debit in the profit and loss account to Rs. 7,93,314.

The result is very disappointing, and is due to a combination of the precipitous drop in prices and the heavy burden of expenditure on wages and concessions which this estate, together with all other estates in Cachar, continued to have to bear during 1952.

Shareholders were advised on the 7th February, 1953 that as the concessions granted by Government as a result of the Rajaram Rao Inquiry Committee's recommendations were insufficient to allow the garden to continue as an economic unit, and as the labourers had refused to accept reductions in wages and the curtailment of certain concessions, the estate had been closed down with effect from 31st December, 1952.

The property was worked on a "care and maintenance" basis for the first three months of 1953, and was re-opened towards the end of March, with a smaller and more economical labour force which had agreed to accept the scale of wages previously offered. As a result of savings made during the early part of the year, and by eliminating all other than absolutely essential expenditure, the estimated cost of production for 1953 has been reduced to a figure which is at present economic.

The directors report that there has been a welcome improvement in tea prices, and though it is early yet to say whether or not the present remunerative level will be maintained, they do not expect a recession of the same magnitude as that which started in 1951 and lasted throughout 1952.

The garden is in good condition and as long as the labour force work well the directors are confident that the crops harvested in the future will approximate very closely to the estimate, and with better leaf being plucked as a result of an improvement in discipline of the labourers the standard of manufacture from this estate will improve.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,20,000	Block ...	5,81,841
Reserves ...	2,50,000	Stock of tea	1,13,948
Provision for taxation ...	541	Stores, etc.	94,842
Liabilities ...	10,21,668	Debts, deposits and advances ...	72,076
		Cash ...	36,188
		Profit and loss account ...	7,93,314
Rs.	16,92,209	Rs.	16,92,209

Arcuttipore Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Drought conditions prevailed during the early part of the year, but from April, except for a short period in July and again in October when heavy rain hampered operations, conditions were on the whole favourable for growth. A hail storm in April caused slight damage only.

There was a severe attack of red spider in June, which was common to the district generally, and the total outturn as a consequence was affected.

The total crop harvested during 1952 amounted to 3,318 mds. of saleable tea, a decrease of 427 mds. compared with the 1951 crop which was 3,745 mds.

The crop was sold partly in Calcutta and partly through local sales at the garden, but the directors reported that prices realised were unremunerative and below the cost of production. The recession which started towards the end of 1951 with a catastrophic drop in prices continued throughout the greater part of 1952, and common teas were affected to a greater degree than the quality types.

The net sale proceeds realised amounted to Rs. 2,73,879 compared with the 1951 proceeds which amounted to Rs. 4,22,071. The drop in realisations is due entirely to the generally low level of prices obtained in 1952.

The total garden outlay amounted to Rs. 6,08,438 compared with the outlay of Rs. 5,44,854 in 1951. Labourers' wages and compulsory allowances, together with the cost of foodstuff concessions continued at a high level during 1952 and constituted a large part of the total outlay. Foodstuff concessions alone cost As. 12.94 per pound of tea.

The year's working resulted in a loss of Rs. 3,62,029 (loss of Rs. 1,44,316), and after adjustments for leave and passage reserve, contributions to provident and pension funds and depreciation the total loss for the year amounted to Rs. 3,78,059 (loss of Rs. 1,59,158), bringing the balance at debit in the profit and loss account to Rs. 6,74,430. The result is most disappointing, and is due to a combination of the precipitous drop in prices and the heavy burden of expenditure on wages and concessional foodstuffs which the estate, together with all other estates in Cachar, continued to have to bear during the greater part of 1932.

Shareholders were advised on the 2nd February, 1953 that as the concessions granted by the Government were insufficient to allow the garden to continue as an economic unit, and as the labourers had refused to accept reductions in wages and curtailment of certain concessions, the estate had been closed down with effect from 31st December, 1952.

The property was worked on a "care and maintenance" basis for the first three months of 1953, and was re-opened towards the end of March, with a smaller and more economical labour force which had agreed to accept the scale of wages previously offered. As a result of savings made during the early part of the year, and by eliminating all other than absolutely essential expenditure, the estimated cost of production for 1953 has been reduced to a figure which is economic.

The directors report that there has been a welcome improvement in tea prices, and though it is too early to say whether or not the present remunerative level will be maintained, they do not expect a recession of the same magnitude as that which started in 1951 to occur again.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	3,31,569
Reserves ...	1,75,000	Stock of tea	1,23,770
Liabilities ...	8,34,409	Stock of tea sweepings	5,250
		Stores ...	69,282
		Debts, deposits and advances ...	91,227
		Cash ...	13,881
		Profit and loss account ...	6,74,430
Rs.	13,09,409	Rs.	13,09,409

Taipoo Tea Association, Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Weather conditions generally were favourable throughout the year; the total rainfall of 145 inches compared with the total rainfall in 1951 of 105 inches, being well distributed over the season. Red spider was less in evidence than in previous years, and no other blights were reported. The total outturn amounted to 5,115 mds. of saleable tea compared with 4,867 mds. manufactured in 1951. The crop was sold partly in London and partly in Calcutta, but the prices realised were on the average lower than the prices paid for the Company's teas in 1951. The acute recession which set in towards the end of 1951, with the catastrophic drop in prices, continued throughout the greater part of 1952, and both in London and Calcutta the prices realised for common teas were below the cost of production. There was an improvement towards the end of the season and prices in London in particular appreciated to more remunerative levels, but the improvement came too late to make any appreciable difference to offset the losses sustained earlier in the season.

The net sale proceeds realised and estimated amounted to Rs. 4,98,943 compared with the 1951 proceeds amounting to Rs. 5,24,880. The short fall in sale proceeds is due to the lower sale average prices realised.

The total garden outlay amounted to Rs. 5,28,848 compared with the outlay in 1951 of Rs. 4,86,511. The increase in outlay is on account of the additional crop and because of the higher rate of dearness allowance, introduced under the Minimum Wages Act in 1951, being applicable throughout the whole of 1952. Labourers' wages, dearness allowance and compulsory allowances together with the cost of foodstuff concessions constituted a large part of the total outlay, As. 5.96 per pound out of a total garden expenditure of As. 20.68 per pound.

The loss for the season's working amounted to Rs. 59,391 (loss of Rs. 15,549) and after adjustments for contributions to pension and provident funds, provision for leave and passage and depreciation the total loss for the year amounted to Rs. 1,10,616 (loss of Rs. 60,955). After an adjustment on account of 1951 the balance carried forward as a debit to the profit and loss account was Rs. 1,06,327 (debit of Rs. 26,834). The directors reported that they cannot recommend the payment of a dividend for the year. The result is most disappointing and is due entirely to the recession in prices, together with the heavy burden of expenditure on wages and concessions imposed on the industry by statute.

The directors advised the shareholders that as a result of constant representations to the Provincial and Central Governments, the West Bengal Government, after a tripartite conference in January 1953 agreed that tea estates in the Province would be permitted to sell rice at Rs. 15 per md., and also to the complete abolition of the issue of other foodstuffs. Although a cash payment in the form of dearness allowance has had to be given in lieu of the increase in the sale price of rice, there is a substantial overall saving. The directors have budgetted only for expenditure on essential works during 1953, and it has been possible to reduce the cost of production to an economic level.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	6,26,176
Reserves ...	1,55,000	Stock of tea	1,98,296
Provision for taxation ...	1,10,989	Stores, etc.	2,27,950
Liabilities ...	5,12,812	Debts, deposits and advances ...	1,17,845
		Cash ...	2,207
		Profit and loss account ...	1,06,327
Rs.	12,78,801	Rs.	12,78,801

Selimbong Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The weather conditions in 1952 were normal throughout the year except for August and September when the hours of sunshine were low. The total rainfall measured was 107.80 inches compared with 100.42 inches in 1951. The garden suffered from thrip at the time of the second flush, and blister blight was very prevalent in August and September.

The crop for 1952 weighed out at 1,956 mds. which compares with the 1951 harvest of 2,401 mds. The shortfall is due partly to spells of unfavourable weather conditions and partly to a change in plucking routine which was deemed necessary to conserve the health of the bushes. Practically all the crop was sold in Calcutta, a small portion only having been shipped to the U.K. for sale in auction.

The recession which started towards the end of 1951 continued throughout 1952, and prices realised in auction were poor bearing no relation to the intrinsic value of the tea sold. It affords some satisfaction to record that the average price in Calcutta auction was As. 5 above the district average, and was higher than that of the previous year which augurs well for the future.

The net sale proceeds realised and estimated amounted to Rs. 3,20,557 compared with Rs. 3,65,491 in 1951. The drop in sale proceeds is entirely due to the smaller crop harvested.

The total garden outlay in 1952 amounted to Rs. 3,85,129 which compares with the outlay in 1951 of Rs. 3,84,543.

The year's working resulted in a loss of Rs. 99,065 (loss of Rs. 36,072) and after taking into account leave and passage reserve, depreciation and contributions to provident and pension funds the net loss amounted to Rs. 1,29,016 which compares with the net loss in 1951 of Rs. 64,643. After adjustments on account of 1951, there was a balance at debit of Rs. 1,74,852 in the profit and loss account, and the directors reported that it was not possible to recommend a dividend on account of 1952 working. The 1952 result was most disappointing, due to causes, over which the directors have had no control. Market conditions have recovered, and the prices which have so far been paid for 1953 teas, for this garden have been satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	4,35,274
Reserves ...	1,15,000	Stock of tea	94,785
Provision for taxation ...	14,043	Stores, etc.	1,08,297
Liabilities ...	4,73,804	Debts, deposits and advances ...	80,371
		Investments	301
		Cash ...	8,967
		Profit and loss account ...	1,74,852
Rs.	9,02,847	Rs.	9,02,847

Betjan Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The total crop harvested during the year was 8,231 mds. compared with 8,425 mds. cropped in 1951, the decrease being due to unfavourable conditions.

The major portion of the crop was sold in Calcutta, only 2,194 mds. having been shipped to the U.K. for sale in auction. The recession in prices which set in towards the end of 1951 continued throughout the greater part of 1952 and both in Calcutta and London all types of tea sold for prices which were near to or under the cost of production. After Christmas 1952 prices improved, and the teas sold in later auctions realised satisfactory prices. The improvement unfortunately came too late to offset the uneconomic prices obtained for the Company's teas earlier in the season.

The net sale proceeds realised and estimated amounted to Rs. 10,25,798, compared with Rs. 11,16,414, in 1951, a substantial drop due to the lower sale average and smaller crop.

The total garden outlay amounted to Rs. 10,36,277 which includes Rs. 2,69,344 on account of dearness allowance to labour and loss on the sale of rice, compared with Rs. 9,05,173 incurred in 1951.

With effect from the 30th March, 1952 the Government introduced the Minimum Wages Act, the result of which was to increase still further the very high rate of wages already being paid to labour without giving any alleviation to the burden of concessional foodstuffs and compulsory allowances which remain at an unreasonably high level.

The directors reported that the working for 1952, resulted in a loss of Rs. 69,198 (gross profit of Rs. 1,51,733) and after taking into account leave and passage reserve, depreciation and contributions to provident and pension funds, the net loss amounted to Rs. 1,03,377 which compares with the amounted to Rs. 1,03,377 which compares with the gross profit in 1951 of Rs. 1,51,733. After adjustments on account of 1951 and taking into account a carry forward of Rs. 54,942 (after declaring 15 per cent. dividend for 1951), there was a balance at debit of Rs. 37,182 in the profit and loss account, and the directors reported that it was not possible to recommend a dividend on account of 1952 working.

The result of the season's working is most disappointing and is due to the combination of two causes, the depression in the market which affected the industry generally so acutely in 1951 and 1952, and the higher costs of production attributable to the continuance of inflated wage scales. By effecting economies at the garden the directors have been able to reduce the estimated cost of production for 1953, which they trust will be reflected in the working results of the season.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Block ...	7,03,606
Reserves ...	4,90,000	Stock of tea	4,61,129
Provision for taxation ...	31,462	Stores, etc.	1,49,588
Liabilities ...	6,53,600	Debts, deposits and advances ...	1,31,015
		Cash ...	12,542
		Profit and loss account ...	37,182
Rs.	14,95,062	Rs.	14,95,062

United Breweries Ltd.

The directors of the above Company (Chairman: Mr. Vittal Mallya, Bangalore) submitted the audited accounts of the Company for the 38th year, which ended on the 31st March, 1953.

The working of the Company for the year, resulted in a profit of Rs. 2,53,231 (profit of Rs. 3,18,325) from which was deducted Rs. 25,062 (Rs. 63,177) for depreciation, leaving a balance of Rs. 2,28,169 (Rs. 2,55,158). After adding the unappropriated profit brought forward from the previous year of Rs. 3,951 (Rs. 884) there was an available sum of Rs. 2,32,120 (Rs. 2,56,042) the directors paid an interim dividend at the rate of Rs. 7-8 (Rs 7-8) per share, free of income-tax, on 28th February, 1953, Rs. 60,000 (Rs. 60,000), second interim dividend at the rate of Rs. 7-8 (Rs. 7-8) per share, free of income-tax, on 29th August, 1953, Rs. 60,000 (Rs. 60,000) leaving a balance of Rs. 1,12,120 (Rs. 1,36,042). The directors have written off from investments Rs. 80,159 and carried forward Rs. 31,961 (Rs. 3,951).

In view of the payment of a second interim dividend equivalent to the usual final dividend, the directors did not recommend any final dividend. No provision was made for taxation since the provision made in previous years is sufficient to cover the liability for taxes on the profits of the year under review.

The full effect of the enhancement of the excise duty in Mysore State mentioned in last year's report was felt during the year under review, and this, coupled with the general recession in trade, caused a drop in the sales of both bulk and bottled beers. Further plant and equipment were installed during the year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	6
Reserves ...	9,00,000	Stock-In-trade	24,376
Provision for taxation ...	1,25,738	Stores, etc. ...	2,88,229
Liabilities ...	4,41,994	Debts, deposits and advances ...	15,842
Profit and loss account ...	31,961	Investments	17,48,422
		Cash ...	22,818
Rs.	20,99,693	Rs.	20,99,693

Pench Valley Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 28th February, 1953.

The Company's profit for the half-year after the inclusion of the amount brought forward of Rs. 31,995 (Rs. 15,740) was Rs. 4,12,397 (Rs. 2,88,544). After making provision for taxation of Rs. 1,66,868 (Rs. 1,18,007), there remained a balance of Rs. 2,45,529 (Rs. 1,70,537). Out of this sum the directors placed to development reserve Rs. 1,00,000 (nil), and made payment of a dividend at the rate of 15 (12½) per cent. per annum, free of income-tax, absorbing Rs. 1,18,125 (Rs. 98,438), leaving to be carried forward Rs. 27,404 (Rs. 22,099).

Output and despatch of steam and other grades of coal for the last three half-years are as follows:

Half-year ended	*Raisings* Tons	*Despatches* Tons
28th February, 1953	2,10,704	2,04,748
31st August, 1952	1,97,226	2,00,821
29th February, 1952	2,07,139	2,04,969

Raisings and despatches during the half-year showed a slight improvement and this is likely to be maintained provided sufficient wagons are made available by the railways. Heavy capital expenditure has been planned for mechanisation and development and with this object in view a lakh of rupees has been transferred to development reserve during the half-year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Block ...	13,00,000
Reserves ...	9,87,919	Stock of coal	1,03,740
Provision for taxation ...	3,25,000	Stores ...	9,94,891
Liabilities ...	14,92,498	Debts, deposits and advances ...	15,47,291
Profit and loss account ...	27,404	Investments	4,07,240
		Cash ...	54,659
Rs.	44,07,821	Rs.	44,07,821

Hasimara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

During 1952 the tea industry in general in North-East India experienced the most serious crisis within experience and the Dooars and Darjeeling districts suffered particularly. Every effort was made to improve the standard of teas produced, but with common teas difficult to sell even at As. 14 a pound during the height of the season, a substantial part of the crop was sold below the cost of production.

The net average sale price fetched in the Hasimara division during the year was As. 20.53, as against As. 25.82 in 1951. The total working cost per pound of tea produced was As. 21.00, as compared with As. 20.25 in the previous year. The net average sale price in the Tumsong division was As. 28.70, and cost per pound of tea As. 40.75, as compared with As. 28.81 and As. 30.85, respectively in 1951.

Smaller crops were made as a result of the improved standards of plucking, the total being 61,60,024 pounds, compared with 65,44,406 pounds in 1951, and this reduction was reflected in the increased costs of production per pound of tea, despite the strictest possible economy.

In the circumstances described in the report for 1951, expenditure incurred during the year amounted to Rs. 15,34,323 and it is estimated that expenditure in 1953 on completion of capital projects already in hand will amount to Rs. 1,70,000.

The liquidation of the Tumsong Tea Co., Ltd. was completed during the year. Pursuant to section 152(3) of the Indian Companies Act, no remuneration or other emoluments were received by the directors of the Company by virtue of their being directors of the subsidiary company.

The revenue loss for the year was Rs. 2,91,530 (gross profit of Rs. 30,89,410) and to this has to be added Rs. 3,66,022 (Rs. 3,55,613) for depreciation of assets. A further Rs. 6,80,347 (Rs. 6,32,686) was incurred on replacement of assets and against this, Rs. 2,00,000 (nil) have been transferred from welfare reserve and Rs. 5,00,000 (nil) from renewals and additions reserve. Allowing for these and the other adjustments shown, there was a final loss for the year of Rs. 5,90,382 (credit of Rs. 10,92,502) and a final debit balance of Rs. 2,48,880 (credit of Rs. 3,41,502 after payment of 15 per cent. dividend and other provisions) which was carried forward to 1953.

Estimates for 1953 are based on a crop of 75,774 maunds of tea at a total cost of Rs. 70,34,518. These estimates are based on the labour wages at present in force, and on the strictest economy; continuance of this reduced level of expenditure would not be in the best interests of the maintenance of the estates.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	58,50,929
Reserves ...	36,42,987	Stock of tea	35,74,152
Provision for taxation ...	3,85,226	Stores ...	13,98,608
Liabilities ...	48,83,579	Debts, deposits and advances ...	9,59,876
		Investments	11,565
		Cash ...	3,67,762
		Profit and loss account ...	2,48,880
Rs.	1,24,11,772	Rs.	1,24,11,772

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

COMPANY MEETINGS AND DIVIDENDS

CLIVE MILLS CO., LTD. Annual General Meeting, Calcutta, 12th October, 1953. Transfer books closed from 1st to 12th October, 1953, both days inclusive.

PATHEMARA TEA CO., LTD. Annual General Meeting, Calcutta, 13th October, 1953. Dividend: *Nil*. Transfer books closed from 9th to 13th October, 1953, both days inclusive.

GROB TEA CO., LTD. Annual General Meeting, Calcutta, 13th October, 1953. Dividend: Rs. 2 per "A" ordinary share and Re. 1 per "B" ordinary share. Transfer books closed from 9th to 13th October, 1953, both days inclusive.

HANTAPARA TEA CO., LTD. Annual General Meeting, Calcutta, 20th October, 1953. Dividend: *Rs. 2-8 per share. Transfer books closed from 8th* to 20th October, 1953, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 22nd October, 1953. Dividend: As. 12 per share. Transfer books closed from 8th to 22nd October, 1953, both days inclusive.

INDIA CEMENTS LTD. Annual General Meeting, Madras, 24th October, 1953. Dividend: *Nil*. Transfer books close from 12th to 24th October, 1953, both days inclusive.

PUTHUTHOTAM ESTATES (1943) LTD. Annual General Meeting, Pollachi, 25th October, 1953. Dividend: As. 5-3/5 per ordinary share. Transfer books close from 17th to 25th October, 1953, both days inclusive.

JUBBULPORE ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 26th October, 1953. Dividend: As. 8-2/5 per share (including additional payment of As. 2 per share). Transfer books close from 20th to 26th October, 1953, both days inclusive.

INDIAN CITY PROPERTIES LTD. Annual General Meeting, Calcutta, 26th October, 1953. Transfer books close from 14th to 26th October, 1953, both days inclusive.

PARASEA COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 27th October, 1953. Transfer books close from 20th to 27th October, 1953, both days inclusive.

GUZDAR KAJORA COAL MINES LTD. Half-yearly General Meeting, Calcutta, 27th October, 1953. Transfer books close from 19th to 27th October, 1953, both days inclusive.

NEW BANSDEOPUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th October, 1953. Transfer books close from 19th to 27th October, 1953, both days inclusive.

PURE SITALPORE COAL CONCERN LTD. Half-yearly General Meeting, Calcutta, 27th October, 1953. Transfer books close from 19th to 27th October, 1953, both days inclusive.

SHREE MAHAKALI COAL MINES LTD. Half-yearly General Meeting, Calcutta, 27th October, 1953. Transfer books close from 19th to 27th October, 1953, both days inclusive.

BENGAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th October, 1953. Dividend: Rs. 17-8 per share (including bonus of Rs. 7-8 per share). Transfer books closed from 8th to 29th October, 1953, both days inclusive.

PENINSULAR PLANTATIONS LTD. Dividend of Re. 1-8 per share, for the year ended 28th February, 1953. Transfer books close from 11th to 20th October, 1953, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th October, 1953. Dividend: As. 8 per ordinary share. Transfer books closed from 8th to 29th October, 1953, both days inclusive.

TALAYAR TEA CO., LTD. Dividend of As. 10 per ordinary share, for the year ended 31st March, 1953. Transfer books close from 24th October to 7th November, 1953, both days inclusive.

RANE (MADRAS) LTD. Dividend of Rs. 20 per ordinary share, for the year ended 31st March, 1953. Transfer books closed from 1st to 15th October, 1953, both days inclusive.

CENTRAL SCIENTIFIC SUPPLIES CO., LTD. Dividend of As. 8 per ordinary share, for the year ended 31st March, 1953. Transfer books close from 12th to 24th October, 1953, both days inclusive.

DHUNSERI TEA CO., LTD. Annual General Meeting, Calcutta, 19th October, 1953.

COMPANY REGISTRATIONS

MINERAL WEALTH OF INDIA LTD. (First Director: Mr. C. Didwania.) Business: Exporters, Importers and Dealers in Ores, Metals and Minerals. Authorised capital: Rs. 5,00,000. Private company. Address: Seksaria Chambers, 139, Medows Street, 1st Floor, Fort, Bombay.

SUTRAMDAS (INDIA) LTD. (First Director: Mr. R. Sutramdas.) Business: Spinners, Weavers, Coirmakers, Silk Mercers, Silk Weavers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 5th Floor, United India Building, Sir Phirozshah Mehta Road, Fort, Bombay.

STATE LOANS IN GOOD FORM

(From Our Own Correspondent)

BOMBAY, 7th October

The short-term money market experienced fairly comfortable conditions during the week under review. There was not much of a demand for funds. Up-country demand was noted to a small extent, but, in the absence of any large-scale movement of the new crop, there was no trace of stringency creeping in. Inter-bank call money was, therefore, placed at a slightly lower rate than in the previous week. Exchange banks and big Indian banks did business at 1½ to 1¼ per cent., though occasionally lenders were able to obtain 1½ per cent. Smaller Indian banks were not prepared to pay more than 2¼ per cent.

Banks were more interested in period money which was bid up to 2½ per cent. for one month, 2¼ per cent. for 2 to 3 months and 2¾ per cent. for 4 months and over. House money fetched 2¼ per cent.

There was no change in the three months' Government of India Treasury Bill rate which stood at Rs. 2-6-8 per cent. per annum this week also. The amount offered against the usual tenders for Rs. 1.50 crores was lower at Rs. 2.01 crores, as against Rs. 2.51 crores in the previous week.

The statement of affairs of the Reserve Bank of India for the week ended 2nd October, 1953, as compared with that for the previous week, discloses an expansion of Rs. 1.86 crores, as against a fall of Rs. 10.13 crores noted in the previous week. Notes held in the Banking Department are lower by Rs. 1.47 crores, so that the total notes issued are higher by only Rs. 38.88 lakhs which is covered by a similar rise in rupee coin. A decline of Rs. 11.87 crores is noted in Central Government deposits and a rise of Rs. 7.96 crores in those of State Governments. Deposits of banks also show a rise of Rs. 3.17 crores. On the assets side, cash balances record a shrinkage of Rs. 1.56 crores, while balances held abroad are better by Rs. 1.71 crores.

The Scheduled Banks' statement for the week ended 25th September, 1953, reveals a rise of Rs. 3.06 crores in demand deposits and Rs. 51.69 lakhs in time deposits. Inter-bank borrowings, borrowings from the Reserve Bank and those from the Imperial Bank show very insignificant changes. The declining trend in advances persists, as witness the further drop of Rs. 3.07 crores in loans, cash credits and overdrafts and of Rs. 47.15 lakhs in bills purchased and discounted. Investments are higher by Rs. 71.17 lakhs. Cash on hand and balances with the Reserve Bank are together better by Rs. 3.36 crores, balances with other banks by Rs. 74.55 lakhs and money at call and short notice by Rs. 74.03 lakhs.

The most notable feature of the activity in the Gilt-edged market during the week was the keen demand for the 4 per cent. State Loans which, as a result, rose by As. 2 to As. 8, the sharpest rise having been in Bombay 1964 loan. Business in the Central Government loans did not reveal any appreciable increase, though most of the dated loans experienced enquiry. The undertone remained very steady. Among the Central loans, 3 per cent. 1957, 3 per cent, 1958 and 3 per cent. 1959-61 held their ground at Rs. 98-7, Rs. 98-2, and Rs. 96-1, respectively, 3 per cent. 1963-65 and 3 per cent. 1964 too were maintained at Rs. 92-8, 3 per cent. 1966-68 was in request at Rs. 90-1 *ex-voucher*, as against Rs. 90-2 *cum-voucher* last week. 3 per cent. 1970-75 was marked up by an anna to Rs. 86-9, following the stepping up of the selling rate by the Reserve Bank. 3 per cent. 1986 Conversion Loan had sellers and receded by an anna to Rs. 82-2. 3½ per cent. 1961 National Plan Bonds were unchanged at Rs. 98-7.

Among the State Loans, 4 per cent. 1963 Bombay advanced by As. 6 to Rs. 101 due to good demand and absence of sellers. 4 per cent. 1963 Madras rose by As. 2 to Rs. 99-15, M.P. and U.P. loans by As. 3 each to Rs. 99-11, 4 per cent. 1964 loans met with good buying at hardening rates. The Bombay Loan went up by As. 8 to Rs. 101-2, Madras by As. 3 to Rs. 99-14, U.P., by As. 2 to Rs. 99-12 and West Bengal by As. 6 to Rs. 100-10.

In the foreign exchange section, the rupee gained a fractional strength in terms of the U.S. dollar, banks' selling rate for ready being quoted half a rupee better at Rs. 478½ per $100 and buying rate a quarter higher at Rs. 474¼. In New York, spot sterling was cheaper, having declined from $2.80-3/16—$2.80-5/16 on 28th Sept. to $2.80—$2.80-1/16 on the 6th inst. The forward rates, however, revealed no change over the week at $2.79½—$2.79¾ for three months and at $2.79¼—$2.79½ for six months.

KANPUR HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, 4th October

During the week under review the conditions of the local hides and skins market were drab and featureless. The supply and demand position was more or less similar to that in the previous week, except for the fact that there was a greater demand for the superior grade buff. The local tanners were the main buyers. The latest quotations are as follows:—

Wet salted cow I grade heavy at Rs. 360, wet salted cow I grade medium at Rs. 280, wet salted cow II grade heavy at Rs. 300, and wet salted cow II grade medium at Rs. 180 per score; wet salted buff I grade at 2 lbs., and wet salted buff II grade at 2 lbs. 12 ozs. per rupee; goat skins I grade at Rs. 300 and goat skins II grade at Rs. 250 per 100 pieces.

GOLD WEAK

(From Our Own Correspondent)

BOMBAY, 7th October

Trading on the Bullion Exchange during the week was characterised by a further sharp fall in the price of gold and an irregular narrow movement in silver. The recession in the price of gold noted in the previous two weeks developed into a minor landslide during the week under review, when, at one time, the yellow metal touched a low of Rs. 81-13 (for forward), the lowest for the last nearly 10 months. Though there was some improvement later, the decline over the week was Rs. 2-2, thus taking the price down by nearly Rs. 5 per tola in the last three weeks. Larger arrivals of the metal with no corresponding improvement in the offtake, the heavy fall in the price of gold in the world free markets, weaker advices from the commodity markets were the chief factors that unnerved the speculators. Further, the reported opinion of the Advocate-General on the proposed amendment of the by-law of the Bullion Association would also appear to have induced further selling pressure.

The Advocate-General is reported to have expressed the view that if the by-laws with regard to restricting penalty in auction, in the event of non-delivery of the bars, are properly made, there should be no legal difficulty. The Board of the Bullion Association met to-day to consider the opinion of the Advocate-General and make suitable changes in the framing of the by-law.

Silver for forward delivery (23rd October settlement) opened at Rs. 152-5 and declined on Thursday to a low of Rs. 151-2, the lowest since 3rd August last, in sympathy with the weakness of gold. At the lower level some bear covering and replacement buying due to an improvement in offtake lifted up the price to Rs. 152-12 on Monday this week. But renewed weakness in gold and apprehensions about the proposed amendment of the by-law caused a recession to Rs. 151-10. This morning, there was a smart recovery to Rs. 153-5 before the reported opinion of the Advocate-General brought the price down to Rs. 152-10 at the close.

Ready silver (.996 Mint) was on par with the forward rates, closing at Rs. 152-10, as against Rs. 152-15 last week. The floating stocks of silver are placed at 2,200 bars. The daily average offtake is 25 bars.

Gold for forward delivery (22nd October settlement) began at Rs. 84-5 and slipped down successively yesterday to Rs. 81-13, the lowest level since 29th December, 1952. To-day there was a minor recovery to close at Rs. 82-7.

Ready gold, which commanded a premium of Re. 1-6 (at Rs. 85-15) over the forward at the close of last week, came to be done at a premium of Re. 1-2 (at Rs. 83-9) to-day. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals are 6,000 tolas, while the offtake is no more than 3,000 tolas on an average.

In Europe, the international free market price of gold fell from $36.25 on 28th September to $36.10 yesterday.

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

	7-10-53	Highest	Lowest	29-9-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	83 9	86 0	82 15	85 15
Forward	82 7	84 10	81 13	84 9
Sovereign	56 0	58 0	56 0	58 0
SILVER				
Ready (.996 fine Mint)	152 10	153 5	151 2	152 15
Forward	152 10	153 5	151 2	152 15
London Ready ..	74d.	—	—	74d.
London Forward ..	74d.	—	—	74d.
New York Ready ..	85½c.	—	—	85½c.

MADRAS KIP RULES WEAK

(From Our Own Correspondent)

MADRAS, 5th October

The kip market ruled weak during the week under review. Arrivals were moderate, and clearances small. Demand from U.K. was poor and importers were asking lower prices. Sellers were following a wait and see policy. As raw prices ruled steady, tanners were not ready to meet the buyers' ideas, but eventually will have to follow London levels.

The Shoe and Leather Fair takes place in London from the 5th to 9th instant, and if leather buyers show some active interest, prices may take an upward curve shortly.

Shipment business in tanned skins was small, and prices of tanned goat skins declined by As. 2 per lb., as also tanned sheep. There was good clearance of sheep in the local bazaar.

It is reported that at the instance of the Agricultural Marketing Adviser to the Government of India, the Council of Scientific and Industrial Research has decided to set up a control laboratory at the Central Leather Research Institute at Madras, where analysis of leather samples for fixing up standards for East Indian tanned leather would be undertaken with a view to preventing export of adulterated tanned leather from India. It has also been decided by the Government of India that only East Indian tanned leather bearing "Agmark" label, accompanied by certificates of grading, will be allowed to be exported. The proposed control laboratory will be financed by the Agricultural Marketing Adviser.

SUBDUED TONE IN COTTON

(From Our Own Correspondent)

BOMBAY, 7th October

For cotton, the first week of October has been one devoid of any important development. The only exception to this was the Government's clarification that the quota of 1,75,000 bales of short-staple cotton released for export is not final but provisional and that a supplementary quota might be announced at a later date, when a more reliable estimate of the new season's production was available. All further developments in the cotton market whether these be bearish or bullish in spot or forward trading will now depend not so much on internal factors but on the prospects and the pattern which might emerge for the textile industry in the country. If there is a genuine switch-over from fine and superfine cloth to coarse and medium varieties, a greater demand for Indian cotton will be in evidence. In this case a fair support will be forthcoming in both the markets at Sewri and Kalbadevi as this pattern becomes clearer. On the other hand, a transfer from superfine to fine will only affect the quality of imported cotton. This process appears to be in evidence inasmuch as India which has generally concentrated on Karnak in the Alexandria market is now paying more attention to Ashmouni and Giza 30. Such a change will not affect the price level of Indian cotton.

Similarly, the whole question of excise duty on cloth for internal consumption and export duties on shipments of cloth going abroad will very likely shape the price structure of Indian cotton. With export duties at the present level, the target for exports can never be reached. We are losing a good bit of the market in Burma. Competition elsewhere is also growing. Exports, so far, for the first nine months of the year, amount to barely half the quantity of the target of 1,000 million yards. Unless there is a drastic cut in the export duties there is no possibility of reaching even the 800-million yard mark. While there is an attempt to belittle the complaints about rising stocks of cloth with the mills in the country, it has to be admitted, even by those not very sympathetic towards the textile industry, that the offtake is poor and this is not likely to improve till either prices are slashed severely or the excise duty is reduced. The mills have already cut prices and this may not mean actual sacrifice on their part inasmuch as cotton prices have gone down during recent months. But a further reduction will be necessary to encourage the disposal of increased production of cloth during the year. This can come now only from a reduction in the excise duty.

While good business has been reported during the week in the delivery contract by some mills this has not been of such a magnitude as to create confidence which is lacking in the cotton market. The only hope now lies in the fact that the Government would be very unwilling to see any reduction in output just at present when the main problem before it is that of unemployment. To maintain output at the present level Government would have to help in making cloth more easily saleable both within the country and abroad. This consideration might lead to a cut in the export and excise duties on cloth thus creating a greater demand for cotton.

There is a feeling of disappointment in the market with regard to the Government's refusal to reduce export duty on cotton. The very fact that quotas for qualities other than Bengal remained unutilised would have gone to convince the authorities that the duty of Rs. 400 per candy on Dholleras, Kalagins and Oomras is acting as a deterrent to the disposal of the stocks of such cotton. In fact but for the reimposition of export duty on Deshi cotton by the Pakistan Government just when India's cotton policy was being formulated, the Government of India would have allowed an appreciable reduction in this duty when fresh quotas were announced. Demand for this cotton has somehow remained poor both here and at Karachi and it is quite likely that when the Government come to perceive that exports at present rates are not possible, it might reconsider its decision in this respect.

Partly due to holidays and partly because of subdued activity, fluctuations in the forward market during this week have been within comparatively narrow limits. The price is likely to stabilise about Rs. 614 to Rs. 615 because a Rs. 5 difference either way brings support or liquidation. This is a good sign considering the wayward course the market has pursued so far. The future price trend will follow, as already indicated above, the developments in the cloth and yarn markets. In the spot section also, activity was subdued. Mills are naturally reluctant to increase their commitments at present either with regard to imported cotton or Indian styles in view of the uncertainty attending their own future. This hand-to-mouth buying is likely to continue for some time, till a clearer picture with regard to the offtake of cloth and the varieties which are likely to be in demand emerges after the *Pooja* and the *Diwali* holidays. The consistent fall in prices at New York has also come to influence the mills' buying of any cotton just now as, after all, New York does provide the basis for world cotton trade.

I.C.C. February opened the week at Rs. 612 and under selling pressure reached to Rs. 609½ on 6th instant. There was some recovery to-day when it touched Rs. 616. But it soon gave way and declined to Rs. 612¼. I.C.C May opened the week at Rs. 614½ and fluctuated between Rs. 619½ and Rs. 613½ before finishing the week at Rs. 616½. The following is the trend of prices over the week ended to-day:

	Opening	High	Low	Closing
I.C.C. Feb (Rs.) ...	612	616	609½	612¼
I.C.C. May (Rs.) ...	614½	619½	613½	616½

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 585; Berar Jarilla Rs. 680; Khandesh Rs. 770; Vijay Rs. 850; Oomra *Deshi* Rs. 580; Moglai Rs. 580.

At Karachi it is not yet known what the Government's plans would be to encourage exports. Trade agreements with various countries are all very well, but complications are bound to arise in implementing these. Karachi has already found this in connection with Japan. There is a slight increase in the interest evinced by certain Continental centres, especially Germany, in some of the Pakistan varieties, but on a parity Pakistan cotton is dearer than the similar cotton from the U.S. Brazil is making a fair bid to capture some of the Continental markets and this can be to a certain extent at the expense of Karachi. The following are the latest available quotations from Karachi:

Old crop Sind *Deshi* Rs. 61; 4F Punjab R.G. Rs. 54; S.G. Rs. 59; L.S.S. Punjab R.G. Rs. 58; S.G. Rs. 62½; N.T. R.G. Rs. 63½; S.G. Rs. 67½; 289 Punjab R.G. Rs. 63½; S.G. Rs. 68½; new crop N.T. R.G. Rs. 64½ to Rs. 65; S.G. Rs. 68½ to Rs. 68½.

Curiously enough the activity at Alexandria continues to be brisk. When all other markets in the world are cutting prices, the Egyptian Government has been actually able to raise its prices. The Continental countries and Japan have remained persistent buyers and shippers who have already promised early shipment are finding it difficult to fulfil this. It may be that in spite of this strong position, New York prices are bound to affect the position at Alexandria sooner or later and the Indian mills who appear to be in a hurry to secure Egyptian cotton would do well to wait for some time till the Uganda new crop comes on the market in November, especially now that some supplies of 'S' and 'L' Sudans have been secured by some mills. There is also a possibility of the export tax being revised.

At New York, the trend has been persistently bearish especially in the early deliveries. There has been a good deal of liquidation in these and hedge selling to a certain extent was also responsible for the downward trend. A new trend might emerge after the official estimates due to be announced this week. Indian mills are not actively interested in U.S. cotton at present. But the quotations in New York have a certain degree of theoretical interest for this inasmuch as the world markets are guided to a very large extent by the working of the various U.S. markets.

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

(In cents per lb.)

	6-10-53	28-9-53	22-9-53
Spot	33.25	32.81	32.84
October	—	32.81	32.84
December	32.69	33.06	33.13
March	32.12	33.46	33.45
May	33.39	33.60	33.61
July	33.34	—	—

ART SILK YARN QUIET

(From Our Own Correspondent)

BOMBAY, 7th October

On rumours that the Art Silk Yarn Merchants Association had been granted licences for import of art silk yarn worth Rs 1.5 crores, the art silk yarn market ruled easy during the earlier part of the week. The trend was further aided by reports of continued absence of demand from almost all consuming centres and by a decline in the price of cloth and yarn. The sentiment in the market was also affected by the weakness of other commodity markets in the city. Consequently, yarn values registered sharp recessions. But, subsequently, the low levels attracted some buying support. The short-covering which followed lifted the prices. In the futures section, as a result, earlier losses were partially recovered. The spot quotations were, however, generally steady on limited stocks, restricted arrivals and non-materialisation of a reduction in prices of Japanese and Italian yarns as expected early.

In the forward section 150D October, which opened at Rs. 702, as against Rs. 738, declined to as low as Rs. 680, before improving to close at Rs. 702. 150D November delivery, which commenced at Rs. 698 on 1st October, was done steadier at Rs. 707. 120 Japan was unchanged today at Rs. 4-0-6, while 150 Japan gained an anna to As. 4. 120 Italy was quiet at Rs. 3-14, whereas 150 Italy lost As. 5 to Rs. 3-8-6.

The staple fibre yarn moved in sympathy with art silk yarn. 40 x 2 October declined from Rs. 648 to Rs. 625 on the 30th ultimo, on heavy unloading. But, on fresh support at this level, the rate shot up to as high as Rs. 658, before closing at Rs. 648. November delivery, trading in which was started on 1st October at Rs. 611, improved to close at Rs. 633.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 29th ultimo and 23rd ultimo.

	7-10-53	29-9-53	23-9-53
Art silk yarn	Rs. a.	Rs. a.	Rs. a.
150 October (per case of 200 lbs.)	702 0	738 0	753 0
120 Japan (per lb.)	4 0½	4 0½	4 0½
150 Japan	4 0	3 15	4 0
120 Italy	3 14	3 14	4 0
150 Italy	3 8½	3 13½	3 12½
Staple fibre yarn			
2/40s October (per case of 200 lbs.)	648 0	648 0	659 0

GROUNDNUTS STEADY

(From Our Own Correspondent)

BOMBAY, 7th October

The oilseeds market presented a mixed trend during the week under review. In the groundnut section, old crop ruled easy, while the new crop put on a steady trend. Trading in September, 1953, having ended on 30th ultimo, the castorseeds section presented cheerless appearance. The Government announcement that castor oil export quotas for August-September, 1953, will be granted for a quantity equal to one-fourth of total exports of castor oil effected by each shipper during January-July, 1953, as against that in January-June, 1953, as announced previously, had, however, a favourable effect on castor oil. For this meant an addition of about 600 tons for export. The linseed section was firm on speculative support. Over the week, groundnuts and castorseeds ready deliveries disclosed sizable losses, while some gains were noticed in the other sections.

The Common Production Programme Committee of the All-India Khadi and Village Industries Board, at its meeting held in Bombay, recommended to State Governments to amend the existing rules governing sales tax with a view to giving exemption to *ghani* oil (bullock-pressed oil). It recommended also to levy a cess of Re. 1-4 per maund (of 80 pounds) on oil produced by the mills. It will be recalled that the All-India Oilseeds Committee had earlier agreed to levy a cess of only one rupee per maund. The Production Committee further decided that the rate of subsidy to be given to the cottage oil industry should be fixed at Rs. 2 per maund in the first year and Re. 1-8 per maund in subsequent years. It agreed that subsidy to cottage oil industry should be given through registered co-operative societies.

In the groundnut section, Bold F.A.Q. (old crop), which stood at Rs. 50, in view of the firmness in the maturing contract last Thursday, declined to Rs. 38. For the same reason, Khandesh quality fell from Rs. 40 to Rs. 38. Bold December-January delivery was, however, higher by As. 4 at Rs. 28-6. Khandesh October delivery gained As. 4 to Rs. 34-4 and November As. 8 to Rs. 30-8. Groundnut oil, ex-mill, lost As. 4 to Rs. 23-4 and railway receipts Rs. 2 to Rs. 21-8. October and November deliveries were done at Rs. 18-12 and Rs. 16-2, as compared with Rs. 18-8 and Rs. 16-4, respectively. Business in groundnut oil was reported done with the U.K. for about 5,000 tons at about £132, subject to export licences expected shortly.

The linseed section came in for some buying pressure, although Australia, U.K. and the Continent were reported to have turned down Indian offers. This was chiefly due to speculative activity. Bold ready shot up from Rs. 22-8 to Rs. 24-8, and October-November delivery from Rs. 22-12 to Rs. 24-4. February-March was done higher by Re. 1 at Rs. 22-8. Linseed oil gained As. 10 to Rs. 13-6.

In the castorseeds section, May delivery which opened at Rs. 111-4 as against Rs. 112, fluctuated between Rs. 116-2 and Rs. 111, before closing at Rs. 114-10. F.A.Q. slumped by Rs. 9 to Rs. 31 and Madras by Rs. 7 to Rs. 33. Castor oil B.S.S. gained Re. 1-4 to Rs. 18-8, and I Pressure Re. 1 to Rs. 18. Commercials improved from Rs. 16-4 to Rs. 17-4.

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

	7-10-53	29-9-53	23-9-53
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Bold Ready Now (per cwt.)	38 0	50 0	47 8
December-January	28 6	28 2	30 6
Linseed—			
Bold Ready (per cwt.) ..	24 8	22 8	24 14
Castorseed—			
May 1954	114 10	113 14	119 4
Madras (per cwt.)	33 0	40 0	32 12
Groundnut oil—			
Ex-mill Ready (per quarter).	23 4	23 8	26 0
Castor Oil—			
Commercial (per quarter)..	17 4	16 4	16 6

IMPORTED SUGAR PRICES RISE

(From Our Own Correspondent)

BOMBAY, 7th October

Consistent with its aggressive frantic efforts to mow down high sugar prices, the Food Ministry threw in almost the entire portion of its reserved sugar force lying under Government control, with millers, by announcing release of one lakh tons out of 1.4 lakh tons from the 1952-53 season's production. This release of one lakh tons is considered in market circles as rather rash action and it is felt that the Ministry would have done well, had it released a smaller quantity, so that more sugar would have been available to it for meeting any unforeseen eventuality.

Meanwhile sugar ships continue to arrive at Indian ports. Two ships have already discharged imported sugar at Calcutta, two at Madras and three at Bombay. Tenders for further Mexican sugar per s.s *Fiducia* and further British refined sugar per s.s. *Atlantico* had been invited, and it is understood that tenders for the latter quality have been received for the entire shipload, while those for the former being few, the last date for submitting tenders for the same has been extended by further six days from the 6th inst. It is also reported that another ship carrying Java sugar is on its way and may unload the sugar either at Madras or Bombay.

While it is not known whether this grave strategy to fight high sugar prices was formulated in consultation with the C.-in-C. or the Defence Ministry, especially in regard to throwing in almost the entire bulk of the 1952-53 season's reservation, it is obvious that the Food Ministry must have relied for its action on the following considerations: (1) the entire Peninsular markets have been fed with adequate supplies of imported sugar, and the supplies would be surfeit when two further ships which are on their way to Bombay, and one more from Java either for Madras or Bombay, reach their destinations; (2) the interior markets have been offered more than they want for the ensuing heavy seasonal demand; and (3) the month of November is traditionally a month of slack demand for sugar.

These considerations would appear to have weighed most with the Food Ministry in its expectation that a bearish chain action initiated at ports would spread right up to the main source of supply, namely, the U.P. and Bihar factories—the fountain-head of bulk supplies of sugar in the country—and blow up the ruling high prices of sugar. This indeed is a laudable ideal and praiseworthy goal.

A section of the trade, however, feels that the desired results may be difficult to achieve, although it is conceded that the northern millers have come down with their prices, on an average, by As. 12 per maund and that good granular sugar can now be had at Rs. 28 per maund. This section argues that (1) factories in Southern India will not commence crushing earlier than mid-December, and that it takes them at least two weeks to gear up to normal production, (2) the aggregate quantity already discharged at ports, and that on the way to India does not exceed 75,000 tons and the balance of about 1.25 lakh tons has been bought for October-December shipments, (3) sellers of imported sugar would, therefore, naturally attempt unloading in December or early January when new crop sugar from the ports of loading is available at an advantageous price, (4) good demand for sugar revives from December onwards, (5) millers would be in no mood to offer their meagre releases at anywhere around Rs. 27 per maund, and as such, entire reliance would have to be placed, for lower sugar prices, on imported sugar which may not be coming in desirable quantities and at the required time.

Arrivals of indigenous sugar into Bombay during the week amounted to 3,000 bags. It is also reported that the s.s. *Dumphreys* delivered 6,500 tons and that the s.s. *Havildar* and the s.s. *Volcano* are delivering 7,000 and 7,500 tons respectively. In substance, therefore, Bombay has received, since the 29th ultimo, 21,000 tons of imported sugar. After an initial drop in price of imported sugar on account of distress selling by outsiders to take up whatever profit was available, quotations for imported sugar looked up in the face of good demand from the interior. Mexican sugar was sold as low as at Rs. 41 per bag of 110 lbs. net, British refined at Rs. 83-8 per bag of 2 cwts., and Java refined at Rs. 85 per bag of 2 cwts. net. These quotations have improved to-day to Rs. 41-8, Rs. 84-12 and Rs. 90 per bag respectively. Smart rise in prices of imported sugar is due to the fact that millers in the interior are quoting high prices for the sugar under their recent release. Due to great shortage of bold grain sugar prices of indigenous bold grain sugar have registered a spectacular rise and this quality cannot be had for less than Rs. 86 to Rs. 98 per bag, whereas medium grain sugar is being offered at Rs. 92-8 and small grain at Rs. 86 to Rs. 87. Spot demand is good and forward trading remains suspended.

PEPPER TURNS EASY

(Messrs. Parekh & Co.)

BOMBAY, 7th October

Pepper market at all primary centres turned easy on account of paucity of foreign enquiries and selling pressure by growers who seem to have become anxious sellers owing to the proximity of new season. Planters at Alleppey sold a sizable quantity at as low as Rs. 2,150. Calicut remained anxious sellers at price ranging from Rs. 2,350 to Rs. 2,450. Following the settlement of Dock-strike in New York which was until recently showing keen interest in the named steamers, withdrew from the market, and this made Indian exporters rather nervous. They sold in the local market October shipment at as low as $0.98. November shipment was done at $0.94 and December was offered at $0.89 with small buying interest.

In view of the poor crop in Lampong and good export of Sarawak to-date, the statistical position of world pepper market on the whole appears fairly sound. Yet the intelligentsia in the market attribute the present selling pressure by the Indian growers to the following among other reasons:—1. bearish psychology now prevalent in other commodities; 2. feeling of weariness among the growers who were all along expecting that the Government would come to their help by reducing the present high export duty on pepper; 3. nand to mouth buying policy of New York and other foreign buyers; 4. expectation of better prospect for the new crop; and 5. fear of higher invisible stock in the hands of growers than generally expected by the trade.

All estimated figures of the coming crop and invisible stock are always elusive and are made to look smaller or larger according to the bull or bear psychology of exporters, dealers, growers and speculators who always want to exploit the market according to their book positions.

In the delivery section, the business turn-over is very poor, as bears are very cautious in hammering the market lest bulls should squeeze them at the time of delivery.

In the larger interests of pepper export which is a big dollar earner and of growers on the coast, all the parties concerned wish that the Government should act quickly in either abolishing or reducing drastically the present export duty so as to improve the competitive position of India in foreign markets. But the Government machinery is moving slowly and nothing has been announced so far. Malabar pepper labours under the handicap of a heavy export duty. Competition is developing in an acute form, and the Government should see that Malabar pepper holds its own against serious and fast developing rivals like Sarawak and Muntok and Lampong.

Following are to-day's nominal quotations:—Ready delivery Rs. 270-90 per cwt., October delivery Rs. 1,845·75, and December delivery Rs. 1,565·95 per candy of 5½ cwts.

TEA PRICES ADVANCE FURTHER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 3rd October

The total offerings in sale No. 20, which was held on Tuesday, 29th September, amounted to approximately 10,80,000 lbs. Quality had shown some improvement, particularly amongst the low medium and medium teas. The sale opened to a

(Continued on page 707)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept.' 1939 (pre-war)	25th Sept. 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,071.43	1,081.61	1,062.93	1,037.52
Notes held in Banking Department	35.05	44.57	33.33	34.41	34.74
Foreign Securities	89.50	538.15	538.15	538.15	538.15
Rupee Securities	37.89	421.42	421.42	424.90	461.11
Banking Department					
Deposits of:					
Government of India	14.89	136.85	137.23	134.18	142.53
Other Governments	..	21.32	17.30	24.28	6.31
Balances held abroad	10.08	140.80	144.51	141.25	151.52
SCHEDULED BANKS					
Demand Liabilities	134.87	524.69	521.78	529.21	543.30
		(13.40)	(13.36)	(12.97)	(13.70)
Time Liabilities	102.84	330.23	329.76	331.36	314.80
Borrowings from Reserve Bank	..	(2.32)	(2.37)	(2.15)	(4.33)
		2.19	2.34	2.13	2.37
		(0.49)†	(0.49)†	(0.49)†	(1.24)†
Borrowings from Imperial Bank	..	4.45	4.60	5.35	4.58
Cash in India	6.71	31.23	30.77	31.73	32.07
Balances with Reserve Bank	25.25	49.84	46.95	45.93	62.50
Excess over statutory limits	15.53	17.00	14.27	12.90	29.26
Balances with other banks in current account in India	..	10.59	9.85	10.26	12.43
Money at call and short notice in India	..	17.68	16.94	16.72	20.87
Investments (at book value)	..	333.87	333.16	326.88	308.01
Advances and bills	105.09	460.12	463.66	473.34	467.01
IMPERIAL BANK					
Deposits	87.76	207.22	205.21	206.70	219.43
Investments	31.99	94.53	93.35	90.78	90.58
Advances	80.87	92.98	100.93	106.84	116.61
Cash	14.69	24.94	22.02	20.81	27.59

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	1st October, 1953		25th September, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	1,93,917	41,70,53,000	2,15,840	41,84,72,000
Calcutta	1,05,807	44,00,64,459	1,41,923	41,26,13,448
Madras	47,823	5,24,42,217	67,654	7,76,21,746
All Centres—				
1951	..	..	1,05,94,122	3180,56,86,859
1952	..	..	1,06,41,941	26,79,51,57,000
July 1953	..	..	97,11,000	5,71,94,00,000
August	..	..	23,41,000	4,84,84,00,000

Reserve Bank of India
Statement of Affairs for the week ended 2nd October, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	124,97,52,000
(2) Other Governments	29,28,93,000
(b) Banks	55,65,16,000
(c) Others	55,81,36,000
Bills Payable	2,34,65,000
Other Liabilities	12,66,32,000
Rupees	291,71,97,000

ASSETS	Rs.
Notes	43,10,43,000
Rupee Coin	9,94,000
Subsidiary Coin	4,48,000
Bills Purchased and Discounted—	
(a) Internal	24,50,000
(b) External	
(c) Government Treasury Bills	1,25,42,000
Balances held abroad*	142,51,33,000
Loans and Advances to Governments	
Other Loans and Advances	11,92,63,000
Investments	66,10,05,000
Other Assets	6,43,09,000
Rupees	291,71,97,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	43,10,43,000	
Notes in circulation	1073,84,10,000	
Total Notes issued		1116,44,53,000
Total Liabilities		1116,44,53,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		
Government of India Rupee Securities		96,85,63,000
Internal Bills of Exchange and other commercial paper		421,42,08,000
Total Assets		1116,44,53,000

Ratio of Total of A to Liabilities: 53.578 per cent.

Scheduled Banks*
Statement of Affairs for the week ended 25th Sept., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	13,40,33,000†
(ii) Other demand liabilities	5,11,43,32,000
2. Time Liabilities in India:	
(i) Borrowings from banks	2,31,50,000†
(ii) Other time liabilities	3,27,91,04,000
3. Cash in India	31,22,83,000
4. Balances with the Reserve Bank in India	49,84,13,000
5. Balances with other banks in current account in India	10,59,22,000
6. Money at call and short notice in India	17,68,17,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	3,33,87,42,000
8. Advances in India	4,18,14,19,000
9. Inland Bills purchased and discounted in India	41,98,25,000

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

†Besides borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		6th October, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	£	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	£	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	£	1-5⅛	1-5⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478‡	478
Buyers T.T.	Rs.	474‡	474
London on New York	$	2.791-2.79⅛	2.80⅛-2.80⅜
London on Paris	Frs.	981⅛-981⅝	981⅛-981⅝
London on Berne	Sw. Frs.	12.17⅞-12.18	12.17⅜-12.17⅝
New York on London	$	2.79⅛-2.79⅛	2.80⅛-2.80⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	78.64	..	..	1,671	223
Burma	1951	18.47	Kyats 3,166		317	169
Ceylon	1951	7.76	..	..	451	582
Japan	1951	84.30	Y. 4,849,400		6,414	761
Philippines	1951	20.35	Pz. 7,586		1,859	916
New Zealand	1952	2.00	£ (N.Z.) 646		861	4,307
Australia	1951	8.43	£ (A.) 3,388		3,454	4,317
U.K.	1952	50.43	£ 13,648		18,197	3,608
U.S.A.	1952	156.98	$ 290,400		193,290	8,908
Canada	1952	14.43	$ 18,135		8,168	5,662
France	1952	42.60	F. Fr. 10,190,000		13,664	3,254
W. Germany	1952	48.43	Dm. 98,400		11,156	4,301
Italy	1952	46.88	Lr. 8,112,000		6,181	1,318
Norway	1952	3.32	Kr. 16,596		1,106	3,331
Sweden	1952	7.13	Kr. 99,170		5,852	5,122
Netherlands	1952	10.38	Fl. 17,660		2,213	5,104
Denmark	1951	4.30	Kr. 20,716		1,439	5,846
Switzerland	1952	4.82	S. Fr. 20,100		3,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan
Statement of Affairs for the week ended 25th Sept., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Central Government	41,71,45,000
(b) Provincial Governments	1,25,33,000
(c) Banks	16,26,86,000
(d) Others	2,54,49,000
Bills Payable	50,59,000
Other Liabilities	2,12,30,000
Rupees	70,43,57,000

ASSETS	Rs.
Notes	11,08,16,000
Rupee Coin	2,000
Subsidiary Coin	10,000
Bills Purchased and Discounted—	
(a) Internal	
(b) External	
(c) Government Treasury Bills	1,79,85,000
Loans and Advances to Governments	1,83,00,000
Provincial Governments Debtor Balances	8,37,81,000
Other Loans and Advances	9,00,000
Investments	37,34,25,000
Other Assets	9,91,37,000
Rupees	70,43,57,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,08,16,000	
Notes in circulation	200,67,06,000	
Total Notes issued		211,75,22,000
Total Liabilities		211,75,22,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	39,43,75,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
		89,24,80,000
B. Rupee Coin	6,53,34,000	
Government of Pakistan Securities	111,67,33,000	
Internal bills of exchange and other commercial paper	..	
		118,25,67,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,05,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,31,000	
		4,24,75,000
Total Assets		211,75,22,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44.01 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
14th July	1.00	2.81	1.00	2 6 2	9
21st ,,	1.00	2.80	1.00	2 6 2	10
28th ,,	1.00	3.76	1.00	2 6 2	30
4th August	1.50	2.61	1.50	2 6 3	40
11th ,,	1.50	2.02	1.50	2 6 3	43
18th ,,	1.50	1.85	1.50	2 6 5	65
25th ,,	1.50	2.02	1.50	2 6 8	98
8th September	1.50	1.77	1.50	2 6 7	77
15th ,,	1.50	1.84	1.50	2 6 7	80
22nd ,,	1.50	1.96	1.50	2 6 8	89
29th ,,	1.50	2.51	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	99
Total	16.50	27.97	16.50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	18th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2	3
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	8½
France	17th Sept., 1953	4	3½
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3½
Italy	9th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	2	2½
New Zealand	26th July, 1941	3	1½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	..	3
Portugal	15th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	16th Mar., 1949	4	3
Sweden	1st Dec., 1951	2½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1936	5	4
U.S.A.	18th Jan., 1952	1½	2
West Germany	8th Jan., 1953	4	3

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA
(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.99	11.21	111.00	130.97
Protective	88	76	7.35	10.51
On surplus disposals	3	1	8	24
Total import duties	9.40	12.00	118.43	141.76
Export Duties	8.89	6.52	88.88	90.78
Land Customs	16	23	2.62	3.22
Miscellaneous	7	8	1.18	1.12
Gross total customs	13.02	17.83	177.56	236.85
Refunds and drawbacks	14	84	2.63	4.82
Net Customs	12.88	17.45	174.95	232.03
Gross excise	7.69	7.01	92.84	87.04
Refunds	8	19	1.43	1.78
Net Excise	7.61	6.82	81.41	85.26
Net total of customs and excise	20.49	24.27	256.36	317.29

Imperial Bank of India
Statement of Affairs for the week ended 2nd Oct., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts		209,02,83,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,09,01,000
Bills for Collection being Bills Receivable as per contra		66,32,000
Acceptances, Endorsements and Other Obligations as per contra		10,000
Other Liabilities (including Inter-Office Adjustments)		2,52,81,000
Total Rs.		226,23,39,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,21,17,000
Balances with other Banks		5,82,44,000
Money at Call and Short Notice		95,29,000
INVESTMENTS—		
Government and other Trustee Securities	83,09,37,000	
Other Authorised Investments	10,63,71,000	
		94,63,08,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	87,78,06,000	
Bills Discounted and Purchased	10,32,85,000	
		98,10,91,000
Bills Receivable being Bills for Collection as per contra		66,32,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		10,000
Premises less Depreciation		1,81,81,000
Furniture and Fixtures less Depreciation		37,33,000
Other Assets (including Inter-Office Adjustments)		2,10,35,000
Total Rs.		226,23,39,000

SMALL SAVINGS
(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings @	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49 ..	1,54	1,47	76	74	20,40	22,86	83,26	29,91	— 12,31		
1951-52 ..	1,75	6,08	77	2,91	22,08	66,81	1,07,53	74,18	— 27,55	19,10	18,39
1952-53 ..	1,63	6,84	66	3,27	23,66	84,18	1,12,36	91,01	— 31,06	7,54	25,64
July 1952 ..	15	6,83	10	3,08	2,03	73,14	10,29	82,54	— 28,92	74	21,25
August ,, ..	15	6,40	6	3,11	1,76	74,45	8,61	83,76	— 29,16	65	21,89
September ,, ..	10	6,44	3	3,11	1,84	76,71	8,79	84,91	— 29,21	58	22,58
October ,, ..	11	6,48	5	3,14	1,71	78,77	8,35	85,25	— 29,69	55	22,92
November ,, ..	10	6,50	3	3,16	1,71	77,99	8,03	85,54	— 29,99	58	23,48
December ,, ..	8	6,51	3	3,16	1,56	79,54	8,45	86,95	— 30,23	48	23,94
January 1953 ..	10	6,54	4	3,19	2,02	80,77	8,38	86,09	— 30,81	58	24,45
February ,, ..	14	6,61	5	3,22	1,88	82,14	8,38	86,36	— 30,76	62	25,06
March ,, ..	22	6,54	9	3,27	2,66	84,18	13,75	91,01	— 31,06	60	25,64
April ,, ..	11	6,80	5	3,27	2,24	85,95	9,56	93,01	— 31,50	50	26,18
May ,, ..	12	6,83	4	3,29	2,08	87,57	9,55	93,80	— 31,52	56	27,00
June ,, ..	11	6,82	4	3,31	2,25	89,33	9,43	93,80	— 31,78	59	27,56
July ,, ..	1	6,73	11	3,38	2,23	91,02	10,26	95,23	— 32,08	65	28,20
August ,, ..	..	..	..	..	..	..	..	..	..	69	28,87

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. *5-year* and *7-year* National Savings Certificates were issued from June 1941. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*
(Base 1949-50=100)

Group and Sub-Group	Week ended 22-8-'53	19-9-'53	26-9-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	89.2	89.2
1. Government of India	90.1	90.1	90.1
2. Indian States	95.6	95.5	95.5
3. Municipal, Port Trust, etc.	90.3	89.0	89.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	101.3	101.3
1. Electricity	102.4	102.5	102.5
2. Jute	98.6	99.9	99.9
3. Plantations	100.0	100.0	99.9
4. Sugar	99.1	100.1	100.1
5. Coal	90.5	90.6	90.6
6. General Engineering	98.1	101.7	101.7
7. Shipping	101.7	102.9	102.9
8. Others	99.5	100.2	100.2
PREFERENCE SHARES	88.6	85.8	86.9
1. Electricity	99.1	99.0	99.0
2. Cotton	84.7	83.9	83.9
3. Jute	85.9	85.9	86.0
4. Coal	92.3	92.5	92.5
5. Iron and Stee	87.7	85.6	85.6
6. Sugar	74.7	76.1	76.1
7. Paper	88.7	90.5	90.3
8. Plantations	87.6	87.5	87.4
9. Miscellaneous	85.6	85.3	85.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	82.3	81.6	81.6
(a) Financial	85.3	85.8	86.0
1. Banks	84.6	85.2	85.4
2. Insurance	95.3	95.2	95.2
3. Investment Trust	70.9	70.6	72.5
(b) Public Utilities	89.3	89.1	89.1
1. Electricity	89.9	89.1	89.1
2. Shipping and other Transport	83.7	81.7	81.5
3. Railways	86.2	82.6	82.7
(c) Manufacturing Industries	93.2	91.8	91.6
1. Cotton, Woollen and Silk	80.5	78.9	78.7
2. Jute	99.7	97.8	97.5
3. Iron and Steel	149.5	146.7	147.3
4. Paper	111.2	110.2	110.4
5. Cement	102.7	103.6	104.1
6. General Engineering	84.3	84.8	84.6
7. Sugar and Breweries	92.8	93.1	93.5
8. Chemicals	87.7	87.4	88.6
(d) Non-Manufacturing Industries	87.7	74.2	74.3
1. Coal	75.7	76.7	76.7
2. Mining and Oil	112.8	116.5	116.5
3. Plantations	84.7	83.4	84.5
(e) Miscellaneous	85.6	85.1	85.1
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	89.7	89.7
1. Bombay	90.2	90.2	90.2
2. Calcutta	90.5	90.5	90.5
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS:	99.7	101.7	101.7
1. Bombay	101.3	101.6	101.6
2. Calcutta	100.8	100.3	100.2
3. Madras			
PREFERENCE SHARES:	94.8	91.0	91.1
1. Bombay	83.8	83.9	84.0
2. Calcutta	88.5	88.7	88.7
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	100.4	94.7	95.7
1. Bombay	86.7	86.7	86.7
2. Calcutta	92.2	91.8	91.7
3. Madras	85.6	86.2	85.9
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppages of work	Number of workers involved	Number of man-days lost
1950 ..	814	719,883	12,806,704
1951 ..	1,071	691,221	3,818,928
1952 ..	963	809,242	3,336,961
Seven months ended July, 1950	617	352,863	2,159,116
Do July, 1951	765	503,605	2,621,024
Do July, 1952	705	651,106	1,949,996
Do July, 1953	523	314,146	1,352,627
January 1952 ..	95	808,681	674,340
February ,, ..	84	63,180	215,607
March ,, ..	87	42,439	142,498
April ,, ..	134	80,098	254,885
May ,, ..	101	69,881	287,062
June ,, ..	81	60,784	171,268
July ,, ..	82	49,585	148,533
August ,, ..	93	57,876	480,552
September ,, ..	96	78,181	249,818
October ,, ..	96	45,768	278,246
November ,, ..	87	27,625	166,017
December ,, ..	61		
January 1953† ..	85	42,883	244,414
February ,, ..	65	26,477	123,411
March ,, ..	67	35,231	216,207
April* ,, ..	71	37,617	276,216
May* ,, ..	98	80,157(a)	252,059(b)
June ,, ..	79	43,713	108,346
July ,, ..	79	43,713	108,346

* Revised.
† Figures for 1953 are provisional.
(a) Not known in two cases. (b) Not known in six cases.

ELECTRIC ENERGY: GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1951-52 ..	573	5,945.1	4,849.0
1952-53 ..	614	6,201.4	5,134.8
February 1952..	571	480.7	391.0
March ,, ..	573	481.8	392.9
April ,, ..	577	488.6	397.8
May ,, ..	581	500.1	408.8
June ,, ..	583	534.0	419.7
July ,, ..	592	531.4	424.7
August ,, ..	593	530.8	430.6
September ,, ..	599	548.2	441.8
October ,, ..	608	559.7	453.4
November ,, ..	608	552.2	457.8
December ,, ..	608		
January 1953 ..	611	535.5	441.8
February ,, ..	614	496.8	417.4
March ,, ..	614	538.0	455.7
April ,, ..	614	530.9	438.1
May ,, ..	616	560.4	458.1
June ,, ..	620	544.8	450.2
July ,, ..	625		

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	19th Sept., 1953	12th Sept., 1953	20th Sept., 1952	August, 1953	August, 1952	Percentage of increase (+) or decrease (−) in Aug., 1953 as compared with Aug., 1952	1952	1951
Food Articles	398.6	400.5	385.0	407.0	372.9	+ 9.1	368.8	409.8
Cereals	466	475*	457	490	464	+ 5.4	450	483
Pulses	485	476	520	504	508	− 0.8	488	506
Other	288	283	224	288	224	+28.1	235	290
Industrial Raw Materials	477.8	483.9R	462.6	488.7	446.4	+ 9.5	453.8	502.8
Fibres	419	424	453	435	432	+ 0.7	454	522
Oil seeds	646	656	516	661	506	+30.6	484	679
Minerals	459	463	454	463	454	— 1.9	458	458
Others	377*	373*R	341	361	316	+14.2	341	333
Semi-Manufactures	386.5	388.0R	380.9	384.7	351.6	+ 3.9	346.8	377.5
Leather	397	401	391	406	382	+ 6.3	348	453
Mineral oils	227	227	226	226	226	..	221	197
Vegetable oils	575	549R	464	595*	475	+25.3	459	679
Cotton yarn	445	445R	453*	442	453*	— 2.4	468*	488
Metals	223	224	217	223	216	+ 2.8	211	197
Oil Cakes	445	439	476	439	455	− 3.5	440	506
Others	301	301	254	280	264	+ 6.1	278	320
Manufactured Articles	362.6	364.0R	371.0	370.8	368.4	+ 1.2	377.8	388.8
Textiles	399	400R	412	411	402	+ 2.2	423	463
Jute	384	377	497	416	419	− 0.7	508	503
Cotton	410*	410*R	389*	415*	389*	+ 6.7	401*	400*
Rayon and Silk	393*	393*	503*	409*	497*	−17.7	484*	511*
Woollen	310	310	280	320	255	− 9.9	266	278
Metal products	337	337	328	337	328	+ 2.7	251	243
Others	295	295	255	297	285	+ 4.0	298	300
Miscellaneous	716.0	718.5	628.5	708.0	635.4	+11.1	635.6	728.8
All Commodities	404.0	405.8	388.9	410.4	387.4	+ 5.9	388.9	438.3

* Estimated. R—Revised.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944—100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	—	330	260	330	451	391	370	334	142	178	141	160	168
1952 ,,	142	337	259	310	441	380	351	330	143	174	142	155	150
January 1952	146	321	246	325	443	393	397	338	142	179	147	162	156
February ,,	144	324	241	318	441	383	385	336	141	178	148	163	153
March ,,	135	313	233	290	412	378	346	333	136	177	140	150	143
April ,,	141	345	262	331	418	377	339	336	146	169	138	153	144
May ,,	140	339	264	318	412	376	339	337	146	168	141	153	143
June ,,	140	338	263	309	424	375	342	336	145	171	141	153	148
July ,,	142	330	263	304	436	377	354	331	145	178	143	161	153
August ,,	144	340	267	313	440	390	369	330	145	178	143	160	157
September ,,	143	341	269	310	443	391	366	328	142	178	143	157	158
October ,,	144	348	274	311	446	381	368	327	146	179	143	154	150
November ,,	143	347	271	306	439	380	357	328	145	176	139

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,424	20,741
Wheat	tons	24,041	23,450	6,762	6,039
Jowar	tons	41,945	39,144	6,038	5,944
Bajra	tons	25,392	22,659	2,922	2,299
Barley	tons	7,500	7,835	2,664	2,293
Maize	tons	8,798	8,073	2,807	2,021
Ragi	tons	5,368	5,390	1,235	1,212
Gram	tons	17,267	16,857	3,771	3,298
Rabi Pulses*	tons	11,593	11,659	2,063	2,047
Small Millets	tons	12,170	11,834	1,932	1,891
Jute	bales	1,884	1,951	4,696	4,678
Cotton	bales	15,678	16,198	3,050	3,133
Sugarcane	tons	4,576	4,792	5,260	6,068
Groundnut	tons	11,862	11,798	2,994	3,045
Linseed	tons	3,394	3,402	855	816
Castorseed	tons	1,849	1,428	107	105
Rape and Mustard Seed	tons	5,155	5,915	828	916
Sesamum (supptons		5,751	5,845†	451	438
Tobacco (supp)tons		794	712	219	205
Pepper	tons	203	202	22	23
Ginger	tons	46	47	14	15

Source: Ministry of Food and Agriculture.

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

* Excluding gram.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Aug., 1953	68.1
	Corresponding month 1952	74.3
	Two months ended Aug., 1953	146.5
	Corresponding period 1952	158.1
Stocks	At the end of Aug., 1953	133.5
	Corresponding month 1952	93.9
		(In 000 bags)
Exports(Jute Bags)	Week ended 22nd Aug., 1953	20.82
	Corresponding week 1952	20.33
	From 1st Jan., to 22nd Aug., '53	17,57.35
	Corresponding period 1952	20,71,63
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 22nd Aug., 1953	1,11.03
	Corresponding week 1952	1,14.07
	From 1st Jan., to 22nd Aug., 1953	79,65.06
	Corresponding period 1952	65,37.01
	RAW JUTE	(In 000 bales)
Exports*	Week ended 22nd Aug., 1953	—
	Corresponding week 1952	—
	During May, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	August, 1953 (in lakh bales)	3.95
	Corresponding month 1952	4.81
	Two months ended August, 1953	8.49
	Corresponding period 1952	9.17

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10,87,100	7,99,800
Do 31st March, 1953..	11,58,000	10,81,900	7,91,800
April to September, 1953 ..	4,68,600	4,27,000	3,08,500
July 1952	93,400	91,000	66,800
August	1,00,700	90,800	67,700
Sept., ...	94,200	84,800	64,600
July 1953	91,100	86,100	64,800
August	94,100	83,400	63,700
Sept., ...	94,200	91,100	61,000
Indian Iron and Steel Co.			
Jan. to August, 1953	8,60,840	2,23,910	1,40,440
April 1953..	82,210	30,980	19,000
May	67,810	32,850	19,700
June	36,730	23,940	13,000
July	21,750	8,370	4,610
August	20,230	7,710	4,190

FOREIGN TRADE OF INDIA

Particulars	May		Two Months, April & May	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	15,27	27,14	31,02	56,02
Raw materials	14,54	25,16	30,94	47,73
Manufactures	25,37	27,36	48,29	52,58
Other items	41	73	80	1,47
Total	55,39*	78,38*	111,05*	157,78*
By land	66	1,85	1,37	3,05
Total Imports ..	56,05	79,73	112,42	160,83
Exports :				
By sea and air—				
Foodstuffs	9,23	9,19	17,44	15,52
Raw materials	10,02	12,99	21,37	25,15
Manufactures	20,05	29,31	38,34	48,43
Other items	51	39	70	74
Total	39,86	47,88	77,85	89,84
By land	41	3,00	78	5,72
Total Exports ..	40,27	50,88	78,63	95,56
Total Re-exports ..	70	26	1,20	67
Balance of trade in merchandise ..	—16,02	—29,66	—35,97	—64,84
Balance of transactions in private treasure	—1	—1	—1	—1
Total visible balance of trade.	—16,03	—29,67	—35,98	—64,85
Imports :				
Total C'wealth countries ..	22,75	21,87	46,71	44,60
Total Foreign countries ..	32,64	56,51	64,34	113,18
Exports :				
Total C'wealth countries ..	18,24	22,88	35,47	42,80
Total Foreign countries ..	21,62	25,00	42,38	46,24

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

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June 1953	June, 1952	May, 1953	June, 1953
Eastern Zone																					
Ramra	x	163	176†	x	142	142	x	127	132	x	132	137	x	118	105†	x	x	x	x	102	98
Malbang	270	224	218	148	167	160	195	189	199†	200	191	196	125	125	125	235	199	199	246	310	310
Shankargarh ..	157	181	181	137	139	139	149	169	194†	149	168	186	120	113	113	150	120	120	191	194	194
Sonalli	197	374	374	158	198	197	121	134	149†	141	187	197	89	89	89	138	130	129	144	137	168†
Northern Zone																					
Multapi	116	131	139	115	158	156	169	183	185	148	169	171	123	123	123	152	166	166	189	200	200
Nana	215	227	232†	86	93	96	129	125	136†	137	141	145	104	114	114	217	215	215	176	209	208
Salamatpur ..	217	224	244†	197	178	178	176	226	241†	188	218	231	145	128	135	214	156	160	243	200	200
Southern Zone																					
Krishna	144	153	163†	149	159	165	154	154	168†	149	155	165	101	100	98	168	122	122	136	155	161
Lakh	181	206	209	172	175	185†	153	163	174†	160	172	181	116	134	136	133	133	134	207	175	175
Mahur	171	210	216	128	143	147	137	154	163	143	164	172	97	100	100	402	195	195	163	173	171
Meniguda	268	208	207	265	240	308†	197	194	201	219	206	214	129	122	125	206	184	184	222	189	189
Rudchi	259	229	244†	252	267	282†	202	198	216†	222	217	234	129	129	129	139	139	139	259	281	279

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 1st Oct., 1953	20,903
	Corresponding week, 1952	46,630
	1st to 1st Oct., 1953	73,522
	Corresponding period, 1952	1,60,686
Cotton Exports	Week ended 1st Oct., 1953	3,576
	Corresponding week, 1952	6,131
	1st to 1st Oct., 1953	4,999
	Corresponding period, 1952	55,521
Mill Consumption	1st to 1st Oct., 1953	1,08,500
	Corresponding period, 1952	89,600
Stock (with exporters dealers and mills)	On 1st October 1953	8,40,848
	Corresponding date, 1952	5,32,557
Karachi (Pakistan)*		
Receipts	Week ended 26th Sept., 1953	2,136
	Corresponding period 1952	5,293
	1st to 26th Sept., 1953	8,284
	Corresponding period, 1952	13,337
Exports	Week ended 26th Sept., 1953	21,308
	Corresponding period, 1952	9,800
	Week ended 26th Sept., 1953	45,051
	Corresponding period, 1952	19,600

Particulars	From 1st to 5th Oct., 1953 Bales	From 1st to 5th Oct., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	100	622
Continent	1,298	15,386
China	132	124
Japan	5,002	39,694
U.S.A.	—	2,462
Other Countries	84	878
Cotton to all foreign countries	6,676	59,161
Coastal Ports	6,429	7,509

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	June, 1953	3,03,878
Foreign		70,130
Indian	Ten months September 1952 to June, 1953	29,86,605
Foreign		7,04,211
Indian	Same Period 1951-52	24,23,913
Foreign		8,87,469
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1953	12,03,647
Foreign		2,07,581
Indian	As on 30th June, 1952	13,66,302
Foreign		4,33,470
	1st to 18th Sept., 1953	140
	Corresponding week, 1952	175
Cotton Pressed †	1st to 25th Sept., 1953	3,376
	Corresponding period, 1952	4,118

* As reported by the Karachi Cotton Association Ltd. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101
4 % Bonds	1926-33	63,30,26,000	1960-70	102
3 % Loan	1938-39	1,16,17,46,000	1965-65	92½
3 % Loan	1950	30,33,10,000	1964	92½
3 % Loan	1943	1,10,11,78,000	1966-68	90½
3 % V. Loan	1944	1,14,06,89,000	1957	98½
3 % Loan	1945	1,15,05,83,000	1970-75	86½
3 % Loan	1945	1,13,65,64,000	1959-61	96½
3 % Loan	1951	50,35,63,000	1958	98½
2½% Loan	1946	45,63,07,000	1960	91½
2½% Loan	1946	57,00,49,000	1961	90½
2½% Loan	1946	35,06,06,000	1954	98½
2½% Loan	1946	14,77,48,000	1956	94½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98½
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100½
4½% Loan	1928	3,85,20,000	1958-68***	103
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 % Bombay	1944	3,64,00,000	15th Aug. 1958	97½
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	3,01,87,700	31st July 1960	94½
3 % Bombay	1951	3,04,06,500	17th Sept. 1962	93
3 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101½
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99½
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah				
Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 % Madras	1939	1,29,76,600	21st June 1959	95½
3 % Madras	1942	1,23,25,800	18th Sept. 1955	99½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98–9½
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 % Madras	1945	2,82,19,000	14th Sept. 1960	93½
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91½
2½% Madras	1950	4,47,00,000	31st July 1960	93½
3 % Madras	1951	3,00,00,000	17th Sept. 1962	93
3½% Madras	1953	5,00,00,000	15th July 1963	100½
4 % Madras	1953	5,00,00,000	1st Aug. 1964	100
4 % Madras	1952			
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104½
4 % Mysore(J)	1933	2,93,85,200	1st Dec. 1953–63	100½
3 % Mysore(J)	1936	3,99,72,900	30th April 1956–61	98½
3 % Mysore	1947	5,00,05,700	25th Jan. 1962	99½
3 % Mysore	1953	3,00,00,000	15th July 1963	99½
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,00,000	14th Sept. 1956	98½
3 % M.P.	1944	52,69,800	15th Aug. 1958	96½
3 % M.P.	1948	2,03,28,800	15th Sept. 1966	91½
3 % M.P.	1950	1,01,44,700	31st July 1960	94½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97½
3 % M. P.	1953	1,00,00,000	15th July 1963	99½
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99½N
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99½N
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99½N
3 % Punjab**	1945	2,93,81,600	14th Sept. 1960	98½N
3 % Travancore	1944	3,00,00,000	15th May 1952–54	99½
3½% Travancore	1936	90,00,000	16th Aug. 1956	99½
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,61,96,500	15th Sept. 1961–66	90½
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97
3 % U.P.	1945	2,24,80,300	14th Sept. 1960	94½
2½% U.P.	1946	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97½
3 % U.P.	1952	4,11,33,700	1st Aug. 1964	99½
4 % U.P.	1953	5,00,00,000	15th July 1963	99½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
33,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99½N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
35,00,000	4	1915	1975	113N
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	4	1926*	1962	
35,00,000	3½	1929*	1939	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98½
21,75,000C	4	1915	1975	99½
68,02,300C	3½	1921	1981	79
1,50,00,000C	4½	1921	1981	144N
1,24,06,300	4½	1923	1955–85	103
98 21 600	5½	1926	1956–86	104½
99,84,500B	5	1926	1956–86	103½
1,49,46,500B	5	1927	1957–87	103½
1,49,30,000	5	1928	1958–88	104
80,00,000	4½	1931	1991	92½
21,75,000C	4½	1934	1994	99½
60,00,000	3½	1935	1965	96½
25,00,000	3	1938	1963–68	88
40,00,000	3	1939	2005	70N
30,00,000	3	1943	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1947	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	84½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1980	84
1,00,00,000	3	1950	1980	84
50,00,000C	3	1950	1980	80
1,50,00,000	3½	1951	1981	97½
50,00,000	4	1953	1983	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953–83	£86½
£901,000	5	1924	1954–84	£86½
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1913	1982	
32,14,944	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
17,46,044	5	1920	1982	
2,15,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952†	M
4,47,397	5½	1923	1952†	
STERLING LOAN				
£330,000	5½	192	1953	£101N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
23,00,000	4	1912	1972	
30,00,000	4	1913	1973	
50,00,000	4	1914	1974	
23,00,000	4	1916	1976	
40,00,000	5	1916	1957–79	
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	
25,00,000	4	1927	1961–70	
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	100
35,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
49,40,000	4	1913–14	1954	99½
20,50,000	4	1914–15	1955	99½
20,00,000	4	1913–15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	5	1924	1954	102½
25,00,000	5	1928	1958	
26,14,000	5	1929	1949–59	103
9,45,000	5	1929	1954–59	102½
78,21,500	5	1929	1959	
8,25,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100
2,00,00,000	3½	1951	1966	97
CALCUTTA				
Rs.				Rs.
34,45,500	6½	1925	1955	105½
84,70,000	6	1925	1955	104½
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
23,00,000	5	1929	1959	103½
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	93½
60,00,000	3	1936	1966	88½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	99½
4,67,100	3	1937	1954	99½
1,62,500	3	1937	1954	98½
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1968	88½
10,67,700	3	1938	1955	97½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99½
Rs.				Rs.
MADRAS				
5,00,000	4	1903	1953	101N
5,00,000	4	1923	1953	107N
3,40,000	6	1925	1955	107½N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees.
(e) This includes the amount of loan converted into First Development Loan 1970-75. (J) Income-tax free. A=Held by Government of India.
Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1953. **Quotations in Pak. Currency. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	140xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1923	7	July Apr.	110	100
†East India Distilleries ..	6,75,000(c)	1940	7B	Dec. ..	71	100
Gwalior Sugar	5,00,000	1940	7B	Dec. ..	75	100
Do. (Non-redeem.)	6,00,000	1922	10	Oct. ..	15½	10
Purtabpore Co.	4,00,000	1933-36	6	Aug. ..	103	100
Rammuggur Cane	20,00,000	1943	5½	Jan. Apr.	70	100
Ravalgaon Sugar	20,00,000	1936	7(a)	Oct. ..	60N	100
South Behar Sugar	13,00,000	1946	5(c)	Dec. ..	6½	10
Travancore	12,00,000	1932	5	Dec. ..	90N	100
Upper Ganges	15,00,000	1946	5(a)	Dec. ..	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	120½	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	8	10
Equitable	2,00,000	1895	6	Mar. Sept.	119xd	100
Karaspura Collieries ..	7,50,000	1946	5½(a)	.. ..	92	75(pp)
†††Khas Kajora	1,93,000	1931	7	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oodalf	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1918	6½	Nov. ..	8½	10
Benares Cotton	1,03,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	92	100
Bradbury	14,75,000	1919	7	June Dec.	320½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodias	1,00,000	1928	7	Apr. ..	129	100
Central India	1,00,000	1912	5	Apr. Oct.	518½	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	98	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	90	100
Kesoram	20,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1947	6	.. ..	89½	100
Do. (2nd)	12,00,000	1937	6	Nov. ..	108½	100
Kothari	12,00,000	1896	5(a)	.. ..	233½	250
Lakshmi Cotton (Bombay) ..	17,25,000	1947	4½	January ..	78	100
Morarjee Gocukdas Spg. & Wvg.	30,00,000	1944	4½	Jan. July	108	50
Mulr Mills	7,43,950	1940	4½	.. ..	185	100
Mysore Spg.	8,00,000	1913	5½(a)	Mar. ..	200	200
New Great	26,05,500	1920	6	Apr. Oct.	3½	5
New Victoria	10,00,000	1943	6	Feb. ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, *if any*, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5			12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49	100	6 0	6 0	Nil		3	Y.P.T.
2,50,98,000	2,16,13,960	3,77,02,960	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	363½	250	17 8	20 0	20 0	7 8(I)	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramniranjan Sons, Ltd.	38,532	860	Bradbury Mills	700	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	262xd	100	18 0	20 0	20 0	8 0(I)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	3,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	59½	100	*Nil* *Nil*	7 8	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	111½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	65½	50	*Nil*	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,15,000	5,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	223½	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulira) & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	42	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	250	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0	225 0*	3	Y.P.
2,00,00,000	1,28,57,778	4,41,45,022	3,07,00,000	5,89,816	Agarwal & Co.	2,40,842	6,412	India United Mills	98	250	43 12½	50 0	50 0	56 4*	12	Y.
50,00,000									1-16	10	0 12½	1 1½				
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co	47,172	1,191	Indian Mfg.	1D	10	0 2	0 4				
29,92,500	52,94,149	1,84,28,927	1,41,34,519	23,965	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	1,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,031	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	284	100	18 0	25 0*	18 0	6 0(I)	12	Y.
28,80,000A }									86½	100A	7 8	5 1	6 4			
3,60,000B }	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills		20B	1 8	1 0	1 4		6	Y.P.
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	50	4 0	7 0	5 0		10	Y.T.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	182½	100	17 0	15 0	12 0		6	Y.P
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation	118½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,033	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	151½	100	12 8	15 0	10 0		12	Y.P.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	146	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,352	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	116½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	121½	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,93,360	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	25	10	0 12	1 0	1 0		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills	172½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	129xr	50	14 0	17 0	13 0(p)	15 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	303½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	242½	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,399	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	33,804	592	Swan Mills	311xr	100	20 0	25 0	30 0		12	Y.
32,54,438	59,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	40	25	2 0	4 0	2 0		12	Y.T.
12,00,000	60,55,708	98,62,654	75,30,000	6,246	*Thackersey Mooljee Sons & Co.*	45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
33,00,000	42,32,790	54,40,138	49,49,829	8,432	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	137½	100	8 0	12 0	10 0		6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	435	100	15 0*	20 0*			12	Y.P.
21,00,000	2,07,43,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	720	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,85,169	81,39,993	51,30,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Arvindas Ginning & Mfg.	1,303	100	20 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	465	100	17 0	22 0	22 0		12	Y.P.
1,24,77,075	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,400	Calico	308	125	12 8	18 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	1,003½	500	55 0	70 0	70 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	572	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	615	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	757½	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	46,680	1,093	Ramagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	*Nil*		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lalubhai Gordhandas Ltd.	33,156	640	Rohit Mills	130	100	10 0	9 0	10 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambika Mills	320	50	13 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	816	Vijaya Mills	497½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3½	10	0 8	0 5	*Nil*		12	Y.P.T
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	37N	40	*Nil*	3 0	3 0		3	Y.
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	282	100	*Nil*	*Nil*	*Nil*		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	168	100	*Nil*	7 0	*Nil*		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	193	13	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,33,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	*Nil*	*Nil*		12	Y.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagarpa Textiles(Cochin) Ltd.	6½	10	0 14 2/5	0 9 3/5	*Nil*		12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Asam Jahi Mills	65N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,345	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270	100	17 8	20 0	15 0	10 0(I)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	10	1 4	2 0	2 0		6,12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	*Nil*	2 8	3 0		3	Y.
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	121	100	6 14	7 8	4 0	4 0(I)	12	Y.P.T.
20,00,000	16,31,836	30,52,641	15,31,870	93,399	Perrey, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	11½	10	*Nil*	1 4	1 0		12	Y.P.
30,00,000	21,97,992	56,31,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	6½	9	0 9	0 9	0 9	0 9	3	Y.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	19,700		Coimbatore Cotton Mills	157	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	23,84,987	13,33,422	1,33,496	T. R. N. *Naidu* & Co.	19,700		Coimbatore Pioneer Mills	117	100	7 0	5 0	5 0		12	Y.P.
20,76,900	4,40,358	1,10,86,316	66,17,387	—2,70,999	R. O. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	39	50	2 8	5 0	2 0		6	Y.P.
46,87,500	94,72,298	2,04,37,857	1,36,21,766	—16,28,224	Tata Industries, Ltd.	1,15,188	2,062	Central India	148½	100	10 0	12 0	2 0		6	Y.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Delhi Cloth & General Mills	73,604	1,830	Delhi Cloth & General Mills	30½	25	1 0	2 8			6	Y.P.
1,00,505									2½	2½	*Nil*	*Nil*	4			
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	185	100	25 0	20 0	10 0		12	Y.
63,00,000	1,40,00,000	1,70,67,541	1,05,71,850	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	178	100	1 2	1 8	1 8		9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Bridge & Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	228	100	10 0	14 0	17 0*	5 0(I)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	91½	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	50	50	3 0	7 8	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	34,377	Kothari & Sons	33,824		Kothari Textiles	103	10	0 11	0 12	0 12		12	Y.T.
32,00,000	70,45,343	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	560	250	37 8	50 0*	37 8		6	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	79	50	4 0	4 0	5 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	391	25	2 0	3 0	3 0	2 8	12	Y.
12,00,000	4,17,361	41,32,416	15,32,690	—22,590	A. L. A. R. S. Chettiar and 2 others.	21,856		Malabar Spg. & Wvg.	126	200	8 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	192½	100	25 0	12 8	12 8	12 8	3	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	91	100	6 0	6 0	5 0		12	Y.
94,91,850	25,59,837	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	140	250	15 0	7 8	7 8		6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	206	100	*Nil*				12	Y.P.
19,86,800	66,50,072	93,64,233	59,85,374	42,197	N. Sirur & Co., Ltd.	49,632	500	Mysore Spg. & Mfg.	122½	50	10 0	9 0	10 0*	10 0*	2	Y.P.
13,61,780	2,58,745	29,34,399	15,36,624	2,232	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	5½	10	0 8	0 10	*Nil*	*Nil*	3	Y.
22,89,883O									5	O. 2½	*Nil*	*Nil*	*Nil*			
3,07,095D	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	D. 1	D. 1	*Nil*	*Nil*	*Nil*		12	Y.P.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	90N	100	5 8	6 8	7 0		9	Y.
4,00,000A									64½	50A	5 0	8 0	7 8			
6,00,000B }	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	89	75B	7 8	12 0	11 4		12	Y.P.
15,00,000									71	100	7 4	3 0				
16,81,200A	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	138½	100 A	16 0	16 0	6 0		12	Y.
8,40,600B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	*Radhakrishna Mills*	76½	50B	8 0	8 0	8 0		12	Y.
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	4½	10	0 8	0 8	0 8		12	Y.P.
60,00,000	62,66,308	1,03,26,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	32,580	600	Raza Textiles	4½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	6,531	G. Liladhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75½N	100	6 0				12	Y.
7,79,700	2,24,939	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36	10	*Nil*	3 0			8	Y.
16,00,000	1,58,35,370	2,82,47,402	2,03,31,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,610	1,000	*Nil*	*Nil*	*Nil*		3	Y.P.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Palteçar, Esq.	25,200	292	Sri Krishnarajendra Mills	46	50	4 0*	4 0*	3 0*	4 0*	3	Y.
15,00,000	93,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.	27,340	992	Sutlej Cotton Mills	57N	10	4 0	4 0	4 0		3	Y.
17,50,000D }									91	100	0 8	0 8				
1,87,50,000PO }	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	10P.O.	0 14 2/5	0 14 2/5			12	Y.P.
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.	5,000		Travancore Rayons	5	10	*Nil*	*Nil*	*Nil*		12	Y.P.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000		Trichunopoly Mills	8½	10	1 0	1 0	0 11 1/5		12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	160	100	9 0	10 0	12 0		12	Y.P.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	143½	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs *from profit* by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8½	25	*Nil*	2 13¾	*Nil*		5	Y.P.
16,20,630	14 30,304	22,75 857	9,87,293	13,649		Dyer Meakin Breweries	20½	10	*Nil*	1 2¾	*Nil*		3	Y.P.T.
£80,000A }	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	6½	5	1 0	0 8	0 8		3	Y.
£300,000B }							15§	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	21	B. £1	Sh. 1	Sh. 1	Sh. 1			
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	4N 159½	5 75	*Nil* 11 4	*Nil* 7 8	15 0	15 0	8 3	Y. Y.
CEMENT														
£1,37,700A. }														
39,63,334B. }	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	10½	101	3 12	7 8	7 8		12	Y.P.T.
43,14,600O }							3½	A. 100 B. 10	0 6	0 12	0 12			
4,70,976D. }	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3½	O. 10	0 6	*Nil*	*Nil*		3	Y.T.
10,36,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	3½	D. 10	*Nil*	*Nil*	*Nil*		3	Y.
60,00,000O. }							17½	100	8 8	9 8	9 8		7	Y.
26,49,797O }	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	6½	O. 10	0 8	0 10	0 10			
50,00,000D }							1	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
62,50,000O. }	4,00,000	1,43,54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd.	4N	D. 1	*Nil*	*Nil*	*Nil*			
7,50,000D. }							16	O. 25	*Nil*	*Nil*	1 4	*Nil*	3	Y.P.
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement	3½	D. 5	*Nil*	*Nil*	0 4	*Nil*		
							6½	5	0 3½	0 6§	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	2½xd	2½	0 2	0 2½	0 2½		12	Y
10,00,000	21,89,785	53,01,488	31,14,250	15,680	Burd & Co., Ltd.	Bisra Stone Lime Co.	29½N	10	0 14	0 14	0 14		3, 9	H.
£914,200	£846,000	£1,643,983	£840,110	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2½	Sh. 2	Sh. 2	Sh.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	40½	25	1 4	1 9	1 9		6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	165	100	4 0	5 0	5 0		3,9	H.
25,00,000	13,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½	10	0 8h	0 12	1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	34	10	0 12	1 0	1 0*		3,9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	1 8	1 0	1 0			
20,00,000	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½	O. 10	Nil	Nil	0 4		6,12	H.P.T.
10,00,000A.							9½	A. 10	Nil	0 4	0 4		3,9	H.P.T.
56,00,000A.							35½	A. 10	0 10*	1 0*	1 0*	1 0*		
56,04,800B.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	P. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35½	B. 10	1 0*	1 0*	1 0*	1 0*	3,9	H.P.
4,37,500P.O.							4½	P.O. 2½	0 2	0 2	0 2	0 2f		
PRESSING														
8,00,000	5,92,365	13,58,964	10,46,391	30,468	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	90,000	6,89,323	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	3 0	5 0	5 0		7	Y.
5,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,780O.	6,02,582	42,65,284	19,09,280	419	S.J.A. Basil, Esq., & others (Directors)	Humayun Properties	101	O. 10	0 9 3/5	0 9 3/5	0 8			
2,00,000D.							1½	D. 1	Nil	Nil	Nil		9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882		David Sassoon & Co., Ltd.	Port Canning Land	22½	100	2 0	3 0	3 0			
94,00,000	35,36,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary	33½	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading	337	Old 125	15 0	37 8	22 8	5 0(t)		
6,00,000		2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd.		124	New 50	6 10	15 0	9 0	2 0(t)	5	Y.
13,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Bengal Timber Trading	40N	100	3 0	Nil				
						Indian Wood Products	31	10	3 8	3 8	3 0		6	Y.P.
													9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,419	37,27,464	25,16,456	18,412	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	8½	5	Nil					
12,00,000A.														
3,00,000B	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	120N	A. 100	6 4	10 0	10 0	Nil		
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.		11½N	B. 10	0 10	1 0	1 0		6	Y.P.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Belsund Sugar	8½	75	Nil	0 10	0 12		4	Y.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Bharat Sugar	16½N	10	1 0	1 8	1 8		9	Y.
15,00,000	35,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Carew & Co.	7	10	Nil	Nil	Nil		6	Y.P.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd.	Champaran Sugar	36½	10	2 0	3 0	2 0		6	Y.P.T.
35,00,000A.							36½	10	2 0	3 0	2 0		10	Y.P.
10,00,000O.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	24½	10	1 8	2 0	2 0		6	Y.
							130N	A. 100	6 0	9 0	12 0*			
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	50N	O. 100	6 0	9 0	12 0*		6	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	25N	40	1 8	2 0	Nil		7	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	25	10	1 0	2 8	2 8		6	Y.P.
1087,500 A.							16½N	10	1 0	1 8	1 8		6	Y.P.
2,11,875 B	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills	8½	10	Nil	Nil	Nil		5	Y.
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.		180N	15	3 0	20 0	20 0			
12,00,000	12,71,178	28,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Oudh Sugar	45N	25	3 12	5 0	5 0		6	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Punjab Sugar	100N	100	3 0	11 8	11 8		7	Y.P.
8,00,000	6,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	95N	100	6 0	10 0	6 0		10	Y.
11,99,000	17,24,706	36,11,360	20,82,129	23,281	Begg, Sutherland & Co., Ltd.	Ryam Sugar	14½	10	1 0	2 0	1 0		10	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Samastipur Central Sugar	17N	10	1 0	2 0	1 0	0 8	6	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shree Krishna Gyanoday Sugar	14½	10	1 0	2 0	1 0		6	Y.
							10N	10	0 6	1 0	1 8		7	Y.P.
6,50,000O.	47,625	27,92,174	11,46,770	—14,73,656	N. K. Jain & Co., Ltd.	Sitalpore Sugar	6½	10	Nil	0 8	0 6½		6	Y.
1,75,000D.							11N	O. 10	Nil					
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	South Behar Sugar		D. 24	Nil				10	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	Upper Ganges Sugar	20N	10	1 12	2 0	2 0		6	Y.P.
						United Provinces Sugar	13½	10	0 4§	2 0	1 8		9	Y.
Other Centres														
46,99,750	69,25,010	64,21,553	47,76,406	89,148	W. H. Brady & Co., Ltd.	Belapur Company	248	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,646	37,63,451	30,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	5 0	3 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334		India Sugar and Refineries	21½	10	1 8	2 8	2 8		9	Y.P.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	103N	10	0 12	1 0	0 12		10	Y.
21,79,280	90,00,000	94,96,031	62,24,558	8,27,296	A. G. Bardi Gowda, Esq. (Managing Director)			10	0 12	1 0	0 12			
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kanitkal Ltd.	Mysore Sugar	43½	10	2 0*	2 0	2 0		6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Phaltan Sugar	91	50	8 0	8 0	8 0		9	Y.
20,00,000O.						Ramnuggar Cane and Sugar	18½	10	0 9§	0 12	2 0		9	Y.
4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N	O. 10			0 12		8	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	7N	D. 10	7 0	9 0	10 11§		9	Y.P.T.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	10N	10	1 0	1 4	0 12		10	Y.
77,50,000A.							44	Nil	Nil	Nil	Nil		7	Y.P.
23,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	146§	A. 100	12 0	14 0	14 0		9	Y.P.T.
								O. 100	12 0	14 0	14 0			
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	135	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	84	100	3 0	4 0	5 0		10	Y.
£655,580	£1,123,737	£2,428,105	£1,428,105	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	70½	£10	Nil	Nil	Sh.10		12	Y.
2,25,00,000	56,99,233	3,87,91,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil	Nil	0 8		3	Y.P.T.
6,59,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	13-14½	15	Nil	Nil	0 8		3	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,338	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	660	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,343	Walch & Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0			
25,00,000	1,00,000	25,18,130‡§	8,079	8,955	Dena Bona, Ltd.	Devkaran Nanji Investment Co.	9	25	1 0	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	4 0		3	Y.
99,99,250	18,35,375	1,26,92,333‡§	10,033	1,85,238	Premchand Roychand & Sons	Industrial Investment Trust	64	100	4 0	4 8	4 8	Nil	3	Y.P.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	B. D. Sheppard, Esq. (Mg. Director)	Killick Industries	153½	100	8 8	9 0	10 0		12	Y.
2,06,71,500A.	5,64,431	2,20,32,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	120	75	2 2	2 0	2 0	4 0(t)	6	Y.
10,00,000B.							38½	A. 100	Nil	Nil	Nil	2 0(t)		
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)		—	B. 10	Nil	Nil	Nil		8	Y.
2,20,00,000	1,39,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Ryder, Esq. (Managing Director)	United Motors (India) Ltd.	40	20	2 0	3 0	3 0		9	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	Western India Match Co.	24½	100	11 0*	11 0*	11 0*		12	Y.
						W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½	O. 10	Nil	Nil	Nil	Nil.	3	Y.P.T.
2,50,000D.							2	D. 24						
20,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	17#	10	1 12	2 8	1 4		3	Y.P.T.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	22	10	1 12	2 0*	1 4*	0 8	9	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	28	10	0 9 3/5	0 9 3/5	1 4*		12	Y.
80,00,700O.							265	O. 100	20 0*	25 0*	20 0*	5 0(t)		
10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	40	D. 40	6 0	8 0*	6 0*		12	Y.
20,00,000	8,38,806	54,303.140§§		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	15½	10	0 12	0 12	0 12			
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. E. Parsons, Esq. (Mg. Director)	Britannia Biscuits	10½	10	1 4	1 4	0 12	0 8	9	Y.P.
3,25,00,000	1,05,00,000	2,23,39,029	1,84,14,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd.	8—10§	5	0 12	0 12			9	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	3	10	0 12	0 12			12	Y.P.
51,20,000	47,57,061	1,26,55,420§	....	1,15,439	Bird & Co., Ltd.	Eastern Investments Ltd.	29½	10	2 0	3 0	1 8		12	Y.P.T.
7,00,000	16,97,000	23,07,609	18,10,721	30,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	139	100	9 0	9 0	9 0		12	Y.P.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,554	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	178	100	10 0	12 8	20 0		9	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	Great Eastern Hotel	Hind Cycles	135	10	1 0	1 0	1 0		3	Y.
12,42,800	3,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hindustan Motors	261	250	15 0	15 0	15 0		3	Y.P.
4,96,12,650	1,92,80,000	5,61,59,292	57,52,719	3,47,260	Birla Bros., Ltd.	Indian Aluminium Co.	100N	100	7 8	7 8	8 0		12	Y.
1,60,00,000	38,65,000	3,07,88,193	1,31,00,033	22,17,857	J. W. Emerson, Esq. (Genl. Manager)	Indian Cables	3—12½	10	Nil	Nil	20 0	20 0§	12	Y.P.
1,52,89,320	99,40,984	37,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Rubber Manufacturers	102	100	3 8	5 0	5 0		3	Y.
8,27,970	5,38,000	14,39,460	7,97,308	38,563	O. S. Moulton & Co. (India), Ltd.	Jardine Henderson	12½d	10	2 8	3 0	3 0		3	Y.P.
40,00,000	37,45,280	29,81,477‡	6,24,477	4,64,163	O. M. Mackinlay, Esq.	Macfarlane & Co.	115	100	10 0	10 0	10 0	0 12	3	Y.P.
4,34,000O.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.		2	O. 3				7 8	3	Y.P.
66,000D.							8	D. 24	Nil	Nil	Nil		3	Y.
40,00,000O.	37,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	131	O. 100	12 8	12 8				
8,00,000D.O.								D.O. 10	0 12	0 12			12	Y.P.
1,30,55,750	30,19,025	13,73,127††	4,61,394	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	17½	10	1 0	1 2	1 6		9	Y.
6,35,235	1,74,934	7,74,403	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	0 10	Nil	Nil		12	Y.
4,88,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	16½	10	1 0	1 0	1 0		3	Y.
10,00,000		11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	9½	10	Nil	1 0	1 0	1 0	3	Y.P.
20,00,000	23,16,171	50,14,078	28,75,987	11 045	Associated Industrial Development Co., Ltd.			10	Nil	1 0	1 0		3	Y.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Insulated Cable	13½	10	0 8	0 8	0 12		3	Y.P.T.
40,00,000	24,00,000	41,58,536	17,74,933	1,52,611	Parry's Holdings Ltd.	National Tobacco Co.	8½	10	0 4	0 8	0 8		12	Y.P.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	Q. U. Euthymopulo, Esq.	Parry & Co.	4½	2	1 9 3/5	0 10§	0 4§		12	Y.P.T.
1,14,00,000	92,32,582	1,19,84,861	70,89,235	7,17,486	Sahu Jain Ltd.	Rallis (India) Ltd.	62	100	8 8	9 0	Nil		8	Y.P.
40,00,000	35,00,000	12,11,901§	2,17,120	3,56,616	C. W. Stephenson, Esq.	Rohtas Industries	14½d	10	Nil	0 12	1 0		10	Y.P.T.
75,00,000	9,98,380	1,50,000	12,67,853	2,60,547	R. H. D. Campbell, Esq.	Spencer & Co., Ltd.	11½	10	1 0	1 0	2 8		6	Y.P.
					Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd.	31	10	0 6§	Nil	Nil		12	Y.P.
						Travancore Ogale Glass								

§§ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,02,162	8,88,306	3,86,105		McLeod & Co., Ltd.	825	Amluckie	348N	100	25 0	Nil			12	Y.P.
2,76,500	4,21,300	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	13½	10	2 8	0 12	0 12		12	Y.
3,50,000	6,15,909	9,34,560	1,33,123	48,872	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	24½	10	4 0	3 0			12	Y.
3,50,000	7,21,418	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	11	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmania	28	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	12½	10	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	3,16,121	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	27½	10	3 0	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,313	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	29½	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,31,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	44	10	0 8	Nil	Nil		12	Y.
3,50,000	3,40,000	7,64,836	1,66,959	22,297	McLeod & Co., Ltd.	450	Bormah Jan Tea	10½	10	1 8	1 8			12	Y.P.
33,00,000	9,78,313	72,06,251	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11½	10	1 0	1 0			6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	78	Dejoo Valley	7½	10	1 0	Nil			12	Y.
6,00,000	7,15,000	25,31,795	15,30,724	54,461	Jardine Henderson Ltd.	1,220	Deesai & Parbottia	235	100	30 0	22 8	10 0		12	Y.
17,53,440	5,40,608	19,11,105	2,07,645	23,794	James Warren & Co., Ltd.	426	Dhelakhat	12	10	1 9 3/5	1 3½			12	Y.
4,68,970	2,71,039	10,66,372	3,24,106	23,794	James Finlay & Co., Ltd.	613	Dhunseri	11	10	2 0	1 0			12	Y.P.
4,50,000	2,75,000	6,93,361	89,330	14,389	McLeod & Co., Ltd.	458	Dibrygarh	9½	10	1 8	1 8			12	Y.
2,36,700	3,72,500	8,29,204	3,79,204	35,409	Williamson Magor & Co., Ltd.	611	Dimakuni	34½d	10	4 8	1 8			12	Y.P.
5,60,500	4,50,000	16,38,157	9,38,157	1,13,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	33½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	19½	10	2 4	2 0			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,188	Andrew Yule & Co., Ltd.	407	Gillapukri	17½	10	3 0	1 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,36,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gokpur	28	10	4 0	3 0			12	Y.
A 4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	23	A.10	3 0	2 0	2 0			
B 2,40,790							11½	B.5	1 8	1 8	1 0	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	30	10	4 8	3 0	1 8		12	Y.
4,00,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	290N	100	25 0	17 8	Nil		12	Y.
4,35,000	5,85,000	11,98,156	1,61,426	29,063	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	10½	10	1 4	0 8			12	Y.
1,50,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kigusley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	6,53,647	1,03,647	4,179	Duncan Bros. & Co., Ltd.	1,078	Ledo	19½	10	2 0	Nil	Nil		12	Y.
6,80,000		6,37,549	3,87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mobeseme	3½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	400N	100	45 0	35 0	Nil		12	Y.
O. 50,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	208	O.10	3 0	2 0	1 0			
P.O.2,00,000							28	P.O.10	3 8	2 8	2 8		12	Y.
4,00,000	3,41,211	5,78,330	3,61,800	20,262	S. C. Sen, Esq., Supervising Director	540	Naga Hills	13	10	2 4	1 4			12	Y.
5,35,000	—	10,14,665	4,06,665	—99,844	Shaw Wallace & Co., Ltd.	810	Nambornadi	6½	10	1 0	Nil	Nil		12	Y.
5,00,000	—	11,92,221	1,92,221	—44,129	Duncan Bros. & Co., Ltd.	935	New Cinnatollah	70N	100	Nil	Nil	Nil		12	Y.
2,00,000	4,77,500	6,98,742	1,97,159	20,602	Andrew Yule & Co., Ltd.	345	Rajgarh	20	10	3 0	1 12	Nil		12	Y.
6,00,000	3,51,802	11,80,642	5,97,803	18,568	James Finlay & Co., Ltd.	889	Sapoi	10	10	1 0	0 12			12	Y.
3,00,000	6,55,000	10,86,022	2,48,752	67,699	Octavius Steel & Co., Ltd.	313	Teen Ali	22½	10	3 0	1 12	1 0		12	Y.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	No.	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	15¾	10	¾+¾	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	180	100	4+10	15+15	8+10		5, 11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	Nil	6, 12	H.P.T.
30,00,000	2,10,000	1,16,99,350	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,266	Alliance	145	100	Nil	23	Nil	Nil	6, 12	H.P.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	194	100	Nil	10	10+10	10+15	3, 9	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	120	100	1½+4	6	6+3	5+4	3, 9	H.P.T.
20,00,000	29,77,565	97,37,334	63,51,882	72,634	Jardine Henderson & Co.	959	Bally	147¾	100	6+6	6	6+1	Nil	4f	3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,890	Barnagore	145	£5	£1	£1	£1	£1	3	Y.P.
28,00,000	35,49,623	88,18,168	48,06,254	62,117	Andrew Yule & Co., Ltd.	820	Belvedere	184	100	7+10	12½+15	7½+7½	7½f	6, 12	H.
22,50,000	35,95,000	51,03,385	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	141	10	1½	3			6	Y.P.T.
30,42,000	2,64,76,567	3,06,30,766	1,23,13,242	1,03,646	Bula Bros., Ltd.	1,373	Birla	41	10	2½	3	3	3	3	Y.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	148	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg. ..	16 N	10	Nil	1	1+1	0+8f	6, 12	H.P.T.
18,00,000	31,81,234	75,49,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	616	Caledonian	152	100	4+10	10+12	6+6	6f	5, 11	H.
59,16,400	1,05,23,478	1,65,18,460	1,07,44,959	1,35,030	James Finlay & Co., Ltd.	1,400	Champdany	142	100	3+3	3+7	7+8	3f	3, 9	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd.	510	Cheviot	196	100	6+10	10+12	6+6	6f	5, 11	H.P.
10,03,000	46,90,000	58,16,362	41,42,304	1,07,358	McLeod & Co., Ltd.	500	Chitavalsah	30	10	2½+4	4½+4½	2½+1½		6, 12	H.T.P.
16,00,000	17,00,000	37,89,954	25,34,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	3	2		3	Y.P.
31,49,200	39,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	119	100	1+3	3+6	6+3	1f	3, 9	H.P.
28,00,000	44,74,179	73,79,359	43,61,779	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	225	100	5+12½	15+17½	10+10	10f	5, 11	H.P.
15,00,000	12,58,304	75,93,504	53,68,650	47,739	McLeod & Co., Ltd.	500	Empire	20	10	1+1	1½+1½	3+3		6, 12	H.T.P.
21,00,000	37,78,539	2,62,73,643	1,77,44,591	1,801	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	370	100	2½+20	12½+12½	10	Nil	3, 9	H.P.T.
14,00,000		71,79,143	43,27,194	—7,75,693	Anderson, Wright & Co., Ltd. ..	1,014	Fort William	310N	100	Nil	4	6	Nil	3, 9	H.T.P.
84,32,100	3,13,094	2,09,77,644	1,34,77,245	—8,52,945	F. W. Heilgers & Co., Ltd.	1,709	Ganges Mfg.	69½	100	Nil	25	25+25	Nil	3, 9	H.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	685	300	48		30	Nil	12	Y.
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Gourepore	260	100	2½+15	10+10	10	Nil	Nil	3, 9	H.P.
40,00,000	46,39,631	1,52,52,908	93,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100xdN	100	10	7	10	10	3	Y.P.
16,80,000	5,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	33½d	10			1½	1½	3	Y.P.
65,62,500	50,83,570	1,56,87,559	1,09,33,235	1,55,027	Jardine Henderson Ltd.	1,960	Howrah	53½	10	4+4	8+8	1+8	1f	3, 9	H.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Jhakumchand	42½	7½	3	5	3		3	Y.P.T.
O. 87,00,000	19,43,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	123	O. 125	3½+9½	3½+1½	3½+3½	3½f	3, 9	H.
D. 30,000								—	D. 1	A. 7·8 7·8					
24,90,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	174	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
'B' 19,20,000								160	'B' 100	8½+8½	10+12½	8½+6	6f		
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kanknarrah	133½	100	Nil	5+7½	6+4	5f	6, 12	H.P.
'B' 24,00,000								130	'B' 100	Nil	5+7½	6+4	5f		
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	270	100	10+10	12½+2½	7½+7½		6, 12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,530	Khardah	179	100	Nil	15	10+5		3, 9	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	931	Lansdowne	178	100	14+4	10+9	10+7	4f	3, 9	H.P.T.
24,48,000	48,82,305	1,33,96,908	76,14,073	22,044	Bird & Co., Ltd.	840	Lawrence	117	100	2+10	11+8	7+3	2f	3, 9	H.P.
28,00,000	38,69,796	1,13,85,478	61,83,380	7,737	Bird & Co., Ltd.	558	Lothian	135	100	5+10	15+17½	15+15	15f	5, 11	H.P.
10,00,000	36,51,301	30,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd.	1,008	Megna	97	100	2½+6½	2½+12	2½+2½	2½f	3, 9	H.
81,65,200	25,35,648	1,93,98,406	1,16,00,448	28,020	Mackinnon Mackenzie & Co. ..	815	Naihati	118	100	Nil	10+6	6+Nil	Nil	3, 9	H.
29,98,900	41,03,068	1,55,39,914	90,71,821	—7,86,971	F. W. Heilgers & Co.	425	Naskarpara	14xd	10	1+2	1½+1½	2+1		4, 10	H.T.
20,00,000	17,75,000	25,77,260	16,42,880	5,104	Howrah Trading Co., Ltd.	852	National	22½	10	1+1	1+1½	1+1	1f	4, 10	H.P.
35,00,000	44,27,437	27,58,552	8,93,551	1,01,832	Andrew Yule & Co., Ltd.	316	Nellimarla Jute	34½	10	1½+3	2½+3	2+1		6, 12	H.P.T.
7,50,000	41,00,000	21,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	709	New Central	200	100	4+10	15+15	10+12		6, 12	H.P.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	567	Northbrook	18½	10	Nil	Nil	1	1+1	3, 9	H.P.T.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	1,092	Nuddea	50	Nil	1½	1½+1	1	Nil	3, 9	H.
66,79,500	32,17,329	2,12,72,966	1,13,98,606	1,03,356	Macneill & Barry Ltd.	601	Orient	165	100	4+10	12+12	6+6	6f	5, 11	H.P.
24,91,000	26,56,049	70,68,289	48,27,892	1,03,356	Andrew Yule & Co., Ltd.	400	Presidency	4½	5	Nil	Nil	Nil		6, 12	H.T.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	305	Rameshwara	5½	10	Nil	Nil	Nil		3, 9	H.P.
20,00,000		26,15,293	7,67,491	—3,29,549	Macneill & Barry Ltd.	1,276	Reliance	13½	10	1½	1½	1½	1f	3, 9	H.P.T.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	2,013	Samnugur	£1	£1	10½	10½	10½		12	Y.P.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	911	Shree Ambica	12	10	Nil	1½+1	1f		3, 9	H.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Bagaria More & Co., Ltd.	401	Soorah	22½N	10	1	Nil	Nil		12	Y.P.T.
5,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	650	Standard	130	100	3+6	9+8	8+1	1f	3, 9	H.P.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	1,794	Titaghur	13½	£1	10½	10½	10½		12	Y.P.
£600,000	£849,927‡	£990,893		£115,163	Thomas Duff & Co. (India), Ltd.	1,326	Union	154	100	7	12½+11	10+1	1f	3, 9	H.P.T.
35,98,600	94,31,434	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,331	Victoria	13½	£1	10½	10½	10½		12	Y.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	463	Waverley	5	1	Nil	1/40	1/40	Nil	6, 12	H.P.T.
2,50,000	1,33,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.										

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors and Secretaries	No.	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
25,50,000	15,75,000	64,99,011	45,49,011	25,799	Shaw Wallace & Co., Ltd.		Amalgamated Coalfields ..	18½	10	1+1	1+1	1+1		3, 9	H.
12,00,000	8,42,703	37,55,383	34,25,643	38,826	Jardine Henderson Ltd.		Bararee Coke	12¾	10					3, 9	H.
4,49,350	70,000	8,49,159	5,24,703	5,149	Andrew Yule & Co., Ltd.		Bengal-Bhatdee	7¾	10					6, 12	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.		Bengal Coal	496xd	200	17+17½	17+17½	20+20*	17½*f	4, 10	H.P.
2,25,000	5,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd.		Bengal-Nagpur	16	10	1½+3	3+3	3		6, 12	H.P.
13,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.		Bhalgora	3½	10					9	Y.
69,99,933	13,81,010	1,17,79,347	56,99,702	23,814	Sahu Jain Ltd.		Bharat Collieries	5⅝	10					6	Y.T.P.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd.		Bhulanbararee	10	10	4+4	4+4	Nil	Nil	6, 12	H.
16,00,000	14,10,773	68,13,824	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.		Bokaro-Ramgur	8½	10	Nil	Nil	Nil		6, 12	H.T.
7,50,000	18,99,000	42,66,803	24,49,168	1,06,334	F. W. Heilgers & Co., Ltd.		Borree	23½	10	1½+1½	1½+1½	1½+1½		6, 12	H.P.
90,92,480	1,65,60,398	4,03,65,968	1,60,47,288	1,13,021	Bird & Co., Ltd.		Burrakur	9½	10	Nil	1	1		6, 12	H.P.T.
49,97,000	750	22,33,410	57,643	8,776	Hindustan Investment Corpn., Ltd.		Central Indis	3½	10					3	Y.
8,00,000	13,30,249	49,30,437	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..		Central Kurkend	14½N	10	1+1	Nil	Nil		6, 12	H.
6,00,000	1,40,000	7,50,000k		13,973	F. W. Heilgers & Co., Ltd.		Churlia	4	10	1+1	1+1	1+1		6, 12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.		Dhemo Main	8½	10	1+1	1+1	1+1	Nil	6, 12	H.
£120,000	£424,897	£878,414	£669,806k	£78,339	Jardine Henderson Ltd.		East Indian	23½	£1	1½	3	3	3½ (D)	4	Y.
29,63,700	73,00,380	3,37,02,383	2,73,34,630	2,11,481	Macneill & Barry Ltd.		Equitable	33½	10	2½+2½	2½+2½	2½+2½	2+1½	6, 12	H.P.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.		Ghusick and Mustia	15¾N	10					6, 12	H.
10,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.		Hurriladih	14½	10	1½+1½	1½+1½	1½+1½		6, 12	H.
8,00,000	3,50,000	6,13,347	2,51,819	40,107	Andrew Yule & Co., Ltd.		Kalapahari	41N	10	Nil	Nil	Nil	Nil	2, 8	H.
3,50,000	5,50,000	23,62,791	1,50,646	1,838	Bird & Co., Ltd.		Karanpure Collieries	79½	100	Nil	Nil	Nil	Nil	3	Y.P.
20,00,000		42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd.		Katras Jherriah	38	10	1½+1½	1½+1½			1, 7	H.
5,00,000	11,25,000	13,63,519	3,25,519	1,063	Bertwala & Co.		Khas Kajora	7N	10	1+1	1			6, 12	H.P.
1,38,400	95,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.		Kuardi	4½N	10	3½	3½			6	Y.
11,00,240	51,000	13,87,375	10,31,164	13,549	H. V. Low & Co., Ltd.		Lakurka	10½N	10					4	Y.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	Associated Commercial Co., Ltd.		Nezira	6½	10	1+1	1+1			6, 12	H.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Andrew Yule & Co., Ltd.		New Beerbhoom	17½xd	10	3/10	3/10	Nil	Nil	4, 10	H.P.
17,76,230	13,72,990	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd.		New Manbhoom	7½	10	1+1	Nil	Nil	Nil	3, 9	H.
6,00,000	3,30,000	31,32,339	18,57,919	—7,595	Octavius Steel & Co., Ltd.										
1,15,000	3,36,004	12,61,739	7,54,774	6,603	Andrew Yule & Co., Ltd.		North West	12N	10	3+3	3+3	3+3	3f	3, 9	H.
1,57,500								8N	7½	1½+1½	1½+1½	1½+1½	1½f		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd.		Ondal	17N	10	1½+1½	1½+1½	1½+1½		6, 12	H.P.
10,00,000	1,10,000	33,60,122	14,26,827	56,421	K. C. Thapar & Bros.		Oriental Coal	11½N	10					12	Y.T.
8,34,000	20,551	16,29,203	5,77,935	70,539	Deepchand Kishenlall		Parasea	3½	10	Nil	Nil			6, 12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,993	Shaw Wallace & Co., Ltd.		Pench Valley	21½xd	10	1+1	1+1	1+1		2, 8	H.
23,99,500	13,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.		Ranegunge	7½	10	Nil	—	Nil†		3, 9	H.
13,50,000	6,88,385	29,87,472	21,74,472	36,004	Shaw Wallace & Co., Ltd.		Rewa	20½	10	1+1	1+1	1+1		6, 12	H.
20,00,000	3,10,464	28,07,516	11,52,118	165	Jaipuria Sons Ltd.		Samla Collieries	7½	10	1	1	1		6, 12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.		Searsole	8¾N	2½						Y.
2,80,000	5,43,826	28,04,098	14,12,969	30,584	Andrew Yule & Co., Ltd.		Seebpore	23½	7	2½	2	2+2	2+1	6, 12	H.P.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd.		Sendra	8½	10	1+1	Nil	Nil		6, 12	H.T.
63,21,450	13,23,954	3,24,72,792	2,26,34,594	65,360	Industrial Trust Fund (Government of Hyderabad)		Singareni	6§	10				4f	12	Y.T.
17,50,000	10,86,300	35,53,705	13,67,030	26,614	Bird & Co., Ltd.		South Karanpura	10	10	1½+3	1½+3	1½+3		2, 8	H.
8,00,000	13,68,503	2,33,837	56,445	86,379	F. W. Heilgers & Co., Ltd.		Standard	21	10	1+3	1+3	1+3		6, 12	H.
10,00,000	1,950	30,15,423	15,43,501	—3,64,536	Killers Ltd.		Talcher	2½	2½	Nil	Nil			9	Y.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..		Union	22½	10	1½+1½	1½+1½	1½f		6, 12	H.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.		West Bengal	4½	10	1	1			3, 9	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.		West Jamuria	17½	10	3+3	3+3	Nil		6, 12	H.

* Including bonus. x Sales and amount written off. (a) Investments.

(D) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 708 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 663)

was $119 million, which compares with a rise of $201 million in the previous quarter and a rise of $320 million in the first quarter of the year. At $2,486 million, the area's total of gold and dollar reserves, it is noteworthy, is well below the peak of $3,867 million touched in June, 1951.

* * * *

The U.K. Government has followed up its downward revision of the Bank rate by a loan operation which has been well received in financial circles in that country. The loan operation, which was completed last week, consisted of two parts. One was a conversion offer to holders of the £577 million 1953 Serial Funding Stock, which is due to mature on 14th November. These holders had the option to convert their holdings into either 1½ per cent. 1954 stock or for a new 2½ per cent. stock repayable in 1957. The other was an issue, for cash subscription only, of a new Government bond, with a life of 9 to 10 years. This bond is a new medium-dated stock, entitled "Exchequer Stock," and is dated 1962-63. It carries interest at the rate of 3 per cent. It was offered at £99¾ per cent. No limit was placed on the amount that might be issued. But the lists were kept open for one day only. It is stated that no less than £341 million was subscribed in the course of the day.

MARKET REPORTS

(Concluded from page 697)

very strong and active demand and prices for commonest kinds and low medium brokens and fannings advanced fully As 2. Medium and good medium types were 1 to 2 annas dearer. Best liquoring teas with improved quality were dearer to buy, but buyers were selective. Clean, black leaf fannings met with a good demand but teas with tip were more difficult to sell. Whole leaf grades were well supported and prices advanced by As. 1 to As. 2. The following are the quotations:

	1953 Rs. a. p.	1952 Rs. a. p.
Low grown Travancore B.O.P	1 12 6	0 13 0 to 0 14 0
Medium Travancore B.O.P.	1 13 6	1 11 6
Anaimallais B.O.P.	2 0 0	1 15 0
Best liquoring Nilgiri B.O.P.	2 6 0	2 15 0 to 2 3 0
Clean black leaf O.P.	2 3 0	2 2 0 to 2 0 0

London Market.—Market generally dearer, particularly where quality improved and best commons which were half penny to one penny dearer.

Colombo *Market.*—Active demand. Low-grown firm. Medium and high-grown dearer, except UVAS which declined in quality.

Calcutta Market—Export.—Strong general demand. Commons, especially fannings, firm to often a half to one anna dearer. Remainder well supported.

Dust.—Good demand. Market fully firm to occasionally half an anna dearer for medium Dooars of Assams. C.T.C. steady. Commonest strongest feature.

Export Quota.—Due to rumours of a second release of 11.1 per cent. of the basic crop (amounting approximately 58,000,000 lbs.) the market declined sharply and transactions have been done at 14/14¼ pies.

As we go to Press, Messrs. Forbes, Ewart and Figgis wire:—

"*Dust Sale T.*—1,48,000 lbs. Very strong general demand. Prices have advanced irregularly As. 1 to As. 2 for everything."

FOODGRAINS BEARISH

(From Our Own Correspondent)

HAPUR, *5th October*

There has been a sharp decline in agricultural commodities during the week under review, and there is an apprehension that the decline in farmers' incomes would soon create many complex problems. Favourable crop reports have already had a psychological effect on the current prices of wheat, rice, pulses, oilseeds and may affect *gur* prices also as soon as new crop arrivals begin. Compared to last year, agricultural production is estimated to be about 10 per cent. higher, but the possibility that the fall in prices will offset the advantage of higher production is being discussed.

As wheat prices have settled down at lower levels, the Food Ministry has found it difficult to dispose of its huge stocks, imported last year, and though the flour mills have been allowed to use them for milling for export purproses, very few came forward to take advantage of this. The position in regard to *bajri* and *juwar* has undergone a considerable change. The Saurashtra Government which was hitherto a buyer of *bajri* and *juwar* from the Centre has emerged as an exporter and the supply position in Madhya Bharat, Madhya Pradesh and Hyderabad is very satisfactory.

Foodgrain markets in U.P. have continued quiet to bearish. Plentiful supplies, excellent *kharif* crops and considerably brightened next *rabi* crop sowing prospects depressed the general outlook and induced the trade stockists to reduce their commitments before the full advent of *kharif* crop yield to the markets. According to agriculturist experts, recent rain in U.P. was well timed and should be highly beneficial to the standing *kharif* crops, particularly the paddy crop, which in most places, was in need of the moisture in soil, as well as the *arhar* crop, which should flourish after these rains.

Wheat prices in the open market are below the Government sale rates, and the result is that wheat on trade account is being despatched to hill districts and selling at competitive rates. The latest quotations in the Hapur market are: Wheat Rs. 15-10 to Rs. 16-12, gram Rs. 14 to Rs. 15, barley Rs. 10-12, *bejhar* Rs. 10-12, maize Rs. 11 to Rs. 12, rice Rs. 31 to Rs. 20, peas Rs. 12-4, *arhar* Rs. 12-4, *urd* Rs. 17-8, *moong* Rs 16-8, and *masoor* Rs. 15-4.

All quantitative controls on the sale of wheat in Bengal have been withdrawn from 5th October. The price control will, however, remain. The Government of India has announced that there would be no procurement of rice in West Bengal as from the 14th inst. The State Government has been instructed to purchase rice or paddy from the open market when the prices fall to an uneconomic level in order to protect the agriculturists.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, *5th October*

Indian sugar markets remained quiet this week. There was very poor offtake. The tendency at the ports was slightly bearish with the arrival of imported sugar consignments at Bombay, Madras and Calcutta. Calcutta gave the lead for a downward trend, where stock holders showed eagerness to liquidate their stocks due to the rumour that the Government contemplate to reduce the price of subsidised sugar to As. 12 per seer. It is said that the Java sugar imported at Calcutta is cheaper than any other foreign sugar imported at other ports, with the result that traders in other areas have showed considerable interest in the recently imported sugar. The Madras market also broke down under pressure of sales with a distinctly improved supplies position. The market at Bombay ruled quiet and awaited the arrival of three shiploads of imported sugar.

In the up-country markets, Jullundur remained steady with depleted supplies position, and Muzaffarnagar due to good spot demand. Meerut, Ambala, Hapur and other markets remained quiet to bearish due to poor enquiry from importing areas. Enquiries for sugar in the open market at Kanpur were reported to be far from satisfactory but the prices did not fall as there was no pressure of sales. The declaration of sugarcane prices for the ensuing season had no effect on the markets.

The Government of India has released a further quantity of one lakh tons of sugar for sale in the open market out of the 1952-53 production of all factories in the country.

The latest quotations in the open market are: Ambala Rs. 32-4, Amritsar Rs. 33, Delhi Rs. 32-4, Jullundur Rs. 31-4, Agra Rs. 31-4, Hapur Rs. 30 to Rs. 31-4, Kanpur Rs. 30-10, Mathura Rs. 31, Meerut Rs. 30-14, Muzaffarnagar Rs. 31, Patna Rs. 31, Calc

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
16,80,000 / 16,50,000 / 1,01,000	1,08,33,956	10,66,174	Allahabad Bank	382 / 191 / 115cd	100 / 50 / 100	18 0 / 9 0 / 6 0	18 0 / 9 0 / 6 0	18 0 / 9 0 / 6 0	9 0(i) / 4 8(i) / 3 0(i)	12 / 6.12	Y.P. / H.
23,99,000	12,03,000	7,231	Andhra Bank	60cd	50	3 0	3 0	3 0	2 8(i)	12	Y.
1,50,00,000	1,28,00,000	2,38,382	Bank of Baroda	107½	50	6 0	6 0	6 0	2 8(i)	12	Y.
80,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	157½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	34,00,000	63,200	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
20,00,000	15,00,000	35,324	Bank of Jaipur	19½	20	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	278	100	16 0	16 0	16 0	8 0(i)	12	Y.
39,18,608	42,61,693	25,268	Bombay State Co-operative Bank	39½	50	2 8	2 8	2 8		12	P.Y.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	Y.P.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875 / 88,42,375 'A'	3,99,08,177	17,23,015	Central Bank of India Ltd.	64½ / 66	25	3 8	3 8	3 8	0 12(i) / 0 12(i)	12	R.L.Y.
60,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,823	Habib Bank (P)	88N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0	6 0	3 0		9	
5,75,00,000				1,837½	500	80 0	80 0	80 0	40 0(f)	6.12	R.L.H.
1,87,50,000	6,35,00,000	37,39,076	Imperial Bank of India	450	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				176½xd	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	135xd	85	10 3½	10 3½	10 3½	5 1 3/5(i)	6.12	R.L.H.
15,48,000				99½xd	60	7 3½	7 3½	7 3½	3 9 3/5(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	90	100	5 0	6 0	6 0		.12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	73 / 18½ / 33½xd	100(A) / 25(B) / 50(C)	9 0 / 2 4 / 3 0	7 8 / 1 4 / 3 0	6 0 / 1 4 / 3 0	1 8(i)	6.12	H.
2,50,000				21½	25	1 0	1 0	1 0	1 0(i)	12	Y.
10,00,000				5	25	—	—	—		12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	211	50	2 0	2 0	2 0		12	Y.
1,80,00,000	17,50,000	37,630	Travancore Bank	13½	25	—	—	—		12	Y.
48,00,000	30,00,000	2,06,135	Union Bank of India	6–5½	5	0 5	0 5½	0 5½		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36	50	2 0	2 0	2 0		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,000,000	£4,900,000	£399,215	Chartered Bank of India, Australia and China	£–2–1–10½	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7‡	£5	7†	6†	7†	3†	12	R.L.Y.
H.K.$20,000,000	H.K.$54,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£89½	H.K. $125	5*	5*	5*	2*(f)	12	Y.
£14,372,956 / £1,437,296	£16,000,000	£418,242	Lloyds Bank	£3–15–9 / £1–6–3	£1	12† / 5†	12† / 5†	12 †,* / 5 †,*		12	R.L.Y.
£375,000 / £375,000	£1,500,000	£200,143	Mercantile Bank o India	£24‡ / £24‡ / £10‡	A £12‡ / B £12‡ / C £5	12† / 12† / 12†	12† / 12† / 12†	14† / 14† / 14†	7†(i) / 7†(i) / 7†(i)	12	R.L.Y.
£300,000											
£2,281,250	£3,675,000	£323,703	National Bank of India	£32	£12‡	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency
(i) Interim.
*£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90‡	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd	89‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(a)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	99‡	1st January .. 1967-72
13,68,000	5½		Jaipuria Textiles	99 ex int	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
3,53,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101‡	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	88	31st December .. 1970
15,00,000	5	1st January and 1st July	Bihar Dhermiah Electric Supply Co. Ltd.	96	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94‡	1953-63
6,63,000	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,73,000	4	1st April and 1st October	Tata Power	100‡	15th September .. 1951-55(a)
2,50,000	4	1st April and 1st October	Tata Power	92‡	15th September .. 1963-78
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	104	31st December .. 1946(H)
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	98	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	93	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,69,000	5	30th June and 31st December	Chitavelaah Jute Mills	97	30th June .. 1944
8,16,000	5	30th June and 31st December	Empire	95	15th July .. 1968
15,00,000	3½	1st January and 1st July	Hukumchand	92‡	30th June .. 1957
15,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
15,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June .. 1958
15,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96‡	30th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	86	1st July .. 1956
6,80,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99‡	1st November
4,50,000	4½	1st January and 1st July		100N	A t 103% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways	1900	
				1933	1st October .. 1974
£201,067	5	1st April and 1st October		£102N	30th September .. 1953
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	99	31st December .. 1959
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	89	
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£901N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	100	1st January .. 1945–55
3,68,200	3½	31st March and 30th September	Teekoy Rubber Estates	100	31st March .. 1949–59
50,00,000	5	30th June and 31st December	Waterfalls Ltd	101‡	1st January .. 1943–53
MISCELLANEOUS					
15,00,000	3½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96‡	30th June .. 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,55,000	4½	1st July and 1st January	Clive Buildings	88‡	1st July .. 1986
80,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1986
1,00,00,000	5	31st March and 30th September	Dalmia Cement Ltd.	79‡	1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	101‡	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	98	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	465 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	93‡	31st March .. 1961
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	84‡	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	103	1st May .. 1968

Note—See page 706 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 8th October, 1953.

—	Closing quotations 30-9-53	High	Low	Closing quotations 8-10-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155½	157½	155½	157½
Bank of Baroda (50)	106½	108	107½	107½
Central (25)	63½	64½	63½	64½
Imperial (P.Pd.) (500)	1,835	1,840	1,836	1,840
Imperial (P.Pd.) (125)	450	451½	448½	450
Union Bank (5)	6–6½	6–6½	6–4½	6–5½
United Com. (50)	35½	36	35½	36
COTTON MILLS				
Ahm. Adv. (100)	138½	138½	137½	137½
Apollo (2)	2–9½	2–9½	2–5½	2–6½xd
Bombay Dyeing (250)	356½xd	364½	355½	362½
Central India (100)	145	150	144½	149
Century Mills (100)	256½	263	257	261½
Colaba (100)	59½	60	59½	60
Edward Textile (200)	225	230	223½	223½
Elphinstone (50)	43½	44	43	43
Finlay (100)	253	253½	245½	249
Global (100)	226	228½	225	227½
Ind. Untd. Defd. (1)	1–6½	1–7½	1–6	1–5½
Ind. Untd. Ord. (10)	9–8½	9½	9½	9–7½
Indo-Malwa (100)	90	91½	90	91½
Khatau (100)	170	—	—	170
Kohinoor (100)	276½	284½	275½	283½
Lakshmi (250)	570	570	560	560
Maddhavs (100)	87	87	86	87
B. R. Cotton Mills (100)	49	49½	49	49
Minerva Mills (100)	91	91½	91	91½
Model Nagpur (250)	140	—	140	140
Morarji (100)	182½	—	—	182½
Mysore (50)	122xd	—	—	122½
New City (100)	131½	—	—	131½
New Great (100)	145½	146	144	146
Phenix (100)	116½	—	—	116½
Podar Mills (100)	120	121½	120	121½
Samson Stk (10)	19	—	—	19
Samson Rts. (18)	25½	—	—	25½
Shalapur (1,000)	1,610	—	—	1,610
Simplex (50)	128½	129	128	128½
Sradesh (100)	237½	243	238	241
Swan (100)	314	314	310	312½
Tata M. (25)	39½	40	39½	39½
Vishan (100)	143½	143½	143½	143½
Western India (1,000)	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	113½	114¾	113½	114¾
Amalgamated (10)	11	—	—	11
Andhra Valley (1,000)	1,325	1,317½	1,290	1,290
Bom. Sub-El. (100)	121½	121½	120½	120½
Surat (100)	126½	126½	126½	126½
Tata Hydro (100)	139½	139½	135½	135½
Tata Power (1,000)	1,381½	1,382½	1,345	1,355
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	662½	—	38½	662½
Ind. Mercantile (20	38	38½	—	38½
Jupiter (13)	6¾	—	—	6¾
New India (115)	39½	40	39½	40
Oriental (200)	7,050	7,050	6,900	6,900
Universal (10)	8½	—	—	8½
Vulcan (10)	11½	11¾	11½	11¾
STEAMER COS.				
Scindia (15)	13–10½	13–14½	13½	13–13½
STEEL COS.				
Ind. Iron (10)	23–2½	23½	22¾	23½
Tata Steel Defd. (30)	1,831½	1,871½	1,827½	1,868½
Tata Steel Ord. (75)	314½	321½	314½	321
MISCELLANEOUS				
Alcock Ashdown (190)	297½	308½	296½	305½
Associated Co. (100)	170	172	169½	171½
Belapur Sugar (5)	242	249½	240½	249
Bom. Burmah (125)	331½	338½	330	336½
Do. (New) (50)	121½	124½	121½	124½
Br. B. Petrol (4 sh.)	1–8½	1–13½	1–8½	1½
Br. I. Corpn. (5)	8¾	8¾	8¾	8¾
Indian Copper (2 sh.)	2–13½	2–15½	2–12½	2¾
Ind. Iny. Tr. (100)	60½	60½	62	64
Port Canning (100)	22½	—	—	22½
Premier Cos. (50)	86½	87½	85½	86½
Shreyas (100)	55½	63	55½	63
Tata Chemicals (10	8–8½	8¾	8½	8¾
Tata Oil (25)	30½	31½	30½	31½
Walchand Ind. (100	146½	147½	146½	147½
W. I. Match (100)	237½	243½	237½	243½

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98½	—	3.46	98½
2½% 1955	98½	—	3.38	98½
2½% 1961	90¾	—	3.88	90¾
2½% 1960	93¾	—	3.81	93¾
2½% 1962	91¾	—	3.87	91¾
2½% 1974	82¼	—	3.92	82¼
3½% 1957	98¼	—	3.42	98¼
3% 1958	98½	—	3.41	98½
3% 1959-61	96¾	3.74	3.57	96¾
3% 1964	92½	—	3.84	92½
3% 1965-69	92¼	3.91	3.78	92¼
3% 1966-68	90¾	3.99	3.88	90¾
3% 1970-75	86½	4.11	3.92	86¾
3% 1968 Con. Loan	82¾	—	3.65**	82½
3½% 1954-59*	100	3.32	3.48	100
4% 1960-70	101	3.70	3.84	102
4½% 1955-60	102½	3.00	4.00	103
4% 1958-68*	105	3.40	4.05	105
3½% 1961 N.P. Bonds	98¼	—	3.72	98½

BRITISH GOVERNMENT SECURITIES	1-10-53 £	High £	Low £	9-10-53 £
3½% Brit. Consols	64¼	64¼	63½	63½
2½% Savings Bonds 1955–75	88½	88½	88½	88½
3% War Loan 1955-59	101½	101½	100½	101½
3½% War Loan 1952	83½	83½	83½	83½
3½% Brit. Iron and Steel 1976-78	93½	93½	93½	93½
4% Funding Loan 1960-90	100½	100½	100½	100½

xd—Ex-dividend. ** Current Income. * Rupee Counterparts.
xr—Ex-Right

COMMERCE

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

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MR. KIDWAI ON SUGAR

FROM our recent writings on the Government of India's sugar policy, one would have noticed that it is defective in several respects. But these defects are not due to any lack of understanding of the basic problems of the sugar industry on the part of the Minister concerned, namely, Mr. Rafi Ahmed Kidwai. On the contrary, Mr. Kidwai has a remarkable grasp of these problems and, what is more, he is also aware of the right solutions for them. Yet, if his policy does not reflect this, it must obviously be due to the limitations imposed on him partly by political exigencies and partly by his distrust of sugar millowners. This is the impression we got after listening to his brief extempore speech at the tenth annual convention of the Deccan Sugar Technologists' Association held on the 10th inst., at Harigaon, where the factory of the well-known sugar company, the Belapur Company, Ltd., is situated. Mr. Kidwai was aware that the chief defect of the Indian sugar industry was its high cost of production. The problem, therefore, was one of reducing its cost and making it competitive with its foreign confreres. He was confident that this could be done. He proposed two suggestions for achieving this object. One was the need for linking the price of cane to recovery of sugar and not to its weight, as at present. The other was the necessity for raising the yield of cane per acre in Northern India (U.P. and Bihar), where it was very low at present and where the major portion of Indian sugar was produced. He appealed to sugar technologists in India to devote their time and energy to make the implementation of those two solutions practicable.

In order to enforce the first suggestion, he wanted the technologists to devise an infallible formula for fixing the proper price of cane on the basis of its sugar content. It is true that Mr. Kidwai has been advocating this solution for some time now. But the significance of his reiterating this point is further proof of the fact that the present method of fixing the price of cane is defective, inasmuch as it is not conducive to securing an improvement in the quality of cane which is essential for bringing down the cost of sugar. Mr. Kdwai's reiteration of the self-same point a'so means that he is not in favour of complete decontrol of sugarcane.

There seem to be two reasons for his reluctance to give up the system of fixing a minimum price for cane. The first is his fear that sugarcane producers may be forced by sugar millowners to part with their crop at depressed prices, as the former are not well organised to stand the pressure tactics of the latter. The second is his desire to ensure for cane growers a share in the profits of sugar makers. He has given public expression to the first point on several occasions in the past. The second point is an inference from his explanation, given at the Harigaon meeting of the Deccan Sugar Technologists, for raising the price of cane for the 1953-54 and 1954-55 seasons by As. 2 to Re. 1-7 per maund. He said that, although a price of Re. 1-5 per maund of sugarcane was quite adequate considering the prices of competing crops, it had to be increased, because cane growers complained that, in the 1952-53 season, the prices of sugar realised by the factories were higher than in the preceding season, even though the price of cane had been reduced from Re. 1-12 to Re. 1-5 per maund. The force of this line of reasoning by sugarcane growers, Mr. Kidwai thought, was irresistible. If that is so, it follows, *ipso facto*, that, in the event of a fall in sugar prices in one season, the minimum price of sugarcane must be revised in a downward direction for the following season. It is to be hoped that the Government will not conveniently ignore this point when the time comes for the revision of cane prices again.

It may be asked why Mr. Kidwai chose to fix the minimum price of cane for the next two seasons on the basis of weight, knowing full well that that system suffered from a serious defect. Mr. Kidwai's explanation for this is that he has to follow that system so long as there is no foolproof method for determining the sugar content of cane. His experience, he avers, has convinced him that, in the absence of such a formula, most of the manufacturers in U.P. and Bihar would not do justice to cane growers. Only last year he found, in one instance, that the recovery percentage of cane grown in a particular area in U.P. and crushed in the two adjacent factories differed to a considerable extent, with the result that the grower got a good price from one factory and a substantially lower price from another factory. From this, he inferred that the latter factory must have wilfully underestimated the sugar content of the cane.

It is, however, clear that Mr. Kidwai is prepared to change the present basis of fixing the price of cane, provided a suitable method for determining the sucrose content of cane is found. The sugar industrialists and technologists must, therefore, bestir themselves and explore the possibilities of evolving the formula suggested by him. If, however, their experiments in this direction fail, the only alternative is to free the control on prices of sugarcane, for it is unfair to expect the sugar industry to continue to follow a system of price control for its raw material which is admittedly defective. In fact, as the possibility of evolving a foolproof formula, which can be easily followed in Uttar Pradesh and Bihar, is remote, the best thing to do will be to lift the control on the price of sugarcane. It is true that Mr. Kidwai is reluctant to accept this course for reasons already mentioned. Nevertheless, the sugar millowners, especially those in U.P. and Bihar, will be well advised to meet his objections and to see what they can do to remove his fears about the cane grower being forced to sell his product at unduly low prices.

The fixation of cane prices on the basis of recovery or, better still, the removal of price control on sugarcane will provide an incentive to cane growers to produce high quality cane. But that alone will not be sufficient. A farmer may have the desire to produce good quality cane but may not have either the means or the knowledge to fulfil it. This is where the Government and the technologists come in. While the State should help him to translate his wish into action by giving him some financial aid, the technologists should provide him with the know-how. This service is required particularly by farmers in U.P. and Bihar, where cane cultivation is backward, and which account for about 72 per cent. of the sugar produced in India. Thanks to the ceaseless endeavours of the Deccan sugar technologists in the farms where they are employed, the yield of cane per acre in the Deccan has gone up to 56 tons. As against this, the per-acre yield in North India is as low as 13 tons. As Mr. Kidwai rightly observed at Harigaon last week-end, if only the per-acre yield in the two leading sugar-producing States in North India could be trebled, the cost of Indian sugar will come down to a level at which it will be competitive with foreign sugar. A reduction in the price of sugar is very necessary, if the industry is to prosper. That is no exaggeration.

It is noteworthy that Mr. Kidwai did not expect North India to produce as much cane per acre as is being done by the South—his expectation was only 35 to 40 tons per acre for the North, as against 56 tons per acre in the South. He knows that soil and climatic conditions in the North are not so well suited to growing cane as in the South. Indeed, it will be a tremendous task to treble the present per-acre yield. The assistance of technicians alone will not be sufficient to reach the target. The State Governments concerned also will have to co-operate by changing their attitude towards the farmer and the factory. They must take energetic steps for proper zoning of cane fields on the basis of the sugarcane needs of each factory. In doing so, the uneconomic or inefficiently managed factories must either be reformed and renovated, or exterminated. Owners of all small fields in the neighbourhood of a factory must be induced, or forced by law, if need be, to merge themselves into a co-operative farm, so that cultivation of cane can be done on modern lines, with the help of machines and scientific application of manures. Unless the technologists are given suitable conditions for applying their technical knowledge of cane cultivation, they cannot be expected to show results. All this has been stated in these columns ever so often. Mr. Kidwai, too, we are sure, is fully aware of this prerequisite, though he did not make a reference to it in his brief speech at Harigaon. It is high time he used his undoubted influence over the State Governments and persuaded them to take the necessary steps in this direction. Unless this is done, there can be no increase in the per-acre yield of cane in North India and unless the per-acre output of high quality cane in the main seat of industry is raised, all talk of bringing down the cost of production and selling sugar at cheaper and cheaper prices is just moonshine.

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POPULATION GROWTH AND LIVING STANDARDS

MOST thinking persons are of the opinion that the rapid growth of population in India is a stumbling block in the way of the efforts which are being made to raise the living standards of the Indian people and that the solution for this problem must be given a very high, if not top, priority by the Governments and the leaders of the country. This certainly is the general or the predominant opinion which has been accepted with tacit or explicit approval by many in this country. India's Prime Minister, Mr. Jawaharlal Nehru, however, struck a

slightly more optimistic note when he declared this week that, although he was in favour of limiting India's population, he believed that the idea that "we cannot economically survive or improve our lot, unless we put a stop to the growth of population is not wholly justified." This change in emphasis from a mere cry of a halt to growth in population to the need for more purposeful effort in the economic sphere finds another—and a more authoritative—exponent in Mr. Colin Clark, the famous economist, who surveys, in an article entitled "Population Growth and Living Standards," published in the August 1953 issue of the *International Labour Review*, the world's population problem with special reference to underdeveloped countries.

Mr. Clark starts off by emphasising the fact that there are many industries such as large-scale manufacture, transport, postal communications, banking and insurance, which are quite specifically benefited by increasing population, because they work under the law of increasing returns. This law is said to prevail in any industry where, as a consequence of an increased scale of output, we can expect to obtain increasing returns per unit of labour or other economic resources employed. Without the large and densely settled population of North America and Western Europe, most modern industries would have been working under great difficulties and at very high costs.

Agriculture, mining, forestry, fishing and some other productive activities, which are dependent upon the use of scarce materials, work under the law of diminishing returns. On the other hand, some of the most highly mechanised branches of agriculture, such as production of sugarcane, work under increasing returns. Again, it must be remembered that all that the law of diminishing returns points out is that, if an increasing number of men farm a limited area of land, the returns per man will diminish, although the total returns from the land will increase. Further, the law applies only if two conditions are fulfilled: first, that the inhabitants of the more densely settled area do not use any different farming methods from those of the less densely settled area and, secondly, that they do not employ any more capital per head. But these conditions make the law of very limited application. The reason is that the use of improved farming methods and the application of larger quantities of capital per man are precisely the steps taken by progressive countries, when they find their population increasing while their agricultural land limited in area. In this context, we give below statistics relating to 26 countries, showing the value (in Rs.) of agricultural production per person engaged therein and the number of persons engaged in agriculture per square kilometre of cultivable land, given within brackets. The highest income countries, such as the U.S., and Australia have been excluded because there is no shortage of land in them.

Below Rs. 1,000—Philippines (5-10); India (25-30); Rs. 1,000-1,500—Turkey, Yugoslavia, U.S.S.R. (10-15); Rs. 1,500-2,000—Poland (10-15); Rumania (15-20), Italy (25-30); Rs. 2,000-2,500—Brazil (0-5), Greece (5-10), Cyprus, Bulgaria (10-15); Portugal (15-20); Rs. 2,500-3,000—France, Austria (5-10); Spain (10-15), Hungary (20-25); Rs. 3,000-3,500—Sweden (0-5); Ireland (5-10); Syria (10-15); Rs. 3,500-4,000—Germany, Czechoslovakia (10-15); Belgium (15-20); Rs. 4,500-5,000—Britain (5-10), Netherlands (15-20); over Rs. 5,000—Denmark (10-15).

The above figures show how little relation there is between density of settlement and average product per head. Although the same density of settlement prevails in Denmark as in Soviet Russia, the product per man in the former is five times that in the latter.

Some persons assert that it is difficult to teach Indians any new agricultural methods and that it would, therefore, be better to try to obtain the same objective by reducing population density. Mr. Clark has exposed the absurdity of this contention by pointing out that, to carry it out, the Indian population will have to be reduced to one-quarter of what it is at present. He states that immense improvements are possible in agricultural productivity in most parts of the world, including India. To secure such improvements, however, an immense dissemination of education and technical knowledge new equipment at a steadily increasing rate and capital to provide equipment, buildings and livestock will be needed.

The most successful farming, as judged by the ability to obtain the highest product at the highest density of settlement, is to be found in Denmark and the Netherlands, with Belgium and Britain not far behind. They provide very concrete evidence that agricultural land can be worked to yield a high product at a high density of settlement. Denmark's net exports (i.e., exports less imports) of farm products are as much as 45 per cent. of net product (defined as output less seed and fodder used up in the process of production). Denmark thus feeds not only its own population of 4.4 million, but also another 3.6 million people elsewhere or 8 million in all; that is, at Danish standards of productivity and diet, about 200 people are fed per square kilometre of cultivable land, or about 500 per square mile, as Denmark has no more than 39,000 square kilometres of such land. On the criterion of having sufficient land to feed one's population at Danish standards, the only countries in the world which are overcrowded are Japan, the Netherlands, Belgium and probably Switzerland. The Federal Republic of Germany is just on the borderline. England is overcrowded, if considered by itself, but not if the territory and populations of Scotland and Northern Ireland are considered in conjunction with it. The population of India and Pakistan per square mile of cultivable land is about 400—high but not above the limit. The corresponding figure for China is lower, probably between 300 and 350. For Indonesia, it is still lower. On the basis of a study of world population in relation to availability of culturable land, Mr. Colin Clark comes to the conclusion that most of the world is populated at far below its potential density. The world's total area of cultivable land (allowing for double cropping in the highest rainfall tropical areas) is 24 million square miles and, at Danish standards of cultivation, could support 12,000 million people, as opposed to the 2,300 million people it supports now.

Some demographers, however, may say that Danish (or any other) standards of high cultivation could never be reached in many of the countries, because population increases in them are so unbearably rapid that they are bound to overtake any increase in production. Mr. Clark has carefully examined this view against the historical trends of population. On the basis of the view of the geologists that the human race began 500,000 years ago, Mr. Clark deduces that the average rate of increase in numbers of the human race, over the greater part of its existence, was not more than .004 per cent. per annum. Between the beginning of the Christian era and the seventeenth century, the average rate of increase of mankind was no more than .04 per cent. per annum. From about the middle of the nineteenth century onward, the average rate of increase of the whole world has been only slightly over 1 per cent. per annum.

Both the historical and present-day evidence thus seems to point to the conclusion that any appreciable increase in population is only possible when two conditions are fulfilled, namely, the establishment of a firm and ordered political system and the dissemination and utilisation of medical knowledge. On this basis, it may be asked whether with the prospect of continuously decreasing rates of mortality and with the hope of world peace and good Government, we will not create, in the course of the next century, a world population problem of unmanageable dimensions? Under such conditions with an average of six children per family, we shall get a rate of population increase of about 4 per cent. per annum, or population doubling itself every 20 years.

This all turns on the question of whether the average family is likely to remain as high as six; this number is based on the result of the investigations into the family sizes in many countries. Mr. Clark points out that, in India, the average family of Hindus has not been more than five owing to the looking down upon the remarriage of widows. Moreover, there has been a considerable fall in the size of the family in partially industrialised areas, owing to late marriages. In Japan, the average size of the family has fallen from six at the beginning of the present century to less than four now. A similar tendency is noticeable in Soviet Russia and Ceylon. In an urban population, the desire to accumulate money and achieve social position is a far greater force than in a static peasant community. The work of Indian statisticians shows that the rise in production has since 1870 been far greater than the rise in population and there is every prospect that, with increasing industrialisation, this process will continue.

But, whether for industrialisation or for the extension of agricultural production, considerable capital resources are required. The amount of capital required per head in these countries, in the opinion of Mr. Clark, is generally equal to about four years' income per head. He, therefore, lays down a simple rule. Take the expected rate of population increase and multiply it by four. This gives the percentage of national income which has to be invested in order to provide employment of the same average kind as now exists for the increasing population. This investment may come from internal savings or external borrowing. It is only in so far as the rate of investment exceeds the rate of population growth multiplied by four that anything will be left over for industrialisation or for raising standards of real income per head. In most of the underdeveloped countries, the rate of saving is less than what is required according to this rule.

Mr. Clark concludes his analysis by the assertion that any foreseeable rate of population increase, in any part of the world, can be economically provided for at a satisfactory and indeed rising standard of real income, subject to three conditions. The first, which is of comparatively minor importance, is that free emigration should be facilitated from a few isolated overcrowded areas. The next condition is that for large and densely populated countries, such as India, which have reached the stage where industrialisation is obviously their only suitable prospect of economic advance, the rest of the world, even if it cannot offer direct help for such industrialisation should at least co-operate by leaving markets open for these countries to sell their goods and not place tariff and quota restrictions upon their trade. Japan was treated with gross unfairness by the Western powers in the 1930's, and this played a considerable part in forming her determination to go to war. The final condition is that countries, which are in need of economic development, should receive external assistance from the advanced countries. Countries which have already reached the size and stage of development of India and Brazil will probably be able to proceed with industrialisation with their own resources, but the progress cannot be rapid without external assistance. For the smaller and weaker countries, development will be impossible without external assistance.

It seems that Mr. Clark has drawn an unduly optimistic picture of the world's population problem at present and the near future, on the basis of theoretical considerations, which have little or no chance of being realised appreciably in many countries of the world for many years to come. Reaching the Danish or any other standards of high cultivation may be a theoretical possibility for all countries, but even approaching them will not be a practical proposition for many countries, for a long time, on account of a lack of necessary education, skill and capital. On the other hand, rapid increase of population has now become a reality in many countries. Mr. Clark lays stress on the fact that population remained stationary in most countries for many centuries, until recent years. But he has not adequately emphasised the fact that, owing to the establishment of orderly government and the growth of medical knowledge and facilities, population is now increasing at the rate of 1 to 3 per cent. per annum in several countries and that, with the further development of medical knowledge and facilities, population threatens to double itself every 20 or 25 years in some countries.

Further, none of the conditions laid down by Mr. Clark in his conclusion has much chance of being realised. In the first place, those fertile areas, which are sparsely populated at present, are dominated by white people and these people will not allow the immigration of coloured people from overcrowded areas. Secondly, the Western powers will not abandon tariff restrictions in the areas under their control upon imports from those countries which are overcrowded and which have been trying to industrialise themselves. Mr. Clark has himself pointed out that Japan was treated with gross unfairness in this respect by the Western powers in the 1930's and there are already enough indications that they mean to treat it in the same fashion, now that it has begun to raise itself once more. It is very doubtful whether other countries will receive any better treatment.

Finally, although underdeveloped countries may get some external assistance, there is not much chance of their receiving, in the near future, such assistance to the extent necessary for a considerable raising of their standards and volume of agricultural and industrial production. The conclusion, therefore, seems to be that the population problem of the world at present is serious enough to be tackled not merely on the front of raising the standards and volume of agricultural and industrial production, but also on the front of applying the negative checks to the growth of population. It must, however, be said to Mr. Clark's credit that he has shown that there are other and more construction ways of tackling the problem of overpopulation than a policy of merely negative restraints.

MR. NEHRU'S FAITH IN PRIVATE ENTERPRISE WANING

OILSEEDS JUDGMENT—OUTLOOK FOR TEA SHARES

THURSDAY, 5 P.M.

THE Government of India is still speaking in two voices on the role of private enterprise. While Mr. C. D. Deshmukh, Finance Minister, stated the other day in the Council of States that the Government did not have the necessary talent to take on more and more responsibility in the sphere of industries, Mr. Nehru keeps on repeating that nationalisation is the ultimate goal and that it is inevitable. In recent weeks, Mr. Nehru has reiterated his conviction in the virtues of public ownership at least twice. Addressing the Congress workers and the legislators at Madras on the 2nd inst., Mr. Nehru referred to capitalism and private enterprise in a manner which clearly means that he has scarcely any faith in private enterprise and that he has to tolerate it, simply because its elimination at the present stage may do the country more harm than good. Nevertheless, the aim should be, according to him, nationalisation by stages. Here is a summary of what exactly he said, as reported in the *Hindu*:

MARKET GOSSIP

"Capitalism, Mr. Nehru said, was an out-of-date anachronism. It had no meaning in the world of to-day. Even in America, which was a citadel of capitalism, it was different from what it was 50 years ago. The whole structure had changed and private enterprise had ceased to be a temple of worship and was not even a road-side shrine. In undeveloped countries, they wanted private enterprise, of course. But one had to see it in the context of larger things. They talked of mixed economy. But that by itself did not convey much. They had to think apart from these fixed ideologies and 'isms' and consider the problem in the light of not what they might gather from those 'isms,' but independently of them. Mature persons should not talk about these 'isms' as in a schoolboys' debate. Full employment was the thing that mattered. The Socialists wanted them to nationalise everything. He was not against nationalisation, but he wanted to understand how a particular piece of nationalisation would take them further along the line of full employment. Their general policy was nationalisation, but not nationalisation of everything by some kind of edict or decree. What was needed was greater production. Let them nationalise bit by bit, one by one, understanding each thing."

There are, of course, many ifs and buts in the above quotation. Nonetheless, the inner working of Mr. Nehru's mind is clear.

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On Monday this week, Mr. Nehru spoke again on this subject. This time the occasion was the meeting of the Consultative Committee of the Colombo Plan which he inaugurated. Here, too, he was vague in what he said, but confessed that the tendency was towards public ownership, though sometimes it might be towards mixed ownership. He did say, of course, that the Government of India's approach was still that of a mixed economy and that it proposed "to allow full play to what is called the private sector of this economy." He, however, quickly qualified this statement by saying that "the pressure of events and circumstances in this country—all drive us more and more towards thinking in terms of public ownership".

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It is common knowledge that, though Mr. Nehru is a socialist at heart, no useful purpose would be served by asking him to state his stand clearly and unambiguously in favour of either socialism or private enterprise, for he is not prepared to face the consequences. Mr. Nehru himself has stated several times that he does not wish to be dogmatic on this subject and that he wishes to approach this problem from a practical point of view. But we wonder whether he is at all practical in taking this stand. Some may feel that it is good in so far as it goes. In certain respects, vagueness may be an advantage. But in a matter like this, where the question of confidence is involved, it is not. It definitely ceases to be so when some of the actions of the Government happen to be contrary to its earlier assurances. The thought that the party in power may decide to nationalise a particular sector at any time it likes, will not induce private enterprise to come forward and take a risk by starting new industries or expanding existing ones. There is, therefore, a clear need for the Government of India, nay, for the Congress Party, to make up its mind and state categorically which sectors of the economy are meant for private enterprise and which are for public ownership. The Congress Party must also indicate the principles on which it is in favour of public ownership.

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Since the Congress has no faith in the merits of private enterprise and is always inclined to lean more towards the left than to the right, many a business man now feels that the country must have a full-fledged party which believes in a free-market economy. It is not known whether they will ever attempt to give effect to their feelings, because most of them are diffident of the success of such a move; they know that the Congress Party is still very powerful. There are, however, a few who feel that, if there is unity and honesty of purpose amongst all those business men who are convinced in the efficacy of a free-market economy, success will be theirs, if not in the first attempt, at least in the second or third attempt. To the question whether business men should take part in politics, their answer is that, if politicians continuously let down the business men and endanger the country's economy by their mismanagement and lack of foresight, if they disregard the need for maintaining the value of money, then business men cannot afford to remain as silent spectators. They feel that a time has now come when the political parties should be organised on definite economic principles. Failure to do so will result in chaos which will sooner or later endanger the democratic set-up in the country.

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It is surprising that Mr. Nehru and other Congress men should still talk of nationalisation as a goal to be achieved in course of time, when even those countries which have tried it do not feel so enthusiastic about it any more. The T.U.C. in Britain, for instance, is not interested in further nationalisation. It has become a little more chastened in its attitude towards this question after the Labour Party's defeat in the last election. Evidently, it now realises that to approach the electorate again with a fresh programme of nationalisation is to court a more severe defeat. It will not, of course, be correct to say that the change in the British Labour Party's attitude towards nationalisation is based entirely on political considerations. The British workers themselves now realise that their bargaining power for securing better working conditions would receive a sharp setback, if the State were to become the employer in all the important industries.

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In refreshing contrast to Mr. Nehru's lack of confidence in private enterprise is the robust optimism of Sir Winston Churchill in its ability to deliver the goods. Speaking at the Conservative Party Conference held at Margate last week, he said:

"A few years ago nationalisation was the cure-all for social and economical difficulties; now there is a general feeling that it is an utter flop. The Conservative Government have adopted a sensible and practical policy towards what we found on becoming responsible. For the success of those industries like coal mining and railways, which we felt must remain nationalised, we have done and will continue to do our best. But steel and transport, which had been so harshly struck at, we have liberated just in time. It will be proved in the next two years that this is greatly to the public advantage and convenience. . . . It has been a remarkable feat with our small majority to overcome all the resistance and obstruction with which we were confronted. There is no doubt that nationalisation has been proved a failure, hampering the competitive power of our industry, rendering an inferior service to the public and weakening the just and necessary influence of the trade unions by confronting them not with private employers but with the power of the State."

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Sir Winston Churchill has every reason to feel proud of associating himself with the cause of private enterprise. During the last two years when the Conservatives have been in power, Britain has made rapid progress in the economic sphere. Here are some of the achievements of Britain under the leadership of the Conservative Party, as described by Sir Winston himself:

Britain's Finances: "I think danger is farther away than when we went into harness. Certainly the sense of crisis in our world relations is less than it was two years ago, and we have the hope that, if we persevere, recovery from the convulsions of the past and barriers against their recurrence will grow surer and firmer as the clattering months roll by. Take our finances. Surely they come first to our minds, for it is not much use being a famous trade and nation, with institutions which are the envy of the free world and the model of many States, if at the end of the week you cannot pay for your housekeeping. We are not out of the wood yet, but we have the feeling of increasing strength, and certainly we have far larger reserves. Two years ago we were sliding into bankruptcy, and now, at least, we may claim solvency.

Housing: "And what about 300,000 houses a year? I remember well at Blackpool three years ago how you clamoured for a tremendous effort and an audacious target, and how a gust of passion swept the hall when we proclaimed the goal of 300,000 houses a year. I remember also how we were mocked by the Socialist Ministers and told we were promising the impossible. But we persevered, and now this second year at least 300,000 houses to let or sell will actually be built. Moreover, we are building more schools than ever before.

Meat: "Well, what about meat? Well, here is the plain vulgar fact. In the first two years of Tory Government, the British nation has actually eaten 400,000 tons more meat, including red meat, than they did in the last two years of Socialist Administration. Here at any rate is something solid to be set off against the tales we are told of the increasing misery of the people and the shortage of television sets."

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It will be seen from the above quotation that considerable economic progress has been achieved by the Conservative Party, without in any way sacrificing social objectives. On the contrary, the British people are now better housed, well clothed and certainly well fed.

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The decision of the Bombay City Civil Court that forward contracts in groundnuts were illegal and void under the provisions of the Oilseeds (Forward Contract Prohibition) Order and the setting aside by the Court of the award made by the Arbitration Board of the Bombay Oilseeds Exchange have evoked considerable interest in market circles. The judgment was delivered on a petition filed under section 40 of the Arbitration Act for setting aside an award, made on reference to arbitration without the intervention of the Court. The points argued on this petition were: (1) whether forward delivery contracts in groundnuts were prohibited by law in 1952? (2) if so, whether arbitration agreement contained in the contract notes was not invalid? and (3) if it was invalid, whether the award made by the Arbitration Board of the Bombay Oilseeds Exchange Ltd. was invalid?

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Relying upon Bombay Forward Contracts Control Act, 1947, and the by-laws of the Bombay Oilseeds Exchange, approved by the Government of Bombay, counsel for the opponent urged that the forward contracts in groundnuts were not prohibited or void. But the Court set aside the arguments of the opponent on the ground that there was nothing in the Bombay Forward Contracts Control Act, either authorising forward contracts in groundnuts or prohibiting any such contract. All that the Act laid down was that forward contracts should be done only under the auspices of certain associations recognised by the Government and in accordance with the by-laws framed by the association with the approval of the Government. The Court found nothing in the by-laws nullifying the provisions of the Order made by the Government of India in 1943 and kept alive upto 26th January, 1955, prohibiting forward contracts in groundnuts. The Bombay Act and the by-laws of an association applied, it held, only to forward contracts in such commodities as may not have been prohibited by an order or an Act of the Central Government. Further, it pointed out that, if there was any conflict between the Legislature of a State and the provisions of law made by Parliament, then, under Article 254 of the Constitution, the law made by Parliament, whether passed before or after the law made by the Legislature, should prevail over the law made by the Legislature of the State, and the State law shall be void to the extent of repugnancy. Consequently, the Court held that forward contracts were prohibited by law at the time of alleged contract between the parties to the dispute above. And, as forward contracts were void, the agreement to refer any dispute arising out of the contract to arbitration was also void. The Court further held that, if the agreement to refer to arbitration was void, an award made on reference by only one of the parties without the concurrence of the other party and in spite of the objection of that party was invalid.

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It will be recalled that forward trading in oilseeds was prohibited on 29th May, 1943, under the Defence of India Rules of the Oilseeds (Forward Contracts Prohibition) Order, 1943. In enacting this Order, the Government of India was actuated by the motive of eliminating undue and unhealthy speculation in the oilseeds market and at the same time of securing the efficient prosecution of the war and maintaining supplies essential to the community. The Order specifically stated that no person shall, after 31st May, 1943, enter into forward contracts; but, by a subsequent amendment, the Government exempted the following classes of contracts from the provisions of the Order, namely, "forward contracts for groundnut, linseed, mustard seed, rapeseed or toria seed of specific qualities or types and for specific delivery at a specified price, delivery orders, railway receipts or bills of lading against which contracts are not transferable to third parties." The same Order still holds good, as it has been kept alive by a succession of notifications. Under the latest notification, issued under the Essential Supplies Temporary Amendment Act, 1952, the said Order is extended upto 26th January, 1955.

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The dispute which was the subject matter of the above judgment is a simple one. All those who are intimately connected with the working of the Oilseeds Exchange must be aware that forward trading in groundnuts is illegal. Nevertheless, it is common knowledge that a large volume of speculation in this commodity has been a regular feature of this market. The *modus operandi* here also is common knowledge. Futures trading is being carried on under the guise of the specific delivery non-transferable forward contract. The whole thing works smoothly so long as neither party to the deal decides to go to Court. If one of the parties chooses to do so, as was done in the case under reference, the whole thing will fall to the ground. The surprising part of the story is that authorities of the Oilseeds Exchange take cognisance of disputes arising between members on such illegal contracts and arbitrate on them. They may conveniently plead ignorance of the real nature of the dispute referred to them. But, surely, they must be aware that the major portion of the business that is being done in groundnuts is of a highly speculative nature and that the facility meant for the convenience of genuine businessmen is often misused by rank speculators. What steps have they taken to curb such activity? Will the Forward Markets Commission look into the behaviour of this Exchange please?

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In recent weeks, there has been good buying enquiry for shares of North Indian tea gardens. This has carried the quotation for many leading shares in this section of the Calcutta Stock Exchange to higher levels. There is, of course, some speculative element in this rise. But it seems also to be true that the scrips have attracted some investment support, both in Calcutta and in

(Continued on page 755)

EQUITIES MAINTAIN FIRM TREND

SPURT IN BELAPURS

(From Our Own Correspondents)

BOMBAY, 15th *October*

THE buoyancy noted on the Stock Exchange last week was kept up during the week under review also. In fairly active dealings, the main body of shares moved ahead on continued bull support followed by considerable short covering. Under the leadership of Tata Deferreds, which crossed at one time the Rs. 1,900 mark —the highest after the shares were listed ex-dividend early in September last—some prominent industrial scrips improved to touch, during the week, fresh high levels in the recent recovery movement. The higher levels brought some caution and operators preferred to book their profit, resulting in an all-round pruning down of values. However, the closing levels showed sizable gains over the week, indicating the firm undertone of the market.

The fact that the amount of expenditure on the Five-year Plan was stepped up by Rs. 175 crores, as also the willingness of the U.K. to grant a loan of £5 million to India, added to harden the sentiment of the market. The expectation that the closure of certain textile mills, leading to unemployment, would prompt the Government to remove export duty and reduce excise duty on cloth, induced some support for textile shares. Consequently, under the influence of speculative activity prices advanced, despite occasional profit-taking.

In the steel section, Tata Deferreds made a promising start at Rs. 1,871-4 and edged forward to Rs. 1,902-8 on Tuesday this week on sustained bull support and nervous short-covering. The higher level, however, brought some realising and the scrips reacted to Rs. 1,878-12 this morning, before gaining ground to Rs. 1,897-8 at the close. Tata Ordinaries looked up early in the week from Rs. 321 to Rs. 323-8, but softened to Rs. 319-4 on Monday. Subsequently, a keen enquiry set in and the scrips gained considerable strength to go up to Rs. 323-8 at the close. Indian Irons provided a notable feature of the section. On inspiring advices from Calcutta, they emerged firm, advancing from Rs. 23-11 to Rs. 24-5½ yesterday, the highest level touched since 3rd July, 1953. The closing was, however, a shade lower at Rs. 24-2½.

In the textile section, Bombay Dyeings made an early gain from Rs. 362-8 to Rs. 372-8, but profit-taking pressed the rate down to Rs. 367-8 at which it closed. Kohinoors made a spirited advance from Rs. 283-12 to Rs. 290, but yielded ground to Rs. 286 at the close. The highlight of the section was provided by Central Indias which were concerned in brisk bull support, on favourable working results of the Company for the year ended 30th June, 1953. The shares, therefore, buoyed up from Rs. 149 to Rs. 157. Centurys, however, were quiet with a loss of Re. 1 to Rs. 260-8. Svadeshis gained Rs. 2½ to Rs. 243-8. Finlays held ground at Rs. 249. Indu Ordinaries put on As. 9½ to Rs. 10-1. Gokaks were in good form to go up by Rs. 5 to Rs. 232-8.

Dull and quiet conditions were noted in the bank section. Barodas dropped a fraction to Rs. 107. Centrals were uninteresting at Rs. 64-4 and their new shares declined by a rupee to Rs. 66. Imperial Fully Paids lost Rs. 2-8 to Rs. 1,837-8, while the Contributories added Rs. 2-8 to Rs. 432-8. Indias were a shade lower at Rs. 157, whereas United Commercials put on As. 8 to Rs. 36-8.

Revival of investment support to some of the Tata Hydro group shares was a feature of the trading in public utility shares. Tata Hydros which were taken down from Rs. 135 to Rs. 132 revived to close at Rs. 137-8. Similarly, Tata Powers, after having been marked down from Rs. 1,335 to Rs. 1,325 early in the week, rallied to Rs. 1,360. Andhra Valleys, however, succumbed to pressure and declined from Rs. 1,290 to Rs. 1,265.

Miscellaneous industrials were firm, with speculative activity centred round prominent counters. Belapurs staged a sharp rally from Rs. 249 to Rs. 260 on persistent rumours about a bonus issue by the Company. Associated Cements recorded a gain of Re. 1-8 to Rs. 173. Scindias improved by As. 5½ to Rs. 14-3. Alcocks jumped from Rs. 305-10 to Rs. 310. Bombay Burmahs (old) rose from Rs. 336-4 to Rs. 343-12. National Rayons continued to receive good support to and added Re. 1-4 to close at Rs. 121. Premier Constructions changed hands, Rs. 4-12 better, at Rs. 91. Shivrajpurs Re. 1, at Rs. 64 and Walchandnagar, Rs. 2-8, at Rs. 150. On reports that the Common Production Programme Committee of the All-India Cottage and Village Industries Board had recommended the levy of a cess on Wimco matches, the Company's shares reacted from Rs. 243-2 to Rs. 238-12.

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Calcutta Stock Exchange

CALCUTTA, 14th *October*

With operators showing considerable interest in selected counters in the principal sections, firm conditions developed on the Calcutta Stock Exchange during the week under review. Although the list of transactions did not record an impressive increase, gains were attractive and were well maintained. Such a trend before the commencement of the long spell of holidays—the vacation for the *Poojahs* is the longest spell of rest for the market which closed last evening for the holidays and which will reopen only on 26th October—has been a little surprising, especially when there has been no particula: cause. However, the change in sentiment is believed to be the result of the heavy decline in prices which had been noticed during recent weeks. Jute goods markets continued to be active, and although no rises were recorded, the sharp decline in stocks of mills as at the end of September was hailed by operators as a sign of the beginning of a recovery in the demand for jute goods.

Section-wise, Indian Irons opened steady at Rs. 23-14 last Thursday, and that rate was maintained up to Saturday. The publication last Friday of the production figures pleased the market, and consistent buying during the last two sessions raised the rate to Rs. 24-3. Pig iron produced amounted to 21,320 tons, as against 20,230 tons in August. Steel ingots were, however, lower at 2,270 tons (7,710), but semis and finished steel were higher at 8,990 tons, an increase of 4,800 tons. The improved trend of production is expected to be fully reflected in this month's working. Indian Steel and Wire Products were a strong feature and, on interested buying, improved from Rs. 61-4 to Rs. 63-8.

Miscellaneous shares invited a considerable interest from operators, and several features resulted. Alkali Chemicals at Rs. 17 were better by Re. 1, and Rohtas Industries were taken at Rs. 9-4 as against Rs. 8-10 previously. Indian Cables hardened to Rs. 20-4 and British Burmah Petrols gained from Re. 1-12 to Rs. 2. A bright spot was provided by Assam Saws which spurted from Rs. 6-11 to Rs. 7-6. Sone Valley Cements were steady at Rs. 6-13, and Titaghur Papers at Rs. 36-8 were better by As. 6. Following the announcement by the Calcutta Tramway Company that no final ordinary dividend would be paid for the year to December, 1952, Calcutta Trams were shaded from Rs. 13-6 to Rs. 12-8, but there was a subsequent recovery to Rs. 13-1 as the threatened strike by tramway workers has been averted in the last minute.

Selected features were also recorded in the coal section, where Burrakurs firmed up from Rs. 9-2 to Rs. 9-5. Equitables at Rs. 36-13 recorded a gain of As. 14, while Khatras Jherriahs declined from Rs. 38-12 to Rs. 37-15. Central Indias derived strength at Rs. 5-9, and Bengals were favoured at the higher level of Rs. 511.

After recent weeks of hectic activity, a reduced volume of business was recorded in teas, but gains were well maintained and further rises reported. At Rs. 336, Banarhats gained Re. 1, and New Dooars provided an interesting spot with a rise of seven points to Rs. 340. Hasimaras, in transactions, were pushed from Rs. 28-8 to Rs. 29-12. Hattikhiras were steady at Rs. 12-4.

Selected features were provided in jutes, where Ganges were pushed from Rs. 69-8 to Rs. 75 and Nellimarlas from Rs. 34-8 to Rs. 37-6. Opening at Rs. 23-4, Howrahs advanced to Rs. 23-11. Reliances were favoured at Rs. 15-8. Birlas were one of the strong features with the rate improving from Rs. 41 to Rs. 43-5. Standards gained Rs. 3 to Rs. 135 and Chitavalsahs were supported at Rs. 33. Nuddeas were in demand at Rs. 33. Anglo-Indias at Rs. 203 and Cheviots at Rs. 200.

Notices

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE SHARE TRANSFER BOOKS OF THE Company will be closed from MONDAY, the 2nd November to MONDAY, the 30th November, 1953, both days inclusive.

By Order of the Board,
FOR THE ASSOCIATED CEMENT COS. LTD.,
CEMENT AGENCIES, LTD.,
Managing Agents:
J. H. PATEL,
Managing Director.

BOMBAY, 25th *September*, 1953.

MACNEILL AND BARRY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5½ per cent. per annum for the half-year ended 30th September, 1953.

Payment will be made on 2nd November 1953, to those Preference Shareholders whose names appear on the Company's Register on that date, or in accordance with their instructions.

By Order of the Board,
A. H. FOSTER,
Secretary.

2, FAIRLIE PLACE.
CALCUTTA, 12th *October*, 1953.

Madras Stock Exchange

MADRAS, 13th *October*

The Madras Stock Exchange presented a mixed trend this week. Only a few scrips changed hands in the textile section. Barring these, others reported fractional losses on fears regarding continued accumulation of yarn and cloth with textile mills. Operators in this section seemed inclined to await authoritative information regarding rumours of a possible reduction in excise duty, or abolition of export duty, on cloth. Planting shares, however, came in for some selective enquiry. Rubbers were somewhat steadier on reports of a reduction in rubber stocks with the leading consumers. Tea scrips evoked little interest, as the overseas demand was not encouraging. Coffee shares presented no better trend, despite the Commerce Ministry's decision to permit export of 2,000 tons of robusta coffee out of the 1952-53 crop. Trading in the market, as a whole, was limited and prices fluctuated within narrow levels. There was, on balance, a sprinkling of both gains and losses.

Trading in the textile section was poor and the tone remained quiet. Ranga Vilas declined from Rs. 45-8 to Rs. 44-8. Lakshmis (Rs. 50 paid-ups) eased from Rs. 79 to Rs. 77. Kotharis were lower by As. 4 at Rs. 10-4. But Metturs gained Re. 1 to Rs. 193. Premiers also rallied Re. 1 to Rs. 81. Maduras and Cambodias were up by As. 2 and an anna to Rs. 39-6 and Rs. 11-10, respectively. Buckinghams, however, were quiet at Rs. 121 and Bangalore Woollens at Rs. 270. Coimbatore Pioneers were colourless at Rs. 117 and Spinnings at Rs. 39.

In the planting section, tea scrips came in for sporadic enquiry. Parksides improved from Rs. 13-4 to Rs. 13-12. Coorg teas were higher by As. 2 at Rs. 6-4. Chembras were slightly better at Rs. 2-5½. Periakaramalais were done at Rs. 6-14 cum-div., as against Rs. 6-12 ex-div.

Rubber scrips ruled somewhat better. Vaikundams gathered As. 6 to Rs. 14-14 and Rajagiris As. 4 to Rs. 12-2. Nilamburis gained As. 2 to Rs. 8-6. Be Bes were better at Rs. 2-4½. But Malankaras lost As. 8 to Rs. 102. Kailas and Velimalais were lower by an anna each to Rs. 3-2 and Rs. 2-5½, respectively.

Among coffee shares, Consolidated Coffees were higher by an anna at Rs. 18. Shevroys was fractionally better at Re. 1-4 cum-div. Coffee Lands was unchanged at Rs. 10-5.

In the miscellaneous section, Rallis declined from Rs. 64 to Rs. 62. Mysore Stonewares showed a loss of As. 4 at Rs. 8-8 and Parrys As. 2 at Rs. 4-8. Mysore Gold eased from Rs. 2-5 to Rs. 2-4. Andhra Cements 'B' were down by an anna at Rs. 10-1.

GENERAL ELECTRIC COMPANY

The seventy-fifth anniversary celebrated by the General Electric Company of U.S.A. on the 15th inst. marks the completion of an eventful career of seven and a half decades in the history of the Company. The Company has been the ultimate outcome of a continuous process of consolidation and expansion of a series of mergers of several sister concerns at different times. Thus it may be mentioned that, 75 years ago, was established the first firm into which, ten years later, in 1899, was merged a group of companies to form a new firm, the Edison General Electric Company. Again, three years after, in 1892, this Company, along with Thomas-Houston Company, was merged into the new Company, now known as the General Electric Company of U.S.A. This Company owes the place of pride which it occupies to-day in the sphere of international business to a succession of five energetic and enterprising presidents who moulded its destinies all these years.

The early life of the new Company was anything but steady. The financial havoc of 1893 almost shook its foundations, but it managed to survive on account of the wise stewardship of its affairs by its first President, Mr. Charles A. Coffin. Mr. Coffin's greatest contribution to the General Electric was in the field of corporate organisation.

Mr. Edwin Rice, who succeeded Mr. Coffin in 1913, made his mark as a scientist. His analytical abilities were demonstrated when he engaged the services of Mr. Charles P. Steinmetz, who later came to be known as "the wizzard of electricity" as he evolved mathematical systems to predict the efficiency and power of electrical equipment. He was an exponent of alternating current by designing the suitable machinery and systems which later became standard in the electrical industry. He was also the pioneer in the field of artificial lighting.

Mr. Gerard Swope, who was the successor of Mr. Rice in 1922, was responsible for the expansion of the services of the Company. Soon, General Electric, which was primarily catering to the needs of industry, found itself in the consumer goods business. The last war focussed the attention of the Company to study methods of generation of power by atomic energy.

Under its present President, Mr. Ralph J. Cordiner, General Electric Company is being modernised and expanded in line with new developments. Mr. Cordiner looks forward to a great future for the electric industry. To quote him: "Based on the best estimates of the growth of economy as a whole, it is probable that in the next ten years, as much electrical generating equipment will be built, sold and installed as has been built and installed in the industry's past 75 years' history."

It may be mentioned here that the Company will be celebrating this year its fiftieth anniversary of service in India through its subsidiary, the International General Electric Company (India) Ltd.

NEWS IN BRIEF

OVER 30,000 acres of land in 29 districts of Uttar Pradesh are stated to have so far been brought under the Japanese method of paddy cultivation.

The first all-metal coach produced from the Perambur railway workshops will be put into service in three years' time from now. The programme of building coaches at the factory has been speeded up.

The Bihar Government does not propose to decontrol cement in the State, as there is an overall shortage of cement in the country and the quotas allotted to the State are not sufficient to meet the demands of the consumers.

The export quota of rosewood logs allotted to the Port of Cochin during 1953-54 has been raised from 500 tons to 900 tons, by allowing the unutilised balance of 400 tons from the quota of the Madras Port to be added to the quota allotted to Cochin.

The 24th annual session of the Central Board of Irrigation and Power will be held on the 26th inst. The session, which will be inaugurated by the Prime Minister, will hold a symposium on the determination of cost and benefits of the river valley projects listed under the Five-year Plan.

A conference of *ghee* packers will be held in New Delhi on the 21st inst. Dr. Panjabrao S. Deshmukh, Union Minister for Agriculture, will inaugurate the Conference. The Conference will discuss, among other subjects, the question of popularising Agmark brand of ghee.

The U.P. Government spent in 1952-53 over Rs. 27.23 lakhs on development plans under the community projects in the State. Of this expenditure, Rs. 17.47 lakhs were non-recurring and Rs. 5.80 lakhs recurring. The balance was advanced to individuals and co-operative societies as loans. As a result of the 12 months' progress of these projects, 60,000 maunds of additional crop yield, estimated to cost Rs. 10 lakhs, has been obtained from the cultivators.

The Government of India has agreed to provide a loan of Rs. 60 lakhs during the current financial year for new special minor irrigation schemes in the Madras State, in addition to a loan of Rs. 22 lakhs required for similar schemes taken up during the previous year. Besides this, the State Government has also been allowed additional loans of Rs. 17.16 lakhs and Rs. 20 lakhs for its tube wells programme and supply of oil engines and electric motors respectively.

The Institute of Town Planners, India, has finalised plans for establishing a town and country planning school, the first of its kind in India. The school will be located in New Delhi and is estimated to cost Rs. 3 lakhs in the initial stage. It will offer a three-year course covering all aspects of town and country planning. The school which is expected to start functioning from the next academic year, will receive financial assistance from the Government of India.

A batch of eleven students from India, Pakistan, Ceylon and Indonesia has just completed a six-month training course in agriculture with Plant Protection Ltd., Fernhurst, England, an associated company of I.C.I. The students were sent to England under the Economic Aid Programme of the Colombo Plan. The course covered intensive theoretical, as well as practical, training in mechanised agriculture, pest control, and the latest farming practices. The most interesting feature of the training was, however, its emphasis on current problems.

About 100 *gram panchayats* have been selected in U.P. for the enquiry into local taxation now being conducted by the Taxation Enquiry Commission of the Government of India. A comprehensive questionnaire containing questions relating to various aspects of local taxation has been forwarded to the selected *panchayats*. Among the points to be enquired into are, the finances of *panchayats*, the origin and development of individual taxes, the relative importance of various sources of revenues, trends on the income and expenditure sides of *panchayat* budgets, tax evasion and measures taken to prevent it.

A delegation sponsored by the Federation of Indian Chambers of Commerce and Industry, consisting of Mr. C. L. Jhunjhunwalla (leader) and eleven others visited the village community development projects of the West Bengal Government in Burdwan, the Central Government enterprises at Chittaranjan and Sindri, the Dhanbad School of Mines and the Fuel Research Institute, the Jamadoba and Digwadhi Collieries and the irrigation and power projects of the D.V.C. at Tilaya, Bokaro, Konar, Maithon, Panchet Hill and Durgapur. The delegation appreciated the constructive efforts and the potentialities of these projects and studied their relation to private enterprise. The delegation will be submitting a report shortly.

A two-day conference of officers of the Central Marketing Organisation and the Marketing Officers in various States will be held in New Delhi beginning on the 19th inst. The Union Minister for Agriculture, Dr. Panjabrao S. Deshmukh, will inaugurate the Conference. The Conference is expected to review the progress already made in agricultural marketing and discuss its various aspects, such as marketing surveys, grading and standardisation, regulation of markets, co-operative marketing, establishment of licensed warehouses, standardisation of weights and measures and a market news service. Discussions at the Conference will be connected in a large measure with the implementation of the recommendations concerning agricultural marketing, in the first Five-year Plan.

The Government of India has brought into force the Industries (Development and Regulation) Amendment Act, 1953, which was recently passed by Parliament. A notification in the *Gazette of India Extraordinary*, issued on the 1st inst. in this regard, contains also certain amendments to the Registration and Licensing of Industrial Undertakings Rules, 1952. Rule 19 makes it obligatory on every owner of an industrial undertaking, registered under the Act, to send half-yearly returns showing the progress made in the establishment of the undertaking. Again, Rule 19A prescribes that owners of all registered and licensed undertakings should give notice, from time to time, of changes, if any, in the ownership or name of any undertaking within 14 days of such change. Notice also should be given of an industrial undertaking falling outside the scope of the Act by reason of a reduction in the number of workers employed or of discontinuation of production of articles falling within the scope of the Act or for any other reason. Undertakings should also report closure of factories for a period exceeding 30 days, as also decisions to liquidate undertakings.

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From Abroad

A party of ten women from Ceylon and three men from India is now in Britain for a nine-month course in dairy husandry at the Monmouthshire Institute of Agriculture and Horticulture of Usk, Wales. Training facilities for them have been made available by the British Government under the Technical Co-operation Scheme of the Colombo Plan.

The output of yarn in Japan during September, 1953, reached a new post-war record of 200,327 bales, as compared with 185,829 bales in the previous month and the previous record of 1,92,724 bales established in July, 1953. The increase in output during September was due to rise in domestic prices of cotton goods and the Japanese Government's policy to encourage expansion of production to stabilise the market.

The Burmese Parliament has passed into law its new Land Nationalisation Bill to resume private lands and redistribute them to the peasants. A detailed schedule for distribution of the different kinds of lands to the cultivators for individual ownership and co-operative production has been drawn up. The compensation clause in the Act has been dropped on the recommendation of the Select Committee of the Upper House. However, a new Compensation Bill is expected to be presented to the next session of Parliament in February.

Ten surveyors and engineers from Burma, Ceylon, Pakistan, the Philippines and Thailand arrived in the U.K. early last week to take a year's special diploma course in aerial survey methods provided by the British Government under the Technical Co-operation Scheme of the Colombo Plan. The course, which began on the 5th inst., is the first of its kind to be given in the United Kingdom under the Colombo Plan. An important feature of the syllabus will be the study of aerial survey methods, with Asian conditions borne constantly in mind.

The International Handicrafts Exhibition, now on in London, is the first ever to be held in Britain. The principal aim of the exhibition is to further and encourage the great and growing interest in handicrafts and homecrafts fostered by all nations in the face of mass production and industrial development. Exhibits from India figure prominently at the exhibition and include beautiful ivory-work as well as silver filigree, brass-work, carvings, *saris*, brocaded scarves, bead-work and printed cotton. Other overseas countries represented at the exhibition include France, Italy, Canada, the U.S.A., Pakistan, Yugoslavia, Hungary, Poland, Cyprus, Kenya and the Gold Coast.

Finland has asked Britain to explore the possibilities of a triangular trade agreement between Britain, Finland and Russia. No clear-cut proposals have so far been submitted, but the British Government will welcome anything which might emerge for increasing the level of trade between the three countries. There is no obstacle at present to triangular trade, as sterling can be freely transferred between the three countries.

France's three main small car manufacturers, Renault, Simca and Peugeot, cut the prices of their cars by about 10,000 francs as the Paris motor show displaying 1,300 cars from eight nations opened on the 1st inst. On the eve of the show, the Rootes group of Britain, announced a substantial reduction in prices of some of its cars. There is rivalry between British, French, German and Italian manufacturers to sell cheap four-seater cars for business and pleasure which will be economical in petrol consumption.

United States imports during the first half of 1953 rose to record proportions by volume, although dollar value of receipts fell short of the peak achieved in the first half of 1951, according to the U.S. Department of Commerce. In the first half of 1951 unit prices of imported merchandise were extremely high, reflecting the boom brought on by the Korean situation. The $6,000 million record figure for any semi-annual period reflected import prices averaging about nine per cent. higher than those of 1953 to date. As a result, the $5,600 million U.S. import figure for the first half of 1953 actually represented a larger volume of goods. This record volume was larger by about one-tenth than in the first half of 1952.

PERSONAL

MR. K. G. Apte, of the Phaltan Sugar Works Ltd., has been elected President of the Deccan Sugar Technologists' Association for the current year.

Dr. N. V. Rajkumar, of the Foreign Relations Department of the All-India Congress Committee, has been appointed Commissioner for the Government of India in Fiji.

Mr. C. C. Desai, High Commissioner for India in Ceylon, has been elected President of the Council for Technical Co-operation under the Colombo Plan, in succession to Mr. R. Coomaraswamy of Ceylon.

Mr. Anand Mohan Sahay, Commissioner for the Government of India in British West Indies, including British Guiana, has been appointed Commissioner for the Government of India in Mauritius.

Mr. A. D. Balasundaram Mudaliar, Joint Registrar of Co-operative Societies, Madras, and Business Manager of the Madras Handloom Weavers' Co-operative Society, has been appointed Director of the Central Marketing Organisation of the All-India Handloom Board with its headquarters at Madras.

Mr. Frederick Grant, M.C., Q.C., has been appointed Independent Chairman of the Executive Committee of the British Iron and Steel Federation in succession to the late Sir Andrew Duncan. A prominent Bencher of the Inner Temple, Mr. Grant was a member of the Monopolies and Restrictive Practices Commission from 1949 to 1952 and Chairman of the Purchase Tax (Valuation) Committee, 1952-53.

Professor W. A. Robson, Professor of Public Administration in the University of London (London School of Economics and Political Science) has arrived in India at the invitation of the Patna University to deliver a series of lectures in November and December at the University. In the meanwhile, he will undertake a lecture tour of India under the auspices of the British Council.

Dr. S. K. Muranjan, Principal of the Sydenham College of Commerce, Bombay, has left for London *en route* to the U.S. to conduct post-graduate seminars of the Universities of Texas, Indiana and New York. On the completion of work in the U.S., Dr. Muranjan will visit Japan to study the organisation of cottage industries there.

Mr. M. R. Bhide, Vice-President, Indian Council of Agricultural Research and Additional Secretary, Ministry of Food and Agriculture, will lead the four-man co-operative mission to be sent to Canada at the invitation of the Government of Canada. The other members of the mission are Mr. D. A. Shah, Principal, Co-operative Training Institute, Poona, Mr. Shyam Bharose, Registrar of Co-operative Societies, Bhopal, and Mr. R. Bhardwaj, Joint Registrar of Co-operative Societies, Uttar Pradesh. The mission will study the formation and management of credit societies, co-operative marketing of agricultural products for small communities, fisheries, etc.

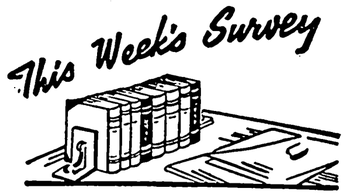
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 20th October

The Tide of Speculation

With the autumnal holidays commencing, operators in the share market, as their usual custom is at this time of the year, are endeavouring to discover the probable trend of values when our Stock Exchanges reopen after the *Poojah* recess. Now that the strike in the Bombay cotton industry has come to an end, the question is being asked whether cotton textile shares are likely to appreciate to any appreciable extent beyond this week's closing rates. Are the prospects of the jute industry sufficiently promising to justify an advance in jute mill securities? What are the possibilities in the same direction for tea, tin and rubber? The scope and diversity of what is termed the industrial market, backed by past experiences, of an unpleasant nature in many instances, predispose the prophet to the opinion that spectacular developments are not likely to be experienced. The assumption is almost certain of fulfilment. Nor can anything out of the ordinary be anticipated in the Gilt-edged schedule. The fixed-interest-bearing list is seldom productive of anything sensational, though its investment prospects may be good. The public, watching the trend of trade statements and feeling that general trade recovery must be gradual, shows no inclination to turn towards railway securities to any extent. Light rails, it is true, have a large circle of devotees who have been gratified by the excellent economic progress of the territories which the railways touch. The attention of investors is now centred more than ever before upon electric supply projects, which are constantly increasing in number, and the companies are sure to make a popular counter when the markets reopen after the *Poojah* holidays. Both rubber and oil have had their periods of intense activity, and doubtless will again; but discernible prospects for the near future in both directions are far from being settled and satisfactory enough to warrant any expectations of strong buying.



COLOMBO PLAN COMMITTEE MEETS

THE Consultative Committee of the Colombo Plan began, according to schedule, its five-day session at New Delhi on the 13th inst., India's Finance Minister, Mr. C. D. Deshmukh, presiding. Representatives of the fifteen nations and the three world bodies, mentioned in the course of a leading article in this journal a fortnight ago, attended the meeting. India's Prime Minister, Mr. Nehru, inaugurated the meeting, Mr. R. G. Casey, Australian Minister for External Affairs, and Mr. Mohammad Ali, Pakistan's Minister for Economic Affairs, also spoke on the occasion.

The aforesaid speakers spotlighted attention, among others, on two characteristics of the Colombo Plan, namely, international co-operation and self-help by the countries seeking aid. Mr. Nehru who pleaded for a quick solution of the economic problems of Asia by means of technical and other assistance under the Plan, said that, apart from such assistance, the coming together of the Colombo Plan countries would lead to not only a better understanding among the countries but a greater lessening of tensions. Mr. Casey echoed more or less the same view when he said that the Colombo Plan offered a way in which countries with greater resources could share them with other underdeveloped countries so as to make for a better world. Mr. Mohammad Ali also echoed the same thing. He said: "Whatever we have to achieve will only be achieved by methods of international co-operation and the Colombo Plan embodies this noble aspect of international co-operation."

The speakers' views were also unanimous on the need for self-help. Mr. Nehru remarked: "We welcome the assistance, co-operation and help of other countries which are in a position to give that help. But we realise very well that, ultimately, it is by our own hard work that we will go ahead." In a different phraseology, Mr. Casey emphasised the same point. He declared: "Asian Governments must themselves finance the bulk of the projects and countries outside Asia can contribute only the margin of the finance required." And Mr. Mohammad Ali reiterated the same idea by pointing out that the people of Asia felt that they must, by their own efforts, move forward with such help as might come from their friends.

The uniformity in the views of the speakers mentioned above underlines complete recognition by the aid-receiving countries that no amount of foreign aid will help their cause, unless they themselves worked hard to build up their economies. This should inspire confidence among the aid-giving countries that the assistance given by them would be put to the best advantage and would not engender complacency and laziness among the recipient nations.

Mr. Nehru made significant remarks on the population problem. He sought to dispel the fear that no improvement in India was possible unless it put a stop to the growth of the population. He did not, of course, underrate the adverse effects of a growing population, but he said, apparently as a result of the realisation of the limited results that will follow in the initial years of even a vigorous family planning drive, that the country's schemes should be implemented at a rate faster than the rate of increase in the population. "We have always to keep this objective," he said. In this context he referred to the improvement in the food situation and hoped to tackle the country's problems of industry by a judicious approach to mixed economy. But almost in the same breath he said something which, while not being entirely contradictory, is certainly not conducive to the working of a mixed economy.

The concept of a mixed economy cannot work satisfactorily, if the powers-that-be have no confidence in private enterprise. Mr. Nehru is one of those in the Congress Party who do not have much respect for private enterprise. On many an occasion, he has voiced his misgivings about private enterprise. He did so in one of his numerous public utterances during his recent visit to the South. He reiterated it again in his speech at this Conference also. Thus, he took it for granted that "the pressure of events and circumstances in this country—all drive up more and more towards thinking in terms of public ownership." Of course, he added, rather grudgingly: "We propose to give full play to what is called the private sector of this economy." But he quickly added: "Nevertheless, our tendency is towards public ownership." This policy of "pinching the child and rocking the cradle" is scarcely calculated to encourage private enterprise to come forward and start new ventures only to be taken over by the State later on.

OIL TANKERS

It is now revealed that there is a definite provision, in the agreement between the Government of India and the Standard-Vacuum Oil Company for the construction of India's first modern oil refinery, for the future use of tankers under the Indian flag. But, as India does not possess at present a tanker fleet, the Government has agreed that foreign tankers, which bring in either crude oil for the refinery or oil products for the Indian markets, could lift the products from the refinery in Bombay for other ports in India. This agreement will hold good till the Government or a corporation in which the Government holds the controlling shares acquires tankers of a size economically suitable for use. When this is accomplished, Standard-Vacuum will negotiate for the utilisation of a reasonable number of these tankers. In these negotiations, the Stanvac's charter commitments existing at the time will, however, be taken into account. It may be added here that a similar provision exists in the Government's agreements with the Burmah-Shell and Caltex Oil Companies also.

This information disproves the allegation that the Government of India has contravened the policy of reservation of coastal trade to national ships by making no provision for the utilisation of tankers under the Indian flag, which might become a possibility in the near future. The agreement could, of course, be criticised on the ground that it is not applicable to tankers owned by private companies or corporations in which the Government might not hold the controlling interest. But such a criticism is unrealistic and theoretical, inasmuch as the possibilities of private enterprise being in a position to organise a tanker fleet are remote in view of lack of sufficient capital. None of the existing shipping companies will be in a position to find the large capital that will be required to own a tanker fleet of adequate size. Indeed, they have not the funds even for expanding their existing lines of business and are dependent upon Government assistance for buying even a few vessels. In these circumstances, to criticise the arrangement, which the Government has entered into with the refinery companies for carrying the refined oil and other by-products to the Indian coastal ports, as being a violation of the principle of reservation of coastal trade to national shipping, is tantamount to advocating a dog-in-the-manger policy.

ASIAN MARITIME CONFERENCE

The ten-day deliberations of the Asian Maritime Conference, which concluded this week at Nuwara Eliya (Ceylon), discussed the methods of recruitment and welfare facilities for Asian seafarers in Asian ports. It also considered a report of the Director-General of the I.L.O. containing a survey of maritime developments in Asia, general conditions of Asian seafarers and the position in regard to ratification of maritime conventions by countries of the Asian region. Seven Asian countries, namely, Ceylon, Hongkong, India, Indonesia, Japan, Pakistan and Singapore and four non-Asian countries, namely, the U.K., France, the Netherlands and Norway, were represented at the conference. There were also representatives of, among others, the Governing Body of the I.L.O. and the Joint Maritime Commission. Asian seafarers constitute a large proportion of those employed in the seafaring profession in the merchant fleets of important maritime countries. So far as India and Pakistan are concerned, last week's deliberations in Ceylon are of particular significance, because their shipping has witnessed considerable expansion since the war, with the result that the owners of vessels of these two countries now constitute an important group among employees of seamen.

The full text of the deliberations of the Conference is not available at the time of writing. But from Press reports, it is clear that the attention of the delegates was mainly concentrated on methods of recruitment and conditions of engagement of Asian seafarers. That is only as it should be, for it has long been recognised that the fundamental problem of the Asian seafarers is the organisation of recruitment. Recruitment methods are open to charges of corruption and bribery. This has resulted in irregularity of engagement, and intolerable conditions to Asian seafarers seeking employment. The chronic indebtedness of the Asian seafarer and the absence of trade unions organised on democratic principles have aggravated the situation. It is natural, therefore, that recruitment was the main theme of the Conference. The observations of the Indian shipowners' delegate, Mr. N. Dandeker, on this aspect, while discussing the report of the Director-General of the I.L.O., are pertinent. He said:

"An effective recruitment organisation will have to solve many problems. The number of employable seamen will have to be ascertained; if the number is too large, as it undoubtedly is, effective methods of minimising the intake of new recruits and of excluding those who are really unemployable by reason of age, ill-health, lack of experience, etc., will have to be evolved and systematically applied; the equitable rotation of available employment among those who are employable, without the intervention of *serangs* or other middlemen and without jeopardising the quick and effective manning of vessels is another aspect of the problem which will have to be tackled; and so on. The list is long and important. But it is only when these and other problems connected with the recruitment of seafarers have been satisfactorily resolved that any significant progress in other directions, including welfare and social security schemes, seems practicable."

Mr. N. M. Buch, the leader of the Indian delegation, complimented the Director-General of the I.L.O. for his masterly survey of the conditions of Asian seafarers, while Mr. Aftab Ali, delegate of seafarers from Pakistan, commenting on the report, vehemently repudiated the charge that Asian seafarers were not capable of organising themselves. Speaking in relation to Indian and Pakistani seafarers, he laid the blame for the existing lack of organisation among seafarers at the door of the "time-worn and vicious systems of recruitment" which, according to him, had been "deliberately foisted on them by shipowners, particularly British shipowners, with the studied purpose of maintaining disunity in their ranks." Mr. Ali also took exception to the statements made in the report that the inefficiency of most of the Asian seafarers was due to lack of facilities for their training for the seafaring profession. Agreeing with Mr. Ali, Mr. Dandeker said that the lack of organisation was not due to any inherent or natural inability on the part of seafarers to set up such an organisation. Proceeding, however, he called for "right solutions." He deplored the tendency of indulging in "witch-hunting" to find out "who was wrong." That would serve no useful purpose. The task to be done now is, as he rightly remarked, to ascertain as to "what is right" and not "who is right."

RAISING COCONUT PRODUCTION

It has been estimated by the Planning Commission that there is a shortfall of 100,000 tons in the supplies of copra in India to be covered during the planning period. The case for closing the gap is, therefore, clear. This can be done either through imports or through raising the internal production. It is true that the task of filling the gap entirely by stepping up domestic production is not an easy one, but to close it solely by importing coconuts is not quite desirable. It is, therefore, gratifying to note that measures to increase production of coconuts in India considerably are receiving the attention of the Indian Central Coconut Committee.

Thus, the Committee at its eighteenth session, held in Bombay on the 12th inst., approved of the following recommendations of the Sub-Committee, especially appointed, at its last meeting, to go into this question:

"The production of coconuts should be stepped up by 30 per cent. in the course of the next five years; for this purpose publicity regarding improved manuring and cultivation practices should be conducted; measures should be adopted by the State Governments for the control of pests and diseases; growers should be given *taccavi* loans to encourage them to cultivate coconuts in suitable waste lands; a survey should be conducted by the Revenue and Agriculture Departments of the States to bring additional areas under coconut cultivation; more coconut nurseries should be established to meet the demand for seedlings; pamphlets on various aspects of coconut cultivation should be published; coconut propaganda officers should be appointed in Madras, Mysore and Andhra, as in Travancore-Cochin, and prizes instituted to encourage the growers to step up the yield and bring larger areas under cultivation."

The Central Coconut Committee also recommended to the Government of India that the annual import of coconuts and coconut products be restricted to 50,000 tons in terms of copra and during the first half of 1954 only 25,000 tons of copra be imported, of which not more than 25 per cent. should be in the form of coconut oil. In the alternative, the Committee recommended that, if the Government guaranteed a minimum economic price to coconut growers, there need be no restriction on the imports of coconut products during 1954, although it would be desirable to effect the import as far as possible in the shape of copra.

It will thus be seen from the foregoing that the emphasis is more on raising the internal production. Referring to this aspect, Mr. Rafi Ahmed Kidwai, Union Minister for Food and Agriculture, who addressed the meeting of the Committee, laid stress on the fact that this could, to a large extent, be achieved by regular manuring and inter-cultivation of coconut gardens. Mr. Kidwai advised the Committee to devote its attention to the task of persuading the small cultivators, who formed the bulk of coconut growers, to take to improved methods of cultivation. In his presidential address at the above session, Mr. K. R. Damle, Secretary, Union Ministry of Food and Agriculture, also stressed the need for enlisting the wholehearted co-operation of thousands of small growers and for undertaking an intensive propaganda on behalf of the States for raising coconut production.

Outlining the plans that are under way to achieve the Committee's objective, Mr. Damle revealed that one of the ways of stepping up production is to make available improved quality seedlings to cultivators through the help of nurseries and coconut research stations. There are at present 30 nurseries in India, with a total annual production target of about 5 lakhs seedlings, whereas the annual demand for replanting and underplanting is nearly 23 lakh seedlings. There is thus ample scope for starting more nurseries. Mr. Damle disclosed that the Committee had received schemes for starting three new nurseries, one in West Bengal, another in Travancore-Cochin and the third in Orissa. In addition, the Mysore Government also proposed to start a nursery, along with its proposed coconut research station. The Madras Government had asked for extension of the comprehensive coconut nursery scheme in that State up to the end of March, 1954. There are only three regional coconut research stations at present in the South, all of them being in Travancore-Cochin State. After considering these requests carefully, the Committee sanctioned schemes for starting regional stations in East Godavari District of the Andhra State, in the Malabar district of the Madras State, at Ratnagiri in Bombay State and in West Bengal. In this connection, Mr. Damle did well to remind the Committee of the need for selection of proper sites to locate research stations, lest the mistake made in Orissa (where the station had to be closed down after working it for five years because of the unsuitability of the site) should be repeated.

COFFEE EXPORTS

The Government of India's decision to permit the export of 2,000 tons of robusta coffee out of the 1952-53 crop has come not a day too soon and will, we are sure, be welcomed by all sections of the coffee industry. There has been such an alarming accumulation of coffee stocks with the pool that the Marketing Committee of the Indian Coffee Board which met in Bangalore recently had expressed grave concern over the situation. On 1st October, 1953, the stock of coffee was stated to be 12,570 tons (not 14,000 tons as stated in the report from New Delhi of 9th October), as compared with 5,500 tons on 1st October, 1952, whereas the monthly average offtake is not more than 1,650 tons. It was, therefore, estimated that, if there were no exports, the balance of coffee in the pool at the end of this year would be about 7,600 tons, as against 1,280 tons only at the end of last year. Even after allowing for about 2,000 tons to be carried forward to next year, there will be a large stock of some 5,600 tons.

It is now learned that the Coffee Board was recently of the opinion that, instead of exporting only robusta for which the immediate export demand may not be as much as 2,000 tons, this quantity might be made up of plantation, arabica cherry as well as robusta. One other reason for this was that a further analysis of the stock position had shown that a large quantity of arabica and plantation varieties may be found to be available as surplus to internal requirements at the end of the year.

The coffee growers have not been able to assess the implications of the proposed levy of an export duty of Rs. 62-8 per cwt. in respect of the 2,000 tons to be exported. It is pointed out that the world price of robusta is to-day not more than Rs. 70 to Rs. 80 per cwt. above the Indian price and that, if the export duty at the proposed high rate is levied, the demand for this quantity may not be as much as was expected.

OFF THE RECORD

(By "ROVER")

THOUGH the sordid details regarding the affairs of the India United Mills Ltd. in Bombay had been a subject of market gossip for months before the Government ordered an enquiry into these by an auditor-cum-chartered accountant from Delhi, the preliminary report of this enquiry which was placed before the Central Advisory Council of Industries by Mr. T. T. Krishnamachari, Central Minister for Commerce and Industry, must have made sad reading for the members of this body. No less than the enquiry itself, Mr. Krishnamachari's attitude with regard to this sorry business was dispassionately objective and correct. To begin with, the Ministry had not given any specific directives to the investigator with regard to the mode and manner of carrying out his onerous task. He was left completely free to chart out a course for himself. In presenting the report to the Council, the Commerce and Industry Minister, who is ordinarily apt to allow his sentiments to run away with himself on such occasions, was scrupulously fair and impartial like a presiding judge at a criminal sessions in his charge to the jury. As I have been sharply critical of this Minister's indiscreet observations on many an important occasion in the past, I deem it my duty to emphasise this aspect of this otherwise unsavoury affair.

The "Indu" Mills was not the only industrial concern to come under the Council's scrutiny during this session. Similar reports in connection with the management of five sugar mills in U.P., under the Industries (Development and Regulation) Act, also formed part of the reference by the Government to the Council. In a way, apart from the six allegedly erring concerns, one might take it that the Central Advisory Council of Industries itself is on trial both before the bar of public opinion and in the eyes of the authorities. For a very long time, there have been genuine and justifiable complaints regarding the cavalier attitude of the Government towards the business community. I have myself often voiced these complaints in these columns. Here is a genuine instance of a change of heart on the part of the Government. Instead of taking any hasty action on these reports or Instead of making merely a formality of consulting this advisory body, the Government have treated it with due consideration, courtesy and respect.

To impress the Council with the responsible nature of the task entrusted to it, the Minister has not only drawn its attention to the fact that it was "in the position of a jury sitting in judgment" over the six concerns whose conduct was in question, but has also conveyed an assurance to it, on behalf of the Government, that they had not made up their minds in regard to the future course of action which has to be taken in this matter. Mr. Krishnamachari, in inviting the Council to consider these cases and tender its advice to the Government, told the members that the Government would view their recommendation with a completely open mind. He also reminded the Council of the fact that this was, perhaps, the first case of the kind that it was asked to deal with. In addition to this, one of the accused in the dock was the largest unit in the biggest industry in the country, which fact was not without significance. And, finally, the Council was also solemnly told by the Minister that "if you come to the conclusion that the report indicates gross mismanagement and all that follows thereafter, you cannot ignore the repercussions, for better or for worse, of any decision that might be taken on the entire textile industry."

All the six concerns are believed to be charged with gross mismanagement, serious financial irregularities and adoption of several undesirable business practices. Impressed as much by the dark shadow these disclosures in the reports threw on the private sector of industry, as by the depth of responsibility cleverly but correctly thrown upon it by the Commerce and Industry Ministry, the Council devoted practically the whole of the morning session in discussing this subject. While nobody would question its decision that further investigation was necessary before the Council could make its recommendations to the Government with regard to the future of these industrial units, it must be remembered that time is one of the essential factors in devising means of rehabilitating and saving these concerns, both in the interest of the country, as well as of the large number of shareholders who have trustingly put their money into them.

The sugar season is about to start and an extra year's closure might ruin any chances of recovery that there might be of putting these five moribund sugar factories on their feet again. From the meagre reports available of the proceedings of the Council as published in the daily Press, it is not clear whether the whole question with regards to all the six units has been entrusted to the Sub-Committee to be presided over by Mr. Ramaswami Mudaliar, with Messrs. G. D. Birla, Kasturbhai Lalbhai, S. R. Vasavada, N. N. Kanungo, Lala Shri Ram and Miss Maniben Kara as members, or only the case concerning the group of Bombay textile mills, popularly known as the "Indu" Mills, has been referred to it. While the period of little over a month allowed to this competent and representative Sub-Committee might be necessary in the case of the India United Mills, a shorter period would certainly have sufficed for formulating proposals concerning the sugar factories involved in this scandal.

Besides, it would have been better on other grounds also if the Council had appointed two separate sub-committees, one to deal with the reported recalcitrant sugar factories and another to probe further into the affairs of the textile mills. It is not necessary that the measures recommended in each case should be of a similar nature, even though the principle involved in dealing with all of them might be the same. It is not the ultimate fate of the respective Boards of Directors or the Managing Agents that the Sub-Committee has been asked to decide. Its advice has been sought, so far as one can see it, only in connection with the best way of salvaging these units and rendering them production-worthy. For this the suggested remedy might vary from case to case, both in principle and details. A separate body dealing with the sugar factories would also have secured two additional benefits. In the first place, the members of the Sub-Committee are likely to be preoccupied mainly with the colossal "Indu" combine and they might quite logically be prone to apply their recommendations with regard to the rehabilitation of this group of textile mills to the sugar factories also, instead of giving their full mind to the separate set of problems which the future managements would be called upon to face in the case of these sugar mills. On the other, a smaller sub-committee to deal with the affairs of the sugar mills would have saved valuable time and secured a more impartial consideration of the remedies to be applied in their case.

As I have observed before, it is the Advisory Council of Industries itself, more especially the group consisting of members associated with the management in various industries, which is on trial. The line they adopt in this case will go a long way towards defining the attitude of private enterprise in regard to the need for honest and efficient management and the ability of the sector itself to set its house in order. That standards of business integrity have fallen sadly low during the last decade is a fact which cannot be hidden any more. Both the Industries (Development and Regulations) Act and the proposed amendment of the Indian Companies Act on drastic lines have resulted from the failure of the private sector to control anti-social members operating within its sphere. Important top level organisations of business men, such as the Federation of Indian Chambers of Commerce and Industry, as well as the no less important regional bodies like the various millowners' associations, the Indian Sugar Mills' Association, and merchants' chambers in Bombay, Calcutta, Madras, Kanpur and other important industrial centres, which should have been primarily concerned in securing a minimum standard of honesty and fair dealing on the part of their members, have failed signally in this respect.

Beyond passing some pious and vague resolutions from time to time, recommending business men to show greater regard for the welfare of consumers, these powerful organisations have been too timid to attempt anything constructive in this direction. It could not have been outside the knowledge of the leaders in the various organisations that shameful, and at times even inhuman, practices, as exemplified in the field of manufacturing and marketing of medicinal preparations, were being adopted progressively by some of the highwaymen and freebooters amongst them. They must also have known that Nemesis was bound to overtake them as well as the whole private sector one day, if they did not take practical steps to check the growing immorality amongst their ranks. But, during all these years, these bodies did nothing more than safeguarding the interests of their constituents and engaged themselves solely in securing small concessions here and there for the community as a whole, without paying any attention to the misdeeds that were taking place right before their eyes.

Be that as it may, it is obvious that those who managed to wriggle themselves into positions of eminence and authority by a process of bargaining into these bodies, were more concerned with maintaining internal harmony and smooth running than in securing a healthy growth of conventions binding all their members to a code of honour, which alone could guarantee continued existence and efficient functioning of private enterprise as a partner in the national effort. Where internal checks are lacking or non-operative, regulation from outside is bound to follow, and, by and large, it is the failure of these trade bodies to take disciplinary measures against the black sheep amongst them, which is responsible not only for the volume of corruption that is in evidence to-day in the economic world, but to the harsh measures which the Government has been forced to adopt to keep the private sector in order. I am not in favour of these harsh measures, because, while they might succeed, to a certain degree, in minimising malpractices, they are sure to kill initiative, enterprise and the capacity for quick readjustment which are very essential for the healthy growth of both commerce and industry. Let us hope that the Advisory Council of Industries will succeed, where the Federation and the various chambers have failed so miserably.—

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CENTRAL GOVERNMENT SEEKS ADVICE OF INDUSTRIALISTS

AGRICULTURAL OUTPUT IN EAST PUNJAB UP

(From A Special Correspondent)

NEW DELHI, 12*th October*

THE proceedings of the Central Advisory Council of Industries, which met in the Capital yesterday under the chairmanship of Mr. T. T. Krishnamachari, Minister for Commerce and Industry, represent a new line of development in regard to industrial administration and management. In a lucid and sober speech, the Minister indicated the anxiety of the Government to enlist the co-operation of leading industrialists of the country for weeding out the undesirable elements in industrial administration. The elimination, or at any rate, the reformation, of the disreputables from the industry would, from the point of view of the Government, be as desirable in the interests of the capital market in future as it is necessary for protecting private enterprise from the attacks of the leftists. In other words, it is essential for preserving the concept of mixed economy. The Minister was right when he brought the analogy of the Court House and compared the industrialists assembled there to the position of a jury sitting in judgment over the erring industrial units.

DELHI LETTER

A substantial portion of the Minister's speech was occupied with the recounting of the maladministration of a particular unit of the textile industry and hence he did not put forward, in his customary assertiveness, any Government viewpoint on many important questions of the day. He, however, dwelt on the smooth progress made in regard to the licensing of new units, as also on the expansion of the existing units. He revealed that, since the last meeting of the Council in May, 1953, the Licensing Committee had examined 118 applications for licences. Out of these, the Committee had recommended the grant of licences in 87 cases; 34 of these related to cotton textiles, eight to pharmaceuticals and drugs, eight to vanaspati and vegetable oils, seven to heavy chemicals, six to rubber goods, four to cement, four to glass and ceramics and the rest to other industries. The Sub-Committee of this Council, the Minister said, held a meeting on 20th September, 1953, and endorsed all the recommendations of the Licensing Committee. This Committee also examined certain general principles to be followed in the licensing of new units and expansions.

Two More Development Councils

The Minister took the opportunity to announce his proposal to form two more Development Councils, one for the bicycle industry and the other for the sugar industry. It may be mentioned that, at present, two Development Councils have been functioning, one for the internal combustion engines and power-driven pumps and the other for heavy chemicals—acids and fertilisers. Mr. Krishnamachari wanted the Council to give its opinion and advice in regard to (a) foreign participation in industry, (b) finance for rehabilitation, (c) development of industries, and (d) facilities for training in business management and industrial administration. The industrialists were also asked to give their views on the question of framing rules for elucidating the meaning of the expressions "substantial expansion" and "new articles" occurring in the Industries Act.

The agenda of the Conference also included such topics as the survey of idle capacity in the engineering industries and the question of bringing the panel reports up to date. The Committee appointed by the Government for making a preliminary survey of the spare capacity in the country in the engineering industries, under the chairmanship of Mr. S. Moolgaokar, has drawn up its terms of reference which include an assessment of the possibilities of producing in indigenous factories, goods that are at present being imported, finding out methods of utilising effectively idle capacity at reasonable cost, and the achievement of co-ordination between different manufacturing units. The Committee on Training in Business Management and Industrial Administration is tentatively of the view that training should be confined to those persons who choose to be trained for a business career or to occupy posts in public utilities and in industries run by Government. It feels the specialised training should be confined to a limited number of persons to ensure high quality. A limit of 20 persons has been recommended as the maximum for a single training centre.

Lack of Precision

A certain amount of precision was sadly lacking in the recently held, much publicised meeting of the National Development Council. All the leading members of the Government and the Planning Commission participated in the two-day discussions. The meeting was well attended by Chief Ministers of many States and their deputies. The State Ministers could not take up an all-India viewpoint and most of them were anxious to press the interests of their individual States and pleaded for more help from the Centre. They were completely silent on the question of raising additional resources for the implementation of the Five-year Plan, perhaps due to the apprehension that the imposition of any new taxation would make them unpopular with their electorate. The Prime Minister, who addressed the Council, asked the members to view the problem from the angle of providing "progressively fuller employment." The Finance Minister, Mr. C. D. Deshmukh, was in a more optimistic frame of mind and was confident that he would be able to finance the Plan without any difficulty. He pointed out that the *tempo* of expenditure would increase, especially with the gradual advancement of the Plan. He particularly emphasised the need for vigilance on the part of the States while taking up non-developmental schemes lest they should drain away a portion of the funds intended for productive projects included in the Plan. A number of State Ministers who spoke on the occasion would appear to have favoured the widening of the spheres of housing, transport and small industries, in order to increase the employment potential under the Plan. It is somewhat unfortunate that the Council did not fully study the full implications of Mr. Krishnamachari's plan for the starting of a number of industrial townships spread all over the country in which should be located some leading key industries. The Commerce and Industry Minister's plan may be ambitious, but, from the long-term point of view, his plan, if implemented, will confer considerable benefit to the economy of the country.

The Council has tentatively decided to increase the expenditure on the Five-year Plan by Rs. 175 crores for financing new specific schemes which are expected to expand employment potential and check the growing unemployment in the country. This means that the total expenditure under the Plan will go up to Rs. 2,244 crores. Now that only Rs. 1,000 crores are expected to be spent within the first three years of the Plan, it is somewhat doubtful whether Government will be able to spend at the rate of Rs. 622 crores during the fourth and fifth year of the Plan. This will be possible only if the Government takes bolder measures to increase the absorbable capacity of such large investments.

Mr. V. T. Krishnamachari, Deputy Chairman of the Planning Commission, took up a more realistic attitude, being an experienced administrator, and urged the States to take all

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STERLING STILL GOES STRONG

U. K. CHANCELLOR'S OPTIMISM

(From Our Own Correspondent)

LONDON, 10*th October*

THIS year's rise in the gold and dollar reserves of the sterling areas seems to have faded away in the last two months. It is true that in August and September they did increase by £11 million, but this was less than the amount of U.S. aid received. In commercial account there was a deficit of £6 million, due entirely to an unfavourable balance with Western Europe. This weakness has looked all the more disturbing because it has come at the close of a year of steady and substantial surplus during which the gold and dollar reserves have risen by £285 million.

LONDON LETTER

The following table shows, in dollars, how the reserves have increased in each of the last three quarters, distinguishing gold payments from the European Payments Union (with which settlements are now being made as to half in gold) from the trade receipts and from U.S. aid. In the first quarter the net gain was $320 million, in the second $201 million and in the third $119 million—mostly acquired in the first month of the quarter:

Gold and Dollar Receipts

(In million $'s)

	1953 *Quarters*		
	1st	2nd	3rd
Settlement with Western Europe (E.P.U.)	95	42	−19
Other gold and dollar receipts ...	119	98	55
Net trade gain	214	140	36
U.S. aid	106	61	83
Total	320	201	119
Reserves at end of period ...	2,166	2,367	2,480

The second quarter was not really so much weaker as shown here, since various special payments were made in its course, including the Cuban sugar purchase and a large share repatriation. For that matter, the trade surplus in the third quarter has also been reduced by the Canadian debt settlement.

The European figures are especially disappointing since the flow of gold in settlement of favourable balances was steady till the mid-year. In the third quarter there has been a total deficit of £26½ million on trade account, though offset by £16 million of debt repayments from France and Germany. The October E.P.U. payments (in respect of September) will show a small gold increase but on balance the quarter (actual payments August-October) will show a loss of $10 million.

With this background, it was very encouraging indeed to hear the Chancellor's statement made at the Margate Conference of the Conservative Party this week that the future outlook would show continued steady improvement. Even allowing for the natural optimism with which Chancellors must view the situation when they confront their constituents at purely Party meetings, this statement could not have been made without a basis of real strength in the position of sterling. He said, indeed, that for the third quarter the improvement in the gold and dollar balance was better than he had expected since at that time of the year purchases of tobacco, grain and other dollar commodities are being made. He gave the impression that there had been no real worsening of the country's internal position and that during the autumn he expected to see the strengthening of sterling continue.

This interpretation puts a very different light on the apparent deterioration in the figures in recent months. If the Chancellor has correctly interpreted the situation, there has been no more than a seasonal halt in rise in the gold and dollar reserves.

The Chancellor did not, of course, lose the opportunity to say that things would be a good deal better if all "ability, resource and inventiveness at the command of employers, workers and the Government" were fully mobilised. He added a word of praise for the internal stability of the nation financially (of which the recent oversubscribing of the issue of Treasury 3 per cent. stock 1962-63 has been evidence) and reaffirmed the Government's policy of continuing economies, ending state trading, and encouraging private enterprise.—*All Rights Reserved.*

AMERICAN LETTER

NO ECONOMIC CALAMITY EXPECTED

LEVEL OF BUSINESS ACTIVITY WELL MAINTAINED

(From Our Own Correspondent)

NEW YORK, 8*th October*

THERE has rarely been a time in the past when much more time, thought and calculation have been expended to gaze into the future than at present. What will business be like in 1954 and 1955 is the main question being asked. The financial and business community seems almost equally divided between those who expect a slight recession and others who do not. The resulting confusion is understandable, because, in all debates, the present state of affairs is being judged by the experience of the past 20 years. Two decades of Government regimentation, spending and direction simply cannot be forgotten overnight.

Those accustomed to controlled markets and interest rates, therefore, have found it difficult to get attuned to the new philosophy. The new line is to let business alone, not to interfere in the normal functioning of supply and demand for either money or goods and to create conditions under which prices will find their natural level. Also to do everything possible to foster the normal growth of the American economy, based on a steady rise in population and technology.

The shift from a rigidly controlled economy to a nearly free one, obviously, is bringing about adjustments. The Federal Reserve system is no longer committed to support Government bond prices and artificially low interest rates. But it still furnishes funds to the banking system by the purchase of Treasury Bills and it hopes the market understands that the central bank's desire is to keep healthy credit conditions. In full accord with the Treasury, the official aim of the Federal Reserve authorities is to provide enough credit for essential business, but no funds, if possible, for inflationary speculation either in securities, real estate or in consumer goods.

Within this general scope, it is admitted that overproduction in some lines will have to be adjusted to more normal levels. By the same token, other fields of endeavour may flourish and double their volume, based on normal incentives and market conditions. Most of the prognostications of a downturn seem to be based on the assumption that activity in all lines is apt to decline concurrently. Such forecasts have been made ever since the end of the war, but they have not been borne out. The recent rather steep stock market decline, for example, was halted primarily by the large institutional investors who bought in these periods of lower prices to "average down" their balance-sheet position.

Farm income is also averaging down, because of lower commodity prices; autos and textiles are not selling as rapidly as during the height of the war prosperity. There have also been warnings that future building must be supported by sufficient mortgage money, or the Government will have to step in to provide the sinews of progress.

The Other Side

On the other side of the ledger, there is a very good chance that steel production will be 5 to 6 million tons above the previous historical high of 105 million tons in 1951, even though the industry is operating only at about 95 per cent. of capacity. Retail trade may also top all previous records and the overall picture of employment and income could hardly be more satisfactory. Such luxuries as travel and resort business just concluded a very satisfactory season.

Whatever rolling and non-concurrent adjustments may occur, it would seem perfectly obvious that such minor adjustments or setbacks could be absorbed easily, owing to the tremendous'y strong financial position in which most individuals and businesses find themselves to-day after prolonged periods of high business activity and of ploughing back of earnings. In fact, the inherent position of the American economy is so strong that the reduction in the British Bank rate in the latter part of September created just a flurry of rumours. Easier money rates had already become a fact in the United States by other means and, in the face of heavy demands for loans from all types of borrowers, there was no necessity to second the British move.

The heaviest municipal financing in many a moon was absorbed without a hitch in the last two weeks, to the greatest surprise of everyone concerned. It proved to be the turning point of the, then, overwhelmingly bearish sentiment in Wall Street and it led to restoration of confidence.

While overtime is disappearing in many plants and some managements have cut below the 40-hour work week to keep everybody on the pay-roll, about 78 per cent. of all business in the U.S. are maintaining their working forces or adding to them. Inventories, moreover, seem well balanced and are giving no particular concern either to manufacturers or banks.

Living Costs Higher

Living costs have risen another notch between July and August. The chief element seems to be rents which have increased with the lifting of controls, but that situation is likely to adjust itself as newly built space has to compete with occupancy. Meanwhile, workers whose wages are tied to the cost of living, get more pay.

Expansion also continues at the steady rate of about 6 per cent. in the total debt outstanding, both public and private. This can hardly be regarded as excessive in the light of the normal economic growth. As top spokesmen have pointed out, recent reductions in defence spending have not even hurt the aircraft industry a bit. Appropriations now available from Congress will support that segment of American industry at its current production level well into 1955. So far as banking is concerned, third quarter bank balance-sheets show eloquently that, under freer markets, bond portfolios may have declined, loans may be harder to get, but earnings are certainly well maintained, if not universally better than in preceding lean years.

Foreign Situation

The foreign situation, however, remains as enigmatic as ever—beyond the control of Washington or business planning. Surprise moves by Russia cannot be ruled out. Even the convening of the peace conference, projected in the Korean armistice, seems doubtful now and the Washington Government has issued grave warnings about Soviet Russia's potential striking power with lethal weapons. Thus, any of the well-laid plans, which are designed to bring the country back to a status of quasi-normalcy and out of the state of permanent emergency of the past two decades, may be upset easily and suddenly. Barring such developments, the outlook would seem to be for a continued high level of activity, good business, near capacity employment, income and savings, coupled with adjustments in whichever field supply exceeds demand. Calamity, certainly, is not in the air. —*All Rights Reserved.*

(Concluded from next column)

Pakistan. They are also exported to Afghanistan. Sukkur is also noted for its blankets. About 500 persons are engaged in the industry which produces 100 blankets a day. Other important products of Sukkur are biscuits and confectionery.

Village Panchayats

The Government of Punjab has under consideration several proposals to reorganise the *panchayats* in the State so as to make them act as a liaison between the rural population and the Government in nation-building activities. The proposals envisage the constitution of *panchayat* development boards consisting of the representatives of the district boards, M.L.As of the districts and persons interested in rural development. Under the reorganisation plan there will be no village without a *panchayat*. In view of the Government's decision to separate the judiciary from the executive, it has been suggested that the *panchayat* should consist of two wings, one concerned with the administration of justice and the other with other aspects of village life, such as rural sanitation, street lighting, etc.

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The 3½ per cent. 1960 East Bengal loan, the first ever to be floated by the Government of the State, was "on tap" only for four hours on 8th October and was over subscribed. At 1 p.m. that day, when the list closed, the subscription exceeded the limit of Rs. 3 crores.

PAKISTAN NOTES

FOREIGN TRADE OF PAKISTAN

FRESH MOVE TO STIMULATE EXPORTS

PAKISTAN is considering, according to latest reports from Karachi, a plan for entering into payments agreements with the Middle East countries on the lines of the one entered into between India and Egypt. It is also considering the question of giving certain concessions to exporters. This is obviously intended to stimulate exports and set right the precarious balance of payments position, which is expected to persist unless drastic measures are taken to set it right. The Government will include in the contemplated payments agreements, it is stated, not only such commodities as cotton, jute, hides and skin, wool and tea, but also hemp, chillies, fish, tobacco, rock and sea salt, forest products, medicinal herbs, sports goods, surgical instruments, cutlery, handloom products, dry and fresh fruits, bonemeal, and the like which have been so far neglected.

Pakistan, it may be mentioned in this connection, had a favourable balance of trade to the extent of Rs. 7.49 crores with India during the period 8th August, 1952 to 31st July, 1953. The figures relate to trade both by land and sea routes. The value of Pakistan exports, during August, 1952 to July, 1953, to India was Rs. 16.06 crores, while its imports from India were about Rs. 8.57 crores. Of the commodities exported to India, rice accounted for Rs. 1.16 crores, fish, poultry and eggs for Rs. 1.33 crores and fruits for Rs. 33 lakhs. Of the imports from India to Pakistan, coal accounted for Rs. 2 crores, mill-made cloth for Rs. 89 lakhs, betel leaf for Rs. 13 lakhs.

Wool

The Pakistan Department of Trade Production and Commercial Intelligence is of the view that Canada provides a good market for Pakistan wool. Pakistan has, we are told, so far exported during this year 64,000 pounds of wool. There were practically no enquiries during the previous year. It is, however, pointed out in the meanwhile that, at present, Canada takes only a few varieties of wool. But there is, it is stated, a great scope for a large number of varieties such as Punjab wool, Sind, Khorassan, Bibruk, Harnai, Kandahar, etc. Manufacturers of woollen goods in Canada are, however, buying wool from importers of Pakistan wool and not directly from Pakistani exporters. This is done, it is stated, with a view to avoiding trade disputes. Naturally, the Government is interested in promoting direct exports of Pakistan wool to consuming interests.

The Pakistan Foreign Trade Development Council is likely to be reconstituted shortly. The Government is at present considering a plan for this purpose. The new Council will, it is expected, consist of two committees—one dealing with the import and the other with the export aspect of foreign trade.

Transfer of Bank Accounts

Pakistan is proposing to confer with India in the near future on the question of transfer of bank accounts of displaced persons. According to a statement made by the Finance Minister, in the Constituent Assembly last week, the bank accounts of displaced persons from India were to have been transferred to Pakistan, in accordance with the Banking agreement of 1949. However, due to the deadlock on exchange rate, after devaluation of the Indian rupee, and, subsequently, on account of exchange control restriction and also due to lack of Indo-Pakistan accord on other issues, the agreement could not be fully implemented. The balance held in bank accounts in India as on 26th January, 1951, he said, could be operated in India by the depositors resident in Pakistan. No information in regard to actual bank balances held in India was available, he added. Claims received by the State Bank of Pakistan against Indian Banks amounted to Rs. 2 crores, of which about Rs. 3.7 lakhs had been sett'ed. Proceeding, the Finance Minister declared that it was proposed to discuss at a conference with India in the near future the entire issue relating to transfer of bank accounts of displaced persons.

Sukkur

Sukkur is coming into prominence as the biggest ball and embroidery thread-making centre in Sind. More than 1,500 men, women and children are engaged in the industry. About 400 handloom and powerloom machines and 400 spindles are producing 5,000 lbs. tube, ball embroidery and sewing threads per day. Sukkur-made goods have a good market in West

(Continued in previous column)

I.M.F. AND PAYMENTS DIFFICULTIES

TRIANGULAR TRADE FOR EARNING DOLLARS ADVOCATED

LACK of a clear perspective on the part of the Press, international and national, regarding its responsibilities towards well-known world bodies, denies the enlightened public throughout the world of the benefits of a fuller account of the proceedings of these bodies. A case in point is the scant and disjointed publicity given to the proceedings of the meetings of the two Bretton Woods institutions, namely, the International Monetary Fund (I.M.F.) and the International Bank for Reconstruction and Development (I.B.R.D.), held in the second week of last month at Washington. India is particularly disappointed at this poor publicity. For being interested in the welfare of these two institutions, India is always anxious to keep itself informed of not only the progress of these institutions but also the role of its representatives on their Governing Boards in shaping the policies of these bodies. The return to this country of its representative a few days ago has, however, enabled us to gather more details of the work done at the meetings referred to above. Indian points of view were presented at the Fund's meeting by Mr. B. Rama Rau, Governor of the Reserve Bank of India. His analysis of the problems facing the Fund and of India's efforts at resolving them in its own way is stimulating and, therefore, merits some attention.

Last year the I.M.F. had come in for a good deal of criticism that it had made no significant contribution towards payments difficulties of member countries, as these continued even though seven years had passed since the end of the year. The Executive Board of the Fund itself had admitted that international payments had still not attained a state of balance and that exchange difficulties and exchange restrictions were, again, the order of the day over a large part of the trading world. Dealing with this criticism, Mr. Rama Rau observed, at the annual meeting of the Fund, that he was happy to note that during the year under review (1952-53), the world payments position as a whole showed a much better balance than in 1951-52. He conceded that payments difficulties still existed but they were, he said, largely of localised nature and were traceable either to the problems of particular commodities or to a partial failure to adopt appropriate monetary policies on the part of some countries. The main factor which helped to bring about the change was, according to him, the combination of a suitably adjusted monetary and fiscal policies. He pointed out that this method was particularly successful in India, in holding inflation and thus help relaxation of import restrictions. He was glad that the Executive Board of the Fund had appreciated this aspect in its Annual Report. At the same time he agreed with the Fund that inflation in India had not been completely won. He mentioned that, during the last few months, prices were tending to rise and that the authorities, who were keeping a close watch on the situation, would take appropriate action to keep it in check.

Proceeding, Mr. Rama Rau next referred to two aspects of the problem of payments position. These were, (1) the balance resulting from lower volume of trade, and (2) the residual dollar problem. Analysing the first aspect, he said that it had been recognised that a greater degree of balance had been achieved on the basis of a lower volume of world trade. While admitting that some reduction in the volume of trade was inevitable with the disappearance of speculative demand, he pointed out that there were also other factors in operation. He disagreed with the opinion of the Executive Board that the decline in trade was not likely to start a progressive deterioration. He quoted the example of India to show that the experience of this country did not confirm the Board's conclusion. "Although our export prices have," he said, "been adjusted downward and the full benefit of the devaluation of 1949 has been passed on to our consumers, our exports have failed to show any improvement." This appeared to be also the case with other countries in Asia and the Far East, he added. He stressed the fact that measures calculated to restore export incomes of these countries must be taken in order to improve their balance of payments position. He hoped that, with the establishment of the Asian Department in the Fund, it would be possible for the Fund's authorities to make a more intensive study of the problems of Asian countries.

Dealing with the second problem, namely, shortage of dollars, Mr. Rama Rau admitted that there had been considerable improvement during the recent past, but the rate at which the dollars accumulated with the rest of the world was still inadequate for ensuring an appropriate level of foreign exchange reserves. He incidentally reminded that a part of even this limited improvement was due to off-shore purchases and to restrictions on dollar imports. Calling, therefore, for bold action, he pleaded for the restoration of the mechanism of triangular trade. Continuing, he said:

"It is clear, therefore, that more determined efforts will have to be made before a stable balance can be established. Considerable progress has already been made in so far as it lay in the power of the countries. Exchange rates have been adjusted. Internal inflation has been brought under control. Production has been expanded, and suitable development programmes have been designed in several countries. Despite these measures, these countries have been unable appreciably to step up their dollar earnings, in the absence of a change in the commercial policy of the United States. With their meagre resources, they have been unable to safeguard themselves against the consequences of even a minor recession in the United States. It is to be hoped, therefore, that the United States will respond favourably to the strong plea made in the Report (of the Executive Board) for a comprehensive revision of the United States commercial policy, and will fulfill their responsibilities as a creditor nation. In addition, it will also be necessary to restore the mechanism of what I may term triangular trade. In the present period, this mechanism has enabled European countries with dollar deficits to earn dollars from the primary producing countries with dollar surpluses. The revival of such a trade factor is dependent, however, on two conditions. First, European productivity must increase further so that the types of goods required by the so-called third countries can be had on terms competitive with the United States. Secondly, these third countries, which include largely the underdeveloped countries, must be enabled to maintain high and stable levels of income and to pursue energetically their development programmes."

The suggestion to organise the triangular trade made by Mr. Rama Rau deserve unstinted support. In fact, similar suggestions have been made by leading economists of Europe.

The Governor of the Reserve Bank welcomed the policy underlying the U.S. foreign aid programme as an indication of greater appreciation of the needs of underdeveloped countries.

He expressed appreciation of the Fund's recognition of the principle that member countries which are implementing development programmes have the same right as other members to seek access to the Fund's resources to cover temporary and inevitable deficits. He welcomed the introduction of more flexibility in the Fund's operations and its eagerness to explore ways of assisting its members, especially the standby arrangements which would go a long way towards reassuring assistance during emergencies. He gave the instances of Turkey, Thailand and India to show how the action of the Fund, in a broad and liberal manner, would inspire general confidence and lead to greater use of the Fund's resources. He pointed out that member countries were benefited by the Fund's gold transaction service, its annual consultations and the services of its technicians in drawing up development programmes. Incidentally, he observed, that the recent Fund Mission in India, whose report is to be out shortly, had carried out a careful and dispassionate analysis of India's development programmes and emphasised the importance of adequate and timely foreign assistance to this country.

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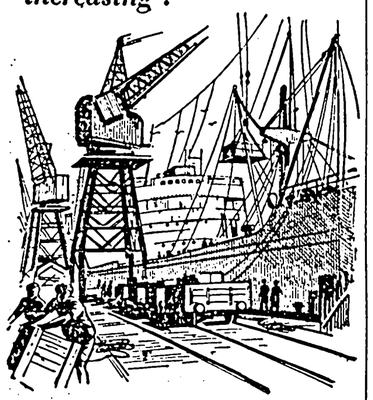

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WORLD BANK'S LOANS

The International Bank for Reconstruction and Development has, in addition to the four loans announced on 4th September, 1953, sanctioned since then five more loans aggregating $44.84 million to four more countries, namely, Turkey, Columbia, Chile and Panama.

Of this total, a loan for $9 million has been granted to Turkey in favour of the Industrial Development Bank of Turkey. This latter Bank will re-lend these funds for financing certain projects requiring imports of equipment from abroad. This is the second loan made to the Turkish Bank. The loan is for a term of 15 years and carries interest at the rate of 4½ per cent, including the usual 1 per cent. commission chargeable under the Bank's Articles of Agreement. Amortisation payments are to begin from 15th August, 1958. The Government of Turkey has guaranteed this loan.

The loan of $20 million for Chile is for helping construction of a chemical pulp mill and a newsprint paper mill in that country. This is a 17-year loan bearing interest at 5 per cent. including the 1 per cent. commission mentioned above. This, it may be noted, is the highest rate of interest which the Bank has charged so far. Repayment will begin as from 15th May, 1958. The joint borrowers of the loan are a privately owned Corporation and an agency of the Chilean Government known as *Fomento de la Production*. The loan carries the guarantee of the Government of Chile.

The loan sanctioned to the Republic of Colombia amounts to $14.35 million. It will help the Colombian Government to carry forward improvements in the national highway system which were begun in 1951 as a matter of pressing importance to the economy. The term of the loan is for 10 years and carries interest at 4¾ per cent., including the 1 per cent. commission. Amortisation payments will begin from 15th May, 1956.

The two loans granted by the Bank for Panama amount to $1.49 million. Both the loans are intended for agricultural development. One of the loans amounting to $1.2 million is for the purchase of agricultural machinery and the other of $290,000 for a grain storage plant. The borrower in Panama is the *Instituto de Fomento Economico* (I.F.E.), an autonomous Government agency, and the loan is guaranteed by the Government of Panama.

The loan for the larger amount, namely, $1.2 million, is for a term of seven years and carries interest at the rate of 4½ per cent. including the 1 per cent. commission. Repayment is to begin from 15th November, 1955. The smaller loan is for a term of eight years and bears the same rate of interest as the first loan, namely, 4½ per cent. In this case, too repayment begins on 15th November, 1955.

The keen interest evinced by member countries in the new loan of $75 million issued by the World Bank on 28th September last, even before it was announced, is an indication that the issue would be a success. The new issue is a short-term loan being only for a three-year period. It bears interest at 3 per cent., the issue price being 99½ per cent. On this basis, the redemption yield works out to 3.13 per cent. The bonds are non-callable prior to 1st April, 1956, but they are redeemable on and after that date at par and will not be subject to a sinking fund.

For several reasons the loan is popular. Being a short-dated loan, it is an ideal form of investment for banks. Secondly, it is also attractive in that it is offered below par, which means a capital profit which is not usually subject to income-tax. Lastly, member countries are recognising the importance of the Bank as an international institution and feel that the Bank is entitled to their full co-operation.

The loan is being marketed by a nation-wide underwriting group of 147 investment firms jointly headed by Messrs. Morgan Stanley & Co. and the First Boston Corporation. Besides the U.S., other member countries too have come forward for substantial participation. Requests have been received from 11 member Governments to purchase an aggregate of $20 million bonds for special funds. Further, an additional $20.5 million will be distributed publicly or privately in some of the European countries, namely, Switzerland ($10 million), Holland ($5 million), U.K. ($3.5 million), Sweden and Belgium ($1 million each). The extent of foreign participation in the loan is of interest not only because of its size, but because of its significance in relation to the increasingly international character of the market for dollar securities of the World Bank.

WORLD PRODUCTION OF GOLD

I.M.F. SURVEYS POSITION IN 1952

TOTAL world production of gold recovered in 1952 from the moderate decline recorded in 1951 and was slightly above the 1950 total, the highest recorded up to that date since the end of World War II. Valued at $35 per fine ounce, total output (excluding the U.S.S.R. and the countries associated with it) was, according to the *Annual Report* 1953 of the International Monetary Fund, approximately $851 million in 1952, compared with $828 million in 1951, $844 million in 1950, and $736 million in 1945. Although gold production was greater in 1952 than in any other post-war year, and about equal to the average annual output of 1934 and 1935, it was still approximately 35 per cent. below the 1940 peak level. Except for the Gold Coast, Colombia, and Brazil, all the more important gold-producing countries reported production increases. The largest absolute increase was in the Union of South Africa, where total production rose from about $403 million in 1951 to nearly $414 million. Total sterling area production increased from approximately $497 million to $511 million. Increases of from $2 million to $4 million were reported for Australia, the Belgian Congo, Canada, Mexico, and the Philippines, and of about $1 million for India, Japan, and the United States.

The Report says that the increase in South Africa was the result of the expanding output of the new mines of the Far West Rand and the Orange Free State, which more than offset the declining output of the older Rand mines. The South African Minister of Mines has stated that, in spite of steadily increasing costs and shortage of labour, it is expected that South African gold output will increase steadily for the next ten years, and that the continued development of new mines in the Orange Free State will ensure an output above the present level for at least 30 years.

Gold mining costs continued to rise in 1952. Average working costs per ton milled in South Africa were 35s. 2d. in December, 1952, compared with 33s. 7d. in December, 1951, an increase of nearly 5 per cent. In several countries higher costs have, we are told, induced a shift from the mining of lower grade ore to that of higher grade ore. The rise in costs in Canada was coupled with a decrease, as a result of the rise in the Canadian dollar exchange rate, in the local currency price realised by gold producers on their sales to the Canadian Mint. For these reasons the Canadian Government, after consultation with the Fund in November, 1952, granted an increase in the scale of assistance provided by its system of subsidies to gold producers for the calendar year, 1953.

Gold Reserves

The total stock of gold in the possession of monetary authorities in the world (excluding the U.S.S.R. and the countries associated with it, but including international institutions—the Fund, the Bank for International Settlements, and the European Payments Union) is estimated at $35,500 million at the end of 1952. The increase during the year was approximately $350 million, compared with an increase of $250 million in 1951 and of $350 million in 1950. There is an inevitably wide margin of error in any calculation of the flow of newly mined gold into official gold holdings. A comparison between the figures recorded above and annual world gold production of over $800 million in recent years suggests, however, that a large proportion of gold production continues to go into hoards. The conditions that sustain the hoarding demand for gold are still operative in many parts of the world.

During 1952, several countries took further measures, in addition to those reported in the Fund's *Annual Report* 1952, for relaxing restrictions upon the sale of gold and upon the movement of gold through their territories. The Union of South Africa has continued to restrict premium sales to approximately 40 per cent. of current output. Most of the British Commonwealth and colonial gold producers, however, may now sell 100 per cent. of their production in free markets in the form of fine gold bars, instead of being permitted to sell gold only in "processed" form with a maximum fineness of 22 carats. The latter requirement still applies in Canada and the Union of South Africa. Free market sales of newly mined Canadian gold amounted to approximately 30 per cent. of current production during 1952; since the rate of subsidy assistance has been increased and the local currency price of gold has fallen, it is expected that several marginal producers will in 1953 elect to sell to the Canadian Mint and receive the subsidy instead of continuing their free market sales.

The framework of regulations designed to reduce evasion of the gold regulations of the countries of immediate destination has generally remained unchanged. London firms have been granted permission to act as agents for the sale against U.S. dollars of newly mined gold from the British Commonwealth to buyers outside the sterling area, but they are still restrained from engaging in the general buying and selling of gold in free markets. Switzerland and Uruguay have permitted free transit of gold through their territories without restrictions. Uruguay has also decreed that gold not intended for industrial use may be imported, traded, and circulated freely in the country, and that banks may issue negotiable certificates against gold deposited with them. In order to curtail smuggling, Thailand has established a licensing system for the importation of gold intended for domestic sale. The Central Bank of the Philippines has temporarily suspended its regulation requiring the sale of 25 per cent. of domestic gold production to the Central Bank at the official price. Philippine gold producers are thus permitted to sell their total output on the internal free market.

Premium Gold Prices

The general level of premium gold prices during the year under review was lower than in any equal period since World War II though the price had at no time fallen so low as it did for a few days prior to the outbreak of hostilities in Korea. The main reasons which have helped to keep premium prices close to the official price have been the relaxation of controls by countries noted above and their creation of new marketing facilities; the continuance of the legal restrictions imposed in certain countries on the purchase and holding of gold; and the general tightening of monetary policy and the decline of inflationary pressures. The relaxation of controls and the new marketing facilities have made it easier for gold to move into free markets; the legal restrictions on the purchase and holding of gold have kept some potential markets for gold effectively closed, and the decline of inflationary pressures has reduced the demand.

The price at which gold was traded directly for U.S. dollars in various markets of the world, after declining to about $37 per ounce by the end of April, 1952, fluctuated during the next 12 months between a low of $36.75 (reached at the end of November) and a high of $38.25 (attained in the middle of January, 1953). By the end of April, 1953, the price was $36.81.

During the year under review, U.S. dollar equivalent prices for bar gold in such markets as Beirut, Bombay, Hong Kong, and Paris tended to follow the same general trend as the price at which gold was traded directly for U.S. dollars. Alexandria, where the price rose during the year by about $2.50 per fine ounce to the equivalent of $49.80 (at the official rate of exchange) on 30th April, 1953, was again an exception. In Paris, bullion quotations ranged between a high of 525,000 francs per kilogram (18th August, 1952) and a low of 478,000 francs (23rd March, 1953). On 30th April, 1953, the quotation was 508,000 francs per kilogram, practically the same as the price quoted a year earlier. When converted into U.S. dollars at the parallel market franc dollar rate, which also fluctuated widely, the price of bullion per fine ounce was equivalent to $38.60 on 18th August, 1952, $38.22 on 25th March, 1953, and $38.26 on 30th April, 1953.

Prices in Bombay

In Bombay, the price of bar gold dropped from a high for the year of Rs. 95 per tola (equivalent to $53.20 per fine ounce at the official rate of exchange) on 5th May, 1952, to a low of Rs. 72-12 ($40.74) on 19th December, 1952. By 19th February, 1953, the price had recovered to Rs. 91-1 ($50.99), and on 30th April, it was quoted at Rs. 86-11 ($48.54). The general level of gold prices in Bombay during the 12 months under review was about $10 to $15 per ounce lower than it had been in 1950 and 1951.

There was also a downward trend in the price of gold coins in most of the free markets, notable declines being recorded in the price of the sovereign, which dropped by the equivalent of about $7 per ounce in Alexandria and of about $5 in Beirut, Brussels, Milan, and Paris. The napoleon declined by the equivalent of about $3 per fine ounce in Paris and of about $2 in Alexandria, Beirut, and Milan. This movement followed the decline recorded in the price of gold bars, and it may have been amplified by the release of limited amounts of coins by monetary authorities from time to time, as well as by sales in certain centres of coins manufactured by private persons in order to take advantage of the higher premiums of approximately 25 per cent. over bar gold offered for coin.

Gold Transactions Service

Since the inauguration of the gold transactions service, which was announced, in the *Annual Report* 1952, five members desiring to sell gold and ten members desiring to buy gold have communicated their offers and bids to the Fund. The Fund has been successful in facilitating the completion of one or more transactions for each of these members, with the exceptions of one prospective seller and two prospective buyers. By the end of April, 1953, a total of 24 such transactions, amounting to the equivalent of approximately $219 million, had been consummated through the Fund's service. The extent to which gold transactions can be matched depends upon supply and demand conditions at the time when it is desired to conclude the transactions. There have been occasions when transactions were consummated within a few days of the receipt of offers and bids from members. At other times, the supply of gold exceeded the demand, or *vice versa*. On such occasions, the Fund has attempted to find partners for members on the basis of "first come, first served." Where the element of time was not an essential factor for either the buyer or the seller, the Fund has been successful in seeing the transactions through. A procedure has been adopted which ensures that the identity of buyers and sellers is not disclosed. Seven members have effected four or more transactions, and two have both bought and sold gold through the Fund's service. Each partner to a completed transaction pays to the Fund a charge of 1/32 of 1 per cent. in dollars. The Fund is ready to discuss with any member, the manner in which it can avail itself of these facilities.

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RE-ORGANISATION OF THE CO-OPERATIVE MOVEMENT IN HYDERABAD

The Co-operative Department in Hyderabad has conducted, as a preliminary to the re-organisation of the co-operative banking and credit structure on the lines recommended by the Reserve Bank, a survey of the financial position and working of all the central banks in the State. The State Government has agreed to the proposal to reduce through amalgamation the number of central banks—many of which are small and uneconomic with a view to having as far as possible one central bank for each district. It is reported that seven uneconomic central banks have been amalgamated with the neighbouring central banks. At the primary level, the Assistant Registrars are proceeding with an investigation into the condition of agricultural credit societies with a view to weeding out bad and useless societies and putting the rest on a sound basis.

In the case of the apex bank also, several of the recommendations made by the Reserve Bank, such as maintenance of adequate fluid resources, reconstitution of the Board of Directors, abandonment of certain inappropriate types of loans, fixation of the maximum borrowing limit of the Bank, appointment of a wholetime paid Managing Director, etc., have been carried out or are in the process of implementation.

MARKED RECOVERY IN WORLD'S WOOL TRADE

OUTLOOK HELD BRIGHT

WOOL is one of those national textile fibres which have never been successfully challenged by the artificial fibres. It has, on the contrary, held its own, and won for itself a unique position. But it has not, however, escaped the irksome fluctuations in prices, which have been the bane of nearly all the world's commodities in recent years. Wool interests, the world over, have faced in recent years some striking changes through both rising and falling prices, both increase and decline in production, as well as in consumption. It is, therefore, gratifying to note the somewhat encouraging conclusion which the U.N Food and Agriculture Organisation (F.A.O.) has reached after a careful study of the trends in wool economy, namely, that the present world wool situation shows a "better balance than at any time in the post-war era."

Among the world's chief commodities, the production of which has expanded in recent years, wool occupies an important place. World wool production has increased from 3,788 million lbs. in 1934-38 to about 4,000 million lbs. (estimate for the 1952-53 season). Mill consumption of wool has increased from about 2,000 million lbs. in pre-war year to over 2,400 million lbs. in recent years. The *per capita* consumption of wool too has increased from 0.9 lb. in 1938 to 1.1 lbs. in 1950. These facts would normally suggest that wool must have had a bright career in the markets. But this has not been so, for the fluctuations in the output and the use of wool have caused some violent changes in prices. Thus, from 1946 to 1950, world consumption was running 20 per cent. ahead of production. The war-time shortage of textiles and the high levels of real income in the post-war period had stimulated consumption.

Post-war Boom Extended

The post-war boom in textiles was extended by the strong buying movement which followed the outbreak of the Korean conflict. Indeed, by this period, the war-time accumulations of wool stocks had been exhausted. A new defence demand arose on account of the rearmament needs of the Western nations. Wool prices advanced so greatly that the mills began to use a larger admixture of substitutes, not only mungo and shoddy but also of man-made fibres. In 1951-52, however, the position changed and mill activity remained at a reduced rate, with wool consumption falling 10 per cent. below current production. The following table gives the world production, consumption and changes in stocks in 1946-47, 1949-50, 1950-51, and 1951-52:

World Wool Position
(In 000 metric tons)

	1946-47	1949-50	1950-51	1951-52
World wool clip	964	992	1,038	1,044
Changes in stocks in producing countries	—114	—200	+10	+36
	1947	**1950**	**1951**	**1952**
World consumption	1,108	1,213	1,027	1,046
Changes in stocks in consuming countries	—30	—15	—2	—36

There was a healthy improvement in wool textile activity during 1952-53. Describing this change, the F.A.O. Report says:

"In 1952-53, the recession gave way to gradual recovery. Textile stocks having been worked down to normal levels, home and export demand improved. Confidence in wool prices recovered. Governmental price support operations in the United States and strategic stock purchasing by the United Kingdom contributed to this, as did also the eventual downward adjustment of Argentine wool prices to world levels through currency devaluation. There was also the fact that wool prices had receded to their pre-Korean relationship with prices for synthetics. The proportion of virgin wool used by the major wool textile industries increased significantly in 1952 after the setback of the two preceding years; from 68½ per cent. in the first quarter of 1950, it fell continuously to 57 per cent. in the third quarter of 1951 and then rose to 66½ per cent. in the first quarter of 1953.

"Except for a pause in 1947-48, world wool production has expanded gradually throughout the post-war period to a record clip (on a clean basis) in the 1952-53 season. The expansion is mainly attributable to British Commonwealth countries in the Southern Hemisphere. There has been some decline in South American production from the exceptionally high levels reached at the end of the war and the post-war decline in North American production has been proportionately large. In recent years, there have been some signs of recovery in these areas. In Europe and the Soviet Union, the post-war trend has been upwards as sheep numbers recovered from the war-time decline."

Foreign Trade in Wool

Foreign trade in wool has also expanded since the pre-war years. War-time stocks of wool were exhausted in 1950. Since then, there has been an increase of 5 per cent. in the world trade in wool. On the side of supply, the "Dominion" wools have contributed an increasingly larger share of the total world trade. Trade in South American wool has been adversely affected by currency and trade difficulties and by attempts to maintain export prices above the world level. With the devaluation of the Argentine peso for wool exports in July, 1952, however, these stocks were reduced. There was generally a substantial increase in wool exports in 1952-53. On the demand side, the outstanding feature has been the increase in the imports of wool by the U.S. The following table shows the world trade in wool in 1934-38 and during the five years ended 1951-52:

World Trade in Wool
(Season October-September)
(In 000 metric tons)

	Exports	*Imports**
1934-38 average	550	550
1947-48	775	715
1948-49	680	700
1949-50	820	765
1950-51	575	575
1951-52	570	600

* Retained imports.

In assessing the present world wool situation, a factor which must give considerable satisfaction to wool interests is the fact that production and consumption are approximately in line and slowly rising. This fact becomes clear from a reference to the first table given above. Another encouraging factor is that stock movements in both producing and consuming countries have tended to equalise. This has a stabilising effect on prices. The F.A.O. Report forecasts an increase in the use of wool by manufacturers. It says:

"Given favourable economic conditions, recovery in the wool textile industry may continue. With prices on a sounder basis than at any time in the past few years, manufacturers will feel more inclined to increase their usage of wool and to extend their operations. Commercial stocks of wool are by no means over-abundant and some rebuilding may occur.

"The average rate of increase in wool production has been about 3 per cent. annually over the past five season, a rather higher rate (6 per cent.) being achieved in 1952-53. Expansion is, however, dependent on many uncertain factors and highly susceptible to weather conditions. Moreover, the past few years have demonstrated that variations in consumption in the shorter run may be comparatively wide and prices unstable.

"Over the longer term wool prices will be affected by advances in technology and falling costs of man-made fibres. Exceedingly high prices for wool in recent years have provided an opportunity for the usage of such fibres in products formerly, entirely or largely, manufactured from wool. The extent to which this will continue depends largely on the quality of such fibres and their ability to replace wool."

It is, however, well to remember that, in any forecast about wool, the words "demand" should be carefully used. More than in many other commodities, it is the effective demand that really counts in the determination of the price for wool. The *per capita* consumption in New Zealand, the U.K., Canada, and the U.S. has been computed at 11.0 lbs., 6.6 lbs., 4.8 lbs. and 4.4 lbs., respectively. Any rise in the living standards of the backward regions, which are also densely populated areas, will give a tremendous fillip to the wool trade, and the woollen industry.

COMMONWEALTH IN WOOL TRADE

The major part played by the Commonwealth in world wool output is stressed by the distinguished historian, Professor E. Lipson, in a book just published in London—"A Short History of Wool and Its Manufacture." Paying tribute to wool as "one of the pillars of the state" in Britain, Mr. Lipson writes: "Among the textile fibres which have been utilised through the ages to clothe man's body, wool—the coat of the sheep—occupies a unique position. It is not alone the oldest but one which has been continuously and universally used." The importance of wool in world economy is reflected in the status it has enjoyed from early times as one of the major commodities in international trade, he adds.

Mr. Lipson notes that the world's sheep population is estimated at over 750,000,000, and world output of wool at about 4,000 million lbs. annually. Of these totals, the British Commonwealth claims the "lion's share" for it possesses approximately one-third of the sheep, produces nearly half the wool, and furnishes the bulk of the exportable surplus.

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ROLE OF TEXTILES IN U.K.'S ECONOMY

RAYON LOSES GROUND TO COTTON

(From A Special Correspondent)

MANCHESTER LETTER

Manchester, 6th October

SOME idea of the line most likely to be pursued by official spokesmen of the Cotton Board at next week's conference at Harrogate has already been indicated by Sir Raymond Streat. Under the heading "Cotton Fights Back" he has reverted to his call for a clarification of the Government's attitude towards the textile trades as a whole.

Writing in a leading financial journal, he refers to "Lancashire's impatience with Governmental policies which seem to reflect a lack of confidence in the cotton industry's future importance." The conflict of ideas between the manufacturers of capital and consumer goods is no new phenomenon. The post-war export scene has to some extent been dominated by the growing insistence of the authorities on the importance of shipping capital equipment abroad.

The lack of confidence in the future for mainly consumer trades could, as Sir Raymond says, have a harmful influence on investment policies. In the circumstances there is every justification for demanding that some indication should be given as to whether the cotton industry's eventual role is to be a predominantly home trade industry or that it is able to live in a modern world, still playing its part as a big national asset.

If proof were needed that textiles do play their part—and a major part—in the economic aspect of the national finances, Sir Raymond quotes the latest figures for exports. In 1951 textiles earned £492,000,000 for Britain, with vehicles second at £480,000,000 and machinery £363,000,000. The subsequent slump in the textile trades caused an obvious reduction in shipments but the revival this year has evened out the position. For the first eight months, vehicles contributed £310,000,000 from exports, machinery £271,000,000 and textiles £227,000,000. Since the beginning of 1952 the average prices obtained for textile goods have, of course, fallen very substantially.

Export Results

A comparison can now be drawn between the exporting fortunes of the leading countries which aspire to provide cotton and rayon cloth for consumers in many parts of the world during the first half of the current year. The table below shows the combined and individual shipments of cotton and rayon cloth and the comparative figures in the first six months of last year.

(In million yards)

	First half 1953			*First half 1952*		
	Cotton	*Rayon*	*Total*	*Cotton*	*Rayon*	*Total*
U.K. ..	342.5	76.8	419 3	378 9	72 8	445.7
U.S. ..	330 0	89.2†	419 2†	391.1	117.0	508.1
Japan ..	372 8	194.2	567.0	483.7	187.4	671.1
India ..	320 0	..	320 0	233.8	..	233.8
Ireland ..	103 8	14.2	117.5	129 9	7.4	137.3
France ..	129 4*	29 1*	158 5*	269 8	51.4	321.2
Germany ..	107 4	66 5	173.9	184 9	50.6	235.5
Italy ..	53 0	82 2	135 2	93 7	49.2	142.9
Belgium ..	43.0*	6 0*	49 0*	107 8	8 3	115.6

* Three months. † Five months for rayon only.

Quoting from the latest statistical review issued by the Cotton Board—"Whilst world trade in cotton piecegoods remains at a fairly low level, trade in rayon piecegoods rose to record heights in the second quarter of the year." This is clearly portrayed in the figures above, where it will be seen that practically all countries shipped more rayon cloth abroad in the first six months this year than in the same period of 1952, whereas only India has been able to expand her exports of cotton cloth.

Yet the advance of rayon is in some quarters showing signs of being checked. In the United States, for example, there are reports that the rayon industry as a whole is operating at only about 70 per cent. of capacity. It has been stated that cotton as a fibre has made competitive gains in apparel and household uses at the expense of rayon.

Reaching Too Far?

It is felt in some directions that the sponsors of the numerous different types of man-made fibres which have been produced since the war have over-reached themselves. The public is undoubtedly confused by the many claims put forward on behalf of the various fibres.

Rayon itself appears to have lost ground and consumption in the United States has fallen, the use of cotton for such products as sports shirts, pyjamas and women's dresses increasing correspondingly. Even the much vaunted nylon shirt is said to have fallen out of favour.

The American equivalent of terylene appears to be one of the few new fibres to be holding its own but a report from the United States sums up the situation in the phrase: "Experience seems to have shown that there are few new miracles in the textile industry after all. Meanwhile, some of the virtues of established natural fibres are being rediscovered."

Whether the same attitude persists in European textile centres, including Lancashire, is rather doubtful. It is, however, true that the considerable expansion in output of spun rayon yarn in Lancashire mills has slowed down and the recent increase in total production has been more from cotton yarn than spun rayon. Considering the rapid growth of synthetic fibre output, however, this development was not unexpected.

It may be remembered that even the Chairman of the Rayon Staple Spinners' and Doublers' Association, Mr. W. T. Winterbottom, warned against the speculative possibilities of further expansion barely three months ago. "We cannot overlook the fact that the enormous expansion of the last year is to some degree artificial and distorted because of the influence of purchase tax," he told the annual meeting. "It may well be that the present production level is already higher than is warranted at this stage of development by the known merits of spun rayon."

Labour Shortage

Concerned at the number of idle spindles in their mills, owners of Lancashire's 450 cotton spinning mills are to press for a big speed-up in the recruitment drive to get stopped machinery running again.

They are to ask the Cotton Board to discuss with them how Lancashire's labour problems can best be solved, Mr. C. Henniker-Heaton, Director of the Master Spinners' Federation, announced after a meeting of the Federation in Manchester.

One of the points the employers will raise is whether hundreds of foreign operatives should be brought into Lancashire again. "At the moment we are not quite sure ourselves whether this is desirable or whether it is the best way to solve our difficulties," said one mill chief.

"The reason for asking for discussions with the Cotton Board is to discover what recruitment methods might be adopted to attract more workers to the mills," said Mr. Heaton. "Because of the present situation, order books are lengthening and delivery is becoming more difficult."

Chinese Competition

Cut-price competition from Chinese mills has been reported by the Silk and Rayon Users' Association. Silk trade leaders have already discussed the situation with Board of Trade officials.

In its trade bulletin the Association said: "We have received reports from members of the disturbance being caused by the offer of large quantities of Chinese silk piecegoods at extremely low prices. This matter is being thoroughly investigated and has been discussed with the Board of Trade.

"Every step was being taken to protect the interests of the British producer of similar fabrics and further details of the investigation would be given when they became available."

Textile Deal

Mr. Charles F. Loos, the Belgian financier, and his associates have now gained control of the 130-year-old Manchester textile group of Rylands and Sons, Ltd. Sir Edward Rhodes, Chairman, announced this week that sufficient support had been received from stockholders for the £4,000,000 deal to go through. Each stockholder will get 40 shillings for every £1 stock unit held, the price of which on the Manchester Stock Exchange only a few months ago was 13s. 6d.

A fortnight ago the deal was held up because support for the scheme was below the requisite 90 per cent. of stockholdings. In the meantime "missing" stockholders have rallied round and the latest tally showed acceptances from 96½ per cent. of the £2,000,000 issued ordinary capital.

Mr. Alexander H. Dunbar, Director and Secretary of the Company, said: "We have no further comment to make at this stage regarding future developments."

Cloth Output

Production of cotton and rayon cloth in Lancashire weaving mills averaged over 50,000,000 yards a week in August, the Cotton Board announced yesterday (Monday).

The average weekly output of 50,700,000 yards compared with 35,450,000 yards a week in the previous month and an average of 39,000,000 yards in August last year.

There was a net recruitment gain of 1,060 full-time operatives by the weaving mills during the month.—*All Rights Reserved.*

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COTTON SUPPLY POSITION IN 1953-54

FUTURE OF CONTROL ON PRICES AND MOVEMENT

IT is gratifying to note that the tentative estimate of the 1953-54 Indian cotton crop, compiled by the cotton branch of the Textile Commissioner's office, shows that the production is likely to be more than what it was in the previous season. Thus, this organisation, the estimates of which have always been more accurate and much nearer the trade estimates than those prepared by the Ministry of Food and Agriculture, places the 1953-54 crop at 42 lakh bales, as against the production of 35 lakh bales in the 1952-53 season.

The following table compares the cotton crop for 1952-53 season and the tentative estimates for the 1953-54 season:

Commercial Crop of Indian Cotton

(In 000 bales of 400 lbs. each)

Name of State		1952-53	1953-54 (tentative)
Uttar Pradesh	..	10	50
East Punjab	..	255	275
P.E.P.S.U.	..	230	275
Rajasthan and Ajmer	..	150	150
Assam-Bengal	..	10	10
Madhya Bharat-Bhopal	..	300	325
Madhya Pradesh	..	750	900
Hyderabad	..	340	450
Saurashtra-Cutch	..	175	190
Bombay :			
(a) Khandesh	..	160	250
(b) Broach-Surti	..	425	525
(c) North Gujarat	..	160	200
(d) Bombay D Zone, Laxmi-Jayadhar, Pundharpur, Baramati, etc.	..	215	225
Madras :			
(a) Tinnevelli-Karungani	..	75	350
(b) Cambodia-Uganda-216F	..	100	
(c) Cocanadas	..	15	
(d) Westerns	..	110	
Mysore	..	20	...
Total	..	3,500	4,200

The increase in the estimate for the cotton crop for the current season is based on the favourable weather and crop progress reports in many of the cotton-growing areas. Thus, in Uttar Pradesh, East Punjab, P.E.P.S.U., Madhya Pradesh, Hyderabad, Bombay and in several other regions, the actual crop is likely to be more than in the previous season. Indeed, in some parts, notably Madhya Pradesh, some private estimates place the crop at a higher level than what is disclosed in the table above. This applies to the Madhya Bharat crop also. Thus, the estimate of 42 lakh bales may not turn out to be on the high side. Actually, it may, if anything, prove less than the actual crop. This remark is, however, subject to there being no unfavourable development in weather or crop conditions which might cause damage to the growing crop.

It is necessary to discuss the cotton supply position in the 1953-54 season in the light of the figures in the table above. The following tables give the supply and distribution position of cotton in the 1952-53 and 1953-54 seasons:

Supply and Distribution of Cotton—1952-53

(In 000 bales of 400 lbs. each)

Particulars	Indian cotton	Foreign cotton	Total
Supply			
Carry-over with mills and trade on 31-8-1952 ..	1,913	490	2,403
Estimated Indian crop (commercial) for 1952-53 season ..	3,500	..	3,500
Estimated imports 1952-53 season ..	..	675	..
Total supply	5,413	1,165	6,578
Distribution			
Estimated consumption, 1952-53 ..	3,600	847	4,447
Estimated exports, 1952-53 ..	335	..	335
Total disappearance ..	3,935	847	4,782
Estimated carry-over on 31-8-1953	1,478	318	1,796
Total distribution ..	5,413	1,165	6,578

Supply and Distribution of Cotton—1953-54

(In 000 bales of 400 lbs. each)

Particulars	Indian cotton	Foreign cotton	Total
Supply			
Carry-over with mills and trade on 31-8-1953	1,478	318	1,796
Estimated Indian crop (commercial) 1953-54 ..	4,200	..	4,200
Estimated imports, 1953-54	..	650	650
Total supply ..	5,678	968	6,646
Distribution			
Estimated mill consumption, 1953-54 ..	3,800	700	4,500
Estimated exports, 1953-54 ..	300	..	300
Total disappearance ..	4,100	700	4,800
Estimated carry-over on 31-8-1954 ..	1,578	268	1,846
Total distribution ..	5,678	968	6,646

It will be seen from the tables above that the total supply of cotton in the 1953-54 season is likely to be as much as 66.46 lakh bales, as compared with 65.78 lakh bales in the 1952-53 season. If these estimates turn out to be correct—there is nothing in the present situation to suggest that they may not prove correct—it is reasonable to expect that the mills will not find any great difficulty in procuring their cotton requirements.

Indeed, there is one school of thought which believes that the supply position is likely to be even more comfortable than what a study of the table above may lead one to expect. This view is based on the consideration that the estimates of consumption, assumed in the table above, are on the high side considering the state of the cloth market. In the distribution table, it has been assumed that the mills will consume about 38 lakh bales of Indian cotton in the 1953-54 season. This compares with 36 lakh bales consumed in the 1952-53 season. This section of opinion holds that the actual mill consumption may not even come up to the 1952-53 levels, considering that mills may be compelled to curtail production, if the dull trading conditions, to which we referred in our last issue, continue to prevail throughout the 1953-54 cotton season. This would naturally have the effect, it is stated, of reducing the offtake of Indian cotton. This section further believes that, if there is no improvement in the cloth markets in the country, it is quite possible that Indian cotton prices may decline to the "floor" levels fixed for cotton by the Government.

In these circumstances, it is hardly surprising that the Cotton Advisory Board should have taken the view that there is no longer any need for maintaining an elaborate system of controls on cotton. In view of the improved supply position, the Board is reported to have recommended to the Government the abolition of the control over the distribution and movement of cotton. If this recommendation is accepted, the mills will have greater freedom in the matter of buying the styles they need.

It is difficult to gauge what the Government's attitude towards cotton control will be in the near future. The control on cotton it may be recalled, was instituted in 1943. This control has remained in one form or another since that date except for a brief period, namely, the period covered by January-August, 1948. The control was reimposed in August, 1948. In September, 1950, the Government replaced the earlier regulations by the Cotton Control Order, 1950, which is the order now in force. The Government has, however, not examined the case for decontrol of cotton so far, though it has periodically relaxed the restrictions on cotton. Even the Commodity Controls Committee (Chairman: Mr. S. V. Krishnamurthy Rao) did not examine the case for the decontrol of cotton. It referred only to the Government's cotton price policy. On this question, it said:

"As the supplies of Indian cotton are insufficient to meet the needs of the textile industry, the price policy of Government has two basic objects in view. Firstly, it is intended to prevent prices from rising merely because supplies are insufficient, and thus resulting in a general increase in cloth prices in the country. Secondly, it is intended to assure the grower of a certain minimum return which Government guarantee, by purchasing cotton on their own account, if necessary, so that the progress of cotton cultivation in the country is not hampered by any temporary slump in prices. It was suggested to us that the prices fixed earlier were far too low with the result that, on the one hand, the cultivator did not find it profitable to expand cotton production and, on the other, the control was circumvented and deals were made at prices higher than the ceiling. The ceiling price was raised in July, 1950 and again in August, 1951. The floor price also was raised in 1952. The present price levels are considered reasonable. The only other suggestion on this subject which we heard was that announcements of change should be made in good time to have their proper effect on sowings. This point, we understand, is fully realised and, therefore, in 1952, the intention to raise floor prices was announced on the 1st July, 1953 although it took effect only, when the new crop came under a notification issued by the Textile Commissioner on the 23rd October, 1952. If the new prices are not announced by June or July it is usually taken as an indication that the *status quo* continues. While this may be so, the possibility that a change might be made always exists in the minds of the grower, and the trade alike. Therefore, it would seem desirable that a definite announcement should be made each year even if it is intended that there should be no change in the prices. We suggest that this announcement should, as far as possible, be made before the end of June at the latest so that the grower knows where he stands."

The Government has announced that it has noted the Committee's views regarding the need to make a timely announcement of the floor and ceiling prices for each cotton year.

The Indian cotton market has for long functioned in an artificial manner, in the sense that world cotton trends have been prevented from exercising their influence on prices of cotton within this country. It may be doubted whether such a policy could be allowed to continue without any modification for an indefinite period. There is, therefore, an urgent need to review the entire control regulation in the light of the cotton supply position in India, and, incidentally, in the world. In this connection, it is well to remember that many observers regard the current season as a very critical one for cotton producers. Referring to the outlook for cotton in this season, the report of the U.N. Food and Agriculture Organisation says:

"The 1953-54 season will be a crucial one for cotton. With prices at a lower level than at any time in the last four years, and resting largely on official supports, Governments are already discouraging cotton production. In the United States, a crop of 2½ million bales smaller than last season was officially recommended, but the first estimate of the area planted at 24,618,000 acres, indicates a crop of perhaps one million, but not more than 1½ million bales smaller. Official cotton acreage restrictions are in force in Pakistan, Egypt, and Syria and reduced plantings are expected also in Mexico and Turkey. In general, therefore, even excluding the possibility of yields falling below last season's relatively high level, a fairly substantial reduction in the world crop is anticipated.

"A reduction of 3 million bales in the world cotton crop would bring it substantially into line with the current rate of world consumption. The future of cotton consumption is, however, doubtful. The conflicting long-range influences of losses of markets to man-made fibres and of gains in standards of living in densely populated regions where cotton textiles are consumed on a large scale are not easy to balance. In any event, they may be masked in the short period by the influence of price fluctuations and general industrial levels. The outcome of the 1953-54 harvest and the way in which Governments define their production and price policies will, therefore, be important factors determining the volume of consumption achieved next season.

"As to the longer range factors, it cannot be assumed that the inroads made by synthetics into cotton's markets will be continued at the same rate as in the past few years. Early post-war technical and economic advantage of rayon may not be nearing fullest exploitation and new advantages may be less easily developed. At the same time, the promise which rising standards of living hold for increased cotton consumption can be expected to be fulfilled only gradually and will depend to a considerable extent on continued economic progress in underdeveloped countries.

"As importing countries have tended to allow stocks to run down somewhat, an increase in prices would encourage trade. Longer range prospects depend on the nature of the price leadership given by the United States. Since export subsidies for cotton have now been officially ruled out, the world price structure for cotton and the volume and pattern of trade in it will depend on the more fundamental issues of United States agricultural policy."

What is now required is that the Government should review in an impartial manner its cotton, as well as its cotton textile, policy. Both these sectors, it cannot be overemphasised, are inextricably linked together. Any further delay in making such a review and in taking constructive decisions will have unhealthy repercussions on the trend of cotton and cloth prices, affecting thereby the prosperity of both the cotton farmers and the mill industry.

COTTON ACREAGE, 1953-54

The all-India first estimate of the area under the 1953-54 cotton crop, compiled by the Directorate of Economics and Statistics, Ministry of Food and Agriculture, places it at 11,708,000 acres as compared with 10,775,000 acres in 1952-53. Thus, the area under cotton shows an increase of 933,000 acres or 8.7 per cent. over the cotton area in 1952-53. The details according to trade descriptions for the current and last seasons are as follows:

Area (1000 acres)

Variety	1953-54	1952-53
Bengals	1,088	1,116
Americans	788	605
Oomras	5,477	5,055
Broach	492	486
Surti	11	9
Dholleras	726	539
Others	3,201	2,965
Total ...	11,708	10,775

The increase in acreage, which is shared mainly by Bombay, Madhya Pradesh and Saurashtra, has been reported by almost all the cotton-growing States except U.P., Mysore, Kutch and Vindhya Pradesh and is due partly to favourable weather conditions at sowing time and partly to the efforts made to grow more cotton under the Five-year Plan.

The information given in this estimate relates to the period generally upto the end of July, 1953. Till then, the condition of the crop was reported to be, on the whole, satisfactory.

The estimate does not cover the entire area sown to this crop during 1953-54. Past experience shows that the area of the first estimate stage forms roughly 65 per cent. of the area under the crop finally reported.

EGYPTIAN COTTON

The first official estimate of the 1953-54 Egyptian cotton crop places it at 5,927,000 cantars. Private estimates, however, place the crop at about 1.5 million cantars above the official estimate. The details of the official crop estimate are:

(In cantars)

Karnak	1,900,000
Menouf	82,000
Giza 30	1,625,000
Ashmouni/Zagora	2,320,000
Total ...	5,927,000

ESTATE DUTY ACT COMES INTO FORCE

SUMMARY OF ITS MAIN PROVISIONS

[In the following article, the main provisions of the Estate Duty Act, which came into force with effect from 15th inst., have been summarised in a manner that will be readily understood by the layman. The Act is a very complex piece of legislation. The salient features of the Act, summarised on this page, will, therefore, be found useful.—Ed.]

THE Estate Duty Bill has taken nearly a year to pass through both Houses of Parliament, having been introduced in August last year. It will be recalled that it was in 1925 for the first time that a legislative measure of the kind was suggested by the Taxation Inquiry Committee then appointed, but the recommendation could not be given effect to on account of the impending constitutional changes. The need for such a duty was felt again during World War II which helped a number of people to amass fortunes, but such a duty, on the analogy of the death duty existing in the U.K., could not be levied under the Government of India Act, 1935. The Act had, therefore, to be amended to confer on the Central Legislature the power to impose such a duty. A Bill was introduced in the Central Legislature in 1946, but due to various reasons it could not be taken up for consideration. It was reintroduced in the Provisional Parliament in 1948, and, although it passed through the Select Committee stage, it did not come up and ultimately lapsed with the dissolution of this Parliament.

The Central Board of Revenue have brought out a booklet entitled *Hints on Estate Duty*, which summarises the main provisions of the Act, giving examples to illustrate the manner in which the calculations are to be made. Earlier the Board had issued a small pamphlet containing the speech of the Finance Minister which he made in the House of the People on the motion for consideration of the Bill as reported by the Select Committee. In the near future, the Board hopes to be able to issue a publication on Estate Duty, similar to *Income-tax for the Layman*, already out.

Scope of the Measure

The Act applies to the whole of India, except the State of Jammu and Kashmir. All properties, both movable and immovable, situated in the States of India are liable to duty. Immovable property outside the territories to which this Act applies are not dutiable, but foreign movable properties of a person domiciled in India at the time of his death attract the duty.

Estate Duty is a mutation duty, in that it is charged according to the value of the property changing hands on death irrespective of to whom it passes. Duty is payable on the capital value of all property, real or personal, settled or not settled, which "passes" or is "deemed to pass" on the death of any person on or after 15th October, 1953.

The inclusive definition of property has been given as (*a*) any interest in movable or immovable property, (*b*) proceeds of sale of the interest mentioned in (*a*), (*c*) any money or investment for the time being representing the proceeds mentioned in (*b*), (*d*) any property converted from one species into another by any method, (*e*) equitable interests, (*f*) debts created by a person or with his consent enforceable against him, (*g*) any other right capable of being reduced to a money value, and (*h*) benefit conferred by the extinguishment of a debt or right at the expense of the deceased.

"Passing on death" has not been defined in the Act. This is "evidently used to denote some actual change in the title or beneficial possession of the property as a whole which takes place at death".

Property Deemed to Pass

There are also certain properties which do not actually pass on death, but for which provision has been made for deeming them to pass on death. These are:

(*a*) Property which the deceased was competent to dispose of.

(*b*) Property in which the deceased or any person had an interest ceasing on the death of the deceased. (This also covers the coparcenary interest of the deceased in the joint family property governed by the Mitakshara Marumakkattayam or Aliyasantana law. However, a concession has been given and no duty is payable if the deceased member of a joint Hindu family had not attained the age of 18 years. If the deceased member is governed by the Mitakshara law, duty is payable even if he was less than 18 years of age provided no male ascendant of his was a coparcener in the family at the time of his death.)

(*c*) Property taken as a *donation mortis causa* (i.e., gifts in contemplation of death). This is because the gift is not irrevocable and does not become effective before death.

(*d*) Property taken as a gift *inter vivos* (i.e., between living persons) made by the deceased either within six months or two years of death, according as the gift is made for public charitable purposes or to others respectively, or at any time where the donor has reserved some benefit for himself by contract or otherwise. But gifts made in consideration of marriage or proved to have been part of the normal expenditure of the deceased, but not exceeding Rs. 5,000 in the aggregate, do not fall under this provision.

(*e*) Property in which a life interest, limited to cease on the death of the deceased, was disposed of or determined, whether for value or not, where such disposition was made or determination effected (i) within the statutory period of six months in the case of public charitable purposes and two years in other cases, or (ii) at any time with reservation. (Reservation here means either retention of enjoyment of the property by the original beneficiaries or some collateral benefit accorded to him.)

(*f*) Property comprised in a settlement made by the deceased, reserving for himself for life any sort of interest in that settlement.

(*g*) Property which the deceased vested in himself and another person jointly either by transfer or by purchase in the joint names, and the other person takes it by survivorship.

(*h*) Money payable under a policy of insurance effected by the deceased and kept up, either by him or under a settlement made by him, for the benefit of a nominee or assignee or a proportion thereof where the deceased partly kept up the policy.

(*i*) Annuities and other benefits purchased or provided by the deceased, either by himself or by arrangement with some other person, to the extent of the benefit accruing or arising on his death.

(*j*) Assets of a company controlled by not more than five persons where the deceased made a transfer of property to the company and received, or had power to obtain, benefits from the company during the three years ending with his death. The duty is payable on that part of the assets which bears to the total assets of the company the same proportion as the benefits accrued, due or received by the deceased in the last three accounting years (actual or potential) bore to the net income of the company for the said years.

Not Liable to Duty

The following kinds of property do not pass on death, and are therefore not liable to duty:

(*a*) Property in which the deceased or any other person had an interest only as holder of an office or recipient of the benefits of a charity or as a corporation sole.

(*b*) Property held by the deceased as a trustee. But if he is a co-trustee under a disposition made by himself, such disposition must have been made more than two years before death. This period will be five years if the deceased was a sole trustee.

(*c*) Settled property in which the deceased's interest failed before it became an interest in possession.

(*d*) Property settled on the deceased for life and which reverts on his death to the settlor.

(*e*) Life interest taken by a surviving husband or wife in the income of property originally settled by such survivor on or before the coming into force of the Act.

(*f*) Property passing by reason only of a *bona fide* purchase for full consideration in money or money's worth.

Absolute gifts made without any reservation are not dutiable unless made within the statutory period of six months in the case of public charitable purposes or of two years in the case of other gifts as the case may be. The conditions to be satisfied if the gifts made beyond the statutory period are not to attract duty are: (*a*) the donee must take immediate possession, (*b*) the donor must be excluded from possession, (*c*) the donor must not retain any benefit either by contract or otherwise, and (*d*) there must be no reservation or any secret arrangement.

Aggregation and Valuation

For the purpose of determining the rate at which Estate Duty is to be levied, all property passing on the death of the deceased has to be aggregated (subject to certain exceptions) so as to form one "estate." There are certain items of property which, though exempt from duty, are to be aggregated for the purpose of determining the principal value of the estate; e.g., agricultural land in non-scheduled States.

Correct valuation is the main issue involved in the determination of Estate Duty. The principal value of any property has been defined in the Act as the price which, in the opinion of the Controller, it would fetch if sold in the open market at the time of the death of the deceased. The market price means the best price which can be obtained. But no reduction is to be made on the ground that all the property is to be placed in the market at the same time, but due consideration has to be given to the fact where it is proved that the property has depreciated by reason of the death of the deceased. Where property has actually been sold within a short time after the death of the deceased under open-market conditions, the gross sum realised may generally be taken as the principal value without any deduction for expenses of sale. There valuations may either be estimated by the parties concerned themselves or with professional assistance.

A specific provision (section 39) has now been made as to how the benefits arising from the cesser of interest in a joint family property are to be computed. This section provides that in the case of any joint family governed by the Mitakshara, Marumakkattayam or Aliyasantana law of inheritance, the interest that ceases on death will be valued as if a partition had taken place immediately before the death of the deceased. Such a partition will be purely notional for the purposes of ascertaining the duty and ignores the point whether the deceased had any right to claim partition.

In determining the total value of the entire property of the Hindu undivided family, the provisions relating to gifts, settlements, etc., should apply so that any transfers made by, say, the manager of the family within the statutory period may be brought back to the joint family pool for the purpose of determining the deceased's share therein.

Deductions From Estate's Value

In determining the principal value of an estate for the purpose of Estate Duty, certain debts and encumbrances have to be allowed. The deductions permissible under the Act are (*a*) funeral expenses not exceeding Rs. 1,000, (*b*) *bona fide* debts and encumorances, (*c*) dower debts not exceeding Rs. 5,000, and (*d*) cost of administering or realising foreign property not exceeding 5 per cent. of the value of property. Taxes of whatever nature which have become due up to or on the date of the death are considered as debts and as such are deductable.

The rates of duty, prescribed in the Act, have been fixed under a slab system. That is to say that different rates of duty are applicable to each successive slab in an ascending scale. No duty is payable on the first slab of Rs. 50,000 of property which consists of an interest in a Hindu family governed by the Mitakshara, Marumakkattayam or Aliyasantana law. In the case of others, no duty is payable on the first slab of Rs. 1,00,000. These first slabs on which no duty is calculated are called exemption limits.

Exemptions From Duty

The following properties are exempt from duty but are to be included in the principal value of the estate for the purpose of rate:

(*a*) Gifts for public charitable purposes made within six months of death to the extent of Rs. 2,500; (*b*) gifts for any other purpose within two years of death to the extent of Rs. 1,500; (*c*) proceeds of insurance policy for the purpose of paying Estate Duty and assigned to Government to the extent of duty payable but not exceeding Rs. 50,000; (*d*) moneys deposited with Government for the purpose of paying Estate Duty to the extent of duty payable but not exceeding Rs. 50,000; (*e*) insurance proceeds on the life of the deceased to the extent of Rs. 5,000; and (*f*) moneys earmarked under a policy of insurance or under a declaration of trusts or settlement for the marriage of any of the female relatives dependent on the deceased for necessaries of life to the extent of Rs. 5,000 for each of such relatives.

The effect of these exemptions is that a rebate will be allowed at the average rate on the amounts of such items included in the principal value.

Relief has been provided for quick succession to the same property. If there is a succession to the same property or part of it within five years, duty payable will be reduced by 50 per cent., 40 per cent., 30 per cent., 20 per cent., or 10 per cent. accordingly as the second death occurred within one, two, three, four or five years. It is to be noted that in the U.K. this relief is restricted to land and business only.

Further, in India all deaths occurring within a period of three months of the first death in respect of which duty has been paid will be treated as one death. This is meant to cover quick deaths arising out of epidemics or accidents. Relief is also provided for the Hindu widow's limited interests if she dies within seven years of her husband's death.

Court fees paid in any of the States of India for obtaining probate, letters of administration or succession certificates is an allowable deduction from Estate Duty. But in respect of duty paid in any non-reciprocating country, the whole or so much of the duty paid in the other country as may be prescribed by the Central Board of Revenue will be deducted from the value of the property situated in that country.

Return of Accounts

The Act will be administered through officers of the Income-tax Department. The Commissioners of Income-tax will be the Controllers, the Inspecting Assistant Commissioners of Income-tax the Deputy Controllers and the Income-tax Officers the Assistant Controllers of Estate Duty. All of them will exercise the functions of a Controller under the Estate Duty Act, but the actual work will be divided amongst them in accordance with the monetary value of the estate of the deceased. The Commissioners, the Inspecting Assistant Commissioners and the Income-tax Officers who had or would have had jurisdiction in respect of the income-tax assessment of the deceased immediately before his death will function as Controllers for the estate left by the deceased.

At important places like Calcutta, Bombay, Madras, Kanpur and Delhi, special Estate Duty circles may be created to deal specifically with cases that will be allotted to them.

Who Makes Payment ?

Every executor, manager of a Hindu joint family, trustee, guardian, committee or any other person to whom any property of the deceased passes or is vested or who takes possession or intermeddles with the estate, is accountable for the whole of the duty payable on the principal value of the estate, but the liability for such duty is limited to the value of the assets which such a person actually received or would have received but for his negligence.

It is the duty of every accountable person to deliver to the Controller, within six months of death, a verified statement of account of all property within his knowledge and belief in respect of which duty is payable.

Estate Duty is due from the date of death and is collectable on the account delivered. But the Controller may allow payment to be postponed for such period as he thinks fit. The Controller has power to call for any accountable person to submit

(Continued on page 743)

SUGAR INDUSTRY, MILCH COW OF BOMBAY STATE

SHARP INCREASE IN WATER RATES

THE growing tendency on the part of the Government of Bombay to treat the sugar industry in the State as its milch cow was strongly deplored by Mr. Gulabchand Hirachand, in the course of his brilliant address to the Tenth Annual Convention of the Deccan Sugar Technologists' Association held at Harigaon (Belapur) on 10th October, 1953, in his capacity as its Chairman. Mr. Gulabchand did not stop with merely making a remark on this subject, but cited facts and figures to substantiate his charge against the Bombay Government. Indeed, the facts presented by him justify the conclusion that this Government has come to regard the sugar industry in the Deccan as an interloper in the sphere of growers of other agricultural products and as one the growth of which needs to be restrained rather than encouraged. It seems to have completely forgotten the past history of the dry districts of Ahmednagar, Sholapur and parts of Nasik and the contribution made by the sugar industry to the prosperity of these areas which were once no better than desert.

In its anxiety to promote production of foodgrains, including rice, for which there are more suitable areas elsewhere in this country and in the State itself, the Government would appear to have ignored the fact that the dry Deccan tracts where irrigation is available are eminently suited for growing sugarcane on a profitable basis and that, therefore, every encouragement should be given to expand production of cane and sugar in this area. It is surely a negation of economic planning to divert land, which is absolutely ideal in every respect for cultivation of sugarcane, for growing foodgrains. It is a sheer waste of resources and Nature's bounty. Yet that is exactly what the Government of Bombay is doing at present. It is doing everything possible to discourage the expansion of the sugar industry in the Deccan. It is, for instance, very niggardly in the supply of water to sugarcane plantations and shows a pronounced tendency in favour of other crops in this respect. Again, it is taxing the water supplied for sugarcane cultivation to a much greater extent than other agricultural crops. Further, even in the sphere of sugarcane cultivation, it is penalising the larger and, therefore, the more efficient sector in favour of the uneconomic and inefficient sector. What is rather disquieting is that, although the Government's attention has been repeatedly drawn to the unsatisfactory features of its policy, it has paid no heed to them. Its lack of interest in the welfare of the sugar industry is reflected in Mr. Gulabchand's bitter remark quoted below:

"It becomes almost painful for us to repeat, year after year, the same set of grievances, without any heed being paid to them or effort being made to convince us of the unreasonableness of our request, if they be unreasonable. Just as justice is best when tempered with mercy, all authority would be the better for being tempered with constructive reasonableness. When we have gone to the length of making out a case about some special grievance or request, it is not only humiliating but distressing to receive a reply from some Assistant Secretary in some Ministry stating that 'the Government are not prepared to reconsider their decision' or that 'they cannot see their way to accede to your request for an interview.'"

Two-fold Difficulties

The difficulties of the sugar factories in the Bombay State in regard to supply of water are, according to Mr. Gulabchand, two-fold. The first is inadequate supply of water. Referring to this, the President of the D.S.T.A. said:

"We have been complaining for years that the volume of water supplied to us for raising cane is not adequate for securing a normally good crop, which the soil is capable of giving and to which we are entitled because of the heavy investment that we make in raising this crop. This has now been proved beyond any measure of doubt by the fact that many of the sugar factories prefer to reduce their guaranteed area under cane in order to secure a better crop. No factory would be foolish enough to plant a smaller area, unless it was convinced that it would be uneconomical to utilise the whole of the guaranteed area with the niggardly supply allowed to it by the irrigation authorities. . . . Unless this supply is liberalised, many of our efforts at bringing about technological improvements are likely to fail in giving results which would otherwise flow from them naturally. This is a basic problem and has to be tackled before there could be any hope of deriving the maximum advantage from the soil which Nature is prepared to confer on us, but which a Government, advised by experts experimenting under ideal conditions on small plots, is determined to deprive us of."

Sales Tax on Water!

The second difficulty is excessive rates charged on even the limited quantity of water supplied to the factories. How serious it is will be evident from the following quotation from Mr. Gulabchand's speech:

"We were still groaning and complaining about the 100 per cent. increase that has been brought about during the last few years from Rs. 45 per acre to Rs. 90 when the irrigation authorities came down on us with notices of further increase of Rs. 30 per acre from February next. By a diabolically cunning device, water rates have been linked to the local cess, so that every increase in these charges automatically brings about an additional increase of As. 3 in the rupee in the local cess also. This local cess itself, which stood originally at one anna in the rupee, has been raised to three annas. It passes my understanding why the revenue of the District Board should go up automatically, with every increase in the price of water. Water charges for irrigation purposes are not in the nature of State revenue. It is a simple process of buying and selling and the local cess should have no relation to the price of water, in the same way as it has no relation with the price of manure or other charges incurred by us in cane cultivation. Levying of local cess on water charges turns it into a sales tax and I leave it to the legal *pundits* to decide whether an impost of this nature, which amounts to a tax on sale of water, is either constitutionally valid or economically justified. It is bad enough for a Government to sell water at such an exorbitant price; it is infinitely worse to impose sales tax at the rate of about 20 per cent. on such a commodity as water.

"As if these staggering increases of Rs. 30 plus Rs. 5-10 per acre for water charges to a price which had already been inflated to bursting point during the last two years were not enough to break the back of sugarcane cultivation, the authorities have thought it fit, at the same time, to impose an additional burden of Rs. 22-8 per acre as irrigation cess on all lands under sugarcane from next year. I am not aware if this irrigation cess is also to be subject to local cess or not; but, even if no local cess were to be levied on this new irrigation cess, this, together with the proposed increase in water rates, would raise the burden on sugarcane from next year by more than Rs. 80 to Rs. 85 per crop acre. A sudden and simultaneous increase of this nature is a thing unheard of in the history of taxation."

It will be seen from the foregoing extract that the Government is exploiting the monopolistic position it occupies in the matter of water-supply. If the Government were thus to heap burden after burden on the industry, what incentive will there be for the industry to improve its position through research and technology? It is time, therefore, some check was imposed on the Bombay Government to prevent it from taxing public utility services beyond a limit, and there is no doubt that supply of water for irrigation purposes is as much a public utility service as railway transport or electric supply is. The Government of India should not try to take shelter under the plea that all this fell under the jurisdiction of State Governments. The Centre has a clear obligation to the sugar industry in this matter, inasmuch as the industry is one of those which have been brought under the scope of the Industries (Development and Regulation) Act, 1951. It must see to it that the sugar industry got fair treatment for its development from the State Governments.

History of Deccan Sugar Industry

Public memory being short, a brief account of the history of the development and establishment of modern sugar industry in the Deccan will be quite relevant, if only to bring out the difference in the Bombay Government's attitude towards the industry in its initial years and now. The then Government was all out to help the sugar industry, as it wanted to see that the Deccan canals became a paying proposition. It gave several assurances to the entrepreneurs of those days who were willing to establish sugar factories in this barren tract and entered into solemn agreements to ensure sufficient supply of water and availability of land. All this is in refreshing contrast to the harsh treatment that is now being meted out by the present Government, a treatment which is certainly not in consonance with the spirit of the agreements in the past. Mr. R. G. Padhye, Senior Resident Executive of the Belapur Company Ltd., who welcomed the delegates to the Convention, did well, therefore, in choosing a historical survey of the sugar industry in the Deccan as the main theme of his speech. It proved to be a very apt background for the main story of Mr. Gulabchand. Mr. Padhye naturally traced the history of the Deccan sugar industry by referring to that of the Belapur Co., Ltd. We say "naturally" not because of Mr. Padhye's connection with this Company but because the Belapur Company was the pioneer of the industry in the Deccan and its trials and tribulations were, generally speaking, those of the industry itself. In view of the importance of the issues raised by Mr. Gulabchand, Mr. Padhye's account bears reproduction here:

"You all know that the Deccan tract is ideally suited for the establishment of a successful sugar industry, owing to three principal causes. First, it is entirely situated in the tropical belt and as such is not subject to excessive cold or frost and is thus climatically suited to growing of high quality and high yielding cane crop—the raw material used for manufacture of sugar. Secondly, the availability of perennial irrigation from Government-owned canals, without which successful growing of sugarcane in an arid tract as the Deccan, having scanty rainfall, is not possible. Thirdly, existence of suitable soil, which is found fairly satisfactory for growing heavy cane crops of high sucrose content under irrigation.

"As a result of the shortage of sugar felt by the British Government during the First World War—years 1914-17—the then Government thought of developing the resources of its tropical possessions, out of which India was considered to be the most suitable country, possessing many favourable factors such as land, irrigation water, labour and suitable climate for purposes of increased production of sugar, though the sugar industry at that time was not in a prosperous state in India. In fact, an Indian Sugar Committee was appointed by the Government of India in October, 1919, to consider the question of organising and developing the sugar industry in India. Our concern, the Belapur Company, was, however, actually formulated and started in the year 1918, before this Committee was appointed.

"In Bombay State, the Department of Industries of the Bombay Government included in their scheme of post-war industries development of the sugar industry on the Deccan canals. In the year 1917, at the suggestion of Mr. Mead, the then Director of Industries, Bombay, Mr. Frank Harrison of Marshall Sons & Co., the Founder of this Company, started working on a scheme of a sugar factory on the Pravara canal, newly opened then. The problem before the Government then was to increase the area under cane and see an extended use of canal water, which was not fully utilised at that time. After careful consideration, Mr. Harrison came to the conclusion that, for a successful sugar industry on the Deccan canals, the first requisite was to produce cane at low prices; this, he thought, was possible by means of scientific cultivation of cane with modern and mechanised methods. This was considered impossible with the methods followed then by the local cane growers, whose means were limited and so he stipulated two conditions, namely, that Government should give land on a long-term and suitable lease and guarantee irrigation water for sugar cane at fixed rates to enable the Company to grow cane at reasonably low prices. The Government immediately agreed to do this and helped Mr. Harrison to make a selection of the land and the present site for the estate and the factory was chosen and work was started in April, 1920.

"Most of the acquired land was lighter and hence poorer, but the potential value of that land with deeper cultivation and under irrigation was considered to be good. The high yields of cane subsequently raised on this land, the anticipated success achieved with the stipulations of these conditions justified the foresight shown by the promoter of this Company. At that time, an attempt was made to establish a sugar factory at Baramati under the name of The Nira Valley Sugar Co., Ltd., by purchase of cane from the cultivators, but the prices at which cane was grown on that canal at that time were so high that sugar making as was foreseen by the promoter of this Company, was found unprofitable and the Company had to go into liquidation soon.

Tribute to Sir Joseph Kay

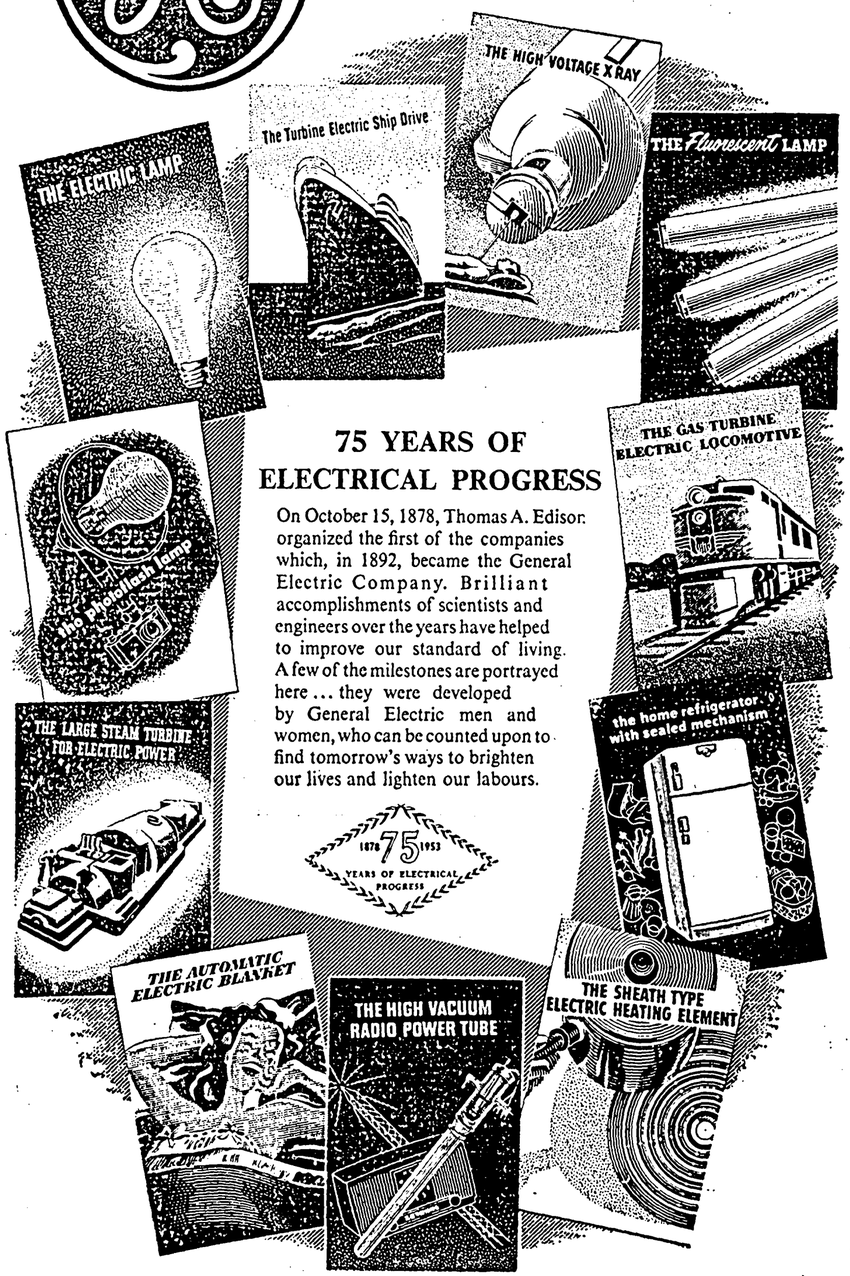
"As pioneers, this Company had to face many difficulties in the initial stage, mostly agricultural and mechanical, which involved substantial financial loss, but the principles with which the Company started its operations being sound and correct, the Company ultimately became a successful concern and thus paved a way for the successful establishment of a number of sugar factories that were started later. Had it not been for the able guidance and help of the then Mr. and now Sir Joseph Kay and other members of the staff, the Company would have gone into liquidation before manufacturing even a bag of sugar, which would have caused a death-blow to the sugar industry in the Deccan, a fact that should be remembered by the public as well as by the industrialists, who later turned their attention to this industry.

"The factory started its first season on 31st October, 1924, and actually made a profit in the year 1927, though it started paying dividends from the year 1930—the year when the Government of India appointed a Sugar Tariff Board (in May 1930) to enquire into the question whether protection was required for the sugar industry in India, which the Board ultimately recommended for a period of 15 years. The Company, however, had started making profits even before the Tariff Board's recommendations took effect.

"In the year 1931 (October 1931), the Government of Bombay appointed the Deccan Canals Financial Improvement Committee under the presidentship of Mr. Kamat, of which Mr. Millar, the first General Manager of this Company, was a member. It recommended establishment of more sugar factories on the Deccan canals in order to increase the area under cane to improve the irrigation revenue, for which purpose it made certain recommendations, which involved compulsory leasing

(Continued on page 741)

LEADER...
IN ELECTRICAL PROGRESS



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PLACE OF THE COMMONWEALTH IN WORLD TEA TRADE

F.A.O.'S ANALYSIS OF OUTLOOK

ONE of the outstanding features of the post-war tea economy of the world is the concentration of the world exportable supplies in the Commonwealth countries. The Commonwealth countries now contribute 81 per cent. of the total supplies entering the international trade, as compared with 67 per cent. in 1934-38. This key position is not likely to be disturbed, as indications are that neither China, Japan nor Indonesia are likely to regain their pre-war positions in the world tea trade in the near future. On the contrary, with bright prospects of an increase in tea output in British African colonial possessions, this position is likely to be consolidated. Although the future trend of production, as was pointed out in these columns last week, will depend on the level of prices and other economic factors, the general outlook for the industry will depend primarily on the consumption, which in turn will be influenced by the level of economic activity in the consuming countries such as the U.K., the Continent, the U.S. and the Middle East. Nevertheless, a study of the recent trends in world trade in tea, with particular reference to the Commonwealth, will be useful. It is accordingly proposed to make here an analysis of the post-war trend in international trade, consumption and prices of tea on the basis of the information made available by the F.A.O. in its report on commodities, referred to in these columns last week.

Decline in Exports

Exports of tea from producing countries declined strongly during the war years and remained at about 75 per cent. of the average for the pre-war years 1934-38, until 1947. In 1947 and 1948, however, they rose to about 90 per cent. of the pre-war average. Following the abolition of rationing in some of the countries and rebuilding of stocks in some others, exports in 1949 rose further and exceeded those of 1934-38. But in 1950, exports suffered a decline, mainly on account of the cut in the U.K. ration in July, 1950, resulting in a reduction in its imports by 23 per cent. as compared with the previous year. This fall was, however, transitory, inasmuch as exports, in the following year, to countries other than the U.S.S.R. rose to the highest figure on record. The main contributory factors to this increase were the Korean War and stock rebuilding in some countries. As these were temporary factors, the revival of upward trend in exports was not sustained in 1952. Further, that year witnessed a world-wide recession is prices and the end of war and post-war inflation in several countries of the world. Tea was, therefore, no exception to this trend. Although complete data for 1952 are not available, preliminary figures reveal that exports of this commodity were substantially smaller than in the previous year. Indications are that the current year may prove somewhat better than the past. It will thus be seen that the volume of world trade has been fluctuating year to year since 1949. The extent of such fluctuation will be evident from the following table, showing production, exports, imports and prices for the years 1946-52 and the average for 1934-38:

	(1,000 metric tons)			Index of price Average Calcutta and Colombo	
	Production	*Exports†	Imports‡	Price	Deflated by U.K. Import values
1934-38 ..	439	402	396	100	100
1946 ..	433	297	304	..	..
1947 ..	458	360	349	245	96
1948 ..	457	353	374	246	81
1949 ..	522	435	420	298	97
1950 ..	562	399	392	318	91
1951 ..	589	453	438	236	62
1952 ..	578	416§	435§	240	53

* Excluding China, Indo-China and U.S.S.R.
† Exports from producing countries only.
‡ Imports less re-exports.
§ Preliminary.

It will be observed that, since 1949, world exports have averaged about 423,000 metric tons a year, or 20,000 metric tons (5 per cent.) higher than the 1934-38 average. The F.A.O. points out that exports of tea have not kept pace with the increases in population of the importing countries.

The world totals do not, however, reveal the significant changes that have taken place among producing countries. Thus, while exports from India, Pakistan and Ceylon have risen by almost 40 per cent., those from Indonesia, China, Taiwan and Japan together have gone down by 57 per cent. During 1949-51, exports from China alone to destinations other than the U.S.S.R. and Eastern Europe averaged 10,000 metric tons a year or only about a quarter of pre-war Chinese exports. In 1952, the sharp increase in production of low quality tea in India affected that country's exports adversely. Although the large decline in the first four months was subsequently made up by high shipments to the U.K. and other markets, India's exports in 1952 showed a net decline. Exports from Pakistan also declined on account of poor quality and high exchange rate. Indonesian exports, too, were lower, in part because of the effects of adverse climatic conditions on production. Indications are that Indonesia, Japan and China are not likely to regain their pre-war positions in the world trade in the near future. The large domestic demand and the change in taste in overseas markets from green tea render it unlikely that Japan's exports will again become so important, even if some recovery does take place in the coming years. However, the possibility of Japan attempting to switch over from green to black teas still remains. As regards Indonesia, the depressed production outlook does not augur well for a speedy recovery to pre-war levels. Exports from China are likely to be absorbed by the U.S.S.R. and its neighbouring countries.

Pattern of Imports

No major change in the world import pattern took place during 1952 except for the effect of the derationing of tea in the U.K. Average net imports of the U.K. during the three years preceding 1952 were almost the same as in 1934-38. A large drop in Ireland's imports was noted in 1952, due solely to large carry-over stocks from the previous year and does not represent a change in consumption. Germany and the Netherlands imported a slightly larger quantity during 1952 than in 1951. The imports by Europe (excluding the U.K.) was about 7 per cent. of the world net imports, as against 9 per cent. in pre-war years. Final figures of imports for 1952 by other countries and continents are not available, but they are unlikely to reveal any marked change over the previous year's level. Australia, New Zealand and some British colonial territories reduced their imports for reasons of balance of payments. Imports by the U.S. in 1952 rose slightly, following the sharp decline in 1951. As in the pre-war years, the U.S. continues to absorb about 10 per cent. of the total world imports. The imports by the Union of South Africa were higher than in 1952. Imports by the African Continent, as a whole, during 1952 were about the same as in 1951, but they were sizably higher than in the pre-war years.

The F.A.O. does not anticipate any major change in the world import pattern in the near future. The derationing in the U.K. has not yet affected demand. Ireland is likely to increase its imports in 1953. No substantial changes are to be expected in the imports by the rest of Europe. The U.S. is expected to continue the present level of imports in 1953. If the latest reports from the U.K. and the U.S. are any indication, these remarks of the F.A.O., however, seem to err on the conservative side. In the last London auction, the trend of prices was very firm, which is attributed to a perceptible improvement in demand. Similarly, the advices from the U.S. also point to a distinct improvement in consumption following the activities of the Tea Council. Consequent on these developments, the North Indian tea gardens have decided to withdraw the voluntary restriction on crop production imposed about this time last year.

Although restrictions on the British re-export trade were not lifted until the middle of last year, re-exports from London increased considerably in 1952. It is stated that further improvement in this direction can be expected in 1953, but the F.A.O. doubts whether the pre-war volume of re-exports will again be reached in the near future. For, apart from such adverse factors as higher freight and storage charges on tea sold through London, the financial burden of carrying large stocks and the delay in the remittances to producers, the F.A.O. finds that many countries (such as Ireland and the U.S.) have become accustomed to buying directly at the Far Eastern auctions. Calcutta and Colombo have made great efforts to improve auction facilities and to attract overseas customers. Despite these trends, the F.A.O. adds, the re-export trade of London is likely to remain of considerable, though reduced, importance in supplying European and African consumers, because the requirements of these countries are small and do not warrant the setting up of buying agencies in the East.

The recent difficulties of the tea industry in regard to price and marketing are due not only to the increase in production during the last two years and to the poor quality of tea, but also to the absence of the dynamic growth in consumption, in contrast to coffee and cocoa. For the past 40 years, tea consumption in importing countries has not only failed to rise, but has actually declined. Another notable feature about tea consumption is that the trend in consumption of tea in all the consuming countries taken as a group during the last 40 years has been quite different from that of almost all other foods. The experience of the past 40 years shows that either there has been a genuine change in taste or tea-producing countries have made little or no effort to strengthen consumer acceptance of their product, in the face of the strong promotion efforts made by producers of other soft drinks.

Trend of Consumption

While the world population outside Asia has increased by 42 per cent. since 1909-13, tea consumption in importing countries (except Asia and the major producing countries) has gone up by only 11 per cent. Following a period of war-time shortages, shipping difficulties and controls on consumption, which ended in 1948-49, consumption, except in the U.K. and a few other countries, generally returned to the traditional pre-war pattern. In India, as well as in a few African importing countries, the *per capita* consumption has, however, shown a marked rise; in most others, it has either remained stationary or declined.

The following table gives the *per capita* consumption in selected countries during the period 1950-52, as compared with that in 1934-38:

(In kilograms)

	1934-38	1950-52
United Kingdom ...	4.20	3.85
Ireland	3.50	3.98
Netherlands	1.23	0.74
Scandinavian countries	0.08	0.17
Germany	0.07	0.05
Southern Europe ...	0.01	0.01
U.S.A.	0.29	0.28
Canada	1.54	1.53
Egypt	0.45	0.77
French Morocco ...	1.28	1.32
Australia	3.02	3.09
New Zealand	3.05	3.58
India	0.10	0.25
Ceylon	0.74	0.87
Japan	0.45	0.43

The U.K. retains its place as the chief market for tea, but its *per capita* consumption has gone down. Following the abolition of rationing and high level of employment, some rise is, however, likely in the near future. In all the other large consuming countries, especially the U.S. and Canada, there has been keen competition from other beverages. The decline in the *per capita* consumption of the Netherlands to 60 per cent. of the pre-war level is attributed largely to economy habits formed during years of scarcity. A gratifying feature of the trend in consumption is the large increase in Egypt, the Union of S. Africa and other African territories and especially in India. As regards the future trend in consumption, the following observations of the F.A.O. will, we believe, be read with interest:

"The future trend of consumption is of great concern to producing countries, since (1) tea is one of their principal export commodities, (2) its cultivation gives employment to a large number of labourers and provides cash income to small holders, and (3) gross income per hectare is one of the highest of any agricultural crop. In view of the low price and income elasticities of tea, increases in production above current demand are bound to have disproportionate adverse price effects. Since consumption is determined mainly by taste, habit, custom and similar factors, it would appear that sales promotion campaigns through advertising and marketing research might have considerable effect in stimulating demand. Until now such campaigns have been on so small a scale, except in the United Kingdom and a few British territories, as to be almost without value. Furthermore, Governments of tea-producing countries might give consideration to the possibility of including tea in their trade negotiations, to obtain reductions of tariffs and other duties which at present render the price of tea extremely high in some markets, especially in Europe.

Prices

The decline in tea prices during 1952 was primarily due to the deterioration in quality, especially of Indian and Pakistani teas. Secondly, buyers foresaw the possibility of an increase in output by estates to offset the rise in production costs and of total supplies exceeding import demand. The slow and gradual removal of controls in the U.K. came too late to reverse the downward trend. The closing of the economically weaker gardens in India and the decision to reduce production by 8 per cent. reversed the trend of prices. The recovery which set in at the end of 1952 has so far persisted. "Short of a major recession in prices of primary products," says the F.A.O., "a comparatively high degree of price firmness for the balance of the year seems to be indicated." Notwithstanding the recovery in recent months, the current prices, according to the F.A.O., are not remunerative enough to solve the difficulties of tea producers in general.

The output of tea in South India during August, 1953 amounted to 6.83 million lbs. (subject to revision), as against 7.38 million lbs. in July, and 5.22 million lbs. in August, 1952. The total output for the period January-August, 1953 amounts to 79.21 million lbs. (subject to revision), as compared with 74.36 million lbs. in the corresponding period of 1952.

DETAILS OF JUTE CROP FORECAST

INDUSTRY IN U.P. FACES CRISIS

THE all-India first estimate of raw jute, released last month by the Ministry of Food and Agriculture, for the 1953-54 season, as stated then in these columns, disclosed a fall of 27.8 per cent. or 488,000 acres in the area sown to jute as compared with the corresponding estimate for the 1952-53 season. Details regarding the forecast which have since been made available reveal that, though a decline in acreage under jute was reported by all jute-growing States, it was more marked in Bihar and West Bengal. This was because of unfavourable weather, damage to crops by excessive rains and floods and to low prices of jute.

The following table gives the first estimate of the area under jute in 1953-54, as compared with the corresponding estimate for the previous season in the various jute-growing States mentioned below:

(In 000's of acres)

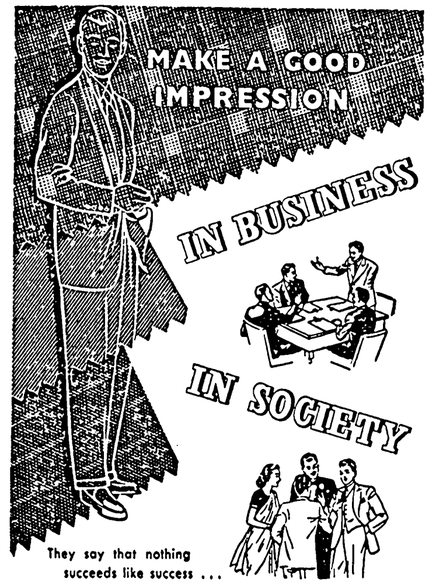
1	2	3	4
State	1953-54 1st estimate	1952-53 1st estimate	Difference between cols. 2 and 3
Assam ...	256	295	— 39
Bihar ...	330	491	—161
Orissa ...	60	109	— 49
Uttar Pradesh	39	110	— 71
West Bengal	569	728	—159
Tripura ...	15	24	— 9
Total ...	1,269	1,757	—488

The sharp fall in jute crop in the U.P., which is far away from the main jute-growing areas of Bihar, Assam and West Bengal, seems to have led to the creation of a piquant situation for the few jute mills that are there. For a recent Press report from Lucknow says that jute mills in Kanpur and other parts of the State are experiencing acute shortage of raw jute. As a result the industry in the State appears to have been practically paralysed. Considerable hoarding and speculative activity are stated to have been responsible for wide fluctuations, from time to time, in the prices of raw jute and jute goods in U.P. markets. These fluctuations are causing, the report says, considerable hardships to both the growers and the jute mills. The three biggest units of the industry operating in Kanpur, having only two days' stocks of jute, are stated to be on the brink of suspension of their operations.

It is reported that representations have been made by the industry to the Government of India that fluctuations in prices of raw jute and jute goods mentioned above have been frequently aggravated by such factors as marketing difficulties of growers, the prevalent unhealthy practices in the jute goods trade and speculation. So far no action has been taken by the Government, as the Jute Enquiry Commission, appointed by the Government of India under the chairmanship of Mr. K. R. P. Ayangar, Joint Finance Secretary, Ministry of Finance, in August last, is scheduled to visit the jute-growing area in U.P. this week.

Considerable significance is now attached to the arrival of the Commission, since it has coincided with the very type of crisis for enquiry into which the Commission has been appointed. It may be noted that the Commission's terms of reference include, among others, examination and enquiry "into the nature and the content of speculations both in raw jute trade and the jute goods trade, the extent to which market prices are affected by the operation of mill-owners, jute dealers and the speculative operators in the market and to consider, in relation to the circumstances which rendered the closing of the *fatka* market in Calcutta in December, 1952, the malpractices indulged in the various units that operated in the *fatka* market resulting in undue depression of prices of raw jute as well as jute goods. Now that similar speculative activity has developed in the U.P. jute markets, the Jute Enquiry Commission has a splendid opportunity to gather firsthand information on the spot. Its investigations and recommendations will no doubt be of some assistance in handling problems of futures trading in jute which, under conditions of scarcity, always harms the interests concerned.

While thus the Government of India has every reason to await details of the findings of the Jute Enquiry Commission, before taking action to control wide fluctuations in prices, it is imperative that it should make necessary arrangements for supplying wagons with a view to transporting raw jute to the Kanpur mills in distress from the jute-growing areas in Bihar and West Bengal.



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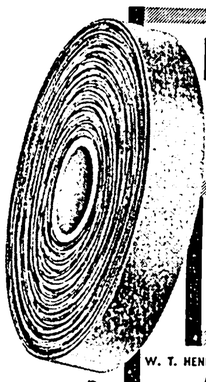

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IRON AND STEEL IN AUSTRALIA

EXPANSION PROGRAMME GATHERS MOMENTUM

THE iron and steel industry of Australia is progressively expanding its production capacity with a view to making Australia self-sufficient in steel. This is evident from the statistics relating to production of ingot steel, which shot up from 1.05 million tons in 1945-46 to 1.52 million tons in 1951-52. The output is estimated to have touched 1.90 million tons for the year ended 30th June, 1953.

In Australia, much of the expansion of steel industry is taking place in Port Kembla on the south coast of New South Wales. At this centre, the integrated iron and steel works operated by Australian Iron and Steel Ltd. (the principal subsidiary of Broken Hill Pty. Co., Ltd.) is extending its plants in almost all departments, while other nearby companies that draw their supplies of basic steel from A. I. and S. Ltd. are themselves expanding their capacities to handle more steel.

The most outstanding in importance among the projects which will increase the output of finished steel products are two plants which are expected to be in operation in 1955. The larger of these plants is a hot and cold continuous strip and plate mill with an annual productive capacity of over 1,000,000 tons of flat steel products which is to become part of A. I. and S. Co.'s steel works. The other is a new cold rolling mill, which is a part of the £A7,000,000 expansion programme, undertaken at Port Kembla by the Australian subsidiary of the English steel firm of John Lysaght & Co. The mill, when in operation, will be one of the largest cold strip rolling mills in the world and easily the biggest of its kind in the Southern Hemisphere. This plant will operate on coiled strip produced by the A. I. and S. Co.'s new mill. It will increase the output of sheet steel of Lysaght's Port Kembla plants from 145,000 tons a year at present to 520,000 tons a year. These two plants are expected to supply all Australia's requirements of sheet steel, one of the most important forms in which steel is used.

Lysaghts rolling plants at Port Kembla and Newcastle are still the only producers of sheet steel in Australia. Their sheets in various forms, black, bright, galvanised, zincanneal and terneplate are some of the most important and widely used products of the steel industry. Hot and cold rolling of sheet from sheet bars has been used generally by Lysaghts, but already a four-high coiled strip rolling mill has been installed at the C.R.M. division, as the first phase of Lynsaght's £7,000,000 development programme. The mill is designed to roll coiled strip from the proposed A. I. and S. Co.'s continuous strip mill, but, so far, apart from a few days of test runs with imported strips, it has rolled sheet bar as distinct from the coiled strip for which it is essentially designed. But even this will be no match for the gigantic four tandem stand of four-high cold rolling mills which are expected to come into operation in 1952.

Major Step

The rolling of steel sheets from coiled strip which these mills will undertake, represents a major step forward in steel rolling methods in Australia. First attempted successfully in America about 20 years ago, the rolling of cold coiled strip, it may be noted, has revolutionised the entire process of steel rolling. The operation of new methods at Port Kembla will render naturally obsolete the old hot and cold rolling mills at Lysaght's and Commonwealth Rolling Mills, built to take sheet bar, as opposed to coiled strip, irrespective of the fact that they contain probably the most up-to-date equipment of its type in the world.

With the cold rolling method, the steel emerges as a single ribbon and thus the slow and costly operation of opening the packs by hand is entirely eliminated. Moreover, as the cold rolled strip is recoiled after passing through the mill, all further processing can be carried out with coils weighing as many tons as the individual hot rolled sheets weigh pounds.

The truly formidable superiority of the new method over the old is clearly indicated by the fact that the tandem cold mill produces exactly 20 times as much sheet steel per hour as a two-high pack mill, i.e., 80 tons, as against four tons. Only 1.5 man-hours of labour are required to produce a ton of steel sheet, as compared with 6.8 man-hours with the old method. Power consumption is reduced from 88 kilowatt hours to 48 kilowatt hours a ton and, of course, where the hot rolling method requires 4,250,000 British thermal units a ton, the cold method dispenses with heat entirely. Provision has been made for the construction of the various buildings for annealing or baking furnaces which will anneal 250 tons of steel in strip form in one operation. In the first stage of development, however, the steel will be annealed in sheets after it has passed through the "cut-up time"—an automatic means of cutting the coil into steel sheets of the dimensions required by the customer.

NEW LEVEL FINDER

Work in the building industry throughout Australia has been greatly simplified in recent years by the use of a new type of instrument for ascertaining and checking levels. Both in the range of operation and in purchase price, it has filled a gap between the carpenter's straight edge and spirit level, on the one hand, and the long-range dumpy level on the other. The instrument is known as the Cowley Automatic Level, being named after its inventor, Mr. Keith Cowley, of Richmond, Victoria. The new automatic level is surprisingly simple in design and construction. It consists of an arrangement of small flat mirrors, one set on a horizontal pendulum in combination with two pairs of fixed mirrors set at angles to reflect the light rays at certain deviations. The whole arrangement is such that whatever be the level of the ground on which the tripod holding the instrument is standing, the pendulum ensures a direct line of rays to the levelling target, and compensates for any variation that might be caused in the levelling of the instrument through uneven ground surfaces.

The Cowley automatic level may be used on small or large works. A carpenter may include it in his tool kit to check levels on bench jobs; bricklayers may employ it to give them correct levels on foundations or walls; surveyors or builders may use it on large construction works and farmers may use it for setting out levels for contour cultivation, pasture furrows, dams, drains or other requirements on their properties. The Cowley level is being manufactured in Melbourne, Victoria, for Australian and New Zealand distribution.

Patent rights for overseas countries have been taken out, and the instruments are being made in England by Messrs. Hilger and Watts, manufacturers of surveying instruments, London, for world-wide distribution with the exception of North America. Arrangements have been made for the manufacture of Cowley automatic levels in Canada and the United States of America. The effective range for the Cowley level using an 18-inch target is from 6 inches to 100 feet. For distances up to 300 feet, a larger target is provided. Because it is automatic in operation, the instrument does not have to be set with accuracy, and it is claimed that it can be used for all levelling done by more expensive instruments for distances within the requirements of builders and primary producers.

NEW 'STANDARD' MODEL

The Standard Motor Company has announced the introduction of a new economy car, the Standard 8. The car with a 803 c.c. overhead valve, four-cylinder engine which develops 26 b.h.p. at 4,500 revolutions per minute combines liveliness with economy. With two passengers, it is stated to have a maximum speed of 62 m.p.h. and a fuel consumption of 48 miles per gallon at 40 m.p.h. The car is a four-seater with four doors and special attention has been paid to the stowage of luggage. The boot has a capacity of 12 cubic feet normally and is reached through the rear passenger doors. When, however, only two persons are travelling, the rear seat can be folded away and the whole of the rear of the car is available for luggage—a total of 38 cubic feet. The chassis and the body are built as one unit which gives rigidity with lightness of weight.

IMPROVED RECORDING MACHINE

SoundScriber Corporation, New Haven, Connecticut, has developed a recording machine capable of registering continuously for 48 hours on a single tape. The machine uses a magnetic tape three inches wide moving at a rate of slightly more than 4¼ inches a minute. The narrower tapes in most machines move at about 60 times more rapidly. The tape used by the new machine is 1,125 feet long, but any particular point on it can be found in four minutes or less. Numbers corresponding to each minute of the day are printed on the edge of the tape to make locating easier. With the addition of certain equipment, the machine can record simultaneously from two channels of communication having different radio frequencies. SoundScriber expects the machine to prove useful in monitoring radio programmes, recording police and fire department calls between headquarters and mobile equipment, recording conference telephone calls in industry, and registering rail-road messages between trains and control towers.

A new type of bridge structure has been designed by a Houston (Texas) engineer to facilitate the moving of heavy oil-drilling equipment over rough terrain and streams to drilling sites. Successfully tested recently, the "Clear Span Bridge" uses less steel, time and labour than the bridge types currently used, its designer claims. The bridge is made of a series of hermetically sealed box girders braced from the inside. The interior bracing eliminates much of the steel used on splices, rivets, stiffeners and reinforcing places in the usual bridges. The box girders require no heavy steel structure over or under the bridge span.

SMALL ENGINEERING INDUSTRIES

STATISTICAL SURVEY REPORT

THE survey of the small engineering industries of the Howrah (West Bengal) municipal area made by the Bureau of Industrial Statistics, Calcutta, just made available, examines some of the problems of these industries. Although the report is essentially a fact-finding document, it also suggests ways and means for improving the position of small firms. The survey, which has been conducted under the guidance of Mr. T. Ghose, Secretary of the Bureau, represents a notable method of studying the industrial problems in different regions. In fact, it may well be regarded as a model for similar studies in other States.

Commenting on the survey, Mr. Titus Podea, President, International Technical Associates Inc., and Index Number Institute Inc., New York, U.S.A., has observed as follows:

"The scheme that you are presenting herewith, will provide the tool for a systematic, i.e., scientific approach to estimate the future developments in the small engineering industries. The recent growth in American industries has been possible, because American management, both public and private, has planned in all its aspects such growth. Statistical estimates and business forecasting are common practices in the American Government and business life.

"I expect that the West Bengal Government will give due consideration to the present scheme in its various aspects and get the industries' economic position surveyed. In the small engineering industry, your survey will set an example which is very much needed at the beginning of an industrial era."

The survey covers 762 firms, out of which 192 are samples drawn at random. For the purpose of the survey, the small engineering firms are defined as those engaged in the construction, adaptation and repair of machine tools, both power-driven and portable, by hand, in turning lump and sheet metals into utility products, in preparing moulds, in welding and so on. For the purpose of the study, small engineering firms have been taken as those which pay a licence fee not exceeding Rs. 50 per annum. The firms have been grouped into five categories, namely, (1) machine, machine parts, tools and engineering stores manufacturing units; (2) sheet metal processing, (3) foundries; (4) nut, bolt, rivet, etc., manufacturing units and (5) welding.

From the survey, it is evident that the small engineering firms, generally speaking, are predominantly proprietory in character though there are few firms founded on partnership. These firms, according to the report, are having a "weak" capital structure and there is a "pressing" demand for new capital. The report says that in any reorganisation plan, this problem must be "very carefully looked into.". The raw materials used are mostly indigenous. Their supply, however, is not satisfactory. The report rightly emphasises that the present quota and permit system should be thoroughly revised in order to bring about sufficient improvement in the distribution of raw material to small industries. As is generally the case in small industries, family members, along with outsiders, work as labourers in these engineering firms. They work on an average 8 hours a day and labour relations are good. From the point of view of the "value added by manufacture" or the "contribution to national income" per firm, the units which manufacture nuts, bolts, rivets, etc., occupy the first position. The next in order of importance are the sheet metal processing units. Then come foundries followed by machine, machine parts, tools and engineering stores industries. Finally, there are the engineering units engaged in welding.

Although the small engineering industries are poor in organisation and capital structure, and also suffer from many other handicaps, they form a vital part of the industrial and agricultural organisation of the country. Properly organised, they can make a considerable contribution to the industrial development, as envisaged in the Five-year Plan. In order to achieve this development, intensive efforts both on the part of industry and Government are needed. The report suggests that a small engineering development committee may be set up with representatives of Government, industry and consumers and that both short and long-term financing of these units should receive the special attention in a reorganisation plan. The report, however, warns that the small engineering industries cannot be developed on a "cottage basis." Other suggestions include the creation of special directorate for the inspection of products and enforcement of "standardised quality."

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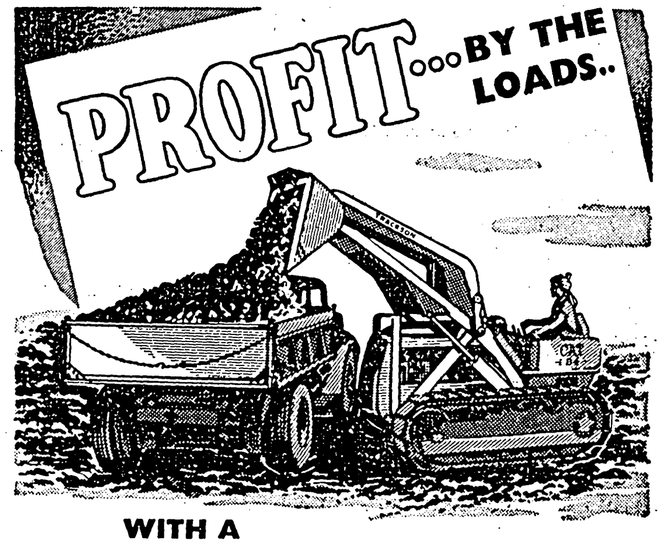

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TRAINING YOUNG MEN FOR INSURANCE WORK—III

CASE FOR CHARTERED INSURANCE INSTITUTE

IN the field of general insurance no effort has unfortunately been made to initiate a system of examinations for young men in order to enable them to qualify themselves for positions of responsibility. This is surprising in view of the fact that the general insurance problems are in many ways more intricate and complex than the problems of life insurance. Although general insurance in this country is only of recent origin, it must be admitted that it has developed rapidly. But the problem of trained personnel has not been solved, for many leading insurance executives continue to complain not only of the lack of trained staff, but also of the questionable practice of deflecting trained personnel from one company to another by offering higher emoluments.

It must, however, be conceded that general insurers, as a class, are not unaware of the dangers inherent in the continued absence of facilities for education and training of their staff. Addressing the recent annual meeting of the Indian Insurance Companies' Association, Mr. T. K. Desai, Chairman, alluded to the many lines of new and potentially prosperous avenues for expanding general insurance business, and said:

"Insurance is highly technical and some of the lines to which I allude require extensive technical knowledge and here one encounters the difficult problem of personnel training. This is a problem which should engage far greater attention of insurance managements than it has done so far. I need hardly emphasise that insurance undertakings depend so largely upon their personnel for their success and that the problem of trained manpower, both in the office and in the field, should receive immediate attention of the managements. We will have to spare some time to see that an insurance institute is established, offering adequate facilities for insurance education to the young men in our business."

The need for an Indian institute on the lines of the Chartered Insurance Institute of England is a long-felt one. The question of establishing such an institution has been before the general insurers for some time now. And yet, no decision has been taken on this question. It would appear that some of the sponsors of the J. C. Setalvad Memorial Fund are in favour of utilising the fund for the establishment of an institute which will cater to the educational needs of those engaged in insurance work. It is to be hoped that this idea will take concrete shape at no distant future. Indeed, the best tribute which could be paid to the memory of the late Mr. J. C. Setalvad who laboured unceasingly in the field of Indian insurance is to set up an institute which could serve the present and coming generations of workers in this field. The constitution and functions of such an institute may be modelled on those of the Institute of Chartered Accountants.

The originators of this idea of an insurance institute will, however, do well to bear in mind that its standards of examination and evaluation should be high enough to make the associateship or fellowship of the Institute a valued possession. Many Indian students have distinguished themselves as associate members or fellows of the Chartered Insurance Institute, London. The need for having a separate institute arises from the consideration that insurance laws and problems in India are somewhat different from those of the U.K. But it must be remembered that the general principles of insurance are the same everywhere. From this point of view, it would be wise to take the Chartered Insurance Institute, London, as a model for the Indian Institute. Indeed, the Institute would do well to work in close co-operation with the London Institute.

In the creation of such educational facilities, it would be legitimate to expect financial assistance from the Central Government. After all, insurance is a Central subject. And it should be the duty of the Central Government to assist any non-official effort that may be made to spread the knowledge of insurance among those who are desirous of having it. When the time comes for starting an institute of this kind it is to be hoped the Government will readily give such assistance as its sponsors may need in order to place insurance education on a firm basis.

The question whether insurance can be introduced as a subject in the Indian Universities deserves the attention of University bodies. It may be asked whether the subject has attained the academic status which has been accorded to subjects like literature or history, mathematics or physics. The whole question is bound to raise some controversy. But it must be conceded that the subject does certainly possess a status of no mean order. It does lend itself, especially on the mathematical side, to research work. Some of the best minds in the West have devoted their lifetime to the study of the subject. The literature on the subject is growing every day. There is no reason why it should not be introduced in Indian universities as part of the courses of study for the B.A. or B.Sc. degrees. A beginning has been made in this direction at least in one Indian university. And several universities permit candidates to offer insurance as an optional subject for the degree of Bachelor of Commerce.

There is another question which is likely to arouse even keener controversy. It is whether the field workers too should be asked to take an examination in insurance. Some countries, notably the U.S., do insist upon the field workers passing a qualifying examination. It is true that there is woeful ignorance of insurance among the field workers in this country. Many of them are mentally so ill-equipped that their knowledge of insurance does not extend beyond a familiarity with the tables of endowment rates of the companies which they represent. There is, therefore, a great deal to be said in favour of compelling them to acquire a better and a more comprehensive knowledge of insurance. But the question deserves to be looked at from the practical point of view. So long as the insurance profession does not attract the best talent it would be wrong to dispense with the services of the existing field workers on the ground that they cannot pass an examination. In any case, it seems too early to make so important a change as would require a successful completion of a qualifying test for entrants into the ranks of field workers. But there is no doubt whatever that when the country is fit for such a change it would be most desirable to introduce a qualifying test for field workers.

It would be folly to imagine that the entire problem of insurance education would be solved once an institute of insurance is established. After all, it takes many years of work at the desk and of experience in handling people before a person can lay claim to that degree of knowledge of insurance which will enable him to perform his task even with reasonable efficiency. A diploma in insurance is, therefore, no substitute for training in insurance. Much can, of course, be gained from books. But familiarity with books alone will not give the knowledge, the temperament and the outlook which make men successful executives in insurance offices. It is, therefore, impossible to overlook the vital importance of an adequate training in insurance work.

It is a pity that few offices devote any attention to the systematic training of their staff. Although some individual insurers, notably the management of New India, have made some commendable attempts in the field of staff training, the question on the whole remains neglected. No attempt is made to sift the chaff from the grain, to encourage the more efficient by giving them an all-round training in different sections. Insurers will do well to remember that it pays them in the long run to give the more intelligent members of the staff an all-round training that will enable them to perform responsible tasks with ease and efficiency.

(*Concluded.*)

GENERAL ASSURANCE SOCIETY LTD.

Established 46 years ago, the General Assurance Society Ltd., (General Manager: Mr. P. M. Dalal, Ajmer) has made notable progress from year to year until it is now one of the leading insurers in the country, transacting both life and general insurance business. The report and accounts of the Society for the year ended 31st December, 1952, shows that notable additions have been made to the funds of the Society's different departments. Thus, the life assurance fund has increased from Rs. 334.79 lakhs in 1951 to Rs. 359.65 lakhs in 1952 and the funds in the general departments from Rs. 16.69 lakhs to Rs. 19.19 lakhs.

The Society's new life business during the year under review aggregated Rs. 2.03 crores, as against Rs. 2.45 crores in 1951. This decline reflects the recession in price levels which was witnessed in 1952. Although business is more difficult to procure, insurers find that management expenses continue to increase. Thus, the Society's renewal expense ratio increased from 13.00 per cent. to 14.68 per cent. But the Society was able to show commendable progress in two directions. In the first place, the net interest yield improved from 3.63 per cent. to 4.17 per cent. Secondly, the Society's mortality experience was encouraging, the percentage of actual to expected deaths having moved down from 71.38 per cent. in 1951 to 65.94 per cent. in 1952.

The total income in the life department during 1952 aggregated Rs. 87.02 lakhs, inclusive of a premium income of Rs. 72.32 lakhs. The total outgo amounted to Rs. 50.85 lakhs. This would have enabled the Society to make a net addition of Rs. 36.16 lakhs to the life assurance fund. But the Directors decided to write back the appreciation taken into account in 1949 on the value of lands and buildings and accordingly a sum of Rs. 11.31 lakhs was utilised for this purpose. The net addition to the life fund was accordingly Rs. 24.85 lakhs.

The total premium income in the general department was Rs. 32.92 lakhs, as against Rs. 34.57 lakhs. This decline is shared by the fire and marine departments in which the premium income aggregated Rs. 11.59 lakhs and Rs. 7.53 lakhs, respectively, as compared with Rs. 13.81 lakhs and Rs. 8.71 lakhs in 1951. In the miscellaneous department, however, the income moved up from Rs. 12.05 lakhs to Rs. 13.80 lakhs. The working of the fire department yielded a profit of Rs. 2.2 lakhs, as against Rs. 0.83 lakh in the previous year. In the marine department, the results of working disclosed a loss of Rs. 1.05 lakhs, as compared with a profit of Rs. 0.53 lakh in 1951. This is due to the increase in cost of claims and in management expenses. For similar reasons, the miscellaneous department also disclosed a loss of Rs. 0.53 lakh, as against a loss of Rs. 0.24 lakh in 1951.

The profit transferred from the fire department, together with the income derived from interest and dividends, was Rs. 2.82 lakhs. After meeting the losses in the other two departments and providing for bad debts (Rs. 620) and income-tax payable to Ceylon Government (Rs. 1,120), there was a profit of Rs. 1.22 lakhs, which together with the amount brought in from the previous year, amounted to Rs. 1.99 lakhs.

The Directors have transferred Rs. 50,000 to reserve for taxation, and Rs. 25,000 to reserve for contingencies. This leaves a balance of Rs. 1.24 lakhs. The payment of a dividend of 4 per cent. —no dividend was paid last year—absorbs Rs. 40,000, leaving a balance of Rs. 0.84 lakh to be carried forward to current year's accounts. The Society's financial position is impressive. Apart from a capital of Rs. 10 lakhs, the Society's reserves aggregate Rs. 421.38 lakhs, inclusive of a life fund of Rs. 359.65 lakhs, fire fund of Rs. 5.80 lakhs, marine fund of Rs. 7.53 lakhs, and miscellaneous fund of Rs. 5.86 lakhs.



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INDO-CHINA: Haiphong, Saigon
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Head Office: 8, Underhill Road, Delhi.
STATEMENT OF ACCOUNTS AS ON 30-6-1953.

LIABILITIES	Rs.
(i) Paid-up Capital	87,50,000
(ii) Reserve Fund	89,06,328
(iii) Deposits	62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.	12,82,96,445
Total ..	76,65,23,136
ASSETS	
(i) Cash and Balances with Bankers.	7,14,88,955
(ii) Investments :	
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373	
(b) Other investments .. Rs. 94,24,911	27,96,51,284
(iii) Loans and Advances	31,36,17,499
(iv) Other Assets : Including Bills Receivable, etc.	10,17,65,398
Total ..	76,65,23,136

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Chairman & General Manager.

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BELT SECTION	H.P. RANGE	BELT TOP WIDTH	BELT THICKNESS
M	0 - 3	⅜"	15/64"
A	1 - 5	½"	5/16"
B	3 - 20	21/32"	13/32"
C	10 - 75	7/8"	17/32"
D	50 - 100	1¼"	3/4"
E	OVER 100	1½"	29/32"

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FARM POLICY IN THE UNITED STATES

CONTROVERSY REGARDING FIXED VERSUS FLEXIBLE PRICE SUPPORTS

[A succession of bumper crops, followed by large carry-over each year, and a sharp drop in exports of various commodities have created conditions of over-surplus in the U.S. The situation has called for drastic measures such as acceptance of cuts in acreage, introduction of market quotas and reductions in support price. U.S. farmers are reluctant to accept control on output or forgo the benefits of price support. But the Administration is meeting with innumerable difficulties as a result of buying crops and storing large quantities of them. It favours withdrawals of support, on the ground that market forces would determine levels of prices and volume of output. The U.S. Congress, however, is opposed to this view and seems to feel that some system of price support is necessary. The divergence in views has given rise to a controversy regarding the question whether there should be flexible or fixed price supports. The various aspects of this controversy, as also the present position of basic crops, have been dealt with in an article appearing in the September issue of the Guaranty Survey, published by the Guaranty Trust Company of New York. The article reproduced below may be read with interest, especially as there are suggestions in this country, too, for guaranteeing minimum prices for agricultural crops.—Ed.]

WHEAT farmers have accepted marketing quotas on the 1954 crop rather than forgo Federal price support at 90 per cent. of parity. Their collective decision has been interpreted by defenders of the fixed-supports system as a repudiation of the Administration's desire to move away from close governmental controls on agricultural production. At the same time, opponents of fixed supports have criticised the farmers for renouncing their traditional freedom of action.

Actually, it seems doubtful that either of these broad interpretations can fairly be placed upon the farmers' vote. The wheat growers were not judging the wisdom or unwisdom of a governmental policy or its relation to their long-run welfare. They were not choosing between fixed and flexible price supports, or even between fixed supports and no supports at all as a long-term proposition. They were faced with a condition of acute oversupply which called for a sharp reduction of acreage, and which, in the event of an abrupt return to a comparatively free market, would undoubtedly have precipitated a drastic decline in price.

A Choice of Objectives

In this situation, the farmers did what individual members of any large economy group would probably do, if given the opportunity. They voted for the maximum immediate cash income for themselves. They chose marketing quotas on the 1954 crop in preference to a sudden reduction in the support price from 90 to 50 per cent. of parity—a drop of about a dollar a bushel. Even Secretary Benson, an open opponent of fixed supports and rigid controls, conceded that, in the present situation, the farmers had made a wise decision in their own best interests.

There are plenty of signs that farmers, like everyone else, dislike restrictions on output. Farm organisations, including those that defend and those that oppose the regulatory system, have been reluctant to accept governmental limitations on production as a permanent solution to the problem of farm surpluses. Congress, while extending "fair price" guarantees, has sought ways to sweeten the bitter medicine of output controls. An illustration of this tendency was seen at the last session when the proclamation of marketing quotas for 1954 wheat was quickly followed by Congressional action raising the limit on acreage from 55 million to 62 million.

The desire to produce freely at a guaranteed price may be normal psychologically, but it is impossible economically. If prices are to be regulated, production must be regulated also, when the occasion arises. In no sector of economic life can enterprise be free unless markets are free. The unregulated market price is the device by which supply and demand are kept in balance. Destroy this device, and the balance must be maintained by direct governmental authority. Otherwise, supply and demand would soon cease to bear any significant relation to each other.

The Position of Basic Crops

A glance at the market position of wheat is enough to show the nature of the emergency in which the farmers and the Government now find themselves. A succession of large wheat crops, combined with a sharp drop in exports during the past 12 months, has caused the year-to-year carry-over to mount until now it is equivalent to half of a full year's output. This carry-over, added to still another large crop in prospect for the current growing season, makes a total supply 50 per cent. in excess of estimated requirements, far above the 20 per cent. excess that must exist before marketing quotas are invoked.

Unfortunately, the wheat situation is only the beginning of the problem of surpluses. Marketing quotas are already in effect for tobacco and peanuts. The carry-over of cotton is equivalent to about 43 per cent. of a normal crop, and this year's output is expected to be about 20 per cent. above the ten-year average. The Department of Agriculture has estimated that a crop of more than 12 million bales would call for a proclamation of marketing quotas in 1954. The crop is now expected to total 14.6 million bales. Hence, output controls next year are indicated.

Corn is in somewhat the same position, as to supply. The crop is believed to be nearly 10 per cent. above average, and the carry-over on 1st October is expected to be the largest on record, equal to about 26 per cent. of a normal season's output. Secretary Benson recently indicated that marketing quotas in 1954 were probable, although some statisticians in his department are reported as estimating that the crop will fall somewhat short of the total that would make this step necessary.

Even if quotas were in effect, they would not have the same significance as do wheat and cotton quotas. Corn is not primarily a cash crop. Much of it is fed to animals on the farms where it is produced. Even when it is sold to other farmers, its price position benefits one party to the sale to the same extent that it injures the other. From the standpoint of agriculture as a whole, therefore, the price of corn is less important than are those of the major cash crops. Moreover, the fact that most of the crop is not marketed makes output restrictions difficult to enforce. The present law provides for quotas but imposes no penalties for violation. Hence, quotas would presumably have no more force than do acreage allotments, which carry no penalties except the loss of price-support privileges.

Thus at least four, and perhaps five, of the six so-called basic crops, for which price supports are mandatory, are likely to be subject to governmental restrictions on output next year. Rice, the other basic commodity, is selling well above parity and, therefore, does not enter into the price-support picture.

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Potatoes and Dairy Products

The Government's price-support activities are not confined to the so-called basic commodities. Supports are mandatory with respect to a number of designated non-basic products and discretionary with the Secretary of Agriculture as to others. Among the designated commodities are dairy products and potatoes.

The need for effective regulation of output to accompany price supports was illustrated by the critical situation that arose in the potato market three years ago. At that time, acreage allotments had been in effect for several years. Producers, however, had found it possible to circumvent these restrictions by increasing output per acre through the use of superior soil, better seed, more insecticides and fertilisers, and closer planting. At the same time, "free riders" were able to exceed their allotments and, though deprived of direct price protection for themselves, to sell their output at prices slightly below the official supports. By 1949, production exceeded the Government's goal by about 15 per cent. Yet Congress refused to require marketing quotas as a condition of price support for the 1950 crop.

In its efforts to hold up the domestic price in the absence of effective control of output, the Government offered to sell potatoes for export at one cent a bushel, although consumers at home were paying prices that enabled Canadian producers to sell shiploads of potatoes in United States ports, after paying the tariff duty of 75 cents per hundred pounds. In the end, large quantities of potatoes were destroyed or virtually given back to farmers to be fed to livestock, while human consumers paid high prices for a scanty supply of inferior potatoes.

Now there is reason to fear that a somewhat similar situation is developing in dairy products. Since last November, the Government has been actively supporting prices of these products at 90 per cent. of parity by buying and storing large quantities of them. From November, 1952, through May, 1953, the Commodity Credit Corporation purchased about 162 million pounds of butter and 337 million pounds of cheese and dried milk with a total value of more than $192 million. The Government has undertaken to continue this support for another year.

In the absence of effective curbs on output, the production of fresh milk this year has run consistently higher than in 1952. With consumption *per capita* of fresh milk and cream about equal to that a year ago, the increase in output is going into butter, cheese and powder, and these products are being bought by the Government for price support.

A grave complication affecting butter is the fact that this staple has been steadily losing competitively against margarine for many years, despite the discriminatory laws against oleo. With most of these laws now repealed, the competitive position of margarine has become even stronger. Twenty years ago the consumption of butter was about three times that of margarine. To-day they are about equal.

The Coming Debate

Like many other governmental practices, the present fixed price supports at 90 per cent. of parity began as a temporary device. Their purpose was to increase farm output quickly in response to the emergency needs of World War II. They were to have expired automatically after hostilities ended. Instead, they have been successively extended, always on a *temporary* basis, through 1954. In 1948 and 1949 Congress provided for permanent flexible supports ranging from 60 to 90 per cent. of parity, the level at any time depending upon prospective supply of, and demand for, individual commodities. These flexible schedules were to have become effective beginning 1st January, 1950. Actually, they were never allowed to take effect.

At next year's session, Congress will have to decide whether to extend the fixed supports again or to allow the flexible schedules to become effective. It will also have to act upon the Administration's proposals for long-range modifications in Federal farm policy. Secretary Benson has not said what changes will be recommended, but both he and the President are known to favour more reliance upon market forces and less upon governmental controls in determining the level of prices and the volume of output. The weight of opinion in Congress is on the other side, to judge by the actions taken in recent years.

It seems to be generally conceded that some system of price supports will be maintained. The real issue in the coming debate will probably be between fixed and flexible supports.

The Case for Flexible Supports

Those who favour flexible supports believe that the fixed rates strongly encourage overproduction. They concede that this tendency can be curbed, in theory at least, by rigid governmental restrictions on output. They argue, however, that such restrictions lend a socialistic flavour to the agricultural sector of the economy —that they tend to reduce the farmer virtually to the position of an agent of Government, producing specified quantities for a specified fee. They argue further that output controls, which necessarily apply to all producers alike, subsidise the inefficient and thus keep costs higher than they would otherwise be.

These critics question the ultimate effectiveness of curbs on output, citing the human tendency to evade laws and rulings when it is profitable to do so. They think that even if controls are effective in balancing supply and demand, they do so by restricting both, thus depriving farmers of part of their market and consumers of part of their supply of foods and other farm products. These restrictive effects, they maintain, have already become serious in some divisions of our foreign trade and have largely destroyed overseas markets for some American farm products, besides necessitating new trade barriers that run counter to the national policy of freeing the channels of world commerce.

Finally, the critics fear that sooner or later the taxpayers and consumers will tire of paying the bill and will turn against the whole farm programme. In support of this view, they point to the cumulative operating loss of $3½ billion incurred by the Commodity Credit Corporation from its inception through May, 1953, the C.C.C.'s present investment of $3½ billion in farm products, and Secretary Benson's estimate that purchases may amount to nearly $7 billion by the end of next year.

Arguments for Fixed Supports

Defenders of the present support system reply that farmers are subject to exceptional risks and that their average financial resistance is low. Consequently, they believe, it is unfair to expose the farmer to the rigours of competition. Weather, insects, and disease can raise havoc with agricultural output. The turn of the seasons limits the promptness with which production can be adjusted to demand. The inelasticity of demand slows and limits the response of consumption to changes in price.

While these tardy adjustments are taking place, innumerable farmers may suffer ruin because the lack of ample financial reserves makes most of them so vulnerable to even temporary losses of income that a single bad season can result in hardship or disaster. Defenders of high price supports point to the exceptional variability of prices of farm products and argue that the decentralisation of agriculture places the individual farmer at the mercy of the market to an extent that does not exist in most other branches of business.

These special risks, they contend, were tragically illustrated by events during the period between the two world wars. Even in the generally prosperous 1920's, agriculture was in difficulties, and low farm purchasing power may have been an important factor in precipitating and intensifying the general economic collapse that followed. In any case, by the early 1930's farmers were in dire straits. Millions were obliged to accept public relief, and hundreds of thousands lost their farms. Such drastic onsets of adversity, it is maintained, are not only intolerable to farmers but also destructive of general economic stability, because farm areas account for a large share of the total demand for the products of industry.

So run the arguments of the opposing schools of thought on the farm problem. The issue will probably be joined in 1954 more directly than ever before. If a workable solution is not reached, it will not be for want of long and careful consideration on both sides.

The farmers themselves will have a strong voice in arriving at the decision, and it is important that they, above all others, have the nature of the issue clearly in mind. Either way, they will be surrendering one privilege in exchange for another. The more price protection, the less freedom of operation. No one can have both.

POST-WAR DEVELOPMENT OF GERMAN INDUSTRY

FREE ENTERPRISE HELPS RAPID RECOVERY

(By FRITZ BERG, President, Federal Association of German Industry)

BETWEEN 1949 and 1953, German industry has gone through a remarkable development. Looking back, the changes become evident. From the catastrophe of a totally defeated enemy State, we have risen to-day to the status of allies of the West. Meanwhile, the world has become divided into two camps. We stand in the front line of defence of the free nations of the West against the pressure of Communism from the East. Our aims are clear. They are to prevent a third world war by strengthening this line of defence, and to preserve individual liberty and the freedom to carry on independent and responsible work. These are, after all, the principles upon which the Western world and our future depend.

German industry knowingly and willingly endorses the Government's foreign policy. The most practical and important contribution to this, on our part, has been the economic recovery which has been brought about through our efforts. Our economy to-day bears comparison with the standards of the years 1936-38. I must, however, express here one grave concern. The new edifice is not securely based upon those foundations of capital and reserves which were considered normal in earlier days. This particularly applies in the case of capital available for investment and long-term export planning. We must direct our most immediate attention, therefore, to ensuring the necessary support for this economic structure and to consolidating our whole productive apparatus, and do everything in our power to supply the necessary capital.

Free Enterprise

The speedy and marked success which has characterised our economic recovery has been due to the resolute way in which the shackles of State control have been cast off and free enterprise and individual production encouraged through the principles of free market economy.

To-day, when most of the backlog of demand has been covered and the change over the whole world from a sellers' to a buyers' market means a sharpening of competition, an increase in our production by leaps and bounds, such as we have seen in the last two or three years, is not to be expected. Considering the global economic situation as a whole, however, there is every reason for a confident expectation of steady progress in the near future. Moreover, the still unsatisfied backlog of demand for consumer goods and, in particular, for investments, means that there is a considerable reserve market which will ensure a certain stability to the economic trend.

This development, which has brought benefit to all sections of the population and especially to the workers, most certainly confirms the principles of free market economy. Allied with these principles is our aim to encourage the acquisition of as much private property as possible by all ranks of the population. Such a widespread property-owning basis would help to provide our society once more with firm foundations.

The importance of free enterprise in industry, and the demand that property ownership should become as widespread as possible are to-day being accepted in circles which formerly held very different opinions. Even allowing for a certain amount of justified scepticism, this is a matter for satisfaction.

In these circles, it has also been said that the economy of the Western world has no effective slogans to set against communist doctrines. The success of free market economy and independent creative effort, based on the recognition of individual freedom, prove such statements untrue. The tide of Communism from the East beats in vain against the bulwarks erected by the success of our economy and the productive possibilities which our Government and our economic system grant to the individual. Here is the core, here is the chief triumph of our liberal, economic and political principles.

The next step is to secure the level of production which has been reached, and to provide the basis for sound progress and further development. Considerations of how these aims may best be achieved turn on the question of finding capital. We need capital for two main purposes: for the investments which will enable our industry to develop, and to finance long-term export transactions, which, to an ever-increasing degree, are becoming the focal point of international trade.

International Co-operation Necessary

If we wish to secure our future economic progress, we must aim at extending and intensifying our world markets. This goal can only be achieved through close co-operation between nations.

The setting up of a common market for coal and steel is such a step and of extraordinary significance. At the moment the disputes and difficulties which necessarily accompany its realisation tend to cast their shadow over the proceedings. I think, it a mistake to deal with these difficulties through the medium of legal formalities and specialists. There is only one way, and that is through co-operation between the industrialists, who are motivated by the spirit and not by the letter of the agreement. And this spirit is equally starting chances on a common market. The industrialists will meet as business men on the market and will know what line to take, so that the spirit of the plan can be truly complied with.

An essential point in the extensive work abroad of the Association of German Industry is the maintenance of contacts and of friendly co-operation with leading economists in the U.S.A. The negotiations going on at present in the United States regarding the direction to be given to tariff policy draw our attention to what is probably the most significant economic problem of the Western world. The importance of closing the dollar gap and levelling out the dependence of Western countries on the dollar markets, by shaping American tariff and import conditions in a more liberal manner, has frequently been discussed. We cannot imagine that this great country, which has emerged so decisively from its earlier isolation and has undertaken its political tasks in the world with such earnestness, will continue to follow the path of protectionism in the sphere of foreign trade. In 1952, the exports of the Federal Republic to the United States reached the low figure of 0.07 per cent. of the American gross national product. American exports to Germany in comparison make up 2 per cent. of the German national product. From these figures it may be clearly seen that even a slight increase in American imports from Germany would go far to close the dollar gap. The same applies to American imports from other European countries.

We have tried to prove to the United States —and we may say with some success—that we are ready to help ourselves. By further developing the basis of our production we wish to enter into genuine competition with American industry. The prerequisite for this is the general implementation of liberal principles in trade policy. This means that tariffs must be gradually, but progressively, reduced.

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ROLE OF INSURANCE IN BUILDING UP OF NATIONAL CAPITAL

MR. B. N. JALAN'S OBSERVATIONS

THE vital role which insurance plays in the building up of national capital, was emphasised by Mr. B. N. Jalan, Chairman of the General Assurance Society, Ltd., in the course of his address at the 46th Annual General Meeting of the Society, held at Ajmer on 28th September, 1953. He urged that the Government should encourage savings by way of life assurance.

In his address, Mr. Jalan referred to the general economic conditions in the country and said:

"After the precipitate fall in prices in the early part of 1952, the price level had stabilised at a slightly higher level. But of late there is an upward trend particularly in the group of raw materials and food and a downward trend in the group of manufactured articles. Though industrial production has improved, the phenomenon mentioned above is likely to adversely affect further improvement in industrial production. Again, it has been noticed that a number of small industries that had come up in the wake of war-time scarcity are suffering a severe setback."

Advice to Labour

Emphasising the need to stabilise prices of food and raw materials, he also referred to the spectre of unemployment consequent upon the difficulties the industries were facing, and said:

"In the circumstances that our industries face to-day, it would be in the general interest of labour also to tone down their demands and adopt a more conciliatory and reasonable attitude in their dealings with the employers. No employer wishes to see his labourers thrown out of employment nor does he enjoy their low standard of living. But when he is hemmed in by rising prices of raw materials and falling prices of his product he has got to rationalise if his industry is to survive. Any obstruction in that process will only result in the industry ultimately going to the wall and larger unemployment. In fact, the tendency to throw the whole burden of unemployment on industry is going to be suicidal."

Endorsing the move for *swadeshi*, he said:

"I believe as a free nation we should voluntarily prefer goods made in India even if they are not up to the standard of quality of foreign-made goods and even if they are a little costlier. Only when our people adopt that attitude, it will be possible for our Government to successfully tackle the great economic problems of unemployment and low standard of living facing the country to-day. I also hope that preference or movement in favour of *swadeshi* will also be extended to insurance and our industrialists and others will thereby encourage Indian insurance."

He then dealt with the burden of taxation on insurance companies and the relief of income-tax allowed on life insurance premiums and the provisions relating to life insurance policy in the Estate Duty Bill. He felt that the present attitude in these respects was due to the lack of proper appreciation of the role of life insurance.

Role of Insurance

"Life insurance," he said, "played a very vital role in the stability of the home and the economy of the country. A home whose bread-winner is not adequately insured may face difficulties in the event of his early death and will not have much financial stability even if he lived long. With the break-up of the joint family system, this problem assumed greater proportion with most of the middle class families. There can be nothing more painful for a man than to leave his wife and children unprovided for. By taking out a life policy which entails small sacrifices on his part he builds up an estate for himself and his family. But in doing so he also serves larger economic ends. He helps to build up national capital.

"If the twin services which life insurance provides—security of the home and creation of long-term capital—are admitted to be very desirable objectives to be widely achieved, I believe Government ought to encourage savings by way of life insurance. Men must be encouraged to build up life insurance to the maximum of their capacity by full relief in tax and full relief from estate duty. That will mean prosperous homes and a prosperous nation. Or, is it the attitude of the Government to encourage people to build up their estates not in life insurance policies but in gold and silver?"

Results of Working

In referring to the working of the Society during the year under review, he presented the following tables:

(In lakhs of rupees)

	1952	1951
Life Department		
New business completed ...	203.19	189.42
Net premium	72.32	71.24
Net interest	14.18	11.41
Claims by death	7.90	7.57
Claims by maturity ...	10.77	10.84
Life assurance fund ...	359.65	334.79
Renewal expense ratio ...	14.68	13.00
Net interest yield	4.17	3.63
Percentage of actual to expected mortality ...	65.94	71.38
Fire Department		
Net premium	11.59	13.61
Claims	4.74	7.54
Commission and expenses of management	5.03	7.34
Profit (+) or loss (—) ...	+2.24	+.83

(In lakhs of rupees)

	1952	1951
Marine Department		
Net premium	7.53	8.71
Claims	3.39	3.23
Commission and expenses of management	3.33	2.83
Profit (+) or loss (—) ...	—1.05	+.53
Miscellaneous Department		
Net premium	13.80	12.05
Claims	6.58	6.56
Commission and expenses of management	6.70	5.21
Profit (+) or loss (—) ...	—.53	—.24

"Total net premium in the general department was Rs. 32.92 lakhs as compared to Rs. 34.57 lakhs in 1951. The reserves under the various departments were increased from 45 per cent. to 50 per cent. in the fire department, from 65 per cent. to 100 per cent. in the marine department, and from 40 per cent. to 42½ per cent. in the miscellaneous department. The total reserves stood at Rs. 19.19 lakhs as compared to Rs. 16.70 lakhs at the end of 1951.

"The net profit of the general department in the year amounted to Rs. 1,21,893 as compared to Rs. 75,789 in 1951. The Directors recommend a dividend of 4 per cent. free of tax."

He also mentioned that the valuation of the life department was nearing completion and was expected to be satisfactory.

In conclusion, he said:

"I think you will agree with me that in spite of the difficult economic conditions and in spite of the heavy stress of competition, we have had a fairly satisfactory year and I would like to take this opportunity to thank our policy-holders and patrons for their continued support and our officers at the head office and the branches and the members of the staff for their unstinted and loyal services which have made these results possible."

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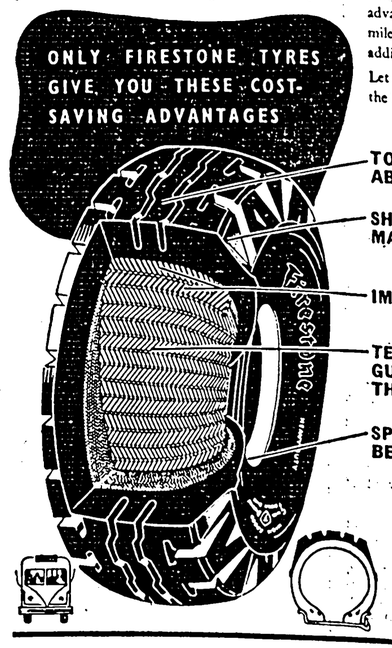

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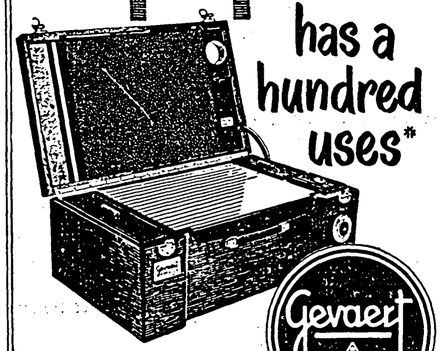

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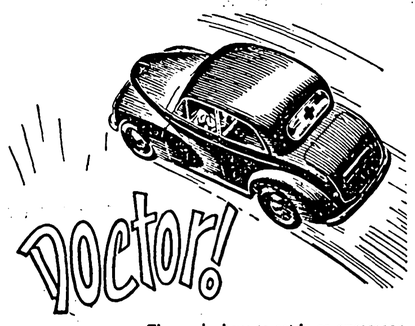

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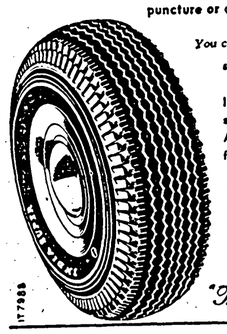

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PROGRESS OF PATENTS IN INDIA

VIGOROUS POLICY FOR PROMOTION OF INVENTION NEEDED

ALTHOUGH the total number of applications for patents from persons in India and abroad in 1952 was greater than in any other post-independence year and about 100 per cent. higher than in 1939, it was still below the peak reached in 1946. Thus, during the year 1952, the total number of applications amounted to 2,272, as compared with 1,060 in 1939 and the peak of 2,610 in 1946.

Of the total of 2,272 applications, as many as 518 originated in India; of this 45 came from residents other than Indians. The balance of 1,754 applications came from abroad, the U.K. alone accounting far as many as 711. Notable among other countries were the U.S. with 321 applications, Switzerland 167, Germany 155, the Netherlands 94, France 78, Italy 46, Canada 26 and Sweden 18. As compared with the figures for 1951, the number of applications originating from the United Kingdom was almost the same, but there was an appreciable increase in those from India, the U.S., Switzerland, the Netherlands, Italy, Norway and Japan.

As many as 698 applications claimed priority under the reciprocal arrangements existing between India, on the one hand, and certain other countries of the Commonwealth, on the other. Sixty-one applications were for patents of addition. Of the five applications received from women, four were from inventors themselves.

At the commencement of the year, there were 559 applications for patents awaiting examination. And 2,272 applications were added during the year. Of this total of 2,831 applications, as many as 1,986 were examined. On first examination, 137 of them were accepted and as many as 1,849 were returned for meeting objections. Applications deemed abandoned due to non-filling of complete specifications within the prescribed time numbered 146. At the end of the year, 699 applications were awaiting examination.

Trend of Invention

Revolutions in industry, agriculture, transport and communications owe their origin to the genius of inventors. Industrial progress, efficiency, productivity, low costs, new processes of manufacture, all are attributed to continuous process of inventions in mechanical, electrical, civil and scientific engineering. Consequently, countries in which inventing talents are in abundance are always known to have kept the lead in the field of industry. While glowing examples of this are found in the history of the U.K., Germany and the U.S., the attainments in India in the field of invention have been poor. This is clearly indicated by the *Annual Report* of the Patent Office for the year 1952. Not only the number of inventions appearing for registration, as stated at the outset, is negligible for the size and requirements of a country such as India, but the field in which the lead is normally taken, namely, chemical industry, is so limited that no spectacular revolution in industry can be expected in the near future. Out of 518 applications orginating in India, only 473 were from Indians and among these a large number of them were connected with the sugar industry. The inventors devoted their attention to processes for the clarification of cane juices and manufacture of glucose by saccharification of plant materials.

In the field of electric engineering, the inventions relating to heavy current or power engineering were on the decline. Extraction and deposition of metals from fused electrolytes and by wet electrolytic processes, however, attracted considerable attention.

The number of inventions in communication engineering showed an increase during the year. This increase was most conspicuous in inventions relating to automatic telephone exchange equipments, particularly, information storage devices, transmission and receiving arrangements, selector switches and cable and cable balancing and wave distributing networks. The inventions relating to telegraph and wireless signalling declined. However, attention was devoted to remote control signalling systems and electron discharge devices. A sad feature is that Indian inventors have not taken much interest in this field.

The sphere in which inventions could help considerably the expansion of industries in the country is mechanical engineering. Although progress in this field, as stated by the *Annual Report*, was much better than in 1951, it must be admitted that so far no marked contribution has been made by these inventions to increase the channels of investment and employment which alone are the criterion in the prevailing conditions in the country, to judge the utility of the inventions. A large number of inventions in this field were confined to metal working and processing machines, mainly for metal extraction, tube and pipe-making, metal welding and cutting, and making and bending of metal rods. There was also an increase in the number of inventions relating to internal combustion turbine plants. The inventions concerning transport vehicles were much more than in 1951 and were directed to the fabrication of railway carriages out of steel frames and plates, motor cars and other vehicle bodies and driving central systems for such vehicles as aeroplane bodies.

The number of inventions in the field of civil engineering was much less than in 1951. The majority of these inventions related to the construction of buildings and structures particularly foundations, floors, walls, iron and steel frames and reinforced concrete structures. Only a small percentage originated in this country and these concerned with earth walls, structural materials made of bamboo and cement filing composition.

The inventions relating to food were also very small. The majority originated from this country and were concerned with husking of paddy, grinding of corn, treatment of seeds and grains and production of flour. The interest shown in the preceding year in the manufacture of synthetic drugs, particularly the new anti-tuberculosis drugs, was sustained.

In the field of metallurgy, manufacture of ferro-nickel and aluminium magnesium alloys, processes for purifying metals and moulding and casting machines were some of the subjects that attracted the attention of inventors. A large number of inventions, almost all from foreign countries, relating to coke oven regenerators, rotary furnaces, retort cake ovens, coking processes and manufacture of liquid fuels was also received by the Patent Office.

Design applications received by the Patent Office rose from 880 to 1,299. Of these, as many as 1,257 originated from India. The major portion of these applications related to textile designs and came mostly from Bombay.

One notable feature which emerges from a review of the *Report* is the backwardness of India in the field of invention. This point emphasises the need for following a vigorous policy for the promotion of invention in India by providing financial, technical and other aids to inventors. Organisation of exhibitions and awards of merit will also stimulate considerably inventive talents in the country. The national laboratories, which have been instituted under the aegis of the Indian Council of Industrial Research, should take up the question, so that the advent of new inventions may contribute largely towards opening new channels of investment and employment.

(Concluded from next column)

In an article contributed to the recent issue of the *Journal of Industry and Commerce*, an official publication of the Ministry of Commerce and Industry, He observes: "The industrial structure of the country is to-day stronger and more broad-based than it was 30 years ago, but there are still many gaps in it. We have yet to go a long way before we can get in step with some of the advanced industrial nations. The process of the building up of industries has, therefore, to be accelerated and necessary measures concerted with a view to achieving the desired end. Carefully thought out and judiciously executed policies of tariff protection and price control can be potent instruments for industrial expansion and consolidation. Already tariff protection has made an important contribution in building up the industrial structure as it exists to-day. As industrial development proceeds on a planned basis, the extent, as well as the importance, of the part played by the Tariff Commission is bound to increase in years to come."

WORK OF TARIFF COMMISSION

ITS RELATION TO PLANNING STRESSED

DURING the three months ending 31st December, 1953, the Tariff Commission has before it a crowded programme of enquiries. According to the tentative schedule drawn up by it, claims to assistance or continuance of assistance by industries such as hurricane lanterns, bicycles, caustic soda and bleaching powder, and drugs, dyestuffs and pharmaceuticals will have to be completed by the end of the current month. During November, the demand for aid by the cocoa and chocolate, and bichromates industries, fixation of prices of rubber tyres and tubes and the case of the sheet glass industry are to be enquired into by the Commission. The enquiry into the claims of artificial silk, cotton and hair-belting, cotton textile machinery and pickers is programmed to take place in the last month of the year. During this period the examination of some cases of automobile ancillary industries is also likely to be taken up.

Considering the large volume of preliminary work involved in connection with the data relating to production, consumption, determination of actual costs, estimation of future costs of products under enquiry, the landed costs, exduty, of the corresponding imported products, their qualities, etc., the number of enquiries of industries scheduled above will doubtless appear to be fairly large indeed. But the fact that the Commission has by now acquired considerable experience in these matters and possesses a body of experienced officers should not be overlooked.

An idea of the pace of progress made by the Commission can be had from a brief description of the work done by it during the 18 months since its inception on 21st January, 1952. The Commission held 26 enquiries during this period and forwarded an equal number of reports to the Government. The industries whose claims to protection or assistance have been dealt with include motor vehicle batteries, woollen hosiery, ball bearings and steel bulbs, transformers, flax goods, glucose, dry batteries, hydroquinone, plywood and tea chests, woodscrews, titanium oxide, pencils and fountain pen ink. Cases of price fixation include those of retention prices of steel produced by the Mysore Iron and Steel Works, Bhadravati, and Steel Corporation of Bengal Ltd., prices of raw rubber, prices of steel produced by the Tata Iron and Steel Co., Ltd., prices of cement, fixation of a fair conversion rate for registered re-rollers and retention prices of electric furnace billets.

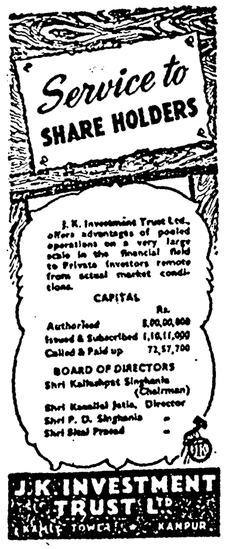
Besides the work detailed above, the Commission has handled two important and complicated cases, viz., the question of granting protection or assistance to the automobile industry in India and fixation of the fair ratio between the ordinary shares of the Steel Corporation or Bengal, Ltd., and the Indian Iron and Steel Company Ltd.

To this must be added the entire range of day-to-day activities of the Commission, such as research and statistical work. In this field, considerable progress has been made, especially in regard to compilation of data relating to protected industries.

A period of eighteen months is, of course, not long enough to make a proper assessment of the achievements of the Commission, considering that the Commission had, during this period, to complete the change-over from the previous arrangements under the Tariff Board and had also to handle a large number of cases of claims to protection and of enquiries taken over from the Board. Nevertheless, two features of note stand to the credit of the Commission. First, in the meetings of chambers of commerce which are usually the platforms from which the business community ventilates its grievances, no unfavourable comments on the work of the Commission have so far been voiced. Secondly, the Government of India is known to have accepted, with minor alterations in rare instances, almost all the recommendations of the Commission. These two features, in a way, reflect the satisfaction of the Government and the industry over the Commission's work.

It is being increasingly realised that the work of the Tariff Commission, whether in the sphere of protection or price fixation, is closely related to planned economic development of the country. This aspect is adequately emphasised by Mr. M. D. Bhat, Chairman of the Commission,

(Continued in previous column)



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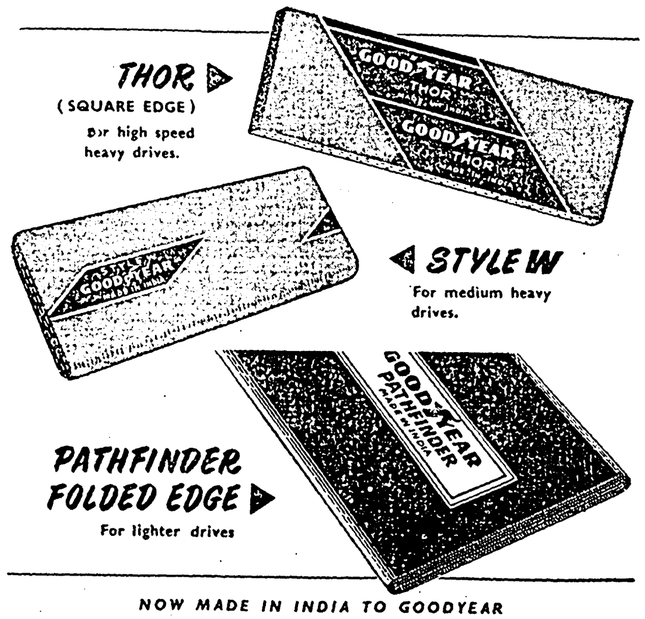

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LAND REFORMS IN INDIA

VIEWS OF PROF. PARSONS

THE report of Prof. Kenneth H. Parsons, Wisconsin University, U.S., on land reforms, which has been submitted to the Planning Commission, deals, among others, with the regulation of relations between landlord and tenant, fixation of ceilings on rents and of minimum wage levels, feasibility of converting tenants into owners and also conferring occupancy status to *ryotwari* tenants. The report is the outcome of a close examination of the land reform problems of U.P., Bombay, Madras and P.E.P.S.U. undertaken by Prof. Parsons and two other experts on agricultural economy recently, at the invitation of the Government of India last year. The report is, it is understood, under the active consideration of the Planning Commission with a view to taking suitable action on the findings of experts. The full text of Prof. Parsons's report is not available. But from Press reports, it is evident that the Professor favours "a carefully designed complex of progressive tenure adjustments" as having greater prospect of leaving India a continuously functioning and going concern of economic and political activity. There is nothing strange in this plea for progressive tenure adjustments. Because India is such a vast continent that each part has developed conventions which are peculiar to itself. And to enact an overall legislation designed to ensure uniform land tenures, although theoretically feasible, is practically impossible. The problems of Madras State differs from those of either West Bengal or U.P. and so on. Yet, a certain amount of uniformity is desirable as well as necessary.

Prof. Parsons has interpreted the present agitation and clamour for land to be only the "beginning of a process which is destined to make the peasants a much more active political force." While conceding that equality of opportunity must be held as the great goal before India, he cautions that a movement to eliminate inequalities in the present-day India can end only in "equality of poverty unless the productivity is increased." This truth, which has been emphasised on several occasions ere now, can hardly be disputed, for the ultimate aim of land reforms is to improve the standard of living of the nation in an atmosphere of freedom. Supposing the urge for peasant proprietorship were to be pushed to the extreme limit, it may lead to fragmentation of lands into uneconomic units and thus thwart all efforts at increasing productivity.

Conversion of Tenants into Owners

Prof. Parsons has wisely ruled out the feasibility of converting all the present tenants into owners which involve the purchase of land from the present *ryotwari* holders, and also the possibility of conferring occupancy status on *ryotwari* tenants. The Constitution requires compensation for property taken and, therefore, the cost involved and the consequent economic dislocation cannot be ruled out with little thought. According to the Professor, the typical land situation emerging in India is that of *ryotwari* holding, a few large and many medium and small. In this system, the landless village workers are expected to continue in existence, constituting a third to fourth of the rural population. More than half the cultivators are tenants in some States. In this connection, the following remark of Prof. Parsons deserves to be noted:

"Madras State is going to be one of the principal laboratories in India for trying out the regulatory or police power approach to the tenancy problems. As such, it would seem to deserve the most careful attention of both the Madras and the Central Governments, since tenancies on *ryotwari* holdings present the great emerging problem. One gets the impression that Madras officials feel that they have matters in hand. But an observer may be permitted to wonder, for it is to be noted that the field for the contest had been chosen by the agitating opposition. What would seem to make the matter of nation-wide concern is the possibility that the future of regulating tenancies in India may be in the process of decision in Tanjore. Should this effort fail to bring a tolerable stability, the whole *ryotwari* capital and investment structure will be threatened."

The foregoing observations of Prof. Parsons seem to be logical. Because the land available is limited and the population depending on it is almost unlimited. There is a limit up to which estates can be divided and distributed. Beyond this limit, the distribution will result in uneconomic holdings, which are not suited to increase the output of land. Large-scale farming and scientific cultivation are more conducive to greater productivity. The division of large estates, however, satisfies the inner urge to ownership, which cannot be had in the case of large-scale farming even if the farms are owned and managed on a co-operative basis by the farmers in the present circumstances. For co-operative farming to be run on democratic lines needs an educated populace and efforts towards that aim is still lacking, owing to inadequate finances of the State.

Landlord-Tenant Relations

What then is the solution to the complex land problems in India? Prof. Parsons feels that the regulation of landlord-tenant relationship is the only alternative for the general improvement of *ryotwari* tenancies. It should be possible to put effective ceilings on rents and floors to wages. The regulation of landlord-tenant relationship should ensure security of tenure for tenants, wherein occupancy depends primarily on the performance of good husbandry. Prof. Parsons thinks that automatically renewable leases at the end of every five-year period might well be a part of the regulation of tenancies.

The regulation of landlord-tenant relations is also closely allied to the division of the crop. Prof. Parsons thinks that there should be a division of the crop which gives the tenant an income above the ordinary wage commensurable with his duties especially of management and his investment in working capital and, to the landlord, a share commensurate with a prudent investment policy and his responsibility for the management. It is to be noted that the present value of land cannot be taken as an adequate guide for the calculation of returns, since the value of low cultivator returns is automatically capitalisable into higher land values. Further, Prof. Parsons says that landlords and tenants should assume shares of variable non-labour costs in approximately the same proportion as the crop is divided, as only in this way can the landlords be given a real function in the improvement of production. The tenant should not be expected to bear the costs of increasing production greatly out of proportion to his expected return. The last observation is prompted by a review of the recently promulgated Tanjore Ordinance in Madras in which the tenants are required to bear all costs of production and yet give the landlord 60 per cent. of the gross yield of the crop.

That there should be ceilings on rents and floors to wages can also hardly be disputed. So also the view that the landlord should be a productive partner and that the non-labour costs of improvement of the land should be shared by the landlord and the tenant on a certain agreed basis. But the question is how far these objectives can be realised in an atmosphere of amity.

Adjustment of Rents

Once the machinery for regulating the tenancies is thoroughly established, Prof. Parsons says a mechanism should be provided for the adjustment of rents to the circumstances of the time and place, according to the relative bargaining power inherent in the alternatives of the different parties and the public conscience as expressed in the minimum terms of the transaction compatible with public interest. It would seem extremely useful, he says, if some way could be devised to classify and evaluate the performances of ryot landlords, who lease lands. Evidently, the investment function is the elemental common ground for all landholders. Where the landlords do nothing beyond this, they are mere rent collectors and as such, are entitled only to interest on capital. In terms of performance, and perhaps in intention, these landholders are scarcely distinguishable from the former *zamindars*, except that their legal position in the economy is much more secure. But there must be many practical ways of giving tenants considerable security of tenure which are also not against the best interests of landlords. If the landlords were held for some positive production performance, there would be some basis for putting sanctions on landlords for non-performance or for classifying landlords into those who were mere rent receivers and they could be treated accordingly. Eventually, the latter might go the way of *zamindars*. This is more than a suggestion for protecting good landlords. Even more important is the need for arrangements for using the interests and talents of qualified landlords in the constructive tasks of increasing farm production and improving rural economy. Prof. Parsons feels that, if equitable tenancy arrangements cannot be devised by a regulatory approach, India would have no alternative, except the more drastic measures of transferring the title of land to actual cultivators. Some of these statements hardly need any comment for they are general in nature and therefore, acceptable.

Ceilings on Holdings

Dealing with the issue of ceilings on holdings, Prof. Parsons states that the real question is whether land shall be treated as another form of investment. A second question is whether the holdings are being used in a sufficiently efficient manner to protect the public interest in farm land. A third question is that of confidence in the security of property so that owners of the larger tracts may safely proceed to the investment and improvement programmes. While pointing out that these are vital policy matters which can be solved only by the people of the country, Prof. Parsons observes that, to an outsider, it would seem doubtful whether India should treat the land merely as a form of investment. If this is accepted any ceiling on future holdings can be defended, which is high enough to promote efficient farming under Indian conditions. Prof. Parsons suggests that steps should be taken to prevent fragmentation of holdings below a specified minimum size. He also makes numerous suggestions for the consideration of the Central Government in formulating a national land policy which merits attention. They are:

(a) There is a great need for a clear and firm lead from the Central Government to the States in these extremely controversial matters of land reform. Landlords in the several States are keenly aware of the fact that they must all follow policies that can be harmonised. It is also at the State level where the local pressures develop that may result in *ad hoc* decisions which may eventually determine the actual general policies;

(b) planners and the formulators of Central policy must have more adequate research support, if they are to even formulate wisely the issues in land reform. Furthermore, there is no source of real guidance and even inspiration in policy formation except the experiences of persons trying to deal constructively with problems at the programme operating level. One function of research would be to reconcile what peasants desire with what is desirable for India as a whole; A strong research centre to give support and guidance to the analysis and formulation of general principles of agrarian policy is urgently needed;

(c) minimum standards of landlord-tenant relations might be formulated or adopted by the Central Government. They should be designed to promote and protect minimum standards of cultivation and the use of land, as well as minimum rates of returns to tenants;

(d) a strong educational policy of encouraging and developing indigenous and informed farmers' movements and farmer-leadership might do a great deal to prevent the stirrings of the peasants from being directed solely into political channels. There may be a greater danger of the peasants being diverted into the support of Communism from frustrated intellectuals seeking to lead movements, than from the peasants' reaction to their own poverty and frustration; and

(e) very little improvement either in the production process of agriculture or in the basic tenure pattern is possible without adequate rural credit. A national system of rural credit is almost certainly needed.

SCOPE FOR HIGHER FOOD OUTPUT

In the world's efforts to increase food supplies to keep pace with increasing populations, the "saving factor" was the possibility of raising agricultural output in underdeveloped countries. This view was expressed by Professor Arthur Lewis in Glasgow. Prof. Lewis, who holds the Chair of Economics at Manchester University, was addressing the first conference to be organised in Scotland by the "War on Want" Association. Referring to population increases in various countries, Prof. Lewis said the birth rate would have to be reduced to equilibrium with the death rate. In his view, the only way to achieve this was by increasing production, raising the level of education, and improving living standards.

It was possible, he said, to increase production faster than population was likely to grow. The saving factor was that, in underdeveloped countries, agriculture was so little advanced that production was very limited, as compared with what it could be. For example, said Prof. Lewis, it was estimated that India's agricultural output could be doubled with the use of fertilisers, better seeds, insecticides, and proper storage for the harvest.



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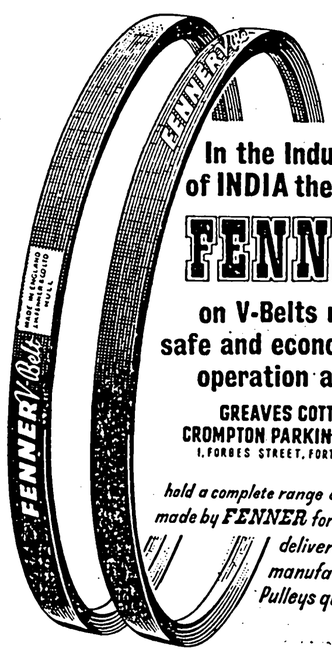

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FURTHER DROP IN EARNINGS OF KHATAU MILLS

DIVIDEND, HOWEVER, MAINTAINED

THE working of the Khatau Makanji Spinning and Weaving Company, Ltd. (Agents: Messrs. Khatau Makanji & Co., Ltd., Bombay), during the year ended 30th June, 1953, has resulted in a gross profit of Rs. 25.73 lakhs, recording a contraction of Rs. 7.20 lakhs from that earned in the previous year. This is the second year in succession that the Company has recorded a fall in earnings, the gross profit for the previous year having shown a decline from Rs. 41.68 lakhs to Rs. 32.93 lakhs. The successive recession in the Company's profit during the last two years has taken the profit for the year under review to the lowest level in the last four years. The net profit also has dropped from Rs. 8.63 lakhs for 1951-52 to Rs. 4.43 lakhs which represents the lowest profit earned by the Company during the last decade. The dividend on the ordinary shares has, however, been maintained at 10 per cent., to which level it was reduced last year from 14 per cent. paid for the year 1950-51. The maintenance of the dividend at the previous year's level has been done without any addition to the reserves. This is the second year in succession that no addition has been made to the general reserve fund. It may, however, be noted that a sum of Rs. 4 lakhs was added last year to the contingency fund which had been created two years ago.

The following comparative table shows how the fortunes of the Company has varied in the last three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1953	1952	1951	1950
Sale proceeds	379.53	407.05	361.02	305.91
Stocks	51.60	52.43	53.81	47.23
Expenses	354.94	373.84	326.49	283.99
Gross profit	25.73	32.93	41.68	28.64
Agents' commission ..	2.65	4.25	4.73	3.62
Provision for taxation ..	0.50	7.25	11.19	5.65
Depreciation	18.15	12.70	12.18	11.91
Net profit	4.43	8.63	13.58	6.56
To reserve fund ..	..	..	1.00	1.00
,, contingency fund ..	..	4.00	6.75	..
Dividends—				
Preference	1.45	1.80	1.80	1.80
Ordinary	2.99	2.99	4.19	3.50
	(10%)	(10%)	(14%)	(12%)
Carry forward	0.23	0.24	0.31	0.47

As will be noted from the above table, the Company's sale proceeds of cloth, yarn and waste have declined by Rs. 67.52 lakhs during the year under review, thus reversing the upward trend noted in the previous two years. No doubt expenses also have gone down, but the decline, namely, Rs. 18.70 lakhs, is relatively smaller than that noted in sale proceeds. Of the expenses, the value of cotton and staple fibre consumed shows a decline of Rs. 18.46 lakhs to Rs. 192.32 lakhs and stores, colours and chemicals of Rs. 12.64 lakhs to Rs. 33.66 lakhs. The decline in the value of raw materials and stores has been offset to a large extent by the increase in the cost of coal, fuel and power by Rs. 2.08 lakhs, salaries, wages, bonus and food allowance by Rs. 13.47 lakhs and contribution to provident fund by Rs. 1.89 lakhs. The decline in raw materials and stores consumed and in sales suggests that the Company's production must have been lower, though there has not been any corresponding decline in wages and other production costs.

The cut in the provision for taxation from Rs. 7.25 lakhs to Rs. 50,000 is due, besides the drop in gross profit, to the initial depreciation allowances for purpose of taxation allowed on the substantial additions made during the year to the fixed capital expenditure. This is evident from the increase of Rs. 5.45 lakhs in the provision for depreciation. The net profit of Rs. 4.43 lakhs is just sufficient for payment of dividend on the preference and ordinary shares. The small decline in the amount required for distribution of preference dividend is due to the fact that the Company has had to pay dividend on the now extinct 6 per cent. preference shares for only five months of the year. It may be recalled that the Company redeemed, during the year, the 10,000 6 per cent. preference shares of Rs. 100 each by paying back Rs. 135 in respect of every such share. These preference shareholders were also entitled to dividend up to 30th November, 1952.

On account of the aforesaid redemption of the preference shares, the paid-up capital of the Company stands reduced from Rs. 69.87 lakhs to Rs. 59.87 lakhs. The reserves and surplus also have declined from Rs. 53.16 lakhs to Rs. 49.75 lakhs, mainly due to the withdrawal of a sum of Rs. 3.50 lakhs for payment of premium on redemption of the 6 per cent. preference shares. The provision for taxation amounts to Rs. 15.42 lakhs, as against Rs. 23.60 lakhs a year ago. Current liabilities amount to Rs. 130.48 lakhs, having been reduced from Rs. 143.65 lakhs. The gross block aggregates Rs. 207.51 lakhs, including Rs. 29.06 lakhs representing the additions made during the year to plant and machinery. The depreciation provided so far amounts to Rs. 157.18 lakhs, so that the book value of the fixed assets is no more than Rs. 50.33 lakhs. The current assets aggregating Rs. 205.22 lakhs cover the current liabilities and provision for taxation by a wide margin of Rs. 59.32 lakhs.

The Rs. 100 paid up ordinary shares of the Company are currently quoted at Rs. 175. At this rate, the proposed dividend on these shares gives a yield of over 5.7 per cent. per annum, free of income-tax.

KALASA TEA'S PROFIT LOWEST SINCE 1946

A decline in the trading profit from Rs. 2.01 lakhs to Rs. 1.36 lakhs is disclosed by the audited accounts of the Kalasa Tea and Produce Co., Ltd. (Managing Agents and Secretaries: Messrs. Petrce, Leslie & Co., Ltd., Kozhikode, Malabar), for the year ended 31st March, 1953. The profit for the year under review is the lowest earned by the Company since the year ended 31st March, 1946. The recession in earnings has occurred despite an increase in the crop harvested. This is due to the sharp drop in the price of tea during the major part of the year under review. Though the price of tea has made a recovery since January, 1953, the average price realised during the 12 months under review has been lower than that for the previous year. Moreover, the expenditure on estates also shows a slight rise. The net profit has suffered a setback from Rs. 1.33 lakhs to Rs. 74,309, that is a fall of nearly 45 per cent. The Directors have, however, thought it fit to double the allocation to the reserve fund from Rs. 25,000 to Rs. 50,000 and reduce the dividend from 15 per cent., which they had paid for the previous three years, to 10 per cent.

The following comparative table shows at a glance the salient features of the Company's results for the last four years:

	For the year ended 31st March			
	1953	1952	1951	1950
	Rs.	Rs.	Rs.	Rs.
Proceeds of crop ..	5,60,091	6,17,357	4,86,615	4,54,081
Estate expenditure ..	4,24,507	4,16,164	3,02,801	2,91,328
Trading profit	1,36,394	2,01,192	1,83,814	1,62,753
Managing Agents' commission	8,823	10,060	8,042	7,860
Provision for—				
Depreciation	13,609	5,505	6,188	7,061
Taxation	20,000	29,000	26,500	22,000
Net profit	74,309	1,34,677	1,20,250	1,06,917
Reserves	50,000	25,000	25,000	60,000
Dividend	54,000	81,000	81,000	81,000
	(10%)	(15%)	(15%)	(15%)
Carry forward	22,679	52,370	23,693	9,445
Crop of tea (lbs.) ..	2,89,873	2,77,000	2,14,197	2,32,200
Crop of coffee (cwts.) ..	137	130	208	159
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Cost of tea per lb. ..	1 5 8	1 5 11	1 4 4	1 2 1
Price realised per lb. of tea	1 13 3	2 1 9	1 15 2	1 10 10

Although the Company's output of tea, at 2,89,873 lbs., was 12,873 lbs. more than the production in 1951-52, it fell short of the estimated crop of 3,00,000 lbs. The coffee crop also fell short of the estimates. As against an anticipated crop of 240 cwts., the crop realised was only 137 cwts. It is, however, gratifying to note that the cost of production of tea has dropped a little, but this has been more than offset by the decline in the price realised per lb. of tea. Despite the fractional recession in the cost of production of tea from Re. 1-5-11 to Re. 1-5-3 per lb. and of coffee from Rs. 287.32 to Rs. 280 per cwt., the estate expenditure shows an increase of over Rs. 8,000.

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INSURANCE COMPANY Ltd.
BOMBAY

The Company's financial position, as seen from the latest balance-sheet, is satisfactory. Despite the capitalisation of a sum of Rs. 1.80 lakhs in 1947-48, the reserves and surplus stand at Rs. 4.18 lakhs or 77 per cent. of the paid-up capital of Rs. 5.40 lakhs. The gross block of Rs. 7.52 lakhs has been written down by about Rs. 56,000. The current assets aggregate Rs. 3.95 lakhs, as against which the current liabilities and tax provision amount to no more than Rs. 1.32 lakhs.

PRAGA TOOLS CORPORATION LTD.

The Praga Tools Corporation Ltd. (Managing Agents: The Industrial Trust Fund, Government of Hyderabad, Hyderabad, Deccan) earned a gross profit of Rs. 2.68 lakhs during the year ended 31st December, 1952, as compared with Rs. 2.76 lakhs in the previous year. After providing for depreciation at Rs. 2.13 lakhs (as against Rs. 2.14 lakhs in the previous year) and writing off mortgage and preliminary expenses and brokerage on shares amounting to Rs. 11,182, the net profit at Rs. 44,381 compares with Rs. 50,765 for 1951. This net profit has been utilised to reduce the accumulated loss brought in from the previous year to Rs. 7.32 lakhs.

The Company's production and sales during the year were about 20 per cent. higher than those of the previous year, in spite of the intermittent and unsatisfactory supply of raw materials which interfered with production to a great extent. The improvement in production and sales was not, however, reflected in the Company's profit. This was mainly due to very low prices fetched for the Company's products on account of unprecedented internal competition. However, with a view to keeping the Company's capacity as fully loaded as possible, the Directors decided to keep the Company on the active list of competitors. This has brought orders for over Rs. 20 lakhs from the Central Government.

The diversification in the Company's manufacturing programme was taken a step further during the year under review, which enabled the Company to produce 8" centre lathes and No. 1 size milling machine of its own design towards the end of the year. The Industrial Trust Fund, Government of Hyderabad, sanctioned a loan of Rs. 5 lakhs for financing the expansion of the forge shop to meet the increased demand of light and medium forging. A major portion of the equipment has arrived and is under erection. The Directors have drawn up a five-year plan for full-fledged manufacture of machine tools, heavy forgings, automobile and diesel engine components. The plan has been forwarded to the Government of India and is now under the latter's consideration.

WIMCO TO ISSUE BONUS SHARES

The Directors of the Western India Match Co., Ltd. (Managing Director: Mr. T. Rydin, Bombay), have proposed to capitalise a sum of Rs. 59 lakhs, being part of the Company's general reserve fund, and to issue 55,000 ordinary shares of Rs. 100 each on 7th December, 1953, as capital bonus in the proportion of one such share for every four held by them on that date. The new shares will rank *pari passu* with the existing shares and for dividend from the current year onwards. Consent of the Controller of Capital Issues has been obtained for the proposed issue.

The authorised capital of the Company is Rs. 3 crores made up of 300,000 ordinary shares of Rs. 100 each, of which only Rs. 2.20 crores (220,000 shares of Rs. 100 each) have been issued and subscribed. The Company's general reserve fund, as on 31st December, 1952, amounted to Rs. 100.44 lakhs. After the aforesaid proposal to capitalise part of the general reserve is carried out, the issued and paid-up capital of the Company will stand at Rs. 2.75 crores and the general reserve at Rs. 99.89 lakhs.

This is the fourth occasion in its history when the Company is issuing bonus shares. The first occasion was in June, 1943, when the Company raised its paid-up capital from Rs. 70 lakhs to Rs. 77 lakhs by the capitalisation of a sum of Rs. 7 lakhs from out of the reserve fund and issued, to the then existing shareholders, 7,000 ordinary shares of Rs. 100 each as bonus shares in the proportion of one share for every ten shares held by them. The second occasion was in February, 1947, when it doubled its paid-up capital to Rs. 1.54 crores by capitalising Rs. 77 lakhs from out of the general reserve, and issued 77,000 ordinary shares of Rs. 100 each as bonus shares in the proportion of one share for every share held by the then existing shareholders. In December, 1948, the Company capitalised, for the third time, a sum of Rs. 66 lakhs from out of the general reserve fund, thereby raising its paid-up capital to Rs. 2.20 crores, and issued 66,000 ordinary shares of Rs. 100 each as bonus shares to the then existing shareholders in the proportion of three new shares for every seven shares held by them. When the present proposal is carried out, the Company will have earned the enviable distinction of having raised its paid-up capital, in the course of eleven years, by Rs. 2.05 crores, that is from Rs. 70 lakhs to Rs. 2.75 crores, out of its own earnings conserved year after year. A feature of these issues was that on all occasions when the bonus shares were issued they were entitled to dividend for the years in which they were issued.

SHRI JAGDISH MILLS TO MERGE WITH SHRI AMBICA MILLS

For some time past, the Boards of Directors of Shri Jagdish Mills Ltd. and Shri Ambica Mills Ltd., both of Ahmedabad, have been considering the question of the merger of the two companies. They have now decided, after due consideration, to effect the merger for reasons of more economical and efficient working of both the companies.

According to the scheme of amalgamation, the assets and liabilities of Shri Jagdish Mills are to be transferred to Shri Ambica Mills. The existing

5,000 5 per cent. cumulative preference shares of Rs. 100 each of Shri Jagdish Mills will be cancelled on repayment of the amount of capital paid-up thereon, together with the amount of cumulative preference dividend upto the date of the order of the Court sanctioning the amalgamation. Every holder of the ordinary shares in Shri Jagdish Mills, whose name stands in the register on 31st December, 1953, will, in respect of every five ordinary shares of Rs. 25 each held by him, be entitled to two ordinary shares of Rs. 50 each in Shri Ambica Mills. Shri Ambica Mills Ltd. which holds 28,200 ordinary shares of Rs. 25 each of Shri Jagdish Mills will surrender the same to Shri Jagdish Mills without any payment. Upon such surrender these shares also will be cancelled. The Managing Agents of Shri Jagdish Mills, Messrs. Jagdish (Agency) Ltd. will be paid a sum of Rs. 4.32 lakhs as compensation for the loss of office of managing agents.

According to the valuation report of the auditors, the fair relative value would be seven ordinary shares of Shri Jagdish Mills of Rs. 25 each for every two ordinary shares of Shri Ambica Mills of Rs. 50 each. However, the Directors of Shri Jagdish Mills have succeeded in getting an offer of two ordinary shares of the other mill for every five ordinary shares of Shri Jagdish.

WAGE EARNERS AS SHAREHOLDERS

The movement for enlisting the support of the lower-income groups for purposes of capital formation is gaining momentum in the U.K. This movement has two objectives. In the first place, it is designed to create a new shareholding class out of wage-earners who could then be expected to take a more lively interest in the affairs of private enterprise. Secondly, it will encourage saving habit among workers, whose income has greatly expanded in recent years. These aims are sought to be reached through the formation of what are called unit trusts which will invest the funds in desirable undertakings or by directly encouraging the workers to subscribe for the shares of the companies in which they are employed. Reviewing the progress of this movement, Mr. Oscar Hobson says in the *News Chronicle*:

"The problem, of course, is how to interest the 'industrious and successful working man' in saving—and in saving in the particular forms required by this objective. Can he be persuaded to do what the much richer, but much smaller, investing class of earlier generations did—invest in industrial securities? It is interesting to observe that quite a movement to attempt this task of persuasion seems to be growing up. In America, it is, of course, well under way. But here we learn of steps being taken to make industrial shares available to small investors on the instalment system. And, potentially much more important, we hear of certain gatherings of the Unit Trust clans with a view to taking advantage of the power to extend their capitals which, after being very stupidly denied them for so long, is now being restored.

"Lord Dorchester, the Chairman of one of the smallest trusts, Orthodox Unit Trusts, formed just before the war, and which has just sold its millionth unit, said that his trust had 'recently approached a number of large industrial concerns seeking their co-operation in starting local savings schemes by which our units could be bought by their employees on an instalment basis.' Though they have found a few company secretaries helpful, they have so far been disappointed with the response. Lord Dorchester's comment was that while, as a body, industrialists had much to say on the shortage of risk capital, they did not appear to be very helpful as individuals when proposals towards remedying the shortage were made. It is fair comment.

"One cannot, of course, be surprised that companies should feel chary of seeming to favour investment by their employees in individual trusts of which they may know little. Nevertheless, industry cannot afford to stand aloof and be merely 'unhelpful.' Quite a number of companies encourage investment by their workers in their own shares. Basically, they would be on much sounder ground in encouraging them to spread their risks by investing in collections of shares such as those offered by reputable investment trusts."

CALCUTTA TRAMWAY PASSES OVER FINAL DIVIDEND

The Directors of the Calcutta Tramways Co., Ltd. have announced that, in view of the need to conserve remaining cash resources, they are unable to recommend a final dividend on the ordinary shares of the Company for the year ended 31st December, 1952. Total distribution for the year is, therefore, limited to the interim dividend of 2½ per cent. tax-free paid in May last. It may be recalled that the Company had paid 6 per cent. tax-free, for each of the four preceding years. The balance of profit of the Company for the year under review, after taxation, in accordance with the agreement dated 30th August, 1951, is £87,457 which is the same as for the previous year. A provision of £95,000 (as against £150,000 in the previous year) has been made. To the above balance of profit has been added a sum of £23,857 being the tax provision made in previous years no longer required. The Directors have placed to the renewals and replacement reserve £80,000 (same as in the previous year) and to the special reserve account £11,974 (£74,354). They have not, however, provided anything to deferred repairs account which had received £3,018 last year.

Points From The Chair

Future of Machine Tool Industry

"DUE to the strict import control policies of the Government of India with regard to machine tools, the demand for indigenous machine tools has been much better now as compared to demands in previous years. The demand for machine tools from the Government of India at present is quite lively due to the various development schemes in the Five-year Plan and it is felt that as the Plan reaches its final stages, the demand should simultaneously increase. Your Company needs some vital equipment for completing its diversification programme of converting a major portion of its capacity into machine tool manufacture and if this equipment can be made available the results of working should be very encouraging. The Board of Directors, therefore, decided to draw up a four or five-year plan of production according to enquiries and demands on hand, as well as by taking into consideration demands that are likely to arise within the next few years. Your Company has since drawn up such a manufacturing programme and has submitted proposals for balancing your Company's plant for full-fledged manufacture of machine tools, heavy forgings, automobile and diesel engine components to the Government of India through the Commerce and Industries Department, Government of Hyderabad. This proposal is now under consideration of the Government of India."

VINAYAK RAO KORATKAR,
Praga Tools Corporation Ltd.

Reasonably Stable Price for Tin Needed

"What is needed in the tin industry, by the producer and consumer, is a reasonably stable price. Violent fluctuations in the price are embarassing to everyone concerned and cause uncertainties which make economic planning most difficult. Also what is needed by both producer and consumer is an industry which is working on a sound basis, a basis which the producer finds remunerative and which encourages him fully to meet the market's requirements and to plan and to make provision for the community of production at a level which will satisfy any demands made. It is to this end that it has been decided to reconvene the International Commodity Conference held in Geneva under the auspices of the United Nations in 1950 and which was adjourned. It must be borne in mind that in the tin industry there is special need for large reserves of money to be held by producing companies. In Malaya and Siam the area on which a dredge works has only a fixed life. To find new areas needs continuous and large-scale prospecting as and when conditions permit."

J. IVAN SPENS,
London Tin Corporation Ltd.

Sale of Low Quality Teas

"It was, in my view, not fully appreciated that free auctions meant more discriminatory buying, and that when supplies equalled or exceeded demand, low quality teas would be very difficult to sell. The public also made their contribution by realising that the cheapest packet was not necessarily the most economical to buy; consequently, low grade teas, when sold, fetched prices considerably below cost, bringing other prices down too. The difficulty in selling the poorer types of tea also gave rise to thoughts of excess supplies and was a factor in formulating a scheme for regulation of crop; it would appear that it was not fully recognised that the demand for quality would of itself reduce crop in many instances and that low prices, bringing their own economic pressure, were also likely to lower crop through a reduction of fertilisers used."

THE HON. P. F. REMNANT,
Assam Co., Ltd.

Life Insurance Must be Built Up

"If the twin services which life insurance provides, security of the home and creation of long-term capital, are admitted to be very desirable objectives to be widely achieved, I believe Government ought to encourage savings by way of life insurance. Men must be encouraged to build up life insurance to the maximum of their capacity by full relief in tax and full relief from Estate Duty. That will mean prosperous homes and a prosperous nation. Or is it the attitude of the Government to encourage people to build up their estates not in life insurance policies, but in gold and silver?"

B. N. JALAN,
General Assurance Society Ltd.

SUGAR

(Concluded from page 724)

of lands and guaranteeing irrigation water to the factories, thus justifying the conditions stipulated by the Founder of this Company. Later history of the development of this industry on the Deccan canals is known to you all, as almost every one of you has been a witness to it."

It will be observed from the above account that, but for the establishment of the sugar industry, the arid tracts of the Bombay Deccan would not have attained the prosperity which they enjoy now. Surely, it would be nothing short of ingratitude if the present Government were to persist in its policy of subjecting the industry to penal taxation. If the industry is to expand, as it must, in order to meet the increase in the consumption of sugar in the country, the Government must come forward to reduce the burden of its taxes and expand the availability of water supply for sugarcane cultivation.

Notices

THE SWADESHI COTTON MILLS COMPANY, LIMITED
KANPUR

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Ordinary General Meeting of Shareholders of The Swadeshi Cotton Mills Company, Limited, will be held at the Registered Office of the Company at Kanpur on Thursday the 29th October, 1953, at 2-30 p.m., to transact the following business:—

1. To receive and consider the Annual Statements of Account and Audited Balance Sheet for the year ended 31st December, 1952, and the Reports of the Directors and Auditors thereon.
2. To elect Directors in place of those retiring.
3. To appoint Auditors in place of those retiring and to fix their remuneration.
4. To sanction the declaration of a Dividend.
5. To transact any other business.

The Share Transfer Book and the Register of Members of the Company will be closed from the 22nd October, 1953, to 29th October, 1953, both days inclusive.

A proxy form and an application for Dividend are enclosed.

By Order of the Board,
For JAIPURIA BROTHERS LTD.,
MUNGTURAM JAIPURIA,
Managing Director,
Managing Agents.

KANPUR, *5th October,* 1953.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ended 30th September, 1953.

The Preference Share Registers will be closed from the 24th to the 31st October, 1953, both days inclusive. Payment will be made on or after the 1st November, 1953, to those Preference Shareholders whose names are on the Company's Register on the 31st October, 1953, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
T. LESLIE MARTIN,
Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *13th October,* 1953.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

IN VIEW OF THE UNSETTLED CONDITIONS in Calcutta at the present time and the losses incurred during the disturbances and strike in July, 1953, and taking into account that the finding of the Tribunal set up to investigate the increase in tram fares will still not be known for some time, the Directors feel that it is of paramount importance to conserve the remaining cash resources of the Company. They, therefore, regret that they are unable to recommend the payment of a final dividend on the Ordinary Shares for the year ended 31st December, 1952.

A. SMITH,
Acting Agent.

P. 4 MISSION ROW EXTENSION,
CALCUTTA, *8th October,* 1953.

DROP IN PROFITS OF BEGG, SUTHERLAND SUGAR COMPANIES

HANTAPARA TEA HALVES DIVIDEND

Samastipur Central Sugar Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th June, 1953.

The results for the period, after making the usual provisions, including taxation, show a profit of Rs. 90,575 (Rs. 2,34,575) from which has been deducted depreciation amounting to Rs. 50,000 (Rs. 50,000) leaving a balance of Rs. 40,575 (Rs. 1,34,575). To this sum has to be added the carry forward from the previous year of Rs. 23,281 (Rs. 8,606) leaving at credit of profit and loss account Rs. 63,856 (Rs. 1,43,181). This balance, the directors recommend, should be disposed of in payment of a dividend of As. 8 (Re. 1) per share, free of income-tax, for the year ended 30th June, 1953 Rs. 59,950 (Rs. 1,19,900) leaving to be carried forward to next account Rs. 3,906 (Rs. 23,281).

The factory commenced crushing operations on the 24th November, 1952, and finished on the 25th April, 1953. The cane crushed was considerably more than in the previous season, and amounted to 24,10,481 maunds. The extraction rate of 10.14 per cent. was the highest attained during the past four years. The factory operated at a high level of efficiency for most of the season, although, unfortunately, a labour "Go-Slow" movement took place during the month of January, 1953.

In November, 1952, the Government of India announced the sugar policy for the season 1952-53, including a reduced cane price of Re. 1-5 per maund at the factory gate, and Re. 1-3 per maund at out-stations. The large carry-over of sugar stocks in India at the end of 1952 made it necessary for the Government to reduce the control price of sugar from Rs. 31 per maund to Rs. 27 per maund. The stocks of control sugar held by the factory on 30th June were valued at the Government control rate of Rs. 31 per maund, but much of this sugar was later sold at the lower control price but Government in this case compensated factories for the difference in price.

The free sugar, which was valued at Rs. 31 per maund, as at 30th June, 1952, was however, sold in the months of November-December, 1952, at considerably lower prices, and the loss sustained is reflected in the Company's accounts and for which no compensation was allowed.

The abovementioned difficulties experienced by the Company, despite a high efficiency of factory operation, have adversely affected the trading results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,99,000	Block ...	15,45,231
Reserves ...	17,25,204	Stock-in-trade	22,51,588
Provision for taxation ...	3,75,958	Stores, spare parts, etc.	4,25,947
Liabilities ...	40,09,134	Debts, deposits and advances ...	31,08,974
Profit and loss account ...	63,856	Investments	600
		Cash ...	40,812
Rs.	73,73,152	Rs.	73,73,152

Ryam Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th June, 1953.

The results for the period, after making the usual provisions, including taxation, show a profit of Rs. 1,41,583 (Rs. 2,62,727) from which has been deducted depreciation amounting to Rs. 50 000 (Rs. 50,000) leaving a sum of Rs. 91,583 (Rs. 1,24,000). To this sum has been added the carry forward from the previous year of Rs. 15,410 (Rs. 4,683) leaving at credit of profit and loss account Rs. 1,06,993 (Rs. 1,43,410). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend on the preference shares of 6 (6) per cent. per annum, free of income-tax, for the year ended 30th June, 1953 Rs. 48,000 (Rs. 48,000) and in payment of a dividend of As. 8 (Re. 1) per share, free of income-tax, on the ordinary shares for the year ended 30th June, 1953 Rs. 40,000 (Rs. 80,000), leaving to be carried forward to next account Rs. 18,993 (Rs. 15,410).

The factory commenced crushing operations on the 11th December, 1952, and finished on the 3rd May, 1953. The relatively late start of crushing in the season under report, in view of the large crop to be taken off, was again due to the serious flooding of the tramway line and the feeder roads servicing the factory. The floods around the factory were more serious than in previous years, and the Board of Directors have represented this matter to the Government of Bihar.

The factory crushed 23,79,823 maunds of cane, which was the highest crush recorded in the last 15 years. The extraction rate was 10.20 per cent. as compared with the extraction of 11.28 per cent. in the previous year. The reduction in the extraction rate was the result of the exceptionally long season and the general fall in the yield of sugar per maund of cane in Bihar during the season 1952-53.

In November, 1952, the Government of India announced the sugar policy for the season 1952–53, with a cane price of Re. 1-5 per maund at the factory gate and Re. 1-3 per maund at out-stations. That was the first occasion that the Company obtained any price relief for transporting cane from out-stations. The large carry-over of sugar stocks in India at the end of 1952 made it necessary for the Government to reduce the control price of sugar from Rs. 31 per maund to Rs. 27 per maund. The stocks of control sugar held by the factory on 30th June, 1952, were valued at the Government control rate of Rs. 31 per maund, but much of this sugar was later sold at the lower control price but Government in this case compensated factories for the difference in price.

In regard to free sugar, Government was not responsible for any loss incurred by the factory. That free sugar, which was valued at Rs. 31 per maund, as at 30th June, 1952, could not be sold owing to the impossibility of delivery over the flooded tramway line. When delivery of free sugar was eventually effected the prices had decreased considerably in sympathy with the control price and the loss sustained is reflected in the Company's accounts, for which no compensation was allowed. There were then exceptionally large stocks of unsold free sugar at the factory on account of the flooding of the tramway line which earlier had stopped the despatch of sugar from the factory, and thus, the Company had to face substantial losses. The question of obtaining some compensation for those losses which were caused by circumstances beyond the control of the Board of directors, has been referred to the Central and State Governments.

The abovementioned difficulties experienced by the Company, despite a high efficiency of factory operation, have adversely affected the trading results. It is, however, satisfactory to report that the quality of sugar produced was of a very high standard.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	4,64,569
Reserves ...	6,04,162	Stock-in-trade	18,77,484
Provision for taxation ...	1,77,613	Stores, spare parts, etc.	4,30,508
Liabilities ...	48,37,412	Debts, deposits and advances ...	44,59 934
Profit and loss account ...	1,06,993	Investments	80,875
		Cash ...	60,810
Rs.	73,76,180	Rs.	73,76,180

Bairampur Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th June, 1953.

The results for the period, after providing for all charges, show a profit of Rs. 65,215 (Rs. 2,02,641) to which has been added the carry forward from the last account, amounting to Rs. 18,412 (Rs. 23,637) leaving at credit of profit and loss account Rs. 83,627 (Rs. 2,26,278). From this sum has been deducted depreciation amounting to Rs. 70,000 (Rs. 1,50,000) leaving to be carried forward to next account Rs. 13,627 (Rs. 18,412). In consequence of previous unabsorbed losses there is no liability to income-tax for the year under report.

In view of the unsatisfactory trading results arising from circumstances beyond their control, the managing agents have again agreed to forgo their commission which in respect of the year ended 30th June, 1953 would have amounted to Rs. 4,891.

The quantities of cane crushed at the factories during the season 1952-53 constituted a record for the Company. Bairampur factory crushed 25,40,397 maunds of cane, which is the second highest crush in the history of the factory while Tulsipur factory crushed 26,02,206 maunds of cane, which is the highest crush ever recorded at the factory. The yield of sugar per 100 maunds of cane was again rather disappointing. Bairampur recorded a yield of 9.51 per cent., which is slightly better than in the previous year, despite the longer season. Tulsipur factory, however, recorded a yield of 9 10 per cent. Bairampur factory commenced crushing on the 9th December, 1952 and completed the season on the 29th April, 1953. The Tulsipur factory commenced crushing on the 15th December, 1952 and finished the season on the 12th May, 1953.

The extended crushing at Tulsipur factory was the main reason for the reduction in the yield of sugar from cane, and although the State Government did compensate the factory by reducing the cane rate during the month of May, 1953, that compensation did not fully cover the losses sustained. The reason for the extended season was due entirely to serious under-estimation by the cane growers' co-operative societies, over which the factory have no control, of the cane available for crushing.

The large carry-over of sugar stocks from the previous season was sold at much reduced prices. In respect of controlled sugar, however, the loss sustained was made up by a subsidy from Government of an amount equal to the difference between the controlled price in the 1951-52 season and the controlled price in the 1952-53 season, and that amount is incorporated in the accounts. No compensation was received, however, to cover the loss sustained on free sugar, which is reflected in the trading results for the year under report.

The cane prices fixed by the Government of India were Re. 1-5 per maund for gate cane, and Re. 1-3 per maund for cane delivered at outstations and transported in the Company's own transport.

The quality of cane continued to be poor with the resultant low yield in sugar. The factories operated satisfactorily throughout the season and, in particular, Bairampur factory increased its crushing rate by some 10 per cent., maintaining a high level of efficiency as in previous years.

After careful consideration, the Board of Directors has approved a scheme for replacing some of the plant and machinery at the factories by more modern and up-to-date equipment with a view to effecting a saving in the cost of production. The scheme will be spread over a number of years and it is hoped that the Company will derive considerable benefit therefrom.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,00,000	Block ...	11,61,408
Reserves ...	9,81,083	Stock-in-trade	44,11,869
Provision for taxation ...	19,934	Stores, spare parts, loose tools, etc.	9,31,791
Liabilities ...	98,95,142	Debts, deposits and advances ...	56,49 614
Profit and loss account ...	13,627	Cash ...	1,55,104
Rs.	1,23,09,786	Rs.	1,23,09,786

Hantapara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The profit for the year is Rs. 53,758 (Rs. 2,41,091). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 2,61,140 (Rs. 3,78,707), of which the directors have transferred Rs. 50,000 (Rs. 75,000) to buildings and machinery reserve.

The continued high cost of statutory concessions coupled with the fall in outturn and the depressed state of the tea market during the major part of the season contributed to the disappointing result.

Dividend on the preference shares was paid on 30th December, 1952, leaving Rs. 2,07,140 (Rs. 2,12,707 after paying interim dividend at 2½ per cent. on ordinary shares) now to be dealt with. It is proposed to pay a dividend of 2½ (2½ interim plus 2½ final) per cent. on the ordinary shares and to carry forward Rs. 1,47,140 (Rs. 1,52,707).

The outturns and average selling prices compared with those of the previous year are as under:—

	Crops		Average selling prices per lb.	
	1952	1951	1952	1951
	Mds.	Mds.	Rs. a. p.	Rs. a. p.
Hantapara ...	20,832	22,445	1 8 10	1 8 6
Dumchipara ...	16,088	17,600	1 6 7	1 1 9

Planted area remains at 2,427.00 acres, comprising 1,265.08 acres at Hantapara and 1,162 acres at Dumchipara. Estimates for 1953 provide for a total crop of 38,000 maunds at an outlay of Rs. 35,17,500, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs	Assets	Rs.
Capital ...	24,50,000	Block ...	20,00,000
Reserves ...	11,28,533	Stores and supplies	5,56,064
Provision for taxation ...	36,163	Tea sales receivable ...	22,93,318
Liabilities ...	16,88,777	Tea seed sales receivable	3,800
Profit and loss account ...	1,47,140	Advances and deposits ...	2,42,968
		Investments	1,50,200
		Cash ...	2,04,270
Rs.	54,50,620	Rs.	54,50,620

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th April, 1953.

After providing Rs. 2,00,000 (Rs. 1,50,000) for depreciation and Rs. 50,000 (Rs. 13,000) for cesses and taxation and transferring Rs. 1,80,000 (nil) to capital reserve, there remains a balance at the credit of profit and loss account of Rs. 1,09,076 (Rs. 62,399) from which the directors recommend a dividend of 7 (7) per cent. per annum on 20,000 preference shares for the half-year ended 30th April, 1953 (for half-years 30-4-51, 31-10-51 and 30-4-52) Rs. 7,000 (Rs. 21,000), and a dividend of As. 8 (nil) per share on 1,77,623 ordinary shares 88,812 (nil) leaving to be carried forward Rs. 73,264 (Rs. 39,911).

Raisings for the half-year ended April, 1953, totalled 2,69,616 tons as compared with 2,46,202 tons in the previous half-year, and 2,53,976 tons in the half-year ended April, 1952. Despatches, which included purchased coal, totalled 2,49,219 tons as compared with 2,91,745 tons in the previous half-year, and 2,18,785 tons in the half-year ended April, 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,76,230	Block ...	34,00,830
Reserves ...	13,72,000	Stock of coal	3,65,742
Provision for taxation ...	1,44,986	Stores ...	7,79,857
Liabilities ...	38,77,794	Debts, deposits and advances ...	27,20,602
Profit and loss account ...	73,264	Investments	7,347
		Cash ...	1,69,875
Rs.	74,44,233	Rs.	74,44,253

Moheema Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclosed a loss of Rs. 2,17,379 (loss of Rs. 1,28,456). On transfer of this sum to profit and loss account and after sundry adjustments including transfers of Rs. 5,000 (Rs. 1,20,000) from revenue reserve and Rs. 17,535 (nil) from buildings and machinery reserve, there was a balance at debit of profit and loss account of Rs. 1,89,815 (credit of Rs. 286), which was carried forward.

Although the crop harvested was in excess of that of the previous year, the average sale price realised for the season's teas was somewhat lower and receipts was insufficient to cover production costs due mainly, to a labour force in excess of requirements and to further statutory concessions to the workers.

Crop weighed out at 5,337 maunds which compares with 4,861 maunds harvested in 1951. The average selling price was Re. 1-5-7 as compared with Re. 1-6-6 per lb. in the previous year. The area under tea cultivation remains at 673.37 acres.

Estimates for 1953 provide for a crop of 5,000 maunds at an outlay of Rs. 5,44,590, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	8,00,000
Liabilities ...	7,78,522	Stocks ...	82,651
		Tea sales receivable ...	4,29,886
		Advances and deposits ...	53,229
		Cash ...	22,941
		Profit and loss account ...	1,89,815
Rs.	15,78,522	Rs.	15,78,522

Jhansi Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Moonna Lall & Sons, Jhansi) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The revenue from all sources amounted to Rs. 8,16,972 (Rs. 6,97,297) from which was deducted the operating expenditure during the year Rs. 6,78,803 (Rs. 5,67,884), depreciation as per Electricity (Supply) Act, 1948 Rs. 88,504 (Rs. 83,633) and contingency reserve (statutory) Rs. 4,828 (Rs. 5,431) leaving net profit for the year of Rs. 44,836 (Rs. 40,335).

The provision for income-tax has not been made for the year as there is sufficient reserve to meet the liability. Also the provision for sinking fund for redemption of debentures has not been made during the year as the question for its allocation is still under correspondence with the State Government.

Thus with the balance of last year of Rs. 3,488 (Rs. 9,047) a sum of Rs. 48,325 (Rs. 50,932) was available for distribution which, was disposed of in payment of a dividend to shareholders at As. 14 (As. 14) per share, free of income-tax Rs. 46,781 (Rs. 43,643) leaving to be carried forward to next year Rs. 1,544 (Rs. 3,488).

In order to encourage the employees, a bonus of 14 months' salary out of the profit of the Company, was paid for the year 1950, and for the year 1951. But under the inspiration of some out-side agencies they put up a demand of three months bonus, which has been adjudicated in their favour. This adverse award has been referred to the Hon'ble Labour Appellate Tribunal of India (Lucknow Bench) which is still under their consideration. The shareholders' interest, as well as the proper and efficient working of the Company largely depend upon the judgment of the Tribunal and its possible implications. It has been decided, not to recommend a special bonus to the directors as the profits were not encouraging as compared to the turn-over.

The power stations operated satisfactorily throughout the year in spite of various difficulties and gave excellent service. On requisition by the Municipal Board concerned, the Company has made necessary extensions in street lights at Jhansi as well as at Gorakhpur. It has also been able to supply energy to the Central Railway, Jhansi and improve the transmission and distribution system at Gorakhpur.

During the year due to improved supply conditions, control against new connections, which was in operation since 1942 was lifted by the State Government but the development may be retarded due to recently imposed U.P. Electricity Duty of 25 per cent. upto a maximum of one anna per unit on gross electricity charges. The estimated cost of the duty to the consumers on present consumption is expected to be about Rs. 1,00,000 per annum.

The amendments to the sixth schedule of the Electricity (Supply) Act 1948 to increase the rate of reasonable return for which the Industry has been agitating, are still under the consideration of the Government of India. The federation of electricity undertakings has been urging upon the Government to effect early legislation on the subject. It is expected that the Government would soon realise the justice of the contention that a return upto 5 per cent. on the capital outlay is totally inadequate to build up sufficient reserve or to attract fresh investment in the industry for financing the improvement and expansion of the work. The Electricity Board, which the Industry rightly feels is a desideratum for national development of power, is yet to be formed in Uttar Pradesh.

In spite of the best efforts of the managing agents and the board of directors the progressive increase in the running cost of the concern is telling upon the profits. All the same efforts are continuously being made to keep to its beneficient activities as is evident from the fact that although there is considerable difference in the living cost of index at Kanpur on one side and Jhansi and Gorakhpur on the other, the Company has paid Rs. 75,516 to its staff on the basis of Kanpur dear food allowance during the year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,34,640	Block ...	12,42,761
Debenture loan	3,80,000	Stores and spare parts	2,30,122
Reserves ...	77,622	Deposits, deposits and advances ...	2,01,828
Provision for taxation ...	44,644	Other assets	73,120
Liabilities ...	6,83,662	Investments	4,598
Profit and loss account ...	48,325	Cash ...	16,464
Rs.	17,68,893	Rs.	17,68,893

Hastings Mill Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers, Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1953.

After providing for depreciation and making necessary allowance for taxation and machinery replacement reserve there was a credit balance of Rs. 7,36,845 (credit of Rs. 27,86,255) on profit and loss account including the balance brought forward from the previous account. Out of this sum the directors paid a final dividend on preference shares at Rs. 3 (Rs. 3) per share Rs. 75,000 (Rs. 75,000), dividend on ordinary shares at Rs. 10 (Rs. 10) per share Rs. 4,00,000 (Rs. 4,00,000) and carried forward Rs. 2,81,845 (Rs. 3,06,824).

In accordance with the working time agreement of the I.J.M.A. the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed throughout the year under report.

The general downward trend of prices of both raw jute and finished goods referred to in the last report continued throughout the period. On 28th February, 1953, Government further reduced the export duty of sacking goods by Rs. 95 per ton. Since the closing of the accounts all markets have improved with, however, a rather disproportionate rise in the price of raw jute.

Orders for modernisation of a section of spinning plant have been placed. The directors have therefore made provision in this regard as above.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Block ...	28,17,667
Reserves ...	46,39,631	Stock-in-trade	32,91,990
Provision for taxation ...	40,30,463	Stores and spare gear	9,41,244
Liabilities ...	25,10,645	Debts, deposits and advances ...	58,22,760
Profit and loss account ...	2,81,844	Investments	50,34,322
		Cash ...	54,600
Rs.	1,79,62,583	Rs.	1,79,62,583

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

ESTATE DUTY ACT COMES INTO FORCE

(Concluded from page 723)

such verified statement of accounts, particulars, documents, evidence, etc., as he may require.

On determination of the duty or additional duty payable, a notice of demand will be served on the accountable person specifying the amount payable and the time within which and the place at which it is payable. Where there are more than one accountable person, the liability for the whole of the duty is joint and several, but if any accountable person pays any part of duty in respect of any property not passing to him, he has the right to recoup it from the owners or trustees of such properties.

Provisions For Appeals

The first appeal against the determination of the duty, penalty or valuation made by the Controller or refusal by the Controller to grant a discharge certificate lies to the Board. Such appeals are to be filed within 90 days of the receipt of the order objected to. Where the dispute pertains to valuation, the question may be referred to the arbitration of valuers.

On any question of law arising out of the order of the Board an application may be presented to the Board within 90 days of the receipt of the order along with a fee of Rs. 100 requiring the Board to refer the question of law to the High Court. If the appellant is not satisfied with the Board's decision, he may apply to the High Court, which may require the Board to state a case. An appeal lies to the Supreme Court from any judgment of the High Court delivered on a case stated by the Board, which is certified by the High Court to be a fit one for appeal to the Supreme Court.

Discharge Certificate

Estate Duty forms first charge on the immovable property of the deceased, and any transfer of the property would be void or would be subject to the claim in respect of the duty. Any purchaser of the deceased's property would, therefore, require the seller to produce a certificate to the effect that either the duty had been paid on such property or that it is not liable to duty. Where no estate duty is payable, a discharge certificate is really not necessary, but the purchaser may want to see it as a measure of abundant caution, as otherwise he cannot get a clear title. Cases requiring an exemption certificate will be very common and, therefore, a simple form of account to be furnished to the Controller for obtaining an exemption certificate has been devised.

If the Controller is satisfied that the account submitted is correct, or that, in any case, the total principal value of the property will not exceed the exemption limit, he will give a certificate of discharge in respect of the whole property or any particular item contained in the account.

COMPANY MEETINGS AND DIVIDENDS

DHUNSERI TEA CO., LTD. Annual General Meeting, Calcutta, 19th October, 1953. Dividend: Nil.

RYAM SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 24th October, 1953. Dividend: As. 8 per share. Transfer books closed from 6th to 24th October, 1953, both days inclusive.

JAIPUR METALS AND ELECTRICALS LTD. Annual General Meeting, Jaipur, 26th October, 1953. Transfer books closed from 16th to 26th October, 1953, both days inclusive.

FORT GLOSTER JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 27th October, 1953. Transfer books close from 20th to 27th October, 1953, both days inclusive.

BENGAL BHATDEE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th October, 1953. Dividend: As. 2 per share. Transfer books close from 19th to 27th October, 1953, both days inclusive.

HINGIR-RAMPUR COAL CO., LTD. Annual General Meeting, Bombay, 28th October, 1953. Dividend: Rs. 3 per share (tax-free), payable on and after 5th November, 1953. Transfer books close from 20th to 27th October, 1953, both days inclusive.

CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 29th October, 1953. Dividend: Rs. 5 per share, payaole from 30th October, 1953. Transfer books closed from 5th to 31st October, 1953, both days inclusive.

AHMEDABAD ADVANCE MILLS LTD. Annual General Meeting, Bombay, 30th October, 1953. Dividend: Rs. 10 per share (including bonus), payable from 31st October, 1953. Transfer books closed from 5th to 31st October, 1953, both days inclusive.

AGRA ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 30th October, 1953. Dividend: Rs. 5 per share (tax-free). Transfer books close from 24th to 30th October, 1953, both days inclusive.

SAHARANPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Saharanpur, 30th October, 1953. Transfer books closed from 17th to 30th October, 1953, both days inclusive.

TENGPANI TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Transfer books closed from 12th to 30th October, 1953, both days inclusive.

JUTLIBARI TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Transfer books closed from 12th to 30th October, 1953, both days inclusive.

LACKATOORAH TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Transfer books closed from 12th to 30th October, 1953, both days inclusive.

ANANDA-BAG TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Transfer books closed from 12th to 30th October, 1953, both days inclusive.

THACKER & CO., LTD. Annual General Meeting, Bombay, 30th October, 1953. Transfer books closed from 16th to 30th October, 1953, both days inclusive.

ALBION JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 2nd November, 1953. Dividend: Rs. 12 per share. Transfer books close from 27th October to 2nd November, 1953, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta 2nd November, 1953. Dividend: Rs. 12 per share. Transfer books close from 27th October to 2nd November, 1953, both days inclusive.

BALMADIES PLANTATIONS LTD. Annual General Meeting, Madras, 3rd November, 1953. Dividend: As. 4 per share. Transfer books closed from 14th October to 3rd November, 1953, both days inclusive.

ARRAH-SASARAM LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 3rd November, 1953. Dividend: Rs. 3 per share, less income-tax. Transfer books close from 24th October to 3rd November, 1953, both days inclusive.

FUTWAH-ISLAMPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 3rd November, 1953. Dividend: As. 15½ per share. Transfer books close from 24th October to 3rd November, 1953, both days inclusive.

HOWRAH-AMTA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 3rd November, 1953. Dividend: Rs. 3 per share, less income-tax. Transfer books close from 24th October to 3rd November, 1953, both days inclusive.

SHAHDARA (DELHI)-SAHARANPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 3rd November, 1953. Dividend: Rs. 6 per share, less income-tax. Transfer books close from 24th October to 3rd November, 1953, both days inclusive.

HOWRAH-SHEAKHALLA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 3rd November, 1953. Dividend: Rs. 3 per share, less income-tax. Transfer books close from 24th October to 3rd November, 1953, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. First interim-dividend of As. 4 per share, for the year, 1953. Transfer books close from 22nd to 31st October, 1953, both days inclusive.

NONSUCH TEA ESTATES LTD. Final dividend of Rs. 2-4 4/5 per share, for the year 1952-53.

MADRAS SAFE DEPOSIT CO., LTD. Dividend of Rs. 2-8 per share, for the year ended 30th June, 1953. Transfer books close from 26th October to 9th November, 1953, both days inclusive.

SPENCER & CO., LTD. Tax-free interim dividend of As. 8 per share. Transfer books closed from 17th to 24th October, 1953, both days inclusive.

SHEVAROY ESTATES LTD. Dividend of As. 2 per share, for the year ended 30th April, 1953. Transfer books close from 24th to 31st October, 1953, both days inclusive.

MONEY CONDITIONS COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 14th October

There was no change in the complexion of the short-term money market during the week under review, as compared with that in the previous week. In the absence of any fresh demands for funds, conditions continued to be quite comfortable. Inter-bank call money was generally done, among Exchange banks and big Indian banks, at 1½ per cent., though towards the close of the week, a few transactions were done at 1 per cent. consequent on the inflow of some funds from Calcutta in view of the *Poojah* holidays there. There was a little activity among the smaller Indian banks and the inter-bank call money in that sector, therefore, fetched a slightly better rate, namely, 2 to 2½ per cent.

Term money was offered 2½ per cent. for one month, 2½ per cent. for 2 to 3 months and 2¼ to 2¾ per cent. for 4 to 6 months. House money was placed at 2¼ per cent.

Tenders for Rs. 1.5 crores of three months' Government of India Treasury Bills this week brought an offer of Rs. 1.81 crores. This is the lowest amount for the last four weeks and compares with Rs. 2.01 crores offered in the previous week. The average rate of accepted tenders was, however, unchanged at Rs. 2-6-8 per cent. per annum for the fourth week in succession.

A sharp rise of Rs. 17.28 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank for the week ended 9th October, 1953, as compared with that for the previous week. Notes held in the Banking Department, on the other hand, show a fall of Rs. 18.11 crores. Total notes issued have, therefore, fallen by Rs. 82.46 lakhs, which is balanced by a similar decline in rupee coin. In the Banking Department, deposits of the Central Government have recorded a rise of Rs. 2.66 crores. Deposits of other Governments and banks have dwindled by Rs. 13.51 crores and Rs. 7.41 crores, respectively. Cash balances have shrunk by Rs. 18.08 crores, while balances held abroad have gone up by Rs. 2.08 crores.

The Scheduled Banks' statement for the week ended 2nd October, 1953, as compared with that for the previous week, shows a rise of Rs. 61.43 lakhs in demand deposits and a fall of Rs. 47.73 lakhs in time deposits. Inter-bank borrowings are higher by Rs. 1.40 crores. Borrowings from the Reserve Bank are better by Rs. 31 lakhs and those from the Imperial Bank by Rs. 21 lakhs. Loans, cash credits and overdrafts have together risen by Rs. 3.15 crores, while in land bills purchased and discounted have gone down by Rs. 2.11 crores. Investments have recorded a fall of Rs. 30.90 lakhs. While cash-on-hand has recorded a shrinkage of Rs. 1.37 crores, balances with the Reserve Bank have been better by Rs. 4.35 crores.

The Gilt-edged market continued to maintain its steady tone during the week under review also, with further gains in selected Central Government loans and State issues. Among the Central Government loans, 3 per cent. 1937 stood unchanged at Rs. 98-7 and 3 per cent. 1958 at Rs. 98-2. 3 per cent. 1959-61 changed hands an anna better at Rs. 96-2. 3 per cent. 1963-65 and 3 per cent. 1964 were maintained at Rs. 92-8. 3 per cent. 1966-68 had buyers and went up by As. 2 to Rs. 90-3. 3 per cent. 1970-75 changed hands at Rs. 86-9. 3 per cent. 1986 Conversion Loan had scattered support but there was no change in its quotation at Rs. 82-2. 3½ per cent. 1961 N.P. Bonds were in favour to rise by an anna to Rs. 98-8. Among the State loans, 4 per cent. 1963 Bombay continued to be in demand and moved up by As. 2 to Rs. 101-2. 4 per cent. 1963 Madras were in request an anna better at Rs. 100, as also M.P. and U.P. loans at Rs. 99-12. 4 per cent. 1964 were stagnant at Rs. 100. U.P. and West Bengal loans stood at Rs. 99-12 and Rs. 100-10, respectively. 4 per cent. 1964 Bombay Municipal loans continued to attract enquiries up to Rs. 100-2, a rise of As. 2 over the week.

The Ahmedabad Municipal Corporation has announced a new loan for Rs. 67 lakhs. The issue price of the loan, which has a maturity of 15 years (with the option to repay after 10 years), will be Rs. 98-12 per cent. and the rate interest is 4 per cent., the net yield being Rs. 4-2-2 per cent. per annum. The list opens on the 15th inst. and closes on the 23rd inst. Repayment of principal and interest on this loan is guaranteed by the Government of Bombay.

In the foreign exchange section of the money market, the rupee, which had weakened fractionally last week, gained strength in terms of the U.S. dollar. Thus, the banks' selling rate for ready, which had stood at Rs. 478¼ per $100, moved down to Rs. 477½ and so also the buying rate from Rs. 474½ to Rs. 473½. In New York, spot sterling advanced from $2.80—2.80-1/16 to $2.80-5/16—2.80-7/16. The forward rates also moved up from $2.79½—2.79½ to $2.79½—2.80 for three months and from $2.79⅜—2.79½ to $2.79⅜—2.79½ for six months.

KANPUR HIDES STRONG

(From Our Own Correspondent)

KANPUR, 11th October

During the week under review, conditions of the local hides and skins market were firm, the general tone being optimistic. Fresh supplies were liberal and their disposal were ready and prompt. The main purchasers were the local tanners headed by the Cooper Allens. The Madras dealers were prominent buyers of goat and sheep of all varieties, whereas the country tanners were the willing buyers of lighter grades of the cow. The latest quotations are as follows:—

Wet salted cow, 1st grade heavy at Rs. 350, 1st grade light at Rs. 280, 2nd grade heavy at Rs. 330, 2nd grade light at Rs. 220 to Rs. 230 and 2nd grade inferior at Rs. 160 to Rs. 180 per score. Wet salted buff, 1st grade at 1 lb. 10 ozs., 2nd grade at 2 lbs. to 2 lbs. 6 ozs. per rupee, goat 1st grade at Rs. 350, 2nd grade Rs. 225 and sheep at Rs. 360 per 100 pieces.

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 14th October

No definite trend in prices was visible on the Bullion Exchange during the week under review. The movements were irregular, but narrow, in both the metals. Early in the week, there was a tendency for prices to harden on reports of good offtake, locally and at Calcutta, and the revival of bull grip on expectations that the proposed amendments to the by-laws would not be carried out in the near future. However, this upward trend proved to be a short-lived affair, as arrivals of unrefined silver and larger inflow of gold brought about a setback during mid-week. At lower levels fresh selling ceased and bears were tempted to cover their earlier sales and book their profit. There was also some improvement in gold offtake induced by the lower prices. But towards the close, a recession again set in, the drop in values being more pronounced in silver than in gold, due to persistent arrival of the white metal.

The Board of the Bullion Association was engaged in considering suitable amendments to the by-laws, as suggested by the Advocate-General on the basis of three alternative proposals for fixing the penalty in the event of non-delivery of goods. The first was to fix the penalty over the rate for the next settlement prevailing on the day of auction. The second was to fix it over the delivery rate and the third on the highest rate touched during the current settlement. After framing the amendments to the by-laws on these lines the Board will submit the draft to the Advocate-General for his opinion as to their legality. A section of the market is of the view that it will take considerable time for the amendments to take final shape. And even after that one cannot be sure that they will come into force, as much will depend on the attitude of the Government.

To revert to a review of the market. Silver for forward delivery (23rd October settlement) opened at Rs. 152-11 and advanced to touch a high of Rs. 154-12 on Friday on speculative support. At this level, there was some profit-taking, induced by reports of large arrival of unrefined metal. On Monday, forward silver dropped to Rs. 153. Though there was a revival to Rs. 153-9 on Tuesday morning, it did not persist; for, to-day, the forward silver again drifted lower to Rs. 152-4.

Ready silver (.996 Mint) was on par with the forward rate throughout the week. The floating stocks of silver are placed at 2,200 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (22nd October settlement) began at Rs. 82-7 and recovered soon to Rs. 83-4. However, a bearish sentiment soon came to prevail on increased arrivals and the quotation touched a low of Rs. 82 on Saturday. But an improvement in offtake on subsequent days restored the price to Rs. 82-13. At the close, there was a minor drop to Rs. 82-7 in sympathy with silver.

Ready gold, which had commanded a premium of Re. 1-2 (at Rs. 83-9) over the forward at the close of last week, closed this week (at Rs. 83-1) with a premium of As. 10 only. This reflects the weakness of the ready position. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 8,000 tolas, while the offtake was a little lower at 7,000 tolas on an average.

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

	14-10-53	Highest	Lowest	7-10-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	83 1	84 2	82 10	83 9
Forward	82 7	83 4	82 0	82 7
Sovereign	56 0	56 0	55 12	56 0
SILVER				
Ready (.996 fine Mint)	152 4	154 12	152 10	152 10
Forward	152 4	154 12	152 10	152 10
London Ready ..	74d.	—	—	74d.
London Forward ..	74d.	—	—	74d.
New York Ready ..	85½c.	—	—	85½c.

TEA DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 10th October

Offerings in dust sale 'T' which was held on Tuesday, 6th October, amounted to approximately 1,48,000 lbs. There was a very strong general demand and prices advanced irregularly As. 1 to As. 2 for all types. There was some enquiry for clean, black, grainy dusts and best liquoring types were well supported.

London Market.—Dearer tendency throughout. Commons ½d. higher.

Colombo Market.—Strong demand. UVAS lower on quality. Others firm to dearer, particularly fannings.

Calcutta Market.—Export.—58,000 packages. Market firm. Most types sale strengthened during Punjab R.G. Rs. 59; S.G. Rs. 63; N.T. R.G. the day.

Dust.—Fair demand. Market irregularly easier for commons, medium Doors and Assams. C.T.C. fairly well supported. Darjeelings sold well.

Export Quota.—A fairly large volume of business has been done at 15 ples. To-day's quotation stands at 15 ples.

Forthcoming Auctions.—Dust sale 'U' will be held on Tuesday, 20th October.

As we go to Press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:

"*Sale* 21.—11,90,000 lbs. Good general demand, but prices tending easier half to one anna, except for medium fannings, which are stronger and dearer. Improved quality best liquoring As. 2 to As. 3 above valuations."

COTTON LOSES EARLIER GAINS

(From Our Own Correspondent)

BOMBAY, 14th October

It is difficult to understand why so much fuss is being made about the issue regarding the removal of distribution and movement controls. The Standing Committee of the Cotton Advisory Board has recommended such removal. But so far as demand for cotton goes, neither the trade nor the mills, nor the producers are likely to benefit from this move. This does not amount to saying that these superfluous controls, which are there only on paper, should not be removed. In actual practice they have been removed. What is implied is that any rise in the prices on this count is unjustifiable and would only result in bringing further reaction. What is really required to maintain stable prices during the season is not so much the removal of distribution and movement controls as the granting of the full quota for Indian cotton to the mills, so that buying on a more comprehensive scale, both quality and region-wise, might come into operation. The ways of Governments are indeed strange, because now, even when by its own estimate a crop of 42 lakh bales, which means an increase of nearly 7 lakh bales on last year's production, is assured, the authorities have still not issued full 100 per cent. quotas to the mills. Nobody knows what they are waiting for.

The improvement in prices both in the spot and the forward markets during the early part of the week under review was a result not really of expectations of removals of distribution and movement controls but of a persistent feeling in the market that Government would have to do something really constructive towards helping a greater offtake of cloth in the very near future. This alone can maintain the average consumption of about 3 lakh bales per month of Indian cotton by the mills. A total consumption of 36 lakh bales of Indian cotton itself is in question at present, because the *tempo* of cloth production cannot be maintained at the present level during the next 12 months, unless both exports and internal consumption of textiles are aided by the removal or reduction of export duties and excise duties respectively. In the absence of some such incentive, this consumption might even go below 35 lakh bales.

In view of this, the trade is bound to be disappointed over the week-end's announcement of merely allowing cloth manufactured for domestic consumption to be exported out of India and this might have a reactionary effect on the price level during this week. Such concessions are of little account and what is wanted is a real good stimulant for the textile markets. If nothing is done in this direction during the earlier part of the season by the Government, the pressure of stocks during the busy season is bound to operate heavily and prices in the cotton market must collapse.

In view of these gloomy prospects and the first all-India estimates of acreage showing a substantial increase over last year of 8.7 per cent., the morale in the market was really good. Support came from the spot market where both staple cotton and Bengals were in fair demand. There was even some demand for imported cotton barring new Egyptians, for which at present there is no inclination to buy, in view of the high prices ruling for Ashmouni and Giza. An increase of Rs. 10 to Rs. 15 in the spot market for varieties in demand of Indian cotton was reflected in the forward market by lifting the prices from about Rs. 610 to a little over Rs. 620, though a part of this had to be sacrificed even before the week-end. The U.K. has purchased a good quantity of Bengal and there are enquiries also from various centres on the Continent for this cotton, as a result of the comparatively smaller quota released for export than expected. The actual business, however, is not as good as the volume of enquiries would lead one to believe.

I.C.C. February started the week at Rs. 612-3 being the lowest for the week. On speculative support the contract rallied strength and moved up to touch a high of Rs. 621-8 on the 10th inst. At higher levels profit-taking appeared and the rate showed a tendency to decline. The down trend was accelerated by bear-selling and the contract closed lower at Rs. 613-4 to-day. I.C.C. May opened the week at Rs. 616. After moving up to Rs. 624-8 on the 10th inst. it reacted to close the week at Rs. 617-8.

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ... Rs.	612-8	621-8	612-8	613-12
I.C.C. May ... „	616-0	624-8	616-0	617-8

The following are the latest available quotations from the Sewri market. Bengal *Deshi* Rs. 585, Berar *Jarillas* Rs. 680, Khandesh Rs. 770, Vijay Rs. 850, Oomra *Deshi* Rs. 580, and Mogiai Rs. 580.

At Karachi, the position has not improved in any way. While there is a partiality for U.S. styles of Pakistan amongst spinners in the U.K. and those on the Continent, no business is possible at present prices. Apart from the sale of about 10,000 bales to Japan already reported previously, Italy appears to be interested in old crop 4F cotton. Japan too is expected very soon to conclude a deal for 10,000 additional bales against a supply by it of steel. The textile industry in Japan has received authorisation for allocations of foreign exchange for purchase of cotton upto about 450,000 bales. But how much of these will come from Pakistanis is still doubtful, in view of the fact that the U.S.A. might give liberal supplies at favourable rates to the Japanese textile industry. The first official forecast at Karachi shows a 10 per cent. decrease in the area under cotton in West Punjab and an increase of 1.6 per cent. in American varieties. The following are the latest available quotations from Karachi:

Old crop: Sind *Deshi* Rs. 60; 4F Punjab R.G. Rs. 53; S.G. Rs. 57; L.S.S. Punjab R.G. Rs. 58; S.G. Rs. 62; 289F Punjab R.G. Rs. 62; S.G. Rs. 67. New crop: Punjab *Deshi* Rs. 54-8; 4F Punjab R.G. Rs. 55 to Rs. 56; S.G. Rs. 58-8 to Rs. 59-8; L.S.S. Punjab R.G. Rs. 59; S.G. Rs. 63; N.T. R.G. Rs. 61-4 to Rs. 61-12; S.G. Rs. 65-8 to Rs. 66; 289F Punjab R.G. Rs. 64 and S.G. Rs. 69.

Considering the world trend of cotton prices, the Alexandria market appears to be in a really enviable position. There is a good deal of excitement in the market in view of the Government's estimate being lower by nearly a million and a half cantars than the earlier market expectations. Ashmouni is in such short supply that the ruling premium is as much as 10 tallaries. France, Switzerland and the U.S.A. are active buyers and some of the shippers have suspended offers for Giza 30 and Uppers, while it is rumoured that the Cotton Commission might ban exports of Ashmouni of lower grade. Total sales till a week ago by the Cotton Commission came to 3,72,000 bales of which 2,05,000 bales were of Ashmouni and 85,000 bales of Giza 30, leaving a balance of 66,000 bales of Karnak.

At New York, the October Bureau report estimated a production of 15,596,000 bales showing an increase of 437,000 bales. Even though the market had expected this increase, the effect of this announcement was bearish to the extent of pushing prices far below the national loan average of 32.70 cents. The hedge sales are heavy and they are likely to continue to be so for some time. With prices receding fast not only the export demand but domestic enquiries also disappeared and speculative interest being at a low ebb, there was little support forthcoming for prices. Entries into loan till 25th September came to little below 4 lakh bales which so early in the season is unprecedented. More cotton is likely to move into loan as the authorities have allowed a fresh concession of accepting cotton stored into the open for loan purposes.

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

(In cents per lb.)

	14-10-53	6-10-53	28-9-53
Spot	33.40	33.25	33.75
October	—	—	32.81
December	32.71	32.69	33.06
March	33.11	32.12	33.46
May	33.41	33.39	33.60
July	33.33	33.34	—

ART SILK YARN EASY

(From Our Own Correspondent)

BOMBAY, 14th October

The art silk yarn market ruled generally steady early in the week on speculative enquiry and on reports of shortage of stocks with the mills. Consequently, the somewhat large arrivals did not disturb the steadiness of the market. But, subsequently, easiness set in, on selling pressure induced by reports that cotton cloth was being sold in auctions at lower prices. Weakness in cotton also had a deleterious effect on the morale of the operators. As a result, prices staged a sharp fall. The decline was assisted by fears of a possible reduction in the price of 150D art silk yarn of the National Rayon Corporation.

In the forward section, 150D October, which opened at Rs. 697, as against Rs. 702, shot up to a high of Rs. 712 on the 9th inst. At this level selling pressure ensued and, therefore, the rate gradually receded to Rs. 680, before closing at Rs. 682. 150D November changed hands at Rs. 686, as against Rs. 707. In the ready section, 120 Japan lost an anna to Rs. 3-15-6, and 150 Japan As. 2-6 to Rs. 3-13-6. 120 Italy eased from Rs. 3-14 to Rs. 3-13 and 150 Italy from Rs. 3-8-6 to Rs. 3-7. 150D of National Rayon Corporation was lower by As. 6 at Rs. 3-6.

The staple fibre yarn section which also ruled better early in the week depicted later a weak trend. Transactions done over the week were not much, as operators were not inclined to do business, in view of uncertainty about count and test-ness of 40 x 2 staple fibre yarn in the market. 40 x 2 October, which was enquired at Rs. 652, as against Rs. 648, shot up to Rs. 658 and then gradually eased to-day to close at Rs. 642. November delivery lost Rs. 10 to Rs. 623.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 7th inst. and 29th ultimo.

Art silk yarn	14-10-53 Rs. a.	7-10-53 Rs. a.	29-9-53 Rs. a.
150D October (per case of 200 lbs.)	682 0	702 0	738 0
150D November	686 0	707 0	—
120 Japan (per lb.)	3 15½	4 0½	4 0½
150 Japan „	3 13½	4 0	3 15
120 Italy „	3 13	3 14	3 14
150 Italy „	3 7	3 8½	3 13½
Staple fibre yarn			
2/40s October (per case of 200 lbs.)	642 0	648 0	648 0
2/40s November	623 0	633 0	—

GROUNDNUTS IMPROVE

(From Our Own Correspondent)

BOMBAY, 14th October

A disturbing development during the week under review was the judgment of the Bombay Civil Court declaring null and void the forward transactions in groundnuts under the provisions of the Oilseeds (Forward Contracts Prohibition) Order of 1943, setting aside thereby the award of the Bombay Oilseeds Exchange in favour of Messrs. Basantlal Banarsilal in a dispute between this party and Mr. Banslial Dagdulal of Dhulia. The Court's decision created nervousness among the operators who were in a similar position. There was, as a result, feverish covering up of commitments in groundnuts by these operators. Consequently, groundnuts under a wave of buying activity, groundnuts made marked headway. Rains in important groundnut growing centres, indicating delays in the movement of crop, also assisted the upward trend.

Among other sections, linseed improved in sympathy with groundnuts, as also on good demand from upcountry centres. The castorseeds section, however, ruled easy on reports of stagnant export enquiries. But *kardi* and *niger* seeds were quietly steady. On balance, while linseed recorded some gains, castorseeds revealed sizable losses.

In the groundnuts section, Bold F.A.Q. which opened at Rs. 39, as against Rs. 38, shot up to a high of Rs. 42, and then declined gradually to close at Rs. 40. December-January was done at Rs. 29-2, as against Rs. 28-6. Khandesh quality, however, eased by Re. 1 to close at Rs. 37. But, October and November deliveries were higher by As. 12 each to finish at Rs. 35 and Rs. 31-4, respectively. Groundnut oil ex-mill lost As. 8 to Rs. 22-12, while railway receipts gained As. 8 to Rs. 22. October-November and December deliveries were done at Rs. 19-4, Rs. 16-8 and Rs. 15-12, as against Rs. 18-12, Rs. 16-2 and Rs. 15-5, respectively. Groundnut oil was enquired at £120 per ton in bulk in the continent. But there is very little inclination on either side to commit itself, in the absence of export policy on which an announcement is expected shortly.

The linseed section was steadier. Bold ready improved from Rs. 24-8 to Rs. 25-4, before closing at Rs. 25. October-November delivery rallied As. 12 to Rs. 25 and February-March As. 2 to Rs. 22-10. Linseed oil ready gained As. 10 to Rs. 14. There was good demand for oil by varnish and paint manufacturers.

In the castorseeds section, May delivery which opened at Rs. 114-2, as against Rs. 114-8, fluctuated between Rs. 112-8 and Rs. 115-12, before closing at Rs. 113-12. F.A.Q. lost Re. 1 to Rs. 30, and Madras As. 12 to Rs. 32-4. Oil B.S.S. was enquired at Rs. 17-10, as against Rs. 18 and First Pressures at Rs. 17-4, as against Rs. 18. Commercial eased from Rs. 17-4 to Rs. 16-8. Commercial Oil is quoted in the Continent at £130 to £135, as against £172 at the same time last year.

Among other seeds, *kardi* Bold gathered As. 4 to Rs. 20-4. October-November delivery was quiet at Rs. 20-4. Niger F.A.Q. rallied As. 8 to Rs. 31-8.

The following table shows the prices of oilseeds and oil on the 14th inst. as compared with those at the end of the previous two weeks.

	14-10-53 Rs. a.	7-10-53 Rs. a.	29-9-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	40 0	38 0	50 0
December-January	29 2	28 6	28 2
Linseed—			
Bold Ready (per cwt.) ..	25 0	24 8	22 8
Castorseeds—			
May 1954	113 12	114 10	113 14
Madras (per cwt.)	32 4	33 0	40 0
Groundnut oil—			
Ex-mill Ready (per quarter).	22 12	23 4	23 8
Castor Oil—			
Commercial (per quarter)..	16 8	17 4	16 4

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 14th October

The demand for sugar is very good, in view of the ensuing festive days and the quotations for spot sugar are firm with British refined ruling at Rs. 86-8. Mexican refined at Rs. 85-8 and Java refined at Rs. 91 to Rs. 94. The quotations for indigenous spot sugar are Rs. 89-8, Rs. 93 and Rs. 96 to Rs. 98 per bag for small, medium and large grain, respectively. The latest ex-mill rates in the Deccan are Rs. 89 per bag for small grain, Rs. 91 for medium and Rs. 93 for large grain. Forward trading remains officially suspended, but unofficial dealings are reported in *Ashto* delivery at Rs. 86-4 per bag of imported sugar and in *Kartik* delivery at Rs. 85-4 per bag. These rates indicate a clear margin of Rs. 3 per bag of imported sugar to tenderers of sugar per s.s. *Fiducia* and s.s. *Atlantico*.

Arrival of indigenous sugar into Bombay during the week amounted to 3,200 bags. Estimated ready stock of indigenous sugar is about 5,000 bags and that of imported sugar 7,500 tons.

Quotations for indigenous sugar in Southern India are looking up, as a result of reluctance on the part of millers to part with their sugar under the recent release at lower rates. They argue that the high ruling prices for imported sugar can hardly compete with their products in the local areas and that further ships indicated by the Food Ministry to reach Bombay Harbour at the end of this month may come in only after *Diwali*. They further argue that the unreleased quantities with them are now negligible and that they must maintain some stocks to meet the local demand, as their crushing would commence only by about the middle of December next.

Southern India, Gujerat, Kathiawar and Madhya Pradesh are, as is well known, deficit areas for sugar. Import programme for sugar was initially undertaken by the Food Ministry under the misapprehension that there was hoarding of sugar; but later the quantity to be imported was increased to two lakh tons on the distinct admission that consumption of sugar in the country had exceeded all earlier estimates and that the available supply within the country would not be sufficient to maintain a reserve of 300,000 tons. With a view to facilitating distribution of sugar in the deficit areas, foreign sugar was proposed to be unloaded at the ports of Bhavnagar, Bombay, Cochin, Madras and Calcutta. Imported sugar has now arrived at all these ports. Market quotations of imported sugar at these ports offer a significant indication of the success or otherwise of our import programme. The quantity imported into Cochin and Calcutta is subject to Government control both in regard to distribution and price, whereas in the ports of Bhavnagar, Bombay and Madras, dealings in imported sugar are free and unfettered. In Bhavnagar, the quotation for British refined sugar is Rs. 85-4 per bag of 2 cwts., in Madras the quotation for Java refined sugar is Rs. 89 per bag; in Bombay the rates are Rs. 86-8 for British refined sugar, Rs. 85-8 for Mexican refined sugar and Rs. 91 to Rs. 94 for Java refined sugar. Demand in all these ports is good.

The old routine practice of inviting tenders simultaneously with the loading of ships at the ports of loading still continues. It is rumoured that s.s. *Fiducia* is already on the high seas, but the s.s. *Atlantico* is still loading British refined sugar in the U.K. Rumours also indicate that, quantity-wise, allotment of British refined sugar to tenderers will be about 75 per cent. of their offers.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 14th October

During the earlier part of the week, the pepper market at all primary centres improved after a drop of about Rs. 100 per candy, in sympathy with New York which is reported to have purchased a few parcels for shipment during October at prices from $1.08 down to $1.03. There was also a fair-sized enquiry for the nearby and distant afloats by the dealers at New York. Alleppey, after touching the lowest at Rs. 2,100, improve to Rs. 2,300. Price at Calicut was also lifted under pressure of buying by exporters from Rs. 2,350 to Rs. 2,500. In the later part, however, demand from New York petered out owing to holiday feeling in view of Columbus Day on the 12th inst. and, consequently, after tone was in evidence at all terminal markets. Business at Alleppey was reported done at prices ranging from Rs. 2,200 to Rs. 2,250. But, Bombay remained fairly steady, there being no selling pressure from shorts, as they were awaiting developments in the Korean and Yugoslavian affairs and in the matter of the export levy. There are sellers for October shipment at $1.01 while November and December shipments are nominally quoted at $0.97 and $0.91 respectively.

The growers at Alleppey are anxious sellers at round about Rs. 2,200, though they do not fail to raise their price by about Rs. 50 to Rs. 100 immediately they see that a couple of exporters are in the market against their sales to New York and the Continent.

Looking to the present trend of the market at New York, it appears that there will be no noticeable pick up in the demand from the source, unless the Government of India decided to reduce the present heavy duty on export of Malabar pepper, which works out to about 28 cents per lb. and it is too heavy to be absorbed by foreign consumers, looking to the present set-up of buyers' market in commodities all over the world.

Following are to-day's nominal quotations:—Ready Rs. 270-90 per cwt., and October Rs. 1,870-90, and December Rs. 1,610-30 per candy of 5½ cwts.

KIPS DECLINE

(From Our Own Correspondent)

MADRAS, 13th October

Arrivals of kips have been on a moderate scale, and clearance was good. Owing to price resistance of the U.K. importers, there has been a decline in prices in the local market by As. 1 per lb. The U.K. buyers have taken a few bales of lights at 55, 50 and 42 pence, mediums 43, 39 and 35 pence and heavies 39, 36, and 33 pence for ordinary marks and paid one to two pence more for better marks. The demand for tanned cow calf, buff calf and buff heavies has been poor. The Shoe and Leather Fair did not help the booking or orders for kips, and was as disappointing as it was last year.

In the tanned skins section, there has been no change in prices. Owing to heavy shipments of living sheep to Japan arrivals of sheep met with excellent clearance at firm prices. Shipments during September to the U.K. were:—3,688 bales tanned cow, 261 cow calf, 191 buffs, 125 buff calf, 838 tanned goat and 601 tanned sheep; to the continent 280 tanned goat, 25 tanned sheep; to the U.S. 123 tanned cow, 2 cow calf, 116 buffs and 25 buff calf, 65 tanned goat, 6 tanned sheep and 199 drysalted goat skins and to Japan 5 bales tanned goat and 320 tanned sheep.

DOWNTREND IN WHEAT ARRESTED

(From Our Own Correspondent)

HAPUR, 12th October

The overall food position in the country remained unchanged. The Union Deputy Food Minister has expressed the hope that a number of deficit States would be self-sufficient in food this year, while major deficit States would reduce their deficiency to a great extent, as a result of good rainfall. The prospects of the standing paddy and millet crops in all States were very bright, he said. With the arrival of grain from the new harvest, prices in the open markets were bound to come down.

The Deputy Food Minister said India's decision to cut imports had had a considerable effect on world wheat and rice prices, since India had been the biggest buyer of rice and the second biggest buyer of wheat in the world. The carry-over of foodgrains by the end of this year compared favourably with that of last year. Stocks with the Government were adequate.

Reviewing the food situation this year, the Minister said that the overall acreage of cereals during the 1952-53 crop year reached a new record of 200 million. Total production was five million tons more than last year and was the highest since partition. For rice, maize and barley production had been an all-time record. He said imports of foodgrains had been greatly reduced. "We have imported this year only two million tons of foodgrains against 3.9 million tons in 1952 and 4.7 million tons in 1951. The internal supplies position of rice has shown a marked improvement. Wheat had been decontrolled in all the major wheat-growing areas like Punjab; U.P; P.E.P.S.U. and the price to-day, at the end of the season, was much lower than the price in Government depots.

(*Continued on page 753*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	2nd Oct., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,073.34	1,071.48	1,091.50	1,001.13
Notes held in Banking Department	35.05	43.10	44.57	25.43	31.00
Foreign Securities	39.50	558.15	558.14	558.15	558.15
Rupee Securities	97.89	421.42	421.42	424.90	461.11
Banking Department					
Deposits of:					
Government of India	14.89	124.98	136.85	127.62	144.76
Other Governments	..	29.23	21.32	20.24	2.43
Balances held abroad	19.08	142.51	140.80	142.42	152.72
SCHEDULED BANKS					
Demand Liabilities	134.87	526.85 (14.75)†	524.89 (13.40)†	523.50 (13.81)†	552.27 (14.21)†
Time Liabilities	102.84	329.80	330.23	330.66	315.49
Borrowings from Reserve Bank	..	(2.37) 2.49 (0.49)†	(2.32) 2.13 (0.49)†	(2.21) 2.65 (0.49)†	(3.02) 2.64 (1.11)†
Borrowings from Imperial Bank	..	4.66	4.45	6.64	5.86
Cash in India	6.71	29.86	31.23	31.93	36.96
Balances with Reserve Bank	25.28	54.19	49.84	49.11	52.99
Excess over statutory limits	15.52	21.25	17.00	16.07	26.07
Balances with other banks in current account in India	..	10.43	10.59	9.74	11.82
Money at call and short notice in India	..	18.14	17.63	17.40	15.58
Investments (at book value)	..	333.57	333.87	327.96	308.09
Advances and bills	106.09	461.16	460.12	473.89	472.43
IMPERIAL BANK					
Deposits	87.76	209.03	207.22	207.52	220.86
Investments	21.99	94.63	94.53	90.79	90.50
Advances	20.87	93.11	99.94	106.46	119.82
Cash	14.81	28.14	24.94	21.30	23.52

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	9th October, 1953		1st October, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,45,092	45,55,02,000	1,03,017	41,70,53,000
Calcutta	1,42,334	47,46,01,747	1,05,307	44,00,64,459
Madras	79,922	7,09,23,276	47,323	6,24,42,217
All Centres—				
1951	..	..	..	1,05,94,122 3180,56,86,359
1952	..	..	..	1,06,41,941 36,79,81,57,000
July 1953	..	..	..	27,11,000 5,71,04,00,000
August ,,	..	..	..	23,41,000 4,84,44,00,000

Reserve Bank of India

Statement of Affairs for the week ended 9th October, 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government	..	127,63,35,000
(2) Other Governments	..	15,77,41,000
(b) Banks	..	49,22,21,400
(c) Others	..	57,40,70,800
Bills Payable	..	2,91,04,100
Other Liabilities	..	12,71,40,100
	Rupees ..	275,85,21,000

ASSETS	Rs.	Rs.
Notes	..	24,97,82,000
Rupee Coin	..	12,17,000
Subsidiary Coin	..	4,93,000
Bills Purchased and Discounted—		
(a) Internal	..	
(b) External	..	24,50,000
(c) Government Treasury Bills	..	1,42,19,000
Balances held abroad*	..	144,58,18,000
Loans and Advances to Governments	..	20,00,000
Other Loans and Advances	..	11,50,64,000
Investments	..	86,21,39,000
Other Assets	..	6,44,30,000
	Rupees ..	275,85,21,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,85,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	24,99,82,000	
Notes in circulation	1090,02,25,000	
Total Notes issued	..	1115,02,07,000
Total Liabilities	..	1115,02,07,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	558,15,11,000	
Total of A	..	598,16,82,000
B. Rupee Coin	..	98,03,17,000
Government of India Rupee Securities	..	421,42,03,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1115,02,07,000

Ratio of Total of A to Liabilities: 53.618 per cent.

Scheduled Banks*

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

		Rs.
1.	Demand Liabilities in India	
	(i) Borrowings from banks	14,75,41,000†
	(ii) Other demand liabilities	5,12,09,75,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	2,86,50,000†
	(ii) Other time liabilities	3,27,43,85,000
3.	Cash in India	29,86,22,000
4.	Balances with the Reserve Bank in India	54,18,93,000
5.	Balances with other banks in current account in India	10,43,12,000
6.	Money at call and short notice in India	18,14,21,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	2,33,56,52,000
8.	Advances in India	4,71,21,92,000
9.	Inland Bills purchased and discounted in India	39,86,66,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	12th October, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-6⅛	1-6⅛
Sellers T.T. D.D. upto six months	1-6⅛	1-6⅛
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	478	478¼
Buyers T.T. Rs.	474	474¼
London on New York £	2 80-2 80¼	2 79½-2 79¾
London on Paris Fcs.	981¼-981¾	981¼-981¾
London on Berne Sw. Frs.	12 10¾-12 19	12 10¾-12 19
New York on London $	2 80⅛-2 80⅜	2 79½-2 79¾

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita Income (Rs.)
India	1948	342.12	..	..	8,780	255
Pakistan	1949	75.04	..	..	1,671	223
Burma	1941	16.87	Kyats	3,166	817	169
Ceylon	1951	7.74	..	..	651	842
Japan	1951	84.30	Y.	4,849,400	6,414	761
Philippines	1951	20.25	Ps.	7,546	1,820	898
New Zealand	1972	2.00	£ (N.Z.)	645	4,551	4,307
Australia	1951	8.43	£ (A.)	3,284	3,464	4,317
U.K.	1942	50.43	£	13,648	18,197	3,608
U.S.A.	1952	156.93	$	290,470	138,500	8,808
Canada	1952	14.43	$	19,185	9,148	5,662
France	1952	42.60	F. Fr.	10,190,000	19,864	3,254
W. Germany	1972	46.43	Dm.	94,400	11,116	2,301
Italy	1952	46.84	Lr.	8,112,000	6,141	1,315
Norway	1952	3.32	Kr.	10,516	1,104	3,331
Sweden	1952	7.13	Kr.	39,170	3,852	5,122
Denmark	1951	4.30	Kr.	17,650	2,213	3,104
Switzerland	1952	4.82	S. Fr.	20,700	3,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

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

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	3,00,00,000
Reserve Fund	..	3,00,00,000
Deposits :—		
(a) Central Government	..	40,71,59,000
(b) Provincial Governments	..	1,76,76,300
(c) Banks	..	16,64,47,000
(d) Others	..	2,48,39,000
Bills Payable	..	48,30,000
Other Liabilities	..	2,46,14,100
	Rupees ..	70,57,64,000

ASSETS	Rs.	Rs.
Notes	..	9,62,53,000
Rupee Coin	..	3,000
Subsidiary Coin	..	10,300
Bills Purchased and Discounted—		
(a) Internal	..	....
(b) External	..	....
(c) Government Treasury Bills	..	2,74,76,000
Loans and Advances to Governments	..	1,45,00,000
Provincial Governments Debtor Balances	..	9,36,92,000
Other Loans and Advances	..	9,00,000
Investments	..	37,75,14,000
Other Assets	..	9,11,16,000
	Rupees ..	70,57,64,000

ISSUE DEPARTMENT		
LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,62,53,000	
Notes in circulation	202,10,62,000	
Total Notes issued		211,73,15,000
Total Liabilities	..	211,73,15,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	89,43,75,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,88,91,000	
		89,24,80,000
B. Rupee Coin	6,56,27,000	
Government of Pakistan Securities	111,67,33,000	
Internal bills of exchange and other commercial paper	....	
		118,23,60,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets	..	211,73,15,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44.02 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
21st July ..	1.00	2 80	1 00	2 6 2	10
27th ,, ..	1.00	3 76	1 00	2 6 2	30
4th August ..	1.50	2 61	1 50	2 6 3	40
11th ,, ..	1 50	2 02	1 50	2 6 3	43
18th ,, ..	1.50	1 85	1 50	2 6 5	65
25th ,, ..	1 50	2 02	1 50	2 6 5	95
8th September ..	1 50	1 77	1 50	2 6 7	77
15th ,, ..	1 50	1 84	1 50	2 6 7	80
22nd ,, ..	1 50	1 98	1 50	2 6 8	89
29th ,, ..	1 50	2 51	1 50	2 6 8	100
6th October ..	1.50	2 02	1 50	2 6 8	99
13th ,, ..	1.50	1.81	1 50	2 6 8	38
Total ..	17 00	26 97	17.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	4
Belgium ..	16th Dec., 1952	3½	3
Canada ..	17th Feb., 1950	1½	2
Ceylon ..	25th July, 1953	2½	3
Denmark ..	2nd Nov., 1950	4½	5
Finland ..	18th Dec., 1951	7½	8½
France ..	17th Sept., 1953	4	3½
Greece ..	12th July, 1948	10	12
India ..	13th Nov., 1951	3	3½
Italy ..	8th April, 1950	4½	4
Japan ..	1st Oct. 1951	5.11	5.84
Netherlands ..	7th April 1953	2	2½
New Zealand ..	30th July, 1941	2	1½
Norway ..	9th Jan, 1948	3	2½
Pakistan ..	1st July, 1949	..	3
Portugal ..	18th Jan., 1944	3	3½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	18th Mar., 1949	4½	4
Sweden ..	1st Dec., 1950	2½	3
Switzerland ..	26th Nov., 1936	4	3½
Turkey ..	26th Feb., 1951	2	3
United Kingdom ..	17th Sept., 1953	4	3½
U.S.S.R. ..	1st July, 1936	5	4
U.S.A. ..	18th Jan., 1935	1½	1
West Germany ..	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue ..	8.09	11.21	111.00	130.07
Protective ..	93	73	7.33	10.81
On surplus disposals	3	1	8	24
Total import duties	9.40	12 04	118.43	141 72
Export Duties	3.89	5.52	85.74	90 76
Land Customs	16	23	2.62	3 22
Miscellaneous	7	8	1.15	1 13
Gross total customs	13.02	17.85	177.54	236 83
Refunds and drawbacks	14	84	2.03	4 82
Net Customs	12 88	17 48	174 95	232 03
Gross excise ..	7.69	7.01	82.84	87.14
Refunds	..	19	1.43	1.78
Net Excise	7.61	6.82	81.41	85 26
Net total of customs and excise	20.49	24.27	256.36	317 29

Imperial Bank of India

Statement of Affairs for the week ended 9th Oct., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 5,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 5,50,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 79,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders on Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25 00 000
Deposits and other Accounts		206,49,64,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,16 03.000
Bills for Collection being Bills Receivable as per contra		65,59,000
Acceptances, Endorsements and Other Obligations as per contra		16 000
Other Liabilities (including Inter-Office Adjustments)		3,26,53 000
Total ..	Rs.	224 55 50 000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16 70 04 000
Balances with other Banks		9,41 91 000
Money at Call and Short Notice		49,23,000
INVESTMENTS—		
Government and other Trustee Securities	85 47 34 000	
Other Authorised Investments	10,63,71,000	
		96,11 05 000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	90 82 14 000	
Bills Discounted and Purchased	10,69 26 000	
		101 51,40,000
Bills Receivable being Bills for Collection as per contra		65,59 000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		16 000
Premises less Depreciation		2,81 61 000
Furniture and Fixtures less Depreciation		37 35 000
Other Assets (including Inter-Office Adjustments)		2 24,56,000
Total ..	Rs.	224 55 50 000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates, and Defence Savings Bank Deposits. Outstandings@		2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1948-49 ..	1.54	1.47	76	74	20.40	22.86	83.26	29.91	—	12.31		
1949-52 ..	1.75	6.06	77	2.91	23.08	66.81	1,07.55	74.18	—	27.83	12.10	12.39
1952-53 ..	1.63	6.84	66	3.27	23.66	84.18	1,12.36	91.01	—	31.06	7.54	23.64
July 1952	15	6.83	10	3.08	2.03	73.14	10.29	82.54	—	29.92	74	21.23
August ,,	15	6.40	6	3.11	1.76	74.45	8.61	83.76	—	29.41	65	21.89
September ,,	10	6.14	5	3.11	1.84	75.73	8.79	84.91	—	29.41	52	22.38
October ,,	11	5.48	5	3.14	1.71	76.77	8.36	85.25	—	29.60	56	22.92
November ,,	10	5.50	5	3.16	1.71	77.93	8.03	85.54	—	29.90	58	23.48
December ,,	8	6.51	5	3.16	1.86	79.34	8.45	85.95	—	30.23	48	23.94
January 1953	10	6.54	6	3.19	2.02	80.77	8.38	86.09	—	30.51	58	24.49
February ,,	14	6.51	5	3.22	1.86	82.14	8.36	86.36	—	30.76	62	25.08
March ,,	82	6.84	9	3.27	2.68	84.18	13.75	91.01	—	31.05	90	25.84
April ,,	11	6.60	5	3.27	2.24	85.95	9.68	93.01	—	31.30	80	26.56
May ,,	12	6.83	4	3.29	2.04	87.57	9.55	94.90	—	31.52	66	27.10
June ,,	11	6.82	4	3.31	2.23	89.33	9.45	95.80	—	31.78	59	27.58
July ,,	1	6.73	11	3.38	2.23	91.02	10.26	95.23	—	32.03	66	28.23
August ,,	..	..	..	..	..	..	..	..	..	..	69	27.20

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 29-8-'53	26-9-'53	3-10-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.2	90.2
1. Government of India	90.1	90.1	90.1
2. Indian States	95.5	95.5	95.5
3. Municipal, Port Trust, etc.	90.8	89.0	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.1	101.3	101.3
1. Electricity	102.6	102.5	102.5
2. Jute	97.8	98.9	98.9
3. Plantations	100.0	99.9	100.0
4. Sugar	99.8	100.1	100.1
5. Coal	90.9	90.6	90.6
6. General Engineering	103.8	101.7	101.7
7. Shipping	102.5	102.9	102.9
8. Others	97.6	97.3	100.3
PREFERENCE SHARES	87.9	88.8	87.8
1. Electricity	98.8	99.0	98.6
2. Cotton	84.6	83.9	83.9
3. Jute	85.4	86.0	86.0
4. Sugar	91.9	92.5	92.3
5. Iron and Steel	93.7	94.6	94.6
6. Sugar	75.2	76.1	76.1
7. Paper	88.7	90.3	90.3
8. Plantations	87.5	87.5	87.5
9. Miscellaneous	85.6	85.4	85.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	91.8	91.6	92.0
(a) Financial	85.3	86.0	85.8
1. Banks	84.7	85.4	85.1
2. Insurance	95.2	95.2	95.4
3. Investment Trust	70.8	72.8	72.2
(b) Public Utilities	108.8	108.3	108.6
1. Electricity	89.5	89.1	89.7
2. Shipping and other Transport	81.8	81.6	81.5
3. Railways	83.8	83.7	83.9
(c) Manufacturing Industries	92.5	91.5	91.5
1. Cotton, Woollen and Silk	79.8	78.7	78.4
2. Jute	94.2	97.3	98.1
3. Iron and Steel	149.0	147.3	147.8
4. Paper	110.7	110.4	111.6
5. Cement	102.4	104.1	104.5
6. General Engineering	84.4	84.6	84.9
7. Sugar and Breweries	92.6	93.6	94.2
8. Chemicals	88.9	88.9	89.2
(d) Non-Manufacturing Industries	75.0	74.8	74.0
1. Coal	111.1	116.5	120.2
2. Mining and Oil	84.1	84.6	87.7
3. Plantations	88.3	88.1	88.1
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.7	89.7
2. Calcutta	90.2	90.2	90.1
3. Madras	90.5	90.5	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.1	101.7	101.7
2. Calcutta	101.5	101.6	101.6
3. Madras	100.8	100.2	100.2
PREFERENCE SHARES:			
1. Bombay	94.8	91.1	91.8
2. Calcutta	83.7	84.0	84.0
3. Madras	88.5	88.7	88.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	100.1	98.7	99.2
2. Calcutta	86.1	86.7	87.1
3. Madras	92.0	91.7	91.3
4. Delhi	91.9	88.9	86.8

Source: Department of Research and Statistics, Reserve Bank of India.
* Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,946,704
1951 ..	1,071	691,821	8,818,928
1952 ..	963	809,242	3,336,961
Seven months ended July, 1950	617	350,869	2,150,118
Do July, 1951	765	503,695	2,621,023
Do July, 1952	705	651,106	1,949,996
Do July, 1953	525	514,186	1,382,627
January 1953 ..	95	206,881	674,340
February ,, ..	88	69,180	218,607
March ,, ..	87	42,480	148,498
April ,, ..	134	49,437	234,648
May ,, ..	116	80,098	254,848
June ,, ..	101	89,881	257,068
July ,, ..	93	40,764	171,268
August ,, ..	88	46,585	148,533
September ,, ..	96	67,878	480,552
October ,, ..	96	78,181	249,618
November ,, ..	87	48,766	273,245
December ,, ..	81	27,923	158,017
January 1953†	85	42,388	244,414
February ,,	45	26,477	125,411
March ,,	67	35,231	216,207
April* ,,	71	45,031	216 240
May* ,,	88	38,617	270 216
June ,,	93	80 137(a)	252 159(b)
July ,,	79	43,713	108,346

† Figures for 1953 are provisional. * Revised.
(a) Not known in two cases. (b) Not known in six cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	460	4,681.1	3,777.7
1951-52 ..	578	5,968.1	4,849.0
1952-53 ..	614	6,301.4	5,134.9
February 1953 ..	571	480.7	391.0
March ,, ..	577	488.8	393.8
April ,, ..	581	514.4	419.1
May ,, ..	588	500.1	408.8
June ,, ..	588	484.0	419.7
July ,, ..	598	521.4	423.7
August ,, ..	597	530.8	430.6
September ,, ..	599	546.2	441.8
October ,, ..	608	529.7	438.4
November ,, ..	608	552.2	457.8
December ,, ..	611	535.5	441.8
January 1953 ..	614	498.6	417.4
February ,, ..	614	538.0	433.7
March ,, ..	616	550.9	454.1
April ,, ..	620	560.4	458.1
May ,, ..	625	543.8	450.2

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	26th Sept., 1953	19th Sept., 1953	27th Sept., 1952	August, 1953	August, 1953	Percentage of increase (+) or decrease (—) in Aug., 1953 as compared with Aug., 1953	1939	1951
Food Articles	384.4	388.6	361.4	407.9	372.9	+ 9 1	389.8	409.8
Cereals	461	466	451	490	464	+ 5 6	460	488
Pulses	476	485	523	504	508	— 0.8	508	508
Other	285	283	223	288	234	+23 1	225	290
Industrial Raw Materials	457.6	477.8	467.8	488 7	446 4	+ 9 5	483.8	688.2
Fibres	409	419	445	435	432	+ 0 7	464	622
Oil seeds	543	546	515	561	506	+30 6	484	679
Minerals	461	455	523	454	458	— 1 0	458	658
Others	378*	377*	339	361	316	+14.2	341	533
Semi-Manufactures	359.8	366.5	352.8	384.7	351 9	+ 3 9	348.5	377.5
Leather	394	397	380	406	382	+ 6 3	348	458
Mineral oils	227	227	226	226	226	—	221	197
Vegetable oils	538	575	455	505	475	+25 8	459	679
Cotton yarn	441	445	453	442	453*	— 2 4	484*	658
Metals	223	223	224	223	218	+ 2 3	211	197
Oil Cakes	441	445	477	439	458	— 3 5	440	809
Others	301	301	264	290	264	+ 9 5	278	880
Miscellaneous	716.3	716.6	628.1	706.0	636.4	+11 1	638.6	729.8
All Commodities	398.7	404.0	387.8	410 4	387 4	+ 5 9	388 9	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbelpore 1944
1951 Average	—	330	260	330	451	391	370	334	142	178	141	160	168
1952 ,,	142	337	259	310	441	380	351	330	143	174	142	155	150
January 1952	146	331	246	335	443	393	337	338	142	179	147	162	156
February ,,	144	334	241	318	441	388	343	336	141	178	145	153	155
March ,,	135	313	229	290	412	378	348	333	136	177	140	150	145
April ,,	141	345	262	321	415	377	339	336	148	169	138	153	144
May ,,	140	339	264	318	412	376	339	327	148	168	143	153	143
June ,,	140	338	263	300	434	375	330	345	171	161	141	153	148
July ,,	142	330	263	304	456	377	354	331	143	173	143	161	153
August ,,	144	340	267	313	466	388	369	338	143	176	149	160	157
September ,,	143	341	269	310	465	381	364	328	143	178	143	157	156
October ,,	144	345	274	311	466	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	262	303	447	371	348	327	137	170	138	150	149
January 1953	139	344	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	380	334	331	136	167	132	150	144
March ,,	142	358	265	322	448	381	333	353	138	165	131	148	145

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,865	23,424	20,741
Wheat ..	tons	24,041	23,450	6,762	6,039
Jowar ..	tons	41,945	39,144	6,038	5,944
Bajra ..	tons	25,392	22,439	2,922	2,209
Barley ..	tons	7,500	7,835	2,664	2,293
Maize ..	tons	9,796	8,073	2,907	2,521
Ragi ..	tons	8,388	8,390	1,235	1,212
Gram ..	tons	17,267	16,857	3,771	3,291
Kabi Pulses ..	tons	11,593	11,559	2,063	2,047
Small Millets	tons	12,170	11,834	1,912	1,801
Jute ..	bales	1,834	1,951	4,695	4,678
Cotton ..	bales	15,674	16,198	3,660	3,133
Sugarcane ..	tons	4,578	4,702	5,260	6,063
Groundnut	tons	11,862	11,794	2,894	3,045
Linseed ..	tons	8,594	8,462	855	916
Castorseed ..	tons	1,349	1,428	107	105
Rape and Mustard Seed ..	tons	6,155	6,015	823	916
Sesamum (supply)tons		6,751	6,865†	451	438
Tobacco (supp)tons		794	715	219	205
Pepper ..	tons	203	202	22	23
Ginger ..	tons	46	47	14	15

Source: Ministry of Food and Agriculture.

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

* Excluding gram.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Aug., 1953 ..	68.1
	Corresponding month 1952 ..	74.3
	Two months ended Aug., 1953 ..	146.5
	Corresponding period 1952 ..	158.1
Stocks	At the end of Aug., 1953 ..	133.5
	Corresponding month 1952 ..	93.9
		(In 000 bales)
Exports(JuteBags)	Week ended 5th Sept., 1953 ..	1 80.01
	Corresponding week 1952 ..	1,07.45
	From 1st Jan., to 5th Sept., '53 ..	20 23 04
	Corresponding period 1952 ..	23,76,93
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 5th Sept., 1953 ..	4,81.63
	Corresponding week 1952 ..	5,01.75
	From 1st Jan., to 5th Sept., 1953 ..	80,36,06
	Corresponding period 1952 ..	73,42,87
	RAW JUTE	(In 000 bales)
Exports*	Week ended 5th Sept., 1953 ..	—
	Corresponding week 1952 ..	—
	During May, 1953 ..	—
	Corresponding period 1952 ..	—
Consumption †(by Mills)	July, 1953 (in lakh bales) ..	3.95
	Corresponding month 1952 ..	4.31
	Two months ended August, 1953 ..	8.49
	Corresponding period 1952 ..	9.17

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10,67,100	7,99,200
Do. 31st March, 1953..	11,84,000	10,81,900	7,91,800
April to September, 1953 ..	4,65,600	4,27,900	3,03,500
July 1952	93,400	91,000	66,800
August	1,00,700	90,800	67,700
Sept., ...	94,200	88,300	64,500
July 1953	91,100	86,100	64,800
August	94,100	83,400	63,700
Sept., ...	94,200	91,100	61,900
Indian Iron and Steel Co.			
Jan. to Sept., 1953	3,81, 660	2,26,180	1,43,280
April 1953..	52,210	30,980	19,000
May	67,810	52,850	19,700
June	86,730	23,940	13,020
July	81,750	8,370	4,610
August	80,230	7,710	6,190
September	21,320	2,270	2,940

FOREIGN TRADE OF INDIA

Particulars	May		Two Months, April & May	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	15.27	27.14	31.02	56.02
Raw materials ..	14.34	25.15	30.94	47.73
Manufactures ..	25.87	27.86	49.29	52.58
Other Items ..	61	73	80	1.47
Total ..	55.29*	78.38*	111.05*	157.78*
By land ..	66	1.85	1.37	3.05
Total Imports† ..	56.05	79.73	112.42	160.83
Exports :				
By sea and air—				
Foodstuffs ..	9.28	9.19	17.44	15.52
Raw materials ..	10.02	12.99	21.37	25.16
Manufactures ..	20.05	23.31	38.34	48.45
Other Items ..	51	39	70	74
Total ..	39.86	47.88	77.85	89.84
By land	41	3.00	78	5.72
Total Exports ..	40.27	50.88	78.63	95.56
Total Re-exports ..	70	26	1.20	67
Balance of trade in merchandise	—16.52	—25.66	—32.07	—64.84
Balance of transactions in private treasure	— 1	— 1	— 1	— 1
Total visible balance of trade..	—16.53	—25.67	—33.08	—64.85
Imports :				
Total C'wealth countries ..	22.75	21.87	46.71	44.60
Total Foreign countries ..	32.64	56.51	64.84	113.18
Exports :				
Total C'wealth countries ..	18.24	22.84	35.47	43.80
Total Foreign countries ..	21.62	23.00	42.84	46.24

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

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953
Eastern Zone																					
Ramra	x	163	176†	x	142	142	x	127	132	x	132	137	x	119	105†	x	x	x	x	102	98
Malbang	270	224	218	148	167	160	195	180	179†	200	191	196	125	125	125	235	159	199	268	310	310
Shankargarh ..	157	141	141	137	139	139	149	169	194†	149	164	166	120	113	113	150	120	120	101	104	104
Sonalli	197	374	374	155	198	197	121	134	149†	141	187	187	89	89	89	138	130	129	144	137	163†
Northern Zone																					
Mutapi	116	131	139	115	158	156	169	193	195	148	160	171	123	123	123	132	166	166	189	200	200
Nasa	219	257	232†	86	93	96	129	125	136†	137	141	145	104	114	114	217	215	215	176	209	209
Salamatpur ..	217	224	244†	197	178	178	176	226	241†	188	218	231	145	125	135	214	156	160	243	200	200
Southern Zone																					
Krishna	144	153	163†	149	150	165	154	154	168†	149	155	165	101	100	98	168	122	122	136	155	161
Lalb	191	200	209	172	175	185†	153	163	174†	160	172	181	116	134	136	138	143	134	207	175	175
Malur	171	210	216	124	141	147	137	154	163	143	164	172	97	104	103	102	105	105	163	173	173
Mustruda	203	208	207	205	210	204†	197	194	201	210	206	214	129	122	125	206	184	184	222	140	189
Nudehi	259	229	244†	252	267	282†	202	193	216†	222	217	234	129	129	129	130	139	139	250	281	279

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 8th October, 1953..	12,569
	Corresponding week 1952 ..	24,892
	1st Sept., to 8th Oct., 1953 ..	86,090
	Corresponding period, 1952 ..	1,85,068
Cotton Exports ..	Week ended 8th October, 1953..	2,084
	Corresponding week, 1952 ..	—
	1st Sept., to 8th Oct., 1953 ..	7,043
	Corresponding period, 1952 ..	50,393
Mill Consumption ..	1st Sept., to 8th October, 1953	1,13,000
	Corresponding period, 1952 ..	1,09,200
Stock (with exporters dealers and mills) ..	On 8th October 1953 ..	4,33,899
	Corresponding date, 1952 ..	5,27,584
Karachi (Pakistan)*		
Receipts	Week ended 3rd October, 1953..	4,924
	Corresponding period 1952 ..	9,845
	1st Sept., to 3rd Oct., 1953 ..	8,204
	Corresponding period, 1952 ..	22,922
Exports	Week ended 3rd October, 1953..	18,608
	Corresponding period, 1952 ..	10,400
	1st Sept., to 3rd Oct., 1953 ..	53,609
	Corresponding period, 1952 ..	30,000

Particulars	From 1st Sept., to 12th Oct., 1953 Bales	From 1st Sept., to 12th Oct., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	100	622
Continent ..	1,380	15,511
China	132	124
Japan	5,069	39,026
U.S.A. ..	—	2,462
Other Countries ..	84	873
Total to all foreign countries ..	7,165	58,518
Coastal Ports ..	7,507	7,741

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	June, 1953	3,03,878
Foreign		70,130
Indian	Ten months September 1952 to June, 1953	20,86,605
Foreign		7,04,511
Indian	Same Period 1951-52 ..	24,23,913
Foreign		8,87,469
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1953 ..	12,03,847
Foreign		2,07,341
Indian	As on 30th June, 1952 ..	13,46,302
Foreign		4,33,470
	Week ended 2nd Oct., 1953 ..	—
	Corresponding week, 1952 ..	—
Cotton Pressed †	1st Sept. to 2nd Oct., 1953 ..	7,214
	Corresponding period, 1952 ..	8,701

* As reported by the Karachi Cotton Association Ltd. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	103
4% Loan	1926-33	61,30,25,000	1960-70	102
3½% Loan	1938-39	1,16,17,45,000	1964-65	92½
3½% Loan	1950	30,33,10,000	1964	92½
3½% Loan	1945	1,10,11,78,000	1966-68	90½
2½% War Loan	1944	1,14,06,89,000	1957	99½
3½% Loan	1945	1,15,01,83,000	1970-75	86½
3½% Loan	1945	1,13,65,64,000	1959-61	96½
3½% Loan	1931	50,35,61,000	1958	96½
2½% Loan	1946	45,63,07,000	1960	93½
2½% Loan	1946	57,00,69,000	1961	90½
2½% Loan	1946	35,06,06,000	1974	84½
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98½
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice On 30th September, 1986 or later at option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,48,18,000	1954-59***	100½
4½% Loan	1928	3,85,20,000	1958-68***	105

PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,000	18th Sept. 1955	99½
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	98½
3 ½% Bombay	1944	4,44,00,000	14th Aug. 1958	97½
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94½
3½% Bombay	1951	3,04,06,500	15th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101½
3 ½% Bombay	1952	3,66,72,700	1st Aug. 1964	101½
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Cochin Bridge (New)	1936-37	2,31,07,100	1956-66	98½
3 ½% Madras	1939	1,29,76,600	21st June 1954	95½
3 ½% Madras	1941	1,21,25,000	14th Sept. 1955	98½
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98-8½
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 ½% Madras	1945	2,82,15,000	15th Sept. 1960	93½
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91½
3 ½% Madras	1950	4,47,00,000	31st July 1960	93½
3½% Madras	1951	3,00,00,000	15th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	100½
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100½
3 ½% Mysore(f)	1910	1,61,44,300	1st Nov. 1955	104½
3 ½% Mysore(f)	1933	2,93,85,200	1st Dec. 1953-63	100½
3 ½% Mysore(f)	1936	3,99,72,900	25th April 1956-61	98½
3 ½% Mysore	1947	3,08,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,00,00,000	15th July 1963	99½
3 ½% M. P.	1942	50,00,000	15th Sept. 1955	99
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98½
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96½
3 ½% M.P.	1948	2,03,28,800	15th Sept. 1964	91½
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97½
4 % M. P.	1953	1,00,00,000	15th July 1963	99½
3 ½% Punjab**	1938-44	3,49,87,200	15th Sept. 1958	99½
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	98½
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	93½
3 ½% Travancore	1944	3,00,00,000	15th May 1952-54	99½
3½% Travancore-Cochin	1936	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99½
3 ½% U.P.	1936	1,61,96,500	15th Sept. 1961-66	90½
3 ½% U.P.	1943	3,07,99,600	15th Aug. 1958	97½
2½% U.P.	1945	2,24,80,300	14th Sept. 1960	94½
3 ½% U.P.	1946	2,29,08,600	1st Sept. 1961	93½
3½% U.P.	1951	3,00,28,800	15th Sept. 1962	98½
4 % U.P.	1952	4,13,13,700	1st Aug. 1964	100½
4 % U.P.	1953	5,00,00,000	15th July 1963	99½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98½
4 % W. Bengal	1952	2,00,70,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,33,800	4	1913	1974	D
80,00,000	4	1913	1976	92½N
88,25,000	4	1914	1975	99N
10,00,000	4	1915**	1973	
55,00,000	4	1915**	1975	
61,61,000	4	1922**	1940	
51,51,000	4	1924**	1940	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
13,50,000	3½	1932*	1962	
24,50,000	3½	1933*	1973	
15,00,000	3½	1936*	1946	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1963	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
99,24,100	4	1914	1974	98½
78,90,100	4	1915	1975	98½
68,03,300	3½	1921	1981	79
1,50,00,000	4½	1921	1981	144N
1,24,04,300	6	1923	1955-85	103
98,21,600	5½	1926	1954-86	104½
99,44,500	5	1927	1957-87	103½
1,49,49,5001	5	1928	1958-88	104
1,49,10,000	5	1928	1961	92½
80,00,000	4½	1933	1946	99½
21,79,000	5	1933	1965	96½
60,00,000	3½	1935	1963-68	88
25,00,000	3	1935	1966-68	88
1,93,00,000	3½	1945	2003	70N
50,00,000	3	1945	1972	82½
50,00,000	3	1946	1976	82½
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81½
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
100,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£86½
£901,000	5	1924	1954-84	£86½
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,40,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,911	5	1918	1882	
7,46,044	4	1920	1982	
2,13,852	6	1921	1952	
1st Aug.				
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1953	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½N
30,00,000	4	1905	1965	
30,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
30,00,000	4	1909	1969	97½N
25,00,000	4	1910	1970	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	113N
25,00,000	4	1915	1975	
40,00,000	5	1919	1957-79	
66,00,000	6	1920	1955-80	
20,00,000	5	1924	1956-86	113N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£564,600	4	1909	1969	£93½N
£333,000	4	1910	1970	£93½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1926	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
40,40,000	4	1913-14	1954	99½
20,60,000	4	1914-15	1954	99½
20,00,000	4	1014-15	1955	100
10,00,000	4	1920	1960	113
1,60,00,000	4	1924	1974	103½
25,00,000	5	1928	1958	
26,14,000	5	1928	1968-69	105
45,45,100	5	1929	1954-59	102½
26,21,500	5	1929	1959	
8,23,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1980	86½
2,50,00,000	4	1952	1966	100
2,00,00,000	3½	1951	1966	97
CALCUTTA				
34,45,500	6½	1925	1955	103½
84,70,000	6	1925	1955	104½
36,00,000	5	1928	1958	103½
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	93½
60,00,000	3	1936	1966	88½
1,46,100	3	1936	1953	99½
3,11,400	3	1937	1954	99½
4,67,100	3	1937	1954	99½
1,42,500	3	1937	1954	98½
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1958	88½
10,67,700	3	1938	1955	97½
15,56,800	4	1939	1956	99½
15,56,800	4	1939	1957	99½
17,64,400	3½	1942	1959	94½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1946	96
87,36,000	4	1952	1962	99½
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1953	107½N

ABBREVIATIONS—M—Held by Government of Madras. N—Nominal.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. *Loans held entirely by the Trustees.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1953. **Quotations in Pak. Currency. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	140xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	110	100
†East India Distilleries ..	£100,000	1897	7	Jan. July	13½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	77	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec. ..	75	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagger Cane	4,00,000	1933-34	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	70	100
South Behar Sugar	3,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	13,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1946	5(a)	Dec. ..	70N	100
Do.	13,00,000	1946			70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	116	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	120½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00,000	1895	6	Mar. Sept.	119xd	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	92	75(pp)
††Khas Kajora	1,93,000	1931	7	Jan. July	13	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Osdal, ...	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108§	100
Bangalore	6,00,000	1884	6	Jan. July	128§	100
Basanji Cotton	6,00,000	1938	6½	Nov. ..	8§	100
Benares Cotton	3,00,000	1919	7	July Jan.	60	100
Bengal-Nagpur	6,00,000	1896	7	Apr. Oct.	121	100
Bowrah 'A'	6,00,000	1900	7	Feb. Aug.	140	100
Do. 'B'	14,75,000	1900	7	Feb. Aug.	92	100
Bradbury	21,30,200	1919	7	June Dec.	320§	250
Buckingham & Carnatic ..	1,00,000	1920	7½	Jan. July	137§	100
Cambodias	1,00,000	1928	7	Apr. ..	129	100
Central India	50,00,000	1912	5	Apr. Oct.	518§	500
Central India	1,00,000	1935	6½	Nov. ..	124§	100
Coimbatore Pioneer ..	11,00,000	1912	8	May Nov.	143	100
Elgin .. 'B' Pref. ..	4,20,000	1943	5	July Jan.	9§	10
Do. 'A' Pref. ..	25,00,000	1919	7(a)	May Nov.	90	100
Elphinstone	20,00,000	1919	7	June Dec.	131	100
Kesoram	10,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1947	4	.. ..	89§

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors o Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	16,24,757	64,19,155	43,05,372	5,37,546(a)	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5			12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	48	100	6 0	6 0	Nil		3	Y.P.T.
8,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	3661	250	17 8	20 0	7 8(i)		12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,332	860	Bradbury Mills	711	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,633	2,43,74,511	1,60,92,612	5,30,869	Birla Bros, Ltd.	1,09,320	2,706	Century Spg. & Mfg.	261	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	3,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	60	100	Nil	Nil	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg & Wvg.	1111	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	651	50	Nil	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	37,35,000	3,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	2271	200	15 0	15 0	15 0		12	Y.
29,95,700	12,91,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	45	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	249	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	43,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0*	225 0*	3	Y.P.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	10–25	250	43 12	50 0	50 0	56 4*	3	Y.P.
50,00,000D									10–25	10	0 12½	1 1½	Nil			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co.	47,172	1,191	Indian Mfg.	1–7½	1D	0 2	0 4	Nil		12	Y.
29,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	286	100	18 0	25 0*	18 0	6 0(i)	12	Y.
28,80,000A									85½	100A	7 8	5 1	6 4			
3,60,000B	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	20B	20B	1 8	1 0	1 4		6	Y.P.
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	900N	50	4 0	7 0	5 0		10	Y.T.
51,75,000	24,92,733	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	180	100	17 0	15 0	12 0		6	Y.P.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation	1218	100	Nil	Nil	Nil		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	1511	100	12 8	15 0	10 0		12	Y.
30,00,000	21,71,710	86,82,325	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	147	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	116½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	910	Podar Mills	120½	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg & Wvg.	25	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,377	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd	66,452	1,640	Shree Niwas Cotton Mills	172½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	129	50	14 0	17 0	15 0(p)	13 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard Mills	305	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,34,46,160	1,37,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	244	100	16 0	18 0	30 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	244	100	20 0	25 0	30 0		12	Y.P.
32,34,438	59,55,768	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	414	25	2 0	4 0	2 0		12	Y.T.
12,00,000	60,35,708	98,62,654	73,30,000	6,246	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
33,00,000	42,60,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	137½	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	F. M. Hutheesing & Sons, Ltd.	42,768	912	Arvind Mills	437½	100	15 0	20 0*			12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,31,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	724	100	25 0	35 0	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Manilal Jashbhai & Co.	33,884	884	Ashoka Mfg.	1351	100	20 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	61,65,455	1,03,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	475	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,39,51,344	2,81,005	Karamchand Premchand Ltd.	1,39,120	2,400	Calico	310	125	12 8	18 0	18 0		12	Y.P.
39,00,000	64,86,000	88,67,870	62,25,000	4,883	Tarachand Bhagirlal & Co., Ltd.	39,316	964	New Commercial Mills	1,010	500	55 0	70 0	70 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	573	125	35 0	35 0	35 0		12	Y.
					Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	647½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	616	Raipur Mfg.	760	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	46,680	1,095	Rajnagar Spg., Wvg. & Mfg.	810	250	15 0	20 0	Nil		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lalbhai Girdhardas Ltd.	33,156	640	Rohit Mills	1111	100	30 0	30 0	30 0		12	Y.P.
24,90,150	1,18,66,344	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	320	50	13 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	816	Vijaya Mills	497½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3½	10	0 8	0 5	Nil		12	Y.P.T
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	37N	40	Nil	3 0	3 0		3	Y.
6,00,000	22,76,073	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	275	100	Nil	Nil	Nil		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	174	100	Nil	7 0	Nil		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	19¾	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil	Nil		12	Y.P.
9,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles(Cochin) Ltd.	6½	10	0 14 2/3	0 9 3/5			6	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund.	19,944	440	Asam Jaki Mills	65N	100	3 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Bunny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13	10	Nil	Nil	4 0(c)		6,12	H.P.T.
15,00,000	55,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	2 8	2 8	3 0		3	Y.
1,78,47,800	1,57,95,696	5,14,81,572	2,64,81,355	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	121	100	6 14	7 8	4 0	4 0(i)	12	Y.P.T.
20,00,000	16,31,836	30,52,641	16,31,870	93,199	Perfect Textile & Co., Ltd.	37,536		Cambodia Mills	118	10	Nil	1 4	1 0		12	Y.P.
12,00,000	21,97,992	56,51,479	45,04,813	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	50	0 9	0 9	0 9	0 9	3	Y.
20,00,000	15,07,000	1,10,11,972	73,99,225	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	45	50	4 0	(d)	3 0		12	Y.P.
20,00,000	9,19,870	23,84,987	13,31,421	—1,32,723	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	117	100	12 8	12 8	9 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,587	1,33,496	T. R. N. Naidu & Co.	19,700		Coimbatore Pioneer Mills	39	50	2 8	3 0	Nil		6	Y.P.
46,87,300	92,97,281	2,30,18,398	1,41,83,280	—2,70,999	R. G. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	50	100	6 0	6 0	2 0	5 0	6	Y.
2,89,84,925				9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	158	100	6 0	6 0			6	Y.P.
1,00,305	1,21,45,274	5,77,14,603	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830	Delhi Cloth & General Mills	2½	10	0 4	0 4			6	Y.P.
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	181	100	25 0	20 0	10 0		12	Y.
63,00,000	43,00,000	1,30,76,552	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	178	10	1 2	1 8	1 8		9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,573	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	233	100	10 0	14 0	17 0*	3 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	83½d	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	61	50	3 0	3 0	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	34,377	Kothari & Sons	13,824		Kothari Textiles	10½	10	0 11	0 12	0 12		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,59,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	560	250	37 8	50 0*	37 8		12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	77	50	4 0	4 0	5 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	39½	25	2 0	3 0	3 0	2 8		
12,00,000	4,17,383	24,32,416	13,52,690	—22,190	A. L. A. R. S. Chettiar and 2 others.	21,856		Malabar Spg. & Wvg.	15	25	2 4	3 0	3 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	126	100	25 0	12 8	12 8	12 8	12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	193	678	Minerva Mills	91	100	6 0	6 0	3 0		3	Y.
94,91,850	25,59,837	1,34,73,361	73,31,328	29,543	Banalal Abirchand Dadaboy & Co.	36,416	952	Model Mills (Nagpur)	140	100	6 0	6 0	3 0		12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	49,632	1,834	Muir Mills	209	100	Nil	Nil	Nil		12	Y.P.
19,86,800	66,50,072	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	6,000	500	Mysore Spg. & Mfg.	122½	50	10 0	9 0	10 0*	10 0*	12	Y.
13,61,780	2,28,745	29,34,299	15,36,624	2,232	Sri N. G. Naik			Mysore Spun Silk Mills	24	10	0 8	0 10	Nil	Nil	3	Y.
22,89,830						50,228	1,148	New Victoria Mills	1½	10	0 8	1 0	1 4		12	Y.P.
3,07,095D	25,62,531	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	30,896	717	Osmanshahi Mills	90N	100	5 8	6 8	7 0		9	Y.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	22,800		Palani Andavar Mills	64½	50A	5 0	8 0	8 0		12	Y.P.
4,00,000A									89	73B	7 8	12 0	11 4			
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhagbyatakshmi & Co.	27,980		Pankaja Mills Ltd.	100	7	1 8	3 0	3 0		12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	38,864	200	Radhakrishna Mills	158½	100A	16 0	16 0	6 0		12	Y.
16,81,200A	16,63,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.				78½	50B	8 0	8 0	3 0		12	Y.
8,40,600B						25,896		Rajalakshmi Mills	80	50	4 8	5 0	Nil		12	Y.P.
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	32,580	600	Raza Textiles	4½	10	Nil	Nil	Nil		12	Y.P.
60,00,000	62,66,308	1,03,28,822	30,52,216	—11,26,958	J. P. Srivastava & Sons (Rampur).	13,824	440	Shree Sajjan Mills	75½N	100	6 0				12	Y.P.
22,41,300	10,52,625	25,98,011	13,00,000	65,328	G. Liladhar & Co., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36	60	Nil	3 0			3	Y.
7,79,100	2,24,959	21,50,228	16,08,113	3,083	T. R. A. Iyer & Bros., Ltd.										8	Y.
16,00,000	1,58,33,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,610	1,000	Nil	Nil	Nil		3	Y.P.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarayendra Mills	46	500	4 0*	4 0*	3 0*	4 0*	3	Y.
13,00,000	93,93,793	64,96,085	43,13,769	58,49,303	Birla Brothers, Ltd.	27,340	992	Sutlej Cotton Mills	37N	10	4 0	4 0	4 0		3	Y.
17,50,000D																
1,57,50,000 PO	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	100	0 8	0 8			12	Y.P.
99,92,020	3,23,000	2,67,68,703	93,91,774	2,34,553	Emcee & Sons (Travancore), Ltd.			Travancore Rayons	9½	10P.O.	0 14 2/3	0 9 3/5	14 2/3		12	Y.P.T.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000		Trichinopoly Mills	8½	10	Nil	Nil	Nil		12	Y.P.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	159	100	1 0	1 0	1 0	11 1/3	12	Y.
32,00,000	50,43,559	1,20,63,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	140	100	9 0	9 0	10 0	10 0	12	Y.P.
											9 0	14 0*	10 0		12	Y.P.

* Includes bonus. (a) Subject to depreciation and bonus to employees. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.
(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	25	Nil	2 13½	Nil		5	Y.P.
16,20,630	14 30,304	22,75 857	9,87,293	13,649		Dyer Meakin Breweries	20½	10	1 0	1 2	Nil		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	6¼	5	0 8	0 8				
£300,000B							15§	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	21	B. £1	Sh. 1	Sh. 1	Sh. 1			
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	4N	5	Nil	Nil			8	Y.
							159½	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39 63,334B							10½	B. 10	0 6	0 12	0 12			
43,14,600C	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D							¾	O. 1	Nil					
10,56,20,438	4,95,07,099	15,65,68,404	6,52,61,468	7,08,841	Associated Cement Companies		172½	100	8 8	9 8	9 8		7	Y.
60,00,000C							6§	O. 10	0 8	0 10	0 10			
26,49,797D	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)	1	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D							¾	D. 1	Nil	Nil	Nil			
62,50,000C	4,00,000	1,43,54,423	31,47,637	6,15,163	Esam Ltd.	India Cements Ltd.	16	O. 25	Nil	Nil	1 4	Nil	3	Y.P.
7,50,000D							3¼	O. 5	Nil	Nil	0 4	Nil		
73,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement	7	5	0 3½	0 6¼	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,635	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	2¾xd	2½	0 2	0 2½	0 2½		12	Y.
10,00,000	21,89,785	53,01,488	31,14,250	15,680	Bird & Co., Ltd.	Bisra Stone Lime Co.	29½N	10	0 14	0 14	0 14		3, 9	H.
£914,200	£846,000	£1,643,983	£840,110	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2–14§	Sh. 2	0 14	0 14	0 14		12	Y.
20,00,000	26,91,410	43,65,327	12,14,525	1,27,234	Bird & Co., Ltd.	Karanpura Development	12½	10	Nil	Nil	Nil		6, 12	H.
6,00,000	2,33,000	8,10,206	4,55,139	7,910	M

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	40½	25	1 4	1 9	1 9	1 9	6.12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	166	100	4 0	5 0	5 0	5 0	3.9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½	10	0 8b	0 12	1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	35½	10	0 12	1 0	1 0	1 0	3.9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	0 8	0 12	0 12	0 12	6.12	H.P.T.
80,00,000	3,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½	O. 10	Nil	Nil	0 4	0 4	3.9	H.P.T.
10,00,000A.							9½	A. 10	Nil	0 4	1 0	1 0		
54,00,000A.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	P. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	36½	A. 10	1 0	1 0	1 0*	1 0*	3.9	H.P.
94,04,300B.								B. 10	0 10*	1 0*	1 0*	1 0*		
4,37,300P.O.							4½	P.O. 25	0 2	0 2	0 2	0 2		
PRESSING														
8,00,000	5,92,565	15,58,964	10,46,391	30,068	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	3 0	3 0	6	Y.
4,30,000	90,000	6,89,325	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	6 0	5 0	5 0	5 0	7	Y.
5,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0	5 0	6	Y.
PROPERTY AND LAND														
10,00,780O.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½	O. 10	0 9 3/5	0 9 3/5	0 8½		9	Y.P.
8,00,000D.							1½	D. 1	Nil	Nil	Nil			
60,00,000	17,23,138	83,61,945	17,52,882	....	David Sassoon & Co., Ltd.	Port Canning Land	23	100	2 0	1 8	1 0		4	Y.
84,00,000	33,34,934	97,99,238	68,015	4,609	Andrew Yule & Co.	Midnapore Zamindary	33½	100	Nil	3 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	3,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading	346½	Old 125	15 0	37 8	22 8	5 0(?)	5	Y.
							125	New 30	3 0	15 0	9 0	2 0(?)		
6,00,000	....	2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	40 N	100	5 0	Nil			6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31½	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,84,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	81	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A.	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	120N	A. 100	6 4	10 0	10 0		4	Y
8,00,000B							111N	B. 10	0 10	1 0	0 10		9	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	10	Nil	0 10	0 12		6	Y.P.
15,00,000	10,50,000	13,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	16 N	10	1 0	1 0	1 8		6	Y.P.T.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	71	10	Nil	Nil	Nil		10	Y.P.
15,00,000	55,34,712	98,28,542	75,34,740	81,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	36	10	2 0	3 0	2 0		6	Y.
18,00,000	32,60,793	60,37,156	45,82,745	17,488	Begg, Sutherland & Co., Ltd.	Champarun Sugar	24	10	1 8	1 8	1 8			
85,00,000A.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N	'A' 100	6 0	9 0	12 0*		6	Y.P.
10,00,000O.							50N	O. 100	6 0	9 0	12 0*			
18,00,000	8,70,387	68,10,159	53,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	25N	80	3 0	4 0	Nil		7	Y.P.
								40	1 8	2 0	2 8		6	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	29	10	0 8	0 12	2 8		3	Y.
11,00,000	4,20,000	36,39,370	23,28,180	3,893	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 10	2 8		3	Y.
1087,500 A.	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N	100	15 0	20 0	20 0		6	Y.
2,11,875 B.							45N	25	3 12	5 0	5 0			
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4	11 0	6 0		7	Y.
12,00,000	12,71,178	38,94,458	18,81,746	66,000	Narang Bros. & Co. Ltd.	Punjab Sugar	95N	100	6 0	10 0	6 0		10	Y.P.
9,00,000	14,71,701	33,72,806	27,79,093	19,435	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	14N	10	1 8	2 8	1 0	0 8	6	Y.P.
8,00,000	6,04,162	23,16,183	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	17N	10	1 8	2 8	1 0	0 8	6	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14½	10	1 0	2 0	1 8		7	Y.P.
20,00,000	20,48,560	1,03,36,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	0 6	2 0	1 8			
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 6½		6	Y.
6,50,000O.							1½N	O. 10	Nil	Nil	Nil			
1,75,000D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	2	D. 2½	Nil	Nil	Nil		10	Y.P.
8,00,000	10,96,720	70,75,580	33,99,754	37,216	Cotton Agents Ltd.	Upper Gangoe Sugar	20N	10	1 12	2 0	2 0		6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,645	James Finlay & Co., Ltd.	United Provinces Sugar	12½	10	0 4½	2 0	1 8		9	Y.
Other Centres														
46,99,750	69,25,010	64,21,355	47,76,406	89,148	W. H. Brady & Co., Ltd.	Belapur Company	260	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,646	37,63,161	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	5 0	3 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	22	10	1 8	2 8	2 8		9	Y.P.
								10	0 12	1 0	1 0			
33,37,320	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	101N	10	0 12	1 0	0 12		10	Y.
21,79,280	90,00,000	94,96,051	62,24,558	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		6	Y.
						Phaltan Sugar	93½	50	8 0	8 0	8 0		9	Y.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kanslal Ltd.	Ramnugger Cane and Sugar	18½	10	0 9½	0 12	2 0		8	Y.P.T.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Rawalgaon Sugar Farm	90N	O. 50	7 0	9 0	8 0		9	Y.P.T.
20,00,000O.	24,67,609	74,35,840	43,71,339	1,89,513	Walchand & Co., Ltd.	Raza Sugar	7N	D. 10			0 11½			
4,00,000D							101N	10	1 0	1 4	0 12		10	Y.
19,99,800	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil		7	Y.P.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Walchandnagar Industries	148½	A. 100	12 0	14 0	14 0		9	Y.P.T.
77,50,000A.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.			O. 100	12 0	14 0	14 0			
23,50,000O.														
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	§Andrew Yule & Co.	Bengal-Assam Steamship Co.	155	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000	....	3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	87	100	3 0	4 0	5 0		12	Y.
£655,380	£1,121,737	£5,428,103	£3,512,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	75	£10	Nil	Nil	Sh.10		3	Y.P.T.
$.25,00,000	56,99,233	3,87,53,428	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil	Nil	Nil		6	Y.P.
6,39,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,38,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	14-3½	15	Nil	Nil	Nil		6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	33 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parekh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	5 0		12	Y.
25,00,000	1,00,000	23,18,130‡§	9,079	9,953	Dena Sons, Ltd.	Derkaran Nanji Investment Co.	9	25	0 12	0 12	0 12		3	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	2 8	Nil	3	Y.P.
99,99,250	18,35,375	1,26,92,333‡§	10,053	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	160	100	4 0	8 0	8 0		12	Y.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	153½	100	8 0	9 0	10 0	4 0(?)	6	Y.
							120	75	2 2	2 4	2 8	2 0(?)		
8,06,71,500A.	5,64,451	2,20,32,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	40½	A. 100	Nil	Nil	Nil		6	Y.
10,00,000B							—	B. 10	Nil	Nil	Nil			
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40	20	2 0	3 0	3 0		12	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director).	Western India Match Co.	236½	100	11 0*	11 0*	14 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3½	O. 10	Nil	Nil	Nil	Nil.	3	Y.P.T.
2,50,000D.							2	D. 2½						
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	17½	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	23,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	22	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	12,91,523	12,91,523	92,32,652	99,817	Oberoi Hotels (India) Ltd.	Associated Hotels of India Ltd.	11	10	0 9 3/5	0 9 3/5	0 4		3	Y.P.T.
80,00,700O.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	258	O. 100	20 0*	25 0*	20 0*	5 0(?)	12	Y.
10,00,000D.							—	D. 40	6 0	8 0	6 0*			
20,00,000	8,38,806	54,303.140‡§		1,25,380	Lowelock & Lewis	Birds Investment Ltd.	153½	10	1 4	1 4	1 4		9	Y.P.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	10½	10	1 2	1 4	0 12	0 8	3	Y.P.T.
8,25,00,000	1,05,00,000	2,23,59,029	1,84,14,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd.	8½	5	0 12	0 12			12	Y.P.T.
1,50,00,000	1,25,00,000	4,07,06,311	2,52,71,321	7,01,459	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	90½	10	2 0	2 0	1 8		12	Y.P.
51,26,000	47,37,061	1,26,35,420‡§	....	3,15,459	Bird & Co., Ltd.	Eastern Investments Ltd.	141	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	178	100	10 0	15 0	20 0		9	IL
65,00,000	31,28,294	13,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	10 0	10 0		3	Y.P.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	261	250	15 0	15 0	15 0		3	Y.
12,42,800	5,96,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	8 0		12	Y.P.T.
4,96,12,650	1,99,800	2,61,59,972	37,52,719	3,47,260	Birla Bros., Ltd.	Hindustan Motors	4-0½	10	Nil	Nil	Nil		3	Y.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	100	3 8	5 0	5 0		12	Y.P.
1,52,89,220	99,40,584	57,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Cables	201	100	2 0	3 0	3 0		3	Y.P.
8,27,970	5,38,000	14,39,460	7,97,308	38,565	O. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	12½	10	1 0	1 0	1 0	0 12	3	Y.P.
2,00,00,000	37,43,280	69,29,477‡	6,26,477	4,64,163	O. M. Mackinlay, Esq.	Jardine Henderson	116½	10	10 0	10 0	10 0	7 8	3	Y.
6,34,000O.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	9	O. 5	Nil	Nil	Nil		3	Y.
66,000D.								D. 1						
40,00,000O.	57,99,632	23,19,033‡	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	132	O. 100	12 8	12 8			12	Y.P.
8,00,000D.								D.O. 10	1 0	1 0	1 0			
1,30,53,730	30.19.025	13,73,127††	4,61,394	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	18½	10	1 4	1 2	1 6		9	Y.
6,15,255	1,74,934	7,74,805	2,66,942	—72,313	Mysore Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	0 10	Nil	Nil		12	Y.
4,88,040	8,84,829	9,73,621	3,93,009	2,059	O. Chandy, Esq. (Controller)	Mysore Lamp Works	16½	10	1 0	1 0	1 0	1 0	3	Y.T.
10,00,000	....	11,45,834	5,95,996	11,329	K. V. Ganapathy Iyer, Esq.	Mysore Tobacco	9½	10	Nil	1 0	1 0		3	
20,00,000	23,16,171	50,16,078	28,73,987	11,045	Associated Industrial Development Co., Ltd.									
						National Insulated Cable	14	10	0 8	0 8	0 12		3	Y.P.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	0 4	0 8	Nil		12	Y.P.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½	2	1 9 3/5	0 10§	0 4§		12	Y.P.T.
2,25,00,000	25,18,049	1,69,49,507	37,33,370	24,847	O. U. Euthymopulo, Esq.	Rallis (India) Ltd.	63	100	8 0	9 0	10 0		10	Y.P.T.
1,14,00,000	78,53,108	8,09,59,407	2,16,88,523	1,17,486	Rohtas Industries	Saka Jain Ltd.	9½	10	Nil	0 12	1 0		6	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	3,56,552	Spencer & Co., Ltd.	Spencer & Co., Ltd.	14½	10	1 0	1 0	1 8		12	Y.P.
75,00,000	35,00,000	12,11,903‡	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11½	10	1 0	1 0	1 0		12	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 8§	Nil	Nil			

§§ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.
‡ Excluding goodwill (written down) Rs. 30 lakhs. § Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,02,362	8,88,306	3,86,103	....	McLeod & Co., Ltd.	825	Amluckie	348N	100	25 0	Nil			12	Y.P.
2,76,500	4,21,500	7,49,566	1,33,123	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	23½	10	2 8	0 12	0 12		12	Y.
3,50,000	6,15,909	9,34,560	4,25,000	48,872	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	24½	10	4 0	3 0			12	Y.
3,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	11½	10	1 12	Nil			12	Y.
3,50,000	7,36,033	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	30½	10	3 0	2 8	2 0		12	Y.
3,40,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co.	556	Batsali	12½	10	1 8	0 8			12	Y.
6,00,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	27½	10	3 8	1 8	Nil		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	29½	10	5 0	0 8			12	Y.
16,50,000	17,31,038	44,86,333	18,68,359	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	4½	10	0 8	Nil	Nil		12	Y.P.
6,00,000		8,21,734	2,13,632	—22,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	10½	10	1 8	1 8			12	Y.P.
7,50,000	3,43,530	72,06,251	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11½	10	1 0	1 0			12	Y.
35,00,000	9,78,513	1,23,481	—29,101	Nil	McLeod & Co., Ltd.	282	Dejoo Valley	7½	10	Nil				12	Y.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	235	100	30 0	22 8	10 0		12	Y.
6,00,000	7,13,000	25,51,755	15,30,724	19,112	James Warren & Co., Ltd.	426	Dhelakhat	12½	10	1 9 3/5	1 3½			12	Y.P.
17,53,640	5,40,608	19,11,105	2,07,645	54,461	James Finlay & Co., Ltd.	613	Dhunseri	11	10	2 0	1 0	Nil		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	McLeod & Co., Ltd.	438	Dibrugarh	9½	10	1 0	0 8	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	Williamson Magor & Co., Ltd.	625	Dimakuai	34½d	10	4 8	1 8	1 0		12	Y.P.
2,36,700	3,70,000	8,93,119	4,61,119	25,000	Williamson Magor & Co., Ltd.	669	Dufflaghur	33½	10	2 4	2 4	2 0		12	Y.
5,40,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co., Ltd.	1,178	East India Tea	19½	10	2 4	2 4			12	Y.
10,00,000	3,65,000	18,91,120	7,31,120	—45,079	Williamson Magor & Co., Ltd.	407	Gillapukri	17½	10	3 0	1 0	Nil		12	Y.
3,60,000	3,00,000	7,99,692	3,67,383	—2,586	Andrew Yule & Co., Ltd.	522	Gohpur	7½	10	1 0	1 0			12	Y.
3,38,000	3,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.			21½	A.10	3 0	2 0	2 0		12	Y.
A.4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Orob	10½	B.5	1 8	1 0	1 0			
B.2,40,790															
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	290N	100	25 0	17 8	Nil		12	Y.
12,60,000	3,50,000	2,57,747	—2,44,350	—2,44,350	Octavius Steel & Co., Ltd.	1,288	Hoolangooree	11½	10	1 4	0 8			12	Y.
2,48,000	....	2,57,747	—2,44,350	—2,44,350	Octavius Steel & Co., Ltd.	900	Jutlibari	8½	10	0 8	Nil			12	Y.
4,00,000	3,76,165	7,29,084	2,76,176	1,01,064	Gillanders Arbuthnot & Co. Ltd.	1,166	Kignaley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
4,00,000	35,000	7,11,181	76,163	—2,00,704	Octavius Steel & Co., Ltd.	988	Lalo	9	10	1 0	Nil	Nil		12	Y.P.
5,63,690	1,68,000	8,95,226	3,94,225	8,749	Shaw Wallace & Co., Ltd.	1,037	Mohanna	3½	10	Nil	Nil	Nil		12	Y.P.
4,00,000	15,10,433	51,68,520	11,68,520	1,72,167	Shaw Wallace & Co., Ltd.	5,858	Panakola	44N	100	12 8	Nil	Nil		12	Y.
36,00,000	60,000	8,34,512	4,97,031	—54,551	Shaw Wallace & Co., Ltd.	613	Rajnagar	400N	100	45 0	35 0	Nil		12	Y.
3,20,000	7,73,407	11,02,712	2,02,712	73,090	Duncan Bros. & Co., Ltd.	1,170	Teliapara	132	100	7 8	2 8			12	Y.
9,00,000															
CACHAR															
3,00,000	1,75,000	5,00,750	1,69,181	—6,74,430	Gillanders Arbuthnot & Co., Ltd.	862	Arcutipore	3½	10	Nil	Nil	Nil		12	Y.
7,00,000		7,80,033	44,843	—4,90,715	Octavius Steel & Co., Ltd.	949	Eastern Cachar	3½	10	Nil	Nil	Nil		12	Y.
4,50,000	1,67,837	2,97,760	7,468	11,615	Bullion Co., Ltd.	577	Kalinugger and Khoreel	53N	100	6 0	5 0			12	Y.
3,60,000	....	3,39,567	1,19,567	—1,76,871	Duncan Bros. & Co., Lt

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
69,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	151xd	10	3+3	1+1	1+1	1f	3.9	H.T.P.
12,00,000	18,86,333	46,11,380	31,93,083	16,315	Sahu Jain Ltd.	498	Albion	180	100	4+10	15+15	8+10		3.11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	646	Alexandra	165	100	Nil 5	5 Nil	Nil† Nil		6.12	H.P.T.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	152	100	Nil 25	Nil Nil	Nil Nil		6.12	H.P.
49,20,700	70,44,110	2,27,19,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,561	Angus-India	203	100	Nil 10	10+10	10+15	7½†	3.9	H.P.
40,00,000	38,68,132	1,32,58,233	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	120	100	13+5	5+5	5+4	2†	3.9	H.P.T.
20,00,000	29,77,565	97,37,334	63,31,882	72,634	Jardine Henderson & Co.	939	Rally	150	100	5+6	6+7	Nil	4f	3.9	H.P.
4275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Bunster (Chairman) ..	1,890	Barnagore	148½	£1	£1	£1	£1	£1	3	Y.P.
38,00,000	35,49,823	81,18,148	48,06,254	62,117	Andrew Yule & Co., Ltd.	820	Belvedere	185	100	7+10	12½+15	7½+7½	7½†	6.12	H.P.
22,50,000	55,95,000	51,03,385	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	153	10	1½				6	Y.P.T.
30,42,000	2,64,16,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	43½	10	3	3	3	3	3	Y.P.
34,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	155	100	3+10	10+12	6½+6½	6f	4.10	H.P.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons.	502	Calcutta Jute Mfg.	16 N	10	Nil	Nil	0+8†		6.12	H.P.T.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	616	Caledonian	152	100	4+10	10+12	6+6	6f	3.11	H.
99,19,400	1,05,23,478	1,45,18,400	1,07,44,939	1,15,030	James Finlay & Co., Ltd.	1,400	Champdany	147	100	3+5	5+7	7+8	3f	3.9	H. P.
16,00,000	28,39,282	79,79,088	54,30,736	84,009	Andrew Yule & Co., Ltd.	530	Cheviot	200	100	6+10	10+12	6+6	6f	3.11	H.P.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalsah	33	10	1+8	11+4	2½+3½		6.12	H.T.P.
14,00,000	17,00,000	77,89,914	64,24,460	1,01,979	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	2	2		3	Y.P.
31,49,200	59,29,308	1,28,67,838	84,33,713	5,167	Bird & Co., Ltd.	766	Dalhousie	120	100	1+3	8+6	6+3	1f	3.9	H.P.
28,00,000	44,74,179	73,79,359	43,61,779	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	224	100	5+12½	15+17½	10+10	10f	3.11	H.P.
15,00,000	32,50,000	73,61,304	53,66,650	49,750	McLeod & Co., Ltd.	500	Empire	20	10	1+1	1+1	1+1		6.12	H.T.P.
31,00,000	54,39,877	2,65,41,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	282	100	2½+20	12½+12½	10 Nil	Nil†	3.9	H.P.T.
14,00,000		71,79,143	43,27,194	—7,75,693	Bangur Bros., Ltd.	1,014	Fort William	310N	100	Nil 4	Nil Nil	Nil Nil		3.9	H.P.T.
84,32,100	3,11,094	2,09,73,148	1,34,77,245	—8,52,943	Macneill & Barry Ltd.	1,709	Ganges Mfg.	75	100	Nil 3½	2½+2½	Nil	Nil	3.9	H.P.
10,80,000	28,83,794	48,12,500	47,44,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	645	300	45	30			12	Y.
24,00,000	27,30,604	2,19,23,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Gouripore	260	100	2½+15	10+10	11 Nil	Nil†	3.9	H.P.
40,00,000	46,39,631	77,32,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100 N	100	10	7	10	10	3.9	H.P.
14,40,000	19,20,698	1,34,57,890	64,81,146	63,170	Gillanders Arbuthnot & Co., Ltd.	770	Hooghly	33	10	1	3	1½	1½	3	Y.P.
63,62,500	50,83,570	1,56,87,559	1,09,33,235	1,55,027	Jardine Henderson Ltd.	1,940	Howrah	127½	10	1½	3	1½	1½	3	Y.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	466	10	3½	5	5		3.9	H.P.T.
87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	123	O. 125	3½+9½	7½+1½	3½+3½	3½†	3.9	H.
30,000									D. 1	A. 7½ 7½	1	1	1		
84,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	180	100	8½+8½	10+12½	8+8	6f	6.12	H.P.
19,20,000								168	'B' 100	8½+8½	10+12½	8½+6	6f		
90,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	140	100	Nil	3+7½	6+4	5f	6.12	H.P.
24,00,000								134	'B' 100	Nil	3+7½	6+4	5f		
31,00,000	47,00,000	92,15,718	69,31,367	1,15,896	McLeod & Co., Ltd.	703	Kelvin	220	100	10+10	12½+12½	7½+7½		6.12	H.P.
34,00,000	22,65,375	1,60,84,337	1,08,02,499	4,00,292	Anderson Wright Ltd.	1,530	Khardah	185	100	Nil 15	10+6	10+15		3.9	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,443	F. W. Heilgers & Co.	1,250	Kinnison	182	100	11+4	10+9	10+7	4f	3.9	H.P.T.
14,48,000	48,82,303	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	122	100	2+10	11+8	7+3	2f	3.9	H.P.
58,00,000	38,69,796	1,13,15,476	81,83,365	7,757	Bird & Co., Ltd.	840	Lawrence	152	100	3+9	12½+11	11+4	2f	3.9	H.P.
10,00,000	34,31,301	50,59,106	35,14,126	64,064	Andrew Yule & Co., Ltd.	558	Lothian	235	100	3+10	12½+17½	12+12	12f	3.11	H.P.
61,65,200	25,35,448	1,93,98,406	1,16,00,448	28,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	96	100	2½+4½	2½+11	2½+2½	2½†	3.9	H.
39,99,900	41,03,068	1,35,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Naihati	118	100	Nil 5	10+6	6 Nil	Nil†	3.9	H.
20,00,000	17,75,000	25,77,280	16,42,880	5,104	Howrah Trading Co., Ltd. ..	475	Naskarpara	14	10	1½	1½	1½		4.10	H.T.
35,00,000	44,27,437	27,58,532	8,93,351	1,01,832	Andrew Yule & Co., Ltd. ..	852	National	23½	10	1+1	1+1	1+1	1f	4.10	H.P.
7,50,000	41,00,000	25,73,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	37½	10	1½+1½	2½+3	2+1		6.12	H.P.T.
10,50,000	47,47,523	48,48,846	24,19,243	18,378	Jardine Henderson Ltd.	709	New Central	260	100	4+10	15+15	10+12		6.12	H.P.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,703	Bird & Co., Ltd.	567	Northbrook	184	10	Nil	Nil	1 Nil	1f	3.9	H.P.T.
86,79,500	32,37,329	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	45	50	Nil 1½	11+11	Nil Nil	Nil†	3.9	H.
24,91,000	26,56,049	1,00,68,289	48,37,893	1,00,258	Andrew Yule & Co., Ltd.	601	Orient	170	100	4+10	12+12	1+6	6f	3.11	H.P.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	4	5	Nil Nil	Nil Nil	Nil Nil		6.12	H.T.
20,00,000		26,15,293	7,67,493	—3,29,349	Macneill & Barry Ltd.	303	Rameshwara	58	10	Nil Nil	Nil Nil	Nil Nil		3.9	H.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,070	Jardine Henderson Ltd.	1,276	Reliance	153	10	Nil	Nil	Nil	1f	3.9	H.P.T.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd. ..	2,013	Samrguzee	23†	£1	10%	10%	10%		12	Y.P.
30,00,000	13,07,220	97,70,210	59,19,652	6,03,669	Begaria More & Co., Ltd. ..	911	Shree Ambica	178	10	Nil	Nil	1½		3.9	H.
7,00,000	7,34,815	48,10,456	35,67,743	3,54,954	Hindusten Investment Corporation.	401	Soorah	23½N	10	1	Nil	Nil		12	Y.P.T.
25,19,600	49,32,957	97,24,213	54,00,072	10,943	Bird & Co., Ltd.	650	Standard	146	100	5+8	9+8	8+1	1f	3.9	H.P.
£600,000	£849,927‡	£990,893		£115,163	Thomas Duff & Co. (India), Ltd. ..	1,794	Tibughur	131	£1	10%	10%	10%		12	Y.P.
33,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	136	100	1+7	12½+11	10+1	1f	3.9	H.P.T.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd. ..	1,311	Victoria	131	£1	10%	10%	10%		12	Y.P.
2,50,000	1,35,000	36,31,133	34,22,381	—45,636	McLeod & Co., Ltd.	483	Waverley	6½	1	Nil 1/40	1/40 Nil	Nil Nil		6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	13,75,000	64,99,011	45,49,011	23,799	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18½	10	1+1	1+1	1+1		3.9	H.
12,00,000	8,42,703	37,35,383	34,25,643	58,826	Jardine Henderson Ltd.	Baroree Coke	17½	10	3+3	3+3	3½+3	1f	3.9	H.
4,49,350	70,000	8,49,159	3,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	7N	10					6.12	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	511	200	17+17	17+17	20+20	17½†	4.10	H.P.
2,25,000	3,14,434	23,84,484	21,98,073	4,280	Andrew Yule & Co., Ltd.	Bengal-Jeypur	14	10	1½	1	1		6.12	H.P.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10					9	Y.
99,99,933	13,81,010	1,17,79,347	36,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5½	10					6	Y.T.P.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhubaneswar	14	10	1	1	1	Nil	6.12	H.
16,00,000	14,10,775	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	Nil	Nil	Nil		6.12	H.T.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,314	F. W. Heilgers & Co., Ltd. ..	Borree	25½	10	1½+1½	1½+1½	1½+1½		6.12	H.P.
90,92,480	1,45,80,398	4,03,63,948	1,60,47,288	1,13,021	Bird & Co., Ltd.	Burrakur	91	10	1½	1½	1½		6.12	H.P.T.
49,97,000	750	22,39,410	27,445	8,776	Hindustan Investment Corpn., Ltd.	Central India	5½	10	Nil	Nil	Nil		3	Y.
8,00,000	13,30,249	49,20,487	32,37,354	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14½N	10			Nil		6.12	H.
6,00,000	1,40,000	7,50,000‡		13,973	F. W. Heilgers & Co., Ltd. ..	Churia	2½	10					6.12	H.
16,00,000	2,70,000	43,41,647	25,27,346	24,451	Macneill & Barry Ltd.	Dhemo Main	8½	10					6.12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,839	Jardine Henderson Ltd.	East Indian	23½	£1	1½	3	3 (i)		4	Y.
29,62,760	75,00,380	3,37,03,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	36½	10	2½+2½	2½+2½	2+1½		6.12	H.P.
10,00,000	2,62,255	8,41,725	2,33,943	66,845	Bhatter's Agency Ltd.	Ghusick and Mudia ..	13 N	10					3	Y.
8,00,000	4,60,000	21,29,484	17,15,778	44,316	Macneill & Barry Ltd.	Hurriladih	14½	10	1½	1½	1½		6.12	H.
3,50,000	9,50,000	13,51,829	6,13,347	40,107	Andrew Yule & Co., Ltd.	Kalaphahri	41 N	10	1½	1½	1½		2.8	H.
20,00,000		27,62,707	1,50,646	1,731	Bird & Co., Ltd.	Karampura Collieries ..	80	100	Nil	Nil	Nil	Nil	2	Y.P.
5,00,000	11,25,000	42,40,291	32,33,631	89,823	Andrew Yule & Co., Ltd.	Katras Jherriah	3½	10	1½	1½	1½		1.7	H.
1,38,400	95,000	10,63,519	3,29,319	1,063	Beriwala & Co.	Khas Kajora	7½N	10	1	1			6.12	H.P.
11,00,240	90,000	13,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusrdi	9½N	10	3½				6	Y.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11½N	10					4	Y.
7,48,240	1,50,000	11,24,161	8,84,137	14,690	Associated Commercial Co., Ltd...	Nazira	6½	10					6.12	H.
17,76,120	13,72,000	3,17,02,211	83,01,381	73,266	New Beerbhoom	Pandaveswar	19	10	3/10 3/10	Nil	Nil	1f	4.10	H.P.
6,00,000	3,30,000	31,32,339	18,57,919	—7,395	Octavius Steel & Co., Ltd. ..	Pem Manbhoom	8½	10		Nil	Nil		3.9	H.
1,15,000	3,34,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd. ..	North West	12N	10				1f	3.9	H.
1,37,500							6N	7½				6f		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	17N	10					6.12	H.P.
10,00,000	1,10,000	33,60,122	14,26,827	56,431	K. C. Thapar & Bros.	Oriental Coal	11½N	10					12	Y.T.
8,34,000	20,351	18,29,703	5,77,935	70,539	Parasea	Parasea	3½	10	Nil	Nil†			6.12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Perah Valley	21½	10	1+5	5+5	5+5		2.8	H.
23,99,500	13,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ramagunge	7½	10	Nil	—	Nil†		3.9	H.
13,50,000	6,88,393	29,87,472	23,74,478	34,094	Shaw Wallace & Co., Ltd. ..	Rewa	20½	10	1+3	1+3	1+1		6.12	H.
20,00,000	3,10,464	28,07,316	11,52,118	165	Jaipuria Sons Ltd	Samla Collieries	7	10					6.12	H.
1,25,000	1,75,000	11,69,381	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½N	2½					1	Y.
2,80,000	5,43,826	28,04,964	16,32,969	30,584	Andrew Yule & Co., Ltd.	Sechewra	25½	7	2½+2	2+2	2+1		6.12	H.P.
8,00,000	8,74,070	36,04,990	26,10,718	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	8½	10	1+6	1+Nil	Nil		6.12	H.T.
63,21,450	13,23,934	3,24,72,792	2,26,34,594	65,360	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10					12	Y.T.
17,50,000	10,86,300	33,53,705	13,67,030	26,614	Bird & Co., Ltd.	South Karanpura	10½	10				4f	2.8	H.
8,00,000	13,68,503	2,33,837	56,445	86,379	F. W. Heilgers & Co., Ltd. ..	Standard	21	10					6.12	H.
10,00,000	13,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Tasher	2½	10	Nil	Nil			9	Y.
3,50,000	3,30,000	18,04,910	14,84,313	74,927	Williamson Magor & Co., Ltd. ..	Umrie	22½	10	1½	1½	1½		6.12	H.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	‡	10					3	Y.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuna	17½	10	1+1	2+2	Nil		6.12	H.

* Including bonus. a Sales and amount written off (b) Investments.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 756 in the debentures section:—

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

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 711)

London. The table below shows the price-trend of some of the leading tea scrips in the Calcutta market:

	2-1-1953 Rs. a.	31-3-1953 Rs. a.	13-10-1953 Rs. a.
Basmatia	18 8	24 4	30 2
Bishnauth	19 12	26 12	26 8
East India	14 2	18 6	19 10
Seaguli	15 0	17 0	16 14
Tengpani	15 12	20 4	20 0
Tezpore	12 4	16 8	17 0
Banarhat	205 0	300 0	333 0
Choonabhutti	178 0	216 0	246 0
Hantapara	102 0	142 0	172 0
Hasimara	21 0	26 4	29 12
Huldibari	15 2	19 4	19 8
Jaybirpara	17 8	19 8	22 14
New Dooars	270 0	300 0	340 0
New Chumta	16 0	17 0	17 0
Patrakola	70 0	100 0	132 0
Central Cachar ..	52 0	60 0	60 8
Hattikhira	8 4	10 10	12 0
Margaret's Hope ..	6 12	7 4	10 0
Nagri Farm	15 0	18 8	18 8

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What is the special reason for the new interest which the investors have displayed in tea scrips? Tea, both in the Calcutta and the London auctions, has been looking up. For instance, clean black pekoe and clean common broken pekoe, to take only two varieties, were being quoted at Re. 1-9 and Re. 1-11 per lb. in March this year. They are now being bought at Re. 1-13½ and Re. 1-12½ per lb. In London, the Indian Common tea is quoted in the neighbourhood of 3½ a. a lb. which is the highest level touched since the auction sales were resumed in April, 1951. Behind this impressive rise in tea prices lies the strong statistical position of tea. The estimated outturn figures for North India for the month of August, 1953 are 76.6 million lbs., as compared with 87.5 million lbs. in the corresponding month, in 1952, bringing the total outturn to the end of August to 267.9 million lbs., as compared with 299.9 million lbs. in the previous year. Thus, there has been a decline of 32 million lbs. in the outturn of tea.

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This shortfall in production has encouraged North Indian tea producers to review the crop restriction scheme which they had adopted in March this year. Each tea garden, under this scheme, agreed to restrict its production to 87½ per cent. of the best crop in the years 1947-52. South Indian tea gardens, however, did not participate in this scheme. But in North India, the gardens which participate in it account for some 80 per cent. of the total North Indian tea crop. The scheme, it was then believed, would bring the supply more into line with the demand for tea. In recent weeks, however, it was felt that the restrictions had been over-done, and that a too pessimistic view of the demand position had been taken. The gardens, therefore, decided last month that it would be sufficient if production were curtailed to 88½ per cent. of the basic year's output, instead of the 87½ per cent. level to which they had agreed earlier. It has been calculated that this relaxation of the crop restriction scheme would mean an additional output of 6 million lbs. of tea. On a further review of the position, the tea gardens further relaxed, last week, the restriction on crop outturn; accordingly, the gardens are now free to produce up to 90 per cent. of the basic year's level. The effect of this measure, it is computed, is an additional crop of 6 million lbs.

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This relaxation will certainly benefit many gardens. They stand to gain not only by the increased quantity which they can hope to market but by the higher prices which they can obtain for the tea they sell. But it is not all tea gardens that can benefit, at this stage of the season, from the relief now granted. The gardens which cannot take advantage of this relief will, it is stated, assign their rights in favour of the gardens which would be able to increase their output. Thus, some tea gardens may conceivably gain more than the permitted 1½ per cent. increase in output. It would appear that a few in Assam are in this fortunate position. They are anxious to utilise not only the 1½ per cent. increase, now permitted, but also any additional proportion that other gardens might assign in their favour. Lest any one should think that the increased income, which these relaxations are bound to bring in their wake, would be followed by no increase whatever in expenditure, it is necessary to point out that most tea gardens are engaged in a review of the wage levels, which were reduced as a result of the slump in the tea industry during the last season. The management of the gardens in the Dooars and Terai region have already raised the wages of the workers. And a similar change, it is learnt, may take place in the Darjeeling and Cachar gardens, too.

DELHI LETTER

(Concluded from page 716)

possible measures to tap additional resources for the implementation of the Plan, such as the enhancement of water rates, flotation of loans, intensification of the savings schemes, etc. The lines of action suggested by him were: (1) establishment of an Industrial Finance Corporation in each State; (2) Central assistance to States in scarcity-affected areas for initiating permanent schemes; (3) grants for road-building activities and execution of small power projects, and (4) expansion of technical training. According to him, new schemes to be included in the Plan should be capable of producing results within the planning period. It was agreed at the Council meeting that State Governments should undertake legislation for the imposition of such levies as soon as possible with a view to making the irrigation projects a paying proposition.

Enterprise of the Punjabis

The inauguration of Chandigarh, the new capital of the Punjab, by the President of the Indian Republic this month, marks the beginning of a new era in the post-Partition history of this country. In a short time, this new capital will not only satisfy the enterprising and energetic Punjabis of their requirements of an administrative centre but will also serve as a nerve centre for all their activities—political, economic, social and educational. The skill and the resourcefulness of this sturdy population is manifest in another sphere also, particularly in agriculture. The West Punjab Sikh and Hindu peasantry has been able to effect a marked change for the better in the cultivation methods of East Punjab during the last five years. These agriculturists have been able to increase the output of wheat to such an extent that hardly within four years after the Partition, this new State has become a surplus area in wheat. The provision of more irrigation facilities by the construction of extensive canals and tube wells has increased the production of rice and other commercial crops. During the current year, East Punjab is expected to supply a handsome quantity of two lakh tons of rice to the deficit areas in the Indian Union. The capacity to produce more rice, wheat, cotton, etc., will register a substantial increase when the Bhakra-Nangal Project is completed. The Nangal Project will begin supplying water for irrigation purposes in the southern districts of the State, including the arid tracts of Hissar District and also start supplying power to Delhi and other stations en route in June next, when the Prime Minister Mr. Nehru, is scheduled to inaugurate these projects. In the production of cotton, too, the State has made considerable progress and bids fair to replace the West Punjab of the pre-Partition days in regard to the supply of long-staple cotton to the Bombay and Ahmedabad mills. During the current season, the output of cotton is estimated at about six to seven lakh bales of which better staple varieties are expected to form the major portion. It is stated that in irrigation areas, the Sikh farmers have already been able to produce well above 400 lbs. of cotton lint per acre, as against less than 100 lbs. in the Indian Union. The new varieties such as 320F. and 216F. have become popular. The developments in the Punjab provide a sure indication that it is possible that India can produce four million bales of good staple cotton if only irrigation facilities are provided for cotton cultivation for about a like number of acres.

MARKET REPORTS

(Concluded from page 745)

In addition quantitative restrictions had been removed throughout India, and the Government was decontrolling wheat in almost all States."

The increase in production this year, he said, led to an improvement in the marketable surplus and the emergence of a large number of surplus States, Assam and Saurashtra,

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	380	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
16,50,000				190	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	7,231	Andhra Bank	115-d	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				60-d	50	3 0	3 0	3 0	1 8(i)		
1,80,00,000	1,28,00,000	2,38,382	Bank of Baroda	107	50	6 0	6 0	6 0	2 8(i)	12	Y.
60,00,068	14,00,000	9,667	Bank of Bikaner	149	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	157	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,36,375	24,00,000	41,220	Bank of Indore	40N	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	55,324	Bank of Jaipur	19½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	280	100	16 0	16 0	16 0	8 0(i)	12	Y.
59,18,606	42,61,693	83,280	Bombay State Co-operative Bank	59½	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	14,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.
7,39,800	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
3,62,11,875	5,99,08,177	17,23,015	Central Bank of India Ltd.	(64)	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
£2,42,375 'A'				(66)	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (F)	88N	25	2 0	4 0	4 0		12	Y.
2,22,00,000	16,20,000	10,609	Hindustan Commercial Bank	82	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	103N	100	6 0	6 0	5 0		9	
3,75,00,000				1,842½	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000	6,35,00,000	57,39,076	Imperial Bank of India	451½	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				176½	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	138	55	10 3½	10 3½	10 3½	5 1 3(i)	6.12	R.L.H.
12,49,000				98½	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	90	100	5 0	6 0	6 0		.12	R.L.H.
4,25,800				73	100(A)	5 0	7 8	8 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	188	25(B)	2 4	1 14	1 8		6.12	H.
18,00,080				32½	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	21½	25	1 0	1 0	1 8	1 0(i)	12	Y.
3,50,000	17,50,000	37,630	Travancore Bank	11½	5	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6	5	0 5	0 5	0 5		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36½	50	2 0	2 0	2 0		12	H.
PRINCIPAL EXCHANGE BANKS									Dividend (per cent.)		
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2 2-11½	£5	14½	14½	16½	7½	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7½	6½	7½	3½	12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£89½	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-16-6	£1	12½	12½	12 12½		12	R.L.Y.
£1,437,296				£1-7-0	£1	5½	5½	5½	2½(i)	12	R.L.Y.
£375,000				£244	A £125	12½	12½	14½	7½(i)	12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£244	B £125	12½	12½	14½	7½(i)		
£300,000				£10½	C £5	12½	12½	14½	7½(i)		
£2,787,240	£3,675,000	£121,703	National Bank of India	£31½	£191	16½	16½	16½	8½(i)	12	I.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency. (i) Interim. *8 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
9,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
89,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
83,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(e)
1,00,00,000	3	1st April and 1st October	Buckingham and Carnatic	99½	1st January .. 1967-72
13,68,000	5½	1st June	Tarapore Textiles	78N	1st January .. 1956-59
60,00,000	8	1st June	Tata Mills	101	1st June .. 1966-71
ELECTRICS					
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
89,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1969
2,55,97,200	3	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1970
85,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	86	31st December .. 1970
13,00,000	3	1st January and 1st July	Bijua (Shertalai) Electric Supply Co., Ltd.	96	30th June .. 1976
4,95,000	3½	1st January and 1st July	South Madras Electric Supply	97	 1957-61
2,00,000	3½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
1,00,000	3	1st January and 1st July	South Madras Electric Supply	94½	 1953-63
6,41,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,73,000	4	1st April and 1st October	Tata Power	100½	15th September .. 1951-55(b
2,50,000	6	1st April and 1st October	Tata Power	92½	15th September .. 1965-70
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
2,00,000	3	30th June and 31st December	Bridge and Roof (India) Ltd.	99	30th June .. 1958
80,00,000	3½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	104	31st December .. 1966(ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	86	31st May .. 1971
2,50,00,000	7	1st April and 1st October	Tata Locomotive	100½	1st October .. 1960-85
60,00,000	6	31st December	Textile Machinery Corporation Ltd.	93	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1956
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1953
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1960
9,00,000	3	31st January and 31st July	Calcutta	91	31st July .. 1959(c)
10,69,000	3	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1966
8,86,000	3	30th June and 31st December	Empire	95	30th June .. 1966
85,00,000	3½	1st January and 1st July	Hukumchand	97½	30th June .. 1957
85,00,000	3	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
85,00,000	3½	30th June and 31st December	Nuthall	98	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March .. 1954
5,00,000	4½	14th March and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
82,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	95	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	86	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99½	1st November ..
£350,000	4½	1st January and 1st July	Calcutta Tramways	1908 £100N	A 1105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October	Kalighat-Falta Railway	£102N	1st October .. 1974
3,00,000	3½	30th September and 31st March	Katakhal-Lalabazar Railway	99	30th September .. 1953
4,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	89	31st December .. 1959
£200,000	4½	30th June and 31st December	Khedara-Delhi-Saharanpur Railway	£90½N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	3	31st December and 30th June	Bloe Mountain Estates	100	1st January .. 1945-53
3,68,200	3½	31st March and 30th September	Tankoy Rubber Estates	100	31st March .. 1949-59
50,00,000	3	30th June and 31st December	Waterfalls Ltd	101½	1st January .. 1945-53
MISCELLANEOUS					
15,00,000	3½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	3	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,300	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(i)
21,00,000	3½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,55,000	4½	1st July and 1st January	Clive Buildings	88½	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalmoste Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	79½	 1960
1,30,00,000	3	1st January and 1st July	Dunlop Rubber	101½	1st January .. 1971
20,00,000	3	15th March and 15th September	Mettur Chemical Industries	96	 1964
89,37,000	6	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	465 (per note)	30th September .. 1976
45,00,000	6	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	410 (per note)	31st December .. 1972
95,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,80,00,080	3½	31st March	Orient Paper Mills Ltd.	93½	31st March .. 1961
2,80,00,000	4	30th June and 31st December	Robtas Industries Ltd.	84½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	103	1st May .. 1968

Note—See page 754 for explanations to abbreviations marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th October, 1953.

	Closing quotations 8-10-'53	High	Low	Closing quotations 15-10-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157½	158½	157	157
Bank of Baroda (50)	107½	107½	107	107
Central (25)	64½	65	64½	64½
Imperial (P.Pd.) (500)	1,840	1,845	1,835	1,837½
Imperial (P.Pd.) (125)	450	453½	450	452½
Union Bank (5)	6-3½	6-5½	6-3½	6-5½
United Com. (50)	36	36½	36	36½
COTTON MILLS				
Ahm. Adv. (100)	137½	—	—	137½
Apollo (2)	2 6¼d.	2⅛	2⅛	2⅛
Bombay Dyeing (250)	362½	372½	363½	365½
Central India (100)	149	158½	149½	157
Century Mills (100)	261½	263½	259½	260½
Colaba (100)	60	—	—	60
Edward Textile (200)	223½	—	—	227½
Elphinstone (99)..	43	45	44½	45
Finlay (100)	249	250	248	249
Gokak (100)	227½	233½	227	232½
Ind. Ind. Def. (1)	1-5½	1-7½	1⅛	1-7½
Ind. Untd. Ord. (10)	9-7½	10 A	9⅞	10 A
Indore Malwa (100)	91½	91½	84½	83xd
Kaisar (100)	170	—	—	175
Kohinoor (100) ..	283½	290	283½	286
Lakshmi (250) ..	300	—	—	300
Madhavlal (100) ..	87	—	—	87
B. R. Cotton Mills (100)	49	48½	48½	48½
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (10) ..	182½	—	—	182½
Mysore (50) ..	122½	182½	178½	122½
New City (100) ..	151½	—	—	151½
New Great (100) ..	146	148½	145	148½
Phenix (100) ..	116½	—	—	116½
Podar Mills (100) ..	121½	121½	120½	120½
Sassoon Spg. (10) ..	19	—	—	19
Shahapur (1,000) ..	23½	—	—	25½
Simplex (10) ..	1,610	—	—	1,610
Sradesht (100) ..	128½	129½	128½	129
Swan (100) ..	241	244½	240½	243½
Tata M. L. (25) ..	312½	—	—	312½
Vishnu (100) ..	39½	41½	39½	41½
Western India (1,000)	3,550	143½	138½	138½
				3,550
ELECTRIC COS.				
Ahmedabad (100) ..	114½	115	114½	114½
Amalgamated (10) ..	11	11½	11	11½
Andhra Valley (1,000)	1,290	1,280	1,265	1,265
Ass. Sub-Bl. (100)	120½	120½	119½	120½
Surat (100) ..	126½	126½	124½	125½
Tata Hydro (100) ..	135	137½	132	137½
Tata Power (1,000)	1,355	1,360	1,325	1,360
INSURANCE COS.				
British India (10) ..	13½	—	—	13½
Empire of India (100) ..	662½	—	—	662½
Ind. Mercantile (20	36½	—	—	38½
Jupiter (13) ..	6 A	—	—	6 A
New India (15) ..	40	40½	39½	39½
Oriental (200) ..	6,900	—	—	6,900
Universal (10) ..	8½	—	—	8½
Vulcan (10) ..	11 A	—	—	11 A
STEAMER COS.				
Scindia (18) ..	13-13½	14½	13½	14½
STEEL COS.				
Ind. Iron (10) ..	23 A	24-5½	23 A	24-2½
Tata Steel Defd. (20)	1,836½	1,853½	1,810½	1,837½
Tata Steel Ord. (75)	321	323½	319½	323½
MISCELLANEOUS				
Alcock Ashdown (100)	305½	310	305½	310
Associated Cm. (100)	171½	173	171½	173
Belapur Sugar (5) ..	249½	265½	250	260
Bom. Burmah (125) ..	336½	355	336½	343½
Do. (New) (50) ..	124½	125½	123½	124½
Br. B. Petrol (4 sh.)	1½	2	1½	1-14½
Br. I. Corpn. (5) ..	8 A	9	8 A	8½
Indian Copper (2 sh.)	2 A	2-15½	2 A	2-14 3/9
Ind. Iav. Tr. (100)	64	66	64	66
Part Canning (100)	22½	—	—	21
Premier Co. (50) ..	86½	92½	86½	91
Shivsagar (10) ..	63	66	63	64
Tata Chemicals (10	8 A	9	8 A	8 A
Tata Oil (25) ..	31½	32	31½	31½
Walchand Ind. (100	147½	151½	147½	150
W. I. Match (100) ..	243½	245	232½	238½
		Gross Yield		
GOVERNMEFT SECURITIES		Earlier Redemption	Later Redemption	
	Rs.			Rs.
2½% 1954 ..	98½	—	3.46	98½
2½% 1955 ..	98 A	—	3.38	98 A
2½% 1956 ..	90 A	—	3.88	90 A
2½% 1960 ..	91 A	—	3.81	91 A
2½% 1962 ..	91 A	—	3.87	91 A
2½% 1974 ..	82½	—	3.92	82½
3% 1937 ..	98 A	—	3.42	98 A
3% 1938 ..	98½	—	3.41	98½
3% 1959-61 ..	96 A	3.74	3.56	96½
3½ 1948 ..	92½	—	3.84	92½
3½ 1961-66 ..	92½	3.91	3.78	92½
3½ 1964-68 ..	90½	3.98	3.87	90 A
3½ 1970-75 ..	86 A	4.11	3.92	86 A
3½% 1986 Con. Loan	82½	—	3.65**	82½
3½% 1954-59* ..	100½	3.32	3.46	100½
4½ 1960-70 ..	102	3.68	3.84	102
4½% 1955-60 ..	103	2.90	4.00	103
4½% 1958-68* ..	105	3.40	4.01	105
3½% 1961, N.P. Bonds	98½	—	3.72	98½

BRITISH GOVERNMENE SECURITIES

	9-10-53 £	High £	Low £	14-10-53 £
3½% Brit. Consols.	63½	63½	63½	63 A
3½ Savings Bonds 1955-75	75	88½	88½	88½
3½ War Loan 1952 ..	100½	101½	101 A	101 A
3½% War Loan 1952 ..	85 A	85½	85 A	85½
3½% Brit. Iron and Steel 1976-78 ..	93½	93½	93½	93 A
4 % Funding Loan 1960-90 ..	100 A	100 A	100 A	100 A

xd—Ex-dividend. ** Current Income. * Rupee Counterparts. x*—Ex-Right

COMMERCE

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

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SOME THOUGHTS ON THE PLAN

REPORTS from New Delhi to the effect that preparations are being made to evolve a second Five-year Plan are unlikely to create any enthusiasm even in informed circles. On the contrary, they may evoke a certain measure of derision, for the first Five-year Plan itself is very nearly a fiasco. Only two weeks ago, the Plan was scrutinised and found that its progress had not been as satisfactory as it should have been. It was also found to be inadequate to provide sufficient employment opportunities to meet the needs of an ever-growing population. Accordingly, it was decided to expand the scope of the Plan by providing for new schemes of the order of Rs. 150 to Rs. 175 crores. Full details of this additional expenditure are yet to be worked out. The failure of the first Plan to come up to expectations, however, need not be a disqualification for chalking out the outlines of what needs to be done after the period of the first Plan. It is certainly better to begin this work sufficiently early, so that plenty of time may be given for carefully considering the various projects that may be put forward for implementation under that Plan. One of the serious defects of the present Plan is that it was finalised nearly two years after some of the projects had got under way and that it had, therefore, to be trimmed suitably to accommodate them. It is desirable to avoid the repetition of a similar defect. While thus advance planning is a good thing, it will cease to be so if the planners do not learn from the experience of their first attempt. The authorities must, therefore, make an honest effort in assessing the causes for the failure of the first Plan, without any preconceived notions.

There are several reasons for the failure of the first Plan in a number of directions. In the first place, there was too much paper planning. The bulky final version of this Plan is more a report on policy and principles relating to almost everything under the sun than a carefully drawn programme of development which is what a plan really ought to be. There are in it many vague generalisations of a doubtful nature. The Planning Commission's targets of production have turned out to be underestimates of the country's productive capacity in some cases and overestimates in others. Its estimates of resources have proved to be very wide of the mark. An explanation for these mistakes is that it attempted to go too much into details, without the support of reliable statistics. Perhaps, these mistakes are inevitable in any first attempt. But it is arguable that they, and the consequent disappointments, could have been minimised, had more practical-minded men than armchair economists and visionaries been associated with the planning. If the second Plan is not to share the fate of the first, this defect must be remedied at an early date. There are, of course, places where these learned men will be more useful than in planning. The economists, for instance, can go back to their universities which need them very badly and the visionaries can return to the public platforms which are now bereft of good preachers.

The second cause for the inadequate success of the Plan is the failure of the States to carry out the tasks allotted to them with single-minded devotion. It can be stated without fear of contradiction that the State Governments did not toe, and are still not toeing, the line drawn by the Central Planning authority. We do not have in mind the aspect of raising resources alone, but also their failure to implement the various projects. In fact, the latter, in our opinion, is a more serious lapse than the former. In the majority of States, the Governments have been so bedevilled either by party strife or by the fads of some powerful ministers that they have little time to implement the Plan. Where attempts have been made to implement the projects, adequate results have not flowed because of mismanagement, corruption and inefficiency. The latest disturbing development is the agitation for the division of States on linguistic lines. It will be useless even to proceed with the present Plan, let alone the preparation for the second Plan, unless this uncertain factor is removed.

There are serious doubts among competent persons whether the Planning Commission has been right in allocating to the Governments the major role in the development of the country. Even assuming that the Commission is right, experience has clearly brought out the necessity for shifting the emphasis in favour of private enterprise. The States have failed to rise to the occasion and, in spite of all the planning during the last two and a half years, the upward trend of unemployment still persists. It is, therefore, no use diverting the major portion of the limited financial resources to the public sector which has been unable to put them to maximum advantage and which has been frittering away a good part of them by resorting to unproductive expenditure. It is high time the powers-that-be realised this and gave greater scope for the private sector to play its part in the economic development of the country. In saying this, it is not suggested that that part of the Plan which seeks to increase the basic resources needed for sustaining a strong industrial economy should be sacrificed. On the contrary, it is absolutely necessary for that part of the Plan to be implemented as quickly as possible and, if the State Governments are unable, for some reason or other, to carry out this work according to schedule, they must be helped, if necessary, with the co-operation of the private sector.

The resources estimate of the Plan has proved to be guess-work. The States, for instance, were expected to raise Rs. 176 crores from current revenues, but indications are that they may not be able to collect anything more than Rs. 110 crores, leaving a gap of Rs. 66 crores. Again, they were expected to raise Rs. 230 crores by way of additional taxation. As against this, they are said to have raised only about Rs. 28 crores so far and, in the remaining half of the Plan period, they may be able to gather another Rs. 35 crores. This will leave a balance of Rs. 167 crores to be covered. It is incredible that they will ever be able to close this large gap, unless, of course, those States which are addicted to Prohibition can be weaned from that habit without much loss of time. But this is a fond hope, for the advocates of this fad are strongly entrenched in power and the Centre is not prepared to force its views on them. At the last meeting of the National Development Council, the Deputy Chairman, Mr. V. T. Krishnamachari, appealed to the States to introduce betterment levy and increase the water rates wherever they were low. Some States have made a move in this direction; others have chosen to subject agricultural crops grown by corporations such as sugarcane plantations to penal rates of taxation on water. But most of the States are reluctant to impose additional burdens on the rural side for political reasons.

Even assuming they are prepared to introduce these levies, it is doubtful whether the yield will be as large as the planners expect. Most of the land that will be brought under cultivation, as a result of new irrigation facilities made available under the Plan, will require a sizable amount of capital expenditure in the initial years. A high rate of betterment levy may prove a disincentive to pioneer farmers in these areas. Such taxation will necessarily have to be at a low rate and spread over a long period. Another source of funds suggested is the rural savings and the success of the Madras State Loan in July last has given rise to the hope that there is plenty of capital in the interior. There may be something in this, but it could be exaggerated. Again, if the rural savings were to be drained away heavily, there might not be enough funds in the countryside for financing agriculture and the small-scale and cottage industries, not to mention the petty trader.

Taking all this into consideration, it is better for the planners to proceed on the assumption that the resources available in the country are less than those assumed in their first Plan and to rely either on foreign capital or on forced savings to a greater extent than they have done. Since the latter is a most undesirable method of raising resources and may impose hardships on people to an extent the consequences of which may be serious, it is better to seek foreign assistance and Plan for its successful absorption. Fortunately for us, conditions for getting such assistance are far more favourable to-day than they were two years ago. There is an easing of international tension. The supply of capital and durable goods has increased. And there are sure signs of a growing inclination among the economically advanced Western nations such as the U.K., the U.S. and Canada, to help the underdeveloped countries, as witness the address of Mr. Cobbold,

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Governor of the Bank of England, at the Lord Mayor's Banquet in London last week, to which a reference is made elsewhere in this issue, and the speeches delivered by the representatives of the Western nations in the Colombo Plan Conference. It now rests with us to devise ways and means of getting assistance from these sources and putting it to profitable use.

ECONOMIC ADMINISTRATION IN CANADA AND THE U.S.

EVER since India decided to adopt the federal pattern of government, it has been clear that it will have increasingly to draw upon the experience of the U.S., Canada and Australia, which are the three leading federal countries of the world. Since these countries also happen to be economically more advanced than India, the conviction that a study of the administration in these countries could offer valuable lessons for India's guidance has gained considerable strength in this country. From this point of view, a notable publication, which deserves the attention of the Central and State Governments, and more especially of the legislators in this country, is the report entitled *The Role of the Canadian and U.S. Governments in the Promotion and Execution of Economic Development Schemes with particular reference to Federal-Provincial Relations*, drawn up by Mr. O. K. Ghosh, Deputy Secretary, Economic Affairs Department, Ministry of Finance, Government of India. Mr. Ghosh recently studied the economic administration in these two countries, thanks to a U.N. Economic Development Fellowship.

A great deal of valuable information on public administration lies in this 80-page document. Indeed, it is surprising that so much could ever have been compressed in so short a compass. This is also in a way the weakness of this document, for there are many points which could and must receive more extended treatment, if only because Indian administrators and students of Indian administration are not always familiar with the details of the system of economic administration in these two countries. But the report itself has been extraordinarily well written, thanks to the author's great economy in the use of words.

The significance of this report, however, lies in the variety of its content, in its emphasis on the principles as well as practices of the administration in the two countries. To an Indian student of economic administration, what impresses most about Canada is the happy blend of private enterprise and Governmental initiative which prevails in that country. The author of the report points out that the Canadian has "all along been wedded to the philosophy of private enterprise." People readily agree that "governmental action should be confined to the narrowest possible limits." But this has not prevented the Canadian Government in taking a more active, and even direct, interest in the economic improvement of the country. Public investment, however, forms only about 20 per cent. of the whole national investment. Such investment is in the shape of Crown companies. The Crown company method of administration, according to Mr. Ghosh, is a "bold and ingenious device for fast-moving operation, combined with the essentials of Parliamentary control." Since this is a special problem, which India too faces, the author would have done well to describe the operation of these companies in greater detail.

By and large, Canada believes in aiding private enterprise. The Industrial Development Bank (capital: $25 million) gives loans to eligible industrial concerns at a rate of interest, which is generally 5 per cent. The outstanding loans of the I.D.B. at present are about $45 million. Apart from this direct assistance, the Government provides considerable help in the shape of special measures of relief in taxation. Special depreciation allowances at rates varying between double and one-half of ordinary rates upto 80 per cent. of the cost of new investment in buildings, machinery and equipment were granted on investments made during 1944-49. Since 1951, a system of "accelerated" depreciation allowances has been introduced. But this applies only to defence production. In 1951, a new kind of measure, called "deferred depreciation," was introduced to discourage less essential forms of capital expenditure. Commending the use of the system in this country, the author says that it is an "instrument to influence investment patterns in the direction of capital expenditure in heavy industries as opposed to semi-luxury or service industries."

This suggestion deserves notice, though it must be pointed out that the problem in India is slightly different from the one in Canada. The problem in this country is not so much prevention of investment in non-essential industries as promotion of investment as such.

The other country, which the author studied, was the U.S. This country, too, as is well known, believes in the philosophy of free enterprise. An illuminating extract from the Employment Act of 1946, which the author has done well to quote, brings out the essence of this philosophy. The Act emphasises that the Federal Government's objective is to utilise the services of all sections of national life for the "purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare .... to promote maximum employment, production and purchasing power." There is one aspect of the American administration which will be of perennial interest to this country, namely, the regulation of the relations between the Federal Government and the State Governments. Any keen observer of the Indian and the American Governments cannot fail to be struck by the difference in the politicial climate between that country and India. In the U.S., the States are so anxious to maintain their independence that there is a certain reluctance to accept Federal aid in any shape or form. In India, the States are no doubt jealous about their independence—as witness their stand on the sales tax and prohibition issues—but are equally anxious to secure the maximum possible aid from the Centre.

Be that as it may, the U.S. Federal Aid to the States is growing. It is of the order of "$2 million annually and constitutes roughly one-fifth of the total State revenues." In general, Federal grants are apportioned on the basis of (a) uniform amounts per State, (b) population, (c) area, (d) financial need, (e) other need factors and (f) amount spent by the States on some projects which the Federal Government thinks are essential. Grants are also made on a special basis. Thus, for hospitals, the proportion is one Federal dollar for two State and local dollars, and for airports it is dollar for dollar. There is a Federal agency which has supervisory powers over the aided programmes, including the power to issue rules and regulations and to audit expenditures. The author has rightly stressed the need for a similar authority in this country in "charge of all general Government grants and loans as a co-ordinating agency."

Yet another of the author's suggestions, which have a special significance to Indian conditions, is the need for an agency that will be a sort of clearing house of information for State Governments. This suggestion is based on a study of the functions of the Council of State Governments in the U.S. This Council acts as: (1) a medium for improving legislative, administrative and judicial practices in the States, (2) an agency for securing full co-operation among the States in solving inter-State problems, both regional and national, and (3) a means of facilitating and improving Federal-State relations. The Council is a joint Governmental agency, established by the States and supported by the States, for service to the States. Giving an instance of the Council's usefulness, the author says that, if a given State is considering the introduction of a new governmental technique or adoption of a new public service, or improvement of an old one, it can obtain information through the Council as to the action taken by other States on similar problems. The Council undertakes special studies of inter-State problems. Much of the Council's work relates to facilitating inter-State action in fields such as education, civil defence, river problems, coastal fisheries and crime control. There is urgent need for an organisation of this kind in this country, which will act as a joint assembly of the State Governments. Far too little of the problems in one State is known in the other States. Indeed, such an organisation can help co-ordinate States' policies. There is sometimes a psychological resistance to accept suggestions when they come from the Centre. But when the suggestions are made by a body representative of the States themselves there is bound to be a better appreciation of the necessity for co-ordination, uniformity and joint action. Again, it is well to remember that, if there is some lively co-operation among the States to-day, it is because there is one single political party which holds power in all the States. If this stabilising force were disturbed, there is bound to be more scope for friction. This danger could be greatly minimised, without necessarily invoking Central control and direction, if there is a joint organisation of the State Governments. After all, the opportunities for the joint study of common problems by the States Governments is strictly limited to the occasional conferences of the States' Ministers, which are held under the auspices of the Central Government. And there is no organisation which keeps the inter-State problems under constant scrutiny. These defects could certainly be remedied by a joint body of the States.

SO NEAR AND YET SO FAR

AT the turn of the last century, a romance entitled "Round the World in Eighty Days" used to be a favourite book of juvenile fiction with many a teen-age pupil. To travel round the globe in so short a period was then considered a miracle of speed. What with the Comets and other speed-mad monsters of the air, the world has certainly shrunk a great deal since that time. But in India there are still several areas and sectors where time stands almost motionless, and things can only move, if they move at all, at the proverbial snail's pace. One of these is the Indian railways. There has, no doubt, been some welcome improvement in the efficiency of our railways through modernisation and reorganisation. But they continue to be backward in certain sectors where the speed of modern locomotion has yet to be felt. A typical instance is provided by the Bombay-Manmad-Dhond region, as all those who gathered at the recent Deccan Sugar Technologists' Conference at Belapur (Manmad-Dhond line) realised to their cost in time. There was some bitter irony in the whole situation, in that while the Conference was meant to take stock of the advances in one sphere of science, the delegates to the Conference and others interested in it were painfully reminded of what appeared to be a complete absence of the use of technology of communications.

Belapur, where the Conference was held, or for that matter, any place on the Dhond-Manmad line, is only at a distance of about 150 miles from Bombay, as the crow flies. The railway distance to Belapur and to other centres along the line is, however, a little longer, about 220-250 miles. On the map, the places appear to a person in Bombay so attractively, so invitingly, so tantalisingly near. But the map proves deceptive, when one undertakes the journey, for it takes over 13 hours to reach any of these centres from this city. How impossibly distant these places are from Bombay will be evident from the fact that it is possible to reach Calcutta by air in less than half the time it takes to reach any place along the Manmad-Dhond line.

But the time it takes to cover the distance is by no means the only irritating part of the journey. The unfortunate passenger bound for, say, Belapur, has to change trains at Manmad, in the dead of night, after wasting a few precious hours in what is an apology for a waiting room in that station, before he arrives at his destination—that is, if he is lucky enough to alight there at all without being overcarried in the sleep that must overtake him after all this battle for Belapur. The return journey is even more unpleasant. At Manmad, the change of trains is more difficult to negotiate, since the incoming trains are packed to capacity. And it will require all the patience of a Job, all the persuasiveness of a Mark Antony to gain a non-violent entrance into a railway carriage in the small hours of the morning when some of the mail trains steam into Manmad station. This gruelling experience at Manmad is sufficient to drive any man mad.

Must all this journey between that rapidly growing industrial area, the Manmad-Dhond region, and Bombay, where the concerned management interests live, be made as painful as all that? Is it beyond the wit, the ingenuity and the flair for organisation of the Central Railways to devise some means by which the journey could be made less unpleasant? Can nothing be done to shorten the journey-time? Is it really difficult to avoid the change of trains at Manmad? Surely, a through railway carriage from Bombay to Dhond via Manmad will by no means be the last difficult straw on the Nagpur Mail's back. And yet, that will lessen the rigour of the journey. If the argument is that it does not pay the railways to give this additional comfort, it might well be asked whether an area, which pays lakhs of rupees as freight on the ten lakh sugar bags it sends out by rail, does not deserve to receive a small convenience in the shape of through travel—a convenience which any traveller may claim even on ordinary grounds of common humanity.

SHORT-COVERING LIFTS UP EQUITIES

I.I.S.CO.—COTTON—U.S. FARM SURPLUS—LIVERPOOL GRAIN EXCHANGE

THURSDAY, 5 P.M.

ALTHOUGH the commodity and the bullion markets have been ruling extremely weak, the share markets have brightened up quite a lot. A large number of industrials have gone up for the second or third week in succession and, if the position is viewed against the background of what it was a month ago, the gain in values is a pleasant surprise. Steels, of course, have been prominent in this upward movement. Thus, on 21st September, 1953, Tata Deferreds stood at Rs. 1,797-8; to-day, they were as high as Rs. 1,912-8, an appreciation of Rs. 115, before closing at Rs. 1,907-8. During this period, Tata Ordinaries have gained Rs. 12-12 to stand at Rs. 324-12. Indian Irons have moved up from Rs. 22-2 to Rs. 24-8. Other equities, too, have advanced. Belapurs, for instance, have jumped up by nearly Rs. 30 to Rs. 263, A.C.C. by Rs. 8-12 to Rs. 176, Bombay Burmahs by Rs. 16-4 to Rs. 340, Wimcos by Rs. 10 to Rs. 240 and Scindias by a rupee to Rs. 14-4. Although the reports from the cloth and yarn markets are far from encouraging and, over the past month, prices of cotton goods must have suffered a fall of about 10 to 15 per cent., textile shares are not drooping. On the contrary, a good number of them have picked up some strength. Kohinoors, for instance, show a net addition of Rs. 10 during the past month. Similarly, Bombay Dyeings have spurted by Rs. 20. Even New Greats, which had remained neglected all along, have been receiving some attention and they are now standing at Rs. 153, as against Rs. 144-4 a month ago. The Calcutta market is closed for the *Puja holidays*, but kerb trading indicates a firm tone. The Madras market also is in good form.

MARKET GOSSIP

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Why is it that share markets alone are cheerful, when the other markets are looking down? The improvement in jute and tea shares in Calcutta is, of course, understandable, because both tea and jute manufactures are now fetching better prices than they did some time ago. Even the recovery in Indian Irons can be appreciated, for, after a prolonged strike, labour generally works a little harder than before and, on this ground, it can be argued that the scars of the strike on the Company's finances may not be visible. But how is one to account for the performance of the other scrips in Clive Street and Dalal Street? Has anything significant happened to justify the rise in values? There is some reason or other for explaining the rise in most of the individual scrips. But there is one explanation which is applicable to most of them. In one word, it is "short covering."

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In the recent past, bears had been quite active, but they were not supported by investors. The latter did not come out and unload their holdings. Generally speaking, individual investors are nowadays apathetic. They do not get alarmed even if their scrips lose quite a bit. To some extent this apathy is due to the stiffness of the tax authorities. If an investor operates frequently, he is liable to be treated as a speculator by the tax collector and his profits, if any, will be treated, as such and taxed. It is a troublesome business for an investor to prove that he bought and sold purely as a genuine business, taking into consideration the variations in economic conditions in the country or in the industry in which he is interested. One, therefore, prefers to stick to one's holdings. Another reason for the lack of following for the professional bears is the withdrawal from the Stock Exchange of the speculative-minded business men who formerly used to dabble in the Stock Exchange fairly regularly. Since speculative losses are not now allowed to be set off against business losses, these business men, for whom speculation is only a side line, are keeping out of the market.

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The absence of floating scrips, consequent on the apathy of holders of shares to the fluctuations in the market, is a great handicap to the bears. On every settlement, they have to pay a fairly high price for carrying forward their commitments. And, if they do so on four or five settlements, the cost of their transaction goes up and, at some stage or other, they have to cut their sales in order to limit their loss. In the case of Belapurs, for instance, the budli rate in the last settlement was as high as Rs. 5 per share! Some, it would appear, had sold short, taking an unduly pessimistic view of the outlook for the sugar industry, when Mr. Kidwai rattled the sugar millowners and dealers by announcing a plan for dumping sugar in the principal markets. They must have continued to hang on to their sales even when Mr. Kidwai changed his mind and protected the industry by suitably readjusting his policy in regard to imports of sugar. Some others, however, were clever enough to see the real significance of these changes to the industry. It would appear that one or two institutional investors thought that Belapurs were a good buy and had bought a few hundreds of them. And when they decided to take delivery, the bears were badly caught.

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The rise in Tata Steel Deferreds has also been due primarily to bear covering. With bright prospects for the success of the conversion scheme, the bears seem to have realised that it is a risky thing to continue to stick to their sales. Further, as compared with Tata Steel Ordinaries, the Deferreds were well below the parity on the basis of the conversion ratio of 1:6. This induced some investment buying. At current rates, of course, this disparity has been nearly corrected. Moreover, both Deferreds and Ordinaries had been unduly depressed and a recovery was overdue.

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The improvement in textile shares is probably due to the impression in some circles that the slump in cotton goods has been adequately discounted. Enquiry, however, has been of a selective nature, being confined to shares of only well-managed mills. Rumours of a bonus issue by some of the mills have also contributed to the recovery of this section. Gokaks and Bombay Dyeings, in particular, are involved in these rumours.

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The rapid recovery in Indian Irons is due partly to bear covering but mostly to large-scale buying by a big speculator in Calcutta, who is said to take a bullish view of the market. It is reported that he has so far bought quite a few lakhs of shares and that he is being financed by some banks. It is further reported that, although he is demanding delivery of shares in the open market, he has an arrangement with the biggest seller for carrying forward his purchases at a rate of interest which works out to a little over 6 per cent. per annum, a rate which is more than what he can hope to earn by way of dividend. If this is true, then he must be trading beyond his resources. As a result of these manipulations, the market in this scrip has become highly artificial. The bull operator is believed to be banking on a favourable recommendation by the Tariff Commission in regard to the Company's request for higher retention price. There is a belief that this price will include an adequate margin which will enable the Company to recoup the loss incurred during the strike period. Because of this belief, it is readily assumed by some operators that the Company will be able to maintain the dividend in the coming years as well. According to one source, the Government's decision on the retention price for the Company will most probably be announced before the close of this year.

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Be that as it may, reports from Calcutta on the working of the Indian Iron and Steel Co., Ltd., are encouraging. All the workers are said to have rejoined. Production is now more or less normal and the factory is expected to work at full capacity shortly. Hitherto, the Company's works were working on two shifts of 10 hours each, against normal three shifts of 8 hours each. The three-shift system will soon be introduced, if it has not already been done, first in the rolling mills and later in the furnaces, too. Determined efforts are being made to step up the productivity of workers, so that they may regain a part of the wages they have lost on account of their ill-advised strike. Apparently, the bull operator has anticipated these favourable developments. All the same, the Company is unlikely to pay anything more than a rupee by way of ordinary dividend. On this basis, these shares, at their current market value, yield only a fraction more than 4 per cent. free of tax.

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An event of some importance to the Gilt-edged market is the issue of a new loan by the Hyderabad State Government. The amount of the loan is Rs. 3.25 crores. The terms are identical to those offered by some of the State Governments which borrowed in July last. Thus, the period of maturity is 10 years. The rate of interest is 4 per cent. per annum. The issue price is at a discount of As. 8. The subscribers are given an additional attraction by way of interest for a week, for, though the list opened only to-day, the interest is payable from the 15th inst. The list is scheduled to be open upto 31st October, 1953, but may be closed earlier if it is fully subscribed. The Government of Hyderabad will create a sinking fund, as well as a depreciation fund, for purchasing this loan from the market for cancellation. In view of the fact that, in recent weeks, 4 per cent. loans have been in good request, the issue has been well-timed and may be taken up by the market in full. In fact, by coming into the field at a time when there is no other competitor for long-term capital, the Hyderabad State should be able to get its requirements with much less difficulty than that experienced by some of the other Part B States, such as Mysore and Saurashtra.

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Among commodities, cotton has been the worst sufferer this week. At the time of writing, I.C.C. February is standing at Rs. 602-8 and I.C.C. May at Rs. 609-4, as against Rs. 611-4 and Rs. 615-8 respectively, a week ago. Expectations of a large crop of 42 lakh bales, at a time when the outlook for cloth and yarn is uncertain and when the world has a large surplus, are primarily responsible for grounding the price at a level which is only Rs. 52 higher than the floor. Well-informed circles are of the view that the near delivery contract can at worst go down by only Rs. 20 or Rs. 25, but that the basis will shrink further when the weight of the crop makes itself felt. They are afraid that, if the better staple varieties were to sell cheap this season, the farmers would have no incentive to grow even the same amount of cotton next season. They, therefore, contend that the Government should allow exports of cotton of varieties upto 1" staple and reduce, at the same time, the export duty on them to Rs. 125 per bale. They further feel that, by doing so, the Government can not only hope to earn a sizable amount of revenue but also avert the possibility of having to support the cotton market at the floor levels.

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The U.S. is faced with the problem of finding markets for its cotton, the supply of which threatens to be considerably larger this season than it was in the last. In its fourth (October) estimate for cotton, the U.S. Department of Agriculture has, as is now well known, placed the 1953-54 crop at 15,596,000 bales, an increase of 437,000 bales over the September estimate. The condition of the crop is given as 77 per cent. The present estimate of about 15.6 million bales compares with that of 14.6 million bales estimated in August, and of 15.2 million bales for 1952-53. This increase in production is attributed to the use of modern methods of cultivation. It is stated that the prospective yield per acre at 315.4 pounds for the current season is the highest ever recorded and exceeds by nearly two pounds the previous peak in the 1948-49 season.

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Be that as it may, the total supply of cotton in that country, it is now clear, will be considerably larger than it was in the 1952-53 season. Inclusive of the carry-over stocks, at the beginning of the current season, estimated at 5.5 million bales, the total supply of cotton in this season will amount to 21.1 million bales, which compares with a supply of about 18.0 million bales in the 1952-53 season, made up of a production of 15.2 million bales and a carry-over of 2.8 million bales at the beginning of the season. Thus, the current season's supply will be nearly 3 million bales above that in the last season. Despite this larger supply position, there has been no serious setback in cotton prices, thanks to the U.S. Government's price support scheme. It is expected that anything between 4 million and 5 million bales will go into the loan. But, the Government is already worried over these accumulations and is thinking in terms of restricting the crop next year. The Secretary of Agriculture has already proclaimed a national marketing quota of 10 million bales for the 1954 cotton crop and has ordered a referendum on 15th December by growers for securing their approval of his action. Nevertheless, the problem of disposing of the excessive supply of cotton during this season remains. In this connection, it is interesting to note that the Export-Import Bank expects to begin soon the insurance scheme for U.S. cotton stored abroad. The programme, authorised by the Congress during its last session, permits the Bank to underwrite insurance companies on agricultural commodities—particularly cotton stored abroad—against loss through "expropriation, seizure and other political risk."

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Burdened as the U.S. has been with a large surplus of farm produce, including cotton and wheat, it is now trying to evolve a scheme whereby it could market the surplus in a way that would not imply an expenditure of dollars by the buying countries. Thus, the U.S. is making a move to dispose of its farm surpluses abroad in exchange for inconvertible currencies. For instance, the U.S. might sell its wheat to India and expect to be paid not in dollars but in rupees. This means that the U.S. would either accumulate rupees for any non-dollar currency, for that matter) or utilise such currency to buy its requirements from the non-dollar area. This move has at least three important implications for the non-dollar world, more particularly for the sterling area which is an important section of that world. In the first place, the willingness of the U.S. to take non-dollar currency as payment for its produce will serve to bring down the premium which the competing non-dollar commodities used to command in the world markets. The premium which these commodities command is clearly due to the fact that the world, which is suffering from a chronic dollar shortage, has been willing to pay a better price if it could get a certain commodity, in the sterling area, that is otherwise available only in a dollar country. In other words, the market for the produce of these non-dollar countries will shrink somewhat. Indeed, the U.S. move has, it is stated, already alarmed Burma which sees in it a loss of market for its own rice surpluses. Conceivably, Pakistan's cotton prices might be affected. Secondly, the U.S. will be able to reduce its expenditure of dollars on its own purchases from the soft currency area, since they could be paid for by its accumulated foreign exchange resources, consisting of soft currencies. This would tend to widen the dollar

(Continued on next page)

Latest Quotations

Bullion	Gold Ready (.999)	Rs.	80 12
	Gold Forward	,,	80 2
	Silver Ready (.996)	,,	148 6
	Silver Forward	,,	148 4
Cotton	Vijay	,,	850 0
	Khandesh	,,	750 0
	Berar Jarillas	,,	670 0
	Bengal *Deshi*	,,	540 0
Jute	Raw Jute, Assam Bottoms per maund	,,	24 8
	Hessians (40" 10 ozs.) 100 Yds.	,,	44 4
	Heavy Goods B. Twill, (per 100 bags) Ready	,,	95 4
Tea	For Internal Consumption—per lb.		
	Medium Dooars Dust	Re.	1-9½ to 1-10
	Best Assam C.T.C. Dust	Re.	1-14-6
	For Export—		
	Clean Black Pekoe	Re.	1-13-6
	Clean C. B. Pekoe	Re.	1-12 to 1-12-6
	Medium Assam B. Pekoe	Re.	1 13 0
	Good Assam B. Pekoe	Re.	2 2 0
Produce	Linseed Bold (Cwt.)	Rs.	25 8
	Groundnuts (B. Rdy.) (Cwt.)	,,	40 0
	Castor Seeds (Madras) (Cwt.)	,,	31 8
	Castor Oil Commercial	,,	16 0

BULLISH TREND IN SHARE MARKET

BOMBAY DYEINGS IN FAVOUR

(From Our Own Correspondents)

BOMBAY, *22nd October*

FOR the third week in succession, the Stock Exchange continued to maintain the bullish trend during the week under review. Though the gains in values, as compared with those in earlier weeks, were moderate, the undertone remained firm. For, during the week, sentiment of operators hardened further under the influence of several favourable factors. The growing feeling that deficit financing will be on a higher scale, in view of the increase in outlay under the first Five-year Plan, the report that preliminary details regarding the setting up of the Industrial Development Corporation are being worked out and the assurance given by the Deputy Finance Minister in Nagpur on Wednesday that the Planning Commission contemplated doing something to accelerate the pace of investment in the private sector, were all factors which pepped up the tone of the market.

Besides, there were also specific factors which helped enlarged trading in the textile and steel sections. Thus, the Government of India's decision to permit export of cloth manufactured for domestic use, but not price-stamped, for shipment up to 31st December, 1953, was considered helpful to augment exports of cloth. Again, decline in cotton prices and reported preference of the mills for switching over from the manufacture of fine varieties of cloth to that of medium and coarse cloth commanding better market also aided sentiment in textile shares. The approaching date for carrying out the Tata Deferred Conversion scheme caused a shortage of scrips and this gave strength to the steel section. Consequently, the technical position in the share market was in favour of a revival of prices, despite the weakness in other commodity markets.

In the steel section, Tata Deferreds displayed a narrowly irregular trend during the major part of the week. After dropping from Rs. 1,897-8 to Rs. 1,885 on the opening day, they staged a smart rally to Rs. 1,907-8 on Monday, only to relapse on scattered realising to Rs. 1,888-12. But, to-day, heavy covering by sellers and bull support lifted the shares to Rs. 1,912-8—a new high after they were listed *ex-dividend* on 4th September last. They, however, wound up the week slightly lower at Rs. 1,907-8. Tata Ordinaries were steady, closing with a gain of As. 8 at Rs. 324. Indian Irons manifested a firm trend early in the week, staging a spurt from Rs. 24-2½ to Rs. 24-12½, on good support from Calcutta interests, but reacted to close to-day at Rs. 24-6.

In the textile section, Bombay Dyeings provided the highlight with a smart advance to Rs. 382-8 to-day from last week's closing of Rs. 367-8, on strong speculative support inspired by rumours of a bonus issue and better working results for the current year. On profit-taking, however, they closed a shade lower at Rs. 378-12. Kohinoors were steady with a gain of Rs. 2-8 to Rs. 288-8. Central Indias were maintained at Rs. 157 and Centurys hardened by a rupee to Rs. 261-8. Finlays were a quiet feature at Rs. 248, while Gokaks received good support to go up by Rs. 5 to Rs. 237-8. Indu Ordinaries added As. 1½ to Rs. 10-2½, and New Greats as much as Rs. 4-8 to Rs. 153, while New City dropped a fraction to Rs. 150-10. Simplex were maintained at Rs. 129 and Standards at Rs. 305. Svadeshis receded by Re. 1-8 to Rs. 243. Ahmedabad Advances moved up by Rs. 2-8 to Rs. 140 and Bradburys by Rs. 5 to Rs. 725.

Bank shares were quietly steady. Central Banks were a fraction down at Rs. 64, while their new shares were a shade higher at Rs. 66-4. Imperial Fully-paids were marked down by Re. 1-4 to Rs. 1,836-4, whereas their Contributories were placed Rs. 2-8 higher at Rs. 455. Barodas were unchanged at Rs. 107. Bank of Indias were taken up As. 8 better at Rs. 157-8 and United Commercials As. 4 at Rs. 36-12.

Business in insurance shares was small and variations were few and fractional. Orientals experienced some enquiries, but in the absence of sellers the quotations were maintained at Rs. 6,900. Empires were held at Rs. 662-8. New Indias were dull at Rs. 39-8 and Indian Mercantiles at Rs. 38. British India Generals changed hands As. 8 better at Rs. 13-8.

Electricity shares displayed a firm tone, despite profit-taking in Tata Hydro shares towards the latter part of the week. Ahmedabad Electrics held their own at Rs. 114-6. Bombay Suburbans were marked up by Rs. 3-12 at Rs. 124-6. Surats gained As. 10 to Rs. 126-4, Poonas As. 10 to Rs. 128-2, Broach Electrics As. 1½ to Rs. 8. Andhra Valleys picked up Rs. 15 to Rs. 1,280, Tata Hydros, after being taken up from Rs. 137-8 to Rs. 138-8, reacted to Rs. 136-8. Tata Powers closed with a gain of Rs. 5 at Rs. 1,365, although at one time they touched a high of Rs. 1,380.

Prices strengthened further in the miscellaneous industrial section. A.C.Cs experienced speculative buying and short-covering early in the week on suggestions of a bonus issue, resulting in a rise from Rs. 173 to Rs. 177-4, but subsequently reacted to Rs. 175-4. Belapurs advanced by Rs. 2 to Rs. 262. Bombay Burmahs were a notable exception with a reaction from Rs. 343-12 to Rs. 338-12. B.I.Cs were steady at Rs. 8-13½. National Rayons touched a high of Rs. 124, but met with selling pressure to close with a loss of Re. 1 at Rs. 120. Tata Chemicals were done at Rs. 8-15½ and Tata Oils at Rs. 31-4. Wimcos added Re. 1-4 to close at Rs. 240. Phaltan Sugars were a special feature with a rise of Rs. 12 to Rs. 106, on reports that the Company's shares may be placed on the forward list.

In the transport section, Scindias came up from Rs. 14-3 to Rs. 14-7, but wound up at Rs. 14-2½. Indian Steamships held ground at Rs. 7-13. Bharat Lines were done up to Rs. 91.

In the engineering and mining group, Alcocks picked up Rs. 5 to Rs. 315, Premier Constructions Rs. 5 to Rs. 96 and Shivrajpurs Re. 1 to Rs. 65. B.B. Petrols were concerned in interested buying and, therefore, rose by As. 4½ to Rs. 2-3. Indian Coppers were unchanged at Rs. 2-14½.

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Madras Stock Exchange

MADRAS, *20th October*

Despite the intervention of the *Dussera* holidays, the Madras Stock Exchange put on a comparatively better appearance this week. Sentiment of the operators was slightly better in sympathy with the improved tone in the Bombay and Calcutta share markets. A feature of trading was that selling this week was generally less pronounced than in the previous weeks, while buying of a selective nature was visible, especially in rubber and tea shares. Electric shares also attracted some attention. Textiles, however, presented a mixed trend. The undertone was quietly steady.

The textile section was colourless. Coimbatore Kamala, Rs. 100 paid-ups, were done at Rs. 85-8 *ex-div.*, as against Rs. 90, and Rs. 50 paid-ups at Rs. 43-12 *ex-div.*, as against Rs. 46. The Directors have declared a dividend of 4½ per cent. on the ordinary shares for the year 31st December, 1952, as against 6 per cent. for the previous year. Buckinghams lost Re. 1 to Rs. 120 and Rangavilas As. 4 to Rs. 44. Vasantas, however, gained Re. 1

As the Calcutta Stock Exchange remained closed during the week, on account of the *Puja* holidays, our customary review of the Calcutta Stock Exchange is not published this week—ED.

to Rs. 160 and Trichinopolys As. 5 to Rs. 9. Maduras improved from Rs. 39-6 to Rs. 39-10. Travancore Rayons were better at Rs. 5-1.

Among plantings, teas evoked selective enquiry. Periakaramalais disclosed a gain of As. 6 at Rs. 7-4 and Parksides As. 4 at Rs. 14. Devasholas rallied As. 2 to Rs. 16-10. Chembras were fractionally better at Rs. 2-6. But, Waterfalls were unchanged at Rs. 3-5 and Kalasas at Rs. 9-14. Blue Mountains (tea and rubber) were slightly lower at Rs. 3-14, while Balanoors (tea, rubber and coffee) improved by As. 4 to Rs. 13-12.

Rubbers continued to attract support. Thamarapallys put on As. 4 to Rs. 14-4, Teekoys As. 2 to Rs. 7-4 and Thirumbadis an anna and a half to Rs. 3-2½. Rajagiris were done at Rs. 12-4, as against Rs. 12-2. Cochin Malabars and Kallas gained an anna each to Rs. 6-7 and Rs. 3-3, respectively. Malankaras, however, lost Re. 1 to Rs. 101. But Pullangodes were unchanged at Rs. 2-13.

Among coffees, Consolidated Coffees lost As. 2 to Rs. 17-14. Nil. Neergundis were fractionally lower at Rs. 3-5½. Balmadies, however, were higher by As. 2 at Rs. 3 *cum-div.* and Puthuthottams by an anna at Rs. 3-10 *cum-div.* Kadur Coffees remained unchanged at Re. 1-8. Kil Kotgiris (tea and coffee) were done at Rs. 5-7 *cum-div.* as against Rs. 5-5 *ex-div.* The Directors have declared an interim dividend of 10 per cent. on the ordinary shares.

In the miscellaneous section, Kirlampudi Sugars lost Rs. 5 to Rs. 35. India Cements were lower by As. 12 at Rs. 15-4. Andhra Cements 'B' declined by an anna and finished at Rs. 10. But Deccan Sugars gathered As. 4 to Rs. 20-6. Mysore Chemicals and Fertilisers improved by As. 3 to close at Rs. 7-14. Ranes, Rs. 100 paid-up, were done at Rs. 155 *ex-div.*, as against Rs. 175 *cum-div.*, and Rs. 50 paid-up Rs. 77-8 *ex-div.*, as against Rs. 87-8 *cum-div.* Cochin State Electrics were quiet at Rs. 9-7 *cum-div.* South Madras Electrics were unchanged at Rs. 10-3 *cum-div.* The Directors have declared an ad-interim dividend of 3¾ per cent. on the ordinary shares for the year 1953-54. Vellore Electrics, too, were colourless at Rs. 13-2. The Directors have maintained the dividend of 10 per cent. on ordinary shares for the year ended 31st March, 1953.

MARKET GOSSIP

(Concluded from previous page)

deficit of the sterling area. Thirdly, it might impose a severe strain on the U.K. which would be called upon to convert the U.S. sterling holdings into dollars, if and when the convertibility of the pound takes place. In other words, the U.S. move might conceivably tend to postpone the day of convertibility of the pound. In fact, it is in this light that the U.S. move is viewed in London. There is, however, no doubt that the U.S. move will enable many countries, especially in the South-East Asia region, which are in need of dollar goods but are unable to pay for them, to buy them without having to wait for dollars to come their way.

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There has been, from time to time, certain alarming predictions, particularly by the economists of the countries behind the Iron Curtain, of the crisis which is soon to overtake the American economy. By implication, they have warned those countries which rely too heavily on the U.S. There have, of course, been many similar prognostications—though made in a less alarming tone—by other economists in the free world. In this context, it is interesting to read the sober review of the prospects for American economy, which was given by Sir Oliver Franks, Deputy Chairman of Lloyds Bank and a former Ambassador in Washington, when he addressed the recent session of the U.K. Cotton Board Conference. On the possibilities of an American recession in trade, Sir Oliver said he did not think the greatest skill in the world could enable a country to keep "at high boom condition for ever and ever." Referring to the view that, when an American recession did come, it would be catastrophic, he said, "that attitude is probably wrong." He cited, in this connection, the fact that the U.S. economy had changed a great deal in the last 25 years. Many "useful tools" had been introduced to control the economy of the country. There was no great speculative boom on the stock exchanges, the farmers were not heavily mortgaged, and the whole economy was healthy. He added: "If there is a recession, it will not be unduly severe."

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Sir Oliver suggested that the world was entering what he described as the "post post-war period"—a period, which could be regarded as "normal." Referring to Russia, he said that, although there was no justification for the view that the "grand strategy" had changed, there might be a little less feeling of tension. He thought that there might be a slight increase in the trade with countries behind the Iron Curtain. Dealing with Britain's economic outlook, he said there was an element of precariousness about the gold reserves position, since this surplus was being achieved only at the cost of having to control the trade with the dollar area. Although convertibility of the pound was bound to come, it would have to be achieved, he added, by a "natural balance of trade between the dollar and sterling areas."

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Now that the U.K. Government has turned over the import trade of wheat to private hands, the corn interests in that country are beginning to think in terms of reviving the grain futures market at Liverpool. Trading in wheat for futures delivery, according to a statement issued by the Liverpool Corn Trade Association, will begin on 1st December, 1953. The authorised delivery months will, however, be decided later. The Liverpool market, it may be mentioned here, was an international market for wheat in pre-war years. Efforts are also being made to restore futures trading in maize and barley. In London also, arrangements are being made to start futures market in maize and barley. It is, of course, too early yet to say anything about the probable trend of prices in the Liverpool futures market in wheat, when it starts functioning. There is, however, a surplus of wheat in nearly all wheat-growing countries, so that it is unlikely that many traders would want to buy wheat ahead. Also, the U.K. is believed to be well stocked in wheat, thanks to imports and good domestic crop. But it is stated that the Liverpool futures trading will benefit the millers who do not now possess any cover arrangement for the stocks they hold. To many in this country, the whole arrangement will stand out in refreshing contrast, for, while the U.K., a country which depends on foreign food to a larger extent than India, has taken the plunge and decided on freedom for wheat, India has not even thrown off its rationing shackles yet in many centres.

Notices

DYER MEAKIN BREWERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Registers of the Company will be closed from about 15th November, 1953. Shareholders are requested to send in their Transfer Deeds for registration, as no transfers received after that date will be registered until the books reopen after the Annual General Meeting expected to be held shortly thereafter.

K. G. KHANNA,
Secretary.

SOLAN BREWERY,
20th October, 1953.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend at 12½ per cent. per annum for the half-year ended 30th June, 1953.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *13th October*, 1953.

NEWS IN BRIEF

THE total capital invested in mechanised soap factories in India is about Rs. 12.5 crores.

The new Andhra State grows over three times the tobacco grown in the residuary Madras State, but its average yield of tobacco is nearly 3 lbs. less per acre.

The total amount of materials so far purchased for the Damodar Valley Project is Rs. 29.80 crores, of which those from indigenous sources aggregated Rs. 8.96 crores.

The gross traffic receipts of the Indian railways during 1952-53 exceeded an average of Rs. 74 lakhs a day, against a daily average expenditure of Rs. 61 lakhs.

The paddy breeding section of the Madras Agricultural Department has evolved improved strains of paddy, capable of giving increased yields ranging from 10 to 15 per cent. as compared with local varieties.

A convention of tele-communication engineers, university professors and scientists will be held in New Delhi from 2nd to 4th November, at the time of the telegraph centenary celebrations. This will be the first convention of its kind to be held in India.

An area of 260,000 acres of land is expected to be reclaimed in Madhya Bharat by the end of the next season by the four units of the Central Tractor Organisation working in the State for the past four years. The target of reclamation under the State's Five-year Plan is 300,000 acres.

The Government of India proposes to work out details, in conjunction with the Planning Commission, for setting up a synthetic petrol plant in India. The idea of setting up such a plant was originally considered in 1948, but was given up on account of the huge financial outlay involved.

The Government of India is reported to have turned down the Pakistan Government's proposal to extend the Indo-Pakistan Trade Agreement by another three months upto 31st December, 1953, as it feels that no useful purpose will be served by such extension.

The Ahmedabad Millowners' Association has requested the Bombay Government to drop the purchase tax (under the Sales Tax Amendment Bill) on goods needed for manufacturing purposes, the sales tax on textile machinery and the special tax on fine and superfine cloth.

The Government of Bombay has appointed an Advisory Board under the Bombay Minimum Wages Act, 1948. The Board consists of representatives of employers and employees in 10 scheduled professions and will advise the Government in the matter of fixing and revising minimum rates of wages under the Act.

The Travancore-Cochin Government has appointed a five-man Advisory Committee to enquire into labour conditions in plantations and to suggest measures for revising the minimum wages in force. The Committee will consist of two representatives each of employers and employees.

The next conference of the Commonwealth Finance Ministers will be held in Canberra, Australia, about 8th January, 1954. Preliminary discussions between officials of the Commonwealth countries will, however, be held a week earlier, when the agenda for the Conference will be prepared.

A tea publicity organisation will be set up in Germany, in which both the Government of India and Hamburg tea importers will participate. The aim of the organisation is to increase German tea consumption. The cost of the organisation is estimated at 350,000 marks (about £29,160). Ceylon also will share in the financing of this organisation.

Imports of locomotives and wagons will be stepped up during the current year, according to the Union Minister for Railways. The present import programme will be revised, in order to meet the railway's requirements, as also to make up the arrears, as power and wagon shortages are the biggest difficulties. Line capacity for transport of goods on various railways will also be increased.

The Gujerat Sugar Merchants' Association has submitted a memorandum to the Bombay Government, on the Sales Tax Amendment Bill, 1953, suggesting the levy of a single-point tax of half an anna per rupee to be collected at entry points in the State. It has also suggested that when sugar is exported to other States, the sales tax levied should be refunded, so that inter-State trade might improve.

The Government of Bombay has decided to remove the control on the sale, distribution and price of wheat in Bombay, Poona, Ahmedabad, Sholapur and seven other cities in the State with effect from 1st January, 1954. Statutory rationing will, however, continue in these cities in regard to other foodgrains. All foodgrains will be derationed as from that date in the rest of the State.

The Central Government has asked its food officials in Bombay to enquire into a report that large stocks of imported wheat in the State are of poor quality. This is a sequel to the statement made by the Minister for Civil Supplies, Bombay, at a meeting in Surat, that the imported wheat started deteriorating within eight days. No official complaint to this effect has, however, been received by the Central Ministry of Food.

The Madhya Pradesh State Government has taken a preliminary decision to enhance land revenue assessment by 33 per cent. in the Nagpur District, 25 per cent. in the Jubbulpore District, 33 per cent. in the Wardha District and from 20 to 33 per cent. in the Akola, Nimar, and Sagar Districts. The enhancement has been proposed because of the considerable improvement in the economic conditions of cultivators and because re-settlement has been long overdue.

Topmost priority has been given to the construction of a railway line in the Garo Hills in Assam, so that the produce of the area can be brought at least to the national highway and the river Brahmaputra. This linking of Garo Hills by rail will not only enrich Assam by the exploitation of its hidden resources but will also help other industries requiring cheaper coal, etc. The Garo Hills area is estimated to contain about 1,000 million tons of coal reserves and a vast quantity of agricultural produce and timber.

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From Abroad

Belgium has informed the current session of the G.A.T.T. that it must continue its remaining controls on imports from the dollar area.

The Government of Ceylon has freed from import control restrictions a wide variety of goods from the sterling area. Import restrictions have been relaxed in the case of some goods from the dollar area also.

West Germany has decided to abolish gradually all transfer restrictions with regard to current earnings of foreign capital. This is in response to a recent request by the Organisation for European Economic Co-operation.

The Japan Iron and Steel Export Association will set up branch offices in six foreign countries in order to promote iron and steel exports of Japan. Branches will be established in Karachi, Djakarta, Calcutta, Bangkok, Manila and Buenos Aires.

The G.A.T.T. session at Geneva adopted a resolution calling on the U.S. to discontinue the restrictions on imports of dairy products. It also requested the U.S. Government to report before the ninth session on the action which it has taken.

The first official estimate of the 1953-54 Egyptian cotton crop places production 38 per cent. lower than that of last year. The estimate foresees a production of 5,927,000 kantars of ginned cotton, as against 9,713,000 kantars in 1952-53. (One kantar=99.05 lbs.) In 1951-52, the crop was 7,840,000 kantars.

The U.S. Foreign Operations Administration has offered to sell American surplus farm products worth $175 million to friendly countries in the Far East, Europe, the Middle East and Latin America for local currencies. Discussions with European Governments are going on about the proposed programme and negotiations with the Far East and other nations are to begin soon.

Steel production in the U.S. is now at a little above 90 per cent. of capacity. If this rate of production is maintained for the rest of the year, the production in 1953 will be between 111 million and 112 million tons, thus setting a new record with at least 6 million tons to spare. The best year so far has been 1951, when output reached 105 million tons.

The first shipment of 30 tons of monazite from Ceylon to America was taken last week by a U.S. liner. Ceylon's entry into the American monazite market followed India's ban on the export of the mineral. By about June next, 100 tons of monazite will be ready for sale, including 40 tons now available for immediate export. It is estimated that Ceylon can produce about 1,500 tons of monazite annually. Ceylon has sold monazite to America at £125 per ton, but a Dutch firm is stated to have offered £200 per ton.

PERSONAL

MR. M. A. Menshikov, Russian Ambassador-designate to India, has arrived in India.

The Hon. Mr. C. C. Spencer, C.M.G., Financial Adviser to the Government of Uganda, is on a short visit to Bombay.

Mr. K. Ramiah, a co-operative specialist, will be sent by the I.L.O. office at Bangalore, to the Philippines to advise the Government on organisation of co-operatives.

Mr. E. Arbizzoni has been appointed Managing Director of Messrs. Ciba Dyes Ltd., Bombay, in place of Mr. R. R. Jacques who retired from India in July last.

Mr. T. Swaminathan, Textile Commissioner, Government of India, returned to Bombay on Wednesday last after a six-week study tour of Japan and has since assumed also charge of member of the Forward Markets Commission.

Mr. C. W. Hicks, an expert from the U.S., has arrived in Bombay, at the invitation of the Government of India to conduct a survey for installing ground control approach equipment at Santa Cruz airport.

Mr. M. K. Vellodi, Secretary, Ministry of Works, Housing and Supply, Government of India, has been appointed Secretary to the Ministry of Defence, vice Mr. H. M. Patel, who has been appointed Secretary to the Ministry of Food and Agriculture.

Mr. F. A. C. Guepin, a Managing Director of the Royal Dutch Shell Group of Companies and a Director of Burmah-Shell, arrived in Bombay last week in the course of his tour of countries where Shell organisations are established.

OBITUARY

Mr. Ben Marsden

We regret to announce the death last week, in England, of Mr. Ben Marsden. The late Mr. Marsden had been actively engaged in the cotton textile industry in India for many years, first in Bombay and subsequently for many years in Ahmedabad, in which city he floated the Marsden and the Monogram Mills. He had been indisposed for some time and his death took place in a nursing home. One of his sons, Mr. T. Marsden, takes an active interest in the family mills at Ahmedabad.

4 Per Cent.

HYDERABAD STATE DEVELOPMENT LOAN, 1963

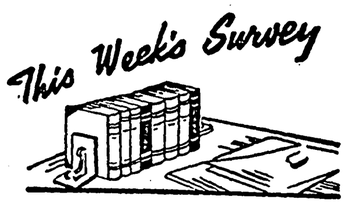
I.G. Rs. 325 Lakhs **Issue Price I.G. Rs. 99-8%**

The loan will bear interest from the 15th October 1953 and will open on the 22nd October and close on the 31st October 1953 or earlier without notice.

Subscriptions will be received in the form of cash/cheque.

Applications will be received at the offices of the Reserve Bank of India, Bombay, Calcutta, Delhi, Madras and Bangalore, at the offices or branches of the Hyderabad State Bank and treasuries and sub-treasuries within the Hyderabad State.

N. B.—**Copies of the Notification and Application Form may be obtained at any Receiving Office.**



MANAGEMENT OF INDUSTRIES

THE enquiry into the alleged mismanagement in the running of the India United Mills, Bombay, and certain sugar mills in the U.P., is the first of its kind the Central Advisory Council of Industry has instituted. Although the report submitted by the special officer appointed by the Government of India under section 15 of the Industries (Development and Regulation) Amendment Act, 1953, proves *prima facie* that there has been mismanagement in the running of the India United group of mills, the Government has appointed a non-official sub-committee with Mr. A. Ramaswami Mudaliar as Chairman to investigate into the affairs of this Company, in order to allay misgivings that the Government has been unnecessarily interfering with the working of these mills. The sub-committee will enquire not only into the working of these mills, but also the sugar mills against which also the charge of gross mismanagement has been made.

Speaking on this subject at Madras last week, Mr. Ramaswami Mudaliar made it clear that the Government had kept an open mind and came to no conclusion on the report of the preliminary investigator into the working of the India United Mills and had left the matter entirely to be carefully studied by the sub-committee. He further stated that the sub-committee would itself keep an open mind on the issues it has to examine and would discuss the issues with the concerned managements, before it reported to the Government. The sub-committee will not only report on the facts of the cases referred to it, but also suggest such solutions as might be necessary. It has to submit its report, according to him, by 15th November, 1953, if possible.

This enquiry acquires special significance to private enterprise as a whole, by reason of the large size of the mills concerned; this group has 240,842 spindles and 6,412 looms. The sub-committee's findings will naturally enough be watched with great interest by all business men. Speaking on this subject, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, said:

"If you come to the conclusion that the report indicates gross mismanagement and all that follows thereafter, you cannot ignore the repercussions for better or for worse of any decision that might be taken on the entire textile industry as a whole."

The remedial action that can be taken in regard to a matter of this nature as prescribed by sections 16 and 18A of the Act does not, however, allow any scope for devising alternative methods such as those prescribed in section 153C of the Indian Companies Act. Section 153C of the Indian Companies Act deals with the power of a court to deal with a situation when a company acts in a "prejudicial manner" or "oppresses" any part of its members. Section 16A of the Industries (Development and Regulation) Act provides that the Central Government may, if it is satisfied, after investigation, that action is necessary, issue such directives to the industrial undertaking as may be appropriate in the circumstances for all or any of the following purposes:

(a) regulating the production of any article or class of articles by the industrial undertaking or undertakings and fixing the standards of production;

(b) requiring the industrial undertaking or undertakings to take such steps as the Central Government may consider necessary to stimulate the development of the industry to which the undertaking or undertakings relates or relate;

(c) prohibiting the industrial undertaking or undertakings from resorting to any act or practice which might reduce its or their production, capacity or economic value;

(d) controlling the prices, or regulating the distribution, of any article or class of articles which have been the subject matter of investigation.

Section 18A gives powers to the Central Government to assume management or control of an industrial undertaking in certain cases. But neither of these two sections leaves any scope, Mr. Krishnamachari said, for devising alternative methods such as those prescribed in section 163C of the Indian Companies Act. He added:

"It may be that, in the actual working of this Act, we find that this defect must be remedied and there should be a tie-up between the provisions of the Indian Companies Act and the provisions of the Industries (Development and Regulation) Act. . . . But that is not now what we are concerned with. Our main concern is to find some method of remedying the defects in the administration of this group of mills, defects which the report indicates to be of a grave nature. If I may be permitted to do so, I would like to request the Council to approach the problem entirely from an objective point of view, in view of the fact that, in a case of this nature, the Council, as well as the Government, are before the bar of public opinion and any action that the Government might take, on the advice of the Council, would be scrutinised and dissected by very critical minds. If I might import the analogy of the court house, you are now in the position of a jury sitting in judgment over this particular industrial unit. I would, therefore, request you to consider all aspects of the problem, not merely from the comparatively limited angle of the future of this particular unit, but also of the possible repercussions on the working of this Act in future."

It is gratifying to note that Mr. Krishnamachari emphasised the need for appropriate action in order to place the working of this group of mills on a sound basis rather than the investigation aspect, as such. After all, investigation and enquiry are only means to an end, the end being better industrial management.

PROGRESS OF COLOMBO PLAN

Much light on the economic progress in the individual countries of what is now known as the "Colombo Plan" region is thrown by the annual report of the Plan, adopted by the Consultative Committee of the Colombo Plan which concluded its deliberations last week-end. The full text of the report is yet to be published, but the Press summary shows that the report contains a succinct account of the progress made in individual countries. It would appear from this that in nearly all countries of the area, there has been an extension of land under cultivation. Industrial production, too, has increased, notably in India and Pakistan.

The report pays a tribute to the countries for having shown that they can plan both "boldly and realistically" and readjust themselves to "good fortune and bad" in the face of the magnitude of the task that confronted them. The "courage and resourcefulness" displayed by the countries, according to the report, justify the confidence that the Colombo Plan will "come upto and even surpass the hopes with which it began."

The report recognises that, although the larger part of an economic development programme in any country has to come from the resources of the country itself, external aid "nevertheless has a vital role to play." Such aid has been forthcoming in one form or another in recent years. Grants and loans so far made available by the countries outside the area for economic development purposes since the end of 1950 aggregate $1,000 million (or about £360 million). This assistance has come from Australia, Canada, New Zealand, the U.K., the U.S. and the World Bank. Perhaps, the Consultative Committee would have done well to assess the region's future financial requirements, its adequacy to meet the needs of development, and indicate the conditions which would facilitate a larger flow of external aid, particularly in the shape of foreign investment. But the underdeveloped countries should realise that gifts or grants will not, by themselves, promote development, unless there is an integrated plan for economic improvement and a willingness to move fast along that road. How vital this consideration is to the economy of the region will be evident from the fact, revealed by Mr. Reginald Maudling, leader of the U.K. delegation to the conference, that India was not able to utilise fully the releases made by the U.K. from the sterling balances. There is, however, no doubt that, with the contemplated increase in the tempo of development in this country, there will be use for all the re'eases that might be made. Be that as it may, this fact alone should serve to emphasise the need for well-thought-out plans for spending and investment.

So far as the flow of investment capital is concerned, Mr. Maudling did well to put the whole matter in a nutshell when he said: "If you want foreign capital to be invested in your country, you must make it clear that there is no danger of nationalisation of that capital within a reasonab'e period." It is to be hoped that this consideration will be borne in mind by the planners in this region. After all, the need for such investment is more urgent now than even before. The fall in commodity prices has affected, as the Colombo Plan report has recognised, the economy of this region, with the result that it is unable to take advantage of the favourable factor, namely, the easier availability of capital equipment. The report has rightly urged that, while it is clearly necessary that the countries of the area should make "maximum efforts to mobilise their own resources", the need for external aid to supplement these resources "continues to be at least as great as in the initial years of the Plan." The flow of external assistance, it cannot be too strongly reiterated, will depend on the degree of their determination to be realistic in their economic policies.

KEEPING OLDER PEOPLE AT WORK IN THE U.K.

While the problem of finding jobs for the growing number of unemployed young men is being actively considered in India at Government levels, a somewhat different problem, namely, of keeping older men at work beyond the conventional age limits of retirement, is engaging the attention of the U.K. Government. According to Sir Walter Monckton, Minister for Labour, people in Britain are "growing older and living longer" and they "cannot afford to retire early or at a fixed age." Though the problem is not easy of solution, the British Government has been earnestly trying to find some palliatives. In March, 1952, it set up a National Advisory Committee on the employment of older men and women. The Committee has just submitted its first report.

The Report reveals some interesting information. It points out that older people can and should remain at work beyond the conventional retiring ages. The problem is becoming acute, because the number of older people is increasing. According to a survey made by the Committee, in 1911, one in every 15 was a man of 65 and over or a woman of 60 or over. By 1951, the proportion grew to two in 15. It is estimated that, by 1977, it will be three in 15. By 1962, the number of people with ages between 20 and 40 will be less by about 7 per cent. than in 1952, while that between 50 and 60 will rise by about 17 per cent. Dispelling the conventional ideas about the limits of usefulness of older people, the Committee has suggested that people capable of efficient services at 60 can continue up to 70. The reasons given by the Committee for retaining the older people at work are realistic. It says that work may prevent a man from ageing and the older person has positive advantages on jobs requiring accuracy and attention to detail. What is more, he is probably more adaptable and trainable than is commonly thought.

About 400,000 out of 800,000 men aged 65 to 70 are now working in the U.K. Out of 1.25 million aged 70 and over, only 250,000 work. There is no national crisis to justify the retention of such people in employment, but it is felt that the needs of the nation require that their skill should not be lost or unnecessary idleness encouraged. The Committee has, therefore, suggested that no one capable of effective service should be retired against his will.

The adoption of the above scheme is not without administrative difficulties. The question of adjusting pension plans is one of them. The pension plans will require to be so arranged that it does not cost the employer more when a man is taken on late in his working life. To overcome this difficulty, the Committee has suggested that the pension paid should not be greater than the superannuation benefits related to the acturial value of his and the firm's contributions.

MARKETING FARM PRODUCE

The intelligentsia in this country is quite conscious of the importance of improved and scientific methods of marketing agricultural produce to the rural economy. But unfortunately, excepting the adoption of the practice of Agmarking certain products, very little has been achieved in this direction. This poor performance cannot be attributed to either lack of data or know-how. The marketing problems of almost all the important commodities have been studied and commented upon by research workers. If still no worthwhile progress has been made, it is because of lack of determination on the part of the authorities to tackle an admittedly difficult problem.

What is the problem? A simple answer to this is not possible, as it is a complex one. In brief, it involves formation of associations of owners of small plots, introduction of scientific farming for producing the required types of crops, winning the small farmers from the clutches of the moneylender and the middleman by providing credit facilities, gradation of crops and storing them in proper warehouses, and finding better prices for them in the markets. Because there are very few agencies, even after taking into account the co-operative societies, which are equipped fully to deal with these varied tasks, the marketing of farm produce in India to-day is still being done on antiquated lines. The middleman continues to dominate the scene, with the grower getting only a fraction of the price paid by the consumer.

It is in the fitness of things that the question of improving marketing practices in rural areas should figure prominently at this week's conference, at New Delhi, of Marketing Officers representing nearly all States. Inaugurating this conference, Dr. Punjabrao Deshmukh, Union Minister for Agriculture, put the present position of marketing of rural produce in a refreshing manner thus:

"Whenever I visit the *mandis*, whether in the rural or municipal areas, I feel as if time has come to a stop so far as agricultural marketing is concerned, and conditions are as they were when I was a child.

"It is the same bullock cart in which the individual producer wends his weary way to the market. It is the same set of middlemen, who, under cover of a piece of cloth, pull one another's fingers in a mysterious fashion to determine prices. It is the same malpractices of one set of weights for buyers and another for sellers and of arbitrary deductions for the service of various functionaries and in the name of religion, the sacred cow or some deity, which are inflicted on the primary producer who, in a phlegmatic helplessness, continues to take things for granted. It is the same dirt and filth that get mixed up with agricultural produce in the course of its movement from the field to the kitchen. The wastage of produce that occurs during this journey continues to demonstrate our incapacity to handle things properly. All this too persistent a phenomenon contains a challenge to a nation like ours steeped in poverty and struggling hard to plan for prosperity."

That in a nutshell is the most distressing picture of the problem which the Conference of Marketing Officers was called upon to tackle. The Conference, in its two-day session under the chairmanship of Mr. P. A. Gopalakrishnan, went into sub-committees to consider (1) the plan for marketing surveys, grading and quality control, regulated markets, co-operative marketing, establishment of warehouses, standardised weights and measures and market news service, (2) propaganda and publicity for Agmark products, (3) improvement of rail and road transport, (4) organisation of Central and State staff, and (5) arrangements for training in marketing work. Of these, the sub-committee relating to the first item has before it an undoubtedly heavy task. Whatever decision it reaches, it should bear in mind that such should have a bearing on the question of utilising the services of the Community Projects and National Extension Services. For these agencies are intended to establish contacts at the village levels and their aim is to help improve the well-being of the farmer.

U.P.'S FIVE-YEAR PLAN

In the light of experience of the working of the U.P.'s Five-year Plan during the last two years, the Government has made certain minor adjustments in the Plan. The effect of these adjustments is that the original estimate of Rs. 120.97 crores of expenditure during the period of five years is likely to go up to Rs. 130.04 crores. This increase in expenditure is exclusive of the cost of the Rihand Dam project, which is estimated at Rs. 35 crores, awaiting sanction. Press reports from Lucknow indicate that, under the State's power programme, the original five-year provision of Rs. 21.40 crores has been revised to Rs. 21.49 crores. Under the revised Plan, the estimate of expenditure for the development of industries has been increased from Rs. 5.82 crores to Rs. 6.24 crores. The bulk of this extra money will be spent on the cement factory which the State is building at Robertsganj at Mirzapur. The factory, which will have a capacity of 700 tons a day, is expected to go into production next year. There are small increases under various heads of cottage industries and training schemes. The money to be spent on backward classes has been increased from Rs. 2.36 crores to Rs. 2.79 crores. There are also increases in sections dealing with animal husbandry from Rs. 1.34 crores to Rs. 1.37 crores, dairying and milk supply from Rs. 20.60 lakhs to Rs. 24.13 lakhs, education from Rs. 17.16 crores to Rs. 17.30 crores and medical aid from Rs. 3.49 crores to Rs. 3.55 crores. Further, there is stated to be a substantial increase in expenditure under community projects.

There are, however, a few items on which the expenditure has been revised downwards. Thus, the expenditure in the agricultural sector has been cut from Rs. 21.25 crores to Rs. 16.27 crores, forests from Rs. 1.65 crores to Rs. 1.41 crores and public health from Rs. 2.46 crores to Rs. 2.21 crores. But the expenditure on roads at Rs. 5.22 crores, co-operation at Rs. 1.30 crores and fisheries at Rs. 6.2 lakhs remain unchanged.

Although many adjustments have thus been made, the main emphasis in the Plan is the realisation of the target of 1,150,000 tons of additional production of foodgrains. The actual increase in the first two years of the Plan was 413,000 tons, despite adverse crop conditions. More rapid progress, however, is expected in the coming years. This is because the irrigation projects, both those that are completed and those that are nearing completion, will provide water for more than 550,000 additional acres of land. The five-year target of land for which irrigation facilities are to be provided has been raised from 2,477,000 acres to 2,605,000 acres.

OFF THE RECORD

(By "ROVER")

THAT the country is in a bad way economically can no longer be covered by a profuse use of platitudes. The policies of the Government have mostly misfired and, what is worse, many of the bullets have rebounded and hit back those holding the guns. The calculations of the Planning Commission have all gone awry, as they were bound to do. Even if it had been manned by the best brains in the country, its Plan would have flopped after a little, hectic flutter, because the Plan had to be cast in a mould which would be acceptable to the antediluvian and fad-ridden section in the Congress Party. With the emergence of unemployment on a noticeable scale, as the first visible fruit of their wrong policies, both the Government and the Party have now been rattled. But this fact, instead of bringing to their mind a realisation of their mistakes, has rendered them more stubborn and more determined to pursue these policies to a bitter end. Having destroyed the atmosphere which alone could encourage expansion of the field for economic activity and, consequently, for employment, the wild and die-hard elements in the Party are now out first to cripple and finally to kill commerce and industry, which alone could bring prosperity to a country and provide gainful work for its teeming millions.

It is not my purpose at present to analyse these policies and to show how and where they were unsuitable for conditions obtaining in our country during the last six years. You cannot eradicate poverty and raise the standard of life of the large mass of people in an overpopulated country on the basis of an economy of *charkha* and *ghani*. Secondly, our labour policies, though not wrong in the essence, have been untimely and definitely detrimental to expansion which we aimed at in the field of industry. To a large extent, these two important aspects of our economic policies have been responsible for the heavy incidence of unemployment which plagues us to-day and which is driving some of our planners and party leaders crazy. In trying to force the pace of improving the lot of those already in employment and thus to win their support or maintaining their party in power, the over-enthusiastic champions of workers have virtually closed the door for additional millions who come of age every year and seek for work in vain. In the final analysis, labour will possibly discover that, instead of doing them any good by a plethora of hot-house legislation, these short-sighted friends have done workers, as a class, a great and possibly a lasting wrong.

What is now at stake is not merely the private sector of industry but the whole economy of the country. If the more orthodox and fanatical section of the Congress, with its prejudices against private enterprise and its purely sentimental attachement to a century-old order of things, is allowed a free run for another five years, there would be nothing left to save and we would all be back in the dark, medieval ages, with its deplorably much lower standard of life for the masses than even the low standard of to-day. Fortunately for the country, the Congress Party is not really a political party in the sense in which it is understood in the context of democracy, but a mere collection of people accommodating within its fold every shade of opinion on matters economic ranging from the most progressive and modern to the most reactionary and primitive. If the more enlightened and less selfish section of the business community, as much concerned about the future of the country as other groups, were to wake up to the danger and come to the fore, it would find common meeting ground with the saner element in the Congress, which is as much dissatisfied with and disturbed at the recent developments as the rest of us.

In any case, I feel that the time has now come for leaders of the business community to come out in the open and take a greater interest in public affairs and politics. There would be nothing but failure and possibly ignominy too for them, if they did this on a narrow and selfish platform of self-interest, to preserve their wealth and to protect their privileges. They would have to convince the public that though they happen to be wealthy, they too are attached to the country and keen on securing public weal. They shall also have to make it clear that they stand for certain values and that it is for preserving these values, which are in danger to-day and for securing progress along peaceful lines, that they want a place in the political life of the country. I had this suggested to me recently in a letter I received from a regular reader of this feature in *Commerce*, who is no "bloody" capitalist, but a poor man serving in a business concern, with a large family to bring up. This man of robust common sense without any ideological entanglements wrote to me:

"A permanent solution can only be attained by industrialists and business men coming forward to take part in political life. Kilachand Devchand did it. Thus we can lend character and sobriety to our Government, which now is nothing better than an old women's club, all members of which (1) must have served long sentences in jail and (2) learnt their fads at Mahatma Gandhi's Ashram.

"You often say you are poor. I do not know whether you are as poor as I am and with seven children too! But without our rich men—and may God make them more rich—we are going to be still more poor."

Curiously enough, I had more or less the same thing suggested to me by one of our most prominent business men in Calcutta, who, I could see, was visibly distressed by the way industry and commerce were being ruined by a set of unseeing and unthinking politicians. I am merely throwing out this idea for what it is worth, without elaborating it in any manner, in the hope of receiving the reactions of those who flatter me by reading this column every week.

Our Misunderstood and Misquoted Ministers!

How long is the Press in this country going to be allowed to victimise poor Central and State Ministers? It is making it almost impossible for many of the members of this sorely harried tribe to open their mouth even in far, out-of-the way places of the country. One would have imagined that at least in these silent and sleepy backwaters of Rajasthan, Saurashtra, Madhya Bharat or Travancore-Cochin, a Party-pecked Minister would be allowed to unburden his overladen soul of some of its personal irritations and embarrassments and be his own genial self for a little while. But the hounds of the Press, ever on the alert for some indiscrimination or equivocality on the part of these furtive fugitives from the thrice cursed discipline imposed on their wayward tongue by the Party, the exalted position they hold and a tyrannical public, dog their footsteps even in such remote places as Rajkot. Though these poor creatures are entitled to the same consideration, latitude and sympathy as the erring husband of a termagant shrew, or even more, the harassed Ministers are not even allowed a short escape or respite by the cruel journalists often hunting their prey in packs.

They say that it is more difficult for a practising politician to hold his tongue on delicate issues than for a woman to leave the last word to a mere man, lawfully delivered to her tender mercy for perpetual torture under a sacred troth. Due allowance should, therefore, be made for this natural handicap in their case, especially if they happen to hold positions of responsibility. It behoves the representatives of the Fourth Estate of the Union to turn a deaf ear when a Minister trips in his talk. As men of the world, they should understand that a robust and full-blooded man like Dr. Punjabrao Deshmukh was bound to have some domestic differences with the more finical members of his Party. Oppressed by the all-pervading humbug and hypocrisy in his puritanic polltical home, it was but natural that he should want to air his more progressive views regarding the favourite fad of prohibition of his Party, to a group of congenial souls whom he had invited for a quiet and off-the-record fireside talk. It is not as if he was addressing the lay public, whom you could not trust to exercise discretion. Trusting in the good sense of the Press people suitably to edit his effusions, the poor fellow allowed himself to be off his guard and to relax in the semi-somnolent atmosphere of a small, Part B State capital for, perhaps, a matter of only five minutes. He told his guests how it would act as a tonic for the empty exchequers of some of the States, if people were allowed to drink for a decade longer.

It was very unkind of the reporters to go and broadcast to all the world the honest views of this confiding man and to get him into serious trouble with his bosses. I am glad the betrayed Minister, even though he lacked the courage of his convictions, had the courage to expose the machinations of these gentlemen of the Press. They worm out the most secret and sacred beliefs of a man by putting leading questions to him. Ignoring what the logicians call the universe of discourse, they twist and turn and torment his words out of all recognition and then go and insidiously present them in their bald and distorted shape, deprived of all the illuminating background and all the unspoken reservations in the mind of their victim, to a gullible public. If these wretched scribes had been a little more circumspect and a little less enthusiastic about informing the public that at least there was one level-headed and courageous Minister who, if he had his way, would want them to drink liquor, of course, not out of any spirit of self-indulgence, but for the purely unselfish reason of helping the country's effort to rehabilitate the crumbling economy of the country and to finance the Five-year Plan, it would not have caused many a sleepless and anxious night to this hard-working man, not to say anything of the jeopardy in which his precious Ministership itself was placed.

It may be that the local journalists in a small, one-horse town like Rajkot were intellectually incapable of understanding and appreciating the fine metaphysical distinction between the drinking of alcohol indulged in by subjects of a pure and uncontaminated, newly formed linguistic State and that by the unreclaimed citizens of old, multi-lingual units like Bombay, Madras and Madhya Pradesh. Being dense to a degree, these local yokels could not see that his mind at the time was

(Continued on page 799)

MOVE TO DRAFT SECOND FIVE-YEAR PLAN

GREATER EMPHASIS TO BE LAID ON INDUSTRIALISATION

(From A Special Correspondent)

New Delhi, 20th October

DELHI LETTER

TALKS on the second Five-year Plan have already begun in the Capital. This Plan is expected to be appreciably bigger in scope both in regard to the total outlay and implementation. In order to maintain and increase the economic tempo in the country, the expenditure in the public sector will be well above Rs. 600 crores per annum, gathering further momentum as the years roll on. It is possible that the total expenditure will amount to between Rs. 3,500 and Rs. 4,000 crores. Although the agricultural sector has received considerable attention in the first Five-year Plan, it will not be relegated to the background. For many of the big projects like the Bakhra, the Chambal, the Kosi, the Krishna, etc., will be still under construction or in the final stage during the second Plan period. Further, some other multi-purpose valley projects in the Godavari and the Narbada might be taken up. All these projects will absorb a sizable sum.

Primary attention is, however, likely to be devoted to the industrial sector and determined effort will be made to expand the steel, heavy chemical and heavy electrical industries. As the Government is anxious to provide new employment opportunities to the middle class educated people, the expansion of industries in the private sector will also be encouraged. Stress will be laid on the development of cottage and small-scale industries and some funds will be exclusively earmarked for this purpose. The development of community projects will be intensified and efforts will be made to bring in as large area as possible under this scheme, so as to create more enthusiasm among rural people. Educational and health schemes, which have not received much attention in the first Five-year Plan, are expected to be taken up during the second period. As Government control in some key industries will be progressively increasing in the coming years, it is likely that the Government will create an economic civil service on a permanent basis, with a view to administering efficiently Government-controlled industries. The Government is already considering a scheme for imparting higher training to suitable young men for manning these key administrative posts.

Production Ministry's Plans

The Government of India is also anxious to fill, to some extent at least, some of the lacunæ in the industrial economy of this country. The Production Ministry has already begun to revive its idea of starting the manufacture of aviation spirit, motor fuels, refined phenols, etc. In view of the strategic importance of this industry and the scope it will provide as a training ground for highly skilled technical personnel, the Government wants to take up this line of synthetic petroleum manufacture. At the same time, the Government is trying to intensify the search for oil in Assam and West Bengal by using the latest geophysical methods of exploration.

In the meanwhile, the Government of India has decided to appoint a technical committee, known as the Advisory Committee on Irrigation and Power Projects, to make recommendations about the various irrigation and power schemes that may be included in the next Five-year Plan to the Planning Commission, which will thereafter determine priorities. The Committee will consist of the Deputy Minister for Irrigation and Power as Chairman, the Chairman of the Central Water and Power Commission, the President of the Central Board of Irrigation and Power, a representative of the Ministry of Finance, and two engineers not in the service of any Government in India, as members, the Chief of the Natural Resources Division of the Planning Commission, as Secretary, and a Director of the Central Water and Power Commission, as Additional Secretary.

The functions of the Committee will be to examine the projects proposed by the State Governments and to ensure that (1) the schemes have been prepared after detailed investigation, (2) the estimates are complete and correct technically, and (3) the financial forecast and estimates of benefits derived are based on accurate data and are reliable.

The Committee will first have the new schemes technically examined by the Central Water and Power Commission or by a sub-committee, and may arrange for such additional technical examination as may be necessary. The C.W.P.C. will examine each project in close consultation with the Chief Engineer-in-charge and, where necessary, with officers of the Central Ministry concerned. A copy of the report of the C.W.P.C. or of the sub-committee will be made available to the State Government concerned, who may send a further note to the Committee. Thereafter, the Committee will examine the schemes and submit its report to the Government of India.

New Industries

Despite the fact that the capital market of the country has been lying practically prostrate during the last seven years, resulting in the total disappearance of new issues, industrial development in a number of sectors has been progressing satisfactorily, largely due to the ploughing back of profits and accumulated reserves for purposes of renovation and expansion. In the absence of any reliable statistical data, licences granted by the Licensing Committee under the Industries (Development and Regulation) Act provide some indication about the manner of industrial development in recent months. It is noteworthy that special efforts are being made to develop engineering industries. The manufacture of steel castings and special alloy steel is being expanded. In the Coimbatore area of South India, a number of spinning mills are proposed to be established. The cement industry has been showing progressive expansion in Orissa, Bihar, P.E.P.S.U., and other States. The manufacture of articles such as electric motors, power transformers, electrical goods, caustic soda, hydrogen peroxide, plastic insulated cables and flexibles, many kinds of pharmaceuticals and drugs, dyestuffs, tennis balls and rubber belts, is either proposed to be undertaken or expanded. Efforts are also being made to establish factories for the manufacture of such items as cycle chains, pumps, thermos-flasks, gilded glass and artificial pearls in the coming months.

Generally speaking, the Government of India has been anxious to encourage and foster healthy industrial traditions in the country. In licensing new units in any industry, an extra margin is usually allowed over and above the assessed demand for the articles in question, so as to encourage healthy competition within the industry and to ensure that adequate supply of cheap and good quality products are made available to consumers. Foreign capital is being welcomed and Government is prepared to grant assurances as to non-discrimination, reasonable facilities for transfer of profits and repatriation of capital and a fair and equitable compensation in the event of nationalisation. The Government is of the opinion that the inflow of foreign capital will bring along with it scientific, technical and industrial knowledge. However, an unlimited field is not allowed to foreign capital and at the time of granting licences, the Government tries to take into consideration factors, such as installed capacity, local production, quality of local products and the nature of technique involved in its manufacture. Generally, the Government is not inclined to favour foreign capital in the trading section. If foreign participation is in the form of royalty payment, the maximum rate generally allowed is 5 per cent. on sales. Regional distribution of industries is looked upon with favour but the establishment of uneconomic units is being discouraged.

Textile Industry

In regard to the textile industry, the Government of India does not favour the establishment of new composite mills during the planning period, but with a view to encouraging the handloom industry to become independent in regard to the supply of yarn and also with a view to fostering industrial development in the backward areas, licences are being granted to new spinning mills or for further expansion of spinning capacity up to certain limits. As a general rule, mills with 10,000 spindles or less are permitted to expand the spinning capacity up to 25 per cent. of the installed capacity, or by such spindleage as is required to raise the total capacity to 10,000 spindles without obtaining a licence under the Industries Regulation Act. The mills with more than 10,000 spindles are permitted to expand up to 25 per cent. of their installed capacity without obtaining a licence. Installation of new or additional looms is not favoured by the Government at present.

(Continued on page 765)

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PAKISTAN NOTES

MARKED FALL IN REVENUE DURING FIRST QUARTER

EXPENDITURE UNDER CONTROL

THERE was a sharp fall in the revenues of the Pakistan Government during April-June, 1953, the first quarter of the fiscal year. Thus, the revenue receipts during the period under review were Rs. 343.3 million, as against Rs. 418.2 million during the same period last year. This discloses a fall of Rs. 74.9 million. The fall was chiefly accounted for by customs which dropped from Rs. 189.8 million during April-June, 1952, to Rs. 126.8 million, a drop of Rs. 63 million. This was mainly due to reduced exports and reduction in export duties. The revenue under "taxes on income" was lower at Rs. 17.9 million during April-June, 1953, as against Rs. 21.3 million in the same period last year. Indirect taxes fetched a revenue of Rs. 63 million, as compared with Rs. 72.9 million. The revenue from railways and other public utility services, however, increased from Rs. 120.4 million during April-June, 1952, to Rs. 123.5 million during the first quarter of the current fiscal year, thereby disclosing an increase of Rs. 3.1 million.

The expenditure during the period under review was well under control. It amounted to *Rs. 248.8 million, as against Rs. 261.4 million* during the same period last year. Except in June, the monthly receipts were higher than the expenditure. The reduction in expenditure was chiefly accounted for by the civil administration expenditure, which declined from Rs. 30.6 million during the first quarter of the last fiscal year to Rs. 22.7 million during April-June this year, a decline of Rs. 7.9 million. Defence expenditure was lower by Rs. 4.9 million, the expenditure during the three months April-June, 1953, being Rs. 106.4 million, as against Rs. 111.3 million in the same period last year. Expenditure on tribal areas was Rs. 10.7 million, as against Rs. 14.5 million.

The monthly breakdown of revenue and expenditure during the period under review were as follows:

(In million Rs.)

Month	Revenue	Expenditure	Surplus or deficit
April	106.4	74.9	+31.5
May	152.8	83.2	+69.6
June	84.1	90.7	—6.6
Total ...	343.3	248.8	+94.5

Development Projects

The results so far achieved by Pakistan in regard to multi-purpose and irrigation projects under the Colombo Plan is satisfactory. It was disclosed at the Colombo Conference, which concluded its five-day deliberations at New Delhi on the 17th inst., that the total electric power capacity has increased from 70,000 to 140,000 kw. The cotton textile industry has made remarkable progress while the jute textile industry has made satisfactory progress. Two woollen mills have gone into operation. Four cottonseed oil plants with an annual crushing capacity of 19,000 tons have gone into production and an additional 57,500-ton capacity is under construction. A sugar mill with an annual capacity of 35,000 tons of sugar has been established. A 50,000-ton ammonium sulphate plant is under construction.

Indo-Pak Trade Pact

The Government of India has informed the Pakistan Government that the extension of the Indo-Pakistan Trade Agreement, which expired at the end of September, by three months till December, 1953, as suggested by Pakistan, would serve no useful purpose. For the present import policy of Pakistan virtually bans the import of such items as *bidis, bidi* leaves, *bidi* tobacco, spices, drugs and medicines, hard cotton waste and the like. It may be noted that Pakistan did not invite applications for the import of some items during the half-year ending 30th June, 1953, notwithstanding the fact that provision for their import had been made in the Trade Agreement. These items were mustard oil, *bidis, bidi* tobacco and spices. When the agreement was due to expire at the end of June, 1953, it was extended for three months. In the meantime, Pakistan announced its import policy for July-December, 1953. This also did not make any provision for the import of the above mentioned commodities. On the other hand, *bidi* leaves, wood and timber, which were included in the list of importable items during January-June, 1953, are missing from the current half-year list. In the case of unmanufactured tobacco, Pakistan has invited applications for import from dollar area only, even though bidi tobacco is included in schedule "A" to the agreement.

Consequently, Government circles at Delhi feel that no purpose will be served by extending the Agreement, unless both the parties to *the Agreement implement its terms.*

Claims of Ex-employees

The Indo-Pakistan Secretariat-level talks held at Karachi last week is reported to have met with considerable success. The representatives of both the Governments have accepted 30th June, 1954, as the target date by which the claims of all displaced ex-employees of Provincial Governments and local bodies should be cleared. At present, there are nearly 15,000 outstanding claims forwarded to Pakistan by the Indian Claims Organisation. There is an almost equal number of claims preferred by the Pakistan Government. Under the agreed arrangement, the claims organisations of the two countries will be strengthened by the appointment of additional staff so that the work can be completed before the prescribed date. Efforts will be made to eliminate cross references pertaining to individual cases which hold up progress. Monthly progress reports will be exchanged between the two organisations beginning from next month. In the case of retired Government servants, it has been agreed that anticipatory pensions should be sanctioned, if any delay is likely to occur in the issue of final sanction. The decisions reached at the conference are subject to ratification by the two Governments.

(Concluded from page 764)

Sugar Industry

In regard to the sugar industry, expansion in uneconomic units upto a crushing capacity of 800 tons per day is being freely allowed. Applications for installation of new plants by importing machinery are also favourably considered if such proposals are likely to lead to modernisation of the sugar industry. Applications for expansion, which were allowed by the State Governments prior to the coming into force of the Industries (Development and Regulation) Act, and which could not be carried out during the sanctioned periods, are also favourably considered. The Government of India does not favour any further expansion in the *Vanaspathi* industry, except in cases where new factories are proposed to be set up by using one of the plants lying idle in the country, or where certain expansions in capacity are considered essential with a view to securing increased efficiency in production. As for the installation of plants for the solvent extraction of oilcakes, the location of the plants is generally settled in consultation with the Food and Agriculture Ministry. Further, the Government is anxious to distribute the industry amongst various States with a view to avoiding concentration of too many plants in any particular area. In regard to the pharmaceutical and drugs industry, permission is given where the manufacture is from a basic material and the existing assessed demand is greater than the existing capacity available in the country. If the only operations involved are, however, bottling, tabletting, ampouling, vialling, etc., permission is generally refused.

Cement Industry

In regard to the establishment of the cement industry, the following aspects are taken into consideration. Adequate limestone deposits should be available near the proposed factory site. The availability of transport facilities is also taken into consideration for purposes of obtaining raw materials and distributing the finished product. The potential demand and the capacity already set up in a particular region are other guiding factors for the expansion of existing units or establishing new factories. However, if the proposed factory is able to compete in external markets, licensing is being favourably considered. The economic unit in regard to a cement factory is between 100,000 and 150,000 tons. The internal demand for cement is now estimated at about five million tons. The present installed capacity is placed at about 4,300,000 tons. Before the end of the first Five-year Plan, it is expected that the total capacity will reach very near the six-million-ton mark.

U.K.'S TRADE TRENDS

NET SURPLUS IN PAYMENTS POSITION

(From Our Own Correspondent)

London, 17th October

LONDON LETTER

THE third quarter of this year has reversed the trend running since a year ago towards steadily increasing imports. The monthly average on a c.i.f. basis has been £276 million, while, in the previous quarter, it was £292 million. But September, the last month included in the above figures, has shown an upward jump. The chief reason for the rise in imports has been a reversal of the general recession in trade of a year ago, with increased stocks moving to production and consumption. Price has accounted for a substantial part of this last quarter's drop. But, while imports have reflected the healthy state of domestic business, exports have been sluggish and have throughout this year stuck at a little under £220 million per month f.o.b. including re-exports. The September figures just published show that the daily rate in this month was lower than at any other time this year, so that, although the third quarter as a whole gives a trade deficit less than in the second quarter, for the month of September, it is at the very high figure of £60 million. If this figure were to persist month by month, the year would show a substantial overall deficit on trade account, but, fortunately, there are no indications that September is going to be typical even of the future.

The following table shows the trade picture for the first nine months of this year compared with the same period last year:—

(£ millions)

	1953	1952
Imports c.i.f.	2,500	2,690
Exports and re-exports f.o.b	1,969	2,036
Adverse trade balance ...	531	654

If a round 10 per cent. allowance is made for freight, then the amended balances become:—

(£ millions)

	1953	1952
Imports adjusted to f.o.b. ...	2,250	2,420
Net adverse visible balance	281	384

The year to date thus shows an improvement on trade account of approximately £100 million over last year. Allowing for invisibles, the first half of this year is estimated to throw up a surplus of about £85 million and the second half of this year of about £65 million. Both of these figures admittedly include a substantial slice of American defence aid, which amounted to some £53 million in the first half of this year. Nevertheless, the surplus is there.

It is clear, however, that, taking all items into account, this year is not going to be as good as last when (including U.S. defence aid) the surplus was £300 million. This figure is, in the Government's view, the amount needed annually to provide for external investment and for a steady rise in the gold and dollar reserves. Is it likely to be achieved again in the near future? Present world economic conditions are much more favourable to the U.K. than at any time since the war and if they so continue—as seems reasonable to expect—then there is a reasonable chance that 1954 will see the overall favourable surplus back to £300 million, allowing for some £70 million of American defence aid.

But the Chancellor is going to the O.E.E.C. shortly and he has indicated that he expects a much better reception than when he went before—to announce Britain's austerity import programme. This is a bull point for liberalisation and whatever Britain gives away to Europe in Paris will diminish the estimated surplus for next year.—*All Rights Reserved.*

TEXTILE MACHINERY EXHIBITION

A ten-day international textile machinery exhibition, the largest of its kind ever held, opened in Manchester on the 14th inst. Two notable features of the display are the effect of man-made fibres on machine design and the continued development of short-cut processing in the first stages of manufacture as a means to greater productivity. Machine designers have also made great headway in tackling the problems of end breakages and irregularities caused by inadequate preparatory cleaning. The exhibition features a wide range of accessories, including air-conditioning plant, power and transmission equipment, and a diversity of automatic counting devices.

LONDON MAYOR'S BANQUET TO BANKERS

FLEXIBILITY OF BANK RATE EMPHASISED

TO bankers anywhere in the world, and not in India alone, the speeches delivered at this year's annual banquet of the Lord Mayor of London to bankers and merchants of the City should prove as stimulating as those on similar banquets in the past. For it is well known that this is an occasion on which the Chancellor of the Exchequer makes a mid-year survey of the U.K.'s economic position and the Governor of the Bank of England, who rarely speaks in public on finance, gives expression to his views on the *important events* pertaining to his sector. Usually, the toast is proposed by the President of the Stock Exchange, who avails himself of this opportunity to take a critical view of the Government's economic policy.

At the Mansion House banquet held on the 14th inst. this year, the economic picture of Britain was painted over a broad canvas by Mr. R. A. Butler, Chancellor of the Exchequer. He summed up the position by saying "so far as I can tell, we are steering a fairly even course at present between the primrose path and the waste land." He said that the Budget had been designed to encourage greater production and the year had seen a significant expansion in this sphere. So far, revenue was upto expectations, and expenditure had run even. But the Exchequer outlay was less by £50 million. The *Bank rate had* been reduced and this was doing good and useful work as an instrument of monetary policy. Enlarging this point, he said: "We have recently shown that it is a flexible instru*ment.* I hope that you have understood and approved the actions of the authorities. I will not define the constituent parts of this olympian and anonymous power." Proceeding, he stated that *the reduction in the* Bank rate was followed by the loan operation which was wholly successful, and provided an opportunity to redeem floating debt.

The reduction in the Bank rate in Britain was *preceded by many moves.* These were clearly brought out by the Chancellor of the Exchequer in order to emphasise the point that "liberty is sweet and will yield big rewards." *Thus, food and all major raw materials* were restored to private trade and restrictions on consumption removed. General steel allocation was ended. Cereals, animal feeding stuffs, rice, *starch, linseed oil,* coffee and bananas were handed back to private trade. Tea, sweets, sugar and eggs were taken off the ration. Again, by returning all main industrial raw materials to private trade freedom was given to industries "*from many* irksome restrictions which bedevilled its efficiency." Import restrictions, too, were widely lifted, thereby encouraging reciprocal trade. *Cereals, softwood,* pitwood, most metals and petroleum were freed and could be imported from any source. Freedom was also given to great commodity markets such as the London Metal Exchange, so that the City of London might have the opportunity of re-establishing itself as the trading centre of the world to the great advantage of the country's balance of payments. Exports, too, kept up, and, in the first half of the year, the U.K. had a payment surplus on current account of £80 million. This, however, compared unfavourably with a corresponding surplus of £270 million in the whole year of 1952. But this lower rate was due to higher imports resulting from relaxation of import controls. In the third quarter as a whole, the Chancellor added, Britain and its partners in the sterling area had not done badly; they had *added $119 million* to their dollar reserves and that at a period "when there is always an adverse seasonal trend."

Restoration of Freedom and Flexibility

Restoration of freedom and flexibility to the *economy on* the economic as well as financial front, as stated above, was also alluded to by Mr. C. F. Cobbold, Governor of the Bank of England. Explaining how the freedom had benefited both the commodity and foreign exchange markets in London, he observed:

"The year has seen the reopening of various commodity markets; they are bringing business to this country which we can handle better than any other centre in the world. More goods from all parts of the world can be traded in London. More goods can be bought and sold for sterling. This is all helping to make sterling a more useful and desirable currency throughout the world and to increase our earnings from international trade and services.

"On the financial side, the foreign exchange market in London is again operating efficiently, quoting close and competitive rates of exchange. Arbitrage facilities have been established between London and the leading Continental centres, in both spot and forward rates of exchange. Steps have been taken to ease the granting of credit facilities for the movement of goods.

"Thus, we have moved, and perhaps more rapidly than is generally supposed, away from the rigidities of war-time and of the immediate post-war years, to a system more capable, I believe, of standing up to whatever strains may develop. The City of London has been able to show that it has not lost its marketing skill in money, in goods and in exchange."

Consolidation of Currency Position

Summarising the country's progress in 1952, Mr. Cobbold stated that the year was one of steady, though not sensational, consolidation in the field of currency stability, the forging of closer links with the Commonwealth and the movement towards freedom in exchange, leaving much still to be done in each sphere. Besides, the year 1952, according to him, proved that, in *modern conditions,* monetary policy could still have a potent and helpful effect on the general economy. In 1953, this conclusion had been reinforced, he said. Although much had been written on the Bank rate and money rates, and though divergent conclusions had been drawn, Mr. Cobbold felt that the position resulting from the changes in monetary policy was more realistic. Influence could now be exerted, he said, more effectively in either direction—up or down, if such were found to be advisable. He was, however, not quite sure in which direction the change would come in *the coming months.* Sole reliance on changes in monetary policy in times when Government expenditure dominated the economic picture for restoring balance is to court disappointment and invite more troubles. Drawing attention to this aspect of the problem, Mr. Cobbold observed as follows: "The prominence given to changes in interest rates and to their effect over the last 18 months carries a danger with it—that too much may be expected of or left to, monetary policy. In these days, public expenditure—direct and indirect, central and local—is predominant in the economic picture as a whole. Monetary policy can only work effectively, if it is supported by, and is in line with, the general financial policy of the Government."

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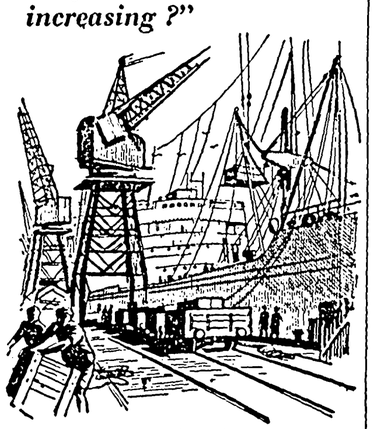

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These are sage words which students of economics, business men and administrators in this country will do well to note. There are some in this country who believe that all that has to be done to lift our drooping economy is to reduce the Bank rate. These persons should pause and reflect on these remarks of Mr. Cobbold.

Bankers Look to Further Cut in Bank Rate

Sir John Braithwaite, Chairman of the Stock Exchange, also touched upon the monetary policy in his speech. He stated that the City took the medicine of a 4 per cent. Bank rate cheerfully, because it believed in the Chancellor of the Exchequer and because it felt that there was a sure purpose and a realistic policy behind that action. He pointed out that the marked difference between the country's position as it was then and now was the measure of the Treasury's success so far, and welcomed the reduction in the rate to 3½ per cent. He, however, appeared to have not been satisfied with the reduction, for he pleaded for a further cut in the Bank rate. Thus he remarked: "We look with confidence, Mr. Chancellor, barring some stroke of fate which no one could foresee, for a further reduction, in your own good judgment and time, and we look for a budget next April which will take us some modest step further along the road to that lower taxation which is the key that will unlock so many of our problems and which will fully restore our credit and standing in the markets of the world."

Reduction in Taxes Necessary

The plea for a reduction in taxes made by the Chairman of the Stock Exchange found a champion in Mr. Cobbold. The vigorous manner in which he supported this plea is evident from his forceful expression thus: "The fact remains, and must be faced, that the present level of taxation is a danger to our industrial and exporting prospects. Industries must be kept modern and efficient; plants must be renewed, ships and aeroplanes must be replaced, factories must be re-equipped. All this must be paid for. It will be hard to maintain for long our efficiency and our competitive position, unless tax policy leaves more savings available to provide new capital and more profits to plough back into business. A high level of investment in industry is necessary at any time. To-day, with a changing world market and with increasing competition for exports, it is our life-blood."

Every word of Mr. Cobbold quoted above applies to this country, too. The only difference is that the relief in taxation in this country is needed not so much from the point of view of maintaining our export trade—though that is also important—as from that of stimulating more and more industrialisation without which there can be no improvement in the standard of living of the people of this country.

£5 MILLION LOAN OFFER TO INDIA

An offer of a loan of £5 million to India by the World Bank was revealed by Mr. Reginald Maudling, Economic Secretary to the British Treasury and leader of the U.K. Delegation to the Colombo Consultative Committee, at a Press Conference held at New Delhi last week. The loan is part of the £60 million which the U.K. has decided to release from its capital contribution to the World Bank for the development of Colombo Plan countries.

Mr. Maudling stated that the World Bank loan was in connection with the D.V.C. and steel projects. The Government of India was, according to him, considering the offer. He did not know whether the Government would finally accept the offer and whether it needed the amount, as till now the Government had not been able to utilise fully the release from the sterling balances. He, however, believed that, with a rise in the development expenditure, India would find use for all its sterling balances and even more. Interest on the proposed £5 million loan would be at the normal rate of the World Bank, he added.

Official reactions to Mr. Maudling's revelation of the loan offer indicate that the acceptance of the loan by the Government would be deferred until the source of supply of the equipment to be purchased was known. An official spokesman of the Government is reported to have pointed out that the World Bank had already made two loans for the projects referred to by Mr. Maudling, one of $19.5 million in January this year for the Damodar Valley Corporation and the other of $31.5 million in December last for the Indian Iron and Steel Company, Ltd., the total being of the order of (in sterling) £18.2 million. The British Government's offer of £5 million, when accepted by India, would enable the World Bank to make part of these loans in sterling currency and would help India avoid, to that extent, the repayment of loan in dollars. He stated that India did not need the loan of £5 million outside the two loans already taken.

Perhaps one of the reasons why the Government of India is chary of accepting this offer is the fact that the rate of interest which it will have to pay on this loan will be higher than what it earns on its sterling balances with Britain. So long as India has enough sterling balances, there is no point in taking sterling loans through the World Bank. In other words, the need for such a loan will arise only when India's sterling balances come down to an irreducible minimum.

PROVISION OF AGRICULTURAL CREDIT

SOME USEFUL SUGGESTIONS

By SARDAR MOHAN SINGH, Managing Director, Bank of Patiala, Patiala)

AGRICULTURE *is the* mainstay of a vast majority of the population of India. In spite of such predominant position in the economy of the country, agriculture is, at the moment, the most backward of all occupations in this country. The problem of rural indebtedness which was considered to be one of the shackles on the progress of rural masses has no doubt received some attention from the Government during the past four decades, but the little that has been done in this respect has not yet touched even the fringe of the problem. As far as *the problem* of rural credit is concerned, it needs bold and imaginative handling.

Despite the mechanisation of agriculture and use of modern methods based on scientific advancement in the field of land improvement and cultivation in other countries, Indian agricultural methods, for the most part, are still very primitive. Due to the continuous increase in population every year, it is imperative to expand proportionately the agricultural production of the country and to achieve this it is essential to reorientate our methods.

It is heartening to find that, in the Five-year Plan, the development of agriculture and its allied problems of irrigation, etc., have been assigned the major portion of the expenditure envisaged by the Plan. For the reorientation of agriculture, on a long-term basis, however, and its proper development, the farmer has to be assisted by way of long- and medium-term credit which the present institutional machinery cannot do. With the liquidation of the local moneylending agencies, namely, the village *sahukar*, the farmer finds it difficult now to arrange for even short-term credit. The commercial banks, due to the nature of their deposits, cannot afford to block their funds in long-term investments. Specialised agencies for this purpose, with their specialised methods of raising funds and investing them are, therefore, most essential.

Land Mortgage Credit In Other Countries

Such specialised agencies exist in all European countries like Germany, France, Switzerland, Denmark, Norway, Sweden, Ireland and England. Similar facilities are also provided in the U.S., Canada, Australia, New Zealand, South Africa and Japan. Even Burma and Ceylon have such institutions. There are, of course, variations in their set-up in the different countries, but all of these have more or less the following features common to them:

1. Special legislation has been passed by the countries concerned to bring these institutions into being in order to regulate and facilitate their operations.

2. They work under the close supervision of the Government and receive adequate assistance from them. Most of the countries have contributed funds liberally from State revenues, without interest in many cases, to these institutions.

3. Their working is dovetailed into the working of other departments directly connected with the rural economy. In the U.K., for instance, the Ministry of Agriculture and Fisheries has given free grants to the Corporation for development programmes and, with the aid of these grants, the Corporation is able to charge on its advances interest rates lower than those at which it is able to float debentures.

4. The bonds or debentures issued by the Corporations are usually guaranteed by the Government.

Pattern of Land Credit Institutions

There can be two types of land mortgage institutions, namely, Federal and Unitary. In view, however, of the enormous size of the country, neither the Federal nor the Unitary structure can suit India. A via media will, therefore, have to be devised in the form of regional organisations. Of course, so far as the particular region, is concerned, it will have to be a Unitary unit.

The results achieved by the co-operative movement in the country, generally speaking, have been far from satisfactory, as, in the village primary units, nepotism and favouritism are usually rampant. This retards proper development of these institutions. The credit facilities, therefore, naturally are very much restricted. Illiteracy of the peasant is another important obstacle in the growth of co-operative machinery with which local elements could be associated and constantly consulted. Except in the States of Madras and Bombay, the land mortgage banks have not developed to any appreciable extent. It is, therefore, necessary to make an attempt at organising some other institutions on lines which have been tried in other countries and found successful.

During my tour of the West last year, I had an occasion to study the working of such institutions in many countries, but more intimately the system of land mortgage finance in the United Kingdom. The Agricultural Mortgage Corporation Ltd., in England, was set up under the provisions of the Agricultural Credits Acts of 1928 and 1932, with an authorised capital of £750,000, subscribed between themselves by the following banks:

Bank of England; Barclays Bank Limited; District Bank Limited; Glyn Mills & Co.; Lloyds Bank Limited; The Manchester and County Bank Limited; Martins Bank Limited; National Provincial Bank Limited; Westminster Bank Limited; and Williams Deacon's Bank Limited.

In addition to the capital thus raised, the Government has offered the Corporation £1,800,000 free of interest for 60 years. There is a provision for the further increase of this amount to £2½ million.

Long-term Loans

Long-term loans for a maximum period of 60 years are granted by the Corporation for purposes of agricultural improvement to owner-occupiers and landowners and so long as the borrower complies with the terms, the loan cannot be called up or in any way disturbed until the end of the period of the loan. The Corporation has only one office in London. All the necessary formalities are carried out free of any charge or obligation by the shareholding banks. Interest is charged at 5½ per cent. per annum only with half-yearly rests. From time to time, the Corporation issues debenture-stock against mortgages in its hands in order to raise further funds.

The Absolute Order creates in favour of the Corporation a charge which has priority over every other existing and future charge and encumbrance, except quit rents, Crown rents, chief rents, and other charges incidental to tenure, tithe redemption annuities, charges created or to be created under Acts authorising advances of public money for improvements, and any prior charges created under the Acts relating to the improvement of land.

Purposes of Loans

The Corporation grants loans for the following purposes:

1. Erection and reconstruction of cottages required for occupation by agricultural labourers essential for the proper cultivation or agricultural holdings.

2. Erection, replacement, and reconstruction of farm buildings (including cases where the work is necessary to comply with the requirements of the Milk and Dairies Regulations, 1949) essential to the proper cultivation of an agricultural holding.

3. Drainage, including pipe draining and mole draining, and straightening, widening, or deepening of drains, streams, and watercourses, on agricultural land, in order to maintain or increase food production.

4. Provision of essential water supply in connection with an agricultural holding.

5. Enclosing, straightening of fences; re-division of fields which includes provision of fencing essential for the proper management of an agricultural holding.

6. Making of farm roads and farm bridges essential to the working of an agricultural holding.

7. Irrigation, warping, and reclamation of agricultural land.

8. The erection, replacement and reconstruction of farmhouses and other residential houses essential for the proper management of farmland or the working of an agricultural holding.

9. Works required for the installation of electricity for lighting and power purposes in farm-houses, farm cottages and farm buildings.

10. The planting of fruit trees and the clearing of land therefor.

11. Provision of means of disposal of sewage.

12. Construction of permanent silos.

13. Provision of permanent sheep-dipping accommodation.

Regional Corporations for India

As I have stated above, India is too big a country for one institution of this type to serve the entire country. The system of land tenures, means and methods of cultivation and the set-up of the villages is different in the various States. The recent agrarian reforms which differ in every State have made matters still worse. Therefore, it will be advisable to divide the country into more or less homogeneous units and set up independent corporations for each unit. For Northern India, the zone may comprise the States of the Punjab, P.E.P.S.U., Delhi and Himachal Pradesh.

In order to meet the requirements of all types of credit needed by the farmer, it would be necessary for this organisation to work in close co-operation with the other agencies providing the credit needs of the farmers. So far as P.E.P.S.U. is concerned, the Bank of Patiala could play a very significant and useful role by entering an arrangement with the Corporation on the lines of the share-holding banks in England. It can easily disburse the loans sanctioned, collect the loan instalments and provide the requisite facilities to the officers of the Corporation or assessors and valuers. Its mobile offices can play an important role in this respect. Similarly, the other commercial banks could also play a very useful role.

The Punjab State have recently organised a Finance Corporation. This very organisation could be adapted to serve the purpose. It could be divided into sections, one dealing with industrial and the other with agricultural credit. As it happens, no State organisations have so far been set up in P.E.P.S.U., Himachal Pradesh and Delhi for providing industrial finance. The area of operation of the Punjab Corporation could, therefore, easily be extended to these States after putting through the necessary legislation. The advantages of the same concern looking after both industrial and agricultural credit are obvious.

National Service

The Agricultural Mortgage Corporation of England has not paid any dividend since it was set up. When, during the course of my conversation on the subject with the Chief Executive of one of the "Big Five" in England, I touched upon this subject, he promptly replied that it was a national service and that the subscribing banks were motivated by the larger interests of the country. This is a wonderful gesture on the part of English bankers and I wish the bankers in this country, too, were guided by similar patriotic considerations.

Our farmer, particularly in the Punjab(I), is second to none in the world, provided he gets similar facilities. During my visit to California last year, I was very happy to meet our Punjabi farmers some of whom own ranches as big as 2,500 acres. As a result of their hard, honest and conscientious work, they have converted waste arid deserts into beautiful green fields. My visit to the Imperial Valley in California brought to me memories of the old Canal Colonies, now in Pakistan, where our farmers have left indelible imprints of their enterprising spirit, hard and patient work. During my recent visit to West Punjab, some prominent landlords of Lyallpur actually confessed that they missed the Sikh farmer, the like of whom they cannot find. With the improved power and irrigation facilities on the completion of the Bhakra Dam Project, the only thing needed will be the provision of medium and long-term agricultural credit in order to develop the tremendous natural resources, which include the wonderful human material that we have at our disposal, in order to develop the economy of this region to its maximum.—*All Rights Reserved.*

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STATEMENT OF ACCOUNTS AS ON 30-6-1953.

LIABILITIES

		Rs.
(i)	Paid-up Capital	87,50,000
(ii)	Reserve Fund	89,06,328
(iii)	Deposits	62,05,70,363
(iv)	Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.	12,82,96,445
	Total	76,65,23,136

ASSETS

(i)	Cash and Balances with Bankers.		7,14,88,955
(ii)	Investments :		
	(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,01,26,373		
	(b) Other Investments .. Rs. 94,24,911		27,96,51,284
(iii)	Loans and Advances		31,36,17,499
(iv)	Other Assets : Including Bills Receivable, etc.		10,17,65,398
	Total		76,65,23,136

YODHRAJ,
Chairman & General Manager.

DEBATE ON STOCK POSITION IN TEXTILE MILLS

CENTRAL ADVISORY COUNCIL FAILS TO GIVE CORRECT LEAD

TO those who expected that the Central Advisory Council of Industries would give a correct lead to the textile industry, its deliberations must cause some serious disappointment. The debate was no doubt informative, in that it resulted in a statement by the Commerce and Industry Minister, Mr. T. T. Krishnamachari, who gave some more details about the closure of mills and the consequent unemployment than had been indicated in these columns. But it is a pity that the Council could neither suggest nor arrive at decisions which would help relieve the mills of the accumulated burden of cloth stocks. Surely, the Council's tripartite structure ought to have enabled it to take or at least help the Government take appropriate measures for solving the problem.

Lala Shri Ram, the leading industrialist, was certainly not indulging in fanciful exaggeration when he suggested at the meeting that, if the offtake, which had not increased in October, continued to remain at the current low levels, there would be a "crash" in the industry before the end of the year. But another leading industrialist, Mr. G. D. Birla, thought that it would be better to wait till the end of the year in order to assess the gravity of the "stocks" position. Mr. Kasturbhai Lalbhai, the Ahmedabad millowner and industrialist, made a very important point when he said that the demand for cloth had failed to respond even to the 40 per cent. cut in prices effected since May this year.

The official reaction to the mills' problem of accumulated stocks was expressed by Mr. T. T. Krishnamachari and Mr. Gulzarilal Nanda. The former was, however, content with a mere statement of the figures relating to the closure of mills. He said that 14 mills had given notice of closure, involving 8,510 workers. Of these mills, two had already closed down, resulting in a loss of employment for 1,400 workers. The stocks with the mills ranged from 4 to 18 weeks' production. If Mr. Krishnamachari did not offer any remedy for the industry's ills—he merely suggested that at the root of the problem lay the decontrol of cloth, though the problem would have arisen just the same whether there was control or not—his Cabinet colleagues, Mr. Nanda, was distinctly less helpful. Mr. Nanda deplored that on the one side there was the complaint that the country did not produce enough consumer goods but, when production did increase, the industry was faced with the accumulation of stocks. He described the situation as "tragic." And yet, when one comes to think of it, the real tragedy lies perhaps less in the accumulation of stocks than in the Government's failure to provide a solution for the industry's manifold problems, of which the accumulation of stocks is only one, though a very disturbing, phase.

In any case, there is no truth in the allegation, made by certain labour leaders, that the mills have wantonly put up closure notices or are otherwise exaggerating the gravity of the situation. It does not, of course, do anybody the least good to draw an unduly dark picture of the textile stocks position. So far as the closure of the mills is concerned, no mill, as Mr. G. D. Birla pointed out, really wants to close down, because that means "greater loss than running the mill." It would, however, be wrong to be complacent about the situation. A little complacency might have been justified if the problem was confined to one centre only. Actually, it seems to be a more widespread malady. Apart from the situation in the Bombay State, to which reference was made in these columns recently, the Madhya Bharat textile region reports accumulation of stocks to the tune of 33,836 bales, valued at about Rs. 2.37 crores, despite the fact that prices have been reduced by 10 to 20 per cent. In Madhya Pradesh, nine out of the eleven mills in the State, it is stated, held, as on 1st September, 1953, about 17,370 bales of cloth and about 3,400 bales of yarn. These stocks are stated to be the "highest level of uncleared stocks on record during the past three or four years, representing well over 2½ months' production." Textile mills in Kanpur have 42,670 bales of cloth and 6,145 bales of yarn, valued at Rs. 4.17 crores. Large stocks of yarn are reported to have accumulated in South Indian mills. In the face of this evidence, it is idle to pretend that the situation does not warrant a more dynamic approach than a mere "wait and watch" attitude.

It must, however, be conceded that the textile offtake has improved somewhat in the last two weeks. Up-country dealers are effecting seasonal purchases of coarse-medium varieties. That some satisfactory demand might develop in the near future is the hope expressed by the cloth dealers who ought to be in a position to estimate the offtake. At least, the rot seems to have been stemmed, in that there has been no further reduction in prices during the past few days. The bumper harvest, which has been reported in more than one agricultural commodity, is itself an encouraging factor which should lead to a better offtake of cloth. But it is also recognised that there is support only at the current floor levels and that any increase in prices would definitely stiffen consumers' resistance.

It is now felt, more strongly than ever, that, if distress sales are to be prevented, the Government should change its attitude to the imposts on the industry. Some of the forms in which the Government could grant relief to the industry have been stressed in these columns ere now. Apart from the relief in the shape of reduction in excise duty and the substitution of single-point sales tax in place of the present multi-point sales tax, which the Government could give, there are other lines along which equally urgent action needs to be taken. Some mills, for instance, have suggested the suspension of the regulation which insists that 80 per cent. of a mill's production should be packed and sold in a limited period.

In the sphere of export trade, the Government has so far announced two measures. In the first place, it has permitted, till the end of this year, the diversion of the cloth, which is manufactured for domestic consumption but not price-stamped, to export markets. But exporters point out that, unless a satisfactory procedure for the refund of excise duty, already paid on this cloth, is evolved the measure may not yield satisfactory results in the shape of export transactions. It should be easier to evolve such a procedure now than in the past since the excise duty is a specific duty, and not collected on an *ad valorem* basis as formerly.

The second measure, which the Government has announced in order to stimulate export trade, is the announcement of the export quota for yarn. The Government has announced its decision to allow exports of yarn by mills or their nominees on the same basis as was followed during the period January to June, 1953. Many exporters, however, feel that, if the announcement had been made a month earlier, it would have been possible to book some business on better terms, since the prices offered for Indian yarn were better then than now. Again, it is felt that the basis on which the exports are allowed is not conducive to a larger export trade in yarn. This basis, it may be mentioned here, rests on the allotment of export quotas to mills in accordance with a certain proportion of the deliveries of cotton yarn made by the mills to the domestic market. It is a pity that an export quota should be based on delivery of cotton yarn to the domestic market, although the concerned mill may never have had export connections, while established exporters of yarn are denied the facilities for the export of yarn. It would appear that the quotas allotted to certain mills in the first half of the year actually lapsed because the mills could not effect any export trade. In view of these limitations, these two measures cannot be of any great value to the mills burdened with cloth stocks.

On the larger question of the export trade in cloth, in general it seems necessary to reiterate the stand that the Government should take a realistic decision on the question of export duty. Already, the frequent rumours relating to the abolition or reduction of the duty are telling upon the export trade. The question must be viewed in the light of the altered conditions in the domestic and overseas markets. Exporters are no longer in a position to pay a premium on their purchases of cloth from mills. Actually, the mills are willing to sell their cloth to exporters at below ex-mill prices. Thus, the mills are anxious to dispose of their cloth as speedily as possible. It is true that so far exports this year have been somewhat better than in 1952, despite the continued closure of the Pakistan market and the general recession in textile trade. But the Burma market is a shrinking market for Indian textiles, thanks to the revision of tariffs at that end. Also, Japanese competition is developing rapidly.

In these circumstances, the Government will be well advised to anticipate events in the textile field, and take a correct decision now, rather than allow itself to be forced into a decision at a later date through the turn of events in the world textile markets. But a more pressing problem, which deserves to be tackled urgently, is the question of the refund of the import duty on raw material in the case of exports of cloth manufactured out of foreign cotton. Since Japan and India's other rivals in the overseas markets do not have to pay such a duty on raw cotton—these rivals also import cotton for manufacturing purposes—Indian fine and superfine cloth suffers from an initial handicap in these markets. The least the Government should do is to allow a drawback on exports of such cloth to the extent of the import duty on cotton.

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BRITISH TEXTILE INDUSTRY'S EFFORTS TO IMPORT WORKERS FROM ABROAD

SALE OF COTTON MILL CONTEMPLATED

(From A Special Correspondent)

MANCHESTER, 13th *October*

MANCHESTER LETTER

AT the official sessions of the Cotton Board's conference at Harrogate this week-end the discussions will range over export problems in Africa, the industry's raw material, union relationships with the employers and the general economic scene. Outside the conference hall, however, a constantly recurring theme among the delegates will be the labour position and its likely effect on future prospects for Lancashire trade.

Conditions vary in different localities and the situation is not as bad in some areas as in others. Yet the overall picture is one of an industry struggling against odds caused by idle machinery which cannot be restarted owing to lack of man-power.

There is increasing pressure for a revival of a central scheme to recruit labour, if necessary from outside this country. Already individual firms are making their own arrangements to import workers from abroad, either from Ireland or European countries. There is, however, a limit to what can be accomplished in this way. And the attitude of the trade unions is bound to be defensive, in view of the local workers who might still be induced to return to the trade.

Many of these former operatives either lack confidence in the ability of cotton to provide them with unbroken periods of employment or they are hanging back in the hope that wages and conditions will show a further improvement before they can be persuaded to resume life in the mill. In some districts competition for operatives is so keen that managements are forced into adopting special measures to extend amenities for their workpeople.

The emphasis is now so strongly upon the ability to offer early delivery of goods that those firms with well-manned machinery are in an advantageous position. Without the stimulus of such generous profit margins then prevailing, some sections of the trade are already well back on the road towards the conditions of two years ago.

Shift Work

In an effort to raise output, evening shift work has restarted in some mills and this would seem to be the nearest approach the cotton industry can make to the recommended adoption of double shifts. Faced by such an appalling shortage of labour on a single shift the introduction of two shifts would require not only a social revolution in an industry employing so many women but a vast reorganisation scheme to halt a large proportion of the machinery involved so as to run the rest twice as long.

Far-reaching plans of this calibre are occasionally proposed but, human nature being what it is, few people can be expected to recommend the possible closing down of their own mills even if it means that the remainder will run more effectively. Little has been heard of any tangible move to extend shift working since consultations took place earlier in the year.

A number of leaders of the industry may be in favour of the scheme in principle but in practice it must be a very slow process of development. Many divergent views on the subject are known to be held by prominent traders. It is to be hoped that an opportunity of hearing some ideas on how to improve recruitment and gain more labour for the mills will be provided at Harrogate for the immediate outlook for the trade hinges on this vital question.

Foreign Workers

Protests that in some Lancashire weaving mills British girls lost their jobs while Continental girl workers were kept on during the cotton industry's textile slump were made last week by Weavers' Amalgamation leaders.

They will voice their protests again at a specially summoned meeting with millowners on 20th October, called to discuss future recruitment of foreign workers for Lancashire weaving mills.

A Weavers' Amalgamation spokesman said feelings were still "running high" over incidents in which Lancashire girls lost their jobs first. Employers would now be asked to enter into a new joint agreement covering the employment of foreign workers in weaving mills. This new agreement would lay down clearly that in the event of redundancy foreign workers must be the first to go. "Such an agreement already exists in the spinning industry," said the Weavers' Amalgamation spokesman.

Weaving millowners claim that union leaders have taken unilateral action in putting a ban on further foreign workers. Individual Lancashire mills are planning to "import" more Continental mill girls to speed orders and restart Lancashire plant standing idle because of the industry's acute labour shortage.

Unemployment Falls

Fewer British cotton operatives are out of a job than at any time since November, 1951. Latest Ministry of Labour returns show that at Mid-September little more than 2,000 Lancashire mill workers were idle—slightly less than when the first signs of recession were detected.

The strides made by the industry on the road back to prosperity are indicated by a comparison of the current out-of-work figure with that for 12 months ago when 37,200 operatives were affected by mill closures and temporary stoppages.

A Ministry of Labour spokesman in Manchester disclosed that 6,000 vacancies in cotton mills had been reported to employment exchanges in the region. Of these, 4,200 were in the spinning section, 1,700 in cotton weaving sheds and 400 in finishing.

Mill Grouping Plans

A new phase has opened in a £2,000,000 textile deal which the organisation controlled by Cyril Lord, 42-year-old textile chief, is planning to launch before the end of the year.

The Directors of the Soudan Mill Co., Ltd., the Middleton spinning firm, have announced that the offer of 18s. per 5s. unit have been made by Cyril Lord Ltd. In a circular to stockholders they advised acceptance of the offer which remains open until 24th October, and will be effective if supported by more than 90 per cent. of stockholdings.

The prospective buyer is, therefore, prepared to pay nearly £864,000 for the two working mills owned by the Soudan Co., and the two other mills which have been stripped of machinery. The Cyril Lord organisation has undertaken to continue operating the mills as at present and the interests of the workpeople will be safeguarded.

Purchase of the Soudan Mills would add a further 160,000 spindles to the machinery already controlled by the Cyril Lord group, bringing total spindleage involved to around 430,000 together with 3,300 looms. Mr. Lord, whose original business was based on Northern Ireland, has become one of the most dynamic textile personalities since the war. Since 1949 he has obtained control over the Lily Mills, Shaw, the Devon Mill, Hollinwood, Brook Mill, (Leyland) Ltd., the Ken Mill, Whittle-le-Woods, and the Greenfield Mill, Chorley. Earlier this year he took over chairmanship and control of H. Ledgard (Silmyra Fabrics) Ltd., owning the Queens Mill and Embroidery Mill at Preston.

Want Jap Ban

"Considerable anxiety" about the possible admission of Japan to the General Agreement on Tariffs and Trade was expressed in a resolution by the International Federation of Master Cotton Spinners' and Manufacturers' Associations, the text of which was released this week. From its Manchester headquarters the International Federation represents the interests of cotton employers in more than a dozen countries.

Referring to the tariff discussions which have been taking place at Geneva, the resolution says that the International Federation has taken into account the differences in standards of living which exist between Japan and other exporting countries and is convinced that these are so acute and substantial as to constitute a threat to stability in international trade.

The resolution goes on: "Even in pre-war conditions when every country was to a greater extent free to pursue its own policies, Japanese trading methods and practices led to disruptive competition which intensified a tariff war and seriously reduced the volume of international trade. The consequences in a situation in which so many countries would be inhibited from immediate defensive action could be disastrous."

Testing Plant Deal

A contract for equipment worth £65,000 for a new cotton testing laboratory at Alexandria has been signed by Mr. A. Naguib, Under-Secretary for Cotton Affairs in the Egyptian Ministry of Finance, with Platt Brothers, the Oldham firm of textile machinery makers.—*All Rights Reserved.*

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EXPORTS OF INDIAN COTTON

LOWER DUTY DEMANDED

THE Government has announced, as is now well known, an export quota of 175,000 bales of the 1953-54 crop of short-staple cotton, consisting of Bengal Deshi 75,000 bales, Mathia, Kalagin and Dholleras, 50,000 bales and C.P. I, C.P. II, Central India Deshi and Oomra Deshi 11/16" and below, 50,000 bales. The announcement has been welcomed by the cotton exporting interests, particularly because it has been made promptly enough—that is, early in the current season. Indeed, there was a repeated demand for the early declaration of export quotas. They are also impressed by the official announcement that the present quota is not a final one, since they feel that there is scope as well as need for a larger quota for the export trade.

There has, however, been much dissatisfaction among exporters over the fact that the Government has not yet thought fit to reduce the export duty on cotton, particularly the duty on non-deshi varieties. The question has been taken up both by the East India Cotton Association (E.I.C.A.) and the Cotton Buyers Association. In a representation to the Government, the authorities of the E.I.C.A. have acknowledged the "prompt action" taken by the Government in the matter of the early release of the export quota. But they point out that it was not possible to complete the last season's quota, because it was found, in practice, that the duty of Rs. 200 per bale prevented a larger export trade from taking place. They admit, however, that it was possible to complete the quota for Bengal Deshi in view of its being a "monopolistic variety." But the incidence of the duty on Oomras-Dholleras, it is held, is on the "high side." In this connection, they have quoted a few illuminating figures in regard to the price-trend of foreign varieties of cotton which compete with Dholleras-Oomras in the overseas markets. It will be recalled that the duty on these varieties was reduced from Rs. 400 per bale to Rs. 200 per bale in March, 1952. Between March, 1952, and October, 1953, the prices of those varieties of Pakistani cotton, which compete with Oomras-Dholleras, have declined by Rs. 700 per candy. The prices of similar varieties of Brazilian cotton have declined, over the same period, by Rs. 600 per candy and those of Burma cotton by Rs. 200 per candy.

Need for Lower Duty

The authorities of the E.I.C.A. have, therefore, contended that it is impossible to export the non-deshi exportable varieties of Indian cotton unless the duty on these varieties is reduced. They suggest that the duty should be reduced at least to Rs. 150 per bale. They have further rightly urged that, since these varieties of cotton do not enjoy a protective floor, it would be unfair on the part of the Government not to adopt such measures as will facilitate their absorption by foreign markets.

A similar representation has been made by the Cotton Buyers Association. This Association recalls that the Government has already reduced or abolished export duties in a number of instances wherein circumstances justified such reduction or abolition. It holds that the case for reduction in the present export duty on Oomras, Dholleras and other exportable varieties "carries much force." It will be recalled that in November, 1952, the duty on Bengals was cut from Rs. 200 per bale to the present level of Rs. 125 per bale, but no such reduction was made in the duty on other exportable varieties of slightly longer staples. The Association points out that, although Bengals, being a "class by itself," can stand the export duty of Rs. 125 per bale, Oomras, Dholleras, etc., cannot bear such a high duty as Rs. 200 per bale which forms 60 to 75 per cent. of the price of these varieties. Moreover, the world textile situation has "now changed very drastically, giving way to buyers' market conditions." Also the lower growths of Brazilian cotton which are comparable to Oomras and Dholleras are now available at rates at which the latter, loaded with the heavy export duty of Rs. 200 per bale, cannot compete effectively with them. It has accordingly urged that the Government should review the position and adjust the present export duty on Oomras and Dholleras in "such a manner as to make them competitive with other foreign growths available in India's overseas markets." The Association has suggested that the rate of the duty on these two varieties should be reduced at least to the level of Bengals, namely, to Rs. 125 per bale.

Both the representations have made out a clear case for the reduction of the duty on non-deshi varieties of exportable cotton. The Government, it is to be hoped, will take an early and favourable decision on this question.

INDIAN COTTON

There is a fear in cotton circles that cotton prices might slump heavily if no action is taken by the Government to help maintain cloth production at the present high levels. The consumption of Indian cotton has averaged about 3 lakh bales in recent months. But it is rightly felt that the continued maintenance of this level of consumption will depend on the adoption of a sound cloth policy. Since the Government has given no indication of its desire to adopt such a policy, the cotton market has been showing signs of sluggishness. Already, the turnover of cotton firms, it is stated, has declined by 60 per cent. The demand for long-staple varieties, which are used by the Indian mills, is stated to be poor. This trend, it is feared, will be accelerated with the approach of the time for the movement of the new Indian crop into the market, that is, by about the middle of next month. This is the first time in the last seven years that cotton interests have been perturbed over the outlook for cotton. In recent years, the Government's chief concern was only to prevent the piercing of ceilings for cotton.

In this context, the reported decision of the Government of India to allot to the mills for the 1953-54 season the same quota as was given to them in the 1952-53 season is to be welcomed, for this will probably lend some support to the sagging cotton markets. This decision, it may be mentioned here, is in conformity with the reported recommendations of the Central Advisory Board which met early this month in Bombay. The Board, it is stated, suggested that the present quota system and zonal system should be suspended. If this suggestion was unacceptable to the Government, then the mills should be allotted, with immediate effect, cotton equivalent to 100 per cent. of their consumption of Indian cotton during the season 1952-53. It also recommended that the mills should be permitted to purchase their requirements in any part of India, that is, the zonal system should be suspended. Again, the Board recommended that the mills should not be compelled to consume as much foreign cotton as they did in the past, particularly in view of the easier supply position of Indian cotton. It, therefore, suggested that the mills which ask for increased allocation of Indian cotton should be given such increase upto 50 per cent. of their consumption of foreign cotton during the year 1952-53. Other recommendations of the Board included the abolition of the system of transport permits for movement of cotton from one State to another and the increase in the export quota of cotton from 175,000 bales to 275,000 bales.

The Government has now accepted only a part of these recommendations, namely, the suggestion for the allotment of 100 per cent. quota to the mills. Judging from the fact that the Government has not taken any action on the Board's suggestion for the removal of zonal restrictions, it would appear that the Government wants to keep these restrictions in force for the present.

WORLD COTTON SUPPLY POSITION

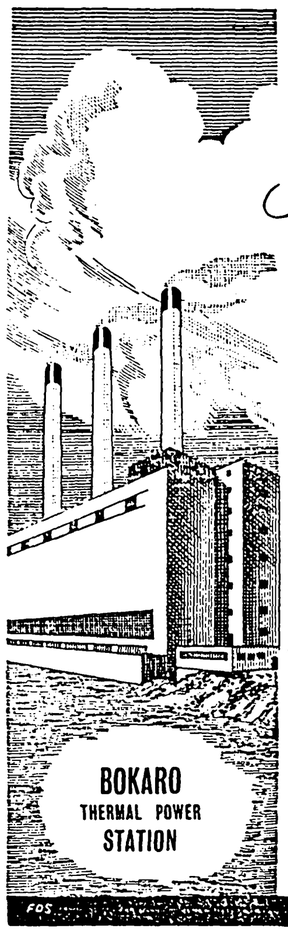
In our issue dated 3rd October, we reviewed the supply of cotton in the free world, as estimated by the International Cotton Advisory Committee. Since then, the figures relating to the world supply and distribution of cotton—that is, inclusive of the supply position in the communist countries, namely, the U.S.S.R., Eastern Europe and China—have become available, thanks to the compilation of such statistics by the Committee. The Committee estimates the world supply of cotton in the 1952-53 season at 50.5 million bales, as against 47.3 million bales in 1951-52.

The following table gives the supply and distribution of cotton in the 1938-39, 1951-52 and 1952-53 seasons:

(In 000 bales*)

	1938-39	1951-52	1952-53 (e)
Supply:			
Stocks as on 1st August (b) ..	25,200	11,600	14,900
Production	29,500	35,700	35,600
Total ..	54,700	47,300	50,500
Distribution:			
Consumption (c)	30,600	32,300	33,500
Destroyed (d)	200	100	200
Stocks on 31st July (b)	23,900	14,900	17,000
Total ..	54,700	47,300	50,500

* Bales of 478 lbs. net except for running bales for the U.S.
(a) Preliminary. (b) Includes estimates for cotton afloat.
(c) Includes estimates for non-commercial consumption. (d) Estimates of cotton burned or otherwise destroyed or unaccounted for.



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SHETH AMRATLAL KALIDAS'S SPEECH

PRESIDING over the Twenty-second Ordinary General Meeting of the Neptune Assurance Company, Ltd., held at Bombay, on 20th October, 1953, Sheth Amratlal Kalidas, Chairman of the Company, emphasised the need for a Government-sponsored reinsurance corporation. He argued that if such a corporation were started and the companies were asked to cede a particular proportion of their surplus business before reinsurance is effected elsewhere, it would lessen the drain on the country's foreign exchange resources.

The following is the text of Sheth Amratlal Kalidas's speech:

"GENTLEMEN,

"The report of the Directors and audited accounts for the year 1952 have been with you for some time and I expect you will permit me to take them as read.

"The progress of the life department of the Company has continued to be satisfactory. The completed business shows an improvement of Rs. 50,000 and stands at a figure of Rs. 42,63,250. The life fund stands at a figure of Rs. 93,11,539 showing an addition of more than Rs. 6,00,000 over the figure of last year. I am sure that before the close of this year the life fund will reach its first crore mark.

"The 'Saving Clock Insurance' scheme has again been reintroduced after a lapse of about 15 years. The licence granted to us for the import of saving clocks was very small. Our efforts to secure bigger licence have not yet met with any success in spite of the fact that the saving clocks have been accepted as the best medium for encouraging middle and working class people to go in for insurance. The additions to the funds of insurance companies are bound to help the Government in the successful implementation of the Five-year Plan. We have again approached the Government to liberalise our quota of import of saving clocks and I am sure that if we are permitted to import larger quantities of clocks which, by the way, are not being manufactured in this country, our business will show a marked improvement.

Handsome Bonus

"The triennial valuation for the period ending December, 1951, disclosed a very decent surplus enabling the Company to declare an interim and reversionary bonus of Rs. 10 per thousand per year on whole life policies and Rs. 8 per thousand per year on endowment policies. The declaration of this handsome bonus will also help the field workers in securing more business for the Company as bonus payment will make our policies more competitive.

"Coming to the general departments, there has been a fall in the direct premium income in the fire and accident departments. This is due to the falling commodity prices and bad harvest all over the country during last year. Expense ratio under the Insurance Rules has been fixed on the direct premium income. While the premium income has gone down the expenses have remained the same and in some cases have gone higher. The new grades and the gratuity scheme, in addition to the provident fund system for the staff, were introduced early in 1952 and the consequential addition of approximately 25 per cent. over the salaries had its full effect on the Company's working during the year 1952. The higher wages bill has shown an increase of 2 per cent. over the last year's ratio and has only slightly crossed the limit. The management and the staff decided early in 1953 to make a voluntary cut in the salary bill and I hope that in the year 1953 the expenses of the general department also will be much lower than in 1952.

Need For Reinsurance Corporation

"There was a big drain on our income by way of reinsurance premium ceded to our foreign Treaty companies. We have now been able to secure reciprocation from our Treaty friends and I am sure that it will go a long way to improve the figures of our profit and loss account. Here, I must make a reference to the need for a Government-sponsored Reinsurance Corporation. The Code of Conduct is so framed that no big business is displaced. Bigger insurance companies, with a few exceptions, having the bulk of big business, are more in favour of exchanging business with foreign reinsurance companies than to cede business to their Indian colleagues. Perhaps, it may be considered an act of narrow nationalism if a State Reinsurance Corporation is started and if the companies are asked to cede a particular percentage of their surplus before reinsurance is obtained elsewhere but it will be worthwhile as there will be smaller drain on our foreign exchange and that will help the smaller and medium-sized companies in establishing themselves. This is the practice in many South American and other countries.

"The Estate Duty Bill has come into force from the 15th of this month. The exemption of Rs. 5,000 on insurance policies cannot be considered as a provision satisfactory to afford the needed impetus to the people to effect savings through insurance policies. Encouragement of life insurance savings, which has been recognised as the best means for the community at large in order to effect savings, small and large alike, should have been given by more liberally providing for exemption limits for life insurance policy amounts in the Estate Duty Bill. The exemption limit of Rs. 5,000 for life insurance policies has to be considered as too small.

"Before I conclude, I would like to thank the members of the staff and the field workers of the Company for their sincere co-operation during the year."

The Philippines Government has now permitted all non-life insurance companies operating in the Philippines, to conclude reinsurance treaties with non-admitted foreign companies on the conditions that (i) the reserves corresponding to the re-insured part are set up in the books of the company and (ii) that the full amount of the reserve fund required under section 186 of the Insurance Act is kept in the Philippines as long as the risk concerned is in force, and (iii) that the State Insurance Commissioner is furnished with the annual statement of accounts of the assuring company as at the end of its fiscal year preceding the reinsurance agreement—within four months from the date of the said agreement and annually thereafter within four months of the end of the fiscal year of the reinsurance company. The annual statement should be duly certified by the Philippine Consul in the place where the reinsurer is located or if no Philippine consul is available by an American consul.

Various proposals for compulsory insurance, it is stated, are being considered by the Belgian legislature. The legislature is concerned to see that no victim of a road accident, caused by a motor vehicle, shall be without compensation. To that end all mechanically-propelled vehicles other than those on rail will come under the new Act. The duty to insure will rest with the proprietor of the vehicle and the insurance must be for an unlimited amount and must not be subject to a franchise. Naturally, there will be recourse to the negligent motorist, but the insurer who can in no case invoke a franchise clause or any other clause which might invalidate the policy as regards the assured. Insurance can be taken out only with an authorised company which is a member of the Motor Insurers Bureau which has created a guarantee fund that will compensate injured third parties in all cases where the insurance cover is inoperative.

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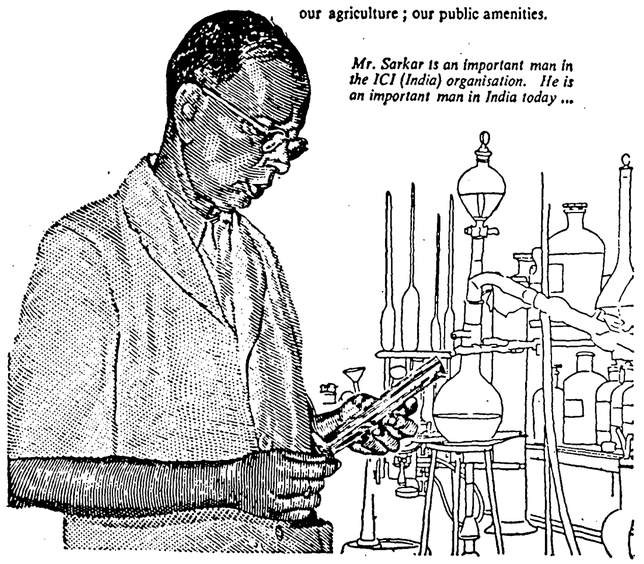
Mr. N. N. Sarkar, who is seen here, is the Chief Chemist in our Technical Service Laboratory in Calcutta. He has been with us for about 20 years. He works to solve the many varied and difficult problems that the ever-increasing use of chemicals naturally raises. His work and its results impinge on all aspects of our national life and every one of us. It helps our industries ; our power projects ; our agriculture ; our public amenities.



Mr. Sarkar is an important man in the ICI (India) organisation. He is an important man in India today ...

... contributing to India's progress and prosperity

ICI

ICG 207

SUGAR FACTORY AREAS IN DECCAN

MOVE TO BRING THEM UNDER PANCHAYATS ACT

THERE is a proposal by the Government of Bombay to include the sugar factories in the local area of villages, under the Bombay Village *Panchayats* Act, 1933. Such a move is resented by the factories, for it would create new difficult problems. The Government has so far not given the reasons for sponsoring this proposal. It has even rejected outright suggestions for considering individual cases of sugar factories wishing to be exempted from the Act.

Although the Village *Panchayats* Act has been in force for the past 20 years, it has so far not been applied to most of the areas in which the factories in Maharashtra are situated. This has not resulted in any loss to the villages concerned or to factory employees. The object of a village *panchayat* is to carry out certain local needs of a very simple and elementary nature, such as supply of water, construction of roads, public lighting, sanitation and the like. Most of the sugar factories are not only providing all these amenities at their cost, but also other facilities such as education and entertainment, physical training, technical education, markets, co-operative societies and stores, which no village *panchayat* has dreamt of providing even if its resources are large enough for providing these facilities. Consequently, so far as the population living together in blocks within these industrial areas and working in the factories are concerned, there is no need for bringing them under the Village *Panchayats* Act.

Taxes

If the factories are brought under the purview of the Bombay Village *Panchayats* Act, the position will be different. In such a case, the factories will be subject to taxes under the Village *Panchayats* Act meant to be used for the facilities to be provided to villagers. The factories will be absolved from the obligation of providing any facility to its employees. For few can expect a factory to provide these facilities and at the same time continue to pay the taxes imposed by the village *panchayats*.

The Village *Panchayats* Act is not designed to facilitate the *panchayats* to deal with such large-scale problems of finance and management as would devolve on them, if the factory areas were included within their limits. One of the more important sources of income to a village *panchayat* is tax on the owners or occupiers of houses, including farm buildings. Normally speaking, the income of a village *panchayat* is a few thousand rupees and the *Panchayats* Act itself is so framed as to secure this income needed by the *panchayat*. If factory areas are included, taxes on houses and premises where machinery is run, even if levied on a modest scale, will run into huge amounts, because the cost of these buildings is several lakhs of rupees. It will, certainly, be beyond the ability of *panchayats* even to arrange for the valuation of these premises or to ascertain their rateable value.

Village *panchayats* have also power to impose octroi and taxes on sales of goods. When the Act was framed, these taxes were expected to provide a part of the finances needed by the *panchayats*. The Legislature, it would appear, never contemplated the inclusion of sugar factories under the jurisdiction of *panchayats*. The value of goods produced and sold in these areas amounts to crores of rupees. Their inclusion will change the whole structure of the village *panchayats* radically. As the village *panchayats* are elected, the calibre, ability, vision and intellect of those who are likely to be elected as members of the *panchayats* may not be of a nature as to discharge their responsibilities efficiently.

False Analogy

There is often a tendency to draw an analogy between the case of sugar factories situated in village areas now proposed to be brought under the jurisdiction of the Village *Panchayats* Act, and that of industries situated in large cities like Bombay, Ahmedabad, Poona and Sholapur. It is argued that industrial premises in these cities are not excluded from the jurisdiction of local bodies like municipalities or corporations. This analogy is false, for there is no similarity between these two cases. In the case of cities, the area occupied by industrial buildings forms a very small part of the total area under the jurisdiction of the municipalities or corporations. There is very little of industrial housing attached to the factories. The factories form small islands in big cities and cannot be separated. Again, most of the workers, numbering thousands or even lakhs, live scattered within the municipal jurisdiction in rented houses, where the municipalities are required to cater to their needs such as roads, lighting, sanitation, health, education, etc. The factories in the cities do not undertake the provision of all those primary necessities of life to workers as their counterparts in the villages of the Deccan. In these circumstances, it is but natural that the factory areas cannot be excluded from the municipal rules and regulations.

The case of sugar factories in Maharashtra is, however, entirely different. Each factory, together with its farms, constitutes more than a village. The population directly dependent on these factories outnumbers generally the population depending on other avocations. All their needs which the *panchayats* or the municipalities are supposed to supply are, as pointed out earlier, being provided by the factories' management at their own cost and on a very much larger scale. It is, therefore, not only convenient but necessary to exclude the factory areas from being brought under the operation of the Village *Panchayats* Act, if and when *panchayats* happen to be established in the villages of which they technically form a part.

Administrative Difficulty

There is a further difficulty in the case of the sugar industry in Maharashtra regarding their proposed inclusion within the jurisdiction of village *panchayats*. Some of the factory areas cover not only more than one village but cut across, in some cases, the boundaries of two talukas or even two districts. Administratively also, therefore, inclusion of these areas in the simple village *panchayats* will create a number of complications and difficulties for the authorities and a good many insurmountable difficulties for the managements of the factories and people living in the factory colonies. Similarly, the functioning of *nyay panchayats* and the exercise of the civil jurisdiction vested in these bodies are also likely to be not only inadequate and difficult to exercise, if not impossible, but might further prove to be very detrimental to the running of the industry.

In the light of the above facts, the Deccan sugar factories contend that the proposal to bring the sugar factory areas under the Village *Panchayats* Act is full of complications. They argue that there is time even now for the Government to carefully consider the implications of its move before coming to a final decision. Under the Act, the Government has powers to exclude specified areas from the rest of the village and to declare that these areas shall cease to be a village. They suggest that, under this exemption, the Government can conveniently exclude factory areas from *panchayat* control.

SUGARCANE WAX

Waxes derived from animal and vegetable sources find wide application in industry. They have become industrially important not only as protective coatings and polishes but also as essential ingredients of products such as carbon paper, stencils, paper and textile aids, inks, photographic preparations, cosmetics, pharmaceuticals, lubricants, electrical insulating agents, flame-proofing agents, etc.

The natural waxes are widely distributed in nature but their extraction, on a commercial scale, is limited to those which can be gathered in quantity and those which are easily obtained or to those which possess outstanding qualities which justify their extraction, irrespective of the cost of extraction. In recent years, there has been an increasing demand for sugarcane wax for various industrial applications. Indian sugar mills crush about 15,000,000 tons of cane annually from which about 45,000 tons of wax can be obtained.

Sugarcane wax occurs as a thin white layer on the exterior of the stalks of cane. Indian cane is reported to contain 0.34 per cent. wax. When cane is milled and the juice clarified, the wax is concentrated in the press cake. From the press cake, the wax can be easily extracted by a common organic solvent. Alcohol seems to be the ideal solvent under Indian conditions, as it is abundantly available. Though extraction of wax by alcohol, under normal conditions, is not satisfactory, extraction at higher temperature and pressure or use of mixed solvents such as ethyl alcohol and ether gives satisfactory results. The crude wax as no direct industrial value. Depending on the nature of application, the wax has to be further refined or modified.

A review article appearing in the October issue of the *Journal of Scientific and Industrial Research* deals with the occurrence, composition, extraction, and refining of sugarcane wax, and indicates the type of extraction plant that is suitable for use in India.

ESTABLISHMENT OF NEW SUGAR FACTORIES

IS THERE NEED FOR REGIONAL RESERVATION ?

LAST week we dealt with two problems facing the Deccan sugar factories, namely, the inadequate supply of, and excessive rates of taxes on, water, to which Mr. Gulabchand Hirachand referred in the course of his address to the Tenth Annual Convention of the Deccan Sugar Technologists' Association held at Harigaon (Belapur) recently. These, of course, were not the only aspects of the sugar industry covered by Mr. Gulabchand. Another important subject which received his attention on this occasion, but to which we could not refer for considerations of space, was regulation of the establishment of new sugar factories on a regional basis. The issue he raised was whether there was need for such control in the case of the sugar industry.

Mr. Gulabchand deprecated regional allocation of permits for the establishment of new units, when certain regions are not in a position, for various reasons, to avail themselves of the quota of new factories reserved for them. It is true, he admitted, that considerations of defence strategy, as well as those arising from overcrowding in cities require that the industrial units should not be located at vulnerable places. These factors, according to him, however, do not operate in the case of the sugar industry, as it is almost exclusively established in the rural areas and away from ports and busy industrial centres. There is, therefore, in his view, no need for trying to spread out sugar factories into areas, where capital is not available for such enterprise, even though agricultural conditions might be suitable. Proceeding, he said: "It would certainly be better to allow factories to be set up in places, where people are ready to put up the required capital and where supply of cane is assured, than to import sugar from abroad, while waiting for these quotas for various States being fulfilled at some future date."

Pertinent Observations

These observations of Mr. Gulabchand are, indeed, pertinent. It is true that regional development of sugar factories is a desirable and necessary measure in a country of long distances like India, where periodical regional sugar crises are a common phenomenon, owing chiefly to transport bottlenecks. Such a development will further facilitate orderly dispersal of the factories over the length and breadth of India. But, if capital is not forthcoming in a particular region, and, consequently, the region is not in a position to take advantage of the quota of factories offered to it, there does not seem to be any valid reason to refuse permission to allocate the quota to any other region, where capital is available. When adequate capital is forthcoming in the other regions, permission can be granted to them. There need be no fear of overproduction. For consumption of sugar is not static. It rises as the standard of living increases. This is evident from the increase in consumption of white sugar in recent years. Moreover, in the long run, it is desirable to replace production of *gur* with white sugar, as the former is a terrible waste of national resources. Readers are aware that, in the process of *gur* making, the recovery of sugar from the cane is poor, the machinery used by *gur* makers being inefficient. Quite a lot of energy-giving juice is left behind in the cane which is allowed to dry and then used as fuel. If all the sugar needs of the people were to be met through white sugar, there would be no need for the country to grow as much cane as it is doing at present and thus quite a large part of the area under sugarcane can be diverted to production of food or other crops. In any case, if it is found that, as a result of the other tropical areas in the country taking to production of sugar, there is an undisposable surplus, the number of units in the North could be reduced by compelling the closure of the uneconomic units in those areas. After all, it is a long-established fact that the sub-tropical regions in the North are relatively unsuited for growing sugarcane, as compared with the dry tropical tracts in the South. And in any scheme of national planning provision must be made for the utilisation of land on scientific lines.

The Tripartite Conference of the Uttar Pradesh sugar industry authorised Dr. Sampurnanand, Labour Minister, on the 13th inst., to appoint a committee to determine the rate of bonus to workers for the 1952-53 season. The committee will consist of four representatives each of the employers and the workers with the Labour Commissioner as Chairman.

STOWING IN COAL MINES

CAN SAND BE SUBSTITUTED?

THE question of stowing in coal mines, for safety and conservation, with materials other than sand, has been engaging the attention of the Coal Board for some time past. The latest reports indicate that the Board, with a view to encouraging stowing with materials other than sand, has invited applications for assistance. The move is to be welcomed, as the utility of stowing, by whatever method it may be, as a means of not only conserving coal but also preventing accidents and mishaps, needs no emphasis.

We are told that stowing can be practised successfully with the mixture of a reasonable amount of sand, ash, clinker and colliery rejections. Even the presence of small quantities of combustible materials in ash or clinker will not, it is stated, render the materials unsuitable to stowing. At present, hydraulic stowing with crushed stones is being effectively practised in Angarpthra colliery; this colliery is utilising stone and debris of the goafed areas for stowing purposes. This process is said to have helped the colliery in recovering lost coal from the goafs. There are certain other collieries which are stowing with a mixture of sand and ash on a 50-50 basis. A few others are said to be using properly sized and crushed rejections with a high proportion of water for stowing, but they have built stoppings as a precautionary measure to isolate the areas stowed in cases of emergencies.

Stowing in coal mines with materials other than sand is of particular importance to collieries. For sand stowing is costly, although sand has been found to be the most suitable material for stowing and lends itself particularly to hydraulic stowing. Sand has to be transported over wide distances. At times, the distances are so vast that the use of sand for stowing purposes becomes uneconomic. In fact, the cost of transport of sand to areas where it is needed most for stowing is a formidable obstacle to the widespread adoption of stowing, despite improvement in the methods of transport as, for instance, the aerial ropeway system. Again, although the availability of sand is for the present considerable, it is not unlimited. The sand that is removed from river beds for stowing is replaceable only by floods. The rate at which it can be replaced is a factor which is entirely beyond human control. This factor, as well as the cost of transport, clearly points to the need for suitable cheap and abundant materials to replace wholly or partially sand for stowing purposes. It is only when suitable substitutes for sand, wholly or partially, are discovered that stowing can be effectively carried out on a large scale.

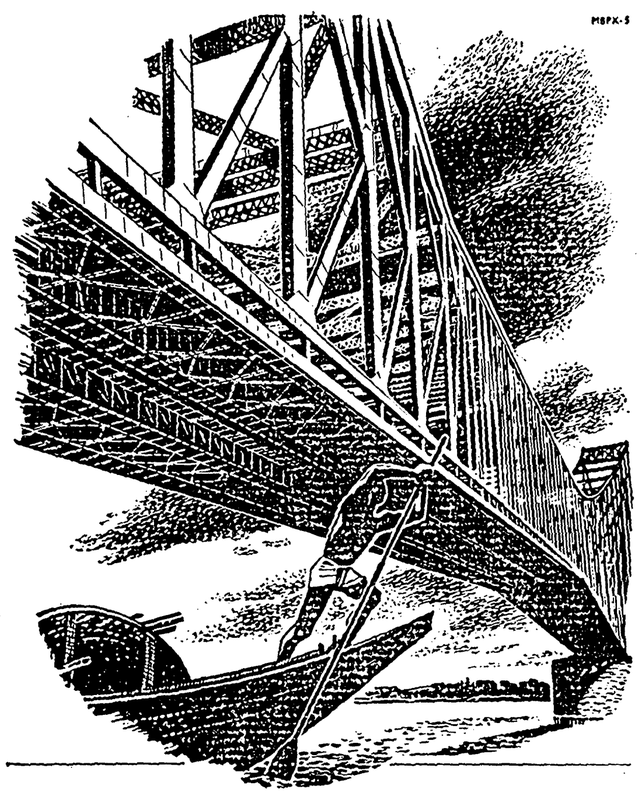
Unfortunately, stowing is not practised in the majority of collieries in India for obvious reasons. Consequently, vast quantities of coal, especially high-grade and even metallurgical, are being wasted through the ordinary process of mining or improper stowing. If the present situation persists, it is feared that, in the next few years, quite a few million tons of coal will be lost. The loss of coal owing to inadequate stowing is estimated at as high as 50 per cent. of output; in Jharia coalfields, the loss is estimated to be even more. It is, needless, therefore, to emphasise that steps should be taken as early as possible to make stowing applicable to all mines and on a large scale.

I.L.O. COAL MINES COMMITTEE

The fifth session of the Coal Mines Committee of the International Labour Organisation will be held at Dusseldorf, in the Federal Republic of Germany, from 30th November to 12th December, 1953. The agenda before the meeting will be as follows:

(1) General report, dealing particularly with: (a) action taken in the various countries in the light of the conclusions of the previous sessions of the Committee; (b) steps taken by the office to follow up the studies and enquiries proposed by the Committee; (c) recent events and developments in the coal-mining industry; (2) productivity in coal mines; and (3) social welfare facilities and services in the coal-mining industry.

India is a member of this Committee. Each delegation to the Committee may include two Government representatives and two representatives each of the employers and the workers. The delegates may be accompanied by advisers but their expenses will have to be borne by the organisations concerned. Employers' and workers' representatives will be nominated in agreement with the most representative of their respective organisations.



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INTERNATIONAL TEA AGREEMENT

FUTURE DEPENDS ON GOVERNMENT OF INDIA'S POLICIES

THE concluding part of the F.A.O. commodity report on tea, to which a reference was made in our previous two issues, not only throws fresh light on the International Tea Agreement but raises an issue of considerable significance to India, as the chief producer of tea in the world, and on which the future of the International Tea Agreement depends. It involves the very principle by which international commodity agreements are bound. A study of the Tea Agreement on the basis of the F.A.O. report is topical, in view of the reported move to change the basis of assessing crops in tea estates in India, for the first time since the original standard crop quota was fixed for individual estates in 1933, as also of the suggestion by some for increasing the export quota for the season 1953-54 from the present level of 122 per cent. of the standard export figure in order to meet the large demand for tea. These moves, coupled with the relaxation of restriction on the output of tea by the tea gardens in North India are indicative of the producers' desire not to exploit consumers, taking advantage of the International Tea Agreement.

Tracing the origin of the International Tea Agreement, the F.A.O. report says that the first Tea Agreement was brought about by the crisis in the world tea industry of the early thirties. The crisis was the outcome of the coincidence of two forces. One was the large increase in tea output stimulated by the favourable prices that ruled in the twenties; the supply was further aggravated by the improvement in collection methods. The second force was the onset of world depression in 1929-30. The combined effect of over-production in a depression period was a drastic fall in prices of tea to unremunerative levels. Naturally, tea producers were concerned more with the question of prices than with that of maintaining the volume of exports. The Indian and Ceylon Producers' Associations, therefore, readily agreed to consider the proposal made by the Amsterdam Tea Association at the end of 1932, to regulate the exports of tea. In February, 1933, the first International Tea Agreement was signed by the representatives of the producers' associations of India, Ceylon and the Netherlands East Indies.

Operative Provisions of the Agreement

The operative provisions of the Agreement were: (1) regulation of exports by reference to "standard exports" in 1929-31, and (2) cessation of new planting in participating countries during the life of the Agreement, except in defined special circumstances and to a prescribed limit. Regulation of exports was to be undertaken through Governmental action in signatory countries. A memorandum of recommendations attached to the Agreement provided for collection and publication of statistics on production, consumption and exports; for study of the progress or regression of tea consumption and the reasons therefor; explorations of ways and means of increasing consumption; and for prohibition of the export of tea seed from regulating countries. The internal administration of the scheme was carried on in the three regulating countries by legislation enacted by the respective Governments. The efforts made to associate the other producing countries (China and Japan) with the scheme were, however, not successful.

During the life of the first agreement, the Governments and tea producers of Kenya, Uganda, Tanganyika, Nyasaland and Malaya agreed to support the scheme partially, in that they undertook to support it only to the extent of limitation of planting in accordance with special circumstances in each country. During the life of the second agreement, 1938-43, the Governments of African territories enacted legislation for regulation of exports also. It was also arranged that planting of tea in Malaya should be limited to an area sufficient to provide for internal consumption only. After the partition of India, Pakistan readily joined the scheme. The scheme is now governed by the representatives of the four main producing countries, namely, India, Pakistan, Ceylon and Indonesia.

The establishment of export quotas under the Tea Agreement during the years 1933-37 at an average of 85 per cent. of the standard exports and the knowledge that quotas could and would be reduced any time, if prices fell substantially, were largely responsible for the rise in prices during that period. Control was greatly facilitated by two factors. First, production was concentraed in what were then British and Dutch colonial territories. Secondly, most of the production was by European-owned estates, organised in strong associations. The quotas were extraordinarily effective; actual exports from regulating countries were constantly up to the permitted quotas. Regulating countries were, however, somewhat concerned over the danger of losing markets to non-regulating producers; for the exports from the latter increased. But the virtual prohibition of export of seed from regulating countries, lack of suitable land, labour or capital resources and other factors rendered it difficult for other non-member countries to expand production to any large extent.

Reasonable and Moderate Policies

As a result of the Agreement, while tea prices in 1933-38 were higher than otherwise would have been, the F.A.O. report recognises the undeniable fact that the industry followed reasonable and moderate policies. "It might be argued," the report adds "that, in so far as the Agreement made possible maintenance of employment and wages in the producing countries of very low living standards (as compared with tea importing countries), it had much to commend it. However, the distribution of benefits in agreements of this sort, as between the various sectors of the industry, is exceedingly complicated, and much depends on the nature of the local social and legislative frameworks."

So far as the industry was concerned, the result of the Tea Agreement, the F.A.O. points out, was that it was spared of the economic problems faced by other industries and the necessity of making painful adjustments. "The live and let live policy," it comments, "enabled practically all established producers to continue in existence, including many small units, with relatively high overhead costs." In the face of these prosperous conditions, the F.A.O. goes on to observe, the industry took little effort to simplify the corporate structure of estates and reduce the consequent high administrative costs. That was not all. There was no incentive to seek ways and means of reducing production costs through introduction of high yielding varieties and better agricultural practices, such as existed in, say, the sugar industry. This is a definite charge against the tea producers and it will be interesting to know what reply they have to offer.

Tracing the working of the Agreement during the post war years, the F.A.O. comes to the interesting conclusion that, whereas the Agreement was beneficial to producing countries during the pre-war years by giving support to tea prices, it did not give such support since the war, particularly in the last two or three years. This was partly due to the liberal quota policies followed by the International Tea Committee. In contrast to pre-war years, when quotas, as was pointed out earlier, effectively limited exports from signatory countries, the annual quotas since 1947 have been on an average of 31 per cent. above exports.

Future of the Agreement

On the future of Tea Agreement, the F.A.O. has some significant observations to make, which the Government of India and tea producers in India would do well to take note of. It says:

"At present, the future of the Tea Agreement is uncertain. Much will depend on the policies which will be pursued by the Government of India, which has shown increasing interest, for internal socio-economic reasons, in expanding tea production by small farmers and in developing bilateral arrangements for increased marketing of Indian tea. Serious differences may emerge concerning future quota policies, especially in view of the price and marketing developments of the past year or two. Expansion of production in non-member countries, if continued, might enhance the difficulties of regulation, although this is not likely to become a serious factor in the foreseeable future, since most of the new areas are colonial territories where production is carried on by European-owned estates."

It is contended by some that the International Tea Agreement is only an agreement between the four main producing countries and that it is, therefore, not truly international in

(Continued on page 785)

STOCKS OF JUTE GOODS IN SEPTEMBER

POSITION SLIGHTLY BETTER

THE stocks of manufactured goods with Indian jute mills, at 118,373 tons as on 30th September, 1953, show a decrease of abcut 15,000 tons over those at the end of August, 1953. In fact, they are the lowest for any month since December, 1952, when they stood at 114,938 tons. The stock position at the end of each month since December revealed an upward trend, which persisted till May, 1953, when the stocks stood at as high a level as 138,789 tons. After declining to 133,840 tons in June, they rose again to 136,807 tons in July this year. Since that month, however, there has been a steady fall to 133,459 tons in August and still further to 118,373 tons in the month under review.

The decline in the month under review should not, however, be regarded with complacency, as the stocks are still 16,887 tons higher than those in September, 1952. A point to be noted here is that the mills are not only not working with full complement but are working shorter hours per week. Until the mills are able to despatch what they produce in a normal working week of 48 hours with none of the looms sealed, there is need for caution in judging the state of the industry.

There are, however, some distinct signs of improvement in the outlook for jute goods. Total despatches during September are estimated at 88,100 tons which are stated to be not only a record for the current year but far better than the month's production at 73,100 tons. Reports indicate that, with the reduction in export duty on hessians last month, Continental manufacturers are being priced out by Indian mills. America is now showing greater interest in the Calcutta market than in recent months. The U.S. burlap consumption in September is placed at 80.4 million yards, as against 74.8 million yards in August. It is also anticipated that Australia and New Zealand will shortly appear on the scene as buyers of Indian sackings, as stocks of high-priced goods there have been depleted. While thus the position is improving, it is rather disquieting to hear that labour in the jute industry is getting restive and threats of strike are being made in order to enforce its demand for bonus. In the existing financial position of a number of companies, such a demand, if conceded, would cause a big dent in their cover, already rendered thin by trading losses for several years.

The table below shows the position of the various types of stocks of jute goods in each of the three months ended September, 1953 and as at the end of September, 1952:

	As on			
Civil	30-9-53	31-8-53	31-7-53	30-9-52
Hessian	36,125	41,468	44,403	30,967
Sacking	79,203	83,938	89,216	54,881
Others	2,162	1,834	1,681	1,078
Total ..	117,490	132,240	135,302	86,926
Government				
Hessian	536	517	537	1,515
Sacking	347	699	933	3,045
Others	..	3	35	..
Total ..	883	1,219	1,505	4,560
Grand total ..	118,373	133,459	136,807	91,486

From the table above it will be seen that the fall in total stocks has been shared by both the principal types of goods, namely, hessians and sackings. Hessian stocks have gone down from 41,985 tons in August to 36,661 tons in September, 1953, and sacking stocks from 89,637 tons to 79,550 tons. The fall in hessian stocks is significant considering that, during the month, the output of this variety rose by as much as over 3,000 tons. In the output of sackings, too, there was an increase of about 2,000 tons.

Production of jute goods in September, 1953, as compared with that of the preceding month, was higher by 4,759 tons. Thus, it rose from 68,138 tons in August to 73,097 tons in the month under review.

The table below shows, at a glance, the output of the various categories of goods at the end of September, 1953, as compared with that in the preceding two months as also in August, 1952:

	As on			
Civil	30-9-53	31-8-53	31-7-53	30-9-52
Hessian	32,701	30,056	33,465	22,831
Sacking	36,611	34,671	39,964	43,569
Others	2,636	2,420	2,496	2,971
Total ..	72,038	67,146	75,925	69,371
Government				
Hessian	821	637	1,892	99
Sacking	239	302	518	525
Others	..	3	15	..
Total ..	1,059	902	2,425	624
Grand total ..	73,097	68,138	78,353	69,995



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ASIA'S ELECTRICITY PROBLEMS

SUGGESTIONS BY E.C.A.F.E. CONFERENCE

THE Electric Power Conference, held under the auspices of the United Nations Economic Commission for Asia and the Far East, which concluded its five-day session at Bangkok, on the 9th inst., discussed Asia's electricity problems. Representatives from Burma, China, France, Pakistan, the Philippines, the U.S., Cambodia, Japan, Thailand, the U.S.S.R., the U.K., Korea, Malaya, British Borneo, Brunei, Sarawak and Viet Nam and Laos were present at the Conference. Observers from the F.A.O., the W.H.O., the International Chamber of Commerce and the International Confederation of Free Trade Unions also attended the Conference.

At the outset, the delegates to the Conference urged top priority to the development of electric power projects, including rural electrification. This is only as it should be, for although more electric power is now being generated than ever before, the demand for industrial and domestic power has been growing at a rate much more rapid than the increase in the rate of supplies, with the result that many urban areas in Asia are still starved of electricity. The position in respect of villages and small towns is still worse, for electrification of rural areas in most Asian countries has hardly started.

According to the E.C.A.F.E.'s *Power Bulletin* submitted to the Conference, the progress of electric power generation in some of the important countries of Asia in recent years is as follows:

(1) India commissioned, early in 1953, one of the largest thermal plants with a capacity of 150,000 kw.;

(2) considerable diesel capacity was installed during the past 18 months in Indonesia. It consists mainly of 24 generating sets of 1,000 kw. each, and two sets of 1,500 kw. each. A small hydro plant with a capacity of 4,500 kw. is under construction;

(3) according to a semi-annual power survey conducted in October, 1952, the peak load in Japan is expected to increase from an estimated 7.8 million kw. in 1952 to 10.4 million kw. in 1957. If generation capacity grows as planned, the capacity of power systems at the time of the annual December peak-load should increase from approximately 6.3 million kw. in 1952 to 8.9 million kw. in 1957 under medium hydro conditions.

Japan's requirements (on the basis of unrestricted use of power) exceed the annual energy output for 1952 by almost 11 per cent. This deficiency, although gradually decreasing, is unlikely to be eliminated before a considerable expansion of the present construction programme can be carried out;

(4) the major works under construction or contemplated in Pakistan aggregate some 135,000 kw. to 235,000 kw. of hydro plant in 1951-57. As much as 10,000 kw. of hydro power were completed in 1951, and another 25,000 in 1952 or a little later. Installation of 140,000 kw. of thermal plant is planned, including some 35,000 kw. of diesel plant;

(5) an additional 7,000 kw. of thermal power and 30,000 kw. of diesel plant were installed in Bangkok (Thailand) in 1952-53;

(6) in the Philippines, construction on a 23,000 kw. hydro plant to supply a fertiliser factory is well advanced. Work is also proceeding on a very large installation, which is ultimately to provide 175,000 kw., the first stage involving 75,000 kw.;

(7) in Singapore, a 72,000 kw. thermal plant was commissioned early in 1953, with an ultimate capacity of 152,000 kw. A very serious power shortage in Singapore has already been relieved, as a result of this plant coming into operation; and

(8) in Taiwan, the local power company is implementing a 5-year plan (1953-57), which provides for the addition of 14 generating plants with an aggregate capacity of 300,730 kw., of which 214,750 kw. will be hydro and 86,000 thermal. Some of the plants are already under construction and one plant of 53,000 kw. is to come into production in 1953.

Need for a Grid System

A notable feature of the Conference was its strong recommendation for establishing an integrated power system, which would link the existing hydro-electric with the thermal systems. There can be little dispute with this recommendation, for the grid system guarantees the most efficient exploitation of the available power sources, ensures a more reliable and uninterrupted supply of power and provides the consumer with power at the minimum cost. Again, within the framework of the integrated power system, the potential minor supply sources such as wind power, tidal power, etc., can also be made use of. Consequently, it is necessary that, in all existing electrification programmes, provision should be for the establishment of a grid system, as recommended by the experts. It may be noted, in this connection, that, in the U.K., a super grid of 275 kw. was recently established, in addition to the then existing grid of 132 kv. Russia, according to the Soviet representative, who attended the Conference, has adopted a transmission voltage of 400 kv., over a distance of some 900 kilometres, whereby a transmission capacity of 600,000 kw. is achieved. In the U.S., the American Gas and Electric Company is constructing a grid of 345 kv., which will be commissioned next year.

In order to facilitate electrification in rural areas, the delegates suggested that the Asian Governments themselves should take a hand in building power stations and encouraging increased electricity production and supplies by subsidising existing power stations. The electricity tariffs in rural areas should not, the delegates agreed, exceed those in urban areas, despite the high cost of supplies. The system of two-point tariff was generally considered as the best form of tariff suitable for rural areas. This system provides for a fixed basic power charge (the kw. charge) and the energy consumption charge (kw.h. charge). These recommendations are timely, because enough capital is not forthcoming for development of electricity supply, for the return in the initial period is either nil or restricted. The merits of the case for subsidising private enterprise either as an alternative, or in addition to State enterprise, deserve to be carefully studied. Further, unless electricity is supplied to rural areas at the same rates as to urban areas, it will be difficult to popularise use of electricity in rural areas for the development of rural industries.

Utilisation of Lignite

The Conference considered in detail the question of utilisation of the rich lignite resources of the region. Suggestions were made for adjusting existing boilers and other equipment to the burning of lignites, but it was pointed out that much extra expense could be saved, if expert personnel were to be associated with the exploitation of lignite from the start of the project. The utilisation of lignite in Asia is of great importance, because, except in India and China, almost all the other countries are suffering from acute shortage of power resources. Many of them are, however, endowed with large lignite deposits which can be exploited for making good the shortage in their power resources. The deposits are at least equal in quality, if not superior to those of some of the countries outside Asia, where lignite is now being exploited extensively on an economic basis.

The Conference considered a standard contract form, drawn up by the Electric Commission for Europe, for the supply of plant and machinery for export as far as it affected electricity supplies. A special study, published in the E.C.A.F.E. *Electric Power Bulletin*, draws attention to substantial savings that can be achieved in some cases by utilising heavy residual fuel in diesel electric sets. It suggests that expert assistance may be made available, on request, from the U.N. Technical Assistance Administration. The Soviet Union has made a limited offer of technical assistance to Asia and the Far East in the field of integrated power development and rural electrification. It has invited definite proposals, indicating the practical form this assistance could take.

IRRIGATION PROJECTS

The Government of India has appointed a committee to enquire and report on measures necessary for the efficient operation and maintenance of construction plant and machinery used on river valley projects. The Committee will visit the major projects now under execution in the country, namely, the Bhakra-Nangal, the Sukhrawa Dam, the Damodar Valley, the Hirakud, the Tungabhadra, Lower Bhavani, Gangapur and Vaitarna. The Committee, which is expected to submit its report to the Ministry of Irrigation and Power by 10th December, consists of the following members:

Mr. K. Gopala Iyengar, retired Superintending Engineer, Tungabhadra Project, Madras; Mr. B. H. Lundmark, Mechanical Engineer attached to the Nangal Project and Mr. E. R. Harvey, Colombo Plan Specialist attached to the Hirakud Dam Project (member); and Mr. G. G. Dhanak, Public Works Department, Bombay (member-Secretary).

The Committee will make recommendations on standardisation of the makes, types and sizes best suited for various kinds of work, the combination and matching of plants where more than one unit is involved and the correct apportionment of labour. It will also make suggestions regarding the mode of calculation of the working cost of each type of plant per hour, compute unit cost of work performed by each type of plant during the last working season on the various projects and explain the variations in costs. It will draw up a unified rate of depreciation to be followed on all projects, standard forms for the history sheet and log book of each type of plant and machinery and the various factors involved in efficient operation, emphasising the adverse factors responsible for low output and poor maintenance on the various projects. Further, it will make a comparative study of the cost of the work executed through machinery with that done by manual labour. In the light of this investigation, it will make recommendations regarding the type of work which should normally be carried out with machinery.

HOUSING IN INDIA

RURAL CELL ESTABLISHED

THE Ministry of Works, Housing and Supply may be said to have made a big stride forward in its march towards the consummation of the rural housing programme by the formation of what is known as a Rural Cell in New Delhi. The Cell is intended to design suitable houses for different village areas in the country, keeping in view the availability of local building materials and climatic conditions. The Cell consists of one town planner-cum-architect and one assistant engineer and a senior architectural draftsman. The plans, which the Cell will evolve for the various rural areas, will be transmitted to villagers through the Community Projects Administration (C.P.A.) which, with its administrative staff, will encourage them to adopt the designs.

The need to set up such a Rural Cell arose out of a reference to the Ministry by the authorities connected with rural housing for the advice of its technical officers on problems of rural housing. In one case, where such advice was sought by the C.P.A., the Ministry's technical officers had to make an intensive study of the local conditions, constructional methods and materials before giving their opinion. The reference was made to the Ministry, because the Housing Adviser to the Ministry is also the Adviser to the C.P.A. regarding rural housing. It is common knowledge that the comprehensive development programme of the C.P.A. includes improvement of rural housing standards and, for this purpose, the C.P.A. has earmarked Rs. 75,000 for expenditure on housing in each project area. Loans are advanced to families when a village is remodelled. Direct subsidies are given for clearing wells, providing drains and erecting platforms around one or two big trees in the villages concerned to serve as community centres. The principle underlying the problems of improvement of housing standards in rural areas is, however, self-help.

Experimental Unit

The Ministry has also set up an Experimental Unit, consisting of one executive engineer, one assistant architect, one assistant engineer, and one compiler, and has attached it to the Planning Circle of the Central Public Works Department. The function of this Unit will be to draw up plans, estimates and detailed specifications of the various types of buildings on the basis of changes considered desirable by experts. It will also prepare notices, inviting tenders, study their rates and analyse the cost of building before and after construction. An intensive supervision of construction of buildings and investigation into the manner in which the buildings would withstand sun, rain and wind over a considerable period will also be one of the functions of the Unit. After observations, the Unit will recommend for general adoption designs, plans and specifications of the various types of buildings.

The intention in establishing this Unit is that a certain percentage of the new houses to be constructed by the Central Public Works Department in Delhi should be according to specifications based on the latest research. If these experiments stand the tests of durability and serviceability, they will be adopted for regular construction. The necessity for such a Unit was felt on account of the intense desire in the country to reduce the cost of construction of buildings to the minimum. It is true that the Government had set up several committees to suggest ways and means to achieve this end, but their recommendations were only of a general character.

Further, considerable research in building practices all over the world, including India, has been in progress, but most of the results achieved in the laboratory have not been put into practice. While changes suggested by research engineers may be found to be architecturally and structurally sound, its adoption in general building practice may depend on various factors such as climatic conditions, habits of living of the people for whom the buildings are to be constructed and availability of suitable materials. In view of these factors, it is felt that experiments should be conducted, before improvements suggested by research engineers and architects are accepted and adopted. As the Government of India has its own works programme, it is considered desirable to try out the results of research and establish a unit for this purpose.

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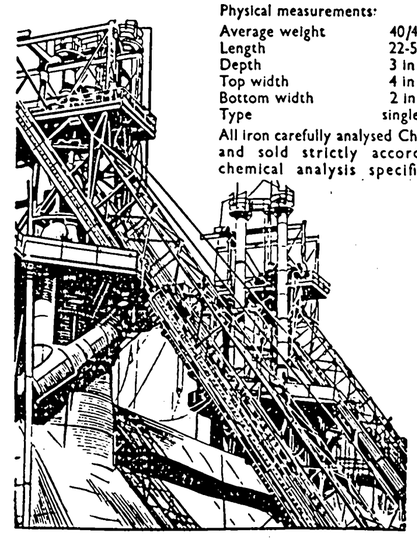

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INSURANCE TRENDS IN LEADING COUNTRIES

POST-WAR EXPANSION IN LIFE ASSURANCE

HOW has insurance, particularly life assurance, fared in the leading countries of the world in the war and post-war years? This is a question of great interest not only to insurers but to all students of world economy. Since insurance represents the savings of a whole nation, by all sections of a country's population, it affords a convenient, though not a very accurate, index by which one could judge the overall economic trends in that country. From this point of view, the article on "World Trends in Insurance" in the Annual Review Number of the *Oriental News*, published by the Oriental Government Security Life Assurance Company, Ltd., will be read with interest. It carries an analysis of the progress of life assurance in many of the leading countries of the world.

In order to get some idea of the immense progress which life assurance has made in recent years, it is necessary to consider the life assurance in force in different countries over a period. The following table gives the life assurance in force in different countries in 1939, 1949 and 1950, together with the proportion which it forms to the national income in each country:

Life Assurance in Force

(000,000's omitted)

		1939	1949	1950	Percentage of increase in 1939-50	Percentage of insurance in force to 1 year's national income
Argentine	(1)..	826	2,408	2,823	242	4.1
Australia	(2)..	539	1,147	1,275	137	44.8
Brazil	(3)..	3,295	20,056	20,961	536	11.8
Canada	(4)..	6,776	14,409	15,746	132	100.0
Chile	(5)..	1,843	5,866	6,419	248	5.8
Denmark	(6)..	2,867	5,910	6,220	117	31.4
Finland	(7)..	14,100	80,852	97,755	593	23.7
France	(9)..	67,798	592,916	753,410	1,011	10.7
Greece	(9)..	1,335	6,713	13,376	902	..
India	(10)..	2,718	7,395	7,750	185	8.8
Italy	(11)..	26,891	425,000	540,000	1,906	8.4
Japan	(12)..	30,378	485,119	537,350	1,669	14.7
Netherlands	(13)..	3,260	7,155	7,678	136	47.2
New Zealand	(14)..	170	353	..	..	..
Norway	(15)..	2,161	4,049	4,259	97	9.0
Portugal	(16)..	1,055	2,696	2,799	165	8.0
Sweden	(17)..	6,618	11,990	12,873	95	88.0
Switzerland	(18)..	4,617	8,229	8,830	91	48.0
U.K.	(19)..	3,500	5,470	5,800	66	52.7
U.S.	(20)..	111,851	213,766	236,047	110	91.2

National currencies :—(1) Pesos, (2) £A., (3) Cruzeiros, (4) Dollars, (5) Pesos, (6) Kroner, (7) Markka, (8) Francs, (9) Drachmes, (10) Rupees (11) Lire, (12) Yen, (13) Guilders, (14) Pounds, (15) Kroner, (16) Escudos, (17) Kronar, (18) Francs, (19) Pounds, (20) Dollars.

It will be seen from the table above, that life assurance gained "substantial increases" in the 12 years ended 1950 in many countries of the world. Post-war inflation, coupled with sharp currency devaluation in many countries, accelerated this trend. Although life assurance has made considerable progress in nearly all countries, it will be seen from the table that the expansion has been particularly marked in countries which suffered heavy damage during the war. Thus, France, Italy, and Japan show some of the largest increases in life assurance since the pre-war years. But it must be remembered that these countries have suffered from inflation in currency so that the value of protection cannot possibly be very considerable.

Hence, the better test would be to investigate the proportion which life assurance bears to the total national income. If this test is applied, the countries which emerge creditably are Canada, the U.S., the U.K., the Netherlands and Australia; in these countries, life assurance forms respectively 100 per cent., 91.2 per cent., 52.7 per cent., 47.2 per cent. and 44.8 per cent. of their national incomes. That Indians are very inadequately protected by life assurance is evident from the fact that the total of such assurance forms only 8.8 per cent. of India's national income.

Yet another conclusion, to which the journal draws pointed attention, is that insurance has made rapid progress in countries which have a balanced economy, that is, the countries which have a well developed agricultural as well as a well advanced industrial sector. To this class of countries belongs Canada, Australia and the U.S. But the progress of insurance in these countries has also been assisted by other factors, such as the fact that they suffered relatively less by destruction caused by the war. Again, insurance-mindedness is very widespread in these countries.

The following table shows the index number of new business done by insurers in India and of wholesale prices in India from 1939 to 1951:

Index Number of New Life Business

(Base: 1939=100)

Year	All companies	Indian companies	Wholesale Prices*
1939	100.0	100.0	100.0
1940	78.0	76.7	91.4
1941	84.0	79.8	109.1
1942	83.4	82.5	136.1
1943	143.6	141.9	188.3
1944	220.2	213.8	194.4
1945	278.8	276.3	195.0
1946	299.6	293.4	219.3
1947	263.5	260.2	244.4
1948	253.0	249.8	299.5
1949	236.2	235.2	306.8
1950	278.8	274.0	326.2
1951	279.6	253.8	346.0

* Base: 7 months ended March, 1940=100.0.

It is true that India, too, has made some rapid headway in recent years. Over the period 1939-50, the total life assurance in force increased by 185 per cent. New business also has increased, as table 2 above will show, from year to year. But this must be set against the background provided by the increase in prices, which has been of the order of 226 per cent. between 1939 and 1950, to realise that the increase in life assurance has not kept pace with the fall in the purchasing power of the rupee. The journal lists the following as among the factors which contributed to this relative backwardness of insurance in India:

"(1) Absence of saving power among urban middle classes due to the fall in real incomes;

"(2) absence of clear demarcation between business capital and family estate among large sections of the trading class, resulting in large-scale transfers of business capital that should legitimately stay in the business to personal estates;

"(3) lack of insurance-consciousness, helped, no doubt, by emphasis on other forms of investments and by the traditions of the joint family system;

"(4) existence of a predominantly rural population with little medical facility and with little knowledge of the benefits of modern insurance. Farmers everywhere are, as a rule, slow to accept insurance as an essential part of their economy, for the nearness of the land makes them depend more and more upon that land for their future than upon any other form of estate; and

"(5) partition of the country resulting in the loss of highly developed territories."

Among these factors, the really important are (1) and (3), quoted above. The absence of saving power among all classes, rural as well as urban, and the lack of insurance consciousness, particularly in the rural areas, are the factors which largely explain the inadequate progress which insurance has made in this country. Of these two defects, the first can be remedied only by a change in the general economic policy of the Government in order to stimulate savings, while it is the duty of all insurers to remove the second defect, namely, the lack of insurance-mindedness in this country.

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ALCO INSURANCE CO., LTD.

The Alco Insurance Company, Ltd. (General Manager: Mr. S. R. Idgunji, Bombay), is a small but progressive insurance office, transacting fire and miscellaneous business on a steadily increasing scale. This is evident from its latest annual report, which relates to the year 1952, for, between 1950 and 1952, the premium income in the fire department more than doubled to Rs. 3.14 lakhs, and the premium income in the miscellaneous department improved by Rs. 0.63 lakh to Rs. 1.72 lakhs. In 1951, the premium income in each of these two departments was considerably less at Rs. 2.74 lakhs and Rs. 1.29 lakhs respectively. Thus, the combined premium income in both the departments rose from Rs. 2.49 lakhs in 1950 to Rs. 4.03 lakhs in 1951 and still further to Rs. 4.86 lakhs in the year under review. This is a more creditable record than what many of the larger insurers can show.

The following table gives the working of the Company during the three years ended December, 1952:

(Rs. in lakhs)

		Year ended 31st December		
		1952	1951	1950
Fire Department—				
Premium income		3.14	2.74	1.40
Losses		0.61	0.37	0.20
Loss ratio	%	19.5	13.43	14.60
Profit		0.47	0.45	0.31
Fund (at end of year) ..		1.57	1.37	0.70
Miscellaneous Department—				
Premium income		1.72	1.29	1.09
Losses		0.75	0.73	0.85
Loss ratio	%	43.7	56.9	31.75
Profit (+) or loss (—) ..		—0.10	—0.44	—0.15

A feature that deserves notice is that the loss ratio is extremely modest in the fire department. It was only 19.5 per cent. in 1952, though it was even lower at 13.43 per cent. in the previous year. In the miscellaneous department, the loss ratio was comparatively high at 43.7 per cent.—it was, however, higher at 56.9 per cent. in 1951—though it is not a high figure when compared to the general claims experience in the accident department of most other insurers, whether in this country or abroad. The cost of claims has, as is well known, risen enormously in recent years.

The working of the fire department resulted in a profit of Rs. 0.47 lakh, as compared with Rs. 0.45 lakh in the previous year. In the miscellaneous department, there was a loss of Rs. 0.18 lakh as against a loss of Rs. 0.44 lakh in 1951. The Company's combined profit position over the last five years has been as follows:

	Rs.
1948	40,142
1949	40,089
1950	20,785
1951	14,388
1952	47,235

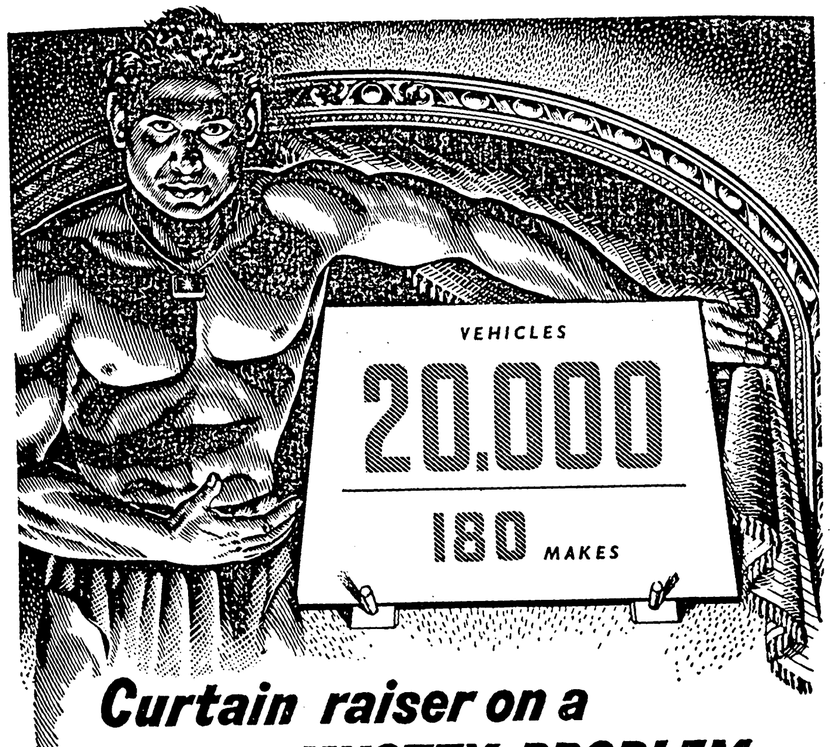
In his address to the shareholders of the Company, Mr. Y. A. Jasdanwalla, Chairman, referred to the progress in the Company's results, and said:

"The underwriting policy of your Company has continued to be selective and conservative with the result that the progress made, though not very spectacular, shows a steady improvement. In order to improve the quality of service and efficiency, the Company has mechanised its routine work, being the first attempt of its kind among general insurance companies."

After taking into account the interest earned on investments and the departmental profits and other income, there was a balance of Rs. 47,235 available for appropriation, which together with Rs. 4,204 brought in from the previous year's accounts, made in all Rs. 51,439. The Directors transferred Rs. 15,000 to reserve for doubtful debts, leaving a balance of Rs. 36,439 to be carried forward, subject to taxation. Thus, the Directors have once again thought it fit, in the interests of the Company, not to recommend any dividend.

The balance-sheet total of the Company has increased from Rs. 11.82 lakhs to Rs. 13.32 lakhs. Assets are principally investments which, together with cash, increased from Rs. 6.80 lakhs to Rs. 7.88 lakhs. The Company's financial position is sound. As against a capital of Rs. 5 lakhs, its reserves and other funds aggregate Rs. 3.59 lakhs, inclusive of fire fund of Rs. 1.57 lakhs and miscellaneous fund of Rs. 0.86 lakh.

The Company's foreign business is a growing account. During 1952, it derived from its foreign portfolio a premium income of Rs. 1.00 lakhs as against Rs. 0.62 lakh in the previous year. The Company has branches at Karachi, Chittagong, Colombo and Nairobi. It would appear that the branches in Pakistan have now been fully established and that a "good beginning" has been made in Colombo, though the Nairobi branch has "not got going due to difficult circumstances prevailing in that part of the world."



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The Premier Automobiles Ltd. is one of the manufacturers who have sunk crores of rupees into this enterprise. Here are some important facts relating to The Premier Automobiles Ltd.

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STAFF
Total number of employees 2,100

AREA
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Total built up area consisting of manufacturing plants, sheds, office premises & residential colony-5,88,733 sq. ft.

MANUFACTURING CAPACITY: The factory is well laid out and equipped to undertake, stage by stage, the manufacturing of all the major and minor components of a vehicle. Already a number of components are being produced by the Company and plans for production of complete engines, transmission, chassis frame and rear and front axles are now being put into execution.

Because of imports of so many varieties of makes and models and the mere assembling of cars by firms with no manufacturing programmes, a genuine manufacturer like The Premier Automobiles Ltd. hitherto has not been able to run its plant to its full manufacturing capacity.

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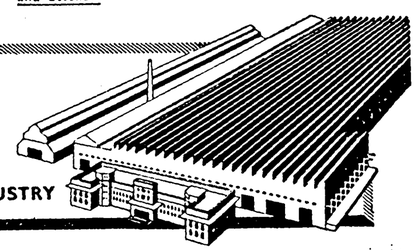

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SHELLAC INDUSTRY IN BIHAR

ENQUIRY COMMITTEE SUGGESTS REHABILITATION MEASURES

LAC is one of those commodities which have been hard hit by the slump that followed the Korean War boom. Early in January, 1942, it was quoted at Rs. 140 a maund. The quotation fluctuated between Rs. 137 and Rs. 170-3 before closing at Rs. 194 in March, 1952. Subsequently, a rot set in following the collapse of world commodities on Korean peace news. Prices of lac, therefore, gradually came down to as low as Rs. 68 per maund in December the same year. The price in London in the same month was as low as £8 per cwt. as compared with £19 per cwt. a year previously. Since then, in sympathy with the rise in other commodities, there has been some improvement in the value of shellac in India as well as in London. In Calcutta, the rate is at present moving between Rs. 90 to Rs. 92 per maund, whereas in London it is ruling between £11 7s. and £11 17s. per cwt.

Last year's slump, however, has resulted in at least one good thing, in that it evoked the attention of both the Government of India and the State Government of Bihar where nearly 60 per cent. of the country's lac is produced. On behalf of the former the Indian Central Lac Cess Committee met at Calcutta in December last and after carefully reviewing the position of the industry, recommended certain concerted measures to be adopted by the Government of India for rescuing the industry from its plight. As these have been dealt with in *Commerce* dated 13th December, 1952, there is no need to recall them here. As Bihar producers were severely affected by the slump, the State Government appointed a committee, known as the Bihar Shellac Enquiry Committee, to make specific recommendations for the rehabilitation of the industry. This Committee has now submitted its report, a Press summary of which, released a few days ago, reveals that some of the Committee's far-reaching conclusions merit the attention of the State Government.

Role in Indian Economy

Lac plays an important role in India's economy. The output in 1951-52, the latest year for which official figures are available, was 1,219,400 maunds, as compared with 1,002,900 maunds in 1950-51 and the pre-war ten-year average of 1,151,000 maunds. Bihar accounted for 666,000 maunds in 1951-52. The industry provides employment for about three million workers, in addition to thousands of workers engaged in subsequent stages of processing the commodity. India exported 685,754 cwts. of lac, valued at Rs. 7.59 crores in 1952-53, as compared with 712,744 cwts. valued at Rs. 14.84 crores in 1951-52 and 660,758 cwts. at Rs. 11.88 crores in 1950-51. The fall in value and volume of exports in 1952-53 is mainly due to poor demand for Indian lac, the Bihar Shellac Enquiry Committee's explanation for it being as follows:

"The slump of 1952 created a situation of great concern in the State, the number of factories having had to close down being 129. It is estimated that 10,000 workers of all descriptions were thrown out of employment. The Committee has held that the principal cause of the slump was the slackening of foreign demand due to relaxation of the political tension following the Korean truce negotiations and unlimited speculation resulting in constant fluctuation in prices. Other contributory factors were the increasing exports of seedlac and severe competition from synthetic resins and slamese seedlac."

With a view to eliminating speculation, the Committee has recommended a ban on speculation in shellac trade and its replacement by a system of specific delivery contract under the Forward Contract Regulation Act. Thus this recommendation brings another commodity along with jute, oilseeds, pepper, and silk yarn and a few other commodities essential to the community to be examined by the newly appointed Forward Markets Commission without delay.

The Committee has suggested that the ban should be followed by fixation of minimum and maximum prices for stabilising prices of shellac. Says the Committee:

"The only effective solution for this seems to be fixation of minimum and maximum prices of both shellac and seedlac at the export level. As Calcutta is the principal export market, there should be two sets of regulated prices, namely, the selling price for delivery to the shippers and the export prices for shipments."

The Committee claims that this measure will not only stabilise the exports but also throw open the doors for recapturing the shellac markets in the U.S.A. and other countries which were lost chiefly due to speculative fluctuations in prices. It may be recalled here that the Governing Body of the Indian Lac Cess Committee which met, as already stated, at Calcutta last December, also felt the need for regulation of forward trading in shellac through the recognised associations, but it was of the opinion that fixation of floor and ceiling prices was not feasible. We may add that mere fixation of these prices by itself will not be of much use for the stabilisation of prices. To be effective, it must be backed by a policy of price support requiring the State or the Central Government to buy when prices fall below the floors. This in turn involves a series of other complex problems of administration, availability of trained staff, finance, co-operation of the trade and industry and of demand for, and supply of, the commodity both at home and abroad. The Bihar State Government, therefore, should have these problems carefully examined before accepting the recommendation. Again, the Committee has recommended that the fixation of prices should be at the export level. The Press version does not contain details regarding the operation of the mechanism at that level. In the absence of details, one has to defer expression of opinion on the practicability of the suggestion.

Export of Seedlac

The Committee has drawn pointed attention to the progressive increase in the export of seedlac as compared with that of shellac. The export of seedlac, according to it, went up from 6,230 tons in 1951-52 to 14,912 tons in 1952-53, while the export of shellac decreased from 26,000 tons in 1951-52 to 15,985 tons. Commenting on this unhappy trend of trade, the Committee has rightly said that, "if this trend is not arrested, it will reduce India from a manufacturing country of shellac to that of exporter of raw materials in the shape of seedlac or sticklac." It has, therefore, recommended a ban on export of sticklac, a suggestion with which also the Board of the Lac Cess Committee is in full agreement.

Stress has been laid by the Committee on quality control as a measure for stimulating exports of both shellac and seedlac. It points out that the scheme of quality control, introduced at the instance of the Calcutta Shellac Trade Association, has given satisfaction to shippers and foreign buyers. The manufacturers, however, do not seem to be satisfied with the scheme, as they seem to be keen on getting a fair deal through a testing laboratory established for the purpose. The Committee, has, therefore, recommended that one central laboratory at Calcutta and regional testing laboratories in Balrampur, Jhalda, Daltonganj and Pakur may be set up by the Central Lac Cess Committee.

With a view to improving the cultivation of lac, creation of a separate division in the State Forest Department to co-ordinate work in connection with lac development, as suggested by the Central Lac Cess Committee, the extension of agricultural loans to lac growers and the subsidisation of lac growers' co-operative societies have been suggested.

Amalgamation of small lac manufacturers into co-operative societies, introduction of a system of licensing manufacturers and the formation of a syndicate by large manufacturing units are other measures suggested by the Committee. With regard to transport, it has recommended that the railway authorities may be approached to accept priority to the movement of all kinds of lac on the Eastern Railway, without insisting on a certificate confirming that the goods to be sent to ports are for export only. The Committee has recommended that the Central Lac Cess Committee should be reconstituted into a Central Regulation Board with the States of Bihar, Madhya Pradesh and West Bengal having direct representation on it. The transfer of this Board to the control of the Ministry of Commerce and Industry is also suggested in view of the economic importance of this industry to the country.

In order to expand foreign markets, the Committee has recommended the inclusion of shellac under the list of trading items under trade agreements. It has further suggested the establishment of industries such as micanite, oil-cloth, moulding powders, insulating varnish and sealing wax for boosting home consumption of shellac.

CESS ON OIL MILLS AND MATCH FACTORIES

Oil mills and match factories are two more victims proposed to be sacrificed by the Production Programme Committee of the All-India Khadi and Village Industries Board, at its meeting held at Bombay last week, at the altar of the inefficient cottage units in the two sectors. The Committee has recommended the imposition of a cess on the production of large-scale units in this sector with a view to raising funds for improving the efficiency of the small units. This policy of discrimination against large-scale industry is already in operation in the sphere of cotton textiles where a special excise duty is being collected from the mills for the benefit of handlooms.

With regard to oil mills, the Committee has recommended to the States to amend the existing rules governing sales tax with a view to giving exemption to ghani oil (bullock-pressed oil). In so far as the Bombay State is concerned, this exemption already exists. Further, it has recommended a cess of Re. 1-4 per maund (of 80 pounds) on oil produced by the mills. As if this is not enough, the Committee has decided that the rate of subsidy to be given to the cottage oil industry should be fixed at Rs. 2 per maund in the first year and Re. 1-8 per maund in subsequent years. It has been decided to provide the subsidy to cottage ghani oil units through registered co-operative societies.

After examining at length the present position of the match industry, the Production Programme Committee has recommended that a cess of As. 4½ per gross match boxes be levied on 'A' class match factories. For the other classes, namely, 'B' 'C' and 'D' rates of subsidies at As. 1½, As. 4½, and As. 6 respectively have been recommended. For this purpose, the match factories have been divided into four categories. Under A category are included factories producing more than 5 lakh grosses of match boxes yearly. Factories producing less than 5 lakhs a year are classed under B category. Classes C and D have been defined as those producing 100 gross boxes and 25 gross boxes per day, respectively. According to the Committee, the cost of production of the village match industry would not be more than that of the large-scale industry.

The Press Note issued by the All-India Khadi and Village Industries Board states that India requires about 36 crores of match boxes every month. The village match manufacturing industry in the first year would provide employment to nearly 5,000 working men in the country and help relieve to that extent the unemployment problem. The Press Note further adds that "80 per cent. of the match supply at the moment is made by only 5 factories owned by the W.I.M.Co. All the other factories, numbering about 72, situated in different parts of India, had to be closed down during the last 3 years owing to the competition and powerful marketing machinery of W.I.M.Co."

The discriminatory policy of penalising large-scale units for the benefit of small-scale units owes its origin to the Planning Commission's recommendations. In advocating a common production programme for both large-scale and small units, the Commission suggests consideration of one or more of the following 3 principles: (1) reservation of spheres of production, (2) non-expansion of the capacity of a large-scale industry, (3) imposition of a cess on a large-scale industry, (4) arrangements for the supply of raw materials and (5) co-ordination for research training, etc. Of these, principles (1) and (3) have been applied to the cotton textile industry. The application of the third one is now proposed to be extended to the oil mill and the match manufacturing industry. The last two have received emphasis but no concerted action has been taken with a view to securing the necessary result.

It must be mentioned here that the Planning Commission, as is evident from the above, has not subscribed to the view of granting subsidies to the village units. While discussing the position and prospects of the match industry in its *Programmes of Industrial Development*, no mention has been made even of levying a cess on the large match manufacturing units, let alone subsidies, as has now been recommended by the Programme Committee. Experience has shown that provision of subsidies does not bring about any improvement in the efficiency of inefficient units. On the contrary, it tends to perpetuate inefficiency, especially when it is applied to cottage industries consisting of numerous units spread all over the country. The Committee's suggestion to grant subsidies to the small match producing units is, therefore, ill-advised. These units have failed to organise themselves properly and manufacture matches at low cost. The point is that the Committee itself says that the cost of production in the village cottage industry would not be more than that of the large-scale industry. If this is so, where is the need for a subsidy. The prosperity of smaller units lies not in subsidies paid out of taxes on the efficient ones but in reorganising their production and marketing. Central or regional corporations should be formed for buying raw materials, stores, etc., needed by the cottage units and for distributing their finished products. Adoption of the latest methods of production suited to cottage-scale production should be encouraged. Unless a solution is sought in these directions, no amount of money spent on these inefficient units would bear result. Since this money is proposed to be got by penalising economic units, ultimately it is the consumer who will have to foot the bill, which may amount to, on matches alone, about Rs. 70 lakhs. And as both oil and matches are necessaries of life, it will be most unfortunate to load them with the cost of maintaining uneconomic units. Further, the course advocated by the Board will adversely affect the ability of the large-scale units to compete effectively in foreign markets. The States, therefore, will do well to attend to the organisational aspect of village industries instead of placing handicaps on efficient units through cesses and duties.

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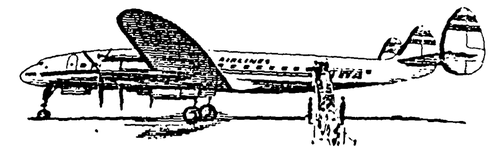

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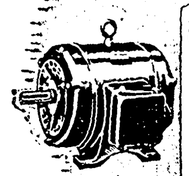

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LAND REFORMS IN MADRAS

PROF. LADEJINSKY'S VIEWS ON TANJORE ACT

THE views of Professor Kenneth H. Parsons on land reforms in India were, as readers are aware, outlined in *Commerce* last week. Along with Prof. Parsons were also invited last year two other experts in agricultural economy to study the agricultural situation in this country. After conducting detailed investigations, these experts, too, submitted their reports separately. Of these, Prof. Wolf I. Ladejinsky, who carried out a study of land reforms in Japan, visited Madras, Punjab and Kashmir, and reported his findings, among others, on the controversial Tanjore Tenants Act. The weighty views expressed by him are summarised here, as they deserve to be studied by a wider section of the public.

Prof. Ladejinsky is of the considered opinion that the obstacles to reforms are not due either ignorance of the existing state of affairs or to absence of expert advice on the right kinds of measures for adoption. They lie rather in the hesitancy on the part of the authorities to face the issues squarely when quick action is necessary. Although what the peasants want most is land ownership, he considers that they may agree to settle for much less now than at a future date, provided other reforms such as reduction in rent, occupancy rights and farm wages and the like are no longer taken up as half measures merely to meet Communist penetration into the countryside. The Professor stresses, in this context, the need for the authorities to carry to the cultivating farmers and agricultural workers a lasting meaning in terms of "hopes and aspirations." In this task, the landlords in Madras State, judging from their attitude towards land reforms in Tanjore and elsewhere in the State, may prove a stumbling block as, by and large, they seem to have dedicated themselves to the "proposition of maintaining their rights" through thick and thin. The remedy for this opposition to reform is, according to him, "determined and enlightened Government leadership."

Need for Intelligent Leadership

Prof. Ladejinsky cautions that it is well to keep in mind that even substantial changes initialed by an intelligent Government leadership will be less disrupting and infinitely more stabilising than if carried out from below by farmers themselves by taking the law into their own hands. The Professor points out that, even when desirable legislation is enacted and enforced, "the millennium will not have arrived in Madras." For there simply is not enough land to satisfy the cultivating owner-proprietors, tenants and agricultural workers whose numbers are rising year by year; only by industrialisation and consequent syphoning off of some agricultural labour, coupled with a sharp rise in agricultural productivity, can a real dent be made in the vicious circle of more people, less land and growing poverty.

Prof. Ladejinsky has prefaced his report by a general background of agricultural conditions in Madras. Observing that Madras is unique in several aspects, the Professor says:

"Primarily an agricultural State, with some very rich soil but with uncertain rainfall, Madras is normally a food importer, and the standard of living of a large group of the actual cultivators is abysmally low. The State is noted for its educational progress and as a breeding ground for some of India's keenest leadership; yet poverty is rampant as if these are unrelated phenomena. There are regions in Madras where education of women is one of the highest in India, and yet in those very regions, the growth of the population is most marked. Rural society is very backward, caste and religious prejudices still rule supreme and yet this centre of orthodoxy can also be the centre of rebellion; it is in Madras that Communism gained its most noted victories. Madras is the first State to carry out *zamindari* abolition, and the last to attempt—or rather be forced—to deal with the urgent problems of private ownership of land. Until the very recent enactment of the Tanjore Ordinance, only one district in the State, Malabar, had the benefit of tenancy legislation; but that, too, is dormant now. ... To sum up, nothing can be taken for granted in Madras, for reality and appearance are often worlds apart."

As against this socio-economic background, Prof. Ladejinsky has evaluated the Tanjore Tenancy Legislation in the following terms:

"Judging by the reaction to the Ordinance on the part of the tenant, agricultural worker, and landlord, it is clear that each group has some misgivings about it. From our point of view, the landlord should have none, because as Chief Minister C. Rajagopalachari has correctly pointed out, if the landlords did not make any concessions, they would be facing the danger of losing everything. He, therefore, exhorted them to accept the Ordinance, in order to save themselves from a worse fate. We agree with the revenue officers that the landlords' attitude will become clear three months from now when the new harvest will be in, but it seems to us that, even if the landlords accept the Ordinance, the tenants will not prove to be lasting, because they do not satisfy the basic requirements of the tenant and farm worker.

"Rent reduction from 70-80 per cent. to 60 is indeed a welcome measure, but it is our strong impression that the tenants will not rest content with a 40 per cent. share of the crop. The *rumblings for revision are already in the air; if* it is not 60 per cent. for the tenant, then it is one-third for the landlord, one-third to the tenant, and one-third to whoever bears cultivation expenses. The Communists have already seized on this and nailed it to their banner for the next round of the fight. One of their leaders stated that their *(the mirasdars) calculations are simple.* They expect that the peasant, given only 40 per cent. of the share and saddled with cultivation expenses, will not be able to pay the landlord his share and will default. Then, once more, they will proceed with eviction as freely as before. The statement ends with these portentous words, 'so a new stage in the Tanjore *kisan* movement opens up. And no doubt, strengthened by his victory in the battle against eviction, the Tanjore *kisan* will acquit himself as he has done in the last decade.'"

Expenses of Cultivation

The Tanjore Act provides that all expenses, other than harvesting which is to be shared equally by the landlord and the tenant, are to be borne by the tenants. This has created the impression that the Act has saddled the tenant with heavy expenses. But, according to Mr. Rajagopalachari, "the Ordinance only puts down in words the customary practice in regard to expenses incurred for seeds, manure and cultivation." Commenting on this aspect, the Professor remarks:

"The issue of who paid what expenses is not clear cut: some tenants may not have shouldered all the burden. Furthermore, in practically all cases, the landlords extended them cultivation-credit. The Ordinance legalised what is supposedly a custom with no exceptions, and indirectly it created a mood among landlords of not advancing credits any longer. Assuming that this is the custom, a land reform intended for the benefit of the tenants need not necessarily protect what is customary, especially when the custom is bad. The custom plus the high pre-Ordinance rentals left most tenants with barely anything: the custom with reduced rentals will leave him a little something if credit is not denied him. One of the most responsible revenue officials, and a supporter of the Ordinance, told us that, with the Ordinance in force, a tenant can count on a net share of the crop of about 10 per cent. It could be idle for the Government to expect any increase in production when the tenant's share is much smaller than the landlord's and the responsibility for cultivation also rests on him. It gives the Communists a rare chance to keep up the agitation for a further reduction in rent or sharing of cultivation expenses or both."

There is also another serious defect in the Act, according to the Professor. It attempts to deal with the evil of eviction by providing the tenants security of tenure. In order to realise that end, the Act lays down that all tenants who were cultivating the land on 1st December, 1951, shall have tenancy rights for five years and that those who have since been evicted must be restored to exercise their rights. Alluding to this aspect, the Professor observes:

"They are seemingly good measures, but, upon an examination, their effectiveness appears rather limited. To be reinstated, a tenant must file an application within 30 days of the enactment of the Ordinance. This right is likely to go by default in many cases since many of the tenants are illiterate and find it difficult to get from the village officers the survey numbers of the land they need in order to file the application with the conciliation officer. Secondly, no restoration can take place unless the applicant makes good any arrears of rent and reimburses the landlord or the tenant in possession of the land for any expenses incurred on the land since the applicant's eviction. It is questionable if an evicted tenant is financially capable to cover such expenses before he had raised a crop. The timing, if nothing else, is not helpful. Thirdly, the Ordinance does not apply to tenants evicted prior to 1st December, 1951. This is a significant omission for most of the evictions had taken place in 1949-50, the years of active disturbance in Tanjore. The five-year security period entitles the tenant to limited tenancy rights. Every landlord can take back his land after five years. And he can take it back within the five years, if the land is not cultivated well, perhaps because of the difficulty of securing seed and manure, or other unavoidable causes. This is a severe limitation on the security of tenure; the threat of eventual eviction is a weapon of coercion in the hands of unfriendly landlords, a category into which most of the landlords might fall. The rent reduction provision can be gravely compromised, because it cannot be enforced without real bargaining power, and the tenant does not get it under the Ordinance."

"Pannaiyal's" Position

Again, the *pannaiyals* (farm workers) dismissed prior to 1st March, 1952, have no redress under the Act. Those dismissed between 1st March, 1952 and the enactment of the legislation may apply for reinstatement, while those dismissed after the promulgation of the Ordinance are given one week within which to apply for reinstatement. Prof. Ladejinsky says that the time limit is "too short to do the *pannaiyal* much good." Further, "the legal procedure of reinstatement, as outlined in clauses 2, 3 and 4 of section 12, is too complicated and involved to assure speedy settlement of the cases and the practical validity of the reinstatement provision may be questioned." He feels that better results can be achieved if a problem of this kind is resolved by a committee consisting of representative groups of villagers.

With regard to *pannaiyal* wages, the legislation is not very helpful. For it gives the *pannaiyal* the choice of the old or the new schedule. If he accepts the new schedule, it means more wages, but he will get paid only on the days on which he works and he is not entitled to any bonus which, under the old system, meant one-seventh of the crops of six and two-third acres only, if the *pannaiyal* harvested the crop. This is, says the Professor, an incentive measure to ensure the *pannaiyal's* interest in raising better crop. Moreover, the *pannaiyal* does not know how it will all work out, and it will take at least a season or two to determine the effect of this measure. The Act also makes no attempt to consider the casual labour problem.

Tenure Practices

In so far as tenure practices go, clause B of section 3 provides that wet holdings of 6¼ acres or less, or dry land of 20 acres or less, are not subject to the provisions of the legislation. The average holding in Madras State is 2.6 acres of wet land in wet districts and 6.5 acres of dry land in dry districts. The number of title holders made up of 10 acres of wet land and 15 to 20 acres of dry land is about 6.5 million or roughly three-fourths of the existing number of proprietors. This means, according to Prof. Ladejinsky that, roughly calculated, approximately half the proprietors escape the jurisdiction of the legislation. In view of the extreme mildness of the Act, he has found it difficult to understand why it has allowed the small landlords, who constitute the bulk, to continue the tenure practices which have been denied to bigger landlords. Their exemption, therefore, does not seem reasonable or justifiable.

In conclusion, Prof. Ladejinsky observes:

"The Ordinance does not compare well with the main recommendations of the Land Revenue Reforms Committee of Madras, of 1950, known as the Subramaniam Committee. Those recommendations, which were never applied, were by no means bold or comprehensive, but at least they concerned themselves, even though from our point of view largely in a negative way, with such important issues as peasant proprietorship, acquisition of land beyond a certain limit, ceilings on personal cultivation and restrictions on sales of land to non-cultivators. In addition, the report recommended the sharing of rentals on the basis of 40 to 45 per cent. (depending upon the type of land) to the landlord and 55 to 60 per cent. to the tenant. The Ordinance does not go even that far. For these and other reasons, the Ordinance betrays a fear to standstill, a fear induced by the events of the past few years, at the same time betraying an even greater fear to move ahead. Hence its failure to deal drastically with the causes which made for the disturbed conditions in Tanjore.

"Nevertheless, the Ordinance served its purpose. It was a reminder to the landlords that the status quo cannot be maintained and that more substantial concessions from the landlords are perhaps in the offing. While the landlords oppose the very conservative provisions of the Ordinance, actually, it is the shape of things to come that troubles them more than what they are called upon to grant now. The desire to sell out their holdings, which is quite prevalent among landlords, is an expression of that fear. The Ordinance whetted the unassuaged appetite of the tenants and farm workers for terms more nearly in accord with their desires and needs and this must be counted among the welcome developments."



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CENTRE'S LOAN TO MADRAS

The Government of India has agreed to provide a loan of Rs. 60,00,000 during the current financial year for new special minor irrigation schemes in Madras State (undivided) in addition to a loan of Rs. 22,00,000 required for similar schemes taken up during the previous year. Besides this, the State Government has also been allowed additional loans amounting Rs. 37.16 lakhs for its filter-point tube-wells programme, the supply of oil engines and electric motors. These amounts are in addition to those which the State Government has carried over from the funds provided for the same purpose during the previous year. Apart from these new schemes, a decision has also been reached in respect of the claims put forward by the State Government for subsidies under certain other schemes undertaken in the State in previous years. The total amount involved on this account is Rs. 61.8 lakhs under the well subsidy scheme from 1951-52 to 1953-54, Rs. 29.94 lakhs in respect of the tank improvement scheme in 1952-53, Rs. 2.17 lakhs on account of a lift-irrigation scheme in 1951-52, Rs. 6.6 lakhs for the distribution of phosphatic fertilisers in 1951-52, Rs. 3,815 in connection with the river-pumping scheme in 1951-52, and Rs. 5.74 lakhs on account of grow-more-food staff schemes of 1952-53.

U.S. FARMS LARGELY OWNER-OPERATED

According to the U.S. Department of Agriculture, individuals own approximately 88 per cent. of the land now in farms in the United States. In round figures, this percentage represents more than 1,000 million acres. The survey was made by Agriculture Department experts who investigated a belief that there had been rapid growth of huge corporate-owned farms. The survey showed, however, that mechanisation had enabled fewer farmers to till more land—a fact which accounts for both the expansion of individual farm ownership and the increase in the size of farms. The survey also showed that corporate-owned farmland had increased over the past five years, but mainly in the two States of Florida and California. These States produce speciality crops—such as citrus and sugar —and corporate ownership of such commodities as sugar accounted for much of the rise. The survey showed that compared to the more than 1,000 million acres of individually-owned farmlands in the United States, corporate-owned farms total about 51 million acres.

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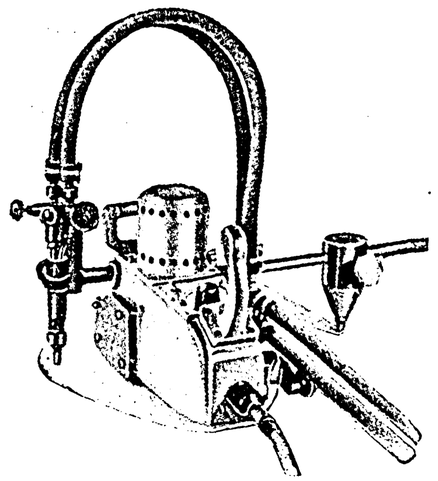

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NAGPUR MILL WIPES OFF LOSS AND STEPS UP DIVIDEND

PROFIT OF AHMEDABAD ADVANCE LOWER, BUT DIVIDEND MAINTAINED

THE financial results of the Central India Spinning, Weaving and Manufacturing Co., Ltd. (familiarly known as Nagpur Mills) and the Ahmedabad Advance Mills Ltd., both of which are under the management of the Tata Industries Ltd., Bombay, for the year ended 30th June, 1953, disclose divergent trends, as compared with those for the previous year. Thus, while the former has been able to earn a gross profit of Rs. 24.75 lakhs for the year under review, in refreshing contrast to the gross loss of Rs. 16.33 lakhs for 1951-52, the latter has suffered a further shrinkage in earnings, the gross profit being no more than Rs. 3.33 lakhs, as compared with Rs. 4.09 lakhs in 1951-52 and Rs. 16.93 lakhs in 1950-51. The profit of the Central India, after providing for depreciation, is sufficient not only to wipe off the previous year's loss but also to leave a small surplus. The only gratifying feature of the results of Ahmedabad Advance is that the contraction in profit is negligible, as compared with the sharp decline noted in the previous year.

In conformity with the trend of profit, the Directors of the Central India have proposed to step up the dividend from 2 per cent. paid for the previous year to 5 per cent. The Directors of the Ahmedabad Advance propose to maintain the distribution at 10 per cent. paid for the previous year, but with one difference, namely, that this year's distribution includes a bonus of 3 per cent. in commemoration of the Company's Golden Jubilee, while the whole of last year's distribution represented dividend. Thus, the dividend rate proper is lower at 7 per cent. In the case of both the Companies, the proposed returns to the shareholders have not been fully earned. The profits of both have had to be supplemented from the dividend equalisation fund.

The following comparative table, showing the salient features of the Companies' results for the past two years, brings out clearly their progress during the year:

(In lakhs of rupees)

	Ahmedabad Advance		Central India	
	For the year ended		For the year ended	
	30-6-1953	30-6-1952	30-6-1953	30-6-1952
Sale proceeds	133.85	231.60	381.33	332.54
Stock	44.76	32.06	101.04	62.45
Other income	0.90	0.79	5.90	23.14
Expenses	194.12	211.35	390.06	347.65
Gross profit (+) or loss (—) ..	+3.33	+6.09	+24.75	—16.33
Managing Agents' commission	0.03	0.16	1.63	..
Provision for—Depreciation	1.75	1.45	6.00	..
Taxation	..	..	..	..
Net profit (+) or loss (—)	+1.55	+4.48	+17.12	—16.33
To dividend equalisation fund	1.50	2.40	0.75	..
To gratuity account ..	0.10	0.20	..	..
Dividend*—				
5% preference ..	0.50	0.50	2.50	2.50
Ordinary	3.30	3.30	2.34	0.94
	(10%)‡	(10%)†	(5%)	(2%)
Carry forward	0.04	0.03	0.09	—18.23

* Dividends paid out of the dividend equalisation fund.
† On the increased capital of Rs. 33 lakhs.
‡ Includes a Golden Jubilee bonus of 3 per cent.

The rise in sale proceeds, closing stocks of cloth, yarn and wastes and expenses in the case of the Central India suggests that the Company's production must have been on a higher level, presumably on account of the better supply position of cotton and gradual relaxation of controls on prices and distribution of various varieties of cloth. Unfortunately, the complete decontrol on prices and distribution of cloth came at a time when the market was suffering from a glut of cloth. It, therefore, led to a depression in prices.

While the Company's sale proceeds of cloth, yarn and wastes show an increase of only Rs. 28.79 lakhs, the closing stocks are higher by as much as Rs. 37.59 lakhs. Of the rise of Rs. 32.51 lakhs in expenses, consumption of raw materials accounts for Rs. 6.11 lakhs, fuel, energy and stores for Rs. 13.36 lakhs and salaries and wages for Rs. 12.94 lakhs (including Rs. 2 lakhs representing bonus for 1949-50). The Company's contribution to provident fund shows an increase of Rs. 2.49 lakhs.

After providing for all expenses, Managing Agents' commission and depreciation, the net profit amounts to Rs. 17.12 lakhs. After wiping out the loss of Rs. 16.28 lakhs brought in from the previous year, the surplus left is a modest sum of Rs. 84,000, out of which a sum of Rs. 75,000 has been transferred to the dividend equalisation fund. The distribution of the 5 per cent. preference dividend and the proposed ordinary dividend requires Rs. 4.84 lakhs, which has been provided out of the dividend equalisation fund, so that the net drain on the fund amounts to Rs. 4.09 lakhs, out of Rs. 14.31 lakhs standing to its credit at the end of last year.

Referring to the trading conditions which have affected the results of the Ahmedabad Advance Mills, the Company's Directors observe:

"Trading conditions were far from satisfactory during the year under report. While the cost of production continued to rise on account of increase in the prices of raw materials and labour costs, the value of manufactured goods declined owing to a general fall in demand, both in the internal and overseas markets."

The decline of Rs. 47.75 lakhs in sale proceeds has been counteracted to some extent by a decline of Rs. 17.23 lakhs in expenses. Cotton consumed shows a decline of Rs. 17.72 lakhs, salaries and wages Rs. 1.91 lakhs and repairs and renewals Rs. 2.66 lakhs. Offsetting these are the increases of Rs. 4.58 lakhs in fuel, electricity and stores consumed and Rs. 1.41 lakhs in the Company's contribution to provident fund. After providing for depreciation and despite the Managing Agents' surrendering almost the whole of their minimum commission, the net profit is only Rs. 1.55 lakhs. After transferring Rs. 1.50 lakhs to the dividend equalisation fund, the Directors propose to withdraw from the fund Rs. 3.80 lakhs for distribution to the 5 per cent. preference shareholders, as well as to the ordinary shareholders at the aforesaid rate.

The following table gives the synopsis of the Companies' balance-sheets as on 30th June, 1953, which provides an idea of their satisfactory financial position.

	Ahmedabad Advance	Central India
Liabilities	Rs.	Rs.
Capital	43,01,000	98,47,500
Reserves and surplus	88,84,143	84,22,221
Provision for taxation	4,15,176	6,65,740
Liabilities	53,03,885	1,57,04,695
	Rs. 1,39,03,204	3,46,70,156
Assets		
Gross block	88,29,885	2,21,23,449
Less—Depreciation	51,09,670	1,41,83,260
Net block	37,20,215	79,40,189
Stock-in-trade	72,32,734	1,93,50,610
Stores and spares	7,08,090	35,85,505
Debts, deposits and advances ..	9,08,232	11,35,497
Investments	7,49,834	25,00,119
Cash	4,44,845	4,62,827
Other assets	..	8,94,949
	Rs. 1,39,03,204	3,46,70,156

In pursuance of the scheme of rehabilitation and renovation of the mills, the Directors of the Central India have spent, during the year under review, Rs. 16.20 lakhs on additional machinery, plant, etc., besides Rs. 4.62 lakhs on works under construction and machinery received but not installed. They have also sanctioned a sum of Rs. 10 lakhs for purchases of machinery for humidification of No. 1 and 2 Mills and for installation of fluorescent lighting in No. 4 and 5 Mills. The Directors also propose to consider shortly a scheme for the reorganisation of No. 4 Mill, dyeing, bleaching and finishing, covering a better layout of the existing plant and later on the purchase and installation of additional finishing machinery.

The gross block of the Ahmedabad Advance Mills shows an increase of Rs. 11.17 lakhs, representing additions to the machinery and plant made during the year and of Rs. 14.46 lakhs, representing works under construction and machinery received, but not installed, under the Mills' rehabilitation and renovation programme.



FORT GLOSTER JUTE CO. SUFFERS LOSS AGAIN

DIVIDEND PASSED OVER

THE ordinary shareholders of the Fort Gloster Jute Manufacturing Co., Ltd. (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) have had to go without any dividend for the six months ended 31st March, 1953, this being the second consecutive occasion when they are getting no return. There was another occasion when they did not receive anything; this was the six months ended 30th September, 1949. The dividend record of the Company for the subsequent five half-years was an unsteady one, having fluctuated from 5 per cent. to 40 per cent. per annum. The passing over of the ordinary dividend for the latest half-year has been occasioned by a net loss of Rs. 2.95 lakhs suffered by the Company. It is, however, gratifying to note that this loss is relatively less than that (Rs. 12.07 lakhs) sustained in the previous half-year. As in the previous half-year, the Directors have had to draw from the reserves not only to cover the loss but also to pay the dividends on the first and second preference shares.

It will be recalled that the half-year ended 30th September, 1952, was a disappointing period for jute mills, on account of the depression in prices and lack of demand for manufactured goods, despite the reduction in export duty on hessian and sacking in May, 1952. The half-year under review did not see an improvement in trading conditions to such an extent as to enable all the mills to work at a profit. Referring to this, the Directors of Fort Gloster observe in their report:

"Trading conditions remained difficult throughout the period covered by this report, the prices of both raw material and finished goods registering further sharp decline. A welcome improvement in values was witnessed after the close of the half-year, but with the general price level of manufactures failing to keep pace with the rise recorded in quotations for jute, simultaneous business was seldom profitable.

"On the 28th February, Government announced a further reduction in the export duty on sacking goods (to Rs. 80 per ton), but this, unfortunately, did little to encourage demand from the main overseas markets and resulted in only a temporary improvement in prices. On the 25th March, discussions between the Governments of India and Pakistan led to the abolition of the discriminatory licence fee on jute exported to India and a decrease in the export duty on the kutcha bales brought into this country. This agreement was of considerable importance, for mills were thus enabled to obtain more adequate supplies of the better qualities of jute essential for the maintenance of a satisfactory standard of manufacture."

The effect of the adequate supply of better qualities of jute from Pakistan, referred to above, is not fully reflected in the Company's results for the half-year under review, as the agreement was effected only just before the close of the half-year.

The salient features of the Company's results for the half-year under review are presented against the background of those for the previous three half-years in the following table:

(In lakhs of rupees)

	Half-year ended			
	31-3-1953	30-9-1952	31-3-1952	30-9-1951
Sale proceeds	140.11	196.73	292.65	207.00
Closing stocks	67.36	36.04	110.53	95.61
Expenses	154.06	210.34	275.42	244.26
Gross profit (+) or loss (—) ..	—1.54	—10.12	+9.49	+12.15
Managing Agents' remuneration	1.33	1.03	8.04	3.40
Depreciation	..	..	5.00	2.75
Taxation	0.03	..	0.07	0.20
Net profit (+) or loss (—) ..	—2.95	—12.07	+3.38	+6.25
To reserves	..	..	0.50	1.00
Transfer from reserves	3.65	12.50	..	..
Dividends—				
Preference	0.66	0.66	0.66	0.66
Ordinary	..	..	2.10	2.62
			(10% p.a.)	(25% p.a.)
Carry forward	0.04	0.02	0.20	10.14

The Company's financial position, as seen from its latest balance-sheet, is satisfactory. Notwithstanding the withdrawal of Rs. 16.15 lakhs in the last two half-years, the reserves and surplus stand at Rs. 54.44 lakhs, which is equal to nearly 130 per cent. of the paid-up capital of Rs. 42 lakhs. Besides a mortgage debenture loan of Rs. 25 lakhs, the Company's current liabilities and provision for taxation amount to Rs. 66.74 lakhs, of which secured loans account for Rs. 48.31 lakhs. The value of the gross block as at the end of the half-year amounts to Rs. 268.42 lakhs, the book value of the same having been written down to Rs. 87.98 lakhs. Current assets (excluding the small sum of Rs. 28,631 representing balance of debenture issue expenses to be written off) aggregate Rs. 100.51 lakhs, which more than adequately cover the current liabilities, as well as the provision for taxation, by a handsome margin of Rs. 33.77 lakhs.

Points From The Chair

U.S. Attitude To Natural Rubber

"AS befits a great creditor nation, the U.S.A. has, in the post-war period, extended to less fortunate countries an unexampled generosity. This renders more bewildering the denial of freedom and fair trading in respect of an industry, upon which depends so largely the welfare and perhaps, too, the security of the peoples of Far Eastern territories. It may well be that under conditions of free and fair trading, the synthetic product might prove a strong competitor to natural, but even so the establishment of such conditions would remove the occasion for a not unwarranted resentment, as well as dissipate the uncertainties which bedevil the rubber outlook. Natural rubber producers would then be encouraged to embark on long-term improvement programmes, stimulated to greater effort along practical lines and less disposed to seek relief by resort to doubtful expedients."

SIR JOHN HAY,
Kamuning (Perak) Rubber and Tin Co., Ltd.

Efficiency and Value of Agriculture in U.K.

"The efficiency and value of the agricultural production of this country is not generally realised. The wealth of this country is based on the two main extractive industries of food and of the raw materials of power, which is coal. Mining extracts coal from underground; agriculture extracts food from the surface soil. There are great reserves of coal beneath our soil, and there are also great possibilities of increased food production which could be realised by more intensive farming. It is interesting to compare the economic efficiency of these two industries. Coal mining produces coal to the value of £507 million per annum by the employment of 715,000 workers. Agricultural workers number 549,000 males, and 103,000 females, or a total of 652,000, and they produce to the value of not less than £1,043¼ million per annum."

F. A. PERKINS,
Lawes Chemical Co., Ltd.

British Goods in Overseas Countries

"I have recently returned from a tour of certain North European countries, where I had the opportunity of meeting our agents and representatives, as well as a number of leading industrialists and bankers. My impression was that we in this country have too long relied on the quality of British goods as the main selling point, and that the majority of our overseas customers are simply not willing to pay the extra price for this. I am not suggesting that we should manufacture poor quality goods, but I am quite sure that, unless British manufacturers can cheapen production, both by better methods and by use of less expensive or different raw materials, we may be priced out of many of our Continental markets. Any large increase in wages would, of course, be a vital factor in this connection."

D. G. N. LLOYD-LOWLES,
Tap and Die Corporation Ltd.

***Future of British* Electric Industry**

"The future of every British company in the electrical field depends fundamentally on the progressive development of the world and the part we, in Great Britain, are capable of playing in it. The field in front of our Company and the need for our help is unlimited. The world is crying out for fuller use of existing applications and for research in many fields hardly yet surveyed. The forward march in certain countries, or in certain fields, may be delayed by lack of capital, by artificial restrictions, by adherence to ideological labels, or by ill-conceived demands, but it cannot be stayed. There is no industry from which greater progress is expected than the electrical industry."

SIR HARRY RAILING,
General Electric Co., Ltd.

Problems of Textile Industry

"Conditions in the textile industry are considerably better than they were a year ago, as far as volume is concerned, but margins remain low. Competition is severe, due to the Government giving prior consideration to the textile industries of other nations against our own. One cannot understand the Government pleading for increased exports and, at the same time, squandering valuable currency on textile imports—materials which could readily be produced in this country. Western Germany, for example, a valuable hard currency area, is allowed, together with the rest of Europe, especially Italy, to export unlimited quantities of textiles to this country, which is virtually a dumping ground for Continental manufacturers who wish to maintain price levels in their own countries. The theorists who talk of a decline in textiles ignore the age of synthetic fibre development, which could be as important to us as the development of the jet engine. We intend to exploit this valuable new field to the maximum possible extent. Whilst margins on these new fibres are better than on the old traditional lines, the volume of imports into this country and our Empire markets jeopardise the chances of the industry becoming strong and efficient. If motor cars were allowed to be imported as freely as textiles, the motor car industry would be in no better position than the much criticised textile industry. Initiative and enterprise are by no means lacking and, if given the chance, will operate to as great advantage as in any other industry. After all, with the valuable contribution which they make to the country's economy, textiles have been ignored and neglected for far too long, except as a means of raising further revenue in the form of purchase tax."

CYRIL LORD,
H. Ledgard (Silmyra Fabrics) Ltd.

PLANTING

(Concluded from page 774)

character. It is further argued that, unlike the other international commodity agreements, the consuming countries are not signatories to it. This is a lacuna which may adversely react on the Agreement at any time. Drawing pointed attention to this aspect, the F.A.O. observes:

"The attitude of importing countries to international control of the commodity by producers only has been favourably influenced in recent years by the liberal quota policies followed by the regulating body. However, under certain economic or even political circumstances, importing countries might raise serious objections to the system, in view of the principles concerning international commodity agreements which have been recommended by the Economic and Social Council of the United Nations (Chapter 6 of the Havana Charter). Before the adoption of the last Tea Agreement of 1950, the Interim Co-ordinating Committee for International Commodity Arrangements (I.C.C.I.C.A.) wrote:

'This Committee considers that, in accordance with the principles recommended as a guide by the Economic and Social Council, discussions, open to participation by all Governments considering themselves substantially interested in the production and consumption of, or trade in, tea, are a desirable preliminary to any new agreement. . . . The present arrangement, although controlling exports, nevertheless, does not provide for equal representation of producing and consuming countries.'

"While the 1950 Agreement contains a provision that the terms of this Agreement may be subjected to fresh consideration and review at the request of any of the Governments of the producing countries in the light of any international obligations which . . . (they) may assume during the currency of the Agreement, I.C.C.I.C.A. pointed out that 'so far as this Committee is aware, other countries were not invited to participate in the preparation of the new Agreement'. The Committee, therefore, concluded 'that its comments on the 1948-50 Agreement (quoted above) are equally applicable to the present Agreement.'"

Chances of Survival

The F.A.O. has done well in reminding the signatories of this important aspect of the question, because of the change in the political relationship between the principal tea producing and the consuming countries. India, Pakistan, Ceylon, and Indonesia are all now politically free; whereas, in the past, the first three were subject nations of Britain, the largest consumer of tea in the world, and the fourth was a colony of the Netherlands. Under the latter set-up, there was scarcely any danger of differences of opinion between the producing and the consuming countries. But now the scope for it is there. Further, Britain and other consuming countries may demand representation on the controlling body operating the Agreement. If this issue has not so far risen since independence, it is because of the link provided by the British-owned and managed tea estates in India, Pakistan, Ceylon and even in Indonesia. Another reason is, of course, the fact, referred to at the outset, that all along the Agreement has been worked in a manner which has given no room for complaints of restrictive practices from consumers. Given the continuation of these two features, the Agreement has a good chance of survival.

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Notices

THE SHOLAPOOR SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 78th Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Standard Building, Fort, Bombay, on MONDAY the 30TH NOVEMBER, 1953, at 4 p.m. (S.T.), for the transaction of the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st March, 1953.
2. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed from TUESDAY the 10TH NOVEMBER, 1953 to WEDNESDAY the 2ND DECEMBER, 1953 (both days inclusive).

By Order of the Board of Directors,
B. W. AMBAYE,
Assistant Secretary.

BOMBAY, 15th October, 1953.

(The Board desire to draw attention to the provisions of the Sholapoor Spinning and Weaving Company (Emergency Provisions) Act, XXVIII of 1950, under which, no resolution passed by the Company at any meeting of the Shareholders of the Company shall be given effect to unless approved by the Central Government.)

N.B.—The Shareholders of the Sholapoor Spinning and Weaving Company, Ltd., and in particular to:—

Mr. Ahmed Ismail, Rode Port, Transvaal (South Africa).

Mr. Ismail Essack, Rode Port, Transvaal (South Africa).

Mr. John Hankinson, Agnes Silver and John Cookson, 3 Fox Street, Preston, England.

Mrs. Dinmai Nariman Kotwal, c/o Sadar E.I. Lines, Karachi (Pakistan).

Mrs. Mehra Phiroje Cooper, c/o National Bank of India Ltd., Lahore (Pakistan).

Mr. Satya Ranjan Paul, c/o Mr. M. R. Paul, Pleader, Khulna (Bengal).

Seth Labharam Raisaheb, 7G, Model Town, Lahore (Pakistan).

Mr. Manilal Manekchand, Gharia Street, Diu.

Mr. Sorab Byramji Warden, 91, Ladbroke, Grove, London, W. II.

GOVERNMENT OF MYSORE
STORES PURCHASE COMMITTEE

NOTICE

Enquiry No. 11734

LAMP REPLACERS FOR THE ELECTRIC DEPARTMENT

SEALED TENDERS WILL BE RECEIVED BY the Secretary, Stores Purchase Committee, for the supply of the above equipment upto 2nd November, 1953.

Intending tenderers may, on application to the Secretary, Stores Purchase Committee, obtain the requisite tender forms on which tenders should be submitted. Applications should be accompanied by a cash remittance of Rs. 5 which is the price fixed for a set of forms and which is not refundable.

Cheques, Crossed Postal Orders and Postage Stamps will not be accepted towards the cost of forms nor will the forms be sent by V.P.P.

I. P. MALLAPPA,
Secretary,
Stores Purchase Committee.

UNITED INDIA BUILDING,
BANGALORE, 5th October 1953

WAGON SHORTAGE AFFECTS WORKING OF HINGIR-RAMPUR COAL

BALMADIES TO PAY RECORD DIVIDEND

Hingir-Rampur Coal Co., Ltd.

THE directors of the above Company (Agents: Messrs. Killick Industries, Ltd., Bombay) submit the the audited accounts of the Company for the year ended 30th June, 1953.

The bulk of the raisings during the year was again won from No. 10 pit. The total raisings for the year from No. 10 pit amounted to 1,18,508 tons and from No. 11 pit 57,848 tons, making a total of 1,76,356 (1,81,369) tons. There is a decrease of 5,013 tons over the previous year. Although raisings for the year can be regarded as satisfactory, they would have been considerably higher, had there not been a continued shortage of wagons. Raisings, therefore, had to be restricted resulting in the dumping of coal at the depots. Another contributory factor was a strike at the colliery which commenced on 16th June, 1952 and terminated on the 18th July, 1952.

The total sales for the year amounted to 1,70,440 tons as compared with 1,71,449 tons for the preceding year. This figure too would have been substantially exceeded but for the factors mentioned above. The controlled price of the Company's steam and slack coals remained unchanged throughout the year at Rs. 15-6 and Rs. 14-6 per ton respectively.

Development work in No. 11 pit is progressing satisfactorily and this pit will shortly be in a position to produce more coal at reasonal costs. Construction of a sub-station, a labour rest shed and oil issue room and 44 blocks labour quarters was completed during the year. In addition extensions were carried out to the hospital and magazine buildings, while construction of two blocks of staff quarters and 31 blocks labour quarters was in progress during the year under review. Work was retarded due to non-receipt of cement quotas. Cement from local factories had been earmarked for Government multi-purpose schemes.

Agency Agreement and Articles of Association.—An extraordinary general meeting of the shareholders was held on 26th June, 1953, for the purpose of passing the necessary resolutions for amending certain of the Articles of Association and also for the deletion of clause 9 of the Agency Agreement dated 26th May, 1950, between the Company and Killick Industries Ltd., in order to meet the listing requirements of the Stock Exchange. Accordingly, the Company's shares have been officially admitted to dealings on the Stock Exchange with effect from 2nd July, 1953.

Energetic steps have been taken to increase sales, as a result of which the Company's Selling Agents, Messrs. S. D. Shethia and Co., Ltd., were successful in securing loco orders to the extent of 12,420 tons per month with effect from August, 1953. This now brings the total monthly commitments to approximately 20,000 tons which it is hoped to fulfil, subject to wagon indents being met in full by the Eastern Railway.

The net profit for the year, after setting aside Rs. 2,08,003 (Rs. 2,43,342) for depreciation amounts to Rs. 70,466 (Rs. 2,53,212). After providing Rs. 22,000 (Rs. 80,000) for taxation and Rs. 36,000 (Rs. 36,000) for payment of dividend on the 4½ per cent. (tax-free) redeemable cumulative preference shares, there is a sum available of Rs. 12,466 (Rs. 97,236 after provision for reserves) which when added to Rs. 60,000 (nil) transferred from the equalisation of dividends reserve and to the balance of Rs. 1,377 (Rs. 141) brought forward from last year, makes a total of Rs. 73,843 (Rs. 97,377) which the directors recommend, be disposed of in payment of a dividend at the rate of Rs. 3 (Rs. 4) per ordinary share, free of tax absorbing Rs. 72,000 (Rs. 96,000) leaving to be carried forward Rs. 1,843 (Rs. 1,377).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	18,02,965
Reserves ...	1,57,000	Stock of coal	42,000
Provision for taxation ...	72,513	Stores, etc. ...	6,05,689
Liabilities ...	7,40,233	Debts, deposits and advances ...	5,03,510
Profit and loss account ...	1,843	Cash ...	17,426
Rs.	29,71,589	Rs.	29,71,589

Balmadies Plantations, Ltd.

The directors of the above Company (Managing Agents: Messrs. Planting Agencies, Ltd., Madras) submitted the audited accounts of the Company for the year ended 31st May, 1953.

The result of the Company's working during the period under review is a profit of Rs. 67,123 (Rs. 39,582), to which has to be added a sum of Rs. 16,105 (Rs. 2,743), being balance brought forward making a total of Rs. 83,228 (Rs. 42,325). Out of this the directors transferred to general reserve fund Rs. 25,000 (nil) and dividend equalisation fund Rs. 10,000 (nil), leaving a balance of Rs. 48,228 (Rs. 40,605), which amount the directors recommend be appropriated as follows:—

To pay a dividend of 6 (6) per cent. per annum, tax-free on the preference shares for the year ended 31st May, 1953, Rs. 4,500 (Rs. 4,500), and a dividend of 12½ (10) per cent. on the ordinary shares Rs. 25,000 (Rs. 20,000), leaving a balance of Rs. 18,728 (Rs. 16,105) to be carried forward to next year.

Out of the total of 500 debentures, the Company has drawn for payment to the end of May, 1953, 450 debentures of Rs. 100 each; of which three debentures are outstanding, having ceased to carry interest. The balance of 50 debentures amounting to Rs. 5,000 will be paid on the 1st January, 1954. In these circumstances, the debenture reserve fund is no longer necessary and therefore, the amount of it has been transferred to the general reserve fund which together with a sum of Rs. 25,000 credited during the current year will stand at Rs. 1,50,000.

The crop harvested was 54.1 (36.5) tons at a cost of Rs. 121 (Rs. 137-8) per cwt., as against the estimate of 60 tons at an estimated cost of Rs. 85 per cwt. The failure to harvest the full estimated crop is due to the long and severe drought conditions that prevailed and affected the proper development and ripening of the berries. The total expenditure remained the same as all the works were systematically carried out during the year. The year's crop has been valued at Rs. 2 per point which is a conservative valuation and the Company expects to realise more in due course.

The Company has spent this year a further sum of Rs. 10,295 in addition to Rs. 8,332 spent last year for the construction of four more rooms as labour quarters. This is in pursuance of the Company's policy to conform with the Government standards for labour quarters. The estate was sprayed twice in the year and have received the full and requisite dose of manure. A sum of Rs. 3,769 has been spent under this head which with the sum of Rs. 7,728 spent in previous years represents the expenditure on new clearings during 1949, 1950, 1951, 1952 and 1953. All the new clearings are coming up satisfactorily.

An estimate of 50 tons has been estimated for the coming year, 1953-54.

The Minimum Wages Act has been in operation for the past two years. Due to careful management and "rationalisation" of labour, the directors report that the estate expenditure has been kept down to a reasonably low figure though all the cultivation works have been carried out as in previous years.

Though there have been no labour troubles on the estate, the unions have made some demands on this estate as on 221 other estates in South India. The concillation tried by the Commissioner of Labour having failed, the Government of Madras have referred the matter for adjudication by the Industrial Court. The managing agents have taken all the necessary advice and legal opinion on this matter and it is hoped that it will be settled early so that production may not be hampered.

The shareholders are probably aware that the Government of India recently introduced the Coffee Bill before the Parliament and it is expected that it will be taken up before the end of this session. It is at present difficult to indicate what the effect of this new legislation will be. There has also been a proposal by the Government of India to modify the Indian Coffee Board. The directors trust that the Government would keep in view the interests of both the growers and the consuming public.

Since the Government policy towards the Coffee Board and Coffee Control is not known, the traders are very nervous about the future of the coffee market. Consequently there has been very heavy withdrawals in the recent Pool Auctions. Moreover, the Government have not allowed any export of coffee during this year which has resulted in large stocks of coffee from out of 1952-53 season being held back by curers, whilst the 1953-54 season crop will be coming into the market shortly. It is, however, expected the Government may permit coffee exports as there is a good demand for coffee in the foreign markets and higher prices are quoted.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,75,000	Block ...	3,70,799
Debentures	5,000	Stores ...	11,316
Reserves ...	2,30,628	Debts and advances ...	1,16,280
Liabilities ...	10,800	Investments	1,424
Profit and loss account ...	48,228	Cash ...	69,837
Rs.	5,69,656	Rs.	5,69,656

Bengal Bhatdee Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

After providing Rs. 6,000 (Rs. 4,225) for depreciation, Rs. 5,500 (Rs. 5,000) for taxation, there is a balance of Rs. 10,504 (Rs. 9,524) at the credit of profit and loss account from which the directors recommend payment of a dividend at As. 2 (As. 2) per share absorbing Rs. 5,617 (Rs. 5,617) leaving to be carried forward Rs. 4,887 (Rs. 3,907).

Raisings were 44,189 tons as compared with 33,770 tons in the previous half-year and despatches 42,208 tons as compared with 31,565 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,49,350	Block ...	3,18,456
Reserves ...	70,000	Stores ...	309
Provision for taxation ...	14,894	Debts, and advances ...	1,69,692
Liabilities ...	1,79,301	Cash ...	2,29,975
Profit and loss account ...	4,887		
Rs.	7,18,432	Rs.	7,18,432

Parasea Collieries, Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Deepchand Kishenlall, Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The Company's profit for the half-year ending 30th June, 1952, after providing Rs. 24,659 (Rs. 24,544) for depreciation is Rs. 27,239 (Rs. 51,833). To this is added the balance brought forward from last account of Rs. 20,999 (Rs. 18,705), making a total available sum for disposal of Rs. 48,239 (Rs. 70,539). The directors propose payment of dividend to the holders of 8,000 preference shares at the rate of 5½ per cent. per annum taxable for the year ending 31st December, 1950. This would absorb a sum of Rs. 32,450 leaving a balance of Rs. 15,789 (Rs. 70,539) to be carried forward to the next half-year.

Output and Despatches

	For the Half-year ending June, 1952 in tons.	For the Half-year ending Dec., 1951 in tons.	For the Half-year ending June, 1951 in tons.
Raisings ...	38,732	26,775	37,563
Despatches ...	24,150	27,952	28,954
Stock after boiler consumption	12,706	2,125	5,964

During the half-year under review, the output showed considerable improvement over the previous half-year; but the despatches could not be maintained on the same level due to acute shortage of wagons prevailing during this period.

The directors inform, that South Parasea Collieries, Limited in which the Company holds shares, are making steady and satisfactory progress.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,34,000	Block ...	10,95,907
Reserves ...	83,596	Stock of coal	1,10,052
Provision for taxation ..	1,11,000	Stores ...	63,955
Liabilities ...	1,52,853	Debts, deposits and advances ...	3,55,612
Profit and loss account ...	48,239	Investments	92,209
		Cash ...	3,11,947
Rs.	20,29,688	Rs.	20,29,688

Midland Rubber and Produce Co., Ltd. (And Reduced)

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 31st March, 1953.

The total area of the estate amounts to 6,486.57 acres.

The table below gives particulars of crops raised during the year:—

Estate	For the year ended 31st March, 1953		For the same period last year	
	Estimate	Crop secured	Estimate	Crop secured
Tea	Lbs.	Lbs.	Lbs.	Lbs.
Arnakal Rubber ..	9,60,000	11,87,204	8,60,000	11,46,717
Mukampala ..	3,45,000	2,56,945	2,40,000	2,62,460
Perinaad ..	5,44,000	6,18,865	6,10,000	5,45,725
Sittar ..	2,00,000	2,29,143	2,00,000	2,80,730
Total ..	10,79,000	12,03,973	10,40,000	10,84,915

It will be seen from the above statement that the tea crop on Arnakal Estate has been extremely satisfactory with an average yield of 1,011 lbs. per acre. The estate cost of production for the year was 125.93 cents per lb. as compared to the estimate of 124.63 cents per lb.

The rubber crop on Mukampala, Perinaad and Sittar exceeds estimate in total by 1,24,973 lbs. This is an excess by 1,19,058 lbs. over the crop secured during the previous year. It is satisfactory to note that the young budded clearings are yielding in full in accordance with expectations. The estate cost of production was 55.72 cents per lb. compared to the estimate of 63.00 cents per lb.

It may not be out of place here to mention, that notwithstanding the good crops, the increase in the incidence of cost of production over that of last year is due to the adoption of the Minimum Wages Act which came into operation during the year under report.

After allowing for depreciation and the outgoings as usual, and providing a sum of Rs. 4,00,000 (Rs. 5,80,000) for income-tax, the net profit for the year amounted to Rs. 8,11,201 (Rs. 9,20,066). To this has to be added the previous year's carry forward of Rs. 83,433 (Rs. 88,167), making a total of Rs. 8,94,635 (Rs. 10,08,233). Out of this the preference dividend for the year amounting to Rs. 1,03,200 (Rs. 1,34,800) was paid out, and after making a provision of Rs. 5,000 (nil) towards reserve for bad and doubtful debts, the balance is Rs. 7,86,435 (Rs. 8,53,433) which the directors recommend be disposed of as under:—

Payment of a dividend of 15 (15) per cent. on ordinary shares Rs. 4,05,000 (Rs. 4,05,000), transfer to rubber replanting reserve (making Rs. 3,75,000 (Rs. 2,75,000) Rs. 1,00,000 (Rs. 75,000), transfer to dividend equalisation fund (making Rs. 3,50,000) Rs. 80,000 (Rs. 2,70,000), transfer to an investment depreciation reserve Rs. 50,000 (nil), transfer to staff pension fund Rs. 10,000 (Rs. 20,000), transfer to general reserve (making Rs. 15,60,000) Rs. 46,990 (nil) and carry forward to the next season Rs. 94,445 (Rs. 83,433).

With reference to the application for the consent of the Central Government for the renewal of the managing agency with Messrs. A. V. Thomas & Co., Ltd., on the terms already notified to the shareholders by notice dated 26th May, 1953, calling the extraordinary general meeting, the Government have been pleased to accord consent. The managing agents have also been directed in that consent letter not to take any buying or selling commission from the Company which they have agreed to. In the matter of directors' remuneration, the Government have agreed to sanction the revised remuneration as from 1st April, 1953.

Estimate for 1953-54 of tea is placed at 10,50,000 lbs. at 112.19 cents per lb. and rubber at 11,10,000 lbs., at 65.46 cents per lb.

The properties of the Company were regularly visited during the year by the visiting agents and the managing agents' staff and reported to be in excellent order and condition. All concerned with the management have had a very difficult time during the year, though labour activities by the unions in so far as our Company's estates were concerned, were not so adverse compared to previous years resulting in unmanageable unrest. But with the various legislative enactments now before the Parliament at Delhi pertaining to plantation products and labour, it will be futile to predict with any precision what exact reactions such enactments may visit on the otherwise normal prosperity of this Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,20,000	Block ...	60,22,688
Reserves ...	21,33,010	Stock-in-trade	5,47,465
Provision for taxation ...	6,36,084	Stores and spares ...	2,28,193
Liabilities ...	2,94,072	Other assets	51,229
Profit and loss account ...	7,86,434	Debts, deposits and advances ...	2,71,391
		Investments	1,08,766
		Cash ...	10,39,868
Rs.	82,69,600	Rs.	82,69,600

Sapoi Tea Co., Ltd.

The directors of the above Company (Secretaries and Agents: Messrs. James Finlay & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The loss sustained by the Company, after charging depreciation, amounts to Rs. 80,549 (profit of Rs. 24,759), from which has been deducted the credit balance brought forward from last year of Rs. 18,568 (Rs. 8,810), leaving a debit balance of Rs. 61,981 (credit of Rs. 33,568). To this sum has to be added—adjustment for taxation on previous year's results Rs. 7,181 (nil) leaving a debit balance to be carried forward of Rs. 69,162 (credit balance of Rs. 18,568 after paying 2½ per cent. dividend).

In their last report, the directors stated that tea prices had dropped sharply in 1952 and further reference is made to this below. Although the total expenditure went up as a result of the higher outturn and the introduction of the Minimum Wages Act which necessitated the payment of higher wages to labour and staff, the cost per lb. compared with 1951 was reduced by As. 2.00 through strict measures of economy but unfortunately this reduction was more than offset by the fall in prices.

The total capital expenditure incurred during the season amounted to Rs. 1,71,583 which has been added in full to block; depreciation has, however, been charged on buildings and machinery in order that the accounts may conform to the normal accounting practice in this regard.

The directors are able to say that Central taxes on all years up to 31st December, 1951, have been finally assessed and the liabilities settled. Further, the excess of payments under Section 18A over the tax liabilities amounting to Rs. 1,39,135 and interest on such advance payments amounting to Rs. 8,822 have been refunded during the current year.

Weather conditions were on the whole favourable during the first half of the year but rainfall was excessive during the second half, the total rainfall recorded being 136" as against a normal of 110". The final crop came to 11,026 maunds which showed an increase of 1,197 maunds on the 1951 crop and 1,691 maunds on the average crop for the past five years.

The serious recession in tea prices which set in during the year had a disastrous effect on the results of working of the estate and the average sale price realised was only As. 21.50 per lb., as compared with As. 24.82 in 1951 and As. 26.11 in 1950. The crop was disposed of as follows:—

	Lbs.	Per lb. As.
Export auctions	239,369	19.33
Internal auctions	212,168	17.25
London auctions	328,448	26.80
Outmarket sales ...	98,401	18.50

An extension of 12.37 acres was put out during the year, making the total planted area as at 31st December, 1952, 901.67 acres as against 889.30 acres as at 31st December, 1951.

Estimate for 1953.—The original estimate provided for a crop of 11,000 maunds at an all-in cost of Re. 1-3-8 per lb. on a Calcutta ex-warehouse basis. The Company was a signatory to the Crop Regulation Scheme and the crop allotted to Sapoi is 9,754 maunds under this scheme, but if favourable weather conditions are experienced and production rights are obtainable, a larger crop may materialise.

To the end of August, 50,113 lbs. of 1953 season's teas were sold at an average price of As. 28.27 per lb., but as it represents a small percentage of the crop, it is too early yet to take a view on the anticipated results of the season's working, although they should be reasonably satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	11,33,598
Reserves ...	2,82,640	Stock of tea	10,49,318
Provision for taxation ...	59,900	Stores ...	1,36,256
Liabilities ...	17,97,868	Debts, deposits and advances ...	3,52,327
		Investments	2,048
		Cash ...	66,861
Rs.	27,40,408	Rs.	27,40,408

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

COMPANY MEETINGS AND DIVIDENDS

CAMPERDOWN PRESSING CO., LTD. Annual General Meeting, Calcutta, 26th October, 1953. Transfer books closed from 14th to 26th October, 1953, both days inclusive.

JAIPUR METALS AND ELECTRICALS LTD. Annual General Meeting, Jaipur, 26th October, 1953. Dividend: Rs. 3 per share free of income-tax. Transfer books closed from 16th to 26th October, 1953, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 26th October, 1953. Dividend: Re. 1-8 per share. Transfer books closed from 20th to 26th October, 1953, both days inclusive.

PARASEA COLLIERIES LTD. Half-yearly General Meeting, Calcuta, 27th October, 1953. Dividend: *Nil.* Transfer books closed from 20th to 27th October, 1953, both days inclusive.

SAPOI TEA CO., LTD. Annual General Meeting, Calcutta, 28th October, 1953. Dividend: *Nil.*

NILGIRI NEERGUNDI ESTATES CO., LTD. Annual General Meeting, Kozhikode, 28th October, 1953. Dividend: *Nil.* Transfer books closed from 15th to 28th October, 1953, both days inclusive.

CHAMPARUN SUGAR CO., LTD. Annual General Meeting, Kanpur, 28th October, 1953. Dividend: Re. 1 per share.

SWADESHI COTTON MILLS CO., LTD. Annual General Meeting, Kanpur, 29th October, 1953. Transfer books closed from 22nd to 29th October, 1953, both days inclusive.

LACKATOORAH TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Dividend: *Nil.* Transfer books closed from 12th to 30th October, 1953, both days inclusive.

GAIRKHATA TEA CO., LTD. Annual General Meeting, Calcuta, 30th October, 1953. Dividend: *Nil.* Transfer books closed from 12th to 30th October, 1953, both days inclusive.

ANANDA-BAG TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Dividend: *Nil.* Transfer books closed from 12th to 30th October, 1953, both days inclusive.

JUTLIBARI TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Dividend: *Nil.* Transfer books closed from 12th to 30th October, 1953, both days inclusive.

TENGPANI TEA CO., LTD. Annual General Meeting, Calcutta, 30th October, 1953. Dividend: As. 12 per share. Transfer books closed from 12th to 30th October, 1953, both days inclusive.

NEW MANBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th October, 1953. Dividend: *Nil.* Transfer books closed from 24th to 30th October, 1953, both days inclusive.

PERIA KARAMALAI TEA AND PRODUCE CO., LTD. Annual General Meeting, Coimbatore, 31st October, 1953. Dividend: As. 8 per share (final). Transfer books close from 26th October to 2nd November, 1953, both days inclusive.

SHREE MADHAV MILLS LTD. Annual General Meeting, Bombay, 31st October, 1953. Transfer books closed from 19th to 31st October 1953, both days inclusive.

AMALGAMATED COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 4th November, 1953. Dividend: As. 8 per share, free of tax. Transfer books close from 28th October to 4th November, 1953, both days inclusive.

BHARAT AIRWAYS LTD. Annual General Meeting, Calcutta, 9th November, 1953. Transfer books close from 27th October to 9th November, 1953, both days inclusive.

PORT SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 11th November, 1953. Dividend: As. 8 per share. Transfer books close from 31st October to 11th November, 1953, both days inclusive.

NEW KAISER-I-HIND SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th November, 1953. Transfer books close from 31st October to 18th November, 1953, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Interim dividend of As. 3 1/5 per ordinary share, for the year 1952-53. Transfer books close from 26th to 31st October, 1953, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. *Ad-interim* dividend of Rs. 10 per ordinary share, payable from 25th November, 1953. Transfer books close from 9th to 21st November, 1953, both days inclusive.

COMPANY REGISTRATIONS

ORISSA MANGANESE AND MINERALS LTD. (First Director: Mr. C. K. Agarwala.) Business: Dealers in Manganese, etc. Authorised capital: Rs. 25,00,000. Private company. Address: 207 A Rash Behari Avenue, Calcutta.

UNITED NATIONAL GLASS WORKS LTD. (First Director: Mr. C. J. Wadhwa.) Business: Glass Manufacturers. Authorised capital: Rs. 3,00,000. Private company. Address: P-31, Mission Row, Calcutta.

W. F. DUCAT AND CO., LTD. (First Director: Mr. H. Workman.) Business: Brokers and Agents. Authorised capital: Rs. 5,00,000. Private company. Address: 5, Clive Row, Calcutta.

INDO-NEPAL CORPORATION LTD. (First Director: Mr. J. P. Srivastava.) Business: General Merchants. Authorised capital: Rs. 5,00,000. Private company. Address: 22, Canning Street, Calcutta.

MADHUR BHARAT LTD. (First Director: Mr. J. L. Sunda.) Business: Coal Miners, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 14/2 Old China Bazar Street, Calcutta.

Notices

THE VELLORE ELECTRIC CORPORATION, LIMITED

(Incorporated under the Indian Companies Act, 1913)

(Registered Office: MADRAS)

NOTICE OF THE 24th ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 24th Annual General Meeting of THE VELLORE ELECTRIC CORPORATION, LIMITED, will be held at the Registered Office of the Company, 20, Second Line Beach, Madras, on Sunday the 15th November, 1953, at 3 p.m.

1. To consider and adopt the Directors' Report and the Audited Accounts for the year ended 31st March, 1953.
2. To consider the declaration of a dividend of 10 per cent. tax-free on Ordinary Shares and 6 per cent. less tax on Preference Shares, for the year ended 31st March, 1953.
3. To elect Auditors for the current year and fix their remuneration.
4. To elect Directors in the place of Mr. V. R. Ramanatha Aiyar and Mr. M. Subbaraya Aiyar who retire by rotation, but are eligible for re-election.
5. To elect a Director in the place of the late Dr. T. S. Tirumurti.

The Share Transfer Books of the Company will be closed from 1st November, 1953, to 15th November, 1953, both days inclusive.

By Order of the Board,
CHANDRIE & CO., LTD.,
Managing Agents.

MADRAS. 11*th October*, 1953.

Note.—The dividends if sanctioned at the Annual General Meeting will be paid on or after the 20th November, 1953, to those Shareholders whose names stand on the Register of Members on 15th November, 1953.

THE COCHIN STATE POWER AND LIGHT CORPORATION, LIMITED

(Incorporated in Travancore-Cochin State)

Registered Office:
Cable House, 70 Ft. Road, ERNAKULAM.
Branch Office:
20. Second Line Beach, MADRAS—1.

NOTICE OF THE 17th ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Shareholders of the COCHIN STATE POWER AND LIGHT CORPORATION, LTD., will be held at the Registered Office of the Company at "Cable House," 70 Ft. Road, Ernakulam, on Thursday the 12th November, 1953, at 4 p.m., to consider the following agenda:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st March, 1953.
2. To declare a Dividend.
3. To elect Auditors for the official year 1953-54 and to fix their remuneration.
4. To elect Directors in the place of those retiring by rotation.
5. To consider any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will be closed from 5th November, 1953, to 12th November, 1953, both days inclusive.

By Order of the Board,
CHANDRIE & CO., LTD.,
Managing Agents.

MADRAS, 5*th October*, 1953.

Note.—The Dividend Warrants will be posted on or after 15th November, 1953, to the members whose names stand on the Register of Members on the 5th November, 1953, if the dividend is sanctioned at the General Meeting.

MONEY EASY

(From Our Own Correspondent)

BOMBAY, 21st *October*,

Activity in the short-term money market was dull during the week under review and the undertone was easy. Though there was no glut of funds, money rates declined. This was due to predominance of lenders and paucity of borrowers. Due to *Poojah* holidays at Calcutta, funds could not find gainful employment at that centre. This had an effect on the Bombay market also. Lenders were, therefore, prepared to offer their surplus funds at lower rates.

Inter-bank call money among the Exchange banks and the big Indian banks was placed at 1 per cent. for most part of the week. Towards the close, some funds were available even at ¾ per cent. The corresponding rate among the smaller Indian banks was 2 to 2½ per cent. House money at call was quoted at 1½ to 2 per cent.

Some banks appeared to be less keen on making a bid for big deposits in the term money section, as they were not able to judge clearly the extent of demand for funds in the coming months. They were, therefore, prepared to pay not more than 2 per cent. for 1 month deposit, 2¼ per cent. for 2 months and 2½ to 2¾ per cent. for 3 to 6 months.

The Treasury Bill rate, however, did not show any change from Rs. 2-6-8 per cent. per annum, which had prevailed in the previous four weeks. But the amount offered at Rs. 2.58 crores was considerably more than that of Rs. 1.81 crores last week.

The statement of affairs of the Reserve Bank of India for the week ended 16th October, 1953, as compared with that for the previous week, does not show any notable variations, except in the deposits of the Central and the State Governments as well as in those of banks. Notes in circulation reveal a rise of no more than Rs. 77.27 lakhs and notes held in the Banking Department a decline of Rs. 48.91 lakhs. Central Government deposits have fallen by Rs. 14.17 crores, while those of the State Governments and banks have risen by Rs. 10.08 crores and Rs. 3.01 crores, respectively. Cash balances are lower by Rs. 48.70 lakhs and balances held abroad by Rs. 45.87 lakhs.

A fall of Rs. 4.52 crores in demand deposits and an increase of Rs. 1.20 crores in time deposits are disclosed by the Scheduled Banks' statement for the week ended 9th October, 1953, as compared with that for the previous week. Inter-bank borrowings are higher by Rs. 97.31 lakhs. While borrowings from the Reserve Bank show a decline of Rs. 42 lakhs, those from the Imperial Bank disclose an increase of Rs. 1.07 crores. Advances are better by Rs. 36.54 lakhs and bills purchased and discounted by Rs. 38.75 lakhs. Investments have increased by Rs. 2.94 crores. Cash on hand has risen by Rs. 1.61 crores, while the balances with the Reserve Bank have declined by Rs. 6.51 crores. Money at call and short notice has increased by Rs. 1.56 crores.

The Gilt-edged market ruled dull during the week under review, with no activity worth noting. The keen enquiry for the 4 per cent. State Loans, which was in evidence in recent weeks, seemed to have abated, but prices held their ground in the absence of sellers. Among the Central Government loans, 3 per cent. 1957 and 1958 held their own at Rs. 98-6 and Rs. 98-2, respectively. 3 per cent. 1959-61 changed hands an anna lower at Rs. 96-1. 3 per cent. 1963-65 was in request and gained an anna to Rs. 92-9, while 3 per cent. 1964 stood at Rs. 92-8. 3 per cent. 1966-68 shed an anna to Rs. 90-2. 3 per cent. 1970-75 was placed at Rs. 86-7 *ex-voucher*, as against Rs. 86-9 *cum-voucher* last week. 3 per cent. 1986 Conversion Loan fell back by an anna to Rs. 82-1. 3½ per cent. 1961 N.P. bonds had business at the unchanged rate of Rs. 98-8. Among the State loans, 4 per cent. 1963 Bombay was unchanged at Rs. 101-2, Madras at Rs. 100, M.P. and U.P. at Rs. 99-12. 4 per cent. 1964 Bombay was placed at Rs. 101-2, Madras at Rs. 100, U.P. at Rs. 99-12 and West Bengal at Rs. 100-10.

The Hyderabad State Government has announced its decision to float a loan of Rs. 3.25 crores for development purposes. The loan will bear interest at the rate of 4 per cent. per annum (taxable). The issue price is Rs. 99-8. The list will be open for ten days from the 22nd inst. Interest, however, is payable from the 15th inst.

In the foreign exchange section, the rupee continued to show strength in terms of the U.S. dollar during the week under review also. The U.S. dollar, which was quoted at Rs. 477¼ per $100 (banks' selling) last week, dropped to Rs. 476¾ yesterday. Banks' buying rate similarly moved down from Rs. 473¼ to Rs. 472¾. This was in tune with the growing strength displayed by the pound sterling in New York. The spot sterling advanced from $2.80 5/16-2.80 7/16 on the 13th inst., to $2.80 1-2.81 yesterday. Likewise, the forward rates strengthened from $2.79½-2.80 to $2.80 0/16-2.80 11/16 for three months and from $2.79½-2.79¾ to $2.80 5/16-2.80 7/16 for six months.

KANPUR HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, 18th *October*

During the week under review, conditions in the local hides and skins market were rather featureless. There was a slight lull in the activity due to *Dasara*. The new arrival was substantial. Madras dealers were hesitant whereas the local tanners were very keen for upper grade cow and buff. The latest quotations are as follows:—

Wet salted cow, 1st grade superior at Rs. 360 and 2nd grade light at Rs. 280 per score; wet salted buff, 2nd grade superior at 1 lb. 10 ozs. and 2nd grade light at 2 lb. 6 ozs. per rupee; goat, 1st grade at Rs. 350 and 2nd grade at Rs. 225 per 100 pieces; and sheep at Rs. 360 per 100 pieces.

LANDSLIDE IN BULLION

(From Our Own Correspondent)

BOMBAY, 21st *October*

The bullion market witnessed a debacle in prices, due to heavy bull liquidation and bear hammering, during the week under review, as a result of which both silver and gold touched to-day the lowest levels for the last ten months. Though just towards the close of to-day there was a smart recovery, the loss over the week was sizable, namely, Rs. 3-7 per 100 tolas in silver and Re. 1-13 per tola in gold.

Early in the week itself gold displayed a tendency to soften on reports that gold from the Hyderabad mine and Bhopal were being offered for sale in Bombay, in addition to the usual quantity of Mysore gold by the National Bank of India. The main factor which started the rot was an agency report to the effect that the Reserve Bank contemplated offering gold in the market as a measure to bring down prices and make smuggling unremunerative. Though this report was subsequently denied by the Reserve Bank, the nervousness caused by the report brought about such heavy liquidation by bulls and short-selling, that even the denial failed to restore values to their former levels. On top of this came the regular offering of Mysore gold and large arrivals of smuggled gold. The attempts on the part of operators to keep prices above the levels at which margins would have to be paid proved unsuccessful. When the price of gold went below Rs. 80 to-day, a good demand for ready metal came forth. This induced brisk replacement buying by bulls and bear covering resulting in a fair measure of recovery.

In addition to the nervousness caused by the weakness of gold, the decline in silver was assisted by uninterrupted influx of unrefined silver and absence of sufficient demand in the ready section. A leading bull operator was reported to have liquidated a considerable part of his holdings.

Silver for forward delivery (23rd October) opened at Rs. 152-3 and slipped down to Rs. 151-2 on Friday. Early on Monday, there was a revival to Rs. 152-1, but this was not sustained and the price toppled down to Rs. 149 at the close yesterday. As this rate was well below the level of Rs. 150-13 at which margin clause was operative, the sellers had to pay a margin of Rs. 500 per bar on their outstanding sales. But his failed to stem the selling pressure and the price dropped further to-day to Rs. 147-6, before recovering to Rs. 148-13 at the close on brisk bear covering and revival of buying. The arrival of unrefined silver to-day was also small and this, in turn, helped sentiment to improve. Business in the next settlement began on Friday at Rs. 152-6 and closed for the week at Rs. 149-7.

Ready silver (.996 Mint) was placed on par with the forward rates for the October settlement. The floating stocks of silver are placed at 2,300 bars. The arrivals of unrefined metal were estimated at an average of 40 bars per day. The offtake was poor at 10 to 15 bars on an average.

Gold for forward delivery (22nd October settlement) commenced at Rs. 82-7 and dropped in successive stages to Rs. 81-5 at the close on Monday. As this rate was below the level (Rs. 81-9½) at which margin had to be paid, the bears were obliged to pay a margin of Rs. 7 per tola on their outstanding sales. Nevertheless, the price continued to recede, due to factors already stated, and touched to-day a low of Rs. 79-11, the lowest since 26th December, 1952. There was, however, a smart recovery at the close to Rs. 80-10 on good offtake in the ready section. Trading in the next settlement commenced on Friday at Rs. 81-11 and finished the week at Rs. 80-3.

Ready gold opened at Rs. 83 and closed at Rs. 80-14. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 6,000 tolas, while the offtake was 5,000 tolas on an average.

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

	21-10-53	Highe	Lowest	14-10-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	80 14	83 1	79 15	83 1
Forward	80 10	82 8	79 11	82 7
Sovereign	56 0	56 0	55 12	56 0
SILVER				
Ready (.996 fine Mint)	148 13	152 5	147 0	152 4
Forward	148 13	152 5	147 6	152 4
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

LINSEED PRICES WELL MAINTAINED

(Messrs. A. Bradley & Co.)

CALCUTTA, 19th *October*

There has been no notable change in conditions in the linseed market during the week. Whilst prices have been generally well maintained, trading has been reported on a somewhat limited scale. There has been a keen demand for ready goods from local crushers, but owing to poor arrivals stocks are scarce and sellers are reserved; activity has been confined mainly to small daily transactions for forward delivery. Reports for fresh enquiries from overseas have helped to maintain prices in the oil section, although no actual business has as yet resulted owing to higher price levels prevailing locally.

The latest quotations are as follows: Ready Rs. 19-12 and October-November Rs. 19-4 per maund.

COTTON WEAK

(From Our Own Correspondent)

BOMBAY, 21st *October*

The centre of interest in cotton is slowly but very effectively shifting from Bombay to small up-country centres, where the grower sells his seed cotton to small merchants and ginners. In fact, Sewri and Kalbadevi are taking their cue from these smaller markets. There the grower and the small merchants are obsessed by the size of the crop and the falling markets. At some places cotton has already begun to move into the market and at others a large volume will do so in the course of November-December, 1953. Hedging pressure, therefore, will be at its highest during these months and it is not likely that the forward market will be able to resist this pressure successfully, because even if the mills and the big spot houses in Bombay purchased cotton they will also want to hedge it. The mills are reported to be reluctant to go beyond their immediate requirements even though the prices are tempting at present both in view of the likely further fall in prices and talks of cut in production of cloth. Ahmedabad mills are conspicuous in this respect of not purchasing Indian cotton on a large-scale, though they are buyers for bargain lots of imported cotton.

With this background it is easy to understand how prices came to slump rather heavily in the forward market during the week under review. During the earlier part of the week, the market was able to show some resistance to selling pressure, but during the last two days it had to succumb to it and the ruling quotation at the time of writing is dangerously near Rs. 600. Knowledgeable circles in the market feel that, at some time or other during this year, the market is bound to touch the floor. The other commodity markets and the behaviour of the Bullion Exchange are also responsible to a certain extent for the bearish mentality that is gaining ground. The only hope of the market now lies in the slight improvement which has been reported in the piecegoods market both with regard to internal consumption and enquiries from abroad. It is feared, however, that this will only prove to be a temporary feature because the demand in a measure is due to the coming holidays and that textiles will once again experience a slump after *Diwali*.

In the spot market, enquiries for good styles are still there on a reduced scale. But the activity is centred more around exportable varieties for early lots of new Bengals and also to a certain extent for Oomras, which had so far been neglected. Old crop varieties such as Lakshmi and Jayadhar are also finding buyers for immediate delivery and the balance of activity in the spot market is made up of imported cotton which is in short supply at present. No large-scale buying, however, is possible in imported cotton till the Sudan crop is ready for sale and the position with regard to East African cotton is cleared up. As usual, the Ahmedabad mills are more interested in Egyptian Karnak and Giza 30 and though some good business is reported in these cottons, the tendency generally is to wait in view of the comparatively high prices prevailing at Alexandria.

I.C.C. February opened the week at Rs. 612 and declined, under heavy bull liquidation, to Rs. 606 to-day, before it closed higher at Rs. 608½. I.C.C. May fluctuated between Rs. 619½ and Rs. 611½ before it closed at Rs. 614½. The following is the trend of prices in the forward market during the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 612	614½	606	608½
I.C.C. May ...	Rs. 616	619½	611½	614½

The following are the latest available quotations in the spot market:

Bengal *Deshi* Rs. 580; Berar *Jarilla* Rs. 670; Khandesh Rs. 750; Vijay Rs. 850; Oomra *Deshi* Rs. 585; Mogal Rs. 580.

At Karachi, there has been a slight reduction in the prices of some of the varieties such as N.T. and 4F and there has been some stray buying from the U.K. The R.C.C., however, has not yet entered the market and the Continental centres, though definitely interested in Pakistan cotton, find it above their ideas regarding prices. With a reasonable readjustment of prices, good demand is likely to materialise at Karachi from Germany, Italy, Belgium and even France, though the last had recently resold some of the cotton it purchased from Karachi. In spite of this, Pakistan will have to look to Japan for the disposal of a good part of its production during this year. There is a lull in the market and it looks as if the operators are waiting for some important developments. The following are the latest available quotations for the Karachi market: Old crop prices unchanged. New crop: Sind *Deshi* Rs. 57½; Punjab *Deshi* Rs. 53½; 4F Punjab R.G. Rs. 56½; S.G. Rs. 60; L.S.S. Punjab R.G. Rs. 59; S.G. Rs. 63; N.T. R.G. Rs. 60½; S.G. Rs. 65; 289F Punjab R.G. Rs. 64; S.G. Rs. 69.

At Alexandria, unlike all other centres, activity has continued to be brisk, with interest shifting from Ashmouni to Karnak for early deliveries. It is expected that in view of the high premia commanded by Ashmouni and Giza 30 both in the up-country and Alexandria markets, the authorities would soon revise their selling differentials in conformity with the ruling trend in these two varieties which are in short supply. As the demand for sterling in Egypt continues to be firm, the shippers are in a position to allow a discount of 4½ per cent., to purchasers who pay in sterling. The general belief is that the high prices in the Alexandria market will rule only so far as Sudans and East Africans are not openly in the market for extensive sales. With their entry, the prices would come down and Indian purchasers, who obtain about 25 per cent. of the foreign cotton requirements of the country from Egypt, would do well to wait for prices at Alexandria to come more in line with world prices.

At New York, the technical reaction after the heavy slump which was expected has materialised. Large-scale entries in loan have also helped in stabilising prices. It is believed that by the beginning of this month, about 5,63,000 bales had already entered into loan and a good quantity must have gone since then to swell this figure. If there is no substantial increase in prices, it is held in cotton circles in New York that entries into loan this year might be to the extent of more than five million bales. There is no improvement in the export position and, till this is in evidence, any big rise in prices is ruled out. It is estimated that exports till the end of September were between 15 and 20 per cent. less than last year for the same period. At the same time, it is feared that, if the increased political tension in Eastern Europe and the Middle East comes to be reduced in the coming weeks, the prices in New York might react unfavourably. On the other hand, any precipitate action on the part of either Italy or Yugoslavia might lead to a steadier trend in the U.S.A. markets.

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

(In cents per lb.)

	21-10-53	14-10-53	6-10-53
Spot	33.50	33.40	33.25
December	32.80	32.71	32.69
March	33.24	33.11	32.12
May	33.51	33.41	33.39
July	33.45	33.33	33.34

ART SILK YARN IRREGULAR

(From Our Own Correspondent)

BOMBAY, 21st *October*

The art silk yarn market presented an irregular trend during the week under review. The easiness witnessed last week persisted during the early part of this week also, on continued deterioration in the offtake of rayon cloth and in sympathy with the sharp decline in prices of cotton. Reports from almost all important consuming centres proved to be bearish. Consequently, sockists became nervous and forced sales on an unwilling market, with the result that prices staged a sharp decline. But at this level, there was short covering, on rumours that export of yarn would be made free. Prices once again looked up, but the trend was short-lived, as the rumours were negatived by the announcement, on the 17th inst., by the Government of India of its decision to allow export of yarn by mills or their nominees, only on the same basis as during the January-June, 1953 period. Subsequently, speculative support appeared and prices rallied once again. But much headway was not possible, as the market was in a state of flux on rumours that the Government of India had doubled the quota for export of yarn. But, till the close of the market there was no confirmation of the report. On balance, however, prices disclosed small gains.

In the forward section 150D October, which opened at Rs. 665 as against Rs. 682, declined to Rs. 663 on the 15th inst. At this level some buying on covering by shorts appeared, and the rate gradually improved to Rs. 691 on the 20th inst. Profit-taking, which ensued at this stage, pushed down the rate to Rs. 684, at which level it closed to-day. 150D November, which was enquired at Rs. 669, as against Rs. 686, was done to-day at Rs. 688. 120 Japan gained an anna and six pies to Rs. 4-1 and 150 Japan six pies to Rs. 4. 120 Italy and 150 Italy were in demand at Rs. 3-14 and Rs. 3-11-6, as against Rs. 3-13 and Rs. 3-7, respectively.

The staple fibre yarn also continued to present an easy trend early in the week, on reports of large arrivals from South Indian mills and decline in offtake. Thereafter, it recovered in sympathy with the art silk yarn market. 40×2 October, which was done at Rs. 632 early in the week, as against Rs. 642, gradually improved to close at Rs. 657. November delivery, while was lower at Rs. 616 on the 15th inst., as compared with Rs. 623 on the previous day, finished the week at Rs. 641.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 21st inst. and 7th inst.

Art silk yarn	21-10-53 Rs. a.	14-10-53 Rs. a.	7-10-53 Rs. a.
150D October (per case of 200 lbs.)	684 0	682 0	709 0
150D November	688 0	686 0	707 0
120 Japan (per lb.)	4 1	3 15½	4 0½
150 Japan	4 0	3 13½	4 0
150 Japan	3 14	3 13	3 14
120 Italy	3 11½	3 7	3 8½
150 Italy			
Staple fibre yarn			
2/40s October (per case of 200 lbs.)	657 0	642 0	648 0
2/40s November	641 0	623 0	633 0

MIXED TREND IN OILSEEDS

(From Our Own Correspondent)

BOMBAY, 21st *October*

The oilseeds market presented a mixed trend during the week under review. There was very little activity in groundnuts, as buyers were reluctant to commit themselves in expectation of announcement of export policy in groundnuts. In castorseeds, futures trading was more or less easy, on discouraging advices from overseas markets, while spots were somewhat bright on short covering at low levels. But, the linseed section was steady, due to lack of floating stocks. *Kardi* seeds improved on enquiries from shippers. So also, *niger* seeds put on a better show, on buying from Gujerat interests.

There was a rumour that the Government of Saurashtra might shortly cut export duty on groundnut and groundnut oil by 10 per cent. to 15 per cent. of the existing rates. It may be noted that the present rates of export duty are: groundnut *kernel* As. 12 per *desi* maund (40 lbs.); groundnut As. 8 per *desi* maund; and groundnut oil Rs. 1-12 per *desi* maund. The Saurashtra Government is authorised to levy export duty on groundnut and oil till the end of 1955, according to the provisions of the Federal Financial Agreement with the Government of India, and its policy is to effect a step-by-step reduction in the original rate. In accordance with this policy, a 25 per cent. reduction, in the rates imposed in 1950, has since been made.

In the groundnuts section, Bold F.A.Q. was steady at Rs. 40. December-January delivery, however, lost As. 12 to Rs. 28-6. But, Khandesh quality was higher by Re. 1-8 at Rs. 38-8. October delivery was unchanged at Rs. 35, while November delivery lost As. 8 to Rs. 30-12. Groundnut oil *ex*-mill was down by As. 12 at Rs. 22, and railway receipts by As. 8 at Rs. 21-8. October, November and December deliveries were enquired at Rs. 19-6, Rs. 16-7 and Rs. 15-6, as against Rs. 19-4, Rs. 16-8 and Rs. 15-12, respectively.

The fluctuations in the castorseeds section were narrow. May delivery, which opened at Rs. 112-8, as against Rs. 113-12, fluctuated between Rs. 114-8 and Rs. 112, before closing at Rs. 113-12. F.A.Q. ready gained As. 12 to Rs. 30-12, while ready Madras lost As. 12 to Rs. 31-8. Castoroil B.S.S. declined from Rs. 17-10 to Rs. 17, I Pressure from Rs. 17-4 to Rs. 16-14 and Commercial from Rs. 16-8 to Rs. 16-2.

In the linseed section, Bold ready advanced from Rs. 25 to Rs. 25-8. October-November delivery rallied As. 8 to Rs. 23-8. February-March delivery was better at Rs. 22-12. Linseed oil was unchanged at Rs. 14.

Among others, *kardi* seeds were enquired in the Continent at £43 per ton and *niger* seeds at £51 per ton. *Kardi* Bold F.A.Q., consequently, gained Re. 1-8 to Rs. 21-12 and October-November delivery As. 12 to Rs. 21. *Niger*, F.A.Q. improved from Rs. 31-8 to Rs. 33 and Madras from Rs. 32-4 to Rs. 34.

The following table shows the prices of oilseeds and oil on the 21st inst. as compared with those at the end of the previous two weeks.

	21-10-53 Rs. a.	14-10-53 Rs. a.	7-10-53 Rs. a.
Groundnuts—			
Bold Ready New (per cwt.)	40 0	40 0	38 0
December-January	28 6	29 2	28 6
Linseed—			
Bold Ready (per cwt.) ..	25 8	25 0	24 8
Castorseeds—			
May 1954	113 12	113 12	114 10
Madras (per cwt.)	31 8	32 4	33 0
Groundnut oil—			
Ex-mill Ready (per quarter).	22 0	22 12	23 4
Castor Oil—			
Commercial (per quarter)..	16 2	16 8	17 4

DEMAND FOR SUGAR TAPERS OFF

(From Our Own Correspondent)

BOMBAY, 21st *October*

Demand for sugar, from the Deccan and Malabar sides, which was very active last week, tapered off during the week under review. With the next ship due after about a fortnight, spot holders are inclined to unload their holdings in anticipation of profit-taking by tenderers of British refined sugar per s.s. *Atlantico*, due to arrive next month. Unofficial forward trading has also declined, and *Asho* and *Kartik* deliveries which had improved last week to Rs. 86-12 and Rs. 85-4 per 2 cwts., have since declined to Rs. 86 and Rs. 84 per 2 cwts. respectively. Undertone of both the spot and forward sections is slightly weak, owing to predominantly profit-taking tactics of operators.

Arrivals of indigenous sugar into Bombay during the week amounted to 3,300 bags, and the spot quotations for the small, medium and large grains are Rs. 89, Rs. 91, and Rs. 97-Rs. 98 per bag respectively. A loss of Re. 1 is revealed in British refined sugar which has receded from Rs. 87-4 to Rs. 86-4 per 2 cwts. Transactions were done in Mexicans, As. 8 lower, at Rs. 86. Java sugars were quoted, As. 12 lower, at Rs. 91-8.

Since we reported last week, there would appear to have been some improvement at least in the collection, in full, of the balances due from those whose tenders for imported sugar have been accepted by the Food Ministry. For under the terms of the contract, the tenderers are required to pay the outstanding balances a week in advance of the arrival of ships. Now that the s.s. *Atlantico* is scheduled to arrive in Bombay in the first week of November, the tenderers are required to make payment of their dues outstanding by the 27th inst. It is reported that tenders for minimum quantities of 200 bags each of sugar per s.s. *Atlantico* have been accepted in full, while those for more than this quantity have been given an allotment of 70 per cent. of their offers. The s.s. *Fiducia* is expected by about the second week of November, and as such, the allotment letters for Mexican sugar will be issued before the end of this month.

PEPPER DULL

Messrs. Parekh & Co.)

BOMBAY, 21st *October*

The session under the week was shortened by the intervening holidays and the pepper market proved a dull affair, there being a limited interest by the New York buyers in the nearby and distant afloat as also in the shipments by the named steamers only. Alleppey, after maintaining a level of Rs. 2,250, for a day or two, showed softer tendency owing to the absence of export demand. The growers at all primary centres were anxious sellers at Rs. 2,200 and appeared ready to give further concession in the price, if sizable quantities are offered but buying was thin. A section in the trade attributes the present softness in the selling attitude of the growers to the recent optimistic report on the coming crop, while the other attributes it to a passing psychological reflection of lower prices in other commodities, though pepper is reported to be statistically sound because World's pepper production has not still outstripped its yearly requirements. At New York, the premium for the spot is reported to be fast narrowing, and it is now hardly 6 to 7 cents as against 25 to 30 cents some time ago. Dealers there, are reported to be seeking to lighten their stock and replace it with afloat and shipment positions.

In A.S.T.A. section, October after having touched the highest of $1.02 is now offered at $0.99, while November and December are offered at $0.94 and $0.89½, the highest being $0.97 and $0.93 respectively. In delivery section, prices for October and December delivery having once reached the level of Rs. 1,980 and Rs. 1,670 are now quoted at Rs. 1,940 and Rs. 1,610 respectively. Exporters in India are watching keenly the developments in Korea and Yugoslavia and are reported not so anxious as to make large short sales at cut prices in foreign markets, because there is always an uncertainty at this time of the season regarding the final result of the new crop and because of their opinion that lower prices are sure to increase consumption both locally and in the foreign countries.

Following are to-day's nominal quotations:—Ready delivery Rs. 280-95 per cwt. and October delivery Rs. 1,910-30 and December delivery Rs. 1,590-1,610 per candy of 5½ cwts.

TEAS QUIETLY STEADY

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, 17th *October*

The offerings in sale No. 21, which was held on Tuesday, 13th October, amounted to approximately 11,90,000 lbs. Quality amongst the high-grown teas showed some improvement and there were some attractive flavoury invoices on offer. There was a good general demand, although prices showed an easier tendency. Common, low medium and medium brokens were half to one anna easier, but, low fannings remained steady. Medium fannings met strong support and were irregularly one anna dearer. Best liquoring high-grown teas met good competition and where quality showed improvement, prices were As. 2 to As. 3 above valuations. Whole leaf teas were again well supported. The following were the quotations:—

	1953 Rs. a. p.	1952 Rs. a. p.
Low-grown Travancore B.O.P.	1 12 0	0 15 0
		to 1 0 0
Medium Travancore B.O.P.	1 13 0	1 13 6
Anaimallais B.O.P.	1 15 6	2 1 6
		to 2 2 6
Best liquoring Nilgiri B.O.P.	2 10 3	3 7 0
Well made black leaf O.P. ...	2 3 6	2 4 0

London Market.—Irregularly easier. Commons farthing to half penny down. Dooars best feature.

Colombo Market.—Good demand. Prices slightly lower, except good liquoring fannings.

Calcutta Market—Export.—Good general demand. Prices irregularly firm to half an anna lower.

Dust.—Fair general demand. Medium Dooars and Assams irregularly half an anna easier. Darjeelings and C.T.C. Assam sold well.

Export Quota.—Business has been done at 17¼ pies.

Forthcoming Auctions.—Sale No. 22 will be held on Tuesday, 27th October.

As we go to Press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:—

"*Dust Sale U.*—1,25,000 lbs. General demand. Low sorts and clean black grainy types fully firm. Others inclined easier half to one anna."

LITTLE CHANGE IN FOODGRAIN PRICES

(From Our Own Correspondent)

HAPUR, 10th *October*

"India need not import any foodgrains in the next calendar year. On the other hand, it may even export some quantity," thus a top Food Ministry official told the Press this week. He was commenting on the favourable monsoon this year and the ideal *kharif* crop which, coupled with the satisfactory storage facilities in Government godowns, would make 1954 an all-time record on the road to self-sufficiency and surplus production. The only food imports in 1954 will be the one million tons of wheat which India has to buy annually, for the next three years, under the International Wheat Agreement. At the end of 1953, India will have 20 lakh tons of foodgrains in store for feeding the ration shops and for meeting emergency. This includes a little over one million tons of wheat 700,000 tons of rice and three lakh tons of other grains.

Rationing of foodgrains will end in all towns in Bombay State with populations of less than a lakh from 1st January, 1954. The State Government has decided to take this step in view of the much improved food supply position in that State.

Madhya Bharat's Food Minister has announced that the food situation in the State was quite satisfactory at present and nowhere was any shortage of foodgrains being felt. The Food Minister announced removal of ban on inter-district movement of *jowar* and gram, reduction of the levy on gram from 40 per cent. to 20 per cent. of the exported quantity, sale of gram through ration shops at Rs. 12-8 per maund without any restriction of quantity and continuance of the present controls on wheat comprising monopoly procurement through licensed traders in the open market at Rs. 13-8 or Rs. 14 a maund, according to quality, and ban on inter-district movement. He revealed that the *kharif* crops of *jowar*, *bajri*

(Continued on page 799)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	9th Oct., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,090 62	1,073.34	1,093.18	1,091.72
Notes held in Banking Department	35.05	25 00	43 10	24.23	30 47
Foreign Securities	39.50	558.15	558 15	558.15	538.15
Rupee Securities	37.89	421 42	421 42	424.90	461.11
Banking Department					
Deposits of:					
Government of India	14.89	127 83	124 93	127 81	145.99
Other Governments	..	15 77	29 29	10 85	2 43
Balances held abroad	10.08	144 59	142.51	144.62	155 34
SCHEDULED BANKS					
Demand Liabilities	134.37	522 84	526 85	526.79	544 82
		(15 26)	(14 75)	(13 83)	(13 18)
Time Liabilities	102.84	331 46	329 80	330 34	315 97
Borrowings from		(2 83)	(2 37)	(2 07)	(4 10)
Reserve Bank	..	2 07	2 49	2 22	1 90
		(0 49)†	(0.49)†	(0.49)†	(1.10)†
Borrowings from Imperial Bank	..	5.73	4 66	4 69	4 14
Cash in India	6.71	31.47	29 56	30.54	33.10
Balances with Reserve Bank	25.23	47.63	54.19	43.01	62.95
Excess over statutory limits	15.52	14.91	21.25	15.07	29.39
Balances with other banks in current account in India	..	10.15	10.43	10.12	12.29
Money at call and short notice in India	..	19.70	18.14	17.73	16.83
Investments (at book value)					
Advances and bills	103.09	436.51	433 57	429.15	311.68
IMPERIAL BANK		461 91	461.16	467.74	459.65
Deposits	87.76	206 50	209 03	205.71	218.26
Investments	51.99	90 11	94 53	92 05	94 31
Advances	80.47	101 21	98.11	102 73	117.26
Cash	14 69	22 14	24 04	22 00	24.45

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against finance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	16th October, 1953		9th October, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,34,242	43 16,15,000	2,46,092	45,55,92,000
Calcutta	1,21,445	42,67,76,794	1,42,334	47,46,00,747
Madras	52,060	4,92,60,133	79,922	7,08,23,275
All Centres—				
1953	..	..	1,06,94,122	2180,66,86,859
1952	..	..	1,06,41,941	26,79,61,57,000
July 1953	..	..	27,11,000	5,71,94,00,000
August ,,	..	..	23,41,000	4,84,84,00,000

Reserve Bank of India

Statement of Affairs for the week ended 16th Oct., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:	
(a) Government—	
(1) Central Government	113,46,43,000
(2) Other Governments	25,85,91,000
(b) Banks	51,25,75,800
(c) Others	57 13,23,000
Bills Payable	8 77,84,900
Other Liabilities	13,04,90,900
Rupees	274,56,22,000

ASSETS	Rs.
Notes	24,50 91,000
Rupee Coin	12,22,000
Subsidiary Coin	5,09 000
Bills Purchased and Discounted—	
(a) Internal	24,50,000
(b) External	..
(c) Government Treasury Bills	2 15 81 000
Balances held abroad*	144,13,11,000
Loans and Advances to Governments	..
Other Loans and Advances	11 39 96 000
Investments	85 42 23,000
Other Assets	6 62 89,000
Rupees	274,56,22,000

*[Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against finance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(†) The total amount of Advances availed of by Scheduled Banks against finance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	24,50,91,000	
Notes in circulation	1091,39,52,000	
Total Notes issued		1115,90,43,000
Total Liabilities		1115,90,43,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		96,31,57,000
Government of India Rupee Securities		421,42 04,000
Internal Bills of Exchange and other commercial paper		....
Total Assets	....	1115,90,43,000

Ratio of Total of A to Liabilities: 53.604 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 9th Oct., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	16,26,22,000†
(ii) Other demand liabilities	507,57,62,000
2 Time Liabilities in India:	
(i) Borrowings from banks	2,83,00,000†
(ii) Other time liabilities	328,61,14,000
3. Cash in India	31 47,30 000
4. Balances with the Reserve Bank in India	47,67,73,000
5. Balances with other banks in current account in India	10,14,53,000
6. Money at call and short notice in India	19,70,42,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	336,50,60 000
8. Advances in India	421,65,46,000
9. Inland Bills purchased and discounted in India	40,25,41,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	20th October, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	476½	478
Buyers T.T. Rs.	472½	474
London on New York	$ 2.80 3/4-2.80 3/4	$ 2.80-2.80½
London on Paris Fcs.	980½-980¾	981¼-981½
London on Berne Sw. Fcs.	12.18¼-12.18¾	12.18¼-12.19
New York on London	$ 2.80 3/4-2.80¾	$ 2.80¼-2.80 1/16

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	343.12	..	8,780	256
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats 8,166	817	169
Ceylon	1951	7.74	..	581	682
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1951	20 28	Ps. 7,586	1,820	898
New Zealand	1952	2.00	£ (N.Z.) 645	1,291	6,907
Australia	1951	8.43	£ (A.) 2,228	3,464	4,817
U.K.	1952	50 43	£ 13,648	18,197	3,608
U.S.A.	1952	156.98	$ 290,400	138,240	8,808
Canada	1952	14.43	$ 16,185	8,168	5,662
France	1952	42.60	F. Fr. 10,190 000	18,864	3,254
W. Germany	1952	48 49	Dm. ..	11,156	3,301
Italy	1952	46.83	Lr. 8,112,000	6,181	1,318
Norway	1952	3.32	Kr. 16,596	1,106	3,331
Sweden	1952	7.13	Kr. 19,170	3,859	5,122
Netherlands	1952	10.25	Fl. 17,660	2,213	3,104
Denmark	1951	4.80	Kr. 20,716	1,429	3,846
Switzerland	1952	4.82	S. Fr. 20,100	3,189	4,641

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 9th Oct., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	33,40,62,000
(b) Provincial Governments	3,49,20,000
(c) Banks	18,24,76,000
(d) Others	2,40,97,000
Bills Payable	40,89,000
Other Liabilities	2,24,25,000
Rupees	61,70,64,000

ASSETS	Rs.
Notes	7,26,56,000
Rupee Coin	3,000
Subsidiary Coin	10,300
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,84,45,000
Loans and Advances to Governments	1,63,00,000
Provincial Governments Debtor Balances	5,04,000
Other Loans and Advances	9,00,000
Investments	37,50 00,000
Other Assets	9,32,16,000
Rupees	61,70,64,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,26,56 000	
Notes in circulation	204,32,37,000	
Total Notes issued		211,59,23,000
Total Liabilities		211,59,23,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	29,48,75,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B. Rupee Coin	6,42,35,000	89,24,80,000
Government of Pakistan Securities	111,67,33,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		118,00,68,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	8,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		211,59 23,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44.03 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1953					
25th July	1.00	3.76	1.00	2 6 2	80
4th August	1.50	2.61	1.50	2 6 3	40
11th ,,	1.50	2.02	1.50	2 6 3	43
18th ,,	1.50	1.85	1.50	2 6 5	65
25th ,,	1.50	2.02	1.50	2 6 8	94
8th September	1.50	1.77	1.50	2 6 7	77
15th ,,	1.50	1.84	1.50	2 6 7	80
22nd ,,	1.50	1.96	1.50	2 6 8	89
29th ,,	1.50	2.51	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	90
13th ,,	1.50	1.81	1.50	2 6 8	84
20th ,,	1.50	2.54	1.50	2 6 8	85
Total	17.50	26.75	17.50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	15th Dec., 1952	3½	3
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	5
Finland	18th Dec., 1951	6½	7
France	17th Sept., 1953	4	5½
Greece	13th July, 1948	18	12
India	18th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	3	2½
New Zealand	25th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1949	..	3
Portugal	18th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Jan., 1950	3	2½
Switzerland	26th Nov., 1936	4	3
Turkey	26th Feb., 1951	2	3
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1938	6	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.99	11.21	111.00	130.97
Protective	8½	7½	7.35	10.81
On surplus disposals	3	1	8	24
Total import duties	9.40	12.00	118.43	141.76
Export Duties	3.39	5.52	65.31	90.76
Land Customs	16	23	2.62	3.22
Miscellaneous	7	8	1.16	1.12
Gross total customs	13.02	17.83	177.68	236.85
Refunds and drawbacks	14	84	5.03	4.92
Net Customs	12.88	17.45	174.95	232.03
Gross excise	7.69	7.01	82.84	87.04
Refunds	8	19	1.43	1.78
Net Excise	7.61	6.82	81.41	85.26
Net total of customs and excise	20.49	24 27	256.36	317.29

Imperial Bank of India

Statement of Affairs for the week ended 16th Oct., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 19,000 shares of Rs. 500 each, fully paid	9,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25 00,000
Deposits and other Accounts		203,52,71,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,81,73,000
Bills for Collection being Bills Receivable as per contra		63,63,000
Acceptances, Endorsements and Other Obligations as per contra		1,72,000
Other Liabilities (including Inter-Office Adjustments)		3,53,03,000
Total	Rs.	222 53 32 000

ASSETS	Rs.	Rs.
Cash in hand and on Current Account with the Reserve Bank		17,33 15,000
Balances with other Banks		3,91 83,000
Money at Call and Short Notice		73,33,000
INVESTMENTS—		
Government and other Trustee Securities	84,84,23,000	
Other Authorised Investments	10,63,71,000	95,51,04,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	91,35,52 000	
Bills Discounted and Purchased	9,08,31,000	
		100,43,83,000
Bills Receivable being Bills for Collection as per contra		63,63,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,72 000
Premises less Depreciation		1,81 82 000
Furniture and Fixtures less Depreciation		87 30,000
Other Assets (including Inter-Office Adjustments)		2,50,82,000
Total	Rs.	222,65 32 000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 44.03 per cent.

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings @	2½% Ten-Year Treasury Savings Deposit Certificates §	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49 ..	1,54	1,47	76	74	20,40	22,86	83,26	29,91	— 12,31	13,10	14,39
1951-52 ..	1,75	6,08	77	2,91	23,05	46,81	1,07,55	74,18	— 27,65	7,64	21,94
1952-53 ..	1,63	6,54	66	3,27	23,66	64,18	1,12,36	91,01	— 31,06	7,64	25,64
July 1952	15	6,33	10	3,03	2,03	73,14	10,29	82,54	— 31,02	74	21,25
August ,,	15	6,40	8	3,11	1,76	74,45	8,61	83,76	— 29,16	65	21,98
September ,,	10	6,44	8	3,14	1,84	75,73	8,79	84,91	— 29,41	52	22,34
October ,,	11	6,45	8	3,16	1,71	77,15	8,56	85,25	— 29,63	56	22,92
November ,,	10	6,50	8	3,16	1,71	77,99	8,03	85,54	— 29,99	54	23,44
December ,,	8	6,51	8	3,16	1,86	79,34	8,45	85,95	— 30,23	43	23,94
January 1953	10	6,54	4	3,19	2,02	80,77	8,34	86,09	— 30,51	58	24,48
February ,,	14	6,61	5	3,22	1,86	82,16	8,36	86,36	— 30,76	62	25,08
March ,,	82	6,84	9	3,27	2,56	84,18	13,75	91,01	— 31,08	60	25,64
April ,,	11	6,80	5	3,27	2,24	85,95	9,66	93,01	— 31,30	60	26,24
May ,,	12	6,83	4	3,29	2,18	87,57	9,55	93,80	— 31,52	66	27,00
June ,,	11	6,82	4	3,31	2,23	89,33	9,43	93,80	— 31,78	58	27,56
July ,,	1	6,73	11	3,38	2,23	91,02	10,26	95,23	— 32,05	65	27,94
August ,,	..	..	..	..	..	..	..	..	..	60	27,91

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 5-9-'53	3-10-'53	10-10-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	96.3	96.2	96.2
1. Government of India	90.1	90.1	90.1
2. Indian States	95.5	95.5	95.5
3. Municipal, Port Trust etc.	89.8	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.2	101.3	101.2
1. Electricity	102.5	102.5	102.5
2. Jute	94.0	93.9	94.9
3. Plantations	100.0	100.0	99.6
4. Sugar	100.1	100.1	100.1
5. Coal	90.8	90.6	90.6
6. General Engineering	101.7	101.7	101.7
7. Shipping	102.9	102.9	102.9
8. Others	99.8	100.3	100.3
PREFERENCE SHARES	87.7	87.6	87.1
1. Electricity	93.9	93.6	93.4
2. Cotton	84.1	84.1	84.1
3. Jute	85.4	86.0	86.0
4. Coal	92.1	92.3	91.6
5. Iron and Steel	92.5	89.0	89.6
6. Sugar	76.1	76.1	76.1
7. Paper	86.7	90.3	90.8
8. Plantations	87.5	87.8	87.5
9. Miscellaneous	85.6	85.5	85.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	91.7	92.0	92.6
(a) Financial	88.4	85.8	85.9
1. Banks	94.7	95.1	95.2
2. Insurance	94.7	95.4	95.3
3. Investment Trust	70.8	72.2	73.2
(b) Public Utilities	105.8	105.8	106.3
1. Electricity	117.0	116.6	116.2
2. Shipping and other Transport	89.8	89.7	89.9
3. Railways	82.1	81.6	81.6
(c) Manufacturing Industries	93.4	93.0	93.7
1. Cotton, Woollen and Silk	92.6	91.5	91.9
2. Jute	79.4	78.4	79.9
3. Iron and Steel	97.9	98.3	100.2
4. Paper	143.9	147.8	148.8
5. Cement	111.2	111.6	112.4
6. General Engineering	102.2	104.5	105.9
7. Sugar and Brewaries	85.1	84.9	85.0
8. Chemicals	92.5	94.2	94.0
(d) Non-Manufacturing Industries	88.2	89.0	91.9
1. Coal	74.7	74.0	74.0
2. Mining and Oil	114.3	120.2	127.1
3. Plantations	81.6	87.7	88.3
(e) Miscellaneous	86.4	88.1	85.6
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.7	89.7
2. Calcutta	90.2	90.1	90.2
3. Madras	90.5	90.5	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.7	101.7	101.7
2. Calcutta	101.5	101.6	101.7
3. Madras	100.8	100.8	100.1
PREFERENCE SHARES:			
1. Bombay	93 9	91.3	91.8
2. Calcutta	85 8	94.0	84.0
3. Madras	88.7	88.8	88.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	99.9	99.2	100.2
2. Calcutta	86 0	87.1	87.6
3. Madras	92.1	91.2	91.2
4. Delhi	85.7	86 3	87.5

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950 ..	814	719,883	12,465,704
1951 ..	1,071	691,821	3,819,928
1952 ..	963	809,242	3,336,981
Seven months ended July, 1950	617	550,869	2,159,116
Do July, 1951	765	503,695	2,621,023
Do July, 1952	705	651,106	1,949,996
Do July, 1953	525	514,186	1,352,027
January 1953 ..	93	804,831	674,840
February ,, ..	88	63,180	215,607
March ,, ..	87	42,430	134,848
April ,, ..	136	80,092	254,585
May ,, ..	101	99,881	171,268
June ,, ..	83	40,764	148,533
July ,, ..	88	48,585	160,552
August ,, ..	98	57,878	349,615
September ,, ..	98	76,161	273,245
October ,, ..	97	48,766	163,017
November ,, ..	81	27,825	
December ,, ..	65	42,362	244,414
January 1953†	45	26,477	125,411
February ,,	67	58,231	216,240
March ,,	71	45,931	276,216
April* ,,	83	34,617	252,059(b)
May* ,,	98	80,137(a)	108,346
June ,,	79	45,713	
July ,,	..	..	..

† Figures for 1953 are provisional. * Revised.
(a) Not known in two cases. (b) Not known in six cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1951-52 ..	573	5,968.1	4,840.0
1952-53 ..	614	6,301.4	5,184.8
February 1953 ..	571	481.8	391.0
March ,, ..	577	488.8	392.9
April ,, ..	581	514.4	418.1
May ,, ..	583	500.1	408.8
June ,, ..	588	534.0	439.7
July ,, ..	592	531.6	435.7
August ,, ..	597	530.8	430.6
September ,, ..	599	548.2	441.5
October ,, ..	606	559.7	456.4
November ,, ..	608	552 2	457.8
December ,, ..	611	535.5	441.8
January 1953 ..	611	496.6	417.4
February ,, ..	614	458.0	435.7
March ,, ..	616	530.9	436.1
April ,, ..	620	540.4	454.1
May ,, ..	625	548.8	450 2

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	3rd Oct., 1953	26th Sept., 1953	4th Oct., 1952	September, 1953	September, 1952	Percentage of increase (+) or decrease (—) in Sept., 1953 as compared with Sept., 1952	1952	1951
Food Articles	378.3	384.4	353.8	389.0	348.1	+ 8.4	359.8	409.8
Cereals	453	461	443	470	459	+ 2.4	450	483
Pulses	450	476	530	477	519	— 8.1	488	506
Other	265	285	215	287	229	+25.8	225	289
Industrial Raw Materials	444.6	457.0	454.2	475.3	459 8	+ 3.4	483 8	588.9
Fibres	398	409	434	419	451	— 7 1	464	622
Oil seeds	559	583	617	636	516	+23.8	484	679
Minerals	455	469	459	459	451	+ 1.8	464	464
Others	373*	378*	351*	374	336	+11.3	341	533
Semi-Manufactures	354.8	359.8	362.3	363 8	361 6	+ 3 5	346 8	377.8
Leather	391	394	373	399	393	+ 1 5	345	453
Mineral oils	227	227	226	227	226	+ 0 4	231	197
Vegetable oils	503	538	461	572	461	+ 24 1	459	679
Cotton yarn	440	444	453*	444	454	— 2 0	468*	483
Metals	223	223	226*	223	220	+ 1 4	211	197
Oil Cakes	441	441	471	440	474	— 7 2	449	506
Others	301	301	264	301	254	+14 0	278	330
Manufactured Articles	363.9	364.0	378.6	364 4	370.3	— 1 6	377.8	388 8
Textiles	399	440	410	400	408	— 2 0	423	468
Jute	385	386	473	385	475	—18 9	506	503
Cotton	410*	410*	409*	410*	380*	+ 7 4	401*	400*
Rayon and Silk	375*	383*	390*	390*	396*	— 2 1	404*	511*
Woollen	310	310	240	313	279	+12 2	346	378
Metal products	337	337	343	337	332	+ 1 5	321	283
Others	386	385	395	386	376	+ 2 7	348	300
Miscellaneous	715.3	715.3	628.6	717 4	629.8	+13 9	635.0	729.8
All Commodities	390 9	398.7	386.2	403 8	389 0	+ 3 8	386 9	439.9

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbelpore
	(1944=100)	June 1934	July 1927	January 1928	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
1951 Average	—	330	260	330	451	391	370	334	142	178	141	160	168
1952 ,,	142	337	259	310	441	380	351	330	143	174	142	155	150
January 1952	146	331	246	325	442	393	397	338	142	179	147	162	156
February ,,	144	334	241	318	441	385	393	336	141	178	145	157	155
March ,,	135	313	229	300	412	378	340	333	136	177	140	150	145
April ,,	141	345	242	321	415	377	339	336	143	169	138	153	144
May ,,	140	339	264	310	412	376	339	337	146	168	143	153	143
June ,,	140	338	265	309	434	377	343	338	143	171	141	153	144
July ,,	142	330	263	304	456	377	354	331	142	175	143	161	153
August ,,	144	340	267	312	466	388	369	339	143	176	149	160	157
September ,,	143	341	269	310	466	385	364	328	143	176	148	157	158
October ,,	144	348	274	311	466	381	368	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	158
December ,,	139	346	262	305	447	378	342	327	137	170	138	150	149
January 1953	139

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,865	23,424	20,741
Wheat	tons	24,041	23,450	6,782	6,039
Jowar	tons	41,945	39,144	6,038	5,944
Rajra	tons	25,282	22,439	2,922	2,299
Barley	tons	7,500	7,838	2,964	2,928
Maize	tons	8,796	8,073	2,807	2,021
Ragi	tons	5,888	5,899	1,235	1,212
Gram	tons	17,557	16,857	3,771	3,298
Tur (Arhar) Pulses	tons	11,593	11,559	2,065	2,047
Small Millets	tons	12,170	11,834	1,932	1,891
Jute	bales	1,854	1,951	4,695	4,678
Cotton	bales	15,774	16,198	3,060	3,133
Sugarcane	tons	4,376	4,792	5,260	6,068
Groundnut	tons	11,862	11,798	2,894	3,045
Linseed	tons	1,894	2,402	356	316
Castorseed	tons	1,849	1,623	107	105
Rape and Mustard Seed	tons	5,155	5,015	823	916
Sesamum (supptions	tons	3,751	3,645†	451	439
Tobacco (supptions	tons	793	712	219	205
Pepper	tons	203	202	22	23
Ginger	tons	48	47	14	15

Source: Ministry of Food and Agriculture.

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

* Excluding gram.

† Estimated.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Sept., 1953	73.1
	Corresponding month 1952	70 0
	Three months ended Sept., 1953	219.6
	Corresponding period 1952	228.1
Stocks	At the end of Sept., 1953	119.4
	Corresponding month 1952	91.5
		(In 000 bales)
Exports(JuteBags)	Week ended 12th Sept., 1953	35.82
	Corresponding week 1952	44.62
	From 1st Jan., to 12th Sept., '53	20,89.90
	Corresponding period 1952	29,23,66
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 12th Sept., 1953	1,45.7
	Corresponding week 1952	22.01
	From 1st Jan., to 12th Sept., 1953	90,79,75
	Corresponding period 1952	73,84,98
	RAW JUTE	(In 000 bales)
Exports*	Week ended 12th Sept., 1953	—
	Corresponding week 1952	—
	During May, 1953	—
	Corresponding period 1952	—
	Sept., 1953 (in lakh bales)	4.24
Consumption by Mills†	Corresponding month 1952	4 06
	Three months ended August, 1953	12 73
	Corresponding period 1952	12.23

* From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952	11,30,000	10,67,100	7,99,200
Do. 31st March, 1953	11,58,000	10,81,900	7,81,800
April to September, 1953	4,88,600	4,27,900	3,09,500
July 1952	93,400	91,000	66,900
August " "	1,00,700	80,500	57,700
Sept., " "	94,200	88,300	64,500
July 1953	91,100	86,100	64,800
August " "	84,100	83,700	63,700
Sept., " "	94,200	91,100	61,900
Indian Iron and Steel Co.			
Jan. to Sept., 1953	3,81, 660	3,26,180	1,45,280
April 1953	52,210	50,980	19,000
May " "	57,810	52,850	19,700
June " "	56,720	53,940	18,020
July " "	51,350	8,370	4,810
August " "	50,230	7,710	4,190
September " "	51,220	2,270	2,840

FOREIGN TRADE OF INDIA

Particulars	June, 1953 (Rs. (lakhs))	June, 1952 (Rs. (lakhs))	Three Months, April & June, 1953 (Rs. (lakhs))	Three Months, April & June, 1952 (Rs. (lakhs))
Imports :				
By sea and air—				
Foodstuffs	12,44	21,68	43,50	60,70
Raw materials	16 79	13,95	47,74	61,65
Manufactures	20,12	22,47	63,42	73,24
Other items	21	52	1 00	1,99
Total	49 60*	61,62*	160,66*	219,61*
By land	1,70	1,47	3,07	4,52
Total Imports	51,30	63,29	163,73	224,13
Exports :				
By sea and air—				
Foodstuffs	9,13	11,82	26,67	37,37
Raw materials	6,71	12,31	30,16	37,26
Manufactures	20,21	23,90	54,55	77,33
Other items	30	31	1,00	1,05
Total	36,85	48,14	116,20	157,98
By land	88	8,55	1,15	9,87
Total Exports	35,73	51,69	117,35	147,25
Total Re-exports	88	86	1,88	1,03
Balance of trade in merchandise	— 14,25	— 11,29	— 50,24	— 78,15
Balance of transactions in private treasure	—	— ‡	—	— ‡
Total visible balance of trade	— 14,25	— 11,29	— 50,24	— 78,15
Imports : ‡				
Total C'wealth countries	22,50	22,55	69,30	67,16
Total Foreign countries	27,01	39,27	91,86	152,45
Exports : ‡				
Total C'wealth countries	18,92	21,63	54,66	65,29
Total Foreign countries	19 45	29,46	61 64	72 69

* Excludes value of certain special imports of foodgrains and stores (all particulars of which are not yet available.

‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953
Eastern Zone																					
Banura	x	163	176†	x	149	142	x	127	132	x	132	137	x	118	105†	x	x	x	x	102	98
Malbeng	270	224	216	148	167	160	195	189	199†	200	191	196	125	125	125	255	199	199	256	210	210
Khanbargarh	157	181	181	157	159	159	149	169	194†	149	168	186	120	113	113	150	120	120	191	194	194
Sonaili	197	374	374	158	198	197	122	134	149†	141	187	197	89	89	89	138	130	129	144	137	168†
Northern Zone																					
Multapi	116	131	139	115	158	156	169	183	185	145	169	171	123	125	123	152	166	168	159	200	200
Nana	219	257	232†	86	93	98	129	125	136†	137	141	145	104	114	114	217	215	215	175	200	208
Salamatpur	217	224	244†	197	178	178	176	228	241†	188	218	231	143	128	135	214	156	160	143	200	200
Southern Zone																					
Krishna	144	153	163†	142	159	165	154	154	168†	142	155	165	101	100	98	168	122	122	136	155	161
Lalih	191	206	209	172	173	155†	153	163	174†	160	172	181	118	134	136	138	133	134	207	175	176
Makur	171	210	218	123	143	147	137	154	165	143	164	172	97	100	100	402	195	195	165	175	171
Manigada	268	206	207	265	240	208†	197	194	201	219	206	214	129	122	125	206	184	184	222	169	169
Rudchi	259	229	244†	252	267	262†	202	198	216†	222	217	234	129	129	129	139	139	139	259	281	279

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 15th October, 1953	12,504
	Corresponding week, 1952	14,786
	1st Sept., to 15th Oct., 1953	96,594
	Corresponding period, 1952	2,00,354
Cotton Exports	Week ended 15th October, 1953	662
	Corresponding week, 1952	5,032
	1st Sept., to 15th Oct., 1953	7,645
	Corresponding period, 1952	63,612
Mill Consumption	1st Sept., to 15th October, 1953	1,57,500
	Corresponding period, 1952	1,38,800
Stock (with exporters dealers and mills)	On 15th October 1953	4,18,580
	Corresponding date, 1952	5,10,440
Karachi (Pakistan)*		
Receipts	Week ended 10th October, 1953	14,673
	Corresponding period 1952	13,081
	1st Sept., to 10th Oct., 1953	22,881
	Corresponding period, 1952	35,393
Exports	Week ended 10th October, 1953	13,665
	Corresponding period, 1952	14,900
	1st Sept., to 10th Oct., 1953	67,534
	Corresponding period, 1952	44,800

* As reported by the Karachi Cotton Association Ltd.

Particulars	From 1st Sept., to 15th Oct., 1953 Bales	From 1st Sept., to 15th Oct., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	100	622
Continent	1,677	20,054
China	182	124
Japan	6,494	39,035
U.S.A.	330	3,092
Other Countries	234	678
Total to all foreign countries	8,767	64,661
Coastal Ports	8,621	8,811

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	June, 1953	3,03,878
Foreign		70,130
Indian	Ten months September 1952 to June, 1953	29,86,806
Foreign		7,06,811
Indian	Same Period 1951-52	24,23,018
Foreign		8,87,169
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1953	12,03 847
Foreign		5,07,501
Indian	As on 30th June, 1952	18,66,302
Foreign		4,86,470
Cotton Pressed †	Week ended 9th Oct., 1953	141
	1st Sept., to 9th Oct., 1953	7,660
	Corresponding period, 1952	10,699

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,03,64,000	1933-60	103
4 ½ Bonds	1926-33	63,30,28,000	1960-70	102
3 ½ % Loan	1938-39	1,16,17,46,000	1963-65	92½
3 ½ % Loan	1950	30,33,10,000	1964	92½
3 ½ % Loan	1949	1,10,11,78,000	1964-66	94
3 ½ % V. Loan	1946	1,14,06,89,000	1957	99½
3 ½ % Loan	1945	1,15,05,81,000	1970-75	88½
3 ½ % Loan	1948	1,17,89,44,000	1959-61	96½
2½% Loan	1951	50,35,63,000	1958	98½
2½% Loan	1946	43,63,07,000	1960	93½
2½% Loan	1946	37,09,49,000	1961	90½
2½% Loan	1946	35,06,96,000	1962	89½
2½% Loan	1946	14,77,48,000	1976	82½
2½% Loan	1947	73,86,72,000	1962	91½
2½% Loan	1948	66,43,01,000	1955	98½
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98½
NON-TERMINABLE LOANS				
2 ½ % Loan	1896-97	8,93,35,000	At option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000	On September, 1966 or later at option of Government after three months' notice.	82½
REPATRIATE STERLING LOANS				
2½% Loan	1931	12,68,18,000	1954-79***	100½
4½% Loan	1928	3,83,20,000	1958-68***	103
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99½
3 ½% Bombay	1943	3,30 00 000	14th Sept. 1956	99½
3 ½% Bombay	1944	4,44,00,000	13th Aug. 1957	98½
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94½
3 ½% Bombay	1951	3,04,90,900	17th Sept. 1962-63	91½
4 % Bombay	1953	5,00,00,000	15th July 1963	101½
3 ½% Bombay	1932	3,66,72,700	1st Aug. 1966	101½
3 ½% Cochin	1945	30,000	1st Oct. 1953-53	99
3 ½% Cochin	1948	1,00,00,000	16th Dec. 1955-58	98½
3½% Travancore Bridge (New)	1938	70,09,000	1st June 1956-61	99
	1936-39	2,31,07 100	1956-66	95½
3 ½% Madras	1939	1,79,76 600	21st June 1959	93½
3 ½% Madras	1942	1,21,25,000	18th Sept. 1959	99½
3 ½% Madras	1943	1,23,10,000	18th Sept. 1958	98-99½
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96½
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	93½
2½% Madras	1946	1,90,91,200	1st Sept. 1961	91½
3 ½% Madras	1950	4,47,00,000	31st July 1960	93½
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	100
4 % Madras	1952	3,00,00,000	1st Aug. 1964	100½
3 ½% Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104½
3 ½% Mysore(J)	1933	2,93,85,200	1st Dec. 1955-63	100½
3 ½% Mysore(J)	1936	3,99,72,900	30th April 1956-61	98½
3 ½% Mysore	1947	3,08,05,700	25th Jan. 1958	99
3 ½% Mysore	1953	3,00,00,000	15th July 1963	99½
3 ½% M.P.	1942	50,00,000	18th Sept. 1955	99
3 ½% M.P.	1943	50,54,200	18th Sept. 1956	98½
3 ½% M.P.	1944	52,99,800	18th Sept. 1958	96½
3 ½% M.P.	1948	2,03,28,800	13th Sept. 1964	91½
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94½
3 ½% M.P.	1951	1,02,18 100	17th Sept. 1962	97½
4 % M. P.	1953	1,00,00,000	15th July 1963	99½
3 ½% Punjab**	1938-44	3,49,87 700	15th Aug. 1958	99½
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99½
3 ½% Punjab**	1943	2,48,78,300	18th Sept. 1956	99½
3 ½% Punjab	1945	2,95 81,600	14th Sept. 1960	98½
3 ½% Travancore	1944	3,00,00,000	15th May 1953-54	99½
3½% Travancore Cochin	1936	50,00,000	16th Aug. 1956	99½
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 ½% U.P.	1938	1,61,96,500	15th Sept. 1951-66	98½
3 ½% U.P.	1946	3,07,99 600	15th Aug. 1958	97
3½% U.P.	1945	3,24,80 300	14th Sept. 1960	94½
3 ½% U.P.	1946	2,29 08,600	1st Sept. 1961	93½
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97½
4 ½% U.P.	1952	4,11,33,000	1st Aug. 1964	99½
4 % U.P.	1953	5,00,00,000	15th July 1963	99½
3 ½% W. Bengal	1938	1,75,00,000	17th Sept. 1962	94½
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
34,50 000	4	1904	1964	
35,00,000	4	1903	1963	
15,00 000	4	1906	1967	
40,00,000	4	1907	1967	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
50,00,000	4	1910	1972	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
1,33,375	4	1914	1960	D
80,00,000	4	1913	1975	99½N
88,35,000	4	1914	1975	99N
10,00,000	4	1915	1960	
15,00,000	4	1915	1960	
61,61,000	4	1922	1960	
11,31,000	4	1924	1960	
10,25,000	3½	1926	1960	
35,00,000	3½	1929	1960	
12,30,000	3½	1930	1960	
13,50,000	3½	1931	1961	D
13,50,000	3½	1931	1961	
24,58 000	3½	1935	1975	
15,00 000	3½	1936	1946	
48,00,000	3½	1936	1960	
10 00 000	3½	1938	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24 300	4	1914	1974	95½
78,40,100	4	1915	1975	98½
50,00,000C	3½	1921	1981	84N
1,20,00,300C	4	1921	1981	84N
1,24,06,300	6	1923	1955-85	103
98 21 400	5½	1926	1956-86	104½
99,84,500B	3	1926	1956-86	101½
1,49,46,300B	3	1927	1957-87	101½
1,49 30,000	3	1928	1958-88	101½
80,00,000	4½	1931	1961	92½
21,73,000C	3	1933	1956	99½
50,00,000C	3½	1933	1965	96½
25,00,000	3	1938	1968	88½
50,00,000	3	1945	2005	70N
30,00,000	3	1945	2005	70N
50,00,000	3	1946	1977	82½
50,00,000	3	1946	2006	70N
30,00,000	2½	1947	1977	72½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
90,01,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
30,00,000	3	1951	1981	78
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
30,00,000	4	1953	1983	97
STERLING LOANS				
£292,600	5	1923	1953-83	£98½
£901,000	5	1924	1954-84	£98½
£233,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1962	
32 14,964	4	1917	1962	
3,21,489	4	1918	1982	
3,42,911	5	1918	1982	A
7,46 044	4	1919	1982	
2,15 852	6	1921	1952	
for Account				
3,32,252	4½	1922	1952	M
4,47,397	5½	1923	1952	
STERLING LOAN				
£330,000	5½	192	1953	£100N

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1939	100
30,00,000	4	1901	1941	
30,00,000	4	1902	1942	
60,00,000	4	1903	1943	
50,00,000	4	1904	1944	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
23,00,000	4	1912	1972	
30,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
23,00,000	4	1916	1976	
40,00,000	5	1919	1937-79	113N
66,00,000	5	1920	1938-80	
23,00,000	5	1926	1946-86	115N
23,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£544,800	4	1909	1949	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	5	1923	1953	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94½
30,00,000	3	1935	1965	84½
50,00,000	3	1937	1967	89
20,00,000	3	1938	1968	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
40,00,000	4	1913-14	1954	99½
20,60,000	4	1913-15	1974	100
20,00,000	4	1913-15	1974	100
10,00,000	3	1920	1980	102
1,60,00,000	5	1924	1954	102½
25,00,000	5	1924	1954	102½
26,14,000	5	1929	1959-59	103
8,45,500	5	1929	1959-59	to
26,21,500	5	1929	1959-59	104
8,23,00,000	3½	1947	1959	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1965	91½
2,50,00,000	4	1952	1964	100½
2,00,00,000	3½	1951	1966	97
CALCUTTA				
34,43 500	6½	1929	1955	105½
84 70 000	5	1923	1953	104½
36 00 000	5	1928	1958	104½
25 00 000	5	1929	1957	103½
23 00 000	5	1929	1958	103½
10 00 000	5½	1932	1962	108
33 91 000	3½	1936	1966	88½
80,00,000	3	1937	1954	99½
1,46,100	3	1937	1955	98½
3,11,400	3	1937	1956	98½
4,67,100	3	1937	1957	98½
1,62,300	3	1937	1958	98½
4,18,100	3	1937	1959	98½
47,50,000	3	1938	1968	88½
10,67,700	4	1938	1958	97½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	97½
21,10,000	3½	1951	1971	93½
15,49,000	3½	1951	1960	96½
16,37,000	3½	1951	1961	96½
66,88 000	3½	1951	1966	96½
87,36,000	3½	1952	1962	99½
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00 000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

N=Nominal.

ABBREVIATIONS.—M=Held by Government of Madras. C=Held by Commissioners. *Loans held entirely by the Trustees.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. (J) Income-tax free. A=Held by Government of India.
(e) This includes the amount of loan converted into First Development Loan 1970-75. **Quotations in Pak. Currency. ***Rupee Counterparts.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1953.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	130	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	3	Dec.	73N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	146	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	110	100
¶East India Distilleries	£200,000	1897	7	Jan. July	151	10
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	71	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	73	100
Puritabpore Co.	6,00,000	1922	10	Oct.	194	10
Ramnugger Cane	20,00,000	1943	5½	Oct. Apr.	70	100
Ravalgaon Sugar	3,00,000	1936	5(c)	Dec.	60N	100
South Behar Sugar	13,00,000	1946	5(c)	Dec.	6½	10
Travancore	12,00,000	1932	5	Dec.	90N	100
Upper Ganges	15,00,000	1946	5(c)	Dec.	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	12,99,800	1901-19	7	Apr. Oct.	120½	100
Do. (2nd)	4,50,000	1946	6(e)		8½	10
Equitable	4,00,000	1895	7	Mar. Sept.	119	100
Karanpura Collieries	7,50,000	1946	3½(a)		83	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbooram	2,00,000	1920	7	Jan. July	12 & xd	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00 000	1929	3	Apr. Oct.	108½	100
Bangalore	5,00,000	1884	6	Jan. July	125½	100
Basanti Cotton	5,00,000	1938	6½	Nov.	7	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	6,00 000	1896	7	Apr. Oct.	121	100
Bengal-Nagpur	6,00 000	1900	8	Feb. Aug.	140	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	900	100
Do. 'B'	14,75,000	1919	7	June Dec.	320½	250
Bradbury	21,30,200	1920	7½	Jan. July	137½	100
Buckingham & Carnatic	1,00,000	1928	7	Apr.	129	100
Cambodias	50,00,000	1919	5	Apr. Oct.	318½	100
Central India	1,00,000	1935	6½	Nov.	124½	100
Coimbatore Pioneer	11,00,000	1912	8	May Nov.	143	100
Elgin	4,20,000	1943	5	July Jan.	90	10
Do. 'B' Pref.	25,00,000	1919	7(a)	May Nov.	90	100
Elphinstone	20,00,000	1919	7	June Dec.	132	100
Kesoram	10,00,000	1925	6	Nov.	—	100
Khatau Makanji	29,92,500	1947	4		89½	100
Do. (2nd)	12,00,000	1937	6	Nov.	101	10
Kothari	16,00,000	1896	5(a)		233½	250
Lakshmi Cotton (Bombay)	17,25,000	1947	4½	January	78	100
Morarjee Goculdas Spg. & Wvg	30,00,000	1900	6	Jan. July	107	100
Muir Mills	7,45,050	1944	4½			50
Mysore Spg.	8,00,000	1913	5½(a)	Mar.	185	200
New Great	26,05,500	1920	6	Apr. Oct.	3½	5
New Victoria	10,00,000	1943	4	Feb.	99	100
Podar Mills	2,00,000	1932	6½	Apr.	56	50
Rajalakshmi	4,80,000	1944	4			100
Shree Nivas Cotton	32,00,000	1943	3(e)		80	100
Sholapoor	15,00,000	1935	5	Apr. Oct.	114	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	0 4			
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49	100	6 0	6 0	Nil		12	Y.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	371½	250	17 8	20 0	20 0	7 8(i)	12	Y.P.T.
10,00,000	27,25,759	54,19,513	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	725	250	75 0	100 0	100 0	100 0	12	Y.
1,09,42,800	2,08,18,613	2,43,74,311	1,60,92,612	5,30,869	Birla Bros, Ltd.	1,09,320	2,706	Century Spg. & Mfg.	259½	100	18 0	20 0	20 0	8 0(i)	12	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Phiani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	60	100	Nil	Nil	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	111½	100	7 8	7 8	7 8		12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	65½	50	Nil	6 0	6 0		3	Y.
34,00,000	24,00,000	62,31,113	57,13,000	5,622	Purannal Radhakishan & Co.	30,296	928	Edward Textiles	226½	200	15 0	15 0	15 0	4 0(i)	12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	45½	50	4 0	(d)	3 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	249	100	15 0	20 0	20 0		12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0	225 0(*)	12	Y.
2,00,00,000									—	250	43 12	50 0	50 0	56 4(*)	3	Y.P.
50,00,000D.	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	10	10	0 12½	1 1½	Nil		12	Y.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	1½	1D	0 2	0 4	Nil			
29,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	3,370	1,000	175 0(*)	200 0(*)	200 0(*)	225 0(*)		
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	286½	100	18 0	25 0(*)	40 0(*)	60 0(i)	6	Y.P.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	87	100A	7 8	5 1	6 4		12	Y.
3,60,000B									—	20B	1 8	1 0	1 4		6	Y.P.
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	50	4 0	7 0	7 0		12	Y.
51,75,000	24,92,733	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	182½	100	17 0	15 0	12 0		10	Y.T.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chunai & Co., Ltd.	Nil	Nil	National Rayon Corporation	119	100	Nil	Nil	Nil		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	150½	100	12 8	13 0	10 0		12	Y.P.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	149½	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phanix Mills	116½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,350	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	120½	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,613	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.P.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	25	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills	170	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd	36,116	1,276	Simplex Mills	129	50	14 0	17 0	15 0(c)	15 0	3	Y.
56,00,000	1,30,69,660(e)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	307½	100	15 0	20 0	20 0		12	Y.
75,00,000	1,34,46,160	91,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	241½	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	312½	100	20 0	25 0	20 0		12	Y.P.
32,54,438	39,35,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	41½	25	2 0	4 0	2 0		12	Y.
12,00,000	60,35,708	98,62,634	75,30,000	6,246	Thackersey Mooljee Sons & Co.	43,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0(*)	200 0(*)	200 0(*)	225 0(*)	3	Y.P.
AHMEDABAD																
33,00,000	42,60,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	140	100	8 0	12 0	10 0	10 0(*)	12	Y.P.
10,00,000	87,76,211	77,38,943	50,73,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	435	100	15 0(*)	20 0(*)			12	Y.P.
21,00,000	2,07,45,875	1,76,33,000	1,16,72,119	1,309	Arvind Mills & Co.	62,448	1,216	Arvind Mills	438	100	25 0(*)	25 0(*)	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	33,884	884	Aryodaya Ginning & Mfg.	306½	200	30 0	35 0(*)	40 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,433	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	475	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,91,68,648	2,37,53,346	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,400	Calico Mills	713½	125	20 0	25 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhoglal & Co., Ltd.	39,316	964	New Commercial Mills	1,015	500	55 0	70 0	70 0		12	Y.P.
39,00,000	70,78,334	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	578	125	35 0	35 0	35 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagatlal Bhoglal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	648	100	28 0(*)	28 0(*)	30 0(*)		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	762½	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	46,688	1,095	Rajnagar Spg., Wvg. & Mfg.	110	100	15 0	20 0	Nil		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lalbhai Gordhandas Ltd.	33,156	640	Rohit Mills	121½	100	9 0	9 0	9 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,351	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	321	50	15 0	18 0	16 0		12	Y.P.
19,32,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,376	816	Vijaya Mills	497½	400	30 0	35 0(*)	35 0(*)		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3½	10	0 8	0 5	Nil			
7,11,280	2,05,631	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Laxmi Cotton Mills	37N	40	Nil	3 0	Nil		12	Y.P.T
6,00,000	22,76,075	77,07,829	51,35,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	275	100	Nil		Nil		6,12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	174	100	Nil	7 0	Nil		6,12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	19	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			3	Y.P.
										10	0 12	0 12			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil	Nil		12	Y.P.
15,00,000	9,09,109	31,21,613	21,03,346	2,736	Rasal & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	6½	10	0 16 2/5	0 9 3/5	0 9 3/5	Nil	12	Y.P.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Azam Jahi Mills	65N	100	5 8	5 0	6 0		12	Y.P.T.
40,50,000	93,74,285	2,73,75,543	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13	10	1 4	0 8	0 8		6,12	H.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	7 8	2 8	3 0		3	Y.
1,78,47,800	1,37,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	120	100	6 14	2 8	3 0		3	Y.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	11½	10	Nil	1 4	1 0	4 0(i)	12	Y.P.T.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	0 9	1 4	0 9	0 9	12	Y.
12,00,000	13,07,000	27,82,848	17,29,989	—1,32,723	R. Bhesmna Naidu & Co.	28,864	..	Coimbatore Cotton Mills	157	100	12 8	12 8	9 0	0 9	3	Y.
20,00,000	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	117	100	7 0	6 0	9 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,307	—2,79,999	R. G. S. Naidu & Co.	19,700	..	Coimbatore Spg. & Wvg.	39	100	2 0	3 0	3 0		12	Y.P.
46,87,500	92,97,281	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	156½	100	5 0	6 0	2 0	5 0	6	Y.P.
2,89,84,925									25	1	0 2	0 4	Nil		6	Y.
1,00,593	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830	Delhi Cloth & General Mills	31½	25	2 0	2 0	2 0		6	Y.P.
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	185	100	25 0	20 0	10 0		12	Y.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	17½	10	1 2	1 8	1 8		12	Y.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	239	100	10 0	14 0	17 0(*)	5 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	85½	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	33,784	..	Janardana Mills	61	50	3 0	7 8	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	13,824	..	Kothari Textiles	101	10	0 11	0 12	0 12		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	565	250	37 8	50 0(*)	37 8		12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	77	50	4 0	4 0	3 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura Mills	391	25	2 0	3 0	2 8	2 8		
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others	21,856	..	Malabar Spg. & Wvg.	126	15	2 0	3 0	2 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,486	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	193	200	8 0	12 0	8 0		12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	23,560	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	91	100	25 0	12 8	12 8	12 8	3	Y.
94,91,850	25,59,837	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	140	100	6 0	7 0	5 0		12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	209	250	15 0	15 0	7 8		12	Y.
19,86,800	66,50,072	93,64,233	59,85,514	42,197	N. Sirur & Co., Ltd.	49,632	500	Mysore Spg. & Mfg.	122½	100	10 0	9 0	10 0(*)	10 0(*)	12	Y.P.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naik	6,000	..	Mysore Spun Silk Mills	6	10	0 8	0 10	Nil	Nil	2	Y.P.
22,89,893O	25,62,533	98,01,625‡	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	1½	2½	Nil	Nil	Nil		3	Y.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanabad Mills	90N	D. 1	Nil	Nil	Nil		12	Y.P.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800	..	Palani Andavar Mills	64½	100	5 8	6 8	7 8		9	Y.
6,00,000B									89	50A	3 0	3 0	3 0			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	69	75B	7 4	8 0	7 8		12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	158½	100	5 4	5 0	4 0		12	Y.
8,40,600B									78½	100A	16 0	16 0	6 0			
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	181	50B	8 0	8 0	3 0		12	Y.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	32,580	600	Raza Textiles	4½	50	4 0	5 0	Nil		12	Y.P.
22,41,300	10,52,625	23,98,011	17,73,000	65,528	G. Killadhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	731N	10	Nil	Nil	Nil		12	Y.P.
7,79,700	2,24,959	21,50,228	18,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36	60	3 0				12	Y.P.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Southern Spg. & Wvg.	1,610	1,000	Nil	Nil	Nil		8	Y.
36,69,700	11,73,989	37,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills	500	500	Nil	Nil	Nil		3	Y.P.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.	27,340	992	Sutlej Cotton Mills	46	50	4 0(*)	4 0(*)	3 0(*)		3	Y.
									37N	10	4 0	4 0	3 0	4 0(*)	3	Y.
17,50,000D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	100	0 8	0 8				
1,57,50,000 Pd									9½	10P.O.	0 14 2/5	0 14 2/5				
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,353	Empire & Sons (Travancore), Ltd.			Travancore Rayons	3½	10	Nil	Nil	Nil		12	Y.P.
13,98,630	7,25,503	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000	..	Trichinopoly Mills	7½	10	1 0	1 0	Nil		12	Y.P.T.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	160	100	9 0	10 0	12 0		12	Y.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	136½	100	9 0	14 0(*)	10 0		12	Y.P.

* Includes bonus.

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(f) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

(c) Paid out of reserves.

X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	25	Nil	2 13g	Nil		5	Y.P.
16,20,630	14 30,304	22,75 857	9,87,293	13,649		Dyer Meakin Breweries	20½	10	Nil	1 2g	Nil		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings	East India Distilleries and Sugar	6½	5	1 0	1 8	0 8		3	Y.
£300,000B							13½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith	Murree Brewery	21	B. £1	Sh. 1	Sh. 1	Sh. 1			
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Ma[illegible] (Chairman)	United Breweries	4N		5	Nil			8	Y.
							159½		75	11 4	7 8	15 0	3	Y.
												15 0		
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	10½	A. 100	3 12	7 8	7 8		12	Y.P.T.
39 63,334B							10	B. 10	0 6	0 12	0 12			
43,14,600O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga: Cement	3½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D.							Nil	D. 10						
10,56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	S. P. Smith	Associated Cement Companies	175	100	8 8	9 8	9 8		7	Y.
60,00,000O.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	6½	O. 10	0 8	0 10	0 10			
26,49,797O.							1	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D.							Nil	D. 1	Nil	Nil	Nil			
42,50,000O.	4,00,000	1,43,54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd.	15½	O. 25	Nil	Nil	1 4	Nil	3	Y.P.
7,50,000D.							3	D. 5	Nil	Nil	Nil	Nil		
73,00,000	20,05,000	1,72,56,055	1,33,85,166	38,638	Martin Burn Ltd	Sonevalley Portland Cement	7		5	0 3½	0 6½	0 8	12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	2½xd	2½	0 2	0 2½	0 2½		12	Y.
10,00,000	21,89,785	53,01,488	31,14,230	15,680	Burd & Co., Ltd.	Biara Stone Lime Co.	29½N	10	0 14	0 14	0 14		3, 9	H.
£914,200	£846,000	£1,643,983	£840,110	£85,540	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	2-14½	Sh. 2	3d†	3d			12	Y.
20,00,000	26,91,610	43,65,527	12,14,525	1,27,234	Bird & Co., Ltd.	Karanpura Development	43	10

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
43,00,000	28,54,000	1,95,77,779	1,28,90,879	—4,69,879	Bolmer Lawrie & Co	Bengal Paper Mills	402	25	1 4 / 1 9 / Nil				6,12	H.P.T.
30,00,000	25,69,803	92,61,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	166	100	4 0 / 3 0 / 5 0				3,9	H.
23,80,000	13,90,000	66,31,833	39,34,440	57,312	B. P. Ramakrishnan Esq.	Mysore Paper Mills	148	10	0 8½ / 0 12 / 1 0*			1 0*	3	Y.
41,91,200	2,03,34,830	3,27,84,468	72,01,000	1,91,321	Birla Bros.	Orient Paper	358	10	0 12 / 1 0 / 1 0*				3,9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,34,637	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	181	10	0 8 / 0 12 / 0 12				6,12	H.P.T.
30,89,200 / 30,00,000 A.	3,84,968	30,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	91 / 361	O. 10 / A. 10	Nil / 0 4 / 0 4			1 0*†	3,9	H.P.T.
36,00,000 A. / 36,94,800 B. / 47,34,450 C.	2,73,47,936	4,98,44,056	2,92,72,444	5,43,826	P. W. Hooper & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	361 / 46	B. 10 / P.O. 21	1 0* / 1 0* / 1 0* / 0 2 / 0 2 / 0 2			1 0*† / 0 2†	3,9	H.P.
PRESSING														
8,00,000	3,92,343	15,19,944	10,46,391	30,668	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0 / 3 0 / 3 0				6	Y
6,30,000	80,000	8,69,125	6,66,036	3,116	Carmichaels	Carmichael	93N	100	6 0 / 6 0 / 5 0				7	Y
3,00,000	1,40,000	11,21,900	9,31,372	30,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0 / 3 0 / 3 0				6	Y
PROPERTY AND LAND														
30,80,7800 / 2,80,36482	8,02,382	42,63,284	19,09,260	419	S. A. Basil, Esq., & others (Directors)	Hamayun Properties	101 / 78	O. 10 / D. 10	0 9 3 5 0 9 3 5 / Nil / Nil	0 8 / Nil			9	Y.P.
80,20,300	17,23,138	83,81,843	17,32,882		David Sassoon & Co., Ltd.	Port Canning Land	100	100	2 0 / Nil	3 0	2 0		4	Y.
94,30,000	33,56,934	97,99,238	44,013	4,809	Andrew Yule & Co.	Malaspore Zamindary	338	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	25,06,334	13,99,319	5,64,419	69,978	Bird & Co.	Assam Saw Mills	36	3	0 8 / 0 8 / 0 4				9	Y.
94,30,200	3,70,66,876	3,20,32,442	1,16,51,361	1,37,498	Wallace & Co.	Bombay-Burmah Trading	131 / 132	Old 125 / New 50	15 0 / 37 8 / 22 8 / 6 0 / 15 0 / 9 0			2 0(3) / 2 0(3)	3	Y.
6,00,000		2,11,415	1,37,061	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	100	100	Nil / Nil / Nil				6	Y.P.
12,00,000	18,43,077	28,83,461	11,61,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Lower Wood Products	318	10	3 8 / 3 0 / 3 0				9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	23,84,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	81	3	Nil / 1 0 / Nil		Nil		6	Y.
32,00,000 & 8,00,000 B.	29,28,761	46,93,772	30,37,960	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	120N / 111N	A. 100 / B. 10	0 4 / 0 10 / 1 0	1 0			6	Y
19,80,000	3,00,000	27,34,356	20,80,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	84	10	Nil / 0 10 / 0 12				9	Y.
15,30,000	13,30,000	15,36,152	10,29,841	40,742	Carew Agents Ltd.	Bharat Sugar	164N	10	1 0 / 1 8 / 1 8				6	Y.P.
32,00,000	21,18,441	1,29,41,870	81,66,245	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	71	10	Nil / Nil / Nil				6	Y.P.T.
15,00,000	33,34,352	99,28,562	73,38,760	31,851	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	248	10	2 0 / 2 0 / 2 0				10	Y.P.
15,00,000	33,12,552	61,67,476	47,82,743	47,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	241	10	2 0 / 2 0 / 2 0			1 0	6	Y.
59,00,300 A. / 34,00,3440 B.	27,00,000	68,17,572	41,30,000	30,477	Backhaj & Co., Ltd.	Hindustan Sugar Mills	130N / — / 50N	'A' 100 / O. 100	3 0 / 6 0 / 9 0 / 12 0 / 3 0 / 4 0 / Nil	12 0*			6	Y.P.
18,00,000	8,70,317	48,10,139	33,07,987	—4,19,271	Kilachand Devchand & Co.	Kesar Sugar	75N	50	3 0 / 4 0 / Nil				7	Y.P.
7,99,100	17,01,654	21,99,078	14,56,723	1,15,031	Cotton Agents Ltd.	New India Sugar Mills	27	10	0 8 / 0 10 / 2 8				6	Y.P.
11,00,000	4,20,000	34,79,370	23,28,160	2,845	Karamchand Thapar & Bros., Ltd.	New Savan	81	10	0 8 / 0 10 / 2 8				5	Y.
1,06,13,890 / 2,13,873 B.	47,64,096	53,67,228	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills	100N / 25	100 / 10	12 0 / 20 0 / 20 0 / 2 0 / 2 0 / 2 0				6	Y.
77,41,500	30,18,919	1,63,67,813	69,00,900	43,193	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4 / 5 0 / 6 0 / 6 0 / 6 0 / 6 0				7	Y.P.
12,00,000	12,71,178	30,94,454	23,83,746	64,090	Narang Bros. & Co., Ltd.	Punjab Sugar	95N	100	1 0 / 1 0 / 1 0 / 1 0 / 1 0 / 1 0				10	Y.P.
9,50,000	12,71,761	31,72,806	25,79,091	19,413	Begg, Sutherland & Co., Ltd.	Purtaprore Co.	148	10	1 0 / 1 0 / 1 0 / 1 0 / 1 0 / 1 0				10	Y.P.
8,00,000	8,04,162	23,15,182	29,31,813	11,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	117N	10	1 0 / 1 0 / 2 8 / 1 0 / 1 0 / 1 0	0 8			6	Y.P.
21,90,000	17,21,204	34,77,960	21,31,179	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	144	10	1 0 / 1 0 / 2 8 / 1 0 / 1 0 / 1 0	0 8			6	Y.P.
20,30,000	20,44,340	1,01,36,230	49,24,080	8,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	104N	10	0 6 / 1 0 / 1 0				7	Y.P.
9,99,950	61,823	22,84,311	11,59,845	7,667	H. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)	Sitalpore Sugar	61	10	Nil / 0 8		0 6†		6	Y.
6,90,0000 / 1,72,2425	47,623	25,93,256	11,46,770	—14,54,408	N. K. Jain & Co., Ltd.	South Behar Sugar	132 / —	O. 10 / D. 25	Nil / Nil / Nil / Nil				10	Y.P.
8,00,300	10,94,720	70,71,390	33,99,756	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	204	100	1 12	2 0	2 0		6	Y.P.
16,20,000	9,10,618	30,81,767	24,31,617	36,843	James Finlay & Co., Ltd.	United Provinces Sugar	128	10	0 4½	2 0	1 8		9	Y.
Other Centres														
44,99,730	69,29,019	64,21,513	47,76,404	89,148	W. H. Brady & Co., Ltd.	Belsund Company	262	50	12 8 / 14 0 / 16 0				9	Y.
27,66,900	2,51,646	37,83,451	16,01,731	21,013	Raj J. P. Srivastava & Sons (M.B.) Ltd.	Gular Sugar	40N	100	Nil / 5 0 / 3 0				6	Y.P.
13,00,000	30,23,934	24,51,943	14,53,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	22	10	1 8 / 2 8 / 2 8				9	Y.P.
31,37,320	29,39,135	39,13,906	19,30,442	7,69,891	Gorie Bros. (Rampur) Ltd.	Buland Sugar	102N	10	0 12 / 1 0 / 0 12				10	Y.
21,79,260	8,03,200	34,96,631	22,24,538	8,27,298	A. O. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43	10	2 0* / 2 0 / 2 0				6	Y.
30,30,000	68,49,631	1,03,54,086	39,32,837	3,18,394	Mahalal, Arte and Kasulal Ltd.	Phelps Sugar	98	50	8 0 / 8 0 / 8 0				9	Y.
16,79,820	23,30,399	44,74,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnagar Cane and Sugar	91N	10	0 9½ / 0 12 / 2 0				8	Y.P.T.
80,00,0440 / 4,00,0000	24,87,809	74,53,840	43,71,339	1,89,313	Wahabad & Co., Ltd.	Ramgaon Sugar Farm	76	D. 10	7 0 / 9 0			0 12½	9	Y.P.T.
19,99,860	34,21,940	64,37,626	39,38,183	4,03,982	Gorie Bros. (Rampur) Ltd.	Rose Sugar	102N	100	1 4 / 0 12				10	Y.
30,00,000	10,73,792	36,70,150	33,04,341	30,980	Parry & Co., Ltd.	Travancore Sugars	10	Nil	Nil / Nil / Nil				7	Y.P.
77,70,0000 / 83,30,0000	42,73,948	1,72,24,518	86,54,833	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	148	A. 100 / O. 100	12 0 / 14 0 / 14 0				9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	3,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	135	100	10 0 / 12 8 / 12 8				10	Y.P.
1,00,37,750		3,91,22,780	1,41,30,237	35,898	Dresher Ltd.	Bharat Line	87	100	3 0 / 4 0 / 5 0				12	Y.
6,11,540	81,121,737	83,42,6,103	43,31,2,949	1,01,31,978	Kilburn & Co., Ltd.	India Commercial Navigation & Rly. Co.	77	10	Nil / Nil / Sh.10				3	Y.P.
3,21,01,300	36,99,231	3,57,91,436	1,01,31,078	2,24,046	Lionel Edwards Ltd.	India Steamship Co.	78	10	Nil / Nil / Nil				3	Y.P.T.
6,39,82,518	3,81,43,567	12,56,57,421	3,04,50,000	1,56,331	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	149	15	Nil / Nil / Nil				6	Y.T.
UNCLASSIFIED (Bombay)														
2,01,000	89,000	3,66,118	4,15,366	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Sa's Depot	550	200	30 0 / 30 0 / 35 0				9	Y.
15,46,560	1,61,601	2,74,558	60,000	7,565	Parekh Agencies Ltd.	Bombay-Uganda	56N	50	4 0 / 4 0 / 4 0				12	Y.
25,20,300	17,01,203	23,19,7938	8,379	8,955	Dana Bros. Ltd.	Investors Trading Investment Co.	25	10	0 12 / 0 12 / 0 12				3	Y.
19,96,150	3,93,231	24,77,167	14,08,040	8,455	Chaganlal Mandal Ltd.	Parrels Batteries	23N	50	3 0 / 3 0 / 3 0			Nil	3	Y.
99,99,250	11,31,375	1,26,9,2,333	10,033	1,83,258	Premchand Roychand & Sons	Industrial Investment Trust	66	100	4 0 / 4 0 / 4 0				12	Y.P.
84,99,825	18,71,220	12,36,924	2,67,084	2,833	E. D. Sherpard, Esq. (Mg. Director)	Klitick Industries	130 / 73	25 / 2	2 0 / 2 0 / 2 0			4 0(3) / 2 0(3)	6	Y.
2,08,71,5000 A. / 32,80,000 B.	3,64,451	2,29,2,1,904	63,80,813	4,32,797	Aero-Auto Ltd.	Premier Automobiles	100 / 14	A. 100 / D. 10	Nil / Nil / Nil				6	Y.
13,21,200	3,56,605	14,71,107	12,41,107	34,731	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40	20	2 0 / 3 0 / 3 0				12	Y.
82,30,300	15,99,4,1,562	2,16,76,741	1,34,61,1,1,1	68,000	T. Bryden, Esq. (Managing Director)	Western India Match Co.	68	100	11 0* / 11 0* / 11 0*				12	Y.
41,00,300	42,00,300	1,24,869	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	3304	150	20 0 / 20 0 / 20 0				12	Y.
Other Centres														
47,80,0000 / 2,50,0012	13,00,000	1,54,92,044	90,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	31 / 6	D. 10 / D. 25	Nil / Nil / Nil		Nil	Nil	3	Y.P.T.
30,30,000	37,90,000	31,41,373	18,89,668	3,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	178	10	1 12 / 2 8 / 1 4				6	Y.T.
20,20,300	15,36,106	21,61,106	17,19,016	1,33,909	T. H. Bryden, Esq. (Mg. Director)	Assam Match Co., Ltd.	22	10	Nil / 1 0 / 1 4				8	Y.
20,20,000	12,91,323	31,61,652	29,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	12	10	0 9 3 5 0 9 3 5 / Nil / Nil				6	Y.
30,00,7440 / 1,50,0000	97,71,800	53,87,807	29,87,807	5,13,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	268 / —	D. 100 / D. 40	20 0* / 25 0* / 8 0*			3 0(3)	3	Y.P.T.
20,00,7500 / 1,50,0000	8,18,806	54,30,3,16,918	3,25,180	1,25,180	Lowlaich & Lowe	Birds Investment Ltd.	135	10	6 0 / 6 0 / 6 0				12	Y.
20,84,660	31,27,348	99,11,669	21,83,999	96,133	F. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	104	10	1 4 / 1 4 / 1 4				9	Y.P.
5,27,00,000	1,01,39,19,0	3,23,99,029	1,84,15,167	4,11,863	Sir Robert Menzies	British India Corporation Ltd.	5,113	100	0 12 / 0 12 / 0 12				12	Y.P.
1,00,00,000	1,21,00,000	4,01,06,331	2,32,71,331	7,01,464	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	308	10	2 0 / 2 0 / 2 0				12	Y.P.
31,28,000	47,37,061	1,26,33,476		3,19,469	Bird & Co., Ltd.	Eastern Investments Ltd.	141	100	3 0 / 3 0 / 3 0				12	Y.P.
7,00,000	16,97,000	23,07,609	18,10,721	30,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	178	100	10 0 / 15 0 / 15 0				3	Y.
61,00,000	31,28,794	13,82,902	3,85,143	2,07,757	Sir Anthony J. Eliias	Ollianders Arbuthnot & Co., Ltd.	118	100	10 0 / 10 0 / 10 0				12	IL
30,01,750	31,47,356	62,31,816	29,39,773	29,618	B. F. R. Brabazon	Great Eastern Hotel	241	100	10 0 / 10 0 / 10 0				3	Y.
11,45,840	1,06,043	64,80,790	41,30,169	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8 / 7 8 / 8 0				3	Y.
4,96,13,890	13,83,900	37,32,719	5,43,2,000	1,45,000	Birla Bros., Ltd.	Indian Motors	68	10	Nil / Nil / Nil				12	Y.P.T.
1,80,00,000	34,11,010	3,01,81,133	1,21,00,051	23,27,967	J. W. Cameron, Esq. (Gen. Manager)	Indian Aluminium Co.	105	100	3 0 / 5 0 / 5 0				12	Y.
1,32,89,220	99,40,994	57,93,890	32,31,768	9,29,334	D. J. M. Hosack, Esq.	Indian Cables	201	10	2 8 / 3 0 / 3 0				12	Y.
8,27,950	3,36,000	14,39,4,650	7,93,308	38,565	O. S. Monroe & Co. (India), Ltd.	Indian Rubber Manufacturers	41	10	0 8 / 1 0 / 1 0				3	Y.P.
2,00,30,000	37,43,220	29,81,4,771	6,26,477	6,44,163	O. M. Mackinlay, Esq.	Jardine Henderson	110	10	10 0 / 10 0 / 10 0			0 12 / 7 8	3	Y.P.
6,34,04,447 / 66,00,0012	6,03,270	6,91,331	4,08,233	—64,994	James & Co., Ltd.	Macfarlane & Co.	3 / —	D. 3 / D. 25	Nil / Nil / Nil		Nil		3	Y.P.
48,00,0040 / 8,00,0012	37,99,612	23,19,0,331	5,19,033	83,717	A. T. Peppercorn, Esq.	McLeod & Co.	132 / —	O. 100 / D. 10	12 8 / 12 8 / 12 8				10	Y.P.
1,50,31,730	30,19,015	13,73,13,719	4,61,794	2,31,093	T. Louis Martin, Esq. (Mg. Director)	Martin Burn Ltd.	181	10	0 12 / 0 12 / 0 12				12	Y.
6,15,215	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	41	10	0 10 / Nil / Nil		1 6		9	Y.
4,68,060	8,84,329	9,71,823	3,93,169	3,098	O. Chenoy, Esq. (Controller)	Mysore Lamp Works	93	10	Nil / 1 0 / 1 0		1 0		12	Y.
10,00,000		11,41,854	3,93,966	31,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	9	10	Nil / 1 0 / 1 0		1 0		3	Y.P.
20,00,000	23,16,171	30,16,078	28,73,987	11,045	Associated Industrial Development Co., Ltd.	National Insulated Cable	16	10	0 8 / 0 8 / 0 8				3	Y.T.
79,97,000	28,12,735	1,12,79,693	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	91	10	0 4 / 0 8 / 0 8		0 12		3	Y.P.T.
40,00,000	24,00,000	61,35,136	37,76,913	1,52,611	Parry's Holdings Ltd.	Parry & Co.	41	10	1 9 3 5 / 0 10 / Nil		Nil		12	Y.P.
2,32,30,000	21,19,040	1,64,48,307	37,73,190	24,847	D. U. Tuticorin, Esq.	Ralia (India) Ltd.	63	100	0 12 / Nil / Nil		Nil		12	Y.P.
6,14,01,300	78,33,108	8,09,39,807	2,16,58,623	9,77,486	Esse Jute Ltd.	Rohtas Industries	91	10	Nil / 0 12 / Nil		Nil		8	Y.P.
40,00,000	93,23,192	3,19,84,881	70,93,233	3,36,152	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	1,100	100	10 0 / 10 0 / 10 0				12	Y.P.
11,00,000	33,00,000	12,11,9018	2,17,120	3,34,618	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	11	10	1 0 / 1 0 / 1 0				6	Y.P.
9,34,340	1,50,000	12,67,833	2,80,547	39,789	Ogale Bros., Ltd.	Travancore Ogale Glass	36	10	0 4½ / Nil / Nil				12	Y.P.

‖ Includes investments at cost. * Including bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs. † Excluding goodwill at cost Rs. 30 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretary	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,02,362	8,88,306	3,56,105		McLeod & Co., Ltd.	825	Amluckie	345N	100	25 0	Nil			12	Y.P.
2,76,500	4,21,503	7,44,996	2,71,374	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	13½	10	2 8	0 12	0 12		12	Y.
3,50,000	6,15,000	9,36,560	1,33,123	48,872	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	16	10	4 0	3 0			12	Y.
5,50,000	7,23,616	14,97,761	4,29,940	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	12	10	4 12	Nil	Nil		12	Y.
2,40,000	7,36,033	9,47,122	2,27,561	61,629	Andrew Yule & Co., Ltd.	369	Rasmuse	5	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,853	4,75,673	31,941	Williamson Magor & Co., Ltd.	356	Retell	5	10	1 8	0 6			12	Y.
3,30,000	6,90,000	8,79,729	1,76,121	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Bokan	14	10	3 0	3 0	Nil		12	Y.
86,50,000	17,31,058	46,86,333	18,66,159	82,500	Williamson Magor & Co., Ltd.	4,018	Bukshat	29	10	3 0	0 6			12	Y.
6,00,000		10,38,918	1,51,868	—36,227	Duncan Bros. & Co., Ltd.	403	Bukshat	10	10	0 8	1 0	Nil		12	Y.
7,50,000	3,41,530	8,21,714	2,13,632	—32,144	McLeod & Co., Ltd.	490	Burma Tea	11	10	1 0	1 0			12	Y.
35,00,000	9,78,313	92,06,351	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	7	10	Nil				12	Y.
1,20,000	1,83,236	3,66,930	1,23,441	—29,101	McLeod & Co., Ltd.	267	Deppo Valley	10	10	0 8	1 0			12	Y.
6,00,000	7,13,0 0 0	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Desai & Parbotia	235	100	30 0	22 8	10 0		12	Y.P.
17,51,660	5,60,608	19,11,105	2,07,645	34,461	James Warren & Co., Ltd.	421	Dhekiahat	12½	10	1 8	1 0	Nil		12	Y.P.
4,68,850	3,20,000	8,09,426	2,12,879	3,100	James Finlay & Co., Ltd.	413	Dhunseri	11	10	2 0	1 0	Nil		12	Y.
4,50,000	2,75,000	8,01,661	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	11	10	2 4	2 0	Nil		12	Y.P.
2,36,700	3,20,000	8,59,110	4,63,119	15,960	Williamson Magor & Co., Ltd.	444	Dilijan	11	10	2 4	2 0			12	Y.P.
2,36,700	3,20,000	8,59,157	4,59,157	1,15,948	Williamson Magor & Co., Ltd.	666	Dilijuphar	11	10	2 4	2 0			12	Y.P.
5,60,500	4,50,000	10,38,157	4,59,157	2,16,948	Williamson Magor & Co., Ltd.	1,178	Dilijuphar (Dooars)	11	10	2 4	Nil			12	Y.P.
10,00,000	3,61,000	18,91,120	9,31,120	—45,079	Williamson Magor & Co., Ltd.	1,178	Tea India Tea	99	10	4 0	Nil			12	Y.P.
3,60,000	3,00,000	7,99,962	3,67,363	—2,586	Andrew Yule & Co., Ltd.	607	Dilijuphar	11	10	2 4	2 0			12	Y.
3,18,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Dilijuphar	31	10	4 0	3 0			12	Y.
A 4,94,380 / B 5,00,000	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,193	Orob	21 / 8.5	A 10 / B 10	1 0 / 1 0	1 0 / 1 0			12	Y.
2,60,780	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoogrishi	32	10	1 0	Nil			12	Y.
2,00,000	4,35,000	8,04,216	18,38,687	—28,147	Andrew Yule & Co., Ltd.	1,248	Hoolungooree	24N	10	25 0	17 0	Nil		12	Y.
7,50,000	5,85,000	11,98,156	1,61,476	29,063	Gillanders Arbuthnot & Co., Ltd.	900	Jaribari	111	10	4 0	Nil			12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,591	Shaw Wallace & Co., Ltd.	1,166	Jugjoy-Golaghat (Assam)	19½N	100	2 0	Nil	Nil		12	P.Y.
4,00,000	1,84,000	8,93,226	3,54,223	8,769	Shaw Wallace & Co., Ltd.	1,017	Kalo	21	10	2 0	Nil	Nil		12	Y.P.
56,00,000	19,10,433	31,40,520	17,68,520	1,72,317	Shaw Wallace & Co., Ltd.	3,058	Kamlabari	17	10	Nil	Nil	Nil		12	Y.P.
2,20,000	40,000	8,54,913	4,97,013	—54,551	Shaw Wallace & Co., Ltd.	615	Rajnagar	4½N	10	Nil	Nil	Nil		12	Y.P.
9,00,000	7,73,407	11,02,712	2,02,712	73,090	Duncan Bros. & Co., Ltd.	1,170	Telenpara	132	100	7 8	2 8			12	Y.
TERAI															
1,25,000	2,94,927	2,01,506	1,15,721	22,289	National Tea Corporation	433	Balgachi	23½	10	3 8	3 0			12	Y.
8,40,000	6,02,765	11,32,155	5,26,111	8,624	Duncan Bros. & Co., Ltd.	1,646	Chulsoorai	22½	10	3 0	2 0	Nil		12	Y.
5,00,000	3,71,000	8,57,074	1,57,694	12,269	Duncan Bros. & Co., Ltd.	517	Hanspur	14½	10	2 0	0 12	Nil		12	Y.
5,00,000	3,71,132	3,96,854		2,373	Birla Bros., Ltd.	2,913	Jay Shree Tea Gardens	8½	10	0 9 3 5	0 9 3 5	0 9 3 5		12	Y.
39,04,860	24,25,000	59,84,836	15,19,247	24,372	Duncan Bros. & Co., Ltd.	1,503	Panitar	8½	10	0 9 3 5	0 9 3 5	0 9 3 5		12	Y.
3,00,000	3,73,132	3,96,854	90,081	23,565	Kilburn & Co., Ltd.	961	Phuguri	9½	10	1 0	Nil			12	Y.
4,50,000	3,00,000	6,23,844		23,760	Duncan Bros. & Co., Ltd.	715	Tea Terai	10	10	1

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	93,96,350	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	151xd	10	1+	1+	1+	1f	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	180	100	4+10	15+15	8+10	..	5, 11	H.P.
6,00,000	3,55,000	49,90,030	29,18,370	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	..	6, 12	H.P.T.
30,00,000	2,10,000	1,16,99,380	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	152	100	Nil	2½	Nil	..	6, 12	H.P.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,945	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	203	100	Nil	10	10+10	10+15	7½f	3, 9	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	120	100	1½+4	6+5	5+4	2f	3, 9	H.P.T.
20,00,000	29,77,585	97,37,334	63,31,882	72,634	Jardine Henderson & Co.	959	Bally	150	100	6+6	6+1	Nil	4f	3, 9	H.P.
4,75,000	£639,470	£1,342,587	£1,046,810	£81,886	Sir John H. Burder (Chairman)	1,890	Barnagore	£5	£1	£1	£1	£1	£1	3	H.P.
28,00,000	35,49,623	88,18,168	48,06,256	62,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	185	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
22,50,000	35,95,000	51,03,383	22,50,305	4,07,701	Soorajmull Nagarmull	600	Bengal	153	10	1½	3	..	..	6	H.P.
30,42,000	2,64,46,567	3,06,30,766	1,23,13,243	1,03,616	Birla Bros., Ltd.	1,373	Birla	63½	10	2½	3	3	3	6	Y.P.T
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	155	100	3+10	10+12	6½+6½	6f	3	Y.P.
7,47,180	4,29,739	49,77,150	36,73,499	99,461	Dayaram & Sons	502	Calcutta Jute Mfg. ..	16 N	10	Nil	1+1	0+8f	..	4, 10	H.P.
18,00,000	31,81,234	75,48,040	38,01,810	99,653	Andrew Yule & Co., Ltd. ..	616	Caledonian	152	100	4+10	10+12	6+6	6f	6, 12	H.P.T.
39,16,400	1,03,23,478	1,65,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd. ..	1,400	Champdany	147	100	3+5	5+7	7+8	3f	5, 11	H.I.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd. ..	530	Cheviot	200	100	6+10	10+12	6+6	6f	3, 9	H.
10,05,000	46,90,000	58,16,362	41,42,904	1,07,386	McLeod & Co., Ltd.	500	Chitavalsah	33	10	1+1	1½+4½	2½+1½	6f	5, 11	H.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	125	10	1½	3½	2	..	6, 12	H.T.P.
31,49,200	59,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	120	100	1+3	8+6	6+1	1f	3, 9	Y.P.
28,00,000	44,74,179	71,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd. ..	779	Delta	224	100	5+12½	15+17½	10+10	10f	3, 9	H.P.
15,00,000	32,50,000	75,61,304	53,68,650	1,09,770	McLeod & Co., Ltd.	500	Empire	120	100	1+1	1+1	4+4	..	6, 12	H.
21,00,000	54,39,877	2,65,42,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	382	100	2½+2½	2½+2½	10+Nil	Nil†	6, 12	H.T.P.
14,00,000	..	71,79,143	43,27,194	—7,75,693	Bangur Bros., Ltd.	1,014	Fort William	310N	100	Nil	4	Nil	..	3, 9	H.P.T.
84,32,100	3,13,094	2,09,73,145	1,34,77,243	—8,12,945	Macneill & Barry Ltd.	1,709	Gangrea Mfg.	75	100	Nil	3½	2½+2½	Nil	3, 9	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	685	300	45	..	90	Nil†	3, 9	H.P.
24,00,000	27,30,694	2,19,25,184	1,62,21,337	1,37,647	Macneill & Barry Ltd.	1,394	Gourepore	260	100	2½+15	10+10	1½ Nil	Nil	3	Y.
40,00,000	46,39,631	2,51,52,908	49,35,241	2,81,843	Bangur Bros., Ltd.	1,078	Hastings	200 N	100	10	7	10	Nil	3, 9	H.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	33	10	1+	3	1½	1f	3	Y.P.
83,62,500	50,83,370	1,36,87,559	1,09,33,235	1,53,027	Jardine Henderson Ltd.	1,940	Howrah	23½	10	1½	3½	3	1f	1, 7	H.
90,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	46½	10	1½	5	5	2f	3, 9	Y.P.T.
87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	123	O. 125	33+93	33+33	3+33	33f	3, 9	H.
30,000								D.	1	A.7-8 7-8					
24,00,000									100	8½+8½	10+12½	8½+6	6f		
19,20,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	180	'B' 100	6½+6½	10+12½	8½+6	6f	6, 12	H.P.
30,00,000								140	100	Nil	5+7½	6+4	5f		
24,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	134	'B' 100	Nil	5+7½	6+4	5f	6, 12	H.P.
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	220	100	10+10	12½+12½	7½+7½	..	6, 12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,330	Khardah	185	100	10	10+8	10+15	..	6, 12	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	182	100	1½+4	10+9	10+7	4f	3, 9	H.P.
24,48,000	48,82,303	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	122	100	2+10	11+8	7+3	2f	3, 9	H.P.T.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	840	Lawrence	152	100	3+9	12½+11	11+4	2f	3, 9	H.P.
10,00,000	36,51,301	30,59,106	33,14,126	64,044	Andrew Yule & Co., Ltd. ..	558	Lothian	235	100	5+10	15+17½	15+15	15f	3, 9	H.P.
21,67,200	25,35,448	1,93,98,406	1,16,00,448	28,020	Mackinnon Mackenzie & Co. ..	1,008	Magma	96	100	2½+6½	2½+11	2½+2½	2½f	5, 11	H.P.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Naihati	118	100	Nil	5	10+9	6	Nil	H.
20,00,000	17,75,000	25,77,260	16,42,880	3,104	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	1+1	1½+1½	1+1	Nil†	3, 9	H.
15,00,000	3,10,468	28,07,516	11,52,118	1,01,832	Andrew Yule & Co., Ltd. ..	851	National	23½	10	1+1	1+1½	1+1	..	4, 10	H.T.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	37½	10	1+1	2½+5	2+1	1f	4, 10	H.P.
10,50,000	47,47,525	48,49,686	24,19,243	38,810	Sahu Jain Ltd.	709	New Central	260	100	4+10	15+15	10+12	..	6, 12	H.P.T.
16,79,880	47,26,931	1,21,23,908	54,32,507	96,203	Bird & Co., Ltd.	567	Northbrook	188	10	Nil	Nil	1	1f	6, 12	H.P.
66,79,500	32,25,529	2,12,90,664	1,35,98,506	90,401	Macneill & Barry Ltd.	1,092	Ouddee	45	50	Nil	13	11+11	1	Nil†	3, 9	H.P.T.
24,91,000	26,56,049	70,68,289	48,27,892	1,05,336	Andrew Yule & Co., Ltd. ..	601	Orient	170	100	4+10	12+12	1+4	Nil†	3, 9	H.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	600	Presidency	44	5	Nil	Nil	1+6	6f	3, 11	H.P.
20,00,000	..	26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	384	Ramkrishna	18	10	Nil	Nil	Nil	..	6, 12	H.P.
42,30,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	15	10	Nil	Nil	Nil	..	3, 9	H.P.
£600,000	£1,102,661	£1,203,880	....	£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	13	£1	10%	10%	10%	1f	3, 9	H.P.T.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Begaria More & Co., Ltd. ..	911	Shree Ambica	12	10	Nil	1½+1	1½	..	6, 12	Y.P.
7,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½	N 10	3	1½+1	Nil	..	3, 9	H.P.
25,19,600	49,32,937	97,24,215	56,00,022	10,963	Bird & Co., Ltd.	650	Standard	146	100	3+6	9+8	8+1	1f	6, 12	H.
£600,000	£849,927‡	£990,895	....	£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Tisaghur	133	£1	10%	10%	10%	1f	3, 9	Y.P.
35,98,600	94,31,434	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	156	100	1+7	12½+11	10+6	1f	6, 12	Y.P.
£400,000	£587,164	£1,059,917‡	....	£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	133	£1	10%	10%	10%	..	3, 9	H.P.T.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil	1/40	1/40	Nil	6, 12	Y.P. H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18‡	10	1 +	1 +	3/5 +	1f	3, 9	H.
12,00,000	8,42,703	37,53,381	34,25,643	38,826	Jardine Henderson Ltd.	Bararee Coke	12‡	10	1 +	1 +	1 +	..	3, 9	H.
4,49,350	70,000	8,49,119	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	7N	10	1 +	1 +	1 +	..	3, 9	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	311	200	17 + 17½	17 + 17½	20 + 20*	17½f	3, 9	H.
2,23,000	3,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	1 +	1 +	1 +	..	4, 10	H.P.
13,97,000	5,23,358	36,66,933	22,26,365	7,993	H. V. Low & Co., Ltd.	Bhalgora	4½	10	..	..	1 +	..	6, 12	H.P.
69,99,933	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	3‡	10	..	..	..	..	9	Y.
7,13,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	14	10	Nil +	Nil +	+ Nil	..	6	Y.T.P.
16,00,000	14,10,771	68,15,834	39,31,794	—1,46,409	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	15	10	1½ +	1½ +	1½ +	..	6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borera	25‡	10	1½ + 1½	1½* + 1½*	1½* + 1½*	..	6, 12	H.T.
90,92,480	1,63,60,298	4,03,65,968	1,60,47,288	1,15,021	Bird & Co., Ltd.	Burrakur	9‡	10	Nil	Nil	Nil	..	6, 12	H.P.
49,97,000	750	22,35,410	37,645	17,765	Hindustan Investment Corpn., Ltd.	Central India	2‡	10	Nil	Nil +	1 +	..	6, 12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,272	Anderson, Wright & Co., Ltd. ..	Central Kurkend	19 N	10	1 +	Nil	Nil	..	3	Y.
6,00,000	1,40,000	7,50,000k	....	13,973	F. W. Heilgers & Co., Ltd. ..	Churia	3‡	4	1 +	1 +	Nil	..	6, 12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,459	Macneill & Barry Ltd.	Dhemo Main	8‡	10	1 +	1 +	Nil	..	6, 12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,837	Jardine Henderson Ltd.	East Indian	23‡	£1	1½	2	3 (d)	..	6, 12	H.
29,63,760	73,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	36‡	10	2½ + 2½	2½ + 2½	2 + 1½	..	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhaster's Agency Ltd.	Ghusick and Mustia	15 N	10	2	..	..	..	4	Y.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriladih	14‡	10	Nil	3½	2½+2½	Nil	6, 12	H.P.
3,50,000	5,50,000	12,51,879	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	Kalapahari	41N	10	1½ + 1½	1½ + 1½	1½ + 1½	Nil†	3	Y.
20,00,000	..	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	80	100	Nil	Nil	Nil	..	6, 12	H.
5,00,000	11,25,000	42,50,297	32,33,831	89,823	Andrew Yule & Co., Ltd. ..	Katras Jherriah	38	10	1½ + Nil	1½ + Nil	Nil	Nil	2, 8	H.
1,38,400	95,000	10,63,519	3,25,519	1,063	Beriwala & Co.	Khas Kajora	7N	10	1 +	1 +	1 +	..	2	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuardi	4N	10	1 +	1 +	1 +	..	1, 7	H.
9,00,000	11,50,000	28,61,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10N	10	1	1	1	..	6, 12	H.P.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd.	Nasira	9‡	10	1 +	1 +	1 +	..	4	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,764	Andrew Yule & Co., Ltd. ..	New Beerbhoom	19	10	3/10 + 3/10	Nil + Nil	Nil + Nil	Nil‡	6, 12	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	8‡	10	1 + 1	1 + 1	1 + 1	Nil‡	4, 10	H.P.
1,13,000	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd. ..	North West	12N	10	3 + 3	3 + 3	3 + 3	3f	3, 9	H.
1,37,500							6N	7½	1½ + 1½	1½ + 1½	1½ + 1½	1½f		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	17N	10	1½ + 1½	1½ + 1½	1½ + 1½	..	3, 9	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11‡N	10	1 +	1 +	1 +	..	6, 12	H.P.
8,34,000	20,351	16,29,203	5,77,935	70,339	Deepchand Kishenlall	Parasea	2‡	10	Nil	Nil	..	..	12	Y.T.
15,15,000	8,75,000	39,37,649	26,12,649	97,297	Shaw Wallace & Co., Ltd. ..	Pench Valley	21‡	10	1 +	1 +	1 +	..	6, 12	H.P.
23,99,300	13,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranesgunge	7‡	10	Nil	Nil	Nil	..	2, 8	H.
13,50,000	6,88,385	29,87,472	23,74,472	34,004	Shaw Wallace & Co., Ltd. ..	Rewa	20‡	10	1 +	1 +	Nil	..	3, 9	H.
20,00,000	3,10,468	28,07,516	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	8‡	10	1 +	1 +	1 +	..	6, 12	H.
1,25,000	1,71,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	2‡N	10	1 +	1 +	1 +	..	6, 12	H.
2,80,000	3,43,826	28,04,096	14,32,969	30,384	Andrew Yule & Co., Ltd. ..	Seebpore	25‡	7	2½ + 2	2 + 2	2 + 1	..	6, 12	H.I.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	8‡	10	1 +	2 +	Nil	..	6, 12	Y.P.
63,21,450	13,25,954	3,24,72,792	2,26,34,994	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6‡	10	..	..	..	..	6, 12	H.P. H.T.
17,50,000	10,86,300	35,53,705	13,67,030	28,614	Bird & Co., Ltd.	South Karanpura	10‡	10	1 +	1 +	1 +	..	12	Y.T.
8,00,000	13,68,503	2,33,837	56,445	88,379	F. W. Heilgers & Co., Ltd. ..	Standard	21	10	1 +	1 +	1 +	4f	2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	2‡	2‡	Nil	Nil	1 +	..	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd.	Union	22‡	10	1½ + 1½	1½ + 1½	Nil	..	6, 12	H.
49,98,000	..	44,91,158	13,91,545	63,950	Hindustan Investment Corpn., Ltd.	West Bengal	4‡	10	1 +	1 +	1 +	1½f	9	Y.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	17‡	10	1 + 1	1 + 1	Nil	..	6, 12	H. Y.

* Including bonus. a Sales and amount written off. (b) Investments.

(f) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 800 in the debentures section:—

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

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

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

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

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

(e) Retractable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

PROGRESS OF COLOMBO PLAN

THE progress made by the member countries of the Colombo Plan has been reviewed by the annual report which was adopted by the Consultative Committee of the Plan which met recently at New Delhi. The highlights of the economic progress achieved by these countries are:

Burma: It is still engaged in rehabilitating its economy after the extensive damage of the war period. A considerable amount of land has been reclaimed and is now under cultivation. In 1952, an area of 633,000 acres of additional land were sown to paddy. A cotton seed farm was established for long-staple cotton; a dairy farm was set up with imported cows from Pakistan; seedlings were procured for planting 300,000 coconut trees. A large oil refinery is under construction and a small sulphuric acid plant is nearing completion. A number of Government buildings have been erected and several housing projects are under way.

Ceylon: About 20,000 more acres of irrigable land were opened up in 1952-53, mainly under the important *Gal Oya* Scheme, work on which continues to make satisfactory progress. The rural development scheme was *in successful operation*. Satisfactory progress was maintained in fisheries development. The improvement of Colombo harbour was well under way. Stage I of the Hydro-electric Scheme at Norton Bridge was completed, resulting in an increase *in capacity of* 25,000 kw. The plywood factory was reorganised and satisfactory progress was made with the vegetable oil, D.D.T. and caustic soda factory and with the paper factory.

India: Irrigation works benefited 3.5 million acres of land during 1952-53. The Central Tractor Organisation reclaimed about 510,000 acres. Owing partly to good seasons, but also as a result of these and other developmental measures, the production of food increased by nearly 5 million tons as compared with 1951-52. Work on Bhakra Nangal, Damodar Valley, Hirakud and Tungabhadra and other projects was progressing satisfactorily. Power generation capacity was increased by 315,000 kw. The Sindri Fertiliser Factory, the Chittaranjan *Locomotive Factory* and the Telephone Factory went into production. The production of fertiliser increased from 35,000 tons in 1951-52 to 230,000 tons in 1952-53. The construction of three ships was completed. 333 new railway *locomotives were commissioned*, which included 90 procured from domestic production. The two principal producers of iron and steel were expanding their production capacity. Two oil refineries were being erected near Bombay. The production of *cotton cloth reached 4,700 million* yards, a post-war record. The production of coal increased from 32 million tons in 1950 to 36 million tons in 1952, and that of steel from 1,004,000 tons in 1950 to 1,103,000 tons in 1952.

Indonesia: Considerable progress has already been made in approaching the goal of self-sufficiency in foodstuffs, especially rice, imports of rice were reduced *from* 600,000 tons in 1951-52 to 300,000 tons in 1952-53. Rural education centres were set up to intensify extension work. The import programme for the transfer of population from over-populated areas to under-populated areas was under way. Work continued on irrigation projects during recent years. Nearly one million miles of irrigation canals have been constructed. Progress was made with highway construction and other communication. A start was made on the South Borneo Drainage Plan, involving an area of nearly 500,000 acres. The motorisation of the *fishing fleet began*. The *production* of petroleum products was greatly increased. Various projects concerning industry, labour, health, social development and education were under way.

Malaya and British Borneo: In the Federation of *Malaya the resettlement* of over 400,000 squatters was completed. 50,000 acres were replanted with high-yielding rubber. At Tanjong Karang the irrigation of 50,000 acres of paddy land was completed. The first (40,000 kw.) of the Connaught *Bridge* Power Station was completed. The gap in the East Coast Railway was closed by the relaying of 200 miles of line.

Singapore: A new station with an *interim* capacity of 50,000 kw. has been brought into operation. Substantial progress was made with the new airport and with housing schemes.

Sarawak: Progress was made in the development of roads, air transport, and tele-communications.

North Borneo: Schemes for irrigation, communications, electricity and housing were under way.

Nepal: *The construction* of 79 miles of motor road to connect Kathmandu and Bhaise was started in September 1952 and the track has already been rendered fit to be negotiated by jeeps. Five important districts were connected with each other by air services. A systematic *geological survey* of Nepal was got under way. A central livestock development farm was established at Kathmandu. A Village Development Scheme was inaugurated with trained workers.

Pakistan: Satisfactory progress was made with the various multi-purpose and irrigation projects. The lower Sind barrage was brought to an advanced stage. The total *electric power capacity* increased from 70,000 to 140,000 kw. The cotton textile industry made remarkable progress. The number of spindles installed or in the process of being installed, amounted to 950,000 as against 178,000 at the time of Partition. Similarly, the number of looms increased from 4,824 to 13,300. The jute textile industry also made satisfactory progress. 3,000 looms were already in production and were able to meet the internal requirements of the country in respect of jute goods. Two woollen mills with 9,652 worsted spindles and five mills with 4,906 woollen spindles, went into operation. Machinery for 3,660 woollen and 1,060 worsted spindles had arrived and was under installation. Four cotton seed oil plants with an annual crushing capacity of 19,000 tons had gone into production and additional capacity for 57,500 tons was under construction. A sugar mill with an annual capacity of 35,000 tons of sugar was established. A 50,000-ton ammonium sulphate fertiliser plant is under construction.

Viet-Nam: The area under rice has increased by nearly 500,000 acres since 1951. The consumption of electric power increased from 195 million kw.h. in 1952 to 238 million kw.h. in 1953. The output of coal increased from 638,000 tons in 1951 to *894,000 tons* in 1952 and is expected to exceed 1,000,000 tons in 1953.

OFF THE RECORD

(Concluded from page 763)

full of matters connected with the formation of a new State and that what he said about the tonic effect of alcohol on State revenues was in the context of this scheme of his. Perhaps, this promised escape from prohibition to the subjects of the present State of Bombay was an important plank in this project of United Maharashtra, with Bombay as its capital.

It needs some shrewdness and intelligence to discover the subtlety underlying this clever move of Dr. Deshmukh. He naturally suspected that there was bound to be a good deal of opposition to his scheme for grabbing Bombay for United Maharashtra, both from influential people in Bombay and Gujerat. If these thirsty people, groaning under heavy taxation, were assured that, in the new set-up of linguistic States, they would be able to quench their thirst and that this in its train would lead to the lessening of the burden of taxation, all opposition to his scheme would automatically be submerged in a wave of enthusiasm. If he had advocated an all-round abrogation of prohibition, including even the multi-lingual States of to-day, this idea of Dr. Deshmukh would have ceased to work as an incentive for people to wage a war for securing new linguistic States. It would be silly to ask

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	380	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				190	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	7,231	Andhra Bank	112xd	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				58½xd	50	3 0	3 0	3 0	1 8(i)		
1,80,00,000	1,28,00,000	2,38,382	Bank of Baroda	107	50	6 0½	6 0½	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12½	0 12	—	12	Y.
2,50,000	3,52,00,000	6,36,353	Bank of India	157	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	3 0½	3 0½	3 0	1 8(i)	12	Y.
30,00,000	13,00,000	33,324	Bank of Jaipur	19½	10	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	280	100	16 0½	16 0½	16 0	1 8 0½(i)	12	Y.
59,18,600	42,61,693	25,280	Bombay State Co-operative Bank	56xd	50	2 8½	2 8	2 8	—	4	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8	—	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0½	5 0½	5 0½	—	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
£2,42,375 'A'				66	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12	—	12	Y.
1,00,00,000	1,00,00,000	18,10,823	Habib Bank (P)	88N	20	2 0	4 0	4 0	—	12	Y.
2,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	83	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0½	6 0½	5 0	—	9	
3,75,00,000	1,840	37,39,076	Imperial Bank of India	1,840	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000	4539			4539	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000	176½			176½	100	12 0½	12 0½	12 0½	6 0(i)		
16,00,000	138	1,04,201	Indian Bank	138	85	10 3½	10 3½	10 3½	3 12 3(i)	6.12	R.L.H.
15,40,000	98½			98½	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	90	100	5 0½	6 0	6 0	—	.12	R.L.H.
4,25,000				73	100(A)	9 0	7 8	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	—	—	6.12	H.
10,00,080				32	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,52,603	Punjab National Bank	218½	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	37,630	1,30,000	Travancore Bank	11½	25	—	—	—	—	12	Y.
40,00,000	50,00,000	2,06,135	Union Bank of India	6½	5	0 5	0 5½	0 5½	—	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36½	50	2 0	2 0	2 0	—	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-2-1‡	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7†	6†	7†	3†	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,469,174	Hongkong and Shanghai Banking Corporation	£89½	H.K. $125	5*	5*	5*	8*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-17-6	£1	12†	12†	12†	—	12	R.L.Y.
£1,437,296				£1-7-0		5†	5†	5†	—	12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24‡	A £12½	12†	12†	14†	7†(i)	12	R.L.Y.
£375,000				£24‡	B £12½	12†	12†	14†	7†(i)		
£300,000				£10‡	C £5	12†	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£31‡	£12½	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency. (i) Interim. *8 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	15th May and 10th November	Bampji Nasser	99½	15th November .. 1956(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	98½	1st January .. 1967-72
13,68,000	5½		Jaysbree Textiles	78N	1st January .. 1956 59
60,00,000	5	1st June	Tata Mills	101	 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.	101	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,25,97,100	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101‡	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	86	31st December .. 1970
15,00,000	5	1st January and 1st July	Jijua (Jhansi) Electric Supply Co., Ltd.	96	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	96	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,72,000	4	1st April and 1st October	Tata Power	100‡	15th September .. 1955-65(i)
2,50,000	4	1st April and 1st October	Tata Power	93‡	15th September .. 1965-70
ENGINEERING					
5,00,000	5½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	103½	31st December .. 1956(ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100‡	1st October .. 1960-65
60,00,000	6	31st December	Textile Machinery Corporation Ltd.	93	31st December .. 1960
JUTE					
12,00,000	4½	30th June and 1st April	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(h)
15,00,000	4	30th June and 31st December	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1968
8,86,000	5	30th June and 31st December	Empire	95	15th July .. 1966
85,00,000	5½	1st January and 1st July	Hukumchand	92‡	30th June .. 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
85,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June .. 1958
85,00,000	5	1st March and 30th September	Reliance Jute Mills Co., Ltd.	96½	30th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June .. 1957(d)
10,00,000	5½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	86	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99½	10th November ..
£350,000	4½	1st January and 1st July	Calcutta Tramways	1908 £61½N	A 1.05% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933 £77½N	1st October .. 1974
5,00,000	5½	30th September and 31st March	Kalighat-Falta Railway	1934 90	30th September .. 1953
4,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1943 89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90½N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	100	1st January .. 1945-55
3,68,200	5½	31st March and 30th September	Teekoy Rubber Estates	100	31st March .. 1949-59
80,00,000	5	30th June and 31st December	Waterfalls Ltd.	101‡	1st January .. 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,50,300	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	93	1st February .. 1964
21,55,000	4½	1st July and 1st January	Clive Buildings	88½	1st July .. 1986
80,00,000	5	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	79‡	 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January .. 1971
80,00,000	5	15th March and 15th September	Metur Chemical Industries	96	 1964
89,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	465 (per note)	30th September .. 1978
65,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	94	31st March .. 1961
1,87,50,000	4½	30th June and 31st December	Rohtas Industries Ltd.	84‡	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	103‡	1st May .. 1968

Note—See page 798 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 22nd October, 1953.

—	Closing quotations 15-10-53	High	Low	Closing quotations 22-10-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157	157½	156½	157½
Bank of Baroda (50)	107	—	—	107
Central (25)	64½	64½	63½	64
Imperial (P.Pd.) (500)	1,837	1,840	1,836	1,836½
Imperial (P.Pd.) (125)	452½	455	452½	455
Union Bank (5)	6-3½	—	—	—
United Com. (50)	36½	36½	36½	36½
COTTON MILLS				
Ahm. Adv. (100)	137½	—	—	140
Apollo (2)	2¼	2¼	2-6½	2¼
Bombay Dyeing (250)	367½	382½	363½	378½
Central India (100)	157	158½	155½	157
Century Mills (100)	260½	263	258	261½
Colaba (100)	60	—	—	60
Edward Textile (200)	227½	—	—	226½
Elphinstone (50)	45	45½	44½	44½
Finlay (100)	249	249	248	248
Gokak (100)	232½	240½	234	233½
Ind. Untd. Defd. (1)	1-7½	1-7½	1½	1-6½
Ind. Untd. Ord. (10)	10¼	10¼	9½	10-2½
Indore Malwa (100)	85xd	85½	83½	85
Khatau (100)	175	—	—	175
Kohinoor (100)	286	290	281½	288½
Lakshmi (250)	560	560	562½	565
Madhusudhan (100)	87	—	—	87
B. B. Cotton Mills (100)	48½	49	48½	49
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	182½	—	—	182½
Mysore (50)	122½	—	—	122½
New City (100)	151½	150½	150	150½
New Great (100)	148½	153	149	153
Phenix (100)	116½	—	—	116½
Podar Mills (100)	120½	—	—	120½
Sassoon Blk (10)	19	—	—	19
Sholapur (1,000)	25½	—	—	25½
Simplex (50)	1,610	—	—	1,610
Sradashi (100)	129	130	128½	129
Swan (100)	243½	244	240½	242
Tata M. (25)	312½	—	—	312½
Vishan (100)	41½	41½	41	41½
Western India (1,000)	138½	137½	133½	137½
	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	114½	114½	113½	114½
Amalgamated (10)	11¼	—	—	11¼
Andhra Valley (1,000)	1,265	1,280	1,270	1,275
Bom. Sub-El. (100)	120½	124½	121½	124½
Surat (100)	125½	126½	125½	126½
Tata Hydro (100)	137½	138½	136½	136½
Tata Power (1,000)	1,360	1,380	1,360	1,365
INSURANCE COS.				
British India (10)	13½	13½	13½	13½
Empire of India (100)	662½	—	—	662½
Ind. Mercantile (20	38½	38½	38	38
Jupiter (15)	6¼	—	—	6¼
New India (15)	39½	40	39½	39½
Oriental (200)	6,900	—	—	6,900
Universal (10)	8½	—	—	8½
Vulcan (10)	11¼	—	—	11¼
STEAMER COS.				
Scindia (15)	14½	14¼	14½	14-2½
STEEL COS.				
Ind. Iron (10)	24-2½	24-12½	24½	24½
Tata Steel Defd. (30)	1,897½	1,912½	1,895	1,907½
Tata Steel Ord. (75)	323½	324½	322	324
MISCELLANEOUS				
Alcock Ashdown (100)	310	315	309½	315
Associated Cin. (100)	173	177½	173½	173½
Belapur Sugar (5)	260	263	260	262
Bom. Burmah (125)	343½	343½	337½	338½
Do. (New) (50)	124½	124½	121½	122½
Br. B. Petrol (4 sh.)	1-14½	2	1-14½	2
Br. I. Corpn. (5)	8½	8½	8½	8-0½
Indian Copper (2 sh.)	2-14½	2-15½	2-14½	2-14½
Ind. Inv. Tr. (100)	66	—	—	66
Port Canning (100)	23	26½	24	26½
Premier Cor. (50)	91	96½	90	96
Shirvani Sugar (5)	64	65	63½	65
Tata Chemicals (10	8¼	9¼	8½	8-15½
Tata Oil (25)	31½	31¼	31	31½
Walchand Ind. (100	150	150	148½	149½
W. I. Match (100)	238½	241½	237½	240

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98¼	—	3.49	98¼
2½% 1955	98¼	—	3.38	98½
2½% 1961	90½	—	3.88	90¾
2½% 1962	93¼	—	3.91	93¾
3% 1958	91¼	—	3.87	91½
3% 1957	82¾	—	3.92	82¾
3% 1948	98¼	—	3.44	98½
3% 1959-61	98	—	3.41	98¼
3% 1964	96¼	3.73	3.57	96¾
3% 1963-65	92¼	—	3.84	92½
3% 1966-68	90½	3.91	3.78	92¾
3% 1970-75	90½	3.97	3.88	90¾
3% 1986 Con. Loan	86¼	4.12	3.93	86¾
3½% 1936-59*	82	—	3.66**	82
4% 1960-70	100¼	3.32	3.46	100½
4½% 1955-60	102	3.68	3.84	102
4½% 1958-68*	103	2.90	4.00	103
3½% 1961 N.P. Bonds	105	3.40	4.03	105
	98½	—	3.72	98½

BRITISH GOVERNMENT SECURITIES	15-10-53 £	High £	Low £	21-10-53 £
3½% Brit. Consols	63½	63½	63½	63½
3½ Savings Bonds 1955-73	88½	89	88½	88½
3% War Loan 1955-59	101¼	101¼	101¼	101¼
3½% War Loan 1952	85¼	85¼	85¼	85¼
3½% Brit. Iron and Steel 1976-78	93¼	93¼	93¼	93¼
4% Funding Loan 1960-90	100½	100¼	100½	100¼

xd—Ex-dividend. ** Current Income. • Rupee Counterparts.

COMMERCE

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

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RELIEF TO COTTON MILLS INADEQUATE

THE threefold measures announced by the Government of India for improving the marketability of mill-made cotton piecegoods have come not a day too soon. On the contrary, they are very belated. If they had been taken some months ago, they might have yielded more tangible results than they are likely to do now. Inordinate delay is not the only criticism that one has to offer on the Government's action. Inadequacy is also an equally valid criticism. There is no doubt whatever that what the Government has done is not enough. It should have gone further in reducing the imposts on the industry which were imposed at a time when the demand for cloth exceeded supply. The parsimonious manner in which the Government has given relief, coupled with the steps it has taken to safeguard the interests of workers, suggests that either its understanding of the industry's malady is imperfect or it is deliberately following an ostrich-like policy. It will not be surprising, therefore, if it finds ere long the necessity for taking further action to stimulate the offtake of cloth.

Readers must by now be familiar with the gravity of the situation facing the mill industry. This was described at some length in some of our previous issues, particularly in those dated 26th September, 1953, and 10th and 24th October, 1953. A reference to these issues will show that cloth of the value of about Rs. 75 crores had accumulated with the mills by the end of September and that, although the customary busy season for the cloth market had arrived and the mills had reduced prices very substantially, the offtake showed no signs of improvement. The only alternative which most of the mills had was to enforce a cut in production, with all its consequences on employment in the country, as the Government had paid no heed to their requests for a reduction in the incidence of indirect taxes on the industry. It was only when the Government was faced with the prospect of immediate retrenchment of workers in the textile industry that it condescended to take some action.

It is obvious from this that no amount of suffering by the mass of consumers or investors will move the Government, but the possibility of a few thousand workers being thrown out of employment will be sufficient to make it sit up and take notice of the situation. It is this attitude of the Government towards the problems of industries that tends to encourage the undesirable tendency among some employers to pinch the labour in order to obtain relief. The remedy for this surely lies in the hands of the authorities themselves. By this we do not mean that they should admonish the employers, as the Commerce and Industry Ministry has done in its Press communique issued last weekend. What we mean is that the Government should be prompt in redressing the genuine grievances of the industry and in giving relief to it in respect of burdens imposed to meet a particular situation which does not obtain any longer.

What are the reliefs which the Government has given to the industry? In the first place, the export duty of 10 per cent. on medium counts cloth has been abolished. Secondly, the excise duty on superfine cloth has been reduced from As. 3-3 to As. 2 per yard. And, thirdly, provision has been made for granting a drawback of duty on imported cotton used in the cloth exported from this country. These concessions are welcome, but, as stated at the outset, they do not go far enough. The first and the third reliefs are designed to encourage exports, while the second is expected to stimulate domestic consumption. Following the abolition of the export duty, the competitive capacity of medium counts produced by Indian mills is no doubt a little better than it was when the 10 per cent. duty was on. But it is too early to say whether it will produce any spectacular results, because the competition for export markets is very keen. The U.K. and Japan may seek to buttress their position by reducing their prices and by offering better credit facilities and they are in a position to do so because of their higher productivity and lower cost of production. If the Government had taken this step some three months earlier, the results might have been quite substantial.

The granting of a drawback of duty on imported cotton was overdue by more than eighteen months. The Government had hardly any justification for withholding this concession so long. By not giving a refund of the import duty on cotton used in the manufacture of goods for export, the Government was placing the Indian mills at a disadvantage *vis-a-vis* their confreres in other countries which have not been subject to such a handicap. The varieties affected were not merely fine and superfine goods manufactured entirely out of imported cotton but also medium counts, inasmuch as foreign cotton was used in the manufacture of these varieties too. So long as the latter were subject to an export duty as well, they suffered from two handicaps. Consequently, exports of medium counts in the past were smaller than those of either the coarse or the fine counts. In 1952, for instance, out of a total export of about 394 million yards, while coarse and fine accounted for 168 and 265 million yards, respectively, the share of mediums was no more than 139 million yards. But, considering the fact that medium counts account for as large a proportion as about 60 per cent. of the total production in the country, they should, really speaking, hold the first place in our exports of piecegoods. Now that both the handicaps have been removed, the medium counts should fare better. Whether, however, they will actually do so will depend upon the trend of the world textile markets.

It is, indeed, a misnomer to describe the granting of a drawback of import duty on raw material as a concession, for the Government has no right to resort to this form of taxation and no Government in the world does so. What the Government has done now, therefore, amounts to no more than remedying an injustice. Further, in doing so, the Government has shown no special favour to cotton mills, for, under the Ordinance issued last week-end, all export industries which are using raw materials subject to an import duty are entitled to a drawback. A further point that needs to be noted, in this connection, is that a mere drawback of import duty on cotton is not sufficient, because it does not fully reimburse the industry the effect of import duties which the industry has been paying on fuel oil, dyestuffs, various types of mill stores, spares, chemicals, etc. It may be argued that this contention does not hold good now that a large part of these goods is being produced within the country itself. But this argument is not wholly correct, for the cost of these materials is higher than in the countries with which India has to compete in the overseas markets for cloth. There is thus no doubt that, in regard to all these things, the competitors of Indian mills are more favourably placed.

The half-hearted nature of the Government's action is evident from its decision to continue the export duty on coarse counts and to maintain the excise duty on fine, coarse and medium counts unchanged. The Government, which has gone out of its way to make many unwarranted and irrelevant statements in the Press note, issued by the Ministry of Commerce and Industry, announcing the reliefs mentioned above, has not cared to explain its reasons for continuing these imposts. The Government admits that the industry is "undoubtedly facing difficulties," that "the mills in Bombay and Ahmedabad have made perceptible reductions in the prices of cloth," and that, "in the present circumstances, there is little hope for further reduction in prices by the mills." If that is so, why has the Government decided to continue these imposts? What more proof does it need for removing them? By reducing the excise duty on superfine cloth, the Government has conferred some benefit on only a small section of the industry. Superfine cloth, it may be interesting to note here, accounts for only about 5 per cent. of the total production of mill-made cloth in the country. The remaining 95 per cent. of production gets no relief in excise duty. Since this duty is as heavy as 15 pies per yard on fine counts, which constitute a little over 25 per cent. of the total cloth production, the Government should have at least halved it. There is another reason why it should do so. In the last Budget, the excise duty on this particular variety of cloth was more than doubled, that is, from about 7 pies per yard to 15 pies, all in the name of readjusting the duty from *ad-valorem* to specific duties. The strong protests made by the industry were quietly ignored by the Government. It might have done so under the impression that the traffic could bear that rate of taxation. But now that the market position has deteriorated in favour of buyers, the duty has become very onerous.

Equally urgent is the need for abolishing the export duty on coarse counts. It can, of course, be argued that, inasmuch as the Indian mills have the advantage of getting their raw material at well below world prices, they can afford to carry this burden. It can further be argued that coarse cloth being the poor man's cloth, the Government is not very much interested in providing a special incentive to mills for exporting this cloth free of any duty. But it must be remembered that the advantage of lower cotton prices is nearly, if not fully, offset by high labour costs in terms of workers' productivity and that a part of this burden is

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being passed on to the cotton grower. If the export duty on coarse counts is abolished, the mills will ultimately be able to pay a higher price for the cotton used in its manufacture. As production has gone up to record high levels and as the supply of cloth in the country is plentiful, there is no need for continuing the export duty on coarse counts with a view to keeping their exports under check. But, if after investigation the Government finds it necessary to ensure sufficient stocks of certain types of coarse cloth for domestic consumption, it can continue the export duty on these varieties, leaving the rest to be exported free of duty.

It must, however, be added that, even if all the foregoing suggestions are implemented by the Government to-morrow, the problem of maintaining production at the current level of 4,900 million to 5,000 million yards cannot be completely solved. At best, these measures can bring down the costs only by a fraction. A very substantial reduction in the price of cloth will be necessary to stimulate both domestic consumption and exports and that can be brought about only if the cost of production is lowered. As there is scarcely any scope for lowering the cost of cotton, the only other item of cost that can be substantially reduced is the wage bill. A direct reduction in wages is, however, neither feasible nor desirable, unless it can be achieved through lower cost of living. The only way out, therefore, is an increase in the productivity of both men and machines. We thus come back to the self-same problem of modernisation of machinery and rationalisation of production. The workers must agree to mind more spindles and looms, and where the managements are inefficient and corrupt, they must either mend their ways or be made to vacate their position in favour of more efficient managers. All this requires the wholehearted co-operation, not to mention mutual confidence, of labour, management and the Government.

TAXES ON AGRICULTURE

IT is now becoming increasingly clear that the Five-year Plan might founder on the rock of finance, if the Central and State Governments do not evolve a fiscal policy which will enable the Governments to find the necessary finance for development purposes without killing individual initiative and enterprise. The deliberations of the National Development Council which met early this month in New Delhi, the utterances of the Finance Minister, Mr. C. D. Deshmukh, and the Deputy Chairman of the Planning Commission, Mr. V. T. Krishnamachari, all make it abundantly clear that, if large-scale deficit financing is to be avoided, it will be necessary to make every attempt at closing the leakages in revenue and searching for new sources of income. Among the sources, for which a special plea was made at the meeting of the Council, was the Development levy—the levy on lands that benefit from the successful completion of the irrigation projects. But this levy forms part of a whole range of taxes on agriculture. Without necessarily running the whole gamut of issues presented by this somewhat intricate subject, which in any case will be examined at great length by the Taxation Enquiry Commission, it will perhaps be useful to consider the objectives and scope of taxes on agriculture.

Any examination of this subject must take into account the admitted paucity of sources of tax for the States and the equally admitted reluctance of State Governments to exploit the sources which are available to them. Since agriculture has been included in the States' list, the taxation of land and of agricultural income is the responsibility of the State Governments. If these Governments have not shown any great enthusiasm for tapping this source, it is because of the fear that they might incur the displeasure of a very large section of people who have been largely responsible for voting them into power. Thus, it has become a political issue. On purely economic considerations, there is no doubt that agriculture, which has benefited greatly from the increase in prices in recent years, ought to bear its share of the tax burden. And yet, neither land revenue rates nor other imposts on agriculture have been revised upwards. The State Governments have, by and large, made up the loss of revenue through prohibition by sales tax. But it is unlikely that this tax will continue to yield a revenue on the same scale as it has done in the past. This consideration, apart from the more compelling reasons of finding finance to pursue the Five-year Plan, must make the State Governments revise their fiscal attitude towards agriculture. But even if they are prepared to adopt a more realistic attitude in this matter, they may not be able to get such a large revenue as they would have obtained in the past. In fact, they are fast missing the bus. This is because agricultural prices are coming down not only here but also abroad. The revenue through agricultural taxes, which might have been the State Governments' for the mere asking in the early post-war years of agricultural prosperity, will now be only slow in coming. In any case, it is better to revise the attitude towards taxes on agriculture. It is still not too late, for some of the crops continue to fetch good prices and the situation affords scope for a judicious revision of these taxes.

Among the fiscal burdens, which agriculture might be asked to bear, agricultural income-tax is one of the most important. Although many States have taxes on agricultural income, the tax falls only on large estates and plantations. Further, in most cases the dividends paid out of agricultural income are also assessed for purposes of income-tax, though in some cases they are exempted. This is a somewhat anomalous position which could be rectified, as the Bengal Chamber of Commerce and Industry has pointed out, only through the creation of a single co-ordinating authority which will determine an assessee's taxable income, from whatever source. The agricultural portion of that income could then be taxed either by the Centre on behalf of the States or by the latter on a uniform basis. But it must be recognised that agricultural income-tax, as such, is not likely to yield a very large revenue, thanks to the progress of land reforms, the abolition of *zamindari*, the voluntary land gifts movement, and the move in many States to impose a ceiling on land that could be owned by individuals. But the question bristles, as all civil administrators have recognised, with serious difficulties, since it will at all times be difficult to determine agricultural income, and still more difficult to arrive at the taxable income by making allowances for expenses of cultivation. The scope for evasion will be large and the cost of inspection high in outlying areas. It is the essence of a tax system that it should be simple, easy of comprehension and administration. From this point of view, the suggestion made by the Bombay Chamber of Commerce, namely, that the rent, which a landlord can collect from the tenant, may be made the basis for calculation of agricultural income, deserves the consideration of the State Governments.

Apart from agricultural income-tax, which is an innovation in India's fiscal sphere, there is the traditional source of revenue, the land revenue. The question whether agricultural lands, in the context of the large increases in the prices of agricultural produce in recent years, cannot bear a higher rate of revenue has never been investigated satisfactorily. It is true that agriculture is subject to special risks, such as famine and floods, and deserves to be treated with some special consideration. Even so, it should be possible to upgrade the land revenue rates. But any such revision should follow intensive propaganda in the rural areas, in order to make the rural population realise that the additional revenue is being collected for purposes of development. Allied to this question is that of periodical settlement. Here, administrative practices vary from State to State, the ordinary term of settlement ranging between 20 and 40 years. Although it is recognised that the interval should be sufficiently large, it should not be so large as to make land revenue unresponsively rigid for any great length of period in relation to changes in the prices of agricultural produce. Perhaps, a 30-year term, as has been suggested by the Bengal Chamber, would be an appropriate interval.

By far the most topical issues in the sphere of agricultural taxation are the betterment levy and irrigation rates. It is now a well recognised principle that the people who benefit from the improvement in land, through irrigation or other projects, which are carried out at the expense of the general taxpayer, should be made to bear a larger burden of taxation. Although this principle should never be, and has neyer been, carried so far as to make the entire cost of the projects recoverable from the immediate beneficiaries, there is no doubt that State Governments should not hesitate to recover as much of the increased income accruing to the beneficiaries as possible, consistent with the capacity of the agriculturists to bear the additional burden and the need for leaving them sufficient margin for covering the cost of developing the land. It must be recognised that the provision of water alone is not sufficient for bringing new land under cultivation or for introducing intensive cultivation of the existing culturable land. In either case, the land has to be developed and made fit for raising irrigation crops. This involves substantial capital expenditure. The farmer will have no incentive to undertake such development, if the rates of development taxes are fixed at high levels.

Charges for water supplied for irrigation from Governmental canals and works are levied in various forms such as water rate, increment in land revenue, irrigation cess and betterment levy. The Planning Commission itself recognised that, as the projects now under construction are "considerably more costly than projects executed in the past and also the cost of maintenance and operation is higher than before, the State Governments should re-examine the water rates, etc., which they recover from the cultivators for the supplies of irrigation waters." It is not clear what steps have been taken by the State Governments to implement this suggestion. But in doing so, the State Governments will do well to bear in mind the aforesaid consideration. They will also do well to take note of two notable suggestions that have been made by the Bombay Chamber of Commerce in its reply to the Taxation Enquiry Commission's questionnaire. Water rates, once determined, the Chamber rightly insists, should not be changed too frequently. Secondly, unnecessary complications will arise in the system of assessing water rates, if concessional or incentive rates for particular crops or farming techniques are imposed.

Betterment levy is on a somewhat different footing from the other forms of levy. While the other levies are generally designed to take away a portion of the excess income which accrues to the agriculturists through the completion of irrigation and other projects, betterment levy seeks to prevent speculation over the increase in the capital cost of the lands that acquire a new value when they are within the area served by the projects. It is an irreproachable principle that the State should benefit from this unearned increment in the value of such lands. In any case, it is right that the State should prevent speculation in land prices that generally follows the execution of irrigation projects. Many States have already taken steps to impose betterment levy. It is to be hoped that other States will soon adopt similar measures and mop up at least a portion of the increment in land values. But how is the rate of levy to be determined? The Bombay Chamber of Commerce feels that, even if as much as 50 per cent. of the increased value of the lands is absorbed by the State by way of a betterment levy, it should not be considered excessive, provided the levy is collected only at the time of the sale of holdings. Explaining this point further, the Chamber observes:

"The provision of irrigation facilities makes such an enormous difference in the value of the land and the potential standard of living of the landholder that there is every justification for a betterment levy. The assessment and collection of the levy, however, must present very serious administrative problems. The simplest method of collection might be one which comes into operation at the time of transfer of the improved landholding by sale. It should be relatively easy to determine the difference between the value at the time of the last sale and sales effected after the provision of irrigation facilities. To some extent, this method can yield certain revenue even before a project comes into full operation as land values will appreciate in anticipation. Further appreciation, that is appreciation after the first sale following on construction of the project, presents a more difficult problem; the same land should not be subjected to a second betterment levy unless it is possible to devise a method of assessing further automatic improvements in the value of holdings unconnected with the efforts of the landholder. If the proposal to realise betterment levies by a charge at the time of registering subsequent sales of land is accepted, it will not be difficult to impose a betterment levy on lands already benefited by an existing irrigation work provided it is possible to estimate the standard improvement in land values in the area."

If this well-reasoned suggestion is accepted, it will mean that immediate benefit by way of betterment levy will not be appreciable. As an alternative to this method, the betterment levy may be spread over a period of years. But, even in this case, the annual collections cannot be large, as the rate of levy will have to be kept at a low level. The conclusion is, therefore, irresistible that the States will not find in the agricultural sphere any rich source of income that will compensate the loss of revenue through prohibition, the fall in sales tax and other non-agricultural sources of taxation, and that will help meet the increased demand for development expenditure.

TREND OF ALL MARKETS BETTER

FREE MARKET IN GOLD—MR. SHROFF ON TEXTILE SITUATION—BARCLAYS BANK CAPITAL CHANGES

THURSDAY, 5 P.M.

ALL the markets have fared better than in last week. In the share market, equities have registered further gains. There has been a wide-spread improvement in textiles, in which section almost all counters have gone up. The reliefs to the textile industry, announced by the Government last week, took the market by surprise, for it had given up the hope that the authorities would come to the rescue of the industry. Although the millowners are not quite satisfied with what the Government has done, the share market no doubt feels encouraged by it. In the iron and steel section, too, there has been a sizable improvement in values. In fact, the gain in Tata Deferreds, Tata Ordinaries and Indian Irons during this week has been greater than in the past week, thereby belying those who felt that the upward momentum was losing its force. Advices from Calcutta and Madras also point to the existence of a firm trend.

MARKET GOSSIP

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The tone of the commodity markets, too, has improved. The downward trend, noticed in the previous two weeks, seems to have been arrested for the time being at any rate. Raw cotton, which had gone down to as low a level as Rs. 602 last week (for I.C.C. February), has looked up to Rs. 614. There has been some enquiry from mills, presumably as a result of the measures taken by the Government to stimulate the offtake of cloth. Among oilseeds, groundnuts have recovered a little, the rise being more perceptible in the November delivery than in the ready. Castorseeds have ceased going down; if anything, they are a fraction higher. Linseed, however, is an exception, in that it has lost further ground. It would appear that higher domestic production and keener competition in overseas markets from Argentina and Canada are the main causes for the depressing outlook for this commodity. If this tendency persists for some more time, the Government will have to give up a part, if not the whole, of the export duty on this commodity.

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The cloth markets both in Bombay and Ahmedabad have been active since the Government announced the reliefs for the cotton mills, thereby justifying, in a way, the optimism of the share market. There has been a good demand for seasonal varieties of cloth from up-country markets. There has also been a considerable broadening of enquiries from almost all the overseas markets. Hong Kong, Singapore, Aden and Red Sea ports, in particular, have booked a sizable volume of business. Australia is somewhat lukewarm and is trying hard to strike a bargain at lower prices. Floating stocks of exportable varieties have shrunk considerably, though stocks meant for domestic consumption are still heavy. Prices of cloth for export have gone up by about 5 per cent. since last week. In other words, the mills have not passed on to overseas buyers the entire relief they got by way of abolition of export duty. It is said that, at to-day's prices, Indian medium counts are the cheapest in the world and that so far Japan has shown no signs of cutting its prices for the corresponding varieties. Exporters of cloth aver that the only strong point of Japan to-day in these varieties is their high quality. They, therefore, feel that, if the Indian mills pay some attention to the quality of their manufactures, they should be able to have a distinct advantage over Japan.

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So far as the U.K. is concerned, no stiff fight need be expected, as it is suffering from shortage of man-power. London advices reveal that "the rebound to recovery has caught Lancashire somewhat off its guard." Domestic demand is nearly back to what appears to be its normal post-war level. Export orders are flowing in at a satisfactory rate. It is estimated that the proportion of exports consisting of cloth wholly produced in the U.K. has risen from 80 to 90 per cent. It is further estimated that total orders now reaching the industry would be sufficient to maintain output at about 90 per cent of the pre-recession level. But, as shortage of workers in all sections has prevented output from rising to more than 88 per cent. of the level, the delivery periods are lengthening. It is this feature that is worrying the Lancashire millowners. More so, because they expect that, in the next few months, demand from overseas is likely to increase further, now that import restrictions in Australia and other countries are being relaxed. If Lancashire is unable to compete effectively on deliveries when this demand comes up, they are afraid that their business would go to other countries. This development has given rise to hopes in the local cloth market that Lancashire may turn its attention to India again and revive imports of cloth in grey state which it can bleach and finish for meeting the needs of its export markets. Now that the export duty on medium cloth has been abolished and a drawback of import duty on cotton is allowed, the situation is believed to be conducive to the revival of this business.

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In the bullion market, there has been a smart rise in silver which discloses over the week a gain of Rs. 3-3 in spot and Rs. 3-1 in forward. This recovery is due partly to the revival of speculative buying and partly to the fall in arrival of kutcha metal from up-country centres. As regards gold, there has been a small improvement of As. 3 or As. 4 in value, as compared with the previous week's closing rate. But the downward drift seems to have been arrested. It would appear that the prospects of large arrivals have been fully discounted and that, at about Rs. 80 per tola, the margin of profit for the smuggler is not attractive. In the free markets of the world, however, the price of gold has been gradually declining in recent weeks. In Paris, the lowest level for gold in the post-war years was recorded yesterday. The world free market price for gold in terms of U.S. dollar, as indicated by quotations on the leading Continental centres in the past week, dipped below $36 a few days ago and is now being quoted at $35.80 per ounce. Only two years ago, it was standing at about $45 per ounce. Much the same story comes from other international centres in the Middle East, where prices have dropped back to their pre-Korean levels and, in some cases, even to still lower levels. What are the reasons for this decline in the price of gold? Answering this poser, the *Financial Times*, London, observes as follows:

"What are the causes of this sharp decline in prices? One of them, of course, has been the increase in the amount of newly-mined gold offered on these markets for the sake of the premium which it would fetch over the official price. Another reason is the decline in the offtake of gold for hoarding account which has followed the end of the war in Korea. Further, there is the return of a greater measure of confidence in paper currencies in view of the evidence of waning inflation and of a general improvement in the economic position of many countries. Even in France, in spite of the position of the franc, there has been a falling off in demand. The relaxation in several cases in controls over the form in which the gold can be marketed has contributed to the flow of the metal in world markets, and certain other markets, notably China, which formerly bought the metal on a considerable scale, are now closed. Opinion is divided as to the extent to which gold has come out of hoarding and it may be true that there are still many people who, having bought at the inflated levels of the past, are still holding on in the hope of an eventual recovery, but, in such case, the problem of financing stocks is becoming serious. Even if these speculators, as a whole, have not reached the stage at which they feel they should cut out, they may well have decided that they cannot add to their burden and, to that extent, their potential support will be lacking.

"Another factor is the waning hopes of a change in the world official gold quotation of $35 per ounce. For many months speculative demand came from people who were counting on a change in the American Treasury view towards the official price of gold. More recently it has become clear that nothing is likely to be done about the official gold price before the recently appointed American Commission on U.S. external economic policies has reported—that is to say, not until next year is well advanced, at the earliest. Hitherto, market operators have pointed out that, although buyers of gold are now more difficult to find, especially since the French lost their traditional interest in the metal during the summer, it has always been possible to find a buyer in the region of the $36-per-ounce level sooner or later. They have stressed that it was because of the existence of this 'basic' demand that it has been possible for the free markets to absorb the great quantities of newly-mined gold which flow in month by month. Now that the price has broken below that 'basic' level, it will be interesting to watch events. Maybe optimistic buyers, prepared to lock up funds for years, if necessary, will come forward in the belief that 'everything comes to him who waits'."

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Another development of interest to the gold market is the decision of the South African Government to abandon its self-imposed restriction that gold sold on the free markets must be in the form of "processed" metal. This decision means that a restriction which was initially imposed as a gesture to the authority of the International Monetary Fund, but which has been abandoned for some time by other gold producers, is now to be abandoned by South Africa itself. It will be recalled that other producers started on a similar basis in the premium market but later not only ignored the previous restrictions on the form which metal thus sold should take, but also removed the 40 per cent. limit on the premium sales. Thus, in December, 1951, Australia started to dispose of virtually the whole of its gold production on the "free" market, the Commonwealth being soon followed in April, 1952, by Southern Rhodesia and the Gold Coast, both of which had formerly been following South Africa's 40 per cent. limit.

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Mr. A. D. Shroff had some encouraging information to give the shareholders of the Central India Spinning, Weaving and Manufacturing Co., Ltd., when he addressed them, as their Chairman, this week. He said that, after a long time, he found himself in the happy position of being able to report that the labour situation in the Company's mills had shown a "marked improvement over the previous years." The management, on its part, has been solicitous of labour's welfare, as witness the construction of a welfare centre for labour in one of the labour colonies of the Company. Also, the Directors, Mr. Shroff announced, had decided to avail themselves of the facilities offered under the Government of India scheme for building houses for industrial workers; an application had been made by the Company for the construction of sixty houses (115 single-room tenements) under the Government's industrial housing scheme.

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On the plant renovation front, too, the Chairman had some interesting details to give. In the past, he had repeatedly urged the need for rehabilitation and renovation of the Company's "age-old" plant and machinery. The "old and outmoded" plant, he said, was responsible not only for lower efficiency but also for "poorer quality of products and excessive costs of repairs." Being alive to these handicaps, the Company has been progressively ordering new machinery. It would appear that out of Rs. 35 lakhs of machinery bought so far, the Company has received machinery to the tune of Rs. 27 lakhs. The internal transport system in the Company's mills has been mechanised. The humidification system in No. 5 Mill of the Company has worked satisfactorily. This has encouraged the management to sanction the installation of similar equipment in the Company's two other mills.

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Despite all these measures, the Company, along with several other textile companies, has had to fight a losing battle on the price front. The average realisation per pound of cloth was only Rs. 2-13-1, as against Rs. 3-4-11 in the previous year. This drop may be taken as an index of the fall in cloth prices in the country. But it has not prevented the Government from imposing additional burdens on the industry in the shape of Employees' Provident Funds Act and the Employees' State Insurance Act; in the case of the Central India, these two welfare schemes have meant an additional impost of as much as Rs. 2.50 lakhs.

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Viewed against this background of decline in prices, increase in production costs, new levies for carrying out labour welfare measures such as health insurance and provident fund, Mr. Shroff's general remarks about the conditions in the textile industry acquire a fresh significance. He pointed out how every cotton mill in the country was accumulating stocks of unsold cloth despite the large reduction of prices that the mills had effected, and how the merchants were very reluctant to take delivery of cloth already sold by the mills. He said that the two definite directions in which the Government could provide relief to the industry were the abolition of export duty and a drastic reduction in the excise duty on cloth, the "incidence of which has become more onerous as a result of the fall in prices." It would be a tragic commentary on the Government's solicitude for the cause of greater production, Mr. Shroff said, if as a result of its policies the industry, which had shown record output, were compelled to curtail production. His views on the Government's new measures designed to assist the textile industry, are practically identical with our own views, expressed elsewhere in this issue (vide first leader). Thus, he said: "The action recently taken by the Government is halting, hesitant and half-hearted and lacking in full and realistic appreciation of the situation. The continuance of the export duty on coarse cloth is absolutely unjustified and the excise duty on fine must be reduced by at least 50 per cent."

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That the Government has been half-hearted in granting the concessions to the industry is evident as much from the inadequate and belated nature of the concessions announced as from the language in which the announcement was made by the Commerce and Industry Ministry. The concessions might have been announced straightaway, in the cryptic manner adopted by the Finance Ministry while announcing the granting of drawback of import duty. There was no need to issue an elaborate statement. As it is, it is laboured and gives the impression that the Government has been stampeded into taking action. The official Press note almost amounts to saying: "We do not like these concessions. We were forced into them. We might have been spared all this, if the mills had not yielded to panic and the Press had not agitated for them." All this sounds meaningless considering that the Government itself admits that the situation facing the mills is difficult and that the mills need some assistance. Still worse is its observation that when the mills found that production began to increase they chose the "easy way" of closures. This is the unkindest cut of all. Surely, the Government ought to know that the closure of a shift, or of a whole mill, is not a pleasant prospect, since the overhead costs per unit of production will then increase or become a dead-weight on the mills. No mill would take the decision merely for the sake of creating panic. The stakes it will have to pay in the shape of overhead costs and the difficulties of resuming shifts or of re-starting the mills, are too high to encourage the mills to embark lightheartedly on closures. The only conclusion that one can draw from this unwarranted attack on the mill industry is that the Ministry is trying to throw the blame on the industry in order to shield its complacency.

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It is seldom that a British bank, especially a member of the Big Five, undertakes any departure from the traditions of constant dividends. This tradition was broken early this year by the National Provincial by raising its dividend level. This provided some material for controversy among financial experts who argued the case for and against changes in banks' dividend levels. It also led to a certain amount of discontentment among the shareholders of other banks, some of whom were very vocal. Now another subject for discussion has opened up with the decision of Barclays Bank to alter its capital structure. The Bank has three classes of shares—A, B and C. All classes rank equally upto 10 per cent. dividend level. Beyond that, the B. and C. shares rank equally. Of these two classes, the C class is not publicly held, so that, in effect, the B class shareholders benefit from any surplus that might be

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EQUITIES MAINTAIN BUOYANT TONE

TEXTILES ACTIVE

(From Our Own Correspondents)

BOMBAY, 29*th October*

THE buoyant tone noted on the Stock Exchange in the previous three weeks received further strength this week. The buying movement, coupled with heavy short-covering, witnessed previously, continued to persist. Activity widened to such an extent that it was not possible precisely to assess how much of the hardening of values was due to genuine buying and how much to bear covering. Nevertheless, the volume of buying increased to such an extent that the unloading by a big operator at one time during the week was easily absorbed.

The highlight of the trading during the week was provided by textile shares, which, after several months, came to assume the leadership of the market. This was chiefly due to the fillip given by the Government of India's announcement on Saturday evening regarding abolition of export duty on medium cloth, reduction in excise duty on superfine cloth and allowance of a rebate on imported cotton used in the manufacture of cloth that was exported. The removal of export duty on medium cloth was regarded as a definite stimulus to export of this variety. While the reduction of excise duty on superfine cloth was welcomed, market circles felt that the Government would have done well in affording a similar relief in respect of fine cloth also, which commands a better market—next to medium cloth—than fine varieties. However, the rebate allowed on import duty paid on foreign cotton was a welcome relief, as such cotton is largely used in the manufacture of fine and superfine varieties. The reliefs thus provided by the Government were considered to be adequate enough to expand sales of cloth both at home and abroad. More than anything else, they were considered as proof of the welcome change in Government's attitude to private industry. Trading in textile shares was, therefore, enlivened with quotations registering substantial gains over the week.

Sectionwise, steels experienced strong speculative support. The move on the part of a section of the Tata Deferred shareholders to throw out the conversion scheme at the forthcoming meeting of the shareholders did not have any effect on the sentiment of operators. The consensus of opinion in the market is that the scheme would be carried through without any difficulty, although some appeared to be not so dogmatic on the success of the scheme.

Tata Steels after an initial dip from Rs. 1,907-8 to Rs. 1,895 early in the week, advanced to touch a high of Rs. 1,935 to-day before closing at Rs. 1,931-4, a rise of Rs. 23-12 over the week. Tata Ordinaries were boosted up from Rs. 324 to Rs. 327-12, at which rate they bore a ratio of about 5.9 per cent. to the Deferreds. Indian Irons, which came up from Rs. 24-6 to Rs. 24-15½, shaded off to Rs. 24-11½ at the close.

The measures announced by the Government of India to stimulate cloth trade had a salutary effect on the cloth market which experienced considerable activity in the last two days. This, coupled with the belief that the Government might also reduce the excise duty on fine varieties of cloth, hardened the sentiment in the textile section. Leading speculative scrips as a result recorded smart gains. At one time, Bombay Dyeings came up to Rs. 389-6, but finished at Rs. 386-4, Rs. 7-8 more than last week's closing. Kohinoors, Central Indias, Centurys, Simplex, Svadeshis, Standards and Finlays were all actively supported. Kohinoors added Rs. 4-12 to Rs. 293-4, Central Indias as much as Rs. 11 to Rs. 168, Centurys Rs. 10 to Rs. 271-8, Simplex Rs. 6 to Rs. 135, Svadeshis Rs. 9 to Rs. 251, Standards Rs. 9-6 to Rs. 314-6, and Finlays Rs. 4-8 to Rs. 252-8. Gokaks changed hands at Rs. 240 *ex-div.* (dividend Rs. 5), as against Rs. 237-8 *cum-div.* a week ago. Indu Ordinaries were prominent on buying from interested circles and rose by As. 5½ to Rs. 10-8. New Greats hardened by Rs. 2 to Rs. 155. New Citys were done this week at Rs. 150, as against Rs. 150-10 last week. Tata Mills were put through at Rs. 42-8, as against Rs. 41.

Bank shares remained in the background with minor recession in values. Centrals lost a fraction to Rs. 63-12 and their New shares to Rs. 66. Imperial Fully Paids were done Rs. 3-12 lower at Rs. 1,832-8 and Contributories Rs. 1-4 down at Rs. 453-12. Indias were a shade lower at Rs. 157 and United Commercials at Rs. 36-8, while Barodas were unchanged at Rs. 107.

Barring New Indias which declined by Re. 1-12 to Rs. 37-12, other insurance shares maintained a steady tone, though the volume of business was small. Empires were sought Rs. 12-8 better at Rs. 675 and Orientals had business Rs. 10 higher at Rs. 6,910. All-India Generals looked up a bit to Rs. 2-10.

A revival of investment enquiry was noticed in electricity shares. Ahmedabad Electrics were maintained at Rs. 114-6, Bombay Suburbans were in demand and went up by Re. 1-14 to Rs. 126-4, Surat Electrics were taken up at Rs. 124-6 *ex-div.* (dividend Rs. 2-8) as against Rs. 126-4 *cum-div.* a week ago. Andhra Valleys put on Rs. 3-12 to Rs. 1,278-12 and Tata Hydros Re. 1 to Rs. 137-8, while Tata Powers were well held at Rs. 1,365. Andhra Valley Rights were done Rs. 12-8 lower at Rs. 152-8, Hydro Rights Re. 1-8 lower at Rs. 22 and Power Rights Rs. 6-4 lower at Rs. 237-8. It appears that some of the big holders, having preferred not to exercise their rights in these shares, have sold them.

In the miscellaneous group, A.C.Cs. were conspicuous with a decline of Re. 1-8 to Rs. 173-12, in distinct contrast to the general trend of the market, due to pessimism regarding the working results of the Company, for the year ended 31st July, 1953. Moreover, on yield considerations, some holders of these shares seemed to have switched over to Tata Ordinaries. Belapurs again moved ahead by Rs. 2-8 to Rs. 264-8 on bear covering. Bombay Burmahs showed no change at Rs. 338-12. Scindias were sought for As. 4½ higher at Rs. 14-7. National Rayons were a shade quiet at Rs. 119-12. Tata Oils had business at Rs. 31-8 and Tata Chemicals at Rs. 8-14½. Wimcos looked up by Re. 1-4 to Rs. 241-4. Killick Industries were picked up at Rs. 157, as against Rs. 154. The Directors have declared a final dividend of 6 per cent., making a **total of 10 per cent. for the year ended 30th** June, 1953, which is the same as that for the previous year. Among engineering and mining shares, Alcocks were better by Rs. 5 at Rs. 320 and Premier Constructions by Re. 1 at Rs. 97. Shivraipurs changed hands As. 8 lower at Rs. 64-8. B.B. Petrols eased to Rs. 2-2. Indian Coppers were better at Rs. 3.

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Calcutta Stock Exchange

CALCUTTA, 28*th October*

After the eleven-day closure on account of the *Poojahs*, the Calcutta Stock Exchange reopened on Monday this week. During the last three days steady conditions were maintained. Business put through also was moderate. Quotations were lower to-day on account of profit-taking. This was not altogether surprising, as operators had to fulfil the orders accumulated during the holidays. Reports from Korea added further enthusiasm for speculative businesses. It would, however, be a pleasant surprise if the present trend towards buoyancy is maintained in the coming days.

A number of encouraging factors helped a steady opening after the holidays. The granting by the Government of some of the demands of the cotton textile millowners, with a view to relieving the accumulated stocks with mills by increasing exports and sales for internal consumption, although belated, is recognised by market circles as denoting New Delhi's readiness to appreciate the difficulties of industry and to take remedial measures. The only grumble heard is that it takes time for officialdom to examine the trade grievances and suggestions and that during the interregnum, which is invariably rather too long, depression sets in deep. So much so, after the announcement of remedial measures, revival takes time.

A ministerial announcement that the Planning Commission proposed to take some measures so that the pace of private investment in industry would be speeded up was not without its good effect on the market; but at the same time market men are eager to know, if this announcement means that Government has at long last realised that sufficient incentives are lacking at present for attracting all usable private funds in the country's development. There is naturally the feeling among investors that, if Government has changed its mind, it has to say so, as also pronounce its policy on levying cess on mechanised industry to support the cottage industry.

Sectionwise, engineering shares were very steady. Expectations of an early announcement granting higher retention prices set in keen activity in Indian Irons which impressively advanced from Rs. 24-2 to Rs. 25, before the holidays. To-day, however, the rate eased to Rs. 24-12 on account of profit-taking. Burn & Cos. were lifted to Rs. 326 yesterday and further to Rs. 332 to-day on hopes of maintenance of dividend for the year ended April 1953 at 15 per cent. and of a bonus issue of one share for every existing share. At Rs. 16-4, Indian Galvanizings recorded an increase of Re. 1-2, while Britannia Engineerings spurted from Rs. 19-15 to Rs. 23. Texmacos were put through at Rs. 6-7, and Marshalls at Rs. 5-11. Good attention was afforded to Jessop & Cos. and Braithwaite & Cos. which were steady at Rs. 24-14 and Rs. 11-12, respectively.

The improvement in the prices of jute goods was naturally reflected by increased business at hardening rates in the jute section. After the rises on Monday and Tuesday, prices receded to-day with a reduced volume of business. Speculative Howrahs were pushed up from Rs. 23-8 to Rs. 23-14, and Indias, after realising Rs. 125, gave way to Rs. 122. A smart advance was recorded in Alliances from Rs. 152 to Rs. 161, while Chitavalsahs were better at Rs. 34. Gourepores were supported at Rs. 282, as against the previous rate of Rs. 260. A firm note was displayed in Unions at Rs. 159. Other steady features were Barnagores at Rs. 150, which, however, receded to-day to Rs. 147, Champdanies at Rs. 149, and Empires at Rs. 21-10. On the other hand, Lawrences eased to Rs. 154, Ganges to Rs. 72-8, and Dalhousies to Rs. 124. Anglo-Indias, after receding to Rs. 202 rose to Rs. 206, and Nellimarlas were firm at Rs. 37-4.

For reasons already stated, textile shares were in the forefront. The number of transactions rose impressively. Cawnpores rose from Rs. 8-1 to Rs. 8-4, and Elgin Mills from Rs. 17-2 to Rs. 17-5. New Victorias changed hands at Re. 1-5, and Kesorams were higher at Rs. 20.

In the coal section, Raneegunges improved from Rs. 7-12 to Rs. 8-8. South Karanpuras, after being higher at Rs. 11, eased to Rs. 10-11. Central Indias changed hands at Rs. 5-5. Churulias were fractionally better at Rs. 2-13 and Khatras Jherriahs at Rs. 38-8, while Burrakurs reacted from Rs. 9-5 to Rs. 9-2.

A number of features were noted in the miscellaneous section, where Indian Cables improved from Rs. 20-4 to Rs. 20-7 and India Steamships were steady at Rs. 7-14. Renewed interest in British Burma Petroleum made the rate further advance to Rs. 2-5. F. & C. Oslers moved between Rs. 6-14 and Rs. 7-2, before closing to-day at Rs. 6-15. Indian Wood Products gained to Rs. 34-10. Rohtas Industries were unchanged at Rs. 9-2 and Alkali Chemicals at Rs. 17. India Paper Pulps were put through at the higher rate of Rs. 178. Titaghur Papers realised Rs. 36-8 and Orient Papers came to business at Rs. 37-8. Martin Burns changed hands at Rs. 19-1, B.I. Corporations at Rs. 8-15, and Sone Valley Cements at Rs. 7. Calcutta Trams were quiet at Rs. 12-12 and Rallis at Rs. 62. There was a spurt in Dunlop Rubbers to-day from Rs. 29-8 to Rs. 31-8.

Moderate interest was shown in tea shares and buying was cautious in view of the recent rises. The volume of business was lower. Banarhats were raised from Rs. 336 to Rs. 337-8, Ananda Assams from Rs. 14 to Rs. 16-4 and Teesta Valley from Rs. 21-8 to Rs. 22-12. Teliaparas were steady at Rs. 133, while Teen Alis were maintained at Rs. 22-4. On the other hand, Seajulis eased from Rs. 21-4 to Rs. 20-12 and East Indias from Rs. 19-10 to Rs. 19-7.

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Madras Stock Exchange

MADRAS, 27*th October*

The week under review was eventful for the Stock Exchange in that it witnessed (a) the abolition of export duty on medium varieties of cloth, (b) reduction of excise duty on superfine cloth and (c) the promulgation of an ordinance requiring payment of compensation to labour in case of lay-off and retrenchment. At first, the third measure tended to unsettle the sentiment of the Share Market, but later it was realised that its adverse effects would be outweighed by the advantages conferred by the first two measures. Consequently, the textile section put on an improved tone with activity becoming broad-based. The planting section also presented a cheerful appearance. Teas were in the limelight, following improved demand on encouraging export enquiries and better trend in the recent tea auctions at Calcutta. Rubbers continued to gather support and coffees followed suit. The miscellaneous section too was no exception to the generally upward trend. As a result, trading in the market was brisk and prices recorded sizable gains.

Textiles came in for considerable enquiry during the week under review. Dhanalakshmis put on Rs. 3 to Rs. 188 and Coimbatore Cotton Rs. 2 to Rs. 159. Balasubramanias B gained Rs. 2-6 to Rs. 58. Balasubramanias, Rs. 40 paid-up, rallied Re. 1 to Rs. 34-8. Metturs were better at Rs. 194, as against Rs. 193, and Coimbatore Pioneers at Rs. 118, as against Rs. 117. Janardanas gathered Re. 1 to Rs. 62. Buckinghams were higher by As. 8 at Rs. 120-8. Rangavilas, however, lost As. 8 to Rs. 43-8, and Coimbatore Spinnings an equal amount to Rs. 38-8. But Maduras were lower by As. 2 at Rs. 39-8.

Among plantings, teas met with some selective support. Devasholas advanced from Rs. 16-10 to Rs. 17-8. Kalasas improved from Rs. 9-14 to Rs. 10-2. Periakaramalais hardened by As. 2 and closed at Rs. 7-6 *cum-div.* Talayar Tea, however, lost an anna to Rs. 8-7 *cum-div.* Twyfords were dull at Rs. 11-6.

The upward trend in rubbers gathered further momentum this week, on speculative support. Thamarapallys shot up from Rs. 14-4 to Rs. 15. Rajagiris were better by As. 4 at Rs. 12-8 and Vaikundams by an anna at Rs. 15. Tirumbadis and Be Bes were slightly higher at Rs. 3-3 and Rs. 2-5, respectively. Peninsulars were done at Rs. 9 *ex-div.*, as against Rs. 10-8 *cum-div.*

Among coffees, Coffee Lands improved from Rs. 10-5 to Rs. 10-7 and Consolidated Coffees from to Rs. 3-8. Puthuthottams changed hands at Rs. 3-5½ *ex-div.*, as against Rs. 3-10 *cum-div.* Mysore Coffees were dull at As. 8.

Miscellaneous scrips were also in favour. Rallis gathered Rs. 2-4 to Rs. 64-4. Mysore Gold was higher by As. 6 at Rs. 2-10. India Cements were done at Rs. 15-8, as against Rs. 15-4. Vellore Electrics disclosed a gain of As. 6 at Rs. 13-8 *cum-div.* and Cochin State As. 5 at Rs. 9-12 *cum-div.* India Sugars were up by As. 4 at Rs. 22-4. Madras Safe was higher by Rs. 5 at Rs. 30 *cum-div.* Central Scientifics were enquired at Rs. 5-4 *ex-div.*, as against Rs. 5-12 *cum-div.* Parrys, however, lost As. 2 to Rs. 4-6.

NEWS IN BRIEF

THE total capital invested in the electric industry in India is Rs. 18.31 crores, out of which foreign capital is Rs. 4.77 crores.

At the end of August, 1953, the number of towns under statutory food rationing was 101, with a total population of 24.2 million.

The Kashmir Government proposes to abolish customs duty and lift controls on import of salt and sale of cloth with effect from 16th November, 1953.

The annual meeting of the International Cotton Advisory Committee is scheduled to open on 2nd November, 1953. At this meeting the proposal for an international commodity agreement for raw cotton will be considered.

The Taxation Enquiry Commission, appointed by the Government of India to examine the taxation structure in the country, met in Bombay on the 26th inst., under the chairmanship of Dr. John Matthai, and finalised the programme for its tour beginning on 12th November, 1953, from Nagpur and the list of witnesses to be examined at some of the places to be visited by the Commission.

The International Labour Organisation has offered its services to India to help it tackle the problem of unemployment in the country. The Deputy Director-General of the I.L.O., Mr. Jef Rens, who is now in India, held discussions recently with the Labour and Planning Ministers and high officials of the Government of India on the problem of unemployment.

The Tariff Commission has prepared questionnaires for producers, importers and consumers in connection with its enquiries into the continuance of protection to the (1) calcium chloride, (2) cocoa powder and chocolate, and (3) cotton and hair beltings industries, beyond 31st December, 1953. Copies of the questionnaires can be obtained from the Secretary, Tariff Commission, Contractor Building, Nicol Road, Ballard Estate, Bombay 1.

The Government of Bombay has decided to deration wheat and coarse grains in 63 towns of the State with effect from 1st December, 1953. Rice and paddy will continue to be rationed and distributed through licensed dealers. Full rationing, as at present, will, however, continue to be in force in eleven cities, namely, Bombay, Ahmedabad, Poona, Sholapur, Baroda, Surat, Nasik, Ahmednagar, Kolhapur, Belgaum and Hubli.

The Andhra Government is considering the revision of the Five-year Plan in respect of electricity schemes in Andhra State. The total cost of the Plan for Andhra is about Rs. 51 crores, which includes cost of electricity schemes. The State Government will shortly consider the question of entering into agreements with the Madras and Mysore Governments on the continuance of power supply to the Andhra areas.

A firm in Bombay will, it is learned, shortly purchase rice in Iran in exchange for Indian goods like textiles, machinery and tea, for distribution in Madras, Mysore and other non-rationed areas. This is in pursuance of the Government of India's policy of allowing private traders to import rice from non-dollar countries and distribute the same in decontrolled areas. Rice worth Rs. 15 crores will thus be imported from Iran shortly on private account.

The fifth course of training in statistical quality control is scheduled to commence in November and will last for about 2½ months. The number of candidates to be admitted is 30 and the minimum qualification for admission is Intermediate standard of a recognised university. Applications should reach the Chairman of the Board of Management for Quality Control, Mercantile Bank Building, Fort, Bombay, before 10th November, 1953.

The Government of India has accepted in principle the policy of decontrol of wheat and coarse grains in all parts of the country. Inter-State restrictions on their movements will, however, be retained. Control over rice also will continue, in view of the difficult supply position. It is left to the States to decide on the date of implementation of this policy depending upon local conditions and circumstances. The new policy is expected to be implemented throughout India before 1954.

The Hyderabad Government has constituted wage boards to recommend fixation of basic wages and dearness allowance for those employed in a number of industries. In fixing the basic wages, the boards will take into consideration such factors as cost of living, paying capacity of the industry and effects of demonetisation of Osmania currency, if any, on the economy of the State. The boards, which will begin functioning on 1st November, 1953, will submit their reports to the Government within six months.

A conference of the representatives of the Union Government, West Bengal and Bihar Governments and the Damodar Valley Corporation was held on Monday this week to consider the Rau Committee report on D.V.C. and other important matters connected with its future. The Conference appointed two sub-committees. One Board was to study the desirability of increasing the power generating capacity of the D.V.C. and the extension of its transmission lines to Calcutta, Patna and Gaya, and the other to examine the revised financial forecasts of the Corporation.

The work in connection with the abolition of *zamindari* in the Madras State, including survey and settlement operations and the payment of compensation, under the Madras State's (Abolition and Conversion into *Ryotwari* Act of 1948 is expected to be completed earlier than anticipated. The Act empowers the Government to take over 2,810 *zamindari* estates, covering an area of 213 lakh acres, involving payment of compensation of Rs. 12.5 crores. The share of the residuary State of Madras, after partition of Andhra, is only Rs. 4 crores. The composite State has so far paid Rs. 3.14 crores as compensation.

The Government of India has issued an Ordinance under which the total funds at the disposal of the Rehabilitation Finance Administration will be increased, with effect from the 24th inst., from Rs. 10 crores to Rs. 14.5 crores. Of this, Rs. 12.5 crores will be available for grant of loans directly to displaced persons and the balance for reimbursement of losses to Scheduled Banks in respect of loans advanced by them and which are guaranteed by the Administration. The Ordinance enables the Government to undertake full guarantee of the losses suffered by the Scheduled Banks, as against 50 per cent. provided in the Act. The Ordinance also provides for extension of the period of repayment of loans from 10 years to 15 years. This is intended to diminish the hardship of the loanees, which a shorter period necessarily entails.

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From Abroad

Ten world oil companies are reported to have asked the Federal Government of Libya for permission to prospect for oil in the Libyan desert.

The U.K. Government proposes to set up a plant for producing atomic power on a commercial scale. When this is set up, it will be the first of its kind in the world.

Under the Italian agrarian reform programme, 51,566 landless peasant families have so far been allotted about 640,000 acres expropriated from big landowners since Parliament enacted land reform legislation three years ago.

A commercial tyre made with super-tenacity rayon cord has been developed by the United States Rubber Co. The tyre, called U.S. Royal Super Fleetway, is claimed to be 20 per cent. stronger than tyres with ordinary rayon.

For the first time since World War II, Indonesia has regained its status as an exporter of sugar, according to the International Sugar Council. It has already sold 21,000 tons of sugar to Iran and 5,000 tons to India.

The U.S. Government has relaxed its export restrictions on shipment of rice to foreign countries. U.S. exporters will now be able to ship rice to most countries under general licence, instead of individual export licences which had been required so far.

The Japanese Ministry of International Trade and Industry has negotiated a $60 million credit from the Export-Import Bank in Washington to finance the import of U.S. cotton into Japan. It is expected that imports of 300,000 bales of raw cotton will be financed by this loan.

The output of oil in the Middle East during the first nine months of 1953 was a record quantity of just over 90 million metric tons. This is only about 10 million metric tons less than the output for the whole of 1952 and compares with 78 million metric tons in the corresponding period of 1952.

A number of American, French, German and British firms have directed their overseas experts to study the possibility of expansion of their business into Iran. This is consequent on the Iranian Government's announcement that new investment laws are being framed to safeguard the interests of foreign capital and to encourage foreign business men to enter the Iranian market.

The Norwegian merchant fleet has increased by 300,000 gross tons to 6,300,000 tons last year. Norwegian merchant tonnage is now 30 per cent. more than that at the outbreak of war. This increase is confined to tanker tonnage which now constitutes more than half the total tonnage. Dry cargo and passenger tonnage has not increased at all as compared with 1939. Of the 3,000,000 gross tons on order, about 75 per cent. consists of tankers.

The Imperial Chemical Industries of Australia and New Zealand has applied to the Australian Tariff Board for a protective duty of 95 per cent. on alkalis made in Australia. The Company has also asked for lesser protective duties on certain chlorine products. It has pointed out that, despite improved efficiencies and larger manufacturing capacity, a serious drift in costs has occurred since 1947.

The Colombian Government has now permitted the operating subsidiaries of the South American Gold and Platinum Company to sell their output of gold in the free markets of the world. Until now, the Company had been operating under a Government bonus plan for gold based on the U.S. buying price of $34.92½ per fine ounce. It is estimated that the Company can now get about $36.15 per ounce in the free markets.

The United Nations has announced plans, drafted by the officials of the T.V.A. with the support of the U.S. State Department, of a scheme for providing irrigation and electric power for Jordan, Syria and Israel from the waters of the River Jordan. The cost of the scheme is $121 million.

The scheme will help resettlement of about 200,000 Palestine Arab refugees in Jordan and in the part of Palestine occupied by Jordan since the end of the Palestine war.

An increase of about 1½ per cent. in the world production of raw wool in the current season is estimated by the Commonwealth Economic Committee. World production is estimated at 4,400 million lbs. (greasy basis), as against 4,327 million lbs. in 1952-53 and an average of 3,802 million lbs. over the pre-war period 1934-38. Australian production will, it is estimated, reach a new record level of 1,290 million lbs. as compared with 1,280 million lbs. in 1952-53. Production in New Zealand and South Africa is estimated at 421 million lbs. and 278 million lbs. respectively, as against 418 million lbs. and 268 million lbs. in 1952-53. Small improvements are expected in several other countries, including the U.S., Argentina, and the U.K. The clean weight of the world clip is placed at 2,550 million lbs., as against 2,503 million lbs. in 1952-53.

PERSONAL

SIR Joseph Kay, K.B.E., Managing Director, Messrs. W. H. Brady & Co., Ltd., returned to Bombay this week from the U.K.

Mr. C. F. Cobbold has been reappointed Governor of the Bank of England for a further term of five years.

Sir Cowasjee Jehangir, Bart., has returned to Bombay from a holiday in Europe.

Mr. Bhagwat Dayal, Ambassador of India at Djakarta, has been appointed India's Ambassador to Afghanistan.

Mr. J. R. D. Tata, Chairman of Tata Sons Ltd., who had been to Montreal to attend the meeting of the International Air Transport Association, returned last week.

Mr. F. D. Hall, Manager of the Bombay branches of Lloyds Bank Ltd., has returned from England and resumed charge of these branches.

Mr. A. C. N. Nambiar, formerly Counsellor in the Legation of India, Berne, has been appointed India's Minister to Sweden and concurrently as India's Minister to Denmark and Finland.

Mr. B. N. Nanda, Deputy Secretary, Central Ministry of External Affairs, has been appointed Commissioner for the Government of India in British West Indies (including British Guiana).

Mr. F. D. Griegh, Director of the Middle East and Asian Department of the World Bank, who was in Bombay to hold discussions with the officials of the Reserve Bank of India, left for Colombo this week.

Dr. S. Chandrasekhar, Professor and Head of the Department of Economics in the University of Baroda, who has been appointed a senior Nuffield Foundation Fellow in the U.K. for a year, left for England on Saturday last.

Mr. H. C. B. Mynors, at present a Director of the Bank of England, has been appointed Deputy Governor of the Bank for a term of five years from 1st March, 1954. He will succeed Mr. D. G. M. Bernard, the present Deputy Governor, who will retire at the end of February next.

Sir Edward Benthall, a former President of the Associated Chambers of Commerce, Calcutta, and Member for Transport in the Viceroy's Executive Council from 1942 to 1946, will lead a British Trade Mission of prominent business men to the Middle East to explore markets for British goods.

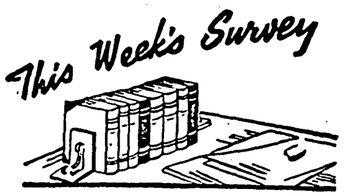
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 3*rd November*

Bombay Trade Expansion

That the worst storm has passed, so far as the trend of trade is concerned, is evident from the report for the past financial year of the seaborne trade of the Bombay Presidency, excluding Sind. The figures of 1927-28 indicate that, after several years of depression, the import trade at least has turned the corner. Imports of private merchandise rose in value from Rs. 76.88 to Rs. 86.39 crores, or by nearly 12½ per cent. The improvement has been general. There were larger arrivals of cheap American cotton, but this only accounts for Rs. 1.77 crores of the increase. The long delayed revival of the import trade is no doubt a reflection of the better conditions prevailing in the United Kingdom and Europe generally, and, in particular, of the absence of serious labour trouble and the greater stability of the world's currencies. The growing confidence of the Indian consumer is in some measure shown by his increased takings of merchandise, and decreased takings of gold and silver. Bombay, which is India's great bullion market, imported in 1927-28 nearly Rs. 7½ crores less of the precious metals than in the previous year, and Rs. 23 crores less than in the year before that. It is only the restricted imports of bullion that is responsible for the small falling off in the total value of the private foreign trade. In merchandise, there is a betterment of over Rs. 6 crores.



INTER-STATE TRADE

MR. M. C. Shah, Union Deputy Minister for Finance, reiterated in Madras this week the Government of India's decision to convene shortly a conference of the Finance Ministers of the various States to devise ways and means of resolving the difficulties in respect of inter-State trade arising from sales tax. This is a welcome announcement, in view of the fact that the position of inter-State trade has been rendered more difficult by reason of the recent Supreme Court's judgments. The net effect of these decisions is that a transaction which is essentially of an inter-State nature becomes an intra-State transaction if the goods are delivered by a certain State in another State for consumption in the latter State. The "receiving" State is thus empowered, if it has sales tax law on its statute book, to collect sales tax on the transaction. These decisions have given rise to a number of difficulties. In the first place, it is difficult to decide whether an article is delivered for eventual consumption or resale. Secondly, the State Governments have utilised the Supreme Court's judgments in order to claim taxes with retrospective effect. This has imposed a severe strain on the assessees since they themselves have not collected taxes on their sales. These matters have been the subject of repeated representation to the Government of India. In this connection, Mr. Shah revealed that the Union Government had requested the State Governments not to issue tax notices to assessees in other States in respect of past transactions. It would, however, appear that a few States have not cared even to reply to the request.

Many suggestions have been made in order to see that the sales tax laws in several States do not interfere seriously with inter-State trade. There is, for instance, the suggestion that the Centre should take over sales tax and distribute the revenue among the States. This would require a constitutional amendment, and might, as Mr. Shah said, not be easy. After all, the State Governments have few important sources of revenue—most of them have thrown away the excise revenue on liquor—so that it is difficult to persuade them to agree to a Central sales tax, since the rates under a system of Central sales tax would have to be conceived in relation to what the least developed State in India could bear, the economically advanced States might feel that they are prevented from securing a larger revenue. Short of centralisation, there is, however, a great deal that could be done in the sphere of sales tax administration. Mr. Shah said that the Centre was trying to "get at a uniform formula acceptable to all by general consent of the States." Surely, it should be possible to evolve such a formula now since there is the same Party in power in the Centre and in the States. If this opportunity is not utilised to bring about uniformity now, it might be difficult at a later date, when political affiliations may differ, to bring about any sort of uniformity in sales tax or in any other sphere of administration.

CRISIS IN COFFEE

A major crisis seems to be developing in the coffee industry. The special meeting of the Indian Coffee Board, held in Bangalore on Monday the 26th instant, is believed to have discussed the Government of India's decision to permit the export of 2,000 tons of *robusta* coffee under an export duty of Rs. 62-8 per cwt. The Government appears to have completely ignored the coffee growers' request that the premium to be obtained through the export of coffee should be used to subsidise, that is to say, to bring down, the internal price of coffee. Instead of that, the Government appears to be determined that the premium should go to the Exchequer in the shape of export duty. This is, indeed, a strange development, inasmuch as the Government has often expressed a desire that the internal price should be brought down further to benefit the consumer. If that is the Government's real desire, it is understandable why the relief could not be given now, by using the premium on exports to subsidise the internal prices, as urged by the growers. It is expected that, if the premium on 2,000 tons is utilised in this way, it would mean a reduction of about 1 anna per pound in the internal price and that if the Government agrees to export a further 2,000 tons, for which there now seems to be every justification in the large stocks with the Board, the relief would amount to 2 annas a pound.

It is probably not known to many consumers that the excise duty now levied on coffee used for internal consumption is Rs. 21 per cwt., or 3 annas a pound, which represents 10 per cent. of the average retail price of coffee. If the Government's intention to levy an export duty of Rs. 62-8 a cwt. on exports is unalterable, then the least that Government can do now is either to abolish the excise duty altogether or to levy only a nominal excise duty of, say, one anna a pound. That would directly give a relief of 2 annas a pound to the consumer. Otherwise, the Government's expression of solicitude for the poor consumer has really no meaning. In the alternative, the Government should agree to utilise the sum of Rs. 25 lakhs to be raised by export duty on 2,000 tons to subside the local prices.

The Government, it is regrettable to hear, has already turned down the coffee industry's request that the whole structure of marketing and other matters concerning coffee should be referred to the Tariff Commission for a comprehensive enquiry. The Government Cost Accountant has finished his enquiry into the cost of production and has, it is believed, submitted his report to the Government. So far the findings of the Cost Accountant have not been published, but there are strong rumours that the Government may seek to make an arbitrary reduction in the basic price even before announcing the result of the Accountant's survey. It is to be hoped that these are no more than rumours and that the Government will not take any such action against the unanimous opinion of the coffee industry and the Coffee Board.

Apart from this threat of a price reduction, the coffee growers are greatly troubled by an attempt on the part of the Income-tax Department to treat a portion of their income as arising from industrial operations and, therefore, liable to income-tax. It is stated that one or two assessments have already been made in this light, and that some growers have been asked not only to say why they should not be assessed but also to say what is, in their opinion, the portion of the income that should be assessed. We cannot understand this attempt to assess coffee to income-tax, for unlike in the case of tea, no industrial process is involved in the preparation of coffee for the market. If the operation known as "curing" is considered by the Income-tax Department as constituting an industrial process, then we submit that even dehusking of paddy would amount to an industrial process and, therefore, a portion of the income from paddy growing should also be liable to income-tax. We think there is a fundamental error somewhere in the Income-tax Department's attempt to levy tax on incomes which so far have always been held to be agricultural. The proposal, therefore, needs further consideration before assessments are actually made.

INDIAN TELEGRAPH CENTENARY

The Indian Telegraphs Department, which will celebrate its centenary to-morrow, has had so far a romantic career. It was early in November, 1850, that the first experimental telegraph line was laid between Calcutta and Diamond Harbour. But it was only three years later that the large-scale construction of telegraph lines was commenced. In October 1854, the first Telegraphs Act was passed and in February, 1855, the public in India were allowed to use the telegraphs. India and Ceylon were, for the first time, connected by Cables in 1858. In January, 1865, the first Indo-European Telegraphs Communication was established, on the completion of the Baghdad-Fao section of the Turkish line. The first wireless telegraph station was established between Saugour islands and Sandheads in 1902.

Such has been the early history of the Indian Telegraphs. The Department has made more rapid strides of progress in recent years. On the eve of Independence and the Partition, India had 117,201 miles of post lines, 769,036 miles of wires and 5,259 miles of cables. Since Independence, progress in the field of telegraphic expansion has been rapid. Not only has there been an extension of land lines and V.F.T. carriers, but also an extensive development in the field of wireless services. Special emphasis has been laid on extending tele-communications to the rural areas and popularising Indian languages. Hindi telegrams were first introduced in 1949.

The rapid expansion of the telegraphs is due to the fact that it soon came to be regarded as an instrument of power and so it radiated from Calcutta, the seat of the then rulers, to places of political and strategic importance. That alone explains the reason why the lines were laid towards Agra and Peshawar in the west, towards Burma and the Chin Hills, what is now called Assam in the east, and towards Sikkim and then Afghanistan across the Khyber Pass and southwards to Madras. While the British Army extended the frontiers of its growing empire, it was the iron and copper wire of the Telegraph Department which consolidated its position. It was a battle against high mountains, rushing rivers, sharp-clawed animals and wild tribes. In earlier years, granite masonry pillars were used for carrying one or two wires at the most, later bamboo and wooden poles were erected and, sometimes, even palmyra posts were used. Eventually, the Department caught up with the Iron Age and the first iron posts were erected in 1872.

The Indian Telegraphs Department has over 400,000 miles of iron, copper and bronze wire, roughly 20 times the equatorial circumference of the earth and about 245,000 miles of channel crossing, almost 10 times the equatorial circumference. It is one of the largest in the world in open carrier equipment and the oldest Government-owned public utility service in the world. It is the second largest public utility in India, employing a staff of about 221,000, including 1,000 gazetted officers. Its channel mileage is the third longest in the world.

The future of the Indian Telegraphs Department is, indeed, bright, inasmuch as considerable expansion and modernisation of tele-communications are required to cover the whole country. Telegraph facilities are expected to be extended by the end of the Five-year Plan period to 800 more stations at a cost of Rs. 60 lakhs. Installation of more V.F.T. systems is also planned. At present, there are 8,360 telegraph offices in the country and the number of telegrams sent is about 30 million. In large cities, a printer-gram service will be introduced and the renting of tele-printers encouraged. The mechanisation of the Bombay Central Telegraph Office is expected to be completed by the middle of 1954, at a cost of Rs. 21 lakhs, and the telex-service, already introduced in Bombay, will be popularised, so that private subscribers can contact each other directly over their tele-printers. All this will certainly mean no small achievement to a developing country of vast distances.

MANAGEMENT ACCOUNTING IN U.S.

Management accounting, or what is popularly known as cost accounting, is stated to have been more effective in the U.S. than either in the U.K. or on the Continent. While there are only minor differences in the theory and application of cost accounting practices adopted in America and Europe, a vast difference is noted in the extent to which industries in the U.S. have made use of management accountancy. This problem has, therefore, attracted the attention of the cost and works accountants of the U.K. At a meeting, convened last week, by the Institute of Cost and Works Accountants in London to discuss "What makes management accountancy so effective in the U.S.", the members of the Institute had the opportunity of hearing an illuminating address on the subject by Mr. R. W. Parker, Finance Director of the Scottish Division of the National Coal Board, U.K., who had led the Management Accountancy European Productivity Team to the U.S.

According to Mr. Parker, the four main reasons for the greater effectiveness of management accounting in the U.S. are: (1) it is used to reduce costs; (2) there is co-operation between and mutual confidence in accountants and operators; (3) management has accepted that, by careful analysis and often by scientific investigation, costs can be predetermined; and (4) management has further accepted that corrective action can and must be taken when performance varied from expectation without adequate reasons.

No cost system can be of any value, unless there is clear appreciation of the merits of the system by the management. In the U.S. every man who is concerned with the management of industry, from foreman to the president, appreciates and welcomes the assistance which the industrial accountant can give and offers willingly the co-operation and confidence needed to make the system a success.

Speaking of the close attention which is being paid to cost accountancy by all grades of American management, Mr. Parker told the members of the Institute that the cost systems in America were evolved for the purpose of assisting management to control costs and to support management in its decisions. "In contrast to the practice in many European countries, where costs are usually historical records for price fixing," he added, "the mentality of American management is looking ahead and this is achieved by the use of standard costs." The standard costs were used to measure actual costs and facilitate their control. They also served as a means of analysis of the variations in costs due to different causes, which gave the management the opportunity to focus attention on the exceptional and the irregular and to apply the principle of exception in controlling the business. The American management was primarily interested in what cost should be. Generally, it was not content with information only after events had taken place. The American management, of course, conceded that competition would ultimately fix the selling prices of products and that, therefore, the primary usefulness of any cost accounting system for ascertaining unit costs was limited. Nevertheless, it attached great importance to the costs system, as knowledge about unit costs was necessary to determine the profitability of individual lines.

In short, the success of industrial accounting and management accounting in the U.S. rests on the fact that both accountants and practical management have accepted four fundamental theories, namely, (1) what the cost of any operation ought to be can be determined in advance by careful analysis and scientific and technical investigation; (2) the relation of classes of expense to volume can be determined in advance; (3) cost system will reveal quickly and accurately variations from the anticipated level; and (4) the management can be expected to take effecive corrective action, if performance falls short without good and sufficient reasons.

ROLE OF CIVIL SERVICE

The efficiency of Government departments is dependent on the character and abilities of the personnel which man the Civil Service. High standards are, therefore, always set for recruiting persons to the Service. Emphasis is laid on young men of high intellectual attainments and proved ability with a robust will to overcome temptations and mental inertia. These standards have been maintained in the Indian Civil Service which is modelled on the British system. Since Independence, however, cataclysmic political and economic changes which have taken place in the country have also called for a complete change in the attitude and functions of the officials belonging to the Civil Service. More or less similar changes have also manifested themselves in Western countries such as Britain where socialist philosophy is gaining ground. An idea as to how the Civil Service has been gradually adjusting itself to the new conditions was given at a study circle, held a few days ago at Madras, by Mr. S. V. Ramamurthi, Adviser to the Planning Commission, and Dr. W. A. Robson, Professor of Public Administration in the London School of Economics and Political Science.

Both the administrator and the administered in this country have much to take note of in the metamorphosis of the Civil Service in India in recent years, as pointed out by Mr. Ramamurthi. India is now no longer a Police State. The country is now planning for a Welfare State. In a Police State, emphasis is laid on the collection of revenues and the maintenance of law and order. In a Welfare State, on the contrary, the officials should be well trained and disciplined in order that their services might be used in developing the resources. They have to function efficiently, if they are to succeed in this task. In view of the changed conditions in the country, the Civil Service now has a new vista before it and it should be prepared to shoulder the responsibility. Mr. Ramamurthi's observations in this context are noteworthy. He said: "The Administrative Service in India should not only be intellectually efficient, but also morally superior. It should not only help in the maintenance of law and order but also contribute its best towards the development of the resources of the country." The greatest civil servant India has produced was, according to him, Gandhiji. He seemed to be in full accord with the decision of the Madras Government to have the unit of development not a district as at present, but a contiguous region.

Dr. Robson's remarks on the Civil Service in a modern State too are noteworthy. There has been, according to him, an expansion of the scope

(*Continued on page 847*)

OFF THE RECORD

(By "ROVER")

DR. F. P. Antia, Chairman of the Bombay Branch of the Indian Roads and Transport Development Association, cries, year after year, in the wilderness, for more roads and a rational policy for road transport taxation. His mute and unvoiced indictment of the authorities on these two counts, backed up by a powerful array of facts and figures and tempered by a moderation of tone and timbre, just goes over the heads of the State Ministers, without having the slightest effect on their otherwise-engaged minds. The plans are there; the money for building roads and bridges is there. In nine cases out of ten, when one goes to the Government with a request for some constructive and socially wholesome activity, it is suavely turned down on the plea of financial stringency. Not being able to put forward this plea for denying us better and more roads, the Government just chooses to ignore both the repeated request of amiable men like Dr. Antia and the more strident and insistent voice of the Press.

If there was even a grain of sincerity and genuineness in the professed concern of the Congress Governments for the rural areas and the plight of the crores who are required to pass their lives in the villages and small towns of the country, they would have put aside many of their fads for more opportune times and concentrated their attention and resources on the provision of a network of all-weather, servicable roads to as many of these as possible. In a country of our size and the impenetrable width dividing rural poverty and urban affluence, roads constitute the foundation not only of all economic but educational, cultural and social regeneration. Without roads, you could achieve but little and that only at an exorbitant price in time, money and effort. On the other hand, if you can give good roads to the villages, the rest will follow almost automatically and inevitably.

For a demonstration of this truth, one has only to look at the villages nestling near important cities with good approach roads. Their prosperity is amazing and life there combines most of the good points of cities and villages, without the discomfort and isolation of the villages or the noise and the restlessness of the big towns. Living on Ridge Road and only occasionally venturing into distant villages for an hour or two in superbly springed cars, our Ministers, though politically and hypocritically professing great concern for the welfare of the village folks, cannot have any idea of what difference a good road connecting them with the rest of the country could make to the crores living in the seven lakhs of villages and thousands of small towns. If they had, they would have known that provision of quick and cheap transport to and from the villages would mean, in course of time, abolition of the rough edge of rusticity, with its filth and squalor and its spirit of fatalism and reaction. While deploring their lack of proper values, I do not question the good intentions of our Government. But I cannot, at the same time, help reminding myself that good intentions alone, unaided by effective, enlightened and fruitful activity are of no avail.

When I read Dr. Antia's address to the annual meeting of the Bombay branch of I.R.T.D. Association, I was also reminded of what that great industrial genius who passed away only very recently from amongst us, the late Mr. Walchand Hirachand, said about transport in an inspired moment. These words are charged with such an urgent message to our rulers that they would easily bear any number of repetitions. Mr. Walchand said:

> "When you take away all its trimmings, when you strip it of all its garments, when you study it in the raw, the history of man's civilisation in its essence, is the history of Transport. Man will go where his transport will take him. He is too restless a creature to be satisfied with his immediate surroundings. He will use anything and everything from a pair of legs to a space-splitting rocket and God knows what other things will follow, to enlarge his surroundings, his field of vision and action. For a man to be fully a man, for a nation or a race to rise to its full stature, development of its means of transport is, amongst various other things, very necessary."

Even the most kindly critic of this Government cannot close his eyes to some of the important aspects of its total failure to give us more roads during its seven years of almost unlimited power and an equally unlimited supply of funds for this purpose. Even if under these ideal conditions and functioning under an urgency which would brook no delay, the Government could provide no more than five hundred miles of new roads in five years, the verdict of history was bound to be that it must have been a singularly inefficient Government. No Government, perhaps, could have succeeded in constructing all the 11,000 miles of roads which were required for an adequate road system in the State (exclusive of the merged areas), but any Government worth its name could certainly have reached a much higher average than the 100 miles per year which was all that this Government of ours could give from 1948 to 1952. The recent record of Sir Winston Churchill's Government in the U.K. in the matter of housing can go to show what a determined and resourceful Government can do even within a short time to meet a crying public need. With regard to housing also, the Bombay Government's achievement is such as would disqualify every member of it from holding office again. So long as it remains preoccupied with such matters as prohibition, horse-racing, crossword puzzles, smoking in buses and cinema theatres and hours of closing for tea shops and restaurants, it will never be able to pay adequate attention to primary needs of the people.

But there is a still more important aspect of this question to which only a few have paid any attention so far. Some of the taxes which are being levied by this and the Central Government are specifically for the purpose of constructing roads and bridges. Some of these were freshly levied or increased, even when crores of rupees earmarked for this purpose had been lying unused year after year. The Government, which should really have been in a penitent and apologetic mood, should not have had the temerity to place new burdens on the road transport industry and car owners in general, for constructing roads, which they knew they were not capable of giving. It has crippled this industry and the automobile industry in the country as well by this crushing levy and closed the doors for employment for at least a lakh of people by its harsh licensing policy at a time when unemployment is gnawing at our vitals. Legally it may not amount to collecting money from people under false pretences, but morally the Government cannot escape this charge easily. This and the use of the proceeds from sugarcane cess which some State Governments are making should deprive them of the right of sporting the national motto "Truth Alone Succeeds" on their seals and letterheads. If they had been genuinely truthful in letter and in spirit, they should have desisted from collecting these taxes and cesses beyond what they were able to use for the specific purpose for which they were levied.

Coming to the more constructive part of Dr. Antia's speech, his suggestion for the creation of an autonomous, statutory authority to impart the necessary drive to the planning and execution of road programmes, with the road section of the P.W.D. working directly under it, should prove a very useful one. The State Ministry for Public Works has been given enough opportunity to demonstrate its prowess in this direction and it is now in no position to make a grievance of it, if this work is taken away from it and entrusted to another authority which can possibly deliver the goods. In fact, it should feel relieved of this responsibility, as it would enable it to pay more attention to its routine tasks. The Government as a whole, too, should not have any objection to the creation of one more body of this nature, as it has, of its own accord, sponsored two such organisations for housing and road transport. As Dr. Antia said, with the creation of such an authority, with adequate powers and its own separate budget, charged with the responsibility of completing the road programme at an early date, "the main handicap in the way of road development will have been removed."

Whatever difference of opinion there might be with regard to the advisability of the State undertaking the running of road transport services at this stage of our economic development, there could be no denying the fact that the executive authority, placed in charge of organising this huge concern within a phenomenally short time, has done as good a job of it, as it was possible to do for anyone working under difficult conditions. The expansion has been breath-taking, and, while I have no desire to minimise the value of the general guidance, which those in charge of execution received from the two successive non-official Chairmen, both high ranking business men, the real credit for creating this vast and intricate structure involving an expenditure of over ten crores, goes to the top executive, Mr. D. D. Sathe, the Motor Transport Controller and Vice-Chairman of the Corporation. If a similar Corporation is brought into existence with a man of Mr. Sathe's flair for organisation and his detailed knowledge of conditions of road and transport in the whole of the State at its head, I have no doubt that the execution of the road programme would be speeded up enormously. Such an undertaking would also open up opportunities for employment for a large number of young unemployed for years to come in the rural areas. Here is an opportunity for the discredited State Government to retrieve its lost prestige, before the Five-year Plan period is over and before the General Election is upon it, when it would be required to account for its stewardship to the electorate, if it would only take it with courage and confidence. If it does not, it would go to prove that the will to build roads on its part is lacking.—*All Rights Reserved.*

U.S. INVESTMENTS IN PLANT AND EQUIPMENT

Heavy expenditure planned by American industry for plant and equipment reflect increased confidence in the nation's business future. The Commerce Department and the Securities and Exchange Commission reported recently that investment in plant and equipment during 1953, will reach $27,821 million. This would be a gain of five per cent. over last year's previous record high of $26,455 million. This year's planned investments by American industry also exceed the total contemplated by the same businesses earlier this year.

The agencies indicated that American business plans to spend $14,400 million on plant and equipment during the last half of this year. Public utilities planned to spend $4,400 million this year. This is 15 per cent. above the rate for the last six months of last year. Manufacturers are expected to increase their expenditures about six per cent. to $12,700 million. Non-durable goods industries show the largest increase in this category.

The chemical, electrical machinery and beverage industries showed the largest gains, ranging 20 per cent. or more above last year. Significant gains also were shown by non-electrical machinery, paper, petroleum and fabricated metal products companies. Small increases were shown by the mining and commercial companies, while railroads were the only major group expecting a significant decline from last year—about seven per cent.

EXPANSION OF RAILWAY TRANSPORT FACILITIES CONTEMPLATED

CONTROL OVER KOSI—COFFEE PRICES TO BE CUT

(From A Special Correspondent)

NEW DELHI, *27th October*

ECONOMIC problems of the country are now being studied and tackled by the Government of India from the angle of employment and the ideal of the Welfare State. In other words, the Government is anxious to maintain the steady improvement witnessed in recent months in industrial production, safeguard the interests of labour, especially where there is every justification for the same, and reduce the intensity of unemployment by recourse to some ameliorative measures. The series of measures undertaken by the Government this week to safeguard the textile industry provide an indication of its approach in finding solutions to some of the complex problems facing the Government.

DELHI LETTER

The levy of an excise duty at penal rates on the production of *dhotis* by the mills in excess of the quotas permitted to them should also be viewed from the angle of employment. Here, too, the Government of India is desirous of ensuring employment to as many handloom weavers as practicable. In the course of a Press note explaining the ordinance to protect the interests of the handloom industry, the Government has observed that "since legal proceedings against the offending mills would be a cumbersome process, it has been decided instead to impose a deterrent excise duty on a progressive scale on all excess production of *dhotis*. The duty is to be on a graduated scale ranging from two annas per yard to eight annas per yard on the quantity of *dhotis* produced in excess of the permissible quota. It may be noted that the production of *dhotis* by the mills is now about 60 per cent. of the normal.

Railway Equipment

A sizable part of the additional sum that is proposed to be allocated for fighting the unemployment problem during the next two years is expected to be earmarked for the purpose of expanding railway transport. It will be remembered that, under the Plan, the railways have been allotted an aggregate sum of Rs. 400 crores or about Rs. 80 crores on an average per annum for the rehabilitation and extension of the railways. During the last 30 months and more, the Railway Board has been able to spend the budgetted amount for the abovementioned purposes with the result that there has been a gradual improvement in the transport services. Since industrial production has been moving up, which means more movement of goods and raw materials, the railways will be called upon to play a greater part in the coming years in the country's communication sector. Being well aware of this fact, the Railway Board has already begun to place firm orders with a number of foreign countries such as the U.K., Germany, France, Belgium, Japan, etc., for rolling stock. It has also been taking pains to ensure that such rolling stocks as locomotives, wagons, coaches, etc., are delivered as early as possible. At the same time, the Board has proposed to utilise to the maximum the wagon-building capacity in the country, besides taking measures to expand it to yield fruitful results in the immediate future.

Special attention is being devoted to remove the transport bottlenecks wherever they are found. The ghat section in the Vindhyas is being expanded by the construction of more looplines wherever necessary. By next year, similar efforts will be made in the Bezwada-Madras line. The line capacity in the north-east railway is expected to be increased by about 40 per cent. From the operation point of view, the Railway Board will try to convert the metre-gauge lines into broad-gauge, particularly in South India. Further, in certain sections electrification of the railways will be extended, as, for instance, between Madras-Vilupuram. More railway stations are also to be opened.

Irrigation and Flood Control

The extension of irrigation facilities and flood control measures is also one among the many to fight out the unemployment problem. For instance, the taming of the Kosi—the river of sorrow as it is called in Bihar—will be started within the next few months. The original but costly plan of constructing a dam at Barahkshetra has been given up for the present. Instead, a barrage will be erected either at Belka or near Theri Bazaar with embankments and canal systems on both sides of the river. The barrage will control the river channel upstream and also for a few miles downstream. It is expected to be used for regulating the distribution of the flood water among the river's other channels. It will be designed to feed the canals for irrigating Bihar territory. The canal system will provide irrigation for about 2.5 million acres of land at an approximate cost of Rs. 18 crores. Among the benefits that the above scheme will confer, mention may be made of the prevention of the river from meandering and spreading its waters, the creation of some security against the devastating floods, provision of more irrigation facilities, the increase in the production of food and commercial crops and the control over sand nuisance which renders fertile lands unproductive. There is also a plan to build a second barrage with canals to irrigate more areas, which will cost another Rs. 20 crores.

Coffee Prices

The Government of India has, for some time past, been anxious to ensure a fair price to the consumers of coffee, without unduly harassing the producer. This was one of the purposes for which the Secretary to the Ministry of Commerce and Industry had recently been to the South. The Government is particularly keen to secure the co-operation of coffee producers, especially as it is desirous of stepping up the output of coffee in the country in the coming years. Prompted by these motives, as it were, the Ministry of Commerce and Industry has suggested to the Coffee Board a proposal to scale down the prices of coffee for internal consumption. The proposal is based on the principle that, while the grower must be assured of a fair price, he should, at the same time, be entitled to nothing more than a fair price. The fair price will be revised year after year according to the general price level prevailing in the country, providing at the same time adequate incentives to increase the output of coffee. The Government has suggested that the price paid to the grower should be on the basis of Rs. 2-4 per point for the Plantation variety, with suitable adjustments to Robusta and other varieties. It has already allowed an export quota of 2,000 tons out of the last season's (1952-53) crop of slightly over 23,000 tons and announced a levy of Rs. 62-8 per cwt. as export duty. It has proposed that, should the internal price fall below Rs. 180 per cwt. for Plantation, it would compensate the producer out of the proceeds from the export duty. It is generally felt that the Coffee Board would be able to accept Government's suggestions regarding the price, etc., in the spirit it is being offered and establish cordial relations with the consumer who has been paying high prices for his coffee all these years. In the event of the Coffee Board not agreeing to this proposal, it is likely that the Government will assume more powers for the regulation of the coffee industry.

(Concluded from next column)

out of touch with their members who have lost confidence in them." So the initial action of the employers who failed to consult the men on the changes in conditions of work, supplemented by the union leaders who refuse to put the "unofficial" demands before the employers and refuse to negotiate any further till the strike is off, and ending with the strike leaders who will not resume work till at least one of their grievances is temporarily conceded, must inconvenience the whole public—to say the least—and bring production and distribution to a standstill. Though troops are now called in, there is the great danger that other drivers may refuse to run vehicles supplied by "black" petrol and the last state of the nation be worse than the first. There is a clear need for the Government to knock together the heads of the three parties to the dispute and not to allow childishness on anybody's part preventing negotiations continuing forthwith so that the trouble may be brought to an end at once.—*All Rights Reserved.*

THE "UNOFFICIAL" STRIKE

WHO IS TO BE BLAMED ?

(From Our Own Correspondent)

LONDON, *24th October*

IT is magnificent irony that, in the very week of the Motor Show, when the latest petrol-driven vehicles of every type from the most splendid to the most economical have been unveiled to the public, the whole motor transport of the metropolis should be gripped in a growing paralysis. Not till Thursday did the unsuspecting public learn that for three days already no petrol and oil had been delivered from the four great depots that supply the whole of the London area and that the pumps were beginning to run dry. Queues of cars and taxi-cabs began to beseige those garages that still had supplies, until these, too, had to reserve their remaining gallons for essential services. By Friday, petrol had ceased to be purchaseable and, though traffic seemed little diminished, every vehicle was running on what was in its tank alone. The drought had already extended to 50 miles round London and by the week-end other areas had begun to be affected with the strike spreading to the north of the country.

LONDON LETTER

Transport Affected

The cause of the drought is the strike of 3,000 road-tanker drivers employed by the oil companies and by contractors working for them. It has come after some weeks of sterile negotiation between the union representing the drivers and the employers and it is carried on against the instructions of the union leaders, so that it is "unofficial" and the strikers are without pay and dependent only on public relief. Once again, therefore, the public—this time indeed the whole life of the nation—is being put in peril by a strike, allegedly "unofficial", but, in fact, supported by 100 per cent. of the men involved. The taxi-cabs were the first to suffer, and only one-quarter of London's 5,600 vehicles are running to-day. Some buses have already been withdrawn from service and, if the strike continues till Monday, the whole London Transport fleet of 8,000 vehicles will be out. Commercial transport is already seriously affected with deliveries of milk and bread delayed. It is clear that the movement of non-perishable goods by road will cease after this week-end, although the strikers have undertaken to keep supplies going for the distribution of foodstuffs and for the maintenance of essential services: they have already undertaken to keep the police, ambulances and fire brigades supplied and the police in turn are helping out doctors and widwives. But so dependent is our complicated economy on petrol that, with the foregoing exceptions, it is rapidly coming to a halt.

A bewildered public is demanding the reason for this hold-up and no clear answer has yet been given. "Communist influence" cry some—but, in fact, the Communist members of the unions had no hand in starting this strike, and have tagged on to the movement only when it was under weigh. The employers are to blame for creating the initial grievance, for ShellMex and B.P. decided to transfer their haulage to private contractors instead of doing their own distribution. The oil companies required two trips a day from their men and provided each lorry-driver with a mate. The contractors demanded three trips a day and refused mates at their discretion. The men thereupon asked for pay increases and to negotiate agreed terms of employment with the contractors. The next trouble was the employment of five non-union men at one contractor's depot—and the strikers are demanding a "closed shop": indeed, they have said they will go back to work at once if the five men are temporarily withdrawn pending agreement. Finally, the men want a ten-shillings-a-week pay rise.

Views of London "Times"

The Transport and General Workers Union —biggest in the country—which represents the men is piqued at their indiscipline, refuses to negotiate with the employers on the men's terms and has broken off all negotiations until the men resume work. Even the London *Times*, indignant at having the country held up to ransom, declares that the men might not be striking "if the machinery for investigating their causes of discontent were less ponderous and less antiquated. Trade union leaders are too often

(Continued in previous column)

AMERICAN LETTER

IMPROVEMENT IN BUSINESS

CUBA'S DEVELOPMENT SCHEME MAY TELL ON INDIAN JUTE INDUSTRY

(From Our Own Correspondent)

NEW YORK, *23rd October*

WHILE some business men have been talking of adjustments and recessions, industry has become more optimistic in recent weeks, as the profit outlook has been improving owing to the certainty of tax reductions next year, primarily. Better stock prices are a reflection of this sentiment. What is happening at the moment is that the United States economy is moving from an overtime speed of feverish activity which has prevailed since and before the outbreak of the Korean war to normal employment levels. While this means somewhat lower payrolls and income, in many industries it is likely to cut costs and improve profitability. Thompson Products Co., for example, announced the other day that net income in 1954 is likely to hold or be above 1953 levels, despite an expected 17 per cent. drop in volume.

Thus, the days of good earnings and good dividends are by no means a matter of the past. Republic Steel issued its third quarter report showing record sales and profits jumped sharply from a year ago when the prolonged strike hampered operations. This is all the more interesting, because, for the first time in a decade, steel operations are down from the full capacity level. Republic Steel officials said that, with added capacity and without excess profits taxes, the Company should do as well in 1954 as in the current year. Alleghany Ludlum Steel said it could earn a profit at an operating rate of as low as 65 per cent. or better. Inland Steel said that the industry welcomed sharper competition. It was of the view that lower operating rates were healthier than 100 per cent. of capacity operations which are expensive and wasteful.

Savings at Record Levels

I mention all this because there is a group of professional economists in this country who are broadcasting tales of alleged woe, that the United States is facing a serious recession, in fact that it has already begun. All this is a question of degree and opinion, but, so far, there is not the slightest indication in statistics of any calamity. Savings continue at record levels and an entirely new class of savers is emerging. It is the broad middle class, skilled labour and white collar workers. They pay the mortgage on their house, buy a car and a television set, but beyond that they have no expensive desires. Therefore they can and do save. The older class of savers, the well-to-do, who were responsible for the accumulation of capital previously, have been taxed out of the savings class. They can no longer afford to save and maintain the standard of living they are accustomed to.

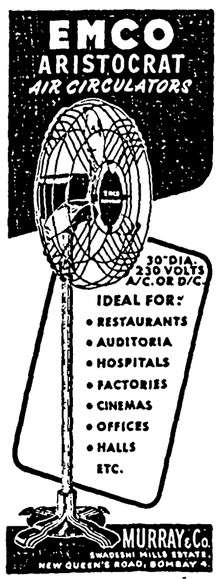
In mutual savings banks alone, there are some 20,000,000 accounts, aggregating about $26,000 million in 525 such institutions. Most of the 14,000 independent commercial banks, as well as savings and loan associations also, have savings account and the steady flow of funds continues into these channels, into Treasury savings bonds and life insurance companies with no indication but, perhaps, of a slight letdown. Thus, it would seem hardly justified even to think of a great recession in our economy.

Much of the wailing emanates from quarters which, for the first time in 20 years, have to face normal competition. Rising prices during the past inflationary cycle developed the psychology of a sellers' market. Now it has become a normal competitive buyers' market. A few industries are rediscovering the old mass production axiom that lower prices stimulate sales, but, of course, there are the normal cross-currents now of a relatively free economy, since most Government controls have been removed. Messrs. Mohawk Carpet Company announced the other day that it had postponed to 1st November, 1953, its recently announced price increases, and it cut the price of one line by 10 per cent. immediately. Oil companies, which are suffering somewhat from oversupply, are cutting prices as well in certain areas and the answer to the still overstocked situation in automobiles will probably have to be solved in the same manner, but it is certainly no calamity.

Another point which should interest Indian readers are the experiments going on in Cuba. I have just returned from a trip to Havana where a United States mission, together with Cuban specialists, is hard at work under the Mutual Assistance Programme, to get the Cuban economy out of its ancient handicap of being supported essentially by just one crop—sugar. The plan is crop rotation—sugar, fibres and rice. The fibre experiments envisage that Cuba will be able to manufacture her own bags for her huge annual sugar crop, reduce her jute purchases from India and eventually enter the export market for bags. So far, the fibre process has not been commercially feasible, but indications are that it soon will be and, after the training of Cubans in this field is completed, the work will get under way and, eventually, it will no doubt affect Indo-Cuban trade.

The Mutual Assistance Programme, centered in the U.S. Embassy at Havana, is entirely removed from politics and is run by scientific specialists. The general aim is a laudatory one. To use the natural resources of Cuba the year round, not just for the brief sugar growing and its harvest and thereby promote a greater general well-being. If successful, the movement may gradually soften the great disparity of income between the 'haves' and the 'have nots.' It may help the emergence of a strong middle class which, it is felt, might be a strong stabilising influence domestically.

Since general prosperity is the main basis for rejecting communism which is strong in some parts of Latin America, the general target has the support of many thoughtful people in the United States and in Cuba. The Cuban Government bears the cost of the operation and the joint work between Cubans and Americans proceeds smoothly and harmoniously. The work done on the island has received international attention. Experts from France, England and other parts of Europe have come to Havana for studies of the new experimental station of agriculture and they seem to be much interested in using the fibre process elsewhere too. While economic conditions vary greatly, there is a chance that the fibre process may become in due course a serious competitor to Indian jute and the established bag industry. This is not an immediate threat, but it might well bear watching for its long run implications.—*All Rights Reserved.*



PAKISTAN NOTES

JAPAN'S TRADE WITH PAKISTAN

ADVERSE BALANCE CAUSES CONCERN

JAPAN'S adverse balance of trade with Pakistan is causing anxiety in Japanese official circles. Japan imported from Pakistan from April, 1953, when a trade agreement was entered into between the two countries, upto 31st August, goods worth £15,567,000 while Pakistan imported from Japan commodities, worth £1,471,000. Thus Japan had an adverse balance of trade to the tune of £14,096,000. Although trade has since then reported to have made considerable improvement in favour of Japan, consequent on larger imports of cotton yarn imports by Pakistan, the position still is said to be not satisfactory.

It will be recalled that, under the trade agreement between Pakistan and Japan signed on 10th April, Japan had agreed to buy from Pakistan commodities worth £32,000,000 during the current financial year. These include 650,000 bales of raw cotton and 250,000 bales of jute, besides cottonseeds, hides and skins, cotton linters, rock salt, ephedrine, etc. This is in addition to about 200,000 bales of raw cotton contracted for during January-March, 1953. Japan also agreed to supply capital goods and machinery worth at least £6,000,000 on a long-term credit basis facilitating payment in instalments without any interest. In return, Pakistan agreed to import £5,500,000 worth of cotton fabrics, £1,000,000 worth of cotton yarns, £1,500,000 worth of rayon and other textiles and £1,500,000 worth of metals exclusively from Japan and, in addition, agreed to throw open general currency import licences for the first time to Japan.

It is contended that, while Japan has been liberal in regard to import of cotton, Pakistan has not adopted a reciprocal attitude. Japan sanctioned, during July-September, 1953, foreign exchange for the import of 250,000 bales of cotton from Pakistan. Recently, it also sanctioned $9,300,000 for the purchase of 65,000 bales during October-December, 1953, period. It is now expected to make available foreign exchange for another 235,000 bales of cotton.

Indo-Pakistan Trade

With the refusal of the Government of India to extend the Indo-Pakistan trade agreement which expired on 30th September, all licences for sterling area, issued by the Pakistan Government, are applicable to India also. So far as coal and jute trade between India and Pakistan is concerned, it will not be affected, as it is covered by a separate three-year agreement signed in March last.

The Indian Government's refusal to extend the trade pact up to 31st December, 1953, has not, however, evoked much comment from official circles in Pakistan. They, however, point out that restrictions on imports were not aimed at India. They were general inasmuch as they were designed to set right its precarious balance of payments, which is expected to persist unless drastic measures are taken to curtail imports. It is stated that so far as Pakistan's trade with India is concerned, Pakistan is having a favourable balance of trade under the agreement. But, it is adverse, if the Government's import trade outside the agreement is taken into consideration. The Government of India refused to extend the agreement, because Pakistan virtually banned the import of several items from India listed in the schedule to the agreement. The following table gives some of the items agreed upon to be imported under the agreement and the quantity stated to have been actually imported against it:

Commodities	*Under the Indo-Pak Agreement*	*Actual Imports*
	(Tons)	(Tons)
Ferro-manganese	200	....
Ferro-silicon	200	....
Rails	17,149	1,816
Heavy structural steel	10,000	121
Hard wood (including sal but excluding teak)	10,000	20,297
Deodar oil	10,000	..
Other soft wood	15,000	113
Soft railway sleepers	13,500	..
Hard railway sleepers	1,500	..
Mustard oil	5,080	4,774
Cotton waste	1,000	..
	(Value in Rs.)	(Value in Rs.)
Herbs, drugs, etc.	70 lakhs	12,10,014
Lime and limestone	5 lakhs	4,01,955
Bardi leaves, tobacco	1 crore	23,83,209
Printed books and journals	35 lakhs	8,71,975
Spices	1 crore	10,64,880
Road rollers	23 lakhs	..

LIQUIDATION OF DEFAULTING BANKS

ORDINANCE PROMULGATED FOR PROVIDING SPEEDY RELIEF TO DEPOSITORS

AN Ordinance was promulgated by the President of India on the 26th inst., with a view to expediting the procedure for liquidation of defaulting banks in India. The necessity for resorting to the use of the President's emergency powers in this connection is stated to be the urgency for expediting the liquidation of the several banks that have defaulted in recent years in order to give speedy relief to depositors and the inability of Parliament to consider the relevant Bill in its last session as it was preoccupied with other immediate business. The Ordinance has been promulgated under Article 123 of the Constitution and will have to be replaced by an Act of Parliament before the expiry of six weeks of the reassembly of Parliament.

The facts leading to the existing situation fully justify the Government taking recourse to the emergency legislation. As many as 321 banking companies were in liquidation at the end of 1952, involving thousands of depositors owning as much as Rs. 30 crores. There is, of course, provision for liquidation proceedings in the existing law but the procedure laid down in it is "cumbersome, prolonged and expensive." There are numerous instances where liquidation proceedings have dragged on for several years, as the liquidator of each bank has to file as many suits as there are debtors to the banks and in several courts all over the country. The prolonged delays also involve expenditure and the proceedings thus become costlier. Consequently, by the time the liquidation proceedings come to a close, in many cases, the balances left in the end are negligible and the depositors scarcely get anything worth mentioning.

With a view to simplifying the procedure, the Government of India appointed in July, 1952, the Banks Liquidation Proceedings Committee under the chairmanship of Mr. D. N. Mitra, a former Solicitor General of India, to recommend changes in the law and procedure that may be necessary for (a) expediting liquidation of banking companies, (b) the more effective and expeditious enforcement of liabilities of directors and other officers of the companies, and (c) the satisfactory working of schemes of arrangement for banking companies.

After studying the position in great detail, the Committee suggested certain administrative, as well as legislative, measures. These suggestions were circulated by the Central Government among the Reserve Bank of India, State Governments and High Courts, which seem to have approved of them, barring a few minor additions and alterations here and there. On the basis of these recommendations the Government of India formulated a Bill for the consideration of Parliament. But as Parliament could not find time, the consideration of the Bill had to be postponed. Meanwhile, numerous complaints were received by the Government from depositors, particularly from Bengal, on the delays and difficulties experienced by them. But, under the present law and procedure, both the Government of India and the Reserve Bank were helpless and could do no more than pass on the complaints to the courts under whom liquidators are working. In the circumstances, the only course open to the Government was to issue the Ordinance referred to at the outset. Under the Ordinance the Government of India is empowered, among others, to take the following legislative measures:

(1) Treatment of small depositors as preferential creditors. It is proposed that every depositor in a savings account should be entitled to a preferential payment upto Rs. 100, and similar priority for a sum of Rs. 100 should be allowed to current accounts not exceeding Rs. 500.

(2) The outstanding problem being the expeditious realisation of assets, a simple procedure is prescribed for settlement of loans of debtors on the analogy of the list of contributories under the Indian Companies Act. Within six months of the date of the winding-up order, the official liquidator will have to file in the court lists of debtors of the banking company which will be settled by the court on a date to be arranged after suitable notice is given to the debtor concerned. No appeal will be allowed when the amount of debt is less than Rs. 5,000. The above procedure will be available to the liquidator without prejudice to his rights to recover the debt due to a company in the ordinary course of law, but it will not be availed of by him in cases where there are debts due to the bank secured by a mortgage of immovable property and there are other mortgages of the same property.

(3) The courts are given the discretion to order the recovery, where necessary, of the decrees of the liquidator through summary land revenue processes.

(4) The courts are empowered to examine at their discretion persons who have been directors of the banks. Depositions in such examinations may be used in evidence against such directors in all civil or criminal proceedings. The courts may also disqualify any director for periods up to five years from being a director of a banking company, if upon such examination he is found incapable or incompetent.

(5) The court and the Government are empowered under the Ordinance to order inspection by the Reserve Bank of all banks under liquidation and to bring irregularities to the notice of the liquidator for consideration by the court. The Reserve Bank will have power to obtain information from liquidators on any matter relating to the liquidation.

(6) Provision is also made for the appointment of a court liquidator to every High Court for conducting proceedings regarding winding-up of banks. The Central Government may, however, exempt certain High Courts from the operation of this provision, if it is satisfied that the number of banks in liquidation in any particular area is not such that such an appointment is necessary.

(7) All proceedings pending before any official liquidator other than the court liquidator shall stand transferred to the court liquidator, unless the High Court otherwise directs.

The foregoing provisions should be welcomed as they are bound to go a long way towards safeguarding the interests of small depositors. As the directors are answerable for any mismanagement under its provisions, the Ordinance is sure to have a salutary effect on the existing managements of banks which are prone to overlook the importance of establishing sound principles of banking. If the provisions of the Ordinance are implemented in the right spirit, the liquidation proceedings can certainly be expedited and the cost of operation substantially reduced.

AN AMERICAN VIEW ON LOWER BANK RATE IN BRITAIN

Full six weeks have elapsed since the discount rate of the Bank of England was reduced from 4 per cent. to 3½ per cent. Naturally enough, the interest of banks and business men in this development has now shifted from mere discussion as to the need for a change in the Bank rate to the assessment of the effects of the new policy of lower interest rate on the general economic conditions in Britain. In the course of an interesting article in its latest *Monthly Letter* (October, 1953), the National City Bank of New York, for instance, mentions some of the distinct advantages of the lower Bank rate, a move which it considers can hardly be swept aside as inconsequential.

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LBO/148—1953

The *Monthly Letter* shares the view generally held by many banks that the unification of the Bank of England rates by lowering the discount rate, instead of by raising the special rate, must signify, to some extent, increased confidence in the country's financial and economic position. In this connection, it is noteworthy that the Bank rate was lowered at a time when sterling exchange was tending to soften after a period of sustained strength.

A second significant feature of the British Bank rate change has been the bringing about of a general realignment of and reduction in open market money rates. To quote the Bank: "In the British market, commercial bank lending rates are traditionally related to the Bank rate proper. Hence the existence of the Bank's lower Special rate of Treasury bills has had the effect of producing a wide spread between rates charged by the commercial banks on loans to their customers and those charged to the Government on Treasury bills. ... The reduction in the central bank discount rate paves the way to a lowering of the rates charged by the commercial banks to their trade and industrial customers. Meantime, the general level of open market money rates, including bank deposit rates, has already moved down by about ¼ of 1 per cent., with the rate for prime commercial bills falling more sharply, following abandonment of the pegged rate and adoption by the authorities of the policy of permitting the rate to fluctuate freely. Both the industry and the Government will be able to obtain credit more cheaply, with a narrowing of the unnatural rate differential between the two classes of paper. While the effective rate the market must pay at the Bank of England remains unchanged at 3½ per cent., as already stated, it will now be possible to borrow at that rate on approved commercial bills, instead of only on Treasury bills. All this doubtless appears highly technical to the American reader. What is significant is the move towards more normal and flexible relationships in the money market, and placing the discount rate in a position to regain its traditional role in influencing credit conditions."

Another significant feature of the reduction in the Bank rate is said to be the strong response recorded in the British security markets. Thus, according to the *Letter*, share prices moved up sympathetically, reflecting both the decline in yields of Gilt-edged and in psychological lift of the lower Bank rate. Most immediately, the British Government stands to benefit, in that the funding of £989 million of the national debt, scheduled for redemption next month and March, 1954, will be made easier and less costly. Again, the steel share marketing—to be carried out in connection with the denationalisation of the steel industry—will be facilitated. Looking further ahead, the *Letter* expects the improvements in the security markets to provide a stimulus to the economy at large. "Rising security markets," it says, "tend to generate optimism and to encourage business concerns to invest more freely and expand their activities. Whether this kind of development would be desirable in Britain under the circumstances is questionable. Already, the country is operating at full employment and some concern has been expressed over the proportion of production that has been going into the domestic economy rather than into export."

The *Letter* then refers to the broader significance of the new rate change, which, in its opinion, lies in the further evidence it affords of a generally lower trend of world interest rates. This, in turn, "reflects the dying down of the inflationary fires by World War II and rekindled by the outbreak of the Korean war and the launching of the vast programmes of rearmament."

Proceeding, the *Letter* seeks to stress that the general level of European Bank rates has fallen definitely below the maximum reached after Korea (1950-53), now that Britain, France and Denmark have joined the move towards lower Bank rate. To bring out this point clearly, the *Letter* gives the following table relating to the Central Bank discount rates of selected countries:

	Maximum 1950-53	Present rate		Maximum 1950-53	Present rate
	%	%		%	%
Austria ..	6	5	Netherlands.	4	2.5
Belgium ..	3.75	3	Norway ..	2.5	2.5
Canada ..	2	2	Portugal ..	2.5	2.5
Denmark ..	6	4.5	Spain ..	4	4
Finland ..	7.75	5.75	Sweden ..	3	3
France ..	4	3.5	Switzerland.	1.5	1.5
Germany ..	6	3.5	Turkey ..	4	3
India	3.5	3.5	Union of South Africa.	4	4
Italy	4	4	United Kingdom ..	4	3.5
Japan ..	5.84	5.84	United States	2	2

In conclusion, the Bank observes: "Though there is some fear that the embers might still flare up, Central banks generally are apprehensive of overstaying the need for restraining policies."

U.S. INVESTMENTS ABROAD

The U.S. Commerce Department's survey of American investments abroad, released for publication last week, makes impressive reading. A highlight of the survey is the large amount of direct American investments aggregating $14,000 million at the end of 1952. This figure is based on a comprehensive study of U.S. foreign investments during the period 1943-50. The survey reveals that there was a steady rise in these investments abroad even from as back as 1920, when they stood at only $4,000 million. In the subsequent years, they gradually rose to stand at $11,800 million in 1950 and to $14,000 million last year.

The chief factor which has been responsible for inducing, in recent years, a greater outflow of private investments abroad is the keen interest evinced by the U.S. Government. The Government concluded special treaties with the countries importing U.S. capital to end discriminatory treatment of American investors. It liberalised income-tax laws on earnings of these investors. The prospect of earning comparatively higher returns on capital invested in certain countries as, for instance, Latin America and Canada, also contributed to the flow of capital abroad.

The survey reveals that the income earned by the U.S. investors averaged about $1,200 million per annum during the six years ended 1952. Of this, on an average, $630 million a year was reinvested, as new capital in foreign enterprises. In addition, approximately $500 million a year in the earnings were retained by foreign subsidiaries. This also constituted a source of further new investments in those countries. By selling to the U.S. goods manufactured with the help of new investments, the subsidiaries helped the foreign countries to earn large amounts of dollars. Again, by substituting local production of goods which were formerly purchased from the U.S., they helped the countries also to save dollars. Calculations reveal that the foreign countries earned slightly more than $1,000 million in revenue from income-tax on U.S. direct-investment enterprises. Other types of taxes and royalty payments provided more direct forms of revenue which made possible the implementation of development programmes which could not otherwise be carried out.

The area-wise distribution of the $11,800 million invested abroad at the end of 1950, reveals that the share of Latin America was the largest at $4,700 million. Canada came next, accounting for $3,600 million. Europe absorbed $1,700 million. The balance of $1,800 million was shared among Africa, Asia and Australia.

Industry-wise analysis of the U.S. investments discloses that some $3,800 million was invested in manufacturing industries. The petroleum industry absorbed $3,400 million. Investments in railways and public utilities amounted to $1,400 million and in mining $1,100 million. Only $600 million was invested in agriculture, while all others accounted for $1,500 million.

The survey shows that the flow of investments underwent two notable changes during the period 1943-50. Thus, investments in the contiguous or neighbouring areas of Canada, Mexico and West Indies fell from 50 per cent. of the total in 1929 to 40 per cent. in 1950. But investment in Latin America, directed mostly to petroleum and manufacturing enterprises, rose by 75 per cent. from 1943 to 1950. Again, there was a marked increase in the value of direct investments in Asia. These rose from $403 million in 1943 to $1,044 million in 1950. During the same period the increase was from $129 million to $353 million in Africa, from $114 million to $200 million in Australia and from $75 million to $149 million in the Philippines. Part of the increase in investment in these areas is due to the shift of investments from Europe.

Investments in Europe dropped from 23 per cent. of the total in 1943 to nearly 15 per cent. of the total in 1950, because, the survey adds, most of the American capital flowed into other areas of the world. However, during this period $500 million was reinvested in the European enterprises. In 1950 alone, we are told, new investments increased by more than $270 million. The flow of U.S. capital to Britain increased from one-third of the total in Western Europe to one-half in the seven-year period ended 1950. Other countries with large American investments were France, $217 million and Germany, $204 million. Investments in Western European dependencies increased from $155 million to $435 million between 1943 and 1950.

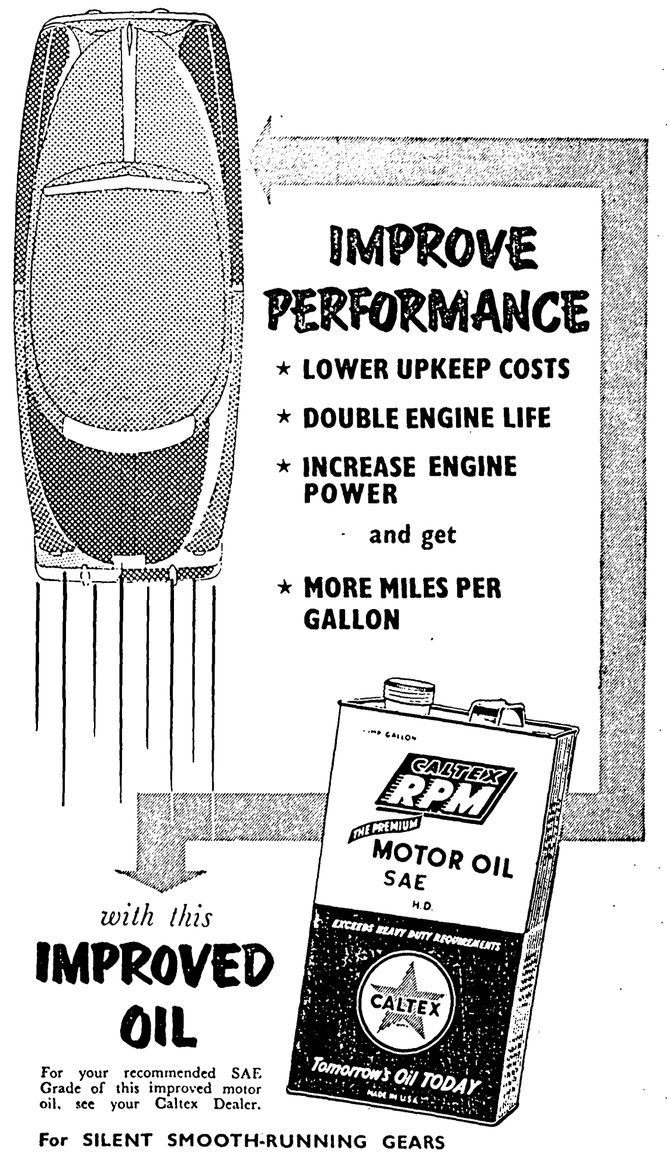
The Bank of Mysore becomes the Agent of the Reserve Bank of India in Mysore State from 1st November, 1953. According to a Reserve Bank communique released this week, an agreement to this effect has been executed on the 28th inst., the parties concerned being the Rajpramukh of Mysore, the Reserve Bank and the Bank of Mysore.

In the third week of December 1952, the Government of Mysore appointed the Reserve Bank of India as its sole banker with effect from 1st January, 1953. It was indicated at the time that the Bank of Mysore would be appointed the Reserve Bank's agent in Mysore as soon as the necessary preliminary arrangements were concluded.

The Bank of Mysore will now perform the agency functions at Mysore, Shimoga and Mandya. At these centres, it will, on behalf of the Reserve Bank, transact the banking business of the Government of Mysore and also that of the Central Government. This business will include transactions pertaining to railways. The Bank of Mysore will also provide necessary exchange and remittance facilities to the banks and the public at these centres. The agreement provides for the Bank of Mysore performing similar agency functions at such other centres in Mysore State as may hereafter be decided upon by the Reserve Bank in consultation with the Government of Mysore.

The Bank of Mysore is the second bank in a Part "B" State to be appointed as the Reserve Bank's agent. The first was the Hyderabad State Bank which has been functioning in that capacity since 1st April, 1953.

The securities of the 4 per cent. Hyderabad State Development Loan, 1963, subscriptions to which are being received from the public with effect from 22nd October, 1953, have been specified as approved securities for the purposes of the Insurance Act, 1938, according to a notification issued by the Government of India, Ministry of Finance, on 22nd October, 1953.



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TEXTILE MILLS IN COIMBATORE

AGREEMENT REACHED ON BONUS ISSUE

THERE is a no more pleasant news in the industrial world than a negotiated agreement between the employers and the workers, which is reached without going through the painful means of a strike or the protracted course of a full dress trial at the court of an industrial tribunal. For this reason, if for no other, the reported agreement between the textile labour and the Coimbatore millowners deserves to be welcomed. The credit for this peaceful settlement of an old dispute must go as much to the mill authorities, as to the workers' representatives.

The Southern India Millowners' Association, Coimbatore, and the Coimbatore District Textile Workers' Union, it is stated, have arrived at an agreement in their dispute in respect of bonus and arrears thereof for the years 1948, 1949, 1950 and 1951. *This dispute is pending before the* Labour Appellate Tribunal in respect of the bonus for 1948 and before the Industrial Tribunal, Coimbatore, in respect of the bonus for *other years. It is stated that 27 mills,* according to the agreement, will pay 50 per cent. of the basic earnings and two other mills will pay 33⅓ per cent. of such earnings in accordance with *the award of the Industrial Tribunal,* Coimbatore. For the years 1949, 1950 and 1951 there is no award, since the dispute is pending before the Tribunal. Nevertheless, it has been possible to arrive at an agreement with the workers. Thus, for the year 1949, 28 mills will pay two months' and one mill one month's bonus. For 1950, 27 mills will pay two months' and one mill, one month's bonus. For 1951, 26 mills will pay three months' and one mill two-and-a-half months' bonus and another two months' bonus. No deductions, it has been agreed, are to be made by the *management* towards any advance made by them from bonus payment under this agreement. All workers who have worked for the respective years are entitled to the bonus irrespective of the number of days of attendance. For women, who had been on maternity leave, actual maternity allowance drawn by them will be included in their earnings for purpose of calculating the bonus. The total payment of bonus will be made in two instalments, one before 31st October and *the other on or before* 31st December.

As regards the bonus for 1952, it would appear from a Press statement issued by Mr. R. Venkataswamy, Chairman of the Southern India Millowners' Association, that the Association itself took the initiative in examining the working of the mills in the Coimbatore area and reaching an agreement with the workers. The Chairman says:

"At a meeting of the Association held on 20th October, 1953, the working of the mills for the year 1952 in the Coimbatore area was reviewed so as to explore possibilities of payment of bonus to workers for that year. Statements of accounts prepared by auditors of the Association for the Coimbatore group of mills were examined and fully discussed. During the year under review most of the mills had incurred losses and only two mills had shown surplus profits for payment of bonus. Four other mills have made very small profits, inadequate for any payment of bonus.

"On an overall picture, therefore, there was no possibility of declaring bonus for the year 1952 industry-wise as only two out of 32 mills have made profits to *justify any payment.* Therefore, the Association has recommended in regard to these two mills that declaration of bonus for workers for the year 1952 be left to their discretion. The Association very much regrets to announce *that the industry is not in a position to declare* any bonus for the year 1952 in respect of other mills.

"However, to avoid hardship to labour and in the interests of general peace and harmony in the industrial sector in Coimbatore, the Association authorised Mr. K. Venkatesalu, Honorary Secretary of the Southern India Millowners' Association, to negotiate with trade unions in Coimbatore and explore possibilities of settlement of the various issues pending before the Industrial Tribunal, *Coimbatore,* and the Labour Appellate Tribunal at Lucknow so that under the final settlement workers may get some money for the ensuing *Deepavali.* We are glad to announce that it has been found possible to come to an agreement with the Coimbatore District Workers' Union, Singanalur, regarding bonus payment for the years 1948 to 1951 (both years inclusive), about which a dispute is pending before the Labour Appellate Tribunal, Lucknow, and the Industrial Tribunal, Coimbatore. According to this agreement a final settlement has been arrived at between the parties.

"According to this final settlement, the bonus works out to a month's basic period. We are sorry to report that it has not been found possible to reach final settlement in respect of two mills of Coimbatore area on the bonus issue. We hope that better counsel would prevail and an amicable settlement would be arrived at. The financial position of these units is causing anxiety and labour, we trust, would realise the serious implications and repercussions in making heavy demands on these two unfortunate units. We sincerely hope that a settlement would also be possible in the near future in respect of these mills. It is also strongly hoped that the spirit of compromise and conciliation shown on both sides at the recent meetings would continue to prevail towards the development of harmonious capital-labour relationship and ensure the future prosperity of the country."

It would, however, appear that all the aforesaid agreements were reached only with a section of workers and that, therefore, they do not carry the support of all the trade unions. The Tamil Nad Indian National Trade Union Congress, for instance, is not a party to this agreement. The Secretary to the Union, Mr. G. Ramanujam, has criticised the agreement on three grounds. In the first place, the agreement is "not lawful," since the 1948 bonus dispute is pending before the Labour Appellate Tribunal. Secondly, the agreement provides for less bonus than the award which is the subject of appeal *before the Appellate Tribunal. Thirdly,* under the agreement, the "basic wage" does not take into account production allowance, and the bonus amount will accordingly be less than what it would otherwise be. He feels that his rival union was "unduly hasty" in concluding the agreement.

We do not wish to comment on the purely legal aspects of the agreement. But the question, which deserves to be considered, is whether this agreement does not give, in the present context of the troubled conditions through which the industry is passing, sufficient satisfaction to the workers concerned. It is to be hoped that the labour leaders, to whatever section of the labour movement they may belong, will examine the settlement in an objective manner. If such impartial examination leads, as we feel it will lead, to the acceptance of the agreement, then the Coimbatore textile workers will be spared the inconvenience of the prolongation of a dispute which has dragged on, in all conscience, for an unduly long time already.

EMPLOYMENT IN THE CLOTHING INDUSTRY

CENSUS FIGURES ANALYSED

AT a time such as the present when the threat of unemployment faces many a worker in the textile industry, it will certainly interest many persons to know what an important role the textile industry plays as a source of employment. From this point of view, the Government of India's latest publication on census, entitled *Census of India Paper No. 3 of* 1953, which gives a summary of demographic and economic data, will be read with great interest. This report shows that, in the industrial sector, as distinguished from the agricultural, the textile industry is the single largest source of employment to the people.

India's total population, according to the latest census (that is, the 1951 census), is 356.6 million. The number of persons who are described as belonging to the agricultural classes is 249.1 *million.* The rest are employed in various industries, or engaged in other services, or support themselves by other sources of income, such as pensions, agricultural income or merely by begging. It has been computed that there are about 32.4 million persons who are engaged in industries and services. Of this number, the various branches of the textile industry claim about 3.41 million persons as workers or employers or independent workers. This number is distributed as follows:

(In millions)

	Men	Women	Total
Cotton textiles	1.83	0.22	2.05
Weaving apparel (except footwear) and made-up textile goods	0.60	0.05	0.65
Other textile industries ..	0.65	0.16	0.71
			3.41

In the cotton textile industry, there are thus 2.05 million persons. This number includes employers (0.05 million), employees (0.98 million) and independent workers (1.02 million). The overall number of 2.05 million persons refers to "self-supporting" persons who are defined as possessing an income sufficient for their maintenance. An employer is defined as a person who has necessarily to employ other persons in order to carry on the business from which he secures his livelihood. Thus, if a person employs a cook or other person for domestic service, he is not regarded as an "employer" merely for that reason. An "employee" is a person who ordinarily works under some other person for a salary or wage in cash or kind. An independent worker means a person who is not employed by anyone else and who does not also employ anybody else in order to earn his livelihood. It will be seen from the figures already given, that independent workers predominate in the cotton textile industry. This is presumably because the handloom weavers have also been included in the census as those who are dependent on the textile industry.

The following table gives the region-wise classification of persons engaged in the cotton textile industry:

	Men*	Women*
India—		
Rural	754,053	116,690
Urban	1,078,804	111,304
Total	1,833,757	227,994
North India—		
Rural	129,604	16,933
Urban	114,858	6,250
Total	244,462	22,183
East India—		
Rural	87,425	22,531
Urban	45,172	4,289
Total	132,597	26,820
South India—		
Rural	277,829	41,519
Urban	219,242	33,903
Total	497,071	75,422
West India—		
Rural	74,048	7,600
Urban	481,010	40,344
Total	555,058	47,944
Central India—		
Rural	118,455	11,103
Urban	162,684	16,590
Total	281,139	27,702
North-West India—		
Rural	67,591	18,004
Urban	55,829	9,919
Total	123,420	27,023

* Includes employers, employees and independent workers.

(Concluded from next column)

It will be seen from the table above that, although the cotton textile industry is an urban industry in India, taken as a whole, there are parts of this country, where it is carried on as a rural enterprise. If data had been collected on the income levels of the persons engaged in this industry in the rural and urban areas, they would have served to bring out the difference in incomes between the "rural" textile workers, who are generally handloom weavers, and the "urban" textile workers who are generally engaged in the organised textile industry.

The figures relating to persons connected with the textile industry seem to differ widely from the accepted figures relating to the handloom industry. The total number engaged in the textile industry, according to the census, is 2.05 million. It is known, from other sources, that the organised mill industry employs about 800,000 persons. This would leave about 1.25 million people for the handloom industry. But this industry, according to the Fact-finding Committee on Handloom Industry, employs about 2.4 million persons. Either the figures given by the census are serious under-estimates or the *generally accepted figures of employment* in the handloom industry are wide of the mark. Perhaps, the only explanation that could be offered for the discrepancy between the two estimates *is that the census does not take into account* the partially-employed persons in the handloom industry. In any case, the whole matter deserves some careful statistical study, in order to arrive at some acceptable estimate about the persons employed in the handloom sector of the textile industry.

Apart from those who are directly engaged in textile production, there are numerous other classes who are connected with the industry such as cloth merchants, cotton traders and so on. An important section of this class is the retail dealer in cloth. It is unfortunate that the report does not show the figures of retail dealers in cloth separately but clubs them with dealers in leather goods. There are, according to the report, about 560,000 persons engaged in the retail trade in textile and leather goods, either as employers or employees or independent workers.

(Continued in previous column)

SIR RAYMND STREAT'S WARNING TO BRITH TEXTILE INDUSTRY

DECLINE IEXPORTS OF MILL MACHINERY

(*From A Special Correspondent*)

MANCHE, 20th October

SIR Raymond Streat, Chair:of the Cotton Board, told 1,000 executi·managers and union officials at the openin‹the industry's Annual Conference at Harro‹this week-end

MANCHESTER LETTER

thaport customers wo‹turn from us and· elsewhere" if the‹on industry's deli periods grew lon‹ and longer. "Civals and competi‹in other countries in many cases have a‹ of labour on which they can draw to inse output and give relatively prompt deli. We cannct count upon being protecte‹manently by special measures imposed upcovernments by reason of the currency si‹on," said Sir Raymond.

Describing higher produ‹ty per worker as "more than ever our mos‹ical need," he added: "The sterling area mproving and overseas countries in the ster area will buy from others if we cannot gi‹em the terms they desire."

The net productivity in spinning between 1947 and 1951 had ‹ 3.7 per cent., while in weaving there had‹n a gross rise of 8.2 per cent. "These factors‹w that something has been done but over whole industry the effect has been small. I‹k it is certain that what has actually happe‹is that many units have increased productivity‹by much more impressive percentages whil‹hers have not achieved any increase at all."

In nine months of slump‹cashire mills lost 65,00(workers and so fa‹ly 23,000 had been recruited back to the ind‹y. Production had risen to 88 per cent. of ‹level achieved before the slump and the revi‹of buying had so outstripped the growth of‹ductive capacity that order books had gra‹lly lengthened and longer delivery times for ‹hed goods had had to be quoted.

Trade Prospec

An increase in trade t‹igh the Iron Curtain, coupled with an enraging review of economic prospects in the ‹ted States, was predicted at the final session ‹he Conference by Sir Oliver Franks, Dep‹ Chairman of Lloyds Bank, and a former Bi‹h Ambassador at Washington. He said th‹the easing of internal conditions in Russia‹e reduction in prices of goods and the incse in supplies indicated that the new Soviet‹time was more concerned with the standard living of the people.

He anticipated no great ch‹e in American tariff rates. "Results will be‹dest," he told the Conference. "There will a gentle movement. Things will improve, ‹not profoundly alter. There will be no trurt-call to bring the tariff walls crashing dow‹

Points from the papers given at the Conference included:

Mr. A. D. Campbell, leader of the cotton team to East Africa: "The industry should experiment with a particular branded cloth of fast colours worded in Swahili. The brand should be centrally advertised by the industry throughout East Africa. We do not recommend that Lancashire should try to recapture the market for cheap goods for native consumption, on the lines followed by Japan, but an effort should b‹ made to obtain a certain share of the better end of the bulk trade."

Mr. Campbell urged the Lancashire textile industry not to shirk "the unpleasant problem of price." Lancashire prices, he declared, were too high, not only in terms of Japanese and Indian prices but competition from the Continent was also very severe.

Mr. Ernest Thornton, M.P. for Farnworth, and former Secretary of the United Textile Factory Workers' Association, said the industry needed an efficient well-paid labour force, a little larger than at present but smaller than in 1951. Bold and generous schemes of redeployment on existing machinery and re-equipment at a speedier rate would offset the inevitable loss of labour in the older age groups during the next few years.

Cotton's Place

Pointing out that cotton still provides 72 per cent. of the clothing material of the world, Professor A. J. Brown, Head of Leeds University Economics and Commerce Department, told the Harrogate Conference: "Cotton is still very much King, though not quite such an absolute monarch as he used to be."

Rayon, Professor Brown said, now equalled in quantity about one-twelfth of annual cotton output—"not an enormous quantity as yet but appreciable and coming up fast." In the 20 years to 1952 rayon had actually brought its prices down, despite an upward movement in labour, materials and nearly everything else in the world. There was no obvious reason, he believed, why the price of rayon should rise much in future but the position of cotton was different.

Increasing population and increasing demand for food, he continued, might press more heavily upon cotton than on wood-pulp used for making rayon. Suppliers of raw cotton, mainly into the port of Liverpool, had changed in the past generation. The United States was exporting only 60 per cent. of the level in the 1920's and India and Pakistan had reduced exports to a fraction of the pre-war level. Outside growths had been responsible for 35 per cent. of world cotton exports in the last three years against less than 5 per cent. before World War I. A quarter of raw cotton for Lancashire spinning mills now comes from Sudan and other parts of Africa outside Egypt.

Machinery Exhibition

Comments on the scale of re-equipment in Britain's textile industries were made when what was described as the largest and most comprehensive display of textile machinery, accessories and ancillary equipment assembled was opened in Manchester last week.

The exhibition is about 60 per cent. larger than its 1949 predecessor, providing accommodation for 276 exhibitors, of whom 58 came from overseas. A feature of the display was the return of German textile manufacturers, 19 firms showing their products for the first time since 1936.

Opening the exhibition, Sir Andrew Naesmith, former Secretary of the Operative Weavers' Amalgamation, said that the best equipped mills in Lancashire were as good as any in the United States. Progress in modernisation and re-equipment, however, he declared, was far too slow and limited. "I want to see the backward firms taking examples from the more progressive units in order that the whole tempo of production can be increased," he added. "It is no exaggeration to say that between our best mills and our worst there is a difference of something like 30 per cent. in productive efficiency."

Mr. W. A. Grierson, an ex-Chairman of the Redeployment Committee of the Master Spinners' Federation, agreed that the scale of re-equipment in Lancashire over the past seven years had been too small. Dealing with the current shortage of 42,000 operatives in spinning and weaving, he said: "This is a challenge to management. There is now a golden opportunity to reach 1950 production figures with a smaller, compact, well-paid and highly skilled labour force. We are suffering from a shortage of workpeople only because in so many cases they are not effectively employed and they never can be on machines and methods which are 50 years old."

Some of the most spectacular machinery on show at the exhibition was specially designed for processing man-made fibres.

Machinery Exports

Competition in textile machinery is growing as rapidly as it is in the finished textile material. British manufacturers of plant have done extremely well since the war, and aided by high prices have been able to establish new currency earning records. The peak, it would seem, has for the moment been passed as shipments this year, both by volume and value, are substantially lower than in 1952.

For the eight months to the end of August the quantity of textile machinery shipped abroad was 1,172,421 cwts., valued at £28,367,772, compared with 1,520,465 cwts., worth £33,728,620 in the same period last year. The value of this year's exports, however, is second only to the highest level yet recorded, in 1952.

Practically every country in the long list of those which buy textile machinery from manufacturers in Britain have taken smaller quantities than a year ago, but it is noticeable that purchases of spinning machinery have declined more than those of other processes. In the eight months spinning machinery shipments totalled 670,225 cwts., against 882,270 cwts., while weaving plant exports amounted to 204,899 cwts., against 243,172 cwts.—*All Rights Reserved.*

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PROPERTIES OF STANDARD COTTONS

RESEARCH RESULTS PRESENTED

ALTHOUGH India ranks, along with the U.S., Pakistan and Egypt as one of the principal cotton-growing regions of the world, it differs from the rest in the relatively larger number of varieties of cotton which are grown in this country. The other countries raise a large quantity of one variety or a strictly limited number of varieties of cotton. This difference arises, as Mr. C. Nanjundayya, Director, Technological Laboratory of the Indian Central Cotton Committee, remarks in the report entitled *Technological Reports on Standard Indian Cotton, 1952*, just published, from the fact that, in this country, cotton is grown in a vast area which has "widely varying geographical and climatic conditions." It has thus become necessary to grow a large number of varieties of cotton in India, each variety being suitable to a particular tract from the point of view of yield and quality.

It is, therefore, hardly surprising that Indian cottons possess a wide range of fibre properties and spinning value. At one end of the scale, there are the short-stapled Bengals, which are suitable for only 8s and 10s reeling, while at the other end, there is the fine and long-stapled Madras Uganda I which is capable of being spun upto 32s warp or 40s weft under mill conditions. The following table gives the various types of cottons produced in India, and their fibre and spinning characteristics:

Characteristics of Indian Cottons

	(a) Output 1950-51	Grader's staple length 32nd inch	Mill flow Room loss (Per cent.)	(b) Mill spinning capacity
Bengals				
U.P. Deshi ..	53,000	14 to 18	9-11	8s-10s reeling
Rajputana Deshi ..	160,000	12 to 16	9-11	"
Punjab Deshi ..	229,000	14 to 18	9-11	"
Mollisari ..	31,000	14 to 18	9-11	"
Americans				
Punjab American LSS ..	106,000	26 to 28	6-10	24s warp
M.P. American (Hurl) ..	57,000	29 to 30	9	25s warp
Hyderabad American ..	39,000	28	8-10	24s/28s warp
Oomras				
C.P. and Nimar Oomras.	156,000	18 to 22	7-10	8s/16s warp
Berar Oomras	55,000	18 to 20	10	8s/12s warp
M.P. Verum	44,000	24 to 26	9	20s/22s warp
Jarilla	206,000	24-to 27	9-13	22s/24s warp
Harsi Nagar (including Hyderabad Oomras) ..	68,000	18 to 20	9-11	8s/12s reeling
C.I. Oomras	105,000	16 to 20	12-15	8s/12s warp
Malvi	115,000	22 to 24	10-12	14s/16s warp
Hyderabad Gaorani ..	106,000	25 to 30	6-13	24s/26s warp
Broach Vijay	216,000	24 to 28	6-8	24s/26s warp
Surti Suyog	85,000	25 to 30	7-8	24s/26s warp
Dholleras (Wagad, Latio, Kalasia)	320,000	21 to 26	12-15	14s/18s warp
Madhya	40,000	16 to 18	15	10s/12s warp
Southerns				
Kumptas	104,000	22 to 28	14-16	14s/22s warp
Jayawant	109,000	26 to 29	12	20s warp
Dharwar-American (Gadag I) ..	33,000	26 to 28	7-9	24s/26s warp
Westerns (Hagari I) ..	59,000	26	10-12	24s warp
.. (other than III)	46,000	22 to 26	11-13	16s warp
Northerns	9,000	26 to 28	8	22s warp
Nandyal 14	3,000	20 to 25	9	24s/26s warp
Coranadas and Warangal	12,000	22 to 26	6-10	14s warp
Chinnapathi ..	2,000	..	..	..
Tinnevelly	35,000	24 to 28	6-8	16s warp or 20s weft
Karungannis	53,000	26 to 28	6-8	24s warp
Cambodia	134,000	28 to 34	5-8	28s/32s warp
Nadam, Rourbon and Uppam (Salem) ..	3,000	22 to 26	6-8	14s/18s warp
Comillas	19,000	12 to 14	6-8	8s/10s reeling
Grand Total ..	2,026,000			

(a) In bales of 392 lbs. each.
(b) Based on average mill performance.

Before the State Agricultural Departments undertook systematic work in connection with the evolution of better varieties of cotton, the cultivators used to grow whatever variety those chose. More recently, however, this practice has been replaced by a more organised effort designed to grow the varieties which show a decided improvement over the existing varieties in respect of such factors as hardihood, yield, ginning percentage, resistance to diseases and pests, staple and grade. The improved varieties are maintained as standard cottons in the many experimental stations which are dotted all over the cotton-growing tracts of the Indian Union. These cottons are grown each season from pure seeds and under as nearly the same conditions as possible to serve as standards of reference. Although the standard cottons generally remain unchanged they are sometimes omitted from the list or new ones are added to the list when some of them have definitely proved unfit or when better varieties of cotton are evolved.

The following is the list of standard cottons which have been arranged State-wise:

Bombay State: Jayawant; Jayadhar; Gadag 1; Laxmi; Vijay; 1027 A.L.F.; Suyog; Jarilla and Virnar.

Punjab State: Punjab American L.S.S.; Mollisari.

Madhya Pradesh State: H. 420.

Hyderabad State: Gaorani 6.

Madras State: Cambodia Co.2; Madras Uganda I (Co.4 B40); Nandyal 14 (Northerns); Westerns 1; Karungani (K1); Karungani (K2); Karungani (K5).

Uses of Testing

Standard cottons, it is noteworthy, are subjected to a large number of tests in each season along with those varieties which may be evolved from time to time, the former serving as standards of reference. There are four objects in testing the standard Indian cottons. In the first place, these tests, which are conducted on the same varieties under nearly the same conditions, serve to establish a scale of reference for the entire Indian cotton crop. Thus, it would be possible to compare the results of the performance of the commercial Jarilla crop with that grown from pure seed in an experimental farm. Secondly, tests on standard cottons grown in successive seasons are helpful in studying the seasonal variations in fibre properties and spinning performance for these cottons. Thirdly, the data collected on standard cottons are very valuable in determining the connections between fibre properties and their spinning value. The importance of this relationship cannot be overemphasised, in view of the fact that the cotton cultivator has to produce a strain which can yield a lint acceptable to the spinner. Finally, these tests help place in the hands of the trade detailed information regarding the standard Indian cottons which have been evolved after considerable research work extending over a number of years and which represent improved varieties grown on a commercial scale by the cultivators.

Changes in Performance

The report under review presents the results of the tests made on standard Indian cottons belonging to the 1951-52 season together with the results of the previous seasons. The report on each cotton gives the agricultural details, the grader's valuation report and the spinning master's report and complete information regarding the treatment, waste percentage, yarn breakages and the test results carried out on fibre and yarn. Reviewing the changes in the performance of these cottons, as revealed by the tests carried out over a period of two decades ended 1950-51, Mr. Nanjundayya says:

"It was stated in former issues of this Bulletin that the standard cottons of 1930-31 gave, on the whole, much better performance than those of 1929-30, but this improvement was not maintained in the following season. The setback, however, proved temporary and the 1932-33 cottons registered, on the whole, better performance than those of 1931-32. This improvement was maintained in the following two seasons and in 1934-35, the cotton yielded, on the whole, even better results than in the previous season. Thus, in a majority of cases, these cottons registered a steady improvement from 1930-31 to 1934-35. This improvement, however, suffered a setback in the 1935-36 season, from which there was a welcome change for the better in the 1936-37 season. The 1938-39 season witnessed an improvement in a few cases, but this was offset by a falling off in the performance of a larger number of cottons, while the 1939-40 season indicated a general improvement in most cases. This improvement was not maintained in 1940-41, but the 1941-42 season had, on the whole, given better results than the previous one which has been generally maintained in the next six seasons 1942-48 but there was a setback in 1948-49 which was partially recovered in 1949-50. This recovery was maintained in the 1950-51 season as well."

The latest report refers, as already stated, to the results of the tests performed on the standard cottons of the 1951-52 season. These results show that Gadag I and Cambodia Co.2 were "definitely better" than the same cottons produced in the previous season, whereas three varieties, namely, Jayadhar, Suyog, and Gaorani 6, were "definitely poorer" than the same cottons in the previous season. The performance of the other standard cottons remained "approximately the same" as in 1950-51.

(Concluded from next column)

(In million bales)

	1938-39	1951-52	1952-53
China	3.30	3.10	3.10
U.S.S.R.	3.81	2.80	3.15
Eastern Europe ...	0.86	1.21	1.28
Total	7.97	7.11	7.53

It will be seen from the table above that the consumption of cotton in the Communist countries in the 1952-53 season would have been still lower than what it is—that is, as compared with the pre-war years—had it not been for the encouraging increase in the offtake of cotton by the East European countries. The fall in consumption as compared with the previous season is negligible and may be more than made good in the current or the next season in view of their decision to encourage production of more consumer goods.

WORLD CONSUMPTION OF COTTON IN 1952-53

SLIGHT INCREASE RECORDED

WORLD consumption of cotton in the 1952-53 season has been provisionally estimated by the International Cotton Advisory Committee at 33.33 million bales of 478 lbs. each as against 32.27 million bales in the previous season. There has been an estimated increase in consumption of 640,000 bales in the last season. It must be noted that the use of cotton in the world recedes from the impressive total of 33.07 million bales reached in 1950-51 to 32.27 million bales in 1951-52. But cotton consumption has, during the season 1952-53, not only recovered the loss sustained in 1951-52 but even exceeded the 1950-51 level. Of the total consumption of 33.33 million bales in the 1952-53 season, the Communist countries accounted for 7.52 million bales, as against 7.11 million bales in 1951-52 and 6.52 million bales in 1950-51.

The following table gives the consumption of cotton in free world in 1938-39, 1951-52 and 1952-53:

(In bales of 478 lbs. each)

	1938-39	1951-52	1952-53†
North America	7,408	9,020	10,222
of which			
U.S.	6,853	9,190	9,457
Canada	246	343	371
Asia and Oceania	6,753	6,457	7,097
of which			
India	3,436	3,520	3,800
Japan	2,681	1,816	2,050
Hong Kong	..	182	155
Europe	7,369	6,747	6,536
of which			
Belgium	321	407	375
France	1,295	1,226	1,150
W. Germany	1,150	965	1,005
Netherlands	685	892	850
Portugal	260	267	295
Spain	100	178	178
Switzerland	140	304	350
U.K.	141	193	165
South America	2,690	1,759	1,675
of which	926	1,590	1,493
Argentine			
Brazil	150	470	350
Africa	642	800	800
of which	155	445	467
Belgian Congo ..	7	40	40
Egypt	121	312	320
Total World) ..	22,611	25,159	25,905

† Estimates.

The free world's leading consumers of cotton, as the table above shows, are (in the order of importance): U.S., India, Japan, the U.K., France and Germany. Of these, the only countries which show a slight decline in consumption are France and the U.K. Presumably, the consumption of cotton in France has been affected adversely by labour unrest, while what the Committee recently described as "price and inventory" factors, while the U.K. consumption has suffered partly by the recession in the textile export trade and partly by the shortage of labour. In all the other leading textile countries, the consumption of cotton shows an encouraging increase over the previous season's levels.

Some interesting facts about the world cotton textile industry emerge when the cotton consumption in individual countries is compared with that in the pre-war period. Between 1938-39 and 1952-53 some of the leading textile countries of the world have reduced their consumption. Thus, Japan, which consumed 2.68 million bales in 1938-39, now consumes barely 2 million bales. It has, therefore, not yet completely recovered from the effects of the damage to its textile industry suffered during the war. Nevertheless, it has made considerable headway—a factor which makes this country so much feared abroad—as is evident from the fact that consumption of cotton has improved from a mere 0.73 million bales in 1948-49 to 2.10 million bales in 1952-53. France, Germany and the U.K. among the countries which show a decline in cotton consumption, though in the case of the U.K., the decline is particularly marked. Among the countries which have recorded notable increase in cotton consumption since 1938-39, mention must be made of the U.S. and India.

The increase in the free world's cotton consumption since pre-war years has been of the order of three million bales. This increase deserves some explanation, in view of the fact that some of the leading textile producing countries have, as already mentioned, curtailed their consumption. The explanation lies in the rapid progress of the textile industry in countries which never figured prominently in the past as cotton consuming countries. Many countries have secured, in recent years, important positions in the world's textile map. To this group of countries belong Mexico, Australia, Turkey, Pakistan, Egypt and nearly all the South American countries. The quantity of cotton consumed in some of these new textile producing countries during the 1952-53 season with the 1938-39 cotton consumption figures in brackets is given (in 000 bales) below:

Mexico 330 (245); Australia 60 (30); Turkey 250 (135); Argentina 350 (150); Brazil 800 (642); Chile 75 (20); Columbia 115 (55); Ecuador 18 (10); Peru 55 (30); Uruguay 25 (1); Venezuela 20 (11); Belgian Congo 70 (7); Egypt 320 (121); South Africa 40 (1); Pakistan 275 (—).

Although the consumption of cotton in the Communist countries has increased from 7.11 million bales in 1952 to 7.5 million bales in 1952-53, it is slightly less than the total consumption in these countries in 1938-39. The following are the details of the consumption of cotton in the Communist countries in 1938-39, 1951-52 and 1952-53:

(Continued in previous column)

GIANT DAMS OF THE UNITED STATES

ACHIEVEMENTS OF BUREAU OF RECLAMATION

WHEN the first settlers entered the western part of America, they found it a vast land of rolling prairies, sage brush deserts, grassy plains, and towering rugged mountains. They also found that the region had two outstanding characteristics—continuous sunshine and dryness. In many parts of the 17 western States, lying to the west of the Mississippi River, rainfall is scant or irregular and does not provide enough water for the raising of crops. Much of the west is wasteland that cannot be profitably cultivated in its natural state. When it is irrigated, however, it becomes fertile and productive. Fed by the melting snows of the high mountains, great rivers flow to the oceans. The settlers learned that to grow crops and maintain homes in the absence of normal rainfall, water had to be diverted from the rivers and streams and applied to the soil. In order to use the available water for the greatest benefit of all the people, the U.S. Congress in 1902 created the Bureau of Reclamation. The functions of this bureau are to conserve and develop the water resources of the 17 western States and to put them to beneficial use by building and operating dams and other works for the reclamation by irrigation of arid and semi-arid lands in these States.

Since 1902 the Bureau of Reclamation has built more than 170 dams and 96 water-storage reservoirs, 20,000 miles of irrigation canals, and 200,000 irrigation structures. To-day, some 6,700,000 acres of arid and semi-arid lands are irrigated by these projects. Irrigation means homes and livelihood for 500,000 persons living on 50,000 farms. Areas that would have remained largely wasteland—some of it barren desert—are now thriving agricultural and industrial sections as a result of the water and power that have been made available. In 1951, crops worth more than $800,000,000 were harvested on farms located on irrigated land. This was the sixth consecutive year in which the products of these farms had exceeded $500,000,000 in value. More than 22,000,000 tons of food, forage crops and fibres were produced on reclamation lands in 1951, compared with 11,000,000 tons in 1945. The bureau's programmes has also stimulated manufacturing, processing and other industrial operations in the western States. Retail trade and service industries have likewise expanded.

Hoover Dam and the Colorado River

Hoover Dam, completed in 1936, was the first of the great multipurpose dams to be constructed by the Bureau of Reclamation to tame and put to work the great rivers of the American West. Towering 726 feet above the bed of the Colorado River in the narrow confines of Black Canyon, the dam is the key structure in the control and development of the lower Colorado River. The drainage basin of the river covers 224,000 square miles, one-twelfth of the land area of the United States. Before Hoover Dam was constructed, the river swelled to a torrent each spring from the rapidly melting mountain snows, sweeping over its banks and flooding the country for miles around.

Hoover Dam is the highest dam in the world and provides a reservoir which has capacity to store twice the average annual flow of the Colorado River. Thus, it protects from flooding the rich farmlands of a large area in the southwestern United States and at the same time insures a year-round supply of irrigation water in States where the annual rainfall is far below the needs of growing crops. It is estimated that nearly 2,000,000 acres of irrigable lands are located below the dam. The reservoir impounds more than five years' full irrigation supply for the farmlands below, removing the danger of drought. One of the most important developments made possible by the Hoover Dam and other smaller dams located below it on the Colorado River has been the creation of two large and extremely rich agricultural regions—the Imperial Valley and the Coachella Valley. Both of these are in southern California, a dry land of seemingly perpetual sunshine.

Two irrigation canals—the 80-mile long All-American Canal and the 124-mile long Coachella Canal—have brought Colorado River water to the two valleys. The two canals are man-made rivers that supply about 700,000 acres of land with water. The importance of this development can be realised by the fact that the two valleys' areas to-day supply a large share of the winter vegetables supplied to markets in all parts of the United States.

Harnessing the Columbia River

Grand Coulee Dam, which harnesses the Columbia River, is the key structure for the Columbia Basin project. This Bureau of Reclamation project in the State of Washington, will ultimately supply water for a total of more than 1,000,000 acres of land in the far north-western corner of the United States. The largest concrete dam in the world, four-fifths of a mile long, Grand Coulee's spillway is more than twice the height of Niagara Falls. Behind the dam is a 133-square mile reservoir, the Franklin D. Roosevelt Lake. When the entire area to be irrigated by the Grand Coulee Dam has been developed, it is estimated that homes will be provided for more than 250,000 persons on the irrigated farms and in towns and cities dependent upon them. Large-scale irrigation began in 1952 when water became available to 87,000 acres. According to present plans, an additional 70,000 acres will be irrigated each succeeding year. To help new settlers starting farms on this land, the U.S. Department of Agriculture has established four development farms, situated in different parts of the Columbia River project. On these farms many different crops are being tested under varying conditions and with varying methods of irrigation.

The Central Valley Project

The Central Valley project, in the western State of California, will be virtually completed in 1953. Its primary purpose is to provide irrigation for the rich but inadequately watered lands of California's great 500-mile long Central Valley. This valley is one of the most highly developed agricultural areas in the United States. Other benefits of the project include providing water supply for home and industrial uses, flood control and the production of electric power. The development of the Central Valley of California was made possible to a large extent by earlier irrigation works, which turned a desolation of swampland and desert into an area of rich farms and prosperous cities. To-day it has thousands of highly productive farms, orchards, vineyards, cotton fields, dairy farms and cattle ranches—as well as vast tracts of dry land that are not yet irrigated. There has been for many years the threat of water famine in the valley. The underground water levels have sunk lower each year in many areas. It has been necessary to abandon some irrigated acreage, and other areas have been threatened with a similar fate. The function of the Central Valley project is to supply the land with an ample and permanent supply of irrigation water, so that lands now in use will be saved and so that new areas can be developed. The valley's fertile land, and the water that gives it life, are to-day only about one-half developed. About 5,000,000 additional acres of irrigable land remain unirrigated.

The principal features of the project are three great dams—the Shasta, Keswick and Friant dams. The Shasta Dam, 602 feet high, spans the Sacramento River at the northern end of the Central Valley. Behind it, a reservoir stores 4,500,000 acre-feet of water, which is released through canals for irrigation purposes. Nine miles downstream is Keswick Dam, which helps to regulate the water released from the Shasta Dam. The Friant Dam is built across the San Joaquin River, which flows from north to south through the central and southern parts of the valley. This dam stores the San Joaquin flood waters and releases them for irrigation through three long canals—each equal to a new river. The system of irrigation canals connected with these and smaller dams can move water virtually the entire 500-mile length of the valley, the longest distance man has ever transported a major water-supply.

The Missouri River Basin Project

The Missouri River, 2,500 miles in length, is the longest river in the United States. The river flows through an immensely varied area. Some tributaries rush down narrow mountain gorges; others wind placidly through flat and fertile fields on the great American plains. The river's drainage area—the Missouri River Basin—is 1,300 miles long and 800 miles wide. It embraces one-sixth of the area of the United States. In this vast area, rainfall is unreliable and often insufficient. Farmers who raise wheat by dry-farming, without irrigation, can be sure of getting a good crop every other year, sometimes once in only three or five years. Drought in the Missouri River Basin reached catastrophic proportions in the 1930's. In addition, floods ravaged the lower Missouri Valley year after year. In 1944, after the Bureau of Reclamation and the Corps of Engineers of the U.S. Army had made repeated surveys of the basin, the U.S. Congress decreed that the mighty Missouri River must be brought under control and put to useful work. The Flood Control Act of 1944 launched this programme—the most comprehensive river programme ever undertaken in the United States.

Under the programme, the Bureau of Reclamation and the Corps of Engineers, working together, are to build more than 100 new dams, about 150 irrigation units which will serve some 6,000,000 acres, 30 power plants, and hundreds of miles of flood-control levees and dikes. Water-supplies are to be furnished for some 20 large cities and the river is to be deepened to provide 760 miles of safe navigation. Work was started on this vast project in 1945 and has been carried forward since then in each of the 10 States included in the Missouri River Basin. To date, about one-tenth of the entire project has been completed. Fifteen dams have been built, and irrigation canals have begun to spread out through the surrounding farmlands.

The first of the Missouri River dams, which was started prior to the beginning of the comprehensive Missouri River Basin plan and completed in 1943, was the Fort Peck Dam. Located in the State of Montana, it is the world's largest earth-fill dam, its top being nearly four miles long. Its function is to store the flood waters of the first 200 miles of the Missouri River. Below the Fort Peck Dam, a number of other large dams are in course of construction. Nearest to completion is the Fort Randall Dam, about 300 miles below the Fort Peck Dam, which should be finished in 1954. Already it has completely blocked the river and created a huge reservoir with a 1,500-mile shoreline to store water for flood-control and irrigation. Other smaller dams located at different points on the main river and its tributaries are also in operation, and irrigation canals are bringing new land under irrigation at the rate of about 60,000 acres a year.

Such projects as the control and beneficial use of the Missouri River and its many tributaries call for co-operative effort on the part of many communities and individuals. This fact was emphasised recently by President Dwight D. Eisenhower, when he said:

"The basic objective of the United States is to carry forward the tradition of conservation, improvement and wise use and development of our land and water resources initiated 50 years ago under the leadership of President Theodore Roosevelt. To do this will require the maximum co-operation among the States and local communities, farmers, business men and other private citizens, and the Federal Government. And it will require comprehensive river basin planning with the co-operation of State and local interests."

TRANS WORLD AIRLINES

The Trans World Airlines flew 29.1 per cent. more revenue passenger miles in the first nine months of 1953 than in the corresponding period last year, that is, an increase from 1,705,056,000 to 2,201,550,000 in 1953. This was the first time in the Company's history that it has flown more than two billion revenue passenger miles in a nine-month period. All other phases of TWA's operations showed substantial gains for the period over last year. Total revenue ton miles were up 26.7 per cent., mail ton miles 10.3 per cent., express ton miles 36.5 per cent., freight ton miles 20.3 per cent., and revenue plane miles 17.5 per cent. The most striking increase for the period was in the number of passengers carried via international sky tourist. The nine-month figure shows a 248 per cent. increase in this type of service to Europe and the Middle East. Domestic sky tourist passengers also showed a gain of 102.5 per cent.

BURMAH-SHELL REFINERY

The work on the 2-million-ton Burmah-Shell Refinery is proceeding apace. In order to allow construction work on the Refinery site area to proceed freely, a diversion of the three Bombay Port Trust oil-lines which at present cross the site, has been taken in hand. For this purpose, Burmah-Shell Refineries Ltd. will be laying some 27,000 feet of pipeline to replace the existing 21,000-foot odd Bombay Port Trust lines. In addition, a temporary 12-inch steel line is being built. Of this, 6,000 feet (supported on something like 1,000 pipeline supports) has already been welded in position. The foundations for three tanks needed for use in conjunction with the crude distillation unit have been completed. These three tanks will each have a capacity of 3,750,000 gallons, and will be 102 feet 6 inches in diameter and approximately 52 feet 10 inches in height. About 2,000 tons of steel, including some 300 tons of steel piping, will be needed for constructing the crude distillation unit.

TREND OF SUGAR PRODUCTION IN 1952-53 SEASON

OUTPUT LOWER, BUT RECOVERY HIGHER

THE 1952-53 sugar season has just come to an end and the 1953-54 season commences tomorrow. It will be premature to anticipate the trend of production in the new season. But the general expectation for some months past has been that production will be a little lower than in the 1952-53 season. One reason for this view is that the availability of sugarcane in the Deccan and other parts of South India will be less, because of the drought and inadequate irrigation facilities in the 1952 planting season. It was being hoped that, to some extent, this fall would be offset by better cane supplies in North India. This calculation, however, may go awry, because of the considerable damage suffered by the standing sugarcane crop in East Uttar Pradesh and Bihar owing to the floods. Nevertheless, it is possible that, in view of the increase in the minimum price for cane payable by the factories and the downward trend in the prices of *gur* in recent weeks, the factories will be able to command a good supply of cane and thereby be in a position to maintain their production. In this context, the value of a free market for sugar will prove to be a great advantage.

As far as the 1952-53 season is concerned, the performance of the sugar industry was not disappointing. It is true that production during the season did not touch the peak level established in the previous season, but it was the next highest since the pre-war period. Thus, the output during 1952-53 was 1.32 million tons, as against 1.48 million tons during the previous season; the output in the 1950-51 season was 1.10 million tons. While comparing the output in the 1952-53 season with that in the previous one, one should not forget that the output of 1.48 million tons in the 1951-52 season was achieved under abnormal circumstances. As the Director of the Indian Institute of Sugar Technologists rightly says, in the course of his customary review of the trend of production of sugar directly from cane in vacuum pan factories during the 1952-53 season, published in the latest issue of the *Indian Trade Journal*, the record output in 1951-52 was realised "at the cost of efficiency" and, therefore, "it should not be considered for comparison with any other season."

Although the price of sugarcane was reduced to Re. 1-5 per maund at gate and Re. 1-3 per maund at out-stations, as against a uniform rate of Re. 1-12 per maund in the previous two seasons, there was no dearth of cane to sugar factories in general during the season under report. The production of *gur* and *khandsari* sugar fell considerably, due to the unremunerative prices of these commodities in the beginning of the season. With the fall in production and a good offtake from a number of centres, there was, however, a sharp increase in the prices of these two commodities as the season progressed. In fact, at one time *gur* fetched in some centres as high a price as the white sugar itself.

The total number of factories in India is 157. Of these, only 134 factories worked during the season now drawing to a close, the corresponding figure for the previous season being 139. The following table gives the State-wise distribution of factories that worked, cane crushed and sugar produced during the 1952-53 and 1951-52 seasons:

States	Number of factories worked		Cane crushed (100 tons)		Sugar produced (100 tons)	
	1951-52	1952-53	1951-52	1952-53	1951-52	1952-53
Punjab	1	1	2,134	1,590	201	161
Uttar Pradesh	66	66	89,992	71,741	9,340	6,993
Bihar	27	27	21,696	27,205	2,240	2,723
Madras	12	13	11,470	8,596	939	806
Bombay	15	14	14,250	12,064	1,374	1,339
West Bengal and Assam	1	1	659	772	72	80
Orissa	1	1	288	293	26	24
Madhya Bharat	5	3	1,945	797	181	75
P.E.P.S.U.	2	2	3,219	1,828	279	150
Rajasthan	2	1	876	59	75	6
Mysore	1	1	3,190	2,455	371	279
Hyderabad	3	3	4,026	4,046	390	422
Travancore-Cochin	1	1	675	531	44	39
Bhopal	1	—	405	—	37	—
Ajmer	1	—	127	—	8	—
Total	139	134	154,982	131,971	14,831	13,103

The crushing in the factories in U.P. started much later than in the previous season, while in Bihar the reverse was the case. By 28th November, 1952, only 10 factories in U.P. had started crushing, as against 47 in the previous season. Almost all the working factories in U.P. were running their season by 12th December in the 1951-52 season, as compared with only 42 factories during 1952-53. In Bihar, on the other hand, 19 factories were working by 5th December, as compared with only 10 at the same time in 1951-52. In Madras also, the crushing season commenced later than in the previous season. Except in Bihar and Eastern U.P., the factories closed their crushing season earlier than in the season 1951-52. The actual duration of the season in the U.P. was 118 days, as against 148 days in the preceding season. It may be noted that the factories in Western U.P. had to close down earlier due to shortage of cane. In Bihar, however, there was a prolonged season and the actual number of working days was higher at 118, as compared with 99 days during 1951-52. The all-India duration was, however, lower at 113 days, as against 133 days. The average number of days worked in the U.P. was 118 as against 148, Bihar 118 as against 99, Madras 89 as against 151, Bombay 118 as against 148 and the rest of India 97 as against 108.

The total quantity of cane crushed by all the mills in India amounted to 13.19 million tons, in 1952-53, as against 15.49 million tons in 1951-52. The maximum quantity of sugarcane crushed by a factory in India was 339,800 tons during the season 1952-53, as compared with 365,500 tons in the previous season. The average of cane crushed by a factory during the 1952-53 season was: U.P. 108,700 tons, as against 136,400 tons; Bihar 100,800 tons, as against 80,400 tons; Madras 66,100 tons, as against 95,600 tons; and Bombay 86,200 tons, as against 95,000 tons. The average rate for the rest of India was 88,300 tons, as against 92,400 tons. The average for all-India was 98,500 tons, as against 111,500 tons. The all-India average rate of crushing of cane was 870 tons per day, an increase of 34 tons as compared with that in the 1951-52 season. The average rate of crushing per day remained the same in U.P., but in all other major States it increased.

It will be seen from the table above that, except Bihar, West Bengal and Hyderabad, all the other States recorded a fall in the production of sugar in the 1952-53 season. The percentage of share of U.P. to the total production in India works out to 53.16, that of Bihar 20.72, Madras 6.12, Bombay 10.54, Hyderabad 3.26, and Mysore 2.12.

Improvement in Sugar Recovery

The season under review, however, witnessed a welcome improvement in the recovery percentage of sugar. The maximum recovery for any factory in India was 12.79 during 1952-53, as against 12.45 in the preceding season. The average recovery of "sugar per cent. cane" increased in all the major States, except Bihar, P.E.P.S.U. and Mysore. The all-India recovery percentage of sugar was 9.97, as against 9.57. The average recovery in U.P. and Bihar was 9.75 and 10.03, as compared with 9.27 and 10.32 respectively. The following table gives the State-wise recovery of sugar per cent. cane:

Recovery of Sugar per cent. Cane
(Actual)

States	1951-52	1952-53
Punjab	9.41	10.21
Uttar Pradesh	9.27	9.75
Bihar	10.32	10.03
Madras	8.62	9.38
Bombay	11.08	11.51
West Bengal and Assam	10.87	10.33
Orissa	9.02	8.14
Madhya Bharat	9.31	9.39
P.E.P.S.U.	8.68	8.22
Rajasthan	8.50	9.73
Mysore	11.61	11.37
Hyderabad	9.68	10.60
Travancore-Cochin	6.58	7.32
Bhopal	9.04	—
Ajmer	6.25	—
Total	9.67	9.97

The quantity of sugar in stock with the factories only on 1st November, 1952, was 503,000 tons, as against 170,000 tons in the preceding season on the same date. Owing to the increase in the consumption of crystal sugar caused largely by the rise in prices of *gur* and *khandsari* sugar, the stocks of white sugar with factories on 31st July, 1953, were much lower, that is, at about 530,000 tons, as against 710,000 tons at the same time last year. It is, however, expected that the production of sugar in 1953-54, coupled with a carry-over of about 200,000 tons to 250,000 tons at the end of the 1952-53 season and imports of about 200,000 tons, will meet the requirements of the country in the current season.

SUGARCANE FARMING IN INDIA

VAST SCOPE FOR RAISING YIELD PER ACRE

THE result of prize-plot competitions conducted in some parts of the Deccan and South India disclose immense possibilities of increasing the yield per acre of sugarcane. Thus, the winner of the first prize, Mr. K. J. Deshpande, in the latest competition, held under the auspices of the Deccan Sugar Technologists' Association, secured from a ten-acre plot, as much as 106.40 tons of cane per acre, which yielded 13.2 tons of sugar. Mr. R. G. Koppar, of the Phalton Sugar Works Ltd., who secured the second prize, was not far behind the first, inasmuch as he succeeded in getting 105.30 tons of cane per acre, yielding 13.02 tons of sugar. Another competitor, Mr. Godbole, belonging to Walchandnagar Industries, produced even more remarkable results. He secured a slightly smaller quantity, namely, 102.01 tons of sugarcane per acre, but the sucrose content of that cane was higher than that of the other two competitors. Thus, the sugar produced from this cane was as high as 13.61 tons per acre. This gentleman, however, missed the first prize on some technical grounds.

In East Godavari (Andhra), Mr. Bolla Paparao, the recipient of the first prize in the sugarcane crop yield competition in the 1952-53 season, secured as high as 107 tons of sugarcane per acre. Reports from East Godavari disclose that the crop, which brought him the first prize, was first planted early in February, 1952. It was fourteen months on the ground and was harvested in the first week of April this year. The per acre yield obtained by him was 107 tons and 270 lbs. No indication of the recovery percentage of this cane is, however, available. The average length of millable cane was 18 to 19 feet and it was kept erect by heavy propping up with bamboos. He had used 20,000 three-budded sets three links (nine inches each) apart per acre. He had applied large quantities of bulk organic manures, 25 cart-loads of farm yard manures and 25 cart-loads of press mud, before planting, and had applied 230 pounds of nitrogenous manure in three doses.

The yield of cane per acre, as above, is in refreshing contrast to the average yield in the various States. In Bombay, for instance, according to targets achieved in 1951-52 season, the yield of sugarcane per acre in the Deccan canal area was 40.5 tons and in Karnatak tract 23.8 tons. In Madras, it was 33.5 tons, Uttar Pradesh 18.4 tons, the Punjab (I) 17.8 tons, West Bengal 16.8 tons, and Bihar 16.1 tons. It is clear that these fall far short of those achieved on the prize plots. The results of competition held on fairly big plots show that these yields can be raised very substantially, if scientific methods of cultivation are followed.

The present poor yield per acre, as indicated above, is due to ignorance and lack of enthusiasm on the part of the grower. It is also due to absence of sufficient encouragement by the Government by way of provision of adequate manures, irrigation facilities and the like. Certainly, if the practice adopted by the successful competitors were to be popularised, the main problem facing the Indian sugarcane industry since its inception, namely, of securing a larger yield of sugarcane of high sucrose content on a lower acreage will shortly be a thing of the past. By resorting to intensive and scientific cultivation, the output of sugar can be increased without bringing additional acreage under cultivation. In fact, it will be possible even to divert a part of the acreage now under sugarcane to other commercial or food crops.

SUGAR PRODUCTION AND STOCKS

The opening stocks, production, despatches and closing stock of sugar in respect of Central sugar factories in India, during the fortnight ended 30th September, 1953, were 329,306 tons, 133 tons, 52,024 tons, and 277,415 tons, respectively, on the basis of returns received under the Sugar Production Rules, 1935. The figures for the corresponding fortnight of the previous season were 604,076 tons, 3,232 tons, 42,634 tons, 564,674 tons, respectively. Figures for the current fortnight relate to 126 factories representing 91.65 per cent. of the total cane-crushing capacity, while the figures of the previous year relate to 131 factories representing 96.00 per cent. of the total cane-crushing capacity.

The total figures for the production and despatches of sugar for the season 1952-53 are reported to be 13,17,650 and 14,81,866 tons, respectively, as against the corresponding figures of 14,89,631 and 10,77,664 tons during the previous season. Production during the fortnight being 133 tons of sugar pertaining to season 1953-54 has been excluded from the to-date production of 1952-53.

NEW PUBLICATIONS

India's Food Problem. By P. A. Gopalakrishnan. "Eastern Economist" Pamphlets. Manager, The Eastern Economist Ltd., 52 Queensway, New Delhi. Price: Re. 1-4

ALTHOUGH the food position in India has undergone a remarkable change for the better, the country is not yet completely out of the wood. During the past 12 years, it passed through a very critical period and had to struggle hard to feed the ever-growing population of the country. The country's experiments in measures for tackling the chronic food shortage by means of control over prices, procurement, movement and distribution of foodgrains, its struggles against rising prices, blackmarketing, and transport bottlenecks, and its schemes for raising output under an integrated scheme of agricultural production, all constitute a rich experience which should stand the country in good stead, if a similar crisis overtakes it. All this experience has been ably assessed by Mr. P. K. Gopalakrishnan in his pamphlet on *India's Food Problem* published by our Delhi contemporary.

In the course of eight little chapters the author, a distinguished member of the Indian Civil Service, examines the various aspects of the food policy of the Government of India in the most objective way. Although the author himself was associated with the formulation of the policy, the detached manner in which he assesses it makes the study a scientific one.

A special feature of the pamphlet is the care taken by the author to remove certain common fallacies and misleading notions regarding the food policy. It is generally believed, for instance, that the population of this country continues to multiply without any regard for the availability of food supplies. Characterising this statement as fallacious, he points out that population has not grown faster than in many other countries of the world and that with it also has increased the national output correspondingly. Another instance is seen in his attempt at disproving the belief that overall food shortage or surpluses in the country has something to do with calamities such as starvation deaths, etc. He says that there were 31 famines in India in the nineteenth century when to all accounts India had a large surplus of foodgrains, and adds that mere increase in the food production in the country cannot solve the problem of famines. The pamphlet is replete with instances such as these seeking to clarify common fallacies. A study of this pamphlet will certainly add something valuable to one's knowledge of India's food economy. Our parliamentarians, in particular, should not miss reading this publication.

Important Company Data, Compiled by Mr. N. K. Lavingia, B.Com., 76 Stock Exchange New Building, Apollo Street, Bombay 1. Published by the New Book Company, Kitab Mahal, Hornby Road, Bombay 1. Price: Rs. 6-8

The movement of prices of equities on the Stock Exchange is generally influenced by the behaviour of the shares of certain leading companies. The pattern of movement of these shares reflects largely the economic condition in the country. The comparative analysis of the financial positions of these companies, therefore, makes an interesting study to both the investors and others. The presentation of this analysis in a tabular form supplemented by other relevant data relating to the companies provides an easy and interesting study.

In the publication under review, the author, who has for long specialised in the statistical study of the various companies, presents a detailed analysis of balance-sheets, profit and loss account with information relating to various items of assets and liabilities, revenues and expenditure and appropriation of profits, as also dividend record of eleven companies, in neat and compact tables. The companies chosen for such an analytical study are: (1) Associated Cement Companies Ltd., (2) Bombay Burmah Trading Corporation Ltd., (3) Bombay Dyeing and Manufacturing Co., Ltd., (4) British India Corporation Ltd., (5) Central Bank of India Ltd., (6) Century Spinning and Manufacturing Co., Ltd., (7) Indian Iron and Steel Co., Ltd., (8) Kohinoor Mills Co., Ltd., (9) New India Assurance Co., Ltd., (10) Scindia Steam Navigation Co., Ltd., and (11) Tata Iron and Steel Co., Ltd. Originally the data relating to these companies were published in loose cards and contained a record for eleven years from 1940 to 1950. But these have been brought up-to-date in the form of a supplement and the whole record published in the form of a file. The publication is in a handy form which facilitates reference to the figures.

Indian Banking Analysed (Directory of Banking in India, Pakistan, Burma and Ceylon). Published by the Banking Experts, Post Bag 1001, T. Nagar, Madras 17. Price: Rs. 15

The above book was first published in 1946, when it confined itself only to banking and banking offices in India, including the area that now constitutes Pakistan. The second edition, published in 1949, was not only an enlarged and exhaustive one but also included the effects of Partition of India, a discussion of the prospects of banking in the newly created dominion of Pakistan, and a critical exposition of the Banking Companies Act, 1949. The many changes that have taken place recently in the economic structure of India, Pakistan, Ceylon and Burma, have necessitated a further revision of the book. The author has taken this opportunity to include an account of banking and statistics relating to banks in Ceylon and Burma in the latest (third) edition under review. This has not only made the volume more comprehensive but provides a picture of banking in these four South-East Asian countries.

In the theoretical portion of the book, the author has embodied an analysis of (1) the nature and functions of a bank, (2) growth of Indian banking and its present position and, (3) banking in Pakistan, Burma and Ceylon. A chapter on the working of banks abroad, one on safety tips to bankers and another on definition of banking terms, are the other features of Part I of the book. The value of the book suffers from errors in printing. Besides, some of the definitions given are not precise.

Part II of the volume consists of banking statistics, in which the author has provided a comparative analysis of the financial position of banks in India, Pakistan, Burma and Ceylon. The addresses of banks, arranged city-wise, will be found useful to business men. Besides, there are chapters on clearing houses, bankers' who's who and miscellaneous matters relating to banks.

Gold and Silver Thread Industry in Surat. By Prof. D. R. Gadgil and Prof. R. K. Patil. Publishers: Shri Chunilal Gandhi Vidyabhavan, Institute of Learning and Research, Sarvajanik Education Society, Surat. Price: Re. 1-8.

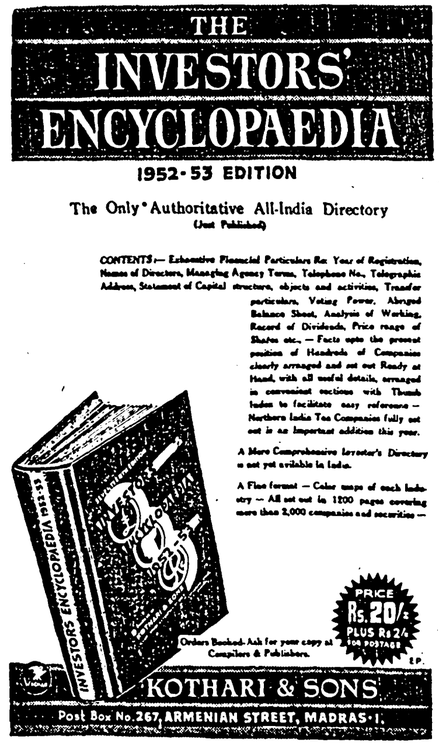
The book contains two surveys conducted severally by Prof. D. R. Gadgil and Prof. R. K. Patil at different periods, which coincidentally happen to be identical, so far as the fortunes of the gold and silver thread industry are concerned. Prof. Gadgil had conducted his survey in 1930 before the tottering demand for the commodity received a fillip by way of protection since 1930. The industry is again suffering from a similar lack of demand since the last two years. The problems of the industry have remained the same to-day since Prof. Gadgil surveyed the industry in 1930. It is one of organising the market for the industry, domestically as well as in foreign countries.

The *jari* industry is an ancient industry in India. Notwithstanding the competition of the cheap products from Lyons (France) and Italian factories, it is noteworthy that the industry still survives in two centres in India, Surat and Banaras. The industry gives employment to quite a large number of persons and deserves the attention of the Government which is trying to enlarge the scope of employment in the country.

Both surveys are of a preliminary nature and Prof. Patil proposes to undertake a more detailed survey. It is gratifying to note that such institutions as the newly founded Shri Chunilal Gandhi Vidaybhavan of the *Sarvajanik* Education Society of Surat are taking keen interest in economic research.

Bankers Annual Number, 1953. Edited by S. V. Kale. Published by the Honorary Secretary, the Poona Banking Association, 261, Budhwar Peth, Poona. Price: Rs. 2-8.

Bankers, too, like business men in other sectors, have their own problems. Changes since independence have so altered the political, social and economic conditions in the country that bankers have been called upon to handle new situations, and to deal with new problems. Thus, slow capital formation, inflation, unemployment, banking legislation, financing of industry, implementation of the Five-year Plan and a host of other problems have been continuously taxing the minds of bankers. An idea as to how they are grappling with these problems may be had from *The Bankers Annual Number*, 1953 published from Poona. The number contains a few articles contributed by some of the reputed practical bankers. Notable among these is one on "Bank Managers and Unemployment" from the pen of Mr. B. T. Thakur, General Manager, the United Commercial Bank Ltd., Calcutta. Equally enlightening is the contribution by Mr. Pranlal Devkaran Nanjee, who, in his article on "Banking and Industries in India," emphasises the need for constructive and practical endeavours for creating wealth in the country. Among the other articles, mention may be made of an interesting discourse on "Practical Training Scheme for Bank Employees" by Dr. S. G. Panandikar.



CALCUTTA TEA SALES IN SEPTEMBER

PRICES FIRM, EXPORTS ENCOURAGING

THE tea sales held in Calcutta during the month of September, both for export and for internal consumption, were notable for two features. While there was a further sharp rise in prices, particularly for all commons and low mediums, the quality of the offerings showed a steady decline. The latter aspect was more in evidence in teas from Assam gardens. Although it is encouraging to note that the trend of prices realised shows that the industry is going ahead on the road to recovery, the decline in quality is an unhealthy development. The industry would be well advised to take particular care of the quality of its product, if this welcome recovery were to be sustained, as it should be for not just one season but for many seasons, so that the financial loss suffered by it in 1952 may be recouped in full.

The sharp rise in prices was more in evidence after the release of the figures of the North Indian crop for the month of August. These revealed a sizable decline of 32 million lbs., as compared with those for the previous year, and of over 10 million lbs. from the average for the last three years. The decline in crop was much greater than generally anticipated and there was, therefore, a rush for all "teas for price." As the season was half-way through, buyers seemed to realise that there was every likelihood of a short-fall in crop by the end of 1953. Commenting on this, Messrs. J. Thomas & Co., Ltd., Calcutta, in their monthly report for September, observe: "It is easy, however, to be disillusioned at this stage of the season into thinking that there is not yet time for the crop deficiency to be largely made up. Last year, saw an exceptionally early close and with the present high prices, a similarly early close to the season is not expected." The relaxation of restriction on crop production from 87½ per cent. of the best crop in the years 1947-52 to 88½ per cent., decided upon by the North Indian tea producers recently, serves to support this view.

The following table provides an idea of the variations in prices of the several varieties during the month, against the background of those a year ago:

	1953		1952	
	September	August	September	August
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean B.P.	1 13 6	1 13 0	1 7 0 to 1 7 0	1 8 0
Clean common B.P. .. to	1 12 0 1 12 6	1 10 8	0 12 0	0 0 14 0
Medium Assam B.P. ..	1 13 6	1 11 6	1 1 6	1 5 0
Good Assam B.P. .. to	2 2 0 2 3 0	2 6 0 to 2 8 0	2 1 0 to 2 3 0	2 8 0 to 2 10 0
Medium Dooars dust ..	1 10 0	1 8 6 to 1 9 0	0 15 0 to 0 15 6	1 4 0
Medium Assam grainy dust	1 10 6	1 9 6	—	—
Best Assam C.T.C. dust .. to	1 14 6 1 15 0	2 0 0 to 2 1 0	2 0 0 to 2 1 0	2 5 0 to 2 6 0

It will be observed that the increase in prices, as compared with those a year ago, was more notable in the case of common and medium varieties, than in others. Another interesting feature disclosed by the above table is that commons fetched nearly the same prices as mediums. Commons were quoted only one anna less than mediums, as against As. 5-6 lower a year before. Drawing pointed attention to this, Messrs. Thomas & Co. say: "This is regarded by many as an exaggerated and unhealthy sign, but the fact remains that many gardens in Cachar, where the biggest losses of last year were felt, are making a cleaner and sweeter tea than some of the gardens in Assam where the medium category teas are normally grown."

The decline in price of good Assam B.P. and best Assam C.T.C. dust is due partly to the preference for cheap tea and partly to steady decline in their quality. Many gardens in Assam are stated to be using C.T.C. machines in order to obtain more colour and strength in cup. Unfortunately, much of the tea thus manufactured during the rains and offered on this market, according to Messrs. Thomas & Co., has sharply fallen away both in appearance, which has become rough and stalky, and in cup quality, which has sometimes become soft and dull, resulting in a correspondingly sharp decline in prices for these kinds. Those gardens, however, which have maintained a good standard of C.T.C. manufacture are still realising prices for brokens and fannings grades several annas above the rates paid for the teas of ordinary manufacture.

For some months past, Eire has been purchasing its requirements of tea direct from the country of origin. It is stated that it is finding great difficulty in securing its needs from the Calcutta market. During the month under review, there was keen and sustained buying in teas suitable for Eire. Consequently, there was a steady rise in prices throughout the month in these teas, which include low to good medium broken orange pekoes and orange fannings. The prices realised by these varieties in Calcutta now are stated to be more favourable than those being paid in the London auctions, in spite of the fact that best second flush quality is being sold in London, while in Calcutta the quality now being offered is of ordinary rains standard.

It will also be noted from the table above that dusts also shared in the rise in prices, but to a lesser extent than in others. Red Assams were an exception, with a decline in prices, which is accounted for partly by the increased quantity now manufactured and partly by the fact that many of these red dusts have become mixed and fibrous.

The trend of exports of North Indian tea during the current season so far is, on the whole, very encouraging, *vis-a-vis* the fall in output, as will be evident from the following table:

North Indian Tea

(In thousand lbs.)

	1st April to 3rd October		
	1953-54	1952-53	1951-52
Britain	115,109	96,037	83,356
Australia	634	3,760	1,833
New Zealand	537	268	109
Canada	7,104	7,214	5,881
U.S.	6,165	8,593	5,544
S. America, Central America and West Indies ..	1,194	3,276	1,200
Eire	4,256	4,418	12,381
Amsterdam and Rotterdam.	1,518	3,374	1,444
Hamburg and Bremen ..	1,824	1,018	579
Istanbul	1,544	2,508	2,827
Iran	134	168	4,846
Persian Gulf	3,133	5,270	5,093
Egypt	5,782	1,606	744
Red Sea Ports	3,123	4,451	918
Burma	441	467	387
Pakistan	22	146	183
Other places	1,812	2,147	1,700
Total ..	154,332	144,721	129,025

It will be noted that there has been a drastic decline in exports to Australia, American countries, Amsterdam and Rotterdam, Turkey, Persian Gulf and Red Sea Ports. But this has been more than offset by the increase in the exports to Britain, Egypt, New Zealand and Hamburg and Bremen.

The favourable exports and the recovery in prices have placed the industry in a more favourable position than a year ago, as the prices allow a reasonable margin of profit. It will, however, be wrong to draw too rosy a picture of the industry's future. In this connection, the observations of Sir Percival Griffiths, on the future of Indian tea, made in the course of an article contributed to the *Financial Times*, London, recently, are pertinent and must be carefully considered by all those who may be contemplating to make a demand on the fortunes of the tea industry. He says:

"Tea companies to-day may be making satisfactory profits, but many of them last year suffered heavy losses and came to the very limit of their borrowing capacity. Nothing less than two or three good years can restore them to a healthy financial condition, or put them in a position where they could again meet adversity. If important sections of the industry are to survive, two or three good years are essential, and it is important that during the period of recovery extravagant labour claims should be rejected by the Governments whose own financial stability is so closely linked with the prosperity of the industry."

BAG SELF-SUFFICIENCY DRIVE IN PHILIPPINES

The Philippines seek ultimately to eliminate their dependence on Indian supplies of jute manufactures essential for sacking the country's cereal and commercial crops, according to the Indian Central Jute Committee.

With that end in view, as also to utilise the optimum production capacity of the local sacking plants, the Philippines imported more raw jute and other fibres, during 1952, than in any previous year in the recent past to supplement supplies of indigenous grown fibres, the production of which is also being stepped up. The full effect of their increased output on imports of jute cloth and bags is shown by their drop in value during 1952 by over 6,000,000 pesos, as compared with 1951.

RAW JUTE IN PAKISTAN

PRICES HARDEN IN INDIA

THE crisis which seemed to threaten the raw jute market early this month appears to have gradually receded to the background since. Early this month Assam jute, for instance, was quoted at as low as Rs. 20-8 per maund, as compared with Rs. 27 per maund early in September. Since then, there has been a gradual improvement in the quotation and at present Assam bottoms are ruling at Rs. 25 per maund. This improvement is attributed not only to the prospect of a comparatively lower crop but also to expectations of better offtake of raw jute by mills this season.

The better sentiment in the raw jute market is also in consonance with the trend of the market in Pakistan. The Pakistan markets have been steady ever since the first week of this month following the assurances given in Parliament by the Pakistani Prime Minister, Mr. Mohammed Ali, regarding the accuracy of statistics relating to the final raw jute forecast. In reply to the debate on jute policy in the House he said: "There are more than 4,000 field workers in East Pakistan who visit from plot to plot and take an actual survey of jute under cultivation. There is, therefore, no reason to suppose that our statistics are wrong. Apart from that, there are agencies of large trading interests of importing firms who take their independent survey, because they want to be sure of the production of jute and, therefore, these reports are published in various jute papers and journals in Calcutta, in Dundee, in Karachi and in Dacca and there is always the possibility of a check and a double check and, therefore, there is no ground to suppose that there is any inaccuracy in the figures which I supplied to the House, the other day."

Commenting on the allegation that jute was being grown in unlicensed areas, the Minister said: "It is of the utmost importance that jute cultivation should be restricted. With that object in view, the Central Government did restrict cultivation of jute. They went to such an extent that, wherever jute was grown in unlicensed areas, drastic steps were taken, including destruction of the standing crop. We did not want to take any risks which would have endangered the very economy of the country."

Speaking of self-sufficiency in raw jute aimed at by India, the Minister stated that he did not agree with the view that Pakistan was driving India to work for self-sufficiency. He admitted that, owing to the boom in the demand for stock-piling of jute, large areas of land, not used for jute, had come under the crop and some increased production did take place. But he reminded the House of India's commitments to buy 18 to 25 lakh bales of jute from Pakistan under the Indo-Pakistan trade agreement, and said that this pricked the bubble of India's claim regarding self-sufficiency. Proceeding further, he pointed out that the output dropped by 50 per cent. this year and, therefore, India would continue to be dependent on Pakistan.

The Pakistan Prime Minister's review of the position of raw jute, as noted above, strengthened the tone of the raw jute market there and helped prices improve. Thus, Mill firsts, which stood at Rs. 140 per bale towards the close of September last have since then improved to Rs. 165 per bale. Similarly, Dundee Daisee has risen from Rs. 125 to Rs. 145 per bale.

Apart from moving upward in sympathy with the Pakistan market, Indian jute has put on a steady note in anticipation of good demand by Indian mills. The market expects that, sooner or later, the mills will have to increase their output of jute goods in order to replenish the stocks which are now being gradually depleted on account of increased despatches. The recent enlarged offtake by the U.K., the U.S., the expectations that Australia, New Zealand and Burma will be placing large orders for sackings and the fall in production in October are taken as an indication that in the coming months, production will be stepped up by jute mills. Consequently, it is felt that many mills, which were not in a position to buy and hold adequate stocks of raw jute formerly, will appear in the market again. There seems, therefore, no inclination on the part of sellers to cut prices and dispose of their holdings. Mills, however, appear to be cautious and are still buying on a hand-to-mouth basis.

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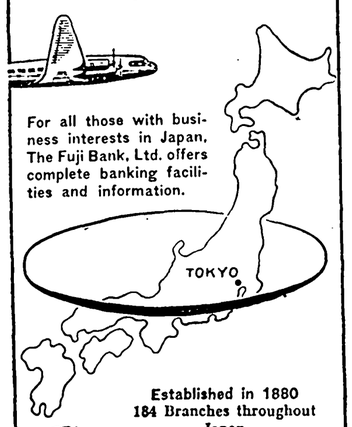

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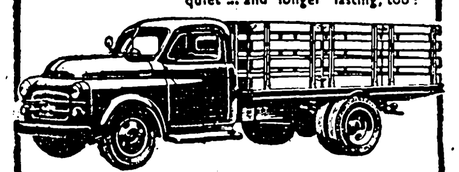

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WORLD AUTOMOBILE INDUSTRY

PRESENT POSITION AND PROSPECTS

THE thirty-eighth International Motor Exhibition, which concluded its ten-day session at Earl's Court (London) to-day, had greater appeal than any during the several years past. Almost every leading manufacturer of automobiles exhibited his latest models of cars, motor boats, marine engines, caravans and light trailers, accessories and components, transport-service equipment and tyres. It was significant that each manufacturer had done his best to display the competitive potential of his makes over those of his confreres.

The importance of this Exhibition, especially in view of the changed conditions in world markets for motors, needs no emphasis. With the inflationary conditions under check in most of the countries and with taxation, especially on motor and motor traffic, remaining at high levels in those countries, there is not so much purchasing power with the people as to provide a market for any make. It is now common knowledge that only that manufacturer whose model is not only competitively cheap with those of others but also has the greatest public appeal, can hope to stay in the industry. This demands not only a constant reduction of the prices of cars and other automobiles so as to be within the purchasing power of the persons concerned, but also a continuous and sustained change in the makes so as to suit their changing tastes.

A glance at the distribution of motor vehicles in terms of population figures of the world discloses that there is one vehicle for every 78 people in South America and one for over 1,000 in Asia, excluding the U.S.S.R. These are in significant contrast with one vehicle for three persons in the U.S. Nearly 70 per cent. of the world population in the underdeveloped countries have less than 6 per cent. of total vehicles, while the U.S., with 7 per cent. of the population of the world, has 70 per cent. of the vehicles.

Insufficient Purchasing Power

The general cause for the lack of increasing offtake of cars, especially in the underdeveloped countries of Asia and the Far East, is the chronically insufficient purchasing power. The restrictions on imports of vehicles with a view to conserving foreign exchange needed for importing capital equipment and other essential requirements constitute another reason for the poor supply of vehicles in these areas. Besides, there are a few countries such as India, which are regulating imports of automobiles in order to give protection to their nascent automobile industry.

The U.S. is the most important country, outside the Soviet orbit, manufacturing cars in the world. It produces some 70 per cent. of the world's output of cars. During the first six months of the current year, it produced 3,239,569 cars and 638,300 commercial vehicles, a total of 3,877,869 units. The output during the corresponding period last year was 2,845,811 units. It is estimated that, by the end of this year, production will touch a peak of about 8 million units, as compared with 5,538,958 in 1952 and 6,765,263 in 1951. Next in order comes the U.K. The other important countries manufacturing cars are Germany, France, Italy and Canada. Apart from these, a number of other countries in the world are chiefly confining themselves to assembling of British and American vehicles.

The following table shows at a glance the production of automobiles by some of the important countries in West Europe:

(In thousands)

Country	1939	1947	1948	1949	1950	1951	1952
Passenger cars							
France ..	182.4*	66.3	100.1	187.7	257.3	313.9	369.0
Western Germany ..	174.2†	9.5	30.0	104.1	216.1	267.4	317.6
Italy ..	59.0	25.4	44.4	65.4	101.3	119.4	113.6
United Kingdom ..	341.0	287.0	329.6	412.3	522.5	475.9	449.0
Commercial Vehicles							
France ..	45.0*	71.1	93.3	98.0	100.3	132.6	129.0
Western Germany ..	42.7	13.4	29.6	57.8	81.7	92.7	110.5
Italy ..	11.8	13.4	16.5	20.7	26.5	26.6	24.7
United Kingdom ..	104.0	154.7	170.0	216.4	261.2	258.0	241.7

* October 1937–September 1938 † 1936.

Of the total production, only about 10 to 11 per cent. of the motor vehicles produced outside the Soviet Union (including chassis as well as completed vehicles) are exported. It will thus be noted that the major portion of the cars produced are consumed by the domestic markets. The European and American car makers are making strenuous efforts to keep ahead of the newcomers in the improvement of existing designs and the adoption of new techniques. Experiments are being conducted with diesel and gas-turbine engines in passenger cars in an attempt to gain greater mechanical efficiency and lower fuel costs. On account of the heavy weight of these engines, research into these new types of propulsion has necessarily been associated with the manufacture of new powerful models. There have also been innovations in the realm of the very small car. The object of these innovations is to produce a car at a price which will suit the pockets of those belonging to the lower income bracket who have hitherto been largely excluded from the ranks of automobile owners. The small cars may not be suited to a country of long distances served by *kutcha* roads. But, because of their low running expenses, they are eminently suited to the needs of city dwellers and of the inhabitants of countries where motoring is subjected to heavy taxation. Although Britain has the lead in the export trade in these small cars, keen competition in the near future seems to be in store, because the Continental makers, especially France and Germany, are emerging as successful producers of powerful models at low prices.

The fact that motor vehicles can be conveniently used only in areas where serving facilities are available and spare parts can be quickly obtained gives an advantage for established suppliers (usually domestic manufacturers in producing countries) over new competitors and for large operators over the small. In no industry have the advantages of mass production been so fully demonstrated as in the automobile. It is clear that the larger the sales, the more efficient the production can be, thereby leading to lower costs of production.

Cost of Automobiles

Everyone connected with the motor industry is in general agreement that the cost of the automobile must be brought down. In approaching this problem, both the factory and commercial costs should be borne in mind. The former comprises all factors contributing to the saleable product, while the latter includes all factors which help in getting the vehicles from the factory to the consumer and then keeping him satisfied. Although all manufacturers will not necessarily agree, item for item, in allocating the expenditures under these heads, a broad division of this kind is generally used.

So far as the cost of the motor vehicle to the consumer is concerned, nearly 70 per cent. of the home market list price comes under factory costs. But a large part of the factory cost is beyond the motor manufacturer's direct control, as the motor industry depends on independent machine-tool makers and others for a large portion of the parts and components of the automobile. It is estimated that, in some cases, the parts and components that the manufacturer buys in finished condition ready for assembly into a vehicle accounts for about 40 per cent. of the aggregate factory cost of the vehicle. Of the remainder, a very large part is accounted for by labour.

Commenting on the trend of costs, Mr. S. C. Butler, Assistant to the Managing Director, Vauxhall Motors Ltd., in the Motor Industry Supplement of the *Financial Times*, London, observes as follows:

"Given the conviction that factory costs must come down, some of the methods available for the motor manufacturers may be mentioned briefly. Product policy is governed by more factors than cost, but nevertheless there is a continuous searching for opportunities under this heading. Proposed new features are vigorously examined and compared from the standpoint of comparative costs: 'commonisation' of parts among the range of vehicles being, or about to be, made still allows some scope for cost saving; and the old question—whether to buy or make?—although seldom answered solely on cost grounds, must be influenced by them.

"This leads to the general subject of manufacturing methods. When choice is possible, the method adopted for making a part or assembly will depend very largely on the proposed daily or other rate of output, and with some qualifications it may be said that higher daily rate and lower unit cost go together.

"Manufacturers know that every hindrance to increased daily output is a hindrance to cost cuts, and in particular they believe purchase tax to be 'penny wise pound foolish.' It has been continued too long, and it is wrong now to expect British manufacturers to hold their place in highly competitive low-profit export markets without a reasonable domestic volume.

"In regard to vehicle costs, other than commercial, and their trend in export markets, it has long been evident that local manufacture of parts and components is a factor of increasing importance. British manufacturers (and their competitors) have to make the best of circumstances as they are, and as they may become, and although, at times, this factor has an unfavourable influence on costs, it is also the case that economies are being obtained in some places abroad by sending out their fixtures and other equipment to facilitate local assembly."

Commercial Costs

The importance of commercial costs lies mostly in times of transition from a sellers' to a buyers' market. For it is then that advertising and sales promotion efforts require reinvigoration. It seems inevitable that this trend must continue upward for some time to come. Referring to this issue, Mr. Butler makes the following interesting observations:

"A more controversial aspect of commercial costs in the home market is given by the discount and rebate system. In the 'thirties, there were sharp differences of opinion among competing manufacturers, and also among dealers, about the appropriate scale of basic discounts, and about the desirability of deferred rebates, the rates of which for any dealer varied with his total sales during the operating year. Some return of these arguments is already evident. Manufacturers, who favoured quantity rebates, used to support a simple theory of payment by results with reference to profits accruing after their 'break even' points had been reached, and since, on these grounds (here rather over-simplified) an apparent increase in cost might prove with luck to be a cost-saver, the current renewal of interest is not surprising.

"Another side of commercial costs in the home market has not been of importance lately, but may soon become so. A healthy market for new vehicles, and especially for new cars, requires a healthy used-vehicle market, and it may be that manufacturers will take an active interest in the promotion of used-vehicle reconditioning, more attractive display, and in used-car and truck marketing generally. Expenditure for promotional work of such kind might start as an addition to commercial costs, but, by contributing to dealer stability and growth, turn out to be money well spent.

"In export markets the principal competitors have a variety of changing conditions to meet, and are making commercial outlays which, while adding to current costs, are calculated to reduce overall costs in the not-very long run. The importance of parts availability is well understood, and 'service' generally is being provided far and wide in anticipation of, and indeed, as a necessary foundation for, growing markets.

"The pursuit of economy in shipping and other overseas transport continues vigorously, and much ingenuity is being shown by 'boxing engineers' in their attempts to reduce packing space needed for vehicles and parts, and also to obtain protection from climatic and other expensive hazards."

The future of the automobile industry is a foregone conclusion.

Although there might be a temporary setback, owing to causes beyond control such as political uncertainties, low standard of living and the like, it has bright prospects in the long run. As the development of underdeveloped countries progresses, the demand for transport vehicles, especially trucks, will increase. By reducing the dependence on rail and water, the availability of motor vehicles provides, as it has provided elsewhere, for the industries to grow up in areas which would not have been thought of in the nineteenth century. It may be noted here that the development of motor engineering helped the U.K. to compensate for the cessation of the great expansion period in railway engineering and the growth of foreign competition in other industries on which its prosperity had previously been based. Apart from the cost aspect, the demand for small cars and sports cars is dependent chiefly on the rate of increase in the standard of living, particularly of the vast masses of the underdeveloped and undeveloped countries. There is good demand for sports cars of the U.K. in the U.S. The U.S. manufacturers, who, at one time thought that demand will be a passing craze, are watching the trend, as the demand has persisted. Of late, some of them have been entering this field also.

MINING ROYALTIES

The Royalty and Dead Rent Committee of the Mineral Advisory Board, Ministry of Natural Resources and Scientific Research, has set up three sub-committees to enquire into mining royalties. The first committee, which will confine itself to coal, iron ore, chromite and limestone mining, consists of Mr. B. Srinivasan, Government of Orissa, and Mr. B. Sen of Tatas as its members. The second committee will enquire into royalties relating to manganese, mica and china-clay. Dr. C. S. Pichamuthu, Government of Mysore, and Mr. Chandumall Rajgarhia, are its members. The third committee will engage itself with gold, copper, lead, zinc and kyanite mining. Mr. N. Prasad, Government of Bihar, and a representative of the industry, yet to be selected, will be its members. The Committees have been asked to submit their reports not later than 31st December, 1953.

It will be recalled that the State Governments have, for some time past, been urging the Centre to enhance the existing rates of royalty and dead rent, as these rates are considered by them to be out of tune with current economic trends. The industry, on the other hand, sees little justification for a modification of the rates, unless it be downward, in view of the necessity to prevent its costs from rising and to keep its prices at a competitive level. Consequently, the main task of the Royalty and Dead Rent Committee will be to reconcile these divergent interests by rationalising the existing rates structure and placing it on a proper scientific footing.

It may be noted, in this connection, that royalties are levies charged by the State Governments to the legal owners of mining enterprise. They are calculated as a percentage of the value of extracted mineral at the pit-head. The enterprises which have obtained mining concessions but are not engaged in extraction have to compensate the State Governments by paying dead rents. The dead rents vary from mineral to mineral and have been prescribed in the Mineral Concession Rules, 1949.

PROPOSED NUCLEAR POWER REACTOR

The U.S. Atomic Energy Commission's announcement Thursday last that it is beginning work on a nuclear power reactor that will generate electricity is one of the most significant developments in harnessing the atom for peace-time use. It means that industrial atomic power is within the grasp of this generation. It means that scientists are moving slowly toward the goal of producing atom-generated electricity in commercial quantities. It means that the atom may eventually challenge the old sources of power—coal, oil, gas and captive water.

This first full-scale nuclear power producer, which the Commission hopes to have ready in three to four years, will not, of course, be the final answer to the question of industrial atomic power. It is not expected, for instance, that the reactor will produce electricity on an economical, competitive basis. That is something that later research—an immense amount of research—must do. The reactor will produce a minimum of 60,000 kilowatts or more, enough electricity for a city of 50,000 people.

In this, the eleventh year of the atomic age, it is good news, indeed, that the atom, so often referred to as a means of destruction, is to be employed for industrial power as well as medical and other beneficial uses for which it is already being utilised.

Those countries which lack sufficient coal, oil, gas or water-power to generate electricity economically will be especially interested in the new atomic development.

The nuclear power reactor is the second significant peace-time atomic development in the United States this year. Last June, American scientists reported on an experimental atomic furnace capable of producing nuclear fuel at least as rapidly as it is consumed. This process is known as "breeding" of atomic fuel. It is conceivable that, at some time in the future, this breeding principle might be combined with the just-announced principle of atom-generated electricity. If that should occur, the scientists say, then it could theoretically be possible to generate almost unlimited industrial electricity and, at the same time, new atomic fuel could be produced for this machine just as fast as it was consumed. But that day is far off and will require vast research and engineering.

MYSORE IRON AND STEEL WORKS

At a Press Conference held recently at Bhadravati (Mysore State), Mr. S. Muninanjappa, Director of the Mysore Iron and Steel Works, explained the various developments that had taken place in the Works. Welcoming the addition of Bellary to the Mysore State, the Director averred that the manganese and iron ore of Sandur would increase the scope for development of the steel industry. Proceeding, he said that the Works were advancing both in production and in profits, especially after the introduction of the production bonus system. The gross profit for the year was Rs. 59.53 lakhs and the Works had set apart a sum of Rs. 20.31 lakhs towards depreciation and about Rs. 2 lakhs for the amenities fund. For the first time in the history of the Iron Works, it had been able to set apart Rs. 9.5 lakhs as reserve. The depreciation fund to-day amounted to over Rs. 3 crores or more than half the capital outlay itself. Revealing the latest production figures, he said that pig iron was produced to the extent of 92,000 tons per year. Besides, 260 tons of cement, one ton of acetic acid and about 10 to 12 tons of ferro-silicon were also produced per day. The Government of India, he disclosed, has taken the responsibility of marketing the entire pig iron produced at Bhadravati. The steel conversion scheme was still under examination and the spun-pipe scheme had been sanctioned for utilising the pig iron produced.

EXPORT OF MANGANESE ORE

The exporters of manganese ore are worried over the Centre's recent licensing policy, which affects export quotas of those who have been doing modest export business for the last two years. Under the present policy, export of manganese ore from Calcutta is subject to quota restrictions, whereby established shippers are allowed up to 25 per cent. of the best year's export of three years ended 31st March, 1953.

Trade circles feel that the present restriction is unnecessary, because the supply position is satisfactory. Reserves of manganese ore are now estimated to be at about 60,000,000 tons, while previously, it was believed to be at about 25,000,000 tons. Furthermore, a new process, which improves the quality of low-grade ores, thereby making them exportable, has been evolved. Moreover, there is a sustained demand for manganese ore from overseas countries, especially the Continent and Japan.

Free export of manganese ore, according to trade circles, will provide employment for a large number of persons and earn the much-needed foreign exchange. India is one of the biggest producers of manganese ore, and exports in recent years have shown a tendency to expand. Last year, India's exports aggregated 1,400,000 tons, valued at Rs. 21 crores.

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GROWTH OF CREDIT INSURANCE

ITS SIGNIFICANCE TO EXPORT TRADE

A REMARKABLE feature of the economic development in the West is the ever-increasing applications of the principle of insurance to divergent fields of business activity. One such feature is the introduction of the principle of insurance into export business. The continued prosperity of export business depends on a number of factors such as stable economic conditions in the exporting country, and the ability to withstand competition from the country's rivals in the field. Some of these factors are unpredictable and beyond the control of the exporting country. To this class of adverse factors belongs sudden outbreak of political or currency disturbances in the importing country. In such circumstances, an exporter may sustain serious losses for no fault of his. Similar losses may be sustained when there is an unforeseen default of payment by the importers. Although it may be possible in many cases to recover the losses, there is no doubt that it will involve considerable delay and expense and the locking up of precious working capital till the issues are satisfactorily settled. Credit insurance is a device which seeks to protect the exporter precisely against these hardships. Although this device is generally intended to protect exporters against losses in their trade with overseas countries, there are several countries where credit insurance institutions cover losses in domestic trade as well.

The early efforts at providing credit insurance could be traced to the last century. But these efforts ended in disastrous failure, largely because many uneconomic risks were underwritten by credit insurers, and the provision of credit insurance led to reckless overtrading by exporters. These two defects provided the key to the improvement of the technique of credit insurance. Credit insurers now make a careful survey of credit risks in different fields. Also, they cover only a part of the losses that might be sustained by the insured, so that the latter are compelled to exercise at least some caution in their business activities. The development of the credit insurance institution in a number of countries in Western Europe was followed in 1928 by the formation of an alliance of these organisations, called the International Credit Insurance Association. This Association has provided a useful arena for the discussion of the problems of mutual interest to credit insurers.

The story of the growth of credit insurance has been described as the growth of co-operation between the insurers and the Governments of exporting countries. Generally speaking, the Governments cover the losses which arise from political and currency disturbances in the importing countries, such as exchange restrictions in overseas countries, whereas the credit insurers protect the exporters against purely commercial risks, such as continued default of the concerned importers in the overseas countries or insolvency of the importing parties. Broadly speaking, credit insurers issue two types of policies. There is the "global" or "whole turnover" policy, in which the commercial risks of the exporter in the entire sphere of his business are covered. There is another type of policy which covers only specific transactions of the exporter or a certain part of the trader's transactions. The premium for the former is lower, about 0.001 per cent., while that for the latter is generally much higher, about 1 per cent. It has been computed that, in Western Europe, credit insurers cover about £2,000 million worth of trade turnover. In the U.K., the Government's Export Credit Guarantee Department handles the vast bulk of the export credit insurance, while the domestic field in credit insurance is covered by the Trade Indemnity Company. These two organisations, it is estimated, cover a total business of over £1,000 million.

Yet another country where credit insurance is well developed is Canada. Some interesting details of the credit insurance scheme in that country have been made available by Mr. O. K. Ghosh, whose report on his study tour in Canada and the U.S. we reviewed last week. Credit insurance in Canada is undertaken by the Export Credits Insurance Corporation. The Corporation was set up with an operating fund of $5 million, with powers to borrow up to five times the paid-up capital. The Corporation is administered by a Board consisting of the Deputy Minister of Trade and Commerce, the Deputy Minister of Finance, the Governor of the Bank of Canada, another official of the Finance Department and the General Manager of the Corporation. There is also an Advisory Council of 13 members. The accounts of the Corporation are subject to continuous audit by the Auditor-General.

The main function of this Corporation is to insure exporters against losses arising from credit and political risks involved in the export trade. Policies are issued on a yearly basis, covering exporters' sales to all countries. In detail, the main risks covered are: insolvency or protracted default on the part of the buyer, exchange restrictions in the buyer's country preventing the transfer of funds to Canada, sudden cancellation of an import licence or the imposition of restrictions on the importation of goods, the occurrence of war or political revolution.

Although credit insurance affords valuable protection to the exporter, it costs him a comparatively small sum. It would appear that the banks are prepared to make advances to an exporter at a lower rate of interest, if he holds a credit insurance policy on his export sales. In fact, the slogan of credit insurers is: "Credit insurance pays itself."

There is no doubt that there is great scope for the development of credit insurance in this country. India is a vast country, with a growing domestic and export trade. The collection of outstanding debts even within the country imposes a severe strain on many a trader, because of the long distance which separates him and his customers. Exporters to overseas countries in India, too, are bound to appreciate the value of credit insurance. Indian insurers, as well as the Government of India, will, therefore, do well to examine the scope for developing this form of insurance. It must, however, be added that, if the scheme has to be successful, it must be based on a careful study of the business practices of Indian traders and exporters and of the frequency and magnitude of the losses which they sustain from time to time.

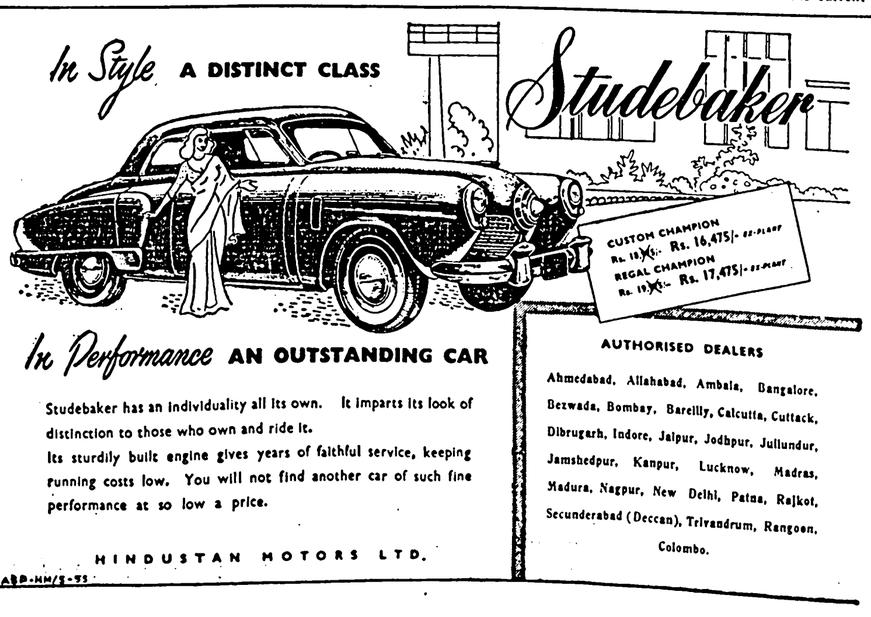
NEPTUNE ASSURANCE COMPANY, LTD.

A slight increase of Rs. 0.49 lakh in new life business, amounting to Rs. 42.63 lakhs, is disclosed by the Directors' report and accounts of the Neptune Assurance Company, Ltd. (Manager: Mr. B. M. Mehta, Bombay), for the year ended 31st December, 1952. Although there has thus been a small improvement in new life business, it must be remembered that the Company, like many other insurers in the country, has not been able to maintain its earlier records of new business which amounted to Rs. 81.19 lakhs in 1949 and Rs. 71.00 lakhs in 1950. But there is one factor which should enable the Company's field workers to put in greater effort in the cause of life business, namely, the encouraging surplus revealed by the latest valuation report, which has resulted in the declaration of a bonus of Rs. 10 per Rs. 1,000 on whole life policies and Rs. 8 per Rs. 1,000 on endowment policies. This level of bonus places the Company alongside some of the leading insurers in the country.

The total premium income in the life department amounted to Rs. 15.25 lakhs, as against Rs. 15.62 lakhs in the previous year. The total claims, paid and outstanding, were higher by Rs. 1.59 lakhs at Rs. 5.76 lakhs. The net interest earned on investments receded from 3.49 per cent. to 3.47 per cent. The expense ratio moved up from 15.37 per cent. to 17.35 per cent., due mainly to the introduction of new grades of salaries, the gratuity scheme and the provident fund scheme introduced during the year under review. It is, however, extremely gratifying to note that the management and the staff decided early in the current year to take a "voluntary cut" in the salary bill. This decision should have a beneficial effect on the expense ratio this year.

The net premium income in the fire and miscellaneous departments stood at Rs. 2.21 lakhs and Rs. 1.36 lakhs, respectively, as against Rs. 2.57 lakhs and Rs. 1.92 lakhs in the previous year. The claims, both paid and outstanding, amounted to Rs. 0.29 lakh in the fire department and Rs. 0.47 lakh in the miscellaneous department. Both the departments worked at a loss. Thus, the working of the fire department resulted in a loss of Rs. 0.01 lakh, as against a loss of Rs. 0.16 lakh in 1951 and of the miscellaneous department in a loss of Rs. 0.11 lakh as against a profit of Rs. 0.26 lakh in the previous year.

After taking into account the income by way of interest and dividends and the profit on sale of investments and providing for losses in the two general departments, there was a loss of Rs. 1,831 which was carried to the profit and loss appropriation account. This loss, together with the loss of Rs. 28,176 carried forward from the previous year, made in all a total loss of Rs. 30,007. This loss, together with the need for providing Rs. 11,000 as depreciation on investments, have been met by the transfer of Rs. 24,671 from the shareholders' life profit account, leaving a net loss of Rs. 16,336 to be carried forward to the current year's account.



TAX MUSINGS

ACCUMULATED DEPRECIATION OF A BRANCH IN MYSORE STATE

CAN IT BE SET OFF AGAINST PROFITS MADE IN "A" STATES?

By R. K. DALAL, B.Com., F.S.A.A., F.C.A.

A RATHER interesting and intriguing point is being raised in a case relating to a company which has its head office at Bombay and a branch at Bangalore. At Bangalore, the branch manufactures and sells plywood, timber, etc. At Bombay, the Company sells a part of the plywood manufactured at Bangalore and also trades in cotton. The point that is raised is whether depreciation accumulated after the assessment year 1950-51 should be allowed to be set off against probable profit that the Bombay office (in a Part "A" State) may make in future in cotton, cloth, etc.

Briefly stated, the facts of the case are:

The Bangalore branch had been making losses and the accumulated depreciation on plywood manufacture business amounted to Rs. 8,15,000 till the end of 1949-50 (assessment year) under the Mysore Act. In 1950-51 the Mysore State was included in taxable territories. During the assessment year 1950-51, the following position arose:

1. The Bombay branch made a profit in cotton business of Rs. 14,00,000.
2. The Bangalore branch made a loss in manufacture and sale of plywood of Rs. 4,00,000 (without depreciation).
3. Depreciation of the Bangalore branch for that year (assessment year 1950-51) amounts to Rs. 4,00,000.
4. Accumulated depreciation of the Bangalore branch under the Mysore Act was Rs. 8,50,000.

Now, the question that has arisen is which out of the last three items above will be allowed to be set off against the profit of the Bombay branch?

Even after the assessment year 1950-51, the Bangalore branch has not been making profits sufficient to meet the current depreciation of each year. The question is:

Will the depreciation accumulated after the assessment year 1950-51 be allowed to be set off against a probable profit that the Bombay office may make in future in cotton, cloth, etc?

According to Taxation Laws (Part 'B' States) Removal of Difficulties Order, 1950, clause 3, the loss can be carried forward to the same extent as if the State law was still in force. Clause 3, reproduced in Kanga and Palkhiwalla's book on page 214, reads as under:

"*Carry forward and set off of previous losses.*—Where, in any previous year prior to the previous year for the assessment for the year ending on the 31st day of March, 1950, an assessee has sustained a loss of profits or gains in any business, profession or vocation carried on by him, and such loss would, had the State law continued to be in force, have been set off against the profits and gains, if any, from the same business chargeable to tax in the said year of assessment or in any year subsequent thereto, such loss would be so set off in the same manner, to the same extent, and up to the same year of assessment, as it would have been set off had the State law continued to be in force."

Thus, it appears that accumulated depreciation allowed under the Mysore Act can be allowed to be carried forward under the Indian Income-tax Act for the assessment year 1950-51 when the Mysore State was brought under the Indian Income-tax Act on account of its integration with the Indian Union.

The next question is carry forward of depreciation under section 10 (2) (vi). Section 10 (2) (vi) of the Indian Income-tax Act reads as under:

"In respect of depreciation of such buildings, machinery, plant or furniture being the property of the assessee, a sum equivalent (where the assets are ships other than ships ordinarily plying on inland waters) to such percentage on the original cost thereof to the assessee as may in any case or class of cases be prescribed (and in any other case, to such percentage on the written down value thereof as may in any case or class of cases be prescribed)....

Provided that

(a) the prescribed particulars have been duly furnished;

(b) where full effect cannot be given to any such allowance in any year (not being a year which ended prior to the 1st day of April, 1939) owing to there being no profits or gains chargeable for that year, or owing to the profits or gains chargeable being less than the allowance (then, subject to the provisions of clause (a) of the proviso to sub-section (2), of section 24); the allowance or part of the allowance to which effect has not been given, as the case may be, shall be added to the amount of the allowance for depreciation for the following year and deemed to be part of that allowance, or if there is no such allowance for that year, be deemed to be the allowance for that year, and so on for succeeding years; and

(c) the aggregate of all such allowances made under this Act or any Act repealed hereby, or under the Indian Income-tax Act, 1886 (II of 1886), shall, in no case, exceed the original cost to the assessee of the buildings, machinery, plant or furniture as the case may be."

It will be seen that the above section provides for a carry forward of depreciation allowance to the extent that profits are not sufficient to absorb it. Not only that but it deems the carry forward next year and years thereafter, as part of the depreciation allowance of that year. The effect of this rule seems to me to regard depreciation for the year plus the aggregate as part of that year's allowance—a charge against profits of that year.

The above section does not regard the arrears of depreciation as merely a carry forward to be given effect to after the profits are computed under section 10, but it is made eligible for a large deduction as a part of the computation of that year itself, because it is being given as a deduction under section 10 2 (vi). Not only the eligible depreciation allowance for that year but the previous years' arrears are deemed to be allowance for the year under assessment. If that is true, then accumulated depreciation and depreciation for the year stand on the same footing and the resultant loss under the head of business is the loss of the assessment year and could be availed of as a set off under section 24 (1).

The difference between depreciation allowance and loss carried forward under section 10 and other loss under section 24 (2) is that, under section 24 (2), the carry forward of loss is given effect to under certain restrictions:

(a) such loss can be carried forward under the *same* business

(b) such loss can be carried forward for a period of six years only.

Depreciation allowance, on the other hand, has no such restrictions placed thereon. The position, as is generally understood, is that:

(a) such a loss can be set off under any other business under section 10 and also under section 24 (1) against other sources in the same year;

(b) it can be carried forward without time limit until exhausted.

If this theory is valid then:

(a) The Company's plywood business in Bangalore and cotton business in Bombay must be treated as one and depreciation for the year can be set off and net profit only subjected to tax.

(b) The accumulated depreciation, being deemed to be a depreciation allowance for that year, can similarly be set off as a deduction against profits made on cotton.

(c) The set off of loss on account of accumulated depreciation against profits in cotton may be achieved without resorting to liquidation or even taking over the business by another company.

What is required to be carefully considered is whether the proviso to section 10 (2) (vi), enables the assessee to claim as a deduction in a year not only the depreciation due for the year but also inclusive of accumulated depreciation carried forward from the past. If it is deemed to be a deduction under section 10, the computation will result in a loss which loss (though due to depreciation) can be set off against profits made in cotton, because all businesses carried on by the assessee are subjected to tax under section 10 and any business has been interpreted as all businesses.

In this connection, attention may be drawn to the fact that, prior to the Amendment Act, 1939, and the insertion of section 24 (2) introducing a carry forward of loss, section 10 (2) (vi), enabled the assessee to carry forward arrears of depreciation. In so doing, it was not necessary to resort to section 24. Section 24 (2), when enacted, was found to operate harshly against the assessee, because of the two losses —one due to business and the other due to depreciation.

It was not clear whether the revenue loss could be given priority, because while business loss was limited to be carried forward for six years, the depreciation loss could be carried forward until exhausted. The reference in section 24 (2) is with a view to clarifying the position that loss under section 24 (2) due to business shall have the priority to the loss carried forward and given effect to under section 10 (2) (vi) on account of arrears of depreciation.

The two losses, therefore, are not of the same nature and not governed by the same section. One is governed by section 10 (2) (vi) provisos (*b*) and (c) and the other is governed by section 24 (2). Further, in giving effect to the loss under section 24 (2), the computation under section 10 must precede the carry forward under section 10 (2) (vi). The effect of carry forward of depreciation is given and made part of the computation of section 10. Therefore, the net profit worked out under section 10 is profit or loss for the accounting year and can be set off under section 24 (1). This being the distinction between the operation of the two sections, is the assessee correct in claiming a set off of accumulated depreciation and loss on account of manufacturing of plywood in Mysore against cotton profit made in Bombay? The profit on cotton is purely a trading profit not due to speculation, so that the Amendment Act, which isolates speculation profit from the trading profits, will not apply.

There does not seem to be any direct authority in point. But the view taken by the assessee should, it seems, prevail in law.—*All Rights Reserved.*

WHAT IS A SOUND TAX POLICY?

In its memorandum submitted to the Taxation Enquiry Commission, the Bombay Chamber of Commerce has given a cogent reply to the Commission's question—this, of course, is only one of the many questions which the Commission has asked and which the Chamber has replied—as to the objectives of a sound tax policy. The following is the Chamber's reply:

"The main objective of a sound tax policy must be to increase production and so raise the standard of living. If the main objective is to be realised:

"(a) the taxable capacity must be fairly determined, taxation accordingly imposed, and thereafter not increased; certainty and stability are essential if capital is to be made available for investment in whatever sectors of the economy;

"(b) there must be a competent administration; the machinery for the collection of revenue must be effective otherwise taxation must be increased beyond taxable capacity.

"If there is incentive to work, to save and to invest there will be an accumulation of wealth by personal or community effort and production; from that accumulation the appropriate quantum can be channelled by taxation to the revenue. But if accumulations are to grow and production expand, the quantum of the accumulation left in the hands of the individual or the community must be such that the assets with which the wealth is created can be maintained in a condition in which they may continue to increase.

"Savings and investment must be encouraged by all possible means but without direction of savings into particular channels; the risk differential will operate to ensure that available resources will be correctly employed. The reactions of the natural laws of supply and demand will control the inflationary and deflationary tendencies in the economy and it should not be the objective of taxation policy, as distinct from monetary policy, to attempt to regulate supply and demand. If the inflationary and deflationary tendencies are allowed to adjust themselves, the external balance of the economy will automatically find its own level.

"It may be necessary, at times, to resort to controls, physical and monetary, but controls should not be regarded as an inevitable constituent of an overall State policy. Controls should be used only to deal with extraordinary circumstances which have disrupted the working of the natural economic laws since they are usually too late when imposed or revoked to effect a cure.

"In a country dependent upon exports of primary products for its external balance of trade, taxation of the exportable product must be such that it is not priced out of its markets whether by direct internal taxation or by export duties. Export duties may destroy the competitive power to sell in world markets. The levy of an export duty on commodities which enjoy a monopoly or near monopoly in source of supply (e.g., jute and manganese) causes overseas buyers to look for substitutes or to seek alternative sources of supply. The first has happened in the case of jute and the second is about to happen in the case of manganese. The principle should be to sell at the best price obtainable in the export market leaving it to well organised trade associations to adjust their production, selling arrangements and prices in a market which they understand and which, for their own benefit, they will do everything to preserve.

"While the reduction of inequalities of income and wealth is desirable it cannot be a primary objective since in the result overall living standards may thereby be reduced.

"Taxes should be levied over the whole population, equitably according to ability to pay but in no case so severely as to impair incentive. A sound tax policy will not destroy the incentive to work, to save and to invest."

EIGHTH SESSION OF THE G.A.T.T.

EXTRACTS FROM DELEGATES' ADDRESSES

THE eighth session of the contracting parties to the General Agreement on Tariffs and Trade (G.A.T.T.), which began at Geneva on 17th September, 1953, concluded last week, under the chairmanship of Mr. Johan Melander, Director of Commercial Policy, Norwegian Ministry of Foreign Affairs. We give below extracts from the speeches of the delegates of some of the important countries which participated in this meeting, as they will show the attitude of these countries to this branch of international co-operation.

To begin with the speech of the Chairman, Mr. Melander said:

"In my closing speech at the end of the seventh session, I expressed the hope that, in 1953, Governments would work together to agree upon a concerted programme of action for removing the causes of the persisting disequilibrium in trade and payments, and for advancing towards the abolition of trade restrictions and discriminatory practices. Since then, of course, these important questions have been the subject of active international discussion, following the Commonwealth Conference of November last year and the formulation of a plan for the restoration of the convertibility of sterling. It was not to be expected that such far-reaching proposals, involving so many countries, should lead to immediate decisions. In particular, it is understandable that the new Government in the United States needs time to reflect upon the very important decisions which must be taken if that country is to make a substantial and appropriate contribution to a collective attack on the basic problems of international trade and payments. It is, of course, too early to foresee exactly the detailed principles which should govern such a new system of trade and payments, but it seems clear that we can only hope to move from a regime which is supported by extraordinary financial aid into one which rests upon normal movement of goods and investments if both creditor and deficit countries are prepared to adopt appropriate policies.

"Having now entered upon my third and last period as Chairman of the Contracting Parties, I hope you will permit me to speak for a moment about our work here as contracting parties to the General Agreement on Tariffs and Trade. Again I would like to recall something which I said at the close of the last session. Our work here is dedicated to the creation of a multilateral trading system, freed from quantitative restrictions and from discriminatory practices. But we do not think of this goal as an end in itself. It would, perhaps, suffice if I were to refer, as I did last year, to the objectives laid down in the preamble to the Agreement, but I would like to develop these ideas a little further.

"It seems to me that the major problem that faces us arises from the contrast between the limitation of the world's resources and the pressing need for food, clothing and shelter that comes from the increase in the world's population and from the necessity of affording higher standards of living to hundreds of millions of people who, in the past, and still to-day, are living at bare subsistence levels. This problem can only be solved by making the most efficient allocation of resources that are available. It is because protectionism, restrictionism and discrimination interfere with this required efficiency that we must turn our back on such policies. This is not a matter of attachment to economic doctrines, nor of any conviction that one set of economic policies has any moral superiority over another. It is a question of recognising facts and dealing with them realistically.

Difficult Problem

"We all realise, of course, how difficult it is to adopt more liberal policies in matters of foreign trade. Immediately after the war, the problems confronting each particular country were of such magnitude that there was no chance of solving them through the operation of market mechanisms alone and all countries, therefore, turned to a system of controls relating both to their domestic and to their external economic activities. No one denies that the abolition of such controls is difficult. Too many interests—sectional interests—have naturally grown up around them, and it is also true that there is a great difference in political feasibility between the adoption of new protection, in whatever form, on the one hand, and the abolition of such protection on the other. Whenever new protection is adopted, immediate and visible advantages accrue to a few, while the price which we know must be paid by the population at large, is less clearly discernible. If, on the other hand, protection is abolished, the position is the reverse. Politically, the difference is that the few who profit or lose are vocal, while the public at large has no spokesmen. To put it somewhat pointedly, we cannot hope to arrive at an efficient allocation of the world's resources, unless Governments are prepared to show a certain amount of political courage in adopting policies which, in the short run, are most likely to be unpopular.

"The situation is essentially the same when it comes to considering not sectional interests within a country but the interests of particular countries in relation to all others. There again, it is possible, let us admit it, that, by discriminatory protectionist devices, apparent advantages may be derived within a limited area. But these apparent benefits are achieved at the cost of the world economy as a whole and this, in the long run, will react adversely on the country or countries pursuing such policies. Nor can one leave out of account the political frictions which they inevitably engender.

"I should also, at this point, like to say a few words about the countries whose productive resources are as yet not fully exploited, and which are frequently referred to by the unattractive phrase—'the underdeveloped countries.' I have often thought, as I presided over sessions of the Contracting Parties, that many of the questions which we discuss around this table may appear remote from the most pressing problems confronting these countries. And yet looking at our work in the way which I have outlined this afternoon, it would be difficult to instance matters of greater moment to them. For in their countries live the greatest number of the under-privileged of whom I have spoken. Their hope of a better life depends, to my mind, entirely on an expanding world economy in which there is a high and rising demand and remunerative prices for the raw materials and foodstuffs which they produce, increasing opportunities to acquire capital equipment, to develop their industrial production, and an expanding output of consumers' goods at prices within the reach of people with relatively low money incomes. None of these three conditions will exist in an unstable or shrinking economy which is the best that can be expected if international trade is tightly controlled or dominated by motives of protection and discrimination. The responsibility for developing and maintaining that strong and expanding economy which we all desire must be shared by all of us.

What is G.A.T.T.?

"The G.A.T.T., therefore, is not a list of restraints and prohibitions reluctantly accepted by Governments, but a set of principles and rules which all of us accept, because they are in the common long-run interest, and, therefore, in the interest of each of us. This I think, is a way of looking at things which cannot be too strongly or too often emphasised, since the pressure of special interests is constantly at work in all countries to present the picture in a different light, and public opinion is, therefore, frequently confused on the simple but basic questions with which we deal.

"Now having outlined the philosophy underlying the G.A.T.T., and for that matter the International Monetary Fund Agreement, I may, perhaps, be permitted to touch upon a matter which you all may consider delicate, but which I consider fundamental.

"To put in very pointedly: the philosophy underlying the G.A.T.T. and the I.M.F. agreement is that, if quantitative restrictions, together with other barriers to trade, are abolished, the objectives laid down in the two agreements, and indeed in others, such as in the United Nations Charter, will automatically be realised. But I think experience shows that this is not necessarily the case. It depends on other aspects of economic policy, financial and monetary policies, fiscal policies, rates of interests, investments policies. It is not, therefore, enough that countries follow the trade and foreign exchange policies laid down in the G.A.T.T. and the I.M.F. Agreement. They must also pursue financial and monetary policies which are neither inflationary nor deflationary, and they should consider this as equally important as to abolish quantitative restrictions and other restrictive trade and exchange practices.

"This, of course, raises the fundamental question: should international action not go beyond direct controls of trade and payments, and deal with financial and monetary policies? As I have said, this matter is delicate and difficult, and I do not want to do more than to raise the question.

"It seems probably, however, that we shall soon have reached a point where we shall wish to resume the terms and the operation of the General Agreement and to consider what changes may be necessary in order to make it a more effective instrument for advancing our common policies. At that time, I think that we should take the opportunity to restate in clear language the problems we face and the reasons why the path we have chosen is the only one which holds out any real hope of solving them.

"Some of the ideas I have put forward may seem elementary to many representatives around this table. But I do think that, if we are to succeed against the many forces and pressures with which we have to contend in the field of commercial policy, it is necessary to have and to state a positive and dynamic philosophy. Given this approach, I am sure the problems of individual countries can be met and overcome."

India's Views

Speaking at the session, Mr. D. P. Karmarkar, Commerce Minister, Government of India, observed:

"Five years have elapsed since the finalisation of the Havana Charter and the commencement of the operation of the General Agreement on Tariffs and Trade. My Government has all along been taking a great interest in the evolution of both the Charter and the General Agreement. We believe in the general principles embodied in the Havana Charter and the basic objectives underlying the General Agreement, namely, the liberalisation of trade and the progressive removal of avoidable trade barriers, and to that end we have extended full support to the G.A.T.T.

"While in the field of tariff reduction, this organisation has achieved fairly impressive results, my delegation feels that progress in the direction of liberalisation of trade has not been marked, because of various economic and financial difficulties. Most countries have had to face difficult economic and financial problems during the post-war period. The economic *malaise*, which characterised the post-war economy of many countries, tended to distort the pattern of trade and gave rise to import restrictions on balance of payments grounds. Even now, conditions have not returned to normal and the disequilibrium persists, although there is evidence of substantial improvement. We in India have also had to face difficult economic problems, but, despite these difficulties, we have endeavoured to do everything possible to promote multilateral trade and we are always ready to co-operate in a collective approach to questions connected with multilateral trade and payments. It is significant that several countries are at the moment engaged in the study of their economic and commercial policies. The United States of America—a great creditor country—is reviewing its economic and commercial policy. When this study and review are completed and revised policies are put into effect, it should be possible to make an assessment of the future of the G.A.T.T. and my Government would then wish to reconsider our general attitude.

Pre-requisite for Success

"My delegation feels that the success of this new international experiment will, to a great extent, depend on the policies adopted by the highly industrialised countries to liberalise trade, lower tariff barriers and to assist countries in the process of industrial development, by providing more capital and technical assistance. Production must be stepped up if the expansion of world trade is the objective, but the great resources of the underdeveloped countries cannot be fully developed without large capital investments. My delegation hopes that it will be possible for those of the industrially advanced countries which are in a position to so so, to liberalise trade and make available more capital and technical aid to the partially-developed and the underdeveloped countries. The main problem in India, as well as in other South Asian countries, is the raising of the standards of living. This is the chief motivating force in India's Five-year Plan and we are doing everything practicable to put this plan, which is a very realistic and balanced one, into effect as expeditiously as possible.

"Finally, I should like to say that the G.A.T.T. organisation has been a useful forum for discussing and resolving the difficulties and problems connected with international trade and it is gratifying to note that, in most cases, a satisfactory adjustment has been found possible. I should like to pay a tribute to the zeal and efficiency which has distinguished the contribution of Mr. Wyndham White and his colleagues in the secretariat, in the executive functioning of the organisation. My delegation feels, however, that the need for speedy decisions in urgent matters cannot be overemphasised. This, I think, could be achieved by providing effective machinery, not only during the sessions but also between sessions."

U.K.'s Views

Representing the U.K. at the meeting, the Right Hon'ble Peter Thorneycroft stated:

"The United Kingdom has more than a minor interest in these problems. We live by exports; they represent no less than one-fifth of our total national income. In such circumstances, we need to consider international trade policy with greatest care. If our judgment is wrong, we do not injure just a small group of producers. We strike at the foundations of our economy. Nor have we ourselves alone to consider. Something like half the world's trade is conducted in sterling. It is an international as well as a national responsibility to see that sterling is strong. The United Kingdom has supported and continues to support the General Agreement on Tariffs and Trade, an organisation for dealing with the problems of international trade which is a major interest to a country which lives by it. The objectives of the General Agreement on Tariffs and Trade cannot, however, be attained and the multilateral system cannot work or work fully until an end is put to the chronic unbalance of trade which exists to-day. After all, the General Agreement on Tariffs and Trade was based upon the assumption of transitional and not permanent disequilibrium.

Responsibility of the U.S.

"Any attempt to cure the chronic unbalance which exists to-day is doomed to failure, unless there is a fundamental change in American commercial policy. A large range of potential exports to America are faced with tariff rates 50 per cent., 60 per cent. or even more. There are notorious difficulties of customs valuation which vastly increases the real burden of tax. There is the Buy American Act. There is the discriminatory shipping policy. There are the very reciprocity provisions which inhibit the unilateral lowering of trade barriers, which is axiomatic to a solution of unbalanced trade. These are substantial obstacles which stand between all of us and achievement of that wider area of trade and payments which we desire to achieve. Having said this, I would add that this is not a problem which can be solved solely by the United States. Debtors have obligations as well as creditors. There is, indeed, no surer way to a balance of payments crisis than a failure to preserve a proper balance in one's internal economy. Nothing the United States can do can balance trade with the rest of the world, no matter how generous she is, if the rest of the world pursues inflationary internal policies. One thing further is plain. It is wholly unrealistic to expect the United States of America to take decisions on these major problems in a matter of a few weeks. The examination of their external policy is just starting—it must be completed—this is a process which will require a little time. When it is completed, we must follow up the suggestions by the Chairman yesterday of a re-examination of some of the fundamental problems of international trade as applied to the General Agreement on Tariffs and Trade.

"In the United Kingdom, we have taken a number of effective and at times unpopular decisions in order to achieve that internal stability upon which alone larger hopes of the collective approach to freer trade and freer currencies, or even the more limited approach to liberalisation of European trade, can effectively be based. The next step is with the creditors. We must await it, knowing it will be taken with that sense of responsibility which has always characterised the post-war conduct of American policy in the international field.

No Major Policy Decisions

"What then should our policy be for this session of the General Agreement on Tariffs and Trade? First, we should not try to plan for a world the exact nature of which we do not yet know. Secondly, we should not attempt to take decisions of major policy calculated to strain the whole structure of the organisation. Thirdly, we must co-operate in dealing in a workmanlike way with technical difficulties which give rise to urgent practical problems. Fourthly, we should seek by all means to preserve the foundations of the organisation which we have by our joint efforts built up. Let me illustrate what I mean by reference to a few items on the agenda. During this interim period, it would surely be wise to preserve the main tariff structure by a continued deferment of the operation of Article XXVIII. In other words, we should keep the bound items bound. We in the United Kingdom do, however, need some freedom on the unbound items. Here is a technical difficulty which gives rise to an urgent and real problem for the United Kingdom Government. I would, however, emphasise now that we seek a solution which is consistent with the basic provisions of the General Agreement on Tariffs and Trade and safeguards the interests of other Contracting Parties.

Japan's Admission

"Finally, there is the difficult issue raised by Japan's application at this stage for provisional association. This application raises many difficulties for a number of us. I feel bound to say that I wish that this issue could have been postponed till after the difficult transitional stage through which the General Agreement on Tariffs and Trade is now passing. I believe that, even now, all concerned should ponder whether it is really in anyone's interest (and I include in this the Japanese) to press the issue at the present time. If it were so pressed, and I say this in no spirit of animosity against Japan, then the United Kingdom would abstain from participation.

"I would conclude by summarising the approach of the United Kingdom to the business of this session as follows. The speeches we have heard are all emphatic on two points. The first is the size of the problems of policy confronting us. The second is the fact that solutions cannot be found to all of them at this session. We must await the review on American commercial policy now in hand. We must await it with hope and confidence. For the time being we must hold on to what we have already attained; it is not inconsiderable. We must preserve the foundations in order that we may build upon them in the future."

U.S. Views

Speaking on behalf of the U.S., Mr. S. C. Waugh said:

"President Eisenhower and Secretary Dulles have asked me to express to this meeting their hope that the business which will occupy us will be brought to a successful conclusion. The President has also asked that the following message be read to you:

"'The Eighth Session of the Contracting Parties to the General Agreement on Tariffs and Trade seems to me to be one of special significance. Many nations of the free world, including the United States, are now actively engaged in re-examining their international economic policies.

"'In this process of reappraisal, it is important that we keep our sights clear—that the nations of the free world remain firmly dedicated to our common purpose of developing that higher level of profitable international trade necessary to the economic strength and well-being of all our peoples.

"'I am confident that through the accomplishments of this session, the Contracting Parties will again demonstrate that the nations of the free world have the will and the means to reach this goal.'

"We have come through the period of post-war economic troubles and turmoil. The Marshall Plan has fulfilled its task and has passed into history. The economic challenge presented by the Korean emergency has been met and substantial progress in building our defences against the threat of future aggression is now evident. Nevertheless, too many parts of the free world are still too far short of achieving that degree of economic strength and resiliency which is needed to protect our common security and enrich the lives of our people. An effective multilateral trading system, general convertibility of currencies, an adequate flow of international capital, satisfactory development of underdeveloped areas—these essential ingredients of a productive international economic system *are not yet within our grasp*. It is appropriate, therefore, that all should now begin to re-assess our present policies and institutions, to see how they can be improved, and to chart a course for the future which can lead us more surely and effectively toward our common goals.

"All will enter on this task of re-assessment faced with certain basic, inescapable, facts. Events of the past 15 years make us realise that there is no longer any such thing as isolation on this shrunken globe of ours—that no people can long remain aloof from all the rest, secure from military threat and free of economic cost. We know that, in the years immediately ahead, we must find ways of living with one another by rules and institutions which do not lead to a terrible war in every generation. The people of my country, like those of virtually every other country of the free world, have come to accept these propositions as fundamental. For us, as for other countries, there is no longer any such thing as splendid isolation. We are in the business of international co-operation to stay.

"Planning ahead for a period of greater and more effective co-operation on economic matters, there are a few basic tenets on which we can build. To begin with, it is crystal clear that the trade relations of nations cannot be effectively established on a bilateral basis. The basic rules by which nations allow goods to move across their borders must be developed jointly by all the nations concerned and must have their common consent. To-day, modern transportation allows nations to draw their basic raw materials from the four corners of the globe. Nations find their markets thousands of miles away. At virtually every point in the free world, the interests of three or four or a dozen trading nations have to be reconciled. There is no bilateral method, or any other kind of 'closed' system, which can deal with this situation in a way which gives trade an opportunity to flourish and to bring nations the full benefit of which trade is capable.

"Another lesson has been learned from the events of recent years. We now know there is an inseparable link between the 'internal' policies of nations and their trade patterns. There was a time when nations felt that the waves of destructive inflation or equally disastrous deflation to which their economies were being peribdically subjected were purely internal matters, on which other nations were not entitled to express an interest. But this view, too, has passed. We now recognise that the ability of the free world to create a multilateral system of trade and payments requires action not only in the field of international trade and monetary policy, but also the adoption of appropriate internal policies. Persistent inflation in important trading countries can easily wipe out any prospect of a wider and freer system of international trade. Serious deflation can do the same. International co-operation of the future must be built upon a fuller recognition of these relationships than has been had in the past.

Process of Re-assessment

"Many of our Governments are now in the midst of a healthy process of re-assessment and re-appraisal, taking stock and formulating plans for the future. It is important, however, that this process should not take too long. It is our hope and aim that our own Commission on Economic Foreign Policy will be in a position to report to the President and the Congress in time for appropriate legislative and other necessary action to be taken during the early months of next year. If these plans materialise, our Government would then be able to discuss more definitively the role which it is prepared to play in further international co-operative efforts in the economic field.

"Of primary importance for the future will be the kind of international trading arrangements and institutions which will best serve our common interests. Our Chairman yesterday suggested that we look forward to plans for undertaking a basic review of the operation of the General Agreement on Tariffs and Trade and for considering proposals which Governments may put forward for such changes, or such new arrangements, as may prove desirable. While it may be unwise to establish too rigid a time-table for international discussions on this subject, it is the present thinking of my Government that the coming year may prove to be an appropriate time. In the months ahead, the free world may well be in a better position to move toward more effective international co-operation than at any time since the end of the Second World War. Those of us attending this eighth session of the Contracting Parties to the General Agreement on Tariffs and Trade as representing our respective Governments should put forth every possible effort toward the creation of a sound and productive economic system which is the goal of all free nations."

Plea for Action

Speaking for West Germany, Prof. Dr. Ludwig Erhard stated:

"The aims of the G.A.T.T., which in their logical consequence mean a world-wide free exchange of goods on the basis of free payments, do not call for any modification but rather for more emphasis and clear-mindedness. In spite of all progress made so far, the present picture of the integration of the world's economy is still far from encouraging, and I feel, we have every reason to stop and think. It is true that the binding principles of the General Agreement are clear: to reduce tariffs and to lower trade barriers, to eliminate quantitative restrictions and to stop discriminating in the international trade, but it is quite another question how far we have got in our efforts to achieve all this. With all due understanding of the fact that it has been necessary in the years behind us to make exemptions from the rule, it seems to me that now the time has come to review these exemptions and, to put it more bluntly, to apply stricter criteria. In this connection it must again be demanded, as a matter of particular urgency, that the national economies stop distorting by export subsidies and other open and

hidden measures of a so-called export drive, the honest competition of efficiency in the private economy. If the G.A.T.T. organisation is to fulfil its task, it cannot and must not let that sort of thing go on without doing something about it.

Honesty of Purpose Needed

"Indeed, sessions of this kind can only be fruitful and yield results if their basic feature is the courage to be honest and to face facts. Now it is my personal opinion that, as long as national States, with a view to their balances of payment or to the consequences of the war or even to protecting their own economies, depart from the rules of the game, there is little chance really to move forward towards a true order, based on the principles of the market, on a supra-national level. Is there at all a country which could not, by invoking one fact or another, find arguments for a withdrawal, and by what means could a country with this tendency be prevented from adopting a policy to that effect? Indeed, in the framework of the G.A.T.T., the question is simply this: have we really beyond the certainly beneficial tariff agreements, arrived at a generally binding commercial policy in accordance with the moral obligations involved in the ideals of order in freedom, or have we not rather got stuck in what is practically a merely technical approach? We must understand that to get stuck in what has been achieved is tantamount to sliding back, because, if the dynamic power of the G.A.T.T. dwindles, then this institution is doomed to barrenness and everybody will soon want to go his own way again. By this I mean to say that, to my mind, any relaxation and any backward movement should be out of the question.

"The problems involved in an international economic co-operation are now becoming apparent with an increasing clarity which almost gives me the hope that there is a chance of a genuine solution. Not only within the G.A.T.T., but also within the O.E.E.C. or in the co-ordination of the countries of the European Coal and Steel Community, e.g., the principle of a free competition of efficiency is uncontested, and it is unanimously agreed that the international exchange of goods and services must be free from State intervention of any kind. Thus, the principle of economic order—a free market economy as against Governmental regimentation—is no longer the issue at all. But if this is so, then there must be certain conclusions which impose themselves on the individual nations with regard to their own economic and financial policies, and that is why I feel that it is here rather than anywhere else that the decisive action should be taken. We may, on an international level, have the most beautiful proclamations and declarations, but these will never be more than idealistic standards, unless they are backed by the serious determination of nations, to guarantee, within the sphere of their own responsibility, an economic and financial stability. The more a country tries to evade this responsibility, the more it will have protectionist desires and the more it will contribute towards a destruction of the free exchange of goods between the nations. The world has become too small for us to indulge in the luxury of divergent interests.

"Just as we are discussing, with the countries of the European Payments Union, a 'consolidation' of that system, it will become necessary to review also within the framework of the G.A.T.T. the question of authority or, if you prefer it that way, even of institutional power. Let me repeat: to stand still is to step backward, so the G.A.T.T. will not prosper if its efforts are strictly limited to the fields of tariffs and quotas. It must rather have room for a wider concept of freedom. Although I am in priciple very much in favour of all plans like the Pflimlin plan or the Ohlin plan, I am at the same time somewhat afraid lest unilateral action in tariff policy might provoke an intensified governmental interventionism in reaction to the greater freedom of movement which is aimed at. In theory, therefore, the harm might be greater than the good which is planned to be done. After all, the tariff policy is just one of the aspects of an international commercial policy, just one of the instruments by which States can influence the international exchange of goods, so an isolated consideration and handling of this problem cannot bring forth satisfactory results. I would not want to be misunderstood: I am of course in favour of a lowering of tariffs, and I also like low tariff rates, but I should not like to see stipulated tariffs used as an argument in favour of increased interventionism or as an excuse for the lack of willingness to co-operate on an international level. Each country should realise that it carries a great responsibility not only for itself but also for the whole world, as there will hardly be any authority sufficient to compel a country to keep order and to adopt a commercial policy which will find favour in the eyes of men, so that we all depend on whether or not each of us is doing his best to serve the community of the free nations, and to promote peace and freedom in the world. Let this session be a searching of hearts and a solemn reminder.

G.A.T.T. Must Succeed

"Unless the G.A.T.T. is to prove a failure, it will have to be intensified to the greatest possible extent so as to become really serious about trade barriers, quantitative restrictions and all kinds of discriminatory commercial practices. We must have the courage to be free and the courage to have order. We must get rid of the illusion that a protectionist and nationalist policy can be of benefit to a country. We must rather realise that it is our duty to obtain for our nations a maximum of wealth and the best possible opportunities, and it is here that it becomes quite obvious that only the widest imaginable basis for an economic co-operation will offer a maximum of security. The isolation of a national economy in poverty is the worst prescription, politically, and is bound to have tragic results in the long run. Such a national policy would keep the free world from getting United or would cause it to split up again, because we would either get all caught in poverty and primitiveness for good or each of us would again go his own way. Both would be equally disastrous. If, however, the G.A.T.T. reaches its aims or at least makes progress on its way, then it will be another side from which the conditions are established which will permit us to overcome a regimented foreign exchange system and to re-establish the free convertibility of currencies. I am, therefore, inclined to feel that this idea should no longer remain outside the efforts of the G.A.T.T., because, if these efforts are successful, free convertibility will, as it were, fall into our hands like a ripe fruit. In this sense, convertibility would, indeed, be the crowning achievement of the G.A.T.T.

Value of Free Market Economy

"I certainly do not want to blight hopes, and above all, I do not wish to discourage any efforts, but I am sceptical if I regard the development up to this day. The experience so far made within the framework of the G.A.T.T. or of the E.P.U. does not readily bear out the conviction, that the nations will quite voluntarily strive for and attain complete freedom. There are too many ifs and buts to be overcome, and too many mistaken interests are thrown into the scale. To my taste, there is everywhere too much talk about the impossibility to do without a so-called autonomous economic policy, but this means in the end only that there is little inclination to have the comfortable way into domestic instability blocked by international commitments. To renounce stability is, however, tantamount to turning one's back to a free economic order, as it is set forth in the General Agreement on Tariffs and Trade. Let me give you some hope by referring to the experience gathered in my own country. We are truly witnesses to the elementary and wholesome force which is inherent in a free economic order. I am convinced that the world will recover, that all tension and disturbances can be overcome, that distrust and envy will disappear and peace will spread in the economic sphere if we, after having so long gone astray, find our way back to good order. Since all national economics have lived all too long in barren isolation we have lost our sense of the functions of a truly free world economy and vastly overrate the dangers implied in the re-establishment of full freedom of movement. Freedom is not a danger but a blessing for all. To have said this does not mean to belittle what has no doubt been achieved in the course of the development of the General Agreement on Tariffs and Trade; we acknowledge with gratitude what has been done, but because of that very fact it is incumbent on us not to let this endeavour die for want of fresh air but to go on with it and to make it bear fruit."

Australia's Views

Giving the views of Australia Mr. V. A. Clark stated:

"My Government's experience of the operation of the General Agreement has led it to a firm conviction that a comprehensive review of the General Agreement is much overdue. It is a fact well known to all of us that when the Contracting Parties first negotiated the Agreement in 1947, it was never intended that it would continue to operate for more than a year or two in its present form; this is evident from the terms of Article XXIX of the Agreement itself. However, it has so happened that the Agreement has run on year by year for almost six years. The Contracting Parties will agree that these six years have not been easy years for the General Agreement. On every occasion when the Contracting Parties have met, there has been a number of intractable problems the solution of which, in accordance with the present provisions of the Agreement, has become increasingly difficult. Some of these matters have persistently failed to be solved and have, therefore, equally persistently been resubmitted to the Contracting Parties.

"These things have happened at every session of the Contracting Parties, although the Agreement is being applied only provisionally. It seems clear, therefore, that there are conflicts between some of the principles of the General Agreement and the policies which sometimes must be followed by Governments in the national interest. These situations raise serious doubts about the suitability of the G.A.T.T. in its present form. The fact that it has applied only provisionally is perhaps one of the principal reasons why it has continued for so long without challenge. Any question of its definitive application would, it is felt, immediately raise questions of a fundamental character as to its suitability and adaptability as a permanent form of international agreement.

"There have been many significant changes in world economic and trading conditions during the past six years, and some parts of the Agreement, the effects of which have until now been obscured, are becoming increasingly onerous. It is a fair commentary on the restrictive nature of its provisions that some of its chief sponsors are finding increasing difficulty in living up to the obligations of the Agreement. A reference to the agenda of the present session will serve as a clear illustration of this. It seems therefore, that there is a considerable weight of argument in favour of a review of the Agreement which, whilst acceptable as an attempt to deal with conditions as they existed in 1947, is not adaptable in full measure to the requirements of the present and the foreseeable future. We cite no particular instances; we are merely trying, objectively, to envisage the future of the General Agreement, and we cannot escape the conclusion that with the G.A.T.T. as it is now written, new and increased difficulties are in store.

"It is the Australian Government's view that a general revision of G.A.T.T. is required, and that this is a matter of urgency. It believes that the review should commence next year. It believes also that the review should be comprehensive and unrestricted by any article of the present Agreement; it should relate not only to Parts II and III of the Agreement but also to Part I. It will be necessary in the course of a review to consider a great number of questions. Some of these, from the Australian point of view, are already apparent; other Contracting Parties will no doubt have matters of their own to raise. My delegation does not intend, at this stage, to indicate any particular proposals which its Government might eventually wish to make for amendment of the Agreement; it is, of course, not necessary to do so. But it is clear enough that all Governments will have to consider whether there is sufficient balance in the present Agreement, whether, for example, the developmental problems of a number of Contracting Parties receive adequate recognition compared with the tariff agreement aspects of the existing Agreement. Whether, in fact, it might be possible to distinguish more clearly between provisions which lay down a code of good behaviour in international commercial relations and those provisions which are necessary to safeguard tariff concessions.

"Other thoughts suggest themselves. There are the further questions whether the wording of certain of the draft Charter articles is better than the wording of the corresponding G.A.T.T. articles and whether any action is to be taken in relation to the sections of the Charter which are omitted from the G.A.T.T. Contracting Parties must consider, I suggest, the fundamental question of whether the new G.A.T.T. is again to be a detailed Agreement with escape procedures designed in advance to meet certain situations, or whether it should take some form, such as the form of the Charter, or the form simply of a statement of principles. These things I mention for illustration; they will no doubt be added to. In themselves they pose question of a most fundamental character. In the view of the Australian Government, it is essential that during the current session, the Contracting Parties should make firm arrangements for a comprehensive review of the General Agreement to be undertaken during 1954."

DISCRIMINATION AGAINST OIL MILLS

The All-India *Khadi* and Village Industries Board seems to have gone a step ahead of the recommendations of its Production Programme Committee on the policy of discrimination against the large-scale units in the vegetable oil industry. The Committee had, as reported in these columns last week, recommended a levy of Re. 1-4 per maund of oil crushed by oil mills and the grant of a subsidy of Re. 1-8 per maund, in the first year, and Rs. 2 per maund in the second year, of oil crushed by the bullock-driven *ghani*. The Board, which met in Bombay for two days last week, has accepted the first recommendation, namely, the levy of a cess of Re. 1-4 per maund of oil produced by the mills, without making any alteration. But it has decided that the subsidy to be given to *ghanis* should be Rs. 2-8 per maund of oil produced from the inception of the legislation for the purpose. Thus the Board has not only increased the subsidy, but, by recommending the increased rate from the first year itself, has rejected the principle of differentiation in the rate of subsidy payable in the first year and the subsequent years, as suggested by its Committee.

The Board in making its recommendations has not stopped at that. It has made a few more onerous suggestions aimed at progressive reservation of spheres of production to the *ghani* industry. Thus, it has recommended that the State Governments should fix quotas of oilseeds for the mills on the basis of the average performance of each mill during the last three years, so that the balance may be a closed preserve for the *ghanis*.

With a view to encouraging the production of edible oils by the *ghani* industry, a few more recommendations have been made by the Board, and these mainly relate to the crushing of cottonseed and the use of cottonseed oil. In order to promote the crushing of cottonseed by mills, the Board has suggested the abolition of inter-State levies and duties on cottonseed. Secondly, the *vanaspati* factories are to be compelled to use cottonseed oil upto 10 per cent. of the output of this soil. Thirdly, soapmakers are to replace groundnut oil by cottonseed oil as far as possible. Lastly, the State farms are to purchase cottonseed oil cakes for cattle feed and to carry on publicity for a similar use of the cake by other farmers.

The Board has requested the Union and State Governments to take early steps to enact the necessary legislation to enforce its above decisions. The Board has also decided to acquire about 20 acres of land at Borivli, 25 miles north of Bombay, for the construction of a research institute and laboratory devoted to the development of the *ghani* industry.

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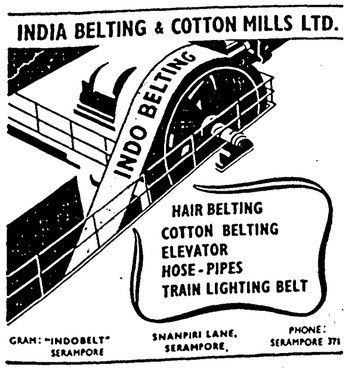

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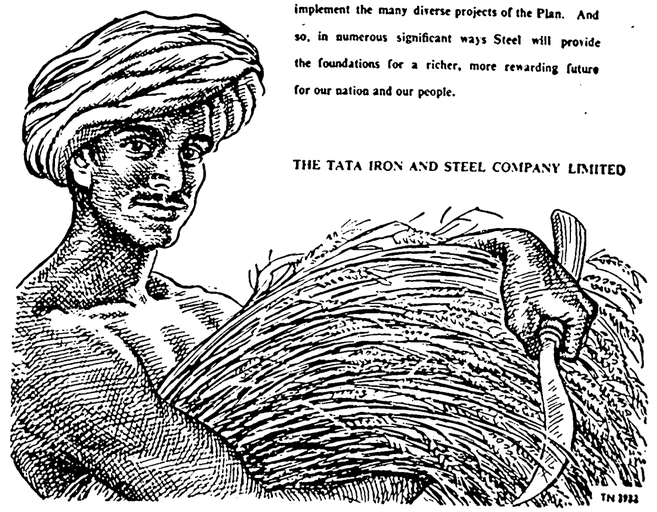

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AMY-S

INDIA'S SEA- AND AIR-BORNE TRADE IN APRIL-JUNE, 1953

ADVERSE BALANCE AMOUNTS TO RS. 43 CRORES

THE total value of the sea- and air-borne trade of India in the first quarter of the fiscal year 1953-54 discloses, as compared with the corresponding period of the preceding year, a fall of 22.4 per cent., although it shows an increase of 9.4 per cent. over that of the preceding quarter, namely, January-March, 1953. Thus, in the quarter under review, the value of total trade aggregated Rs. 278.44 crores which is Rs. 80.18 crores lower than that in April-June last year and Rs. 25.40 crores higher than that in the quarter ended March this year.

The value of imports in April-June, 1953, amounted to Rs. 160.66 crores, as compared with Rs. 124.94 crores in the preceding quarter and Rs. 219.61 crores in April-June last year. The larger imports during the quarter under review were due to relaxation of import controls for the period January-June, 1953, announced by the Government of India at the end of 1952, following an improvement in the balance of payments position of the country.

Exports Decline

The value of exports from India, on the contrary, showed a marked deterioration in the quarter under review. During April-June last year, India's despatches of goods abroad, both by sea and air, amounted to Rs. 139.01 crores. This dropped to Rs. 128.11 crores in the first quarter of the current calendar year and declined further to Rs. 117.78 crores in the subsequent quarter, namely, April-June, 1953. This recession may be attributed to the continuance of heavy export duties, fall in values of commodities, relaxation of tension in the world, and keen competition for export markets.

Owing to the changes noted above, the accounts for the period under review, namely, April-June, 1953, show a marked increase in the adverse balance of trade of the country. Of course, the country had an adverse balance of trade of the order of Rs. 80.60 crores at the end of June, 1952. But this had changed into a favourable balance of Rs. 3.18 crores at the end of January-March, 1953. The change did not persist long, as the Government had liberalised trade controls at the end of December, 1952. The volume of imports, as a result, gathered momentum in the first quarter of the current year, while there was also considerable recession in goods despatched from this country. Consequently, during April-June, 1953, the balance of trade turned adverse to the extent of Rs. 42.88 crores.

The following table shows, at a glance, the value of imports, exports, the total trade and the balance of trade during the first quarter of 1953-54, as compared with the preceding quarter as also the same quarter a year ago.

(Rupees in crores)

	April-June, 1953	Jan.-March, 1953	April-June, 1952
Total Imports	160 66	124 93	219 61
Total Exports	117 78	128 11	139 01
Total Trade ..	278 44	253 04	358 62
Balance of Trade (+) or (—)	—42 88	+3 18	—80 60

Imports

During the quarter under review, the total value of imports amounted to Rs. 160.66 crores, as compared with Rs. 219.61 crores in the corresponding quarter of 1952. Of these imports, foodstuffs which accounted for as much as 39 per cent. of the total in April-June, last year, declined to 26 per cent. of the total in the same period this year. This is reflected by a fall in the value of grains and flour from Rs. 76 crores to Rs. 57.07 crores in the three-month period ended June, 1953. Imports of vegetables and oilman stores, under this category, rose slightly from Rs. 1.07 crores and Rs. 1.34 crores to Rs. 2.30 crores and Rs. 1.97 crores, respectively.

Among raw materials imported during the period, raw cotton showed a marked fall in value from Rs. 36.90 crores to Rs. 19.26 crores. Imports of oils of all types, however, rose from Rs. 20.31 crores to Rs. 23.10 crores.

Machinery of all kinds accounted for as much as Rs. 22.45 crores of the total value of manufactures imported during the quarter under review. Imports of yarns and fabrics amounted in value to Rs. 7.99 crores, as against Rs. 4.54 crores in the same quarter in 1952. The offtake of electric goods, too, rose from Rs. 2.94 crores to Rs. 4 crores, so also imports of dyes and colours from Rs. 2.52 crores to Rs. 3.37 crores. Purchases of vehicles, other than locomotives, however, dropped by nearly 50 per cent. from Rs. 9.10 crores to Rs. 4.78 crores. Among other imports which registered a decline were chemicals and drugs from Rs. 7.69 crores to Rs. 6.23 crores, iron and steel manufactures from Rs. 7.33 crores to Rs. 5.40 crores and metals from Rs. 5.25 crores to Rs. 3.51 crores. The total percentage of manufactures to the total imports declined from 46 per cent. to 42 per cent. during the quarter under review.

The table below gives the value of certain principal items of imports under the three main heads, namely, food, raw materials and manufactures during April-June, 1953, as compared with that in the preceding quarter as also that in the same quarter a year ago.

Imports

(In crores of rupees)

	Three months April - June		
	1951	1952	1953
CLASS I			
Food, Drink and Tobacco	**46 56**	**80 70**	**43 20**
Grain, pulses and flour	40 10	76 01	57 07
Fruits and vegetables	1 40	1 07	2 30
Provisions and oilman's stores ..	1 43	1 34	1 97
Spices	2 34	1 00	1 38
CLASS II			
Raw Materials	**86 17**	**61 68**	**47 74**
Oils	16 62	20 31	23 10
Raw cotton	40 57	36 90	19 26
CLASS III			
Manufactures	**84 56**	**76 24**	**68 42**
Machinery of all kinds	24 01	23 60	22 45
Chemicals and drugs	7 57	7 69	6 23
Iron and steel manufactures ..	4 72	7 33	5 40
Yarns and fabrics	12 18	4 54	7 99
Vehicles (excluding railways) ..	5 93	9 10	4 78
Electrical goods	2 22	2 94	4 00
Dyes and colours	6 93	2 52	3 37
Metals	5 46	5 25	3 51

Exports

While the total value of imports declined by 26.8 per cent., that of exports recorded a fall of 15.3 per cent., thus narrowing down the adverse balance of trade from Rs. 80.60 crores in April-June, 1952, to Rs. 42.88 crores in the quarter under review, as stated earlier. Exports of Indian merchandise amounted to Rs. 117.78 crores, as compared with Rs. 139.01 crores. The recession in value was mainly due to the decline in prices of goods such as, jute manufactures, spices, vegetable oils, gums, resins and lac, raw cotton, mining products, etc.

In the food group, exports of tea improved from Rs. 10.31 crores to Rs. 12.15 crores. Despatches of tobacco, however, remained steady at Rs. 4.56 crores; so also spices at Rs. 4.38 crores and fruits and vegetables at Rs. 4.16 crores. In the raw material section, vegetable oil exports registered a sharp drop from Rs. 8.60 crores to Rs. 3.41 crores. Shipments of gums, resins and lac receded from Rs. 2.26 crores to Rs. 1.58 crores. Coal exports, too, were lower at Rs. 1.42 crores. Raw cotton shipments dropped from Rs. 7.34 crores to Rs. 6.42 crores. But a marked improvement was noticed in metallic ores and scrap iron exports which rose from Rs. 5.98 crores to Rs. 8.52 crores.

The table below shows the value of principal commodities exported abroad during April-June, 1953, as compared with those in the same period in 1951 and 1952.

Exports

(In crores of rupees)

	Three months April-June		
	1951	1952	1953
CLASS I			
Food, Drink and Tobacco	**27 73**	**27 33**	**26 87**
Tea	12 86	10 31	12 15
Tobacco	3 79	4 65	4 56
Spices	6 62	4 64	4 38
Fruits and vegetables	3 21	4 95	4 16
CLASS II			
Raw Materials	**82 11**	**37 88**	**30 07**
Oils (vegetable, minerals, etc.) ..	8 78	8 60	3 41
Metallic ores and scrap iron or steel ..	3 60	5 98	8 52
Gums, resins and lac	5 47	2 26	1 58
Non-metallic mining products ..	4 87	2 66	2 71
Coal	1 42	2 50	1 42
Raw cotton	35 11	7 34	6 42
Hides and skins (raw)	3 86	1 47	1 56
Seeds (for oil)	4 16	2 13	0 78
CLASS III			
Manufactures	**118 46**	**73 33**	**58 86**
Jute yarns and manufactures ..	73 58	44 07	24 65
Cotton yarns and manufactures ..	18 36	15 62	17 20
Other yarns and manufactures ..	4 16	1 14	1 84
Tanned hides and skins	9 14	2 94	6 48
Chemicals, drugs, medicines ..	1 34	0 86	1 01



In the manufactures group, the value of exports of jute manufactures, in recession as the table above shows, from Rs. 44.07 crores to Rs. 24.65 crores. There was, however, some improvement in cotton manufactures which rose from Rs. 15.62 crores to Rs. 17.20 crores. Exports of tanned hides and skins staged a commendable recovery from Rs. 2.94 crores to Rs. 6.48 crores.

The index number of average unit of declared values of imports for May, 1953, the latest month of which the figure is available (with 1948-49=100) was 119.7. The figure reveals a fall of 15.2 points as compared with that for the same month a year ago. Similarly, there was a fall of 17.4 points in the index figure for exports at 111.3. Again, the quantum index for imports shows a rise of one point from 98 to 99, whereas, in the case of exports, the quantum index discloses a fall of as many as 12 points from 113 to 101. It will be seen from these figures that the terms of trade were adverse to India. Although the value of imports declined in terms of volume, such a recession in the case of exports was far greater.

Geographical Distribution

During the quarter under review, there was a sharp fall from Rs. 65.28 crores to Rs. 54.66 crores in India's exports to Commonwealth countries. Part of this decline was due to lower offtake by Pakistan which amounted to Rs. 23 lakhs only as against Rs. 7.92 crores in April-June, 1952. Ceylon's purchases too, were lower, being no more than Rs. 3.81 crores as against Rs. 4.19 crores. Similarly, purchases by Australia fell from Rs. 7.84 crores to Rs. 4.93 crores. The offtake by the U.K., however, improved from Rs. 23.81 crores to Rs. 25.74 crores, this country being the best customer of India as in the past. Cargoes lifted by Aden also improved from Rs. 1.78 crores to Rs. 3.08 crores.

Among non-Commonwealth countries, the U.S. continued to top the list, accounting for purchase of goods valued at Rs. 22.65 crores. This, however, was Rs. 5.5 crores less than the offtake in the same period last year. Shipments to Burma amounted to Rs. 5.54 crores, as against Rs. 8.15 crores. The offtake by Japan, however, increased from Rs. 5.5 crores to Rs. 8.60 crores. West Germany's purchases were slightly lower at Rs. 2.19 crores, while those of the Netherlands dropped from Rs. 3.23 crores to Rs. 1.34 crores. Shipments to Italy also went down from Rs. 2.85 crores to Rs. 1.38 crores, and those to Egypt from Rs. 1.96 crores to Rs. 1.11 crores.

As compared with April-June, 1952, the value of imports from Commonwealth countries also registered a setback, from Rs. 67.16 crores to Rs. 69.29 crores. This reflects partly the fall in imports from the U.K. from Rs. 36.57 crores to Rs. 33.96 crores and from Canada from Rs. 9.49 crores to Rs. 2.81 crores. Purchases from Australia, however, rose from Rs. 5.38 crores to Rs. 11.02 crores. Indian offtake of goods from Kenya rose from Rs. 5.93 crores to Rs. 7.47 crores. Imports from Singapore and Bahrein Islands were better at Rs. 3.80 crores and Rs. 4 crores, respectively.

Among non-Commonwealth countries, the value of cargoes received from the U.S. dropped heavily from Rs. 99.77 crores to Rs. 29.42 crores. Imports from Egypt, however, rose from Rs. 3.01 crores to Rs. 8.73 crores, but those from Burma rose from Rs. 9.51 crores to Rs. 12.93 crores. Indian purchases from Japan also improved from Rs. 3.91 crores to Rs. 4.25 crores. West Germany's exports to India also advanced from Rs. 5.34 crores to Rs. 7.02 crores. Cargoes valued at Rs. 3.74 crores and Rs. 6.48 crores were received from the Netherlands and Italy respectively.

POOR KATKI LAC CROP

According to the preliminary estimates of the Indian Lac Cess Committee, the Katki Lac Crop in India for the year 1953 is expected to be 1,71,000 maunds as against a normal crop of 2,98,000 maunds. The estimates for the same crop for the previous year was 1,36,000 maunds.

The poor crop throughout the country is due to mainly to brood shortage caused by a poor Bysakhi crop and a very hot summer. The crop is poor even in areas round about Gondia in Madhya Pradesh where the Katki is usually good.

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STATEMENT OF ACCOUNTS AS ON 30-6-1953.

LIABILITIES	Rs.
(i) Paid-up Capital	87,50,000
(ii) Reserve Fund	89,06,328
(iii) Deposits	62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.	12,82,96,445
Total ..	76,65,23,136

ASSETS		
(i) Cash and Balances with Bankers		7,14,88,955
(ii) Investments :		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373		
(b) Other Investments .. Rs.	94,24,911	27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets : Including Bills Receivable, etc.		10,17,65,398
Total ..		76,65,23,136

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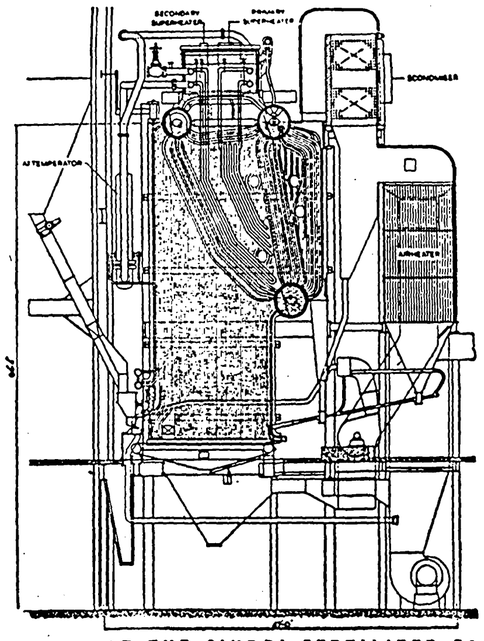

ILLUSTRATION SHOWS ONE OF THE SIX BABCOCK TRIDRUM BENT TUBE BOILERS WITH BABCOCK-DETROIT STOKERS RECENTLY COMMISSIONED AT SINDRI

•

THE STEAMING CAPACITY OF EACH UNIT IS 175,000 LB. PER HOUR MAKING A TOTAL OUTPUT OF 1,050,000 LB. PER HOUR AT A WORKING PRESSURE OF 650 LB. PER SQ. INCH AND A FINAL TEMPERATURE OF 835° F.

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DEVELOPMENT OF MARKETING FARM PRODUCE

DELHI CONFERENCE DECISIONS ANALYSED

THE decisions reached at the Conference of Marketing Officers at New Delhi last week have accounted for a marathon Press release. As one scans this omnibus release, one cannot but resist the conclusion that the decisions contained in it are no more than a hotchpotch of long- and short-term measures. There has been no attempt on the part of the Conference to device a scheme which can ensure to the village farmer a fair price for his produce, a need which is now more urgent than at any time before, in view of the falling markets for agricultural produce. What is rather strange is that the representatives seem to have attended the Conference with no clear cut short-term plans for the consideration of the Conference. All that the Conference has done is to adopt a resolution directing the States to prepare plans for marketing agricultural produce, so as to make them fit into the framework of the Plan and to submit them to the Planning Commission for approval. This means the ryot has to wait till the plans are drawn, submitted and approved by the Commission and the State Governments concerned. Again, even after the final acceptance is obtained, the plan will have to wait for its implementation till the wherewithal is found by the State Governments. Again, finances being limited as they are, the States can scarcely afford to provide any worthwhile assistance to the ryots.

No Priorities Drawn

The limited financial resources at the disposal of States underline the need for evolving a scheme of priorities. These priorities should lay down the measures in the order of the extent to which each of them would contribute, directly and immediately, towards increasing the return to the farmer. Collection of the produce, grading and selling it in the market, for instance, should get first priority over every other measure. Others should come next. Attention to Agmarking, marketing of *ghee*, initiation of research schemes, organisation of all India market news service, broadcasting price schedules thrice daily through the A.I.R., sending marketing staff abroad for training in marketing and a host of other measures mentioned in the Press release are certainly not unimportant. They have their own use. But they cannot be taken up all at once, for that means enormous outlays, and no State Government can find the wherewithal for implementing all these measures. Some of them could be held in abeyance, others could be taken up as and when farmers' conditions improve. Sending Indian staff abroad for training, for instance, could certainly wait till the last, as techniques learned there may not be wholly applicable here. Besides, Indian conditions of farming and raising crops need marketing techniques specially evolved on the native soil. What is needed, therefore, is the listing of these items according to their end-uses and their end-results. The order in which the decisions have been enumerated provides no evidence of a conscious effort at drawing up a list of priorities at the Conference.

Use of Existing Procurement Agencies

The Conference has, however, done well in requesting the Community Projects Administration (C.P.A.) to carry out, with the co-operation of Central and State marketing staffs, a scheme for developing marketing facilities in the Community Project areas which could serve as a model for other areas to be brought under the National Extension Service. As both these agencies are being organised to tackle rural problems at the village level and on the spot, it is necessary that the idea of associating them with the function of selling the farm produce should certainly receive a very high priority. Meanwhile, the State Governments should examine the prospect of converting their procurement agencies into organisations for the collection, storage and sale of crops belonging to farmers. The godowns which are being used for storing Government grain can come in handy for storing and grading the grain before putting it on the market at the best rates. There are three main considerations in support of this measure. In the first place, it provides direct and immediate assistance to the farmer in selling his produce. Secondly, with a minimum amount of training, the procurement agencies can be converted into marketing organisations. Thirdly, it solves the question of providing employment to the staff retrenched in the Food Departments of States. The scheme, of course, will succeed only if the staff associated with the work approaches it in a spirit of national service and with a certain amount of imagination and zeal to stand by the helpless peasant.

With a view to securing for the producer the maximum return for his produce, the Conference has urged the State Governments to organise marketing co-operatives at all levels and link them with credit and multipurpose institutions. In addition, it has emphasised also the need for such co-operatives providing facilities for transport, processing and grading of produce and for bringing about closer liaison between the Marketing and Co-operative Departments of the State. This suggestion too deserves consideration wherever the Co-operative Movement has sufficiently developed to undertake the work.

Legislation for Warehousing

The States should, as has been recommended by the Conference, also initiate legislation not only for controlling the quality of exports of agricultural and animal husbandry products under Agmark, but also for making warehouse receipts negotiable for financing the marketing of produce. This will, of course, take a considerable amount of time, since it involves the solution of a series of issues such as provision of warehousing facilities, proper methods of grading, storing and handling of grains against which warehouse receipts have to be issued.

Standardisation of weights and measures is a reform which is long overdue. In the war years, an attempt was made to introduce the metric system of weights along with decimal coinage. Unfortunately, other pressing problems such as food shortage, drawing up a Constitution for India, etc., diverted the Government's attention from proceeding with the move. The Conference has done well in requesting the State Governments to pass and enforce the requisite legislation in order to replace the local maund and seer by a standard maund and seer and to entrust the administration of the Acts to their Marketing Officers. A suggestion has also been made to amend the Indian Weights Act, 1939, so as to restrict the use of avoirdupois system of weights to export trade only. The establishment of a separate Marketing Department on a permanent basis, as has been emphasised by the Conference, requires the prompt attention of the State Governments, though the question of sending the staff to foreign countries may be deferred till there is some improvement in their financial resources.

Construction of Roads

The Conference has called upon the States to give "the highest priority" to the construction of all-weather feeder roads in agricultural areas for facilitating the movement of agricultural produce to the assembling markets or despatching stations. This recommendation is unlikely to find favour with State Governments on considerations of finance. For there is already considerable backlog in repairing and maintaining the existing State roads, let alone construction of new roads. Consequently, the implementation of this recommendation calling for "the highest priority" is likely to be deferred for the time being, if not indefinitely. Construction of rural roads has been included as an important item in the scheme of the Community Projects. The *Shramadan* movement has been entrusted with this work and, therefore, the Marketing Officers should take up the question with the C.P.A. as part of their scheme for marketing agricultural produce. The Conference has, however, done well in pressing for wagon facilities from the railways. The railways, which have been doing good work in connection with the transport of foodgrains, should bestow greater attention on providing adequate facilities for transporting other agricultural commodities as well from producing to consuming centres. In this sphere, too, a clear cut plan is needed.

The Conference has requested State Governments to provide sufficient funds in the budgets for issuing posters, leaflets and films for educating the public and the producers regarding improved methods of marketing. This suggestion should receive the highest priority next to handling, processing and marketing of grain. The implementation of this measure needs careful preparation, as one should take into account the extent of literacy in a particular area, the type of crop grown, the nearest market served, etc. Of course, the radio could take a prominent part in the dissemination of marketing methods, but, unfortunately, the number of radio installations in rural areas is too inadequate to yield any results. The exhibition of films through mobile vans is, however, a workable proposition which, if carried out diligently, will pay good dividends.

FOOD AND AGRICULTURE ORGANISATION

EXPERTS HELP SOLVE FARM PROBLEMS

IN view of the fact that two out of every three persons in the world are farmers, the work of the United Nations Food and Agriculture Organisation (F.A.O.) in dealing with the long-range problems of food and farming cannot be overestimated. As one of the U.N. specialised agencies, the F.A.O. is an association of nations pledged to contribute to an expanding international economy by working to raise the standards of living of the world's peoples. It strives constantly to bring about a more efficient production and distribution of agricultural products and to better the living conditions of rural populations in underdeveloped areas.

Most of F.A.O.'s workers are specialists in fields of science related to food or agriculture. Some are experts on soil and water conservation. Others are horticulturists or veterinarians, and still others are authorities on fisheries or forests. The F.A.O. has been particularly active in the fields of soil and water, the most basic of all agricultural resources. Much had been learned about these two resources by the ancient civilisations of Asia and the Middle East. But modern science has contributed to that older knowledge a great deal that enables agriculturists to make better use of soil and water for the good of all men. To-day, farmers can get a larger production from their land without damaging the soil and have learned to convert their wastelands into new sources of food.

The Problem of Cost

Even in highly developed modern areas production can be greatly increased by the proper use of land and water. It is estimated that, by 1975, agricultural production in the United States could be increased by 200 per cent., if every farmer used fertiliser up to the economic limit. In any analysis of an agricultural economy, however, the chief question is one of cost. The problem is to determine how much any farm, community, nation or group of nations can afford to spend to increase their agricultural production and what it would be worth in terms of economic and social gains.

In the Near East and Africa, extensive work in soils, land use and the employment of fertilisers is under way in co-operation with the F.A.O. Israel has a broad programme that includes land-use, land classification and water conservation. A number of F.A.O. technologists are making land and soil surveys, in Pakistan, as well as working in the fields of irrigation engineering, well-drilling and ground water geology. In Saudi Arabia the development of the Wadi Jizan area calls for intensive work in surveying, land reclamation, irrigation engineering and well-drilling. Iran has a number of F.A.O. technologists working on soils, land use, irrigation and fertilisers. Libya also has a broad land-conservation programme, and similar work is under way in Iran, Nyasaland and Syria. Work on soils, fertilisers and dry-farming is in progress in Ceylon, and there is a F.A.O. soil study and mapping project in North Borneo. Water development projects have been started in India, Korea, Nepal and East Pakistan.

Projects concerned with land classification and soil conservation are also being carried out by F.A.O. specialists in such Latin American countries as Brazil, Chile, Colombia, Ecuador, El Salvador, Jamaica and Trinidad. In Europe, Yugoslavia is getting help from the F.A.O. in programmes designed to conserve the soil and reclaim, swamp-lands. There are also pasture management programmes in nine countries: British Guiana, Chile, India, Iran, Libya, Mexico, Pakistan, Syria and Yugoslavia.

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Total Working Funds over ,, 3,50,00,000
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BEGG, SUTHERLAND SUGAR GROUP'S DISAPPOINTING RESULTS

EFFECTS OF DROP IN PRICES AND HEAVY EXCISE DUTY

THE audited accounts of the four sugar companies namely, Champarun Sugar Co., Ltd., Balrampur Sugar Co., Ltd., Ryam Sugar Co., Ltd., and Samastipur Central Sugar Co., Ltd., in the group managed by Messrs. Begg, Sutherland & Co., Ltd., Kanpur, for the year ended 30th June, 1953, fully reflect the impact of the Government of India's sugar policy and the heavy incidence of State Governments' cane cess and sugar excise duty on the financial results of sugar companies in general. The earnings of all the four companies for the year under review have suffered a precipitous fall, as compared with those for the previous year, despite the substantial increases in the quantity of cane crushed and sugar produced in every case.

The individual performances of the four Companies can be seen from the comparative table published at the bottom of these columns. A general idea of the extent to which the group, as a whole, has suffered from the effects of the factors stated above, can be gained from the fact that their aggregate gross profit has dwind led from Rs. 33.02 lakhs for 1951-52 to Rs. 13.27 lakhs for the year under review, a fall of 59.8 per cent. Their total net profit amounts to Rs. 3.86 lakhs, as compared with Rs. 12.11 lakhs for the previous year. It must, however, be stated that, of the four, Balrampur was the only one to suffer a small net loss. The dividends of Champarun, Ryam and Samastipur Central have been halved, while Balrampur provides a solitary exception by passing over the dividend and that too for the second year in succession. It may, incidentally, be noted that the dividend of Champarun for the year under review is the lowest paid since 1939-40. The dividend of Ryam is brought back to that paid for 1941-42, though in the intervening years—in March, 1948, to be precise—the ordinary paid-up capital was doubled. The latest dividend of Samastipur Central is the same as that paid for 1946-47.

Production Higher

The quantity of cane crushed during the season by all the four Companies shows a substantial rise over the year to a record or near-record level. Thus, Champarun crushed a record quantity of 48,92,437 maunds of cane, as compared with 39,96,367 maunds in 1951-52, Balrampur also a record of 51,42,603 maunds (39,33,538 maunds in 1951-52), Ryam 23,79,823 maunds (18,73,915 maunds in 1951-52), the highest in the last 15 years, and Samastipur Central 24,10,481 maunds (19,42,763 maunds in 1951-52), the second highest. The quantity of sugar produced also shows an impressive increase, Champarun from 4,16,220 maunds to 4,86,311 maunds, Balrampur from 3,68,621 maunds to 4,78,256 maunds, Ryam from 2,11,452 maunds to 2,42,759 maunds, and Samastipur Central from 1,94,547 maunds to 2,44,376 maunds. The increase in the quantity of cane crushed and sugar produced was due to the longer crushing season, but this factor was also responsible for the decline in percentage of sugar recovery in all cases, except Samastipur Central.

The main reason for the setback in results is the reduction in the price at which the large carry-over of sugar stocks from the previous season had to be sold. In respect of the controlled sugar held on 30th June, 1952, however, the loss sustained by the Companies was made good by the Government by a subsidy, equal to the difference between the controlled price in the 1951-52 season, namely, Rs. 31 per maund and that in 1952-53, namely, Rs. 27 per maund. In regard to free sugar, the price of which declined in sympathy with the reduction in the control price, no compensation was received to cover this loss. In the case of Ryam Sugar Co., the accumulated stocks of uncontrolled sugar could not be moved out due to the flooding of the tramway line and feeder roads servicing the factory, which stopped the despatch of sugar from the factory. The question of obtaining some compensation for the loss caused by circumstances beyond the control of the management has been referred to the Central and the State Governments.

A striking feature disclosed by the table published below is the decline in the cost of raw materials consumed and manufacturing charges of the Companies by Rs. 13.70 lakhs. This is due to the reduction in cane prices made in November, 1952, which afforded some relief against the cost of transport. But the fall in expenditure on this account, coupled with the subsidy of Rs. 17.04 lakhs received by them from the Government, has been more than offset by the increase in cane cess and excise duty, which have gone up in the aggregate by Rs. 5.55 lakhs and Rs. 32.19 lakhs, respectively. The increase in excise duty paid is partly accounted for by the additional excise duty of Re. 1 a maund, levied by the Government to compensate sugar factories for the loss incurred by them in disposing of the previous season's carry-over stocks at reduced prices, and partly by the increase in production of sugar.

The Board of Directors of the Balrampur Sugar Co., Ltd., has approved a scheme for replacing some of the plant and machinery at the Company's factories by more modern and up-to-date equipment with a view to effecting a saving in the cost of production. The scheme will be spread over a number of years and it is to be hoped that the Company will derive considerable benefit therefrom.

COCHIN STATE POWER AND LIGHT CORPORATION LTD.

The Cochin State Power and Light Corporation Ltd. (Managing Agents: Messrs. Chandrie & Co., Ltd., Madras) has earned a gross profit of Rs. 2.16 lakhs for the year ended 31st March, 1953. As compared with that of Rs. 1.11 lakhs for the previous seven months (the Company's official year-end was changed last year from 31st August to 31st March, consequent on the integration of Travancore-Cochin State in the Indian Union), the profit for the twelve months under review is relatively higher. A provision of Rs. 41,820 has been made for depreciation under the Electricity (Supply) Act, 1948. Managing Agents' remuneration absorbs Rs. 13,041 and provision for taxation Rs. 65,000. The Directors have set apart Rs. 4,934 towards contingency reserve under the Electricity (Supply) Act, 1948. In May, 1953, the Company paid an interim dividend of 5 per cent., absorbing Rs. 30,000. A final distribution of 5 per cent., requiring another sum of Rs. 30,000, has now been proposed for the year under review. Thus, the total dividend for the year works out to 10 per cent. per annum, same as that for the previous accounting period.

Despite the restriction on offtake of power during the summer months, the Company's progress during the year has been satisfactory. In view of the prospects of a better supply of power by the State Government from its various hydro-electric projects, the Company proposes to extend its area of distribution. In order to take up the extension programme and to finalise the plans on hand, the Company proposes to raise a sum of Rs. 2 lakhs by making a call of Rs. 2-8 per share from the existing shareholders, thus making the shares Rs. 10 fully paid-up.

(In lakhs of rupees)

	CHAMPARUN		BALRAMPUR		RYAM		SAMASTIPUR	
	Year ended 30th June		Year ended 30th June		Year ended 30th June		Year ended 30th June	
	1953	1952	1953	1952	1953	1952	1953	1952
Sale proceeds	156.52	94.49	144.75	73.93	67.45	32.34	69.49	72.05
Government subsidy	5.03		6.12		2.58		2.41	
Closing stocks	46.84	75.43	44.12	67.48	13.77	40.07	22.52	29.64
Raw material and manufacturing cost	78.34	82.76	79.68	82.48	38.48	40.77	38.06	42.15
Cane cess	9.17	7.49	9.42	7.38	4.46	3.51	4.62	5.64
Sugar excise duty	19.01	7.61	17.27	5.91	10.01	2.42	8.33	5.49
Other expenses	22.39	19.49	20.41	17.03	13.31	9.64	11.69	13.33
Gross profit (+) or loss (—)	+7.11	+19.25	+0.95	+2.33	+3.00	+6.14	+2.61	+5.80
Managing Agents' remuneration	1.03	2.25	0.30	0.30	0.34	0.57	0.35	0.50
Depreciation	2.00	2.50	0.70	1.60	0.60	0.80	0.50	0.50
Taxation	1.50	6.50	..	..	1.25	3.00	1.22	3.00
Net profit (+) or loss (—)	+2.58	+8.00	—0.05	+0.63	+0.92	+2.07	+0.41	+1.51
To reserves	0.60	4.75	..	0.68	..	0.74	..	0.50
Dividends—								
Preference	..	..	..	..	0.48	0.48	..	..
Ordinary	1.80	3.00	..	..	0.40	0.80	0.60	1.20
	(10%)	(20%)			(5%)	(10%)	(5%)	(10%)
Carry forward	0.45	0.17	0.14	0.13	0.19	0.13	0.04	0.23

PERIA KARAMALAI'S PROFIT DECLINES

DIVIDEND SLIGHTLY REDUCED

AFTER having maintained an upward trend since the year 1948-49, the earnings of the Peria Karamalai Tea and Produce Co., Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar), have suffered a setback during the year ended 31st March, 1953. The gross profit of the Company, which had advanced from Rs. 13.67 lakhs for 1948-49 to a record high of Rs. 34.52 lakhs for 1951-52, has receded to Rs. 28.73 lakhs for the year under review. This decline reflects the extent to which the severe crisis, through which the industry, as a whole, passed during the past year, has affected the Company. It is, however, gratifying to note that the Company's profit for the year under review, at Rs. 28.73 lakhs, is the second best in its history.

The dividend has been slightly cut from the record one of 45 per cent. per annum paid for 1951-52 to 40 per cent. But part of the dividend for the year under review is on an increased capital, raised during the year by capitalisation of a portion of the reserves. In April, 1951, it will be recalled, the Company capitalised a sum of Rs. 10.86 lakhs from out of the general reserve and distributed bonus shares of Rs. 7-8 each at a *pro rata* basis of one share for every two held by the then existing shareholders, thereby raising the paid-up capital to Rs. 32.60 lakhs. The final dividend of 25 per cent. paid for 1950-51 was on this increased capital. The two interim dividends of 10 per cent. each and the final one of 25 per cent., making a total of 45 per cent. paid for 1951-52, were also on this enhanced capital of Rs. 32.60 lakhs. For the year under review, the Company paid only one interim dividend of 15 per cent. on this capital, instead of two of 10 per cent. each as in the previous year. In August, 1953, however, the Company capitalised again—for the fourth time in its history—a sum of Rs. 2.17 lakhs, out of the amount standing to the credit of its general reserve, and issued a scrip bonus of As. 8 each, thus raising the paid-up capital to Rs. 34.77 lakhs. The Company now proposes to pay a final dividend of 25 per cent. on this increased capital.

The salient features of the Company's results for the year under review are presented against the background of those for the previous three years:

	For the year ended 31st March			
	1953	1952	1951	1950
	Rs.	Rs.	Rs.	Rs.
Sale proceeds	61,20,252	69,58,111	49,21,808	42,03,078
Stocks	5,97,223	11,56,227	3,44,223	4,42,324
Expenditure on estates	38,87,219	36,64,541	20,73,663	23,42,234
Gross profit	28,72,718	34,52,037	22,04,834	17,03,023
Managing Agents' commission	1,44,812	1,23,458	1,03,857	84,031
Other expenses	2,99,656	2,60,160	1,65,615	1,22,705
Depreciation	1,94,213	2,00,322	1,97,232	1,58,856
Taxation	4,22,000	4,80,000	3,00,000	1,75,000
Net profit	19,55,855	23,08,400	14,61,722	12,36,714
Reserves	5,00,000	7,00,000	4,00,000	4,50,000
Pension fund	30,000	30,000	30,000	30,000
Dividend	13,58,175	14,56,829	10,32,213	8,69,232
	(40%)	(45%)	(35%)	(40%)
Carry forward	1,43,975	1,81,295	71,715	72,206
Tea crop in lbs.	38,27,311	30,25,059	23,47,665	28,58,417
Coffee crop in cwts.	350	100	210	205
Cost of production per lb. of tea	As. 15.73	As. 15.35	As. 16.63	As. 15.71
Average price realised—				
Tea per lb.	As. 27.84	31.04	29.36	25.52
Coffee per cwt.	Rs. 179	179	152.92	145.02

It will be noted from the foregoing table that the Company's crop of tea constitutes a fresh record. The coffee crop, which had suffered a decline in the previous year, has also surpassed all the previous performances. If, despite such record production, the profit has turned out to be lower, it is because of adverse market conditions and an increase in cost of production, thanks to the introduction of the Minimum Wages Act. In fact, the drop in profit would have been much higher than it is now but for the reputation which the Company's tea and coffee enjoys in the market. In tune with the decline in earnings, the allocation to the general reserve has been cut from Rs. 7 lakhs to Rs. 5 lakhs, as also the distribution to the shareholders.

Some notable changes have taken place in the capital structure of the Company. The paid-up capital, as at the end of the year under review, was Rs. 32.60 lakhs, made up of 434,616 shares of Rs. 7-8 each. But this has since not only been raised to Rs. 34.77 lakhs, as already stated, by the capitalisation of a part of the general reserve in August, 1953, but the shares have been split into those of Rs. 2 each. At the time of the issue of bonus shares in August last, the Company sub-divided the Rs. 7-8 paid-up shares into 15 shares of As. 8 each and issued 434,616 new shares of As. 8 each as bonus shares at the rate of one such share for every 15 split.

(*Continued in next page*)

Points From The Chair

Need for Reinsurance Corporation

"THERE was a big drain on our income by way of reinsurance premium ceded to our foreign Treaty companies. We have now been able to secure reciprocation from our Treaty friends and I am sure that it will go a long way to improve the figures of our profit and loss account. Here, I must make a reference to the need for a Government-sponsored Reinsurance Corporation. The Code of Conduct is so framed that no big business is displaced. Bigger insurance companies, with a few exceptions, having the bulk of big business, are more in favour of exchanging business with foreign reinsurance companies than to cede business to their Indian colleagues. Perhaps, it may be considered an act of narrow nationalism, if a State Reinsurance Corporation is started and if the companies are asked to cede a particular percentage of their surplus before reinsurance is obtained elsewhere, but it will be worthwhile as there will be smaller drain on our foreign exchange and that will help the smaller and medium-sized companies in establishing themselves. This is the practice in many South American and other countries."

AMRATLAL KALIDAS,
Neptune Assurance Co., Ltd.

Stable Buying Policy for Tin

"The tin price continued to be satisfactory until April of 1953, when the price fell by approximately £200 per ton of metal and was followed by a rapid decline to the very low level of £568 per ton of metal, equivalent to £409 per ton of tin ore. Since then there has been a small recovery, but the price remains at an uneconomic level for the majority of both Chinese and European mines in Malaya, as in other tin producing countries. It has recently been announced that the Malayan and United Kingdom Governments are in favour of re-convening the Geneva Conference. If the conference is held, we must hope that no attempt will be made to stabilise the price of tin too near the present low level. It is the variation in consumer demand which has so influenced the variation in the price in the past and a first essential is a more stable buying policy on the part of consumers."

STANLEY WICKETT,
Kent (F.M.S.) Tin Dredging Ltd.

Buyers' Market for U.K. Coal

"Things have now changed considerably and we are back to a buyers' market. We are, therefore, compelled to live up to specifications which are somewhat exacting, and it is fortunate that, if developments are quickly centred upon those valuable reserves of saleable coal for export, we shall still be able to hold many of the markets where high prices can be obtained, even though we may find it necessary to import domestic and industrial qualities which are in plentiful supply in Europe without having to expend dollars for American coal. The Coal Board has an enormous task in hand, but its progress is too slow and expenditure upon modernisation is behind time. It is also to be hoped that the appeals which are being made for greater effort and increased output per man employed will, without further delay, be more fully appreciated by those who have in their hands the well-being of the greatest or our national industries and, to a large extent, the control of the country's trade balance."

SIR HERBERT MERRETT,
Powell Duffryn, Ltd.

(*Concluded from previous page*)

shares of As. 8 each. After the issue of bonus shares, four shares of As. 8 each were consolidated into one share of Rs. 2. The present paid-up capital of the Company (Rs. 34.77 lakhs) is thus made up of 1,738,464 shares of Rs. 2 each. It will be interesting to record here that the Company has in the course of the past 14 years, raised its capital by Rs. 21.53 lakhs by way of capitalisation of reserves alone. This shows how prudent the Company's management must have been in conserving its resources. After the capitalisation of the said sum of Rs. 2.17 lakhs, the reserves and surplus stand at Rs. 19.98 lakhs. There is a debenture liability of Rs. 9 lakhs, after redeeming stocks worth Rs. 1 lakh during the year. The current liabilities, besides a tax provision of Rs. 1.03 lakhs, aggregate Rs. 23.14 lakhs. The gross block of Rs. 61.10 lakhs (including an addition of Rs. 5.43 lakhs made during the year under review) has been written down to Rs. 45.88 lakhs. The current assets amount to Rs. 42.03 lakhs and cover the current liabilities, including the provision for taxation, by a handsome margin of Rs. 17.86 lakhs.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD.

The sale proceeds of cloth, yarn and waste of the Khatau Makanji Spinning and Weaving Company, Ltd., for the year ended 30th June, 1953, have declined by Rs. 27.52 lakhs only and not by Rs. 67.52 lakhs, as was stated on page 740 of our issue dated 17th October, 1953. The increase in cost on account of salaries, wages, bonus and food allowance works out to Rs. 8.42 lakhs and not Rs. 13.47 lakhs as mentioned in our review. The Company's production for the year under review was higher than that in the previous year and the presumption that it must have been lower because of the decline in sale proceeds and in the cost of raw materials and stores consumed is not correct.

COMPANY MEETINGS AND DIVIDENDS

MADRAS SAFE DEPOSIT CO., LTD. Annual General Meeting, Madras, 9th November, 1953. Dividend: Rs. 2-8 per share. Transfer books closed from 26th October to 9th November, 1953, both days inclusive.

BHARAT AIRWAYS LTD. Annual General Meeting, Calcutta, 9th November, 1953. Transfer books closed from 27th October to 9th November, 1953, both days inclusive.

PORT SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 11th November, 1953. Dividend: As. 8 per share. Transfer books closed from 31st October to 11th November, 1953, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, 12th November, 1953. Dividend: As. 6 per share. Transfer books close from 5th to 12th November, 1953, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 13th November, 1953. Transfer books close from 2nd to 13th November, 1953, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Annual General Meeting, 15th November, 1953. Dividend: Re. 1 per share, free of tax. Transfer books close from 1st to 15th November, 1953, both days inclusive.

WESTERN INDIA TANNERIES LTD. Annual General Meeting, Bombay, 17th November, 1953. Transfer books close from 2nd to 16th November, 1953, both days inclusive.

NEW KAISER-I-HIND SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th November, 1953. Transfer books closed from 31st October to 18th November, 1953, both days inclusive.

ARYAN BRUSH CO., LTD. Annual General Meeting, Bombay, 21st November, 1953. Transfer books close from 12th to 21st November, 1953, both days inclusive.

SHOLAPOOR SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 30th November, 1953. Transfer books close from 10th November to 2nd December, 1953, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of £3 per cent. net (tax applicable at 9s. in the £) for year ending 31st December, 1953, payable on 16th November, 1953.

COIMBATORE KAMALA MILLS LTD. Dividend of Rs. 4-8 per share, for the year ended 31st December, 1952.

ALAGESWAR ESTATES LTD. Dividend As. 2 per share for the year ended 30th June, 1953. Transfer books close from 1st to 11th December, 1953, both days inclusive.

COORG TEA CO., LTD. Dividend of As. 8 per ordinary share, for the year ended 31st March, 1953. Transfer books close from 15th to 21st November, 1953, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD *Ad-interim* dividend of As. 6 per share (tax-free), for the year 1953-54. Transfer books close from 17th November to 2nd December, 1953, both days inclusive.

KILLICK INDUSTRIES LTD. Final dividend of Rs. 6 per share, free of income-tax, for the year ended 30th June, 1953. Transfer books close from 2nd to 16th November, 1953, both days inclusive.

COMPANY REGISTRATIONS

NEW GUJRAT COTTON MILLS LTD. (First Director: Mr. Basudeo Kanoria.) Business: Spinners, Weavers and Manufacturers of Cotton, Wool, Silk, etc. Authorised capital: Rs. 25,00,000. Public company. Address: 8 Royal Exchange Place, Calcutta.

MANAGING AGENTS LTD. (First Director: Mr. H. P. Goenka.) Business: Managing Agents. Authorised capital: Rs. 10,00,000. Public company. Address: Raniganj, Burdwan.

BURDWAN REAL PROPERTIES LTD. (First Director: Mr. Radheshyam Bajoria.) Business: Purchase, Lease, Exchange Land, Buildings, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 10 Clive Row, Calcutta.

TRADE FINANCE CORPORATION LTD. (First Director: Mr. L. P. Mookherjee.) Business: Business of Loan, Land and Buildings, etc. Authorised capital: Rs. 5,00,000. Public company. Address: P-15 Bentinck Street, Calcutta.

INTERNATIONAL MINING CORPORATION LTD. First Director: Mr. R. Daga.) Business: To take over Mines, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 9 Old Court House Street, Calcutta.

PRATAP PROPERTIES LTD. (First Director: Mr. R. L. Chamria.) Business: Purchase, Lease or Exchange Land, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 3 Chandmari Road, Howrah.

SONEHRI TEA CO., LTD. (First Director: Mr. M. Rahman.) Business: Buyers and Sellers of all Kinds of Tea. Authorised capital: Rs. 5,00,000. Private company. Address: 20 Syed Amir Ali Avenue, Calcutta.

Notices

THE MORARJEE GOCULDAS SPINNING & WEAVING CO., LTD.

NOTICE OF 82nd ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Eighty-second Ordinary General Meeting of the Shareholders of the Morarjee Goculdas Spinning and Weaving Company, Limited, will be held at the Registered Office of the Company, Soparibaug Road, Parel, Bombay, on Monday, the 16th November, 1953, at 1-0 p.m. (S.T.) to transact the following business:—

1. To adopt the Directors' Report and Audited Statements of Accounts for the year ended 30th June, 1953.
2. To declare a Dividend on Ordinary and Preference Shares.
3. To elect a Director in place of who retires by rotation but is eligible for re-election.
4. To elect Directors in place of those who vacate office but are eligible for re-election.
5. To appoint Auditors and fix their remuneration.
6. To transact such other business as may be brought before the meeting by the Chairman.

The Transfer Books of the Company will remain closed from Wednesday, the 11th November, 1953, to Saturday, the 28th November, 1953 (both days inclusive).

By Order of the Board of Directors,
For PIRAMAL & SONS,
MOHANLAL PIRAMAL,
Partner,
Agents.

SOPARIBAUG ROAD, PAREL,
BOMBAY, 19*th October*, 1953.

Note.—The Dividend, if sanctioned, will be payable to those Shareholders, whose names stand on the Register of the Company in the evening of Tuesday, the 10th November, 1953 and Dividend Warrants will be posted to the registered addresses of such Shareholders.

THE PEERMADE TEA COMPANY LIMITED

(*Incorporated in Travancore*)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay a first interim dividend of 10 per cent. on the Ordinary Share Capital of the Company in respect of 1953 working on the 14th November, 1953.

The transfer books of the Company will remain closed from the 7th November, 1953, to 14th November, 1953, both days inclusive.

ASPINWALL & CO. (TRAVANCORE) LTD.,
Secretaries.

ALLEPPEY, 23*rd October*, 1953.

TIP JET ENGINE FOR HELICOPTERS

The U.K's. first helicopter blade-tip jet engine has been announced. Developed by Saunders-Roe, the new engine is just short of 4 feet in length and is shaped something like a giant cigarette-holder. Intended primarily for military helicopters, the Saro, as the engine is named, can be run on almost any fuel, and gives a thrust of 45 lbs. The company is already working on an engine that will be capable of 120 lbs. A 10,000-lb. load could be lifted by five of the new engines fitted to a five-blade rotor.

It is less than two months since the announcement that two other British firms, namely, Fairey and Bristol, had been given a Government contract to build prototype twin-engined helicopters suitable for commercial airline service. One of these, the Fairey Rotodyne, is powered by two turbine engines, but, in this case, the exhaust from the engines is fed from the fuselage up through the blades and out of the blade tips to impart thrust.

AMALGAMATED COALFIELDS REDUCES DIVIDEND, DESPITE HIGHER PROFIT

NILGIRI NEERUGUNDI SUFFERS LOSS

Amalgamated Coalfields, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1953.

The Company's profit for the half-year after the inclusion of Rs. 25,799 (Rs. 38,939) brought forward and provision for previous periods' taxation no longer required Rs. 35,000 (nil) is Rs. 3,38,754 (Rs. 3,30,266). After making provision for taxation Rs. 87,088 (Rs. 1,37,000), there remains Rs. 2,51,666 (Rs. 1,93,266). Out of which the directors have placed to machinery replacement and development reserve Rs. 1,03,577 (nil) and recommend the payment of a dividend at the rate of 10 (12½) per cent. per annum, free of income-tax absorbing Rs. 1,27,500 (Rs. 1,59,375) leaving to be carried forward Rs. 20,589 (Rs. 33,891).

The Company has incurred further heavy expenditure on modernisation of machinery and development and considerable further finance on this account will be required in future. Bearing this in mind, the directors have transferred Rs. 1,03,577 from this half-year's profit to this account. In addition a sum of Rs. 71,423 being E. P. T. post-war refund received during the half-year has also been allocated to this account.

Output and despatches for the last three half-years are as follows:—

Half-year ended	*Raisings*	*Despatches*
	Tons	Tons
31st March, 1953	3,72,975	3,68,886
30th September, 1952 ...	3,55,863	3,52,808
31st March, 1952	3,55,525	3,44,795

Wagon supply improved during the closing months of the half-year and is reflected in the larger output and despatches.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,50,000	Block ...	22,60,000
Reserves ...	17,50,000	Stock of coal	2,93,759
Provision for taxation ...	2,15,000	Stores ...	16,20,512
Liabilities ...	27,21,115	Debts, deposits and advances ...	28,28,086
Profit and loss account ...	20,589	Investments	1,12,500
		Cash ...	1,41,847
Rs.	72,56,704	Rs.	72,56,704

Nilgiri Neerugundi Estates Co., Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Peirce, Leslie and Co., Ltd., Kozhikode, Malabar) submitted the audited accounts of the Company for the year ended 30th June, 1953.

After providing for depreciation and all charges except taxation, the accounts showed a loss of Rs. 66,258 (profit of Rs. 1,45,648). Deducting the balance brought forward from last year of Rs. 54,700 (Rs. 17,460), 7 per cent. cumulative preference dividend for the year ended 30th June, 1953 Rs. 10,500 (Rs. 10,500), and provision for taxation Rs. 800 (Rs. 1,200), there was a loss (adjusted against reserves) of Rs. 22,858 (carry forward of Rs. 54,700 after paying 10 per cent. dividend). The loss was incurred as a result of the poor coffee crop and also of the low prices received for green leaf tea. In view of the loss the directors recommended, that no dividend be paid for the year.

After adjusting the loss incurred during the year, there remains a total reserve of Rs. 3,81,680. The 1953-55 Government of India Loan for Rs. 50,000 has since been redeemed and the proceeds used for estate working expenses. There remains the 1957 Government of India Loan for Rs. 25,000 on investment account. The ninth redemption of 105 debentures was carried out on 30th June, 1953.

A total tea crop of 8,66,926 lbs. green leaf was harvested during the year which compares favourably with the 7,79,124 lbs. leaf harvested during the previous year. The cost of production was As. 3.57 per lb. and the average price realised was As. 3.73 per lb. The crop for 1953-54 is estimated at 10,00,000 lbs. and is sold forward As. 4.75 per lb.

The Company was allotted 1,56,732 lbs. export quota, which is equivalent to 86.5 per cent. of the basic crop. These rights were sold as usual. A preliminary issue of 70 per cent. of the basic crop has been received for season 1953-54.

The coffee crop harvested during the year was tons 38-7-1-14 against tons 99-1-2-16 last year. This has been delivered to the Coffee Pool and valued at Rs. 2-4 per point or Rs. 160.43 per cwt. The cost of production was Rs. 304.17 per cwt. For 1953-54 a crop of 100 tons is estimated to be harvested at a cost of Rs. 134.88 per cwt.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,67,221	Block ...	6,32,514
Debentures ...	62,600	Stock-in-trade	63,617
Reserves ...	3,81,680	Stores & spare parts ...	25,345
Liabilities ...	64,002	Other assets	25,283
		Debts, deposits and advances ...	24,072
		Investments	76,400
		Cash ...	28,272
		Profit and loss account ...	Nil
Rs.	8,75,503	Rs.	8,75,503

Bharat Airways Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd. Calcutta) submit the audited accounts of the above Company for the year ended 31st December 1952.

The accounts show a gross profit of Rs. 9,932 (net loss of Rs. 5,99,818). After making sundry adjusments and after writing off the brokerage on the issue of shares and preliminary expenses, a net debit balance of Rs. 22,17,288 (debit of Rs. 23,98,366) is carried forward to the next year's account.

The working of the Company during the year under review shows a better result than before, in spite of the increase in the price of petrol and reduction in rebate of petrol duty. In fact the result could have been better, had it not been hampered by Official policies which not only put extra burden on the industry but also reduced its efficiency.

The directors state that the Company has had the unique position of operating without any fatal accident. Probably this is the only Company in India that has had this safety record with so much of flying during the last six or seven years. This could be possible on the one hand by scrupulously adhering to all rules of safety and taking all possible precautions in this connection and on the other hand by the high sense of responsibility displayed by all the members of the staff in the discharge of their duties. The directors would, therefore, like to place on record their sense of appreciation of the work done by the members of the staff during all these years. In spite of all these, the cost of operation compares quite favourably with the cost of other operating companies in the country.

While the Company was in the midst of its expansion programme with a view to stabilise its economy the Government decided to nationalise the Air Transport Industry towards the close of 1952. This was against the declared pronouncements of the Government in the past, whereby the public and the Companies were assured that Air Transport Industry will remain in the hands of private sector for a period of ten years. Having passed through all the difficulties involved in the early stages in any aviation concern, the Company had just begun coming out of the woods, as would be clear from the results of the Company's working for the period, 1st January, 1953, to 31st July, 1953. Had the nationalisation not come about, the directors feel that the Company would have shown satisfactory results in future. It is thus an irony of fate that after having suffered colossal losses during the development period, when the Company had reached the stage of reaping the benefits of its pioneering efforts, the Government decided to take over the industry and that too on extremely unreasonable and inequitable terms of compensation. There may be different views regarding the principles of nationalisation but there cannot be any doubt that the private enterprise played its part very creditably in the development of civil aviation in India.

During the various discussions that the management had with the various spokesmen of the Government, it was strongly suggested that any scheme of compensation must be linked with the present market price of the assets. The Government, however, did not agree to this but decided that the compensation should be based on the depreciated book-value of such assets. The Company strongly protested against the decision, but unfortunately with no success. This scheme of compensation has undoubtedly helped the Government in acquiring the industry at a ridiculously low price but it has dealt a heavy financial blow to the Company. For example, the two sky-masters that the Company had, could be sold in the world market for about rupees forty-five lakhs, but under the scheme of compensation, the Company is not likely to get more than rupees eight lakhs for these two planes. The management has been trying to protect the interests of the shareholders to the best of their ability and had also kept them informed about the developments in this connection from time to time.

Knowing that the industry was being nationalised and the Company's assets were being acquired by Government shortly, the Company tried to avoid unnecessary losses and with that end in view requested the Air Transport Licensing Board for permission to suspend some of the uneconomic operations. Unfortunately even such a reasonable request was turned down resulting in the increased burden on the resources of the Company. According to the Indian Air Corporation Act, a major portion of the compensation will be paid to the industry in the form of 3½ per cent. negotiable bond. The exact amount payable to the Company cannot, however, be ascertained until after the full details of all the assets and liabilities are thoroughly examined into. The directors earnestly hope that the question of compensation will be settled amicably. In case, however, the matter is not settled as stated above, the question of calculating the compensation will have to be referred to the Special Tribunal to be appointed in accordance with the provisions of Air Corporation Act.

The directors have always held the view that nationalisation of Air Transport Industry was not in the interest of the country at this stage, but now that the nationalisation is an accomplished fact, the directors wish the best of luck to the Indian Airlines Corporation in their enterprise and trust that all members of the staff who had worked so hard and efficiently in the cause of civil aviation, will continue their laudable efforts and see that this important step in the direction of nationalisation meets with all success.

Accounts in brief are as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	80,00,000	Block ...	64,83,993
Reserves ...	11,65,000	Stock and stores ...	25,49,742
Liabilities ...	61,11,018	Work-in-progress ...	21,168
		Other assets	69,473
		Debts, deposits and advances ...	31,38,371
		Investments	1,09,798
		Cash ...	6,86,185
		Profit and loss account ...	22,17,288
Rs.	1,52,76,018	Rs.	1,52,76,018

Tengpani Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

Weather conditions were on the whole favourable for growth throughout the year though the total rainfall measured was less than in previous years, 87.47 ins. compared with 91.27 ins. in 1951. The garden did not suffer from blights.

The total crop harvested during the year amounted to 7,137 mds. compared with 7,102 mds. cropped in 1951. The crop was sold partly in Calcutta and partly in London. The recession in prices which set in towards the end of 1951, continued throughout the greater part of 1952, and as a consequence the average prices realised for the Company's teas were lower than the average price of previous years. After Christmas 1952, prices improved, and the teas sold in later auctions realised satisfactory prices, but the improvement unfortunately came too late to offset the poorer prices obtained for the Company's teas earlier in the season, and the combined average of prices paid in London and Calcutta was below that of the previous year.

The combined average sale price per pound of tea was Re. 1-13-7 in 1952 as compared with Re. 1-15-10 in the previous year. The net sale proceeds realised and estimated amounted to Rs. 9,74,032 compared with Rs. 10,81,678 in 1951. The drop is due to the lower sale average.

The total garden outlay amounted to Rs. 8,18,318 which includes Rs. 2,17,787 incurred on the loss on the sale of rice and other foodstuffs compared with the total garden outlay of Rs. 7,65,233 in 1951 of which Rs. 2,51,166 covered loss on sale of foodstuffs and dearness allowance.

With effect from 30th March, 1952, Government introduced the Minimum Wages Act, the result of which was to increase still further the very high rate of wages already being paid to labour without giving any alleviation to the burden of concessional foodstuffs and compulsory allowances which remain at an unreasonably high level.

The gross profit for the year amounted to Rs. 1,14,710 which compares with the gross profit in 1951 of Rs. 2,68,380. After providing for staff commission, leave and passage reserve, contributions to provident and pension funds, depreciation and taxation and an adjustment on account of 1951 there remained an available balance of Rs. 1,25,374 (Rs. 1,88,083), which includes a carry forward of Rs. 68,083 (Rs. 36,074) from the previous year. The directors disposed of this amount as under:—by paying a dividend of 7½ (15) per cent. on the issued share capital of the Company without any deduction in respect of income-tax payable by the Company Rs. 30,000 (Rs. 60,000), placing to general reserve Rs. 30,000 (Rs. 40,000) and in carrying forward to 1953 Rs 65,374 (Rs. 68,083).

The result of the season's working is disappointing, and is due to the combination of two causes, the depression in the market which affected the industry generally so acutely in 1951 and 1952, and the higher cost of production attributable to the continuance of inflated wage scales.

The directors are able to advise shareholders that market conditions have improved as a result of measurers taken by the industry, and prices so far realised for the 1953 crops have been satisfactory. By effecting economies at the garden the directors have been able to reduce the estimated cost of production for 1953, which they trust will be reflected in the working results of the season.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	5,60,248
Reserves ...	5,10,127	Stock of tea	4,61,410
Provision for taxation ...	87,507	Stores, etc. ...	1,37,630
Liabilities ...	2,67,066	Debts, deposits and advances ...	2,10,650
Profit and loss account ...	1,25,374	Cash ...	20,136
Rs.	13,90,074	Rs.	13,90,074

New Manbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1953.

The revenue account showed a loss of Rs. 20,439 (loss of Rs. 1,11,801) as a result of the half-year's working and after debiting and crediting sundry items, there was a gross loss of Rs. 48,551 (a gross loss of Rs. 1,20,429). After adding the balance brought forward from the previous half-year and also Rs. 4,572, on account of sundry adjustments in respect of previous half-years, there was a debit of Rs. 60,718 (Rs. 2,10,056) on profit and loss account to be carried forward.

The raisings for the half-year amounted to 62,429 tons, despatches being 68,079 tons. This compares with 59,003 tons and 62,321 tons respectively for the previous half-year and with 55,375 tons and 40,585 tons respectively for the corresponding half-year in 1952.

In view of the ample supplies of coal available from 10 and 17 seams, it is unfortunate that this coal has been officially graded as grade II, for which there is only a limited demand.

Development has progressed satisfactorily and every effort is being made to get the Colliery working on a profitable basis once more.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	12,67,941
Reserves ...	3,30,000	Stock of coal	1,45,091
Liabilities	14,08,777	Stores, etc. ...	3,47,059
		Debts, deposits and advances ...	4,43,577
		Investments	41,030
		Cash ...	33,361
		Profit and loss account ...	60,718
Rs.	23,38,777	Rs.	23,38,777

Jaipur Metals and Electricals Ltd.

The directors of the above Company (Managing Agents: Messrs. Poonamchand and Brothers, Ltd, Jaipur) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The accounts showed a profit of Rs. 1,86,631 (Rs. 1,92,012). From this amount was transferred to depreciation fund Rs. 72,948 (Rs. 48,866), to insurance fund Rs. 4,000 (Rs. 4,000), to provision for taxation Rs. 27,201 (Rs. 1,55,306) and to dividend equalisation fund Rs. 15,000 (nil). There was a balance of Rs. 74,578 (Rs. 77,596). From this sum, the directors made payment of dividend on 6 per cent. cumulative preference shares at Rs. 6 (Rs. 6) per share (less income-tax) Rs. 37,920 (Rs. 40,500), dividend on ordinary shares at Rs. 3 (Rs. 3) per share (free of income-tax) Rs. 33,969 (Rs. 30,000), and carried over to next year's account Rs. 2,089 (Rs. 7,096).

The working of the Company during the year, was satisfactory. The main manufacturing activities of the year were copper conductors for power transmission and electric house service meters. The directors report that the first stage of electric house service meters manufacturing scheme, has been completed. The meters are established in the market and sales are on the increase. The preparations for the next and final stage of the scheme are under progress. Suitable representations to give protection to this new and important industry have been made to the Government of India.

The directors have received sanction from the Goverment for change of the name of the Company. The Company will now be called "Jaipur Metals and Electricals Ltd."

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,32,300	Block ...	24,44,347
Debentures ...	10,00,000	Stock-in-trade	28,21,049
Reserves ...	5,90,340	Debts, deposits and advances ...	8,34,288
Provision for taxation ...	30,000	Investments	6,000
Liabilities ...	24,14,644	Cash ...	1,50,978
Profit and loss account ...	89,578		
Rs.	62,56,862	Rs.	62,56,862

Port Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

After providing Rs. 12,233 (Rs. 12,703) for depreciation and Rs. 65,000 (Rs. 11,000) for taxation, and after transferring Rs. 75,000 (Rs. 2,00,000) to reserve for rapairs, there is a balance of Rs. 1,26,259 (Rs. 49,388) at the credit of the profit and loss account. The directors recommend payment of a dividend of As. 8 (As. 8) per share, absorbing Rs. 70,411 and leaving a balance of Rs. 55,848 (Rs. 50,538) to be carried forward.

Freight earnings during the half-year were satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,08,220	Block ...	26,63,272
Reserves ...	24,75,000	Stock of foodstuffs ...	2,161
Provision for taxation ...	94,891	Debts, deposits and advances ...	7,51,184
Liabilities ...	5,87,199	Investments	1,33,798
Profit and loss account ...	55,848	Cash ...	10,70,743
Rs.	46,21,158	Rs.	46,21,158

Champarun Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th June, 1953.

The results for the year, after making the usual charges including provision for taxation, show a profit of Rs. 4,57,619 (Rs. 10,58,673), from which has been deducted depreciation Rs. 2,00,000 (Rs. 2,50,000) and rehabilitation reserve Rs. 50,000 (Rs. 3,00,000), leaving a balance of Rs. 2,07,619 (Rs. 3,33,673). To this sum has to be added the carry forward from the previous year of Rs. 17,488 (Rs. 43,815) leaving at credit of profit and loss account Rs. 2,25,107 (Rs. 3,77,488). This balance, the directors recommend, should be disposed of in payment of a dividend of Re. 1 (Rs. 2) per share, free of income-tax, for the year ended 30th June, 1953, Rs. 1,80,000 (Rs. 3,60,000) leaving to be carried forward to next account Rs. 45,107 (Rs. 17,488).

Both the factories crushed the maximum quantity of cane available. At Barrah 22,44,465 maunds of cane were crushed, while at Chanpatia there was the large crush of 26,47,972 maunds of cane. Unfortunately, the yield of sugar per 100 maunds of cane was lower than in previous years, Barrah obtaining 10.12 per cent. and Chanpatia 9.79 per cent. Barrah factory started crushing on the 18th December, 1952 and finished the season on the 13th April, 1953. Chanpatia started the season on the 1st December, 1952 and finished on the 16th April, 1953.

The large carry-over of sugar stocks from the previous season was sold at much reduced prices. In respect of controlled sugar, however, the loss sustained was made up by a subsidy from Government of an amount equal to the difference between the controlled price in the 1951-52 season and the controlled price in the 1952-53 season. The loss sustained on the stocks of free sugar, however, for which no compensation was received, is reflected in the reduced profit for the year under report.

The cane prices fixed by the Government of India were Re. 1-5 per maund for gate cane, and Re. 1-3 per maund for cane delivered at out-stations, which is the first occasion that the Company has obtained any relief against the cost of transporting cane.

The Company's estates continued to produce cane both for crushing and as seed for distribution to cultivators. Both factories have been maintained in good condition.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,00,000	Block ...	15,64,911
Reserves ...	33,12,562	Stock-in-trade	46,84,105
Provision for taxation ...	4,53,251	Stores and spare parts	10,28,692
Liabilities ...	85,31,032	Loose tools, etc.	75,209
Profit and loss account ...	2,25,107	Debts, deposits and advances ...	66,24,034
		Investments	60,600
		Cash ...	2,84,401
Rs.	1,43,21,952	Rs.	1,43,21,952

Pathemara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the company for the year ended 31st December, 1952.

A crop of 4,556 maunds was manufactured and has been disposed of for sale in Calcutta, for export 3,914 maunds, and for sale in Calcutta, for internal consumption 642 maunds.

The average price per lb. realised was Re 1-1 as compared with Re. 1-3-10 per lb. obtained for the previous season's crop of 4,151 maunds. The Company's export quota for season 1952 was 3,025 maunds.

No extensions were put out during the year and the area under cultivation remains unchanged at 498 acres as at 31st December, 1952.

The revenue account shows a loss of Rs. 2,24,437 (loss of Rs. 76,924) and after adding to this, gratuities to retired employees Rs. 4,400 (nil), depreciation Rs. 6,477 (Rs. 530) and deficit on 1951 London tea sales Rs. 11,378 (nil) there is a loss for the year of Rs. 2,46,692 (Rs. 77,454). After adding to this the debit balance of Rs. 1,10,182 (debit of Rs. 19,575) brought forward from the previous year, and deducting Rs. 90,000 (nil) and Rs. 13,232 (nil) being the amounts transferred from reserve account and working capital account respectively, there is a debit balance of Rs. 2,53,642 (debit of Rs. 97,029) on profit and loss account, which is carried forward.

In common with other Cachar producers, the Company experienced a disastrous year's trading in 1952. A higher scale of wages had to be introduced with effect from 1st April, 1952, in order to comply with the requirements of the Minimum Wages Act as applied to tea estates in Cachar, and this unfortunately coincided with a collapse in the market for common tea. At the end of 1952, prospects were so unpromising that it was found necessary to close the garden temporarily. Later, however, the Government of Assam announced a modification in the wage scale and this, together with a recovery in the tea market, enabled the Company to resume operations. The prospects for 1953 may be regarded as satisfactory. The estimates for season 1953 are as follows:

Garden	*Crop*	*Expenditure*		*Total*
		Garden	*Calcutta*	
	Mds.	Rs.	Rs.	Rs.
Pathemara	5,000	3,20,516	91,585	4,12,101*

* Excluding capital expenditure estimated to amount to Rs. 4,217.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,59,050	Block ...	2,97,830
Liabilities ...	7,13,727	Stock of tea	2,51,473
		Stores, etc. ...	1,07,903
		Other assets	5,471
		Debts, deposits and advances ...	47,313
		Investments	1,000
		Cash ...	8,125
		Profit and loss account ...	2,53,642
Rs.	9,72,777	Rs.	9,72,777

Grob Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The following table shows the total crop made and the quantities sold respectively for sale in Calcutta for export and internal consumption:

Gardens	*For sale in Calcutta for export*	*For sale in Calcutta for internal consumption*	*Total*
	Mds.	Mds.	Mds.
Dessole	4,485	524	5,009
Kanu	8,738	1,825	10,563
Total ..	13,223	2,349	15,572

The average price per lb. realised was Re. 1-5-10 as compared with Re. 1-11-7 a lb. obtained for the previous season's crop of 12,481 maunds. The Company's export quota for season 1952 was 10,264 maunds.

The area under cultivation as registered with the Indian Tea Licensing Committee at 31st December, 1952, was 1,392.88 acres.

The revenue account showed a profit of Rs. 1,97,357 (Rs. 4,46,041) and after deducting from this pension to retired employees Rs. 1,200 (Rs. 1,200), staff commission and bonus Rs. 13,491 (Rs. 27,641), managing agents' commission on profits Rs. 3,998 (Rs. 8,670), reserve for taxation Rs. 37,000 (Rs. 1,00,000) and depreciation Rs. 43,951 (Rs. 39,232) there was left a sum of Rs. 97,717 (Rs. 2,69,093) to this amount was added forfeited dividends Rs. 2,400 (nil), sale of machinery Rs. 1,000 (Rs. 5,000), post-war refund of E.P. tax (net) Rs. 2,071 (nil) and excess provision for taxation —written back Rs. 24,000 (nil), making a total of Rs. 1,27,188 (Rs. 2,74,093). After adding to this the credit balance of Rs. 88,566 (Rs. 30,324) brought forward from the previous year, there was a credit balance of Rs. 2,15,754 (Rs. 3,04,417) on profit and loss account. The directors disposed of this sum by paying a dividend of 20 (20) per cent. for season 1952, without any deduction for income-tax paid by the Company Rs. 1,47,030 (Rs. 1,47,030) place to reserve account Rs. 35,000 (Rs. 75,000) and leaving to be carried forward Rs. 33,724 (Rs. 82,387).

The estimates for season 1953 are as follows:

Gardens	*Crop*	*Expenditure*		*Total*
		Gardens	*Calcutta*	
	Mds	Rs.	Rs.	Rs.
Dessole	4,382	4,07,015	72,075	4,79,090
Kanu	9,243	7,91,613	1,54,493	9,46,106
Total ..	13,625	11,98,628	2,26,568	14,25,196*

* Excluding expenditure of a Capital nature estimated to amount to Rs. 60,073.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,35,150	Block ...	12,74,482
Reserves ...	13,22,810	Stock of tea	7,99,160
Provision for taxation ...	1,29,979	Stores ...	3,14,210
Liabilities ...	4,63,499	Other assets	3,950
Profit and loss account ...	33,724	Debts, deposits and advances ...	2,08,697
		Investments	3,000
		Cash ...	81,663
Rs.	26,85,162	Rs.	26,85,162

General Investment and Trust Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 28th February, 1953.

Including the sum of Rs. 2,938 (Rs. 1,067) brought forward from the previous half-year, and after providing Rs. 2,000 (nil) for taxation and special reserve and utilising Rs. 4,530 (Rs. 10,847) to write off depreciation on investments, there was an available balance of Rs. 14,921 (Rs. 11,927). The directors disposed of this balance by paying a dividend on the 1st cumulative preference shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,500 (Rs. 2,500), dividend on the 2nd cumulative preference shares at the rate of 6 (6) per cent. per annum, less income-tax at 25 pies plus 5 per cent. surcharge on income-tax Rs. 2,212 (Rs. 2,212), and a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 5,625 (Rs. 5,625) leaving to be carried forward Rs. 4,584 (Rs. 1,590).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,25,000	Investments	4,62,723
Provision for taxation and special reserve ...	27,254	Cash ...	26,262
Liabilities ...	32,147		
Profit and loss account ...	4,584		
Rs.	4,88,985	Rs.	4,88,985

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

MONEY RULES DULL

(From Our Own Correspondent)

BOMBAY, 28*th October*

The short-term money market experienced another week of dull conditions. With supply of funds continuing to be comfortable and demand remaining slack, activity in the inter-bank call money sector was at a low ebb. Neither the Ahmedabad Municipal loan for Rs. 67 lakhs which was oversubscribed nor the Hyderabad State loan, the list for which is still open, had any effect on the market. The re-opening of the markets in Calcutta after the *Puja* holidays on Monday this week also did not lead to any perceptible increase in the demand for funds. On the contrary, conditions in Calcutta were easier than before, with inter-bank call money rates having declined from 2½ per cent. to 1½ per cent. Inter-bank call money among the Exchange banks and the big Indian banks in Bombay was available at ¾ per cent. throughout the week. The corresponding rate among the smaller Indian banks was 2 to 2½ per cent.

Term deposits were offered at 2 per cent. for one month, 2¼ per cent. for two months and 2½ per cent. for three months. One of the Exchange banks offered to lend one month's money to banks even at 1¾ per cent. House money at call was placeable at 2 per cent.

The lack of demand for funds is clearly reflected in the Treasury Bill results this week. Against the usual invitation for Rs. 1.50 crores, the amount offered was as high as Rs. 4.10 crores, an increase of Rs. 1.52 crores over that tendered in the past week. The average rate of accepted tenders receded by a fraction from Rs. 2-6-8 per cent. per annum to Rs. 2-6-7 per cent. On account of the delay in the onset of the busy season, some banks were reported to have evinced some interest in these Bills this week.

A contraction of Rs. 7.17 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 23rd October, 1953, as compared with that for the previous week. Notes held in the Banking Department, however, show an increase of Rs. 7.88 crores. The decline of Rs. 14.16 crores in the Central Government's deposits noted in the previous week has been followed by a further fall of Rs. 5.47 crores in the week under review. Deposits of State Governments and banks have gone up further by Rs. 3.94 crores and Rs. 6.42 crores, respectively. Cash balances have improved by Rs. 7.93 crores. No notable variations are seen in other portfolios.

The Scheduled Banks' statement for the week ended 16th October, 1953, as compared with that for the previous week, records a decline of Rs. 2.07 crores in demand deposits and an increase of Rs. 1.41 crores in time deposits. Inter-bank borrowings have gone down by Rs. 35.94 lakhs. Advances show a fall of Rs. 76.46 lakhs and bills purchased and discounted Rs. 1.64 crores. Investments are lower by Rs. 36.08 lakhs. Cash-on-hand has shrunk by Rs. 1.41 crores, while balances with the Reserve Bank have improved by Rs. 2.66 crores. Balances with other banks are down by Rs. 10.59 lakhs and money at call and short notice by Rs. 50.23 lakhs.

The Gilt-edged market was quiet with activity on a very small scale. Barring the small demand for 3½ per cent. National Plan Bonds, there was no interest in most of the Government of India securities. The 4 per cent. 1963 and 1961 State loans, which were the centre of attraction in recent weeks, remained in the background.

Among Central Government loans, 3 per cent. 1957 and 3 per cent. 1958 were stagnant at Rs. 98-6 and Rs. 98-2, respectively. 3 per cent. 1959-61 changed hands at Rs. 96-2, an anna better than last week. 3 per cent. 1963-65, the selling rate of which was stepped up last week by the Reserve Bank by an anna to Rs. 92-9, was done at Rs. 92-9. 3 per cent. 1964 had enquiries, but the quotation was unchanged at Rs. 92-8. 3 per cent. 1966-68 had sellers at the unchanged rate of Rs. 90-2, 3 per cent. 1970-75 was offered an anna lower at Rs. 86-6. 3 per cent. 1986 Conversion Loan drifted from Rs. 82-1 to Rs. 81-15, but recovered towards the close to Rs. 82-1. 3½ per cent. 1961 N.P. Bonds put on an anna to Rs. 98-9. Among State issues, 4 per cent. 1963 Bombay had sellers and lost As. 2 to Rs. 101. 4 per cent. 1963 Madras, on the other hand, was an anna better at Rs. 100-1. All the other issues were unchanged.

In the foreign exchange section, rupee continued to develop strength in terms of the U.S. dollar during the week. The U.S. dollar which was quoted at Rs. 476¾ per $100 (bank selling) last week dropped to Rs. 476¼ yesterday. Banks' buying rate likewise declined from Rs. 472¾ to Rs. 472½. In New York, for the first time after several weeks, both the spot and three months' sterling crossed the $2.81 per £ rate during the week. Over the week, the spot sterling gained from $2.80⅞—2.81 to $2.81¼—2.81½. The rates for three months advanced from $2.80.9/16—2.80.11/16 to $2.80⅞—2.81 and for six months from $2.80.5/16 —2.80.7/16 to $2.80⅝—2.80¾.

HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, 25*th October*

The local hides and skins market continued to be featureless during the week under review also. The new arrival was considerable. Madras dealers and the local tanners were the main purchasers. The latest quotations are as follows:—

Wet salted cow 1st grade superior Rs. 360, 1st grade light Rs. 260, 2nd grade superior Rs. 350, and 2nd grade light Rs. 180 per score; wet salted buff 1st grade 1 lb. 10 ozs. and 2nd grade 2 lb. 6 ozs. per rupee; goat 1st grade Rs. 350 and 2nd grade Rs. 225 per 100 pieces; and sheep Rs. 360 per 100 pieces.

SILVER RECOVERS

(From Our Own Correspondent)

BOMBAY, 28*th October*

A feature of the trading on the Bullion Exchange during the week was the smart recovery in silver prices from the low levels touched towards the close of the previous week. Gold, on the other hand, depicted an irregular trend, with movements confined to a narrow range.

The improvement in silver was due to keen buying by prominent bull operators and heavy covering by short-sellers. Though there was no sizable increase in demand in the ready position, the fall in arrivals of the unrefined metal considerably helped the sentiment. On balance, the white metal gained Rs. 2-7 per 100 tolas over the week.

Gold, however, followed an unsteady trend. At one time during the week under review, it touched a new low level of Rs. 79-1 (for forward delivery), reflecting the market's nervousness caused by persistent arrivals of smuggled gold and offerings of Kolar gold by the National Bank of India. Some improvement in offtake was also noticeable, but it was too small to match the large arrivals.

Silver for forward delivery (23rd October settlement) opened the week at Rs. 148-11 and sagged to Rs. 147-15 on Friday before the settlement ran out on that day at Rs. 149. Dealings in the next settlement (delivery on 23rd November) began at Rs. 149-3 and reacted to a low of Rs. 148-8. At this level, a fresh wave of buying and heavy short-covering emerged, lifting the rate upto Rs. 151-12 to-day just before the market closed at Rs. 151-4.

Ready silver (.996 Mint) reacted from Rs. 148-12 to Rs. 147-14 early in the week, but responded favourably to the revival of buying and fall in arrivals and came up to Rs. 151-12 to-day before closing at Rs. 151-4. The floating stocks of silver are estimated at 2,300 bars. The daily average offtake was about 29 bars.

Opening at Rs. 80-8, gold for forward delivery (22nd October settlement) closed at Rs. 80-9 on Thursday when the settlement ran out. Transactions in the next (21st November settlement) began at Rs. 80. On Saturday, the rate was a little higher at Rs. 80-9. But this recovery did not persist for long. For, on Monday, it again came down to a low of Rs. 79-1 on selling pressure induced by larger arrivals. Further decline was, however, arrested by the strength of silver and buying from Calcutta. This helped the yellow metal to move ahead to Rs. 80-3 to-day before closing at Rs. 80-1.

Ready gold which opened at Rs. 80-10, that is at a premium of As. 10 over the forward rate for the November settlement, finished to-day at Rs. 80-7, the premium over forward being As. 6. The narrowing of the premium indicated that the weight of arrivals of the metal must be heavy, despite the improvement in offtake. The floating stocks of gold are placed at 30,000 tolas. The daily average arrivals were 10,000 tolas, while the offtake was 8,000 tolas on an average.

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

	28-10-53	Highest	Lowest	21-10-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	80 7	81 2	79 7	80 14
Forward	80 1	80 9	79 1	80 10
Sovereign	56 8	56 12	56 4	56 6
SILVER				
Ready (.996 fine Mint)	151 4	151 12	147 14	148 13
Forward	151 4	151 12	148 4	148 13
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

STRONG DEMAND FOR TEAS

(From Our Own Correspondent)

CALCUTTA, 27*th October*

Although there was strong demand during yesterday's export auction, prices of a few varieties of tea declined fractionally. The decline should be considered insignificant in the face of the additions to prices during recent sales. Offerings aggregated 62,500 packages. The commonest varieties were in good demand and well-made pekoes realised firm prices. Orange fannings and tippy B.O.Ps. realised prices which were As. 2 above valuations, while neat orange pekoes possessing style rose an anna above the last rate. C.T.C. Assams and fannings eased by half an anna, prices for mediums and common brokens moving down an anna below brokers' valuations. The rates were: Best C.T.C. Assam B.P. Rs. 2 to Rs. 2-4, clean black pekoe Re. 1-13-6 to Re. 1-14, medium Assam B.P. Re. 1-12, and clean common B.P. Re. 1-11-6. There was no sale last week, owing to the *Pujas*.

The last internal auction in tea was held on the 13th inst., when dusts and leaf offered aggregated 16,790 and 700 packages, respectively. There was moderate demand for dusts. Good support was given to the commonest types, while valuations were reached by bright Dooars, C.T.C. Assams and black grainy types suitable for export. Prices for the remaining offerings were easy. The rates were: Best Assam C.T.C Re. 1-14-6 to Re. 1-15, medium Assam grainy dusts Re. 1-10 to Rs. 1-10-6, and medium Dooars Re. 1-9-6 to Rs. 1-10. Conditions in the leaf market were easy.

COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 27*th October*

A drowning man clutches at a straw. When he does this he does not know whether it is a straw or a plank. The cotton markets which seemed to be drowning last week have been provided with something to clutch by the Government during the week-end, in the shape of the Ordinance issued to help the textile industry to tide over its present crisis. This was not done with a view to saving cotton prices from crashing, but it came handy for the sinking markets. It is too early still to say whether this will prove a straw or a plank.

Analysing the effects of this Ordinance one finds that there is not very much for Indian cotton to rejoice over, except for the removal of the 10 per cent. export duty on medium cloth, which would mean a slightly increased demand for Indian cotton. One has, however, to work out the actual increase in the quantity of cloth of this variety which will be exported as a result of this concession and the extra quantity of Indian cotton consumed for this. In the first place, cloth exports constitute about one-seventh of the total production. Of this, medium cloth forms only one-third which means about 7 per cent. of the cloth produced in the country. The net increase both in medium cloth export and in the consumption of Indian cotton from this step would be, therefore, only about 1 per cent. or so. On the other hand, the reduction in the excise duty on superfine cloth will mainly help imported cotton, but considering the offtake of cloth at present, this reduction is not likely to help the mills at all.

To induce people to use more superfine cloth in these days of reduced purchasing power, prices of superfine cloth will have to be reduced much more than is warranted by this reduction in the excise duty. The net increase in the use of Indian cotton as a result of this concession can, therefore, be easily ignored, so far as price trends are concerned. If excise duty on fine cloth had been reduced or comes to be reduced in future, this might have a bullish effect on Indian cotton. Similarly, the rebate of duty on imported cotton used in export of cloth will also help towards slightly greater imports of cotton possibly to the detriment of the consumption of Indian cotton. On the whole, therefore, the cotton market has been very wise in not overestimating the effect of this step on cotton prices. The increase in the forward market was confined to about Rs. 8 per candy, in the first flush of enthusiasm but a part of this was lost in subsequent transactions. In the spot market, with its more realistic appreciation of the situation, the increase has been only of about Rs. 5 per candy.

This step, however, is bound to have a psychological effect on the markets. It will prove a check, to a certain extent, to the tendency to hammer down prices. Future developments, however, will depend mainly on the effect of the concession given by the Government on the attitude of the mills with regard to the purchase of Indian cotton. If they do so in greater quantity now instead of sitting on the fence and waiting for further developments, the market would get a good fillip. There is some enthusiasm in evidence on the part of the mills to enter into the spot market and to make some purchases. There is, however, a justifiable apprehension that this would prove only temporary so far as Indian cotton is concerned. The abolition of export duty on medium cloth may not necessarily result in greater shipment during coming months. Because, in the first place, the buyers outside would expect this advantage of reduced duty to be passed on to them and, in the second, those who are competing with Indian cloth in the foreign markets will also try to safeguard their own sales by a corresponding reduction in the price of exported cloth. If cloth prices harden as a result of this step here as it frequently happens in the wake of such concession, cloth exports may not improve appreciably and in this case the cotton market would be just where it was before the Ordinance.

The next few weeks are, therefore, critical for the cotton market and nobody can say with confidence that the worst is over or that cotton has turned the corner. The most likely result of this important step would be to confine fluctuations in the forward market within a comparatively narrow range, instead of the heavy fluctuations we have witnessed during the last two months. One should not be surprised if cotton prices remain confined within the limit of Rs. 600 to Rs. 620 per candy. A slightly improved position with regard to turnover might result in the spot market, though even here, perhaps, attention will be diverted to the section dealing with the imported cotton from the more readily available Indian styles for obtaining which, the mills need be in no hurry.

I.C.C. February opened the week at Rs. 607½, as against the previous closing of Rs. 608½, and gradually moved down to touch a low of Rs. 598¼ on 23rd inst. Some support was forthcoming at this level, thanks to the Central Government's announcement of the removal of export duty and reduction in excise duty. It recovered to Rs. 608¼ on 27th inst. But the recovery was short-lived, for it touched a low of Rs. 604 to-day though it improved to Rs. 608 towards the close of the day's session.

I.C.C. May had a similar trend. After opening the week at Rs. 614 it fluctuated between Rs. 614¾ and Rs. 604½ before it finished the week at Rs. 614¼.

The following is the trend of prices in the forward market:

	Opening	High	Low	Closing
I.C.C. Feb. (Rs.) ..	607½	608½	598¼	608
I.C.C. May (Rs.) ..	614	614¾	604½	614¼

The following are the latest available quotations from the spot market:

Bengal *Deshi* (new crop) Rs. 575; Berar Jarillas (new crop) Rs. 650; Khandesh (new crop) Rs. 690; Vijay (old crop) Rs. 840; Oomra Deshi (old crop) Rs. 570; Moglai (new crop) Rs. 570.

At Karachi, while there has been no change in old crop prices, those for the new crop have remained steady during the week, with a tendency towards a slight hardening. Possibly this has been a result of good enquiry from the U.K., both by the R.C.C. and the contracting-out mills, with substantial business developing in the 4F variety. Japan and Germany, two of Pakistan's best customers, are still out of the market, as they have been able to satisfy their requirements for some time from Brazil at comparatively cheaper rates. Some deals have taken place during the week in the *Deshi* styles and the hardening of prices is more in evidence in this section than in the longer staple varieties. The following are the latest available quotations for the Karachi market: (New crop) Punjab *Deshi* Rs. 56; 4F Punjab R.G. Rs. 57 to Rs. 58; S.G. Rs. 60½ to Rs. 61½; L.S.S. Punjab R.G. Rs. 59½ to Rs. 60; S.G. Rs. 64 to Rs. 64½; N.T.R.G. Rs. 62 to Rs. 62½; S.G. Rs. 66½ to Rs. 66½; 289 Punjab R.G. Rs. 64½ to Rs. 65; S.G. Rs. 69½ to Rs. 70.

At Alexandria, spot premia over official buying prices in all varieties have been well maintained, as many shippers have yet to acquire cotton against their commitments for early shipments. In view of this, there is a hesitation on the part of the producers to sell their cotton as they expect better prices in the near future. As a result of the extreme shortage in the supply position of Ashmouni, the Government have decided to increase the acreage under this variety next year by 10 per cent. Exports up to the middle of this month from Alexandria amounted to more than 60,000 bales against less than 25,000 bales during this period last year.

At New York, the tense political situation has helped the upward trend in prices during the week and a part of the recent losses has been recovered, with the December position standing at near the 33 cent level. This would have been still better but for some liquidation in this position. So long as the international situation remains uncertain, this upward swing in prices is likely to continue, with technical reactions from time to time. It may be noted that Indian mills' interest in U.S.A. cotton has revived to a certain extent during recent weeks.

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

(In cents per lb.)

	27-10-53	21-10-53	14-10-53
Spot	33.65	33.50	33.40
December	32.97	32.80	32.71
March	33.44	33.24	33.11
May	33.71	33.51	33.41
July	33.69	33.45	33.33

ART SILK YARN LOOKS UP

(From Our Own Correspondent)

BOMBAY, 28*th October*

After presenting an irregular trend during the first four sessions of the week under review, the art silk yarn market tended to look up during the subsequent two sessions. The initial irregular trend was due to the absence of any encouraging development. Traders showed very little inclination towards fresh business and values of yarn moved within narrow limits. The sentiment of operators, however, brightened yesterday when encouraging demand for yarn from weavers and mills and reports of improvement in cloth markets induced short covering and pushed up prices. The firmness of staple fibre yarn also hardened the sentiment. Operators anticipated good demand for yarns from rayon mills for replacing stocks of rayon fabrics depleted by Diwali sales. Consequently, yarn prices registered handsome rise which persisted to-day also. Not only the previous losses were completely erased but the closing quotations stood very much higher than those a week ago.

Art silk yarn (150D) for October delivery, in the forward section, fluctuated irregularly between Rs. 684 and Rs. 680 and forged ahead to touch Rs. 697, the net rise over the week being 13 points. November contract opened at Rs. 688 and improved to Rs. 692 on the following day. After receding, however, to Rs. 685 on Monday, it recovered to finish the week higher at Rs. 703. The ready section was fully steady. 120 Japan gained an anna to Rs. 4-2. 150 Japan and 120 Italy were unaltered at Rs. 4 and Rs. 3-14, respectively. 150 Italy, on the other hand, was easy at Rs. 3-8, as against Rs. 3-11½ last week.

The notable recovery in values of staple fibre yarn witnessed last week gathered further momentum during the week under review. Thus, stable fibre yarn 40 x 2 October delivery rallied 23 points to Rs. 680. November delivery advanced by Rs. 29 to Rs. 670, but finished slightly lower at Rs. 664.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 21st inst. and 14th inst.

Art silk yarn	24-10-53 Rs. a.	21-10-53 Rs. a.	14-10-53 Rs. a.
150D October (per case of 200 lbs.)	697 0	684 0	692 0
150D November	703 0	688 0	688 0
120 Japan (per lb.)	4 2	4 1	3 15½
150 Japan	4 0	4 0	3 13½
120 Italy	3 14	3 14	3 13
150 Italy	3 8	3 11½	3 7
Staple fibre yarn			
2/40s October (per case of 200 lbs.)	680 0	657 0	642 0
2/40s November	664 0	641 0	623 0

OILSEEDS DULL

(From Our Own Correspondent)

BOMBAY, 28*th October*

The oilseeds market has remained generally dull this week. The groundnuts section is somewhat easy, on large arrivals. The linseed section is slightly easy in sympathy with groundnuts. Operators have disclosed a feeling of hesitancy in their anxiety to know the Government's policy regarding the demand for a reduction in export duty on linseed oil. In the castorseeds section, futures lack support, while trading in spots has not been encouraging enough. *Nigers* and *kardis* too are no exception to the generally dull undertone of the market. Consequently, very little business is being transacted in the market and price fluctuations are confined to narrow limits.

The Bharat Chamber of Commerce, Calcutta, has submitted a memorandum to the Government of India seeking the removal of export duty on linseed oil. It has pointed out that Indian linseed oil has been virtually out of the Continental and other overseas markets, owing to the cheaper rates at which the oil is being offered by Argentina, Uruguay and Canada. Indian linseed oil, for instance, is now quoted at about £113 to £115 per ton, as against £95 to £98 per ton for oil from Argentina and Uruguay.

The difference between forward and ready positions in the groundnut section is gradual narrowing on increased arrivals of the seed. For instance, the spread between Bold F.A.Q. ready and forward was as much as Rs. 11-10 on the 20th inst. The spread is now narrowed to Rs. 1-14. F.A.Q. is now ruling at Rs. 36, whereas, Bold December-January stands at Rs. 28-2. Coromandal ready new is done at Rs. 35, as against Rs. 37. Khandesh quality has lost Rs. 2 to Rs. 36-8. October and November deliveries have changed hands at Rs. 35-4 and Rs. 31-6, as against Rs. 34-8 and Rs. 30-12, respectively. Groundnuts *ex*-mill have receded from Rs. 22 to Rs. 19-3 and railway receipts from Rs. 21-8 to Rs. 19-4. October, November and December deliveries are on request at Rs. 18-9, Rs. 16-2 and Rs. 15-4, as against Rs. 19-6, Rs. 16-7 and Rs. 15-6, respectively.

In the linseed section, Bold ready has eased from Rs. 25-8 to Rs. 24-8. October-November delivery has lost Re. 1-8 to Rs. 25-8 and February-March Re. 1-2 to Rs. 22-12. Linseed oil is, however, higher by As. 8 at Rs. 14-8. Advices from London are bearish. It is reported that some business has been done in linseed oil with Australia in Calcutta at £105.

The castorseed section has put on a mixed trend. May delivery which opened at Rs. 113-8, as against Rs. 113-12, fluctuated between Rs. 113-10 and Rs. 111, before closing at Rs. 111-14. But F.A.Q. has gained As. 4 to Rs. 31, while Madras ready is colourless at Rs. 31-8. Castoroil B.S.S. is done quiet at Rs. 17. Oil First Pressure has, however, eased from Rs. 16-14 to Rs. 16-12 and Commercial quality from Rs. 16-2 to Rs. 15-12.

Among others, *kardi* ready Bold has disclosed a loss of As. 4 at Rs. 21-8, while October-November delivery remains unchanged at Rs. 21. *Niger* F.A.Q. ready has lost As. 8 to Rs. 32-8. Ready Madras is lower by Rs. 2 at Rs. 32. December-January delivery, however, has gained As. 4 to Rs. 26-8.

The following table shows the prices of oilseeds and oil on the 28th inst. as compared with those at the end of the previous two weeks.

	28-10-53 Rs. a.	21-10-53 Rs. a.	14-10-53 Rs. a.
Groundnuts—			
Khandesh Ready New ..	36 8	38 8	37 0
Bold December-January ..	28 2	28 6	29 2
Linseed—			
Bold Ready (per cwt.) ..	24 8	25 8	25 0
Castorseeds—			
May 1954	111 14	113 12	113 12
Madras (per cwt.)	31 8	31 8	32 4
Groundnut oil—			
Ex-mill Ready (per quarter).	19 5	22 0	22 12
Castor Oil—			
Commercial (per quarter)..	15 12	16 2	16 8

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 28*th October*

Following definite reports that British refined sugar per s.s. *Atlantico* would be available for delivery only after Diwali, the Bombay sugar market presented a steady trend during the week under review. The steadiness was further assisted by two other factors, namely, tight stock position in the spot section and active demand. The buying support that ensued as a consequence pushed up the prices of sugar. Thus, in the forward section, sugar for *Kartik* delivery, which had dropped to Rs. 83-4 per bag last week-end, improved to Rs. 84. Business in *Asho* delivery was squared up at Rs. 86-8, which compares with Rs. 86-0 to which it had declined last week. In sympathy with the rates for forward sugar, spot quotations also registered a rise. The prices of small and medium sugars were higher by Re. 1 and Rs. 3 at Rs. 90 and Rs. 94, respectively; the large grain sugar was just steady at Rs. 97. Foreign sugars, too, recorded a handsome improvement in prices. British refined sugar was quoted at Rs. 88. Mexican at Rs. 87-8 and Java at Rs. 94, all per bag of 2 cwts. The corresponding rates a week ago were Rs. 86-4, Rs. 86 and Rs. 91-8, respectively.

As already stated, stocks of sugar in the market are poor, amounting to only 15,000 bags, which include both foreign and indigenous sugar. Arrivals also have been small, the quantity that actually arrived during the week being 2,600 bags, as against 3,300 bags a week ago. Small available lots from the Deccan mills are being taken up in anticipation of higher spot prices. A few small parcels of U.P. sugar are reported to be on their way to Bombay.

Further tenders for two shiploads of British refined sugar per s.s *Cyclops* and s.s *Luciano* have been invited by the Union Food Ministry. The last date for the submission of tenders is the 30th inst. These ships are scheduled to arrive in Bombay in the third week of next month. According to information so far available, the s.s *Atlantico* is expected to arrive on 6th November, 1953.

SLUMP IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 28*th October*

The weakness in pepper reported in our last report deteriorated into a slump, and prices at all primary centres went down rather steeply, growers at Alleppey having sold about 150 candies at prices from Rs. 1,900 down to Rs. 1,800 under pressure of demand for margin by the banks which advanced money against stock. Stocks of such distressed pepper is estimated to be about 400 candies. Unless these are absorbed, there appears little chance for improvement in the general tone of the market. The future of the market now seems to depend upon the new arrivals, which is at present nil, owing to heavy rain in almost the whole of Malabar. The general opinion in the trade is that, given proper sunshine after the present heavy rain, there will be fair arrival of matured pepper somewhat earlier than expected before. Nervous selling of afloat consignments by the Indian exporters in New York market seems to have scared away buyers, and, as usual with them, they do not want to give firm bid in a downscale market even if they want to buy.

The continuation of fall in pepper price will create problems which the Government will have to tackle sooner or later. New Delhi is reported to have admitted the fact that the buyers' market in pepper has come to stay. If it is so, when are the Government going to revise their present policy of heavy export duties on dollar-earning items such as Malabar black pepper, thus giving much needed fillip to our export trade. But, as usual the Government seem to be dallying and when they are compelled to take measures for stimulating export, perhaps it will be too late, and we shall have missed the bus. Foreign buyers seem to have postponed their buying, owing to the present uncertainties and an immediate definite announcement either way is desired and may bring forth the pent-up demands.

In the A.S.T.A. section, liquidation by longs brought down the prices and November was done at as low as $0.84½, while December is nominally quoted at $0.82 without much doing. In the cellvery section, the turnover is poor and every fall in price is being resisted. December and February are quoted at Rs. 1,450 and Rs. 1,350 respectively.

Following are to-day's nominal quotations: Ready delivery Rs. 260-70 per cwt., November Rs. 1,450-70 and December Rs. 1,350-70 per candy of 5½ cwts.

LOW MILLED DUST TEAS FIRM

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 24*th October*

The total offerings in dust sale 'U' which was held on Tuesday, 20th October, amounted to approximately 1,25,000 lbs. There was a useful general demand and low milled dusts were firm to dearer. Medium dusts declined by half to one anna, but clean, black, grainy types and best liquoring were fully firm.

London Market.—Best Assams firm to dearer, others irregular; but strong demand at half penny drop.

Colombo Market.—Good general demand. Best liquoring high-grown brokens and fannings firm to dearer. Below best declined to 8 cents. Others fully firm.

Calcutta Market.—No sale this week.

Export Quota.—Due to the *Puja* holidays, the market has been very quiet with business done at 17 pies.

Forthcoming Auctions.—Dust sale 'V' will be held on Tuesday, 3rd November.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:

"*Sale* 22.— 13,00,000 lbs. Good demand, but prices irregular. Common and low medium fully firm. Medium and good medium easier to buy. Best liquoring strong, following quality."

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 27*th October*

Bear-covering was the chief feature on 19th October when trading was resumed after the *Puja* holidays. Ready hessians 40" 10 oz. gained to Rs. 45-4 from the previous rate of Rs. 44-10 and B. twills to Rs. 95-4 from Rs. 94-12. A section of the market entertained fears of shortage of goods, especially in hessians, in view of the trend of demand which, in September, not only out-stripped production, but, caused depletion of a portion of the accumulated stocks in both hessians and sacking goods. Production of all constructions in September amounted to 73,100 tons, an increase of 5,000 tons. The decline in stocks was by 15,000 tons, so that sales aggregated 88,100 tons, a highly satisfactory figure. All these factors invited a good amount of speculative attention to offers. Prospects of a strike in mills over the bonus issue also supported higher prices. Mills even entered into commitments for April-June deliveries. Foreign buyers showed reluctance to follow up the rises, but the market was steady on Tuesday with hessians realising Rs. 45-4 and B. twills Rs. 94-12. Covering was again a feature, and mills continued selling. At higher rates, holders appeared as sellers and took their profits, however small they were. On Wednesday, the opening was quiet, as business with foreign buyers was lacking. The rates were declining, but mills were rightly out of the market. Weak holders were content to take small profits. B twills gave way to Rs. 93-4 and 40" 10 oz. hessians to Rs. 44-8. Reports that Burma had placed an order for heavy Cees at lower rates was also a factor which shook sentiment in the

(Continued on page 847)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	16th Oct., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,091 40	1,090.62	1,081.61	1,049.27
Notes held in Banking Department	35.05	24 51	25 00	33.33	33.12
Foreign Securities	89.50	658 15	658.15	658.15	538.15
Rupee Securities	37.39	421 42	421 42	421.42	461 10
Banking Department					
Deposits of:					
Government of India	14.89	113 46	127 63	127.23	132.32
Other Governments	..	25 86	15 77	17.30	17 74
Balances held abroad	10.08	144.13	144 59	144.51	154 85
SCHEDULED BANKS					
Demand Liabilities	134.37	520 35	522.84	521.78	541 57
		(14 85)	(15 26)	(13.36)	(12 67)
Time Liabilities	102.84	332 92	331 40	329 76	315 58
Borrowings from		(2 89)	(2 83)	(2 37)	(4 97)
Reserve Bank	..	# 01	2 07	2.34	1 67
		(0 49)†	(0 49)†	(0.49)†	(0 99)†
Borrowings from Imperial Bank		5 32	5 73	4 60	5 03
Cash in India	6 71	30 66	31 47	30 77	30 64
Balances with Reserve Bank	25 28	50 34	47 63	46.95	60.63
Excess over statutory limits	15.52	17.66	14 91	14.27	27.24
Balances with other banks in current account in India	..	10.04	10.15	9.85	11.65
Money at call and short notice in India	..	19 20	19.70	16.94	16.02
Investments (at book value)	83.09	336 15	336.51	333.16	312 57
		459 51	461 91	463.66	466.20
IMPERIAL BANK					
Deposits	87.76	203 53	206 50	205.21	217.49
Investments	51.99	95 52	96 11	93 35	96.20
Advances	80.87	100 44	101 21	100 98	115.92
Cash	14 89	21 25	22 14	22 02	24.05

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	23rd October, 1953 Number of Cheques	23rd October, 1953 Amount Rs.	16th October, 1953 Number of Cheques	16th October, 1953 Amount Rs.
Bombay	2,13,775	40,33,34,000	2,34,242	46,16,15,000
Calcutta	90,058	28,62,52,614	1,21,448	42,67,76,794
Madras	76,468	7,46,63,909	52,069	4,92,60,133
All Centres—				
1951	..	..	1,06,94,122	8180,56,88,859
1952	..	..	1,06,41,941	29,79,81,87,000
July 1953	..	..	27,11,000	5,71,94,00,000
August ,,	..	..	25,41,000	4,84,84,00,000

Reserve Bank of India

Statement of Affairs for the week ended 23rd Oct., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		107,99,61,000
(2) Other Governments		29,80,39,000
(b) Banks		57,65,94,000
(c) Others		57,84,24,000
Bills Payable		50,92,000
Other Liabilities		13,71,37,000
	Rupees	280,52,51,000

ASSETS	Rs.	Rs.
Notes		32,30,31,000
Rupee Coin		16,77,000
Subsidiary Coin		6,97,000
Bills Purchased and Discounted —		
(a) Internal		24,50,000
(b) External		
(c) Government Treasury Bills *		2,00,83,000
Balances held abroad*		148,78,78,000
Loans and Advances to Government		
Other Loans and Advances		10,72,89,000
Investments		84,54,36,000
Other Assets		6,59,50,000
	Rupees	280,52,51,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	32,30,31,000	
Notes in circulation	1084,22,41,000	
Total Notes issued		1116,61,72,000
Total Liabilities		1116,61,72,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	858,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		97,02,86,000
Government of India Rupee Securities		421,42,04,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1116,61,72,000

Ratio of Total of A to Liabilities: 53.570 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 16th Oct., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	14,84,78,000†
	(ii) Other demand liabilities	505,50,09,000
2	Time Liabilities in India:	
	(i) Borrowings from banks	2,88,50,000†
	(ii) Other time liabilities	330,03,80,000
3.	Cash in India	30,06,14,000
4.	Balances with the Reserve Bank in India	50,34,01,000
5.	Balances with other banks in current account in India	19,20,19,000
6.	Money at call and short notice in India	
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	336,14,52,000
8.	Advances in India	420,89,00,000
9.	Inland Bills purchased and discounted in India	83,61,58,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	23th October, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 3/16	1-6 3/16
Bombay on New York—		
Sellers T.T. D.D.	476	476
Buyers T.T.	476 1/4	476 1/4
London on New York	$ 2.81 1/4-2.81 1/2	2.80 3/4-2.80 1/2
London on Paris	Frs. 979 1/2-979 3/4	980 1/2-980 3/4
London on Berne	Sw. Frs. 12.18 1/2-12.18 3/4	12.14 1/2-12.19 1/2
New York on London	$ 2.81 1/2-2.81 3/4	2.80 3/4-2.80 1/2

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.18		8,720	255
Pakistan	1949	75.04		1,071	228
Burma	1951	18 87	Kyats 8,166	817	169
Ceylon	1951	7.74		451	582
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1951	20 34	Ps. 7,588	1,930	864
New Zealand	1952	2.00	£ (N.Z.) 646	861	4,307
Australia	1951	8.43	£ (A.) 2,226	2,464	4,817
U.K.	1952	50.43	£ 13,648	18,197	3,608
U.S.A.	1952	156 98	$ 290,400	158,230	8,808
Canada	1952	14.43	$ 18,135	8,168	5,662
France	1952	42.80	Fr. Fr. 10,190,000	19,564	3,254
W. Germany	1952	48.45	Dm. 99,400	11,156	2,301
Italy	1952	46.88	Lr. 8,112,000	6,181	1,318
Norway	1952	3.82	Kr. 16,598	1,106	3,831
Sweden	1952	7 13	Kr. 29,170	3,652	5,122
Netherlands	1952	10.38	Fl. 17,660	2,213	3,104
Denmark	1951	4.30	Kr. 20,716	1,489	3,848
Switzerland	1952	4.83	S. Fr. 20,100	3,189	4,641

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 16th Oct., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	83,10,35,000
(b) Provincial Governments	3,42,93,000
(c) Banks	14,95,52,000
(d) Others	2,45,13,000
Bills Payable	29,91,000
Other Liabilities	2,08,11,000
Rupees	62,31,85,000

ASSETS	Rs.
Notes	10 41,54,000
Rupee Coin	2,000
Subsidiary Coin	10,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,59,45,000
Loans and Advances to Governments	1,63,00,000
Provincial Governments Debtor Balances	43,13,000
Other Loans and Advances	10,00,000
Investments	35,14,03,000
Other Assets	9,00,52,000
Rupees	62,31,85,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,41,54,000	
Notes in circulation	204,15,73,000	
Total Notes issued		214,57,27,000
Total Liabilities		214,57,27,000

ASSETS	Rs.	Rs.
1 A Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	29,48,75,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,83,91,000	89,24,80,000
B. Rupee Coin	6,40,39,000	
Government of Pakistan Securities	114,67,33,000	
Internal bills of exchange and other commercial paper	....	121,07,72,000
II Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		214,57,27,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 43.44 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
4th August	1.50	2.61	1.50	2 6 3	40
11th ,,	1.50	2.02	1.50	2 6 3	43
18th ,,	1.50	1.85	1.50	2 6 5	65
25th ,,	1.50	2.02	1.50	2 6 8	94
8th September	1.50	1.77	1.50	2 6 7	77
15th ,,	1.50	1.84	1.50	2 6 7	80
22nd ,,	1.50	1.96	1.50	2 6 8	89
29th ,,	1.50	2.51	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	99
13th ,,	1.50	1.81	1.50	2 6 8	94
20th ,,	1.50	2.58	1.50	2 6 8	100
27th ,,	1.50	4.10	1.50	2 6 7	83
Total	18 00	27.09	18.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	6	4
Belgium	18th Dec., 1952	2½	2
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	6½
France	17th Sept., 1953	5	6½
Greece	12th July, 1943	10	12
India	16th Nov., 1951	3	3½
Italy	6th April, 1950	3½	3
Japan	1st Oct., 1951	9.11	8.64
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1941	3	4
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	..	3
Portugal	18th Jan., 1944	3	3½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	3½	4
Switzerland	26th Nov., 1936	1½	1
Turkey	26th Feb., 1951	2	3
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1938	3	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4	5

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.99	11.21	111.00	150.97
Protective	23	75	7.35	10.51
On surplus disposals	5	1	8	24
Total import duties	9.40	13.00	118.43	161.76
Export Duties	5.29	5.52	58.36	90.75
Land Customs	16	23	2.62	3.22
Miscellaneous	7	8	1.16	1.13
Gross total customs	13.02	17.83	177.58	236.85
Refunds and drawbacks	14	84	2.58	4.82
Net Customs	12.88	17.48	174.95	232.03
Gross excise	7.09	7.01	82.84	87.04
Refunds	8	19	1.48	1.78
Net Excise	7.01	6.82	81.41	85.26
Net total of customs and excise	19.49	24.27	256.86	317 29

Imperial Bank of India

Statement of Affairs for the week ended 23rd Oct., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 3,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		209,86,44,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,66,56,000
Bills for Collection being Bills Receivable as per contra		62,58,000
Acceptances, Endorsements and Other Obligations as per contra		3,00,000
Other Liabilities (including Inter-Office Adjustments)		1,77,56,000
Total	Rs.	226,02,94,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,99,00,000
Balances with other Banks		4,20,54,000
Money at Call and Short Notice		60,00,000
INVESTMENTS—		
Government and other Trustee Securities	86,07,42,000	
Other Authorised Investments	10,63,57,000	96,70,99,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	88,95,02,000	
Bills Discounted and Purchased	9,63,45,000	
Bills Receivable being Bills for Collection as per Contra		98,63,47,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		62,58,000
Premises less Depreciation		3,00,000
Furniture and Fixtures less Depreciation		1,31,82,000
Other Assets (including Inter-Office Adjustments)		27,51,000
Total	Rs.	2,43,90,000
		226,02,94,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@		3½% Ten-Year Treasury Savings Deposit Certificates §	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49 ..	1,54	1,47	70	74	20,40	22,86	83,26	29,91	—	12,31		
1951-52 ..	1,76	6,08	77	2,91	22,05	66,81	1,07,55	74,18	—	27,55	15,10	15,89
1952-53 ..	1,63	6,84	66	3,27	23,66	84,18	1,12,36	91,01	—	31,06	7,54	23,64
July 1952	15	6,83	10	3,08	2,02	73,14	10,59	82,54	—	28,92	74	21,25
August ,,	15	6,40	8	3,11	1,76	74,45	8,61	83,76	—	29,16	65	21,89
September ,,	10	6,44	8	3,11	1,84	75,78	8,79	84,91	—	29,41	62	22,00
October ,,	11	6,43	5	3,14	1,71	76,77	8,36	85,25	—	29,69	56	22,02
November ,,	10	6,50	5	3,16	1,71	77,99	9,03	85,54	—	29,99	55	23,48
December ,,	8	6,51	3	3,16	1,88	79,34	8,45	85,95	—	30,23	45	23,94
January 1953 ..	10	6,54	4	3,19	2,02	80,77	8,33	86,09	—	30,51	58	24,48
February ,,	14	6,61	5	3,22	1,88	82,14	8,36	86,36	—	30,76	62	25,08
March ,,	82	6,84	9	3,27	2,66	84,18	13,75	91,01	—	31,06	60	25,64
April ,,	11	6,80	5	3,27	2,24	85,95	9,56	93,01	—	31,30	80	26,35
May ,,	12	6,83	4	3,29	2,08	87,57	9,55	93,80	—	31,52	66	27,00
June ,,	11	6,82	4	3,31	2,25	89,33	9,43	93,80	—	31,73	59	27,56
July ,,	1	6,73	11	3,38	2,23	91,02	10,26	95,23	—	32,03	66	28,20
August ,,	..	..	..	..	..	..	..	..	—	..	69	24,87

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *

(Base 1949-50=100)

Group and Sub-Group	Week ended 12-9-'53	10-10-'53	17-10-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90 2	90 3
1. Government of India	90.1	90.1	90.1
2. Indian States	95.5	95.5	95.5
3. Municipal, Port Trust, etc.	89.0	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	101.2	101 3
1. Electricity	102 5	102.5	102.7
2. Jute	98 9	98.9	98 9
3. Plantations	100 0	99 6	99 6
4. Sugar	100 1	100.1	100 1
5. Coal	90 6	90 6	90.6
6. General Engineering	101.7	101.7	101.7
7. Shipping	102 9	102 9	102 9
8. Others	100 2	100 3	100 3
PREFERENCE SHARES	87 0	87 1	87 1
1. Electricity	91 9	91 4	91 4
2. Cotton	84 0	84 1	84 0
3. Jute	85.7	86 0	85 9
4. Coal	92 4	91 6	91 6
5. Iron and Stee	89 2	89 6	89.7
6. Sugar	76.1	76 1	76.1
7. Paper	91.1	90 8	90 8
8. Plantations	87.5	87 5	87.8
9. Miscellaneous	85.2	85.5	85.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	91 6	92 6	93.1
a) Financial	85 2	85 9	86 0
1. Banks	84.7	85.2	85.2
2. Insurance	94 7	95.3	95.4
3. Investment Trust	71.1	73.2	74 4
(b) Utilities	107.1	108 5	108 5
Electricity	117 1	116 2	116.1
Shipping and other Transport	89 8	89 9	90 9
Railways	81.7	81 7	81.7
(c) Industrial	93.3	93.7	94.4
Cotton, Woollen and Silk	92 6	91.9	92.3
Jute	79 0	79 0	79.3
Iron and Steel	97.6	100 2	101 4
Sugar	149 0	143 8	149 4
Cement	74.0	74 0	74.1
General Engineering	103 3	105.9	104.2
Tea	85 0	85 0	85.7
Chemicals	92 8	94 6	93.4
(d) Non-Manufacturing Industries	88 0	89 9	92.8
1. Coal	74.1	74 0	74.1
2. Mining and Oil	117 0	127.1	130 4
3. Miscellaneous	80 3	85.3	85 6
(e) Miscellaneous	85.3	85.6	86.1
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.7	89.7
2. Calcutta	90 2	90 2	90 2
3. Madras	90.6	90.5	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.7	101.7	101.7
2. Calcutta	101.6	101.7	101.8
3. Madras	100.3	100.1	100.1
PREFERENCE SHARES			
1. Bombay	91.5	91.8	91.8
2. Calcutta	83.8	84.0	84.0
3. Madras	88.7	88.6	88.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	99.5	100.2	101.2
2. Calcutta	86.0	87.5	87.8
3. Madras	91.8	91.2	91.1
4. Delhi	86.1	87 5	88.3

Source: Department of Research and Statistics, Reserve Bank of India. †=Provisional.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,888	12,906,704
1951 ..	1,071	691,821	8,818,928
1952 ..	963	809,242	8,936,961
Eight months ended Aug., 1950	692	600,387	5,103,004
Do Aug., 1951	872	564,379	2,910,935
Do Aug., 1952	793	690,891	2,094,529
Do Aug., 1953	590	866,174	1,902,184
January 1952 ..	95	808,881	874,840
February ,, ..	88	68,180	210,607
March ,, ..	87	42,480	142,498
April ,, ..	134	69,437	284,846
May ,, ..	118	80,092	254,884
June ,, ..	101	89,351	257,082
July ,, ..	82	40,764	171,268
August ,, ..	88	68,588	148,533
September ..	96	57,878	460,553
October ..	96	76,181	340,618
November ..	87	48,766	273,245
December ,, ..	81	27,525	155,017
January 1953† ..	85	42,883	244,414
February ,, ..	45	26,477	124,411
March ,, ..	67	84,231	218,207
April ,, ..	71	48,931	216,240
May* ,, ..	88	85,617	276 216
June ,, ..	98	307,948(a)	257,080(b)
July ,, ..	79	43,713	108,346
August ,, ..	65	51,988	219,557

† Figures for 1953 are provisional. * Revised.
(a) Not known in two cases. (b) Not known in six cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1951-52 ..	578	5,948.1	4,849.0
1952-53 ..	614	6 301.4	5,134.3
February 1952 ..	571	480.7	391.0
March ,, ..	577	481.8	392.9
April ,, ..	581	514.4	418.1
May ,, ..	583	500.1	408.6
June ,, ..	588	534.0	429.7
July ,, ..	598	531.6	428.7
August ,, ..	597	533.8	430.6
September ,, ..	599	548.2	441.5
October ,, ..	605	529.7	436.4
November ,, ..	608	552.2	457.8
December ,, ..	611	535.5	441.8
January 1953 ..	614	496.8	417.4
February ,, ..	614	498.6	435.7
March ,, ..	614	534.0	458.1
April ,, ..	616	530.9	458.1
May ,, ..	620	560.4	459.2
June ,, ..	623	548.8	450.2

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	10th Oct., 1953	3rd Oct., 1953	11th Oct., 1952	September, 1953	September, 1952	Percentage of increase (+) or decrease (—) in Sept., 1953 as compared with Sept., 1952	1952	1951
Food Articles	390.4	378.7R	353.5	389.0	368.1	+ 5.6	359.8	409.8
Cereals	453	452R	441	470	459	+ 2.4	450	443
Pulses	466	450	530	477	519	— 8.1	443	506
Other	247	265	210	237	229	+25.3	225	290
Industrial Raw Materials	452.8	446.8R	454.6	478.3	459 8	+ 5.4	453.8	608.2
Fibres	418	398	439	419	451	— 7.1	454	622
Oil seeds	551	555R	616	515	438	+23.3	454	679
Minerals	442	455	456	459	451	+ 1.8	458	428
Others	371*	373*	352	374	336	+11.8	341	533
Semi-Manufactures	354.3	354.8	351.5	383 6	381.5	+ 3.5	346.5	377.5
Leather	384	391	370	399	393	+ 1.6	345	453
Mineral oils	227	227	226	227	226	+ 0.4	221	197
Vegetable oils	513*	503	455	572	461	+24 1	459	679
Cotton yarn	440	440	455*	444	458*	— 2 0	465*	452
Metals	223	223	222	223	220	+ 1.4	211	197
Oil Cakes	419	419	441	464	440	— 7.2	440	500
Others	301	301	264	309	301	+14 0	273	330
Manufactured Articles	363.8	363.9	378.3	364 6	370 3	— 1.6	377.5	395.5
Textiles	399	399	419	400	405	— 2 0	423	484
Jute	389	385	467	385	475	— 18 9	505	603
Cotton	410*	410*	409*	410*	389*	+ 5 4	401*	400*
Rayon and Silk	375*	375*	462*	390*	495*	—21 4	435*	611*
Woollen	310	310	240	313	279	+12 2	346	376
Metal products	337	337	343	337	332	+ 1.5	321	285
Others	285	286	294	285	296	— 3.7	298	300
Miscellaneous	728.6	715.3	627.0	717 4	629.8	+13 9	635.6	729.6
All Commodities	395 9	390.7R	385.9	403 8	389 0	+ 3 8	388.9	439.3

* Estimated. R=Revised

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	—	330	260	313	452	392	370	334	142	178	141	160	168
1952	142	337	259	310	441	380	351	330	143	174	142	155	150
January 1952	146	331	246	325	443	393	337	338	142	179	147	162	156
February ,,	144	334	243	318	441	382	340	336	141	179	145	155	155
March ,,	135	315	239	300	412	378	344	333	136	177	140	150	145
April ,,	141	345	242	321	413	377	339	326	148	169	138	153	144
May ,,	140	339	264	310	412	376	339	327	148	168	143	153	143
June ,,	140	338	263	309	434	377	342	330	143	171	141	153	148
July ,,	142	330	263	304	456	377	354	331	143	173	143	161	153
August ,,	144	340	267	312	468	380	369	334	143	178	143	160	157
September ,,	143	341	266	310	466	381	363	327	146	179	143	154	150
October ,,	144	343	274	311	466	380	357	328	145	176	139	150	156
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	156
December ,,	139	346	262	305	447	378	348	327	137

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,484	20,741
Wheat	,,	24,041	23,450	6,748	6,039
Jowar	,,	41,945	39,144	6,038	5,044
Bajra	,,	25,282	22,639	2,922	2,299
Barley	,,	7,500	7,835	2,664	2,298
Maize	,,	8,798	8,073	2,807	2,021
Ragi	,,	5,888	5,399	1,235	1,212
Gram	,,	17,267	16,857	4,711	4,298
Rabi Pulses*	,,	11,503	11,559	2,063	2,047
Small Millets	,,	12,170	11,834	1,932	1,891
Jute	bales	1,834	1,951	4,896	4,678
Cotton	,,	16,576	16,198	3,060	3,133
Sugarcane	tons	4,376	4,792	5,260	6,068
Groundnuts	,,	11,862	11,793	2,894	3,045
Linseed	,,	3,324	3,478	855	916
Castor seed	,,	1,849	1,428	107	105
Rape and Mustard Seed	,,	5,155	5,915	823	916
Sesamum (supp)	,,	5,751	5,845†	451	458
Tobacco (supp)	,,	793	712	219	205
Pepper	,,	203	202	22	23
Ginger	,,	46	47	14	18
Dry chillies	,,	1,280	1,344	801	841

Source: Ministry of Food and Agriculture.

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

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Sept., 1953	73.1
	Corresponding month 1952	70 0
	Three months ended Sept., 1953	219.6
	Corresponding period 1952	224.1
Stocks	At the end of Sept., 1953	119.4
	Corresponding month 1952	91.5
		(In 000 bags)
Exports (Jute Bags)	Week ended 19th Sept., 1953	31,42
	Corresponding week 1952	22.35
	From 1st Jan., to 19th Sept., '53	20,91,32
	Corresponding period 1952	29,46,40
		(In 000 yds.)
Exports** (Jute Cloth)	Week ended 10th Sept., 1953	80.53
	Corresponding week 1952	1,73.10
	From 1st Jan., to 10th Sept., 1953	01,19.28
	Corresponding period 1952	73,38.08
	RAW JUTE	(In 000 bales)
Exports*	Week ended 10th Sept., 1953	—
	Corresponding week 1952	—
	During May, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	Sept., 1953 (in lakh bales)	4.24
	Corresponding month 1952	4.06
	Three months ended Sept., 1953	12 78
	Corresponding period 1952	13.23

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952	11,80,000	10,67,100	7,99,200
Do. 31st March, 1953	11,58,000	10,61,900	7,91,800
April to September, 1953	4,65,600	4,27,900	3,05,500
July 1952	93,400	91,000	66,800
August ,,	90,500	90,600	67,700
Sept., ,,	94,200	88,300	64,500
July 1953	91,100	86,100	64,800
August ,,	94,100	83,400	63,700
Sept., ,,	94,200	91,100	61,900
Indian Iron and Steel Co.			
Jan. to Sept., 1953	2,81, 660	2,26,180	1,63,280
April 1953	52,210	30,980	19,000
May ,,	57,810	32,550	19,700
June ,,	25,740	25,940	13,700
July ,,	21,750	8,870	4,610
August ,,	20,230	7,710	4,190
September ,,	21,920	2,270	2,440

FOREIGN TRADE OF INDIA

Particulars	June,		Three Months, April, to June,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	12,48	24,69	43,50	60,70
Raw materials	16,79	13,95	47,74	61,68
Manufactures	20,12	22,67	68,42	79,24
Other items	21	52	1 00	1,99
Total	49,60*	*61,82*	160,66*	219,61*
By land	1,70	1,47	3,07	4,52
Total Imports	51,30	63,29	163,73	224,13
Exports :				
By sea and air—				
Foodstuffs	9,18	11,82	26,57	37,37
Raw materials	8,71	12,11	30,08	37,26
Manufactures	20,21	23,90	58,55	72,33
Other items	80	1,01	3,00	1,05
Total	38,85	48,14	116,20	147,98
By land	88	9,55	1,15	9,27
Total Exports	39,73	57,69	117,35	147,25
Total Re-exports	88	86	1,58	1,03
Balance of trade in merchandise	— 14,25	— 11,29	— 50,24	— 76,18
Balance of transactions in Treasure				
Total visible balance of trade	— 14,25	— 11,29	— 50,26	— 76,15
Imports : ‡				
Total C'wealth countries	22,59	22,85	69,30	67,16
Total Foreign countries	27,01	39,27	91,36	152,45
Exports : ‡				
Total C'wealth countries	18,92	21,68	54,66	65,29
Foreign countries	19,43	26,46	61,84	72,89

Trade value of certain special imports of foodgrains and stores figures of which are not yet available.
‡ Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953	June, 1952	May, 1953	June, 1953
Eastern Zone																					
Bamra	x	163	176†	x	142	142	x	127	132	x	132	137	x	118	105†	x	x	x	x	102	98
Malbazg	270	x24	218	148	167	160	195	189	199†	200	191	196	125	125	126	235	199	199	286	310	310
Shankargarh	157	181	181	137	139	139	149	169	194†	149	168	186	120	113	113	150	120	120	191	194	194
Sonaili	197	374	374	158	198	197	121	134	149†	141	187	197	89	89	89	138	130	129	144	137	168†
Northern Zone																					
Multapi	116	131	139	115	158	156	169	183	185	148	169	171	123	123	123	162	166	166	159	200	200
Nana	219	257	232†	86	93	96	129	125	156†	137	141	145	104	114	114	217	215	215	176	209	205
Salamatpur	217	224	244†	197	178	178	176	226	241†	188	218	231	145	128	135	214	156	160	243	200	200
Southern Zone																					
Krishna	144	153	163†	149	159	165	154	154	163†	149	155	165	101	100	98	168	122	122	136	155	161
Lakh	181	206	209	172	175	155†	153	163	174†	160	172	181	116	134	136	138	133	134	207	175	176
Malur	171	210	218	128	143	147	137	154	165	143	164	172	97	100	100	195	195	195	163	172	171
Manigoda	268	208	207	265	240	204†	197	194	201	219	206	214	129	122	125	206	184	184	222	190	189
Kudehi	259	229	244†	252	267	262†	202	198	216†	222	217	234	129	129	120	139	139	139	259	281	279

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 22nd October, 1953	8,065
	Corresponding week, 1952	12,149
	1st Sept., to 22nd Oct., 1953	1,00,459
	Corresponding period, 1952	2,13,443
Cotton Exports	Week ended 22nd October, 1953	1,911
	Corresponding week, 1952	2,663
	1st Sept., to 22nd Oct., 1953	9,556
	Corresponding period, 1952	60,633
Mill Consumption	1st Sept., to 22nd October, 1953	1,42,000
	Corresponding period, 1952	1,45,400
Stock (with exporters dealers and mills)	On 22nd October 1953	3,51,550
	Corresponding date, 1952	4,92,151
Karachi (Pakistan)*		
Receipts	Week ended 17th October, 1953	20,918
	Corresponding period 1952	25,103
	1st Sept., to 17th Oct., 1953	43,799
	Corresponding period, 1952	61,086
Exports	Week ended 17th October, 1953	22,427
	Corresponding period, 1952	22,387
	1st Sept., to 17th Oct., 1953	80,001
	Corresponding period, 1952	77,687

Particulars	From 1st Sept., to 20th Oct., 1953 Bales	From 1st Sept., to 20th Oct., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	197	677
Continent	1,477	21,07
China	143	
Japan	8,534	
U.S.A.	330	
Other Countries	234	
Total to all foreign countries	10,915	
Coastal Ports	9,351	

Particulars	Period	
Consumption of Cotton—		
Indian	July, 1953	33,01,0
Foreign		7,79,967
Indian	Eleven months September 1952 to July, 1953	27,11,050
Foreign		9,83,189
Stocks (Mills and Elsewhere)—		
Indian	As on 30th July, 1953	10,95,873
Foreign		2,40,344
Indian	As on 30th July, 1952	12,86,668
Foreign		4,23,238
	Week ended 16th Oct. 1953	1,301
	Corresponding week 1952	184
Cotton Pressed †	1st Sept., to 16th Oct. 1953	11,015
	Corresponding period, 1952	12,450

* As reported by the Karachi Cotton Association Ltd. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,03,64,000	1955-60	102½
4 % Bonds	1926-33	63,30,26,000	1960-70	101¼
3 % Loan	1938-39	1,16,17,46,000	1963-65	93⅛
3 % Loan	1950	30,33,10,000	1964	92¼
3 % Loan	1945	1,10,11,78,000	1966-68	90¼
2½ % V. Loan	1944	1,14,06,89,000	1957	98
3 % Loan	1945	1,15,05,83,000	1970-75	88¼
3 % Loan	1945	1,13,65,64,000	1959-61	96¼
2½ % Loan	1931	30,35,63,000	1958	98¼
2½ % Loan	1946	45,63,07,000	1960	91⅜
2½ % Loan	1946	57,00,69,000	1961	90⅜
2½ % Loan	1946	35,06,06,000	1934	98⅛
2½ % Loan	1946	14,77,48,000	1976	81⅛
2½ % Loan	1947	75,86,72,000	1942	98⅛
2½ % Loan (C.N.P. Bonds)	1948	60,45,01,000	1955	98⅛
	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82⅛
3 % Loan	1946	248,91,90,000		82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100⅛
4½% Loan	1928	3,85,20,000	1958-68***	103
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99¼
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,15,000	1st Aug. 1963	93
3 % Bombay	1950	3,01,87,700	31st July 1960	94⅜
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1953	3,66,72,700	1st Aug. 1964	101¼
3 % Cochin	1943	30,00,000	1st Oct. 1955-58	99
3 % Cochin	1945	1,00,90,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 % Madras	1939	3,29,74,600	21st June 1959	93⅜
3 % Madras	1942	1,23,25,800	18th Sept. 1955	99¼
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98-8½
3 % Madras	1944	1,08,00,000	15th Aug. 1958	97
3 % Madras	1945	2,12,19,000	14th Sept. 1960	93
2½% Madras	1946	3,90,93,700	1st Sept. 1961	91⅜
3 % Madras	1950	4,47,00,000	31st July 1962	93⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	100⅛
4 % Madras	1952	3,00,00,000	1st Aug. 1964	100⅛
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104⅛
3 % Mysore(J)	1933	2,93,85,200	1st Dec. 1951-43	100⅛
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1943	3,08,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 % M.P.	1943	50,00,000	18th Sept. 1955	99⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,28,800	15th Sept. 1961	91⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	94⅛
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
3½% M.P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	3,93 81,600	14th Sept. 1960	98⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	90,00,000	16th Aug. 1954	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1934	1,61,96,500	15th Sept. 1961-66	99⅛
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97⅛
3 % U.P.	1946	2,59,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,02,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
3 % W. Bengal	1953	3,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1903	1963	
15,00,000	4	1906	1967	
44,00,000	4	1907	1967	
75,00,000	4	1908	1968	97⅛N
40,00,000	4	1909	1970	
34,00,000	4	1910	1970	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,819	4	1913	1973	D
80,00,000	4	1913	1974	99⅜N
88,25,000	4	1914	1975	99N
60,00,000	4	1915½	1960	
55,00,000	4	1915½	1960	
61,61,000	4	1922½	1960	
11,51,000	4	1924½	1960	
10,25,000	3½	1926½	1960	
35,00,000	3½	1929½	1959	
12,50,000	3½	1930½	1960	D
12,50,000	3½	1931½	1961	
13,50,000	3½	1932½	1962	
24,58,900	3½	1933½	1975	
15,00,000	3½	1934½	1974	
48,04,000	3½	1936½	1960	
19,00,000	3½	1938½	1968	
7,00,000	3½	1941	1971	

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
40,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50,00,000	4	1904	1964	97⅛N
50,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	97⅛N
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97⅛N
50,00,000	4	1914	1974	
50,00,000	4	1915	1975	D
40,00,000	5	1919	1957-79	113N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	113N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95⅜N
£315,000	4	1910	1970	£95⅜N
Rs.	**CALCUTTA**			Rs.
90,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
15,00,000	5	1934	1964	108
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
30,00,000	3	1937	1967	88
20,00,000	3	1938	1943-68	88
80,00,000	4	1952	1962	100

IMPR. TRUST LOANS

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
49,40,000	4	1913-14	1954	99⅛
20,60,000	4	1913-15	1974	99⅛
30,00,000	4	1914-15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	4	1924	1954	102⅛
23,00,000	5	1928	1955	
26,14,000	5	1929	1949-59	103
8,45,500	5	1929	1954-59	110
24,21,500	5	1930	1979	102⅛
6,25,00,000	3½	1947	1977	87
2,50,00,000	3½	1949	1979	87
4,00,00,000	3½	1950	1965	91⅜
2,50,00,000		1952	1966	90
2,00,00,000	3½	1951	1966	97
Rs.	**CALCUTTA**			Rs.
34,45,500	6½	1925	1955	103⅛
84,70,000	5	1928	1953	104
36,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
10,00,000	5	1929	1958	103⅛
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1945	93⅛
60,00,000	3	1936	1956	89⅛
1,46,100	3	1936	1953	99⅛
3,11,400	3	1937	1954	99⅛
4,67,100	3	1937	1954	99⅛
1,62,500	3	1937	1954	99⅛
4,18,100	3	1937	1954	99⅛
47,50,000	3	1938	1958	88
10,67,700	3	1938	1968	88
13,36,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1972	99⅛
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1966	96
66,88,000	3½	1951	1966	92
50,00,000	4	1952	1962	99⅛
STERLING LOANS				
£292,600	5	1923	1953-83	£86⅛
£701,000	5	1924	1954-84	£86⅛
£835,100	3½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1913	1982	
32,14,994	4	1917	1982	
3,31,489	4	1918	1982	A
2,42,931	3	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
3,32,322	48	1922	1952	M
4,47,597	5½	1923	1952	
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. *Loans held entirely by the Trustees. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1953. **Quotations in Pak. Currency. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	130	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	110	100
†East India Distilleries	£300,000	1897	7	Jan. July	155	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	77	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	75	100
Purtabpore Co.	6,00,000	1932	10	Oct.	153	10
Ramnagar Cane	4,00,000	1933-36	6	Aug.	103	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	70	100
South Behar Sugar	5,00,000	1936	3(a)	Oct.	60N	100
Travancore	15,00,000	1946	5(c)	Dec.	98	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	3(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	12,99,800	1901-19	7	Oct. Apr.	120	100
Do. (2nd)	4,50,000	1946	6(a)		88	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100
Karanpura Collieries	15,00,000	1946	5(a)	Dec.	83	75(pp)
††Khas Kajora	1,93,000	1931	3	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12 xd	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	$	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basani Cotton	3,00,000	1938	6½	Nov.	7	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	88	100
Bradbury	14,71,000	1919	7	June Dec.	120½	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	137	100
Cambodias	1,00,000	1928	7	Apr.	129	100
Central India	50,00,000	1912	5	Apr. Oct.	518	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	124	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	98	10
Elphinstone	24,00,000	1919	7(a)	May Nov.	88	100
Kesoram	20,00,000	1919	7	June Dec.	132	100
Khatau Makanji	10,00,000	1925	6	Nov.		100
Do. (2nd)	14,35,819	1947	4	Dec.	89½	100
Kothari	12,00,000	1937	6	Nov.	104	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)		233½	250
Morarjee Gooculdas Spg. & Wvg	17,25,000	1947	4½	January	78	100
Muir Mills	30,00,000	1900	6	Jan. July	107	100
Mysore Spg.	7,45,050	1944	4½			50
New Great	8,00,000	1913	5½(a)	Mar.	185	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb.	79	100
Rajalakshmi	2,00,000	1932	6½	Apr.	56	50
Shree Nivas Cotton	4,80,000	1944	4			100
Sholapoor	32,00,000	1943	3(a)		80	100
Svadeshi	15,00,000	1935	5	Apr. Oct.	114	100
Swadeshi (Kanpur)	35,00,000	1927	6	June	90	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	120cd	100
Do. (2nd)	1,50,000	1938	6		109½cd	100
Vishnu	15,66,500	1908	7(a)	Apr.	528	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	(a)	May Nov.	1,212½	1,000
Calcutta Electric	£1,900,000	1909-11	5(i)	June Dec.	11⅛	£1
Cauvery Electric	1,00,000	1940	5	Dec.	9	10
Nasik-Deolali Electric	1,00,000		7	Mar.	—	100
Poona Electric	4,00,000	1935	7(a)	June Dec.	105	100
South Arcot	3,00,000	1933	6	Jan. July	92⅜	100
South Madras (1st)	6,00,000	1940	5½	July Nov.	9 xd	10
Do. (2nd)	8,00,000	1940	5½		9 xd	10
Surat Electric Co.	4,00,000	1939	6	Apr.	130	100
Tata Hydro-Electric Power	89,28,000	1907	7(a)	May Nov.	17 xd	100
Tata Power	89,28,000	1918	7½(a)	May Nov.	1,320	1,000
Vellore	1,25,000	1928	6	Sept.	82 xd	100
Vizag	1,00,000	1933	6½(a)	Sept.	82½	100
ENGINEERING						
Arthur Butler (Mozaffarpore)	1,30,000	1919	7	Mar.	9½	10
Burn & Co., Ltd. (1st)	13,00,000	1895-98*	7	Feb. Aug.	133	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. F=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors o Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2-7/8	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,23,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49	100	6 0	6 0	Nil		3	Y.P.T.
50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd. ..	1,82,072	4,855	Bombay Dyeing & Mfg. ..	384½	250	17 8	20 0	20 0	7 8(I)	12	Y.
10,00,000	27,23,759	54,19,315	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	723	250	75 0	100 0	100 0	100 0	3	Y.
1,09,42,800	2,08,18,653	2,47,74,311	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	269	100	18 0	20 0	20 0	8 0(I)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	3,066(d)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	65	100	Nil	Nil	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd. ..	27,308	680	Cowasjee Spg. & Wvg.	107½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	50	Nil	6 0	6 0	6 0		12	Y.
84,00,000	24,00,000	62,31,113	57,35,000	5,622	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	226½	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mutrej & Co., Ltd..	44,768	886	Elphinstone Spg. & Wvg. ..	44½	50	4 0	5(d)	3 0		12	Y.F.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	251	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0	225 0(*)	3	Y.P.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—31,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	10½	250	43 12	50 0	50 0	56 4(*)		
80,00,000D.									1-7/8	10	0 12½	1 1½	Nil		12	Y.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co.	47,172	1,191	Indian Mfg.	3,370	1D	0 2	0 4½	Nil			
29,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd. ..	77,404	1,517	Khatau Makanji Spg. & Wvg.	177½	1,000	175 0*	200 0*	200 0*	225 0(*)	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	292½	500	87 8	100 0	100 0	112 8*		
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	90	100	12 0	14 0	14 0	16 0(I)	12	Y.
3,60,000B										100A	7 8	5 1	6 4			
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	100B	5 8	3 1	4 0		6	Y.P.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,666	Pirsmal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	182½	30	4 0	7 0	5 0		10	Y.T.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.			Nalinee Rayon Corporation ..	119	100	17 0	15 0	12 0		6	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,033	W. H. Brady & Co., Ltd.			New City of Bombay Mfg. ..	150	Nil	Nil	Nil	Nil		12	Y.P.
30,00,000	21,71,710	86,82,523	59,84,624	70,776	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	156	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	33,720	873	New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	117½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	122½	100	9 0	10 0	10 0		12	Y.P.
3,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd. ..	9,320	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,37,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	25	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Maneer Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills ..	170	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	134	50	14 0	17 0	15 0(c)	15 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons ..	53,893	1,633	Standard Mills	311½	100	15 0	20 0	20 0		12	Y.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	63,040	2,000	Tardeo Mills	100	100	15 0	16 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	352	Swan Mills	312½	100	20 0	25 0	30 0		12	Y.
32,54,418	59,57,268	68,88,347	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	42	25	2 0	4 0	2 0		12	Y.T.
12,00,000	60,55,708	98,62,654	75,30,000	6,246	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spg. & Mfg. ..	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
33,00,000	42,60,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	140	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	87,76,211	50,75,000	50,75,000	3,872	F. M. Hutheesing & Sons, Ltd. ..	42,768	912	Aruna Mills	445	100	15 0*	20 0*			12	Y.P.
21,00,000	2,07,45,673	1,18,76,139	76,33,000	1,309	Mewalram Vaishnav & Co.	62,448	1,216	Arvind Mills	1,194½	100	25 0*	25 0*			12	Y.P.
20,00,000	40,85,169	76,03,158	31,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg. ..	320	200	30 0	35 0*	35 0		12	Y.P.
12,00,000	1,00,27,000	82,29,938	1,05,810	1,65,453	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	473½	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,003	Ramkrishna Ramchandra Ltd. ..	1,39,120	2,400	Calico	121½	100	18 0	18 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,23,000	4,883	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	1,015	300	35 0	70 0	70 0		12	Y.
19,00,000	70,78,334	96,79,763	74,68,370	1,793	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg. ..	615	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	648	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	762½	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,310	Ambalal Sarabhai Group	46,680	1,095	Ahmedabad Spg. Wvg. & Mfg.	110	100	15 0	20 0	Nil		12	Y.P.
82,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd. ..	33,156	640	Rohit Mills	122½	100	30 0	9 0	9 0		12	Y.P.
24,90,150	1,18,64,544	1,01,07,709	77,25,000	1,23,251	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	321½	50	15 0	18 0	16 0		12	Y.P.
19,52,500	32,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd. ..	34,576	816	Vijaya Mills	497½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3½	10	0 8	0 3	Nil		12	Y.P.T
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd. ..	28,448	936	Bengal Luxmi Cotton Mills ..	37N	40	Nil	Nil	3 0		3	Y.P.T
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	275	100	Nil	Nil	Nil		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	174	100	Nil	7 0	Nil		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,332	1,990	Kesoram Cotton Mills	19½	15	1 14	1 14	1 12		3	Y.P.
59,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil	Nil		12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	6½	10	0 14 2/3	0 9 3/5			12	Y.P.T.
71,94,400	51,73,099	1,90,39,719	45,37,372	18,450	Industrial Trust Fund, ...	19,944	440	Azam Jahi Mills	67N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,543	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270	100	17 8	20 0	15 0	10 0(I)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills ..	13	10	1 4	Nil	0 8		6.12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	38N	10	2 8	2 8	3 0		3	Y.
1,78,47,800	1,57,95,696	5,14,83,372	2,64,81,355	2,39,790	Binny & Co. (Madras), Ltd. ..	1,19,916	2,781	Buckingham & Carnatic	120½	100	6 14	7 8	4 0	4 0(I)	12	Y.P.T.
20,00,000	16,31,836	50,52,641	16,31,870	53,399	Perrea, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	11½	10	Nil	1 4	1 0		12	Y.P.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	39½	100	2 0	3 0	2 0	0 9	3	Y.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	139½	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	118	100	7 0	6 0	9 0		12	Y.
20,76,900	4,40,356	1,10,86,516	66,17,387	—4,70,999	R. S. S. Naidu & Co.	19,700	..	Coimbatore Spg. & Wvg.	38½	100	2 0	5 0	Nil		6	Y.P.
46,87,500	92,97,281	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	162	100	8 0	8 0	8 0		6	Y.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	73,604	1,830	Delhi Cloth & General Mills ..	31½	25	1 0	2 8			6	Y.P.
1,00,503										24	Nil	0 8	0 4			
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	188	100	25 0	20 0	10 0		12	Y.
43,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd. ..	32,652	1,198	Elgin Mills	17½	10	1 2	1 8	1 8		9	Y.P.
39,04,700	43,10,000	82,22,387	60,30,000	1,03,375	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	239xd	100	10 0	14 0	17 0*	5 0(I)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore) ..	50,420	1,420	Indore Malwa United	88½	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	O. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	62½	50	5 0	7 8	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	13,824	..	Kothari Textiles	108	10	0 11	0 12	0 12		12	Y.
32,00,000	70,43,343	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakhshmi Cotton Mfg.	360	250	37 8	50 0*	37 8		6	Y.P.
33,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	77	50	4 0	4 0	3 0	3 0	12	Y.
1,44,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & P. Harvey Ltd.	4,64,748	..	Madura Mills	39½	25	2 0	2 0	2 8	2 8	3	Y.
12,00,000	4,17,363	24,32,416	15,32,690	—22,590	A. L. A. R. S. Chettiar and 2 others.	21,856	..	Malabar Spg. & Wvg.	126	15	1 4	1 8	1 8		12	Y.
40,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd. ..	24,252	603	Mettur Industries Ltd.	194	200	8 0	12 0	8 0		12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	23,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	91	100	25 0	12 8	12 8	12 8	3	Y.
94,91,850	25,59,837	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	140	100	6 0	10 0	7 8		6	Y.
30,00,000	32,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	86,318	1,834	Muir Mills	209	150	Nil	Nil			12	Y.P.
19,86,800	66,50,072	93,64,233	59,85,374	42,197	N. Sirur & Co., Ltd.	49,632	500	Mysore Spg. & Mfg.	120	50	10 0	9 0	10 0*	10 0*	3	Y.P.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naik	6,000	..	Mysore Spun Silk Mills	6	10	0 8	0 10	Nil	Nil	3	Y.
22,89,883O	25,62,533	98,01,625§	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	1½	O. 25	Nil	Nil	Nil		12	Y.P.
3,07,095D										Nil	Nil	Nil	Nil			
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanabad Mills	85N	100	5 8	6 8	7 0		9	Y.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi& Co.	22,800	..	Palani Andavar Mills	64½	50A	3 0	8 0	7 8		12	Y.P.
6,00,000B									89	50B	7 8	12 0	11 4			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	69	100	7 4	3 0			12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	38,864	200	Radhakrishna Mills	138½	100A	16 0	16 0	6 0		12	Y.
8,40,600B									78½	50B	8 0	8 0	6 0			
13,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	78½	50	4 8	3 0	Nil		12	Y.P.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	32,580	600	Raza Textiles	4½	10	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,338	O. Lilladhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75½	100	5 0	6 0	6 0		3	Y.
7,79,700	2,24,959	21,50,228	16,08,113	3,083	T. R. A. Iyer & Bros. Ltd. ..	18,416	416	Sitaram Spg. & Wvg.	36	60	Nil	3 0			3	Y.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg. ..	1,610	1,000	Nil	Nil	Nil		3	Y.P.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills ..	46½	500	4 0*	4 0*	3 0*	4 0*	3	Y.P.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.	27,340	992	Sutlej Cotton Mills	37N	50	4 0	4 0	4 0		3	Y.
17,50,000D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	9½	10	Nil	Nil	Nil		12	Y.P.
1,57,50,000 PO									9½	10P.O.	0 14 2/3	0 14 2/3	14 2/3			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,353	Empeeta & Sons (Travancore), Ltd.			Travancore Rayons	5½	10	Nil	Nil	Nil	Nil	12	Y.P.T.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Rampee & Sons	16,000		Trichinopoly Mills	9	10	1 0	1 0	1 0	1 1/5	12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	370	Vasanta Mills	160	100	9 0	10 0	12 0		12	Y.P.
32,00,000	50,43,559	1,20,63,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	136½	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus.

(*d*) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profits by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(*e*) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(*g*) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

(*b*) Subject to taxation and workers' bonus.

(*c*) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9	25	Nil	2 13/4	Nil		5	Y.P.
16,20,630	14 30,304	22,75 857	9,87,293	13,649		Dyer Meakin Breweries ..	20½	10	Nil	1 2/4	Nil		3	Y.
£60,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	15¾	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B							21	B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil		8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	159½	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
£1,37,700A	8,71,294	72,62,714	23,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39 63,334B							10¾	B. 10	0 6	0 12	0 12			
43,16,600O	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd. ..	Assam Benga Cement ..	3½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D							1	D. 1	Nil					
60,56,20,438	4,95,07,009	15,63,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	17½	100	8 8	9 8	9 8		7	Y.
60,00,000O.							7½	O. 10	0 8	0 10	0 10			
26,49,797O.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	1	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D.			

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		Rs. a.
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	41½	25	1 4	1 9	1 9		6.12	H.P.T.
									1 4	1 9	Nil			
50,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	175	100	5 0	5 0	5 0		3.9	H.
25,00,000	13,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14⅜	10	0 8h	0 12	1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	37	10	1 8	1 0	1 0		3.9	H.P.T.
									0 8	0 12	0 12			
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	0 10	0 12	0 12		6.12	H.P.T
80,00,000	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½	O. 10	Nil	Nil	0 4		3.9	H.P.T.
10,00,000A.							9½	A. 10	Nil	0 4	0 4			
							37½	A. 10	1 0	1 0	1 0			
56,00,000A.									0 14*	1 0*	1 0*	1 0*†		
86,04,800B.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	37½	B. 10	1 0	1 0	1 0	1 0*†	3.9	H P
4,37,500P O.									0 14*	1 0*	1 0*			
							4⅜	P.O. 21	0 2	0 2	0 2	0 2†		
PRESSING														
8,00,000	5,92,365	15,58,964	10,46,391	30,068	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	90,000	6,89,325	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	6 0	6 0	7 0		7	Y.
3,00,000	1,45,000	11,21,900	9,31,372	20,327	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,780O.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½	O. 10	0 9 3/5	0 9 3/5	0 8½		9	Y.P.
8,00,000D.							31½	D. 100	Nil	Nil	Nil			
60,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd.	Port Canning Land	100		Nil	3 0	2 0		4	Y.
94,00,000	33,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Mukherpore Zamindary	33½	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading	319½	Old 125	15 0	37 8	22 8	5 0(†)	3	Y.
							121½	New 50	6 0	15 0	9 0	2 0(†)		
6,00,000	....	2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	5 0	Nil			6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,436	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A.	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	120N	A. 100	6 4	10 0	10 0		4	Y.
9,00,000B							114N	B. 10	0 10	1 0	1 0			
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8⅛	7½	Nil	0 10	0 12		9	Y
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	16½N	10	1 0	1 8	1 8		6	Y.P.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	7⅛	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	35,34,712	96,28,542	75,34,740	81,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	36	10	2 0	3 0	2 0		10	Y.P.
18,00,000	33,12,562	63,47,856	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	24	10	1 8	2 0	2 0	1 0	6	Y.
88,00,000A.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd...	Hindustan Sugar Mills	130N	A. 100	6 0	9 0	12 0*		6	Y.P.
10,00,000O.							....	O. 100	6 0	9 0	12			
							52	10	3 0	4 0	Nil		6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co...	Kesar Sugar	25N	40	1 8	2 0	Nil		7	Y.P.
7,89,100	17,03,034	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	27	10	1 0	2 8	2 8		6	Y.P.
11,00,000	4,20,000	36,39,370	33,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Saven	6⅛	10	0 8	1 0	1 0		6	Y.
1087,500 A.	45,66,096	53,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N	100	15 0	20 0	20 0		6	Y.
2,71,875 B.							45N	25	3 12	5 0	5 0			
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 0	11 0	6 0		7	Y.P.
12,00,000	12,71,178	28,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	95N	100	6 0	10 0	10 0		10	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,433	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	14⅜	10	1 0	2 0	1 0		10	Y.P.
8,00,000	6,04,162	23,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	17⅜	10	1 8	2 8	1 0	0 8	6	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	133xd	10	1 0	1 0	1 0	0 8	3	Y.P.
20,00,000	20,68,360	1,03,36,230	49,36,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	0 6	1 0	1 8		6	Y.
9,99,950	61,823	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6⅜	10	Nil	Nil	0 6⅜		3	Y.P.
6,50,000O.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	11N	O. 10	Nil	Nil			6	Y.
1,75,000D.								D. 25	Nil	Nil				
8,00,000	10,96,720	70,75,580	33,99,756	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	20N	10	1 12	2 0	1 8		6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	13½	10	0 4⅜	2 0	2 0		9	Y.P.
Other Centres														
44,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd.	Belapur Company	264	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,644	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	5 0	3 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,778	3,71,334	India Sugar and Refineries	India Sugar and Refineries	22½	10	1 8	1 0	1 0		9	Y.P.
								5	0 12	1 4	1 4			
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Goyen Bros. (Rampur), Ltd.	Buland Sugar	103N	10	0 12	1 0	0 12		10	Y.
21,79,280	90,00,000	94,96,051	82,24,358	8,37,295	A. G. Bandi Oswals, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		6	Y.
50,00,000	46,49,631	1,03,94,086	30,12,837	3,18,594	Mafatlal, Apte and Kanuilal Ltd.	Phaltan Sugar	105	50	8 0	8 0	8 0		9	Y.
16,59,820	23,50,939	44,74,150	22,24,449	1,61,435	Anderson Wright Ltd.	Ramnagger Cane and Sugar	18⅜	10	0 9⅜	0 12	0 12		3	Y.P.
80,00,000D.	24,67,609	74,55,840	43,71,339	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N	O. 50	7 0	9 0	10 0		9	Y.P.T.
4,00,000D.							7N	D. 10						
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Goyen Bros. (Rampur), Ltd.	Raza Sugar	101N	10	1 0	1 4	0 12		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	4⅞	10	Nil	Nil	Nil		7	Y.
77,50,000A.	42,73,988	1,72,24,516	86,34,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	148⅛	A. 100	12 0	14 0	14 0		9	Y.P.T.
83,50,000O.								O. 100	12 0	14 0	14 0			
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	155	100	10 0	12 8	13 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	91	100	3 0	4 0	5‖0		10	Y.
£655,580	£1,133,737	£5 428,105	£3,512,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	72	£10	Nil	Nil	Sh.10		12	Y.P.
8,25,00,000	36,99,233	5,87,93,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	72	10	Nil	Nil	0 8		3	Y.P.T.
6,59,62,018	3,81,43,387	12,58,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	14–6⅛	15	Nil	Nil	Nil		6	Y.P.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,543	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		9	Y.
25,00,000	1,00,000	25,18,130‖	8,079	8,955	Desai Sons, Ltd.	Devkaran Nanji Investment Co.	23	10	0 12	0 12	0 12		12	Y.
14,96,150	3,81,231	24,74,147	14,08,040	4,423	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	4 0		3	Y.
99,99,250	18,35,375	1,26,92,333‖	10,053	1,83,258	Premchand Roychand & Sons	Industrial Investment Trust	66	100	4 0	4 8	4 8	Nil	3	Y.P.
84,99,025	18,74,220	12,58,924	2,67,084	2,833	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	157	100	8 8	9 0	10 0	4 0(†)	3	Y.
							121½	75	2 2	2 8	2 8	2 0(†)		
8,04,71,500A.	3,64,451	2,20,52,504	63,60,813	4,52,797	Asro-Auto Ltd.	Premier Automobiles	39½	A. 100	Nil	Nil	Nil		6	Y.
10,00,000B.							—	B. 10	Nil	Nil	Nil			
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40	20	2 0	3 0	3 0		6	Y.
8,20,00,000	1,39,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)	Western India Match Co.	241½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
67,50,000O.	15,00,000	1,36,93,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	41	O. 10						
8,50,000D.							2	D. 25	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	176	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	22	10	1 4*	2 4*	1 4*		8	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	48	10	0 9 3/5	0 9 3/5	0 9 3/5		12	Y.
30,00,700O.	97,71,800	93,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	228	O. 100	20 0*	23 0*	26 0*	5 0(†)	12	Y.P.T.
10,00,000D.							—	D. 40	6 0	8 0*	6 0*			
20,00,000	8,38,806	54,303,140‖		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	10	10	1 2	1 4	1 4		9	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	F. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	104	10	2 0	3 0	3 0		12	Y.P.
3,23,00,000	1,05,00,000	2,23,59,029	1,84,14,167	4,13,662	Sir Robert Menzies	British India Corporation Ltd.	8⅜	5	0 12	0 12	0 12	0 8	9	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Steck, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	30‖	10	2 0	3 0	3 0		12	Y.P.
51,26,000	47,57,061	1,26,53,420‖	....	9,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	141‖	100	9 0	9 0	8 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	178	100	10 0	12 8	20 0		3	Y.
									10 0	15 0	10 0		3	
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	10 0	10 0		3	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	261	250	15 0	15 0	10 0		3	Y.
12,42,800	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	8 0		3	Y.P.
4,96,12,650	1,92,800	2,61,59,292	37,52,719	3,47,263	Birla Bros., Ltd.	Hindustan Motors	....	....	Nil	Nil	Nil		12	Y.P.T.
1,60,00,000	38,65,000	3,07,18,953	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	100	3 8	5 0	5 0		3	Y.
1,52,89,220	99,40,984	57,92,690	32,51,748	9,29,556	D. J. McIntosh, Esq.	Indian Cables	20⅜	10	2 8	1 0	3 0		12	Y.P.
8,27,970	5,38,000	14,39,460	7,97,308	38,565	O. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	128	10	1 0	1 0	1 0		3	Y.P.
8,00,00,000	37,45,280	29,81,477‖	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	117	100	10 0	10 0	10 0	0 12	3	Y.P.
4,34,0000.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2	O. 5	Nil	Nil	Nil	7 8	3	Y.P.
66,000D.								D. 10						
40,00,000O.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	129 N	O. 100	12 8	12 8			3	Y.
8,00,000D.O.								D.O. 10	0 12	0 12				
1,30,55,750	30,19,025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	18⅛	10	1 4	1 4			12	Y.P.
6,35,255	1,74,934	7,74,805	2,66,943	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4⅛	10	0 10	1 0	1 6		9	Y.
4,88,040	8,84,829	3,71,621	3,03,009	2,059	O. Chandy, Esq. (Controller)	Mysore Lamp Works	16⅛	10	1 0	1 0	Nil		12	Y.
10,00,000	....	11,45,854	3,93,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	9⅛	10	Nil	1 0	1 0	1 0	3	Y.P.
20,00,000	23,16,171	50,16,078	28,75,987	11 045	Associated Industrial Development Co., Ltd.	National Insulated Cable	14	10	0 8	0 8	0 12		3	Y.T.
							9⅛	10	0 4	0 8	Nil			
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,033	B. N. Elias & Co., Ltd.	National Tobacco Co.	9⅛	10	0 8	0 8	Nil		3	Y.P.T.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4⅛	2	1 9 3/5	0 10	0 4⅛		12	Y.P.
8,25,00,000	25,18,049	1,69,49,507	37,39,370	24,847	G. U. Euthymopulo, Esq.	Rallis (India) Ltd.	62⅛	100	8 8	10 0	10 0		12	Y.P.
1,14,00,000	78,33,108	6,09,39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Robtas Industries	9⅛	10	Nil	0 12	1 0		8	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	2,36,152	Spencer & Co., Ltd.	Spencer & Co., Ltd.	14½xd	10	1 0	1 0	1 0		12	Y.P.
75,00,000	35,00,000	12,11,901‖	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	10⅛	10	1 0	1 0	1 0	0 8(†)	6	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3⅛	10	0 6⅛	Nil	Nil		12	Y.P.

‖ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acres under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		Rs. a.
ASSAM															
4,45,700	5,02,362	8,88,306	3,86,105	....	McLeod & Co., Ltd.	825	Amlookie	348N	100	25 0	Nil			12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	13⅛	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	24½	10	4 0	3 0	Nil		12	Y.
5,30,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	11⅞	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,40,132	2,37,561	61,629	Andrew Yule & Co., Ltd.	369	Basmatia	30½	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	536	Batell	13⅜	5	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Benjan	27½	10	3 8	0 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	31	10	3 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	4⅛	10	0 8	Nil	Nil		12	Y.P.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	430	Borrnah Jan Tea	10½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	87,990	Brooke Bond India Ltd.	2,670	Brooke Bond	12½	10	1 0	1 0			12	Y.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	7⅜	10	1 8	Nil			12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbottia	235	100	30 0	22 8	10 0		12	Y.
17,53,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd.	426	Dhelakhat	12⅛	1 9 3/5	1 3⅛				12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunsiri	11	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,37,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	9⅛	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dimakusi	32	10	4 8	1 0	1 0		12	Y.P.
5,60,500	4,50,000	10,36,157	9,58,157	1,13,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	33⅛	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	1 43,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	19⅜	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	17⅛	10	2 0	2 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gotpur	30⅜	10	4 0	3 0			12	Y.
A.4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	21⅛	A.10	3 0	2 0	2 0		12	Y.
B.2,40,790							12⅛	B.5	1 8	1 8	1 0	2 8			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograhil	30	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	290N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	19⅛	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	110N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	....	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd.	1,037	Ledo	9	10	2 0	Nil	Nil		12	Y.
4,80,000	1,69,133	8,87,349	87,349	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohesma	31	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Macneill Bullen & Co., Ltd.	433	Motihola	400N	100	45 0	35 0	Nil		12	Y.
O. 50,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphuland	20⅜	O.10	3 0	2 0	2 0		12	Y.
P.O.2,00,000							28	P.O.10	1 8	1 8	2 0	2 8			
4,00,000	3,41,211	5,78,550	3,61,800	20,262	S. C. Sen, Esq., Supervising Director	540	Naga Hills	13	10	2 4	2 4			12	Y.
5,35,000	....	10,14,665	4,06,663	—99,094	Shaw Wallace & Co., Ltd.	810	Nambunardi	6⅛	10	1 0	Nil	Nil		12	Y.
3,00,000	—	5,92,221	1,92,221	—44,129	Duncan Bros. & Co., Ltd.	935	New Cinnatolli

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,30,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd. ..	879	Anglo-India ..	13½d	10	½+½	½+½	½+½	½f	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd. ..	498	Arapara ..	1½	100	4+10	15+15	8+10		3, 9	H.P.
6,00,000	3,55,000	49,90,030	29,18,370	—1,63,951	McLeod & Co., Ltd. ..	446	Albion ..	160	100	Nil 5	5 Nil	Nil		5, 11	H.P.
80,00,000	2,10,000	1,16,99,350	86,07,991	—11,96,135	McLeod & Co., Ltd. ..	1,264	Alexandra ..	153	100	Nil 24	Nil	Nil		6, 12	H.P.T.
49,20,700	70,44,144	2,27,13,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,361	Alliance ..	202	100	Nil 10	10+10	10+15	7½f	6, 12	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd. ..	810	Anglo-India ..	122	100	1½+4	6+5	5+4	2f	3, 9	H.P.
20,00,000	29,77,565	97,37,334	63,31,882	77,634	Jardine Henderson & Co. ..	959	Auckland ..	171	100	6+6	6+1	Nil	4f	3, 9	H.P.T.
4275,000	£619,470	£1,342,547	£1,046,810	£81,820	Sir John H. Bueder (Chairman) ..	1,890	Bally ..	148	£5	£1	£1	£1	£1	3, 12	H.P.
28,00,000	35,49,623	88,18,168	48,06,254	62,117	Andrew Yule & Co., Ltd. ..	820	Barnagore ..	183	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
22,50,000	33,95,000	51,03,385	22,50,305	4,07,701	Soorajmull Nagarmull ..	600	Bengal ..	151	10	1½	3			6	Y.P.T
30,42,000	2,64,96,567	3,06,30,766	1,23,13,242	1,03,646	Burn & Co., Ltd. ..	1,373	Birla ..	43½	10	3	3	3	3	3	Y.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,743	Andrew Yule & Co., Ltd. ..	991	Budge-Budge ..	155	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg. ..	16N	10	Nil	1+1	0+8		6, 12	H.P.T.
18,00,000	21,81,234	37,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd. ..	616	Caledonian	155½	100	4+10	10+12	8+8	6f	5, 11	H.§
59,16,400	1,05,23,478	1,65,18,400	1,07,44,959	1,15,010	James Finlay & Co., Ltd. ..	1,400	Champdany ..	149	100	3+5	5+7	7+8	3f	3, 9	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd. ..	530	Cheviot	200	100	6+10	10+12	6+6	6f	5, 11	H.P.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,164	McLeod & Co., Ltd. ..	500	Chitavalsah ..	34	10	½+½	1½+4½	2½+1½		6, 12	H.T.P.
34,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	3		Nil	3	Y.P.
31,49,200	39,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	124	100	1+3	8+6	6+1	1f	3, 9	H.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd. ..	779	Delta	224	100	5+12½	15+17½	10+10	10f	5, 11	H.P.
13,00,000	32,50,000	75,61,304	23,68,650	47,730	McLeod & Co., Ltd. ..	500	Empire	21§	10	1+1	1½+1½	½+½		6, 12	H.T.P.
21,00,000	34,39,877	2,65,42,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster ..	382	100	2½+20	12½+12½	10 Nil	Nil	6, 12	H.T.P.
14,00,000		72,62,199	43,27,194	—4,98,601	Bangur Bros., Ltd. ..	1,014	Fort William ..	310N	10	Nil 4	8 Nil	Nil	Nil	3, 9	H.P.T.
84,32,100	3,13,094	2,09,77,148	1,34,77,245	—8,52,943	Macneill & Barry Ltd. ..	1,709	Ganges Mfg. ..	72	100	Nil 51	21½+21½	Nil	Nil	3, 9	H.T.P.
10,00,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara ..	685	300	45	90	30		3, 9	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd. ..	1,394	Gourepore ..	43	30	3	3	4	3	3	Y.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd. ..	1,078	Hastings ..	149	10	½+8	½+8	½+8		6, 12	Y.P.
22,00,000	1,08,577	31,70,013	10,56,245	—1,95,248	Baggaie Trust Ltd. ..	1,078	Hurrilidih	10	Nil	Nil	Nil	Nil		6, 12	H.
3,50,000	3,50,000	12,53,839	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	300	Jogta Coal ..	1½N	10	1½+1½	1½+1½	1½+1½		12	Y.P.
20,00,000		25,62,791	1,50,646	1,838	Bird & Co., Ltd.	416	Kalapahari ..	10	Nil	Nil	Nil	Nil	Nil	12	Y.P.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd. ..	1,088	Karanpura Collieries	80	100	Nil	Nil	Nil		2, 8	H.
1,38,400	95,000	10,63,519	3,25,519	1,043	Berrowla & Co.	779	Katras Jherriah ..	38	10	1½+1½	1½+1½	Nil		2	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd. ..	74N	Khas Kajora ..	10	10	½+½	½+½			1, 7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd. ..	410N	Kuardi	10	10	3½	½			6, 12	H.P.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd..	93	Lakurka	10	10	½+½	½+½	½		4	Y.
17,76,230	13,72,000	1,17,02,218	83,01,381	73,744	Andrew Yule & Co., Ltd. ..	1,078	Nazira	15	10	3/10 3/10	Nil	Nil	½f	6, 12	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	98	New Beerbhoom ..	10	10	½+½	Nil	Nil	Nil f	4, 10	H.P.
1,15,000	3,38,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.* ..	124N	New Manbhoom ..	10	10	½+½	½+½	½+½	½f	3, 9	H.
1,37,500						8N	North West	78	10	½+½	½+½	½+½	½f	3, 9	H.
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heitgers & Co., Ltd. ..	17N	Ondal	10	10	½+½	½+½	½+½		6, 12	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros. ..	111N	Oriental Coal ..	10	10	Nil	Nil	Nil		6, 12	H.P.
8,34,000	20,351	16,29,203	5,77,935	70,339	Deepchand Kishenlall ..	3§	Parasea	10	10	½+½	½+½	½+½		12	Y.T.
15,15,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	221	Perch Valley ..	10	10	Nil	Nil	Nil		6, 12	H.P.
23,99,500	13,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd. ..	73	Ranegunge	10	10	½+½	½+½	½+½		2, 8	H.
13,10,000	6,88,385	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd. ..	20	Rees	10	10	Nil	—	Nil		3, 9	H.
20,00,000	3,10,464	28,07,516	11,52,118	30,703	Samla Collieries	7	Samla Collieries ..	10	10	½+½	½+½	½+½		6, 12	H.
1,25,000	1,75,000	11,69,385	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	2§	Searsole	10	10	Nil 1	½+½	½+½		6, 12	H.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd. ..	6N	Seebpore	25	10	½+½	½+½	½+½		6, 12	H.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heitgers & Co., Ltd. ..	7	Seodra	8§	10	2½ 2	2+2	2+1		1	Y.
63,21,450	13,23,934	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	2§	Shamnagar	10	10	½+½	½+½	Nil		6, 12	H.T.
						68	Singareni	10	10	½+½	½+½	Nil		6, 12	H.T.
17,50,000	10,86,300	35,53,705	13,67,030	26,614	Bird & Co., Ltd.	11	South Karanpura ..	10	10	½+½	½+½	½+½	4f	3, 9	H.P.T.
8,00,000	13,68,503	2,13,837	56,445	86,379	F. W. Heitgers & Co., Ltd. ..	2013	Samnuggur	13§	10	10%	10%	10%		12	Y.T.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	911	Shree Jambica ..	12§	10	Nil	1½+1½	1f		2, 8	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	401	Soorah	23½N	10	½	Nil	Nil		6, 12	H.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd	650	Standard	14§	10	3+6	9+8	8+1	1f	3, 9	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,314	Macneill & Barry Ltd.	1,794	Titaghur	13§	£1	10%	10%	10%		12	Y.P.
						1,326	Union	139	100	1+7	12½+11	10+1	1f	3	Y.
						1,331	Victoria	11§	£1	10%	10%	10%		12	H.P.T.
						465	Waverley	6§	1	Nil 1/40	1/40 Nil	Nil		6, 12	Y.P. H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18½	10	½+½	½+½	½+½	½f	3, 9	H.
12,00,000	8,42,703	37,35,383	34,25,643	38,826	Jardine Henderson Ltd. ..	Barsere Coke	17½	10	½+½	½+½	½+½		3, 9	H.
4,49,350	70,000	8,49,159	2,30,703	6,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee ..	7N	10	½+½	½+½	½+½	½f	6, 12	H.
1,00,00,000	1,17,00,000	5,27,31,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	510	200	17½+17½	17½+17½	20+20	17½ft	6, 12	H.
2,25,000	3,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	14	10	½+½	½+½	½+½		4, 10	H.P.
15,97,000	3,23,358	34,66,923	22,26,345	7,192	H. V. Low & Co., Ltd. ..	Bhalgora	4½	10	½	½			6, 12	H.P.
89,99,933	13,81,010	1,17,79,347	56,09,702	23,859	Sahu Jain Ltd.	Bharat Collieries ..	3½	10	½	½			9	Y.
7,15,000	14,64,077	30,70,322	33,63,361	—43,876	F. W. Heitgers & Co., Ltd. ..	Bhulanbarree	1½	10	½+½	Nil	½	Nil	4	Y.T.P.
14,00,000	14,10,773	68,15,834	39,31,794	—1,44,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur ..	9	10	Nil	½+½	½+½		6, 12	H.
7,50,000	18,99,000	42,66,803	24,48,188	1,06,134	F. W. Heitgers & Co., Ltd. ..	Borrea	27½	10	1½+1½	1½+1½	1½+1½		6, 12	H.T.
90,92,480	1,65,60,398	4,03,45,968	1,80,47,288	1,15,021	Bird & Co., Ltd.	Burrakur	9½	10	Nil	½+½	Nil		6, 12	H.P.
49,97,000	750	22,33,410	57,645	8,776	Hindustan Investment Corpn., Ltd.	Central India	2½	10	½+½	Nil	Nil		6, 12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd.	Central Kurkend ..	141N	10	½+½	Nil	Nil		3	Y.
6,00,000	1,40,000	7,30,000k	.....	13,973	F. W. Heitgers & Co., Ltd. ..	Churlia	2½	4	½+½	½+½	½+½		6, 12	H.
16,00,000	2,70,000	45,41,847	25,27,346	24,455	Macneill & Barry Ltd.	Dhemo Main	10	10	½+½	½+½	½+½	Nil	6, 12	H.
4120,000	£424,897	£6,469,896	£4,469,896	£78,839	Jardine Henderson Ltd. ..	East Indian	22½	£1	1½	3	3	3 (1)	6, 12	H.
29,61,160	73,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	37	10	2½+2½	2½+2½	2+1½		4	Y.
10,00,000	2,62,255	8,41,725	2,33,945	66,865	Bhatter's Agency Ltd.	Ghusick and Musila ..	15N	10	3	3			6, 12	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	43	30	3	3	4	3	3	Y.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriladih	14§	10	½+8	½+8	½+8		6, 12	Y.P.
22,00,000	1,08,577	31,70,013	10,56,245	—1,95,248	Baggaie Trust Ltd.	Jogta Coal	1½N	10	Nil	Nil	Nil		6, 12	H.
3,50,000	3,50,000	12,53,839	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	Kalapahari	41N	10	1½+1½	1½+1½	1½+1½		12	Y.P.
20,00,000		25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	80	100	Nil	Nil	Nil	Nil	2, 8	H.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd. ..	Katras Jherriah ..	38	10	1½+1½	1½+1½	Nil		2	Y.P.
1,38,400	95,000	10,63,519	3,25,519	1,043	Berrowla & Co.	Khas Kajora	10	10	½+½	½+½			1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd. ..	Kuardi	4½N	10	3½	½			6, 12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd. ..	Lakurka	10½N	10	½+½	½+½	½		4	Y.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd..	Nazira	9§	10	½+½	½+½			6, 12	H.
17,76,230	13,72,000	1,17,02,218	83,01,381	73,744	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	15	10	3/10 3/10	Nil	Nil	½f	4, 10	H.P.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom ..	9§	10	½+½	Nil	Nil	Nil f	3, 9	H.
1,15,000	3,38,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.* ..	North West	12½N	10	½+½	½+½	½+½	½f	3, 9	H.
1,37,500							8N	10	½+½	½+½	½+½	½f		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heitgers & Co., Ltd. ..	Ondal	17N	10	½+½	½+½	½+½		3, 9	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros. ..	Oriental Coal	111N	10	Nil	Nil	Nil		6, 12	H.P.
8,34,000	20,351	16,29,203	5,77,935	70,339	Deepchand Kishenlall ..	Parasea	3§	10	½+½	½+½	½+½		12	Y.T.
15,15,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Perch Valley	22½	10	Nil	Nil	Nil		6, 12	H.P.
23,99,500	13,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd. ..	Ranegunge	7§	10	½+½	½+½	½+½		2, 8	H.
13,10,000	6,88,385	29,87,472	23,74,472	36,004	Shaw Wallace & Co., Ltd. ..	Rees	20½	10	Nil	—	Nil		3, 9	H.
20,00,000	3,10,464	28,07,516	11,52,118	30,703	Samla Collieries	Samla Collieries ..	7½	10	½+½	½+½	½+½		6, 12	H.
1,25,000	1,75,000	11,69,385	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	2§	10	½+½	½+½	½+½		6, 12	H.
2,80,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd. ..	Seebpore	23½	10	2½ 2	2+2	2+1		1	Y.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heitgers & Co., Ltd. ..	Seodra	8§	10	½+½	½+½	Nil		6, 12	H.P.
63,21,450	13,23,934	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Shamnagar	2§	10	½+½	½+½	Nil		6, 12	H.T.
						Singareni	68	10	½+½	½+½	Nil		6, 12	H.T.
17,50,000	10,86,300	35,53,705	13,67,030	26,614	Bird & Co., Ltd.	South Karanpura ..	11	10	½+½	½+½	½+½	4f	3, 9	H.P.T.
8,00,000	13,68,503	2,13,837	56,445	86,379	F. W. Heitgers & Co., Ltd. ..	Standard	21	10	10%	10%	10%		12	Y.T.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Tasher	2§	2½	Nil	Nil	1½+1½	1f	2, 8	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	Union	22½	10	1½+1½	1½+1½	½+1		6, 12	H.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd	West Bengal	4§	10	½+½	½+½	1½+1½	1½f	9	Y.
7,00,000	6,65,000	40,16,017	19,92,108	5,314	Macneill & Barry Ltd.	West Jamuria	17½	10	½+½	½+½	½		6, 12	H.
									½+½	½+½	Nil		3	Y.
													6, 12	H.

* Including bonus. a Sales and amount written off. (b) Investments.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 848 in the debentures section:—

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

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

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

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

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

(e) Retainable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

FLOW OF CAPITAL FROM BRITAIN

COMMONWEALTH COUNTRIES BENEFITED

(By PAUL BAREAU)

IN political terms, the Commonwealth may have been built, as the saying goes, "in a fit of absent-mindedness," but there was no such nonsense about the investments which developed the wealth of areas as widely separated and divergent as, say, Canada, Australia, Malaya and South Africa. It was almost exclusively Britain's capital which began, and in some cases completed, the task of converting the immense potential of these territories into the massive production of wheat, wool, rubber, gold—all of them symbols of the present diversity and wealth of the Commonwealth.

For more than a century, Britain was the unquestioned leader among the great capital markets of the world. It often acted in concert with syndicates of bankers and issuing houses in Paris, Amsterdam, Zurich, New York; but until World War I, it headed the syndicates. It did much more than merely export capital—it also exported the men, the skill, the "know-how," above all, the able and honest administrators without whom the mere export of capital would have been a barren operation.

What of to-day? It has often and rightly been stated that the financial burdens of two world wars have converted the United Kingdom from the greatest creditor to the greatest debtor nation. The debts, let it be added, are honourable scars. But to admit this revolution is not to imply that Britain's role as a great investment banker is finished. The situation is quite otherwise. The banker may no longer possess the capital and reserves of which he once could boast, but the essence of banking is wise borrowing and lending. The United Kingdom still does this on a substantial scale and, furthermore, provides a substantial contribution to what it lends out of its own current resources. It is still the principal source of external capital for the development of many parts of the Commonwealth.

In 1952 the new issues floated in the London market for Commonwealth countries amounted to £52,400 000 and the total for the four years, 1949-52, was £196,700,000. These figures compare with a total of £28,100,000 for the last pre-war year. Allowing for changes in the purchasing power of money, these comparisons suggest that the flow of real capital from the United Kingdom to the rest of the Commonwealth is being maintained at roughly the same level as in the immediate pre-war period.

The character of this investment has, needless to say, been influenced in recent times by the need to achieve balance in the international payments of the sterling area and, in particular, by the dire necessity to economise scarce dollars. The problem was discussed in the course of the Commonwealth Economic Conference held in London towards the end of 1952. It was then stressed that, while there is wide scope for expanding the production of essential supplies in the Commonwealth, efforts devoted to that development should, in the first place, be concentrated on projects which will contribute directly or indirectly to an improvement in the balance of payments of the sterling area with the rest of the world. Priority is being given to increased production of commodities which can earn dollars or which can take the place of goods which now have to be imported in substantial quantities from the dollar markets.

This is not an attempt to become self-sufficient or to insulate the sterling area from the dollar world, but a frank recognition of the harsh facts of economic life and an adjustment to the realities of the present world payments situation.

At the end of this Commonwealth Conference, it was pointed out that Britain remains the traditional source of external capital for Commonwealth investment and has special responsibilities in the non-self-governing territories. The United Kingdom Government expressed its determination to maintain and even increase the flow of capital from London for sound development throughout the Commonwealth. To carry out this decision the great financial houses of the City of London, under the leadership of the Bank of England, have established a Commonwealth Development Finance Company. This institution will supplement what is already a highly developed machinery through which Commonwealth investment is canalised.

That machine is as diverse as the operations which it handles. It should, in the first place, be realised that all issues for capital of £50,000 or over must receive the approval of the Capital Issues Committee. The self-governing Commonwealth countries borrow "under their own steam," using their own issuing houses. The non-self-governing territories place their issues through their "business managers," the Crown Agents for the Colonies. Since the beginning of 1953, there has been a £10,000,000 issue for Southern Rhodesia and another £10,000,000 has been promised to New Zealand to finance a pulp and paper project at Murupara. Pakistan has been lent £10,000,000 to finance capital projects. Many other Commonwealth loans are now being considered.

Britain has still a big role to play as an exporter of capital. There are many constructive acts to come and a highly promising one is being played at this very moment.

MARKET GOSSIP

(Concluded from page 803)

distributed after they have had their first 10 per cent. along with A class shareholders. What is now attempted by the Bank's authorities is to amalgamate the 'A' and 'B' into one class, called the ordinary stock. The details of this capital reorganisation scheme are too complicated to be described within the space at our disposal. Moreover, they may not be of much interest to our readers. Suffice it to say that the reorganisation scheme involves the capitalisation of £7.06 million of the Bank's reserve fund.

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The aforesaid action of Barclays Bank has given rise to an impression in London City circles that other banks also may follow suit and issue bonus shares. It has set many people thinking whether other big banks might not similarly alter their capital structures. These speculations include the possible call for new capital. Among the Big Five, however, it is only Barclays that have an issued capital which is fully paid up. Others have partly-paid shares. It is held that, if these Banks want to increase their capital, they would call for the uncalled liability or reduce such liability by bonus issues from reserves. It is only after doing this, London City circles feel, that the Banks would think of inviting fresh capital. Incidentally, it is pointed out that it is more than a quarter of a century since the large British banks raised capital in the capital market. The issues that are discussed are: Will any increase in capital, that might take place, add greatly to the banks' earning capacity? What part is played by capital in the working of the banking institution? Commenting on these questions, the Money Market correspondent of the *Financial Times* says:

"The exact role which 'capital' plays in modern banking is not easy to define. In the old days, the capital account was an additional security for the depositor, but, with the spread of limited liability, this function has long disappeared. As circumstances are to-day, indeed, it is difficult to say just what relation should exist between capital and total liabilities. In fact, the position is so artificial that it is doubtful whether normal criteria are of much value in determining what is, and what is not, desirable. It is not easy to support the idea of capital increases for purely banking or economic reasons. Any capital increase would merely buttress the ratio of capital resources to deposit liabilities; it would not noticeably alter the composition of their assets, or increase their earning power. That capacity is determined by the level of bank cash and by the superstructure of assets which the banks build on that basis."

• • • •

Many bankers in this country, however, may not agree with these conclusions. It is true that the real function of capital in a bank's operations has lost something of the significance it might have possessed in the past when deposits could not be attracted easily. But it is not unlikely that the banks may once again come to appreciate the value of larger capital. This is because, the banks in many countries now find that, although they lend only against the current assets of their borrowers, the money they lend is being used for relatively longer-term operations such as renovation of old machinery, and modernisation of equipment. This means that the banks have to think not merely in terms of short-term financing but in those of medium-term financing also. In this context, a more broad-based capital structure is regarded as a great source of strength to the banks. Perhaps such considerations are beginning to influence the British banks' attitude towards capital structure. It is, of course, wrong to generalise too dogmatically from the example of a capital reorganisation scheme undertaken by a single British bank. But it is the aforesaid considerations that induced some of the big banks in this country to raise their capital structure.

SURVEY

(Concluded from page 807)

and functions of Government. The functions now range from economic planning to town and country planning, industrial relations and health services. In keeping with these changes, the character, role and attitude of the Civil Service have also changed. The Service has now become more positive, constructive and creative. Civil servants are now actively engaged in the drawing up of plans. They have to deal not only with a variety of local problems but also with international organisation which have a very important impact on national administration. They are to-day having much more contact with the industrial and business communities and with the daily life of the people than in the past. "Wherever we look," said Dr. Robson, "we notice, whether in Communist Russia or in capitalist America, both in underdeveloped and in advanced countries, a great change taking place. Everywhere bureaucracy is on the ascendancy and is being asked to undertake bigger and more important tasks."

One of the great problems in large organisations such as a Government when it is spread over a large territory is, according to this learned doctor, the need for co-ordination of work. If what is being done to-day by one official differed from what was done yesterday by another or what will be done to-morrow, there will be confusion and criticism. His suggestion to avoid this is the supply of a book of instructions on every possible difficulty that may arise for the guidance of officials. Although this may tend to introduce

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
18,00,000	1,08,33,956	10,66,174	Allahabad Bank	380	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				390	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	7,231	Andhra Bank	112	100	6 0	6 0	6 0	3 0(i)	6.12	H.
21,99,040				58½	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	107	50	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14½	25	1 8	1 8	1 12	—	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	157½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
80,00,000	15,00,000	55,324	Bank of Jaipur	18½	50	1 8	1 8	1 8	—	12	Y.
10,00,000	84,00,000	2,44,634	Bank of Mysore	280	100	16 0	16 0	16 0	8 0(i)	12	Y.
89,19,600	42,61,493	23,260	Bombay State Co-operative Bank	57½xd	50	2 8	2 8	2 8	—	12	Y.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8	—	6	Y.P.T.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0	—	12	P.Y.
2,62,11,875	3,99,08,177	17,23,013	Central Bank of India Ltd.	618	25	3 8	3 8	3 8	1 8(i)	12	Y.P.
82,42,375 A				1,06½	25	3 8	3 8	3 8	1 8(i)		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	346	50	1 8	1 12	1 12	—	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0	—	12	Y.
2,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—	—	12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—	—	12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	103N	100	6 0	6 0	5 0	—	9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,035	100	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				453½	100	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				176½	123	12 0	12 0	12 0	5 6(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	138	100	12 0	12 0	12 0	5 6(i)	12	R.L.Y.
15,40,000				98½	85	10 3½	10 3½	10 3½	5 1 3/5(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	93	60	7 3½	7 3½	7 3½	3 9 3/5(i)	6.12	R.L.H.
6,25,000				5 0	100	5 0	6 0	7 0	—	.12	R.L.H.
2,50,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0	—		
10,00,000				18½	25(B)	2 4	1 8	1 4	—	6.12	H.
87,50,000	89,00,000	1,92,605	Punjab National Bank	32	50(C)	3 0	3 0	3 0	1 8(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	21½	25	1 0	1 0	1 8	1 0(i)	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	11½	25	—	—	—	—	12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	6½	5	0 5	0 5	0 5	—	12	Y.
				36½	50	2 0	2 0	2 0	—	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-2-1½	£1	14½	14½	16½	7½	12	R.L.Y.
£1,000,000	£1,250,000	£102,507	Eastern Bank	£7½	£5	7½	6½	7½	3½	12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£89½	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-19-0	£1	12½	12½	12		12	R.L.Y.
£1,437,296				£1-7-0		5½	5½	5		12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24½	£12½	12½	12½	14½	7½(i)		
£175,000				£24½	B £12½	12½	12½	14½	7½(i)	12	R.L.Y.
£300,000				£10½	C £5	12½	12½	14½	7½(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£31½	£12½	16½	16½	16½	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††U.S. Currency (i) Interim. *6 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
5,50,000	3½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	3½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	4	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-61
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
80,00,000	4	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	3½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(e)
1,00,00,000	3½	1st April and 1st October	Buckingham and Carnatic	98½	1st January .. 1967-72
12,64,000	3½		Jaykhee Textiles	78N	1st January .. 1958-59
40,00,000	3	1st June	Tata Mills	101	.. 1966-71
ELECTRICS					
38,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June .. 1960
98,28,000	4½	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,53,97,200	3	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1970
25,00,000	4	30th June and 31st December	Goureepore Electric Supply Co., Ltd.	86	1st December .. 1970
12,00,000	4	1st January and 1st July	Ibrus (Iberian) Electric Supply Co., Ltd.	96	30th June .. 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	.. 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	.. 1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,73,000	4	1st April and 1st October	Tata Power	100½	15th September .. 1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September .. 1965-70
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£93½	31st December .. 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	93	31st December .. 1960
JUTE					
£2,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Anglo-India Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
9,00,000	5	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
10,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
8,86,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1966
83,00,000	3½	30th June and 31st December	Empire	95	15th July .. 1966
83,00,000	5	1st January and 1st July	Hukumchand	92½	30th June .. 1957
83,00,000	5½	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1968
5,00,000	5½	31st March and 30th September	Nasharpara Jute Mills Co., Ltd.	98	31st March .. 1967
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	98½N	31st March .. 1954
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	93	14th May .. 1959
6,00,000	4	30th June and 31st December	Premier Jute Co., Ltd.	88	31st December .. 1956
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	93	30th June .. 1958
8,00,000	4½	14th March and 14th September	Soorah Jute	96½	5th September .. 1965
12,00,000	4½	30th June and 31st December	Union	96	14th September .. 1957
20,00,000	5½	31st January and 31st July	Weaver'ey	97	30th June .. 1957(d)
				84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	86	1st July .. 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99½	1st November .. 1957
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900 £61½N	A 10/95 at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933 £77½N	1st October .. 1974
3,00,000	5½	30th September and 31st March	Kalighat-Falta Railway	1936 99	30th September .. 1953
4,50,000	5½	30th June and 31st December	Kasakhal-Lalabazar Railway	1945 89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90½N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 100	1st January .. 1948-53
3,48,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944 100	31st March .. 1949-53
30,00,000	5	30th June and 31st December	Waterfalls Ltd	1943 101½	1st January .. 1943-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 96½	30th June .. 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1919 92	1st February .. 1964
21,53,000	4½	1st May and 1st January	Clive Buildings	1936 88½	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946 87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946 79½	.. 1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	1950 102	1st January .. 1971
20,00,000	5	15th March and 15th September	Metur Chemical Industries	1949 96	.. 1964
89,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 465 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 410 (per note)	31st December .. 1972
15,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1931 90N	1st April .. 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1931 94	31st March .. 1961
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946 84½	31st December .. 1970
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953 103½	1st May .. 1968

Note—See page 846 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 29th October, 1953.

	Closing quotations 22-10-'53	High	Low	Closing quotations 29-10-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157½	158	157	157
Bank of Baroda (50)	107	—	—	107
Central (25)	64	—	63½	63½
Imperial (P.Pd.) (300)	1,836½	1,845	1,832½	1,832½
Imperial (P.Pd.) (125)	455	455	453½	453½
Union Bank (5)	6½	6¾	6½	6¾
United Com. (50)	36½	—	—	36¾
COTTON MILLS				
Ahm. Adv. (100)	140	140	139½	140
Apollo (2)	2-4	2½	2-3	2-7½
Bombay Dyeing (250)	378½	389½	378½	386½
Central India (100)	157	168½	156	168
Century Mills (100)	261½	272½	259½	271½
Colaba (100)	60	65	60	65
Edward Textile (100)	226½	248	226½	226½
Elphinstone (50)	44½	45	44½	44½
Finlay (100)	248	254	248	252½
Ind. Unid. Defd. (1)	237½	240½	233	240xd
Ind. Unid. Ord. (10)	1-6½	1-7½	1-5½	1-7½
Indore Mines (100)	10-4½	10-8½	10½	10½
Khatau (100)	85	90	85	90
Kohinoor (100)	175	177½	175	177½
Lakshmi (250)	288½	295	295½	295½
Madhusudhan (100)	565	565	560	560
M. N. Cotton Mills (100)	87	90	84½	89
Minerva Mills (100)	89	—	—	89
Model Nagpur (250)	91	—	—	49
Morarji (100)	140	—	—	97
Mysore (50)	182½	—	—	140
New City (100)	122½	—	—	182½
New Great (100)	130½	—	—	120
Phenix (100)	153	136	150	150½
Podar Mills (100)	116½	—	—	155
Sassoon Silk (10)	120½	127½	120½	117½
Sassoon Spg. (10)	19	—	—	120½
Sholapur (1,000)	25½	—	—	19
Simplex (50)	1,610	—	—	25½
Swadeshi (100)	129	136	128½	1,610
Swan (100)	242	252½	240½	133
Tata Mf. (25)	312½	—	—	251
Vishnu (100)	137½	42½	41	312½
Western India (1,000)	3,550	136½	135	42½
				135½
				3,550
ELECTRIC COS.				
Ahmadabad (100)	114½	114½	114½	114½
Amalgamated (10)	11⅛	11⅛	11⅛	11⅛
Andhra Valley (1,000)	1,275	1,282½	1,270	1,275
Bom. Sub-El. (100)	124½	126½	124½xd	126½
Surat (100)	126½	126½	124½	126½
Tata Hydro (100)	136½	139	136½	136½
Tata Power (1,000)	1,365	1,370	1,360	1,365
INSURANCE COS.				
British India (10)	13½	—	—	—
Empire of India (100)	662½	675	662½	673
Ind. Mercantile (20)	38	38	37½	37½
Jupiter (15)	7¾	—	—	6⅞
New India (15)	39¾	39¾	37½	37½
Oriental (200)	6,900	6,910	6,900	6,910
Universal (10)	8½	—	—	8½
Valoo (10)	11⅛	—	—	11⅛
STEAMER COS.				
Scindia (15)	14-2½	14⅛	14⅛	14⅛
STEEL COS.				
Ind. Iron (10)	24½	24-13½	24-11½	24-11½
Tata Steel Defd. (30)	1,903½	1,915	1,899½	1,931½
Tata Steel Ord. (75)	324	328½	322	328½
MISCELLANEOUS				
Alcock Ashdown (100)	315	320	313½	320
Associated Cn. (100)	173½	176½	173	173½
Belapur Sugar (5)	262	263½	261½	264½
Bom. Burmah (125)	338½	343½	331½	335½
Do. (New) (50)	122½	121½	120	121½
Br. B. Petrol (4 sh.)	2-4	2-5½	2-0½	2½
Br. I. Corpn. (3)	8-1½	9	8-1½	8-12½
Indian Copper (2 sh.)	2-1½	3⅛	2-1½	3
Ind. Inv. Tr. (100)	66	—	—	66
Port Canning (100)	26½	32	26½	31½
Premier Co. (30)	96	98½	94½	97
Shivsagar (10)	65	67½	64	64½
Tata Chemicals (10	8-1½	9-0½	8½	8-14½
Tata Oil (1,000)	311	311	311	311
Welchand Ind. (100	140½	146½	148½	14 8
W. I. Match (100)	240	243½	240	241½

GOVERNMENT SECURITIES		Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	
	Rs.			Rs.
2½% 1934	98⅜	—	3.49	98⅜
2½% 1955	90⅝	—	3.38	98⅝
2½% 1960	93⅝	—	3.88	90⅝
2½% 1962	91⅜	—	3.91	91⅜
2½% 1974	82⅝	—	3.87	91⅛
2½% 1975	98⅛	—	3.92	82⅝
3% 1958	98⅛	—	3.44	98⅛
3% 1959-61	96⅞	3.74	3.41	98⅛
3% 1963-65	92¼	—	3.56	96⅛
3% 1966-68	92⅜	3.91	3.78	92⅛
3% 1970-75	90½	3.98	3.88	92⅜
3% 1986 Con. Loan	86⅛	4.12	3.93	90½
3½% 1936-59*	81⅜	—	3.93	86⅛
3½% 1937	100½	3.32	3.66**	82⅜
4½% 1955-60	101⅛	3.70	3.46	100½
4½% 1958-68*	102½	2.94	3.83	101⅛
3½% 1961 N.P. Bonds	105	3.40	4.02	102½
	98-8½	—	4.03	105
			3.71	98⅜

BRITISH GOVERNMENT SECURITIES	22-10-53 £	High £	Low £	28-10-53 £
2½% Brit. Consols	63⅜	63⅜	63⅛	63⅛
3% Savings Bonds 1955-75	88⅛	88⅛	88⅛	88⅛
3% War Loan 1955-59	101⅛	—	—	101⅛
3½% War Loan 1952	85⅞	85⅞	85⅞	85⅞
3½% Brit. Iron and Steel 1976-78	—	—	—	—
4% Funding Loan 1960-90	93⅝	93⅝	93⅜	93⅝
	100⅜	100⅝	100⅜	100⅝

xd—Ex-dividend. ** Current Income. * Rupee Counterpart.

COMMERCE

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

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RELIEF TO A PRIVILEGED FEW

NOWADAYS almost every action of the Government pertaining to the business world has a political bias. Rarely decisions are taken on the merits of the issue. The latest instance where political considerations have weighed with the Government of India is the Ordinance providing for payment of relief to workers laid off for a short period or retrenched for some reason or other. No doubt this issue has been under consideration of the Government and the interests concerned for some time now and has been discussed at some of the tripartite conferences. But it was distinctly understood that a suitable measure dealing with this subject would be placed on the Statute Book through the normal process of legislation. Why then did the Government decide to use its emergency powers which give no opportunity for the interests concerned to have their say? Apparently, the Government was anxious to assure the workers that it was not unmindful of their interests. The Government found it necessary to give some relief to the textile industry, with a view to stimulating the offtake of cloth. If it had not simultaneously made the announcement in regard to relief to workers, large numbers of whom were faced with the threat of unemployment, thanks to the notices of closure of one or more shifts put up by quite a number of mills in Ahmedabad and a few other centres, the Government would have certainly been accused of partiality towards millowners. The fear of this criticism, however unjustified it may be, has been the main cause of Government's hurried action. Thus, on practical considerations, one could justify the Government invoking its special powers. But that does not mean that what the Government has done is right in all respects.

Before examining the merits or demerits of this unique action, a brief description of the Ordinance is necessary. To begin with, it must be stated that the Ordinance does not apply to the textile industry alone. Barring a few exceptions, it covers all industrial establishments employing more than 50 persons, other than a badli or casual worker. If it is prominently mentioned with the textile industry, it is because its promulgation was precipitated by the threat of depression in this industry. The Ordinance can be conveniently divided into two parts. One part deals with relief to workers afflicted by involuntary unemployment. The other deals with workers who are retrenched. Under the former section, whenever a workman on the rolls of an industrial establishment employing more than 50 workmen is laid off, he should be paid compensation equal to 50 per cent. of the total basic wages and dearness allowance that would have been payable to him had he been working. The maximum number of days for which such compensation is payable shall in no case exceed 45 in a year. Workers employed in industrial establishments which are of a seasonal character or in which work is performed only intermittently are, however, not entitled to this compensation for involuntary unemployment.

A few conditions have been prescribed for a workman to be eligible for this relief. Thus, no compensation is payable to a workman who has been laid off: "(i) if he refuses to accept any alternative employment in the same establishment from which he has been laid off, if, in the opinion of the employer, such alternative employment does not call for any special skill or previous experience and can be done by the workman, provided that the wages which would normally have been paid to the workman are offered for the alternative employment also; (ii) if he does not present himself for work at the establishment at the appointed time during normal working hours at least once a day; (iii) if he works elsewhere, for the days on which he so works; (iv) if such laying off is due to a strike or slowing-down of production on the part of workmen in another part of establishment."

The second part of the Ordinance, which applies even to industrial establishments of a seasonal character, provides that no workman, who has been in continuous employment for not less than one year under an employer, shall be retrenched, until he has been given one month's notice and also a gratuity calculated at 15 days' average pay for every completed year of service or any part thereof in excess of six months. The principle of "last to come, first to go" will have to be ordinarily observed in effecting retrenchment. It is further provided in the Ordinance that, when an employer who has retrenched workmen proposes to employ more persons, he should give an opportunity to retrenched workmen to offer themselves for re-employment and give them preference over others.

Following the introduction of this legislation, we have, for the first time in this country, a definition of "lay off" and "retrenchment." Under this definition, a worker will be deemed to have been laid off when an employer is unable to give employment to his regular worker, within two hours of his presenting himself for work, owing to shortage of coal, power, raw materials, or accumulation of stocks or breakdown of machinery or for any other similar reason. Retrenchment means "the termination of service of a workman for any reason whatever otherwise than as a punishment inflicted by way of disciplinary action." It will thus be seen that employers have now power to retrench a worker for all economic reasons, provided they are prepared to pay the prescribed amount of compensation.

The foregoing measure is good in parts. Viewed purely from human considerations, it sounds quite a reasonable one, in that it provides the worker with something more than his provident fund, if any, to fall back upon when he loses his job for no fault of his. But whose responsibility is it to provide such relief, the State or the industry? Perhaps, the industry could be expected to pay some compensation for involuntary unemployment, as the burden may not be very heavy and as the industry affected may be expected to resume work again within a reasonable period. And in the last meeting of the Standing Advisory Labour Committee held at New Delhi, the employers' spokesmen appreciated the reasonableness of this suggestion and agreed to pay compensation. But it is too much to expect an industry or sectors of an industry to pay unemployment relief when it is compelled to close down, either partially or fully, for reasons beyond its control. Really speaking, it is the responsibility of the State to provide relief to workers in all such cases. If the Government is anxious to protect the workers from future uncertainties, it should establish unemployment insurance as part of its social security programme. The Government, however, knows that this is a tremendous task beyond its resources and ability. So, it has passed on the baby to individual employers. Incidentally, this question was not even discussed at the last meeting of the Standing Advisory Committee on Labour. It is, therefore, wrong to claim on the part of the Labour Ministry that it has the support of the spokesmen of employers.

It is ununderstandable as to why workers employed in industries alone should be assured of unemployment relief when all other workers and those countless millions who have no work at all get no such relief. Industrial workers in this country have already become a privileged class and this latest measure provides them with one more privilege to the exclusion of others. Then, there is the question of cost, for somebody has to pay for this relief. In a sellers' market, it could be passed on to the consumer. But when such a state of affairs prevails, there will scarcely be any need for retrenchment. It is only when the buyers' market is in full swing and competition is strong that the necessity for curtailing production and retrenching workers will arise. In these circumstances, it is those who are prudent enough to save and invest in industries that will have to meet the cost of unemployment relief. Thus, the Government is subjecting risk capital to one more handicap at a time when it requires to be encouraged. The consequence of this measure will, therefore, be a restriction on the scope for fresh employment. An employer will now think a thousand times before expanding his sphere of activity, lest he should be liable to pay compensation for his employees if his venture were to prove a failure. Labour leaders are naturally happy over this action of the Government, for they are interested more in keeping the workers who are already employed, and whose support they need, contented and happy than in seeing an expansion in the scope for additional employment for those who are unemployed.

Some argue that, although the Government has done something which was not strictly agreed to at the last Tripartite Conference, it is not worse than the existing position. At present, an employer who wants to retrench his workers has to go in for arbitration by a Tribunal or an Industrial Court, unless he is able to reach an understanding with his workers, a very, very remote possibility. He has to accept whatever award the adjudicator gives and pay compensation accordingly. The Ordinance, however, removes this uncertainty about the quantum of compensation by laying down a common standard for all employers. This is an advantage no doubt, but it is of no significance, because the employer may still be dragged to an industrial court and his decision to retrench workers is liable to be challenged by the appropriate State authorities. The Ordinance, which is an amendment to the Industrial Disputes Act of 1947, leaves section 10 of the Act untouched. The provisions of this section are so wide that it enables an appropriate Government to treat any case of retrenchment as a dispute and refer it to a tribunal. Thus, the employer gets the worst of both worlds.

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PROBLEMS OF COAL INDUSTRY

THERE is, perhaps, a no more over-governed industry to-day than the coal industry. The impressive increase in coal raisings which amounted to 36 million tons in 1952, as against 34 million tons in 1951 and 28 million tons in 1939, has availed the industry little. It continues to be subject to the strait-jacket of controls of many varieties. The outcome of all these controls is, as is only to be expected, that the industry is showing signs of weakening in the battle for increased production and higher exports. Mr. G. A. S. Sim, Chairman of the Pengal Coal Co., Ltd., warned, in his address at the half-yearly general meeting of the Company, that coal output this year would not exceed the 1952 level. During the first half of this year, it was only 15.20 million tons, as against 15.33 million tons in the corresponding period of 1952.

The performance of the coal industry is rather in striking contrast with the general trend of industrial production in the country. Why should coal strike a discordant note in the general chorus of higher production? Mr. Sim's reply was that "it is useless to plan for increased production unless transport is available." Few industries are so desperately dependent on transport as coal which, as anyone conversant with its economics knows, is mined in a few centres and hauled over long distances to reach consumers. It is true that stocks at the end of July, this year, were only 3.29 million tons, as against 3.37 million tons at the end of July, 1952. But the decline in stocks, as Mr. Sim pointed out, is "more than accounted for by the decrease in raisings." He did not subscribe to the official view that the coal industry was not utilising, in full, the wagons allotted to it. The experience of the Company, which is an important producer of coal, is that transport has by no means been freely available. He complained that the control over distribution was more acute now than in the difficult days when coal was in short supply. This is a question which deserves to be examined by the Government, without delay.

The present system of distribution control was designed to suit the conditions of a time when there was a shortage of coal. Should it be allowed to stay even in a period of comparative affluence in coal supply? Mr. Sim rightly urged that the consumer should be allowed a "free choice regarding the type, quality and source of supply of the coal he requires." And yet, the consumer is not only not given any freedom of choice but actually told to prefer one type of coal to another. It would appear that the Coal Commissioner's Combustion Engineers offer a great deal of gratuitous advice—of course, backed by peremptory orders—on the way in which coal should be utilised. That such advice, which might stem from lofty motives of conservation of coal, is apt to result in serious disadvantage to the consumers is evident from the instance of the experience in a paper mill, cited by Mr. Sim. He said that, if the mill had been allotted 100 per cent. selected 'A' coal, instead of only 66⅔ per cent., it could "produce more and better paper out of all proportion to the additional outlay on coal." Here is an instance which shows that even coal conservation, important as it is, could become a fetish and a dogma.

Although internal coal consumers could thus be compelled to conform to official regulations, it is easy to see that overseas importers of Indian coal cannot be asked to alter the pattern of their coal consumption to suit such regulations. Mr. Sim again cited a concrete instance, his Company's experience in dealing with the Ceylon market, to show that the omnibus regulation of export trade in coal by prescribing the qualities that might be exported might cost the country dear in the shape of a loss in export markets. Even India's natural markets for coal, from Hongkong in the East to Aden in the West, are likely to be lost through the adoption of excessive control on the quality of exports. In the Far East, China and Australia, as Mr. Sim pointed out, have already emerged as competitors. South Africa is making a bid to capture many markets, notably Pakistan, Ceylon, and Singapore. A look at the trend in coal exports reveals the decline that has taken place on this front. Thus, the exports of coal during the six months ended June, 1953, were only 762,375 tons, as against 1,474,540 tons in the corresponding period of 1952. Against this background and the world coal position which shows the emergence of a strong buyers' market, Mr. Sim's plea for "complete freedom" for the Indian exporter to supply coal according to the overseas consumers' needs acquires a special significance.

The prosperity of the coal industry, like that of any other industry, depends on the co-operation of the workers with the management. Here, the coal industry faces some very difficult problems. Apart from the fact that the industry is asked to shoulder burdens of welfare schemes, from which many other industries are exempt, there is the problem of the intrusion of politics into the sphere of coal labour. Mr. Sim's references to the rivalry of the Congress Party and the Praja Socialist Party for getting control of his Company's labour unions and to the illegal strike to which this has led make depressing reading. In fact, Mr. Sim's graphic description of the labour situation in West Bengal and his enlightened views on trade unionism reflect the general attitude of all progressive employers in this country. Far too long has the labour movement remained a happy hunting ground for political leaders, whose main—and at times the only—preoccupation is politics and not labour welfare, and who see in labour only a means for the furtherance of the party aims. It is high time, therefore, that some suitable measures were taken to divorce trade unionism from politics.

ROAD TRANSPORT POLICY

THE Central Government's decision to reconsider the "entire transport policy" will be widely welcomed. Recent events in the sphere of transport, particularly road transport, have been disquieting. The continued inability of the railways to remove the war-time vestiges of the problem of wagon shortage, the wholly unnecessary nationalisation of air transport, the heavy burden of taxation on motor vehicles, the poor progress of the motor vehicle industry and its failure to respond satisfactorily to the country's automobile needs, the State Government's scheme of road transport nationalisation and, above all, the tardy rate of progress of road development are all factors which must make many pause and doubt whether the Central or State Governments have, between themselves, a dynamic, or any road transport policy at all. It is, therefore, gratifying to note that the entire transport policy will be reconsidered by the Planning Commission and the Ministries of Railways and Transport. The Government has recognised that a comprehensive road transport policy must necessarily take into consideration the capacity of the existing railways, their future programme of expansion, the requirements of the State Governments, the scope for expansion of road transport and the employment opportunities it offers. The Government will also examine, it is announced, the question of the proper maintenance of roads and bridges at a "satisfactory level" so that they can stand the strain of heavier traffic.

Neither the Central nor any of the State Governments has so far admitted the need for a thorough overhaul of its transport policy. The closely reasoned report of the Motor Vehicles Taxation Enquiry Committee has been shelved. The Governments have paid no attention to the repeated demands made by private road transport operators for a halt in the policy of nationalisation of road transport, and for a sizable reduction in the burden of taxation on motor transport vehicles. It may be wondered, therefore, why the Central Government has developed a sudden interest in transport policy. Obviously, it is now convinced that railways, by themselves, cannot serve the entire field of transport, and that road transport vehicles have still a vital role to play in the country's transport system. It further looks as though the Government is convinced that a little less enthusiasm for nationalisation of road transport might yield better results in terms of employment. In its 11-point programme for relieving unemployment, it will be recalled, the Planning Commission placed considerable emphasis on the expansion of road transport, and invited the attention of the State Governments to the fact that the "heavy" taxation of motor vehicles "hinders" the development of road transport.

The Planning Commission, we are now told, followed up this exhortation to the State Governments by sending them another communication in which it had emphasised the need for preventing the slump in agricultural prices that invariably occurs in the crop season. It would appear that the Commission had suggested the stockpiling of goods by the State Governments and the expansion of road transport as appropriate measures. The Commission's emphasis on road transport stems from the realisation that the development of railways is necessarily a long-term project, and that, in the short-term period, the speedy movement of goods could be accomplished only through the development of road transport. The Commission also realised that bottlenecks in transport could upset the working of the various development projects. In its communication to the State Governments, the Commission pointed out how quick transport was vital to the maintenance of production itself both in the matter of supply of raw materials and in the distribution of manufactured articles, and also how insufficient transport facilities would tend to depress prices in the centres of production and lead to shortages in the centres of consumption. The Commission, therefore, asked the State Governments to make a "comprehensive review of the existing position" regarding road transport, the State Government's licensing policies, action, if any, taken towards nationalisation of road transport and their suggestions regarding the future course of action."

In response to the Commission's enquiry, the State Governments have now expressed their views on the transport situation in the country. These show that on the more specific question of road transport services, or expansion of road development, they have not been helpful. Indeed, there is no indication whatever that they are anxious to build more roads and repair the existing ones. Similarly, there is no evidence of any change in the attitude of the Governments towards private road transport operators or taxation of motor vehicles. In their replies to the Commission's communication, the State Governments have recognised that road transport services for carrying freight need considerable expansion in conjunction with the railways. But there is no mention of the need for enlisting the services of private operators. It is pointed out that a few States have Government-owned road transport vehicles which run along with private transport. No attempt has, however, been made to show whether the States' transport services are more efficient than those of private operators.

Again, the State Governments have pointed out that it is their experience that nationalised transport absorbs a larger number of men than private transport. Thus, in Madhya Pradesh, it is stated that 7.2 persons are employed on a bus owned by the State, as against four in a bus owned by a private individual. Surely, this is an indication of inefficiency of the nationalised transport services. Why appoint 7.2 persons when four persons can do that job quite well? But so obsessed has the country become with the problem of unemployment that what is normally regarded as a defect is now applauded as a great achievement of State ownership. There is also another point in this reasoning of State Governments that needs to be highlighted. And it is this. A State-owned road transport service creates unemployment in other sectors, such as service workshops and retail trade in spare parts, because the State road transport services maintain their own workshops and buy their spare parts requirements in bulk.

The real justification for nationalisation of road transport must, however, be based not on the fresh employment it might or might not create, but on whether private enterprise is or is not willing to enter this field. If private enterprise is willing to shoulder the responsibility, the State Governments would be extremely ill-advised to squander their slender resources on nationalising road transport. So far as efficiency, measured in terms of passenger or freight rates, is concerned, the State undertakings have yet to demonstrate that they can offer a cheaper service than private transport operators. Before any such comparison is made, it will be necessary to take into account the enormous advantage of tax reliefs which the State undertakings enjoy. These considerations do not seem to find any place in the State Governments' replies. They are, of course, stated to "appreciate the need for a liberal licensing policy" in regard to private transport. But this realisation is meaningless, because no private operator will come forward and undertake the responsibility of organising and running road transport, so long as the Damocle's sword of nationalisation hangs on this sector. The Central Government will, therefore, do well to concentrate on securing modification of transport policy along three lines. In the first place, it should persuade the State Governments to reverse the policy of nationalisation of road transport. Where nationalisation has been carried to some extent, the State Governments must be asked not to proceed further and allow the private sector to expand in the zones where State transport is not operating. Secondly, the burden of taxation on motor vehicles should be reduced, in the interests both of cheap transport services and India's young automobile industry. And thirdly, State Governments must be directed to give high priority for road building, as it offers not only a short-term remedy for the evil of unemployment but an accepted means of carrying prosperity to the rural areas.

BULLISH TREND IN SHARES PERSISTS

BELAPUR DIVIDEND—LONDON AND WALL STREET—STAMP DUTIES

WEDNESDAY, 5 P.M.

THE share markets, especially in Bombay and Calcutta, are still in good form. Equity values have advanced further over a broad front, though the extent of ground gained is not as substantial as in the previous week. The fact that prices have gone up further, despite a slightly downward trend in commodities, is itself significant, in that it shows that sentiment has undergone a distinct change for the better. *How far it is justified* is a moot point. In spite of this improvement in values, leading brokers complain that the turnover has not improved and that genuine investment buying is not worth talking about. One of them said that quite a few members were contemplating to retire from stock-broking after this year's *Moorat* trading, as their income was not sufficient even to meet their office expenses.

MARKET GOSSIP

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The outlook for shares depends on the progress of industries. There is no reason for one to take a pessimistic view of the future of the iron and steel industry. Its profit-margin is assured. There is no fear of overproduction. The labour situation in the works of the bigger of the two steel companies, namely, T.I.S.Co., is peaceful. The workers of this Company have been guaranteed higher emoluments and the output is being maintained on the high side. The production of T.I.S.Co. in October is higher than expected and is the highest since March, 1953. The Chairman of this Company has given broad indications that it should be possible to repeat the present handsome dividend even on the increased capital, that is, the increase that will take place when the proposed scheme for capitalisation of reserves is implemented. Whatever improvement has taken place in the value of the T.I.S.Co. shares is thus fully justified. In fact, as the yield on these shares, even at their current market value, is good and as the future trend of interest rates seems to be downward, a further rise in their value will not be out of tune with the prospects for the industry.

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One cannot, however, say the same thing about the I.I.S.Co. shares. It is true that the labour situation in the Company's works has improved and that production is now running at a satisfactory level. It is also likely that the Company will be able to pay the same rate of dividend as in the previous year, namely, a rupee per share. The yield on these shares, however, is now a little less than 4 per cent., a level not high enough to attract the support of investors. This fact has been known to the market for a long time now, but it has made no impression on it, because the lack of support from investors has been more than made good by the keen interest evinced by speculators in this scrip. The only snag, however, is that the affections of a speculator cannot be of a sustained nature. Any improvement in value based on such support is, therefore, undependable. The long-range prospects are often mentioned in favour of the rise in the value of I.I.S.Co. scrips. There is force in this line of reasoning but the risks involved are quite substantial.

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Textile shares have received a lot of stimulus from the reports of improvement in the offtake of cloth, following the relief measures announced by the Government last week. It is risky to generalise the outlook for textile shares, for, while some mills are said to be faring better, others are stated to be struggling hard. As in the case of the T.I.S.Co. shares, the gain registered by first class mill shares is, perhaps, justifiable. But, taking the industry as a whole, it will be premature to say that the industry is out of the wood. Whatever the Textile Commissioner may have to say about the relief afforded by the Government to the industry—that he protested too much in his statements to the Press on Tuesday is quite evident—the fact remains that the Government has done precious little to encourage consumption of cloth in the country which has to absorb nearly 84 per cent. of the present rate of mill production. The withdrawal of closure notices served by the Ahmedabad and other up-country mills was chiefly due to political pressure and the promulgation of an Ordinance stipulating payment of heavy compensation to workers who will be affected by such closure. It cannot, therefore, be regarded as a sign of return of remunerative trading conditions. In short, though the state of the cloth market may be a little better than a few weeks ago, the profit margins in most sections of the industry are appreciably low and may, perhaps, be lower still in the coming months. It is conceivable that the volume of trade in cloth may increase, but it is inconceivable that profit-margins will improve to a level which could be regarded as adequate, having regard to the present-day cost of re-equipment and extensions which have to be carried out by a large section of the industry if it is to survive.

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It is not our intention to make a detailed survey of the outlook for all the industries in this country. But the aforesaid remark about the profit margins is applicable to almost every one of them, especially tea and jute. Of late, there has been an improvement in the offtake of the products of these industries, but their profit-margins are small. Several units belonging to these industries have debit balances to be wiped out or reserves to be replenished before they can pay sizable dividends. The outlook for coal is by no means rosy, as can be seen from the observations of the Chairman of the Bengal Coal Co., Ltd., published elsewhere in this issue.

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In recent weeks, Belapurs have been a firm feature. In the month of October, they gained over Rs. 20, from Rs. 240 to Rs. 264 to be precise. During the last two days, they had gone up a little higher, the closing rate for the week at Rs. 266-8 being the peak for the current year and only Rs. 2 lower than the highest level seen in 1952. At one time during this year, they had gone down as low as Rs. 199-8. All this improvement in the value of this sweetest scrip belonging to the sugar industry has not been in vain, judging from the decision of the Directors of the Company to-day to repeat last year's dividend of Rs. 16 per share, equivalent to 32 per cent. per annum, for the year ended 30th September, 1953. Thus, for the second year in succession, the Company has been able to pay a handsome dividend. It is reliably learned that the Company made history is several respects in 1952-53. Nevertheless, the net profit is believed to be a little less than that for 1951-52, which is understandable because of the additional excise duty of Re. 1 per maund which the industry had to pay. The dividend, however, has been fully earned and maintained without effecting any cut in the transfer to reserves. On an ex-dividend basis (of Rs. 250 per share), the yield on these shares works out to 6.4 per cent., free of income-tax.

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Although the firm trend displayed by the share markets in this country may not be fully justified by the uncertain outlook for most of the industries, it is fully in accord with the changed atmosphere in the U.S. and the U.K. where fears of an economic recession have yielded place to confidence in the future. From London come reports that the bull market in equities has definitely arrived. After months of patient waiting, investors now find their holdings are appreciating in value.

We wish all our Hindu readers
A Happy Diwali
and
A Prosperous New Year

This trend has, naturally enough, hit the headlines in the front page of the financial Press. Over the week ended 31st October, 1953, the *Financial Times* index of industrial ordinary shares (Base: 1st July, 1935=100) rose by 3.3 to 130.3. The index is now at its highest since November, 1951, but is about 10 points below the all-time high of 140.6 reached in January, 1947. Despite the rise in prices, some of the first class equities on the London Stock Exchange yield 4 to 6 per cent. Thus, Woolworth yields 4.6 per cent., I.C.I. 5.1 per cent. and Dunlop Rubber 6.3 per cent.

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The rise in equity prices is attributed to investment buying on behalf of institutions. What prompted this institutional interest in industrial shares? Many reasons are given. But the most important is the very constructive decisions taken in the "board rooms" of many public companies; the Directors are increasingly adopting a more liberal distribution policy. It would also appear that private business reports are also encouraging. These are said to be the main factors which influenced the upward trend in the market. Less remote factors, though no less important, were the reduction in the Bank rate and the somewhat healthier trend witnessed in Wall Street. Although the U.K., like many other countries, was apprehensive about the possibility of a recession in the U.S., it has derived no small satisfaction by the repeated declarations of the American Government that, if any setback did come, they knew how to deal with it. More than these factors, it is clear that the men in British business and industry have drawn their main comfort from the return of freedom to trade and industry, made possible by the present Conservative Government in that country.

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The recovery staged by Wall Street has been far more pronounced than that by Throgmorton Street. Despite growing difficulties of American industry, the Dow-Jones industrial index has moved up by more than 20 points in the past six weeks. This feeling of robust confidence in the future is based on the belief that the U.S. Government is not only anxious to prevent an economic recession but also capable of stemming a recession. Wall Street believes that the present Administration has dropped the hard or "honest" money policy so vigorously advocated early this year, that President Eisenhower is determined not to allow defence expenditure to be reduced to the point of risking national safety, that there is a prospect of very large new expenditure on civil defence projects "to construct a shield against the hydrogen bomb," and that the U.S. economy is now less vulnerable to the effects of trade cycle than it was during the pre-war years. Wall Street seems to share the view of an U.S. official spokesman that, in an expanding America, any reversal of economic conditions can be only temporary.

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A similar view is expressed by Mr. A. W. Zelomek, President of the International Statistical Bureau, in his book, *No Major Depression in Our Lifetime*, published a fortnight ago. Although the author foresees a series of "declines and readjustments" in the American economy, he believes that "there will not be another major depression in our lifetime." His basic thesis is that, because of the stabilisers built into the economy since the early 1930's and because of virtually unlimited growth potentials of the country, a major depression can be ruled out even as a possibility. These "built-in stabilisers," he explains, are such things as unemployment insurance, bank deposit insurance, farm price support, and automatic tax reductions as incomes fall. Mr. Zelomek, a leading business consultant, also believes that dynamic forces for expansion remain in the United States, despite the passing of the physical frontier. These forces include, he says, an expanding population of more than 2.6 million a year, the need for new housing and for all the products which go with them, the need for improved transportation facilities, application of atomic energy to peaceful pursuits, the potentialities of new industries and new products, and the urgency for new schools, hospitals and other public works. These forces, according to him, "will provide for continuous expansion and help to prevent any major decline." In his forecast of the future, Mr. Zelomek predicts a long and uneasy peace, but says that average security expenditures are not likely to decline lower than $30,000 million to $35,000 million a year, because "the threat of communism will be with us during our lifetime." Addressing himself to business men, Mr. Zelomek, however, warns that business is entering one of the most competitive periods in American history. There will not be prosperity for all, but for those who promote a business intelligently, a period of good earnings is, he says, practically assured.

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Commenting on the behaviour of Wall Street, the *Financial Times*, London, makes the following interesting observations:

"The stock markets may well be taking too blithe a view of present movements; such a strong rise in the face of current economic reports seems to be unduly optimistic. Their basic confidence, on the other hand, may be justified. Whenever the halt had come, as after the end of the Korean war it was bound to do, it would have made people fear that the post-war prosperity had reached its term. There is no reason at present to suppose that the recession which now exists in the United States will be allowed to go too far. It does admittedly seem likely that the next few months will be a period of sharper competition in the United States as elsewhere. Many American firms will find their profits trimmed. But none of the evidence suggests that this year, or the next, the American economy is going to revert to its pre-war type."

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The world-wide trend towards easier money continues. The latest instance of a country which has joined the ranks of those that have lowered their Bank rates is Belgium. The Bank of Belgium announced last week a reduction in its principal discount rate from 3 per cent. to 2½ per cent. The subsidiary discount and advance rates were also cut by ½ per cent. except for advances on Treasury Certificates with less than a year to maturity on which the rates vary between 2 per cent. and 2½ per cent. This is the second time in less than a year that Belgium has cut its Bank rate. It may be recalled that the principal discount rate was reduced from 3½ per cent. to 3 per cent. in December last year.

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Some interesting comment on the present provisions relating to stamp duties is available in the ably argued replies to the Taxation Enquiry Commission's questionnaire, submitted by the Bombay Chamber of Commerce and the Bengal Chamber of Commerce. Under the Constitution, the Union Government, as is well known, is empowered to fix the rates of stamp duties in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, transfer of shares, debentures, proxies and receipts, while the State Governments are empowered to fix the rates for all other stamp duties. Among the documents which might be subjected to stamp duties, the stamp duty on cheques, it may be recalled, was abolished in 1927. Both the Chambers have rightly urged that there should be no reversion to the old system of stamp duty on cheques, which was abolished with a view to stimulating the banking habit in India. Regarding the duty on bills of lading, the Bengal Chamber points out that, although the Central Government contemplated a minimum rate of As. 4 only, the actual rates have been far in excess of this rate. In Calcutta, it is as high as As. 8. In several other centres, it is As. 6, though it is only As. 4 in Bombay. The Chamber has urged the need for uniformity and has advocated the rate of As. 6. Referring to the stamp duties on transfers of shares, debentures, proxies and receipts, the Bengal Chamber says:

"At present the rate of stamp duties on the transfers of shares, debentures, etc., is As. 12 per cent, and in the opinion of the Chamber, there is little doubt that this rate leads to losses to the Government revenue, because of the encouragement which it gives to the holding of shares under blank transfers. It is, therefore, considered that, in this case, the Government revenues might benefit from a reduction in the rates which would encourage more frequent registrations."

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The Bombay Chamber has discussed the common methods of evasion of stamp duty and the means of preventing them. It says:

"There is a substantial loss in the revenue from stamp duties in a condition in which (a) the

(*Continued on next page*)

BUOYANCY IN SHARES KEPT UP

TEXTILES STILL IN FAVOUR

(From Our Own Correspondents)

BOMBAY, *4th November*

THE Stock Exchange witnessed cheerful conditions during the week under review also. Textile shares were again in the lead under the stimulus of good offtake of cloth in the piecegoods market. Strong speculative support to Indian Irons, buttressed by rumours of a fresh issue of shares by the Company and expectations of maintenance of dividend for the past year, also contributed to the firm tone of the market. The growing belief that the Tata Deferred Conversion scheme would be carried through without any great difficulty sustained interest in the steel section. Steady advices from the commodity markets and bullion fanned further the enthusiasm of operators. The cumulative effect of these factors was brisk activity in the main body of shares on the Exchange. Under heavy professional buying and active short-covering, values once again forged ahead, showing widespread gains over the week.

The Stock Exchange will remain closed from to-day till the 7th inst. on account of *Diwali*. It will, however, remain open for *Moorat* trading for one hour on Friday, 6th November, between 5-30 and 6-30 p.m.

Sectionwise, steels maintained good form under the lead of Indian Irons which experienced a fresh bout of speculative support. The shares, as a result, advanced from Rs. 24-11½ to a high of Rs. 25-7½, the highest level since 3rd June, 1953, before winding up at Rs. 25-5. Tata Steels also made useful gains, but the rise over the week was not as spectacular as in the previous week. Deferreds suffered a mild reaction from last week's closing of Rs. 1,931-4 to Rs. 1,926-4 early in the week. They, however, staged a brisk recovery to Rs. 1,951-4 yesterday before closing at Rs. 1,943-12. Tata Ordinaries came up to Rs. 330-4, from last week's closing of Rs. 327-12, but finished at Rs. 328-12. The market was anxiously awaiting the outcome of to-day's meeting of the Tata Deferred shareholders when they have to give their verdict on the conversion scheme. At yesterday's meeting of the ordinary shareholders the scheme was approved by an overwhelming majority. The Company's production figures for the month of October received to-day are very encouraging and constitute a record for the Company's current financial year so far. The output of pig iron amounts to 99,500 tons, as compared with 94,200 tons in the previous month, steel ingots 94,000 tons, as against 91,100 tons in September and finished steel 68,500 tons, as compared with 61,900 tons. The latest output figures for all the three varieties, namely, pig iron, steel ingots and finished steel were the highest for any month since January, 1953.

During the four sessions of the week under review, Bombay Dyeings scored a smart gain from Rs. 386-4 to Rs. 396-4, but closed a shade lower at Rs. 392-8. Kohinoors had a good spell of support to go up from Rs. 293-4 to Rs. 297, before finishing at Rs. 295-8. Central Indias moved ahead from Rs. 168 *cum-div.* to Rs. 166-8 *ex-div.* (dividend Rs. 5), reflecting the operators' response to the encouraging speech of the Chairman. Century added a gain of Re. 1-8 to Rs. 273. Finlays staged a spurt from Rs. 252-8 to Rs. 261. Gokaks put on a rupee to Rs. 241, Indu Ordinaries As. 4 to Rs. 10-12 and Indore Malwas as much as Rs. 13-2 to Rs. 102-8. Khataus were put through, Rs. 2-8 better, at Rs. 180, New Greats Rs. 4 at Rs. 159 and Svadeshis Rs. 6 at Rs. 257. On strong speculative support from knowledgeable circles, Simplex recorded a sharp rise of Rs. 16 to Rs. 151. Standards were steady around Rs. 315. Tata Mills were well supported and taken up Rs. 3-12 to Rs. 46-4.

Bank shares were steady, but activity was on a very small scale. Barodas, on small buying support, rose by Rs. 2 to Rs. 109. Centrals were unchanged at Rs. 63-12, while their new shares put on As. 8 to Rs. 66-8. Imperial Fully Paids dropped Rs. 5 to Rs. 1,827-8, while the Partly Paids gained Rs. 2-8 to Rs. 456-4. Indias moved up by As. 12 to Rs. 157-12.

Business in the public utility section was selective. Andhra Valleys were on offer and were down by Rs. 6-4 to Rs. 1,272-8, while their Rights were bid, Rs. 8-12 higher, at Rs. 161-4 and Coupons, Re. 1-8 better, at Rs. 32. Tata Hydros, however, added Re. 1 to Rs. 138-8. Their Rights put on Rs. 2 to Rs. 24 and Coupons Re. 1 to Rs. 8-4. Tata Powers changed hands, Rs. 5 higher, at Rs. 1,370, while their Rights lost Rs. 5 to Rs. 232-8 and Coupons a fraction to Rs. 46. Ahmedabad Electrics were a fraction down at Rs. 114-1, Bombay Suburbans As. 10 lower at Rs. 125-10.

Several bright features were noted in the miscellaneous section and the undertone remained firm. A.C.Cs hardened on bear covering by Rs. 2-4 to Rs. 176 and Belapurs by Rs. 2 to Rs. 266-8. Bombay Burmahs, which were in the background last week, rallied Rs. 6-14 to Rs. 345-10, on expectations of better results than generally anticipated. B.I.Cs were steady at Rs. 8-12. Scindias responded well to buying enquiries and rose by As. 4½ to Rs. 14-11½. Alcocks spurted from Rs. 320 to Rs. 331-4 due to scarcity of stocks. Professional buying lifted Premier Constructions from Rs. 97 to Rs. 101. Shivrajpurs advanced by Rs. 3 to Rs. 67-8. Tata Chemicals had business at Rs. 9-4, a rise of As. 5½ over the week, due to optimism regarding the annual report. Tata Oils were quiet at Rs. 31. Wimcos were dealt in Re. 1-4 higher at Rs. 242-8. Killick Industries Partly Paids were in demand to rise by Rs. 3-2 to Rs. 125-10. National Rayons were just steady at Rs. 119.

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Calcutta Stock Exchange

CALCUTTA, *2nd November*

Some of the recent gains were partially lost on the Calcutta Stock Exchange during the last four sessions from Thursday onwards. The volume of business was also not as large as during the three sessions covered by our last report; nevertheless, conditions were steady. Following the good increases in prices of jute goods, interest in jute shares widened. Jutes again came into their own and provided leadership to the market. Operators noted with enthusiasm that, in September, the favourable balance of Rs. 4.5 crores in the country's foreign trade was due to an increase in the value of exports. The news that measures to boost cloth exports were meeting with the desired result also encouraged long-term commitments, although this factor had less bearing on mills in West Bengal than those in Ahmedabad and Bombay. But this State's production of medium and coarse cloth can find a wider internal market if the better varieties in other States record higher exports.

Coal shares were shown only nominal interest, and the fall in exports of coal and the presence of the transport bottleneck in collieries were problems that kept down genuine investment in coal shares to an absolute minimum level. Engineering shares held firm ground, and Indian Irons continued to attract attention which resulted in further gains. Confirmation of earlier rumours of bonus share issues in respect of Burn & Co. and the Indian Standard Wagon Company was favourably responded to by these scrips, with a rise in their values. As usual, selected interest was shown to miscellaneous shares. Teas were quiet, and such a

EQUITIES IN RETROSPECT

Scrips	Closing Rates on 3rd Nov., 1952	High	Low	Closing Rates on 3rd Nov., 1953
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Steels				
Tata Defd.	1,660 0	1,970 0	1,925 0	1,913 12
,, Ordy.	293 8	342 0	291 8	324 12
Indian Iron	27 5	27 7	21 11½	25 5
Textiles				
Bombay Dyeing	343 12	413 2	321 4	392 8
Kohinoor	259 8	323 0	252 0	295 8
Central India	149 0	179 0	135 0	166 8
"India," Ordy.	8 8½	11 1	8 0½	8½
,, Defd.	1 11½	1 11½	1 2	10 12
Indore-Malwa	81 4	102 8	77 8	102 8
Finlay	247 0	306 0	242 8	261 0
Gokak	194 8	242 8	193 0	241 0
Simplex	109 0	202 0	119 0	151 0
Svadeshi	228 0	270 0	225 0	257 0
Miscellaneous				
A. C. C.	130 12	182 0	166 4	176 0
Belapur	213 8	268 8	202 0	266 8
Bombay Burmah	343 2	407 8	323 2	345 10
Wimco	209 6	245 0	208 12	242 8
Central Bank	62 8	69 8	61 8	63 12
Imperial Bank	1,724 12	1,892 8	1,727 8	1,827 8
British India Corpn.	9 11½	9 13	8 14	8 12
Scindia	14 1	15 12	12 6	14 11½
New India	43 8	44 0	37 8	38 12

trend did not cause surprise in view of the recent heavy additions.

Section-wise, Indian Irons opened at Rs. 24-8 last Thursday and at the time of closure on Saturday the rate had risen to Rs. 25-2. To-day there was a further rise to Rs. 25-6. After a rise to Rs. 332 last Wednesday Burn & Cos. receded to Rs. 328, at which rate they were steady. To-day there was again a spurt to Rs. 332. Indian Galvanizings were supported at Rs. 16-6, while Jessops eased fractionally to Rs. 24-11. Marshalls came to business at Rs. 5-11 and Kumardhubis were higher at Rs. 8-2. Texmacos realised Rs. 6-9.

Jutes were generally steady. Howrahs were raised from Rs. 23-8 to Rs. 24-4 while Anglo-Indias spurted from Rs. 206 to as high as Rs. 211. Kinnisons advanced from Rs. 188 to Rs. 193. Deltas gained from Rs. 221 to Rs. 225, and Reliances from Rs. 15-4 to Rs. 16-8. On the other hand, Kanknarrahs receded to Rs. 143.

In the coal section, New Beerbhooms were a feature with a rise from Rs. 19 to Rs. 19-10, while Bengals eased from Rs. 510 to Rs. 506. Dhemo Mains attracted interest at Rs. 8-12, as against Rs. 8-4 previously. Burrakurs were fractionally lower at Rs. 8-14, but East Indians were better at Rs. 24-5. South Karanpuras were quiet at Rs. 10-7, as were Western Bengals at Rs. 4-8. Khatras Jherriahs were shown interest at the fractionally improved rate of Rs. 39-4, and Central Indias realised Rs. 5-1.

Miscellaneous shares were steady, although rises were few. The strong feature of the week was National Tobaccos which, in interested buying, were raised from Rs. 10-2 to Rs. 11-11. Dunlop Rubbers were a shade easier at Rs. 30-8, and Indian Cables, after receding to Rs. 19-14, regained to Rs. 20.

Madras Stock Exchange

MADRAS, *2nd November*

Except the textile section, all other sections presented a quiet trend on the Madras Stock Exchange. Textile shares persisted their upward trend, on reports of better export enquiries for cloth and yarn. But, among the rest, the performance of plantings was uninteresting. Teas were dull in the absence of any encouraging factor. Coffee scrips lacked enthusiasm, on reports of difficulty in the disposal of accumulated stocks. Rubbers displayed no better trend. Miscellaneous scrips met with poor response, although a few of them came in to receive some attention. Consequently, activity in sections other than textiles was at a low ebb with prices showing no notable variations. Textiles, however, recorded sizable gains on good support.

The improved sentiment witnessed last week in the textile section persisted this week also. Thus, Metturs shot up from Rs. 194 to Rs. 197 and Radhakrishnas, Rs. 100 paid-up, from Rs. 158-8 to Rs. 162-8. Vasantas gained Rs. 2 and finished at Rs. 162 and Coimbatore Pioneers Re. 1 to close at Rs. 119. P. Andavars 'A' were done at Rs. 65-8, as against Rs. 64-8.

In the planting section, teas were virtually dull. Nilgiri Teas lost As. 3 to Rs. 10-13. Devasholas were unchanged at Rs. 17-8 and Kalasas at Rs. 10-2. Twyfords lacked support at Rs. 11-6. Chandramalais, however, gathered As. 2 to Rs. 2-15-6 *cum-div.*

MARKET GOSSIP

(Concluded from previous page)

transmission of a share is possible without evidence of probate or letters of administration; (b) it is the custom to hold shares on blank transfers; (c) the stamp duty on a transfer of shares is paid by adhesive label. It is commonly provided by Articles of Association of Companies that the directors may, in their absolute discretion, dispense with the production of probate or letters of administration or such other legal representation by the person claiming title to the shares of a deceased member of the Company. There is substantial avoidance of probate duties as a result. It is important that the avoidance be checked. It may, at the same time, be noticed that avoidance of the probate duty will continue to be possible so long as the obligations proposed to be imposed by the Estate Duty Bill may be discharged without an application for probate or letters of administration. In the result, there will be a diversion of revenue from the States to the Centre.

"It is doubtful whether the practice of abstaining from securing the registration of shares has appreciably abated since the Bombay High Court held, in *Shri Sakti Mills Ltd. vs. Commissioner of Income-tax* (reported at 1948 I.T.R. 187), that credit under section 18(5) of the Income-tax Act for the tax paid by the Company could be claimed only by the person registered as the holder of the shares. The payment of the stamp duties on the transfer is avoided, if the shares are held under a deed of transfer executed only by the transferor to the extent that the property in the shares may pass through a number of hands without the registration of any transfer, and it may be observed that certain banks customarily make advances upon the pledge of such shares without requiring their registration either in the name of the bank or in the name of pledger. No stock or share may be sold under sanction of the rules of the London Stock Exchange, unless registered in the name of the vendor. There can be no escape from payment of the duties on the transfer. The enforcement of that rule is rendered practicable by arrangements for securing the completion of transfer within the shortest possible time, believed to be 48 hours at the most. In India the time taken for the completion of a transfer of shares extends to three months or more. It may not be practicable in India to adopt the English law and practice; the evasion of the payment of stamp duties on transfers of stocks and shares may, however, be substantially abated if the banks are prohibited from making an advance upon the pledge of stocks or shares not registered in the name of the pledger or in the name of the bank or its nominees. Even if cancelled as by an indelible rubber stamp at the time a transfer is approved the adhesive label by which the stamp duty on a transfer of shares is paid is easily removed and used a second time. The label does not carry the date of its issue as does the impressed label. It is believed that a substantial evasion of duty derives from the use of the adhesive label and that the revenue would be benefited if the stamp duty on a transfer of shares were to be paid by impressed label."

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Some States, notably Bombay, levy stamp duties on transactions in forward markets. Opposing this form of levy on transactions in forward markets, stock exchanges, etc., the Bengal Chamber emphasises that, in properly regulated markets, transactions in these exchanges should play a valuable part in the organisation of commodity sales and in mobilising credit. The Bombay Chamber of Commerce also emphasises that forward transactions, which are a form of insurance indispensable to all traders in or users of commodities, would be impeded by the imposition of a stamp duty. But the Chamber concedes that, if it were possible to distinguish between the genuine hedge and the speculative contract, the latter should be heavily taxed, though it recognises that there "seems to be no means of identifying the speculative contract excepting only that in shares in the case of which a speculative transaction may be presumed if there is no delivery."

NEWS IN BRIEF

THE Government of India has extended to 31st July, 1954, the date by which the Press Commission is required to submit its report.

The Government of India has appointed a technical committee to make recommendations in regard to a thorough reorganisation of air routes in India.

The Tariff Commission has undertaken an enquiry into the question of continuance of protection to the electric brass lamp-holders industry beyond 31st December, 1953.

The next meeting of the Import Advisory Council will be held on Saturday, 28th November, 1953, in New Delhi under the chairmanship of the Minister for Commerce and Industry. The Export Advisory Council will meet on the following day.

The Government of India has granted a sum of Rs. 3 crores as its assistance to the Hyderabad State for implementing a large number of medium-sized and minor irrigation projects in the State.

The Central Government has agreed to finance, under the Five-year Plan, the execution of irrigation schemes in Bihar upto a maximum of Rs. 3.5 crores on certain conditions. Only such schemes as are likely to cost Rs. 10 lakhs or more and can be completed within two years are to be taken up.

The Government of India has decided to extend the shipment validity of export licences of the items of cotton piecegoods and cotton manufactures freely licensed (other than cotton waste blankets) which were issued on or before 23rd May, 1953, till one year from the date of issue or till 30th June, 1954, whichever is earlier.

A conference of representatives of the States will be held at Secretariat level in New Delhi on the 10th inst., for preliminary discussion on the food policy for the ensuing year. Another conference at Ministerial level will be held early in December when a full picture of the harvests in the States will be available.

Questions relating to the production of food yeast, which is a highly nutritious substance, containing proteins and vitamins, were discussed last week by Mr. K. D. Malaviya, Union Deputy Minister for Natural Resources and Scientific Research, with the Chief Minister of Bombay. If the plans now under discussion are finalised, Bombay will soon have a food yeast plant.

The Madras Government will receive, in the course of the next two months, a sum of Rs. 85 lakhs out of the Handloom Cess Fund from the Central Government. The handloom industry will receive assistance out of this amount through the medium-sized co-operative societies in the State. The items of expenditure will, however, have to be approved by the Central Government.

The three-day meeting of the Central and State Statisticians, held in New Delhi last week, appointed a committee of ten to go into the question, from all points of view, of having legislation to enable collection of statistics in various spheres of activity, including agricultural and sociological, and, if possible, to draft a Bill or Bills in accordance with constitutional provisions on Central, State and Concurrent lists of subjects.

The Forest Research Institute, Dehra Dun, has succeeded in making printing paper of good quality from bagasse and bamboo pulps. The paper was made on a commercial paper machine at a high speed of 312 feet per minute. The trial showed that bagasse stock mixed with bamboo stock can be run on commercial paper machines. It has also been found that insulation boards can be made from pith separated from bagasse. Wrapping papers of high strength were also made on a pilot plant from castor stems.

The establishment of a National Fertiliser Association to develop the use of fertilisers in India has been recommended by the Development Council for Heavy Chemicals (Acids and Fertilisers) which was constituted by the Ministry of Commerce and Industry under the provisions of the Industries (Development and Regulation) Act, 1951. The Council considered the possibility of establishing the manufacture of barium salts in India and, in the light of the abundance of the necessary raw materials and potential demand for barium salts, it has recommended that full encouragement should be given to those taking up their manufacture.

The Inter-State Conference on the Damodar Valley Corporation, held in New Delhi last week, decided to extend the power transmission system of the D.V.C. to Calcutta, Patna and Gaya. The extension of the power supply to Calcutta will necessitate additional generating equipment, for housing which provision has already been made in the Bokaro Power House structure. The programme, in this connection, will be reviewed after a year, depending on the growth in demand for power in the D.V.C. and Calcutta areas. The Conference discussed the comments of the West Bengal and Bihar Governments and the D.V.C. on the Rau Committee report. In the light of the views expressed at the Conference, the Central Government will now take final decisions on the recommendations. The Conference considered the revised financial analysis of the Damodar Valley projects, the main feature of which is the omission from the first phase of the hydro-electric portion of the Konar project estimated to cost Rs. 3.85 crores.

An understanding has been reached between the Governments of the United States of America and India regarding the utilisation of the interest that has accumulated on the U.S. wheat loan of $190 million to India. Under the agreement providing this loan, interest of 2½ per cent. per annum would fall due from 30th June, 1952, while the principal shall be paid from June, 1957, in sixty equated half-yearly instalments. The agreement further provides that, out of the interest that accrues up to 1st January, 1957, a sum, not exceeding $5 million, shall be placed in a special deposit fund with the Government of the U.S. for utilisation on certain mutually agreed projects between India and the U.S. At present, a sum of $1 million has accrued to this fund, and, recently, an understanding was reached between the two Governments to the effect that this amount would be utilised mainly for supply of books and laboratory equipment from the U.S. to Indian universities and also for exchange of scientists and scholars between India and the U.S. Details of the programme are now being worked out.

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From Abroad

The I.M.F. has sold £10 million sterling to Brazil to enable the latter to settle its commercial debts in Britain.

Exports of wheat from the U.S. are likely to continue to decline through 1954 to an annual rate of 200 million bushels, according to the officials of the U.S. Department of Agriculture.

The United States has decided to slash by two-thirds the Japanese debt arising from the aid, which America supplied to Japan immediately after the war, evaluated by America at about $2 milliard ($2,000 million). This aid mainly consisted of foodstuffs.

Britain expects to produce electricity for its grid system by atomic energy within a few years. It has recently begun to construct a thermal reactor from which power will be produced in industrial quantities, and is expected shortly to build a fast reactor.

Canada will continue to sell wheat to Britain, even though Britain is outside the International Wheat Agreement. The price at which Canada sells wheat to Britain will be fully competitive on the British market, agreement or no agreement, according to the Canadian Trade Minister.

The O.E.E.C. has lifted the ban on the use of nickel, nickel alloys and nickel plating for manufacturing purposes. Restriction on the use of nickel by member countries was imposed in May, 1952 and the present removal of restriction has been enabled by the improvement in nickel supplies.

The London Grains Futures Market will reopen on 4th January, 1954, with trading in maize and barley. Trading in wheat futures will not commence until some time after that. The Liverpool Grains Futures Market, however, will reopen on 1st December, 1953, and trading will initially be in wheat.

Rationing and controls over prices and distribution of fats and milk products in the U.K. will come to an end next year and imports on private account will be resumed. The precise date of each step in the decontrol measures, which will be a complex operation, will be determined in relation to the circumstances of each commodity.

The Government of Ceylon has introduced, with effect from 30th October, 1953, an export duty at a flat rate of 45 cents per lb. on all tea exported from Ceylon, in place of the existing sliding scale. This step has been taken, according to the Finance Minister, in view of the fact that, since the sliding scale was introduced some time ago, shippers have exploited the situation to serve their end at the expense of the country.

PERSONAL

MR. D. P. Karmarkar, Minister for Commerce, Government of India, has returned to India after attending the session of the G.A.T.T. held at Geneva.

Mr. W. Jenkins of the Belapur Co., Ltd., and Mr. K. J. Somaiya of the Godavari Sugar Mills Ltd., have been elected President and Vice-President, respectively, of the Deccan Sugar Factories Association for the ensuing year.

Mr. G. R. Kamat, Joint Secretary, Ministry of Finance, Government of India, has been elected one of the members of the United Nations Advisory Committee on administrative and budgetary questions for a period of three years.

Mr. Chimanlal B. Parikh, Vice-President of the Indian Central Cotton Committee and the East India Cotton Association, Bombay, left last week for the U.S. to attend the International Cotton Advisory Committee meeting, now in session.

Dr. Rustom C. Cooper of Messrs. P. C. Hansotia & Co., Mr. N. R. Mandviwalla of Messrs. Gondolia and Mandviwalla and Mr. P. N. Shah of Messrs. Bhogilal Chimanlal Shah & Co., Chartered Accountants of Bombay State, have been selected to undergo a specialised course in Estate Duty at the Central Board of Revenue, New Delhi.

Mr. C. T. Whyman, Chief Executive Officer in charge of the trade marks branch of the Patent Office, U.K., has been appointed an adviser to a committee which is being set up by the Government of India to review the working of the Indian Trade Marks and Merchandise Acts. The services of Mr. Whyman have been made available to the Government of India under the Technical Co-operation Scheme of the Colombo Plan.

Mr. P. S. Narayan Prasad, Economic Adviser to the Reserve Bank of India, and Mr. V. G. Pendharkar, Director of the Balance of Payments Division of the Reserve Bank of India, who have been appointed India's Directors on the Board of the International Monetary Fund and alternate Director on the I.M.F., respectively, left for London last week, *en route* to Washington. Mr. Pendharkar is alternate Director on the Board of the World Bank also.

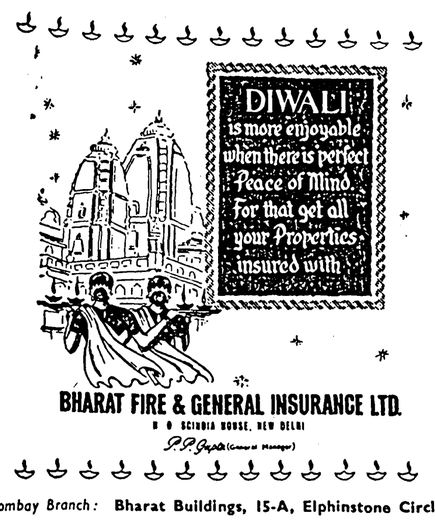
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *10th November*

Population and Food Shortage

In China, a terrible winter is foreshadowed by increasingly bad crop reports. Rice has suffered particularly owing to a widespread drought. It is expected that there will be a serious shortage in an area of at least 400,000 square miles involving a population of nearly 200,000,000 most of whom normally live close to starvation line. The authorities of the Peking Bureau of Public Safety state that 256,000 people are destitute in Peking. Russia, too, is famine-stricken. Despite censorship, alarming reports are leaking out which show that the country is practically reduced to starvation. Official Soviet newspapers confess that there is a scarcity of wheat and rye all over Russia. In Moscow, the plight of the inhabitants is pitiful. There is no fuel and little or no grain. Long queues of shivering men, women and children can be seen every day waiting for food. Queues in Leningrad are strictly rationed and are sometimes offered apples instead of flour. Peasants in the valley of the Volga are holding up grain until supplied with manufactured articles, including vodka, and, as a result, the district is destitute.



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GO-SLOW TACTICS

THE Industrial Tribunal of Madras has adjudged that go-slow tactics constitute a strike under section 2 (q) of the Industrial Disputes Act. It has ruled, in a dispute between Messrs. Ashok Motors, Ennore (Madras), and its employees, resulting in the closure of the assembly department of the Company, that go-slow tactics are "a covert sabotage effected by conscientious withdrawal of efficiency often developed into a fine art of wasting time." It has held that, in view of the workers' go-slow tactics, the management could not have chosen any other line of action, except to close the assembly plant.

This decision deserves to be noted especially by labour unions. Only recently, the Labour Appellate Tribunal, Bombay, also pronounced a similar judgment in a dispute between the Firestone and Rubber Co. of India *vs.* its employees. After all, the workmen, whatever their grievances may be, should not take charge of a machine and produce only as much as they like. The company concerned has a right to expect from the workmen a normal day's work for the agreed wage, particularly because dearness allowance and bonus are *now linked to attendance and not to production*. It is wrong for a worker to monopolise a machine, secure a full day's work and allowance and produce as little as he chooses. Certainly, go-slow tactics, unlike strikes, are not a recognised weapon in the armoury of workmen in any conflict with employers. In fact, it is an insidious method of undermining the stability of the concern which employs them. These tactics constitute a clear case of misconduct and they are so designated in the model standing orders, which have been appended to the relevant enactment, namely, the Industrial Employment (Standing Orders) Act 1946. Section 3(2) of the Act, it may be mentioned here, requires the standing orders of a concern to conform to the model as far as practicable.

TOWARDS FREER EUROPEAN TRADE

Western Europe bids fair to move forward towards eventual free trade. For at a two-day session, the Ministerial Council of the Organisation for European Economic Co-operation (O.E.E.C.) has reaffirmed its determination to abolish all import restrictions. In order to achieve this aim, four conditions are required to be fulfilled, and these have been embodied in a resolution adopted by the Council. They are: (a) a suitable multilateral system of payments must be agreed upon from 1st July, 1954; (b) the marked inequality between the different degrees of trade liberalisation among member countries must disappear; (c) France must comply fully with her obligations under the O.E.E.C. liberalisation code. This provides for an end of restrictions on imports covering 75 per cent. of the whole import range, and (d) the escape clauses in the code must be tightened up.

France was the only country to raise a dissenting voice. It proposed to increase its liberalisation from 8 to 20 per cent. only. But the Council has asked it to report back to the Organisation before 1st March, 1954, on steps taken by it to obey the code, as the Council decided to meet again a month after, that is, on 1st April, 1954.

The Council also accepted the British suggestion that, in future, member countries must justify restrictions they maintain for reasons other than balance of payments.

The Council discussed a report from the Managing Board of the E.P.U.—the financial clearing house of the O.E.E.C. members—on the question of convertibility and of reinforcing the Union's reserves. Proposals were made for a change in the rules under which creditor countries of the E.P.U. received payments in the form of gold and credit. Debtors now meet their obligations half in gold and half in credit. It was urged that this proportion be changed to 65 per cent. in gold and 35 per cent. in credit. Holland and Germany supported the change. The British representatives opposed the move, as Britain had run a great risk already in liberalising its import restrictions which will be dealt with presently. In the end, the Council approved a resolution stressing that convertibility should not be achieved at the expense of continued trade liberalisation. The Managing Board was called upon to examine problems that would arise, if one or more European currencies became convertible, as well as methods to ensure an orderly transition from the present form of E.P.U. to a wider payments system.

The credit for the success of the Council's meeting goes mainly to the U.K. which gave a lead by announcing its intentions to liberalise imports. Mr. R. A. Butler, British Chancellor of the Exchequer and also Chairman of the Ministerial Council, stated that Britain would liberalise its imports by 75 per cent. before the end of the year. He announced that the foreign tourist allowance also would be increased from £40 to £50 annually. The level of liberalisation upto now has been 58 per cent. This move had a tonic effect and provided encouraging evidence of the sincerity of Britain in its professions of freer trade.

But in committing itself to the policy of liberalisation of imports, the U.K. is taking a big risk—risk of a sharp rise in imports upsetting its balance of payments position. Against this risk, however, there are chances of expanding exports and earning more dollars. For fewer restrictions on imports provide a stimulus to competitive efficiency, help reduction in cost of production, and increase exports. It remains to be seen how far this process of stimulus to competitive efficiency will be fruitful. And this depends on the extent to which the U.S. opens its doors to European goods, but so far the U.S. has made no decision on the request by Europe for trade and not aid. All indications go to show that no change in the U.S. foreign economic policy can be expected before next summer.

WHOLESALE PRICES SINCE KOREAN WAR

It is now clear that the boom in world commodity prices which was witnessed in the period following the Korean war has worked itself out. A review of the wholesale price movements in 44 countries during the past three years since the outbreak of the Korean war, published in the *U.N. Monthly Bulletin of Statistics*, shows that wholesale prices in general reached their peaks in most countries in late 1951 and early 1952 and have since turned downwards or levelled off. The decline in prices is not, however, so large as to wipe out in full the increases which were registered in the early months of the Korean war. As a result, the general level of wholesale prices is now higher than at the beginning of the Korean war in 39 of the 41 countries for which current data (that is, data, at least up to April 1953) are available. The increases range from 2 per cent. to 10 per cent. in nine countries, from 11 per cent. to 20 per cent. in seven countries, from 21 per cent. to 30 per cent. in eight countries and from 31 to 50 per cent. in nine countries. Six countries—Brazil, Chile, Greece, Indo-China, Israel and Japan—show increases of over 50 per cent.

The following table gives the index number of wholesale prices (Base: 1948=100) in 1938, 1951, 1952 and the latest month in 1953 for which information is available:

(Base: 1948=100)

	1938	1951	1952	1953*
Australia	59	163	184	184 (6)
Belgium	26	121	114	108 (6)
Brazil	27	154	172	183 (6)
Canada	53	124	117	115 (6)
China	..	447	550	593 (5)
Egypt	31	116	113	109 (5)
France	5	138	145	137 (7)
Germany	51	112	114	111 (6)
India	26	120	105	111 (7)
Indo-China	5	117	132	139 (5)
Indonesia	14	349	331	359 (3)
Iran	17	89	93	107 (6)
Italy	2	103	97	97 (6)
Japan	1	268	273	275 (6)
Sweden	52	140	144	139 (7)
Switzerland	49	105	102	94 (7)
Turkey	21	103	104	106 (6)
Thailand	6	104	109	102 (4)
U.K.	46	146	149	150 (7)
U.S.	49	110	107	100 (7)

* The number within brackets refers to the number of the calendar month in the year 1953.

It will be seen from the table above that the latest available index number of wholesale prices is, for many countries, well below the average touched in 1951 or 1952. But the extent of the recession cannot be clearly seen in the table since the number given for the years 1951 or 1952, when the peak levels were touched, *represents only the average for the whole year*. In order to bring out more effectively the decline in wholesale prices since the peak levels touched during the Korean boom, it would be necessary to study the movement of index numbers based on the prices which prevailed in June, 1950. Such index numbers have been constructed by the authors of the review in respect of a few European countries. The index number of wholesale prices in June 1953 (Base: June 1950=100) and the peak level touched, together with the months in which this occurred, within brackets are given below:

Belgium 113 (131-March, 1951); Denmark 121 (138-June, 1951); France 134 (147-January, 1952); Germany 121 (125-November, 1951); Italy 113 (123-February, 1951); Netherlands 117 (127-May, 1951); Switzerland 109 (118-May, 1951); Turkey 115 (120-March, 1951); U.K. 128 (130-January, 1952).

The extent, as well as the rate of growth and decline, of the national index numbers have varied from country to country. But, striking similarities, as the report points out, have been observed among countries situated in the same area and possessing the same type of economies.

Referring to the price-trend in individual countries, the report says that, in the U.S., the peak was reached in February, 1951, 16 per cent. above the June, 1950 level, though the level is now only 9 per cent. above that in June, 1950. In most of the European countries, wholesale prices rose sharply in the nine-month period following the Korean war, and advanced still further but at a less rapid pace during the remainder of 1951. There has been a decline in prices since 1952. Except in the case of a few countries, the declines are, however, small as compared with the earlier increases. The boom in the prices of export commodities of the Latin American countries explains the steep rise in the index numbers of wholesale prices in the countries. But they have climbed down, though they are still above the pre-Korean war level. This is true of many other countries too. The wholesale price index in Japan, however, rose by 49 per cent. between June, 1950, and June, 1951, and has remained at approximately that level in the following two years.

WORLD FUND FOR UNDERDEVELOPED COUNTRIES

President Eisenhower's declaration soon after assuming office that he proposed to divert a part of the savings from disarmament to economic development of underdeveloped countries would now appear to be a far cry. For the U.S.A. seems to have taken the stand that it cannot make any contribution to the fund till disarmament, according to its blueprint, has been accepted by all countries including the communists. It seems to be *unwilling* to hand over the moneys which it is now directly distributing to the needy countries to an international authority. The chief cause of this change in the U.S. attitude is reported to be the Government's anxiety to cut its budget and to undertake *no further foreign aid* commitments.

The change in the U.S. attitude would appear to have come to the surface in the course of a discussion on a draft U.S. resolution at a meeting of the Economic Committee of the U.N. General Assembly. The draft resolution stated that the fund to be effective should have at least 250 million dollars capital and thirty nations participating. The British representative at the meeting interpreted the resolution to mean that "it looked to the time when sufficient progress was made in internationally supervised world-wide disarmament to devote a portion of saving from disarmament to a U.N. fund to assist underdeveloped countries." He opined that the resolution was unnecessarily raising false hopes in underdeveloped countries at a time when the burden of armaments was so heavy in the major exporting countries. He declared that the defence effort was relevant because it gave the people in these countries such security as was possible in the present troubled state of the world. He added that defence was of vital importance to the whole free world and was the pre-condition for economic development. Consequently, he felt that it was both unwise and impossible at the present time to take practical steps for creating such a fund.

These views seem to have prevailed at the meeting referred to above and, in a way, were considered responsible for a split in the ranks of the needy countries. India and 19 other countries proposed the appointment of a commission of member countries to explain the details of the fund and persuade them to support it. But Pakistan, Haiti and Greece were content to ask the Economic and Social Council to study the views of the member nations regarding the fund and make recommendations to the Assembly. Such divergence of views, as also the unwillingness on the part of the U.K. and the U.S. to proceed with the move for the establishment of the fund, does not augur well for the proposal to take concrete shape in the foreseeable future.

MEASURES FOR CHECKING UNEMPLOYMENT

MR. K. D. JALAN ADVOCATES AN INTEGRATED PROGRAMME OF ECONOMIC ACTIVITY

THE problem of unemployment constitutes a major challenge to the Government of this country. Although there are signs to show that the Government has accepted this challenge, *there is no* evidence to prove that the Government has yet formulated a programe that could be regarded as a workable solution of the problem. That the Government is seized of the gravity of the problem as well as the importance of finding an early solution for it is, however, clear from the pronouncements of the Ministers of the Central and State Governments, and the members of the Planning Commission. It is gratifying to note that not only the Planning Commission but also the industrialists are aware of the seriousness of this problem. While the former has been revising the Plan as required by circumstances to provide greater scope for employment, the industrialists have been contributing their mite in their own way in tackling the problem. Mr. K. D. Jalan, a prominent industrialist, has, through a brochure entitled *Unemployment in India*, offered various suggestions to solve this social and economic problem.

A noteworthy feature of this work is the brief review of the unemployment situation in the thirties in the U.S., Germany and Japan. This will help one appreciate how far the remedial action taken by these countries can form a model for similar action in this country. But Mr. Jalan has taken care to point out at the very *outset* that the nature of the problem of unemployment in India is different from the problem as it developed in the thirties in the U.S. and Germany. For the increase in unemployment in these countries was due to reduced exports, overproduction and reduced prices. The balance of payments difficulties were supposed to be one of the causes of unemployment. In such cases, the remedy lay in pumping greater purchasing power into the hands of the public to the extent needed through public works programmes and adjustments in financial and commercial policies, taking care to see that they do not give rise to an inflationary spiral. The problem facing India is different. It is mainly one of a rapid rise in population and the inability of the gross national product to keep pace with it. A special feature of the problem is the rapid increase in the number of educated unemployed.

Magnitude of the Problem

Mr. Jalan insists that unemployment in India is, by *all available indications*, of such a magnitude that no single measure can touch even a fringe of the problem. He advocates the need for an integrated programme for the promotion and implementation of interrelated economic development, together with a change in the social pattern of the country. Although the problem might call for short-term remedies, it is essentially of a *long-term nature*. But any plan or policy drawn up to meet the short-term aspect must be integrated with the long-term needs in order to avoid maladjustment at a later date. Having discussed the general principles that should be borne in mind, he proceeds to indicate the broad lines on which the solution for the problem could be attempted. He discusses the solution under eight heads, namely, (1) population policy; (2) agriculture; (3) industry; (4) foreign trade; (5) building activity; (6) public works; (7) monetary and fiscal policy; and (8) special programme for the educated unemployed.

So far as India is concerned, although it may be argued that the present rate of increase in population is not higher than that in *many* other countries, it is clear, as Mr. Jalan points out, that the annual increase in population nullifies the effect of the present and planned *developmental* work designed to improve the standard of living, inasmuch as, at the end of each year, we find that more heads have been added than the number *provided* with jobs. Even the maintenance of the existing levels of income with the population increasing at the present rate will itself absorb a substantial portion of the addition to the national income expected during the First Five-year Plan period. And to improve the standard of living in these circumstances will prove an impossible task, especially when a part of the national income is to be saved and invested in capital equipment. If, therefore, employment is to be found for all people in the country and that, without reducing the *per capita* income, it is absolutely essential that suitable measures should be taken to put a check to the present rate of growth and lower it substantially. This certainly demands the formulation of a suitable population policy. The Planning Commission's efforts in this direction are woefully lacking. It must, however, be admitted that whatever population policy may be adopted, it will take at least 10 to 15 years for it to yield any result. Meanwhile, there is need to look to other sources for the immediate solution of the problem.

Mr. Jalan then discusses the role of agriculture in the country's fight against unemployment. Agriculture absorbs about two-thirds of the total population of India. But the yield per acre is low. The rural development schemes, the community development projects and the national extension service, all these cover only a limited area. It should be examined whether some more measures of a transitional nature cannot be taken up with regard to the area not covered by the schemes at present. Japanese cultivation methods should be popularised and loans might be given liberally to farmers for installing tube-wells, pumps and the like. Short-term training course should be formulated for training educated persons in the broad principles of soil conservation, use of fertilisers, intensive cultivation and the like.

Need for Taxation Incentives

For the industrial sector, Mr. Jalan has urged the need for taxation incentives in order to stimulate private investment. He suggests the following measures of tax reliefs:

1. Establishment of new industries naturally involves risks and extra incentive is needed for the people to undertake them, when normally a substantial portion of the profits is taken away at the end of the year by the Government. The income from investments in new industrial undertakings and expansion of the existing ones should be exempted from income-tax and super-tax for a period of ten years from the date of their starting production.

2. While the existing income-tax law allows, for purposes of assessment, the recurring expenditure incurred in research incidental to the business of the concerns, the capital expenditure has got to be spread over five years. In order to encourage private undertakings to establish individual research units, they should be allowed to write off the capital expenditure in any one or more of the first five years whenever they are able to do so. This will not only have the effect of making our industries more scientific research minded, but encourage research by private enterprise and provide employment to those classes of the educated unemployed who possess scientific knowledge.

Some industries with the necessary capital outlay are not working to their full capacity. The engineering industry is one such. The utilisation of the idle capacity can be planned, provided the goods that are being imported are produced at home. At present, India is importing engineering goods to the tune of about Rs. 150 crores. If Indian engineering factories knew the nature of the engineering goods imported into India, they would be in a position to assess their own capacity to manufacture these goods. Mr. Jalan has accordingly pleaded for a survey of the unutilised capacity, publication of the details of imports against the requirements of the Government so as to enable the engineering industry to plan its production and the like. In this connection, Mr. Jalan has welcomed the setting up of the Engineering Capacity Committee and hopes that it will be able to suggest means for utilising the idle capacity of engineering factories. He has also suggested that the Government should publish the details of all the imports made by it against its requirements during the last three years with the fullest details with regard to quantity, prices, specification and if possible with drawings. He has further suggested that the Central and State Governments should plan the requirements on a five-year basis and make the necessary details available to the manufacturers and suppliers. He has advocated the setting up of permanent museums in Bombay, Delhi and Calcutta, where representatives of the industry could get information with regard to the requirements of Governments. Another suggestion of his is that the Government should, generally speaking, permit the importation of the machinery of only those manufacturers who make arrangements for the manufacture of spare parts to the maximum possible extent in India itself. Finally, he has urged the need for a change in the Government's indenting policy so as to permit the local manufacturers to make an attempt at the manufacture of the items of goods which the Government needs. The other lines on which the Government, according to Mr. Jalan, should take action in order to relieve unemployment are placement of orders on the indigenous manufacturers in place of foreign ones, revision of Government purchase policy, scrutiny of orders before placing them in foreign countries, provision in foreign orders for manufacture of specified components in India where feasible, as in the case of wagons, placing orders for new items in bulk instead of in small quantities wherever possible so as to make their manufacture economic, supply of adequate quantities of pig iron and some categories of steel which are in short supply, arrangements for giving "cast iron scrap arisings" of the railways to the industry regularly and a lower pace of, and amendment to, labour legislation.

Development of Small-scale Industries

Mr. Jalan has urged the development of small-scale industries as a complement to large-scale industries. He observes: "The national economic interests demand that a balance must be struck between the large-scale and small-scale enterprise and for this purpose, we can draw lessons from the economy of Japan." He says that, if small-scale industries should be developed, what the country needs are a financial agency in each State to provide loans at rates of interest comparable with those available to large-scale enterprise, an insurance agency for the financier to guarantee the repayment of such loans, an organisation to procure and distribute the raw material requirements and a marketing organisation to sell the finished products.

By reorganising the pattern of India's export trade so as to stimulate exports to our natural markets in the neighbouring countries, it should be possible, according to Mr. Jalan, to bring about an expansion in economic activity. He points out that, apart from Japan, India is the only country in the East, which is in a position to supply the needs of the markets in this region. He says:

"It cannot be denied that these countries are the only good potential markets for our products which cannot be taken up by the developed Western countries. Bilateral agreements should be negotiated with these countries to stimulate mutual trade. For the development of our export trade, we have to explore new markets and produce goods needed by them."

Mr. Jalan rightly sets much store by measures for stimulating constructional activity as part of the Government's programme to fight unemployment. Apart from the need for suitable relaxation of the rigour of the rent control legislation, he suggests that building materials should be made available to builders at reasonable and controlled prices. He emphasises the need for setting up a technical bureau of information on building and construction with branches in different important cities, for giving relief to new buildings in respect of local taxes to the extent of 50 per cent. for a period of three years, for granting loans to prospective builders at low rates of interest and for relaxation of restrictions on investment by insurance companies, so as to permit the investment of

(Continued on page 873)

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CONTROL OF THE KOSI RIVER

LIBERALISATION OF IMPORT RESTRICTIONS LIKELY

(From A Special Correspondent)

NEW DELHI, 2nd November

DELHI LETTER

DURING these days, a number of important conferences is being held in the Capital. The conference of engineers which was inaugurated on 26th October by the Prime Minister continued right up to 31st of that month. The Prime Minister, in his own informal manner, reminded the engineers that they were the builders and creators of wealth and prosperity and asked them to devote their attention to the right type of planning for the future after taking into account the resources and material available in the country. He also stressed the urgent need for expanding engineering education and training facilities in the country in order to ensure a constant flow of skilled talent required for the river valley and other projects under execution or likely to be undertaken in the near future.

The Conference discussed many problems of engineering interest, but the prominent among them related to measures for controlling the Kosi River against its periodical devastating floods, the evolving of suitable design against silt in canals and the devising of the effective measures for preventing recurrent floods in a number of rivers. The Kosi River control was, it is reported, discussed from a number of angles. Although there was a lack of unanimity regarding the methods to be adopted to bring this river under control, the consensus of opinion was that there should not be any delay in the starting of works to prevent the Kosi from damaging large fertile areas in Bihar. The problems of the Kosi such as the control over sands, gradation, meandering, embankment, spread of the flood waters, etc., were considered somewhat peculiar and lacked precedent in this country. In China, however, the big Yellow River is reported to have had similar problems. The study of the technique adopted in the control of this river is stated to be necessary and hence it is possible that some distinguished engineer may be sent to that country in order to have a thorough study of the measures adopted in the control of that river.

At the conclusion of the symposium, Mr. Gulzarilal Nanda, Minister for Irrigation and Power, stated that Government was considering the appointment of a committee to visit the various river valley projects and scrutinise their rates and examine where and why there had been additional costs. Such an investigation would be useful in planning for the future. A compact conference is proposed to be held in the first week of December, in which leading engineers of the river valley projects will discuss ways and means of reducing rates and costs. At the same time, the Government of India will consider the creation of a central pool of high level engineers who could be used as experts on various projects and investigations as and when the need arises. The question of devising an all-India cadre on the model of the former Indian Service of Engineers is also stated to be under the consideration of Government.

At the same time, the Government of India will hereafter emphasise that various State Governments, which take up big irrigation projects, should enlist the co-operation of the public of the concerned area in the execution of these projects. According to Mr. V. T. Krishnamachari, Deputy Chairman of the Planning Commission, "the people must be made aware of their rights and obligations, namely, the benefits that would accrue in them and the necessity for sacrifice and savings in order to make such schemes possible." Unless the public were inspired with a sense of partnership in these great projects, it would not be possible for the Government to launch new projects, so necessary if the waters of the rivers that now run to waste were to be harnessed in the service of man. In other words, every locality must regard itself as the proprietor of a project and make sacrifices for it.

The periodical meeting of the Bhakra Control Board is also being held at present in the Capital. This meeting is expected to provide additional funds over and above the budget allotment. It is stated that the total expenditure incurred on this project upto July last amounted to Rs. 57.68 crores. Before the current fiscal year is out, the total expenditure will go up very near to Rs. 75 crores. In other words, nearly 50 per cent. of the sum allocated on this project must have been expended by 1953-54. Most of the Punjab canals on the Bhakra main line and Narwana Branch will be ready by May, 1954, in time for the *kharif* season. In view of the above, the execution work on the canals in the P.E.P.S.U. area is expected to be expedited.

Food Conference

The customary conference of Food Ministers of States and the Centre is to be held next week. Generally, this meeting used to assess food prospects, particularly of the *kharif* crop, and then to decide the import policy in respect of food every year. During the current year, reports from various States suggest a bumper crop. It is believed that, as compared with last year, the *kharif* crop will show an increase of more than four million tons in outturn over that of last year. It is, therefore, likely that food imports will be restricted to the minimum in order to maintain continuity of imports and also as a safeguard against future lean years. Imports of rice from Burma, in regard to which the Government of India has to give intimation before December, must largely depend on the price factor. Although the Government has signed the International Wheat Agreement, it is not obligatory on its part to buy wheat unless the Wheat Council offers to sell wheat at the minimum price of 155 cents per bushel. Anyway, food imports during the current half-year (1953-54) will be very limited, which will in turn reflect in the balance of trade and payments position. In case the U.S. Government were to offer a sizable quantity of about two lakh bales under the Indo-U.S. Mutual Aid Programme against rupee payment, the balance of payments position will show further improvement. Since the second half of the fiscal year will generally disclose an improvement in the country's trade balance, being associated with crop movement, and increased exports, it is possible that the favourable trade balance will be very much pronounced during the coming months. Exports of jute goods have already begun to show a definite improvement and the successive reductions in the export duty have restored the competitive capacity of Indian jute goods. The offtake of Indian tea is good, as also prices. The shellac market has been relatively firm. In view of the greater production of oilseeds, it is likely that the export trade in oilseeds and oils will revive gradually in the coming months. The quantum of short-staple cotton exports is expected to be maintained at last year's level.

Liberal Imports Likely

All these make out a strong case for the liberalisation of imports in the coming months. Liberalisation will not, however, be in that direction in which increased imports will act as a deterrent against the indigenous industry. Perhaps imports of more luxury goods with an eye towards the tax revenue will be looked upon with favour by Government. Further, the Government is expected to expedite the imports of machinery and the necessary capital goods for State projects. It may be mentioned that, at the Colombo Conference, some delegates are reported to have pointed out that the Government of India had been unnecessarily following a restrictive import policy and accumulating sterling balances. For instance, some time last year, the total sterling balances declined below Rs. 680 crores but, during the last many months, they were standing well above Rs. 720 crores. Although they have receded to Rs. 702 crores, it is possible that they will show an upward trend in the coming months in view of the improved trade position of the country. Already September has disclosed a favourable trade balance of about Rs. 4 crores, which will be intensified in the coming months. It may be noted that the Government of India has not been utilising the 35 million sterling release as per agreement with Britain and efforts will be made to utilise the outstanding balances towards industrialisation projects. The Chief Controller of Imports and Exports is already on tour in order to ascertain the views of the mercantile community in the leading maritime States on Government's policy on imports and exports. After his return from tour, the Government is expected to formulate a slightly liberal import policy.

O.E.E.C. AND G.A.T.T.

IMPORT RESTRICTIONS LIBERALISED

(From Our Own Correspondent)

LONDON, 31st October

LONDON LETTER

THERE was much lifting of eyebrows amongst Continental countries when it was known that, at the recent G.A.T.T. Conference, this country was going to ask for the right to impose duties on continental produce, without any corresponding duty on similar produce from the Dominions. This did not strike other members as quite in accord with the spirit of the G.A.T.T. and certainly not as a pointer towards that increased liberalisation of British trade for which they were looking. In the end, the British Government got its way on specified horticultural products, the import of which from the Commonwealth is of no account, and is thus able to increase duties to protect the home farmer without a corresponding increase in duties applied against the Commonwealth. But the circumstances in which the concessions were made rule out its purpose from Britain's point of view—no wedge has been inserted into G.A.T.T. which will enable this country to increase Dominion preference by the device of stepping up duties from extra-Dominion sources.

The arrival of the U.K. Delegation at O.E.E.C. was regarded much more hopefully and it was welcome news when the British Chancellor conceded an increase in the annual travel allowance from £40 to £50 per head, with the removal of any limitation in the case of the Scandinavian countries. But the most welcome step was the British decision to remove quotas from 75 per cent. of its imports from the European countries against the 58 per cent. at present free. This restores the position to what it was before November, 1951. The restrictions imposed then and in the following March more than doubled the list of items subject to quotas from 25 per cent. to 56 per cent. and made this country next to France the least liberal of the Western European community. The French have, in vain defence of the franc, removed all goods from the free list.

The "liberalisation" of trade involved in this exercise is, of course, only a lifting of quota restrictions and not a removal or reduction of tariffs. But, nevertheless, it does make some £60 million of additional trade subject only to tariff barriers. Nor does the good which this move has done stop here, for the defections of Britain and France were making the other O.E.E.C. members increasingly restive and Mr. Butler was probably aware that, if Britain had not gone the whole way to restore the 1951 position, other countries would have decided to reduce their free lists as well. As it is, the O.E.E.C. is now able to take a further look forward to the complete removal of all quota restrictions between member countries. There had been a hope earlier that this might have been achieved by the spring of 1954; instead, the Secretariat will examine in the next five months what further steps can be taken to abolish quota restrictions and the O.E.E.C. will meet next April to agree upon the next stage.

Nominally, a still greater contribution can be made by the British Government to the freeing of trade as it steps out of the field of buying a wide range of foodstuffs which still includes meat, butter, fats, bacon, eggs and sugar. In the course of next year, butter, fats and sugar will be returned to private trade, and in all probability eggs and bacon. The future of meat is still uncertain. It is unlikely that the freeing of these products will make very much difference to the Continent's sales to the United Kingdom, but it will introduce a greater measure of competition between countries such as Denmark and Holland and the acceptance of the principle of liberalisation will both satisfy the aspirations of the Continental Liberals and in all likelihood mean cheaper food for this country.

The O.E.E.C. session could not conclude without some reference to convertibility. The German Finance Minister tried to insert a substantial wedge by asking that the gold content in the E.P.U. settlements should be increased. The British Chancellor rightly pointed out that any such move would defeat the movement towards liberalisation by making countries more cautious of obtaining E.P.U. credit. Convertibility, he declared, must follow trade and, as countries acquire the means of settling their obligations in gold, so they will be willing to accept the liability to do so.—*All Rights Reserved.*

CONTROLS HAMPER PROGRESS OF COAL INDUSTRY

COMPETITION FOR LABOUR LEADERSHIP MENACING INDUSTRIAL PEACE

MR. SIM'S SPEECH AT BENGAL COAL COMPANY'S GENERAL MEETING

A COMPREHENSIVE review of the affairs of the coal industry was given by Mr. G. A. S. Sim, Chairman of the Bengal Coal Company, Ltd., at the Half-yearly Ordinary General Meeting of the Company held at Calcutta on 29th October, 1953. The survey covered labour relations and the controls on production, despatches, allocation of wagons, quality of coal produced and exports. Mr. Sim expressed concern at the deterioration in the labour situation brought about by the manœuvres of political parties to get the control of workers' unions. He questioned the necessity for retaining the control over the quality of coal permitted to internal and foreign consumers, as there was no shortage of high grade coal for steam raising purposes and as keen competition was developing even in those overseas markets which were India's by virtue of their proximity. He convincingly pointed out that, unless the irksome controls on exports were abolished, India might lose a good part of its established markets. He felt that the capacity of the railways had not expanded sufficiently to cope with the increased production of coal.

The following is the full text of Mr. Sim's speech:

"GENTLEMEN,

"The shareholders of the Bengal Coal Co., Ltd., have been accustomed to receive a review by the Chairman of the Company's affairs, and of the affairs of the coal industry, once in every year since 1908, and it has hitherto been traditional for the Chairman to make this review at the half-yearly meeting held in March. I have decided to break with this tradition, and to give you my review at this meeting, and in future years at the half-yearly meeting normally held in this month. I have been prompted to make this change, because, in the first three months of the calendar year, and particularly in the month of March, speeches are made at the annual meetings of several bodies and associations connected with the coal industry and most of these reach yourselves and the public through the medium of newspapers and periodicals. It may, therefore, be of more interest to shareholders and to other members of the public interested in the coal mining industry, if the review of this Company is made mid-way in the coal industry's traditional year.

"You will have seen that Mr. K. C. Neogy resigned from your Board in May on his appointment as a member of the Planning Commission. Mr. Neogy's wide experience and advice have been of great value to your Company, and the loss of them will be keenly felt. In the much wider sphere of the Planning Commission, however, his talents will be used for the benefit of India as a whole.

Dividend Policy

"The accounts for the half-year ended 30th April, 1953, which are before you, are in their usual form, and there seem to be no items which call for particular comment, although I shall be pleased to answer any questions which shareholders may wish to put later in this meeting. The Directors, as you already know, are recommending that the bonus to be distributed out of profits, after payment of the ten-rupee dividend, should revert to Rs. 7-8 per share in place of the Rs. 10 bonus which was paid for both half-years of 1952. On the face of the Profit and Loss Account, it may appear to some that the bonus might have been maintained, but two considerations influenced the Directors in making their recommendation. One of these is the uncertainty of future trends within the industry, to which I shall refer in greater detail later. The other is the fact that the weight of taxation on your Company's profits over the past few years has been concealed by large initial depreciation allowances on the Company's block. Gross block has increased by more than two and a half crores of rupees since the large-scale development programme was begun in 1945-46. This development programme is nearing completion, although a sum of Rs. 19 lakhs was added to block in the April half-year, and we have already reached the stage at which some of the earlier completed developments have been fully depreciated. This tendency will increase and should our gross profits remain at recent levels it will be necessary to make considerably greater provisions for taxation. Although initial depreciation has been more than covered by allocations to reserves, these allocations should be continued and, in fact, stepped up if working capital, already severely strained as can be seen from the balance sheet, is to be conserved.

"Raisings have increased by 1,58,000 tons as compared with the previous half-year, and while this increase is largely seasonal it has enabled us to keep raising costs at about the same level as for the October, 1952, half-year, in spite of a general tendency for costs to rise.

Labour Relations

"For several years now, there has been no major breach in our relations with labour, the last stoppage of importance being a strike at your Seetalpur colliery early in 1949. In March, 1952, your Chairman told you that it was a matter of satisfaction to him that labour relations had remained good, but he mentioned at that time that the West Bengal elections had left something of a vacuum in the trade union movement in the Bengal coalfield, which seemed likely to be a source of future trouble if it remained unfilled. I am sorry to say that this state of affairs has continued to the present day, and has been the cause of a strike at certain of your collieries since the conclusion of the period covered by the accounts now before you.

"The established and recognised union at the majority of your collieries is the Colliery Mazdoor Congress, which is affiliated to the Indian National Mineworkers' Federation, and in turn to the I.N.T.U.C. The leadership of this union has been the subject of political manœuvre between the Congress Party and the Praja Socialist Party, further aggravated by differences between the President and the Secretary of the union. Consequently, field work amongst the workers has been neglected over a period of years, leaving the more volatile elements vulnerable to exploitation by extreme left-wing political parties who have accepted this opportunity to intervene and cause disruption. We ourselves believe in a strong trades union movement, and, as unionism should be divorced from politics, we desire nothing more than a strong responsible union, fully representative of the labour, with which to deal. It is, however, impossible to maintain a sound labour relationship when rival political leaders are competing for the control of labour in their struggle for power, and care nothing for the real interests of the workers whom they claim to represent. The weapons they use are promises which they can never fulfil, instigation to violence, and, in many proved cases, the employment of *goondas* for the coercion of the rank and file whose desire is to be left in peace to pursue their normal way of life.

Unions Lack Leadership

"In exploitation of this unfortunate state of affairs, a former worker of the Colliery Mazdoor Congress, recently released from jail, succeeded in persuading a section of the workers at Banksimula 7 and 8 pits to go on strike on the morning of 31st August last. This man had previously endeavoured to bring about a widespread strike. The Conciliation Officer made it clear that the workers' demands were not of a nature warranting a strike, as they were either already before Government and the industry, or were covered by the provisions of the Conciliation Board Award, enforcement of which was in his hands. As the real object of the organiser of the strike was to establish himself as leader of a new union, he went on hunger strike to gain the sympathetic support of the labour. Finding, that this action was only partially successful, he persuaded the small group of his supporters, including workers of a colliery unconnected with us in any way, to resort to violence and intimidation in bringing about a stoppage of work. A large crowd of men led by this man's supporters later succeeded in bringing about a complete stoppage of all the collieries in the group. When an attempt was made to stop the central workshop by force, there was a clash with the police who had to fire in self-defence and one man was killed.

"The whole subject was again referred to the Conciliation Officer, and later events have shown, without a shadow of doubt, that the majority of the men were not in favour of the strike, but that they had not the strength, organisation, or right leadership to face the militant minority who were under the influence of this unrecognised and self-styled labour leader. The situation created by this man gave an opportunity to an extremist group to contact and influence labour with the object of extending the period and scope of the strike. Prompt action by local officials in externing the ringleaders of this group from the area prevented a situation being created in which serious breaches of the peace would undoubtedly have occurred.

"This illegal strike affected your Banksimula 2 and 4 pits, Banksimula 7 and 8 pits, Banksimula 11 and 12 pits and Girimint colliery, together with Pretoria and Seebpore collieries under the same managing agency. The strike continued from 31st August to between 7th and 10th September, and about a quarter of a lakh of tons of output was lost. The cost to the Company during the current half-year will be considerable, as will the cost to the workers, who have, as a result of participation in an illegal strike, forefeited their right to a bonus for the quarter in addition to losing their wages for the period of the stoppage.

"The sequence of events follows closely that at the Burnpur Works of the Indian Iron and Steel Co., Ltd., the trouble in both cases being due to external political influences in no way related to an actual dispute between employer and labour force. The same potentially dangerous situation persists, leaving the Bengal coalfield open to exploitation by extremists and political opportunists. It is in similar circumstances that there has been nurtured the widespread and contagious spirit of indiscipline from which industries and services managed by both private and public bodies and the general public themselves have suffered in the Calcutta industrial area these last four months.

Labour Wants More

"In the wider aspect of labour relations I can only hope that wise counsels will prevail in those departments of Government now faced with the direct and indirect implications of a move for revision or modification of the Conciliation Board Award of 1947. As you are aware, the wage-price structure of the coal industry depends upon that Conciliation Board's Award, which laid down prescribed minimums in the matter of both wages and amenities for coalfields labour. The Indian National Mineworkers' Federation has submitted 16 demands, which are in the nature of an application for revision of this Award. The Government has had these demands under consideration for some time, and we understand that they contemplate setting up a special Tribunal to consider these demands of labour, or, alternatively, the appointment of a new Conciliation Board. This might be preferable to a Labour Tribunal, since if employers and labour sit down at a table to debate each other's points of view before an independent adjudicator the result should reflect the nearest approach to mutual agreement. It appears, however, that much additional information on this wide subject may be required before either course can be followed, as the results must inevitably be felt far beyond the confines of the coal industry. It has been calculated, from the figures of 14 coal companies under six managing agencies, that, if these demands had been met and had applied to the 1952 output, the average cost of production would have risen by Rs. 8.075 per ton. The consequent appreciable increase in price to the consumer could only result in a wave of inflation affecting all basic industries, throwing out of gear the intricate calculations of the Planning Commission, and inevitably disrupting the whole economic structure of the country. In enquiring into these matters, therefore, it is to be hoped that the Government will give full emphasis in the terms of reference not only to the points of view of labour and employer, but to that all-important third factor—the economy of the country.

"In accordance with the Planning Commission's wishes, overall production of coal has increased rapidly in recent years. It was 27 mil-

(*Continued on page 887*)

PATTERN OF BANK ADVANCES

SHARE OF INDUSTRIES REGISTERS DECLINE

A FALL of Rs. 19.87 crores is disclosed in the total advances of all commercial banks in India at the end of June, 1953, as compared with those in June, 1952. Thus the total advances stood at Rs. 585.83 crores in June-end this year as against Rs. 605.70 crores a year previously. The fall was mainly due, according to a survey of bank advances conducted by the Banking Research Department of the Reserve Bank of India, to a decline of Rs. 23.20 crores in advances to industry which, to be precise, moved down from Rs. 218.70 crores to Rs. 195.50 crores. A part of this fall was, however, offset by fractional increases in advances of other categories. The advances to agriculture, for instance, rose from Rs. 24.88 crores to Rs. 25.11 crores, to personal and professional classes from Rs. 51.64 crores to Rs. 52.28 crores and to others from Rs. 29.74 crores to Rs. 32.19 crores. Although commerce which continued to absorb the bulk of the advances remained, in absolute figures, more or less the same at Rs. 280.73 crores, its share, in terms of percentage to total advances, improved from 46.4 per cent. in June, 1952 to 47.9 per cent. in the month under review. The share of industrial advances which figured next, however, declined by nearly three points from 36.1 per cent. to 33.4 per cent.

The table below shows the overall position of advances purposewise as at the close of June, 1953, as compared with that a year before.

(Rupees in crores)

Purpose of advances	June, 1953		June, 1952	
	Amount	Percentage to total	Amount	Percentage to total
Industry	195.50	33.4	218.70	36.1
Commerce	280.73	47.9	28.75	46.4
Agriculture	25.11	4.3	24.88	4.1
Personal and professional	52.24	8.9	51.64	8.5
All others	32.19	5.5	29.74	4.9
Total ..	585.83	100.0	605.70	100.0

Scheduled Bank Advances

Of the total bank advances of Rs. 585.83 crores, as much as Rs. 544.87 crores were accounted for by Scheduled banks. This compares with Rs. 566.24 crores in June, 1952. Commercial advances by these banks amounting to Rs. 262.65 crores, were lower by only a crore, as compared with those a year previously. Expressed, however, in terms of percentage to total, these advances rose from 46.7 per cent. to 48.7 per cent. The share of industry, on the contrary, declined from Rs. 211.11 crores to Rs. 188.98 crores. Their ratio to total advances also came down from 37.4 per cent. to 34.7 per cent. Scheduled banks' advances to agriculture were steady at Rs. 22.99 crores, as against Rs. 22.71 crores. So also personal and professional advances at Rs. 41 crores. But advances to all others improved from Rs. 26.19 crores to Rs. 29.25 crores.

The table given below indicates the purposewise distribution of advances of Scheduled banks only as at the end of June, 1953, as compared with that in June, 1952.

(Rupees in crores)

Purpose of advances	June, 1953		June, 1952	
	Amount	Percentage to total	Amount	Percentage to total
Industry	188.98	34.7	211.11	37.4
Commerce	262.65	48.2	263.65	46.7
Agriculture	22.99	4.2	22.71	4.1
Personal and professional	41.00	7.5	40.60	7.2
All others	29.25	5.4	26.19	4.6
Total ..	543.87	100.0	564.26	100.0

Major Indian Banks

Of the total advances of all banks of Rs. 585.83 crores in June, 1953, the 12 major Indian banks accounted for Rs. 327.56 crores. As much as 44 per cent. of this was made to commerce and 40 per cent. to industry, cotton mills and sugar mills receiving Rs. 40.13 crores and Rs. 30.67 crores, respectively. Exchange banks advances amounted to Rs. 153.43 crores of which the respective shares of commerce and industry were Rs. 43.56 crores and Rs. 84.28 crores. Advances to wholesalers by these banks were of the order of Rs. 63.40 crores. Other Scheduled bank advances amounted to Rs. 63.89 crores, the balance of Rs. 40.95 crores coming from Non-scheduled banks.

Industrial Advances

The bulk of industrial advances by Scheduled banks went, as in the past, to the cotton textile industry. Of the total of Rs. 188.98 crores, advances to this industry alone amounted to Rs. 30.76 crores, but these were Rs. 10.59 crores lower than those a year previously, and their ratio to the total declined from 10.9 per cent. to 9.3 per cent. Advances to the sugar industry, too, receded from Rs. 35.70 crores to Rs. 32.74 crores, their ratio to total declining slightly from 6.3 per cent. to 6.0 per cent. Only a slight rise was seen in the advances to engineering from Rs. 14.07 crores to Rs. 14.58 crores. There was, however, a marked fall in the advances to the jute industry, in that they receded from Rs. 17.96 crores to Rs. 11.92 crores, and the ratio to total retreated from 3.1 per cent. to 2.2 per cent. Advances to iron and steel and *vanaspati* and soap rose from Rs. 5.78 crores and Rs. 7.28 crores to Rs. 6.04 crores and Rs. 8.65 crores, respectively. But advances to chemicals, dyes and paints were slightly lower at Rs. 8.44 crores.

Commercial Advances

Commercial advances by Scheduled banks declined, as stated already, by Rs. 1 crore from Rs. 263.55 crores to Rs. 262.65 crores. But the ratio of these advances to total rose from 46.7 per cent. to 48.2 per cent. Of this total, wholesale trade accounted for Rs. 172.68 crores or about Rs. 8 crores less than in June, 1952. Agricultural commodities such as cotton (Rs. 27.5 crores), jute (Rs. 11.67 crores), oilseeds (Rs. 10.73 crores), sugar (Rs. 2.60 crores) and others (Rs. 41.23 crores) absorbed Rs. 93.78 crores. The balance of Rs. 78.89 crores was made up of credit to non-agricultural commodities. The major part of the fall of Rs. 8 crores in advances to wholesale trade was due to declines in cotton and jute. Advances, however, to both oilseeds and sugar registered increases. Advances to bullion dealers dropped from Rs. 2.07 crores to Rs. 1.93 crores, while those to banks and other institutions rose from Rs. 25.13 crores to Rs. 28.43 crores.

There was a rise of Rs. 41 lakhs in the Scheduled bank advances to foodcrops and of Rs. 1.06 crores to cash crops. Personal and professional advances remained more or less unchanged at Rs. 41 crores. Advances to all others improved from Rs. 26.19 crores to Rs. 29.25 crores.

An idea of the distribution of all bank advances according to security as at the end of June, 1953, as compared with those a year previously, can be had from the table below:

(Rupees in crores)

Types of security	June, 1953		June, 1952	
	Amount	Percentage to total	Amount	Percentage to total
Government and trustee securities	42.45	7.2	40.11	6.6
Bullion including ornaments	19.76	3.3	18.67	3.1
Shares of joint stock companies	43.34	7.4	46.31	7.7
Merchandise	206.21	50.6	323.37	53.4
Real estate	29.88	5.1	30.08	5.0
Other securities ..	66.00	11.3	67.05	11.1
Total ..	497.64	84.9	525.59	86.8
Unsecured clean advances	88.19	15.1	80.11	13.2
Total ..	585.83	100.0	605.70	100.0

It is seen in the table above that the secured advances declined from Rs. 525.59 crores in June, 1952 to Rs. 37.95 crores. The major part of the fall is accounted for by a recession of Rs. 26.93 crores in secured advances by Scheduled banks. They stood at Rs. 467.33 crores, as against Rs. 494.26 crores at the end of June, 1952. Unsecured advances, however, rose from Rs. 80.10 crores to Rs. 88.19 crores and their ratio to total advances rose from 13.2 per cent. to 15.1 per cent.

Among secured advances, the fall was heaviest in advances against merchandise which declined by Rs. 27.20 crores to Rs. 288.28 crores. Consequently, their ratio to total went down from 55.9 per cent. to 52.9 per cent. This fall was almost due to a fall of Rs. 26 crores in advances against merchandise hypothecated. The decline is accounted for by sharp recessions in agricultural commodities other than foodgrains and non-agricultural commodities. The former went down by about Rs. 5 crores and the latter by nearly Rs. 15 crores.

Secured advances against Government securities rose over the year from Rs. 39.91 crores to Rs. 42.14 crores. The share of secured advances against gold and silver ornaments including bullion, too, rose but from Rs. 11.47 crores to Rs. 13.02 crores. Advances against shares, however, receded from Rs. 45.22 crores to Rs. 42.31 crores. Advances against real estates and other securities stood at about Rs. 21 crores and Rs. 61 crores. Advances against fixed deposits rose from Rs. 10.73 crores to Rs. 11.13 crores.

As much as Rs. 327.56 crores of the total bank advances of Rs. 585.83 crores were from the 12 major Indian banks. The major portion of these advances was against merchandise amounting to Rs. 178.80 crores. The advances by these banks against Government securities aggregated Rs. 38.30 crores. The Exchange banks' share of the total advances was Rs. 153.43 crores. Of these, Rs. 29.22 crores were unsecured. Advances against merchandise amounted to Rs. 87.42 crores and against Government securities Rs. 3.10 crores. Credit given against bullion by these banks accounted for only Rs. 20 crores.

Non-scheduled Banks

An analysis of purpose-wise distribution of advances by Non-scheduled banks shows a rise of nearly Rs. 1 crore in their advances to commerce which in June, 1953, stood at Rs. 18.08 crores or 44.2 per cent. of the total. Personal and professional advances improved from Rs. 11.04 crores to Rs. 11.28 crores. Industrial advances of Non-scheduled banks declined from Rs. 7.59 crores to Rs. 6.52 crores, their ratio to total coming down from 18.3 per cent. to 15.9 per cent. Advances to agriculture were slightly lower at Rs. 2.12 crores.

A security-wise analysis discloses that advances of Non-scheduled banks at Rs. 41 crores were more or less the same as in June, 1952. The share of unsecured advances was Rs. 10.65 crores as against Rs. 10.10 crores. The bulk of the secured advances was against real estates which accounted for Rs. 9.03 crores. Merchandise came next, receiving Rs. 7.93 crores, as against Rs. 8.08 crores. Advances against gold and silver ornaments, including bullion, amounted to Rs. 6.74 crores as compared with Rs. 7.19 crores, their ratio to total declining from 17.4 per cent. to 16.5 per cent. Bills purchased and discounted amounted to Rs. 1.9 crores or 4.6 per cent. of total advances. Bad and doubtful debts were of the order of Rs. 1.6 crores. The provision made for these amounted to Rs. 1.2 crores.

The structure of interest rates on advances, as at the end of June, 1953, remained more or less unchanged, barring one or two cases. These exceptions related to advances and loans against hypothecated cash crops and non-agricultural commodities. The rate of interest charged by the major Indian banks against the former rose by 2½ per cent. to 9 per cent. and against the latter by 2 per cent. to 9 per cent.

Exchange banks reduced their rate on loans against Government securities from 6 per cent. to 5 per cent. and against hypothecated non-agricultural crops by ½ per cent. to 6 per cent. The rates for pledged foodgrains charged by Exchange banks, which ranged between 4 and 7 per cent. in June, 1952, were a little higher, moving between 5½ and 6½ per cent.

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FOREIGN EXCHANGE FOR CAPITAL GOODS INTO PAKISTAN

With a view to encouraging imports of capital goods from Japan, the U.K. and other countries, the Government of Pakistan has decided to allow special forward exchange cover for such imports on deferred payment basis. Accordingly, importers in Pakistan can now secure forward exchange cover from their respective bankers in respect of the amounts due for remittance to exporters abroad. Details of the new arrangements are as follows:

Importers of capital goods desirous of obtaining special forward exchange cover should open special accounts with their bankers and deposit therein full or part value of the machinery to be imported from Japan and other countries. The authorised dealers may, with the prior approval of the control and in respect of funds deposited in these accounts up to 30th June, 1954, allow cover in sterling for the funds held in such special accounts for payment during the period when the amounts became due for remittance to the country concerned under the contract made with the exporters, provided the funds in such special accounts until remitted are kept invested in Pakistan Government Treasury Bills and are not utilised for other purposes.

Where special accounts, as mentioned above, are not opened, the facilities for forward exchange cover for import of capital goods would be available under the arrangements already in force. In such cases, the cover will be for a period of 12 months at a time and for the amount due for remittance to the country concerned within 12 months.

The modification in the foreign exchange rules now announced by the Pakistan Government is a sequel to the need for bridging the wide gap between the resources locally available and the actual requirements for purposes of rapid industrialisation. In the Pakistan-Japanese Trade Agreement recently concluded, there is a clause which provides for the import of Japanese machinery and capital goods on deferred payment. In pursuance of this clause, a cotton mill in Pakistan has finalised a deal with the Japanese manufacturer for the import of 20,000 spindles and 1,000 looms on deferred payment basis.

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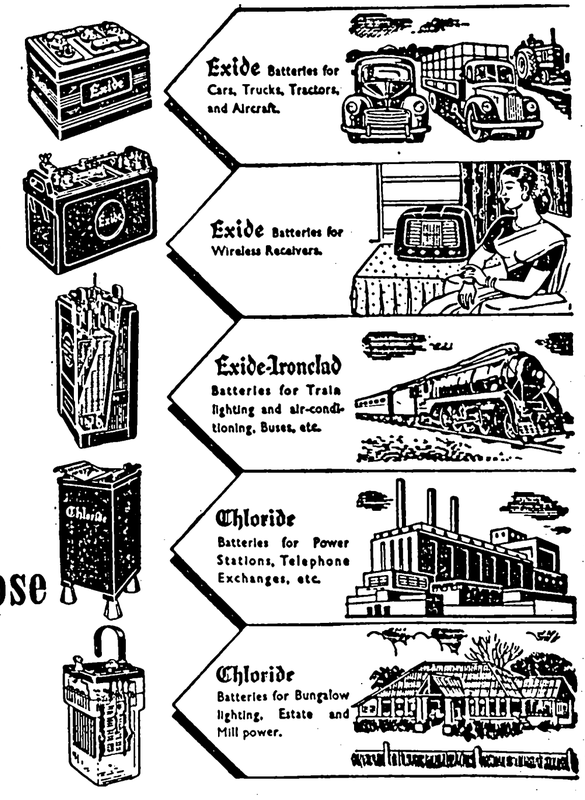

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RELIEF TO COTTON TEXTILE INDUSTRY

MILLOWNERS URGE ABOLITION OF ALL EXCISE AND EXPORT DUTIES

COMMENTING on the measures announced by the Government of India for improving the marketability of mill-made cotton piecegoods, we stated last week that the relief which the measures sought to give to the cotton mills was inadequate. This conclusion was based on two considerations, namely, that competition in the world textile market is becoming keener than before and that the purchasing power of the people in this country has generally deteriorated. That these observations are not at all exaggerated is clearly borne out by the views on the Government's new textile policy expressed by several millowners, as well as by the textile trade. For instance, in the course of a well-reasoned statement issued to the Press on Friday last week, the Millowners' Association, Bombay, points out that the measures announced by the Government "do not go far enough." Indeed, in its considered opinion, there is nothing in the concessions which help to promote much internal offtake. In support of this contention, the Association has made some very pertinent observations which are reproduced below:

"At the present rate of production in cotton mills, which is likely to exceed 5,000 million yards per annum, exports, even assuming that India attained the export target aimed at Buxton, would amount only to 20 per cent. of the country's mill production, which means that 80 per cent. of such production, amounting to about 4,000 million yards, with another 1,250 million yards representing the production of the handloom industry, must be consumed within the country itself. While the Association does not underrate the value and importance of maintaining our export trade in cotton piecegoods, there is nothing in the concessions announced by Government which help to promote this much internal offtake. The reduction of excise duty on superfine goods is welcome, but these goods constitute only 6 per cent. of the total production of Indian cotton mills, and even with the reduced excise duty, they are beyond the reach of the poorer classes of the population.

"In assessing the value of the concession regarding the abolition of the export duty on medium goods, it is pointed out that exports of Indian mill-made goods in the first 9 months of this year amounted to 495 million yards, which included 178 million yards of medium goods, and the chances of substantially improving this figure are very remote, in view of the fact that the privileged position which India enjoyed in certain countries, such as Burma, East Africa, etc., *vis-a-vis* the manufactures of Japan, will not be available in the future. There might, however, be a switch-over in the exports from coarse goods, which attracts the export duty, to medium goods, as the latter, without the export duty, would be cheaper in some varieties than coarse goods, in respect of which the duty is still payable.

"Out of a total Indian mill production of 415 million yards per month, 330 million yards consist of fine and medium goods, and it is in this range of production that relief would have been most helpful."

Reduction of Production Costs

Anyone who has cared to follow the developments on the cotton textile front, in India as well as abroad, will fully appreciate the reasoning behind these observations. It is needless to point out that the cost of cotton textile production has already gone up considerably, thanks to the series of burdens imposed by the Central and State Governments. Considering the buyers' market for cotton textiles the world over, the need for a substantial downward revision in the cost structure is most urgent. This is the only effective way of enhancing the competitive capacity of the Indian cotton mills in the overseas market and of improving the chances of their acquiring a more extensive domestic market. Looked at from the point of view of production and employment also, the need for reducing production costs is equally urgent. It is a pity that the authorities in India should have simply overlooked these aspects. Surely, no one is so blind as those who refuse to see. The Government will do well to take note of the significant remarks of no less a person than Mr. A. D. Shroff. Thus, presiding over the annual meeting of the Ahmedabad Advance Mills, on Friday last, Mr. Shroff said:

"In 1952, the industry achieved a record production of 4,600 million yards of cloth and at present is operating even at a higher capacity. At the same time, exports have barely reached 60 per cent. of the target. The main problem the industry is confronted with to-day is to market its entire production at a reasonable level of prices, so that the operating capacity of the industry could be maintained and unemployment avoided. Unfortunately, however, the situation has so substantially deteriorated during the last few weeks that a number of units in the industry, particularly in Ahmedabad, have already been compelled to notify the closure of second shifts. It is really an irony of fate that, when the largest organised industry in the country had achieved a production target in excess of that indicated in the Five-year Plan, it should be compelled, by pressure of events and circumstances, to curtail its operating capacity. Diverse reasons have been ascribed to this intriguing situation. Whatever be the nature of validity for each one of them, one thing appears to be indisputable, that a general deterioration in the purchasing power of the community at large is largely accountable for the drop in offtake of cloth, although the prices have suffered a fair recession. ... The excise duty on cloth, which is of a specific character, bears more heavily when prices of cloth decline and to that extent causes sales resistance. In the case of certain varieties of cloth, the incidence of excise duty makes the cloth more expensive by 25 to 40 per cent."

Similar views have been expressed by Mr. M. L. Shah, President of the Bengal Millowners' Association. According to Mr. Shah, the Government of India's recent measure reducing the excise duty on superfine cloth will not benefit the West Bengal mills or the consumers, as the mills in the State produce mostly medium and fine varieties of cloth. The middle class people are the principal consumers of such varieties. Under the present-day market conditions, fine varieties of cloth are selling at unremunerative prices and the excise duty acts as a serious deterrent to the industry.

Plea Justified

The foregoing account lends admirable support to the plea for the abolition of excise duty on cloth, or at least for a substantial downward revision of it. There is also no justification whatever for the continuance of the export duty on coarse cloth. To quote Mr. Shroff again:

"... The slackening in export activity is, in some cases, due to disturbed conditions in some of our export markets, like East Africa, and partly due to increasing competition felt from other countries. In the case of Burma, the cessation of preferential treatment to India has created an additional handicap for Indian exports. I am, however, of the opinion that, in both cases—I mean the internal and external markets—Government can make a substantial contribution towards improving the situation. ... I have consistently advocated that export duties are most unscientific and inelastic, particularly in the case of cloth where we have to meet with increasing competition in foreign markets."

Mr. Shroff accordingly appealed to the Government to abolish the export duty on coarse cloth forthwith. The Government, he said, might well benefit from its experience as to how India had lost its markets for hessians because of the continuance of heavy export duty on hessians until recently. He even went to the extent of urging the Government to explore the ways and means of stimulating larger export of cloth by offering a special bonus or premium on exports, with a view to maintaining employment in the cotton textile industry at the high level it has reached this year.

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EXPORTS OF COTTON YARN

The Government of India announced the export policy for cotton yarn for the period July-December, 1953 only recently. The delay in the announcement of the policy is clearly ununderstandable. Perhaps, the Government desired to watch the situation following the decontrol of cotton textiles before it formulated a policy for yarn exports. The policy for the current half-year, now announced, is on the lines similar to that followed in the previous year. Accordingly, exports of yarn are allowed to all permissible destinations other than Nepal, Tibet, Portuguese and French possessions in India. Quotas are fixed for mills or their nominees which have supplied a portion of the yarn produced by them to handlooms as prescribed by the Government of India. This supply of yarn is fixed on the basis of supplies made by the mills in 1950-51 plus 25 per cent. of the production resulting from any new spindles installed since that year.

The Government's decision to allow exports of cotton yarn on the same basis as in the previous half-year has greatly disappointed exporters. The Government, it is felt, has done serious injustice to a large number of established exporters of cotton yarn who have been denied the privilege of direct exports. After all, it is pointed out, it is due to the sustained efforts of these exporters for the last many years that export markets for Indian cotton yarn have been built up. To deny export quotas to this class of exporters at this juncture, it is further pointed out, is unfair. Referring to the Government's yarn export policy, Mr. Sankalchand G. Shah, President of the All-India Exporters' Association, observed, in the course of his address at the last quarterly meeting of the Association, as follows:

"Since there is sufficient surplus of cotton yarn in the country and since production thereof has steadily increased for the last several months, particularly because of the fact that our natural export markets, such as Aden, Sudan, Burma, Hongkong, Singapore and others, are in real need of our cotton yarn at present and are able to absorb at least the same or similar quantities of cotton yarn that are licensed for export to our mill friends, I strongly urge the Government of India and our energetic Textile Commissioner to grant export quotas to the established exporters for at least the same quantity. The action should be taken without any delay, particularly at this juncture, when such additional quotas, I am convinced, would be willingly absorbed by our neighbours abroad, who are bearing a strong bond of goodwill and friendliness towards us. I most advisedly urge the authorities not to overlook this matter which is vital to the promotion of our export trade. I strongly feel that, if the matter is overlooked and delayed, our competitors like Italy, Japan, the U.K. and others would take the utmost advantage of the situation and it will then be too late and I am afraid we will 'miss the bus' at a time when the need for exports is more and still more. I hope and trust that our Government will take prompt measures in this direction, before it is too late."

EXCESS OUTPUT OF "DHOTIS"

An ordinance seeking to impose a penal excise duty on those cotton mills which have produced *dhotis* in excess of the permissible quota was promulgated by the Government of India on 26th October, 1953. It will be recalled that, with a view to assisting the handloom industry, the Government of India had passed orders in January, 1953, restricting the production of *dhotis* by mills to 60 per cent. of their average monthly production during the period April, 1951 to March, 1952. Under these orders, the production of mill-made *dhotis* was brought down to about 30,000 bales per month, as compared with the average monthly production of 50,000 bales in 1951-52.

While the average quantity of *dhotis* produced by mills has been within this figure, certain units are alleged to have produced *dhotis* in excess of their permissible quota. The Government had been considering what would be the most suitable method of achieving its objective, namely, to ensure that the production of *dhotis* by all mills is restricted to their permissible quota. As legal proceedings against the mills which have contravened the order are considered to be a cumbersome process, the Government has decided to impose a betterment excise duty on all excess production of *dhotis*. The duty is on a graduated scale, ranging from As. 2 to As. 8 per yard on the quantity of *dhotis* produced in excess of the permissible quota.

The Jammu and Kashmir Government has granted, it is stated, an interest-free loan of Rs 5 lakhs to the Ladakh Wool and Pashmina Syndicate Ltd., with a view to developing the cottage wool industry in that part of the State. After organising the trade in wool, the Syndicate proposes to start manufacture of carpets and *gudmas*.

The Government of India has decided to release for export a supplementary quota of 400,000 lbs. of Madras and Mysore silk waste. This is in addition to the quota of 200,000 lbs. of Madras and Mysore silk waste announced for export during 1953 on 16th April, 1953.

STEPS TO IMPROVE PAKISTAN'S COTTON EXPORTS TO U.K.

YARN OUTPUT MOVES UP

(By A Special Correspondent)

MANCHESTER, *27th October*

RECIPROCAL arrangements to increase the use of Pakistan cotton in Lancashire while stimulating the sale of finished Lancashire goods to Pakistan are likely to follow the establishment of a Lancashire-Pakistan Cotton Committee which has been proposed by the Cotton Board. This was the view widely expressed in Lancashire textile circles after the announcement that the Committee is to be formed. The Cotton Board has already held consultations with the various sections of the industry as to the best means of improving trade relations with Pakistan and long-term prospects for Lancashire trade.

MANCHESTER LETTER

In addition to a Chairman and Vice-Chairman, the Committee will include members representing raw cotton interests, the spinning, manufacturing, finishing and merchanting sections and the Shirley Institute. According to a statement issued by the Cotton Board, the industry is of the opinion that it has a contribution of real value to offer to Pakistan's prosperity over a period of years. It intends to make this contribution increasingly effective and by methods of promotional and technical activities it can create a larger market for Pakistan cotton in the United Kingdom and can make that market secure and stable.

It is anticipated that an inaugural meeting will be held in Manchester before the end of the year to establish a policy and programme for the industry at large and invite the collaboration of the various sections of the trade.

New Committee

The new Committee follows the lines of the pre-war Lancashire/Indian Cotton Committee which was formed in the early 1930's. Reciprocity in trade between Lancashire and India in raw cotton and cotton goods led to an increase in mill consumption of Indian cotton by the British cotton industry from 183,000 bales in 1932 to 428,000 bales 5 years later. Practical demonstrations for the benefit of Lancashire spinners showed the possibilities of Indian cotton in new lines of manufactures and extensive trials took place with the collaboration of the Shirley Institute. The Committee established a close relationship with the Indian Trade Commissioner in London.

Due to import restrictions, shipments of Lancashire cotton goods into Pakistan this year have slumped to less than 2,500,000 square yards, valued at £400,000 compared with over 40 million square yards in the first 9 months of 1952 valued at more than £4,750,000. Arrivals in Britain of Pakistani cotton in the 1952-53 season to the end of July amounted to 111,617 bales.

The British spinning industry produced over 140,000,000 lbs. of cotton and rayon yarn more in the first three-quarters of the year than in the first 9 months of 1952.

A Cotton Board survey shows that in the 9 months the mills produced 695,680,000 lbs. of yarn compared with 553,700,000 lbs. over the same period last year.

In the week ended 10th October, output aggregated 20,350,000 lbs.—the highest weekly output for 20 months. This compared with a production of 20,220,000 lbs. in the previous week and 16,710,000 lbs. in the corresponding week last year.

The Third Quarter

However encouraged the industry in Lancashire may be by the general trend of trade in cotton goods this year, the export situation can hardly be described as satisfactory. There was little sign of any important change in the position last month and the value of all cotton goods shipped abroad was almost identical with the August figure at £10,635,605. This brought total earnings for the 9 months to £97,282,946 against £114,775,515 in the same period of 1952.

Although the value of shipments has declined, the volume at the end of September showed little variations on the corresponding 1952 returns. Cloth exports were 524,948,000 square yards, against 525,844,000 square yards, the yarn shipments were 29,491,600 lbs., against 26,365,700 lbs. The table indicates the volume of cotton goods exported during recent years:

Cloth (In 000 sq. yds.)

	1951	1952	1953
1st quarter	211,690	211,705	173,401
2nd "	246,403	161,140	169,092
3rd "	213,964	152,939	182,450

Yarn (In 000 lbs.)

1st quarter	10,668	12,199	9,879
2nd "	10,113	7,438	9,033
3rd "	15,007	6,729	9,674

Overseas cloth shipments in the third quarter this year reached the highest level since the early part of 1952 before the slump began to affect exports. The average price obtained for cotton cloth up to the end of September was 29.67d. per square yard, against the average of 34.05d. in the whole of 1952.

Chief Customer

West Africa remains the chief customer of Lancashire mills, having so far taken 104,056,000 square yards, followed by Australia 67,592,000 yards, South Africa 65,110,000 yards and East Africa, New Zealand and Malaya all near the 20,000,000-yard mark.

The continued steadiness from month to month of yarn shipments this year has been a feature. Leading buyers have been Australia 4,091,600 lbs., Irish Republic 3,655,800 lbs., and Canada 3,152,000 lbs.

"Disappointing" was the word used by Sir Raymond Streat at the Cotton Board Conference to describe the export picture. He pointed out, however, that Lancashire's comparative position had not deteriorated since 1950-51, the local share of world trade remaining at 15 per cent. of the reduced level of trade, which for the first half of this year was running at about 4,550 million square yards annually, against 5,715 million yards in 1950-51.

A slightly more favourable prospect is held out by the fact that Lancashire could at least hold its own at a time when trade restrictions in important markets such as Australia and New Zealand were in force. On the other hand, shipments from this country have gained by the exclusion of Japanese cloth from certain Colonial markets during the same period.

The important thing to remember is that before the war Lancashire claimed 27 per cent. of international trade in cotton piecegoods, and even as recently as 1948-49 the share was 18 per cent. Nor is the position any more healthy in rayon cloth. In the first half of this year world exports of rayon goods were higher than at any other time, but shipments from Britain only made up 12 per cent. of the total, compared with 18 per cent. in 1950-51.

Mill Probe

An examination of general conditions in Lancashire mills is to be undertaken by a specially-appointed committee of the 50,000-strong Cardroom Workers' Amalgamation.

Announcing the appointment of the Committee in his quarterly report, Mr. Alfred Roberts, Amalgamation General Secretary, said improvements, in cases substantial, had taken place in conditions in the mill since the war, but these had been improvements necessary for firms to retain their old operatives and attract new ones. Taking the industry as a whole, however, the improvements had been "patchy."

It was because of this and because it was felt there was still cause for dissatisfaction that the examining committee had been appointed, said Mr. Roberts. It would investigate such subjects as lighting, ventilation, spacing of machinery and dust removal.

Mill Deals

Cotton mill deals were again in the news in Lancashire this week. Latest Company to be sought by an undisclosed buyer is the Briar Mill Ltd., Shaw, engaged in spinning, winding and beaming. A bid of 13s. 6d. per 4s. share was made after dealings had taken place at below 9s. 6d.

The Directors advised shareholders to hold on in the light of this £327,879 offer and promised a further statement within a fortnight. They also announced a dividend of 4d. a share, prior to completion of the sale. The mill, containing more than 120,000 spindles, was built in 1906.

The completion of the Soudan Mill deal by which Cyril Lord Ltd., has acquired the issued capital for £863,925 in an 18s. bid for each 5s. stock unit was also announced this week. The Cyril Lord organisation has thus gained control of 4 more mills, of which 2 are actually at work. Spindleage of the group has been raised to more than 425,000, while looms controlled number 3,300.—*All Rights Reserved.*

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HIGHER SUGAR PRODUCTION WANTED

U.P. LABOUR MINISTER'S APPEAL

THE fervent appeal to labour and management in the sugar industry to strive hard in order to augment the output of sugar, made by Dr. Sampurnanand, Minister for Labour, Government of Uttar Pradesh, in the course of his address at the U.P. Sugar Industry Tripartite Labour Conference held at Lucknow recently, has a special significance in the present context when the prospects of a high level of sugar production during the current (1953-54) season have turned out to be somewhat bleak. Present indications are that sugar production is not likely to register any improvement. On the contrary, it is expected to record a decline, thanks to the damage to the sugarcane crop caused by the floods in East Uttar Pradesh and Bihar. Even if sugar production is to be maintained at the previous season's level, namely, 1,319,710 tons—if not improved—it will call for special effort by the sugar millowners and the workers. The responsibility will be all the heavier in the case of Uttar Pradesh, inasmuch as this State accounts for a considerable part of the country's aggregate sugar output. On this aspect of sugar production problems, Dr. Sampurnanand said:

"A heavy responsibility rests on Uttar Pradesh for sugar production in the country and, if anything brings about a fall in production, it will be a loss not merely to producers and workers but to the whole country. We all have, therefore, to work in our respective fields to increase the production of sugar . . . I appeal to the producers and the labour leaders not to do anything that will affect sugar production adversely. . . . I appeal to you to create a spirit of understanding and co-operation between yourselves."

It is easy to appreciate the U.P.'s Labour Minister's anxiety to see that sugar output is maintained at a high level, when one remembers that consumption of sugar has registered a steep rise in recent months, the rate of consumption being about 1.5 million to 1.6 million tons per annum. If, therefore, sugar output during the current season is not sufficiently high, sugar will have to be imported in larger quantities than in the previous season. This means waste of precious foreign exchange—every ton of sugar imported costs as much as Rs. 700—which can as well be utilised for purchasing necessary machinery and equipment. An even more important point is that a high level of domestic production will have a soothing effect on the internal market for sugar. For it must be remembered that, even after a long period of 18 years of protection enjoyed by the sugar industry, the consumer continues to pay an exorbitantly high price for sugar *vis-a-vis* his confreres in other parts of the world. It is to be hoped that the sugar millowners and the workers will strive hard and maintain the sugar output at as high a level as possible.

Attitude of Governments

An equally heavy responsibility devolves on the Central and State Governments, since their attitude to the sugar industry has all along been none too satisfactory. They have not only failed to pursue correct policies but also subjected the industry to penal taxation. As has been pointed out in those columns ere now, if the sugar industry is to expand, as it must, in order to meet the increase in consumption, the Governments must come forward to reduce the tax burden on the industry, on the one hand, and take such steps as will ensure sufficient supplies of sugarcane to the factories at an economic cost, on the other.

To revert to Dr. Sampurnanand's address at Lucknow. Referring to the plea for a further upward revision in the price of sugarcane, he said that he was not against such an increase, provided, of course, the employers, workers and cane growers all desired it. Nevertheless, he emphasised that the practical aspect of the question should be considered seriously. Dr. Sampurnanand alluded, in this connection, to Press reports regarding the plea, made by certain sugarcane interests, for bringing pressure upon the sugar mills in order to make them pay higher cane prices. He warned against such a course of action and said: "If pressure means adoption of a method which may affect production, it will be a dreadful thing. What the Government will do in such a case is for them to decide, but the loss that the cane growers, workers and the industry will suffer as a result of this deserve serious thought." This warning is, indeed, quite timely. For, as Dr. Sampurnanand rightly pointed out, nobody, after all, is going to gain, if the sugar industry topples down."

The two specific problems to which the U.P. Labour Minister drew attention relate to the housing of workers and their wages. While on the former, he stressed the need for providing houses to workers, and revealed that the Government had created a molasses fund of Rs. 41 lakhs for helping the sugar factories. He deprecated the tendency on the part of a few factories to evade the question. Some mills, it would appear, had even refused to take up the construction of houses. It is not known on what grounds the factories have refused this amenity to the workers. Maybe, financial difficulties have prevented some factories from embarking on a housing scheme. But this cannot be true of all factories. There is no reason why the factories which have the necessary funds should not construct houses for workers.

Wages

Referring to the question of wages for sugar factory workers, the Minister said:

"According to my information, about 30 to 35 mills have given *ad hoc* increments to their labour, whereas 31 mills are still defaulters. If it is a matter of one or two mills, I would have thought that they may not be in a financial position to give it. There is no statutory obligation or legal pressure on the mills to pay the *ad hoc* increment, but it is a sort of gentlemen's agreement. The non-payment of ad hoc increment on the part of 31 mills cause inconvenience to the labour and their representatives. The Government has, however, waited for one year and now it is forced to refer this matter either to adjudication or to find some way out under section 3 of the Industrial Disputes Act. I will watch the attitude of the mills in this respect for a few days and, if nothing is done, I will have to find a way out."

It is to be hoped that the defaulting mills will make an earnest effort to implement the gentlemen's agreement, to which the Minister referred. If there is any genuine difficulty, they will do well to bring it to the notice of the Minister, so that some satisfactory solution of the problem could be evolved through joint action by the industry, the Government and the workers.

ADDITIONAL EXCISE DUTY ON SUGAR ABOLISHED

The Government of India has announced the abolition of the additional excise duty of one rupee per maund introduced in December last under the Sugar (Temporary Additional Excise Duty) Act, 1952, on sugar manufactured from the sugarcane crop of 1953-54.

This decision is a sequel to the need for preventing any increase in the price of sugar as a result of the higher price fixed for sugarcane crop for the current year than that of last year. The price of sugarcane, it will be recalled, has been fixed this year at Re. 1-5 per maund in the field and Re. 1-7 at the factory, as against Re. 1-3 and Re. 1-5, respectively, last year.

(*Concluded from next column*)

ment had planned to manufacture power alcohol themselves and, for the purpose, had approached the sugar factories to supply them with molasses at a price which would enable the Government to manufacture power alcohol at an economic rate. In the national interest, we had offered to supply the required quantity at a low price from certain factories, but the Government, instead of appreciating our offer, imposed unreasonable stipulations which we could not agree to."

Considering the importance of utilising the by-products of the sugar industry, as a means of reducing the cost of sugar manufacture, the need for relaxation of rules relating to storage and movement of molasses is imperative. Mr. Dahanukar did well to urge the Government to allow at least those factories which have distilleries to manufacture power alcohol and afford facilities in this behalf. He did well also to draw pointed attention to the need for the Government enacting two important legislations, one for procuring lands on lease within the demarcated factory area and the other for exempting the sugar factories from the operation of the Act of compulsory cultivation of food crops in areas primarily meant for growing sugarcane.



WOES OF DECCAN SUGAR MILLS

REVISION OF GOVERNMENT POLICY IMPERATIVE

WHEN Mr. D. M. Dahanukar, President of the Deccan Sugar Factories Association, stated, in the course of his address at the fourteenth annual meeting of the Association held in Bombay on Monday last, that, unless labour ceases to make exorbitant and unjust demands on the industry and unless the present staggering rates of taxes were removed, the price of sugar could not at all be competitive, he was emphasising a very pertinent but oft-repeated point. Although attention has been repeatedly drawn to this point ere now, it has not had any effect on the outlook of either labour or the Governments, Central and State. Thus, while labour continues to make their own demands, the Governments are only too eager to net in as much revenue as possible by way of manifold taxes.

Mr. Dahanukar chose for special comment the stepmotherly treatment accorded to the sugar industry in the Deccan by the Government of Bombay. He alluded, in particular, to the series of heavy imposts on the industry, such as high water charges, irrigation cess and *gram panchayat* taxes. He gave a vivid description of the adverse effects of these imposts on the progress of the industry. It is unnecessary to go into these details again, as a detailed reference to them was made in these columns only three weeks ago. Even at the risk of repetition, it must, however, be stated that the Government should reduce the burden of taxation on the industry and expand the availability of water-supply for sugarcane cultivation. The authorities should be realistic enough to admit that the present method and incidence of taxation have set in motion the law of diminishing returns, which, if allowed to hold sway for some more time, would react even more adversely on the employment situation in the country. If they are wise administrators, they will appreciate that, by making a judicious readjustment of their taxation and labour policy, aimed at increasing the incentive to greater and greater investment, they can, in course of time, get more revenue than they are getting at present and create, at the same time, better chances of employment.

Labour Laws

In the field of labour laws, the Deccan sugar factories have had to contend with various difficulties. The Government of Bombay, for instance, has withdrawn the exemption from the operations of section 46(2) of the Bombay Industrial Relations Act (B.I.R. Act), the agricultural operations of the sugar factories. This is certainly a hastly step adopted just to appease labour. For, as Mr. Dahanukar rightly observed, the agricultural operations of the sugar industry are intermittent and depend upon several uncertain features such as rain, heat, pests, etc., over which the industry has no control. Agricultural activities have, therefore, to be adjusted according to the exigencies of the time and it is impossible to foresee the occasions on which it will be necessary to effect changes. The Bombay State Labour Advisory Board, it may be mentioned here, had appreciated the force of this contention and had approved the inclusion of a proviso to section 2(4) investing the Government with enabling powers to exclude any section or occupation of the sugar industry (or any industry) from the operation of the B.I.R. Act. The Government, however, has not only dropped the proposed *amendment* but actually widened the scope of the Act itself by treating the supervisory and technical staff drawing a basic salary up to Rs. 350 per month as "employees" under the B.I.R. Act. Certainly, this attitude of the Bombay Government, as Mr. Dahanukar said, is "extremely unjust and inequitous."

Another aspect of the Bombay Government's sugar policy which the President of the Deccan Sugar Factories Association severely criticised related to molasses and power alcohol. He observed:

"As a result of rigid rules prescribed for storage, movement and disposal of molasses and the restrictions imposed by the licence conditions, these valuable by-products cannot be fully utilised. The sugar factories, which have distilleries attached to them, are not permitted by the Government to manufacture power alcohol from molasses. The importance of the manufacture of power alcohol in times of national emergency cannot be overstressed, nor can the consequential saving in valuable foreign exchange at present spent in importing petrol be ignored. The Bombay Govern-

(*Continued in previous column*)

TAXATION SYSTEM IN INDIA

REFLECTIONS ON SOME OF THE QUESTIONS RAISED BY ENQUIRY COMMISSION

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

THE Taxation Enquiry Commission has issued a comprehensive questionnaire on all aspects of taxation, inviting public opinion. The aspect which concerns the ordinary taxpayer most is income-tax. The question of tax on income has become so important these days that a cynic has said, "it is easier to earn income than to pay tax on it." Further, in days gone by, tax was a fraction of the income. In these days of high taxation, income has become almost a fraction of the tax payable. The following reflections on the various aspects covered by the questionnaire are offered from the ordinary taxpayer's point of view. They are by no means comprehensive, but may help stimulate further thoughts on the subject in quarters interested in it.

The objective of a sound tax policy should be to distribute the burden of taxation as equitably as possible over all sections of the community, bearing in mind the capacity to pay and the state of the economy of the country. India is in a relatively early stage of development in all spheres, that is, agricultural, industrial, etc., and, in its present position and in view of the intention to develop, the tax policy should give primary importance to encouragement of incentives to work, to save and to invest. With this end in view, there is need as well as scope for reduction in certain direct taxes. In an extreme emergency, tax policy may have the objective indicated in (*c*) and (*d*), namely, countering of inflationary and deflationary tendencies, and maintenance of the external balance of the economy, of question 1 of the questionnaire, but that should be limited only to a temporary period, that is, as long as the emergency lasts. The objective of a sound tax policy should never be the reduction of inequalities in income and wealth by taxation, which, in a backward economy such as ours, would result merely in levelling down of incomes without any material benefit to the community. An important principle that must be borne in mind is that, in a democratic State, encouragement must be given to individual effort.

The present system of taxation might be modified to ensure that all sections of the community bear an equitable share of the tax burden, by levelling down taxes wherever they are high now and by devising indirect taxes like salt tax, levy of a surcharge on land revenue, levy of betterment charges and other similar forms of taxation, which are capable of securing a high revenue yield and, at the same time, spreading the burden over all sections of the population. Such taxes would be relatively easy to collect with the existing machinery.

With this introduction, I may now proceed to answer the questions *seriatim* set out in Part II of the questionnaire issued by the Taxation Enquiry Commission.

Residence

At present section 4A defines residence on three main categories:

(1) residence of an Individual,

(2) residence of Hindu undivided family (*H.U.F.*), *firm and association* of persons,

(3) residence of a company.

Individual: Section 4A (*a*) divides residence of individuals into four parts—each being an alternative to the other. These alternative tests widen the scope, so that residence qualification is attracted either under one or the other.

Since residence status is attracted by reason of a sojourn or stay in India, the fact of being in India for the requisite number of days should be further clarified by providing that it must be a stay coupled with the objective of establishing a residence. Merely the fulfilment of a physical presence for 182 days should not suffice. Casual visits of persons not intending to establish residence should not attract residence status.

Residence status under clause (iv) of section 4A (*a*) needs to be clarified to the effect that it is intended to give relief, not to further increase liability. Therefore, it should be invoked in favour of a person, not against him. It may also seem reasonable to restrict such relief to Indian nationals abroad, who wish to settle down or retire in India, who, because of the provisions of section 17, may be taxed at the maximum rate of income-tax and super-tax, without any minimum exemption, and at the rate applicable to the first slab of super-tax. The clause at present worded gives the Income-tax Officer power to review cases of non-residents who have subsequently acquired the status of a resident for a period of three years. Such a view creates hardship and should be avoided.

Clause (iii) needs a clarification, inasmuch as it is not clear as to what is meant by occasional or casual visit. But, if my suggestion is accepted that stay in India for 182 days must be coupled with the condition of his intention to establish residence, this difficulty will be avoided, for any visit not coupled with the condition of establishing residence would be deemed to be occasional and casual.

H.U.F. Firm and Other Association: The test of residence of H.U.F. provided in the Act is that, unless the control and management of its affairs is wholly situated without India, the H.U.F., firm or the association will be presumed to be resident. In other words, these entities are all presumed to be resident. This requires to be changed, inasmuch as the control and management from India should be situated and positively reside in India. The word "wholly" should be changed to "substantially" with a view to preventing easy manipulation of the status.

It may be added here that, under the U.K. Act, a firm is subjected to tax at the rates applicable to individual partners and aggregate assessment is levied on the firm. Thus, the assessment is levied at a figure which would be equivalent to an assessment of a registered firm. Under the U.K. Act, a firm is not regarded as an entity for purposes of assessment.

Company: Unlike a firm, H.U.F. and other associations of persons, the test in the case of a company is a positive test. Is the control exercised wholly in India? That is, is it exclusively exercised in India? If not, the presumption is it is a non-resident company. If, for instance, 95 per cent. control is exercised in India and 5 per cent. exercised abroad, such a company would be non-resident, whereas, rightly speaking it should be treated as a resident. The word "wholly" should, therefore, be changed to "substantially" in order that a company the substantial control of which is exercised in India may not escape the liability of a resident status, merely by the expedient of transferring a part of the control abroad.

A company has also an alternative test, namely, it is a resident company if its income in India exceeds its income abroad, notwithstanding that it is a company the control and management of which is wholly exercised abroad. But this clause leads to an evasion of tax, which the framers of the Act have overlooked. To give an instance. A company in the year A becomes resident, because its foreign income is a loss of Rs. 10,00,000 and its income in India is Rs. 5,000. On the basis of the alternative test, such a company in the year A will be resident entitled to set off Rs. 5,000 under section 24 (1) and also carry forward Rs. 9,95,000 as a loss under section 24 (2) for a period of six years. In the year B, the company's foreign profit is Rs. 10,00,000 and income in India Rs. 5,000. In that event, the first test in section 4A (c) will make it a non-resident. Thus, while foreign profits, when made, will not be reached for tax purposes, foreign losses can be availed of by such company to wipe out whatever big or small profits it might make in India. Appreciating this loophole, the Income-tax Investigation Commission has recommended that such foreign company should not be allowed to carry forward loss, unless it is agreeable to set off against it an equal amount of foreign profit in a subsequent year.

The status of a "not ordinarily resident" should be deleted from the Act, as recommended by the Investigation Commission. A status which is better than either the resident or the non-resident for a person who is at best a bird of passage is intolerable. It should not be allowed even from the point of the nationals, who, by the mere expedience of staying away for full one year at the end of each five years, can successfully avoid the status of an ordinarily resident being acquired by him, with its attendant heavy incidence of tax.

Non-resident Status

Non-resident status should be maintained as now, namely, those who do not acquire the status of a resident become non-residents. A precaution, however, is called for where a normal resident goes out of India for a full taxable year—not with a view to settling down abroad, but deliberately to avoid tax on his accumulated savings when remitted and brought into India under section 4 (1) (b) (iii). In case of nationals, temporary stay out even for a year should not enable change of their residence status. The sudden change in the Act of dropping the "not ordinarily resident" status may create some hardship, because the non-resident who becomes not ordinarily resident for the first two years would not have to pay tax on his foreign income arising abroad. But if non-resident status is retained with the right of exempting all remittances into India, much of the hardship will be mitigated. Further, by a recent amendment substantial relief is given to the resident who wishes to bring his past savings, by not subjecting them to tax under section 4 (2) (b) (iii).

A non-resident is taxed at the maximum rate or at the appropriate rate of a resident, whichever is higher, unless he has opted in favour of the appropriate rate of tax of a resident individual. In determining such rate, the world income is deemed to be his total income and the rate fixed for his Indian income is at the world rate. Inasmuch as Indian income will be taxed at world income rate, which may be higher, this has an advantage, but the Indian income may have also to be exempted if the world income is a loss. Must Indian income of a non-resident escape taxation merely because the world income is a loss? We would suggest that the 'world income' should be coupled with a condition that, in any event, it shall not be less than the total income in India.

Income

The definition of income needs modification in the direction of mutual insurance company's profits being exempted from tax. Profits of a mutual insurance company are not profit within the normal definition of the word. English Courts have held that such profits are not taxable. There should be a similar exemption under our Act also.

A prominent feature of the Indian Income-tax Act is that it is frequently interspersed with deeming processes of law. Thus, at several places, fictions of law have been created. What cannot be got at legally is sought to be caught under a fiction of law. There is a fiction where capital profit is deemed to be revenue profit; there is a fiction about the year of accrual; there is a fiction as to the ownership—income of the wife or minor child deemed to be the income of the husband or father. Income arising to a company outside India is deemed to arise to the shareholders in India. Law does not seem to have considered the effect of introducing so many fictions in regard to taxing a person's true income. Their presence affects the computation of the real income. If the ability to pay tax is to be measured by the real income, creation of such fiction wrongly misrepresents such ability of the taxpayer to pay. If the total income is the measure of a man's ability, it must be the total of what he has and not what he is deemed to have; further, it must be something of the nature of incoming of an income and not incoming of capital, for it must not be forgotten that what is sought to be taxed under the Act is "income" and not "capital."

If a non-resident receives sale proceeds, a liability under section 4 (1) (*a*) arises, for sale proceeds, it has been held, contain an element of profit. A large number of drafts cleared by the exchange and other banks on behalf of their foreign constituents represents large untapped source of revenue which is, at present, not subjected to tax or not adequately taxed. But at the same time, to impose a vicarious liability on the resident by making him an agent on behalf of the non-resident penalises a person—a national—for the non-payment of tax by the non-national. The liability under section 42 can be imposed whether the agent has the non-resident's funds under his control or not. The right of retention given under the Act is more illusory than real. Where, as is now, the practice for the non-resident is to insist upon opening letters of credit abroad as a condition of trading, the agent here does not get any funds of the non-resident to enable him to exercise this right of retention. The agent does not know the world income of the non-resident. An arbitrary estimate is made and the resident is called upon to pay the non-resident's tax. The law under section 65 gives the agent an indemnity, but of what use is this indemnity, if the payment of non-resident's tax does not entitle him legally to recover it from the non-resident? Ultimately,

(*Continued on page 874*)

MODERNISATION OF JUTE INDUSTRY

URGENT ATTENTION NECESSARY

FEW would contend the need for modernisation of the jute industry. The urgency for renovating plant and machinery in jute mills emerges from the fact that a greater part of the competing jute mill industry in other parts of the world has been reconstructed in recent years. Most of the mills have expanded their capacity through modernisation of equipment. Besides, new jute mills with up-to-date machinery have come into being in a number of countries which had none before. These mills are able to produce not only a variety of products but also at considerably lower costs. Thus, there is substantial jute processing capacity in Europe, South Africa, Brazil and the Philippines. Japan, too, has started building up a jute manufacturing industry with the latest types of machinery.

What is more disturbing is the growth of factories in Far Eastern Asia which either weave jute cloth or are engaged in spinning domestic fibre for the manufacture of substitute fabrics for jute. It is reported that Burma and Thailand are also producing a kind of jute for use for their jute mills either erected or planned. One jute mill has already been installed in Thailand and another is under construction in Burma.

New Mills in Pakistan

Most important of all is the birth of the jute industry in Pakistan—the home of the golden fibre. According to reports from Karachi, Pakistan is now in a position to meet nearly 85 per cent. of its requirements of manufactured jute goods from indigenous output. The estimated annual demand is about 122,000 bales. As against this, the output of jute goods during the last twelve months is placed at 103,000 bales. The value of foreign exchange saved by Pakistan, as a result, is of the order of Rs. 3.5 crores.

There are now 1,350 looms in operation in Pakistan—1,250 looms in the Adamjee Mills at Narayanganj and 100 looms in Ispahani Mills at Chittagong—all working two shifts. There is, besides, another mill in partial production. The total capacity of all the three mills is 45,900 tons per annum. Pakistan banned imports of jute goods in August, 1952.

A point to be noted here is that these mills are equipped with machinery of the latest type design. It is learned that roving frames have been replaced by high speed triple thread finisher drawing frames and sliver spinning frames have replaced those fed by rover bobbins. These machines are driven by individual electric motors as a matter of course. The processes, the choice of machines, the mill layout—all are dictated by the desire for high speed working with a much smaller labour force. In fine, through modernisation, the jute mill industry outside India is deriving considerable benefits. For modernisation has brought with it advantages in the shape of increased production, lower cost of production and additional competitive power. These advantages are something to reckon with by jute mills in India.

Opinions Differ

The importance of modernisation is fully recognised by the jute mills in India, but there seems to be a certain amount of confusion, owing to different versions of the present position of the industry and the replacement requirements of the mills given by different sections within the industry itself, as well as by the Government. Here are the versions. In a recent article contributed to the *Statesman*, Mr. G. J. Gardner, Chairman, Indian Jute Mills Association, stated: "Despite the heavy demands made upon it during the war years and the difficulties then experienced in its maintenance, the machinery of the industry is in general well looked after, efficient and capable of good production at an economic cost." In July, 1952, Mr. W. B. Moncur, former Chairman of the I.J.M.A., stated: "The existing machinery is not obsolete. Only new machinery will give us additional competitive power." The Government of India's views go to show that the extent to which modernisation would help would vary from mill to mill. "Some mills in India", according to the Government, "are already reasonably efficient units and, taking into account the lower capital cost of their present installed machinery, it would not seem worthwhile to replace existing plant with new." "Others might need," it opines, "to make improvements in sections rather than on a whole basis." "There are also mills," it thinks, "where something approximating complete renovation may have to be undertaken."

There is, besides the above, another version as presented by a special correspondent of the *Statesman*, Calcutta, which remains uncontradicted so far either by the industry or the Government. The correspondent observes: "The machinery in all departments—softening, carding, preparing, etc.—installed in such vast quantities just after the turn of the century is now largely obsolete. Nevertheless, this style of machinery predominates in the Indian jute industry to-day, and the problem of its replacement is of urgent concern."

Proceeding, the correspondent says that, at the turn of the century, when the installations took place, labour was abundant and wage rates were low. The choice of one machine against another was dictated primarily by the production which could be obtained and the cost of the machine itself. The cost of running it which included the necessary labour was a minor consideration. Since then, there have been considerable developments in the various departments of processing jute. Most of the improvements were seen in the evolution of high speed labour-saving machinery widely adopted in Europe and America. Drawing and spinning frames have also been improved. The machine producing standard warp yarn has been improved in speed. Developments in carding also have been considerable. In the sphere of weaving, circular looms which can weave both plain and twill cloth have come into use more widely in the industry outside India. But the flat jute looms working in so many Indian mills are the looms built fifty years ago. Despite the backlog in rehabilitating the industry by equipping it with the latest devices, the correspondent concedes that the mills have started using new types of machinery. He, however, opines that "in view of the present situation in the Indian jute industry, a decision on this vexed problem of modernisation cannot be deferred much longer. Competition outside India, buttressed by the most modern machines, is becoming more and more severe, and India cannot meet it without similar tools." It looks as though what this correspondent says is the most accurate indication of the present position of the industry.

Four Main Snags

The observations of the Industrial Correspondent of the same daily from Calcutta on the subject also deserve mention. According to him, modern machinery has been installed, or is on order, in respect of about 9.8 per cent. of the total loomage of mills in the membership of the I.J.M.A. Investments so far made, or to be made, shortly are estimated at Rs. 5 crores. Finance required is estimated at Rs. 45 crores. Spread over a number of years, the programme of modernisation involving this sum is considered practicable. There are, however, four main hurdles to cross before implementing the programme. The first one is the availability of foreign exchange. As the machinery is to come from the sterling area, this problem, he says, should present no insuperable difficulty. Assistance from the State and the World Bank can help the industry to obtain the wherewithal to meet the cost.

The second difficulty is the prohibitively high cost of the machinery. Opinion appears to be divided on this question. Mr. Gardner says that modern machinery is expensive and its installation is wise and prudent only when it is justified on economic grounds. "Considerable progress has already been made," he says, "in the re-equipment of the mills, much more remains to be done and will be done, but the industry's programme cannot be completed overnight and nothing spectacular should be looked for." As against this, there is another section which seems to feel that, once installed, the latest machines require little or no maintenance. Since introduction of new machinery will result in a saving of labour, it will ultimately enable the industry to sustain a labour force at a higher level of wages than now. Besides, the new machines would also considerably strengthen the competitive ability of the industry. As special varieties of cloth could be manufactured with the help of the new machinery, the industry would be in a position to cater to the tastes of a wider market than at present. It is thus argued that considerations of high cost of machinery should not matter much in re-equipping the industry with new machinery.

Availability of New Machinery

Granting that foreign exchange is available and the industry agrees to purchase the machinery unmindful of the cost, there is the problem of overcoming the inability of the machinery manufacturers to meet the large orders from India. It is pointed out that the order books of the few factories in the U.K. which are engaged in the production of these machines, are already full and that, therefore, it may take a full decade for them completely to satisfy the demand from India. This appears to be a really great limiting factor in the programme of modernisation of jute mills in India.

And then there is the question of displacement of labour resulting from modernisation. The industry now employs about 300,000 workers. Total modernisation may affect about 40,000 workers. But the retrenchment of these workers could be rendered painless by retaining existing workers in new vacancies as and when they occur over the period during which modernisation is completed.

Despite the snags of modernisation, as noted above, the jute industry must pay greater attention than it is doing at present to the problem of raising its efficiency through modernisation. Labour and the Government must realise that this industry is an important export industry, that India has no longer a monopoly in the supply of jute goods, that if jute goods are to retain their utility as a packaging material, they have to be produced at a low cost and that it must have the same tools which its competitors in other countries are employing. Only if they realise all these things, they will be in a position to appreciate the necessity for aiding the industry in modernisation of its machinery. Labour can help by not placing impossible demands on the industry in regard to work-load, retrenchment of surplus labour, etc. The Government can help by following a liberal taxation policy and by securing long-term finance at favourable rates of interest.

FORWARD TRADING IN RAW JUTE BANNED

The Government of India has, by a notification in the *Gazette of India Extraordinary* dated 29th October, 1953, prohibited forward trading (except non-transferable specific delivery contracts) in raw jute in any form. Under this notification, all forward contracts (except non-transferable specific delivery contracts) entered into before 29th October, 1953 shall be deemed as closed at the rate prevailing at the close of the forward market on 29th October, 1953.

A Press note issued in this connection says: "It will be recalled that forward trading in jute was banned by the Government of West Bengal in August, 1948. That ban has continued ever since the notification, however, prohibited dealing in screwed baled raw jute only, as, at that time, there was forward trading in that form. Recently, however, forward trading has developed in *kutcha* bales and loose jute and this has resulted in unhealthy speculation and harm to genuine trade. The object of the present notification issued by the Government of India is to put an end to this recent development."

Apart from plugging the legal loophole thus, the notification, having been promulgated by the Centre, applies, in the absence of any specific limitation of its jurisdiction, to all States and not merely to West Bengal.

The ban on futures trading in raw jute must be considered timely in that it has appeared at a time when raw jute was just assuming a firm trend in sympathy with the growing demand for jute goods. In the absence of this ban, unscrupulous speculators would have taken advantage of the improving tendency in jute goods market (in which also forward trading has remained suspended from 18th December, 1952) and pushed up the prices of raw jute to levels which would have rendered manufacture and sale of jute goods uneconomic.

The fact that "non-transferable specific delivery contracts" have been excluded from the purview of the notification, provides scope to carry on legally forward trading within limits. The term is defined in the Forward Contracts (Regulation) Act, 1952, to mean "a specific delivery contract, the rights or liabilities under which or under any delivery order, railway receipt, bill of lading, warehouse receipt or any other document of title relating thereto are not transferable."

A point to be noted here is that, in taking a decision to ban forward trading in raw jute the Government has not waited for the decision of the official Jute Enquiry Committee appointed by it to enquire into the pattern and practices of the jute trade. As this Committee is still in the midst of its investigations, it may be long before it submits its decision. The Government has also constituted the Forward Markets Commission to keep a watch over the forward markets and advise the Government on the working of the Forward Markets Regulation Act, 1952. This Commission, which was appointed only at the end of September last, is yet to develop into a full-fledged expert body. It is, therefore, unlikely that the Government had consulted the Commission before deciding to ban forward trading in raw jute.

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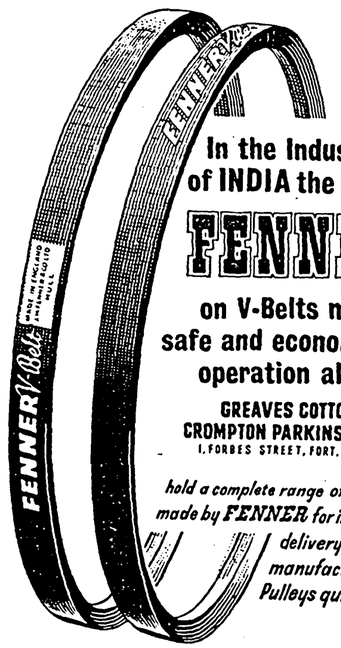

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AMENITIES FOR RAILWAY PASSENGERS

SHORTAGE OF COACHES HOLDS UP PROGRESS

THE National Railway Users' Consultative Council concluded its two-day session at New Delhi on the 28th ultimo. The Council, which was set up in July last, to advise railway administrations and the Railway Ministry on matters pertaining to the services provided by the railways and their efficiency, discussed, among others, subjects relating to granting of railway concessions to certain all-India bodies, with a view to facilitating activities of educational, cultural and social importance, improvement of catering and vending at stations and in trains, removal of beggar nuisance and improvement of rail transport capacity so as to cope with the demands of expanding industry and trade

Addressing the Council, Mr. Lal Bahadur Shastri, Minister for Railways and Transport, claimed that greater attention was being paid to the convenience of passengers than at any time before. He substantiated this statement by stating that the railways had paid special attention to provide fans in third class coaches. He declared that, within a period of three years, all the third class coaches could be expected to be fitted with fans. Indeed, it could be achieved earlier but for the inadequate number of coaches. Anyway, a sufficient number of coaches are being withdrawn for being fitted with fans. As regards the new third class coaches, which are being manufactured here or are being imported, the Minister stated that they would have fans fitted in them even before they were put on the rails. He highlighted the policy of the Government towards reducing classes on railways by the abolition of first class in all trains. Already, first class had been abolished in a number of routes.

The Council devoted some time to the type of carriages to be introduced in future. It recommended that second class coaches should be of the compartment type, whereas the air-conditioned coaches could be of the corridor type. As regards the third and inter-class coaches, the Council favoured the continuation of the type of carriages recently introduced. It also urged the need for the improvement of catering facilities at stations and in trains and for the removal of the beggar nuisance. It generally approved the present policy of granting rail concessions but made certain suggestions, for the consideration of the Government, in regard to revision of the list of bodies entitled to the concessions. A list of 32 bodies at present entitled to rail concessions and lists of other bodies to which concessions had been refused were circulated to the members.

Shortage of Coaches

One of the most important problems facing the Railway Ministry now is the shortage of coaches, wagons and locomotives. It is true that the present position is better than before, but still, a good deal remains to be done. Mr. Shastri expressed the hope that the position would go on improving, as the railways proceeded ahead with the implementation of their plans designed to increase the line capacity at various points and the number of wagons and locomotives. In this connection the Minister gave some statistics which are worth recording here.

Out of orders for 769 locomotives placed during the years 1951-52 to 1953-54 (407 from sources in India and 362 from abroad), as many as 379 have been received (100 from home production and 279 from abroad). Action is being taken to place orders for another 750 locomotives. As regards carriages, orders have been placed for 3,800 and it is proposed to place orders for an additional 2,000. Almost all the stock is being arranged through production at home. Only electric multiple stock and a small proportion of the other coaching stock are being obtained from external sources of supply. In the three years 1951-52 to 1953-54, as many as 42,293 wagons have been ordered, 29,288 from Indian sources and the rest from abroad. Orders for another 19,000 wagons are being arranged and the possibility of procuring this lot from Indian production is being explored. If indigenous capacity is unable to meet the demand in full in time, it is clear, some wagons may have to be imported from abroad. At present, home sources of supply are being utilised to the maximum extent possible, with a view to eliminating imports altogether as soon as practicable.

The Council discussed the current operating position of the railways. It expressed satisfaction in regard to the results achieved but, at the same time, urged that necessary measures should be taken by the Ministry to ensure sufficient transport capacity.

Whatever the improvement in rail transport, it will not be complete, unless it is co-ordinated with road and water transport. It is gratifying to note that the Planning Commission is giving thought to the expedient of diverting some traffic in goods from the railways to the road, especially near the bigger cities. It is hoped, meanwhile, that nationalised road transport authorities in the various States would plan and take up this work, of course, with due regard to the facilities already available. On the shipping side, too, the Transport Ministry is making efforts to add to the existing tonnage.

The Council discussed the loss caused to the railway by ticketless travel and recommended that suitable measures should be adopted by the Railway Ministry for improving the efficiency, calibre and integrity of the ticket-checking officials. It further stated that measures for securing public co-operation in the eradication of this evil should be taken. The Council was of the view that it must be effectively impressed on the public that it is the duty of each individual to stop the national loss resulting from ticketless travel. The Council suggested further that its members and the members of the zonal committees should be enabled to call upon the ticket-checking staff to make checks in their presence.

BENEFICIATION OF LOW-GRADE MANGANESE ORE

Research in the beneficiation of low-grade manganese ore has been successfully carried out by the Indian Bureau of Mines and the National Metallurgical Laboratory, Jamshedpur, and some industrial enterprises have benefited from the Bureau's suggestions in the matter of extraction of manganese from rejected material.

Manganese ore has been worked in India since 1892, almost the entire production being exported. The price of high-grade ore before World War II was from Rs. 15 to Rs. 20 per ton at ports, as against from Rs. 100 to Rs. 200 per ton at present. The prices also vary according to grade, rising sharply for every unit of manganese above, say, 45 per cent. There has, thus, been a tendency to pick and choose the ore that fetched lucrative prices, the inferior grades being relegated to dumps. Huge dumps of ore have thus grown up in most of the Indian manganese mines. After 1948, when the U.S.S.R., the largest producer and exporter of manganese ore in the world, stopped its exports and an expansion of steel production took place in the U.S. and Britain, a heavy demand arose for the ore and manganese ore from 32 per cent. and above are being offered attractive prices.

About 3.75 million tons of marketable ore are available in dumps in Madhya Pradesh and the reserves of ore in dumps in the Srikakulam district of Andhra have been estimated at about 1.2 million tons. Total dumps in Bihar and Orissa, where manganese mining has been started comparatively recently, amount to about 2 lakh tons.

Industrial units producing over 50 tons every day can afford to set up full heavy media beneficiation units, which cost a few lakhs of rupees. For mines which produce from 10 to 50 tons per day, a medium size plant has been designed, as a result of the investigations conducted by the Indian Bureau of Mines in collaboration with the National Metallurgical Laboratory. This unit costs between Rs. 70,000 and Rs. 1 lakh. As the erection of costly machinery is difficult for industrial units producing from 5 to 10 tons per day, research in cheaper methods was undertaken by the Indian Bureau of Mines. Low-grade ore from the Keonjhar area, with 35 per cent. manganese content, has been upgraded by a comparatively cheap method to 47 per cent. manganese content and it is expected that this cheap process will be finalised shortly. Similar satisfactory results have been obtained with ores from other areas also. Ores from Mansar in Madhya Pradesh have been upgraded from 32 per cent. manganese to 48 per cent. by the process of magnetic separation and tabling, the recovery being 65 per cent. Another sample from the Kachidana dumps in Madhya Pradesh has been upgraded from 41 per cent. to 49 per cent. by jigging and tabling, the recovery being 82 per cent. Ore from a Bombay dump has been upgraded from 36 per cent. to 46 per cent. by hydraulic classification and tabling, the recovery being 75 per cent.

INDIAN PUMP INDUSTRY

In the course of his presidential address to the first annual general meeting of the Indian Pump Manufacturers' Association held at Bombay on 30th October, Mr. M. W. Gurjar pleaded for an extension of the range of restrictions on imports of pumps. At present, there are only restrictions on the import of pumps upto 6", but Mr. Gurjar wanted the restrictions to be extended upto 14". In fact, he wanted that imports of pumps upto 6" should be completely banned. He further pleaded for raising the import duty from the extising 10½ per cent. to 30 per cent. *ad valorem*.

It is stated that there are huge stocks of pumps with the various manufacturers and that the installed capacity of the industry is adequate to meet the entire demand for centrifugal pumps from 1" to 14". The Planning Commission has fixed a target of 85,000 centrifugal pumps a year. There is a section which feels that this estimate errs on the high side. In support of this view, it is pointed out that the Indian pump manufacturers are finding it difficult to sell their goods. At present, there are 20 organised factories, with a rated capacity, assessed on an 8-hour single-shift basis, of 428,000 pumps per annum. The actual production of these and some other smaller factories is estimated at about 50,000 pumps.

Mr. Gurjar touched the subject of exports also. He made out a case for unlimited exports without any further delay, in view of the difficulty in selling pumps at home. In addition, he made the following suggestions:

(1) India should adopt a long-term export policy and do everything possible to maintain its contacts in the foreign markets, even though this would involve some sacrifice and some difficulties to our nationals within the country;

(2) the Government should adopt a policy of appointing representatives of industries and trade as trade commissioners in foreign countries, as such representatives would be the proper persons to handle matters connected with trade;

(3) the Government should encourage private initiative in developing export markets wherever and whenever such is forthcoming; and

(4) the Government should take an active part in organising trade delegations to foreign countries and establishing a permanent trade officer in South-East and Middle East Asian countries as well as in the States of South America.

Few will deny that the Government's export policy should be so flexible as to see that exports and indigenous consumption keeps the productive capacity of an industry as fully employed as possible. Surely, if, owing to the difficulty of marketing the pumps at home, some of the units find it necessary to curtail production and reduce the labour force, the best thing to do will be to liberalise exports, if not permit unlimited exports, to the extent needed. Moreover, the importance of developing export markets especially in South-East and Middle East Asian countries needs no emphasis, at least from the long-term point of view. Already, Japan is taking steps to organise trade offices in these countries in order to establish itself firmly there.

MYSORE IRON AND STEEL WORKS

It will be recalled that, in our issue dated 3rd October, 1953, we pointed out that the Mysore Iron and Steel Works has submitted a scheme for the installation of a cast iron pipe plant, at an estimated cost of Rs. 45 lakhs. Commenting on this proposal, Mr. Ratanchand Hirachand, M.A., J.P., questions the advisibility of pursuing this scheme. He is of the opinion that the project may not be a success, because spun concrete pipes, which can be successfully used for water mains, are cheaper in cost. He states that Hume pipes are used for water distribution in several towns in Hyderabad State. Describing the advantages of spun concrete pipes over cast iron pipes, he points out that "bore" can be used in the pipe even after the pipe is laid by using "saddle" on the pipe. Ready-made ferrules are also provided for in the pipes at the time of manufacture and such pipes are used in large numbers at various district places for the distribution of water. Pre-stressed concrete pipes, which will be in the market within three to four months, compare very favourably with cast iron pipes. It is true, he admits, that spun cast iron pipes are lighter in weight but, he says, the capital expenditure involved in manufacturing these pipes is larger. He, therefore, feels that the cast iron plant will not be an economic proposition.

Continuing, he contends that, if a plate rolling mill were to be installed instead of a plant casting pig iron, it would serve a double purpose. First, the steel plates can be sold at an economic price and, secondly, the plates can be utilised for making pipes of high pressure required by hydro-electric works. He is of the considered opinion that pig iron saved from making cast iron pipes can also be exported to earn the much needed foreign exchange.

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INSURANCE AS SOURCE OF EMPLOYMENT

SMALL PROPORTION OF WORKERS IN RURAL REGIONS

INSURANCE, whether life assurance or general insurance, enjoys a unique position as a source of employment. Apart from the direct employment which insurance companies give to people who work in their offices or as their agents, it promotes employment in an indirect manner by canalysing the savings of the whole community into productive channels. Among the manifold services which insurers give the country, mention must, therefore be made of the direct employment which they create and the indirect employment which they help create and the facilities which they offer to insured persons or property through covering the risks of death or damage.

The report, entitled *Census of India* (Paper No. 5), gives some interesting information about the number of people who earn their living by working in the insurance field. The following table gives the number of people employed in insurance in India, as a whole, and in the six divisions into which India has been divided for census purposes:

Employment in Insurance

		Total	*Employers*	*Employees*	*Independent worker*
India					
Rural	.. .. ..	7,802	463	2,469	4,470
Urban	.. .. ..	29,926	1,137	22,936	6,393
	Total ..	37,728	1,600	25,205	10,863
North India					
Rural	.. .. ..	469	11	107	351
Urban	.. .. ..	1,999	159	895	945
	Total ..	2,468	170	1,002	1,296
East India					
Rural	.. .. ..	1,624	21	1,176	627
Urban	.. .. ..	8,625	87	6,705	1,833
	Total ..	10,249	108	7,881	2,260
South India					
Rural	.. .. ..	4,353	316	1,360	2,677
Urban	.. .. ..	5,725	325	4,131	1,269
	Total ..	10,078	641	5,491	3,946
West India					
Rural	.. .. ..	276	24	179	73
Urban	.. .. ..	10,358	486	8,263	1,604
	Total ..	10,634	510	8,447	1,677
Central India					
Rural	.. .. ..	212	91	38	83
Urban	.. .. ..	2,084	50	1,570	464
	Total ..	2,296	141	1,608	547
North-West India					
Rural	.. .. ..	668	..	9	659
Urban	.. .. ..	1,335	30	827	478
	Total ..	2,003	30	836	1,137

It will be seen from the table above that there are 37,728 persons who support themselves by working in the insurance field. These persons are described in the Census report as "self-supporting persons." A self-supporting person is defined as a person who is in receipt of an income which is "sufficient at least for his own maintenance." Two features of the table deserve notice. In the first place, the most numerous class among insurance men are the "employees." The number of employees is as large as 25,625 as against 10,863 who constitute independent workers. It is not, of course, clear what criterion has been used in distinguishing employees from independent workers. Presumably, the employees represent the actual workers in insurance offices, whereas the independent workers are the people who make a living by working as agents.

Secondly, the table shows that insurance men are nearly four times more numerous in the urban centres than in the rural areas. This fact has been known before, though it has never been statistically computed. The Census report shows that, in the rural areas, there are only 7,802 persons, who support themselves by work connected with insurance, as against 29,926 persons in the urban centres. There is certainly greater need for spreading the gospel of insurance in the rural areas of the country. But it must be admitted that few rural regions are attractive for the agents, since the low living standards in these areas are a deterrent to sustained insurance representation. Even so, it should be possible to spread the insurance habit among the rural population through well-conducted publicity designed to make them appreciate the benefits of insurance.

It is, however, interesting to note that South India has a relatively larger proportion of rural insurance workers than any other part of India. Of the total number of 10,078 persons in the South Indian insurance field, as many as 4,353 work in the rural areas. In West India, on the other hand, the number of rural insurance workers is only 296, although West India, as a whole, has a larger number of insurance workers than any other part of India, the number being 10,634.

The number of insurance workers given in the Census report does not represent the whole class of workers in this field. This is because the census takes into account only those who support themselves entirely by insurance work. There are, as is well known, a large number of workers who are part-timers. Although this class of persons has done much to expand the insurance business, the fact that their interest in insurance is only secondary to some other main occupation, detracts greatly from the service which they could otherwise give. Also many part-time workers give up insurance work as soon as they complete the insurance business of the small circle of their acquaintances, relations and friends. This is reflected in the trend of insurance licences issued by the Government of India in recent years:

Insurance Agents' Licences

	No. of licences issued		
	Fresh	*Renewal*	*Total*
1947	85,245	88,924	1,74,169
1948	82,220	87,696	1,70,016
1949	85,389	95,348	1,80,737
1950*	65,937	66,526	1,32,463
1950†	15,677	34,796	50,473
1951	64,200	62,491	1,26,691

* Relates to the period 1-1-1950 to 31-8-1950.
† Relates to 1-9-1950 to 31-12-1950.

Note:—Licences issued till 31st August, 1950, were for a period of one year. From 1st September, 1950, licences are issued for a period of three years.

In a country like India, where the *per capita* insurance is very low as compared with other advanced countries, there is no doubt that insurance can provide employment for a much larger number of persons than it does to-day. Any extension of the sphere of employment in insurance will, however, depend on the rise in living standards and the spread of the insurance habit. These are essentially long-term factors. In the immediate future, much could be done to enlarge the scope for employment in the sphere of insurance through training young men in the art of insurance salesmanship. This is a task which the insurers will do well to perform both in their own and in the national interest.

ACCIDENT INSURANCE IN U.K.

General insurers in the U.K., it is stated, have been devoting greater attention towards making the accident policies more popular by trying to meet the peculiar requirements of the people who take out accident insurance policies. Referring to some of the special efforts that are being made by British insurers, in order to make the policies more attractive to the community, the Insurance Correspondent of the *Financial Times*, London, says:

"Since the war a determined effort has been made to present personal accident insurance in a more attractive form. Most companies and underwriters to-day offer a wide range of policies, presented in well-designed prospectuses, each of which is calculated to attract the attention of a particular section of the community. Further, quotations are freely given for variations of the printed scale of benefits, and, in fact, some companies invite the proposer to select that combination of benefits most useful to him and, to assist his choice, show the rate of premium applicable to each section of the cover in the prospectus. Thus the individual receives a policy moulded to meet his particular needs and pays only the premium required to insure these needs.

"The peculiar requirements of certain professions have also engaged the attention of insurers. Until recently the contingencies insured under personal accident policies followed certain fixed lines; generally the only capital sum payments provided under the policy were in respect of death or the loss of one or more of the major members, and the amount insured was arbitrarily fixed as a percentage of the death benefit without taking into account the degree of disability involved. Little attempt was made to provide payment of a substantial fixed sum in respect of other forms of injury which, in certain circumstances, may be as permanently crippling to the individual as the loss of a leg or the loss of the sight of an eye.

"Many professional men rely entirely upon their hands for their livelihood. Permanent injury to a hand or even the loss of a finger can destroy the earning power of surgeons, concert musicians, dentists, artists and others. Similar considerations arise in the case of stage and screen artists, whose earning power largely depends upon their physical attractions. An accident causing permanent scarring of the face would probably destroy the career of celebrities such as these. The consequences of deafness in musicians and singers or apparently trivial leg injuries to ballet dancers can also be disastrous to the individual. The need for insurance against these risks is now recognised and to-day professional men and women can protect themselves at moderate cost against those injuries which, possibly minor in themselves, would nevertheless destroy or seriously diminish their future earning powers.

"While it is true that the volume of this class of business on insurers' books is not great at the moment, the demand for protection is steadily growing. From the insurers' point of view it is probably as well that this growth is gradual, as the underwriting of these risks requires great care. Particular attention must be paid to the proposed sum insured which must not be excessive in relation to the proposer's probable earning power."

GENERAL ASSURANCE SOCIETY LTD.

In the review of the General Assurance Society's report and accounts, published in our issue dated 17th October, 1953, it has been stated that the Society's new life business during 1952 "aggregated Rs. 2.03 crores, as against Rs. 2.45 crores in 1951." This should read: "The Society's new life business during the year under review aggregated Rs. 2.03 crores, as against Rs. 1.89 crores in 1951." It is gratifying to note that the Society's new life business in 1952 had increased, despite the general recession in economic conditions witnessed during that year.



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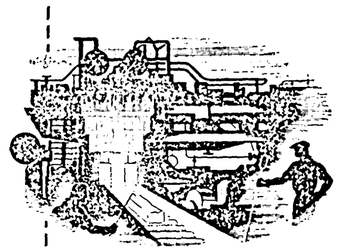
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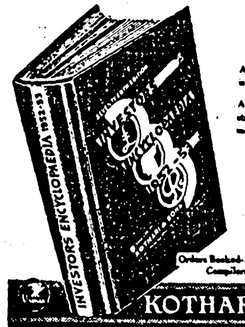

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INDIA'S BALANCE OF PAYMENTS POSITION

CONTRACTION OF SURPLUS IN FIRST HALF OF 1953

THE preliminary accounts prepared by the Balance of Payments Division of the Reserve Bank of India disclose a fractional surplus of Rs. 50 lakhs in the current account of India's visible and invisible foreign trade during the first half of 1953. This surplus compares unfavourably with that of Rs. 63.5 crores for the preceding half-year, namely, July-December, 1952. A point to be noted here is that this surplus of Rs. 63.5 crores in current account noted in the second half of 1952 contracted considerably during the first quarter of the current year, namely, January-March, 1953, for which period the account showed a surplus of only Rs. 14.1 crores. Even this small surplus disappeared subsequently, and by the end of the second quarter the country ran into a deficit of Rs. 13.6 crores, revealing thereby a small net surplus of Rs. 50 lakhs at the end of June, 1953.

The trends in the current account mentioned above are clearly brought out in the table below, giving a summary of India's balance of payments position in the first half of this year as compared with the two half-years of the preceding year.

(Rs. in crores)

	1952		1953		
	1st half	2nd half	1st half	April-June	Jan.-March
Imports (c.i.f.)—					
(a) Private ..	256.7	209.4	211.8	114.0	97.8
(b) Government ..	150.7	85.8	79.5	42.5	31.7
Total (a) and (b) ..	447.4	295.2	291.3	156.5	134.8
Exports (f.o.b.) ..	335.3	313.8	251.4	122.1	129.3
Trade balance ..	—112.1	+18.6	—39.9	—34.4	—5.5
Official donations (net) ..	+7.7	+4.3	+.8	+5.7	+2.4
Other invisibles (net) ..	+42.6	+40.6	+32.4	+15.1	+12.2
Current account (net) ..	—61.8	+63.5	+0.5	—13.6	+14.1
Errors and omissions ..	6.3	11.0	17.3	—34.8	—7.3
Capital account (net) ..	—69.1	+23.7	+17.8	—2.6	+20.4

The table above reveals certain notable features. First, both exports and imports have registered a decline in their value, the former from Rs. 313.8 crores in the second half of 1952 to Rs. 251.4 crores in the first half of 1953 and the latter from Rs. 295.2 crores to Rs. 291.3 crores. Thus, the fall of Rs. 62.4 crores in the value of exports was far larger than that (Rs. 3.8 crores) in exports. With the result, the surplus of Rs. 18.6 crores on the trade account for the second half of 1952 was converted into a deficit of Rs. 39.9 crores. Of this deficit, as much as Rs. 34.4 crores took place in the second quarter of the current year. In this quarter, the fall in exports was accompanied by a rise in imports of Rs. 21.7 crores, chiefly due to an increase in private imports.

As compared with the first half of 1952, the trade position in the first half of the current year makes satisfactory reading. Although the absolute totals of imports and exports were smaller in January-June, 1953, than in the corresponding period of 1952, the adverse trade balance was appreciably smaller, at Rs. 39.9 crores, as against Rs. 112.1 crores. Similarly, the net current account showed a surplus of Rs. 50 lakhs, as compared with a deficit of Rs. 61.8 crores. This was so in regard to the capital accou t, too. Thus, as against a huge deficit of Rs. 6. crores during the first six months of 1952, the corresponding period of 1953 saw a handsome surplus of Rs. 17.8 crores.

Imports

Among the factors which accounted for the increase in imports in the second quarter of 1953, most important was the liberalisation of restrictions on imports with two objects in mind, (1) to allow of imports of a few articles with a view to providing a certain element of competition in the country to domestic manufactures so that they may have an urge to increase in quality of their products, and (2) to increase the customs revenue by way of import duties in order to offset, as far as possible, the fall in export duties. Fortunately for the authorities, the surplus which had been accumulated in the previous year came in quite handy for making an attempt to fulfil these objectives. To what extent this attempt succeeded is a different matter. The fact, however, remains that the nominal surplus in the payments position for the first half of the year was deliberately brought about to a large extent. The deterioration was, of course, also due to an increase in the unfavourable relation between import and export prices. Thus, the import policy for January-June, 1953, maintained over 70 per cent. of imports at July-December, 1952 levels but was liberal to the extent that for the remaining items the cuts imposed in the preceding licensing period were restored either partially or fully. In addition, small quota licences were issued for items for which no quotas had been given for over a year. On the other hand, quotas for some items, the indigenous manufacture of which had improved, were reduced. An additional factor which facilitated imports, particularly of raw cotton, was the resumption of purchases from Egypt from May, 1953.

Government imports at Rs. 79.5 crores were Rs. 6.3 crores lower than in the previous half-year. Nearly Rs. 8 crores of these were financed by aid received under the Colombo Plan and Indo-U.S. Technical Co-operation Agreement (I.T.C.A.) as compared with Rs. 3.9 crores in the previous half-year. If receipts under these aids are excluded, it will be seen that the fall in Government imports was about Rs. 10.4 crores; this was mainly because of the decline in imports of food.

Exports

As stated already, the value of exports fell sharply by Rs. 62.4 crores during the half-year under review, both prices as well as quantities declining considerably. Although a part of the decline in export earnings was seasonal, the major part probably reflected the fall in the demand for our goods from foreign countries. The commodities particularly affected were tea, jute manufactures and cotton textiles. The fall in tea exports, especially in the second quarter, appears to be seasonal. The effect of the reduction in the export quota of tea in April from 135 per cent. of the standard quota of 348.25 million lbs. in 1952-53 to 115 per cent. for 1953-54 will be chiefly felt, if at all, later in the year.

A part of the fall in prices of exports took place through the lowering of export duties. The duty on coarse and medium varieties of cotton textiles was lowered from 25 per cent. to 10 per cent. *ad valorem* on 4th January, 1953. (Last week even this 10 per cent. was abolished in respect of medium varieties.) The export duty on sacking was reduced from Rs. 175 per ton to Rs. 80 on 27th February, 1953. Similarly, the duties on linseed and linseed oil were reduced from Rs. 100 and Rs. 200 per ton to Rs. 25 and Rs. 50 per ton, respectively, on 12th May. With a view to promoting exports the Government extended the period of validity or export licences for some commodities and the free licensing period of most items.

The net terms of trade (that is, the relation between import and export prices) deteriorated during the half-year under review. The average index figure for the period was 88, as compared with 91 in the second half of 1952 and 98 in the first half of 1952. Between the first two quarters of 1953, there was, however, an improvement from 84 to 91 owing mainly to the fall in import prices.

Now to turn to the current and capital accounts in regard to the financing of India's international transactions. The table below summarises the position:

(Rs. in crores)

	1st half of 1952	2nd half of 1952	1st half of 1953
A. *Goods and services*—			
Exports (f.o.b.) ..	335.3	313.8	251.4
Imports (c.i.f.) ..	447.4	295.2	291.3
Trade balance ..	—112.1	+18.6	—39.9
Non-monetary gold ..	1.0	..	..
Investment income ..	—6.8	—6.3	—5.2
Government not included elsewhere ..	+4.1	+5.7	+2.3
Other services ..	+37.2	+31.6	+23.0
Total ..	—77.6	+50.6	—14.8
B. *Private donations and capital movements* ..	+3.1	+9.4	+10.6
C. *Special official financing* ..	+7.9	+5.0	+6.9
D. *Extraordinary transactions*	..	..	..
E. *Errors and omissions* ..	—7.3	—34.8	+17.3
F. *Surplus or deficit A to E* ..	—73.8	+30.2	+19.9
G. *Compensatory financing*—			
(1) Barter deals ..	—0.2	—3.0	..
(2) U.S. food loan ..	+33.5	+14.1	..
(3) Transfers of Indian currency ..	—22.1	—6.7	—10.7
(4) Foreign official holdings ..	..	..	..
(5) Short-term liabilities ..	—20.6	—16.8	+8.8
(6) Foreign exchange assets ..	+78.2	—17.8	—18.0
Total ..	+73.8	—30.2	—19.9

It will be seen from the table above that the net deficit on goods and services amounted to Rs. 14.8 crores in the half-year under review. This deficit compares unfavourably with a surplus of Rs. 50.6 crores in the previous half-year. But net receipts under "private donations and capital movements" (*vide* B) and "special official financing" together amounted to (Rs. 10.6 + Rs. 6.9) Rs. 17.5 crores, representing an increase of Rs. 3.1 crores over those in the previous half-year. The main items under "special official financing" were aid received under the Colombo Plan and I.T.C.A. amounting to Rs. 8 crores as already stated. Drawings from I.B.R.D. loans were only of the order of Rs. 0.6 crore, as against Rs. 2.3 crores. Repayments also were of the same order as in the previous half. After allowing for errors and omissions for these various groups, the net position showed a surplus of Rs. 19.9 crores (*vide* F). Of this, a sum of Rs. 10.7 crores was utilised for liquidating liabilities with Persian Gulf territories in connection with the repatriation of Indian currency. The foreign exchange assets also rose by Rs. 18 crores, but were offset to the extent of Rs. 8.8 crores by a rise in short-term liabilities.

A region-wise analysis of the pattern of payments shows a reduction in the surplus with the sterling area (excluding Pakistan). The table below summarises India's balance of payments position on current account, with the various currency areas during the period under review:

(Rs. in crores)

	1952		1953		
	1st half	2nd half	1st half	April-June	Jan.-March
Sterling area—					
Excluding Pakistan ..	+42.0	+42.5	—3.7	—15.5	+11.8
Pakistan	+30.0	+9.3	—0.2	..	—0.2
Dollar area	—119.6	+8.4	+10.2	+8.0	+2.2
O.E.E.C. countries ..	—12.7	—8.3	—24.3	—14.9	—9.4
Rest non-sterling area ..	—1.8	+11.6	+18.8	+9.1	+9.7
Total ..	—61.8	+63.5	+0.5	—13.6	+14.1

It will be noted from the above table that the payments position of India worsened with the sterling area, Pakistan and the O.E.E.C. countries. There was, however, an improvement in the position relating to dollar area and the rest of the sterling area.

The payments position with the sterling area, excluding Pakistan, changed from a surplus of Rs. 42.5 crores in the second half of 1952 to a deficit of Rs. 3.7 crores in the half-year under review. This is attributed to larger payments for imports, together with a fall in the net invisible receipts. Thus, over the half-year, the payments for imports rose by Rs. 24.5 crores mainly on account of commercial imports. Export earnings fell by Rs. 17.8 crores.

Transactions with Pakistan reveal that a surplus of Rs. 9.3 crores in the second half of 1952 changed into a small deficit of Rs. 0.2 crore in the period under review. Both imports and exports showed drops. This was due to low offtake of raw jute by India and the imposition of severe import restrictions by the Pakistan Government.

India's payments position with the dollar area moved up from Rs. 8.4 crores to Rs. 10.2 crores. Both imports and exports fell, but the declines offset each other. Commercial imports declined by Rs. 14.1 crores and Government imports by Rs. 0.9 crore. If imports financed by the aid received from the U.S. and Canada are excluded, the fall in Government account will be Rs. 6.5 crores. Of the surplus of Rs. 10.2 crores, merchandise transactions account for Rs. 2.5 crores, but the reduced payments for imports, especially of foodgrains, are the main factor.

The worsening of the position with O.E.E.C. countries as compared with July to December, 1952, was due to the fall in exports, such as jute manufactures and vegetable oils. Imports rose by Rs. 3.4 crores, the entire rise being noticed in commercial imports.

The current account position with the rest of the non-sterling area improved by Rs. 7.2 crores to Rs. 18.8 crores. The major contribution towards this improvement came from the cessation of foodgrain imports from Thailand and China. Export receipts also fell during the period, but the net invisible receipts improved by Rs. 1.9 crores. Imports rose by Rs. 2.8 crores due to increased purchase of Egyptian cotton.

WORLD INDUSTRIAL PRODUCTION UP BY 8 PER CENT.

Data prepared by the Statistical Department of the United Nations disclose a record rise of 8 per cent. in the world's industrial production in the first six months of 1953, as compared with that in the corresponding period of 1952. The volume of world production, excluding that of the Soviet Union, has, according to the latest issue of the *U.N. Monthly Bulletin of Statistics*, risen in the second quarter of 1953, 3 per cent. above the record

(*Continued on page 873*)

THE
HONGKONG AND SHANGHAI BANKING CORPORATION
(Incorporated in the Colony of Hong Kong)
The Liability of Members is Limited to the extent and in manner prescribed in Chapter 70 of the Laws of Hong Kong.
HEAD OFFICE: HONG KONG.
Capital Issued and Fully Paid up ... Hk $20,000,000
Reserve Funds Sterling ... ... £ 6,000,000
Reserve Liability of Members ... Hk. $20,000,000
OFFICES:
BURMA: Rangoon
CEYLON: Colombo
CHINA: Shanghai
DJAWA (JAVA): Djakarta, Surabaja
EUROPE: Hamburg, Paris, Lyons
HONG KONG: Hong Kong, Kowloon, Mongkok
INDIA: Bombay, Calcutta
INDO-CHINA: Haiphong, Saigon
JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Singapore, Singapore (Orchard Road), Sungei Patani, Teluk Anson
NORTH BORNEO: Brunei Town, Jesselton, Kuala Belait, Sandakan, Tawau
PHILIPPINES: Iloilo, Manila
SIAM: Bangkok
UNITED KINGDOM: London
U.S.A.: New York, San Francisco
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HONG KONG, LONDON & SINGAPORE.
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NEW YORK OFFICE: 72, Wall Street.
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G. A. STEWART, Acting Manager.

IMPERIAL BANK OF INDIA
INCOME-TAX RETURNS PREPARED AND CLAIMS MADE ON BEHALF OF CONSTITUENTS
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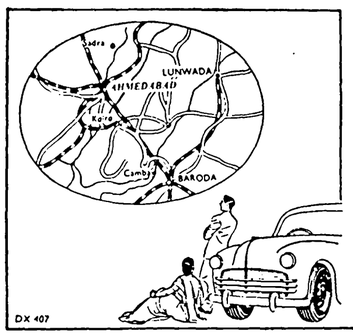
London Office
25, Old Broad Street

THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)
Authorised Capital .. .. Rs. 50,00,000
Subscribed Capital .. .. ,, 30,60,750
Paid-up Fund .. .. ,, 15,30,375
Reserve Fund .. .. ,, 24,00,000
Head Office: Prince Yeshwant Road, Indore City
Bombay Offices: 44, Hamam Street and Jal Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Sivaganj and Sanyogitaganj (Indore City).
Branches: Anjar, Dhar (Madhya Bharat), Khargone, Mhow, Ratlam, Sanawad, Tarana and Ujjain.
Pay Offices: Sandhwa and Jaora (Madhya Bharat).
SAFE DEPOSIT LOCKERS are available at Head Office, Sivaganj, Cloth Market, Indore, Branch Offices Mhow, Ujjain, Ratlam, and Tarana on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.


garba dancers of gujrat
During the nine nights of the Navaratra, a festival devoted to the worship of Durga, girls in Gujrat villages perform the Garba dance. Each bears on her head the 'garbi'—a lighted earthenware pot, which gives the dance its name. The dance is performed to the accompaniment of a song, each line being sung first by the leader and then by the rest in chorus. The beats are stressed by the clapping of the hands, the dancers bending gracefully sideways at every clap and the hands sweeping upwards or downwards in beautifully formed gestures.
Ahmedabad, a city worth a visit in its own right, is an excellent starting-place for a tour of Gujrat. The city, 306 miles by road from Bombay, offers all facilities a visiting motorist may require. Roads radiate from here to Baroda, Lunwada and other important towns of the region. Ready access to the numerous places of interest in Gujrat is assured by the safety and comfort of road travel made possible by J. B. Dunlop's invention of the pneumatic tyre.


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Head Office: DELHI
A LEADING LIFE OFFICE
Assets exceed .. .. Rs. 6,50,00,000
Total Assurances in force exceed .. .. .. Rs. 24,70,00,000
Claims Paid exceed .. .. Rs. 1,62,00,000
BONUS
declared in the last VALUATION as on 31-12-1952
Rs. 11/- per thousand per annum for Whole Life
Rs. 9/- per thousand per annum for Endowment
(on current premium Policies)
Branches: ALL OVER INDIA AND B. E. AFRICA.

KILLICK INDUSTRIES' PROGRESS WELL MAINTAINED

DIVIDEND REPEATED ON HIGHER CAPITAL

SATISFACTORY progress is disclosed by the financial results of the Killick Industries Ltd. (Managing Directors: Messrs. E. D. Sheppard and K. G. Milne, Bombay) for the year ended 30th June, 1953. The gross profit of the Company for the year amounts to Rs. 31.67 lakhs, which, as compared with that of Rs. 28.66 lakhs, reveals an increase of 10.5 per cent. This improvement is primarily due to the encouraging results achieved on the manganese ore mine at Kachidana, Madhya Pradesh acquired by the Company during the year. A sizable part of the increase in gross profit has, however, had to be utilised to provide for larger depreciation, including that on the new mine. Nevertheless, the Directors have been able to provide a decent sum to the various reserves and maintain the dividend to the shareholders at 10 per cent. per annum on a higher capital.

The following comparative table gives the salient features of the Company's results for the last four years, which will enable the reader to get, at a glance, an idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 30th June			
	1953	1952	1951	1950
Gross income	50.42	39.44	27.58	25.12
Stocks	4.85*	..	..	..
Expenses	23.59	10.78	8.23	7.15
Gross profit	31.67	28.66	19.35	17.96
Depreciation	2.38	0.90	0.98	0.84
Taxation	13.00	11.60	9.00	7.00
Net profit	16.29	16.16	9.37	10.32
Preliminary expenses, etc., written-off	0.50	0.47	0.10	0.10
General reserve	1.00	1.00	..	1.00
Employees' reserve	1.11	1.67	1.70	2.00
Dividend equalisation reserve	2.00	3.20	1.00	0.80
Depreciation on investment reserve	2.00	1.50	0.75	..
Dividend	9.00	8.31	6.80	6.40
	(10%)	(10%)	(8.5%)	(8%)
Carry forward	0.21	0.03	0.01	0.03

* Closing stock-in-trade of Kachidana mine.

A break up of the gross income shows that the Company's earnings during the year under review by way of commission and office allowances from managed companies have declined from Rs. 21.36 lakhs to Rs. 16.24 lakhs. The fall in income from this source has, however, been more than made good by the receipt of Rs. 13.86 lakhs from the newly acquired manganese mine, by the increase of Rs. 1.88 lakhs (from Rs. 16.67 lakhs to Rs. 18.55 lakhs) in dividends and interest earned and by a rise in other income from Rs. 1.41 lakhs to Rs. 1.77 lakhs. Of the increase of Rs. 12.81 lakhs in expenses, the outgo on the Kachidana mine accounts for Rs. 13.18 lakhs, while other expenses show a reduction from Rs. 10.78 lakhs to Rs. 10.41 lakhs. The Directors have set aside Rs. 1.33 lakhs as provision for depreciation on the Kachidana mine, besides raising that on the Company's assets in Bombay from Rs. 90,411 to Rs. 1.05 lakhs. The increased earnings have naturally meant a larger provision for taxation too.

After making larger provisions for depreciation and taxation, the net profit shows a small increase which does not permit of a larger allocation to reserves. On the other hand, the Directors have had to prune down the addition to the reserves from Rs. 7.37 lakhs to Rs. 6.61 lakhs. In May, 1953, the Directors had paid an interim dividend of 4 per cent. and they now propose to distribute a final one of 6 per cent. making a total of 10 per cent. per annum for the year under review. Both these distributions are on a capital higher than that in the previous year.

The latest balance-sheet of the Company shows an increase in the paid-up capital from Rs. 84.99 lakhs to Rs. 89.98 lakhs, consequent on the first call made on the new shares issued in November, 1951. Since the close of the year, the Company has made a second call on these shares, making them Rs. 75 paid-up. The amount paid in advance on calls stands at Rs. 5.23 lakhs. Reserves and surplus aggregate Rs. 23.95 lakhs, which, however, include Rs. 3.99 lakhs representing premium on shares. The gross block amounts to Rs. 17.65 lakhs, including Rs. 4.70 lakhs being the cost of the Kachidana mine, on which a provision of Rs. 4.98 lakhs has been made for depreciation. Investments in managed companies and others aggregate Rs. 1.35 crores (at cost), as against which a depreciation reserve of Rs. 4.25 lakhs has been built up. Current assets amount to Rs. 12.13 lakhs. Current liabilities aggregate Rs. 41.04 lakhs.

The Company acquired during the year a manganese ore mine at Kachidana in Madhya Pradesh. It is also negotiating the acquisition of an interest in a coal mining lease at Korba in Madhya Pradesh. These acquisitions will enable the Company to broaden its field of activities to a wide variety of industries, namely, a large textile mill, three electricity companies, one railway company, two manganese mines and two coal mines, besides having a joint membership in the Cement Agencies Ltd.

The Company's Rs. 100 paid-up shares are being currently quoted at Rs. 157, at which rate the dividend for the year under review gives a yield of 6.4 per cent. per annum, free of tax.

AHMEDABAD ADVANCE MILLS LTD.

The year ended 30th June, 1953 was an important landmark in the history of the Ahmedabad Advance Mills Ltd. (Managing Agents: Messrs. Tata Industries Ltd., Bombay) inasmuch as it saw the completion of fifty years of the Company's existence. Started in 1903 on a very modest basis with a capital of about Rs. 7 lakhs and a few hundred workmen, the Company has now grown into a big institution, with a paid-up capital of Rs. 43 lakhs employing over 1,700 workmen. The Company owes its present stature of strength and prosperity to the great foresight and matchless enterprise of the late Mr. Jamsetji N. Tata, the founder.

These fifty years of the Company's history did not constitute a period of unchequered prosperity. It had to pass through many vicissitudes, but, happily, it survived all the stresses and strains. To commemorate the occasion of the Company's Golden Jubilee, the workers and staff have thought it fit to present the Company a marble bust of the founder, the late Mr. J. N. Tata. The Company, on its part, has decided to give all the employees a bonus equivalent to half a month's basic earnings during the year, and the shareholders a Jubilee bonus of Rs. 3 per share, in addition to the dividend of Rs. 7 per share for the year.

However, by a coincidence, the Company's Golden Jubilee year happened to be one of those periods of great stress and strain which it had experienced in its history. It witnessed, during that year, a recession in its earnings, as was pointed out in our review (in our issue of 24th October, 1953), of the Company's financial results for the year ended 30th June, 1953, as compared with those for the previous year. Addressing the shareholders of the Company at their annual general meeting held on Friday, the 30th ultimo, Mr. A. D. Shroff, Chairman of the Company, drew their attention to the causes that led to the decline in earnings and the very heavy burdens which the industry, in general, and the Company, in particular, had had to bear during the year. The main explanation for the lower profit, according to Mr. Shroff, was the fact that the Company realised, on an average, As. 8 per lb. of cloth lower than in the previous year, although its production was about 500,000 lbs. of cloth more. This was not the peculiar experience of the Ahmedabad Advance Mills alone; for the cotton textile industry as a whole has, for more than a year now, entered the new phase of a buyers' market.

While, on the one hand, the industry is faced with the problem of disposing of the increased production even at reduced prices, it has to meet a rising cost of production, on the other. Giving some examples of such burdens, Mr. Shroff said that the average monthly dearness allowance of a worker during the year under review was Rs. 74-2-7, as against Rs. 70-7-7 in the previous year, which meant an increase of Rs. 2.61 lakhs for the same number of workers. "The higher burden of dearness allowance," he added, "constitutes a special handicap to Ahmedabad mills against similar mills in Bombay. In the case of our mills, if we had been located in Bombay, the cost of dearness allowance would have been reduced by Rs. 4.50 lakhs." The Employees' Provident Fund Act and the Employees' State Insurance Act imposed additional burdens, the former having cost the Company Rs. 1.40 lakhs for the eight months it had been in operation during the year (this means Rs. 2.10 lakhs per annum) and the latter Rs. 40,000 during the year, calculated on a nominal charge of ¾ per cent. of the total wage bill. The full benefit of the Employees' State Insurance Scheme do not now apply to Ahmedabad and when this is extended, and the full contribution prescribed under the Act is levied, the Company will have to pay about Rs. 2 lakhs per annum on this account.

These burdens, which go to reduce the profit margin of the Company, have not deterred the Directors from going ahead with their programme of rehabilitation and renovation of the mills. For it is only through modernisation of the mills that its efficiency can be improved. During the year under review, the Company received machinery worth Rs. 27 lakhs and some more thereafter. The construction of the new dyeing and bleaching house was completed during the year and machine bleaching started working in February, 1953. The erection work of the dyeing, printing and finishing machines has been taken in hand and is expected to be completed shortly. Orders for further machinery, particularly, spinning, for renovation purposes were placed during the year. Though it will take some time before the target set before them for a thorough overhaul of the mills is reached, the Directors are convinced that they must pursue vigorously their programme of modernisation progressively.

SETBACK IN PROFIT OF INDIAN COPPER

FINANCIAL POSITION SOUND

THE audited statement of accounts of the Indian Copper Corporation Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) for the year ended 31st December, 1952, shows a setback in its earnings. From the record level of £889,712 touched in the previous year, the gross profit has declined to £723,889, that is, a fall of 18.6 per cent. The Directors, however, have been able to step up the allocation to the general reserve—albeit by a small sum—and maintain the dividend at 12½ per cent. per annum, free of income-tax. This has been possible because of the substantial saving in taxation, as a result of the transfer of control to India during the year.

The production of the Company fell during the year. Thus, the quantity of ore treated amounted to 346,285 short tons, a decline of 48,838 short tons from that of the previous year. The output of concentrates, at 29,624 short dry tons, was also lower than that of 33,358 short dry tons in 1951. The quantity of refined copper produced declined from 7,083 long tons in 1951 to 5,079 long tons, and the overall recovery from ore to refined copper was a shade lower at 93.12 per cent. as against 93.22 per cent. in the previous year. The Company's output of rolled products aggregated 3,689 long tons (including 2,382 tons of cold rolled brass and 416 tons of cold rolled copper), which shows a substantial drop from 6,907 long tons produced in 1951. The precipitous fall in production of rolled products is attributed to poor market conditions which prevailed during the year.

The Company's despatches of ingots for sale, however, were higher by 1,033 long tons; that is, they rose from 7,210 long tons to 8,243 long tons, during the year. These despatches include 3,393 tons of copper ingots in the year under review, as compared with 1,980 tons in 1951. This improvement in despatches was largely due to the export of 2,000 tons of copper ingots to the United Kingdom, the permission for which was granted by the Government of India towards the close of the year under review, when there was restricted demand for the Company's products in India. Despatches of kyanite ore were also higher at 14,682 tons, as compared with 11,428 tons in 1951.

During the year under review, there was a heavy fall in metal prices, including zinc, but copper prices were fairly steady. The following are the average prices realised by the Company on its products during the last two years:

	(£ per ton)	
	1952	1951
Copper ingots	241	240
Rolled brass	270	277
Yellow metal circles	281	302
Rolled copper	275	301
Copper circles	285	334

Export prices of kyanite increased from £22 to £28 per ton upto September, but, thereafter, fell to £25 per ton by the end of the year. Since the close of the year, there has been a further fall to £20 per ton.

The following comparative table shows the Company's progress during the last three years:

(In thousands of £'s sterling)

	For the year ended 31st December			
	1952	1951	1950	1949
Net sales and adjustment of stocks ..	1,056	2,190	1,829	1,807
Other income	161	61	97	61
Expenses	1,413	1,367	1,313	1,235
Gross profit	724	890	620	694
Managing Agents' remuneration	87	..	..	..
Depreciation	115	100	85	85
Taxation	265	455	347	843
Mining development and general expenditure written off	..	..	96	..
General reserve	185	175	50	100
Dividend	114	114	60	63
Carry forward	(12½%)* 63	(12½%)* 66	(12½%) 40	(12½%) 83

* Free of tax payable by the Company. In the previous years the dividends were less U.K. tax.

The Company's financial position, in so far as it can be judged from its latest balance-sheet, is sound. The reserves and surplus aggregate £1,123,598, which represent about 123 per cent. of the paid-up capital of £914,200. The gross value of the block amounts to £1,704,558. Of these, mining rights and permanent works, at £349,872, have not been written down, while buildings, machinery, plant, etc., have been written down from £1,354,686 to £440,750. The current assets amount to £2,160,735 and more than adequately cover the current liabilities and tax provisions aggregating £913,559.

The outlook for the Company during the current year does not seem to be bright. After the close of the year under review, there was a strike in the Company's works, resulting in a complete cessation of production from 28th February to 5th June, 1953, the effects of which, according to the Company's Chairman, Sir Anthony J. Elins, "will be reflected in the accounts for 1953."

MEASURES FOR CHECKING UNEMPLOYMENT

(*Concluded from page 855*)

their funds in buildings, upto a maximum of 5 per cent. of their funds.

It is possible, according to Mr. Jalan, to check rising unemployment by a well thought-out public works policy. It is necessary to increase the tempo of expenditure on the projects already drawn up. But new plans should also be prepared to cover a wider ground than what was originally proposed by the Plan, particularly in the case of fisheries, afforestation, development of minerals by scientific surveys, roads, housing, schools and hospitals. Transport should receive particular attention, as their development naturally results in opening new avenues for trade and industry, thereby creating direct and indirect employment.

So far as monetary policy is concerned, Mr. Jalan has urged the need for the reversal of the tight money policy, in order to stimulate economic activity, as business activity is now at a low level and forces are gathering momentum which, according to him, might lead to a recession. He has also urged a reduction in the tempo of drawings from the public, that is, in taxation and loans, and advocated the need for a greater dose of deficit financing than that envisaged in the Five-year Plan.

The effective remedy for unemployment among the educated lies in reforming the educational system itself, "so that degree holders are not produced every year without a practical bias for their future." He has suggested training in some handicrafts and cottage industries at the secondary stage, study of agriculture in the primary, secondary and higher standards, the formation of teams of persons for lecturing in rural areas on the necessity for, and ways of, restricting population and the like.

This is only a brief summary of Mr. Jalan's eminently readable pamphlet on unemployment. He has covered wide ground within the compass of a little over 40 pages. It might be possible to question his assumptions, here and there, to ask for a more detailed explanation of his views on certain matters, or to dispute some of the points he has raised. It might be wondered, for instance, why he has not emphasised in his scheme for the enlistment of the services of Indian manufacturers in the supply of equipment normally imported from abroad, the need for the maintenance of proper standards. Barring such minor shortcomings, which Mr. Jalan would have made good in a larger work than a mere pamphlet, there is no doubt that the pamphlet, taken as a whole, is a most comprehensive statement of a realistic economic policy. It is for this reason that we heartily commend it to the attention of the Central and State Governments, local bodies and the men who are charged with the responsibility of either formulating or implementing India's economic policy.

COMMERCE AND INDUSTRIES

(*Concluded from page 870*)

high level of the previous two quarters. The quarterly data relating to industrial output of the Soviet Union were not available to the Department. Basing on a Moscow official report which claimed a rise of 10 per cent. in the Union's industrial production over that of the *six-month* period of 1952, the *Bulletin* estimates the increase in the total world output at 8 per cent. as stated at the outset.

The most significant factor in the maintenance of the high level of world industrial output during the half-year under review was the record performance by the U.S. The rise in the U.S. production was pronounced in the second quarter when it rose by 14 per cent. as compared with that in the same period last year. This was due to a remarkable rise in the production of steel, automobile and textiles.

Canada's industrial activity also showed a marked expansion. The output in the second quarter of 1953 topped the 1952 production in the same period by 9 per cent. Western Europe produced 3 per cent. more in the first half of 1953 than it did in the first six months of 1952.

Japan's performance was the most impressive, in that the total output during the half-year under review was 16 per cent. higher than in the same period last year. India, too, reported higher production, the output showing a rise of 7 per cent. over that in the first half of last year. Especially notable was the gain in India's textile industry which produced 15 per cent. more in the first half of 1953 than it had done in January-July, 1952.

The figures published in the *Bulletin* bring into focus the tremendous industrial development in the world since the pre-war year. During this period, the global world production of electric power rose 418 million kw.h. annually to 1,070 million kw.h. The production of crude oil went up at a similar rate from 250 million tons a year to 608 million tons. Crude steel output also doubled —from 92 million tons to 198 million tons. Rubber production of the world increased since pre-war days from 924,000 tons annually to 1,776,000 tons in 1953. But it has fallen off somewhat during the past two years from an annual record output of 1,915,000 tons in 1951 to a yearly production rate of 1,776,000 tons this year.

Notices

THE BANGALORE TRANSPORT COMPANY, LIMITED

NOTICE OF THE THIRTEENTH ORDINARY GENERAL MEETING OF THE COMPANY

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Ordinary General Meeting of the Shareholders of the Bangalore Transport Company, Ltd., will be held at the Registered Office of the Company at No. 449, Wilson Gardens, Bangalore, 2, at 3 p.m., on Monday the 30th November, 1953, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Account for the year ended 30th June, 1953.
2. To declare Dividend.
3. To elect three Directors in place of the following Directors who retire by rotation and being eligible, offer themselves for re-election:—
   (1) Dharmaprakasa Sri. L. S. Venkaji Rao
   (2) Sri. A. C. Sitaram
   (3) Sri. Karim Khan.
4. To appoint Auditors and fix their remuneration.
5. Ratification of payment of the sum of Rs. 6,000 paid to the Director in charge Flying Squad by way of Honorarium.

The Share Transfer Books of the Company will remain closed from 16th to 30th November, 1953 (both days inclusive).

By Order of the Board,
M. V. VENKATARAMIAH,
Secretary.

BANGALORE, 2, 22*nd October*, 1953.

Note: 1. The Dividends, when declared, will be made payable after 7th December, 1953.

2. No dividend will be paid at the Registered Office of the Company.

3. Dividend Warrants will be posted to Shareholders whose names stand on the Register of Members as on 16th November, 1953.

4. Dividends of Rs. 5 or less will be remitted by Money Order.

BURN AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Ordinary General Meeting of the Shareholders of Burn & Co., Ltd., will be held on Monday the 23rd November, 1953, at 11 o'clock in the forenoon, at the Registered Office, 12, Mission Row, Calcutta, to transact the following business:

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 30th April, 1953.

(2) To declare a Dividend.

(3) To elect a Director.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Register of the Company will be closed from the 16th November, 1953 to 23rd November, 1953, both days inclusive.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

CALCUTTA, 31*st October*, 1953.

Note.—If the Dividend as recommended by the Directors is passed at the Meeting, it will be paid on or after the 3rd December, 1953, to those shareholders whose names are on the Company's Register on the 23rd November, 1953.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

TIRUCHIRAPALLI

NOTICE

THE DIRECTORS HAVE SANCTIONED THE payment of an *ad-interim* tax-free dividend for the year 1953-54 of 3¾ per cent. on Ordinary shares and also usual dividends of 2¾ per cent. on Preference Shares.

2. The warrants will be made out in the names and addresses of shareholders standing registered in our books as on 2nd December, 1953, and posted on and after 8th December, 1953. The shareholders are requested to notify immediately any change of their address to the Company.

3. The Register of Members and Share Transfer Books of the Company will be closed from 17th November, 1953 to 2nd December, 1953 (both days inclusive).

N.B.—Holders of blank transfers are advised to have the shares registered in their names in time before closure of books.

By Order,
SESHASAYEE BROTHERS LTD.,
Managing Agents and Chief Engineers.

TIRUCHIRAPALLI, 15*th October*, 1953.

HUKUMCHAND JUTE MILLS, LTD.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE next Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, 9, Brabourne Road, Calcutta, on Monday the 30th November, 1953, at 4 p.m., for the following purposes:—

(1) To receive and pass the Directors' Report and Audited Accounts for the year ended 31st March, 1953.
(2) To declare Dividends.
(3) To elect Directors.
(4) To appoint Auditors.
(5) To transact any other business that may be brought forward before the Meeting.

Dividends, if declared, will be paid to Registered Shareholders on application.

The Share Transfer Register of the Company will be closed from the 21st November, 1953, to 30th November, 1953, both days inclusive.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Managing Agents.

THE BLUE MOUNTAIN ESTATES LIMITED

MADRAS

NOTICE IS HEREBY GIVEN THAT THE Tenth Ordinary General Meeting of the above Company will be held at the Registered Office of the Company, "Oriental Buildings," Armenian Street, Madras, on Monday the 7th December, 1953, at 4 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statement of Accounts of the Company for the year ended 30th June, 1953.
2. To declare a dividend on the Ordinary shares.
3. To elect a Director in the place of Messrs. C. M. Kothari & J. M. Mehta who retire by rotation and are eligible for re-election.
4. To appoint Auditors and fix their remuneration.

The transfer books of the Company will be closed from Monday the 16th November, 1953, to Monday the 7th December, 1953, both days inclusive.

By Order of the Board,
KOTHARI & SONS (AGENCIES) LTD.,
Managing Agents.

MADRAS, 31*st October*, 1953.

Note.—The Directors have recommended a dividend of 12½ per cent. on the shares which if passed at the meeting will be paid on Tuesday the 8th December, 1953, to those Shareholders whose names are on the Company's Register on the 7th December, 1953.

PROFITS OF AMLUCKIE TEA HIGHER

BENGAL FLOUR RESUMES DIVIDEND

Amluckie Tea Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a profit, before providing for depreciation, of Rs. 1,50,022 (Rs. 14,870) to which must be added adjustments account season, 1951, Rs. 7,872 (Rs. 5,861) and profit on sale of motor lorry Rs. 655 (*nil*) making a total of Rs. 1,58,549 (Rs. 46,383). From this sum must be deducted provision for taxation Rs. 28,352 (*nil*) and depreciation for 1952 of Rs. 37,733 (Rs. 32,372) leaving a balance at credit of profit and loss account of Rs. 92,464 (Rs. 5,250). This sum, the directors recommend, should be dealt with as follows:

Transfer to buildings and machinery reserve Rs. 42,643 (*nil*), in payment of a dividend of 7 per cent. for the year on 750 cumulative participating preference shares of Rs. 100 each, absorbing Rs. 5,250 (Rs. 5,250), together with an additional dividend of 14.8573 (*nil*) per cent. on these 750 cumulative participating preference shares of Rs. 100 each, absorbing Rs. 11,143 (nil) and in payment of a dividend of 7½ (nil) per cent. for the year on 4,457 ordinary shares of Rs. 100 each, absorbing Rs. 33,428 (nil).

The saleable crop weighed out at 11,561 maunds, as against an estimate of 9,168 maunds and price realised was As. 22.87 per lb., as against price realised was As. 22.87 pepr lb., as against As. 28.09 for the previous season.

The estimate for season 1953 provides for a saleable crop of 9,000 maunds at an all-in cost of Rs. 9,20,787. The record crop produced in 1952, has enabled the Company to make a profit in spite of the considerable fall in the average prices realised.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	5,20,700	Block ...	5,32,543
Reserves ...	5,45,626	Stock of tea	5,87,418
Provision for taxation ...	27,500	Stores, etc. ...	3,69,515
Liabilities ...	6,08,438	Debts, deposits and advances ...	2,06,244
		Investments	1,107
		Cash ...	5,437
Rs.	17,02,264	Rs.	17,02,264

Bengal Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

The profit for the half-year, after providing for taxation and depreciation was Rs. 1,01,513 (loss of Rs. 65,705) to which is added the balance brought forward of Rs. 11,382 (Rs. 49,086) and refund of E.P.T. Rs. 1,121 (*nil*) making a total of Rs. 1,14,046 (debit of Rs. 16,619). From this sum is deducted items relating to previous year Rs. 3,961 (*nil*) leaving a sum of Rs. 1,10,086 (debit of Rs. 16,619). The directors recommend that the total available for distribution be dealt with as follows:—

Dividend on 1,20,000 shares at 12½ (*nil*) per cent. per annum Rs. 75,000 (*nil*) and carry forward Rs. 35,086 (debit of Rs. 16,619).

During the half-year the prices and distribution of wheat and *atta* remained under the control of the West Bengal Government. The manufacture and sale of flour and associated products continued under a modified form of decontrol and there was a keen and sustained demand for the Company's branded products.

Since the end of the period under review the mills have been closed for about six weeks for electrification and other remodelling. The changeover has been effected without undue trouble and has provided a more regular and economic running with an increased outturn.

The recent announcement by Government that the export of flour will be permitted is most welcome, but to date details passed on to the Company are rather indeterminate, though the complications that affect Government over wheat imports are appreciated. If the export market is to be built up again, however, it is essential that difficulties should be straightened out quickly. It is also to be hoped that the fact that flour exports are to be permitted will, in turn, mean that Government will now be able to cease the importing of flour, which has been a considerable embarrassment to the Mills during the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	3,37,800
Reserves ...	4,20,000	Work under construction ...	37,108
Provision for taxation	1,14,500	Stock-in-trade	6,99,845
Liabilities ...	16,08,243	Stores & spare parts ..	2,13,677
Profit and loss account ...	35,086	Goods-in-transit ...	10,162
		Debts, deposits and advances ...	12,75,206
		Investments	34,649
		Cash ...	7,69,382
Rs.	33,77,829	Rs.	33,77,829

Tyroon Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a profit, before providing for depreciation, of Rs. 86,660 (Rs. 3,98,500) to which must be added adjustments account season, 1951 Rs. 820 (Rs. 21,344) and balance of profit brought forward from 1951 of Rs. 15,567 (Rs. 5,778) making a total of Rs. 1,03,047 (Rs. 4,15,654). From this sum must be deducted loss on sale of roller Rs. 71 (*nil*), loss on Grow-more-food campaign Rs. 10,676 (*nil*), loss on farming Rs. 33,990 (Rs. 7,933) and depreciation for 1952 Rs. 1,15,659 (Rs. 1,05,291), leaving a balance at debit of profit and loss account to be carried forward to 1953 Rs. 57,349 (credit of Rs. 2,07,567 after transfer to reserves and payment of dividend at Rs. 2 per share).

The saleable crop weighed out at 14,208 maunds, as against an estimate of 12,973 maunds and a crop of 13,841 maunds for 1951. The average price realised was As. 24.35 per lb., as compared with As. 29.68 for the previous season.

The estimate for season 1953 provides for a saleable crop of 12,847 mds. at an all-in cost of Rs. 12,65,878. The huge drop in the prices realised in 1952 as compared with the previous season, has considerably affected the trading results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,20,000	Block ...	12,52,690
Reserves ...	9,50,000	Stock of tea	8,18,800
Provision for taxation ...	77,445	Stores, etc. ...	4,36,261
Liabilities ...	13,28,934	Debts, deposits and advances ...	2,57,255
		Investments	1,107
		Cash ...	52,917
		Profit and loss account ..	57,349
Rs.	28,76,379	Rs.	28,76,379

Kirloskar Oil Engines Ltd.

The directors of the above Company (Managing Agents: Messrs. Kirloskar Sons & Co., (Kirloskarwadi, Poona) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The result for the year was a loss of Rs. 9,00,444 (profit of Rs. 2,05,364) without allowing for depreciation.

As forecast in the report for the year 1951-52, the year just ended has been an extremely difficult one for the Company. In the early months of 1952, there was a steep fall in the demand for nearly all commodities, including diesel engines. Depressed trading conditions continued throughout the year, and in the case of diesel engines the situation was aggravated by heavy imports of foreign made engines under the blanket import licences in force during 1952. Sales of the Company's engines dwindled and stocks piled up both at the factory and with the Company's distributors.

To meet this situation, production was reduced and all possible economies effected even to the extent of a general retrenchment of workers, which was a step the directors were most reluctant to take. Representations were made to Government and timely aid was forthcoming from the Government of India who directed State Governments to draw their requirements of engines from indigenous sources as far as possible, and also from the Government of Bombay who placed an order with the Company for engines to the value of Rs. 4 lakhs and advanced the necessary funds to enable production to continue on a reduced scale. Further, the Government of India banned the import of small diesel engines and this ban which has been of the greatest assistance to the indigenous industry is still in force.

One of the important considerations that weighed with the directors in keeping the factory going, even in the face of such adverse circumstances was, to prevent the workers from being thrown out of employment and adding to the growing unemployment in the country.

Although there are still considerable stocks of imported engines in the market, the immediate outlook is not unfavourable. The Company's engines are in demand for development schemes being carried out under the Five-year Plan, and the Company is at present executing an order for 1,000 engines coupled to pumps, for the Hyderabad Government. Satisfactory rains have increased the demand for engines and sales are slowly but appreciably improving. Provided that the ban on imports continues, the directors feel confident that satisfactory results will be recorded in the year 1953-54.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,07,490	Block ...	35,83,246
Reserves ...	9,93,966	Stock-on-hand	31,16,402
Liabilities ...	47,17,398	Debts, deposits and advances ...	2,79,071
		Cash ...	2,41,691
		Profit and loss account ...	9,00,444
Rs.	81,20,854	Rs.	81,20,854

Vellore Electric Corporation, Ltd.

The directors of the above Company (Managing Agents: Messrs. Chandrie & Co., Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March, 1953

During the year under review, the progress has been satisfactory and 293 consumers have been added, thus bringing up the total number of consumers in the licence area to 7,463. Though there was an addition in the number of consumers, the working of the Company resulted in a lower profit as compared to last year's working owing to two reasons, viz., (1) the restrictions imposed by the Government of Madras on account of the failure of monsoon during the year under review went up to 66⅔ per cent. and (2) the full effects of the reduction in tariff rates effected by the directors last year are seen in this year's account.

In fact, the directors expected that even with the reduction in tariff and the restriction of supply up to 40 per cent. they would be able to make a reasonable return as per the Act; but unexpectedly the cut imposed was as high as 66⅔ per cent. Hence they are diverting Rs. 3,086 from the tariff and dividend control reserve to enable to maintain the 10 per cent. dividend on ordinary shares. As reported last year, the directors were not able to take up further extensions contemplated by them in view of the power position. The directors are considering taking up the same this year. In spite of these adverse conditions, the working of the Company reveals satisfactory progress as can be seen from the following comparative statements:

		1950-51	1951-52	1952-53
Total units purchased in kwh.	...	51,02,134	65,88,933	65,52,963
Cost of units purchased	Rs.	1,81,949	2,22,642	2,23,047
Units sold	...	44,34,373	58,15,031	57,94,927
Gross revenue	Rs.	5,01,705	6,54,490	6,32,220
Total consumers connected	...	6,543	7,170	7,463
Maximum demand in kws.:				
Vellore	...	940	990	1,030
Ranipet	...	400	720	925

Consumers' fund which had been referred to the Arbitrator, was decided against the Company, and the Company is in correspondence with the Government further in this connection.

The net profit of the Company after providing for reserve for depreciation on assets Rs. 61,944 (Rs. 50,999), taxes on income Rs. 22,000 (Rs. 45,000), contingent reserve ¼ (¼) per cent. Rs. 3,843 (Rs. 6,346), debenture security fund Rs. 2,000 (Rs. 1,340) and charities and donations Rs. 750 (*nil*), is a sum of Rs. 42,450 (Rs. 54,409). To this is added excess provision for taxes made last year and tax refund, etc., of Rs. 12,544 (Rs. 2,763) and profit brought forward from previous year after payment of dividends for 1951-52 Rs. 68,494 (Rs. 56,857) making a total of Rs. 1,23,487 (Rs. 1,14,030). From this sum is deducted tariff and dividend control reserve relating to previous years Rs. 8,836 (*nil*) and consumers' fund Rs. 8,836 (*nil*) leaving a sum of Rs. 1,05,816 (Rs. 1,14,030). After adding the appropriation from tariff and dividend control reserve of Rs. 3,086 (*nil*) there is a net available sum of Rs. 1,08,902 (Rs. 1,14,030). Out of this, it is proposed to recommend a dividend of 6 per cent. less tax on preference shares and 10 (10) per cent. tax-free or Re. 1 per share on ordinary shares for the year ended 31st March, 1953, which will absorb Rs. 45,536 (Rs. 45,567) leaving a balance of Rs. 63,367 (Rs. 68,963 carry forward) for adjustments in regard to the consumers' fund, which is still indefinite.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,25,000	Block ...	10,76,142
Debentures	1,00,000	Stores, tools, etc. ...	2,03,281
Reserves ...	4,10,127	Other assets	1,479
Provision for taxation ...	22,000	Debts, deposits and advances ..	1,54,222
Liabilities ...	4,01,465	Investments	51,914
Profit and loss account ...	1,05,816	Cash ...	77,370
Rs.	15,64,408	Rs.	15,64,408

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

(Concluded from page 863)

the tax comes to be borne by the agent, which is neither just nor equitable nor fair.

The terms of section 42 are wide enough to catch within its taxation net not only trading in, but also trading with, India. The latter category of transactions under most tax systems of the world are never taxed; but, in India, it is otherwise. It discourages foreign connections and imposes unfair burdens on the residents for the transactions.

Capital Gains

Imposition of capital gains under a fiction of law inhered in the Income-tax Act is basically wrong. Whatever may be the merits or otherwise of taxing capital gains, it must be done through a separate Act. Capital gains may be a species of income, but the Income-tax Act deals with the only single species known as revenue income—as opposed to capital income. If capital gains are subjected to tax when they arise, there would be a double tax burden if these are, as they must be, again subjected to Estate Duty. Capital gains tax has rightly been repealed and it should not be revived in any form again.—*All Rights Reserved.*

(To be continued)



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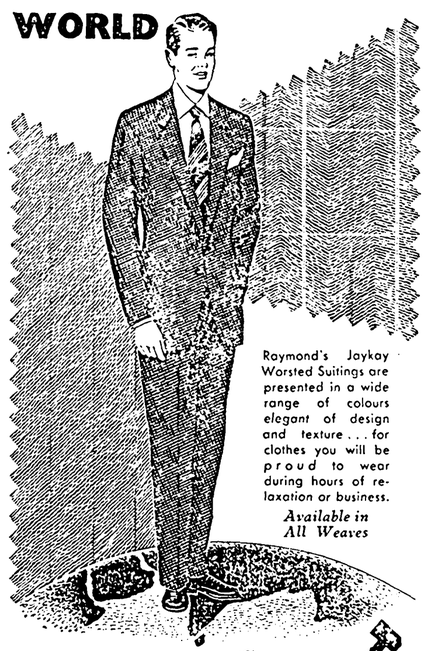

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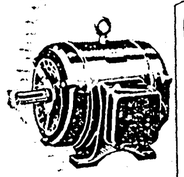

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MONEY IN GOOD DEMAND

(From Our Own Correspondent)

BOMBAY, 3rd November

Conditions in the short-term money market underwent a distinct change during the week under review. With banks experiencing sudden call for funds, particularly from Monday onwards, money became usable and there was a sharp rise in interest rates. The long-awaited crop movement having started, there was a demand for funds to finance it. Funds were required by the cloth trade also. In addition, there was the usual drawings on banks by the public on account of *Diwali*. The inter-bank call money, among the Exchange banks and big Indian banks, which was unlendable at ½ to 1 per cent. last week, was, therefore, bid up to 1½ per cent., though the representatives rate was 1½ per cent. Some of the Indian banks, who were lenders till last week, were reported to have turned keen borrowers and even offered better rates than Exchange banks. The corresponding rate among the smaller Indian banks also hardened from 2½ per cent. to 2¾ per cent. House money fetched 2½ per cent. as against 2 per cent. last week.

Having found that enquiry for funds had gathered strength, banks turned their attention to gather term money offering better rates of interest. One month money was absorbed at 2¼ per cent. as against 2 per cent. last week, 2 to 3 months' deposits at 2½ per cent. and 4 to 6 months' at 2¾ per cent.

The change for the better in the conditions of the money market is also reflected in the results of *this week's sale of three months'* Government of India Treasury Bills. The amount offered, against the usual tenders for Rs. 1.5 crores, aggregated only Rs. 2.71 crores, as against Rs. 4.10 crores in the previous week. The average rate of accepted tenders, which had declined by a fraction last week to Rs. 2-6-7 per cent. per annum, rose this week to Rs. 2-6-10 per cent. per annum, the highest rate since 12th May, 1953.

The statement of affairs of the Reserve Bank of India for the week ended 30th October, 1953, is not available at the time of writing, as we have to go to press a day early on account of the *Diwali* holidays.

The consolidated statement of position of Scheduled Banks for the week ended 23rd October, 1953, as compared with that for the previous week, shows an expansion of as much as Rs. 13.34 crores in the Banks' demand deposits and Rs. 10.07 lakhs in their time deposits. Inter-bank borrowings repayable on demand have declined by Rs. 2.12 crores, while those of a time nature have gone up by Rs. 1.34 crores. Advances show a decline of Rs. 7.56 crores, while inland bills purchased and discounted a rise of Rs. 63.47 lakhs. Investments have recorded a rise of Rs. 2.15 crores, cash on hand and balances with the Reserve Bank have together gone up by Rs. 6.19 crores, balances with other banks in current account and money at call and short notice by Rs. 52.50 lakhs and Rs. 74.40 lakhs, respectively.

Barring some demand for the Government of India National Plan Bonds, which provided a firm feature, the Gilt-edged market experienced dull conditions during the week. Buying interest was scarce in almost all counters and hardly any variations in prices were noted. The volume of business was small.

3 per cent. 1957 was on offer at Rs. 93-6. 3 per cent. 1958 had sellers at Rs. 98-1, but hardly any business of note was reported done at that rate. There were buyers at Rs. 96-1½ in 3 per cent. 1959-61. 3 per cent. 1963-65 had enquiries at Rs. 92-8½, 3 per cent. 1964 at Rs. 92-8½. 3 per cent. 1966-68 attracted sellers at Rs. 90-2½. 3 per cent. 1970-75 was on request at Rs. 86-6 and was on offer at Rs. 86-6½. 3 per cent. 1986 Conversion Loan declined earlier by an anna to Rs. 82, but later recovered to Rs. 82-1. 3½ per cent. National Plan Bonds were done As. 3 better at Rs. 98-12. The Reserve Bank of India which was a seller of this loan at Rs. 98-10 till yesterday, withdrew from the market to-day. Among the State loans, 4 per cent. 1963 Madras was marked up by an anna to Rs. 100-2. 4 per cent. 1963 and 1964 Bombay were neglected at Rs. 101 and Rs. 101-2, respectively.

In the foreign exchange section, there was no change in the rupee-U.S. dollar rates, while in New York, £ sterling ruled quiet with a fractional fall in values in terms of dollar. Thus, the spot £ declined from $2.81¼-2.81½ to $2.81-2.81¼ over the week, three months forward from $2.80¾-2.81 to $2.80.11/16-2.80.13/16 and six months from $2.80¾-2.80½ to $2.80.7/16-2.80.9/16.

KIPS PRICES RISE

(From Our Own Correspondent)

MADRAS, 2nd November

Arrivals of kips have been on a small scale, due to rains. Improved demand is in evidence from U.K. importers, and higher prices have been paid for certain lines. Raw market has improved and tanners are quoting higher prices as a consequence. It is believed that the kip market will not go lower, although shipments to U.K. during October, 1953 were large.

In the tanned skins section, price of goat skins has firmed up considerably and that of sheep to a small extent. Stocks of tanned goat skins in the local bazaar are small and those of sheep find ready buyers.

Shipments during October, 1953 were: to the U.K. 4,729 bales tanned cow hides, 217 cow calf, 152 buff hides, 265 buff calf, 939 tanned goat, 679 tanned sheep and 2 bales tanned snake skins; to the Continent: 10 bales tanned buff hides, 339 tanned goat skins, 46 tanned sheep and 12 bales drysalted goat skins; to the U.S.A.: 84 bales tanned cow hides, 6 cow calf, 100 buff hides, 30 buff calf, 112 tanned goat skins, 222 drysalted goat skins and 13 bales tanned snake skins.

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 3rd November

An irregular trend in prices was noted in both silver and gold on the Bullion Exchange during the week under review. There were no wide fluctuations in prices and the undertone was steady, having been influenced by the improvement in demand for ready delivery of both the metals. The report that the proposed amendment to the by-laws, with a view to restricting the penalty for non-delivery, would take some time before they are found legally flawless, also helped revival of speculative buying.

Opening at Rs. 151-5, silver for forward delivery (23rd November settlement) hardened on speculative support to Rs. 152 on the first day of the week. But this recovery was soon checked and there was a recession to Rs. 150-3 on Saturday on speculative selling induced by arrivals of unrefined silver and weakness of gold. But renewed speculative buying and an improvement in spot demand restored the forward rate to Rs. 152 to-day before it closed at Rs. 151-9.

Ready silver (.996 Mint) began at Rs. 151-7 and, after a decline to Rs. 150-6 on Saturday, advanced to close at Rs. 151-11. The ready rate which was on par with the forward at the close of last week, claimed a premium of As. 2 this week, thereby reflecting the slight improvement in spot demand. The floating stocks of silver are placed at 2,300 bars. The daily average offtake was 30 bars.

Forward gold (21st November settlement) commenced the week at Rs. 80-2 and, on brisk demand from Calcutta and Delhi, moved forward to Rs. 80-9. This gain was, however, not consolidated, because of continued arrivals of smuggled gold and drop in prices of gold in Paris. The bull unloading which ensued brought down the forward price to a low of Rs. 79-6 on Saturday. There was, however, a smart recovery to Rs. 80-4 to-day, following reports of a decline in arrivals and an improvement in offtake; the closing rate to-day was Rs. 80.

Ready gold, which had commanded a premium of As. 6 at the opening of the week, later came to be quoted at As. 11 over the forward at the close. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 9,000 tolas, while the daily average offtake was 10,000 tolas.

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

	3-11-53	Highest	Lowest	28-10-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	80 11	81 1	80 1	80 7
Forward	80 0	80 9	79 6	80 1
Sovereign	56 8	56 12	56 4	56 8
SILVER				
Ready (.996 fine Mint)	151 11	152 2	150 6	151 4
Forward	151 9	152 0	150 3	151 4
London Ready ..	74d.	—	—	74d.
London Forward ..	74d.	—	—	74d.
New York Ready ..	85½c.	—	—	85½c.

TEA FANNINGS DEARER

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 31st October

Approximately 13,00,000 lbs. were catalogued for sale in sale No. 22 which was held on Tuesday, 27th October. There was good demand, but prices were irregular. Commons and low medium brokens remained steady, whilst fannings were occasionally slightly dearer. Medium and good medium descriptions were well supported, but were easier to buy. Best liquoring Nilgiri teas met with good competition and prices advanced with the improvement in quality. Whole leaf grades were stronger and slightly dearer. The following are the quotations:—

	1953	1952
	Rs. a. p.	Rs. a. p.
Low grown Travancore B.O.P.	1 11 9	0 15 0
	to 1 0	0 0
Medium Travancore B.O.P.	1 13 0	1 13 6
Anaimallais B.O.P.	1 15 0	2 1 6
	to 2 2	6
Best liquoring Nilgiri B.O.P.	2 12 6	3 7 0
Well made black leaf O.P.	2 4 0	2 4 0

London Market.—Best and clean commons fully firm to dearer. Mediums irregular, but about steady.

Colombo Market.—Fair demand. Market generally lower, particularly tippy sorts and Persian Gulf teas.

Calcutta Market—Export.—Good general demand at slightly lower rates. Commons half an anna, mediums half to one anna lower. Leaf teas fully firm. Tippy teas strong demand at one to two annas higher.

Dust.—Fair general demand. Prices irregularly half anna lower. C.T.C. fairly well supported.

Export Quota.—The market has shown an easier tendency and business has been done at 15½ pies.

Forthcoming Auctions.—Sale No. 23 will be held on Tuesday, 10th November.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd. wire as follows:—

"*Dust Sale V.*—1,76,000 lbs. Market irregularly half to one anna easier for everything, except good liquoring and black leaf types which are fully firm."

COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 3rd November

Following encouraging reports from piecegoods markets, the cotton futures market put on a cheerful note. I.C.C. nearby delivery evoked renewed demand. With the shorts covering their sales and the bulls lending good support, the market recorded some improvement in values. A few extended support induced by hopes of reduction in excise duty on fine cloth and export duty on cotton. Towards the close yesterday, however, there was a slight setback on account of profit-taking and speculative selling; a part of the previous gains was thus lost. The undertone of the market was steady.

I.C.C. February opened the week at Rs. 610 and, after improving to Rs. 619-8 yesterday, receded to Rs. 613½ to-day. The net gain over the week was thus reduced to Rs. 3½. I.C.C. May improved from Rs. 616 to Rs. 625. The improvement was not maintained to-day, the closing rate being lower at Rs. 620. The spread between the rates for the two contracts, which was as low as Rs. 4 in the beginning of the week, was Rs. 6½ at the close. The spread a week ago was Rs. 3¾.

The following is the trend of prices in the forward market:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 610	619½	608¾	613½
I.C.C. May ...	Rs. 616	625	614¾	620

There was a broadening of activity in the spot market. Turnover was fairly large. Mills continued to evince interest in Khandesh new 197/3 and Berar *Jarillas*, while offices had their attention on Bengal, Khandesh and Vijay. The following are the latest available quotations in the spot market:

Bengal *Deshi* (new crop) Rs. 580; Berar *Jarillas* (new crop) Rs. 655; Khandesh (new crop) Rs. 700; Vijay (old crop) Rs. 840 and (new crop) Rs. 735; Oomra *Deshi* (new crop) Rs. 585 and Moglai (new crop) Rs. 580.

The Karachi cotton market has been weak, following reports that the U.S. is likely to accept payment in sterling for the cotton sold to other countries. Renewed slackness in overseas demand has also imparted weakness to the market. Japan, Germany and the U.K., *some of the most* important purchasers of Pakistan cotton, are reported to have turned their attention to Brazilian cotton which is being offered at cheaper rates. Consequently, prices of cotton at Karachi have suffered a fall. The latest available quotations for the Karachi market are: New crop: Punjab *Deshi* Rs. 58; 4F Punjab R.G. Rs. 56 to Rs. 59; S.G. Rs. 61-12 to Rs. 62-12. L.S.S Punjab R.G. Rs. 61; S.G. Rs. 65-4; N.T. R.G. Rs. 62-8 to Rs. 63; S.G. Rs. 66-8 to Rs. 67; 289F. Punjab R.G. Rs. 65-8; S.G. Rs. 70-8. Old crop: Sind *Deshi* Rs. 59-8; Punjab *Deshi* Rs. 56-8; 4F Roller Rs. 53-8; L.S.S. Roller Rs. 58-8; N.T. Rs. 60-8; 289F Rs. 61-8.

At Alexandria, activity continues to be active, with good buying support for practically all varieties. Thanks to heavy uncovered export commitments for prompt shipment and reluctance of farmers to sell, spot premiums over official selling prices continue to rule high. There has been a considerable fall in fresh export business. New crop stocks with the Cotton Commission are scarce. With a view to enuring adequate supplies of cotton to indigenous mills, the Commission has imposed a ban on export of Ashmouni and Zagora grading good and lower. The news relating to the possibility of the reopening of the Liverpool cotton futures market in June next year has been widely welcomed by the cotton trade. This reopening, coupled with the *improvement* in the Egyptian cotton situation it is stated, has brightened the chances of the reopening of the Alexandria market which has remained closed since November, 1952.

Offerings in the 1953-54 cotton crop of Sudan are expected to be commenced by the Gezira Board shortly. The offerings will, in the first instance, be limited only to grades X4 and below. It is understood that the contracts will contain an escape clause which seeks to permit the Board to deliver cotton against the quality bought, either of two types which grades just above or below it. The quantity of lower grades XG4S to G6S and XG4L to CGRL that will be offered at present is estimated at 20,000 bales.

The upward trend in cotton prices witnessed at New York last week persisted during the week under review also. This confirms the expectation held by a considerable section of the cotton trade that, until the tense political situation prevailing at present eases, the trend will be steady to firm, with, of course, technical reactions from time to time. Trading in New York's futures market is reported to be quite brisk, the bullish fervour being fanned further by optimistic reports regarding exports following authorisation of a $60 million credit to Japan by the U.S. Export-Import Bank for the purchase of American cotton. There were, besides, encouraging private advices on exports, with enlarged demand from overseas countries, as a result of diminishing supplies of Mexican cotton and high prices of several other foreign growths. The improvement in prices of cotton would have been more marked but for the setback on Monday created by high crop ideas and rumours of an increase in cotton acreage allotment. Trading in old crop positions, however, has been dull and prices have recorded a slight fall, under the influence of profit-taking and light hedge trading, while distant new crop deliveries remain neglected, as traders are inclined to await the outcome of Congressional efforts to raise acreage allotment of 17,910,000 for the 1954 crop set by the U.S. Secretary of Agriculture.

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

(In cents per lb.)

	2-11-53	27-10-53	21-10-53
Spot	33.50	33.65	33.50
December	32.84	32.97	32.80
March	33.25	33.44	33.24
May	33.45	33.71	33.51
July	33.27	33.69	33.45

Cotton circles are evincing keen interest in the annual meeting of the International Cotton Advisory Committee, Washington, which commenced yesterday. Discussions at the meeting centre round the problem of stabilising world cotton prices by means of an international pact. The twin objectives underlining such a pact are to ensure cotton supplies to importing countries at fair prices in years of short crop and to assure markets to exporting countries in times of surplus. The two proposals that have been put forward in pursuance of the achievement of these objectives are (1) a multilateral contract for cushioning fluctuations in prices and (2) an international buffer stock agreement.

ART SILK YARN DULL

(From Our Own Correspondent)

BOMBAY, 3rd November

Despite highly encouraging reports from rayon fabric markets, the art silk yarn market presented dull conditions during the week under review. Traders showed little interest in fresh business, as they were busy with squaring up the year-end transactions so that they may open fresh account on *Diwali*, the New Year Day. Moreover, they preferred to watch further developments in the coming weeks in the yarn and cloth markets. They now feel that the trend of art silk yarn values would hereafter be influenced not so much by the conditions in the rayon fabric market as by the state of the cotton yarn and piecegoods markets, now that the Government has reduced excise duty on superfine cloth and abolished export duty on medium counts. Consequently, volume of business in art silk yarn remained greatly restricted and prices moved within narrow limits. The undertone of the market was steady.

In the forward section, 150D November contract improved from Rs. 703 to Rs. 705 on Friday. But it receded temporarily to Rs. 696 the following day. Subsequently, however, on fresh support, it recovered to finish at Rs. 705. Business in December contract commenced yesterday at Rs. 700. The contract finished to-day with a gain of Rs. 8. October contract was terminated at Rs. 690. Business in this contract opened at Rs. 790 on 3rd September, 1953. The highest and the lowest levels touched were Rs. 800 on 4th September, 1953, and Rs. 665 on 15th October, 1953, respectively. The net gain over the period of this contract was Rs. 100. Prices of yarn in the ready section were well maintained.

The notable recovery in values of staple fibre yarn witnessed in the past two weeks persisted during the week under review too. 40×2 November delivery advanced by Rs. 11 to Rs. 675. October contract terminated at Rs. 678. Business in this contract commenced at Rs. 670 on 14th September.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on 28th and 21st October, 1953:

	31-11-53 Rs. a.	24-10-53 Rs. a.	21-10-53 Rs. a.
Art silk yarn			
150D October (per case of 200 lbs.)	—	697 0	694 0
150D November	705 0	703 0	685 0
150 December	708 0	—	—
120 Japan (per lb.)	4 2	4 2	4 1
150 Japan	4 0	4 0	4 0
120 Italy	3 14	3 14	3 14
150 Italy	3 8½	3 8	3 11½
Staple fibre yarn			
2/40s October (per case of 200 lbs.)	—	680 0	657 0
2/40s November	675 0	664 0	641 0

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 3rd November

The oilseeds market ruled bearish during the week under review. The trend was pronounced in the groundnuts section. Prices recorded a sharp fall, following reduction in duty on exports by the Saurashtra Government announced on the 28th inst., and on large arrivals in up-country centres. Traders were not inclined to support the market for fear of a further fall in prices. The linseed section ruled easy in sympathy with groundnuts. In the castorseed section, futures came in for limited activity, while spots ruled easier. This was chiefly due to discouraging overseas advices. Castoroil B.S.S., quoted in the Continent at £135 per ton, is £10 below the cost to Indian exporters. Consequently, the meagre export quota in castor oil, announced on 30th October, did not have any perceptible influence on the market. As a result of all these factors, there was generally selling pressure in almost all the sections and prices on balance recorded sharp drops over the week.

The Government of Saurashtra has announced a 66⅔ per cent. reduction in the duty on exports of groundnut seeds and groundnut oil with effect from 29th October. A reduction of 75 per cent. in the export duty on groundnut oil cake, *vanaspati* and refined groundnut oil has also been announced. An official notification in this connection gives the following revised rates of duty, following the reductions: groundnut whole (per *deshi* maund of 40 lbs.) As. 3; groundnut seeds As. 4; groundnut oil As. 6; groundnut oilcake As. 2; *vanaspati* As. 6; and refined groundnut oil As. 6.

This announcement, coupled with larger arrivals, induced a bearish feeling among operators in groundnuts. Bold ready December-January declined from Rs. 28-2 to Rs. 27. Khandesh quality was done at Rs. 32, as against Rs. 35-4. November delivery fell from Rs. 31-6 to Rs. 29. Groundnut oil ex-mill disclosed a loss of Re. 1-5 to Rs. 18 and railway receipts, Re. 1-12 to Rs. 17-8. November and December deliveries changed hands at Rs. 15-9 and Rs. 14-10, as against Rs. 16-2 and Rs. 15-4, respectively. It is reported that Holland has entered into contract for buying H.P.S. groundnuts at £94 per ton, subject to export quota Groundnut oil is quoted in the Continent at £124 per ton.

In the linseed section, Bold ready eased from Rs. 24-8 to Rs. 24 and October-November delivery from Rs. 24 to Rs. 23-12. February-March sustained a loss of Re. 1-6 to Rs. 20-4. Linseed oil suffered As. 8 to Rs. 14.

The Government of India has decided to permit the export of medicinal castoroil by manufacturers holding licences for its manufacture under the Drugs Act of 1940. The last date of applications is 20th November. Eligible applications will be granted quotas equal to 10 per cent. of the certified production, and quota licences will be valid for shipment up to the end of March, 1954. (Medicinal castoroil is described as a fixed oil, nearly colourless or pale yellow, at first bland in taste but afterwards slightly acrid.) As far as ordinary castoroil is concerned, the export policy for the period August to December is to give quotas to exporters for quantity equal to one-fourth of total exports effected by the exporters during the period January-July.

This decision did not have any encouraging effect on the market, as stated at the outset, because of *discouraging* overseas advices. May delivery, which opened at Rs. 112-4 as against Rs. 111-14, fluctuated between Rs. 112-12 and Rs. 106-4, before closing at Rs. 112. F.A.Q. was down by Rs. 3-8 at Rs. 27-8. Madras quality also disclosed a similar loss at Rs. 28. Castoroil B.S.S. lost As. 4 to Rs. 16-12. First pressures suffered Re. 1 to Rs. 15-12 and Commercials As. 12 to Rs. 15.

The following table shows the prices of oilseeds and oil on the 3rd inst. as compared with those at the end of the previous two weeks.

	3-11-53 Rs. a.	28-10-53 Rs. a.	21-10-53 Rs. a.
Groundnuts—			
Khandesh Ready New ..	32 0	36 8	38 8
Bold December-January ..	27 0	28 2	28 6
Linseed—			
Bold Ready (per cwt.) ..	24 0	24 8	25 8
Castorseeds—			
May 1954	112 0	111 14	113 12
Madras (per cwt.) ..	28 0	31 8	31 8
Groundnut oil—			
Ex-mill Ready (per quarter).	18 0	19 5	22 0
Castor Oil—			
Commercial (per quarter)..	15 0	15 12	16 2

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 3rd November

A firm undertone prevailed in the Bombay sugar market during the week under review, thanks to strong buying support induced by heavy offtake on the eve of *Diwali*. The stocks with traders, which had already been depleted, could not cope with the demand and prices of sugar forged ahead. Even the release of the balance of 21,000 tons of sugar from the 1952-53 season's output for sale in the free market, announced by the Government of India on Wednesday last, failed to arrest the upward swing in prices. Thus, in the ready section, indigenous small grain sugar jumped up from Rs. 90 to Rs. 95 per bag. Medium grain sugar advanced by Rs. 3 to Rs. 97. Large grain sugar sugar was quoted higher at Rs. 98 to Rs. 100, as against Rs. 97 last week. *Similarly, foreign sugar also recorded handsome improvement.* Java sugar spurted by Rs. 5 to Rs. 99 per bag of two cwts. British refined sugar and Mexican gained Rs. 4-8 each to Rs. 94-8 and Rs. 93, respectively. Forward sales in British refined sugar per s.s. *Atlantico* are being made at Rs. 86 per bag. The demand is reported to be fairly good.

Despite the slightly larger arrivals of sugar into the market—the quantity that actually arrived was 2,900 bags, as against 2,600 bags in the previous week—stocks of sugar in the market are poor. The total floating stocks are estimated at not more than 7,000 bags. The stock position may, however, be expected to be better in the coming weeks, that is, after the pre-*Diwali* demand for sugar tapers off and when the sugar produced in the current (1953-54) season begins flowing into the market. Already, one or two factories in the Deccan are said to have commenced crushing operations and a few more mills are expected to begin crushing next week.

Tenders for British refined sugar per s.s. *Cyclops* and s.s. *Luciano*, it is said, have been very heavy. All tenderers are expected to be allotted only a minimum quantity of 200 bags each.

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, 3rd November

Pepper at all terminal markets during the week ruled quiet with uncertain undertone and prices at Alleppey moved within a narrow range of Rs. 50, the highest and the lowest being Rs. 1,900 and Rs. 1,850, respectively. Prices at Cochin were *comparatively* lower and the garbled variety was offered at as low as Rs. 325 per cwt. without attracting much business. The growers at all centres are reported willing to shade their prices to attract buyers, but so far there are no buyers of sizable quantity as foreign dealers are said to be holding off. With the advent of the bright weather, the arrivals of light berries are likely to increase, but the heavy pepper of the exportable quality will not be available until the middle of December. A section in the trade opines that there will be good demand for light berries and heavy pepper for inland consumption because of the present lower prices. Inland consumption is expected to increase to a great extent in view of pepper's comparative cheapness, as against the price of red chillies. Consumers of pepper who took to red chillies owing to high prices of black pepper during the past couple of years, are now likely to revert to the use of peppers, as the commodity is getting cheaper. The present signs of weakness in the attitude of the growers appear to have emboldened some of the bears to go short in almost all positions locally as well as on the New York market, and it is reported that some short sales for December and January-Feb-March were done by the Indian exporters in New York at as low as $0.80 and $0.76 respectively. With the absence of offers from Lampong, India will have the market more or less to itself for the coming six months and knowing the past behaviour of growers, present level for short sales are considered dangerous by the intelligentsia in the trade.

Following are to-day's nominal quotations: Ready delivery Rs. 270-90 per cwt., December delivery Rs. 1,420-40 and February delivery Rs. 1,320-40 per candy of 5½ cwts.

RAW JUTE STEADY

(From Our Own Correspondent)

CALCUTTA, 2nd November

Very steady conditions were in evidence in all sections of the market during the week, and the feature was the impressive increase in prices of both raw jute and jute goods. Sellers were reserved, and this factor helped to hold the gains, although there were fluctuations in goods. Mills were in the market for buying impressive quantities of raw jute, and purchased as much as 600,000 maunds during the three days to Saturday. Stockists of raw jute expect mills to buy more and more, as demand for jute goods has reached a satisfactory level and it is necessary for mills to stock as much of the raw material as possible so that production can be planned much ahead. There is a strong opinion that demand, which is at present more than production, would soon wash away the accumulated stocks in their entirety, and that mills would have to consider the question of resumption of full working hours. There is no dearth of raw jute for producing all the goods needed. Northern bottoms gained Rs. 23-12 from Rs. 25-8 and daisee bottoms, which were preferred by mills, to Rs. 26-8 from Rs. 26. Assam supervised tossa bottoms changed hands at Rs. 27-8, and Pakistani jat bottoms had buyers at Rs. 27-8. Assam bottoms realised Rs. 25-8, Bimli was traded at Rs. 23, and Cossimbazar tossa bottoms invited interest at Rs. 28.

One of the notable events of this week was the placing of an official ban on forward trading in raw jute in any form except non-transferable specific delivery contracts.

Moderate business was put through in jute goods, and mills were reserved sellers for all positions. Orders were booked for deliveries up to April-June next. Expectations that stocks of jute goods, as at the end of October, would record a further welcome decline added cheer to the already lively trading conditions. Hessians 40" 10 oz. have now become difficult to be located, although no actual shortage is expected. The market opened steady last Tuesday, and the early rise was almost erased on account of the subsequent profit-taking. B. twills closing at Rs. 95-12 and 40" 10 oz. hessians at Rs. 45. Prices could not, however, decline in view of expectations of good business from overseas countries. On Wednesday, B. twills were pushed up to Rs. 97-4 and hessians to Rs. 46, the respective January-March goods advancing to Rs. 98 and Rs. 43-14 from Rs. 96-8 and Rs. 43. There was good amount of speculative buying of 40" 10 oz. hessians, as a result of which it is expected, normal flow of supplies would be affected during this month. On Thursday, prices were a little easy at Rs. 97-4 for B. twills and Rs. 45-8 for hessians 40" 10 oz. On Friday, the feature was the presence of moderate covering demand, which pushed B. twills to Rs. 98-2 and hessians to Rs. 45-10. Reports of further Argentine interest in hessians were noted by stockists. There was again keen activity by bears on Saturday who, on *account of the necessity to cover*, raised prices. B. twills reached a high of Rs. 99-12, with the January-March position crossing the hundred-rupee mark. Ready 40" 10 oz. hessians steadily rose to Rs. 46-4. During the week as a whole, D.W. flour bags gained to Rs. 117-8 from Rs. 115, and heavy Cees plain at Rs. 99 added Rs. 2-8. From Rs. 114, A. twills were pushed to Rs. 117-8. In the hessian section also impressive improvements were recorded in respect of other constructions not dealt with above. To-day quotations were fractionally lower, B. twills being priced at Rs. 99-4, and 10 oz. hessians at Rs. 46-2 f.a.s. and Rs. 50-3 f.o.b. The 8 oz. was quoted at Rs. 38-4 f.a.s. and at Rs. 41-8 f.o.b.

BASE METALS HESITANT

(From Our Own Correspondent)

CALCUTTA, 2nd November

Despite encouraging advices from foreign markets, prices of base metals in Calcutta fluctuated within narrow limits during the week. This was due to the hesitancy of consumers to enter into commitments. Manufacturers of metal products have experienced lately the problem of increasing stocks, as customers are inclined to delay taking delivery in view of the tight money conditions. Another difficulty experienced by manufacturers relates to securing of booking space on the railways, and there have been instances when the sender has had to wait for weeks together before consigning the goods. The railways have claimed that they have maintained a steady improvement in meeting commercial demands. Experience of senders has shown that facilities are becoming restricted. As compared to the previous weeks, tin was steady and the price rose by Rs. 3 to Rs. 401, although the closure was at Rs. 399. A Government enquiry for 50 tons was a feature, and stockists were comforted by the somewhat improved trend in the Far Eastern market. World production has indeed surpassed demand, and restriction in output, as in the case of Indian tea, is the favourite remedy of market men. Mercury was quiet at Rs. 493 a flask. Nothing of importance transpired in the copper section, where the electrolytic ingots were quoted at Rs. 163 and the fire-refined at Rs. 147. Zinc and lead were offered at Rs. 53-8 and Rs 63-8, respectively.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	23rd Oct., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,084.22	1,091.40	1,071.49	1,060.16
Notes held in Banking Department	35.05	32.39	24 51	44.57	42 67
Foreign Securities	89.50	658.15	658 15	658.15	658.15
Rupee Securities	37.89	421.41	421 42	421.42	451.10
Banking Department					
Deposits of:					
Government of India	14.89	108.00	113 46	130.85	133.14
Other Governments		20.80	25 86	21.32	17 77
Balances held abroad	10.08	143.79	144.13	140.80	154 63
SCHEDULED BANKS					
Demand Liabilities	134.87	531.57	520 35	524.89	547 06
		(12.73)†	(14 45)†	(13 40)†	(10 20)†
Time Liabilities	102.86	334.36	332 92	330 24	316 77
Borrowings from Reserve Bank	..	(4.23)	(2 89)	(2 32)†	(5 72)†
		1.27	2 01	2 19	1 34
		(0.40)†	(0 49)†	(0.49)†	(0 99)†
Borrowings from Imperial Bank	..	5.16	5 32	4 45	4 02
Cash in India	6.71	32.85	30 05	31 23	35.79
Balances with Reserve Bank	25.28	53.74	50 56	49.84	62.87
Excess over statutory limits	15.52	20.29	17.66	17.00	29.19
Balances with other banks in current account in India	..	10.56	10.04	10.59	11.97
Money at call and short notice in India	..	19.05	19 20	17.68	15.44
Investments (at book value)	..	338.30	336 15	333.87	314.85
Advances and bills	108.09	452.54	459 61	460.12	460.61
IMPERIAL BANK					
Deposits	87.76	209.85	203 53	207 22	217.90
Investments	51.96	96.71	95 52	94 53	95.67
Advances	30.87	98 63	100 44	99 98	114.71
Cash	14.66	26.20	21 25	24 04	25 03

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	30th October, 1953		23rd October, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,41,639	48,19,58,000	2,13,775	40,33,34,000
Calcutta	1,56,585	52,52,98,785	90 058	24 62 52 514
Madras	74,233	7,03,09,165	76,468	7,46,63,909
All Centres—				
1953	..	..	1,06,94,122	180,36,86,859
1952	..	..	1,06,41,941	76,70,51,67,000
August 1953	..	..	23,41,030	4,84,84,00,000
Sept., ,,	..	..	25,63,(illegible)	5,26,36,(illegible)

Reserve Bank of India

Statement of Affairs for the week ended 23rd Oct., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	107,99,61,000
(2) Other Governments	29,40,37,000
(b) Banks	57,65,04,000
(c) Others	57,84,29,000
Bills Payable	3,50,02,000
Other Liabilities	13,71,57,000
Rupees	290,52,51,000

ASSETS	Rs.
Notes	32,37,31,000
Rupee Coin	16,77,000
Subsidiary Coin	5,57,000
Bills Purchased and Discounted—	
(a) Internal	24,50,000
(b) External	
(c) Government Treasury Bills	2,00,83,000
Balances held abroad*	143 79,78,000
Loans and Advances to Governments	
Other Loans and Advances	10 72,80,000
Investments	84 54,36,000
Other Assets	6 59,50,000
Rupees	280,52,51,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,65,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	82,30,31,000	
Notes in circulation	1084 22,41,000	
Total Notes issued		1116,61,72 000
Total Liabilities		1116,61,72,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	558,15,11,000	
Total of A		598,16,82,000
B. Rupee Coin		97,02 88,000
Government of India Rupee Securities		421,42,04,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1116,61,72,000

Ratio of Total of A to Liabilities: 53.570 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 23rd Oct., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	12,72,82,000†
	(ii) Other demand liabilities	518,84,14,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	4,22,50,000†
	(ii) Other time liabilities	330 13 87,000
3.	Cash in India	32,84,09,000
4.	Balances with the Reserve Bank in India	53,74,04,000
5.	Balances with other banks in current account in India	10,56,44,000
6.	Money at call and short notice in India	19,04,59,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury bills and Treasury Deposit Receipts	338,30,00,000
8.	Advances in India	413,32,36,000
9.	Inland Bills purchased and discounted in India	39,25,07,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	3rd November, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	476¼	476¼
Buyers T.T. Rs.	472½	472½
London on New York ₤	2.81-2.81½	2.81¼-2.81¼
London on Paris Fcs.	979[illegible]-980	979[illegible]-979[illegible]
London on Berne Sw. Frs.	12.19½-12.19¾	12.19½-12.19¾
New York on London $	2.81¼-2.80¼	2.81½-2.81½

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	8,780	255
Pakistan	1949	79.04	..	1,071	133
Burma	1951	18.67	Kyats 8,186	817	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1951	20 28	Pe. 7,845	1,850	1856
New Zealand	1952	2.00	£(N.Z.) 646	861	4,307
Australia	1951	8.43	£(A.) 3,228	3,454	4,917
U.K.	1952	50 43	£ 13,648	18,197	3,608
U.S.A.	1952	156 95	$ 299,400	188,280	9,808
Canada	1952	14.43	$ 13,135	8,168	5,662
France	1952	42 60	F. Fr. 10,190 000	13,864	3,254
W. Germany	1952	48 43	Dm. 94,400	11,256	2,301
Italy	1952	46 88	Lr. 8,112,000	6,181	1,318
Norway	1952	3.32	Kr. 16,598	1,106	3,331
Sweden	1952	7 13	Kr. 39,170	2,852	5,122
Netherlands	1952	10.86	Fl. 17,660	2,215	3,104
Denmark	1951	4.20	Kr. 20,716	1,439	3,346
Switzerland	1952	4.82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 16th Oct., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	33,10,35,000
(b) Provincial Governments	3,42,93,000
(c) Banks	14,05,52,000
(d) Others	2,45,13,000
Bills Payable	29,81,000
Other Liabilities	2,03,11,000
Rupees	62,31 85,000

ASSETS	Rs.
Notes	10 41,54,000
Rupee Coin	3,000
Subsidiary Coin	10,300
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,50,45,000
Loans and Advances to Governments	1,63,00,000
Provincial Governments Debtor Balances	43,13,000
Other Loans and Advances	10,00,000
Investments	35 14,08,000
Other Assets	9,00,52,000
Rupees	62,31,85,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,41,54,000	
Notes in circulation	204,15,73,000	
Total Notes issued		214,57,27,000
Total Liabilities		214,57,27,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	7,91,42,000	
Sterling Securities	59,45,75,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,93,91,000	
B. Rupee Coin	6,40,32,000	89,24,80,000
Government of Pakistan Securities	114,67,33,000	
Internal bills of exchange and other commercial paper	....	
		121,07,72,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	9,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		214 57,27,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 43.44 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
11th ,, August	1.50	2 02	1.50	2 6 3	43
18th ,, ,,	1.50	1.85	1.50	2 6 5	65
25th ,, ,,	1.50	2 02	1.50	2 6 6	98
8th September	1.50	1 77	1.50	2 6 7	77
15th ,, ,,	1.50	1.84	1.50	2 6 7	80
22nd ,, ,,	1.50	1.98	1.50	2 6 8	69
29th ,, ,,	1.50	2.51	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	99
13th ,, ,,	1.50	1.81	1.50	2 6 8	38
20th ,, ,,	1.50	2.58	1.50	2 6 8	85
27th ,, ,,	1.50	4.10	1.50	2 6 7	44
3rd November ,,	1.50	2.71	1.50	2 6 10	86
Total	18 00	27.19	18 00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	24th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1951	2	3
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	8½
France	17th Sept., 1953	4	3½
Greece	12th July, 1948	10	12
India	16th Nov., 1951	3	3½
Italy	9th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1941	3	1½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	..	..
Portugal	15th Jan., 1946	4	3½
South Africa	27th Mar., 1952	3½	4
Spain	16th Mar., 1949	4½	4
Sweden	1st Dec., 1950	2½	3
Switzerland	28th Dec., 1950	1½	2
Turkey	26th Feb., 1951	8	9
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.99	11.21	111.00	130.97
Protective	83	78	7.35	10.51
On surplus disposals	3	1	8	24
Texts Import duties	9.40	12.00	118.43	141 76
Export Duties	8.39	5.52	85.35	90 76
Land Customs	14	23	2.62	2 22
Miscellaneous	7	8	1.18	1.12
Gross total customs	13.02	17.83	177.58	236 85
Refunds and drawbacks	14	24	2.63	4 92
Net Customs	12.88	17 45	174 95	232 03
Gross excise	7.69	7.01	82.84	87.04
Refunds	8	19	1.43	1.78
Net Excise	7.61	6.82	81.41	85.26
Net total of customs and excise	20.49	24 27	256.36	317 29

Imperial Bank of India

Statement of Affairs for the week ended 23rd Oct., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
78,000 shares of Rs. 500 each, fully paid	3,79,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts		209,85,44,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,66 56,000
Bills for Collection being Bills Receivable as per contra		62,58,000
Acceptances, Endorsements and Other Obligations as per contra		3,00,000
Other Liabilities (including Inter-Office Adjustments)		1,77,86 000
Total	Rs.	220,02 94,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21 99 00,000
Balances with other Banks		4,20,54,000
Money at Call and Short Notice		60,00,000
INVESTMENTS—		
Government and other Trustee Securities	86,07,42,000	
Other Authorised Investments	10,63,57,000	
		96,70 99,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	89 05,02,000	
Bills Discounted and Purchased	9,58,45,000	
		98,63,47,000
Bills Receivable being Bills for Collection as per contra		62,58,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		3,00,000
Premises less Depreciation		1,31,82,000
Furniture and Fixtures less Depreciation		37,51,000
Other Assets (including Inter-Office Adjustments)		2,43,00,000
Total	Rs.	220,02 94,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS										Savings Bank Deposits		Cash Certificates, Defence Saving Certificates and Defence Savings Bank Deposits. Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	National Savings Certificates †														
	5-Year		7-Year		12-Year										
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1,64	1,47	76	74	20,40	22,86	83,26	29,01	—	12,31	..	..		..	..
1949-50	1,75	3,05	77	2,01	22,08	66,81	1,07,55	74,18	—	27,55	13,10	18,30		..	..
1950-51	1,63	4,54	66	3,27	23,66	84,18	1,12,36	91,01	—	31,06	7,54	25,64		..	..
August 1952	15	6,40	6	3,11	1,76	74,45	8,61	83,76	—	29,16	65	21,69		..	..
September ,,	10	6,44	5	3,11	1,84	75,72	8,79	84,91	—	29,41	52	22,34		..	..
October ,,	11	6,43	5	3,14	1,71	76,77	8,36	85,25	—	29,69	58	22,92		..	..
November ,,	10	6,50	5	3,16	1,71	77,99	8,03	85,54	—	29,93	58	23,48		..	..
December ,,	8	6,51	3	3,16	1,86	79,34	8,45	85,93	—	30,23	58	23,96		..	..
January 1953	10	6,54	4	3,19	2,02	80,77	8,33	86,09	—	30,51	58	24,48		..	..
February ,,	14	6,61	5	3,22	1,86	82,14	8,36	86,36	—	30,76	62	25,08		..	..
March ,,	32	6,84	9	3,27	2,66	84,18	13,78	91,01	—	31,06	60	25,64		..	..
April ,,	11	6,80	5	3,27	2,24	85,93	9,68	93,01	—	31,30	80	26,38		..	..
May ,,	12	6,83	4	3,29	2,04	87,57	9,55	93,80	—	31,52	66	27,00		..	..
June ,,	11	6,82	4	3,31	2,23	89,33	9,43	93,80	—	31,73	59	27,56		..	..
July ,,	1	6,73	11	3,38	2,21	91,02	10,26	95,23	—	32,08	66	28,20		..	..
August ,,	1	6,67	9	3,44	2,23	92,83	8,76	96,07	—	32,36	59	28,87		..	..
Sept. ,,	..	..	..	..	..	..	..	..	—	..	..	..		..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 19-9-'53	24-10-'53	31-10-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.2	90.3	90.3
1. Government of India	90.1	90.1	90.1
2. Indian States	95.5	95.6	95.5
3. Municipal, Port Trust, etc.	89.0	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	101.3	101.3
1. Electricity	102.5	102.7	102.7
2. Jute	94.9	95.9	95.8
3. Plantations	100 0	99.8	99 8
4. Sugar	100.1	100.1	100.1
5. Coal	90.6	90.6	90.6
6. General Engineering	101.7	101.7	101.7
7. Shipping	102.0	102.0	102.0
8. Others	100 2	100 3	100 3
PREFERENCE SHARES	88 8	87.1	87.1
1. Electricity	92.0	93.4	93.1
2. Cotton	83.9	84 0	84.3
3. Jute	85.9	85.9	85.9
4. Coal	92.5	91.6	91.6
5. Iron and Steel	88.4	89.7	89.3
6. Sugar	78.1	78.1	78.1
7. Paper	90.0	89.4	89.4
8. Plantations	87.7	87.8	87.8
9. Miscellaneous	85.3	85.5	85.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	81.6	82.3	83.4
(a) Financial	88.8	88.8	88.9
1. Banks	85.2	85.2	85.2
2. Insurance	95.5	95.4	94.9
3. Investment Trust	70.6	74.4	74.4
(b) Mills Utilities	106.6	106.6	106.6
1. Electricity	116.9	116.1	116.6
2. Shipping and other Transport	89.1	91.0	90.8
3. Hazardous	91.7	91.7	91.5
(c) Manufacturing Industries	83.8	84.5	84.8
1. Cotton, Woollen and Silk	91.8	92.3	92.4
2. Jute	78.9	79.6	79.6
3. Iron and Steel	97.8	101.4	102.1
4. Paper	146.7	149.6	149.5
5. Cement	110 2	114.0	115.5
6. General Engineering	103 6	105.5	109.1
7. Sugar and Breweries	84.8	85.7	85.8
8. Chemicals	93.1	95.7	95.7
(d) Non-Manufacturing Industries	87.4	93.2	93.6
1. Coal	74.2	74.3	74.3
2. Mining and Oil	116.5	132.4	133.6
3. Plantations	83.4	85.7	88.9
(e) Miscellaneous	86.1	86.2	86.2
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.7	89.7
2. Calcutta	90.2	90.2	—
3. Madras	90.5	90.5	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.7	101.7	101.7
2. Calcutta	101.6	101.8	—
3. Madras	100.3	100.1	100.1
PREFERENCE SHARES			
1. Bombay	91.0	91.8	91.7
2. Calcutta	83.9	83.9	—
3. Madras	88.7	88.6	88.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	93.7	101.2	101.6
2. Calcutta	86.7	88.1	—
3. Madras	91.8	91.1	91.2
4. Delhi	86 2	88.3	88 7

Source: Department of Research and Statistics, Reserve Bank of India. ‖—Calcutta Market Remained closed during the week.
* Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work	Number of workers involved	Number of man-days lost
1950	814	719,883	12,806,706
1951	1,071	691,881	8,818 928
1952	963	809,243	8,356,961
Eight months ended Aug., 1950	692	600,387	5,103,094
Do Aug., 1951	873	564,379	2,910,935
Do Aug., 1952	793	699,691	2,094,529
Do Aug., 1953	590	366,174	1,602,184
January 1952	95	806,881	674,840
February ,,	88	83,180	215,807
March ,,	97	42,490	148,498
April ,,	134	59,487	234,348
May ,,	118	80,093	254,886
June ,,	101	89,881	257,068
July ,,	82	40,764	171,268
August ,,	83	46,583	148,533
September ,,	96	57,878	460,552
October ,,	96	78,181	349,618
November ,,	87	48,796	272,246
December ,,	81	37,825	166,017
January 1953†	85	42,588	244,414
February ,,	45	28,477	125,411
March ,,	67	38,231	216,207
April* ,,	72	40,132	218,853
May* ,,	88	55,617	276,066
June ,,	96	80 137	252 059
July ,,	79	43,713(a)	198,346(b)
August ,,	65	51,995	210,557

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case. (b) Not known in three cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1949-50	573	5,445.1	4,349 0
1952-53	614	6 301.4	5,134.3
April 1952	577	458.8	392.8
May ,,	581	514.4	412.1
June ,,	583	500.4	408 8
July ,,	588	536.0	429.7
August ,,	592	531.6	428.7
September ,,	597	530.8	430.6
October ,,	599	548.2	441.5
November ,,	606	539.7	436.4
December ,,	608	553 2	457 8
January 1953	611	535.6	441 8
February ,,	614	498 6	417.4
March ,,	614	538 0	435.7
April ,,	616	540.9	436.1
May ,,	620	560.4	456.1
June ,,	625	543.8	450.2
July ,,	627	583.0	471.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	17th Oct., 1953	10th Oct., 1953	18th Oct., 1952	September, 1953	September, 1952	Percentage of increase (+) or decrease (—) in Sept., 1953 as compared with Sept., 1952	1952	1951
Food Articles	385.6	390.4	361.4	399.9	388.1	+ 3.4	389.8	409.8
Cereals	416	840R	445	470	459	+ 2.4	450	483
Pulses	472	474R	442	477	519	— 8.1	443	506
Other	263	257	227	287	229	+25.3	225	290
Industrial Raw Materials	462.8	463.6	462.6	476.3	459 8	+ 3.6	453.8	608.2
Fibres	410	413	432	419	451	— 7 1	454	622
Oil seeds	636	651	518	636	416	+52 9	494	679
Minerals	520	442	462	451	451	+ 1 8	458	526
Others	378*	371*	353	374	236	+31.8	341	533
Semi-Manufactures	353.4	354.2R	361.3	362 8	351.8	+ 3 5	348 5	377.5
Leather	390	384	388	399	393	+ 1 5	345	453
Mineral oils	227	227	226	227	226	+ 0.4	221	197
Vegetable oils	520	515*	494	520	503	+ 3.4	459	678
Cotton yarn	436*	440	455*	444	458*	— 2 0	465*	443
Metals	223	223	227	223	220	+ 1 4	211	197
Oil Cakes	416	419	471	440	474	— 7 2	440	500
Others	301	301	253	301	256	+14 0	273	320
Manufactured Articles	384.2	383.8	378.9	384 4	370 3	— 1 6	377.5	395.8
Textiles	400	390	421	400	405	— 2 0	423	468
Jute	396	389	490	385	475	—18 9	506	803
Cotton	410*	410*	409*	410*	389*	+ 5 4	401*	409*
Rayon and Silk	375*	375*	456*	390*	496*	—21 4	465*	611*
Woollen	310	310	290	313	279	+12 2	346	378
Metal products	327	327	317	327	323	+ 1 5	321	345
Others	284	285	296	285	296	— 3 7	293	300
Miscellaneous	730.5	729.8R	640.7	717 4	629 8	+13 9	626.6	729.8
All Commodities	394.4	395.4R	389.0	403 8	389 0	+ 3.8	386.6	439.3

* Estimated. R—Revised

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	—	330	260	313	452	392	370	334	142	178	141	160	166
1952 ,,	142	337	259	310	441	380	351	330	143	174	142	155	150
January 1952	146	331	246	325	442	393	387	338	142	179	147	162	156
February ,,	144	334	241	318	441	382	348	336	141	178	145	155	155
March ,,	135	311	229	300	412	378	309	331	136	177	140	150	145
April ,,	141	345	262	321	415	377	339	326	146	169	138	153	144
May ,,	140	339	264	316	412	376	339	327	146	166	143	153	143
June ,,	140	338	263	309	406	375	342	330	145	171	141	153	148
July ,,	142	339	263	304	406	377	354	331	143	173	143	161	157
August ,,	144	340	267	313	408	380	369	336	143	176	149	160	157
September ,,	143	341	269	310	403	381	364	340	143	178	143	157	156
October ,,	144	345	274	311	406	381	363	327	146

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,424	20,741
Wheat ..	"	24,041	23,450	6,762	6,039
Jowar ..	"	41,945	39,144	6,635	5,914
Bajra ..	"	25,592	22,639	2,922	2,269
Barley ..	"	7,500	7,855	2,884	2,293
Maize ..	"	8,796	8,073	2,607	2,521
Ragi ..	"	6,348	6,399	1,235	1,212
Gram ..	"	17,647	16,857	8,771	8,291
Rats. Pulses* ..	"	11,503	11,559	2,661	2,047
Small Millets ..	"	12,170	11,814	1,042	1,891
Jute ..	bales	1,834	1,951	4,695	4,678
Cotton ..	"	15,674	16,194	3,460	3,133
Sugarcane ..	tons	4,376	4,702	5,260	6,068
Groundnuts ..	"	11,862	11,794	2,894	3,045
Linseed ..	"	3,394	3,472	355	316
Castor-oil ..	"	1,349	1,428	107	105
Rape & Mustar Seed	"	5,155	5,015	828	916
Sesamum (supp.)	"	5,751	5,845†	451	439
Tobacco (supp.)	"	794	712	210	205
Pepper ..	"	203	202	22	23
Ginger ..	"	46	47	14	15
Dry chillies ..	"	1,240	1,384	301	341

Source: Ministry of Food and Agriculture.

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

* Excluding gram.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Sept., 1953 ..	73 1
	Corresponding month 1952 ..	70 0
	Three months ended Sept., 1953	219 6
	Corresponding period 1952 ..	229.1
Stocks	At the end of Sept., 1953 ..	119.4
	Corresponding month 1952 ..	91.5
		(In 000 bales)
Exports(JuteBags)	Week ended 26th Sept., 1953 ..	34.10
	Corresponding week 1952 ..	1,65.13
	From 1st Jan., to 26th Sept., '53	21,70.42
	Corresponding period 1952 ..	31,11.53
		(In 000 yds)
Exports* (Jute Cloth) ..	Week ended 26th Sept., 1953 ..	2,43.77
	Corresponding week 1952 ..	4,80.76
	From 1st Jan., to 26th Sept., 1953	93,63.05
	Corresponding period 1952 ..	74,39.84
	RAW JUTE	(In 000 bales)
Exports*	Week ended 26th Sept., 1953 ..	—
	Corresponding week 1952 ..	—
	During May, 1953 ..	—
	Corresponding period 1952 ..	4 24
Consumption by Mills†	Corresponding month 1952 ..	4 06
	Three months ended Sept., 1953	12 73
	Corresponding period 1952 ..	13 23

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10 37,100	7,09,200
Do 31st March, 1953..	11,54,000	10,91,000	7,91,900
April to October, 1953 ..	5,64,100	5,21,000	3,77,000
August 1952	1,00,700	90,500	67,700
Sept.	94,200	88,300	64,500
October	99,400	90,100	67,900
August 1953	94,100	87,400	63,700
Sept.	94,200	91,100	61,000
October	99,900	94,000	63,600
Indian Iron and Steel Co.			
Jan. to Sept., 1953	8,81, 660	2,26,180	1,43,280
April 1953..	82,210	30,080	19,000
May	87,410	32,450	19,710
June	86,730	23,910	13,020
July	21,750	8,370	4,610
August	20,230	7,710	4,190
September	21,320	2,270	2,540

FOREIGN TRADE OF INDIA

Particulars	June,		Three Months, April to June,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	12 49	21 69	41 50	60 70
Raw materials ..	16 70	11 05	47 74	61 48
Manufactures ..	20 12	22 67	64 42	73 24
Other items ..	21	52	1 00	1 04
Total ..	49 60*	61 12*	160 66*	210 61*
By land	1 73	1 47	3 07	4 52
Total Imports ..	51 33	63 29	163 73	224 13
Exports :				
By sea and air—				
Foodstuffs	9 13	11 82	28 57	37 37
Raw materials ..	8 71	12 11	30 05	37 26
Manufactures ..	20 21	23 90	68 55	72 33
Other Items ..	30	31	1 00	1 05
Total	38 35	48 14	118 20	137 94
By land	33	3 55	1 15	9 27
Total Exports ..	38,73	51 69	117,35	147,25
Total Re-exports ..	38	36	1 58	1 05
Balance of trade in merchandise	— 14,25	— 11,29	— 50,24	— 76,13
Balance of transactions in private treasure ..	—	—	— 2	— 2
Total visible balance of trade.	— 14,25	— 11 29	— 50 26	— 76,15
Imports : ‡				
Total Cwealth countries ..	22,58	22,35	69,30	67,14
Total Foreign countries ..	27,01	30,27	91,36	152,45
Exports : ‡				
Total Cwealth countries ..	18 02	21 63	54 66	65 29
Total Foreign countries ..	19 43	24 46	61 54	72 89

* Excludes value of certain special imports of foodgrains and stores for which particulars of which are not yet available.

‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1952	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	x 277	176 218	192† 220†	x 158	142 160	142 160	x 194	132 109	136 217†	x 202	137 106	141 213	x 125	105 125	102 125	x 234	x 109	x 109	x 278	04 310	05 310
Kudehi	157	181	181	146	139	139	154	104	194	154	186	186	127	113	116	147	120	120	192	104	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	126	138	165	169
Multapi	124	129	139	127	156	156	176	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Jhamra	219	232	205†	85	90	99	130	136	148†	137	145	149	104	114	114	219	215	231	175	208	203
Municuda	108	244	268†	194	178	191†	100	241	268†	194	231	256	145	135	152†	215	160	163	268	200	202
Shankargarh ..	159	163	167	164	165	171	154	168	173	158	165	170	105	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	156	174	188†	162	181	193	114	130	142	139	134	132	206	157	180†
Malur	171	216	222	128	147	150	138	163	180†	143	172	184	100	100	100	144	105	105	163	171	147†
Nana	203	207	209	302	308	310†	100	211	225†	226	221	231	130	125	128	206	184	184	222	189	189
Salamatpur	262	244	250	280	282	280	204	216	220	239	229	234	129	129	129	139	139	139	259	270	277

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 29th October, 1953 ..	16,455
	Corresponding week 1952 ..	19,405
	1st Sept., to 29th Oct., 1953 ..	1,03,104
	Corresponding period, 1953 ..	2,33,308
Cotton Exports ..	Week ended 29th October, 1953 ..	1,727
	Corresponding week, 1952 ..	0,774
	1st Sept., to 29th Oct., 1953 ..	11,283
	Corresponding period, 1952 ..	75,945
Mill Consumption ..	1st Sept., to 29th October, 1953	2,00,500
	Corresponding period, 1952 ..	1,63,000
Stock (with exporters dealers and mills) ..	On 29th October 1953 ..	3,39,684
	Corresponding date, 1952 ..	4,60,216
Karachi (Pakistan)*		
Receipts	Week ended 17th October, 1953 ..	20,918
	Corresponding period 1952 ..	25,303
	1st Sept., to 17th Oct., 1953 ..	43,700
	Corresponding period, 1952 ..	61,056
Exports	Week ended 17th October, 1953 ..	22 427
	Corresponding period, 1952 ..	32,887
	1st Sept., to 17th Oct., 1953 ..	80,061
	Corresponding period, 1952 ..	77,887

* As reported by the Karachi Cotton Association Ltd.

Particulars	From 1st Sept., to 20th Oct., 1953 Bales	From 1st Sept., to 20th Oct., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	107	677
Continent ..	1,477	21,024
China	143	124
Japan	8,534	46,281
U.S.A.	350	5,154
Other Countries ..	234	873
Total to all foreign countries ..	10,015	72 137
Coastal Ports ..	9,301	10,007

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	July, 1953	3,10,404
Foreign		74,456
Indian	Eleven months September 1952 to July, 1953	83 01 099
Foreign		7,70,067
Foreign	Same Period 1951-52 ..	27,11,050
Stocks (Mills and Elsewhere)—		9,53,189
Indian	As on 30th July, 1953 ..	10,05 873
Foreign		2,40,256
Indian	As on 30th July, 1952 ..	12,85 668
Foreign		4,23 248
Cotton Pressed † ..	Week ended 16th Oct., 1953 ..	1,301
	Corresponding week, 1952 ..	1,184
	1st Sept., to 16th Oct., 1953 ..	11,015
	Corresponding period, 1952 ..	12,450

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102¼
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101 ⅜
4 ½ Loan	1938-39	1,16,17,46,000	1963-65	92 ⅛
3 ½ Loan	1950	30,33,10,000	1964	92¼
3 ½ Loan	1949	1,10,11,78,000	1966-68	90¼
2½ V. Loan	1944	1,14,06,89,000	1957	93⅛
3 ½ Loan	1945	1,15,04,83,000	1970-75	86⅛
3 ½ Loan	1945	1,13,65,64,000	1959-61	90⅛
3 ½ Loan	1951	50,35,61,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅛
2½% Loan	1946	57,06,89,000	1961	90⅜
2½% Loan	1946	35,04,05,000	1954	98⅛
2½% Loan	1946	14,77,45,000	1976	82⅛
2½% Loan	1947	75,86,72,000	1962	91 ⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice On September, 1986 or later at option of Government after three months' notice.	82
3 % Loan	1946	248,91,90,000		82
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,98,14,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	3 54,23,300	18th Sept. 1955	99⅛
3 ½% Bombay	1943	3,50,09,000	15th Sept. 1956	99⅛
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	15th Aug. 1961	94⅜
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
3½% Bombay	1952	3,66,72,700	1st Sept. 1964	101⅛
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 ½% Madras	1939	1,29,76,600	21st June 1959	95⅜
3 ½% Madras	1942	1,21,25,000	18th Sept. 1955	99⅛
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98-8⅛
3 ½% Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 ½% Madras	1945	2,82,19,000	15th Sept. 1960	93⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91⅜
3 ½% Madras	1950	4,47,00,000	31st July 1960	93⅛
3 ½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,00,00,000	1st Aug. 1964	99⅛
3 ½% Mysore(f)	1910	1,63,44,300	1st Nov. 1955	104⅛
4 ½% Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100⅛
3 ½% Mysore(f)	1936	1,99,72,900	30th April 1956-61	98⅛
3 ½% Mysore	1947	5,08,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 ½% M.P.	1942	50,00,000	18th Sept. 1955	99
3 ½% M.P.	1943	50,34,200	14th Sept. 1956	98⅜
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,28,800	15th Sept. 1964	91⅛
3 ½% M.P.	1950	1,01,60,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 ½% Punjab**	1935-44	3,49,87,200	15th Aug. 1958	99⅛
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,74,300	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,95,81,600	15th Aug. 1960	98⅛
3 ½% Travancore	1935	3,00,00,000	15th May 1952-54	99¼
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % Travancore	1953	3,00,00,000	15th July 1963	99⅛
3 ½% Cochin	1916	1,61,96,500	15th Sept. 1961-66	90⅛
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1942	2,24,80,300	14th Sept. 1962	94⅛
2½% U.P.	1946	2,29,08,600	1st Sept. 1961	91N
3½% U.P.	1931	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1942	4,11,33,700	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1931	1,75,30,000	17th Sept. 1962	98N
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1971	D
14,33,876	4	1913¶	1960	99½N
80,00,000	4	1914	1975	99N
88,25,900	4	1914	1975	
10,00,000	4	1915*	1950	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
89,25,000	4	1925*	1960	
35,00,000	3½	1929*	1957	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,38,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	99⅛
68,02,300C	3½	1921	1981	79
1,50,00,009C	4½	1921	1991	144N
1,24,96,400	5	1925	1955-85	105
98 21 600	5½	1926	1955-86	104⅛
99,34,500B	5	1926	1956-86	103⅛
1,49,49,500B	5	1927	1957-87	103⅛
1,49 10,000	5	1928	1958-88	104⅛
80,00,000	4½	1931	1991	92⅛
21,75,000C	3½	1914	1974	99⅛
60,00,000	3½	1915	1975	99⅛
25,00,000	3	1938	1961-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1946	1976	82⅛
50,00,000	3	1946	2006	70N
50,00,000	3	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	79⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£86⅛
£901,000	5	1924	1954-84	£96⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1982	
32 14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,911	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1901	1959	100
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	D
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	4	1919	1937-79	113N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	113N
15,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£166,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
Rs.		**CALCUTTA**		Rs.
50,00,000	5	1923	1953	101
25,00,000	5½	1929	1959	107
50,00,000	4	1914	1964	100
35,00,000	3½	1915	1965	94⅛
30,00,000	3	1936	1966	89
30,00,000	3	1937	1962	90
20,00,000	3	1938	1961-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
49,40,000	4	1913-14	1954	99⅛
29,60,000	4	1914-15	1954	99⅛
20,00,000	4	1013-13	1955	100
10,00,000	5	1920	1940	113
1,60,00,000	5	1923	1953	101⅛
25,00,000	5	1928	1958	105 to 102⅛
26,14,000	5	Apr. 1929	1949-59	
8,45,500	5	July 1929	1954-59	
26,21,500	5	1929	1959	
8,25,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1949	1979	80
4,00,00,000	3½	1950	1980	81
2,50,00,000	4	1952	1964	100⅛
2,00,00,000	3½	1951	1966	97
Rs.		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	103⅛
84,70,000	6	1925	1955	104⅛
36,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1958	103⅛
10,00,000	5½	1932	1962	108
31,91,000	3½	1915	1965	93⅛
60,00,000	3	1936	1966	89⅛
1,46,100	3	1916	1953	99⅛
1,41,400	3	1937	1954	99⅛
4,67,100	3	1937	1956	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1958	98⅛
47,50,000	3	1938	1958	88⅛
10,67,700	3	1938	1955	97⅛
15,56,800	4	1930	1956	99⅛
15,56,800	4	1930	1957	99⅛
17,64,400	3½	1942	1970	96⅛
21,10,000	3½	1942	1972	92
16,31,000	3½	1951	1966	96
16,31,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99⅛
Rs.		**MADRAS**		Rs.
5,00,000	4	1901	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107½N

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

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	130	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99½	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	110	100
Deccan Sugar & Abkhari* A	£200,000	1897	7	Jan. July	15⅜	£1
¶East India Distillerie ..	6,75,000(c)	1940	7B	Dec. ..	77	100
Gwalior Sugar	5,00,000	1940	7B	Dec. ..	75	100
Do. (Non-redeem.)	1,00,000	1922	10	Oct. ..	13⅜	100
Furtabpore Co.	4,00,000	1933-34	6	Aug. ..	103	100
Ramnugger Cane	4,00,000	1943	5½	Oct. Apr.	75	100
Ravalgaon Sugar	20,00,000	1946	5(c)	Dec. ..	60N	100
South Behar Sugar	5,00,000	1936	5(c)	Dec. ..	6½	100
Travancore	15,00,000	1946	5	Dec. ..	90N	100
Upper Ganges	15,00,000	1932	5	Dec. ..	70N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	115	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	120½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	83	75(pp)
††Khas Kajora	1,93,000	1911	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½xd	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	124½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1898	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	140	100
Do. 'B'	6.00.000	1900	7	Feb. Aug.	88	100
Bradbury	14,75,000	1919	7	June Dec.	320½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodia	1,00,000	1928	7	Apr. ..	129	100
Carnatic	50,00,000	1912	5	Apr. Oct.	500xd	100
Central India	10,00,000	1935	6½	Nov. ..	124½	100
Coimbatore Pioneer ..	11,00,000	1912	8	May Nov.	143	100
Elgin	4,20,000	1943	5	July Jan.	9½	10
Do. 'B' Pref. ..	25,00,000	1919	7(a)	May Nov.	88	100
Elphinstone	20,00,000	1919	7	June Dec.	132	100
Kesoram	10,00,000	1925	6	Nov. ..	..	100
Khatau Makanji

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2-7½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49	100	6 0	6 0	Nil		3	Y.P.T.
2,50,98,000	2,16,13,960	1,77,02,950	3,19,04,157	1,80,774	Khoobjee Valji & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	392‡	250	17 8	20 0	20 0	7 8(i)	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	225	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	273	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(6)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	68½	100	*Nil*	*Nil*	4 0(c)		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	107‡	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,01,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	67	50	*Nil*	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	228‡	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mutiraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	45	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	261	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0*	225 0*)	3	Y.P.
									—	250	43 12	50 0	50 0	56 4*)		
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	10‡	10	0 12‡	1 1½	*Nil*		12	Y.
80,00,000D									1-8‡	1D	0 2	0 4	*Nil*			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	3,400	1,000	175 0*	200 0*	200 0*	225 0*)	3	Y.P.
29,92,500	49,34,660	2,07,51,457	1,57,18,443	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	180xd	500	87 8	100 0	100 0	112 8*)	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Kilachand Mills	1,11,464	1,846	Kohinoor Mills	100	100	12 0	14 0	10 0	10 0	6	Y.P.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	87	100	18 0	25 0*	18 0	18 0(i)	12	Y.
3,60,000B										100A	7 8	5 1	6 4		6	Y.P.
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	80N	20B	1 8	1 0	1 4			
51,75,000	24,92,735	1,71,00,016	1,44,33,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	182‡	50	4 0	5 0	6 0		12	Y.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chiraj & Co., Ltd.			National Rayon Corporation	119	100	17 0	15 0	15 0		6	Y.P.
4,00,000	26,69,841	77,02,988	42,20,174	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	150	100	*Nil*	*Nil*	*Nil*		12	Y.P.
30,00,000	21,71,710	86,82,925	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	159	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,16,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.			New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,32,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	33,720	873	Phonix Mills	117‡	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	54,208	1,190	Podar Mills	130	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,93,340	3,615	David Sassoon & Co., Ltd.	32,600	930	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	9,520	277	Sassoon Spg. & Wvg.	25	10	2 0	2 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	60,240	1,254	Shree Niwas Cotton Mills	170	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd	66,452	1,640									
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	36,116	1,276	Simplex Mills	151	50	14 0	17 0	15 0(i)	15 0	3	Y.
1,34,46,160	1,34,46,160	1,37,29,109	82,56,253	91,399	Tata Industries Ltd.	53,892	1,633	Standard Mills	315	100	15 0	20 0	20 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	63,040	2,000	Svadeshi Mills	257	100	16 0	18 0	16 0		12	Y.P.
32,54,438	59,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	35,804	572	Swan Mills	312‡	100	25 0	30 0	25 0		12	Y.
12,00,000	60,55,708	98,62,654	75,30,000	6,244	Thackersey Mooljee Sons & Co.	63,248	1,800	Tata Mills	462	25	2 0	4 0	2 0		12	Y.T.
						45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
33,00,000	42,60,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	133‡xd	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	87,76,211	77,38,943	50,75,000	5,872	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	445	100	15 0*	20 0*	20 0		12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	852‡	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,83,150	76,03,150	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Ashoka Spinning & Mfg.	320	100	15 0	20 0	15 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,03,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	480	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,400	Calico	316‡	125	12 8	18 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Vecumal Bhoglal & Co., Ltd.	39,316	964	New Commercial Mills	1007‡	500	15 0	70 0	70 0		12	Y.
39,00,000	70,78,334	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	616	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,383	Jagabhai Bhoglal Nanavaty & Co., Ltd.											
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	24,840	528	Nutan Mills	648	100	25 0*	28 0*	30 0*		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	31,120	636	Raipur Mfg.	762‡	100	25 0	25 0	25 0		12	Y.P.
32,50,000	16,11,950	81,93,961	46,17,801	9,866	Lalubhai Govindbhai Ltd.	46,680	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	15 0	20 0	*Nil*		12	Y.P.
24,90,150	1,18,66,344	1,01,07,709	77,25,000	1,23,551	Harilallabdas Kalidas & Co.	33,156	940	Rohit Mills	125	100	15 0	15 0	15 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	73,796	1,325	Shri Ambica Mills	330	50	15 0	18 0	16 0		12	Y.P.
28,00,000	29,08,070	91,15,078	47,72,055	16,239	Haridas Achratlal & Co., Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
						34,576	816	Vijaya Mills	497‡	400	30 0	33 0*	33 0*		12	Y.P.
WEST BENGAL																
13,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3‡	10	0 8	0 5	*Nil*		12	Y.P.T
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	37N	40	*Nil*	3 0	3 0		12	Y.
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	260	100	*Nil*	*Nil*	*Nil*		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	174	100	*Nil*	7 0	*Nil*		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	20‡	13	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,33,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	10	0 12	0 12			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4‡	10	0 3	*Nil*	*Nil*		12	Y.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	6‡	10	0 14 2/3	0 9 3/5			12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund.	19,944	440	Azam Jahi Mills	67N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,543	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	270	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13‡	10	1 4	0 8	0 8		6.12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	908	Birla Cotton Spg. & Wvg. Delhi	47‡N	10	2 8	2 8	3 0		3	Y.
1,78,47,800	1,57,93,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	121	100	8 14	7 8	4 0	4 0(i)	12	Y.P.T.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	11½	10	*Nil*	1 4	1 4		12	Y.P.
30,00,000	21,97,992	56,51,479	45,04,813	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8‡	5	0 9	0 9	0 9	0 9	3	Y.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	157	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills	119	100	7 0	6 0	7 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,587	—2,70,999	R. G. S. Naidu & Co.	19,700	..	Coimbatore Spg. & Wvg.	38‡	50	2 8	5 0	*Nil*		6	Y.
46,87,500	92,97,281	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	166‡xd	100	6 0	6 0	2 0	5 0	6	Y.P.
2,89,84,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830	Delhi Cloth & General Mills	30‡	25	*Nil*	*Nil*	2 8		6	Y.P.
1,00,503									2‡	1D	0 2	0 4	*Nil*			
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	186‡	100	25 0	20 0	10 0		12	Y.
63,00,000	43,00,000	1,30,76,652	1,03,71,631	1,23,153	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	17‡	10	1 2	1 8	1 8		9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	241	100	10 0	14 0	17 0*	3 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	102‡	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	62	50	5 0	7 8	12 0		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	34,377	Kothari & Sons	30,512	200	Kothari Textiles	10‡	10	0 11	0 12	0 12		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,59,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	362‡	250	37 8	50 0*	37 8		12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	77	50	4 0	4 0	5 0	5 0	3	Y.
									39‡	25	2 0	2 0	2 8	2 8		
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & P. Harvey Ltd.	4,64,748	..	Madura Mills	39‡	13	2 4	3 0	3 0		12	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others.	21,856	126	Malabar Spg. & Wvg.	126	200	8 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	195	100	25 0	12 8	12 8	12 8	3	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	91	100	6 0	6 0	5 0		12	Y.
94,91,850	25,59,837	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	140	250	19 0	7 8	7 8		6	Y.
30,00,000	52,19,600	1,33,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	202	100	*Nil*				12	Y.P.
19,86,800	66,50,072	93,64,233	59,83,574	42,197	N. Sirur & Co., Ltd.	49,632	500	Mysore Spg. & Mfg.	120	50	10 0	9 0	10 0	10 0*	2	Y.P.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naik	6000	..	Mysore Spun Silk Mills	10	10	0 8	0 10	*Nil*	*Nil*	3	Y.
22,89,18,300	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	1‡	2‡	*Nil*	*Nil*	*Nil*		12	Y.P.
3,07,093D									—	D. 1	*Nil*	*Nil*	*Nil*			
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	85N	100	5 8	6 8	7 0		9	Y.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800	..	Palani Andavar Mills	64‡	50A	5 0	8 0	7 8		12	Y.P.
6,00,000B									8‡	75B	7 8	12 0	11 4			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	69	100	7 4	5 0			12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	158‡	100 A	16 0	16 0	6 0		12	Y.
8,40,600B									78‡	50B	8 0	8 0	3 0			
13,00,000	25,00,896	22,62,213	14,88,313	—63,366	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	78‡	50	4 8	5 0	*Nil*		12	Y.P.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	32,580	600	Raza Textiles	4‡	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,378	G. Liladhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75‡N	100	*Nil*				12	Y.
7,79,700	2,74,939	21,50,224	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36	60	*Nil*	3 0			8	Y.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,400	1,000	*Nil*	*Nil*	*Nil*		3	Y.P.
						25,200	292	Sri Krishnarajendra Mills		500						
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	27,340	992	Sutlej Cotton Mills	47‡	50	4 0*	4 0*	3 0*	4 0*	3	Y.
13,00,000	93,93,793	64,96,085	43,13,769	58,49,303	Birla Brothers, Ltd.				45N	10	4 0	4 0	4 0		3	Y.
17,50,000D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9‡	10O					12	Y.P.
1,87,50,000PO									9‡	10P.O.	0 8	0 8	0 8			
	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	5‡	10	0 14 2/3	0 14 2/3	14 2/3		12	Y.P.T.
	99,92,020	7,25,505	12,91,001	9,44,987	9,843	Mooljee Nampee & Sons	16,000	..	Trichinopoly Mills	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
	13,98,630	7,25,505	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	161	100	9 0	10 0	11 1/5	12	Y.
	21,00,000	28,00,000	47,61,131	28,75,811	50,000	Bombay Co., Ltd.	54,280	1,493	Vishnu Cotton	142‡	100	9 0	10 0	12 0	12	Y.P.
	32,00,000	50,43,359	1,20,63,197	83,26,292	2,21,881								14 0*	10 0	12	Y.P.

* Includes bonus.

(a) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

(c) Paid out of reserves.

X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	25	*Nil*	2 13‡	*Nil*		5	Y.P.
							21½	10	*Nil*	1 2‡	*Nil*			
16,20,630	14 30,304	22,75 857	9,87,293	13,649		Dyer Meakin Breweries	6	5	1 0	0 8	0 8		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15‡	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B							21	B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	3	*Nil*	*Nil*			8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq (Chairman)	United Breweries	159‡	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39 63,334B							10‡	B. 10	0 6	0 12	0 12			
43,14,600O	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga Cement	3‡	O. 10	0 8	*Nil*	*Nil*		3	Y.T.
4,70,976D							8	D.	*Nil*					
10,56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	176	100	8 8	9 8	9 8		7	Y.
60,00,000O							—	7 A.	O. 10	0 8	0 10			
26,49,797O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	10	2 B.	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D							½	D. 1	*Nil*	*Nil*	*Nil*			
62,50,000O	4,00,000	1,43,54,423	31,47,637	6,15,163	Esen Ltd.	India Cements Ltd.	15‡	O. 25	*Nil*	*Nil*	1 4	*Nil*	3	Y.P.
7,50,000D							3	D. 5	*Nil*	*Nil*	*Nil*	*Nil*		
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd	Sonevalley Portland Cement	6‡	5	0 3‡	0 6‡	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	2‡	2½	0 2	0 2½	0 2½		12	Y.
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MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	41½	25	1 4 / Nil	1 9 / Nil	1 9 / Nil		6.12	H.P.T.
80,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	180	100	4 0	5 0	5 0	1 0*	3.9	H.
85,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½	10	0 8b	0 12	1 0*		3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	37½	10	0 12	1 0	1 0*		3.9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	1 8 / 0 10	1 0 / 0 12	1 0 / 0 12		6.12	H.P.T.
20,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 9½	O. 10 / A. 10	Nil / Nil	Nil / 0 4	0 4 / 0 4		3.9	H.P.T.
36,00,000A. / 36,04,800B. / 4,37,500P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	36½ / 4½	A. 10 / B. 10 / P.O. 2½	0 14* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0*† / 1 0*† / 0 2†	3.9	H.P.
PRESSING														
8,00,000	5,92,365	15,58,964	10,46,391	30,668	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	3 0		6	Y.
4,30,000	90,000	6 89,525	4,68,036	1,116	Pyne & Sons	Camperdown	93N	100	3 0	3 0	3 0	4 0	7	Y.
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	95	100	3 0	3 0	3 0		6	Y.
PROPERTY AND LAND														
80,00,780O. / 2,00,000D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	O. 10 / D. 1	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8½ / Nil			9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd.	Port Canning Land	32½	100	2 0	1 8	1 0		4	Y.
94,00,000	35,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary	33½	100	Nil	3 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 6	0 8	0 4		9	Y.
84,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading	345 / 124	Old 125 / New 30	15 15	13 0	22 0	5 0(?) / 2 0(?)	9	Y.
6,00,000		2,13,415	1,37,061	—1,19,103	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	5 0	Nil	9 0		6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	35½	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	71	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A. / 3,00,000B	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	120N / 11N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0		6	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	10	Nil	1 0	0 12		9	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	16 & N	10	1 0	1 8	1 0		6	Y.P.
32,00,000	23 18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	7½	10	Nil	Nil	Nil		6	Y.P.T.
13,00,000	55,34,712	96,28,542	75,34,740	81,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	39	10	2 0	3 0	2 0		10	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	22½	10	1 0	2 0	2 0		10	Y.P.
85,00,000A. / 10,00,000D.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N / O. 100	A. 100 / —	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	1 0	6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	52 / 25N	80 / 40	3 4 / 3 8	4 0 / 2 0	Nil / Nil		7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	27	10	1 0	1 0	1 0		6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	1 0	2 8	2 0		6	Y.P.
1087,500 A. / 2,91,875 B.	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N / 45N	100 / 25	15 0 / 3 12	20 20 / 3 0	20 0 / 3 0		6	Y.
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	100N	100	6 3	3 0	3 0		7	Y.P.
12,00,000	12,71,178	28,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	95N	100	3 11	6 0	6 0		10	Y.
9,00,000	14,71,701	33,72,816	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Purnaboore Co.	14½	10	6 0	2 0	1 0		10	Y.P.
8,00,000	6,01,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	6	10	1 0	2 8	1 0		10	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	133xd	10	1 0	2 8	1 0	0 8	6	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyasoday Sugar	10N	10	0 6	1 0	1 0	0 8	6	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	Nil	0 8	0 6½	7	Y.P.
6,50 000O. / 1,75,000D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	11N	O. 10	Nil	Nil	Nil		6	Y.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	20N	D. 2½	Nil	Nil	Nil		10	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,663	James Finlay & Co., Ltd.	United Provinces Sugar	13½	10	0 12	2 0	2 0		9	Y.
Other Centres														
46,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd.	Belapur Company	266½	50	12 8	14 0	16 0		6	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	405N	100	Nil	5 0	3 0		9	Y.P.
13,00,000	30,25,316	24,51,980	14,55,776	3,71,334	Iodla Sugar Agencies Ltd.	India Sugar and Refineries	22½	10	0 8b	0 12	2 8	2 8	9	Y.P.
33,57,220	29,59,135	39,13,908	19,30,442	29,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	101N	10	0 12	1 0	0 12		10	Y.
21,79,280	90,00,000	94,96,051	62,24,558	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		6	Y.
50,00,000	66,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kasulal Ltd.	Phaltan Sugar	104	50	8 0	8 0	8 0		6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnuggur Cane and Sugar	18½	50	0 9½	0 12	2 0		8	Y.P.T.
20 00,000O. / 4,00,000D.	24,67,609	74,35,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 7N	O. 50 / D. 10	7 0	9 0	0 12 / 0 11½		9	Y.P.T.
19,99,980	34,21,961	44,37,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Reza Sugar	101N	10	1 0	1 4	0 12		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	41	Nil	Nil	2 0	0 12		7	Y.
77,50,000A. / 23,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	148§	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	155	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	91	100	3 0	4 0	5 0		12	Y.
£65,380	£1,121,737	£5 428,105	£1,512,999	£13 172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	69§	£10	Nil	Nil	Sh.10		12	Y.
2,25,00,000	56,99,233	3,87,93,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	3½	10	Nil	Nil	0 8		12	Y.P.
6,59,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	14–11½	15	Nil	Nil	0 8		3	Y.P.T.
													6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,543	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		12	Y.
25,00,000	1,60,000	23,18,130§§	8,079	8,935	Dena Bank, Ltd.	Devkaran Nanji Investment Co.	88	25	0 12	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	2 8		3	Y.
99,99,250	18,35,375	1,26,92,333§§	10,053	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	67	100	4 0	4 0	2 8	Nil	3	Y.P.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	157 / 75½ / 38½	100 / 25 / A. 100 / B. 10	8 0 / 2 0 / Nil / Nil	8 0 / 2 0 / Nil / Nil	10 0 / 3 8 / Nil / Nil	10 0 / 5 0	12 / 6	Y.
2,06,71,500A. / 10,00,000B.	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	40	10	Nil	Nil	Nil		9	Y.
10,21,000	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	100	100	7 8	7 8	8 0		3	H.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq (Managing Director).	Western India Match Co.	242§	100	11 0*	13 0	13 0		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. / 2,50,000D.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	41 / 2½	O. 10 / D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	174	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	23,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	22	10	1 0*	1 4*	1 4*		8	Y.
20,00,000	12,51,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	49	10	0 9 3/5	0 9 3/5	0 4		12	Y.
50,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	268 / D. 40	100 / 40	20 0* / 6 0*	25 0* / 8 0*	20 0* / 6 0*	5 0(?)	12	Y.P.T.
20,00,000	8,38,806	54,303,140§§		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	15§	10	1 2	1 4	1 0		9	Y.
30,64,680	33,27,348	99,11 669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	10	10	1 2	1 4	1 0		9	Y.P.
3,25,00,000	95,00,000	2,36,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	8§	5	0 12	0 12	0 12	0 8	3	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Steel, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	30§	10	2 0	1 8	1 8		12	Y.P.
51,26,000	47,37,061	1,26,55,420§§	....	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	141	100	9 0	9 0	9 0		12	Y.P.T.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	200	100	10 0	12 8	20 0		12	Y.P.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	115	100	10 0	15 0	10 0		3	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	261	250	15 0	10 0	10 0		3	Y.P.
12,42,800	3,06,049	60,60,790	41,30,369	33,939	Birla Bros. Ltd.	Hind Cycles	250N	100	15 0	15 0	15 0		3	Y.
4,98,12,650	1,91,000	2,61,59,201	97,52,719	3,47,269	Birla Bros. Ltd.	Hindustan Motors	100N	100	7 8	7 8	8 0		3	Y.T.
1,60,00,000	38,65,000	3,07,88,193	1,21,00 053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	10½	100	3 8	Nil	Nil		3	Y.
1,52,89,220	99,40,984	37,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Cables	105	10	2 8	3 0	3 0		12	Y.P.
8,27,970	3,38,000	19,59,020	7,97,308	38,565	C. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	12	10	1 0	1 0	1 0		3	Y.P.
8,00,00,000	57,45,280	29,81,477‡	6,26,477	4,84,163	O. M. Mackinlay, Esq.	Jardine Henderson	117	10	10 0	10 0	10 0	0 12	3	Y.P.
6,34,000O. / 66,000D.	6,03,270	6,91,331	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2 / D. 5	O. 5 / D. 10	Nil	Nil	Nil	7 8	3	Y.P.
40,00,000O. / 5,00,000D O.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	129 N / D.O. 10	O. 100	12 8	12 8			12	Y.P.
1,30,53,750	90 19,025	13,73,12711†	4 61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	19½	10	1 4	1 2	1 6		9	Y.
4,15,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	0 10	Nil	Nil		12	Y.
4,89,640	8,84,829	9,73,651	3,93,009	2,059	G. Chandy, Esq (Controller)	Mysore Lamp Works	16½	10	1 0	1 0	1 0		3	Y.P.
10,00,000		11,45,854	3,93,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	9§	10	Nil	1 0	1 0	1 0	3	Y.P.
20,00,000	23,16,171	50,16,078	28,75,987	11,045	Associated Industrial Development Co., Ltd.	National Insulated Cable	14	10	0 8	0 8	0 12		3	Y.P.T.
79,97,000	28,12 725	1,12,79,603	42,96,020	10,37,033	B. N. Elias & Co., Ltd.	National Tobacco Co.	12§	10	0 4	0 8	Nil		12	Y.P.
40,00,000	24,00,000	41,58,536	17,14,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	2	2	1 9 3/5	0 10§	0 4§		12	Y.P.
8,25,00,000	25,18,049	1,69,49,507	37,33,370	24,847	G. U. Euthymopulo, Esq.	Rallis (India) Ltd.	62	100	3 0	9 0	Nil		12	Y.P.T.
1,14,00,000	78,53,108	6,09,59,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	9½	10	Nil	1 0	1 0		8	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	14 ex d	10	1 0	1 0	1 8		10	Y.P.T.
75,00,000	33,00,000	12,11,901§	2,17,120	3,56,616	R. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd.	10	10	1 0	1 0	1 0	0 8(?)	6	Y.P.
9,98,380	1,50 000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 6§	Nil	Nil		12	Y.P.

§§ Includes investments at cost * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	345N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,486	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	164	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	27	10	4 0	3 0	Nil		12	Y.
2,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	114	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	30	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	12½	5	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	26½	10	3 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,331	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	30½	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	5	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	12½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11	10	1 0	1 0	1 0		6	Y.P.
1,20,000	1,83,234	3,66,030	1,21,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	8	10	1 0	Nil			12	Y.
6,00,000	7,15,000	25,51,755	13,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbutia	235	100	30 0	22 8	10 0		12	Y.
17,53,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd.	426	Dhekiakhat	12½	10	1 9 3/5	1 3½			12	Y.
4,68,970	2,20,000	8,09,426	72,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	11	10	2 0	1 8	Nil		12	Y.P.
4,50,000	2,25,000	8,03,661	1,17,965	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	9½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,91,119	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dimakuol	35	10	4 8	1 8	1 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,38,157	1,15,948	Williamson Magor & Co., Ltd.	669	Duffla ghur	33½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	1,45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	19§	10	2 0	1 0			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	17½	10	3 0	1 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	10½	10	4 0	2 0			12	Y.
4,94,360					Octavius Steel & Co., Ltd.	1,393	Grob	21½xd	A.10	3 0	2 8	2 0		12	Y.
2,40,790	13,22,810	17,77,138	5,02,656	33,724	Andrew Yule & Co., Ltd.			10½	B.5	1 8	1 0	1 0		12	Y.
2,00,000	6,30,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoogrelull	8	10	1 8	1 0	1 8		12	Y.
4,35,000	8,04,216	8,66,970	2,06,510	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolangooree	290N	100	25 0	17 8			12	Y.
7,50,000	3,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	11½	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	3,69,133	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd.	1,037	Ledo	9§	10	2 0	Nil	Nil		12	Y.
4,80,000		8,87,549	87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohecma	38	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	400N	100	45 0	35 0	Nil		12	Y.
2,50,000					Andrew Yule & Co., Ltd.			29	O.10	3 0	2 8	2 0			
2,00,000	3,65,000	8,80,915	4,99,415	37,518	S. C. Sen, Esq., Supervising Director	325	Murphulani	29	P.O.10	3 8	2 8	2 8		12	Y.
4,00,000	3,41,211	5,78,550	3,61,800	20,262	Shaw Wallace & Co., Ltd.	340	Naga Hills	15	10	2 4	2 4			12	Y.
5,35,000	—	10,14,665	6,23,966	29,094	Duncan Bros. & Co., Ltd.	810	Namburnadi	64	10	1 0	Nil	Nil		12	Y.
5,00,000	—	5,92,221	1,92,221	—44,129	Duncan Bros. & Co., Ltd.	935	New Cinnatolliah	70N	100	Nil	Nil	Nil		12	Y.
2,00,000	4,77,500	6,98,742	1,97,159	20,602	Andrew Yule & Co., Ltd.	343	Rajgarh	21	10	3 0	1 12	Nil		12	Y.
6,00,000	2,82,640	17,57,683	6,03,984	—99,162	James Finlay & Co., Ltd.	902	Sapoi	10§	10	0 12	0 4	Nil		12	Y.
3,00,000	6,55,000	10,86,022	2,48,752	61,699	Octavius Steel & Co., Ltd.	513	Teen Ali	22½	10	3 0	0 12	1 0		12	Y.
5,98,000	4,50,455	9,60,684	2,86,202	59,392	McLeod & Co., Ltd.	495	Teloiseo	12	10	1 12	1 0	Nil		12	Y.
4,00,000	5,40,127	7,23,258	1,63,010	65,374	Gillanders Arbuthnot & Co., Ltd.	304

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16½	10	8+4	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	175	100	4+10	15+15	8+10	1f	3, 9	H.
6,00,000	3,55,000	49,90,030	29,19,570	—1,63,951	McLeod & Co., Ltd.	463	Alexandra	163	100	Nil	5	Nil	Nil	5, 11	H.P.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	162½	100	Nil	25	Nil	Nil	6, 12	H.P.T.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	211	100	Nil	10	10+10	10+15	7½f	3, 9	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,964	62,744	Bird & Co., Ltd.	1,810	Auckland	118	100	1½	4	6	5	5+4	2f	3, 9	H.P.
20,00,000	29,77,365	97,37,334	63,51,882	72,634	Jardine Henderson & Co. ..	959	Bally	170	100	6	6	6	1	Nil	4f	3, 9	H.P.T.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,890	Barnagore	148½	£5	£1	£1	£1	£1	£1		3	H.P.
28,00,000	35,49,623	88,18,168	48,06,254	62,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	195½	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
22,50,000	55,95,000	51,03,385	22,50,305	4,07,701	Sooraymull Nagarmull	600	Bengal	153	10	2½	3	3		6	Y.P.T
30,42,000	2,64,76,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	43½	10	2½	3	3	3	3	Y.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	148	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,180	4,29,739	49,77,150	36,73,499	95,461	Duncan & Sons	502	Calcutta Jute Mfg.	14[N	10	Nil	1	0+8		6, 12	H.P.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd. ..	616	Caledonian	158	100	4+10	10+12	6+6	6f	6, 12	H.P.T.
59,16,400	1,05,23,478	1,65,18,460	1,07,44,959	1,15,030	James Finlay & Co., Ltd. ..	1,400	Champdany	147	100	3+5	5+7	7+8	3f	5, 11	H.
16,00,000	28,39,282	79-79,086	54,30,736	84,009	Andrew Yule & Co., Ltd. ..	530	Chetlat	201	100	6+10	10+12	6+6	6f	3, 9	H.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	500	Chitavalsah	33½	10	2+2	1½+4½	2½+1½		5, 11	H.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	1½	2	Nil	6, 12	H.T.P.
51,49,200	59,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	328	100	1+3	8+6	6+1	1f	3	Y.P.
28,00,000	44,74,179	73,70,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd. ..	779	Delta	225	100	5+12½	15+17½	10+10	10f	3, 9	H.P.
15,00,000	32,50,000	75,63,304	53,68,650	47,730	McLeod & Co., Ltd.	500	Empire	22	10	1+1	1½+1	3+3		5, 11	H.P.
21,00,000	54,39,877	2,65,42,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd.	1,880	Fort Gloster	382	100	2½+20	12½+12½	10	Nil	6, 12	H.T.P.
14,00,000		72,62,199	43,27,194	—4,98,001	Begur Ltd.	1,014	Fort William	398[N	100	Nil	Nil	Nil	Nil	3, 9	H.P.T.
84,32,100	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	72	100	Nil	3½	2½+2½	Nil	3, 9	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700	300	45	90	30		3, 9	H.P.
10,00,000	27,30,694	2,19,25,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Gouripore	278	100	2½+15	10+10	12½	Nil	6, 12	H.P.
40,00,000	46,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100[N	100	3	7	10	10	3, 9	H.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	32½	10	1	3	1½	1½	3	Y.P.
65,62,500	50,81,559	1,56,87,559	1,09,33,235	1,55,027	Jardine Henderson Ltd.	1,940	Hukumchand	24½	10	2½	3½	1½	1½	3, 9	Y.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Hukumchand	2,272	Hukumchand	44½	10	2½	5	7	2	Nil		3, 9	H.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	130	O. 125	3½+50	3½+1½	3½+3½	3½f	3	Y.P.T.
D. 30,00,000								—	D. 1	A.7-8 7-8		1+6	1f	3, 9	H.
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	183	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
'A' 19,20,000								175	'B' 100	8½+8½	10+12½	8½+6	6f		
'B' 30,00,000								143	100	Nil	3+7½	6+4	5f		
'A' 24,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankanrah	137	'B' 100	Nil	3+7½	6+4	5f	6, 12	H.P.
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	250	100	10+10	12½+2½	7½+7½		6, 12	H.P.
34,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,530	Khardah	183	100	Nil	15	10+6	10+15	6, 12	H.P.
48,00,000	97,57,704	2,19,74,862	1,32,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	193	100	1½+4	10+9	10+7½	4f	3, 9	H.
24,48,000	48,82,305	1,33,96,508	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	125	100	2+10	11+8	7+7	4f	3, 9	H.P.T.
28,00,000	58,69,796	1,13,45,476	61,83,380	7,757	Bird & Co., Ltd.	840	Lawrence	154	100	3+9	12½+11	11+4	2f	3, 9	H.P.
10,00,000	34,31,301	90,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd. ..	558	Lothian	235	100	4+10	15+17½	13+15	13f	5, 11	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,448	28,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	96	100	2½+6½	2½+1½	2½+2½	2½f	5, 11	H.P.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Naihati	118	100	Nil	5	10+6	6	Nil	Nil	3, 9	H.
20,00,000	17,75,000	25,77,260	16,42,880	1,01,832	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	1½	1½+1½	1½		3, 9	H.
33,00,000	44,27,437	27,58,352	8,93,551	1,01,832	Andrew Yule & Co., Ltd. ..	852	National	23	10	1½	1½+1½	1½		4, 10	H.T.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	316	Nellimarla Jute	36½	10	1½+1½	2½+5	2+1	1f	4, 10	H.P.
10,50,000	14,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	567	Northbrook	23[d]	10	4+10	15+15	10+12		6, 12	H.T.P.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	1,092	Nuddea	464	50	Nil	1½	1+1	1f	3, 9	H.P.T.
66,79,500	32,37,529	2,12,90,664	1,33,98,606	30,401	Macneill & Barry Ltd.	1,092	Oriental	174	100	4+10	12+12	1+6	6f	3, 9	H.
24,91,000	26,56,049	70,68,289	48,27,892	1,03,356	Andrew Yule & Co., Ltd. ..	601	Presidency	4½	5	Nil	Nil	Nil		5, 11	H.P.
25,00,000	4,39,778	80,78,198	60,46,813	—3,59,647	McLeod & Co., Ltd.	400	Rameshwara	5½	10	Nil	1	Nil		6, 12	H.T.
20,00,000		26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	305	Reliance	16½	10	Nil	Nil	Nil		3, 9	H.P.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd.	1,276	Samnuggur	103	£1	10½	10½	10½	1f	3, 9	H.P.T.
£600,000	£1,102,661‡	£1,703,880		£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Shree Ambika	12½	10	Nil	1	1½		12	Y.P.
30,00,000	13,07,220	97,20,210	59,19,652	6,05,669	Begaria More & Co., Ltd. ..	911	Soorah	23½[N	10	Nil	1½	1f		3, 9	H.P.
7,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Standard	134	100	3	Nil	Nil		6, 12	H.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	650	Titaghur	134	100	3+6	9+8	8+1	1f	3, 9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	£1	£1	10½	10½	10½	1f	12	Y.P.
35,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	160	100	1+7	12½+11	10+1	1f	3, 9	H.P.
£600,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	13½	£1	10½	10½	10½		12	Y.P.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil	1/40 1/40	Nil		3	H.P.T.
														6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19½	10	1+1	1+1	1+1		3, 9	H.
12,00,000	8,42,703	37,55,383	34,23,643	58,826	Jardine Henderson Ltd.	Bararee Coke	18½	10	1+1	1+1	1+1		3, 9	H.
4,49,350	70,000	8,49,159	3,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6½xd	10	1+1	1+1	3/5+1	As. 11[f	3, 9	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	506	200	17+17	17+17	20+20	17½f	6, 12	H.
2,25,000	5,14,434	23,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	1½	1	1+1		4, 10	H.P.
15,97,000	5,23,358	36,66,923	22,26,365	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10	½	½	½		6, 12	H.P.
69,99,953	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5½	10	½	½	½		9	Y.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbarare	14	10	½	½	½		6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,796	—1,46,403	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	Nil	Nil	Nil		6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borrea	27½	10	1½+1½	1½+1½	1½+1½		6, 12	H.T.
90,92,480	1,65,60,398	4,03,65,968	1,60,47,288	1,13,021	Bird & Co., Ltd.	Burrakur	8½	10	½	½	½		6, 12	H.P.
49,97,000	750	22,35,610	57,645	8,776	Hindustan Investment Corpn., Ltd.	Central India	5½	10	Nil	Nil	Nil		6, 12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14½[N	10	½	½	Nil		3	Y.
4,00,000	1,40,000	7,50,000k		13,973	F. W. Heilgers & Co., Ltd. ..	Churlia	4	10	½	½	½		6, 12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhemo Main	8½	10	½	½	½		6, 12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,839	Jardine Henderson Ltd.	East Indian	24½	£1	1½	2	3 (d)		6, 12	H.
29,63,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	36½	10	2½+2½	2½+2½	2+1½		6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	13[N	10	½	½			4	Y.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	43	50	3	5	4	3	6, 12	H.P.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurmladih	14½	10	½	½	½		3	Y.
22,00,000	1,08,377	31,70,015	10,56,243	—1,55,248	Bajnaie Trust Ltd.	Jogta Coal	11[N	10	Nil	Nil	Nil		3	Y.P.
3,50,000	5,50,000	17,52,839	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	Kalapahari	42[N	10	1½	1½	1½	Nil	6, 12	H.
20,00,000		25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	80	100	Nil	Nil	Nil		12	Y.P.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd. ..	Kairas Jherriah	39	10	1½+1½	1½+1½	Nil	Nil	2, 8	H.
1,38,400	95,000	10,63,519	3,25,519	1,063	Beriwala & Co.	Khas Kajora	7[N	10	½	½	2+2	2f	2	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuardi	4[N	10	3½	3½			1, 7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10[N	10	1	1			6, 12	H.P.
7,48,240	1,50,000	11,24,141	8,84,137	14,690	Associated Commercial Co., Ltd.	Nazira	6½	10	½	½	½		6	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,764	Andrew Yule & Co., Ltd. ..	New Beerbhoom	19½	10	3/10x3/10	Nil	Nil	½	4	Y.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	8½	10	½	Nil	Nil	Nil f	6, 12	H.
1,15,000	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd. ..	North West	10[N	10	½	½	½	½f	4, 10	H.P.
2,37,500	9,76,868	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	7½	10	½	½	½	½f	3, 9	H.
7,50,000	1,10,000	35,60,122	14,26,827	36,421	K. C. Thapar & Bros.	Oriental Coal	17[N	10	½	½	½		3, 9	H.
10,00,000	83,596	17,23,582	6,27,675	15,769	Deepchand Kishenlall	Parasea	11[N	10	½	½	½		6, 12	H.P.
8,34,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	3	10	Nil	Nil	Nil f		12	Y.T.
15,75,000	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	22½	10	½	½	½		6, 12	H.P.
23,99,500	6,88,383	29,87,472	23,34,472	36,004	Shaw Wallace & Co., Ltd. ..	Rewa	8	10	Nil	—	Nil f		2, 8	H.
13,50,000	3,10,464	28,07,516	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	20½	10	½	½	½		3, 9	H.
20,00,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	7½	10	½	½	½		6, 12	H.
1,25,000	5,43,826	28,04,096	14,32,969	30,184	Andrew Yule & Co., Ltd. ..	Seebpore	8½[N	10	½	½	½		6, 12	H.
2,80,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Sendra	25½	10	2½	2+2	2+1		3	Y.
8,00,000	13,25,934	3,24,72,792	2,26,34,594	63,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	8½	10	½	½	Nil		6, 12	H.P.
63,21,450						South Karanpura	68	10	½	½	½		6, 12	H.T.
17,50,000	10,86,300	35,53,705	13,67,030	26,614	Bird & Co., Ltd.	Standard	10½	10	½	½	½		12	Y.T.
8,00,000	13,68,503	2,33,837	36,443	86,379	F. W. Heilgers & Co., Ltd. ..	Talcher	21	10	1	½	½	1f	2, 8	H.
10,00,000	12,930	30,13,423	15,43,501	—3,64,536	Villiers Ltd.	Union	2½	2½	Nil	Nil	Nil		6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd.	West Bengal	22½	10	1½	1½	1½		9	Y.
49,98,000	6,65,000	44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Jamuria	4½	10	½	½	½		6, 12	H.
7,00,000		40,16,017	19,92,108	3,514	Macneill & Barry Ltd.		17½	10	½	½	½		3	Y.
											Nil		6, 12	H.

* Including bonus. a Sales and amount written off. (k) Investments.

(D) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 888 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

CONTROLS HAMPER PROGRESS OF COAL INDUSTRY

(Concluded from page 857)

lion in 1948 and rose to 30 million in 1949, 32 million in 1950, 34 million in 1951 and 36 million tons in 1952. This led to the belief that, during the current year, there would be a further increase, and that the industry was overproducing in relation to the offtake, including that proportion which is exported—or more specifically to the ability of the railways to transport the coal to every potential consumer. The true potential national consumption is almost impossible to estimate, as it is clear, for instance, that there would be an almost limitless demand for coal for brick-burning and domestic purposes if it were possible to deliver coal to the villages. It is, however, now apparent that the total production of West Bengal and Bihar in 1953 will not exceed that for 1952. The total raisings for the first six months of 1952 amounted to 15,327,178 tons, while those for the first six months of 1953 amounted to 15,204,840 tons. There has, therefore, been an overall decrease in output of 122,338 tons during the first half of 1953, as compared with the corresponding period of 1952.

"Turning to despatches, which are as important to a producer as raisings, the corresponding figures for the first half of 1952 and 1953 are 11,834,486 and 12,151,942 tons. There has, therefore, been an overall increase in despatches of 317,456 tons during the first half of 1953, as compared with the corresponding period of 1952.

"The picture is completed by comparing stock figures, total stocks at the end of July in 1951, 1952 and 1953 being 2,380,069, 3,371,877 and 3,286,030 tons respectively, i.e., between the middle of 1951 and the middle of 1952 stocks increased by practically a million tons, while during the last year they were reduced by only 85,847 tons, which is more than accounted for by the decrease in raisings.

"I do not suggest that these figures indicate tendencies likely to react to the benefit or otherwise of the national economy, as they are overall figures affecting all sections of the industry, but they show that overall production has decreased for the first time for very many years, in spite of the wish of the Planning Commission that there should be a progressive increase in production.

Transport

"The conclusion I draw from these figures is, not that coal production has outstripped demand, but that the improved rail transport position has not improved enough, and it is useless to plan for increased production unless transport is to be available. I cannot subscribe to the recent declarations of the Railway Administrations that surplus wagons are not being fully utilised. Our experience is that, until two months ago, we were unable to obtain all the wagons we required. During the past two months, when the railways have experienced the usual seasonal monsoon decline in the demand for wagons, we have been unable to obtain the wagons we have required to carry the coal to the destinations where it is needed. This, I believe, is largely due to the policy of rationalisation which has been pursued by the railways, and in particular by the Eastern Railway, which serves your collieries, during the present year. Instead of withdrawing restrictions, the railways have progressively increased geographical restrictions, with the result that the control over distribution is more acute now than in the difficult days when coal was in short supply and had to be distributed to essential consumers. In other words, the means, in the form of railways, is shaping the end, in the form of the coal industry and the consumer, and all sorts of routine restrictions are being imposed on the ground that this will economise rail transport. These restrictions are encouraged by the continued operation to-day of a system of controls designed in 1943 for famine conditions in the supply of coal, and of war-time demands—in fact, the complete antithesis of the present position.

"Indeed, the whole approach to controls, both by the Government of India and by the Railway Administrations, should before now have been reviewed and a new set-up devised appropriate to the changed circumstances. The broad concept of future control should be that, if production now equals, if it does not exceed, demand, there is in principle no call to restrict the user in the choice of his quality or of his supplier. This should bring us back very much to the position when priorities were regulated by the railways to ensure only that essential industries, services and shipments were adequately served. One is prompted to ask whether it is the policy of the railways to devise facilities to deal with the traffic offering, or to accept the defeatist policy of limiting traffic to the facilities available. The consumer should now be allowed a free choice regarding the type, quality and source of supply of the coal he requires. He will not draw coal from a greater distance than is absolutely necessary as the rail freight will be higher. It appears to be far too widely assumed that the quality and source which the consumer finds most economic will necessarily be uneconomic to the transport system.

Control Over Quality of Coal

"Before leaving this subject of controls, I must refer again to the control over the quality of coal permitted to internal and foreign consumers. As regards internal consumers, the Coal Commissioner's Combustion Engineers continue to visit mills and factories and submit reports which, they claim, justify that the plant or boilers can use coal of grades lower than that which they are using. This would have been reasonable if the experts had been available ten years ago when the amount of coal produced was not enough for industry, and when in particular there was a shortage of better grades. There is now no shortage of high grade coal for steam-raising purposes. Why, therefore, should a consumer be restricted in the choice of the type and grade of coal he buys? Obviously, he will not pay for better, and higher priced coal, unless it is in the interests of efficiency that he should do so. We in this managing agency have had recent experiences of the activities of these experts at our Paper Mill as a result of which the mill is forced to take one-third of its allocation in selected 'B' grade coal. This is a permanent source of worry to an industrial unit which has planned its boiler capacity to maintain steam from selected 'A' grade coal, and it has had a marked result on the productive capacity of the mill. Our figures show conclusively that, if the mill could have 100 per cent. selected 'A' coal at a small extra cost, we could produce more and better paper out of all proportion to the additional outlay on coal. I quote this specific example, as it is particularly apt, and as it illustrates how the present outdated controls are restricting the efficiency of industry generally.

Exports

"And now a word about exports. Immediately after the war, India was able to benefit by shipping coal to countries whose productive capacity had been impaired as a direct consequence of the war. In these conditions, your Company was able to make shipments to the United Kingdom, Australia, New Zealand, Japan, Denmark, Egypt, Italy and other Mediterranean countries, which could not, in normal circumstances, have been expected to import coal from India. The export market has now become extremely competitive, and India is forced back on her legitimate export sphere, which ranges from Hongkong in the East to Aden in the West, with particular emphasis on Malaya, Burma and Ceylon. In the Far East, China and Australia have emerged as competitors, and, while Australian coal has been shipped to Hongkong, Singapore and Chittagong, South Africa has re-entered the market by sending cargoes to Pakistan, Ceylon, Singapore, and even as far as Hongkong. Unfortunately, we have been obliged by controls to ship up to 50 per cent. of selected 'B' grade coal in the mistaken belief that there is not sufficient high volatile selected 'A' grade coal available for shipment. Nobody suggests that we should give away our best coal to the detriment of the internal consumers, but, at the end of September, we ourselves had 105,000 tons of selected 'A' Dishergarh and Poniati coal in stock, and yet were obliged to sup

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,80,800	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	112	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				58½	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	109	25	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	63,200	Bank of India	157½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	35,324	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	2,44,634	Bank of Jaipur	18½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	23,280	Bank of Mysore	280	100	16 0	16 0	16 0	8 0(i)	12	Y.
19,18,600	42,61,693	25,280	Bombay State Co-operative Bank	57½xd	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	Y.P.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0			
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	63½	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
82,42,375 A'				66½	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,808	Dhrangadra Nankee Banking Co.	34½	50	1 8	1 8	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,823	Habib Bank (P)	81N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0	6 0	5 0			
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,827½	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				456½	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				176½	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	138	85	10 3½	10 3½	10 3½	5 1 3(i)	6.12	R.L.H.
15,40,000				98½	60	7 3½	7 3½	7 3½	3 9 3(i)	.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	93	100	5 0	6 0	6 0			
4,25,000				73	100(A)	9 0	7 8	6 0		6.12	H
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 4	1 8			
10,00,080				52	50(C)	3 0	3 0	3 0	1 8(i)	12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	19	25	1 0	1 0	1 8	1 0(i)	12	Y.
8,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—		12	Y.
46,00,000	50,00,000	2,06,135	Union Bank of India	6½	5	0 5	0 5½	0 5½		12	H.
2,80,00,000	75,00,000	1,01,119	United Commercial Bank	36½	50	2 0	2 0	2 0			

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-0-7½ £7 4	£5 £5	14½ 7½	14½ 6½	16½ 7½	7½ 3½	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	—	—	—	—	—	—	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,469,174	Hongkong and Shanghai Banking Corporation	£91	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-19-0 £1-6-3	£1	12½	12½	14½	7½(i)	12	R.L.Y.
£1,437,296				£24	A £12½	12½	12½	14½	7½(i)	12	R.L.Y.
£375,000				£24	B £12½	12	12½	14½	7½(i)		
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£10	C £5	12½	12½	14½	7½(i)		
£300,000				£31	£12½	16½	16½	16½	8½(i)	12	L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India								

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency (i) Interim. *£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	25th February 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April 1956-61
83,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Bamani Cotton Mills Ltd.	85	30th April 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November 1956(d)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	99½	1st January 1967-72
13 68,000	5½		Jaysbree Textiles	78N	1st January 1956-59
40,00,000	5	1st June	Tata Mills	101	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March 1965
1,23,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December 1964
8,53,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January 1970
83,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	86	31st December 1970
13,00,000	3½	1st January and 1st July	Jaya (Iberian) Electric Supply Co. Ltd.	96	30th June 1976
4,93,000	5	1st January and 1st July	South Madras Electric Supply	97	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	96½	1953-63
6,61,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,72,000	4	1st April and 1st October	Tata Power	100½	15th September 1953-63
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September 1965-70
ENGINEERING					
3,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	99	30th June 1958
90,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	93½	31st December 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100½	1st October 1960-63
40,00,000	6	31st December	Textile Machinery Corporation Ltd	95	31st December 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June 1954(A)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
10,00,000	5	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July 1959(c)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June 1966
8,86,000	5	30th June and 31st December	Esplanade	95	15th July 1966
85,00,000	3½	1st January and 1st July	Hukumchand	92½	30th June 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December 1964
85,00,000	5½	30th June and 31st December	Naskarpara Jute Mills Co., Ltd.	98	31st March 1967
3,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March 1958
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96½	5th September 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September 1957
12,00,000	4	30th June and 31st December	Union	97	30th June 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	86	1st July 1956
4,03,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99½	1st November
4350,000	4½	1st January and 1st July		1908 £61½N	At 103½ at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways	1933 £77½N	1st October 1974
£201,067	5	1st April and 1st October		99	30th September 1953
3,00,000	3½	30th September and 31st March	Kalighat-Falta Railway	1934 89	31st December 1959
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	
6700,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90½N	1st September 1963
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 100	1st January 1945-55
3,65,200	5½	31st March and 30th September	Teekoy Rubber Estates	1944 100	31st March 1949-59
80,00,000	5	30th June and 31st December	Waterfalls Ltd	1943 101½	1st January 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 101	30th September 1953
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 98	31st December 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 96½	30th June 1957(1)
21,00,000	4½	1st February and 1st August	Chowringhee Properties	1915 92	1st February 1964
21,35,000	3½	1st July and 1st January	Clive Buildings	1938 88½	1st July 1986
20,00,000	4	15th March and 15th September	Dalmouse Properties	1946 87	15th September 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946 79½	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950 102	1st January 1971
20,00,000	5	15th March and 15th September	Metur Chemical Industries	1949 98	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 465 (per note)	30th September 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 410 (per note)	31st December 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951 90N	1st April 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 94	31st March 1961
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946 84½	31st December 1969
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953 103½	1st May 1968

Note—See page 886 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd November, 1953.

	Closing quotations 29-10-'53	High	Low	Closing quotations 3-11-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157	157½	157	157½
Bank of Baroda (50)	107	107½	107½	109
Central (25)	63½	63½	63½	63½
Imperial (F.Pd.) (500)	1,832½	1,830	1,827½	1,827½
Imperial (F.Pd.) (125)	453½	456½	453½	456½
Union Bank (5)	6	6	6	6
United Com (50)	36½	36½	36½	36½
COTTON MILLS				
Ahm. Adv. (100)	140	140	130xd	133½
Apollo (5)	2-7½	2½	2-7½	2-7½
Bombay Dyeing (250)	386½	396½	384½	392½
Central India (100)	168	168	163	166½xd
Century Mills (100)	271½	274½	270½	273
Colaba (100)	65	68	65	68½
Edward Textile (200)	226½	228½	226½	228½
Elphinstone (50)	44½	45½	44½	45½
Finlay (100)	252½	262½	252½	261
Gokak (100)	240xd	242½	240	241
Ind. Unit. Defd. (1)	1-7½	1½	1-7½	1-8½
Ind. Unit. Ord. (10)	10	10-14½	10-7½	10½
Indore Malwa (100)	89½	102½	88½	102½
Khatau (100)	177½	186½	177½	180xd
Kohinoor (100)	293½	299	292½	295½
Lakshmi (250)	560	562½	560	562½
Madhusudan (100)	89	—	—	87
B. R. Cotton Mills (100)	49	—	—	49
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	182½	—	—	182½
Mysore (50)	120	—	—	120
New City (100)	150½	—	—	150½
New Great (100)	155	160	154	159
Pearl Mills (100)	117½	—	—	117½
Sassoon Silk (10)	126½	130	127½	130
Sassoon Spg. (10)	19	—	—	19
Shahpur (1,000)	25½	—	—	25½
Simplex (50)	1,610	—	—	1,410
Svadeshi (100)	135	151	135	151
Swan (100)	251	258½	250	257
Tata M. (25)	312½	—	—	312½
Vishan (100)	42½	46½	42½	46½
Western India (1,000)	3,550	142½	136½	142½
				3,550
ELECTRIC COS.				
Ahmedabad (100)	114½	114½	113½	114½
Amalgamated (10)	11½	11½	11	11½
Andhra Valley (1,000)	1,276½	1,276½	1,272½	1,272½
Bom. Sub-El. (100)	126½	125½	125½	125½
Surat (100)	124½	—	—	125½
Tata Hydro (100)	124½	138½	137½	124½
Tata Power (1,000)	1,365	1,370	1,360	138½
				1,370
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	673	—	—	673
Ind. Mercantile (20	37½	38½	37½	38½
Jupiter (15)	6½	6½	6½	6½
Oriental (200)	37½	39	37½	38½
Universal (10)	6,910	—	—	6,910
Vulcan (10)	8½	—	—	8½
	11½	—	—	11½
STEAMER COS.				
Scindia (15)	14½	14½	14-6½	14-11½
STEEL COS.				
Ind. Iron (10)	24-11½	25-7½	24-10½	25½
Tata Steel Defd. (50)	1,931½	1,951½	1,926½	1,943½
Tata Steel Ord. (75)	328½	330½	327	328½
MISCELLANEOUS				
Alcock Ashdown (100)	320	332½	318½	331½
Associated Cia. (100)	173½	176½	173	176
Belapur Sugar (5)	264½	268½	264	266½
Bom. Burmah (125)	338½	346½	337½	345½
Do. (New) (50)	121½	124½	120	124½
Br. B. Petrol (4 sh.)	2½	2-7½	2½	2-6½
Br. I. Corpn. (5)	8-12½	8-12½	8½	8½
Indian Copper (2 sh.)	3	3	3	3-1½
Ind. Inv. Tr. (100)	66	67	66	67
Port Canning (100)	31½	32½	31	32½
Premier Co. (30)	97	102	96½	101
Shirpur (2)	64½	68	65	67½
Tata Chemicals (10	8-14½	9½	8½	9½
Tata Oil (25)	31½	31½	30½	31
Walchand Ind. (100	148½	—	240	148½
W. I. Match (100)	241½	243½		242½

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	98½	—	3.39	98½
2½% 1961	98½	—	3 42	98½
2½% 1960	90½	—	3 88	90½
2½% 1962	93½	—	3 91	93½
2½% 1974	91½	—	3 87	91½
3% 1957	82½	—	3 92	82½
3% 1958	98½	—	3 44	98½
3% 1959-61	98½	—	3 41	98½
3% 1964	98½	3.73	3 56	98½
3% 1963-65	92½	—	3 84	92½
3% 1966-68	92½	3 91	3.78	92½
3½% 1970-75	90½	3 98	3 88	90½
3% 1986 Con. Loan	86½	4 12	3 93	86½
3½% 1954-59	82	—	3.66**	82½
4% 1960-70	100½	3 32	3 46	100½
4½% 1955-60	101½	3 70	3 84	101½
4% 1958-68	102½	3 94	4 02	102½
3½% 1961 N.P. Bonds	104½	3.40	4.03	105½
	98½	—	3.67	98½

BRITISH GOVERNMENT SECURITIES	28-10-53 £	High £	Low £	30-10-53 £
2½% Brit. Consols	63½	—	—	63½
3% Savings Bonds 1955-65	88½	—	—	88½
2½% War Loan 1955-59	101½	—	—	101½
3½% War Loan 1952	83½	84	83½	84
3½% Brit. Iron and Steel 1976-78	93½	93½	93½	93½
4% Funding Loan 1960-90	100½	100½	100½	100½

xd—Ex-dividend. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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PROMOTION OF TEXTILE EXPORTS

MR. T. T. Krishnamachari, Minister for Commerce and Industry, Government of India, did well to come down to Bombay to attend the meeting of the Cotton Textiles Fund Committee, held here this week, which is entrusted with the task of promoting not only technical research in the manufacture of cotton goods but also exports of these goods. This Committee, an organisation set up by the Government, has been very slow in producing an acceptable scheme for stimulating exports of Indian cotton piecegoods. It, therefore, had to be given a push and this Mr. Krishnamachari did on Tuesday last by explaining the Government's attitude towards the problem and by drawing the attention of the Committee to the urgency of tackling it successfully without any further delay. The keen interest evinced by the Minister in this subject and his commendably practical approach to it is symptomatic of the Union Government's anxiety to encourage exports and to give sufficient freedom to private enterprise to do this job.

One of the reasons why the millowners did not pay much attention to the move made by the Textiles Fund Committee to check the quality of cloth exported was that it contemplated a rigid scheme of inspection of cloth before shipment by a special directorate. This may no longer be a stumbling block to prescribing a suitable form of regulation for securing an improvement in the quality of export goods and, in particular, for seeing that these goods conform to the specifications laid down by the importer. For Mr. Krishnamachari made it quite clear, in his address to the meeting of the Cotton Textiles Fund Committee, that the Government was by no means keen on acting as a policeman in this sphere and that, on the contrary, he was anxious that a non-official body, with expert knowledge and free from the restraints of Government routine, should move quickly in the interests of the promotion of textile exports. He felt that the administration of quality control might be usefully left to this non-official body. On the controversial question of the exact form of this quality control, he was not in favour of the Government taking any hasty action which might interfere with the flow of exports from the country. He has, therefore, left it to a Sub-Committee of the interests concerned to go into the whole question and evolve a practical scheme for inspection of textile exports which would ensure for the foreign buyer good quality in his purchases of textiles from this country. This is undoubtedly a constructive attitude on the part of the Minister. It is now for the millowners and exporters to hit at a suitable plan. And this they must do without undue delay, if they wish to avoid bureaucratic interference in the highly complicated export business and, more important than this, to preserve the existing markets for Indian cloth and to find new markets for it in the face of keen competition.

If employment in the Indian cotton mill industry is to be maintained, if the industry's productive capacity is to be fully utilised and if the handlooms are not to face a depression, it is very necessary for this country to export 25 per cent. of its mill-made goods. The target of 1,000 million yards fixed at the Buxton Conference is the minimum to be reached. In these days of growing competition from cotton, as well as synthetic textiles produced by countries which have superior equipment, efficient labour, and talented salesmanship, this target cannot be hit, unless a vigorous export drive is launched. A special organisation to undertake this task is necessary. It is true that there is the Export Advisory Council. But it is a too unwieldy body, representing all sorts of interests, to fulfil this task successfully. Mr. Krishnamachari's suggestion for the formation of a non-official export council, which will be exclusively concerned with the promotion of textile exports, is, therefore, commendable. In fact, it deserves to be applied to all the other principal export commodities and manufactured goods also, in which case, of course, there will be no need to have the present Export Advisory Council.

The proposed Textile Export Advisory Council will have, according to Mr. Krishnamachari, four important functions to perform. First, it will have to ensure the quality of cloth that is exported. Secondly, it will have to collect market information in various important markets accurately and expeditiously. Thirdly, it will have to conduct effective publicity and propaganda in favour of Indian textiles in all the important markets. And, fourthly, it will have to collect statistics and disseminate information, from time to time, in regard to the progress of exports of Indian textiles. The Council will be assisted by permanent representatives in the more important markets and correspondents in the less important ones, who would keep the Council continuously informed about market conditions, designs, and the reception accorded to Indian textiles in their respective markets. All these functions, as well as the machinery suggested to implement them, are, we must say, appropriate and well thought out.

Where is the money to come from for carrying out all these functions? At the moment, this question does not present much difficulty. The Cotton Textiles Fund, though a diminishing one, has still a couple of crores of rupees to its credit. This Fund was built out of the proceeds of export duty on piecegoods exported in the years 1944 and 1945. It is only in the fitness of things that a part of this Fund should be spent on measures calculated to stimulate exports at a time when the buyers' market is in full swing. It may be that, in course of time, the resources of this Fund may be found inadequate to carry on the export drive. In such an event, the Government will have to provide a grant, as it is doing now in the case of the jute mill industry. Mr. Krishnamachari has already indicated that the Government is not averse to this idea. Thus, finance is not the problem; the real problem is essentially one of finding the right type of persons to man the Council and obtaining the co-operation of all millowners for drawing up a scheme.

There are no two opinions on the need for instituting a check on the quality of piecegoods and yarn exported from this country. Not all the mills, of course, can be accused of exporting goods of dubious quality. There are certain mills which have done pioneering work in establishing export markets for their production by supplying them goods of guaranteed quality. These have been successful in retaining their markets by sticking to quality, even at some sacrifice in their profit-margin, and by discharging their obligations to importers according to the terms of the contract. But, in recent years, many mills have entered the export market and have been sending cloth of doubtful quality, packed in a careless manner. Serious complaints that a number of mills has not been supplying goods according to the terms of contract have also been alleged. Delay in delivery, poor markings, defects in weaving, submission of incomplete invoices, and reluctance to settle disputes promptly are some of the other charges made against Indian exporters. An *ad hoc* survey conducted in certain selected mills in Bombay and Ahmedabad revealed that defects in respect of length, weight, picks, etc., were far less numerous than weaving flaws which spoiled the texture of cloth to such an extent as to bring a bad reputation to the country. These defects still persist, although a buyers' market has been in existence for nearly two years now, thereby disproving the contention of some that return of competitive conditions will automatically do away with the need for inspection. Only a few days ago, we came across a complaint from Canada, backed by solid proof, about a shipment of grey drill cloth produced by one of the big mills in Bombay under a well-known managing agency house. The cloth was supposed to be high-grade drill, but it was so poor in quality that it was classified, after proper laboratory tests, as "rejects." It contained considerable starch and very many weaving defects. This cloth was so defective that the importer, whose idea in buying it was to bleach and sanforize it, had to use it for making bags! Even the Millowners' Association, Bombay, which has been rather touchy on this subject, has always admitted the necessity for controlling the quality of cloth meant for export.

There is, however, a keen controversy on the form of control and the method of its administration. The Bombay Millowners' Association, for instance, has been contending that the suggestion made by the Export Sub-Committee of the Cotton Textiles Fund Committee towards the close of 1951, envisaging the establishment of a special organisation for inspecting cloth before shipment, is unworkable. The Association is of the view that, even with a large army of inspectors examining cloth before despatch for export, there will be scope for malpractices. It has adduced sufficient evidence in support of this view. During the war years, for example, despite an elaborate scheme of inspection, there were several cases of substandard material being despatched to the Ordnance Depots, even though such had been officially passed by the Inspectorate. It is indeed, pointed out that this scheme, if implemented, might do more harm than good. For, if, after the institution of inspection and certification, unsatisfactory materials were exported

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from India, it would completely wreck all confidence in the commercial integrity of the country and nothing that individual mills have been doing to help promote exports would be of any avail. The Association's suggestion has been the adoption of a system of standard contract. Such a contract provides, the Association claims, several features which will adequately protect the interests of importers, without providing scope for corruption and malpractices, the inevitable evils of control.

The contract provides, to mention some of its advantages, for a correct description of the cloth, together with quantities, particulars of delivery, assortment, prices, etc., a standard requirement as regards packing, with every contract being supported by signed basis samples. It provides, besides, for grant of export samples, inspection by the buyer or his representative before the goods are exported, and defines the rights and liabilities of both the parties under the contract. Further, the contract provides for arbitration under the rules of the Association, in the event of any dispute arising from the contract which would give ample opportunities to the buyer to place his complaint before two impartial commercial arbitrators. What is more, compulsory obligation is to be imposed on the mills becoming party to any arbitration, even if it is held in certain overseas markets, and becoming liable, as though the award was made against them, in spite of the cloth being actually supplied to the overseas markets through a middleman. There is considerable force in this suggestion of the Association, but, for some reason or other, it does not seem to have received the unanimous support of the industry. If it had, it should have been working in full swing by now. The issue is thus a complicated one and it remains to be seen what satisfactory solution will be offered by the Sub-Committee of the Textiles Fund Committee which has been asked to draw up a practical scheme by the Commerce and Industry Minister.

Whatever scheme the Sub-Committee may recommend, it cannot, by itself, automatically lead to an improvement in the volume of India's export trade in cloth, unless every mill that participates in the export trade, is honest, subjects itself to self-discipline and makes a conscious effort to fulfil its commitments according to the terms of the contract. Many of the complaints from overseas markets could have been eliminated if all the mills had a regular system of inspecting cloth produced by them and of rejecting faulty production. Unfortunately, there are only a few mills in this country which have this system. Again, the defects in the quality of cloth cannot be completely eliminated, unless the workers cooperate and raise their efficiency, and the machinery employed is modern and up to date. The old and outmoded machinery, which accounts for the major portion of the industry's equipment, is as much responsible for low level of efficiency, poor quality of products and high cost of production, as bad management and indifferent labour. If the Indian textile industry is to make any sustained headway in the world trade in cotton textiles, these basic defects in it must be remedied as quickly as possible.

U. K.'S ACHIEVEMENTS

IT is now two years since the present Conservative Government in the U.K. was sworn into office under the dynamic leadership of Sir Winston Churchill. It came to office at a time when the country was passing through a crisis in its balance of payments position, and a further devaluation of the pound was the most popular of the market rumours. The threat to world peace still loomed large. It commanded but a narrow majority in Parliament—a position which has not changed significantly since then. After two years of strenuous work, it can look back on some solid achievements to its credit. Last week, when Queen Elizabeth II addressed the Houses, followed by the British Premier, Sir Winston Churchill and the Chancellor of the Exchequer, Mr. R. A. Butler, there was quiet optimism in all that they said. Neither the Premier nor the Chancellor boasted of spectacular results. But the speeches did ring true whenever references were made to what the Government had done.

What then have been the results? First and the foremost of Britain's achievement has been in the field of balance of payments. No longer does Britain face the crisis in its external trade position, which was by far the most serious problem it faced in 1951. The following tables summarise the volume and value of total imports and exports of the U.K. during the third quarter of 1953, compared with earlier periods:

Period	Trade as declared	Index Numbers	
		Average value	Volume
U.K. Exports:	(£ million)	(1950 = 100)	
1953—			
3rd quarter ..	634.7	118.7	97.1
2nd quarter ..	630.0	119.6	95.7
1st quarter ..	625.6	121.2	93.7
1952	2,583.6	123.5	95.0
1951	2,614.0	117.3	101.2
1950	2,202.4	100.0	100.0
Total Imports:			
1953—			
3rd quarter ..	824.4	113.2	111.6
2nd quarter ..	875.0	115.4	116.1
1st quarter ..	817.1	117.7	106.4
1952	3,483.5	129.5	103.0
1951	3,905.9	133.0	112.5
1950	2,611.4	100.0	100.0

It will be seen from the table above that the deficit invisible external trade, witnessed in 1951, was converted into a surplus in 1952, though this had been achieved only through a sizable reduction in imports. Judging by these figures, the outlook for the current year is not very bright. But then, one will have to take into account the invisible items of trade too. The following table gives the overall picture of Britain's external trade:

U.K.'s External Trade (Current Account)

(£ million)

	1951	1952	Jan.-June 1953
Total debits .. .. of which	4,283	3,771	1,835
Imports	3,496	2,927	1,457
Total credits .. .. of which	3,869	3,919	1,861
Exports and re-exports ..	2,749	2,825	1,317
Balance (credit+ debit—)	—414	+148	+28

The improvement in the balance of payments position is reflected in the U.K.'s decision to relax restrictions on its import trade with the E.P.U. countries. It is also reflected in the sterling area's gold and dollar reserves. Elsewhere in this issue, the movement of these reserves has been reviewed at some length. These reserves, as a reference to the article will show, stand at $2,520 million as at the end of October, 1953, as compared with $2,486 million at the end of the previous month and $1,685 million at the end of the third quarter of 1952.

More impressive to observers outside the U.K. are the great efforts that are being made by the present Government to return to freedom of trade. Many materials, such as grains and non-ferrous metals, which were subject to centralised buying, have been returned to private hands. Rationing restrictions have been relaxed or ended in the case of a large number of commodities. Steel and transport have been denationalised. This has been made possible not only by world factors, such as the easier availability of commodities, notably grains, but also by the continuing high level of industrial production. The index number of industrial production (Base: 1948=100) was 110 for July, 1953, though it was much higher in May and June, this year, at 123 and 118, respectively. The average for 1952 as a whole was 114 and for 1951, 117. Provisional estimates of production in September, 1953, place it at as high as 125-126. Many industries have shared in this increase in production. The output of food, drink and tobacco has increased over the level in 1952 by 6 per cent., of vehicles by 6 per cent., of textiles by 30 per cent., of clothing by 15 per cent. and of chemicals by 14 per cent.

How have these results been achieved? What is the mainspring of the recent upsurge in business activity in the U.K.? Apart from Britain's traditional national virtues of hard work, perseverance and grit, which the country continues to possess despite the recent trend towards the soft life under a Welfare State, the main reason for Britain's recovery must be sought in the sense of realism which the present Government has brought to bear on the country's economic policies. In his buoyant survey of the Government's intentions, Sir Winston Churchill emphasised that their main aim was to reduce controls and restrictions and to reverse, if not to abolish, Socialist method of purchase and marketing. He added: "We hope instead to develop private enterprise, founded on the law of supply and demand, and to restore to the interchange of goods and services that variety, ingenuity and incentive on which we believe the fertility and liveliness of economic life depend." Mr. Butler spoke in the same vein. He claimed that the Government's policy was to move towards the operation of the economic mechanism of freedom of initiative and to give the individual the opportunity of expansion and development without which the country could not be saved. The aim is thus to restore the ancient Anglo-Saxon virtue of personal initiative and effort. In fine, the present Government is determined to see that freedom is restored to as wide an area of economic activity as possible. Here is something which this country, still struggling hard to attain economic stability, might well ponder. If the U.K., which depends on imported food and on imported raw materials, such as cotton, to a relatively larger extent than India, can adopt bold policies of freedom for private enterprise, is not this country unduly cautious when it refuses to make a move in the same direction? Although national characteristics vary, they do not differ so widely as to eliminate human nature. This is evident from the fact that, even in this country, the sectors which have shown the most outstanding results—food and textiles, for instance—are those which have been rescued from the strangle-hold of bureaucratic restrictions. What Indian economy needs to-day are the invigorating air of freedom and some incentive for enterprise.

All this is not to suggest that the U.K. is out of the economic wood. Perhaps, Mr. Butler knows this more than any other person, for he emphasised that, although a "remarkable improvement" had taken place in Britain's internal position, "miracles could not be expected." Much has been done. But much remains still to be done. There is no knowing whether, and if so when, the pound will become convertible. And what is more, it must be remembered that even the achievement in the sphere of external trade could be wiped out, if there were further wage inflation. Mr. Lionel Robbins estimated recently that a wage inflation of 10 per cent. relatively to wages elsewhere would price Britain out of a great many markets. Mr. Butler, therefore, rightly pleaded for both dividend and wage restraint. It also remains to be seen how well the U.K. would be able to stand up to the steadily rising competition from its old rivals, Japan and Germany. In saying "Well done" to Britain, one must, therefore, be careful not to overdraw the picture. Nevertheless, if Britain's performance in the last two years is any guide, it should be able at least to maintain its rate of progress.

LIVERPOOL COTTON MARKET

THE U.K. Government has taken one more step towards freedom for trade through its decision to wind-up the Raw Cotton Commission, as soon as possible, after 31st August next. Many commodities, including non-ferrous metals and grains, have already been returned to private trade. Last year, the Government gave partial freedom to cotton users who were permitted to make their own arrangements for the import of cotton. About 30 per cent. of the spinners chose to avail themselves of this opportunity. This year, the proportion rose to 56 per cent. Obviously, the British Government now feels that the entire cotton import trade could be safely entrusted to private channels. Lord Woolton, Minister for Materials, announced last week that the Government intended to enable the private cotton futures market to reopen at Liverpool and that steps would be taken to wind-up the Raw Cotton Commission.

Towards this end, the Government has framed a new Cotton Bill. The purpose of the Bill is to provide the necessary facilities—without restrictions except on re-export—to obtain cotton from all sources, so that a private futures market could be reopened. The Bill seeks to end the activities of the Raw Cotton Commission which will cease to provide cover for the industry at the end of August next year. It will thus remove the Commission's obligation to buy, import and sell all the raw cotton needed by the U.K. industry. This change takes place immediately the Bill becomes law with retrospective effect from 1st September, 1953.

The termination of the functions of the Raw Cotton Commission removes the main obstacle in the way of the resumption of the Liverpool cotton futures. So long as the Commission remained, some mills would continue to use its services. Its removal would compel all the mills to make their own arrangements for the import of cotton, or, more generally, to utilise the private trade channels for this purpose. There is, however, one more obstacle before the Liverpool Cotton Exchange, closed since 1941, could resume its services. This obstacle relates to the restriction on the import of dollar cotton. It would appear that freedom for the import of American cotton could be conferred on the trade any time by changes in administrative regulations.

BUSINESS MEN SLIGHTLY OPTIMISTIC

UPWARD TREND IN JUTE AND JUTE GOODS—PLIGHT OF ELECTRICITY UNDERTAKINGS

THURSDAY, 5 P.M.

THE Hindu New Year has been received by the business community in a spirit of mild optimism. Although the trend of prices in *Moorat* trading was not uniformly upward in all the markets, business men were in good cheer. For some inexplicable reason, they all felt that the new year would bring prosperity to the country.

MARKET GOSSIP

A few, however, argued that this was not a mere formal sentiment on an auspicious day but that it had some substance behind it. Their contention was that pressure of circumstances would force the Governments to follow a more realistic economic policy, giving a little more freedom to private enterprise. The Taxation Enquiry Commission would submit an interim report and any recommendation that it might make could not but be in favour of a reduction in the burden of taxation, so ran the thoughts of this section of business men. It expected also a further relaxation in the credit policy of the Government and a reduction in the Bank rate in the coming summer, on the eve of the flotation of new loans by the Central Government. The downward trend in prices of raw materials and food was not interpreted by it in a bearish manner, as some seem to do. On the contrary, it was regarded by this section as a pointer to lower cost of living and an improvement in the purchasing power of the rupee. It is easy to counter these arguments and paint a convincingly pessimistic picture. That, however, will serve no useful purpose. To hope for the best is always better than to fear the worst, even if there be some justification for it. There is no doubt that general economic conditions in the country are still inherently sound and that it is not yet too late to take the country back to the path of swift and sound progress, provided the powers-that-be, both in the Centre and the States, give up their fads and reorientate their economic policies on realistic lines. It is to be devoutly hoped that wisdom will dawn on them before it is too late.

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Over the week, equity values do not show much appreciation. On the other hand, the number of scrips which have suffered losses is greater than those that have registered some gains. This suggests that the curve which has been moving upward in recent weeks is once again tending to flatten out, albeit at about the high levels seen during the past few days. If it does so, it will be the most logical thing to happen, for the rise in prices has been due more to speculative activity than to genuine investment buying. The cushion provided by the large short position, which had existed for a long time now in some of the leading counters, seems to have thinned down for the present. The significance of this situation is that the market may be more vulnerable to adverse developments than ere now.

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Although the performance of equities during the first week of the Hindu New Year has not been as encouraging as in the closing weeks of the old year, some of the scrips have been displaying renewed strength since Tuesday last. Notable among these are the cotton textile shares in Dalal Street and jute shares in Clive Street. This, however, is understandable in the light of slightly encouraging reports from the cloth and gunny markets. The turnover in cloth has improved perceptibly at steadily hardening rates. It is not possible to give a precise indication of the extent of improvement in this market, but it is reported that prices have looked up by 8 to 10 per cent., since the reliefs announced by the Government of India a fortnight back. A description of the gunny market is given in subsequent paras. It will be seen therefrom that, in the past one and a half months, both sackings and hessians have risen in value by about 12 per cent. These developments are doubtless encouraging, but it is too early yet to draw the conclusion that the jute and the cotton textile industries are out of the wood. Investors in the shares of jute and cotton mill companies will, therefore, do well to make a cautious move, for reasons mentioned in these columns last week. An additional point to be made here in regard to jute shares is that the rise in raw jute has been steeper than in that of jute goods. Scope for selective buying, however, may be there, because companies under prudent management ought to be in a position to report fairly good profits and pay decent dividends.

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Two important companies, the shares of which are active counters on the Stock Exchange, have announced their dividend results this week. One is the Indian Iron and the other Bombay Burmah. To take the former first, the dividend at the rate of Re. 1 per share is in accordance with the expectations of the market. The only element of surprise about it is that it was announced a little earlier than expected. Market circles were feeling that, in view of the recent strike in the I.I.S.Co.'s works at Burnpur and of the delay in the Tariff Commission's decision on the Company's plea for raising the retention price for its products, there would be some delay in the publication of the Company's accounts and payment of dividend. They have, of course, been correct in holding that view, for the Company's accounts have not yet been published. But the Directors have sprung a pleasant surprise on the market by deciding to let the shareholders have their return in the form of an interim dividend. They have, of course, made it clear that there will be no final dividend and that what is now declared as interim will be the only distribution for the year ended 31st March, 1953.

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The I.I.S.Co.'s dividend result has been well received by the market. Pricewise, however, it has had no appreciable effect on the Company's shares. But the continued firmness of this scrip is due partly to the strength of jute shares and partly to the Company's production results for October, 1953. During this month, the Company produced 55,800 tons of pig iron and 17,850 tons of finished steel, as against 21,320 tons and 2,840 tons, respectively, in September, 1953. A comparison with the production in the previous month cannot give a correct indication of the Company's progress, for the simple reason that the Burnpur Works were not working at full pressure throughout that month. A comparison with the output in some of the months before the strike commenced will be the proper thing to do. Such a comparison will show that, in the month of May, when a section of the workers indulged in go-slow tactics, the output of both pig iron and finished steel was higher than in October, the exact quantity turned out being 57,810 tons and 19,700 tons, respectively.

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The Bombay Burmah Trading Corporation has announced a final dividend of 8 per cent. for the year ended 31st May, 1953, as against 12 per cent. for the preceding year. It will be recalled that, in August last, the Company paid an interim dividend of 4 per cent., as against 6 per cent., the corresponding distribution for the previous year. Thus, the Company has reduced both the interim and final dividends for 1952-53, the total for the whole year being 12 per cent., as compared with 18 per cent. for 1951-52. In other words, there has been a cut of 33⅓ per cent. in the dividend. This is not surprising, considering that the prices of tea realised during the major part of the year were poor and unremunerative. In fact, having regard to this development and to the unsatisfactory trading conditions in timber in the past year, even a return of 12 per cent. must be considered satisfactory. Incidentally, the market seems to have anticipated a cut in the final dividend also, for the trend of the Company's shares even during the recent upward movement of equities in general was not impressive. After rising from Rs. 323-2 in September to Rs. 346-14 a few days ago, they were hammered down from Rs. 343-12 on the *Moorat* day to Rs. 323-12 on Monday. Thereafter, there was a slight recovery, the closing rate being Rs. 330-10. At this rate and on the basis of a dividend of 12 per cent. per annum, the yield works out to a little over 4.5 per cent., free of income-tax. This is doubtless too low a yield as compared with what can be had on other first class shares, but a point that needs to be borne in mind, in this connection, is that the Company's financial position is quite strong and its management is efficient, as well as enterprising. Further, tea prices in recent months have gone up and it is not unlikely that the Company will be in a position ultimately to show better results for the current year.

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The jute and jute manufactures markets in Calcutta have been displaying a firm trend. They have evidently shaken off the lethargy one witnessed in the fortnight following the cut in hessian export duty on 15th September last. Cheerful conditions which came to prevail early in October have persisted since then. Under sustained speculative activity, prices of both jute goods and raw jute have made an impressive headway. Despite intermittent profit-taking, both hessians and sackings have forged ahead and their quotations to-day are about 12 per cent. higher than they were early in October. The improvement in the prices of raw jute was more pronounced than in those of finished goods, in that they have, in the course of the past six weeks, registered a rise of 27 per cent., notwithstanding the ban imposed on futures trading in the raw material.

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A clearer picture of the rise in prices can be had from the fact that B. twills have risen, in this period, from Rs. 91 per 100 bags to Rs. 101-10, and hessians 40 oz. x 10" from Rs. 43 per 100 yards to Rs. 48-8 in the ready section. Forward positions, too, are higher. It is reported that, in recent weeks, hessians were in good demand and that mills have booked orders upto March, 1954, and in some cases even upto June. A feature of the market is the keen demand for jute goods specialities which are free from export duties, but sellers in these are few. Accordingly, only stray deals are reported and that too at substantial premiums. Much of this firmness in hessians is attributed to bear-covering induced by favourable overseas advices. But the U.S.A. has shown no inclination to follow the increase in prices.

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The improvement in sackings is more significant. Although some of this improvement has been in sympathy with hessians, the main cause for the boost is the marked reduction in sacking stocks at the end of October. The I.J.M.A. figures reveal that they stood then at 70,100 tons, as compared with 79,800 tons a month previously. Besides, there have also been genuine overseas enquiries. Further, some exporters who had sold to Burma without cover in the futures market have been making feverish purchases for delivery before next shipment. It is also expected that both Australia and New Zealand, which have stayed away from the market for a pretty long time now, will resume their purchases sooner or later. And what is more, the bullish sentiment seems to have been strengthened by the belief, as has been pointed out by the *Financial Times*, London, that "a good demand for both jute and jute goods is likely to outlast this year." At the same time, the warning sounded by that paper to the effect that any sharp increase would again bring jute into competition with cheaper substitutes has, however, not yet made itself felt on the speculators.

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In the raw jute market, a firm undertone is noticeable, though at the current high levels, with Assam bottom ruling at about Rs. 27 to Rs. 28 per maund, mills are not showing much interest. They seem to be now fairly well stocked with raw jute, having made purchases to the extent of about two lakh maunds in the course of a couple of days last week. The low forecasts of the jute crop in Pakistan by officials of the Pakistan Government, the increase in jute prices in the U.K., the rising burlap consumption in the U.S. and the better competitive ability of Indian jute mills *vis-a-vis* their confreres in Europe have induced a robust optimism about the outlook for raw jute. Stocks with the trade have considerably gone down and arrivals from up-country centres have slowed down for two reasons. First, wagons seem to be not available freely for transporting jute from stations in North Bengal to Calcutta. Secondly, having been preoccupied with paddy-harvesting cultivators seem to be not keen on disposing of the jute held by them. Of course, large quantities of Pakistani old crop are on offer but buyers are chary of entering into commitments, because of the disappointment experienced by them regarding deliveries in the past.

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Inscrutable are the Government's ways at any rate so far as the electricity industry is concerned. There is no dearth of speeches made, emphasising the need for generation of electricity for industrial purposes, for bringing light to the dark homes in the rural areas, and for equipping the small-scale industries with power-driven machinery in order to enable them to increase their production. But when it comes to taking the necessary decisions that will enable the electricity undertakings to augment their capacity or will enable new units to start functioning, there is not only no willingness on the Government's part to concede the legitimate claims of the industry for an adequate return but even positive obstruction. The paradox is, in fact, too apparent to escape notice. And yet, it still escapes the Government's attention. Mr. K. G. Milne, Chairman of the Federation of Electricity Undertakings in India did well, therefore, in his forceful, ably-argued address at the recent annual meeting of the Federation, to draw the Government's attention to the many obstacles which block the way to larger production of power in this country.

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The chief of these obstacles is, of course, the Government's failure to grant even a small increase in the basic rate of return on investment which is now fixed at 5 per cent. The industry has consistently pleaded, during the last two years, for an increase in this rate, on the ground that it is inadequate to attract new money to the industry. But the Government has turned a deaf ear to these representations saying that it is unable to spare its Parliamentary time for moving the necessary amendments to the Electricity (Supply) Act. In this connection, Mr. Milne said: "The Bank rate may go up, the interest rate on Gilt-edged securities may in sympathy move forward, the fully secured loans of the Central Government's own Industrial Finance Corporation may even demand an interest rate as high as 6¼ per cent; and all these by executive moving in response to the day-to-day pressure of economic laws. Yet our request for a modest increase of one per cent. (making 6 per cent.) in the basic rate of ordinary equity risk return to be permitted to the investor in the electricity supply industry has to be taken before the seat of the Government itself, and for two years has been kept waiting in vain to get that far."

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Anticipating the possible objections to the industry's demand for an increase in the legal limit of return, Mr. Milne said that the Government was probably thinking that certain large electricity undertakings had been able to raise equity capital, despite the restriction on return, and that the level of dividends had not appreciably fallen. Answering these objections, he said that, if some companies had been able to raise equity capital, it was due to the "persistence of the confidence of habit among the investing public, coupled with an element of anticipation that the Government would soon accept the strength of the industry's case for raising the rate of return." So far as the second objection was concerned, he warned that it was due to such "lingering strength" as remained in the companies' past revenue reserves.

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Yet another problem which faced the industry was that of double taxation, which arises from the difference between the law of income-tax and the electricity legislation in the matter of taxation of electricity companies. In this connection, he said: "Having failed so far to persuade the revenue authorities to amend the income-tax procedure, attention, for the present, has been switched to certain income-tax appeals pending before the Appellate Tribunal in Bombay and the High Court in Madras." An equally serious source of trouble for electricity companies lies in the Companies Bill, for the Bill's provisions relating to the remuneration of managing agents are materially different from those of the Electricity (Supply) Act. Mr. Milne recognised that the Bill specifically laid down that its provisions in relation to electricity undertakings would hold good only in so far as they were not repugnant to the provisions of the

(*Continued on page 935*)

EQUITIES REVIVE AFTER EARLY DECLINE

BOMBAY BURMAHS WEAK

(From Our Own Correspondents)

BOMBAY, 12*th November*

TWO-SIDED movements in prices characterised trading on the Stock Exchange during the week under review. Early in the week, bearish sentiment was in evidence during the *Moorat* session and widespread losses were noted all round. The New Year, however, opened on a cautious note; but gradually, confidence revived and a certain measure of stability was achieved, as small replacement buying and covering by short sellers paved the way for a recovery of the major portion of the losses suffered during the *Moorat* transaction. The closing levels for the week were, therefore, slightly lower than those at the close of last week in most of the counters.

Activity was once again influenced by the behaviour of the textile shares during the week. During the *Moorat* session these shares bore the brunt of selling pressure, reflecting the operators' apathy towards the Textile Commissioner's statement indicating the Government's disinclination to grant any further concessions to the textile industry by way of reduction or abolition of export and excise duties. The wave of selling which followed in textile shares spread to other sections also. The revival during the latter part of the week was attributed to the Commerce Minister's proposal to form a Council for Promotion of Textile Exports. Further, the reports that some mills in Bombay had booked orders for their cloth for some months ahead also fanned speculative enthusiasm. However, activity was not as large as in the previous week.

In the steel section, the notable event of the week was the decision of the Directors of the Indian Iron and Steel Co. Ltd., to maintain the dividend for the year 1952-53 at Re. 1 per share. This was in accordance with the general anticipation in market circles. The shares of the Company maintained a steady front, moving between Rs. 25-14½ and Rs. 25-7 till yesterday. But to-day the shares hardened to Rs. 25-10½ on speculative support. Tata Deferreds dropped during the *Moorat* session on Friday from Rs. 1,943-12 to Rs. 1,935 and the recession continued on Monday also, when they touched a low of Rs. 1,923-12. Subsequently, there was, however, a recovery to Rs. 1,941-4 at the close. Tata Ordinaries were featureless and after experiencing narrow movements, finished a fraction better at Rs. 329.

In the textile section, Bombay Dyeings dropped from Rs. 392-8 to Rs. 381-4, but in the latter recovery, they could not regain their earlier losses completely. They finished, therefore, with a loss of Rs. 4-6 at Rs. 388-2. After an initial recession from Rs. 295-8 to Rs. 290, Kohinoors were concerned in strong speculative buying by a "syndicate." The scrips shot up, as a result, to Rs. 300-8 to-day before closing at Rs. 298-4. It will be noted that for the first time after nearly three months, Kohinoors crossed the Rs. 300 mark to-day. Central Indias finished with a small loss of Re. 1-8 at Rs. 165. Centurys picked up Re. 1-8 to Rs. 274-8, Gokaks a rupee to Rs. 242, Khataus as much as Rs. 16-4 to Rs. 196-4, New Greats a rupee to Rs. 160. Simplex dropped Re. 1-12 to Rs. 149-4, though at one time during the week they had touched a low of Rs. 144-8.

Bank shares were quiet and small losses were noted over the week. Barodas lost Re. 1-4 to Rs. 107-12, Centrals a fraction to Rs. 63-8, their new shares to Rs. 65-12, Indias Rs. 2 to Rs. 153-12, Imperials (F.P.) Re. 1-4 to Rs. 1,826-4 and Contributories Rs. 5 to Rs. 451-4.

In the electricity section, activity was mostly centred round the Tata Hydro group shares. Andhra Valleys were wanted Rs. 5 better at Rs. 1,277-8, their Rights Rs. 8-12 higher at Rs. 170 and Coupons Rs. 2-8, at Rs. 34-8. Tata Powers held their own at Rs. 1,370, while Rights hardened by Rs. 8-12 to Rs. 241-4 and Coupons by Rs. 2 to Rs. 48. Tata Hydros put on Re. 1-8 to Rs. 140, Rights Re. 1-4 to Rs. 25-4 and Coupons As. 12 to Rs. 9.

In the miscellaneous section, Alcocks wound up the week Rs. 2-8 lower at Rs. 328-12 and Belapurs Rs. 7 down at Rs. 259-8. A.C.Cs were steady around Rs. 176-12. Bombay-Burmahs proved a sad spot as on continued selling pressure they lost Rs. 15 to Rs. 330-10. The Directors of the Company have reduced the final dividend for the year ended 31st May, 1953, to 8 per cent. from 12 per cent. paid for the previous year. B.I.Cs were a feature with a rise of As. 7½ to Rs. 9-3½ on consistent buying from Calcutta. Killicks improved by Rs. 3 to Rs. 160.

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Calcutta Stock Exchange

CALCUTTA, 11*th November*

Despite the intervening holidays on account of *Kali Puja* and *Diwali* festivals, there was a broadening of activity on the Calcutta Stock Exchange during the week under review. Operators evinced keen interest in business on expectations of better trading conditions in the coming weeks. Firmness of the jute goods market and bullish advices from Bombay further hardened the sentiment of the market. The volume of transactions put through was fairly large with values of scrips moving upwards. The undertone of the market was fully steady.

Trading in the engineering section was particularly brisk this week. Speculative activity continued to be in marked evidence in Indian Irons, as the dividend of Re. 1 per share, announced by the Directors, was in accordance with the market's expectations. Further reports regarding steady uptrend in production at Burnpur Works and rumours of an early announcement of higher retention price for steel produced here also helped to strengthen the tone in these shares. The quotation for Indian Irons moved up from Rs. 25-4 to Rs. 25-10 and subsequently declined to Rs. 25-4 on profit-taking following the announcement of dividend. The announcement regarding the issue of bonus shares by Burn and Co., Ltd., led to a notable rise in the value of these scrips. They moved up from Rs. 337 to Rs. 342.

The jute section provided a bright spot, with improvement spread over all important counters. Notable among these were Anglo-Indians which rallied 20 points to Rs. 231 and Kinnisons which gathered Rs. 11 to Rs. 204. Howrahs were dealt in at Rs. 25-1, as against Rs. 24-3 early in the week. Deltas improved from Rs. 229 to Rs. 233.

Miscellaneous scrips were well maintained with B.I.Cs improving from Rs. 8-11 to Rs. 9-6. Calcutta Trams were better at Rs. 13-1.

The coal section, however, proved an exception and displayed easy conditions on reports of a downward trend in exports. Burrakurs came down to Rs. 8-12 and so also Central Indias to Rs. 5. Talchers lost As. 2 to Rs. 2-9.

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Madras Stock Exchange

MADRAS, 10*th November*

The Madras Stock Exchange ruled distinctly bright during the week under review. The steady undertone of the Bombay market lent some support. Textile scrips ruled steadier on reports of better offtake of piecegoods at the various consuming centres. Besides, cloth export advices were encouraging. Among plantings, tea scrips came in for brisk trading, on better prices fetched in tea auctions held at Calcutta. The performance of rubber scrips too was encouraging on speculative enquiry. Miscellaneous scrips proved no exception to the generally cheerful sentiment of the market. As a result, the volume of business done in the market was considerable and prices recorded sizable gains over the week.

Textiles were very active with favourites coming in to record sizable gains. Metturs shot up from Rs. 197 to Rs. 201. Venkateshas were higher by Rs. 3 at Rs. 70. P. Andavars 'A' and 'B' put on Rs. 2-8 each to Rs. 68 and Rs. 93, respectively. Bangalore Woollens were done at Rs. 272-8, as against Rs. 270. Balasubramania Rs. 40 paid-up and Rs. 70 paid-up, gathered Re. 1 each to Rs. 35-8 and Rs. 59, respectively. Krishna Rajendras too were higher by a similar amount at Rs. 48-8. Cambodias were better by As. 4 at Rs. 11 and Travancore Rayons by As. 2 at Rs. 5-5. Maduras, however, lost As. 4 to Rs. 39-4.

Among plantings, teas met with selective enquiry. Parkside disclosed a gain of As. 10 to Rs. 14-12 *cum-div.*, and Peermades As. 4 to Rs. 26-8 *cum-div.* Kalasas rallied As. 2 to Rs. 10-4, and Chembras an anna and a half to Rs. 2-12½. Periakaramalais and Chandramalais were slightly better at Rs. 7 and Rs. 3 *cum-div.*, respectively.

Rubbers too were active. Malankaras shot up by Rs. 3 and finished at Rs. 106. Vaikundams improved by As. 12 to finish at Rs. 15-12. Rajagiris gathered As. 8 to Rs. 13-6. Pullangodes advanced by As. 2 to Rs. 3. Cochin Malabars and Velimalais were better at Rs. 6-12 and Rs. 2-6, respectively.

In the miscellaneous section, Mysore Tobaccos advanced by As. 8 and finished at Rs. 10-6. E.I.D. 'B' Sugars were higher by As. 6 at Rs. 21-12. Mysore Chromes hardened by As. 4 and closed at Rs. 5-4 *cum-div.* Mettur Chemicals were up by As. 2½ at Rs. 4-11½.

(Concluded from next column)

Rs. 30 lakhs. Provision for taxation is as much as Rs. 90.24 lakhs and current liabilities stand at only a modest level of Rs. 40.96 lakhs. The gross block, at Rs. 69.24 lakhs, has been written down to a mere Rs. 13.91 lakhs. The current assets amount to Rs. 243.99 lakhs and exceed current liabilities and tax provisions by the huge margin of Rs. 130.79 lakhs.

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DIVIDEND REPEATED—FINANCES SOUND

AFTER having raised the dividend in three successive years, from 16.75 per cent. for 1948-49 to the record level of 32 per cent. for 1951-52, if the Directors of the Belapur Company, Ltd., as was mentioned in these columns last week, have chosen to repeat the dividend for the year ended 30th September, 1953, at 32 per cent., it suggests at once that the results for the latest year must have been equally satisfactory, if not more encouraging. The audited statement of accounts of the Company for 1952-53, now available, shows that the Directors' decision to repeat the dividend is amply justified. The year under review, the Directors state, was once again highly satisfactory and a record one in several respects. The earnings have been nearly maintained at the previous year's level, the gross profit for the year being Rs. 56.29 lakhs, as against Rs. 57.40 lakhs for 1951-52. This small recession in gross profit is stated to be due to the imposition of the temporary excise duty introduced by the Government of India on 6th November, 1952, and continued throughout the season.

The following table brings out clearly the salient features of the Company's results for the year under review, as compared with those for the previous four years:

(In thousands of rupees)

	Year ended 30th September				
	1953	1952	1951	1950	1949
Sale proceeds ..	1,77,62	1,18,55	93,77	1,12,00	1,05,09
Closing stock ..	14,37	41,19	19,28	1,04	58
Excise duty and sugarcane cess ..	28,10	17,62	13,55	16,02	12,94
Other expenses ..	68,57	63,25	58,83	57,02	54,19
Gross profit ..	56,29	57,40	45,28	42,63	39,28
Managers' remuneration.	5,73	5,90	4,67	4,40	4,05
Depreciation ..	4,76	5,48	4,95	4,77	3,77
Taxation ..	21,00	20,00	15,00	14,40	16,00
Net profit ..	24,79	26,03	20,66	19,46	15,47
Transfer to—					
Reserve funds ..	3,00	4,25	2,00	6,25	5,15
Other funds ..	7,00	6,36	5,50	2,50	2,50
Dividend ..	15,04	15,04	13,16	11,75	7,87
	(32%)	(32%)	(28%)	(25%)	(16.75%)
Carry forward ..	64	80	52	52	56

Commenting on the trading conditions that prevailed during the year and the working of the Company in particular, the Directors observe as follows:

"Sugar is still sold by releases under directions from the Government of India, and this year releases, while unsatisfactory in the early stages of the season, which resulted in the storage of large quantities of sugar and the locking up of substantial amounts of money, did ultimately work more satisfactorily, and, as will be seen, the stocks at the closing of the year were at reasonably low levels. An outstanding feature in the industry was the disclosure by the Government of India that the consumption of sugar throughout India had been very much higher than they had anticipated and this led to the import of foreign sugar by the Government of India.

"The efficiency of the factory was maintained at a high level during the year and the 'recovery' of sugar produced on cane established a new record. On the estate side also, new records were achieved in the amounts of cane, and sugar recovered per acre. We still grow under Government direction food crops on our estate and in the course of time this must have some effect on the fertility of our soils. No outside cane was available for purchase in the neighbourhood during the year, due to the very high price which prevailed for *gur*."

It will be noted that, although the gross profit for 1952-53 is a shade lower than that for the previous year, it is the second best since 1948, when the industry was free from control and when the Company made a record profit of Rs. 66.43 lakhs. So far as the allocation of net profit is concerned, there has been a slight deviation from the previous year's allocation. No sum has been set aside for crop insurance fund which had received Rs. 1.36 lakhs last year. Provision for the housing scheme has, on the other hand, been stepped up from Rs. 5 lakhs to Rs. 7 lakhs and the transfer to the reserve fund has been maintained at Rs. 3 lakhs. The stepping up of the allocation to the housing scheme is an indication of the Directors' keen desire to provide housing facilities for the Company's workers. The Company's scheme for housing many of its workers is said to be now nearing completion. It is expected that this will be formally inaugurated early in December this year.

The Company's financial position is quite sound. The reserves and surplus aggregate Rs. 79.70 lakhs which are equal to more than 150 per cent. of the paid-up capital of Rs. 47 lakhs. The reserves include a general reserve of Rs. 27.50 lakhs, crop insurance fund of Rs. 10.20 lakhs and housing scheme fund of

(Continued in *previous* column)

NEWS IN BRIEF

INCOME-TAX collections during the first six months of the current financial year amounted to Rs. 58.18 crores.

During the five years ended 1st September, 1953, a sum of Rs. 9.93 crores has been paid to coal miners who had subscribed to the Coal Mines Provident Fund Scheme.

The Government of India has granted a loan of Rs. 6.5 crores to the Madras Government for execution of three irrigation projects, under the Five-year Plan as revised by the Planning Commission.

The Madhya Pradesh Government has decided to give *taccavi* loans to the extent of seven times the land revenue, to persons receiving land under the *Bhoodan* movement, provided funds are available and collateral security is offered.

The Government of India has decided to decontrol completely wheat and coarse grains, but to continue the inter-State barriers as before. This decision has been taken on account of the further improvement in the food position in the country.

The Mysore Government has suspended its plan of collecting from employers 3 per cent. of the wage bill of workers for labour housing schemes, following the objection raised by the Government of India. A small sum had already been collected in this connection and this will be refunded to employers.

According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-India first estimate of *Tur* (*Arhar*) for 1953-54 puts the current year's area at 5,368,000 acres, as against 5,426,000 acres in the adjusted first estimate of last year. This shows a decline of 58,000 acres or roughly one per cent. in the current year as compared with last year.

Trend of capital formation in the Uttar Pradesh State is the subject of an investigation being taken up at Government level. The Government sector of capital is to be taken up in the first instance. The Economics and Statistics Department has asked all Government departments to prepare a list of their assets, on the basis of which valuation will be carried out by the departmental staff.

The Indian Coffee Board has resolved to reduce the release price of all varieties of coffee with effect from 1st December, 1953. The extent of reduction has not been announced, but it is expected that it will be Rs. 15 per cwt. for plantation and proportionate for other varieties. The Government of India's decision on the Board's resolution is awaited. There will be no pool auctions in November, but two auctions will be held in December.

The Government of India does not desire to subsidise the small-scale and cottage industries in the country at the cost of the large-scale industries. Disclosing this at the inauguration of the Industrial Finance Corporation of Saurashtra this week, Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, said that suggestions from certain quarters for the levy of cess on certain major industries to help develop the small-scale industries were not practicable.

The Mysore Government has accepted the recommendation of the Reorganisation Committee appointed by it to enquire into the working of the Mysore State Insurance Department and to create the post of Joint Secretary to Government in the Insurance Department to be in charge of new business, agency organisation, preliminary work for initiating pilot schemes. The Committee had also suggested that pilot schemes in agriculture and cattle insurance should be initiated in co-operation with the Departments of Agriculture and Animal Husbandry.

Negotiations for establishing a motor building works situated either in Bombay or in Southern India are now afoot, according to reports from London. The name of a well-known lorry-making firm of the U.K. is linked with another world-famous car manufacturing and distributing company already established in India. Negotiations are said to be well advanced as between these organisations and Indian industrialists for the formation of a corporation on an approximately 50—50 financial basis. The scheme envisages an outlay of £4 million.

The work in connection with the starting of a wool processing centre in North Arcot District (Madras) will begin almost immediately. The centre is intended to enable manufacturers of druggets in Madras and Mysore States to get the proper processed wool, so that druggets of standard quality can be produced and thus develop the drugget industry in South India. The total estimated cost of the centre is Rs. 11.3 lakhs, out of which the Governments of Madras and Mysore will together contribute Rs. 7 lakhs. The Government of India will give a grant amounting to one-third of the total estimated cost.

The Government of India has informed the Arab Governments of its willingness to participate as an active member in the Middle East Economic Organisation which the recent conference of Arab Ministers of Economy had decided to establish. India, in expressing its readiness to co-operate with the Arabs, has stated that it will back the resolution relating to the formation of this organisation when it comes before the United Nations Economic and Social Council. Apart from India, Turkey, Greece, Iran, Afghanistan, Pakistan, Abyssinia and all Arab nations will participate in the Organisation.

A comprehensive training scheme to help the plantation workers of Asia and India, in particular, has been undertaken by the International Confederation of Free Trade Unions. The scheme is expected to cost several lakhs of rupees and will be put into effect very soon. The scheme, which, in the first instance, will be in operation for a period of 12 months, is the direct result of the recommendations of Mr. T. S. Bavin, President of the International Dock and Land Workers' Federation who was asked to tour South-East Asia to study the condition of plantation workers.

The Conference of Postmasters-General, held in New Delhi recently, has recommended concrete steps to improve the delivery and despatch of mails, including clearance of letter boxes, delivery of telegrams and the telephone services in general. An officer will be appointed in each circle to attend to these matters. The Conference has also decided that, by the end of the first Five-year Plan, about 10,000 new post offices, 1,000 telegraph offices, 500 small telephone exchanges and public call offices should be opened. A sum of about Rs. 3½ crores is expected to be spent on telephone extension schemes in Bombay and Calcutta and another Rs. 10½ crores will be spent on long-distance trunk wireless links, extension of auto and other types of exchange.

The Rajpramukh of Travancore-Cochin has promulgated the Travancore-Cochin Public Debt Ordinance, V of 1953, which repeals and re-enacts the provisions of the Travancore-Cochin Public Debt Ordinance III which was promulgated on 13th July last. By the earlier ordinance, the provisions of the Public Debt Act, 1944 (Central Act 18 of 1944), had been made applicable to Government securities issued on or after 12th July, 1953. The ordinance was to have been ratified by the Legislature, but as it was dissolved on 24th September last and as, according to the provisions relating to ordinances in the Constitution, the ordinance would cease to operate after six weeks from 22nd September, 1953, the issue of the present ordinance became necessary.

The total production of cereals in India during the year 1952-53 was nearly 5 million tons higher than that in 1951-52 and about 1.6 million tons higher than in 1949-50 which was more or less a normal year from the point of view of agriculture in recent years. The increase of five million tons, compared to the previous year, was accounted for by 2.7 million tons of rice, 0.7 million tons of wheat and 1.6 million tons of other cereals, mainly millet. With the fall in the prices of commercial crops that took place early in 1952, the area under cereals increased to about seven million acres during the past two years. While the output of cereals in 1952-53 recorded a notable increase, the position in respect of other crops was less encouraging. The area and production of jute have remained steady over the past two years, but, in 1951-52, the commodity showed a large increase. In oilseeds, there has actually been a slight decrease. The decline in sugarcane has been even larger.

The Government of India has appointed an Advisory Committee for the Central College of Agriculture with its headquarters at the Indian Agricultural Research Institute, New Delhi. The functions of this Committee will include: (1) advice to Government on questions of policy, working of the institution, new courses of study and creation of posts of teachers and their duties and emoluments, (2) examination of budget estimates for Government's consideration, (3) recommendation of tuition fees for various courses and free studentships or half freeships, (4) advice to Government on fixation of qualifications for admission, in accordance with the requirements of the Delhi University, to the various courses, and (5) advice to Government on rules for the award of prizes.

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From Abroad

The Indonesian Government has announced that it is prepared to resume the sale of rubber to Communist China.

The U.S. Tariff Commission has taken up for enquiry the question of increasing the import duties on lead and zinc.

The Yugoslavian Government has ratified the Yugoslav—Indian Trade Agreement concluded last June in New Delhi.

The tenth annual session of the E.C.A.F.E. will be held in Nuwara Eliya, Ceylon, from 20th January to 20th February, 1954. Two hundred and fifty delegates from 24 countries are expected to participate in the session.

Sweden has cut the prices of most types of Swedish quality steel for export, due to competition from Germany, the U.K. and the U.S. It is also stated that the export of quality steel has shown a decline since 1952.

The monthly output of cars manufactured in Britain during September reached a record total of 65,304. The previous highest monthly total was set up in June, when 57,535 cars were produced. Of the cars manufactured in September, 27,865 were for export.

The Australian Government is negotiating with the World Bank for a loan of $50 million. This loan forms the third instalment of the $520 million borrowing programme arranged by the Prime Minister of Australia in the U.S. in 1950. Australia has so far obtained $150 million from the World Bank.

PERSONAL

MR. W. Riddet, Director of the Dairy Research Institute at Palmerstone, New Zealand, is on a visit to India to advise the Government of India on dairy schemes.

Mr. J. M. Lobo Prabhu, I.C.S., Secretary to the Government of Madras, Development Department, has been appointed Secretary to the Government in the newly constituted Department of Industries, Madras.

Mr. C. M. Kothari, former President of the Federation of Indian Chambers of Commerce and Industry, and a Director of the Tea Council of America, nominated by the Government of India, returned to Madras last week after attending a meeting of the Tea Council and the International Tea Convention at White Sulphur Springs (West Virginia). Mr. Kothari also made an extensive tour of the U.S. and Canada.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 17*th November*

Selling Short

During the *Poojah* gamble at the jute counter of the Calcutta share market, when the local Stock Exchange was officially closed for the holidays, but unofficially open, a good deal of money was made, no doubt, by the 'talent'. But money must be lost, too, or it cannot be made, and it may be taken for granted that the unprofessional punter was almost invariably the loser. Now that the hubbub is over there are probably quite a large number of people who are lamenting their advent into a panicky market, in which jute shares were heavily slumping, apparently without rhyme or reason. The greatest losses, we have no doubt, were experienced by those who sold short when the slump had almost reached bottom, anticipating a further fall, followed soon afterwards by the upward reaction. It is axiomatic that there is always a risk of loss in selling what one has not got. A man may have a profound conviction that a marketable security is not worth nearly as much as the amount for which he can sell it and may feel reasonably secure in the belief that he will be able to buy it at a lower price before he has to deliver it, or, in other words, that he will be able to cancel his first bargain at a profit. This is the common position of the professional jobber who ventures to go 'short'. He sells to a broker a security of which he can buy none at the moment and of which he holds none. If it is one that is intermittently scarce he sometimes protects himself by an undertaking from the broker to give him time for delivery, or, as is usually phrased, not to press. His hope is to replace the sale "lower down," and he usually has good reason for his hope, founded on his experience and knowledge of the particular market. If he proves to be wrong, he takes his loss and thus realises the same misfortune as when he has bought and sold in the natural order with resultant loss. Both things represent an ordinary trade risk and are common occurrences.

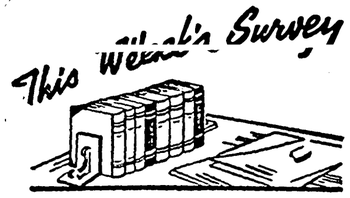
The Egyptian Government proposes to establish an oil refinery near Cairo. This will be linked to Suez by a 90-mile heavy oil pipeline and is estimated to cost 3 million Egyptian pounds (about £307,000 sterling). The refinery, which will be completed in two to three years, will have an annual output of 1 million tons.

Ceylon's financial position and matters relating to the Island's sterling balances will be discussed with the U.K. Government by the three-member delegation from Ceylon, consisting of the Finance Minister, Commerce Minister and the Governor of the Ceylon Reserve Bank, now in London. The delegation will also discuss a sterling loan, though no definite figure of the amount of loan has been fixed.

The Ministry of Materials, U.K., has increased the Jute Control's selling prices of all grades of raw jute ex warehouse by £5 per ton with effect from the 6th inst. The Control's selling prices of all imported goods have also been correspondingly increased. The increase has been necessitated by the further advance in shipment prices for raw jute in Pakistan. This is the second time in two successive weeks that the prices have been raised, the previous increase (£6 per ton) having been on 26th October, 1953.

A number of American industrial concerns has applied to the U.S. Tariff Commission for action against imports from Japan and other countries which are stated to have caused serious injury to their business in domestic markets. The action is demanded under the "escape clause" of the G.A.T.T., which provides that tariff concessions negotiated with foreign countries may be suspended, if the American concerns convince the Tariff Commission and President Eisenhower that competitive imports are responsible for serious loss of business in domestic markets.

The Trans World Airlines has announced the purchase of 12 new Super Constellation aircraft of the latest type, bringing the total number of these new planes on order to 20. Only two months ago, the Airlines purchased eight planes of this type. These planes are to be assigned to TWA's international routes. The 20 new planes will cost TWA approximately $45 million. This added equipment will enable TWA to cope with the demand for rapid extension of its routes. TWA's application is currently before the Civil Aeronautics Board for extension of its present routes to Tokyo. The Company already operates the world's largest fleet of Constellations, with 78 aircraft.



INDIA'S ECONOMIC POLICY

THE economic policy adopted by the Union and State Governments in this country, came in for some sharp criticism at the hands of Mr. B. T. Thakur, General Manager, the United Commercial Bank Ltd., when he addressed the Poona Rotary Club last week on "Present Unemployment in the Country." He said that the problem could be solved only through a "complete reversal" of some of the external and internal policies of the Government. This was the conclusion he reached after an impartial examination of the economic conditions within the country, the low level of national income, the steep increase in educated unemployment, and the decline in economic activity in the private sector. Presumably, Mr. Thakur had in mind the all too common assumption in the country that the encouragement of cottage industries, even at the expense of the large-scale units, would be a panacea for all our economic ills when he said that employment and prosperity could only be increased through "greater and harder work, coupled with modernisation of tools, supply of energy and improved know-how." He rightly urged the Government to enlist the fullest co-operation of business managers and financiers in the task of achieving economic progress. If he thus criticised the Government for lack of economic vision, he was equally critical of the Indian business manager for "abdicating his influence and authority in the face of dominating political immaturity." However unpalatable such fearless criticism of the defects of the present economic set-up, in both the official and non-official sector of national life, may be, there is no doubt that it is the only way in which all those, to whose charge the country's economic destiny is committed, could be compelled to adopt correct economic policies.

ROLE OF SYNTHETIC FIBRES

The view that competition from synthetic fibres is a "long-run" factor influencing the demand for cotton has been expressed by the International Cotton Advisory Committee (I.C.A.C.). This view is based on the ground that, following the marked progress in the field of chemical technology, viscose rayon, acetate and a number of new synthetics, such as nylon, Terylene, Arlon, have begun to compete directly with cotton. According to the Committee, not only has the production of these fibres increased rapidly but the fields in which they are used also have expanded. The world rayon output during 1952, for instance, accounted for as much as 42 per cent. (in equivalent terms) of the total raw cotton requirements of the ten most important cotton-importing countries (Belgium, Canada, France, West Germany, Italy, Japan, the Netherlands, Spain, India and the U.K.), the quantity actually produced being the equivalent of 3.5 million bales of cotton, as against 2.7 million bales in 1949. The increasing use of rayon in recent years, it is stated, has been rendered possible mainly by the price advantage which the fibre has been enjoying over cotton. Alluding to this, the I.C.A.C. observes:

"Rayon prices are lower than cotton in importing countries. . . . Consumption of rayon, instead of cotton, usually means a saving in foreign exchange expenditure for a cotton importing country. If raw cotton is imported from outside the national area, it involves a foreign exchange expenditure in its entirety. In comparison, for the rayon manufactured in a country, much of the raw material, some to all of the equipment, and all of the labour may be of domestic origin."

It is interesting to note, in this connection, that the rayon output of the free world during 1952 was the equivalent of 6.86 million bales of cotton. Although this figure is less than that for the previous year by 1.21 million bales, there are indications to suggest that the output for the current calendar year will be higher than that for the previous year. The Federal Republic of Germany alone has planned for a capacity of over 1 million bales of rayon for 1953. The aggregate capacity of the free world is expected to move up to 11.00 million bales by the end of next year, which compares favourably with 10.2 million bales in March, 1953. Of this increase, the ten aforesaid countries account for 300,000 bales, the capacity rising from 5.58 million bales to 5.86 million bales.

Although rayon remains the strongest direct competitor of cotton, the I.C.A.C. feels that recent developments in the field of commercial synthetics poses an additional threat. The productive capacity of the new non-cellulosic fibres in 1954 is estimated at 1,700,000 bales, which is twice the quantity actually produced in 1952. Until recently, these fibres had little effect on cotton consumption. But now that production is rising, competition from these fibres, according to the I.C.A.C., is bound to impinge more heavily on cotton consumption in future years. In its opinion, an important factor which has helped the implemention of the expansion programme for the fibres is the availability of the major raw materials within the countries themselves. Thus, Japan, which now relies on imports for a large part of the wood-pulp needed to produce rayon, has planned a bold development programme for the synthetic fibre industry for which the raw materials are plentiful at home. Similarly, in the U.K., a huge plant has been erected to produce nylon from coal.

The foregoing observations of the I.C.A.C. on the recent developments in the sphere of synthetic fibres raises an important question—how far these fibres will challenge the position held by cotton (and also wool and silk). Although the production of these fibres has increased in recent years and is expected to rise still further, they are unlikely to oust the natural fibres to any marked extent. For such an increase in output will be offset by enlarged demand for clothing from the underdeveloped countries when their economies are improved. From this point of view, the trade in the old natural fibres need not, perhaps, view the expansion of synthetic fibres as a source of great danger.

SMALL INDUSTRIES

Industrialisation in India is now at the crossroads. On the one side, the country has, for over half a century now, proceeded along lines of establishing large-scale mechanised industries. And even to-day private enterprise is being directed to start on those lines new industries for providing employment. On the other, these well organised industries are being subjected to heavy cesses and duties for subsidising small-scale and cottage industries. The latter are mostly unorganised, if not uneconomic, units, adopting antiquated processes of manufacture and producing, under unhygienic conditions, mostly goods of doubtful quality at high costs. Thus the cotton mills, oil mills and match factories are now to bear additional burdens in the shape of cesses for purposes of granting artificial stimulus to their limping village counterparts, namely, the handlooms, *ghanis* and the cottage match-making units. It is likely that this principle of discrimination against large-scale manufacture may be extended to other spheres such as soap factories, saw mills, smithies, etc. The time has thus come to pause and ponder awhile whether the country should pursue the road on which it has all along marched, that is, the establishment of large-scale industries, or to devite and follow the rutty path of bullock carts hardly conducive to achieving a fairly rapid improvement in the living standards. Mr. S. V. Ramamurti was really in this pausing mood last week when, at a meeting of the Association of Technologists, University of Madras, he posed the following question:

"A technology embodied along with science from Europe threatened the age-old handloom industry of India. The stress of competition between machine-made cloth and hand-made cloth was bearing heavily on the latter. What then was wrong with the introduction of textile technology in India that had produced so much distress among large sections of the population who had occupied a useful, valuable and honourable calling as artisans? Was there no place for hand-made goods by the side of goods made ultimately with power?"

In attempting to answer this poser, he did not rush to the conclusion that the handlooms should be protected by penalising the cotton mills. On the contrary, he proceeded to analyse the issues involved in the application of technology suited to conditions in foreign countries to those in India. Taking the instance of technological development as applied to the cotton mill industry in England, he said that it was unsuited to India. In the last century, England had before it world cloth markets to serve; but, in order to produce the required quantity of cloth, it needed a large labour force, and its population being relatively small, the country experienced shortage of labour. This shortage was overcome by the introduction of labour-saving technology in its industries. But such technology was unsuited to [illegible] homesteads all over the land. What it needed, and now needs, was a technology which could be used by a large number of small users. Mr. Ramamurti was, therefore, quite right in calling upon the technologists to apply their minds seriously to review the technology as borrowed from the West and readjust it to the conditions in India. He said:

"We need technological research which is better adapted to our conditions than the research of other countries which is suited to their own conditions. Experience at Coimbatore shows that a weaver with two power-looms and 2 kw. of power can increase his earnings from Rs. 40 a month to Rs. 120. Technology and power which have been used for a small number of large users must be adjusted to the use of a large number of small users."

While pleading thus for new technologies for the benefit of the small man, Mr. Ramamurti did well in placing before the technologists the objectives of their research. In the first place, the research should aim at making industry to provide an opportunity for not only consumption but also production. In this context, he pointed out that the economy of India, under the ægis of science, permits only a few to produce for the consumption of the many. To him this was not desirable, because the many could not consume unless they also produced. He, therefore, wanted the technologists to bear in mind this aspect of industry providing for the maintenance of a large population through gainful opportunities of employment. Secondly, it was also the responsibility of technologists to see to it that, in this process of providing opportunities, industrial development in India should take note of not only the vast manpower but also all the available economic resources in which the country was abundant.

There will be no two opinions on the aforesaid suggestions of Mr. Ramamurti. They are both constructive and practical, in that they aim at making rural industries efficient and useful, provided the technologists bring into play their creative faculties in the right direction. They do not seek to thwart the growth of large-scale industries by means of cesses and levies as has been preached by the All-India Khadi and Village Industries Board. It is common knowledge that it is on these very lines that Japan has attained eminence as one of the most advanced industrial countries in the world.

TRADE UNIONS

What is the difference between the Indian Trade Union Movement and the American? Prof. Van Dusen Kennedy, Berkley University, California, in the course of his address to the Mysore State branch of the Textile Association of India in Bangalore last week, stated that the striking difference was that the unions in the U.S. were led by men who had come up from the ranks of the working classes, while, in India, they were led by persons who had nothing to do with the concerned industry but belonged to some political party. Secondly, he said that labour-management differences in the U.S. were thrashed out between the parties concerned, whereas in India the Government and the tribunals came often, and very largely, into the picture. In the U.S., there were provisions for written agreements and their proper execution. Thirdly, there was a national union for each industry exercising full powers over its branches in the U.S., but there was no such centralisation in India, the units being knit together only very loosely in the form of a federation.

These observations of Prof. Kennedy bring out the essential difference between the Indian and American labour movements and the weakness of the former. As is well known, the Trade Union Movement in India is disrupted by a number of rival central associations dominated by one political party or the other. Thus, the all-India Trade Union Congress founded in 1920, and affiliated to the World Federation of Trade Unions, is dominated by the Communists. The Indian National Trade Union Congress, founded in May, 1947, and affiliated to the International Confederation of Free Trade Unions, is run by the Congress Party. The Hind Mazdur Sabha, founded in 1948, is a Socialist Party organisation. There is again the United Trade Union Congress, which broke away in December, 1949, from the A.I.T.U.C. The Trade Union Movement in India is thus dominated by India's political parties. Small wonder, therefore, that the economic and social interests of labour are sacrificed at the altar of political and persona jealousies. This alone explains the absence o mutual settlement of disputes and the interfer ence of the Government in labour disputes. Thi is not conducive to the development of trade unionism on healthy lines. So long as this trend persists, there is little prospect of ensuring harmonious labour-management relations.

ONE MORE SHIP LAUNCHED

With the launching of the s.s *Jalaputra* by Mr. K. C. Reddy, Minister for Production, on Monday last, the Visakhapatnam shipyard has completed 40,000 d.w.t. of the target of 150,000 d.w.t. expected to be built by it during the Five-year Plan period. The actual number of ocean-going ships built at the yard since the first keel was laid on 22nd June 1946 is, however, twelve, all of 8,000 d.w.t. each. The yard has in hand orders for five 7,000-ton and two 8,000-ton ships, all of which will be propelled by diesel engines. The keels for two of them have already been laid. Negotiations currently proceeding with the various shipowners and the Government departments will, it is expected, result in some further orders for the shipyard, including a few for naval craft and a passenger vessel for the India-Andaman service.

It is true that not only the rate of progress of shipbuilding at the yard is slow but the cost of production is also high. But this cannot be helped so long as the shipyard suffers from a number of handicaps. The chief among these is that it is not fully developed. Despite some recent additions, the shipyard is still below the economic size. It is, however, gratifying to note, in this connection, that the development plan of the shipyard, which was re-drawn this year with the assistance of French advisers, is at present under the examination of the Government.

Another important problem facing the building of ships at the yard is the persistence of the shortage of steel plates. Unfortunately, the only mill rolling shipbuilding plates in India, namely, the plate rolling mill of the Tata Iron and Steel Company, Ltd., Jamshedpur, has become rather old and suffers from occasional breakdowns, thereby holding up building activity at the yard and rendering labour idle. This has contributed in no small degree to the high cost of the ships built at the yard. Besides, the dimensions and thickness of the steel plates supplied by the mill are not suitable for shipbuilding so that they need re-shaping which results in some wastage. These and other defects have to be remedied before the yard could make any substantial progress.

OILSEEDS PROBLEMS

Both Mr. Hafiz Mohammed Ibrahim, Minister for Finance and Power, Uttar Pradesh, and Mr. Gujarmal Modi, Chairman of the Modi Industries, did well to emphasise, in their speeches made at the ninth Annual Convention of the Oil Technologists' Association of India held recently at Kanpur, the need for intensified scientific research for improving the quality of Indian oilseeds and for disseminating the knowledge gained to the maximum extent. The stress is certainly quite appropriate, because the quality of oilseeds is on the downtrend, despite the so-called research efforts at improving it made by the Central Oilseeds Committee. The deterioration in groundnuts is particularly marked, inasmuch as both the size and oil content of groundnuts have been far below what they were formerly. In the past, 38 groundnut beans were required for one ounce of oil, but to-day more than 55 beans are required for the same weight. Obviously, the results of research have not been carried to the farmer.

Although India accounts for one-fifth of world oilseeds production, this quantity is not enough to meet internal, as well as export, demand. Besides, trading in oilseeds and oils is very unhealthy. Prices are more subject to speculation than to the size of the crop and the genuine demand for it, be it in edible or non-edible seeds, as is evident from the recent performance of the groundnut and castorseeds sectors of the Bombay market, where specific delivery non-transferable contracts have degenerated into pure hedge contracts. This is deplorable, particularly because edible oilseeds are an item of diet as well as raw material to the soap, paint and varnish, lubricant and printing ink industries. It must be remembered, too, that oilseeds are the raw material for some 1,000 oil mills in the country, with an invested capital of about Rs. 33 crores, which provide employment to about 60,000 people and the wage bill of which amounts to Rs. 4 crores. The prosperity of the industry, its workers, not to mention the many farmers who cultivate oilseeds, is dependent not merely upon higher output of good quality seeds through the utilisation of research results, but also upon healthy trading practices. This is a question which the Forward Markets Commission will do well to tackle. It is to be hoped that the Commission will attempt a solution of this problem at as early a date as possible.

An important point to which Mr. Modi referred during his speech relates to cottonseed. He deplored that, although India produced 50 lakh tons of cottonseed, only a small proportion of this quantity was crushed. Most of this quantity is used as fodder, resulting in a huge waste of oil and lint. He pointed out that, if cottonseed were to be crushed, it would yield many valuable products such as oil, meal, lint and hulls. The monetary value of the saving that would accrue to the nation as a result of crushing cottonseed, instead of using it as cattle fodder straightaway, was estimated by him at Rs. 5 crores. Cottonseed oil, it may be mentioned here, is highly nutritive and is extensively used for edible purposes in the U.S. and Egypt. This could be done in India, too, particularly because this country is faced with the problem of shortage of edible oils.

OFF THE RECORD

(By "ROVER")

YOU must blame *Diwali* and the long string of holidays for my playing truant last week. I should have loved to extend the French leave to the end of this month, but I did not like to risk it, when the Editor is in the throes of putting together his Annual Number for 1953. In any case, for the first time, I am writing my column for this week, in the quiet and peace of the countryside, stretching away from the somnolent banks of the Ganges, almost a thousand miles away from the superficial gaiety and the raucous din of the *Moorat* markets in Bombay. The syncopated noise of crackers is heard now and then, but this is not half as irritating as the booms and bangs from forbidden rockets and atom bombs, echoed from all sides in Bombay, disturbing the comparative calm of even the dawn. This noise is soon dissipated in the vastness of the space before it is able to register itself on your only-half-awake brain.

And still, in this distant State of Uttar Pradesh, between the narrow strip at the meeting of the often turbulent and always temperamental Ganga and the placid and restful Jamuna, which to me appears as the most characteristically Indian bit of territory in this vast and variegated country of ours, I feel neither at peace with myself nor with the world around me. It is not the common hot spots like Korea and Kashmir, Trieste, Egypt, Israel and her Arab neighbours, the Saar in Germany, British Guiana or Indo-China, which rob me of my rest and sleep but what is happening in nearby Lucknow, Kanpur and Allahabad, which is responsible for my gloomy forebodings for the future. A certain degree of occasional conflict and even a thin thread of permanent tension between the generations is inevitable in these dynamic times. It would be strange and even disquieting if they were not there. But what I have been witnessing here spells a deeper and dangerous menace for this unhappy land.

It would be facile and easy to condemn the rowdyism and the spirit of destruction animating the activities of the youngsters. I am surprised that so understanding a man as our Prime Minister should have indulged in this cheap exit from the problem which faces him. Coming from one who has been universally acknowledged as one who is not merely a friend of youth, but a youth himself in outlook though not in years, it only goes to show that he has allowed himself to be carried away by his momentary irritation and that he has not had enough time to probe under the surface and to apply his mind constructively to finding a solution to this problem. What is the use of his patient and deep understanding of the thousand and one forces leading to international crisis after crisis, his untiring and persistent efforts against heavy and discouraging odds to isolate and localise the world tensions which erupt from time to time, if he cannot understand the urges which stir the student world in what has become almost a perpetual turmoil and spasmodic acts of violence.

I have been repeatedly amazed at the lack of patience and understanding of his own countrymen in general and the youth of India in particular, when Prime Minister Nehru can be infinitely patient and sympathetic to recalcitrant elements outside his own country. He may be, by all accounts he is, an international figure of great eminence and influence. Nobody, least of all his countrymen, would grudge him this position. Many of us, not excluding myself, even though I sound cantankerous at times, are even proud of it. But he should not forget that he is the Prime Minister of India and at the helm of affairs of this country. He owes a duty towards the people of this country beyond patching up the perpetual internecine quarrels and frequent sharp skirmishes amongst his own self-seeking party men in the States. In his preoccupation with foreign affairs, he can, perhaps with only small risk, throw the mute and long-suffering multitudes of the middle class to the wolves; he might, even with a flourish of indifference, castigate business men for their greed, which to my mind is less reprehensible than the love for lucre and power displayed by many of his own followers. But, most emphatically whatever the urgency of the calls on his time from abroad, he cannot afford to sacrifice the young men and women of India, who bore him bodily to the pinnacle of power and popularity which he is now enjoying, to some of the small-minded local blind bats in the States.

The outbreaks in the universities in Uttar Pradesh are only the visible symptoms of a disease which has poisoned the whole of the blood circulation system in the body politic of the country. He is running a very big risk in leaving the treatment for this distemper in the hands of persons like Munshi and Pant. I have had an occasion to look at groups of these unruly students, driven to desperation and mischief by unsympathetic and unsubtle handling. The first thought which came to my mind at the sight of these misguided but sorely misunderstood unfortunates was that even the extremely unreasonable prisoners of war of the United Nations, in charge of the Indian Custodian Force in the demilitarised zone in Korea, were being handled with greater care and consideration, patience and understanding, by Generals Thimayya and Thorat than our students here. If the Chancellor of the Lucknow University, a man endowed with great imagination and experience of university affairs and the Chief Minister of the State, Pandit Pant, a seasoned politician, had displayed in Lucknow but half the tact and foresight in evidence at the Indian Camp in Korea, they could have saved the situation from getting out of hand, even though they might not have succeeded in removing the causes for unrest in the student world for good.

For thousands of years, generations after generations have suffered cruelly for the sins of their parents. This very fact makes us responsible for the conduct and actions of our young people. If these young men and women at the threshold of life are behaving in an unaccountable manner, the fault is more ours than theirs. We must have failed somewhere, somehow, to lend them a little more balance and moderation in their struggle for achieving their unregulated aspirations. Perhaps, the larger and more comprehensive demands of the national struggle for independence blinded our eyes to the thorns we were sowing in the immature but active minds of the previous generation of students. But it is upto us now to recognise the responsibility for our own actions of yesterday and to deal with the harvest in a manner which would stop the mischief from spreading to the generations which are to follow.

If world affairs of great import could be settled, as Mr. Nehru believes they could be settled, at a round table conference of antagonists, aided by impartial and neutral friends of the warring camps, could not the same method prove efficacious in resolving the differences about the constitution of a university students' union. It is after all an organisation of the students and not of the teachers or the administrators of the University. Why should not the body of the students be allowed to frame it within well recognised and generally accepted limits. If only guidance and assistance had been offered to them in a tactful manner, enlightened by a sincere spirit of the utmost permissible tolerance and latitude, instead of a ready-made constitution being thrust down their throat, there would have been no trouble to speak of at this time. In an affair of this sort, where an important principle of self-government is at stake and where any show of authority or compulsion is bound to have an unfavourable reaction, it was the height of short-sightedness, if not actual folly, to have created a wholly unnecessary atmosphere of coercion, where the need of the hour clearly indicated co-operation and negotiation. The University and the State authorities, instead of inviting the students to talk over and iron out the differences, unwisely chose to throw out a challenge to the already irritated and suspicious boys and girls.

I must, however, say that I would have felt proud of them, if they had shown more discipline and clear-headedness in their organised resistance. As it is, obdurate reaction has been madly and ignobly matched by chaotic anarchy which does credit neither to the public leaders of the country of yesterday nor of to-morrow. My disappointment is all the greater, because youth has unfortunately failed to set a good example to their elders. We are now living in an age where it is the clear responsibility of the young to bring up their parents properly with tact, understanding and deep sympathy. In saying this, I am not indulging in a cheap paradox, but a conviction which I have enshrined in my heart for some years. In my individual dealings with my young friends of both sexes, I have found them remarkably alive to this new responsibility of theirs.

Now that they have temporarily suspended their campaign of unenlightened and lawless resistance, I hope the students of the Lucknow University would regain their vision and direct their movement in such a way as constructively to guide the authorities to see the error of their ways and to help them regain their self-respect and their sense of values, which lure for power and their advancing years had made them lose within so short a period as six years. The country can survive without much damage repeated failures on the part of Mr. Jawaharlal Nehru and Pandit Govind Ballabh Pant, but it cannot survive and retain its newly won independence for long a series of such tragic failures as witnessed at Lucknow, Kanpur and Allahabad during this memorable week of *Diwali*. The myriads of lights, which were lighted during this week of festivities, would not have burned in vain, if they have illuminated the dark path ahead both for the old and the young and brought them closer in a new spirit of understanding and devotion to the country, which they love more than their own little narrow selves.—

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GOVERNMENT KEEN ON STARTING HEAVY INDUSTRIES

FALLING PRICES OF FOODGRAINS BEING WATCHED WITH ANXIETY

(From A Special Correspondent)

NEW DELHI, 10th *November*

THE *Diwali* festival was celebrated in the Capital this year with more than customary pomp and splendour. Although the tight money conditions had a restraining influence on the purchasing capacity of the public, the people wore a festive mood in view of the feeling that brighter days were ahead. Considerable optimism is also seen in Government circles which are now of the opinion that the country, having weathered the last four or five critical years, is safely set on the way to progress. During his recent tours, the Prime Minister has begun to place greater emphasis on the necessity for building heavy and key industries as against consumer goods producing factories. It is expected that the Government of India will be paying particular attention to this aspect of industrialisation in the coming months.

DELHI LETTER

An agreement has, for instance, been signed between the Government of India and Imperial Chemical Industries Ltd., with a view to establishing a new company to manufacture the country's requirements of commercial high explosives for blasting. It is stated that the demand for explosives has now increased in the country considerably in view of the development of the mining industry, as also the extension of irrigation works, road building, etc. When the factory goes into production, India will be self-sufficient in the manufacture of essential high explosives for commercial use. The agreement provides for the registration of a new company, to be known as Indian Explosives Ltd., with an authorised capital of Rs. 4 crores. Initially Rs. 2 crores of capital will be issued, of which 80 per cent. will be subscribed by I.C.I. and 20 per cent. by the Government of India. A site has already been selected for the factory close to the Bihar coalfields, so as to give the best possible service to the coal mining industry, which is the principal consumer of industrial explosives in India. The establishment of this important industrial undertaking marks another significant step forward in the country's industrial progress.

Manufacture of Aero Engines

Besides the above, the Government of India has proposed to take immediate steps to undertake the manufacture of aero engines so as to put the aircraft industry on a sound basis. It is also contemplating to start production of medium-sized tanks to safeguard the country's defence system. In the next few days, the German steel experts are likely to come to India, in order to select the site for the establishment of the Government-owned iron and steel plant. Once the site is selected, the construction work will begin from January next. The possibility of establishing another steel plant will depend on the observations made by the German steel experts regarding site, construction charges, cost of production, etc. The Government of India will shortly come to a decision regarding the establishment of a heavy electrical plant. Siemens from Germany had been to this country recently and will shortly be submitting the project report to Government. It is stated that U.S. and U.K. firms have not been evincing as much interest as they had shown before and it is, therefore, possible that, in this case also, Germany will be taking up the lead in building up the country's heavy electrical industry. In many of the key industries, the Government of India has been anxious to secure at least a moderate percentage of foreign capital so as to ensure proper development. The development of the shipyard has now been redrawn with the assistance of the Government's French advisers and some definite action is expected to be taken shortly with a view to expanding the shipbuilding capacity of the country. In the meantime, the development work in the shipyard is, we are told, being carried out. The pace of progress in this connection, however, appears to be very slow and the Government has to bestir itself if it were to achieve early results. Even the construction of a dry dock, estimated to cost Rs. 1 crore, is being delayed unnecessarily, although such a necessity has been felt for the last few years.

Falling Prices

The Government of India is watching with considerable interest, but not without anxiety, the reports emanating from various States on the rather sudden and rapid fall in the prices of foodgrains. A similar downward trend in commodity prices set in motion in the first quarter of 1952, but the intensity of the decline was largely pronounced in the first fortnight of March, 1952, when the wholesale prices index was marked down to the low level of 364.9. The difference between the present decline in prices and that which occurred some 20 months ago is that, whereas the downward movement a year ago was largely confined to important raw materials such as oilseeds, hides and skins, raw jute, etc., the present recession has commenced with the foodgrains sector, including the oilseeds. The appreciable decline in the prices of rice during the last few days is doubtless being welcomed by the much harassed consumer in the urban areas, as also the landless labourer, who have been smarting under the unbearable weight of the inflated foodgrain prices during the last five years and more. May be the present price recession is a sort of an adjustment process narrowing down the disparity between the procurement rates and the free market prices. The suddeness of the decline, however, will have some unfavourable influence on the general economy of the country, which the Government is anxious to minimise. It may be noted that the Government has all along been anxious to provide as much incentive as possible to the agriculturists in order to maximise the production of foodgrains in the country. Since any sharp downward twist in prices is likely to curb the enthusiasm of agriculturists, it is possible that the Government will take some measures to prevent distress selling at the peak marketing season below the procurement rates. In other words, the Government might extend the procurement organisation and buy foodgrains at specified rates so as to forestall the activities of speculators. This question is being discussed at a Conference of the Secretaries of the Food Departments of the States and those of the Food Ministry at the Centre this week. This Conference will also consider the rice procurement plan for 1953-54. Only the Secretaries of the surplus States are participating in the discussions, prominent among them being those from Orissa, Madhya Pradesh, P.E.P.S.U., Punjab, U.P., and Andhra. Last year, the procurement from the surplus States amounted to the satisfactory figure of well over 800,000 tons and, in view of the bumper crop this year, the procurement from these States is likely to be substantially higher over that of last year.

Generally speaking, the Government of India will not let itself be hustled into action immediately with a view to stabilising prices at a particular level, but will wait until a sort of parity or equilibrium is reached between prices of foodgrains and those of industrial raw materials. It is well known that, during the last five years, certain agricultural commodities such as rice, wheat, groundnut, pepper, betelnuts, some spices, etc., have recorded a disproportionate rise in their prices as compared with those over many others. The whole problem will again come up for discussion at the forthcoming conference of Agricultural Ministers. It is unlikely to consider favourably any plan for supporting prices on any large-scale, unless prices of foodgrains slump so heavily as to cause the production of these grains unprofitable.

Winter Session of Parliament

The winter session of Parliament will commence on the 16th inst. For the present, the House will sit from 1-30 p.m. to 7 or 8 p.m., as the case may be, with a short interval for tea. It has a heavy legislative programme in hand. There are as many as 30 Bills to be disposed of within a very limited period of 24 working days. Generally speaking, priority will be given to Bills to replace ordinances promulgated during the inter-session period. Next, financial Bills and Bills relating to the amendment of the Indian Tariff Acts will be given priority. It is only after these that Parliament will take up other Bills if it has sufficient time. Further, the Bills which have already been passed by the Council of States also need to be considered. Besides these, there are certain important Bills on social reform and mention may be made among those of the Bills relating to the Hindu law, such as the Special Marriage Bill, the Hindu Marriage and Divorce Bill and the Hindu Minority and Guardianship Bill. Some sort of priority is expected to be accorded to these pending measures and a decision on this will be arrived at this week.

Rajasthan

The economic progress of Rajasthan has not been proceeding according to schedule. For the five years of the Plan period, the total amount of expenditure for various developments is put down at Rs. 16.81 crores. During the first two years, the State could not spend more than Rs. 4.22 crores. For the current year, the sum earmarked for development purposes is placed at Rs. 3.60 crores. The inability to implement the schemes according to the schedule is attributed to the lack of trained personnel and skilled administrators at the lower levels. However, at present, considerable improvement has taken place in the availability of the requisite personnel and the State authorities are confident that the leeway could be made up in the coming years. The Jawai River irrigation, the execution of which was delayed for some extent due to technical reasons, is expected to be completed by July next. Substantial progress is being reported in the execution of minor irrigation works, especially in recent months. As against a target of 235,000 acres of land to benefit from medium and minor irrigation works, about 74,000 acres were provided with irrigation in the first two years. Outside the Plan, about 50,000 acres of land have been brought under irrigation during the last two years. During this period an extra 9,000 kw. supplies of power have also been made available.

TATA DEFERRED CONVERSION

The scheme for converting the deferred shares of the Tata Iron and Steel Company, Ltd., into ordinary ones, at the ratio of six ordinary shares for each deferred share on the basis of the award given by the mediator, Mr. M. C. Setalvad, has almost become an accomplished fact, judged purely from the figures of proxies collected in favour of and against the scheme. At the meeting of the ordinary shareholders of the Company, held on the 3rd inst., it was disclosed officially that the number of proxies received in favour of the scheme was about 175,000 and about a hundred against. At the meeting of the deferred shareholders held on the 4th inst., it was revealed that about 30,000 proxies were lodged with the Company in favour and 3,180 against the scheme. Two scrutinisers were appointed to count the proxies and votes of each class of shareholders. The results of counting will be made public in the course of this week and then forwarded to the High Court for necessary action.

Addressing the ordinary shareholders, Mr. J. R. D. Tata, Chairman, drew their attention to the difficulty of issuing bonus shares prior to the success of the conversion scheme. As had been expected earlier, the main voice of protest to the scheme of conversion on the basis of 1 : 6 came from Mr. Ambalal Narshidas, one of the members of the Action Committee of deferred shareholders, at the meeting of the deferred shareholders. He reiterated that the ratio of conversion was unfair and unjust to the deferred shareholders. The scheme, according to him, meant, more or less, the winding-up, inasmuch as the deferred shareholders were asked to give up their rights once and for all and this class of shareholders was entitled to 60 per cent. of the surplus in the event of liquidation. He also stated that, in the event of nationalisation, they would get a much larger compensation than they would be getting under the conversion scheme.

Mr. Tata, in his speech to the deferred shareholders, expressed his gratification that the completion of the scheme of conversion, which had been originally mooted 12 years ago, had almost been achieved. He complimented the shareholders on the keen interest evinced by them in the scheme and in thrashing out the issues involved. There was, however, some dissenting shareholders and it was at their instance, Mr. Tata pointed out, that the mediator was appointed. It was, therefore, unfair on their part, he said, to reject the award of the mediator at this juncture, having gone so far in carrying out the scheme. If the idea of mediation was only to get a ratio which would provide a basis for further haggling upwards, then that was not his idea of what was fair. He wanted them to accept the scheme, unless the opposition was to the principle and not to the ratio. Referring to the question of compensation in the event of nationalisation, Mr. Tata drew the attention of the critics of the conversion scheme that, even in such an event, there was no guarantee that the Government would compensate the Company on the market value of their assets. In support of his statement, he quoted the instance of the recent nationalisation of airways, under which the private companies received only a fraction of the market value of their assets. He felt that the implementation of the conversion scheme would have an excellent effect on official circles. The immediate advantage to the shareholders was the capitalisation of reserves and, in the years to come, more benefits might accrue to the shareholders by the elimination of the deferred shares.

PAKISTAN NOTES

CONSTITUTION FOR PAKISTAN

ECONOMIC SYSTEM NOT TO BE BASED ON ISLAMIC PRINCIPLES

THE decision of the Pakistan Constituent Assembly to name the State as the "Islamic Republic of Pakistan" is a regrettable development, since utmost emphasis is being laid all over the world in disassociating religion from politics. All legislation enacted by the future Parliament of Pakistan would be in consonance with the teachings of the *Quran* and the *Sunnah*. It is indeed a very sad commentary on those at the helm of affairs in Pakistan that they should have allowed themselves to be swayed by the ideas of a few religious fanatics. The aforesaid decision goes counter to the very basic principles of civilisation, namely, liberty, equality and fraternity.

Even the late Mr. Jinnah had not insisted on a theocratic State of the type that is now contemplated. That his followers should have tried to formulate the Constitution of Pakistan on the basis of the *Quran* and the *Sunnah* is, therefore, more regrettable. Some of the Muslims themselves are opposed to this decision in which they see a danger to democracy. "The country," to quote the significant words of a Muslim legislator of the Pakistan Constituent Assembly, "is well set on a theocratic course and nothing short of an intellectual revolution can now save Pakistan from the abyss of religious fanaticism."

An even more depressing decision that the Constituent Assembly had taken relates to the introduction of separate electorate for the Hindus. The Hindus are themselves to be divided, for electoral purposes, into caste Hindus and scheduled castes. Further, there will be a special organisation for the purpose of propagating the teachings of Islam. These decisions are certainly a denial of equal rights to non-Muslims in Pakistan, of whom Hindus alone number as many as 11 million, or 14 per cent. of the population of Pakistan. The move has evoked a chorus of opposition and all the Hindu members of the Assembly have resolved not to take part in the discussion on the Basic Principles Committee's report. How much dissatisfied and frustrated have the Hindus become will be evident from the statement made by Mr. Satish Chandra Chattopadhyaya, the leader of the Congress Party in the Assembly. Said he:

"The method of arriving at decisions (on the Constitution) in the House is undemocratic and definitely prejudicial to the interests of the minorities. Frequent reference about an Islamic Constitution and undue emphasis on it has created an atmosphere that makes our presence in the House useless. . . . The members of the Muslim League Party want to make a theocratic State against democratic principles. This is to drive out all Hindus having any self-respect from Pakistan."

A Practical Measure

There is, however, one practical measure which the Pakistan Constituent Assembly has adopted and this relates to the decision to exempt, for a period of twenty-five years, all monetary and fiscal measures from the constitutional provision that no legislature should enact any law repugnant to the *Quran* and the *Sunnah*. Evidently, the constitution-framers in Pakistan have fully realised that the mechanism of the economic system cannot function on the basis of the injunctions of the *Quran* and the *Sunnah* under which payment and acceptance of interest are strictly forbidden.

It will be interesting to recall, in this connection, that, while inaugurating the State Bank of Pakistan more than five years ago, on 1st July, 1948, to be precise, the late Mr. Jinnah had advised his countrymen to work their destiny in their own way and present to the world an economic system based on the true Islamic concept of equality of manhood and social justice. Mr. Zahid Hussain, former Governor of the Bank, also had spoken in the same strain on this subject. Commenting on these remarks, we had clearly stated then (vide page 58 of *Commerce* dated 10th July 1948) that, despite its existence for thirteen centuries, Islam had not been able to realise this lofty ideal. Similarly, writing about the task that Mr. Jinnah had entrusted to the Research Department of the Bank, namely, the task of evolving "banking" practices compatible with Islamic ideals of social and economic life," we had expressed our own doubts about the success of the Department in this direction. That these misgivings were not at all unfounded is clearly borne out by the acknowledgment, by the constitution-makers in Pakistan, of the fact that economic policies cannot be based on the high ideal of Islam, namely, "prevention of concentration of wealth, without killing the initial incentive to individual initiative and enterprise." Viewed thus, the latest decision of the Pakistan Constituent Assembly to continue to base the fiscal and monetary policies of the country on the economic system of the West, instead of on Islamic principles, must be said to be the most sensible one.

Production Drive

The Government has constituted a seven-man committee, with Mr. Ghulam Faruque, Chairman of the Pakistan Industrial Development Corporation, as the Chairman, to report on the "immediate steps necessary for bringing existing industries in Pakistan to maximum production in the minimum space of time." The Committee is also to report on the plans needed for accelerating the completion of industrial units, now under installation, and for establishing new manufacturing capacity for important items of consumer goods. The report is expected to be submitted in about two or three weeks' time.

Announcing the setting up of the Committee, Mr. Mohammed Ali, the Prime Minister, declared: "It is the Government's decision to mobilise all available resources in the country for the purpose of increasing production, with a view to (1) reducing the shortage of consumer and other essential goods, and (2) effect economy in expenditure of our foreign exchange earnings. All such savings could be better utilised for increasing the tempo of industrial development of the country." The Prime Minister alluded to the severe economic depression which had the country in its grip and claimed that the position was now much better. He thus said: "Prevailing jute prices are better than those of last year and have been showing a slight upward trend. Exports have also improved. What is more, we are now able to meet nearly 85 per cent. of requirements of manufactured jute goods from internal production. This, in effect, means a saving in foreign exchange to the tune of Rs. 3.5 crores."

Paper Industry

The paper industry is one of the basic industries for the development of which the Industrial Development Corporation of Pakistan has devoted particular attention. The project that is now being implemented envisages the establishment of two paper mills, one at Chandragona in East Pakistan and the other at Nowshera in the N.W.F.P. The estimated annual capacities of the two mills are 30,000 tons and 7,500 tons, respectively. The paper factory at Chandragona has made good progress. One unit has already commenced production, the rate of output per day being 40 tons. Two other units are expected to go into production shortly. The factory is manufacturing paper out of the pulp imported from abroad. There is some delay in setting up the pulp producing unit, but, by the middle of next year, the factory will be working on its own pulp produced from bamboos which abound in the Chittagong hill tracts. Forest reserves have been earmarked for the mill and bamboos are being stacked in the mill area. According to business experts, the establishment of the Chandragona paper mills is a great achievement of the Pakistan Government. The total cost is of the order of Rs. 5.12 crores; the whole of it has been financed by the Government.

Import Policy

The import policy of the Government of Pakistan for the shipping period January-June, 1954 is expected to be announced by the end of this month. It is difficult to say what shape the new policy will take. According to informed sources, however, it is gathered that imports will be liberalised, particularly those of machinery, raw materials and essential consumer goods.

ENDING WARTIME CONTROLS

NEW AGRICULTURAL POLICY

(From Our Own Correspondent)

LONDON, 7th *November*

THE Government has gone into battle this new Parliamentary session with a Queen's Speech that shows no lack of courage or fear of controversy. It has decided to tackle the problem of controlled rents—although this renders it open to the charge of raising the cost of living for the benefit of the landlords—by permitting increases of limited amount for the purpose of effecting repairs of property; it has decided that the nation is to have a Television service additional to that provided by the B.B.C. with some commercial sponsorship; it will free the market in raw cotton; and it has committed itself to proceeding with long-term schemes for the marketing of the guaranteed agricultural products. Some of these measures will be unpopular, but the Government—which in this context means the Prime Minister—has told the Commons that there will be no election next year: the Government will continue in office till its term is run out.

LONDON LETTER

Economically, the most important part of the Speech was the reference to agricultural policy. Food rationing will end altogether in the U.K. next year and the last of the rationed commodities, meat and bacon, will be returned to private trade on a free market. The meat industry, with a turnover in home meat of £300 million, is the largest sector of the agricultural industry and the farmers have been insisting on a Producer Marketing Board to take over the slaughterhouses and all the functions at present performed by the Ministry of Food. But the Government has decided on freedom, on dismantling the elaborate machinery of centralised marketing, while telling the farmers they are free to devise a Marketing Board and to set up a new system of centralised marketing if they can produce a scheme acceptable to all parties.

Guarantee Price for Meat

The farmer is at present guaranteed a price for meat, which he gets on all animals delivered to the controlled slaughterhouses or to the bacon factories. The guaranteed price, which is subsidised, is on a weight basis and has only broad regard for quality. The Government wished to introduce a scheme of free marketing whereby the farmer got what he could on the free market plus the later payment of the average amount per pound by which all sales by farmers realised less than the guaranteed price. This sort of deficiency payment system makes the individual farmer subject to his local market forces and obliges him to pay great attention to quality.

The new Government proposals, incorporated in a White Paper, are a compromise between the searches for freedom and for security. The farmer is guaranteed a minimum price as an individual and an average price collectively. He will market his meat as best he can, but if the price does not realise the minimum the farmer will recover the exact difference from the State. In addition, at the end of the year, if the average price received by all farmers falls short of the guaranteed average, all farmers will receive their proportionate share of the deficit regardless of the actual results of their own trading. Thus, the farming community as a whole is guaranteed an average price and each individual producer knows the floor price for his animals. If it can be made to work in practice the system may reconcile producers to the loss of the fixed prices by which they set such store.

On other farm products the Government has decided to restore the trade in milk to the Marketing Board which was responsible before the war, in spite of the protests of the distributors who hate the return to a monopoly sellers market. On eggs, the Government has said it is prepared to see a producers board; cereals have already had the general shape of their future determined; sugar-beet, potatoes and wool are all likely to have fairly rigid marketing schemes established in the course of the next two years.

The war-time system, set up by the coalition Government, of food controls and centralised marketing, has thus received its death sentence. In many cases, Producer control will be substituted for Government control—whether to the consumers' advantage remains to be seen—in others, the market will come into its own again.—*All Rights Reserved.*

STERLING AREA GOLD RESERVES IMPROVE FURTHER

RATE OF INCREASE, HOWEVER, SHOWS DECLINE

A MODEST surplus of $34 million was recorded by the sterling area gold and dollar reserves in October, 1953. This compares with a surplus of $17 million in September and $13 million in August, 1953. The gold and dollar reserves at the end of October stood at $2,520 million, crossing thereby, for the first time, the $2,500-million mark since November, 1951, when they were at $2,707 million. On 1st January this year, they stood at $1,864 million; thus, the increase in the reserves during the 10 months ended 31st October, 1953, is of the order of $674 million.

The surplus of $34 million included (a) receipts of $13 million from the U.S.A. as defence aid, (b) $6 million received in gold in part payment of the September surplus with the European Payments Union, and (c) $15 million representing the sterling area's gold and dollar balance with the rest of the world, notably the dollar area outside the West European countries in the E.P.U. Commenting on these figures, a Treasury spokesman said that what was not revealed by the figures was the fact that, while the results for the first half of October were not favourable, there was a distinct improvement in the second half of the month. On the other hand, the E.P.U. results for October show that the U.K. is by no means out of the wood in this sector of its payments, because Britain had a deficit in October with the Union of £10.8 million which will have to be settled in November by a payment of £5.4 million in gold and £5.4 million as credit granted to the U.K. by the E.P.U. which at the end of October stood at £172 million.

The deficit of £10.8 million with the E.P.U. forms, in fact, a disquieting feature of the official statement on the position of the sterling area gold and dollar reserves. The deficit compares with a surplus of £4.3 million in September and a deficit of £10.6 million in August. A point to be noted is that the September surplus of £4.3 million arose out of a payment to Britain by France of an annual instalment of £8.7 million on the loan of £100 million granted to that country in 1946. Without this French payment, the U.K. would have been in deficit with the E.P.U. to the extent of £4.4 million even in September. Then there would have been deficits each month in the second half-year so far, as compared with a series of surpluses every month from September, 1952 to June, 1953. These deficits are usually attributed to British tourist expenditure during the three main holiday months of the year.

Satisfactory though the sterling area gold and dollar reserves position is, as at the end of October, the trend of the monthly surpluses, however, is less encouraging. For month by month, the rate at which these surpluses are rising shows a gradual decline. Thus, in the first quarter of 1953, the average monthly rise was $106 million. In the second quarter this dropped to $67 million, and in the third to $40 million. Now the October surplus at $34 million is below this last average. The reasons for the falling rate given by the *Financial Times* in the course of a leading article are interesting to note. Says our contemporary: "There have been three reasons for the falling rate at which the reserves have been rising. First of all, our balance with the E.P.U. has been falling and would, in fact, have shown a deficit in September as well as in October, had it not been for the French loan payment which fell due in that month. This deterioration is partly the result of the liberalisation of trade granted this spring; partly it results from the fact that the summer is doubly unfavourable to the United Kingdom's balance with the European countries: not only is this the tourist season, but it is also the season of low purchases by European countries from the sterling area. The second reason is simply the fall in payments on account of American aid, very little counterbalanced so far by payments for off-shore purchases. The third reason is again a matter of the seasons. Because of the timing of the wool sales and cocoa sales, the direct dollar earnings of the sterling area always drop in the second and third quarters of the year."

Now that Britain has decided to liberalise imports from Western Europe and to increase the tourist allowance from £40 to £50 per individual per annum, payments to the E.P.U. are likely to continue at a comparatively higher level than hitherto. This risk was deliberately taken in the interests of expanding free trade in Europe. Against this risk, there are also the chances of increasing the British exports to those countries. Again, there may be increased receipts from the U.S. on account of American off-shore purchases, and there is, besides, the prospect of the sterling area earning more dollars in the current quarter. But, in the same quarter falls due for payment the interest on the American and Canadian loans. As a result of these variations in receipts and disbursements, it can hardly be expected that there would be any spectacular rise in the sterling area gold and dollar reserves at the end of the current year. There should, therefore, be no room for taking a jubilant view. On the contrary, the situation underlines the need for increased exports by Britain and the sterling area, so that there may be a rise in the rate of accretions to the gold and dollar reserves. It also indicates that the prospects for the convertibility of the pound sterling are still distant.

USE OF STERLING RECEIVED FROM SALE OF U.S. SURPLUS FARM PRODUCE

It will be recalled that some three weeks before, we had made a reference to the U.S. Foreign Operations Administration's offer to sell American farm surplus to friendly countries for local currencies. The latest reports from London say that negotiations for the use of sterling acquired by the F.O.A. by sale of such surplus farm produce to the U.K. have ended almost successfully. The U.S. is reported to have agreed to make the sterling available to the U.K. Government primarily for the defence effort. The U.K. is considering the purchase of tobacco and several kinds of foodstuffs valued at between $40 million and $70 million.

The U.S. Foreign Operations Administration has with it plans for selling surplus foodstuffs of a value ranging between $175 million and $250 million. Of this about $130 million worth of foodstuffs have been earmarked for sale in European countries against payment in their own respective currencies. With most of these countries the Administration is reported to have commenced negotiations for putting through the sales.

All the sales of surplus foodstuffs are being arranged under section 550 of the Mutual Security Act, 1953. Under this Act, the President is authorised to sell surplus agricultural commodities to friendly countries for local currencies. The commodities include wheat, tobacco, cotton, butter (of which the U.S. Department of Agriculture now has 280 million lbs. on hand), cheese (270 million lbs.), and dried milk (420 million lbs).

In effecting the sale of these commodities, the President is required to observe certain conditions. He should sell the surplus foodstuffs at prices "consistent with maximum world prices of commodities of similar quantity." Secondly, the commodities purchased under the Act must not be substituted for supplies received from other sources but must be in addition to them. Thirdly, they must be imported through private channels and must not be re-exported.

The Mutual Security Act, it may be mentioned here, lays down elaborate provisions regarding the use by the U.S. of the local currencies it received in payment for the goods. The payments known as "currency counterparts" may be used for military assistance or for purchases of goods for American stockpiles or for any other purpose. Further, they may be used as loans or grants to friendly countries to increase their production of goods, especially of a strategic nature.

The sale of surplus farm produce arises out of the fact that the U.S. Department of Agriculture has with it large quantities of these commodities. Under its price support policy, it is required to purchase farm produce offered to it, whenever the market prices for it go below the support prices fixed by the U.S. Government.

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ARGENTINA'S CONCESSION TO FOREIGN INVESTORS

Details now available regarding the Argentine Foreign Capital Investment Law reveal that Argentina has shown several concessions for encouraging foreign investments in that country. The new law, which came into force on 26th August last, provides liberal conditions for repatriation of both capital and interest thereon. Interest on capital can be remitted abroad to the extent of 8 per cent. per annum. The interest is not subject to any deduction either of taxation or other charges. The net 8 per cent. is calculated in the currency of the country of origin of capital investment and at the free market rate of exchange. If investors failed to exercise their rights of remittance in any one year, they will forfeit their rights to transfer an equivalent sum in question.

The Argentine law also provides for withdrawal of capital. Such withdrawals are to be effected in instalments. The Government has, however, reserved the right to interrupt the remittance of instalments once commenced, but the investor has the right to resume them whenever suitable to him.

The law lays down also conditions under which foreign investments are permitted. Foreign capital must be employed only in those industries mentioned in the Five-year Plan, or in activities which would serve to provide or to conserve foreign exchange.

The above concessions are not applicable to investments in agricultural activities. The law does not, however, preclude foreign investments in these activities, but they do not rank for remittance of earnings or repatriation of capital.

All accumulated earnings on foreign capital invested in Argentina at the time of the promulgation of the law was registered as foreign capital for investment in the Five-year Plan industries. Consequently, they are entitled to get the concessions under the new law.

U.K. CURRENCY AND BANK NOTES BILL

A new Currency and Bank Notes Bill was presented to the British Parliament by the Chancellor of the Exchequer on the 5th inst. The Bill fixes the statutory limit to the fiduciary issue at £1,575 million, which, it is stated, corresponds with the present level of the issue. A similar Bill seeking to fix the limit at £1,400 million was introduced last year but was not proceeded with beyond the first reading stage. Consequently, the 1939 Act, under which the Treasury had powers to increase the fiduciary issue above the £300-million mark fixed by it, continued to remain in force. And the Treasury had no rights under this Act to continue the fiduciary issue at a level above £300 million for a period longer than two years without Parliamentary authority. In the meantime, the Bank of England's note issue increased well above £1,400 million, and in July 1953 it went up to £1,625 million, though reduced later to £1,575 million on 20th October.

Under the new Bill, there is no time limit fixed for the maintenance of the fiduciary issue under the figure of £1,575 million. If, however, the Treasury were to maintain it above the figure for more than two years, it would have to issue an order and this order would have to be laid before Parliament for approval. Thus, the Bill provides for changing the amount of the issue by administrative action. The initiative for making the change would remain with the Bank of England. If the Bank at any time were to represent to the Treasury that it would be expedient to change the fiduciary issue, the Treasury, by means of an executive order, would direct the Bank to raise the amount to a level agreed by both the Bank and the Treasury.

The Currency and Bank Notes Bill contains provisions under which the Bank may only issue notes of denominations approved by the Treasury. Another provision of the Bill provides for issue and calling in of all Bank of England notes.

SAVINGS DRIVE IN RURAL AREAS

A new scheme to stimulate savings in rural areas has been approved by the Central Ministry of Finance. Under this scheme, persons holding responsible positions in rural areas would be appointed as authorised agents for the collection of small savings. It has been introduced as an experimental measure in two districts of West Bengal, namely, 24 Parganas and Nadia, as from the 1st inst.

All persons holding the office of the President of a Union Board in the two districts will be eligible for appointment as authorised agents. The President of a Union Board will hold, on appointment, the agency in his personal capacity, so that he may be free to retain the commission earned on sales of certificates through him. The commission will be at a flat rate of 1¼ per cent. on all sales of Rs. 5, Rs. 10 and Rs. 100 National Savings Certificate of the 12 years' series, the only condition being that money thus invested should not belong to a provident fund. Every authorised agent, before his appointment, has to provide two sureties for Rs. 1,000 each or pledge with the National Savings Commissioner National Savings Certificates of the issue price of Rs. 100.

The new scheme is another step forward in the move to mobilise small savings. At present extra departmental branch post masters are also being appointed as authorised agents for selling National Savings Certificates. Besides, about 100 women's organisations all over India are carrying on savings work as authorised agents.

U.S. DEFENCE EXPENDITURE IN 1952

Out of a total public expenditure of $101,000 million, the United States spent $40,000 million on national defence in 1952. The latter figure includes amounts directly used for the purpose, and not expenditures on defence related purposes such as, foreign economic and military aid ex-servicemen's benefits, atomic energy development, civil defence, and interest on national debt.

The $101,000 million figure for public expenditure covered sums spent by Federal, State and local Governments. It works out to a *per capita* expenditure of $646.

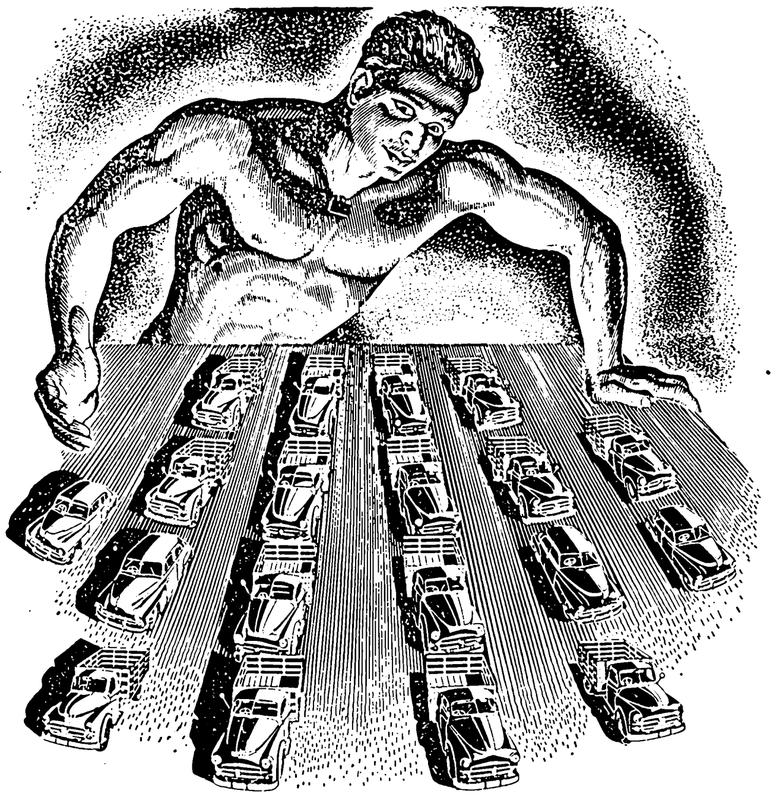
Next to defence, education was the second largest item in the nation's bill, accounting for $9,600 million in 1952. This included public schools, State colleges, universities and Federal educational benefits to veterans.

Most of the spending was financed by taxes which yielded $79,100 million for the Federal State and local Governments. This figure was 24 per cent. more than total taxes at $63,000 million in 1951 and nearly four times the 1942 tax total of $20,800 million. The share of the Federal Government was $59,700 million, State Governments $10,000 million and of local Governments about $9,500 million.

BURMA'S DEBT TO BRITAIN SETTLED

All outstanding financial questions arising out of the Anglo-Burmese Treaty of 1947 have been settled as a result of negotiations between the Governments of Burma and Britain. Under the Treaty, Burma owed Britain £27½ million. The debt, which comprised mostly army equipment handed over to the British forces when they withdrew on Burma's independence, had to be paid in 20 equal instalments beginning from 1st April, 1952. Burma pleaded inability to pay and, after renewed negotiations culminating in the agreement reached last week, Britain has agreed to reduce the debt by about £20 million.

Under the new agreement, Burma has taken over Britain's obligation to pay £3.3 million to the Union Bank of Burma in respect of currency redemption. This represents money against pre-war Burma notes and British military Administration notes demonetised by the Burma Government in June, 1950. Britain in its turn, has accepted a round figure of £4 million in single payment as final settlement of the Union Government's total indebtedness under the Burma Independence Treaty mentioned at the outset.



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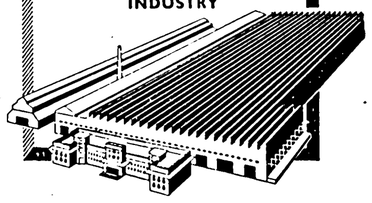

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NO MORE RELIEF TO TEXTILE INDUSTRY?

MILLOWNERS GREATLY DISAPPOINTED AT GOVERNMENT'S DECISION

AT a Press Conference in Bombay on Tuesday last week, the Textile Commissioner to the Government of India, Mr. T. Swaminathan, stated that no further relief would be given to the cotton textile industry by way of a reduction in the excise duty on fine cloth and of reduction in or removal of the export duty on coarse cloth. This decision of the Government, the Textile Commissioner said, stemmed from the necessity for large funds for developmental expenditure. He, however, gave the assurance that the situation would be kept under continuous review and that the question of granting further concessions would arise only in "very exceptional" circumstances.

The aforesaid announcement has greatly disappointed textile interests all over the country, who had earlier represented to the Government that the burden under the specific rate of excise duty on fine cloth had fallen very heavily as compared with the *ad valorem* rate. It is, indeed, unfortunate that, despite repeated representations, the Government of India should have refused to recognise the need for the abolition of the excise duty. The present rate of duty, namely, 15 pies per yard, is very high and accounts for as much as 20 per cent. on lower categories of fine goods which constitute the poor man's cloth. Such a high level of excise duty has already resulted in considerable consumers' resistance and the mills are finding it difficult to sell fine goods, particularly those with 36s warp and 40s weft made from foreign cotton imported at heavy cost. Incidentally, it may be noted that fine cloth accounts for nearly 25 per cent. of the total production; in the case of Ahmedabad, the percentage is still larger, being 48. It is not surprising, therefore, that the bulk of the cloth stocks lying unsold with the mills represents fine varieties. Indeed, the problem of the disposal of these varieties has been rendered so difficult that the mills are compelled either to close the second shift, as several mills in Ahmedabad have done, or to use more of the finer varieties of Indian cotton, supplies of which are not very large.

Clearly, the need for the abolition of excise duty on fine goods is most urgent. As the Ahmedabad Millowners' Association has very aptly put it, in the course of a statement issued to the Press last week, "when units after units are making heavy losses, the Government should not make a fetish of prestige and continue the levy." After all, the Government should remember that the fortunes of the cotton mill industry are closely linked, not so much with the export market as with the domestic market, a large part of which is still untapped, thanks to the poor purchasing power of the consumer. In fact, even if the excise duty on fine (and also superfine) cloth were abolished, it would not automatically lead to a substantial increase in consumption. For the prices, even after the abolition of the duty, would continue to be high, because these varieties are manufactured out of the costly cotton imported from abroad. If, therefore, the prices are to be lowered to a level which suits the pockets of the common man, there is also the necessity for reducing several other imposts on the cotton mill industry, especially the import duty on cotton. Nowhere among the major textile producing countries in the world does such a duty exist. There is absolutely no economic justification for its imposition, inasmuch as it amounts to no more than a tax on raw material. It is an accepted canon of taxation that raw materials of industry should be exempted from tax.

As regards the export duty on coarse cloth, the Government's decision to ignore the demand of the industry and trade for its abolition is deplorable. The chief consideration which weighs with the Government in its present attitude towards the demand for the abolition of the duty seems to be that the competitive position of India in the world export trade in coarse goods is great *vis-a-vis* Japan, the U.K. and other countries, inasmuch as the Indian mills have the advantage of getting raw cotton supplies at well below world prices. It is, therefore, argued that the Indian mills can afford to carry the burden of the export duty. This line of reasoning is hardly convincing, in that it ignores the fact that the advantage has been nullified, to a great extent, by higher labour costs in terms of workers' productivity, not to speak of the rise in manufacturing expenses. It also ignores the fact that a part of the burden is being passed on to the cotton grower.

Withdrawal of Export Duty on Coarse Cloth

Considering the way in which developments are taking place in the sphere of the world trade in cotton textiles, it looks as though India's exports of coarse cloth also would receive a setback. Thus, the renewed efforts that Japan has been making to promote exports of cloth, particularly superior quality cloth at cheaper prices, will greatly affect the demand for India's coarse cloth. As readers are aware, the cotton mills in Japan enjoy the advantage of a highly efficient labour force, as compared with their confreres in this country. Again, the introduction of rationalised means of production by installing modern and up-to-date machinery and equipment has considerably enhanced the competitive position of the Japanese mills, particularly in plain cloth varieties of 30s, 40s and above.

The moral of it all is that India cannot maintain a high level of cloth exports, unless the Government explores ways and means of stimulating larger exports. One of the surest ways of doing so is to abolish the export duty on coarse varieties as well.

RESTRICTIONS ON CLOTH DEALERS IN BOMBAY

The Government of Bombay has clarified the position with regard to the trade in cotton piece-goods in the State of Bombay. It will be recalled that, more than two years ago, in October, 1951, to be precise, the Government announced its decision to relax certain restrictions imposed on cloth dealers under the Cloth Licensing Order. Accordingly, a dealer could effect sales to any dealer of the same class, or of a different class, and at any margin of profit, provided that the maximum retail margin did not exceed 14 per cent. over the ex-mill price. Subsequently, the price controls on cloth were removed by the Government of India. Following this development, the Government of Bombay permitted any class of dealers to purchase cloth from manufacturers direct. The position that now exists is as follows:

(1) Any class of dealer can purchase cloth from the mills direct.

(2) Any dealer can effect sale to another dealer of the same class or of any other class.

(3) Wholesalers, that is, A or B class dealers, cannot effect retail sales, that is, cannot sell to the consumer direct or sell cloth by yardage.

(4) D class dealers can act only as commisison agents or as brokers.

(5) A retailer cannot sell cloth wholesale, that is, in packed bales.

The dealers in Bombay State are warned that any infringement of the existing provisions are liable to be punished in a court of law.

OCTROI ON HANDLOOM CLOTH AND YARN

The municipalities in Bombay State have been asked by the Government to consider the advisability of discontinuing the levy of octroi on yarn used for handlooms and handloom cloth, including *khadi*, and to submit the necessary proposals for the amendment of their rules so as to provide for exemption of the yarn and cloth from payment of octroi. The Standing Handlooms Committee of the Cottage Industries Board has requested that handloom cloth and yarn should be exempted from octroi and other local charges, with a view to enabling the handloom industries to sell their cloth at reduced price and find a ready market for it. With a view to giving encouragement to cottage industries, the Government considers that the request made by the Committee deserves consideration.

In order to improve the style, designs and colour schemes of handloom textiles and the technique of their manufacture, and to evolve new designs and reproduce some of the attractive patterns which command a good market, sanction has been accorded by the Government of Bombay to the establishment of a small research laboratory-cum-sample production centre. The estimated cost of the project during the current financial year is about Rs. 40,000.



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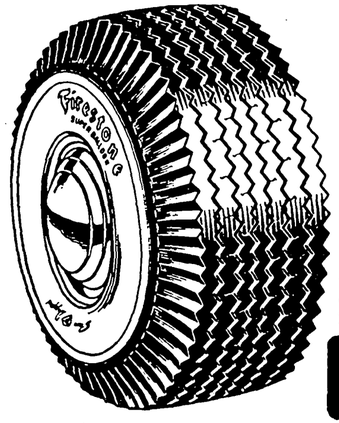

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RESTARTING LIVERPOOL COTTON FUTURES MARKET

SEARCH FOR NEW OUTLETS FOR TEXTILES

(From A Special Correspondent)

MANCHESTER, 3rd November

MANCHESTER LETTER

RAW cotton affairs in Lancashire, never far below the surface, have jumped into prominence again as a result of the widespread belief that the Liverpool futures market will once more be functioning early next year. Although the decision has been accepted in principle for some time it is unlikely that details of the contract to be offered or the system by which the market will restart can be disclosed in the immediate future. Many people closely connected with the venture are still in the dark as to some aspects of the project.

One of the main uncertainties is the future of the Raw Cotton Commission. It is generally agreed that the cover facilities now offered to spinners will be finally withdrawn next year, leaving the trade to its own devices by the operation of futures contracts. The merchanting section of the Commission, however, may still be retained as a sort of group distribution agency, although there is considerable opposition to such a proposal. Dispersal of the Commission's stocks provides another unsolved problem which is bound up with the question as to whether sufficient stocks are now being built up by private merchants to satisfy the requirements of the mills.

In responsible circles within the industry there is considerable agitation over the prospects in connection with raw cotton. Most of the industry welcomes the re-establishment of the futures market in the belief that eventually there will be greater choice of supplies at keenly competitive prices. Yet all will be glad when the change-over has been accomplished, for the interim period has created problems of its own which can now only be solved by a full return to private dealings.

Foreign Labour

Lancashire cotton employers want to bring in foreign workers from Austria, Italy and Ireland to start up machinery left idle by the drift of workers to other industries during the recession. The T.U.C. was told this in a report from its North-West Regional Advisory Committee.

"The marked improvement in the cotton industry has revealed a shortage of labour in all departments and to meet this need employers are asking for permission to bring in foreign workers from Italy, Austria and Ireland," said Mr. Lewis Wright, General Secretary of the 80,000-strong Weavers' Amalgamation, in the report.

"If this marked improvement in trade conditions continues there is greater likelihood of ex-cotton workers returning to the industry, where they are very much needed. Many workers who left during the slump of 1952 are showing reluctance to return until there are surer signs of employment."

Commenting on the labour problem in the spinning section of the industry, Mr. Alfred Roberts, General Secretary of the Cardroom Operatives' Amalgamation, said order books for yarn were getting longer and there was a danger that unsatisfactory delivery dates might result in loss of orders.

Imported Cloth

Merchants, manufacturers and finishers in Lancashire have never seen eye to eye over the post-war problem of the importation of foreign grey cloth—for obvious reasons. The subject has become a talking point once more as a result of comments made by Mr. Roger Lee at the annual meeting of the Calico Printers' Association.

One of the effects of last year's recession in trade has been the startling reduction in the quantity of foreign cloth imported into Britain for processing and re-export. Such a move was inevitable when many thousands of operatives were out of work and mills were standing idle. The transformation in trade this year has revived the idea that Lancashire's production is still insufficient to cater for all the demands made upon it.

By an arithmetical process Mr. Lee has worked out that the present level of employment and output in Lancashire weaving sheds is only sufficient to provide the home trade requirements of cotton and rayon cloth and leave 400 million yards of fabric available for exports. Even allowing for the fact that manpower is steadily rising, and production with it, the picture illustrated is not a rosy one.

Sir Cuthbert Clegg was quick to reply for the manufacturers, accusing Mr. Lee of approaching the problem from "a sectional short-term angle." He urged the encouragement of greater productivity and recruitment based on being able to assure workers of long-term security of employment. Complaints from weavers, he continued, about lengthening delays in finishing processes did not square with talk of unused capacity.

Shortages of Waste

All sections of the textile industry in Lancashire were not equally affected by the recession which clouded so much of last year's trading. Producers in the waste spinning and manufacturing branch, for example, were able to maintain a reasonable flow of activity, as Mr. J. W. S. Utley, Chairman of the Condenser and Allied Spinners' and Manufacturers' Association, pointed out at the annual meeting. Subsequently, there has been a slow but steady improvement in this section of the trade generally.

According to Mr. Utley, a slight shift in the balance between supply and demand might quite easily bring about a serious shortage of better quality waste, affecting output of yarn and cloth. Dollar-saving is made the pretext for the rejection of the trade's request to import comber waste from the United States. An allocation of dollars for this purpose was refused by the Board of Trade because the Association was unable to provide detailed information of what proportion of the textile goods made from waste were eventually re-exported to dollar markets.

Export Drive

The intensified competition for trade in world export markets and the industrial resurgence of countries whose productive capacity has been curtailed as a result of the war has greatly stimulated the efforts by firms in the Manchester area to find new outlets for their manufactures.

Board of Trade regional headquarters here are having to deal with a volume of enquiry about world markets which much exceeds the rate of demand for advice in 1952. A Board spokesman estimated that in the first nine months this year between 250 and 300 firms in North-West Britain sought assistance in appointing agents in overseas countries. "Quite apart from this, we have been constantly supplying people with information about export markets and lists of imports abroad," he said.

There has been a noticeable upsurge in interest among engineering firms in the region in challenging for orders in new markets. The recovery of Germany and other continental nations is undoubtedly prompting them to tap every likely source of new trade.

Lancashire textile firms are also constantly on the look-out for new opportunities to sell their goods abroad, particularly now that more countries which were formerly their customers are steadily building up their own textile industries so that home textile requirements can be met by local labour.

The North-West firms endeavouring to find new outlets cover a wide range of manufactures. Last month alone the goods produced by the concerns wanting to appoint overseas agents ranged from drugs, agricultural trucks, catering equipment and dumper loaders to lathes, soaps, textiles, foodstuffs, paints, brick-making machinery and knitting wool.

Yarn Output

For the third successive week Lancashire spinning operatives produced more than 20,000,000 lbs. of cotton and rayon yarn in the week ended 17th October.

Cotton Board returns of output and recruitment showed that the mills spun 20,310,000 lbs. single yarn during the week—3,530,000 lbs. more than in the corresponding week last year.

The mills recruited 212 more full-time workers than they lost and there was an additional gain of 70 part-time operatives. Out of the 112,030 workers on spinners' books, the number at work during the week was 103,420.—*All Rights Reserved.*

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WORLD STOCKS OF COTTON HEAVY

PROS AND CONS OF PROPOSED AGREEMENT

THE cotton world is likely to feel the adverse effects of the heavy stocks brought into the current season (1953-54) as the season advances, unless the world textile situation improves sufficiently well to enable the mill industry to absorb larger quantity of cotton. Presenting its estimate of the world cotton stocks (including those of Communist countries) on the eve of the meeting of the International Cotton Advisory Committee, which concludes its deliberations this week, the U.S. Department of Agriculture says that the stocks, as on 1st August, 1953, were 17.1 million bales (of 478 lbs. each) or 15 per cent. higher than the 14.84 million bales on the same date last year, or 45 per cent. higher than the 11.81 million bales two years ago. It may be mentioned, in this connection, that world stocks aggregated 25.16 million bales on 1st August, 1938. They are thus appreciably below the pre-war levels.

Analysing the cotton stocks figures in the net exporting and net importing countries, the Department points out that stocks at the end of the 1952-53 season in the former group of countries increased by 3.02 million bales, while they declined by nearly 750,000 bales in the latter group of countries. Stocks in net importing countries as a group declined from 6.4 million bales to 5.6 million bales, with the greatest decreases in India (265,000 bales) and the U.K. (266,000 bales). With the exception of the U.K., Sweden, Switzerland and Italy, stocks in the importing countries, it is stated, were "generally down to a minimum working stock level of about three months' requirements." Stocks in Japan were practically unchanged. The U.S. alone accounts for 2.7 million bales or 84 per cent. of the increases in the exporting countries. The U.S.'s cotton stocks at 5.5 million bales at the beginning of the current season are nearly twice as large as they were last year. This explains this country's anxiety to find a market for its cotton, though other countries, too, face a similar problem. Brazil is another among the net exporting countries to report a substantial increase (estimated at 600,000 bales) in its stocks. Analysing the stock position in terms of the cotton varieties held in stock, the Department says that almost the entire increase in world stocks is composed of American-type cotton. Referring to the effect of the cotton policies, now being pursued by the exporting countries, the Department says:

"Cotton price policies now in effect in most foreign exporting countries are intended to reduce prices to the level necessary to liquidate surplus stocks and trade data indicate that such stocks are rapidly being reduced. No significant stocks of exportable surpluses are expected to remain in these countries at the end of the current season except in Brazil, where stocks of low-grade, old-crop cotton are probably too large to dispose of in one year, and in Egypt where a large portion of the stocks are composed of the lower grades of Karnak, which generally move more slowly than other qualities."

If world cotton output in the current season is maintained at the 1952-53 level of about 35.6 million bales, the world supply will be of the order of 52.5 million bales, as against 50.5 million bales in 1952-53 and 47.3 million bales in 1951-52. Of the total world supply for 1953-54, the share of the non-Communist countries is estimated at 43.7 million bales, as against 42.1 million bales in 1952-53. Thus supplies will be larger by 1.6 million bales. Consumption of cotton in these countries, however, is not expected to register any significant increase. It is expected to remain, to quote the International Cotton Advisory Committee, "reasonably close" to the last season's level. On this basis, the consumption in 1953-54 may be placed at between 25.5 million to 26 million bales. It is against this background that one should consider the deliberations of the annual meeting of the International Cotton Advisory Committee which was in session in Washington.

There was one important item on the agenda of the meeting—a world scheme for cotton similar to the International Wheat Agreement; the aim is to provide means by which supplies might be assured to importing countries at fair prices in years of short crops and markets might be assured to exporting countries in times of surplus. The two proposals that have been put forward so far pursuant to this aim are:

(1) A multilateral contract to cushion rises and falls of prices; here, a maximum and a minimum price for cotton is fixed by agreement countries. Buying and selling of definite quantities of cotton during the agreement period takes place between these limits. Any surplus which an exporting country may have above its guaranteed exports is sold in the free market at whatever price the exporter can get for it. The International Wheat Agreement works roughly on these lines; and

(2) An international buffer stock agreement. Countries acceding to such an agreement decide on the extremes to be set to price fluctuations. An international executive is then set up to buy in a stock of cotton large enough to exert a powerful influence on world prices. When prices weaken, in times of abundant supply, the executive buys cotton and when they tend to fall will release stocks.

The Committee is also reported to have discussed a scheme combining features of both these proposals.

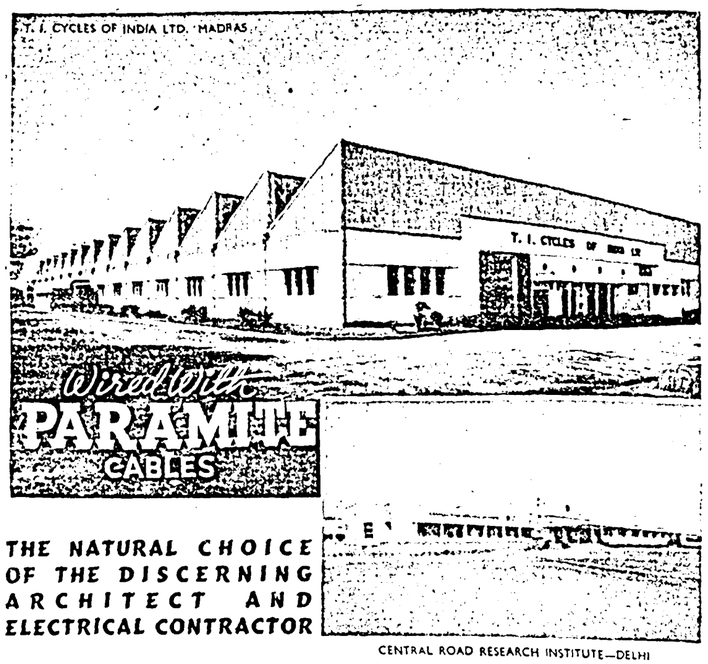
It may be recalled that, at its meeting in May, 1952, the International Cotton Advisory Committee received from its Standing Committee a survey of certain arrangements that might be used to bring greater stability to international trade in cotton. After a preliminary consideration of these proposals, the Committee decided that its Standing Committee should be asked to undertake further studies on this subject. Presumably, the Committee has now received a more detailed proposal for a world cotton agreement. Particulars of this scheme are not yet available, but this is a highly controversial question on which even experts are divided. Some are of the opinion that a world scheme for cotton would bring stability to countries that produce, export and consume cotton as well as to processors and manufacturers. Export quotas for producing countries, it is argued, would assure them a guaranteed market for a portion of their cotton in excess of domestic demands. It would also relieve the need for annual adjustments in production due to changes in world demand. Import quotas set up under the plan would assure cotton consuming countries of their raw material requirements. Definite prices for various grades of cotton, it is further contended, would give producing nations a known return for their output, while consuming countries would know how much they would have to pay.

Many experts, however, feel that it might be difficult to evolve an agreement which would be acceptable to all interests. They point out that economic conditions in the cotton textile world have changed since the subject of a world cotton agreement was taken up for consideration two years ago. At that time, there was fear of shortage, thanks to the Korean boom. But the world is now faced with a large surplus and prices are tending to fall. The main importing countries cannot, therefore, be expected to take even the little interest they formerly took in this scheme. This school of thought cites the instance of the U.K. which chose to remain outside the International Wheat Agreement when it saw the emergence of the surplus position in wheat. Further, cotton differs from wheat, in that the former is used to make cloth which has itself an international market. It is not, therefore, clear how the principles of a world commodity agreement followed in the sphere of wheat, can be applied to cotton. Again, it is asked whether a cotton agreement could possibly ensure that cotton users in both importing and exporting countries obtain their cotton on equal terms. Other factors which, it is stated, would render the formulation of an acceptable agreement difficult of achievement are: the existence of price support legislation in different countries and the system of differential prices in terms of different currencies for identical varieties of cotton, and the continuing difficulties in the balance of payments position in different countries.

Notwithstanding these difficulties, it is believed by some that a world agreement for cotton may take the form of a multilateral contract scheme on the lines of the International Wheat Agreement. Under such a scheme, there would be fixed a maximum and minimum price for cotton, there would, of course, be a free market also. The exporters would be under an obligation to sell the agreed quotas at the maximum price if the importers insist on it. The importers could be compelled by the exporters to buy the agreed quotas at the minimum price. The chief advantage of this scheme is that it assures a market for the exporters, at least to the extent of the agreed quotas and also a source of supply for the importers to the same extent, though both are free—that is, outside the terms of the agreement—to engage in trade upto any quantity which they can buy or sell, and do so at any price. Apart from the fact, that it is difficult to devise a system of maximum and minimum prices for cotton which consists of a very large number of varieties with an intricate price-pattern of premiums for different grades, the defect of this system is that an unusually heavy crop in the exporting countries would leave them with a large surplus above their contract quotas. Another defect of the scheme is that, although it stabilises the price of supplies traded under quota arrangement, it causes prices on the free market to fluctuate more than if no agreement existed at all.

Finally, the simultaneous existence of quota and non-quota cotton would lead, as Mr. D. R. Atkinson pointed out in an article contributed to the May issue of the *Egyptian Cotton Gazette*, to a two-price system in the importing countries. The two-price system did not matter in wheat which was mainly—and still is, in many countries—bought and sold by the Governments. But cotton trade is in private hands in a large number of countries. The cheaper of the two cottons—that is, the quota and the non-quota cotton—will oust the other. If the free market price is lower than the quota price, cotton will be bought by private importers as far as possible from non-member coun-

(Continued on page 921)



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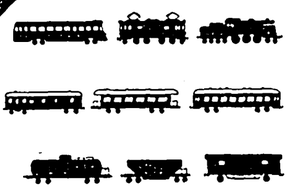

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PROBLEMS BEFORE SUGAR INDUSTRY

TOO MUCH OF OFFICIAL INTERFERENCE DEPLORED

FEW would remain unimpressed with the way in which Lala Shri Ram, one of the leading sugar millowners of India, approached the problems confronting the sugar industry, in the course of his inaugural address at the twenty-second Annual Convention of the Sugar Technologists' Association of India, held at Kanpur the other day. Lala Shri Ram not only drew pointed attention to the series of handicaps that faced the sugar industry but also put forward several notable suggestions for improving the conditions in the industry. Indeed, there is considerable force in his statement that there must be a "living" sugar industry before scientific activities and aspirations of technologists could have any scope. This, of course, presupposes a reorientation in the attitude of the Central and State Governments towards the sugar industry. That such a reorientation is imperative is clearly borne out by the continued lack of stability in the industry, despite the protection enjoyed for a long period of 18 years, necessitating imports of sugar from abroad.

What are the causes for this lack of stability in the sugar industry? Those who have cared to follow the developments in the industry will readily admit that it is the excessive and undue interference by the powers-that-be in the affairs of the industry which has been responsible for its present ills. Lala Shri Ram minced no words when he remarked: "It is a poor tribute to those responsible for the prolonged and detailed control over the sugar industry that, after 15 years of continuous control at various points and in different degrees, imports should have again become necessary on the ground that indigenous production is not sufficient." The pertinent points that Lala Shri Ram cited in support of his charge deserve reproduction. These are:

(1) The price of sugarcane which accounts for 60 per cent. of the total cost of sugar manufacture, is controlled by the Government.

(2) The areas of supply are equally controlled. The factory has no choice as to the place from which it will take cane.

(3) The wages paid by the factory and the strength of the staff are regulated by the Government. Even a single person cannot be discharged, except with the permission of a Government authority.

(4) Transport and despatches are controlled officially and the sugar mills cannot move their goods as and when they find it advantageous with reference to market conditions.

(5) Even in the manufacturing processes, any attempt at introducing improved methods or up-to-date machinery brings the factories at once against the often insuperable hurdles of retrenchment and Government control.

(6) As much as 93 per cent. of the expenses of the factories is subject to official control even to the smallest detail.

Taxation Very Heavy

It is not the official interference in the working of the factories alone that has hampered the progress of the sugar industry. The growing tendency on the part of the Governments to treat the industry as a milch cow has done it equally great harm. The proof, if proof were needed, of this tendency could be found in the imposition of several taxes and cesses, not merely by the Central and State Governments, but by the local bodies as well. The taxation on sugar is very heavy; it comes to more than 20 per cent. of the price of the commodity. What is worse, there are certain levies, such as cess on sugarcane at a rate which is nearly equal to an excise, that have least economic justification. Not only is the rate of cess too heavy—it accounts for 15 per cent. of the cost of cane—but the proceeds also are not being properly utilised. By doing so, the State Governments have laid themselves open to the bitter and universal complaint of misappropriation of funds. There is no exaggeration whatever in the statement of Lala Shri Ram that "if an individual or a joint stock corporation, instead of a Government had done such things, it would perhaps have been answerable for a civil breach of trust to make good to the beneficiaries the amounts wrongfully appropriated."

Inasmuch as the future of the sugar industry rests on the progress in the sphere of cane cultivation, the first step required is for the State Governments to spend the entire cess on development of cane. It was this very aspect which Mr. Desraj Narang, President of the Association, emphasised while presiding over the Kanpur Convention. A specific suggestion which Mr. Narang made was that the onus of cane development work should shift from the Governments to the factories concerned, with adequate finances made available to the latter. Said he: "Let a five-year experiment be tried in this direction. The basic requirements of cultural methods should be enforced and means provided to the cultivator to enable him to apply the required doses of manure and water. I am sure that, if the responsibility for cane development is passed on to the factories, the sugar technologists of factories will make an all-out drive to obtain the desired results."

A Pertinent Suggestion

This is indeed a very pertinent suggestion and deserves most careful consideration by the Planning Commission and the Government of India. We advisedly do not say "State Governments," because it is no use appealing to them. They scarcely care for the suggestions of the Press. Secondly, this specific suggestion will be most unpalatable to them, because it amounts to asking them to give up their rights. The present Union Minister for Food and Agriculture himself is fully aware that the State Governments are not spending the proceeds of the cane cess for the purpose for which it has been collected. Since the Governments have misused the proceeds of this fund, they are no longer morally entitled to its dispersal. It is high time the Centre intervened and drew up a plan, in consultation with the factories, for the development of cane production. The finance for the execution of this project must be obtained from the cess collected by the States. The execution of the project should be left to the factories, as suggested by Mr. Narang.

A disquieting feature of the economy of the Indian sugar industry, which is absent in the industry in other countries, is the unstable relationship between sugar and its substitute, *gur*. As Mr. Narang aptly put it, "we have seen, year after year, that, whenever *gur* prices are unremunerative, cane supplies are diverted towards sugar, and, conversely, when *gur* prices are attractive, sugar production suffers. The fortune of the sugar or the *gur* industry waxes and wanes, according as the price of one gets the better of the other." Lala Shri Ram also stressed this point, for he remarked that "violent fluctuations in the price of *gur* necessarily upset, with equal violence, the intended balance between cane and sugar."

Balance Between Sugar and Gur

The foregoing account clearly emphasises the need for striking a balance between the two sectors of the sugar economy. To this end we must first make up our minds as to the relative necessity of production of both the commodities. Alluding to this, Mr. Narang observed:

"Facts show that consumption of sugar is increasing year after year and, at the slightest opportunity, it sometimes increases beyond control. Therefore, while we cannot shut our eyes to the weakness of the people for sugar, we must concede that *gur* production is as important as sugar, not merely because it has a place in the daily diet of millions of our countrymen, but also because it is a source of employment and ready money to a large number of cane-growers who are remote from the factory zones. It occurs to me, therefore, that we should have a planned production of both. If 1.5 million tons represent the target for white sugar, let there be a target fixed for production of *gur* also. The production of *gur* ranged from 2.75 to 3.5 million tons and that of *khandsari* sugar from 175,000 to 105,000 tons during the last four years. We can, therefore, reasonably take the figures of 3.5 million tons and 100,000 tons as the optima in respect of *gur* and *khandsari* sugar production, respectively. Along with 1.5 million tons, as the target of sugar production, 3.5 million tons must be taken as the target for *gur* production."

The attainment of the target noted above is unlikely to present any insuperable difficulty, considering the fact that the production of sugarcane is, more or less, commensurate with the actual requirements of the two sectors of the sugar economy. But what hampers the supplies of cane to the sugar factories is the severe competition from *gur* producers. Even the Planning Commission has recognised this aspect, as witness its remark that "the absence of restrictions on the manufacture, price and movement of *gur* and the lack of control over the price of cane paid by the *gur* industry have enabled *gur* production to be increased to the detriment of sugar production." This problem too must be satisfactorily solved if the sugar industry is to be placed on a stable footing. Two courses of action are open. One is to control the *gur* industry on a par with the white sugar industry, while the other is to give the same freedom to the white sugar industry as is being enjoyed by the *gur* industry now.

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NEW SUGARCANE GRINDING PLANT IN EGYPT

The Egyptian sugar industry, represented by the powerful Societe Generale des Sucreries et de la Affinerie D'Egypte, has just doubled the productive capacity of its mills, as compared with that of the years directly before the last world war. This is due to erection of new equipment supplied by the Société Francaise de Constructions Mecaniques, which in 1929 and 1931 had supplied the original equipment of this Company. In 1952, the Egyptian Company placed an order for a new set to double the capacity of the already existing installation, the crushing capacity of which has now reached 10,000 tons per day.

This installation comprises one cane-shredder and six 935×2.200 mm. grinders. The first unit is engine-driven, the other six are driven two at a time by three engines. The latter, which are of the Cail type, have been specially designed for the sugar industry. The distributing and regulating mechanisms are simple, visible and of direct access. The sturdy construction is designed to reduce friction to a minimum. It is on account of this sturdiness that the old machines still look like new after 24 years.

Their speed may be varied from single to double, that is, from 45 to 90 r.p.m. simply by turning a push-button. Finally, admitting steam up to 16 Hp. with overheating up to 325°, they have a very low consumption, between 8 and 10 kg. steam per h.p. hour, as against 14 to 20 in the other driving methods. Thanks to their flexibility and their economical operation, these engines are ideal driving means for grinders, specially when the operation at the start and at the end of the season is not regular.

The grinders are provided with the latest improvements. They are characterised by greater extraction, thanks to carefully designed cylinder grooves and the great mobility of the upper cylinder which produces the hydraulic load. This flexible motion is the result of a careful selection of the materials used, of the study of the guiding parts and particularly of the transmission of the hydraulic press strain through a roller-socket joint arrangement. The press joints are of cast synthetic material and require no maintenance for several seasons.

The intermediate conveyors are of the rake type and are of ample dimensions. As designed, it is suitable for a very high capacity and has the advantage of being extremely clean, permitting no fall and leaving no deposit likely to ferment. These conveyors have been provided with forced-feed rollers and a bagasse-container of a Cail patented system. The auxiliary equipment of the grinding plant, cane conveyors, devices for soaking and filtrating cane-juice, gangways, etc., has been supplied and the total weight of the equipment delivered amounted to 1,600 metric tons.

A wide use of cast steel was made in the construction of grinders as well as in the construction of transmissions, the latter having no cast iron components. This installation was successfully tested in April, 1953.

SUGAR PRODUCTION AND STOCKS

The opening stocks, production, despatches and closing stock of sugar in respect of central sugar factories in India during the fortnight ended 15th October, 1953, were 290,216 tons, nil, 46,902 tons and 243,314 tons, respectively. The figures for the corresponding fortnight of the previous season were 524,284 tons, 3,199 tons, 48,301 tons and 479,182 tons. Figures for the current fortnight relate to 126 factories representing 92.08 per cent. of the total cane-crushing capacity, while those for the previous year relate to 121 factories representing 89.02 per cent. of the total cane-crushing capacity.

The total production and despatches of sugar for the season 1952-53 are reported to be 1,317,650 tons and 1,533,634 tons, as against 1,489,277 tons and 1,127,040 tons, respectively, during the previous season.

COAL RAISINGS AND EXPORTS

TREND DOWNWARD

A PERCEPTIBLE fall in the output of coal is disclosed by the latest available statistics. Thus, raisings upto the end of August, 1953, the latest month for which figures are available, were 24,098,788 tons, as against 24,372,510 tons during the corresponding period of 1952, that is a decline of 273,722 tons. On the basis of these figures, it is expected that the total production for the year 1953 will be about 400,000 tons less than that in 1952, when it touched a peak of 36 million tons. This is no doubt fractional but the point is that the upward trend in production has suffered a reverse in the current year. One of the reasons for this is the lack of transport facilities. Another is a marked fall in export demand. The control over distribution is also a contributory factor.

Exports of coal by sea (excluding Pakistan) during the nine months January-September, 1953, were 974,019 tons, as compared with 1,644,334 tons in the same period in the previous year, a precipitous decline of 670,315 tons. This decline, despite the abolition of surcharge on exports, is a disquieting feature. If this were to persist, it might have a telling effect on the future trend of production and employment in collieries. Exports to Pakistan during January-September, 1953 were 610,420 tons, as against 965,614 tons in the same period last year.

The decline in exports is due chiefly to China, Australia and South Africa emerging as keen competitors to India. Australian coal is being shipped to Hongkong, Singapore and Chittagong. South Africa has been sending its coal to Pakistan, Ceylon, Singapore and even to Hongkong. Reports from Colombo indicate that a trial consignment of Australian coal has been delivered to the Ceylon Government Railways and that tests are now being conducted to find out all possible modes of using it, if possible in preference to Indian coal. The decline in exports is attributed also to the fact that there are controls on the export of high grade coal which is in great demand in the overseas markets.

The future of India's export trade in coal depends initially on the extent of freedom given to the export trade to supply in full the quality of coal needed by the importing countries. Secondly, if the export markets for Indian coal are to be stabilised, the prices should be reasonably competitive. Thirdly, adequate transport for the carriage of coal from pitheads to ports and storage facilities at the ports should be provided, as early as possible. Finally, washing and blending of coal should be encouraged, with the assistance of the Government wherever possible and need be, so that India could export a larger quantity of higher grade coal with, of course, as little interference as possible with the policy of conservation of high grade coal.

COAL MINES PROVIDENT FUND

The ninth meeting of the Board of Trustees of the Coal Mines Provident Fund, held recently, decided that some principle for utilising the corpus of the "reserve account" of the Fund for the benefit of the members should be evolved. It agreed upon the principle of charging interest at 0½ per cent. on employers, if they failed to pay their contributions within the prescribed period. The Chairman, Mr. K. N. Subramanian, Secretary, Government of India, Ministry of Labour, expressed the view that provident fund money should not be paid to a retrenchee immediately but only if he remained unemployed for a period of one year. This was due, among others, to the consideration that the purpose of the fund was to provide for assistance during old age and that when a man was healthy he should strive for finding alternative employment and not fall upon the benefits of the fund.

COAL AND COKE STATISTICS

Over 2,60,000 tons of soft, hard and other kinds of coke were manufactured by seven coke plants during August, 1953. The output was over 83,000 tons more than that by eight coke plants in the previous month. About 2,747,000 tons of coal were produced by 824 collieries during August, as against over 2,753,000 tons produced by 820 collieries in July. During the month under review collieries and coke plants employed on an average over 328,200 persons daily, working over 7,915,000 manshifts. The corresponding figures for July are about 310,000 and about 8,000,000, respectively. The percentage of absenteeism was 13.82 in August, as compared with 14.20 in July. The output per manshift during August for miners and loaders was 1.04 tons, for all persons employed in underground and open-workings 0.56 and for all persons employed 0.34. The corresponding figures for July are 1.07, 0.56 and 0.34 tons, respectively.

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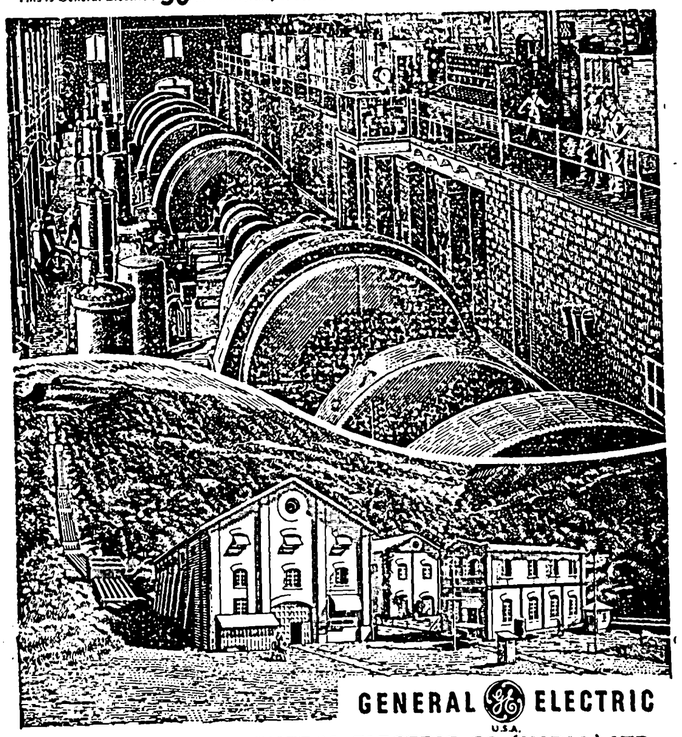

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PLANTATIONS IN TRAVANCORE-COCHIN

PLEA FOR RELIEF FROM REPRESSIVE TAX MEASURES

THE economic set-up of the Travancore-Cochin State is based on the agricultural development of land, and plantations account for a substantial part of agriculture in the State. The burden of agricultural taxation is heaviest on plantations in all parts of India and more so in Travancore-Cochin State. Heavy taxation, as every student of economics knows, is a strong deterrent to initiative and enterprise. If agriculture in the State is to make further progress and add to the wealth of the people, the burden of taxation on plantations must be appreciably lightened. The recent visit of Dr. Kailash Nath Katju, Home and States Minister, Government of India, to the State was, therefore, availed of by leading planters of the State to make a representation to him on this subject. Incidentally, they drew the attention of the Minister to a few other problems as well, such as law and order, labour relations, and land reform which adversely affect the working of plantation estates on efficient lines.

In the course of an interview granted to planters of the State by Dr. Katju at Kottayam last week, Mr. P. Kurian John, Managing Director, Malankara Rubber and Produce Co., Ltd., Kottayam, first dwelt on the problem of security. In recent years, planters had felt the necessity of maintaining law and order, particularly with the commencement of labour union activities. Political parties of various shades and colour had been encouraging low output and indiscipline among the labourers on the estates. The maintenance of law and order had been rendered more difficult by the fact that estates were generally situated far away from towns and sometimes in jungles. In this connection, Mr. Kurian John pointed out that a Government without substantial support from its legislature would be in a difficult position to adopt any firm policy in such matters and urged the need for a stable Government in the State.

Referring to the recent trends in trade union movement in the country, Mr. John pointed out how the managements of estates had been unable to concentrate on better cultivation and processing of crops owing to the various demands of labour. There were a large number of trade unions working in India under different political parties—and they all vied with one another to get control over labour. With a view to gaining popularity, each party competed with the other in inducing the workers to put forward unreasonable demands and make extravagant claims on the managements. Alluding to the Minimum Wages Act, Mr. John disclosed that the plantation industry in Travancore-Cochin State was paying the highest wage paid in plantations anywhere in India. The piece rates of planters in Travancore-Cochin were also very high. The planters did not mind paying higher wages, provided it led to an increase in the workers' productivity and better understanding between labour and management. But, unfortunately, Mr. John said, they had not been able to achieve that end. The higher wages were being paid without receiving any worthwhile return.

Mr. John expressed the planters' concern over the prospects of tampering with the existing policy of land holdings which would affect economic production. He said that planters did not subscribe to the theory of low production and high prices. Their aim was to produce more and bring down the price charged to the consumer. But the various taxes and levies imposed on planters by the Central and State Governments and local bodies made it impossible for them to bring down their costs. Quite apart from the heaviness of the tax burden, what has made matters more complicated is the anomalies of the various tax measures. Referring to the tax burden, Mr. John drew the Union Minister's attention to the fact that the plantation industry was the most highly taxed one in the whole of India. Tea estates in Travancore-Cochin State were paying from about Rs. 500 to Rs. 750 per acre per annum, depending upon their annual crop, to the Central and State Governments, by way of excise and export duties, income-tax, cess and sales tax. Besides these, they were also paying taxes levied by village panchayats, municipalities and other local bodies, as well as indirect taxation on materials consumed in estates.

The various anomalies in the taxation measures of the different States, to which Mr. John made a pointed reference, make interesting, but depressing, reading. A high rate of agricultural income-tax and super-tax is levied on the earnings of planters in Travancore-Cochin State. No such tax is payable in the neighbouring States of Madras, Mysore, etc. To this extent, the plantations in other States are, therefore, placed in an advantageous position vis-a-vis the estates in Travancore-Cochin. Although the Central Income-tax Act has now provided for a rebate or allowance to assessees against agricultural income-tax paid at source by companies on their agricultural dividends, the relevant sections in the State Agricultural Income-tax Act are still to be amended. All pending agricultural income-tax assessments for many years are to be completed in order to enable assessees to get their rebate provided for in the Central Income-tax Act. The two sections of the State Agricultural Income-tax Act are stated to be conflicting in effect and have complicated matters considerably for shareholders of agricultural companies.

As regards sales tax, the produce of estates in Travancore-Cochin is generally sold for consumption in other States or for export. Sale of teas for export with export rights at Cochin auctions are being subjected to Madras sales tax. The sales tax question on inter-State transactions has not yet been finally settled. As already pointed out, local panchayats, municipalities or corporations levy taxes. Although relief in regard to double taxation is provided for in the Panchayat Act, there is no such relief from double taxation under the Municipalities Act, except between municipalities. There is also no limitation to taxation by municipalities on company profits in the Travancore-Cochin State.

While the various Governments and local bodies vie with one another in extracting their dues from the planters and labour unions clamour for higher wages, there does not seem to be any appreciation on their part of the responsibility of the planter. It is to this aspect that Mr. Kurian John drew the special attention of the Minister. "It is often forgotten," he said, "that a planting company employing about 500 labourers may have over a thousand shareholders depending on their dividends to meet at least a portion of their annual expenses on bare necessities of life. It is also generally disregarded that a small holder, employing a couple of labourers, under our present Minimum Wages Act, has to support over half a dozen dependents out of his income from the land." He, however, hoped that the labour unions and Governments which now pursued a policy of enlarging the wage bills and tax bills of estates, would, in course of time, give a little more consideration to the vital necessity of (a) increasing output at cheaper cost, (b) making adequate allocation from profits for replanting old or low yielding areas, for which no depreciation or amortisation was now allowed either in the State Agricultural Income-tax Act or in the Central Income-tax Act, and (c) giving a reasonable return to the shareholders of a large company or to the small holder of an estate, on his present worth of investment.

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countries such as South Africa, a crore of rupees worth of jute manufactures. He was of the opinion that Pakistan jute manufactures were of better quality and that there would be absolutely no danger of being beaten in competition by India or any other European country. This robust optimism of Pakistan in its ability to hold its own in world markets is born of the advantage the country enjoys in respect of not only the high quality of jute and its availability to its mills, but also the high efficiency of the mills equipped with the latest type of machinery. It must be remembered that Pakistan mills are not bound by any working agreement as Indian mills are. Consequently nothing binds the mills in Pakistan to work like Indian mills 42½ hours a week with 12½ per cent. of the looms sealed. They can also work double or even treble shifts, whereas the mills in India, especially those efficient ones, are prevented from working even a full shift. Moreover, Pakistan jute mills are not subject to rigid labour laws, as their Indian confreres are. Thus unfettered by any kind of restrictions; Pakistan jute mills have a good start in their bid to conquer the world markets. Pakistan's growing competition, therefore, is a factor to reckon with by mills in India.

JUTE INDUSTRY IN PAKISTAN

SHORTAGE OF QUALITY JUTE ENVISAGED

THE latest information on the position of raw jute and jute industry in Pakistan now comes from Mr. N. M. Ispahani, a pioneer East Pakistan jute millowner and one of the senior Directors of the Pakistan Industrial Development Corporation. In the course of a Press interview at Karachi last week, he disclosed his reading of the situation in regard to the supply of raw jute this season in both India and Pakistan and gave a clear picture of the progress so far made by Pakistan in the manufacture of jute goods. These views of Mr. Ispahani are of much significance to the jute industry in India, in that they convey a warning that it will not be long before Indian mills will have to face formidable competition from Pakistan.

Commenting on the prospects for raw jute, Mr. Ispahani stated that the Government of India's estimate of jute production in India of 3.2 million bales during 1953-54 was incorrect. He placed the Indian production far lower than that, at 2.7 million bales. Pakistan's jute production, according to him, was 2.8 million to 3 million bales. It was very difficult, he said, to estimate the carry-over from the last season, but he had no doubt that the entire carry-over was of inferior quality—a quality which was unsuited to the manufacture of hessians. Some estimated the carry-over of such inferior jute at 1.5 million bales to 2.5 million bales, but he was of the opinion that it was about 1.8 million bales. Thus, according to Mr. Ispahani, the total quantity of raw jute available this season in Pakistan would be of the order of 4.6 million to 4.8 million bales.

Speaking of consumption of raw jute, Mr. Ispahani estimated the consumption of good quality jute by countries other than India at 3.2 million bales. As India was out of the Pakistani market at present, he visualised the prospect of this country being at a disadvantage later on in the season. For, by the time India entered the market, good quality jute would have been sold out, and the balance available for sale in the open market would not be the better quality jute required for the manufacture of hessians. Consequently, India, he said, would have to enter the world jute goods market for selling inferior jute goods manufactured out of the poor variety jute.

There is, of course, some force in this contention of Mr. Ispahani. For Indian jute mills till very recently had been buying jute very sparingly in the market, as they could not afford to lock up their funds in jute at a time when stocks of jute goods were accumulating in their godowns. There is, however, no proper indication to adjudge that the quality jute available this season will be far short of requirements, as was pointed out by Mr. Ispahani. Anyway, Indian mills will do well to bear in mind the warning given by the Pakistani jute millowner. It is, however, interesting to note that, though good quality jute might be in short supply, there would be, according to him, enough jute in both India and Pakistan to keep mills engaged throughout the year. In his opinion, there was no danger of any mill closing down during the current season for want of jute.

What is, however, of more interest to Indian jute mills is the progress of the jute manufacturing industry in Pakistan. On this aspect, Mr. Ispahani had much to say. The present production was on the basis of 50,000 tons per year. By December this year, it would go up by another 40,000 tons. Thus the production of jute manufactures by Pakistan at the end of this year would be about 90,000 tons per annum. By the middle of next year, on a two-shift basis, Pakistan jute mill production would be at the rate of 185,000 tons a year. The present loomage, according to him, was 1,375 in the Adamji mills and 150 in the Ispahani mills. By June next year, there would be an addition of 1,000 looms to the Adamji mills and 500 looms to the Ispahani mills. Besides, Amin mills would have by then 500 looms working, Crescent mills another 500, and Peoples' mills another 750. During July-December, 1954, three more units of 250 looms each, namely, Ghani, Ibrahim, and Chittagong Baling and Shipping mills would be in production.

Pakistan's own consumption of jute manufactures was 4,500 tons a month. This is already covered by the present production.

Mr. Ispahani pointed out that Pakistan had already exported to the U.S. and certain other

(Continued in previous column)

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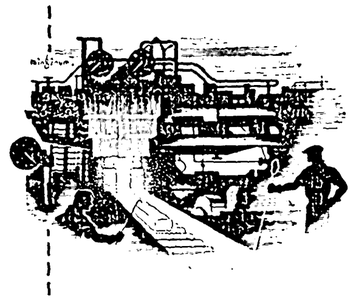





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RIVER VALLEY PROJECTS IN INDIA

RS. 40 CRORES TO BE SPENT ON IRRIGATION WORKS IN SCARCITY AREAS

THE symposium on the "Determination of costs and benefits of river valley projects (including irrigation, power, flood control and navigation)," organised by the Central Board of Irrigation and Power, recently at New Delhi, provided an opportunity to engineers for the exchange of views on the subject. Mr. V. T. Krishnamachari, Vice-Chairman of the Planning Commission, inaugurated the session, while Mr. Gulzarilal Nanda, Minister for Planning, presided.

Addressing the symposium, Mr. Nanda disclosed that the Government of India was thinking of taking concrete steps to have a central pool of technical experts and engineers on the lines of the former Indian Service of Engineers. The perspective of the Five-year Plan, he said, should be revised from time to time, depending on the demands of the people. At one time, the demand for food was the greatest and so irrigation was given the topmost priority in the Plan. New problems were coming up such as unemployment, etc., and the planners had to view the river valley projects with reference to them. The Planning Commission was, therefore, studying the employment potential of the river valley projects. Proceeding, Mr. Nanda stated that the use of machinery in the execution of the projects should be such as would justify itself, because manpower was available in abundance in the country. He was not against mechanisation as such, but he felt that it should be done on a stronger ground than mere economy. It was essential that the available manpower should be made the best use of.

Mr. Nanda was in full sympathy with the difficulties the Indian engineers were faced with in the execution of the river valley projects, because they were new to river valley projects of such dimensions and were, therefore, liable to make mistakes. They were working in difficult circumstances and the resources at their disposal were limited. He felt that the country did not have enough trained personnel in all sectors. Some trained personnel of the higher intermediary cadres were available, but, at the lower level, he said, there was a large deficit of experienced men. So far as labour was concerned, Mr. Nanda was of the opinion that the full benefit out of them was not obtained at present, because the workers were not properly trained.

The Minister for Planning and Irrigation had the impression that some of the projects like the D.V.C., Hirakud and Bakra were started in a hurry. He remarked that, before a project was taken in hand, detailed preparation and preliminary investigation must be made and completed as thoroughly as possible.

Irrigation Works in Scarcity Areas

Inaugurating the session, Mr. V. T. Krishnamachari revealed that, in the remaining two and a half years of the Five-year Plan, it was proposed to spend Rs. 40 crores on irrigation works in scarcity areas. These works would be taken up in addition to the regional projects already embodied in the Plan.

Mr. Krishnamachari expressed surprise at the discussion often centering round the relative usefulness of multi-purpose projects, large and medium projects, minor irrigation schemes and so on, as if there was a conflict among them. This, he said, was a mistaken view. Every one of those projects had its own use. There were certain areas in the country in which there was scope for multi-purpose projects and such areas were limited. There were areas in which there was scope for large and medium projects. Practically all over the country, minor irrigation schemes were necessary. There was not very much of a conflict between these schemes. The question before the planners of the country was about giving the right place to these various kinds of projects in the general scheme—how many to be included and in what proportion. Their task was to see that all types of schemes were included in such a way that they would prove to be "profitable, remunerative and useful."

Mr. Krishnamachari pointed out that, in the present Five-year Plan, there were eight projects costing Rs. 5 crores each, 16 costing between Rs. 5 crores and Rs. 1 crore each, 21 costing between Rs. 1 crore and Rs. 50 lakhs each, 27 costing between Rs. 10 lakhs and Rs. 5 lakhs each and a number of others costing less than Rs. 5 lakhs each. The aim of the Commission had been to include the different kinds of projects wherever suitable in the Plan. But all these projects had their own advantages and disadvantages.

The advantages of the big projects were that they ensured a much more secure irrigation than other kinds of projects, and they were not affected by any vicissitudes of seasons. Such projects were helpful in generating electricity and bringing about a revolution in the country. On the other hand, there were also disadvantages like their high cost, the need for vast technical organisation and the long time taken for execution. So far as medium projects were concerned, the same sort of balance of advantages and disadvantages was present. But, in the case of medium projects, the advantages were more in that their organisation was easier and development of irrigation could take place more quickly. Regarding minor irrigation projects, their advantage lay in that they had facilities for the execution of the projects all over India. Mr. Krishnamachari said that the cost of small projects was small and they could get co-operation of the public much more easily. But there was a great disadvantage in that these projects were entirely dependent on rainfall. The maintenance of these projects had to be organised by the village communities themselves. It was not possible for Government departments to maintain a large number of small works all over the country and the responsibility for maintenance of such projects had to be placed on the village communities. Such a process gave rise to many administrative problems.

Question of Priorities

The Vice-Chairman of the Planning Commission then referred to the question of priorities and declared that, on this point, every attempt would be made to reconcile all-India needs with those of the individual regions. They had the pressing problem of making India self-sufficient in food. From that point of view, they should carry out as quickly as possible the most remunerative schemes which yielded the largest results from the point of view of expenditure incurred. But that could not be the only consideration in the laying down of a plan. It was their duty to see that regional development was not neglected. There were, for example, certain chronic scarcity areas in the country which should get their due share of development. In the early stages, greater emphasis was laid by the planners on all-India considerations, but, at present, they had to reconcile the all-India needs with regional needs. Sooner or later, better sooner than later, regional development must find emphasis in the programme. The proposal to spend Rs. 40 crores on irrigation works for the benefit of scarcity areas in the remaining two and a half years was an indication that the Planning Commission was seized of the importance of the need for small projects.

The main emphasis of Mr. Krishnamachari's address was on the necessity for ensuring public co-operation. It was imperative, he declared, that, if the projects outlined in the Plan were to be executed with speed, steps should be taken to make the people feel that they were partners in a grand enterprise. People should see that they were the owners of the projects and had to share in the rights and obligations. Unless this change in outlook was brought about in a revolutionary way, he feared that India would not be able to have any large programme of multi-purpose projects. The development of irrigation and the scheme for utilisation of power should go side by side. In this connection, he commended the practice of the Madras Government, which, before undertaking execution of a project, went to the villages concerned, explained to them the financial and other implications and asked in what manner they could contribute to the successful execution of the projects.

Finally, he turned to the question of financing the various projects. He revealed that multi-purpose projects were a great strain on the financial resources of the Centre and that, if the Centre got bogged down in two or three big projects for years together and if, in addition, the Centre was called upon to bear the expenditure needed for improving other irrigation projects, there was no prospect of the Centre being able to take up and implement many more multi-purpose projects for which there was great demand all over India. The conclusion of this analysis is clear. It is that the State Governments must take over the task of finding the wherewithal for the construction of the medium-sized and minor projects by following a judicious financial, fiscal and spending policy, and let the Centre to concentrate its attention on the execution of the bigger and multi-purpose river valley projects, which require not only a large amount of finance but also considerable administrative talent of a high order.

RAILWAY STATISTICS

Disclosing that the Railway Ministry had placed orders for the delivery of 400 locomotives, at a cost of Rs. 15 crores, with Japanese and Australian firms recently, in the course of a Press interview at New Delhi, Mr. P. C. Bhattacharya, Finance Commissioner of Railways, stated that the programme of the Ministry was to purchase an additional 750 locomotives from abroad for delivery before the end of March, 1956. On 1st April, 1951 the date of commencement of the Five-year Plan, there were 8,200 locomotives, of which 32 per cent. were over-aged, having served for 40 years. Of the orders placed for 769 locomotives (407 with Chittaranjan Workshop and Telco. and the balance with foreign countries) during the last 30 months, only 390 had been actually received so far. The production programmes of the Chittaranjan Workshop and Telco. had not been kept up to schedule, presumably because of the difficulty of getting parts from abroad. Orders already placed with these two firms were sufficient to keep them fully employed for the next two years and there was, therefore, he stated, no intention on the part of the Railway Ministry to place any further orders with them, out of the proposed purchase of 750 locomotives. Negotiations were still proceeding with foreign firms in regard to the supply of the remaining 350 locomotives. It was possible that some of the locomotives might be bought out of the aid that might be received from foreign countries. Payments for locomotives now ordered would be in sterling. Mr. Bhattacharya stated that, if the programme for the import of locomotives was maintained according to schedule, the percentage of over-aged locomotives would be brought down by the end of the Plan period to about 20 which might be regarded as normal.

Mr. Bhattacharya also revealed that, of the orders placed for the delivery of 3,800 passenger coaches and 32,300 wagons during the three years 1951-52 to 1953-54, only 3,000 passenger coaches and 19,500 wagons had so far been received. Another order for 10,000 wagons was also placed under the import programme for the year 1954-55. The total number of coaches in India on 1st April, 1951, was about 20,000 and of wagons 201,000. The over-aged wagons accounted for 24 per cent. and the over-aged coaches for 36 per cent.

Proceeding, the Financial Commissioner stated that, so far as passenger coaches were concerned, the intention of the Railway Ministry was mainly to replace the over-aged ones. Passenger traffic was steadily declining and would probably stabilise at a somewhat lower level this year than that in the previous year. The level of goods traffic was being maintained and it was possible that passenger and goods earnings might ultimately stabilise in the ratio of 40 per cent. and 60 per cent., as against the present 43 per cent. and 55 per cent. As regards wagons, Mr. Bhattacharya said, it was not proposed to import them in large numbers. The Government scheme was to encourage existing firms of wagon manufacturers in India. The main difficulty was in regard to getting steel and it was likely that some quantity might have to be imported. It was expected that the wagon production capacity might be increased by about 25 per cent. in the near future. If there was any great difficulty about increasing internal production of wagons, the Government might purchase about 4,000 or 5,000 wagons from abroad.

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Among the general data are a diagram comparing the main mechanical properties of S.G. iron, with other cast irons and with cast mild steel, a table of all the mechanical properties of both as-cast and annealed S.G. iron necessary for design purposes, details of the production characteristics and a description of service properties. In addition, reference is made to the American Society for Testing Materials Standards for S.G. iron and a valuable summary of typical applications is included. In all, the booklet provides a clear picture of the current position and future possibilities of this new material, which is now being produced in India, and there will be few engineers who will not be able to visualise immediate further applications in their own spheres. The publication is available free to all interested parties on application to: The Mond Nickel Co., Ltd., Technical Office, 1 Forbes Street, Fort, Bombay 1.

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Reserve Fund and other Reserves -	,,	3,99,37,832
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(ii) Reserve Fund		89,06,328
(iii) Deposits		62,05,70,363
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.		12,82,96,445
	Total ..	76,65,23,136
ASSETS		
(i) Cash and Balances with Bankers.		7,14,88,955
(ii) Investments :		
(a) Investment in G.P. Notes, Municipal Loans and Shares, Guaranteed by Central & State Governments .. Rs. 27,02,26,373		
(b) Other Investments .. Rs. 94,24,911		27,96,51,284
(iii) Loans and Advances		31,36,17,499
(iv) Other Assets : Including Bills Receivable, etc.		10,17,65,398
	Total ..	76,65,23,136

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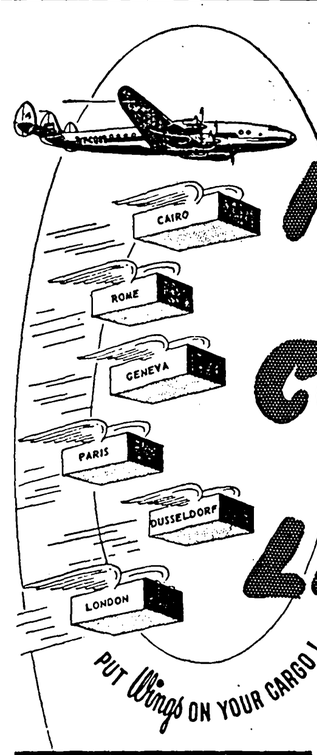

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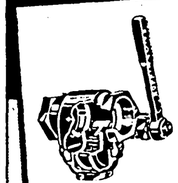

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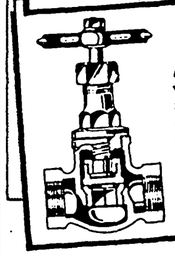

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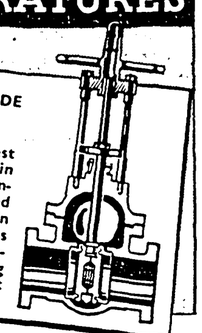

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PREVENTING ACCIDENTS ON ROADS

IMPORTANCE OF ORGANISING "SAFETY FIRST" WEEK

INSURERS, as a class, have a "vested" interest —if the word "vested" could be used at all to describe so laudable an objective—in the prevention of accidents. For they are vitally concerned in ensuring safety on the highways, which gives them the advantage of a low claims ratio in respect of the insured men and vehicles. They ought, therefore, to take a lively interest in the work of the Safety First Associations and other social service organisations which are constantly at work educating the people to live in safety. From the insurers' point of view, as indeed from the point of view of national well-being, it is gratifying to note that at least in one centre, namely Delhi, much attention is being given to the problem of preventing accidents. Sponsored jointly by the Central Government, the Delhi State Government, the Delhi Municipality, the Rotary Club and the National Safety Association, the "Safety First" Week, which was observed in that city last week, was designed to bring home to the people the importance of observing "safety first" principles.

It is noteworthy that the Press co-operated with the organisers in bringing out safety first supplements. Thus, the *Statesman* issued a special supplement, which makes not merely interesting but most instructive reading. The articles in the supplement dealt not only with the causes of accidents but the best means of preventing them. What is the main cause of accidents? We think that Mr. Lal Bahadur Shastri, Minister for Transport, emphasised the correct cause of all accidents when he said, in a message to the paper, that what "generally leads to an accident is inadequate knowledge of traffic regulations and improper training of those who drive vehicles." He added:

"It is to be regretted that traffic rules and regulations have only become more of a record in Government offices, and the public, including owners and drivers of vehicles, are hardly made aware of them. Even those who are acquainted with the rules are unmindful and indifferent towards them, but this should be an additional reason for a constant reminder of the importance of observing them, which means giving them adequate publicity. Training in traffic regulations should, in fact, start right from the primary schools and should find a place in the text-books."

Bad Roads

It would, of course, be wrong to fix the responsibility for all accidents entirely on the drivers of vehicles. But it was found in Delhi, according to Sardar Rajendar Singh, State Transport Controller, Delhi, that, in about 90 per cent. of road accident cases, the "responsibility for the accident rests on the vehicle." Even so, bad roads, especially insufficiently broad roads and ill-lighted roads, cause more accidents than is generally realised, for even a bad motorist could possibly avoid many dangerous accidents if the roads were sufficiently broad. Nevertheless, the motorist should know not only the traffic regulations in force, but also the dangerous consequences of high speed, which is often the main cause of accidents. Mr. Singh asks, in this connection, whether many motorists know that, when a car is travelling at 30 miles an hour, it takes 104 feet to bring it to a stop in an emergency and that, when it is travelling at 50 miles an hour, it takes 239 feet to bring it to a halt. He adds:

"Motorists are heard saying that speed in itself is not dangerous. This may be theoretically true. But even the best of drivers are liable to human error, and a burst tyre or a mechanical defect, which may be harmless at low speeds, could result in death at high speed.

"For too many drivers cut corners, attempt to overtake on bends or crests of hills where visibility is restricted, and ride the centre line without any thought of the dangers involved.

"Driving long hours puts a heavy strain on the nerves and causes weariness. The law requires that drivers of public vehicles should not be required to drive for more than nine hours a day or 54 hours a week, but it seems that drivers of public goods vehicles, in this country are always on duty. They get very little rest. Many of the accidents on the highways are the result of the driver having felt drowsy at the wheel."

An important cause of accidents in this country is the simultaneous presence on the road of different vehicles with divergent speed capacities—the hand cart, the bullock cart, the tonga, the cycle, the motor cycle, the goods lorry and the passenger car. There is, of course, the slowest-moving vehicle, the "human vehicle," the pedestrian himself, who does himself the greatest injury by ignoring traffic regulations. The "safety first" propaganda must be primarily designed to educate the three important classes of travellers, the motorists, the cyclists and the pedestrians, who are the people that are generally involved in accidents. During the Safety First Week in Delhi, the publicity campaign included the following instructions:

Motorists: Dip your lights—don't dazzle

Cyclists: Maintain your cycles in good condition, particularly the brakes.

Pedestrians: Think and look before crossing the roads.

High Speed

Apart from observing traffic regulations, the motorist should know that, if he dazzles the pedestrian by a too brilliant light, he is only increasing the chances of an accident. He should also learn the importance of being sober, when he is at the wheel. Since most States in India have prohibition, "excess liquor," which is a major cause of accidents in the West, ought to cease to be an important cause of accidents in this country. It may, however, be wondered whether the very fact that liquor is not so freely available will not induce a motorist to help himself to an additional drink when he comes by illicit liquor. Be that as it may, it is necessary, at all times, for the motorist to realise that high speed should be avoided if accidents are to be prevented. The Government should also realise that traffic regulations should be properly enforced. Some motorists feel that the State Governments in this country punish them for trivial offences, and do so without giving them sufficient notice or warning, while more serious offences are sometimes ignored.

The cyclists too must realise that they should keep their vehicles in good condition. Many of them do not realise the importance of efficient brakes, of good light, and of having a red signal at the back wheel. Nor do they appreciate the value of the advice that they should never ride abreast, since they occupy more space and thereby help increase the chances of accidents.

The pedestrians must be told that they expose themselves to needless risk if they indulge in "jay-walking"—that is, going along the main road, without using the pavements.

Highway Safety

The challenge to highway safety, according to Mr. H. P. Mathrani, Ministry of Transport, can be met only if it is tackled simultaneously on the three 'E' fronts—engineering, education and enforcement. Referring to the place of each of these factors in the fight for safety, he says:

"The primary function of roads is to afford uninterrupted and safe circulation of traffic at reasonable speeds. To achieve this various factors, viz., speed, nature and intensity of traffic, length of visible road, gradient, curvature—horizontal as well as vertical—minimum turning radius, type of pavement, width of traffic lane, lighting, etc., should be given careful consideration. Traffic characteristics and disposition should be studied.

"It is very necessary to spread information concerning the rules of the road and to make the public safety-minded and safety-conscious. Recourse may be had to the following practical expedients: (a) publicity vans; (b) organisation of "safety" weeks at regular and short intervals; (c) lectures in colleges and schools; and (d) films, posters and the radio. Cinematography and photography are some of the best media suitable for propaganda work. Photographs and pictures make the public more forcibly aware than words ever can of the horrible effects of accidents. Organisation of "safety weeks" and the production and exhibition of "safety films" should yield rich results and lighten considerably the task of ensuring highway safety.

"It has been observed that almost invariably the accident curves descend as the curve of warnings, arrests, and convictions rises. So the motorist or any other road user, who completely disregards and/or treats with contempt laws and regulations enacted to ensure safety on the road, should be properly dealt with. Mobile trying courts should be encouraged for speedy and effective action against recalcitrants on the spot."

It should thus be clear that it requires the joint efforts of several classes of persons, who may be broadly classified as the road users and the Government, before the roads cease to be the "death traps" they frequently are to-day and can become safe places which all may use without danger. In this task, the insurers can play a vital role by sponsoring or participating in movements that are designed to propagate safety first principles among the people.

BIRTH AND DEATH RATES

A general decline in death rates is a favourable factor for insurers, since it indicates an encouraging mortality experience. They will, therefore, be gratified to find that the "crude" birth and death rates per one thousand of the population, published by the August issue of the U.N. publication, entitled *Monthly Bulletin of Statistics*, show that, in many of the leading countries of the world, birth rates show an upward trend, while death rates show a marked decline since the pre-war years. The following table gives the birth and death rates in some of the leading countries:

Birth Rates

	India	Italy	Japan	U.K.	U.S.
1937 ..	33.7*	22.9	30.6	15.8	17.1
1938 ..	33.3*	23.8	27.1	15.6	17.6
1948 ..	25.2	22.0	33.7	19.1	24.2
1949 ..	26.4	20.4	32.8	17.0	23.0
1950 ..	24.8	19.6	28.2	16.2	23.6
1951 ..	25.0	19.1	25.0	15.8	24.5
1952 ..	23.2	17.6	26.0	15.7	24.6

Death Rates

1937 ..	22.0*	14.3	17.0	12.6	11.8
1938 ..	23.7*	14.1	17.7	11.8	10.6
1948 ..	17.0	10.6	12.0	10.9	9.9
1949 ..	15.8	10.5	11.6	11.7	9.7
1950 ..	16.0	9.8	10.9	11.7	9.6
1951 ..	14.2	10.3	10.0	12.6	9.7
1952 ..	14.5	10.0	9.0	11.4	9.6

* British India.

Birth Rates

	Australia	Canada	Ceylon	France	Germany
1937 ..	17.4	20.1	37.8	15.0	..
1938 ..	17.5	20.7	35.9	14.9	19.7
1948 ..	23.1	27.3	40.6	21.0	16.6
1949 ..	22.9	27.3	39.9	20.9	16.8
1950 ..	23.3	27.1	40.4	20.6	16.8
1951 ..	22.9	27.2	37.3	19.5	16.8
1952 ..	23.8	27.4	39.5	19.2	16.7

Death Rates

1937 ..	9.4	10.4	21.7	15.3	..
1938 ..	9.6	9.7	21.0	15.6	11.4
1948 ..	10.0	9.3	13.2	12.4	10.3
1949 ..	9.5	9.3	12.6	13.7	10.3
1950 ..	9.6	9.0	12.6	12.4	10.3
1951 ..	9.7	9.0	11.6	13.3	10.5
1952 ..	9.4	8.6	12.0	12.3	10.5

It will be seen from the table that mortality rates in India have declined steeply since pre-war years. But it has the highest death rate among the countries given in the table.

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MIDLAND RUBBER AND PRODUCE COMPANY, LIMITED

SPEECH OF MR. THOMAS AT SIXTEENTH ANNUAL GENERAL MEETING

PLEA FOR BETTER OPPORTUNITIES TO PLANTERS FOR CO-OPERATION WITH GOVERNMENT

ADDRESSING the shareholders of the Midland Rubber and Produce Company, Ltd., at their Sixteenth Annual General Meeting held at Alleppey on 26th October, 1953, Mr. A. V. Thomas, M.P., admitted that, in the present altered set-up of things in the country, which has as its objective the realisation of a Welfare State, a certain amount of governmental control over the administration, production and sale of many of the commodities was necessary. He even went so far as to concede that a healthy control under which the Government would not interfere in the normal trade activities, but act promptly in an emergency, could be productive of really good results. If, however, the desired objective of the Government were to be achieved, Mr. Thomas felt that the *modus operandi* of administration of control measures should be altered to suit each industry, according to its position and the exigencies of circumstances. He also pleaded that greater opportunities should be given to those who were in the know of the difficulties, achievements and purpose of the various industries, for collaborating and co-operating with the Government.

The following is the full text of the speech delivered by Mr. Thomas:

"GENTLEMEN,

"I welcome you to this the sixteenth annual general meeting of the Company. The Directors' report together with the audited balance-sheet and profit and loss account have been in your hands for the stipulated time. The year's working and the results achieved have proved to be very satisfactory. The Directors' report contains a fairly full account. However, I would like to refer to some aspects of the plantation industry, in general, and of our products, in particular, before I move the report and accounts for the year for adoption.

Control Over Plantation Industry

"The plantation industry, as many other important industries in the country, is sought to be controlled by the Central Government with a view to stepping up its usefulness to the overall national economy. Normally, in the altered set-up of things and the objective of the realisation of a Welfare State, governmental control in one form or other must be acceptable. With the first Five-year Plan in active adoption and the prospect of similar plans being repeated, it is perhaps permissible that the Government should have some effective voice in the administration, production and sales of many of the commodities that are produced in India. In fact, a healthy, helpful control, keeping the interference of the Government least in the normal trade activities, but being always in a position to step in at any time, can be productive of really good results. For this, the undoubted and essential prerequisite is a comprehensive knowledge in the hands of the Government of the exact state of the industry, the difficulties that are confronting it, and the remedies that would be possible to help the industry. I am saying this, because there is an overall feeling in the country that most of the control measures, at any rate, in the form in which they are enacted and administrated, are ill-digested and may not be helpful in achieving that purpose for which they are being put on the Statute Book. Therefore it is, that I have been trying, wherever I had the privilege, to represent that, on a good national cause, I could never fail to see eye to eye with Government in their objective, but the *modus operandi* in their administration will have to be altered, to suit each industry according to its position and exigencies of circumstances warrant. It is not fair to use the same yardstick of control oblivious of the difficulties, achievements and purpose of the various industries that are in the country. If the democratic set-up, which is the avowed ideal of our Government, is really practised and people, who are actually in the know of such things, are given greater opportunities to collaborate and help to co-operate with the Government, at any rate, the stigma that most of the legislations that are put on the Statute Book have been made without comprehension, could be eliminated.

"The production, processing and sales of tea have been now put under the enactment of the Indian Tea Act. Tea is one of the largest foreign exchange earners of our country. Tea, as you know, is one of the industries which provide considerable employment for the manual workers of the country, as well as to the educated middle class in the estates, in the offices, in the sales section and in so many other ways. The Act has been at one time felt by me as something which has helped the Government to take very much more powers than what the situation would admit of. But it is one thing to have the powers, and it is altogether another thing not to abuse it. Therefore, even if the Act appears to have gone too far to merit its usefulness for stabilising the tea industry in this country and take it away from the periodical booms and slumps, it can still serve usefully the industry, provided the administrative set-up understands the problems of the industry from time to time, and quickly, and adopts remedial measures. Let us hope that the various assurances given in this connection will be fully lived up to by the Government.

"Coming nearer home, our crops have been good and, in fact, in the very tight and competitive economy and ever-mounting cost of production, the only way to balance and stabilise the producer is to step up his production per acre high enough to offset the increase in the cost of production per unit. In this, your Company has not stinted to employ all the agricultural cultivation and manurial application and treatment of pests and diseases which science has taught us to be adopted systematically in the estates. You would have seen that, for the year under report, the average yield per acre on our Arnakal Estate is 1,011 lbs., which must be considered extremely satisfactory. Notwithstanding the increase in cost of production by the adoption of the Minimum Wages Act, the overall cost has been lived up very near to the revised estimate.

Rubber

"What I have said in the matter of legislative enactment under tea, applies equally to rubber. However, the legislation in respect of rubber is still in the Bill stage and it is expected to be taken up in the ensuing session of Parliament. Representations have been made to the Government, and are being continuously made, with regard to the various aspects pertaining to this industry and with the better knowledge that the Legislature and the Government now possess, the Act that will come out of Parliament may be something, I hope, against which you, as rubber producers, will not have to be very much militant.

"So far as our rubber properties are concerned, you are aware the whole of Mukampala Estate and a third of the area on Perinaad are under budded rubber. We have an immature new addition, under budded rubber, in South Travancore close to Mukampala and as part of it, to the extent of 151 acres.

"Our anxiety is that, if India has got to stay successfully on rubber, notwithstanding the closed economy under which the production and marketing of this commodity is controlled, at least 50 per cent. of the total area of the old, worn out, exhausted, estates in the country, must be replanted scientifically with improved heavy yielding material. In fact, the capital formation for this is not easy even normally, but in the present tight money conditions, it is almost futile to expect new or fresh capital for this purpose. Nevertheless, the replanting of the old estates has got to be recognised as an inescapable necessity. It is on this issue that considerable agitation was focussed by the producers to get the margin in the price for ploughing back into the industry. This alone will help better production, at cheaper cost, of a commodity whose strategic importance has been already recognised by the Government.

"We, for our part, at any rate, cannot get out of our rubber estates, whether the price factor is helpful or not and your Directors have in contemplation a planned and spread cut replanting programme for the old rubber in Sittar and Perinaad, for which adequate provision is being made by suitable appropriation from the profits year by year. The satisfactory position with regard to our production of rubber is that some of the new experiments, we have adopted in the matter of tapping, cultivation, etc., have proven their values and you will find that the crop during the year under report exceeds the estimate by 1,24,973 lbs. This is also in excess by 1,19,058 lbs. over the crop secured during the previous year. However, the production for the current year cannot keep this up, as, under the new enactments, the industry has been mostly compelled to suspend tapping on Sundays, which, in itself, will be responsible for some stepping down in crop.

The Plantation Act

"The Plantation Act, the implementation of which has been deferred, might probably be put into working operation at any moment. I am not one who will hesitate to support any measure which will bring in a better standard of living for the worker and the common man, giving him a larger measure of happiness. Even when the matter affected our economics, I am one of those who always believed, and continued to believe, that a healthy and contented labour force in the estates is an asset whose value can never be underestimated. I dare say no sensible thinking man in our country to-day will dispute the desideratum of the ideal of our Government to provide employment for all healthy people, helping them to improve their standard of living and well-being which is the first *sine qua non* of a successful Welfare State.

"But whether mere legislative enactments divorced of their practical possibilities would serve to achieve this object, I am not so sure of. Ideological enthusiastic approach to this problem, no doubt, is the essential prerequisite; but mere enthusiasm without a realistic approach to the situation and without fully appreciating the overall economic set-up of our country, can more probably mislead us than help us to serve and realise the laudable object. It is in this I am very particular that all phases of the industry must be fully taken into confidence and they must also be fully put in possession of the pros and cons of every attempt and the possibilities of the results, before they can be adopted as a standard yardstick.

"I will challenge anybody who will feel that we, as planters, are slow to appreciate this necessity either in comparison with our compeers in the urban industrial areas, or even with the Government themselves. Practical wisdom and great experience of the people, who are actually handling this, should be fully brought into play and availed of to realise the betterment of the common man and the worker, if not immediately, at least soon enough surely.

"The health of the labour in estates is generally satisfactory. The Company has been also paying more attention to the question of labour sanitation, hospital facilities, sick leave and maternity benefits, and other helpful measures to improve generally the health conditions of the estate workers.

"There has, no doubt, been some labour unrest on one or two of our estates, but it seems to be in common with most of the estates in the district. The problem is being sought to be tackled industry-wise in collaboration with other estate owners. Though the strike position during the year under report is less poignant than it was in the previous year, in the vital necessity of greater production at cheaper cost, I hope there will be wisdom on those concerned to do all that they can to admit of better cordial relationship between the employer and the employee.

Profit and Loss Account

"Gentlemen, coming nearer home, and turning to the profit and loss account and balance-sheet, I believe you will appreciate that the results for the year have been good indeed both in the matter of crops harvested and prices realised. This is more so because it was feared at one time that the drop in tea prices would continue to go unchecked, ultimately depressing the industry to a state more consequential than a passing slump. Actually this has not happened.

"With regard to rubber, the accumulation of stock and consequential deterioration in quality, besides the compelling necessity in some places to distress sales, due to overall tightness for money, have not fully helped the producer

(*Continued on page 913*)

TAXATION SYSTEM IN INDIA

REFLECTIONS ON SOME OF THE QUESTIONS RAISED BY ENQUIRY COMMISSION—II

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

TAXATION of profits accruing to a resident abroad (Question No. 49) may be a fit subject of taxation, but the administration of the law as regards foreign income and recovery of tax are made difficult by the following circumstances:

(1) Financial embargo on remittance;

(2) absence of double income-tax relief;

(3) a person may attract double ordinary residence both in India and abroad;

(4) manner of calculating income artificially under two Acts may differ in quantum and relief is granted only on the lower of the two amounts;

(5) payment of taxes at both ends may amount to a figure more than the income itself, unless relief or postponement is granted by the authorities;

(6) prompt collection of tax by deduction at source, advance payment, provisional payment and final payment all make a deep inroad on a business man's capital, while his refunds and computations of losses are inordinately delayed.

In case of nationals wishing to settle down in India, foreign accumulated savings brought into India should not be taxed even if such a person technically attracts the status of a resident in the year of his arrival. These incoming sources of capital should be encouraged by making them tax-free. Further, realisation abroad of capitalised income with a view to bringing it into India should not be deemed to be income. Such capitalisation should be recognised, unless there is a reasonable doubt as to the *bona fides* of the transactions.

Bonus Shares (Question 50)

"Bonus shares" are normally regarded as capital distribution, but section 2(6A) specifically catches certain capital distribution artificially as dividend. Clause (c) needs a little consideration by reason of an express omission of the words "profit, whether capitalised or not." This phrase is used in clauses (a), (b) and (d), but strange enough it is omitted in clause (c). The legal connotation of this phrase seems to be that revenue profits so capitalised will still retain the characteristic of revenue, if subsequently the capital is paid off, reduced by a release of assets. If that is the meaning, then the absence of the phrase in clause (c) creates a clear lacuna, that is, under clause (c), whatever is once capitalised does not retain the revenue character, although distribution entails release of assets. A company about to go into liquidation might first capitalise its profits accumulated during six years and then go into liquidation. Distribution in liquidation of accumulated profits during six previous years would be deemed to be dividend. But, if once capitalised as aforesaid, they would cease to be so treated. If this is the legal interpretation, the section needs a modification in this direction so as to stop the loophole disclosed.

At present, there is no provision under which a company which capitalises its reserve can be called upon to pay tax on loans given to the shareholders for reasons other than business consideration. Such withdrawals by shareholders in the aggregate should be treated as dividend distributed on the footing of the shareholders' holdings in the company.

Hence, bonus shares issued by the company out of any accumulated profits should be taxed in the hands of the shareholders to the extent of the loans advanced to them or any firm or private limited companies in which such shareholders are interested either as a partner or a shareholder or a director as the case may be and to the extent the company's funds are invested in shares or debentures of such companies.

Business Connection (Question 51)

Business connection in respect of export trade should not be made the basis of taxation under section 42 read with section 43 to encourage our industries and trade. In case of imports of goods from foreign countries, the provisions of this section should be invoked where transactions are purely principal to agent. In case of transactions entered into as principal to principal, where the non-resident has no interest in the goods after they are shipped from abroad, no liability should be imposed on the resident importer. In case of a concern in India, the business of which is to indent goods on behalf of the residents in India, the liability should not be imposed on the resident where he simply acts as a media, unless he has acted as an agent on behalf of the non-resident principal holding some authority to act on behalf of the non-resident.

Agricultural Income (Question 52)

About agricultural income the suggestion is that such income will be taxed twice—once in the hands of the company to agricultural tax and again in the hands of the shareholders, as the Department has begun to disregard the principle that, when a company distributes agricultural profits to its shareholders, it retains the character of agricultural income, with the result that agricultural dividends are subjected to tax. This is not fair, for a company is but a legal entity interposed between the shareholders and its transactions. The shareholders are not the creditors of the company; they are the owners, though, for purposes of management, the law provides that a limited company, when it acts, it does not act on behalf of the shareholders; it acts on its own behalf as a legal entity. There is thus, it is argued, no legal relationship of a principal and agent so as to imply that the tax paid by the company is paid on behalf of the shareholders. This is true but that is not the whole truth. If the company's incorporation does not affect the mutuality of transaction between the members, why should the incorporation prevent the shareholders, who participate in the fund available for dividend, being regarded as having earned indirectly what the company has earned directly, of course subject to legal formalities? Similarly, does not a capital profit, when distributed by the company, remain capital dividend in the hands of the shareholders? There is thus no reason why agricultural profit, when distributed, should not remain agricultural profit. It is, therefore, necessary to make express provision in the Act, so as not to deprive the shareholders of their right of exemption from agricultural dividend in their hands. Accordingly, the agricultural portion of dividends should be specifically included in the definition of agricultural income under section 2(1), so also the forest income.

Integration of Agricultural with Non-agricultural Income (Question 53)

It is argued that agricultural income, if it is added for rate purposes, will more adequately measure a man's ability. That is true, but then, a question may be raised as to the desirability or otherwise of including in the total income elements which are not taxable. If exempted income finds place in the total income, in order to measure his ability to contribute to the exchequer, why not capital gains also? Thus, the issue would raise too many problems. And, unless a formula is found which will resolve all such conflicts, the present position should continue as it is, that is, excluding agricultural income even from aggregation for rate purposes.

Agricultural and non-agricultural income, it may be added here, now stand on different footings as follows:

(1) Agricultural incomes are not governed by the Income-tax Act;

(2) these incomes are totally exempted from charge; and

(3) method of the computation of non-agricultural income is not the same as applied to agricultural income.

Following the reasoning that agricultural income should continue to be exempted, the reply to question No. 54 is that the distinction between the two types should continue.

Fluctuating Incomes (Question 55)

Fluctuating income is a species of income and, from the point of view of ability, should not be regarded as income which creates a regular source for the assessee. The source may yield irregular income, but the source must exist. So long as the source exists, any yield from it should rightly be regarded as income and taxed. But this is not true with regard to isolated, non-recurring receipts. If such incomes are brought to tax, the question of allowing set off for losses will also arise. And something which is taxed with a view to adding and increasing the revenue may not turn out into a loss by allowing assessees to set off losses against their income. The question of taxing the income on average basis will involve a review of past years' assessments which may not be administratively easy to carry out. Similar difficulty is likely to confront the spreading of receipt over a number of years. I think that the balance of view seems to be to continue the present exemption except in cases like gratuity, for instance, where it is possible to spread the income over the years of man's services or compensation over the years the service is lost because of the termination.

If, however, the principle of spreading over a period of years the income of irregular and fluctuating character is to be accepted, it is necessary that a general provision should be made. The provision at present is confined to royalties, copyrights and fees for literary or artistic work. There are other incomes also of this nature which call for a similar treatment, viz., in the case of film undertaking receipts in a year for the right of exhibition of a film for a period of years; lumpsum payments on termination of employment or compensation for loss of employment; gratuity on retirement; cumulative preference dividend and profits on long-term contracts. All these need to be spread over a period of years the benefit is felt.

Exemptions

Charitable Trusts (Question 56): Exemption for private charitable or religious trust is not recognised. But where the trust provides no benefit to the settler or his relatives, some form of abatement should be allowed in rates, if not total exemption, e.g., these amounts actually spent for such objects as are charitable under the Act or which could be regarded as religious having regard to the denomination of the assessee, i.e., whether he is a Hindu, Parsi, Mahomedan or Christian. Ample safeguards may, however, be necessary to preclude abuse of this right.

Co-operative Societies (Question 57): Profits of a co-operative society should continue to enjoy the present exemption. The ambit of their liability should not be widened. Co-operative societies do not exist for profit motive, but for economic uplift of the community and hence they deserve all the State support. The present exemption restricts itself to one source only, namely, business. All incomes, of whatever nature, which fall under section 10 are exempted, even though it may not be strictly within the co-operative movement, e.g., profit on sale of Government securities. Sources like property, interest on securities and other sources should continue to be taxed as before. But it is necessary to lay down a uniform method of working out the income of co-operative societies all over India. Some Income-tax Officers regard investment as capital, others as stock-in-trade. It is suggested that some definite rules should govern the computation of a society's investment income as a capital investment or stock-in-trade; if it is to be regarded as the latter, what should be the method of its valuation: cost or market value whichever is lower or cost or market value whichever the assessee opts to adopt? Some guidance is also necessary as to the capital computation to determine the amount of interest to be allowed as a set off against interest income under section 8. This is necessary, for part of the capital is without interest—being the shareholders' capital and part of it is depositors' money at varying rates of interest. Relief should be given in computation of working capital by excluding shareholders' capital which is without interest and including only the borrowed capital in shape of deposits in case of co-operative banking societies. The rate of tax at present obtaining should be continued. Income from sources other than business should be arrived at after deducting proportionate expenses.

The question with regard to co-operative housing societies needs careful consideration. According to the present law, income of co-operative societies under section 9 is not exempted from tax. Co-operative housing societies, therefore, do not derive any benefit from the exemption. On the contrary, by reason of the co-operative society owning the whole building as an asset in its balance-sheet and the members having only contributed to its capital, co-ownership cannot be recognised, with the result that every co-owner of a flat in such building has to contribute tax at the rate applicable to the total income of the society, instead of its aliquot part. Where a building is constructed under co-operative housing scheme and the members have taken a flat therein on ownership basis, each co-owner should be separately taxed on his share of property at the rate applicable to his total income as a co-owner under section 9.

New Industries (Question 58): Concession given under section 15C must continue. Any depreciation allowance each year should be reduced by the profits, if any, made by such undertakings and allowed to be carried forward next year and so on, just like any other assessee.

Foreign Branches of Indian Banks (Question 59): Foreign profits of a bank incorporated in India and having its head office in India should not be subjected to tax in the first three years of the working of the branch. Similarly, losses made by such foreign branches in the first three years of their working should not be allowed to be carried forward and set off against their profits in subsequent years.

Life Insurance and Provident Fund (Question 60): In respect of life insurance abatement, the present restrictions are reasonable. But, in order to induce this type of saving in the lower grades of income, the present one-sixth should be advanced to one-fourth upto the total income of Rs. 15,000, one-fifth upto Rs. 25,000 and one-sixth thereafter. There is another difficulty that is experienced in case of minors whose income is aggregated with that of the father and that is this: where a minor pays his life insurance out of his own income, the minor's income does not get the benefit of abatement, because his income is added to that of the father and because the abatement under section 15 is allowable only to an assessee. It is suggested that, unless the minor is individually taxed, the income that is added to the income of the father should be subject to abatement under section 15. The present Act may have to be suitably amended to meet the suggestion.

Under the present Act, there is a distinction made between exemption granted to recognised provident funds and those provident funds which are governed by the Provident Fund Act, 1925. Continuation of this preferential treatment to Government servants really results in lower basis of taxation for income earned by Government servants as compared with others. Such preferential treatment is ethically incorrect. It is, therefore, suggested that the Income-tax Act should be suitably amended so that all recognised provident funds, including provident fund of the Government employees, are treated on uniform basis for purpose of relief.

Allowances

Depreciation (Question 61): With regard to depreciation allowance, it is felt that the present method of allowances—initial, normal and extra allowance and double shift allowance—seems to cover adequately the wear and tear loss suffered by the company; but, on account of increased cost of replacement of these assets at the end of their life, these allowances will not be adequate. Specific provision is called for and the method that recommends itself for acceptance is the creation of a special rehabilitation reserve, transfer to which should be treated as an admissible expense. There should, however, be certain conditions attached to this relief, such as:

(1) The funds shall be earmarked only for replacement of plant and machinery;

(2) the funds shall not be utilised for distribution as dividend;

(3) the funds shall be invested in Government securities;

(4) if meanwhile, there is a liquidation of the company, these funds shall be treated as profits in the hands of the liquidator.

Classification of Assets (Question 62): As compared with machinery, depreciation rate on furniture needs to be adequately increased so as to compensate this class of assets for the loss of initial and extra depreciation allowances allowed to the former.

Strange as it might seem, it is nonetheless true, that, in regard to furniture, the rule of obsolescence does not prevail, with the result that, on its sale, the assessee is not called upon to make good the depreciation previously allowed, if the asset is sold at profit and not at a loss. This seems to be a lacuna and needs plugging up.

Under the British Act, depreciation is allowed at the rates determined by the Commissioners of Inland Revenue, as appropriate to particular industry. In case of abnormal depreciation, there is a provision to make a claim before the Board of Referees. There is no such provision in our Act where in case of abnormal depreciation suffered in an industry, or in an individual case, a claim for higher depreciation can be made to the higher authorities. It is necessary to have a similar provision incorporated in our Act.

Mineral Resources (Question 63): In order to encourage development of mineral resources, adequate relief by way of depreciation is called for even in connection with the mining industries. The relief should be on the lines of the British Act. The relief, in short, is this. Under the British Act, two kinds of allowances are granted. An initial allowance on the capital expenditure incurred in the acquisition of wasting assets and an annual allowance calculated by reference to the output is, it is understood, granted. The Taxation Inquiry Commission should recommend a provision for relief for undertakings involved in exploiting wasting assets like mines, oil wells, etc. The details of the basis on which such allowances should be granted may be formulated and settled in consultation with organisations representing such mining and other interests.

Personal and Family Allowances (Question 64): The first suggestion is that the present first slice of exemption should be raised from Rs. 1,500 to Rs. 2,500. Abatement of tax should be allowed to an individual assessee in respect of his family members and dependents, Rs. 500 for each school-going child, Rs. 250 for each dependent member, like incapacitated mother or father or widowed sister or daughter. It is necessary to recognise even late in the day that the true ability of a person to contribute to the country's exchequer cannot be measured unless these family calls on the family budgets are recognised and admitted. If the family allowances are granted, the present exemption of the first slice of Rs. 1,500 should be retained. In case of H.U.F., the family allowances will have to be restricted to the sons of adult members, not exceeding a fixed number.

As regards family allowances, it would be interesting to point out that, in countries like the U.S., Canada, Australia, etc., medical expenses actually incurred in the year are allowed.

Admissible Expenses (Question 65): The present law is defective as regards admissible allowances in several ways. It does not recognise expenses which are purely business expenses (being neither personal nor capital) and such as would not have been incurred but for the fact that the assessee was carrying on business. These should be allowed provided they are proved to be revenue, not personal or capital, and incurred for the present or future advantage of business. With the very high rate of tax, the question of approximating the true taxable income to the real income of the assessee has assumed a very great importance. Expenses of the following nature should be allowed:

(1) Entertainment expenditure on business, provided the evidence of the expenditure incurred is genuine and not in dispute.

(2) Travelling expenses to foreign countries where there is ample evidence as:

(i) to the fact that the journey was undertaken for business;

(ii) that the assessee's business has benefited by the increased sales, improved manufacture or new contracts and agency. Securing of new agencies of short duration should not be regarded as capital;

(iii) even if the journey has not resulted in definite business contracts, but has led to improved manufacture or enabled the assessee to introduce new lines of manufacture, sale, etc.

(3) (i) Legal expenses in civil suit arising out of business transactions should be allowed whether the assessee loses or wins the suit;

(ii) legal expenses in criminal cases should be allowed only if the person charged is acquitted. If he is convicted, it would mean he has infringed the law—an action incompatible with trading within the law;

(iii) Where suit is against the directors of a company for an offence of Control Order, etc., if these persons are acquitted of a personal charge and the company under its articles is bound to indemnify them, their legal costs should also be normally allowed.

(4) Cost of engaging counsel or accountant in fighting out the assessee's case should be allowed irrespective of whether the expenditure relates to appeal or original assessment if the assessee wins his appeal. The argument in favour of the concession is that the assessee should not suffer for the error, misjudgment or lack of experience of the Income-tax Officer. If he justifies before the appellate authorities that his point—either of law or fact—was correct, he should be allowed this deduction.

(5) The arbitrary fixation of what salary a business man should pay his servant must be left to the discretion of the assessee and all such salary, commission or bonus paid should be allowed. The Income-tax Officer should not be allowed to adjudicate and assess the value of such services. Only in case of evidence—which must be not merely a vague suspicion—to the effect that these salaries are not real but bogus and actuated merely with the motive of avoiding the legitimate payment of tax, that the Income-tax Officer should take action. If such salaries are so disallowed, the Government in fairness should not tax the employee on the sum so disallowed, but treat the income in his hand as duly taxed. The reasoning behind the concessional treatment could be summarised thus:

If an amount debited as salary is disallowed, the effect is that it ceases to be a charge against profits and the profits are increased by the amount. If, for services rendered by the employee under contractual obligation these profits are shared by the company with the employee, it becomes an appropriation of taxed profits and must not be taxed again. At present, the tendency of the Department is to interpret the notification of the Government, issued under section 60, in such a way of as to deprive the employee of the benefit.

(6) Recent amendment of the Act in 1953 tightened the net of allowances by expressly providing that any expense for which a specific head is provided in section 10 (2) is inadmissible under that head and it shall not be open to the assessee to claim the same under the omnibus section 10 (2) (xv). This is to counteract the decision of the Bombay High Court in *C.I.T. vs. David Mills Ltd., Bombay.* (Ref. No. 17 of 1950) where, in regard to repairs, the Court held that the claim under section 10 (2) (v) failed, because the repairs failed to satisfy the condition of the repairs being *current*, but since the repairs were wholly and exclusively incurred for the business and were not of capital nature, the claim should succeed, if not under clause (v), then under clause (xv) at least. Now this wholesome principle is sought to be negatived by throwing the net of allowances still closer. Why should an assessee be deprived of his right to claim a deduction either under one or the other of the heads, if the general principles of the deductibility of expenses are amply satisfied? These principles are:

(1) expenditure is wholly and exclusively laid out or expended for business;

(2) such expenditure is not in the nature of capital expenditure or personal expenses of the assessee.

The expenditure allowed under section 10 (2) is already narrow and, therefore, under section 10 (2) **(xv)** there should be no restriction to an allowance, which, while it may not fulfil the specific condition of the express clause, fulfils the conditions mentioned in clause (xv).

(7) Bonus paid to employees is allowed arbitrarily only on the basis of three months' salary. Anything in excess, even if *bona fide* and paid purely to retain their services and keep them well satisfied, is always disallowed. This arbitrary rule should go. Unless the *bona fides* of payment are challenged or the nature of payment is such as to be suspicious, these should be allowed on their merits.—*All Rights Reserved.*

(To be continued)



(Concluded from page 911)

to realise the controlled prices. I must feel happy and advise you that the average price which our rubber has fetched is definitely better than most others similarly placed as ourselves.

"Gentlemen, you are aware that the managing agency has been renewed for a period of another 10 years under some altered terms and conditions, of which you had already been notified in the minutes of the extraordinary general meeting held on 29th June, 1953.

"The difficulties that are confronting the plantation industry are not few or far between, but still, I believe, from the position of the area, capital and profit-earning capacity among planting companies, our Company appears to possess many years of reasonable prosperity before it. I must mention here that it is in no small measure due to the unstinted co-operation and enthusiasm for work of all those concerned in it."

INDEPENDENT INDIA'S FIRST CENSUS REPORT

GROWTH IN POPULATION AND DECLINE IN 'PER CAPITA' CULTIVATION

THE All-India Census Report, 1951,* which has been released this week, is notable not only for the reason that it is the first census report since India attained independence, but also for the more detailed information it gives relating to the economic conditions of the people. The Report shows that India is more densely populated than Europe which is itself the most densely populated region of the world. In relation to the natural resources available for the production of food, India is even more heavily populated than Europe. But the Indian is more resourceful than the European in so far as his quest for cultural land is concerned, for while the European has brought only 30 per cent. of his land under the plough on the average, the Indian has brought 43 per cent. of his land under cultivation. The pressure of population on land in this country will be evident from the fact that, although the land area of the U.S. and Soviet Union put together is nine-times as large as India's, these two countries have together a smaller population than this country.

Prepared at a cost of Rs. 1.49 crores (or Rs. 4¼ per 1,000 persons enumerated as against Rs. 1½ per 1,000 enumerated in the 1931 census), the Report of the 1951 census, conducted under the overall supervision of Mr. R. A. Gopalasami, Census Commissioner for India, is presented in 17 volumes which are divided into 63 parts. The first of these volumes contains the All-India Census Report comprising five parts of which the first part (Part 1-A), the narrative proper, is published this week. Part I-B consists of appendices. Parts II-A, B and C consist of statistical tables accompanied by introductory notes. The other 16 volumes which are divided into 58 parts contain State Census Reports. In addition to this All-India Report and the State Census Report, 307 District Census Handbooks have been compiled, each handbook relating to one district separately. It may be mentioned here that summarised versions of the demographic and economic data contained in the All-India Census Report have been published in the form of six brochures entitled: (1) Final population total, (2) Population zones, (3) Sample verification of the 1951 census count, (4) Religion, (5) Summary of demographic and economic data and (6) Special groups. The brochures which are under preparation are: (1) Maternity data, (2) Languages, (3) Displaced persons, (4) Age tables, (5) Life tables, (6) Literacy and educational standards and (7) Subsidiary tables.

Area of Land per Head

The first chapter of Part 1-A of Volume 1, dealing with the land and the people, focuses attention on the area of land per head of population available in the country as a whole, describes how this varies in different parts of the country and how this variation is relatable to variations in topography, soil and rainfall. After dividing the country into five natural regions and 15 sub-regions in terms of these factors, a description is given of the salient facts of population and land use in three groups of sub-regions which are distinguished from one another as high, low and medium density sub-regions. Finally, a comparison is instituted, with other countries of the world which leads to the conclusion not only that there is a very notable shortage of "land area per capita" in our country but that the utilisation of usable land within this limited area has proceeded very far already.

The second chapter headed "The Pattern of Living—1951" begins with an account of total numbers and numbers in different size-groups of villages and towns and the distribution of the people among them. Then there is a description of houses and households—information regarding the relative proportion of households of different size-groups as well as their composition being a new feature of this census. This is followed by a description of the variations of the sex ratio in different parts of the country. The age-structure of our people is then described and compared with that of other countries of the world. As a result of systematic study, reasonably firm conclusions are reached regarding the levels (which prevailed during the decade ending 1950), of our true birth rates and death rates (as distinguished from our registered birth rates and death rates). Estimates are furnished not only for India as a whole, but six broad zones (North India, East India, South India, West India, Central India and North-West India); and they are then compared with similar rates of other countries. Under the section "Sex Ratio" in this chapter the Report states that the census figures have revealed not only that males and females are unequal in numbers but also that the magnitude of this inequality is also different in different parts of the country. In the country as a whole, the sex ratio was 947 (i.e., 947 females per 1,000 males) according to the 1951 census. It varied widely among the zones. The lowest value was 883 in North-West India and the highest was 999 in South India where practical equality of the sexes was attained. The other four zones varied thus: 910 in North India, 938 in West India, 945 in East India and 973 in Central India. Regarding the marital status pattern, the Report states that in the country as a whole roughly every other male person is unmarried; while rather less than two out of five females are unmarried.

Births have occurred during the ten years 1941-50 at an average rate of 40 per thousand per annum; and deaths have occurred during the same period at an average rate of 27 per thousand per annum. Hence the natural increase of the population has been occurring during the decade preceding the 1951 census at an average rate of 13 per thousand per annum.

The third chapter entitled "Livelihood Pattern—1951" contains a complete accounting of how the people obtain their means of livelihood and explains how the pattern varies from one zone to another. According to the survey, there are 402 landless agriculturists for every one thousand agricultural landholders. There are enormous differences in this respect from State to State. This number of landless agriculturists per thousand agricultural landholders is smallest in U.P. (161) and largest in Travancore-Cochin (782). The numbers for other major States arranged in order are: Mysore (190), Assam (235), Orissa (271), Bombay (383), Madhya Bharat (397), Madhya Pradesh (413), Hyderabad (507), Bihar (510), Rajasthan (544), West Bengal (609) and Madras (714).

"The Great Divide"

The fourth chapter headed "Before and Since 1921," like the three previous chapters, is strictly factual; but it lays the foundation on which the assessment of the population problem present in the last chapter is subsequently erected. It is a fundamental conclusion of the study—of which the results are set out in this Report—that 1921 is the "Great Divide." Our pattern of growth subsequent to that year is entirely unlike the pattern of growth before that year. The fact that there is a sharp contrast is first established by a detailed analysis of the relevant figures of all parts of India. Then the reasons which account for that fact are established by documentary evidence. The growth of population had been checked by famine and pestilence repeatedly before 1921. Except for one tragic exception, population grew unchecked after 1921. The next section of this chapter is devoted to showing that 1921 is the "Great Divide" in another respect. Before 1921, cultivation had more than kept pace with the growth of population; after 1921, cultivation was lagging far behind while the population total was forging ahead. Developing the conception of "land area *per capita*," we have the area of cultivated land *per capita* and based on it, of productivity of cultivation *per capita*. This had been stationary or moving up before 1921; after 1921, it was falling steeply.

The third section of this chapter explains how the livelihood pattern has been changing in response to unchecked growth of population and the decline of cultivation *per capita*. The economic strength of the average household is seen to have weakened. The last section of this chapter brings out the final and most important aspect of the "Great Divide"—the growth of food shortage. Notwithstanding the famines of the last century, India used to be surplus in food. Round about 1921, India developed a shortage of foodgrains and this shortage has been growing ever since—slowly but steadily. The relevant statistics have been brought together from different sources and they bring out unmistakably how the change came about over a series of years.

Future Growth of Population

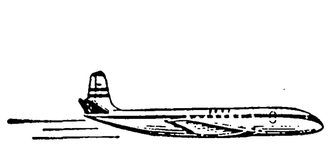
The last chapter entitled "The Prospect—1981" poses the question—what will be the pattern of our growth during the next thirty years? It is fully realised and made clear at every stage of the discussion of this question that the nature of the material is such that widely varying views can be and are being held both in respect of the facts themselves and the appreciation of the significance of the facts. The various views held on the subject are set out and reasons given for reaching a particular conclusion, which reads thus:

"First, if we can be sure that food will be available to the people during the next thirty years, at least as well as it has been during the last thirty years, and if no popular movement in favour of limiting births develops (as it has done among Western peoples), then the further course of population growth may be foreseen with confidence. Our number will grow from about 36 crores in 1951, to about 41 crores in 1961, 46 crores in 1971 and 52 crores in 1981. The growth will, indeed, be somewhat more rapid as (in the conditions assumed) the expectation of life will continue to increase.

"Secondly, the likelihood of the last figures being actually reached is, however, small. The govern-

(*Continued on page 935*)

**Census of India, 1951—Vol. 1, Part 1-A. Published by the Manager of Publications, Delhi. Price: Rs. 10 (De luxe edition) and Rs. 3 (ordinary).*



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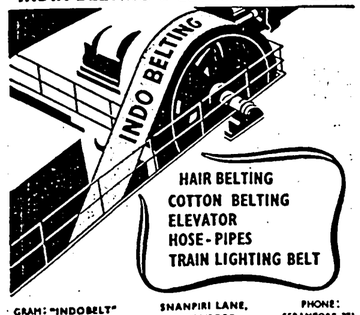

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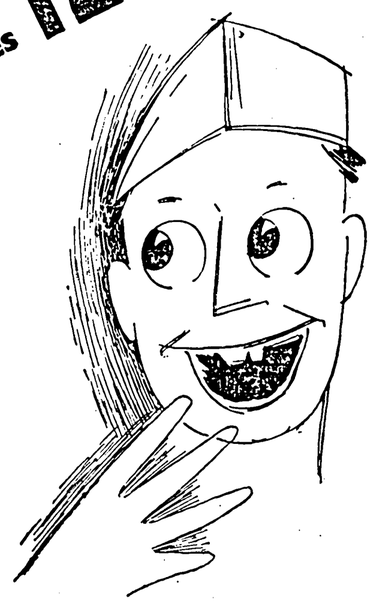

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SOME PROBLEMS OF IMPORT CONTROL

I.M.C.'S DISCUSSIONS WITH THE CONTROLLER

WITH seven weeks to go for the turn of the year, this is just the time when the Union Government will be busy taking stock of developments in the sphere of trade and industry for formulating its new policy for licensing imports and exports during the ensuing licensing period. In this connection, it is customary to consult chambers of commerce and trades associations and ascertain their views. The talks held last week in Bombay between Mr. K. B. Lall, Chief Controller of Imports-Exports and the Committee of the Indian Merchants' Chamber are, therefore, in accordance with this custom. They would be helpful to the Government in understanding the views of at least a section of the trade on its policies.

In the talks referred to above, the Committee of the Chamber drew the attention of the Controller to the need for taking into consideration indigenous production, while formulating import policy. If the country was self-sufficient in respect of a particular item, the Committee opined, the import of that item should not be allowed. Where indigenous production fell short of the total requirements of the country, licences should be restricted to import the quantity required to cover the gap between demand and internal supply. This course, it may be pointed out, is helpful in two ways: (*a*) it ensures the saving of foreign exchange, and (*b*) safeguards the interests of indigenous industries. Where the country was self-sufficient as a result of domestic production, the Committee, however, agreed that "token imports," as a means to induce indigenous manufacturers to improve the quality of their products, should be allowed. As the Government had already accepted the principle of "token imports," the Committee urged the Controller to consider the feasibility of extending this principle to some more items where the product was below the standard quality.

The foregoing suggestions, if accepted in full, especially in respect of protected industries, might infringe the Government's declared policy of not using import controls as an instrument of protection. No restrictions on imports can be justified, unless they are solely for the purpose of conserving foreign exchange or such have been advocated by the Tariff Commission, or there is clear evidence of dumping. In the ordinary course of events, if the foreign exchange position is comfortable, imports of a protected industry should be freely allowed, even if the country is self-sufficient in the products of that industry; for that is the only way to build up a strong and efficient industry and protect the interests of consumers. The policy of "token imports" in these cases does not go far enough. Such imports do not have much effect on the domestic producer. On the contrary, the high prices commanded by imported goods, thanks to the very small quantity in which they are allowed, induce them to sell their goods also at a high price. The consumer is thus placed at a definite disadvantage. The application of the principle of liberal imports, however, can be relaxed in exceptional circumstances, as in the case of an industry the productive capacity of which exceeds the demand by a wide margin, thereby providing scope for competition, and the efficiency of which is reasonably satisfactory.

Extension of Basic Period

Another point raised by the Chamber related to the extension of basic period to cover the fiscal year immediately preceding the period of licences. The basic period fixed for the selection of the basic year for established importers' licences, for the current licensing period, is 1st April, 1945 to 31st March, 1952. This excludes the fiscal year 1952-53. Last year, when the question of extending the basic year to 1952-53 came up, the Government decided that the basic period should be allowed to remain unaltered in the interest of simplicity. The Chamber referred to this decision and observed that the exlusion had denied some importers an opportunity of having a larger import quota. It requested the Import Trade Controller to include always the fiscal year immediately previous to the period of licensing. The Controller, however, pointed out that, if the suggestion was accepted, it would cause delay, as the work of licensing was, at present, based on quota certificates. But he assured that the Government would consider sympathetically any individual cases which suffered as a result of excluding the year under reference.

The import policy relating to established importers having more than one office also figured prominently in the discussions of Mr. Lall with the Chamber. Previously, the importer was allowed to select different years as basic years for his head office and branches. For the last two years, a different policy was being adopted, in that importers were required to select one and the same basic year for the head office and its branches. This procedure has worked against certain firms which have opened new branches at different places. The Chamber, therefore, suggested that the previous policy in the selection of basic years should be restored. Commenting on this suggestion, Mr. Lall stated that, although permission to select different basic years for the head office and the branches would benefit only a small section of importers, the same would cause a great deal of difficulty and inconvenience in administrative and procedural matters.

Actual Users' Licences

Licences granted to actual users seem to be providing continued headache for both the import trade and the control authorities. For, at the meeting, the Chamber reiterated its previous view that actual users' licences should be strictly confined to basic essential raw materials required for the manufacturing activity concerned. It further suggested that, where the actual user's licence was granted for any particular commodity, established importers should also be granted quota licences in respect of that item, so as not to be excluded altogether from that particular trade. This plea of the Indian Merchants' Chamber stems from the fact that some manufacturers have abused this facility by utilising it to serve their personal ends. From the assurances given by Mr. Lall it is evident that the Government is alive to the problem. But the fact remains that the Government has not been able to stop this undesirable tendency of misusing licences by manufacturers.

The Chamber did well in focussing the Government's attention on the difficulties experienced by importers in getting correct official information and guidance in regard to Import Trade Control classification in respect of certain items which clashed with the customs schedule classifications. This question has remained unsolved for a long time now. It will be recalled that last year the Government appointed Mr. P. M. Mukerji, who was at one time in the Import Trade Central Organisation, as an officer on special duty to go into this question of revising the import schedule. He prepared a draft schedule which was expected to come into force from July-December, 1953. This expectation has not materialised so far. It is learned from Mr. Lall that it will be taken up for consideration at the forthcoming meeting of the Import Advisory Council.

The Chamber next suggested that, for the success of the export promotion drive, it was essential to maintain continuity of supplies of various articles to the foreign markets. Towards that end, it was essential to review the export control policy in respect of various items, constantly, with a view to liberalising the exports thereof. Further, it was pointed out that export policy should be announced sufficiently in time, as otherwise, there was the danger of foreign markets being lost to Indian products, as a result of foreign buyers procuring supplies from alternative sources. Answering this point, Mr. Lall said that the Government realised the importance of liberalising export policy. It also recognised the importance of timely announcement, but stated that the delay was invariably due to the need for consulting the various interests concerned before the policy was finalised.

SAGO INDUSTRY CLAIMS FIVE-YEAR PROTECTION

The protection granted to the sago industry is due to expire at the end of the current year. Consequently, the Tariff Commission has taken up for review the industry's claims for continuation of protection. The present rates of protective duty on both sago globules and tapioca pearls are 24 per cent. preferential and 36 per cent. standard. In addition, a surcharge of 5 per cent. is levied on the import of these commodities. The rate of protective duties is based on the tariff values of sago and tapioca fixed at Rs. 40 and Rs. 42, respectively.

Opening the enquiry into the progress made by the industry during the period of protection and its present position, Mr. M. D. Bhat, Chairman, Tariff Commission, gave some very useful data. According to him, the industry has made considerable headway during the past few years. In 1950, 40 units were stated to be engaged in the manufacture of tapioca globules. The number has since gone up to 109 units. But the Salem Sago Manufacturers' Association has furnished data in respect of only 95 units. All the units in the industry are unregistered individual proprietary concerns and most of them are run on small cottage-industry scale.

The estimated rated capacity of the industry has risen from 19,500 tons in 1950 to 30,576 tons now, and the actual production from 6,000 tons to 21,577 tons in 1952; it was 19,608 tons in the nine months January-September, 1953. The importance of the industry to the small proprietary investor can be gauged by the extent of the capital investment in the industry which increased from Rs. 20 lakhs in 1951 to Rs. 26 lakhs in 1953. The number of workers employed has risen from 4,400 in 1951 to about 6,000 during the subsequent two years. The average daily rate of wages paid to male and female workers employed in the industry is stated to be Re. 1 and As. 10 respectively. Being thus a source of employment to the small man and a supplier of processed food, the sago industry undoubtedly deserves encouragement and assistance.

Several difficulties seem to have been blocking its rapid progress. One of them is the shortage in the supply of tapioca root, the only raw material of the industry. The industry is at present localised in Salem town and surrounding villages. It has to receive its supplies of the root from Malabar and surrounding areas of Salem. In Malabar itself it is an important item of food. Consequently, its price is generally high and to this has to be added the heavy charges incurred on its transport by railways or trucks. Thus, the price of the root has gone up from Rs. 5-6 to Rs. 5-12 per Bengal maund in 1951 to Rs. 9-1 to Rs. 9-15 per maund in 1953. The high prices account for the lag between the rated capacity and actual production. The industry has estimated the present requirements of sago at 12,000 to 15,000 tons and the future demand at 15,000 to 20,000 tons. This differs widely from the estimates of the Commerce Ministry at 9,000 tons. These figures need scrutiny.

The quality of sago is considered satisfactory, but there are still certain deficiencies which require to be removed. Thus poor swelling of sago globules while cooking, presence of grit, unhygienic process of manufacture, poor recovery of starch from the root, and lack of proper organisation among the units are the defects which need to be tackled in order to place the industry on a sound footing.

The industry has claimed continuance of protection for a further period of five years. As there is a ban on imports of tapioca globules on considerations of foreign exchange, it is requested that the ban should be continued for some time more. Important among the other concessions demanded are procurement of technical assistance from abroad and a reduction in railway freight. While these suggestions deserve the attention of the Tariff Commission, it must be stated here that the demand for continuation of the ban on imports of sago has no justification, in that the industry is given full tariff protection, under the cover of which alone, it should try to improve its position and became independent of continued State assistance as early as possible. It would be most unwise on the part of the industry to seek any highly artificial stimulus such as ban on imports, lest such should lead to complacency and continued inefficiency. Mr. Bhat has, therefore, done well in emphasising this point at the opening of the enquiry. He stated: "The survival and healthy development of the industry would depend largely on the steps it will take to reorganise itself and improve its methods of production. It will not do to lean permanently on protection and import ban, because that would be a sign of weakness. Ultimately, the justification for protection to the industry would lie in its ability to strengthen itself to such an extent that it can stand foreign competition without the aid of protective duties." These observations deserve to be taken note of not only by the sago industry but by every protected industry in this country, if it is to carry the support and sympathy of the public.

JAPAN-CHINA TRADE PACT

A unofficial Japanese trade mission has signed a £30 million trade pact with China in Peking. The Japanese Trade Ministry has, however, refused to accept responsibility to implement any trade agreement signed by the unofficial mission.

Following the trade pact came the U.S. Government's decision to slash by two-thirds the Japanese debt arising from the aid which America supplied to Japan immediately after the war. The value of the aid was $2,000 million. Construing the cut in this aid as an attempt to thwart the Japan-China trade pact, Mr. Kei Hoashi, leader of the unofficial mission, called upon the U.S. Government not to obstruct the trade pact. He pointed out that, if the agreement were put into effect, Japan's trade with China and Soviet Russia would still be less than 10 per cent. of its total trade. Emphasising the need for the pact, he said that Japan's current economic picture was grim. It had lost 60 per cent. of its overseas territory in the war and since then its population had increased by 10 million. He averred that Japanese people could not keep going under such conditions, unless they improved their international trade.

FACTORY FOR MANUFACTURING EXPLOSIVES

The Government of India has entered into an agreement with Imperial Chemical Industries, Ltd., for the establishment of a factory to manufacture commercial blasting high explosives in India. The agreement envisages the setting up of a new company with an authorised capital of Rs. 4 crores to be jointly subscribed by I.C.I. and the Government. Initially Rs. 2 crores of capital will be issued, of which 80 per cent. will be subscribed by I.C.I. and 20 per cent. by the Government of India. The balance of the capital required will be met by loans, a substantial portion of which is expected to come from the Industrial Finance Corporation of India.

A site has been selected for the factory close to the Bihar coalfields, so as to give the best possible service to the coal mining industry, which is the principal consumer of industrial explosives in India. In consequence of the development of mining in India, of the large public expenditure on water, power and irrigation works, and on road building, the demand for explosives has so increased that an explosives factory can now become an important factor in the national economy. When the factory goes into production, India will be self-sufficient in the manufacture of these essential industrial commodities.

Under the agreements, I.C.I., through its Nobel Division, will be responsible for planning the layout of the factory and providing designs for the plant and equipment, and will be responsible for its erection and setting to work. I.C.I. will also provide all the technical "know-how" required to operate the factory, and also continuing information on research. It will be drawing on its long experience of blasting explosives, which dates back to 1873 when Alfred Nobel established the first factory in Great Britain for the manufacture of high explosives containing nitroglycerin. I.C.I. will provide initially all management staff required and a number of key workers. I.C.I. will train Indians to take over responsible positions.

By agreement with the new company, I.C.I. (India) Ltd. will handle the distribution and sales of the Indian-manufactured explosives, will operate the extensive series of magazines which they own throughout the country and will continue to give their technical service to consumers in India.

The establishment of this important industrial undertaking marks a significant step forward in the achievement of India's industrial plans.

PROTECTION TO CALCIUM LACTATE CONTINUED

Continuance of protection to the calcium lactate industry for a period of three years from 31st December, 1953, as recommended by the Tariff Commission, has been accepted by the Government of India. The rates of protective import duty to be in force during this period will be the same as at present, namely, 27.3 per cent. (preferential) and 37.8 per cent. standard. However, if during the period, the quantum of c.i.f. prices of imports jeopardises the position of the domestic industry, the industry may apply for a review of the scheme of protection.

The Government has also accepted the Commission's recommendation that the Central and State Governments should purchase indigenous calcium lactate to meet their entire requirements, provided the producers maintain the necessary standard of quality and charge reasonable prices.

The total rated capacity of the industry now is 162 tons and production increased from 10.95 tons in 1949 to 32.55 tons in 1952.

A resolution requesting the Government of India to withdraw or modify suitably the ordinance making provision for payment of compensation to workers affected by lay-off or retrenchment in factories was passed by the West Coast Industrialists' Association, Kozhikode, at its meeting held last week. The resolution says that the ordinance imposing, as it does, onerous burdens on all industries alike, especially at the present moment, is ill-timed and injurious to the industries of the West Coast consisting of tiles, plywood, saw mills, etc. Feeling that the burdens would result in the closure of some of these industries, it prays that "the ordinance be withdrawn or at any rate, be substantially modified so that the obligations imposed bear reasonable proportion and relation to the capital involved in the industry, the amount of turnover, the percentage of profits earned, the amenities and other advantages already available, or being made available, and the percentage of labour cost to the entire cost of living."

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TRAINING FOR LABOUR LEADERSHIP

AN AMERICAN EXPERIMENT

(By MARTIN CATHERWOOD, Dean, New York State School of Industrial and Labour Relations)

ORGANISED labour in the United States has a growing responsibility to the nation and the world, and leaders and workers alike are recognising that this requires professional leadership. The defensive, growing phase of unionisation is largely over, and consolidation and co-operation of this important element of society are the problems of to-day. One very necessary step in the realising of this goal is the training of labour professionals, and the educating of the ranks of labour and management in the problems of one another and of the community. Most labour unions in America employ a professional Director of Education, but these directors and their small staffs find it difficult to completely meet the educational needs of large memberships, often numbering in tens of thousands and frequently scattered across the country. To relieve this situation, the American universities have opened their doors to provide local and regional labour groups with a great diversity of adult education courses, seminars, conference workshops, institutes and lecture series.

Because of my greater familiarity with the programme at Cornell University, I will largely centre this discussion around this school. The New York State School of Industrial and Labour Relations at Cornell University is financed by the State of New York, is administered as part of Cornell University, and is one of the 30-some units which constitute the State university of New York. In its seven years of operation to date, the school has conducted work in three major areas: first, the normal on-campus undergraduate and graduate curricula to train career labour workers; secondly, adult education and "extension" work, carried on throughout the State; and thirdly, a substantial research and publications programme.

Academic work on the campus at Cornell, Ithaca, New York, consists of courses directed at educating young men and women for careers in labour-management relations. Currently 300 under-graduate students and 70 graduate students are enrolled here in programmes combining broad educational background and intensive specialisation in labour-management subjects. Scholarships and graduate assistantships are provided to encourage under-graduate and graduate students from foreign nations to enrol. The school, aided by unions and industry management, obtains between-term jobs for students, in the field, in order that the students may have on-the-job professional experience in the research, education, contract negotiation and administration phases of unions. Noted union officials, as well as management representatives frequently appear as guest lecturers. A well-known labour leader has recently been engaged to conduct a graduate seminar on union management and organisation at the school. In addition, three officers from the New York State labour organisations are currently members of the Board of Trustees of Cornell University (including the liberal arts and graduate colleges), and the Advisory Council of the School of Industrial and Labour Relations includes representatives of labour, of business and of the public.

Adult education and extension work is an important phase of Cornell's operations. Experts from the school make themselves available to local workers and management who cannot attend full-time. Evening lectures are set up in factories and union halls, covering subjects like labour legislation, labour union history, collective bargaining, time and motion study, parliamentary procedure, grievance procedure, and shop stewardship. Experts in many subjects are available—economics, business administration, sociology and psychology—and the service is made possible for business and industrial organisations and other interested persons, as well as labour union personnel.

One of the most notable experiments in this extension education is that planned and financed by the Fund for Adult Education, a unit of the philanthropic Ford Foundation. The programmes of eight universities (Universities of California, Illinois, Wisconsin, Chicago, Pennsylvania State College, Roosevelt College, and Rutgers and Cornell universities) are co-ordinated by the Inter-university Labour Education Committee, which includes representatives of each university involved, and also representatives of A.F.L. and C.I.O., the two large inclusive labour organisations in the United States. With money grants from the Ford Fund, each participating university will present experimental educational programmes for labour in one or more of three subjects: international relations, economic education and community participation. As citizens better understand the problems of the world, and the problems of labour and management in relation to them, the wiser will be the solutions proposed.

An important aspect of the labour-education programmes is the labour-related research being conducted by faculty and graduate students in universities throughout the country. Cornell recently completed a number of important studies: a compilation of sources of information on union-management relations; a study of welfare collective bargaining; research on the question of seniority rights for supervisors; a history of unionism in the non-ferrous mining industries in western United States; and various studies of New York State laws on apprenticeship, industrial safety and health. Findings are published largely in bulletin form and distributed free to residents of New York State. Future research plans include such topics as human relations within unions, private pension plans in manufacturing concerns, the use of injunctions in New York State, and many more.

Each of the labour education programmes at the various universities is independently administered, and no two are quite alike in organisation or subject matter. Information about academic and adult education programmes and research projects is exchanged among universities via bulletins, the scholarly quarterly, *Industrial and Labour Relations Review*, and through meetings of the professional society, the Industrial Relations Research Association.

None of the participants in this phase of labour education pretend that these programmes will end all labour-management differences. They do believe, however, that the development of effective relationships between industry and labour can be furthered in three ways: (1) by increased knowledge and appreciation on the part of labour and management of one another's, the community's, and the nation's economic and social problems; (2) by better understanding of their own problems which have an impact on labour-management relations; and (3) by the development of skills and techniques required of each individual, whether he be an employee or an employer, in carrying out the specialised functions for which he is responsible. Furtherance of knowledge and understanding in these ways is a responsibility which American higher education has come to recognise and to accept.

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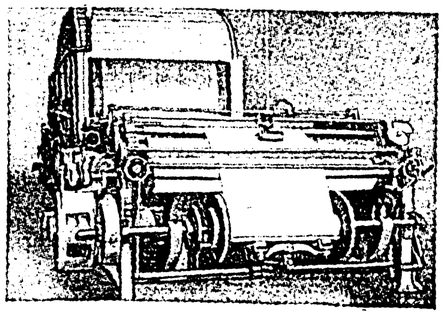

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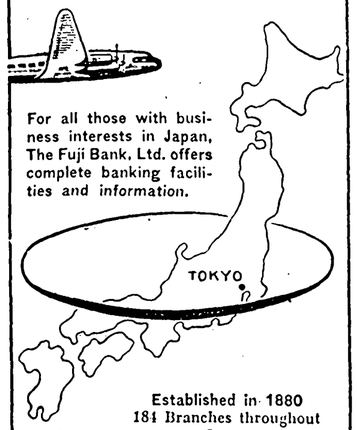

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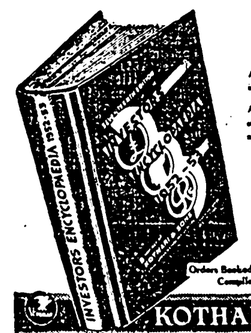

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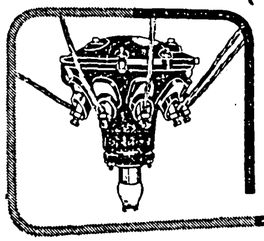

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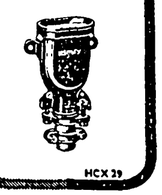

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RESULTS OF TATA HYDRO-ELECTRIC GROUP ENCOURAGING

DIVIDENDS WELL MAINTAINED

AN appreciable improvement in the working of the three hydro-electric Companies under the management of Messrs. Tata Hydro-electric Agencies Ltd., Bombay, namely, the Tata Hydro-electric Power Supply Co., Ltd., the Tata Power Co., Ltd., and the Andhra Valley Power Supply Co., Ltd., is disclosed by their Directors' reports and audited accounts for the year ended 30th June, 1953, as compared with those for the previous year. There has been a sizable increase in the sale of power of all the three Companies, thus reversing the declining trend in sales noted since 1947-48. The revenue from sales of energy, which had suffered a setback in the previous year, has also risen considerably in respect of all the Companies, the increase during the year having more than made good the decline in the previous year. The aggregate gross profit of the Companies shows a rise from Rs. 157.06 lakhs to Rs. 177.24 lakhs, an increase of 12.8 per cent. over the year. The dividends to ordinary shareholders have been maintained at the uniform level of 7½ per cent. per annum, free of tax.

The performance of the individual Companies can be judged from the following table in which the salient features of their financial results are compared with those for two previous years:

(In lakhs of rupees)

	Tata Hydro			Tata Power			Andhra Valley		
	Year ended 30th June			Year ended 30th June			Year ended 30th June		
	1953	1952	1951	1953	1952	1951	1953	1952	1951
Revenue from power supply	50.18	42.67	44.25	127.70	113.22	116.54	71.58	61.99	64.54
Other income	6.16	7.52	7.74	2.68	3.89	3.95	6.55	6.47	6.83
Expenses	16.02	15.75	13.60	45.18	38.71	34.02	26.41	24.19	21.97
Gross profit	40.32	34.41	38.39	85.20	78.39	86.46	51.72	44.26	48.44
Managing Agents' remuneration	3.26	2.66	2.02	7.11	6.35	6.44	4.19	3.44	3.50
Depreciation	5.43	5.40	5.27	13.94	11.42	10.62	9.74	9.72	9.46
Taxation	11.82	11.72	13.65	22.58†	19.41	26.54	17.16	14.40	16.92
Net profit	19.81	14.63	17.65	41.57	41.21	42.86	20.62	16.70	18.56
Income-tax recovered on preference shares	1.84	1.84	1.80	1.71	1.71	1.67	0.91	0.91	0.86
Contingency reserve	0.99	0.92	0.92	2.45	2.34	1.91	1.31	1.31	1.30
General reserve	0.75	—4.20	...	7.00	7.00	8.50	1.00	—0.80	...
Dividend reserve	11.22	11.22	10.42	21.63	21.09	21.63	11.30	8.91	10.00
Carry forward	0.14	0.18	0.39	0.34	0.43	0.34	0.16	0.36	0.27
Dividends—									
Preference	6.25	6.25	6.25	6.52	6.52	6.52	3.45	3.45	3.45
Ordinary	13.50 (7½%)	13.50 (7½%)	13.50 (7½%)	27.40 (7½%)	27.40 (7½%)	27.40 (7½%)	15.96 (7½%)	15.96 (7½%)	15.96 (7½%)

† Includes Rs. 6.50 lakhs provided for deferred taxation reserve.

The number of units of electricity sold by the Tata Hydro-electric Power during the year was 210.78 million, as compared with 192.98 million in 1951-52, an increase of 27.89 million units or 15.2 per cent. The corresponding increase in revenue was Rs. 7.51 lakhs or 17.6 per cent. The sales of Tata Power amounted to 536.45 million units, as against 477.44 million in the previous year. As will be noted from the foregoing table, the revenue from sale of energy rose by Rs. 14.49 lakhs or 12.8 per cent. In the case of Andhra Valley, the increase in sale of energy was from 264.46 million units to 300.67 million, or 13.7 per cent., and that in revenue Rs. 9.59 lakhs or 15.5 per cent.

The substantial increase in sales and revenue is attributed to two factors, namely, (1) sale of energy during 1951-52 had gone down considerably owing to deficient rainfall in 1951; and (2) the railways returned during the year under review 36.79 million kw.h. to the Companies out of 41.16 million kw.h. given on loan to them in earlier years. Under the inter-company reciprocal agreement, 20 per cent. of the increased sales from these units has been allotted to Tata Hydro, 50 per cent. to Tata Power and 30 per cent. to Andhra Valley. There has been an increase in operating expenses in all the Companies; however, that in Tata Hydro is negligible. The sharp rise of Rs. 6.47 lakhs in expenses of Tata Power, which wipes out nearly half the increase in gross revenue, is mainly due to an increase of Rs. 4.77 lakhs in interest on debentures charged to revenue and an increase of Rs. 1.54 lakhs in salaries and wages (including bonus). The expenses of Andhra Valley have gone up by Rs. 2.22 lakhs, mainly on account of the increase of Rs. 1.19 lakhs in the commission payable to the Tata Hydro-electric Power Supply Co., Ltd., and of Rs. 82,669 in salaries and wages (including bonus).

The provision for taxation has been reduced by Rs. 3.33 lakhs in the case of Tata Power on account of increased special initial depreciation allowance on additions to fixed capital assets made during the year. The increase of Rs. 2.76 lakhs in the provision for taxation made in the case of Andhra Valley is in accordance with the increase in profit.

The total depreciation, including initial depreciation under the provisions of the Income-tax Act and Rules, substantially exceeds the depreciation which the Companies provide in their annual accounts, in accordance with the provisions of the Sixth Schedule to the Electricity (Supply) Act, 1948. The tax on the excess, according to the Directors, will have to be made good by the Companies when the total depreciation permitted by the Income-tax Act and Rules has been absorbed by the Companies' profits. The Directors have, therefore, considered it prudent that provision should be made from year to year towards meeting this future tax liability. But the profits of Tata Hydro and Andhra Valley are not sufficient for the purpose. They have, therefore, been unable to make such a provision and have postponed the creation of a deferred taxation reserve to a future year when profits may be adequate for the purpose. However, the profit of Tata Power permits of setting up such a provision. The Company's Directors have, accordingly, transferred from the year's profit a sum of Rs. 6.50 lakhs to a deferred taxation reserve.

Commenting on the power supply position during the year under review, the Directors observe in their reports:

"Even with the addition of 24,000 kw. capacity to the railway generating plant in the month of January 1953, the power supply was not adequate to meet all demands on the system. Hence, staggering of mill and factory holidays was continued during the year. In addition, consumption of energy by existing mills and industries during the nine months of the dry season was restricted to the quota assigned to them on the basis of their average consumption for the six-month period April to September, 1951. The Government of Bombay continued to restrict connections to new undertakings other than essential services such as sewage and water pumping. Small domestic loads for lighting and refrigeration, however, were allowed freely.

"As a result of the power shortage, the power pool set up last year remained in operation and utilised about 6,000 kw. of auxiliary generating plant available with consumers to meet requirements in excess of consumers' quotas as well as the urgent demand of new consumers. The high cost of auxiliary generation, which was inevitable, was, however, a drawback to development of new undertakings. Nevertheless, the textile industry and other industries were materially assisted in maintaining full production with the assistance of the pool."

The Companies propose to enter into an interchange agreement for the purpose of sale and purchase of surplus energy on a suitable basis, with the railways. Explaining this, the Directors state:

"The railways, having completed the installation of their 12,000 kw. sets, now have a surplus of kw.h. and negotiations have been resumed for an interchange agreement to permit the sale and purchase of energy on a suitable basis. It is proposed that the hydro companies should sell to the railways secondary energy during the monsoon period which would otherwise be wasted by spilling of water and the railways, in their turn, should sell energy to the companies when required. The rates for supply are under negotiation."

In the course of his address to the shareholders of the three Companies at the last annual general meeting, the Chairman had pointed out the necessity to revise the existing tariffs for electricity supply on account of the substantial increase in operating costs, due, chiefly, to the higher cost of electricity to be purchased from the railways and from the Bombay Government, to meet the additional demands from the consuming public. The existing tariffs, which have been in force since some time before the war, are out of line with present operating expenses and costs of plant replacements. The Directors now report that, due to uncertain factors, such as the charges of the Bombay Government for power to be purchased from its thermal plant, the framing of the new tariffs has been postponed for the present; but, as an interim measure, a surcharge of 12½ per cent. on all bills has been levied and made effective towards the end of the financial year to meet the increasing costs of operations and charges in respect of plant replacements at present-day costs.

One of the major development works undertaken during the year was the construction work on the 100 kv. double circuit transmission line of 24.7 miles from Kalyan to Bombay. The work is stated to be proceeding satisfactorily. This new line is required for transmitting the 54 m.w. additional power from the Bombay Government's new thermal plant at Chola to load centres in Bombay. It is expected that this line will be completed before the end of the calendar year. The capital cost of this transmission line is estimated at Rs. 53 lakhs and will be shared by the three Companies in the proportion of 20 : 30 : 50 (Hydro-Andhra-Power).

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THE year ended 30th April, 1953, has proved to be yet another satisfactory one for Messrs. Burn & Co., Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta), inasmuch as the steady progress noted in earlier years had been well maintained during the year under review also. The turnover of the Company in 1952-53 increased by 25 per cent., as compared with that in the previous year. The gross profit, which had advanced from Rs. 41.81 lakhs in 1950-51 to Rs. 45.49 lakhs in 1951-52, has further risen, albeit by a very small extent, to Rs. 45.67 lakhs in the year under review. The additions to the various reserves have been stepped up from Rs. 10.75 lakhs to Rs. 12.25 lakhs, a sum representing more than a fourth of the gross profit. The dividend on ordinary shares has been well maintained at 15 per cent. per annum, a rate which the Company has consistently paid from 1949-50.

The following comparative table brings out clearly the progress made by the Company during the last three years:

(In lakhs of rupees)

	Year ended 30th April			
	1953	1952	1951	1950
Sale proceeds	537.89	423.38	381.67	353.28
Other income	10.12	9.74	4.71	8.18
Gross profit	45.67	45.49	41.81	43.70
Agents' commission	5.45	4.72	4.59	4.41
Provision for—				
Taxation	13.00	12.00	12.00	12.00
Depreciation	10.30	9.90	8.27	10.44
Net profit	16.92	18.87	16.95	16.84
E. P. T. refund	3.36	...	...	...
Reserves	12.25	10.75	8.75	8.75
Dividends—				
Preference	1.81	1.81	1.81	1.81
Ordinary	6.30 (15%)	6.30 (15%)	6.30 (15%)	6.30 (15%)
Carry forward	0.85	0.94	0.92	0.83

It will be observed that sale proceeds for the year under review have recorded a rise of Rs. 1.12 crores over those for the previous year. This is due to the fact that all the Company's works were busily engaged on a large volume of orders during the year. If, despite this larger turnover, the gross profit has not gone up by any notable extent, it was due to the sharp rise in expenses. The provision for taxation has been stepped up by Rs. 1 lakh and that for depreciation by about Rs. 40,000. After these higher provisions, and after providing for managing agency commission, the net profit is lower by Rs. 1.95 lakhs. But this decline in net profit has been more than made good by the receipt of Rs. 3.36 lakhs, being the post-war refund of E.P.T. after deduction of tax thereon. The sum available for allocation is, therefore, higher by Rs. 1.41 lakhs and the Directors have taken the opportunity to step up the total allocation to the reserves. Commenting on this allocation, the Directors say: "Apart from the rebuilding of kilns at the Jabalpur works, which continues steadily, the various major reconstruction schemes that were put in hand in recent years have largely been completed. There are, however, several sectors of the various works that are in need of modernisation. So the Directors have again set aside Rs. 5 lakhs for works reconstruction and Rs. 3.5 lakhs, representing this year's non-recurring revenue receipts, to the account for works rehabilitation programme." The sum added to the works reconstruction reserve is the same as that transferred in the previous year, while that set aside for works rehabilitation reserve is Rs. 1.50 lakhs more. The addition to the reserve for debenture redemption has been maintained at Rs. 3.75 lakhs.

The Company's financial position, as seen from the latest balance-sheet, is quite impressive. The paid-up capital of Rs. 70 lakhs is supplemented by reserves and surplus aggregating Rs. 107.75 lakhs. Current liabilities and provision for taxation amount to Rs. 300.60 lakhs. The gross block of the value of Rs. 352.30 lakhs has been written down to Rs. 138.98 lakhs. The current assets aggregate Rs. 339.37 lakhs and exceed current liabilities and the tax provision by a margin of Rs. 38.77 lakhs.

On a review of the Company's capital structure, the Directors have felt that the share capital of the Company should be brought more in line with the actual capital employed in the business. They have, accordingly, made an application to the Controller of Capital Issues for permission to capitalise reserves to the extent of Rs. 42 lakhs and to make an issue to the ordinary shareholders of one bonus share of Rs. 100 for each existing share held.

The Company's Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 328, at which rate the proposed dividend of Rs. 15 per share gives a yield of 4.6 per cent. per annum, free of tax.

Points From The Chair

Responsible Trade Union Desired

"THE established and recognised union at the majority of your collieries is the Colliery *Mazdoor* Congress, which is affiliated to the Indian National Mineworkers' Federation, and in turn to the I.N.T.U.C. The leadership of this union has been the subject of political manœuvre between the Congress Party and the Praja Socialist Party, further aggravated by differences between the President and the Secretariat of the union. Consequently, field work amongst the workers has been neglected over a period of years, leaving the more volatile elements vulnerable to exploitation by extreme left-wing political parties who have accepted this opportunity to intervene and cause disruption. We ourselves believe in a strong trades union movement, and, as unionism should be divorced from politics, we desire nothing more than a strong responsible union, fully representative of the labour, with which to deal. It is, however, impossible to maintain a sound labour relationship when rival political leaders are competing for the control of labour in their struggle for power and care nothing for the real interests of the workers, whom they claim to represent. The weapons they use are promises which they can never fulfil, instigation to violence, and, in many proved cases, the employment of *goondas* for the coercion of the rank and file whose desire is to be left in peace to pursue their normal way of life."

G. A. S. SIM,
Bengal Coal Co., Ltd.

Windscreen for Aircraft

"Few people realise the problems involved in the design and production of an aircraft, which, in a matter of seconds, travels from ground level upto great heights, perhaps 60,000 feet or even more, and then on occasion dives back to near ground level before you can say 'Triplex.' The different changes of humidity and temperature through which an aircraft goes naturally create great problems in visibility. In a moment a screen may be misted or iced over so as to deny the pilot any visibility at all. He cannot open his screen to see what is ahead of him; he is virtually blinded, unless the windscreen is of a type which will deal with ice, frost and mist as rapidly as they form. This is a problem which your Company has faced up to and is now engaged in tackling. We are, initially at our own expense, putting in plant to produce special aircraft screens which, it is believed, will be superior to any in the world."

SIR GRAHAM CUNNINGHAM,
Triplex Safety Glass Co., Ltd.

Development of Home-produced Food

"More than ever in these days the nation must rely on home-produced food. The aim of the Government is to increase agricultural production by at least 60 per cent. over pre-1939 levels, and it has not merely set the farming community an idealistic target, but is taking all practical steps possible to attain that goal. These latest guarantees in regard to cereal crops are an example. We have been more than happy to associate ourselves with this campaign, and I feel, I may say, with due modesty, that in ensuring adequate supplies of first-class quality seeds to our farmer customers we have played no small part. We know the Government will not relax its practical aid and encouragement, and certainly we shall not fail to co-operate to the utmost in our power in any future efforts for which agriculture may be asked."

THOMAS R. GARTON,
Gartons Ltd.

COTTON

(Concluded from page 902)

tries, and this will undersell cotton bought under the agreement. Governments, which have guaranteed imports, may thus find themselves having to take up imports of quota cotton at prices higher than those ruling in their own countries' cotton markets.

A buffer stock scheme is free from these defects. It envisages an agreement in respect of maximum and minimum prices and an international authority which will both buy and sell cotton in order to keep the prices within the agreed range of prices. Such a scheme would eliminate the defect of dual prices, from which the multilateral contract scheme suffers. But the adoption of the scheme implies that the countries are willing to delegate powers of regulating cotton prices to an international authority. This would require a high degree of international co-operation. Since all countries cannot be represented on the supranational executive body which would be in charge of the scheme it might generate a feeling among certain countries that their national sovereignty is being infringed without even the compensating advantage of possessing a vote in the decision of the executive organisation.

Such are the essentially complicated nature of the problems involved in reaching an international agreement on cotton. But there is no doubt that stability in cotton prices would mean a great advantage to both cotton growers and cotton users. After all, cotton is a commodity which has suffered from wide fluctuations in recent years. In this respect, it is in striking contrast with its rivals, the synthetic fibres. If cotton must hold its own against its competitors, it would be necessary to see that the prices of this commodity are reasonably stable.

COMPANY MEETINGS AND DIVIDENDS

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 16th November, 1953. Transfer books closed from 11th to 28th November, 1953, both days inclusive.

KILLICK INDUSTRIES LTD. Annual General Meeting, Bombay, 18th November, 1953. Dividend: Rs. 6 per share final. Transfer books closed from 2nd to 16th November, 1953, both days inclusive.

BROOKE BOND ESTATES INDIA LTD. Annual General Meeting, Calcutta, 18th November, 1953. Dividend: As. 8 per share. Transfer books closed from 28th October to 18th November, 1953, both days inclusive.

CENTRAL HYDRAULIC PRESS CO., LTD. Annual General Meeting, Calcutta, 18th November, 1953. Dividend: Rs. 4 per share. Transfer books closed from 11th to 18th November, 1953, both days inclusive.

BHALGORA COAL CO., LTD. Annual General Meeting, Calcutta, 18th November, 1953. Transfer books closed from 9th to 18th November, 1953, both days inclusive.

BATELI TEA CO., LTD. Annual General Meeting, Calcutta, 19th November, 1953. Transfer books closed from 12th to 19th November, 1953, both days inclusive.

REWA COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 19th November, 1953. Dividend: Re. 1 per share. Transfer books closed from 12th to 19th November, 1953, both days inclusive.

KEMP AND CO., LTD. Annual General Meeting, Bombay, 19th November, 1953. Dividend: Rs. 20 per share. Transfer books closed from 14th to 19th November, 1953, both days inclusive.

UPPER JUMNA VALLEY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 20th November, 1953. Dividend: As. 10 per share. Transfer books closed from 14th to 20th November 1953, both days inclusive.

DAURACHERRA TEA CO., LTD Annual General Meeting, Calcutta, 20th November, 1953. Dividend: As. 8 per share. Transfer books closed from 11th to 20th November, 1953, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Annual General Meeting, Belmont, Coonoor, Nilgiris, 21st November, 1953. Dividend: Re. 1-8 per share (including interim-dividend of As. 8 per share). Transfer books closed from 9th to 30th November, 1953, both days inclusive.

TATA HYDRO-ELECTRIC POWER SUPPLY CO., LTD. Annual General Meeting, Bombay, 23rd November, 1953. Dividend: Rs. 7-8 per share (including *ad-interim* dividend of Rs. 3 per share). Transfer books closed from 31st October to 13th November, 1953, both days inclusive.

BURN & CO., LTD. Annual General Meeting, Calcutta, 23rd November, 1953. Dividend: Rs. 15 per share. Transfer books close from 16th to 23rd November, 1953, both days inclusive.

ANDHRA VALLEY POWER SUPPLY CO., LTD. Annual General Meeting, Bombay, 24th November, 1953. Dividend: Rs. 75 per share (including *ad-interim* dividend of Rs. 30 per share). Transfer books closed from 31st October to 13th November, 1953, both days inclusive.

TATA POWER CO., LTD. Annual General Meeting, Bombay, 25th November, 1953. Dividend: Rs. 75 per share (including *ad-interim* dividend of Rs. 25 per share). Transfer books closed from 31st October to 13th November, 1953, both days inclusive.

UNITED PROVINCES ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 26th November, 1953. Dividend: Rs. 5 per share. Transfer books close from 20th to 26th November, 1953, both days inclusive.

DUNCAN BROTHERS & CO., LTD. Annual General Meeting, Calcutta, 27th November, 1953. Dividend: Rs. 10 per share, free of income-tax. Transfer books close from 19th to 27th November, 1953, both days inclusive.

MANGALORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 27th November, 1953. Dividend: Re. 1 per share. Transfer books close from 20th to 27th November, 1953, both days inclusive.

HUKUMCHAND JUTE MILLS LTD. Annual General Meeting, Calcutta, 30th November, 1953. Transfer books close from 21st to 30th November, 1953, both days inclusive.

BELAPUR CO., LTD. Annual General Meeting, Bombay, 1st December, 1953. Dividend: Rs. 16 per share. Transfer books closed from 2nd November to 1st December, 1953, both days inclusive.

BLUE MOUNTAIN ESTATES LTD. Annual General Meeting, Madras, 7th December, 1953. Dividend: As. 4 per share, payable on 8th December, 1953. Transfer books close from 16th November to 7th December, 1953, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 10th December, 1953. Transfer books close from 26th November to 10th December, 1953, both days inclusive.

COMPANY REGISTRATIONS

PREMIER MINING CORPORATION LTD. (First Director: Mr. Sushil Kumar Ghosh.) Business: Mining, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 41/75, Charu Avenue, Calcutta.

KANOI ESTATES LTD. (First Director: Mr. L. C. Kanoi.) Business: To Cultivate Tea, Coffee, etc. Authorised capital: Rs. 25,00,000. Private company. Address: P-8, Mission Row Extension, Calcutta.

HINDUSTHAN ENTERPRISE LTD. (First Director: Mr. Radheshyam Singhania.) Business: To Acquire any Mines, etc. Authorised capital: Rs. 4,50,000. Public company. Address: 12, Netaji Subhas Road, Calcutta.

Notices

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

(Originally Incorporated in Burma)
Registered in India under Ordinance No. LIV of 1942.

THE BOARD OF DIRECTORS HAVE DECLARED an Interim Dividend of Rs. 2 per share (Income-tax free) for the year ended 31st December, 1953, payable on 9th December, 1953.

Notice is hereby given that the Ordinary Share Registers of the Company will be closed from 23rd November, 1953, to 8th December, 1953, both days inclusive.

By Order of the Board,
STEEL BROTHERS & CO., LTD.,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *7th November*, 1953.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend of 15 per cent. per annum for the half-year ended 30th June, 1953.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *2nd November*, 1953.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE

OWING TO THE ABNORMAL CONDITIONS that have prevailed at Burnpur, submission to the shareholders of the Accounts for the year ended 31st March, 1953, is unfortunately delayed. In order to obviate the hardship that would be caused should payment of the dividend on the Ordinary share capital have in the normal way to await declaration by the shareholders in General Meeting, the Board of Directors have to-day declared an interim dividend of One Rupee per share in respect of the year on the Ordinary share capital, being at the rate of 10 per cent. per annum free of tax. In this connection the Board would make it clear that this dividend though termed "interim," will in fact be the final dividend for the year and that no further distribution in respect of the year ended 31st March, 1953, will be recommended.

Payment of this interim dividend will be made on or after the 30th December, 1953, to the holders of Ordinary shares so entitled, whose names appear on the Company's Registers on the 19th December, 1953. The Ordinary Share Registers of the Company will be closed from the 5th to the 19th December, 1953, both days inclusive.

By Order of the Board,
T. L. MARTIN,
Chairman.

CALCUTTA, *9th November*, 1953.

THE HOOGHLY FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-fifth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 3-45 p.m. on Tuesday the 24th November, 1953, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 30th June, 1953.

(2) To declare a Dividend.

The Transfer Register will be closed from the 17th to the 24th November, 1953, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY, LTD.,
Managing Agents.

CALCUTTA, *6th November*, 1953.

AMALGAMATED ELECTRICS REPORT SATISFACTORY RESULTS

REWA COALFIELDS PAYS HIGHER DIVIDEND

Amalgamated Electricity Co. (Belgaum), Ltd.

THE directors of the above Company (Managing Agents: The Consolidated Electric Agencies Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March, 1953.

The Company has made a profit of Rs. 11,77,055 (Rs. 10,27,127), in the year under report. After appropriating Rs. 3,28,127 (Rs. 3,19,635) to depreciation, Rs. 21,333 (Rs. 16,259) to arrears of depreciation, Rs. 32,870 (Rs. 37,009) to contingencies reserve, Rs. 8,345 (Rs. 19,948) to tariffs and dividends control reserve, Rs. 8,345 (Rs. 19,948) to consumers' benefit reserve, and after writing off Rs. 6,614 (Rs. 6,615), Rs. 3,486 (Rs. 1,159) and Rs. 728 (Rs. 871) from purchase consideration, electric licence expenses and preliminary and amalgamation expenses respectively, and with the addition of Rs. 8,91,274 (Rs. 8,95,387) brought over from the last account, there is a balance of Rs. 16,58,481 (Rs. 15,01,070) which the directors recommend to appropriate as follows:—

To dividend for the year, on 11,650 preference shares of Rs. 100 each at 5½ per cent. per annum free of income-tax Rs. 64,075 (Rs. 64,075), on 17,100 (5,000) preference shares of Rs. 100 each at 5 per cent. per annum free of income-tax Rs. 85,500 (Rs. 25,000), on 5,41,000 (4,15,948) ordinary shares of Rs. 10 each at 7½ per cent. per annum free of income-tax Rs. 4,05,750 (Rs. 3,11,961), dividend for four months—1st December, 1952 to 31st March, 1953—(six months—1st October, 1951 to 31st March, 1952) on 3,095 (12,100) preference shares of Rs. 100 each at 5 per cent. per annum free of income-tax Rs. 5,158 (Rs. 30,250), and on 54,264 (1,25,052) ordinary shares of Rs. 10 each at 7½ per cent. per annum free of income-tax Rs. 13,566 (Rs. 46,894), leaving a balance, subject to payment of taxes on income, of Rs. 10,84,432 (Rs. 10,22,889) to be carried forward.

The following table shows the progress of the Company during the last three years:—

Years	Units generated	Total load in k.w.	Consumers
1950-51	1,63,24,913	15,447	20,045
1951-52	1,90,33,639	16,981	29,794
1952-53	2,12,30,397	18,184	34,264

The plant capacity of the power houses at Ajmer and Dohad has been augmented by installation of a generating set of 880 b.h.p. at Ajmer and of 436 b.h.p. at Dohad. Two sets of 974 b.h.p. each for Belgaum and Malegaon have been received. One set of 974 b.h.p. ordered for Jalgaon is yet to arrive. Transmission lines are also being extended to meet growing demand.

Sangli State has been merged into Bombay State and consequently, Shahapur licence granted by the Sangli State, has been withdrawn and the said licence area has been now included in the Belgaum licence. The assets hitherto shown separately under the head "Shahapur" have, therefore, been included in Belgaum assets.

The directors report the payment, in their discretion, to the employees of the company, of an additional salary to the extent of one month's salary in the year under report as done hitherto. The staff at Belgaum, Bulsar, Bhiwandi, Jalgaon, Malegaon, Ajmer, Dohad, Chalisgon and Bhusawal are fully covered by insurance under Workmen's Compensation Act. All buildings, plant and stocks are covered by fire and earthquake insurance.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Reserves ...	28,95,710	Block ...	1,35,49,701
Capital ...	91,37,140	Stores and loose tools	16,33,497
Liabilities ...	28,86,927	Other assets	1,61,466
Profit and loss appropriation account	16,58,481	Debts, deposits and advances ...	9,84,776
		Investments	88,387
		Cash ...	1,60,431
	Rs. 1,65,78,258		Rs. 1,65,78,258

Rewa Coalfields, Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

The Company's profit for the half-year after the inclusion of Rs. 36,004 (Rs. 18,992) brought forward is Rs. 3,34,937 (Rs. 3,64,599). And after making provision for taxation Rs. 1,22,973 (Rs. 1,58,000), there remains Rs. 2,11,964 (Rs. 2,06,599). Out of this amount the directors have placed to development reserve Rs. 50,000 (*nil*) and recommend payment of a dividend at the rate of 20 (15) per cent. per annum, free of income-tax, absorbing Rs. 1,35,000 (Rs. 1,01,250) leaving to be carried forward Rs. 26,964 (Rs. 35,349).

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	Raisings Tons	Despatches Tons
30th June, 1953	1,45,493	1,42,358
31st December, 1952 ...	1,67,990	1,65,004
30th June, 1952	1,49,417	1,49,773

Short supply of wagons referred to in the previous report, unfortunately, continued throughout the half-year and adversely affected production. Since the close of the half-year there has been a slight improvement. Negotiations with the Railway authorities for the construction of a siding at Amlai Station to serve the new mine are still in progress.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Block ...	6,06,000
Reserves ...	7,38,385	Stock of stores	7,03,574
Provision for taxation ...	2,65,000	Stock of coal	96,867
Liabilities ...	13,62,272	Debts, deposits and advances ...	12,16,767
Profit and loss account ...	26,964	Investments	1,47,200
		Cash ...	9,72,213
	Rs. 37,42,621		Rs. 37,42,621

Upper Jumna Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1953.

Although normal development has taken place during the period under review, it is too early to assess what effect the electricity duty of 25 per cent. up to a maximum of one anna per unit imposed by Government will have on the revenue of the undertaking in the future, as this duty only came into force in the early part of the year 1953. It is estimated that the duty to be paid by consumers on present consumption will amount to over Rs. 3,00,000 per annum. The following schedule shows the sales and revenue for the past three years.

Half-year ended	Units sold	Revenue Rs.
30th September, 1950 ...	3,327,768	6,17,137
31st March, 1951 ...	3,185,992	6,39,499
30th September, 1951 ...	3,339,707	6,53,129
31st March, 1952 ...	3,174,549	6,49,675
30th September, 1952 ...	3,635,698	6,66,947
31st March, 1953	3,537,022	6,56,433

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and setting aside Rs. 13,000 (nil) to development and extensions account, there remains a balance of Rs. 57,554 (Rs 57,595) including Rs. 28,864 (Rs. 25,796) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

In payment of a dividend at the rate of 10 per cent. per annum, free of income-tax, Rs. 24,875 (Rs. 24,875), an additional payment of As. 2 (*As.* 2) per share free of income-tax Rs. 6,219 (Rs. 6,219), and in carrying forward to next half-year Rs. 26,460 (Rs. 26,502).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,98,750	Block ...	5,56,912
Reserves ...	4,12,321	Stores ...	3,06,963
Provision for taxation ...	1,03,736	Tools and instruments	7,688
Liabilities ...	13,50,413	Debts, deposits and advances ...	6,48,927
Profit and loss account ...	57,554	Investments	21,980
		Cash ...	8,82,304
	Rs. 24,24,774		Rs. 24,24,774

Mlamallay Tea Estates, Ltd.

The directors of the above Company (Chairman: Mr. K. J. Alexander, Kottayam) submitted the audited accounts of the Company for the period ended 31st March, 1953.

The directors reported, that owing to a variety of causes, they were compelled to place before the shareholders, a statement of accounts resulting in a loss. The vagaries of weather—the failure of N.E. Monsoon continued by a long draught—adversely affected the crop position. It is to be particularly mentioned that the rainfall during the year, was 30.56 inches lower than that of the previous year which recorded 99.56 inches. Increased wages, allowances and bonus to labour consequent on the several labour enactments accounted for the *increased cost of production.* To add to this, the calamitous fall in tea prices which occurred since the beginning of the official year contributed to heavy loss in tea sales. The cumulative effect of these, is fully reflected in the profit and loss account which shows a deficit of Rs. 96,493 (profit of Rs. 2,29,191 from which the directors paid 50 per cent. dividend on ordinary share, paid preferential dividend, etc., and carried forward a credit balance of Rs. 6,691) as a result of the year's working. It may also be noted that no depreciation on the assets of the Company has been charged to expenditure in the profit and loss account during the year, due to the loss incurred.

Against an estimate of 4,00,000 lbs., the crop harvested during the year amounted to only 3,81,618 lbs., against 5,09,213 lbs. produced last year. The cost of production was 114.24 cts. (Re. 1-2-3.34) per lb. against 82.91 cts. (As. 13-3.19) in the previous year. The average price realised was 97.33 cts. (As. 15-7.25) which was less than the last year's average by 64.11 cts. (As. 10-3.10).

Though, as stated above, the crop for the year was below estimate, the result for this year so far seen is satisfactory. Against an estimate of 4 lakhs lbs., the crop harvested till 30th August, 1953, amounts to 2,36,999 lbs. Tea market has also improved since the accounting period.

The necessity for extending the Company's tea factory on Mlamallay Estate and thereby increasing the withering accommodation also to cope with the increased crop became evident, especially in 1951, when the Company harvested a bumper crop, and it was, therefore, decided to extend the factory by 37 feet in length, thus making the total length of the factory 148 feet. Accordingly, after obtaining the final estimate for the work from Messrs. Harrisons and Crosfield Ltd., Engineers, Quilon, by the end of 1951 a firm order was placed with them for the supply of the structural materials as well as for the extra machinery required, a part of which was received early in 1952 and accounted for in the previous balance sheet under item "Advance for Machinery and Factory Extension." All the structural steel materials for the work were supplied by them and they also carried out the whole erection works of the factory and the installation of the machines. New machinery installed consists of one 4 ft. super e.c.p. drier, 1 myddelton tea stalk extractor and grader and 1 brittania duplex tea packer. The expenditure of Rs. 1,10,280 for these works was made up of Rs. 47,185 for tea factory and Rs. 63,095 for tea machinery and accessories. To meet the above expenditure, the amount available under "reserve fund for capital expenditure" was utilised.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	4,71,961
Provision for taxation ...	14,403	Stock-in-trade	39,542
Liabilities ...	2,69,201	Stores and spares ...	51,397
		Debts, deposits and advances ...	38,802
		Investments	77,009
		Cash ...	1,15,090
		Profit and loss account ...	89,803
	Rs. 8,83,604		Rs. 8,83,604

Chrestien Mica Industries Ltd.

The directors of the above Company (Managing Agents: Messrs. Ram Kumar Agarwala & Bros., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1951.

The profit and loss account showed a credit balance of Rs. 5,98,538 including the sum of Rs. 38,652 brought forward from the previous year, after making the following provisions and payments:—

Depreciation Rs. 1,53,920, provision for scientific research Rs. 2,00,000, reserve for taxation Rs. 15,00,000, general reserve Rs. 5,00,000 and interim dividends Rs. 3,23,338. Out of the above sum of Rs. 5,98,538, the directors have at their meeting held on 19th July, 1952, declared further interim dividends absorbing the sum of Rs. 3,23,338, leaving a balance of Rs. 2,75,201 to be carried forward to next year. The directors at their meetings held on 2nd November, 1951 and 19th June, 1952 declared the following interim dividends which will be treated as final dividend for the year 1951:—

A dividend at 5½ per cent. on the preference shares less income-tax Rs. 1,21,675, a dividend at 10 per cent. on ordinary shares without any deduction for income-tax payable by the Company Rs. 3,00,000, and a dividend at 15 per cent. on deferred shares without any deduction for income-tax payable by the Company Rs. 2,25,000, absorbing a total sum of Rs. 6,46,675.

Acounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	75,00,000	Block ...	44,57,538
Debentures	15,00,000	Stock-in-trade	29,80,849
Reserves ...	20,50,000	Stores, etc.	9,25,692
Provision for taxation ...	27,68,616	Debts, deposits and advances ...	23,25,914
Liabilities ...	27,28,672	Investments	21,30,848
Profit and loss appropriation account	5,98,538	Cash ...	43,24,985
	Rs 1,71,45,826		Rs 1,71,45,826

Madras Safe Deposit Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kothari & Sons, Madras) submitted the audited accounts of the Company for the year ended 30th June, 1953.

The directors report that the Company continues to make good progress and the working for the year showed a profit of Rs. 5,582 (Rs. 9,371) which with the addition of Rs. 1,440 (debit of Rs. 4,931) brought forward from the previous year made a total of Rs. 7,022 (Rs. 1,440). The directors disposed of this amount by paying a dividend of 3½ (nil) on the paid up capital of the Company Rs. 4,888 (nil), by writing off a part of the preliminary expenses Rs. 1,000 (nil) and in carrying forward Rs. 1,134 (Rs. 1,440).

The directors inform the shareholders that the demand for lockers in the vault continues and the public are taking advantage of the services given by the Company and there is an increase in the number of lockers leased. The managing agents have as in the previous years waived the office allowance of Rs. 3,000 for the current year and have in addition borne the Company's expenses to the extent of Rs. 1,320.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,56,430	Block ...	82,143
Liabilities ...	34,908	Other assets	7,048
Profit and loss account ...	7,022	Deposits and advances	43,674
		Cash ...	65,495
	Rs. 1,98,360		Rs. 1,98,360

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

Notices

THE BELAPUR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Ordinary General Meeting of the Belapur Company, Ltd., will be held on Tuesday the 1st day of December, 1953, at 4-00 p.m. (S.T.), at the Registered Office of the Company, Royal Insurance Buildings, Veer Nariman Road, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1953.
2. To sanction payment of a Dividend.
3. To confirm the appointment of Mr. Krishnaraj M.D. Thackersey as a Director.
4. To elect Directors in place of Sir Joseph Kay, K.B.E., and Mr. Bhagwandas C. Mehta, who retire by rotation but are eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from the 2nd day of November, 1953, to the 1st day of December, 1953, both days inclusive.

By Order of the Board of Directors,
W. H. BRADY & COMPANY, LTD.
JOSEPH KAY,
Managing Director,
Managers.

BOMBAY, *4th November,* 1953.

N.B.—The Dividend when declared will be made payable through the Bank of India, Ltd., Bombay, on and after the 24th day of December, 1953. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 1st day of December, 1953.

To the Shareholders of the Belapur Co., Ltd., and in particular to:
Mr. William Abel.
Mrs. Dhanbai Dinshaw Gandevia and Dr. Dinshaw Bhicaji Gandevia.
Messrs. Rajabali Hason Paroo and Sons Ltd.
Mr. Abbasbhai Dawoodbhai Vasi.

INDIA STEAMSHIP COMPANY LIMITED

ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, D1, Clive Buildings, Calcutta, on Thursday, the 10th December, 1953, at 11-00 a.m., in order to transact the following business:—

1. To receive the Directors' Report and audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1953.
2. To sanction payment of dividend on Preference Shares as recommended by the Directors for the year ended 31st March, 1953.
3. To sanction payment of dividend on Ordinary Shares as recommended by the Directors for the year ended 31st March, 1953.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration; and
6. Any other ordinary business.

The Share Transfer Registers of the Company will be closed from 26th November, 1953, to 10th December, 1953, both days inclusive.

By Order of the Board,
A. MUKERJI,
Assistant Secretary,
India Steamship Co., Ltd.

CALCUTTA, *31st October,* 1953.

N.B.—The dividends, if sanctioned, will be made payable to those shareholders whose names stand on the Register of the Company on the 26th November, 1953, and the Dividend Warrants will be sent to the registered shareholders on and after 12th January, 1954.

THE INDIAN CABLE COMPANY LIMITED

NOTICE

THE THIRTY-FOURTH ORDINARY GENERAL Meeting of the Shareholders of The Indian Cable Company, Limited, will be held at the Registered Office of the Company, 9, Hare Street, Calcutta, at 10-30 a.m. on Friday the 11th December, 1953, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1953.

(2) To declare Dividends.

(3) To elect Directors in place of those retiring.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To transact other (if any) competent business.

The Share Transfer Books of the Company will be closed from the 28th November, 1953, to 11th December, 1953, both days inclusive.

Dividends, if any, declared at this meeting, will be payable to Shareholders registered on the Company's Books on the 11th December, 1953.

By Order of the Board,
A. R. DRIESSEN,
Managing Director.

9, HARE STREET,
CALCUTTA, *3rd November,* 1953.

INDUSTRIAL FINANCE CORPORATION OF INDIA

KEELING ROAD, NEW DELHI

NOTIFICATION

IN PURSUANCE OF REGULATION 34 OF the General Regulations of the Corporation, it is hereby NOTIFIED for the information of the shareholders of the Corporation that the following valid nominations of candidates for election as a Director on the Board of Directors of the Corporation representing shareholders referred to in clause (*e*) of Section 10 of the Industrial Finance Corporation Act, 1948 (Act XV of 1948), are received, namely:—

1. Shri B. Venkataratnam, President, Madras Co-operative Central Land Mortgage Bank Ltd.
2. Shri R. M. Deshmukh, Bar-at-Law, M.P., Amraoti.
3. Shri Syamnandan Sahaya, M.P., Patna.

Election of the Director will be held at the Special General Meeting of the shareholders of the Corporation convened for the purpose on Saturday the 21st November, 1953, at 2-30 p.m. (Standard Time), at the Head Office of the Corporation, U.S. Hospital Building, Keeling Road, New Delhi.

V. R. SONALKER,
Managing Director.

NEW DELHI, *7th November,* 1953.

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(Incorporated in England)

DRAWING OF 5 PER CENT. RUPEE DEBENTURE STOCK 1970 FOR REDEMPTION

HOLDERS OF 5 PER CENT. DEBENTURE Stock (Indian Issue) are hereby advised that a Drawing will be held on Thursday, 3rd December, 1953, at 11.00 a.m.

Notice is hereby given that the Indian Debenture Register will be closed for a period of 10 days from 24th November to 3rd December, 1953, both days inclusive.

By Order of the Board,
I. A. MACPHERSON,
Agent.

VICTORIA HOUSE,
CALCUTTA, *3rd November,* 1953.

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED

(Incorporated in England)
The Liability of Shareholders is Limited

DIVIDENDS

THE FOLLOWING INTERIM DIVIDENDS have been declared payable on the 16th December, 1953:—

(1) On the Preference Shares: 2½ per cent. (Two shillings and six pence per share) less U.K. Income-tax of nine shillings in the £.

(2) On the Ordinary Shares: 2½ per cent. (Two shillings and six pence per share) less U.K. Income-tax of nine shillings in the £.

Payment of these Dividends will be made only to those members whose names are registered in the Books of the Company on the 2nd December, 1953, or to their Mandatees.

Dividend Warrants to Shareholders on the Calcutta Register will be made payable in Calcutta.

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

The Share Transfer Books will be closed from the 19th November to 2nd December, 1953, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Agents.

4, CLIVE ROW,
CALCUTTA, *5th November,* 1953.

THE UNITED FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eightieth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 3-50 p.m., on Tuesday the 24th November, 1953, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 31st May, 1953.

(2) To declare a Dividend.

The Transfer Register will be closed from the 17th November to the 24th November, 1953, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY, LTD.,
Managing Agents.

CALCUTTA, *3rd November,* 1953.

MUTTRA ELECTRIC SUPPLY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE 51st Ordinary General Meeting of the Shareholders of MUTTRA ELECTRIC SUPPLY COMPANY, LTD., will be held at the Registered Office of the Company at No. 15, Shib Thakur Lane, Calcutta, on Saturday the 28th November, 1953, at 2 p.m., to transact the business on the following Agenda:—

AGENDA

(*a*) To receive the Directors' Report for the year ended 31st March, 1953, and to approve the dividends recommended.

(*b*) To receive the Audited Accounts for the year ended 31st March, 1953, and to adopt the same.

(*c*) To transact any other competent business which may regularly be brought forward.

N.B.—The Share Transfer Books of the Company will be closed from the 21st November, 1953, to 28th November, 1953, both days inclusive.

By Order of the Board,
G. D. BHAGAT,
Chairman.

CALCUTTA-7, *4th November,* 1953.

STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, 11*th November*

Conditions reminiscent of the stringent days of the busy season were witnessed in the short-term money market during the week under review. The demand for funds which started last week broadened this week to such an extent that a scarcity of funds was felt at one time and even banks had to seek the aid of the Reserve Bank. There was, therefore, a sharp spurt in interest rates, though, just before the close to-day, they tended to soften, consequent on some improvement in the supply of funds.

Soon after we went to press last week, the inter-bank call money rate among the Exchange banks and big Indian banks jumped up from 1¼ per cent. to 2¼ per cent. on Wednesday and to 2½ per cent. on Thursday. The reopening of the market after the *Diwali* holidays witnessed a further rise, inter-bank call money having been bid up to 3 per cent. till this morning by a section of the banks. Some of the Exchange banks were, however, reported to have been not prepared to pay over 2¾ per cent. They preferred to get funds by selling sterling or by discounting usance bills with the Reserve Bank, rather than borrow inter-bank call money at 3 per cent. and pay brokerage in addition. With such a high rate in Bombay, the Calcutta centre (where conditions were easy, with call money being bid at no more than 2 per cent.) would appear to have diverted some funds to this city this afternoon. Some of the funds drawn by the public for *Diwali* also found their way back to the banks' coffers. This brought about a little comfortable conditions after clearing hours and the rate eased to 2¼ per cent. with more lenders than borrowers. The call-money rate among the smaller Indian banks hardened from 2¼ per cent. to 3 per cent. and remained at that level throughout the week.

Term money was bid at 2¼ to 2¾ per cent. for one to six months. House money was quoted at 2¼ per cent.

The conditions in the short-term money market prevailing as described above are clearly reflected in the results of this week's sale of three months' Government of India Treasury Bills. The amount offered was only Rs. 50,000 more than the amount called for, namely, Rs. 1.50 crores, as against Rs. 2.71 crores offered in the previous week and Rs. 4.10 crores two weeks ago. There was a further rise in the average rate of accepted tenders to Rs. 2-7 per cent. per annum, from Rs. 2-6-10 per cent. last week, to which level it had risen from Rs. 2-6-7 per cent. a fortnight ago. In spite of the waning response to the tenders for these bills, the Reserve Bank has not reduced the amount of tenders for next week, such remaining unchanged at Rs. 1.50 crores.

After two weeks of successive contraction aggregating over Rs. 13 crores, notes in circulation have risen by as much as Rs. 31.04 crores during the week ended 6th November, 1953. The Reserve Bank of India's statement for that week discloses a decline of Rs. 22.83 crores in notes held in the Banking Department. The consequent increase of Rs. 8.21 crores in total notes issued has been covered by a rise of Rs. 10 crores in foreign securities and a fall of Rs. 1.78 crores in rupee coin. In the Banking Department, Central Government deposits have recorded a fall of Rs. 8.68 crores. A decline of Rs. 13.48 crores is also noted in deposits of banks. On the assets side, cash balances are lower by Rs. 22.88 crores and balances held abroad by Rs. 4.89 crores. Loans and advances to banks have gone up by Rs. 2.17 crores.

The Scheduled Banks' statement for the week ended 30th October, 1953, as compared with that for the previous week, discloses no notable variations in deposits. Inter-bank borrowings repayable on demand are higher by Rs. 1.41 crores. On the assets side, advances show a decline of Rs. 4.16 crores and bills purchased and discounted a rise of Rs. 50.57 lakhs. Investments have increased by Rs. 1.39 crores. Cash balances have dwindled by Rs. 1.52 crores, while balances with the Reserve Bank have improved by Rs. 3.86 crores, and money at call and short notice by Rs. 1.38 crores.

Hardly any activity was noted in the Gilt-edged market during the week under review and idle conditions prevailed. Some of the medium-dated loans were reported to be offered at quoted rates, but due to paucity of buyers, business was very limited. 3 per cent. 1957 had sellers and it declined by an anna to Rs. 98-5. 3 per cent. 1958 was unchanged at Rs. 98-2. 3 per cent. 1959-61 changed hands at Rs. 96-2. 3 per cent. 1963-65 had sellers at Rs. 92-9 and 3 per cent. 1964 at Rs. 92-8. 3 per cent. 1966-68 held its own at Rs. 90-2 and 3 per cent. 1970-75 at Rs. 86-6. 3 per cent. 1986 Conversion Loan declined by an anna to Rs. 82. 3½ per cent. N.P. Bonds were hardly active at Rs. 98-12. Among State loans, 4 per cent. Bombay 1963 had sellers at Rs. 101. 4 per cent. Madras 1963 was unchanged at Rs. 100-2. 4 per cent. Bombay 1964 and Madras 1964 stood at Rs. 101-2 and Rs. 100, respectively.

The Hyderabad Government's 4 per cent. 1963 Development Loan for Rs. 3.25 crores, the list for which was open for public subscriptions from 22nd to 31st October, 1953, was oversubscribed to the tune of Rs. 15 lakhs. About Rs. 75 lakhs were, it is reported, subscribed by the Nizam and about Rs. 1 crore were subscribed from outside the State. The Reserve Bank of India subscribed about Rs. 33 lakhs, the Hyderabad State Bank Rs. 1 crore, the Mysore Government Rs. 12 lakhs and the Madras Government Rs. 5 lakhs.

(Concluded from next column)

and light Rs. 160 to Rs. 180 per score; wet salted buff, 1st grade 1 lb. 10 ozs., 2nd grade 2 lbs. and 3rd grade 2 lb. 10 ozs. per rupee; goat skins, 1st grade Rs. 350 and 2nd grade Rs. 200 to Rs. 225 per 100 pieces. Sheep skins, Rs. 360 per 100 pieces.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, 11*th November*

The bullion market maintained a steady tone during the week under review. Fluctuations in prices were again two-sided in both silver and gold, but they were by no means hectic. Variations were mainly influenced by the day-to-day statistical position of the respective metals and heavy short-covering. Though the arrivals of unrefined silver were on a lower scale, the white metal could not make much headway due to absence of any improvement in offtake. Arrivals of gold continued to be on a fair scale, but the sentiment remained unaffected by the good demand in the ready position and covering by a prominent bear operator.

Silver for forward delivery (23rd November settlement) rebounded early in the week from Rs. 151-9 to Rs. 152-12 on Thursday last, following reports of slackened arrivals of unrefined metal and persistent support from a leading bear operator, who was reported to have gone long in silver. The *Moorat* trading held on Friday was uneventful and the post-Diwali session on Monday witnessed a recession, due to lack of fresh support and reports of arrivals of unrefined silver and the price fell back to Rs. 151-6. In the last two days, however, silver disclosed a hardening tendency and earlier loss was fully recouped when the price touched Rs. 152-12 to-day, on support from a new bull operator. The closing was a shade lower at Rs. 152-4.

Ready silver (.996 Mint), which had commanded a premium of As. 2 at Rs. 151-11 over the forward price at the close of last week, came to be quoted on par with forward and closed at Rs. 152-4. The floating stocks of silver are placed at 2,600 bars. The daily average offtake was about 20 bars.

Opening at Rs. 80-2, gold for forward delivery (21st November settlement) advanced to Rs. 81 early in the week due to dearth of floating stocks and bear covering. But this recovery was short-lived and the price fell to Rs. 80 on Tuesday morning on reports of slackening in offtake and some selling in the ready position. Towards the close, however, there was a good improvement to Rs. 81-1 on resurgence of demand. The closing was steady at Rs. 80-14.

Ready gold began at Rs. 80-13 and hardened to Rs. 81-11, only to react to Rs. 80-8. The closing was, however, better at Rs. 81-6. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals and offtake were even at 8,000 tolas.

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

	11-11-53	Highest	Lowest	3-11-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	81 6	81 11	80 8	80 11
Forward	80 14	81 1	80 0	80 0
Sovereign	57 4	57 8	57 4	56 8
SILVER				
Ready (.996 fine Mint)	152 4	152 14	151 6	151 11
Forward	152 4	152 12	151 5	151 9
London Ready	74*d.*	—	—	74*d.*
London Forward	74*d.*	—	—	74*d.*
New York Ready	85½c.	—	—	85½c.

TEAS IRREGULARLY EASY

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 7*th November*

The offerings in dust sale "V", which was held on Tuesday, 3rd November, amounted to approximately 176,000 lbs. There was a fair general demand, but prices were irregularly half to one anna easier for all types except better liquoring and clean, black, grainy dusts which remained fully firm.

London Market.—Market dearer and generally half penny above last week. Fannings strongest feature, often penny dearer.

Colombo Market.—Strong demand. Good liquoring teas 10 to 15 cents dearer; corresponding fannings firm; others slightly lower; commonest declined 10 cents; bright low-grown steady.

Calcutta Market—Export.—Strong general demand, at practically unchanged rates. Pekoe and pekoe fannings strong feature.

Dust.—Strong general demand. Market firm to very occasionally dearer. Commonest strongest feature.

Export Quota.—The market has strengthened slightly and business has been done at 16½ pies.

Forthcoming auctions.—Dust sale "W" will be held on Tuesday, 17th November, 1953.

As we go to Press Messrs. Forbes, Ewart and Figgis, Ltd. wire as follows:

"*Sale* 23.—14,25,000 lbs. Strong general demand, particularly for low medium and medium, which are finally firm to half an anna dearer. Good medium steady, but best liquoring selling As. 2 to As. 3 below valuations."

HIDES EASY

(From Our Own Correspondent)

KANPUR, 8*th November*

The hides and skins market was slightly easy during the week under review. Prices of wet salted cow registered a fall. New arrivals were a shade above the average. The main purchasers were the local tanners and the Madras dealers.

The latest quotations are: Wet salted cow, 1st grade superior Rs. 340 to Rs. 360 and inferior Rs. 280 per score; wet salted cow 2nd grade superior Rs. 330 to Rs. 350, medium Rs. 220 to Rs. 230

(Continued in previous column)

COTTON FEATURELESS

(From Our Own Correspondent)

BOMBAY, 11*th November,*

Dull conditions characterised the trading in the cotton market during the week under review. The categorical statement of the Textile Commissioner that the Government of India had decided not to reduce the export duty on cotton and that it did not contemplate an additional export quota of Bengal *Deshi* dampened the enthusiasm of operators. There was very little inclination towards fresh business. Even the transactions on the *Moorat* day were a dull affair. Turnover was greatly restricted, with fluctuations in values confined to a narrow range.

In the forward section, I.C.C. February opened the week on a nervous note at Rs. 609, as against Rs. 613-8, following the Textile Commissioner's statement and reports of large arrivals of new crop cotton from up-country centres. It dropped to Rs. 606 during *Moorat* trading, although, towards the close, it was a little higher at Rs. 606-8. On Monday, again, the market was subjected to hedge selling and unloading by bulls, which pushed down the price to Rs. 605-8, the lowest level for the week. Lower levels, however, evoked some support and the previous loss was completely made up. In fact, to-day's closing quotation was Rs. 613, which is Rs. 4 higher than the opening rate. I.C.C. May moved in sympathy with the February contract. Opening at Rs. 615, it slided down to Rs. 612-8 during *Moorat* trading. Thereafter, it improved to finish at Rs. 619-4, the net gain over the week being Rs. 4-4. The spread between the two contracts, which had narrowed down to Rs. 3-12 last week, widened to Rs. 6-4 at the close to-day.

The following is the trend of prices in the forward market during the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 609	614½	605½	613
I.C.C. May ...	Rs. 615	620½	612½	619½

In the spot market, the Textile Commissioner's statement brought about a landslide in values in the early part of the week. During the subsequent sessions, however, a marked recovery was in evidence, thanks to keen interest envinced by mills in Berar, Vijay and Bengal Cotton and to hopes of some relief in cotton exports still entertained in certain sections. The following are the latest available quotations in the spot market (new crop):

Bengal *Deshi* Rs. 580; Berar *Jarillas* Rs. 665; Khandesh Rs. 710; Vijay Rs. 735; Oomra *Deshi* Rs. 590; Moglai Rs. 580.

Cotton circles are rather disappointed at the Government of India's decision not to lower export duty on non-*Deshi* varieties of cotton. The disappointment is on the score that the present rate of duty is very high vis-a-vis world prices and this has rendered it extremely difficult to export these varieties. Traders are also disappointed at the decision of the Government not to grant an additional quota for export of Bengal cotton, for which there is reported to be good overseas demand. Satisfaction is, however, expressed at the proposal to relax cotton control and to do away with zonal allocations of cotton, except in the deficit areas in the South. The proposal to increase the mills' individual quota by 20 per cent., as compared with that of last year, has not evoked any interest among traders, since these quotas are considered to be only permissive and not necessarily always a target.

The sentiment of the Karachi cotton market is reported to have somewhat improved. Business in new crop has been done with Hongkong, the U.K. and the Continent. The Continent has also purchased old crop 4F, LSS and 289F. The remnants of old crop are available about Rs. 3 per maund lower than the new crop prices. The Government of Pakistan has classified the position in respect of the fixation of minimum export floor prices for new crop. These prices, it is made clear, do not apply to the 1952-53 crop cotton, the quantity of which still lying unsold being 40,000 bales. A decision to set up a Lancashire-Pakistan Cotton Committee, with a view to popularising the use of Pakistan cotton by British spinners, is understood to have been taken by the Manchester Cotton Board. The latest available quotation for the Karachi market are: New crop: Sind *Deshi* Rs. 61; Punjab *Deshi* Rs. 58; 4F Punjab R.G. Rs. 58 to Rs. 59; S.G. Rs. 62 to Rs. 63; L.S.S. Punjab R.G. Rs. 62; S.G. Rs. 66-4; N.T. R.G. Rs. 63-8 to Rs. 64-8; S.G. Rs. 68-4 to Rs. 69-4; 289F Punjab R.G. Rs. 64 to Rs. 66; S.G. Rs. 69 to Rs. 71.

Quiet conditions prevailed in the Alexandria market during the week under review. Owing to scarcity of supplies of spot cotton, particularly in Ashmouni/Zagora, high prices are being quoted. Overseas demand has, therefore, slackened considerably. Moderate business is, however, reported with France, Italy, the U.S. and Japan, the purchases being confined mainly to medium grade Karnak and Giza 30. Japanese spinners are reported to have completed purchase of 20,000 bales of Egyptian cotton against payment in dollars. Rumours regarding the reopening of the Alexandria cotton market, which has remained closed since November, 1952, have been laid at rest by the reported decision of the Egyptian Government not to reopen the market. For the Government seems to feel that the present method of marketing the cotton "has successfully created long-needed conditions of stability and confidence in Egypt's economy." The cotton crop of the 1953-54 season is expected to be 800,000 bales, according to the first official estimate. The estimate for Karnak is less than half of that in the previous season, while the estimate for Giza 30 is placed higher. The lower outturn of Karnak variety is due partly to a drastic reduction in acreage and partly to lower yield per acre.

After an initial setback, following larger crop ideas and expectation of an increase in the 1954 cotton acreage allotments by the U.S. Congress, the New York futures market put on a cheerful note during the subsequent sessions. This was the result of mill buying and short covering induced by reports of an increase in latest loan entries. Prices, as a consequence, moved up. Not only the previous losses were fully recovered, but the closing quotations yesterday were above those eight days ago. The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	10-11-53	2-11-53	27-10-53
Spot	33.70	33.50	33.65
December	33.03	32.84	32.97
March	33.42	33.25	33.41
May	33.62	33.45	33.71
July	33.41	33.27	33.69

The exceptionally favourable autumn weather has led cotton circles to believe that the current season's crop will be higher than this month's estimate of 16,093,000 bales. Current ideas of the crop are around 16,250,000 to 16,500,000 bales. The cotton growers in the U.S. are expected to favour the system of marketing quota and acreage allotment generally at the referendum to be held next month. When the U.S. Congress will reconvene in January, 1954, several members, it is considered likely, will press for a revision in the present law and urge for a minimum acreage of 21 to 22 million acres. Whether or not this plea will find favour with the Government remains to be seen. This much, however, is said to be certain, that there will be an upward revision in acreage allotments. The U.S. Agriculture Department spokesmen have discounted all rumours regarding the possibility of a grant of subsidy to cotton exports "this season," although they point out that the Secretary of Agriculture "could be forced into changing his mind about cotton subsidies by Congress."

STAPLE FIBRE YARN SHOOTS UP

(From Our Own Correspondent)

BOMBAY, 11*th November*

The highlight in the art silk yarn market was provided this week by the short staple fibre section. Under hectic short covering, induced by scarcity of floating stocks, staple fibre yarn values forged ahead this week. There was keen anxiety on the part of traders to cover sales in November contract, as the Yarn Merchants' Association, Bombay, withheld permission to commence forward trading in December contract, thanks to shortage of supplies. The price of staple fibre yarn 40 x 2 November contract, which was Rs. 675 last week, shot up to Rs. 706 to-day, the highest level touched since 3rd August, 1953. The Managing Committee of the Association will be meeting to-morrow to consider the question of allowing forward trading in December and January contracts.

Following highly encouraging advices from the staple fibre section, the art silk yarn market presented fully steady conditions. Limited arrivals of yarn and good demand in the ready section, as a result of improvement in the demand for rayon fabrics, were other helpful factors. Consequently, art silk yarn rallied modest gains. Thus, in the forward section, 150D November delivery advanced by Rs. 4 to Rs. 707. December contract gained a like amount to Rs. 708. Prices of yarn in the ready section were fully maintained. 150 Italy was higher by half an anna at Rs. 3-9. 120 Japan, 150 Japan and 120 Italy were all steady at Rs. 4-2, Rs. 4 and Rs. 3-14, respectively.

Moorat transactions on Friday were no more than a dull affair with quotations moving within narrow limits. Buyers were disposed to wait and watch further developments. November delivery was quoted at Rs. 706.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 3rd inst. and 28th October, 1953:

Art silk yarn	11-11-53 Rs. a.	3-11-53 Rs. a.	28-10-53 Rs. a.
150D November (per case of 200 lbs.)	707 0	705 0	703 0
150 December(.. .. ..)	708 0	708 0	—
120 Japan (per lb.)	4 2	4 2	4 2
150 Japan	4 0	4 0	4 0
120 Italy	3 14	3 14	3 14
150 Italy	3 9	3 8½	3 8
Staple fibre yarn			
2/40s November (per case of 200 lbs.)	704 0	675 0	664 0

GROUNDNUTS EASIER

(From Our Own Correspondent)

BOMBAY, 11*th November*

The oilseeds market presented a mixed trend during the week under review. Last week's easiness in groundnuts gathered further momentum on increased arrivals at the various terminal markets. Prices, therefore, recorded further falls. The castorseeds section moved irregularly on bouts of buying and selling, under the influence of conflicting rumours regarding changes in export policy for oilseeds. But the trend was generally downward with closing quotations revealing substantial losses. The linseed section, however, ruled slightly better on scarcity of floating stocks and on reports of business done with Australia in linseed oil.

The *moorat session* this year proved to be a dull affair and purely ceremonial. Trading was bereft of any development worth mentioning. The undertone was generally easy and traders were reluctant to enter into large commitments on the auspicious day. Castor May which opened at Rs. 114-8½, fluctuated between Rs. 114-10½ and Rs. 112-8½, before closing at Rs. 112-10½. Madras variety was down by As. 8 at Rs. 28-8. Groundnuts Bold December-January was done at Rs. 27-4. Linseed Bold February-March delivery was, however, higher by As. 3½ at Rs. 20-11½.

Sectionwise, the groundnuts ruled easy. Bold December-January fell from Rs. 27 to Rs. 26-12. Khandesh quality eased from Rs. 33 to Rs. 30 and November delivery from Rs. 29 to Rs. 28-12. Groundnut oil ex-mill was done at Rs. 16-14 as against Rs. 18 and railway receipts at Rs. 16-2 as against Rs. 17-8. Groundnut oil November delivery lost As. 4 to Rs. 15-5 and December delivery As. 5 to Rs. 14-5. Groundnut oil was quoted at £125 per ton on the Continent.

There was a mild tussle between bulls and bears in castor futures. May delivery which opened at Rs. 113, as against Rs. 112, fluctuated between Rs. 114-8 and Rs. 106-12, before closing at Rs. 109-4. Among spots, Madras quality lost Re. 1-8 to Rs. 26-8 and F.A.Q. As. 12 to Rs. 26-12. Castoroil B.S.S. was done at Rs. 16-14, as against Rs. 17 and First Pressure at Rs. 15-14 as against Rs. 16. Commercials, however, were done steady at Rs. 15-2.

In the linseed section, Bold ready shot up from Rs. 24 to Rs. 25. Bold October-November gathered Re. 1-4 to Rs. 25. February-March improved from Rs. 20-4 to Rs. 21-4. Linseed oil ready, however, lost As. 2 to Rs. 13-14.

Among others, *kardi* ready Bold gained As. 8 to Rs. 21-8 and October-November delivery As. 10 to Rs. 21-4. *Niger* F.A.Q. was quiet at Rs. 33. December-January delivery gained As. 4 to Rs. 26.

The following table shows the prices of oilseeds and oil on the 11th inst. as compared with those at the end of the previous two weeks.

	11-11-53 Rs. a.	3-11-53 Rs. a.	28-10-53 Rs. a.
Groundnuts—			
Khandesh Ready New ..	30 0	32 0	36 8
Bold December-January ..	26 12	27 0	28 2
Linseed—			
Bold Ready (per cwt.) ..	25 0	24 0	24 8
Castorseeds—			
May 1954	109 4	112 0	111 14
Madras (per cwt.)	26 8	28 0	31 8
Groundnut oil—			
Ex-mill Ready (per quarter).	16 4	18 0	19 5
Castor Oil—			
Commercial (per quarter)..	15 2	15 0	15 12

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 11*th November*

The undertone of the Bombay sugar market continued to be firm during the week under review, despite larger arrivals of indigenous sugar and imports of 7,600 tons of British refined sugar per s.s. *Atlantico*. The firmness was chiefly due to heavy offtake during the *Diwali* holidays; the offtake was so heavy that the recent release of 21,000 tons of sugar was cleared off in no time. The other bullish factors were further depletion of stocks in the interior markets, rumours of an upward revision in the prices of imported sugar and cancellation of tenders for sugar per s.s. *Luciano*, the ship being diverted to Madras. To add to these, the scheduled dates of the arrivals of several ships bringing sugar from abroad had, once again, proved incorrect. Thus, the s.s. *Atlantico*, which was to have arrived on the 1st inst., arrived only on the 7th. Similarly, the arrival dates of the s.s. *Cyclops* and the s.s. *Fiducia* are now said to be 20th and 23rd inst., respectively, instead of on the 17th inst., as was originally expected.

In the ready section, British refined sugar and Mexican sugar were quoted higher at Rs. 87-4 and Rs. 88-8 per bag of two cwts. respectively. Prices of spot indigenous sugar (per maund) were well maintained at Rs. 92 for small grain, Rs. 94 for medium grain and Rs. 97 to Rs. 98 for large grain. There was considerable speculative activity in the forward section, the private trading quotations for *Kartik* and *Magshar* deliveries being Rs. 86-8 and Rs. 86-12 per bag, respectively.

There is a rumour in the market that the Government of India may raise the selling price of imported sugar. This move is believed to be a sequel to the reported protest of the Indian Sugar Mills Association, Calcutta, against the decision of the Union Food Ministry to sell imported sugar at Rs. 30 per maund ex-docks. The decision, the Association is said to have pointed out, constitutes a breach of word given by the Food Ministry to the millers that the imported sugar would not be sold at a price which would unreasonably compete with indigenous sugar. The points raised by the Association may be summed up thus: On the basis of a fair price of indigenous sugar, namely, Rs. 27 per maund ex-mill, plus expenses in the form of railway freight, town duty, sales tax and clearing charges, amounting to Rs. 4 per maund, the price of sugar in Bombay works out to Rs. 31. Since the Government sales of sugar (at Rs. 30 per maund) are exempted from sales tax and town duty, imported sugar should not be made available at a price less than Rs. 31 per maund, especially in view of the fact that even the most optimistic estimate of the current (1953-54) season's output is placed at not more than 1.25 million tons. Obviously, therefore, any factor which militates against an incentive to expanding production must be eliminated.

PEPPER BEARISH

(Messrs. Parekh & Co.)

BOMBAY, 11*th November*

During the earlier part of the week, following a fresh buying support, a mild rally in black pepper at all terminal markets was witnessed, but it proved short-lived and prices at Alleppey once again broke down to Rs. 1,650. This was Rs. 250 lower than the bottom touched last year and the lowest on record for the past five years. In the later part of the week, however, some of the bulls tried to rig up prices by buying small quantities up to Rs. 1,850. But no sooner the buyers withdrew than the prices again slipped down, and at the time of writing the growers at Alleppey are reported to be anxious sellers at Rs. 1,700. Such a state of affairs is reported due to selling pressure of loaned pepper and also of new arrivals which are increasing in quantity and improving in quality day by day. The undertone of the market continues to be bearish on expectation of a larger new crop and slacking enquiries from the U.S., where buyers are reported to be holding off in anticipation of still lower prices at the time of the movement of the new crop on the market. Export of black pepper from November, 1952, to October, 1953, is estimated to be about 10,600 tons against the total export of 12,800 tons during 1951-52. Such short-fall in our export is reported to be due to competition of Sarawak and Lampong, as there is no export duty in Sarawak and only 15 per cent. export duty is levied by the Indonesian Government while Malabar pepper has to bear an export levy of 50 per cent. *ad valorem* with ceiling of Rs. 150 per cwt.

In the A.S.T.A. section, during *Moorat* December and January-February-March shipments improved to $0.83 and $0.79 respectively under pressure of short covering and on buying from the bulls. But in the absence of any encouraging support from the U.S., prices sagged down to $0.80 for December and $0.78 for January-February-March. In the specific delivery section prices after touching the highest of Rs. 1,480 and Rs. 1,380 for December and February deliveries dipped down to Rs. 1,420 and Rs. 1,330 respectively. At the time of writing, there was, however, some reactionery improvement in this section, particularly owing to paucity of sellers. December is nominally quoted at Rs. 1,440, while February is offered at Rs. 1,360.

Following are to-day's nominal quotations:—Ready delivery Rs. 240-50 per cwt., December Rs. 1,430-50 and February Rs. 1,360-80 per candy of 5½ cwts.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 10*th November*

The week under review recorded steady conditions in all sections of the market. A fair amount of business saw further additions to the prices of raw jute as well as those of jute manufactures. Ready hessian has reached a tight supply position, and mills were reserved sellers for all constructions for delivery positions up to June next. Little regard was given to reports that buyers overseas were not prepared to follow the increase in prices, as Indian quotations were considered competitive, as compared to the prices of Continental producers. Since demand for jute goods has now become strong, mills are paying more attention to the production of hessians and sackings. With the result, supplies of specialities, which carry no export duties, have become difficult to be located, and business can be put through for ready as well as forward deliveries only at handsome premiums. Although the steadier trend in sacking derived support from the hessian section, enquiries were considered satisfactory.

The jute goods market opened last Tuesday on an easy note, and business put through was insignificant. Mills were reserved, and therefore, prices did not decline appreciably. Thus ready hessians 40" 10 oz. were quoted at Rs. 46-2 and B. twills Rs. 99. Steadiness returned to the market on Wednesday, when, after a weak start, bulls again became active. Ready hessians were keenly sought after, and 40" 10 oz. advanced to Rs. 46-14. Similarly, B. twills were in good demand and improved to Rs. 100-8 with the January-March position touching Rs. 100-14. Thursday was a holiday on account of *Kali Poojah*, and on Friday some deals were reported done on behalf of Great Britain and the United States. Being *Diwali* day, mills also put through some "lucky day" deals on that day. B. twills were therefore raised to Rs. 101 and 40" 10 oz. hessians to Rs. 48. The desire of mills to sell more and more checked advances. On Saturday, however, conditions were easier; but in the absence of business, mills preferred to keep out of the market. This factor maintained the rate for 40" 10 oz. hessians at Rs. 48, while B. twills moved down to Rs. 101-2. Yesterday also, prices fluctuations were narrow, with B. twills closing at Rs. 100-8 and hessian at Rs. 47-10.

The steady conditions in the goods market were duly reflected in raw jute prices, which this week registered substantial gains. Mills wanted to purchase as much as possible and stockists were reserved in the hope of obtaining still higher prices. Arrivals of new crop from mofussil centres to local bazars were limited. It is thought that since paddy harvesting has commenced, the grower's need for cash is less now, and that they can continue holding the remainder of the crop with them for some more time to come. Northern middles gained to Rs. 30-8 from Rs. 29-8. Dhubri bottoms met with business at Rs. 27-8, and middles Rs. 30-8. Daisee middles and bottoms realised rates up to Rs. 30 and Rs. 29 respectively. Cut *mesta* bottoms changed hands at Rs. 27, and middles Rs. 30. Pakistani jat bottoms realised Rs. 31-8 and Bimbli f.a.q. touched Rs. 25, as against Rs. 23 previously. Other latest quotations are: Murshidabad bottoms Rs. 25-8, and middles Rs. 28-8. Jungli bottoms Rs. 23-8 and middles Rs. 26-8, Pakistani northern bottoms Rs. 33 and middles Rs. 29-8, and Assam tossa bottoms Rs. 28-8.

CONTROLS ON WHEAT AND COARSE GRAINS ABOLISHED

(From Our Own Correspondent)

HAPUR, 9*th November*

The Food and Agriculture Ministry has given to the traders and the consumers the most coveted *Diwali* gift—abolition of all controls on wheat and coarse grains. This decision is a sequel to the improvement in the food position in the country. The inter-State barriers will, however, continue to operate. The year 1952-53 was very favourable in regard to agricultural production in the country, especially in respect of foodgrains. The total production of cereals during the year was nearly 5 million tons higher than that in 1951-52 and about 1.6 million tons higher than in 1949-50, which was more or less a normal year from the point of view of agriculture in recent years. The increase of 5 million tons, as compared to the previous year, is shared by rice, wheat and other cereals (mainly millets), the extent of increase being 2.7 million tons, 700,000 tons and 1.6 million tons, respectively.

(Continued on page 935)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	30th Oct. 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,077.79	1,084.22	1,073.34	1,072.48
Notes held in Banking Department	35.05	39.71	32.39	43.10	41.16
Foreign Securities	89.50	558.15	558.15	558.15	558.15
Rupee Securities	37.39	421.42	421.41	421.42	451.10
Banking Department					
Deposits of:					
Government of India	14.89	108.90	108.00	124.98	151.66
Other Governments		30.53	29.80	29.29	15.05
Balances held abroad	16.08	142.16	143.79	142.51	155.11
SCHEDULED BANKS					
Demand Liabilities	134.37	533.41	531.57	526.65	544.54
		(12.73)	(14.75)	(14.75)	(11.27)
Time Liabilities	102.84	333.96	334.36	329.80	318.29
Borrowings from Reserve Bank	..	(4.02)	(4.23)	(2.37)	(6.23)
		1.26	1.27	2.49	1.48
		(0.49)†	(0.49)†	(0.49)†	(0.99)†
Borrowings from Imperial Bank	..	4.94	5.16	4.66	3.46
Cash in India	6.71	31.33	32.85	29.86	33.24
Balances with Reserve Bank	..	..	..	..	..
Excess over statutory limits	15.52	59.11	53.74	54.19	62.97
Balances with other banks in current account in India	..	25.77	20.29	21.25	29.38
Money at call and short notice in India	..	10.39	10.56	10.43	12.26
Investments (at book value)	..	21.33	19.95	19.14	18.17
Advances and bills	108.09	339.70	338.30	333.57	316.27
		443.92	452.68	451.16	457.75
IMPERIAL BANK					
Deposits	87.76	212.03	209.85	209.03	218.04
Investments	51.99	97.09	96.71	94.63	95.84
Advances	30.87	95.87	98.63	98.11	114.55
Cash	14.89	32.04	26.20	24.04	24.80

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against finance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	6th November, 1953		30th October, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	1,09,435	45,15,04,000	2,41,639	48,19,38,000
Calcutta ..	1,19,675	55,29,77,444	1,56,885	52,52,93,785
Madras ..	43,026	4,01,87,889	74,233	7,03,99,165
All Centres—				
1951 ..	..	..	1,05,94,122	180,66,86,859
1952 ..	..	..	1,06,41,941	76,79,61,67,000
August 1953 ..	..	..	23,41,000	4,84,84,00,000
Sept. ..	..	..	25,63,000	5,26,36,00,000

Reserve Bank of India

Statement of Affairs for the week ended 6th Nov., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	100,22,33,000
(2) Other Governments	29,80,29,000
(b) Banks	47,14,66,000
(c) Others	57,60,26,000
Bills Payable	2,41,52,000
Other Liabilities	13,47,01,000
Rupees	261,82,07,000

ASSETS	Rs.
Notes	16,87,72,000
Rupee Coin	16,74,000
Subsidiary Coin	4,79,000
Bills Purchased and Discounted—	
(a) Internal	24,50,000
(b) External	
(c) Government Treasury Bills	3,26,08,000
Balances held abroad*	137,26,83,000
Loans and Advances to Governments	41,00,000
Other Loans and Advances	12,84,22,000
Investments	83,86,23,000
Other Assets	6,79,06,000
Rupees	261,82,07,000

*Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against teance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against teance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,87,72,000	
Notes in circulation	1106,83,60,000	
Total Notes issued		1123,71,32,000
Total Liabilities		1123,71,32,000

ASSETS	Rs.	Rs.
A. *Gold Coin and Bullion*		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	568,14,11,000	
Total of A		608,16,82,000
B. Rupee Coin		96,12,46,000
Government of India Rupee Securities		421,42,04,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1125,71,32,000

Ratio of Total of A to Liabilities: 54·025 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 30th Oct., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	14,14,05,000†
(ii) Other demand liabilities	5,19,26,91,000
2. Time Liabilities in India:	
(i) Borrowings from banks	4,02,00,000†
(ii) Other time liabilities	3,29,94,17,000
3. Cash in India	31,33,30,000
4. Balances with the Reserve Bank in India	59,11,41,000
5. Balances with other banks in current account in India	10,39,24,000
6. Money at call and short notice in India	21,32,56,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	3,30,69,52,000
8. Advances in India	4,09,16,31,000
9. Inland Bills purchased and discounted in India	89,75,84,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		10th November, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	£	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	£	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	£	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476¼	476¼
Buyers T.T.	Rs.	472¼	472¼
London on New York	£	2·81¼–2·81¼	2·81–2·81¼
London on Paris	Fcs.	970¼–980	970¼–980
London on Berne	Sw. Fcs.	12 18⅛–12 19	12 18⅛–12 19
New York on London	$	2·81–2·81¼	2·81¼–2·80¼

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (In millions)		In terms of rupees (Crores)	Per capita income (Rs.)
India	1948	343.12	..		6,730	255
Pakistan	1949	75.04	..		1,671	228
Burma	1951	18.97	Kyats	3,186	317	169
Ceylon	1951	7.74	..	..	591	582
Japan	1951	84.30	Y.	4,849,400	6,414	761
Philippines	1951	20.25	Ps.	7,586	1,320	654
New Zealand	1952	2.00	£(N.Z.)	646	861	4,307
Australia	1951	8.43	£(A.)	3,286	3,454	4,317
U.K.	1952	50.43	£	13,648	18,197	3,608
U.S.A.	1952	156.98	$	290,400	138,280	8,808
Canada	1952	14.43	$	19,185	8,168	5,672
France	1952	42.60	F. Fr.	10,190 000	13,864	3,254
W. Germany	1952	48.43	Dm.	94,400	11,156	2,301
Italy	1952	46.88	Lr.	8,112 000	6,181	1,318
Norway	1952	3.32	Kr.	16,506	1,104	3,331
Sweden	1952	7.13	Kr.	39,170	3,652	5,122
Netherlands	1952	10.36	Fl.	17,660	2,213	3,104
Denmark	1951	4.80	Kr.	20,716	1,439	3,346
Switzerland	1952	4.82	S. Fr.	20,100	3,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 30th Oct., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	35,88,11,000
(b) Provincial Governments	2,46,38,000
(c) Banks	14,47,67,000
(d) Others	2,48,72,000
Bills Payable	30,96,000
Other Liabilities	2,58,70,000
Rupees	64,57,54,000

ASSETS	Rs.
Notes	11,25,17,000
Rupee Coin	3,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	..
(c) Government Treasury Bills	5,39,47,000
Loans and Advances to Governments	1,63,60,000
Provincial Governments Debtor Balances	72,94,000
Other Loans and Advances	9,00,000
Investments	36,35,23,000
Other Assets	9,13,48,000
Rupees	64,57,54,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,25,17,000	
Notes in circulation	203,39,87,000	
Total Notes issued		214,65,04,000
Total Liabilities		214,65,04,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	89,48,75,000	
Government of India Securities	11,88,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
		89,24,80,000
B. Rupee Coin	6,48,16,000	
Government of Pakistan Securities	114,67,33,000	
Internal bills of exchange and other commercial paper	.....	
		121,15,49,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,75,000
Total Assets		214,65,04,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 43·42 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
18th August ..	1.50	1.85	1.50	2 6 8	66
25th	1.50	2 02	1.50	2 6 8	98
8th September ..	1.50	1.77	1.50	2 6 7	77
15th ,, ..	1.50	1.84	1.50	2 6 7½	80
22nd ,, ..	1.50	1.96	1.50	2 6 8	69
29th	1.50	2.51	1.50	2 6 8	100
6th October ..	1.50	2.02	1.50	2 6 8	99
13th ,, ..	1.50	1.81	1.50	2 6 8	99
20th ,, ..	1.50	2 83	1.50	2 6 8	88
27th	1.50	4 10	1.50	2 6 7	48
3rd November ..	1.50	2.71	1.50	2 6 10	86
10th ,, ..	1.50	1.51	1.50	2 7 0	100
Total ..	18.00	26.63	18.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
America ..	24th Sept., 1953	3	4
Belgium ..	2nth Oct., 1953	3	2½
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	25th July, 1953	2½	3
Denmark ..	2nd Nov., 1950	2½	3
Finland ..	16th Dec., 1951	7½	8
France ..	17th Sept., 1953	4	5½
Greece ..	12th July, 1948	10	12
India ..	15th Nov., 1951	3	3½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	9.11	6.84
Netherlands ..	7th April 1953	2½	3
New Zealand ..	26th July, 1941	3	2½
Norway	9th Jan., 1946	2	1½
Pakistan ..	1st July, 1948	3	2½
Portugal ..	15th Jan., 1944	3	2
South Africa ..	27th Mar., 1952	3½	3
Spain	18th Mar., 1949	4	4
Sweden	1st Dec., 1950	2½	3
Switzerland ..	26th Nov., 1936	4	3½
Turkey	26th Feb., 1951	8	4
United Kingdom ..	17th Sept., 1953	4	3½
U.S.S.R. ..	1st July, 1938	3	4
U.S.A.	16th Jan., 1935	1½	2
West Germany ..	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.99	11.21	111.00	130.97
Protective	33	78	7.35	10.51
On surplus disposals	5	1	8	24
Total import duties	9.40	12.00	118.43	141 76
Export Duties	3.89	5.52	55.85	90.78
Land Customs	16	23	2.62	3.22
Miscellaneous	8	6	1.16	1.12
Gross total customs	13.02	17.83	177.58	236.85
Refunds and drawbacks	14	35	7.63	4.82
Net Customs	12.88	17.48	174.95	232.03
Gross excises	7.69	7.01	62.84	87.04
Refunds	8	19	1.48	1.78
Net Excises	7.61	6.82	61.41	85.26
Net total of customs and excise	20.49	24.27	236.36	317 29

Imperial Bank of India

Statement of Affairs for the week ended 6th Nov., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts		205,75,55,000
Borrowings from other Banking Companies Agents Bills Payable		2,26,49,000
Bills for Collection being Bills Receivable as per contra		60,40,000
Acceptances, Endorsements and Other Obligations as per contra		3,00,000
Other Liabilities (including Inter-Office Adjustments)		8,26,10,000
Total	Rs.	229,89,04,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,14,63,000
Balances with other Banks		8,84,30,000
Money at Call and Short Notice		1,00,000
INVESTMENTS—		
Government and other Trustee Securities	87,32,52,000	
Other Authorised Investments	10,83,61,000	
		98,16,13,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	91,95 06,000	
Bills Discounted and Purchased	10,95,78,000	
Bills Receivable being Bills for Collection as per contra		102,90,84,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		60,40,000
Premises less Depreciation		3,00,000
Furniture and Fixtures less Depreciation		1,31,90,000
Other Assets (including Inter-Office Adjustments)		38,61,000
		2,49,14,000
Total	Rs.	223,89,04,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS

	National Savings Certificates † 5-Year Receipts	5-Year Outstandings*	7-Year Receipts	7-Year Outstandings*	12-Year Receipts	12-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-year Treasury Savings Deposit Certificates ‡ Outstandings*
1948-49 ..	1.54	1.47	76	74	20.40	22.86	83.26	29.91	— 12.31		
1951-52 ..	1.75	6.08	77	2.91	22.08	66.81	1,07.55	74.18	— 27.55	13.10	18.39
1952-53 ..	1.53	6.84	66	3.37	23.66	84.18	1,12.36	91.01	— 31.06	7.54	25.54
August 1952	15	6.40	6	3.11	1.76	74.45	8.61	83.76	— 29.16	65	21.89
September ,,	10	6.44	5	3.11	1.84	72.73	8.79	84.91	— 29.41	52	22.38
October ,,	11	6.48	5	3.14	1.71	76.77	8.36	85.25	— 29.99	58	22.92
November ,,	10	6.50	3	3.16	1.71	77.99	8.03	85.54	— 29.99	58	23.48
December ,,	8	6.51	3	3.16	1.66	79.34	8.45	85.95	— 30.23	48	23.94
January 1953	10	6.54	4	3.19	2.02	80.77	8.38	86.09	— 30.51	58	24.48
February ,,	14	6.61	5	3.22	1.86	82.14	8.56	86.36	— 30.76	62	25.08
March ,,	32	6.84	9	3.27	2.66	84.18	12.75	91.01	— 31.06	80	25.84
April ,,	11	6.80	5	3.27	2.24	85.95	9.66	93.01	— 31.30	60	23.64
May ,,	12	6.83	4	3.29	2.08	87.57	9.55	93.80	— 31.52	60	24.38
June ,,	11	6.82	4	3.31	2.25	89.33	9.43	93.80	— 31.52	66	27.00
July ,,	1	6.78	11	3.38	2.21	91.02	10.26	95.23	— 31.78	69	27.86
August ,,	1	6.67	9	3.46	2.23	92.83	8.76	96.67	— 32.06	66	28.20
Sept. ,,	..	..	..	..	..	..	..	..	..	69	2-.67
										59	29.41

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 26-10-'52	24-10-'53	31-10-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.2	90.3	90.2
1. Government of India	90.1	90.1	90.1
2. Indian States	95.5	95.5	95.5
3. Municipal, Port Trust, etc.	89.0	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	101.3	101.3
1. Electricity	102.5	102.7	102.7
2. Jute	94.9	98.8	98.7
3. Plantations	99.9	99.6	99.6
4. Sugar	100.1	100.1	100.1
5. Coal	90.0	90.6	90.6
6. General Engineering	101.7	101.7	101.7
7. Shipping	102.9	103.0	103.1
8. Others	100.2	100.3	100.3
PREFERENCE SHARES	86.9	87.1	87.0
1. Electricity	99.0	99.1	99.4
2. Cotton	83.9	85.3	84.0
3. Jute	86.0	85.9	85.6
4. Coal	92.5	91.6	91.6
5. Iron and Steel	88.6	89.3	89.4
6. Sugar	78.1	79.1	79.1
7. Paper	90.3	89.4	88.4
8. Plantations	87.8	87.8	87.8
9. Miscellaneous	85.4	85.6	85.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	91.6	93.4	93.9
(a) Financial	86.0	85.9	86.0
1. Banks	85.4	85.2	85.4
2. Insurance	95.2	94.9	94.2
3. Investment Trust	72.6	74.4	74.3
(b) Public Utilities	108.3	108.8	108.8
1. Electricity	116.6	116.6	116.2
2. Shipping and other Transport.	90.8	91.9	91.9
3. Railways	81.5	81.6	81.3
(c) Manufacturing Industries	92.7	94.2	95.5
1. Cotton, Woollen and Silk	91.2	92.4	92.6
2. Jute	78.7	79.6	80.4
3. Iron and Steel	97.3	102.1	103.8
4. Paper	107.3	109.5	111.1
5. Cement	110.4	115.5	114.8
6. General Engineering	104.1	109.1	112.0
7. Sugar and Brewerics	84.8	85.8	85.3
8. Chemicals	93.5	95.7	95.8
(d) Non-Manufacturing Industries	88.0	93.6	94.8
1. Coal	74.3	74.3	74.5
2. Mining and Oil	116.5	133.5	136.6
3. Plantations	84.5	89.3	90.0
(e) Miscellaneous	85.1	86.2	86.5
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.7	89.7
2. Calcutta	90.2	—	90.2
3. Madras	90.5	90.5	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.7	101.7	101.8
2. Calcutta	101.6	—	101.8
3. Madras	100.2	100.1	100.1
PREFERENCE SHARES			
1. Bombay	91.1	91.7	91.7
2. Calcutta	84.0	—	83.7
3. Madras	88.7	88.7	88.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	94.7	101.6	102.4
2. Calcutta	86.7	—	88.6
3. Madras	91.7	91.2	91.4
4. Delhi	85.9	88.7	89 2

Source: Department of Research and Statistics, Reserve Bank of India. §—Calcutta Market Remained closed during the week.
* Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,966,704
1951	1,071	691,987	3,818 928
1952	985	809,242	3,336,961
Eight months ended Aug., 1950	692	600,387	5,103,094
Do Aug., 1951	873	564,379	2,910,935
Do Aug., 1952	793	693,891	2,994,552
Do Aug., 1953	590	366,174	1,902,184
January 1952 ..	95	806,881	674,340
February ,, ..	88	62,189	216,607
March ,, ..	87	42,489	142,498
April ,, ..	114	59,437	254,846
May ,, ..	118	80,098	254,885
June ,, ..	101	69,881	287,068
July ,, ..	82	40,744	177,268
August ,, ..	83	43,586	148,533
September ,, ..	96	57,878	460,552
October ,, ..	96	78,101	349,818
November ,, ..	87	48,786	273,245
December ,, ..	81	27,525	155,017
January 1953† ..	85	42,388	244,414
February ,, ..	45	26,477	129,411
March ,, ..	67	33,231	216,207
April* ,, ..	72	49,139	219,553
May* ,, ..	88	83,617	276 216
June ,, ..	98	80 137	252 059
July ,, ..	79	43,713(a)	198,346(b)
August ,, ..	65	51,943	219,557

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case. (b) Not known in three cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	573	5,948.1	4,849.0
1952-53	614	6 301.4	5,134.3
April 1952 ..	577	488.8	392.8
May ,, ..	581	514.4	413.1
June ,, ..	583	500.1	403.8
July ,, ..	588	534.0	429.7
August ,, ..	592	531.8	428.7
September,, ..	597	530.3	430.6
October ,, ..	599	548.2	441.8
November ,, ..	606	529.7	426.4
December ,, ..	608	552.2	457.8
January 1953 ..	611	535.5	441.8
February ,, ..	614	498.6	417.4
March ,, ..	614	538 0	435.7
April ,, ..	618	530.9	436.1
May ,, ..	620	560.4	456.1
June ,, ..	625	543.8	450.2
July ,, ..	627	553.0	471.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	24th Oct., 1953	17th Oct., 1953	25th Oct., 1952	September, 1953	September, 1952	Percentage of increase (+) or decrease (—) in Sept., 1953 as compared with Sept., 1952	1952	1951
Food Articles	388.2	385.6	362.6	389.9	368.1	+ 5.4	359.8	409.8
Cereals	451	446	441	470	459	+ 2.4	450	513
Pulses	464	472	552	477	519	— 8.1	483	506
Other	234*	283	230	287	229	+25.3	225	290
Industrial Raw Materials	443.1	452.9	447.5	475.3	459 8	+ 3.4	453.8	508.2
Fibres	412	410	429	419	451	— 7 1	454	622
Oil seeds	529	502	506	636	516	+23 3	484	679
Minerals	460*	460	459	459	451	+ 1 8	458	426
Others	364*	373*	352	374	336	+11.3	341	513
Semi-Manufactures	381.8	383.4	381.5	382.8	381.5	+ 3 5	348.5	377.5
Leather	380	380	398	399	393	+ 1 5	345	453
Mineral oils	227	227	228	227	226	+ 0 4	221	197
Vegetable oils	510	520	455	572	561	+24 1	459	679
Cotton yarn	434*	436*	453*	444	453*	— 2 0	465*	453
Metals	222*	223	226	223	220	+ 1.4	211	197
Oil Cakes	411	416	419	440	414	— 7 2	440	500
Others	202	201	204	201	264	+14 0	273	330
Manufactured Articles	384.2	384.2	378.2	384.4	378 3	— 1 6	377.5	385.5
Textiles	400*	400	420	400	408	— 2 0	423	468
Jute	—	394	482	335	475	—18 9	506	503
Cotton	410*	410*	409*	410*	389*	+ 5 4	401*	400*
Rayon and Silk	375*	375*	390*	390*	396*	—21 4	485*	511*
Woollen	310	310	230	313	279	+12 2	346	378
Metal products	237	237	243	237	232	+ 1 5	221	245
Others	234*	234	294	286	296	— 3.7	293	800
Miscellaneous	723.1	728.6R	639.6	717 4	629.8	+13 9	635.6	729.8
All Commodities	393.1	394.4	388.4	402 8	389 0	+ 3 8	388.9	439.3

* Estimated. R=Revised

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jabbalpore 1944
1951 Average	—	330	260	313	452	392	370	334	142	178	141	160	168
1952 ,,	142	337	259	310	441	380	351	330	143	174	142	155	150
January 1952	146	331	246	323	443	393	397	338	142	179	147	162	156
February ,,	144	324	241	318	441	388	389	336	141	177	145	155	155
March ,,	135	313	239	300	412	378	346	333	136	177	140	150	145
April ,,	141	345	262	321	415	377	319	326	148	176	139	153	144
May ,,	140	339	264	310	412	376	339	337	148	168	143	153	143
June ,,	140	338	263	300	434	378	342	340	145	171	141	153	143
July ,,	142	330	263	304	456	377	354	331	148	173	143	161	155
August ,,	144	340	267	312	460	380	369	339	148	176	149	160	157
September ,,	143	341	269	310	463	381	364	332	148	178	143	157	156

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,424	20,741
Wheat ..	"	24,041	23,460	6,782	6,089
Jowar ..	"	41,945	39,144	6,088	5,944
Bajra ..	"	25,882	22,659	2,922	2,299
Barley ..	"	7,900	7,835	2,564	2,525
Maize ..	"	8,796	8,073	2,007	2,021
Ragi ..	"	5,388	5,390	1,235	1,212
Gram ..	"	17,267	16,857	3,771	3,298
Rabi Pulses* ..	"	11,803	11,550	2,063	2,047
Small Millets ..	"	12,170	11,834	1,632	1,891
Jute ..	bales	3,884	3,951	4,895	4,878
Cotton ..	"	15,679	16,198	3,050	3,133
Sugarcane ..	tons	4,376	4,792	5,260	6,068
Groundnut ..	"	11,862	11,798	2,894	3,045
Linseed ..	"	3,894	3,402	358	316
Castor seed ..	"	1,849	1,428	107	105
Rape & Mustard Seed ..	"	5,155	5,918	828	916
Sesamum (supp) ..	"	5,761	5,846	451	438
Tobacco (supp) ..	"	793	712	219	205
Pepper ..	"	203	202	22	23
Ginger ..	"	46	47	14	15
Dry chillies ..	"	1,250	1,334	301	341

Source: Ministry of Food and Agriculture.

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

* Excluding gram.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Sept., 1953	73.1
	Corresponding month 1952	70.0
	Three months ended Sept., 1953	219.6
	Corresponding period 1952	228.1
Stocks	As the end of Sept., 1953	118.4
	Corresponding month 1952	91.5
		(In 000 bags)
Exports(Jute Bags)	Week ended 3rd Oct., 1953	1,62,00
	Corresponding week 1952	60,71
	From 1st Jan., to 3rd Oct., '53	22,91,81
	Corresponding period 1952	31,72,24
		(In 000 yds.)
Exports** (Jute Cloth) ..	Week ended 3rd Oct., 1953	9,18,96
	Corresponding week 1952	2,71,78
	From 1st Jan., to 3rd Oct., 1953	102,82,01
	Corresponding period 1952	82,10,62
	RAW JUTE	(In 000 bales)
Exports* ..	Week ended 3rd Oct., 1953	—
	Corresponding week 1952	—
	During May, 1953	—
	Corresponding period 1952	—
Consumption by Mills† ..	Sept., 1953 (in lakh bales)	4.24
	Corresponding month 1952	4.06
	Three months ended Sept., 1953	12.73
	Corresponding period 1952	12.23

† Estimated * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,50,000	10,67,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,91,800
April to October, 1953 ..	5,68,100	5,21,000	3,77,000
August 1952	1,00,700	90,500	67,700
Sept., ...	94,200	88,300	64,000
October	99,400	90,100	67,000
August 1953	94,100	83,400	63,700
Sept., ...	94,200	91,100	61,900
October	99,500	94,000	65,600
Indian Iron and Steel Co.			
Jan. to Sept., 1953	3,81,660	2,26,180	1,63,280
April 1953	52,210	30,980	19,090
May	57,810	32,850	19,700
June	58,720	23,940	13,020
July	21,750	8,370	4,610
August	20,230	7,710	4,190
September	21,320	2,270	2,840

FOREIGN TRADE OF INDIA

Particulars	June,		Three Months, April, to June.	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	12.48	24.63	43.50	80.70
Raw materials	16.83	13.98	47.74	61.68
Manufactures	20.12	22.67	66.62	76.24
Other Items	21	52	1.00	1.99
Total	49.60*	61.82*	160.66*	219.61*
By land	1.79	1.47	3.07	4.62
Total Imports ..	51.80	63.29	163.73	224.13
Exports :				
By sea and air—				
Foodstuffs	9.13	11.83	26.87	37.37
Raw materials	8.71	12.11	30.08	37.28
Manufactures	20.21	23.90	58.65	72.88
Other Items	30	31	1.00	1.06
Total	38.35	48.14	116.20	137.98
By land	38	3.65	1.15	9.27
Total Exports ..	38.73	51.89	117.35	147.25
Total Re-exports ..	38	86	1.58	1.03
Balance of trade in merchandise	— 14.25	— 11.29	— 50.26	— 76.18
Balance of transactions in private treasure	.. ..	.. ..	— 2	— 2
Total visible balance of trade..	— 14.25	— 11.29	— 50.26	— 76.16
Imports : ‡				
Total C'wealth countries ..	22.59	22.55	69.80	87.16
Total Foreign countries ..	27.01	39.27	91.86	132.45
Exports : ‡				
Total C'wealth countries ..	18.92	21.63	54.66	65.29
Total Foreign countries ..	19.43	26.46	61.84	72.69

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

Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Marhang ..	x	176	192†	x	142	142	x	132	136	x	137	141	x	103	102	x	x	x	x	98	95
Sonalli ..	277	218	250†	158	160	160	194	199	217†	202	196	213	125	125	125	x	234	199	199	278	310	310
Kudchi ..	157	181	181	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh ..	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	126	138	168	169
Multapi ..	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	105	200	200
Hamra ..	219	232	205†	85	96	99	130	136	144†	137	145	140	104	114	114	219	215	231	175	208	203
Moniguda ..	168	244	268†	194	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	268	200	202
Shankargarh ..	159	163	167	164	165	171	154	163	173	158	165	170	108	98	101	149	122	127	139	161	160
Krishna ..	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	189†
Malur ..	171	216	222	129	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana ..	293	207	209	302	308	319†	106	211	225†	228	221	231	130	125	128	206	184	184	222	189	189
Salamatpur ..	262	244	250	280	282	289	204	216	220	229	234	239	129	129	129	135	139	139	259	279	277

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 5th Nov., 1953 ..	18,747
	Corresponding week, 1952 ..	24,302
	1st Sept., to 5th Nov., 1953 ..	1,41,911
	Corresponding period, 1953 ..	2,57,610
Cotton Exports ..	Week ended 5th Nov., 1953 ..	1,617
	Corresponding week, 1952 ..	—
	1st Sept., to 5th Nov., 1953 ..	12,803
	Corresponding period, 1952 ..	87,656
Mill Consumption ..	1st Sept., to 5th Nov., 1953 ..	2,31,000
	Corresponding period, 1952 ..	1,87,600
Stock (with exporters dealers and mills) ..	On 5th November, 1953 ..	3,29,461
	Corresponding date, 1952 ..	4,55,943
Karachi (Pakistan)		
Receipts	Week ended 31st October, 1953 ..	24,200
	Corresponding period 1952 ..	28,400
	1st Sept., to 31st Oct., 1953 ..	93,120
	Corresponding period, 1952 ..	1,15,605
Exports	Week ended 31st October, 1953 ..	46,136
	Corresponding period, 1952 ..	52,300
	1st Sept., to 31st Oct., 1953 ..	1,53,036
	Corresponding period, 1952 ..	1,59,700

Particulars	From 1st Sept., to 9th Nov., 1953 Bales	From 1st Sept., to 9th Nov., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	100	677
Continent	1,694	26,212
China	151	124
Japan	10,989	55,546
U.S.A.	650	4,703
Other Countries ..	234	1,593
Total to all foreign countries ..	14,118	88,700
Coastal Ports ..	11,550	12,950
	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	July, 1953	5,16,494
Foreign		74,456
Indian	Eleven months September 1952 to July, 1953	33,03,099
Foreign		7,79,067
Indian	Same Period 1951-52 ..	27,11,050
Foreign		9,93,180
Stocks (Mills and Elsewhere)—		
Indian	As on 31st July, 1953 ..	10,95,873
Foreign		2,40,348
Indian	As on 31st July, 1952 ..	12,88,808
Foreign		6,23,398
Cotton Pressed † ..	Week ended 23rd Oct., 1953 ..	3,481
	Corresponding week, 1952 ..	447
	1st Sept., to 30th Oct. 1953 ..	20,219
	Corresponding period, 1952 ..	2,5,742

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,03,64,000	1955-60	102‡
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101‡
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3 ½ Loan	1950	1,00,33,10,000	1964	92‡
3 ½ Loan	1943	1,10,11,78,000	1966-68	90‡
3 ½ V. Loan	1944	1,14,06,89,000	1970	98‡
3 ½ Loan	1945	1,15,05,83,000	1970-75	86‡
3 ½ Loan	1951	1,13,65,64,000	1979-81	96‡
3 ½ Loan	1951	50,35,63,000	1958	98‡
2½ ½ Loan	1946	45,63,07,000	1960	93⅝
2½ ½ Loan	1946	57,00,69,000	1961	90⅜
2½ ½ Loan	1946	35,06,06,000	1954	98‡
2½ ½ Loan	1946	14,77,48,000	1976	82‡
2½ ½ Loan	1947	75,86,72,000	1962	91⅛
2½ ½ Loan	1948	60,45,01,000	1955	98‡
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98‡
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82
3 % Loan	1946	248,91,90,000		82
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,68,18,000	1954-59***	100‡
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	15th Sept. 1955	99‡
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99‡
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97‡
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	3,01,87,700	31st July 1960	94‡
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
3 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101‡
3 ½ Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½ Cochin	1945	1,00,00,000	1st Oct. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Hewrah Bridge (New)	1936-37	2,31,87,100	1956-66	95‡
3 % Madras	1939	1,29,76,600	21st June 1959	94⅛
3 % Madras	1942	1,23,25,800	18th Sept. 1955	99
3 % Madras	1943	1,23,10,000	14th Sept. 1956	98-8½
3 % Madras	1944	1,08,98,000	15th Aug. 1958	96‡
3 % Madras	1945	2,82,19,000	14th Sept. 1960	93‡
2½% Madras	1946	3,98,93,200	1st Sept. 1961	91‡
3 % Madras	1948	4,47,00,000	15th July 1960	91‡
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	100
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100‡
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104‡
4 % Mysore(J)	1933	2,93,85,200	1st Dec. 1953-63	100‡
4 % Mysore(J)	1936	3,99,72,900	30th April 1956-61	98‡
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99‡
4 % Mysore	1953	3,00,00,000	15th July 1963	99‡
3 % M.P.	1942	50,00,000	15th Sept. 1955	99‡
3 % M.P.	1943	50,54,200	14th Sept. 1956	98‡
3 % M.P.	1944	52,69,800	15th Aug. 1958	96‡
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	91‡
3 % M.P.	1950	1,01,44,700	31st July 1960	94‡
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97‡
4 % M.P.	1953	1,00,00,000	15th July 1963	99‡
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99‡
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99‡
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99‡
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	98‡
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99‡
3½% Travancore	1936	50,00,000	16th Aug. 1956	99‡
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99‡
3 % U.P.	1936	1,61,96,500	15th Sept. 1961-66	98‡
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1945	2,24,80,300	14th Sept. 1960	94‡
2½% U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,18,800	17th Sept. 1962	97‡
4 % U.P.	1952	4,11,13,000	1st Aug. 1964	99⅛
4 % W. Bengal	1953	5,00,00,000	15th July 1963	99‡
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅝
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100‡
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	97⅛N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
44,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
1,13,17,800	4	1913*	1974	D
80,00,000	4	1913	1974	99⅜N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
37,50,000	4	1915*	1973	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1930	
35,00,000	3½	1929*	1950	
12,50,000	3½	1930*	1960	
12,50,900	3½	1931*	1961	
13,50,000	3½	1932*	1962	D
24,58,000	3½	1933*	1975	
15,00,000	3½	1934*	1964	
48,00,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
74,90,100	4	1915	1975	98‡
68,03,300C	3½	1921	1971	97‡
1,50,00,000C	6½	1921	1981	144N
1,24,00,300	6	1925	1955-85	103
98,21,600	5½	1926	1956-86	104‡
99,84,300B	5	1926	1956-86	103‡
1,49,49,500B	5	1927	1957-87	103‡
1,49,30,800	5	1928	1958-88	104‡
80,00,000	4½	1931	1991	92
21,75,000C	3	1933	1954	99
68,00,200	3½	1934	1965	96‡
25,00,000	3	1938	1965-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	83
50,00,900	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94⅛
50,00,800C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,900	3	1950	1980	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£86
£901,000	5	1924	1954-84	£86
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,40,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,13,852	6	1921	1952	
3,32,322	4½	1922	1952†	M
4,47,997	5½	1923	1952†	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97⅜N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1911	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	D
40,00,000	4	1914	1974	97⅜N
40,00,000	5	1919	1957-79	113N
66,00,000	5	1920	1955-80	
21,00,000	5	1921	1956-86	115N
10,00,000	3½	1936	1961-70	98N
STERLING LOANS				
£566,600	4	1909	1969	£93⅛N
£333,000	4	1910	1970	£93⅛N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955†	104
25,00,000	5½	1929	1959†	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1937	1967	90
20,00,000	3	1938	1968	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

BOMBAY				Rs.
49,40,000	4	1913-14	1954	99‡
20,40,000	4	1913-15	1974	99‡
20,00,000	4	1013-15	1955	100
10,00,000	5	1920	1980	113
1,40,00,000	5	1924	1954	103⅛
25,00,000	5	1928	1958	
24,14,000	5	1929	1949-59	105
8,45,500	5	1929	1954-59	
24,21,500	5	1929	1959	102⅜
8,25,00,000	3½	1947	1977	86‡
2,50,00,000	3½	1949	1979	86‡
4,00,00,000	3½	1950	1965	91‡
2,50,00,000	4	1952	1964	100‡
2,00,00,000	3½	1931	1966	97
CALCUTTA				Rs.
34,45,500	6½	1925	1955	105‡
84,70,000	5	1928	1958	103‡
36,00,000	5	1928	1958	103‡
25,00,000	5	1929	1959	103‡
23,00,000	5	1929	1958	103‡
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	93⅛
60,00,000	3	1936	1966	89⅜
1,46,100	3	1936	1966	99‡
3,11,400	3	1937	1954	99
4,97,100	3	1937	1954	98‡
1,62,500	3	1937	1954	98‡
4,18,100	3	1937	1954	98‡
47,50,000	3	1938	1968	88
10,67,700	3	1938	1953	97‡
15,56,800	3	1939	1959	99‡
15,56,800	4	1940	1957	99‡
17,64,400	3½	1942	1959	99‡
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	4	1952	1962	99‡
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	10 7½N

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

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75M	100
Carew & Co.	8,00,000(b)	1875	6‡	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	145	100
Deccan Sugar & Abkhari* A	9,00,000	1920	7	July Apr.	110	100
†East India Distilleries ..	£,00,000	1897	7	Jan. July	15‡	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	7‡	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec. ..	7‡	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15‡	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5‡	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(a)	Dec. ..	6‡	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borree	4,00,000	1896-97	6‡	Oct. Apr.	118	100
Burrakur (1st)	22,90,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8‡	10
Equitable	4,00,000	1895	6	Mar. Sept.	120	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	6‡	75(pp)
††Khas Kajehra	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½d	10
Ondal, ...	2,00,000	1898-99	6‡	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	108‡	100
Bangalore	6,00,000	1884	6	Jan. July	128‡	100
Basanti Cotton	3,00,000	1938	6‡	Nov. ..	8‡	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	92	100
Bradbury	14,75,000	1919	7	June Dec.	320‡	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137‡	100
Cambodias	1,00,000	1928	7	Apr. ..	129	100
Central India	50,00,000	1912	5	Apr. Oct.	500xd	500
Coimbatore Pioneer ..	1,00,000	1933	6‡	Nov. ..	124‡	100
Elgin	11,00,000	1912	8	May Nov.	144	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10‡	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Ganges	20,00,000	1919	7	July Jan.	132	100
Kesoram	10,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1947	4	.. ..	8½	100
Do. (2nd)	12,00,000	1937	6	Nov. ..	10‡

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2–6½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49	100	6 0	6 0	Nil		12	Y.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	388‡	250	17 8	20 0	20 0	7 8(f)	12	Y.P.T.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	730	250	15 0	100 0	100 0	100 0	3	Y.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	272‡	100	18 0	20 0	20 0	8 0(i)	3	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(a)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	69	100	Nil	Nil	Nil		12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	107‡	100	7 8	7 8	7 8		12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Dawn Mills	67	50	Nil	6 0	6 0		3	Y.
34,00,000	24,00,000	62,31,113	37,35,000	5,622	Edward Textiles	50,396	928	Edward Textiles	232‡	200	15 0	15 0	15 0		12	Y.
29,93,700	12,93,292	1,10,11,972	73,99,223	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	45‡	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	259	100	15 0	20 0	20 0		12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	45,752	1,023	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0*	225 0*	3	Y.P.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—31,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	10–11½ Lot	250	43 12	50 0	50 0	56 4*	3	Y.P
50,00,000D									10	10	0 12‡	Nil	Nil			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	1D	1D	0 2	0 4	Nil		12	Y.
29,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	187‡xd	100	12 0	14 0	14 0		12	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	297‡	100	18 0	25 0*	18 0	6 0(i)	12	Y.P.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	88	100A	7 8	5 1	6 4		6	Y.P.
3,60,000B									90N	20B	1 8	1 0	1 4			
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	50	50	4 0	7 0	5 0		12	Y.
31,75,000	24,92,735	1,71,00,016	1,44,55,018	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	195	100	17 0	15 0	12 0		10	Y.T.
1,60,42,600	2,66,192	4,27,10,326	70,00,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation	118‡	100	Nil	Nil	Nil		6	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	160‡	100	12 8	15 0	10 0		12	Y.P.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	138‡	100	10 0	12 8	10 0		12	Y.
12,70,100	36,36,004	42,69,552	13,78,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	33,720	873	New Union Mills	24	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	117‡	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	126‡	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.P.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	25	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	43,83,873	66,452	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Nivas Cotton Mills	170	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	43,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	149	50	14 0	17 0	15 0(i)	15 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	51,892	1,633	Standard Mills	308‡	100	15 0	20 0	20 0		12	Y.
75,00,000	1,34,46,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	259‡	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	33,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	312‡	100	20 0	25 0	30 0		12	Y.P.
32,54,438	59,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	46‡	100	2 0	4 0	2 0		12	Y.T.
12,00,000	60,35,708	98,62,654	73,30,000	6,346	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
33,00,000	42,60,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	133‡xd	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Futhesing & Sons, Ltd.	42,768	912	Aruna Mills	445	100	15 0*	20 0	2 0*		12	Y.P.
31,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Laibhai & Co.	62,448	1,216	Arvind Mills	865	100	20 0	25 0*	25 0		12	Y.P.
20,00,000	40,85,169	76,03,018	51,50,000	1,11,303	Mangaldas & Sons, Ltd.	33,884	884	Aryodaya Ginning & Mfg.	320	200	30 0	35 0*	30 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Laibhai Dalpatbhai & Co.	37,368	914	Asoka Mills	480	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,33,344	2,87,003	Karamchand Premchnad Ltd.	1,39,120	2,400	Calico	313	125	12 8	18 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	52,25,000	4,855	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	1,007‡	100	15 0	15 0	70 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	610	125	35 0	35 0	33 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	677‡	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Laibhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	762‡	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	46,680	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	15 0	20 0	Nil		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	1,048	Saraspur Mills	125	100	10 0	9 0	12 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,323	Shri Ambica Mills	323	50	15 0	18 0	16 0		12	Y.P.
19,32,500	32,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	13 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	816	Vijaya Mills	497‡	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3‡	10	0 8	0 3	Nil		12	Y.P.T
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	38N	40	Nil	Nil	Nil		3	Y.
6,00,000	22,76,073	77,07,829	51,55,000	—28,432	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	265	100	Nil	Nil	Nil		6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	190	100	Nil	7 0 Nil	Nil		6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	21‡	15	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			3	Y.P.
										10	0 12	0 12			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4‡	10	0 3	Nil	Nil		12	Y.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	6‡	10	0 14 2/5	0 9 3/5			12	Y.P.T.
71,94,400	31,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Azam Jahi Mills	67N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	272‡	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13‡	10	1 4	0 8	0 8		6.12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47‡N	10	Nil	0 8	0 4			
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	121	100	6 14	7 8	4 0	4 0(i)	3	Y.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	11‡	10	Nil	1 4	1 0		12	Y.P.T.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8‡	10	0 9	1 0	0 9	0 9	12	Y.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheeme Naidu & Co.	28,864		Coimbatore Cotton Mills	160	100	12 8	12 8	9 0		12	Y.
20,00,500	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700		Coimbatore Pioneer Mills	119	100	7 0	6 0	9 0		6	Y.
20,76,900	4,40,358	1,30,86,516	66,17,387	—2,70,999	R. G. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	38	50	2 8	5 0	4 0		6	Y.P.
46,87,500	92,97,281	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	164xd	100	6 0	6 0	2 0	5 0	6	Y.P.
2,89,84,923	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd.	75,604	1,830	Delhi Cloth & General Mills	30‡	25	1 0	2 8			6	Y.P.
1,00,505										25	Nil	0 4				
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	188	100	25 0	20 0	10 0		6	Y.P.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	18	10	1 2	1 8	1 8		12	Y.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	240xd	100	10 0	14 0	17 0*	3 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	102‡	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	62	50	5 0	7 8	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	30,512	200	Kothari Textiles	10‡	10	0 11	0 12	0 12		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	562‡	250	37 8	50 0*	37 8		6	Y.P.
33,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	78	50	4 0	4 0	5 0		12	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	39‡	25	2 0	2 0	2 8	2 8	3	Y.
12,00,000	4,17,363	24,32,196	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others.	21,856		Malabar Spg. & Wvg.	126	200	8 0	12 0	8 0		12	Y.
40,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	201	100	25 0	12 8	12 8	12 8	3	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	91	100	6 0	6 0	5 0		12	Y.
94,91,850	25,59,817	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	140	250	15 0	7 8	7 8		12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	195	100	10 0	12 8	10 0		6	Y.
19,86,800	66,50,072	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,632	300	Mysore Spg. & Mfg.	122‡	50	10 0	9 0	10 0*	10 0*	12	Y.P.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	6	10	0 8	0 10	Nil	Nil	2	Y.P.
22,89,840									1‡	O. 2‡	Nil	Nil	Nil		3	Y.
3,07,095D	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	—	D. 1	Nil	Nil	Nil			
87,03,600	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	85N	100	5 8	8 0	7 0		12	Y.P.
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	68	50A	5 0	8 0	7 8		9	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	93	75B	7 8	12 0	11 4		12	Y.P.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	69	100	7 4	5 0			12	Y.
8,40,600B									162‡	100A	16 0	16 0	6 0			
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	80	50B	8 0	8 0	3 0		12	Y.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	32,580	600	Raza Textiles	78‡	100	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,635	25,98,011	17,73,000	65,328	G. Liladhar & Co., Ltd.	15,824	440	Shree Saijan Mills	4	10	Nil				12	Y.P.
7,79,700	2,72,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	15,824	416	Sitaram Spg. & Wvg.	75‡N	100	6 0				12	Y.
16,00,000	1,58,55,370	2,82,47,402	2,03,51,339	—78,03,793	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	36	40	Nil	Nil	Nil		12	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarayendra Mills	1,400	1,000	Nil	Nil	Nil		3	Y.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.	27,340	992	Sutlej Cotton Mills	48‡	500	4 0*	4 0	3 0*	4 0*	3	Y.
									37N	10	4 0	4 0	4 0		3	Y.
17,50,000D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9‡	100	0 8	0 8			12	Y.P.
1,97,50,000 PO									9‡	10P.O.	0 14 2/5	0 14 2/5	14 2/5			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Ennore & Sons (Travancore), Ltd.			Travancore Rayons	5‡	10	Nil	Nil	Nil	Nil	12	Y.P.T.
13,98,630	7,12,503	56,51,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000		Trichinopoly Mills	9	10	1 0	1 0	0 11	1 1/3	12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	162	100	9 0	10 0	12 0		12	Y.P.
32,00,000	50,43,359	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	145	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,7[illegible]	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	25	Nil	2 13g	Nil		3	Y.P.
	[illegible],04	22,73,857	9,87,293	13,649		Dyer Meakin Breweries	20‡	10	Nil	1 2f	Nil		3	Y.
16,20,630	[illegible],056	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	6‡	5	1 0	0 8	0 8		9	Y.P.
£80,000A							21‡	A. £1	16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£300,000B								B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil			8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	159‡	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
£1,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39 63,334B							10‡	B. 10	0 6	0 12	0 12			
43,14,600O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga Cement	3‡	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D								D. £1	Nil	1	Sh. 1			
20,56,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	176	100	8 8	9 8			7	Y.
50,00,000O							7‡	O. 10	0 8	0 10	0 10			
25,49,797D	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	1‡	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
30,00,000D								D. 1	Nil	Nil	Nil			
42,50,000O	4,00,000	1,43,54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd.	13‡	O. 25	Nil	Nil	1 4	Nil	3	Y.P.
7,50,000D							2–14‡	D. 5	Nil	Nil	0 6	Nil		
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement	6‡		0 3‡	0 6‡	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	2‡	2‡	0 2	0 2‡	0 2‡		12	Y.
									0 14	0 14	0 14			
19,00,000	21,89,785	53,01,488	31,14,250	15,680	Bird & Co., Ltd.	Biara Stone Lime Co.	29‡N	10	0 14	0 14	0 14		3, 9	H.
									3d‡	3d	3d			
£914,200	£1,030,500	£1,704,558	£913,936	£93,098	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3‡	Sh. 2	Nil	Nil	Nil		6, 12	H.
20,00,000	26,91,410	43,65,527	12,14,525	1,27,234	Bird

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43	25	1 4 / 1 4 / 1 9 / 1 9	1 4 / 1 4 / 1 9 / Nil	5 0 / 5 0 / 5 0 / 5 0		6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	185	100	1 4 / 1 4 / 5 0 / 5 0	1 4 / 1 4 / 5 0 / 5 0	5 0 / 5 0 / 5 0 / 5 0		3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½	10	0 8h / 1 0 / 0 12 / 1 0	0 12 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	37½	10	0 12 / 1 8 / 1 0 / 1 0	0 12 / 1 8 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0		3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	19½	10	0 10 / 0 12 / 0 12 / 0 12	0 10 / 0 12 / 0 12 / 0 12	1 0 / 1 0 / 1 0 / 1 0		6,12	H.P.T
80,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 9½	O. 10 / A. 10	Nil / Nil	Nil / Nil	0 4 / 0 4		3,9	H.P.T.
36,00,000A. / 36,04,800B. / 4,37,500P.O.	2,70,67,936	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	36½ / 4½	A. 10 / B. 10 / P.O. 2½	1 0 / 1 0 / 1 14* / 0 2 / 0 2	1 0 / 1 0 / 1 0 / 0 2 / 0 2	1 0 / 1 0 / 1 0 / 0 2 / 0 2	1 0* / 0 2*	3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,58,964	10,46,391	30,068	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0 / 3 0 / 5 0	3 0 / 3 0 / 5 0	5 0 / 5 0 / 5 0		6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	86xdN	100	6 0 / 6 0	6 0 / 6 0	6 0 / 6 0	7 0	7	Y.
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	95	100	3 0 / 3 0	5 0 / 5 0	5 0 / 5 0	4 0	6	Y.
PROPERTY AND LAND														
10,00,780D. / 3,00,000D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½	O. 10 / D. 1	0 9 3/5 0 / 100	0 9 3/5 0 / Nil	0 8 / Nil		9	Y.P.
60,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd. ..	Port Canning Land	31	100	2 0	1 6	2 0		4	Y.
94,00,000	35,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary ..	39	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading ..	335 / 120	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 8 / 6 0	5 0 / 2 0	9	Y.
6,00,000	2,03,769	1,57,315	—2,50,505	1,70,441	Jardine Henderson Ltd.	Bengal Timber Trading ..	40N	100	5 0	Nil	Nil		6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	35½	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	23,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A. / 3,00,000B.	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	120N A. 100 / 11½ B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	7½	Nil	0 10	0 12		9	Y.
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	161N	10	1 0	1 0	1 8		9	Y.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	7½	Nil	Nil	Nil	1 8		6	Y.P.
15,00,000	35,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	35	10	2 0	3 0	2 0		10	Y.P.T.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	23	10	1 8	1 8	2 0	1 0	6	Y.P.
25,00,000A. / 10,00,000O.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills ..	130N A. 100 / — O. 100	6 0	9 0	12 0*			6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co. ..	Kesar Sugar	52	80	3 0	4 0	Nil		7	Y.P.
7,89,100	11,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills ..	27	10	1 0	2 0	2 8		6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 10	0 8		6	Y.P.
1087,300 A.	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	180N / 45N	100 / 25	13 0 / 3 4	20 0 / 5 0	20 0* / 5 0		6	Y.
2,71,875 B.														
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4	11 0	6 0		7	Y.P.
12,00,000	12,71,178	18,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	98N	100	6 0	10 0	6 0		10	Y.P.
9,00,000	14,71,701	33,72,806	27,79,093	19,435	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	101	10	1 8	2 8	1 0		10	Y.P.
8,00,000	8,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	15xd	10	1 8	2 8	1 0	0 8	6	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	1,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	131xd	10	1 0	2 0	1 8	0 8	6	Y.P.
20,00,000	20,66,360	1,03,56,230	49,26,080	4,188	Behar Jute Ltd.	Shree Krishna Oyanooday Sugar	10N	10	0 6	1 0	1 8		6	Y.
9,99,950	61,825	22,84,311	11,98,645	7,647	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 6½		6	Y.
6,50,080O. / 1,75,000D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	11N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			6	Y.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	18N	10	1 12	2 0	2 0		10	Y.P.
16,00,000	9,19,618	30,61,987	24,51,617	36,645	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	13½	10	0 4½	2 0	1 8		6	Y.P.
Other Centres														
46,99,750	69,25,010	64,21,555	47,76,406	89,148	W. H. Brady & Co., Ltd. ..	Belapur Company	257	50	12 8	14 0	16 0		9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	Nil	3 0	3 0		6	Y.P.
13,00,000	30,25,936	24,31,980	14,55,776	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..	22½ —	10	1 8	2 8	2 8		9	Y.P.
33,57,520	29,59,115	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	101N	10	0 12	1 0	1 0		10	Y.
21,79,280	90,00,000	94,96,051	62,24,358	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0		10	Y.
30,00,000	46,49,631	1,03,94,086	50,12,837	3,18,594	Mafatlal, Apte and Kasulal Ltd.	Phaltan Sugar	101	50	8 0	0 8	0 8		6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnagger Cane and Sugar ..	188	10	0 9½	0 12	2 0		9	Y.
30,00,000O. / 4,00,000D.	24,67,609	74,35,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 7N	O. 50 / D. 10	7 0	9 0	9 0 / 0 11½		9	Y.P.T.
19,99,600	34,21,961	44,37,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	101N	10	1 0	1 4	0 12		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil		7	Y.
77,50,000A. / 83,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	150	A. 100 / O. 100	12 12 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	155	100	110 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	91	100	3 0	4 0	5 0		12	Y.
1,65,180	41,33,737	44,18,205	42,512,999	613,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	70	410	Nil	Nil	Sh.10		12	Y.
2,25,00,000	56,99,233	3,87,93,426	1,03,39,078	2,26,066	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil	Nil	0 8		12	Y.P.
6,59,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co. ..	14½	15	Nil	Nil	0 8		3	Y.P.T.
													6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588 ‡	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		9	Y.
25,00,000	1,00,000	25,18,130 ‡‡	8,079	8,955	Dresa Sons, Ltd.	Devkaran Nanji Investment Co.	23 ‡‡	10	0 12	0 12	0 12		9	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	3 0		3	Y.
99,99,250	18,35,375	1,26,92,333 ‡‡	10,033	1,85,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	67	100	4 0	4 8	4 8	Nil	3	Y.P.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	B. D. Sheppard, Esq. (Mg. Director)	Killick Industries	160xd / 125xd	100	8 0	8 8	10 0	10 0	12	Y.
2,06,71,500A. / 10,00,000B.	5,64,451	2,20,52,504	63,60,813	4,52,797	Asro-Auto Ltd.	Premier Automobiles	38½ —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	Y.
10,31,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	Western India Match Co. ..	46	20	Nil	Nil	3 0		6	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director).	W. H. Brady & Co., Ltd. ..	236‡	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)		356N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,30,000O. / 2,50,000D.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½ / 2½	O. 10 / D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	18½	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydia, Esq. (Mg. Director)	Assam Match Co., Ltd.	22½	10	1 4*	1 6*	1 4		8	Y.
20,00,000	12,91,523	92,32,632	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	32	10	0 9 3/5	0 9 3/5	0 4		12	Y.
30,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	268xd	O. 100 / D. 40	20 0*	25 0*	20 0*	5 0(1)	12	Y.P.T.
20,00,000	8,38,806	54,303,140 ‡‡	—	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	15½	10	1 2	1 4	0 12		12	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. P. Parsons, Esq. (Mg. Director)	Britannia Biscuits	10½	10	1 4	1 4	1 4		9	Y.P.
3,25,00,000	95,00,000	2,38,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	9½	10	1 4	1 4	0 12	0 8	9	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	303	10	2 0	0 12	0 10		12	Y.P.T.
51,26,000	47,57,041	1,26,35,420 ‡‡		3,15,459	Bird & Co., Ltd.	Eastern Investments Ltd. ..	14½	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	197	100	10 0	12 8	20 0		12	Y.P.T.
65,00,000	31,28,294	13,62,902	3,85,563	2,07,324	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	115	100	7 8	15 0	10 0		3	Y.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	261	250	15 0	13 0	10 0		3	Y.P.
12,42,800	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	8 0		6	Y.P.
4,96,12,650	1,92,800	2,61,59,292	57,52,719	3,47,260	Birla Bros., Ltd.	Hindustan Motors	48	10	Nil	Nil	Nil		12	Y.P.T.
1,60,00,000	38,65,000	3,07,88,103	1,21,00,033	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	103	100	3 8	5 0	5 0		3	Y.
1,52,89,220	99,40,984	57,92,690	32,51,748	9,29,554	D. J. McIntosh, Esq.	Indian Cables	20½	10	1 0	1 0	1 0		3	Y.P.
8,27,970	5,18,000	14,39,460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	12½	10	1 0	1 0	1 0		3	Y.P.
2,00,00,000	57,45,280	29,81,473 ‡	4,24,477	4,64,163	G. M. Mackillaly, Esq.	Jardine Henderson	116	10	10 0	10 0	10 0	0 12	3	Y.P.
6,34,0000. / 66,000D.	6,05,270	6,91,331	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2½	O. 5 / D. 2½	Nil	Nil	Nil	7 8	3	Y.P.
40,00,000O. / 5,00,000D.	57,99,632	23,19,033†	5,19,033	85,717	A. T. Peppercorn, Esq.	McLeod & Co.	134 N / O. 100	O. 10 / D.O. 10	12 8	12 8			3	Y.P.
1,30,35,750	30 19 025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	19½	10	0 12	0 12			12	Y.P.
6,35,235	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 4	1 2	1 6		9	Y.
4,48,040	8,84,829	7,93,621	3,93,009	2,059	D. Chandy, Esq. (Controller) ..	Mysore Lamp Works	16½	10	0 10	Nil	Nil		12	Y.
10,00,000	....	11,45,854	3,95,996	11,329	B. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10½	10	1 0	1 0	1 0	1 0	3	Y.
20,00,000	23,16,171	50,16,078	28,75,987	11 045	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	14½	10	0 8	Nil	1 0		3	Y.P.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	14½	10	0 8	0 8	0 12		3	Y.P.T.
40,00,000	24,00,000	41,38,336	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4-4	1	1 9 3/5	0 10‡	0 6‡		12	Y.P.
3,23,00,000	25,18,049	1,69,49,507	37,32,570	24,847	G. U. Euthymopulo, Esq. ..	Rallis (India) Ltd.	63½	100	8 8	9 0	Nil		12	Y.P.T.
1,14,00,000	78,53,108	6,09,59,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	93	10	Nil	0 12	1 0		3	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	14½ xd	10	1 0	1 0	1 0		12	Y.P.
75,00,000	35,00,000	12,11,901 ‡	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	10½	10	1 0	1 0	1 0	0 8(1)	6	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 6‡	Nil	Nil		12	Y.P.

‡‡ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	337½xdN	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,45,966	2,71,576	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	16½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	27	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,418	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	11½	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,361	63,629	Andrew Yule & Co., Ltd. ..	360	Basmatia	30	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000*	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Baseli	12½	5	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	366	Beejan	26½	10	3 8	0 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	30½	10	5 0	0 8			12	Y.
6,00,000	....	10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokahat	5½	10	0 8	Nil	Nil		12	Y.
7,50,000	1,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	12½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,78,513	72,06,251	15,11,431	87,990	Brook Bond India Ltd.	2,670	Brooke Bond	11½xd	10	1 0	1 0	1 0		6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	11½	10	Nil	Nil			12	Y.
6,00,000	7,15,000	25,51,755	13,30,724	19,112	Jardine Henderson Ltd.	1,220	Deasal & Parbottia	235	100	30 0	22 8	10 0		12	Y.
17,53,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd. ..	426	Dhalakhat	12½	10	1 9 3/5	1 3½			12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	11½	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—61,361	McLeod & Co., Ltd.	458	Dibrugarh	9½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dimakusi	35xd	10	4 8	1 8	1 0		12	Y.P.
3,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	35	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	19½	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd. ..	407	Gillapukri	17½	10	3 0	1 0	Nil		12	Y.
3,38,00	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gobpur	21½xd	10	4 0	3 0			12	Y.
4,4,94,186								21	A.10	3 0	2 0	2 0			
1,2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	10½	B.5	1 8	1 0	1 0		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	30	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd. ..	1,288	Hoolongooree	290N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	11	10	1 6	1 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	2,593	Shaw Wallace & Co., Ltd. ..	1,166	Kignaley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	8,33,647	1,03,

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	38,243	B. N. Elias & Co., Ltd.	879	Agarpara	17	10	8+8	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,86,333	46,11,580	31,93,083	16,515	Sahu Jain Ltd.	498	Albion	170xd	100	4+10	15+15	8+10		5, 11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	163	100	Nil	5	Nil	Nil	6, 12	H.P.T.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	160	100	Nil	2½	Nil	Nil	6, 12	H.P.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	228	100	Nil 10	10+10	10+15	7½f	6, 12	H.P.
40,00,000	38,68,132	1,32,38,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	120	100	1½+4	6+4	5+4	2f	3, 9	H.P.
13,97,000	5,23,358	36,66,923	22,26,363	7,192	Jardine Henderson & Co.	959	Bally	172	100	6+6	6+1	Nil	4f	3, 9	H.P.T.
20,00,000	29,77,565	97,37,134	63,51,882	72,634	Sir John H. Burder (Chairman)	1,890	Barnagore	150xd	£5	£1	£1	£1	£1	3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Andrew Yule & Co., Ltd.	820	Belvedere	200	100	7+10	12½+15	7½+7½	7½f	6, 12	Y.P.
28,00,000	35,49,623	88,18,168	48,06,254	62,117	Andrew Yule & Co., Ltd.	600	Bengal	13½	10	1½	3	3	3	6, 12	H.P.
32,50,000	55,95,000	91,03,385	22,50,305	4,07,701	Soorajmull Nagarmull	1,373	Birla	44	10	2½	3	3	3	6	Y.P.T
30,42,000	2,64,16,567	3,06,30,766	1,23,13,242	1,03,646	Burla Bros., Ltd.	991	Budge-Budge	157	100	3+10	10+12	6½+6½	6f	4, 10	Y.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	502	Calcutta Jute Mfg.	142N	10	Nil	1+1	0+8		6, 12	H.P.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	616	Caledonian	162	100	4+10	10+12	6+6	6f	5, 11	H.P.T.
18,00,000	31,81,234	73,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	1,400	Champdany	147½	100	3+3	5+7	7+8	3f	3, 9	H.
39,16,400	1,05,23,478	1,65,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd.	208	Cheviot	130	100	6+10	10+12	6+6	6f	3, 9	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd.	500	Chitavalah	33½	10	1½+1½	1½+1½	2½+1½		5, 11	H.P.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	McLeod & Co., Ltd.	969	Clive	25	10	1½	3½	2	Nil	6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	766	Dalhousie	133	100	1+3	8+6	6+1	1f	3, 9	Y.P.
31,49,200	59,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	779	Delta	228	100	5+12½	12½+17½	10+10	10f	3, 9	H.P.
28,00,000	44,74,179	73,79,359	43,61,779	1,17,790	Andrew Yule & Co., Ltd.	500	Empire	22½	10	1+1	1½+1½	1½+1½		5, 11	H.P.
15,00,000	32,50,000	71,63,304	53,68,630	47,730	McLeod & Co., Ltd.	1,884	Fort Gloster	379	100	2½+20	12½+12½	10 Nil	Nil	3, 9	H.T.P.
21,00,000	54,39,877	2,65,42,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd.	3030N	Fort William	Nil	100	Nil	Nil	Nil	Nil	3, 9	H.P.T.
14,00,000	....	72,62,199	43,27,194	—4,98,601	Bangur Bros., Ltd.	73	Ganges Mfg.	Nil	100	Nil	3½	2½+2½	Nil	Nil	H.T.P.
84,32,100	3,13,094	2,09,72,148	1,34,77,845	—8,52,945	Macneill & Barry Ltd.	1,709	Gondalpara	68	100	45	60	30	Nil	3, 9	H.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gouripore	300	100	2½+15	10+10	1½ Nil	Nil	3, 9	Y.
24,00,000	27,30,604	2,19,25,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Hastings	280	100	10	3	10	10	3, 9	H.P.
40,00,000	46,39,631	1,39,35,241	92,95,603	2,81,845	Bangur Bros., Ltd.	1,078	Hooghly	100 N	100	1	3	1½	1½		Y.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	43	10	1	3	1½	1½		Y.P.
65,62,500	50,83,570	1,36,87,559	1,06,33,235	1,55,027	Jardine Henderson Ltd.	1,940	Howrah	50	10	3½	3½	1+½	3	3, 9	H.P.
30,00,000	34,00,000	2,25,00,109	1,40,30,109	3,91,968	Ramdutt Ramkissendas	2,272	Hukumchand	74	10	3½	3½	3½	3½f		Y.P.T.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co.	1,076	India	128	125	3½+9½	3½+1½	3½+3½	3½f	3, 9	H.
D. 30,000								A.7-8 7-8	1	1	1	1	1		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	192	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
'B' 30,00,000								177	100	8½+8½	10+12½	8½+6	6f		
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	145	100	Nil	5+7½	6+4	5f		
'B' 24,00,000								140	100	Nil	5+7½	6+4	5f	6, 12	H.P.
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	253	100	10+10	12½+12½	7½+7½		6, 12	H.P.
54,00,000	62,65,373	1,60,84,337	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,530	Khardah	205	100	Nil 15	10+6	10+15		6, 12	H.P.
48,00,000	95,71,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	196	100	1½+4	10+9	10+7	4f	3, 9	H.P.
24,48,000	48,82,305	1,33,96,808	76,14,073	22,044	Andrew Yule & Co., Ltd.	931	Lansdowne	127	100	2+10	12+8	7+3	2f	3, 9	H.P.T.
28,00,000	58,69,796	1,13,85,416	61,83,380	7,737	Bird & Co., Ltd.	840	Lawrence	156	100	3+9	12½+11	11+4	2f	3, 9	H.P.
10,00,000	36,51,301	50,39,106	35,14,126	64,044	Andrew Yule & Co., Ltd.	558	Lothian	235	100	3+10	15+17½	13+13	13f	3, 9	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,448	28,020	Mackinnon Mackenzie & Co.	1,008	Megna	98	100	2½+6½	2½+15	2½+2½	2½f	3, 9	H.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	818	Naihati	118	100	Nil 5	10+6	6 Nil	Nil	3, 9	H.
20,00,000	17,75,000	25,77,260	16,42,880	5,104	Howrah Trading Co., Ltd.	425	Naskarpara	14	10	1+1	1½+1½	1+1		4, 10	H.
35,00,000	44,27,437	27,38,552	8,93,551	1,01,832	Andrew Yule & Co., Ltd.	852	National	24½	10	1+1	1+1½	2+1	1f	4, 10	H.P.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,931	McLeod & Co., Ltd.	316	Nellimarla Jute	36½	10	1½+1½	2½+2½	2+1		6, 12	H.P.T.
10,50,000	47,47,525	48,48,686	24,19,243	38,810	Sahu Jain Ltd.	709	New Central	248xd	100	4+10	15+15	10+12		6, 12	H.P.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	20	10	Nil	Nil 1	1+½	1f	3, 9	H.P.T.
66,79,500	32,37,529	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Noddea	50	10	Nil 11	11+12½	Nil Nil	Nil	3, 9	H.
24,91,000	26,56,049	48,27,892	1,03,358	Andrew Yule & Co., Ltd.	601	Orient	173	100	4+10	12+12	1+6	6f	5, 11	H.P.
25,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	4½	5	Nil	Nil	Nil		5, 11	H.T.
20,00,000	....	26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	305	Rameshwara	5½	10	Nil	Nil	Nil		6, 12	H.P.
49,50,000	1,50,000	1,23,65,396	55,07,248	48,580	Jardine Henderson Ltd.	1,276	Reliance	17½	10	Nil	Nil	Nil	1f	3, 9	H.P.T.
£600,000	£1,102,661‡	£1,203,880	....	£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	13½	£1	10%	10%	10%		3, 9	Y.P.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Bagaria More & Co., Ltd.	911	Shree Ambica	17½	10	Nil	1½+1	1½		3, 9	H.P.
7,00,000	7,74,812	48,14,456	33,67,743	3,54,954	Hindustan Investment Corporation	401	Soorah	4	10	1	Nil	Nil		6, 12	Y.P.T.
25,19,600	49,32,957	97,84,215	56,00,072	10,963	Bird & Co., Ltd.	650	Standard	138	100	3+6	9+8	8+1	1f	3, 9	H.P.
£600,000	£849,927‡	£990,895	....	£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	133	£1	10%	10%	10%		3, 9	Y.P.
35,98,600	94,31,454	1,76,49,708	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	169	100	1+7	10½+11	10+1	1f	6, 12	Y.P.
£400,000	£587,164	£1,059,917‡	....	£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	13½	£1	10%	10%	10%		3, 9	H.P.T.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil 1/40	1/40 Nil	Nil		6, 12	Y.P. H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19½xd	10	1+1	1+1	1+1	1f	3, 9	H.
12,00,000	8,42,703	37,53,383	34,25,643	58,826	Jardine Henderson Ltd.	Bararee Coke	18½	10	1+1	1+1	3½+1	As. 11½f	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	7½	10	1	1	1	1f	6, 12	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	503xd	200	17½+17½	17½+17½	20+20	17½f	4, 10	H.P.
2,25,000	5,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14	10	1½	1	1		6, 12	H.P.
13,97,000	5,23,358	36,66,923	22,26,363	7,192	H. V. Low & Co., Ltd.	Bhalgora	4½	10			0+8			H.P.
69,99,953	13,81,010	1,17,79,347	36,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5½	10					9	Y.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd.	Bhuleabarree	14	10	1	1	Nil		6, 12	Y.T.P.
14,00,000	14,10,773	68,13,834	39,31,794	—1,46,403	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	Nil	Nil			6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd.	Borrea	27½	10	1½+1½	1½+1½	1½+1½		6, 12	H.T.
90,92,480	1,65,60,398	4,01,63,968	1,60,47,288	1,15,021	Bird & Co., Ltd.	Burrakur	9	10	1	1	1		6, 12	H.P.
49,97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	51cd	10	Nil	Nil	Nil			H.P.T.
8,00,000	13,30,349	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd.	Central Kurkend	14½N	10		Nil	Nil		3	Y.
6,00,000	1,40,000	7,50,000k	....	13,973	F. W. Heilgers & Co., Ltd.	Churia	2	4					6, 12	H.
16,00,000	2,70,000	43,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhermo Main	8	10					6, 12	H.
£120,000	£424,897	£878,414	£669,896s	£78,839	Jardine Henderson Ltd.	East Indian	24	£1	1	5	3½ £D		6, 12	H.
29,63,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd.	Equitable	35½	10	2½+2½	2½+2½	2+1½			Y.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Muslia	15½N	10	1	2			6, 12	H.P.
12,00,000	1,57,000	33,64,134	17,61,189	61,826	Kilick Industries Ltd.	Hingir-Rampur	43	50	3	3	4	3	3	Y.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriadih	15	10	1	1	1		6	Y.P.
22,00,000	1,08,377	31,70,015	10,56,245	—1,95,248	Bajpaie Trust Ltd.	Jogta Coal	18½N	10	Nil	Nil	Nil		6, 12	H.
3,50,000	3,50,000	12,53,839	4,13,347	40,107	Andrew Yule & Co., Ltd.	Kalapahari	41½	10	1½+1½	1½+1½	1½+1½		12	Y.P.
20,00,000	....	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	82	100	Nil	Nil	Nil	Nil	2, 8	H.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd.	Katras Jherriah	39½	10	1½+1½	1½+1½	2+2	2f	2	Y.P.
1,38,400	93,000	10,63,519	3,25,519	1,063	Beriwala & Co.	Khas Kajora	7½N	10	1	3½			1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusedi	4½N	10	3½				6, 12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10½N	10	1				6	Y.
7,48,240	1,50,000	11,24,142	8,84,138	20,398		Nasura	6½	10	1	1			4	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd.	New Beerbhoom	19½xd	10	3/10 3/10	Nil	Nil	Nil	6, 12	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd.	New Mashbhoom	8	10	1	Nil		Nil f	4, 10	H.P.
1,13,000	3,16,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.	North West	10N	10	1	1	1	1f	3, 9	H.
1,57,000							7½	10	1½	1½	1	1f	3, 9	H.
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd.	Ondal	17½N	10	1+1	1+1	1+1		6, 12	H.P.
10,00,000	1,10,000	33,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11½N	10					6, 12	H.P.
8,34,000	83,598	17,23,582	6,27,675	15,769	Deepchand Kishenlall	Parasea	3½	10	Nil	Nil	Nil		6, 12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd.	Perch Valley	22½xd	10	1	1	1		6, 12	H.P.
23,99,500	15,67,105	1,09,49,971	76,28,254	—4,33,764	B. N. Elias & Co., Ltd.	Raneegunge	9½	10	Nil	1	1		2, 8	H.
13,50,000	7,38,385	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	21½	10	1	1	Nil		3, 9	H.
20,00,000	3,10,464	28,07,516	11,52,118	165	Jaipuria Sons Ltd.	Samla Collieries	7½	10	1	1	1	1f	3, 9	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,497	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½N	2½					6, 12	H.
2,50,000	5,43,826	28,04,096	14,32,969	30,584	Andrew Yule & Co., Ltd.	Seebpore	25½	7	2½ x 2	2+2	2+1		7	Y.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd.	Seodra	8½N	10	1	Nil	Nil		6, 12	H.P.
63,21,450	13,25,934	3,24,72,792	2,26,34,394	65,360	Industrial Trust Fund (Government of Hyderabad)	Singareni	68	10	4	4	4		4, 10	H.T.
17,50,000	10,86,300	35,33,705	13,67,030	26,614	Bird & Co., Ltd.	South Karanpura	10½	10	1	1	1	1f	12	Y.T.
8,00,000	13,68,303	2,33,837	56,445	86,379	F. W. Heilgers & Co., Ltd.	Standard	21	10	1	1	1		2, 8	H.
10,00,000	30,13,423	30,13,423	15,43,501	—3,68,936	Villiers Ltd.	Talcher	23	Nil	Nil	Nil	1+1		6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd.	Union	22½	10	1½+1½	1½+1½	1½f		9	Y.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	4½	10					6, 12	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	17	10	1	1	Nil		3	Y.
													6, 12	H.

* Including bonus. a Sales and amount written off. (b) Investments. ‡ For 10 months ended 31st December 1951.

(1) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 936 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ¼ per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March 1957.

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

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

MARKET GOSSIP

(Concluded from page 891)

Electricity (Supply) Act. But this does not in any way remove the uncertainty, for "exactly what does or does not constitute an inconsistency is not always easy to say." It would appear that the Federation has now referred the question to a senior council and that, after the completion of such examination, it would decide its attitude towards the Bill.

• • • •

The State Government's failure to constitute statutory Electricity Boards is yet another obstacle to the expansion of the industry. Mr. Milne said that one particularly "compelling" instance of the need for the early constitution of State Electricity Boards is to be seen in Bombay where "wrangling and indecision" continue rife over the expansion of power in the Bombay City region. A State Electricity Board, as Mr. Milne suggested, would have settled the question by now. He was obviously referring to the controversy between the Tata Group of Hydro-electric Companies and the Bombay Government over the size of the thermal plant at Trombay. This controversy has dragged on for a long time now, the Government contending that it could allow only a 50 M.W. plant and the Companies asking for permission to erect two plants of 50 M.W. each, which would be an economic proposition. In this connection, we learn that there is no truth in the report, appearing in some sections of the Press, that the Government has yielded to the demand for two plants of 50 M.W. each. It would appear that the position remains the same as it was before. The Directors of the Tata Group of Companies have summed up the position in their latest report and accounts, wherein they observe that the Government has approved the installation of only one set (50 M.W. set), as it felt that the "Koyna hydro-electric power could be brought into the Bombay area well before 1960 and further that the estimates of demand for additional power would not be fulfilled."

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It will be recalled that General Motors India Ltd. had definitely expressed itself against undertaking the manufacture of cars in India and had reconciled itself to the prospect of closing down its plant in India. In fact, this Company has been retrenching its staff at a heavy cost. Now a report has appeared in a section of the Press that the Company has changed its mind and that it has sought or is about to seek the permission of the Government of India to launch on a scheme of manufacture of motor vehicles for catering to the neighbouring export markets. The same section of the Press also observes that Ford Motors which, too, had not submitted a programme for manufacturing cars and had decided to confine themselves to assembling vehicles as long as they were allowed to do so by the Government, have also changed their mind and propose to make cars. Another report credits this Company with a plan to establish an automobile producing plant in collaboration with Indian capital on a 50:50 basis. Our information is that both these reports are incorrect. We are told that neither General Motors nor Ford Motors have changed their mind. In fact, whatever remote chances there were of the Ford Motors taking up the manufacture of cars have completely gone, following the statement, made by the Commerce and Industry Minister some time ago, that, in view of the strategic and national importance of the automobile industry, the Government might have to take over the industry from the hands of private enterprise, if it did not deliver the goods within a reasonable time. There is, however, some truth in the report that the other three foreign automobile units, which have from the beginning been keen on the manufacturing programme, might pool their resources, or at least work out a co-ordinated production programme for the mutual benefit of all the three participants. It is true that even this report has been denied by one of the concerned firms. But it is believed that the move is still there, though it is too early to say what shape it will take, or when it will be put into effect.

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With commendable speed and solicitude for the travelling public, the Central Railway Administration has announced the provision of a new facility for the Bombay-Manmad-Dhond passengers. A through bogie service between Bombay and Dhond via Manmad will, it is stated, form part of the Bombay-Nagpur Express leaving Victoria Terminus at 9 p.m. The bogie, which will have II and III class accommodation, will be connected to the Manmad-Dhond Passenger. A similar bogie will run between Dhond and Bombay via Manmad. This was the suggestion which, as readers will recall, we made when we wrote on this subject in our issue dated 24th October last. We are gratified to find that the Central Railway has so promptly appreciated the usefulness of our suggestion and implemented it.

• • • •

The new arrangement enables passengers between Bombay and the centres along the Dhond-Manmad line to travel in comfort without the excruciating agony of a transhipment at Manmad in the dead of night. The Central Railway has thus earned the lasting goodwill of all travellers in this region. We have reasons to believe that the service will become extremely popular in course of time, not only because the Dhond-Manmad region is a rapidly growing industrial centre but it contains some important centres of pilgrimage. Only, it is to be hoped that the value and utility of this arrangement will not be judged from the quantum of traffic in any particular part of the year but treated as a service to the travellers to a region which even now contributes substantial revenue to the railways by way of freight on the sugar it exports and the raw materials and stores, it imports.

It is reliably learned that the Select Committee of the Bombay Legislative Assembly, which examined the Bill to amend the Sales Tax Act, has completed its task and that it will present its report to the Government most probably on the 17th inst. The Bill, as is well known, seeks to convert the present system of multi-point sales tax into a two-point system. It would appear that all the members of the Committee, excepting one, have voted in favour of the two-point tax. It is further learnt that there will be a special session of the Legislative Assembly in December to consider the Bill.

INDEPENDENT INDIA'S FIRST CENSUS REPORT

(Concluded from page 914)

ing assumption—continued availability of food supply at undiminished rates of consumption along with unchecked growth of population—is unlikely to hold good for as long as thirty years. This conclusion is reached after taking full account of the technological possibilities of development of agricultural productivity.

"Thirdly, the experience of 1943 gives warning of the possibility that growing food shortage might lead to a breakdown of the distribution of food supply and thus open the way to a return of those 'natural' checks to population growth which were in operation during the thirty years preceding 1921. This possibility, however, is unlikely to be permitted to materialise. The system of planned 'State trading' in foodgrains, developed during the last decade, is now well established. So long as we hold fast to it, there is a guarantee that food shortage will be kept under control and prevented from developing into a breakdown of food supply. Sufficient time will, therefore, be available for wise planning and efficient execution of measures designed to overcome food shortage permanently.

"Fourthly, it is possible to overcome food shortage permanently, by taking suitable measures over an extended period of about fifteen years. For this purpose, development of agricultural productivity on an even larger scale than that undertaken in the First Five-year Plan will be necessary, but it will not be sufficient. Effective steps should be taken concurrently to limit births to approximate parity with deaths and thereby achieve a substantially stationary population.

"Fifthly, births will get limited to approximate parity with deaths, if what has been described as 'improvident maternity' is avoided by all or most married couples. ('Improvident maternity' consists of all births occurring to mothers who have already had three or more children, when at least one of them is alive.)

"Sixthly, a combined approach to the solution of our problem calls for the following targets:

(i) Increase of agricultural productivity from the present level of approximately 700 lakhs of annual tons to about 940 lakhs of annual tons; (ii) Reduction of improvident maternity from over 40 per cent. (its incidence at present) to under 5 per cent.

If these two targets are accorded equal priority and ranked higher than all other development targets, they can be attained before population increases beyond 45 crores—our total number will then become substantially stationary round about 45 crores.

"Seventhly, the attainment of the target of reduction of improvident maternity will necessitate the prior creation and permanent maintenance of a nation-wide organisation of maternity and child welfare services. This is difficult, but feasible and essential."

MARKET REPORTS

(Concluded from page 925)

The Rajasthan Government has, with immediate effect, stopped the realisation of levy on wheat and barley. It also removed the restriction on the inter-district movement of wheat and barley. The 40 per cent. levy on export of gram too has been abolished. There will now be no restriction on the movement of foodgrains within the State.

The Andhra Government is expected to request the Centre for a revision of the present food policy. The authorities recently expressed the view that the future food policy should aim at "further decontrol." The Government has decided to export 16,000 tons of rice and 5,000 tons of paddy to Travancore-Cochin from the surplus stocks in the State.

Foodgrain markets in Uttar Pradesh remained quiet with very satisfactory overall food position in the State, heavy wheat reserve stocks with the State Government and flowing supplies of *kharif* grains to the markets. Stockists are also inclined to reduce their possession in apprehension of substantial fall in prices. The panicky trade demand for wheat and gram from the eastern districts has subsided and prices are steadily on a downward curve: Hapur quotations (per maund) are: Wheat Rs. 15-8 to Rs. 17; gram Rs. 13 to Rs. 15; barley Rs. 11-10; *bejhar* Rs. 11-8; *bajra* Rs. 11-8; *jowar* Rs. 11; *gwar* Rs. 10-8; rice Rs. 29 to Rs. 19-8; peas green Rs. 13, white Rs. 14 to Rs. 16-8; *arhar* Rs. 12-8; *urd* Rs. 19-8; *moong* Rs. 18 and *masoor* Rs. 15.

SUGAR PRICES ADVANCE

(From Our Own Correspondent)

HAPUR, 10th *November*

Crystal sugar markets remained quite active this week as there was exc

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
24,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	112	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				58½	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	108	50	6 0‡	6 0‡	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	5,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	153½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
18,36,375	24,80,000	63,200	Bank of Indore	60N	25	3 0‡	3 0‡	3 0	1 8(i)	12	Y.
50,00,000	13,00,000	35,324	Bank of Jaipur	18½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	281	100	16 0‡	16 0‡	16 0‡	8 0‡(i)	12	Y.
59,99,150	31,83,240	29,609	Bombay State Co-operative Bank	57½xd	50	2 8‡	2 8	2 8	2 8	4	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	Y.
7,50,000	18,00,000	9,244	Canara Banking Corporation Ltd	85	50	5 0‡	5 0‡	5 0‡		12	Y.P.
2,62,11,873	3,99,08,177	17,23,015	Central Bank of India Ltd.	63½	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
92,42,375 'A'				66½	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,802	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,39,127	††Hyderabad State Bank	105N	100	6 0‡	6 0‡	5 0		9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,825½	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				448½	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				174	100	12 0‡	12 0‡	12 0‡	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	139	85	10 3½	10 3½	10 3½	5 1 3(i)	6.12	R.L.H.
13,49,000				98½	60	7 3½	7 3½	7 3½	3 9 3(i)		
44,98,425	19,00,000	1,89,917	Indian Overseas Bank	93½	100	5 0‡	6 0	6 0		12	R.L.H.
6,25,800				73	100(A)	9 0	7 8	8 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8	0 12(i)	6.12	H.
18,00,000				33½	50(C)	3 0	3 0	3 0	1 8(i)		
87,30,000	89,00,000	1,92,605	Punjab National Bank	21	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,133	Union Bank of India	6–5½	5	0 5	0 5‡	0 5‡		12	Y.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank	36½	50	2 0	2 0	2 0		12	H.

PRINCIPAL EXCHANGE BANKS*

Dividend (per cent.)

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£–2–0–3	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7 4	£5	7†	6†	7†	3†	12	R.L.Y.
U.S. $20,000,000	U.S. $94,000,000	U.S. $9,489,174	Hongkong and Shanghai Banking Corporation	£91	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2–19–3	£1	12†	12†	12†		12	R.L.Y.
£1,437,296				£1-7-0		5†	5†	5†		12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24	A £125	12†	12†	14†	7†(i)	12	R.L.Y.
£375,000				£24	B £125	12	12†	14†	7†(i)		
£300,000				£10	C £5	12†	12†	14†	7†(i)		
£1,281,250	£3,675,000	£323,703	National Bank of India	£31½	£12½	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax. (F) Pakistan Currency

††O.S. Currency
(i) Interim.
*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	3½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
89,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Bamani Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	10th November .. 1958(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72
13,68,000	5½		Jaybros Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	 1966-71
ELECTRICS					
19,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102½	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
8,57,500	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1970
85,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	86	31st December .. 1970
13,00,000	5	1st January and 1st July	Bijua (Jhenlah) Electric Supply Co., Ltd.	96	30th June .. 1976
4,91,000	5½	1st January and 1st July	South Madras Electric Supply	97	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1955-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,71,000	4	1st April and 1st October	Tata Power	100½	15th September .. 1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September .. 1963-78
ENGINEERING					
3,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£93½	31st December .. 1966(bb)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd	95	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1956(h)
13,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,69,000	5	30th June and 31st December	Chittavalah Jute Mills	97	30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	95	15th July .. 1966
85,00,000	3½	1st January and 1st July	Hukumchand	92½	30th June .. 1960
85,00,000	5	31st March and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
85,00,000	3½	30th June and 31st December	Naihati	95	31st March .. 1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	93	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September .. 1958
8,00,000	4½	14th March and 14th September	Seorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Ujalee	97	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	86	1st July .. 1956
4,03,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99½	1st November .. 1965
6350,000	4½	1st January and 1st July	Calcutta Tramways	1908 £61½N	At 103% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October			
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1933 £77½N	1st October .. 1974
				1945 89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90½N	
9,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 100	1st January .. 1945–55
1,89,700	5½	31st March and 30th September	Teekoy Rubber Estates	1944 100	31st March .. 1949–59
50,000	5	30th June and 31st December	Waterfalls Ltd	1943 101½	1st January .. 1945–53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 96½	30th June .. 1957(1)
81,00,000	5½	1st February and 1st August	Chowringhee Properties	1915 92	1st February .. 1964
81,55,000	4	1st July and 1st January	Clive Buildings	1936 86½	1st July .. 1964
80,00,000	4	15th March and 15th September	Dalhousie Properties	1948 87	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946 79½	 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950 102	1st January .. 1971
80,00,000	5	15th March and 15th September	Metur Chemical Industries	1949 96	 1964
89,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 465	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 (per note) 410	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951 (per note) 90N	1st April .. 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 94½	31st March .. 1961
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946 84½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953 103½	1st May .. 1968

Note—See page 934 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 12th November, 1953.

—	Closing quotations 3-11-'53	High	Low	Closing quotations 12-11-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	157‡	157‡	155‡	155‡
Bank of Baroda (50)	109	109	107‡	107‡
Central (25)	63‡	64	63‡	63‡
Imperial (F.Pd.) (500)	1,827‡	1,831‡	1,825	1,826‡
Imperial (F.Pd.) (125)	456‡	456‡	448‡	451‡
Union Bank (5)	6‡	6–5‡	6‡	6‡
United Com. (50)	36‡	36‡	36‡	36‡
COTTON MILLS				
Ahm. Adv. (100)	133‡	133‡	132‡	133‡
Apollo (3)	2–7‡	2–7‡	2–6‡	2–6‡
Bombay Dyeing (250)	392‡	390	381‡	386‡
Central India (100)	166‡xd	165‡	161	165
Century Mills (100)	273	276‡	269‡	274‡
Colaba (100)	68‡	70	69	69
Edward Textile (200)	228‡	232‡	227‡	232‡
Elphinstone (50)	45‡	45‡	44‡	45‡
Finlay (100)	264	262	257	260
Gokak (100)	456‡	242	234	241
Ind. Untd. Defd. (1)	1–8‡	1–8‡	1‡	1–8‡
Ind. Untd. Ord. (10)	10‡	10–14‡	10‡	10–13‡
Indore Malwa (100)	102‡	99‡	94‡	95
Khatau (100)	180xd	196‡	180	196‡
Kohinoor (100)	295‡	300‡	290	298‡
Lakshmi (250)	563‡	—	—	562‡
Madhusudan (100)	87	88	87	88
B. R. Cotton Mills (100)	49	—	—	49
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	182‡	200	182‡	200
Mysore (50)	120	125	122‡	122‡
New City (100)	130‡	—	—	130‡
New Great (100)	159	160	156	160
Phenix (100)	117‡	—	—	117‡
Pedar Mills (100)	130	130	126‡	126‡
Sassoon Silk (10)	19	—	—	19
Sassoon Spg. (10)	25‡	—	—	25‡
Shahjapur (1,000)	1,400	—	—	1,400
Simplex (50)	151	150‡	144‡	149‡
Swadeshi (100)	257	262‡	254‡	260‡
Swan (100)	312‡	318‡	312‡	318‡
Tata M. L. (25)	45‡	48‡	45‡	47‡
Vishnu (100)	142‡	145‡	143‡	145
Western India (1,000)	3,550	—	—	3,550
ELECTRIC SOS.				
Ahmedabad (100)	114‡	114‡	112‡	112‡
Amalgamated (10)	11‡	11‡	11‡	11‡
Andhra Valley (1,000)	1,277‡	1,280	1,275	1,277‡
Bom. Sub-Bl. (100)	125‡	125‡	—	—
Surat (100)	124‡	125	124‡	125
Tata Hydro (100)	139‡	142‡	139	140
Tata Power (1,000)	1,370	1,382‡	1,370	1,370
INSURANCE SOS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	675	—	—	675
Ind. Mercantile (20)	38‡	—	—	38‡
Jupiter (15)	6‡	—	—	6‡
New India (15)	39‡	40‡	39	39‡
Oriental (200)	6,910	6,860	6,850	6,860
Universal (10)	8‡	—	—	8‡
Vulcan (10)	11‡	—	—	11‡
STEAMER SOS.				
Scindia (15)	14–11‡	14–12‡	14‡	14–11‡
STEEL SOS.				
Ind. Iron (10)	25‡	25–10‡	24‡	25–10‡
Tata Steel Defd. (50)	1,943‡	1,943‡	1,923‡	1,943‡
Tata Steel Ord. (75)	328‡	329‡	326‡	329
MISCELLANEOUS				
Alcock Ashdown (100)	331‡	335	327‡	328‡
Associated Cs. (100)	176	177	173‡	176‡
Belapur Sugar (5)	266‡	267	256	259‡
Bom. Burmah (125)	345‡	343‡	323‡	330‡
Do (New) (50)	124‡	123‡	120	120
Br. B. Petrol (4 sh.)	2–6‡	2–6‡	2–3‡	2–4‡
Br. I. Corpn. (5)	8‡	9‡	8‡	9–3‡
Indian Copper (2 sh.)	3–1‡	3–1‡	3–0‡	3‡
Ind. Iron Tr. (100)	67	—	—	67
Port Canning (100)	32‡	32‡	30	30
Premier Cos. (50)	101	100‡	97	100
Shirvanjee (10)	67‡	67‡	65‡	66‡
Tata Chemicals (10	9‡	9–12‡	9–1‡	9 10‡
Tata Oil (25)	31	32	30‡	32
Walchand Ind. (100	148‡	152‡	143‡	150
W. I. Match (100)	242‡	242‡	235	238‡

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	98‡	3.39	98‡
2½% 1956	98‡	3.42	98‡
2½% 1961	90‡	3.88	90‡
2½% 1960	93‡	3.91	93‡
2½% 1962	91‡	3.87	91‡
2½% 1974	82‡	3.92	82‡
3% 1957	98‡	3.45	98‡
3% 1958	98‡	3.42	98‡
3% 1959-61	96‡	3.73 3.57	96‡
3% 1964	92‡	3.84	92‡
3% 1963-65	92‡	3.91 3.78	92‡
3% 1966-68	90‡	3.98 3.88	90‡
3% 1970-75	86‡	4.12 3.93	86‡
3% 1986 Con. Loan	82‡	— 3.86**	81‡
3½% 1954-59*	100‡	3.32 3.46	100‡
4% 1960-70	101‡	3.68 3.84	101‡
4½% 1955-60	102‡	3.94 4.02	102‡
4½% 1958-68*	105	3.40 4.03	105
5½% 1961 N.P. Bonds	98‡	— 3.67	98‡

BRITISH GOVERNMENT SECURITIES	6–11–53 £	High £	Low £	11–11–53 £
4½% Brit. Consols	64‡	64‡	64‡	64‡
3½ Savings Bonds 1955–75	89‡	89‡	89‡	89‡
3½% War Loan 1952	101‡	101‡	101‡	101‡
3½% War Loan 1952	84‡	84‡	83‡	83‡
3½% Brit. Iron and Steel 1976–78	93‡	94‡	93‡	94‡
4% Funding Loan 1960–90	101‡	101‡	101‡	101‡

xd—Ex-dividend. ** Current Income. * Rupee Counterpart.

COMMERCE

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

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PREMIUM ON FREE GOLD DISAPPEARS

AN important development of the week in the world financial markets which deserves some prominent notice is the complete disappearance of the premium in the free market price of gold. There are several free markets for gold in the world and the rates in each one of them vary rather widely, depending upon a number of factors such as the ready availability of the metal, restrictions on deals and movement of gold by the Governments of the countries concerned, the volume of demand, and the black market price of dollars, the currency in which free gold has to be paid for by the dealers. But the most representative rate for free gold is indicated by the quotations in the leading Continental markets expressed in terms of U.S. currency. On Wednesday this week, this rate touched $35 per fine ounce, which is the rate at which the U.S. buys or sells gold in exchange for dollars. Thus, for the first time in the post-war period, if not since the War, free gold has come to be quoted at par with the official price. This is a significant trend, in that it is one of the most convincing indications of the world's return to normality.

It will be interesting to recall here the trend of prices of free gold in recent years. This will show the magnitude of depreciation in the value of this precious metal which is regarded as the best store of value in times of inflation and political uncertainties. In most countries of the world, especially in Europe, the hoarding of gold in the form of bullion is illegal and private transactions are not allowed. The International Monetary Fund, when it was formed, set its seal of approval to this and the central banks of those countries which are its members are not permitted, under its rules, to deal in gold at premium rates or to encourage free markets by participating in it either as a buyer or a seller. In short, the I.M.F. frowns at the hoarding of gold. As a result of all this, gold is a severely controlled commodity even in a country like the U.S. where the free market economy dominates official policies. And like all controlled commodities, gold, too, has been having a black market, fetching a substantial premium in the past few years.

The premium varied from time to time, depending on the people's reactions to currency inflation, their fear of war and the trend of illegal gains which were mostly held in gold with a view to shielding them from tax collectors. It also varied from market to market. A high price of $69 per fine ounce was recorded in Hongkong in May, 1949, when in other parts of the world, it stood at about $55. Later, the rates declined. A low of $37 was recorded in Hongkong a few weeks before the Korean war. In Europe, free gold was then being quoted at $38 per ounce. During the period of extreme alarm and tension which followed the outbreak of the Korean war, the hoarders were once again prepared to pay fantastic prices for free gold. Early in January, 1951, for instance, free gold was quoted in Paris at approximately $47, an increase of $9 over the level prevailing in May, 1950. Even in New York, the price was as high as $45. The dollar equivalent of the highest price touched in Bombay in 1951 was $65, though, in the summer of 1950 before the Korean war, it had touched a high of $67 per ounce.

After the Korean war boom was over and European production of goods had recovered, the free market price of gold moved within a relatively narrow range. The highest and the lowest levels in 1951-52 (April to March) were $41.76 and $39.24, respectively. In the following year, 1952-53, the range of fluctuation was even less but at a lower level. Thus, the highest and the lowest levels witnessed in that year were $38.60 and $38.22. It was only in the autumn of this year that the real break in prices began. After a gradual recession in September and in the first half of October, the downward trend gathered momentum in the latter half of last month. Just before the close of that month, the free market price in Europe pierced the $36-limit for the first time in post-war years. This trend continued further in the current month, until the floor of $35 was touched during mid-week. A further fall is unlikely, for at this price the central banks in Europe will buy all gold that is offered to them in order to replenish their monetary reserves.

The premium for free gold in the other markets of the world has also virtually disappeared. At Tangier in the Middle East, it is only 5 cents over the official parity of $35 per fine ounce. In Beirut, another active centre in the Middle East, it is no more than 20 cents. In the domestic market in Paris also, the premium is less than 50 cents, while in Zurich, it is mere 10 cents. In the Far East, however, the premium is still perceptibly high, ranging between $1.95 and $2.58 per ounce, but not as high as it used to be in the past. The latest rates in Macao, Hongkong and Bangkok are $36.95, $37.09 and $37.58 per ounce, respectively. The relatively high premia in these centres, as compared with those in the European and Middle East markets, are the result of the long distance over which the yellow metal has to be hauled and higher handling charges, evidently because of the feeling of insecurity that prevails in these areas. It is only in Bombay that the price of gold is still markedly above the world parity, the current quotation being the equivalent of $45.67 per ounce, at the official rate of exchange. But this has always been so, because, unlike the other free markets of the world, gold cannot easily reach this country. Imports into India are officially forbidden and supplies have to be smuggled in. In recent months, smuggling into this country is said to have been a little more hazardous than before owing to the vigilance of the Customs authorities. The real reason for the fall in the unauthorised arrivals of gold, however, is that, at the current market prices, the profit-margin for the smugglers is next to nothing. Payment for smuggled gold has to be made in dollars which in black markets in this country is commanding a premium of 7 to 8 per cent. over the official parity. It is difficult to arrive at the exact cost of smuggling gold, for it varies widely, depending upon the circumstances and the parties. It is, however, generally believed in market circles that, at about Rs. 79 or Rs. 80 per tola, the profit left for the smuggler is hardly adequate to cover the risk involved.

To resume the story of the international markets for free gold. There are many reasons why the premium for this gold has practically disappeared. As in the case of every other commodity, the law of supply and demand has had its say on the price of gold too. Let us first take the supply side. The high prices commanded in the free markets have themselves been attracting progressively larger supplies. The world production of gold in 1952 was the highest in post-war years. Valued at $35 per fine ounce, total output (excluding the U.S.S.R. and the countries associated with it) was approximately $851 million in 1952, as compared with $828 million in 1951, $844 million in 1950 and $736 million in 1945. The output in the past year was greater than in any year since the end of World War II and about equal to the average annual output of 1934 and 1935, but it was still approximately 35 per cent. below the 1940 peak level. As compared with 1951, all the important gold-producing countries reported higher production. Not all the new gold produced, of course, finds its way into the free market, for a portion of it goes into the monetary reserves. But, in recent years, this quantity has been progressively diminishing, as a larger and larger proportion of gold production has been flowing into the premium markets.

In the initial years following the establishment of the I.M.F., the gold-producing member countries observed the rules of the Fund and refrained themselves from supplying gold to the premium markets. But the continued high level of premia in these markets and the U.S. refusal to raise the price of gold, coupled with the high cost of mining, tempted them to disregard the rules of the Fund and break their solemn undertaking to this international body. They began to sell a part of their current output in several ways. South Africa, for instance, decided to sell 40 per cent. of its current production and "attempted to cloak its action in respectability," to quote a contemporary writer, "by the very transparent device of insisting that the metal sold in the free markets be in 'fabricated' form. Factories were started to roll ingots into trinkets and ash trays and others to melt them back again into ingots." Other countries, too, followed suit, but soon gave up the pretence of observing the discipline of the Fund. The only condition they attached to such sales was that they should be against U.S. dollars. Recently, when the price of gold had declined to such a low level that it became unprofitable to sell gold in fabricated form, South Africa dropped this condition and decided to sell gold in the form of bars of the customary fineness. The cost of fabricating and defabricat-

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ing gold, it may be noted here, is about 35 cents per ounce. It, however, decided to continue the condition that sales must be against payment in U.S. dollars and that, for the time being, sales would be restricted only to 40 per cent. of the newly mined gold.

As it invariably happens with all the markets, when prices pierce a certain limit in a declining market, more sales automatically follow. All those who were holding on to their purchases in expectation of some development would come out to sell in order to cut their loss. This has happened in the case of free gold also. Many speculators in Europe were hoping against hope that the U.S. would one day raise its official price of gold and had built up a large bull position. In recent weeks, it became pretty clear that there was no chance of the U.S. obliging them; this became almost a certainty when South Africa dropped its cloak and the price of free gold broke through the $36-level. Apparently, the aforesaid bulls in Europe must have been utterly disappointed and squared up their positions at a great loss, thereby adding to the supply of gold in the free market. Similarly, some of those who had bought gold as a hedge against inflation and future political insecurity might have liquidated their holdings either in full or in part.

Recently, Russia, too, has made some contribution to the supply of gold in the free market. Short of sterling for its increasing imports from Britain and the Commonwealth and unable to persuade Britain to do triangular deals in roubles with Finland, Russia has found it necessary to pay for these purchases in precious metals—gold, silver and platinum. The extent of gold sold by Russia thus is not known. According to one source, such has been modest. But this seems to have been the last straw on the camel's back. Evidently, the fact that Russia, the gold reserves of which are believed to be enormous, is ready to pay in gold for its imports, albeit at the free market price for the metal, would appear to have unnerved the free markets. The Communists, of course, may even allege that the Americans have scotched the free market, in order to see that the Russians did not get the benefit of the premium for gold in the free markets.

So much for the factors that influenced the supply of gold in the free markets. On the demand side, too, the developments have been unfavourable to these markets. There has been a sharp fall in the demand for hoarding. With the advent of the Communist regime in China, the hoarding demand from China, one of the biggest absorbers of gold in the East, has ceased. The Communists have suppressed the Chinese appetite for gold very successfully, thereby achieving something which seemed unattainable a few years ago. The waning fears of a third world war and the reversal of inflation in many parts of the free world have made hedging in gold unnecessary. In Europe, France, the principal "sink" for gold in the West, is said to have been saturated with the metal. Although inflation is still rife in France, the French farmers and other men of wealth cannot go on immobilising all their savings by investing them in gold. In other parts of the world, lower agricultural prices, high cost of living which has weakened the peoples' capacity to save, reduction in the profit margins of business men following a recession in trade, intensive drive against tax dodgers and vigorous campaign against corruption among service men, all these have brought about a substantial fall in the demand for gold. All available indications are that there is likely to be no reversal of these trends in the foreseeable future.

There are good reasons for welcoming the fall in the value of gold. To mention only a few. In the first place, it has scotched the tall claim of gold-producing countries that the U.S. has been keeping the price of gold pegged at an artificially low level. We have always contended that an upward revaluation of the gold price would amount to conferring unearned benefits to a few holders and producers of gold at the cost of the rest of the world, most of which is poor. Secondly, the depreciation in the price of gold would, it is to be hoped, act as an eye-opener to the investing public and show that investment in gold not only brings no return but also carries a risk of depreciation. This realisation may result in a larger flow of savings into productive channels. And, finally, a fall in the price of gold generally restores the confidence of the people in their currencies. This is by no means an insignificant advantage.

INDIAN CENSUS

TO count the population of India, which, despite the Partition, still contains nearly one-quarter of the world's population, and to set forth, with a wealth of details, the demographic trends, the economic status and the social set-up of this vast mass of people, is no mean achievement. That it has been done at the end of every decade within living memory does not detract from the value of the recent (1951) census. Indeed, there are several other factors which make it more valuable than the previous efforts. It is the first census of Independent India, it is the first census after the partition of the country, and it is the first census which sheds more light on the economic conditions of the people. That it should evoke considerable public interest is hardly surprising. Only, it would be tragic if the interest were to be merely an idle curiosity in the mass of data which it gives and not to become the inspiration for more purposeful social and administrative measures for raising the economic status of the country.

The demographic picture that emerges from the census is easily described. The 1951 census count yielded a total of 356.88 million (exclusive of the population of Jammu and Kashmir). Of this total, 295.0 million live in 558,089 villages and the rest in the 3,018 towns in India. Inclusive of the population in Jammu and Kashmir, the population is 361.3 million. Between 1900 and 1950, the Indian Union's population has multiplied from 235 million to about 356 million, while the world's population grew, during this period, from 1,608 million to about 2,390 million. During the present century, there has been only one occasion when India's population declined. That was during 1911 and 1921 when it fell by 0.9 million to 248.1 million. Since, 1921, it has been rising at a steadily increasing rate; it moved up by 27.4 million to 275.5 million over the 1921-31 period, by 37.3 million to 312.8 million in the next decade and by 44.1 million to 356.9 million over the 1941-51 period.

How does this vast population support itself? This is a subject on which more light has been thrown in the latest Census Report than by any of its predecessors. Of the total population of 356.6 million, there are 104.4 million people who are "self-supporting" persons; they have an income by which they can at least support themselves. There are 37.9 million people who are earning dependents (who can only partially support themselves) and 214.3 million non-earning dependents who take no part in providing their own livelihood. The well-worn slogan that India's foremost industry is agriculture finds its statistical support in the fact that, out of the total population of 356.6 million, 249.1 million belong to the agricultural classes. Among the agricultural classes, there are 71.0 million self-supporting persons, 146.9 million non-earning dependents and 31.1 million earning dependents.

It is interesting to note that, of the 71.0 million agriculturists, only 1.6 million persons are non-cultivating owners of land, popularly known as absentee landlords, the favourite target of attack by some of the political parties, including the Congress. Of the rest, 45.7 million persons cultivate the land they wholly or mainly own, 8.8 million cultivate land which is wholly or mainly unowned by them, and 14.9 million people are only cultivating labourers. The last mentioned figure, too, is important. It shows that the landless labourers are equal to less than one-third of the landowning cultivators. The distinction between the cultivator and the cultivating labourer is that the former gets the net profits of cultivation, while the latter gets "agricultural wages." The owner-cultivators are as many as 45.7 million. The preponderance of this class, as the Census Report points out, is the "most characteristic feature of an agricultural-class structure." This is what makes all attempts at large-scale co-operative farming so much more difficult than it would be if the owner cultivating class were a small minority. It also suggests that great care must be exercised before passing any legislation for regulating the wages of agricultural workers.

The Census Report brings out with characteristic thoroughness that the pressure on land is very acute in this country. The total land area in the country (excluding Jammu and Kashmir) is 7,532 lakh acres for a population of 3,569 lakhs, which gives a per capita land area of only 2.11 acres. But it must be remembered that a great part of the total area consists of mountains and hills or otherwise unusable area. The topographically usable area is only 4,997 lakh acres, excluding Jammu and Kashmir and 5,044 lakh acres including this State. The per capita area of land is 225 cents as against 1,354 cents for the world, 3,046 cents for the U.S.S.R., and 307 cents for Europe (except Russia); of agricultural land 97 cents, as against 351 cents for the world, 448 cents for the U.S.S.R., and 153 cents for Europe, of arable land 97 cents as against 126 cents for the world, 287 cents for the U.S.S.R., and 92 cents for Europe.

The Indian land problem has two aspects. In the first place, the per capita availability of land is, as already stated, extremely limited. No *Bhoodan* movement can wipe out this fact. One can give only what one has. And the fact is that the available land is strictly limited. Secondly, there is sufficient evidence to show that, since the population is growing at a faster rate than the cultivation of new land, the available land per person is a gradually shrinking quantity. The Report gives the results of the study of the trend in land use in all the districts of eight natural divisions and some of the districts of five other such divisions in the country; this territory is inhabited by 120 million people. The study shows that the per capita area of cultivated land, which was 111 cents in 1921, has declined successively to 104 cents, 94 cents, and 84 cents in 1931, 1941 and 1951. Between 1921 and 1951, the per capita double crop area declined from 13 cents to 10 cents and of irrigated area from 18 cents to 14 cents. Whichever way the matter is looked at, the unmistakable fact is that there is less and less land per person at the end of every decade of population growth.

So much for the agricultural part of India's demographic picture. How do the non-agriculturists live? The non-agricultural classes aggregate 107.5 million, of whom 33.4 million are self-supporting persons, 67.3 million non-earning dependents and 6.8 million earning dependents. Of the 33.4 million self-supporting persons, 1.1 million are employers, 5.9 million are engaged in commerce, 5.5 million in the processing and manufacture of foodstuffs, textiles, leather goods and 3.2 million in health, education and public administration, and the rest are distributed among other industries and services. It will thus be seen that commerce gives employment to the largest number of non-agriculturists. Of the 5.9 million people employed in commerce, nearly 5.1 million are retail traders, 0.4 million are wholesale traders and the rest are engaged in money-lending, banking, insurance and other spheres of commercial activity.

This brief survey must serve to bring out the essential features of India's population—the rapid growth of population and the shrinking per capita availability of land. On the basis of the growth in recent years, India will attain a population of at least 407 million in 1961, 458 million in 1971, and 527 million in 1981. The Census Report rightly draws attention to the fact that food resources cannot be augmented at a rate rapid enough to meet the needs of this growing population. By 1961, the country would need, it is calculated, 150 lakh tons of food in addition to the prevailing level of productivity which is placed at 700 lakh tons; by 1971, the country would need another 110 lakh tons or 260 lakh tons more than now. The increased production through the completion of the projects under the Five-year Plan (expected to yield 60 lakh tons) and through the adoption of better agricultural practices will, it is computed, add only 240 lakh tons. But this is only a theoretical estimate of a maximum that can be achieved given ideal conditions. In actual practice, however, this may not be achieved, or achieved within the next decade. The remedy, therefore, lies in the control of the growth of population, through a resolute programme of family planning. But it must be remembered that even this will leave the problem of the improvement in living standards unsolved. This would require not merely the adoption of a correct demographic policy but a more rapid rate of economic progress. Indeed, it is higher industrial and agricultural production, both in absolute terms and in per capita terms, that can make a significant difference to living standards. That this implies a higher rate of capital formation than what is available to-day only emphasises the need for economic incentives that would promote savings, and, what is more, stimulate the investment of these savings in productive enterprises.

STOCK EXCHANGES IN CHEERFUL MOOD

BONUS ISSUE RUMOURS—RISE IN GOLD—ECONOMIC OUTLOOK FOR UNITED STATES

THURSDAY, 5 P.M.

THE share markets are in a cheerful mood. The sentiment is bullish and the volume of business is tending to expand. Over the week, the closing rates of almost all the counters show a gain. Reports from Calcutta and Madras also point to the existence of similar conditions. The main cause for the brightness of these markets is the improvement in the cotton and jute textile markets. News from the cloth market is encouraging. Offtake of cloth of all varieties for internal consumption has been good at satisfactory prices. Export demand also is sizable. Several destinations, which had almost abstained from buying Indian piecegoods, have been evincing some interest. It is this welcome development in the piecegoods market that has imparted fresh strength to textile shares in Bombay and Madras. The buoyancy of the cotton mill section is having a contagious effect on other sections also. In Calcutta, the upward trend in prices of jute goods —hessians and sackings are now being quoted at Rs. 48-6 and Rs. 104-8, as against Rs. 48 and Rs. 101, respectively, a week before—and reports of a perceptible decline in the stocks of jute goods in several importing countries have occasioned a smart advance in the value of jute scrips. Another factor that has induced confidence in jute shares is the possibility of the mills either working longer hours than now or the removal of the 12½ per cent. sealing on the looms. The comparative table published on this page will show the extent of appreciation that has taken place in the value of jute shares in recent weeks, that is, since the export duty on hessians was reduced two months ago. The prices of tea, too, continue to be firm and this in turn has brought forth fresh enquiries for the shares of tea companies. With tea and jute scrips looking up, the entire Calcutta Share Market presents a pleasing picture.

MARKET GOSSIP

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There are also other causes for the rise in equity values. There is a general impression that interest rates will decline in the next six or eight months. This is responsible for selective buying of first class equities by institutional investors. Then, there are some encouraging reports about individual scrips, such as this cotton mill or that jute mill having been successful in filling up its order books for quite a few months ahead. There are also persistent rumours about the issue of bonus shares by some of the leading companies. These reports have received some credence, following the decision of the Khatau Mills this week to issue, subject to the Government's consent, bonus shares in the proportion of share for share. A.C.C. is one of the scrips which have gone up on these rumours. Not long ago, the market took scarcely any notice of rumours of bonus issue, for it felt that the dividends of companies issuing bonus shares would be proportionately reduced. Why is it that now these rumours bring about a rise in the value of the scrips concerned? Does the market now believe that an increase in capital structure through capitalisation of reserves need not necessarily be followed by a proportionate cut in dividend? The change in the market sentiment is significant. It shows that the market is not in a mood to take a pessimistic view of the outlook.

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Some knowledgeable circles are of the view that the coming months will witness a large crop of bonus issues. They have drawn this conclusion from an unguarded remark made by the Chairman of the Action Committee of Tata Deferred shareholders, in his statement to the public some weeks ago canvassing support for the conversion scheme. In this statement, he remarked that delay in implementing this scheme would mean postponement of the scheme for the issue of bonus shares by the Company. Such a delay, he said, would be unfortunate, for there was a possibility of the Government subjecting bonus issues to tax from next year onwards. It would appear that on investigation some found that this remark was advisedly made by him on the suggestion of a person who is believed to have the ears of the Government. It is not known how far this report is correct, but rumours of bonus issue by a number of well-known concerns lend some colour to it.

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It is, however, hard to believe that the Government will tax the distribution of reserves which constitute a capital gain and which, in any case, has already been taxed once. But it is possible that, in any reorganisation of the system of corporate taxation, some changes could be made in such a way as to encourage ploughing back of earnings. The Government, for instance, may abolish or reduce the corporation tax very substantially on those portions of the profit conserved and not distributed to shareholders by way of dividend. This will encourage companies to effect savings and build up reserves and thus enable them to find funds necessary for their expansion or for the rehabilitation of their worn out fixed assets. Later, however, if these companies distribute their accumulated reserves by way of bonus shares, this distribution might be subjected to a certain amount of taxation. It is possible that someone might have already hit upon this idea and forwarded it to the Taxation Enquiry Commission and that a garbled version of it might have reached some in the share market, thereby giving rise to the impression that the Government was contemplating to tax the bonus issues also. Anyway, this impression seems to be gaining ground among company managements. And it is quite likely a number of them may propose to capitalise a part of the reserves of their companies sooner or later.

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A more plausible explanation for the increasing tendency on the part of companies to issue bonus shares even in these days of falling profits is the fear of labour claiming a share in the reserves or in the profit in case the dividends happen to be high, as they will be in the case of companies with a small capital structure, supported by large reserves. Some apprehend that one of these days the present eagalitarian Government which has not hesitated to compel companies by Ordinance to pay relief to retrenched workers and to workers temporarily laid off, may one day introduce a system of compulsory profit-sharing. In view of this, some managements may consider it prudent to raise the capital of their concerns to a level at which it will not be possible to pay big dividends. In any case, declaration of big dividends may invite the envious eyes of the politician and the worker. Why not, then, write up the capital which will bring down the rate of dividend to the current ideas of market yields? This question is engaging the attention of company managements not only in this country but also in the U.K., as will be evident from "Our London Letter" this week.

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There has been a smart rise in the price of gold in the Bombay market which only a few days ago was in the doldrums. Ready gold is now being quoted at Rs. 84-6, as against Rs. 82-3 a week ago and Rs. 80 a fortnight ago. Silver, however, has been quiet revealing a loss of approximately As. 8 per 100 tolas over the week. The rise in the price of gold here is in distinct contrast to the slump in the world markets for free gold where the rate has sunk to the official parity of $35 per ounce, a historic event discussed in our leading article this week. The extent to which the Bombay market is isolated from the world markets will be obvious from the fact that, three weeks ago, when free gold was fetching $36 per fine ounce in European markets, spot gold in Bombay was standing at Rs 79-8 per tola, whereas now when the former is standing one dollar lower at $35, the latter has gone up by Rs. 4-14 to Rs. 84-6. One explanation for the advance in the price of gold in the local market is that some of the merchants, who were caught for selling smuggled gold, are believed to have sold forward fairly heavily. Now that they have been caught, the shrewd operators are of the opinion that they will have no gold to deliver against their sales and that they will have to cover them at a loss. It is further reported that, following this incident, smugglers will lie low for some time before resuming their activities and that this may result in a fall in arrivals in the coming weeks. The offtake, too, has been a little higher during the past few days. It seems that the bulls are taking full advantage of these developments.

Trend of Jute Shares

Scrips	14-9-'53 Rs. a.	1-10-'53 Rs. a.	18-10-'53 Rs. a.	31-10-'53 Rs. a.	15-11-'53 Rs. a.
Anglo-India ..	209 0	198 0	203 0	210 0	232 0
Birla ..	34 8xd	35 8	43 5	43 0	44 13
Bally ..	155 0	150 0	150 0	167 0	180 0
Budge-Budge	155 0	150 0	152 0	148 0	168 0
Cheviot ..	200 0xd	198 0	198 0	201 0	225 0
Empire ..	20 12	20 0	22 0	22 0	28 0
Fort Gloster ..	381 0	377 0	382 0	382 0	382 0
Ganges Mfg. ..	68 0	67 8	75 0	72 0	74 0
Kamarhatty Ordy.	185 0xd	173 0	176 0	183 0	194 0
Kankinarrah Ordy.	146 0xd	140 0	140 0	142 0	150 8
Nellimarla	84 8	84 8	87 6	86 8	40 4
Nuddea	46 0	44 0	45 0	46 8	51 0
Orient	171 0xd	168 8	170 0	170 0	183 8
Standard	135 0	130 0	146 0	133 0	143 0

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It will be seen from our leading article on free gold in the world markets that one of the reasons for its slump is the sale of gold by Soviet Russia. The quantity of gold that has so far been sold by this country has been so small that the Economist, London, describes it as only a marginal factor. Nevertheless, it is interesting to hear from our contemporary that Russia has not delivered any gold bars with its marks on them. "Though the gold is of Russian origin," it says, "the bars do not usually bear the hammer and sickle brand of the Moscow mint. Before offering on this (London) market they are remelted or, in market jargon, put through the laundry to remove their red taint." It is not, however, explained as to why Russia takes this trouble and expense. This is, perhaps, typical of the mysteries of the land behind the iron curtain.

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It is a pity that, in this country, the word "profit" almost arouses a revulsion in several quarters where it is often confused with "profiteering." It is too often forgotten that "profit" is the fulcrum on which the entire economic edifice of a free economy rests. Mr. E. D. Sheppard, Chairman of Killick Industries Ltd. rightly deplored, in his address at the annual meeting of the Company, that such an attitude should develop in this country. He said that "profit-making on a scale which would encourage and enable industrialists to develop and expand their undertakings and which would attract investors to come forward with the necessary capital is looked upon as little short of a crime." It is hardly necessary to point out that where profit is looked down upon, no capital formation could ever take place. By neglecting its profits, a concern does not necessarily rise high on the ethical scale. Very often, to ignore this consideration is to indulge in reckless extravagance and to court financial disaster. If this is to be avoided, it should be clear that what is needed is that the concerns should, as Mr. Sheppard said by implication, be enabled to make sufficient profit, so as to pay higher dividends and attract new capital or to plough back its profits into business so as to facilitate the expansion of output. The net effect of the Government's attitude towards profit is that there is no incentive to industrial expansion. Mr. Sheppard was, therefore, quite pertinent when he asked: "Though established units may be able to continue, the starting of new undertakings in certain lines has been rendered impossible; how then is India to develop and prosper?"

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Mr. Sheppard touched upon the controversial issue of the managing agency system and referred to the new Companies Bill which postulates greater control of the system. Only time would show, he said, whether more rigid control of the system would lead to the "blunting of the initiative and enterprise which are associated with the system." He, however, hoped that the Government and parliament would take a sympathetic note of any suggestions that might be made to improve the provisions of the Bill. He added: "Speaking generally, companies like yours should have little to fear from the new provisions visualised by the Bill, for they are certainly aiming in the same direction as the targets we have always adopted for ourselves voluntarily and I, therefore, see no reason why we should not continue to be of service to the country in fostering and developing industries as we have done in the past."

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The free world has become so much used to predictions of a slight recession, even depression, in the U.S. economy that alarmist news have ceased to give the jolt they were wont to in the past. But when so responsible an economic prognosticator as Mr. Collin Clark, a noted economist of world-wide repute, makes the same prediction, it is, perhaps, necessary to sit up and take notice. He states, in the course of an article to the Manchester Guardian, that a disastrous American business slump, with six or seven million unemployed, is all but inevitable. He forecasts a "rapidly mounting emergency" setting in in about the middle of next year.

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Mr. Clark points out that a great deal of construction has taken place in the U.S. in the last few years and it is difficult to see demand rising so fast as to keep up the pace of expansion. In addition, much surplus production has been going overseas financed by grants, loans, Marshall Plan Aid and offshore purchases. As soon as sales cease to grow, business will start cutting down sto
Mr. Clark predicts. He contends that th
volume of stocks is enormous and that "
danger of a chain reaction. Mr. Clar
with economists who think the Americ
ment is able to take effective counter-ac
vent the recession from getting out of
says Congress would never agree to *4th November*
priate action until the slump was alre
advanced—and then it would be too late.

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Commenting on Mr. Clark's statement, the *Manchester Guardian* disagrees with his pre
dictions, although it admits that Mr. Clark has been able to see into the future more clearly than many other economists. It adds:

"Without entering into the mathematical argument, we do not feel that it (Mr. Clark's prediction) is convincing. It seems to allow no part at all to the amazing resilience of the American economy, or the undogmatic inventiveness of the American mind. Up and down that vast country, business people, farmers and ordinary consumers have been looking over their shoulders almost constantly for the last five years. They are always torturing themselves to decide whether they have borrowed too much, bought too much stock, or committed themselves too far to be safe in the event of a setback. Yet business men have not shown any intention so far of reducing their expenditure for new plant and equipment even in 1954; and consumers have behaved with complete confidence."

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Now Mr. Clark has at least one successful prediction to his credit. In 1941, he predicted that there would be a long post-war boom and a "fairly severe and prolonged" depression to follow. The first part of his prediction has come true. And he feels that the time for depression is near at hand. Apart from the fact that an economic soothsayer who predicts correctly one event need not necessarily be able to predict correctly another event, it is necessary to see whether the American economy is showing signs of a depression. There are, of course, a few disturbing portents. The net farm income in the U.S., to take one index of prosperity, has been declining for the past two years. In 1951, it was $16 billion; for this year it is estimated at $12.5 billion. In 1953, agricultural prices have been 10 per cent. lower than they were last year. But unemployment is at a low level, at about 1.16 million, thanks to the fact that the Administration always has its eye on the country's 63 million jobs. There has, however, been a slight fall, rather than an anticipated rise, in factory employment. In many other respects, there is no ground for economic pessimism. The index number of wholesale prices (Base: 1947-49= 100) was 110.6 in August this year, as against 111.6 in 1952, 114.8 in 1951 and 50.1 in 1939. There has been a slight fall since then, but it is not so great as to cause serious alarm. The index number for farm products (same base) has, however, fallen from 113.4 in 1951 and 107.0 in 1952 to 96.3 for August, 1953. The 1939 prices work out to 36.5. The index number of consumer prices (same base), on the other hand, is steady. For August, 1953, it was 115.0, as against 113.5 in 1952, 111.0 in 1951

(Continued on page 983)

SHARE MARKET BULLISH

HEAVY SHORT COVERING IN BOMBAY BURMAHS

(From Our Own Correspondents)

BOMBAY, 19*th November*

HECTIC speculative activity marked trading on the Stock Exchange during the week under review. Steel shares once again came under a spell of bullish enthusiasm, sustained by the expected favourable results of voting for the Tata Deferred Conversion scheme. Support for textile shares broadened further and brisk activity was witnessed in some of the prominent counters. Prices advanced under the influence of continued bullish advices from the cloth market. A spate of rumours afloat in the market about bonus issues by several companies in the textile and the miscellaneous sections also provided the stimulus to the buoyancy of the market. Advices from Calcutta were also encouraging, where Indian Irons shaped well and jute and tea shares were active.

The results of voting for the Tata Deferred Conversion scheme, released by the Company, showed the overwhelming majority of both classes of shareholders in favour of the scheme. Thus, the total number of ordinary shareholders who voted in person or by proxy in favour of the scheme was 3,358, representing 1,97,324 shares, and that against the scheme 8, representing 335 shares. The total number of deferred shareholders who voted in person or by proxy in favour of the scheme was 3,535 and that against 209, the total number of shares represented being 32,025 and 3,229, respectively. The Company's report on the voting has been submitted to the High Court. The conversion scheme has thus become a settled fact now and the Deferred shares would soon make an exit from the market.

The announcement of bonus issues by two jute companies in Calcutta under the management of Messrs. McLeod & Co. and the decision of the Directors of the Khatau Makanji Spinning and Weaving Co., Ltd., to issue bonus shares to the existing ordinary shareholders have given rise to a spate of rumours. Among companies whose names are coupled with such rumours are: Bombay-Burmah, Associated Cement, Edward Textiles and Podar Mills.

The Directors of Khatau propose, subject to the sanction of the Controller of Capital Issues, to ·alise a sum of Rs. 29.92 lakhs from out of the fund Rs. 35.32 lakhs) and issue bonus the ratio of one ordinary share for every share now held. The paid-up ordinary thus be doubled to Rs. 59.85 lakhs.

steel section, Tata Deferreds advanced 1,941-4 to Rs. 1,960 in the absence of and on persistent professional support, by the strength of ordinary shares. After of respite, in which they came down to 1,943-12 yesterday, the shares picked up ength and jumped to-day to Rs. 1,962-8 before closing at Rs. 1,960. Strong speculative interest in Tata Ordinaries, on account of the proximity of bonus issue, boosted the shares from Rs. 329 to Rs. 336. The closing was, however, done at Rs. 335-8. Indian Irons rallied from Rs. 25-10½ to Rs. 26-2, and closed at Rs. 26-1½.

The textile section continued to be in the limelight with sharp advance in most shares. And several counters which were hitherto in the background appeared on the scene with renewed vigour. In brisk activity, Bombay Dyeings recorded a rise of Rs. 9-6 to Rs. 397-8. Kohinoors advanced from Rs. 298-4 to Rs. 301-12 early in the week, but finished slightly lower at Rs. 299. Centurys were marked up by Rs. 5-8 to Rs. 280, Central Indias by Re. 1-8 to Rs. 166-8 and Colabas by as much as Rs. 7-4 to Rs. 76-4. Edwards, which had remained stagnant at Rs. 232-8 till yesterday, suddenly shot up to-day to the handsome figure of Rs. 262-8, before closing at Rs. 260, on rumours about a bonus issue. Finlays held their own at Rs. 260, but Gokaks moved ahead by Rs. 6 to Rs. 248. Indu Ordinaries received some attention and added As. 3 to Rs. 11-6. Indore-Malwas gained Rs. 3-2 to Rs. 98-2. Khataus were marked up by Rs. 15 to Rs. 211-4 on the announcement of the bonus issue. New Greats gathered Rs. 5 to Rs. 165, Phœnix Rs. 3-12 to Rs. 121-4 and Podars Rs. 11-4 to Rs. 137-8. Simplex could score no more than Re. 1-12 to Rs. 151. Standards firmed up by Rs. 5 to Rs. 313-12. Svadeshis by Rs. 3-12 to Rs. 264, Swans by Rs. 6-4 to Rs. 325 and Tatas by Rs. 3-4 to Rs. 51.

Bank shares were steady with a slight marking up in values. Imperial Fully Paids put on Rs. 2-8 to Rs. 1,828-12 and Contributories changed hands Rs. 6-4 higher at Rs. 457-8. Centrals were fractionally better, the old shares at Rs. 64 and the new shares at Rs. 66-8. Indias were done a fraction higher at Rs. 156, as also United Commercials at Rs. 37-8. Barodas were, however, dull at Rs. 107-8.

Business in insurance shares was selective. New Indias were in demand and deals were put through, a rupee higher, at Rs. 40-8. In small lots, Orientals gained Rs. 40 to Rs. 6,900. Other issues were featureless and prices were unchanged.

Excepting for some, electric shares generally fared better. The selling pressure in Ahmedabad Electrics noted in the previous weeks was well absorbed and the shares improved this week by As. 10 to Rs. 113-7. There are rumours that the Company will issue debentures early next year, the terms of the issue being the same as those of the existing debentures. Bombay Suburbans were marked down by As. 10 at Rs. 124-6, while Surats continued to be in favour and gained further Re. 1-4 to Rs. 126-4. Andhras improved by Rs. 5 to Rs. 1,282-8, as also their Rights to Rs. 175. Coupons were done a rupee better at Rs. 35-8. Tata Hydros were fractionally higher at Rs. 140-8 and Rights Re. 1-4 higher at Rs. 26-8, while Coupons were unchanged at Rs. 9. Tata Powers reacted from Rs. 1,370 to Rs. 1,352-8, and Rights from Rs. 241-4 to Rs. 232-8, while Coupons were wanted Rs. 2 better at Rs. 46.

In the miscellaneous section, Associated Cements were a bright feature with a rise of Rs. 7 to Rs. 183-12 on revival of hopes about bonus shares. At one time to-day, the shares hit a high of Rs. 185-4, the highest since 29th January, 1952. Bombay Burmahs were conspicuous with a rally from Rs. 330-10 to Rs. 365 before closing at Rs. 361-4, on account of heavy bear covering and bull support inspired by expectations of favourable results for the current year and unconfirmed reports about a cash bonus. The shorts who had sold heavily in the previous week, therefore, made frantic covering this week, lifting up the shares by more than Rs. 30. Belapurs were noted higher at Rs. 262-8 as against Rs. 259-8. B.I.Cs. rose by As. 3 to Rs. 9-6½ due to shortage of scrips. Scindias were concerned in strong speculative support on expectations of higher dividend. There were also unconfirmed reports that the company might capitalise the amount standing against premium on shares and consolidate the shares into shares of Rs. 20 each. The shares were, therefore, taken up from Rs. 14-11½ to Rs. 15-7. National Rayons attracted attention on favourable reports about cost of raw materials for the ensuing year. On that account, the shares forged ahead by Rs. 4-4 to Rs. 123-12. Tata Chemicals were steady at Rs. 9-11. Tata Oils were in demand and moved up by Rs. 1-12 to Rs. 33-12. Wimcos were done at Rs. 198-12 ex-*rights* as against Rs. 238-2 *cum-right* last week. On the basis of the previous week's closing quotation, the ex-*right* value of the shares was Rs. 190-8, so that the rise during the week was Rs. 8-4.

Mining and engineering shares shaped well. Alcocks put on Re. 1-4 to Rs. 330. Premier Constructions rose by Rs. 3 to Rs. 103, in sympathy with Scindias. Telcos were done at Rs. 86-8. Shivrajpurs were steady at Rs. 67, Indian Coppers at Rs. 3-1 and B.B. Petrols at Rs. 2-5.

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Calcutta Stock Exchange

CALCUTTA, 18*th November*

Trading on the Calcutta Stock Exchange during the week was lively, but the volume of business during the three sessions from Monday suffered a decline in view of the caution exercised by operators. Jutes continued to be in the forefront, as, with increased sales of jute goods for the last one month, the outlook for the jute industry has changed. Operators paid keen attention to shares of companies producing more hessian than sacking, as the increase in prices of *sacking goods was more, due to* speculative activity than to actual export business. On the other hand, the advance in prices of hessian was less striking, but sales were impressive and there is a degree of expectation that current gains would be maintained in the days to come, although market circles stated that the abolition of the duty could only ensure the maintenance of the improved outlook.

Textile shares were also shown moderate attention, as the improvement in the prices of piecegoods following the keen activity in the export market was noted. The Government's decision to set up an export promotion council had also some effect on the course of prices. Tea shares provided many features, and the continuance of strong export demand at the tea auctions explains this. Tea gardens are recovering from the recent crisis, and, although full recovery would take one or two more seasons, investors showed a desire to possess good class scrips on the expectation that the working results for 1953 would be satisfactory. Engineering shares were steady, but profit-taking reduced some of the gains. Good attention was shown to speculative Indian Irons which impressed with a gain of one point. The market was closed on Saturday on account of *Gopastami*.

Sectionwise, business took place in jutes on a moderate scale. Even after profit-taking gains were maintained. Speculative fowrahs opened at Rs. 25-2 last Thursday and gradually moved to Rs. 25-6, although on Monday there was a small recession to Rs. 25. The rise in Chitavalsahs from Rs. 34 to Rs. 35-12 and in Nellimarlas from Rs. 37 to Rs. 40-4 followed news of bonus issues. In the former counters, a reaction set in, however, which reduced the gain to Rs. 35-2. Nationals were better at Rs. 24-15 and Barnagores hardened to Rs. 162 *ex-div*. Strong demand pushed Gourepores from Rs. 290 to Rs. 301, while Anglo-India's recession to Rs. 228 earlier in the week was offset by to-day's rise to Rs. 232. Budge Budges were better at Rs. 168 and Orients were a shade higher at Rs. 185. Indias made good the earlier loss by a latter recovery to Rs. 130. Other features included Belvederes at Rs. 204, Deltas at Rs. 236, Agarparas at Rs. 17, Bally at Rs. 180 and Alliances at Rs. 161.

A feature in the engineering section was the impressive rise from Rs. 22-15 to Rs. 25-2 in Britannias. Last Thursday, a spurt from Rs. 25-4 to Rs. 25-11 was recorded in Indian Irons, and on Friday a high of Rs. 26 was touched. On Monday, the rate was kept at around Rs. 25-14, but yesterday the shares staged a rise to Rs. 26-1. To-day, however, the quotation was lower at Rs. 25-13. Jessop & Cos. at one time eased from Rs. 25-2 to Rs. 24-14, but in the subsequent recovery the rate was raised to Rs. 25. Keen buying forced Indian Standard Wagons to move from Rs. 106 to Rs. 117-8. Texmacos changed hands at Rs. 7-13, but Braithwaites fell from Rs. 12-11 to Rs. 12-5. Burn & Cos. were steady at Rs. 322, and Kumardhubis changed hands at Rs. 8-6.

As usual, miscellaneous shares claimed a good portion of the funds available to the market. Midnapore Zemindaris continued to figure prominently and held firm at Rs. 41. Interest in Rallis raised the rate from Rs. 64-4 to Rs. 67, and Rohtas Industries advanced from Rs. 9-2 to Rs. 9-14. Titaghur Papers were taken at the factionally higher rate of Rs. 37-4, and Shree Gopal Papers were done at Rs. 19-6. British Burma Petrols changed hands at Rs. 2-3, and B.I. Corporations after receding from Rs. 9-6 to Rs. 9-2 strengthened again to Rs. 9-5. India Steamships were marked at Rs. 7-10. Bengal Flours at Rs. 21-5 picked up Re. 1-5, but latter receded to Rs. 20-9. From Rs. 18-10, Angelo Bros. gained to Rs. 19-14, and Indian Cables were steady at Rs. 19-15. F. & C. Oslers were quiet at Rs. 6-15, as were Jardine Hendersons at Rs. 116-8.

Moderate attention was paid to tea shares. A firm trend was displayed in Banarhats which advanced from Rs. 350 to Rs. 360. Hantaparas at Rs. 178 were up by eight points, while Central Cachars eased from Rs. 62 to Rs. 58-8. New Dooars gained from Rs. 340 to Rs. 356, Patrakolas from Rs. 135 to Rs. 141, and Choonabhuttis from Rs. 245 to Rs. 252. Hasimaras were done at Rs. 30 and Ananda Assams at Rs. 16-13.

Among textiles, Kesorams continued to be in the forefront and at one time were as high as Rs. 21-1, to-day's rate being Rs. 21. Dunbars improved from Rs. 194 to Rs. 202. Cawnpores met with business at Rs. 8-4.

Sparse interest was shown to coal shares, but even so Central Indias hardened from Rs. 5 to Rs. 5-10, and Dhemo Mains from Rs. 8-8 to Rs. 9-6. Equitables were steady at Rs. 33 and Bengals met with business at Rs. 506. Burrakurs were quiet at Rs. 8-7. Pench Valley changed hands at Rs. 22-13, South Karanpuras at Rs. 9-9, and Churullas at Rs. 8-8.

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Madras Stock Exchange

MADRAS, 17*th November*

Activity broadened further this week on the Madras Stock Exchange. The steadier trend witnessed earlier in the textile section persisted under the influence of sustained demand for piecegoods and yarn both from consuming centres in India and abroad. The announcement by the Minister for Commerce and Industry that an export council would be set up to boost exports of cloth also imparted stimulus to trading in textile shares. Favourites, as a result, came in to register sharp gains. Among plantings, tea scrips continued to be in good demand due to encouraging prices obtained for tea leaves both at local and London auctions. Rubbers also were well supported on speculative enquiries. Coffees were no exception to the generally cheerful sentiment of the market. Miscellaneous scrips too came in for considerable enquiry. The undertone was strong and volume of business done was relatively large, with prices recording sizable gains over the week.

In the textile section, Bangalore Woollens shot up from Rs. 272-8 to Rs. 280, thereby gaining Rs. 7-8 over the week. Metturs were higher by Rs. 8 at Rs. 209. Radhakrishnas, Rs. 100 paid-up, advanced from Rs. 162-8 to Rs. 164-8 and Rs. 80 paid-up from Rs. 80 to Rs. 81. Lakshmis and Rangavilas rallied As. 8 each to Rs. 78-8 and Rs. 43-8, respectively. Travancore Rayons were better by As. 7 at Rs. 5-12. But Pankajas lost Rs. 2 to Rs. 67 and Maduras As. 8 to Rs. 38-12.

Among plantings tea scrips were very active. United Nilgiris firmed up from Rs. 186 to Rs. 193. Kalasas gathered As. 12 to Rs. 11 and Highland Produces As. 5½ to Rs. 11-9½. Devasholas were higher by As. 4 at Rs. 17-12 and Periakaramalais by As. 2 at Rs. 7-2. Waterfalls were slightly better at 3-5½. Peermades were done at Rs. 25-12 *ex-div*., as against Rs. 26-8 *cum-div*.

Broad-based enquiries were also seen in rubber shares, and smart advances were reported in a number of selective scrips. Malankaras advanced from Rs. 106 to Rs. 107-8. Thamarapallys changed hands at Rs. 16, as against Rs. 15-8, and Cochin Malabars at Rs. 7, as against Rs. 6-12. Kailas gained As. 3½ to Rs. 3-8 and Anandams As. 2 to Rs. 8-14. Thirumbadis were unchanged at Rs. 3-4 and Travancore Rubbers at Rs. 13-2.

Coffee scrips enjoyed good support. Consolidated Coffees and Coffee Lands were each higher by As. 4 at Rs. 10-12 and Rs. 18-4, respectively. Puthutotams were better by an anna and a half at Rs. 3-5½ and Mysore Coffees by an anna at As. 10. Kil. Kotagiris (tea and coffee) were enquired at Rs. 6-1, as against Rs. 5-9.

Miscellaneous scrips were in good demand. Rallis gathered Re. 1-2 to Rs. 64-4. F.A.C.Ts. disclosed a gain of As. 6 at Rs. 3-10. Mysore Papers also put on a similar amount to finish at Rs. 14-8. Mettur Chemicals rallied As. 3½ to Rs. 4-15. E.I.D. 'B' sugars improved by As. 8 at Rs. 22-4 and E.I.D. 'A' by As. 2 at Rs. 15-8. Andhra Scientifics, however, lost As. 8 to Rs. 2-8 and Mysore Stonewares As. 6 to Rs. 8-3. Hubli Electrics declined by Re. 1-12 to Rs. 12-4.

In the Banking Section, Bank of Mysores improved by Rs. 2 and closed at Rs. 283. Indian Banks, Rs. 85 paid-up, were higher by Re. 1 at Rs. 140. Andhra Banks, Rs. 50 paid-up, gained As. 8 to Rs. 59. Imperial Banks Contributory, however, lost Rs. 8 to Rs. 450. Indian Overseas eased from Rs. 93-4 to Rs. 93.

NEWS IN BRIEF

WATER to irrigate over 100,000 acres of land in Rajasthan will be made available from the Bhakra Dam in June, 1954, it is stated.

The State-owned Road Transport Department in Hyderabad has acquired about 300 houses costing over Rs. 12 lakhs to provide housing accommodation for its employees.

The Government of India has removed the *restriction on the export of neem seed oilcake.* No licences will, therefore, be required hereafter for the export of the oilcake.

The Government of India has made it obligatory on all *vanaspati* factories to add synthetic vitamin 'A' to *vanaspati* manufactured on or after 1st December, 1953, in order to increase the nutritive value of *vanaspati*.

The Government of India has sanctioned a sum of Rs. 4.5 crores for a new dock to be built at Madras, for the purpose of accommodating four ocean-going ships at a time. This work is being done as a wet dock scheme for Madras Port. Last year, a sum of Rs. 1.49 crores was sanctioned to effect *an improvement* in the existing facilities.

The Central Government has sanctioned an expenditure of about Rs. 4 crores for the expansion of Bombay Port. This is in addition to that for the Port's development programme under the Five-year Plan. The present sanction is for the purpose of constructing three new berths for oil tankers at the port and laying an elaborate network of pipe-lines.

Six representatives of two German firms, Krupps and Demag, who are to be the technical assistants of the Government of India on the proposal to establish a new steel plant, have arrived in India. They will discuss details of technical assistance and manufacturing programme and processes with Government officials. They will also make recommendations on the location of the plant.

The Government of India has at present under consideration the future export policy in regard to aluminium sheets and circles. The export of aluminium sheets and circles was licensed freely up to the end of October, 1953. The Government is satisfied that the needs of the country are taken into consideration before export is allowed. The total production of aluminium sheets and circles in 1952 was 4,852 tons and in the first nine months of this year it was 3,850 tons, as against the installed capacity of 8,000 tons.

Ten specified cottage industries in six States are now receiving the benefit of development work financed by grants from the Union Government. They are: handloom, leather-tanning, and horn carving in Orissa, carpentry in Jammu and Kashmir, woollen carding and finishing in Rajasthan, pottery in Bihar, hand-made paper in Bombay and rattan work, hand-made paper, mat-weaving and leather stitching in Mysore. During the course of the current financial year, some more cottage industries will be taken up for development.

The Headquarters Bench of the Labour Appellate Tribunal of India will not be able to move in circuit to Patna and the appeals from Bihar will, consequently, be heard in Calcutta. The Sugar Bonus Appeals from that State have been fixed for hearing from 2nd December, 1953 at 20/1, Gurusaday Road, Calcutta. The Third Bench of the Labour Appellate Tribunal of India, consisting of Mr. Justice L. K. Jha and Dr. Justice Mohd. Waliullah at present sitting at Lucknow, has moved to Madras and is in session there at 2/8, Hunters' Road, Vepery, from 16th November, 1953.

A conference of the officials of the Andhra Government and the Planning Programme Adviser of the Planning Commission was held this week in Madras to consider *the modifications* in the Five-year Plan necessitated by the separation of the Andhra State and the splitting up of the Plan to suit the new State. Though no precise figures of the share of the Andhra State out of the total allotment of funds to the composite Madras State are available, it is stated that Andhra's share will come to about Rs. 51 crores out of the total of Rs. 140 crores allotted to the composite State in the first Five-year Plan.

It was announced on 12th September, 1953, that export of Indian raw wool would be licensed to actual shippers upto 20 per cent. of the shipment effected by them during the period January to June, 1953. The Government of India has now decided to release a further quantity for export. Export licences will on application be given to actual shippers upto 60 per cent. of the shipment effected by them during the period January to June, 1953. The licences will be valid for shipment till the end of February, 1954. Shippers, who may not have made any shipment during January-June, 1953, but have exported during January-June, 1951 or January-June, 1952, will also be considered for export allotment.

The Committee appointed by the Government of India, under the chairmanship of Mr. N. V. Gadgil, to enquire into the special problems of the Part B States of Saurashtra, Madhya Bharat, Rajasthan and P.E.P.S.U., is reported to have submitted its report. The Committee has, it is believed, recommended that the four Part B States should be given a total *ad hoc* grant of Rs. 10 crores for each of the last two years of the Five-year Plan period, so as to enable them to be in line with other States.

The Government of India has issued a notification under which court liquidators will be appointed in the High Courts at Calcutta and Bombay and of Travancore-Cochin, for liquidation of defaulting banks, under the recently promulgated Ordinance. The other High Courts in India have, for the time being, been excluded from the scope of the notification, as such appointment is not yet considered necessary by the Central Government, having regard to the number of banking companies wound-up and the other circumstances prevailing.

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From Abroad

The foundation-stone for a new cement factory in Ankara has been laid. The factory will be ready by the end of September, 1954.

The Pakistan Government has given *permission for setting up a jute mill,* with a complement of 250 looms, at Daulapur in East Pakistan.

The Government of Japan purchased last week £13 million sterling from the International Monetary Fund. In September last, Japan purchased £5 million from the I.M.F.

Oil has been found in the Eastern provinces of Nigeria. Even if a substantial oilfield is proved to be in existence, it is estimated that it will be two or three years before large quantities of oil are produced.

Japan is considering a proposal to adopt a plural import tariff system, in order to enable it to discriminate against countries applying high import duties on Japanese goods. Japan has now a tariff system which has only a single schedule of most-favoured-nation rates.

The British trade unions have doubled their membership and quadrupled their funds since 1937. The membership of registered unions of employees increased from 4,214,000 in 1937 to 8,377,000 in 1952 and their funds from £16,032,000 to £67,607,000 during the same period.

The West German Government has granted industrial credits aggregating $50 million to finance development of industrial projects in Greece. The credits are for five to eight years and will be made available through normal banking channels, although they will be underwritten by the Federal Government.

A four-man mission from the World Bank in Washington is now in Japan to study Japan's economic and financial position. The mission is expected to *stay for nearly a month. The aim of* the study is to find out the best means of giving assistance to Japan to enable it to achieve economic and financial independence.

The Egyptian Government proposes to send out an official economic mission to India and the Far East to establish trade relations and find out markets for Egyptian products. The mission will be led by Mr. Hussain Fahmi, President of the Permanent Council for Development of National Production and former Minister of Finance.

A new organisation for chief executives, called the Institute of General Managers, has been formed in the U.K. by a number of managing directors and general managers. The Institute has been formed in view of the need for a powerful and representative professional institute of chief executives in the drive for greater productivity and management effectiveness in industry.

The U.S. Foreign Aid Director, Mr. Harold E. Stassen, has invited leading American universities to join the U.S. Government in a new and expanded programme of technical co-operation with lers developed nations. According to Mr. Stassen, the U.S. is now prepared to make new, broad long-term contracts covering university co-operation with specific countries and their educational institutions.

Britain will give £600,000 in the coming year to the United Nations expanded technical assistance programme for underdeveloped areas. If the total pledged by all the countries (including Britain) exceeds £8.25 million, Britain will increase its own contribution by a further £50,000. An advance payment of £150,000 will be made early in January to help the administration of the programme.

The Tin Research Institute of Middlesex, U.K., has developed a new alloy made of tin and aluminium which may be used to replace the copper-lead alloys, commonly used at present for many bearings. One advantage of using a tin-aluminium alloy is claimed to be that bearings made from it will create less friction when in contact with mild steel. The new alloy can also be used as a surface layer over steel to which it can be firmly bonded.

A New York firm of brokers has started a monthly budget plan for purchasing selected securities, designed to attract persons in the middle-income groups, who now hold few or no shares. Under the plan, an investor is permitted to buy shares by making an initial deposit, followed by regular monthly payments. Deposits range from $300 to $1,200 and monthly payments from $25 to $100. No margin is involved. Shares are bought only when an individual's account has sufficient cash to purchase one or more full shares.

The United States has offered to contribute up to $14.75 million in 1954 to the U.N. technical assistance programmes, if other nations increase their contributions. The U.S. delegate, Mr. James J. Wadsworth, told the Fourth Technical Assistance Congress that the American offer was being made to help the U.N. technical assistance programme achieve its 1954 budget goal of $25.3 million. Under the American offer, the United States, subject to Congressional approval, will contribute $12.75 million to match the first $7.5 million pledged by other nations. The United States would also contribute another $2 million at the ratio of $40 to every $60 from other nations.

A nation-wide toy-making competition held recently in Hungary brought 2,874 entries, of which 400 are to be manufactured by industry. Sixty-eight inventors received prizes in the competition, but all will receive payment for their ideas from the manufacturers. One of the most ingenious ideas was that of a retired engine-driver, with a method of driving moving toys by compressed air. A pump, similar to a bicycle pump, is used to build up the pressure. It is then detached and the motor has enough power to drive the toy, such as a model car or train, for several minutes. Other toys included an electro-magnetic sailing boat race game for several children, worked by a small battery, remote-controlled cars, building constructional sets, unbreakable dolls in PVC plastic, and a toy telephone set which really works, powered by flashlight battery.

PERSONAL

MR. Sadath Ali Khan, Member of Parliament, has been appointed Parliamentary Secretary to the Prime Minister of India.

Mr. Neville N. Wadia, Chairman of the Bombay Dyeing and Manufacturing Co., Ltd., has returned to Bombay from the U.K.

Viscount Swinton, Secretary for Commonwealth Relations, U.K., arrived in New Delhi on Sunday last on a visit to India.

Mr. Robert Menzies, Prime Minister of Australia, will preside over the conference of Commonwealth Finance Ministers to be held in Sydney on 8th January, 1954.

Mr. C. D. Deshmukh, Finance Minister, and Mr. M. V. Rangachari, Joint Secretary, Finance Ministry, Government of India, will represent India at the forthcoming meeting of the Commonwealth Finance Ministers.

Mr. J. P. L. Shenoy, General Manager, B.E.S. and T. Undertaking, Bombay, whose term of office is due to expire early in February, 1954, has been appointed General Manager of the Undertaking for a further period of two years.

Mr. B. F. H. B. Tyabji, Commonwealth Secretary, Ministry of External Affairs, Government of India, has been appointed Ambassador of India to Indonesia, in succession to Mr. Bhagwat Dayal, who has been appointed Ambassador to Afghanistan.

Mr. B. B. Joshi, Director, New India Industries Ltd., Baroda, and Mr. Indukumar C. Patel, Director, S. I. Works Quarry Ltd., Timba Road (via Anand) have been elected President and Vice-President, respectively, of the Federation of Gujerat Mills and Industries, Baroda, for the year 1953-54.

Mr. D. N. Mahta, Secretary to the Government of Bombay, Departments of Agriculture, Forests and Veterinary, has retired from service after a distinguished official career. His services to the development of cotton cultivation as Secretary of the Indian Central Cotton Committee and as a Director of the East India Cotton Association were noteworthy.

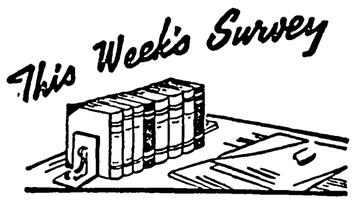
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 24*th November*

Indian Road Development

The report of the Indian Road Development Committee, consisting of members of the Central Legislature, under the chairmanship of Mr. M. R. Jayakar, Bar-at-Law, M.L.A., which was appointed by the Governor-General in Council, in pursuance of a resolution of the Government of India in the Department of Commerce dated 3rd November, 1927, has been issued. The report of the Committee, which was representative of all parties of both houses of the Central Legislature and has cost the Government roughly Rs. 1,30,000, was submitted to the Government on 28th September last. The Committee, as the reader is aware, was asked to examine the desirability of developing the road system of India and, in particular, the means whereby such development could most suitably be financed, and to consider, with due regard to the distribution of central and provincial functions, whether it is desirable that steps should be taken for co-ordination of road development and research in road construction by the formation of a Central Road Board or otherwise. The questions referred to the Committee have been examined fully and carefully, and the Governor-General in Council has no doubt that this report will mark the beginning of a new outlook towards road development in India. The Governor-General in Council also expresses his appreciation of the services rendered by the Chairman and the members of the Committee.



COTTON POLICY

THE trade demand for a review of the Government's cotton policy has generally expressed itself in four forms—relaxation in cotton control, including the grant of higher quotas to mills, the grant of drawbacks on import duty on imported cotton used in the manufacture of the cloth that is exported, the request for a longer export quota for Bengal Deshi cotton, and the demand for a reduction in export duty on cotton. Of these demands, the Government has virtually conceded the first two. Thus, it has decided to abolish the system of zonal allocations of cotton to mills, except in the deficit area in the South from Hyderabad downwards. Individual mill quotas have also been increased by 20 per cent. over the allocations made to them last year. The general framework of the cotton control, however, remains unimpaired. Thus, the floor and ceilings remain and so also the system of licensing of dealers and of control over movement of cotton. Efforts are being made to implement the second demand. It would appear that the mechanism for the drawback on import duty paid on foreign cotton used in exported cloth is being worked out and will soon be announced.

The Government has, however, turned down—at least, for the present—the demand for a fresh export quota for Bengal Deshi and that for a reduction in export duty on cotton. At the Press Conference last week, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, stated that he was not inclined to consider any further quotas "at the moment," and added that he did not want to make any further statement which would come in the way of the future course of action. This means that the Government has decided—and wisely too—that, at least tentatively, there would be no further export quota for Bengals.

The present allocations for export consist of 175,000 bales made up of Bengal Deshi (75,000 bales), Dholleras, Mathia and Kalagin (50,000 bales) and C.P.I., C.P.I. I., C.I. Deshi and Oomra Deshi (50,000 bales). The exports of Coconadas, Assam-Comillas, and linters, zoda and yellow pickings are, however, allowed freely. The demand for an additional export quota of Bengal Deshi cotton stems from keen enquiry for such cotton from foreign countries and ideas of a large surplus of this variety. It is true that Bengals are in good demand and that the initial quota of 75,000 bales has been sold out at attractive prices. But the more relevant point is whether the country has enough of this variety to spare. Our investigation reveals that it is now too early to say categorically that the country has a large surplus of this cotton.

The supply position of Bengal Deshi is at present variously estimated, thanks to the paucity of reliable statistical data. The carry-over of Bengal Deshi into the current season is estimated at between 60,000 and 70,000 bales, which, together with the production of about 280,000 bales, should give a supply of 340,000 to 350,000 bales. Mills might consume about 170,000 bales and exports, on the basis of the quota already granted and so'd, will account for 75,000 bales. This leaves a surplus of about 95,000 to 105,000 bales. But this does not take into account the extra-factory consumption of Bengal Deshi cotton which serves, in the form of *razais* and padding for coats in certain areas, as the poor man's substitute for wool. Perhaps, the surplus would be somewhat larger if the crop turns out to be better than now expected. Even so, it is doubtful whether the surplus would be large enough to permit another sizable export quota. Even if a quota of 50,000 bales were granted, it would mean that the carry-over at the end of the current season would be only 45,000-65,000 bales, or less than the quantity of this variety of cotton brought into the current season.

It seems unwise to ask for an additional quota, which, when granted, would leave the carry-over at a somewhat precarious position. The demand is unwise from another point of view too. The prices of Bengal Deshi cotton have improved during the last few weeks by nearly Rs. 100 per candy to Rs. 560 per candy. Any further quota for export might push up the prices still further and distort the whole pattern of differentials in the sphere of cotton prices. A situation might be reached when Bengals, a short-staple variety, would be getting a relatively better price than the better staple varieties, as is happening in Pakistan even to-day. One consequence of this would be a setback to the growing of medium and long-staple varieties which are needed by the mills. Surely the country cannot afford to take this risk.

The case for the reduction in export duty on non-Deshi varieties of cotton, however, seems to rest on more solid ground. The export duty on Bengal Deshi is Rs. 125 per bale, whereas the duty on Dhollera, Mathia and Kalagin, C.P.I., C.P.II., C.I. Deshi, Oomra Deshi and Coconadas is Rs. 200 per bale. There is no duty on Assam-Comilla but a 30 per cent. *ad valorem* duty exists on linters, zoda and yellow pickings. It will be recalled that, owing to the heavy incidence of the export duty on exportable varieties other than Bengal Deshi, a part of the export quota for those varieties remains even to-day unutilised. The Government will, therefore, do well to consider sympathetically the question of reducing the duty of Rs. 200 per bale at least to the level of the duty on Bengal Deshi varieties, namely, Rs. 125 per bale.

CEILING ON LANDHOLDINGS

The Prime Minister, Mr. Jawaharlal Nehru, whose views on nationalisation have been as wavering as the wind, has once again failed to give a definite lead on the issue of imposing a ceiling on the quantum of agricultural land which a person can hold. The views expressed by him on this question, at a Press Conference held at New Delhi early in the week, are so self-contradictory that they make one none the wiser. He stated that there had been no change in the principle and policy about ceilings on landholdings advocated by the Planning Commission in its final report and that the application of the principle and the time for putting into effect had been left to the State Governments. But, in the same breath, he observed that he would not break up the sixty-acre farm of a Punjabi farmer, who grew 40 maunds of wheat per acre, for he saw in it "a fine piece of work being done." In saying this he admitted that considerations of production are far more important than the doctrinaire principle preached by the Planning Commission. Thus, his attitude towards this particular farm, which incidentally is bigger than the ceiling contemplated by the land reformers, is inconsistent with his support to the principle as laid down by the Planning Commission.

The self-contradiction does not end there. For it manifested itself in his views regarding the timing of the implementation of the reform. He stated that there could be no uniformity in the whole of India about the extent and the method of determining ceiling. This is a perfectly sensible statement. He further added that there was no proper land census in India and it was now proposed to undertake such a census. This admission means that there is no reliable data on which one could proceed with such a complicated piece of land reform as placing a ceiling on landholdings. Assuming that this reform is desirable—we have our doubts about it; in fact, we feel that it is of a dubious nature—then the logical thing to do would be to collect the data and study them before embarking on it. But, what did Mr. Nehru say? He categorically stated that "fixation of ceilings would not await the land census." In other words, he meant that whatever might be the conclusions indicated by the land census, the Governments would go ahead with the implementation of the reform.

How inconsistent this attitude of Mr. Nehru is is highlighted by some of the recent developments. A few weeks ago, at the Conference of Agricultural Ministers, Dr. Punjabrao Deshmukh, Minister for Agriculture and a member of the Cabinet presided over by Mr. Nehru himself, conveyed a warning against any hasty move towards imposing a ceiling on landholdings. Taking this cue from him, the conference decided to refer the question to the National Development Council. At about the same time, directives were issued to the Delhi State Government which had sponsored a Land Reform Bill to withdraw from the Bill the provisions relating to fixation of ceilings on landholdings in the State. The prompt withdrawal of the provisions by the State Government created an impression that those in authority were revising their views on the subject. Meanwhile, the country had been awaiting a clear lead on the issue from the National Development Council to which the matter had been referred. The memorandum on the conclusions reached at the meeting of this Council held on 7th and 8th September, placed before Parliament this week, has no traces of the Council having discussed the question. Mr. Nehru's views, referred to at the outset, coming on top of these events, leave one to wonder whether the Central Cabinet has formed any definite opinion on the question of fixing a ceiling on landholdings.

That the logic of land ceilings goes against the principle will be evident from the leading article on the subject in our issue dated 10th October last. It is, therefore, unnecessary to go into it once again. It must, however, be stated that these views have been further substantiated by the proceedings of the Tanjore District Agriculturists' Conference held at Kumbakonam on the 15th inst. The warning uttered by many of those who spoke on the occasion merits the attention of policy-makers both at the Centre and in the States. We would particularly commend the advice tendered by Mr. C. R. Srinivasan, one of the oldest Directors of the Central Board of the Reserve Bank of India, who is by no means a die-hard, as will be seen from the excerpts of his speech published elsewhere in this issue. The very proposal for setting a ceiling in *ryotwari* areas under uneconomic holdings was to him "a surprise and a shock." He said that there was ample evidence in the data collected by the authorities that the vast majority of holdings in Madras was what must be classed really as uneconomic holdings. Single *pattas* below 15 acres represented 75 per cent. of the area under cultivation, and of this 40 per cent. represented holdings below 5 acres. Joint *pattas* below 15 acres represented 83 per cent. of the area under cultivation. In the circumstances, he considered that a fixation of ceiling can only introduce a disturbing element in the credit structure of rural economy. It was, he said, wiser to leave the few holdings that may be found above any optimum limit to set standards of scientific farming and provide demonstrable results of the reforms attempted. If, however, a ceiling had to be imposed, he was of the opinion that such should not be attempted at present. These well-reasoned arguments will fail to impress only those who do not want to be convinced. We are still optimistic enough to hope that those who are in authority will not let themselves be classified thus.

TRAINING WITHIN INDUSTRY

A national plan for implementing the "Training Within Industry" (T.W.I.) scheme is likely to be ready shortly. Already, a successful start in utilising the T.W.I. scheme has been made in the Ahmedabad textile industry, under the sponsorship of the Ahmedabad Textile Industry Research Association. Nearly 22 textile mills have accepted a training plan, which includes the use of T.W.I. for all the supervisors in the mills. Plans for the introduction of the scheme in the city of Bombay are being worked out. A similar scheme is also promised to industrial organisations of Baroda.

Mr. Clifford Fee, the I.L.O. expert on T.W.I., has been entrusted with the task of introducing the scheme to the industries in India. Mr. Fee, a senior training officer in the British Ministry of Labour loaned to the I.L.O. for service with the Government of India, will conduct a series of group discussions and courses which will enable the supervisors to examine and accept techniques and designs to improve their skill in leadership, in instructing workers and in improving methods of work. Ultimately, he will assist the Government of India in the framing of a national plan for the development of T.W.I. programmes for supervisors in Indian industries.

The scheme, as is well known, is designed to give training to supervisors in the art of supervision. It aims at training supervisors in such a manner as to ensure the correct interpretation of broad policies and rules to the workers. After all, however, effective the policy framed by top-level management might be, the responsibility for their interpretation and implementation of the policy falls upon the middle and lower levels of management. The I.L.O. accepted, at its conference in 1948 the need for introducing the T.W.I. scheme, first devised in 1940 in America, to all its member countries and later offered the T.W.I. service under the Technical Assistance Programme, to any country desiring it. The advantage of the scheme lies in the fact that it is learned at each firm's premises and that supervisors spend no more than two hours per day in their discussions and practice. The scheme has been successfully adopted in many industrial countries. In the U.K., for instance, since the scheme was introduced in 1944, nearly 300,000 supervisors have improved their supervisory ability.

INDUSTRIAL EXPANSION

Several interesting issues of considerable importance to India's national economy were raised by Mr. K. H. Kabbur, President of the Maharashtra Chamber of Commerce, at the annual meeting of the Chamber, held this week, in Bombay. Mr. Kabbur addressed himself to the task of indicating some of the defects in the present industrial and fiscal systems, which impede the growth of industries. He said, in effect, that any plan for aiding industries should not be exclusively concerned with prospective enterprises only, but should try to remove the handicaps of the existing industries also. He rightly contended that it would be unwise to add to the number of uneconomic units in the country, without solving the problems of insufficient finance, "undependable" transport and "irrational" labour awards, which dog the progress of the existing industrial units. He, however, welcomed the Union Government's move to set up a Rs. 300-500 crore Industrial Development Corporation, though he wondered whether an additional investment of this magnitude would be possible in the context of the continuing stringency in the capital market.

Mr. Kabbur welcomed, too, the appointment of the Committee to examine how increased finances could be made available to the private sector. He hoped the Committee would examine not only the question of providing short-term finance to industrial units but also the much wider question of financing long-range schemes which would increase their efficiency and output. Referring to the task before the Taxation Enquiry Commission, he made a few notable suggestions. He contended, in the first place, that, while personal incomes and that of small units should be exempt from taxation altogether, there should be a gradual and progressive taxation in the higher ladder depending upon percentage profits (and not incomes) earned by each unit or individual. This is a controversial issue. For, while a tax on income has at least the merit of uniformity, a tax in profits is a tax on efficiency. But he was on firmer ground when he insisted that the basic materials needed for industries should not be taxed at all or taxed only at a low *ad valorem* rate.

Proceeding, Mr. Kabbur examined the question of protection to industries. He argued —and rightly too—that the mere grant of protection to industries will avail them nothing if steps are not taken to augment the production of raw materials needed by the protected industries or to develop the subsidiary auxiliary industries on which the protected industries depend. It is to be hoped that the Government will take note of Mr. Kabbur's well-reasoned contention that to grant protection to the end-products only—that is, to grant such protection without taking care to develop raw materials and subsidiary industries—would only "inflate the costs, burdening the consumer without any compensatory advantage in the sphere of industrial development."

COMMUNITY PROJECTS

The official note on the progress of the Community Projects in India, released last week, would appear to be no more than a publicity stunt to commemorate the presentation of a purse to the Prime Minister on his sixty-fourth birthday. There appears to be hardly anything in it to commend itself. Wherever an attempt is made to describe the progress made by the Projects, such is only in general appreciative terms. It could not be otherwise, because in three instances, the release pleads inability to assess the progress, as full data have not been made available to the Community Project Administration. It is, however, claimed, albeit in general terms, that there is tremendous enthusiasm among the people to better their lot.

For one thing at least the official release deserves credit. And that is its frank admission of the difficulties which have handicapped the progress of these projects. In the first place, the need is being felt for a closer association between the members of the Project Advisory Committees and the Project authorities. Secondly, there is also lack of co-ordination among the various departments of State Governments. This has precluded full utilisation of the existing stuff and resources for the implementation of the programme. Thirdly, quite a few State Governments have been found wanting in preparation and planning to assist villagers in their work under the Projects. Lastly, there have also been delays in the procurement of equipment from abroad. It is, however, encouraging to note that the Projects Administration is alive to these handicaps and is doing its best to overcome them.

OFF THE RECORD

(By "ROVER")

IT would be such a welcome change, if our Ministers were to abandon the use of *cliches* and be intellectually honest, at least on some occasions. There is no more convincing sign of mediocrity and inability of a person in high position to face facts than this effort to hide poor achievement behind reassuring phrases. They deceive nobody, certainly not those whose doubts and fears they are supposed to put at rest. When some situation is fast deteriorating and demands immediate handling, in fact, when timely action might have altogether averted a "situation" which might require any public reference to it, an internally agitated and apprehensive Government or a member or spokesman of it is certain to come out with some such maddening phrase as "the Government is carefully watching the situation" or "the situation is under control."

Even if they must smother truth in some equivocal words or phrases, why must Ministers and officials be so dumb as to take shelter behind hackneyed phrases, which have become meaningless and nauseating by being overworked, instead of inventing some original ways of telling white lies. We have long since ceased to expect our Ministers to get things done. We have realised that all that they can do is to deliver not the "goods" but speeches. We might be somewhat satisfied, if they at least did this in an entertaining manner. As it is, they just bore people to death who are obliged to attend functions inaugurated by most of our Ministers.

On the occasion of the launching of the s.s. *Jalaputra*, built by the Hindustan Shipyards Ltd., at Visakhapatnam last week, Mr. K. C. Reddy, Union Minister for Production, though evidently trying to be mentally more honest than the usual run of Ministers, was guilty of using one such expression, which exasperated many of us who are rather fastidious about linguistic integrity. After detailing the progress made in recent years in shipbuilding activities and the measures taken by important maritime powers to promote these and sincerely deploring the "infant-like position of our shipbuilding industry", Mr. Reddy was certainly not right in claiming that "the Government of India is fully alive to the need for putting the shipbuilding industry on its feet."

There must be only a very pale flicker of life animating the various activities of the Government of which Mr. Reddy is a member, if being "fully alive" results in the building of 40,000 d.w.t., for our grossly inadequate merchant shipping, during the first half of the five-year period of the Plan. The Five-year Plan provided on a priority basis, a poor target of 200,000 tons, which a Government even if it had been only half awake would have overshot easily and long before the stipulated period. Perhaps, I am unduly harsh on Mr. Reddy. Perhaps, having never experienced in his own person the luxurious sensation of what being "fully alive" means, Mr. Reddy honestly holds the somnolent Government of India as fully alive and kicking.

But there is no reason why I should blame Mr. Reddy for this misplaced profession of his Government's great concern over a basic industry of the country and the wide, yawning gulf which divides it from the despicably poor achievement in this direction. Far greater men than Mr. Reddy, men with unprecedented power and authority in ordering the affairs of the country, have been indulging in similarly extravagant protestations for many years. If the promises of some of these were to be taken literally, as many credulous ones like you and I did before we had a taste of these great ones' inaptitude for turning their cheap aspirations into actualities, we would naturally be entitled to witness work going on at least on one hundred vessels in a dozen busy yards spread along our vast coastline. All that we have to-day, instead, is not much more than what little had already been established by private enterprise unaided against heavy odds. In spite of having orders on hand for five 7,000-ton and two 8,000-ton ships, keels for only two have been laid in a yard designed for building eight ships at a time, more than two years after taking it over from the concern which had the foresight to launch it a dozen years ago. If Mr. Jawaharlal Nehru's Government had not inherited the Visakhapatnam yard, in working order with all its equipment and structures, they would, possibly, still be looking for a suitable site for locating one.

Exactly fifteen years ago, in December 1938, Mr. Nehru said he was "impatient to see Indian ships carrying the flag of India across distant seas to far-away countries." Ten years later, in the first flush of newly won independence, on 14th March, 1948, while launching the first ship, the s.s. *Jalausha*, built at this historic yard, our Prime Minister categorically assured us that "shipbuilding will not suffer and will go on at all costs and at every cost." He asked us then to "rest assured that the Government is intimately interested in encouraging the industry." Only eight months later, on 20th November of the same year, while ceremoniously launching the second ship from this yard, the s.s. *Jalaprabha*, from distant Delhi by wireless, the late Sardar Vallabhbhai Patel, the then Deputy Prime Minister of Independent India, solemnly uttered a similar assurance that "the Government have recognised shipbuilding as an industry of great national importance." He went even further and told the country that besides helping the existing undertakings "to expand and develop in accordance with a well considered and carefully chalked out plan," the Government themselves proposed to undertake new construction.

Tragically enough, to-day, despite all these frequent vauntings, we are almost where we were on the eve of independence. Those well considered and carefully chalked out plans of the Government to undertake new construction on its own account, beyond what private enterprise had made possible, have been securely pigeonholed in some dust-laden cabinet, if not gone with the wind. Mr. Nehru, who, fifteen years ago, talked of being impatient to see Indian ships carry the flag of India across distant seas to far-away countries is to-day reconciled even to the closure of the meagre token passenger service between India and the U.K., begun with great flourish by the Scindia Company five years ago and maintained so long in the hope of adequate succour from a Government generous with its promises and loud in airing its empty aspirations.

From what Mr. Reddy said at the ceremonial launching of the *Jalaputra*, I gather that this pigeonholed plan for the development of the shipbuilding yard at Visakhapatnam has been resuscitated. The original plan, revised and redrawn with the assistance of its French advisers, is proclaimed to be presently under the Government's consideration. Perhaps advisedly, Mr. Reddy omitted to say that it was under the Government's "active consideration." It might be years before it could reach this advanced stage of being under the active consideration of Government. From our not-very-pleasant experience of the past few years, we are in a position to know that many plans, even under active consideration of our Governments, take a long time in being hatched to the point where the chick could break the shell and emerge alive. Even a farmyard fowl is quicker at this process than most of our Governments are over the many eggs they lay, a large number of which are destined ultimately to go addled.

Shipping and shipbuilding are unfortunately not the only things about which our Government's grandiloquent pronouncements have outstripped their skill and ability for translating them into realities. Their achievement in almost all spheres of official activities lag miles behind their promises made from a hundred platforms. And this very Government of India, whose list of failures is a long one and which should hang down its head in shame and contrition, has the cheek to blame the private sector of industry, after deliberately and at times even maliciously tying it up in knots, for not coming up to the expectations entertained in its Five-year Plan. While doing this, the Ministers conveniently forget that the private sector, handicapped severely as it is, has given the country almost as much sugar and as much cloth as bargained for in the Plan, within less than half the time allowed to it for reaching the prescribed targets.

It may be, however, that, at least, in the matter of shipbuilding, I am doing grave injustice to the Government. The Government is very keen on promoting cottage industries all over the country. It might quite conceivably have reserved shipbuilding for being undertaken extensively by this section and is only waiting for the Cottage and Small-scale Industries Board to perfect its plans for doing this! When a fad gets hold of a ruler's mind, there is no fantasy so wild as he cannot indulge in. We have all heard of a monarch of a completely landlocked country designing in all seriousness a uniform for himself as the head of his non-existent Navy.—*All Rights Reserved.*

FINANCIAL RELIEF TO DISPLACED PERSONS

PRIME MINISTER ON CEILING ON LANDS

(From A Special Correspondent)

NEW DELHI, *17th November*

THE winter session of Parliament commenced its sitting in the afternoon of yesterday. After customary greetings among members, the business of the House was taken up in right earnest. Preference is now being given to those Bills which have already been enforced through Ordinance. The first Bill on which discussions began was the Rehabilitation Finance Administration (Amendment) Bill. This Bill seeks to raise the limit of Rs. 10 crores to Rs. 14.5 crores to the total fund placed at the disposal of the Rehabilitation Administration for purposes of granting loans to displaced persons. Out of the above, Rs. 12.5 crores would be available for the grant of loans to refugees and the balance for the reimbursement of losses to Scheduled Banks in respect of loans advanced by them to displaced persons which were guaranteed by the Government. Any amount not utilised for the purpose of meeting the losses of Scheduled Banks would be allowed to be transferred by the Government for the purpose of granting direct loans by the Administration. Further, the Bill provides that the Administration might guarantee the full loss which a Scheduled Bank might incur in advancing loans to displaced persons. The maximum period of ten years for repayment of loans at present available is to be increased to 15 years. Provision is also made for audit of the accounts of the Administration by the Comptroller and Auditor-General, as was recommended by the Public Accounts Committee.

DELHI LETTER

Bank Liquidation

The Finance Minister, Mr. C. D. Deshmukh, introduced in Parliament a Bill to regulate the procedure for the liquidation of banks. This Bill, when adopted, will replace an Ordinance to the same effect promulgated by the President on 24th October, last. It is drafted on the same lines as recommended by a committee of jurists and banking experts appointed by the Government in July, 1950. The Committee, which submitted its report in December, 1952, disclosed that 321 banks were under liquidation under the various Courts from 1926 with outside liabilities of about Rs. 30 crores and that the procedure for winding-up of banking companies was cumbersome, prolonged and expensive. It recommended certain administrative, as well as legislative, measures for simplifying the procedure and expediting the proceedings. The Reserve Bank, the State Governments and the various High Courts were consulted on the recommendations of the Committee. The provisions of the Bill, among other things, aim at reducing cost of liquidation, affording relief to small depositors and avoiding multiplicity of proceedings which cause delay.

Although the development of cottage industries without the aid of power is not likely to bring quick relief to the unemployed and underemployed people, the Commerce and Industry Ministry has been doing its bit to encourage them. This promotion is being looked after by a responsible Deputy Secretary, now that the Ministry has to allocate the proceeds of the cess levied on mill cloth for the encouragement of the handloom industry, besides taking suitable measures for the expansion and rehabilitation of many small-scale industries. Among the industries that are being fostered, mention may be made of the handloom, leather-tanning and horn carving in Orissa, carpentry in Jammu and Kashmir, wollen carding and finishing in Rajasthan, pottery in Bihar, hand-made paper, mat-weaving and leather stitching in Mysore. Other cottage industries that are proposed to be encouraged during the forthcoming fiscal year are the bell metal industry, doll and toy-making, ivory, canning, wool dyeing and processing, lacquerware and brush making. It may be noted that some States like Madras, Madhya Bharat, Travancore-Cochin, West Bengal, Assam, etc., are reported to be taking keen interest on the development of cottage industries on a planned basis. At the same time, special attention is being devoted to the promotion of cottage industries under the Community Project Schemes.

The Prime Minister's statement, in the course of his periodical Press Conference this week in regard to the ceilings on land holdings, will give unequivocally the policy that the Government of India is likely to follow on this vexed problem. There have, for instance, been reports of divergence of opinion between the Planning Commission and the Agricultural Ministry. The latter is of the opinion that, although ceilings on landholdings might be justifiable on grounds of social justice, the whole question should be viewed from the point of view of their effect on agricultural production. The Planning Commission is reported to have held the view that land reform and an equitable distribution must be looked at not only from the point of view of agricultural production but also from the wider angle of national welfare and social justice. In its Report, the Commission pleaded for a thorough study of the land problem since any reform in this connection will affect every aspect of rural life. It suggested that, within each State, there is need for some machinery for investigating and reporting on the progress of measures of land reform. It felt that, in the Central Government also, there was need for an organisation which could pool knowledge and experience gained in the States and could suggest lines for further investigation. It recommended the establishment in the Central Government of a land reform organisation. According to the Commission, such an organisation "will prove to be of considerable value both to the Central Government and the States and will help the progress of land reforms." At the recent Agricultural Conference held in October last, it was thought necessary to have a detailed land census after which the fixation of ceilings would be considered and a uniform principle followed. At this Conference, it was favourably considered that relaxations should be permitted in respect of certain categories of land—owner-operated large farms run on efficient lines, newly reclaimed waste lands brought under cultivation by private parties, groves and holdings which were pooled into co-operative farms by their owners. Many States have not gone ahead with this reform, apparently in their desire not to antagonise the landed aristocracy. The Prime Minister at the Press Conference indicated that there could be no uniformity in the whole of India about the extent and method of ceiling. The overriding consideration, according to him, was that the food production should not go down by the application of even a good rule. The Prime Minister declared that the fixation of ceiling would not await the land census and that it was for the State Governments to take action, whether before or after the census.

Sindri Fertiliser

Five foreign firms, two Americans, two Germans and one Italian, have been asked by the Government of India to submit tenders for the establishment of a urea and ammonium nitrate plants at Sindri. It will be remembered that the Fertiliser Mission, which toured some foreign countries a few months ago, recommended that efforts should be made by Government to manufacture urea and ammonium nitrate. The report of the Mission suggested that plants for the production of 35 tons of urea and 180 tons of ammonium nitrate per day might be set up at Sindri, utilising a portion of the waste gases from the coke ovens. Alternatively, it recommended the manufacture of 70 tons of urea and 110 tons of ammonium nitrate. No precise estimate of the cost had been made by the Mission.

Meanwhile, the Demag-Krupps Steel Mission, which arrived in the Capital from Germany last week-end, has had discussions with Government spokesmen regarding the preliminary issues such as the formation of an Indian company, the supply of technical personnel and equipment to carry out the execution of the project according to schedule, the location of the proposed plant, etc. The choice in regard to the location is now between Orissa and Madhya Pradesh. Indications are that the former will be preferred in view of the fact that cost of construction of the factory is expected to be lower than in the latter.

UNDERVALUED CAPITAL

NEW DEVELOPMENT ON STOCK EXCHANGE

(From Our Own Correspondent)

LONDON, *14th November*

IN the past week, an interesting controversy has boiled up in the City over speculation in the shares of particular companies aimed at acquiring control over them and has been pursued hotly through the Correspondence columns of *The Times*. A number of large hotel and restaurant companies have been the target for this speculation, the most spectacular case being that of the Savoy Hotel Company, whose shares a month ago were quoted at 30/, reached 50/6 in the middle of the week, though they have now dropped back to 45/- following statements from the directors that they knew of no negotiations for transfer of control of the Company and of the application by a body of shareholders for an investigation into recent transactions in the shares.

LONDON LETTER

This speculation all arises from the extraordinary increase in land and building property values which has developed since the war. As a result, many companies—and the hotels and restaurants are good examples—find that the value of their land and buildings far exceeds the worth of the company as a going concern. So that, in some cases, a company can be bought up at the current market values based on dividend earnings and then have its assets sold up to realise a far larger sum. A similar situation arises where, as a result of the dividend limitation policy first introduced by the Socialist Government and continued informally with the blessing of their successors, companies have deliberately built up, without even capitalising, large reserves—which have not increased earning power. Under either of the above examples, the net assets of some companies can be substantially greater than the capital employed in earning income and in the case of the hotels the greater value is not even shown in the balance sheets.

Board of Trade Informed

Prudent company directors have always understood that an increase in the value of fixed assets should never be written up in the balance sheet as this does not affect earning capacity. But, when the increased value is on such a scale that it overshadows the whole of the rest of the assets, the company can become an easy target for speculators interested in getting a quick capital gain—and the argument that has flared up concerns the propriety of such speculation. Some correspondents have called for a banding together of prudent company directors to defeat such speculation (how, is not clear) and other proposals have been made to give existing managements security of tenure. The fact that the Board of Trade has acceded to the request by the Savoy Hotel shareholders for an enquiry into the names of the true owners of the stock recently purchased —the first time that the Companies Act has been invoked in such circumstances—suggests that the Government is at least prepared to look further into this question of propriety.

The arguments on the other side are that companies ought to keep their balance sheets at realistic valuations, taking capital profits where these are established beyond doubt—as in the case of a complete change in the level of the property market—and issue bonus shares to their shareholders. One obvious result of this would be to bring dividends quoted more into line with earnings on shares bought in the market: a 25 per cent. dividend looks high, but, if the capital has in fact appreciated to four times its original value, then the earning is only 6¼ per cent.—which looks very different, and cannot have the same political play made with it as can the high figures.

It is obviously going to be very difficult to distinguish speculative take-over bids from genuine share purchases to acquire an interest or control over an existing company, and the advocates of freedom in this matter are probably right. Companies have the remedy in their own hands; if directors fear they are likely to be the target for an attempt to oust them, in order to cash-in on a reconstructed capitalisation they had better take the necessary steps themselves to put themselves right with their shareholders.—*All Rights Reserved.*

AMERICAN LETTER

BUSINESS TREND QUITE CHEERFUL

PETROLEUM POSITION HEARTENING—POPULATION EXPECTED TO RISE FURTHER

(From Our Own Correspondent)

NEW YORK, *12th November*

MOST American financiers and business men have been preoccupied for some time over the future course of output and employment. The professional economists, with their slide-rules, have argued that all orthodox signposts pointed to a somewhat severe recession. This simply is not so. As pointed out in previous despatches, some adjustments are taking place, because Government controls have been removed here, as they have been in Great Britain, as a matter of policy. The markets have been freed and, after 20 years of regimentation, they do not quite know what to do with that freedom. Official forecasts, which are as realistic as they can be, see somewhat lower activity in 1954 in this country, but only fractionally so. Meanwhile, it is fairly certain that 1953 will be one of the best business years in history.

Good Business Apt To Continue

On the basis of third quarter statistics, it would seem that this year could easily establish new records for personal income, for corporate profits and for dividends. Business as a whole is still extraordinarily good, even though volume has been easing off in individual lines from the very high levels of last spring. The vigorous advance of the stock market late in October and early in November was as heartening to the American financial community as the previous downturn was disheartening. Moreover, the strength had the leadership of the old-line investment stocks rather than the speculative issues. In other words, the collective opinion of investors seems to be that good business is apt to continue with variations.

In fact, there is every reason to believe that present and future adjustments in the American economy will be "rolling adjustments." In other words, setbacks will not occur in all lines at the same time. Several years ago, soft goods and textiles experienced a slump, while capital and hard goods remained unaffected. The same thing may now happen in reverse. This is only normal and lower prices in certain markets would certainly stimulate business as has been the history of mass production.

No Distress Signs

Realisation that such rolling adjustments, rather than a recession, is in store undoubtedly accounts for the cautious optimism in Wall Street, in industry and among the masses of the people who are still saving record amounts, including the farm States which have been hit by the adjustment in commodities' prices. Few distress signs are apparent over the country and industrial buying policy continues to run predominantly to 60 days and under. Unworked inventories are lower and there has also been the first drop in worrisome automobile stocks.

In the midst of all that, working capital of U.S. corporations rose to a new record of more than $88,000 million. Third quarter earnings and dividend disbursements are also reaching new highs, so that 1953 may go down as a record year, as mentioned above.

So far, disastrous strikes have been almost completely absent this year. This is probably due to the hands-off attitude of the White House in labour-management disputes and to the relative stability in living costs. To mention a few specific details, U.S. personal income aggregated a record $284,000 million annual rate in the first nine months. This was 6.5 per cent. higher than in the same period last year. Dividends paid by American corporations in September aggregated $1,200 million, also a 6 per cent. boost over a year ago. Innumerable other straws in the wind can be cited to prove the underlying strength of the American economy and the growing dynamism of a growing population as well as setbacks in individual fields, where adjustments have become necessary owing to changes of all sorts. It is all within the pattern of the envisaged rolling adjustments.

In all this, there is an absence of the previous atmosphere of emergency. No special session of Congress is being called, despite the continuing international trouble spots, such as Trieste, the stalemate in Korea, Communism in Latin America and Iranian oil. The best guess in the oil industry is that petroleum out of the nationalised Anglo-Iranian Company will be flowing again within a year and that the present difficulties will be resolved. The addition of this flow of oil, the industry believes, will be no calamity. It would be another rolling adjustment, perhaps. Economists for six leading oil companies forecast that the U.S. domestic demand in 1954 would be about 3 per cent. higher than the estimated demand this year. This projection includes and takes into account a possible 5 to 10 per cent. decline in general business activity; also, a decline in automobile registrations and a tapering off in new oil-burner installations owing to increased competition from natural gas in some areas and lower levels for home construction.

Members of the American Petroleum Institute heard the other day details of a radically new petroleum refining process, designed to make possible the production of larger quantities of gasoline and heating fuels from given amounts of crude oil. The new process is called "fluid coking." Similar improvements are taking place in many industries. They suggest not only constant changes and necessary adjustments, but greater benefits for everyone concerned. This is superimposed upon growing population trends. Forecasters expect that, within the next decade, the U.S. population is likely to increase by more than 17 million persons to about 177 million by 30th June, 1963.

While the low birth rate of the early 1930's indicates that the number of young people coming into marriageable age will be lower than in previous years and although past prosperity has led to large savings and early marriages, new family formations are likely to be somewhat lower in future years than they have been in the past. Conversely, a new crop of youngsters is growing up which means demand for new schools, clothing and innumerable other items required by the growing number of consumers, including the larger number of old folks who live longer because of improved medical care.

All this points up the necessity of business adjustments to take care of the ever-changing conditions in all segments of the U.S. economy. In this process, it is natural that the majority will benefit and that some will get hurt, who are either unable or unwilling to adjust themselves. Such a state of affairs should not present too much of a problem to the United States or to overseas countries. All of them have to adjust themselves to constantly changing conditions.—*All Rights Reserved.*

(Concluded from next column)

In pursuance of an arrangement subsequently agreed to by the Governments of Pakistan and Japan, the funds to be deposited in a non-resident rupee account in the names of Japanese exporters are to be invested in non-interest bearing Treasury Bills to be issued by the Pakistan Government. Accordingly, no interest will be earned on deposits in account or from investment.

The establishment of a giant woollen mill at Harnai in Baluchistan, the official opening of which was held early this month, is a landmark in the industrial history of the Province of Baluchistan. This Province, with a population of 1.2 million and an area of more than one-third of the whole of Pakistan, has 2 million goats and sheep, the quantity of wool actually traded being 50,000 maunds per annum. This entire quantity was hitherto being exported. With the restrictions on sale in foreign lands, prices of Pakistani wool depend on world markets and often bring low returns to peasants. But with the establishment of this mill, the producers will get a regular and stable market for their products.

The mill has been constructed at a cost of Rs. 50 lakhs and the working of two shifts a day will result in an annual production capacity of 80,000 blankets, 800,000 lbs. of yarn for cottage industries and 540,000 yards of fine tweeds, and other finer woollen goods. Development of Baluchistan on well-conceived and scientific lines, it is generally felt, can help considerably in the resettlement of refugees.

PAKISTAN NOTES

CESS ON COTTON TO BE RAISED

INDO-PAKISTAN MOVABLE PROPERTY PACT

A FOUR-FOLD increase in the rate of cess on raw cotton, from As. 4 to Re. 1 per bale, has been proposed by the Government of Pakistan. This was revealed by Khan Abdul Qayyum Khan, Pakistan Food and Agricultural Minister, in the course of his presidential address at a meeting of the Pakistan Central Cotton Committee held at Karachi on Monday last. The proposed increase in cotton cess, it is stated, is a sequel to the need for augmenting the finances of the Committee which has been spending large sums on the implementation of the various research and development schemes for cotton.

The Minister reviewed the recent developments in the sphere of cotton. He held out the hope that the statistical position of cotton during the current (1953-54) season was, on the whole, quite satisfactory. He also expected that there would not be any serious difficulty in disposing of the exportable surplus, estimated at 1.4 million bales. The current season's output is placed at 1.6 million bales and previous season's carry-over amounts to 250,000 bales. The total supply available thus comes to 1.85 million bales, against the indigenous consumption requirements of 450,000 bales. How far and to what extent these hopes will be realised will, of course, depend on the trend of world cotton market. Although it is too early to make any predictions regarding this trend, it may be said that Pakistan will have to meet severe competition, thanks to the comfortable supply position the world over. The aggregate supplies available during the current season are estimated at 52.5 million bales (including the previous season's stock of 17.1 million bales), as against the estimated consumption of 25.5 to 26 million bales.

It is against this background that one should examine the possibilities of a satisfactory export trade in cotton. Exports are already on the downgrade. Indeed, to quote one report:

"The U.S. offer to sell cotton in return for local currencies holds out a threat to this country's potential buyers in the Continent who may be lured away. The trade agreement with Japan is almost inoperative, owing to scarcity of foreign exchange. . . . China, one of our biggest buyers last year, is practically out of the market. . . . The U.K. does not seem to be too eager to enter the Pakistan cotton market in a big way. . . . There seems to be no chances of India entering the market at all for Pakistan cotton. If conditions do not improve or if barter deals are not concluded expeditiously, there may well be a crash in prices (of cotton) early next year."

It is no wonder, therefore, that cotton circles in Pakistan are greatly worried about the future of the silver fibre, one of Pakistan's major earners of foreign exchange. This has revived the plea for a substantial reduction in export duty and further encouragement to barter deals. Stress is also laid on improving ginning and baling of cotton.

The Government of Pakistan has informed the Indian Government that it has ratified the Indo-Pakistan agreement on certain items of movable property reached early in August last. The agreement covers personal and household effects left behind by refugees on either side, appointment of a joint committee for the assessment of compensation in respect of property acquired by the respective Governments for the purpose of rehabilitation, restoration of articles seized after Partition, exchange of lists of sale proceeds on either side, settlement of claims of persons employed in local bodies and the Government, and procedure for recovery of buried treasures.

The procedure governing imports of capital goods from Japan has been clarified by the Government of Pakistan in a *communique* issued last week. It will be recalled that the Government announced on 23rd June, 1953, certain special concessions to Japanese exporters of capital goods to Pakistan, with a view to encouraging a larger flow of these goods. Under this arrangement of deferred payments, Japanese exporters were permitted to invest the amount realised on their exports in deposit in non-resident rupee account in Pakistan Government securities and remit, in sterling, as current payment, the interest earned on deposits in account or from investment.

(Continued in previous column)

STIMULATING FLOW OF U.S. PRIVATE CAPITAL ABROAD

REPORT OF COMMERCE DEPARTMENT

COMPREHENSIVE recommendations calculated to encourage American private investments in foreign countries have been submitted by the U.S. Department of Commerce which made a special study of this problem. These recommendations may be divided under three broad heads, namely, (a) action within the power of the U.S. Government, (b) programme for reaching an understanding with foreign Governments regarding acceptable conditions for investments in their land by private enterprise in the U.S., and (c) plans to support and advise U.S. business on the scope for investments abroad. These recommendations are the outcome of an elaborate study undertaken by the Department. This study throws a flood of light on the issues involved and the measures to be taken (both the U.S. Government and the Governments of countries in need of foreign investment) in order to increase the flow of U.S. private capital abroad. As India is in need of a large volume of foreign capital for implementing its Five-year Plan, it will be worthwhile studying the findings of the Department, recorded in a report entitled *Summary of Preliminary Findings and Recommendations: Study of Factors Limiting American Private Investments.* This report was submitted to the U.S. Government in July last. The salient features of its recommendations are outlined on this page.

The report lays stress on the various ways in which the U.S. Government can help increase the outflow of private investments to foreign countries. The scope for the Government's action is stated to be immense in the field of trade. It can help increase the earning capacity of other countries (a) through progressive and careful revisions of U.S. tariffs and import policies and (b) by supporting international efforts at removing trade barriers. In negotiations for the lowering of tariffs, careful thought should be given to impediments to the flow of international capital such as import and export controls, quotas and other regulations imposed by both the capital exporting and capital importing countries. Attention should be given to the lowering of U.S. tariffs and other trade restrictions which would encourage manufacturing and processing industries in other countries. These negotiations should also aim at achieving currency convertibility in progressive stages. The Government should also try to achieve a certain amount of stability in the U.S. demand for certain basic raw material. For violent fluctuations in the world market for these have caused serious disruptions in the economies and budgets of some countries needing U.S. capital.

Public Aid

Since the end of last war, the U.S. Government has made available large sums to assist reconstruction and defence programmes in other countries. In the administration of such assistance, the U.S. Government has been advised to utilise to the maximum extent possible, private trade and private financial facilities. Assistance to less developed countries should be continued. In order to increase the ability of these countries to attract private foreign investment, the U.S. Government should help by providing technical assistance to them. Laying down the conditions under which the U.S. Government should grant loans, the report says:

(1) The Government should, when requested by foreign Governments and in full co-operation with U.S. business, help to provide directly or indirectly technical assistance to improve the economic institutions, public administration, and health and educational conditions of less developed countries in order to increase their ability to attract private foreign investment. The Government should also support and encourage the flow of free voluntary assistance from private U.S. institutions, foundations, and individuals.

(2) Loans by U.S. Government agencies can, if properly administered, help to establish the conditions abroad which will be conducive to increased private investment. If public loans are granted for the purpose of helping the growth of such basic facilities as transportation, power, irrigation, and the like, they can help in establishing the economic base for development through private channels.

Loans by U.S. Government agencies for economic development purposes should be granted only after a careful check has been made to determine that private finance is not available or not interested, and after determination that the undertaking should not be financed by the I.B.R.D. Such loans, of course, should be extended only if there is a reasonable expectation that they will be repaid and that the interest of the United States in the undertaking is such as to warrant the use of public funds.

(3) When circumstances necessitate special economic assistance on a grant basis, grants should, in general, concentrate on, or be related to, those projects which would contribute to the development of the basic resources of the country, the amelioration of public services, the improvement of its creditworthiness and thus provide the framework for increased private investment.

Modification of Laws

Apart from revision of trade policies and aid programmes, the U.S. Government can, according to the report, render assistance to the flow of private capital to foreign countries, through legislative and other administrative action. Such action pertains to (a) tax concessions, (b) guarantees and risk insurance, (c) revision of anti-trust laws and (d) modification of the law relating to sale of foreign securities in the U.S.

With regard to tax concessions, the report expresses the view that tax incentives hold considerable appeal to present and potential investors in the foreign field. While it is difficult to gauge in advance the effectiveness of tax incentives in increasing the flow of private investments to foreign lands, there is, it observes, ample justification for a review of certain aspects of U.S. taxation by taxation specialists. The report underlines the need for a revision of the tax credit system in such a way that, in no event will tax concessions given by a foreign Government to attract American investments merely result in smaller U.S. tax credits for the investor.

Other proposals which have been made by such groups include: broadening the definition of creditable foreign taxes; elimination of the so-called 'overall limitation' on the foreign tax credit; extension of the tax advantages offered by Western Hemisphere Trade Corporations to the whole world; extension to foreign branches of U.S. firms of the privilege now enjoyed by foreign subsidiaries of U.S. firms to defer tax on incomes earned abroad until it is repatriated; special tax incentives to encourage the purchase of foreign securities by individual and institutional American investors; provisions for accelerated amortisation of plant and property abroad; and complete or partial exemption from U.S. taxes of income earned abroad—either unilaterally or subject to reciprocal advantages given by foreign countries through tax treaties.

Revision of Guarantee System

Flow of international investments is generally checked by certain impediments such as, inability to convert earnings into dollars, the possibility of expropriation, and threats of international or civil disturbances. A study of this problem reveals no clear evidence that the present U.S. programme of guarantee system has resulted in any increased volume of investment. Moreover, American business circles seem to be opposed to the guarantee principal on the ground that guarantees (a) should be paid by the foreign Government and not the U.S., (b) tend to perpetuate the very risks they are designed to compensate, and (c) lead to wider Government interference in private business. Objections to the guarantee system are also raised in respect of the cost of guarantees, the methods of negotiating the contracts, and the necessity of disclosing business affairs. As against these, there are a few others who feel that the guarantee principle is sound as a means of giving confidence in the face of the extraordinary risks encountered under present world conditions.

In view of the difference of opinion on the system of guarantees, the report does not make any specific recommendations on the subject. But it has advised the Government to examine the various proposals already made for the modification of the present system. These proposals include: (1) and civil disturbances, (s-tGhvci Osb rrsl TR extending the guarantees to old as well as new investments, (ii) extending the range of risk to cover international and civil disturbances, (iii) providing guarantees for portfolio as well as direct investments, (iv) reducing the cost of guarantees, (v) reducing the extent of Government scrutiny of applications for guarantees and (vi) eliminating in whole, or in part, the requirement for agreement with the host Government as a prerequisite for issuing guarantee.

Revision of Anti-trust Laws

Corporations and firms in the U.S. are subject to the anti-trust laws in their foreign operations, because such operations affect U.S. trade. In certain circumstances, many typical forms of private foreign economic agreements are illegal. These include price-fixing agreements and the allocation of markets; so also the exchange of know-how and concession contracts which may be made the basis of prosecution, if they tend to limit competition. Anti-trust laws such as these are considered by some business men as a deterrent factor to private foreign investment. They, therefore, want freedom to adjust to monopolistic arrangements abroad developed by foreign firms in accordance with foreign legislation. But there are others who feel that cartels may deter development, because they limit access to resources and to markets and foster unhealthy concentration of economic power. The other countries, too, may enact anti-trust laws and this may check the flow of capital to those countries. The report, however, feels that the Government should examine the effects of the existing laws on foreign investments.

Simplification of securities and exchange commission regulations is another measure suggested by the report for encouraging U.S. investors to participate in the economic development in foreign countries. These regulations aim at giving American investors more details than is customarily needed regarding the affairs of the companies which desire to sell their securities to the U.S. public. They also require the registration with the Commission of any securities issued by foreign as well as domestic business enterprises. These regulations include the Securities Act, 1933, the Securities Exchange Act, 1934, the Public Utility Holding Act, 1935, and Investment Company Act, 1940. Although these statutes are considered proper and necessary for the protection of American investors, it is suggested that every effort should be made to assist foreign firms and Governments to sell their securities in the U.S. by simplifying them. Foreign firms object to some of the provisions in the U.S. laws which ask for information, the disclosure of which is not permitted under their own laws.

The report has also pointed out the lines on which the U.S. Government can improve the climate for American investments to move abroad, by promoting mutual understanding between the U.S. and other countries. It says that there are many foreign countries which are conscious of the great advantages to them of importing American capital where it is accompanied by American know-how. These countries may be advised to change their laws in a manner calculated to attract U.S. private investments. A vigorous diplomatic effort is considered necessary for this purpose. Apart from signing treaties of Friendship, Commerce and Navigation (F.C.N. Treaties), the report advocates the advisability of special treaties regarding investments. Proceeding, the report says that the Government should, in addition, also negotiate taxation treaties. "If, in the future," to quote the report, "legislative concessions are provided for in U.S. taxes on income earned abroad, consideration should be given to the possibility of making them dependent on reciprocal advantages from foreign countries."

Clarification of Attitude

Foreign Governments should also take specific action to attract private American investment. It is admitted that many such steps have already been taken by some countries and that there have been relaxation of some restrictions. In some other countries for attracting increased investment in those fields considered important for national development. But there is still scope for action for improving the climate. Foreign Governments should be asked to state as clearly as possible their attitude and policy towards private investment. Such statements should (a) define the fields in which foreign capital may operate and (b) give assurances that investments would not be nationalised without adequate, prompt and effective compensation. No discriminatory measures harming American investors should be adopted by the Governments. In cases where controls exist, foreign Governments should be encouraged to be more consistent and more efficient in their screening of proposed foreign investments and in the administration of import and exchange controls.

The report is of the view that the U.S. Government should suggest to other Governments the value of special inducements to attract investment. These include (a) duty-free entry of equipment, (b) liberal tax treatment such as accelerated amortisation for the easing of corporate income taxes, reduction of tax rates for the earlier years of new investment and refraining from special taxes which in effect confiscate profits, and (c) financial assistance by local financial institutions.

U.S. business, in its foreign investment activities should be given the strongest possible support by the U.S. Government. This can be done, according to the report, by strengthening the role of U.S. missions abroad in the promotion of interests of business and help it locate investment opportunities. The U.S. Government has also been advised to step up its investment information activities in the U.S. These activities should pay special atention to the potentialities of greater participation by smaller U.S. business firms in foreign investment.

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SHOULD CEILINGS BE PRESCRIBED FOR LANDHOLDINGS?

MR. C. R. SRINIVASAN'S VIEWS

IN all discussions relating to the question of fixing a ceiling on landholdings, it is all too readily assured that an upper limit on the acreage that one may own is essentially in the interest of social welfare. It is often forgotten that the issue raises fundamental questions of equity as well as of agricultural economy. In this connection, it is interesting to note that Mr. C. R. Srinivasan, Director, Central Board of the Reserve Bank of India, who discussed this issue in his thought-provoking address at the District Agriculturists Conference, held at Kumbakonam, Madras State, expressed the view that any attempt to fix a ceiling on the size of landholdings would introduce a disturbing element in the credit structure of rural economy. In view of the importance of this subject, we reproduce below the relevant extracts from his speech:

"When I address you to-day, naturally I am reminded of earlier conferences over some of which I had the privilege of presiding. The problems that we were confronted with in those days were of a different order. Then, we were mainly concerned with lightening the tax burden on land. Successive resettlements, based on a notional commutation rate, weighed heavily on the ryots at a time of falling prices. Since 1937, we have had no resettlements and what was a disadvantage has since proved an advantage at a time of rising prices. The post-war period, it may be conceded, has greatly helped agriculture to recover the proportions of an industry, in spite of intermittent hardships imposed by the control-*raj* expressing itself in terms of permits and licences, procurements and levies. Maybe, the cost of living has taken away much of the sap, but, by and large, it cannot be denied agricultural interests have benefited. Government found itself hoist with its own petard and, although the need for money was great and the question of agricultural income-tax was now and again canvassed, the urge to stimulate and sustain primary producers with grow-more-food, well-sinking and fertiliser campaigns overbore the desire to take advantage of the better climate of the agricultural sector and tap for more revenue.

"The recovery of our Independence and the introduction of a new democratic Constitution, broad-based on adult franchise, have brought new forces in the structure of the nation which it behoves all wise men to take note of. It is this aspect and its potential to make or mar things in the agricultural sector that you are interested in to-day. A democratic Government deriving its sanction and strength from a mass electorate will be directed and disposed to look at issues in terms of social justice, the only limiting factor in its application being public interest. Law, custom or usage will progressively have to yield ground if its effect is held to impair the health and harmony of our national economy. There is also another factor which will govern immediate reactions. In the last lap of our freedom struggle, with a view to gather support for the final push, those at the helm of the movement profusely promised all things to all men. These promises have now come home to roost and the redemption of many-sided and often mutually contradictory pledges has not made the task of administration easy. Vested interests would, therefore, be wise to take note of the trends of the times in resisting the pressure of the divested who are in the majority and whose voice cannot be ignored. Evidence of this pressure, quite apart from the merits, may be seen in the abolition of the *zamindari* system and the introduction of the *Pannaiyal* legislation.

Fundamental Rights

"The Constitution of India guarantees certain fundamental rights to all citizens of the State and has further enunciated certain directive principles to promote, in terms, a Welfare State. The Planning Commission comes into the picture to frame priorities and find funds for this purpose. The first Five-year Plan contemplates an investment of two thousand odd crore rupees and the Commission has set out in great detail the reason and purpose of this investment. Naturally, the agricultural sector claims first attention, for it is a commonplace that real India lies in rural India. The programme for this sector not merely seeks to recondition the economy of rural India but to recover the enthusiasm of the people for a better order and recharge them with faith and hope. If only wishes were horses, who dare deny that the future is one of great hope and much promise! Unfortunately, we are not writing on a clean slate and it is not so easy to create a new heaven and a new earth out of an outmoded economy of shreds and patches. A doctrinaire approach in a vital human sector where passions and prejudices intrude on logic and reason, I am afraid, will not yield so easily the results so confidently expected on *a priori* considerations.

"In the framing of any programme, sacrifices called for from the present generation should not bear too heavily on an under-fed economy. No doubt, it may be claimed, we are trying to cover in 10 years what other countries, more fortunately placed, have taken a hundred years to achieve, but it is difficult to stimulate and sustain enthusiasm all over India for large-scale projects which have limited regional appeal. The people in South India, for example, cannot be expected to enthuse over the Hirakud Dam or the Damodar Valley Project. Few know where these places are and, if they do, these represent what directly and immediately does not concern them. Unfortunately, Government have not the funds to undertake like work simultaneously at all centres. It is in this context

(*Continued on page 969*)



HISTORY OF AHMEDABAD ADVANCE MILLS

FIVE DECADES OF STEADY PROGRESS COMPLETED

THE Ahmedabad Advance Mills Ltd., the Golden Jubilee Celebrations of which were held in Ahmedabad early this week, has certainly reached an age at which both the management and the labour can look back with satisfaction upon a career which stands out as a remarkable performance in the history of the Indian cotton textile industry. The Mill, one of the four in the Tata group of textile mills, was purchased by the late Mr. J. N. Tata in 1900. It was, however, only after alteration and renovation of the plant and machinery—on 1st July, 1903 to be precise—that the Mill actually commenced operations. Over the past 50 years, the Mill has made remarkable progress. This is clearly evident from the fact that the size of the Mill has risen considerably, followed by a corresponding increase in production. Two notable features in the history of the Mill are that, during its 50 years' existence, provision for depreciation has been made every year and a dividend has also been regularly paid. There are few mills in India which can claim this record. Indeed, the Mill to-day can legitimately feel proud of being one of the most successful and efficient cotton textile producing units in this country. The following brief extract from the speech of Mr. A. D. Shroff, Chairman of the Mills, while welcoming the guests to the Golden Jubilee Celebrations, will bear full testimony to the achievements of the Mill:

"Fifty years ago, the late Mr. J. N. Tata, the founder of the House of Tatas, established the Ahmedabad Advance Mills Ltd., which was the third cotton mill company promoted by him during his lifetime. With a comparatively small capital of about Rs. 7 lakhs and a few hundred employees, the Company commenced operations. Despite the fluctuating fortunes which the cotton textile industry has experienced during the last five decades, the Company to-day has grown to its present size with funds aggregating over Rs. 84 lakhs. There has not been a single year in the history of the Company when the shareholders have not received a dividend and, therefore, those who reposed their confidence in the pioneering effort of the late Mr. J. N. Tata have been fully rewarded for their participation in the venture. Apart from the financial success that the Company has achieved, it is a matter of no small pride and satisfaction to us that the relations between the management and employees have been so cordial and harmonious that there has been no stoppage of work in the Mill throughout the period of 50 years, except in 1920, due to an industrial dispute."

Early Progress

The Company came into existence on 1st July, 1903. Even in the very first year, it made a profit of Rs. 70,050. A dividend of Rs. 20 per share was paid, after setting aside Rs. 27,581 to depreciation account. The working of the Mill improved steadily, dividends rising to Rs. 40 in the second year and Rs. 60 in the third year. Public confidence in this enterprise grew in strength and the shares of the Company became more and more popular with investors. Machinery and equipment in the Mill were being modernised and improved all the time, and the reputation of its products increased side by side with its growth. Its yarn was as acceptable by the China markets as locally. To cope with the growing demand, the management drew up a full-scale programme of expansion, starting from 1906. By 1912, the Mill's capacity increased from 9,640 spindles to 20,290 and from 240 looms to 294.

A further plan for extending the Mill was carried out in 1912; 10,000 new spindles and 300 looms were added, together with necessary preparatory machinery and a new weaving shed. By 1915, the productive machinery of the Mill aggregated 30,612 spindles and 600 looms. The year 1931 witnessed further expansion, with the addition of 15,000 spindles, 322 looms and necessary preparatory machinery. By February, 1933, these were all operating and, in 1938, a tentative beginning was made in spinning fine counts.

Thus, the Ahmedabad Advance Mills had built up, in just 30 years, a block account consisting of 44,224 spindles and 924 looms without raising fresh capital, having started with hardly any equipment. Particular attention was paid to building up a strong reserve out of the profits. In 1933, the reserves aggregated Rs. 56.14 lakhs, which represented more than 131 per cent. of the block account amounting to Rs. 42.79 lakhs.

The Second World War created an acute scarcity of cloth all over the world. India was practically the only country that could manufacture cloth on a large scale and meet the demand of countries which had hitherto depended on supplies from Japan, Germany and the U.K. This provided an impetus for increased production to the Indian textile industry. The Advance Mills began double shifts from 1941 which still continue. Naturally, the wear and tear on the machinery was pronounced and much of the pre-1916 machinery has had to be replaced. The Mill suffered from a serious handicap from the very beginning, namely, lack of machine bleaching and dyeing facilities. As it is situated well out of city limits, there was no drainage system in the Mills' locality. Consequently, there was no outlet for large quantities of bleach and dye-house waste. The problem, however, was solved a few years ago when the Ahmedabad Municipality completed its scheme for drainage extension.

Modernisation and Renovation

In 1950, plans were drawn up for the modernisation and complete renovation of the Mill. This was done in consultation with two American experts who made a thorough survey of all the textile mills belonging to the Tata group, including the Ahmedabad Advance Mills Ltd. A plan was then drawn up for each of the four mills in the Tata group. So far as the Ahmedabad Advance Mill was concerned, top priority was given to the bleaching, dyeing, printing and finishing plants and a mercerising plant. Most of this machinery has been received and is in the process of erection. Bleaching has already commenced. Older and uneconomical machinery will be replaced; the entire scheme, when fully implemented, will cost the Company about Rs. 80 lakhs. Appreciating the value of education and its utility to the growing industries of the country, Mr. J. N. Tata innovated a scheme of apprenticeship, which he first introduced at the Empress Mills at Nagpur and then at the Svadeshi Mills. It proved a great success. It helped educated young men to learn a trade and earn at the same time. It enabled the Mill to have a staff of well-trained men in different departments. This scheme was introduced in the Advance Mills also, with equal success. The apprentice enters into an agreement with the Company and learns the technical details of the different departments and serves the Company for a period of five years. After completing his training, the apprentice is absorbed as a regular employee into the particular department for which he has shown the greatest aptitude.

In spite of his numerous activities and the burden of piloting the affairs of young and struggling industries, Mr. Tata always looked to the welfare and happiness of his staff with genuine concern. The management has introduced various welfare schemes for the employees. These include provident fund, retirement benefits, free medical relief, education for the children of labourers, housing, creches for babies and modern sanitation. It is noteworthy that the management introduced its provident fund scheme for workers as far back as 1912. The keen desire always expressed by the management for the welfare of its operatives and staff is testified by the large number of persons in the Mill who have put in more than 20 years of loyal service.

The Company's labour policy has, since its inception, been in line with the enlightened attitude of the House of Tata. The response in the way of co-operation from employees has been gratifying. Under the Bombay Industrial Relations Act, 1948, provision is made for a Joint Committee for every industrial unit. The Advance Mills Committee has been functioning with great success since July, 1948, and has made an important contribution to harmonious industrial relations. Labour members of the Committee are thus given an opportunity of being trained in the routine affairs of the factory, while, through the process of discussion, they achieve an understanding of the industrial process which has valuable and far-reaching results. The Joint Committee has also been functioning as a Unit Production Committee in an advisory capacity in accordance with a directive from the Government of India.

There have been only two occasions in the Company's life when cessation of work took place as a result of disagreement between management and labour. Both of these occurred in the year 1920, one lasting for 12 days and the other for 20 days. Since then, the only stoppage of work—which lasted for nearly three and a half months—took place in 1942. This was not an industrial dispute, but formed part of a simultaneous stoppage in all the mills in Ahmedabad following the arrest of Mahatma Gandhi on 8th August, 1942.

The present position of the Mill is thus: the Mills has 44,224 spindles and 1,016 looms. The paid-up ordinary capital is Rs. 33 lakhs. The Mills has a strong reserve position, general and depreciation reserves accounting for Rs. 38.84 lakhs and Rs. 51.10 lakhs, respectively. The gross block is Rs. 88.30 lakhs.

The foregoing account is a tribute to the far-sighted and sagacious policy of the late Mr. J. N. Tata and the continuation of such policy by those who took over the guidance of the Mills from him. It was, therefore, quite fitting that, on the occasion of the Golden Jubilee Celebrations of the Mill, the statue of Mr. J. N. Tata—the statue, it is noteworthy, was presented to the management by the workers—was unveiled.

Mr. Girja Shanker Bajpai, Governor of Bombay, who unveiled the statue, emphasised, in the course of his address, that the relations of private enterprise to labour would remain a powerful factor in determining the scope offered by the State to the private sector of the Indian economy. Private industry, he said, must, in its own sector, assume more to itself the obligations and the functions of the State in relation to the workers. To quote him: "The more the industries in the private sector of our economy provide amenities to the workers, which otherwise would have to be provided by the State, the stronger would be the justification for partnership between State and private enterprise in the development of industry."

Welcoming the guests to the function, Mr. A. D. Shroff dwelt at length on the vital role of private enterprise in the economic development of India. Mr. Shroff rightly maintained that, given right conditions, including definite Governmental policies, private enterprise was capable of making a very important contribution to the future industrial advancement of the country. Significantly enough, he remarked: "Let it not be forgotten that, for over 50 years before India attained independence, private enterprise was able, against heavy odds, to show an achievement of which the country can well be proud. Not many years ago, India imported, for instance, from Lancashire crores worth of piecegoods, while, to-day, the Indian cotton textile industry is capable not only of clothing the 357 million of its people but also of exporting substantial quantities abroad."

It is no doubt true, as Mr. Shroff himself frankly admitted, that a section of the management of private enterprise is not entirely free from blame. It is equally true that, during the last six or seven years, no substantial progress has been achieved in the promotion of new industries. But to deny, on this score, the value of private enterprise to Indian economy is very uncharitable. The brief review of the progress of the Ahmedabad Advance Mills—a product of private enterprise—given above will clearly indicate that private enterprise can play a distinct role in raising the standard of living of the masses, given the right atmosphere. What is urgently required is a more rational attitude of the Government and the public towards private enterprise.

A NEW PROCESS IN SPINNING

What is claimed to be a revolutionary development in the history of modern spinning in recent years is the invention of "OM-S Type Super High Draft Ring Spinning Frame," by Mr. Kikutaro Honda, President of O-M Spinning Machine Manufacturing Co., Ltd., Osaka (Japan). A model of this frame was displayed and demonstrated, for the first time in India, at the Victoria Jubilee Technical Institute, Bombay, on Monday last. The invention does away with all the speed frame processes, such as slubbing, inter and roving. A draw frame sliver is directly spun on the frame, and the yarn spun by this process is claimed to be uniform in count, grain and strength; the yarn is 10 per cent. stronger than that spun through ordinary process. The frame renders possible a super high drafting upto as much as 700 times, in accordance with the yarn count to be spun while the maximum capacity for ordinary ring spinning frame is 20 times drafting (high draft). Further, the operation of the frame is simple and convenient. Again, each spindle—the number of spindles in each frame will be about 400 to 500—can be operated independently "in perfect sense" and, as such, the number of spindles made idle by trouble is reduced by half as compared with the normal two-spindle system, thereby improving the efficiency in operation.

Apart from the fact that the yarn produced by this process is very high in quality, there are said to be a number of other advantages in the adoption of this process of spinning. These are: (1) reduction in initial cost; (2) less cost on power and accessories; (3) reduction in the outlay on raw cotton; and (4) saving in personnel (to the extent of 10 to 20 per cent.). The other advantages are less noise and more clean, brighter interior of the factory and scope for remoulding old ring spinning frames into the new system.

WOOL EXPORTS FROM INDIA

One of the several important pronouncements which Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, made during his recent visit to Bombay relates to exports of raw wool. Mr. Krishnamachari revealed that the Government would shortly announce a quota for raw wool exports valid for shipment till the end of January, 1954, on the "first come first served" basis. He is also reported to have told the All-India Wool Trade Federation that he proposed to set up an *Ad Hoc* Committee for wool to act as a liaison between the trade and the Government and to review periodically the position in respect of availability and consumption of raw wool in the country.

Mr. Krishnamachari's statement regarding the export quota for raw wool, though welcome, is belated. Nearly two months have elapsed since the current (1953-54) wool season began. Wool commenced arriving in trade centres several weeks ago. Thanks to export restrictions, stocks have already accumulated at ports and interior centres. The stocks in the principal wool markets are believed, to be over 15 million lbs., which represent as much as 21 per cent. of the raw wool clip, estimated at 72 million lbs. This figure does not include stocks with wool growers and middlemen, which, it is said, are quite considerable. There has also been a fall in prices. Consequently, the wool growers and traders have been put to great hardship. If the Government of India had announced its policy earlier, earlier than the commencement of the season, all these could have been reduced.

HEAVY TASK BEFORE LIVERPOOL COTTON MERCHANTS

CLOTH OUTPUT MOVES UP

(From A Special Correspondent)

MANCHESTER 10th *November*

MANCHESTER LETTER

NOW that the Government has finally announced its intention of winding-up the Raw Cotton Commission and clearing the way for the re-establishment of the Liverpool futures market within the next few months, it is possible to survey the prospects so far as they can be gauged in the absence of the details of the system to be adopted.

Raw cotton merchants in Liverpool and Manchester have a heavy task before them and they will not be judged too swiftly on their response in the early stages. Time will be needed for supplies to be built up to sufficient proportions to meet the occasional urgent demand of customers.

On the other hand, it is essential that swift action should be taken to provide an accumulation of spot cotton. Since the Liverpool market last functioned the use of outside growths in Lancashire has been steadily fostered, partly through choice and partly by circumstances involving the reduction of dollar expenditure.

Many spinners are more than satisfied with the quality of cotton they have latterly received from African and Middle Eastern sources. The quantities may not be large in relation to the supplies formerly obtained from the American and Egyptian cotton fields but they represent an increasing proportion of imports. In addition, the need to stimulate reciprocal trade with several of these areas is now of far greater importance than it was before the war.

As a result of the larger number of contracts-out from the Commission this season, the volume of imports on private account is steadily growing. Arrivals in the three months from August to October inclusive are shown with the respective purchases by merchants and the Commission (in bales):—

	Total	*Raw Cotton Commission*	*Private*
American	61,770	1,383	60,387
Mexican	10,519	5,169	5,350
Brazilian	11,337	3,630	7,707
Peruvian	21,115	11,781	9,334
Egyptian	16,476	8,557	7,919
West African ...	47,855	31,719	16,136
East African ...	22,343	20,113	2,230
Indian	2,710	—	2,710
Pakistan	12,209	5,200	7,009
Sudan	80,173	66,606	13,567
Argentine	25,614	23,612	2,002
Sundries	13,911	7,023	6,888
Total ...	326,032	184,793	141,239

Important as the provision of supplies of actual cotton is to Lancashire mills, so also is the availability of cover against forward sales of yarns. Whatever the respective merits of State-controlled buying and distribution and the operation of a futures market, few people in the industry will deny that the Raw Cotton Commission, after its initial teething troubles, gave not only an adequate but an almost foolproof system of cover for spinners.

The taxpayer was at a disadvantage while the Commission lagged behind price movements abroad and there were numerous occasions when selling rates in this country were unrealistic. But however wide the fluctuations, the individual spinner was guarded against loss. In the future he will be able to take a more speculative attitude. A futures market provides cover for the operator skilled in its manipulation but there must be chinks in its armour which can create problems calling for ingenuity and initiative.

Egyptian Spinners

At first, under the prospective new system, the contract offered by Liverpool will be based entirely on United States cotton. How then is the user of Egyptian and other similar growths to cover himself? By calculating the differential between current values in Alexandria and New York some attempt can be made to adapt an American futures contract in this way, but particularly at the outset the fine spinning branch of the industry will find conditions complicated.

Once again the combines will be in a more favourable position than single unit mills. Many of the big groups are believed to be planning to import direct without necessarily employing merchants.

It will probably be about six months before the Liverpool futures market is in actual operation. The organisations of raw cotton merchants are keenly anxious that the changeover should be smooth and amenable to all concerned. The spinners are vitally affected and will expect to be frequently consulted as to their requirements. Goodwill is evident on all sides from those directly concerned and the move should be effected with the minimum disturbance to the even flow of trade within the industry.

Commission's Chairman

When Sir Ralph Lacey, £5,000-a-year Chairman of the Raw Cotton Commission, leaves his Liverpool office early next year to join the Manchester textile group of Fine Spinners and Doublers Ltd. as a Vice-Chairman of the combine, he will be undertaking a job in a private business appointment for the first time for many years.

Sir Ralph, began his career in the cotton trade in a managerial capacity at several mills and before the war was the Secretary of the Joint Committee of Cotton Trade Organisations, which provided statistical information for the industry.

Throughout the war he acted as Secretary of the Cotton Control, later succeeding Sir Frank Platt as Controller in 1945. When the Raw Cotton Commission took over from the wartime Cotton Control at the beginning of 1948, he assumed the newly-created post of Director of the Yarn Spinners' Association, the body set up to deal with price-fixing arrangements in the spinning section of the trade. Early in 1951, Sir Ralph was called upon by the Government to take over the chairmanship of the Commission.

Peruvian Cotton

Nearly half the supplies of Peruvian and Californian cotton imported into Britain next year will be on private account, the Ministry of Materials has announced. On the basis of past consumption 47 per cent. of users of these types have decided to buy their cotton through Liverpool and Manchester merchants, against 36 per cent. in the current year. Imports of Peruvian cotton into Britain this year so far aggregate 53,000 bales.

Private Supplies

Private cotton buyers in Liverpool and Manchester are starting to build up stocks in preparation for next year's take-over from the State-sponsored Raw Cotton Commission. They imported more than 20,000 bales of cotton from the United States and 11,000 bales from Brazil this week out of total supplies arriving in Britain of 48,022 bales. The Commission brought in only 14,298 bales, mostly bulk purchases from African sources. The Government is to wind-up the Commission at the end of August, 1954.

New Output Gains

Production of cotton and rayon cloth in September reached the highest weekly average for eighteen months, the Cotton Board announced this week. The mills turned out an average of 51,600,000 yards weekly during the month—900,000 yards a week more than in the previous month and over 11,000,000 yards weekly more than in September last year.

In the first nine months of the year the weaving mills produced 1,917,860,000 yards of cloth—227 million yards more than in the first three-quarters of 1952.

Figures of cotton and rayon yarn output for the week ended 24th October, given by the Cotton Board, show that spinning operatives in Lancashire produced 20,290,000 lbs. of single yarn. It was the fourth successive week in which the 20,000,000-lb. mark has been exceeded.

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An appeal to Lancashire spinning companies to give the fullest possible support to private raw cotton merchants in their attempt to build up supplies in preparation for the reopening of the Liverpool futures market, was made recently by Mr. D. Windel, a director of the Liverpool Cotton Association. The market would only develop broadly when the spinners realised that it was in their own interests to support it on a broad basis, he said.

Mr. Windel predicted that the Liverpool market would be reopened between April and June next year in readiness for the time when the Raw Cotton Commission was wound up at the end of August. He expressed disappointment at the response, so far, from small spinning concerns, and called for more confidence to be shown in the prospects for obtaining 'free' cotton.

Many of the big combines were arranging to secure their supplies from overseas shippers, he said. He thought it would be difficult to build up large quantities of spot cotton without prior knowledge of the requirements of the mills. He urged spinners to come forward and state their needs to enable merchants to estimate their forward supplies and arrange shipments accordingly.

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FREE WORLD'S COTTON CONSUMPTION

PROVISIONAL ESTIMATE FOR 1953-54 SEASON

IT is now clear that the world supply of cotton during the current season will exceed, by a considerable margin, the supply of cotton in the last (1952-53) season. The International Cotton Advisory Committee has estimated the world supply (including that in the Communist countries) for the 1953-54 season at 52.6 million bales of 478 lbs. each, consisting of carry-over stocks of 17.0 million bales and production of 35.6 million bales, as against a supply of 50.6 million bales in the last season, being the total of a production of 35.7 million bales and the previous season's carry-over stocks of 14.9 million bales. Even if the Communist countries are excluded, the cotton supply position in the current season shows an increase of over one million bales. Thus, for the 1953-54 season, the supply of cotton in the Free world is estimated at 43.7 million bales (production of 28.2 million bales and carry-over stocks of 15.5 million bales), as against 42.1 million bales (production of 28.8 million bales together with stocks of 13.3 million bales) in the 1952-53 season. Against this background, any discussion about the possible level of cotton consumption in the world has more than a purely academic interest, for a high level of consumption would certainly go to reduce the chances of the larger supply position impinging too heavily on prices. From this point of view, it is interesting to note that the Committee has devoted a large portion of its latest monthly bulletin (October issue) to a study of the factors which will influence consumption of cotton in different countries during the current year.

The Committee recognises that it is impossible to predict, with any degree of accuracy, the level of cotton consumption in the present season, since far too many "unknown" factors are involved. It has, therefore, addressed itself to the less difficult problem of assessing the immediate outlook for cotton consumption. The pattern of consumption in the U.S. is first taken up for study, since this country accounts for the largest share among individual countries in the total consumption of cotton in the Free world, as will be seen from the table below:

Cotton Consumption
(In million bales)

	1950-51	1951-52	1952-53	Per cent.
U.S.	10.5	9.2	9.4	37
India	3.1	3.5	3.8	15
Japan	1.6	1.8	2.1	8
W. Europe ...	7.5	6.7	6.5	25
Others	3.8	4.0	4.0	15
Total	26.5	25.2	25.8	100

The Committee quotes the view of the U.S. Bureau of Agricultural Economics, which holds that the consumption of cotton in that country during the current season "may well come close to the estimated 1952-53 consumption of 9.5 million bales." The U.S. cotton textiles industry, according to the Committee, has begun the new season in good condition, although there are reported to be difficulties in some sections. Unfilled orders are substantially higher than early in 1953, while manufacturers' stocks, cloth prices and mill margins for the "industry as a whole have been quite stable for several months." Some unsettling factors, however, are the possibility of a recession in the latter half of 1954, which has been hinted in some quarters, deflationary budgetary policy which the Government may adopt in view of the prospective deficit of 3.8 billion dollars in the current fiscal year. At the moment, however, investment income and employment remain at record levels. It is true that cotton consumption has suffered some losses. It has been nearly completely replaced by rayon in tyres and by burlap in bag fabrics. But it has gained in clothing and household uses. After considering these factors, the Committee feels that cotton consumption in the U.S. should not move, unless there is a marked break in general business conditions, far from the last season's 9.5 million bales, though there "may be some decline due to possible reduction in military purchasing and textile exports."

Any opinion on the probable level of cotton consumption in India and Japan during the 1953-54 season, according to the Committee, is more "problematic" than a year ago. This is because there have been signs of easier supply position internally, while export trade prospects in both these countries are "more conjectural, in view of the continuing world-wide tendency to restrict imports, particularly of consumer goods." Summing up the outlook for the Far East, the Committee says that cotton consumption could conceivably exceed last season's level, particularly if the export outlook for textiles improves. Referring specifically to India and then to the position in Japan, the Committee says:

"Deducing from the recent trends in this country, however, it would appear that the fundamental factor in future cotton consumption will be the state of domestic demand for cotton textiles. Here, it might be noticed that the freeing of the industry from price and distribution controls imposed in earlier years for the protection of the domestic consumer may be temporarily indicative of an approaching equilibrium between supply and demand internally—temporarily, because the pressure of population and the current low *per capita* consumption of cotton textiles should in the longer period make for a further expansion of the textile industry in India, provided there is no major setback in the progress toward greater industrialisation and in the economy of the country in general. In short, although the potential demand for cotton textiles in India is still very great, the problem is to create sufficient purchasing power to make such demand effective. The Five-year Plan makes provision for a significant expansion of domestic textile production.

"Much the same situation exists in Japan with perhaps a somewhat greater emphasis on the future of cotton textile exports. In the last two years, exports of cotton textiles from Japan have been in significantly greater volume than exports from India, while their relative importance is immeasurably greater—some 34 per cent. of total textile production in Japan during 1952."

The third important determinant of Free world cotton consumption is Western Europe. The export segment of the main European textile industries shows signs of a return to more normal operations, with the exception of Italy where the export situation is dull. But the future of exports from the Western European countries has been affected by the fall in the purchasing power in their important textile markets in the East and the increasing competition on a buyers' market not only with countries outside this area but between the individual European countries themselves. The European textile industry has, however, shown very definite signs of recovery in recent months, thanks to the revival in domestic demand influenced among other things by the rising level of employment and incomes and lower textile values. The Committee, therefore, makes the tentative estimate that the consumption of cotton in Western Europe during 1953-54 may not vary significantly from the 6.5 million bales consumed in 1952-53.

In conclusion, the Committee estimates that there does not appear to be any significant change from last season's total consumption in the Free world of 25.8 million bales, although there are likely to be relatively minor changes in the individual countries. But this conclusion, the Committee emphasises, is subject to there being no new political development or adverse economic trends in the Free world.

U.S. COTTON CROP

The latest estimate of the U.S. Department of Agriculture (8th November forecast) places the 1953-54 cotton crop at 16,093,000 bales, as compared with the 8th October forecast of 15,596,000 bales and last season's final output of 15,136,000 bales. The yield per acre is placed at 325.4 lbs. as against the October estimate of 315.4 lbs. and last season's final estimate of 282.7 lbs. The yield is held a new all-time record, since it is 14.1 lbs. above the previous record in 1948. In trade circles, the estimate caused little surprise, as it had been anticipated that the crop would be larger than what had been indicated in the October estimate. In fact, the latest estimate is somewhat below the figure predicted by private sources. Interest in the U.S. has now switched over to the question of the extent of next season's cotton acreage. The Secretary of Agriculture has laid down that, under the existing laws allotments will be 17.9 million acres and marketing quotas 10 million bales. These fixtures, according to certain reports from the U.S. are likely to be stepped up to 21 million acres, with a corresponding increase in the quantity of cotton actually grown. Although even this would represent a reduction of 15 per cent. in cotton acreage in the current season, there may not be a substantial decline in production as compared with the present season, in view of the improvement in production caused by increased mechanisation and farming practices.

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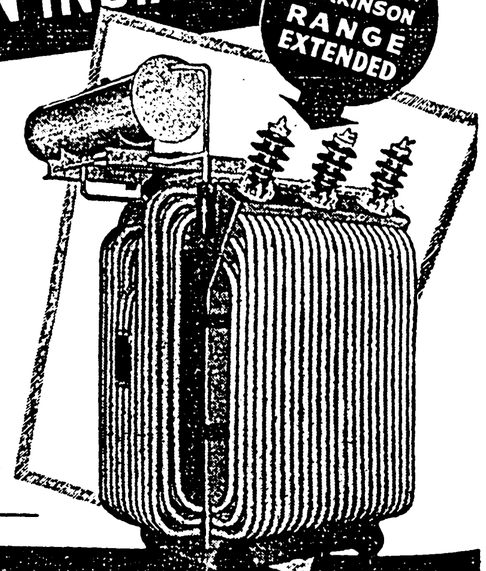

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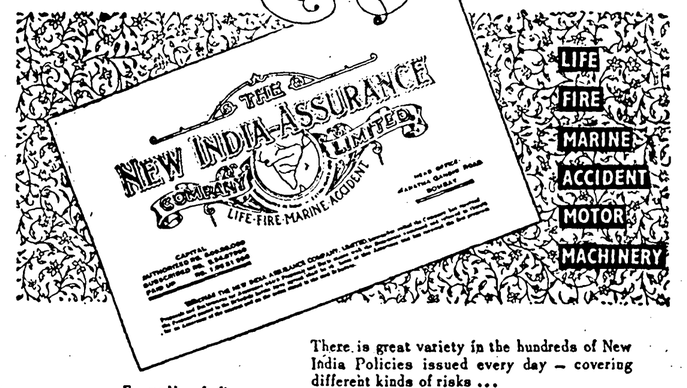

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SUGARCANE DEVELOPMENT IN INDIA

INTENSIVE CULTIVATION, NOT INCREASE IN ACREAGE, THE REAL SOLUTION

SUGAR, as a leading sugar millowner in India once very aptly remarked, is made not in the factory but in the field. This indicates how vital a role sugarcane plays in the economy of the sugar industry; cane accounts for as much as two-thirds of the total cost of sugar manufacture. Thanks to this peculiar characteristic of the industry, particular attention has to be paid to sugarcane research and development wherever the industry is developed. The major sugar-producing countries of the world, such as Java, Hawaii and Cuba have been spending large sums of money on cane research and development. In fact, this has been one of the major factors responsible for the Java sugar industry securing a commanding position in the world sugar map.

In India also, efforts have all along been made to promote research in the sphere of sugarcane cultivation. Considering, however, that, notwithstanding the research done for several years, the quality of cane and the yield of cane per acre have registered no appreciable improvement in the principal seats of the industry, it must be said that the efforts have not met with adequate success. During the 21-year period since the grant of protection—1931-32 to 1952-53—for instance, the aggregate acreage under sugarcane has increased by more than 73 per cent., while the yield has risen by only 48 per cent., which means that the trend of average yield per acre must have been downwards.

With a view to augmenting the yield of cane, the Planning Commission has rightly laid special emphasis on intensive development of sugarcane. Despite the attempts made in the different States in this direction, nothing worthwhile seems to have been achieved. In fact, the yield of cane has not only not increased but has actually declined, the all-India average yield per acre for 1952-53 being 12 tons, as against 12.6 tons during 1951-52.

Per-acre Yield of Cane

The table below indicates the average yield of sugarcane per acre in the different States during the season 1952-53 as compared with the previous season:

(In tons)

	1951-52	1952-53
Bombay	28.8	24.8
Madras	26.7	26.6
West Bengal	17.8	20.0
Hyderabad	20.7	19.4
Orissa	18.7	18.8
Mysore	18.4	15.8
Madhya Pradesh	12.0	11.7
Punjab	11.7	11.1
Assam	11.2	11.0
Uttar Pradesh	10.7	10.0
P.E.P.S.U.	9.1	11.4
Madhya Bharat	8.5	9.0
Rajasthan	8.2	8.8
Bihar	7.2	6.8
All-India average	12.6	12.0

It will be seen from the foregoing figures that, barring West Bengal, Orissa, Rajasthan, Madhya Bharat and P.E.P.S.U., the yield of cane per acre in all the other States during 1952-53 was lower than that in the previous season. The all-India average yield is not more than 12 to 13 tons per acre, which is the average for the last 18 years. It is interesting to note that the average yield of cane per acre in Hawaii is as high as 62 tons and in Java 56. It is true that, in some of the estates in the Deccan and South India, the yield has been almost equal to the yield in these two countries, but they are exceptions, accounting for only a fraction of the total quantity of sugarcane produced in this country.

It is not the yield of cane per acre alone that is at a low level. The quality of the cane is also distinctly poor. Thus, the average recovery percentage of sugar in cane in India during 1952-53 was just 9.97, which compares very unfavourably with 14.33 in Australia, 12.93 in Formosa, 12.25 in Cuba, 12.23 in Puerto Rico, 12.08 in Mauritius, 11.49 in Java and 10.46 in Hawaii. Indeed, comparing the sucrose content of cane in India with that in the other sugarcane-producing countries, we find that it is the lowest in the world, with the exception of British Guiana and Louisiana.

The one conclusion that emerges from the foregoing study is that adequate attention has not been paid to intensified cultivation of cane. As the fortunes of the sugar industry are closely linked to a healthy and prosperous sugarcane economy, it is of the utmost importance that the yield of high sucrose content cane per acre is stepped up, especially in areas like Uttar Pradesh and Bihar.

A section of sugar interests, however, lays greater emphasis on extensive development of cane cultivation than on intensive development, with a view to raising sugarcane output. Inaugurating the recent Kanpur Convention of the Sugar Technologists' Association of India, Lala Shri Ram, a prominent sugar industrialist, stated, for instance, that "expansion of sugarcane cultivation is an urgent matter which deserved priority even before the improvement of cane varieties, which will, in any case, take some time." Lala Shri Ram went even to the extent of saying that the fear that such expansion might adversely affect the production of the staple food crops was not well founded. The two arguments which he put forward in support of this contention were: (1) sugar itself has a much higher food value (calorific) than cereals which are the usual rivals for the type of land growing sugarcane; (2) sugarcane occupies but 1 per cent. of the land under cultivation and a slight increase is not a matter for panic.

Intensive Development

It is rather difficult to agree with this line of reasoning adopted by Lala Shri Ram. For, considering the shortage of basic food crops, the country cannot afford to devote a larger share of the land for cultivation of sugarcane than it is doing at present. It was precisely this aspect which was stressed by Mr. Desraj Narang, the President of the Association. Indeed, if the area under sugarcane, especially in U.P. and Bihar, could be reduced, it would be welcome. This certainly can be done without any adverse effect on the total supply of sugar (both *gur* and white sugar) in the country. All that needs to be done is to increase the supply of cane to the sugar factories at the expense of *gur*. It is common knowledge that *gur* production results in an enormous wastage of energy-giving sucrose which could be avoided if the cane is crushed in factories. In these days of State patronage to cottage industries and uneconomic means of production, it is too much to expect this suggestion to receive any favourable response. The only alternative, therefore, is concentration of attention on intensive cultivation of cane, that is evolution of good quality cane with high sucrose content and increasing the yield of such cane per given area of land. This can be achieved by implementing the schemes relating to the provision of adequate irrigation facilities for cane-growing tracts, seed nurseries for the supply of sufficient quantities of disease-free seeds of suitable varieties, manures and fertilisers of the right type, qualified personnel to carry the results of research to the cane growers, an efficient plant protection service, zonal centres and soil extension service.

Two Conditions

The successful implementation of these schemes, it is scarcely necessary to point out, presupposes fulfilment of two fundamental conditions. First, the several small and scattered holdings should be made amenable to consolidation and utilisation of mechanised cultivation. Secondly, the State Governments should utilise the entire cane cess collected from the factories for cane development. As regards the former, it is gratifying that several State Governments—Uttar Pradesh, Bombay, Madhya Pradesh, Punjab and P.E.P.S.U.—have passed legislation for consolidating agricultural holdings. This alone is not sufficient. Not only has the legislation to be enforced, but, where this is found inadequate for the purpose, special measures such as co-operative farming must be taken. With regard to the cane development work, the cane cess should be utilised entirely for this on the lines indicated in these columns last week.

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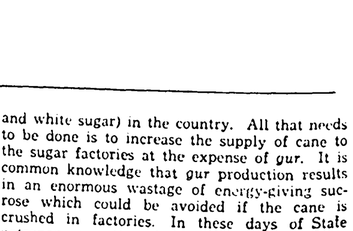



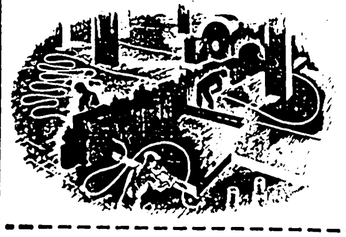

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LABOUR RELATIONS IN COLLIERIES

CORRUPTION BY TRADE UNION POLITICS

THE labour-management relations in the collieries in India are being disturbed by extremist political elements for the aggrandisement of their personal and political advantages. This has led to widespread and contagious spirit of indiscipline which is bound adversely to affect, in the long run, the already low productivity of the worker and increase thereby the cost of production of coal. Some idea of the extent to which labour relations have deteriorated in the collieries of the Bengal Coal Co., Ltd., for instance, was given by Mr. G. A. S. Sim, the Chairman, in his speech at the last half-yearly general meeting of the Company, published in a previous issue of *Commerce*. He said:

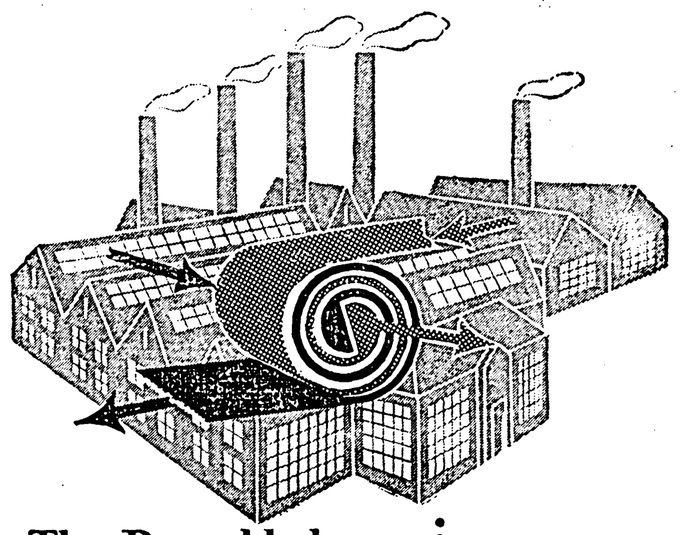
"The established and recognised union of the majority of your collieries is the Colliery *Mazdoor* Congress, which is affiliated to the Indian National Mineworkers' Federation, and in turn to the I.N.T.U.C. The leadership of this union has been the subject of political manœuvre between the Congress Party and the Praja Socialist Party, further aggravated by differences between the President and the Secretary of the union. Consequently, field work amongst the workers has been neglected over a period of years, leaving the more volatile elements vulnerable to exploitation by extreme left-wing political parties who have accepted this opportunity to intervene and cause disruption."

This is certainly a bad state of affairs. It is conceded by all reasonable men that there should, as far as possible, be only one union in an undertaking and its activities should be divorced from policies. If there are more than one, the union which is the most representative one, according to the findings of the Labour Commissioner, should be given the recognition by employers and all workers should abide by the agreements arrived at by talks with that union. The only way to minimise the influence of outside elements on trade unions is to restrict the participation of outsiders in the executive boards of the unions. It has, for instance, been suggested that the number of outsiders should not exceed four or one-fifth of the total membership of the executive body, whichever is less. Unless something is done quickly to cleanse the trade union movement in the country on these lines, the economic progress of the country will be seriously retarded. It will be appreciated that it will be impossible to maintain sound labour relations if rival political leaders, in their struggle for power, disregard the economic interests of the workers, whom they claim to represent, by giving them false hopes. The non-realisation of these hopes gives rise to frustration and discontentment. The workers then easily become victims to instigation of violence. It is thus that peace in industrial establishments gets disturbed.

The latest reports from the various collieries reveal that labour leaders have been raising high hopes about the outcome of the proposed tribunal to consider the demands of labour for a revision of the Conciliation Board Award of 1947, on which is based the wage-price structure of the collieries. The Government, however, still seems to be undecided on this question, because it is reported that it is contemplating the setting up of a Conciliation Board as an alternative measure. Commenting on this aspect, Mr. Sim observed as follows:

"This might be preferable to a Labour Tribunal, since, if employers and labour sit down at a table to debate each other's points of view before an independent adjudicator, the result should reflect the nearest approach to mutual agreement. It appears, however, that much additional information on this wide subject may be required before either course can be followed, as the results must inevitably be felt far beyond the confines of the coal industry. It has been calculated, from the figures of fourteen coal companies under six managing agencies, that, if these demands had been met and had applied to the 1952 output, the average cost of production would have risen by Rs. 8.075 per ton. The consequent appreciable increase in price to the consumer could only result in a wave of inflation affecting all basic industries, throwing out of gear the intricate calculations of the Planning Commission, and inevitably disrupting the whole economic structure of the country."

The observations of Mr. Sim are, indeed, pertinent. What the industry is in need of at present is relief from the many burdens which it has been bearing for a long time. It is high time that trade union leaders in this country realised that economic conditions in the country have changed, that the time for demanding more and more wages and amenities for workers has long past and that the workers will have to work harder than ever before to sustain even the existing level of their emoluments.



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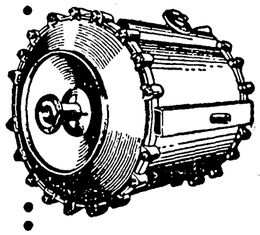

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REHABILITATION OF RUBBER PLANTATIONS

INDIAN RUBBER BOARD SEEKS GOVERNMENT AID

A FEW months back Indian rubber producers were faced with the serious problem of heavy accumulation of stocks. This was brought about by the sharp rise in output during 1952 to a record level of 19,863 tons—an increase of 2,715 tons over that in 1951—accompanied by a fall in consumption. At the beginning of the year 1953, there was a stock of 10,351 tons with the growers, dealers and manufacturers. Indian rubber growers sought, therefore, the permission of the Government of India to export at least 1,500 tons from India to counteract the artificial slump created by the lack of demand at controlled prices. The request was not granted. The position has since eased to some extent. As at the end of September, 1953, for instance, there was an unsold stock of only 6,403 tons, made up of 3,664 tons with estates and dealers and 2,739 tons with manufacturers. This, however, does not mean that the rubber industry has turned the corner and is in a comfortable position. They are still faced with the problem of rising production and of finding a permanent solution to absorb the increasing output. A more vital problem that has been exercising the minds of rubber growers is the rehabilitation of old and worn out rubber areas. It is but appropriate, therefore, that these two issues should have received prominence in the address of Mr. A. V. Thomas, M.P., Chairman of the Indian Rubber Board, at the sixteenth meeting held in Cochin last week.

Long-term Solution Needed

Though the accumulation of stocks may be termed as a normal seasonal phenomena due to the time lags between slow and intensified buying by manufacturers during the months of lean and better production, the problem cannot be dismissed so lightly as that. For, according to Mr. Thomas, this would have been manageable upto a point, as had been done when the overall production was around 15,000 to 16,000 tons a year, but it is not so easy when, as now, production is in the neighbourhood of 20,000 tons per annum. The output upto the end of September during the current year amounted to 13,920 tons, as against 13,035 tons in the corresponding nine months of 1952. In view of this rising trend in production, Mr. Thomas averred that the problem should be viewed from a different aspect and the solution must be of a long-range nature. If the proportion of consumption by manufacturers was not enhanced, Mr. Thomas feared, there would always be an accumulated stock position, almost as a recurring feature.

When the Rubber Board supported the growers' plea for export of 1,500 tons and recommended to the Government of India to that effect, it was made mostly with a view to affording immediate relief to them. But the Government did not take any action. However, as already pointed out, there was a decline in stocks and planters got relief. Explaining the causes that brought about this relief, Mr. Thomas said that this year the onset of the monsoon was late and when rains came they came with all the vehemence and continuity unknown to rubber planters for some years past. This naturally resulted in the loss of a great number of tapping days, as compared with similar periods last year and the year before. Moreover, under the Minimum Wages Act, the planters were compelled to give up tapping on Sundays as it would otherwise make too much inroads into their meagre economy. This was also responsible for the lower production. Further, there had been better buying and fairly quick and fast movement of stocks during the past few months. The planters did not, therefore, feel the accumulation of stock in recent months to such an extent as had been feared when the Rubber Board recommended the export of 1,500 tons. This did not mean, Mr. Thomas hastened to add, that the movements were all absolutely logical. Sales did take place and stocks did move, but prices obtained by producers were never anywhere near what was contemplated by the Tariff Commission as the fair price to the producers.

What is causing great anxiety among the growers is the prospect of accumulating stocks becoming a permanent problem. Mr. Thomas said this appeared almost inescapable as things stood now. For, on account of good rains this year and with many younger new planted areas coming into full maturity, the production would go up to further high levels. Mr. Thomas foresaw that, unless something was done to stimulate the offtake of rubber either through domestic consumption or exports, accumulated stocks, selective buying by manufacturers and distress sales would become the order of the day again. According to his estimates, at the end of the current year, stocks of unsold rubber would be about 9,357 tons.

Rehabilitation

Turning to the problem of rehabilitation, Mr. Thomas said that about 70,000 acres of old and worn out areas required to be replanted or new areas planted out with improved high yielding material. According to the report of the Development Committee for the Rubber Plantation Industry, the total area which required replanting was 120,000 acres, and the Committee recommended that 70,000 acres should be replanted during 1953-62 and 50,000 acres after 1962 or 1963. At the rate of Rs. 1,000 per acre, the cost of replanting 70,000 acres would amount to Rs. 7 crores. The main difficulty in undertaking this task was the lack of finance. Mr. Thomas desired that, irrespective of whether the finance was to be found by subsidy from Government, as is the case in Ceylon, or by any other means, the development scheme should be taken in hand immediately.

The Indian Rubber Board has passed a resolution requesting the Union Government to include the rubber rehabilitation scheme in the Five-year Plan and to allot necessary funds for subsidising the development plan for the rubber plantation industry. The Board has also requested the Government to take suitable steps for the opening of a rubber research laboratory and experimental station.

In this connection, the suggestion of the *Indian Rubber Bulletin*, the organ of the Association of Rubber Manufacturers in India, in its November issue, for establishing a development board after the pattern of the British Rubber Development Board, is worthy of consideration. This suggestion has been made in view of the considerable scope for the development of new uses for natural rubber. The International Rubber Development Committee, it would appear, has allocated various regions, including India, to the British Rubber Development Board for its operations. The British Board is not directly represented in India at present. In its absence the *Bulletin* suggests that a development body or our own be established. Such a Board, if formed, we may add, should work in co-ordination with the Indian Rubber Board, so that the growing output of Indian latex could be absorbed easily. In its October issue the *Bulletin* has published an article indicating the new vistas for rubber which makes interesting reading

(Concluded from next column)

On the basis of production of jute goods, the consumption of raw jute in October, 1953, may be placed at 387,336 bales, as compared with 445,695 bales in September, 1953.

With the output of 66,789 tons in October, the total production for the four months July-October, 1953, of the current season aggregates 286,400 tons, as compared with 304,944 tons in the same period last year. The consumption of raw jute, on the basis of production, during the four-month period may be put at 1,660,336 bales, as compared with 1,768,701 bales the previous year.

CENTRAL JUTE COMMISSION

The Central Jute Commission, headed by Mr. K. R. P. Iyengar, has completed its tour of Orissa. The Commission met representatives of the recently formed Orissa Jute Growers' Association and Patkura jute growers. The former urged that nothing but a steady and favourable jute policy of the Government can save the cultivators, and stated that Orissa, which stood fourth among the seven jute producing States in India, had an area of 161,340 acres under jute in 1951-52. This area dropped to 116,471 acres in 1952-53 and still further by 50 per cent. in 1953-54. The average yield per acre was, according to the Association, 11 maunds.

The Association further pleaded for the fixation of a minimum price for jute as also a ceiling for the acreage under jute, taking into consideration the food position in the country and the possible market for jute. It urged also the opening of a jute research institute in Orissa. It opined that India should do without Pakistani jute as far as possible.

The Commission, which is scheduled to report to the Central Government by the middle of September next, has yet to visit Bihar, Assam and North-West Bengal.

JUTE GOODS STATISTICS

STOCKS DECLINE—OUTPUT LOWER

THE stocks of manufactured goods with Indian jute mills at 102,713 tons as on 31st October, 1953 disclose a fall of 13.5 per cent. as compared with those at the end of the preceding month. In fact, they are the lowest touched for any month since December, 1952, when they stood at 114,938 tons. The fall in the stocks was partly due to a decline in the output, during the month, from 73,097 tons to 66,789 tons, owing to the intervention of *Puja* holidays and partly to higher offtake. Despatches in October at 82,746 tons were substantially larger than the output, but they were a shade lower, by 6,200 tons, as compared with despatches in September, 1953.

The table below gives at a glance the position of the various types of stocks of jute goods as at the end of each of the three months ended October, 1953 and the end of same month last year:

	As on			
	31-10-53	30-9-53	31-8-53	31-10-52
Civil				
Hessians	30,044	36,148	41,468	28,556
Sacking	69,403	79,494	83,039	60,855
Others	2,208	2,160	1,834	1,763
Total ..	1,01,655	1,17,802	1,32,240	91,204
Government				
Hessians	823	530	617	319
Sacking	698	332	699	3,411
Others	32	..	3	23
Total ..	1,058	862	1,219	3,753
Grand total ..	1,02,713	1,18,670	1,33,459	94,957

A glance at the table above reveals that the fall in the stocks was shared by both hessians and sackings. The stocks of hessians declined from 36,684 tons to 20,372 tons and those of sackings from 79,826 tons to 70,101 tons. It will be noted that the depletion in stocks of sackings was more pronounced than in those of hessians. This suggests that the month under review witnessed a good offtake of sackings. Stocks of other varieties, however, remained more or less unchanged at 2,200 tons.

During the month under review, the output of jute manufactures by Indian mills amounted to 66,789 tons, as compared with 73,097 tons in September and 68,138 tons in August, 1953. The output was also lower than that in the same month last year when it amounted to 76,844 tons. Part of the decline in the output may be attributed, as stated already, to shorter working days on account of the *Puja* holidays. The output figures for November when published may be expected to be considerably better. For not only have the stocks of jute goods gone down but the mills are reported to be having good enquiries from the U.K., U.S., Argentina and Burma. Besides, prices of both hessians and sackings have registered a marked improvement during the past few weeks and mills are reported to have booked orders in certain cases as far as June next. In the circumstances, mills have adequate incentive to produce relatively more jute goods. Of course, the firmness of the raw jute market may act as a limitation, but by now mills must have built up considerable stocks of raw jute, for, immediately following the announcement of lower crop estimates both here and in Pakistan, they had made sizable purchases and these should stand them in good stead at present for producing more goods.

The table below gives a summary of the output of the various categories of goods in each of the three months ended October, 1953, as also in October, 1952:

	October, 1953	*September,* 1953	*August,* 1953	*October,* 1952
Civil				
Hessians	30,754	32,701	30,055	24,091
Sacking	32,836	30,611	34,071	44,573
Others	2,307	2,630	2,420	3,522
Total ..	65,897	72,038	67,146	72,186
Government				
Hessians	510	821	637	3,330
Sacking	350	238	302	1,328
Others	32	..	3	..
Total ..	892	1,059	992	4,658
Grand total ..	66,789	73,097	68,138	76,844

As will be seen from the above table, the output of both hessians and sackings, as also of others, declined during the month under review. The output of hessians receded by 2,400 tons to 31,264 tons. The recession was slightly greater in the manufacture of sackings, in that the output was only 33,186 tons as compared with 36,849 tons in September, 1953. The output of others was lower by about 300 tons at 2,339 tons.

(Continued in previous column)

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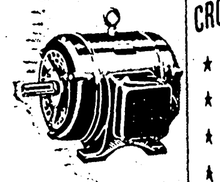
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SYMPOSIUM ON REINFORCED CONCRETE

PROGRESS OF RESEARCH ON NEW BUILDING MATERIALS

A THREE-DAY symposium on "Reinforced concrete in India to-day" was held last week in Roorkee. Representatives of the Union and State Public Works and other Departments, national laboratories, research institutes, universities and the building industry participated in the symposium. Eminent engineers and scientists from France, Japan, Germany and the U.S. also took part in the proceedings.

The symposium, unique of its kind in India, was organised by the Council of Scientific and Industrial Research. The themes for discussion were divided into materials, design and construction. Over sixty contributors submitted papers on these subjects. The papers reviewed the progress achieved in the country in these fields and the contributions made by India to the theory of these three subjects. Research on timber and steel engineering was also highlighted at the symposium.

Inaugurating the symposium, Dr. S. S. Bhatnagar, Secretary, Union Ministry of National Resources and Scientific Research, and the Director of Scientific and Industrial Research, traced the growth of the cement industry in India and the role of concrete in building techniques. He was confident of a brighter future for the Indian cement industry.

The Indian cement industry is one of the biggest industries in the country, with a definite role to play, especially in the execution of river valley projects. In fact, one may say that the present age is one of steel and concrete. There were 23 factories in undivided India prior to the Partition. Out of these, five factories went to Pakistan. Since the Partition, additional units have been installed and India has now 23 cement factories, with an installed capacity of four million tons per annum. In order to meet the increasing demand for cement, a target of 5.4 million tons to be attained by 1955-56, has been laid down for the industry in the Five-year Plan.

The Central Building Research Institute is carrying on research on reinforced concrete. As its work progresses, the dual problem of finding other substitutes for steel and effecting economy in the use of steel in reinforced concrete is expected to be solved. A scientific study of reinforced concrete roads has also been undertaken at the Central Road Research Institute. These developments will provide ample scope for building and roadmaking machines in India. Scientific methods for testing raw materials and pre-stressed concrete structures with a view to determining their suitability and application of durability test to the finished structures are also being studied.

Varied Progress

A picture of the varied progress in India made in the field of research on new building materials emerged from the papers read at the symposium. Investigations on materials available at the Hirakud site for satisfactory concrete mixes have indicated that by using a suitable type of pozzuolana, considerable economy in expenditure and other benefits can be had. In the research for pozzuolanic material, the Hirakud Research Station has discovered that Talabira clay (a type of fire-clay) yields good clay cement mixes. Its amenability to pulverisation offer a further advantage in using this clay. Vermiculite is another mineral the possibilities of which in construction work are receiving increasing recognition. It gives concrete and plasters improved heat and sound insulating and fire-resisting properties. Deposits of this mineral were discovered in Mysore in 1948. Till now, the quality of the Mysore mineral has been considered to be poor for use in building construction. But research undertaken at the Central Building Research Institute has shown that the quality of the mineral can be considerably improved by cleaning with water to remove foreign matter and by treatment with chemicals.

Research undertaken in the Central Building Research Institute, Roorkee, has shown that the coal ash discharged every day from the boilers of the Sindri Fertilisers can be used as a light-weight aggregate for non-load bearing members, not directly exposed to weathering. Ash grains of a certain size can be used as a substitute for sand aggregate which when used can yield cement mortars with a higher tensile strength than ordinary cement mortars. Ground ash can be used in the manufacture of pozzuolanic cements and can replace 10 to 20 per cent. of the Portland cement.

Steel and Timber

Steel and timber are other construction materials on which research has progressed in India. The increased strength of twin-twisted steel bars has been recognised for over a quarter of a century. The Central Building Research Institute has introduced certain refinements in twin-twisting, which increases its efficiency and brings down the cost of the required equipment. The C.B.R.I. machine used for this purpose is an old lathe taken from a scrap heap of surplus machines, rusting away in a neighbouring workshop, and it was reconditioned at a cost of Rs. 200. In the effort to save steel in reinforced concrete structures, great efforts have been made to find a suitable substitute. Bamboo is one of the materials which has been tried and it is found to be better than cane for this purpose. The chief difficulty with bamboo is its large amount of absorption of water and swelling and consequent cracking of the surrounding concrete during setting. Research has shown that these defects can be remedied by giving coatings of resin dissolved in alcohol and a subsequent coat of white lead.

Some of the papers read at the symposium viewed with concern the increase in building cost by 200 per cent. to 300 per cent. and even more. The increase in building costs is considerably higher than that in the general cost of living. Consequently, they stressed the need for low cost housing. In this connection, they pointed to a structure provided in the Central Building Research Institute's Shell House, which is designed to approach the problem from the direction of functional requirements. It uses the minimum amount of material and labour, consistent with satisfactory strength and stability and effective protection against rain, wind, heat and cold. The problem of covering floor area without intermediate supports, using the minimum amount of materials, has been solved by using concrete in an arch. Corrugations increase the strength of this thin plate of concrete and these shells can be produced cheaply on flexible hessian moulds. For better insulation of heat and sound, a double shell can be employed.

The symposium also brought to light the importance of the experimental work now being carried out in the C.B.R.I. on the use of country earthen tiles for the construction of roofs. The progress made by the Indian railways in making increased and varied uses of concrete in the building of low-cost staff quarters and the like was appreciated at the symposium.

HIRAKUD DAM PROJECT

The Hirakud Control Board, which held its two-day session last week at Sambalpur, considered the revised estimate for the first stage of the Hirakud Dam Project, submitted by Mr. Thirumale Iyengar, the Chief Engineer. According to the revised estimate, the cost of the first stage of the project will be as high as Rs. 71.28 crores, as compared with the original estimate of Rs. 69 crores. The revised figure excludes the credit for the residual value of plant and machinery. The first stage envisages the construction of a dam at Hirakud which will provide irrigation facilities to Sambalpur area. It is expected to be completed by 1956.

The Board requested the Government of Orissa to transmit the revised estimate to the Government of India for sanction. It decided that the Orissa Government should undertake the construction of watercourses in the Sambalpur zone after the Hirakud authorities carried out an experiment in a small block and furnished a scheme for adoption by the Orissa Works Department for execution. The Board accepted, in general, the power transmission line system proposed by the Chief Engineer. It also considered the general report of the Sivaraman Committee on the question of water rates and betterment levy in the area to be benefited by the Hirakud dam waters.

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PIG IRON PRICES RAISED

MYSORE WORKS TO BENEFIT

THE Government of India has increased the selling prices of graded and low manganese foundry pig iron by Rs. 20 per ton, with effect from 14th November. As a result, the price of standard Grade I pig iron is Rs. 163 per ton f.o.r. main port for sales by registered producers. The prices of off-grade pig iron have also been raised, albeit to a smaller extent, the increase varying from Rs. 10 to Rs. 12 per ton, depending on the sulphur content.

This is the third increase in the selling price of pig iron in the past two years, though the object of raising the price this time is different from that on the previous two occasions. In August, 1951, the ex-works retention price was raised from Rs. 92 per ton to Rs. 118 per ton for Grade I in order to cover the cost. The selling price was higher than the ex-works retention price by Rs. 15 per ton, this margin representing the cost of transport of raw materials. Virtually, therefore, the selling price was the price that was received by the T.I.S.Co. and the I.I.S.Co. On 16th June, 1952, the selling price was raised further by Rs. 10 per ton; this time, the increase was necessitated by the rise in cost of transport, consequent on the raising of the freight rates. The present increase of Rs. 20 per ton (Standard Grade I) is for an entirely different purpose which is unrelated to two principal producing companies, as we shall presently show. Neither of them gets any benefit from this increase. The only change that has happened so far as these companies are concerned is that what was hitherto described as selling prices become ex-works retention prices. This change in nomenclature does not mean any increase in the profit margin of these companies determined by the Tariff Commission. The difference between the prices of the ex-works retention price and the new selling prices will be credited to an equalisation fund as in the case of steel. Thus, for the first time an equalisation fund has been created for pig iron.

Subsidy to Mysore Works

All these changes have been effected with a view to enabling the rate of the sale of costlier pig iron produced by the Mysore Iron and Steel Works. The pig iron products of this Company which were hitherto free from price control are now brought under control. These products will now be sold to consumers at the same prices as those of the other two companies. The proceeds of the equalisation fund will be utilised to subsidise the production of the Mysore Iron and Steel Works to the extent to which its cost of production exceeds the uniform selling price now fixed by the Government.

The present arrangement is expected to help the Government of India to dispose of the large stocks of high-cost pig iron produced by the Mysore Iron and Steel Works. These stocks are placed at about 45,000 tons. It is true that the high price of Mysore pig iron is partly due to the higher quality of the product, as compared with those produced by the other two producers, but the foundries and other consumers seemed to be satisfied with the low-priced pig iron of the other two companies. Thus, market conditions have compelled the disposal of the high quality Mysore pig iron at the same price as that for the pig iron produced by the I.I.S.Co. and the T.I.S.Co. This is an indication of the extent to which the buyers' market has come to prevail even in a commodity the supply of which is admittedly less than the demand.

Be that as it may, the beneficiary of this step is not the Mysore Iron and Steel Works alone, for the consumers of pig iron as a whole also derive some benefit from it. Pig iron is undoubtedly in short supply and, if Mysore pigs are pooled with other supplies for distribution to foundries, it will relieve the shortage to some extent by bringing into use a certain quantity which could not be used hitherto. But, as Mysore pig iron is of high quality, it should be so distributed as to enable those who are in need of these high quality pigs to get them. In other words, there is need for a judicious allocation of this supply.



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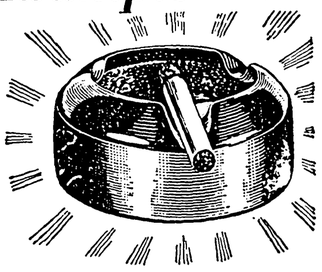



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DIFFICULTIES IN WAY OF EXTENDING STATE INSURANCE

REGIONAL BOARD FORMED IN MADRAS

SOME of the important issues which faced the *authorities who are in charge of the State Insurance Scheme and the difficulties in the way of a speedier implementation of the Scheme* figured prominently in the speeches made last week by Mr. V. V. Giri, Union Minister for Labour, Mr. K. K. Bhargava, Director-General of the Employees' State Insurance Corporation, and Dr. U. Krishna Rao, the Minister for Labour, Madras State, on the occasion of the inauguration of the Regional Board at Madras. The Scheme which is now in operation only in Delhi, Kanpur and Punjab, is now sought to be extended to South India. The Madras Regional Board will be entrusted with the responsibility of looking after the administration of the Scheme in the States of Madras, Andhra, Hyderabad, Mysore, Travancore-Cochin and Coorg. It will, however, take some time before it is implemented all over these States. At present, the Scheme will be confined to the Coimbatore District of the Madras State.

Mr. Giri regretted that it had not been possible to extend the scheme more expeditiously, which fact he attributed to certain "unexpected" difficulties. Now the extension of the Scheme depends not merely on the co-operation of the employers and the employees, who are the principal contributors, and the Central Government, to which is entrusted the overall control, but also on the State Governments and the doctors who have to work under the Panel system. The State Governments have to bear a part of the cost of providing medical care, besides contributing one-third of the cost of the Scheme. Here is the rub. The State Governments feel—at least some of them have felt—that what they were being called upon to bear was "to much" for them and that the Corporation itself should take a part of their burden. The Corporation and the Central Government were, therefore, compelled to "embark on the prolonged process of convincing the State Governments concerned through facts, figures, persuasion and entreaties." But even after some of them were convinced, the path of progress was not smooth for there was another obstacle to be overcome. This related to the opposition of the Panel doctors who felt that the remuneration permitted to them was "meagre." Dr. U. Krishna Rao also referred to the same difficulty when he pointed out that the Indian Medical Association had held that the fee proposed to be paid to the doctors under the Scheme was "quite inadequate," though he expressed the hope that, in the actual working of the Scheme, the goodwill and co-operation of all parties would be forthcoming in an abundant measure. These were the main difficulties which, according to Mr. Giri, had held up the progress of the Scheme. He, however, expressed the hope that the Regional Boards which were being set up would result in a high standard of service and in satisfaction to the workers.

The delay in extending the Health Insurance Scheme under the auspices of the Employees' State Insurance Corporation throughout India has, as is well known, introduced a certain difficulty for some employers. These employers have already been providing a very high standard of medical care for their workers. Indeed, the standard is sometimes much higher than what the Corporation could offer. They naturally feel that they could not continue this service and also make their contributions to the Corporation. It is gratifying to note that the Corporation is alive to this very legitimate grievance of the employers, for Mr. Giri revealed that the Corporation had been considering the "question of utilising the facilities provided by the employers on the basis of suitable financial arrangements."

The State Insurance Corporation has now implemented the Scheme for over 1½ years in Delhi and Kanpur and for nearly six months in the Punjab. This is not certainly a very long period on the basis of which one could judge the success and popularity of the Scheme. It would, however, appear that an increasing number of workers is utilising the medical benefit granted to them under the Scheme. So far as the cash benefit is concerned, it has been in existence in Delhi and Kanpur only for a year now, whereas in the Punjab it will come into effect only in February, 1954. Mr. Giri stated, in this connection, that "such experience as they had in respect of cash benefits had been favourable." The payment of cash benefits had generally given *satisfaction to the insured persons.*

The delay in the implementation of the Scheme has brought to the fore yet another problem, the problem of accumulated contributions. The Corporation has been able to effect appreciable savings which have been invested in Government securities. What is the best way of utilising these surplus funds? The Corporation, Mr. Giri said, was now engaged in the examination of the best possible method of utilising these funds. The proper way of spending these savings, as Mr. Giri himself indicated, is to divert them for the construction of hospitals for insured persons. Perhaps, the Corporation will do well to construct separate hospitals only in those centres where the existing facilities are too inadequate. In many centres, it should be possible to economise this item of expenditure through suitable additions to the existing hospitals.

The success of the Scheme, as was repeatedly urged by many speakers at the meeting, depends on the co-operation of all the concerned parties—the Union Government, the State Governments, the employers and employees, and the doctors. The Regional Boards have an important role to play in the success of the Scheme. After all, it is these Boards that will be in constant touch with the people who will have to implement the scheme and those who will benefit by it. From this point of view, it is noteworthy that the Corporation has, according to Mr. Bhargava, decided to delegate to the Regional Boards certain executive powers so that the day-to-day work might be done more expeditiously. It is to be hoped that this device, which ensures that the local interests are more intimately associated with the Scheme, will contribute to the more successful working of this welfare measure.

DISABILITY RISK

Many insurers now recognise that an insured person must be protected against the contingency in which he might be permanently disabled from working, and therefore from paying his premiums. But even such insurers restrict this benefit only to those who are disabled through an accident. Pleading for a wider coverage so as to enable the insured persons to get a cover adequate enough to meet other causes of disablement, Mr. N. H. Lalwani, in a communication to us, says:

"Quite a number of leading Indian life offices have been granting since a number of years disability risk in their policies without any extra but the disability has to be the consequence of an accident and not a disease. This is hardly any benefit as is evidenced by the claim experience. Permanent disability is mostly the consequence of a disease. The business of leading Indian life offices has expanded sufficiently and their financial strength is such as should enable them to grant a comprehensive disability cover at a reasonable extra, just as is being done by the companies in the U.S.A. People take out life insurance so that in the event of death the pay-cheque does not stop. The pay-cheque does stop in case of disability due to disease and surely this type of protection too is needed in a life policy.

"I would, therefore, suggest to our leading Indian offices who already grant the disability benefit to make it a comprehensive one on the lines of the American cover by charging an appropriate extra. If possible, a monthly income of 1 per cent. of the sum assured should also be allowed.

"If a man owns large life insurance he will not be able to pay further premiums if he is disabled by a disease and will either allow his insurance to lapse or surrender it if it has acquired surrender value. Either of these is a waste. The real purpose of life insurance is defeated if protection of the kind suggested by me is not forthcoming from our leading life offices."

BIRTH AND DEATH RATES

Insurers, as a class, are greatly interested in vital statistics, particularly birth and death rates. Last week, we published the birth and death rates in different countries of the world, as estimated by the *U.N. Monthly Bulletin of Statistics*, and showed how India's birth and death rates are very high *vis-a-vis* other advanced countries. Yet another set of figures is now available in the 1951 Census Report. The figures given in the census do not, however, tally with the figures given by the U.N. publication. Thus, the birth and death rates for 1952, given by the U.N. publication, are 28 and 15 (per 1,000), as compared with 40 and 27 (per 1,000), (the average for 1941-50 period), given by the Census Report. It is not clear why there should be such a large discrepancy, even if it is recognised that the U.N. figures refer to "crude" birth and death rates.

In India, the Government has made arrangements, as is well known, for the registration of statistics relating to births and deaths. It would, however, appear that the system of official registration of these two occurrences is not satisfactory. In this connection, the Census Report quotes the example of Uttar Pradesh. In 1951, the State had a population of 632 lakhs, as against 565 lakhs in 1941. Thus, the number has grown by 67 lakhs in ten years. During this period, the birth and death records show that births were 145 lakhs and deaths 97 lakhs. Thus, the excess of births over deaths was 48 lakhs. The population of the State *should* have increased by this number only. How then does *the Census show an increase of 67 lakhs in the State's population? One explanation is that people might have migrated from Pakistan. But the Census authorities have recorded separately the refugee population, which aggregates only 5 lakhs.* Even if this number is taken into account, there is an unexplained difference between what is revealed in the birth and death registers and the Census records. Commenting on this divergence of estimates, the Census Report says: "Evidently a great many births escaped registration; and so also, no doubt, deaths. The basic record is materially incomplete." Among the major States, Madras, Bombay, Madhya Pradesh and the Punjab, according to the Report, are the "only four States where the registration system functions reasonably well and omissions are not unduly large."

The overall figures of birth and death rates during the period 1941-50 revealed by the Report, are 40 and 27 per thousand per year. The highest birth rate is found in Central India (44) and the lowest in South India (36 or 37). The birth rates in other zones are: West India (42), North-West India (41 or 42), North India (38-39) and East India (28-39). The highest death rate is also found in Central India (34). Similarly, the lowest death rate is also found in South India (21-22). The death rates for other zones are: North India (27-28), East India (26-28); West India (26) and North-West India (24-26).

"HASTE" AS CAUSE OF ACCIDENTS

Last week, we referred to the causes of accidents on the roads, and importance of preventing them through educating the road users in the principles of road safety. Similar problems are engaging the attention of the authorities in other countries too. Thus, Mr. Guy F. Johnson, Chairman of the Accident Offices Association of the U.K., in a paper he read at the National Safety Congress, held recently at London, made some interesting observations on the causes of accidents in roads. He said that motorists are often dominated by haste which is one of the causes of accidents. He added:

"People are often hasty without even being in a hurry; because they are impatient; and impatience can beget the sudden uncontrolled action which is the source of danger. I would like to make it clear that I am not talking about speed. Speed as such—and I repeat, as such—is not a source of danger. There is a safe maximum for any driver under any given conditions. Where this maximum is deliberately exceeded there is, of course, danger, but I should guess that there would be very few accidents attributable to that. What I am discussing is the momentary unpremeditated speed of movement, whether of car, cyclist or pedestrian.

"If there is something in this view that all road users come under an influence which tends to dominate their judgment and training, there is a serious limitation of the effectiveness of road safety propaganda and of training in good road habits. I am a great believer in propaganda but I am impressed by the need for continuous reminders and, unfortunately, anything which becomes continuous sinks into the background, and probably ceases to have any weight in competition with the sense of haste.

"In my view, therefore, although propaganda will do much to improve general conditions of safety, this can never prevent accidents. I said before that we could have perfect roads and vehicles and still have accidents. I will now go further and say we could have perfect vehicles and roads, and perfectly normal road users, and there would still be accidents because of haste.

"It might be thought that a slogan about haste would diminish this risk but, for the reasons I have given, nothing will diminish it unless all road users can be so impressed by the need for safety that this remains as a dominant against which the compulsion of haste will be powerless. But much can be done, I think, to reduce the haste factor among drivers if not among other road users. For one thing, I think the Courtesy Campaign will do much, particularly if it can be built up so that courtesy becomes instinctive enough to dominate the mind."

STATE INSURANCE SCHEME

The Employees' State Insurance Scheme, now confined to Delhi, Kanpur and certain centres in East Punjab, is likely to be extended to West Bengal in December this year. The general framework of the Scheme, which will cover 235,000 employees working under 1,200 employers, is stated to be ready for implementation. The panel doctor scheme—that is as distinguished from the dispensary system—will be adopted, each panel doctor to take 1,500 to 2,000 patients. The *per capita fee* for each doctor, it is stated will be Rs. 6 a year. There will be 16 local offices for registration and payment of benefits. The employees who are now contributing ½ per cent. of their wage bill will contribute 1½ per cent. when the Scheme gets under way in Calcutta. As in other centres, the West Bengal Government will meet one-third of the expenses for medical benefits and the remaining two-thirds will be met by the Employees' State Insurance Corporation. Hospitalisation of the workers will be undertaken in the existing hospitals. The Government, however, is expected to set up two specialist centres to deal with X-ray, blood examination and other aspects of medical care.

SUCCESS OF ECONOMIC PLANNING

CERTAIN PREREQUISITES STATED

(By KARODT A. JOSEPH, M.A., L.T.)

ECONOMIC Planning has now become inevitable in India, as in most countries of the world, and private enterprise is gradually giving place to public enterprise. "Private enterprise," as Sir William Beveridge points out, "is a good ship, but, to some extent, a fair-weather ship." In these days of stress and storm, all States have been compelled to launch all-weather liners of "public enterprise" and "economic planning" to prevent dangers of dismal disaster. Many people in India to-day believe that, under the prevailing conditions, the best results will be got by taking the essential industries and services into public ownership and control, and by making the use of economic resources, including man-power, a matter of collective decision under the authority of a democratic State. But we must plan not for the sake of planning, but for plenty and against want, and that means planning for high total production, for the right kinds of production, and for the distribution that will maximise Social Welfare.

Though the purpose of planning is clear, the path of progress through planning is beset with problems which deserve serious attention. Professor G. D. H. Cole has analysed these planning problems to be mainly the following:

(1) Problem of democratic control of planning, (2) problem of avoiding bureaucratic tyranny, (3) problem of incentives for labour and capital under planning, (4) problem of priorities and (5) problem of international collaboration in planning.

The navigators in the unchartered sea of public enterprise should be aware of the shoals and hidden reefs which may spell disaster to the new and attractive ship of "economic planning."

Threat to Democracy

The first and foremost peril inherent in any system of planning is the threat to democratic freedom and democratic ideal. Persons who are put in charge of planning may get it into their heads that they alone know what is best for the people, and may attempt to plan, and get their plans carried out on authoritarian lines. The love of power is present in most men of ability and is a special affliction of the capable, organising type of mind. It may not be an evil in itself to love power and wield power and, upto a point, progress is not possible without leadership exercising power. But there are different ways of using power. The way of the autocrat is one, and the other is by collaboration and co-operation, by consultation and mutual understanding. A democratic people will welcome planning, if the planners, before making their decisions, consult to the fullest possible extent those on whom they must rely to work the plan when it is made, and seek, wherever possible, both solutions and methods, which will enlist their enthusiastic co-operation, and not merely their obedience. This involves a readiness on the part of planners to take account of the views and attitudes of those whose work is being planned and a willingness to modify the plans in the light of legitimate criticisms, suggestions and proposals.

The autocratic planner will find most of these consultations as irritating waste of time, as he feels that he knows so much better than the people and, if at all any consultation is made, it may be only as a formality under certain conditions. This way of autocratic planning will yield remarkable results, especially under ruthless men. But it will be entirely inconsistent with democracy and, if such a system is forced upon a democratically minded people, it is bound to fail, unless the planners are powerful enough to terrorise the people and thus overthrow democracy.

Co-operation

For a country like India to-day, co-operative leadership and democratic planning alone will be acceptable. But this involves that the planned community shall be able to get rid of planners who fail in the art of co-operative leadership by normal political means without violence and revolutions. The sense of leading a team with the goodwill of its members and with the architectural functions of putting together their several contributions, in consultation with them, individually as well as collectively, to make a comprehensible plan, is the good democratic form of the will to power. Planners who are wanted in a democratic society are those who understand the art of consultation and of persuading and guiding instead of issuing arbitrary orders.

This type of planning requires not only the right type of men at the top, but also the right machinery. It cannot be achieved by a central planning organisation, however essential it may be. It involves the existence of machinery for planning at every level and in every sector of the economy at each level. There must be regional and local, as well as national organisations, for planning. Each industry and occupation must have its own planning machinery; and in each industry, there must be continuous planning, at every level, down to the individual factory or department, and consultation with the individual worker as well as his representatives.

Professor Cole has formulated a planning machinery for a country like Great Britain and this might be of use in other democratic countries. To begin with, there would be at the centre a responsible committee of ministers at the head of the main economic departments, with at least one minister free from departmental duties and in a position to give most of his attention to the tasks of central co-ordination. Under this minister and in close touch with this committee there would be a staff of professional planners, made up not only of economists and administrators, but also of scientists and technicians of high ability whose job it would be both to keep the ministers fully supplied with the right information and to think up projects to lay before them. In close connection with this central planning office there would be regional offices, staffed by men of similar qualifications. Staffs of these regional officers would be continually consulting the most representative groups in the several regions and gathering projects and suggestions from them, and these will be transmitted to the centre. They would also be receiving from the centre proposals to be tried out in consultation with the various groups in their regions, and would be reporting back to the centre on the results of these consultations.

Next, there would be, in the central office, someone whose particular task is to keep in touch with a particular industry or service, to listen to, discuss and transmit suggestions from the industry, and to consult about the projects emanating from other industries or planners. Each industry would be required to have its own planning machinery.

(*Continued on page 971*)



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TAXATION SYSTEM IN INDIA

REFLECTIONS ON SOME OF THE QUESTIONS RAISED BY ENQUIRY COMMISSION—III

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

THE subject of rate structure is covered by question No. 66 of the questionnaire issued by the Taxation Enquiry Commission. It is asked, under this subject, whether it is desirable to combine income-tax and super-tax into a consolidated levy. Combining income-tax and super-tax structure will have the following advantages:

(1) It will avoid duplicate computations of the same income, one for income-tax and another for super-tax, taxable income for both being different.

(2) It will simplify the levy of income-tax and its administration, through the deletion of the section relating to levy of super-tax as an additional tax, as well as of the separate charging section and other sections authorising recovery, penalties, etc.

(3) From the point of view of the assessee, there will be only one tax and not two, with separate demands for each.

(4) From the point of view of the Department, it will be relieved of the work of maintaining separate files, returns, orders, charge, etc., of super-tax.

Thus, the consolidation of the two taxes has a merit which needs to be studied. There are, however, some demerits of a single rate structure. These are:

(1) The clear distinction between the income-tax paying public, i.e., lower grade incomes, and the super-tax paying public, i.e., higher grade incomes, will not be clearly marked in a single tax structure.

(2) The taxpaying public has been so accustomed to two taxes that any change in the structure is likely to lead to more confusion than clarity.

(3) The super-tax paying persons are not so numerous as income-tax paying public and, therefore, administratively it has never been a problem to maintain separate records of its levy, collection, etc.

(4) The system of two taxes accords with the enlightened tax systems of other Western countries like the U.K.

(5) The levy of super-tax clearly indicates what the country regards as income within super brackets and gives an indirect indication to the country's ability to contribute to national wealth.

On a balance of view, it seems that the present rate structure should be retained, in spite of some of its shortcomings.

Rates High

So far as rates are concerned, they are doubtless very high. The rates require to be lowered, both in the upper brackets (with a view to stimulating savings and thereby formation of capital) and in the lower brackets, with a view to giving much needed relief to the poor and the middle class people, when there are so many family calls on their income. These calls substantially affect their ability to pay. Especially in the absence of anything by way of family and other allowances as are obtainable in the Western countries, these rates need to be reduced substantially. To be more specific, income-tax rates on slabs between Rs. 5,000 and Rs. 20,000 should be lowered. Similarly, super-tax rates need a downward revision in respect of those whose incomes fall between Rs. 25,000 and Rs. 50,000.

Surcharge, if merged with the rates of tax, has the merit of one computation of tax. On the other hand, it has the disadvantage of disturbing the rate structure from year to year. Surcharge may be lowered or increased without the basic rates being altered. A careful consideration of the pros and cons leads to the conclusion that the surcharge should be merged with taxes so that the public may know the increase or decrease in the rates of taxation more readily than it would if it were to glean through the system of surcharges.

The degree of progression in the existing rate structure is very unsatisfactory. The maximum rate of taxation being applied at a comparatively lower level of income, the residue available at the disposal of an assessee, after meeting the tax demand, also compares unfavourably with the position under the taxation systems in other countries. To illustrate the point. On an assessed income of Rs. 5,00,000, the balance available to an Indian assessee would be just over 24 per cent., whereas, in Canada, it is over 43 per cent. and in the U.S.A., over 51 per cent. The inevitable consequence is that the object of savings assisting capital formation to subserve the needs of an expanding economy is not facilitated.

As regards the exemption limit (Question 67), the present minimum exemption limits of Rs. 4,200 for the individual and Rs. 8,400 for the Hindu undivided families should continue without any change.

Earned and Unearned Incomes (Question 68)

The differentiation between earned income and unearned income seems to be based on the theory that, where income needs personal exertion as against income which arises only from passive ownership, the ability to pay must be differentiated. Earned income should be given an abatement or lower rate of tax than unearned income. While for income-tax a distinction is made between earned income and unearned income, no such distinction is made in the super-tax groups. This is done possibly on the ground that, at that level of income which attracts super-tax, the factor of personal or impersonal exertion does not count much in the production of income. These double rates, however, lead to complicated computation with its attendant evils, namely, inordinate waste of time, avoidable delays, undetected errors, delayed refunds, inducement even for corruption in the clerical staff, loss of revenue, unnoticed over-assessment, etc.

The present relief given to earned income should be raised from 20 per cent. to 25 per cent. and the maximum from Rs. 4,000 to Rs. 10,000.

Valuation of Stocks (Question 69)

With regard to the principles of valuation of stock, the universally recognised method is cost or market value, whichever is lower. This principle prevails even for income-tax purposes in most of the European countries. So long as the basis of valuation followed by the assessee is regular and consistent, no objection should be taken for tax purposes.

In the U.K., it may be mentioned here, an expert committee was appointed to give its opinion on the correct basis of stock valuation. It will be pertinent to recall here its observations. The Committee said:

> "We consider that there is only one sound principle of valuing of stocks for the purpose of these Acts and that is that all stocks of every kind should be valued at the end of each accounting period on the basis of cost or market value, whichever is lower. The principle rests on the theory (which is perfectly sound) that profits can only be realised by the sale of commodities and that no profits can arise by mere increase of value unaccompanied by a sale. To follow this out consistently, stocks, therefore, should be carried at their cost price until they are sold and profit is ascertained. Where, however, the market price is lower than the cost, a precautionary reserve is permissible for the difference between the cost and the market value."

That being the position, the method of valuation that is recognised all over the world, should be accepted for tax purposes, but there should be no rigidity or inflexibility about this principle. Whatever method the assessee adopts must be regularly and consistently employed from year to year and must reflect the true profit of business.

There is one difficulty in adopting "the cost or market value, whichever is lower, basis" and that is, whether the 'global' method or 'pick-and-choose' method of valuation of inventory items should be insisted. 'Global' method is the one where the whole of the inventory list is valued on two bases, one at cost and the other at market value. Whichever list shows, in the aggregate, the value to be less than the other is adopted. The 'pick-and-choose' method is to compare the cost and market value of each article in the inventory and accept for inventory the lower of the two. The 'global' method is open to this criticism: It violates the principle of not taking profit into account on any individual article of stock before it is actually sold. Such anticipated profit cannot be made subject of taxation. The 'pick-and-choose' method adheres to the principle not only in the aggregate, but also item-wise inventory of stocks.

In *Brigg Neumann & Co.* vs. *C.I.R.*, 12 T.C. 1202, Rowlatt J. supported the contention that parts of the stock may be valued differently. Section 31 of the Australian Act distinctly supports the individual method. Regulation 111 of the Revenue Code of the U.S.A. also favours the individual method. There is no reason why, therefore, the method should not find ready acceptance with the Department.

Hindu Undivided Family Status (Question 70)

The present practice of many Income-tax Officers is to presume an assessee's status to be H.U.F. where the father and the sons live together in a common house, dine and mess together. Even if the members carry on individual activities, attempts are made to foist the H.U.F. status, because such a status yields a larger revenue to the Government. Such practices should be thoroughly discouraged. The status of an assessee must be a matter of a finding on facts and evidence and not merely presumption.

In case of immovable property, actual partition by metes and bounds as a condition precedent to accepting disruption under section 25A should not be insisted upon where the members divide the property in definite shares and hold it as such under a solemn declaration. Very often, the difficulty of selling property—an ancestral house—becomes difficult, as each member wishes not to sell it to an outsider. At the same time, the house may be too big to be purchased by one. In these circumstances, the allocation of parts of the house to each brother in defined share should be accepted as sufficient for purposes of an order under section 25A.

The same time difficulty is experienced when a H.U.F. lends sums of money at interest to one or more of its coparceners to start new business on their own account. An attempt to treat the personal activities of such members as forming part of a H.U.F. nucleus for purpose of assessment overlooks the fundamental fact that the H.U.F. suffers no detriment by such loans since interest is charged to coparceners and that the H.U.F. is not concerned with either profit or loss of the new businesses, since these are the individual activities of the coparceners as distinct from those of the H.U.F.

Nothing should be done in a way to fetter the right of H.U.F. to effect partial partition of its assets. This is a recognised legal mode of partitioning a portion of the assets and to the extent of such partition, the H.U.F. properly diminishes its corpus for assessment. There is a feeling that even partial partition should be brought within the ambit of section 25A with necessary amendment. This would be a most retrograde step.

A Hindu individual starting business even without any nucleus of ancestral property or funds is often up against the difficulty of proving negatively that his status is not an H.U.F. and the business started by him in partnership with his adult sons is to be presumed to be H.U.F., unless he proves otherwise. These create avoidable hardships to the assessee. At the bottom of these difficulties, one can very easily see that it is not so much the question of finding the true status of the assessee fairly and squarely on evidence that is regarded as the main question, as the status which enables the Income-tax Officer to put the largest shovel in the Government coffers with enhanced assessment.

Managing Agents (Question 71)

Voluntary surrender of managing agency commission, either wholly or partly, in the interest of the company should not be taxed twice as it is done now—once by increased assessment on the company by adding back of such commission and again in the hands of the managing agent as his accrued income under agreement subsequently surrendered as a gift. The question of such voluntary surrender of commission in case of company should not be a suspect in the eye of the Department, unless there are circumstances clearly indicating an attempt at avoidance or mitigation of tax liability. Further, there should be no attempt made to benefit the revenue by a double impost—once in the hands of the company and again in the hands of the managing agents. A safeguard against malpractices is to provide that such voluntary surrender of commission will be allowed exemption in the hands of the managing agents, provided the difference between the tax payable on such commission and the tax payable by the managed company on the same is made recoverable from the managing agents, despite its surrender. This safeguard will amply provide a check against artificial manipulation at avoidance of tax by the expediency of a surrender. Where, however, the managed company has actually incurred a loss which has been accepted by the Department as genuine and bona fide, no attempt should be made to tax the whole or part of the managing agency commission so surrendered by the managing agents.

Double Income-tax Relief (Question 72)

With regard to the double income-tax relief, there are two principles on which relief is usually based:

(1) half the tax is refunded by each country, leaving the assessee with higher of two taxes on such doubly taxed incomes;

(2) each country should tax profits accruing or arising within its jurisdiction.

The easiest and the best method is the latter one which avoids the process of taxing the income in the first instance and granting the relief after tax is paid in another country on the same income. Between India and Pakistan, the latter type of relief prevails, as it is easy to work and quick in its administration. The former involves delays, collection and then refunds.

Often a problem that arises is of persons who become resident in both the countries by reason of either continuous stay or short stay plus maintaining a dwelling house. These taxpayers are taxed on the basis of the world incomes in both countries. In the United Kingdom and India, unless the mode of relief is made uniform, the taxpayer is left not only with the higher of the two taxes on the income, but something more. For instance, a resident has income from dividends and commission in India. He has also business income and dividend income in England. In India, the policy is to tax the Indian income and leave the foreign income untaxed except for rate purposes. In the United Kingdom, in the absence of reciprocity of arrangement, the relief is given on Indian income, not wholly but only to the extent of three-fourths of the United Kingdom tax levied on it. The result is that the Indian dividends bear the whole of the Indian tax and one-fourth of the United Kingdom tax. This seems to be a hardship. In such a case, either country's Government should give executive relief in fit cases, unfettered by legal provisions.

In case of foreign income of a resident in India, the relief should be restricted to such an amount as would render the assessee liable to bear the higher of the two taxes ultimately.

With regard to a non-resident claiming relief, it should be ensured that he bears on the Indian income the same incidence of tax as the Indian resident bears on his income arising in India. In other words, a non-resident claiming relief under such agreements should not be given the right to deduct foreign losses arising abroad thereby whittling down the income in India. Why should a non-resident taxpayer be allowed to deduct foreign losses, when, under the law, foreign profits are not subjected to tax?

Property (Question 73)

Income from property at present is computed on the basis of an artificial figure, that is, *bona fide* annual value. The result of this has been very often anomalous in the sense that, whereas actually the income shows a loss, for purpose of assessment there may be a notional profit. This anomaly creates a further difficulty in the way of distribution under section 23A where the company is a building company. The company's profit and loss account shows a loss and hence legally no dividend can be distributed and yet the requirements of section 23A cannot be satisfied, unless 60 per cent. of this notional income is actually distributed by the company. This and other difficulties will be avoided, if the basis of computation is reduced to actual instead of the notional that obtains now. Amongst the deductions to be set off against such income should be revenue repairs, municipal taxes, land revenue, ground rent, insurance charges and interest on mortgage or charge on borrowed capital, specifically taken for acquiring, constructing, repairing, renewing or reconstructing property.

The assessment should be made always on cash basis so that the actual income realised will be the subject of charge. Expenses like legal expenses in recovering outstanding or such other legal proceedings taken for maintenance of property or realisation of rent should be allowed.

I understand that there is no provision for charging annual value of the self-occupied property in the taxation laws of at least four countries, namely, Canada, South Africa, New Zealand and Australia. This exemption seems to be based on the theory that, because the owner does not derive any income from self-occupation, no tax should be levied on the property on an artificial basis of annual value.

In case of co-operative co-ownership housing society, as is already stated previously, the co-ownership basis should be recognised for taxing of the co-owners on their aliquot share and not the company as an entity.

Carry Forward of Losses (Question 74)

A recent Supreme Court judgment has made the operation of relief under section 24(1) very much restricted. A taxpayer is not entitled to carry forward losses under sub-section (2), unless under section 24(1) a set off is made between different sources of income. The judgment is to the affect that, where a taxpayer's only source of income is business under section 10, there is no set off under section 24(1) and, therefore, he is not entitled to carry forward the loss suffered by him under the head business, even though it be the same business profit he wants to set off next year. This interpretation has materially affected the insurance companies, because, under section 10(7), the profit that is determined under the schedule is income from the head business. Insurance companies are thus at one stroke struck off from this essential relief.

There is another aspect of this question which needs close consideration and that is the recent amendment making speculation losses as a separate head of taxation. The idea behind this is to scotch the practices now prevailing of buying up losses and thereby underestimating the true income. The fact that such practices prevail cannot be denied, but this drastic manner of dealing with the subject leaves much to be desired. Why should law punish, for the sins of a few tax dodgers, the whole taxpaying public? The present amendment provides that speculation losses shall be excluded, while speculation profits shall be included in the total income of the assessee. This means that, while income shall be taxed and aggregated with a view to collecting the revenue on the basis of ability, this ability question will be ignored where this particular source shows a loss.

Speculation Loss

If an assessee has suffered a speculation loss of Rs. 4,00,000 and his other income is, say, Rs. 2,00,000, the latter profit will be subjected to tax notwithstanding that the assessee has suffered a net loss of Rs. 2,00,000. Further, speculation loss will be carried forward and allowed to be absorbed only against speculation profits as a separate business.

Another aspect of the question of carry forward of loss is that the present restriction to set off the carry forward only against the same business should be removed. The relief intended to be extended to the taxpayer by this section is rendered ineffectual and incomplete if it is restricted to the same business. The proper thing to do will be to allow the carry forward next year to be set off against any business profit subjected to tax under section 10.

On this subject of carry forward and set off of loss, there is another interesting point, and that is, whether an income which is exempted from tax, but which is required to be aggregated with the total income, should be allowed to be utilised for purpose of section 24(1). To give an illustration, let us suppose that 'A' has a dividend income of Rs. 25,000 from a company whose income is exempted from tax under section 15C. The dividend income is also exempt under section 15C(4). He has also a loss in business amounting to Rs. 45,000. The question is whether, in determining the carry forward of loss, the dividend income of Rs. 25,000 can be set off against Rs. 45,000 and only Rs. 20,000 allowed to be carried forward or whether the assessee is entitled to carry forward the whole of Rs. 45,000 loss. In other words, the question, in short, is whether an income which is exempt from tax can be utilised for purpose of a set off under section 24(1) although no tax is payable thereon. To allow such a set off would really amount to indirectly taxing an income which is expressly exempt from tax. In the above illustration, if the dividend income of Rs. 25,000 is set off against Rs. 45,000, the loss would be reduced to Rs. 20,000, having the same consequence as if Rs. 25,000 were liable to be taxed.

There is a judgment of the Madras High Court in *C.I.T.* vs. *Ratanshi Bhavanji* (1952), XXII I.T.R. 82, where a very national view is taken that income, which is not to be subjected to tax, although aggregable for purpose of determining the total income, must not be utilised with a view to reducing the loss determinable under section 24(1).

In case of a business which is discontinued, the loss should be allowed to be carried backward, so that, where the assessee extinguishes his source of business income during the period of its existence, the tax should not reasonably exceed the net profits made by it. This principle has found favour in the English tax system and needs to be copied and incorporated in our tax system to make it more equitable and real in its incidence and impact.

Advance Payment of Tax (Question 75)

The need for introducing this scheme of "pay-as-you earn" was founded on the principle of counteracting inflation, by mopping up the extra purchasing power in the hands of the taxpayer. But this need no longer hold good. Business conditions are becoming slack. And money market has become tight. The taxpayer finds it difficult to finance his business. Accommodation facilities have shrunk and become restrictive. To insist upon payment of quarterly taxes, in these circumstances, is to inflict a great hardship. Taxes are collected at source; when income is earned, they are collected on "pay-as-you-earn" scheme; they are collected provisionally on the basis of returns made so that the assessee is left with no funds to finance his own business activities. The calls from tax gatherers have become so numerous and so frequent and so clamorous that the taxpayer is hard put to it to meet them normally.

Though the Department has achieved the objective of quick collection, it has miserably failed to achieve efficiency in quick disposals as witness the mounting number of unfinished cases—some as old as four years. All incentive to be abreast with disposals is killed. The result has been inefficiency and inordinate delay on one part of the Department, on the one hand, and mounting tempo of dissatisfaction, harrassment and delays of the taxpayer on the other. No wonder, the Department has incurred much public odium. Neither the rich nor the poor, nor the middle class taxpayer has a word of sympathy or appreciation of the tax gatherer and his duties. Mutual distrust and suspicion have marred both efficiency and public goodwill. A fear complex has been generated in the minds of taxpayers and a superiority complex in the minds of the officials. This bespeaks no good either to the Government or the public.

Income From Dividend

Section 18A needs, therefore, to be removed from the statute. But if it is retained, it needs to be amended in the following respects. Among the heads included under section 18A is the income from dividend. Now the assessee, unless he is super-tax paying entity, pays no income-tax on it. In fact, section 18(5) regards tax paid by the company as deemed to be paid by the shareholder and credit for which is given to the assessee at the time of assessment. If tax on dividend is regarded as equivalent to tax deducted at source, is there any reason why dividend should be subjected to advance payment? To accept this proposition will mean a lot of collection work under section 18A only with a view to refunding the amount under section 18(5). Cannot Government conserve its efforts to better purpose than this? Having done something not permitted under section 18A, namely, collection of advance payments on dividends, the Department has to resort to another anomaly to give relief, namely, in computing advance tax, credit is given on the dividend income though super-tax is collected thereon. There is no warrant in the Act to do this under section 18A. No credit can be given under section 18A. It can only be given under section 18(5) and that too, in the following year. Thus one invalid act has pursued another with the result that the taxpayer's burden has increased. Dividend income should be expressly excluded on the ground that it is not a fit subject for taxation under section 18A. "Pay-as-you-earn" implies that one earns before he pays. In case of dividend one is called upon to pay before one earns, for dividend cannot be regarded as income of the shareholder before it is actually declared. Further, it is not capable of measurement, as is the business and other profits to which section 18A applies. How can a shareholder estimate in advance the dividend the company is going to declare at the end of the year? This and other reasons should suffice to make out a case for removing dividend income from the ambit of section 18A.

Penal Interest

Then, there is the question of penal interest. There is no appeal provided in the Act. It is automatic: where the estimate made by the assessee falls below 80 per cent. of the tax determined on regular assessment, the interest is charged on the deficiency. But there may be cases where the quantum is challenged; the right to levy interest may also be challenged. Why should an appeal be not provided? Take one instance. Among the sources of income of

(Continued on page 983)

NEW PUBLICATIONS

Indian Cotton Textile Industry—1952-53 Annual. Editor : M. P. Gandhi. Published by Messrs. M. P. Gandhi & Co., Jan Mansion, Sir Pherozshah Mehta Road, Bombay 1. Price : Rs. 6.

THE *Indian Cotton Textile Industry 1952-53 Annual* contains an interesting, as well as informative review of the recent developments on the cotton textile front in India. The review is quite comprehensive, covering, as it does, practically all the aspects of the textile economy. Thus, production and exports of cloth, controls on the industry, trend of prices of cloth and yarn, and export trade in cloth have all been dealt with. Several pages have been devoted for the presentation of an objective picture of the world textile trends in recent years. A detailed survey of the raw cotton economy in India and the world, futures trading in cotton, etc., appears in Appendix A. At the end of the publication is given a list of cotton textile mills in India and Pakistan, taken apparently from the *Mill Statement* published by the Millowners' Association, Bombay.

The *Annual* is, as usual, replete with statistical tables, giving up-to-date information regarding the two sectors of the cotton textile industry—mills and handlooms—and cotton production and distribution. The other notable features of the *Annual* are the reproduction of the Cotton Control Order, a note on industries auxiliary to the cotton textile industry and a list of members of the important textile committees and the All-India Handloom Board.

A perusal of the *Annual* under review will enable one to understand some of the perplexing problems which the Indian cotton textile industry is now facing. These problems have been summed up in the preface by Mr. M. P. Gandhi, the Editor. While commending the Government's action in abolishing all price and distribution controls on cloth, Mr. Gandhi urges removal of control on production also.

India At A Glance. By G. D. Bimal, Managing Editor, and T. V. Rama Rao, Editor. Published by Orient Longmans Ltd., Calcutta. Price : Rs. 40.

A great deal of authentic material relating to the various facets of India's national life—political, economic and social—has been brought together in this 2,000-page publication, *India At a Glance*. The authors must be congratulated on producing a work, which is perhaps the most comprehensive of its kind in this country. For sheer variety of information and wealth of details under each division, there is, perhaps, no other book that compares with this publication. The main divisions of the book include:

Indian Constitution, census, political parties, who is who in Parliament, Government of India directory, States in India, Union and States finances, banking, insurance, transport, industries, education, art and religion, Five-year Plan, Colombo Plan and foreign trade.

By far the largest section of the book is the one that deals with industries. This section describes nearly all the major and minor industries; about 88 industries are included. A full account of financial institutions like banking and insurance is given. A feature of the book is the comprehensive treatment of India's food problem. By a judicious selection of political, economic and cultural items of interest, the authors have certainly succeeded in making the book a valuable publication which justifies the tribute paid by Mr. K. C. Reddy, Minister for Production, who in his foreword, says: "It is, in fact, true to the claim of its publishers, a new and reliable directory with up-to-date information about India. To public men, journalists, students and to others it is bound to prove an indispensable reference book."

Handloom Weaving Industry—1952-53 Annual. Editor : M. P. Gandhi. Published by Messrs. M. P. Gandhi & Co., Jan Mansion, Sir Pherozshah Mehta Road, Bombay 1. Price : Re. 1-8.

Now that the controversy handlooms *vs.* mills has become a live issue, thanks to the fresh lease of life that Mr. C. Rajagopalachari, Chief Minister of Madras, gave it last year, the need for a clear insight into the real problems confronting the handloom industry needs no special emphasis. A perusal of the pages of the *Handloom Weaving Industry—1952-53 Annual* will enable one to have such an insight. The *Annual* gives a lucid account of the latest position of the handlooms with the help of much useful and relevant statistical data. The conclusion that the Editor of the *Annual*, Mr. M. P. Gandhi, has drawn in so far as regards the remedial measures for the difficulties of the handloom weavers is clearly absurd. The Editor, for instance, wants the mills to put up with greater limitations on its activity soon; they must, he says, be content to reflect that, after all, they have had a good innings. What does he mean by this? Does he want the mills to retire from the field, now that they have, according to him, had their innings?

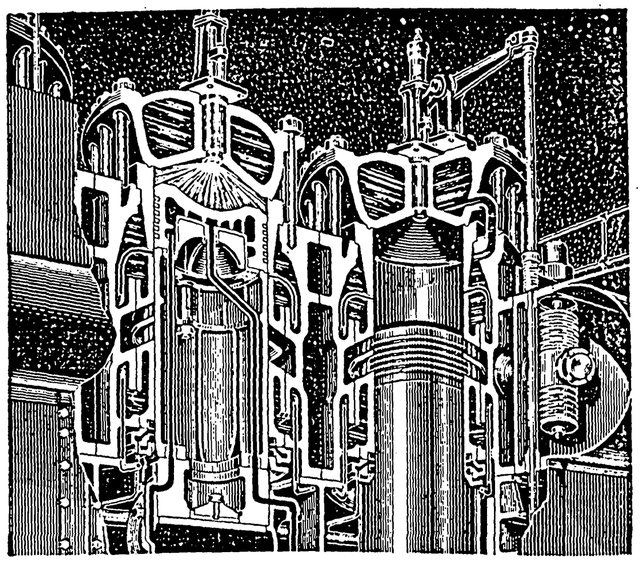
Teach Yourself Book-keeping. By Donald Cousins. Published by English University Press Ltd. London. Price : 6s. net.

Although there are several books on the subject of book-keeping, most of them are either too dull or too technical, while others are too technical to appeal to a beginner. Hence the need for a book which deals with the subject in a concise manner and is also well written. This need has been ably met by Mr. Donald Cousins in his publication, *Teach Yourself Book-keeping*.

In this little book of 270 pages, Mr. Cousins, the author, seeks to offer a guide to the beginner in book-keeping. The author begins the study with a fine introduction on "what is book-keeping." He then proceeds to describe the nature of business transactions, purchases and sales, and the way in which accounts pertaining to these are to be maintained. Balance-sheet, depreciation accounts and partnership from the subject-matter of three separate chapters. A special chapter has been devoted to the criticisms and interpretation of accounts. The utility of the book is enhanced by the adoption of the question and answer method for explaining some of the important aspects of the subject and the inclusion of the Royal Society of Arts question papers.

Teach Yourself Commercial Arithmetic. By J. H. Harvey. Published by the English Universities Press Ltd. London. Price : 6s. net.

The purpose of this volume, it is claimed, is to set forth, in clear and simple language, the elementary principles of commercial arithmetic and to enable students to acquire facility in their application to such problems as he or she is likely to encounter in business and everyday life. A perusal of the book will clearly reveal that this claim is fully justified. The book covers a fairly wide ground in the field of commercial arithmetic, from the first four rules—simple accounts—to the elucidation of such complicated topics as foreign exchange calculations and discounting of bills of exchange. The publication, though intended primarily for students, will also help all those engaged in business who are interested in the subject but are unable to attend classes.



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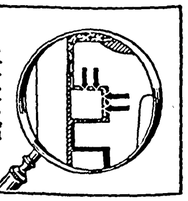

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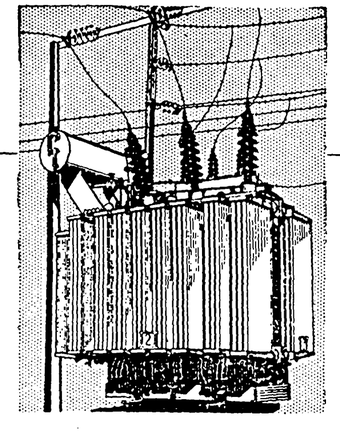

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SALT INDUSTRY IN INDIA

MEASURES TO INCREASE EXPORTS

THE story of the salt industry in India, as retold by the Minister for Production, Mr. K. C. Reddy, at the meeting of the Salt Advisory Committee held at Madras last week, is both encouraging and informative. From what he stated, it is evident that the acute shortage of salt experienced for some time in the post-war years is now a thing of the past. For there has been a tremendous improvement in the production of salt. Thus, the total production at the time of the Partition in 1947 was only 516 lakh maunds, as against the requirements of 650 to 700 lakh maunds. The current year's production upto September, 1953, is 820 lakh maunds. On the basis of this output the production for the full year may be placed at about 1,200 lakh maunds. Thus what was once a deficit of 150 to 200 lakh maunds has since turned out to be a surplus of about 550 lakh maunds.

Another bright feature of the industry is the ability of the country to export salt abroad. Mr. Reddy's observations on this development are noteworthy. He said: "The year 1952 and the current year are also important, as we have, during this period, been able to create a new export market in Japan. During 1952, the total exports to Japan was 250,000 tons (67 lakh maunds) and during the current year upto October, the total export has been 200,000 (about 54 lakh maunds) against a licence of 400,000 tons for the whole year. The entire quantity this year has been exported from Saurashtra and Kutch. Governments are allowing exports to Japan very liberally, the only condition being that manufacturers send equal quantities to Calcutta."

Apart from exporting salt to Japan, the Government is stated to have been exploring possibilities, in collaboration with its foreign offices, to expand exports to the Philippines, New Zealand, etc. A development which should cause some concern is the attempts now being made in Thailand to produce 500,000 tons of salt to meet the requirements of Japan. A factory has been established, we are told, with a Thai national as Chairman and a Japanese as Manager of the factory. But samples show that the percentage of chloride contents of this salt at 94 to 95 is less than that in salt produced in Saurashtra or Kutch with 97 to 98 per cent. of sodium chloride. It is stated that, by proper contact, Saurashtra and Kutch can maintain their position in the Japanese salt market. Another helpful factor is the improvement in the prospects of Pakistan resuming its purchases of salt from India in the near future. For there are now, it is learned, enquiries from East Pakistan traders for Indian salt. Pakistan, it may be noted suspended its purchases of salt from India in July, 1952. In order to promote expansion of exports, the Salt Advisory Committee suggested, while reviving this question, that the Government should grant remission of cess on any salt sent outside India. The Chairman assured that the Government would agree to this suggestion, as it was keen on encouraging salt exports from the country.

Since 1951, the year in which the country attained self-sufficiency, no imports have been allowed from foreign countries. There have been requests that the Government should permit imports of rock salt from Pakistan. But, in the present circumstances with surplus production, it will be suicidal, as was rightly pointed out by Mr. Reddy, to import rock salt. Besides, the Government seems to have been satisfied that refined salt available in the country is as good as rock salt for all purposes.

Quality control is one of the chief problems facing the industry. The Indian Standard Institution has prescribed the minimum percentage of sodium chloride (Nacl) in edible salt at 96 per cent. But, at present, salt produced in several parts of the country contains only 94 per cent. The Salt Advisory Committee, which discussed this question, decided that the percentage should be raised to 96 in the course of two to three years. It was, however, of the opinion that a sudden rise from 94 to 96 per cent. would be undesirable; for many holdings being small, it would not be possible for them to raise the contents of Nacl all of a sudden.

Need for Regulated Production

As the Government of India has been granting licences liberally for salt production on the recommendation of State Governments, there is now overproduction in the country. The position has been made worse by the manufacture of salt by small-scale unlicensed manufacturers. This has threatened the economy of the organised industry in which there has been heavy investment of capital. The time has now come for initiating measures to regulate production. The Salt Advisory Committee, which went into this question, has done well in urging the Government to take immediate steps to control unlicensed production. It is stated, in this connection, that the Government is already seized of the matter and will initiate measures shortly for the regulation of production.

With regard to the zonal system, the Government of India, as was pointed out by the Minister, seems to be of the view that, if the system were to be scrapped, there would be no priority for salt movement at all, and that it would have to take a place down the list of priorities fixed by the Railway Board for different commodities and, therefore, adequate supplies of wagons would not be ensured for salt. The zonal system had been introduced, Mr. Reddy observed, to assist the railway authorities in conserving wagons, and avoiding needlessly long haulages, cross movements, wastages, etc. The Railway Board has issued general orders that salt should get priority booking under category 'C' only when such traffic is in accordance with the zonal sheme. The Committee is reported to have concurred with this view of the Government. It, however, stated that till 1956, the Government should not issue licences for the manufacture of salt by new works.

PRESERVED FOOD INDUSTRY

Our article on preserved fruit industry, appearing in *Commerce* dated 10th October, 1953, has evoked some observations from a section of those interested in this industry. One of them is a manufacturers' agent, Mr. R. N. Rustomji. In the course of a communication addressed to us, he focusses attention on, among others, three problems facing the industry, namely, (a) quality of the products produced by it, (b) certain difficulties which have handicapped the industry's progress, and (c) the demand for imposing a ban on imports in addition to tariff protection.

With regard to quality of the products produced by the industry, Mr. Rustomji says that an analytical examination by the Mysore Food Technological Institute of over 1,000 samples of both Indian and foreign products of fruits and vegetables revealed that quite a large number of Indian brands were found to comply with the recognised and established International Standards, while quite a lot of imported brands were found to be of substandard quality. Few would dispute this point especially in so far as it applies to products of large organised establishments. But consumers' prejudice, which is widespread, is due to the manufacture of substandard goods by a number of so-called factories licensed under the Fruit Products Order, as was mentioned by us. This fact is admitted by our correspondent who says:

"Just as in any other part of the world, there are also quite a number of black sheep packing spurious products, and trying to make hay while the sun shines and get themselves rich as quickly as possible. The presence of such unpatriotic, greedy persons is really a menace and a curse to the fair name of Indian products, and because of the presence of these people, anything Indian is outright rejected, mostly by Indian consumers, and even though a number of Indian brands are of unquestionable quality, as anything Indian purchased by them in the past did not give them appropriate satisfaction. Such consumers, quite naturally, insist upon buying anything that is foreign made, however low its quality may be, simply because it is foreign made. But for all these ills, the Government supervisory machinery is virtually responsible."

For this unfortunate state of affairs, no doubt the Government is partly responsible, as the writer also has pointed out. But we have to mention here that it is also the duty of the Food Preservers' Association to see to it, in the name of the industry and in the interests of the consumer, that the offenders got punished under the ordinary food adulteration laws. Mere frantic appeals to Government to put a stop to it are not enough to tackle the probem. Similar malpractices exist practically in every industry in India and it will be too much for all the industries to expect the Government to undertake single-handed this stupendous job. Associations of these industries or a federation of several such associations should be entrusted with the work of conducting a campaign, legal as well as educational, to put an end to the manufacture of spurious products. The lead thus taken by industries themselves would certainly receive active support from Governments as well as the public.

Some Difficulties

Mr. Rustomji then refers to the difficulties experienced by the food preservers in this country and observes:

"The packers of provisions and specially fruit and vegetable products have to surmount a number of odds, firstly against nature and, secondly, against the lip support only of the Government. Our country is situated in tropical zone, with extreme variations of humidity and temperatures, which results in hydrogen swells and reduces the life of the cans. Now, so far as the support from the Government side is concerned, the tinplate manufactured in India is of such a low quality that the contents get damaged and the sound keeping quality reduced to not more than a year. The sugar produced by the Indian mills is full of impurities and sulphur compound. In spite of the poor qualities of these two materials, you will be surprised to learn, the prices the canners in India are forced to pay are almost double than those at which they are available in any other part of the world. Last but not the least comes the question of railway transport. While it is cheaper to get a case of canned fruits from San Francisco—a distance of over 12,000 nautical miles—the freight rate for despatch from Bombay to Delhi—a distance of less than 900 miles—is much more than that. Apart from this high transport rate, the biggest menace hindering the trade, commerce and industry in India is the rough handling in transit resulting in heavy damages as also pilferages."

The difficulties have to be recognised and it is to be hoped that the authorities will do what they can to minimise, if not completely overcome, them. But, at the same time, the industries concerned also can help themselves by rationalising their production to reduce costs of manufacture. The cost of even domestically preserved fruits is prohibitively high and is not conducive to establishing an expanding market. Unless the prices of these products are brought down to levels which at least the middle class families can afford to pay, the market for them will remain limited. Unfortunately, there is a tendency on the part of all the protected industries in this country to use the tariff walls they have secured for keeping the prices of their products at a high level, instead of availing themselves of this opportunity to cut their prices and expand their markets. We do not think that the preserved fruits industry is an exception to this general trend.

Why Ban on Imports?

This takes us on to the third point raised by our correspondent who pleads for both protection and ban on imports. He says:

"You have taken exception to the preserved fruits industry's claim for total ban on imports, apart from demand for protective tariff barrier.... You are undoubtedly aware of the fact that there is complete ban on imports of such processed and packed goods as are produced and available in all countries. ... Since the beginning of the year, the New Zealand Government has banned imports of Indian chutneys simply because someone in that country has started packing fruit chutneys."

The case of New Zealand is beside the point, as it involves a number of other issues into which we need not go now. But we see no point in the demand for both tariff protection which assures a margin of profit and total ban on imports. Where is the necessity for a ban on imports when the industry has been given full protection after a thorough enquiry into its cost of production and the landed costs of the imported product? Again, even after the protective tariff, if the foreign product is sold at prices lower than those of indigenous product, the Tariff Commission is always ready to hear the industry's appeal for revised tariffs. Further, it must not be forgotten that imports have a vital role to perform in the upkeep of a country's economy. Imports allowed to the extent that foreign exchange resources permit and to the extent they are needed to satisfy the unfulfilled demand of the country are necessary for two reasons. They act as a stimulus to increase the efficiency of the domestic industry. And, secondly, besides satisfying the home demand, they strengthen the country's bargaining power in order to enlarge its exports.

DRAWBACK OF DUTY ON PLASTIC RAW MATERIALS

In a memorandum addressed to the Chairman, Export Advisory Council, which is scheduled to meet on the 29th November 1953, at New Delhi, the All India Plastics Manufacturers' Association has submitted that:

(i) The customs duty of 31½ per cent. ad valorem paid on imported plastics raw materials consumed in the manufacture of goods meant for export should be refunded in order to enable the Indian manufacturers successfully to compete with others in foreign markets;

(ii) in the bilateral trade agreements that may be concluded between India and other countries, provision should be made to include plastics manufactures and semi-manufactures in the list of items for export;

(iii) all plastics manufactures and semi-manufactures including the following should be placed on export O.G.L. 3: (a) plastic electrical accessories, (b) plastic semi-finished goods such as sheets, rods, tubing, beltings and strappings etc., and (c) plastic coated fabrics and electrical wires; and

(iv) a representative of the Association should be associated with the export promotion machinery for tendering advice on matters pertaining to export of plastics goods.

PROTECTION TO FOUNTAIN PEN INK INDUSTRY TO END

The Government of India's resolution on the Tariff Commission's report on the continuance of protection to the fountain pen ink industry has been published in the *Gazette of India*, dated 14th November 1953.

The Government has accepted the Commission's main recommendation that the protection granted to the fountain pen ink industry need not be continued beyond 31st December, 1953. If at any time the industry finds itself unable to meet foreign competition, it may apply to Government for a fresh examination of its case.

While recommending the withdrawal of tariff protection to the industry, the Commission has made some recommendations to help the industry. These recommendations too have been accepted by Government.



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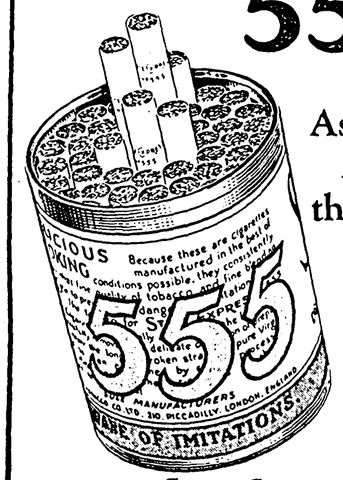

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LAND TRACTS OF INDIA—I

NEARLY TWO-THIRDS TOPOGRAPHICALLY USABLE

THE publication on the 1951 Census of India, issued last week, provides very useful and authentic information on the land and the people living on it. It reveals that the total area of land is 812 million acres. Secondly, the population of the Indian Union, between 26th January and 1st March, 1951, was 356,879,394. The Registrar General and Excise Commissioner of Census, Mr. R. A. Gopalaswami, seems to be quite convinced of the truth of these two figures. For the acreage, he says, is based on exact measurements scientifically designed and carried out by a highly trained professional agency over a long series of years. With regard to the number of people, he believes that there are good reasons that the count must have been at least as close to the truth on this occasion as at any previous census in India. At this census, particularly, a verification of the count was carried out under conditions designed to yield reliable information on this point. Thirdly, given the two basic figures—812 million acres and 356 million people—the third factor is derived namely, the land area *per capita*, at 2.25 acres (including Jammu and Kashmir).

The table below gives, for each of the five zones into which the country was divided for taking census the land area, population in each zone and *per capita* land area:

Zone	*Land area* (Million acres)	*Population* (Millions)	*Land area per capita*
North India	72.6	63.6	1.15
East India	167.5	90.1	1.86
South India	107.5	75.6	1.42
West India	95.7	40.7	2.35
Central India	185.2	52.3	3.54
North West India	122.6	35.0	3.51
India (excluding Jammu and Kashmir)	753.2	356.9	2.11
India (including Jammu and Kashmir)	812.6	361.3	2 25

It is clear that people living in some zones of India have not got more land per head than their fellow citizens in other zones. This does not mean that the former are better off than the latter. Central India, for instance, has 3.54 acres of land per person which is three times as large as the *per capita* land in North India of 1.15 acres. We all yet know that 1.15 acres of land in North India may provide a better living than 3.54 acres of land in Central India.

Topography is one of the major factors which make a difference between the productivity of land in one zone and the other. Topography indicates the nature of the terrain or the land-form of the tracts in question.

Out of India's 812.6 million acres, 86.9 million (or 10 per cent.) acres lie in mountains. The word "mountain" in this context, means steep land at a very high elevation and excludes all land below a limit of 7,000 feet above sea level. Nearly two-thirds of such mountain tracts (54.8 million acres) are found in Jammu and Kashmir. The remaining one-third is distributed among three zones: 14.1 million acres in East India, 9.7 million acres in North-West India, and 7.9 million acres in North India. Less than 500,000 acres are to be found in South India. There are no mountains in the strict sense of the term in West India and Central India.

Mountain Tracts

Next to "mountain" tracts come hilly tracts. The word "hill" covers all kinds of weathered highlands (except mountains) without reference to the level at which the hills are situated. It also includes the entire area of all ranges other than the Himalayas, as also the foothills of the Himalayan range upto 7,000 feet above sea level. Hilly tracts thus defined comprise 150.9 million (18.6 per cent.) acres of all land in India. This area is divided among four zones: East India 52.5 millions, Central India 33.3 millions, South India 27.8 millions, and West India 19.8 millions.

There are 8.8 million acres of hill tracts in North-West India outside Jammu and Kashmir and 2.7 million acres in Jammu and Kashmir. Northern India has 4.1 million acres and Andaman and Nicobar Islands 2.1 million acres classed as hilly area.

Plateaus are the third variety of tracts. They include all varieties of flat tracts of land which lie between 1,000 feet and 3,000 feet above sea level. Such tracts measure 224.8 million or 27.7 per cent. of all land in India. Almost exactly one half of all plateaus (112.5 million acres) is found in Central India comprising Madhya Pradesh, Madhya Bharat, Hyderabad, Bhopal and Vindhya Pradesh. The remaining half is distributed as follows: North-West India, 30 million acres, South India 28.6 million acres, West India 28.4 million acres and East India 2.4 million acres. A fringe of North India measuring 3.4 million acres is also plateau land.

Finally, there are the plains of which India has 349.9 million acres or 43 per cent. of all land in India. They are distributed thus: East India 80.5 million, North-West India 74.2 million, North India 57.2 million, South India 50.6 million, West India 47.6 million and Central India 39.5 million. Generally, plains are tracts which are the best for purposes of cultivation and settlement of people. This is so because the chances of finding fertile soil are better in plains than in the plateaus where generally fertile land is scarce.

Plain Land

All the 350 million acres of plain land are not fertile or even cultivable land. There are vast stretches of land in some parts of the country which can be called land only in a technical sense. The "Rann of Kutch" is an instance in point. It measures 5.9 million acres and not suited for cultivation. So also 25.4 million acres of Rajasthan dry area. The capacity of this area to support life is negligible. Then there are the sandy wastes and marshy lands which occur in many plain tracts. These should be left out of the reckoning. Such lands account for 33 million acres in North-West India and 7.5 million acres in West India.

Thus, out of a total land area amounting to 812.6 million acres, unusable area accounts for 308.2 million acres. Topographically usable area, therefore, is of the order of 504.4 million acres. Again, it is not to be supposed that all the usable area is cultivable. Even within this area, there are large patches of land which are little better than barren rock, and have no soil or cover. It is, therefore, necessary to consider the nature and extent of soil cover available for land in different parts of the country. Unfortunately, such information is mostly of a descriptive nature. According to this information, there are four main groups of soils in India, namely, alluvial, black, red and lateritic. Following is the brief description of these soils:

(i) Four main groups of soils are found extensively all over India. Among them, the alluvial group is by far the most productive. They are distributed over practically the whole of the Gangetic plains in Uttar Pradesh, West Bengal and extend to the Punjab and parts of Assam and Orissa. The coastal tracts of Southern India are also alluvial, especially at the mouths of the rivers, where they are known as deltaic alluvium. The soils are deficient in phosphoric acid, nitrogen and humus, but not generally in potash and lime.

(ii) Then there are the black soils which are loamy to clayey in texture, vary in depth, and contain lime kankar in varying percentages, and free calcium carbonate. These soils are generally suitable for cultivation of cotton and are known in many places as "black cotton soils" or *regur*. Resembling tropical black earth, they are very well defined soils which occupy the greater part of Bombay and Saurashtra, western parts of Madhya Pradesh, Madhya Bharat, and Hyderabad and some parts of Madras including the districts of Tirunelveli and Ramanathapuram. The soils are fairly fertile and very useful for commercial crops.

(iii) Another fairly well defined and extensive group consists of red soils. They differ widely in depth and fertility in different parts of India and are generally of medium to low fertility. They cover very large tracts of Madras, Mysore, southeast Bombay, east Hyderabad and a strip of tract running along the eastern part of Madhya Pradesh to Chhota Nagpur and Orissa. In the north, the red soil area extends into and includes the greater part of the Santhal Parganas in Bihar, the Birbhum District of West Bengal, the Mirzapur, Jhansi and Hamirpur Districts of Uttar Pradesh, northern portion of Madhya Bharat, the Aravallies and the eastern half of Rajasthan.

(iv) The last of the four main groups consists of laterite and lateritic soils. Soils of this group are derived by the atmospheric weathering of several types of rocks under monsoon conditions of alternating dry and wet periods. Well developed laterite and lateritic soils are found on the summits of hills of the Deccan, Madhya Bharat, Madhya Pradesh, and of the Rajmahal and Eastern ghats, and certain parts of Orissa, Bombay, Malabar and Assam. The soils are deficient in potash, phosphoric acid and lime.

(v) Other miscellaneous types of soils include desert or arid soils occurring in the regions having low rainfall, e.g., Ajmer, Eastern Rajasthan, etc. Marshy or peaty soils occur over small areas in Travancore, and in parts of West Bengal, Orissa and Madras. Hill soils, which are generally sandy or red loam, occur in the hilly regions of West Bengal, Punjab and Assam.

Notices

THE COORLA SPINNING AND WEAVING COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-FIRST ORDINARY GENERAL MEETING of the above Company will be held at the Registered Office of the Company, Readymoney Mansion, Churchgate Street, Fort, Bombay, on Friday the 18th day of December, 1953, at 5 p.m. (S.T.), to transact the following business:—

I. To receive the Directors' Report and Audited Accounts made up to 31st March, 1953.

II. To sanction the declaration of a Dividend.

III. To elect a Director in place of Lady Hirabai Cowasjee Jehangir who retires by rotation and is eligible for re-election.

IV. To elect a Director in place of Mr. Hirjee Cowasjee Jehangir who retires by rotation and is eligible for re-election.

V. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Thursday the 10th day of December, 1953, to Thursday the 24th day of December, 1953, both days inclusive.

By Order of the Board,
COWASJEE JEHANGIR & CO., LTD.,
Secretaries, Treasurers & Agents.

READYMONEY MANSION,
CHURCHGATE STREET, FORT,
BOMBAY, 13*th November*, 1953.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 28th day of December, 1953, to those shareholders whose names stand on the Register on the 9th day of December, 1953. The Dividend Warrants will be posted to the registered address of the Shareholders. Any change in address should be notified to the Company.

THE PHALTAN SUGAR WORKS LIMITED

NOTICE

THE TWENTY-SECOND ORDINARY GENERAL Meeting of the Phaltan Sugar Works Ltd. will be held on Monday the 28th December, 1953, at 3 p.m. (S.T.), at the Factory Office of the Company at Sakharwadi, District Satara North, to transact the following business:

(1) To adopt the Directors' Report and Audited Statements of Accounts for the year ending 30th September, 1953.

(2) To sanction payment of Dividend.

(3) To elect Directors in place of Messrs. Arvind N. Mafatlal and Himatlal Kantilal who retire by rotation but being eligible offer themselves for re-election.

(4) To elect Director in place of Seth M. L. Apte who retires in pursuance to Article 123, but being eligible offers himself for re-election.

(5) To appoint Auditors for the current year and fix their remuneration. A notice has been received by the Company from one of the shareholders of the Company proposing that Messrs. C. C. Chokshi & Co., of Bombay, be appointed Joint Auditors with Messrs. G. M. Oka & Co., the present Auditors.

(6) To transact any other business that may be brought forward by the Chairman.

The Transfer Books of the Company will be closed from 21st December, 1953, to 13th January, 1954, both days inclusive.

By Order of the Board of Directors,
For MAFATLAL, APTE & KANTILAL LTD.,
L. V. APTE,
Managing Director,
Managing Agents.

SAKHARWADI (DIST. SATARA NORTH),
3rd *November*, 1953.

N.B.—The Dividend when declared will be made payable at the Factory Office at Sakharwadi, on and after 28th January, 1954. The Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on the 20th December, 1953.

Notices

NELLIMARLA JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the abovenamed Company will be held at the Registered Office of the Company, "McLeod House," No. 3, Netaji Subhas Road, Calcutta, on Tuesday, the 8th day of December, 1953, at 3-15 p.m., to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

1. (*As an Extraordinary Resolution*)—That the Authorised Share Capital of the Company be increased from Rs. 15,00,000 to Rs. 31,25,000 by the creation of 1,62,500 Ordinary Shares of Rs. 10 each.

2. (*As a Special Resolution*)—That the Articles of Association of the Company be altered in manner following:—
In Article 4, the figures "15,00,000" and "1,00,000" shall be deleted and the figures "31,25,000" and "2,62,500" substituted therefor respectively.

3. (a) That it is desirable to capitalise a sum of Rs. 18,75,000 being part of the undivided profits of the Company standing at the credit of the General Reserve and accordingly that the said sum of Rs. 18,75,000 be capitalised and that this amount be used as a capital bonus which shall be applied on behalf of the persons who are on the 8th day of December, 1953, registered in the Company's Books as the holders of the 75,000 issued Ordinary Shares of Rs. 10 each in payment in full for 1,87,500 new Ordinary Shares of Rs. 10 each and that such 1,87,500 new Ordinary Shares credited as fully paid, shall be accordingly allotted to such persons respectively in the proportion of five new Ordinary Shares for every two issued Ordinary Shares held on the 8th day of December, 1953, by such persons respectively, and that the said new Ordinary Shares so distributed shall rank in all respects *pari passu* with the existing issued Ordinary Shares save and except that they will not participate in any dividend declared in respect of any period ending on or before 30th June, 1953, and shall also be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such Ordinary Shareholder and not as income.

(b) That pursuant to the above resolution and in satisfaction of the said special capital bonus, the Directors be and they are hereby directed to allot and distribute 1,87,500 new Ordinary Shares credited as fully paid amongst the persons who are on the 8th day of December, 1953, registered in the Company's Books as the holders of the 75,000 issued Ordinary Shares of the Company in proportion to the issued Ordinary Shares held by them.

(c) That if on such allotment and distribution as aforesaid fractional entitlements are involved, the Directors be and they are hereby directed to allot the shares represented by the fractions to the Chairman of the Meeting as Trustee on behalf of those shareholders who are entitled to fractions of a share and that the Chairman be and he is hereby authorised to sell such shares and distribute the net proceeds of sale amongst such shareholders in accordance with their respective fractional entitlements.

(d) That the draft of the Agreement providing for the allotment of the said new Ordinary Shares in satisfaction of the said capital bonus submitted to this Meeting and signed in the margin by the Chairman thereof by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Seal of the Company to duplicate engrossments of such Agreement as and when the same shall have been signed on behalf of the members holding Ordinary Shares in the Company on the 8th day of December, 1953 by some person to be appointed by the Directors in that behalf under Article 170 of the Articles of Association of the Company.

NOTICE is also hereby given that the Share Transfer Books and the Register of Members of the Company will be closed from 24th November, 1953 to 8th December, 1953, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

CALCUTTA, 11*th November*, 1953.

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of abovenamed Company will be held at the Registered Office of the Company, "McLeod House", No. 3, Netaji Subhas Road, Calcutta, on Tuesday, the 8th day of December, 1953, at 3 p.m., to consider and, if thought fit, to pass, with or without modification, the following resolutions, namely:—

1. (*As an Extraordinary Resolution*)—That the Authorised Share Capital of the Company be increased from Rs. 15,05,000 to Rs. 35,15,000 by the creation of 2,01,000 Ordinary Shares of Rs. 10 each.

2. (*As a Special Resolution*)—That the Articles of Association of the Company be altered in manner following:—
In Article 4, the figures "15,05,000" and "1,00,500" shall be deleted and the figures "35,15,000" and "3,01,500" substituted therefor respectively.

3. (a) That it is desirable to capitalise a sum of Rs. 20,10,000 being part of the undivided profits of the Company standing at the credit of the General Reserve and accordingly that the said sum of Rs. 20,10,000 be capitalised and that this amount be used as a capital bonus which shall be applied on behalf of the persons who are on the 8th day of December, 1953, registered in the Company's Books as the holders of the 1,00,500 issued Ordinary Shares of Rs. 10 each in payment in full for 2,01,000 new Ordinary Shares of Rs. 10 each and that such 2,01,000 new Ordinary Shares credited as fully paid, shall be accordingly allotted to such persons respectively in the proportion of two new Ordinary Shares for every issued Ordinary Share held on the 8th day of December, 1953, by such persons respectively, and that the said new Ordinary Shares so distributed shall rank in all respects *pari passu* with the existing Ordinary Shares save and except that they will not participate in any dividend declared in respect of any period ending on or before 30th June, 1953, and shall also be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such Ordinary Shareholder and not as income.

(b) That pursuant to the above resolution and in satisfaction of the said special capital bonus, the Directors be and they are hereby directed to allot and distribute 2,01,000 new Ordinary Shares credited as fully paid amongst the persons who are on the 8th day of December, 1953, registered in the Company's Books as the holders of the 1,00,500 issued Ordinary Shares of the Company in proportion to the issued Ordinary Shares held by them.

(c) That the draft of the Agreement providing for the allotment of the said new Ordinary Shares in satisfaction of the said capital bonus submitted to this Meeting and signed in the margin by the Chairman thereof by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Seal of the Company to duplicate engrossments of such Agreement as and when the same shall have been signed on behalf of the members holding Ordinary Shares in the Company on the 8th day of December, 1953 by some person to be appointed by the Directors in that behalf under Article 165 of the Articles of Association of the Company.

NOTICE is also hereby given that the Share Transfer Books and the Register of Members of the Company will be closed from 24th November, 1953 to 8th December, 1953, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

CALCUTTA, 11*th November*, 1953.

MACHINERY MANUFACTURERS CORPORATION LIMITED

NOTICE

THE SEVENTH ORDINARY GENERAL MEETING OF MACHINERY MANUFACTURERS CORPORATION LIMITED, will be held on Friday, the 4th December, 1953, at 5 p.m. at the Registered Office of the Corporation, Gateway Building, Apollo Bunder, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the period ended 31st March, 1953.

2. To elect Directors in place of Sir Sobha Singh, Mr. K. C. Mahindra and Mr. A. K. Mitra who retire from the Board under Article 114 of the Articles of Association of the Corporation, but are eligible for re-election.

3. To elect a Director in place of Mr. M. A. Chidambaram who retires from the Board under Article 104 of the Articles of Association of the Corporation, but is eligible for re-election.

4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Corporation will be closed from 19th November, 1953, to 4th December, 1953 (both days inclusive).

For and on behalf of the Directors,
MACHINERY MANUFACTURERS CORPORATION, LIMITED,
K. C. MAHINDRA,
Director.

BOMBAY, 4*th November*, 1953.

TO ALL SHAREHOLDERS OF MACHINERY MANUFACTURERS CORPORATION LIMITED AND IN PARTICULAR TO:—

Mrs. Maryam Akhund, Bai Bachubai Sorabji Anklesaria, Messrs. British Cotton Growers Association Ltd., Mrs. Tehmina Hormasji Dalal, Mr. Framroz Dhunjishaw Daruvala, Mr. C. De Souza, Mr. Nadarshaw M. Dinshaw, Mr. R. C. Fernandes, Mr. Archibald T. A. Menezes, Hon'ble Mr. Gulam Mohammed, Mr. Tikamdas Wadhumal, Messrs. Jamal Rai Hiamat Rai Setia, Mr. Sorabji Hormusji Shahookar, Dr. (Miss) Shaikh Amna, Mr. Zaka Rahmatulla, Mr. Barkatullah Khan, Mr. William Dick Brown, Mr. Andrew Dollar Gillespie, Mr. Donald Gladding, Major Alastair Cameron, Mr. Mirza Ahmed Ispahani, Sir William Roberts, Mr. Rishi Ram Bhandary, Major General Bramha Shum Shere Jung Bahadur Rana, Major General Shura Shum Shere Jung Bahadur Rana, Mr. Nootan Deb Pant, Mr. Mahendra Prasad, Rajguru Pandit Khagendra Raj, Sardar Soma Prasad Upadhya, Senior Comdg. General Baber Shum Shere, Mr. Pitamber Prasad Pantha, Messrs. John Inglis Company Limited, Rokia Sultan, Sogra Sultan, Khatija Begum, Robaba Khanum, Mr. John Lees, Mr. William Lindsay, Mr. Robert Byrne, Mr. Prabh Dial Bhalla, Mr. G. B. Gilby, Mono Shum Shere Jung Bahadur Rana, Mr. C. H. Jaimal Rai, Major General Nara Shum Shere Jung Bahadur Rana, Mian Aziz Ahmed Khan Bhatti, Madan Shum Shere Jung Bahadur Rana, Padma Narsingha Rana, Mohamed Khalil Sheraze, Comdg. General Bahadur Shum Shere Jung Bahadur Rana, Bahadur Shum Shere Jung, Maj. General Krishna Shum Shere Jung Bahadur Rana.

TATA CHEMICALS' RECORD PROFIT

PREFERENCE DIVIDEND, HOWEVER, STILL IN LARGE ARREARS

FOURTEEN years constitute too long a period for any investor to go without a return on his investment and still hold his patience. Yet there are a few instances where investors are still hopeful and evince an interest in the shares of such companies. The ordinary shares of the Tata Chemical's Ltd. (Managing Agents: Messrs. Tata Industries Ltd., Bombay) belong to this category. Although the dividend on preference shares is still in arrears for as many as 6½ years, the ordinary shares at Rs. 9-9 are quoting very nearly their par value. And what is more, their marketability is good. If anything, it seems to have improved in recent days, the value of the scrip hardening from Rs. 8-14-6 to Rs. 9-9 in a fortnight. An explanation for this is to be found in the fact that the Company's financial results for the year ended 30th June, 1953, are far more encouraging than those for the previous year. It is true that no dividend on ordinary shares has been recommended for 1952-53, but the fact that earnings are better and that arrears of preference dividend has been reduced fairly substantially has evidently given rise to fresh hopes of better days in the coming years.

The gross profit for the year, at Rs. 26.52 lakhs, not only represents an increase of Rs. 9.48 lakhs over that for 1951-52 but also constitutes a record for the Company. Another encouraging feature of the year's results is that, for the first time since the Company began reducing its arrears of preference dividend three years ago, its profit for the year under review has enabled it to pay in full the preference dividend for two years simultaneously. No doubt, the Company has, up to the end of the year under review, still to clear off arrears of dividend on preference shares for 6¼ years.

The improvement in the financial results for 1952-53 is due, according to the Directors, to "increased output and efficiency, consequent upon greater continuity of operations and a larger volume of sales." The Company's sale proceeds of chemicals show a substantial rise from Rs. 137.15 lakhs to Rs. 161.50 lakhs, an increase of 18 per cent. This rise has been offset to some extent by the decline in sale proceeds of salt from Rs. 5.72 lakhs to a mere Rs. 9,320, as well as in the income from sale of foodgrains and other commodities from Rs. 4.75 lakhs to Rs. 2.87 lakhs and in miscellaneous income from Rs. 4.30 lakhs to Rs. 2.10 lakhs. Expenses, including consumption of raw materials, have risen from Rs. 134.88 lakhs to Rs. 140.05 lakhs. Out of the gross profit of Rs. 26.52 lakhs, Managing Agents' commission, including adjustment in respect of previous years, has taken up Rs. 1.17 lakhs, as against Rs. 35,066 in the previous year. Provision for depreciation has been raised by Rs. 5.25 lakhs to Rs. 17.50 lakhs, on account of the substantial additions to the gross block during the year. The net profit works out to Rs. 7.85 lakhs, as against Rs. 4.44 lakhs for 1951-52. The Directors have written off completely the balance of preliminary expenses, underwriting commission and brokerage on issue of shares and debentures, all aggregating Rs. 1.64 lakhs. The payment of preference dividend for two years from 1st January, 1945 to 31st December, 1946, absorbs nearly Rs. 6 lakhs. The balance left to be carried forward is Rs. 29,390.

The Company's production of soda ash was stepped up by 60 per cent. over the previous year's output, in spite of reduced operations for a temporary period when sales were restricted. The Company had to curtail its production of soda ash for a period of three months due to excessive imports. It had also to reduce its selling prices for some time. The position, however, improved from January, 1953. The caustic soda and other heavy chemical plants, except for bleaching powder, worked steadily. However, sales of caustic soda were poor on account of excessive imports allowed during 1952, and operating costs increased. The Company had to shut down temporarily its caustic soda and zinc chloride plants, in order to enable it to dispose of its accumulated stocks of these chemicals. During the latter half of the year, the bleaching powder plant was reopened, after it had remained closed since December, 1951, owing to large accumulation of stocks and poor offtake. Production in the marine group of plants was better and sales of these chemicals were satisfactory. The brine evaporator plant was brought into operation from October, 1952. As a result of its working, a good supply of distilled water to the boilers has been assured, as also a daily output of 40 tons of vacuum salt. This salt, which is free from impurities and superior to solar salt, is being put on the market in different parts of the country. The production of salt during the year was only a little below the target figure of the previous years, although lifting operations were affected by an early monsoon and excessive rainfall. The Company, according to the Directors, was not able to despatch any salt to Calcutta, partly because the bulk of the production was required for internal consumption in the manufacture of chemicals, and partly in view of ample stocks of salt in the Bengal market, where salt prices fell steeply to unremunerative levels. Even the demand for Indian salt in Japan, the Directors add, has tapered off, since it is now increasingly looking to nearer Far Eastern sources for its requirements.

The problem of disposal of the Company's output of chlorine is in the process of being solved. It has now concluded arrangements with a German firm for the manufacture of insecticides by a German process. When the plant for the manufacture of the insecticide goes into production, not only the surplus chlorine will be absorbed but the electrolysers will be operated to capacity with a corresponding increase in the output of electrolytic caustic soda.

The following synopsis of the Company's balance-sheet as on 30th June, 1953, gives an idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ...	1,32,15,280	Gross block	2,64,69,593
Debentures	25,00,000	Less—Depreciation ...	70,27,268
Reserves and surplus ...	29,690	Net block	1,94,42,325
Liabilities ...	1,31,38,415	Stock-in-trade	33,32,969
		Stores, spares, etc.	60,64,245
		Debts and advances	17,53,393
		Cash ...	2,90,453
	Rs. 3,08,83,385		Rs. 3,08,83,385

During the year the Company spent Rs. 10.94 lakhs on additional plant and machinery and improvement to the township. Further modifications and additions are in hand for increasing the capacity of the soda ash plant. When these are executed, the maximum rated capacity of the plant is expected to be reached.

NEW KAISER-I-HIND MILL MAINTAINS DIVIDEND

A decline of Rs. 13.42 lakhs, in the gross profit, that is from Rs. 24.85 lakhs to Rs. 11.43 lakhs, is disclosed by the audited accounts of the New Kaiser-I-Hind Spinning and Weaving Co., Ltd., for the year ended 31st March, 1953, as compared with those for the previous year. Consequent on this shrinkage, the Directors have not allocated anything to the reserves, to which had been added a sum of Rs. 5 lakhs last year. The dividend on the ordinary shares is, however, maintained at 8¼ per cent. per annum.

Sale proceeds of cloth, yarn, etc., have declined from Rs. 259.97 lakhs to Rs. 247.73 lakhs. Expenses, including consumption of raw materials, on the other hand, show a small rise of Rs. 235.90 lakhs to Rs. 237.06 lakhs. The provision for depreciation has been reduced slightly from Rs. 5.75 lakhs to Rs. 5.50 lakhs, in spite of the additions made to the gross block during the year. The provision for taxation, which had received Rs. 10 lakhs last year, has been allotted only Rs. 1.50 lakhs. Thus, the net profit stands at Rs. 4.43 lakhs, a little less than half that for the previous year, at Rs. 9.10 lakhs. The distribution of the preference dividend requires Rs. 75,000 and the ordinary dividend Rs. 3.82 lakhs. It may be recalled, in this connection, that the dividend on the ordinary capital of the Company had been reduced from 30 per cent. paid for 1948-49 to 8¼ per cent. for 1951-52, but, in the years 1950-51 and 1951-52, the Directors had issued scrip bonus at one ordinary share for every share in the former year and one ordinary share for every two held in the latter year. This is in addition to the bonus issue of one preference share for every ordinary share made in 1949-50.

The recession in earnings during the year under review is clearly due to the trade depression which came to be felt in the latter part of 1951-52, leading to a crash in prices of raw materials and manufactured goods. In spite of the partial decontrol of cloth in October, 1952, the cloth market continued to slump and the mills were not able to sell most of the decontrolled varieties at remunerative prices. They were, therefore, obliged to sell their products at heavy loss. Thanks, however, to the liberal policy followed by the Government in the matter of export of cloth, the Company was able to sell quite a good quantity of cloth for export, although the heavy export duty hampered the export trade.

The latest balance-sheet of the Company shows that the reserves and surplus stand at Rs. 12.31 lakhs, as against a paid-up capital of Rs. 60 lakhs. During the year, the Directors, had to transfer a sum of Rs. 17 lakhs from the general reserve to provision for taxation, as the Company's appeal in respect of income-tax assessments for earlier years did not succeed. In addition to the sum of Rs. 17 lakhs transferred from the general reserve, the Directors have added to the provision for taxation a sum of Rs. 6.43 lakhs being the net E.P.T. refund received during the year. After paying Rs. 35.48 lakhs by way of taxes, there is a balance of Rs. 2.15 lakhs in the taxation reserve account. Current liabilities aggregate Rs. 53.06 lakhs. As against a gross block of Rs. 109.81 lakhs (including Rs. 4.67 lakhs being the value of the additions during the year) a depreciation reserve of Rs. 85.23 lakhs has been built. The current assets amount to Rs. 102.95 lakhs and exceed the current liabilities and provision for taxation by a margin of Rs. 47.77 lakhs.

CHITAVALSAH AND NELLIMARLA JUTES TO ISSUE BONUS SHARES

The Directors of the Chitavalsah Jute Mills Co., Ltd., and Nellimarla Jute Mills Co., Ltd. (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta), have decided to capitalise a part of their undivided profits standing to the credit of their respective general reserves and to issue new ordinary shares as bonus to the holders of the existing ordinary shares as on 8th December, 1953.

The Directors of Chitavalsah propose to capitalise a sum of Rs. 20.10 lakhs from out of the Company's general reserve (which stood at Rs. 38 lakhs as on 31st December, 1952) and issue 201,000 new ordinary shares of Rs. 10 each to the holders of the existing 100,500 ordinary shares of Rs. 10 each as bonus shares in the proportion of two new shares for every one held by them. For the purpose of carrying out the aforesaid proposal, the Directors propose to raise the authorised capital of the Company from the present level of Rs. 15.05 lakhs to Rs. 35.10 lakhs. After the aforesaid, proposal is carried out, the paid-up capital of the Company will stand at Rs. 30.15 lakhs, made up of 301,500 ordinary shares of Rs. 10 each and 5,000 (7 per cent.) cumulative preference shares of Rs. 100 each.

The Directors of Nellimarla propose to capitalise Rs. 18.75 lakhs from out of the general reserve (which, as on 31st December, 1952, stood at Rs. 37 lakhs) and issue 187,500 new ordinary shares of Rs. 10 each as bonus to the existing 75,000 ordinary shareholders, in the proportion of five new shares for every two held by them. The implementation of the aforesaid proposal requires the raising of the authorised capital from Rs. 15 lakhs to Rs. 31.25 lakhs by the creation of 162,500 ordinary shares of Rs. 10 each. After the aforesaid capitalisation proposal is carried out, the paid-up capital of the Company will stand at Rs. 31.25 lakhs, made up of 262,500 ordinary shares of Rs. 10 each and 5,000 (6 per cent.) cumulative preference shares of Rs. 100 each.

It may be noted here that, even during recent years, when the jute industry passed through very difficult days, both the companies were able to pay good dividends, as will be seen from the following set of figures:

	Dividend per cent		
	1950	1951	1952
Chitavalsah	15	60	37½
Nellimarla	30	75	30

Although the ordinary paid-up capital is being raised by 200 per cent. in the case of Chitavalsah and by 250 per cent. in the case of Nellimarla, both the Companies should be able to pay dividends at present rates. If the trend of the jute goods market is any indication, the profits of these Companies for the current year should be better than in 1952. It can, therefore, be reasonably expected that the Companies will be able to set apart a larger sum for payment of ordinary dividends than they did in 1952. In short, the Companies seem to be justified in raising the level of their ordinary capital.

SHOLAPOOR MILL SUFFERS LOSS

After a welcome improvement in its fortunes during the previous two years, the Sholapoor Spinning and Weaving Co., Ltd., which has been under a court of wards management ever since 1950, has had to face a period of adverse working conditions during the year ended 31st March, 1953. Thus, the Company has sustained a gross loss of Rs. 18.24 lakhs for the year, as compared with a gross profit of Rs. 17.95 lakhs for 1951-52 and Rs. 14.24 lakhs for 1950-51. This loss has been covered to some extent by the receipt of a sum of Rs. 6.03 lakhs, being the net E.P.T. refund, and by the writing back of Rs. 37,609, representing depreciation on account of the city electrification department for 1948-49 and 1949-50. The balance of the loss amounting to Rs. 11.83 lakhs, subject to making a provision for depreciation for the year (Rs. 4.61 lakhs), is proposed to be carried forward, raising the total accumulated loss to Rs. 89.86 lakhs. Besides this huge deficit, the Company is in arrears of preference dividend since 1946-47, aggregating Rs. 4.32 lakhs.

It will be recalled that, as on 1st April, 1950, that is, only about three months after the present Board of Directors had taken charge in January, 1950, the accumulated loss of the Company stood at Rs. 84.87 lakhs, subject to depreciation for the years 1947-48 onwards. During the succeeding two years, the Company was able to earn sufficient pro-

(Continued in next page)

Points From The Chair

Growth of Trade Unionism in India

"IN India, since her independence, there has been a very rapid growth in trade unionism. In fact, India has attempted in six years to achieve a relationship between labour and management which, in this country, has emerged after more than 100 years. That this rapid progress in India has been accompanied with many problems was only to be expected and, of these, one of the greatest has been the number of rival unions competing for members in the same industry. These unions endeavour to attract members by making ever more exacting demands for increased wages and other benefits. In an endeavour to settle such claims the Industrial Disputes Act of 1947 was passed. This Act enabled Government to set up tribunals, composed of persons of a status of High Court or District Judge, to hear disputes arising between employers and employees. These tribunals administer no principles of law and, in fact, make their own principles as they go along. They are composed of men with no commercial experience whatever, and their awards appear to bear little relationship to common sense or commercial prudence. To take one example only, when I was in Calcutta last November, a tribunal issued its award granting retrospective and continuing increases in dearness allowances and also a special bonus in respect of the year 1950."

D. E. WEBB,
Calcutta Tramways Co., Ltd.

Improving Standard of Living

"I dare say no sensible thinking man in our country to-day will dispute the *desideratum* of the ideal of our Government to provide employment for all healthy people, helping them to improve their standard of living and well-being which is the first *sine qua non* of a successful Welfare State. But whether mere legislative enactments divorced of their practical possibilities would serve to achieve this object, I am not so sure of. Ideological enthusiastic approach to this problem, no doubt, is the essential prerequisite; but mere enthusiasm without a realistic approach to the situation and without fully appreciating the overall economic set-up of our country, can more probably mislead us than help us to serve and realise the laudable object. It is in this I am very particular that all phases of the industry must be fully taken into confidence and they must also be fully put in possession of the pros and cons of every attempt and the possibilities of the results, before they can be adopted as a standard yardstick."

A. V. THOMAS,
Midland Rubber and Produce Co., Ltd.

SHOULD CEILINGS BE PRESCRIBED FOR LANDHOLDINGS?

(Concluded from page 947)

that the need for a programme which establishes a synthesis between the immediate and the ultimate arises and the allocation of funds for minor irrigation works, long neglected all over the country, is called for. I would even go further and suggest that the immediate should take precedence over the ultimate if people are to be made planning-conscious and their co-operation extended in expanding measure.

Ways and Means

"The pace and progress of the plan, whatever its shape, will depend predominantly on the resources that can be mobilised by Government. The resources at the disposal of the Government are what they can raise by way of taxes and loans. Substantial additions have been made to the tax structure of the State in recent years. The most notable instance is the sales tax which has been worked to regressive proportions under pressure of growing requirements of the States. Taxes on income still stand at a level which financial circles consider offer no margin for savings, especially, against the background of a continuous rise in the cost of living. A democratic system of Government by its very nature involves a more costly set-up for administration and when it is keyed to produce the amenities of a Welfare State, the need for more and more funds to run normal administration can easily be recognised; and we want funds not merely for normal administration, but also for large-scale investments on a planned programme. In the last session of Parliament one more taxation measure in the shape of death duties has been placed on the Statute Book and brought into effect from the 15th of last month. You are aware that a Taxation Commission is now starting on its rounds to take evidence on the rationalisation of the tax structure and incidentally explore the prospects of addition to the taxes.

"In our own State, the question of agricultural income-tax has come in for periodic examination, though every time the unpromising outlook has damped enthusiasm and delayed action. Apart from agricultural income-tax, the question of standard assessment of land tax on grounds of rationalisation of resettlements of the past geared to the ruling prices of commodities, to provide elasticity is being canvassed. I am referring to this at the moment in the context of the State's need for money not only for abnormal investments but also for normal administration.

State Loans

"Apart from what can be raised by way of taxes, the other alternative for the Government to raise funds is by way of loans. How much money can be raised this way? It is difficult to prognosticate on the data available. Savings on which any reliance could normally be placed was usually associated with fixed income groups in urban areas and informed opinion on this does not encourage any optimistic expectations. There have been few new flotations of companies in the private sector to assess the correctness of this impression. If the ruling prices at the Stock Exchange provide any indication, there is little ground for optimism. The evidence seems to point the other way about. Still, the fact remains that the provincial loans issued this year, particularly the loan in Madras, have proved that there are unsuspected reserves still available. It has been suggested that there is more money on the countryside waiting to be integrated and canalised, of which no proper assessment is possible. Assuming that what the Government expects to raise by way of taxes and internal loans is realised, the financing of the plan still leaves a margin to be found by way of external help and what is known as deficit financing. The plan, moreover, is undergoing constant revision calling for more and more investment and this is only the First Five-year Plan! It is only the result that must justify the strains and stresses clearly indicated in the financial sector.

"If the Plan had merely outlined programmes and priorities, it might have raised a ripple in knowledgeable circles but left the general body of the people unconcerned. In order, however, that the latter may be interested and enthused, the Commission has set about an exposition of the new philosophy on which the Welfare State is presumably based. Against the background of large irrigation schemes, power projects, fertiliser plans and mechanised farming, novel proposals are put forward for setting a ceiling on holdings which, to those who are familiar with the actual size of holdings in the *ryotwari* areas, have come as a surprise and a shock. After the abolition of the *zamindaris*, there may be a few tall poppies left in the *ryotwari* sector, but there is ample evidence in the data collected by the authorities of Government that the vast majority of the holdings in this province are what must be classed really as uneconomic holdings. Single *pattas* below 15 acres represent 75 per cent. of the area under cultivation; and of this 40 per cent. represent holdings below 5 acres. Joint *pattas* below 15 acres represent 83 per cent. of the area under cultivation!

"These facts should effectively dispose of any expectation that a fixation of ceiling would release land for distribution to the landless. Any attempt to fix a ceiling in the context of the facts disclosed can only introduce a disturbing element in the credit structure of rural economy. It would be wiser to leave the few holdings that may be found above any optimum limit to set standards of scientific farming and provide demonstrable results of the reforms attempted. In any event, if the pressure for a ceiling cannot be resisted, it should be fixed at a sufficiently high level to allow farming to flourish as an industry and such limitation should operate only in respect of the future holdings and not current holdings.

"The possibilities of collective and co-operative farming are still in the unproven stage and a time-lag is necessary to assess its results. The human factor does not always chime in with the economists' expectations. We are passing through a period of unrest, due to political and economic reasons and it would be wise not to attempt any hasty reforms especially, in the agricultural sector where the have-nots will not be content with what is conceded and the haves will not yield with grace what they can well let go.

"There is one note of caution that may be struck in this context. The cycle of drought which was sustaining high prices of commodities is breaking. A progressive fall in prices is in the offing. An emergency may rise which will call for a fixation of floor level of prices of farm products. With these in prospect it would be wise, if all engaged in agriculture, landlord, tenant and *pannaiyal*, would not engage in fracticidal war. Their interests are common and they should hold together."

(Concluded from previous page)

fit not only to make good the arrears of depreciation upto the end of 1951-52 but also to reduce the accumulated loss from Rs. 84.87 lakhs to Rs. 78.04 lakhs at the end of 1951-52. But now the deficit has again widened to Rs. 89.86 lakhs on account of the loss incurred in 1952-53. This latter loss was, however, inevitable. It was, according to the Directors, "largely due to the severe slump which set in about March, 1952." The goods manufactured from high-priced cottons, particularly the foreign varieties, they add, had to be sold at heavy discounts. The overseas demand was also not brisk and the export margin which had largely contributed to the profits of the previous years dwindled to unremunerative levels.

The financial position of the Company can be judged from the following summary of its balance-sheet as on 31st March, 1953:

Liabilities	Rs.	Assets	Rs.
Capital ...	47,96,000	Gross block	2,87,33,062
Reserves ...	1,60,39,517	Less—Depreciation ...	2,03,87,726
Liabilities ...	1,83,81,830	Net block ...	83,45,336
		Stock - in - trade ...	1,69,92,345
		Stores, spares, etc. ...	23,46,576
		Debts, deposits and advances ...	21,06,883
		Investments	2,48,703
		Cash ...	1,93,006
		Loss	89,86,498
	Rs. 3,92,17,347		Rs. 3,92,17,347

Notices

KESORAM COTTON MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-eighth Ordinary General Meeting of the Shareholders of the Company will be held at 8, Royal Exchange Place, Calcutta, on Monday the 7th December, 1953, at 3.00 p.m.

(*a*) to receive and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1953;

(*b*) to declare Dividends on Preference and Ordinary Shares;

(*c*) to elect Directors;

(*d*) to appoint Auditors for the current year and to fix their remuneration;

(*e*) to approve and confirm payment of Donations of Rs. 1,18,365-9-0 as per Profit and Loss Account;

(*f*) to transact any other business that may be brought forward with the permission of the Chairman.

The Share Transfer Register will be closed from 24th November, 1953, to 7th December, 1953, both days inclusive.

By Order of the Directors,
BIRLA BROTHERS, LTD.,
Managing Agents.

CALCUTTA, 9th *November*, 1953.

In particular to:— Mr. Abdus Sattar Mollick, Mrs. B. E. Honeybone, Mr. C. M. D'Souza, Mrs. Dossibai Dinshaw, Mr. V. B. Pandit, Mr. Harendra Narain Chakravarty Choudhury, Mr. J. E. Dhanjibhoy, Lt. Genl. Kaiser Shum Shere Jung Bahadur Rana, Mrs. L. D. Jenkins, Mrs. Marie R. D'Souza, Mr. Nagendra Man Singh, Maj. Genl. Narendra Shum Shere Jung Rana Bahadur, Mr. Purshottam Ram, Mr. Suresh Chandra Nandi, Mr. Sohanlal Bawa, Yubaraj Shum Shere Jung Bahadur Rana and Col. Sir G. P. L. Conyngham.

Note.—If Dividends on shares as recommended by the Directors are passed at the Meeting, THE DIVIDENDS WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS, whose names are on the Company's Register on the 7th December, 1953. No application need be sent for dividend as relative Dividend Warrants will be posted to such Shareholders by the 21st December, 1953.

The Shareholders are requested at once to notify any change of address.

THE WEST COAST ELECTRIC SUPPLY CORPORATION LIMITED

(Registered Office: MADRAS)

NOTICE OF THE 19th ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 19TH Annual General Meeting of THE WEST COAST ELECTRIC SUPPLY CORPORATION LTD., will be held at the Registered Office of the Company, No. 20, Second Line Beach, Madras, on Thursday the 3rd December, 1953, at 4-30 p.m.

1. To consider and adopt the Directors' Report and the Audited Accounts for the year ended 31st March, 1953.
2. To consider the declaration of a final dividend of 2½ per cent. less tax on Preference Shares and a dividend of 6½ per cent. tax-free on Ordinary Shares, making a total of 5½ per cent. less tax on Preference Shares and 10 per cent. tax-free on Ordinary Shares for the year ended 31st March, 1953.
3. To elect Auditors for the current year and fix their remuneration.
4. To elect a Director in the place of Sri V. K. Eradi, who retires by rotation, but is eligible for re-election.
5. To elect a Director in the place of the late Dr. T. S. Tirumurti.

The Share Transfer Books of the Company will be closed from 25th November, 1953 to 3rd December, 1953, both days inclusive.

By Order of the Board,
CHANDRIE & CO., LTD.,
Managing Agents.

MADRAS, 8*th November*, 1953.

Note:—The dividend when sanctioned at the Annual General Meeting will be paid on or after 10th December, 1953, to those Shareholders whose names stand on the Register of Members on 3rd December, 1953.

DECLINE IN TEA PRICES AFFECTS DUNCAN BROTHERS COMPANY

CENTRAL INDIA COAL PAYS MAIDEN DIVIDEND

Duncan Brothers and Co., Ltd.

THE directors of the above Company (Chairman: Mr. J. R. Vernede, Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The revenue profit for the year amounts to Rs. 31,36,973 (Rs. 41,24,038) to which is added registration fees Rs. 101 (Rs. 743), E.P.T. post-war refund Rs. 1,63,520 (*nil*), and balance brought forward from 1951 Rs. 2,07,314 (Rs. 2,12,315), making a total of Rs. 35,07,908 (Rs. 43,37,314). From this sum the directors have made the following appropriations:—

Provision for taxation Rs. 16,50,000 (Rs. 16,00,000) and transfer to investment reserve Rs. 5,00,000 (nil) leaving a sum of Rs. 13,57,908 (Rs. 12,87,314) which the directors recommend should be distributed as under:—

In payment of a dividend on 45,000 tax-free cumulative preference shares at the rate of 4 (4) per cent. for the year ended 31st December, 1952 without any deduction for income-tax paid by the Company, declared payable by the directors on 31st January, 1953 Rs. 1,80,000 (Rs. 1,80,000) in payment of a dividend on 90,000 ordinary shares at the rate of 10 (10) per cent. for the year ended 31st December, 1952, without any deduction for income-tax paid by the Company Rs. 9,00,000 (Rs. 9,00,000) and in carrying forward Rs. 2,77,908 (Rs. 2,07,314).

Provision for taxation is considered adequate to meet outstanding assessments both in India and Pakistan at current rates of exchange.

As foreshadowed in the last report the disastrous fall in tea sale prices which continued throughout 1952 had its inevitable effect on the Company's revenue from this important side of the business. Since the turn of the year, however, measures taken to secure equilibrium in supply and demand have tended increasingly to exert their influence and auction prices in the world's markets have recovered to a level when producers can again expect some reward for their labours. While therefore the position in recent months has greatly improved many of the cuts imposed in estate expenditure cannot be continued indefinitely and losses incurred have been of a magnitude that the most conservative policy in the future will be necessary if tea companies are to be restored to their previous stability. Statistically the outlook for tea is sound with consumption once again showing a slight upward tendency.

Reduced demand for manufactured goods accompanied by a general fall in the price level over the year had its effect on the prosperity of the jute industry and on the Company's earnings from that source.

For similar reasons the subsidiary Company in Pakistan has reported a lower level of profits than in the previous year, but taking into account the seriousness of the crisis affecting the tea industry and the recession in raw jute prices results achieved are not unsatisfactory.

Although since the close of the period to which these accounts relate there has been a welcome improvement in Stock Exchange values for many of the Company's investments it has been deemed prudent to set aside the sum of Rs. 5,00,000 from profits to investment reserve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,35,00,000	Block ...	18,22,180
Reserves ...	50,14,618	Stock of stores, etc. ...	2,39,083
Provision for taxation ...	21,48,359	Debts, deposits and advances ...	1,36,31,425
Liabilities ...	1,19,36,168	Investments	1,70,07,864
Profit and loss account ...	2,77,908	Cash ...	1,76,501
Rs.	3,28,77,053	Rs.	3,28,77,053

Central India Coal-Fields Ltd.

The directors of the above Company (Managing Agents: Hindustan Investment Corporation, Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

After writing off Rs. 1,22,250 (*nil*) paid for share brokerage and providing Rs. 1,00,000 (*nil*) for depreciation and adding the balance carried forward from the last year, there is available a sum of Rs. 1,27,963 (Rs. 8,776 after adjusting the previous year's debit balance of Rs. 2,89,495) on the credit side of the profit and loss account. The directors propose to distribute this amount in the following manner:—

To pay dividend on 4,99,700 shares on ordinary shares at As. 4 (*nil*) per share free of income-tax Rs. 1,24,925 (nil) and to carry forward Rs. 3,038 (Rs. 8,776).

The progress of the work achieved during the year was better in comparison to previous year. The raisings at Pure Chirimiri Colliery were about 22 per cent. higher than the last year. The production might have further increased but was kept down according to the availability of wagons to avoid further accumulation of stocks.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,97,000	Block ...	33,74,722
Reserves ...	1,00,750	Stock of coal	1,65,388
Liabilities ...	1,69,218	Stock of stores	4,36,050
Profit and loss account ...	1,27,963	Other assets	18,934
		Debts, deposits and advances ...	8,54,662
		Investments	1,32,250
		Cash ...	4,12,925
Rs.	53,94,931	Rs.	53,94,931

Dauracherra Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts for the year ended 31st December, 1952.

The accounts showed a profit of Rs. 1,31,470 (Rs. 11,386). On transfer of this sum to profit and loss account and after sundry adjustments, including the appropriation of Rs. 1,00,000 (*nil*) from contingencies reserve, there was a balance at credit of that account amounting to Rs. 82,047 (Rs. 45,134), of which the directors transferred Rs. 25,000 (nil) to revenue reserve. The directors paid a dividend of 5 (2½) per cent. and carried forward Rs. 27,047 (Rs. 10,134).

The values of the Company's current assets and liabilities in Pakistan have been converted into Indian currency at the current rate of exchange, now recognised by the Government of India, and the resulting unrealised profit has been carried to an Exchange Suspense Account. Since the close of the year under review sanction to remit to this country the net trading profits earned in Pakistan during seasons 1948 and 1949 was obtained from the State Bank of Pakistan, and a total of Rs. (1) 3,62,892 was received and credited to the Company's account in India in May, 1953.

The crop harvested was 5,238 maunds as against 4,919 maunds in 1951. The average selling price in Pakistani Currency was Re. 1-3-9 per lb. as compared with Re. 1-1-0 per lb. in the previous year. Planted area—As the result of a recent survey the area under tea now measures 544.12 acres.

Estimates for 1953 provide for a crop of 5,200 maunds at an outlay of Rs. (P) 3,82,100, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	4,50,000
Reserves ...	6,47,046	Stores and supplies ...	58,399
Provision for taxation ...	1,89,497	Tea sales receivable ...	4,27,668
Liabilities ...	1,34,696	Advances and deposits ...	1,46,147
Profit and loss account ...	27,047	Investments	1,54,008
		Cash ...	3,62,064
Rs.	15,98,286	Rs.	15,98,286

Clevedon Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts for the year ended 31st December, 1952.

The accounts showed a loss of Rs. 1,16,670 (loss of Rs. 1,56,218). On transfer of this sum to profit and loss account and after sundry adjustments, including transfers of Rs. 26,000 (Rs. 2,14,000) from revenue reserve and Rs. 54,300 (*nil*) from buildings and machinery reserve, there was a balance at debit of profit and loss account of Rs. 34635 (credit of Rs. 1,074) which the directors carried forward.

The values of the Company's current assets and liabilities in Pakistan have been converted into Indian currency at the current rate of exchange, now recognised by the Government of India, and the resulting unrealised profit has been carried to an Exchange Suspense Account.

The loss would have been much larger had not the greater portion of the crop, which was some 740 maunds less than that of the previous year, latterly sold at considerably enhanced prices. Unfortunately, this gain failed to offset the heavy loss sustained on earlier unremunerative sales concluded at a time when disastrously low market prices were ruling. Results were further aggravated by the continuance of the adverse exchange ratio.

The crop harvested was 5,659 maunds as against 6,400 maunds in 1951. The average selling price in Pakistani currency was Re. 1-0-7 per lb. as compared with As. 11-8 per lb. in the previous year. Planted area is now 551.42 acres.

Estimates for 1953 provide for a crop of 6,000 maunds at an outlay of Rs. (P) 4,38,480, including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	4,00,000
Reserves ...	1,95,624	Stores and supplies ...	84,415
Provision for taxation ...	8,864	Tea sales receivable ...	4,33,357
Liabilities ...	4,75,649	Advances and deposits ...	1,03,701
		Investments	1,282
		Cash ...	22,747
		Profit and loss account ...	34,635
Rs.	10,80,137	Rs.	10,80,137

United Provinces Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1953.

In order to meet the demand for electricity in places within the Company's licensed area, where mains do not already exist, the transmission and distribution systems are being gradually extended as and when finances permit.

To overcome the numerous demands made for new connections on the direct current system which is nowadays considered obsolete, the system of alternating current is being introduced, thereby bringing the whole of the Company's distribution net work up to date.

The following schedule indicates the progress made during the past three years:—

Half-year ended	*Units sold*	*Revenue* Rs.
30th September, 1950	23,221,659	28,92,286
31st March, 1951	23,129,769	27,79,281
30th September, 1951 ...	26,484,521	31,10,349
31st March, 1952	25,430,966	31,52,162
30th September, 1952 ...	28,185,332	34,33,172
31st March, 1953	28,300,558	34,62,595

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities, there remains a balance of Rs. 3,58,548 (Rs. 3,54,361) including Rs. 76,045 (Rs. 60,899) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of in paying a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 2,80,000 (Rs. 2,80,000) and in carrying forward to next half-year Rs. 78,548 (Rs. 72,471).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,01,185	Block ...	1,26,00,736
Debentures ...	30,00,000	Stores, etc. ...	18,68,964
Reserves ...	33,08,430	Tools and instruments	1,61,234
Liabilities ...	39,56,730	Goods-in-transit ...	1,000
Profit and loss account ...	3,58,548	Debts, deposits and advances ...	15,73,080
		Investments	4,57,806
		Cash ...	5,09,270
Rs.	1,72,76,790	Rs.	1,72,76,790

Central Hydraulic Press Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June, 1953.

After providing Rs. 14,184 (Rs. 14,815) for depreciation and Rs. 3,500 (Rs. 45,000) for taxation and after transferring Rs. 10,000 (*nil*) to lease amortisation reserve, there is a balance at the credit of the profit and loss account of Rs. 30,627 (Rs. 45,327) from which the directors recommend payment of a dividend of Rs. 4 (Rs. 5) per share, absorbing Rs. 20,000 (Rs. 25,000), and leaving a balance of Rs. 10,627 (Rs. 20,327) to be carried forward.

On the 31st July, 1953, a circular letter was issued to shareholders, in which it was explained that, in view of the poor outlook for the jute baling industry, the directors had decided that baling should cease at the Press House from 1st July, 1953 and that negotiations were being carried on to lease out the premises for storage purposes. The directors are pleased to advise that the property has now been leased to the Government of West Bengal with effect from 1st September, 1953, for a period of 10 years.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	1,76,344
Reserves ...	1,55,000	Stores and spare gear	16,250
Provision for taxation ...	30,768	Debts, deposits and advances ...	52,442
Liabilities ...	59,282	Investments	3,95,383
Profit and loss account ...	10,627	Cash ...	1,15,258
Rs.	7,55,677	Rs.	7,55,677

Camperdown Pressing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Pyne & Sons, Calcutta) submitted the audited accounts of the Company for the year ended 31st July, 1953.

After having provided for depreciation and income-tax, the profit and loss account showed a credit balance of Rs. 42,454 (Rs. 41,216) including Rs. 1,116 (Rs. 2,393) carried forward from the previous year's account. The directors paid a dividend at 7 (7) per cent. free of income-tax Rs. 30,100 (Rs. 31,000) transferred to reserve Rs. 10,000 (Rs. 10,000) and carried forward Rs. 2,354 (Rs. 1,116).

The managing agents have voluntarily waived claim to Rs. 6,000 out of their dues of Rs. 18,000 as commission.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,30,000	Block ...	2,16,470
Reserves ...	90,000	Advances ...	156
Provision for taxation ...	30,746	Investments	2,86,959
Liabilities ...	20,061	Cash ...	1,09,675
Profit and loss account ...	42,453		
Rs.	6,13,260	Rs.	6,13,260

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

COMPANY MEETINGS AND DIVIDENDS

UNITED FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th November, 1953. Dividend: As. 8 per share, free of income-tax. Transfer books closed from 17th to 24th November, 1953, both days inclusive.

HOOGHLY FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th November, 1953. Dividend: Re. 1-4 per share, free of income-tax. Transfer books closed from 17th to 24th November, 1953, both days inclusive.

TELIAPARA TEA CO., LTD. Annual General Meeting, Calcutta, 24th November, 1953. Dividend: Rs. 7-8 per share. Transfer books closed from 16th to 24th November, 1953, both days inclusive.

RAGHUVANSHI MILLS LTD. Annual General Meeting, Bombay, 26th November, 1953. Transfer books closed from 19th November to 3rd December, 1953, both days inclusive.

TINGAMIRA TEA SEED CO., LTD. Annual General Meeting, Calcutta, 27th November, 1953. Transfer books closed from 20th to 27th November, 1953, both days inclusive.

AMALGAMATED ELECTRICITY CO. (BELGAUM) LTD. Annual General Meeting, Bombay, 27th November, 1953. Dividend: As. 12 per share. Transfer books close from 23rd November to 3rd December, 1953, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Half-yearly General Meeting, Calcutta, 27th November, 1953. Dividend: As. 12 per share. Transfer books closed from 20th to 27th November, 1953, both days inclusive.

MUTTRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 28th November, 1953. Transfer books closed from 21st to 28th November, 1953, both days inclusive.

RAJAGIRI RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 30th November, 1953. Dividend: Re. 1-12 per share (including bonus of As. 4 per share). Transfer books close from 24th to 30th November, 1953, both days inclusive.

DYER MEAKIN BREWERIES LTD. Annual General Meeting, Solan Brewery, Simla Hills, 30th November, 1953. Dividend: As. 8 per share, free of income-tax. Transfer books closed from 20th to 30th November, 1953, both days inclusive.

HUKUMCHAND JUTE MILLS LTD. Annual General Meeting, Calcutta, 30th November, 1953. Dividend: Rs. 3 per share. Transfer books closed from 21st to 30th November, 1953, both days inclusive.

SALEM-ERODE ELECTRICITY DISTRIBUTION CO., LTD. Annual General Meeting, Calcutta, 4th December, 1953. Dividend: Re. 1 per share. Transfer books close from 27th November to 4th December, 1953, both days inclusive.

DELHI CLOTH AND GENERAL MILLS CO., LTD. Annual General Meeting, Delhi, 6th December, 1953. Transfer books closed from 21st November to 6th December, 1953, both days inclusive.

INDIA STEMSHIP CO., LTD. Annual General Meeting, Calcutta, 10th December, 1953. Dividend: As. 8 per ordinary share, free of tax. Transfer books close from 26th November to 10th December, 1953, both days inclusive.

HINDUSTAN MOTORS LTD. Annual General Meeting, Calcutta, 10th December, 1953. Transfer books closed from 20th November to 10th December, 1953, both days inclusive.

INDIAN CABLE CO., LTD. Annual General Meeting, Calcutta, 11th December, 1953. Transfer books close from 28th November to 11th December, 1953, both days inclusive.

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 18th December, 1953. Transfer books close from 10th to 24th December, 1953, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Interim dividend of Re. 1 per ordinary share, for the year ended 31st March, 1953, payable on or after 30th December, 1953. Transfer books close from 5th to 19th December, 1953, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Interim dividend of Rs. 2 per share, free of income-tax, for the year ending 31st December, 1953, payable on 9th December, 1953. Transfer books close from 23rd November to 8th December, 1953, both days inclusive.

BARNAGORE JUTE FACTORY CO., LTD. Interim dividend of 2½ per cent. (2s. 6d.) per share, less U.K. income-tax of 9s. in the £. Transfer books closed from 19th November to 2nd December, 1953, both days inclusive.

COMPANY REGISTRATIONS

UNIVERSAL CINE TRADES LTD. (First Director: Seth Prahladrai B. Seksaria.) Business: Proprietors, Managers or Lessees or Licensees of Laboratories, Studios, Theatres, etc. Authorised capital: Rs. 30,00,000. Private company. Address: Sekaria Chambers, 139, Medows Street, Fort, Bombay.

CHOKSI BROTHERS LTD. (First Director: Mr. C. M. Choksi.) Business: Manufacturers and Dealers in Paper of all kinds, Stationers, Publishers, etc. Authorised capital: Rs. 25,00,000. Private company. Address: Western India House, Sir Phirozshah Mehta Road, Fort, Bombay.

PARASRAMPURIA AND SONS LTD. (First Director: Mr. Ratanlal Parasram Puria.) Business: Investment Company. Authorised capital: Rs. 10,00,000. Private company. Address: Rajmahal, Bhuleshwar, Bombay 2.

D. B. FUTNANI AND SONS (BOMBAY) LTD. (First Director: Mr. D. B. Futnani.) Business: Importers, Exporters and Dealers in Iron, Steel, Hardware, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Ebrahim Building, 98, Medows Street, Fort, Bombay.

K. GIGABHAI AND SONS LTD. (First Director: Mr. Gulamali Karmali.) Business: Exporters and Importers. Authorised capital: Rs. 5,00,000. Private company. Address: 8-10, Green Street, Fort, Bombay.

MODI SPINNING AND WEAVING MILLS COMPANY LIMITED (REDUCED), MODINAGAR

RAI BAHADUR GUJARMAL MODI'S SPEECH AT ANNUAL GENERAL MEETING

IN the course of his address to the shareholders of the Modi Spinning and Weaving Mills Co., Ltd. (Reduced), at their annual general meeting held recently, Rai Bahadur Seth Gujarmal Modi, Chairman of the Company reviewed the working of the year ended 30th April, 1953, during which period the Company had made a profit of Rs. 14,66,276-3, after meeting all expenses including normal depreciation, recording an increase over the profit of the last year. This profit was appropriated to pay dividend on 5 per cent. redeemable preference shares, amounting to Rs. 1,30,000 and on ordinary shares at 6¼ per cent. requiring about Rs. 4,30,000. A sum of Rs. 9,00,000 was also transferred to preference shares redemption fund. The initial total preference share capital of the Company was of Rs. 30 lakhs, out of which a sum of Rs. 12 lakhs has already been redeemed. A further sum of Rs. 9 lakhs was proposed to be redeemed immediately and the balance of Rs. 9 lakhs would be redeemed soon after. The redemption of these shares would be in the best interests of the Company, because, in the present period of competition in the industry, it was necessary to reduce capital to ensure and maintain fair dividend. The present was the opportune time when funds could be spared on account of exemption from income-tax on 'new concerns' like this, and for utilisation of the money from the reserve fund for payment of bonus shares in future. He pointed out that, in spite of the present shyness of capital for investment in industrial enterprises, he apprehended no difficulty in raising funds when necessary.

Latest Machinery Installed

Proceeding, the Chairman observed that it was essential to increase the capacity of the plant to make it an economic unit and ensure the supply of quality goods at cheaper rates. With this object in view the Company had imported and installed some necessary and latest machineries. The factory had also been equipped with modern fire extinguishing plant, thereby reducing the cost on insurance premium by about Rs. 25,000 per year and minimising fire risks. With these improvements the working of the plant was expected to be more economical and remunerative.

The Chairman appreciated the far-sighted policy of the Government in having introduced the two measures of great importance, namely, the Employees' State Insurance Act, and the Employees' Provident Fund Act, in the best interests of the workers, which were expected to go a long way to improve their condition. In spite of the fresh burden of these legislations on the industry and of the new cess of three pies per yard on mill-made cloth for helping the handloom industry in the country, the Company was making every effort to make the working of the mills economical and to maintain a fair return.

Export Trade

Referring to the export trade of India during the year, Seth Gujarmal Modi said that it continued to be unsteady, due to export duty and restrictions, as also due to dull foreign market. It was really a matter of great satisfaction, he added, that the Government had now abolished the export duty on medium cloth and reduced the excise duty on superfines which will help the industry to meet the crisis to a great extent.

Due to accumulations of stocks, most of the textile mills in the country had either to close or reduce the number of shifts. However, it was a matter of great consolation, Seth Gujarmal Modi observed, that it had not been the case with this mill. The quality and cost of production of this mill would be such as would enable the Company to stand competition successfully. Though the initial cost of the plant was very high, because the prices of the machinery and the building material, etc., when the plant was erected had gone very high, yet in view of the fact that the plant was new and modern and the cost of production would be economical, it was confidently hoped that the results would be far more satisfactory.

Management-Labour Relationship

The relations between the management and the workers continued to be very cordial. The labour co-operated by keeping up a high standard of production. As in the case of mills in Ahmedabad, there was an agreement entered between the Company and the labour union and ratified by the Government, whereby all differences between the management and the labour would be resolved by conferences rather than by resorting to adjudication by tribunals appointed by the Government. This would minimise the chances of friction in the industry and will strengthen collective bargaining. This arrangement, Seth Gujarmal Modi said, was unique in Northern India and it was hoped that it would meet with the success it deserved and would prove beneficial both to the workers and the concern.

SUCCESS OF ECONOMIC PLANNING

(*Concluded from page 959*)

Sometimes, the function of the national planning authority will be only that of co-ordinating the plans made by regional or particular industries. But, at other times, plans may have to be imposed from above. A national plan of this type will not be a planner's plan, but a nation's plan. There are bound to be difficulties and distortions in the beginning, especially in an undeveloped country, but they are bound to be dissolved with experience and adjustments.

High Sense of Honesty and Honour

Planning of this diffused and co-operative type is not possible, except where the supply of skill and intelligence is large and the capacity for common action highly developed. The Russian method of autocratic planning is largely the result of the absence of conditions of democratic planning. Democratic planning requires a high sense of honesty and honour among the people, clean hands and pure heart among the leaders and experts, and a common spirit of pride in integrity and intelligent progress. A high level of intelligence and general education, and a normal reasonableness and understanding are necessary among the people. In the words of Dr. E. Anirvatham, "democratic planning by well-intentioned fools will be a greater national calamity than the evils of autocratic planning by intelligent villains." Plans and policies in the last analysis depend for their success on the people. If the people are disposed to place the general welfare above personal interest, if they are men with mutual sympathy without class jealousy, if they will bear the present ills for future benefit with foresight and fortitude, and if they select as representatives and officers men of ability, character and culture, then and then only democratic planning could succeed.

The Planning Commission in India is fully conscious of this difficulty. Thus, it says in its report:

"A national plan has to be an expression of a basic unity of purpose in the community. It is this unity which will constitute the ultimate sanction behind the plan, give it driving force and evoke the necessary sacrifice and effort on the part of its members. Joined to this unity of purpose must be effective power in the hands of the State to be exercised with the necessary persistence and determination, in order to ensure the furtherance of accepted ends. Constructive use of this power calls for integrity, efficiency and responsiveness in administration. The creation and maintenance of these basic prerequisites of economic and social growth have to be considered as matters deserving continuous and careful attention."

In the world to-day, however, there is one great limitation. As pointed out by a great planner, the late Sir Stafford Cripps, "we cannot any longer solve our difficulties by the ingenious thinking of a few translated into authoritarian action. The people must think and act." If the people of India think and act rightly, the mighty ship of "economic planning" can be safely steered into a new haven of safety, security, peace and prosperity.—*All Rights Reserved.*

SHARP FALL IN CALL MONEY RATE

(From Our Own Correspondent)

BOMBAY, 18th *November*

The short-term money market presented a paradox during the week under review. The stringency in money and the consequent sharp rise in inter-bank call money rate in the previous week gave the impression that the busy season had started with full vigour. But the complexion of the market changed entirely during the week under review. The supply of funds was plentiful. The inter-bank call money among the Exchange banks and big Indian banks, which had been bid up to 3 per cent. last week, became almost unlendable at 1 per cent. during the week under review.

The sharp decline in inter-bank call money rate is attributed to a large inflow of funds and paucity of trade demand. On account of the sharp rise in money rates last week, banks got funds from Calcutta. Further, some of the Exchange banks are reported to have borrowed from London. The money that had been taken during the *Diwali* also returned early in the week. While thus the supplies rose, the demand for funds fell. The demand for financing crop movement failed to come up to expectations. Even those districts which had earlier made a move for borrowing from banks did not fully draw on the banks.

The smaller Indian banks, however, continued to feel the stringency and inter-bank call money was still keenly bid by them at 3 per cent.

House money was placeable at 2¼ per cent.

As a result of the sudden change in the market conditions, banks were unable to gauge the future trend of demand for money. They, however, maintained the rate for term deposits at 2½ per cent. for one month, 2¾ per cent. for two months and 2¾ per cent. for three to six months.

The Treasury Bill rate was unchanged at Rs. 2-7-0 per cent. per annum this week, but the amount offered was fractionally better at a little over Rs. 1.98 crores, as compared with a little over Rs. 1.50 crores tendered a week ago. Presumably on account of the high rate of interest that has to be offered and the waning response to the present quantum of tenders, the authorities have reduced the amount of tenders for next week to Rs. 1 crore.

The Reserve Bank of India's statement for the week ended 13th November, 1953, shows minor variations in the portfolios of the Currency Department, as compared with the previous week's statement. Thus, notes in circulation have gone up by only Rs. 40.77 lakhs. Notes held in the Banking Department are lower by Rs. 54.53 lakhs, so that the net drop in total notes issued is only of the order of Rs. 13.76 lakhs. In the Banking Department, deposits of the Central Government have improved by Rs. 1.10 crores, while those of other Governments have gone down by Rs. 2.87 crores. In contrast to the drop of Rs. 13.45 crores in the previous week, deposits of banks show a rise of Rs. 2.35 crores, reflecting the improvement in the supply of their funds position noted since Wednesday last. Cash balances are lower by Rs. 52.48 lakhs, while balances held abroad are better by Rs. 5.54 crores. Loans and advances to banks have recorded a decline of Rs. 1.69 crores and investments of Rs. 1.55 crores.

The extent of pressure for funds on banks noted on the eve of *Diwali* is fully reflected in the Scheduled banks' statement for the week ended 6th November, 1953. Demand deposits show a drop of Rs. 18.28 crores, while time deposits have recorded an increase of Rs. 1.50 crores. Inter-bank borrowings have declined by Rs. 2.86 crores. Borrowings from the Reserve Bank and Imperial Bank, on the other hand, have gone up by Rs. 1.75 crores and Rs. 3.74 crores, respectively. Advances show a sharp rise of Rs. 11.66 crores and bills purchased and discounted of Rs. 2.66 crores. Cash on hand and balances with the Reserve Bank have together declined by Rs. 15.93 crores, balances with other banks in current account by Rs. 85.22 lakhs and money at call and short notice by Rs. 4.78 crores.

The Gilt-edged market experienced another week of dull conditions, with the volume of business showing no signs of expansion. Buying interest was very limited and patchy. Most of the counters attracted sellers, but, in the absence of buying, hardly any business could be put through. 3 per cent. 1957 was unchanged at Rs. 98-5, while 3 per cent. 1958 had sellers at Rs. 98-1, an anna lower than last week. 3 per cent. 1959-61 was marked down by an anna to Rs. 96-1. 3 per cent. 1963-65 and 3 per cent. 1964 were on offer, but the quotations were unchanged at Rs. 92-9 and Rs. 92-8, respectively. 3 per cent. 1966-68 declined by an anna to Rs. 90-1. 3 per cent. 1970-75 had buyers at Rs. 86-6. 3 per cent. 1986 Conversion Loan lacked support and was marked down by an anna at Rs. 81-15. Among the State loans 4 per cent. 1963 Bombay was on offer at the unchanged rate of Rs. 101, while the corresponding Madras issue receded by As. 2 to Rs. 100. 4 per cent. 1964 Bombay dropped an anna to Rs. 101-1. 4 per cent. 1964 Madras, however, was placed As. 2 better at Rs. 100-2.

LINSEED ARRIVALS POOR

(Messrs. A. Bradley & Co.)

CALCUTTA, 16th *November*

Prices have ruled firm during the past week and activity has been poor, whilst the undertone of the market remains steady. A fairly good demand for ready goods continues from the local crushers, but with arrivals being poor and local stocks scare sellers have been reserved. Trading has been fair in the oil section and local enquiries, mainly for near positions, have been on a better scale. The latest quotations are as follows:—

Ready Rs. 20-4, November Rs. 20 and December Rs. 19-12 per maund.

GOLD HARDENS

(From Our Own Correspondent)

BOMBAY, 18th *November*

A feature of the trading on the Bullion Exchange during the week under review was the notable stride in gold price. Though the closing level of gold was just a shade lower than the highest touched during the week, it disclosed a gain of Rs. 2-3 per tola on balance. Silver also firmed up in the earlier part of the week, but the upward movement was short-lived. Values began to recede from Monday onwards and the earlier gains were almost wiped out at the close.

The rise in gold during the week was attributed to a decline in arrivals, as compared with those in previous weeks and the relatively better offtake *vis-a-vis* the arrivals. Resurgence of speculative buying on reports of good demand in the ready position and the favourable carry forward charges gave renewed hopes to bulls. The hardening of silver in the earlier part of the week was the result of sizable support from bulls and nervous short-covering. Reports of renewed arrivals of unrefined silver and apprehensions about an increase in floating stocks, coupled with paucity of sufficient offtake, not only checked bullish enthusiasm but actually brought about some selling pressure in the latter part of the week.

Forward gold (21st November settlement) started on a bright note at Rs. 81-3 and on general buying and short covering rose by stages to Rs. 83-5, the highest rate to be witnessed in the last six weeks. To-day, however, the yellow metal turned a shade easier and drifted down to Rs. 82-13, due to the weakness of silver; nevertheless, it managed to close higher at Rs. 83-1. Business in the December settlement began on Saturday at Rs. 81-11, which was As. 6 lower than the rate for the current settlement and wound up the week at Rs. 82-9, that is As. 8 lower than the closing rate for November settlement.

Opening at Rs. 81-11, ready gold moved up to Rs. 83-13 and finished at Rs. 83-9, the premium over the forward rate for the current settlement remaining unchanged at As. 8 throughout the week. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 6,000 tolas, while the offtake was about 8,000 tolas on an average.

Silver for forward delivery (23rd November settlement) opened at Rs. 153-3 and advanced to Rs. 154-6 on Saturday. In the downward movement from Monday onwards, the white metal drifted down to Rs. 152-7 to-day before winding up at Rs. 152-8. Trading in the December settlement commenced on Saturday at Rs. 154-4, that is, at As. 8 over the rate for the current settlement. The closing to-day was done at Rs. 153-1, the carry forward rate being in favour of sellers.

Ready silver (.996 Mint) was quoted on par with the forward rate for the current settlement, the opening and closing rates being Rs. 153-3 and Rs. 152-8, respectively. The floating stocks of silver are placed at 2,600 bars. The daily average offtake was 10 to 15 bars.

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

	18-11-53	Highest	Lowest	11-11-53
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine)	83 9	83 13	81 10	81 6
Mint)	83 1	83 5	81 2	80 14
Forward	57 4	57 8	57 4	57 4
Sovereign				
SILVER				
Ready (.996 fine	152 8	154 6	152 7	152 4
Mint)	152 8	154 6	152 7	153 4
Forward	74*d.*	—	—	74*d.*
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	85½c.	—	—	85½c.
New York Ready ..				

HIDES QUIET

(From Our Own Correspondent)

KANPUR, 15th *November*

During the week under review the conditions in the local hides and skins market were more or less similar to those noted in the previous week. New arrivals were fair and up to average. The Madras dealers were a bit lukewarm in their support during the week. The main purchasers were the local tanners. The latest quotations are as follows:—

Wet salted cow 1st grade superior at Rs. 240 to Rs. 360 and inferior at Rs. 280, 2nd grade superior at Rs. 330 to Rs. 350, medium at Rs. 220 to Rs. 230 and light at Rs. 160 to Rs. 180 per score; wet salted buff 1st grade at 1 lb. 11 ozs. 2nd grade at 2 lbs. and 3rd grade at 2 lb. 2 ozs. per rupee; goat skins 1st grade at Rs. 320 and 2nd grade at Rs. 200 to Rs. 225 per 100 pieces; goat sheep skins at Rs. 360 per 100 pieces.

KIPS RULE FIRM

(From Our Own Correspondent)

MADRAS, 16th *November*

Madras market for kips ruled firm during the week, but U.K. dressers declined to follow the prices asked at origin as they were unable to obtain increases on leather sales. There were inquiries for buff calf, buff heavies and cow calf, but, here again, business did not result, in view of higher prices ruling in Periamet. It is stated that U.K. importers do not propose to buy at current levels, and markets, therefore, are likely to rule steady to weak this week.

Prices of goat skins remained firm and of sheep steady. Arrivals of raw skins met with ready demand in all centres.

FORWARD COTTON MOVES UP

(From Our Own Correspondent)

BOMBAY, 18th *November*

The cotton market has derived considerable inspiration from two sources. In the first place, the repeated reports of better offtake in cloth in the Bombay and Ahmedabad cloth markets have engendered a buoyant feeling in the market. Secondly, the crop ideas have been revised downwards. While estimates of the current season's crop ranged from 40 to 42 lakh bales only a few weeks ago, current ideas of the crop are sometimes as low as 38 to 39 lakh bales. Partly as a result of these two factors, and partly by the increasing interest shown by the mills in the spot market the values both for forward and ready cotton have wiped out the losses witnessed during the last five or six weeks.

Lower crop ideas stem from certain unfavourable weather reports. Thus, continued dry weather in Madhya Pradesh, it is stated, indicates a crop that will be one lakh bales less than what was originally estimated. There is also a report that Madhya Bharat has suffered some damage due to insect pests. Recent heavy rains in the South are reported to have caused slight damage to the growing crop, though the subsequent fine weather has done something to repair the damage done. The Vijay, Surti and Dhollera crops are reported to be making good progress, but, owing to excessive rains, the Mathia crop is expected to be about 15,000 bales less than the earlier estimate of 59,000 bales.

In the forward section, I.C.C. February opened the week at Rs. 615, as against the previous week's closing of Rs. 613. But it soon moved up, on reports of sizable offtake in the ready cotton market and in the cloth market and of decline in arrivals in the upcountry markets, to touch Rs. 626 on Monday. Renewed buying support coupled with short-covering operations, lifted the contract to Rs. 628½ on the following day, and still further to a high of Rs. 629½ to-day, which was both the highest and the closing level for the week.

I.C.C. May underwent a similar change. After opening the week at Rs. 623½ it fluctuated between Rs. 621 and Rs. 636, the latter figure being the closing level also. The spread between the two contracts remained practically unchanged over the week: it was Rs. 6 early in the week and Rs. 6½ towards the close of the week.

The following is the trend of prices in the forward market:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ..	Rs. 615	629½	615	629½
I.C.C. May ..	Rs. 621	636	621	636

The spot market was steady with all-round improvement in prices. Mills were buyers of Jarilla, old Broach, Khandesh new and other varieties. The following are the latest available quotations from the Sewri market:

Dengal *Deshi* Rs. 600; Berar *Jarilla* Rs. 690; Khandesh Rs. 740; Vijay Rs. 765; Oomra *Deshi* Rs. 620; Moglai Rs. 615.

Reports from Karachi emphasise the somewhat difficult problem of promoting exports of cotton, which the Government faces now. The U.S. offer to sell cotton in return for local currencies, it is stated, implies a threat to Pakistan's export trade, since its customers might be lured away by the American cotton. The trade agreement with Japan, it is further stated, is inoperative, owing to scarcity of foreign exchange. Pakistan is faced with two alternatives, either to reduce the export duty on cotton or to make fresh attempts at concluding barter deals. Although the Government favours the conclusion of fresh barter deals, it is pointed out that other countries would not be as willing to enter into such deals as they might have been formerly, in view of the fact that American and other cottons are more easily available. Again, the U.S. offer to sell cotton for local currencies of its buyers might come in the way of these deals.

The Pakistan Government's decision to raise the cotton cess from As. 4 per bale to Re. 1 per bale with a view to securing more finance for the Pakistan Central Cotton Committee is resented in cotton circles. Surprisingly enough, the Committee itself has opposed this increase in the cess. It says: "The cotton cess should not be raised until the Government has explored other sources and in any case, no addition to the cess should be made as long as any export duty is imposed on cotton."

The following are the latest available quotations for the Karachi market:

Sind *Deshi* Rs. 63, Punjab *Deshi* Rs. 59 to Rs. 61; 4F R.G. Rs. 59 to Rs. 60; S.G. Rs. 63 to Rs. 64; L.S.S. R.G. Rs. 62½ to Rs. 63; S.G. Rs. 67 to Rs. 68; N.T. R.G. Rs. 64 to Rs. 64½; S.G. Rs. 69½ to Rs. 69½; 289F R.G. Rs. 67; S.G. Rs. 72½.

Advices from Alexandria indicate that the market was steady. Foreign interest was evinced in Karnak, while Ashmouni derived some local mill support. Cotton growers are, it is stated, holding back their stocks in expectation of higher prices. But it is believed that it is unlikely that prices will improve further, since foreign buyers have already shown some resistance. It is learnt that a trade agreement with Rumania is in the making and that if it is concluded, it might result in large sales of cotton to that country.

Cotton futures in the New York market moved up, following the Government's November estimate of 16,093,000 bales. Although the estimate is 497,000 bales higher than the previous estimate, it is below certain private estimates of 16.6 million bales. The fact that the official estimate was lower than private ideas of the crop, coupled with the high rate at which the crop has been moving into the Government loans, served to push up prices. Since then, there has been a slight setback due to local selling and hedging.

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

(In cents per lb.)

	17-11-53	10-11-53	2-11-53
Spot	33.55	33.70	33.50
December	32.88	33.03	32.84
March	33.34	33.42	33.25
May	33.63	33.62	33.45
July	33.46	33.41	33.27

STAPLE FIBRE SHOOTS UP

(From Our Own Correspondent)

BOMBAY, 18th *November*

Except for the firmness in the staple fibre section this week, the art silk yarn market would have been absolutely featureless. The firmness in staple fibres was due to persistent short covering in November contract, following the refusal of the Bombay Yarn Merchants' Association to commence forward trading in December contract. The decision regarding opening of January, 1954, contract has been deferred for consideration on 12th December. There was also shortage of supplies. Consequently, November 40×2 which opened at Rs. 695, as against Rs. 704, gradually shot up to Rs. 762, where it finally closed for the week.

The firm conditions in staple fibre yarn had no appreciable effect on the sentiment of the operators in the art silk yarn market, as discouraging advices regarding the offtake of rayon fabrics from the important consuming centres acted as a damper. Prices, therefore, more or less remained steady. 150D November delivery which opened at Rs. 703, as against Rs. 707, gradually improved to Rs. 712 and Rs. 695, respectively. 150 December which was done on the 12th inst. at Rs. 703, as against Rs. 708 on the previous day, fluctuated between Rs. 711 and Rs. 694, before closing at Rs. 710. 120 Japan was unchanged at Rs. 4-2 and 150 Japan at Rs. 4. 120 Italy lost an anna to Rs. 3-13, while 150 Italy was quiet at Rs. 3-9.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 11th and 3rd November, 1953:

Art silk yarn	18-11-53 Rs. a.	11-11-53 Rs. a.	3-11-53 Rs. a.
150D November (per case of 200 lbs.)	707 0	707 0	705 0
150 December (.. .. ..)	710 0	708 0	708 0
120 Japan (per lb.)	4 2	4 2	4 2
150 Japan	4 0	4 0	4 0
120 Italy	3 15	3 14	3 14
150 Italy	3 9	3 9	3 8½
Staple fibre yarn			
2/40s November (per case of 200 lbs.)	762 0	704 0	675 0

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 18th *November*

The oilseeds market presented a mixed trend during this week also. In distinct contrast to the easiness last week, the groundnuts section ruled generally firm on scarcity of floating stocks. Encouraging advices from the Continent for groundnut oil at £124 c. & f. per ton also contributed to the firm trend. But in the linseed section, the steadier trend witnessed in the latter half of last week persisted in the few earlier sessions on reported deals in linseed oil with Australia. Subsequently, however, the section looked slightly down on utterly discouraging Continental advices for linseed oil at £94 c. & f. which was £10 lower than the quotation for Indian oil. There was also strong competition by Uruguay and the U.S. The consequent decline in prices was, however, not such as to wipe out the earlier gains. In the castorseeds section, futures disclosed narrow fluctuations, but the trend was downward and, therefore, closing quotations lost a few points over the week. This was due to reports of Russia having sold castor oil to the U.K. and the Continent at £114. Besides, East Africa and Brazil also were strong competitors to India there. Spots moved more or less in sympathy with the futures.

Scarcity of arrivals induced some speculative activity in the groundnuts section. Bold December-January shot up from Rs. 26-12 to Rs. 28. February-March delivery which opened at Rs. 27-15 on the 13th inst. improved to close at Rs. 28-14. Khandesh quality ready new disclosed a gain of As. 2 to Rs. 30-2 and November-delivery As. 8 to Rs. 29-4. Groundnut oil ex-mill was quiet at Rs. 16-4, while railway receipts lost As. 2 to Rs. 16. But November and December deliveries were done higher at Rs. 15-12, Rs. 14-14, as against Rs. 15-5 and Rs. 14-8, respectively. January delivery gathered As. 8 to Rs. 15.

In the linseed section, Bold ready gathered As. 8 to Rs. 25-8. October-November delivery closed quiet at Rs. 25. But February-March delivery rallied As. 4 to Rs. 21-8. Linseed oil ready shot up from Rs. 13-12 to Rs. 14-8. Uruguay sold linseed oil at £78 c.i.f. per ton to the Continent and U.S. at £75 15s. per ton.

Among castorseeds, May delivery which opened at Rs. 110, as against Rs. 109-4, fluctuated at Rs. 110, as against Rs. 109-4, fluctuated between Rs. 112-6 and Rs. 105-8, before finishing at Rs. 106-4. F.A.Q. lost Re. 1 to Rs. 25-12, while ready Madras was done almost quiet at Rs. 26-8. Oil B.S.S. and I Pressure lost As. 2 each to Rs. 16-12 and Rs. 15-12. Commercials lost an equal amount to Rs. 15. British East Africa sold castorseeds to the Continent at £49 10s. c. & f. for December delivery and Brazil at £48 c.i.f., equivalent to $134½ per ton. British mills were selling castoroil B.S.S. at £133 per ton for January delivery and Commercials at £120 per ton.

The following table shows the prices of oilseeds and oil on the 18th inst. as compared with those at the end of the previous two weeks.

	18-11-53 Rs. a.	11-11-53 Rs. a.	3-11-53 Rs. a.
Groundnuts—			
Khandesh Ready New ..	30 2	30 0	32 0
Bold December-January ..	28 0	26 12	27 0
Linseed—			
Bold Ready (per cwt.) ..	25 8	25 0	24 0
Castorseeds—			
May 1954	106 4	109 4	112 0
Madras (per cwt.)	26 8	26 8	28 0
Groundnut oil—			
Ex-mill Ready (per quarter).	16 4	16 4	18 0
Castor Oil—			
Commercial (per quarter)..	15 0	15 2	15 0

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 18th *November*

The bullish fervour witnessed in the sugar market towards the close of last week faded out as speedily as it came. After touching Rs. 89, British refined sugar is again freely offered at Rs. 86 and at Rs. 85 ex-s.s. *Cyclops*. Tenders for s.s. *Luciana* are being transferred to s.s *Norton*, stated to be due in Bombay after a month. It is reported that s.s. *St. David* is loading 8,800 tons of British refined sugar, along with an equal quantity per s.s. *Norton*, and that 10,000 tons of Cuban sugar is being loaded per s.s. *Marsella*. Besides these, two parcels of 2,500 tons each of British refined sugar will be loaded for Bombay. In short, the Food Ministry expects to deliver about 30,000 tons of imported sugar in Bombay during the month of December.

It is rumoured that a private party who had sold Cuban sugar to the Government is unable to meet his obligations and as such another party is manœuvering to sell to the Food Ministry Eastern German crystal (beet) sugar at around £36 per long ton c.i.f. Bombay for December shipment. Enquiries from reliable sources indicate that there is no chance of the Food Ministry increasing the selling price of imported sugar.

It is also understood that no decision has yet been taken by the Food Ministry on the question of further imports in the current season. But it is reported that the Food Ministry is being persuaded to make bulk purchases without any further delay on the plea of taking full advantage of the ruling low prices in the world markets. It is further pointed that India should buy its requirements before the world sugar syndicate fixes the export quota for each country in January next, lest it should miss the advantage of buying when there is free international competition to sell sugar.

There is, of course, another side to this picture. The advocates of the sugar industry assert that no import programme for further quantities should be decided at the moment, as the factories have already commenced crushing and that they would all be eager sellers from December onwards. Further, there is no guarantee, they argue, that world sugar prices would not fall still further. They, therefore, feel that a decision on further imports can be profitably deferred to the end of April next, by which time the position in regard to the supply of sugar in the country will be clearly known and the extent of deficit, if any, can be gauged more accurately than now.

Another point mentioned in support of this view is that, if the factories know that there will be no further imports, they will be encouraged to crush to the maximum extent possible. In the circumstances, it remains to be seen what decision the Food Ministry will take on this matter. Meanwhile, it is understood that final touches are being given to the overall sugar policy for the season, including imports, and that the first release of the season may be made on a liberal basis in the first week of December, probably the 5th.

Arrivals of indigenous sugar during the week under review amounted to 10,000 bags.

The prices of indigenous sugar for small, medium and large grains are Rs. 92-8, Rs. 94 and Rs. 98 as against Rs. 92, Rs. 94 and Rs. 97-8, respectively, a week ago. Quotations for British refined sugar are Rs. 86 for spot delivery and Rs. 85 ex-s.s. *Cyclops*. Java and Mexican sugar are out of stock. The forward section, too, has been easy, the quotations for *Kartik* and *Magsar* deliveries being Rs. 85-12 and Rs. 84-12, respectively. It would appear that the market in the spot and forward sections has now steadied up at the existing levels. Much, however, will depend on the arrival of the s.s. *Cyclops* and the s.s. *Fiducia* in time.

PEPPER QUIETLY STEADY

(Messrs. Parekh & Co.)

BOMBAY, 18th *November*

Pepper markets at all primary centres ruled quietly steady practically without any change in the prices. Alleppey is quoting at Rs. 1,800, while Calicut is indicating at Rs. 1,950 with small doing. As the trade in New York is inclined to await Indian developments, so also the exporters in India are closely watching the day-to-day developments as to the arrivals of new crop and the selling policy thereof of the growers. A section in the trade is expecting some announcement from the Indian Government regarding the reduction in the export duty during the first week of December. The crop prospects are encouraging and the latest estimate of the new crop is placed between 21,000 and 23,000 tons. The trade is expecting lower prices on arrivals of new crop which are likely to exert pressure on the market by the end of the month, if demand from America remained hand to mouth, as it was during the past so many months.

In the ASTA section, during the greater part of the week, December shipment remained fairly steady at $0.82, while January-February-March in equal monthly lot, moved between $0.79 and $0.80 per lb. c. and f. New York. At the time of writing, however, December shipment showed a small improvement, and is being quoted at $0.83 on the receipt of the news of improvement at Alleppey. In the delivery section, business is very small and the spread between December and February has greatly contracted, the present quotations for December and February being Rs. 1,455-75 and Rs. 1,430-60 respectively. Improvement in February delivery is reported due to buying as a cover by merchants who are reported to have sold in America January-February-March at reduced limits and owing to speculative purchases in anticipation of a reduction in the export duty in the near future.

Following are to-day's nominal quotations: Ready delivery Rs. 240-50 per cwt., December delivery Rs. 1,470-90 and February Rs. 1,450-70 per candy of 5½ cwts.

JUTE GOODS CHEERFUL

(From Our Own Correspondent)

CALCUTTA, 17th *November*

Although prices fluctuated within narrow limits, all sections of the jute market presented cheerful conditions this week. The volume of business done was also higher. Stockists seemed to have regained confidence, and quotations for ready goods were firm. More purchases by foreign buyers, heavy decline in stocks with mills and fall in output in October all contributed to the firmness. Gains on each day were fractional, and a feature was the maintenance of higher levels at each rise. With the result, closing rates yesterday were higher on balance for the week.

Demand for export to foreign countries was highly satisfactory during the week. Argentina was a consistent buyer, and this country's off-take from India during this year is expected to reach a record figure. Buyers on behalf of the United States were a little shy, as they believed that once the Argentine demand was satisfied, the market would be left entirely for them. Another reason for their hesitancy to enter into large commitments was their doubt regarding the maintenance of the export duties.

A feature of last Tuesday's trading was the considerable speculative interest, which raised ready 40" 10 oz. hessian to Rs. 48-6 from an overnight rate of Rs. 47-14, the December goods being discounted at Rs. 47-4 and the January-March delivery at Rs. 45-14. B. twills at Rs. 101-6 scored one point. The steadiness in sacking goods has been due not so much to increased sales as to the declining production caused by the anxiety of mills to produce more hessian at the cost of heavy goods. On Wednesday, after an early tendency for prices to move up following speculative interest, quotations eased. At higher levels, mills were successful in securing some business especially for the January-June goods, but they withdrew from the market when dullness set in. The United States was a buyer for small quantities. B. twills closed easy at Rs. 101, as did 40" 10 oz. hessian at Rs. 48. On Thursday, a fight between bears and bulls was a feature, as a result of which hessian gained to Rs. 49-1 and B. twills to Rs. 102-14, the January-March positions at Rs. 46-8 and Rs. 103-8 adding Re. 1 and Rs. 2 respectively. Mills continued to sell the January-June goods on Friday also, when speculators called for a break and utilised the opportunity to profit-taking, which brought down ready 40" 10 oz. hessian to Rs. 48-14 and ready B. twills to Rs. 102-4. At these rates, mills were off the market, and on Saturday when the lower levels continued, selling was done only by stockists. Rates fluctuated narrowly, and despite the day's poor turnover, ready B. twills and hessian 40" 10 oz. at Rs. 102 and Rs. 48-12 respectively were steady. The news that American consumption of burlap during October increased to 83 million yards from 80.4 million yards in September and the expectation that exports to America would increase in the coming months helped to maintain steady conditions over the week-end, despite the fractionally lower levels. The best feature was provided yesterday, when B. twills spurted to Rs. 104-4 and 40" 10 oz. hessian at Rs. 49-4 recorded the best level during the period under review. The eight oz. hessian was up at Rs. 39-12 f.a.s. and at Rs. 43 f.o.b.

The raw jute market was steady, and fractional gains were added in the prices of many varieties. As prices were rising, sellers were reserved. The quantity that figured in transactions this week is estimated at 400,000 to 450,000 maunds. Fresh arrivals continued small, and before the next crop begins to arrive early next season at the market, a tightness in the supply position of the better varieties is expected. Assuming that Pakistan's official forecast of the new season's crop at 25.02 lakh bales proves correct, the availability of raw jute is expected to fall short of world requirements by about 6 lakh bales. However, according to trade circles, this shortage will be converted to a surplus of 4 lakh bales as they expect that the Pakistani crop will total at least a minimum of 35 lakh bales to which, if India's own crop of 35 lakh bales and the carry-overs in both the countries are added, the total availability comes to 104 lakh bales. Pakistan's requirement is placed at 7 lakh bales, the Indian mills' at 53 lakh bales, and other countries' 40 lakh bales. In transactions this week, Indian northern bottoms moved to Rs. 28-8 from Rs. 26-8, with middles realising Rs. 31-8. Assam

(*Continued on page* 983)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	6th Nov., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.44	1,108.84	1,077.79	1,090.62	1,087.83
Notes held in Banking Department	35.06	16.58	39.73	25.00	25.07
Foreign Securities	39.50	568.15	558.15	536.15	538.15
Rupee Securities	37.89	421.42	421.42	421.42	451.10
Banking Department					
Deposits of:					
Government of India	14.89	100.22	108.90	127.63	146.56
Other Governments		20.96	30.53	15.77	11.87
Balances held abroad	10.06	137.27	142.16	144.50	158.62
SCHEDULED BANKS					
Demand Liabilities	134.87	512.95	533.41	522.84	540.96
		(11.96)	(14.14)	(15.26)	(11.75)
Time Liabilities	102.84	334.78	333.96	321.46	317.76
Borrowings from Reserve Bank		(3.34)	(4.02)	(2.53)	(6.15)
		3.01	1.29	2.07	1.61
		(0.49)†	(0.49)†	(0.49)†	(0.99)†
Borrowings from Imperial Bank		8.69	4.94	5.73	3.23
Cash in India	6.71	28.84	31.53	31.47	32.46
Balances with Reserve Bank	25.28	45.68	59.11	47.68	56.40
Excess over statutory limits	18.52	13.34	25.77	14.91	23.00
Balances with other banks in current account in India		9.54	10.39	10.15	11.60
Money at call and short notice in India		18.34	21.33	19.70	17.81
Investments (at book value)		240.24	330.70	336.51	318.18
Advances and bills	108.09	463.24	448.92	461.01	455.94
IMPERIAL BANK					
Deposits	87.76	205.76	215.03	206.50	213.09
Investments	31.99	93.18	95.19	96.11	95.92
Advances	80.87	102.91	95.87	101.21	114.41
Cash	14.89	21.99	32.04	22.14	22.43

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	13th November, 1953		6th November, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,14,927	46,63,33,000	1,90,4.46	45,15,04,000
Calcutta	1,43,102	47,46,17,203	1,19,675	55,20,77,444
Madras			43,636	4,01,87,689
All Centres—				
1951	..	..	1,05,94,122	8160,56,86,850
1952	..	..	1,06,41,941	26,70,51,57,000
August 1953	..	..	23,41,000	2,44,84,00,000
Sept.	..	..	25,65,000	2,66,26,00,000

Reserve Bank of India

Statement of Affairs for the week ended 13th Nov., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		101,31,97,000
(2) Other Governments		27,08,74,000
(b) Banks		49,30,04,000
(c) Others		57,25,96,000
Bills Payable		4,38,71,000
Other Liabilities		13,60,64,000
	Rupees	263,21,96,000

ASSETS	Rs.	Rs.
Notes		10,33,10,000
Rupee Coin		19,54,000
Subsidiary Coin		6,01,000
Bills Purchased and Discounted—		
(a) Internal		24,50,000
(b) External		
(c) Government Treasury Bills		2,07,13,000
Balances held abroad*		142,91,63,000
Loans and Advances to Governments		97,00,000
Other Loans and Advances		11,16,99,000
Investments		82,31,53,000
Other Assets		6,84,96,000
	Rupees	263,21,96,000

*Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,33,19,000	
Notes in circulation	1109,24,37,000	
Total Notes issued		1125,57,56,000
Total Liabilities		1125,57,56,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	569,15,11,000	
Total of A		608,16,82,000
B. Rupee Coin		96,02,56,000
Government of India Rupee Securities		421,38,18,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1125,57,56,000

Ratio of Total of A to Liabilities: 54.032 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 6th Nov., 1953

		Rs.	Rs.
1.	Demand Liabilities in India:		
	(i) Borrowings from banks		11,06,15,000†
	(ii) Other demand liabilities		500,99,02,000
2	Time Liabilities in India:		
	(i) Borrowings from banks		3,33,50,000†
	(ii) Other time liabilities		331,44,53,000
3.	Cash in India		24,83,94,000
4.	Balances with the Reserve Bank in India		45,67,76,000
5.	Balances with other banks in current account in India		9,54,02,000
6.	Money at call and short notice in India		18,34,41,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts		340,24,48,000
8.	Advances in India		420,32,70,000
9.	Inland Bills purchased and discounted in India		42,41,25,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		17th November, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5½	1-5½
Sellers T.T. D.D. upto six months	£.	1-5½	1-5½
Buyers T.T. spot to nine months	£.	1-5¼	1-5¼
Buyers T.T. 10 to 12 months	£.	1-5¼	1-5¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476½	476½
Buyers T.T.	Rs.	475½	475½
London on New York	£	2.81¾-2.81¾	2.81¾-2.81¾
London on Paris	Fcs.	980½	970½-980
London on Berne	8w. Fcs.	12.19-12.22	12.19-12.19
New York on London	$	2.78-2.82	2.81-2.81½

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)		In terms of per rupee (Crores)	Per capita income (Rs.)
India	1948	342.15	..	..	8,780	255
Pakistan	1949	75.04	..	..	1,071	228
Burma	1951	18.87	Kyats	8,166	691	366
Ceylon	1951	7.74	..	..	491	582
Japan	1951	84.80	Y.	4,849,400	6,414	781
Philippines	1951	20.23	Ps.	7,566	11,852	854
New Zealand	1952	2.00	£ (N.Z.)	946	861	4,307
Australia	1951	8.43	£ (A.)	2,326	2,464	4,317
U.K.	1952	50.43	£	13,645	16,197	4,708
U.S.A.	1952	156.98	$	290,440	138,280	8,808
Canada	1952	14.43	$	19,135	8,168	5,662
France	1952	42.60	Fr. Fr.	10,190,000	1,817	1,714
W. Germany	1952	49.48	Dm.	94,400	11,156	2,301
Italy	1952	46.88	Lr.	8,112,000	6,181	1,318
Norway	1953	3.82	Kr.	15,000	1,450	1,911
Sweden	1952	7.13	Kr.	39,170	3,652	5,122
Netherlands	1952	10.86	Fl.	17,660	2,213	3,104
Denmark	1951	4.30	Kr.	30,716	1,459	3,346
Switzerland	1952	4.82	S. Fr.	20,100	3,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 6th Nov., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		81,05,69,000
(b) Provincial Governments		5,30,54,000
(c) Banks		12,90,65,000
(d) Others		2,47,46,000
Bills Payable		52,51,000
Other Liabilities		3,48,60,000
	Rupees	51,50,94,000

Assets	Rs.	Rs.
Notes		10,15,47,000
Rupee Coin		5,000
Subsidiary Coin		10,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		5,40,47,000
Loans and Advances to Governments		1,63,60,000
Provincial Governments Debtor Balances		47,94,000
Other Loans and Advances		1,91,00,000
Investments		$2,73,16,000
Other Assets		9,30,57,000
	Rupees	51,50,94,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,15,47,000	
Notes in circulation	208,27,10,000	
Total Notes issued		218,42,57,000
Total Liabilities		218,42,57,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	89,49,75,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
		89,26,80,000
B. Rupee Coin	6,25,03,000	
Government of Pakistan Securities	118,67,33,000	
Internal bills of exchange and other commercial paper	....	
		124,03,02,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	8,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,91,000	
		4,24,75,000
Total Assets		218,42,57,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 42.67 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
25th August	1.50	2 02	1.50	2 6 8	98
8th September	1.50	1.77	1.50	2 6 7	77
15th ,,	1.50	1.84	1.50	2 6 7	80
22nd ,,	1.50	1.98	1.50	2 6 8	80
29th ,,	1.50	2.61	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	99
13th ,,	1.50	1.91	1.50	2 6 8	85
20th ,,	1.50	2.54	1.50	2 6 8	85
27th ,,	1.50	4.10	1.50	2 6 7	49
3rd November	1.50	2.71	1.50	2 6 10	86
10th ,,	1.50	1.61	1.50	2 7 0	100
17th ,,	1.50	1.99	1.50	2 7 0	3
Total ..	18.00	26.82	18.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	28th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	5
Finland	18th Dec., 1951	7½	8½
France	17th Sept., 1953	4	3½
Greece	13th July, 1945	10	18
India	30th Nov., 1951	3	3½
Italy	6th April, 1950	4½	5
Japan	1st Oct., 1951	6.11	6.64
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1951	2	2
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1949	..	3
Portugal	18th Jan., 1944	3	3½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	1st Dec., 1950	3½	4
Switzerland	26th Nov., 1936	2	1½
Turkey	28th Feb., 1951	3	4
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1938	6	4
U.S.A.	18th Jan., 1953	2½	3
West Germany	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.99	11.21	111.00	130.97
Protective	84	74	7.85	10.61
On surplus disposals	0	1	6	24
Total import duties	9.40	12.00	118.43	141.76
Export Duties	8.89	8.62	65.39	90.78
Land Customs	16	23	2.62	3.22
Miscellaneous	7	8	1.18	1.12
Gross total customs	13.02	17.83	177.54	236.45
Refunds and drawbacks	14	24	2.63	4.92
Net Customs	12.88	17.46	174.91	232.03
Gross excise	7.89	7.01	82.84	87.04
Refunds	8	19	1.43	1.78
Net Excise	7.01	6.82	81.41	85.26
Net total of customs and excise	19.49	24.27	256.34	317.29

Imperial Bank of India

Statement of Affairs for the week ended 13th Nov., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		210,21,24,000
Borrowings from other Banking Companies Agents		
Bills Payable		3,24,19,000
Bills for Collection being Bills Receivable as per contra		62,06,000
Acceptances, Endorsements and Other Obligations as per contra		2,00,000
Other Liabilities (including Inter-Office Adjustments)		2,00,66,000
Total	Rs.	224,04,65,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,28,87,000
Balances with other Banks		3,35,46,000
Money at Call and Short Notice		80,00,000
Investments—		
Government and other Trustee Securities		
Other Authorised Investments	87,83,84,000	
	10,83,61,000	
Advances—		98,67,45,000
Loans, Cash Credits and Overdrafts, etc.	93,57,15,000	
Bills Discounted and Purchased	6,64,59,000	
		100,01,72,000
Bills Receivable being Bills for Collection as per contra		62,06,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,00,000
Premises less Depreciation		1,31,04,000
Furniture and Fittings less Depreciation		58,36,000
Other Assets (including Inter-Office Adjustments)		4,56,79,000
Total	Rs.	224,04,65,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates‡	
	5-Year		7-Year		10-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1,54	1,47	76	74	20,40	22,88	83,28	22,91	— 12,81		
1951-52	1,78	6,08	77	3,91	23,08	46,81	1,07,55	74,16	— 21,61	13,10	13,10
1952-53	1,63	6,84	66	5,27	23,66	64,16	1,12,36	91,02	— 31,06	7,84	20,64
August 1952	15	6,40	6	5,11	1,76	74,45	8,61	83,76	— 29,16	65	21,89
September ,,	10	6,44	5	5,11	1,84	75,79	8,79	84,81	— 29,41	58	22,84
October ,,	11	6,48	5	5,14	1,71	76,77	8,36	85,25	— 29,59	54	23,31
November ,,	10	6,50	5	5,16	1,71	77,99	8,03	85,54	— 29,99	58	23,48
December ,,	8	6,51	5	5,16	1,56	79,34	8,45	85,95	— 30,23	48	23,94
January 1953	13	6,54	4	5,19	2,02	80,77	8,58	86,00	— 30,01	55	24,48
February ,,	14	6,61	5	5,21	1,88	82,14	8,36	86,36	— 30,81	58	25,08
March ,,	82	6,84	9	5,27	2,66	84,18	13,76	91,01	— 30,76	53	25,08
April ,,	11	6,80	6	5,27	2,24	83,93	9,56	93,01	— 31,06	60	25,64
May ,,	12	6,83	4	5,29	2,08	87,57	9,55	93,01	— 31,30	80	26,38
June ,,	11	6,82	4	5,31	2,25	89,33	9,43	93,80	— 31,25	68	27,00
July ,,	1	6,73	11	5,38	2,21	91,02	10,56	93,23	— 31,78	59	27,56
August ,,	1	6,67	9	5,44	2,23	92,83	8,76	96,67	— 32,04	66	28,20
Sept. ,,									— 32,36	69	28,87
										59	29,41

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 3-11-'53	31-10-'53	7-11-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	98.2	98.2	98.2
1. Government of India	90.1	90.1	90.1
2. Indian States	95.5	95.5	95.5
3. Municipal, Port Trust, etc.	89.2	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	101.3	101.3
1. Electricity	102.5	102.7	102.7
2. Jute	96.9	96.7	96.6
3. Plantations	100 0	99.6	99 6
4. Sugar	100 1	100 1	100 1
5. Coal	90 8	90 7	90 7
6. General Engineering	101.7	101.7	101.7
7. Shipping	102.9	103.1	103.1
8. Others	100 5	100 2	100 2
PREFERENCE SHARES	87.8	87.8	87 8
1. Electricity	98.6	99 4	99 6
2. Cotton	93 9	94 0	94 2
3. Jute	86 0	85.6	85.5
4. Coal	92.3	91.8	91.8
5. Iron and Stee	99 2	99.4	99 2
6. Sugar	76.1	76.1	76.1
7. Paper	90.3	88.4	88.4
8. Plantations	87.8	87.8	87.8
9. Miscellaneous	85.5	85.4	85.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	93 0	93 8	94 7
(a) Financial	85 8	85 4	85 1
1. Banks	93.4	94 2	94 0
2. Insurance	72.5	72.5	72 5
3. Investment Trust	108.8	108 8	107 8
(b) Public Utilities	116 6	116 2	116 3
1. Electricity	89.7	92 9	92 9
2. Shipping and other Transport	81 5	81 3	81.4
3. Railways	93.9	88.8	88 8
(c) Manufacturing Industries	91.5	92 8	93 8
1. Cotton, Woollen and Silk	80.4	80.4	81.6
2. Jute	95.3	101.8	106 8
3. Iron and Steel	147.5	151.1	150 5
4. Paper	111.7	114.8	115 6
5. Cement	104.5	112 0	114.6
6. General Engineering	91.9	95.3	95.1
7. Sugar and Brewerie	94.2	95 8	97 7
8. Chemicals	90 8	94.3	95 8
(d) Non-Manufacturing Industries	74.0	74 0	74 0
1. Coal	120 2	136 6	135 5
2. Mining and Oil	87.7	90 0	90 6
(e) Miscellaneous	85.1	88.8	87.9
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	89.7	89.7
1. Bombay	90.1	90.2	90 2
2. Calcutta	90.5	90.5	90.5
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS:	101.7	101.8	101.8
1. Bombay	101.6	101.8	101.8
2. Calcutta	100.3	100.1	100.1
3. Madras			
PREFERENCE SHARES	91.8	91.7	91.7
1. Bombay	84.1	83.7	83 9
2. Calcutta	85.8	85.7	85.4
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	99 3	102 4	103 3
1. Bombay	87 1	89 6	89 1
2. Calcutta	91 3	91 4	91 8
3. Madras	88 3	89 2	90 3
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man days lost.
1950 ..	814	719,632	12,[illegible]
1951 ..	1,071	891,341	3,818,928
1952 ..	963	809,242	3,338,961
Eight months ended Aug., 1950	602	600,337	5,101,076
Do Aug., 1951	873	861,379	2,910,933
Do Aug., 1952	793	691,691	2,03[illegible],321
Do Aug., 1953	590	506,174	1,902,194
January 1953 ..	85	803,831	876,840
February ,, ..	83	63,180	215,807
March ,, ..	87	42,430	142,498
April ,, ..	134	54,437	334,548
May ,, ..	118	60,028	234,945
June ,, ..	101	69,351	257,098
July ,, ..	83	49,784	111,891
August ,, ..	88	43,685	149,533
September ,, ..	96	57,876	180,932
October ,, ..	96	75,141	189,615
November ,, ..	87	45,708	273,245
December ,, ..	61	37,525	155,017
January 1953†	85	42,383	244,414
February ,,	43	28,477	151,411
March ,, ,,	87	58,231	218,537
April ,, ,,	72	49,101	219,632
May ,, ,,	83	34,917	276,216
June ,, ,,	94	80,157	252,959
July ,, ,,	79	41,713(a)	104,145(b)
August ,, ,,	65	31,949	219,547

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case. (b) Not known in three cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	6,681.1	5,777.7
1949-50 ..	572	5,954.1	4,849 0
1952-53 ..	614	6,301.4	5,134 8
April 1952 ..	581	514.4	418.1
May ,, ..	588	500.1	406 8
June ,, ..	568	534.0	429.7
July ,, ..	595	531.6	435 7
August ,, ..	597	533.8	430 8
September ,, ..	599	543 2	441.8
October ,, ..	606	559 7	456 4
November ,, ..	608	552 2	457 8
December ,, ..		535 6	441 8
January 1953 ..	611	498 8	417.4
February ,, ..	614	458 0	385 7
March ,, ..	614	514 0	414 1
April ,, ..	620	560 4	456 1
May ,, ..	625	549 6	450 2
June ,, ..	627	540 0	471.0
July ,, ..			

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	31st Oct., 1953	24th Oct., 1953	1st Nov., 1952	October, 1953	October, 1952	Percentage of increase (+) or decrease (—) in Oct., 1953 as compared with Oct., 1952	1952	1951
Food Articles	386.6	388.2	387.9	385.6	357.9	+ 7.7	368.8	408.8
Cereals	447	451	445	449	412	+ 1.6	430	453
Pulses	460	464	467	464	538	—13.8	443	508
Other	236	234*	236	231	222	+26.6	225	290
Industrial Raw Materials	447.2	443.1	433.9	446.0	452.3	— 1.6	453.8	588.2
Fibres	417	412	408	411	434	— 5.5	454	622
Oil seeds	523	529	495	540	513	+ 5.4	484	579
Minerals	451	446*	445	449	402	— 2.8	458	426
Others	367*	364*	358	370*	352	+ 5.1	341	523
Semi-Manufactures	383.0	381.8	348.7	383 4	351 7	+ 8.8	348.8	377.5
Leather	356*	350	405	354	334	—	345	453
Mineral oils	227	227	226	227	226	+ 0.4	221	197
Vegetable oils	511	510	450	457	457	+11.8	450	579
Cotton yarn	433	434*	446	436	453*	— 3.8	465*	453
Metals	222	222*	226	223	227	— 1.8	211	297
Oil Cakes	439	441	434	425	464	— 5.6	440	500
Others	302	302	253	302	200	+16 2	273	330
Manufactured Articles	388.8	386.2	376.1	384.8	379.6	— 1.8	377.8	395.8
Textiles	405	400*	415	401	420	— 4.5	422	469
Jute	410	—	405	390	486	—17.6	408	603
Cotton	410*	410*	408*	410*	402*	+ 0 2	401*	400*
Rayon and Silk	439	375*	440*	378*	458*	—17.5	465*	611*
Woollen	313	310	250	311	290	+11.1	266	376
Metal products	337	337	343	337	336	— 1.7	321	345
Others	294	294*	274	315	295	— 3.4	293	300
Miscellaneous	716.8	723.1	648.8	721.8	634 0	+13 8	638.8	729.8
All Commodities	386.4	383.1	368.3	383 6	367 5	+ 1 8	386.8	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jabbalpore
	—	June 1934	January 1927	January 1928	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
1951 Average	—	330	260	313	412	392	370	334	142	174	141	160	168
1952 ,,	142	337	259	310	441	380	351	330	143	174	143	155	150
January 1952	146	331	244	321	442	393	357	338	142	178	147	162	156
February ,,	141	324	241	318	441	382	343	346	141	178	145	155	155
March ,,	135	313	238	300	413	378	340	333	136	177	140	158	145
April ,,	141	335	242	321	415	377	338	326	140	176	138	153	144
May ,,	140	339	264	310	412	374	339	327	142	168	143	153	143
June ,,	143	348	263	308	434	375	342	330	145	171	141	153	148
July ,,	142	350	261	304	456	377	354	331	143	173	143	161	153
August ,,	144	340	267	312	460	380	369	338	143	178	149	160	157
September ,,	143	341	269	318	463	381	364	338	143	178	143	157	158
October ,,	144	345	274	321	466	381	360	337	143	178	143	154	150
November ,,	144	345	271	306	459	380

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Acreage 1952-53 Final	Acreage 1951-52 Final	Outturn 1952-53 Final	Outturn 1951-52 Final
Rice tons	74,674	73,665	23,424	20,741
Wheat	24,041	23,450	6,782	6,059
Jowar	41,945	39,114	6,088	5,944
Bajra	25,292	22,850	2,922	2,299
Barley	7,500	7,835	2,664	2,293
Maize	8,796	8,073	2,807	2,021
Ragi	8,868	8,309	1,295	1,212
Gram	17,267	16,857	3,771	3,298
Rabi Pulses* ..	11,593	11,559	2,083	2,047
Small Millets ..	12,170	11,834	1,932	1,891
Jute .. bales	1 854	1 951	4 695	4,678
Cotton	16,678	16,198	3,050	3 133
Sugarcane .. tons	4,378	4,792	5,260	5,068
Groundnut ..	11,862	11,798	2,894	3,045
Linseed	3,394	3,402	355	316
Castors	1,349	1,428	107	106
Rape & Mustar Seed } ..	5 155	5,915	823	916
Sesamu (supp) ..	5,751	5,845	451	438
Tobacco (supp) ..	794	712	219	205
Pepper	203	202	22	28
Ginger	48	47	14	16
Dry chillies ..	1,240	1,384	301	341

Source: Ministry of Food and Agriculture.

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

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Oct., 1953 ..	66.6
	Corresponding month 1952 ..	76.8
	Four months ended Oct., 1953 ..	266.4
	Corresponding period 1952 ..	304.9
Stocks	At the end of Oct., 1953 ..	102.7
	Corresponding month 1952 ..	94.9
		(In 000 bags)
Exports (Jute Bags)	Week ended 10th Oct., 1953 ..	46.02
	Corresponding week 1952 ..	34.21
	From 1st Jan., to 10th Oct., '53 ..	23,37,53
	Corresponding period 1952 ..	32,06,45
		(In 000 yds.)
Exports** (Jute Cloth) ..	Week ended 10th Oct., 1953 ..	4,80,11
	Corresponding week 1952 ..	87.60
	From 1st Jan., to 10th Oct., 1953 ..	107,02,12
	Corresponding period 1952 ..	82,04,12
	RAW JUTE	(In 000 bales)
Exports*	Week ended 10th Oct., 1953 ..	—
	Corresponding week 1952 ..	—
	During May, 1953 ..	—
	Corresponding period 1952 ..	—
	Oct., 1953 (in lakh bales) ..	3.87
Consumption by Mills†	Corresponding month 1952 ..	4.46
	Four months ended Oct., 1953 ..	16.60
	Corresponding period 1952 ..	17.69

† Estimated * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953..	11,80,000	10,57,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,91,800
April to October, 1953 ..	5,68,100	5,21,900	3,77,000
August 1952	1,00,700	90,500	67,700
Sept., ...	94,200	88,300	64,600
October	99,400	90,100	67,900
August 1953	94,100	83,400	68,100
Sept., ...	94,200	91,100	61,900
October	99,500	94,000	68,800
Indian Iron and Steel Co.			
Jan. to Oct., 1953	4,37,540	2,56,550	1,74,610
May 1953	67,810	32,850	19,700
June	36,730	23,940	18,020
July	21,760	8,870	4,610
August	20,230	7,710	4,190
September	21,220	2,270	2,840
October	85,840	30,670	31,280

FOREIGN TRADE OF INDIA

Particulars	June, 1953	June, 1952	Three Months, April, to June, 1953	Three Months, April, to June, 1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	12.44	24.68	43.50	60.70
Raw materials	15.72	13.95	47.74	61.68
Manufactures	20.12	22.67	68.42	75.24
Other items	21	62	1.00	1.99
Total	49.00*	61.82*	160.68*	219.61*
By land	1.70	1.47	3.07	4.52
Total Imports ..	51.30	63.29	163.75	224.13
Exports:				
By sea and air—				
Foodstuffs	9.13	11.82	26.57	37.37
Raw materials ..	8.71	12.11	30.08	37.26
Manufactures ..	20.21	23.00	58.35	72.33
Other items ..	30	31	1.00	1.05
Total	38.35	48.14	116.20	147.98
By land	38	3.65	1.15	9.27
Total Exports ..	38.73	51.69	117.35	147.25
Total Re-exports ..	38	36	1.68	1.03
Balance of trade in merchandise ..	— 14.25	— 11.29	— 50.24	— 76.18
Balance of transactions in private treasure	—	—	—	—
Total visible balance of trade..	— 14.25	— 11.29	— 50.25	— 76.15
Imports: ‡				
Total Cwealth countries ..	22.59	22.55	69.80	67.16
Total Foreign countries ..	27.01	39.27	91.36	152.45
Exports: ‡				
Total Cwealth countries ..	18.92	21.68	54.66	65.29
Total Foreign countries ..	19.45	26.44	61.84	72.69

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Maibang	x	176	192†	x	142	142	x	132	136	x	137	141	x	105	102	x	x	x	x	98	95
Sonalli	277	218	250†	158	160	160	194	109	217†	202	196	213	125	125	125	234	199	199	278	310	310
Kudchi	157	181	181	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	164	149	197	201	92	89	89	158	129	126	138	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Damra	219	232	205†	85	96	99	130	136	148†	137	145	149	104	114	114	219	215	231	175	203	203
Munjuda	108	244	268†	104	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh ..	159	163	167	164	165	171	154	168	173	158	165	170	103	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	139†
Malur	171	216	222	128	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana	293	207	209	302	308	319†	196	211	225†	228	221	231	130	125	128	206	184	184	222	189	149
Salamatpur ..	262	244	250	280	282	289	204	216	220	220	234	239	129	129	129	139	139	139	259	279	277

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 12th Nov., 1953 ..	29,542
	Corresponding week, 1952 ..	6,581
	1st Sept., to 12th Nov., 1953 ..	1,71,453
	Corresponding period, 1952 ..	2,64,191
Cotton Exports	Week ended 12th Nov., 1953 ..	1,315
	Corresponding week, 1952 ..	1,911
	1st Sept., to 12th Nov., 1953 ..	14,119
	Corresponding period, 1952 ..	89,234
Mill Consumption	1st Sept., to 12th Nov., 1953 ..	2,55,500
	Corresponding period, 1952 ..	2,07,200
Stock (with exporters dealers and mills) ..	On 12th November, 1953 ..	3,30,182
	Corresponding date, 1952 ..	4,28,592
Karachi (Pakistan)		
Receipts	Week ended 7th Nov., 1953 ..	N. A.
	Corresponding period 1952 ..	32,421
	1st Sept., to 7th Nov., 1953 ..	93,120(a)
	Corresponding period, 1952 ..	1,49,028
Exports	Week ended 7th Nov., 1953 ..	N. A.
	Corresponding period, 1952 ..	5,800
	1st Sept., to 7th Nov., 1953 ..	1,53,926(a)
	Corresponding period, 1952 ..	1,65,000

(a) Upto 31st October. N. A. Not available.

Particulars	From 1st Sept., to 16th Nov., 1953 Bales	From 1st Sept., to 16th Nov., 1952 Bales
Indian Union		
Cotton Exports to—United Kingdom ..	100	868
Continent	2,925	26,700
China	151	124
Japan	13,329	55,588
U.S.A.	500	4,705
Other Countries ..	234	1,398
Total to all foreign countries ..	16,856	89,394
Coastal Ports ..	11,772	16,609

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—Indian ..	July, 1953 ..	3,16,494
Foreign ..		74,868
Indian ..	Eleven months September 1953 to July, 1953 ..	83,03,099
Foreign ..		7,79,067
Foreign ..	Same Period 1951-52 ..	27,11,060
Stocks (Mills and Elsewhere)— Indian ..		9,63,189
Foreign ..	As on 31st July, 1953 ..	10,95,873
Indian ..		2,40,598
Foreign ..	As on 31st July, 1952 ..	12,84,668
		4,23,258
Cotton Pressed † ..	Week ended 6th Nov., 1953 ..	624
	Corresponding week, 1952 ..	1,607
	1st Sept., to 6th Nov., 1953 ..	41,584
	Corresponding period, 1952 ..	30,145

†Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102¾
4% Bonds	1924-33	63,30,24,000	1960-70	101¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3½% Loan	1950	30,33,10,000	1964	92⅛
3½% Loan	1943	1,10,11,78,000	1966-68	90⅛
3½% V. Loan	1946	1,14,06,89,000	1957	98⅛
3½% Loan	1949	1,15,03,13,000	1970-75	86¼
3½% Loan	1945	1,13,63,64,000	1959-61	96⅛
3½% Loan	1931	50,35,63,000	1958	98⅛
2½% Loan	1946	45,43,07,000	1961	90⅛
2½% Loan	1946	57,00,69,000	1961	90⅛
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,75,18,000	1956	93⅛
2½% Loan	1947	73,66,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
5% Loan	1896-97	8,93,35,000	At option of Government after three months' notice; On September, 1986 or later at option of Government after three months' notice.	81⅛
3% Loan	1946	248,91,90,000		81⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	£2,68,18,000	1954-59***	100⅛
4½% Loan	1928	3,85,20,000	1958-68***	103
PROVINCIAL LOANS				
3% Bombay	1942	3,54,25,300	15th Sept. 1955	99⅛
3½% Bombay	1943	3,50,00,000	16th Sept. 1956	99⅛
3½% Bombay	1944	3,44,06,000	15th Sept. 1958	97⅛
3½% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3½% Bombay	1950	3,01,87,700	31st July 1966	94⅛
3½% Bombay	1951	3,04,96,900	1st Sept. 1962	98
4% Bombay	1953	5,00,00,000	15th July 1963	101
4% Bombay	1952	3,66,72,700	1st Aug. 1964	101⅛
4% Bombay	1943	30,00,000	1st Oct. 1953-55	99⅛
3½% Cochin	1945	1,00,90,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Travan.				
Bridge (New)	1936-37	2,31,07,108	1956-66	93⅛
3% Madras	1939	1,29,76,600	21st June 1959	94⅛
3½% Madras	1942	2,31,25,000	15th Sept. 1955	99
3½% Madras	1943	1,35,10,000	14th Sept. 1956	98-8⅛
3½% Madras	1946	1,08,00,000	15th Aug. 1958	96⅛
3½% Madras	1948	2,82,19,000	15th Sept. 1960	93⅛
3½% Madras	1946	3,90,93,200	1st Sept. 1961	91⅛
3½% Madras	1950	4,47,90,000	31st July 1960	93⅛
3½% Madras	1951	3,00,00,000	1st Sept. 1962	91
4% Madras	1953	5,00,00,000	15th July 1963	100
4½% Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
3% Mysore(f)	1930	1,63,44,300	1st Nov. 1955	104⅛
4½% Mysore(f)	1933	2,95,85,300	1st Dec. 1953-63	101⅛
3½% Mysore(f)	1936	5,99,75,000	30th April 1956-61	98⅛
3½% Mysore	1947	5,08,05,700	25th Jan. 1958	99⅛
4% Mysore	1953	3,00,00,000	15th July 1963	99⅛
3½% M.P.	1942	50,00,000	15th Sept. 1955	99⅛
3½% M.P.	1943	50,34,200	14th Sept. 1956	98⅛
3½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3½% M.P.	1948	2,23,28,400	31st July 1964	91⅛
3½% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
4% M. P.	1953	3,00,00,000	15th July 1963	99⅛
3½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3½% Punjab**	1943	2,43,79,300	14th Sept. 1956	99⅛
3½% Punjab**	1945	2,93,51,600	14th Sept. 1960	98⅛
3½% Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4% Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3½% U.P.	1936	1,61,95,500	15th Sept. 1951-66	96⅛
3½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1943	2,24,80,300	14th Sept. 1960	94⅛
3½% U.P.	1946	2,29,08,600	1st Sept. 1961	93¾
3½% U.P.	1949	2,00,28,800	17th Sept. 1962	97⅛
4% U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4% U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1943	1,75,00,000	17th Sept. 1962	98N
4% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4% W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest Per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
40,00,000	4	1907	1967	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
36,00,000	4	1910	1971	
72,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,37,874	3½	1913*	1940	D
80,00,000	4	1913	1974	99½N
88,23,000	4	1914	1975	99N
50,00,000	4	1915	1960	
55,00,000	4	1915*	1975	
61,41,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1963	
24,58,000	3½	1933*	1973	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
70,90,100	4	1915	1975	98⅛
68,02,300C	3†	1915	1981	79
1,50,00,000C	6‡	1921	1981	144N
1,24,04,300	5	1925	1955-85	103
98,21,600	5½	1926	1956-86	104
99,84,300B	5	1926	1956-86	103
1,49,49,300B	5	1927	1957-87	103
1,49,30,900	5	1928	1958-88	104
80,80,000	4½	1931	1991	
21,75,000C	3	1933	1954	99
50,00,800C	3	1935	1980	80
25,00,000	3	1938	1963-68	88
40,00,000	3	1945	2003	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2¾	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,800C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	99⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£86
£901,000	5	1924	1954-84	£86
£835,100	5½	1932	1942	£96
MADRAS				
Rs.				Rs.
66,60,347	4	1912	1962	
32,14,994	4	1917	1962	
3,21,489	4	1918	1962	A
3,42,951	5	1918	1882	
7,46,044	5	1920	1982	
2,15,852	6	1921	1952	
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1939	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1902	1962	
50,00,000	4	1904	1964	
50,00,000	4	1903	1965	97⅛N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
30,00,000	4	1914	1974	97⅛N
25,00,000	4	1916	1976	
40,00,000	5	1919	1937-79	113N
66,00,000	5	1920	1935-80	
25,00,000	5	1926	1954-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	
£Sterling Loans				
£566,800	4	1909	1949	£93¾N
£333,000	4	1910	1970	£93¾N
CALCUTTA				
Rs.				Rs.
50,00,000	5	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
50,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	98
50,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,60,000	4	1913-14	1954	99⅛
29,80,000	4	1913-15	1974	99⅛
20,00,000	4	1914-15	1955	100
1,60,000	4	1920	1960	113
1,80,000	4	1920	1940	102⅛
25,00,000	5	1928	1958	98
26,14,000	5	1929	1949-59	105 to
8,45,500	5	1929	1939-59	102⅛
26,21,500	5	1929	1959	
8,20,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1949	1979	86⅛
4,00,00,000	3½	1950	1965	91⅛
2,50,00,000	4	1952	1964	100⅛
2,00,00,000	3½	1953	1966	97
CALCUTTA				
34,45,500	6½	1925	1955	105⅛
84,70,000	6	1925	1955	104⅛
36,00,000	5	1925	1955	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1958	103⅛
10,00,000	5½	1930	1959	103⅛
33,91,000	3½	1935	1965	97⅛
60,00,000	3	1936	1966	88⅛
1,46,000	3	1936	1959	96⅛
3,11,400	3	1937	1954	99⅛
4,67,100	3	1937	1954	98⅛
16,53,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98⅛
47,30,000	3	1938	1968	88⅛
10,67,700	3	1938	1955	97⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	96⅛
21,10,000	3½	1942	1972	92⅛
13,49,000	3½	1951	1960	96⅛
16,53,500	3	1951	1961	96⅛
66,88,000	3½	1951	1966	97⅛
87,36,000	4	1952	1962	99⅛
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00,000	3	1923	1953	101N
3,40,000	6	1925	1955	107½N

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

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	145	100
Deccan Sugar & Abkhari* A	7,00,000	1930	7	July Apr.	110	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	15§	£1
Gwalior Sugar	6,73,000(c)	1940	7B	Dec. ..	73	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	72	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15§	10
Ramnugger Cane	4,00,000	1933-34	6	Feb. Aug.	103	100
Rauipoor Sugar	20,00,000	1943	5§	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(a)	Dec. ..	6§	10
Upper Ganges	15,00,000	1932	5	Dec. ..	90N	100
Do	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Burrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	121§	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8§	10
Equitable	4,00,000	1895	6	Mar. Sept.	120	100
Kanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	85	75(pp)
††Khas Kajora	1,93,000	1911	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	July ..	121½d	10
Oudal	2,00,000	1898-99	6§	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	108§	100
Bangalore	6,00,000	1884	6	Jan. July	124§	100
Baleuti Cotton	5,00,000	1938	6½	Nov. ..	8§	10
Benares Cotton	3,00,000	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	14,75,000	1919	7	June Dec.	320§	250
Bradbury	21,30,200	1920	7½	Jan. July	137§	100
Buckingham & Carnatic ..	3,00,000	1928	7	Apr. ..	129	100
Cambodias	50,00,000	1912	5	Apr. Oct.	500	500
Central India	1,00,000	1935	6½	Nov. ..	124§	100
Coimbatore Pioneer ..	11,00,000	1912	8	May Nov.	144	100
Elgin	4,20,000	1943	5	July Jan.	10§	10
Do. 'B' Pref. ..	25,00,000	1919	7(a)	May Nov.	88	100
Elphinstone	20,00,000	1919	7	June Dec.	132	100
Kesaram	10,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1947	4	.. ..	86§	100
Do. (2nd)	12,00,000	1947	6	Nov. ..	10§	100
Kothari	16,00,000	1896	5(a)	..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
30,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2–7½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,23,655	45,646	B. R. Sons, Ltd.	30,828	1,021	B. R. Cotton Mills ..	45	100	6 0	6 0	Nil		3	Y.P.T.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Norwegian Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	393½	250	17 8	20 0	20 0	7 8(i).	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd. ..	38,532	860	Bradbury Mills	232½	250	75 0	100 0	100 0	100 0	3	Y.
1,09,42,800	2,08,18,653	2,43,74,311	1,60,92,612	5,30,869	Birla Bros. Ltd.	1,09,320	2,706	Century Spg. & Mfg. ..	276½	100	18 0	20 0	20 0	8 0(i).	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(k)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	76½	100	*Nil*	*Nil*	*Nil*	4 0(c)	12	Y.
26,00,000	26,40,379	48,48,629	21,56,747	7,721	Cowasjee Jehangir & Co., Ltd. ..	27,308	680	Coorla Spg. & Wvg. ..	107½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,01,745	48,40,041	76,868	Ramnarain Sons, Ltd. ..	38,304		Dawn Mills	67½	50	*Nil*	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Purannal Radhakrishan & Co.	50,296	928	Edward Textiles	232½	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chudamberam Mutrej & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	95½	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,703	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	259½	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0*	200 0	200 0*	225 0*.	3	Y.P
2,00,00,000	1,28,61,436	4,36,22,024	3,07,00,000	—31,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills ..	11–6½	250	0 12½	1 1¼	*Nil*	56 4*)	12	Y.
50,00,000 D.									1–11	10	0 2	0 4	*Nil*			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Dwarkadas Kalidas & Co.	47,172	1,191	Indian Mfg.	3,400	1,000	175 0*	200 0*	200 0*	225 0*.	3	Y.P.
29,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	211½	500	87 8	100 0	100 0	112 8*)	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor Mills	298½	100	12 0	14 0	10 0	10 0	6	Y.
28,80,000 A									88	100 A	7 8	25 0*	18 0	6 0(i).	12	Y.
3,60,000 B	60,11,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills ..		20 B	1 8	1 0	1 4		6	Y.P.
22,13,950	47,01,170	1,01,00,576	61,51,268	24,034	N. Sirur & Co., Ltd. ..	33,750	451	Modern Mills	90N	50	4 0	5 0	6 0		10	Y.T.
51,15,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,853	1,650	Morarjee Goculdas Spg. & Wvg	200	100	17 0	15 0	15 0		12	Y.P.
1,80,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chinai & Co., Ltd.	51,300	*Nil*	National Rayon Corporation	119½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
24,00,000	26,99,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	160½	100	12 8	15 0	10 0		12	Y.P.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Spg. & Wvg. ..	163	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	24½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd. ..	34,208	1,190	Phoenix Mills	117½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	137½	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,93,340	3,615	David Sassoon & Co., Ltd. ..	9,320	277	Sassoon & Alliance Silk Mill	19½	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,37,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,234	Sassoon Spg. & Wvg. ..	142½	100	12 0	18 0	14 0		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd	66,452	1,640	Shree Niwas Cotton Mills ..	170	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	148½	50	14 0	17 0	15 0(p).	15 0	3	Y.
36,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard Mills	313½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,21,71,160	1,37,29,109	82,56,233	91,399	Tata Industries Ltd.	63,040	2,000	Swadeshi Mills	261½	100	16 0	16 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	8,71,220	James Finlay & Co., Ltd. ..	43,804	532	Swan Mills	323½	100	20 0	25 0	30 0		12	Y.
32,34,438	39,35,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	50	25	2 0	4 0	2 0		12	Y.T.
12,00,000	60,55,708	98,62,654	73,30,000	6,246	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
33,00,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills ..	131½d	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Arvind Mills	460	100	25 0*	20 0*	2 0*		12	Y.P.
21,00,000	2,07,43,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co. ..	42,448	1,216	Arvind Mills	1,216	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,83,169	76,03,158	51,50,000	1,11,303	Mangaldas & Sons, Ltd. ..	33,884	884	Aryodaya Ginning & Mfg. ..	313½	200	30 0	35 0*	15 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,63,455	1,03,810	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	488½	100	17 0	22 0	22 0		12	Y.P.
1,24,72,912	1,06,90,273	3,71,68,168	2,37,51,344	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,400	Calico Mills	314½	125	12 0	18 0	18 0		12	Y.P.
30,00,000	84,86,000	88,67,870	62,23,000	4,885	Tricumlal Bhoglal & Co., Ltd.	39,316	964	New Commercial Mills ..	1,055	500	55 0	70 0	70 0		12	Y.P.
39,00,000	70,78,334	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	607	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhoglal Nasavaty & Co., Ltd.	24,840	528	Nutan Mills	672½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	836	Raipur Mfg.	780½	100	25 0	20 0*	25 0		12	Y.P.
12,00,000	1,13,87,067	74,95,060	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	30,928	1,093	Rohit Mills	110½	250	15 0	20 0	10 0		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd. ..	33,156	640	Shri Ambica Mills	123½	100	3 0	9 0	9 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	325½	50	15 0	18 0	16 0		12	Y.P.
19,32,500	32,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	375½	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd. ..	34,576	816	Vijaya Mills	492½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3½	10	0 8	0 5	*Nil*		12	Y.P.T
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd. ..	28,448	936	Bengal Luxmi Cotton Mills ..	37N	40	*Nil*	*Nil*	3 0		12	Y.
6,00,000	22,76,075	77,07,829	31,35,000	—28,432	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Kettlewell Cotton Mills ..	270	100	*Nil*	*Nil*	*Nil*		6, 12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	202	100	*Nil*	(*d*) *Nil*	*Nil*		6, 12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills ..	20½	13	1 14	1 14	1 12		3	Y.P.
39,96,097	10,75,000	79,53,833	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,518	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	*Nil*	*Nil*		12	Y.P.
15,00,000	9,09,109	39,72,613	23,03,246	2,736	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles(Cochin) Ltd.	6½	10	0 14 2½	0 9 3½			12	Y.P.T.
71,94,400	51,71,000	1,90,39,719	45,27,372	18,450	Industrial Trust Fund.	19,944	440	Azam Jahi Mills	67N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	280	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills ..	13½	10	*Nil*	*Nil*	*Nil*		6, 12	H.P.T.
13,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½N	10	2 8	2 8	3 0		3	Y.
1,78,47,800	1,37,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd. ..	1,19,916	2,781	Buckingham & Carnatic Mills	121½	100	6 14	7 8	4 0	4 0(i)	12	Y.P.T.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cawnpore Mills	15½	*Nil*	*Nil*	6 0	6 0		12	Y.P.
30,00,000	21,97,993	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,798	591	Cawnpore Textiles	8½	5	0 9	0 9	0 9	0 9	12	Y.
12,00,000	13,07,000	27,82,848	17,29,989	—1,12,723	R. Bheemji Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	160	100	12 8	12 8	9 0		12	Y.
20,00,200	9,19,870	25,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	119½	50	2 8	5 0	*Nil*		6	Y.
20,76,900	4,40,358	1,10,86,516	66,19,187	—2,70,990	R. G. S. Naidu & Co.	19,700	..	Coimbatore Spg. & Wvg. ..	38½	50	2 8	5 0	*Nil*		6	Y.
44,87,500	2,30,18,398	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	164½	100	6 0	6 0	2 0	5 0	6	Y.P.
2,89,86,925	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd. ..	75,604	1,830	Delhi Cloth & General Mills ..	30½	10	2 0	2 8			6	Y.P.
1,00,505									2½	2½	*Nil*					
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	188½	100	25 0	20 0	10 0		12	Y.
63,00,000	43,00,000	1,30,76,632	1,03,71,633	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	18½	10	1 2	1 8	1 8		9	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,375	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	240½d	100	10 0	14 0	17 0*	3 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United ..	96½	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd. ..	23,784	200	Jonnadarda Mills	62½	50	3 0	7 8	3 12		12	Y.
24,00,000	12,00,000	43,66,106	8,30,000	54,377	Kothari & Sons	30,512	1,213	Kothari Cotton Mfg. ..	100½	10	0 11	0 12	0 12		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg. ..	562½	250	37 8	50 0*	37 8		12	Y.P.
53,46,150	53,30,000	94,98,025	33,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	78½	50	4 0	4 0	5 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura Mills	58½	25	2 0	3 0	3 0	3 0		Y.
12,00,000	4,17,365	24,32,416	15,52,690	—27,590	A. L. A. R. S. Chettiar and others	21,856	..	Malabar Spg. & Wvg. ..	126½	200	8 0	12 0	8 0		12	Y.
40,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd. ..	24,252	603	Meenakshi Mills	91½	100	25 0	12 8	12 8	12 8	3	Y.
29,00,884	22,90,000	73,68,230	42,20,184	23,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	140½	100	15 0	6 0	3 0		12	Y.
94,91,850	25,39,837	1,34,73,361	75,31,528	29,643	Bansilal Abirchand Dodabhoy & Co.	49,456	932	Model Mills (Nagpur) ..	140½	250	15 0	7 8	7 8		6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	195½	100	*Nil*	*Nil*	*Nil*		12	Y.
19,86,800	66,50,072	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,632	500	Mysore Spun Silk Mills ..	122½	50	10 0	9 0	10 0*	10 0*	12	Y.P.
11,61,780	2,58,745	29,34,299	15,36,624	2,232	Sri N. O. Naik	6,000	..	Mysore Spun Silk Mills ..	1½	10	0 8	0 10	*Nil*	*Nil*	3	Y.
22,89,88,103									0–2½	*Nil*	*Nil*	*Nil*	*Nil*			
3,07,095 D	23,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	30,896	717	New Victoria Mills	0–1	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
87,01,400	61,53,493	1,58,62,385	59,76,151	17,946	Osmeeashahi Mills	22,800	..	Palani Andavar Mills	85N	100	5 8	8 0	7 8		9	Y.
4,00,000 A									68	50A	3 0	8 0	7 8			
6,00,000 B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	27,980	..	Pankaja Mills Ltd.	93	25B	7 8	12 0	11 4		12	Y.P.
55,00,000	8,56,920	32,56,378	16,53,648	4,411	C. S. R. Mudaliar & Sons ..	38,864	200	Radhakrishna Mills	67½	100	7 8	8 0	8 0		12	Y.
16,81,200 A									164½	100 A	16 0	16 0	6 0			
8,40,600 B	16,65,842	32,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	25,896	..	Rajalakshmi Mills	81	50B	8 0	8 0	3 0		12	Y.
15,00,000	23,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	32,580	600	Raza Textiles	78½	50	4 8	4 0	2 0		12	Y.P.
60,00,000	62,66,908	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	15,824	440	Shree Sajjan Mills	75½N	100	6 0				3	Y.
22,41,300	10,52,625	23,98,011	17,73,000	63,528	G. Lladhar & Co., Ltd.	18,416	416	Sitarma Spg. & Wvg. ..	36	60	*Nil*	3 0			8	Y.
7,79,700	2,24,599	20,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd. ..											
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	82,992	2,234	Shalimoor Spg. & Wvg. ..	1,400	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
						25,200	992	Sri Krishnarandra Mills ..	—	500	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
36,69,700	11,73,989	37,42,019	44,96,380	23,287	II. N. Pallegar, Esq.	27,340	992	Sutlej Cotton Mills	48½	50	4 0*	4 0*	3 0*	4 0*	3	Y.
13,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.				23N	50	4 0	4 0	4 0		3	Y.
17,50,000 D	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8½	100	0 8		0 8		12	Y.P.
1,57,50,000 PO									6½	100 D. O.	0 14 2½	0 14 2½				
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Escorts & Sons (Travancore), Ltd.	16,000	..	Travancore Rayons	5½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
13,98,630	7,25,595	12,91,001	9,64,987	9,843	Mooljee Ramjee & Sons	3,704	270	Travancore Tinplate Mills ..	16½	100	1 0	1 0	1 0	11 1½	12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	34,280	1,493	Vishnu Cotton	145½	100	9 0	14 0*	10 0	12 0	12	Y.P.
32,00,000	50,43,539	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.											

* Includes bonus.

(*d*) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(*e*) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(*g*) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

(*b*) Subject to taxation and workers' bonus.

(*c*) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9	25	*Nil*	2 13g	*Nil*		5	Y.P.
16,20,630	15 83,781	23,47,704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	201	10	*Nil*	2 2g	*Nil*		5	Y.
£80,000 A	£360,136	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	6½	5	1 0	0 8	0 8	0 8	3	Y.
£300,000 B				—7,87,632	S. P. Smith, Esq.		15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	31,961	Vittal Mallya, Esq. (Chairman)	Murree Brewery	2½	B. £1	Sh. 1	Sh. 1	Sh. 1		8	Y.
6,00,000	9,00,000	13,19,818	13,19,812			United Breweries	159½	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700 A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,344 B							3½	B. 10	0 6	0 12	0 12			
43,14,600 O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga-Cement ..	3½	O. 10	0 8	*Nil*	*Nil*		3	Y.T.
4,70,976 D							1½	D. 1	*Nil*					
10,56,20,418	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	S. P. Smith, Esq.	Associated Cement Companies ..	182½	100	8 8	9 8	9 8		7	Y.
40,00,00000							7½	O. 10	0 8	0 10	0 10			
28,49,797 O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	1½	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000 D							½	D.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
						PAPER								
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	43½	25	{ 1 4 / 4 0 / 5 0 / 5 0 }	{ 1 9 / 5 0 / 5 0 / 5 0 }	{ 1 9 / Nil / 5 0 / 5 0 }	{ / / / / }	6.12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	189	100	5 0	5 0	5 0	1 0*	3.9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½	10	0 8½	0 12	1 0	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	37½	10	{ 0 12 / 1 8 / 1 0 / 0 8 }	{ 1 0 / 1 0 / 1 0 / 1 0 }	{ 1 0 / 1 0 / 1 0 / 1 0 }	{ / / / / }	3.9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	198	10	{ 0 8 / 0 10 }	{ 1 2 / 0 12 }	{ 0 12 / 0 12 }	{ / / }	6.12	H.P.T.
20,00,000 / 80,00,000 A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	{ 9½ / 9½ }	{ O. 10 / A. 10 }	{ Nil / Nil }	{ Nil / Nil }	{ 0 4 / 0 4 }	{ / / }	3.9	H.P.T.
56,00,000 A. / 56,04,800 B. / 4,37,500 O.	2,70,67,936	4,98,44,056	2,92,72,644	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	{ 37½ / 37½ / 4½ }	{ A. 10 / B. 10 / P.O. 2½ }	{ 0 14* / 0 2 / 0 2 }	{ 1 0* / 0 2 / 0 2 }	{ 1 0* / 0 2 / 0 2 }	{ 1 0*† / / 0 2‡ }	3.9	H.P.
						PRESSING								
8,00,000	5,92,365	15,58,964	10,44,391	30,168	Andrew Yule & Co	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93¾	100	6 0	6 0	7 0	7 0	7	Y.
5,00,000	1,55,000	11,21,900	9,45,356	10,627	Andrew Yule & Co	Central Hydraulic	91xd	100	3 0	5 0	5 0	4 0	6	Y.
						PROPERTY AND LAND								
80,00,780 O. / 2,00,000 D.	6,02,582	42,63,284	19,09,284	419	E. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 10½ / 1½ }	{ O. 10 / D. — }	{ 0 9 3/5 / Nil }	{ 0 9 3/5 / Nil }	{ 0 8 / Nil }		9	Y.P.
40,00,000	17,23,138	83,61,045	37,52,882	.....	David Sassoon & Co., Ltd.	Port Canning Land	29	100	2 0	3 0	3 0		4	Y.
94,00,000	33,34,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary	41	100	Nil	3 0	3 0		4	Y.P.
						SAW MILLS AND TIMBER								
13,99,998	28,08,354	13,99,519	3,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	5	0 8	0 8	0 4		9	Y
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,57,498	Wallace & Co.	Bombay-Burmah Trading ..	{ 154½ / 125 }	{ Old 125 / New 50 }	15 0 / 6 0	37 8 / 15 0	22 8 / 9 0	5 0(‡) / 2 0(‡)	5	Y.
6,00,000	.....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	5 0	Nil	Nil		6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	35½	10	3 8	3 8	3 0		9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7⅞	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000 A. / 3,00,000 B	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	{ 125N / 114N }	{ A. 100 / B. 10 }	6 4 / 10 0	10 0 / 1 0	10 0 / 1 0		4	Y
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	74	Nil	Nil	0 10	0 12		9	Y.
15,00,100	10,30,000	15,38,152	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	184N	10	1 0	1 8	1 8		6	Y.P.
32,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd. ..	Cawnpore Sugar	77	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	35,34,712	99,28,342	75,34,740	31,991	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	353	10	2 0	3 0	2 0		10	Y.P.
18,00,000	33,12,262	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	244	10	1 8	1 8	2 0	1 0	6	Y.
35,00,000 A. / 10,00,000 O.	27,00,000	68,17,372	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills ..	{ 130N / 52 }	{ A. 100 / O. 100 }	{ 7 0 / 6 0 }	{ 9 0 / 4 0 }	{ 12 0* / Nil }		{ 6 / 7 }	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	55N	100	4 0	8 0	Nil		7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills ..	26	10	0 8	2 0	2 0		6	Y.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 10	0 8		5	Y.
1087,500 A. / 2,71,875 B	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	19½N / 5½	100 / 25	15 0 / 3 12	20 0 / 5 0	20 0 / 5 0		6	Y.
77,44,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4	11 0	6 0		7	Y.P.
12,00,000	12,71,178	28,94,458	18,81,746	68,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	98N	100	6 0	10 0	6 0		10	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,433	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 8	2 8	1 0	0 8	6	Y.P.
8,00,000	25,10,182	20,51,613	18,99,193	1,89,513	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	13	10	1 0	2 0	1 0	0 8	6	Y.
11,99,000	17,25,204	39,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	10N	10	0 6	1 0	1 8		7	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar								
9,99,950	61,825	22,84,311	11,98,645	7,647	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 6½		6	Y.
6,50,000 / 1,75,000 D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co. Ltd.	South Behar Sugar	{ 11N / 2½ }	{ O. 10 / D. 2½ }	{ Nil / Nil }	{ Nil / Nil }	{ / / }		10	Y.P.
8,00,000	10,96,720	70,75,580	33,97,754	57,218	Cotton Agents Ltd.	Upper Ganges Sugar	18N	10	1 12	2 0	2 0		6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	38,065	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	13½	10	0 4½	2 0	1 8		9	Y.
						Other Centres								
46,99,750	79,06,443	65,03,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	261	50	12 8	14 0	16 0	16 0	9	Y.I
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	5 0	3 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries ..	22½ / —	10 / 5	1 8 / 0 12	2 0 / 1 4	1 8 / 1 4		9	Y.P.
53,57,520	29,59,133	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	101N	10	0 12	1 0	0 12	10 0	12	Y.
21,79,260	90,00,000	94,96,051	62,24,558	8,27,296	A. G. Banull Gowda, Esq. (Managing Director)	Mysore Sugar	43½	10	2 0*	2 0	2 0	2 0	6	Y.
50,00,000	46,49,631	1,03,94,086	50,12,837	3,18,394	Mafatlal, Apte and Kasulal Ltd.	Phalsan Sugar	93½	50	8 0	8 0	8 0	2 0	9	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	18	10	0 12	0 12	2 0		9	Y.P.T.
80,00,000 A. / 4,00,000 D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	{ 94N / 7N }	{ O. 50 / D. 10 }	{ 7 0 / }	{ 9 0 / }	{ 9 0 / 0 12½ }	{ 9 0 / }	9	Y.P.T.
19,99,600	34,21,961	44,32,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	101N	100	1 0	1 4	0 12	1 0	10	Y.
30,00,000	58,70,192	1,38,08,592	13,08,963	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil		7	Y.P.
77,50,000 A. / 82,50,000 O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries ..	148½	{ A. 100 / O. 100 }	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
						TRANSPORT								
33,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	156½	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,32,730	1,45,00,237	59,656	Dunshaw Ltd.	Bharat Line	94	100	3 0	4 0	5 0		12	Y.
£655,580	£1 121,737	£4 428,103	£2,512,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	810	Nil	Nil	Nil	Sh 10		12	Y.P.
2,25,00,000	74,99,233	3,91,83,993	1,26,17,488	1,99,765	Lionel Edwards Ltd.	India Steamship Co.	7–3½	10	Nil	Nil	Nil		12	Y.
6,59,62,018	3,81,43,387	12,94,97,421	3,04,50,000	1,56,231	Narottare Morarjee & Co. ..	Scindia Steam Navigation Co.	15–3½	13	Nil	Nil	Nil	0 8	6	Y.T.
						UNCLASSIFIED (Bombay)								
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0		12	Y.
15,98,560	1,03,801	2,28,188	60,000	7,543	Parakh Agencies Ltd.	Bombay Suburban Electric ..	34N	50	4 0	4 0	4 0		12	Y.
25,00,000	1,00,000	23,16,130	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	8½	25	0 12	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	6,425	Chuonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	2 8	Nil	3	Y.P.
99,99,250	18,35,375	1,26,92,333	10,053	1,85,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	97	100	6 0	6 0	6 0		12	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	160cd / 125cd	100 / 75	8 0	8 0	10 0 / 2 8	10 0 / 5 0	6	Y.
8,04,71,500 A. / 10,00,000 B	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	41½ / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	Y.
10,11,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	40	20	2 0	3 0	3 0		12	Y.
2,20,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	Sir Joseph Kay (Managing Director).	Western India Match Co. ..	361xr	10	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	350	130	20 0	20 0	20 0		12	Y.
						Other Centres								
47,50,000 O. / 2,50,000 D.	15,00,000	1,56,92,044	90,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	{ 4½ / 2½ }	{ O. 10 / D. 2½ }	Nil	Nil	Nil	Nil	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	19½	10	1 12	2 8	1 4		8	Y.
20,00,000	12,34,104	25,69,104	17,19,014	1,33,909	T. H. Rydin Esq. (Mg. Director)	Assam Match Co., Ltd.	23	10	1 4*	1 4*	1 4*		8	Y.
20,00,000	12,61,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	48	10	0 9 3/5	0 9 3/5	0 4		3	Y.P.T.
30,00,700 O. / 10,00,000 D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	666 / —	100 / 40	20 0* / 6 0	25 0* / 8 0*	20 0* / 4 0*	5 0(†)	12	Y.
20,00,000	8,38,806	34,303,140	.....	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 2	1 4	1 4		9	Y.P.
30,64,680	33,27,348	99,11,669	21,85,999	96,113	F. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuit	9–5½	5	0 12	0 12	0 12	0 8	12	Y.P.T.
3,25,00,000	95,00,000	2,38,42,360	1,90,64,167	1,90,112	Sir Robert Menzies	British India Corporation Ltd. ..	31	10	2 0	1 8	1 8	1 0	12	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	9,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	142	100	10 0	10 0	10 0	12 0	12	Y.P.
51,26,000	47,57,061	1,26,55,420	.....	9,13,459	Bird & Co., Ltd.	Eastern Investments Ltd. ..	197	100	9 0	9 0	9 0		9	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	174	100	10 0	12 8	20 0		3	H.I
65,00,000	31,28,294	15,62,902	3,85,763	2,07,524	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	261	250	15 0	15 0	15 0		9	Y.P.
30,07,000	11,42,356	62,81,516	29,35,775	29,418	B. F. R. Syndicate	Great Eastern Hotel	140N	100	7 8	7 8	8 0		12	Y.P.T.
12,42,800	5,06,043	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hindustan Motors	31	10	1 0	2 0	2 0		12	Y.
4,96,12,650	1,92,800	2,61,59,292	57,52,719	3,47,267	J. W. Cameron, Esq. (Gen. Manager)	Indian Aluminium Co.	106	100	3 8	5 0	5 0		12	Y.P.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,033	22,27,867	J. W. Mcintosh, Esq.	Indian Cables	20	10	2 8	1 0	1 0		3	Y.P.
1,52,89,125	99,60,884	37,07,690	3,91,748	9,29,356	D. J. McIntosh, Esq.	Indian Rubber Manufacturers ..	12½	10	1 0	1 0	1 0	0 12	3	Y.P.
8,27,970	5,38,000	14,39,460	7,91,308	38,565	G. S. Moulton & Co. (India), Ltd.	Jardine Henderson	117	100	10 0	10 0	10 0	7 8	3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,20,477	4,64,163	G. H. Mackinlay, Esq.	Macfarlane & Co.	2½	O. 5	Nil	Nil	Nil		3	Y.
6,34,00,000 O. / 60,00,000 D.	6,05,270	6,91,531	4,08,233	—64,994	James & Co., Ltd.	McLeod & Co.	134 N	D. 5 / O. 100 / D.O. 10	12 8	12 8			12	Y.P.
40,00,0000 O. / 5,00,00,000 D.	57,99,632	23,19,0339	5,19,033	85,717	A. T. Peppercorn, Esq.	Martin Burn Ltd.	19½	10	0 12	0 12			9	Y.
1,30,51,750	30,19,025	13,73,127††	4,61,596	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Mysore Glass and Enamel Works	3½	10	0 10	Nil	Nil		6	Y.P.
6,15,255	1,74,934	7,74,805	2,66,943	—2,313	Ogale Glass Works Ltd.	Mysore Lamp Works	16½	10	1 0	1 0	1 0	1 0	3	Y.
4,68,045	8,64,829	9,73,621	3,93,699	2,059	G. Chandy, Esq. (Controller)	Mysore Tobacco	10½	10	Nil	1 0	1 0	1 0	3	Y.T.
10,00,000		11,45,854	3,91,996	11,329	E. V. Ganapathy Iyer, Esq.									
20,00,000	23,16,171	50,16,078	28,75,987	11,043	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	33½	10	0 8	0 8	0 12		3	Y.P.T.
						National Tobacco Co.	11½	10	0 4	0 8	Nil		12	Y.P.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	Parry & Co.	4½	2	1 9 3/5	2 0	1 0	0 4½	12	Y.P.
40,00,000	24,00,000	41,58,536	17,74,933	1,52,611	Parry's Huskings Ltd.	Rallis (India) Ltd.	67	100	8 8	9 0	Nil		8	Y.P.T.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,647	G. U. Euthymopulo, Esq. ..	Rohas Industries	10	10	Nil	0 12	1 0		10	Y.P.T.
1,14,00,000	78,53,108	6,09,59,407	2,16,88,623	7,17,446	Sahu Jain Ltd.	Spencer & Co., Ltd.	14½	10	Nil	1 0	1 0		10	Y.P.
40,00,000	92,32,582	1,19,84,881	70,89,235	5,36,552	C. W. Stephenson, Esq. ..	Shaw Wallace & Co., Ltd. ..	10½	10	1 0	1 0	1 0	0 8(†)	12	Y.P.
40,00,000	35,00,000	12,11,901‡	2,17,129	3,56,618	R. H. D. Campbell, Esq. ..	Travancore Ogale Glass ..	3½	10	0 6½	Nil	Nil		12	Y.P.
75,00,000	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.									
9,98,180														

‡‡ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 23,17,685

‡ Excluding goodwill (written down) Rs. 30 lakhs. § Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
							ASSAM								
4,45,700	5,43,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	337½xdN	100	25 0	Nil	7 8		12	Y.P.
3,76,500	4,51,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	19⅜	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	12	10	4 0	3 0	Nil		12	Y.
5,30,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Bagbmari	12½	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	61,629	Andrew Yule & Co., Ltd.	369	Basmatia	31½	10	3 0	2 8	2 0		12	Y.
5,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd. ..	556	Batell	13½	5	1 8	0 8			12	Y.
2,25,000	4,90,000	8,79,729	1,76,121	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Beljan	27	10	3 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd. ..	4,038	Bahnauth	30	10	1 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	6	10	0 8	Nil	Nil		12	Y.
3,50,000	3,43,530	8,21,734	2,11,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	12	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,052	72,59,232	16,14,765	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Deloo Valley	8	10	1 8	Nil			12	Y.
6,00,000	7,15,000	25,51,753	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	235	100	30 0	22 8	10 0		12	Y.
17,51,440	5,40,608	19,11,103	2,07,645	54,461	James Warren & Co., Ltd. ..	1,000	Dihirkhat	11½	10	1 9 3/5	1 3⅜			12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	11	10	2 0	Nil	Nil		12	Y.P
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	9½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	29,960	Andrew Yule & Co., Ltd.	625	Dimakuri	35	10	1 0	1 0	1 0		12	Y.P.
3,60,500	4,50,000	16,38,157	9,58,157	1,19,948	Williamson Magor & Co., Ltd. ..	669	Duffla ghur	36	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd. ..	1,178	East India Tea	19½	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,693	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	17½	10	2 0	1 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd. ..	522	Gohpur	31xd	10	4 0	3 0			12	Y.
4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd. ..	1,393	Grob	21⅜	A.10	3 0	2 0	2 0		12	Y
B.2,40,790									B.5	1 8	1 0	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	31½	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,06,970	28,147	Andrew Yule & Co., Ltd.	1,288	Hoolangooree	300N	100	25 0	17 8	Nil		12	Y.
7,50,000	3,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	11½	10	1 0	1 0	Nil		12	Y.
2,40,000	80,000	11,45,831	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,366	Kignsley-Oologhat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	3,69,133	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd.	1,037	Ledo	9½	10

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd. ..	879	Agarpara	161	10	4+3	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,51,094	32,11,551	4,42,186	Sahu Jain Ltd. ..	498	Albion	170	100	4+10	15+15	8+10	12f	5, 11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,931	McLeod & Co., Ltd. ..	446	Alexandra	163	100	Nil	5 Nil	Nil		5, 11	H.P.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,46,133	McLeod & Co., Ltd. ..	1,264	Alliance	158	100	Nil	2½ Nil	Nil		6, 12	H.P.T.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,361	Anglo-India	228	100	Nil	10 Nil	Nil		6, 12	H.P.
40,00,000	38,68,132	1,32,58,243	81,34,904	42,740	Bird & Co., Ltd. ..	810	Auckland	123	100	Nil	10 Nil	10+10	10+15	7½f	3, 9	H.P.
20,00,000	29,77,565	97,17,334	63,51,882	72,634	Badrun Henderson & Co. ..	559	Bally	175	100	1½+4	6+5	5+4	2f	3, 9	H.P.T.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,890	Barnagore	157	65	£1	£1	£1	£1	3, 9	H.P.
28,00,000	15,49,823	88,18,168	48,06,254	62,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	204	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
22,50,000	35,95,000	51,03,385	22,50,305	4,07,707	Soorajmull Nagarmull ..	600	Bengal	154	50	15	3			6	Y.P.T.
30,42,000	2,64,06,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd. ..	1,373	Bula	15	10	1½	3			6	Y.P.T.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	162	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,180	4,29,739	49,77,150	36,73,499	93,461	Duncans & Sons ..	502	Calcutta Jute Mfg. ..	141N	10	Nil	1+1	0+8		6, 12	H.P.T.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd. ..	616	Caledonian	164	100	4+10	10+12	6+6	6f	5, 11	H.P.T.
59,16,400	1,05,23,478	1,65,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd. ..	1,400	Champdany	150½	100	3+5	5+7	7+8	3f	5, 11	H.
18,00,000	28,39,282	79,79,086	54,30,736	84,099	Andrew Yule & Co., Ltd. ..	539	Cheviot	214	100	6+10	10+12	6+6	6f	5, 11	H.
10,05,000	46,90,000	58,16,362	41,42,364	1,07,364	McLeod & Co., Ltd. ..	500	Chitavisah	35½	10	2½+2	1½+4½	2½+1½		6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	23	10	1½	Nil	2	Nil	6, 12	H.T.P.
31,49,200	39,29,308	1,28,67,834	61,33,715	8,357	Bird & Co., Ltd. ..	766	Dalhousie	138	100	1+3	8+6	6+1	1f	3, 9	H.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd. ..	834	Delta	179	100	5+12½	15+17½	10+10	10f	3, 11	H.P.
13,00,000	32,50,000	73,63,304	33,68,650	47,730	McLeod & Co., Ltd. ..	500	Empire	23	10	1+1	1+1½	1+1		5, 11	H.P.
21,00,000	34,39,877	2,65,42,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	382	100	2½+20	12½+12½	10 Nil	Nilf	6, 12	H.T.P.
14,00,000		72,62,199	43,27,194	—4,98,601	Bangur Bros., Ltd. ..	1,014	Fort William	303N	10	Nil	4+10	10+12	6+6	3, 9	H.P.T.
84,32,100	3,13,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd. ..	1,709	Ganges Mfg.	74	100	Nil	3f 2½+2½	Nil	Nilf	3, 9	H.T.P.
10,80,000	2,62,235	68,12,500	47,44,352	61,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	710	300	45	90	30		3, 9	H.P.
24,00,000	27,30,604	2,19,25,184	1,63,21,337	1,57,647	Macneill & Barry Ltd. ..	1,394	Gourepore	301	100	2½+15	10+10	1½ Nil	Nilf	3, 9	H.P.
40,00,000	46,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd. ..	1,078	Hastings	100	100	10	4	4	3	3, 9	H.P.
16,80,000	39,29,308	1,28,67,834	61,33,715	8,357	Bird & Co., Ltd. ..	766	Hoogbly	32½	10	1	3	1½	Nil	3	Y.P.
85,62,500	50,83,570	1,56,87,559	1,09,33,235	1,55,027	Jardine Henderson Ltd. ..	2,940	Howrah	25½	10	1½	3	1½	1½	3	Y.P.
30,00,000	56,93,473	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas ..	2,272	Hukumchand	74	100	1+1	1+1½	1+1	1f	3, 9	H.P.
D. 30,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	127	O. 125	3½+9	3½+1½	3½+3½	3½f	3, 9	H.
'A' 24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd. ..	1,797	Kamarhatty	195	D. 1	A 7-8 7-8	1+1	1+1		3, 9	H.
'B' 30,00,000	16,90,371	1,31,02,619	94,40,902	1,23,240	Jardine Henderson Ltd. ..	1,527	Kankinarrah	184	100	8½+8½	10+12½	8½+6½	6f	6, 12	H.P.
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd. ..	703	Kelvin	150½	100	Nil	3+7½	6+4½	3f	6, 12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,90,592	Anderson Wright Ltd. ..	1,330	Khardah	258	100	10+10	12½+12½	7½+7½		6, 12	H.P.
48,00,000	93,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co. ..	1,250	Kinnison	299	100	Nil	15 10+6	10+15		3, 9	H.P.
24,48,000	48,13,305	1,33,96,308	78,14,073	22,044	Bird & Co., Ltd. ..	931	Lanadowne	204	100	1½+4	11+8	7+3	4f	3, 9	H.P.T.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,737	Bird & Co., Ltd. ..	840	Lawrence	134	100	3+10	11+8	7+3	2f	3, 9	H.P.
10,00,000	36,51,301	50,59,106	35,16,126	64,044	Andrew Yule & Co., Ltd. ..	538	Lothian	245	100	5+9	12½+11	11+4	2f	3, 9	H.P.
81,65,200	44,27,417	1,93,98,004	1,16,00,448	28,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	100	100	2+10	15+17½	10+15	15f	5, 11	H.P.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,84,971	F. W. Heilgers & Co. ..	815	Naihati	118	100	2½+6½	2½+11	2½+2½	2½f	3, 9	H.
20,00,000	17,75,000	25,77,260	16,47,880	9,104	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	Nil	5 10+6	6 Nil	Nilf	3, 9	H.
35,00,000	44,27,417	27,58,552	8,93,331	1,81,832	Andrew Yule & Co., Ltd. ..	852	National	24½	10	1+1	1+1½	1+1		4, 10	H.T.
7,50,000	41,00,000	25,75,900	16,24,098	1,21,783	McLeod & Co., Ltd. ..	316	Nellimarla Jute ..	40½	10	1+1	1+1½	1+1	1f	4, 10	H.P.
10,50,000	49,78,375	48,94,020	24,51,124	76,232	Sahu Jain Ltd. ..	709	New Central	260	100	4+10	15+15	10+12	12f	6, 12	H.P.
16,79,880	47,26,931	1,21,23,508	54,32,507	38,703	Bird & Co., Ltd. ..	567	Northbrook	204	10	Nil	Nil	1	1	6, 12	H.P.
66,79,500	32,23,529	2,12,90,664	1,33,98,686	1,29,463	Thomas Duff & Co. (India), Ltd. ..	1,094	Nuddea	51	50	Nil	1½ 1+1	1 Nil	Nilf	3, 9	H.P.T.
24,91,000	26,36,049	70,68,289	48,27,892	1,83,356	Andrew Yule & Co., Ltd. ..	601	Orient	183½	100	4+10	12+12	1+6	6f	5, 11	H.P.
23,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd. ..	400	Presidency	4½	5	Nil	Nil	½ Nil		5, 11	H.P.
20,00,000		80,78,198	7,67,493	—3,25,549	Macneill & Barry Ltd. ..	305	Ramnagar	35	10	Nil	½ Nil	Nil		3, 9	H.P.
49,50,000	1,50,000	1,23,45,796	55,07,248	48,080	Jardine Henderson Ltd. ..	1,276	Reliance	108	10	Nil	Nil	Nil		3, 9	H.P.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd. ..	2,013	Samnuggur	14	£1	10%	10%	10%	1f	3, 9	H.P.T.
30,00,000	13,07,220	57,75,900	39,19,652	5,03,589	Begaria More & Co., Ltd. ..	911	Shree Ambica	13½	10	Nil	1½+1	1f		3, 9	H.P.
7,00,000	7,74,812	48,14,458	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½	N	Nil	Nil	Nil		3, 9	H.P.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd. ..	650	Standard	148	100	3+6	9+8	8+1	1f	12	Y.P.T.
£600,000	£849,977‡	£990,695		£115,403	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	14	£1	10%	10%	10%		3, 9	Y.P.
33,98,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd. ..	1,326	Union	172	100	12+7	12+11	10+1	1f	12	Y.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd. ..	1,331	Victoria	13½	£1	10%	10%	10%		3, 9	H.P.T.
2,50,000	1,35,000	56,21,133*	34,22,381	—65,636	McLeod & Co., Ltd. ..	665	Waverley	6½	1	Nil	1/40 1/40	Nil	Nil	6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20½	10	1+1	1+1	3½+1	1f	3, 9	H.
12,00,000	8,42,703	37,35,383	34,25,643	58,826	Jardine Henderson Ltd. ..	Bararee Coke	19½	10	1+1	1+1	1+1	AA. 11½f	3, 9	H.
4,49,150	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6½N	10	1+1	1+1	1+1		3, 9	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,179	Andrew Yule & Co., Ltd. ..	Bengal Coal	304	200	17+17½	17+17½	20+20	17½f	6, 12	H.
2,25,000	3,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	100	Nil	5 Nil	Nil		4, 10	H.P.
13,97,000	4,73,158	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd. ..	Bhalgora	4½xd	10	1	1	1		6, 12	H.P.
69,99,933	13,81,010	1,17,79,347	56,49,702	23,814	Sahu Jain Ltd. ..	Bharat Collieries	2½	10	1	1	1			Y.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd. ..	Bhulanbarree	14	10	1	1	1		6	Y.T.P.
16,00,000	5,10,773	88,15,824	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8	10	Nil	Nil	Nil	Nil	6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd. ..	Borera	27½	10	1½+1½	1½+1½	1½+1½		6, 12	H.T.
90,92,480	1,65,60,398	4,05,63,948	1,60,47,288	1,13,021	Bird & Co., Ltd. ..	Burrakur	8½	10	Nil	Nil	Nil		6, 12	H.P.
49,97,000		34,32,568	15,57,456	3,038	Hindustan Investment Corpn., Ltd.	Central India	5½	10	Nil	Nil	Nil	Nilf	6, 12	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	11½N	10	1	1	1	1	3	Y.
4,00,000	1,40,000	7,50,000‡		13,973	F. W. Heilgers & Co., Ltd. ..	Churia	2½	4	1	1	1	1	6, 12	H.
14,00,000	2,70,000	47,14,647	25,27,346	24,455	Macneill & Barry Ltd. ..	Dhemo Main	8½	10	1+1	1+1	1+1	Nil	6, 12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,839	Jardine Henderson Ltd. ..	East Indian	6½	10	1½	3	3 (1)		6, 12	H.
29,63,760	75,00,380	3,37,02,383	2,73,54,630	2,11,481	Macneill & Barry Ltd. ..	Equitable	33	10	2½+2½	2½+2½	2½+1½		4	Y.
10,00,000	2,62,235	8,41,725	2,33,963	66,845	Bhatter's Agency Ltd. ..	Ghusick and Musulia ..	15N	10	2	2	2		6, 12	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,443	Killick Industries Ltd. ..	Hurpa-Rampur	40	10	3	3	3		3	Y.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd. ..	Hurriadih	15	10	1½	4	4	3	6	Y.P.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajpae Trust Ltd. ..	Jogta Coal	11N	10	1+3	8+6	6+1	1f	6, 12	H.
3,50,000	5,50,000	12,51,839	6,13,347	40,107	Andrew Yule & Co., Ltd. ..	Kalipahari	42N	10	5+12½	15+17½	10+10	10f	12	Y.P.
20,00,000		25,62,791	1,50,646	1,438	Bird & Co., Ltd. ..	Karanpura Collieries ..	8½	100	1+1	1+1½	1+1		2, 8	H.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd. ..	Katras Jherriah	40½	10	1½+1½	1½+1½	1½+1½	Nil	2	Y.P.
1,38,400	95,000	10,63,519	7,27,519	1,043	Berkeels & Co. ..	Khas Kajora	7½	10	1	1	2+2	2f	1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd. ..	Kusrdi	5½N	10	1½	1½	1½		6, 12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd. ..	Lakurka	11N	10	3½	3½	6		6	Y.
7,48,240	1,50,000	11,24,142	8,84,138	20,398		Nakra	6½	10					4	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd. ..	New Beerbhoom	18½	10	3/10	3/10	Nil	Nil	6, 12	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	8	10	1+1	1+1	Nil	1½	4, 10	H.P.
1,13,000	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd. ..	North West	10N	10	1+1	1+1	1+1	Nilf	3, 9	H.
1,57,500							7½	10	1+1	1+1	1+1	1f		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	P. W. Heilgers & Co., Ltd. ..	Ondal	17½N	10	1+1	1+1	1+1	1f	3, 9	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros. ..	Oriental Coal	11½N	10	Nil	1+1	1+1		6, 12	H.P.
2,34,000	83,596	17,17,583	6,27,675	15,789	Deepchand Kiaberlall ..	Parasea	7½	10	1	1	1		6, 12	Y.T.
15,75,000	8,75,000	39,37,649	26,12,649	31,993	Shaw Wallace & Co., Ltd. ..	Pench Valley	23½	10	Nil	Nil	Nil		6, 12	H.P.
23,99,500	13,67,103	1,09,49,971	76,28,254	—4,53,764	F. W. Heilgers & Co., Ltd. ..	Raneegunge	9½	10	1+1	1+1	1+1		2, 8	H.
13,50,000	7,38,350	30,56,328	24,50,308	26,596	Shaw Wallace & Co., Ltd. ..	Rewa	20½xd	10	1+1	—	Nil		3, 9	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd. ..	Samla Collieries	7½d	10	1+1	1+1	1+1	1f	6, 12	H.
1,25,000	1,75,000	11,69,383	5,78,899	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½N	10	1+1	1+1	1+1		6, 12	H.
5,40,000	5,43,826	28,96,096	14,32,949	30,184	Andrew Yule & Co., Ltd. ..	Seebpore	23	10	2½+2	2+2	2+1		3	Y.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd. ..	Seodra	8½N	10	1+1	1+1	Nil		6, 12	H.P.
63,21,450	13,25,934	3,24,72,792	2,26,34,594	63,560	Industrial Trust Fund (Government of Hyderabad)								6, 12	H.T.
17,50,000	10,86,300	35,53,705	13,47,030	26,614	Bird & Co., Ltd.	Singareni	6½	10	1	1	1		12	Y.T.
8,00,000	13,68,503	2,33,037	56,445	86,379	F. W. Heilgers & Co., Ltd. ..	South Karanpura	9½	10	1+1	1+1	1+1	1f	2, 8	H.
10,00,000	12,950	30,13,423	15,43,503	—3,66,958	Villiers Ltd.	Standard	20½	10	1+1	1+1	1+1		6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	Talcher	23	10	Nil	Nil	Nil		3	H.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	Union	22½	10	1½+1½	1½+1½	1½+1½		9	Y.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Bengal	14	10	1+1	1+1	1f		3	H.
						West Jamuria	17	10	1+1	1+1	1+1	Nu	6, 12	H.

* Including bonus. ‡ Sales and amount written off. (b) Investments. ‡ For 10 months ended 31st December 1951.

(B) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 984 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 939)

and 59.4 in 1939. Gross national product is running at an annual rate of $371 billion, as against $348.0 billion in 1952, $329.8 billion in 1951 and $91.3 billion in 1939. The index number of industrial production (1935-39=100) was 234 for September, 1953, as against 219 for 1952, and 220 in 1951.

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That the general attitude of American business men, who might really be able to get scent of any possible recession, is still optimistic is clear from the fact that no attempt has been made by them to slow down their programme of expansion. A survey conducted by McGraw-Hill, publishers of business journals, shows that American companies plan to spend almost as much on new plant and equipment in 1954 as the record-breaking $28,700 million they are spending in 1953. In the process, they will increase their productive capacity by about 5 per cent., it is stated. Since defence programme has been virtually completed these expenditures will go, it is predicted, largely into civilian production. American business will thus be in a position to turn out more and better products at lower cost, thereby stimulating higher consumer demand. These plans do not represent haphazard or speculative investments, but are in line with careful, long-range programme. About 30 per cent. of the manufacturers surveyed report plans for investment more than one year ahead. It is significant that in past years companies have tended to underestimate rather than overestimate their expansion plans. This year, for instance, American companies are spending about 8 per cent. more on new plant and equipment than they estimated in a similar survey conducted last year. These long-range investment plans, coupled with the Government's determination to combat a short-term decline if one develops, give renewed assurance that the effects of any adjustment in the American economy will be neither serious nor prolonged.

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Small wonder then, that the American authorities are now anxious to prevent people talking their country into a slump. In a statement to the Press issued in Paris recently, Mr. C. Randall, Chief of President Eisenhower's Commission on Foreign Economic Policy, strongly rejected any fear of a serious economic depression in the United States. He said that there was no visible signs which would justify any such apprehensions. The only trend he detected was from the abnormal to the normal. Business had been running too long at too high a level, he said, and was now returning to a normal pace. Singling out his own particular industry, that of steel, he emphasised that there had been no sign of crisis in that industry. Yet another of the American authorities, who has spoken in the same confident vein, is Dr. Gabriel Hauge, President Eisenhower's Executive Assistant on economic matters and his liaison with the Council of Economic Advisers. He has emphasised that economic stabilisation ranks with a strong national defence as a prime objective of Government policy. Plans for balancing the federal budget, another Government goal, will be adjusted in a pace consistent with these objectives. Dr. Arthur F. Burns, Chairman of the President's Council of Economic Advisers, told newsmen last week that the Council had already gone "some distance" in planning measures to strengthen the national economy to resist a recession. He made this statement at the American Assembly Conference on Economic Security, attended by leading representatives of industry, labour, Government and other segments of the population. Mr. Burns noted that the American free enterprise system had been moving in a "new direction," with the Government assuming a certain responsibility for maintaining a high level of activity, so that private adjustments can be facilitated and output, income and employment remain at high levels. Possible measures outlined by Mr. Hauge and Mr. Burns to maintain economic stability include the easing of money and credit, further tax reductions, and large-scale public works. The need for such measures as these may never arise. As Mr. Burns points out, however, they could be authorised on a "stand-by basis" to be put into effect when and if they became necessary. At what point in a possible business decline these measures would be applied is difficult to determine in advance, it is stated. This is particularly the case now when the American economy is moving along in high gear and business leaders are expressing great confidence in it. They are backing up this confidence with expenditures to expand and modernise their productive facilities.

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Although no one can predict economic events with absolute certainty, it seems reasonably fair to assume that the U.S. should be able to weather any economic storm, if it came. If defence programme slows down, there would be other programmes, social expenditure, for instance, to take its place. Possibly, some adjustment at a lower level of prices might become necessary. But this need not add up to a full-fledged depression. In any case, the U.S., as indeed many other countries of the free world, has gained considerable experience in meeting setbacks in economic trends, so that if one such did come, it should be able to overcome it without the pain and suffering such unforeseen recessions brought in their wake in the past. But distinguished economists, who predict disasters, certainly serve a great purpose. They do put nations on the alert. This is a great service.

TAXATION SYSTEM IN INDIA

(Concluded from page 961)

an assessee there is one from commission. Commission is liable to advance payment only after it is adjusted to the credit of the party in the books of the company. Suppose the Income-tax Officer includes this item for a penal interest action, what is the remedy of the assessee? Under section 30, no appeal lies it is stated. How is he to challenge this illegality? Is it not fair that an appeal should be provided against all acts of the lower officers, even where the question involves correction of mistakes in the order or wrong computation or levy of penal interest?

Now, to the estimates submitted under section 18A. The proviso to section 18A(2) states that the assessee is entitled to revise his estimate till the last quarter and pay up the deficiency in the previous instalments. If the estimates for purpose of penal interest are to be taken in aggregate, must the assessee be penalised under section 18A(7) for deficiency in the first three instalments? This penal interest is in addition to any action under section 18A(9) for penalty for deliberate underestimate. For advance payment of tax there is no provision for extension of time in suitable cases where the instalment, provisional taxes or arrears of assessment are all completed during one period, and the assesse finds it difficult to find finance to meet all his liabilities. There is no provision for such extension in the Act. This is necessary. At present, not only the Income-tax Officer but even the higher officers are not very appreciative of the needs and difficulties of the assessees.—*All Rights Reserved.*

(To be continued)

MARKET REPORTS

(Concluded from page 973)

middles were higher, at Rs. 31, as were bottoms at Rs. 28. Business took place in supervised marks at Rs. 27. Bimli f.a.q. had buyers at Rs. 25-8. Interest was shown in *habi jabi* pucca bales at Rs. 95 a bale, and in Pakistani jat N.C. cuttings at Rs. 75 a bale.

"GUR" PRICES DECLINE

(From Our Own Correspondent)

HAPUR, 16th November

Gur markets remained very unsteady and prices in all important West U.P. *mandies* recorded a sharp decline. *Gur* price at Hapur this season opened at Rs. 19-8, went up to Rs. 20-12 and has now fallen to Rs. 14-12 quoted to-day. Meerut and Musaffarnagar quotations were also on the same level. There were quite heavy seasonal arrivals this week and, due to easy availability of wagons, despatches to the various importing areas too were heavy. There was sustained enquiry at declining rates. Sustained demand and active despatches could not prevent a fall because enquiry was only at competitive rates. *Gur* arrivals were in full swing in South Indian markets also and the demand from importing areas could be diverted to that end had prices remained high. The quality of this year's produce has been excellent, as a result of the cane having been free from disease throughout the season. *Gur* arrivals will be very small this week, on account of the annual *kartik* fairs in Meerut District at Garbmukteshwar and Hastinapur.

Crystal sugar markets remained quiet to steady. There was moderate enquiry in the markets. As very little of last year's produce has now been left with the mills, deals related to the first produce of the

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	112	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	107½	100	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,060	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	156	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	46N	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	18½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	283	100	16 0	16 0	16 0	8 0(i)	12	Y.
59,99,150	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	Y.
7,50,000	10,00,000	9,264	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
82,42,375 A'				66	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	70,00,000	1,59,127	††Hyderabad State Bank	105N	100	6 0	6 0	5 0		9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,829§	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				457§	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				174	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	140	85	10 3½	10 3½	10 3½	5 1 3·5(i)	6.12	R.L.H.
15,40,000				98§	60	7 3½	7 3½	7 3½	3 9 3/5(i)		
48,96,425	19,00,000	1,89,917	Indian Overseas Bank	93	100	5 0	6 0	6 0		12	R.L.H.
6,25,000				73	100(A')	9 0	7 8	6 0			
2,50,000	6,33 939	1,380	Indo-Commercial Bank	18§	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				34	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	208	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	11§	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6½	5	0 5	0 3½	0 5½		12	Y.
6,00,00,000	75,00,000	1,01,119	United Commercial Bank	36§	50	2 0	2 0	2 0		12	H

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-0-9	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7 4§	£5	7†	6†	7†	3†	12	R.L.Y.
o.s. $20,000,000	H.K. $96,000,000	H.K. $9,489,174	Hongkong and Shanghai Banking Corporation							12	Y.
£14 372,956§	£16,000,000	£418,242	Lloyds Bank	£88§	H.K. $125	5*	5*	5*	2*(i)	12	R.L.Y.
£1,437 296§				£2-18-6	£1	12†	12†	12 †		12	R.L.Y.
£375,000				£1-6-3		5†	5†	5 †			
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£23	A £12½	12†	12†	14†	7†(i)	12	R.L.Y.
£300,000				£24	B £12½	12	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£10§	C £5	12†	12†	14†	7†(i)	12	L.Y.
				£31§	£12½	16†	16†	16†	8†(i)		

§Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency
(i) Interim.
*6 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1963
3,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	99½	28th February 1960(f)
4,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November 1959-64
80,00,000	4	1st May and 1st November	Walchandnagar Industries	104	1st April 1956-61
83,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November 1956(o)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January 1967-72
13,64,000	5		Jaya Textiles	74N	1st January 1956-59
40,00,000	5	1st June	Tata Mills	101	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March 1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102½	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100§	1st October 1959
12,00 000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December 1964
2,35,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January 1970
85,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	86	31st December 1970
13,00,000	5	1st January and 1st July	Bijou (Shoranur) Electric Supply Co., Ltd.	91	30th June 1974
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	1937-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1954
1,00 000	5	1st January and 1st July	South Madras Electric Supply	94§	1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	96	1st July 1937-67
47,12,000	4	1st April and 1st October	Tata Power	100§	15th September 1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power	93§	15th September 1965-70
ENGINEERING					
2,00,000	5½	30th June and 31st December	Britannia Engineering	98	31st December 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June 1958
90,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July 1957-62
61,183 400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	69½	31st December 1966(H)
10,00,000	4	31st May and 30th November	Kumardubbi Engineering Works Ltd.	88	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100§	1st October 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd	95	31st December 1968
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June 1954(h)
12,00,000	4	31st December and 30th June	Anglo-India Jute Co., Ltd.	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June 1960
9,00 000	5	31st January and 31st July	Calcutta	91	31st March 1959(e)
10,40,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June 1966
8,84,000	5	30th June and 31st December	Empire	95	15th July 1966
85,00,000	3½	1st January and 1st July	Hukumchand	92½	31st March 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December 1964
85,00,000	5½	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December 1967
1,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98§N	31st March 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September 1965
8,00 000	4½	14th March and 14th September	Serampore Jute	96	14th September 1957
12,00 000	4½	30th June and 31st December	Union	97	30th June 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	86	1st July 1956
4,80,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99§	1st November
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900 £61§N	A 4·105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933 £77§N	1st October 1974
4,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	89	31st December 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1903 £90§N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	100	1st January 1945-55
1,89,700	5½	31st March and 30th September	Teekoy Rubber Estates	100	31st March 1949-59
50,000	5	30th June and 31st December	Waterfalls Ltd	101§	1st January 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96§	30th June 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February 1964
21,35,000	4½	1st May and 1st January	Clive Buildings	86§	1st July 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September 1960
3,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	79§	1960
1,50 00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January 1971
20,00 000	4	15th March and 15th September	Mettur Chemical Industries	96	1964
99,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	465 (per note)	30th September 1976
65,00,000	4	30th June and 31st December	McLeod & Co., Ltd (Convertible Notes)	410 (per note)	31st December 1972
75,03,000	5	1st April and 1st October	Macneill and Barry Ltd	90N	1st April 1971
1,83,02,060	5½	31st March	Orient Paper Mills Ltd.	94§	31st March 1961
1,83,50,000	6	30th June and 31st December	Rohtas Industries Ltd.	84§	31st December 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	103§	1st May 1968

Note—See page 982 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th November, 1953.

	Closing quotations 12-11-53	High	Low	Closing quotations 19-11-53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155§	156§	155§	156
Bank of Baroda (50)	107§	107§	107§	107§
Central (25)	63§	64	63§	64
Imperial (F.Pd.) (500)	1,826§	1,826§	1,823§	1,828§
Imperial (P.Pd.) (125)	457§	457§	450	457§
Union Bank (5)	6¼	6 3/4	6¼	6 3/4
United Com (50)	36§	37§	36§	37§
COTTON MILLS				
Ahm. Adv. (100)	133§	133§	131§	131§
Apollo (2)	2-6§	2-8§	2-6§	2§
Bombay Dyeing (250)	388§	397§	385	397§
Central India (100)	165	167	163§	166§
Century Mills (100)	274§	280§	274	280
Calaba (100)	69	76§	67	76§
Edward Textile (200)	232§	262§	232§	260
Hiphinsuchas (50)	43§	44§	43§	44§
Finlay (100)	260	261§	258§	260
Gokak (100)	241	249	241§	248
Ind. Unid. Defd. (1)	1-1§	1§	1-0§	1-1§
Ind. Unid. Ord. (10)	10-13§	11§	10 11	11§
Indore Malwa (100)	95	98§	95	98§
Khatau (100)	196§	212§	198§	211§
Kohinoor (100)	296§	301§	297§	299
Lakshmi (250)	562§	—	—	562§
Mahalaxmi (100)	88	—	—	88
B. R. Cotton Mills (100)	49	—	—	49
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	200	—	—	200
Mysore (50)	122§	—	—	122§
New City (100)	160§	—	—	160§
New Great (100)	160	168	158	165
Phenix (100)	117§	121§	117§	121§
Podar Mills (100)	126§	141§	126§	137§
Sameon Silk (10)	19	—	—	19
Sassoon Spg. (18)	25§	27	25§	27
Shahjapur (1,000)	1,400	—	—	1,400
Simplex (50)	149§	151§	147	151
Sradeshi (100)	260	265§	259	264
Swan (100)	318§	325	318§	325
Tata M I (25)	47§	51	47§	51
Vishnu (100)	145	145	144§	144§
Western India (1,000)	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	132 H	133§	132§	133§
Amalgamated (10)	11§	—	—	11§
Andhra Valley (1,000)	1,277§	1,282§	1,273§	1,282§
Bom. Sub-El. (100)	125	125§	124§	124§
Surat (100)	125	126§	125	126§
Tata Hydro (100)	140	140§	139	140
Tata Power (1,000)	1,370	1,370	1,360	1,362§
INSURANCE COS.				
British India (10)	13§	—	—	13§
Empire of India (100)	675	—	—	675
India Mercantile (20	38§	—	—	38§
Jupiter (15)	6§	—	—	6§
New India (15)	39§	40§	39§	40§
Oriental (250)	6,860	6,900	6,840	6,900
Universal (10)	8§	—	—	8§
Vulcan (10)	11§	11§	11§	11§
STEAMER COS.				
Scindia (15)	14-11§	15-7§	14-10§	15§
STEEL COS.				
Ind. Iron (10)	25-10§	26§	25§	26-1§
Tata Steel Defd. (30)	1,941§	1,962§	1,942§	1,960
Tata Steel Ord. (75)	329	336	328§	335§
MISCELLANEOUS				
Alcock Ashdown (100)	328§	331§	327§	328§
Associated Cts. (100)	176§	185§	175§	181§
Belapur Sugar (5)	259	263§	258§	262§
Bom. Burmah (125)	330§	365	326	361§
Do. (New) (100)	126§	127§	120	127§
Br. B. Petrol (4 sh.)	2-4§	2§	2-4§	2§
Br. I. Corpn. (5)	9-3§	9-6§	9§	9-6§
Indian Copper (2 sh.)	2§	3-1§	2-0§	3§
Ind. Inv. Tr. (100)	67	—	—	67
Port Canning (100)	30	30	27§	29
Premier Cpn. (50)	100	103	99§	103
Shivrayan (10)	66§	67§	66	67
Tata Chemicals (10	9-10§	9§	9§	9§
Tata Oil (25)	32	34	32	33§
Walchand Ind. (100	130	151§	147§	150
W. I. Match (100)	238§	238§	195xr	198§
		Gross Yield		
GOVERNMENT SECURITIES		Earlier Redemption	Later Redemption	
	Rs.			Rs.
2½% 1954	98§	—	3.39	98§
2½% 1955	98§	—	3.44	98
2½% 1961	90	—	3 88	90
2½% 1960	91	—	3 91	93
2½% 1962	91	—	3 87	91
2½% 1976	82§	—	3 92	82§
3% 1957	94	—	3 45	98
3% 1958	94	—	3 42	98
3% 1959-61	96	3.74	3 57	96
3% 1964	92§	—	3 84	92
3% 1965-65	92	3 91	3.78	92
3% 1966-68	90	3 99	3 88	90
3% 1970-75	86§	4.12	3.93	86§
3 % 1948 Con. Loan	81§	—	3.66*•	81§
3½% 1954-59*	100	3.32	3 46	100
4% 1960-70	101§	3 68	3 85	101
4½% 1955-60	102§	2 94	4 02	102
4% 1958-68*	103	3.40	4 03	103
3½% 1961 N.P. Bonds	98§	—	3.68	98

BRITISH GOVERNMENT SECURITIES

	11-11-53 £	High £	Low £	18-11-53 £
3½% Brit. Consols, 75	64§	65	64§	65
3 ½ Savings Bonds 1955-65	89§	89§	89§	89§
3 ½ War Loan 1955-59	101§	101§	101	101
3½% War Loan 1952	85§	87§	85§	87
3½% Brit. Iron and Steel 1976-78	94§	94§	94§	94§
4 % Funding Loan 1960-90	101§	101§	101§	101§

d=Ex-dividend xr=Ex-Right. ** Current Income. • Rupee Counterparts.

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COMMERCE

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

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Commerce
A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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INVESTORS' RIGHTS WHITTLED DOWN

THE award given by Mr. N. H. Mujumdar, Chairman of the Madhya Pradesh Industrial Court, on the dispute between the workers and the mills in that State in regard to bonus for 1950-51 and 1951-52 is notable for introducing certain novel features which confer on workers some additional rights not found in other awards of similar nature, accompanied by a corresponding decline in those of investors. If the principles enunciated in this award were to go unchallenged and were to be confirmed by the Appeal Court, it would mean adding one more to the numerous disincentives that are retarding investment in industrial enterprises. The award is yet another instance where the employer is forced to yield further ground in favour of the worker whenever the settlement of a dispute is referred to an arbitrator. It is true that Mr. Mujumdar has rejected certain demands put forward by the workers, but the net result of the award is adverse to employers in terms not merely of money but also of vital principles, as he has accorded a much higher place to workers than to shareholders and the public in general. He has, in short, made the worker the senior partner in industry.

To take first that feature of the award which may seem to be favourable to employers. The workers demanded that bonus should be granted on industrywise basis, instead of on unitwise basis. They quoted, in support of this claim, the granting of bonus on industrywise basis to workers employed in Uttar Pradesh sugar mills, although not all of the mills had made profits. They also cited a few instances where Industrial Courts had directed payment of bonus, even though the companies concerned had suffered a loss. The Court, however, turned down this suggestion and gave an award on a unitwise basis, taking into consideration the financial results of each mill. The Court held that the principle of collective bargaining in the case of textile mills in the State was not applicable, as conditions were different and not comparable with those experienced by the industrial units quoted by the workers. Although the detailed arguments advanced by Mr. Mujumdar, in this connection, were neither completely logical nor quite convincing—this was so presumably because he did not want to criticise the awards of his confreres in other States that were quoted by the workers—his decision that only such mills as are found to have made profits shall be liable to pay bonus to their workers is essentially sound.

Further, this is not the first occasion when the principle of payment of bonus on unitwise basis has been followed in the textile industry. This had been done in the past by the Appellate Tribunal in the case of Bombay and Ahmedabad mills as early as 1950 and 1951. Mr. Mujumdar thus had a number of good precedents in rejecting the demand of workers to consider the case of all the mills put together and to declare a uniform rate of bonus for the workers of all the mills. Credit, however, must be given to him for awarding varying rates of bonus from mill to mill on the basis of their profits. Thus, for 1951-52, the bonuses declared by him vary from two to three months' basic wages. In the case of one mill, the bonus is only half of a month's basic wage. Hitherto, while the mills that made no profit were exempted from the responsibility of paying a bonus, the mills that made a profit were all treated alike and directed to pay a uniform rate of bonus, though the quantum of profit differed from mill to mill.

In actual practice, the application of this principle may involve more work to the adjudicator, for he will have to calculate the surplus profit available for distribution in respect of each mill, which is by no means an easy task. In fact, it will be a very onerous task to Industrial Courts in such centres as Bombay and Ahmedabad, each having over 60 mills of varying capacity. But it has an advantage to the country as a whole, in that it may indirectly lead to better management of mills that are now ill-managed and, therefore, make no profits and do not pay a bonus. The workers of these mills, for instance, are bound to agitate for an improvement in the efficiency of management. Another advantage that may flow from this decision is that it will result in a close scrutiny of the working of the mills by the Industrial Court and any irregularities that are found may be exposed. We find that, in the case under reference, Mr. Mujumdar has made a little enquiry into the working of each mill which has brought forth some interesting revelations that deserve further enquiry by either the authorities or the shareholders concerned. It is arguable that all this amounts to undue encroachment by the Industrial Court on the sphere of private enterprise and that such will encourage workers' representatives to make irrelevant and wild charges against employers. The truth of this contention cannot be denied, but, as there are a number of badly managed concerns in this country, it is better, from the point of view of both sound industrial managements themselves and the country in general, to suffer this loss of freedom. In any case, well-managed concerns will have nothing to lose. On the contrary, they may have something to gain, inasmuch as their workers will have an opportunity to know the real worth of their employers which they would be denied, if the bonus were to be paid on an industrywise basis.

It is in calculating the quantum of bonus and defining the rights of workers in regard to reserves that Mr. Mujumdar has not, in our view, been fair to investors. It is now generally held by all Industrial Courts that bonus is not an *ex-gratia* payment, that it is something which satisfies, often partially and temporarily, the deficiency in the legitimate income of the worker in an industry and that, once such income has been attained, bonus would also partake of the character of profit-sharing. In giving his award, Mr. Mujumdar has carried this principle too far. He seems to have overlooked that the achievement of the ideal of a living wage standard for industrial workers can be realised only when there is a general all-round improvement in economic conditions in the country and that, if attempts are made to reach this objective in disregard of the general economic trends by the force of industrial law, it can be done only at the expense of the other sections of the community. The effect of such a forced raising of the wages of workers on the general economy of the country would be to check its progress. It is the failure to realise this fundamental economic factor that must have been responsible for some of the ridiculous conclusions of Mr. Mujumdar in regard to the rate of return on capital employed and the rights of labour to reserves earmarked for rehabilitation, replacement and modernisation of machinery.

Thus, in the formula followed by him for calculating the surplus available for distribution to workers, the Chairman of the Madhya Pradesh Industrial Court has allowed only 4 per cent. as a reasonable return on the paid-up ordinary capital, although the Appellate Tribunal has considered 6 per cent. as a reasonable one. His explanations for doing so are by no means convincing. He has allowed 2 per cent. as a reasonable rate of return on reserves. This rate is, no doubt, the same as that conceded by the Appellate Tribunal. But Mr. Mujumdar has qualified the application of even this negligible return by restricting it only to those reserves as are used for a fairly long period of the year as working capital. The unreasonableness of this learned Judge will be evident from his

decision not to allow this return of 2 per cent. on reserves, if they are used for enlarging business by addition of machinery and buildings. We do not see why such a distinction should be made; the author of the award has given no reasons for doing so.

Another instance where Mr. Mujumdar has gone a step further than the Appellate Tribunal is in classifying the paid-up capital into three categories and fixing three different rates of return. First, comes the original paid-up capital (by which he presumably means equities issued for cash), for which 4 per cent. is regarded as fair return. Second is the capital inflated by a revaluation of the fixed assets, such as buildings, plant and machinery. The rate of return for this portion of paid-up capital is 3 per cent. Mr. Mujumdar's explanation for reducing the return thus on this part of capital is that millowners have been deliberately following the tactics of boosting their capital, with a view to reducing the quantum of profit that will be available for distribution to workers as bonus. Thirdly comes the capital representing capitalisation of reserves. Since this increase represents only a book adjustment of the reserves to the capital account, argues the chief of the Nagpur Industrial Court, there is no reason why it should be allowed anything more than what the reserves would have received had they remained as reserves. It may be noted here that the Appellate Tribunal has so far made no such distinctions in regard to the return on paid-up capital. This is, of course, one of the chief reasons why several companies have capitalised a good part of their reserves.

Yet another new feature provided in the award of Mr. Mujumdar is the right given to workers to control the utilisation of the reserves for rehabilitation and replacement. Before describing this, we must mention here that this learned judge has decreed that a mill which does not actually set apart from its profit the sum allowed for building up a rehabilitation and renewal reserve should not be allowed to deduct these amounts from the gross profit for determining the surplus available for payment of bonus. That this is a healthy condition cannot be denied, for sufficient reserve should be built up from current profits to be expended later on the improvement of plant and machinery. If such improvement is not effected, the efficiency of machinery will fall and with that, that of the worker as well. It is in recognition of this that all Industrial Courts have come to regard the provision for plant rehabilitation, over and above that for depreciation as allowed under the Income-tax Act, as a prior charge on the gross profit.

Now, Mr. Majumdar feels that the accumulation of reserves for rehabilitation constitutes a sacrifice on the part of workers. He, therefore, considers that the latter should have a say in regard to the disposition of this reserve. Since this is a revolutionary line of argument, the relevant quotation from his award needs reproduction:

"This fund is formed out of sums set apart from gross profits. The contribution of labour to the earning of gross profits must be considered in determining the right of ownership or control over this fund. As the workers in all the mills are being paid wages at a rate far below the living wage standard, it would not be wrong to hold that whatever is left after paying out of the gross profits, a fair return on paid-up capital should belong to the workers. The Full Bench of the Bombay Industrial Tribunal considered it fair that the share of labour should even be more than 60 per cent. in the profits left after paying out amounts on account of depreciation, taxes and contribution to reserve funds, because the workers had been paid much less than the living wage for their labour. Labour should, therefore, have greater share in the gross profits than the investor when the wages paid are below the living wage standard. From this point of view, if a fund is built out of sums of money set apart from gross profits for the purpose of replacement of machinery, *it would not be proper to hold that the owner of the machinery would have an absolute right or control over such fund.* (Italics ours.) The fund comes out of profits to the earning of which labour has contributed far more than the investor (because they have worked on wages far below the living wage standard), and it is, therefore, necessary that labour should have greater control over the fund than the investor. The fund cannot, therefore, be allowed to be used by the investor, that is, the owner of the machinery, in any way detrimental to the interest of the workers."

The above line of argument carries the rights of labour too far. It is not flawless either. Labour alone does not contribute to the earning of gross profit. The consumer, too, does and, if the learned judge's contentions were to be accepted, he too should have a share in the control and ownership of the reserves of a company. Be that as it may, acceptance of this principle, as well as the absurdly low rates of return on capital assumed by Mr. Mujumdar, will impair the confidence of investors in industries. It will be regarded as the first definite step towards the admission of the workers' right to a share not only in reserves but also in capital. No attempt to safeguard the rights of shareholders by transferring the reserves to the capital account and by writing up the value of fixed assets, as is now being done by several companies, will succeed, for, just as Mr. Mujumdar has refused to accept this arrangement for determining the return on capital, so also some other arbitrator may endorse the workers' claim for a share in the capital of industrial concerns. Such awards, we are afraid, will do great harm to the industrial development of this country by private enterprise which, in turn, will react on workers themselves. The rights of workers should no longer be the fancy of any individual adjudicator. It is high time they were precisely defined and a directive given to all Industrial Courts not to depart from such definition.

SHIPPING TARGET

IT is becoming increasingly clear that the progress of the Indian shipping industry is not all plain sailing. The progress is not only less spectacular than what the country was led to expect in the first flush of the enthusiasm, generated by that epoch-making report of the Shipping Policy Sub-Committee, but slower than even the very modest rate of achievement set by the Planning Commission. The meeting of the Consultative Committee of Shipowners last week provided the occasion for some heart-searching, and a re-examination of the issues involved in achieving a more substantial volume of shipping for the country. The official Press Note on the Committee's deliberations throws less light than what one would expect on the problem which this representative body discussed. But it is clear even from that note that some intricate problems are involved.

The need for a well developed shipping industry for a country, like India, which has a coastline of about 4,000 miles, and which is geographically so neatly placed as to be the centre of an expanding volume of trade with a number of countries in the Asian Continent, is so obvious that it requires no emphasis. Apart from strategic considerations, which should dictate a vigorous shipping policy, the mere fact that, of the Rs. 1,000-crore value of India's foreign trade and Rs. 100-crore value of coastal trade, only a small fraction is carried in Indian bottoms, shows the need for giving top priority to the development of the mercantile marine. Indeed, it is these considerations which led the Shipping Policy Sub-Committee (1947) to recommend a target of at least two million tons in five or seven years; even then, India would have only 2 per cent. of world's shipping tonnage. This target was deemed necessary in order to enable *the country to carry "100 per cent. of the purely* coastal trade of India, 75 per cent. of India's trade with Burma and Ceylon and with the geographically adjacent countries, 50 per cent. of India's distant trades and 30 per cent. of the trades carried in Asian vessels in the Orient." This objective too was approved by the Government. But experience shows that both the target for shipping and the objectives of the shipping policy are distant, elusive, unapproachable ideals. If India achieves all this, it will be a dream come true. For the present, it is well to recognise that it is a dream.

When the Planning Commission came on the scene, it re-examined the whole issue of the target for shipping. The Commission fixed it at 600,000 tons, as against the then previously accepted 2 million ton target. This appeared to many as a descent from the sublime to the ridiculous, a far cry from the original target. But it was possible to defend the Commission's target by the traditional argument that to achieve a modest, down-to-the-earth shipping target is infinitely better than to indulge in daydreaming, or to set larger, ships-in-the-air targets. Events have justified this argument—and with a vengeance, at that. Even the Planning Commission's modest target of 600,000 tons now seems somewhat difficult to reach, thanks, of course, to the unrealistic policies, fiscal and financial, of the Government in regard to this industry of vital importance.

The Commission fixed a target of 315,000 tons for coastal shipping and 283,000 tons for overseas shipping; the tonnage now engaged in these two sections of trade is about 211,000 tons and 173,000 tons, respectively. To augment the tonnage employed in the coastal and overseas trade, the Commission provided for loans to the tune of Rs. 4 crores and Rs. 6½ crores, respectively; the Companies were expected to provide Rs. 2 crores and Rs. 2.2 crores, respectively, from their own finances. The Commission also assumed that the Visakhapatnam Shipyard would be able to make available during the period of the Plan about 100,000 tons, of which 60,000 tons could be utilised for replacement of obsolete tonnage and the balance for providing additional tonnage for coastal trade.

These calculations seem to have gone wrong, both in regard to the availability of ships and the utilisation of the loans set apart by the Government for financial aid to the industry. Partly owing to the delay in receipt of steel, partly to labour troubles and partly to the delay in implementing certain technical improvements, the Visakhapatnam Shipyard is unable to keep to the scheduled delivery dates for ships. In any case, it is unlikely that it will be able to supply ships to the tune of 100,000 tons, which the Commission assumed for purposes of reaching the target. Even the subsidy, which the Government has agreed to grant in order to offset the difference between the cost of the ships manufactured in the shipyard and *the cost of ships manufactured in the U.K.*, is unlikely to stimulate larger production of ships in the yard.

If the industry is to augment its tonnage in the immediate future, it must, therefore, seek other sources of supply. There are three ways in which the industry could supplement its tonnage: (1) to place new orders, (2) to buy ships under construction for other customers who are willing to dispose of their right to ownership; and (3) to buy second-hand ships. So far as the first alternative is concerned, Germany, it is stated, is able to quote favourable terms. The U.K. quotes a longer delivery date. Japan quotes the earliest delivery date among the shipbuilding countries, but its prices are high. The second alternative removes the delivery date obstacle, though, price-wise, it may not always be attractive. Incidentally, the fact that several countries are prepared to give up their right to ownership of the ships they ordered either for a small or no premium suggests that they do not take a favourable view of their ability to earn a reasonable return on their investments. It also shows—a depressing contrast with the position in this country—that they have reached a stage at which they could make a shipping gift; they have enough and to spare. The third alternative is to buy second-hand ships. Fortunately, both the factors—the availability and the price factors—are favourable; Liberty ships, for instance, are currently quoted at £180,000, as against the £600,000 which they fetched during the Korean boom. At any rate, any one or two or a judicious combination of these three sources of supply should be tapped, and tapped soon enough, if the Commission's modest target of 600,000 tons is to be reached.

How soon it will be reached, or whether it will be reached at all, will, of course, depend on the provision of financial aid to the shipping industry. Assuming that the 200,000 additional *tonnage will be equally met* by new ships and second-hand ships, it is computed that the industry would require to spend Rs. 12 crores on the former and Rs. 7 crores on the latter, or Rs. 19 crores in all. The Government has provided for loans only to the tune of Rs. 10½ crores. Even this amount has not been utilised, in full, by the industry. It is necessary to examine why this has been so, and also whether the industry is in a position to raise the additional finance on its own.

The industry's failure to utilise the loans, for which the Government has made provision, is attributable to the stringency of the terms. It seems necessary to revise these terms. Perhaps, a liberal extension of the period for the return of the loan, say, to 20 years, a reduction in the rate of interest (4 to 5 per cent) at which it is now given for buying ships for coastal trade, and a relaxation of the restriction by which the shipowners are required to find 25 per cent. of the cost of a ship from out of their own resources will go a long way towards making the loans more attractive than now. A more constructive solution would, however, lie in a resolute acceptance by the Government of the need for tax reliefs, such as liberal depreciation allowance, lower rates of income and corporate taxes—no country in the world has developed its shipping industry without making unorthodox innovations in its fiscal policy—and in a deliberate policy of aiding Indian ships to carry nearly all the Government cargo. Such concessions will enable the industry to raise finance on its own, and will reduce the financial burden on the Government. In the absence of some action on these lines, it seems unlikely that even the modest target set by the Planning Commission for the industry will be reached.

OUTLOOK FOR TEA SHARES PROMISING

LOTTERY FAVOURED—BRITAIN LAUNCHES FRESH EXPORT DRIVE

THURSDAY, 5 P.M.

THE bullish fervour in share markets persists. Equity values have advanced further almost over the whole front, though the extent of gain over the week has been modest. During the week, Tata Iron and Steel shares received good support, with Deferreds going up at one time to as high as Rs. 1,975. Indian Irons, however, experienced some profit-taking, but the bull grip over them still seems to be quite strong. Textile shares were popular, with bargain-hunting being the main feature. Some of the back-benchers in this section such as Mysore Spinning, New City, Swan and Vishnu have scored quite a good number of points. Activity in the miscellaneous section was, however, confined only to a few chosen scrips. Among these, Scindias held the pride of place. The market's expectation of a higher dividend and an increase in the paid-up value of the share from Rs. 15 to Rs. 20 by capitalisation of reserves in the case of this scrip has materialised. As is usually the case, there were some who expected something more by way of dividend; they were talking of a dividend of a rupee, instead of As. 12, the rate now decided by the Company's Directors. Their disappointment accounts for the closing rate of this share being a little lower than the highest level recorded earlier. It is just possible that profit-taking in this scrip by those who had bought recently might not have been over. But, generally speaking, the market is still well disposed towards this scrip. Its conviction that the Scindia Company has turned the corner seems to be strong.

MARKET GOSSIP

• • • •

Among the very active counters on the Stock Exchange this week were Andhra Valleys and Tata Powers. Both have appreciated perceptibly, the former by Rs. 17-8 to Rs. 1,300 and the latter by Rs. 37-8 to Rs. 1,400. Their Rights have gained Rs. 21-4 to Rs. 196-4 and Rs. 20 to Rs. 252-8, respectively. These gains are attributed to reports in a section of the Press that the ordinary shares of the two Companies of the face value of Rs. 1,000 each will be split up into 10 shares of Rs. 100 each and that, early next year, the ordinary shares of the Andhra Valley are likely to be put on the forward list. Enquiries in knowledgeable quarters reveal that the former report, namely, that the shares of Andhra Valley and Tata Power are to be divided into smaller denominations, is based on the suggestion made to this effect by some of the shareholders at their recent annual general meetings. In reply to this suggestion, the Chairman promised the shareholders that their idea would receive due consideration at the hands of the Directors. No move has been made by the Directors in this direction so far. As regards the second report, it is stated that this is also a conjecture based on a suggestion made by some of the shareholders at the meeting of the Andhra Valley. The Company, we are told, has not so far made any application to the authorities of the Stock Exchange. It may be noted that the other two shares in the group, namely, the Tata Power and the Tata Hydro, are already on the forward list. And there is no reason why the Andhra Valley also should not be promoted to this list.

• • • •

In recent weeks, the ordinary shares of the Phaltan Sugar Works Ltd. have come to the forefront in the cash section of the share market. The Rs. 50 fully paid-up shares were, a few weeks back, lifted up from about Rs. 90 at the beginning of October last to Rs. 106 on 23rd October, though they are being currently placed at Rs. 96 cum-div. (dividend Rs. 6). This rise has followed the reports that the shares of the Company will be placed on the forward list of the Bombay Stock Exchange. These reports have now been confirmed and the authorities of the Stock Exchange have agreed to do so, provided the management of the Company releases sufficient number of shares to the public. The stipulated number of shares that are to be so released is 12,000. It has also been stipulated that they should be held by at least 300 new shareholders. The Company has agreed to comply with these requirements and have released the said number of shares. The shares have been underwritten and are being offered for sale by the underwriters at Rs. 90 per share *cum*-dividend.

• • • •

The present paid-up capital of Phaltan Sugar, it may be noted here, is Rs. 50 lakhs, made up of 100,000 shares of Rs. 50 each. Of this, Rs. 40 lakhs have been raised by way of capitalisation of the reserves alone. Even after such capitalisation, the reserves and surplus of the Company, as on 30th September, 1953, stand at Rs. 52.36 lakhs. After maintaining the dividend at Rs. 8 per share or 16 per cent. per annum taxable, for the three years ended 30th September, 1952, the Directors have decided to pay for the year 1952-53 a dividend of Rs. 6 per share or 12 per cent., tax-free. On the basis of the current market value and the latest dividend, the yield on these shares works out to 6.25 per cent. per annum, tax-free.

• • • •

The upsurge in tea shares in the Calcutta market, witnessed since the last month, continues unabated. Since September, Tezpore, for instance, has moved up by more than Rs. 6 to Rs. 19-8, Basmatia by Rs. 5 to Rs. 30½, Hantapara by Rs. 35 to Rs. 180, Hansqua by Rs. 2½ to Rs. 15½, Central Cachar by Rs. 8 to Rs. 63, North-Western Cachar by Rs. 19 to Rs. 55 and Teliapara by Rs. 36 to Rs. 136. Elsewhere in this issue, the price-trend in tea scrips is given. It shows that the uptrend is not only steep but embraces many counters. Last year, tea scrips were depressed, thanks to the fact that, in many cases, the sale prices of tea realised were lower than production costs. The reports of the tea companies for 1952, which are being received now, show the full impact of the critical conditions which the industry faced then; many companies have been compelled to go off the dividend list. Against this background, the recent improvement in tea scrips is too good to be believed.

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Nevertheless, there are sound reasons which justify the increase in their values. Credit for this improvement must be given to the North Indian tea companies which decided in March this year to restrict their output to 87½ per cent. of the best crop in any year during the 1947-52 period. The permissible target was, however, revised to 88½ per cent. in September, and to 90 per cent. in October. This was done because the gardens participating in the scheme—they account for 80 per cent. of the total North Indian crop—felt that there could be a safe relaxation of the rigour of the earlier restrictions in order to bring the supply more in line with the increase in demand as reflected in the upward trend in the London tea auctions. Referring to the price-trends in the tea market and the prospect for tea scrips, Messrs. Place, Siddons & Gough, Calcutta, make the following observations:

"Prices being obtained at the present time both in the London and Calcutta auctions are very satisfactory and even at this late stage, when end-of-season teas are being offered, there seems little slackening in demand. We believe that prices are likely to be maintained around current levels. As a result of this and the fact that producers have reduced their costs to a minimum, most gardens are at present showing a satisfactory profit on the sale of their teas. Whilst we anticipate that company reports for 1953 will show marked improvement, it must be remembered that, in the previous year, a number of companies had to draw very heavily on reserves and most curtailed necessary expenditure on plant, machinery and fertilisers, all of which will have to be taken into account this year.

"In view of these encouraging factors, there has been a good demand for tea shares and prices over the last two months have been marked up quite considerably. Although it is possible that there may be some reaction due to profit-taking, we believe that investment in tea shares should prove profitable over the coming months."

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Since the voluntary crop regulation scheme has produced good results—though the weather probably contributed as much towards this end—it is only natural that the tea interests should want to continue the scheme and also to see that a larger number of tea gardens participate in it. This sentiment was neatly expressed by Mr. S. H. Davies, Chairman of the Indian Tea Association, who, at a recent meeting of the Assam branch of the Association, at Calcutta, said: "It is quite clear that, if we are to keep prices at a reasonable and consistent level, we must continue the crop regulation scheme. Without some such action, to see that supply and demand are kept in reasonable relation, we shall always have the threat of surplus tea and abnormally low prices hanging over our heads."

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It would appear that the method of fixing the crop basis for 1954 is being carefully examined by the Association, with a view to evolving a fairer system of regulation. Next year, arrangements, he said, would be made to transfer extra production rights from one garden to another, without instituting an entirely free market in these rights. Mr. Davies was anxious to defend the system of crop regulation against the argument that it was directed against the interests of the consumer. He said: "I would emphasise that the object is not to create a shortage of tea and thus obtain high prices for our produce, but to keep production in reasonable relation to demand. Were we to create an artificial shortage of tea with crop regulation, our markets for tea would contract, and we all realise how adverse that would be in the long term. The alternation of high and low prices is something we must seek to avoid."

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Nevertheless, it must be admitted that any system of crop regulation, however well intentioned, is only a negative approach. A more constructive solution lies in expanding the market for the product. From this point of view, it is noteworthy that tea producers are alive to the need for promoting tea sales. Mr. Davies, who was himself a member of the Indian tea mission which visited the U.S. recently, said that the prospects of "increasing consumption in the U.S. are extremely bright." Referring to the immediate problems ahead of the Indian tea producers, he said that they would now have to spend money on the maintenance and development of estates, which expenditure was suspended during the slump. He added that this must be a first charge on such profits as they made, and next must come rebuilding of reserves which had been heavily depleted. Finally, the improvement of labour amenities must be resumed. The slump had shown that tea markets would not absorb large quantities of common teas, so "the maintenance of the highest possible standards of plucking and tea-making should be the aim of every manager." He concluded by saying that the industry could look forward to "a period of fair prosperity. We cannot imagine that in one, two or even three years, we can wipe out the effects of the depression," he said, "but, given the co-operation of labour, the recovery will be maintained." It is to be hoped that this co-operation will not be denied to the industry, which deserves particularly to get it by virtue of its being a pre-eminent export industry of this country.

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The advent of the busy season has not yet made itself felt on the short-term money market. Although cotton, jute, oilseeds, sugar and tea have been moving on a fairly large scale, the demand for bank accommodation is not keen and inter-bank call money is as low as ¾ per cent. per annum. In consonance with the easier trend of money, the Gilt-edged market is steady to firm. With due date for payment of half-yearly interest on some of the Central Government loans approaching, voucher-eaters are active. It is this factor that has lent an appearance of briskness to Gilt-edged. The volume of genuine investment buying, however, continues to be limited. There has, of course, been a smart rise of over As. 4 in 3½ per cent. National Plan bonds. This was due to an order for Rs. 20 or Rs. 25 lakhs from a leading industrial house, presumably representing the investment of its workers' provident fund. This order was split over a few brokers who, in bidding against one another, pushed up the rate. The Reserve Bank, of course, refused to oblige them by selling from its stock. The general impression is that the Bank may resume its sales if the price of this loan tends to exceed Rs. 99 ex-voucher. Although the volume of investment buying has not broadened, the long- medium- and long-dated loans which, at one time remained uncared for, are tending to look up, because there is a growing feeling that, in the next summer, that is, just on the eve of the Centre's new borrowing, the Bank rate may be lowered.

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The commodity markets, too, have registered notable gains. The upward trend in cotton continues. The attempts made last week by a section of the market to create an impression that the size of the crop would be as large as was expected earlier has been quietly ignored as the viewpoint of interested parties. Actually, over the week, I.C.C. February and May have gone up by Rs. 24-8 and Rs. 21-4, respectively. The closing rate is lower than the highest levels touched yesterday, but that is quite natural, considering that, in a fortnight, the Contract had gone up by about Rs. 35. More striking than the improvement in cotton is the sudden reversal of the downward trend in oilseeds. A week ago, everyone was crying hoarse that these commodities would sink lower still, unless the Government allowed exports and reduced the export duty. But this week groundnuts and castorseeds, the two commodities that had suffered most, have moved up, the rise in the latter being quite substantial. It is evident from this that the recent fall in this market must have been due to excessive bear activity.

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Among the shortages which afflict the modern world—or at least the non-dollar part of it—the pride of place must be given to the shortage of capital. That elusive commodity, called capital, is everywhere in short-supply, thanks to the disappearance of the individual saver—as distinguished from the institutional savers—under the impact of the "soak-the-rich" policies adopted in many countries of the world. Even the U.K., the home of all traditional financial virtues, such as thrift, independence and wise investment, faces the problem of finding the money that is needed for investment. The rich class has nearly ceased to be the repository of savings and the fountain of investment finance. The middle class has, as in this country, ceased to be a factor to reckon with, what with their fixed incomes and soaring living costs. There is a shift of income from these classes to the working class, which has money but not the wisdom to utilise it properly. How to draw off this money for productive investment has been the problem which has engaged the attention of the financial experts in that country. In this connection, it is interesting to note that Lord Piercy, Chairman of the U.K. Industrial and Commercial Finance Corporation, made the somewhat unorthodox suggestion that the revival of lotteries by the State or a public corporation might be a way of stimulating savings by a broad mass of the population. Apparently, he took the cue for this suggestion from the fact that, even in that advanced country, the expenditure on betting is reckoned at £67 million. Explaining his scheme, he said: "A lottery need not represent, like betting, a complete loss of money for some of the participants. It could be arranged on a footing whereby the consolation prize was a low-yielding security or a deferred or life insurance benefit, plus the essential, which is a number of glittering prizes. There is plenty of ingenuity at hand to devise such schemes if the time were ripe."

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For one reason or another, this idea of State lotteries has never appealed to the Indian Government. The suggestion is often regarded as somewhat unethical. It is held wrong for a State to encourage the gambling habit. But then, it might be wondered why a State, which permits crossword puzzles, cigarette coupons, lucky numbers in consumer goods and, above all, horse-racing, should fight shy of going a step further and using some device whereby the money from a broad section of the population, which goes into these speculative activities, could be siphoned off for productive purposes. State lotteries are certainly one such device. It will be recalled that, as far

(Continued on page 1035)

EQUITIES RULE STEADY

TATA HYDRO-ELECTRIC GROUP IN FAVOUR

(From Our Own Correspondents)

BOMBAY, *26th November*

A CAUTIOUS sentiment came to prevail on the Stock Exchange during the week under review. Though several leading counters touched new high levels, operators were generally anxious to book profit at bulges. The undertone, however, remained steady and, on balance, equity values showed small variations. In the steel section, Tata scrips consolidated their previous week's gains, but no sharp upward movement was possible, as it was held up by selling pressure in Indian Irons. Sentiment in these shares was adversely affected by the liquidation of a considerable part of his holdings by a leading Calcutta operator. Moreover, operators in the *Mahajan* market concentrated their attention on Tata Ordinary shares by selling Deferreds, in view of the decision of the authorities to remove the deferred shares from the list from 9th December, 1953. Despite occasional profit-taking, most textile shares hardened further under sustained support on reports of continued broadening of demand for cotton textiles, both in the internal market and abroad. A feature of trading was the support given to the Tata Hydro-electric group, Scindias and Tata Chemicals for reasons mentioned elsewhere in this review.

In the steel section, Tata Deferreds advanced falteringly from Rs. 1,960 to Rs. 1,975 yesterday, but further upward movement was halted by profit-taking and selling in sympathy with the weakness of Indian Irons. Tata Ordinaries hardened from Rs. 335-8 to Rs. 339-4, but the closing was done at Rs. 337. After an initial depression from Rs. 26-1¼ to Rs. 25-11 on persistent selling from Calcutta, Indian Irons firmed up to Rs. 26-4 yesterday, the highest level touched since 23rd March, 1953, but dropped to-day to Rs. 25-10 on heavy realising by a leading Calcutta operator.

Barring the two leading scrips, Bombay Dyeings and Kohinoors, which recorded small losses on balance, most of the counters in the textile section were active and recorded fair gains. Bombay Dyeings were marked up from Rs. 397-8 to Rs. 400, but in the profit-taking movement, which was pronounced to-day, the shares reacted to Rs. 394-6, disclosing a loss of Rs. 3-2. Kohinoors suffered a drop of Re. 1-8 over the week to Rs. 297-8, the highest level touched during the week being Rs. 300-8. Central Indias were active and were taken up Rs. 3-8 higher at Rs. 170. Centurys came up from Rs. 280 to Rs. 283, but closed lower at Rs. 281. Finlays moved up by Rs. 5 to Rs. 265, Swans by as much to Rs. 330, Gokaks by Rs. 3 to Rs. 231 and Vishnus by Rs. 8-2 to Rs. 152-8. Mysore Spinnings came to the forefront with a sharp rally from Rs. 122-8 to Rs. 140 and New Citys from Rs. 160-10 to Rs. 170. New Greats, on the other hand, dropped a rupee to Rs. 164. Shrinivas recouped Rs. 3-12 to Rs. 173-12. Simplex were lifted up from Rs. 151 to Rs. 156-8, before closing at Rs. 154. The Directors of the Company have declared an interim dividend of Rs. 5 per share of Rs. 50 for the year ended 31st March, 1954, as against Rs. 6 last year, but the present dividend is on the increased capital of Rs. 42 lakhs, as against Rs. 32 lakhs last year. Standards were unchanged at Rs. 314-8. Svadeshis were in request to gain Re. 1-8 to Rs. 265-8.

Bank shares were steady with no brisk activity. Some business was reported in Imperial Fully Paids, Rs. 3-12 higher, at Rs. 1,832-8, and in Contributories, Rs. 2-8 better, at Rs. 460. Centrals were well held at Rs. 64 and the new shares at Rs. 66-8. Indias were dull at Rs. 155-12, while Barodas were a fraction better at Rs. 108. United Commercials had business at the unchanged rate of Rs. 37-8.

A sharp rise in the values of Tata Hydro group shares was the highlight of the public utility section. Keen demand was particularly in evidence in Andhra Valleys and Tata Powers and their right shares, on reports that the Directors would consider the splitting up of the shares of Rs. 1,000 each into those of Rs. 100 each, as also applying to the authorities of the Stock Exchange for enlisting the Andhra Valley shares on the forward list. Andhra Valleys staged a rise of Rs. 17-8 to Rs. 1,300, their Rights Rs. 21-4 to Rs. 196-4 and Coupons Rs. 4-8 to Rs. 40. Tata Powers spurted by Rs. 37-8 to Rs. 1,400, their Rights by Rs. 20 to Rs. 252-8 and Coupons by Rs. 4-8 to Rs. 50-8. Tata Hydros were placed at Rs. 135-8 ex-div., as against Rs. 140-8 cum-div. (dividend Rs. 7-8) last week. Their Rights were unchanged at Rs. 26-8, while Coupons were a fraction better at Rs. 9-8. Among other shares in the section, Ahmedabad Electrics revived from Rs. 113-7 to Rs. 114-1, but went back at the close to Rs. 113-7. Surats scored a gain from Rs. 126-4 to Rs. 127-8, while Bombay Suburbans were held at Rs. 124-6 cum-div.

In an otherwise featureless miscellaneous section, Scindias, National Rayons and Tata Chemicals were concerned in brisk buying. The Directors of Scindias have decided to raise the dividend for the year ended 30th June, 1953, from As. 8 per share of Rs. 15 paid for the previous year to As. 12 per share. They have also decided, subject to the sanction of the Government, to write up the face value of the shares from Rs. 15 to Rs. 20 by capitalising the amount standing to the credit of the share premium account. Though these decisions were generally expected, some anticipated a dividend of Re. 1. The expectation of this section having failed to materialise, they came to sell after the Directors' decisions were announced yesterday evening. The shares, therefore, fell to Rs. 15-12½, after a rise from Rs. 15-7 to Rs. 16-3½. Operators in Tata Chemicals seemed to have faith in the long-term prospects of the Company and bid the shares upto Rs. 10-14. Although closing lower at Rs. 10-9, they still revealed a rise of As. 14 over the week. On active buying and in large turnover, National Rayons touched a record high of Rs. 130-8 from last week's closing of Rs. 123-12, but profit-taking brought them back to Rs. 127. A.C.Cs. were steady at Rs. 183-12. Belapurs were done up to Rs. 265-8, but closed lower at Rs. 263-8. Bombay Burmahs met with selling pressure and fell from Rs. 361-4 to Rs. 353-2. B.I.Cs. were steady with a fractional rise to Rs. 9-5. Indian Coppers were quiet at Rs. 2-14½. Alcocks dropped Rs. 2-8 to Rs. 327-8. Premier Constructions had business upto Rs. 104-8, but finished at Rs. 102-8. Shivrajpurs were firm at Rs. 69, a rise of Rs. 2 over the week. Tata Oils were a fraction better at Rs. 34, while Wimcos showed no change at Rs. 198-12.

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Calcutta Stock Exchange

CALCUTTA, *25th November*

Steady conditions prevailed on the Calcutta Stock Exchange during the week under review and there were a good number of features, although prices fluctuated narrowly and there was a decline in the volume of transactions. During the last three sessions, jute shares were marked down following the fall in the prices of jute goods. In spite of this, interest was maintained, as the general view that the outlook for the jute industry had changed for the better, was shared by operators. The fall in quotations was bound to occur, as profit-taking is a natural tendency after an impressive upward trend. Therefore, this week's tendency in jute shares was of a profit-taking nature rather than of touching lower levels on account of depression. The fall in the prices of jute goods made operators only cautious and should be considered a welcome feature, as rises should be checked, so that Indian quotations should maintain their competitive nature in world markets. It is realised that jute goods would regain a predominant position in world markets, which was once theirs, only after the abolition of the export duties, which market circles look forward.

Tea shares derived considerable support and interest was evinced in selected scrips for institutional investment. It is the voluntary restriction of tea output by the North Indian gardens which has changed the fortunes of the tea industry. Interest in tea shares widened following the announcement of the Chairman of the Indian Tea Association that the crop regulation scheme would be a permanent measure to maintain supply and demand in reasonable relation. In the miscellaneous section, shares of paper mills were special favourities of buyers. Interest was also shown in sugar shares.

Sectionwise, coals continued to lack enthusiasm. Burrakurs hovered around Rs. 8-8. Central Indias at one time were better at Rs. 5-11, but subsequently eased to Rs. 5-6.

Interest in jutes was guarded and part of the recent gains in some counters was lost. Thus, Agarparas were As. 2 lower at Rs. 16-14, and Barnagores moved down from Rs. 162 to Rs. 160. Howrahs hardened a little to Rs. 26 last Thursday, and since then fluctuated narrowly at lower levels. The closure to-day was Rs. 25-8. On balance, Reliances gained by As. 4 to Rs. 17-4. Northbrooks were marked up at Rs. 20-14. Anglo-Indias were unchanged at Rs. 232, while Kinnisons picked up Rs. 2 to Rs. 206. A firm note was displayed in Dalhousies at Rs. 144.

Engineering shares were steady. Indian Irons were dealt with at Rs. 26-1, the highest and lowest levels being Rs. 26-3 and Rs. 25-8, respectively. To-day's closure at Rs. 25-8 was the lowest level for the period under review.

Tea shares continued to advance steadily. The following table shows the gains recorded by some of the leading scrips:

	Rate as on 7-1-53		13-10-53		18-11-53		Latest quotation	
	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.
Banarhat ..	276	0	336	0	360	0	362	0
Bhatkawa ..	32	0	26	0	27	8	29	2
Bhimauth ..	20	2	29	8	30	2	32	12
Hantapara ..	102	0	171	0	177	0	180	0
Hoograjuli ..	28	0	30	2	31	4	32	6
Dholakhat ..	8	3	12	3	12	12	13	6
Teloijan ..	16	6	12	4	13	4	14	3
Juthibari ..	8	6	11	4	11	2	12	0
New Doors ..	324	8	340	0	340	0	368	0
Seajuli ..	17	14	21	4	22	0	23	0
Tezpore ..	11	14	17	0	18	14	19	12
Botjan ..	21	12	27	4	28	0	29	10
Brooke Bond ..	10	6	11	4	12	5	12	12
East India ..	13	12	19	10	19	14	20	4
Patrakola ..	132	0	132	0	141	0	148	0
Hasimara ..	19	12	29	12	29	14	30	12

Among paper mills shares, Bengals were done at Rs. 51, and Orients at Rs. 38-8 gained one point. India Paper Pulps, after being lower at Rs. 187, recovered to Rs. 189 and closed to-day at Rs. 188. Titaghur Paper changed hands at Rs. 37-4.

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Madras Stock Exchange

MADRAS, *24th November*

The performance of the Madras Stock Exchange this week was again encouraging. Planting scrips depicted a cheerful tone with broadbased enquiries. The upward trend witnessed in the tea section during the previous few weeks persisted this week also, on encouraging preliminary estimates of profits based on hopes of better crop realisations this year. Rubbers too looked generally upwards on speculative support. Coffee scrips, however, lacked energy and drive. But the textile and banking sections came in for selective buying. Miscellaneous shares witnessed good demand and notable gains were seen in a number of these shares. Trading in the market as a whole was brisker than in the previous week, and prices recorded sizable gains on balance.

Favourites, among textile shares, met with good support and rallied smart gains. Metturs shot up from Rs. 209 to Rs. 214 and Dhanalakshmis from Rs. 188 to Rs. 192. Bangalore Woollens gained Rs. 2-8 to Rs. 282-8 and Vasantas Rs. 2 to Rs. 164. Cannanores improved by Re. 1 and finished at Rs. 86. Travancore Rayons were higher by As. 15 at Rs. 6-11. Maduras, however, lost As. 4 to Rs. 38-8. Buckinghams were quiet at Rs. 121 and Coimbatore Pioneers at Rs. 119. Coimbatore Spinnings were unchanged at Rs. 38 and Krishna Rajendras at Rs. 48-8.

Among plantings, tea scrips ruled firm. Nonsuch Teas advanced from Rs. 30 to Rs. 30-12 and Nilgiri Teas from Rs. 10-14 to Rs. 11-4. Peermades rallied As. 8 to Rs. 26-4 and Devosholas As. 4 to Rs. 18. Kalasas were done at Rs. 11-4, as against Rs. 11 and Twyfords at Rs. 12, as against Rs. 11-14. Parksides were higher by As. 4 at Rs. 15-8 cum-div. Neelamalais gathered an anna to Rs. 5-1 cum-div. Waterfalls were quiet at Rs. 3-5½. The Directors have declared a dividend of 12½ per cent. on ordinary shares for the year ended 30th June, 1953, as against 10 per cent. for the previous year.

Rubbers evoked considerable interest with Vaikundams being bid As. 6 higher, at Rs. 16-2. Teekoys advanced from Rs. 7-6½ to Rs. 7-9 and Kailas from Rs. 3-8 to Rs. 3-9. Bc Bes gathered an anna to Rs. 2-6. Mercaras and Velimalais were fractionally better at Rs. 3-3½ and Rs. 2-6½, respectively. Rajagiris, however, lost As. 8 to Rs. 12-12 cum-div. Cochin Malabars were slightly lower at Rs. 6-15½.

Miscellaneous scrips were very active this week. Rallis gained Rs. 2-12 to Rs. 67. Bangalore Transport was higher by As. 12 at Rs. 13-4 cum-div. and Mysore Tobaccos As. 10 at Rs. 11-2. Mysore Chemicals and Fertilisers gained As. 6 to Rs. 8-10. Mysore Papers and Mettur Chemicals gathered As. 5 each to Rs. 14-13 and Rs. 5-4, respectively. Spencers advanced from Rs. 14-4 to Rs. 14-8 and Mysore Gold from Rs. 2-11 to Rs. 2-14.

THE BRITISH BANK OF THE MIDDLE EAST

The British Bank of the Middle East has received permission to open branches in Bombay and Calcutta. The Bank has reached an agreement with Nationale Handelsbank N. V. to take over the business of the Bombay and Calcutta branches of the latter and undertake the responsibilities and obligations of these offices as from 1st January, 1954.

The British Bank of the Middle East was founded in 1889 as The Imperial Bank of Persia and from 1919 until 1934 maintained an office in Bombay which was particularly employed in facilitating trade between India and Persia. As the result of import restrictions introduced by Persia this trade came almost to a standstill and the Bank retired from Bombay in 1934. Since then the character of the Bank has changed considerably, and it has now ceased to operate in Persia, but has opened a large number of progressive branches throughout the Middle East, particularly in the Persian Gulf and Arabian Peninsular centres, some of which employ the Indian rupee as currency. There is a considerable volume of export trade from India to many of the Persian Gulf and other areas where the Bank's branches operate. It is with the intention of facilitating, and if possible expanding, this trade that the Bank has decided to reopen branches in India.

Notice

INDIAN WOOD PRODUCTS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members of the Company will be closed from the 5th to the 18th December, 1953, both days inclusive, for payment on the latter date of an Interim Dividend of 10 per cent. free of Income-tax payable by the Company on account of the year ended the 30th September, 1953.

Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,
For GILLANDERS ARBUTHNOT & CO., LTD.,
(Sd.) P. W. PARISH,
Managing Director,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 24th *November*, 1953.

NEWS IN BRIEF

THE annual meeting of the Associated Chambers of Commerce of India will be held in Calcutta on 14th December, 1953. Mr. *Jawaharlal* Nehru, Prime Minister, will be present as the principal guest and speaker.

The House of the People took up consideration of the Banking Companies (Amendment) Bill, 1953 on the 21st inst. The Bill, which seeks to replace an Ordinance, aims at simplifying the process of liquidation of banks.

The ninth annual meeting and 14th ordinary meeting of the Indian Central Tobacco Committee will be held in Madras, on 5th December, 1953. Mr. K. R. Damle, Additional Secretary, Central Ministry of Food and Agriculture, will preside.

The Deputy Chief Controller of Imports, Madras, has notified that licences issued to established importers for cycle parts for the period July-December, 1953, are not valid for the import of cycle bells, cycle lamps, cycle carriers and cycle grips.

An evening non-stop Viking service will be introduced between Delhi and Calcutta from 1st December, 1953, by the Indian Airlines Corporation. The time of departure of the services will be 6-30 p.m. from Delhi and Calcutta, so that passengers will be able to reach either destination before midnight.

An Industrial Finance Corporation has been established by the Travancore-Cochin Government. The capital of the Corporation is Rs. 1 crore, of which the State's share will be Rs. 50 lakhs. Provision has been made for investment by the Reserve Bank and the public.

The seventh session of the Indian Commerce Conference will be held at Banaras from 30th December, 1953 to 1st January, 1954, under the *chairmanship of Lala Shri Ram of Delhi.* The subjects for discussion at the Conference are: (1) Indian internal trade, (2) price policy under a controlled economy, and (3) cost accounting and public enterprise.

A three-day session of the Pharmaceutical Enquiry Committee was held in New Delhi last week to review the work so far done and to consider the different views expressed by the various bodies connected with the industry on the measures necessary for improvement of the industry. The meeting was also attended by the Minister for Commerce and Industry.

The two-man committee of India and Pakistan which had been set up to settle difficult cases involving the apportionment of income under the Double Taxation Avoidance Agreement between the two countries, held a meeting in New Delhi from 7th to 17th November, 1953. This was the seventh meeting held by the Committee after its creation in 1949.

A two-day conference of chemical manufacturers will be inaugurated in Calcutta on the 30th inst. by Mr. K. C. Reddy, Minister for Production, Government of India. The occasion will mark the 13th annual session of the Indian Chemical Manufacturers Association. A symposium on the chemical industry and the Five-year Plan will be held under the chairmanship of Dr. J. C. Ghosh, Director, Indian Institute of Technology.

The Railway Board will shortly invite tenders from all over the world for plant and machinery worth about Rs. 2 crores for the Integral Coach Factory at Perambur, Madras. After the tenders have been invited, a financial expert of the Railway Board is likely to visit Europe to finalise arrangements. The Railway Ministry is trying to get most of the equipment and materials from *internal* resources. Only essential plant and machinery worth about Rs. 2 crores will be imported.

Investigations conducted by the Harcourt Butler Technical School, Kanpur, have revealed that oil from the seeds of *alubukara* can form a good substitute for the highly expensive almond oil. The seeds of *alubukara* are obtained in western temperate Himalayas from Garhwal to Kashmir, where the fruit is also cultivated. Its kernel is bitter and contains a nutritive oil. The oil is used by hill people for lubricating and cooking purposes and as a hair oil on a very limited scale.

The first phase of the U.P. Government's economy campaign now seems to be over. Largely as a result of the work of the inspection, economy and reorganisation section created within the Civil Secretariat, under the Finance Ministry, savings of about Rs. 2½ crores have been effected in the current year. One of the principal means employed was to freeze part of the budgetary grants of each department under a specially worked out formula. An enquiry committee will be appointed to probe further into the matter of expenditure and resources.

According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the All-India First Estimate of Rice, 1953-54, puts the current year's area at 67,452,000 acres, as against 65,374,000 acres in the adjusted First Estimate for 1952-53. This shows an increase of 2,078,000 acres or 3.2 per cent. in area over 1952-53. The estimate covers the period up to the end of September or the beginning of October, 1953. Till then, the condition of the crop was reported to be generally satisfactory. This estimate does not cover the total area sown to rice during 1953-54. Past experience has shown that the area at the first estimate stage forms roughly 90 per cent. of the area under the crop finally reported.

The Government of India will spend about Rs. 24 crores during the next three years on the construction of a large number of tube-wells in the country. The scheme envisages the sinking of of 2,650 production tube-wells and 350 exploratory tube-wells in 15 States. Out of the 2,650 tube-wells to be sunk, 1,505 will be done through three private companies and 625 through Government agencies. In the case of 320, no final decision has been taken as to how they should be sunk. Since the launching of the minor irrigation programme in 1950, the Government of India has constructed 940 tube-wells. Most of the tube-wells so far sunk are in Uttar Pradesh, the Punjab and Bihar. Each tube-well costs about Rs. 30,000.

The 13th session of the Indian Labour Conference will be held in Mysore from 7th to 10th January, 1954. The Conference will be presided over by Mr. V. V. Giri, Minister for Labour. The Conference will review the action taken on the conclusions reached at the 12th session of the Conference held at Naini Tal in October, 1952 and the work of the I.L.O. Conference and Committee held recently. Problems of technical assistance, women labour, wage-fixing machinery and the Gorakhpur Labour Scheme will be examined. The Conference will discuss the question of implementing the Industrial Statistics (Labour) Rules and the feasibility of having uniform legislation in regard to maternity benefits. Matters relating to the payment of provident fund dues to a subscriber before retirement and the composition of the Indian Labour Conference itself will also be examined.

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From Abroad

The Swedish Bank rate has been reduced from 3 per cent. to 2½ per cent. with effect from the 20th inst.

A delegation from the Tea Marketing Board of Pakistan has gone to Turkey, presumably to explore the possibility of expanding the market for Pakistan tea in Turkey. At present, most of Turkey's import of tea is from India and Ceylon.

A Labour Member of the British Parliament has tabled a motion calling for amendment of the Companies Act to make the issue of bonus shares illegal and to divide the undistributed profits of companies between their employees and the Treasury.

The Chairman of the Industrial and Commercial Finance Corporation, U.K., Lord Piercy, has suggested that a revival of lotteries run by the State or a public corporation might be a way of stimulating savings by the broad mass of the population.

The U.K. Government has rejected firmly the idea of abolishing the Capital Issues Committee or of having its activities scrutinised in Parliament. The Government feels that the Committee performs an essential advisory function on individual applications for consent to raise money for capital purposes.

The Canadian Government proposes to strengthen the anti-dumping law against cheap foreign goods competing with Canadian products. The proposed changes in law will be directed chiefly at keeping out textile imports that have been undermining the Canadian market and causing considerable distress in the industry.

Business circles in Karachi have criticised the Pakistan Government's recent decision to import, on "Government account," textiles worth Rs. 4 crores from Japan and other countries. The Textile Merchants' Association and the Pakistan Chamber of Commerce said in a statement that the trade and not the Government should do the purchasing.

A two-man mission of the International Bank for Reconstruction and Development, consisting of Mr. F. D. Gregh, Director of the Middle East and South Asia Division of the Bank and Mr. W. D. S. Fraser, arrived in Lahore last week, to acquaint itself with the irrigation and allied problems of the Punjab(P), with particular reference to tube-wells. It also paid an inspection visit to Thal, where a considerable amount loaned by the Bank is being used to develop some aspects of the project.

According to a report, the result of a five-year study of world population and production, prepared by a non-profit foundation of New York for research and public education in economic and social questions, the total world income in 1948 was $548,000 million. The share of the U.S. in the total world income in 1948 was 40.7 per cent., having risen from 26 per cent. in 1938. The report also states that, in 1947, the U.S. and Canada accounted for about half the world's industrial output.

The British Ministry of Food stated last week that a price of £41 per ton would be paid for 1954 "negotiated price sugar," bought under the terms of the Commonwealth Sugar Agreement, as compared with £42 6s. 8d. paid for 1953. Announcing the results of the series of meetings with representatives of the Commonwealth sugar exporting territories which concluded last week, the Ministry said that it had been decided to extend the agreement by a further year, so that it would now run to the end of 1961.

PERSONAL

MR. John A. Thivy, Commissioner for the Government of India in Mauritius, has been appointed Minister to Syria.

Mr. Dharam Vira, Commerce and Industries Adviser to the High Commissioner for India in London, has been appointed India's Ambassador to Czechoslovakia.

Mr. C. Ramasubban, ad hoc member of the Indian Tariff Commission, has been appointed whole-time member of the Commission, in place of Dr. B. V. Narayanaswami Naidu.

Mr. Clyde Fullerton, General Sales Manager and Mr. Frank Bush, General Operations Manager, Trans World Airlines, were on a week's visit to India to develop and promote air traffic between India and the U.S.

Dr. H. K. Ghosh, officer in charge of the lignite projects at Neiveli, has returned to Madras after a tour of Australia, as a member of the Asian lignite experts delegation, sponsored by the E.C.A.F.E.

Mr. J. Wilkie of the Hong Kong and Shanghai Banking Corporation, Ipoh branch, has arrived in Bombay and assumed charge as Manager of the Bombay branch of the Bank, in place of Mr. G. A. Stewart, who has gone on leave.

Mr. S. T. Raja, Deputy Secretary, Ministry of Food and Agriculture, Government of India, has been appointed Administrator of the proposed tube-well projects of the Government of India, with headquarters at Delhi.

Mr. L. N. Ray, Second Secretary, Embassy of India at Bonn, will represent the Government of India on the Indian delegation to the fifth session of the I.L.O. Committee on Coal Mines to be held in Dusseldorf in the Federal Republic of Germany from 30th November to 12th December, 1953. Mr. P. Mukerjee of Calcutta and Mr. B. P. Agarwalla of Jharia will be the employers' delegates and Mr. B. P. Sinha of Ahmedabad and Mr. Sobhanand Jha of Asansol will represent workers.

Dr. P. S. Deshmukh, Minister for Agriculture, Government of India, is leading the Indian delegation to the seventh session of the F.A.O. Conference which commenced in Rome on the 23rd inst. The members of the delegation are: Mr. H. Siddaveerappa, Minister of Food and Home Affairs, Government of Mysore (Alternate leader), Sardar Datar Singh, Additional Secretary and Production Commissioner, Ministry of Food and Agriculture, Mr. S. K. Wankhade, Member of F.A.O. National Liaison Committee. Dr. V. Pause, Statistical Adviser, Indian Council of Agricultural Research, and Mr. J. V. A. Nehemiah, Secretary, Indian Council of Agricultural Research.

OBITUARY

We regret to announce the death in London last week of *Sir Arthur S. Rogers, Chairman of* the London and Lancashire Insurance Co., Ltd. He was a very distinguished leader in the world of insurance. His entire career had been spent in the "London and Lancashire" which he joined in *Liverpool as a junior clerk more than 50 years ago.*

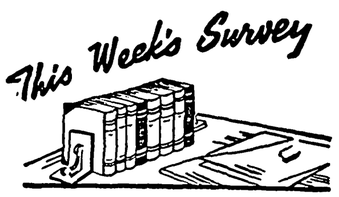
"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *1st December*

Threat to Chemical Industry

The President of the Indian Tariff Board, Sir Padamji Ginwala, has brought much publicity to what he calls "an attempt to strangle an Indian industry, obtain a monopoly, and then raise the prices above what is considered to be an economic level." He asked the representatives of the big German Chemical Trust to appear before the Board in Bombay and give their point of view. Witnesses had told the Board that it was the intention of this big German Trust to get hold of practically the whole business in magnesium chloride used in cotton mills. One witness stated that the German Trust offered to give his firm 30 per cent. of the business and retain 70 per cent. for themselves—the thin edge of the wedge, the suggestion being put forward that the wedge would be driven home to break up the Indian chemical industry. Another witness recounted an interview he had in Bombay with representatives of a German firm who, he stated, offered two alternatives. The first was that the German firm should enter upon a rate-cutting war with the object of driving local industry out of the market; and the second was that both firms should come to some sort of mutual arrangement and a pool established. The President of the Tariff Board, thinking the position serious, has explained that allegations have previously been made against foreign trusts, but this is the first time they had been able to secure documentary evidence which throws a flood of light on their methods. He stated that it was certainly a matter of importance to discover whether there were any trusts operating in India and working to the prejudice of the Indian industry, "because, when competition ceases and when monopoly is obtained, there is no guarantee that the consumer will continue to get the same benefit."



TROMBAY THERMAL PROJECT

ADDRESSING the annual general meeting of the Tata Hydro-Electric Supply Co., Ltd., held at Bombay last Monday, Mr. J. R. D. Tata, Chairman of the Company, deplored the *difference of opinion between the Tata Hydro-electric* Companies and the Government of Bombay on the Trombay electric scheme. He warned that the installation of only one generating unit, for which the Government had decided to grant licence, with a capacity of 50,000 kw. as against two units of 50,000 kw. each, for which the Companies had applied, would result "in a continuance until 1960-61" of the power shortage from which Bombay and the area covered by the Tata licences had suffered for so many years. This would necessitate the maintenance of the system of staggering factory hours for nearly another decade, a system which has been causing considerable inconvenience to thousands of workers and increases the ultimate cost of the project by about Rs. 50 lakhs. It would also subject the power supply to the vagaries of the monsoon, thereby reducing industrial activity (in the Bombay-Poona region) also to a gamble in the monsoon. Mr. Tata disclosed that the Bombay Government's reluctance to grant permission for a second unit of another 50,000 kw., along with the delay, on the part of the Government, in finalising the documents for the extension of the hydro-electric licences of the three Tata companies and in granting the new licence for the Trombay thermal station had prevented the companies from completing negotiations with the World Bank for the grant of a loan to finance the project. Consequently, he feared that it was unlikely that the plant would be brought into operation before the end of 1956.

This is a disquieting situation, indeed, for the consumers of power in Bombay. The reluctance of the Government of Bombay to *concede the request for the installation of the* second unit at Trombay is based on the presumption that the demand will not grow at a rate at which past and current experience shows that it would and that the Koyna project could be speeded up to generate power by 1957. In view of this consideration, the Government's contention seems to be that the second unit will have to be closed no sooner than it is completed. It is stated that, if the second unit is closed, under the Electricity (Supply) Act, any generating plant forming part of a grid system which remains idle will have to be allowed its depreciation and maintenance charges plus a net return of 5 per cent. on the capital employed. This, according to the Government of Bombay, will result in unnecessarily burdening the consumers.

*This line of argument does not sound con*vincing. The technical advisers to the World Bank, who recently examined the Trombay scheme, have expressed satisfaction with the load growth estimates made by the Tata hydro experts. According to Mr. Tata, the "unstaggering" of factory hours, for which there is persistent demand from labour, will alone require about 38,000 kw. Thus, the installation of only 50,000 kw. in Trombay, as directed by the Government of Bombay, will, until Koyna begins to generate power, leave a totally inadequate margin of only 12,000 kw. to meet the balance of unsatisfied demand, to provide against plant breakdowns and monsoon failures. This is besides the further demand which is already building up. Be that as it may, whatever may be the date on which the Koyna project is brought into operation, the cost to the consumer of providing the overheads and the return on the second Trombay unit would be no more than 0·6 of a pie per kw. hour, according to the estimates of the Company's experts. This, as Mr. Tata said, is certainly a negligible premium to pay as insurance against the heavy losses which would be caused to the city and the State if there were to be a recurrence of power shortage, particularly as the extra cost would have to be borne for only a few years until the rising demand absorbs the full capacity of the Koyna and necessitates re-commissioning the thermal units. It is, furthermore, a premium which the textile and other industries of Bombay have, according to Mr. Tata, expressed their willingness to pay.

In view of all this, it is ununderstandable as to why the Bombay Government is reluctant to give permission for establishing the second unit as demanded by Tatas. Surely, the risk that the Government takes is negligible and even that cost of risk will be borne by the power-consuming public, the bulk of which is ready to pay it. The investors also are prepared to take the risk and so too the financiers, namely, the World Bank. Both these parties have a much greater stake than the Government. The World Bank would not have consented to finance the project, unless it was sure that it was a good risk. It is true that the World Bank's loan will carry the guarantee of the Government of India, but the latter does not, it would appear, mind doing so. In fact, the Planning Commission is believed to be satisfied with the project as proposed by the Tatas. Does the Bombay Government think that it is a more competent body than the experts of the Tatas, the World Bank and the Planning Commission? How is one to believe that a Government, which could not implement a simple scheme for sinking tube wells, can successfully carry out a highly complicated hydro-electric scheme that Koyna is and that too within so short a period as three years? The more one thinks about this issue the more is one convinced that nothing but pure cussedness, if not vendetta, must be responsible for the Bombay Government's refusal to see eye to eye with the Tatas.

TRADE MARKS LAW COMMITTEE

There is a no more nefarious form of industrial brigandage than the infringement of trade marks and sales of spurious goods. And yet the evil has persisted in this country with a remarkable resilience, worthy of a better cause. Indeed, if the time, money and infinite ingenuity, often displayed by the men who are engaged in stealing another's trade marks and in the manufacture of spurious goods, were utilised in the manufacture of quality products, it would make a significant difference to India's industrial potential. As there is no indication that such a constructive attitude will be taken by the perpetrators of these crimes, it is necessary that the Government itself should take the initiative in making the Trade Marks law more stringent than now. The commercial community has made repeated representations about *the need for a change in the law on this subject.* It is accordingly gratifying to note that the Government has now appointed a committee to review the law in India bearing upon trade marks and merchandise marks on goods and to suggest changes and modifications considered necessary, particularly to ensure effective remedies against infringement.

The Committee, which will have its headquarters at Bombay, will consist of Mr. K. S. Shavaksha, Registrar of Trade Marks (Chairman), Mr. Raman Bhai B. Amin and Mr. K. T. Chandy, members. Mr. A. Alagiriswami will be the Secretary of the Committee. The Government has obtained the services of Mr. C. P. Whyman, an expert from the U.K., who will act as Adviser to the Committee. The Committee's terms of reference are:

(i) To consider and report whether any, and if so, what changes in the existing law and practice relating to trade and merchandise marks are desirable; (ii) to consider particularly the provisions of the Trade Marks Act, 1940, and the Merchandise Marks Act, 1889, as well as of the Indian Penal Code and the Drugs Act, 1940 and other laws in their relation to infringement and fraudulent imitation of trade marks and merchandise marks, and to suggest ways and means of dealing more effectively with such anti-social activities; (iii) to recommend what measures should be taken to safeguard the registered owners of Indian marks in foreign countries; (iv) to examine the working of the Trade Marks Registry and the services rendered to the public and to recommend such changes as may appear desirable; and (v) to consider and report on any other matter incidental to the administration of the law of trade marks and merchandise marks bearing on the development of Indian trade and industry.

A whole group of ancillary industries, such as printing of counterfeit labels, reconditioning of used containers and fabricationing of spurious containers, has grown up as a result of the evil to fight which the Committee is asked to suggest measures. Well-known trade marks are similarly counterfeited. Unregistered marks, resembling closely some well-known marks, are used to palm off the goods under a false name. That this is a crime as much against the owners of trade marks as against the public which is lured into buying false goods is too obvious to need any elaborate condemnation. There is no doubt whatever that the offences under the Trade Marks Act should be severely punished. But the most difficult question which the Committee will have to tackle is whether the offences could be made cognisable in order to enable the police to act without complaint from an aggrieved party and without a warrant from a magistrate. This would involve the question of setting up a proper administrative machinery that would be able to discharge its responsibility under the law. In any case, there is urgent need to prevent those who attempt at shining under borrowed trade marks from harming both the owners of the marks and the general public.

SUGARCANE RESEARCH

A resolution seeking to divest the Indian Central Sugarcane Committee of the responsibility for technological research in the development of sugar and its by-products, adopted at a special meeting of the Committee held in New Delhi on Monday last, is certainly a step in the right direction. For the responsibility that hitherto rested on the Committee was so heavy —it covered research into all aspects of the sugar economy, both the industrial and the agricultural sides—that it could not naturally devote adequate attention to sugarcane development. It is no wonder, therefore, that, although it is more than nine years—in June, 1944 to be precise—since the Committee was started, no appreciable progress has been registered in the sphere of sugarcane development. Not only does the yield of cane per acre continue to be low, but the sucrose content also is very poor. It is worthwhile to recall, in this connection, that, at the time of the establishment of the Committee, it had been felt that the Committee would be a body which would exclusively look after cane research and development work. Viewed thus, the latest move of the Government of India to absolve the Committee of all responsibility for sugar research must, indeed, be welcomed.

The aforesaid move is a sequel to the Government's decision to form a Development Council for sugar under the Industries (Development and Regulation) Act, 1951. This Council will accordingly take over the task of technological research in the development of sugar and its by-products. The rest of the functions relating to research and development of *sugarcane, gur* and *khandsari* will continue to be performed by the Sugarcane Committee. These include agricultural research in *sugarcane* cultivation such as production, distribution and propagation of improved varieties of cane. The *Committee*, which will remain a body incorporate registered as a society, will have a President nominated by the Union Government. It will, besides, consist of the Agricultural Commissioner to the Government of India, Director of I.A.R.I., Directors of Agriculture (U.P., Bihar, Punjab, Madras and Bombay), Cane Commissioners in U.P. and Bihar, 13 representatives of cane growers nominated by State Governments, 3 representatives of *gur* and *khandsari* interests nominated by the Centre, 3 members of Parliament, one representative each of the Ministries of *Finance* and Railways and the Sugar Development Council, and such other members as the Centre may appoint from time to time.

This *move* has, however, not found favour with a section of sugar interests. "The move," to quote Sardar Lal Singh, M.P., for instance, "is a death-warrant for the sugar industry." This criticism is based on the fear that the harmonious and cordial relations that now exist between the cane growers and millowners will be marred, since the two interests are hereafter likely to pull in different directions. The interests of cane growers and millowners, it is emphasised, are closely linked together, for the salvation of both these classes lies in the increase of cane yield and higher recovery of sugar.

This apprehension is unwarranted. For the mere separation of functions relating to sugar and sugarcane research between the Committee and the Council will not lead to any clash between the two interests. There is no reason why these bodies should not occasionally meet and thrash out their common problems. Similarly, there should be no difficulty in the Committee scrutinising the technical problems of the Coimbatore and Bhadruk Institutes. As Mr. P. A. Gopalakrishnan, Joint Secretary to the Union Food and Agriculture Ministry, rightly remarked, in the course of his address at the recent special meeting of the Committee, the Government's move is no death-warrant for the sugar industry at all; on the other hand, it is a step for its further development.

COMPENSATION FOR UNEMPLOYED

The Industrial Disputes (Amendment) Bill, which seeks to replace the Ordinance, promulgated on 24th October last, providing for payment of compensation to workers laid-off and retrenched, is being considered in detail in the House of the People, as we write these lines. Moving the Bill for consideration on Monday last, Mr. V. V. Giri, Union Labour Minister, stated that the fact that the provisions of the Bill had been made the subject of an ordinance did not mean that they were suddenly conceived and hastily put into execution. They all, he stated, had been discussed threadbare on numerous occasions by those who were concerned with them. The subject of retrenchment, for instance, was at least four years old and had been discussed at tripartite and five-partite meetings ever since 1949. The subject of lay-off, too, had been under discussion and study for a fairly long period. At the last session of the Standing Labour Committee, held in July, representatives of employers and workers came to an agreement regarding lay-off and were anxious that it should be given statutory authority as quickly as possible. The Labour Minister declared that lay-off must be considered an inevitable feature of industry and that the *industrialists had to look* after the workers in times of lay-off, as they did a machine when it went out of order. The rate of compensation, he said, had been restricted, so that the burden on the industrialists might not be too great in this respect. In the course of the debate, Mr. Giri also disclosed that he was bringing forward an amendment to provide compensation in the event of lockout in an industry.

The debate on Monday disclosed general support to the Bill from all sections of the House, although labour representatives felt, as is only to be expected, that its provisions did not go far enough and the representatives of the industry complained *against the hardship* it would cause to the industries in general. Dr. Lanka Sundaram (Independent—Madras) criticised the definition of lay-off as being faulty. Mr. S. S. More (U.S.O.—Bombay) characterised the Bill as a "feeble attempt" to redress the grievances of workers. Mr. Thakur Jugal Kishore Sinha (Praja-Socialist—Bihar) wanted bonus to be considered as part of wages in calculating the percentage of compensation to workers. Mr. Khandubhai Desai (Congress—Saurashtra) stated that the Bill had laid down only the minimum requirements which an employer should fulfil before lay-off or retrenchment and he hoped that it would act as a deterrent to inefficiency and incompetence in management. Mr. S. Singh (Congress—U.P.) wanted the Bill to apply to permanent employees in seasonal factories also. Further, the Bill, he said, should apply to establishments employing even 20 workmen and not 50 as proposed. Mr. G. D. Somani (Independent Parliamentary Group—Rajasthan), speaking on behalf of the industry, said that industry had borne many burdens cheerfully in the past and, if during a period of recession industry said it was not in a position to bear any additional burden, it should not be misunderstood. A millowner or factory owner suffered much more than any other interest, if he had to close down his factory or curtail production. The difficulties of industry would be further aggravated by the Bill at a time when it needed relief to tide over the crisis. He wanted the Government to make it clear that once compensation was paid under the Bill, it should not be open to any party to raise the matter again under any other Act.

Replying to the debate, Mr. Giri explained that the provisions about lay-off and retrenchment would apply both to the public and private sectors. Even after the Bill was enacted, he said, a worker was entitled to go before a tribunal to question the need for lay-off or retrenchment and, if there was need, the quantum of such lay-off or retrenchment. He said that the present legislation was a deterrent against employers seeking to lay-off or retrench workers. He said that, too often, he had found that whenever the employers intended to effect economy they tried to lay-off or retrench workers. The penalties provided now would make the employers hesitate before taking a decision on retrenchment.

Our views on this question have been clearly stated in an earlier issue of this journal. Suffice it to say that there is nothing in the elucidation given by the Labour Minister to alter our opinion. The one great adverse outcome of this measure will be retardation of industrial development of the country, for the measure will act as a strong disincentive to the expansion of the existing industrial units and to the establishment of new ones. New ventures need careful nursing and, should it become necessary to effect economies, the provision of gratuity calculated at 15 days' average pay for each completed year of service or part thereof in excess of six months will be found to be a significant additional liability. Those who seek to promote new concerns will naturally hesitate before doing so. The case of the existing concerns which, on account of the changed economic circumstances, are unable to continue to keep in employment surplus labour will be no different. Not only have they to suffer losses but also to meet this fresh burden of compensation.

OFF THE RECORD

(By "ROVER")

IF for nothing else, I welcome the Colombo Plan and the latest conference held to examine its working recently in India, for bringing two important members of the Commonwealth —India and Canada—closer together. To us in this country, America has almost exclusively meant North America, and North America outside the U.S.A., was just a geographical expression, having neither meaning nor significance, even to the educated and the well-informed citizens of India. We knew little about Canada, except as a country where a few thousands of our Sikh brethren who had migrated at some time, settled and prospered. For the rest, she was overshadowed by the solid economic and technological achievements of the States, but more so by the U.S.A.'s more strident, compelling and less self-conscious propaganda about its way of life. Canada's own advance in these spheres was almost, if not quite, as noteworthy as that of the U.S.A., but like a beautiful and accomplished but shy maiden, she never chose to push herself in the forefront in international or even Commonwealth affairs. There were additional reasons for Canada adopting this attitude. Though in the Commonwealth, in foreign and economic policy she was not of it; she had closer geographical and cultural ties, in spite of the Ottawa Agreement, with the U.S.A. Her association was almost exclusively confined to the U.K.; for the rest of the British Colonial possessions or the Commonwealth, its relationship was unsubstantial and nebulous.

It was the Colombo Plan and Canada's readiness to contribute to it from her plenty, which brought her more intimately in touch with the general run of citizens in India and Pakistan. The Bombay State Transport Corporation has good reason for entertaining a tender regard for Canada, inasmuch as its fleet will soon be enlarged by a large number of vehicles from this far-off country. The B.S.T., because of its ever empty coffers, was in no position to pay cash immediately for this windfall. In addition to this, some of our important multi-purpose river valley projects have been generously assisted with the gift of equipment by Canada under the Colombo Plan. And we must also recall, with a due sense of gratitude, that soon our railways will stand to benefit by a generous supply of eleven million dollars' worth of sorely needed boilers and locomotives.

Our country's comparatively primitive transport system is the one branch in its economy in enriching which Canada has helped, to a certain extent, our efforts to help ourselves. At the same time, one cannot but help criticise adversely the Government of India's unfortunate choice of utilising a good part of the Canadian aid in the form of assembled buses for the Bombay State Transport. It was a singularly unwise choice, at a time when the country's infant automobile industry was struggling hard to establish itself and when unemployment in the country was spreading misery far and wide. Our gratitude to Canada, however, should be none the less on that score.

The recent Colombo Plan Conference brought Mr. James Sinclair, Canada's Minister for Fisheries, on a prolonged tour of our country. Mr. Sinclair's praise for the progress made by us since the dawn of independence was as generous as his country's contribution to the Plan. He voiced this recently at a Press conference at the residence of Canada's High Commissioner in our capital. It was good of him to see only the new spirit in our villages, shutting his eyes to the appalling squalor, poverty, disease and ignorance. He could not have helped noticing these features of our rural life, though life in the cities for millions is no better. Coming from a rich and prosperous country, with a standard of life almost the highest in the world for its citizens, as can be easily discerned from his revelation that the Sikhs, settled there and working almost exclusively on comparatively humble jobs, were earning as much as about a hundred rupees per head in daily wages. Mr. Sinclair must have taken a good measure of the physical degradation of human lives in the parts of the country which he visited during his extensive travels in the North and the failure of the official efforts so far to effect any appreciable change in this sordid picture. But considerations of courtesy and his obligations to his hosts naturally prevented him from referring, even by implication, to our drawbacks and our more obvious blunders.

I am stressing this point here, because our rulers, completely ignoring the dissatisfaction and discontent prevailing in the country resulting from the depressingly poor achievements of the Government on the economic front, are apt to feel complacent and even elated by such praise from guests from abroad. Both by early training and his predominantly international outlook, as well as by his preoccupation with foreign affairs, our Prime Minister, though one of the greatest living patriots, is inclined to be a little oversusceptible to praise from such quarters. There is no great harm in his doing so, so long as he does not lose count of the ugly reality in the country and does not forget that the final judgment on any Government's policies can come only from its electorate and not from the casual courtesies of guests and visitors from abroad.

Family Planning or Famine and Pestilence

For those who have eyes to see, ears to hear and a head to understand what their eyes see and their ears hear, condensed as it is and less voluminous than in the past, the first volume of the Census Report for 1951, published a couple of weeks ago, brings confirmation of an impending catastrophe for our country, which had been hinted at and drawn attention to repeatedly by several of the more thoughtful students of public affairs and economics. There is nothing new in the figures revealed by Mr. R. A. Gopalaswamy, Registrar General and Census Commissioner, in 1951. Most of these were known to our leaders of public opinion and those who have more specifically accepted the responsibility of ordering the affairs of the country. The value of Mr. Gopalaswamy's contribution as a statistician lies in the significance he draws from the correlation of these figures and their projection into the future and in issuing a clear warning to the authorities without mincing words.

The author of this report has not spared the susceptibilities of many a highly placed politician to whom, no less than to a blushing over-refined and wrapped-in-cotton-wool virgin of tender years, anything even distantly referring to the birth of a baby is highly embarrassing. Mr. Gopalaswamy has trod upon quite a few august toes with their sensitive Gandhian corns with a courage which is rare in these days of degenerate and "yes"-saying bureaucracy. From the cold but merciless logic of his desert action and the cool, daring and deliberate way he has pressed his conclusions, I can see that he has not done so inadvertently, or because he allowed his enthusiasm to run away with him. Taking a long view and with the interest of his country at heart, he has considered it worthwhile to take a risk of earning not only the disapproval but possibly even the displeasure of his masters, by uncompromisingly stating that, as it is, we are shockingly overpopulated and that, unless urgent steps were taken to stabilise the population at 45 crores, which we are certain to reach by 1969, millions would perish through the operation of harsh, classical Malthusian checks of famine and pestilence. The step which he advocates for such stabilisation at a given stage is that of an active and efficiently executed national programme of family planning which would bring a hot blush not only to the already lined cheeks of our Minister for Health but even sufficiently tanned ones of the Prime Minister himself or the more wrinkled and bronzed visage of the Chief Minister of Madras.

As I hope to have occasions in the future of reverting to this subject of supreme importance to the Nation, I do not propose to add anything to or comment upon the line of argument advanced by Mr. Gopalaswamy in his report. All I would say at this stage is that from the official reaction indicated so far by the head of the Government is to ignore, if not dismiss, Mr. Gopalaswamy's grim warning as unduly alarmist. To my mind this attitude of indifference is more alarming than the Census Commissioner's prognostication, because the rest of the fatuously adoring ministerial crowd at the Centre and in the States is likely to take its cue from the Prime Minister, to whom they have surrendered all initiative and the fundamental democratic privilege of thinking for oneself and forming one's own independent opinion on grave national issues. For them the most comforting political doctrine is: "After us the Deluge."

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CLIMATE FOR DEFICIT FINANCING CONSIDERED FAVOURABLE

BUSINESS IN PARLIAMENT PROCEEDS BRISKLY

(From A Special Correspondent)

NEW DELHI, *24th November*

DELHI LETTER

MR. Chintaman Deshmukh, Finance Minister, once again reiterated in Parliament the Government's fiscal policy during the balance of the Planning period in the course of the discussion on the unemployment problem. His declaration that "there is need as well as scope for increasing the rate of investment in the economy" is of considerable significance. The Government of India is now of the view that the climate for resorting to "deficit financing" has become considerably favourable. People living in urban areas are likely to be benefited by the present downward trend in foodgrain prices, while in the villages the living costs are likely to remain at a lower level, since the disparity between the free market and controlled prices in foodgrains has narrowed down appreciably. Since nearly 75 per cent. of India's population still lives in rural areas where nearly 70 per cent. of the money is spent in foodstuffs, it is believed in Government circles that any extra expenditure by way of deficit finance will not have pronounced effects on the general commodity price level affecting the villages. Once the food supply position becomes plentiful, the effects of deficit finance on the price level will not only be minimised but will be beneficial on the whole to the general economy of the country. Mr. Deshmukh, therefore, seemed to appear, confident that the time had come for the Government to accelerate the pace of spending on development projects. He envisaged that development expenditure in 1954-55 and 1955-56 would aggregate Rs. 625 crores a year as against a little under Rs. 300 crores a year for the first two years and Rs. 415 crores in the current year. One can, therefore, expect that when he presents the budget proposals at the end of February next, the allocations to various schemes will show a substantial increase over those provided during the current year.

Business in Parliament has been proceeding rather briskly. Debates and discussions on various Bills and amendments have been largely constructive and to the point. Parliament was able to pass the Rehabilitation Finance Administration (Amendment) Bill on the 17th inst. without much further discussion and took up immediately the Sea Customs (Amendment) Bill. The latter, just like the former, was intended to replace the Ordinance promulgated during the recess. The Bill empowers the Government to grant a drawback of import duty on raw materials contained in manufactured goods exported abroad and makes provision for allowing the manufacture of goods in bond. The immediate purpose of this Bill has been to benefit the textile industry and to improve its competitive capacity in overseas markets where Indian cloth and piecegoods have been facing increasing competition from Japan and other textile exporting countries.

The Coir Industry Bill occupied the attention of the House for nearly two days. The importance of this measure would appear to have received little recognition from members of Parliament hailing from northern parts of the country with the result that the proceedings of the House came to a standstill owing to lack of quorum. The total revenue that will accrue to the Coir Board by the imposition of a cess of one rupee per cwt. will be about Rs. 12 to Rs. 15 lakhs per year on the basis of exports during the last three years. Coir yarn has a wider market than coir mats and mattings. The latter are largely imported by the U.K. and to some extent by the U.S.A., Australia, New Zealand, etc. Best customers for coir yarn are Holland, West Germany, the U.K. and many Continental countries such as Belgium, France, Switzerland, Denmark, etc. It is stated that the abovementioned countries prefer coir yarn to mats and mattings, because the manufacture of coir products from yarn is generally being carried on by old women, disabled soldiers, etc., and, therefore, imports of coir mats and mattings are being discouraged by the levy of high import duties.

The Minister for Commerce, Mr. D. P. Karmarkar, introduced a Bill in Parliament providing for the levy and collection of an additional excise duty on *dhotis* issued out of mills in excess of the quota fixed for the purpose. The duty will be on a graduated scale ranging from two annas per yard to eight annas per yard on the quality of *dhotis* so issued. This measure is intended to safeguard the interests of the handloom industry. Mr. Krishnamachari, Minister for Commerce and Industry, moved a resolution in the Lower House seeking its approval for the levy of an export duty at Rs. 62-8 per cwt. on coffee, which came into effect from 10th October.

Among the other Bills introduced in Parliament this week, mention may be made of the Ancient and Historical Monuments and Archæological Sites and Remains Amendment Bill as passed by the Council of States. There was an inconclusive debate on this Bill. Another Bill introduced in Parliament related to the Industries Disputes (Amendment) Bill seeking to provide for payment of compensation to workmen in the event of their lay off or retrenchment. After some debate this Bill passed the first reading but detailed discussion was postponed since the Labour Minister, Mr. V. V. Giri, stated that he proposed to move some amendments which had not yet been circulated and members demanded time to study and table amendments, if necessary. In the Council of States the Deputy Minister for Labour introduced the Employees' Provident Funds (Amendment) Bill, 1953, which seeks primarily to remove the defects in the Employees' Provident Funds Act, 1952, which the working of the Act has brought to light. One of the amendments provides that the Central Government may make the provisions of this Act applicable to the factories, the majority of whose employees and the employer are agreeable to it.

Special significance must be attached to the latest bilateral trade agreement with Czechoslovakia. This is not a new agreement with that country; for similar agreements were entered into with it by India during the post-war period. Despite these pacts, the trade between the two countries did not develop as much as one would have desired. In the pre-war period, Czechoslovakia was a prominent exporter of mill-work and machinery to India, but it went into background during the last few years, simply because it was engaged in implementing its post-war development programme. Now that it has signed a bilateral trade agreement denotes that this country is anxious to resume its pre-war position as an exporter of machinery to India.

The present agreement is also significant in that it augurs well for India to develop trade with the Soviet bloc countries. It is suggested that during the last few months after the passing away of Mr. Stalin, the Soviet Government itself has been devoting considerable attention to the release of goods for purpose of internal consumption. It is reported that the country appears to be eager in pleasing the ordinary citizen in respect of innumerable consumption of goods by making them available not only in plenty but also at cheaper rates. The exclusive concentration on the production of capital goods is reported to have given place to equal attention to consumption goods industries. It is, therefore, likely that Soviet Russia itself will be entering into a bilateral agreement with India, with a view to increasing the mutual trade relationship which has been practically at a standstill during the last two years. It may be mentioned that, in 1950-51 and in the previous year, India had a bilateral agreement with Russia in regard to tea. Thereafter, there was exchange of Indian goods such as castor oil, jute goods, etc., with Russian wheat. Any new agreement with Russia may be on the model that has been entered into with Czechoslovakia. As such, India can be able to sell some of its products such as, tea, castor oil, jute goods, coir products in exchange of Russian machinery, etc. Perhaps, thereafter, it is possible for India to enter into bilateral trade with the other Soviet bloc countries. If such agreements take place, it will provide a fillip to India's export trade in the coming months, besides giving some stimulus to many of the country's export industries.

TOKEN STRIKE COMES TO BRITAIN

ONE-SIXTH OF LABOUR FORCE INVOLVED

(From Our Own Correspondent)

LONDON, *21st November*

ON 2nd December all the engineering workers in this country will lay down their tools and absent themselves from work for 24 hours. They are not going to "strike"—they are merely not going to work for a day—and they will have no objection to putting in overtime after their return to work, at the appropriate wage rates, if required, in order to make up some of the work lost. This action, declares a right-wing commentator, "will have been the work—the planned and calculated work—of the British Communist Party. It is interesting to note that Communist Parties abroad have also been calling one-day strikes. It is difficult, however, to see what a one-day strike by the confederation is expected to achieve."

LONDON LETTER

"It is nonsense," protests a Socialist commentator, "to connect them, as some commentators have been doing, with Communism. They were a regular weapon of Continental Trade Unionism long before Communism was heard of; and the engineers' case for a wage advance is intrinsically strong."

It was the Amalgamated Engineering Union, one of the largest in the country, whose National Committee decided at the beginning of this week to call the strike, and later, in the week, they carried with them the thirty-nine union membership of the Confederation of Shipbuilding and Engineering Unions, though against the opposition of the representatives in the Confederation of the two powerful general unions, the Transport and General Workers' and the General and Municipal Workers' Unions. If it were true that the whole thing had been engineered by Communists—who have a small representation on the National Committee of the A.E.U.—it would be a real feather in their caps, and if it were to lead to a satisfactory sequel for the unions, then the Communists would be able to take all the credit. But to ascribe this action to the Communists is to suppose that without their influence, the engineering unions would have done nothing and that, therefore, the whole matter can be dismissed as Communist troublemaking to which too serious attention should not be paid.

This would be to underestimate the real feelings of the rank and file. These have been getting hotter and hotter under their dungarees ever since the rejection in the summer of their claim for a 15 per cent. wage increase. Negotiations have gone on with the Employers' Federations sporadically, but no headway has been made at all. The engineers do not want to strike—though some of the skilled workers whose premiums over standard rates have declined since the war, are in favour of much more drastic action than at present proposed—but neither are they prepared to accept this total rejection of their claims. The case could be taken to arbitration, but again the engineers are not particularly hopeful of the outcome; they pin their faith to getting some sort of compromise out of the employers, and they hope that the action they propose will demonstrate the seriousness with which they view the situation.

Something like two million workers, one-sixth of the labour force of the country, is affected by this decision and if the whole two million absent themselves from work that day it may, hope the unions, show the employers that their official decision has the hundred per cent. backing of the rank and file and that they could do worse if they wanted. In fact, the unions are hoping that, having declared their intentions in advance, they may be able to have further discussions with the employers forthwith—since the latter will suffer more than the men—and even arrive at a solution before the deadline. The timing of the strike has been very skilful, since no one will be better off, if it is held and if anything is to be done to avoid it, it can be done in the time allowed. On the other hand, if nothing is done by the employers either before the strike or after it, then the hands of the unions will be forced towards severer action—and that could only mean a real instead of a token strike.—*All Rights Reserved.*

DISINCENTIVE EFFECTS OF HEAVY BURDEN OF TAXATION

APEX TRADE BODY'S REPLY TO TAXATION COMMISSION

THE reply submitted by the Federation of Indian Chambers of Commerce and Industry, the apex organisation of the Indian Commercial bodies, to the questionnaire issued by the Taxation Enquiry Commission is as comprehensive as the questionnaire itself. Apart from the detailed manner in which the Federation has dealt with the questions posed by the Commission, the chief merit of the Federation's reply lies in the general observations it has made on the fiscal system, both as part of its introductory remarks and as regular replies to the first part (the general part) of the Commission's questionnaire.

The Federation prefaces its reply by emphasising the fact that the basic problem in an underdeveloped country, like India, is the scarcity of capital and the slow rate of capital formation. Indeed, this point is repeatedly—and very rightly—emphasised throughout the memorandum submitted by the Federation. From this, it draws the general conclusion that the taxation policy, or for that matter, the general economic policy of the Government, must be directed towards assisting capital formation. Taxation is thus not a mere means of obtaining revenue but a method by which saving, investment and consumption could be stimulated. In this connection, it draws attention to two defects—the numerically small section from which a disproportionately large tax revenue is collected and the high rate of taxes. The former defect has resulted in a "reduction of savings of these classes" which support the capital market, invest in industries and generally utilise their savings for productive investment. In another context, the Federation urges that the conflicting claims of increased investment and sustained or increased consumption should be so adjusted as to facilitate an "optimum rate of development." Referring to the other defect, namely, the high rates of taxation, it says: "Even for the purpose of maximising total tax yields, a low and reasonable level of taxation, instead of penal and unreasonable rates, is better."

Taxation is often conceived as a measure of reducing inequalities in income. This argument has received so much emphasis these days in this country that, as the Federation pertinently observes, it has tended to "obscure dispassionate thinking and to disregard facts." In an underdeveloped country, an attempt to reduce inequalities of income becomes "more a sharing of scarcity rather than of plenty." The problem in a backward economy is not so much "one of distribution of a given income as that of production of increased income." No absolute or unqualified duty is cast upon the State to remove inequality in the distribution of wealth. The Constitution emphasises, as part of the Directive Principles of State Policy, the need for securing that the "operation of the economy system does not result in the concentration of wealth and means of production to the common detriment." The Federation holds that the words "common detriment" are significant, and adds: "Inequalities in income are not necessarily objectionable if they accelerate economic development and thereby enable, as they do, the implementation of another important directive principle, namely, to provide opportunities for all citizens to exercise the right to an adequate means of livelihood."

Private Sector

From the point of view of stimulating national economic development, the private sector deserves special consideration. This is because a much larger number of people are dependent upon the private sector for employment than on the Government. Through a calculation, based upon the data furnished by the National Income Committee, 1948-49, the Federation reaches the conclusion that the number of people, employed directly by the private sector engaged in mining, manufacturing, banking, insurance, commerce, transport and communication, is 28 million as against 3.6 million in Government services and one million in State enterprises, including railways. The private sector thus accounts for 75 to 80 per cent. of the total non-agricultural employment. A 10 per cent. increase in the public sector would provide employment only to about 3 to 4 lakhs of persons, while a similar increase in the activities of the private sector would mean additional non-agricultural employment for nearly 30 lakhs of people.

From a long-term point of view, the real solution to the problem of unemployment and underemployment in the country, it is held, can come only with an increase in the avenues of non-agricultural employment. There is an annual increase in India's population to the tune of 4.5 million. Of this increase nearly 40 per cent. (based on the assumption that the proportion of working population to the total population will be what it is) or 1.8 million, will belong to the ranks of those for whom employment will have to be provided. In addition to providing employment for this number, jobs will also have to be provided for the surplus population now depending on land. The aim should be to absorb 2.5 million persons each year. Even if 25 per cent. of this number are to be provided with jobs, the problem will be one of absorbing five lakhs of persons. This would require additional capital investment. The Bombay Plan estimated it at Rs. 1,500 per worker. At current price levels it would be Rs. 5,000 per worker. It would then mean that "approximately Rs. 250 crores annually would be needed by way of capital in the manufacturing sector alone and, as a large part of the manufacturing activity is in the private sector, the additional requirements of the private sector for a programme of this size will be quite large." These figures, the Federation hastens to add, are merely "illustrative" of the magnitude of the problem, and not "precise" calculations.

Direct Taxes

It is against this background that one must consider the question whether the fiscal system permits the retention of adequate resources by the private sector. Both indirect and direct taxes have adversely affected economic incentive. A case in point, so far as indirect taxes are concerned, is export duties. Taxes, like the export duties, it is pointed out, cut the very root of the normal functioning of competitive industries which are deprived of their legitimate resources which they could utilise in times of need. To show how the burden of the direct tax (income-tax) affects the assessees, the Federation points out that the proportion of revenue from income-tax to total tax revenue has increased from 22.9 per cent. in 1938-39 to 37.6 per cent. in 1953-54 (Budget estimate). And income-tax in India covers a population of 6¼ lakhs out of the total population of 36 crores. Moreover, since the number of persons who are covered by direct taxation is small, the Government seeks to make up the low yield of taxation in the lower brackets by placing higher burdens on the persons in the upper income brackets. Referring to the disincentive effect of this policy, the Federation says:

"In India so far as the higher income groups are concerned, the burden of taxation is as high as in other advanced industrial countries and in fact the progression has been more steep than in any other country on incomes between Rs. 50,000 and Rs. 1,00,000. Also, at levels above Rs. 1¼ lakhs, the rates are higher than in all other countries, except in the U.K. Now, by and large, the higher incomes are entrepreneural incomes and they are not secure like salaried incomes in permanent posts. It is only after the major portion of the shares of a company are taken over by the promotors and other big investors that the smaller investor thinks of risking his capital in the enterprise. As such, there is greater justification that the higher incomes should get more tax relief in the interest of greater investment in productive enterprises. Further, in any business, and more so in an underdeveloped economy, the *entrepreneur* starting productive activity is a pioneer who stakes a great deal in the hope of a return. If, through hard work and good fortune, he reaps a high profit in India, he has to pay a sizable chunk of it to the State. For instance, if his total income is above Rs. 1¼ lakhs a year, he will be paying as much as 82 per cent. on the highest slab to the State.

"Another fundamental fact which is generally overlooked is that, as contrasted to Western countries like the U.K. and U.S.A., an average person in India who earns has to support a much larger number of persons including distant relatives. Thus, his burden is much heavier and a higher rate of taxation affects him much more. The discouraging effect of a steeply rising rate of tax, accentuated by abrupt changes in the marginal rates, reflects itself in the unwillingness to take risks and encourages a tendency to play safe. *Entrepreneurs* become unwilling to launch out in new fields and investors are not forthcoming for risky ventures. The pioneering spirit is stifled. Moreover, the existence of personal, as well as corporate, taxation weakens the ability of a business to weather adverse times, because when the profits are high a large slice of it is taken away by the State, with the result that, when times are lean, the business is left with inadequate financial resources to fall back upon. As a result, in a weakened financial position the rate of mortality in business becomes high and, to that extent, the risk of failure deters new entrants."

Proportion to National Income

The Federation is anxious to rebut the argument that the total taxation in India is comparatively small since it amounts only to 7 to 8 per cent. of the national income. Explaining why this argument is fallacious, it says:

"Firstly, total taxation as a proportion of national income by itself does not prove anything, because what is important is the distribution of a given tax-burden and its consequences on saving and investment, production and employment and incentives. A tax system is good or bad according to its results and, in India, it has been found that the present burden of taxation is proving a hindrance to the development of the economy as a whole. Secondly, comparison with other countries differently situated is also meaningless. A tax system has to suit the particular requirements of a country. Because an advanced industrial country can afford to divert to the State 20 or 30 per cent. of its national product, it cannot be said that a similar course of action can be taken by an underdeveloped country. Thirdly, in an underdeveloped economy, the proportion of national income which is accessible to tax collection is relatively small, because (a) there is a significant proportion of the national product which is self-consumed by the producer, viz., the agriculturist, and does not enter into the market economy, and (b) the average level of consumption in the community being low, the rates of taxation cannot be high and broad-based. Consequently, for a given proportion of national income to be realised in the form of taxes, the real burden of such taxation on certain sections of the community is very much higher. In India, this has taken the form of very high rates of direct taxation on a small section of the population which, at the same time, also bears a considerable proportion of indirect taxation, such as Central excises and customs. Further, in any contingency which requires additional resources for Government, fresh burdens tend to be placed on the same small section of the society."

The present structure of direct taxation, according to the Federation, is both unduly complicated and heavy in its incidence. It says:

"At present, the maximum rate of income-tax on slabs of income exceeding Rs. 15,000 is four annas in the rupee, with a surcharge of 5 per cent. and, below the limit of Rs. 15,000 the rate is graduated, increasing from nine pies in the rupee to four annas in the rupee. In the case of persons earning over Rs. 25,000, there is also, in addition to the income-tax at four annas plus surcharge, a super-tax. The rates of super-tax vary from three annas in the rupee to 8¾ annas in the rupee on incomes exceeding Rs. 1¼ lakhs. There is also a surcharge of 5 per cent. on the super-tax rates. So, on incomes exceeding Rs. 1¼ lakhs, the total income-tax and super-tax works out to 12¼ annas in the rupee, plus a surcharge of 5 per cent.

"In the case of a company, income-tax is levied at a flat rate of four annas in the rupee, with a surcharge of 5 per cent., and in addition Indian companies pay super-tax of two annas nine pies in the rupee. So the total rate of tax on distributed profits of companies will be slightly less than seven annas in the rupee. Our tax structure is complicated by the imposition of two kinds of taxes, *income-tax and super-tax* and by the differentiation between certain allowances which will be available only for income-tax and certain other allowances which will be available both for income-tax and super-tax. Further, the super-tax paid by companies is also not available for rebate to the shareholder when the income of the company is distributed to him, though in the ultimate analysis the company is only an association of individuals who are the shareholders of the company and the income of the company merely belongs to the shareholders. All this has the effect of indirectly increasing the ultimate burden on individuals by indirect means such as those mentioned above. The tax structure should be modified so that there is only one tax on both individuals and companies which will avoid not only the complications of computing income and granting rebates and allowances, but will also directly give an idea of the incidence of the tax on particular slabs of income. There is further the need to reduce the element of progression in income-tax and lower the maximum rate leviable on the highest slab of income."

Suggestions for Reform

Many suggestions have been made by the Federation in order to render the incidence of taxes less heavy than now. The suggested modifications in the Indian tax system are:

(1) Broadening the base of the tax system by bringing within the orbit of taxation commodity taxes like salt tax and excise duties on liquor; (2) lowering of the rate of direct taxation on the higher income slabs and reducing the element of progression in direct taxation over certain ranges of income; (3) special concessions in the form of lower taxes, higher depreciation allowances, etc., for new industrial investments; (4) abolition of Section 23A; (5) a change in the scheme by which the benefits at present allowed to new industrial undertakings such as exemption from tax, higher initial depreciation allowances, etc., for a period of five years from their inception so that the benefits are made valid for five years after production commences. (This would enable industrial undertakings to reap the full benefit of the concession because otherwise the first two or three years might be lost in construction of factories, installation of *machinery*, etc., and the present benefit can be enjoyed only for a short period); (6) exemption of investments made in approved industrial undertakings from estate duty; (7) exemption of that part of the income invested in approved industries from income-tax or subjecting that part to a lower rate of tax; and (8) abolition of or reduction in export duties in so far as these duties hinder exports and affect production.

Besides the direct and indirect taxes, the Government's attitude towards profit levels in industries is held as a discriminatory factor. Not only is the rate of return allowed to certain industries, low, but there is no uniformity in the rates of return permitted by the Government. The rates for electricity undertakings has been fixed at 5 per cent. on the capital base. For purposes of textile control, the Government had, in the past, permitted a return of 3 per cent. on working capital and 6 per cent. on gross block. For the paper industry, the Tariff Board permitted, in 1948, a rate of 4 per cent. on working capital and 8 per cent. on block. The return allowed by the Tariff Board on block and working capital in the case of superphosphate, tin plate, pig iron, steel and raw rubber have all been different. The Board revised its policy in 1951, when it allowed 4 per cent. on working capital and 7 per cent. on gross block. In the case of the Tata Iron and Steel Company, the Government has turned down the Commission's recommendation for an increase in the rate of return on block from 8 per cent. to 10 per cent. Nor is this the end of the story of lack of uniformity in the permitted rates of return on capital. Some industrial tribunals have based their awards on a rate of 2 per cent. on working capital and 6 per cent. on paid-up capital. The inadequacy of all those various rates of returns on capital, the Federation points out, is "all the more paramount when it is borne in mind that the current cost of replacement of fixed assets is many times over the original cost incurred in acquiring those assets."

CONVERTIBILITY OF CURRENCIES

NATIONS SHOULD ADJUST THEIR ECONOMIC POLICIES TO REALISE THIS OBJECTIVE

[Ever since the establishment of the International Monetary Fund eight years ago, the issue of convertibility of currencies has been discussed threadbare by financial experts in the Press and on platform. All are agreed on the need for free convertibility of currencies. But it is only on the way in which this objective is to be achieved that there is great divergence of views. Some experts lay stress, for instance, on the setting up of huge stabilisation funds and lower American tariff rates as the prerequisites for currency convertibility. In the opinion of others, however, it is not so much these as the ability and willingness of nations to observe the requirements of true stability in currency values that are of fundamental importance. This is precisely the view expressed by the Guaranty Trust Company of New York, in the course of an interesting article entitled "The Outlook for Currency Convertibility," published in its latest monthly, Guaranty Survey. In view of the importance of the subject, we reproduce below the aforesaid article.—Ed.]

EIGHT years ago, the International Monetary Fund was created for the purpose, among others, of assisting "in the establishment of a multilateral system of payments.... and in the elimination of foreign exchange restrictions." The 1953 Annual Report and the address by Mr. Ivar Rooth, Managing Director, deal largely with that objective. The Fund declares itself ready to consider "what part it can effectively play" in promoting currency convertibility.

This new emphasis is encouraging, because it reflects the progress towards international financial balance since the days when, as Mr. Rooth recalls, the meetings were held in an environment of crisis and disturbance that "made it difficult to think beyond the immediate problem of how to meet the pressing needs of the day." Yet the outlook for convertibility would be more promising, if this progress had taken place with less American financial aid, and if less reliance were placed on further financial assistance and on unilateral action by the United States in lowering trade barriers and stimulating foreign investment; also, if it were made clearer how lasting convertibility is to be reconciled with other national objectives.

Reasons for Inconvertibility

There is no doubt as to the desirability of the aim. Inconvertibility is a heavy drag on trade and investment. In dealing with countries with inconvertible currencies, every contemplated transaction involves prior consideration of the prospect for payment in the currency desired by the exporter or lender. Many mutually advantageous transactions are rendered impracticable, and many others can be carried out only at prices that are burdensome to the country with an inconvertible currency. Such a country often imports with so much difficulty and expense that its supplies are restricted, its costs of production and costs of living are forced upward, its competitive position in world markets is impaired, and its whole economy is distorted and weakened.

Why has the restoration of convertibility taken so long? The answer depends partly on point of view. The familiar reply is that the physical destruction and economic dislocation caused by the war created an abnormal demand for foreign goods in many countries and, at the same time, reduced the ability of those countries to pay for the goods by exporting. In particular, there was an urgent need for goods from the United States, because this was the only large industrial nation the productive capacity of which had not been impaired by the war. The result was a persistent disequilibrium in balances of international payments, especially the "dollar gap" in payments between the United States and other countries. This chronic unbalance made general currency convertibility impossible, since it would have quickly drained away reserves of gold and dollar exchange.

Conflicting Objectives

From another point of view, convertibility has not been achieved, because it has been subordinated to other objectives. First, in an effort to make the "terms of trade" as favourable as possible to themselves, most countries tended to fix the exchange values of their currencies too high. This mistake was partly rectified by the general devaluation of 1949. Yet the "dollar gap" continued. This gap was simply a reflection of the fact that most currencies were overvalued in relation to the dollar. Their exchange rates were relatively higher than their internal purchasing power. Costs and prices in those countries, translated into dollars through the exchange rate, were so high that they made the countries profitable markets and weak competitors. In attempting to maintain these artificial rates, nations resorted to barter, exchange controls, multiple rates, import and export licences, quotas, and other devices. Convertibility under such conditions was obviously out of the question.

These difficulties were aggravated by the insistence of many countries upon living standards and social programmes which they were in no position to afford. In pursuance of such programmes, budgets were kept out of balance, money supplies were expanded, and wages were raised without regard to changes in productivity. The resulting inflation naturally widened the disparity between internal purchasing power and exchange rates, and made the problem of international payments more difficult than ever.

Similar practices were followed in reconstructing war-damaged industries and in developing backward nations. Investment programmes were drawn up and financed without sufficient regard to limitations in available supplies of labour and materials. Again, the results were inflationary, and international disequilibrium was made worse.

Proposed No-par Currencies

Some commentators on international economic affairs have gone so far as to maintain that the whole job of post-war financial rehabilitation was begun at the wrong end. According to this view, convertibility could have been achieved quickly if national authorities had not chosen fixed exchange rates as a prior objective. The original mistake, these critics believe, was the "pegging" of the rates, which created an artificial stability, not warranted by underlying conditions, and thus led to inconvertibility and all the other restrictions and barriers that were found necessary.

In a free market, supply and demand balance, because the price is right. The market for foreign exchange is no exception. An exchange rate is a price, and its proper function is to maintain a balance between the supply of a currency and the demand for it. Even now, according to some spokesmen for this school of thought, fluctuating exchange rates would be preferable to continued inconvertibility or to the measures that would be found necessary to maintain convertibility at fixed rates.

Such views, of course, run counter to traditional thinking on monetary affairs. A currency that has no fixed value in terms of money metal, or of currencies convertible into money metal, is regarded as a "soft" currency in the worst sense. It has ceased to be even a nominal standard of value. It undergoes a continuous process of devaluation and revaluation. Even inconvertibility and the other restrictions that go with it are usually accepted as lesser evils than this.

Yet it cannot be denied that, in an age of "managed" currencies, fluctuating exchange rates have a logic which they lacked in the days of the international gold standard. Adherence to the gold standard deprived nations of control over their internal price and wage levels. These levels had to remain approximately in line with those in other countries. If they got seriously out of line, they caused disequilibrium in the balance of payments, a flow of gold, and an internal credit readjustment that forced prices back into line.

Such readjustments sometimes entailed temporary recessions in business activity and employment. Hence they were incompatible with any national "full-employment commitment," as well as with wage and agrarian programmes that involved price manipulations, and with social-welfare schemes that upset national budgets. In short, nations came to demand a degree of sovereignty over their internal economic affairs that was inconsistent with the requirements of the gold standard, or, in fact, with any set of lasting parities among currencies.

The natural result of these tendencies was an era of currency devaluations. Historically, the devaluations of recent years have, of course, been partly due to war and other compelling emergencies which perhaps no amount of gold-standard orthodoxy could have withstood. Even without such extraneous factors, however, the refusal of nations to "play the game" according to the old rules must have destroyed the exchange stability that formerly existed. Successive revisions of exchange parities are the unavoidable consequence of currency "management" directed at internal policies rather than international currency considerations. From a regime of successive devaluations or revaluations, it is only a step to a regime of no-par currencies.

Fixed Parities Still Required

It seems clear that the world is far from ready for such a final step into monetary confusion. Fixed currency parities still command world-wide respect and adherence. The nations desire convertibility at a firm rate. But are they prepared to pay the price? Or are they aiming at a set of mutually incompatible objectives?

Current discussions of the question of convertibility are not reassuring on this point. Such discussions contain too much talk of huge stabilisation funds (presumably to be financed by the United States) and too little of the ability and willingness of nations to observe the requirements of true stability in currency values. Some advocates of early convertibility at the expense of the American tax-payer would do well to recall the recent comment by the Managing Director of the International Monetary Fund: "The primary responsibility for establishing and maintaining convertibility in any country must rest . . . on that country." If short-term aid is needed, the Fund exists for that purpose, to say nothing of the normal facilities provided by the world's banks. If these are not enough, it seems reasonable to conclude that the world is not yet ready for convertibility.

A similar lack of realism appears to exist with respect to the trade policies of the United States. Repeated demands are made for lower American tariff rates. Many Americans are in full agreement with this view. Successive United States Government commissions have recommended more liberal trade policies. The latest of these boards, which is to submit its report early in 1954, is generally expected to repeat this recommendation.

Reciprocity in Trade Policies

Too little is said, however, about foreign tariff barriers. The often-repeated argument that international trade is a two-way street works both ways. Economic health demands general trade liberalisation, not a free-trade United States in a protectionist world.

It seems necessary to assume that convertibility implies a regime reasonably free from trade restrictions. It would be easy to establish nominal convertibility and accompany it with such rigid trade controls that international

(Continued on page 1035)

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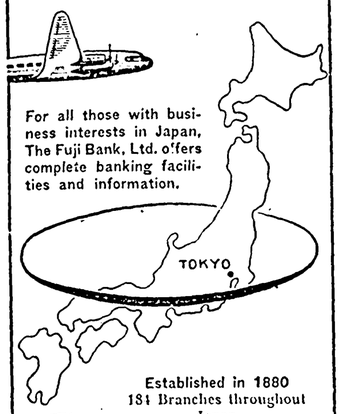

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PAKISTAN'S TEXTILE INDUSTRY

TWO-MILLION SPINDLE TARGET HELD UNWISE

A NOTABLE feature of the textile developments in recent years is the growth of the textile industry in countries which never figured prominently in the world's textile map in the past. To this class of countries belongs Pakistan which, on the eve of its birth in 1947, possessed only 177,418 spindles and 4,824 looms. Since then, this young State has made remarkable progress, and possesses to-day about 379,882 spindles and 7,960 looms (in operation at the end of 1952). On the basis of the machinery already imported, it is estimated that the number of spindles will go up to 1 million by April, 1954. The country is now working towards a target of 2 million spindles. Reviewing the progress of the industry, in the course of an interesting and comprehensive article on the subject in the *Journal* of the Pakistan Central Cotton Committee, Mr. Naseer A. Shaikh, Managing Director of the Colony Textile Mills, Multan, says that, although the progress attained so far, is really commendable, the whole position should be "reviewed realistically, so that further development may be made on right lines."

In his article, Mr. Shaikh discusses, with commendable sense of realism, three aspects of the textile development in his country—the implications of textile target to the country's cotton economy, the question of the target itself, and the place of technical education and technological improvement in the textile economy of the country. If the target of 2 million spindles were reached, the industry would need, he calculates, about 1.58 million bales of cotton of 400 bales each, on the assumption that one spindle produces, during 300 working days in a year, 13.5 oz. of 22s yarn per day of three shifts and that there is a loss of 20 per cent. during processing. Now, the production of cotton in Pakistan has been of the order of 1.6 to 1.8 million bales. And the Pakistan Central Cotton Committee has adopted a target of 2 million bales, which is likely to be reached by 1957. In Mr. Shaikh's opinion, the attainment of the textile and cotton targets, namely, 2 million spindles and 2 million bales, will affect the country's foreign exchange position, because the country will be left with less surplus cotton for export. He says:

"It is evident, therefore, that, if the target of spindleage is achieved, Pakistan will cease to be a major cotton exporting country. There will be only a few lakhs of bales which would be available for export. This will affect the foreign exchange earnings of the country.

"At present, cotton contributes about 43 per cent. of the total foreign exchange earnings of the country. As the cotton exports will steadily dwindle during the next five years, the foreign exchange earnings will have to be made up from some other sources to rectify the balance of payments position. It may, however, be stated that some saving of exchange would be effected by a reduction in the present import of yarn and cloth, and there is a possibility that some foreign exchange could be earned by the export of cloth. On the whole, alternative sources of foreign exchange will have to be found and serious thought must be given to this situation from now onwards."

The next question to which Mr. Shaikh addresses himself is whether the country could afford a two-million spindle target. The present production of cloth and yarn in the country is about 100,000 bales and 75,000 bales (400 lbs. each), respectively. Even now, potential production of yarn is higher at about 240,000 bales. When the target of 2 million spindles is reached, it would be possible to produce 2,373 million yards of cloth, made from 22s count yarn. This would mean, for the 76 million people of Pakistan, a *per capita* availability of 31 yards per year. But this quantity is far in excess of the actual *per capita* consumption of cloth in the country, which he estimates (on the assumption that 30 per cent. of the yarn is used for purposes other than making cloth) at 9.1 yards. It appears "almost inconceivable," he argues, that the consumption of cloth will increase to any considerable extent in the next five years, thanks to the low level of income and the current shortages of food. This argument leads him to the conclusion that the cloth requirements of the country would be "amply satisfied with about one million spindles for a long time to come."

Since it might be argued that a textile industry with 2 million spindles would permit surplus cloth to be produced for export purposes, and that the export of cloth is preferable to the export of cotton, Mr. Shaikh proceeds to meet the argument by emphasising the economic and technical difficulties in the way of building up a prosperous export trade. He says:

"Export of cloth is not an easy matter, and our industrialists and traders have had so far absolutely no experience in this line. For export of cloth an intensive study of the foreign markets, tastes of people, etc., is very essential and, if we are to have an export trade in cloth, such a study must begin at once.

"It must be emphasised that social affinities and cultural relationships are at best a very poor substitute for economic consideration, and we must not be under any misconception that we will be quickly able to build up an export trade in cloth in the Middle East and North African markets. Here again, a realistic approach to the problem is required. We will be competing in these markets against highly industrialised, economically and politically stronger competitors from Manchester, New York, Tokyo and Bombay. Very hard and painstaking work is required if we are to win a foothold for our surplus cloth in these markets. Moreover, we will have to diversify our yarn and cloth production for export purposes, but we are not planning our industry for such a diversification. Practically all mills which have already been erected, or are being installed, are producing 20s yarn. Our low quality grey and bleached cloth will be a poor competitor against, say, Japanese longcloth, prints and other fine varieties. Thus, if we are planning for exports, we will have to go in for fine counts, and install bleaching, dyeing and printing machinery from now onwards. We will also have to import, not only proper machinery for this purpose, but also the necessary know-how and train our workers on these lines. We must realise that there are duck and dimities, cord fabric and cambrays, tapes and tapestries, silk and synthetics, fibres and fabrics in an endless variety that make even sunsets seem monotonous.' We should be ready to compete in such a world to win new markets."

Mr. Shaikh rightly warns the industry that it should not rest content with the progress it has made. The industry's progress was due to the "Government patronage," in the shape of a favourable import policy and modification of tax system and to the readiness of the people to patronise the Pakistani product. The industry should, he points out, tackle the problem of technical education for the prospective recruits. It is also urged to "break away from the bread and butter 20s and apply its mind to the production of finer counts for better quality fabrics." He emphasises that both the human and mechanical problems should be solved without delay. On the "human" front, there is the need for creating fresh amenities for workers in the shape of better houses, free medical aid and free education for children. On the mechanical front, he urges the need for "labour-saving devices like automatic looms, vacuum stripping, pneumophlis, large-package spinning, high speed winding and warping, etc." There is no doubt that when Mr. Shaikh's sage advice is heeded and the suggested improvements take place, the Pakistan textile industry will have greatly consolidated the notable progress it has made so far.

These trends in the textile situation in the country across India's borders should convince textile circles in this country that it is unwise to count upon Pakistan as an outlet for their products, except, perhaps, for certain specialised quality fabrics. Not only is Pakistan likely to reach very soon a state of self-sufficiency in cloth but might even be prepared to launch an export drive. Given more modern equipment than what this country's textile industry possesses and a more realistic labour policy, Pakistan's textile industry might conceivably offer some stiff competition to Indian textile producers in the foreign market, because of its superiority in cotton supplies. Such a healthy competition is really to be welcomed if it results in greater awareness of the need for modernisation and re-equipment on the part of the mill industry in this country.

U.K. RAW COTTON COMMISSION

ITS WINDING-UP WILL NOT AFFECT COLONIAL COTTON

WITH the second reading which the Cotton Bill received in the British House of Commons on Wednesday last week, the U.K. Government's policy of returning raw cotton to private trade has been carried a stage further. The Bill, it will be recalled, seeks to modify the functions of, and finally to wind-up, the Raw Cotton Commission. The proposed termination of the functions of the Commission and the resumption of the Liverpool cotton futures market would seem to have aroused doubts in the minds of some regarding the prospects for colonial cotton. It is feared, for instance, that, since the Liverpool Cotton Exchange contract will be based on American cotton, raw cotton growing in the Commonwealth countries, especially in the Colonies, will be adversely affected. This fear is, however, considered by the Government spokesmen to be somewhat exaggerated, as witness the following remarks of Mr. D. Heathcoat-Amory, Minister of State, Board of Trade:

"Any possible risk to Commonwealth cotton would come, not from the fact that there is only an American contract for futures, but from the removal of the dollar restrictions. There again all the evidence is that there is very little to fear and every hope that the use and the prosperity of Commonwealth cotton will go steadily ahead. I have no doubt that, if the demand for the use of Commonwealth cotton is there—and there is every evidence that it will be—then adequate stocks will be held."

Proceeding, Mr. Amory observed that it would be a great tragedy if anything went wrong in the Colonies and in the Commonwealth, as they all wanted to see production there steadily moving ahead. In his opinion, there was no reason why the cotton interests should be adversely affected. For the quality of cotton growths had steadily improved over the past two years and to-day there was every evidence to show that these growths could sell, and sell successfully on their own merits. Moreover, the colonial marketing boards were to-day much better off than they had been some years ago. In fact, they were in a position, he said, to stand on their own feet and continue their development work. The two biggest cotton-producing colonies, Nigeria and Uganda, had through their marketing boards, expressed themselves as quite happy about the future in regard to the arrangements made.

Even though the Liverpool Cotton Exchange contract will be on American cotton—not seven-eighths but fifteen-sixteenths middlings—it is said to be a good hedge for other non-American cottons and is almost exactly what the Raw Cotton Commission is providing. Again, this single American cotton contract is what the Exchange will have to start with. But it is hoped that the contract will be extended later; other cottons will be tendered either for the same contract or for separate contract. The Liverpool Cotton Association has promised to examine the position twelve months after it begins to function, in order to see whether it will be possible to introduce some alternative contracts or the tendering of other cottons.

Incidentally, the Minister sought to drive home the fact that the Raw Cotton Commission was forced by events to throw overboard its system of pricing based on average costs and to sell at replacement prices. The accounts of the Commission last year, it may be interesting to note, showed a loss of £25 million. The accounts for the year just ended are also expected to show a loss "very nearly as great."

EXPORT OF RAW WOOL

The Government of India's decision to release a further quantity of raw wool for export, announced on Tuesday last week, is in keeping with the assurance given by the Union Minister for Commerce and Industry during his recent visit to Bombay. To be precise, it will be recalled that, on 12th September, 1953, the Government announced that export of raw wool would be licensed to actual shippers upto 20 per cent. of the shipment effected by them during the first half of this year. The announcement evoked much protest from wool exporters. They argued that the raw wool supply position in the country was quite comfortable and that the quota allowed for export was too inadequate to prevent accumulation of heavy stocks and falling prices. They accordingly urged the Government to grant a further and more liberal quota for exports. The latest decision of the Government, referred to at the outset, is a sequel to this plea.

Under the new policy, export licences will be given, on application, to actual shippers upto 60 per cent. of the shipment effected by them during the six months ended June, 1953. The licences will be valid for shipment till the end of February next. The shippers who might not have made any shipment during the first half of this year but who had exported during January-June, 1952 or January-June, 1951 will also be considered for export allotments.

The release of an additional quota for raw wool export has been welcomed by the trade. But the change in the procedure for licensing exports, that is, granting licences on the basis of actual shipments in previous periods, instead of the "first come first served" principle, has been criticised by it. In the course of a communication addressed to the Union Commerce and Industry Minister, the All-India Wool Trade Federation, for instance, has lodged a strong protest against the change in export policy. It has sought the intervention of the Minister to respect the unanimous demand of the trade by adhering to the "first come first served" principle of licensing, especially when the quantity released for exports is sufficiently large to allow smooth working of the said principle.

U.K.'S CLOTH OUTPUT MOVES UP

PROBLEM BEFORE PRIVATE IMPORTERS OF COTTON

(From A Special Correspondent)

MANCHESTER, 17*th November*

MANCHESTER LETTER

BOTH in production and manpower the ravages of 1952 are slowly being repaired, although output remains hampered by the diminished labour force and Lancashire's productive capacity is restricted by the amount of machinery standing idle. Latest figures show that the number of operatives available for spinning and weaving employers has touched 285,000 compared with the low point of barely 260,000 16 months ago. There is still a 35,000 gap to be bridged before the November, 1951, labour force is reached.

Cloth output managed to retain its momentum at the beginning of last year rather longer than yarn production but it has been correspondingly slower in its revival. As the table below shows, however, the weekly average achieved in September was the highest for 18 months before the drift of workers from the mills had its inevitable effect:

Month	*Production (In 000 linear yds.) Weekly average*		*Manpower in Spinning, Doubling and Weaving*	
	1953	1952	1953	1952
January (5)	46,640	55,220	274,830	313,030
February (4)	49,100	55,480	275,340	304,130
March (4)	50,600	52,820	276,090	293,170
April (5)	48,070	42,330	277,730	281,370
May (4)	50,930	42,750	277,790	270,210
June (4)	50,930	36,390	277,970	265,050
July (5)	35,450	27,190	279,380	262,800
August (4)	50,700	39,000	282,620	263,250
September (5)	51,600	40,350	285,070	265,880

The number within brackets against each month, shows the number of weeks in the month.

Output of cotton and rayon piecegoods in the first *nine* months of this year is already substantially in excess of the cloth turned out in the corresponding period in 1952. Production amounted to 1,918 million linear yards against 1,691 million yards last year. A further upward trend can be anticipated in the final quarter of the year.

Yarn Position

Spinning mills seem to have found less difficulty in building up their labour force than weaving sheds. Manpower in spinning and doubling now stands at 145,650 against the low point of 132,000, while workers in weaving number 139,420 against 130,620.

The level of yarn production has settled down at a little above the 20,000,000-lb. mark—a full 2,000,000 lbs. below the average recorded in the autumn of 1951. A comparison between the output of particular types of yarn now being spun in relation to the position two years ago shows how output of purely cotton yarn has shrunk while rayon and mixture yarns have expanded to an appreciable extent:

Output
(In lbs.)

	Week ended	
	31-10-1953	24-11-1951
Cotton yarns	14,920,000	18,340,000
Cotton waste yarns	2,110,000	2,130,000
Spun rayon yarns	2,360,000	1,740,000
Cotton and rayon mixture yarns	750,000	280,000
Other cotton mixture yarns	50,000	30,000
Other waste yarns	190,000	120,000
Total ..	20,380,000	22,640,000

Raw Cotton Stocks

The chief problem facing private importers of raw cotton, which is to be finally freed next year to coincide with the long-awaited reopening of the Liverpool futures market, is the rebuilding of sufficient stocks to satisfy the immediate requirements of Lancashire mills.

The Raw Cotton Commission as a bulk buyer has always maintained much larger supplies for spinners than were really necessary. The equivalent of nine months' stocks for the mills has been held until private buying was reintroduced last year. Merchants in other countries rarely maintain stocks equal to more than four or five months' supply. Losses incurred by the Commission have been the result.

Private buyers in Liverpool and Manchester are already stepping up their imports in preparation for next year's take-over. Arrivals on private account since the beginning of August have amounted to 188,000 bales against 217,000 bales procured by the Commission. Merchant firms are turning again to the traditional sources of supply in Lancashire. Out of some 92,000 bales reaching Britain from the United States nearly 89,000 bales have been privately obtained.

Free enterprise shippers are also bringing bigger supplies of Brazilian and Indian cotton to Lancashire but are leaving the bulk purchases of African crops to the Commission for the time being.

Empire cotton supplies are creating some controversy in Lancashire as opponents of free buying allege that private merchants will no longer be interested in cotton grown in the Sudan and Central Africa. The millowners have found the quality of these growths suitable as substitutes for many other types and negotiations are going on between the spinners and Liverpool and Manchester raw cotton merchants to ensure that these supplies are maintained.

Liverpool Futures

An appeal to Lancashire spinning firms to give the fullest possible support to private raw cotton merchants in their attempts to build up supplies in preparation for the reopening of the Liverpool futures market has been made by Mr. Dudley Windel, a Director of the Liverpool Cotton Association.

"The market will only develop broadly when the spinners realise that it is in their own interests to support it on a broad basis," he said at a Manchester Press Conference.

Mr. Windel predicted that the Liverpool market would be reopened between April and June next year in readiness for the time when the Raw Cotton Commission is wound-up at the end of August. He expressed disappointment at the response so far from small spinning firms, and called for more confidence to be shown in the prospects for obtaining "free" cotton.

Many of the big combines were arranging to secure their supplies from overseas shippers, he said, and it would be difficult to build up large quantities of spot cotton, without prior knowledge of the requirements of the mills. He urged spinners to come forward and state their needs to enable merchants to estimate their forward supplies and arrange shipments accordingly.

"The Liverpool futures market has given the Lancashire cotton industry a faithful and efficient service in the past," he declared, "only interrupted by two world wars. The industry now has to make up its mind whether it still wants to be spoonfed in a feather-bed, or whether it wants to free itself from interference. If we are given the support of the spinning industry we can provide it with a service equal to what we gave before the war and certainly better than the Raw Cotton Commission gave the mills."

Mill Recruits

A "Lancashire-mills-for-Lancashire-folk" policy was urged by Col. J. Douglas Riddick, Chairman, in his address to the annual meeting of the Household Textiles Association, representing 400 firms, in Manchester.

Declaring that the shortage of operatives in Lancashire was causing much anxiety, Col. Riddick said: "It is my earnest hope that difficult as it seems at present we shall find ourselves equipped with an adequate labour force of people born and bred in Lancashire." A substantial number of workers in spinning and weaving mills were not British by birth and suggestions had been made that more of these people might be recruited. He added:

"We all know there are snags in the employment and the unemployment of these people, but this must not stop our acknowledging that those who have already worked here have been keen and good at their job. They have also worked well with our local operatives.

"But all the same I still hope that we shall be able to staff Lancashire mills with Lancashire folk and everything that can be done should be done to assure our industry of a continuing labour force of keen and efficient operatives with its new entrants recruited from school-leavers."

Raw Cotton Imports

Imports into the United Kingdom last week aggregated 31,083 bales, chief arrivals being American 7,333 bales, West African 5,972 bales, Pakistan 4,669 bales and Brazilian 3,464 bales.—*All Rights Reserved.*

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Report for the Year Ended 30th September, 1953

The Hyderabad State Bank advance rate remained unchanged at 4 per cent. per annum.

The Bank's exchange rate continued at Rs. 116-10-8 per cent., but with effect from 1st April, 1953, O. S. Currency was not issued except in accordance with the instructions of the Government of Hyderabad.

The Securities Market remained featureless except for some activity towards the end of the year.

The assets and liabilities of the Mercantile Bank of Hyderabad Ltd., now in voluntary liquidition, were taken over by the Hyderabad State Bank from the 1st April, 1953.

Offices of the Bank were opened at Sultan Bazar and Mahbubgunj (in Hyderabad City), General Bazaar at Secunderabad, and at Hanam Street, Bombay, as from 1st April, 1953, to replace the Offices of the Mercantile Bank of Hyderabad Ltd. A Pay Office of the Bank was opened at the Secretariat Buildings, Hyderabad, as from 19th August, 1953.

With effect from 1st April, 1953, the Hyderabad State Bank ceased to be the Bankers to the Government of Hyderabad, and the Agreement executed on 6th Dai, 1352 F., was terminated. A fresh Agreement between the Government of Hyderabad, the Reserve Bank of India and the Hyderabad State Bank provided for the Hyderabad State Bank to act as the Agent of the Reserve Bank of India in Hyderabad State for the conduct of Government and Treasury business.

Mr. Pingle Venkatrama Reddy was elected Vice-President of the Board of Directors under Regulation 36(3) of the Hyderabad State Bank Act.

On the expiry of his term of office, Mr. M. R. Patny was re-elected as a Director of the Board under Regulation 35(2) of the Hyderabad State Bank Act.

Mr. Ramaswamy Aiyer, Financial Adviser to the Government of Hyderabad and Mr. T. K. Ramasubramaniam, Chief Officer, Department of Banking Development, Reserve Bank of India, were nominated as Directors of the Board under Section 16(3) of the Hyderabad State Bank Act vice Messrs. Dilsukh Ram and Mohamed Ahmed Mirza as from 1st April, 1953.

Mr. N. C. Sen Gupta, I.C.S., Deputy Secretary, Ministry of Finance, Government of India, was nominated as a Director of the Board vice Mr. Ramaswamy Aiyer as from 18th June, 1953.

Raja Pannalal Pitti was elected a Director of the Board under Section 16(5) and Regulation 38(5) of the Hyderabad State Bank Act with effect from 18th September, 1953.

Messrs. V. K. Dhage & Co., and Messrs. Sastri and Shah were re-elected Joint Auditors of the Bank for the year. They have jointly carried out the audit.

The net profit for the year ended 30th September, 1953, amounts to O. S. Rs. 19,10,267-11-4 which, with the sum of O. S. Rs. 1,59,126-14-3 brought forward from the year ended 30th September, 1952, makes a total of O. S. Rs. 20,69,394-9-7. This sum the Directors have decided to disburse as shown in the Balance Sheet. The balance of O. S. Rs. 4,75,394-9-7 in the Profit and Loss Account in the Balance Sheet is to be allocated as below:

	Rs.	a.	p.
To payment of a dividend at 5 per cent. per annum free of Income-tax ..	3,75,000	0	0
To carry forward to Profit and Loss Account for the current year ..	1,00,394	9	7
Total ..	4,75,394	9	7

The Balance Sheet of the Bank as on 30th September, 1953, the statement of the Profit and Loss Account for the year ended 30th September, 1953, together with the Report of the Auditors are annexed.

By Order of the Board,
K. P. R. MENON,
Managing Director.

Balance-sheet as at 30th September, 1953

CAPITAL AND LIABILITIES	O.S. Rs. a. p.	O.S. Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—1,50,000 Shares of Rs. 100 each	1,50,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL—75,000 Shares of Rs. 100 each fully paid		75,00,000 0 0
2. Reserve Fund and Other Reserves		75,00,000 0 0
3. Deposits and Other Accounts—		
Government Deposits	5,83,33,333 5 4	
Fixed Deposits	2,69,33,652 14 6	
Savings Bank Deposits	76,66,947 0 9	
Current Accounts, Contingency Accounts, etc.	7,09,92,894 11 8	
		16,39,26,828 0 3
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	....	
(ii) Outside India	....	
PARTICULARS—		..
(i) Secured	....	
(ii) Unsecured	....	
5. Bills Payable		24,27,623 7 4
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	19,88,872 1 11	
(ii) Payable outside India	....	
		19,88,872 1 11
7. Other Liabilities—		
Unclaimed Dividend	39,950 13 1	
Rebate on Bills discounted	62,698 13 8	
		1,02,649 10 9
8. Acceptances, Endorsements and Other Obligations per contra ..		19,17,299 6 5
9. Profit and Loss—		
Profit as per last Balance Sheet	5,34,126 14 3	
LESS—Appropriation thereof—Dividend at 5 per cent. declared free of Income Tax for the year ended 30th September, 1952	3,75,000 0 0	
Balance Brought Forward	1,59,126 14 3	
Profit for the year as per Profit and Loss Account	19,10,267 11 4	
	20,69,394 9 7	
LESS— Rs. a. p.		
Amount transferred to Reserve Fund .. 5,00,000 0 0		
Amount transferred to Pension Fund .. 50,000 0 0		
Amount transferred to Gratuity Fund 50,000 0 0		
Amount set aside for Taxation .. 7,00,000 0 0		
Bonus to Staff 2,94,000 0 0	15,94,000 0 0	
		4,75,394 9 7
10. Contingent Liabilities—		
Claims against the Banking Company not acknowledged as debts	17,500 0 0	
Bills of Exchange re-discounted	2,15,253 8 11	
Outstanding Forward Exchange Contracts	....	
Guarantees given on behalf of Directors or Employees of the Banking Company	74,833 5 4	
Guarantees given on behalf of others	....	
Total .. Rs.		18,58,33,667 4 3

PROPERTY AND ASSETS	O.S. Rs. a. p.	O.S. Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)	Current Account	5,39,74,806 15 2
2. Balance with Other Banks—		
(i) In India	1,40,846 14 2	
(ii) Outside India	....	
3. Money at Call and Short Notice		1,40,846 14 2
4. Investments (Securities valued in accordance with Bye-Law 22 at cost or Market value)—		2,45,00,000 0 0
(i) Central Government Securities	78,49,339 12 0	
(ii) Hyderabad Government Securities	75,74,603 8 6	
(iii) Other Authorised Securities	20,84,166 10 8	
(iv) Other Investments	66,333 5 4	
5. Advances—		1,75,20,443 4 6
(Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(a) In India .. 6,48,66,449 1 10		
(b) Outside India		
(ii) Bills Discounted and Purchased (excluding Treasury bills of the Central and State Governments)—	6,48,66,449 1 10	
(a) Payable in India .. 1,70,38,279 11 9		
(b) Payable outside India .. 23,019 3 8		
Particulars of Advances (see separate statement appended)	1,70,61,298 15 5	
		8,19,27,748 1 3
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	19,88,872 1 11	
(ii) Payable outside India	....	
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		19,88,872 1 11
		19,17,299 6 5
8. Premises Less Depreciation—		
Total cost up to 30th September, 1952 ..	4,99,122 1 4*	
Additions during the year ended 30th September, 1953 ..	16,728 9 6	
Total Depreciation written off up to 30th September 1953 ..	5,15,850 10 10	
*(includes cost of strong rooms, etc., hitherto included under 'Furniture and Fixtures')	42,087 5 1	
9. Furniture and Fixtures Less Depreciation—		4,73,763 5 9
Total cost up to 30th September, 1952 ..	14,17,528 5 1	
Additions during the year ended 30th September, 1953 ..	4,93,670 4 9	
	19,11,198 9 10	
LESS—Sales during the year	10,252 6 5	
Total Depreciation written off up to 30th September, 1953 ..	19,00,946 3 5	
	7,37,445 15 6	
10. Other Assets—		11,63,500 8 11
Adjusting Account of Interest, Commission, etc. ..	5,39,624 12 2	
Stationery, Stamps and Suspense	9,34,583 11 3	
Advance Payment of Income-tax	2,26,228 5 4	
Building under Construction	7,22,120 2 5	
		22,22,556 15 2
Total .. Rs.		18,58,33,667 4 3

(Continued on next page)

RESULTS OF HYDERABAD STATE BANK SATISFACTORY

NOTABLE RISE IN DEPOSITS

THE Hyderabad State Bank (Managing Director: Mr. K. P. R. Menon, Hyderabad-Deccan) has had another year of satisfactory working during the twelve months ended 30th September, 1953. The Bank's deposits have registered considerable expansion, showing, as at the close of the year, a rise of over Rs. 2 crores, as compared with those at the end of the previous year. This improvement in resources has been judiciously utilised so that the gross income has gone up by Rs. 5.85 lakhs to a record level of Rs. 61.03 lakhs and the profit has been nearly maintained at the previous year's level. Though the allocation to the reserve fund has been reduced, the sum that has been transferred from out of the year's profit has been large enough to bring the reserve fund equal to the paid-up capital of the Bank. The dividend has been maintained at 5 per cent. per annum, to which level it had been reduced last year from 6 per cent. (made up of a dividend of 5 per cent. and a bonus of 1 per cent.) paid for 1950-51 and 1949-50.

It will be noted from the table published in the third column that the rise of Rs. 7.32 lakhs in interest and discount earned has been offset by the decline of Rs. 1.57 lakhs in commission and exchange earned, the increase of Rs. 5.66 lakhs in interest paid on deposits and borrowings and the rise of Rs. 1.06 lakhs in expenses. The rise in expenses is accounted for mainly by salaries and allowances which have gone up by Rs. 1.07 lakhs. It will be observed that the provision for taxation, which had been raised by Rs. 1.75 lakhs last year, despite the shrinkage in profit, has been further stepped up by Rs. 1.50 lakhs, although the profit has suffered a small recession again. The provision for taxation set aside out of the profit for 1952-53 is, it will be noted, double that provided three years ago, while the profit has fallen by over Rs. 5 lakhs during this period. This seemingly anomalous position is probably due to the fact that the Indian Income-tax Act has now been made applicable to the Hyderabad State, while, in earlier years, the Bank had the benefit of lower income-tax under the State Income-tax Act. The reduction in the allocation to the reserve fund from Rs. 7.50 lakhs to Rs. 5 lakhs has become inevitable in the face of the small decline in profit and the larger allocation to tax provision. It is, however, gratifying to find that the Directors have, in the last four years alone, added a sum of Rs. 38.75 lakhs, that is more than half the paid-up capital to the reserve fund to bring it in line with the paid-up capital, while keeping the dividend distribution at the modest level of 5 to 6 per cent., in contrast to the much higher rate paid by leading banks in other States.

As already observed, the deposits have expanded by Rs. 2.03 crores, thus making good, to some extent, the recession that occurred in the previous year. A part of the increase may have been due to the absorption of the Mercantile Bank of Hyderabad Ltd. with effect from 1st April, 1953, but the major portion of the expansion reflects the growing popularity of the Bank. This is further evident from the fact that it is the public deposits that have gone up and not those of the Government. The latter have, in fact, gone down. A break-up of the public deposits shows that the bulk of the rise has been in fixed deposits which have jumped up from Rs. 88.15 lakhs to Rs. 2.69 crores. There has been an expansion in current accounts also, but such has been modest from Rs. 6.15 crores to Rs. 7.10 crores. There has been a sizable rise in savings bank deposits too, from Rs. 58.88 lakhs to Rs. 76.67 lakhs, to be precise. The fall in Government deposits is indicative of the continued strain on the Government's financial resources. The rise in fixed deposits must have enhanced the Bank's ability to provide finance for the agricultural and business community of the State which is dependent on the Bank. Advances and bills discounted and purchased are lower by only Rs. 73.32 lakhs, but, consequent on the rise in deposits, their ratio to deposits is only 50 per cent. There has been a notable decline of Rs. 4.61 crores in investments, with the result that the ratio of investments to deposits has gone down from 44.3 per cent. to 10.7 per cent. The decline in deposits, however, has been nearly offset by a rise of Rs. 3.13 crores in cash balances. Following this, the ratio of cash to deposits is as high as 48 per cent. which is, perhaps, the highest level maintained by any bank. The Chairman of the Bank will, perhaps, explain in his annual statement to the shareholders the reasons for this excess liquidity.

A notable event of the year under review was the change in the Bank's status, consequent on the Reserve Bank of India becoming the banker to the State Government with effect from 1st April, 1953. From this date, the Hyderabad State Bank has nominally ceased to be the banker for the State. We advisedly say "nominally" because the Bank is still doing the Government and Treasury business, though only as the agent of the Reserve Bank of India. Another event of importance during the year was, as already mentioned, the taking over by the Bank of the assets and liabilities of the Mercantile Bank of Hyderabad Ltd. as from 1st April, 1953.

To sum up, the progress of the Bank during the year under review has been encouraging. The deposits of the public with the Bank have staged a handsome rise. Advances have looked up. Earnings have been higher and the dividend has been maintained. It is true that the net profit has been a shade lower than that for the previous year, but that is due more to the higher incidence of taxation than to any fall in the Bank's turnover. The reserves have been strengthened; these now stand at a level which is equal to the paid-up capital. All these are commendable achievements considering that the Bank's activities are mainly confined to an area which is industrially backward and which has had unsettled political conditions for quite a good number of years.

The following comparative table provides in a nut-shell the progress of the Bank in the last three years:

(In lakhs of O.S. rupees)

	For the year ended 30th September			
	1953	1952	1951	1950
Interest and discount earned	50.95	43.63	42.45	42.02
Commission and exchange earned	10.08	11.65	8.67	6.88
Interest paid	13.95	8.29	1.43	1.29
Expenses	26.80	25.33	23.31	22.59
Profit	20.64	21.56	26.41	25.87
Depreciation	1.50	1.35	0.94	0.85
Taxation	7.00	5.50	3.75	3.50
Reserve fund	5.00	7.50	13.25	13.00
Other funds	1.00	0.50	0.50	0.50
Bonus to staff	2.94	2.70	3.15	3.15
Dividend	3.75 (D. 6%)	3.75 (D. 5%)	4.50 (D. 6% +B. 1%)	4.50 (D. 6% +B. 1%)
Carry forward	1.00	1.59	1.37	1.09

	As on 30th September			
	1953	1952	1951	1950
Paid-up capital	75.00	75.00	75.00	75.00
Reserve fund	75.00	70.00	62.50	49.25
Deposits from—				
Public	10,65.94	7,61.56	8,59.51	9,79.46
Government	5,83.33	6,74.75	9,70.77	7,66.89
Total deposits	16,39.27	14,36.33	18,30.28	17,46.35
Borrowings	..	4,00.00	..	3,16.67
Advances and bills discounted	8,19.28	8,92.60	8,10.21	6,39.16
Ways and means advances to Government	....	....	....	1,16.67
Investments	1,75.20	6,36.58	5,42.02	6,65.69
Cash	7,86.24	4,73.25	6,45.47	7,92.86
Balance-sheet total	18,58.39	20,67.11	20,69.59	22,45.45

HYDERABAD STATE BANK (*Continued*)

Particulars of Advances

	O.S. Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured ..	5,80,30,884 7 1
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	47,65,058 14 9
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,91,32,804 11 5
(iv) Debts considered doubtful or bad, not provided for	..
	8,19,27,748 1 3

	O.S. Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	6,77,172 8 8
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members .. .. (Including Rs. 3,31,83,331-4-4 on account of advances made to Companies in which the Directors are interested only as Government nominees.)	4,11,75,839 6 11
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	15,15,040 0 7
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members .. .. (Including Rs. 4,19,23,426-7-1 on account of advances made to Companies in which the Directors are interested only as Government nominees.)	4,57,61,157 6 2
(ix) Due from Banking Companies	30,11,966 0 4

Profit and Loss Account for the year ended 30th September, 1953

EXPENDITURE	O.S. Rs. a. p.	O.S. Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		13,95,442 4 9
2. Salaries and Allowances and Pension and Provident Funds (including Salary and Allowances of Managing Director Rs. 33,500*)		20,47,182 0 6
3. Directors' Fees		8,050 0 0
4. Rent, Taxes, Insurance, Lighting, etc.		1,04,977 13 7
5. Law Charges		23,757 15 7
6. Postage, Telegrams and Stamps		1,01,040 2 5
7. Auditors' Fees		8,000 0 0
8. Depreciation on and repairs to the Banking Company's Property		1,58,548 2 9
9. Stationery, Printing, Advertisement, etc.		1,49,122 6 1
10. Loss from Sale of or Dealing with Non-banking Assets		1,112 14 3
11. Other Expenditure		1,05,030 15 10
12. Balance of Profit		19,10,267 11 4
		61,03,472 7 1

* In addition provision has been made for a Bonus amounting to O. S. Rs. 8,020-13-4

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	O.S. Rs. a. p.
1. Interest and Discount	50,01,364 7 11
2. Commission and Exchange	10,04,107 15 2
3. Rents	....
4. Net Profit on sale of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	....
5. Net Profit on revaluation of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	....
6. Income from non-banking assets, and profit from sale of or dealing with such assets ..	....
7. Other Receipts	....
8. Loss (if any)	....
Total .. Rs.	61,03,472 7 1

NOTE.—Indian and Pakistan Government Rupee Currencies have been converted into Osmania Sicca Currency at the Government Standard rate (116-10-8%).

REPORT OF THE AUDITORS.

TO THE SHAREHOLDERS;

OF THE HYDERABAD STATE BANK.

We, the undersigned Auditors of the Hyderabad State Bank, elected under Regulation 53 (1) of the Hyderabad State Bank Act of 1941 (1350 F.), do hereby report to the Shareholders upon the Balance Sheet and Accounts of the Bank as at 30th September, 1953 (30th Aban, 1362 F.).

We have examined the above Balance Sheet as at 30th September, 1953 (30th Aban, 1362 F.), and the Profit and Loss Account for the period ended upon that date with the accounts and vouchers relating thereto and with the Returns submitted and certified by the Branch Managers which Returns are of Head Office and incorporated in the above Balance Sheet, and report (i) that we have obtained all the information and explanations we have required and that they have been found to be satisfactory; (ii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank; (iii) that the Returns received from Branch Managers have been found adequate for the purposes of our audit; (iv) that in our opinion the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; (v) that in our opinion the Balance Sheet is a full and fair one and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the Books and Returns of the Bank; (vi) that in our opinion the Profit and Loss Account shows a true balance of profit for the period covered by the account; and (vii) that in our opinion Books of Account have been kept by the Bank as required by law.

SASTRI AND SHAH, Chartered Accountants,
V. K. DHAGE & CO., Chartered Accountants. } Auditors.

HYDERABAD-DECCAN,
Dated, 11th November, 1953.

G. S. MELKOTE, President.
P. VENKATRAMA REDDY, Vice-President.
C. DAMODAR REDDY
T. K. RAMASUBRAMANIAM
N. C. SEN GUPTA
NAOSHIR S. CHENOY
M. R. PATNY
PANNALAL } Directors.

R. JAIVANT RAO, Chief Accountant.

K. P. R. MENON, Managing Director.

SOME PROBLEMS OF COAL INDUSTRY

ASSURANCE AGAINST NATIONALISATION NEEDED TO PERMIT DEVELOPMENT

THE presidential address of Mr. Darab Cursetji Driver to the Eighth Annual General Meeting of the Coal Consumers Association, held in Calcutta last week, was, as usual, thought-provoking. It dealt with the various problems facing the coal industry and the consumers of coal and suggested remedies to them which deserve consideration at the hands of the authorities concerned. A significant feature of his speech was his analysis of the problems not from the consumers' angle alone but from the point of view of the industry, in particular, and the nation, in general.

At the outset, Mr. Driver gave expression to a feeling of (smug?) satisfaction by stating that Government was "seized of the problems of the coal industry and trade" and that it was "moving towards their rationalisation." The problem of rationalisation, according to him, rested on three legs. These were:

"(a) Regional supply of coal from the nearest source practicable to destination with consequent saving in freight to the consumer and wagons to the railways; (b) preparation of coal including proper grading, pricing according to its calorific value, etc., and where practicable beneficiation or washing of coal, improving its quality and giving it consistency in ash percentage thus enabling coal of a definite quality to be channelled to the consumers through a Marketing Board which would determine the right type and grade of coal for each industry; and (c) adequacy of transport."

Theoretically Sound

In theory, this is a perfectly sound suggestion which has been endorsed by several experts in the past. The problem of solving this problem is, however, its implementation. Who is to administer this rationalisation scheme? Apparently, a Government body, perhaps with the assistance of some unofficial advisers. Is the Government competent to administer such a complicated measure of control, the implementation of which requires initiative, foresight and rectitude? Inefficient administration of controls will, it is needless to add, result in encouragement of complacency among coal producers, high cost to consumers and disincentive to efficient coal miners. It will also provide no inducement to railways to improve their services and augment their capacity. Even the administration of the limited forms of controls now in force leaves much to be desired, as witness the remarks of Mr. G. A. S. Sim, Chairman of the Bengal Coal Co., Ltd., published in this journal ere now. Mr. Driver himself is aware of the weaknesses of this Government. Here is what he thinks of the Government's ability:

"The bureaucratic machinery works slowly, suffering secretarial delays at Delhi—change of ministers and staff, lack of interest and knowledge about things outside their secretarial routine, the sorry-go-round of files from one overworked official hesitating to decide to another, etc."

It is against this background one must view the suggestion for rationalisation in production and distribution of coal. When one does so, one will admit that it is very unrealistic to talk of rationalisation on the lines quoted above. The best way to serve the cause of consumers (and the country) is to let them have the free choice regarding the type, quality and source of supply of the coal they require. In these days of transport bottlenecks, no consumer would be so foolish as to buy coal from distant collieries, if he could get the right type of coal from a colliery nearer to him.

Movement of Coal

Mr. Driver, however, does not seem to mind the defects in the bureaucratic administration of controls. He would appear to have resigned himself, in a fatalistic manner, by saying that these defects are inevitable. Mr. Driver welcomed the decision of the Coal Board, with effect from 1st July, 1953, that no movement of coal, except selected A and B grades and coke, could be permitted from Bengal and Bihar coalfields to areas which could be best supplied from Madhya Pradesh or Vindhya Pradesh or Singareni (Hyderabad) collieries. Paying a compliment to the Coal Board on the way in which it has been enforcing this control, he observed: "That this restrictive measure is worked with discretion and elasticity in special cases speaks well of the realistic and practical outlook of the Coal Board."

That the wagons capacity should be increased has been the cry of coal producers and consumers for a long time past. Although there has been considerable progress in this direction, it is not enough. Referring to this point Mr. Driver said: "It is poor comfort to the consumer and the collieries who have suffered owing to the serious shortage of wagons to be told by statisticians that, in May, 1953, the number of wagons available for all traffic was 227,722, as against 216,883 in May, 1952, and that, in Jharia and Raniganga coalfields, for the six months of 1953, the average daily number of wagons loaded was 3,105, as against the guaranteed minimum of 2,900." He supported the suggestion of Lala Karam Chand Thapar, President of the Indian Chamber of Commerce, to make available 500 more wagons per day than those that were being allotted now. If the average turn-round of wagons is 9 days, an addition of 500 wagons to the daily pool will require 4,500 additional wagons. As for the finance for finding these wagons, Mr. Driver suggested that the Government could make a special grant of Rs. 6 crores. "It will be a happy idea," he said, "if the Government continued to give this special grant of Rs. 6 crores for a number of years, till, besides wagons capacity, sufficient loco, line, junction and yard capacity are built up to help transport. In this connection, he urged the Government to encourage the Indian manufacturers to increase their wagon-building capacity to three shifts by guaranteeing them orders for wagons for the increased shift for a number of years and by helping them to meet the additional capital expenditure for this purpose in all possible ways. He suggested, for example, that, as the relatively cheaper Indian steel might not be available for the extra shifts, the manufacturers should be allowed to import steel for the purpose, the difference between foreign and Indian prices being refunded from the Steel Equalisation Fund.

Washing of Coal

Encouragement of washing of coal serves a double purpose. First, it leads to an improvement in the quality of inferior quality coal and enables proper fixation of the price according to grades. Secondly, as washed coal will be free from a considerable percentage of ash, it will save wagon-space. At present, coal exported to Japan is being washed there. Mr. Driver suggested that instead of coal being washed down to about 12 per cent. ash in Japan, it should be washed in India itself by the Japanese who should act as washing contractors to collieries specialising in export to Japan. This is a good suggestion and it is to be hoped that the authorities will explore all possibilities of getting the co-operation of Japanese to implement it. The advantages will be a higher price for the washed coal, more employment to people in India and popularisation of Japanese method of washing coal.

In order to encourage Managing Agents of larger collieries to go in for beneficiation of coal and other mechanical aids to rationalise production of coal, Mr. Driver suggested that the Government should consider making a declaration that it would not nationalise the coal industry for the next 30 years. There is considerable force in this suggestion, for it is obvious that, so long as the threat of nationalisation hangs like a Damocles' sword, it will not be possible for the managements of coal companies to raise the large capital needed for financing these costly plans. If the Government could give a similar guarantee to foreign-owned oil refineries, there is no reason why it should not do so in the case of a basic industry as the coal.

Freight Rates

Mr. Driver also dealt, among others, with the question of freight rates charged by railways and coastal steamers. He suggested, at the outset, that some concession in freight should be allowed to coal carried on full train-loads. Then, the President highlighted the difficulties of the consumers in South India. Coal in some places in the South, he pointed out, was costing Rs. 70 per ton. It is stated that, owing to the high cost of coal, cement manufactured by the Dalmia Cement (Bharat) Ltd. in South India is Rs. 12½ higher per ton than for the cement made by those companies in the vicinity of coalfields. Consequently, Mr. Driver suggested that a committee of enquiry should be appointed to look into Indian coastal shipping freights and report to the Government as to why coastal sea freights, which before the war were less than the corresponding rail freight rates, were so high and what improvement could be expected. If the coastal freights could not be reduced, he wanted to know why Indian railways should not, from their profits, give a subsidy towards equalisation of sea freights and rail freights to the South and Saurashtra. Mr. Driver also urged a reduction in railway freight rates from pitheads to the port of Calcutta, with a view to helping the coal trade to maintain its competitive power in overseas markets. This would have to be done, he asserted, on the ground that the cost which was determined by the amenities provided for labour could not be reduced.

Control Prices

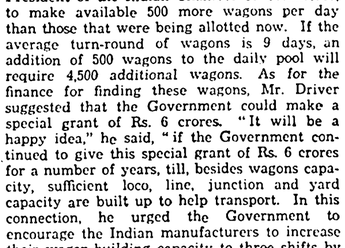
Another question of importance to which Mr. Driver alluded was the frequent violations of control prices of low-grade coals by the collieries concerned. Owing to large stocks at pitheads, these producers are willing to sell at distress prices. Mr. Driver said that the main beneficiaries of this discount were the middlemen. His solution to this problem was as follows:

"To legalise such breach of the control prices by reducing the control prices is one way of dealing with the problem, but a better way would be to declare the prices of Grades II and III etc. and slack as ceiling prices and let the proper price, in the present condition of unreliability of grade designations, be determined by negotiation between the consumer and the colliery. This will give much more elasticity to the prices for low-grade coal than the proposal to reduce the fixed prices and it will also provide an incentive to the collieries to be more careful about the quality and condition of the coal they supply. This may be tried out as an experiment and, if the experiment fails, it is much easier for the Coal Board to declare the ceiling prices as fixed prices rather than to increase the prices once reduced. When the time is ripe to do away with the other phases of control, the approach to decontrol should be made step by step in a spirit of trial and error, with sufficient notice in advance. We are sure that the ultimate decontrol in this fashion can be safely left in the hands of the Coal Board who already by their cautious policy of two steps forward, one step backward, have given proof of their practical sense and realistic outlook."

Mr. Driver made a passing reference to the question of relief to retrenched workers. At present, workers in collieries get a bonus equivalent to 4 months' wages. He suggested "that labour should be given two months' bonus on the basis of attendance and, out of the money equivalent to the remaining two months' bonus, one month's wages should be contributed per year on behalf of each, the worker and the employer, towards building an unemployment relief fund for the benefit of retrenched workers for a period of time." Thus, the benefit of four months' bonus will still go to the workers themselves without the employer benefiting by any part of it. He also suggested that a part of the Coal Mines Welfare Cess of about Rs. 74 lakhs, contributed every year by the coal consumers, might be utilised to feed the fund, apart from any special grants the Government might be pleased to make.

COAL RAISINGS, DESPATCHES AND STOCKS

The raisings and despatches of coal during the month of September, 1953, from all fields in India were approximately 2,971,516 tons and 2,576,515 tons, respectively. The stocks of the different grades of coal in Bengal and Bihar coalfields stood at 3.13 million tons approximately on 30th September, thereby recording a fall by 0.02 million tons from the level reached on 31st August, 1953.



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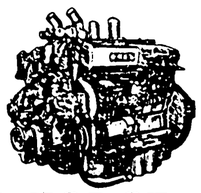

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CULTIVATION OF QUALITY JUTE

EXPORT COMMITTEE SUBMITS REPORT

THE Export Committee, set up in February last, by the Government of India to go into the problems of raw jute is reported to have submitted its findings to the Government of India on the 22nd inst. The Chairman of this Committee was Mr. K. R. Damle, Additional Secretary to the Government of India in the Ministry of Agriculture, and President of the Indian Central Jute Committee. On the Export Committee served Mr. I. G. Kennedy, Vice-President of the I.C.J.C., Dr. H. K. Nandi, Director of Agriculture, West Bengal, Dr. J. S. Patil, Director of Agriculture, Bihar, and Mr. B. C. Kundu, Director, Jute Agricultural Research Institute, Calcutta. Mr. K. C. Basak, Director, Economic Research, I.C.J.C., Calcutta, was the Member-Secretary of the Committee. The Committee was to enquire into the possibility of increasing the acreage under jute in zones where superior qualities could be grown, and of reducing the acreage where only inferior qualities of jute were grown. The Committee was also to give estimates of the probable costs of the various measures suggested by it and to indicate how the cost should be met.

The appointment of the Export Committee was a sequel to the warning uttered by leaders of the jute industry against the dangers of rapid increase in the area sown to jute in the post-Partition years without a proportionate increase in the outturn. While year after year the acreage under jute made rapid strides since 1948, under the "grow-more-jute campaign" no improvement was noticed either in yield per acre or in quality. An investigation conducted by the Indian Jute Mills' Association revealed that a good deal of the increase had come from areas where soil conditions, rainfall and water supplies just available for retting led to the cultivation of jute, low in yield and unsatisfactory in quality. Cultivation and expansion of these areas would be justified, it felt, only when abnormal prices and acute scarcity conditions prevailed and not when prices were low and demand was poor. It was also noticed that there were still extensive areas in India where soil, climatic and water conditions would make it possible for a high and increasing jute yield to be obtained from the land. When the Government's attention was drawn to these findings of the I.J.M.A., it appointed the Committee mentioned above for making a thorough study of the problem of jute cultivation.

Inadequacy of Good Seed

According to Press reports, the Committee appears to have made some notable suggestions. Although there is very little new in them to add to the information already known, the fact that they have received renewed attention invests them with added importance. Mention must be made, among these, of the suggestion to inaugurate a drive for improving the quality of jute. The Committee has pointed out, in this connection, that the total quantity of improved variety of seed produced annually in India is barely 3,000 maunds which is sufficient for sowing only 30,000 acres. As against this, the country's requirements of good seeds for cultivating the 19.5 lakh acres are nearly 200,000 maunds. The inadequacy of good seeds experienced by the jute grower has been a hardy annual and, although the question has been figuring practically in every session of the Indian Central Jute Committee, the progress made in eliminating the shortage has been almost negligible. The State Governments concerned, too, are responsible for this unhappy situation. In view of this indifference, the Export Committee's suggestion that State Governments should take up a specified area every year for the introduction of improved variety of seeds deserves full support.

With a view to seeing to it that no other type of jute except improved varieties would be permitted to grow, the Committee has suggested the need for enacting a Jute Seed Act by the State Governments. Under this Act, the Governments are required to declare the specified areas as "protected areas" for sowing good quality seeds. To begin with, two districts in each State should be declared, it says, as "protected areas" and the State Government should undertake the supply of improved jute seed to the growers in the specified area in exchange for the local seed produced by the growers which should be destroyed by the Government. In this context, the Committee has recommended the setting up of eight State farms of 300 acres each, three in West Bengal, three in Bihar and one in Uttar Pradesh and one in Orissa. The I.C.J.C. should also establish a seed farm for the production of nuclear stock of seeds.

As a long-term measure, the Committee has suggested that a detailed soil survey should be undertaken by the jute growing States with the object of concentrating jute cultivation on soil suitable for producing quality jute. It has, however, taken care to add that the drive for improving quality jute need not await the results of such a survey and the areas which are already known to have good soil should be brought under intensive cultivation and, with the progress of this survey, more and more areas should be brought under intensive cultivation.

Attention to Manure and Water

The suggestions noted above are on accepted lines and, therefore, should be implemented without delay. A point, however, needs to be stressed here. Mere supply of good seeds does not completely solve the growth of good variety jute. It should be supplemented with technical advice regarding the right type and measure of manure to be administered to each acre-plot. This is absolutely necessary, because experience shows that the use of good seeds, unaccompanied by adequate doses of manure and water has not yielded the expected results, thereby giving scope for cases where even the quality of the best seed supplied has been doubted by the farmers. The history of growing Coimbatore cane in India offers many instances of this type.

With regard to the extension of jute cultivation in Uttar Pradesh, the Committee has advocated a cautious policy. The problem in U.P. is that of effecting improvement in the quality of jute that is already grown in the State. The general standard of jute grown in the State is stated to be poor and, therefore, the State Government is advised to confine its attention to encouraging cultivation of jute in areas where there is sufficient rainfall for the growth of jute and where retting water is freely available. This advice is applicable to other States also where poor quality jute is being grown at present.

BIG RISE IN INDIA'S GUNNY CLOTH EXPORTS

Japan's re-entry as a buyer for the first time in the post-war era into the market for gunny cloth and a considerable decline in U.S. imports are the highlights of India's export trade in this commodity during January-August, 1953, according to the Indian Central Jute Committee.

Gunny cloth shipments during these eight months amounted to 913.5 million yards, indicating a remarkable improvement over 694.2 million yards and 775.8 million yards despatched, respectively, in the similar period of 1952 and 1951.

The Middle East and the Continental countries took less of Indian gunny cloth relative to the quantity purchased in the corresponding months of the previous year, while the Commonwealth countries and South America took more.

The biggest rise is indicated in the Argentine intake amounting to 264.170 million yards during January-August, 1953, as against 34.692 million yards and 200.868 million yards, respectively, during 1952 and 1951.

The U.K. purchased 83.287 million yards in 1953 as compared with 63.299 million yards in 1952, while Australian purchases doubled to 21.582 million yards from 10.943 million yards in 1952. Despatches to Canada slightly improved to 67.620 million yards from 64.097 million yards in 1952.

The U.S. offtake dropped to 384.505 million yards from 453.756 million yards in 1952 and 304.482 million yards in 1951. The decline this year has been largely due to consumer resistance to high price of jute manufactures.

ACCENT ON QUALITY CONTROL AND TESTING

Efforts by the jute industry to increase output and improve quality were mentioned at the annual meeting in Dundee of the British Jute Trade Research Association. Captain W. F. Keay, Chairman, said that in the past year 840 inquiries had been dealt with. An important development in the industry was that firms were now becoming much more conscious of quality control and testing methods, and had in a number of instances installed their own quality control and testing equipment.

Mr. H. Corteen, director of the Association's laboratories, said a market for a product was by no means secure for all time and the inability of a product to fulfil its purpose satisfactorily might open the way for alternatives.

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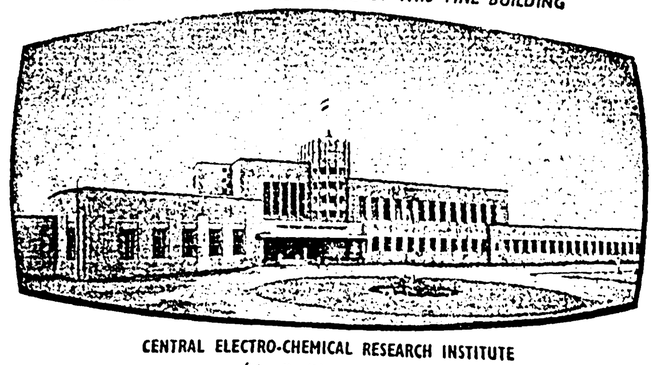

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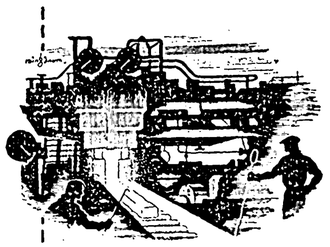

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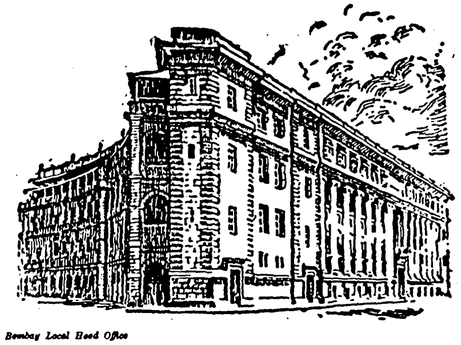

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DEVELOPMENT OF ROAD TRANSPORT

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READ together, the addresses of Mr. M. R. Masani, President of the Indian Roads and Transport Development Association, and Mr. Lal Bahadur Shastri, Minister for Railways and Transport, at the twenty-fifth annual meeting of the Association, held in Bombay last week, give a clear account of the views of private *entrepreneurs* on the development of roads and road transport and the Government's policy thereon. Mr. Masani selected for special comment problems relating to restrictive licensing policies, desirability of scrapping Chapter IV of the Motor Vehicles Taxation Act, 1939, threat of nationalisation and crippling burden of taxation, in order to show how these have been vitiating the progress of the implementation of a safe and sound road policy calculated to develop rapidly the country's economy. Mr. Shastri, for his part, touched on every one of these problems, in his own inimitable way, and pointed out how the Government could not follow a course different from the one it was following in the existing circumstances.

Prefacing his address with a review of the existing conditions of roads, Mr. Masani described how deplorably low was the road mileage in India, as compared with that in the industrialised West. India, he said, had less than one-fourth of a mile of road per square mile of territory and, of this, only a trifle was available for all-weather use, while the U.S. had one mile and the U.K. two miles of good motorable road for every square mile. He further said that, while the U.S. had over 85,000 motor vehicles per lakh of population, and Britain and France over 3,600, India had only 93. The relative backwardness in India reflected in these figures is certainly a deplorable situation, especially when one bears in mind that the development of the nation both in the industrial and agricultural sectors is entirely dependent on the free availability of transport facilities. After all, has not a great writer once said that "transport is civilisation?"

Restrictive Licensing Policies

Mr. Masani then dealt with the problems facing the development of transport. The first of them, he said, was restrictive licensing policies under the Indian Motor Vehicles Act of 1939. This Act, according to him, had during its 12 years of operation caused severe fragmentation and discouragement of road transport. The restrictions, provided for in the Act, such as the cutting of each State into numerous regions and the adoption of a procedure for the issue of permits under which it was well-nigh impossible in many States for new vehicles to be put into operation, might at one time have been helpful to railways. But they could not any longer perform that function now under almost a different set of circumstances. Between the pre-war years, when the railways were running with a partial load, and the present day, when they were surfeited with traffic, there was a world of difference. Consequently, Mr. Masani was of the considered opinion that the restrictions only retarded the nation's march towards a better standard of life of the people. He, therefore, urged the deletion of Chapter IV of the Motor Vehicles Act. Mr. Shastri, however, did not think so. For, in dealing with this question in his speech, he thought the demand for deletion of the chapter was "sweeping" in character. He said that rail-road co-ordination was only one of the several objectives of the chapter and it was difficult for him to agree with a suggestion which can result, according to him, "only in chaotic competition among private operators and the ruin of many without any advantage to the public."

The President then dealt with the second impediment retarding the development of road transport, namely, the threat of nationalisation. Recalling the decision of the Government of the U.K. to hand back road-haulage to private operation and the inclination of the Planning Commission to discourage further incursions of the State into the field of road transport, Mr. Masani warned against the dangers of a further move towards nationalisation, without watching the results of such nationalisation in areas where it had already been taken. He opined that it might take a decade for any valid conclusion to be reached. Meanwhile, as the fear of a further extension of nationalisation had been applying a severe brake to free enterprise, as seen in the unwillingness of the road operators to go in for fresh capital investment in this sphere, Mr. Masani called for a firm declaration by the Government in unequivocal terms, that those who had invested in road services would have their capital safeguarded by the State. Referring to this issue, Mr. Shastri did not wish to enter into a discussion on the subject. He, however, pointed out that the Five-year Plan only envisaged a gradual expansion of nationalised passenger transport services in most of the States and that there was still considerable scope for private operators to run such services in large parts of the country. In the sphere of goods transport, he remarked that the State Governments had not so far made any noticeable inroads. He, however, revealed that, in reply to the recent enquiries from the Planning Commission, the State Governments had generally stated that their policy was to allow freight transport largely to be handled by private enterprise. It is unfortunate, however, that the Minister could not clear the air of the threat of nationalisation and his other observations did not go a long way in relieving the anxiety of private enterprise. Consequently, road transport in India will continue to remain starved of capital, as with threats of nationalisation no one would venture to risk his capital.

Crippling Burden of Taxation

The third stumbling block to which Mr. Masani referred was the crippling burden of taxation. He pointed out that, while an average motor vehicle in the U.S. paid $50.00 or Rs. 240 in taxes, in India, the unfortunate vehicle paid only Rs. 1,900! The anomalous situation created by the high level of taxation is evident by the fact that India's railways carried traffic at an average rate of 10 pies per ton-mile, whereas on motor transport, the Government taxation alone accounted for 18 pies to 24 pies per ton-mile. It is alleged, for instance, that the cost to Tata Chemicals of carrying their main products, such as bleaching powder and the like, from their factory to certain points in India, particularly around Calcutta, is often near enough to and sometimes greater than the cost of transporting them from Europe to such places. Surely, with high transport costs, many Indian industries cannot hope to thrive. This has been one of the main contentions of every industry. Mr. Masani, therefore, was right in expressing surprise as well as disappointment at the non-implementation of even the modest tax reliefs recommended by the Motor Vehicles Taxation Enquiry Committee. On the contrary, the Governments of Bombay and Madras, the two States for which the Committee had recommended lowering of taxes, have, instead, thought it fit to increase taxation further. Mr. Masani's remarks in this context are quite appropriate. He said that the heavier taxation in Madras had caused "stagnation in motor transport," as compared with the position in the other States. He held that, if the incidence had been lower, the number of vehicles and consumption would have expanded so much that the total revenue would have been greater than that yielded by the prohibitive taxes on the existing small volume of traffic. Thus dealing with this aspect, Mr. Masani observed:

"The annual motor transport revenue of India was less than Rs. 35 crores in 1949 and on that revenue depended primarily the country's ability to finance the Nagpur Road Plan. On the basis of the transport revenue of 1949 and the requirements of the Nagpur Road Plan, the M.V.T. Enquiry Committee's recommendations for immediate tax reliefs had to be modest, but the Committee wanted that, when more money became available in the public fisc, these taxes should be substantially reduced. The principles of a rational and permanent scheme, as embodied in the M.V.T.E. Committee's report, are these: The road-user should contribute reasonably to the general revenue of the country, such as through a 30 per cent. *ad valorem* duty on motor vehicle components and motor fuel. The level of total taxation should then be decided by adding to this contribution the rent, i.e., the legitimate share of road costs to be borne by motor transport. This would then result in the total incidence being governed by the volume of transport and the magnitude of the road bill. I must point out here that, from Rs. 35 crores in 1949-50, the revenue from motor transport has gone up to Rs. 57 crores to-day. The circumstances in which the level of taxes then recommended by the Committee were 'to be considerably reduced' have, therefore, now come into being. Under to-day's conditions, the rates would work out, on this basis, to 75 per cent. of what the Committee considered fair in the conditions obtaining in 1950. The Union Government, I submit, should insist on such a scale being adopted by the States. If there are any insuperable difficulties, the remedy is for motor transport taxation to be made a Central subject with a guarantee that the Union Government would distribute the total yield on the above principles. Action on these lines, the Association is convinced, cannot brook delay."

It is, however, interesting to hear from Mr. Shastri that the Ministry of Transport substantially agreed with a number of recommendations of the M.V.T. Enquiry Committee. But his justification of the heavy tax burden on motor vehicles on the ground that the State Governments with their multifarious development programmes in hand were finding it difficult to forgo a part of their present revenue is not fully convincing. For the States cannot expect to finance a greater part of the huge expenditure by means of taxing heavily only one or two sectors of the economy, particularly road transport. It was, however, to their credit, when he said that they had not turned down these proposals and that they basically agreed with the soundness of the policy enumerated by the M.V.T. Enquiry Committee. He assured, however, that the matter was still under consideration and held that decisions on matters of this kind could be arrived at only within the framework of the Constitution and with the consent of the State Governments and that this democratic process was necessarily slow. He felt that the final decision in regard to this matter would have to wait until the Taxation Enquiry Commission submitted its recommendations.

Referring to the stagnation in motor transport in Madras owing to high level of taxation, referred to by the President, Mr. Shastri drew the attention of the Association to the assessment of the Government of Madras of the position in the State as given in the following statement.

"The reputation which Madras State now enjoys as the State that collects the heaviest tax from motor vehicle operators perhaps ignores certain levies in other States such as octrois, which have been condemned in the strongest terms by the Motor Vehicle Taxation Enquiry Committee. Further, Madras State spends on roads more than 50 per cent. over and above what they collect as taxes of all kinds from motor vehicles. The low cost of operation per mile of motor vehicles in South India, which is the envy and the admiration of operators in other States, is due at least partly to the quality of the roads provided by the State. It does not appear quite correct to say that the number of public transport vehicles in this State has fallen recently, or that the new tax has reduced goods vehicle operation. What has actually happened is merely that permits which did not really correspond to vehicles actually on the road have been eliminated. On the other hand, figures obtained from the oil companies show that the sale of petrol is about twice what it was three years ago and that the sales of diesel oil have increased more steeply. There is no doubt, therefore, that the volume of motor transport has steadily risen and that its growth has not been retarded in this State by taxation or by any other reason."

The State Government's note above is indeed very encouraging. But may not one ask whether it could not have presented a still brighter picture had it paid attention also to the question of keeping the tax on motor vehicles at a level which is commensurate with their capacity to bear? For is it not a fact that the motor vehicle there is the heaviest taxed?

Road-Rail Co-ordination

The brochure on the aims and activities of the Indian Roads and Transport Development Association, brought out on the occasion of the Silver Jubilee, suggested a scheme for road-rail co-ordination. Under the scheme:

(a) Traffic on routes upto 100 miles would *normally move* by road, with freedom for railways to move traffic in full wagon-loads within this distance, if spare wagons were available after meeting long-distance needs;

(b) traffic on routes longer than 300 miles would normally move by rail, the freedom of road transport to operate on such routes being subject to the following conditions:

(i) that rates charged were not lower than equivalent railway rates,

(ii) that only selected and well-organised operators were given permits, for long-distance routes, and

(iii) full records of traffic were maintained, and

(c) routes falling between the 100 and 300-mile limits would be a free zone, with scope for healthy rivalry between road and rail services, the consumer being the sole judge as to which agency of transport was suitable for his requirements.

While on this scheme, Mr. Shastri held that its acceptance would involve "a modification of the Code of Principles and Practice regarding road transport formulated by the Transport Advisory Council." He wanted the Association to bear in mind that the Code of

(Continued on page 1035)

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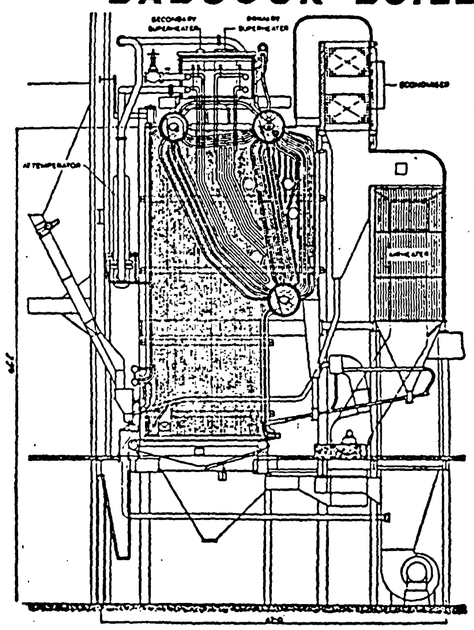
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MUTUAL LIFE OFFICES ASK FOR EXEMPTION FROM TAX

DISTINCTION BETWEEN "SURPLUS" AND "PROFIT"

THE mutual life offices in India have been contending for a long time now that they have been wrongly treated, for purposes of income-tax, on the same basis as proprietory insurers. Their main contention is that, as they do not trade for profit and as their activities are founded on the principle of "mutual" benefit, they should be treated on a par with the co-operative insurance companies which are exempted from income-tax. These arguments have been reiterated by the Association of Mutual Life Offices in India in the course of the memorandum which the Association has submitted to the Taxation Enquiry Commission.

Tracing the history of the taxation of mutual insurance companies, the Association points out how the companies remained exempt from income-tax till 1939. It may be mentioned, in this connection, that the Indian Government's attitude was apparently then based upon the decision of the House of Lords in *Styles' case*. In 1933, the British Parliament attempted to rope in mutual insurance companies for purposes of income-tax, for it enacted legislation to the effect that "profit or surplus arising from the transactions of the company or society with its members would be taxable as profits or gains in all cases where they would have been taxable as such if those transactions were transactions with non-members." The Indian Government, too, changed its attitude when it found that the British Parliament had made mutual insurers liable to tax. In 1939, it changed the law so that mutual insurers were brought within the scope of the income-tax law.

British Practice

This has been the position since 1939, although during this period a great change has taken place in the British practice which has exempted mutual life offices from income-tax. The change in British practice has been caused by the decision of the House of Lords in *Inland Revenue Commissioners* vs. *Ayrshire Employers Mutual Insurance Association Ltd.*, 1948, wherein their Lordships emphasised the distinction between "surplus" and "profits" and held that the "surplus was not profit within the meaning of the Income-tax Acts but merely represented the extent to which the contributions of those participating in the scheme had proved in experience to have been more than was necessary to meet their liabilities" and that the "balance or surplus was the contributors' own money and returnable to them." Commenting upon Parliament's attempt at taxing the mutual life office, Lord Macmillan stated in his judgment that it had "not the meritorious object of preventing evasion of taxation but the less laudable design of subjecting to tax as profit what the law has consistently and emphatically declared not to be profits." Notwithstanding this unequivocal judgment, which has, since it was delivered, been the main prop on which the *Indian mutual insurers' case rests*, the Indian Government has continued to tax mutual insurers.

No Profit

To revert to the Association's memorandum. The Association has emphasised that mutual insurers are "not, in fact, companies trading for profit but associations, the members of which have joined together to help one another mutually for the purpose of insurance." It is for this reason, the Association points out, that the co-operative insurance societies are exempted from income-tax. It adds:

"The special position of mutual associations in this matter has also been recognised in the Insurance Act; during the passage of that Act, the opinion was expressed that mutualisation was the first step towards nationalisation, implying recognition to the fact that such associations were not run for profits. Further, the members of the mutual insurance societies belong overwhelmingly to the classes who are themselves not liable to income-tax on their own income. The relief given from income-tax for insurance premiums (section 15 of the Income-tax Act) is in their case illusory. On the other hand, their small savings through insurance are taxed indirectly by the taxation of the surplus of mutual insurance companies. If these investments took any other shape involving a deduction at the source, they would be entitled to a refund. Such taxation, therefore, we respectfully submit, tends to discourage the habit of insurance, which should be fostered in our country in the interest of the lower income groups.

"We also respectfully submit that neither basic premiums nor the specific bonus loadings in the case of with-profit policies are an accurate measure of the cost of insurance but only estimates with a margin of safety. Further, the specific bonus loadings are not those which are expected to emerge in future valuations. If this were so, with-profits policies would cease to be attractive. It is our contention that the bonuses declared by mutual societies are steady and gradual releases of premiums collected in excess of the necessary amount as shown by the subsequent actual experience. Such returns of excess payment should not be treated as profits liable to tax. The position of mutual companies in this respect is somewhat different from that of propietory companies. The quantum of bonus given by the proprietory companies is dictated by business considerations of attracting an increasing number of customers and thereby increasing their trade profits and not by their nature and constitution. The mutual societies by their very nature cannot make any profits, since they trade with no outsider and as in co-operative insurance societies any excess charge made is returned to the members in the shape of reversionary bonuses. We may also be permitted to point out that this position is recognised under English and American law where mutual societies are exempt from taxation.

"May we also respectfully submit that the present taxation of mutual insurance companies is an anomalous attempt? All the reasons that lead to the exemption of co-operative insurance societies from tax also apply to mutual companies. We therefore urge that this anomalous position may be rectified and that the mutual companies be exempted from taxation in the same way and to the same extent as the co-operative insurance societies."

Bombay High Court's View

It is to be hoped that the Taxation Enquiry Commission will give a sympathetic consideration to the Association's plea for exemption from income-tax which, in addition to the fact that it is based on principles of economic justice, derives its strength from the British and American practice in relation to the taxation of mutual insurance companies. Although the Income-tax Investigation Commission, which examined the case for exemption of mutual insurers from income-tax, did not commit itself to a definite recommendation on the subject, it emphasised that it was "doubtful" whether there could be "any profits" arising out of the business by mutual life insurance companies. The Bombay High Court remarked, in another context, that it was "not a very laudable intention of the Legislature to have taxed mutual companies." These considerations will, it is to be hoped, weigh with the Taxation Enquiry Commission in deciding upon the mutual insurers' plea for exemption from income-tax.

INSURANCE IN NORWAY

The compulsory mutualisation of all proprietary life assurance companies in Norway has been recommended by the Royal Commission which was appointed by the Government in 1947 to investigate the future of life insurance in that country. Among other terms of reference was one which empowered the Commission to examine three alternatives: (1) to keep the present organisation unaltered; (2) to reduce the number of insurance companies to two companies transacting different kinds of life assurance business; (3) to nationalise the life assurance companies. After thorough investigation, the Commission unanimously declares that nationalisation of the companies is neither necessary nor desirable. A majority of the Commission makes the reservation that the question must be reconsidered if the future organisation and management of the companies is not altered, that is, if the companies are not transformed into mutual companies. The Commission has drafted, in a special Bill, provisions for solving the legal and practical questions which arise in connection with the transformation of the proprietory insurance companies into mutual organisations.

A minority of the Commission finds that no special Bill is necessary to enforce mutualisation and that the Insurance Inspection Board, which is already functioning in Norway, is enough to enforce such transformation. The minority, however, suggests that life offices might be allowed to exist as proprietory companies. After referring to the important role which proprietory insurers have played in the past, the minority points out that a proprietory company can procure the necessary capital for its foundation more easily than a mutual company.

Although the Commission is thus split on the question of compulsory mutualisation, it is unanimous in paying tributes to the Norwegian insurance industry. It is unanimously of the opinion that life assurance in Norway has reached a high standard, both as compared with other branches of industry in Norway and as compared with life assurance in other countries. The companes have been given credit for having passed through two world wars and other severe economic crises, not to mention the heavy fall in the rate of interest during the last 15 years, without their solvency being impaired.

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A sizable improvement in premium income and profit level shared by all the three departments—fire, marine and miscellaneous—has been recorded by the Triton Insurance Company, Ltd. (Managing Director: Mr. G. M. Mackinlay, Calcutta), for the year ended 31st December, 1952. The net effect of this encouraging performance is that the overall profit has more than doubled to Rs. 2.51 lakhs. The dividend has been comfortably maintained at 35 per cent.

In the fire department, the net premium income amounted to Rs. 17.97 lakhs, as against Rs. 15.11 lakhs in 1951. The net losses paid and outstanding were somewhat higher at Rs. 5.31 lakhs. The department yielded, during the year under review, a profit of Rs. 2.31 lakhs as against Rs. 1.90 lakhs in the previous year.

The net premium income in the marine department improved by Rs. 0.9 lakh to Rs. 15.33 lakhs. Claims were higher at Rs. 9.76 lakhs as compared with Rs. 7.80 lakhs in the previous year. The chief feature of the working of the department is that, as against a loss of Rs. 8.210 in 1951, it was able to show a small profit of Rs. 12,575 during the year under review.

In the miscellaneous department the net premium income improved from Rs. 1.16 lakhs in 1951 to Rs. 1.26 lakhs in 1952. Claims, paid and outstanding, rose from Rs. 0.38 lakh to Rs. 0.43 lakh. The department recorded a profit of Rs. 0.53 lakh, as against Rs. 0.49 lakh in the preceding year.

After charging expenses of management and providing for taxation, depreciation and sundry items, there was a balance of Rs. 2.51 lakhs, which, together with Rs. 0.35 lakh, brought in from the previous year, makes a total of Rs. 2.86 lakhs. The payment of 35 per cent. dividend will absorb Rs. 2.01 lakhs, leaving a sum of Rs. 0.85 lakh to be carried forward.

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Under this Agreement the Nationale Handelsbank N.V. agree to relinquish the assets and liabilities of their Bombay and Calcutta branches to The British Bank of the Middle East who will thereby assume in full the obligations and responsibilities of the said branches of the Nationale Handelsbank N.V.

Therefore, in accordance with this Agreement, the Nationale Handelsbank N.V., Bombay and Calcutta, herewith announce that, as from 31st December, 1953, they will discontinue operating as a Banking Company in the Republic of India.

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LALA KAILASHPAT SINGHANIA'S ADDRESS AT ANNUAL MEETING

PLEA FOR REMOVAL OF DUTIES ON CLOTH

DESCRIBING the present situation in the textile industry as gloomy, Lala Kailashpat Singhania, Chairman of the New Kaiser-I-Hind Spinning and Weaving Co., Ltd., pleaded, in his address to the shareholders of the Company, at their Annual General Meeting held in Bombay on 18th November, 1953, for the abolition of export duty on coarse cloth, as also the excise and additional excise duties on all varieties of cloth. It was only then, Lala Kailashpat felt, that mills would be able to market their goods at prices which would leave some small profit to them. He also drew the attention of the shareholders to the effect of the production control on the working of the Company's mills. The multi-point sales tax, he contended, had practically ruined the trade in Bombay State. He, therefore, urged the Government of Bombay to do away with this measure.

The following is the full text of Lala Kailashpat's speech:

"GENTLEMEN,

"The balance-sheet as at 31st March, 1953, and the profit and loss account for the year ended 31st March, 1953, as also the Directors' report pertaining thereto, have been in your hands for some time and with your permission I shall take them as read. I now propose to make a few observations on the working of your mills during the year under review.

"As you are aware, the year 1952-53 has been one of considerable difficulty to the textile industry. The prices have been going down from month to month and it was becoming increasingly difficult to market the goods at prices which were remunerative to the mills. Your mills are equipped for making *saris* and *dhotis* specially for Bengal, Bihar and U.P. markets, but, in view of the steep fall in the demand of these items in September-October, 1952, it was necessary to switch over to other lines like sheetings, chaddars, longcloth, sucies, prints, etc., which were hardly paying. Due to the steep fall in prices of prints and other fancy cloth, it was not possible for us to employ our recently installed printing and mercerising plants profitably. The decontrol of distribution and prices of the remaining items of cloth also did not help. The incidence of the additional excise duty on cloth, which the Government of India levied with effect from 15th February, 1953, further worsened the position. On top of all this, your mills were compelled to use foreign cotton, which is much costlier than the Indian varieties, in view of the fact that the quota of the Indian cotton allotted to us was not sufficient for running the two shifts for the whole year. The prices at which the goods made out of foreign cotton were sold, were such that they hardly left any profit. Since 25 per cent. of your mills' capacity was engaged on foreign cotton, the overall picture regarding profits for the year compares unfavourably with that of the last year.

Restriction on Production

"During the year under review, the Government of India imposed restrictions on the production of *dhotis* by mills with a view to helping the handloom industry. As your mills have always been making very popular qualities of *dhotis*, this restriction on production of *dhotis* has adversely affected the profits of your mills. Your mills had also to consume and carry forward the high-priced American and East African cottons. This too has affected the net result of the working of your mills.

"In view of the difficult situation created by the fall in demand and continuous fall in prices, combined with irksome restrictions on production and other adverse factors, every possible effort had to be made to make the working of your mills as economical as possible. The repairs and renovations of machinery in both the spinning and the weaving departments were carried out according to plan, and air-conditioning and humidity control systems were perfected, and the stores consumption was rigidly controlled. Utmost economy was also effected in the employment of labour by introducing rationalisation wherever possible. It was recognised that the shift from the sellers' market to buyers' market meant our producing quality goods, if we were to compete successfully, and I am glad to be able to say that the quality of your *saris* and *dhotis*—the main items of your manufacture—is now such that there are hardly any other comparable *saris* and *dhotis* in the market and as such our products are able to fetch much better prices. All this resulted in better working at lower cost and it is on account of this factor that it has been possible to show a profit of Rs. 11,43,127-15-8 for the year under review. As stated above, this profit is much less, as compared to that of last year, but you will readily agree that the same is in keeping with the lower trend of textile profits in the year when some of the mills have even sustained losses and the profits in the case of other mills for the year are much lower than those of previous years. Even this result would not have been possible but for the improved production figures which, in turn, reduced our cost of production. In fairness to labour employed in your mills I must say that the workers gave us full co-operation and did a fine job in bringing up production and reducing waste in all departments. Your Directors have all along followed a policy of keeping good and friendly relations with your labour, knowing full well the value of contented labour, which policy, as you will see, has shown good results in the year under review.

Burdens on the Industry

"I have already referred in my last year's speech to the fresh burdens the industry has been called upon to bear. Apart from any relief in these various burdens, like Employees' Provident Fund, Employees' State Insurance, multi-point sales tax, excise duty, etc., the Government of India, as stated above, imposed an additional excise duty for giving help to the handloom industry. This has further aggravated the situation. The multi-point sales tax has practically ruined the trade in Bombay State, as will be seen from the fact that, in the days of slump, there are huge stocks in the mill godowns. If there had not been the multi-point sales tax, the accumulated cloth stock with the mills would have been held by thousands of dealers and the condition of the cloth market would not have been as demoralised and precarious as it is today. I only hope that the Government will take a lesson at least now and do away with this levy of multi-point sales tax which, apart from cutting across the profits, also serves to reduce the volume of business by eliminating the various 'buffers' that the trade serves between a manufacturer and the consumer.

Export Trade

"The textile production in the country is at its highest level. With the reduced purchasing power of the consumer and with various imposts which go to increase the cost of the cloth to the ultimate consumer, huge stocks of cloth have accumulated with all the mills. The situation is very gloomy indeed. The only way to keep up this high production is to export more and more out of India. The exports in the current year have not been as anticipated, mainly because the consumer overseas is not prepared to pay the high cost of manufacture of Indian cloth together with the export duty. The export duty on medium cloth has been recently removed by the Government and some business is taking place in medium varieties mainly with the U.K.; but the Government

(Continued on next page)

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TAXATION SYSTEM IN INDIA

REFLECTIONS ON SOME OF THE QUESTIONS RAISED BY ENQUIRY COMMISSION—IV

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

THE Commission wants to know (question 76) whether the principles underlying the assessment under section 34 of the Income-tax Act need any modification. Section 34, as readers are aware, deals with income escaping assessment.

The principles underlying this section are that the Government should not lose its revenue on account of incomes escaping their tax due to deliberate or innocent omission or by giving larger reliefs not warranted by the Act. This safeguard is found in most tax systems of the world and is not objectionable, so long as its operation is made fair and equitable and not capricious and arbitrary. The periods within which the assessment can be reopened are rightly made four years in case of ordinary escapement due to error, mistake, misjudgment, etc., and eight years in case of fraud and deliberate understatement of income by the assessee.

But there are one or two aspects which need careful and sympathetic consideration. Where books and records are called for after four years or eight years as the case may be, how long should the assessee be expected to maintain his old records so as to provide against the contingency of an action under section 34? And absence of records for any of the past years even so late as eight years or four years may entail rejection of the accounts for the year under question and arbitrary estimate which, in nine cases out of ten, is a leap in the dark to the dire disadvantage of the assessee.

Failure to Submit Returns

Under section 34(1), if an assessee fails to make a return in response to a public notice under section 22(1), the period of limitation prescribed is eight years and in any other case four years. In practice, it is found that action under eight years' rule is taken against a non-resident, residing outside the jurisdictional area under the Indian Income-tax Act, who fails to make a return in response to the notice under section 22(1). It is not, perhaps, appreciated that a non-resident staying outside the jurisdiction of the Act cannot be seized of the fact of the public notice given within the jurisdictional area. In such a case, the legal position should be that his responsibility for omission to file a return can only arise if he does not respond to a particular notice given to him under section 22(2). Failure to give such a notice does not entitle the Income-tax Department to resort to the provisions of section 34(1) and apply the limitation of eight years to an assessment. This matter also needs to be clarified by an express provision in section 63.

There is an English case (*Whitney* vs. *C.I.R.* (10 T.C. 88) at 105-108) in support of the view that a non-resident is not under an obligation to give a voluntary notice that his income is liable to super-tax. In order to make him liable, the Court held that the Commissioner must give him specific notice. The Court further held that, if the non-resident had no obligation, there was no failure on his part. Similarly, here, if under section 22(1), there was no obligation upon a non-resident to make a voluntary return, unless direct notice was served on him under section 22(2), the period of limitation contemplated in section 34(1) (a) does not apply, for there is no failure to make a return. Such cases must be governed by section 34(1) (b) and the period to issue notice under section 34 must be limited to four years only.

The provisions of section 34 giving powers to the Income-tax Officer to issue a notice within eight years in case of failure on the part of the assessee to submit return in response to the public notice is rather harsh. The time limit should be four years, instead of eight. In case of failure to disclose full particulars, it should be made clear that the failure intended to be penalised is one which is wilful, deliberate and not innocent.

Another aspect of this section which is keenly felt by the assessee as being inequitable, harsh and unfair is that, while incomes which have escaped tax can be reassessed and revised even after four or eight years, incomes which have been obviously overtaxed cannot similarly be agitated, except in an appeal to be filed within a prescribed period. Often a reasonable deduction is overlooked both by the Department and the assessee; a claim which is otherwise valid, is not pressed at the time of assessment but subsequently realised when it is too late; an over-assessment last year comes to light because of dissimilar treatment given to the item this year by a new Income-tax Officer. In these circumstances, right of revising past assessments in the light of action this year should be given to the Income-tax Officer—if necessary with the previous authority of higher officer who must be strictly instructed to act judicially and sympathetically and not arbitrarily and capriciously with an ultimate eye on revenue aspect of revision.

Assessment Procedure (Question 77)

The assessment procedure can be simplified by simplifying the tax system in such a way as to enable the ordinary assessee to act by himself. Secondly, sympathetic liaison officers should help the small assessees to understand the way in which returns should be made up and their rights and responsibilities. The quick disposal of their assessments and provision for easy payment of tax should be the responsibility of these officers. The system which needs an expert's assistance only in big complicated cases and those of upper brackets of taxpayers who can afford to employ them is to be commended rather than the one which needs an expert at the elbow in every small or big case of assessment. Further, the personnel should be sympathetic, judicial and helpful—anxious to collect revenue quickly and promptly but not unmindful of the difficulties of the taxpayer. Above all, the personnel must instil confidence in the taxpayer both about the authorities' fairness and incorruptibility, instead of fear complex that prevails now, with corruption alleged to be rampant in its ranks. The rate should be one instead of three rates as now—one for salary, the rate of the year in which tax was deducted; the earned income rate, and the unearned income rate involving abstruse computation which no one can check and verify easily without several calculations. Any improvement in this direction will at once help bring about a reduction in the large personnel now engaged to collect the taxes.

In order to reduce cost of compliance with the regulations, the Income-tax Officers should always be ready to guide the assessee and should try to give whatever reliefs due to the assessee under the Act, even if the assessee has omitted to do so. There should be no attempt on the part of the Income-tax Officer to reject the result as shown by the books of the assessee, unless there are serious defects in the accounts. Sufficient opportunity should be given to the assessee to prove his book result. Mere fall in gross profit by itself should not be the ground for rejection of accounts.

Appellate Tribunal (Question 78)

Should the Appellate Tribunal have powers to enhance assessments in the same manner as Appellate Commissioners have? Certainly not.

The Tribunal has rightly been not given powers of enhancement like the powers of the Appellate Assistant Commissioner. Why should the Government vest such executive powers in the Tribunal when the Commissioner of Income-tax has been given wide powers of revision where the assessment is to the disadvantage of the revenue? How does this square with justice when the appellate authority, finding over-assessment on the face of the record, is unable to give any relief on the ground that he cannot travel beyond the scope of the grounds of appeal? In fact, the power of the Appellate Assistant Commissioners to enhance assessment should also go, if the Commission is desirous of making them a judicial body, anxious to do justice instead of remaining in the good books of the higher authority for pay, promotion and transfer by confirming assessments or enhancing them with an eye to improve and better their prospects. It is no use trying to impress upon the public that the Appellate Assistant Commissioners are judicial officers anxious to do justice to the assessee, when experience points the other way and the ever mounting number of appeals to the Tribunal attest the irrefutable fact. Few Appellate Assistant Commissioners have dared to displease the Department or to give relief in large cases where he knows the Department is likely to file an appeal against his order. He is always anxious to find out whether, if he decides the appeal in favour of the assessee, the Department will go in appeal. One cannot expect independent judicial temperament from such personnel manning now the appellate posts. The fact is so crystal clear that he who runs may read, if he so intends, instead of shutting his eyes or blinking at facts. In short, not only that no power should be given to the Tribunal for enhancement of tax, but the existing power of enhancement vested in the Appellate Assistant Commissioners should also be taken away if the judicial temperament is to be developed and not the executive-cum-judicial that obtains at present.

Sufficient power has been given under the Act for enhancement of assessment right from the Income-tax Officer to the Commissioner of Income-tax. The Appellate Tribunal should not be given power of enhancing assessment like the Appellate Assistant Commissioner. If the power is given to the Income-tax Appellate Tribunal to enhance the assessment, it will lead to great uncertainty and there will not be any finality of the assessment even after a number of years. If, however, power for enhancement of the assessment is given to the Tribunal, it should also be given power to reduce the assessment in similar circumstances where there is over-assessment in its opinion. But such a power to the Tribunal would mean the reassessment of the income, which is not desirable in the interest of justice looking to the judicial nature of the proceedings before the Tribunal.

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(To be continued)

(Concluded from previous page)

should also remove the export duty on coarse cloth to make it attractive to buyers of the countries of the Indian Ocean who are our main purchasers of coarse and medium cloth. The Government should also, in fairness to the industry and the consumer, remove the excise and additional excise duties on coarse, medium, fine and superfine cloth. It is only then that mills will be able to market their goods at prices which will leave some small profit to them. As it is, with to-day's cloth prices and huge accumulation of stocks, I wonder whether any mill will be able to make any worthwhile profits during the current year.

"With these words, gentlemen, now I propose 'That the audited balance-sheet and profit and loss account of the Company for the year ended 31st March, 1953, together with the Directors' report thereon, be and they are hereby adopted.'"

U.K. CYCLE MAKERS TO GIVE EVIDENCE BEFORE INDIAN TARIFF COMMISSION

The British Motor Cycle Manufacturers' Union have decided to represent the views of British cycle makers at the next enquiry into the continuance of protection to the cycle industry in India, to be taken up shortly by the Indian Tariff Commission. This decision was announced by Mr. H. M. Palin, Director of the Union, at the Eighteenth Cycle and Motor Cycle Show opened in London on the 14th inst.

Announcing the decision, Mr. Palin stated that India held the seventh place as a buyer of British cycles. He pointed out that recently the Government had imposed severe restrictions on British cycle imports and hoped that they would be eased soon. "Quite apart from restrictions for economic reasons," he continued, "we have to surmount a 60 per cent. protective import duty in the Indian market, a duty designed to protect and help the Indian bicycle manufacturers who, with the assistance of British factories, have established a growing manufacturing industry. Here, again, there is always a tendency for the local manufacturer to demand of his Government a large measure of protection which, when the industry is in its infancy, may often be justified. To expect this protection to continue indefinitely, however, is unreasonable. There is a vast market for bicycles in this great sub-continent—a market adequate to accommodate both Indian and the imported product."

Mr. Palin further pleaded that a reduction in the Indian protective duty will go a long way towards reducing costs and prices of cycles to the Indian consumer and thought that it would not harm the Indian industry which "is now well established on its feet and with which we are already co-operating." He urges the British makers of cycles to concentrate on lowering costs and prices so as to enable them to expand their market in India.

The value of cycles imported into India from the U.K. rose from Rs. 1.84 crores in 1950-51 to Rs. 3.53 crores in 1951-52. In the following year, however, it declined to Rs. 3.14 crores. In the four months ended July 1953-54, cycle imports into India amounted in value to Rs. 67.63 lakhs as against Rs. 1.34 crores in the same period a year ago. It is this fall of 50 per cent. in imports which must have prompted the British cycle industry to send its representative to India for representing its case before the Tariff Commission.

The latest notification issued by the Chief Controller of Imports, Madras, says that licences issued to established importers of cycle parts for July-December 1953, are not valid for importing cycle bells, cycle lamps, cycle carriers and cycle grips.

THE TATA POWER COMPANY, LIMITED

SPEECH DELIVERED BY THE CHAIRMAN, MR. J. R. D. TATA, AT THE ANNUAL GENERAL MEETING OF THE COMPANY ON WEDNESDAY, THE 25th NOVEMBER, 1953.

GENTLEMEN,—The year under review may be characterised as satisfactory from the operating and financial viewpoints, but one of retarded progress so far as future planning and expansion are concerned. The effects of the low 1951 monsoon were felt during the first five weeks of the year, after which the satisfactory rainfall of the 1952 season made it possible to discontinue the rationing of electricity introduced in the previous dry season. However, staggering of mill and factory holidays had to be retained and the "Power Pool," set up during the previous year, continued to function and contributed towards the maintenance of normal electricity supply throughout the 1952-53 dry season.

Since I addressed you on the last occasion, the two new railway generating units of 12,000 kw. each have been put into operation and the railway power plant is now capable of meeting all rail traction requirements. The first of the three 18,000-kw. units of the Bombay Government's Chola plant was started up for a short run early in September this year, and it is expected that this unit will be in commercial operation by the end of 1953, followed by the other two units at intervals of about two to three months each. It is understood that the Bombay Government is agreeable to having its plant operated as part of the Tata Grid system and negotiations are proceeding for the purchase of the station output, which will be passed on, without profit, to our consumers.

I indicated last year that the new Trombay plant, along with a new receiving station to serve the southern portion of Bombay Island, would probably be in operation during the first half of 1956. This forecast was based on the assumption that orders could be placed for the principal items of plant about the beginning of 1953. Unfortunately, the delay on the part of the Government of Bombay in finalising the documents for the extension of the Hydro licences and for the new licence for the Trombay thermal station and the difference of opinion which has prevailed between Government and ourselves in regard to the capacity to be installed at Trombay have prevented us from completing negotiations with the World Bank and, until recently, from placing firm orders for plant. It is, therefore, now unlikely that the Trombay plant can be brought into regular operation before the end of 1956.

I am sorry to have to report that our efforts at convincing the Government of Bombay of the need to install both generating units of 50,000 kw. each, one immediately after the other, have failed. Government have adhered to their decision to grant permission for the installation of only one unit in the first instance, leaving the question of the second unit for later consideration.

I do not propose to take the time of this meeting by discussing the details of this unfortunate controversy, but, in fairness to the Hydro Companies, I feel I must mention at least some of the basic facts.

Our case and the facts on which it rests are quite simple. It is recognised by all, including the Government of Bombay, that there is a large pent-up demand from industry and other consumers which could not be met in previous years. This demand exceeds the whole capacity of the Bombay Government's new plant at Chola.

It is also admitted that the "un-staggering" of factory hours for which there is a persistent demand from labour would require about 38,000 kw. Thus, the installation at Trombay of only 50,000 kw., as directed by the Government of Bombay, will until Koyna begins to generate power, leave a totally inadequate margin of only 12,000 kw. to meet the balance of unsatisfied demand, the further demand which is already building up, emergencies such as would result from plant breakdowns and a possible monsoon failure. Hence our recommendation for the installation of two units totalling 100,000 kw. at Trombay.

The Government of Bombay's decision, on the other hand, is based on two main assumptions, namely, that the demand will not grow at the rate at which our past and current experience shows that it will, and that the Koyna Project can be built at such a speed that it will generate electricity by 1957. The Government of Bombay, therefore, contend that, if a second unit is put up at Trombay, it will have to be shut down almost as soon as completed and as, under the Electricity (Supply) Act, any generating plant forming part of a grid system which has to be kept idle is to be allowed its depreciation and maintenance charges, plus a net return of 5 per cent. on capital, the electricity consumers would be unnecessarily burdened with such charges.

Both these assumptions are controverted by our own experience in building and operating large hydro-electric plants over a long period of years, as well as by the advice of our own experts and of our technical consultants whose competence is undisputed.

In any case, whatever may be the date on which Koyna is brought into operation, the cost to the consumer of providing the overheads and return on the second Trombay unit would be no more than .6 of a pie per kw. hour. This is indeed a negligible premium to pay as insurance against the heavy losses which would be caused to the City and the State by a recurrence of power shortage, particularly as the extra cost would have to be borne for only a few years until the rising demand absorbs the full capacity of Koyna and necessitates the re-commissioning of the thermal units. It is, furthermore, a premium which the textile and other industries of Bombay have expressed their willingness to pay.

Our recommendation to Government in favour of installing 100,000 kw. of capacity at Trombay, over a period of about three and a half years, took all these and other factors into account and represented the carefully considered view not only of our own technical staff but also of our consulting engineers abroad, of the technical advisers of the World Bank and, we believe, also of the experts of the Government of India. The Government of Bombay's rejection of the unanimous advice tendered by such a formidable array of experts is a matter which arouses deep concern on many counts.

It will, we are convinced, result in a continuance until about 1960-61, of the power shortage from which Bombay and the area covered by our licences have suffered for so many years; it will impede the normal economic growth of the City and the State of Bombay; it will necessitate the maintenance, or resumption, of the system of staggering factory hours which causes inconvenience to thousands of workers; it will increase the ultimate cost of the project by about Rs. 50 lakhs; finally, it represents a gamble on rainfall which, if it proves wrong, may result in severe loss to industry and distress to labour in the State.

Your Company and its sister companies have in the past been unjustly blamed for the power shortage which has plagued the people and industries of the State since the end of the war. I consider it a duty, therefore, to sound this note of warning and to state for the record that the responsibility for any loss in production, wages, etc., which may be suffered by the people of the State of Bombay as a consequence of the present decision, will rest elsewhere than on the Tata Hydro-electric Group.

Before I leave this subject, I would like to refer to the provisions of the Electricity (Supply) Act, 1948. That Act contemplated the establishment of an Electricity Board charged with the duty of promoting the co-ordinated development of the generation, supply and distribution of electricity within the State. The Board was to be an autonomous body consisting of persons with administrative and commercial experience and specialists such as electrical engineers and accountants. The position that has arisen in connection with the Trombay Project emphasises the necessity of setting up such a Board at an early date.

With regard to the question of finance for the Trombay Project, you are aware that the Central Government and the shareholders of the three Hydro Companies have approved of increases in capital to the aggregate extent of Rs. 3 crores and invitations to the shareholders of the three Companies have been sent out for subscribing to the new capital.

Preliminary negotiations with the World Bank were initiated originally on the basis of a two-unit plant and the voluminous data required by the Bank were submitted, analysed and approved. However, as the Bombay Government has ruled against the installation of a second unit, fresh data on the basis of a single unit are in the process of being compiled and submitted to the World Bank. The negotiations for the loan have, therefore, been delayed. I may add that it was not possible for the Companies originally to apply for a loan on an alternative basis of two units or one, as the Bank would not have entertained such an application based on conflicting data in respect of such matters as the demand for power, the availability of supplies from Koyna, financial statistics and servicing of the loan, etc.

In the context of the heavy financial requirements of your and other companies in the Tata Hydro Group, to finance capital expenditure at Trombay and elsewhere, I wish to take this opportunity of endorsing the remarks made by the Chairman of the Federation of Electricity Undertakings of India in his recent speech in which he has urged the Government of India to sanction, without further delay, an increase in the basic standard rate of 5 per cent. allowed as a return to power supply companies under the Electricity (Supply) Act. There is an undeniable case in favour of such an increase and, in view of our own urgent need to raise additional funds for expansion purposes, I sincerely hope that the Government of India will come to an early and favourable decision in the matter.

New tariffs for electricity supply, which I indicated last year were being designed to take care of higher operating costs, have not yet been finalised, in the absence of a clear indication what the power and energy from the Government plant at Chola would cost and the basis on which payments would be made. As an interim arrangement, however, a general 12½ per cent. increase has been applied to all industrial consumers from 1st May and to the distributing licensees from 1st June, 1953. The resultant increase in gross revenue on this account for the remaining period of the year amounted, in the case of this Company, to approximately Rs. 2,23,000. It will be appreciated that the effect of this interim increase will only be felt during the current year. The cost of the Government and railway power will be passed on to all consumers in the shape of a thermal surcharge. Thereafter, the new tariffs will be designed when all the governing factors are known.

Our rights and obligations under our licences and the rights and obligations of the various distributing licensees, including the B.E.S. & T. Undertaking, under theirs have been the subject of a discussion between the Association of Electrical Undertakings, Bombay Province, representing those licensees and ourselves. In view of a possible conflict of interests, as the areas of the two sets of licences cover the same territory, a general understanding has been reached that there will be mutual consultations between our organisation and the distributing licensees in the case of large-scale consumers within the territory so as to avoid, as far as possible, a duplication of capital costs and so as to co-ordinate the supply to the public in the general interests of the public and in the most economic manner. We believe that the consultation so initiated will be continued and will help towards establishing a sound and healthy system of electrical development within the territory.

It is with pleasure that I record our appreciation of the valuable services of our officers and staff throughout a difficult year.

I now beg to move the first resolution before the meeting.

WORLD DEMAND FOR PAPER

The world demand for paper and pulp will increase heavily during the next few years, if peaceful progress is not interrupted, according to Professor K. T. Streyffert, head of the Institute of Forestry in Stockholm. He has been in charge of a large-scale investigation into the problem, carried out under the auspices of the U.N. Food and Agriculture Organisation in Rome. Professor Streyffert emphasises that Sweden and other pulp-producing countries in Europe can count on a widening of their export markets, especially in South America, where the rapid cultural and industrial expansion is continuously creating new demands. Although many of the less developed countries have started to build up forest industries of their own in order to utilise local resources, progress is relatively slow and supplies are lagging far behind the demand.

Indian Cycle Industry Makes Impressive Progress

HIGH LEVEL OF PROTECTION JUSTIFIED

Consumers Benefit Through Larger Supplies and Lower Prices

HIND CYCLES' NOTABLE CONTRIBUTION

THE question of continuing the protection to bicycle industry was taken up for consideration by the Indian Tariff Commission on the 26th and 27th inst., when a public enquiry was held. A survey of the industry's progress, its problems and its needs will, therefore, be appropriate. This has been very ably done by the Cycle Manufacturers' Association, Calcutta, representing the major sector of the industry, in its memorandum to the Tariff Commission.

A study of the memorandum shows that the industry has made commendable progress and justified the high level of protection granted to it. The credit for this goes, in large measure, to the Hind Cycles Ltd., the biggest and the pioneer unit, with a rated capacity of 180,000 cycles a year. This unit, which began its operations well over a decade ago, has made rapid strides in recent years, especially after the protection granted in 1949. It to-day manufactures almost the whole cycle; to be precise, it is producing 95 per cent. of the parts required for making a bicycle. It hopes to cover even the balance of 5 per cent. in the near future. In 1951-52, this Company produced 130,053 bicycles, as against the Tariff Commission's estimate of 84,000 and the country's total output of 192,000 bicycles.

Some of the achievements of the industry are the following: There has been an impressive expansion in the size of the industry and in its production. The wages paid by the industry per worker are the highest in the country. The average earning of a worker employed by the Hind Cycles, for instance, is Rs. 194 per month. The prices of Indian-made cycles are strikingly cheaper than the imported cycles. The quality, too, compares favourably, as evidenced by the expanding demand for such cycles and the repeat orders received from Nepal. The major portion of the profit earned has been ploughed back and utilised for expansion. Despite the increase in production costs, the ruling prices of cycles are lower than those in 1949, a positive proof of the fact that the industry has been endeavouring to pass on the benefit of protection to the consumer, an achievement which few post-war protected industries can claim.

As regards the future, the industry apprehends intensive competition from abroad and has put forward some facts to justify this fear. It, therefore, wants a higher level of protection. Besides this, it wants a restriction on imports of bicycles, as well as components, on the ground that there is a large unutilised capacity in the country. Another suggestion put forward by the Association under reference is that the Sen-Raleigh Industries Ltd. and the T. I. Cycles of India Ltd. which have been established to make cycles in this country in collaboration with British cycle manufacturers, must be directed by the Tariff Commission to carry out their manufacturing programme according to the schedule approved by the Government at the time when they were started, so that the objective of encouraging a full-fledged cycle industry may be realised at an early date.

Text of Memorandum

The following is the text of the Association's memorandum (referred to above) to the Tariff Commission:

"The present protection to the bicycle industry was granted in the year 1949. As a result of the recommendation of the Tariff Board, the protective duty of 24 per cent. was raised to 60 per cent. in case of imports from the United Kingdom and to 70 per cent. in case of imports from other countries. From the facts given below, we are convinced that but for this protection, the cycle industry would not have progressed to the extent it has done during the period 1949-52.

"The bicycle industry has registered a substantial progres in quantity, quality, price and other factors such as payment of labour charges and supporting ancillary industries. The production has increased during this period by about 200 per cent. There has been a progressive reduction in prices of cycles and cycle parts, in spite of overall increases in prices of raw materials, labour, stores, etc. The quality has been accepted as completely satisfactory by the trade and the consumers. The industry has not only fulfilled the expectations of the Tariff Board and the Government of India, but has also passed on the advantages of protection to the consumer.

"Besides achieving substantial increase in production, reduction in price and improvement of quality, the bicycle industry can be proud of achieving remarkable progress in other spheres, such as payment of wages to labour and supporting ancillary industries.

"To substantiate the above statements, we give below certain facts and figures of production, quality, price and other important aspects, such as labour earnings and offtake of supplies from ancillary industries:

Year	Production: Total	Production: Hind Cycles only
1949	67,000	62,548
1950	1,01,136	99,544
1951	1,20,266	1,06,202
1952	1,92,000*	1,30,053

* Approximately.

(Please refer to Chart No. 1).

"As the Tariff Commission is, perhaps, aware, the Hind Cycles Ltd. and the Hindustan Bicycle and Industrial Corporation, Ltd., the only two plants for manufacturing complete cycles, have been manufacturing more than 95 per cent. of the parts required in the bicycle. To this list of components, the Hind Cycles has added the manufacture of free-wheels in its own workshop and has also put up an automatic plant for manufacture of bicycle chains. This plant is under erection and it is hoped that the chains will be offered to the market before the end of 1953. Rated capacity of the Hind Cycles Ltd., is more than 1,80,000 a year. The Hindustan Bicycle and Industrial Corporation Ltd., has not been able to achieve even half of its capacity due to want of demand.

"The Sen-Raleigh Industries Ltd. and the T.I. Cycles of India Ltd. have started assembly of bicycles and have already put their products in the market. Their programme is to manufacture progressively various components of bicycles and it is expected that both of them will be manufacturing the majority of parts with the capacity of about one lakh of bicycles per year in the near future.

"The Atlas Cycle Industries Ltd. has also put its 'Eastern Star' brand bicycle in the market and this Company's latest report indicates that they have also a programme of manufacturing components for their bicycles.

"The India Cycle Co., Ltd., have also put their bicycles in the market, but besides the complete bicycles, of which they are manufacturing frames, chain wheels, cranks, handle bars etc., they are manufacturing lamps and bells in large quantities.

"Messrs. Shah Industries Ltd. of Bombay and the Indian Cycle and Wire Industries of Delhi have started manufacture of spokes and nipples and the market is getting sufficient supplies of spokes and nipples from these two parties.

Steel Balls

"The National Bearing Company, Ltd., Jaipur, and the New Haven Steel Ball Corporation, Bombay, have both started manufacture of steel balls required in a bicycle and the cycle market is getting their supplies from both these sources in sufficient quantities.

"The Indo-Belga Engineering Company, Ltd., Ahmedabad, is manufacturing hubs and pedals on the basis of 500 pairs per day. Their capacity is to manufacture 1,000 pairs per day of both these items, but due to decreasing demand, the production is not maintained on the rated capacity of their plant.

"The New Haven Steel Ball Corporation Ltd., besides the plant for manufacturing steel balls, has got a number of Grindlay automatics, with a capacity to manufacture all turned parts, such as hub axles, hub cones, pedal cones, pedal axles, bottom cups, fork rings, etc., in mass quantities, but the Company has not been able to run even half the capacity due to paucity of demand.

"Messrs. Nundy and Company of Calcutta have started manufacturing various types of mudguards and it is expected that they will also start manufacture of rims in a short time.

"The Gobindo Sheet Metal works are also engaged in manufacture of various small components.

"The parts manufacturers of East Punjab are manufacturing various parts such as hub axles, hub cups, bottom cups, pedals, mudguards, forks, chain adjusters, seat pillars and most of the other small parts, but their production programme has to be adjusted according to demand. Due to heavy imports, many of these units have been compelled either to suspend or close manufacturing activities.

"The rated capacity of manufacturers of small parts is more than the requirements of the country, particularly in case of hubs, pedals, mudguards, forks, B.B. cups, hub axles with nuts and pedal axles, but the expected development and expansion of production have been held up due to very slack demand in the market.

Accessories

"The India Cycle Company, Ltd., Calcutta, are manufacturing bells and pumps. Messrs. Surajan Singh Mehtab Singh, Delhi, are producing battery lamps, oil lamps and reflectors for cycles. Similarly, the Metal Goods Manufacturing Company, Ltd., of Banaras, are also manufacturing bells. There are several other small factories producing bells, lamps and carriers.

"The Hind Rubber and Cycle Company, Bombay, Narsons Cycles Ltd., Calcutta, Senco Engineering Works, Calcutta, United Overseas Corporation of Calcutta, and several other small parties are manufacturing handle grips, both rubber and bakelite, and pedal rubbers. Messrs. Melhotra and Company, Delhi, have started manufacture of saddles in Delhi.

Tyres and Tubes

"Cycle covers and tubes are being manufactured by Dunlop Rubber Company, (India) Ltd., Firestone Rubber Company, Ltd., and India Rubber Company, Ltd., in sufficient quantities. Rated capacity of manufacturers of cycle accessories is more than sufficient to meet the requirements of the country; but the expected development and expansion have been held up due to lack of sufficient demand in the market.

"From the above facts, it will be seen that the cycle industry is now manufacturing complete cycles and all the components and accessories and the Hind Cycles Ltd., the biggest manufacturing plant, is completely independent of imports so far as components are concerned. It will, therefore, be seen that India is now manufacturing all the parts and accessories of bicycles.

Parts in a Bicycle and Those Manufactured in India

"We give below the list of parts required and manufactured in India:—

"Frames, forks, handle bars, pedals, rims, hubs, mudguards, chain wheels, cranks fire-wheels, chains, spokes and nipples, and small components such as bottom brackets, highdraw bars, breaks, B.B. rods, cranks, chain adjusters, cottor pins, all nuts and bolts and steel balls, bells, pumps, carriers, handle grips, pedal rubbers, brake rubbers, and tyres and tubes.

Quality

"The quality of Indian bicycles has now improved to such an extent that it can compare with any foreign bicycles of similar range. This is substantiated by various facts, viz., (1) that, in spite of maximum imports in the years 1951 and 1952 in the history of the cycle trade in India, the Hind Cycles Ltd. has been able to sell more than a lakh of bicycles in each of these years. From the available records of trade in the country, this has been found to be exceptional in so far that the maximum sales of any one brand of even a popular foreign bicycle has not reached this figure in any of the previous years; (2) there is a persistent demand from the dealers all over the country for stamping each and every part with the name of 'Hind'; and (3) there is a good response and repeat orders from Tibet to the initial quantity of export made to that country.

Price

"The Indian cycle industry has exercised a definite check on prices of its product, in spite of fluctuations of prices in the market of foreign bicycles depending upon the fluctuations in imports. In fact, the Hind Cycles Ltd. has progressively **reduced its prices** from 1948 to 1952. (See chart No. 1 on page 1010). We give below the table of prices since 1948 to 1952, together with discounts allowed to the trade and net prices to the trade:—

	Gross price			Net price
1948 ..	Rs. 130/-	f.o.r. destination less	2%	Rs. 127.4
1949 ..	Rs. 130/-	,, ,, ,,	8½%	Rs. 118.1875
1950 ..	Rs. 125/-	,, Bombay ,,	10½%	Rs. 114.375
1951 ..	Rs. 135/-	,, ,, ,,	13½%	Rs. 116.775
1952 ..	Rs. 135/-	,, ,, ,,	13½%	Rs. 116.775
1953 ..	Rs. 135/-	,, destination ,,	13½%	Rs. 118.500

Spare parts	Net price 1948 Rs. a.	1953 Rs. a.	
Hubs	5 8	6 0	per pair.
Handle bars	20 0	18 8	per pair.
Pedals	5 8	3 8	per pair.

"The number of available cycles and cycle parts in the years 1951, 1952 and 1953 being more than the actual demand of the country, the trade, as well as the manufacturers, had to sell cycles and cycle parts below their landed cost. Some of the less-known brands of foreign bicycles, which were imported in huge quantities in the year 1950 and 1951, had created a crisis in the market, with the result that such brands of bicycles, though of foreign make, were sold below landed cost. In case of components, there was a time in the market when articles like spokes and nipples and chains were sold much below landed cost and importers had to suffer great deal of losses in these items.

Ploughing Back

"The bicycle industry has followed the pattern recommended by the Government of India and Tariff Commission of ploughing back the profits in expanding the capacity of their unit resulting in substantial increase in production and employment. The table below shows the total block, labour employed and their average earnings from 1949 to 1952. These figures of average earning, etc., are taken from the Hind Cycles Ltd., which, being the major manufacturing unit, provides representative example.

Year	Block: Additions in the year Rs.	Block: Total Rs.	Number of workmen employed	Average earnings per month Rs. a.
1949	8,10,108 5 4	42,60,042 9 0	950	133 3
1950	2,90,902 4 4	45,51,340 11 9	1,070	158 11
1951	8,98,171 4 9	54,40,205 2 11	1,147	179 9
1952	6,11,663 6 3	60,60,789 8 4	1,233	194 0

Labour

"The above figures of average earning of the labour and its progressive increase show that the wage of a daily paid workman in the cycle industry is the highest in India, as will be seen from the attached graph. (See chart No. 2). In the major producing unit of complete bicycles, namely, the Hind Cycles Ltd., about a dozen daily paid workmen are paying income-tax, and further, more than 440 workers are the shareholders of the Company.

"From the above facts and figures, it will be seen that the cycle industry has not only justified the protection given to it, but has not taken undue advantage of shortage in some period and the protective duty, but, instead, has passed on the advantage of this protection to the public, which is corroborated by the fact that the prices have been kept at the same level; nay, in a way, they have been reduced, even though prices of all raw materials and labour have gone up and there have been increases in prices of most of the manufactured articles in the country.

Tariff Board Targets and Actual Production

"We give below the targets worked out by the Tariff Board for the various periods and actual production of the Hind Cycles Ltd. :—

	Tariff Board estimates	Actual production
1949-50	55,000	67,543
1950-51	70,000	99,544
1951-52	84,000	1,30,053

Imports

"The table below shows the imports of cycles and cycle parts yearwise for 1948-49 to 1952-53:—

	Complete cycles	Cycle parts Rs.
1948-49	2,61,302	1,50,94,000
1949-50	2,66,148	1,50,19,000
1950-51	1,60,491	90,42,000
1951-52	2,83,100	1,44,30,000
1952-53	2,56,491	1,39,50,000

CHART NO. 1

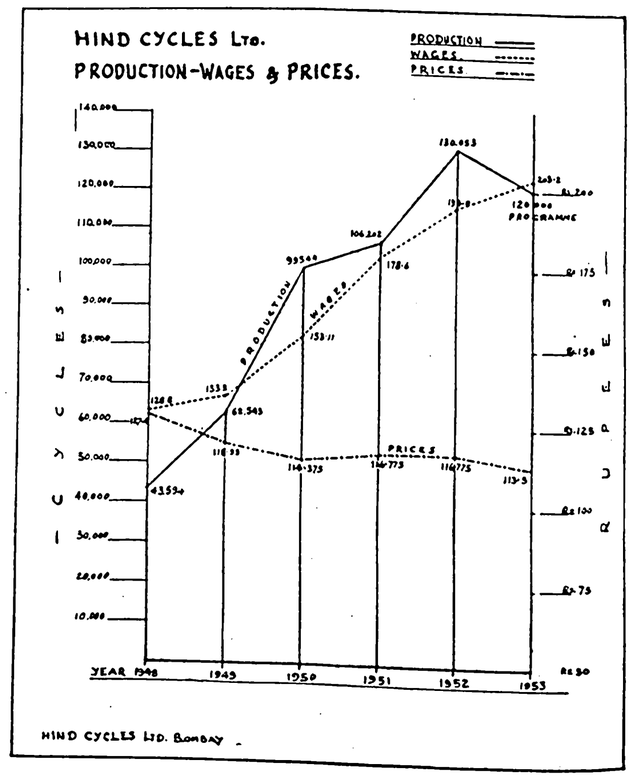
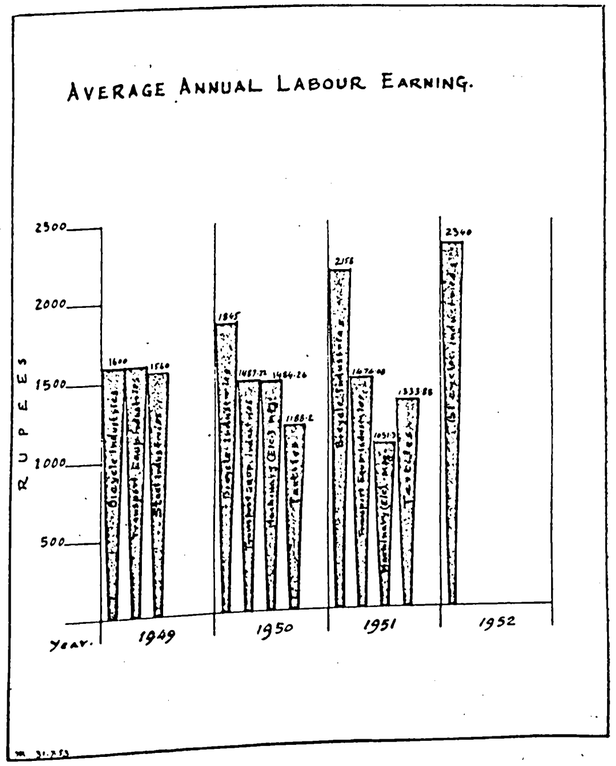


CHART NO. 2



Stock of Indigenous Product

"The cycle factories have to carry large stocks of unsold cycles and parts, which will be seen from the fact that the Hind Cycles alone had to carry, and is still carrying, heavy stocks. A stock of 23,995 bicycles was carried in 1949 and of 37,423 bicycles at the end of 1952. This has made it obligatory on the cycle industry deliberately to reduce the production and it will be seen from chart No. 1 that, as against the production of 1,30,000 bicycles in the year 1952, the Hind Cycles Ltd. had to reduce its programme to 1,20,000 in 1953. This had to be done by closure of the third shift and by discharging about 200 workers. The Hindustan Bicycles of Patna had to suspend production and is now engaged only in nominal production. The manufacturers of parts had also to face the same crisis. The Indo-Belga and the New Haven Steel Ball Corporation Ltd. had also to curtail various items of their production. The cycle industry expected to develop and expand its production in such a way as to fulfill the targets set out by the Planning Commission, but it is found that, due to paucity of sales, the production, instead of being increased, had to be deliberately reduced.

Price Trend

"It will be seen from chart No. 3 that, as soon as the number of available cycles and cycle parts reaches a figure of about 3 lakhs, not only the prices have a tendency to sag, but it is found that there is very poor movement of goods and, in spite of offering cycles and parts at very low prices, there is no buyer in the markets. Reduction of price is not so much a cause of worry to manufacturer, but complete want of demand affects the morale and enthusiasm of the manufacturers, who are compelled to suspend, reduce or close production. In the first half of 1953, even though import licences are only on restricted basis, the prices have continued to reach lower levels and the offtake compared to production is poor.

Sales Difficulty

"From the above tables, particularly the figures showing closing stocks, it will be seen that even though an Indian manufacturer improves the quality, so as to be on par with foreign product and even though the price is progressively being reduced, it is difficult to sell such standard articles and it results periodically into heavy accumulation of stocks. Bicycles and bicycle parts are considered to be articles essential for use of the common man and as such, an acceptable quality article should have a ready sale, because of its suitable price and standard quality. In the case of the bicycles industry, in spite of these facts, sales have always been sporadic and this uncertainty about the disposal of bicycle parts is a feature, which affects adversely the development and expansion of production on desired lines.

"This has been amply proved by the fact that one of the two complete bicycle units has to be closed down and the other had to close one shift and reduce production due to accumulation of heavy stocks. The position of manufacturers of parts is so precarious that a number of units, including well organised ones, had to suspend their production.

Causes

"We are of opinion that besides the low purchasing power of the country, imports of bicycles and bicycle parts have played a decisive part in the development of the industry, both complete cycles and cycle parts. The estimates of consumption by the Tariff Board have, acording to us, proved to be on the higher side, because from chart No. 3 it will be found that, as soon as the number of bicycles available in the market reaches a figure of about 3,00,000 total, the prices sag to such an extent that not only the indigenous manufacturers, but even importers have to sell their goods practically at par and in some cases even below landed cost, as will be seen from the following table:

	1951				1952				
	May	*Aug.*	*Dec.*		*Mar.*	*June*	*Dec.*		
	Rs. a.	Rs. a.	Rs. a.		Rs. a.	Rs. a.	Rs. a.		
Hercules	.. 221 0	207 0	204 0		202 0	185 0	195 0		
Phillips	.. 209 0	193 0	197 0		190 0	175 0	193 0		
Hind	.. 140 0	135 0	130 0		125 0	118 0	110 0		
Hubs	.. ..	..	14 8		13 8	12 12	10 14		
Pedals, Phillips	.. ..	..			7 4	6 4	5 14		
Spokes	..		6 12		6 4	5 10	5 12		
Chains	.. 3 2	3 6	3 2		3 2	2 12	3 0*		

* Hardly any buyers.

Conclusion

"From the facts and observations given above, we are of the opinion that the bicycle industry would have been effaced out of existence but for the protection granted by the Tariff Board in 1949. We are further of opinion that, in view of (i) exceptional behaviour of the cycle industry of passing on the advantages of protection to the trade and consumers and substantive expansion of production and improvement in quality, (ii) poor demand due to purchasing power being lower and (iii) possibility of producing sufficient number of bicycles and bicycle parts in the country, the present protection of 60 per cent. protective duty on imports from the U.K. and 70 per cent. on imports from countries other than the U.K. must be continued for a further period of three years.

"It has been agreed in all quarters that expansion of and support to cottage and small-scale industries is the only way to create more employment. The question of employment is to-day looming large in all deliberations of the Government and is a source of serious anxiety to all concerned. As stated above, expansion of small-scale industries is one of the few methods by which employment can be increased.

In a recent conference at Delhi, manufacture of bicycle parts and small watches have been considered to be two of the items, which should necessarily be taken up as items of development of small-scale industries and community projects also.

Protective Duty Must Be Raised

"It has been admitted that nucleus for development on these lines is existing so far as the cycle parts manufacturing is concerned. We are, therefore, of opinion that, in order to give impetus not only to achieve full production of existing firms, but to encourage expansion of manufacture of cycle parts, the protective duty on all cycle parts must be increased to 80 per cent.

"From the figures and charts given above, it will be seen that there have been violent fluctuations in prices and offtake of cycles and cycle parts. As shown in the graphs and figures, the policy of import licence is instrumental for the downward trend in the expansion of this industry, both complete cycles and cycle parts. We are, therefore, of the opinion that the Tariff Commission should include quantitative restriction of imports on the basis of consumption and production, as a measure of protection, the ultimate target being complete elimination of imports of cycles and cycle parts. We are firmly of opinion from the experience of the last ten years that industrial development of India cannot proceed on desired lines (which in themselves are moderate), unless the State takes such measures as to ensure disposal of industrial production. The usual method followed by even the highly industrialised countries like the U.K., the U.S.A., the U.S.S.R., Germany and Japan is the adjustment of and ban on imports of articles manufactured in the country.

Quantitative Protection Essential

"We are of opinion, therefore, that quantitative restriction of imports as a measure of protection is not only essential, but unavoidable in the present circumstances, particularly when, on the one hand, the purchasing power is dwindling, while, on the other, the cost of living index in the industrial towns is on the increase. The unavoidable feature of paucity of demand resulting from this ever increasing cost of living, which is reflected in the manufacturing cost of the articles cannot be remedied, unless a bold policy of quantitative restriction of imports is followed in case of an industry which has a rated capacity and which has justified its existence and which can claim preferential treatment on the basis of its exceptional behaviour during the last protection period. On the other hand, we are of opinion that, if protection by way of duty is not accompanied by restriction on imports, not only will there be a complete dislocation of the Five-year Plan but its development will also deteriorate to lower production resulting in further unemployment.

Prices May Be Controlled

"In order to allay the fears of the possibilities of price increase in case of quantitative restriction of imports, we are of opinion that the bicycle industry will welcome a strict price control on the basis of cost worked out by the Tariff Commission.

"We request the Tariff Commission to consider and attach appropriate importance to the other important sector of this question. We are of opinion that the trade, meaning the established channel of trade, is bound to be one of the important sections which would influence the development of this industry, because, as stated above, it is not so much the price, but want of offtake through organised channels which has been responsible for the downward trend in the expansion of the bicycle industry in the years 1952-53.

"We suggest that, in consultation with the importers and cycle dealers of the port towns of Bombay, Calcutta and Madras and non-port towns like Delhi, Kanpur, and Nagpur, the Allocation Scheme sponsored by the Hon'ble Shri T. T. Krishnamachari, should be expanded. We are of opinion that this can be done by extending the scheme so as to cover the entire production of all the four or five manufacturing units and allocating their products to established dealers and importers on the basis of their offtake in previous years. This scheme should provide for uniform prices and rates of discounts so as to satisfy both the importers and the small dealers in the mofussil. This scheme should further provide for inducing the manufacturers to market their production only through the normal trade channels. This, in our opinion can be the only substitute for shrinkage of trade, which is bound to result due to restriction of imports. We, however, beg to submit that any steps in this direction be taken only in consultation and agreement with the trade.

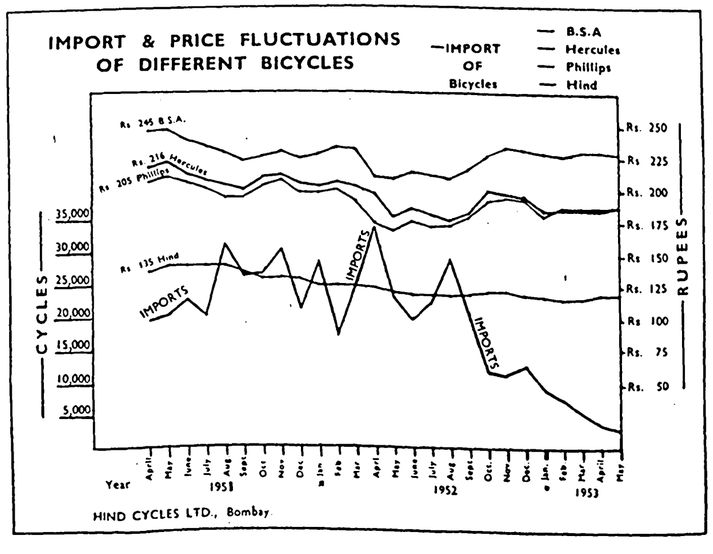
Co-ordinate Supply of Components

"We suggest that a machinery be set up to co-ordinate supply of indigenous components to manufacturers of complete bicycles, the scheme, of course, providing for proper standardisation and inspection and approval by the manufacturers of complete bicycles.

"We are of opinion that the time is ripe for setting up the Development Council under the Industries (Development and Regulation) Act for the bicycle industry.

"Adequate provision should be made for obtaining equal facilities of importing essential stores, raw materials and components to all units engaged in production of cycles and cycle parts.

CHART NO. 3



A Welcome Development

"Before concluding, we would like to make mention of a new development which has taken place since the report of the last Tariff Board enquiry. Two well-known British firms have finalised arrangements with Indian concerns to put up plants for manufacture of cycles and cycle components. We have to submit that this development is the result of the protection granted to the cycle industry by the Government. It is a welcome sign from the point of view of the industrial development of the country. More technical know-how to the bicycle industry will be forthcoming and India will be in a position to manufacture in sufficient quantities all her requirements in cycles and cycle parts during the period of the first Five-year Plan. We suggest that facilities to expedite their programme of progressive production be given to these firms by allowing imports of machinery, so that, as per scheme drawn out by the Government at the time of giving permission to these two firms, they may be fully equipped to start and carry out manufacturing programme of all components required in the bicycle.

"The Five-year Plan has included in the targets of production the above two firms, which had submitted their programmes of production. The very fact that they have been included in the targets of production implies that there will be actual genuine production of parts on the basis of a programme, which would enable the country to be self-sufficient in manufacture of cycles and cycle parts and not only mere assembly from imported components.

Excessive Imports Given

"We are compelled to make the above observations in view of the fact that the Government of India in July-December, 1953, period has given import licences to these firms on the basis of Rs. 12 lakhs for every quarter, which means that import licences on the basis of 72,000 bicycles for each unit will be given to them. Further, these import licences have not any conditions attached with regard to the import of any particular parts. It was agreed, in a joint conference of the manufacturers and the Government, that imports of components will be allowed to such firms on the basis of their programmes of production, ultimately to result in tapering off the imports, so as to enable these firms to manufacture most of the components in their factories. Import licences were so far given on that basis, but, as stated above, import licences given for July-December, 1953, period have omitted in all cases restrictions on particular part or parts. We feel that such a licensing system would induce the manufacturers to rely more on imports of components than concentrate on genuine manufacturing activities. We are further supported in our apprehension by the fact that British manufacturers have recently reduced their prices by 10 per cent. for components.

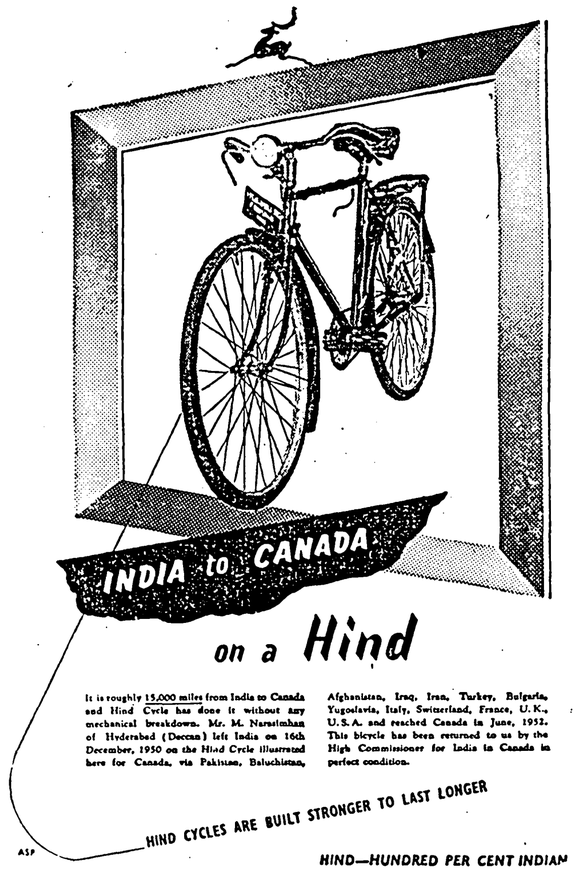
"Liberty to import any components, combined with this offer of reduction in prices by British manufacturers, will naturally result in the import of even those components, which are programmed to be manufactured by these units. If this is allowed to happen, the aims of the Five-year Plan to increase wealth by increasing production and thus offering more and more employment are bound to fail. The Five-year Plan aims in certain industries (in which the bicycle industry is included,) to achieve self-sufficiency during the Plan period. The executive action, similar to one stated above, is likely to have effect quite contrary to the aims of the Plan. We request the Tariff Commission therefore, to look into this matter thoroughly, wih a view to encouraging expansion of genuine manufacture of bicycles and bicycle parts in the country and not merely make available and put on the roads more bicycles irrespective of the fact whether they are manufactured in the country or made out of components imported from abroad.

"We submit the above observations, with a view to impressing upon the Tariff Commission the necessity of executing their policy of expanding and helping genuine production in place of mere assembly plants, multiplication of which the country has been witnessing during the last few years in various industries.

Domestic Cycle Industry Can Do The Job

"The Five-year Plan aims at achieving certain targets of production in various industries, with a view (1) to making India self-sufficient in certain cases and thus be independent

(Continued on page 1035)



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INDIAN COPPER CORPORATION LIMITED

ADDRESS OF SIR ANTHONY J. ELKINS AT ANNUAL GENERAL MEETING

ADDRESSING the Twenty-ninth Annual General Meeting of the Indian Copper Corporation Ltd., held at the Royal Exchange Hall, Royal Exchange, Calcutta, on Wednesday, 25th November, 1953, at 11-30 a.m., the Chairman, Sir Anthony J. Elkins, C.B.E., said:—

"From 1st January, 1952 to 5th April, 1952 your Company was under the management and control of the London Board, and for the remainder of the year under the management and control of the present Board of Directors and the Managing Agents in India.

Accounts

"The properties of the Company continue to be well maintained, and adequate depreciation has been provided. There is little to comment on in the balance-sheet, but, as you will have observed, the total current assets exceed the current liabilities and tax reserves by £1,247,176, which is a satisfactory figure. Stocks of manufactured products, although still high, were reduced by £121,825, as compared with the figures shown in the previous year's Accounts.

"The profit for the year of £687,180 before providing for taxation and depreciation is less than last year's record figure, but the decrease has been largely counterbalanced by an appreciable saving in taxation, as a result of the transfer of control to India.

"The circular shaft has now been almost completed but, in order to maintain ore reserves, mining operations at greater depth must be continued. For this reason the sum of £185,000 has been allocated to general reserve as against £175,000 last year.

"After giving full consideration to the increasing costs of mining at greater depths and also the uncertain prospects due to fluctuations in the metal market, your Directors recommend a dividend of 12½ per cent. free of income-tax payable by the Company.

Copper Leases—Operating Results

"A detailed review of the year's operations is given in your General Manager's report, which can be seen during office hours at the Company's Head Office.

"The main features are briefly summarised in the Directors' report. The ore treated in the mill was 48,838 short tons below the previous year which was the second highest figure recorded, and the production of refined copper decreased by 1,004 long tons.

"The rolling mill production was decreased, as compared with the previous year, by 3,218 long tons on account of poor market conditions.

"Towards the close of the year, when there was a restricted demand for the Company's products in India, permission was obtained from the Government of India to export 2,000 tons of copper ingots.

Development

"The total footage developed increased by 853 feet, with an increase in the percentage of payability copper content and stoping width as compared with the previous year's results, due to a larger proportion of development being made through favourable payable ground in the Mosaboni Mine.

Ore Reserves

"The increase of 224,404 short tons now brings the total estimated ore reserves to a record figure of 3,448,795 short tons. The ore reserves at both Badia and Dhobani Mines decreased, while Mosaboni Mine, where development results continue to be satisfactory, more than made up the deficiency.

"The main development for the ore reserves was again at the North Badia section of the Mosaboni Mine, but as development in depth of this comparatively new ore shoot has now caught up with the old Mosaboni Mine, further ore reserves can only be opened up by the general deepening of the mine.

"The main development at Badia was around the eighth and ninth levels to the north, but results continue to be disappointing.

"At Dhobani Mine, development is suspended, although the mine continued to produce a small tonnage of payable ore during the year, but this will cease in 1953.

Sales

"During the year, there was a heavy fall in metal prices, including zinc, but copper prices held up fairly well. The average selling prices during the year were:—

	Per ton
Copper ingots	£241
Rolled brass	£270
Yellow metal circles	£281
Rolled copper	£275
Copper circles	£285

Kyanite

"Despatches increased by 3,254 tons as compared with the previous year.

"Export prices increased from £22 to £28 per ton up to September, but thereafter they fell to £25 per ton by the end of the year. Even this price has not been maintained, and the current price is £20 per ton.

Labour

"Conditions deteriorated during the year under review, and the Mosaboni Mines Union separated from the Works Union before the end of the year. Shortly after the close of the year, there was a strike resulting in a complete cessation of production from 28th February to 5th June, 1953, the effects of which will be reflected in the accounts for 1953.

Staff

"I wish to place on record my appreciation of the willing co-operation of the staff at the mines and works during the year under review.

"The General Manager, Mr. E. R. Dempster, was on leave during the year, and Mr. N. A. B. Hill, the Mine Superintendent, acted for him in his absence."

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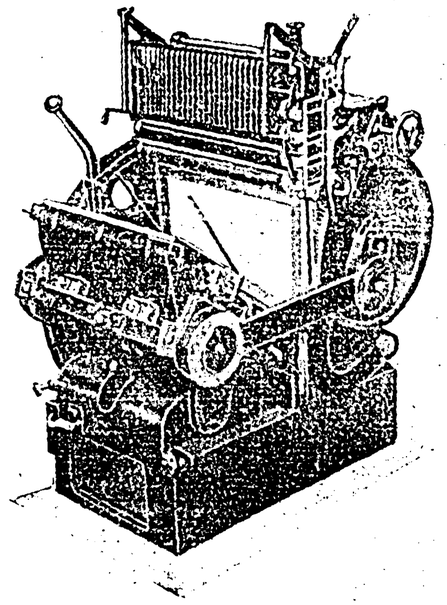

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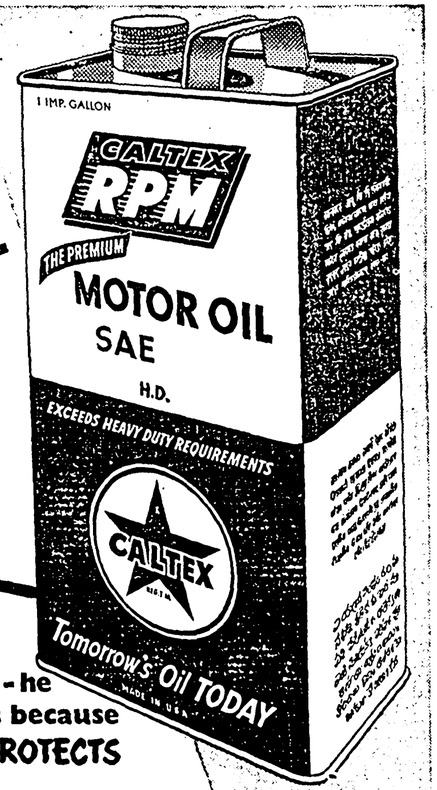

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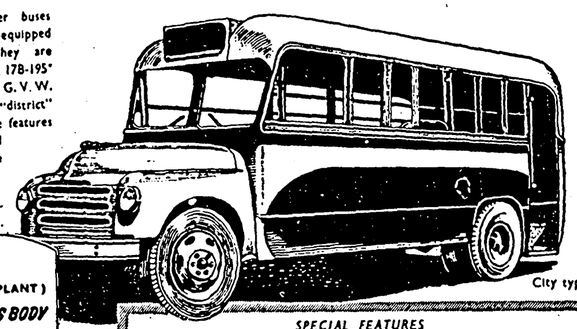

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PROTECTION TO HURRICANE LANTERN INDUSTRY

QUALITY OF PRODUCTS NEEDS IMPROVEMENT

THE hurricane lantern industry has put forward its case for continuance of protection for a further period of three to five years. This claim was taken up for consideration by a panel of three members of the Tariff Commission on the 16th inst. The three members were: Mr. B. N. Adarkar (Chairman of the Panel), Mr. C. Ramasubban and Mr. B. N. Das Gupta. Protection was first given to the industry upto 31st March, 1949, by converting the then existing revenue duty of 30 per cent. *ad valorem* into a protective duty at the same rate. In successive stages, protection was granted up to 31st December, 1953.

The present position of the industry, as described by Mr. Adarkar in his opening remarks, reveals several notable features. At present, it is, doubtless, playing an important role in the economy of the country. It has enjoyed protection for a period of more than seven years which is, indeed, a fairly long one. It has also made good progress during this period. Both the installed capacity and production have shown marked increases. In 1949, there were 12 units with a total rated capacity of 3 million lanterns. There are at present 10 major units, of which five are located in West Bengal, two in Delhi and one each in Bihar, U.P. and Bombay. Their total installed capacity, according to Mr. Adarkar, is estimated variedly between 4.26 million lanterns and over 6 million lanterns. The actual production of these ten units increased from 1.7 million lanterns in 1948 to 2.8 million lanterns in 1950, 4.0 million in 1951 and 3.5 million in 1952. The output of lanterns during the first half of the current year was 2.0 million. The capital invested in the industry, as estimated by the Planning Commission, is Rs. 50 lakhs and the number of persons employed is 3,000. The Planning Commission is of the opinion that, after implementation of the existing programme, further expansion of the industry would not be necessary until 1955-56, if the units worked on more than one shift per day. The Commerce Ministry is stated to have decided not to encourage the starting of new units.

Domestic Demand

The domestic demand for hurricane lanterns was estimated by the previous Tariff Board at 6 million lanterns per annum for undivided India. The Board, which reviewed the position in 1949, put it at only 3 million lanterns. The present Tariff Commission has received estimates varying from three million to five million lanterns. The Commerce Ministry has estimated the demand for 1953-54 and for the subsequent years, namely, 1954-55 and 1955-56, at 4.5 and 5 million lanterns respectively. The Lantern Manufacturers' Association puts the figure at 3 million. The Planning Commission expects that it would be 5 million lanterns by 1955-56 which excludes its separate estimate of one million lanterns for export. Mr. Adarkar's references to consumption based on imports may also be mentioned here. "If the estimate of demand," he said, "is based on the actual quantity available for consumption, i.e., production plus imports minus exports, then, on an analysis of figures for the last three years, i.e., 1950, 1951, 1952, it would work out to 3.2 million, 4.2 million and 3.4 million lanterns, respectively, giving an average of about 3.6 million lanterns." This is, we may note here, lower than the rated capacity of the 10 major units, estimated at 4 million.

Quality of Products

As for the quality of the products manufactured, the same old story of low standard quality which is common to most protected industries is repeated in the case of the lantern industry also. Although the quality of products of some of the larger units is stated to be fairly satisfactory, the attention of the Commission has been drawn by consumers and importers to certain existing defects. These defects have been broadly classified by Mr. Adarkar. He stated, in his speech referred to above, thus: "The constructional defects of the indigenous lanterns are shown by (1) leakage of oil tanks, (2) loose stoppers, (3) the levers for raising or lowering wicks getting out of order, and (4) the top lid portion getting spoiled early. The finish of the indigenous lanterns is also stated to be inferior to that of imported lanterns. Further, the performance of indigenous lanterns is stated to be below the standard prescribed by the Directorate General of Supplies and Disposals." We are further told that the candle power of the indigenous lantern is never beyond five and the period of continuous burning not more than 12 hours, although the specifications provide for a candle power of six and burning capacity of 15 hours, with ½ pint fount capacity.

Closely related to the question of quality of the lamps is the availability and quality of raw materials required by the industry, namely, tinplate, black sheets and steel wires. The quantity of the first and the last available are stated to have been sufficient for working only one shift. The supply of metal sheets is still inadequate for working even one shift. This difficulty can be overcome by switching over to the use of tinplate. The Iron and Steel Controller is stated to have given the assurance that the industry's full requirements of steel plate would be met. Steel wires, too, can be supplied from indigenous sources. But the freight charges are considered to be heavy; the railways will have to look into this question.

Position Regarding Exports

The industry has considerable scope for exporting hurricane lanterns. The principal export markets at present are Malaya, Ceylon, Burma and Persian Gulf countries. Exports of hurricane lanterns from India have been on O.G.L. since April, 1949, for all permissible destinations. Hurricane lanterns are also included as one of the exportable items in the trade agreements with Burma, Iraq, Egypt and Finland. But with all the defects mentioned above, one wonders whether the industry will be successful in establishing markets for its products in the overseas countries and hitting the export target fixed by the Planning Commission. It would be interesting to know the progress that has already been made by the industry in this direction. Unfortunately, Mr. Adarkar gave no indication of the exports of lamps in his speech. The foreign trade statistics of India also throw no light on this question.

The industry is undoubtedly of considerable significance to the economy of India. It merits all reasonable forms of assistance. It has demanded continuation of protection for a period of five years. It has contended that, since it has still to face consumers' prejudice against its products, protection is essential to enable it to consolidate its position, increase production and bring down costs. This demand requires very close scrutiny, as in spite of more than seven years of protection, the quality of the products of most concerns leaves much to be desired. The industry should be made to realise the need for maintaining standards of efficiency. This can be done through two or three ways. In the first place, token imports should be allowed to sharpen the efforts of the industry at improving its quality and keeping down selling prices. Secondly, while continuing protection for at least another three years, the industry must be encouraged to sponsor research calculated to enhance its competitive ability by means of reducing its costs and improving its quality. The authorities should use their influence to enable the industry to get the right quality of raw materials and stores, if these are in short supply and difficult to be had. Concessions should also be given to it by way of a reduction in railway and shipping freights. If at the end of three years, the industry fails to rise to the expectations of the country, the Government will have to consider seriously whether it will be worthwhile to continue the protection to the industry.



PROTECTION TO PENCIL INDUSTRY TO END AFTER NEXT DECEMBER

The Government of India has decided to terminate the tariff protection granted to the Indian pencil industry as from 1st January, 1953. The decision is a sequel to the recommendation to that effect made by the Tariff Commission following an enquiry into the position of the industry conducted in February this year.

In submitting its recommendation for the withdrawal of protection to the industry, the Tariff Commission has taken into consideration various aspects of the industry's position. In the first place, the rated capacity of the industry is very much above the actual production. The present capacity of the industry is estimated at 8 lakh gross per annum at the end of 1953. Allowing for an increase of 20 per cent. over the demand estimated in 1950 on account of spread of literacy since then, the requirements of pencils of the country are placed at 6 lakh gross per annum, consisting of 4.5 lakh gross of black pencils, 90,000 gross of copying pencils and 60,000 gross of coloured pencils. This demand might progressively increase at the rate of 10 per cent. per year. As against these requirements, actual production in 1952 amounted to 1.29 lakh gross black lead pencils, 11,334 gross coloured pencils and 9,835 gross copying pencils only.

Secondly, the Commission is of the opinion that there has been a definite improvement in the quality of the indigenous pencil during the last two years. If the services of a technical expert, under the Point Four Programme, can be obtained for the industry, significant progress in producing superior quality pencils can be expected, the Commission says.

As the industry is experiencing some difficulty regarding the supplies of slat, the Commission has emphasised the need for establishing a slat industry as soon as possible for meeting the requirements of the pencil industry.

Thirdly, the fair ex-works prices per gross, inclusive of profits of indigenous pencils, are sufficiently lower than the c.i.f. prices of imported varieties. The lowest c.i.f. prices and the ex-works prices per gross of various types of pencils are as follows:

	Per gross	
	Imported c.i.f. prices	*Fair ex-works prices*
	Rs. a. p.	Rs. a. p.
Black lead pencils ...	16 0 0	7 15 8
Coloured pencils ...	13 0 0	14 14 3
Copying pencils ...	15 9 0	13 14 8

A further allowance of 15 per cent. in the case of black lead pencils and 25 per cent. in the case of coloured and copying pencils has been made for consumers' prejudice.

At the existing rate of import duty of 66⅔ per cent. on all types of pencils, the Commission considers that there is no case for protecting the industry. Consequently, it has recommended that "protection to the industry should be allowed to lapse on 31st December, 1953, when the present period of protection expires." In making this recommendation, it has, however, presumed that the Government will continue the floor c.i.f. prices as well as the high rate of duty levied under the Finance Act, 1953. Since any reduction in the existing rates of duties without reference to the cost of production might seriously affect the interests of the industry, the Government has been requested carefully to examine the position of the industry, before any decision is taken to effect a downward revision in the existing level of import duty.

The Tariff Commission has further recommended that effective steps should be taken to restrict imports, as it is led to believe the existence in the country of large stocks of pencils partly owing to smuggling from Pakistan and from the foreign pockets in the country. It feels that there would be no need to import pencils for the whole of 1954. Import licences should be made valid, it says, only for black lead pencils whose c.i.f. price is not less than Rs. 16 per gross and coloured and copying pencils whose c.i.f. value is not less than Rs. 20 per gross as at present.

All facilities and assistance which the industry is at present receiving from the Government, including patronage for its products, but excluding facilities for importation of lead, should, in the opinion of the Commission, be continued.

In accepting the above recommendations, the Government has made it clear that, if at any time the import duty is substantially reduced, it will be open to the industry to ask for further enquiry by the Tariff Commission.

As regards the Commission's suggestion on the restriction of imports, both qualitative and quantitative, the Government has decided that the policy would continue to be announced each half-year taking into account all the circumstances prevailing at the time of announcement, including those to which the Commission has drawn attention.

PARLIAMENT PASSES TWO BILLS FOR HELPING INDUSTRY

Two Bills of considerable importance to industry in this country were passed by Parliament last week. One was the Sea Customs (Amendment) Bill and the other the Coir Industry Bill. The former Bill provides for payment in approved cases of drawback of import duty paid on the raw materials contained in manufactured goods exported abroad. It provides also for allowing the manufacture of goods in bond. It seeks to replace an Ordinance embodying the provisions promulgated by the President of India some time back.

The Coir Industry Bill provides for the control by the Union Government of the coir industry and for that purpose the establishment of a Coir Board, and for the levy of a customs duty on coir fibres, coir yarn, and coir products exported from India.

Moving the Sea Customs (Amendment) Bill, Mr. A. C. Guha, Deputy Minister for Finance, stated that the Bill was intended to improve India's export trade. It became necessary, he said, because India was no longer just an exporter of raw materials. During recent years, it had become an exporter of finished goods also. Almost all industrial countries had similar provisions. In India it was welcomed by most of the commercial organisations, particularly those interested in textile industry, art silk industry and plastics industry, because it was intended to give immediate relief to these industries. In recent years exports of textiles had gone up considerably but this year the prospect of textile exports was not bright and, therefore, it was necessary to give some help to exports of textiles and that was why there was urgency of having the Bill.

Continuing, the Minister stated that the benefits provided for in the Bill would not be given automatically to all concerned. The Government would frame certain rules and regulations for this purpose. He said that all the interests concerned would be consulted before finalising the rules.

Some members of the opposition desired that a schedule of industries to be benefited by the provisions of the Bill should be attached to it. And one member wanted the Government to make it clear that the foreign refineries now being set up in India would not be allowed to demand the relief proposed in the Bill on the imported crude oil that might, after being refined in India, be exported.

Replying to the debate, Mr. Guha said that it was difficult correctly to assess the loss of revenue on account of implementing the provisions of the Bill. It might be nearly Rs. 3 crores annually, but, ultimately it would not be a loss as the country stood to gain by other channels such as higher exports and more earnings of foreign exchange.

The House then passed the Bill. Promotion of exports being the main objective of the Bill, it should considerably help development of industries. But it will be ineffective if it is administered in the usual bureaucratic way by leaving large discretionary powers to customs officials. Care should be taken to see to it that the rules framed are simple and easy of interpretation. Further, every efforts should be made to make drawback payment of duty as quickly as possible.

Coir Industry Bill

The debate on the Coir Industry Bill revealed that the Bill had the general support of the House, with some members pressing that the measure should be passed forthwith. Fears were expressed that, if the industry, which was now a cottage industry employing five lakh people, were mechanised, such might lead to unemployment.

Replying to the debate, Mr. Karmarkar, Minister for Commerce, stated that no steps would be taken for mechanisation, if it harmed the cause of the cottage industry. He said that labour would be represented on the Coir Board to be set up under the Bill. Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who also spoke on the Bill, assured that the office of the Board would not be located in New Delhi. As the setting up of the Board was a new venture, he wanted the Chairman of the Board to be under the control of the Government. The Vice-President of the Board would be elected by the members of the Board.

Two official amendments, widening the definition of groups and interests from among whom representatives to serve on the Board, to be nominated by the Government, were accepted by the House. The interests concerned will include growers of coconuts, producers of husks and coir yarn, and persons engaged in production of husks, coir and coir yarn and in the manufacture of coir products.

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SAVES ON WEAR *by lubricating properly at all temperatures;*

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V.7837

PRIVATE ENTERPRISE IN INDIA

ITS ROLE IN INDUSTRIAL DEVELOPMENT

(By D. C. KOTHARI, President, Hindusthan Chamber of Commerce, Madras)

THE role that private enterprise has to play in the economic development of our country has undergone a few changes even in the first few years of our political independence. It was natural that, in the first flush of the enthusiasm of our newly won freedom, we should be distrustful of the institutions that were left behind as a legacy of foreign rule. But just as we have adopted the idea of a democratic set-up for our political life from the British, so also we have chosen the system of private enterprise and the freedom of the individual to do business with as much latitude as is consistent with the economic aspirations of a free country. It has also come to be recognised in all progressive democratic countries that the Police State of the nineteenth century, which mainly concerned itself with the maintenance of law and order, should give place to the concept of the Welfare State of the twentieth century. But, in the early stages of this renascence, if I may say so, we saw a wave of socialism and the dogmatic idea that private enterprise had no part to play in the industrial and business life of our country. But, fortunately, this idea has now given place to the view that both the public and the private sectors, as they are now called, are complementary to each other and both have their respective spheres of operation and role to play.

But the acceptance of this view has not been easy, for the impact of socialist ideas, the consciousness of rights and privileges, and the urgent necessity for a powerful State in a period of transition have all retarded the progress of free trade and private enterprise. This is because a revolution has occurred in the ways of thinking of our people; no longer is it accepted that what was good for our fathers and grandfathers is necessarily good for us. Thanks to the Congress and the fight for freedom, there is now an awareness in the minds of our people of their rights and privileges. It is a process of thought that is, perhaps, not visible on the surface, but, while there are certainly undercurrents from which we cannot get away, and of which the thinking men of our country in all walks of life have become conscious and are adapting themselves to, the major events of history have not been looked at in their proper perspective by the generations in whose time these events took place or by the generations who are affected by these changes. Hence, in the context of history, it will be necessary to appreciate that India, in the last five years, has undergone a major political and economic change such as we have not had for many hundreds of years.

Advantages of Private Enterprise

It was natural, therefore, to suspect, at the time of our independence, anything that stood for the gain or profit of a few, and in the minds of many, the whole system of private enterprise stood for nothing else but the economic exploitation of the many by a few. But, as I shall show presently, judging by the experience of America, Britain and other countries, private enterprise is not necessarily private aggrandisement. In fact, it is a system which has not only been mainly responsible for the economic advancement of these countries but has also been of great benefit to the people at large. For instance, the use of science even before the recent war by American industry had been immense. It employed more than 70,000 research workers in about 4,000 laboratories at an annual cost of Rs. 1,500 crores. The total expenditure on research alone has risen to more than 500 million dollars. The research thus carried out by large-scale industry has benefited mankind, especially in the fields of medicine, dietetics, etc., and has made it possible for people to live a better and more satisfying life. It is well, therefore, to ponder here over the immense advantages which mankind has derived from institutions like the Bell Telephone Company, and the Rockefeller Foundation. But here one might turn round and say that, if the industrialists are interested in scientific research, it is not because of a sense of service to humanity. While it is granted that it may not entirely be out of a spirit of benefaction, it cannot be gainsaid that private industry has often to lose more than what it gains by undertaking research on its own, for research is in the nature of a gamble and the amount of risk that is involved is rarely commensurate with the returns from such expenditure.

Unless, therefore, we believe in a completely totalitarian system of government for our country at the cost of individual liberty, in which case the whole of our political set-up must become different, we cannot but accept the fact that the private and public sectors must play their respective parts in the progress of the nation. If we thus proceed on the assumption that the private sector of our economy is not only necessary but desirable, it is pertinent to enquire into its achievements in the past and its outlook for the future. The Five-year Plan has laid down certain targets for both the public and private sectors. Here, there is a complaint that the private sector has not come up to expectations entertained in the Plan. But, on an analysis of all the facts, one will only find that it is the factors beyond the control of the private industrialist that are to be blamed and not the entrepreneur.

Savings

A large part of the savings of the people have been taken away by the public sector to the detriment of the other. Under the Five-year Plan, a sum of Rs. 1,800 crores has been earmarked as the public expenditure on industries, leaving only a sum of Rs. 173 crores to be spent by the private sector. As the capacity of our people to save is limited, it is not surprising that the flow of capital into industries has been slow, although, when one examines the performance of risk capital in this country, as I shall show later on, one will see that private enterprise has nothing to be ashamed of regarding the rate of progress. The annual income of the bulk of our population is only in the region of a little less than Rs. 400 crores per annum, and the bulk of risk capital for industries comes from the middle class. With the increase in the cost of living, it is not surprising that there has been very little saving from the middle class. In fact, the hardship of this class is so acute that, over the last few years, a process of disinvestment has become visible.

Another contributory factor to the present economic difficulties and apathy for further saving and investment is the lack of sufficient purchasing power among the masses. This has been mainly due to the drought during the last five or six years in many parts of the country. But this year, owing to good rainfall throughout the length and breadth of the country, it is hoped that food imports will be restricted and, consequently, the purchasing power in the hands of the people in the country will increase. It is also a well-known fact that pumping out of money from the market, by the Governments for their major irrigation and other projects, has resulted in scarcity of capital and this, coupled with the high cost of living, has also been responsible for starving the flow of savings into the capital market.

To-day the Government of India generally welcomes foreign capital, and, although the reaction of Indian industrialists to foreign capital has been mixed, the feeling is, on the whole, one of co-operation. But they feel that foreign capital should be restricted only to spheres where Indian industry is not able to operate for want of technical personnel and in which large investments are required. It is generally agreed that Indian industrialists can operate with an amount of ease where investments are not very large. This field should, therefore, be reserved for indigenous enterprise.

To revert to the record of private enterprise since independence. It is estimated that, between the years 1946 and 1951, the total amount invested in industry by industrialists is about Rs. 500 crores; this does not include money invested in capital goods. If we take the rate of investment, namely, 7 per cent. of our

(Continued on page 1028)

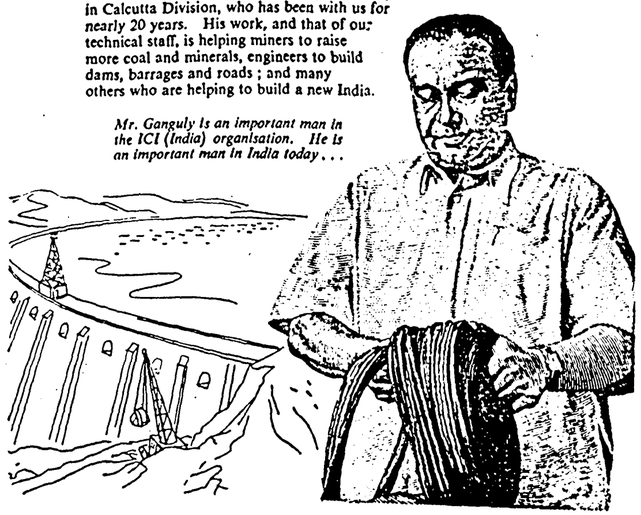
Explosives Clear the Way

Many of us think of explosives as linked with war and destruction. Yet everywhere, and especially in India today, the boom and echo of explosions mark the birth of construction projects. The building of dams for irrigation and power supply, the opening up and operation of mines, the extension of communications . . . all these constructive activities call, at some time or another, for the planned use of explosives.

With the ever-widening uses to which they are put, explosives give rise to difficult and tricky problems that must be tackled cautiously yet boldly. The explosive experts in our Technical Service Department have accumulated experience that is impressive as much for the variety of projects covered, as for the dissimilar conditions encountered. No wonder they are able to help our customers to use the right explosives for obtaining desired results with safety and accuracy.

In the work of these explosive experts, valuable service is rendered by Mr. B. C. Ganguly, our Senior Magazine-Keeper in Calcutta Division, who has been with us for nearly 20 years. His work, and that of our technical staff, is helping miners to raise more coal and minerals, engineers to build dams, barrages and roads ; and many others who are helping to build a new India.

Mr. Ganguly is an important man in the ICI (India) organisation. He is an important man in India today . . .



. . . contributing to India's progress and prosperity

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Notices

THE BELAPUR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Ordinary General Meeting of the Belapur Company, Ltd., will be held on Tuesday the 1st day of December, 1953, at 4-00 p.m. (S.T.), at the Registered Office of the Company, Royal Insurance Buildings, Veer Nariman Road, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1953.
2. To sanction payment of a Dividend.
3. To confirm the appointment of Mr. Krishnaraj M.D. Thackersey as a Director.
4. To elect Directors in place of Sir Joseph Kay, K.B.E., and Mr. Bhagwandas C. Mehta, who retire by rotation but are eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from the 2nd day of *November*, 1953, to the 1st day of December, 1953, both days inclusive.

By Order of the Board of Directors,
W. H. BRADY & COMPANY, LTD.,
JOSEPH KAY,
Managing Director,
Managers.

BOMBAY, 4th *November*, 1953.

N.B.—The Dividend when declared will be made payable through the Bank of India, Ltd., Bombay, on and after the 24th day of December, 1953. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 1st day of December, 1953.

To the Shareholders of the Belapur Co., Ltd., and in particular to:

Mr. William Abel.
Mrs. Dhanbai Dinshaw Gandevia and Dr. Dinshaw Bhicaji Gandevia.
Messrs. Rajabali Hason Paroo and Sons Ltd.
Mr. Abbasbhai Dawoodbhai Vasi.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 13th November, 1953, the following Dividends were recommended to be paid for the half-year ended 30th June, 1953, without any deduction for Income-tax paid by the Company. On Preference Shares—6¼ per cent. per annum, on Ordinary Shares—20 per cent. per annum.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE CHURULIA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 13th November, 1953, a Dividend of 6 pies per Share was recommended to be paid for the half-year ended 30th June, 1953, without any deduction for Income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE KESAR SUGAR WORKS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twentieth Ordinary General Meeting of the Shareholders of THE KESAR SUGAR WORKS LIMITED, will be held on Thursday the 17th day of December, 1953, at 4-30 p.m. (S.T.), at the Registered Office of the Company, 45-47 *Apollo Street*, Fort, Bombay, to transact the following business:

(1) To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July, 1953.

(2) To sanction the payment of Dividend to Preference shareholders.

(3) To elect Directors in place of Shri Tulsidas Kilachand and Shri Navinchandra Mafatlal who retire by rotation, under Article 143 of the Articles of Association of the Company, but being eligible, offer themselves for re-election.

(4) To appoint Auditors for the current year and fix their remuneration.

(5) To transact any other business that may be brought forward by the Chairman.

The Transfer Books of the Company will be closed from 3rd day of December, 1953, to 18th day of December, 1953 (both days inclusive).

By Order of the Board of Directors,
For and on behalf of
THE KESAR SUGAR WORKS LTD.,
For KILACHAND DEVCHAND & CO.,
AMBALAL KILACHAND,
Partner,
Managing Agents.

BOMBAY, 16th *November*, 1953.

N.B.—Preference Share Dividend when declared will be made payable at the Registered Office of the Company on and after the 18th day of January, 1954. Dividend Warrants will be posted to those Preference shareholders whose names stand on the Register on 17th day of December, 1953.

Shareholders are requested to kindly notify any change of address.

THE BORREA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 13th November, 1953, the following Dividends were recommended to be paid for the half-year ended 30th June, 1953, without any deduction for Income-tax paid by the Company. On Preference Shares—6¼ per cent. per annum, on Ordinary Shares—20 per cent. per annum plus As. 8 Bonus per Share.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE STANDARD COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 13th November, 1953, a Dividend of 20 per cent. per annum was recommended to be paid for the half-year ended 30th *June*, 1953, without any deduction for Income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

WATERFALL ESTATES, LIMITED

MADRAS

NOTICE IS HEREBY GIVEN THAT THE Tenth Ordinary General Meeting of the above Company will be held at the Registered Office of the Company, Oriental Buildings, Armenian Street, Madras, on Friday the 18th December, 1953, at 4 p.m., to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts of the Company for the year ended 30th June, 1953.
(2) To declare a Dividend on Preference and Ordinary Shares.
(3) To elect Directors in the place of Mr. C. M. Kothari and Mr. K. Venkatarama Iyer who retires by rotation and are eligible for re-election.
(4) To appoint Auditors and fix their remuneration.

The Transfer Books of the Company will be closed from *Friday the 4th December, 1953*, to Friday the 18th December, 1953, both days inclusive.

By Order of the Board,
KOTHARI, MEHTA & CO., LTD.,
Managing Agents.

MADRAS, 18th *November*, 1953.

Note.—The Directors have recommended a dividend of 6 per cent. on the Preference Shares and 12½ per cent. on the Ordinary Shares which if passed at the meeting will be paid on Saturday the 19th December, 1953, to those shareholders whose names are on the Company's Register on the 18th December, 1953.

BENGAL JUTE MILL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Adjourned 22nd Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company at 8, Dalhousie Square East, Calcutta, on Friday the 18th December, 1953, at 5 p.m. for the purpose of considering the undisposed items specified in the Notice dated the 14th May, 1953.

By Order of the Board,
For and on behalf of
BENGAL JUTE MILL CO., LTD.,
SOORAJMULL NAGARMULL,
Managing Agents.

8, DALHOUSIE SQUARE EAST,
CALCUTTA, 18th *November*, 1953.

INCREASING OFFICE EFFICIENCY

A 10 per cent. increase in efficiency amongst office workers has been recorded in Sweden by many business houses who have introduced a daily break for gymnastic exercises for their staffs. The idea was first tried out by the head office of the Facit concern in Stockholm in 1942. Since then, more than a hundred other business houses in Stockholm have followed suit. After sitting for some time at a desk or a typewriter, everybody likes to get up and stretch his legs. "We thought we would organise it," declared Facit's personnel chief. At the stroke of three each afternoon, the girls leave whatever they are doing and go into the office dining room in winter, or on the roof terrace in summer, for a ten-minute bout of physical training. This is performed to the accompaniment of music and under the supervision of a trained gymnastic leader specially engaged for this purpose by the firm. Doctors studying the incidence of office fatigue and the malady known as "typist's cramp" say that a break of this kind helps to relieve the monotony of office routine and freshen up the mind and body for further effort when they are beginning to feel most tired.

The laboratories of the Facit concern, which is the biggest exporter of office machines in Europe, spent many years collaborating with famous psychologists, doctors, engineers and experts in order to find ways of improving office equipment and to eliminate office fatigue. One of the first results of their efforts was the birth of the Facit calculator—the only 10-key calculator in the world—and the office posture chair. This was followed by a series of experiments on the "Halda" typewriter to determine the colour least liable to cause eye strain, after which the present sea green was decided upon. The latest Facit aid to office comfort is the "Halda teaching typewriter," a machine which trains typists to conserve their energy by hitting the keys lightly and rhythmically. In general, the typist hits the keyboard 20 times too hard. Too heavy a tap on the "teaching typewriter" will light up a warning red electric eye, and faulty wrist work will stop the machine altogether. This idea is the invention of Sven Sieurin, head of the Facit Institutes, Sweden's largest day school for adults spread over the whole country. Nearly 8,000 Swedish typists will be trained each year on the new Halda training device.

PROFIT OF INDIA STEAMSHIP DROPS FROM PREVIOUS YEAR'S RECORD

RESERVES, HOWEVER, STRENGTHENED SIZABLY

A SHRINKAGE of Rs. 11.39 lakhs in the gross profit, that is, from Rs. 76.27 lakhs to Rs. 64.88 lakhs, is disclosed by the audited accounts of the India Steamship Co., Ltd. (Managing Agents: Messrs. Lionel Edwards Ltd., Calcutta) for the year ended 31st March, 1953. This fall from the record profit of the previous year has been inevitable in the context of the decline in the movement of cargo and the reduction in freight rates on some of the commodities forced upon the Conference Lines to meet tramp competition. The provision for depreciation has been maintained at the previous year's level, but an allocation of Rs. 5 lakhs has been made to taxation reserve. The addition to the general reserve has had to be cut from Rs. 20 lakhs provided last year to Rs. 18 lakhs, but it will be admitted that even this provision is quite substantial. The dividend on ordinary shares has, however, not been affected; it has been maintained at the modest level of 5 per cent. per annum, free of tax.

The following table provides an idea of the Company's progress during the year under review, as compared with those in the previous two years:

(In lakhs of rupees)

	For the year ended 31st March			
	1953	1952	1951	1950
Freight earning ..	393.48	384.46	275.76	201.90
Other income	2.57	0.93	3.63	3.99
Expenses	331.17	309.13	253.37	197.79
Gross profit ..	64.88	76.27	26.02	8.09
Managing Agents' commission ..	6.61	7.76	..	..
Depreciation	23.13	23.08	21.01	21.45
Taxation	5.00	..	..	..
Net profit (+) or loss (—) ..	+30.14	+45.42	+ 5.01	—13.36
Transferred to general reserve ..	18.00	20.00	..	..
Dividends—				
5% cum. preference ..	1.25	3.75*	..	..
Ordinary	11.25 (5%)	11.25 (5%)	..	..
Carry forward	1.91	2.26	—8.16	—13.17

* For the three years ended 31st March, 1952.

Despite the reduction in the freight rates noted above, the freight earnings have gone up to a record level of Rs. 393.48 lakhs, a rise of Rs. 9.02 lakhs over the year. This small increase in freight earnings has been achieved as a result of the careful management of the Company's fleet and the fair measure of patronage received by the Company from shippers at both ends in the overseas trade, in which the Company has established itself and has been maintaining a satisfactorily regular service. If the Company has not been able to increase the freight earnings by as much as it had done in the previous year, it was because of the shrinkage in the total volume of freight available and of the cut in freight rates. Though the diminution in the volume of cargo movement was not acute, as it had been feared once, the Directors report that it was distinctly felt by the Company.

The increase in freight earnings and in other income has, however, been more than offset by the sharp rise of Rs. 22.04 lakhs in expenses. The increase in operating costs is on account of the delays and detention in some of the foreign ports and in more than one of the Indian ports and the rise in fuel charges. It will be noted from the above table that in the last three years alone the Company's expenses have gone up by over Rs. 1.33 crores. During the year under review, salaries and wages account for a rise of Rs. 4.48 lakhs, charter hire for Rs. 6.03 lakhs, coal, oil, stores, etc., for Rs. 11.25 lakhs, and repairs, maintenance, surveys and insurance for Rs. 4.37 lakhs, while port charges have gone down by Rs. 2.20 lakhs and freight commissions, brokerage and rebates by Rs. 2.44 lakhs. The Company is not liable to pay income-tax for the year under review, as it enjoys the benefit of initial depreciation allowances for taxation purposes. However, as the initial period when the Company will be free from income-tax demand is approaching its end, the Directors have set apart a sum of Rs. 5 lakhs for income-tax reserve. After making such a provision, the net profit stands at Rs. 30.14 lakhs, disclosing a fall of Rs. 15.28 lakhs, as compared with that for the previous year. Many may wonder how the Directors have been able to maintain the dividend and transfer a sizable amount to the reserves, despite such a sharp fall in net profit. It will not, however, be a surprise, if it is recalled that a part of the previous year's net profit was utilised to write off the loss brought in from the preceding year, as also to pay off arrears of preference dividend. There being no such liability in the year under review, the Directors have been able to provide as large a sum as Rs. 18 lakhs to the general reserve and yet maintain the dividend on ordinary shares.

During the year under review, eight ocean-going vessels, seven of which belong to the Company's fleet and one chartered, were fully employed by the Company on regular liner service in the India-U.K. Continental run. Being a member of the Coastal Conference, the Company had been anxious all these years to have some vessel employed exclusively in the coastal trade, but it had not been possible for the Company to either charter a vessel at the prevailing high rates which were uneconomical, or acquire a vessel, in view of the high cost. In the year under review, however, the Company diverted one of its overseas vessels exclusively to coastal trade and chartered a vessel for deep-sea trade, thus keeping eight vessels on the regular liner service as stated above. In addition to reserving one vessel for coastal trade, the Company used the regular ocean-going vessels also to carry some coastal cargo and this enabled the Company to maintain its standing in the coastal trade.

The latest balance-sheet of the Company shows that the reserves and surplus stand at Rs. 76.90 lakhs, as against a paid-up capital of Rs. 2.50 crores. The Company fully redeemed the debentures amounting to Rs. 25 lakhs, that fell due this year. Provision for taxation amounts to Rs. 5.82 lakhs. The gross block of the value of Rs. 3.92 crores has been written down to Rs. 2.65 crores. The current assets aggregate Rs. 1.64 crores, of which cash balances alone account for Rs. 80.47 lakhs, and cover the current liabilities and provision for taxation, amounting to Rs. 1.02 crores, by a wide margin of Rs. 62 lakhs.

The outlook for the Company for the current year is satisfactory, as will be seen from the following observations of the Directors:

"During the current year, there has been a further shrinkage in freight movement and consequent severe competition; the Company may, however, be able to maintain a relatively satisfactory position in the trade, mainly owing to the patronage of shippers, Indian and overseas. The Ministry of Transport has continued to take a conspicuous interest in the development of Indian shipping and its policy of making loans available at reasonable interest for the increase of the fleet will, it is expected, produce tangible results during the current year so far as your Company is concerned."

HUKUMCHAND JUTE CUTS DIVIDEND

After paying a dividend of 6⅔ per cent., that is, Rs. 5 per share of Rs. 7-8, for two successive years, the Directors of the Hukumchand Jute Mills Ltd (Managing Agents: Messrs. Ramdutt Ramkissendass, Calcutta) propose to reduce the distribution to the shareholders to 40 per cent. or Rs. 3 per share for the year ended 31st March, 1953. This cut in dividend is in tune with the recession in the Company's earnings for the year. The trading profit, which had touched a high of Rs. 91.86 lakhs in the previous year, has dropped to Rs. 51.07 lakhs in the year under review. The net profit shows a decline from Rs. 33.45 lakhs to Rs. 18.75 lakhs.

The drop in the earnings of the Company is inevitable, owing to the difficult trading conditions that prevailed during the year. As the Directors observe in their report, the general recession in prices of both raw jute and finished goods which started during the previous year continued during the year under review also. The situation arising out of this recession in prices was further aggravated by the lack of export demand, particularly for heavy goods. Even the reduction in the export duty on sacking from Rs. 175 to Rs. 80 per ton with effect from 28th February, 1953, did not result in any increase in the export demand during the rest of the year under review. Almost throughout the year, the Directors add, there was a lack of parity between the prices of raw jute and those of finished goods.

The sale proceeds for the year have declined from Rs. 8.69 crores to Rs. 4.83 crores and other income from Rs. 11.88 lakhs to Rs. 5.92 lakhs. Closing stocks stand at Rs. 4.02 lakhs as at the end of the year, as against Rs. 6.15 lakhs. Manufacturing and trading expenses have recorded a drop from Rs. 7.52 crores to Rs. 4.29 crores. Managing Agents' remuneration takes up Rs. 10.16 lakhs, as against Rs. 18.48 lakhs. A sum of Rs. 5.67 lakhs has been provided for depreciation on block, as compared with Rs. 5.87 lakhs. In consonance with the decline in earnings, the provision for taxation has been reduced from Rs. 34.50 lakhs to Rs. 20 lakhs. The allocation to the general reserve has been cut from Rs. 7.75 lakhs to Rs. 6 lakhs. The 7 per cent. dividend on preference shares absorbs Rs. 2.80 lakhs and the ordinary dividend Rs. 12 lakhs, as against Rs. 20 lakhs a year ago. The sum left to be carried over is Rs. 1.87 lakhs, which compares with Rs. 3.92 lakhs brought in.

The financial position of the Company is quite satisfactory, as will be seen from the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ..	70,00,000	Gross block ..	2,27,97,431
Reserves and surplus ..	41,87,203	Less—Depreciation ..	1,45,97,431
Debentures ..	25,24,658		
Provision for taxation ..	21,48,578	Net block ..	82,00,000
Liabilities ..	1,00,45,274	Stocks ..	11,82,801
		Stores, spares, etc. ..	3,08,906
		Debts, deposits and advances ..	66,75,309
		Investments ..	57,41,418
		Cash ..	37,97,279
Rs.	2,59,05,713	Rs.	2,59,05,713

It will be noted that the reserves and surplus stand at a satisfactory level, the bulk of which has been built up in the last six years, the gross block has been well written down and the current assets exceed the current liabilities by a large margin. It may be pointed out that out of the total investments of Rs. 57.41 lakhs, as much as Rs. 45 lakhs constitute deposits with banks and, therefore, actually represent cash balances. If this sum is thus treated as cash, then the total cash balances will amount to Rs. 82.97 lakhs.

TAX CLAIM AGAINST DELHI ELECTRIC SUPPLY AND TRACTION CO., LTD.

The Government of India's claim against the Delhi Electric Supply and Traction Co., Ltd. (incorporated in England and now in liquidation) for £120,000 (about Rs. 16 lakhs) on account of income-tax due from the Company on the purchase price paid by the Government when it took over the undertaking in 1947, has been dismissed by the London Court of Appeal.

The Government of India, it may be remembered, had pressed its claim before the Chancery Court in London, after the liquidators had rejected the Indian Government's claim. The Chancery Court dismissed the claim on the ground that no action could be taken in England to enforce the payment of Indian Government tax for reasons explained in a previous issue of this journal (*vide* page 239, *Commerce* dated 8th August, 1953). The Indian Government appealed to the London Court of Appeal against this decision. In upholding the lower court's decision, the appeal court said that there was weighty authority for the rule that courts could not be used as a means of collecting taxes imposed by another State. There was much to commend the rule on general principles of justice and convenience, though there might be hard cases and this might be one. In modern conditions, the appeal court thought, good arguments might exist for some relaxation of the rule as between the Commonwealth States, but that was a matter to be regulated by executive action.

MACHINERY MANUFACTURERS CORPORATION

The Machinery Manufacturers Corporation Ltd. (Managing Agents: Messrs. Mahindra and Mahindra Ltd., Bombay), has had another year of adverse results during the twelve months ended 31st March, 1953. It has incurred a loss of Rs. 7.49 lakhs, before making any provision for depreciation, as compared with a similar loss of Rs. 8.08 lakhs for the previous year. The year's loss brings the total accumulated loss upto the end of the year to Rs. 26.83 lakhs, besides arrears of depreciation and dividend on preference shares.

The circumstances that have led to such a loss during the year under review are fully explained in the Directors' report for the year, published elsewhere in this issue. It will be gathered from this report that the inadequacy of orders and accumulation of unsold stocks necessitated the complete suspension of assembly of cars from October, 1952 onwards. It was not until July, 1953, that a definite improvement in the flow of orders was noticed. The Directors, however, took steps in the meantime to keep the idle plant capacity engaged at least partially by manufacturing ancillary products and executing outside machining jobs.

The sale proceeds show a decline from Rs. 13.20 lakhs to Rs. 9.27 lakhs, while the value of closing stocks is up at Rs. 17.22 lakhs, as against Rs. 14.52 lakhs a year before. Expenses are slightly lower at Rs. 2.08 lakhs, as compared with Rs. 21.59 lakhs in the previous year.

In view of the extreme paucity of orders, the financial position of the Corporation became strained. The overdraft facilities with the Bank having reached their limit, the Corporation had to look for other avenues of finance and an appeal was, therefore, made to the Government of India for assistance. The Government approved and finalised the terms of capital investment in the Corporation and took up 25,000 special cumulative preference (4½ per cent. tax-free) shares of the Corporation. This has raised the total paid-up capital of the Company to Rs. 78.42 lakhs. The sum of Rs. 16.12 lakhs outstanding against bank overdraft at the close of the previous year was repaid during the year under review and at the close of the year there was no outstanding liability on this account. The balance due to the I.F.C. of India, together with the accrued interest thereon, amounts to Rs. 55 lakhs.

The outlook for the Corporation during the current year is promising, as will be seen from the Directors' report referred to earlier.

Points From The Chair

Exports Should be Stepped Up

"THE textile production in the country is at its highest level. With the reduced purchasing power of the consumer and with various imposts which go to increase the cost of the cloth to the ultimate consumer, huge stocks of cloth have accumulated with all the mills. The situation is very gloomy indeed. The only way to keep up this high production is to export more and more out of India. The exports in the current year have not been as anticipated, mainly because the consumer overseas is not prepared to pay the high cost of manufacture of Indian cloth together with the export duty."

LALA KAILASHPAT SINGHANIA,
New Kaiser-I-Hind Spg. & Wvg. Co., Ltd.

Quest for Productivity

"I do not suggest that firmer Commonwealth relationships offer a full answer to Britain's particular economic problems. The rising curve of home production, which lately has shown an encouraging increase, points the way. Managements, by and large, are maintaining pressure for both cost-reducing machines and methods, if only to stay in business, but we have far to go yet in increasing productivity and reducing costs to catch up with our most formidable competitors; and here the attitude of some factory workers is more relevant. The main difficulty, as I see it, is the lack of effective incentives. The motives of human behaviour may be complex, but not when they directly involve our sense of personal loss or gain. This is a vital part of the human mechanism the world over, if not its mainspring, and we subjugate it at our peril."

IVAN STEDEFORD,
Tube Investments Ltd.

Natural Rubber in a Serious Position

"The recent special meeting of the Management Committee of the International Rubber Study Group has issued a Press *communique* in which it is stated that recent price developments are placing the natural rubber industry in a serious position. Certain remedies or suggestions for dealing with the problem have been listed and are being set out for the information of, and possible action by, member Governments. It is earnestly hoped that these Governments will take serious note of the findings presented and will fully realise the urgency of the situation. In particular, the United States Government must assume a large measure of responsibility for initiating action to alleviate the present distressing conditions. A great deal will depend on the policy adopted in the operation of their Government-owned synthetic rubber plants before the sale of these in 1955, and on the methods used in stockpile rotation."

P. B. L. COGHLAN,
Sungkap Para Plantations Ltd.

International Sugar Agreement

"One of the objects of the new international agreement is to ensure equitable and stable prices of sugar in the world market. This is a matter of importance to Commonwealth producers, particularly in so far as the marketing of their free sugar is concerned, but it remains to be seen whether the quota arrangements under the agreement, which are designed to achieve this purpose by maintaining a price between minimum and maximum limits, will be successful. At the present time, the price has fallen well below the minimum level which the agreement will seek to maintain."

G. VERNON TATE,
Caroni Ltd.

Economy of South-east Countries

"It is impossible at present to foretell how the economic factors in the territories in which we operate are going to affect our business. In Malaya, the present low prices of rubber and tin, if they continue, are bound to have an everincreasing depressing effect on its economy. The same factors materially affect Indonesia, with which country Singapore and Penang normally do a large export business. Borneo is also affected by the price of rubber, but has other minor products which support its economy. Siam, in addition to being affected by the price of rubber and tin, has political uncertainties which are liable to cause anxiety to traders. The basic commodity of Siam is rice, and if that commodity follows the same path as nearly all other raw products, the economy of the country is bound to be seriously affected."

C. R. AKERS,
Borneo Co., Ltd.

Linseed Position in U.K.

"The oilseeds handled by us during the year were exclusively on Ministry of Food account. Those oilseeds on the 'free' list are of a type requiring special treatment by the solvent extraction process and this we do not operate. One exception is linseed, but, because of an obligation to purchase linseed oil from Government stocks at fantastic prices before being granted the necessary import licence for seed, it has been an impracticable proposition. This restriction is likely to operate for another six months; meanwhile, home-produced linseed oil and cake must remain in short supply, and consumers will be compelled to buy their requirements in foreign oil and the bulk of their requirements in foreign oil and imported cake of doubtful quality."

JAMES E. FARGUS,
Chambers and Fargus, Ltd.

QUESTION HOUR IN PARLIAMENT

Unemployment

THE Planning Commission has received from the various State Governments their preliminary assessment of the urban and rural unemployment problem in their States and their proposals for strengthening the State plans in the field of small-scale and cottage industries, vocational and technical training, road development and in other directions. As has already been stated, it is proposed to expand the Five-year Plan to the extent of about Rs. 150 to Rs. 175 crores. Within these broad limits, the detailed proposals from the States and the Ministries are being examined by the Planning Commission in consultation with the Ministries concerned. After all the decisions have been reached, the Government will present to Parliament a statement of schemes which are finally approved and other action taken towards the study of the problems of unemployment and the expansion of employment opportunities. The following is a list of proposals from States relating to cottage and small-scale industries, which are at present under consideration.

Assam.—(i) Starting of training institutions for manufacturing of implements used by agriculturists and by the tea industry, and (ii) setting up of handloom, bell-metal, pulp for paper and cardboard and compressed fibre industries.

Orissa.—(i) Increased aid to individuals and groups for setting up small industries under the State Aid to Industries Act, and (ii) setting up of a training-cum-production centre for some new industries.

Punjab.—(i) Loans to deserving individuals or groups for starting new cottage industries, (ii) establishment of a technical service unit for small-scale industries, (iii) development of lac industry in Kangra and Hoshiarpur districts, (iv) quality marking for hosiery and agricultural implements, and (v) marketing of handloom goods.

Uttar Pradesh.—(i) Development of handloom industry, (ii) development of tanning and leather industry, (iii) development of cottage industries in the eastern districts of Uttar Pradesh to relieve chronic scarcity conditions, and (iv) formation of co-operatives for brick-klin industry.

West Bengal.—(i) Starting of work-cum-training centres for the industries, such as, local industry sports goods, durries and carpets, wood, pottery, cane and bamboo products, (ii) training of 500 young men every year as trade apprentices in the various industrial undertakings, and (iii) development of small engineering industries.

Mysore.—(i) Mat-weaving, (ii) pottery, (iii) manufacture of ceramic ware and porcelain articles, (iv) leather tanning industry, (v) production and utilisation of glass articles and bangles, (vi) manufacture of simple mathematical instruments, and (vii) loans to educated unemployed for starting new industries.

P.E.P.S.U.—(i) Starting of 10 cotton spinning and weaving centres for development of khadi industry, (ii) sericulture, (iii) finishing plant for handloom industry, (iv) central cycle parts workshop, (v) sewing machine parts workshop, (vi) footwear and leather goods, (vii) leather tanning, (viii) glass industry, and (ix) sports goods industry.

Saurashtra.—(i) Organisation of co-operative societies for small-scale and cottage industries, such as, bidi making, weavers, palm *gur* industry, *chatai*, *moonj* and broom making, and (ii) neem oil industry.

Bhopal.—(i) Opening of training-cum-production centres, (ii) opening of a polytechnic, and (iii) increased aid to existing industries under the State Aid to Industries Act.

Delhi.—(i) Increased aid to cottage and small-scale industries, (ii) *khadi* development scheme—increased aid to recognised private body, (iii) scheme for intensive propaganda, (iv) establishment of a commercial showroom and an industries museum, (v) development of handloom industry, (vi) establishment of Delhi Industries Emporium, and (vii) training-cum-production centres.

Kutch.—(i) Constitution of a Cottage Industries Board, (ii) staff for Industries and Commerce Department (to be constituted), and (iii) deputation of an officer to Mysore to study the development of cottage industries.

Manipur.—(i) Creation of an Industries Department, and (ii) increased provision for development of cottage industries in the Plan.

Tripura.—Increased provision for development of cottage industries in the State plan.

Vindhya Pradesh.—Opening of training-cum-production centres in each District.

Minister for Planning

Fertiliser Manufacture

The Government of India has accepted the recommendation of the fertilisers mission to establish the manufacture of urea and ammonium nitrate at Sindri.

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Steel Plant

The German firms of Krupps and Demag, which will be associated in the company that will undertake the setting up of a steel plant in India, will receive a fixed fee of about Rs. 2 crores. The advance party of engineers from the German firms has arrived in Delhi. The experts will visit possible sites for the location of the plant and make their recommendations. The salary and allowances of resident engineers, as well as travelling allowances, will be separately borne by the company, in addition to the basic payment of consultants' fee.

—Production Minister

Industrial Development

The idea of an Industrial Development Corporation is one amongst several proposals which are now under consideration for accelerating industrial development.

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New Undertakings

Sixty-three new undertakings with a proposed capital investment of Rs. 1,844.85 lakhs have been licensed so far under the Industries (Development and Regulation) Amendment Act, 1953. In 15 of these undertakings, there will be foreign participation. It will not be in the public interest to give the names of foreign concerns participating with individual firms.

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Manufacture of Tractors

Several proposals have been placed before the Government to manufacture tractors and tractor-drawn implements. None of them has taken any definite shape, except Ferguson tractors, which are now assembled in India from parts imported in completely knocked down condition. It is expected that 50 per cent. of the components of the Standard Vanguard engine, which is used in a Ferguson tractor, will be produced by the end of 1954, according to a scheme submitted by Messrs. Standard Motor Products, Madras.

—Minister for Commerce and Industry

Betelnut Import Licences

No Government officer is involved in the matter of issuing betelnut import licences to 29 firms, which have misrepresented facts. Show-cause notices were issued to all the 29 firms. The licences granted to three firms, which had not replied to the notice, have been cancelled and further issue of licences to them have been suspended. Twenty-three firms which failed to produce, on one pretext or the other, the requisite documents to substantiate their turnover have been debarred from getting further licences. The remaining three cases are still under examination.

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Rubber Self-Sufficiency

India is now self-sufficient in rubber. No import licence has been issued for raw rubber in 1953. The Government has not decided anything final about the setting up of a rubber development scheme and another research institute.

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Export of Aluminium

The future export policy in regard to aluminium sheets and circles is now under the consideration of the Government. Export of aluminium sheets and circles was licensed freely for export upto the end of October, 1953. The Government was satisfied that the needs of the country were taken into account before export was allowed. The total production of aluminium sheets and circles in 1952 was 4,852 tons and in the first nine months of this year it was 3,850 tons, as against the installed capacity of 8,000 tons.

—Minister for Commerce

"Pool" of Engineers

The Government of India has under consideration a scheme for the formation of a "pool" of experienced engineers at the Centre. Proposals are also being formulated for the training of engineers at the major river valley projects under construction.

Bhakra Dam

The only change in the schedule of the construction of the Bhakra Dam is the postponement of the diversion of the river from this winter to the next. The Government of India has been assured by the construction authorities that this will not affect or delay the final date of completion of the project.

—Minister for Irrigation

Bhattacharya Committee's Report

As a result of the consideration of the report submitted by the team of officers headed by Mr. P. C. Bhattacharya, assistance is being given for a number of minor irrigation schemes under the grow-more-food programme in both the States of Andhra and residuary Madras and for contour bunding schemes in Coimbatore District in the latter State. A programme of permanent improvements for scarcity areas in Andhra, costing about Rs. 5 crores, during the period of the Plan, for which the Central Government will advance loans, is also at present under consideration.

—Finance Minister

Exchange Rate of Indian Rupee

The rate of exchange of the Indian rupee in Nepalese currency fluctuates from time to time and is now about Rs. 100 (Indian): Rs. 160 (Nepalese).

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Foreign Trainees Under the Colombo Plan

Two hundred and seven foreign students have so far been provided with training facilities by the Government of India at Indian institutions under the Colombo Plan. Six Indian experts have been sent to foreign countries under the Colombo Plan.

—Parliamentary Secretary to the —Finance Minister

Indian Agriculturists for British North Borneo

The Government of British North Borneo has formally withdrawn a year-old invitation to India to send 10,000 agriculturists for settlement in that British colony. The lack of public support in North Borneo to the scheme and the inability of the Government of North Borneo to meet the considerable expenditure involved resulted in the withdrawal of the scheme.

—Prime Minister

ANOTHER DEFICIT YEAR FOR MACHINERY MANUFACTURERS CORPORATION

DYER MEAKIN BREWERIES REPEATS DIVIDEND

Machinery Manufacturers Corporation Ltd.

THE directors of the above Company (Managing Agents: Mahindra and Mahindra Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March, 1953.

The textile industry in India faced near-slump conditions throughout 1952. Textile mills in Bombay State and South India, two of the main markets for the Company's main product, were further adversely affected by the power cuts imposed during the year. The Company received orders for only 115 cards during the year ended March, 1953, inclusive of 12 and 15 cards from China and Pakistan respectively. Partial recovery from slump condition was noticeable during January-March, 1953, when enquiries opened up. Since July, 1953 there has been a definite improvement in the flow of orders and the directors report that orders for 240 cards were confirmed during the 6-month period since April, 1953 and more enquiries have become active.

During the year 1952-53, only 57 cards were manufactured and assembled at Sonai Works, Calcutta. Inadequacy of orders and accumulation of unsold stocks at the factory resulted in progressive restriction being continued on the assembly of cards, leading to complete suspension from October, 1952 onwards. Production of components were also similarly restricted. Manufacture of ancillary products such as monoglide pumps against a specific contract and execution of outside machining jobs enabled partial utilisation of the idle plant capacity and afforded employment for key personnel of the factory and thereby obviated the necessity of resorting to large scale retrenchment measures. In February and March, 1953, when a few card orders were received necessary steps were taken to resume production and for the 5-month period between May and September this year, the factory manufactured 117 cards. Prospects for the remaining months of the current year are promising.

The staff were actively engaged in exploring the possibility of undertaking suitable heavy engineering works with a view to utilise the plant and engage personnel continuously and fully during periods when orders for the main product, i.e., carding engines, suffer a setback thereby minimising the recurrence of problems which arose during the period under review. The Board has decided to commence manufacture of 37" cards in order to meet the specific requirements of a number of mills in India, particularly as replacements for the above size of cards were represented to be large. Necessary patterns and jigs and fixtures are at present under preparation.

During the period under review, the activities of the sales staff of the Corporation were mainly directed towards affording servicing facilities to mills who had installed m.m.c. cards during 1951 and 1952, and also to overcoming the prejudices of millowners and technicians to the increased use of m.m.c. cards. Important groups of mills in various centres were contacted periodically and trial installations made. After thorough trials and rigid tests by progressive mills the m.m.c. card was found to be equal in construction and performance to imported machines.

The licensing policy covering import of cards restricted import to one against three purchased locally during the year 1952. The policy notification announced in March, 1953, imposed a ban on imports of 40" cards while application from mills for import of other sizes continued to be entertained. This resulted in a temporary setback in sales as mills felt that import of 37" and 38" cards would be freely permitted. Representations were made to the Government that the manufacture of cards of 37" width was under active consideration and in July, 1953 a total ban on import of cards other than 45" was announced. This announcement was of considerable assistance in clarifying Government policy and the directors are indebted to the Commerce and Industry Ministry for prompt action.

The Corporation's associates in U.S.A., H. and B. American Machine Company closed down their textile machinery manufacturing activities in May 1952, and the 20-year sales-cum-manufacturing agreement was dissolved by mutual consent. In July, 1952, the Corporation negotiated and finalised a similar agreement with Whitin Machine Works, Whitinsville, Massachusetts, U.S.A., successors to H. and B. American Company's textile machinery business. This change has enabled the Corporation to delete the royalty clauses and obtain free and exclusive rights to H. and B. designs in India.

The Government of India, approved and finalised the terms of capital investment in the Corporation and 25,000 special cumulative 4½ per cent. (tax free) shares were allotted to them on receipt of a cash payment of Rs. 25,00,000.

The current year's trading has resulted in a net loss of Rs. 7,48,896 (loss of Rs. 8,08,124) to which has to be added the sum of Rs. 19,34,673 (Rs. 11,26,549) carried forward from previous year making a total of Rs. 26,83,570 (Rs. 19,34,673) to the debit of profit and loss account. No depreciation has been charged in current year's accounts. The directors are unable to recommend payment of any dividend on cumulative preference shares. The fixed assets of the Corporation valued at Rs. 92,91,862 are adequately insured.

Relations between the management and the workers remained cordial during the year. From time to time the developing gloom in the Company's affairs was explained to workers' representatives, which was much appreciated by them and as a consequence their sincere co-operation in production efforts was secured.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	78,41,925	Block ...	85,55,614
Reserves ...	9,216	Work-in-progress ...	4,06,611
Liabilities ...	66,05,899	Stock-in-trade	3,91,460
		Stores, loose tools, etc. ...	15,04,628
		Debts, deposits and advances ...	4,66,675
		Other assets	2,22,774
		Goods-in-transit ...	1,902
		Investments	21,639
		Cash ...	2 02 167
		Profit and loss account. ...	29 83,570
Rs.	1,44,57,040	Rs.	1,44,57,040

Dyer Meakin Breweries Ltd.

The directors of the above Company (Secretary: Mr. K. G. Khanna, Solan Brewery) submit the audited accounts of the Company for the year ended 31st March, 1953.

The profit for the year, after writing off depreciation, amounted to Rs. 5,00,797 (Rs. 5,81,405), from which must be deducted a provision against the Company's estimated liability for taxes on these profits, amounting to Rs. 1,75,000 (Rs. 1,75,000) and to which is added the balance of profit and loss account brought forward from last year of Rs. 5,409 (Rs. 12,907) making a total, available for distribution of Rs. 3,31,206 (Rs. 4,18,712). This amount the directors recommend should be disposed of as follows:—

Dividend at As. 8 (As. 8) per share (10 (10) per cent.), free of income-tax Rs. 1,62,063 (Rs. 1,62,063), gratuity to staff for 1952-53 Rs. 90,000 (Rs. 90,000), transfer to general reserve Rs. 50,000 (Rs. 1,25,000), transfer to dividend equalisation fund Rs. 10,000 (Rs. 25,000) and transfer to charity fund Rs. 3,000 (Rs. 3,000) leaving to be carried forward a balance of Rs. 16,143 (Rs. 13,649).

The net profits declined from Rs. 5,81,405 in the previous year to Rs. 5,00,797 during the year under review. This is due to the fact that there was a general slump in the market and the Company could not completely escape from its effects. There has been a change over from a sellers market to a buyers market and also there were very many imports from abroad of beer and liquors during the year which brought the prices considerably down. However, the directors report that despite competition from imported as well as indigenous products, coupled with the fact that the purchasing power of the consumers has shown declining tendencies, the working of the Company for the year under report ended with satisfactory results.

Transport conditions continued to be easy, and, in spite of heavy imports of foreign liquor, the demand for the Company's principal products, such as Beer, No. 1 Whisky and XXX Rum continued to remain on the same level.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,20,630	Block ...	11,77,009
Reserves ...	14,30,780	Work-in-progress	12 558
Provision for taxation ...	1,95,231	Stock-in-trade	21,73 840
Liabilities ...	18,82,177	Stores and spare parts	7,72,035
Profit and loss account ...	3,31,206	Debts, deposits and advances ...	9,62,177
		Investments	93,261
		Cash ...	2,67,078
Rs.	54,60,024	Rs.	54,60 024

Kalapahari Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half year ended 31st August, 1953.

After bringing in Rs. 13,000 (nil) from provision for taxation account and providing Rs. 16,500 (Rs. 7,500) for depreciation, and Rs. 3,000 (Rs. 20,000) for cesses and Rs. 5,000 (Rs. 50,000) for taxation, there is a balance of Rs. 56,556 (Rs. 1,01,357) at the credit of profit and loss account, from which the directors recommend payment of a dividend at Re. 1 (Re. 1-12 including bonus of As. 12) per share Rs. 35,000 (Rs. 61,250) leaving to be carried forward Rs. 21,556 (Rs. 40,107).

Raisings during the half-year were 30,805 tons as compared with 37,227 tons during the previous half-year and depatches were 32,164 tons as against 40,505 tons.

Since the acquisition of a further area of Ghusick Seam, reference to which was made in the Company's report for the half-year ended February, 1951, development through the thick dyke which divides the new area from the original workings has been proceeding with a view to the new area coming into production before working places in the original colliery should become restricted. In fact access was obtained to clean coal during the half-year according to programme but unfortunately an predictable feeder of water was struck which has delayed production from the area. The effect of this is reflected in the raisings figures given above and in the results for the half-year and on this account the directors have been unable to recommend the payment of any bonus to shareholders.

The work of sealing off the feeder of water is in progress and it is hoped that if this is successful and no further such feeders are struck, development of and production from this new area may be commenced. Meantime, the colliery is dependent on production from the remaining working faces in the original area.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	7,23,053
Reserves ...	5,58,000	Stock of coal	10,971
Provision for taxation ...	1,93,429	Stores	80,092
Liabilities ...	4,73,544	Debts, deposits and advances ...	3,63,981
Profit and loss account ...	21,556	Investments	3,85,848
		Cash ...	32,584
Rs.	15,96,529	Rs.	15,96,529

Seebpore Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

After providing Rs. 87,000 (Rs. 85,000) for depreciation and Rs. 58,500 (Rs. 96,500) for taxation and cesses and after transferring to capital reserve Rs. 1,33,462 (nil) being the profit in investment account on realisation of the Company's investments, there remains a balance at the credit of profit and loss account of Rs. 70,876 (Rs. 76,724) out of which the directors recommend payment of a dividend on 4,000 5 per cent. non-taxable cumulative preference shares Rs. 10,000 (Rs. 10,000), and dividend of As. 14 (Re. 1) per share on 40,000 ordinary shares Rs. 35,000 (Rs. 40,000) leaving to be carried forward Rs. 25,876 (Rs. 26,724).

Raisings were 69,928 tons as compared with 73,523 tons in the previous half-year and despatches were 51,645 tons as against 88,132 tons.

The Company's Pretoria Colliery, which has been worked for half a century, has now reached the stage of exhaustion in the Poniati and Koithi Seams but the more recently developed Lachipur Colliery is now in full production.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,80,000	Block ...	13,40,134
Reserves ...	6,77,288	Stock of coal	2,39,272
Provision for taxation ...	1,86,730	Stores ...	1,36,733
Liabilities ...	5,34,034	Debts, deposits and advances ...	3,77,782
Profit and loss account ...	25,876	Investments	1,707
		Cash ...	8,280
Rs.	21,03,928	Rs.	21,03,928

Bhalgora Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. H. V. Low & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th September, 1952.

After meeting all expenses and providing Rs. 41,000 (Rs. 20,000) for depreciation and after transferring Rs. 49,850 (nil) from general reserve fund and Rs. 40,000 (nil) from taxation reserve and including the credit balance of Rs. 7,192 (Rs. 39,978) brought forward from the last account, there is a balance of Rs. 45,529 (Rs. 27,192) at the credit of profit and loss account and from this the directors recommend payment of a dividend of As. 2 (As. 2) per share free of income-tax leaving a balance of Rs. 25,529 (Rs. 7,192) to be carried forward.

During the year under review 68,938 tons of coal were raised and 46,213 tons despatched as compared with 70,201 tons raised and 74,402 tons despatched during the previous year.

The directors report that the Company has purchased the Aerial Ropeways of the Standard Coal Co., Ltd., for stowing sands in the Company's mines.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,97,000	Block ...	14,62,020
Reserves ...	4,73,358	Stock of coal	3,58,615
Provision for taxation ...	2,21,250	Stores and spare gear	58,389
Liabilities ...	2,18,304	Debts, deposits and advances ...	6,26,388
Profit and loss account ..	45,528	Cash ...	50,028
Rs.	25,55,440	Rs.	25,55,440

Mutira Electric Supply Co., Ltd.

The directors of the above Company (Chairman: Mr. G. D. Bhagat, Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The Government order restricting the installation of new services is still in force. An application for the extension of the licensed area of the Company was made some time in July, 1951, to the Secretary to the Government of Uttar Pradesh, for electrification of the area of the Krishna Nagar Town. Sanction for the said extension is expected very soon. However, the matter has been taken up by the District Relief and Rehabilitation Officer, Mathura, and the electrification of the town is now taken into operation.

The following table shows the comparative position of progress for the past three years.

Half-year ended	Units sold	Revenue Rs.
30th September, 1950 ..	14,65,757	2,39,034
31st March, 1951 ...	12,92,621	2,35,618
Year ended 31st March, 1952	28,88,283	4,92,633
Year ended 31st March 1953	29,76,633	4,95,829

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provisions for liabilities there remains a balance of Rs. 51,941 (Rs. 58,702) including Rs. 16,720 (Rs. 23,103) brought forward from the previous year, which the directors recommend be disposed of as follows:

Payment of a dividend at 6 (6) per cent. per annum free of income-tax Rs. 41,982 (Rs. 41,982) leaving to be carried forward to next year Rs. 9,959 (Rs. 16,720).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,99,850	Block ...	4,93,693
Reserves ...	1,27,966	Stores, tools, etc. ...	1,83,762
Provision for taxation ...	93,014	Debts, deposits and advances ...	1,65,913
Liabilities ...	3,53,998	Investments	4,23,311
Profit and loss account ...	51,940	Cash ...	60,089
Rs.	13,26,768	Rs.	13,26,768

Rajagiri Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 30th June, 1953.

The total estimated crops for the year under report were 5,50,000 lbs. for Rajagiri and 7,50,000 lbs. for Shaliacary (total 13,00,000 lbs.) to be produced at an average cost of 58.50 cents. The actual crops harvested were 5,76,000 lbs. on Rajagiri and 7,96,823 lbs. on Shaliacary totalling 13,73,423 lbs. at an average estate cost of 55.46 cents per lb. The average sale price realised was 129.97 cents as compared to 122.12 cents for the previous year.

The net profit for the year after allowing for depreciation and after providing a sum of Rs. 3,00,000 (Rs. 2,65,000) for income-tax, amounted to Rs. 5,57,685 (Rs. 4,53,926). Adding the previous year's carry forward of Rs. 31,102 (Rs. 25,420) to this profit, the total amounts to Rs. 5,88,788 (Rs. 4,79,346). Out of this, the preference dividend paid for the year absorbed Rs. 1,35,600 (Rs. 1,35,600) leaving a balance of Rs. 4,53,186 (Rs. 3,43,746), which the directors recommend be disposed of as under:—

Payment of a dividend of 15 (15) per cent. on ordinary shares Rs. 2,02,500 (Rs. 2,02,500), transfer to replanting reserve (making Rs. 2,00,000) Rs. 1,00,000 (Rs. 60,000), transfer to staff pension fund (making Rs. 40,000) Rs. 10,000 (Rs. 10,000), transfer to general reserve (making a total of Rs. 3,00,000) Rs. 50,000 (Rs. 40,145), and bonus on ordinary shares at As. 4 (nil) per share Rs. 33,750 (nil), leaving to be carried forward to next year Rs. 56,936 (Rs. 31,101).

The application to the Central Government for according sanction for the renewal of the managing agency with Messrs. A. V. Thomas & Co., Ltd., on the terms already notified by notice dated 26th May, 1953, calling the extraordinary general meeting, has been favourably considered and the consent sought for has been accorded.

The Central Government in according the above consent have directed the Managing Agents not to take any buying or selling commission from the Company and this they have agreed to. In accordance with the consent, it is believed that the arrangements in contemplation would be completed and before the directors report again, the amounts of the Company now lying in credit with Thomcos Bank Ltd., would have been transferred to a Scheduled Bank.

Estimate for 1953-54: A total crop of 11,70,000 lbs. of rubber—5,20,000 lbs. from Rajagiri and 6,50,000 lbs. from Shaliacary—is estimated to be harvested during 1953-54 season at a cost of 62.13 cents per lb. The above estimate, it will be noted, is less than the estimate and actual crop for last season, but this is due to an anticipated shortfall in crop through cessation of tapping on Sundays which became necessary this season.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,10,000	Block ...	36,41,857
Reserves ...	4,10,000	Stores, etc. ...	70,567
Provision for taxation ...	5,77,795	Stock-in-trade	2,54,815
Liabilities ...	2,00,496	Debts, deposits and advances ...	1,70,179
Profit and loss account ...	4,53,186	Investments	10,000
		Cash ...	11,04,059
Rs.	52,51,477	Rs.	52,51,477

Brooke Bond Estates India Ltd.

The directors of the above Company (Managing Agents: Brooke Bond India Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1953.

The net profit for the year before providing for taxation amounted to Rs. 1,20,264 (Rs. 8,47,763). Deducting from this taxation reserve (income and sales tax) Rs. 90,817 (Rs. 3,01,000), the net profit after taxation amounted to Rs. 29,447 (Rs. 5,46,763). After adding net balance brought forward from the previous year after payment of last year's dividends and appropriations to reserve Rs. 87,990 (Rs. 1,23,663) and bungalow insurance provision written back Rs. 52,109 (nil), home passage Rs. 8,430 (Rs. 2,430), taxation Rs. 1,51,510 (nil) and general reserve Rs. 65,000 (nil), there was a total of Rs. 3,94,495 (Rs. 6,72,865). This balance, the directors disposed of by paying a dividend at the rate of 6 (6) per cent. per annum, less income-tax at the current rate on the preference shares, absorbing Rs. 1,54,875 (Rs. 1,54,875), paying a dividend at 5 (10) per cent. on the ordinary shares without deduction of tax, absorbing Rs. 1,75,000 (Rs. 3,50,000) and transferred to capital reserve being excess of insurance claim over written down value of bungalow destroyed by fire Rs. 52,109 (nil) leaving a carry forward to next year of Rs. 12,511 (Rs. 87,990).

The crop harvested amounted to 33,36,422 lbs. of manufactured tea and shows an increase of 3,14,494 lbs. compared with the previous year. Again this year weather conditions were very favourable for crop and, in particular, 1953 season had a very good start. Since then, however, there has been some falling off due to lack of rain. The crop estimated for 1953-54 is 31,60,000 lbs.

The year 1952 saw one of the most serious financial crises that have taken place in the history of the tea trade. In the directors' report for the year ended 30th June, 1952, reference was made to the depression existing in the Tea Market and the generally much lower level of prices then ruling.

The rapid slump in tea prices which subsequently took place was not, in the directors' opinion, due primarily to any large overproduction of tea, but to a surplus of the lower grades of tea, and the cumulative effect of bulk buying during the war, with controls over the free market. From the beginning of the 1953 season, prices have very much improved and indications are that this year's results will be much more satisfactory.

Having regard to the serious financial crisis in the trade, the directors feel that the Company's results for 1952-53 may be considered satisfactory: nevertheless, in view of the small profit earned for the year, the managing agents have agreed to forgo half their managing agency commission for the year ended 30th June, 1953.

Whilst economies were effected wherever possible these have not been carried out at the expense of the labourers, the directors that full employment was offered to the estates' labour throughout the year.

The directors have recommended the withdrawal of Rs. 65,000 from the general reserve and the payment of the usual preference dividend and an ordinary dividend of 5 per cent. without deduction of tax. The directors mentioned that a preference shareholder has questioned the practice of the Company in deducting the standard rate of income-tax from the preference dividend. The directors have always understood this to be the correct procedure, but the Company is arranging for the ruling of the Court to be obtained. The general condition of all estates continues excellent and work on the new areas proceeds satisfactorily. On the whole the management has succeeded in preserving good relations with labour.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	56,44,447
Reserves ...	9,05,082	Stock-in-trade	7,63,707
Provision for taxation ...	2,18,297	Stores, etc.	8,97,191
Liabilities ...	7,69,678	Debts, deposits and advances ...	3,71,284
Profit and loss account ...	12,511	Investments	40,188
		Cash ...	11,88,751
Rs.	89,05,568	Rs.	89,05,568

Thacker and Company, Ltd.

The directors of the above Company (Chairman: Mr. W. W. Russell, Bombay) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The accounts after providing adequate depreciation on the fixed assets, the profit on the year's working amounted Rs. 30,559 (Rs. 30,332), to which was added the balance brought forward from previous year of Rs. 3,145 (Rs. 3,483) and E.P.T. post-war refunds less tax Rs. 19,253 (nil), making a total of Rs. 52,957 (Rs. 33,815). From this sum the following appropriations were made:—

Employees' retiring gratuities reserve Rs. 4,950 (Rs. 5,670), reserve for bad and doubtful debts Rs. 4,450 (Rs. 5,000), reserve for dividend equalisation fund Rs. 15,000 (Rs. 5,000), interim dividend at 6 per cent. free of income-tax Rs. 9,000 (nil), proposed dividend at 10 (10) per cent. free of income-tax Rs. 15,000 (Rs. 15,000) leaving a balance of Rs. 4,557 (Rs. 3,145) to be carried forward.

During the year, the Company celebrated its 75th anniversary. The Company having been incorporated in 1878, the directors have included in the dividend paid and proposed to be paid a bonus to shareholders of 6 per cent. free of income-tax in order to mark the event.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Block ...	49,937
Reserves ...	2,31,021	Stock-in-trade	3,70,078
Liabilities ...	2,13,292	Debts, deposits and advances ...	1,50,925
Profit and loss appropriation account	4,557	Cash ...	27,930
Rs.	5,98,870	Rs.	5,98,870

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

COMPANY MEETINGS AND DIVIDENDS

RAJAGIRI RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 30th November, 1953. Dividend: Re. 1-12 per share (including bonus of As. 4 per share). Transfer books closed from 24th to 30th November, 1953, both days inclusive.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 3rd December, 1953. Dividend: Re. 1 per share, free of tax. Transfer books closed from 25th November to 3rd December, 1953, both days inclusive.

KALAPAHARI COAL CO., LTD. Half-yearly General Meeting, Calcutta, 3rd December, 1953. Dividend: Re. 1 per share. Transfer books closed from 26th November to 3rd December, 1953, both days inclusive.

SEEBPORE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 3rd December, 1953. Dividend: As. 14 per share. Transfer books closed from 26th November to 3rd December, 1953, both days inclusive.

RAJAHBHAT TEA CO., LTD. Annual General Meeting, Calcutta, 4th December, 1953. Dividend: Nil.

MACHINERY MANUFACTURERS CORPORATION LTD. Annual General Meeting, Bombay, 4th December, 1953. Dividend: Nil. Transfer books closed from 19th November to 4th December, 1953, both days inclusive.

KESORAM COTTON MILLS LTD. Annual General Meeting, Calcutta, 7th December, 1953. Transfer books closed from 24th November to 7th December, 1953, both days inclusive.

KESAR SUGAR WORKS LTD. Annual General Meeting, Bombay, 17th December, 1953. Transfer books close from 3rd to 18th December, 1953, both days inclusive.

BOMBAY SAFE DEPOSIT CO., LTD. Annual General Meeting, Bombay, 18th December, 1953. Transfer books close from 5th to 18th December, 1953, both days inclusive.

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 18th December, 1953. Dividend: Rs. 7-8 per share. Transfer books close from 10th to 24th December, 1953, both days inclusive.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Annual General Meeting, Madras, 19th December, 1953. Dividend: 12 per cent. on ordinary shares. Transfer books close from 6th to 19th December, 1953, both days inclusive.

ORIENTAL INDUSTRIAL INVESTMENT CORPORATION LTD. Annual General Meeting, Calcutta, 22nd December, 1953. Transfer books close from 15th to 22nd December, 1953, both days inclusive.

SAVATRAM RAMPRASAD MILLS CO., LTD. Annual General Meeting, Akola, 25th December, 1953. Transfer books closed from 26th November to 25th December, 1953, both days inclusive.

PHALTAN SUGAR WORKS LTD. Annual General Meeting, Sakharwadi, District Satara North, 28th December, 1953. Dividend: Rs. 6 per share. Transfer books close from 21st December to 13th January, 1954, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Final dividend of Rs. 200 per share on shares of Rs. 2,500 each, Rs. 10 per share on shares of Rs. 125 each, and Rs. 4 per share on new shares of Rs. 125 each (Rs. 50 paid up). Transfer books close from 7th to 28th December, 1953, both days inclusive.

BORREA COAL CO., LTD. Dividend of Re. 1-8 per share (including bonus of As. 8 per share) for the half-year ended 30th June, 1953.

CHURULIA COAL CO., LTD. Dividend of 6 pies per share, for the half-year ended 30th June, 1953.

ONDAL COAL CO., LTD. Dividend of Re. 1 per share, for the half-year ended 30th June, 1953.

STANDARD COAL CO., LTD. Dividend of Re. 1 per share, for the half-year ended 30th June, 1953.

GOHPUR TEA CO., LTD. Dividend of Re. 1-8 per share, for the year ended 31st December, 1952.

COMPANY REGISTRATIONS

ETHICAL PRODUCTS (INDIA) LTD. (First Director: Mr. Shantaram Bhagwant Shringarpur.) Business: Distributing Chemists, Druggists, Importers and Exporters. Authorised capital: Rs. 5,00,000. Private company. Address: Advani Chambers, Sir Phirozeshah Mehta Road, Fort, Bombay.

VIJAYKUMAR GADGIL INDUSTRIES LTD. (First Director: Mr. K. J. Gadgil.) Manufacturers and Dealers in Heavy and Fine Chemicals like Acids, Alkalies, Chromates, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 7, Mody Baug, Ganesh Khind Road, Poona 5.

ATLAS RUBBER INDUSTRIES LTD. (First Director: Mr. N. C. Patel.) Business: Manufacturers of all Types of Rubber Beltings, V-Beltings, Tyres, Tubes, Footwear, Shoes, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Nizampura, Baroda No. 2.

STANDARD BALL-BEARINGS LTD. (First Director: Mr. R. B. Parekh.) Business: Manufacturers, Importers, Exporters and Dealers in Steel Balls, and Bearings, Hub and Hub Parts, Pedal, Cycles, etc. Authorised capital: Rs. 5,00,000. Private company. Address: c/o. R. B. Parekh, Solicitor, "Hari Nivas," Ghodbunder Road, Khandivli, Bombay.

MONEY MARKET DULL

(From Our Own Correspondent)

BOMBAY, 25th *November*

The short-term money market ruled dull during the week under review. Supply of funds was plentiful, but demand was meagre, with the result that the turnover was poor and money rates eased further. Inter-bank call money among the Exchange banks and big Indian banks, which had stood at 1 per cent. with lenders, actually moved down to ¾ per cent. early in the week and remained steady at that rate for the rest of the week. The corresponding rate among the smaller Indian banks also declined, slightly from 3 per cent. to 2½ per cent. House money as placeable at 2½ per cent. Short-term deposits were bid at 2½ per cent. for one month, 2¾ per cent. for two months and 2¾ per cent. for 3 to 6 months.

After a period of 2½ months, the tenders for the three months' Government of India Treasury Bills were reduced from Rs. 1.5 crores to Rs. 1 crore this week. The response was a little more encouraging than in the previous week, evidently on account of the easiness in the money market. Thus, the amount offered this week was Rs. 1.56 crores, as compared with Rs. 1.98 crores against tenders for Rs. 1.5 crores last week. The average rate of accepted tenders was Rs. 2-6-10 per cent. per annum, as against Rs. 2-7-0 per cent. in the previous two weeks. Tenders for next week are for the same amount, namely, Rs. 1 crore.

A contraction of Rs. 8.19 crores in notes in circulation and a rise of Rs. 8.92 crores in notes held in the Banking Department are the only features in the currency section, as disclosed by the statement of affairs of the Reserve Bank of India for the week ended 20th November, 1953. In the Banking Department, deposits of the Central Government have recorded a fall of Rs. 6.56 crores, while those of other Governments an increase of Rs. 3.06 crores. Following the rise of Rs. 2.35 crores noted in the previous week, there has been a further rise to the tune of Rs. 12.61 crores in deposits of banks, thereby reflecting the lack of trade demand for funds on banks. Cash balances are higher by Rs. 8.93 crores, while there has been no notable variation in balances held abroad. Ways and means advances to Governments are higher by only Rs. 59 lakhs, while other loans and advances are lower by Rs. 36.25 lakhs and investments by Rs. 1.06 crores.

The change in the complexion of the short-term money market during the first post-Diwali week is duly reflected in the Scheduled banks' statement for the week ended 13th November, 1953. Demand deposits have gone up by Rs. 11.39 crores in contrast to the decline of Rs. 18.28 crores noted in the previous week. Time deposits are lower by Rs. 1.63 crores. A drop of Rs. 1.86 crores in borrowings from the Reserve Bank and of Rs. 3.31 crores in those from the Imperial Bank is also noted. Advances disclose a fall of Rs. 1.24 crores and bills purchased and discounted Rs. 4.10 crores. Cash on hand and balances with the Reserve Bank have together shown an expansion of Rs. 7.37 crores and balances with other banks in current account Rs. 1.65 crores.

A broadening of demand for 3½ per cent. National Plan Bonds, due to proximity of interest payment, and some small enquiries for medium-dated loans at quoted rates were the only notable feature of trading in the Gilt-edged market during the week under review. The volume of business was still small. 3½ per cent. N.P. Bonds rebounded from Rs. 98-13 to Rs. 99, though some transactions were reported to have passed at Rs. 99-0½ also. 3 per cent. 1986 Conversion Loan had business at no better a rate than Rs. 81-15. 3 per cent. 1970-75 remained stagnant at Rs. 86-6, 3 per cent. 1966-68 at Rs. 90-1, 3 per cent. 1964 at Rs. 92-8 and 3 per cent. 1963-65 at Rs. 92-9. 3 per cent. 1959-61 had enquiries at the unchanged rate of Rs. 96-1. 3 per cent. 1958 and 3 per cent. 1957 were maintained at Rs. 98-1 and Rs. 98-5, respectively.

TEA PRICES IRREGULAR

(From Our Own Correspondent)

CALCUTTA, 24*th November*

Although demand was strong during yesterday's export auction, when offerings consisted of 68,000 chests, prices were notably irregular. Thus, while C.T.C. Assam fannings and brokens were taken at firm rates, a poor reception was accorded to Darjeelings, of which the prices of leaf grades lost as much as As. 2 from last rates. Steady demand for common B.P.Ss. and whole leaf grades raised their prices by almost half an anna. A gain of half an anna was noted in the price for the commonest varieties. The rates were: best Assam C.T.C. B.P. Rs. 2-1 to Rs. 2-2, clean black pekoe Re. 1-14-6, medium Assam B.P. Re. 1-13-6, and clean common B.P. Re. 1-12-9.

A very bright feature during last week's sale for internal consumption, when dusts offered amounted to 14,509 packages, was Darjeelings, of which the flavoury sorts realised values above brokers' valuations. Other offerings were also met with strong demand, and bright liquoring Dooars and best C.T.C. Assams were favoured by buyers. Black teas fit for export were wanted at hardening rates. Prices for common varieties and medium Assams gained by one anna. The rates were: best Assam C.T.C. Re. 1-14-6 to Re. 1-15, medium Assam grainy Dusts Re. 1-10 to Re. 1-10-6, and medium Dooars Re. 1-9-6 to Re. 1-10. The leaf market was also steady and offerings aggregated 628 packages.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, 25th *November*

A steady tone was displayed by the bullion market during the week under review, especially in the gold section. Activity in the silver section was rather at a low ebb and price fluctuations were narrow. Paucity of demand and the move on the part of the Government of Bombay to clear the uncertainty regarding the proposed amendment to the by-laws of the Bombay Bullion Association restrained trading. Operators seemed to wait for the outcome of the meeting of the Board of Directors called for to-morrow.

Gold was a little more cheerful, due to a decline in arrivals of smuggled gold, thanks to the vigilance of the Customs authorities, as reflected in the recent seizure of some contraband gold from a dealer and to good demand in the ready position, particularly from Calcutta side.

Market circles were surprised at the sudden move of the Bombay Government to clear the position regarding the proposed changes in the by-laws of the Bullion Association which have been hanging fire for some time past. The Finance Minister of Bombay invited the representatives of the Board of Directors of the *Association for a* meeting on Monday and is understood to have told them that they should decide whether they intend amending the by-laws or not and submit its decision to the Government before 5th December. A meeting of the Board of Directors will be held to-morrow to discuss the issue and take a decision. It is not known what prompted the Government of Bombay to intervene now, when no dispute has arisen or a deadlock in trading has come. In recent weeks, trading has been fairly smooth, without any hectic activity by one section or the other of the traders and without any wide variations in day-to-day prices.

Silver for forward delivery (23rd November) opened the week at Rs. 152-7 and advanced to Rs. 153-8 on Monday before the settlement ran out on that day at Rs. 153-3. Opening at Rs. 152-15, forward silver for the next settlement (23rd December) moved up to Rs. 154-2 on Monday and finished the week lower at Rs. 153-6.

Ready silver (.996 Mint) began at Rs. 152-7 and touched to-day Rs. 154, before it closed at Rs. 153-2. The floating stocks of silver are placed at 2,600 bars. The daily average offtake is about 10 bars.

Forward gold (21st November settlement) commenced at Rs. 83-1 and rebounded on the opening day to Rs. 84-5, on short covering induced by better offtakes and smaller pace of arrivals. There was a slight reaction from this level to Rs. 83-15 on Saturday when the settlement ran out. Trading in the next settlement (21st December) began for the week at Rs. 82-8 and closed to-day at Rs. 83-9.

Ready gold opened at Rs. 83-9 and finished at Rs. 84-1. The floating stocks are reported to be 20,000 tolas. The daily average arrivals were 4,000 tolas and the offtake was 5,000 tolas on an average.

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

	25-11-53	Highest	Lowest	18-11-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	84 1	84 9	83 1	83 9
Forward	83 9	84 5	82 8	83 1
Sovereign	57 8	57 8	57 4	57 4
SILVER				
Ready (.996 fine Mint)	153 2	154 0	152 0	152 8
Forward	153 6	154 4	152 0	152 8
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½*c.*	—	—	85½*c.*

STALEMATE IN KIPS

(From Our Own Correspondent)

MADRAS, 23*rd November*

There has been no change in the kip market at Madras or the U.K. If the stalemate continues for a week more, selling is likely to follow on a small scale for financial reasons, which will damp the steady outlook for the tanners. There were more enquiries for medium and heavy weights in cow hides and 1½/2 lbs. in buff calf, but prices locally have ruled 1d. to 2d. above U.K. levels.

In the tanned skins section, there has been good clearance of stocks. In the December London tanned skins auctions, 615,000 goat skins and 320,000 sheep skins have been offered for sale. In view of the large quantity of goat skins available, prices are likely to decline to some extent.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 23*rd November*

Activity in the linseed market has been on a somewhat better scale. The undertone of the market rules firm and prices have been generally well maintained. Despatches to this centre have improved and trading has been fairly brisk mainly for ready goods, owing to keen enquiries from local crushers. Sellers for forward deliveries still maintain a cautious attitude. The oil section remains firm. There has been a fair local demand and the main feature is scarcity of supplies. Latest quotations are: November Rs. 19-14 and December Rs. 19-8 per maund.

COTTON BUOYANT

(From Our Own Correspondent)

BOMBAY, 25th *November*

The cotton market has passed through another week of buoyant conditions. Under the impetus of continuous bull support and persistent short-covering, values of cotton forged ahead. The chief factor which imparted strength to the market was the hectic activity in the spot section, following reduced arrivals in terminal markets. The bullish fervour was fanned further by renewed expectations of lower cotton crop and repeated encouraging advices from cloth markets. On top of these, there was the resurgence of support by put and call option dealers.

I.C.C. cotton for February delivery opened the week at Rs. 629-8. After improving to Rs. 632-8 the same day, it reached to finish lower at Rs. 626-8, due to profit-taking at higher levels and hedge selling. The reaction, however, was short-lived, for, on the following day, the market picked up considerable strength and the contract staged a remarkable recovery. Not only was the initial loss completely erased but the closing quotation stood higher than the opening rate. The improvement persisted till almost the close to-day, the closing rate being Rs. 652-8. At one time, it had even touched Rs. 659. The net gain over the week was 23 points. I.C.C. May contract moved in sympathy with the February contract. The contract opened at Rs. 635-8 and, after receding to Rs. 632-8, gradually rose to Rs. 660, but finished a shade easy at Rs. 654-12. The net gain over the week was Rs. 19-4. The spread between the two contracts narrowed down to Rs. 2-4 at the close to-day, as against Rs. 6 early in the week.

The following is the trend of prices in the forward market during the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 629½	659	626½	652½
I.C.C. May ...	Rs. 635½	660	632½	654½

There was a further broadening of activity in the spot market and values continued to move upwards. Mills lent good support, especially for Jarillas, Khandesh and Berar fine. Offices were interested in Bengal cotton. The following are the latest available quotations for the Sewri market:

Bengal *Deshi* Rs. 610, Berar *Jarillas* Rs. 730, Khandesh Rs. 770, Vijay Rs. 800, Oomra *Deshi* Rs. 660 and Moglai Rs. 640.

Cotton circles are evincing keen interest in the forthcoming meeting of the Export Advisory Council scheduled to be held in New Delhi on Sunday next. Although the Textile Commissioner recently stated that there would not be any downward revision in export duties on cotton, some are somewhat inclined to feel that pressure may be brought upon the Commerce and Industry Ministry at this meeting. Whether or not the Minister will yield to this pressure and, if so, to what extent, is, however, anybody's guess.

There has been an all-round rise in cotton prices in the Karachi market. The rise is attributed to short-covering by exporting houses, and buying by other merchants who are induced by expectations of a further increase in prices. Australia is reported to have evinced keen interest in N.T. raw ginned cotton; a sizable quantity has already been purchased. France, Belgium and the U.K. are also said to be interested in Pakistan styles. The Continent has purchased fairly good quantities of old crop 289F roller.

According to the second official forecast of the 1953-54 Pakistan cotton crop, the area under cotton cultivation is estimated at 3.12 million acres. Of this, 2.70 million acres represent area devoted to American seed and 423,000 acres to *Deshi* varieties.

The latest available quotations for the Karachi market are: Punjab Deshi Rs. 62 to Rs. 64, 4F. Punjab R.G. Rs. 61-8 to Rs. 62-8, S.G. Rs. 66 to Rs. 67, L.S.S. Punjab R.G. Rs. 66, S.G. Rs. 71, N.T. R.G. Rs. 67, S.G. Rs. 73, 289F Punjab R.G. Rs. 70, S.G. Rs. 76-8, Sind *Deshi* new crop Rs. 64 and old crop Rs. 59-8.

The Alexandria cotton market witnessed slightly easier conditions. Thanks to restricted foreign demand, spot premiums over official selling prices, particularly for Ashmouni and Giza 30, have staged a retreat. The decline in prices would have been more marked but for the recent revival of export demand for Karnak from the U.K., India, France and Switzerland. The Egyptian Government has still not taken up for active consideration any proposal for the reopening of the Alexandria futures market, though there are rumours of the reopening of the market next year, in view of the fact that the British Government has decided to resume the Liverpool futures market. Latest private estimates place the 1953-54 Egyptian cotton crop at more than 6.3 million cantars, which compares favourably with the official estimate of 5.93 million cantars. The increase in yield now expected is attributed to favourable weather conditions during the month of October, 1953.

Two-sided movements in prices characterised the trading in the New York cotton market during the week under review. Thus, spot and near delivery cottons registered improvement, while distant deliveries suffered losses. The improvement in the former was induced by two bullish factors, namely, active enquiries from domestic mills and renewal of trade demands against the recent sale of 27,700 bales to Spain. The downward trend in the prices of later deliveries reflected selling against December purchases.

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

(In cents per lb.)

	24-11-53	17-11-53	10-11-53
Spot	33.83	33.55	33.70
December	33.16	32.88	33.03
March	33.45	33.34	33.42
May	33.57	33.63	33.62
July	33.39	33.46	33.41

Exports of cotton from the U.S. continue to run well behind the last season's total to date. The shippers say that the total shipments of 2 million bales this season compared with the Agriculture Department's estimate of about 3.2 million bales. The U.S. Export-Import Bank has announced that it will insure the storage of U.S. cotton (and cotton mill waste) in sixteen foreign countries, pending purchases by foreign mills, against the risk of loss from war and expropriation.

ART SILK YARN FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 25th *November*

The art silk yarn market presented a highly irregular trend this week. It remained fully firm during the first two sessions, on broadening of activity in the rayon fabrics and cotton yarn markets. There was, therefore, heavier offtake of yarn in the ready section which induced operators in the forward section to enlarge their dealings. Consequently, values of yarn forged ahead. But the upward trend was somewhat halted on Monday and Tuesday, when the market put on a sagging tendency on expectation of an early announcement of import policy for the coming half-year. To-day, however, the sentiment turned for the better, following renewed bullish advices from the fabrics markets. Values of art silk yarn, as a result, staged a remarkable recovery, thereby making good a substantial part of the previous losses. The closing quotations were higher than those a week before. The undertone of the market was fully steady.

In the forward section, 150D November contract opened the week higher at Rs. 719, as against Rs. 707. After rallying 16 points to Rs. 735 on Saturday, the contract receded to Rs. 720 yesterday. The loss was made up to-day when the quotation stood at Rs. 726. Similarly, December contract began the week with a rise of 15 points at Rs. 725. It improved to Rs. 741 on the 21st inst., and, after losing Rs. 16 during the subsequent two sessions, finished the week at Rs. 732. The spread between the two contracts, which had narrowed down to Rs. 3 last week, widened to Rs. 6 at the close to-day.

The ready section was fully steady practically throughout the week. 120 Italy and 150 Italy gained an anna and a half to Rs. 3-14-6 and Rs. 3-10-6, respectively. 150 Japan advanced by a like amount to Rs. 4-1-6. 120 Japan rose by an anna to Rs. 4-3.

The staple fibre yarn section exhibited conditions similar to those in the art silk yarn market. Following depletion of floating stocks and postponement for two weeks of decision regarding the opening of forward trading in January contract by the Yarn Merchants' Association, short sellers were squeezed considerably and staple fibre yarn prices moved up. November (40 x 2) contract, which has dealt at Rs. 762 last week-end, staged an impressive rise of 28 points to Rs. 790 on the 21st inst. On Monday, however, the section gave way, on account of lack of demand in the ready section, and values suffered a break. The downward trend persisted yesterday and to-day also, the closing quotation being Rs. 760, which is Rs. 2 lower than that a week before.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 18th and 11th inst.

	25-11-53	18-11-53	11-11-53
Art silk yarn	Rs. a.	Rs. a.	Rs. a.
150D November (per case of 200 lbs.)	726 0	707 0	707 0
150 December (,, ,,)	732 0	710 0	708 0
120 Japan (per lb.)	4 3	4 2	4 2
150 Japan ,, ...	4 1½	4 0	4 0
120 Italy ,, ...	3 14½	3 13	3 14
150 Italy ,, ...	3 10½	3 9	3 9
Staple fibre yarn			
2/40s November (per case of 200 lbs.)	760 0	762 0	704 0

GROUNDNUTS IMPROVE

(From Our Own Correspondent)

BOMBAY, 25th *November*

For another week in succession the different sections of the oilseeds market continued to present a mixed trend. The generally firm trend noticed last week in the groundnuts section persisted during the major part of this week also. Evidently, this was due to rumours that the groundnuts crop would not be as heavy as expected. The up-country *vanaspati* interests were also in the market with a view to making substantial purchases. As a result, the prices shot up. But at the high levels selling pressure ensued and the prices had to stage a retreat. The downward trend was not, however, such as to erase the earlier profits. Consequently, closing quotations disclosed considerable gains over the week. The linseed section ruled steadier on speculative enquiries and the prices staged a sizable rise. In the castorseeds section, there was a mild bull-bear tussle and prices experienced wide fluctuations. The week-end quotations were, however, higher than those at the end of last week. Spots ruled bright and recorded generally good improvement.

In the groundnuts section, Bold December-January delivery which opened at Rs. 28-6, as against Rs. 28, shot up to Rs. 30 on the 21st inst., on speculative covering. Thereafter, it gradually declined to close at Rs. 29-4. February-March delivery fluctuated between Rs. 31 and Rs. 29-4, before finishing at Rs. 30-2. Khandesh quality gathered As. 10 to Rs. 31-12. Groundnut oil exmill put on As. 12 to Rs. 17. Railway receipts were done at Rs. 16-12, as against Rs. 16. November, December and January deliveries changed hands at Rs. 16-8, 15-14 and Rs. 16, as against Rs. 15-12, Rs. 14-14 and Rs. 15, respectively. Sellers were not wanting in groundnut oil at about £125-10 for January-February delivery and at £123-10 for February-March delivery, but buyers were scarce. H.P.S. groundnuts continued to be offered at £91 per long ton c.i.f., but little business was reported done owing to uncertainty of licensing position.

The linseed section ruled better despite virtual absence of overseas advices for linseed oil. This was purely due to the strong technical position of the market. Bold ready advanced from Rs. 25-8 to Rs. 26. October-November delivery gained As. 8 to Rs. 26 and February-March Re. 1-2 to Rs. 22-10. Linseed oil was quiet at Rs. 14-8. American linseed oil was quoted on the Continent and the U.K. at about £73 per long ton c.i.f.

In the castorseeds section, the futures witnessed considerable fluctuations. Thus, May delivery, which opened steady at Rs. 106-4, fluctuated between Rs. 115-12 and Rs. 105-10, before closing at Rs. 113-6. Ready F.A.Q. improved from Rs. 25-12 to Rs. 26-4. Higher levels attracted profit-taking and prices declined to close lower at Rs. 25-12, the same as at the end of last week. Madras rallied Re. 1 to Rs. 27-8. Castoroil B.S.S. lost As. 8 to Rs. 16-4. But Oil I Pressure gained As. 6 to Rs. 16-2 and Commercials As. 4 to Rs. 15-4.

The following table shows the prices of oilseeds and oil on the 25th inst. as compared with those at the end of the previous two weeks.

	25-11-53	18-11-53	11-11-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Ready New ..	31 12	30 2	30 0
Bold December-January ..	29 4	28 0	26 12
Linseed—			
Bold Ready (per cwt.) ..	26 0	25 8	25 0
Castorseeds—			
May 1954	113 6	109 4	109 4
Madras (per cwt.)	27 8	26 8	26 8
Groundnut oil—			
Ex-mill Ready (per quarter).	17 0	16 4	16 4
Castor Oil—			
Commercial (per quarter) ..	15 4	15 0	15 2

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 25th *November*

Steady conditions prevailed in the Bombay sugar market during the week under review. Two important factors were responsible for the steadiness. First, there were rumours that there might not be any more imports until April-May next year. Secondly, demand from the interior and Hyderabad, Malabar and Madras sides was distinctly encouraging. Buying support that ensued as a consequence helped maintain sugar prices more or less at last week's levels. Thus, in the forward section, *Magsar* delivery was fully steady at Rs. 84-12 (per bag). *Kartik* delivery was quoted at Rs. 87-8, although, towards the close, it was lower at Rs. 85. In the ready section, medium and large grain sugars were unaltered at Rs. 94, to Rs. 95 and Rs. 98, respectively. Small grains were not quoted, as no stocks were available. British refined sugar improved from Rs. 85 to Rs. 85-4.

Arrivals of indigenous sugar during the week under review were smaller, being 5,600 bags, as against 10,000 bags in the previous week.

The Union Food Ministry has invited fresh tenders for British refined sugar per s.s. *St. David*. The last date for the submission of tenders is the 27th inst. Details regarding the tenders so far submitted are not known. From the reports made available, however, it is gathered that tenders have been submitted in large numbers. In view of this, an allotment of more than 200 bags per s.s. *St. David* is considered to be improbable. In the meantime, the Food Ministry has confirmed reports that tenders per s.s. *Luciana*—this had been diverted to Madras—are being transferred to s.s. *Norton*. Both s.s. *Norton* and s.s. *St. David* are expected to arrive in Bombay during the second week of next month. S.s. *Cyclops* arrived on the 21st inst. and s.s. *Fiducia* is expected on the 27th or 28th inst. Forward sales in this sugar are being made at Rs. 84-8 per 2 cwts.

The Central Food Ministry would appear to have still not made up its mind regarding further imports of sugar. This is not surprising, considering the fact that the world sugar markets are at present weak with a general decline in prices.

PEPPER LOOKS UP

(Messrs. Parekh & Co.)

BOMBAY, 25th *November*

The pepper market which appeared to have been marking time during the last week, took an upswing, and prices continued to rise during the week, under pressure of New York buying and owing to reserved attitude of the growers, the lowest and the highest touched being Rs. 1,650 and Rs. 2,100 respectively at Alleppey and Rs. 1,410 and Rs. 1,660 at Bombay for December delivery and $0.78 and $0.91 per lb. c. & f. New York for December shipment in the ASTA section.

Stock of old crop in the hands of growers as on the 1st November is said to be very small, all exaggerated former estimates having proved wrong. When New York, after having waited in vain for a bottom, came out as a buyer, particularly for November and December shipments, exporters in India were unable to meet them, as growers withdrew their sales. They were unwilling to sell more than a few candies even at a good price like Rs. 2,100 which is about Rs. 450 higher than the lowest seen during the first week of November.

New York is reported to have paid as high as $0.93 for November and $0.88 for December as against $0.82 for November and $0.78 for December during the first week of November, January-Feb-March which was once sold at as low as $0.76 is now in demand at $0.87 with few sellers.

New crop arrivals of light berries are being readily absorbed by Calcutta and Bombay for their local consumption. It will take some time before the fully developed peppers arrive in the market and, in the meantime, if New York buyers continue to enquire for nearby shipments, as they are doing now, the market is likely to go still higher in view of the scarcity of old pepper in the market.

Following are to-day's nominal quotations: Ready delivery Rs. 260-75 per cwt., December Rs. 1,620-40 and February Rs. 1,590-1,610 per candy of 5½ cwts.

JUTE GOODS VALUES RECEDE

(From Our Own Correspondent)

CALCUTTA, 24*th November*

Quiet conditions during the week under review not only arrested the upward movement in prices of manufactured goods but wiped out a part of the recent gains. Bears and bulls fought a hard battle. Business with foreign buyers did not come up to expectations as, in view of the fall in prices, it was their turn to be reserved. Mills were not alarmed by the change in market trend this week as they had already sold much of the ready goods and booked as much forward business as possible when prices were up. They believed that the fall would prove only temporary. Therefore, mills were also reserved. All things considered, in a rising market a reaction is necessary for checking the upward movement. Prices are maintained at reasonable levels attractive to the foreign buyer.

It is generally expected that sales this month would not come up to earlier expectations, but that demand would, more or less, be equal to production. More business with the United States is expected, and this would probably be only after December when shipping of most of the Argentine's requirements would have been completed. Regarding sacking too, no anxiety is felt, as, by transfering more looms to hessian, output has been brought down to a level which is equal to demand. There are, however, reasons to believe that as months go by mills would have to produce more sacking than at present. Australia's heavy stocks are on the decline, and with increased foodgrains production, it would have to replenish its stocks sooner or later. Prices were steady last Tuesday, and mills were interested sellers. There was some profit-taking in the bazar and ready 40" 10 oz. hessians closed at Rs. 49-4 and B. twills at Rs. 105-4. Bear-bull activity on Wednesday forced prices down, and while B. twills at Rs. 105-4 picked up the ground lost earlier in the session, hessians 40" 10 oz. could recover only up to Rs. 48-12, the December position, bearing a discount of Re. 1 and the January-March delivery Rs. 2-12. The downward movement persisted on Thursday, and gathered further momentum owing to selling pressure. Business with Great Britain for December-March deliveries could not stop the recession, which saw 40" 10 oz. hessians at Rs. 48-8 and B. twills at Rs. 104-8. Reports from New York were encouraging; but in addition to the selling pressure the slow nature of shipping affected sentiment further on Friday and B. twills were pulled down to Rs. 102-6 and hessians to Rs. 47-6. Conditions were no better over the week-end, when a decline to Rs. 101-4 for ready B. twills made the price-difference for forward goods almost insignificant. Hessian 40" 10 oz. was offered at Rs. 47-2. Yesterday, the rate was fractionally better at Rs. 47-8, so that the loss during the period came to Re. 1-12. B. twills were unchanged at Rs. 101-4, the recession on balance being by Rs. 4.

Although quieter conditions prevailed in the raw jute market also, losses were fractional and less marked compared to the recession in the prices of jute goods. This disproportionate decline was due to the reserved tendency shown by operators who were encouraged in their attitude by the reduced imports and expectations of higher prices. Growers' attention is on the harvest of the paddy crops, and any visible increase in arrivals of jute is expected only after the paddy harvest is completed. Even though this is the situation, the desire of mills to stock as much raw material as possible is justified by the changed outlook for the jute industry, irrespective of this week's corrective decline in the prices of jute goods. However, as the fall in raw jute prices was disproportionate, mills had to cut down purchases, the attitude of sellers remaining unaffected. Indian northern bottoms were only As. 8 lower at Rs. 28, middles recording a similar recession at Rs. 31. Dhubri bottoms changed hands at Rs. 28-8, and bimli f.a.q. at Rs. 24-8. Assam upper middles and bottoms were priced at Rs. 30-8 and Rs. 27-8 respectively, as against Rs. 31 and Rs. 28 a week ago. Other latest quotations are: Daisee middles Rs. 33-8 and bottoms Rs. 30-8, jungli middles Rs. 28 and bottoms Rs. 25, Murshidabad middles Rs. 29 and bottoms Rs. 26, Uttar Pradesh middles Rs. 28-8 and bottoms Rs. 25-8, Orissa middles Rs. 31-8 and bottoms Rs. 28-8, and Pakistani northern middles Rs. 33 and bottoms Rs. 29.

RICE SUPPLIES COMFORTABLE

(From Our Own Correspondent)

HAPUR, 23*rd November*

There has been continued improvement in the overall food position in the country and prices almost everywhere have maintained a downward trend. For the first time since 1943, no foodgrain was imported into the country from abroad during the week ended 11th November, 1953, and it was also expected that there were to be no foodgrain imports during the coming two weeks. Recently, India was importing only wheat from Canada and the United States. No rice was being imported.

(Continued on page 1035)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	13th Nov., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,109 24	1,108.84	1,091.40	1,084 86
Notes held in Banking Department	55.05	16 83	16.88	24 51	27 92
Foreign Securities	89 50	564 15	564.15	558 15	538.15
Rupee Securities	27.89	421 36	421.42	421.42	450.06
Banking Department					
Deposits of :					
Government of India	14.89	101 32	100.22	113.46	149 89
Other Governments	..	27 02	29.94	25.86	9 02
Balances held abroad	10.08	142.81	137.27	144.13	156.41
SCHEDULED BANKS					
Demand Liabilities	136.87	524 17	512.95	520 81	540 40
		(11 79†)	(11.96†)	(14 85†)	(11 56†)
Time Liabilities	102.64	332 69	334 78	332 92	316 40
Borrowings from Reserve Bank	..	12 89‡	(3 51‡	12 89‡	(6 35‡
	..	1 15	3 01	2 01	1 61
		(0 49)†	(0.49)†	(0.49)†	(0 99)†
Borrowings from Imperial Bank	..	5.37	8.68	5 32	2 96
Cash in India	6.71	31.32	28 84	30.00	33 26
Balances with Reserve Bank	25 25	47.67	45.68	50.34	53.20
Excess over statutory limits	18.82	14.71	13.34	17.66	19.81
Balances with other banks in current account in India	..	31.19	9.54	10.04	12.26
Money at call and short notice in India	..	16 02	18.54	19 20	17.40
Investments (at book value)	..	339 83	340 24	336.15	320 45
Advances and Bills	108.09	457 90	463 24	459.51	453 28
IMPERIAL BANK					
Deposits	87.76	210 21	205 76	203 51	212 35
Investments	31.99	93 67	93 18	95 52	97 43
Advances	50 27	100 02	102 91	100 44	106 95
Cash	14 89	21 67	21 99	21 25	21 87

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	20th November, 1953		13th November, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,02,145	40 85 47,000	2,14,927	46 83,53,000
Calcutta	1,51,267	65 81 40,734	1,43,102	47,46,37,263
Madras	61,852	6,06,33,048	90,303	8,03,56,522
All Centres—				
1951	..	..	1,06,94,122	2180,56,66,859
1952	..	..	1,06,41,943	2179,61,57,000
August 1953	..	..	23,41,000	4,84,84,00,000
Sept.	..	..	25,63,(xx)	5,26,36,(x),(xxx)

Reserve Bank of India

Statement of Affairs for the week ended 20th Nov., 1953

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	94,75,39,000
(2) Other Governments	30 15 25,000
(b) Banks	62 10,91,000
(c) Others	56,82,67,000
Bills Payable	2,92,84,000
Other Liabilities	14,44,51,000
Rupees	271,32 46,000

Assets	Rs.
Notes	25,25,15,000
Rupee Coin	10 92,000
Subsidiary Coin	4,40,000
Bills Purchased and Discounted—	
(a) Internal	25,80,000
(b) External	..
(c) Government Treasury Bills	2,97 13,000
Balances held abroad*	142,64,70,000
Loans and Advances to Governments	88,01,000
Other Loans and Advances	10 82,74,000
Investments	81,23,62,000
Other Assets	6 84,01,000
Rupees	271,32 46,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	25 25,15,000	
Notes in circulation	1101 03,40,000	
Total Notes issued		1126,30,64,000
Total Liabilities		1126,30,64,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	565,15,11,000	
Total of A		605,16,82,000
B. Rupee Coin		96,75,64,000
Government of India Rupee Securities		421,38,18,000
Internal Bills of Exchange and other commercial paper		..
Total Assets		1126,30,64,000

Ratio of Total of A to Liabilities: 53 907 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 13th Nov., 1953

		Rs.
1.	Demand Liabilities in India:	
	(a) Borrowings from banks	11.79 13 000†
	(b) Other demand liabilities	5,12,37,66 000
2.	Time Liabilities in India:	
	(a) Borrowings from banks	2 87,50,000†
	(b) Other time liabilities	3,29,81,89,000
3.	Cash in India	34,31,88,000
4.	Balances with the Reserve Bank in India	47,56,54,000
5.	Balances with other banks in current account in India	11,18,66,000
6.	Money at call and short notice in India	16,02,43,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	5,30,83,02,000
8.	Advances in India	4,19,36,85,000
9.	Inland Bills purchased and discounted in India	38,31,59,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	24th November, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-5 13/16	1-5 13/16
Buyers T.T. 10 to 12 months	1-5 13/16	1-5 13/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	476	476
Buyers T.T. Rs.	472	472
London on New York	$ 2.81 3/4-2.81 7/8	$ 2.81 3/4-2.81 7/8
London on Paris Frs.	980 1-981	981
London on Berne Sw. Frs.	12 22-12 23	12 19-12 22
New York on London	$ 2.81 1/4-2.81 1/2	2.78-2.82

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)		In terms of rupees (Crores)	Per capita Income (Rs.)
India	1948	342.12	..	..	9,730	255
Pakistan	1949	75 04	..	..	1,671	222
Burma	1951	19 67	Kyats	9,186	917	169
Ceylon	1951	7 74	..	..	1,124	542
Japan	1951	84 80	Y.	4,849,400	6,414	761
Philippines	1951	20 28	Ps.	7,546	1,820	358
New Zealand	1952	2 00	£(N.Z.)	948	4,307	4,307
Australia	1951	8 43	£(A.)	3,256	8,454	4,817
U.K.	1952	50 43	£	13,645	18,197	3,608
U.S.A.	1952	156 94	$	283,407	139,290	8,904
Canada	1952	14 43	$	18,135	8,188	5,662
France	1952	42 80	F. Fr.	10,190,000	19,861	5,254
W. Germany	1952	45 45	Dm.	94,400	11,154	2,301
Italy	1952	46 88	Lr.	8,112,000	6,181	1,318
Norway	1952	3 32	Kr.	10,506	1,105	3,331
Sweden	1952	7 15	Kr.	29,170	2,652	3,712
Netherlands	1952	10.86	Fl.	17,650	2,215	2,104
Denmark	1951	4 80	Kr.	20,718	1,439	2,946
Switzerland	1952	4 82	S. Fr.	20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 13th Nov., 1953

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	31,01,03,000
(b) Provincial Governments	17,57,50,000
(c) Banks	13,76,13,000
(d) Others	2,50,64,000
Bills Payable	2,53,000
Other Liabilities	3,71,37,000
Rupees	62,38 19,000

Assets	Rs.
Notes	9 20 61,000
Rupee Coin	4,000
Subsidiary Coin	10,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,49,47,000
Loans and Advances to Governments	1,65,10,000
Provincial Governments Debtor Balances	1,31,74,000
Other Loans and Advances	2 19,30,000
Investments	33 04 01,000
Other Assets	9 44,23,000
Rupees	62,38,19,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,20,61,000	
Notes in circulation	209,12,99,000	
Total Notes issued		218 33 60,000
Total Liabilities		218,33,60,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	89,48,75,000	
Government of India Securities	11,88,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
		89,24,80,000
B. Rupee Coin	6,16,72,000	
Government of Pakistan Securities	118,67,33,000	
Internal bills of exchange and other commercial paper	....	
		124,84,05,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,96,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,91,000	
		4 24,75,000
Total Assets		218 33 60,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 42.69 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Alloted at minimum rate %
1953					
8th September	1.50	1 77	1.50	2 6 7	77
15th ,,	1.50	1 94	1.50	2 6 7	80
22nd ,,	1.50	1 96	1.50	2 6 8	89
29th ,,	1.50	2 51	1.50	2 6 8	100
6th October	1.50	2 02	1.50	2 6 8	92
13th ,,	1.50	1 81	1.50	2 6 8	88
20th ,,	1.50	2 54	1.50	2 6 8	85
27th ,,	1.50	4 10	1.50	2 6 7	44
3rd November	1.50	2 71	1.50	2 6 10	86
10th ,,	1.50	1 51	1.50	2 7 0	100
17th ,,	1.50	1 99	1.50	2 6 7	3
24th ,,	1.00	1 56	1.00	2 6 10	93
Total	17.50	26 36	17 50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	6
Belgium	24th Oct., 1953	3	2½
Canada	17th Dec., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	5
Finland	19th Dec., 1951	7½	8½
France	17th Sept., 1953	4	3½
Greece	12th July, 1948	10	15
India	18th Nov., 1951	3	3½
Italy	8th April, 1950	4½	5
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	2	2½
New Zealand	30th July, 1941	2	3
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	..	3
Portugal	18th Jan., 1944	3	3½
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	20th Nov., 1951	3	3½
Switzerland	2nd Nov., 1936	1	1½
Turkey	28th Feb., 1951	4	5
United Kingdom	17th Sept., 1953	3	4
U.S.S.R.	1st July, 1938	3	4
U.S.A.	18th Jan., 1933	1½	2
West Germany	8th Jan., 1953	4	5

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	March, 1953	March, 1952	Twelve months—April to March, 1952-53	Twelve months—April to March, 1951-52
Import Duties:				
Revenue	8.99	11.21	111.00	150.07
Protective	83	76	7.35	10.51
On surplus disposals	8	1	8	24
Total import duties	9.40	12.00	118.43	161 76
Export Duties	8.89	8.52	85.34	90 78
Land Customs	16	23	2.02	3.22
Miscellaneous	7	8	1.18	1.12
Gross total customs	13.02	17.83	177.54	236.45
Refunds and drawbacks	14	84	5.65	4.82
Net Customs	12.88	17.48	171.89	232 03
Gross excise	7.69	7.01	82.84	87.44
Refunds	8	10	1.43	1.76
Net Excise	7.01	6.92	81.41	85 68
Net total of customs and excise	20.49	24.27	256.54	317.79

Imperial Bank of India

Statement of Affairs for the week ended 20th Nov., 1953

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		210,99,66,106
Borrowings from other Banking Companies Agents		
Bills Payable		3,52 78,000
Bills for Collection being Bills Receivable as per contra		61 03,000
Acceptances, Endorsements and Other Obligations as per contra		
Other Liabilities (including Inter-Office Adjustments)		2,50 89,000
Total	Rs.	229,03,45,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		25,81,35,000
Balances with other Banks		4,52 18,000
Money at Call and Short Notice		40,00,000
Investments—		
Government and other Trustee Securities	86,39 51,000	
Other Authorised Investments	10,93 20 000	
		97,32,77,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	89,70 84,000	
Bills Discounted and Purchased	6,91 89 000	
		96,62,73,000
Bills Receivable being Bills for Collection as per contra		61,03 000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,90 000
Premises less Depreciation		1,37 15 000
Furniture and Fixtures less Depreciation		34 75,000
Other Assets (including Inter-Office Adjustments)		2,57,09,000
Total .. Rs.		229,03,45,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49 ..	1.64	1.47	76	76	20.40	22.86	83.26	29.91	— 12.31	..	..
1951-52 ..	1.75	6.03	77	2.91	23 08	86.81	1,07.58	74.18	— 27.66	13.10	13.39
1952-53 ..	1.63	6.84	66	3.27	23.66	84.18	1,12.36	91.01	— 21.08	7.54	20.84
August 1952	15	6.40	6	3.11	1.78	74.43	6.61	83.76	— 29.18	65	21.89
September ,,	10	6.44	8	3.11	1.84	74.57	8.70	84.91	— 29.41	62	22.84
October ,,	11	6.45	8	3.14	1.71	73.77	8.84	85.55	— 29.60	58	22.93
November ,,	10	6.50	8	3.15	1.71	77.99	8.03	85.54	— 29.99	58	22.93
December ,,	8	6.51	8	3.16	1.86	79.34	8.43	86.95	— 30.23	68	23.04
January 1953	10	6.54	4	3.19	2.02	80.77	8.83	86.09	— 30.51	58	24.48
February ,,	14	6.61	8	3.22	1.86	82.14	8.36	86.36	— 30.78	62	23.08
March ,,	22	6.74	9	3.27	2.46	84.18	13.75	91.01	— 31.06	60	23.64
April ,,	11	6.80	6	3.27	2.24	85.85	9.46	93.01	— 31.30	60	23.53
May ,,	12	6.83	4	3.29	2.18	87.57	9.25	93.90	— 31.52	58	27.00
June ,,	11	6.82	4	3.31	2.25	89.83	9.43	93.80	— 31.78	58	27.56
July ,,	1	6.73	11	3.38	2.23	91.02	10.16	95.23	— 32.01	58	24.20
August ,,	1	6.67	9	3.44	2.23	92.83	8.76	96.67	— 32.36	69	2.67
Sept. ,,	..	..	..	..	..	..	..	..	..	..	..

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued prior to June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *

(Base 1949-50=100)

Group and Sub-Group	Week ended 10-10-'53	7-11-'53	14-11-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99 2	99 2	99 2
1. Government of India	90 1	90 1	90 0
2. Indian States	95 5	95 6	95 6
3. Municipal, Port Trust, etc.	89 2	89 2	89 2
DEBENTURES OF INDUSTRIAL CONCERNS	101 2	101 3	101 3
1. Electricity	102 5	102 7	102 7
2. Jute	94 9	95 6	95 7
3. Plantations	99 6	99 6	99 6
4. Sugar	100 1	100 1	100 1
5. Coal	89 5	90 6	90 6
6. General Engineering	101 7	101 7	101 7
7. Shipping	102 9	103 1	103 1
8. Others	100 3	100 3	100 2
PREFERENCE SHARES	87 1	87 0	87 1
1. Electricity	94 4	99 0	99 9
2. Cotton	84 0	84 2	84 3
3. Jute	86 0	85 5	85 5
4. Coal	91 6	91 8	91 8
5. Iron and Steel	89 6	89 2	89 4
6. Sugar	76 1	76 1	76 1
7. Paper	90 3	85 4	85 4
8. Plantations	87 5	87 8	88 0
9. Miscellaneous	85 5	85 5	85 6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	92 8	94 7	95 2
(a) Financial	85 2	85 8	85 8
1. Banks	85 2	85 1	85 0
2. Insurance	93 3	94 6	95 1
3. Investment Trust	73 2	74 2	74 9
(b) Public Utilities	108 3	107 2	107 2
1. Electricity	116 2	116 5	116 2
2. Shipping and other Transport	90 3	89 4	89 4
(c) Manufacturing Industries	91 6	91 4	91 3
1. Cotton, Woollen and Silk	81 6	81 4	81 3
2. Jute	100 2	105 8	105 5
3. Iron and Steel	150 9	153 4	154 1
4. Paper	112 4	113 6	113 9
5. Cement	113 9	114 9	115 0
6. General Engineering	85 9	85 3	85 3
7. Sugar and Breweries	94 6	97 7	98 7
8. Chemicals	91 8	94 6	94 7
(d) Non-Manufacturing Industries	91 9	74 8	74 7
1. Coal	127 1	135 6	138 1
2. Mining and Oil	83 3	90 6	91 0
3. Plantations	85 6	87 6	88 3
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89 7	89 7	89 7
2. Calcutta	90 2	90 2	90 1
3. Madras	90 5	90 5	90 5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101 7	101 8	101 8
2. Calcutta	101 7	101 8	101 8
3. Madras	100 1	100 1	100 1
PREFERENCE SHARES	91 8	91 7	91 9
1. Bombay	84 0	83 9	83 9
2. Calcutta	88 5	88 4	88 7
3. Madras	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	100 2	103 8	103 4
1. Bombay	87 5	89 1	90 2
2. Calcutta	91 2	91 8	92 3
3. Madras	87 5	90 3	90 3
4. Delhi	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950 ..	814	719,853	12,508,776
1951 ..	1,071	691,421	3,818,928
1952 ..	963	809,242	3,338,961
Eight months ended Aug., 1950	602	500,347	5,101,014
Do Aug., 1951	873	561,379	2,910,935
Do Aug., 1952	793	694,691	2,094,527
Do Aug., 1953	599	366,174	1,902,184
January 1953 ..	95	93,180	215,607
February ,, ..	87	42,450	142,498
March ,, ..	124	49,437	218,846
April ,, ..	118	80,093	256,865
May ,, ..	101	49,851	237,093
June ,, ..	82	40,754	171,248
July ,, ..	82	46,589	148,553
August ,, ..	96	57,876	460,532
September ,, ..	98	78,181	249,618
October ,, ..	96	45,798	273,245
November ,, ..	81	27,825	155,017
January 1953†	85	42,388	244,414
February ,, ..	45	26,477	127,411
March ,, ..	67	34,231	218,257
April ,, ..	85	49,132	218,553
May ,, ..	86	54,617	276,216
June ,, ..	94	80,137	252,059
July ,, ..	79	43,713(A)	108,146(b)
August ,, ..	65	31,945	219,537

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case. (b) Not known in three cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns †	Units generated ‡	Units Sold
1948-49 ..	569	4,681.1	3,777.7
1951-52 ..	573	5,951.1	4,849.0
1952-53 ..	614	6,301.4	5,134.8
April 1952 ..	577	498.8	392.8
May ,, ..	581	514.4	418.1
June ,, ..	588	500.1	408.8
July ,, ..	598	534.0	429.7
August ,, ..	597	531.8	430.4
September ,, ..	599	546.2	441.5
October ,, ..	608	529.7	438.4
November ,, ..	606	533.2	437.5
December ,, ..	..	..	..
January 1953 ..	611	555.5	441.8
February ,, ..	614	498.6	417.4
March ,, ..	614	538.0	433.7
April ,, ..	616	530.9	434.1
May ,, ..	620	560.4	456.1
June ,, ..	625	548.8	450.2
July ,, ..	627	563.0	471.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	7th Nov., 1953	31st Oct., 1953	8th Nov., 1952	October, 1953	October, 1952	Percentage of increase (+) or decrease (—) in Oct., 1953 as compared with Oct., 1952	1952	1951
Food Articles	386.5	386.6	388.0	388.6	357.9	+ 7.7	358.8	438 6
Cereals	442	447	449	449	442	+ 1.6	450	453
Pulses	450	460	564	464	538	—13.8	443	508
Other	257*	266	235	231	222	+26.6	225	290
Industrial Raw Materials	435 2	445.7R	434.2	448.0	452.3	— 1 0	453.8	608 2
Fibres	415	417	406	411	434	— 5.3	434	622
Oil seeds	482	522R	548	513	478	+ 6.4	484	619
Minerals	464	451	460	449	462	— 2 8	458	426
Others	370*	367*	373	370*	352	+ 5.1	341	513
Semi-Manufactures	352 6	352 6R	349.1	353 4	361.7	+ 0.6	348.8	377.5
Leather	390	385R	396	394	418	— 6.5	421	453
Mineral oils	226	226	227	226	201	+ 0.4	222	197
Vegetable oils	500*	511	450	511	457	+11 8	459	679
Cotton yarn	431	453	444*	436	453*	— 3 8	445*	443
Metals	225	222	228	224	227	— 1.8	211	197
Oil Cakes	439	453	425	464	478	— 8 4	440	500
Others	301	302	253	302	260	+16 2	273	330
Manufactured Articles	366.6	366.6	376.7	366.5	370.0	— 2 8	377.8	395.8
Textiles	405	405	416	401	420	— 4 5	423	463
Jute	410	410	471	394	476	—17 5	506	503
Cotton	404*	410*	406*	410*	409*	+ 0 2	401*	400*
Rayon and Silk	359*	359*	452*	372*	458*	—17.5	485*	611*
Woollen	213	213	220	213	220	— 1.7	216	275
Metal products	337	337	343	337	343	— 1.7	321	245
Others	294	294	294	295	295	— 3 4	298	300
Miscellaneous	716.1	716.6	638.4	721.9	634 0	+13 8	638.0	729.8
All Commodities	387.5	390 .1R.	387 2	393 6	387 5	+ 1 6	388.9	439 3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras August 1939	Delhi June 1936	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1931 Average	144	330	260	315	452	392	370	334	142	176	141	160	166
1952 ..	141	337	259	310	441	380	351	330	143	174	142	155	150
Feb., 1952	144	334	241	318	441	382	345	346	141	178	143	155	155
March ,,	135	313	239	300	412	378	340	333	136	177	140	150	145
April ,,	141	345	262	321	415	377	339	326	140	169	138	153	144
May ,,	146	340	264	310	412	378	339	327	148	168	143	153	145
June ,,	140	338	263	306	434	378	342	330	145	171	141	153	148
July ,,	142	330	263	304	458	377	354	331	145	173	143	161	155
August ,,	144	340	267	310	460	380	369	338	148	176	149	160	157
September ,,	143	341	269	310	463	381	364	338	145	178	143	157	158
October ,,	144	343	274	311	466	381	363	337	144	178	143	154	150
November ,,	146	345	276	328	463	381	357	338	146	179	139	150	150
December ,,	139	346	262	303	447	378	340	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	381	336	327	135	167	132	152	144

PRIVATE ENTERPRISE IN INDIA

(*Concluded from page 1018*)

national income, this would be considered as a very good achievement, especially when we view it against the background of the many difficulties which had to be faced in this period. It is common knowledge that this was an era of stress and strain. The partition of the country had created a crisis for two of our major industries, namely, jute and cotton textiles. The industry was working ceaselessly and had no time for replacements. Further, due to heavy imports of food, little foreign exchange was available even for urgent replacements. Thanks to inflation, the cost of replacements became very heavy. Labour relations were strained and Government policy was uncertain, as then talk of nationalisation was thick in the air. Taxation was at a very high level, which left almost no scope for saving. Labour welfare measures increased the labour costs and the awards of the various industrial tribunals were very discouraging. Neither did the various controls help matters. If, in spite of all these handicaps, private enterprise was able to invest a large amount, surely capital could not be described as having been on strike, as some have been uncharitable enough to say so. Indeed, a study of the progress of some of the major industries owned and managed by private enterprise will easily show that it has acquitted itself very well, despite the heavy odds against them. In fact, the phenomenon facing the country to-day is one not of increasing production but of finding markets for the products of the various industries which have already been established. If, therefore, many of the industries are not producing to the limits of their installed capacity, it is not because they cannot or will not produce but because they have not sufficient markets to consume their products.

The Government of India's policy statement in 1948 regarding industries and the further statement made by the Prime Minister and other Ministers of the Centre have clarified the situation in regard to the role of private enterprise. It has been accepted that the public sector should be interested in the basic key industries of our country, leaving the rest of our industrial field to be developed by private enterprise. The assurance given by the Government in regard to allowing private enterprise full scope for a number of years to come are encouraging, but the regulations by the Government in this regard are considerable and irksome. There is, however, a great deal yet to be done by the Government and the public, if the sector left to private enterprise is to be developed on the scale which we see in America, Britain, Australia, Japan and other countries.

The Biggest Problem

The biggest problem of our day is capital formation. In this connection, I cannot help feeling that the present rate of taxation is very high. On incomes of Rs. 25,000 and over, income-tax and super-tax, which are now levied, are higher than what are prevailing in the United States. No doubt a number of tax concessions have been offered by the Government, by way of extra depreciation allowances, etc. But a great deal is yet to be done in this direction. Unless a substantial reduction is made in the incidence of taxation, it is difficult to see how there can be any large capital formation.

I wish to stress the importance of industrialisation from the point of view of solving the unemployment problem which we are facing on a large-scale to-day. There is a popular misconception that large-scale industrialisation will lead to a fall in employment. But this is quite erroneous and is based on fragile grounds. For large-scale enterprises, while cheapening the cost of goods to the consumer, create ancillary employment and provide scope for many subsidiary industries. Coal mining in Germany, for example, has given rise to no less than 10 to 15 other subsidiary industries. Further, industrialisation is the only means for achieving a balanced economy and we cannot for long continue to be a predominantly agricultural country, depending on the vagaries of the seasons for our progress.

Enlightened self-interest will dictate that private enterprise must do its best for the country. The history of industrial development of the U.K. and the U.S. is there for us as an object lesson and our industrialists can be trusted to plan our country's future economic advancement properly. Already, the cotton textile industry has expended by way of fresh capital Rs. 30 crores, the iron and steel industry Rs. 15 crores, the engineering industry Rs. 10 crores, the chemical industry Rs. 8 crores and various other industries like jute, woollen, silk and the paper industries, Rs. 4 crores each; coal mining has added another Rs. 8 crores to its capital expenditure. Other minor industries have also come up. Thus private enterprise in India has played the part expected of it. If given proper understanding by the public and encouragement by the Government, it will, much sooner than expected, plan our industrial advancement on proper lines and utilise our natural resources. We have an advantageous position in the economy of South-East Asia and can easily become the leaders of industry in this part of the world if only we work on right lines.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Oct., 1953 ..	66.8
	Corresponding month 1952 ..	76.8
	Four months ended Oct., 1953 ..	266.4
	Corresponding period 1952 ..	304.9
Stocks	At the end of Oct., 1953 ..	108.7
	Corresponding month 1952 ..	94.9
		(In 000 bales)
Exports(Jute Bags)	Week ended 17th Oct., 1953 ..	1,33,80
	Corresponding week 1952 ..	53,54
	From 1st Jan., to 17th Oct., '53 ..	24,70,73
	Corresponding period 1952 ..	32,59,69
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 17th Oct., 1953 ..	28,01
	Corresponding week 1952 ..	87,44
	From 1st Jan., to 17th Oct., 1953	107,90,78
	Corresponding period 1952 ..	83,85,58
	RAW JUTE	(In 000 bales)
Exports*	Week ended 17th Oct., 1953 ..	—
	Corresponding week 1952 ..	—
	During May, 1953 ..	—
	Corresponding period 1952 ..	—
	Oct., 1953 (in lakh bales) ..	3.87
Consumption by Mills†	Corresponding month 1952 ..	4.46
	Four months ended Oct., 1953 ..	16.60
	Corresponding period 1952 ..	17.89

† Estimated. * From Calcutta.

FOREIGN TRADE OF INDIA

Particulars	July,		Four Months, April to July,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	10,87	19,07	64,89	99,76
Raw materials ..	14,95	15,04	62,66	74,83
Manufactures ..	22,72	25,74	91,14	100,87
Other Items ..	27	18	1,27	2,18
Total ..	48,71*	58,03*	209,46*	277,64*
By land	2,91	1,18	5,88	5,70
Total Imports ..	51,62	59,21	215,34	283,34
Exports :				
By sea and air—				
Foodstuffs	11,95	14,08	38,85	41,41
Raw materials	6,76	13,19	27,84	50,46
Manufactures	20,19	29,91	78,74	96,24
Other Items	89	28	1,39	1,33
Total	39,81	51,46	156,82	189,44
By land	41	2,39	1,66	11,66
Total Exports ..	39,72	53,85	158,08	201,10
Total Re-exports ..	30	45	1,88	1,49
Balance of trade in merchandise	— 12,49	— 4,96	— 61,82	— 81,08
Balance of transactions in private treasure ..	— 2	..	— 4	— 2
Total visible balance of trade ..	— 12,51	— 4,96	— 61,86	— 81,10
Imports : ‡				
Total C'wealth countries ..	22,62	22,66	97,94	89,62
Total Foreign countries ..	30,09	35,37	111,52	187,82
Exports : ‡				
Total C'wealth countries ..	19,69	23,24	74,87	88,53
Total Foreign countries ..	19,62	28,82	81,95	100,91

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102¼
3 ½ Bonds	1926-33	63,30,26,000	1960-70	101¼
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3 ½ Loan	1930	30,33,10,000	1964	92⅜
3 ½ Loan	1943	1,10,11,78,000	1966-68	90½
3 ½ V. Loan	1944	1,14,06,89,000	1957	95⅜
3 ½ Loan	1945	1,13,05,83,000	1970-75	86⅜
3 ½ Loan	1945	1,13,45,66,000	1996-98†	91⅜
3 ½ Loan	1931	30,33,63,000	1958	98⅜
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1946	57,00,49,000	1954	96⅜
2½% Loan	1946	35,06,06,000	1954	96⅜
2½% Loan	1946	14,77,48,000	1976	82⅜
2½% Loan	1947	75,86,72,000	1974	82⅜
2½% Loan	1948	60,45,01,000	1955	98⅜
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	99
NON-TERMINABLE LOANS				
3 % Loan	1896-97	9,93,35,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	81⅜
3 % Loan	1946	248,91,90,000		81⅜
REPATRIABLE STERLING LOANS				
3½% Loan	1933	12,58,18,000	1954-59***	100⅛
4½% Loan	1928	3,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	5,54,23,300	18th Sept. 1955	99⅛
3 ½% Bombay	1943	3,50,00,000	15th Sept. 1956	99⅛
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅜
3 ½% Bombay	1949	6,00,13,000	1st Aug. 1962	93⅜
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1953	3,66,72,700	31st Aug. 1964	101⅛
3 ½% Cochin	1947	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 ½% Madras	1939	1,29,76,900	21st June 1959	94⅛
3 ½% Madras	1942	1,23,25,800	18th Sept. 1959	99
3 ½% Madras	1943	1,25,10,800	14th Sept. 1956	98-7/8
3 ½% Madras	1944	1,00,00,000	15th Aug. 1958	96⅜
3 ½% Madras	1945	2,12,19,000	14th Sept. 1960	93⅜
2½% Madras	1946	3,98,93,380	1st Sept. 1961	91⅛
3½% Madras	1950	4,47,00,000	31st July 1960	91⅜
3½% Madras	1951	3,00,00,000	17th Sept. 1962	92
4 % Madras	1953	5,00,00,000	15th July 1963	100
4 % Madras	1952	3,00,00,000	1st Aug. 1964	100⅛
3 ½% Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104⅛
4 ½% Mysore(J)	1933	2,93,85,200	1st Dec. 1955-63	101
4 ½% Mysore(J)	1936	2,99,72,900	30th April 1956-61	98⅛
3 ½% Mysore	1947	3,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 ½% M.P.	1942	30,00,000	18th Sept. 1955	99⅛
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1944	2,03,28,800	15th Aug. 1960	94⅛
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
3½% M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 ½% Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	98⅛
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	98⅛
3 ½% Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1938	30,00,000	16th Aug. 1954	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 ½% U.P.	1934	1,61,56,500	15th Sept. 1961-66	99⅛
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
3½% U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 ½% U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅜
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
34,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
10,00,000	4	1907	1968	
75,00,000	4	1908	1958	97½N
40,00,000	4	1909	1970	
34,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,13,878	4	1913*	1960	D
80,00,000	4	1913	1974	
88,25,800	4	1914	1975	99¼N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1976	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,23,800	4	1926*	1968	
35,89,800	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1973	
48,04,000	3½	1934*	1960	
19,00,000	3½	1938*	1948	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99½
78,90,100	4	1915	1975	99½
68,03,300C*	3½	1921	1981	94
1,50,00,000C*	3½	1921	1981	144N
1,24,06,300	3½	1925	1955-85	105
99,21,600	3½	1926	1956-86	104½
1,49,46,500B	5	1926	1956-86	103
1,49,46,500B	5	1927	1957-87	103
1,49,30,000	5	1928	1958-88	104
80,00,000C	4½	1928	1978	91
21,75,000C	5	1933	1954	99
68,00,000	3½	1935	1965	96½
12,00,000	3	1939	1845-68	98
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1983	97
STERLING LOANS				
£292,400	5	1923	1953-83	£86
£901,000	5	1924	1954-84	£86
£335,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
44,60,347	4	1912	1962	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,913	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1252	
3,32,322	4½	1922	1952	M
4,47,997	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½N
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1909	94	
18,00,000	4	1913	1973	
30,00,000	4	1914	1974	97½N
40,00,000	4	1915	1975	
40,00,000	5	1919	1957-79	113N
66,00,000	6	1920	1935-80	
66,00,000	6	1926	1956-86	113N
25,00,000	6	1927	1961-70	98N
10,00,000	5½	1936	1966	
STERLING LOANS				
£564,600	4	1909	1969	£93½N
£333,000	4	1910	1970	£93½N
CALCUTTA				
Rs.				Rs.
30,00,000	5	1925	1955	104
50,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	89
30,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
49,40,000	4	1913-14	1954	99⅜
20,60,000	3½	1913-15	1954	99⅜
30,00,000	4	1913-15	1955	100
10,00,000	5	1920	1980	113
1,60,00,000	5	1921	1981	113
25,00,000	5	1928	1958	102⅜
26,14,000	5	1929	1949-59	103
8,45,300	5	1929	1954-59	103
26,21,500	5	1929	1959	102½
8,33,00,000	3½	1947	1977	86⅜
2,50,00,000	3½	1948	1978	86⅜
4,00,00,000	3½	1950	1965	91⅜
2,50,00,000	4	1952	1964	100⅜
2,00,00,000	3½	1951	1966	97
Rs.		**CALCUTTA**		Rs.
34,45,500	5½	1925	1955	105⅜
84,70,000	6	1925	1955	104⅜
36,00,000	5	1928	1958	103⅜
25,00,000	5	1929	1957	103⅜
25,00,000	5	1929	1958	103⅜
10,00,000	5½	1932	1962	108
31,50,000	5½	1932	1962	108
60,00,000	3	1936	1966	8⅜
1,46,100	3	1936	1953	99⅜
1,46,100	3	1936	1954	99⅜
4,67,100	3	1937	1954	98⅜
1,62,500	3	1937	1954	98⅜
18,18,100	3	1937	1954	98⅜
47,50,000	3	1938	1958	98⅜
10,67,700	3	1938	1955	97⅜
15,56,800	3	1939	1956	99⅜
13,56,800	3	1939	1957	99⅜
17,64,400	3½	1942	1959	96⅜
21,10,000	3½	1942	1972	92
15,49,400	3½	1951	1960	96
16,31,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	3½	1952	1962	99⅜
Rs		**MADRAS**		Rs
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1923	1955	107½N

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

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	102	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	145	100
Deccan Sugar & Abkhari† A	7,00,000	1920	7	July Apr.	110	100
†East India Distilleries ..	£500,000	1897	7	Jan. July	16	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	93	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	72	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	13½	10
Ramnagar Cane	4,00,000	1933-36	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	8½	10
Equitable	4,00,000	1895	8	Mar. Sept.	120	100
Karanpura Collieries ..	1,50,000	1946	5½(a)	.. ..	86	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Ondall	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Bennett Coleman	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	3,00,000	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	108
Do. 'B'	6,00,000	1900	7	Feb. Aug.	92	100
Bradbury	14,75,000	1919	7	June Dec.	320½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodia	1,00,000	1912	7	Apr. ..	129	100
Central India	50,00,000	1912	5	Apr. Oct.	505	500
Coimbatore Pioneer	1,00,000	1913	6½	Nov. ..	124½	100
Elgin	11,00,000	1912	8	May Nov.	144	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Kesoram	20,00,000	1919	7	June Dec.	134	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	6	.. ..	86½	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	.. ..	233½	250
Morarjee Goculdas, Spg. & Wvg.	17,25,000	1947	4½	January ..	78	100
Muir Mills	30,00,000	1907	6	Jan. July	102	100
Mysore Spg.	2,45,050	1944	4½	.. ..	—	50
New Great	8,00,000	1913	3½(a)	Mar. ..	185	200
New Victoria	5,05,500	1920	8	Apr. Oct.	7¾	5
Podar Mills	10,00,000	1943	4	Feb. ..	99	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	56	50
Shree Niwas Cotton ..	4,00,000	1944	4½	.. ..	—	100
Shree Niwas Cotton ..	32,00,000	1943	3(a)	.. ..	80	100
Sholapoor	15,00,000	1933	5	Apr. Oct.	111½	100
Swadeshi	35,00,000	1927	6	June ..	90	100
Swadeshi (Kasper)	3,00,000	1931	6½	Apr. Oct.	116½	100
Vasanta (1st)	1,50,000	1938	6	.. ..	106½	100
Do. (2nd)	13,64,500	1908	7(a)	Apr. ..	535	500
ELECTRICS						
Andhra Valley Power Supply ..	49,34,000	1917	(a)	May Nov.	1,225	1,000
Calcutta Electric	£1,900,000	1919	5%ell	Jan. Dec.	12	£1
Dacca Electric	1,00,000	1940	6	Dec. ..	8½	10
Nasik-Deola'l Electric ..	1,00,000	..	7	Mar. ..	—	100
Poona Electric	4,00,000	1935	7(a)	June Dec.	105	100
South Arcot	6,00,000	1933	6	Jan. July	94	100
South Madras (1st)	6,00,000	1940	5½	July Nov.	9 ¼cd	10
Do. (2nd)	8,00,000	1940	6½	.. ..	9 ¼cd	10
Surat Electric Co. ..	89,28,000	1907	7(a)	May Nov.	126	100
Tata Hydro-Electric Power ..	89,28,000	1907	7(a)	May Nov.	1,350	1,000
Tata Power	89,28,000	1928	5	Mar. Sept.	8½cd	10
Vellore	1,00,000	1933	6½(a)	Sept. ..	82½	100
ENGINEERING						
Arthur Butler (Mozaffarpore)	1,30,000	1919	7	Mar. ..	8½	10
Burn Co. Ltd. (1st) ..	13,00,000	1895-98	7	Feb. Aug.	133	100
Do. (2nd)	13,00,000	1950	5	Dec. ..	120	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1918	5	June ..	107½	100
Indian Standard Wagon ..	19,66,500	..	5½	.. ..	126	100
Indian Steel Rolling ..	4,90,350	1941	5	May Nov.	8 B	100
Jessop	12,00,300	1935	4	June Dec.	104cd	100
††Kumardhubi Bagla. ..	13,00,000	1946-47-51	5	.. ..	101½	100
Larsen and Toubro Ltd. ..	13,00,000	1907	5½	.. ..	86	100
McKenzies (1st)	10,00,000	..	6½(a)	.. ..	80	100
Premier Construction (1st) ..	15,00,000	1936	6½(a)	.. ..	101½	100
Do. do. (2nd) ..	15,00,000	1947	4½(a)	.. ..	58	10
Do. do. (3rd) ..	3,00,000	1917	5	.. ..	11N	10
Steel Products	75,00,000	1908	7(a)	Nov. ..	168½	100
Tata Iron and Steel (1st) ..	6,93,81,900	1908	7½(a)	May ..	128½	100
Do. do. (2nd) ..						
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	119½	100
Albion	9,00,000	1905	7	May Nov.	104½	100
Alexandra	9,00,000	1905	7	Feb. Aug.	105	100
Alliance	15,00,000	1917	7	May Nov.	104	100
Anglo-India	15,00,000	1917	7	May Nov.	119	100
Auckland	10,00,000	1909	5½	May Nov.	93	100
Do. (2nd)(i)	10,00,000	1909	5½	May Nov.	74	100
Bally	15,00,000	1918	7	Apr. Oct.	119	100
Barnagore	£200,000	1896	5(a)	May Nov.	46½xd	£5
Belvedere	7,00,000	1906	7	Jan. July	120	100
Birla	23,00,000	1919	7½(a)	June Dec.	102	100
Budge-Budge	9,00,000	1894	7	May Nov.	120	100
Calcutta	6,00,000	1934	6½	Jan. July	95

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. F=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills ..	55	100	6 0	6 0	Nil		3	Y.P.T.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	390§	250	17 8	20 0	20 0	7 8(I)	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd. ..	38,332	860	Bradbury Mills	740	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,633	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd. ..	1,09,320	2,706	Century Spg. & Mfg. ..	283	100	18 0	20 0	20 0	8 0(1)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	72½	100	Nil Nil	Nil	4 0(c)	7 8	3	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg. ..	107½	100	7 8	7 8	7 8		3	Y.
16,00,000	20,04,821	63,01,745	48,46,041	76,868	Ramnarain Sons, Ltd. ..	38,304	..	Dawn Mills	50	Nil	7½	6 0	6 0		12	Y.
24,00,000	24,00,000	62,21,113	57,35,000	5,622	Premmal Radhakrishan & Co.	50,296	928	Edward Textiles	261§	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	42	50	4 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	265	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	43,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385 — 11½	250	43 12	50 0	50 0	36 4*	3	Y.P
2,00,00,000 / 80,00,000D	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills ..	1-11½	10 / 1D	0 12½ / 0 2	1 1½ / 0 4	Nil / Nil		12	Y.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co	47,172	1,191	Indian Mfg.	3,400 — 3,500	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
29,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	198§	500	87 8	100 0	100 0	112 8*	6	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor Mills	300§	100	18 0	25 0*	18 0	6 0(I)	12	Y.
28,80,000A / 3,60,000B	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	88 — 90N	100A / 20B	7 8 / 3 0	3 1 / 1 4	4 4 / 2 0		6	Y.P.
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd. ..	33,750	451	Modern Mills	50	50	4 0	7 0	5 0		10	Y.T.
31,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	198§	100	11 0	15 0	12 0		6	Y.P.
1,60,42,000	2,66,192	4,27,10,326	70,00,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation	129§	100	15 0	15 0	15 0		12	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	165	100	12 8	15 0	10 0		12	Y.
30,00,000	21,71,710	86,82,325	59,84,624	70,276	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Spg. & Wvg. ..	166§	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,352	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	24½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd. ..	54,208	1,190	Phoenix Mills	121§	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,350	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	137§	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,813	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,37,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg. ..	27	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills ..	170	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	156	50	14 0	17 0	15 0(c)	15 0	3	Y.
56,00,000	1,30,49,660Fe	1,18,80,633	78,39,301	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard Mills	316§	100	15 0	20 0	10 0		12	Y.P.
75,00,000	1,21,71,160	1,57,29,199	82,36,233	92,599	Tata Industries Ltd. ..	63,040	2,000	Swadeshi Mills	269§	100	16 0	18 0	16 0		12	Y.P.
34,00,000	30,08,599	65,86,475	33,43,077	5,71,220	James Finlay & Co., Ltd. ..	33,804	552	Swan Mills	331§	100	20 0	25 0	30 0		12	Y.
32,34,438	39,35,268	68,88,347	29,93,248	25,338	Tata Industries Ltd. ..	63,248	1,800	Tata Mills	51	25	2 0	4 0	2 0		12	Y.T.
12,00,000	60,55,708	98,62,654	75,30,000	6,246	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370 — 3,500	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
35,00,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills ..	133§	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	85,91,868	85,84,129	58,40,000	1,761	P. M. Nutheesing & Sons, Ltd.	42,768	912	Arvind Mills	482§	100	15 0*	20 0*	20 0*		12	Y.P.
31,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Ramnam Chunni & Co. ..	42,448	1,216	Arvind Mills	896§	100	25 0	25 0	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd. ..	33,884	884	Aryodaya Ginning & Mfg.	313§	200	30 0	35 0*	15 0		12	Y.P.
12,00,000	1,00,37,000	83,29,958	63,63,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	913	Atul Mills	500§	100	17 8	22 8	20 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,588	2,37,33,344	2,87,003	Ramanbhai Premchand Ltd.	1,39,120	2,400	Calico	314§	125	18 8	18 0	18 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,23,000	4,885	Tricumlal Bhoglilal & Co., Ltd.	39,316	964	New Commercial Mills ..	1,070	500	55 0	70 0	70 0		12	Y.P.
39,00,000	99,79,264	1,58,98,970	1,04,97,740	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	609§	125	30 0	33 0	33 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nasavaty & Co., Ltd.	24,840	528	Nutan Mills	672§	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co. ..	31,720	636	Rajnagar Mfg.	780§	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	46,680	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	15 0	20 0	Nil		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd. ..	33,156	640	Rohit Mills	126§	100	30 0	9 0	9 0		12	Y.P.
22,41,300	1,18,64,344	1,01,07,709	73,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,323	Shri Ambica Mills	326§	50	13 0	18 0	16 0		12	Y.P.
19,32,300	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	816	Vijaya Mills	493§	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills	3¾	10	0 8	0 5	Nil		12	Y.P.T
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills ..	38N	40	Nil	3 0	Nil	3 0	3	Y.
6,00,000	22,76,075	77,07,829	51,55,000	—28,432	Ketuswell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills ..	285	100	Nil	Nil	Nil	Nil	6.12	H.P.
19,00,000	26,15,413	96,66,017	70,34,038	—27,794	Ketuswell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	200	100	Nil	7 0	Nil	Nil	6.12	H.
1,20,00,000	2,38,18,042	3,04,56,320	91,16,320	83,615	Birla Brothers, Ltd. ..	69,352	1,990	Kesoram Cotton Mills ..	21	15	1 14	1 14	1 12		3	Y.P.
99,94,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	—	25 / 10	1 14 / 0 12	1 14 / 0 12			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq. ..	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil	Nil		12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramal & Co., Ltd. ..	50,000	..	Alagappa Textiles(Cochin) Ltd.	6½	10	0 14 2/5	0 9 3/5	Nil		12	Y.
71,94,400	51,73,009	1,90,79,716	45,27,172	18,450	Industrial Trust Fund, ..	19,944	440	Asem Jahi Mills	67N	100	11 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	282§	100	17 8	20 0	15 0	10 0(I)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills...	13½	10	Nil	1 4	0 8	0 4	6.12	H.P.T.
15,00,000	93,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd. ..	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½N	10	2 8	2 8	3 0		3	Y.
8,78,47,800	1,37,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic ..	121	100	6 14	8 0	4 0	4 0(I)	12	Y.P.T.
20,00,000	16,31,836	30,52,671	10,31,870	91,399	Sirsa Textiles & Co., Ltd. ..	37,536	..	Cambodia Mills	12	10	Nil	1 4	1 0		12	Y.T.
30,00,000	21,97,992	56,51,479	45,04,815	39,839	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	3	10	0 9	0 9	0 9	0 9	3	Y.
15,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	160	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	25,84,987	13,32,422	—1,33,496	T. R. N. Naidu & Co. ..	19,700	..	Coimbatore Pioneer Mills ..	119	100	7 0	6 0	9 0		12	Y.P.
20,76,900	4,40,358	1,10,86,516	66,17,387	—2,70,999	R. G. S. Naidu & Co. ..	38	50	Coimbatore Spg. & Wvg. ..	173	100	2 8	3 0	2 0		6	Y.
48,87,500	84,15,995	2,30,16,398	1,41,83,280	9,315	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	153	100	6 0	8 0	2 0	5 0	6	Y.P.
2,89,84,925 / 1,00,503	1,21,45,274	5,77,14,605	2,93,00,000	1,63,862	Shri Ram Industries Ltd. ..	75,604	1,830	Delhi Cloth & General Mills..	29½xd — 23 / 2½	Nil	Nil	1 0 / 0 4			6	Y.P.
24,34,800	16,26,596	43,58,169	25,47,428	20,746	M. N. Chettiar & Sons ..	29,500	201	Dhanalakshmi Mills	39½	100	25 0	20 0	10 0		12	Y.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	18	10	1 2	1 0	1 8		9	Y.P.
39,04,700	43,10,000	82,22,567	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	251	100	10 0	14 0	17 0*	3 0(I)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United ..	103§	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardana Mills	62	50	5 0	7 8	3 12		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	30,312	300	Kothari Textiles	10½xd.	10	0 11	0 12	0 12		6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	33,642	1,213	Lakshmi Cotton Mfg. ..	552xd. — 74½	250	37 0	50 0*	37 8	10 0(I)	12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co. ..	73,304	200	Lakshmi Mills	50 / 25	50	4 0	4 0	5 0	5 0	3	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey, Ltd. ..	4,64,748	..	Madura Mills	38§ / 13	2	2 0	2 0	2 8	2 8	3	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,390	A. L. A. R. S. Chettiar and 2 others	21,856	..	Malaber Spg. & Wvg. ..	208	100	8 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd. ..	214	100	25 0	12 8	12 8		3	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd. ..	30,416	678	Minerva Mills	91	100	6 0	6 0	9 0	12 8	3	Y.
94,91,850	1,37,73,361	1,34,73,361	75,31,528	29,643	Banalal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur) ..	140	230	15 0	7 8	7 8		12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	195	100	Nil				12	Y.P.
19,86,800	66,50,072	93,64,213	59,85,574	42,197	N. Sirur & Co., Ltd. ..	49,632	200	Mysore Spg. & Mfg. ..	136§	50	Nil	9 0	10 0*	10 0*	12	Y.P.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naidu	6,000	..	Mysore Spun Silk Mills ..	6	10	0 8	0 10	Nil	Nil	3	Y.P.
22,89,88,80 / 3,07,095D	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	1½ / O. 2½ / D. 1	Nil	Nil	Nil	Nil		12	Y.P.
87,03,800	61,53,493	1,58,62,385	39,76,151	17,946	Industrial Trust Fund ..	30,896	717	Osmanshahi Mills	85N	100	5 8	6 8	7 0	6 8	9	Y.
4,00,000A / 6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co. ..	22,800	..	Palani Andavar Mills ..	50A / 75B	5 0	8 0	7 8	7 8	6 8	12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	67	100	7 4	3 0	11 4		12	Y.
16,00,300A / 8,40,600B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	164§ / 81	100A	16 0	16 0	6 0		12	Y.
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	78	50B	8 0	8 0	8 0		12	Y.P.
60,00,000	62,66,508	1,03,28,822	30,32,326	—11,26,938	J. P. Srivastava & Sons (Rampur).	32,380	600	Raza Textiles	51	50	4 8	5 0	Nil	Nil	12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Lalachar & Co., Ltd. ..	15,824	440	Shree Sajjan Mills	75½N	100	6 0	Nil	Nil	Nil	3	Y.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. Aiyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg. ..	36	60	Nil	3 0			3	Y.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg. ..	1,415 — 1,500	1,000	Nil	Nil	Nil	Nil	3	Y.P.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq. ..	25,200	292	Sri Krishnarajendra Mills ..	48½	500	4 0*	4 0*	3 0*	4 0*	3	Y.
15,00,000	95,93,793	64,96,085	43,13,769	58,49,303	Birla Brothers, Ltd. ..	27,340	992	Sutlej Cotton Mills	37N	10	4 0	4 0	4 0		3	Y.
17,50,000D / 1,57,50,000PO	2,20,00,000	4,07,72,934	1,51,95,663	14,73,479	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8½ — 8¾	100	0 8	0 8			12	Y.P.
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Ernesto & Sons (Travancore), Ltd.			Travancore Rayons	6½	10P.O	0 14 2/5	0 14 2/5	Nil	Nil	12	Y.P.T.
13,98,630	7,25,503	12,91,008	5,44,987	9,843	Mooljee Ramjee & Sons ..	16,000	..	Travancore Mills	9	10	1 0	1 0	0 11 1/5		12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	270	Vasanta Mills	164	100	9 0	10 0	12 0		12	Y.P.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	152§	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 3 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (f) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9 — 22	25 — 10	Nil — Nil	2 13¢ — Nil	Nil — Nil		5	Y.P.
16,20,630	15 83,781	23,47 704	11.58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	53xd	5	1 0	1 8	0 8	0 8	3	Y.
£80,000A / £800,000B	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	134 — 22½	5 — 4N	Sh. 1 3/5 Nil	Sh. 1 3/5 Sh. 1 Nil	Sh. 1 3/5 Sh. 1 Nil		9	Y.P.
24,00,000	8,14,510	33,30 482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	Nil	5	Nil	Nil	Nil		8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	160	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A / 39 63,334B / 43,14,600G / 4,70,976D	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	101 — 10½ — 4½ — 1¾	A. 100 B. 10 O. 10 D. 1	3 12 0 6 0 8 Nil	7 8 0 12 Nil	7 8 0 12 Nil		12 3 3 7	Y.P.T. Y.T. Y. Y.
10,36,20,438	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd. ..	Assam Benga Cement ..	183	100	8 8	9 8	9 8		7	Y.
60 00,000O / 24,49 397O	4,93,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd. ..	Associated Cement Companies	7½ — 1¼	O. 10 A. 25	0 8 0 2	0 10 0 2½	0 10 0 2½		12	Y.P.T.
50 00,000D	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	8	D. 1	Nil	Nil	Nil			
50 00,000D / 62,50,000O / 7,50 000D	4,00,000	1,43 54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd. ..	15§ — 2-14½	O. 25 D. 5	Nil Nil	Nil Nil	Nil Nil	Nil	3	Y.P.
73,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement ..	7	5	0 3½	0 6§	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	2½	2½	0 2	0

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	51	25	1 4 / 1 4	1 9 / 1 9	1 9 / Nil		6,12	H.P.Y.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	189	100	5 0 / 5 0	5 0 / 5 0	5 0 / 5 0		3,9	H.
85,00,000	15,50,000	66,35,835	39,54,460	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	14½	10	0 8½ / 0 12	1 0 / 1 0	1 0* / 1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	38½	10	1 8 / 1 8	1 0 / 1 0	1 0 / 1 0		3,9	H.P.T.
80,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	19½	10	0 8 / 0 8	0 12 / 0 12	0 12 / 0 12		6,12	H.P.T.
80,00,000 / 80,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 9½	O. 10 / A. 10	Nil / Nil	Nil / Nil	0 4 / 0 4		3,9	H.P.T.
56,00,000A. / 96,04,800B. / 4,57,200F O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	36½ / 36½ / 41	A. 10 / B. 10 / P.O. 2½	0 14* / 0 14* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0*† / 1 0*† / 0 2†	3,9	H.P. 2
PRESSING														
8,00,000	5,92,365	13,58,964	10,46,391	30,468	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	5 0		6	Y.
4,30,000	1,00,000	6,89,326	4,73,056	2,354	Pyse & Sons	Camperdown	93N	100	3 0	3 0	5 0		6	Y.
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91xd	100	3 0	5 0	5 0 / 4 0	7 0	7	Y.
PROPERTY AND LAND														
18,00,750O. / 8,00,000D.	6,02,582	42,65,884	19,09,280	419	B. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½	O. 10 / D. 1	0 9 3/5 / Nil	0 9 3/5 / Nil	0 9 3/5 / Nil		9	Y.P.
40,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd.	Port Canning Land	29	100	2 0	1 8	1 0		4	Y.
94,00,000	33,56,934	97,99,238	88,015	4,609	Andrew Yule & Co.	Midnapore Zamindary	41½	100	Nil	3 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,70,68,876	3,20,32,462	1,18,53,561	1,37,498	Wallace & Co.	Bombay-Burmah Trading ..	335 / 127	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 4 / 9 0	3 0(X) / 2 0(X)	5	Y.
6,00,000	....	2,03,769	1,37,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	60N	100	5 0	Nil	Nil		6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	35½	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,84,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A. / 8,00,000B.	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	130-40N A. 100 / 120N B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0	Nil / 1 0		6	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9½	7½	Nil	0 10	0 12		4	Y
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	18½N	10	1 0	1 8	1 8		9	Y.
92,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	71	10	Nil	Nil	Nil		6	Y.P.
15,00,000	35,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	35½	10	2 0	3 0	2 0		10	Y.P.T.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	23	10	1 8	1 8	2 0		10	Y.P.
38,00,000A. / 10,00,000O.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.... ..	Hindustan Sugar Mills ..	130N A. 100 / — O. 100	6 0 / 6 0	9 0 / 9 0	12 0 / 12 0	9 0 / 9 0	1 0	6	Y.P.
18,00,000	8,70,387	68,10,159	33,07,987	—4,15,271	Kilachand Devchand & Co.	Kesar Sugar	52	80	3 0	4 0	Nil		7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,13,031	Cotton Agents Ltd.	New India Sugar Mills ..	25N	40	1 8	2 0	Nil			
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd. ..	New Savan	26	10	1 8	2 0	2 8		7	Y.P.
1867,500 A. / 2,71,875 B.	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	61 / 180N / 45N	10 / 100	0 8 / 15 0	0 10 / 20 0	0 8 / 20 0		5	Y.
77,48,300	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	23 / 100N	10 / 100	2 0 / 3 4	3 0 / 11 0	5 0 / 6 0		7	Y.P.
12,00,000	12,71,178	38,94,458	18,81,744	68,000	Narang Bros. & Co., Ltd.	Punjab Sugar	28N	100	3 4	4 0	6 0		7	Y.P.
9,00,000	14,71,701	33,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 8	2 0	2 0		10	Y.
8,00,000	6,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	14	10	1 8	2 8	1 8		10	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd. ..	Semaripur Central Sugar ..	18½	10	1 8	2 8	1 8	0 8	6	Y.P.
30,00,000	20,68,560	1,03,36,230	49,26,080	4,188	Babu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	0 6	2 0	1 0	0 8	6	Y.
9,99,950	61,825	22,84,311	11,98,645	7,667	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 6½		6	Y.
6,50,000O. / 1,73,000D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	3N / 2½N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	Y.P.
8,00,000	10,96,720	70,75,580	33,99,734	57,216	Cotton Agents Ltd.	Upper Gangee Sugar	18½	10	1 12	2 0	2 0		6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	76,665	R. James Finlay & Co., Ltd. ..	United Provinces Sugar ..	13½	10	0 4½	2 0	1 8		9	Y.
Other Centres														
44,99,750	79,06,643	65,05,216	51,13,758	43,916	W. H. Brady & Co., Ltd.	Belapur Company	265	50	12 8	14 0	16 0	16 0	9	Y.§
27,68,900	2,31,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N / —	100 / 10	Nil / 2 8	5 0 / 2 8	3 0 / 1 8		9	Y.§
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries ..	22½	10	0 12	1 4	1 8		6	Y.P.
23,57,320	29,39,135	39,13,908	19,50,642	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10½N	10	0 12	1 0	0 12		10	Y.
21,79,280	90,00,000	94,96,051	42,24,558	8,27,294	A. O. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	42½	10	2 0*	2 0	2 0		6	Y.
					Mafatlal, Apte and Kasalal Ltd. ..	Phaltan Sugar	99	50	8 0	8 0	8 0		9	Y.
30,00,000	44,49,631	1,03,94,086	50,12,837	3,18,594	Anderson Wright Ltd.	Shree Gopal Paper Mills ..	18½	10	0 9½	0 12	0 12		9	Y.
44,00,000	16,39,820	23,50,939	44,76,150	22,24,449	Walchand & Co., Ltd.	Rawalgaon Sugar Farm ..	90N / 75N	O. 50 / D. 10	7 0	9 0	2 0 / 0 12½		9	Y.P.T.
38,00,000O. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	10½N	100	1 0	1 4	0 12		10	Y.P.T.
19,99,800	34,21,961	44,57,626	19,38,191	6,05,982	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	148½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
77,50,000A. / 33,50,000O.	42,73,988	1,72,24,516	86,54,833	2,07,926										
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,84,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	135*	100	10 0	12 8	12 8		10	Y.P.
1,00,000	....	3,00,22,730	1,45,00,237	58,608	Dinshaw Ltd.	Bharat Line	94	100	3 0	4 0	5 0		12	Y.P.
£655,580	£1,123,737	£5,426,105	£3,512,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Riv. Co.	74‡	£10	Nil	Nil	Sh.10		12	Y.
8,25,00,000	4,99,233	3,91,13,993	1,26,37,483	1,90,763	Lionel Edwards Ltd.	Scindia Steam Navigation Co. ..	8–½	10	Nil	Nil	0 8	0 8	3	Y.P.
6,39,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	15½	15	Nil	Nil	0 8		6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	89,000	5,64,538	4,15,364	702	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,543	Parekh Agencies Ltd.	Bombay Uganda	54N	80	4 0	4 0	4 0		9	Y.
25,00,000	1,00,000	23,18,130‖	8,0779	8,933	Dewan Sons, Ltd.	Dewan Nanji Investment Co. ..	8½	50	3 0	4 0	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,423	Choksilal Manilal Ltd.	Estrela Batteries	23N	30	1 12	2 0	2 8		3	Y.
99,99,250	18,35,375	1,26,92,233‖	10,033	1,83,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	107	100	4 0	4 8	4 8	Nil	3	Y.P.
89,98,350	19,49,340	17,63,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	160cd / 125cd	100 / 75	8 0	8 8	10 0	10 0	12	Y.
2,86,71,500A. / 10,00,000B.	5,64,451	2,20,32,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	41	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	5 0	6	Y.
10,21,200	5,56,603	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	40	20	2 0	3 0	3 0		4	Y.
8,30,00,000	1,39,69,340	2,16,78,778	1,36,40,815	4,20,849	T. Rydin, Esq. (Managing Director)	Western Maruti Co.	199‡XR	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. / 8,50,000D.	15,00,000	1,56,92,044	98,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4‡ / 3‡	O. 10 / D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co. Ltd. ..	Angelo Bros., Ltd.	19‡	10	1 12	2 8	1 4		8	Y.
30,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	231	10	1 2*	2 8	1 4*		8	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	41	10	0 9 3/5	0 9 3/5	1 4*		12	Y.
38,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	272 / —	O. 100 / D. 40	20 0* / 6 0*	25 0* / 8 0*	20 0* / 6 0*	5 0(X)	12	Y.
20,00,000	8,38,806	54,303,140‖		1,25,580	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 0	1 0	1 0		9	Y.
30,64,480	33,27,348	99,11,660	21,85,999	1,96,753	P. J. P. Parsons, Esq. (Mg. Director)	British India Corporation Ltd. ..	11‡	10	1 4	1 4	0 12	0 8	9	Y.
8,22,00,000	95,00,000	2,58,42,350	1,90,84,167	1,99,112	Sir Robert Menzies	Dunlop Rubber (India) Ltd. ..	9‡	5	0 12	0 12	0 12	-	3	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Eastern Investments Ltd.	30‡	10	1 8	2 0	1 8	0 10	12	Y.P.
51,24,000	47,57,041	1,26,35,420‖	....	3,15,489	Bird & Co.	Gourepore Rope Co.Ltd.	146	100	9 0	9 0	9 0		12	Y.P.T.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Gillanders Arbuthnot & Co., Ltd.	195	100	10 0	12 8	20 0		12	Y.P.
65,00,000	31,28,294	15,42,902	3,85,563	2,07,524	Sir Anthony J. Elkins.	Great Eastern Hotel	115‡	100	7 8	10 0	10 0		9	H.§
30,00,000	11,42,354	62,81,816	29,79,773	29,418	B. P. R Syndicate	Hind Cycles	25‡	10	1 8	2 0	2 0		3	Y.P.
12,42,800	5,06,049	60,60,790	41,30,369	33,919	Birla Bros., Ltd.	Hindustan Motors	100N	100	13 0	15 0	15 0		12	Y.
4,96,12,650	1,92,800	2,61,59,292	37,52,719	3,47,865	Birla Bros., Ltd.	Indian Aluminium Co.	4‡	10	Nil	Nil	Nil		12	Y.P.T.
1,60,00,000	38,65,000	3,07,88,193	1,31,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Cables Co.	107	100	3 8	5 0	3 0		12	Y.P.
1,32,89,220	99,40,984	57,92,690	32,51,748	9,29,354	D. J. McIntosh, Esq.	Indian Rubber Manufacturers ..	19‡	10	1 8	2 0	1 0		12	Y.P.
8,27,970	5,38,000	14,39,460	7,97,108	38,563	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Mfrs. Ltd.	12‡	10	1 0	1 0	1 0		3	Y.P.
2,80,00,000	57,45,280	29,81,477‡	6,34,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	115	100	1 0	1 0	1 0	0 12	3	Y.P.
6,34,0000. / 66,0000D.	4,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2‡ / 1‡	O. 5 / D. 1	Nil	Nil	Nil	Nil	3	Y.
46,00,0000. / 3,00,0000D.	57,99,632	23,19,033†	5,19,033	83,717	A. T. Peppercorn, Esq.	McLeod & Co., ...	134 N	O. 100 / D. 10	12 8 / 0 12	12 8 / 0 12			12	Y.P.
1,30,35,750	30,19,023	13,73,12711	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	19‡	10	0 12	0 12			12	Y.P.
4,35,235	1,74,935	3,74,855	2,66,942	—72,313	Cole Glass Works Ltd.	Mysore Glass and Enamel Works	3‡	10	1 4	1 12	1 6		9	Y.
4,88,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	17	10	0 10	Nil	Nil		12	Y.P.
10,00,000	....	11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	16‡	10	1 0	1 0	1 0	1 0	3	Y.P.
20,00,000	23,16,171	50,16,078	28,73,987	11,043	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	11‡	10	Nil	1 0	1 0		3	Y.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	16‡cd	10	0 8	0 8	0 12		3	Y.P.T.
24,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	11‡	10	0 4	0 8	0 8		12	Y.P.
2,25,00,000	25,18,049	1,69,49,507	37,33,370	24,847	G. U. Ruthymopulo, Esq. ..	Rallis (India) Ltd.	2	2	1 9 3/5	0 10‡	0 8		12	Y.P.T.
3,14,00,000	78,53,108	8,09,39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	66‡	100	8 0	9 0	Nil		8	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	9‡	10	Nil	Nil			10	Y.P.T.
75,00,000	53,00,000	12,11,901‖	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co.	14‡	10	1 0	1 0	1 0	0 8(D)	6	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3‡	10	0 6‡	Nil	Nil		12	Y.P.

§§ Includes investments at cost. † Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 20 lakhs.

‖ Excluding Rs. 1,49,08,000 which represent shares in the firm of Shaw Wallace & Co.

†† Excluding goodwill at cost Rs. 25,17,685.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	337½xdN	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	16‡	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	616	Ananda Bag	27	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Raghmari	13‡	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,123	2,27,561	47,629	Andrew Yule & Co., Ltd.	369	Banmatia	31‡	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	516	Bateli	14‡	5	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,121	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	39	10	3 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	32‡	10	5 0	0 8			12	Y.
3,00,000	....	6,66,030	10,38,918	1,51,948	Octavius Steel & Co., Ltd. ..	493	Bokakhat	7‡	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	12½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12‡	10	1 0	1 0	1 0	0 8	6	Y.
1,20,000	1,83,234	3,66,030	1,22,481	—29,101	McLeod & Co., Ltd.	283	Dejoo Valley	8	10	Nil	Nil	Nil		12	Y.
6,00,000	7,15,000	25,51,755	13,30,724	19,112	Jardine Henderson Ltd.	1,220	Deesai & Parbutia	235	100	30 0	22 8	10 0		12	Y.
17,53,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd. ..	426	Dhekalbat	11‡	10	1 9 3/5	1 3‡			12	Y.
4,68,970	2,20,000	8,09,626	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	16	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—61,361	McLeod & Co., Ltd.	438	Dibrugarh	9‡	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	25,940	Williamson Magor & Co., Ltd.	625	Dimakuai	35	10	4 8	1 8	1 0		12	Y.P.
5,60,500	4,50,000	10,38,157	9,38,157	1,15,948	Williamson Magor & Co., Ltd.	649	Duffleghur	15	10	4 0	2 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	20‡	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,67,163	—2,546	Andrew Yule & Co., Ltd.	607	Gilapukri	17‡	10	3 0	1 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	31‡	10	4 0	2 0			12	Y.
4,4,94,360 / B.2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd. ..	1,393	Grob	24‡ / 14‡	A. 10 / B.5	3 0	2 0	2 0		12	Y
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	12‡	10	1 8	1 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolangooree	300N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,53,800	Gillanders Arbuthnot & Co., Ltd.	900	Jullibari	12‡	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd. ..	1,166	Kingsley-Golaghat (Assam)	198N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	6,33,647	1,03,647	371	Duncan Bros. & Co., Ltd. ..	1,037	Lodo	9‡	10	2 0	Nil	Nil		12	Y.
4,80,000	....	8,87,549	87,549	—1,89,815	Andrew Yule & Co., Ltd.	671	Mohsema	3‡	10	Nil	Nil	Nil		12	Y.P.
2,50,000	5,34,590	7,43

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	17	10	1+1	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	173	100	4+10	15+15	8+10	12f	5, 11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,03,951	McLeod & Co., Ltd.	446	Alexandra	160	100	Nil	5	Nil		6, 12	H.P.T.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,133	McLeod & Co., Ltd.	1,264	Alliance	167	100	Nil	2½	Nil		6, 12	H.P.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros & Co., Ltd.	2,561	Anglo-India	232	100	Nil	10	10+10	10+15	7½	3, 9	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	123	100	11+4	6	6+5	5+4	2f	3, 9	H.P.T.
20,00,000	29,37,565	97,37,334	63,31,882	72,634	Jardine Henderson & Co.	959	Bally	180	100	6+6	6	6+1	Nil	4f	3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,890	Barnagore	162	£5	£1	£1	£1	£1	3		Y.P.
28,00,000	35,49,623	88,18,198	48,06,254	62,117	Andrew Yule & Co., Ltd.	820	Belvedere	203	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
22,50,000	55,95,000	51,03,385	22,30,305	4,07,021	Soorajmull Nagarmull	600	Bengal	159	10	1½	3			6		Y.P.H.
30,42,000	2,64,46,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	44	10	2½	3	3	3	3		Y.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	164	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,380	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	302	Calcutta Jute Mfg. ..	144N	10	Nil	1+1	0+1		6, 12	H.P.T.
18,00,000	31,81,234	75,48,040	38,01,614	99,873	Andrew Yule & Co., Ltd.	616	Caledonian	168	100	4+10	10+12	6+6	6f	5, 11	H.
59,16,400	1,05,23,478	1,65,18,640	1,07,44,939	1,13,010	James Finlay & Co., Ltd.	1,400	Champdany	152	100	3+5	5+7	7+8	3f	3, 9	H.
16,00,000	28,39,282	79,79,089	54,30,736	84,099	Andrew Yule & Co., Ltd.	530	Chevriot	221	100	6+10	10+12	6+6	6f	5, 11	H.P.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,164	McLeod & Co., Ltd.	500	Chitavalsah	34‡	10	1+1	1½+1½	2½+1½		6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	3½	2	Nil	3		Y.P.
31,49,200	59,29,308	1,28,67,836	61,35,715	8,337	Bird & Co., Ltd.	766	Dalhousie	144	100	1+3	3+6	6+1	1f	3, 9	H.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,700	Andrew Yule & Co., Ltd.	779	Delta	235	100	3+12½	15+17½	10+10	10f	3, 11	H.P.
15,00,000	32,50,000	75,61,304	53,68,650	47,710	McLeod & Co., Ltd.	500	Empire	21	10	1+1	1½+1½	1+1½		6, 12	H.T.P.
21,00,000	54,39,877	2,65,42,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	197	100	2½+20	12½+12½	10+Nil	Nil	3, 9	H.P.T.
14,00,000		72,62,199	43,27,194	—4,98,601	Bangur Bros., Ltd.	1,014	Fort William	325N	100	Nil	Nil	Nil	Nil	3, 9	H.T.P.
84,32,100	3,11,094	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	74	100	Nil	3½	2½+2½	Nil	3, 9	H.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	225	50	4§	6	10	Nil	12		Y.
24,00,000	27,30,694	2,19,25,184	1,62,21,337	1,57,647	McLeod & Co., Ltd.	1,394	Gouripore	324	100	2½+15	10+10	12½	Nil	3, 9	H.P.
40,00,000	46,39,611	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100	100 N	10	7	10	10	3		Y.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	30‡	10	1	1½	1½	1½	3		Y.P.
63,52,500	50,81,370	1,56,97,359	1,09,31,725	1,33,027	Jardine Henderson Ltd.	1,940	Howrah	44‡	10	3	3	5	3	3, 9	H.T.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkusendas	2,272	Hukumchand	33	7½	3	3	5	3	3		Y.P.T.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	129	O. 12½	3½+9½	7½+1½	3½+3½	7½f	3, 9	H.
D. 30,00,000									D.	A 7+7½		3½+3½	3f		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	193	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
'B' 19,20,000								183	'B' 100	8½+8½	10+12½	8½+6	6f		
30,00,000								151	100	Nil	5+7½	6+4	5f		
'B' 24,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	146	'B' 100	Nil	5+7½	6+4	5f	6, 12	H.P.
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	248	100	10+10	12½+12½	7½+7½		6, 12	H.P.
54,50,000	22,65,315	1,60,14,517	1,08,02,499	4,00,393	Anderson Wright Ltd.	1,530	Khardah	189	100	Nil	10	10+15		3, 9	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	167	100	14+4	10+9	10+7	4f	3, 9	H.P.T.
24,48,000	48,82,303	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	135	100	2+10	11+8	7+3	2f	3, 9	H.P.
28,00,000	58,69,796	1,13,85,476	61,83,380	50,401	Bird & Co., Ltd.	840	Lawrence	165	100	5+9	13+11	11+4	2f	3, 9	H.P.
10,00,000	36,51,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd.	558	Lothian	265	100	5+10	13+17½	13+13	13f	5, 11	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,648	28,020	Mackinnon Mackenzie & Co. ..	1,008	Magna	108	100	2½+6½	2½+11	2½+2½	2½f	3, 9	H.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Naihati	134	100	Nil	10+6	6+Nil	Nil	3, 9	H.
20,00,000	17,75,000	25,77,260	16,42,880	5,104	Howrah Trading Co., Ltd.	425	Naskarpara	14	10	1+1	1½+1½	1+1		4, 10	H.T.
33,00,000	44,27,437	27,58,552	8,93,551	1,61,832	Andrew Yule & Co., Ltd.	852	National	23	10	1+1	1+1½	1+1	1f	4, 10	H.P.
7,50,000	41,00,000	25,75,000	16,24,098	1,33,783	McLeod & Co., Ltd.	316	Nellimarla Jute	110xr	10	1½+1½	2½+5	2+1		6, 12	H.P.T.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Sahu Jain Ltd.	709	New Central	270	100	4+10	15+15	10+12	12f	6, 12	H.P.
16,79,880	47,26,931	1,21,23,908	54,32,507	30,203	Bird & Co., Ltd.	567	Northbrook	21‡	10	Nil	Nil	1	1+1	3, 9	H.P.T.
66,79,500	32,37,529	2,12,90,664	1,33,98,406	50,401	Macneill & Barry Ltd.	1,092	Noddea	56	10	Nil	1½	1½+1½	Nil	3, 9	H.
24,91,000	26,56,049	70,68,289	48,27,891	1,03,356	Andrew Yule & Co., Ltd.	601	Orient	185‡	100	4+10	12+12	1+6	6f	5, 11	H.P.
23,00,000	4,39,778	80,78,198	60,46,813	—3,93,006	McLeod & Co., Ltd.	400	Presidency	5	5	Nil	Nil	Nil		6, 12	H.T.
20,00,000	.....	26,15,293	17,67,493	—3,29,949	Macneill & Barry Ltd.	305	Rameshwara	3‡	10	Nil	1	Nil	Nil	3, 9	H.
49,50,000	1,50,000	1,23,45,796	53,07,248	48,080	Jardine Henderson Ltd.	1,276	Reliance	17‡	10	Nil	Nil	Nil	4f	3, 9	H.P.T.
£600,000	£1,102,661‡	£1,203,880	.....	£82,640	Thomas Duff & Co. (India), Ltd. ..	2,013	Samnuggur	14	£1	10%	10%	10%		12	Y.P.
30,00,000	13,07,220	97,20,210	59,19,652	6,05,669	Bagaria Mare & Co., Ltd.	911	Shree Ambica	14	10	Nil	1½+1	Nil		3, 9	H.P.
7,00,000	7,74,812	48,14,458	33,67,743	3,56,956	Hindustan Investment Corporation.	401	Soorah	23‡N	10	1	Nil	Nil		12	Y.P.T.
25,19,600	49,32,957	97,24,215	54,00,873	10,963	Bird & Co., Ltd.	650	Standard	142	100	3+6	9+8	8+1	1f	3, 9	H.P.
£600,000	£849,927;	£990,895	.....	£115,163	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	14	£1	10%	10%	10%		12	Y.P.
33,94,800	94,39,794	1,78,49,798	85,75,140	21,050	Bird & Co., Ltd.	1,126	Union	171	100	3+7	13½+11	10+1	1f	3, 9	H.P.T.
£400,000	£587,164	£1,059,917‡	.....	£119,708	Thomas Duff & Co. (India), Ltd. ..	1,331	Victoria	13‡	£1	10%	10%	10%		12	Y.P.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	465	Waverley	6§	1	Nil	1/40	1/40	Nil	6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19‡	10	1+1	1+1	1+1	1f	3, 9	H.
12,00,000	8,42,703	37,55,383	34,25,643	58,826	Jardine Henderson Ltd.	Bararee Coke	19‡	10	1+1	1+1	1+1	As. 11‡f	3, 9	H.
4,49,350	70,000	8,49,159	3,30,703	6,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	7N	10	1+1	1+1	1+1	1f	6, 12	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	307	200	17+17	17+17	20+20	17½f	4, 10	H.P.
2,25,000	3,14,434	29,84,461	21,99,073	4,240	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14	10	1½+1	1+1	1+1		6, 12	H.P.
15,97,000	4,73,358	37,29,385	22,67,365	23,529	H. V. Low & Co., Ltd.	Bhalgora	4‡	10					9	Y.
69,99,933	13,91,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	5‡	10					6	Y.T.P.
7,15,000	14,64,077	50,70,322	35,63,361	—43,876	F. W. Heilgers & Co., Ltd.	Bhulanbararee	14	10	4+4	4+4	4+Nil	Nil	6, 12	H.
16,00,000	14,10,773	68,15,834	39,31,794	—1,66,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgarh	8‡	10	Nil	Nil	Nil		6, 12	H.T.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd.	Borrea	27‡	10	1½+1½	1½*+1½*	1½*+1½*		6, 12	H.P.
90,97,480	1,63,60,398	4,03,65,968	1,40,47,288	1,15,021	Bird & Co., Ltd.	Burrakur	8‡	10	1+1	1+1	1+1		6, 12	H.P.T.
15,00,000	750	34,32,368	57,666	3,038	Hindustan Investment Corpn., Ltd.	Central India	5‡	10	Nil	Nil	Nil		3	Y.
8,00,000	13,30,249	49,20,487	32,27,334	2,273	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14‡N	10	1+1	Nil	Nil		6, 12	H.
6,00,000	1,40,000	7,50,000k	.....	13,973	F. W. Heilgers & Co., Ltd.	Churia	2‡	4	1+1	1+1	1+1	1	6, 12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.	Dhemoi Main	9‡	10	1+1	1+1	Nil		6, 12	H.
£120,000	£424,897	£878,414	£669,896	£78,839	Jardine Henderson Ltd.	East Indian	24‡	£1	1‡	2	3 (i)		4	Y.
29,63,760	73,00,380	3,37,02,383	2,73,34,830	2,11,481	Macneill & Barry Ltd.	Equitable	32‡	10	2½+2½	2½+2½	2+1½		6, 12	H.P.
10,00,000	2,42,255	8,41,725	2,33,943	66,865	Bhatter's Agency Ltd.	Khuswk and Munia ..	15N	10					3	Y.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	40	50	3	3	4		3	Y.P.
£ 80,000	4,60,000	21,29,494	17,13,778	44,366	Macneill & Barry Ltd.	Hurriladih	15	10	1½	1½	1½	1½	6, 12	H.
22,00,000	1,04,577	31,70,015	10,56,241	—1,55,248	Bagaje Trust Ltd.	Jogta Coal	11N	10	Nil	Nil	Nil		12	Y.P.
3,50,000	5,38,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	41N	10	1½+1½	1½+1½	1½+1½	1½+1	2, 8	H.
20,00,000	.....	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	10	100	Nil	Nil	Nil	Nil	2	Y.P.
5,00,000	11,25,000	42,50,291	33,33,631	89,823	Andrew Yule & Co., Ltd.	Katras Jherriah	40	10	1½+1½	1½+1½	2+2	2f	1, 7	H.
1,38,400	95,000	10,03,519	3,23,519	1,063	Berrowla & Co.	Khas Kajora	7‡N	10	1+1	1+1			6, 12	H.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusrdi	4‡N	10	3‡	3‡			4	Y.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10‡N	10	1	1	1		6	Y.
7,48,240	1,50,000	11,24,182	8,84,138	20,398		Nazira	6‡	10	1+1	1+1½			6, 12	H.
17,76,230	13,72,000	1,13,02,311	83,01,381	73,364	Andrew Yule & Co., Ltd.	New Beerbhoom	18‡	10	3(10x3)/10	Nil	Nil	Nil	4, 10	H.P.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd.	New Manbhoom	8‡	10	1+1	1+1	Nil	Nil f	3, 9	H.
1,13,000 ‖	3,38,004	12,61,739	7,54,754	6,803	Andrew Yule & Co., Ltd.	North West	10N	10	1+1	1+1	1+1	1f	3, 9	H.
1,57,500 ‖							7N	7½	1½+1½	1+1	1+1	1f		
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd.	Ondal	171N	10	1+1	1+1	1+1		6, 12	H.P.
10,00,000	3,10,000	55,60,122	14,26,827	36,472	K. C. Thapar & Bros.	Oriental Coal	11N	10	1+1	Nil	Nil f		3, 9	Y.T.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	Parasea	3‡	10	Nil	Nil	Nil f		6, 12	H.P.
24,48,000	48,82,303	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	Perseverance	23‡	10	1+1	1+1	1+1	1f	3, 9	H.
28,00,000	58,69,796	1,13,85,476	61,83,380	50,401	Bird & Co., Ltd.	Ranegunge	10‡	10	Nil	1+1	Nil		2, 8	H.
10,00,000	36,51,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd.	Rewa	20‡xd	10	1+1	1+1	1+1	1f	3, 9	H.
81,65,200	25,35,448	1,93,98,406	1,16,00,648	28,020	Mackinnon Mackenzie & Co. ..	Samla Collieries	7‡xd	10	1+1	1+1	1+1		6, 12	H.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	Seetanala	8‡N	2½	1	1	1		3, 9	Y.
20,00,000	17,75,000	25,77,260	16,42,880	5,104	Howrah Trading Co., Ltd.	Seebpore	24‡	7	2½ x 2	2 + 2	2 + 1	2f	6, 12	H.P.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd.	Sendra	83N	10	1+1	Nil	Nil		6, 12	H.T.
63,21,450	13,23,954	3,24,72,792	2,26,34,394	65,560	Industrial Trust Fund (Governors of Hyderabad)	Singareni	6‡	10	1	1	1		12	Y.T.
17,50,000	10,84,500	35,53,705	13,67,030	26,814	Bird & Co., Ltd.	South Karanpura	21‡	10	1+1	1+1	1+1	1f	2, 8	H.
8,00,000	13,68,503	2,33,837	56,445	2,99,379	F. W. Heilgers & Co., Ltd.	Standard	21‡	10	1+1	1+1	1+1		6, 12	H.
10,00,000	1,50,950	30,15,423	13,43,501	—3,64,536	Villiers Ltd.	Talcher	2‡	2½	Nil	Nil			12	Y.
3,50,000	3,30,000	18,94,910	14,86,313	14,927	Williamson Magor & Co., Ltd. ..	Union	2‡	10	1½+1½	1½+1½	1½f		6, 12	H.
49,98,000	.....	44,91,158	13,91,545	63,360	Hindustan Investment Corpn., Ltd.	West Bengal	3‡	10					6, 12	Y.
7,00,000	6,65,000	40,16,017	19,92,108	3,514	Macneill & Barry Ltd.	West Jamuria	17	10	1+1	1+1	Nil		6, 12	H.

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1036 in the debentures section:—

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

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

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

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1958.

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 987)

back as in 1948, this journal advocated in vain the tapping of this source for raising the funds needed for economic development. Now the Federation of Indian Chambers of Commerce and Industry has, it is interesting to note, suggested, in its reply to the Taxation Commission's questionnaire that the "matter of obtaining revenue through organising State lotteries and crossword puzzles may also be considered"; this suggestion is made as a reply to the Commission's question about the sources of non-tax revenue. To revert to Lord Piercy's suggestion, its chief merit lies in the fact that it does not envisage lottery, pure and simple, but seeks to combine the chief attractive qualities of a lottery, namely, large prizes, with enduring investments such as insurance policies and low-yielding securities.

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Britain now seems to fear the loss of some of its potential export markets. The country is viewing with serious concern the loss of momentum in its post-war export drive. The trouble with its export business is not that it is declining, but that it has not made the progress that it should. The latest Treasury *Bulletin for Industry* has reminded the country of the dangers of allowing further deterioration in its export position. Between 1950 and 1952, when the volume of world exports rose by 7 per cent., there was a drop of 5 per cent. in the volume of British exports. And the reduction in Britain's share in exports of manufactures by the ten main exporting countries fell from 26 per cent. to 22 per cent. Again, the volume of the U.K.'s exports in the first half of this year did not show any increase, because it was about the same as the average in 1952. But the exports of other countries registered an increase. Thus, there was a rise of 6 per cent. each in the exports of Germany and the U.S. and of 5 per cent. in those of Japan. Exports in the third quarter of the current year, too, showed no appreciable increase, their volume being only very slightly higher than in the first half-year. The stagnation in exports is chiefly accounted for by the slow and steady decline in the exports of the metal and engineering industries.

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The concern over the stagnant export position found full expression at the meeting of the National Production Advisory Council held last week. Mr. R. A. Butler, who presided over the meeting, stated that the special efforts made to sell more to the U.S. were creditable, but they were not matched by equal achievements in most other markets. "It is doubtful," he remarked, "whether Britain is sufficiently competitive. U.K. exporters tend to be slower than their competitors in adjusting prices to changes in world markets. In many important non-sterling areas, we seem to have lost ground to competitors pretty steadily over the past two years." He warned that "a continuance of rising imports, unaccompanied by rising exports, would threaten the balance of payments." Regrets were also expressed at the loss of Indian locomotives' market to Germany, Austria and Japan. The loss of this traditional market for the U.K.'s locomotives is attributed to Japanese and German bids at considerably below British offers.

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Wherever British exporters turn their attention, they encounter competition from Germany and Japan. Germany seems to compete effectively with the U.K. as regards price, quality and delivery. Again, Germany has been making a big effort to capture markets in Canada, the Middle East and even in some Far Eastern countries. In certain respects, this is true of Japan also. Stimulated thus by intensified competition, vigorous efforts are now being made by British manufacturers to explore the possibilities of recovering markets hitherto neglected or at least not fully exploited. Their efforts seem worthy of study by Indian manufacturers, especially those who are keen on increasing their sales in the Middle East countries. The Indian manufacturers have to bear in mind that they have hard days ahead of them in these markets. They must be prepared to meet keen competition in some of the goods produced by them such as drugs, light engineering products, soaps, textiles, foodstuffs, paints, etc. A British Trade Mission, it is stated, is at present in the Middle East, particularly in the oil-producing regions which have plenty of foreign currency, but which seem to be taking keen interest in German capital goods and German technicians. The mission expects to cover under its present itinerary, Baghdad, Kuwait, Syria, the Lebanon and Saudi Arabia. The main object of the mission is to explore the scope for a substantial expansion of British exports to these countries and secure contracts for development work.

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Apart from this Mission to the Middle East, another group of British business men is shortly to proceed to Moscow to discuss the export of U.K. goods to Soviet Russia. The move is prompted by the encouraging experience gained recently of dealings with Russia. Russians seem to be keen on stressing quality and technical performance more than anything else. No "escalator" clauses are allowed when prices are discussed. They appear to be keen also on the delivery date. Supplies have to be fitted into their development programme. In order to emphasise the importance they attach to early prompt delivery, they insist on penalty clauses. Payments, it is stated, are both prompt and trouble-free and are made in sterling or dollars and individual companies receive credits in London. In the circumstances, British firms feel that there is scope for expansion of its exports to Russia.

INDIAN CYCLE INDUSTRY MAKES IMPRESSIVE PROGRESS

(Concluded from page 1013)

of imports; (2) to increase the real wealth of the country by increasing production; and (3) in the process of expansion to provide increasing employment to her nationals. We submit that the cycle industry can achieve these tasks as set out by the Planning Commission, provided sufficient care and vigil are kept in guiding the development of the industry, so as to ensure expansion of genuine production of the indigenous units and also of units started here in collaboration with foreign manufacturers.

"India, in its drive for industrial development, not only requires the technical know-how, but also financial collaboration. But any collaboration with foreign countries, which does not produce real wealth in the country, has to be discouraged; more so, when the indigenous manufacturers have put in all-in efforts for achieving the phenomenal success, in spite of heavy odds during the war. We request the Tariff Commission to bear this aspect of the development of the bicycle industry in mind, while considering the overall picture of the development of the industry.

"We further request the Tariff Commission to examine the targets of production and consumption of the Five-year Plan in the light of the experience of the trade and the industry, particularly the phenomenal slackness of demand of cycles and cycle parts witnessed during 1952-53. If the estimates of consumption are found to be on the higher side, the targets of production should also be revised accordingly."

ENGINEERING

(Concluded from page 1004)

Principles was essentially based on a recognition of the fact that, in the case of most commodities, road transport would cease to be an economic proposition beyond a distance of 150 miles. This matter, however, would have to be gone into carefully, before any changes were made in the existing practice, and he assured that the Transport Advisory Council would be prepared to make any necessary adjustments in the Code, if the results of these investigations warranted them.

While dealing

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	112	100	6 0	6 0	6 0	3 0(i)	6 12	H
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	106½	25	6 0	6 0	6 0	2 8(i)	12	Y.
1,00,00,000	14,00,000	8,647	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
50,00,066	6,36,553	Bank of India	156	50	7 0	7 0	7 0	1 8(i)	6 12	R.L.Y.	
2,50,000	3,52,00,000	63,200	Bank of Indore	40N	25	3 0	3 0	3 0	1 8(i)	12	Y.
15,30,375	24,00,000	35,324	Bank of Jaipur	18½	10	1 8	1 8	1 8		12	Y.
80,00,800	84,00,000	2,44,634	Bank of Mysore	283	100	16 0	16 0	16 0	8 0(i)	12	Y.
50,00,000	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
59,99,150	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.	
15,00,000	14,50,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
7,50,000	10,00,000			64	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
2,62,11,875	3,99,08,177	17,23,013	Central Bank of India Ltd.	66½	25	3 8	3 8	3 8	0 12(i)	12	
†2,42,375 A'	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
90,00,000	1,00,00,000	18,10,823	Habib Bank (P)	88¾	10	2 0	4 0	4 0		12	Y.
1,00,00,000	16,30,000	10,609	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
1,25,00,000	1,90,000	1,412	Hindustan Mercantile Bank	11	50	—	—	—		12	Y.
80,80,000	1,90,000	1,00,395	††Hyderabad State Bank	105N	100	6 0	6 0	5 0	5 0	9	Y.
75,00,000	75,00,000			1,833‡	500	80 0	80 0	80 0	40 0(i)	6 12	R.L.H.
8,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	460	125	20 0	20 0	20 0	10 0(i)	6 12	R.L.H.
1,87,50,000				174	100	12 0	12 0	12 0	6 0(i)		
24,00,000				141½	85	10 3⅛	10 3⅛	10 3⅛	5 13 5(i)	6 12	R.L.H
16,00,000	73,50,000	1,04,201	Indian Bank	99	60	7 3½	7 3½	7 3½	3 9 3/5(i)	12	R.L.H
15,40,000				93½	100	3 0	6 0	6 0			
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	73	100(A)	9 0	7 8	6 0		6 12	H
4,23,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8			
2,50,000				34	50(C)	3 0	3 0	3 0	1 8(i)		
10,00,080				21	25	1 0	1 0	1 8	1 0(i)	12	Y.
87,50,000	89,00,000	1,92,605	Punjab National Bank	11½	25	—	—	—		12	Y.
1,80,00,000	17,50,000	37,630	Travancore Bank	6½	5	0 5	0 5	0 5		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	37	50	2 0	2 0	2 0		12	H.
8,80,00,000	75,00,000	1,01,119	United Commercial Bank								

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-3-3	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	€7.6	£5	7†	6†	7†	3†	12	R.L.Y.
₹ R.E. $20,000,000	₹ R.E. $96,000,000	₹ R.E. $9,489,174	Hongkong and Shanghai Banking Corporation	£88‖	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£18,000,000	£418,242	Lloyds Bank	£2-18-6	£1	12†	12†	13†	5†	12	R.L.Y.
£1,437,294				£1-1-0		5†	5†	5†	2*(i)		
£375,000				£24	A £12½	12†	12†	14†	7†(i)	12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£26	B £12½	12†	12†	14†	7†(i)		
£300,000				£10	C £5	12†	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£32½	£12½	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency. ††U.S. Currency (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £		Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June	1963
2,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	1938	99½	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	103	27th December	1952-62
18,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	1946	91	1st November	1959-64
90,00,000	4	1st May and 1st November	Walchandnagar Industries	1941	94	1st April	1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
16,50,000	5½	30th June and 31st December	Bamatu Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	13th November	1956(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	1932	100½	1st January	1967-73
13,68,000	5½		Jayshree Textiles	1939	78†	1st January	1956-59
40,00,000	5	1st June	Tata Mills		101	15th September	1966-71
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	1950	96	31st March	1963
1,25,000	4½	13th June and 15th December	Ahmedabad Electric Co., Ltd.	1940	102½	14th June	1960
88,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1949	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	1st January	1970
8,35,97,200	4	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January	1970
25,00,000	4	30th June and 31st December	Geurgaon Electric Supply Co., Ltd.	1945	98	31st December	1970
15,00,000	5	1st January and 1st July	Bijua (Iberian) Electric Supply Co. Ltd.	1931	86	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97		1937-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October	1953-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94		1957-67
4,63,800	4½	1st April and 1st October	South Madras Electric Supply		100½	1st July	1951-55(h)
47,71,000	4	1st April and 1st October	Tata Power	1940	97½	15th September	1965-70
2,50,000	4	1st April and 1st October	Tata Power			15th September	
ENGINEERING							
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	98	31st December	1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June	1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	102	1st July	1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£93‖	31st December	1965(H)
10,00,000	4	31st May and 30th November	Kirloskar Registering Works Ltd.	1946	88	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1930	100½	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	95	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99	30th June	1955
18,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	31st December	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July	1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1951	95	30th June	1966
85,00,000	5½	1st January and 1st July	Hukumchand	1947	92½	30th June	1957
8,50,000	5	30th June and 31st December	Hukumchand Jute Mills Co., Ltd.	1949	98	31st December	1964
85,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March	1967
85,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1952	98¼N	31st March	1934
5,00,000	5½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
5,00,000	4½	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88	31st December	1964
80,00,000	4	30th June and 31st December	Prasidency	1943	93	30th June	1958
8,00,000	4	30th June and 31st December	Reliance Jute Mills Co., Ltd.	1950	96	5th September	1965
85,00,000	5	31st March and 30th September	Soorah Jute	1937	97	14th September	1957
8,00,000	4½	14th March and 14th September	Union	1937	97	30th June	1957(d)
12,00,000	4½	30th June and 31st December	Waverley	1925	84	31st July	1960(e)
10,00,000	5½	31st January and 31st July					
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	1936	86	1st July	1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1908	£61‖N	1st November	
£350,000	4½	1st January and 1st July	Calcutta Tramways	1933	£77‖N	At 110% at any time on 6 months' notice or at par or every seventh year. 1st October	1974
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway	1945	89	31st December	1959
6,50,000	5½	1st December and 31st December					
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£90‖N		
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		97	1st September	1963
PLANTING							
1,20,000	6	31st December and 30th June	Bise Mountain Estate	1943	100	1st January	1945-53
1,89,700	5½	31st March and 30th September	Teakoy Rubber Estate	1944	100	31st March	1949-59
30,000	5	30th June and 31st December	Waterfalls Ltd	1943	101‖	1st January	1945-53
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1937	96½	30th June	1957(1)
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1913	92	1st February	1964
21,00,000	5½	1st February and 1st August	Cheviotdale Properties	1938	86½	1st July	1966
81,35,000	4½	1st July and 1st January	Clive Buildings	1946	87	15th September	1960
80,00,000	4	15th March and 15th September	Delhousie Property	1946	79‖	1st January	1971
1,00,00,000	4	31st March and 30th September	Dunlop Rubber	1950	102		1964
1,30,00,000	5	1st January and 1st July	Mettur Chemical Industries	1949	96	30th September	1974
20,00,000	5	15th March and 15th September	Martin Burn Ltd. (Convertible Notes)	1946	465		
39,57,000	4	31st March and 30th September			(per note)	31st December	1972
65,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	90N (per note)	1st April	1971
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1931	94‖	31st March	1961
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1931	84‖	31st December	1959
1,80,00,000	6	30th June and 31st December	Robins Industries Ltd.	1946	103‖	1st May	1968
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953			

Here—See page 1034 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 26th November, 1953.

—	Closing quotations 19-11-'53	High	Low	Closing quotations 26-11-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	156	156½	155½	155½
Bank of Baroda (50)	107½	108½	107½	108
Central (25)	64	64	63½	64
Imperial (F.Pd) (500)	1,838½	1,831½	1,826½	1,812½
Imperial (F.Pd) (125)	457½	460	456½	460
Union Bank (5)	6–3⅛	6–5½	6–4½	6–5
United Com. (50)	37½	37½	37	37½
COTTON MILLS				
Abm. Adv. (100)	131½	133½	131½	133½
Apollo (2)	2½	3–0½	2½	2⅝
Bombay Dyeing (250)	397½	400	393½	394½
Central India (100)	166½	173	165	170
Century Mills (100)	280	283	277½	281
Calcutta (100)	76½	76½	72½	73
Edward Textile (200)	260	265	260	260
Elphinstone (50)	44½	45	43½	44½
Finlay (100)	260	266	263	265
Gokak (100)	248	253	249	251
Ind. Untd. Def. (1)	1–11⅛	1–11⅛	1–10⅞	1–11⅛
Ind. Untd. Ord. (10)	11⅛	11–7⅛	11–3⅛	11⅛
Indore Malwa (100)	98½	107½	97½	100
Khatau (100)	211½	210	195	195
Kohinoor (100)	299½	300½	296½	297½
Lakshmi (250)	562½	—	—	562½
Madhusudhan (100)	88	90	88	89
M. B. Parekh Mills (100)	49	49	49	55
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	200	202½	195	195
Nagpur (50)	122½	140	122½	140
New City (100)	160	170	165	170
New Great (100)	165	169	164	164
Phenix (100)	121½	—	—	121½
Pedar Mills (100)	137½	141½	136½	136½
Reasons Silk (10)	19	—	—	19
Reasons Spg. (10)	27	—	—	27
Sholapur (1,000)	1,400	1,415	1,400	1,415
Simplex (50)	151	156½	150½	154
Sradeshi (100)	264	269½	263	265½
Swan (100)	325	332½	327½	330
Tata M. (125)	51	51	49½	50
Wahaa (100)	144½	152½	144½	152½
Western India (1,000)	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	113⅜	114⅜	113½	113⅜
Amalgamated (10)	11⅜	—	—	11⅜
Andhra Valley (1,000)	1,282½	1,300	1,282½	1,300
Bom. Sub-El. (100)	124½	—	—	124½
Surat (100)	126½	127½	126½	127½
Tata Hydro (100)	140½	141½	135½	135½xd
Tata Power (1,000)	1,362½	1,410	1,365	1,400
INSURANCE COS.				
British India (10)	13⅜	—	—	13⅜
Empire of India (100)	675	675	630	630
Ind. Mercantile (20	38½	38½	38½	38½
Jupiter (10)	6½	—	—	6½
New India (15)	40½	40½	39½	39½
Oriental (200)	6,900	—	—	6,900
Universal (10)	8⅛	—	—	8⅛
Vulcan (10)	11⅜	—	—	11⅜
STEAMER COS.				
Scindia (15)	15⅛	16–3½	15–7½	15–12½
STEEL COS.				
Ind. Iron (10)	26–11½	26½	25½	25½
Tata Steel Def. (50)	1,960	1,975	1,957½	1,963½
Tata Steel Ord. (75)	335½	339½	335½	337
MISCELLANEOUS				
Alcock Ashdown (100)	328½	331½	327½	327½
Associated Cm. (100)	183½	185	182	183½
Belapur Sugar (5)	262½	265½	262	263½
Bom. Burmah (125)	361½	362½	352½	353½
Do. (New) (50)	127½	127½	125	125
Br. B. Petrol (6 sh.)	2⅛	2–5½	2–4½	2⅛
Br. I. Corpn. (5)	9–0½	9–2½	9–1	9–1½
Indian Copper (2 sh.)	3⅛	3–1½	2–14½	2–15½xd
Ind. Inv. Tr. (100)	67	—	—	67
Part Canning (100)	29	—	—	29
Premier Cos. (30)	103	104½	101½	102½
Shivrajpur (10)	67	69½	67	69
Tata Chemicals (10	9⅜	10½	9⅜	10⅜
Tata Oil (25)	33½	33½	33½	34
Wahahaa Ind. (100	150	—	—	148½
W. I. Match (100	198½xr	200	197½	198½

GOVERNMENT SECURITIES	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98½	—	3·60	98½
2½% 1955	98½	—	3·44	98½
2½% 1961	90½	—	3·88	90½
2½% 1960	91½	—	3·91	93⅛
2½% 1962	91½	—	3·87	91⅛
2½% 1974	82½	—	3·92	82½
3% 1957	98½	—	3·45	98½
3% 1958	98½	—	3·42	98½
3% 1959-61	96½	3·74	3·57	96½
3% 1962	92½	—	3·84	92½
3% 1963-65	92½	3·91	3·78	92½
3% 1966-68	90½	3·99	3·87	90½
3% 1970-75	86½	4·12	3·93	86½
3% 1986 Con. Loan	81⅜	—	3·66**	81⅜
3½% 1954-59*	100½	3·32	3·46	100½
4% 1960-70	101½	3·70	3·85	101½
4½% 1955-60	102½	2·94	4·02	102½
4½% 1958-68*	103½	3·40	4·03	103½
3½% 1961 N.P. Bonds	98⅛	—	3·64	99⅛

BRITISH GOVERNMENT SECURITIES	19-11-'53 £	High £	Low £	25-11-'53 £
3½% Brit. Consols	65⅛	65⅛	64⅞	65
3 ½ Savings Bonds 1955-75	75	89⅛	89⅛	89⅛
3 ½ War Loan 1952	101⅜	101⅜	101⅜	101⅜
3½% War Loan 1952	85⅜	85⅜	85⅜	85⅜
3½% Brit. Iron and Steel 1976-78	94⅜	94⅜	94	94
4 % Funding Loan 1960-90	101⅛	101⅛	101⅛	101⅛

x.d.—Ex-dividend. ** Current Income. * Rupee Counterparts.
x.r.—Ex-Right.

COMMERCE

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

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IMPEDIMENTS TO PRODUCTION

NO subject has occupied so prominent a place in public discussions as the one which the problem of unemployment has claimed for itself. Countless columns have been filled, marathon speeches made, and elaborate enquiries held—all in an effort to describe, diagnose and remedy this chief economic malady of recent years. No specious argument is, therefore, needed to justify the memorandum on the subject by the Federation of Indian Chambers of Commerce and Industry, which has sought to examine the causes why the private sector, which has been assigned a prominent enough place in the Five-year Plan, has not been able to expand sufficiently wide in order to absorb a good number of job-seekers. We must say that it has explained the causes of the stagnation in the private sector of the Indian economy very well.

The memorandum opens its case for the private sector with a well deserved tribute to its achievements. The average annual investment during the 1946-51 period was of the order of Rs. 90 crores. Marked increase has taken place in industrial production. Some industries, notably sugar and textiles, have actually reached the targets fixed under the Plan. Many new industries have been developed in the post-war years. All this has been achieved by private enterprise. The Federation gratefully acknowledges the fact that this achievement has been assisted by the generous help provided by the Government through concessions to new undertakings, financial accommodation in times of emergency, and helpful tariff policy. It also ackowledges the help given by the Government-sponsored credit institutions like the Industrial Finance Corporation.

All this has not, however, enabled the private sector to expand its activities. The Federation rightly insists that the main obstacles in the way of rapid industrial progress are the volume and pace of welfare legislation, and the unimaginative industrial awards. Welfare legislation has taken many forms, the most recent being the Employees' State Insurance, Provident Fund and industrial housing schemes, not to mention the law relating to retrenchment of surplus labour. The Federation calls attention to the inequity of the Health Insurance Scheme, under which the employers in most parts of the country are compelled to contribute their share of expenses, even though the Scheme itself is in operation only in a few centres. The Federation questions, as we did a few weeks ago, the economic appropriateness of the provisions relating to retrenchment of personnel, which require the employer to pay the "prescribed gratuity to retrenched workers, without reference to any other benefit that the workers may be enjoying by way of provident fund, pension, etc.," for the obligation to pay gratuity reduces any benefits that might otherwise accrue to the concern through retrenchment. This is one obligation which the Government itself does not care to take upon itself, when it effects retrenchment. The Federation demands no more than the application to the private sector of the principle recently enunciated by the Prime Minister who said, in the course of his defence of retrenchment in the Government that it was "impossible to keep people who had absolutely no work." The net effect of all this welfare legislation is that the industry is caught between high and rigid cost structure, on the one hand, and the buyers' resistance, on the other.

Closely allied to the question of retrenchment of surplus labour is the problem of industrial discipline. During the pendency of a dispute, an employer is prevented from taking any action against a worker without prior permission of the Tribunal investigating the dispute. Sometimes no permission can be obtained even after three to four months and the employer has "to keep in employment a defiant employee during this interval." Surely, no industrial discipline can be maintained in this context. The Federation's suggestion that the employer should be permitted to suspend the worker until the case is finally decided deserves the attention of the Government.

The Federation spotlights three aspects of the Government's labour and price policy—the incorrect basis for awarding bonus, the vicious principle involved in conceding the workers' demand for a share in a concern's reserves, and finally, the lack of recognition of the need for an adequate return on capital. The concept of bonus has undergone a radical change in recent years. Originally, it was treated as an *ex-gratia* payment. The Industrial Tribunals have now conceded the right of the workers to demand it; some of them have even held that it is in the nature of a deferred wage. In deciding the actual quantum of bonus, the Tribunals have varied the formula so as to base the bonus sometimes on gross profit, sometimes on net profits, sometimes on dividends paid; some have ignored even these bases and declared a bonus on merely "sociological and psychological considerations." It was at one time believed that the setting up of the Appellate Tribunal would bring some uniformity into this new legal world of bonus awards. But this hope has not materialised, since the "different benches of the Appellate Tribunal have given different and contradictory decisions on similar issues."

Investors have been scared by these decisions. Last week, we showed how the Nagpur textile award goes counter to all accepted notions of economic equity. This award only carries the questionable assumptions in many previous awards, which have denied, in various degrees, the right of the management and the shareholders over reserves to their absurd limits. The Federation rightly calls attention to the recent decision of the Tribunal in the dispute between the workers and the Madras Electric Tramways Ltd. to allocate 50 per cent. of the unused reserves of the Company among the workers. It is needless to labour the Federation's case that these awards have an "adverse effect on the future reserves and incentives to expand industrial undertakings." This is far too serious a matter to be treated lightly. If this attitude is not corrected in time, it might well spell ruin of all corporate finance in the country.

If the bonus awards have thus vitiated the industrial atmosphere by their wrong emphasis on the division of reserves and their divergent interpretation of the principles that should govern the quantum of profits to be distributed to workers as bonus, the Government's attitude towards the return on capital is not calculated to inspire confidence among investors. Those who have read Mr. Padamji Ginwala's illuminating series of articles on the subject, contributed to *Commerce* (*vide* issue dated 15th August, 1953), will readily appreciate the Federation's contention that the "paucity of return, or more broadly, ideas of what is considered to be a fair return on capital, have serious repercussions on the incentive to invest." The Federation reinforces its case in this matter by a reference to the plight of the electricity industry, which finds the omnibus limit of 5 per cent. return on capital at base too inadequate to raise additional capital, and to the Government's rejection of the Tariff Commission's reasonable recommendation of a slight increase in the return on the Tata Iron and Steel Company's gross block. The Federation rightly argues, as did Mr. Ginwala in *Commerce*, that the rate of return at 8 to 10 per cent. on gross block, which was adopted by the earlier Tariff Boards, cannot possibly hold good now when the income-tax on companies has increased nearly threefold from As. 2½ to As. 7 in the rupee.

Although one might expect from a memorandum of this kind a particular emphasis on taxation, the Federation wisely refrains from making extended comments upon this question, on which it has already submitted a comprehensive note to the Taxation Enquiry Commission. Nevertheless, as no discussion on the subject of impediments to industrial expansion will be complete without a reference to taxation, it points out how informed opinion in the country now feels that the present burden of taxation is "acting as a serious impediment to industrial development." It also mentions how the States' sales tax laws interfere with inter-State trade, and tend to throw out of employment many small traders who are engaged in the distributive trades.

Transport difficulties continue to dog the economic progress in the country, despite the notable improvements achieved in this sphere. The Federation refers to the immediate problem of relieving congestion which is found in a few strategic points along the railway track and also to the delay in inter-zonal movements. It attributes the latter difficulty to the "disproportionate wagon holdings in various zones, based as they are on the basis of track mileage covered and not on the basis of transport density." The inadequacy of transhipment facilities at certain centres, where there is a change of gauge, is also cited as a continuing bottleneck. These are immediate problems which deserve to be solved without delay. The long-term problem of extending the railway mileage, which has remained practically unchanged since 1939, in face of the increasing tempo of economic activity, ought necessarily to receive the Government's attention at the earliest possible moment, if transport must keep pace with changes in production and population. In fact, the inadequacy of rail transport has imparted a premium to coastal freight rates.

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There used to be a time when movement of goods through ships used to be cheaper than through railways, but now it is the other way about. Normally, the gap between the demand for railway transport facilities and their availability could be filled by motor transport, as, in fact, it has been done even in countries which have a more advanced railway system than India. Unfortunately, the use of this device is denied to this country through an unwise policy of nationalisation of road transport, and of imposition of excessive burden of taxation on motor vehicles. If road transport is encouraged by suitable measures, it would, as the Federation says, give relief to the railways and also help create sources of employment. Although the latter aspect of the motor transport industry has been repeatedly emphasised by the private sector of the industry, and has now won recognition from the Planning Commission, it is deplorable that there should be little change in State Governments' attitude towards this industry.

So much for the difficulties of established industrial concerns. The new concerns are faced with a different set of problems, no less onerous than those of their earlier competitors in the field. Before a new concern is floated, the promoters have to contact numerous authorities at the Centre and the States, and their applications move back and forth, like a shuttlecock, from one authority to another. The small *entrepreneur* in the interior does not even know the "complicated procedural details," so that he is particularly handicapped. In certain western countries, it may be mentioned in this connection, there are special officers who will not only instruct and guide the prospective factory-owner in regard to official regulations to which he has to conform, but also give him technical guidance (on locational problems, for instance) and any other help he may need. Here, private industry has not only to fend for itself but should consider itself lucky, if it is allowed to do even that. Small wonder, then, that only a few brave spirits survive the initial stages of official recognition of their pioneering effort.

Procedural details are not, of course, the only details with which an industrial pioneer has to contend. His early efforts at establishing a concern are handicapped by the need, as in some States, to provide housing for a certain proportion of his employees. When he crosses this hurdle, and creates the roads and other facilities by his own efforts, the municipal limits of the city which adjoins the factory centre are arbitrarily extended to bring his factory within the purview of the municipal territory so that he could be charged for the civic services which he has himself laboured hard to create. The surprise is not that many new undertakings are not started. The real surprise is that there are still a few left, who have chosen to brave the rigours of the climate for new undertakings in this country.

The Federation has not, however, stopped at merely pointing out the handicaps. It is gratifying to note that it offers a few specific suggestions, apart from its general demand for a revision of taxation policies, simplification of administrative procedures pertaining to regulation of industries, and a realistic policy in matters of return on capital and in labour problems. In the first place, it suggests that special concessions, in the shape of exemption from sections 16 and 18 of the Industries (Development and Regulation) Act and from section 91B of the Indian Companies Act, might be granted to certain types of industries of national importance; these concessions have been granted to the foreign oil companies in the country. Secondly, it urges that every industrial unit should be permitted to build up a development fund on a voluntary basis out of its profits. This amount should be tax-free, but the Government might stipulate that the fund could be spent only with its permission. Thirdly, the income-tax law (section 23A) should be modified to exempt from its purview such amounts as are invested in new productive channels. This will enable private companies to seek fresh channels for investment. Fourthly, any new undertaking with a capital of Rs. 5 lakhs or less, should be exempted from tax for five or six years; a schedule of industries and the areas eligible for concession may be prepared. This will facilitate the development of backward areas.

The chief merit of the Federation's memorandum lies in the fact that it has brought together the points which have been repeatedly urged by the trade and commercial bodies in the country. None of the points raised by the Federation is, therefore, new. But it has done a real service by bringing them together, which enables private enterprise to vindicate itself before the bar of public opinion. This service is more than ever necessary, since there is much uninformed criticism of the role of the private sector in India's national economy. With the grant of adult suffrage and the suppression of special representation to trade and commercial interests in the legislatures, there is urgent need to educate the new masters, the legislators as well as the lay public, who are the final arbiters of the country's destiny, so that they may learn to appreciate the industry's special problems. Much yet remains to be done in this direction.

WHITHER LAND POLICY ?

INDIA'S bid to achieve simultaneously the twin aims of land policy seems unlikely to lead it anywhere near its goal. Such land reforms as have been initiated, or contemplated or already carried out, aim at two things. One is economic, in that it aims at increasing agricultural production and the other social, inasmuch as it aims at reducing disparity of wealth among rural population.

This mix up of economic and social aspects of the Government's land policy may have an unsettling effect on the plan for keeping the nation from starvation. While growing numbers and recurrence of famines all these years have been pressing the need for raising agricultural production, public attention in rural areas is being diverted to the slogan "Land for the landless," as is evident from the move to fix ceilings on landholdings. It is believed by a section of public opinion that the interests of agriculture will also be served by providing land for the landless from out of large landholdings. The resulting fear of losing their land has perturbed landowners who instead of being busy with plans for development of land, are engaged in holding conferences or leading deputations to Governments in order to safeguard their interests.

This diversion of interest from land improvement, which is in much evidence in the South, is most unfortunate. It is true that the principle of land to the tiller is sound, in that ownership provides a psychological incentive to produce more. Hitherto this principle worked to a considerable extent in the case of the owner cultivator, big or small. Now that land reforms aiming at "pinning a farmer to a family unit and the owner to a ceiling limit," are afoot, this theory will not work so efficaciously as is generally believed. As already stated, agriculturists owning large areas of land are being disheartened. Further, by redistributing land from this group to landless labourers, production may suffer in two ways. First, the landless labourer may not have the resources to develop the land and to take to intensive cultivation. Secondly, the breaking up of large areas of land into small farms may not be conducive to application of modern methods of cultivation necessary for raising the yield per acre and bringing down the cost of agricultural operations. This is a danger from which the country should be safeguarded. This can be done by a judicious revision of such of those reforms as are likely to tell on increased food production and involve big issues such as payment of compensation for lands acquired in excess of ceiling and rehabilitation of such lands. These issues have been clearly brought out in a memorandum submitted by the Tanjore Mirasdars to the Government of Madras. A relevant extract from it reads thus:

> "The principle that ownership and cultivation should coincide as enunciated by the Subramaniyam Committee has to be accepted with limitations. Its validity does not extend to all conditions of agriculture. For example, in the case of petty holdings, a feeling in the mind of the tiller that he is also the owner thereof by itself does not mean anything. For, in agriculture, the wherewithal, the money, the energy and the skill are what count and not a mere sense of ownership. In fact, it is only in the case of bigger holdings that the sense of ownership stimulates enterprise."

Comment on the above is superfluous. While thus there is need to go slow in regard to the implementation of the social aspects of land policy, it must be emphasised that this alone will not suffice to bring about an increase in agricultural production through intensive and extensive cultivation. This aspect was very well stressed by Dr. V. K. R. V. Rao at a public meeting in Hyderabad early last week. He said that a mere transformation of the landless labourer into a peasant proprietor would not enable him to utilise that opportunity without adequate resources. He enumerated three factors which are necessary to help him, namely, (*a*) ready availability of credit, (*b*) assurance of a guaranteed price for his produce, and (*c*) educative propaganda to break his conservative methods of cultivation. The last of the three factors is self-explanatory. The importance of the first factor will be evident from the fact that agricultural undertaking in the country requires a working capital of well over Rs. 1,000 crores a year. The need for the second factor will be clear, if it is borne in mind that, unless the farmer is given such an assurance, he will be haunted by the fear of falling prices, a fear that will act as a disincentive to increased production. It is high time that the country devoted some serious thought to these factors.

ECONOMIC DEVELOPMENT OF CHINA

THE civil war in China came to an end in 1949, when the Central People's Government was established. Since then, the country has made notable progress. The new Government had many difficult problems to tackle—inflation, reduced production, both agricultural and industrial, with all that these meant for the national budget, and a disorganised transport. By slow degrees, the Government has succeeded, according to the *Economic Bulletin of Asia and the Far East*, prepared by the U.N. Economic Commission for Asia and the Far East, in stabilising prices, balancing the budget and restoring the transport services. In 1952, agricultural and industrial production (except coal), it is stated, reached or exceeded the pre-1949 peak. By 1952, yields of all food crops were reported to have exceeded, by 10 per cent., the pre-1949 peak, while cotton production had risen by 56 per cent. Again, the index number of industrial production (Base pre-1949 peak =100), representing the output of 33 major industries, rose to 126 in 1952, whereas it was only 56 in 1949. The index number of the output of "investment goods" moved up between 1949 and 1952 from 30 to 116, while the index number of consumer goods rose during the same period from 70 to 132. The Five-year Plan for industrialisation, fixing the targets for 1953 and 1957, envisages increases in production of capital goods, especially heavy engineering equipment.

The two major changes in China's economic set-up, as is only to be expected of the Communist Government in the country, have been the socialisation of land and nationalisation of industries. By the end of September, 1952, land reform was officially reported to have been carried out in areas, with a total population of 300 million. It would appear that over 90 per cent. of the rural population has benefited by land reform, including the population in areas where land reform was carried out before 1949. Under the land reform scheme, the Government, it is claimed, has distributed 117 million acres of land which represents one-half of the total cultivated land. Peasants have gained through the land reform to the tune of 50 million tons or one-third of the 1952 output, which they would otherwise have had to give to the landlords. But they have, on the other hand, had to pay a land tax averaging 19 per cent. of agricultural income in 1950.

In the industrial sphere, the Government has carried through several nationalisation schemes. By October, 1952, nationalisation extended to about 80 per cent. of heavy industry and 40 per cent. of light industry, according to official reports. The Government operates all the railways and about 60 per cent. of the coastal steamships. It controls 90 per cent. of China's foreign trade, 50 per cent. of the wholesale trade and 30 per cent. of the retail trade. The State encourages production of export commodities and of capital goods and discourages production of non-essential items.

Despite the significant improvements that have taken place, there are, it is stated, quite a few bottlenecks. Land distribution, for instance, has brought in its wake problems of efficient farming on scattered holdings. The Government has found it difficult to order joint use of draught animals and agricultural tools which is necessary under socialisation of land. Nor have the problems raised by the best use of pooled resources and proper division of proceeds been solved yet. Again, the bottlenecks encountered in the industrial sphere in connection with the "timely supply of manpower, materials, spare parts and equipment have led in many cases to waste and inefficiency." A balanced account of Chinese economy should, therefore, take note of the Government's achievements as well as its failures. And more particularly, it should take note of the cost at which these improvements have been made, on which the Press summary of the *Bulletin* throws little light.

BOOMLET ON STOCK EXCHANGES

WHEAT FUTURES IN LIVERPOOL—SOME THOUGHTS ON FOREIGN TRADE

THURSDAY, 5 P.M.

THE Stock Exchanges have witnessed another week of extremely bullish conditions. Equities have hardened further, with some of them registering handsome gains. It looks as though the markets are in the midst of a boomlet. For the first time, after 27 months, Tata Deferreds have crossed the limit of Rs. 2,000; a peak of Rs. 2,036-4 was touched by them to-day, before they finished at the round figure of Rs. 2,030. The rise over the week is as high as Rs. 67-8. A large turnover in Tata Ordinaries also has been reported. It is not easy to explain the reasons for the robust optimism prevailing in the share markets. One thing, however, is clear. The sentiment has completely changed. There is scarcely any one who talks of mandi now. Every one has become *teji* minded and it looks as though the end of the present phase is not yet in sight.

MARKET GOSSIP

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The change in sentiment has come about at a time when there are no floating stocks of popular scrips. Tata Steel shares, in particular, are said to be receiving the attention of a few big operators who hope to squeeze an operator believed to be still short. It is also stated that a speculator, who has lost heavily in cotton, found it necessary to cut off his short-sales in Tata Ordinaries in order to limit his loss. This operation is believed to have occasioned a smart rise in this scrip. There are, however, others who hold the view that the market is steadily readjusting itself to a lower level of yields in the belief that interest rates will decline in the course of the next 12 months.

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While the share markets are strong, the bullion and commodity markets are quiet to weak. In bullion, there has been a sizable fall in prices for reasons explained in the relevant market report published elsewhere. After the hectic rise last week, raw cotton is a shade quiet; this is but natural. Oilseeds are distinctly weak again, with groundnuts losing more than other seeds. The main reason for the weakness of this commodity market is the disinclination of the Government to allow exports of groundnut. At the Export Advisory Council meeting early this week, Mr. T. T. Krishnamachari clearly stated that, as far as he could see, export of groundnut oil would not be allowed next year, unless and until prices came down appreciably. He was of the view that internal consumption of groundnut oil had definitely gone up and that it would be risky to permit exports of it now. There is good reason to feel that the Minister is right. Even at current prices, groundnuts and groundnut oil are high enough and the fall that has taken place in the past few days has not yet reflected itself in retail prices to any perceptible extent. If the consumer is to get any relief in his cost of living, the price of this cooking medium must register a further substantial fall and stay at the low level for a fairly long period. Moreover, groundnut oil itself is a raw material. Instead of allowing it to be exported, it is better, if it is processed into *vanaspathi* and exported. This will enable the *vanaspathi* industry to utilise a part of its existing idle capacity, thereby providing some scope for employment.

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Among the textile scrips, Century has received considerable attention in the past few days. One of the reasons attributed to this is the expectation on the part of some that the Company will shortly issue bonus shares. Our enquiries reveal that this is mere wishful thinking. The profits of the Company for the current year, however, are said to be quite good.

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The Directors of the Consolidated Coffee Estates (1943) Ltd. have proposed a dividend of 15 per cent. for the year ended 30th June, 1953, as against 18 per cent. for 1951-52 and 20 per cent. for 1950-51.

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It is reliably understood that the Central India Spinning, Weaving and Manufacturing Co., Ltd., has decided to appeal against the bonus award of the Madhya Pradesh Industrial Court for workers for 1951-52 which was commented upon in our last issue.

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There have so far been no outstanding developments in the short-term money market. The undertone is steady and inter-bank call money is nominally quoted at ¾ per cent., but there are no lenders at that rate. There are signs that soon the market will be active. Some banks have been experiencing a sizable demand for funds during the past few days. The volume of floating money is very small, indeed so small that once the seasonal demand starts gathering momentum, the inter-bank rate may jump up suddenly. The movement of agricultural crops has been on a fairly large scale. The turnover in the cloth market continues to be satisfactory, though the upward trend in prices has come to a halt for the time being.

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After a break of 14 years, Liverpool resumed futures trading in wheat on Tuesday this week. Details of the exact terms of the contracts are still lacking. In the initial stages, however, trading in wheat futures will be confined to the delivery months of May and July, 1954. No decision seems to have been taken so far with regard to restarting operations in maize and barley. But it is understood that the London Corn Exchange is making arrangements for re-opening futures trading in barley from 4th January next.

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The resumption of futures trading in Liverpool is according to plans made several months ago. In May this year, the U.K. Government turned over the import trade in wheat to private hands. This enabled the Liverpool Corn Trade Association to decide, in August last, in favour of reviving wheat futures market as from the 1st inst. The re-opening of the market this week marks, therefore, a concrete step forward towards freedom for grains.

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The commencement of futures trading in wheat has been well timed. Plentiful supplies of wheat in world markets—the chief pre-requisite for futures trading—should augur well for the success of the Liverpool move. There is a surplus of wheat in nearly all wheat-growing countries. Wheat production in the U.K. itself has steadily expanded. Although in 1952-53, acreages of most crops were smaller, there was a striking improvement in yield on account of improved use of fertilisers and greater mechanisation. Britain has increased its food production by 51 per cent. over the pre-war level and this is likely to go up to 60 per cent. by 1956. The country is also well stocked in wheat. Consequently, there is no need to make hurried purchases at running rates.

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It is, of course, too early yet to say anything about the probable trend of prices in the Liverpool futures market. The view held within the trade is that business in the next few months is likely to be within narrow limits. For control has not yet been completely lifted, thanks to the ever-present currency problems, though the Government has promised all help, so that the market may function smoothly. Again, the market has remained closed for 14 years and the disuse of the mechanism of trade has rendered it rusty. The Ministry is well stocked with controlled wheat and it will not be before June next that these stocks will be liquidated. Till then, activity is likely to remain restricted in futures. Further traders are unable to assess the effects of the U.S. price support policy and Britain's withdrawal from the International Wheat Agreement. These have combined to make the world wheat position obscure. In the circumstances, a cautious tendency is expected to mark the trading in wheat futures on the Liverpool Corn Exchange for some time to come. Leaders in the trade would, however, appear to be confident of being able to restore the market to its former status as an international market for grains.

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The trend of India's export trade is very disappointing. The statistics provided by Mr. T. T. Krishnamachari, in the Export Advisory Council meeting held at New Delhi on Sunday last, fully confirm this view. The average monthly exports in 1951 was Rs. 65 crores; they declined to Rs. 53 crores in 1952; they were lower still at Rs. 42 crores in the first nine months ended September, 1953. The extent of all will be even more striking, if the absolute totals are taken into consideration. Thus, during the first three quarters of this year, the value of exports was no more than Rs. 380 crores, as compared with Rs. 475 crores in the corresponding period of 1952 and Rs. 590 crores in that of 1951. The last mentioned year was doubtless an abnormal one and it would not be reasonable to expect realisation of the levels seen in that year. But 1952 was a year of recession and the fact that it has not been possible to maintain the level recorded even in that year is really something over which the country ought to be concerned. But it does not appear to be so. The frequent statements made by the authorities that, over the year, India's sterling balances are intact and that the country has been having a surplus in its balance of payments account, instead of a deficit as is envisaged in the Five-year Plan, have been mostly responsible for this feeling of complacency. Every country in the world is striving hard to accumulate its foreign exchange reserves while circumstances are favourable to do so. But, in this country, such a development is being derided for no other reason than the fact that it is not in accordance with what many have come to regard as the economic Bible of India, namely, the Five-year Plan, which is full of incorrect estimates and contains quite a few doctrinaire principles.

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How is it that, in spite of a marked fall in exports as indicated above, India's foreign exchange resources, amounting to a little over Rs. 700 crores now, are the same as those in the beginning of the year? The answer is simple. In the first place, there has been a fall in imports, too. The average monthly imports in the seven months ended July, 1953, were only Rs. 50.32 crores, as against Rs. 78.83 crores and Rs. 65.64 crores in the corresponding periods of 1952 and 1951, respectively. Secondly, the fall in exports has been virtually counter-balanced by income from other sources, such as invisible exports and loan receipts. Actually, on trade account, there was a net deficit of Rs. 63 crores during the first nine months of 1953. Surely, this is not such a satisfactory state of affairs as to encourage one to think in terms of allowing large imports or to take things easy in regard to export promotion. In saying this, we do not mean that imports should be curtailed; far from it. Foreign trade is a two-way traffic. Any restriction on import trade will sooner or later have an adverse reaction on export trade also. On the contrary, the aim should be to export more and import more. It is only an expanding foreign trade that will have a healthy effect on the internal economy of a country.

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Viewed thus, the contraction in India's imports is also an unhealthy development. The fall in imports has been due to a reduction in imports partly of foodgrains and partly of capital goods. The former is undoubtedly a welcome development, while the latter is not. The fall in foodgrain imports reflects the increase in the domestic production of foodgrains. There is a school of thought in this country which feels that no cut in imports of foodgrains should have been effected, on the ground that they are a medium through which foreign aid could be conveniently absorbed. We do not subscribe to that view. Even in spite of the rise in foodgrain prices in the 1952-53 crop year, Indian foodgrains were cheaper than imported grains. Further, a rise in prices of foodgrains need not be grudged, as it increases the purchasing power of agriculturists and thereby their capacity to consume goods produced in this country. Moreover, unless the farmer is ensured a better price for his crop, he will not be in a position to pay the higher taxes he is expected to, in order to meet the cost of irrigation, and other rural development programmes. The policy of expanding India's food production, with the ultimate object of achieving self-sufficiency, is, therefore, a sound one and the Government should pursue it vigorously. If foreign aid is to be absorbed, other media should be found. And there are, in our view, undoubtedly other means through which such aid could be taken. The field of transport, in which the country is greatly deficient, for instance, can absorb a sizable amount of foreign aid, if it is forthcoming. Foreign aid can also be utilised for facilitating imports of capital goods. In fact, it was with a view to enabling the country to buy more capital and durable goods that it was being urged to import less food and grow more of it. Accordingly, it is surprising to find that some should criticise the Government, especially the Food Ministry, for having succeeded in realising that object.

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The drop in imports of capital goods is undoubtedly a disquieting feature of India's import trade and Mr. D. P. Karmarkar, Minister for Commerce, was perfectly right in describing it to be so. This development reflects the setback which industrialisation has suffered in this country. It is, however, not enough if a Minister of the Central Government merely admits this setback. He should go into the causes responsible for it and exert his influence over his Cabinet colleagues to remove them. In this connection, we would like to invite Mr. Karmarkar's attention to the leading article in this issue in which we have indicated the impediments to industrial expansion.

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To return to the subject of exports. That exports must be stimulated by all possible means needs no emphasis. The present comfortable position in regard to India's balance of payments will not last for ever. When development expenditure gathers momentum, more imports will be necessary to keep inflation under control. Again, the country must be prepared to meet any unforeseen developments in world trade by having a sufficient amount of foreign exchange reserves. Every country is now taking steps to raise its exports. Competition will, therefore, be much keener than what it is now. That the Government is aware of this, to some extent, is evident from the speeches of Mr. Karmarkar and Mr. Krishnamachari at the meetings of the Import and Export Advisory Councils which received very wide publicity in the daily Press. In their speeches, the Government spokesmen have stressed the need for establishing Export Development Councils for all the important commodities that figure in our export trade and for establishing Export Credit Guarantee Scheme. They have exhorted the manufacturers and exporters to improve their marketing methods. The former, in particular, have been advised to pay special attention to raise the quality of their products. These are all doubtless important, and there remains much to be done by business men in these directions. But, if India is to succeed in its export drive its goods must be competitive in price also. It is, therefore, necessary for the Government, industrialists and workers to take concerted measures for bringing down the cost of production.

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Unfortunately, the Government's spokesmen did not say anything on this all-important subject. On the contrary, Mr. Krishnamachari's remarks on export duties suggest that the Government will not give them up until much harm is done to our export trade. Here is what he said:

> "I would like you to remember that removal or reduction of export duties can only help where price is the main obstacle and where it is clear that, at a lower price, a larger volume of exports would take place. Where, however, the overseas demand is not likely to respond to a reduction in price, or a reduction in price is not likely to take place, the position would be different. Many suggestions have been received pressing for blanket reductions in export duties. But, in all such cases, Government have to be satisfied that the exporter himself is prepared to reduce his profit margins and that the reduction in prices will tend to stimulate exports. Our experience in the past has been that exporters put up prices directly after reductions in duties are announced. Such persistent claims for reduction in duties do not help either exports or exporters and often tend to discourage the overseas buyers from book-

(Continued on page 1083)

BOOM IN EQUITIES

TATA ORDINARIES IN GOOD DEMAND

(From Our Own Correspondents)

BOMBAY, 3rd December

CONDITIONS reminiscent of the boom period of 1951 were witnessed on the Stock Exchange during the week under review. Activity broadened considerably and, in brisk speculative dealings, equity values made spirited rallies. Particularly on Friday last there was a burst of activity initiated by the decision of the Directors of the Associated Cement Companies, Ltd., to maintain the dividend at Rs. 9-8 and to issue bonus shares in the ratio of one share for every five shares held, subject to the sanction of the Government. In the new account, which opened on Monday, the bullish enthusiasm was sustained under a wave of buying orders, backed up by short-covering. Steels, textiles and the miscellaneous group vied with each other to assume leadership of the market and in the race scored handsome gains.

In the steel section, Tata Deferreds opened on a steady note at Rs. 1,965. In subsequent hectic dealings, strident advances were made to cross the Rs. 2,000-mark for the first time after over two years and touch a high of Rs. 2,015 on Tuesday this week. At the high level there was a sharp reaction to Rs. 1,998-12 early on Wednesday, ascribed to the pressure in textiles and the weakness of bullion. But this recession was short-lived, as under a flurry of buying orders, they soon moved up to a high of Rs. 2,036-4 to-day, the highest since 23rd July, 1951. The closing, however, was done lower at Rs. 2,030. In the early part of the week, movements in Tata Ordinaries were narrow, confined to a range of Rs. 336-8 and Rs. 341, but in the last two days operators in steel shares concentrated their interest on Tata Ordinaries. Buying orders from Calcutta also were particularly strong, with the result that the scrips spurted to a high of Rs. 349 to-day before closing at Rs. 347. Indian Irons also participated in the general upswing, recording a rise from Rs. 25-10 to Rs. 26-9½.

Textiles were very active. Under hectic buying most favourites scored impressive gains. Bombay Dyeings were boosted from Rs. 394-6 to Rs. 406-4, but encountered pressure attributed to uninspiring advices from the cloth market, resulting in a decline to Rs. 398-2. They, however, regained stability aided by the strength of steels and closed at Rs. 404-6. Kohinoors advanced from Rs. 297-8 to Rs. 304-8, and, after drifting back to Rs. 290, recouped to Rs. 301. Central Indias rallied from Rs. 170 to Rs. 175. Centurys were conspicuous with a gain of Rs. 10 to Rs. 291 on sustained buying enthusiasm. Finlays recorded an improvement of Rs. 3 at Rs. 268, Gokaks Rs. 5 at Rs. 256, Indore Malwas Rs. 2-8 at Rs. 102-8 and New Greats Rs. 3 at Rs. 167. Sassoon Spinnings came to the forefront and scored a gain of Re. 1-8 to Rs. 28-8. Simplex struck a bright note and advanced by Rs. 4-8 to Rs. 158-8. Standards made a modest gain of Re. 1-14 to Rs. 316-4. Svadeshis jumped from Rs. 263-8 to Rs. 271-8. Tata Mills moved ahead by Rs. 2-8 to Rs. 52-8. Bradburys changed hands Rs. 25 higher at Rs. 765.

Activity in bank shares was relatively at a low ebb and the undertone was steady. Imperial Bank Fully Paids experienced some buying and moved up by Rs. 22-8 to Rs. 1,855. Contributories were quiet with a small loss of Re. 1-4 to Rs. 458-12. Central Banks were dull at Rs. 63-12, while their new shares were wanted Re. 1-4 higher at Rs. 67-12. Barodas were a fraction lower at Rs. 107-8. Bank of Indias were maintained at Rs. 155-12. United Commercials were marked up by As. 8 to Rs. 38.

Insurance shares were quiet. Empire of Indias shed Rs. 10 to Rs. 620. Jupiters were a fraction lower at Rs. 6-9½. Indian Mercantiles dropped As. 4 to Rs. 38-8. New Indias kept steady at Rs. 39-12. Orientals were better by Rs. 10 at Rs. 6,920.

Investment buying in the Tata Hydro Group was again a feature in the public utility section and small gains were recorded. Andhra Valleys moved ahead from Rs. 1,300 *cum-div.*, to Rs. 1,255 *ex-div.*, their Rights from Rs. 196-4 to Rs. 200 and Coupons from Rs. 40 to Rs. 45. Tata Powers appreciated from Rs. 1,400 *cum-div.* to Rs. 1,367-8 *ex-div.*, their Rights Rs. 252-8 to Rs. 271-4 and Coupons from Rs. 50-8 to Rs. 54-4. Tata Hydros gained Rs. 3 to Rs. 138-8 *ex-div.*, their Rights Rs. 5 to Rs. 31-8 and Coupons Re. 1-8 to Rs. 11. Ahmedabad Electrics were wanted Re. 1-4 higher at Rs. 114-11. Bombay Suburbans were quiet at Rs. 123-12.

Following the announcement of the Directors' decision to issue bonus shares in the ratio of 1:5, in addition to maintaining the dividend at Rs. 9-8, Associated Cements, among the miscellaneous shares, spurted from Rs. 183-12 to Rs. 189-12, but closed a shade lower at Rs. 187-4. Belapurs surged forward from Rs. 263-8 to Rs. 274, but backed away to Rs. 265, following the Chairman's remarks at the annual meeting that the outlook for the current year was not bright. Bombay Burmahs were marked up from Rs. 353-2 to Rs. 367-8 early in the week, but shaded off to Rs. 357-8. B.I.Cs. were steady at Rs. 9-6. National Rayons picked up from Rs. 127 to Rs. 130-4, but heavy profit-taking brought them down to Rs. 124-8. Tata Chemicals continued to be in favour and rose from Rs. 10-9 to Rs. 11-7. Tata Oils put on As. 8 to Rs. 34-8. Walchandnagars appreciated by Rs. 9-6 to Rs. 158-2 on expectations of better results. Wimcos added Re. 1-4 to Rs. 200. Premier Constructions were keenly bid and gained Rs. 10-12 to Rs. 113-4, on speculative buying inspired by anticipations of higher dividend. Alcocks hardened by Rs. 2-8 to Rs. 330. Indian Coppers were quiet at Rs. 2-14½. Shivrajpurs were steady at Rs. 69-8.

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Calcutta Stock Exchange

CALCUTTA, 2nd December

Activity on the Calcutta Stock Exchange was somewhat better this week than what it was last week. The undertone was fully steady and prices were well maintained on bullish advices from Bombay. Tea scrips were particularly in the limelight, the operators' interest being whipped up by marked improvement in the prices obtained in the London and Calcutta auctions. The belief that tea gardens were earning profits on their sales of tea, resulting from reduced costs, lent further support to tea scrips. Consequently, the upsurge witnessed in tea shares since last month continued unabated during the week under review. Jute shares also evoked buying support, following good recovery in jute goods prices. Trading in the coal section, too, was active, enquiries being mainly from bargain-hunters. There was renewed investment buying in selected miscellaneous shares which registered gains.

Among tea shares, Eastern Cachars recorded a handsome gain of Re. 1-7 to Rs. 5-1. Ethelbaris, Tukvars, and Hansquas advanced, by Re. 1-6 each, to Rs. 8-10, Rs. 9-8 and Rs. 16-14, respectively. Sonai Rivers moved up from Rs. 7-2 to Rs. 8 and Batelis from Rs. 14-13 to Rs. 15-6. Hattikhiras were higher by As. 6 at Rs. 14-12, Dhelkapats by As. 4 at Rs. 13-13 and Tengranis by As. 2 at Rs. 24-6.

In the jute section, Nationals picked up As. 7 to stand at Rs. 25-1. Bengals gathered As. 6 to Rs. 16-2. Presidencies gained As. 2 to Rs. 5-5. Kamarhattys, however, were subjected to speculative selling and suffered a loss of Rs. 4 to Rs. 189. Similarly, Deltas were subdued at Rs. 230, as against Rs. 232 last week.

Coal shares registered an all round rise in prices. Thus, Bengals rallied Rs. 2 to Rs. 502. Raneegunges hardened by Re. 1-6 to Rs. 11-9. New Beerbhooms and Burrakurs put on As. 9 and As. 7 to Rs. 19 and Rs. 8-15, respectively. Bharat Coals rose by As. 5 to Rs. 6-2 and Central Indias by As. 3 to Rs. 5-9. South Karanpuras gained a like amount to Rs. 10-7.

Quotations for engineering shares were generally well maintained. Indian Irons witnessed erratic fluctuations under the influence of a bull-bear tussle. After suffering a loss of As. 7 to Rs. 24-12, they moved up, in response to firm advices from Bombay, to finish the week at Rs. 25-4. Textile Machinerys met with special buying enquiries and recorded a handsome gain of As. 14 to Rs. 8-11. Jessop & Cos. and National Irons put on As. 4 each to finish at Rs. 25-4 and Rs. 5-8, respectively. Marshalls were better by an anna at Rs. 5-13. Bhartia Electric Steels were fully steady at Rs. 10-12 (c.t.) and Braithwaites at Rs. 12-14.

Buying enquiry in the miscellaneous section was of a selective type. Rallis Indias were dealt at Rs. 67, as against Rs. 66-8. Martin Burns and Rohtas Indias gathered As. 4 each, the former to Rs. 19-12 and the latter to Rs. 9-14. Shaw Wallaces and B.I. Corporations were higher by As. 2 each at Rs. 11-6 and Rs. 9-6, respectively.

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Madras Stock Exchange

MADRAS, 1st December

For yet another week, the Madras Stock Exchange presented distinctly bright conditions. The textile section was in the lead, with favourites coming in for good attention, on reports of better offtake of piecegoods at the various consuming centres and encouraging overseas advices. The upward trend noticed in plantings persisted generally this week also. Among them, teas were the brightest, on good demand from the U.K. and other overseas centres. Rubbers too came in for considerable enquiry. Coffees were, however, quiet. But miscellaneous scrips were in good shape. As a result, business done in the market was encouraging and share values over a broad front recorded sizable gains on balance.

The textile section presented livelier conditions. Favourites continued to enjoy good buying support. Coimbatore Pioneers shot up from Rs. 119 to Rs. 125, and Buckinghams from Rs. 121 to Rs. 126. Venkateshas gathered Rs. 5 to Rs. 75. Bangalore Woollens changed hands at Rs. 285, as against Rs. 282-8. Krishna Rajedras gained Rs. 2 to Rs. 50-8. Vasantas and Balasubramanias 'B' rallied Re. 1 each to Rs. 165 and Rs. 60, respectively. Travancore Rayons were higher by As. 9 at Rs. 7-4 and Rajalakshmis As. 8 at Rs. 79. But Rajapalayams lost Rs. 2 to Rs. 74 and Radhakrishnas Re. 1-8 to Rs. 163.

Among plantings, teas, as indicated earlier, evinced keen interest. There was some follow up even at rising rates. Thus, Udayagiris crept up from Rs. 4-6 to Rs. 5-8 and Devasholas from Rs. 18 to Rs. 19. Peermades climbed up by As. 8 and closed at Rs. 26-12, and Waterfalls by As. 5½ and finished at Rs. 3-11. Kalasas advanced by As. 2 and finished at Rs. 11-6. Parksides were done at Rs. 15-4 ex-div., as against Rs. 15-8 cum-div. But Emerald Valleys lost an anna and finished at Rs. 4-7. Chembras were fractionally lower at Rs. 2-5.

Rubbers also were in good demand. Malankaras were higher by Re. 1-8 at Rs. 109. Nenmenys and Travancore Rubbers gained As. 4 each to Rs. 8-12 and Rs. 13-14. Vaikundams put on As. 2 to Rs. 16-4. Velimalais were slightly higher at Rs. 2-7 and Cochin Malabars at Rs. 7. But Rajagiris lost As. 4 to Rs. 12-8 cum-div. and Be Bes lost an anna to Rs. 2-5. Pullangodes were fractionally lower at Rs. 3-0½.

Little interest was noticeable in coffee shares. Only Coffee Lands gained an anna to Rs. 10-13. Others were quoted a shade lower. Consolidated Coffees lost As. 2 to Rs. 18-2. Nil Neergundis eased from Rs. 3-14 to Rs. 3-12. Puthuthotams were lower at Rs. 3-4, as against Rs. 3-5. Kadur Coffees was unchanged at Re. 1-8.

The miscellaneous section witnessed bright conditions. With relatively more enquiries, sentiment hardened, and quotations showed sizable improvement. Binnys shot up from Rs. 114 to Rs. 120. Central Scientifics hardened by As. 6 and closed at Rs. 5-10. Mysore Papers improved by As. 9 to finish at Rs. 15-6 and Spencers As. 4 to close at Rs. 14-12. E. I. D. 'B' Sugars gained Re. 1 to Rs. 23-8 and India Sugars As. 8 to Rs. 23. Radio and Electricals, however, lost Re. 1-3 to Rs. 3-12 and Mysore Gold an anna to Rs. 2-13.

Notices

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninetieth Ordinary General Meeting of the Shareholders of the above Corporation will be held at the Registered Office of the Corporation, No. 9, Wallace Street, Fort, Bombay on Thursday the 17th December, 1953, at 4-15 p.m. (S.T.), for the purpose of transacting the following business:—

I.—To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st May, 1953.

II.—To sanction the declaration of a Dividend.

III.—To confirm the appointment as Director of Mr. R. L. Coghlan in place of Mr. L. F. H. Goodwin, resigned.

IV.—To confirm the appointment as Directors of Sir Jamsetjee Jejeebhoy, Bart., and Mr. Arvind N. Mafatlal.

V.—To elect Directors in place of Sir Cowasji Jehangir, Bart., G.B.E., K.C.I.E., and Mr. R. L. Coghlan, who retire by rotation but who are eligible for re-election.

VI.—To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,
WALLACE & CO.,
Secretaries, Treasurers & Managers.

The Transfer Books of the Corporation will be closed from 7th December, 1953, to 28th December, 1953, both days inclusive.

BOMBAY, 25th November, 1953.

SUTLEJ COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting of Sutlej Cotton Mills Ltd., will be held at Imperial Bank Building, Bank Street, Fort, Bombay, on 30th December, 1953, at 5 p.m.

(a) To receive and pass the Directors' Report and Audited Accounts for the year ended 31st March, 1953.

(b) To declare a Dividend which is payable on application to the shareholders when declared.

(c) To elect Directors.

(d) To appoint Auditors for the current year and to fix their remuneration and

(e) To transact any other business that may be brought forward.

The Share Transfer Register will be closed from 17th December, 1953, to 30th December 1953, both days inclusive.

By Order of the Directors,
BIRLA BROTHERS LIMITED,
Managing Agents.

DELHI, 27th November, 1953.

NEWS IN BRIEF

THE Employees' State Insurance Scheme will come into effect in Bihar from April, 1954.

The Government of India has accepted the Tariff Commission's recommendation to give protection to the Indian plastic buttons industry against imports from Japan only.

The West Bengal Legislative Assembly passed, last week, the Estates Acquisition Bill, which seeks to abolish zamindari in the State within a stipulated period.

The Government has decided to take over the Barsi Light Railway on 1st January, 1954. The Company will be paid compensation as soon as possible, but it is unlikely that accounts will be fully settled before 30th April, 1954.

The Government of India has sanctioned a short-term loan of Rs. 35.83 lakhs to the Hyderabad Government for purchase and distribution of 5,000 tons of ammonium sulphate and 4,780 tons of super-phosphate during 1953-54.

The Kashmir Government has under consideration an insurance scheme for labourers. Under the scheme, contractors will be asked to contribute to a capital fund of insurance at a fixed percentage of wages of each labourer employed by them.

The Government of India has accepted the Tariff Commission's recommendation that the protection granted to the ferro-silicon industry need not be continued beyond 31st December, 1953. If, however, the industry finds itself, at any time, unable to meet foreign competition, it may apply to the Government for a fresh examination of its case.

The Standing Committee of the Employees' State Insurance Corporation, at its meeting held in New Delhi last week, recognised the need of implementing the State Insurance Scheme as extensively as possible in 1954 and urged that all the parties concerned—Government, employers and workers—should accord their unstinted support for this purpose.

The Rajasthan Industrial Advisory Council, which met at Jaipur in July last, has submitted its recommendations to the State Government with regard to the setting up of an industrial finance corporation, as also to explore possibilities of industrial survey of Rajasthan. The State Government has accepted the recommendations of the Advisory Council, and has appointed a committee to draw up detailed proposals for setting up an Industrial Finance Corporation for Rajasthan.

A plea to reduce the import duty on watches was made by M. Charles Javet, Marketing Director of the Federation of Swiss Watch Manufacturers, at a reception held in Delhi last week. Watches, he said, could not be regarded as a luxury and should not be taxed as such. The high import duties gave rise to smuggling and this affected honest dealers, as well as the reputation of the watches. The only way to eliminate the evil, he said, was to reduce the import duty and allow imports in reasonable quantities.

Electricity generated by 629 public utility power stations in India during August this year was 587.8 million kw.h., of which 468.9 million kw.h. were sold to ultimate consumers. These figures include the data for the two new undertakings serving Baruipur and Jamuria towns in West Bengal. As compared with July, there was a decrease of about 0.2 million kw.h. The corresponding figures of output and sale for August, 1952, are 531.6 million kw.h. and 428.7 million kw.h. and for August, 1939, 213.1 million kw.h. and 177.4 million kw.h., respectively.

The Government of India is considering a proposal to throw open the postal life insurance scheme to certain categories of the public. This proposal is part of the steps that are being taken to popularise the movement. During 1952-53, 9,993 policies of an aggregate value of Rs. 2,44,43,500 were issued. Provision has now been made for grant of loans on policies, facilities of automatic paid-up policies, raising the limit of insurance to Rs. 30,000, liberalisation of rules of medical examination and throwing open the fund to Defence Services personnel.

The prices of certain petroleum products have been reduced with effect from the 2nd inst. The reductions have been made possible mainly by the greater availability of these products from nearer sources and the fall in freight rates. The reductions vary according to the different areas of supply. They are: kerosene from As. 6½ to As. 9 per unit of eight gallons, motor spirit 6 pies per gallon in areas supplied from Visakhapatnam and Calcutta, vapourising oil 3 pies per gallon, high speed diesel oil from 1 anna to 1 anna 3 pies per gallon, light diesel oil from Rs. 3 to Rs. 4-7 per ton, and furnace oil from Rs. 3-11 to Rs. 6-2 per ton.

The Food Ministry is likely to withdraw the permission given to the vanaspati industry to use groundnut oil, linseed and sesame oils, instead of groundnut oil in the manufacture of vanaspati. The permission was given a few months ago, owing to the failure of the last groundnut crop and consequent rise in the price of groundnut oil. It is said to be much easier now and the use of other oils may be withdrawn when the groundnut crop is received. Another reason for withdrawal of the permission is that the use of mustard oil by the industry is likely to raise its prices and cause hardship to people in West Bengal and Bihar.

A bench-mark survey to record economic and social conditions at a certain point of time in the Community Development Project areas, followed by two surveys at intervals, aimed at measuring the changes effected in the same areas by the operation of the Community Development Programme, is proposed to be undertaken by the Programme Evaluation Organisation (Planning Commission), Government of India, in the 25 project evaluation centres spread over India. Principal fields in which data are to be collected in these surveys are: (i) production, (ii) income, (iii) resources, organisation and efficiency (with special reference to employment), and (iv) standard of living.

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From Abroad

It is estimated that the output of German shipyards will be 20.25 per cent. larger than in 1952, which was 503,000 g.r.t.

The imports of aluminium by the U.S. are expected to reach a new high of 3,360 million lbs. in 1953. Domestic production capacity is estimated to reach only 2,600 million lbs. by the end of the year. This excludes some high-cost capacity which is called into use only in times of emergency.

The largest United States tax-exempt bond sale of 1953, namely, Indiana Toll Road Commission's $280 million issue, will probably take place on 17th December. From 350 to 450 firms from all over the U.S. will participate in the sale and distribution of revenue bonds, which carry maturities upto 40 years.

The American Independent Oil Company has completed its fourth well in Kuwait-Saudi Arabia neutral zone and is preparing to develop the field intensively. The deliveries of crude oil are expected to start in about six weeks. Tests indicate that the new wells will produce at a rate of about 4,500 barrels a day. The initial strike in what appears to be a major oil producing field was made in April last.

The F.A.O. Conference held at Rome recently set up a special 10-Nation Committee to combat the threat of locusts in the Middle East. The membernations are Egypt, Iraq, Jordan, Lebanon, Syria, Saudi Arabia, Turkey, the U.K., France and the U.S. Besides, it consists of locust experts from the F.A.O. The Conference was told that locusts were spreading northwards through the Arabian Peninsula invading the area east of Israel to Iraq.

Ten rubber-cushioned freight cars have been purchased by the Eric Railroad, a leading American railway line, for use in the continuing search for ways to reduce possible damage to shipments. The 10 experimental cars will be used in regular freight service to carry commodities that are susceptible to damage in transit. The cars have rubber-cushioned underframes. The rubber-cushion supplements the standard gear for absorbing the impact effect in train and yard-handling of freight cars.

Seventy factories are to be set up for the development of Punjab (P), under a Five-year Plan, at an estimated cost of Rs. 40 crores. Industrialisation of the province under the plan, prepared two years ago, would have been much faster but for the lack of capital, shortage of power and want of experienced personnel. An industries' facilities promotion committee is understood to have been formed. It will acquire land, procure raw materials, machinery, arrange power resources, railway sidings and marketing facilities.

For the seventh month in succession during 1953, imports by the U.S. in September exceeded those of the corresponding month of 1952. Imports during September, 1953, aggregated $926 million, as against $841.5 million in August, 1953, and $876.6 million in September, 1952. This increase was due to larger American receipts of coffee, crude rubber, copra and petroleum. The U.S. exports also increased during September, aggregating $1,235 million (including $203.7 million of economic and military aid), as against $1,184.6 million in the previous month and $1,227.6 million in September, 1952.

According to a preliminary estimate made by the U.S. Department of Agriculture, the world production of rough rice in 1953-54 (August-July) will be about 359,000 million lbs., as compared with 357,000 million lbs. in 1952-53 and 335,000 million lbs. in the average pre-war year. The acreages under rice have increased in many parts of the world and, in most countries, large crops are being harvested or are in prospect. The largest rise in production in the surplus countries will be in the "rice bowl" of Asia—Burma, Indo-China and Thailand—where the total output is estimated at 44,700 million lbs., an increase of 4,200 million lbs., over last year's total.

Coal miners in the United States received during the year ended 30th June, 1953, a record of more than $138 million in pension, medical and other benefits. Officials of the welfare and retirement fund of the United Mine Workers, the leading union of coal miners, reported recently that 226,421 miners and their families received assistance. The largest outlay went to 50,055 miners, who received pensions of $100 a month. The fund, organised in 1949, is financed by coal-operators at the rate of 40 cents for each ton of coal mined. During the year, the fund received $131,482,786 in royalty payments and interest from Government securities. As on 30th June, the fund had a balance of $92,024,732.

PERSONAL

MR. A. C. N. Nambiar, India's Envoy to Sweden, who had gone to New Delhi for consultations, has left Bombay for Geneva.

Mr. K. S. Sundra Rajan, Commissioner of Income-tax, Hyderabad, has assumed charge as Commissioner of Income-tax, Bombay.

Mr. Ali Asghar Hekmat, Minister without Portfolio in General Zahedi's Government, Iran, has been appointed Iran's Ambassador to India.

Mr. C. T. Whyman, officer in charge of the Trade Marks branch of the Patent Office, London, has arrived at Bombay on a four-month tour of India, under the Technical Co-operation Scheme of the Colombo Plan.

Mr. V. P. Varde, Managing Director, Bombay Central Co-operative Bank, has left for Geneva to attend the forthcoming session of the Experts Committee of the International Labour Organisation on Co-operation, as India's delegate.

Mr. B. K. Banerjee, Section Sales Manager, Caltex (India) Ltd., Calcutta, who had gone to the U.S. for training under Caltex's Technical Training Programme, which is designed to give advanced technical experience to Indian employees, has arrived in Bombay.

Lala Yodh Raj has vacated his office as Chairman and General Manager of the Punjab National Bank Ltd., after being associated with it for 28 years. Mr. B. N. Puri, hitherto General Secretary of the Bank, has been appointed General Manager by the Board of Directors, with effect from 1st December, 1953. Mr. Puri has been with the Bank for 25 years and has held several responsible positions. He has acted as General Manager on a number of occasions when Lala Yodh Raj went on leave.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 8th December

Income-tax Posers

To the individual, income-tax is no more popular than, say, customs duty on personal effects, but it is a known fact that as many persons try to evade the one as the other. Within recent years, the income-tax authorities have closed many an avenue of evasion and their vigilance does lead to some at least of the defaulters being brought to book, but no publicity seems to attach to the cases they have to decide, which, according to the point of view, is perhaps fortunate. It comes, therefore, as a source of surprise that the Committee of the Bengal Chamber of Commerce should have been called upon to adjudicate in what appears to be a trivial question, but one that affects practically all firms in this country who are in the habit of importing men from home. Salaries for newcomers covenanted out to India invariably commence from the date of departure from home, hence, in the case of assistants who are sent all the way by sea to Calcutta, the first month of service is spent on the briny. Apparently, this has been reckoned as affording a problem where income-tax is concerned and the Committee of the Bengal Chamber have had to consider, whether it is necessary to deduct income-tax from the first month's salary of a new assistant who does not arrive in Calcutta until the beginning of the second month on his agreement; the position thus being that, although the salary for the first month is paid here, the assistant was not resident in India in the period, to which it is applicable. The Committee duly replied that it is quite clear that income-tax should be deducted. Section 4(1) of the Income-tax Act provides that the Act shall apply to "all income, profits or gains, as described or comprised in section 6, from whatever source derived, accruing or arising, or received in British India," etc. Section 6 prescribes the heads of income which are chargeable to tax, and one of these is "salaries."

The new U.S. Farm Price Programme is nearly complete. It is stated that the Programme provides for the continuation of all existing price supports for almost all commodities. Supports for most of the crops including corn, wheat, foodgrains and dairy products are expected to average slightly lower than at present and price supports for wool, rice and a few other products will be higher. The Programme, it is stated, also calls for a two-priced system for wheat, cotton and rice. According to the two-priced system, a portion of the crop consumed domestically will be supported at high levels, while the balance moving into export channels will find its own levels.

An agreement establishing a joint American-Canadian committee on trade and economic affairs has been signed between the U.S. and Canada. The purpose of the Committee is to deal with anything that might adversely affect trade between the two countries. Consequently, most of its work initially will concern American tariffs, which from time to time cause rifts in trade relations. During the past year, the American embargo on Canadian dairy products has caused irritation in Canada, and has evoked protests from the Canadian Government. Concern has also been expressed on possible increase in American tariffs on Canadian lead and zinc. So far, most grievances have been on the Canadian side, and are attributable to the attitude of the U.S. Congress rather than the Administration.



EUROPEAN STEEL PRICES

THE High Authority of the European Coal and Steel Pool is faced with a major crisis. The steel producers have challenged the legality of the recent decision of the Authority to suppress the price ring for steel exports to countries outside the six-nation common market. The exporters argue that the regulation of export prices does not mean that they have formed a "cartel"; they would call it a mere "arrangement." Nobody is certain that compulsory suppression of the cartel will be upheld by the Pool's High Court of Justice to which lies an appeal from the decisions of the High Authority.

There is a cleavage between the Belgian and Luxemburg interests on the one hand, and the German interests on the other, regarding the future of the alleged cartel. Strong Belgian and Luxemburg interests have been suggesting that the cartel should be allowed to continue. Mr. Pierre van der Rest, spokesman of the Belgian steel industry, says that the industry cannot afford to sacrifice its liberty to arrange the price for exports outside the common country. Nothing that has happened so far, he maintains, shows that the cartel has done any damage to the smooth working of the steel market inside the six-nation territory. Consequently, he is of the opinion that, unless such damage was proved, there would be no justification for declaring the cartel illegal. It is also pointed out that the Belgian and Luxemburg steel industries have to rely on exports to cover a large proportion of their overhead costs.

The German steel interests, however, argue that the export cartel, by putting up the export prices, had been profoundly disturbing the financial balance inside the Pool. It has, therefore, suggested that the cartel should be suppressed under Article 65 of the treaty as "interfering with the free play of internal competition." The French and Dutch attitudes are not yet fully defined. The Italians, who take little part in international steel trade and who are not, therefore, members of the export cartel, are apparently neutral. The cleavage between the view of Germany and that of Belgium and Luxemburg interests reflects the fact that Germany exports only a small proportion of its steel output and can, therefore, afford to sell it cheaply.

The question of suppression of the export cartel and the fixation of maximum and minimum prices have been made much more difficult by uncertainty of steel prices inside the Pool itself. It is true that steel-producing companies have duly published their price schedules. But, it is understood that, although technically bound by these schedules, the steel companies are allowing considerable rebates with a view to getting more business. A part of the rebates are justifiable under the Schuman Treaty, which entitles the steel companies to sell in one another's markets at prices corresponding to the delivery price of nearest producers, thus providing for deduction of transport costs in selling to distant markets. It appears, however, that the rebates given have in practice gone beyond this allowance. The companies are enabled to give liberal rebates, because they deduct the expensive rail transport cost, while steel is actually despatched cheaply by inland water ways. In certain cases, the average current quotations are stated to be about 10 per cent. below the quoted schedules.

Thus, the High Authority is faced with a very complex problem of suppressing the European steel export cartel and determining the maximum and minimum prices for exported steel. It is, however, gratifying to note that, as these lines are being written, the Advisory Committee to the Authority is holding preliminary consultations at Luxemburg to determine, at the very outset, whether price fixing for exportable steel is opportune and, if so, what should be the level of maximum and minimum prices. The Committee, which represents producers, consumers and labour interests will also express its views on the question of limiting rebates to the difference between transport costs of the supplier and his direct competitor, after reviewing the decisions already in force regarding discrimination, the publication of price schedules and the conditions of sale. It is true that, although the Authority is bound to consult the Committee, it is not necessary to follow its advice. But it is held that its advice will not be generally flouted.

SALES TAX IN BOMBAY

The Bill to amend the Bombay Sales Tax Act, 1953, has emerged from the Select Committee of the State Legislative Assembly with some important changes. The limit of turnover for the purpose of liability to pay tax has been raised from Rs. 15,000 to Rs. 25,000. But, in the case of dealers who import goods from places outside the State, and those who manufacture or process goods for sale, the limit of turnover will be Rs. 10,000 (provided that the value of the goods imported, manufactured or processed is not less than Rs. 2,500). The "sales tax" and "special goods sales tax" proposed in the Bill to be levied at the first stage of the sale have been combined into a single tax at suitable rates, called "sales tax." Similarly, the "purchase tax" and "special goods purchase tax" proposed in the Bill have been combined into a single tax, called "purchase tax."

The Select Committee has introduced some provisions which seek to liberalise, as well as simplify, the original Bill. Thus, the provisions relating to the levy of sales tax have been liberalised to allow deductions from the turnover in respect of exports. A new section has been inserted to provide for the grant of authorisation to registered dealers for the purpose of facilitating the export of goods outside India or to other States. Such authorisation will be granted to dealers whose turnover of sales of goods exported in a year has exceeded Rs. 50,000. A new sub-section has been added to the effect that rules made under the section should provide, *inter alia*, that, in the case of a dealer who manufactures or processes any goods for sale, a set-off shall be allowed against the sales tax payable by him on the purchase of goods used in the manufacture or processing.

A notable feature of the revised Bill is that schedules B, C, D and E of the original Bill have been combined into one Schedule B, showing all taxable goods and specifying the rates of sales tax, general sales tax and purchase tax against each item of goods. Again, the Schedule A, which gives the list of tax-free goods, has been enlarged so as to include betel leaves, chillies, chilly powder, tamarind and turmeric, flowers, edible tubers, and sugarcane. The items which have been exempted from sales tax but made subject to general sales tax at the rate of three pies in the rupee are: artificial silk yarn, raw silk and silk yarn, raw wool, wool tops and woollen yarn (other than knitting yarn) and staple fibre yarn. Sales of bullion and specie are made subject to sales tax of one-fourth per cent. and general sales tax also at the same rate.

The general structure of the Bill, namely, its two-point character, however, remains unimpaired. Although the Bill, as it now emerges from the Select Committee, may have something to commend it for acceptance, the expediency of introducing a Bill of this kind has been rightly questioned by the leading spokesmen of trade and industry. Mr. Ambalal Kilachand, President of the Indian Merchants' Chamber, emphasised that, both in the long-term interests of the trade of this State and for the sake of simplicity in tax structure, the case for "restoring the single-point basis is on strong grounds." If the Government is not inclined to accept this suggestion, it would do well at least to maintain the *status quo* in the sphere of sales tax, albeit at slightly lower rates, till the Taxation Enquiry Commission, which is engaged in examining all aspects of India's fiscal problem, submits its report. If the Commission were to emphasise the need for changing the two-point sales tax structure, the Government would be urged to make the necessary change. And if it then decides to change, as, indeed, it must, unless it does not mind incurring the displeasure of the Central Government and/or the public, it will have made an unnecessary experiment in the two-point system for a short period.

RELIEVING UNEMPLOYMENT

The Central Government has adopted certain measures to relieve the suffering among the middle class people through insufficient income. The establishment of the Family Welfare Centre at New Delhi, under the auspices of the Central Social Welfare Board, is a step designed to augment the limited income of the middle class families. It is true that the scheme is restricted in scope. Even so, it deserves the attention of social welfare workers. Under this scheme, gainful employment is sought to be provided, on a part-time basis, to the womenfolk of middle class families (within the income group of Rs. 60 to Rs. 260 per month) at their homes or in a nearby factory. For this purpose, it is proposed to establish a match factory on a cottage-industry basis. Nearly 500 families from the surrounding locality are expected to be provided part-time employment by way of producing some of the components required for the manufacture of match boxes. The factory is to be run by a co-operative society which will market the products with the assistance of the Central Government.

The above scheme is no doubt modest in approach, but, on that score, its significance should not be belittled. For there is no single remedy for the distress of the middle class and the problem has to be tackled from different directions. Surely, the family welfare service is, as Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, aptly remarked, while inaugurating the Delhi Centre, one of the directions in which the problem can be tackled. The establishment of the Delhi Centre, it is to be hoped, will be the precursor of a large number of similar centres all over India.

The Central Government's scheme for assisting the State's educational efforts is designed to give more direct aid, in order to relieve unemployment. Financial sanction has been made by the Government for the recruitment of 16,000 rural teachers and 670 social education workers by eleven States. The salient features of the financial provisions of the scheme are:

The period of Central assistance in this scheme is for three years and the Centre will contribute 75 per cent., 50 per cent. and 25 per cent. of the salaries of the teachers in the first, second and third year of the scheme, respectively, the States contributing the remainder. After the three-year period, the States will have to maintain the schools out of their own resources. In the case of new social education centres, the Centre will contribute 50 per cent. of the salaries or honoraria to the teachers and the expenditure on contingencies upt a certain maximum till the end of March, 19 Proposals have been received from about 20 St and the present allocations have been made i case of the States whose proposals do not further discussion.

The Government of India has al steps to relieve the distress caused calamities in several parts of the cr cially in Bihar, Madras, Mysore a It has decided to give assista States to the extent of Rs. 2.66 crores during 1953-54. The assistance promised does not include assistance given in the form of issue of subsidised foodgrains and under other programmes like Grow-more-food and arrears of payment made in the current financial year on account of expenditure on scarcity relief incurred in the previous year. The said sum of Rs. 2.66 crores is the second part of the sum of Rs. 15 crores provided in the Five-year Plan for the three years commencing from 1952-53.

As readers are aware, the Central Government has been giving assistance for the implementation of the Five-year Plan in the different States. In the first three years of the Plan period, the Centre has given Rs. 27.61 crores by way of grants and Rs. 250 crores by way of loans. The purposes for which grants have been made include food, community projects, basic and social education, cottage and small-scale industries, assistance under Article 275(1) of the Constitution, natural calamities and special development grants to Part B States. Larger portions of the loans to States have gone to river valley projects, development schemes, rehabilitation and minor irrigation works.

INDO-RUSSIAN TRADE PACT

The Government of India has this week signed a trade agreement with Russia, as was visualised in our Delhi Letter last week. In fact, for a considerable time now, there were rumours of a possible trade pact between the two countries. A definite indication of the signing of a pact was given by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, at the meeting of the Export Advisory Council last Sunday. He said that, along with the trade agreement would also be a balance of payments agreement. Payment would be, he said, in rupees and settlement of balance might be in sterling.

India's trade with Russia has all these years been on a limited scale. In fact, the volume of trade has been so small that it must be described as negligible. In such trade as did take place, however, India enjoyed a favourable trade balance. India's exports in the fiscal year 1952-53 amounted in value to Rs. 85 lakhs, as compared with Rs. 667 lakhs and Rs. 134.08 lakhs in 1951-52 and 1950-51 respectively. Goods imported from Russia were valued at Rs. 24.17 lakhs in 1952-53 and Rs. 138.2 lakhs and Rs. 22.9 lakhs in the preceding two years respectively. Exports in the four months, namely, April-July, 1953, amounted to Rs. 8.6 lakhs, while no goods were purchased from Russia in this period. These figures refer mostly to tea, jute goods, tobacco and shellac purchased by Russia on a barter basis.

The news of a trade pact with Russia has been received well by both the tea and jute goods markets in India and prices have hardened in both. This is because it is now known that deals with Russia will not be on a barter basis but will be paid for in rupees. Russia seems to be interested in good tea leaves for blending with common teas purchased elsewhere. Russian requirements of packaging materials are confined mainly to gunny bags.

While it is easy for Russia to buy in the free market at prices dictated by forces of demand and supply, it is rather difficult for other countries to purchase from Russia, for it is stated that the costs of production in Russia bear no relation to free market prices. Unless Russia starts giving quotations which are competitive to those in free markets for similar commodities of equal quality and measure, there are little chances of Russia increasing its sales in India. So far as payment for imports of Russian goods is concerned it has been officially announced in India that the U.S.S.R. is prepared to accept Indian rupees if any importer of Soviet goods offered to pay for the imports in Indian currency. The Government of India has also expressed its willingness to help importers if they experience any difficulties on account of exchange or import controls. It is, therefore, now a matter for the private trade to settle with the Russian authorities the terms on which it is prepared to buy goods from them.

BOGRA BANKERS' AND PLANTERS' CORPORATION

The Reserve Bank of India has served a notice the Bogra Bankers' and Planters' Corporation Hill, West Bengal, informing the Bank that rms of the first proviso to sub-section (2) of 22 of the Banking Companies Act, 1949, a o carry on banking business in India can- anted to it. The refusal of a licence makes try on the part of the Bank to cease the business of banking, as defined in b) of the Act, and it would not, there- r for it, among other things, to ac- money from the public.



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OFF THE RECORD

(By "ROVER")

ALL the early apprehensions about the trend of affairs in the new State of Andhra are unfortunately proving to be true. There was a tendency in some political quarters to pooh-pooh these as nervous misgivings on the part of habitual pessimists, especially by those who saw a bright political future and chances of ministerial office for themselves only if the country was cut up into small territorial units, giving unlimited play for parochial intrigues and appeal to local passions and prejudices. How strong a hold regional and communal considerations have on the minds of even those, who could be considered as politically and socially more advanced sections of the citizens, has been well illustrated in the sordid and humiliating display regarding the choice of a capital for this new State. There could be nothing more stultifying and humiliating for the political future of a newly established State than the utter absence of discipline and ordinary proprieties of public life which characterised the scramble for office and power which preceded the formation of the Cabinet and which followed the inauguration of the State Legislature.

The State of Andhra was ostensibly demanded and formed for securing greater happiness and well-being of the Andhras and an accelerated rate of development of the poor economy of the region. As the short record so far shows, very few, if any, in the State Government or the Legislature seem to have given any thought to these or any of the larger issues which face an infant political unit. The fluidity with which parties and groups have split and reformed and the frequency of crossing and double-crossing on the part of some individuals, for motives which can do no credit to a public man, point to a state of affairs and a future which should serve as a timely warning both for the country as a whole and for those regions which are clamouring for being set up as independent States. What could one say of a Legislature which votes Rs. 500 per mensem as salary for Ministers and Rs. 600 for its Chief Parliamentary Secretary? This Gilbertian situation may be highly entertaining, but it certainly cannot be regarded as highly edifying. If the hungry people of Andhra stand in need of any entertainment, there are other sources to which they can look for it. From its political leaders, they have a right to expect more sober and dignified attitude than they have displayed so far after the Andhra State came into existence.

The Spirit of "Swadeshi" or Slavery?

In a monarchy, there would always be people who are more loyal than the king himself. The Congress Party in our country can also boast of members who are animated by a similar mentality. There are no limits to which they would not go to promote their pet fads or to demonstrate their attachment and devotion to some aspect of the Party's general policy. There is little scope left for back-benchers in the Party to use prohibition as a useful publicity stunt. Even if one were to clamour for the most extravagant measures in the Bombay State Legislature to prevent use of alcohol by the citizens, there is little possibility of anyone being able to outbid the State's Chief Minister by way of fanaticism, unless it was to ask for capital punishment for all prohibition offences.

But one fad is as good as another and in the armoury of the Party in power there is no dearth of fads. Besides, the choice at any given time to be effective has to be shrewd and carefully made. The limelight is playing at present not on prohibition but on handlooms and other cottage industries. Scared by the menacing increase in the statistics relating to unemployment, the country is going hell for leather for boosting these at any cost to the taxpayer and the consumer. Eager and ambitious minds have, therefore, now all turned to seeking political recognition from party leaders by suggesting new ways and means of making the otherwise unsaleable handloom and cottage industry products widely used, if need be, by pressure on those who are so placed as to be the least able to resist it. This has now become such a familiar feature of our public and political life that we have ceased to laugh at or be entertained by the Don Quixotes in our midst. In fact, we have come to dread this fell tribe in the post-independence era.

The State Legislature in Bombay is to meet next week. The political season in the State's capital will be soon in full swing. This is a time for those among our legislators who possess fertile and inventive brains to earn as much publicity as possible. One of the ways for doing this is to send resolutions for discussion during the forthcoming session. Apart from its political value so far as one's party and constituency are concerned, there is an element of excitement about this, which so many of us seek at the racecourse or in filling up forms for crossword or squareword puzzles at a heavy cost. There is a ballot to decide the priority of place for the resolutions sent in by the members and as the time allotted for unofficial resolutions is very limited, only a few of those given notice of have a chance to be debated and fewer still to be actually pressed to a division. The member who is lucky in this draw has possibly the same thrill as the owner of a horse which wins the race or secures a second or third place. Even the also-rans, however, have an advantage, inasmuch as the Press is obliging enough to mention in its columns the resolutions which are likely to interest the public.

I notice that Mr. K. B. Patel, a Congress member of the Bombay State Legislative Assembly, has tabled a resolution recommending the Government to make it compulsory for all its servants to wear clothes made of hand-spun and hand-woven cloth. In this resolution, Mr. Patel has further recommended that the Government itself should use only *khadi* for the uniforms of all such Government servants who are supplied with these. In addition, the resolution given notice of also wants the Government to use only hand-made paper and similar other articles in use in Government offices. Mr. Patel is reported to hold that the steps recommended by him will encourage cottage industries, in general, and the handloom industry, in particular, and that they would also foster a spirit of *swadeshi* among the officers and other employees of the State, besides helping to relieve unemployment.

So far as use of cloth by Government offices is concerned, I think there is already a general directive to all heads of offices to give preference to *khadi* or handloom cloth, wherever practicable and convenient. It is the proposed compulsion for all Government servants to wear nothing but *khadi*, that is intriguing. This is not the occasion for entering into the controversy regarding mill-made and handloom cloth and the liberal subsidies and aid in other forms being provided for the latter. That is a larger economic issue which need not be considered for the time being. What is involved in the drastic step proposed in Mr. Patel's resolution is the individual and civil liberty of those from amongst the public who are employed by the Government. Are Government servants to be reduced to the status of slaves who are denied even the choice of the kind of cloth they use for covering themselves? I do not know if the slaves, when slavery was legal and formed an accepted part of the social structure, were dragooned to the extent of using cloth, ouside that supplied by their owners free of cost, favoured only by their masters.

This whole idea is so preposterous and fundamentally anti-democratic that one is shocked to know that there are amongst the followers of Mahatma Gandhi, who would want, in all seriousness and sincerity, to turn the independence for which he fought all his life into an instrument of serfdom and slavery. And as to fostering the spirit of *swadeshi* amongst Government servants, apart from the anomaly involved in identifying *swadeshi* with goods produced in a particular manner, why should the class of Government servants be singled out for this purpose? If Mr. Patel were not so wholly preoccupied by his personal fad, he would soon realise that driving people like cattle under coercion along this path is the surest way of killing and not fostering the spirit of *swadeshi*, which we all want to encourage. But, perhaps what Mr. Patel has in view is not the spirit of *swadeshi* but the spirit of slavery. If it be the latter which he wants to encourage, his resolution will certainly be very effective.—*All Rights Reserved.*

BUSINESS MEN COMPLIMENT COMMERCE AND INDUSTRY MINISTRY

TREND OF FOREIGN TRADE OUTLINED

(From A Special Correspondent)

NEW DELHI, 1st *December*

THE Commerce and Industry Ministry received, on the whole, a good number of bouquets from the representatives of the commercial community at meetings of the Import and Export Advisory Councils held here this week. Mr. T. T. Krishnamachari, in particular, was the recipient of many encomiums for the drive and sagacity he had been displaying in safeguarding and fostering the external trade of this country. The meetings provided a good forum for the exchange of ideas between Government spokesmen and the leading members of trade and industry. The discussions were made easier by the preparation of the agenda and other relevant papers in such a manner as to facilitate the understanding of the mutual problems and difficulties, besides supplying information on the progress of the export trade during the first three quarters of the year.

DELHI LETTER

The Commerce and Industry Minister, Mr. Krishnamachari, took the opportunity to make some important announcements on the measures that his Ministry was contemplating to promote the export trade of the country, both from the short- and long-term points of view. He pleaded for the early establishment of export promotion councils, with a view to concerting measures to deal, in an organised manner, with the problems concerning the export trade of the country. A beginning should be made with the textile industry which, according to the Minister, should set up an export promotion council to undertake detailed and continuous market research and to institute, in collaboration with the Cotton Textile Committee, a body to supervise the quality of textiles exported to foreign countries. He drew the attention of the members to the importance of self-help and remarked that "unless the trading and industrial interests themselves set up appropriate organisations to do propaganda, to conduct market research, to promote standardisation and quality control, and to do a lot of other things that are necessary to persuade foreign buyers to buy our goods, we will find it very difficult to reach our goal."

The Minister was in favour of decentralisation in regard to the setting up of export organisations for individual commodities which should function in and around the ports from which the export business of that commodity took place. He also mentioned the fact that a Deputy Secretary had been solely charged with the task of export promotion. The Minister announced that Dr. Narayanaswami Naidu, who was now connected with the Forward Market Commission, would ultimately be made the Commodity Adviser for the Government and industry as a whole. Dr. Naidu would be asked to advise the Government as to how commercial intelligence could be toned up.

Another announcement made by the Minister was in respect of groundnut oil. He pointed out that exports of groundnut oil had come down appreciably. He stated that, as internal consumption had gone up appreciably, exports could not be allowed.

Imports

The average monthly imports during the first nine months of 1953 amounted to nearly Rs. 49 crores. For the first half of the year, the total imports came to Rs. 294.22 crores and the figure for the third quarter was Rs. 148.94 crores, the aggregate figure being Rs. 441.16 crores. The value of exports recorded a substantial decline, the total for the nine-month period being Rs. 380.03 crores. The adverse trade gap for this period amounted to an appreciable sum of Rs. 61.13 crores. Most of the imports have been necessary for maintaining the economy of the country on an even keel. In the third quarter, nearly 14 per cent. of the imports was millwork and machinery, while the share of the industrial raw materials was as high as 52 per cent. Essential consumer goods absorbed 31 per cent. of imports, while the non-essential consumer goods took up as little as 3 per cent. only. Since the Government has been anxious to maintain a stable exchange position, it is not in favour of radically altering the import policy, except to the extent necessary to encourage the import of machinery and industrial raw materials, with the object of stimulating industrialisation and employment. It will watch carefully the industrial production trend in the country and impose restrictions on items of imports which are produced internally in sufficient quantities of satisfactory quality.

Exports

On the export side, India's main commodities have been maintaining, on the whole, a satisfactory trend, but the decline in the prices of these goods, particularly jute manufactures, have been bringing less exchange to this country. The recent measures such as the abolition of the duty on medium cloth are stated to have provided some stimulus to exports. In the first ten months of 1953, exports of mill cloth amounted to 535 million yards and those of handlooms are estimated at about 46 million yards. On this basis, it is possible that total exports in 1953 may aggregate about 740 million yards, as against the target of 1,000 million yards fixed early in the year. In the international export markets, Japan has been able to hold sway. For instance, in the first seven months of 1953, Japan was able to export 471 million yards, as against the U.K.'s 410 million yards for the same period and India's 394 million yards for the eight months of 1953. Regarding the yarn export policy, exports would be permitted by the mills with a view to enabling them to clear the yarn in case it were to accumulate with them. Any further liberalisation of the policy is not contemplated. In regard to raw cotton also, Government is of the opinion that it is preferable to permit export of finished goods rather than the raw material.

Jute and Jute Goods

The supply position in respect of raw jute to the mills is stated to be satisfactory, despite the fact that the current season's crop is estimated at about 35 lakh bales. During the 1952-53 season, the jute mills received 40.30 lakh bales of raw jute from India and 12.87 lakh bales from Pakistan. During the first quarter of the 1953-54 season, receipts from India and Pakistan amounted to 7.76 lakh and 5.40 lakh bales, respectively. Exports of jute goods have now begun to show an improved trend and, in the third quarter, the average monthly exports worked out to nearly 69,000 tons, as against 55,000 tons in the previous half-year. In the first nine months of 1953, exports came to 538,650 tons, as compared with 737,478 tons in the whole of 1952. Indian jute goods are becoming competitive and it is noteworthy that the industry has been carrying on its publicity work in the U.K. and the U.S.A., in order to educate consumers in the superiority of jute goods over other packing materials. The successive reduction in the export duty, as well as a sharp fall in the prices of these goods, has provided some stimulus to exports and it is expected that, in the coming months, the quantum of exports of jute goods will improve.

Oils

The Government of India has been following a restrictive policy in certain oils with a view to safeguarding the interests of consumers in India. In 1952-53, exports of groundnut oil amounted to 67,613 tons and seeds 12,696 tons. In 1953-54 the quantity exported so far amounts to 1,396 tons and 2,649 tons, respectively. With a view to bringing down the prices of edible oils, the Government adopted a liberal policy for the import of copra, palm oil, coconut oil and cottonseed oil. From July to 10th October, the total value of licences issued in respect of the above amounted to the high figure of Rs. 9.5 crores. There has been a substantial fall in the exports of linseed oil, due to the disparity between Indian and international prices. During 1952-53 about 68 tons of linseed and 29,463 tons of oil were exported. During the first six months, total exports of linseed oil hardly amounted to 2,661 tons. The export trend in respect of castor oil has also been downward, on account of the price factor. For instance, in 1952-53, the quantity exported was 4,311 tons of kernel and 38,286 tons of oil. During the first half of 1953-54, exports of castor oil were 15,728 tons only. In respect of mustard oil also, Pakistan has begun to buy very sparingly. In 1952-53, India exported 8,674 tons of oil, while in the first half of 1953-54 the quantity amounted hardly to 81 tons.

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EX-SERVICEMEN AND
THEIR FAMILIES

NEW EXPORT DRIVE

HOW TO DO IT?

(From Our Own Correspondent)

LONDON, 28*th November*

IN October last, British exports hit the figure of £227¼ million and trade and industry declared this was good. For, in 1952, the monthly average was £215 million and this fell during the first quarter of this year to £208 million and only rose in the second quarter to £210 million and, in the third quarter to £211¼ million. As compared with these figures, October was undoubtedly good. The President of the Board of Trade even admitted that there was an upward trend, yet the Chancellor of the Exchequer, so confident at the Conservative political conference in October, showed a lack of confidence merging on the lugubrious about the trade figures, when he recently addressed the National Production Advisory Council. "Exports", he declared, "were disappointing"—and Britain had been losing ground steadily for the past two years in her markets outside North America.

LONDON LETTER

What more do the October figures show about our exports? Textiles and clothing are up, cottons as well as woollens. Engineering goods have not done so well as earlier in the year, but have improved on recent figures; other manufactures generally all show a good improvement even when allowance is made for the extra working day, as compared with the immediately preceding month. Analysed regionally, the October exports to the sterling area were 9 per cent. higher than during the third quarter (which in this case was already the highest of the year) and exports elsewhere were 6 per cent. over the third quarter.

The reason for the Chancellor's lack of enthusiasm on these good results is to be found in his realisation that, ever since 1950, Britain has been falling behind her competitors: her share in manufactured exports by the ten major countries used to be 26 per cent. and is now 22 per cent.; in chemicals and woollens we hold our own, but, in our specialised machinery and car industries, we are falling behind. The monthly Treasury *Bulletin for Industry*, which gives this information, goes on to give the answer "the big increase in world exports of manufactures . . . was in engineering products and . . . we could not take our share of this increase, because we could not produce enough steel and were sharply increasing our rearmament programme."

Neither Germany nor Japan, the chief gainers in manufactured exports in recent years, had such handicaps. This year, the U.K. steel production is some 10 per cent. up on 1952, but the arms handicap remains. However, an important contract of interest to India—for locomotives—was lost to Germany and Japan on price grounds, though this is not generally a problem facing British exports.

The Chancellor has pointed out that increased British productivity is being absorbed in higher deliveries on the home market. The surplus on the balance of payments is not threatened—it is better than last year so far—but it will be if exports do not improve and imports go on expanding in volume unaccompanied by the saving grace of price falls. The Government, indeed, feels that its latest gestures on O.E.E.C. (freeing 75 per cent. of imports from O.E.E.C. countries from quotas) and its return of meat to private import, are about as far as it can go at present in inviting perhaps larger imports. Hence the new drive beginning for yet more exports.

However, here economics border on politics—there are some who say too much is demanded while arms expansion continues, others who say that Germany should be permitted to rearm as soon as possible to make her carry the handicaps and reduce some of the pressure on British forces, and yet others who say that that course may handicap Germany, but it will set up such tension in Europe that the U.K. will feel no relief.

So Mr. Butler by-passes these arguments and safely calls for more production. The Trade Unions' reply that it is a difficult policy for which to raise enthusiasm while industrial dividends increase and while wage rates remain [illegible] per cent. behind the cost of living. Thus, export drive leads back to the wage negotiat[illegible] and no clear policy emerges. The Governme[illegible] quite definite that exports must go ur[illegible] equally definite that this must be dor[illegible] freely operating and negotiating indus[illegible] Opposition, casting about for a policy [illegible] ning to wonder if some good fishin[illegible] had in such turgid waters.—*All Ri*

AMERICAN LETTER

FEELING OF LACK OF LEADERSHIP GAINING GROUND

CONTRADICTORY STATEMENTS BY CABINET MEMBERS CAUSE CONFUSION

(From Our Own Correspondent)

NEW YORK, 26*th November*

THE Eisenhower Administration is entering a critical period in its existence. When Congress reconvenes in January, the President will have to use all his persuasive powers to get and maintain the necessary political support for whatever programme may emerge at the council tables. So far, the public in the United States is a bit confused by the new Republican policies. That confusion is non-partisan and it is quite justified. It stems from a lot of conflicting statements which have been made over a period of months by different Cabinet members. The American public is not accustomed to that. The basic idea of the Eisenhower Administration, like that of the Conservative Party in the United Kingdom, has been removal of controls and as much freedom as possible.

A member of the Cabinet told me the other day, for example, that the President is encouraging every one of his lieutenants to express their own opinions and that none of their speeches are cleared by the White House, unless the speaker himself is doubtful if his statements conform to policy.

The net result has been unfortunate, despite the very best of intentions. To mention just one instance—the President himself made a speech in which he said no sacrifice is too great for the citizens of the U.S. for defence of his liberties. Rightly or wrongly, the conclusion was drawn immediately that there would be no tax reduction and that the speech was a sort of a trial balloon.

That was the acknowledged procedure in previous Administrations and a furore developed throughout the country because tax reductions have been among the major political commitments of the Republicans. The Secretary of the Treasury had to set the record straight subsequently and assure everybody that there would be tax reductions.

Another example was the recent speech of Attorney General Brownell blaming ex-President Truman for hiring Harry Dexter White for an important job, despite the fact that he was an alleged Communist spy. That again created an uproar and the President, who worked under Truman, had to take the sting out of the accusations of the Justice Department by telling his Press Conference he was certain Mr. Truman had not done any such act knowing all the facts.

Another incident leading to popular confusion was the speech by Air Secretary Talbot in Spain that the U.S. would stockpile atom bombs at Spanish bases which was repudiated the following day by Secretary of State Dulles. It now turns out that the Talbot statement was garbled by translating the original English into Spanish and back into English again.

That is difficult to understand for the man in the street who only sees that one Cabinet member almost constantly repudiates a fellow member. In fact, what is emerging, rightly or wrongly, is a feeling of lack of leadership. This feeling is intensified by the rolling adjustments in the economy. Farmers are up in arms over the drop in farm prices, even though their income and savings are still great. Also, hard goods of all sorts do not sell as well as previously, but the general level of activity continues to be excellent.

While the general employment level is hardly changed, much overtime work has been cut out and some reduction in weekly working hours has taken place. That does not strike a sympathetic cord in popular psychology, because it is very well remembered that the last [illegible]epublican Administration was in the saddle [illegible]ing the depression years of the 1930's. The [illegible]ent Administration, therefore, is definitely [illegible]al. Nearly everyone applauds, of course, [illegible]lity aims of dollar stability, but nearly [illegible]ole, too, forgets emotionally that a price [illegible] paid for discontinuing the inflationary [illegible]

[illegible]jectives are running up against the [illegible]ractical politics in which this Administration is not too expert yet. While the integrity of the dollar is being preserved which is certainly of long-range, but somewhat invisible, benefit to the economy as a whole, the former opportunities for labour to demand higher wages on the basis of higher prices are now missing.

In fact, a labour-management peace has prevailed throughout this Administration which is most salutary, naturally, but the plain fact of the matter is that the average man likes wage increases. He has been used to them. He does not understand inherent economic relationships and the increase in living costs has been taken in stride as an inevitable evil of this industrial civilisation.

There seems to be an awakening to these facts of life at Washington. One of the great economic purists in the Administration, Dr. Randolph Burgess, former Chairman of the Executive Committee of the National City Bank, now Deputy to the Secretary of the Treasury, has already reversed his tight money policies.

Despite all talk of debt reduction he went so far as to say the other day, if income and production continues to rise because of a growing population, in the end the public debt will not seem so big, which is not too far removed from the beliefs of the late Lord Keynes.

So far as the Harry Dexter White episode is concerned and his appointment to the International Monetary Fund, I knew White when he was in the U.S. Treasury. He was an extremely keen and able man, with an unfortunate agressive personality which made him not too well liked in many quarters, regardless of his politics.

One of the encouraging aspects for overseas countries, so far as Washington thinking is concerned, is that determined efforts are being made to formulate a more liberal foreign trade policy. The President's own committee, headed by Clarance Randall of Inland Steel, is hard at work on its report. Even more importantly, another privately sponsored group, headed by Mr. Coleman of Burroughs Adding Machine, is now entering upon a large-scale public information programme to sell the people on the advantages of freer trade in the interest of a healthy and peaceful world. It is only that kind of programme which, by pressure from the grass roots, will eventually persuade Congress to act. There is no particular issue over customs simplification, but the question of tariffs continues to be hotly debated, particularly in periods when business volume is falling and the cry for protection of home jobs and industries is apt to fall on responsive ears, regardless of the overall economic merits. It is the latter that the current Administration is primarily concerned with.—*All Rights Reserved.*

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PAKISTAN NOTES

IMPORTS OF TEXTILES

EXPORT EARNINGS FALL

THE Government of Pakistan's decision to import, on its own account, cotton textile worth Rs. 4 crores from Japan and other countries has raised a chorus of opposition among practically all sections of the Pakistani business and commercial community. Vigorous protest against the decision has been lodged by the two important commercial bodies in Karachi, namely, the Textile Merchants' Association and the Pakistan Chamber of Commerce. The protest is on the score that the purchase of cloth on Government account tantamounts to State trading, which utterly disregards the role of private enterprise in the country's economy. The Textile Merchants' Association of Pakistan has set up a ten-man committee to launch a campaign against State trading. The Association has urged the Pakistan Government to revise its decision and allow private traders to import cloth.

The reaction of the Government to the above [illegible]ples is not known. From Press reports available, however, it is gathered that there is no possibility of the Government reconsidering its decision. An indication of this is provided in the statement of Mr. N. M. Khan, Controller-General of Prices and Supplies, Government of Pakistan. The chief consideration which has weighed with the Government in deciding to import cloth on its account, according to Mr. Khan, is that it prevents speculation in trade licences, which will not help in bringing down cloth prices to a reasonable level. There are about 3,000 importers competing with one another. They are likely to take much longer time to strike a deal with foreign exporters than a Government agency.

The criticism of traders against State trading has been refuted by the officials. The decision to import cloth on Government account, it is pointed out, is only an emergency measure "which may not be necessary again." Since it is not the intention of the Government to by-pass the trade, it is held wrong to criticise particular action.

The Government's decision to import cloth is sequel to the need for bringing down the cloth prices which have risen by about 200 per cent. during the last one year, thanks to deterioration in the supply position. To what extent the Government will succeed in its efforts will, however, depend on the question whether purchases will be made at a cheap price and whether there will be prompt delivery. Since Japan and the U.K. are said to be not in a position to meet the Pakistani requirements earlier than January, 1954, the Government of Pakistan has naturally turned its attention to India. The authorities, it is reported, have already entered into correspondence with Indian mills with regard to price, quality and delivery of goods. Cotton textile circles in Bombay feel that India can ship substantial quantity of cloth to Pakistan. Much, of course, depends on the price factor. To the extent that the Government of India has allowed drawback of duty paid on foreign cotton used in the manufacture of cotton cloth meant for exports, the export price of Indian cloth has been lowered.

Balance of Payments

There was a slight setback to the improvement in the Pakistan balance of payments position during the quarter ended September, 1953, as compared with the previous quarter. Thus, despite a fall in payments for imports from Rs. 34.65 crores to Rs. 33.69 crores, the surplus was reduced to Rs. 92 lakhs, as against Rs. 1.47 crores. The reduction was due to a fall in receipts from exports from Rs. 36.18 crores to Rs. 34.60 crores. Nevertheless, the position during the quarter under review compares favourably with that in the corresponding quarter of 1952, which witnessed a wide deficit of as much as Rs. 40.56 crores, receipts and payments accounting for Rs. 24.74 crores and Rs. 65.59 crores, respectively. This improvement has been the result of tight import policy of the Pakistan Government.

These favourable trends in the balance of payments position in the past few months do not mean that Pakistan has turned the corner. For exports from Pakistan continue to be at a low level, while imports are expected to be larger thanks to the all-round rise in the commodity prices. As it is, the foreign assets of Pakistan are very low; they amount to Rs. 81.33 crores as on 13th November, 1953, as against Rs. 150.52 crores in the beginning of 1952.

That apart, the surplus in the balance of payments of Pakistan during July-September, 1953, was accounted for by O.E.E.C. countries (Rs. 5.59 crores), Japan (Rs. 5.92 crores) and India (Rs. 1.27 crores). On the other hand, Pakistan had deficits with the U.K., the U.S. and Canada, amounting to Rs. 10.08 crores, Rs. 1.56 crores and Rs. 18 lakhs, respectively. As compared with the third quarter of last year, jute earned larger foreign exchange, the actual receipts for jute exports being Rs. 13.41 crores, as against Rs. 10.79 crores. Cotton earnings, on the other hand, fell by Rs. 2.60 crores to Rs. 13.66 crores. Total payments on profit account amounted to Rs. 17.06 crores, as against Rs. 43.57 crores. Gold and sterling reserves rose by Rs. 6 lakhs. Foreign investments amounted to Rs. 4 crores.

As noted above, Pakistan had a surplus balance of payments with India. Payments were Rs. 2.60 crores and receipts Rs. 3.87 crores. Payments included Rs. 1.03 crores for private imports.

COMMONWEALTH MINISTERS TO MEET AT SYDNEY

CONVERTIBILITY OF CURRENCIES STILL A PROBLEM

THERE are scarcely five weeks more to go for the Commonwealth Finance Ministers to meet at Sydney. Preparations for this Conference are now well advanced. During the past few days, the Commonwealth High Commissions in London have been busy collaborating with each other in the preparation of statistical brief for the Conference, which, as already reported, is scheduled to meet from 8th to 15th January next. The countries taking part in the Conference will, as usual, be Australia, Britain, Ceylon, Central African Federation, Canada, India, New Zealand, Pakistan, and South Africa. Mr. C. D. Deshmukh, Finance Minister, and Mr. M. V. Rangachari, Joint Secretary, Ministry of Finance, will represent India at the Conference.

The preparatory data collected by the financial and economic experts of the Commonwealth High Commissions in London relate to a number of items on the agenda of the Conference. The most important item expected to be discussed by the Conference is the balance of payments prospects of the sterling area for 1954. The Conference can be expected to examine the progress made by the member countries in regard to their plans for achieving freer trade covering the widest possible area. In the last Conference, Britain made a move for establishing a bank for financing economic development in Commonwealth countries. Action taken in the matter and the progress made so far will also be considered by the Conference. The trend of discussions on these problems will, of course, depend on the position of the various Commonwealth countries as revealed by the briefs that are being prepared in London.

Review of the balance of payments position, examination of plans for freer trade and the consideration of the prospects for developing Commonwealth economic resources, all these are only incidental to the main problem, namely, convertibility of the pound sterling. With a view to achieving this goal, a master plan was drawn up in the Conference of Commonwealth Ministers held last December. The Plan visualised two conditions for its success, among others, namely, (a) the provision of a long-range Commonwealth credit and investment, supported by British capital, and (b) American support through investments in the sterling area and through agencies like the International Monetary Fund. It is now common knowledge that no progress worth mentioning has been made in this direction. The Plan is to-day no nearer realisation than it was when first mooted last year.

British Plan

The I.M.F. meetings held in September last only served to emphasise the fact that the Fund, being bound by its Articles of Agreement, cannot be of as much help as the British Plan expected from that end. Again, as regards U.S. support, the position continues to remain vaguer than ever. Unfortunately for the Plan, the American Administration has not so far announced its economic policy, particularly on the principle of "trade and not aid," enunciated by Mr. R. A. Butler, Chancellor of the Exchequer. And British financial experts now see a great deal of uncertainty in American plans. They point to such factors as (a) the shift in emphasis from Europe to Asia by the Eisenhower Administration, (b) the keen controversy in the U.S. about the American tariff policy, and (c) the Governmental caution inspired by official predictions of five to ten per cent. recession on the market in the next 12 months, and interpret them to mean that hopes of any tangible help from the U.S. in the near future are somewhat forlorn. In addition, the speeches of British Ministers in and outside Parliament are quoted to show that official circles in Britain do themselves not rule out the possibility of an economic recession in the U.S. and that they are actually making plans not to be caught unprepared.

All these speculations apart, the real question is: Are the Commonwealth countries inherently strong enough to make the pound convertible now, without American assistance? Only those who are blind to facts can answer this poser in the positive. For convertibility presupposes the existence in the sterling area of a large volume of gold and dollar reserves. This is not so at present. The present size of reserves of the area is still considered to be inadequate to undertake the responsibility of convertibility. This is amply borne out by the significant remarks of Sir Roger Makins, Britain's Ambassador in the U.S., at the recent meeting of the National Foreign Trade Council in New York. He said that the economic position of Britain was "still precarious." The country was making progress in pursuing the goal of a more liberal economic system and was by persistent effort, keeping its head above water. He added that "a high spring tide would easily engulf us and we are still far from dry land."

Exceptional Factors

Sir Roger referred also to the fresh collective efforts at liberalising economic systems initiated by the Commonwealth countries as well as by others. As a result of efforts of these countries, the balance of current account between the dollar area and the rest of the world had, he said, evened up and that some rebuilding of reserves in the non-dollar area had taken place. But that was due to a number of exceptional factors such as the U.S. demand for goods for stockpiling, high level of American military expenditure abroad, and a twist in the European terms of trade in favour of Britain. An unfavourable turn in any of those factors would, in the precariously low level of reserves, he said, administer a setback and cause disastrous damage.

Continuing, Sir Roger stated that the European countries and particularly Britain were doing as much as they could to remove trade restrictions in the light of their balance of trade position. But it was not, however, a European but a free world problem. "We cannot be satisfied," he remarked, "until trade flows as freely between the dollar area and the other monetary areas of the world, as it does within those areas. This requires a large and steady flow of dollars to the non-dollar world, not dependent on special measures such as aid or extraordinary military expenditure. The ultimate controlling factor must be the U.S. which, as the largest creditor nation, is dominant in the economy of the world."

Laying stress thus on the importance of U.S. assistance to world recovery, Mr. Makins enumerated certain important conditions necessary for the success of a system of freer trade and freer currencies. These, in the words of Sir Roger, are:

"There must, for example, be adequate reserves in the form of gold and dollar holdings, or credit facilities, which will allow the principal trading countries to whether minor and temporary balance of payments deficits, without being forced into premature restrictions on imports, or severe deflation. Both are apt to be contagious.

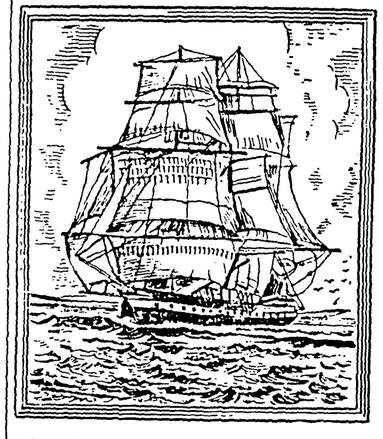
"One of the principal reasons for the difficulties in the sterling area since the war has been that the level of reserves has been inadequate to absorb swings in the balance of payments which were not large in relation to the total transactions of the area, but were just too great for the existing reserves to deal with.

"Secondly, all countries involved will have to do their best to avoid major fluctuations in internal activity, since these fluctuations inevitably disturb the pattern of international payments.

"Thirdly, creditors and debtors alike must be willing to take the steps which are necessary to correct any disequilibrium which may appear."

None of the three essential conditions can be fully satisfied now. The Commonwealth countries have, of course, as their objective, the achievement of these essential conditions. Some measure of progress has, no doubt, been made, but it has enabled them, as Sir Roger stated, only to keep their heads above water. They can certainly do better and do it quickly, if the U.S. comes forward to discharge its obligations as the largest creditor country of the world not by just giving doles but by readjusting its domestic and foreign economic policies in such a way as to stimulate the volume of world trade. A fresh approach is, therefore, necessary to prevail upon the U.S. to recognise the importance of its role as the creditor country of the world. The ensuing Commonwealth Conference at Sydney may be expected to make a new move in this connection.

Centuries of overseas trade



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TRAINING IN CO-OPERATION

The Central Ministry of Food has, in consultation with the Reserve Bank of India, decided to appoint a Central Committee for formulating plans and organising and directing arrangements in regard to the training of the personnel employed or to be employed in the co-operative departments and institutions in several States. The training arrangements will broadly consist of two types as follows:

(i) Those for which assistance will be given to the State Governments on a grant-in-aid or other suitable basis for the organisation and expansion of arrangements for the training of co-operative personnel employed in the subordinate ranks in the Government departments and co-operative institutions in the States, and

(ii) those for which arrangements are to be made for providing necessary facilities for the training of personnel employed in the higher and intermediate grades of the co-operative departments and societies.

The responsibility for the training of the higher and intermediate personnel, that is type (ii) above, has been assumed by the Reserve Bank of India. The Government will be primarily responsible for the provision of facilities for the training of the subordinate personnel.

In regard to the training of the higher and intermediate grade personnel, the Committee will function as a committee of the Reserve Bank of India, while in regard to the training of the subordinate personnel, it will function as a committee of the Government of India.

The terms of reference of the Committee in so far as it functions as a Committee of the Government of India, will be:

(i) to survey and examine the existing facilities in the different States for the training of co-operative personnel and invite schemes from the State Governments for the organisation and scope for expansion of arrangements for the training of subordinate personnel employed in Co-operative Departments and societies;

(ii) to submit proposals to the Government of India for grants-in-aid to the States, based on the requirements of the States in the direction indicated above;

(iii) to lay down the conditions under which such grants-in-aid should be disbursed;

(iv) to call for such reports, information or reviews as may be necessary from the State Governments regarding the details of working of and the expenditure on the schemes for which aids are administered under these terms of reference; and,

(v) to advise generally the Government of India in regard to the steps to be taken to promote co-operative training and education in the country.

RUSSIA SELLS GOLD

Russia is reported to have shipped 17 tons of gold worth $15 million by plane to London. According to Press reports, officials and bullion trade believe that Russia was short of sterling. movement of gold is due to the desire to sterling for the purchase of consumer goods the Sterling Area in order to meet the dema these in Russian and other Iron Curtain co Russia's gold stock is one of the worl jealously guarded monetary secrets, but sources estimate it at $2,000 million a with the world total of $36,400 millio Russia. Russian silver and platinur European markets last month a reports of increased gold sales.

GOLD SMUGGLING INTO INDIA PERSISTS

GOVERNMENT NEEDLESSLY LOSING REVENUE

(FROM A BULLION DEALER)

THE smuggling of gold into India has become a regular trade, especially from the year 1949, when the free market in gold came into existence on the continent of Europe, in the Middle East and in the pockets of free markets for currencies in the East, as, for example, in the Portuguese territories of Goa and Macao, Bangkok and French Pondicherry in India. It is estimated that, of the total world production of 25 million ounces in the year 1951, only 7.4 million ounces went into the vaults of the Central Banks. Of the remaining 18 million ounces, 8 million ounces were consumed in arts and industries, while 10 million ounces went into hoards. About 30 per cent. of these 10 million ounces, or 3 million ounces (equivalent to approximately 8 million tolas) of gold, found their way to India chiefly through the Middle East. The estimates for 1952 show that no less than 12 million ounces were consumed in private hoards throughout the world.

There has been an official ban on imports of gold into India since March, 1947. All the gold that is estimated to have been consumed in India, therefore, arrived into this country in an illegal way. These arrivals were direct to the coastal ports by fishing boats, or through foreign pockets on Indian soil like Goa and Pondicherry, as well as from the neighbouring States through land frontiers. Such a large amount of smuggling of gold naturally involved payment in dollars. This required either buying of dollars in black markets at a premium over the official price, against the sale of rupees or export of merchandise in an unofficial manner. All this has been resulting in a loss of duty to the Government of India not only by way of import duty on gold, which is at present Rs. 12-8 per tola, but also by way of export duty on recorded exports of commodities.

On account of the recent drop in prices in the free markets for gold, the temptation to smuggle gold into India has become strong again. The very fact that there was an approximate arrival of about 150,000 ounces of gold into India within two months after 15th September, 1953, when the monsoon was over on the west coast of India, reveals the volume of such transactions, in spite of the fall in profit for the smugglers, due to a drop in the Bombay price of gold from Rs. 87-8 ruling on 15th September to Rs. 80 on Diwali day, that is, on 6th November, 1953.

Demand for Gold

The Government of India must be quite aware of this situation, but the Finance Department at New Delhi, as well as the authorities of the Reserve Bank of India, who are in charge of imports of bullion, believe that gold is not an article of necessity and, therefore, its import should not be permitted. The masses of India, however, think otherwise and they have reasons to do so. It is generally estimated that the rate of investment in bullion in India is of the order of Rs. 40 crores per annum. This cannot be considered as abnormal, considering the vastness of this country with a population of 35 crores. It comes to about Re. 1 per capita investment. With the national savings of this country estimated at Rs. 7 per capita per annum, only 14 per cent. of the savings find investment in bullion. Further, out of the annual national income of Rs. 9,000 crores, only Rs. 40 crores are invested in gold. To put this differently, out of a per capita national income of Rs. 255, only a rupee seeks investment in bullion. In the present uncertain economic state of affairs in the country, this cannot be regarded as something abnormal. The following extract from the Annual Market Review of 1952 of Messrs. Samuel Montague and Co., Ltd., gives a clear account of the reasons that justify such a demand for gold:

"So long as the world political situation re- mains as it is, and so long as the present economic situation maintains a system of currencies that are part blocked frozen, bilateral and inconvertible, e twin spectres of war and devaluation will re- n. The only hedge known to most Europeans all Asians against this dual calamity is the g of gold, and at the present price, it is ed a small insurance premium to pay."

the demand for gold in India can be con- s something natural and normal, as the ieves it to be, the question as to what lone to satisfy this demand becomes nt.

of gold encourages an unhealthy It is a fair estimate to say, on the basis of the gold arriving into the market, after allowing for domestic production, that the vigilance of the customs authorities has been able to detect only about 1 per cent. of the total arrivals by way of smuggling. Further, these authorities have lately tried to capture gold held by some of the regular dealers who are alleged to have purchased the same from smugglers. It is doubtful whether it is fair to lay hands on dealers who buy any gold internally in the country once gold has found its way into the country, unless a definite link is established between the smuggler and the dealer. Such action by the authorities hampers genuine dealers from entering into any bona fide transaction, as he is unable to distinguish gold already in existence in India from gold smuggled into the country. Further, this encourages growth of a chain of mushroom dealers who gain prominence at the expense of the genuine traders. They take enormous risks, because they have nothing to lose. They thus dominate the bullion trade. The result of all these scare-provoking actions is that the smuggled gold finds buyers all over the country and the spread of the disease of handling such gold becomes more widespread. In order to escape the vigilant eyes of the prevention authorities, smuggled gold is being taken directly to centres of consumption. Of late, the genuine upcountry demand for gold in South India, for instance, is being satisfied out of such arrivals at the centre of demand rather than from regular markets like Bombay. If this trend continues, the importance of Bombay as the main bullion market will decline.

Imports Necessary

When such is the position, a remedy is necessary. If imports are regularly permitted, they will bring income by way of import duty. Further, as this business will be handled through regular dealers, the Governments will get taxes by way of income-tax, sales tax, stamp duty and so on. One of the objections raised against imports of gold is the loss of foreign exchange resources. But this is no argument at all, as, even under smuggling, foreign exchange is being lost, albeit indirectly. It should, however, be possible to minimise the loss of foreign exchange by fixing a limit for the foreign exchange to be made available to gold importers. Even this loss of foreign exchange to the country can be compensated by the authorities reintroducing the system followed during the war years, under which they took away a part of the profit on imports of silver. This will bring them some revenue which they badly need. Alternatively, the Government could import gold on its own account and sell it at a premium internally. It can thus regulate imports and get revenue out of profits.

Objection to this suggestion is raised on the ground that, under the gold policy of the I.M.F. no member-country can consciously allow trading in gold at a price higher than that fixed under the agreement. This objection can be overcome by clarifying the existing state of affairs in India to the I.M.F. and impressing upon it the necessity for imports, as was done by South Africa on the question of sale of gold at a premium in the years 1950-51, as well as by France, the Government of which has been allowing free imports of gold into the country for some years now. The example of France can be studied with some profit to this country. Imports of gold have helped the authorities a great deal to restore confidence in the franc in recent years. The price of gold was at a very high premium in France in 1950 and 1951. At present, it has come down considerably, as the hoarding appetite of the French peasants has been fully satisfied. To-day, the chief buyer of gold in France is the Bank of France itself. Incidentally, the Bank has conducted a highly profitable trade by buying bar gold, and selling Napoleons and Lois coins (gold coins) to the French public.

In many countries, the Government supplies the trade needs of gold in semi-processed form as, for instance, in the U.K. and Ceylon. The objection from the I.M.F. can be met, if the Indian Government first decides to change its lack of gold policy. Instead of following a policy of "do nothing," which has resulted in an encouragement to unlawful trading over the genuine trade, the Government of India should take a more realistic view of the situation and press for a modification in the I.M.F.'s general regulations to suit this country's needs. It must be emphasised, in conclusion, that delay on the part of the Government in taking a decision on the aforesaid lines will result in a diminution of the advantages that can be had by allowing imports. The only persons who are taking full advantage of the Government's policy of inaction and making handsome profits are the foreign smugglers and their accomplices in the country.

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LALA YODHRAJ—AN APPRECIATION

Commenting on Lala Yodhraj's resignation from the Punjab National Bank Ltd., Mr. A. N. Bali, Economic Consultant of the Bank, in the course of a communication to us, says:

"The appointment of Lala Yodhraj as the General Manager, and Chairman of one of the 'Big Five' banks of India in 1943, at the comparatively young age of 37¼ years, had taken his countrymen by surprise. Joining as a clerk in 1926, he had worked in different capacities in Quetta, Karachi and Calcutta and risen to the highest position in the Bank in less than seventeen years. The controlling interest in the shares of the Bank then vested with a friend of his—a Rana of Nepal. In less than a year, after becoming the General Manager and Chairman, he succeeded in purchasing for his group this control from the Rana, in the face of keen competition from a millionaire. During this race for control, the fully paid-up shares of the Bank at one time were quoting at Rs. 410 per share, as against its nominal value of Rs. 100.

"Lala Yodhraj was easily the youngest among the chairmen of the biggest banks in India and there were not wanting many old and wise heads that were full of misgivings about the change. But the phenomenal progress made by the Bank under his guidance soon dispelled these fears and Lala Yodhraj succeeded in establishing his reputation as a thoroughly practical banker and an expert in handling investment and financial problems. The total working capital of the Bank in 1942, before he became its chairman, was a little over Rs. 17¼ crores. This total, when his resignation from the Bank was accepted on 18th November, 1953, was a little over Rs. 79 crores. The reserves of the Bank in 1942 amounted to Rs. 20 lakhs. These now amount to Rs. 1 crore. The total number of the Bank's Offices in 1942 was 79. It is now above 300.

"The magnitude of progress made can be judged by the fact that the partition holocaust of August, 1947 had dealt a blow to the Bank, the effects of which are still being felt. But for this severe retardation, the Bank must have been rubbing shoulders with the leading banks of South-East Asia."

BANK TO ENGAGE IN HIRE PURCHASE

For the first time in Australian financial history, a leading trading bank, the English, Scottish and Australian Bank Ltd., (E.S.A.B.) is to engage in hire purchase finance.

It will shortly establish a special department for hire purchase of domestic goods like refrigerators and furniture. At present the Commonwealth Bank assists in the purchase of motor cars and trucks, agricultural machinery and equipment, but does not extend credit for purchase of household goods. The E.S.A.B. and states that the decision to enter the domestic finance field had been approved by its Directors in London. It plans to purchase the goods from dealers and then hire them out to the purchasers. The hirer will become directly responsible to the Bank, through the local branch, which will arrange the transaction.

The General Manager, Mr. E. G. Wilson, states that production, growth and general needs of development warranted an extension of normal trading bank facilities in a direction that has proved itself in other parts of the world. American banks cater to more than 40 per cent. of the hire purchase transactions, in that country, and the demand is growing.

ROLE OF TEXTILE INDUSTRY IN FRANCE

OUTLOOK CONSIDERED TO BE NOT BRIGHT

CONSIDERING the way in which events have been moving on the international textile front, it is not surprising that the textile producing units in France have been taking vigorous measures to raise their competitive capacity. The Government of France also has been actively assisting the units in this direction. From those one should not, however, rush to conclude that France will, in the near future, emerge as one of the most powerful competitors in the world textile markets. For there are several handicaps which are hampering the progress of the French textile industry. Indeed, the outlook for the industry is considered to be not quite bright. This, at any rate, is the conclusion arrived at by Mr. E. W. Meiklereid, C.M.G., U.K. Minister (Commercial) at Paris, the author of *France-June, 1953, a publication of* the U.K. Board of Trade (Her Majesty's Stationery Office, London. Price: 5s. net). The chapter on textile industry in France in this book of about 175 pages will be of special interest to textile men in this country.

A factor of permanent significance to the French textile industry has been the steady expansion of the indigenous textile industries in many of France's former markets, a development that has made itself felt in France since the early 1930's. In addition, Japan and Germany are gearing themselves for capturing as big a slice in the world trade in textiles as possible. Among the other adverse factors are lack of adequate capital and modern equipment, slackness in internal demand resulting from diminished purchasing power and consumer resistance in the face of generally falling prices, high prices of French products vis-a-vis those of other exporting countries, heavy dependence on imported raw materials, and high level of wages to women labour (women are paid equal wages with men).

The textile industry has historically ranked as one of the major industries of France, its importance being next only to the steel industry. The industry covers about 10,000 firms employing some 13,000 artisans and 600,000 labourers.

Cotton Textile Industry

There are at present 1,300 cotton textile producing units in France, providing direct employment to over 200,000 persons. Of these, spinning mills account for 368, with 70,000 persons employed, and weaving mills for 900, with 75,000 persons employed. A characteristic feature of the industry is the predominant role of women in the labour force. Thus, as much as 68 per cent. and 59 per cent. of the employees in the spinning and weaving sections, respectively, are women. The annual turnover of the cotton textile trade is of the value of 258 milliard francs (1 milliard=1,000 million).

At the outbreak of the Second World War, the machinery of the cotton textile industry was generally regarded as insufficient and largely obsolescent. The number of spindles and looms then existing was 11.3 million and 192,000, respectively, these being 5 per cent. and 10 per cent. less than in 1931. The war destroyed about 1.18 million spindles and 13,000 looms, while stagnation during war years prevented the proper maintenance and renewal of the remaining part of the equipment. Consequently, production of cotton goods dwindled considerably, which necessitated large imports from abroad at the cost of much precious foreign exchange. This was one of the factors responsible for the disequilibrium in the franc area's balance of payments. It was no wonder, therefore, that particular attention was devoted to the rapid rehabilitation of the French cotton textile industry in the Monnet Plan. The programme aimed at (1) restoring cotton textiles production to the 1938 level and eventually to the 1929 level, and (2) adjusting the volume of output to the requirements of the French Union.

The implementation of the programme, however, was not quite satisfactory, thanks to several disquieting features referred to above. The number of spindles in use in 1951, for instance, was actually les than in 1946, being 8.94 million, as against 9.5 million. The number of looms, on the other hand, rose, but by only 17,000 to 182,000. Nevertheless, by 1951, the French cotton textile industry had attained a production level which was above the 1938 spinning level and 1929 weaving level. This achievement was the result partly of the special productivity drive launched by the industry and partly of the abnormal post-Korean war demand for cotton goods.

The following table gives the production and exports of cotton goods in recent years as compared with 1938:

(In thousand metric tons)

	1938	1947	1950	1951	1952
Production—					
Yarn and thread ..	250	204	251	271	256
Fabrics*	159	134	168	164	150
Exports—					
Yarn and thread ..	9	4	8	10	7
Fabrics†	45	33	56	59	56

* Excluding hosiery, lace, tulle, net, etc.
† Including linen but not hosiery, lace, tulle, net, etc.

The bulk of the cotton textile exports from France, it may be noted here, goes to the protected markets of Overseas France.

As already noted, the French cotton textile industry is greatly dependent on imports of raw cotton. With a view to reducing this dependence and saving foreign exchange, the industry and the Government are making efforts to raise cotton production in the French Union, especially in French North Africa, the Cameroons and Morocco. An important feature of the French cotton economy is the section which concentrates on novelties for the Parisian *haute couture*, which, in 1952, was granted a Government subsidy on condition that it used at least 90 per cent. of French cloth. Imports of cotton, especially from the U.S., have declined in recent years, although a large proportion still comes from abroad. The quantity of cotton actually imported in 1952 was 246,000 metric tons, of which the share of U.S. cotton was 63,900 tons, representing more than 26 per cent. of the total.

Woollen Manufactures

Just as the cotton textile industry, the woollen industry also has been experiencing difficult times. Not only production has gone down in recent years but exports also have receded, as will be evident from the following table:

(In thousand metric tons)

	1938	1950	1951	1952
Production—				
Combed wool ..	63	75	54	57
Wool yarn	118	127	120	110
Woollen fabrics ..	80	80	80	73
Exports—				
Combed wool ..	23	35	31	18
Wool yarn	11	22	16	10
Woollen fabrics ..	4	12	9	4

Technically, the industry's chief drawback is the preponderance in it of small-scale organisations, especially in weaving. The Monnet Committee considered, when it studied the industry, that concentration would not be easy to carry out. Other difficulties in increasing productivity have been those general to the textile industry, such as a high proportion of out-of-date machinery, lack of credit for new large-scale capital investment and a heavy burden in the form of social and fiscal charges, all of which make for high costs and high prices—a matter of especial concern to an industry so dependent on exports. Measured, however, by the number of combing machines (3,010 in 1951) and spindles (1.9 million combing and 890,000 carding in 1951) and looms (43,450 in 1951) in use and by its output, the industry still ranks high among the world's wool industries.

Artificial Textiles

The position in the sphere of artificial textiles, too, has been none too satisfactory. Thus, the outpupt of rayon and staple fibre goods during 1952 was only 41,304 tons and 34,956 tons, as against 57,110 tons and 49,624 tons, respectively, in the previous year. These figures, however, compare favourably with those in prewar years when the production of rayon goods amounted to 28,000 tons and that of staple fibre goods to 5,600 tons. Exports of these items also have declined from 12,750 tons and 8,451 tons in 1951 to 8,004 tons and 5,628 tons, respectively, in 1952. The corresponding figures for 1938 were 4,744 tons and 1,079 tons.

The artificial textile industry in France gives employment to about 27,000 persons and ranks as the second most important dollar earner (after lace). It also provides material for the silk and tyre manufacturing industries, besides being useful as a substitute for cotton and wool.

Silk Industry

Production of silk goods, too, has suffered a fall. The quantity of silk (and rayon) fabrics and ribbon actually produced in 1952 was 20,800 tons and 1,020 tons, as against 25,500 tons and 1,500 tons, respectively, in the previous year. There are about 1,400 firms possessing 26,400 looms and more than 500 jobbing weavers possessing over 32,000 looms. The industry, together with the associated ribbon industry and other auxiliary trade, employs nearly 68,000 persons. Value of turnover was 100 milliard francs in 1951, of which exports accounted for 42 milliard francs.

Synthetic Textiles

In contrast to the general trend, the synthetic textile (*nylon* and *nhovyl*) industry in France has registered a remarkable progress. The annual capacity of the industry was 150,000 tons in 1952, the number of factories being 30. The actual production during the year was higher than that in 1951 by 12.5 per cent. The industry is still relatively young and flexible. It is concentrating attenion on introduction of new techniques in manufacture and publicity campaign in the home market. Measures of assistance have been accorded by the Government in the form of export subsidies, suppression of export licensing on staple fibre and import restrictions on foreign products.

DEBATE ON COTTON TEXTILE POLICY

The Government of India's cotton textile policy in so far as the handloom sector is concerned, was once again subjected to vehement criticisms in the House of the People last week, the opportunity being provided by the debate on the *Dhotis* (Additional Excise Duty) Bill, 1953. Most of these criticisms, however, were a mere repetition of those made on the floor of Parliament bn previous occasions. There was, for instance, the same old criticism that the Government had failed to take such measures as would remedy the ills of the handloom industry. The several suggestions made for improving the conditions in this sector were also the same, namely, complete reservation of *dhotis* and *saris* exclusively for the handlooms nationalisation of the whole cotton textile industry, and the like. These criticisms and suggestions stem not so much from economic considerations as from political considerations. Indeed, it looks as though the handloom product has become a political commodity, with plenty of votes to back it.

In their anxiety to better the lot of the weavers, many members of the House tried to paint a very depressing picture of the conditions in the handloom industry. One of the members went even to the extent of saying that "the distress among handloom weavers in the South has been so great that there have been cases of suicide; some of them wrote letters to Mr. C. Rajagopalachari before committing suicide." These observations are clearly exaggerated. In any case, the solution of the problems confronting the handloom industry lies, not in placing a burden on the mill sector of the textile industry, but in the adoption of measures which will set right the defects in the very structure of the handloom industry. Viewed thus, the view expressed by such a responsible member as Mr. N. V. Gadgil, namely, that nationalisation of the textile industry is the only way of tackling the problem, is absurd. How ridiculous is the argument put forward by Mr. Gadgil in support of his thesis will be evident from a perusal of the following remarks of his:

"If the object of the Bill is to give additional protection and encouragement to the handloom industry, the present measure is least likely to achieve it. If the prices are attractive, the mills will pay the additional duty and produce more. Looking at the duty from the angle of the consumer, the only effect of it is to raise prices. In the course of the last six years, the consumers and labour have suffered, but in no case have the millowners suffered. It has been calculated by Mr. Khandubhai Desai that, when cloth was decontrolled in 1948, the millowners pocketed Rs. 200 crores extra. Last month, when I visited Ahmedabad, I was told by 'people in the know of things' that the result of the additional levy will be less competition for the bigger mills. In other words, whatever Government do in order to help the downtrodden man, the result is that the upper dog gets the benefit. This has been the history of the handling of the textile industry by this Government.

"The only way of tackling the problem is to eliminate competition between handloom and millmade manufactures. The time has now come when the textile industry must be nationalised. The production of the textile mills and the entire handloom production should be taken over by the Government and the prices pooled. They can also reserve a sphere for the handloom products either in terms of territory or of quality. Just as in Poona, some good rice is sold only along with some bad rice, Government can insist that a person who buys ten yards of mill-made cloth must also buy two yards of handloom cloth. In some institutions, Government can also pay a portion of the salaries of their employees in the forms of coupons to be exchanged against cottage industry products. So long as you allow competition in the open market between the handlooms and the mills there is no possibility that both will survive. Ultimately the handlooms will go to the dogs."

There is neither logic nor common sense in these observations of Mr. Gadgil. The suggestions, if accepted and implemented, are bound to have serious consequences not merely in the future of cotton textiles but in several other sectors of the industrial economy as well. The indirect and direct effect of the pooling of prices of mill and handloom products, for instancecy would be undue rise in prices of cotton textiles, leading to the idea of reservation too. Mr. Ri

(Continued on page 1

CRITICAL ESTIMATE OF RAW COTTON COMMISSION'S SERVICES

PROSPECTS FOR TEXTILE EXPORTS HELD DIM

(From A Special Correspondent)

MANCHESTER, *24th November*

MANCHESTER LETTER

THE Cotton Bill which has been submitted to Parliament as a means of ending the monopoly of the Raw Cotton Commission and paving the way for the re-establishment of a cotton futures market in Liverpool, has passed its second reading and will now be dealt with in the committee stage. There was a long debate in the House of Commons at which supporters and opponents of the scheme put forward their respective views, which were largely as predicted.

Supporters of the Raw Cotton Commission are apprehensive about the events which they believe will follow its dissolution. On the other hand, the protagonists of free trading are equally confident that their efforts will lead to more competitive conditions in line with the needs of the industry as a whole.

Time alone can provide the answer as to which side is correct. Yet even at a later date it will be difficult to assess the relative performance of the prevailing system—for instance, if private trading had been functioning when American cotton ran short in 1950, would supplies have been adequately maintained? Equally, how would Liverpool and Manchester merchants have fared during the downward trend of prices in 1951-52?

On the subject of the Raw Cotton Commission's losses in the last couple of years, estimated at more than £40,000,000, there seem to be some misconceptions. Despite these large deficits, they must be offset against the profits which had accumulated during the days of the wartime Cotton Control and the earlier trading period of the Commission. A reserve fund of over £35,000,000 had been built up and although the final accounts of the Commission on winding-up will probably show a debit balance, the figure may not be quite so alarming as it is sometimes made to appear.

Anxiety Unrelieved

While the politicians in London have been discussing their aspect of the raw cotton controversy, in Lancashire there has been no slackening in conjecture about the effect of the full-scale reintroduction of private trading. Reference has already been made to the foreseeable difficulties which may well afflict the Egyptian spinning section when the Raw Cotton Commission's system of obtaining Sudan and other substitute growths is no longer available for the mill's. Some commentators are very depressed at what may happen.

The Government's view that Empire cotton growers will have no trouble in disposing of their products does not improve the situation. Lancashire is clearly unhappy about the position of small mills which may have neither the resources nor the facilities to maintain adequate stocks of the particular types of cotton they require. This is all the more important in that they produce the high grade yarn on which rests the basis of the quality cloth trade which is so vital in the present competitive era.

Within the industry there is a considerable fear that Government officials do not recognise the time factor which is essential to the organisation of future supplies of cotton. Arrangements of this kind are necesssary more than a year ahead if the growers and distributors are to be assured of a reasonable return for their products and services. The Raw Cotton Commission has performed this function for the trade and once it disappears the possibility of acquiring sufficient cotton from such areas as the Sudan becomes extremely questionable.

Union View

Leaders of all the Lancashire cotton trade unions have asked Mr. Harold Wilson, M.P., former Socialist President of the Board of Trade, to re-draft parts of his 25,000-word policy "blueprint" which he has drawn up at the request of the unions.

It is believed that the Government's decision to wind-up the Raw Cotton Commission and restore private enterprise buying of raw cotton for Lancashire mills was a major factor influencing the need for revision.

Mr. Wilson was present when the Legislative Council of the United Textile Factory Workers' Association held a special meeting in Manchester to discuss with him a number of points concerning his draft document—the first overall statement of cotton union policy for 10 years.

Stressing that no disagreements had arisen between himself and the union officials, Mr. Wilson said after the meeting that his document had been fully considered and he would be doing some redrafting in the light of points raised. A further meeting would be held at a later date to discuss the revised document.

The cotton trade unions have supported the principle of State buying of Lancashire's raw material and many of their officials had not anticipated that the Government would make a firm pronouncement for the winding-up of the Commission and the restoration of the Liverpool Futures Market at this juncture. Since Mr. Wilson began the drafting of the document in February it is considered that recent developments in the field of raw cotton buying have dictated the need for revision.

Production Censuses

The Manchester-based Cotton and Rayon Merchants' Association, which represents 1,000 firms, has criticised the censuses of production and distribution as "unnecessary."

The Association announced that in response to a request for its views, it had told the Government committee on the censuses that they were of no use to the textile converting and merchanting trades. "There is a strong feeling among converters and merchants that the time taken and the expense involved in completing the forms could be put to far better use," it declared.

The trade was subject to rapid changes in fashion and by the time census information was published circumstances may have changed completely and the information might be misleading.

Yarn Output

Lancashire spinning mills achieved their highest output of cotton and rayon yarn for 21 months in the first week of November.

Cotton Board returns showed that the mills spun 20,520,000 lbs. of single yarn—140,000 lbs. more than in the previous week and over 3,000,000 lbs. more than in the corresponding week of 1952. The industry gained 66 full-time and 110 part-time operatives during the week.

Overseas Trade Struggle

Exports, like production, often tend to rise in the final quarter of the year but the trend of cloth shipments from Britain last month did no more than maintain the average for 1953 as a whole. Overseas trade in cotton goods is still constricted by numerous handicaps provided by foreign countries and the prospects for increasing activity do not seem bright.

During October shipments of cotton cloth amounted to 58,189,000 square yards, valued at £7,226,535. By the end of nine months total exports had almost reached the level at the same stage in 1952 but the latest figure pulls the total back slightly to 583,224,000 square yards, against 587,180,000 square yards to the end of October last year.

Leading consumers of Lancashire-made cloth have been (in square yards, with 1952 comparisons): West Africa 117,631,000 (137,692,000); Australia 75,089,000 (65,013,000); South Africa 72,076,000 (47,728,000) and East Africa 24,620,000 (17,498,000).

Cotton yarn exports last month showed a sudden expansion, being over 1,000,000 lbs. higher than in any previous month this year and at 4,545,000 lbs. were the highest total since October, 1951. The value at £1,866,645, was the best since the early part of last year. To the end of October yarn shipments totalled 34,045,300 lbs. compared with 29,602,000 lbs. in the same period of 1952.

Chief buyers of cotton yarn from Britain so far this year have been (with 1952 comparisons): Australia 4,709,900 lbs. (2,437,600 lbs.); Irish Republic 4,019,000 lbs. (2,541,400 lbs.); Canada 3,471,100 lbs. (1,722,300 lbs.) and Germany 2,095,400 lbs. (952,900 lbs.).

There was a sharp increase in arrivals of grey cloth in Britain last month, imports of 6,292,000 square yards bringing the total to the end of October to 60,113,000 square yards, against 139,232,000 square yards in the same period last year. Main sources of supply were India with 1,728,000 square yards in October and Japan with 1,504,000 yards.—*All Rights Reserved.*

Speaking in the House of Commons, Mr. Heathcoat-Amory, Minister of State to the Board of Trade, stated that safeguards against the Raw Cotton Commission's stocks being thrown suddenly upon the market would be taken. He added that it was too early yet to say what methods would be used to sell the stocks.

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WORLD COTTON SUPPLY POSITION DURING 1953-54

SIZABLE INCREASE PREDICTED

ALTHOUGH it is certainly too early to hazard an estimate of the world supply position in the current (1953-54) season, the estimates of the probable cotton production during the season in many countries have become available, so that it has been possible for the International Cotton Advisory Committee to give a tentative estimate of the cotton supply position during the season. The Committee places world supply for the 1953-54 season, based on information available till 23rd October, 1953, at 52.6 million bales (of 478 lbs. each) as against 50.6 million bales in 1952-53 and 47.3 million bales in 1951-52. If the supply position in the Communist countries (U.S.S.R., China and Eastern Europe) were excluded, the supply for the current season is placed at 43.7 million bales, as against 42.1 million bales in 1952-53 and 39.2 million bales in 1951-52.

It is thus clear that the overall supply position during the current season will, as now estimated, be larger than in the last season. This is true whether the supply position is considered in relation to the Free world only or in relation to the world, as a whole, that is, inclusive of the Communist countries. The following tables give the supply position in the Free world, as well as the world taken as a whole, for the 1953-54, 1952-53 and 1951-52 seasons:

Cotton Supply in Free World

(In million bales of 478 lbs. each)

	1951-52	1952-53	1953-54
Supply—			
Stocks, 1st August	10.6	13.3	15.5
Production	29.6	28.8	28.2
Total	39.2	42.1	43.7
Distribution—			
Consumption	25.2	25.9	..
Destroyed	0.1	0.2	..
Exports to Communist countries	0.6	0.5	..
Stocks, 31st July	13.3	15.5	..
Total	39.2	42.1	..

Cotton Supply in World

(Including U.S.S.R., China and E. Europe)

(In million bales of 478 lbs. each)

	1951-52	1952-53	1953-54
Supply—			
Stocks, 1st August	11.6	14.9	17.0
Production	35.7	35.7	35.6
Total	47.3	50.6	52.6
Distribution—			
Consumption	32.3	33.4	..
Destroyed	0.1	0.2	..
Stocks, 31st July	14.9	17.0	..
Total	47.3	50 6	..

It will be clear from the table above that the increase in the supply position is due not to any anticipated increase in production in the current season for which a somewhat lower output is indicated but to the increase in stocks carried over into the season. Thus, the world output is placed at 35.6 million bales, as against 35.7 million bales in the 1952-53 season. The Free world's output for the current season is similarly estimated lower at 28.2 million bales, as against 28.8 million bales in the 1952-53 season. But, in the world as a whole, and in the Free world in particular, the stocks, as at the beginning of the current (1953-54) season, were higher than at the commencement of the 1952-53 season; in the former, they were 17.0 million bales, as against 14.9 million bales a year ago and in the latter group of countries they were 15.5 million bales, as against 13.3 million bales.

A further analysis of the position of cotton stocks (as on 1st August, 1953), reveals that they were higher than a year ago in the net exporting countries whereas they were lower than on the same date in 1952 so far as the net importing countries are concerned. Thus, the stocks in net exporting countries as on 1st August, 1953, were 10.4 million bales, as against 7.2 million bales in the corresponding date in 1952. In the U.S. and Brazil, which belong to this group of countries, stocks increased from 2.8 million bales to 5.6 million bales and 1.4 million bales to 2.0 million bales, respectively. In other net exporting countries, there was a slight decline in stocks from 3 million bales on 1st August, 1952, to 2.8 million bales on the same date in 1953. Among the net importing countries, India and the U.K. together accounted for a major portion of the decline in stocks. In India stocks declined on 1st August, 1952, and 1st August, 1953, from 2.0 million bales to 1.4 million bales and in the U.K., from 1.3 million bales to 1.0 million bales. In other net importing countries, they declined from 2.8 million bales to 2.7 million bales.

Since the supply position for 1953-54 given above represents only the information received upto 23rd October, 1953, it does not include the latest estimate of the U.S. crop. It is based on the 8th October estimate of the crop, which placed it at 15.59 million bales. But the later estimate (8th November forecast) places the crop at 16.09 million bales. This suggests that the Free world's supply position will be somewhat larger than what is indicated by the Committee. Even so, it is difficult to hazard a precise estimate, because the final estimate of the U.S. crop may not be the same as that of the November estimates—already there are reports that, owing to bad weather in November, the 8th December forecast will show a drop—and also because there may be significant variations in the crops of other countries, notably India. Thus, the Indian crop for the current season, which was formerly being confidently predicted at 4.2 to 4.3 million bales of 400 lbs. each, is now being placed at a much lower level, about 3.8 to 3.9 million bales.

Apart from the changes in crop estimates, which are likely to be made in the near future as fuller information becomes available, the principal difficulty in estimating the current season's crop now is that, in the Southern Hemisphere, crops are being planted only now. But the Committee says that, unless there is a major decline in this season's crop in South Brazil, production in the Free world is again likely to exceed 28 million bales. This estimate includes, as already stated, only the October estimate for the U.S. crop which has since been revised upwards.

So far as the cotton crop in the Free world, outside the U.S., is concerned, the Committee says that it is "presently expected to decline by half to one million bales as compared to last season's record of 13.6 million bales." Both Egypt and Pakistan indicate a smaller crop. In Egypt, the official estimate places the crop at 1,255,000 bales—a decline of 800,000 bales—which is the smallest crop since the end of the war. Most varieties are affected but particularly Karnak, the output of which is likely to be more than halved. This means that world production of extra long staples this season is likely to be under one million bales, as against 1.4 million bales in 1952-53. Private sources predict a decline of a quarter of a million bales in Pakistan. Turkey may maintain its 1952-53 crop output. But production in many of the smaller Asiatic countries as well as in Uganda, it is stated, is likely to increase again this season. But a lower crop is predicted for North Brazil. In fine, the increased carry-over on 1st August, 1953, is expected to offset the relatively small decline in estimated production this season, so that the world supply, as already stated, is likely to be 1 to 2 million bales larger than in the 1952-53 season.

IMPORT DUTY ON COTTON

Cotton and textile interests in India, as is well known, have been demanding that the import duty on cotton should be either abolished or relief given in respect of the duty, at least so far as exports of cloth made from imported cotton are concerned. The Textile Commissioner to the Government of India announced recently that the Government had decided to grant drawback of import duty on cotton used in exported cloth. A notification in the matter has been issued under the provisions inserted by an Ordinance promulgated recently and subsequently confirmed by Parliament by passing the necessary legislation.

The Government has decided to allow, with effect from 26th November, 1953, drawback of duty on foreign cotton used in the manufacture of cotton cloth with both warp and weft yarns of counts 40s and over and of VOF cotton yarn of counts 40s and over when such cloth or yarn is exported out of India. The rules, now framed, provide for the entire import duty on raw cotton used in such cloth or yarn, i.e., at As. 2-1-1/5 per pound on the net weight (i.e., gross weight less tare, namely, weight of paper, packing, etc.) of such cloth or yarn exported with a deduction of 15 per cent. in every case to cover the average weight of sizing material contained in such cloth or yarn.

The Government has also under consideration a scheme of refund in respect of cotton cloth and yarn manufactured partly from imported and partly from indigenous cotton.

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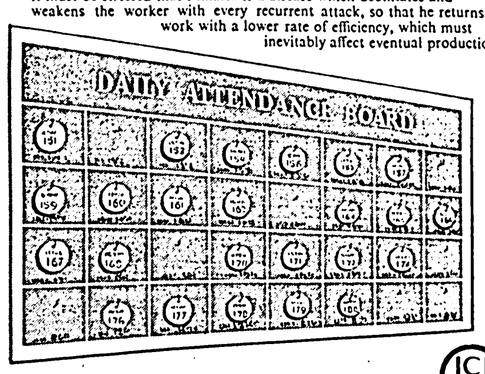

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SHOLAPUR SPINNING AND WEAVING COMPANY, LIMITED

CENTRAL AND BOMBAY GOVERNMENTS' ASSISTANCE COMMENDED

SIR VITHAL N. CHANDAVARKAR'S SPEECH

ADDRESSING the seventy-eighth Ordinary Annual General Meeting of the Sholapur Spinning and Weaving Company, Ltd., held on Monday, 30th November, 1953, at Bombay, Sir Vithal N. Chandavarkar, Kt., Chairman of the Board of Directors, gratefully acknowledged the assistance given by the Central and the Bombay State Governments which have "always been ready to help the mills out of financial difficulties." He referred to the installation of the two humidification plants for the carding and spinning block in the "C" Mill and the installation of a similar equipment in weaving department of the mill, which was under way, and stated that when the entire plant was completed there would be a "marked" improvement in the efficiency of the mills and a "consequent reduction in the cost of production."

The following is the text of Sir Vithal Chandavarkar's address:

"GENTLEMEN,

"The annual statements of accounts have been in your hands for more than three weeks and I propose to take them as read.

"The working of the mills during the year under report has resulted, as disclosed by the balance-sheet, in a loss of Rs. 11,82,705-6-2, subject to depreciation, for the year under report; but I would like to point out that the real working loss subject to depreciation works out to Rs. 23,94,687-0-8 made up as under:—

	Rs.	a.	p.
Loss as per profit and loss account	11,82,705	6	2
Credit taken in respect of unpaid and unclaimed balances	6,08,942	2	6
Net credit taken in respect of E.P.T. refund	6,03,039	8	0
	Rs. 23,94,687	0	8

"The Directors regret that, after two years of profit, they have to present a balance-sheet with such a large loss. The loss has been largely due to a number of factors beyond the control of the management.

"Realisation of sale of cloth and yarn was less by Rs. 68,75,000 compared to last year. The price of cloth as realised this year was at the rate of Rs. 2-13-4 per lb., as against Rs. 4-3-5 per lb. of last year.

"The export margin this year was Rs. 9,82,000, as against Rs. 25,62,000 of last year, although a larger quantity of cloth was packed for export this year.

"Miscellaneous income was less by Rs. 84,000, as compared to that of last year, due mainly to reduction in the following items:

Sale of coal ash less by Rs. 24,000.

Sale of stores empties less by Rs. 49,000.

"In this year, particularly, we had to bear additional burdens in the shape of:

	Rs.
Contribution to State Insurance Fund more over last year by ...	49,000
A new burden in the shape of contribution to Employees' State Provident Fund	1,53,000
Administrative charges in respect of State Provident Fund	9,000
	Rs. 2,11,000

"On the receipt side, there was an increase
out Rs. 67,000 from the sale of electrical
to the city electrification department
t year, because we sold 1¼ lakhs units
n last year and also due to the rate
w the mill being a little more than

ds the debit side of profit and loss
n consumption is less by
nly due to the fact that cotton purchased during the year was on an average at a lower rate as compared to previous year.

Stores Consumed

"There was an increase of Rs. 4,72,000 in stores consumption over last year due to some extent in increase in production of cloth from 73,00,000 lbs. to 84,00,000 lbs., in the current year. Moreover, as a result of reorganisation of the dyeing and bleaching department we were able to turn out more cloth in finished condition than last year.

"There was an increase of Rs. 1,23,000 over last year under the item 'coal consumed.' This was due to the withdrawal of rebate in railway freight. We had to pay Rs. 38 per ton this year as against Rs. 32 last year.

"Interest is more by Rs. 2,77,000 over last year, due to increase in borrowings from Rs. 109 lakhs of last year to Rs. 144 lakhs during the current year and due to Rs. 52,000 paid on account of interest to ex-selling agents, Messrs. Jhajharia Dhandhania & Co., as a result of the confirmation by the Supreme Court of the decree passed by the Bombay High Court.

"There is a reduction in insurance charges to the extent of Rs. 52,000.

"The working of the city electrification department shows an apparent loss of Rs. 36,885. Actually, this department has made a working profit of Rs. 38,408. The deficit of Rs. 36,885 shown in the accounts is due to debits to this account not relating to current year which are as follows:—

	Rs.
Arrears of depreciation for 1948-49 and 1949-50	37,609
Under-charge of 1950-51 for power supplied by mill to this department	34,196
Contingencies reserve of 1950-51 ...	3,488

"At present, our installed capacity is 86,048 spindles out of which 65,420 are working two shifts in the 'C' Mill and 20,628 spindles in single shift in the 'B' Mill. We are also working 1,012 looms in two shifts in 'C' Mill and 1,222 looms in one shift in the 'B' Mill.

"In my last year's speech, I had referred to the orders placed by the Board for new boilers and turbo set. These orders are now being executed and we have begun to receive deliveries against the orders in instalments. Plans have also been prepared for erection of a building to house the new boilers.

Increase in Efficiency

"The installation of the two new humidification plants for the carding and spinning block in the 'C' Mill has been completed and the plants are working satisfactorily. Materials have also arrived for the humidification plant for the weaving department of the 'C' Mill and the plant will be ready for working in two or three months. When the entire installation of the humidification plant is completed, it is expected that efficiency will materially improve with a consequent reduction in the cost of production.

"I regret very much that I cannot hold out hopes of better results for the current year. It is too early to say what the results will be and my statement is based on the working results of the first five months of the current year.

"I ought to refer to the labour unrest in the mills, caused by the strike of the blow room workers of the 'C' Mill in October, 1952. Although the strike lasted for about three weeks, it upset completely the working of the whole mill. Department after department had to be played off owing to the shortage of back process. As the matter is still *sub judice* before the Wage Board, I cannot refer to the pros and cons of the strike in detail. Suffice it to say that the strike was declared illegal by the Labour Court of Sholapur.

"In my last year's speech, I had referred to the contribution of Rs. 50 made by the mills to the Patients' Relief Association of Sholapur who have one of their dispensaries in one of the chawls of the mill. This contribution of Rs. 50 was made to the Association this year also.

Governments' Help

"The Board of Directors and the shareholders have every reason to be very grateful to the Governments of India and Bombay. Both the Governments have always been ready to help the mills out of financial difficulties. Apart from the Government guarantee to the loans from the Bank of Baroda against stock and block assets, the Governments have themselves advanced from time to time further moneys during the year, to the mills. As at the end of the financial year of the Company on 31st March, 1953, the amount of the loan due to Government was Rs. 37 lakhs. To-day, the amount has mounted up to Rs. 94 lakhs.

"I must also express my thanks and gratitude to my colleagues on the Board. I am glad to inform you that Mr. T. Swaminathan, I.C.S., Textile Commissioner to the Government of India, has been nominated by Government as an additional member of the Board. Unfortunately, owing to his presence being urgently required at Delhi, he could not be present at this meeting. Mr. Tulsidas Kilachand is also unable to be present to-day on account of his parliamentary duties at Delhi.

"Both Mr. K. L. Panjabi, I.C.S., who was in charge of the Development Department during the year under report and Mr. Dehejia, I.C.S., of the Finance Department, have been very helpful not only to the Company but also to me personally.

"In conclusion, I have to thank our Technical Advisers, Messrs. B. D. Kulkarni and B. Ganapath Rao and the members of the staff both in Sholapur and in Bombay for their very valuable co-operation."

TEXTILES

(Concluded from page 1048)

machari, the Union Minister for Commerce and Industry, did well, therefore, to dismiss these suggestions outright as being most destructive. Significantly enough, Mr. Krishnamachari remarked:

"The consumer will have to pay higher prices, and in taxing the consumer, one has to take into account his purchasing power. There is no difference of opinion on my side that the uneconomic worker must be kept alive. Some people may say that he must be kept alive for all time as an uneconomic worker. I am prepared to keep him alive until such time as I can give him an economic wage. My ambition is that, instead of 10 annas, the workers who are now in the handloom industry must be able to earn three rupees or five rupees a day, like workers in some other industries. It might be that, ideologically, some are against machines and others in favour of machines. I agree with the view that the figure of 800,000 does not represent the labour which depends on the mill industry. There are a lot of others who produce cotton and gin it, those who supply coal and other necessities for the mills and the people who distribute the mill goods.

"I can make handloom weaving an economic one. I would like the handloom weaver to stay there. Otherwise, I would like to find for that weaver other employment. That is all the difference that exists on my side. Everybody agrees that the handloom weaver should not be allowed to die. I have been asked what the result of the restriction is. In Madras, the quantum of mill-made *dhotis* available has been brought down from 5,100 bales a month to about 1,000 bales. Therefore, the device might be clumsy, but, it is effective. In the overall picture, production before the restriction has averaged at one time 50,000 bales, as against 45,000 which is the optimum needed. This has gone down to 29,000 bales after the restriction."

Be that as it may, the *Dhotis* (Additional Excise Duty) Bill seeks to replace the Ordinance—issued on 26th October last—by which an extra excise duty is levied on *dhotis* packed by mills in excess of 60 per cent. of the average monthly production during 1951-52. Explaining the need for the additional duty, Mr. Krishnamachari said: "In West Bengal, there has been certain amount of misbehaviour on the part of the mills. The remedy would have been to prosecute them, but the Government feels, on more mature consideration and after consulting the State Ministers, that it will be better to have a self-adjusting mechanism by which there will be a restraint on production beyond the quota."

Although the Government's reluctance to take punitive action against the mills is understandable in the light of the labour situation in the State and of the need for maintaining textile production, it is regrettable that it should have sought to solve the problem by imposing an additional excise duty. After all, it must be remembered that the incidence of the duty will be borne, not by the mills, but by the consumers. As. Mr. G. D. Somani pertinently averred, the present measure goes against the interest of the consumer.

COMMONWEALTH SUGAR PRICE REDUCED

WILL RESUMPTION OF FUTURES TRADING BE FEASIBLE?

THE developments in the sphere of sugar trade in the U.K. and the Commonwealth sugar-producing countries were of very little interest to India until recently. This was only to be expected, for the country was not dependent upon outside sources for its sugar requirements, as the indigenous production was more or less sufficient to meet the demand. The position has since changed; thanks partly to a decline in production and partly to an appreciable rise in consumption. India has, once again, become an importer of sugar. The need for securing adequate sugar supplies at as low a price as possible has, therefore, become urgent now. Naturally enough, the changes that have lately occurred on the U.K. sugar front assume special significance.

Following a comfortable supply position, the British Government abolished the sugar control on 1st October, 1953. This was soon followed by its decision to resume futures trading in sugar in the near future. Very recently, two important decisions relating to sugar for 1954 were announced by the Government. First, the price of sugar which the U.K. will purchase under the Commonwealth Sugar Agreement—signed in London towards the end of 1951—has been reduced from £42 6s. 8d. to £41 per ton. Secondly, the period of the Agreement has been extended by one more year, that is, upto the end of 1951. These decisions are a sequel to the talks held by the British Food Ministry with the representatives of the Commonwealth sugar producers—Australia, British West Indies, South Africa, Mauritius and Fiji. Under the Agreement, it will be recalled, the U.K. Government has undertaken to buy sugar up to certain quotas or targets. Each supplying territory obtains a fixed price each year for two-thirds of its quota. The rest of the sugar produced can be sold at the world market price, plus the benefit of tariff preference at £3 15s. per ton.

A Welcome Decision

The extension of the Commonwealth Sugar Agreement, however, is not of much practical significance, inasmuch as it pertains to a long period of eight years and does not, in any way, alter the contents of the Agreement as such. As regards the reduction in the price of sugar, the decision of the British Government will doubtless be welcomed by consumers who have all along been paying a high price. This reduction has been rendered possible by a downward trend in the cost of sugar produced in Commonwealth countries, following a decline in the prices of sugar bags, fertilisers and other supplies. Even so, the price of sugar to consumers in the U.K. will be higher than the world market price, which is now £28 12s. (c.i.f. U.K.), by as much as £12 4s. per ton or more than 1d. per lb.

In view of this wide gap, doubts are being expressed by sugar interests in the U.K. regarding the feasibility of implementing the Government's policy of returning the sugar trade to private hands. It is pointed out that the quantity of Commonwealth sugar sold to the U.K. (and also Canada) on the basis of the open market price is relatively small. The aggregate quantity of sugar produced in the aforesaid five Commonwealth countries during 1952-53, for instance, was 2,758,000 tons and the total annual export quota amounted to 2,375,000 tons (including the quota of export to New Zealand). The quantity left with the exporting countries for the free market was thus 413,000 tons. Among the other obstacles to the return of the sugar trade to private hands are heavy stocks of raw sugar held by the Government and difficulties with regard to sterling convertibility. Referring to these factors, the United Terminal Sugar Market Association has made the following observations:

"The report that the terminal sugar market is due to open on 1st January, 1954, is quite premature. It is the desire of the market to open as soon as possible, but, at the present stage, the details and the timing are merely under active consideration. Traders hope that it will be possible to resume some form of trading early next year and schemes are being put forward and considered, but it is by no means assured yet that they will go through. The functioning of the market, which, before the war, was one of the U.K.'s leading international commodity centres, is closely linked with the question of sterling convertibility. Heavy official stocks of raw sugar and the wide gap between U.K. and world prices arising from undertakings under the long-term Commonwealth sugar supply agreement present obstacles to the resumption of futures trading."

Meanwhile, the U.K. export trade in refined sugar is said to be meeting stiff competition from Continental refiners. This, in turn, limits the U.K. demand for raw sugar purchased privately to cover refined sugar export business. In view of the heavy official stocks of raw sugar used for meeting the domestic consumption, this private trade has come to be of particular importance to Cuba now.

LICENCE FEES FOR SUGAR FACTORIES

Considering the series of disquieting problems now confronting the sugar and other industries in the State of Bombay, the contemplated move of the Government to enhance the licence fees for factories by as much as 20 per cent. is, indeed, deplorable. It was only last year that the Government had raised the fees by about 25 per cent. as compared with the rate in 1950. There is absolutely no justification whatever for a further increase in the existing licence fees. After all, according to the strict principles of public finance, a fee, unlike a tax, should be levied, not as a source of revenue to the Exchequer, but as income for a specific purpose. The factory licensing fee is only meant for covering the cost involved in seeing that factories get themselves registered as required by the provisions of the Factories Act. Invariably such fees are nominal and are not frequently changed. If any Government were to enhance such fees unduly, it would give rise to the impression that the Government has become so bankrupt of resources that it would grab everything on which it can lay its hands.

It is no wonder, therefore, that the Bombay Government's move has been greatly resented by all industrial units, especially the sugar industry. In the course of a communication addressed to the Government, the Deccan Sugar Factories' Association points out, for instance, that the levy of licence fees cannot be used for the purpose of gaining income from it. If the licence fees are to be "arbitrarily" increased at such short intervals and at such high rate without any justifying necessity, it would, the Association observes, create a feeling of uncertainty which would have a most harmful effect on the working of factories.

There is considerable force in these observations. The burdens that the Government has imposed on the sugar industry in the form of taxes and cesses are already heavy. And any additional burden will only mean a further rise in the cost of sugar manufacture which is at present high in all conscience. The consumer of sugar has all along been eagerly expecting a reduction in price, which is possible only when cost of production is reduced. Surely, the surest way of bringing about such reduction is the downward revision in tax imposts. Instead of doing so, the Government of Bombay, it is most unfortunate, has thought of imposing more and more burdens, utterly disregarding the most urgent need for stepping up the level of consumption, what in the present context of growing unemployment. It is to be hoped that wiser counsels will prevail on the authorities and that not only the move to enhance licence fees will be dropped but even the existing schedule will be revised downwards.

Be that as it may, we give below, for purposes of record, the new schedule of licence fees proposed to be adopted by the Government:

Maximum No. of persons to be employed on any day during the year	*Quantity of h.p. installed (Max. k.p.)*				
	Nil	*Upto 10*	*Above 10 but not above 50*	*Above 50 but not above 100*	*Above 100*
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Up to 20 ..	7 8	19 12	37 8	75 0	112 8
20 to 50 ..	18 12	37 8	56 4	93 12	150 0
51 to 100 ..	37 8	45 0	75 0	112 8	187 8
101 to 250 ..	93 12	112 8	187 8	281 4	375 0
251 to 500 ..	187 8	225 0	375 0	562 8	750 0
501 to 750 ..	281 4	337 8	562 8	843 12	1,125 0
751 and above..	375 0	450 0	750 0	1,125 0	1,500 0

SUGAR PRODUCTION AND STOCKS

The opening stocks, production, despatches and closing stock of sugar in India during the fortnight ended 31st October, 1953, were 258,769 tons, 720 tons, 66,529 tons and 192,960 tons, respectively. The figures for the corresponding fortnight of the previous season were 502,811 tons, 4,772 tons, 39,475 tons and 468,108 tons.

The total production and despatches of sugar for the season 1952-53 amounted to 1,317,681 tons and 1,602,897 tons, as against 1,489,377 tons and 1,127,986 tons during the previous season.

Production during the fortnight, being 720 tons of sugar pertaining to season 1953-54, has not been included in the to-date production of 1952-53. The to-date production for the season 1953-54 amounts to 1,399 tons.

The Government of India has decided to release for free sale all sugar produced by factories during the 1953-54 crushing season (up to the end of 30th November, 1953).

PRODUCTIVITY IN COAL MINES

I.L.O. REPORT REVIEWED

THE fifth session of the Coal Mines Committee of the International Labour Organisation is in session at Dusseldorf, Federal Germany, as these lines are being written. Representatives of workers, employers and Governments of 17 coal-producing countries, including India, are participating in this conference. The main agenda before the conference relates to productivity of workers in coal mines. The I.L.O. has prepared a report on productivity in the various coal-producing countries, with a view to facilitating discussions at the session on the subject under reference.

The importance of the session to India needs no emphasis, especially because the output of the Indian worker per man-shift is very low, as compared with that in the U.K., the U.S. and many other countries in the West. It is common knowledge that there are several reasons for the low *per capita* output. The important, among others, are (*a*) inefficient management, (*b*) old worn-out machines, (*c*) unscientific utilisation of the mines, (d) absence of proper ventilation and proper working space, (*e*) absence of proper sand stowing arrangements, (*f*) want of proper pumping facilities, (*g*) failure to utilise the mines to their full capacity due to either lack of finance or unwillingness to invest money required for development of work for various reasons, (*h*) absence of healthy relationship between the management and the workers, (*i*) absence of proper facilities for training workers and the managers, (*j*) absence of any relationship between workers' output and their earnings, and (*k*) defective layout, including defective haulage system. If the present discussions on productivity were to have at least some effect on improving the output of the colliery workers in India, it would have served its purpose, so far as India is concerned.

Psychological Aspects

The I.L.O. report on productivity points out that technical progress and improvement are essential for improving productivity. But they are not, asserts the report, a panacea for all productivity problems in coal mines. For the use of better technical methods and the implementation of organisational programmes depend essentially on human ability and willingness. Consequently, the psychological aspects of the problem deserve special consideration, more so because they have long been neglected by some countries. This observation of the report is pertinent for, after all, "only the workers' time can be purchased, but his loyalty and co-operation must be earned." In other words, beyond paying for hiring another's time, there is much the employer can do to win the full co-operation he needs for productive operation. It is needless to emphasise, in this connection, that the road to good labour relations is, however, not a one-way street: responsibility does not rest entirely on the employer; the worker, too, must be as willing and keen to give as he is to take.

A brief review of the working of coal mines in the various countries of the world discloses that the bituminous coal-mining industry in the U.S., which operates in the shallowest conditions, ranks highest from the standpoint of increased output per man-shift, whereas Belgium, which has the deepest workings, has the lowest output of all European countries. The output per man-shift in the Netherlands is the highest of all West European countries. The overall output per man-shift in France in 1952 was 104 per cent. of the corresponding output in 1935. In Federal Germany, however, the output of underground miners was hardly 70 per cent. of what it was in 1936. The output in Japan in 1951 was only 58.4 per cent. of what it was in 1934-36. In the U.K., the overall output has remained practically the same over the last quarter of a century.

What is this variation in productivity of colliery workers in the different countries due to? The productivity and prosperity of the U.S. coal mining industry is due essentially to the "disciplined and understanding attitude of American miners and the consideration they receive from their employers." A productivity experiment conducted in two collieries in F has shown that the basic reason for the difference in productivity of the U.S. and F to be found in "the difference of en The I.L.O. report says: "It has no ble to transplant in Belgium the of all who are concerned with U.S.—managers and workers,

trations and equipment manufacturers—which is one of the major reasons for the high productivity in the U.S. The most effective technological methods in a country may fail in another, if the importance is overlooked of the spirit that prevails among workers which is the essential basis of productivity and which very often necessitates a special adaptation of the method used."

Output Bonus

There is a temptation to ascribe the magnificent rise in productivity of coal workers in France to technological measures, for output per man-shift in that country has risen, following the improvement in equipment. Alluding to this tendency, the report warns against overlooking the "importance of labour factors." It remarks that the output bonus methods have to some extent contributed towards increasing productivity. It is, however, significant to note here that the output bonus system in West Germany has failed, because a considerable part of the bonuses has been swallowed up by progressive taxes.

The output per man-shift in the Netherlands is the highest of all West European countries, in spite of the fact that natural conditions in the country are less favourable than those in many other countries. This clearly means that the adverse natural factors to a large extent can be offset by human effort. So far as the U.K. is concerned, the I.L.O. report observes that, having regard to the special difficulties facing that country, the productivity results achieved by British collieries can be considered as "excellent." It adds that the psychological aspect of productivity problem is particularly important in the U.K.

The I.L.O. report has devoted particular attention to joint consultation between employers and workers with a view to increasing productivity. In this connection, it makes the following pertinent observation:

"Wherever joint consultation has been organised at the level of the coal industry as a whole, it has proved extremely useful in the application of modernisation programmes and has greatly facilitated the recovery and reorganisation of coal mines. . . . It is desirable that there should be joint consultations in all levels of the coal industry. The primary condition for the functioning of consultative bodies is that contacts should be made at all levels, and that they should reach the miner himself, who works at the coal face. . . . In order to convince miners of the need for increasing productivity, however, the misunderstandings which persist as to the meaning of the concept must still be removed. It should be explained to the miners that the ultimate goal of productivity is not only to increase output per man-shift but also improve their own lot. . ."

The report has devoted a whole chapter to the effects of increased productivity on the living conditions of colliery workers. The following are some of the points that have emerged from its study:

(1) There seem to be good reasons for concluding that, in general, increased productivity has not resulted in reduced safety. On the other hand, the introduction of modern equipment entails new dangers, such as the risk of accidents due to mechanical or electrical causes. The industry is, however, giving its attention to the matter.

(2) It is beyond doubt that technical devices and modern methods have, as a general rule, made it possible to increase the miner's output without imposing extra fatigue upon him; on the contrary, mining has been made less arduous and disagreeable.

(3) It is understandable that productivity measures provoke redundancy among mine-workers, if they are not accompanied by a policy of increased production. The slowing down of production should, therefore, be avoided as much as possible.

UTILISATION OF SLACK COALS

Non-coking coal slacks constitute valuable fuel for thermal power stations equipped with chain grate stokers, according to an investigation on the utilisation of slack coals from State railway collieries conducted by the Fuel Research Institute, Jealgora. The investigation was undertaken at the instance of the Railway Board and the tests included complete analyses, washability studies, coking characteristics, and briquette making. They have disclosed that about three-quarters of the total slack coal from Bokaro and Giridih fields are of the coking type and contain 17 to 25 per cent. ash. The best manner of utilising the coking slacks is to wash them and carbonize the cleaned products to high class coke. The cokes from Giridih coals, which contain little sulphur and phosphorus, may be suitable for the manufacture of carbide and ferro-manganese.

Non-coking slacks, constituting the remaining quarter of the total, appear to be suitable for briquetting. The slacks are comparatively low in ash do not need washing. Hard briquettes with satisfactory water-proof properties can be ed from them after adding pitch or partially tar (5 to 10 per cent.) as binder. The of binder may be reduced by using blends ing and coking slacks. The comparacost of binder (pitch) renders briquette- Carbonization of briquetted coals very may reduce the overall cost to The economics of briquetting warrant idy.

ANNUAL MEETING OF BELAPUR CO., LTD.

TIME NOT OPPORTUNE FOR ISSUE OF BONUS SHARES, SAYS SIR JOSEPH KAY

THE Thirty-fourth Ordinary General Meeting of the shareholders of the Belapur Company, Ltd., was held in Bombay on 1st December, 1953. Sir Joseph Kay, K.B.E., Chairman of the Company, who presided over the meeting, in moving the Directors' report and statement of accounts for adoption, drew the attention of the shareholders to some of the salient features of the Company's results for the year under review which, he said, was a satisfactory one. In his brief survey of the various developments of the season, he referred to the Government's new sugar policy and indicated the outlook for the Deccan sugar factories in general, and the Company in particular, for the current year. Thus, he observed:

"The Indian sugar year was marked by certain notable features, but, in spite of some reduction in production, combined with the fact that Government attempted to lower selling prices, the year may be regarded as having been a fairly satisfactory one.

"Figures show that production of finished sugar for all India fell by 11.2 per cent., as compared with the previous year, but the large carry-over of some 5,00,000 tons from that year made the quantity available over 18,70,000 tons, or 13.2 per cent. more than the previous year, so that, in the early part of the season, the Government gave permission for the export of 2,00,000 tons, in addition to 50,000 tons of *gur* and 10,000 tons of *khandsari*, and decided to allow a subsidy of Rs. 2 per maund; but this was short-lived, for, within two months, the Government, in view of scarcity of supplies in several parts of the country, suddenly banned exports of both sugar and *gur* and, surprising as it was, decided, towards the end of the season, on a policy of importing large quantities of sugar, in order—so it was stated—to defeat hoarding and to bring down prices to the ex-factory price fixed by them of Rs. 27 per maund. It appears to me that the Government had overlooked the increase in internal consumption which had taken place, following the increase in recent years in the sugar-tasting habit of the peoples of this country.

"The decline in the quantity of cane crushed was some 14½ per cent., due to some reduction in the cane crop and larger quantities diverted to the manufacture of *gur*; the reduction of the sugarcane crop, as compared to the previous year, was 13.3 per cent. for all India and 25.8 per cent. for the State of Bombay. On the other hand, recovery percentage showed some improvement, the all-India figure being 9.97 per cent., as against 9.57 per cent. for the previous year, the corresponding figures for Bombay being 11.51 per cent. and 11.08 per cent., respectively.

"The Government's sugar policy for the coming season (1953-54) has been announced. The following are the main features thereof:

(*a*) Sugarcane price raised from Re. 1-5 to Re. 1-7 per maund.

(*b*) The special additional excise duty of Re. 1 per maund imposed last year to be discontinued.

(*c*) The practice of fixing minimum price for cane one year in advance adopted.

(*d*) No statutory control on the price or distribution of sugar, but releases of stocks from factories to be controlled, in the same manner as was done in 1952-53, with approximately 25 per cent. of the year's production to be treated as reserve stock from which the Government will make releases at controlled prices, if the market price of sugar rises unduly high.

"The outlook for ourselves and other factories in the Deccan is not so promising as it was a year ago, as crops are likely to be smaller, on account of restrictions in the quantity of irrigation water made available, combined with the necessity of our having to continue with the extensive growing of food crops, and which prevents our giving rest, once every three years, to land on which heavy cane crops are grown requires; it is feared that this constant use of land will, as time goes on, bring about soil deterioration."

In view of the rumours that are afloat in the share market about the possibility of the Government treating the bonus issue to shareholders as income from next year onwards, some of the shareholders desired to know whether the Directors had considered the question of capitalising a part of the Company's reserves and issuing bonus shares. In his reply, the Chairman stated that the Board had not applied its mind to any such proposal. He further indicated, in a very convincing manner, what the guiding policy should be in deciding to issue bonus shares. He said that he should feel assured that the Company would be able to pay a reasonable dividend after the capitalisation of reserves. When once he felt assured of that, he would place the proposal before the Board. But, at present, he was not quite sure that the Company would be able to pay a reasonable dividend on the increased capital, particularly in view of the immediate none too promising outlook for the Company, for the current year, as referred to earlier. He assured the shareholders that, subject to the above principle, he was not opposed to bonus issue as such.

A few shareholders wanted to know about the condition and life of the Company's plant and machinery and whether the Directors proposed to install any improved machinery. In reply to this query the Chairman said that the existing plant and machinery would last for 10 to 15 years. They were being well maintained and kept up to date, their overall efficiency being 83 per cent. He also added that the Company's plant and machinery were the best in this part of the world.

As in the previous year, shareholders evinced keen interest in the Company's housing scheme. They wanted to know the total cost of the scheme, whether the Company proposed to charge any rent, and why the Company should undertake the housing scheme, if it did not fetch any return. In his reply, the Chairman said that the Directors had not yet decided whether to charge any rent or not. There were certain difficulties in the way as, for example, the labour legislation. The Directors were still considering the question. Sir Joseph added that the housing scheme was not undertaken with a view to getting any return on the investment. In fact, no housing scheme, he said, could assure any reasonable return on the investment. The Company had undertaken the scheme with the object of giving more amenities and better mode of life to labour. The total cost of the Company's housing scheme was some Rs. 55 lakhs. The Company had so far provided a sum of Rs. 30 lakhs from out of the profits.

A few of the shareholders desired to know as to what extent the sale of imported sugar had affected or would affect Indian sugar. The Chairman replied that, so far, the sale of imported sugar had no effect on Indian sugar; he did not think that it would have any serious effect, unless much larger quantities than those now programmed were imported.

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EXPORT DUTY ON COFFEE APPROVED

COMMERCE MINISTRY'S ANTIPATHY TO INDUSTRY UNWARRANTED

THE House of the People passed, last week, a resolution moved by the Commerce and Industry Minister seeking its approval of the Government of India's recent notification, imposing an export duty of Rs. 62-8 per cwt. on coffee, with effect from 10th October last. The Council of States also approved a similar resolution moved by the Commerce Minister. The speeches from the Ministerial side disclosed that the Government was firm in its convictions about the coffee situation and was not prepared to concede the demands of the growers to refer the whole question of fair prices to the Tariff Commission. It was also evident from the Commerce and Industry Minister's speech that an impression had been created in the Minister's mind that the growth of the coffee industry was lop-sided, and that an evening out of the growth could not be made by increasing the burden on the growers who made more profits and subsidising the small growers.

One of the members from Mysore in the Council of States opposed the imposition of the export duty. He wanted the entire benefit of the higher prices abroad should go to the small growers who numbered about 21,000. He reiterated the suggestion of the planters that the question of cost should have been referred to the Tariff Commission, which was an impartial body. Another member from Travancore-Cochin stated that the estimated revenue of Rs. 37.5 lakhs from the export duty was not enough justification for levying it. He felt that the levy would severely hit the small estate owners who would contribute 60 per cent. of this revenue. He, therefore, suggested that the proceeds of the duty should be placed at the disposal of the Coffee Board for distribution among the small estate owners. He accused the Government of trying to interfere with the working of the Coffee Board which had functioned effectively since it had been formed and had promoted the industry greatly. This, in our view, is a correct statement. There is no doubt that the Government has been interfering with the work of the Coffee Board in such a way that the Board would not be in a position to discharge its duties to the industry and consumers as effectively as it used to do in the past.

Development of Coffee Industry

The Commerce Minister, Mr. D. P. Karmarkar, in his speech in the Council of States, both at the opening of the debate and in the course of the debate, tried to justify the Government's handling of the coffee situation, but he was not convincing enough. He said that the Government was anxious to develop the coffee industry in the interests of both the consumers and the planters, but he did not say how the Government proposed to do it. According to the Commerce Minister, the difference between the Indian price and the world price was very high. The price of Indian coffee was Rs. 146 per cwt., inclusive of an excise duty of Rs. 21, a cess of Re. 1 and administrative expenses of the Coffee Board amounting to Rs. 7-4. The growers got about Rs. 117 per cwt. The price abroad, the Minister added, was somewhere between Rs. 360 and Rs. 400. Considering the large amount of money that would go into the hands of middlemen, if the export of coffee was allowed free of duty, the Government decided to impose a duty of Rs. 62-8 per cwt. In the case of coffee that was exported, there was no excise duty and the Coffee Board was, therefore, in a position to have a clear margin to that extent. The Minister added that the Government expected to get a revenue of Rs. 37.5 lakhs and that it had already collected Rs. 25 lakhs. The aforesaid statement is not completely correct and is misleading. To take, for instance, the Minister's claim that the price of coffee abroad is at a very high premium over the Indian price. It is true that the price of the arabica variety commands a premium of Rs. 200 per cwt., but the point is that the Government has not allowed the export of this variety. So the coffee industry does not get any benefit of this price. The Government has permitted the export of only robusta coffee, which fetches abroad about Rs. 100 more than the Indian price. The margin left to the Coffee Board is, therefore, not as wide as the Minister claims. Incidentally, the facts mentioned by Mr. Karmarkar clearly reveal that the consumer of coffee in this country is getting his requirements at 50 per cent. below the world price.

The Minister added that the Government was interested in the development of coffee, because it felt that it was necessary in the interest of the consumers and possibly later on, the development of a consistent export market. He asserted that the action which the Government was taking to mop up the difference between the internal and external prices of coffee, advanced the interests of all parties concerned. This is too vague a statement to carry conviction to any impartial observer. The Minister ought to have proved how the policy the Government is now following is in the interests of all concerned. On the contrary, this policy, by denying the industry adequate margin of profit, will retard the expansion of the coffee industry. It is detrimental to the economy of Coorg, Mysore and Travancore-Cochin, as it is these States that will suffer, if the coffee industry fails to expand.

In his reply to the debate in the House of the People, Mr. Krishnamachari, Commerce and Industry Minister, merely repeated the performance of his colleague in the Council of States. Thus, he said that it was the Government's intention to give a fair deal to the coffee producers and to protect the small producers among them. The Government was thinking of evolving some method whereby an additional burden would fall on the coffee producers who earned more profits and a rehabilitation allowance would be given to small producers. Although the details of such a scheme are yet to be worked out, the Government's move is most unsound; in fact, it is a retrograde step, inasmuch as it will amount to penalising the efficient unit to protect the inefficient unit. Such a policy will ultimately defeat its purpose of bringing down the consumer's price. It is only through a process of allowing the estates which earn more profits to conserve their resources and do extensive cultivation that the prices can be brought down. This does not mean that deserving small growers should not be given some assistance. What is sought to be emphasised here is that such should not be at the cost of the economic units. It should also not take the form of a subsidy, for experience throughout the world has shown that provision of subsidy only breeds more inefficiency and encourages complacency even among active units.

Referring to the levy of export duty, the Minister claimed that it had been levied in a fair manner. Whatever profits were made out of it would, he said, be equally shared between the Government and the Coffee Board. But it is not clear what exactly the Minister means by this. Does he mean that he proposes to share the proceeds of export duty itself with the Coffee Board? If so, how will the share of profit received by the Board be utilised? Will the producers derive any benefit out of it or will the whole profit be passed on to domestic consumers? We wish the Minister had thrown more light on this point.

Defending the action taken by the Government to deal with the coffee situation, Mr. Krishnamachari said: "So far as coffee is concerned, we are right on the saddle and we do propose to protect small planters; but we shall look to the interests of the consumers of this country primarily. Things are not quite so black as members opposite want to paint them, in order to condemn." Justifying the Government's interference in fixing coffee prices, Mr. Krishnamachari recalled how, between the years 1944-48, the consumers had actually subsidised exports, because consumption was lower than production. The export prices were lower than the local prices and the Coffee Board raised the local prices and made the local consumer pay the difference between the export prices and what was paid to the growers. In 1948, the price of plantation coffee was Rs. 90 per cwt. In 1949, it rose to Rs. 120, in 1950 to Rs. 135 and in 1952 to Rs. 180 per cwt. If the Government had not interfered with the price, it would have gone up further, the Minister claimed. "In charging high prices," the Minister added, "we are killing the home market. The foreign market is not stable for all time. For four years, the local consumer has stabilised the prices for export. There must be some little gratitude for this unfortunate consumer who belongs to the lower income group."

The trend of Mr. Krishnamachari's argument is fairly correct, but he did not reveal the whole story. He did not say, for instance, as to why the prices of coffee shot up to high levels in 1952. They did so, because the Government allowed exports of coffee, against the advice of the Coffee Board. Thus, it was the Government that was responsible for the rise in prices that year and not the Coffee Board. Again, the complaint of the coffee industry is not that the Government is interfering with its affairs, but that it is doing so without a proper understanding of the problems and the needs of the industry and in a manner prejudicial to the long-range interests of the industry, in particular, and the country, as a whole, in general. A typical instance of the Government's bungling is its refusal first to allow exports of coffee this year when stocks were accumulating and its subsequent readiness to allow exports. The time taken by the Government to understand the real situation was so long that, in the meantime, the coffee seeds that accumulated for want of demand suffered natural deterioration in quality, thereby resulting in a national loss. Again, it is true that, in the years 1944-48, the domestic consumer paid a higher price than the world price for coffee. But this has not been without its compensation. His contribution to ensure an economically stable price for coffee has led to a steady increase in the production of coffee from 17,300 tons in 1944-45 to 24,000 tons in 1952-53. This in turn is now responsible for the consumer being able to buy coffee at about 50 per cent. below the world price. In fairness to the coffee industry, Mr. Krishnamachari ought to have presented the other side of the picture too. It is a pity that he should avail himself of every available opportunity to run down the plantation industry which has done so well by the country.

ANOMALIES OF BRITISH JUTE CONTROL

BREACH OF G.A.T.T. PROVISIONS?

THE bold bid by our British contemporary, the *Economist*, at bringing to the surface the great injustice that is being done to the British consumer of jute goods by the continued control on raw jute and jute manufactures is creditworthy. Against the background of marked but gradual progress made towards freedom of commodities, the continuation of this harmful control comes into such bold relief that it can hardly escape notice. Only three commodities, it may be noted here, are now under control and jute and jute goods are one of them.

Jute and jute manufactures are duty-free commodities under the Ottawa Agreements Act, 1932. But war-time shortages which ushered in various controls covered these goods also. Under the Jute Control then initiated, the Government purchased these goods and pooled them with goods manufactured in Dundee for distributing them. The selling prices of home-produced and imported goods were the same, because it was only then that the products would become interchangeable during war-time conditions of irregular supply. This system of equalisation of prices introduced during the war, in fact, brought with it an element of protection not quite discernible then, as attention was concentrated more on winning the war. Like all other essential features of the control, it has continued ever since.

In the result the British Government, through its Jute Control body, is still the sole importer of raw jute from Pakistan and jute goods from India. It does not buy in bulk, but makes day-to-day purchases in the market. Its purchases of jute goods is confined only to what is needed after Dundee produced all that it can, and 60 per cent. of Britain's requirements are met from Dundee. The balance of 40 per cent. is, therefore, covered by purchases by Jute Control, mostly from India. The Control does not trade in home-made jute goods. This is left to private channels but it controls their prices. These prices are fixed on the basis of an agreement with the jute industry in Dundee, allowing a generous margin of profit. Imported goods are also sold at these levels. These latter are virtually very cheap. The *Economist*'s observations in this context are forceful:

"Imported goods are normally much cheaper than Dundee-made goods, and the Controls sells them at Dundee prices. The current market price of Indian hessian, for example, is about 85*s.* 6*d.* per 100 yards for 10 oz.×40" cloth delivered at Dundee, as compared with 110*s.* for similar home-produced cloth. The control, therefore, makes a handsome profit from its sales of imported goods, and pays this over to the Exchequer; the only exception to this norm of high profits—profits made in part at the expense of inflating the package costs of British exporters—is in heavy Indian-type sacking which is not made in Dundee."

Our contemporary points out further that, under the present system, there is no direct price competition between Dundee and the Indian industry, and adds that the absence of competition within the domestic industry obviously cannot be defended. If this is so, then why should controls on jute goods continue? Answering this poser, it says that it is "because the Government wants to protect the jute manufacturing industry in Dundee against competition from cheap Indian goods and because it is frightened that a switch to protection by way of tariffs would worry the Empire free traders, who are too short-sighted to understand the much more flagrant form of protection against Empire jute goods that at present exists." Further, this form of protection, as our contemporary candidly admits, is against the British obligations under the General Agreement on Tariffs and Trade which prohibits quantitative restrictions for purposes of protecting industries. It is a cardinal principal under G.A.T.T. that such restrictions should be used only as a means of conserving foreign exchange.

The presence of this "flagrant form" of protection is attributed to the findings of a Working Party on jute appointed by the Labour Government in 1946. This body found the cost of processing jute into hessian in India at £28 a ton, as compared with that in Dundee. It seems to hold that the gap between Indian and

(Continued on page 1056)

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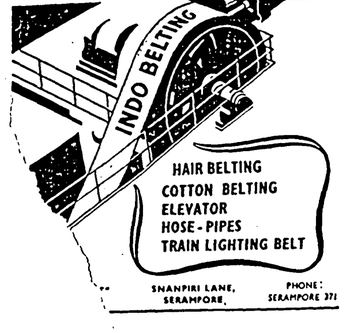

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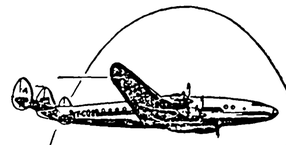
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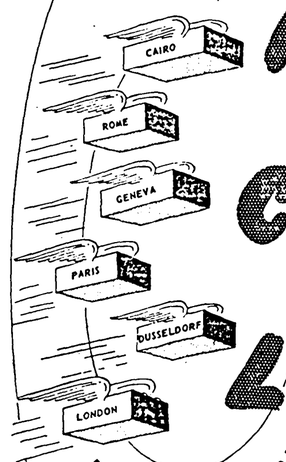

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DEVELOPMENT OF RAIL TRANSPORT

PERAMBUR COACH FACTORY TO GO INTO PRODUCTION BY 1956-57

LATTERLY, the question of stimulating the pace of expansion of, and improvement in, rail transport facilities has been receiving increasing attention. This is, indeed, encouraging, especially because, next to road transport, it is the railways that serve the bulk of the population in India. The main obstacles in the way of development of rail transport are shortages of locomotives, wagons and coaches. The track facilities are also found wanting not only in improvement but also expansion. The lack of road-rail co-ordination is yet another handicap. And any attempt at eliminating these defects in the larger plan for the development of an integrated system of transport, where each form of transport, namely, roads, rail, inland and coastal navigation and civil aviation, will play an appropriate and useful role in their own sphere of effective service, is welcome.

It will be recalled that it was on 3rd November that Mr. Jawaharlal Nehru, Prime Minister, addressing the conference of the Directors of the Railway Board and the General Managers of railway zones held at Delhi, stressed the need for self-sufficiency in locomotives, coaches and wagons within the country itself. He declared that dependence in these matters on outside help was a sign of weakness. He also referred to the need for providing adequate rail communications, with a view to opening the underdeveloped areas of the country for economic development.

Since then, there have been a number of developments. The Railway Board has placed orders, according to Mr. F. C. Badhwar, the Chairman, for 480 locomotives with Germany, Japan, Austria and Italy, at a cost of about Rs. 18 crores. Announcing this at a Press conference last week at New Delhi, he disclosed that Japan had received orders for 75 broad-gauge and 50 metre-gauge goods steam engines, West Germany for 100 broad-gauge wagons, 20 broad-gauge diesel shunters and 150 metre-gauge passenger steam engines and Austria and Italy for 60 and 20 broad-gauge goods steam engines, respectively. The locomotive manufactures from the U.K. have been unable to secure a share of these orders as their quotations have not been competitive. Mr. Badhwar also disclosed that it was still the intention of the Railway Board to try and obtain, by 31st December, an additional 250 to 300 locomotives under foreign aid programmes and negotiations in this regard had been proceeding.

Chittaranjan Locomotive Works

These engines are required in addition to all the ouput that can be obtained from the Chittaranjan Locomotive Works and the Tata Engineering and Locomotive Works. It is gratifying to note, in this connection that, despite the acute shortage of raw materials like steel and almost a complete lack of supporting industries, Chittaranjan has been progressing satisfactorily and will have manufactured 52 heavy-goods locomotives during the calendar year 1953. If the materials that still have to be imported are received in time, it is planned so to step up the output of the Chittaranjan works as to reach 70 of the same type of locomotives in 1954 and 90 in 1955. This rate of progress is certainly encouraging for a new locomotive works, which is aiming at producing in 1955 at the rate of 90 locomotives per annum. The Tata Engineering and Locomotives Company had also to face the same difficulties when it started and now it is making reasonable headway. These two Indian locomotive works are expected to turn out between them 200 complete engines, if not more, from 1956 onwards.

Mr. Badhwar further disclosed that the Railway Board had already planned orders for more than 76,000 wagons to be manufactured and delivered by 1959-60. Passenger coaches are being manufactured by the Hindusthan Aircraft Ltd. So far as the proposed Perambur coach factory is concerned, the Railway Board proposes to invite shortly tenders from all over the world for plant and machinery worth about Rs. 2 crores. A senior official has already left for Geneva in this connection. The factory, which will be the biggest in Asia and the second biggest in the world, is expected to go into production by 1956-57. It is expected to turn out 350 coaches a year when in full production. For the construction of the factory, a technical aid agreement has already been signed with the Swiss Car and Elevator Manufacturing Corporation, Schlieren, a Swiss firm of railway coach builders. The estimated capital cost of the Perambur factory is about Rs. 5 crores. The Railway Ministry is trying to find most of the equipment and materials from home resources. Only essential plant and machinery worth about Rs. 2 crores will be imported from abroad. After tenders have been invited, a financial expert of the Railway Board is likely to visit Europe to finalise arrangements. The technicians of the Schlieren Integral Coach Corporation are trained specially in the construction of anti-telescopic constructions capable of absorbing a great amount of shocks. These coaches, unlike those used on the Indian railways, will have no separate underframes; the body and the underframe will be built as one unit. Arrangements are also being made to increase the wagon building capacity in this country. By 1956, it is expected, India's capacity will be larger than that of Japan and, therefore, the largest in Asia.

Meanwhile, Mr. S. S. Vasist, member of the Railway Board (Transportation), has announced that the Government of India has been investigating into the possibility of greater co-ordination between rail and road transport in certain parts of the country. This might mean less revenue for railways in some cases or to road transport in others, but this, he said, was inevitable in the larger interests of the country. In saying this, Mr. Vasist has only reiterated the assurance given by Mr. Lal Bahadur Shastri, Minister for Railways and Transport, at the silver jubilee meeting of the Indian Roads and Transport Association on 21st November, 1953, that the suggestions regarding road-rail co-ordination put forward by the I.R.T.D. would be given fair consideration. While this reiteration is welcome, it remains to be seen how soon this policy will be implemented. In this country, the time-lag between the pronouncement of a policy and its implementation is so unduly large that it is useless to set much store by such statements.

CIVIL AVIATION

The progress of civil aviation in India, during the first half of 1953, as compared with that in the preceding half-year, was appreciably better. There was, according to the half-yearly report just released to the Press, an increase both in passenger and freight traffic. Thus, the Indian air transport companies, operating on scheduled services, carried 230,000 passengers during January-June 1953, as against 210,000 passengers in the previous half-year, an increase of 20,000. Freight carried was 48 million lbs., as compared with 47.4 million lbs., a rise of 0.6 million lbs. The number of miles flown and lbs. of mail carried was, however, unchanged at 9.9 million and 4.4 million, respectively. The overall load factor on scheduled services was 68.5 per cent. during the period under review, as against 67 per cent. during the preceding half-year. The unduplicated route mileage covered by air transport companies operating on scheduled services was 26,903 miles. The number of companies operating on these services was 9.

There was also an increase in the number of passengers flown by non-scheduled services, but freight carried and miles flown were lower. Thus, during the period under review, the services carried 54,139 passengers, as against 51,000 passengers, and 32.48 million lbs. of freight, as against 60.7 million lbs. in the previous half-year. The number of miles flown were lower by 0.56 million at 2.24 million. Fourteen Indian air transport companies (including those operating scheduled services) held permits for operation on non-scheduled services.

Thus, on scheduled, as well as non-scheduled, services, nearly 12 million miles were flown and 284,000 passengers, 80 million lbs. of freight and 4.4 million lbs. of mails transported during January-June, 1953. The corresponding figures for the previous half-year were 12.7 million miles, 261,000 passengers, 107.5 million lbs. of freight and 4.4 million lbs. of mail.

Night air services continued to operate satisfactorily during the period under review. Passengers flown were 13,343, freight and freight mails carried were 524,156 lbs. and 1,564,396 lbs. respectively. This gives a daily average of 74 passengers, 2,896 lbs. of freight and 8,643 lbs. of mails.

The most notable event during the period under review was the nationalisation of air services, following the enactment of the Air Corportation Act, 1953, which received the assent of the President on 28th May, 1953. The undertakings of the scheduled services were taken over by two State Corporations, namely, "Air India International" and "Indian Airlines."

The Government of India granted a loan of Rs. 25 lakhs to Air-India International Ltd. towards the purchase of two Super Constellation aircraft. A provisional payment of Rs. 3 lakhs was made to Bharat Airways Ltd., as subsidy to cover the losses incurred by the company in the operation of its scheduled services in the Calcutta-Singapore route during October 1951 to October 1952. Financial assistance to air companies was continued for the period January-December 1952 at the rate of As. 6 per gallon of aviation fuel consumed on scheduled air operations.

As many as 655 aircraft held current certificates of registration at the end of June, 1953. Of these, 167 aircraft held current certificates of airworthiness. The number of subsidised flying clubs continued to be 10. A new club in Rajasthan started activities, with its headquarters at Jaipur in March, 1953. There were 13 major accidents.

INDIAN FOUNDRIES

The Indian Iron Foundry Association, Calcutta, has, through a memorandum to Mr. T. T. Krishnamachari, Minister of Commerce and Industry, protested against the recent increase in the selling price of graded and low manganese foundry grade pig iron by Rs. 20 per ton. It has characterised the increase as "most unwise," especially because the demand for Indian foundry products is lacking in local markets and the products are virtually priced out of export markets owing to high prices. It has pointed out that, on the basis of the availability of 200,000 tons of foundry-grade pig iron for sale to foundries, according to Tariff Board estimates, the present increase will mean an additional burden of Rs. 40,00,000 which, it has maintained, is highly unjustifiable. There is, besides, the increase in the prices of off-grade pig iron ranging from Rs. 10 to Rs. 12, depending on percentage of sulphur content, which is estimated to burden the foundries further at least by Rs. 600,000, on the basis of the availability of 60,000 tons. The Association has held that, if there was any surplus pig iron with the Mysore Iron and Steel Works, it was only of a temporary nature and that this hardly justified an increase in the price of pig iron in general. It is the considered view of the Association that, if the cost of production of Mysore pig iron were high, the proper method of assistance should be provision of finance required for modernising the plants etc., which would go to reduce the cost of production. Further, it has pointed out that the price of certain grades has increased as high as 109 per cent. over that of 1939. Moreover, the existing prices have been unscientifically determined and that there is, therefore, the Association says, a good case for the determination of the prices of pig iron on a scientific basis, which will be conducive to an increase in the output of graded pig iron. In view of all these factors, the Association has urged the immediate withdrawal of the Rs. 20 per ton increase in the price of graded pig iron. It has also taken strong exception to the increase in the retention prices of pig iron produced by the Tata Iron and Steel Co., and the Indian Iron and Steel Co. Condemning this increase as a "flagrant abuse of executive power," it has held that the proper authority to decide the level of retention prices is the Tariff Commission.

WIND ENERGY FOR IRRIGATION

A windmill unit ordered by the Council of Scientific and Industrial Research (C.S.I.R.) from abroad has arrived in Bombay. It will be installed on a selected site in Rajasthan and is expected to start working early in 1954. It may be noted, in this connection, that foreign models of wind mills have to be modified to suit Indian condition Initial studies by the C.S.I.R. have shown that, for directly pumping water, multi-bladed rotors as used in windmill equipment in foreign countries where the average wind velocity is in the region of 12 to 15 miles per hour. The problem of using such windmills in areas where the wind velocity is not so high is essentially one of improving the efficiency of the rotor system and reducing the cost of construction so that it can be operated at low cost. This implies the use of indigenous materials such as bamboo for the The C.S.I.R. is working on this aspect and is expected to conduct field trials in Saurashtra, Madras, Rajasthan and before finally deciding on a programme of windmills for lift irrigation.

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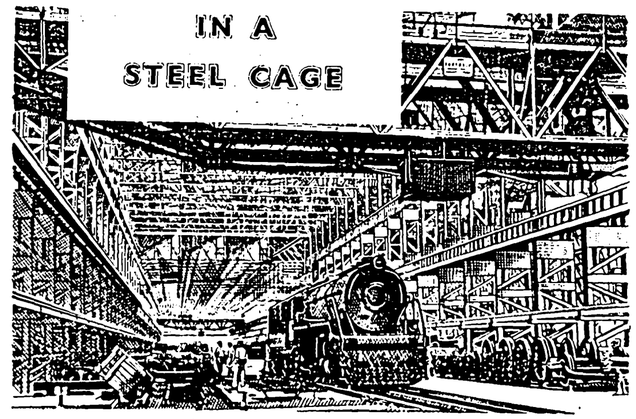

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INSURANCE IN MYSORE STATE

GOVERNMENT TO LAUNCH NEW SCHEMES

CLOSE on the heels of the Central Government's decision to launch a new drive to make its Postal Insurance Scheme more popular than now comes the news that the Mysore State Government is contemplating a similar move in order not only to make its own insurance scheme more attractive to policyholders but also to extend the scope of the insurance business it is now transacting. The Mysore State Government, it is stated, is considering the question of starting new lines of insurance business, such as fire, marine, crop and cattle insurance.

The Mysore State Government has been running, for several years now, a life insurance business as part of the Government. Unlike the Postal Insurance scheme of the Central Government, which is applicable only to Government employees, the facilities of Mysore State Life Insurance are available to the citizens of that State. With a view to expanding the activities of the Department, the Government appointed a Reorganisation Committee to suggest how best the Department could widen its sphere of work. This Committee has now submitted its report to the Government. The Committee has suggested that the Government should obtain expert opinion as to whether it is legally binding on the Mysore Government Insurance Department to obtain a certificate from the Controller of Insurance to start fire insurance business or it could go ahead without waiting for such a certificate.

It has urged the Government to extend the scope of its general insurance scheme, now confined only to motor insurance, so as to include marine insurance, burglary insurance and railway insurance, air accident insurance, and also agricultural and crop insurance. The undertaking of welfare services, as is done in the U.S., is recommended by the Committee. It has particularly stressed the importance of inaugurating health insurance schemes in four places in the State, namely, Bangalore, Mysore, Kolar and Davangere. It has suggested that the scheme could be started in a modest way by levying a small load on life insurance premiums.

The Committee's other suggestions are: (1) to start a statistical branch in the actuarial, valuation and general section of the department; (2) to introduce non-medical insurance, subject to certain limits; (3) to start a scheme for the training of insurance agents; (4) to examine how best the services of village officers and revenue inspectors could be harnessed for rural insurance work; and (5) to adopt a system of triennial valuation to be made applicable to the official as well as public branches.

The Mysore Government has already taken some measures, in order to make its Insurance Department more active than now. It has created the post of a Joint Secretary, who will be responsible for all the field work, including the starting of pilot schemes under crop and cattle insurance. The accounting system in the Department has been mechanised at a cost of Rs. 3 lakhs. The Government has also increased the rate of interest on the Insurance Funds from 3½ per cent. to 4 per cent. with retrospective effect from 1st July, 1948, with a view to increasing the divisible surplus and declaring a higher bonus.

There is no doubt that the State Government's Life Insurance Department will be able to render more useful service to the citizens when the Committee's recommendations are implemented. But the Indian insurers have some very legitimate criticisms to offer in relation to the work of the Government-sponsored insurance departments, such as the Central Government's Postal Insurance Scheme, and the Mysore State Government's Insurance Department. In the first place, these departments are not subject to the Insurance Act, and therefore do not suffer from the same disabilities as the non-Governmental insurers do. Secondly, they are free from the obligation to pay income-tax. If they also pay the tax and compete with private insurers, the latter would have little cause to nurse a sense of grievance. As things are, these departments work, with an initial advantage, to the detriment of private insurers. Thirdly, these Government-sponsored insurance departments get at least a part of their insurance work done by Government servants. To the extent that this is done, they could afford to show a low expense ratio. But this represents a charge on the general taxpayer who pays a part of the cost of running the departments. Finally, it might be asked whether the Mysore State Government could legitimately grant four per cent. interest on the life funds—private insurers cannot earn this rate—and artificially buttress its Insurance Department's earnings. An impartial examination of these criticisms seems necessary both in the interests of the general public and non-Governmental insurers in the country.

Indian general insurance companies have been perturbed by the directive, issued by the Income-tax Department, requiring the companies to make payment of tax, on the profits due to the overseas treaty offices with which they have reinsurance connections. It would appear that in no other country profits accruing to non-resident companies from such transactions have been made subject to taxation. Indian insurers fear that this requirement would affect the reinsurance facilities available to them in foreign markets. It is learnt that they are taking up the matter with the Central Board of Revenue.

Under the Insurance Act, 1953, a Government export credit insurance plan is to be set up in the Republic of Ireland, and restrictions imposed by the 1936 law against foreign insurance companies will be partially relaxed. The Minister of Industry and Commerce is authorised to provide insurance to persons engaged in the manufacture or distribution of goods intended for export. Insurance is to be restricted to dollar exports for the present and the total liabilities under the Act may not exceed £2 million. The Act also enables the Minister to grant, under reciprocal arrangements, licences to foreign insurance companies to write fire, automobile, and accident insurance in Ireland. The Insurance Act, 1936 contains a provision prohibiting the granting of a licence to a foreign company which did not carry on insurance business in Ireland on 31st October, 1935.

(Concluded from next column)

of office machines is measured relative to salaries; most equipment cost four times as much in France as in the U.S. because of the lower salaries paid in the former country.

Mr. Tattevin referred to the changes made in his own group of companies, with a view to cutting down office expenditure. These changes include: incorporation of the life assurance business with general insurance business; reduction of home office staff from 2,000 to 560, despite an 80 per cent. increase in volume of business; high degree of mechanisation of office operations; job study to develop efficiency in every detail; pay increases and quarterly bonus payments if scheduled progress is achieved; and enlistment of the co-operation of the workers in the development programme through a system of suggestion plans carrying rewards for usable ideas. That these changes have been implemented in France, shows that insurance workers have on the whole co-operated with the management, despite the serious labour unrest which has prevailed in that country in recent years.

EFFECT OF INFLATION ON INSURANCE

EXPERIENCE OF FRENCH COMPANIES

INSURERS are, as a class, respecters of conservative economic traditions. They have a wholesome horror of unorthodox economic policies, of excessive cheapening of money, and of inflation. Since they deal in long-term contracts, they would naturally like to see that a unit of money maintains its value, its purchasing power, over as long a period as possible. They also know that, although inflation may bring some spectacular gains in its initial stages, it soon tends to undermine the very basis of their activity. And yet, insurers in many countries have had to contend with the problem of inflation during and after World War II. Among them, France was one of the worst-affected. Even now, inflation is rife in France, though it has subsided in many parts of the world. How French insurers have attempted to solve the problems of inflation was outlined in an interesting address which Mr. Georges Tattevin, the chief of a group of French companies, delivered recently before the U.S. Life Office Management Association.

Inflation has adversely affected insurance companies in France in two ways. In the first place, the value of the assets, built over many years, has slumped in terms of real value. The assets of the largest French life assurance company, according to Mr. Tattevin, are only about 10 per cent. of the value of the assets of this company before World War I, if true values are used. The second effect of inflation—this is by far the most disastrous effect of inflation—is that people "are distrustful as to the future and they discard life assurance." The French, as is well known, have shown in recent years a marked tendency for hoarding gold which they regard as a good hedge against inflation. Surely, the people's loss of faith in insurance, as such, is the most regrettable part of the effect of inflation on insurance, but it is only natural, under inflationary conditions, that this faith should be lost. Thirdly, there has been a steep rise in the cost of operating insurance. This is because wages have risen six or seven times what they were in 1938 although the value of the average policy has remained practically unchanged.

The primary problem for the French companies is to reduce operation costs. This has been done in several ways. Some life assurance companies which had been independent units even when they belonged to a group of companies writing other lines of business have given up their independence and work more closely with other lines, in order to cut down their operating cost. Again, they have moved towards greater mechanisation of office work. French companies have not, however, mechanised their work to the same extent as American companies. This is because the operating cost

(Continued in previous column)

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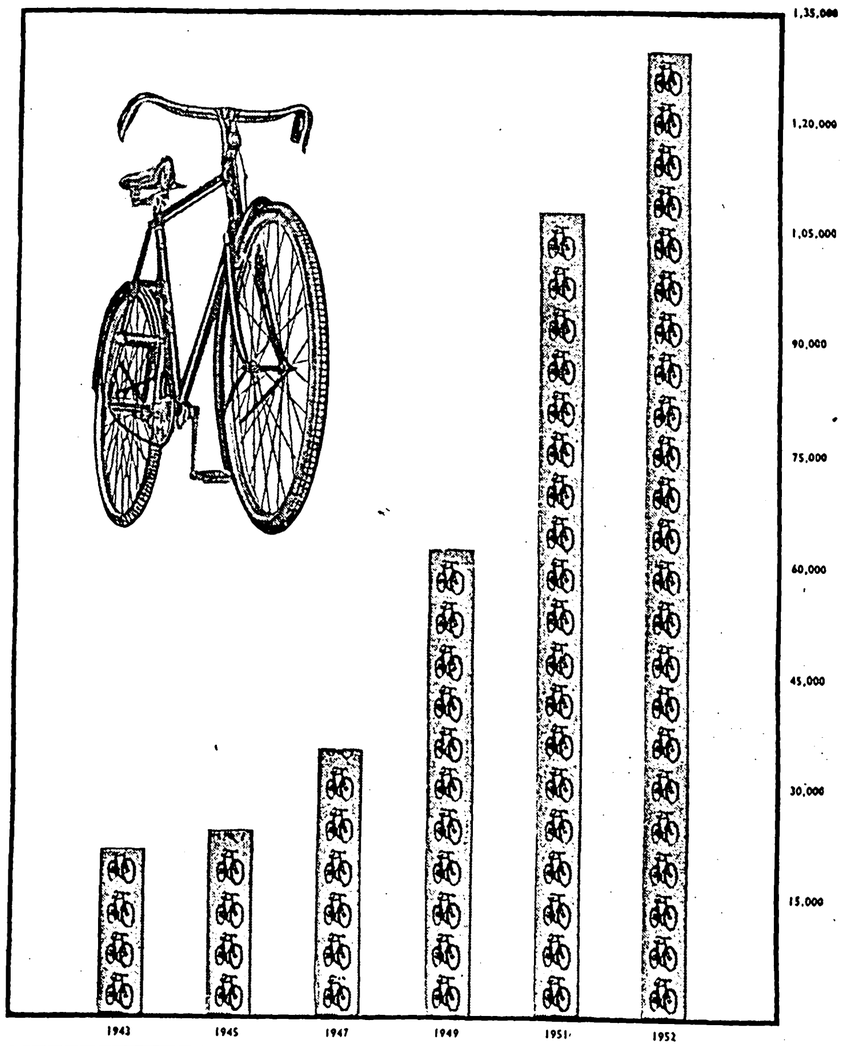



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TAXATION SYSTEM IN INDIA

REFLECTIONS ON SOME OF THE QUESTIONS RAISED BY ENQUIRY COMMISSION—V

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

THE Commission, in its question No. 79, asks, "Do you recommend that an element of progression should be introduced in the corporation tax?" Now, corporation tax on companies, it is said, is levied for the privileges the company enjoys by reason of its incorporation, e.g., juridical existence, limited liability, etc. If that is the reason, one fails to see the propriety of its being regarded as additional tax on income. Logically such corporation tax should be allowed as a deduction instead of it, like income-tax, being treated merely as an appropriation of taxed profits. If, on the other hand, it is really an additional income-tax levied by the Government on its income, there is no logic in withholding credit to the shareholders on the distributed profits, like the income-tax. This is an anomaly which enables the Government to get the best of both worlds and leaves the poor taxpayer the worst of a bad deal.

Element of progression could be on the supposition that the corporation tax is really an additional levy of tax on income and not on its corporate existence. Introduction of progressive element could only be justified on this hypothesis. If, however, the argument that corporation tax is a tax on its corporate existence, is conceded, progressive levy is not warranted. What is required is its refund to shareholders as mentioned above.

Differential Rates (Questions 80 and 81)

Differential rates, according to the different types of corporate enterprises, will introduce further complication in the already complicated tax system. The present flat rate corporation tax should be continued. For small industries and cottage industries, partnership basis of assessment, namely, assessing the individual recipient, instead of the corporate entity, should serve the objective of relief without disturbing structure. The only change called for will be to introduce legislation to tax the entity through its members. Proprietory concerns should not be differentiated for assessment, if it is an incorporated entity, duly registered under the Companies Act. The restrictions imposed under section 23A of compulsory distribution of profit should suffice. About holding companies, the question that looms large is the double payment of corporation tax once by the subsidiary company on its own profits and again by the holding company on its dividend income from such subsidiaries. The claim for exemption of intercorporate dividend is justified on the ground that there should be only one tax levied on the income while it passes from the company to its individual shareholders. The holding company merely holds investments of its various subsidiaries; corporation tax on such passive flow of income, pending its ultimate distribution, is not justified.

Banks, Investment and Mutual Companies (Question 82)

In regard to banks, all profits or loss made by it should be regarded as arising under one single source, namely, business. The present practice of dissecting the business' profits into income arising under section 8, section 9, section 10 and section 12 should be discontinued, with a view to giving an additional impetus to development of banking institutions in India. The benefit will be that interest on Government securities will not be entitled to a limited allowance as at present under section 8, but it will get all the deductions stipulated under section 10. Further, property income will be taxed on real income, instead of the notional. The most substantial benefit will be achieved in its right to carry forward and set off losses. At present, set off between different heads of income is granted under section 24(1) in the year of assessment. If the resultant is a loss, then such loss is carried forward under section 24(2), but, because of separate heads, the loss carried forward is not allowed to be set off, if the only profit made in that year is, say, on account of interest on securities. Such income of the next year cannot be reduced, because carry forward is allowed under section 10 only and this income is under section 8. But if all the sources are amalgamated into one head, these difficulties will be obviated.

Investment Companies

Investment companies need a relief from double payment of corporation tax, once by the company which earns the income and again by the investment company which holds and distributes such income.

In case of investment companies, ordinarily, the investments should not be treated as stock-in-trade just as in the case of an individual investor. Where the investment companies dabble in shares and securities just like a dealer with a view to making profit and there are frequent transactions of sale within a very short period of purchase, such transactions, however, should be treated as business transactions and not in the nature of investment. Accordingly, profit or loss arising from such transactions should be treated as revenue profit or loss.

Dividends received by an investment company should be exempted from payment of corporation tax where the profits out of which such dividends are declared have borne corporation tax in the hands of the company paying such dividends.

Insurance Companies

The question of encouraging insurance companies to build up reserves against depreciation in value of their investments should be sympathetically considered. Any amount carried to such a reserve should be allowed as a matter of course. The assessing authorities should not consider that the allowance should be dependent on the fact whether depreciation has actually taken place or not. It should also be made clear that, if the depreciation is wiped out by a rise in value in a subsequent year within or after the same inter-valuation period, though in such a case if the subsequent appreciation has not been taken credit for in the accounts or in the actuarial balance-sheet, the depreciation written off should be allowed and should not be subsequently adjusted.

Mutual insurance companies have no shareholders. Their income is derived from contribution from its own members. The principle of mutuality is completely satisfied and, therefore, no attempt should be made to tax artificially a surplus which is not income but an excess premium contributed by the policyholders. While such profits do not satisfy the connotation of income, income received by such companies through interest on securities and other investments from holding properties, where the mutuality principle does not prevail, should be subjected to tax. In case of mutual and other insurance companies, the simplified method of taxation would be to tax on interest less expenses basis, as contemplated under the Schedule, rule 2(a).

If, however, total exemption is not thought of, a mutual insurance company deriving profits from its participating policyholders should be exempted from payment of tax in respect of such profits on the principle enunciated in *Style's case* and other similar decisions of the English Courts. Its profits arising from the non-participating policyholders alone should be subjected to tax.

The abatement under rule 3(a), in respect of such mutual insurance companies, should not be exclusive of income-tax or provision for income-tax. In case of such companies, there being no shareholders, the burden of tax falls ultimately on policyholders themselves and no attempt should, therefore, be made to ignore income-tax or provision for income-tax while arriving at the abatement under the rule 3(a).

At present, the abatement under rule 3(a) is being whittled down by the Department by various adjustments, e.g., depreciation admissible, appreciations in value of securities credited to reserve account but taxed by the Department in one year and transferred by the company to the revenue account in subsequent year and, therefore, excluded from surplus by the Department in subsequent year. The words in rule 3(b), "any amount either written off or reserved in the accounts" should not be interpreted to mean "any account" except "revenue account." Similarly, "any sums taken credit for in the accounts" should mean only "revenue account" and not any other account as being now interpreted to avoid complications in the assessment of life insurance companies.

Distributed and Undistributed Profits (Question 83)

The present differentiation between distributed and undistributed profits should be abolished. It has created complication, thrown additional work on the staff, resulted in delays, etc. Tax on the profits of the company should alone be imposed, without the refinement of an abatement on undistributed profits or an additional tax on distributed ones. Since it is advocated that this differentiation should be abolished, the question of restricting it to particular industries does not arise.

If, however, the present differentiation is to prevail, the provisions with regard to additional tax on excess dividends should be retained but the outer limit should not exceed the maximum rate of tax on a company. At present, when the maximum rate on companies is four annas plus 20 per cent. surcharge, the outerlimit of additional tax is fixed arbitrarily at five annas which is highly unfair. This is sought to be justified that it is in the nature of deterrent against distribution. It is further pointed out that Government is giving reliefs by way of initial depreciation, extra depreciation, etc., with a view to creating a replacement reserve and thereby conserving its resources and not to frittering away in the shape of dividends. Now, one can understand the argument if such abatements were given only to companies and not to other assessees like sole trader or a partnership. If these reliefs in their case is deemed to be unconditioned by any such restrictions expressed or implied, why should it be implied in case of companies only? Besides, when the additional tax was introduced in 1948, no such deterrent was thought of, although reliefs in the shape of initial, extra and double depreciation were introduced as far back as 1946.

If it is to be ensured that retained profits are applied only for productive purpose, the rehabilitation reserves so created should be earmarked and invested in Government securities and deposited with the Government to be released only for purpose of replacement of machinery, purchase of stocks or fulfilling the needs of working capital.

Operation of Section 23A (Question 83)

The operation of section 23A is very harsh, as it takes no account of the admitted need of the company for conserving profits for replacement, working capital, etc. It also does not take into consideration the fact that the company has already distributed a reasonable part of the profits based on its own trading results. The section, by providing that 60 per cent. distribution must be of an assessable income, stipulates that 60 per cent. of items disallowed shall also be distributed. This involves artificial distribution. In case of a property company, this entails artificial computation of profits which, under the company law, the company is prohibited from distributing. The test suggested for the operation of this section should be 60 per cent. of the profits shown by the company, as per its profit and loss account. As regards the mathematical formula, it is suggested that this should be removed and, instead, the section should be remodelled on the lines of the United Kingdom Act, where the provision is for distribution of a reasonable amount of profit, after taking into consideration the financial needs or commitments of the company.

In this connection, it may be recalled here that it was suggested before the Income-tax Investigation Commission

(i) that section 23A should be amended so as to provide that the 60 per cent. prescribed thereby should be 60 per cent. of the profits as shown in a company's account books;

(ii) that, in the case of banking companies, section 23A should be so applied as to make allowance for the share of the profits which, under section 277K of the Indian Companies Act, they are compelled to transfer to the reserve fund;

(iii) that, in determining the assessable income for the purposes of section 23A, public charges like municipal taxes, cesses, etc., which a company will be bound to pay, should be allowed as legitimate deductions, even though they may not be permissible deductions for purposes of assessment of income-tax;

(iv) and that, in calculating the distributable income, items actually disbursed but disallowed by the assessing officer should either be treated as having been distributed or should be excluded from the assessable income, because they are not in fact available for distribution.

As regards the first suggestion, the Income-tax Investigation Commission did not wish to accept it.

As to the second, the Commission observes that one of the purposes that section 23A had in view in excluding 40 per cent. of the profits from compulsory distribution was to enable the concern to build up a reserve. In the case of banking companies, the formation of such a reserve is upto a limit insisted on by the law, instead of being left to the discretion of the management. The margin of 40 per cent. is sufficient to

permit a banking company to comply with section 277K of the Companies Act, even while distributing 60 per cent. of its income as dividend. Where, however, 60 per cent. has not been distributed and, as a kind of penal consequence, an order has to be made to the effect that the undistributed portion of the assessable income shall be deemed to have been distributed as dividend, it seems to them reasonable to provide that such notional distribution shall be subject to the provisions of section 277K of the Companies Act. The penal consequence contemplated by section 23A is that the defaulting company should be treated as a partnership and that a declaration of dividend need not be insisted on. But it could not have been the intention to include such portions of the income as are precluded by law from being included in a declaration of dividend.

The third suggestion appeared to be reasonable to the Commission. An honest declaration of dividend cannot include amounts, which, under the law, a company is bound to pay for public charges. The mere fact that the Income-tax Act does not allow such items to be deducted when calculating the assessable income will not reflect on the reasonableness of the conduct of the company, nor does it seem fair to insist that even such public charges should be met out of the 40 per cent. excluded by section 23A. The Commission accordingly recommends that, in determining the assessable income for the purpose of section 23A, public charges should be excluded. The Taxation Enquiry Commission should bear this suggestion in mind.

In dealing with the fourth suggestion, it has to be remembered that, by referring to the "assessable income," the section has excluded all revenue expenses and permissible deductions. It is, nevertheless, possible that, by reason of difference of opinion or in method of calculation between assessing officer and the company's officers, the amount distributed may prove to be less than 55 per cent. insisted on by the second proviso to section 23A as a condition precedent for giving a *locus penitentiæ* to the company for escaping a penal order under this section. As such situations may arise even from honest difference of opinion, the second proviso to section 23A may be enlarged so as to include cases where the distribution actually made has fallen short of 60 per cent. of the assessable income by reason of the assessing officer determining the assessable income to be greater than it was according to the calculations made by the company.

Another feature of this section which requires review is the action taken by the Income-tax Officer under section 23A. It is not taken simultaneously with the assessment of the company. It is taken much later, even after years. This places the shareholders and the company in a very awkward predicament having to pay tax on an adjustment of this artificial income, although the company has declared no dividend. And further the company itself may find it difficult to meet the shareholders' liability as provided in the section on account of accumulated subsequent years' losses. It should be provided that the Income-tax Officer must take an action within six months of the completion of assessment and, if he fails to do so, no action should thereafter lie. In the United Kingdom Act, there is a provision allied to this and it should be copied.

If upon assessment it is found that, on account of add-backs, the company's distributable profit has increased and, therefore, the previous distribution is found deficient, the Income-tax Officer should be empowered to give opportunity to the company of a further declaration so as to make up the said 60 per cent. requirement.

Corporation Tax and Shareholders' Super Tax (Question 84)

Profits subject to corporation tax should be subjected to super-tax only after credit is given to the shareholder on account of not only income-tax but also corporation tax paid by the company. This is on the ground that corporation tax is an additional income-tax and should receive the same treatment in the hands of the shareholder.

Industrial Enterprises (Question 85)

Industrial enterprises undertaken by the Government or local bodies should not be subjected to tax, for they do not exist for individual benefit but for the nation. If, however, their enterprises compete with the individual business, i.e., if they do not enjoy a monopoly in them, some form of tax on their earnings would be justified, in order not to give them an unfair advantage in market competition of their products or services.

Evasion and Avoidance of Tax

Though the suggestion for the utilisation of services of chartered accountants (question 86) for determination of taxable income is an admirable one in itself, in the present atmosphere and context of tax avoidance by the taxpayer and the tax-grabbing practice of the Department, it is not likely to result in any very great advance on the present tenor of assessments.

Chartered accountants would be willing to co-operate with the Department with a view to expediting arrears, prompt settlement and making of fair assessment, but the dice is heavily loaded against them for the following reasons, among others:

(1) The taxpayer himself is not frank with the accountant he employs.

(2) He assesses the value of a chartered accountant more by the reliefs, convenience of payment, delays in or instalments in payment of tax which he is able to obtain through his consultant—or by the ability of his consultant to get quick disposal of his case without much scrutiny, by reason of his influence with the officer, his hand and glove relationship with the authorities and so on.

(3) He is not impressed by the legal acumen of his adviser for straightforward dealings with the Department which, in his opinion, yield poor dividends. It involves long and costly appeals, cross appeals, tribunal hearings and, on questions of law, High Court references. All involve trouble, expenses and uncertainty.

(4) He naturally wishes to avoid all these interminable delays and expenses by seeking an expert who is 'known' to the officer or who has his 'ear.'

(5) He does not mind expenses and costs if his fraud and manipulation are hushed up, with a little expense for services rendered.

(6) In his state of affairs, what chance has a chartered accountant to gain the confidence of his clients and secure quick and fair settlement with the officer?

(7) In the present mood, the Department makes heavy assesssment, extends the benefit of the doubt to itself instead of to the assessee, is never afraid to reject books on the smallest excuse, gives no consideration for the needs of a business and practice, disallows expenditure merely on the suspicion that it is in its opinion excessive (not collusive), calls upon the assessee to make immediate payments of large arrears of taxes, advance payments and in default levies unconscionable penalties, treats the assessee as if he were a proved tax dodger deserving no sympathy, gives curt treatment to assesees and their representatives, delays assessments which results in carry forward of loss and consequent delay in repayment of advance taxes or refunds, asks for accounts and documents 15 or more years old, levies gross profit at will, without consideration whether such gross profits are ever justified, all these and more have made the Department as unpopular as the tax itself. How could a chartered accountant expect a fair and unprejudiced deal?

(8) If a chartered accountant starts giving a certificate and through the negligence of the taxpayer or innocent omission of the accountant to detect something, suspicion will descend on the *bona fide* of the best of accountants. And, if something is ultimately established—not in the nature of dishonesty but omission—he will be faced with a report to the Disciplinary Committee of the Institute. And the worry and expenses of meeting and substantiating his innocence will outweigh the small fee he will earn by this procedure.

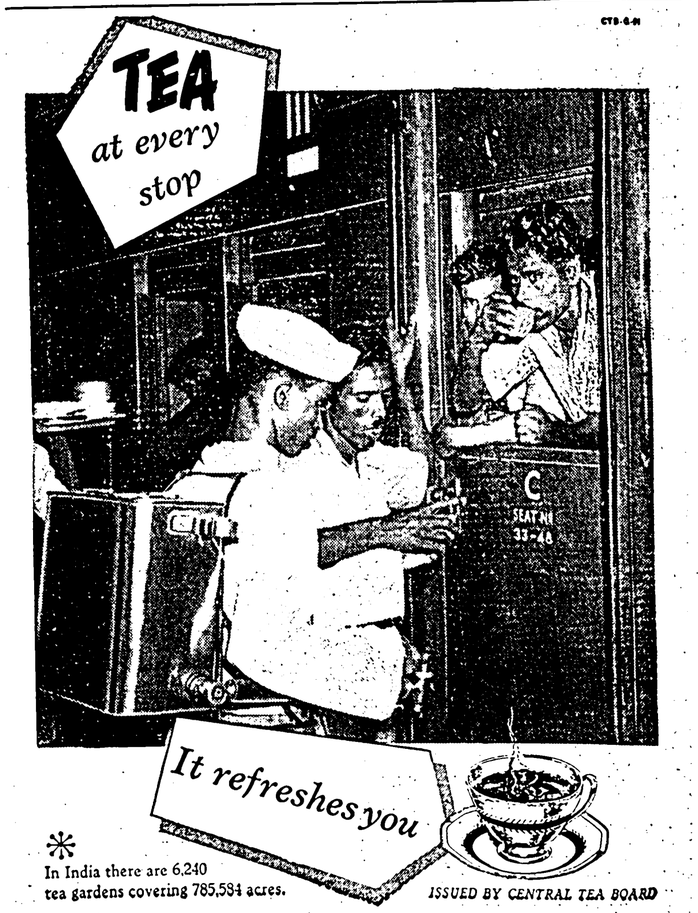
(9) Any complaint proceeding from authorities even if it be found groundless will have compulsorily to be referred under the Chartered Accountant Act to the High Court for disposal. One can imagine the cost, anxiety, worry and publicity attendant upon it.

(10) Unless the atmosphere to work in a friendly spirit of co-operation is established, any move for the greater use of the services of Chartered Accountants for assisting the determination of the taxable income of assessees is bound to fail.

(11) The Government must purge the Department of unwholesome elements of graft, corruption and inefficiency amongst its officers. And the public must come to regard payment of taxes as a legitimate burden to be promptly discharged for the amenities of a good citizenship.

In the present atmosphere of suspicion, prejudice and deliberate attempt of the taxpayer to avoid payment of legitimate taxes and the tax-gatherer's anxiety to collect as large a tax as he can, continuation of the present *status quo* will be the best thing.—*All Rights Reserved.*

(To be continued)



NEW PUBLICATIONS

India Without Illusions. By "Vivek." Published by New Book Co., Ltd., Hornby Road, Bombay. Price: Rs. 4-4.

THE author of this publication, "Vivek," needs no introduction. For nearly three years, between 1950 and 1953, he wrote regularly, week after week, for the *Times of India*. Although he is not a prolific writer nor a professional journalist, his writings have acquired a wide readership. There is a certain naturalness about his style, which makes all that he writes so pleasant to read. The reproduction of his articles in book form, entitled *India Without Illusions*, will, therefore, be welcomed by his many admirers.

This anthology seeks to present the author's views on three aspects of India's national life—India's foreign affairs, its internal political problems and its economic problems. It is difficult to sum up "Vivek." Speaking broadly, he is to the "right" in India's foreign affairs, a good liberal, in the best sense of that word, on domestic political matters, but alas, something of a bureaucrat where the country's economic questions are concerned. He is a staunch advocate of controls and planning. He is, at the same time, a perfect democrat. He may not, of course, hold popular views, though he is at all times with the people. It is this quality which makes his writings appeal only to a select public. But his arguments do certainly make an appeal.

On India's foreign affairs, he writes with a clear mind and a sure grasp. He is alive to the dangers of Communism, though he never overrates them. He says that the Communist view is that "no country is free, unless it is ruled by the communists." He is sharply critical of India's neutrality. There is much in the U.S., in the democratic West, that extorts his admiration. Nevertheless, he is disturbed by certain trends in the U.S., and warns against the dangers that must come through the failure of that country to "live up to its true principles, the best in its past and present."

"Vivek" is wisdom itself, when he writes on India's internal problems. He presses home the need for electing sound legislators, for clean administration for a certain pause in hasty "moral" legislation. He lays bare the failure of Prohibition. Prohibition, he shows, is a policy "based on false promises, unsuccessful in execution and most harmful to the general weal." He adds: "Ideology has its addicts, no less than drink. This is a plea for temperance in both." He warns too, against ideological innovations in the educational system, against the hasty replacement of English by regional languages. All this does not mean that he loves "inaction." He is for purposeful action, for he realises the basic strength and weakness of Indian nature when he says: "Not only does violent action not come to the Indian naturally but also, perhaps, even action itself, specially action, positive, concerted and widely organised."

Although the anthology has been done with great discrimination, it is to be feared that the articles which deal with economic questions may not possess the same enduring quality as the author's other articles. He insists that *laissez faire* is dead—though one may doubt whether it has been allowed to live at all, in this country—that State initiative is necessary, that an integrated system of controls is clearly indicated. One may not always find oneself in agreement with all that he writes on these questions. But no one will doubt that he is right when he pleads for both a clean administration and an honest merchant class.

Although "Vivek" praises, blames, inveighs, and criticises, as each of the many problems he has dealt with demands, he is essentially an optimist who believes that the country could, despite many obstacles, be set on the road to prosperity. His optimism stems from the consideration that the country is held together "firmly and strongly," the forces of "common nationhood" have been strengthened, the "liberal democratic, egalitarian spirit" of the times has been accepted, and the "defence forces, well-trained, well-aimed, non-political, have been kept at a high pitch of efficiency." Much has been done. And the causes that hold up progress could be removed by "integrity, wisdom, and courage on the part of those who govern." "Vivek" has consistently pleaded for these qualities in all his articles."

Direction of International Trade—Annual Issue. Joint Publication of the Statistical Office of the U.N., the I.M.F. and the World Bank. Available in India: Oxford Book and Stationery Co., Scindia House, New Delhi. Price: 50 cents (U.S.).

Considering the inadequacy of accurate and reliable statistical data regarding the trend of world trade in the years following the Second World War, the need for up-to-date information on the movement of international trade among different countries and regions cannot be overemphasised. This need has been amply met by the publication under review—*Direction of International Trade—Annual Issue*. The *Issue* is designed to present trade-by-country statistics, for the years 1937 and 1938 and for 1948-52.

The table for each country shows the value (in U.S. dollars) of the country's exports to and imports from its trading partners in the years 1937 and 1938 and for 1948-52, together with the annual average in the two-year period 1937-38, as well as summaries of the trade obtained by grouping the partners into geographical regions and into aggregates of current economic interest. Where the returns of a country showing its own import and export trade in any period are not available, "derivative" figures obtained from the trade returns of other countries have generally been tabulated, providing an approximate indication of the magnitude and direction of the trade of the non-reporting country.

The *Issue* contains two types of summary tables. A table, prepared by the International Monetary Fund for each of the areas described, shows the trade, with the whole area, of the reporting countries listed in the stub. The headings "exports" and "imports" refer to the exports and imports of the reporting countries. The totals aggregating several reporting countries are the sums of the figures shown for the reporting countries, except that estimates are included (*a*) when data available for some periods are missing for others, and (*b*) to include as "reporting" countries such as Argentina, the Netherlands, Antilles and Saudi Arabia. A matrix, prepared by the Statistical Office of the United Nations, shows the exports of the countries and regions specified in the stub to the countries and regions specified in the heading. A general note about the figures and a description of the regions are carried in footnotes.

The summary tables just described are produced to serve different purposes. Table I summarise the data contained in the country tables, using estimation only to fill obvious gaps. The matrix II, on the other hand, achieves the widest coverage possible. An estimate, based on the reported figures of its trading partners, is wherever possible, included for each country not itself reporting adequate data if the country's trade is at all important. In this way it is, for instance, possible to estimate and include the trade of Eastern Europe and China with the rest of the world (though not the trade of these countries with one another).

Indian Economic Problems. Edited by A. N. Bali, M.A., Economic Adviser to the Punjab National Bank Ltd. Published by Messrs. Atma Ram & Sons, Kashmere Gate, Delhi. Price: Rs. 8.

This book, *Indian Economic Problems*, is not a textbook, as many might think from its title, but it is a collection of thoughts on the economic problems of the country by a well seasoned banker. Prof. Bali has done a distinct service to the reading public in collecting together the thoughts of Lala Yodh Raj, Chairman and General Manager of the Punjab National Bank Ltd. As one who has guided the destinies of one of the "Big Five" of the Indian banking system, his views have the merit of being backed by seasoned experience. There is always a difference between the academic economist, who is fettered by his bookish theories, and the practical economist, who has to find a solution for a problem on hand rather than just give a theoretical dissertation on the pros and cons.

The present collection contains selected portions from Lala Yodh Raj's addresses at the annual meetings of the shareholders of his Bank, writings in various journals as well as portions from memoranda prepared by him at the request of institutions and Governments—State and Centre. He had, for instance, occasion to give the benefit of his knowledge to the Punjab Government on the problems that arose out of the Partition. He had prepared a small outline for the promotion of an industrial finance corporation for the Punjab. Both are included in the book. More than all these, his views on Indian banking are most valuable. Knowledge of comparable countries, combined with knowledge of the conditions which limit the applicability of comparison, is of value to us when considering our own problems. Discriminating and critical appraisal of one another's achievements is a significant feature of the book. Despite all the restrictions that the Reserve Bank might have imposed on him as a Director of a leading joint-stock bank, he has throughout a soft word to say about that institution.

The publication has been well planned into seven sections: the first deals with planning; the second contains a good description of banking theory and practice; while dealing with currency, he has expressed his views on cheap money policy also. The section on economic problems contains his current thought. The chapters on economic relations between India and Pakistan and food indicate some of the varieties of topics he dealt with from time to time. Although as many as 15 chapters are relegated to the miscellaneous section, they also contain some important subjects such as the industrial development in the Punjab, regulation of stock exchange and the need of exchange control between India and Pakistan.

Some of his observations are very pertinent. While dealing with the need for capital goods, he observes: "We waste most of our time in speculative arguments but do not plan production with the help of industrialists and increased employment in the country." Dealing with the need to make investment attractive to the "little man," he observes that "no useful purpose would be served by directly approaching him. He must be approached through institutional agents such as the banks.... A rise in the rate of interest is clearly called for." Dealing with the banking system, he suggests that integration of banks or amalgamation into bigger units should be freely allowed by the Reserve Bank and the bigger amalgamated units should be encouraged to open a network of branches in rural areas of the country. He is convinced that amalgamation alone will enable the banks to reduce their cost of banking service to pass on the benefit to the savers and borrowers of money.

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OTHER BOOKS RECEIVED

1. *The Big Change—America Transforms Itself*: 1900-1950. By Frederick Lewis Allen. Sole distributors in India: Popular Book Depot, Lamington Road, Bombay 7. Price: Rs. 10.

2. *The Foreign Exchange Regulation Act*. By S. R. Vakil. Published by Messrs. N. M. Tripathy Ltd., Princess Street, Bombay 2. Price: Rs. 10.

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PROTECTION TO CYCLE INDUSTRY

CASE FOR CONTINUANCE EXAMINED

THANKS to the claim for continuance of protection put forward by the cycle industry, its problems have, once again, come to the forefront of public attention. The industry is already playing an important role in the economy of the country. And, with its size as a sub-continent and with the plan for economic development under implementation, India offers a great future to the cycle industry, provided good quality bicycles at low rates which are within the reach of the common man are produced. This point was forcefully expressed by Mr. M. D. Bhat, Chairman, Tariff Commission, last week, while opening the public enquiry into the continuance of protection to the industry. He said: "The bicycle industry has an important role in the economy of the country, and it should fulfil it by endeavouring to reduce all the deficiencies that may exist in its organisation, equipment and process of manufacture, always placing before itself, as its immediate aim, the attainment and maintenance of the highest international standards of quality and performance in its products."

Mr. Bhat's general round-up of the present position of the cycle industry in India makes pleasant reading in several respects. In 1949, there were only two units engaged in the manufacture of bicycles, one, the Hind Cycles Ltd. at Bombay, and the other, Hindusthan Bicycle Manufacturing Industrial Corporation Ltd. at Patna, in Bihar. Since then, three more units have appeared on the scene: (a) Sen-Raleigh Industries of India Ltd., Asansol: (b) T. I. Cycles of India Ltd., Madras, and (c) Atlas Industries Ltd., Sonepet. Each of these factories has an ultimate installed capacity of 100,000 cycles per annum on single-shift basis. Another unit, India Cycle Manufacturing Co., Ltd., Calcutta, which was one of the biggest units manufacturing spare parts, has also started assembling complete bicycles, and has a capacity of 10,000 cycles per annum. These four units are engaged in manufacturing-cum-assembling operations and their schemes of production have been approved, subject to certain conditions, by the Government. The extent to which the different units in the industry have made progress with the manufacture of components and parts varies considerably.

Total Capacity

The total capacity of all the six units in the industry is 449,500 cycles, according to the producers. The Ministry of Commerce and Industry has estimated the capacity at 417,500 cycles, and states that it is difficult to assess the rated capacity, as some of them have gone into production only recently. The actual production is, however, far below either of these two figures, though there has been a steady increase in recent years. The output of bicycles was 103,153 in 1950, 114,275 in 1951 and 196,950 in 1952. In the current year, upto July, 130,189 cycles were produced and on this basis the total output for the whole year may be placed at 223,179 cycles.

Apart from the development of the whole cycle manufacturing industry, a number of ancillary units engaged in the manufacture of components, parts and accessories, has also expanded. It is stated that there are 24 such units situated in Bengal, Bombay, Punjab and Delhi. The value of production by these 24 units, as estimated by the Development Wing of the Ministry of Commerce and Industry, amounted to Rs. 88.9 lakhs in 1951, Rs. 77.3 lakhs in 1952 and Rs. 27.3 lakhs in January-May, 1953. Besides, there are also several other units in Madras, P.E.P.S.U. and U.P. These units are producing such components as mudguards, frames, cones, brakes, pedals and races and also accessories such as carriers and bells. Unfortunately, full data regarding the ancillary units are not available. But Mr. Bhat's remarks on the development of this ancillary industry are worth noting here. He said: "Even such information as is available does, however, show that a kind of ancillary bicycle industry has sprung up in recent years and, while it has not been able to establish itself as a supplier of components and parts for original equipment to the main manufacturing units, it has achieved a position of importance as a supplier in the replacement market."

Domestic Demand

Although estimates of the size of the domestic market vary, even the most conservative estimate appears to be above the total rated capacity of the producing units, let alone their actual production which, as already mentioned, is less than half of the capacity. The Tariff Board enquiry held in 1949, estimated the domestic demand for bicycles at 350,000 in 1949-50, 375,000 in 1950-51 and 400,000 in 1951-52. The information now available with the present Tariff Commission reveals that most of the producers place the estimate of demand at 450,000. The Bombay Cycle Merchants' Association puts it at 600,000 cycles in 1953-54, rising to 650,000 in 1955-56. The All-India Importers' Association, Bombay, supports the figure of the Merchants' Association. The Ministry of Commerce and Industry places the demand at 500,000, pointing out, at the same time, that the demand cannot be taken as static, because it depends upon various factors such as the standard of living, the purchasing power of the people, the road construction programme, etc. The Planning Commission also seems to agree with the Ministry's figure. It further estimates that the total number of bicycles in India is about 1.5 million. Estimates have also been made of the requirements of components and parts for replacement by the trade. The value of such parts and components is placed at Rs. 3 crores.

Demand for Assistance

The industry has asked for continuance of protection and assistance for another three to five years. The grounds urged in support of its claim are that, as a result of protection, it has already recorded marked progress. Production has increased considerably; quality of the product has improved and there are good prospects of the industry showing expansion in future and meeting the entire requirements of the country. Withdrawal of protection at this stage, it is contended, will cause a setback to the industry, especially because the production costs are still somewhat high, owing to increase in the costs of labour and raw materials. Consumers' preference for imported products still persists and competition from low-priced imports from certain countries may be expected in the coming years. Continuance of protection, therefore, would help, it is claimed, consolidate its position. Besides, the manufacturers have also asked for help in the form of quantitative restrictions on imports on the basis of estimated consumption and production, drawback of duty on imported raw materials, reduction of freight rates on imported raw materials, better facilities for transport of raw materials and finished goods by rail, exemptions for raw materials and components used in the manufacture of bicycles from local taxes, early arrangements for the manufacture of steel tubes in the country, expeditious issue of licences for the import of certain items of stores and removal of the anomaly of a higher rate of duty on strips imported from countries other than the U.K. than on tubes.

Conflict of Interests

These claims for assistance by the industry deserve to be carefully considered by the Tariff Commission. Before coming to a final decision, the Commission will have to analyse the implications of a series of conflicts of interests to the country's economy and reconcile them. One of these relate to the existence of two different kinds of manufacturing units, namely, (a) the units which are manufacturing nearly the whole cycle, that is, those which are making as many as 93 per cent. of the parts going to make up a cycle and (b) the units engaged in manufacturing-cum-assembling operations. The latter units are reported to be building frames from imported tubes and fitting them with imported spares and components in order to make a whole cycle. These units have been established by indigenous enterprise in collaboration with foreign producers. One of the conditions under which the foreign producers were allowed to participate with Indian capital was that the permission to import components would be tapered off on the basis of production programmes laid down by the Government. But the whole cycle manufacturing units which are purely Indian-owned, have complained that the Government has not been keen on insisting on the observation of this condition. The failure on the part of the Government to do so would appear to have resulted not only in the postponement of achieving the manufacture of whole bicycle in the prescribed time but has badly hit the units engaged in the manufacture of certain spares and components in the country. There is, therefore, force in the contention that the Government should insist on the units sticking to a definitely bound phased programme of manufacturing the entire bicycle. As the foreign combines have with them the know-how, the technical skill and finance, there is no reason why they should not carry out, within the stipulated time, the obligations they accepted when they were allowed to take up cycle manufacturing in this country. This is a matter into which the Tariff Commission must go a little deeper and see to it that the country's plan for achieving self-sufficiency in cycles and cycle parts is fulfilled at an early date. The Government, for its part, will do well to ensure that import licences for spares and components issued to these combines are tapered off in proportion to the rate of manufacture of the components in their own factories specified in the phased programme.

Indian-owned Sector

With regard to the purely Indian-owned bicycle industry, it must be said that it is already over a decade old. It has been enjoying protection for more than six years now. It is also gratifying to note that there has been considerable improvement during this period in the quality of bicycles produced by this sector. According to the claims of one of the major producers of whole bicycles, it would appear that there has been good demand for his product, though there is still some consumers' prejudice. These considerations, coupled with its plans for raising the quality of its cycles further, entitle the industry to protection. But, while deciding the quantum of protection, certain points regarding quality and price should also be borne in mind.

With regard to quality of the Indian-made products, the data available with the Tariff Commission appears to be not very encouraging. This is evident from Mr. Bhat's remarks. In his address at the opening of the enquiry he observed:

"It is mentioned that the finish of the indigenous bicycle is inferior; the enamelling on the frame deteriorates after a few months, the lining peels off and breakages occur in the area of contact between the lugs and frame pipes. It is also complained that the indigenous bicycles are not of uniformly consistent quality and that the quality varies from one consignment to another. Other specific complaints are that the rims are made from mild steel, the forks, and frames are not strong enough; the movement of wheel is not free, steel used appears untampered, etc."

These drawbacks of the Indian-made bicycle must be viewed against the fact that the buyer of these bicycles in India belongs mostly to the middle and lower middle class which has little money to spare for carrying out frequent repairs and replacements. Nor can he be expected to afford to take chances by buying low quality bicycles simply because it is cheaper as compared with imported cycles, or cycles assembled from imported parts. For he can buy a cycle only once in his lifetime. Consequently, the industry has a duty to serve him by giving him a durable product which will stand the wear and tear of heavy use well. They will be well advised to use high quality material. If indigenous raw material is not suited for that purpose, no false sense of national prestige should be allowed to stand in the way of using imported raw material, until such time as good quality raw material is produced in this country. The authorities should leave no stone unturned to see to it that the manufacturers adhere to standards. The manufacturers should be insisted upon to introduce quality control also. 'As it will take some time to comply with these conditions, the Commission will do well to set a time limit of, say, three years. If at the end of three years the industry fails to rise to the country's expectations, it will forfeit the right to get protection.

Prices of Bicycles

Prices of the indigenous products vary considerably, but prices bear a relation to the quantum of protection given to the industry. And, therefore, the basis of prices charged by different producers requires a microscopic scrutiny at the hands of the cost experts of the Commission. In June this year, the selling prices of popular imported cycles were: Raleigh Rs. 287-4, B.S.A. Rs. 243-4, Hercules Rs. 195, and Phillips Rs. 210-4. As against this, the indigenous producers' prices to consumers are: Hind Rs. 145 (including seat), India Rs. 140, Atlas Rs. 147, Sen-Raleighs Rs. 175 and Hercules-India Rs. 169. These figures give a rough idea of the structure of prices in the Indian cycle market. It is seen from these rates that the prices of imported cycles are considerably higher than those of indigenous cycles. This is presumably on account of the heavy import duty on imports of whole cycles. Again, the rates of Hind and India cycles produced almost wholly from indigenous components are lower than the prices charged by either of the two combines. This difference is evidently due to the high duties on imported components used by the combines. And the cycle trade in the country is of the opinion that the rates charged by certain Indian producers allow for a wide margin of profit, rendered possible by the heavy duty of 73½ per cent. standard and 63 per cent. preference, *ad valorem*. In its opinion, the prices charged by the domestic manufacturers are higher than what they should be, considering the quality of the material used. In short, it questions the veracity of these manufacturers' claim that the industry has passed on the benefit of high protective duties to consumers. Consequently, it has urged a reduction in the import duty to 24 per cent. This contention of the trade also deserves close scrutiny. Of course, in any decision favouring reduction in duty, the Tariff Commission should bear in mind the prices quoted by foreign manufacturers. Recently, a 10 per cent. cut in export prices of cycles was made by the British cycle makers. As a buyers' market has already been in existence, any drastic cut in the existing rates might jeopardise the basic economy of the industry. Should, however, the present prices reveal the existence of heavy profit margins, measures should be suggested to have them brought down to reasonable levels, so that the poor consumer is not deprived of the benefits of the buyers' market.

Components and Spares

The problem of protection to the bicycle industry is complicated further by the presence of a large number of small unorganised units engaged in the manufacture of components and spares of bicycles. Before compelling the major producers of bicycles in India to buy parts from these units, small units must be reorganised on scientific lines and then should be enabled, through suitable measures for supplying their needs of raw materials, etc., to produce standardised parts in adequate quantities, so that the main producers of cycles are not handicapped by either lack of regular supplies or sub-standard components. Secondly, in lines where the units are capable of producing quality products according to specifications, the main producers may be asked to co-ordinate their methods of manufacture in order to accommodate the small units. As, however, no

(*Continued on page 1067*)





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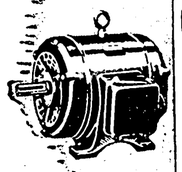

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ANOTHER YEAR OF RECORD RESULTS FOR INDIAN CABLE COMPANY

FINANCES GOOD—OUTLOOK BRIGHT

HEARTENING results are disclosed by the audited accounts of the Indian Cable Co., Ltd. (Managing Director and Chairman: Mr. A. R. Driessen, Calcutta) for the year ended 31st March, 1953. The turnover of the Company was again a record in its history, the earnings registering an impressive rise. The trading profit for the year amounts to Rs. 104.24 lakhs, the highest seen by the Company so far, and surpasses the previous year's record of Rs. 87.63 lakhs by Rs. 16.61 lakhs, or 18 per cent. The net profit, however, has recorded a small drop from Rs. 34.04 lakhs in 1951-52 to Rs. 31.59 lakhs. This fall in net profit is due to the larger allocations to depreciation and taxation. A decent sum of Rs. 8.36 lakhs has been set aside for reserves, though they represent a sizable decline from that provided last year. The dividends on preference (participating) and ordinary shares have been comfortably maintained at 10 per cent., made up, as in the previous year, of a dividend of 7½ per cent. and bonus of 2½ per cent.

The impressive results, as above, were the outcome of the Company's alertness to "take advantage of the accumulated consumer demand due to a long period of shortage." The following comparative table gives an idea of the marked progress made by the Company in recent years:

(In lakhs of rupees)

	For the year ended 31st March			
	1953	1952	1951	1950
Trading profit	104.24	87.63	70.34	69.98
Reserves	30.55	24.09	21.90	19.02
Directors' commission ..	1.66	1.57	1.19	1.01
Depreciation	5.40	1.64	1.41	1.36
Taxation	36.40	27.04	15.57	15.70
Net profit	31.59	34.04	27.81	23.69
Transfer to reserves ..	8.36	12.50	15.29	17.47
Dividends—				
Preference (participating)	1.29	1.29	3.22	1.93
Ordinary	15.29	15.29*	7.07†	3.86
	(D. 7½% + B. 2½%)	(D. 7½% + B. 2½%)	(D. 15% + B. 10%)	(D. 15%)
Carry forward	18.94	9.30	4.73	0.58

* On the higher capital of Rs. 152.89 lakhs increased from Rs. 70.75 lakhs.

† On the higher capital of Rs. 70.75 lakhs raised from Rs. 15 lakhs in January, 1951.

It will be observed that the Company's trading result in 1952-53 has followed the pattern of the preceding favourable trading years. The impressive rise in profit has been achieved notwithstanding the steadily increasing competition and the losses incurred by the decline in the value of large stocks of raw materials which the Company had had to carry to be able to meet the obligations arising from the rate contracts for its products entrusted by the Government of India. There has been a sharp rise in establishment and other expenses, of which salaries and wages account for nearly Rs. 2 lakhs and compensation payable on cancellation of purchase contract for Rs. 1.70 lakhs. The increase in the provision for depreciation from Rs. 1.64 lakhs to Rs. 5.40 lakhs is in consonance with the substantial additions to the gross block made during the year. The provision for taxation has been stepped up by Rs. 9.36 lakhs to Rs. 36.40 lakhs, which represents more than a third of the trading profit. Commenting on the high level of taxation, Mr. A. R. Driessen, Chairman, in his statement to the shareholders, accompanying the Directors' report, says: "I can only join with other industrialists in issuing the warning that, whilst taxation on industry is maintained at its present high level, it becomes increasingly difficult to provide for the replacement of plant and the undertaking of additional capital expenditure so essential for the development of the Indian economy." This is evident from the fact that in the last three years alone, the provision for taxation has been raised by Rs. 20.70 lakhs, while the addition to the reserves has been cut by Rs. 9.09 lakhs to Rs. 8.36 lakhs.

In spite of the heavy burden of taxation, the Company has been pursuing the conservative policy of building up its reserves, "in order to be able to face with full confidence the lean years that inevitably follow a period of maximum trading in a sellers' market." The addition to the reserves this year is made up of Rs. 5 lakhs transferred to the general reserve and of Rs. 3.36 lakhs being the provision made for losses on forward purchases. The latter provision and the compensation payable on cancellation of purchase contract referred to earlier have been occasioned by the drop in prices throughout the world due to cessation of hostilities in Korea and the resulting changes in the position of the copper market. In view of the necessity to conserve the Company's funds to help meet the expenditure on the expansion plan (referred to later on in this review), the Directors have thought it fit to repeat the distribution to the shareholders at the same rate as in the previous year.

The financial position of the Company, as seen from its latest balance-sheet, is quite satisfactory. As against a paid-up capital of Rs. 163.77 lakhs, the reserves and surplus stand at the impressive figure of Rs. 123.72 lakhs. These reserves include a general reserve of Rs. 50 lakhs, contingency reserve Rs. 36 lakhs and basic stock reserve Rs. 13.33 lakhs. Provision for taxation amounts to Rs. 46.60 lakhs. Current liabilities aggregate Rs. 152.21 lakhs, having gone up from Rs. 40.91 lakhs at the end of the previous year, mainly on account of the increase in liability for goods from Rs. 11.11 lakhs to Rs. 73.90 lakhs and the borrowings from banks, which stand, as at the end of the year, at Rs. 36.02 lakhs, as against nil on 30th September, 1952. The borrowings from banks have been necessitated by the increases in stocks, unsecured book debts and the fixed capital expenditure. The gross block of the value of Rs. 111.09 lakhs, including the addition of Rs. 53.20 lakhs during the year under review, has been written down to Rs. 73.20 lakhs. The current assets aggregate Rs. 415.09 lakhs, comprising, in the main, raw materials and work-in-progress Rs. 221.72 lakhs, finished goods Rs. 32.74 lakhs and unsecured book debts Rs. 110.92 lakhs. They exceed the current liabilities and provision for taxation by a wide margin of Rs. 216.28 lakhs. Commenting on the large carry-over stocks, the Chairman says: "The necessity of carrying larger stocks arises, of course, from the expansion of the Company's activities, but, at the balance-sheet date, raw material costs were still at an abnormally high level. The level of inventory values is kept constantly under review and it is a paramount consideration of your Directors that they be kept at as low a level as possible without endangering the flow of production."

During the year under review, the Company installed and started operations of a hot non-ferrous rod-rolling mill. The establishment of this mill will, eventually, do away with the import of copper rod and mean more efficient manufacture of electric wires and additional sources of revenue. The Company has put on the market a new product under the name of Paramite agricultural cable and it is anticipated that this new product will add to the Company's reputation. The Company has plans to manufacture plastic wires and cables and it is expected that their production will be in full swing by the middle of 1954. Among the other projects in view is the erection of a complete new factory for the manufacture of paper insulated power cables upto 11 k.v. This will be the first factory of its kind in India. Production is expected to commence by the end of 1955 or the beginning of 1956. The Company is engaged in installing plants to produce synthetic enamelled winding wires to meet the ever-increasing needs of motor manufacturers and radio trade. Full production will begin by the end of next year.

The outlook for the Company is bright, as will be seen from the following observations of the Chairman:

"We are linked inevitably with the expanding electrical industry of this country. There can be no doubt that the major industries and Government projects of this country must utilise more and more electrical energy and that, in consequence, there must be a continued and ever-expanding demand for our products and, while conditions in 1953-54 are not likely to be as good as in 1952-53, which, in retrospect, together with the former years were, undoubtedly, years of very favourable trading, we face the future with full confidence in our ability to play a leading part in the development of electric power in this country and that, over any reasonable period, the demand for our products must not only continue but also increase.... Much, of course, remains to be done and you will appreciate that the Company's resources must be husbanded wisely to meet this expansion programme. It will, however, also be realised that these projects, when completed, will make this Company one of the pioneers of electrical development in India."

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted on the Calcutta Stock Exchange at Rs. 19-2 *ex-div.* On the basis of this market value, the proposed dividend gives a yield of 5.2 per cent. per annum, tax-free.

In conclusion, we must say that the industrial project which this Company represents is a typical instance of what honest private enterprise has achieved in this country. Those who condemn the "private sector" or nurse a doubt about its ability to deliver the goods will do well to study the history of this Company. And for their benefit we give below a synopsis of its history:

"The Company was floated at Calcutta in 1920, as the first venture of its kind in India, with an authorised capital of Rs. 25,00,000. A factory site was chosen in the Bihar industrial area at Jamshedpur and the buildings were erected by 1922. Early in 1923, production commenced of the first India-made copper conductors and rubber-insulated cables. Against intense foreign competition and without the benefit of protection, progress was slow, but by the outbreak of World War II, India found herself in possession of a very useful and indispensable cable industry.

"From small beginnings, the Company has grown considerably, and the Tatanagar factory now stands in an area of 170 acres as a thriving township with well designed workers' housing, and medical, recreational and educational facilities for its 1,300 employees. Far-seeing post-war plans for expansion are now coming to fruition with the acquisition from the Government of India of their former 'D' Class Cable Factory, erected and operated by the Company during the war. Alongside this, a new non-ferrous rod-rolling mill went into production early in 1953, while, nearby, a spacious factory building to house the new paper-insulated power cable project is nearing completion. As a financial corollary to this expansion, the capital structure of the Company has had to be increased in recent years to an authorised capital of Rs. 2,00,00,000, of which Rs. 1,65,76,970 has been issued."

PHALTAN SUGAR'S EARNINGS LOWER

A decline of Rs. 2 lakhs in the gross profit, that is from Rs. 24.24 lakhs to Rs. 22.24 lakhs, is revealed by the audited accounts of the Phaltan Sugar Works Ltd. (Managing Agents: Messrs. Mafatlal, Apte and Kantilal Ltd., Bombay) for the year ended 30th September, 1953. The net profit records a sharper decline, from Rs. 16.19 lakhs to Rs. 10.94 lakhs. Consequent on this fall in earnings, the Directors have had to reduce the allocation to the reserves and the distribution to the shareholders. They propose to pay a dividend of Rs. 6 per share of Rs. 30, as against Rs. 8 paid for the preceding three years; but the present dividend is tax-free, whereas the previous dividends were taxable.

Sale proceeds of sugar show a decline from Rs. 110.42 lakhs to Rs. 103.04 lakhs. This is presumably due to the fact that, in common with many sugar factories, the Company must have sold the previous season's heavy carry-over stocks at below the controlled price fixed for the season's production. The closing stocks of sugar at the end of the year under review showed a fall from 39,048 bags to 13,999 bags and their value from Rs. 32.19 lakhs to Rs. 11.60 lakhs. Expenses have gone down from Rs. 86.39 lakhs to Rs. 81.24 lakhs, of which crop expenses account for a fall from Rs. 50.74 lakhs to Rs. 42.30 lakhs and cane cess from Rs. 5.56 lakhs to Rs. 5.26 lakhs, while excise duty account for a rise from Rs. 9.89 lakhs to Rs. 12.85 lakhs and other expenses from Rs. 20.20 lakhs to Rs. 20.82 lakhs. Managing Agents' remuneration has declined from Rs. 2.42 lakhs to Rs. 2.28 lakhs, depreciation on fixed assets from Rs. 4.88 lakhs to Rs. 4.03 lakhs. The provision for taxation has been raised from a mere Rs. 75,000 to Rs. 5 lakhs. This is evidently due to the fact that the Indian Income-tax Act is applicable to the Phaltan State following its merger with the Bombay State and the Company is liable to pay higher rate of taxation than before. Referring to this question, the Directors observe, in their report to the shareholders: "The Company was assessed at one anna per rupee as super-tax upto the assessment year 1953-54, in pursuance of clause 15 of the Merged States (Taxation Concession) Order, 1949. The accounts presented for the year under reference will be taxed at full rates of income-tax now applicable."

Out of the net profit of Rs. 10.94 lakhs the Directors have set aside Rs. 1 lakh for dividend equalisation fund, as against Rs. 5 lakhs transferred last year. While a sum of Rs. 1.65 lakhs had been added to the general reserve last year, no addition at all has been made to this reserve now. But the sum left to be carried over is as high as Rs. 4.87 lakhs, as compared with Rs. 92,883 brought in after paying a sum of Rs. 2.20 lakhs as bonus to employees for the year 1951-52.

The Company installed one additional three roller mill before the commencement of the season, thus increasing the capacity of crushing to a certain extent. The mill efficiency has also improved. "The factory worked quite well throughout the season," the Directors report, "and the sugar produced was of 28D quality and sold as per allotments from Government. The deliveries of sugar during the year were satisfactory. The recovery percentage of sugar was higher than in previous years and the sugar produced found a ready market as usual." The field of the crop for the season, according to the Directors, was higher than last year. The experimental work on new varieties of cane and manurial trials were continued during the year. The labour conditions were satisfactory, which helped the factory get a constant and steady supply of cane throughout the season.

The financial position of the Company, as seen from its latest balance-sheet, is comfortable. The reserves and surplus stand at Rs. 52.36 lakhs, which is about 105 per cent. of the paid-up capital of Rs. 50 lakhs. Such a strong reserve position has been built up even after capitalising as much as Rs. 40 lakhs of the reserves, thus raising the original paid-up capital from Rs. 10 lakhs to its present level of Rs. 50 lakhs. The provision for taxation amounts to Rs. 9.46 lakhs. The current liabilities aggregate no more than Rs. 13.32 lakhs. The gross block of the value of Rs. 109.01 lakhs has been written down by Rs. 54.16 lakhs. The current assets amounting to Rs. 70.30 lakhs cover the current liabilities and provision for taxation more than three times.

The Rs. 50 paid-up shares of the Company are being currently quoted at Rs. 96 *cum-div.* On an *ex-div.* basis, the proposed dividend gives a yield of 6.7 per cent. per annum, free of tax.

CANNANORE SPG. AND WVG. MILLS

The Cannanore Spinning and Weaving Mills Ltd. (Managing Agents: The Malabar Industrial Syndicate, Cannanore) earned a gross profit of Rs. 7.06 lakhs and a net profit of Rs. 3.77 lakhs for the year ended 31st March, 1953, and not Rs. 5.94 lakhs and Rs. 2.65 lakhs, respectively, as stated in our review of the Company's working results published in an earlier issue of *Commerce*. The Directors had provided a sum of Rs. 1.20 lakhs from out of the profit for 1951-52 to the raw material fluctuation reserve. As the loss on account of the fall in prices of American cotton amounted to only Rs. 1.12 lakhs, the Directors drew back the said sum of Rs. 1.20 lakhs to the profit and loss account for the year ended 31st March, 1953, and wrote off the actual loss of Rs. 1.12 lakhs.

COMPANY MEETINGS AND DIVIDENDS

BLUE MOUNTAIN ESTATES LTD. Annual General Meeting, Madras, 7th December, 1953. Dividend: As. 4 per share, free of tax, payable on 8th December, 1953. Transfer books closed from 16th November to 7th December, 1953, both days inclusive.

KESORAM COTTON MILLS LTD. Annual General Meeting, Calcutta, 7th December, 1953. Dividend: Re. 1-12 per share, free of income-tax. Transfer books closed from 24th November to 7th December, 1953, both days inclusive.

HINDUSTAN MOTORS LTD. Annual General Meeting, Calcutta, 10th December, 1953. Dividend: *Nil.* Transfer books closed from 20th November to 10th December, 1953, both days inclusive.

INDIAN CABLE CO., LTD. Annual General Meeting, Calcutta, 11th December, 1953. Dividend: Re. 1 per share (including cash bonus of As. 4 per share), payable on 11th December, 1953. Transfer books closed from 28th November to 11th December, 1953, both days inclusive.

PORT CANNING AND LAND IMPROVEMENT CO., LTD. Annual General Meeting, Bombay, 14th December, 1953. Dividend: Re. 1-8 per share free of income-tax. Transfer books closed from 25th November to 15th December, 1953, both days inclusive.

TINNEVELLY-TUTICORIN ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 15th December, 1953. Dividend: Re. 1 per share. Transfer books close from 8th to 15th December, 1953, both days inclusive.

HINDUSTAN SUGAR MILLS LTD. Annual General Meeting, Bombay, 15th December, 1953. Transfer books close from 10th to 17th December, 1953, both days inclusive.

COAL MINING AND STATE MINERALS LTD. Annual General Meeting, Bombay, 16th December, 1953. Transfer books close from 11th to 21st December, 1953, both days inclusive.

MUKAND IRON AND STEEL WORKS LTD. Annual General Meeting, Bombay, 17th December, 1953. Transfer books close from 10th to 17th December, 1953, both days inclusive.

WATERFALL ESTATES LTD. Annual General Meeting, Madras, 18th December, 1953. Dividend: As. 4 per share, payable on 19th December, 1953. Transfer books closed from 4th to 18th December, 1953, both days inclusive.

BENGAL JUTE MILL CO., LTD. Annual General Meeting, Calcutta, 18th December, 1953.

MYSORE COFFEE ESTATES LTD. Annual General Meeting, Rayavaram (Pudukkottah), 20th December 1953. Transfer books close from 10th to 20th December, 1953, both days inclusive.

JAYASHANKAR MILLS, BARSI LTD. Annual General Meeting, Barsi, 21st December, 1953. Transfer books close from 10th to 31st December, 1953, both days inclusive.

KOLHAPUR SUGAR MILLS LTD. Annual General Meeting, Kasaba Bavada, Kolhapur, 27th December, 1953. Transfer books close from 15th to 27th December, 1953, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Interim dividend of Re. 1 per share, free of income-tax, payable on 18th December, 1953, for the year ended 30th September, 1953. Transfer books closed from 5th to 18th December, 1953, both days inclusive.

KOTHARI TEXTILES LTD. Dividend of As. 8 per share for the year ended 30th June, 1953. Transfer books close from 7th to 21st December, 1953, both days inclusive.

KARAIKKAL ELECTRIC SUPPLY CO., LTD. Dividend of As. 9-3/5 per share, free of tax, for the year ended 31st March, 1953. Transfer books closed from 5th to 12th December, 1953, both days inclusive.

COMPANY REGISTRATIONS

J. K. STEEL LTD. (First Director: Mr. H. S. Singhania.) Business: Manufacturers of Steel Hoops of all sizes, etc. Authorised capital: Rs. 50,00,000. Public company. Address: 7, Council House Street, Calcutta.

PANAMA LTD. (First Director: Mr. H. L. Malhotra.) Business: Manufacture of Safety Razor Blades, etc. Authorised capital: Rs. 25,00,000. Public company. Address: 18, Netaji Subhas Road, Calcutta.

SHREE LAKSHMI FLOUR MILLS LTD. (First Director: Mr. N. D. Agarwala.) Business: To Install, Establish Mills and Factories, etc. Authorised capital: Rs. 25,00,000. Public company. Address: 243, Upper Chitpur Road, Calcutta 3.

SUNDERDAS THAKERSEY AND BROTHERS LTD. (First Director: Mr. H. Thakersey.) Business: Importers, Exporters, and Manufacturers of Cotton Yarn, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 4, Lucas Lane, Calcutta.

COMMERCIAL MISCELLANY (INDIA) LTD. (First Director: Mr. G. K. Agarwalla.) Business: Dealers in Hardware, Electrical Goods, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 1, Stephen House, Calcutta.

MAHARAJA COSSIMBAZAR STONE WORKS LTD. (First Director: Mr. B. R. Biswas.) Business: To Purchase and Acquire by Lease Stone Quarries, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 138, Canning Street, Calcutta.

A. N. LAHA AND CO., LTD. (First Director: Mr. A. N. Laha.) Business: Dealers in Coal, Paper, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 2, Clive Ghat Street, Calcutta.

MADHU JAYANTI LTD. (First Director: Mr. J. Hargovindas Shah.) Business: Tea Planters, etc. Authorised capital: Rs. 3,00,000. Private company. Address: 13, Pollock Street, Calcutta.

ALLEN BERRY AND CO. (CALCUTTA) LTD. First Director: Mr. R. N. Maitra.) Business: Manufacturers, Importers and Exporters of Automobiles, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 62, Hazra Road, Calcutta.

QUESTION HOUR IN PARLIAMENT

Estate Duty

THE revenue from estate duty in 1953-54 will be very negligible. The Act came into force only on 15th October, 1953, and since the time allowed to executors for submission of returns is six months from the date of death of an individual, no assessment is likely to be completed before the close of the financial year. As for the income from this source during the Plan period, it is not possible to give an estimate, as there are many indeterminable factors. The only thing that can be said at present is that the revenue from this duty will not be an inconsiderable contribution to the financing of development projects.

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U.K. Loan to India

The Government of India has still under consideration the British Government's offer to allow £5 million out of the U.K.'s capital subscription to the International Bank being lent by the Bank to India. There has been no offer of any direct loan by the U.K. Government to the Government of India. The Government of India has not taken any decision but the possible purpose for which it will be utilised will be the purchasing of equipment for the D.V.C. and the Indian Iron and Steel Company projects. There will be no conditions which will operate between the Government of India and the U.K. Government in regard to the loan. The rate of interest will be the rate which the International Bank is charging. It depends on the terms of the loan. Former loans carried 4½ per cent. interest repayable in 15 years and 4½ per cent. in other cases. India is earning 2.3 per cent. interest on its sterling balances and it has to pay 4½ per cent. to the Bank. The Government of India will take some time to consider whether it will at all borrow from the U.K.'s subscription to the International Bank.

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Aid to States

The Government of India has agreed to give in 1953-54 assistance to various State Governments to the extent of Rs. 2,66,07,000 to relieve distress caused by natural calamities. So far, a sum of Rs. 61,96,000 has actually been paid. The assistance promised, or given, does not include that given in the form of subsidised foodgrains and under other programmes like G.M.F. and arrear payments made in the current year on account of expenditure on scarcity relief included in the previous year. The provision of Rs. 5 crores provided in the Plan relates to the three years of the Plan commencing from the current year.

—Finance Minister

Burma Tariffs

The increase in duty on imports into Burma, following the new customs tariffs adopted by Burma after the termination of the Indo-Burmese Trade Agreement of 1941 on India's trade with the country is bound to have some adverse effect on trade. No precise assessment of the problem is possible at this stage, particularly as many other factors will have a large bearing on the subject. These factors include import control regulations, bilateral agreements, and the competitive strength of other exporting countries. An official copy of Burma's latest customs tariffs is not yet available but, as the Government understands, the following, among others, are the rates of duties *ad valorem* on some of the principal items of interest to India: tobacco unmanufactured, 50 per cent.; jute, rope and twine, hessian gunny cloth and sacking gunny bags, 25 per cent.; cotton hosiery and cotton manufactures, 30 per cent.; cotton piecegoods, 25 per cent.; cotton twist and yarn, 5 per cent. and cotton thread, 10 per cent.; groundnut oil, linseed oil and vegetable non-essential oils, 15 per cent.; coir yarn, 10 per cent.; and boots, shoes and footwear 30 per cent.

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Cottage Industry

A seven-man international team of experts in cottage and small-scale industries will be shortly visiting India to advise the Government on the development of small-scale industries in selected areas. The Ford Foundation has promised a grant of $92,000 in connection with the work of these experts.

—Minister for Commerce

Koyna Project

The question of taking up the Koyna Project is under consideration, but it is unlikely that it will be taken up during the current year. The estimated expenditure on the Project is Rs. 33 crores. The matter has been taken up with the World Bank authorities and a team of experts is expected to visit the site shortly.

—Deputy Minister for Irrigation and Power

Tourist Traffic Earnings

A sum of Rs. 45 lakhs is the estimated dollar earnings in 1952 out of tourist traffic. About 25,448 foreign tourist came to India during 1952.

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Railway Coaches and Wagons

During 1952-53, 791 indigenous coaches and 104 foreign coaches were put on the line, as compared with 673 indigenous coaches and 98 foreign coaches in 1951-52. As regards wagons in 1952-53, 6,377 indigenous and 6,611 foreign wagons were put on the line, while in 1951-52 the figures were 3,707 indigenous wagons and 671 foreign wagons.

During the half-year from 1st April to 30th September, 1953, the Indian railways placed 3,702 new wagons on the line, of which 932 were imported. During the year 1952-53, 2,193 overaged wagons were taken off the lines and scrapped.

—Parliamentary Secretary to Railway Minister

COMMERCE AND INDUSTRY

(Concluded from page 1064)

authoritative data are available regarding the number of units operating, the lines of manufacture undertaken, and their cost of production, a committee may be appointed by the Central Government, in consultation with the State Governments concerned, to conduct an economic survey of the units with a view to effecting co-ordination among the several sectors of the cycle industry.

Some of the producers have advanced claims for imposing quantitative restrictions on imports of cycles. This demand is difficult to be justified, as the industry enjoys even now almost a closed market, what with the tariff protective duties pitched as high as 73½ per cent. standard and 63 per cent. preference *ad valorem*. Stringent restrictions on imports do not provide scope for a reasonable measure of competition without which there will be little incentive among local producers to improve their quality. Further, as the indigenous output is far less than the total requirements of the country, consumers' interest will go by default. And a bicycle, it must be remembered in this connection, is a poor man's vehicle.

ESTABLISHMENT OF NEW INDUSTRIAL UNDERTAKINGS

Proposals for the establishment of new industrial undertakings and substantial expansions of existing undertakings under the Industries (Development and Regulation) Act, 1953, frequently involve also the issue of fresh capital for which consent has to be obtained from the Controller of Capital Issues, Ministry of Finance and/or the import of capital goods for which a licence has to be obtained from the Chief Controller of Imports and Exports, New Delhi. The consent for the issue of capital and the licence for the import of capital goods are, however, granted only after it is decided that a licence should be issued under the Industries Act. In order to reduce the time lag between the issue of the licence under the Industries Act, on the one hand, and the grant of an import licence or consent for capital issue, on the other, applicants are advised to make their applications for the import of plant and machinery and/or consent for the issue of capital, simultaneously with their application for a licence under the Industries Act, in the forms specifically prescribed for these purposes.

Applications for the import of plant and machinery should be sent to the Chief Controller of Imports and Exports, New Delhi, in the case of all machinery except textile machinery and to the Joint Chief Controller of Imports and Exports, Bombay, in the case of textile machinery, with a suitable note that a licence, under the Industries Act, has been applied for. Applications for consent for the issue of capital should be sent to the Controller of Capital Issues, Ministry of Finance, Government of India, with a similar note. Applications for a licence under the Industries Act should be addressed to the Secretary, Ministry of Commerce and Industry, Industries Act Branch, Government of India, New Delhi.

LICENSING OF INDUSTRIES

The Licensing Committee set up under the Industries (Development and Regulation) Act had, in the first 12 months of its existence (i.e. by September, 1953) considered 262 applications requesting licences for establishing new industrial undertakings or for effecting substantial expansion in existing ones. Of these, the Committee recommended 181 for the grant of licences under the Act, 11 were referred back to the applicants with certain comments and observations for them to put up revised schemes, and 34 were rejected.

Of the 181 cases recommended for the grant of licences, 49 related to cotton textiles, 24 to *vanaspati* and vegetable oils, 13 to heavy chemicals, including fertilisers, 12 to cement, 11 to machinery and equipment for the generation, transmission, etc., of electric energy, nine to rubber manufactures, nine to glass and ceramics, eight to pharmaceuticals and drugs, six to paper and paperboard and the rest to other industries.

Among the rejections, the largest number (10) related to the establishment of automatic looms for the manufacture of cotton textiles. The existing loomage in the cotton textile industry is, it is felt, sufficient to meet the entire needs of the country in respect of cloth. On the other hand, it is necessary to conserve free yarn for the handloom industry. Pending the report of the Textile Enquiry Committee, Government does not propose to encourage the establishment of fresh loomage.

Eight of the rejected schemes related to proposals for undertaking merely the final operation such as bottling and ampuling or tabletting of drugs imported into the country. Considerable doubt has been felt as to how far development of this kind is in the interests of the country both from the industrial and from the public health point of view. Here again, the Government proposes to take a final decision after the Pharmaceutical Enquiry Committee has submitted its report. Meanwhile, requests for installation of fresh capacity are being refused.

Nine of the cases rejected were for permission to introduce the solvent extraction process for treating oilcakes. Here there are two schools of thought. On the one hand, it has been urged that the introduction of this process would increase the availability of vegetable oils in the country, while, on the other, it has been argued that de-oiled cakes will lose much of their nutritive value as cattle feed. Certain investigations are now in progress at the Indian Veterinary Research Institute to test the correctness of the latter contention. In the meantime, Government have decided to sanction only a limited capacity for solvent extraction in the country and this has been distributed between the States after taking into account their production of oilseeds and oilcakes.

COORLA SPINNING MAINTAINS DIVIDEND DESPITE LOWER PROFIT

TELIAPARA TEA REPORTS BETTER RESULTS

Coorla Spinning and Weaving Co., Ltd.

THE directors of the above Company (Secretaries, Treasurers and Agents: Messrs. Cowasjee Jehangir & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March, 1953.

The accounts show a gross profit of Rs. 7,46,029 (Rs. 9,88,784) which when added to the balance of Rs. 7,721 (Rs. 3,938) brought forward from last year, makes a total of Rs. 7,53,751 (Rs. 9,92,721), and this amount the directors propose to dispose of as under:—

Payment of a dividend on 26,000 shares at the rate of Rs. 7-8 (Rs. 7-8) per share Rs. 1,95,000 (Rs. 1,95,000), transfer to machinery depreciation fund Rs. 3,00,000 (Rs. 1,50,000), building depreciation fund Rs. 30,000 (Rs. 40,000) and provision for gratuity Rs. 1,00,000 (nil) leaving to be carried forward Rs. 1,28,751 (Rs. 7,721).

During the year a net amount of Rs. 1,74,513 (Rs. 2,86,452) being the refund of excess profits tax less income-tax and corporation tax was received by the Company and this amount has been credited to reserve for taxation. During the year, the following machinery have arrived and are working satisfactorily:—

One cheese and beam dyeing plant, one renovation equipment for old cheese dyeing plant, twelve T. & S. twist ring frames, 424 spindles each, twelve variable speed motors for ring frames, one leesona winding machine, one high speed cone winding machine, one centrifugal pump, one air compressor, one damping machine and two 15 h.p. motors with starters. The directors further inform, that with a view to modernisation of the plant and machinery, they have recently placed orders for blow-room, spinning and sizing machinery of an approximate cost of Rs. 17,00,000 (exclusive of duty), most of which is expected to be delivered during the course of the next year.

The Mill buildings and machinery are insured for Rs. 1,01,75,850 (Rs. 89,23,800) and stores, cotton, stock-in-process and stocks of yarn and cloth have been insured for Rs. 44,36,600 (Rs. 59,52,700). The profits have also been insured for Rs. 8,00,000 (Rs. 12,00,000).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,00,000	Block ...	58,91,576
Reserves ...	47,97,127	Stock-in-trade	28,88,260
Provision for taxation ...	6,12,054	Stores, etc. ...	7,58,566
Liabilities ...	13,60,938	Debts, deposits and advances ...	4,83,814
Profit and loss account ...	7,53,751	Investments	73,800
		Cash ...	27,854
Rs.	1,01,23,870	Rs.	1,01,23,870

Teliapara Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The accounts showed a profit of Rs. 1,45,251 (Rs. 71,523) as follows: On transfer of this sum to profit and loss account and after sundry adjustments, there was a balance at credit of that account amounting to Rs. 1,88,245 (Rs. 1,73,590) of which the directors transferred Rs. 65,000 (nil) to revenue reserve. The directors paid a dividend of 7½ (2½) per cent. and carried forward Rs. 55,745 (Rs. 73,090).

The values of the Company's current assets and liabilities in Pakistan have been converted into Indian currency at the current rate of exchange, now recognised by the Government of India, and the resulting unrealised profit has been carried to an exchange suspense account. Since the close of the year under review sanction to remit to this country the net trading profits earned in Pakistan during seasons 1948 and 1949 was obtained from the State Bank of Pakistan, and a total of Rs. (I) 9,06,381 was received and credited to the Company's account in India in April, 1953.

The outturns produced and the average selling prices (Pakistani currency) realised compare with those of the previous year as follows:—

	Crop		Selling price (Per lb.)	
	1952 Mds.	1951 Mds.	1952 Rs. a. p.	1951 Rs. a. p.
Teliapara	8,432	8,680	1 1 6	1 0 1
Satchurie	5,385	5,535	0 15 6	0 14 3

Estimates for 1953 provide for a total crop of 12,500 maunds at an outlay of Rs. (P) 8,37,520 including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	9,00,000
Reserves ...	13,56,270	Stores and supplies ...	1,62,690
Provision for taxation ...	71,785	Tea sales receivable ...	9,96,915
Liabilities ...	6,69,297	Advances and deposits ...	2,59,078
Profit and loss account ...	55,745	Investments	2,966
		Cash ...	7,31,448
Rs.	30,53,097	Rs.	30,53,097

Rajahbhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The season's working resulted in a loss, before providing for depreciation, of Rs. 1,11,939 (profit of Rs. 2,18,705) to which was added adjustments account season 1951 Rs. 13,282 (nil), depreciation for 1952 Rs. 47,357 (nil) making a total of Rs. 1,72,578 (Rs. 1,28,624) from which was deducted E.P.T. post-war refund Rs. 6,307 (nil) and balance of profit brought forward from 1951 Rs. 25,072 (Rs. 21,695), leaving a balance at debit of profit and loss account to be carried forward to 1953 Rs. 1,41,199 (credit balance of Rs. 25,072) after paying 15 per cent. dividend on ordinary shares and transferring Rs. 13,552 to general reserve.

The saleable crop weighed out at 11,243 maunds against an estimate of 12,500 maunds and was disposed of at an average price of As. 19.26 per lb. The usual comparative statement for previous seasons is given below:—

Season	Crop	Average price per lb.
	Mds.	Annas
1951	12,307	24.95
1950	12,478	26.88
1949	13,227	23.68
1948	10,672	22.63

The estimate for season 1953 provides for a saleable crop of 11,560 maunds, at an all-in cost of Rs. 10,05,120.

The substantial drop in crop due mainly to unfavourable weather conditions and a fall of nearly As. 6 per lb. in the average prices realised, as compared with the previous season, have adversely affected the trading results.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	6,61,009
Reserves ...	7,01,032	Stock of tea	5,12,633
Provision for taxation ...	92,994	Stores, etc. ...	3,48,384
Liabilities ...	4,66,060	Debts, deposits and advances ...	1,59,238
		Investments	1,505
		Cash ...	36,118
		Profit and loss account ...	1,41,199
Rs.	18,60,086	Rs.	18,60,086

West Coast Electric Supply Corporation Ltd.

The directors of the above Corporation (Managing Agents: Messrs. Chandrie & Co., Ltd., Madras) submitted the audited accounts of the Corporation for the year ended 31st March, 1953.

During this year the restrictions imposed by Government on power supply on account of the low water conditions in the Hydro-Electric reservoirs were more severe than last year. The 25 per cent. cut on consumption, which was imposed in September, 1952 was gradually enhanced to 66⅔ per cent. by March, 1953. Ban on connecting up new industrial loads was also imposed by Government. The restrictions were lifted however in July, 1953.

No major load developments could be undertaken during the year on account of acute shortage of power. However, with the limited resources and the available power, development was suitably regulated.

During the year, the directors were able to sell all the generating machinery in the Kallayi Power House. Though they were trying to sell these machinery since 1948, they succeeded in disposing them only now. Being old and obsolete machinery, a certain amount of loss was inevitable.

The full effect of lower rates for supply of energy, given effect to in the year 1951-52, in the Calicut and Cannanore-Tellicherry areas, is reflected in the revenues of the year. The 10 per cent. war cost surcharge levied on supplies to h.t. consumers was discontinued as per orders of the Government with effect from 1st April, 1952 and this has deprived the Company of a very large revenue. In spite of these adverse conditions, the working of the Corporation has been satisfactory.

As mentioned in their last report, the directors have taken on hand new schemes for extending electricity in the Company's area of supply. They have raised a loan of Rs. 7½ lakhs from the Madras Industrial Investment Corporation Ltd., Madras, and are availing the loan as and when necessary. In the meanwhile, a sum of Rs. 3 lakhs was obtained with which the debenture loan of Rs. 2½ lakhs was repaid. The balance was utilised for minor extensions.

The management's request to the Government, to increase their maximum offtake limit at Calicut and Cannanore was considered by the Government and orders were passed in July, 1953, increasing our maximum demand to 3,000 k.v.a. at Calicut and 1,750 k.v.a. at Cannanore and they have utilised them.

The net profit of the Company after providing for depreciation on assets Rs. 1,04,462 (Rs. 91,845), taxes on income Rs. 36,000 (Rs. 1,03,000), contingency reserve Rs. 6,648 (Rs. 11,674), writing off of intangibles Rs. 6,552 (Rs. 6,552) and charities and donations Rs. 7,000 (Rs. 875) amounted to Rs. 1,12,516 (Rs. 1,36,231). After adding the balance brought forward from the previous year's account of Rs. 38,366 (Rs. 37,223) excess appropriation for dividend as per last year's report Re. 1 (nil), adjustments based on Government audit report Rs. 5,037 (Rs. 1,669), and transfer of debenture security fund Rs. 4,500 (nil) there was a sum of Rs. 1,60,420 (Rs. 1,48,065). After adding appropriation as per Electricity (Supply) Act, 1948: from tariff and dividend control reserve of Rs. 3,901 (Rs. 38) and deducting reserve for proportionate rebate to consumers Rs. 3,045 (Rs. 11,604) there was a sum of Rs. 1,61,277 (Rs. 1,48,065). The directors paid an interim-dividend in April, 1953 for the year 1952-53 of Rs. 42,362 (nil) leaving an available balance of Rs. 1,18,915 (Rs. 1,48,065). The directors paid a final dividend of 2½ per cent. (total dividend of 5½ per cent.) less tax on preference shares and 6½ per cent. (total dividend of 10 per cent.) tax-free on ordinary shares, making a total of 5½ (5½) per cent. less tax on preference shares and 10 (10) per cent. tax-free on ordinary shares for the year 1952-53 which absorbed Rs. 67,362 (total dividend of Rs. 1,09,699) and the balance may be carried forward to next year's account.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	19,36,886
Reserves ...	5,23,888	Stores and tools ...	3,36,735
Provision for taxation ...	1,14,597	Other assets	2,58,033
Liabilities ...	9,79,953	Debts and advances ...	2,64,912
Profit and loss account ...	1,17,039	Investments	48,353
		Cash ...	1,40,558
Rs.	29,85,477	Rs.	29,85,477

Kemp and Co. Ltd.

The directors of the above Company (Chairman: Mr. F. H. Mehta, J.P., Bombay) submitted the audited accounts of the Company for the year ended 31st March, 1953.

A sum of Rs. 1,02,937 was shown as carried forward in the last year's report. Deducting therefrom Rs. 8,147 being bonus paid in excess of provision made and Rs. 4,993 being sales tax assessments paid for 1946-47 and 1947-48, there was a balance of Rs. 89,797. During the year, a sum of Rs. 67,458 (nil) was received as refund of excess profits tax and Rs. 1,411 (nil) as refund of income-tax and corporation tax; and a sum of Rs. 10,928 was paid as bonus in excess of provision made. With these adjustments the balance in the appropriation account amounted to Rs. 1,47,738.

The accounts for the year showed a net profit of Rs. 1,75,762 (Rs. 1,40,354) after providing Rs. 1,06,436 (Rs. 1,01,363) for depreciation on plant and machinery, buildings, furniture, motor vehicles and equipment. This, with the balance of Rs. 1,47,738 (Rs. 1,72,583) carried forward from the last year made a total of Rs. 3,23,501 (Rs. 3,12,937) which amount the directors disposed of as under:—

Made provision for taxation (which, with the balance out of provision made last year comes to Rs. 93,559 and is considered adequate provision) Rs. 55,000 (Rs. 70,000), paid dividend on 5,999 (4,000) shares (Rs. 200 paid up) at 10 (10) per cent. or Rs. 20 (Rs. 20) per share Rs. 1,19,980 (Rs. 80,000), bonus to staff Rs. 65,000 (Rs. 60,000), and carried forward Rs. 83,521 (Rs. 1,02,937).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,99,900	Block ...	14,46,992
Reserves ...	6,42,667	Stock-in-trade	7,56,288
Provision for taxation ...	38,559	Goods-in-transit ...	61,009
Liabilities ...	6,94,393	Debts, deposits and advances ...	4,72,116
Profit and loss account ...	3,23,501	Investments	78,617
		Cash ...	83,998
Rs.	28,99,020	Rs.	28,99,020

Bombay Safe Deposit Co., Ltd.

The directors of the above Company (Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September, 1953.

The accounts show a profit of Rs. 76,959 (Rs. 79,340) to which is to be added the net carry forward from 1952 of Rs. 702 (Rs. 2,627) making a total of Rs. 77,661 (Rs. 81,967). The directors transferred to provision for income-tax and super-tax Rs. 28,000 (Rs. 30,000), staff gratuity fund Rs. 3,000 (Rs. 1,275) and depreciation fund Rs. 3,000 (Rs. 3,000) leaving an available balance of Rs. 43,661 (Rs. 46,202). From this amount the directors recommend payment of a dividend of Rs. 32 (Rs. 35) per share, free of income-tax, absorbing Rs. 38,400 (Rs. 42,000) and bonus to staff Rs. 3,700 (Rs. 3,500) leaving to be carried forward a balance of Rs. 1,561 (Rs. 702).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,40,000	Block ...	5,32,174
Reserves ...	4,78,000	Advances ...	12,564
Provision for taxation ...	30,647	Investments	2,68,367
Liabilities ...	73,037	Cash ...	52,240
Profit and loss account ...	43,661		
Rs.	8,65,345	Rs.	8,65,345

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

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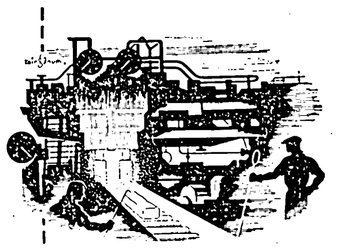

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Notices

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and eighth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 22nd December, 1953, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 30th June, 1953, declaring the Dividends recommended by the Directors, and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 8th to the 22nd December, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, 13*th November*, 1953.

THE CHURULIA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventieth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 22nd December, 1953, at 10-50 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 30th June, 1953, declaring the Dividend recommended by the Directors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 8th to the 22nd December, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, 13*th November*, 1953.

THE KELVIN JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-second Ordinary General Meeting of the Shareholders of THE KELVIN JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 21st December, 1953, at 3 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 30th June, 1953.

(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 8th to 21st December. 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th November*, 1953.

Note:—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 21st December, 1953, or to their Mandatees.

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

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE ONE hundred and fifth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 22nd December, 1953, at 11 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 30th June, 1953, declaring the Dividend recommended by the Directors and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 8th to the 22nd December, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, 13*th November*, 1953.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE ONE hundred and twenty-fifth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 22nd December, 1953, at 11-15 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 30th June, 1953, declaring the Dividends recommended by the Directors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 8th to the 22nd December, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, 13*th November*, 1953.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

DIVIDEND NOTICE

THE MANAGING AGENTS ARE AUTHORised to announce that the Board of Directors of the above Company have resolved to recommend payment of a Dividend at the rate of Rs. 9-8 per Share (Free of Income-tax), for the year ended 31st July, 1953.

The said Dividend, when sanctioned at the Annual General Meeting of the Company to be held on 15th January, 1954, will be made payable at The Bank of India, Ltd., Bombay, ON AND FROM 21st January, 1954, to those Shareholders whose names stand on the Register on 30th November, 1953, to whom or to whose Mandatees Dividend Warrants will be posted at their Registered addresses.

INTIMATION OF ANY CHANGE IN ADDRESS SHOULD BE GIVEN TO THE COMPANY IMMEDIATELY.

For CEMENT AGENCIES, LTD.,
J. H. PATEL,
Managing Director.

BOMBAY, 27*th November*, 1953.

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-second Ordinary General Meeting of the Shareholders of THE EMPIRE JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 21st December, 1953, at 3-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 30th June, 1953.

(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 8th to 21st December, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th November*, 1953.

Note:—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 21st December, 1953, or to their Mandatees.

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

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-fourth Ordinary General Meeting of the Shareholders of CHITAVALSAH JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 21st December, 1953, at 3-30 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 30th June, 1953.

(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 14th to 21st December, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th November*, 1953.

Note:—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 21st December, 1953, or to their Mandatees.

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

THE BHULANBARAREE COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-fourth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 22nd December, 1953, at 10-40 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 30th June, 1953, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 8th to the 22nd December, 1953, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LIMITED,
Managing Agents.

CALCUTTA, 13*th November*, 1953.

NELLIMARLA JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Ordinary General Meeting of the Shareholders of NELLIMARLA JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3 Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 21st December, 1953, at 3-45 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 30th June, 1953.

(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 14th to 21st December, 1953, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th November*, 1953.

Note:—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 21st December, 1953, or to their Mandatees.

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

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and fifth Ordinary General Meeting of the Shareholders of The Burrakur Coal Company, Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 22nd December, 1953, at 11-30 a.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 30th June, 1953, declaring the Dividends recommended by the Directors and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 8th to the 22nd December, 1953, both days inclusive.

By Order of the Board,
BIRD & CO., LIMITED,
Managing Agents.

CALCUTTA, 26*th November*, 1953.

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-fifth Ordinary General Meeting of the Shareholders of The Karanpura Development Company, Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday the 23rd December, 1953, at 12-30 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 30th June, 1953, and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 9th to the 23rd December, 1953, both days inclusive.

By Order of the Board,
BIRD & CO., LIMITED,
Managing Agents.

CALCUTTA, 13*th November*, 1953.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on the 26th November, 1953, the following Dividends were recommended to be paid for the half-year ended 30th June, 1953. On 1st Preference Shares—7 per cent. per annum, on Ordinary Shares—2½ per cent. per annum without any deduction for Income-tax paid by the Company in each case and on 2nd Preference Shares—6 per cent. per annum after deduction of Income-tax paid by the Company.

By Order of the Board,
BIRD & CO., LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AT A Meeting of the Board of Directors of the above Company held on 25th November, 1953, an AD-INTERIM DIVIDEND for the half-year ended 30th September, 1953, at the rate of Rupees Five per Fully Paid and Consolidated Share of Rs. 50 each (Free of Income-tax) was declared. The dividend will be made payable at the Chartered Bank of India, Australia and China, Bombay, on and after Monday the 18th January, 1954, to those Shareholders holding Fully Paid and Consolidated Shares of Rs. 50 each whose names stand on the Register on the 29th December, 1953, to whom Dividend Warrants will be posted; and in the case of holders of Fractional Shares upon presentation of their Fractional Certificates to the Company.

Shareholders are requested to notify immediately any change of address to the undersigned.

The Transfer Books of the Company will be closed from the 23rd December, 1953, to the 29th December, 1953, both days inclusive.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

FORBES BUILDING,
HOME STREET, FORT,
BOMBAY, 26*th November*, 1953.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE MANAGING AGENTS ARE AUTHOrised to announce that the Board of Directors of the above Company propose to capitalise "PREMIUM ON SHARES ACCOUNT" and part of the "RESERVE FUND," and subject to the sanction of the Central Government, issue one fully-paid Bonus Share for every five shares held.

For CEMENT AGENCIES, LTD.,
J. H. PATEL,
Managing Director.

BOMBAY, 27*th November*, 1953.

PRESIDENCY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-sixth Ordinary General Meeting of the Shareholders of Presidency Jute Mills Company, Limited, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 21st December, 1953, at 4 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 30th June, 1953.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th November*, 1953.

THE MYSORE SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ORDINARY GENERAL MEETING of the Mysore Sugar Company, Limited, will be held at the Registered Office of the Company in Sri Jayachamaraja Wadiyar Road, Bangalore City, at 4 p.m. on Wednesday the 23rd December, 1953, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 30th June, 1953.
2. To declare a Dividend.
3. To elect a Director in place of Sri V. T. Krishnamoorthy who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 8th to 31st December, 1953 (both days inclusive).

By Order of the Board,
V. M. LINGIAH,
Secretary.

BANGALORE, 27*th November*, 1953.

N.B.—The Dividend, when declared, will be made payable at the Bank of Mysore, Ltd., Bangalore, on and after the 4th January, 1954. The Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 7th December, 1953.

THE CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-fourth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, "Stephen House," Fourth Floor, No. 4 Dalhousie Square East, Calcutta, at 3 p.m. on Monday the 21st December, 1953, for the purpose of receiving and passing the Report of the Directors and the Managing Agents for the half-year ended 31st December, 1952, declaring a dividend on Preference shares and transacting such other business as may be brought forward.

The Transfer Register will be closed from 15th to 21st December, 1953, both days inclusive, and it is notified that Dividend Warrants for Preference shares will be issued and posted to the registered shareholders only on application. Persons holding Preference shares under blank transfer are advised to effect registration of scrip to their names as soon as possible but not later than 15th December, 1953.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE" FOURTH FLOOR,
4, DALHOUSIE SQUARE EAST,
CALCUTTA, 24*th November*, 1953.

MONEY CONTINUES TO BE DULL

(From Our Own Correspondent)

BOMBAY, 2nd *December*

Extremely dull conditions were witnessed in the short-term money market during the week under review also. The demand for funds that usually comes during this part of the season for financing movement of crops was conspicuously small this week. The volume of business, therefore, shrunk considerably. Inter-bank call money was not usable and fetched no more than ¾ per cent. among the Exchange banks and big Indian banks. The rate in the corresponding week of last year, it may be recalled, was 2 per cent., such having risen from ¾ per cent. in the preceding week. Inter-bank call money among the smaller Indian banks was done during the week under review at 2¾ per cent., as against 2 per cent. a year ago.

The demand for funds in Calcutta also was not up to expectations and inter-bank call money rate declined to 2 per cent. at that centre. The unusable surplus funds were, therefore, returned to Bombay from where they had been taken earlier.

Short-term deposits were bid at 2¼ per cent. for one month, 2¼ per cent. for two months and 2¾ per cent. for 3 to 6 months.

An offer of Rs. 1.10 crores was made this week against the tenders for Rs. 1 crore of three months' Government of India Treasury Bills. The amount offered compared unfavourably with that of Rs. 1.56 crores made last week and so also the average rate of accepted tenders; this was a fraction higher at Rs. 2-7 per cent., as compared with Rs. 2-6-10 a week ago.

The Reserve Bank of India's statement for the week ended 27th November, 1953, shows a contraction of Rs. 4.20 crores in notes in circulation. This is the second week in succession to witness a decline. Notes held in the Banking Department, however, are higher by Rs. 4.94 crores. The consequent rise in total notes issued is covered by a corresponding rise in rupee coin. In the Banking Department, deposits of the Central Government have gone up by Rs. 3.34 lakhs, while those of the State Governments have sustained a fall of Rs. 5.77 crores. A rise of Rs. 7.71 crores is seen in deposits of banks. The Reserve Bank's cash balances show an increase of Rs. 4.94 crores, while balances held abroad are lower by Rs. 1.12 crores. Loans and advances to Governments have risen by Rs. 51 lakhs.

A rise of Rs. 3.84 crores in demand deposits and of Rs. 1.17 crores in time deposits is disclosed by the consolidated statement of position of Scheduled Banks for the week ended 20th November, 1953. Inter-bank borrowings are lower by Rs. 38.42 lakhs. Borrowings from the Reserve Bank show a small decline of Rs. 15 lakhs, while those from the Imperial Bank are up by Rs. 61 lakhs. Advances have gone down by Rs. 10.21 crores and investments by Rs. 2.41 crores. Cash on hand and balances with the Reserve Bank are higher by Rs. 10.64 crores, balances with other banks by Rs. 18.75 lakhs and money at call and short notice by Rs. 52.17 lakhs.

The Gilt-edged market was steady, though enquiry was halting. Selected issues received some attention from institutional investors. Although the volume of business was continued to be restricted, it was slightly better than in the previous three weeks. 3 per cent. 1957 was done an anna higher at Rs. 98-6, 3 per cent. 1958 was neglected at Rs. 98-1. 3 per cent. 1959-61 had business at the unchanged rate of Rs. 96-1. 3 per cent. 1963-65 dropped an anna to Rs. 92-8, while 3 per cent. 1964 found buyers and recorded a rise of an anna to Rs. 92-9. 3 per cent. 1966-68 stood at Rs. 90-2. 3 per cent. 1970-75 improved by an anna to Rs. 86-8. 3 per cent. 1986 Conversion Loan had sellers at Rs. 81-15. 3½ per cent. 1961 N.P. Bonds rose from Rs. 99 to Rs. 99-1, but closed to-day at Rs. 98-13 *ex-voucher*. Hardly any enquiry was noticed in State loans.

BRADFORD WOOL EASY

(From Our Own Correspondent)

BOMBAY, 1st *December*

The continued easier tendency in the primary wool markets has resulted in a general decline of prices for tops. There is a wide variation for merino qualities, as between one top-maker and another, and the average prices quoted show that the prices cannot be regarded as firm. With firm enquiries in hand, buyers would get a concession. By the amount of enquiries this week, however, we feel that more interest is being shown and we look forward to an improvement very shortly.

Current quotations (per lb. c.i.f. Bombay) for Bradford oilcombed tops are given below:

48s carded (Dec.-Jan., 1954) 84½d., 58s super (Dec.-Jan., 1954) 120d., 60s super (Dec.-Jan., 1954) 137d., 64s super (Dec.-Jan., 1954) 153d., 70s super (Dec.-Jan. 1954) 168d. Fibre (3D 4") (Dec.-Jan., 1954) 40½d., and 46/48s Scoured clothing wool (Dec., 1953) 74d.

For f.o.b. prices deduct 3d. per lb. The undertone of the market is easy.

STRONG DEMAND FOR SHEEP SKINS

(From Our Own Correspondent)

KANPUR, 29th *November*

Strong demand for sheep skins characterised the trading in the hides and skins market during the week under review. The demand was influenced by shortage of wool in the market which is felt all the more because of winter. Arrival of fresh goods was up to the average. Conditions in the buff sector were easy.

Latest quotations are: Wet salted cow 1st grade Rs. 300, 2nd grade Rs. 220 and 3rd grade Rs. 200 to Rs. 230 per score; wet salted buff 1st grade 1 lb. 12 ozs., 2nd grade 2 lbs. 6 ozs. and 3rd grade 2 lbs. 8 ozs. per rupee; goat skins 1st grade Rs. 280 to Rs. 310 and 2nd grade Rs. 240 to Rs. 250 per 100 pieces; sheep skins 1st grade Rs. 450 and 2nd grade Rs. 325 per 100 pieces.

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, 2nd *December*

The bullion market exhibited a weak tone during the week under review, the weakness being more pronounced during the last two days. Over the week, both the metals recorded a sizable decline in prices, silver for forward delivery losing Rs. 3-9 per 100 tolas and forward gold Rs. 2-14 per tola. The difference between the highest levels touched at the opening of the week and the lowest levels reached to-day was Rs. 3-15 in silver (forward) and Rs. 3-5 in gold. (forward).

The main factor which adversely affected silver was liquidation by a leading bull operator, who sold out a considerable portion of his holdings. In spite of an improvement in offtake in ready silver, the market could not resist the onslaught of bull liquidation.

In gold, the confidence of operators was shaken by the impact of the recent raid in the city by the police in search of smuggled gold. There was, therefore, a scattering of the floating stocks of gold to other centres, with the result that demand from those centres dwindled. At the same time, arrivals in Bombay during the week were considerably larger than in the previous week, while demand was smaller. Bullion traders are agitated over the confiscation by the police of a certain quantity of gold which, the former contend, had been entered in their books as genuine transactions.

The Board of the Bombay Bullion Association considered on Thursday last the Bombay Government's directive to take a decision on the Board's proposal to amend the by-laws and communicate it to the Government before 5th December, 1953. The Board decided to place the proposed amendments to the by-laws before a conference of the Advocate-General and legal advisers of the Association. But the said conference has not so far been held, on account of the absence of the Advocate-General from the City. In the meantime, 70 members of the Association are stated to have sent a joint note to the Board stating that there is no need for amending the by-laws, as, in their opinion, the market has been working smoothly under the existing by-laws. The Board held a meeting to-day and also called some of the members who had sent the note expressing their opposition to the amendment. In view of this development, it is felt in market circles that the Board may seek to get the approval of the General Body for amending the by-laws, before the alternative amendments are considered and a decision taken thereon. It is also felt that the Board may not be able to take a decision before the 5th inst., as required by the Government. In spite of the aforesaid opposition by 70 members, there seems to be a feeling that the General Body would approve of the proposal to amend the by-laws. This feeling has led a few operators to the conclusion that the by-laws would be amended, which, according to them, would favour the bears. This is said to be the cause of the large bull liquidation in silver took place during the week.

To revert to the trend of prices. Opening at Rs. 153-6, silver for forward delivery (23rd December settlement) drifted down to Rs. 151-7 on Saturday last. After a recovery to Rs. 152-10 yesterday, the forward rate sagged to a low of Rs. 149-8 to-day before closing at Rs. 149-13.

Ready silver (.996 Mint) opened at Rs. 153-2, a discount of As. 4 under the forward. In the mid-week, the ready rate levelled up with the forward, but, at the close, commanded a premium of As. 6 to stand at Rs. 150-3, reflecting the pronounced weakness of the forward position and the strength of the ready position. The floating stocks are placed at 2,600 bars. The daily average offtake was about 20 bars.

Forward gold (21st December settlement) commenced at Rs. 83-11 and, after a momentary revival to Rs. 83-14, suffered a setback during the rest of the week. A low of Rs. 80-9 was touched to-day, but the closing was fractionally better at Rs. 80-11.

Ready gold opened at Rs. 84-3 at a premium of As. 8 over the forward. The closing rate to-day was Rs. 80-13, at which level the premium over the forward was no more than As. 2. This indicates the impact of the heavy arrivals and the absence of sufficient offtake. The floating stocks are reported to be 25,000 tolas. The daily average arrivals were 6,500 tolas, while the offtake was 2,500 tolas on an average.

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

	2-12-53	Highest	Lowest	25-11-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	80 13	84 6	80 11	84 1
Forward	80 11	83 14	80 9	83 9
Sovereign	57 0	57 8	57 0	57 8
SILVER				
Ready (.996 fine Mint)	150 3	153 3	149 14	153 2
Forward	149 13	153 7	149 8	153 6
London Ready ..	74*d.*	—	—	74*d.*
London Forward ..	74*d.*	—	—	74*d.*
New York Ready ..	85½c.	—	—	85½c.

FORWARD COTTON RECEDES

(From Our Own Correspondent)

BOMBAY, 2nd *December*

The cotton market presented a curious trend during the week under review. Despite several bullish factors, such as expectation of smaller arrivals of cotton from Madhya Pradesh (following the strike in cotton centres there as a protest against the additional levy of sales tax on cotton sent to other parts of the country), enlarged enquiries from professional quarters and larger buying by mills, cotton values suffered a setback. The chief cause for the setback was the weakness in the bullion market which affected the sentiment in the cotton market too. Leading bull operators unloaded their holdings. Prices of cotton drifted lower, the lowest levels for the week being touched to-day.

In the forward section, I.C.C. cotton for February delivery, which had touched Rs. 652-8 on Wednesday last, began the week with a hesitant tone at Rs. 648-8. After an initial rise of Rs. 9 to Rs. 657-8 on Friday, due to encouraging advices from the spot market, the contract gradually receded to Rs. 642 to-day. Lower levels, however, evoked some support and the contract finished a rupee higher at Rs. 643. The net loss over the week was Rs. 9-8. I.C.C. May contract moved in sympathy with the February contract. It opened at Rs. 650-8, as against Rs. 654-12 last week. After improving to Rs. 660 on the 27th inst., it gradually receded to Rs. 645-8 to-day before closing at Rs. 646-8, the net loss over the week being Rs. 8-4. The spread between the two contracts widened from Rs. 2 early in the week to Rs. 3-8 at the close.

The following table indicates the trend of prices in the forward market during the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 648½	657½	642	643
I.C.C. May ...	Rs. 650½	660	645½	646½

The spot market was quite active. Business put through was fairly large and prices were well maintained. Renewed buying support and limited offerings lifted up the premiums of Khandesh and Berar 197/3. Prices of Vijay registered improvement followng good enquiries for forward deliveries. Ginners in up-country centres were reluctant to enlarge their dealings before cotton is actually in their hands and the premium for this quality, therefore, tended to stiffen. Despite poor demand from exporters, Bengals recorded a gain in values, in sympathy with the general rise in domestic cotton prices. Californian and East African cottons ruled dull. Some businesss was done in Egyption Karnak, the demand for which is expected to broaden as stocks of ready lots of Egyptians and Sudans in Bombay get depleted. The latest available quotations for the Sewri market: Bengal *Deshi* Rs. 610, Berar *Jarilla* Rs. 730, Khandesh Rs. 770, Vijay Rs. 790, Oomra *Deshi* Rs. 660 and Moglai Rs. 640.

Of great interest to the traders in foreign cottons is the Government's decision to permit, with effect from 26th November, 1953, the drawback of import duty paid on foreign cotton used in the manufacture of cloth and yarn meant for exports. The concession applies only to cotton cloth with both warp and weft yarns of counts 40s and over and of VOP cotton yarn of counts 40s and over. A scheme for allowing similar refund in respect of cloth and yarn exports manufactured partly from imported cotton and partly from indigenous varieties is still under the consideration of the Government.

Surprise is expressed by cotton circles at the absence of reference to the export duty on cotton in the address of the Union Commerce and Industry Ministery at the meeting of the Export Advisory Committee held in New Delhi on Sunday last. Representatives of cotton interests put forward a plea for a reduction in the export duty on cotton, particularly of the Oomra type. Indian cotton, it was pointed out, was preferred in the U.S. to Pakistan short-staple cotton.

The Karachi cotton market has continued to remain fully steady. Prices have been well maintained, thanks to persistent short covering by export firms. The decision of the Pakistan Government to import Rs. 4 crores worth of cotton textiles from abroad would not appear to have had any effect on cotton prices. Cotton circles feel that the decision will not affect the demand for cotton from the indigenous textile industry, which, according to them, will continue. Evidently, this expectation is based on the ground that the cloth prices have gone up to such an extent that the imports of cloth will not bring about a drastic reduction in prices of cloth and, consequently, of cotton.

The latest available quotations from the Karachi market are: Punjab Deshi Rs. 64; 4F Punjab R.G. Rs. 61-8 to Rs. 63; S.G. Rs. 65-8 to Rs. 67; L.S.S. Punjab R.G. Rs. 66-8; S.G. Rs. 71; N.T. R.G. Rs. 67-8; S.G. Rs. 73; 289F Punjab R.G. Rs. 71 and S.G. Rs. 77.

Active conditions prevailed in the Alexandria market during the week under review. Buyers were particularly interested in Karnak medium to higher grades. Some support was also lent to Ashmouni by foreign and local consumers. The offtake, therefore, registered improvement. Export demand for most grades of Karnak has been fairly good, while that for Giza 30 continues to be poor. Exporters of cotton are reported to be now in a position to give a price discount of 4.25 cents to overseas buyers paying fully in sterling; entitlement sterling commands a premium of 5½ per cent. for December. But demand for sterling is said to be poor with May sellers. November delivery of Deutsche marks and U.S. dollars are quoted at a premium of 10½ per cent. and 7½ per cent., respectively.

Cotton prices in the New York market have been a shade lower in the past few days, as compared with the quotations at the close of last week. This was due to the renewal of liquidation in December position, which, in turn, was influenced by the issue of 30 additional transferable notices, together with hedging in 1954 March and May positions. There was scattered commission house selling of new crops on expectation of an upward revision in acreage allotment by the Congress. There were, besides, reports that the Administration's new farm programme might recommend the two-price system for cotton. Selling pressure that ensued as a consequence brought about a fall in prices. The fall would have been more marked but for fresh mill buying and covering by shorts.

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

	2-12-53	24-11-53	17-11-53
Spot	33.55	33.85	33.55
March	33.26	33.45	33.34
May	33.40	33.57	33.63
July	32.22	33.39	33.46
October	32.46	—	—

Movement of cotton into the loan continues to be quite brisk. The quantity that has actually moved so far is estimated at 4 million bales. Should this continue in the coming weeks, floating stocks in the market will, it is expected, be depleted and ultimately a tight supply position may develop.

A rather pessimistic note about the trend of the seasonal cotton exports has been struck by private traders. The aggregate quantity of exports is estimated at not more than 2 million bales, which falls short of the official estimate by 1.2 million bales. In support of this view, they point to the low rate of exports in the past few weeks. There is a survival of rumours regarding possible export subsidy for cotton. Press reports aver that the question is under the examination of the Government. Officials' views are said to be somewhat divided. A section of traders feels that, in view of the definite statement of the Secretary of Agriculture, there will not be any such subsidy, at least till 1st August, 1954.

ART SILK YARN FINISHES LOWER

(From Our Own Correspondent)

BOMBAY, 2nd *December*

The marked improvement in the prices of art silk yarn witnessed last week gathered further momentum in the early sessions of the week under review. The sentiment of operators was favourably influenced by renewed enquiries for yarn following a perceptible rise in offtake in rayon cloth market. There were, besides, reports of an upward revision in prices of 150 deniers yarn supplied by the National Rayon Corporation to the members of the Silk and Art Silk Mills' Association, Bombay. These induced good support to the market and prices of yarn registered a further rise. The rising tendency, however, was shortlived. For, on Monday, the market developed a sagging tendency, on expectation of a liberal import policy for art silk yarn in the coming half-year. The expectation was based on the announcement of expansion in imports on private account made by the Commerce Minister at the recent meeting of the Import Advisory Council. There was, as a result, a wave of selling pressure causing losses all round. In the result, not only were the previous gains completely erased but the closing quotations to-day stood very much lower than those a week before.

Art silk yarn (150D) December contract opened at Rs. 732 and rallied 7 points to Rs. 739 on Friday. In the subsequent unloading by longs, it declined to Rs. 714 to-day. The net loss over the week was thus of the order of Rs. 18. January contract, trading in which commenced at Rs. 743 yesterday, was hammered down to Rs. 717 to-day. November contract terminated at Rs. 728 on Monday. Business in this contract opened at Rs. 698 on 1st October, 1953. The highest level touched was Rs. 735 on 21st November and the lowest level was Rs. 669 on 15th October. The net gain over the period of the contract was 30 points.

Prices of yarn in the ready section also suffered a setback. Thus, 150 Italy lost an anna to Rs. 3-9½. 150 Japan and 120 Italy were lower by half-an anna at Rs. 4-1 and Rs. 3-14, respectively. 120 Japan, however, proved an exception in that it remained fully steady at Rs. 4-3.

In contrast to the general trend in the art silk yarn market, the staple fibre section continued to present firm conditions, the chief bullish factor being the postponement of the decision regarding the commencement of forward trading in January and subsequent contracts by the Yarn Merchants' Association. Staple fibre (40×2) November contract shot up from Rs. 760 to Rs. 785 on Monday at which rate the contract terminated.

The table below gives the prices of art silk yarn and staple fibre yarn quoted to-day, as compared with those on the 25th and 18th inst.

Art silk yarn	2-12-53 Rs. a.	25-11-53 Rs. a.	18-11-53 Rs. a.
150 December (per case of 200 lbs.)	714 0	732 0	710 0
150 January (,, ,,)	717 0	—	—
120 Japan (per lb.)	4 3	4 3	4 2
150 Japan ,, ...	4 1	4 1½	4 0
120 Italy ,, ...	3 14	3 14½	3 13
150 Italy ,, ...	3 9½	3 10½	3 9
Staple fibre yarn			
2/40s November (per case of 200 lbs.)	785 0	760 0	762 0

As already noted, the arrangements between the National Rayon Corporation and the Silk and Art Silk Mills' Association for the sale of yarn by the former to the latter have been revised. Accordingly, the Corporation will deliver, during the first quarter of 1954, to the members of the Association 50 per cent. of the production of 120 deniers. The previous arrangements covered only 150 deniers. The price at which the 120 deniers will be sold is fixed at As. 5 higher than the price of Rs. 3-10 for 150 deniers.

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 2nd *December*

The announcement by the Minister for Commerce and Industry on the 29th inst. that there was not much possibility of exports of groundnut oil rest of this year as also next year, unless the prices came down appreciably, came to the market as a bolt from the blue. This news, coupled with dwindled *vanaspati* enquiries and reports of poor offtake of groundnut oil at up-country centres, unnerved operators. Stock holders and crushers too were anxious to reduce their commitments. A nervous feeling prevailed in the market. Consequently, selling pressure was let loose and prices of groundnut and groundnut oil staged a sharp recession. The linseed section was also bearish in sympathy with groundnuts and on absence of encouraging overseas advices for linseed oil. In the castor seeds section, under a mild bull-bear tussle in futures, prices fluctuated within narrow limits. Spots, however, ruled slightly easy. Overseas advices for castoroil were distinctly discouraging.

The shock created by the announcement of discontinuance of exports of groundnut oil was reflected in the sharp recession in prices. There was some attempt to hold up the prices, but it was in vain. Prior to the announcement, Bold ready which opened the week at Rs. 30-8, as against Rs. 30, had improved to Rs. 30-12, on expectation of liberal exports. But, subsequent to the announcement, it sank to Rs. 27-12, thereby disclosing a loss of Rs. 2-4 over the week. December-January delivery was done lower at Rs. 27-8, as against Rs. 29-4 and February-March Rs. 28-2, as against Rs. 30-2. Khandesh quality, ready new lost Rs. 2-12 to Rs. 29. Groundnut oil ex-mill and railway receipts eased from Rs. 17 and Rs. 16-12, respectively, to Rs. 15-4 each. December and January deliveries changed hands at Rs. 14-10 and Rs. 14-12, as against Rs. 15-14 and Rs. 16, respectively.

In the linseed section, Bold ready opened quiet at Rs. 26, but gradually declined to Rs. 24-8, thereby registering a fall of Re. 1-8. October-November closed on 30th November at Rs. 25-8, as against Rs. 26 on 25th November. February-March eased from Rs. 22-10 to Rs. 22. Linseed oil sustained a loss of As. 4 to Rs. 14-4.

The U.K. Treasury has reduced, with effect from 29th November, 1953, the rates of drawback of customs duty allowable on imported linseed used in the manufacture of exported linseed oil from £6 10s. to £3 15s. per ton and on imported linseed oil used in the manufacture of certain kinds of exported goods (paints, printer's ink, floor coverings, fishing nets, etc.) from £22 10s. to £12 10s. per ton. It has also amended the quantities of linseed oil to be taken into account in calculating the drawback allowable on exports of linoleum (other than printed linoleum), felt base, fishing nets, oil baize and leather-cloth.

The silence of the Commerce and Industry's Minister at the Export Advisory Council regarding the export policy for castoroil next year is interpreted variedly. Some interpret that the Government has not come to any decision, while others take it as an indication of an impending announcement providing for liberal exports of castoroil and reduction, if not abolition, of duty on exports. The duty on the oil is now Rs. 300 per ton. Owing to this different interpretations, prices fluctuated with a narrow range. May 1953 delivery opened at Rs. 112-3, as against Rs. 113-6. It moved between Rs. 111 and Rs. 117-10, before closing at Rs. 111-6. Madras quality declined from Rs. 27-8 to Rs. 26-8. Castoroil I Pressure was quoted quiet at Rs. 16-4 and Commercials at Rs. 15-4. The U.K. mills are selling castoroil I Pressure at £130 ex-mill. As against this the Indian offers at £135 per ton. C.i.f. November-December delivery has met with no buyers.

The following table shows the prices of oilseeds and oil on the 25th inst. as compared with those at the end of the previous two weeks.

	2-12-53 Rs. a.	25-11-53 Rs. a.	18-11-53 Rs. a.
Groundnuts—			
Khandesh Ready New ..	29 0	31 12	30 2
Bold December-January ..	27 8	29 4	28 0
Linseed—			
Bold Ready (per cwt.) ..	24 8	26 0	25 8
Castorseeds—			
May 1954	111 6	113 6	106 4
Madras (per cwt.) ..	26 8	27 8	26 8
Groundnut oil—			
Ex-mill Ready (per quarter).	15 4	17 0	16 4
Castor Oil—			
Commercial (per quarter) ..	15 4	15 4	15 0

TEA FIRM

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 28th *November*

The offerings in Sale No. 24, which was held on Tuesday, 24th November, amounted to approximately 16,00,000 lbs. Quality had shown some improvement, particularly amongst the medium and good medium teas. From the outset, there was a strong general demand for all types, mainly from exporters. Commonest kinds were fully firm, but low medium brokens and fannings advanced by 1 to 2 annas. Medium and good medium descriptions met with keen competition and were As. 2 to As. 3 dearer to buy. Best liquoring teas were well supported and were dearer, following

an improvement in quality. Whole leaf grades were steady and there was a slightly improved demand for Flowery Pekoes. The following were the quotations:

	1953 Rs. a. p.	1952 Rs. a. p.
Low grown Travancore B.O.P.	1 13 9	0 15 0
Medium Travancore B.O.P.	1 15 0	1 11 0
Anaimallais B.O.P. ...	2 2 0	1 14 6
Best liquoring Nilgiri B.O.P.	2 12 9	2 11 0
Well made black leaf O.P.	2 4 0	2 2 0

London Market.—Between 3/6d. and 3/10d. Market half penny to penny dearer, others fully firm.

Colombo Market.—Middle East types lower. Other lowgrowns firm. Very strong demand for useful liquoring teas. Mediums two to five cents dearer and dimbula type brokens five to fifteen cents dearer.

Calcutta Market—Export.—68,000. Good demand occasionally dearer, especially commonest and fannings.

Dust.—Strong demand. Market generally half an anna dearer. Black exportable types and commonest strongest feature. C.T.C. fairly steady.

Export Quota.—Sellers were scarce during the week, as a result of which the market has hardened to 25 pies.

Forthcoming Auctions.—The Auction dates for the remainder of 1953 are as follows:—

Dust sale 'X' Tuesday, 1st December; Dust Sale 'Y' Monday, 14th December; and Leaf Sale No. 23 Tuesday, 15th December.

The first sales in 1954 will be as follows:

Dust Sale 'A' Monday, 4th January, Leaf Sale No. 1 Tuesday, 5th January; Leaf Sale No. 2 Tuesday, 19th January and Dust Sale 'B' Monday, 25th January.

JUTE GOODS RALLY

(From Our Own Correspondent)

CALCUTTA, 1st *December*

The feature of this week (Tuesday to Monday) in the jute goods market was a revival of the upward trend in prices, following keen speculative activity. While the week's gains in hessian were slashed somewhat yesterday, the improvement in heavy goods was steadily maintained. News of the finalisation of a bilateral Indo-Russian trade agreement and the expectation that Russia would soon be in the market for considerable quantities of heavy goods after the signing of the pact (expected to take place shortly) fanned the enthusiasm of tired bulls, and the prices of the different varieties of sacking shot up and soon touched high levels. It is known that Russian requirement of packaging material is more for sacking than for hessian. Another reason for the change in outlook was the reported revival of foreign demand for sacking, particularly, from Australia and Africa. The Australian Government is understood to be soon lifting jute control, which means that its huge stocks purchased at high prices and regularly issued for commercial consumption at prices bearing no relation to the post-Korean war decline have exhausted, or nearly exhausted, and that imports through normal trade channels would be permitted.

All these new developments including the prospect of good business with Russia point out to the possibility that the cut in production by the transfer of sacking looms to hessian would have to be reconsidered by mills. No doubt, output in hessian has to be maintained at least at the current level, since foreign demand which has increased in recent months would have to be satisfied. Heavy demand from the United States is reportedly in the offing in view of the need for more burlap bags to pack a record crop of potatoes, and the campaign of the Indian Jute Mills' Association in America advocating burlap's superior utility and after-use as a packaging material is expected to meet with success. To meet the changed needs, therefore, the mills would have to resume normal working hours. This can be done, it is stated, if only the export duties on hessian and sacking are done away with, as only such an action would enable the industry to make Indian quotations further competitive and thus attempt to raise consumption in foreign countries.

Last Tuesday, lethargic conditions prevailed as foreign buyers were not interested in business while weak holders were keen to make offers. Early in the week, mills were off the market. Ready 40" 10 oz. hessians declined to Rs. 47-4 from an over-night rate of Rs. 47-8, and B. twills to Rs. 100-12 from Rs. 101-4. Subsequently on account of interest shown by buyers on behalf of Africa and Australia coupled with the prospect of good business with Russia, there was a bout of speculative enthusiasm, which took up B. twills to Rs. 104-2 and hessian 40" 10 oz. to Rs. 48-6. The reserved tendency on the part of mills helped to sustain the rates yesterday also. January-March sackings were in strong demand and B. twills whether for ready delivery or forward shipment were quoted at Rs. 105. Ready hessians 40" 10 oz. were, however, As. 8 lower at Rs. 48.

After an early quietness and a fractional easing in prices, the higher advices from the jute goods section lead not only to a recovery in the raw jute market but the closure yesterday was with a fractional gain in values for the period under review. Mills were in the market in the latter part and bought substantial quantities. Supervised northern bottoms changed hands at Rs. 27 and bimli f.a.q. after recording business at Rs. 24-8 recovered to Rs. 25-8. Northern middles gained to Rs. 31-8 after easing to Rs. 30-8 from Rs. 31. Similarly, northern bottoms were also higher on balance by As. 8 at

(*Continued on page* 1083)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

Centre	1st Sept., 1939 (pre-war)	20th Nov., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,101.05	1,109 24	1,094 22	1,077 15
Notes held in Banking Department	35.05	25.25	16 33	32 33	35.82
Foreign Securities	99.50	568.15	568 15	558.15	538.15
Rupee Securities	37.89	421.38	421 38	421.41	450.07
Banking Department					
Deposits of :					
Government of India	14.89	94.75	101 32	109 00	147.68
Other Governments	..	30.15	27 09	29 80	16 01
Balances held abroad	16.08	142 69	142.81	143.79	154 76
SCHEDULED BANKS					
Demand Liabilities	184.87	527.67	524 17	531.57	543 31
	..	(11 46)	(11 79)	(12.73)	(11 69)
Time Liabilities	105.84	333 62	332 69	324.30	318 99
Borrowings from Reserve Bank	..	(2.63)†	(2 88)	(4 23)†	(0 52)
	..	1 00	1.15	1.27	1 61
		(0.49)†	(0.49)†	(0.49)†	(0 99)†
Borrowings from Imperial Bank	..	5.98	5.37	5 16	3 00
Cash in India	6.71	32 79	34 32	32.85	32 15
Balances with Reserve Bank	25.28	59.74	47.57	63.74	56.13
Excess over statutory limits	18.52	26.69	14.71	20.69	22.59
Balances with other banks in current account in India	..	11.38	11.19	10 56	12.07
Money at call and short notice in India	..	16.55	16 02	19.95	17.40
Investments (at book value)	..	337.42	339 83	338 30	322 52
Advances and bills	105.09	447.65	457 90	452 58	450 71
IMPERIAL BANK					
Deposits	87.76	210 90	210 21	209 85	213 30
Investments	51.99	97 33	94 67	96 71	96 64
Advances	30.37	98.63	100 02	98 63	105 58
Cash	20.36	21 67	26 24	23 83	23 83

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).
† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	27th November, 1953		20th November, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,67,509	54,05,26,000	2,02,145	40,55,47,000
Calcutta	1,44,013	44,71,51,622	1,51,267	55,81,40,754
Madras	76,372	7,78,66,837	61,852	6,06,33,986
All Centres—				
1953	..	..	1,05,04,122	8180,56,86,858
1952	..	..	1,06,41,941	8879,81,87,000
Sept., 1953	..	..	25,63,000	5,26,36,00,000
Oct., 1953	..	..	25,77,000	5,04,82,00,000

Reserve Bank of India

Statement of Affairs for the week ended 27th Nov., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	98,09,34,000
(2) Other Governments	24 33,31,000
(b) Banks	69 81,81,000
(c) Others	58,05,84,000
Bills Payable	2 52,11,000
Other Liabilities	14,91,36,000
	Rupees 277,61,77,000

ASSETS	Rs.
Notes	30,18,78,000
Rupee Coin	21 17,000
Subsidiary Coin	4,00,000
Bills Purchased and Discounted—	
(a) Internal	25,50,000
(b) External	..
(c) Government Treasury Bills	4,74 97,000
Balances held abroad*	141,56 35,000
Loans and Advances to Governments	1,87,99,000
Other Loans and Advances	11,00 91,000
Investments	81,14 41,000
Other Assets	7 05 68,000
Rupees	277,61 77 000

* Includes Cash and Short-term Securities.

N.B.—The item "Other Loans and Advances" includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	30,18 78 000	
Notes in circulation	1096 85,42,000	
Total Notes issued		1127,04,20,000
Total Liabilities		1127,04,20,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	568,16,11,000	
Total of A		608,16,82,000
B. Rupee Coin		97,49 20 000
Government of India Rupee Securities		421,38,18,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1127,04,20,000

Ratio of Total of A to Liabilities: 53.961 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 20th Nov., 1953

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	11,45 71,000†
	(ii) Other demand liabilities	5,16,21,64,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	2 62,50,000†
	(ii) Other time liabilities	3,30,90,06,000
3.	Cash in India	32,79,25,000
4.	Balances with the Reserve Bank in India	59,73,65,000
5.	Balances with other banks in current account in India	11,37,61,000
6.	Money at call and short notice in India	16,54,60,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	3,37,41,91 000
8.	Advances in India	4,09,37,35,000
9.	Inland Bills purchased and discounted in India	88 30 28,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		2nd December, 1953	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	₹	1-5 11	1-5 11
Sellers T.T. D.D. 6pts six months	₹	1-5 11	1-5 11
Buyers T.T. spot to nine months	₹	1-5 ¾	1-5 ¾
Buyers T.T. 10 to 12 months	₹	1-5 ¾	1-5 ¾
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476¼	476¼
Buyers T.T.	Rs.	477¼	477¼
London on New York	£	2 81-2 81¼	2 81¼-2 81¼
London on Paris	Frs.	980-980½	980½-981
London on Berne	Sw. Frs.	12 23-12 23¼	12 22-12 23
New York on London	$	2.80¾-2.81¾	2.81¼-2.81¼

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)		In terms of per rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	..	8,730	255
Pakistan	1949	76 04	..	..	1,671	220
Burma	1951	18 67	Kyats	8,166	1,169	626
Ceylon	1951	7 74	..	..	461	582
Japan	1951	84 30	¥.	4,849,400	6,414	761
Philippines	1951	20 84	Ps.	7,548	1,106	846
New Zealand	1952	2 00	£ (N.Z.)	646	861	4,307
Australia	1951	8 43	£ (A.)	3,336	3,454	4,817
U.K.	1952	50 43	£	13,643	18,197	8,908
U.S.A.	1952	156 98	$	290,440	138,280	8,808
Canada	1952	14 45	$	18,195	8,168	5,602
France	1952	42 60	F. Fr.	10,190,000	18,564	5,274
W. Germany	1952	48 45	Dm.	94,400	11,156	2,301
Italy	1952	46 88	Lr.	8,112,000	6,151	1,318
Norway	1952	3 32	Kr.	14,946	3,104	9,331
Sweden	1952	7 13	Kr.	39,170	5,652	5,122
Netherlands	1952	10 85	Fl.	17,660	2,213	3,104
Denmark	1951	4 30	Kr.	20,716	3,489	8,346
Switzerland	1952	4 52	S. Fr.	20,100	3,189	4,841

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 20th Nov., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	30,39 29,000
(b) Provincial Governments	4,01,14,000
(c) Banks	13,58,92,000
(d) Others	2,80,10,000
Bills Payable	17,72,000
Other Liabilities	3,67,59,000
Rupees	60,94,76,000

ASSETS	Rs.
Notes	8,46,41,000
Rupee Coin	4,000
Subsidiary Coin	11,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,99 52,000
Loans and Advances to Governments	13,00,000
Provincial Governments Debtor Balances	2,89,58,000
Other Loans and Advances	1,44,90,000
Investments	33 44 65,000
Other Assets	9,17 55,000
Rupees	60,94,76,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,46,41,000	
Notes in circulation	209,87,52,000	
Total Notes issued		218,33,93,000
Total Liabilities		218,33,93,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	39,48,75,000	
Government of India Securities	11,86,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
		89,24,80,000
B. Rupee Coin	6,17,05,000	
Government of Pakistan Securities	118,67,33,000	
Internal bills of exchange and other commercial paper	....	
		124,84,38,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	19,81,000	
		4,24,75,000
Total Assets		218 33,93,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 42.59 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
8th September	1.50	1.77	1.50	2 6 7	77
15th ,,	1.50	1.84	1.50	2 6 7	80
22nd ,,	1.50	1.98	1.50	2 6 8	89
29th ,,	1.50	2.51	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	99
13th ,,	1.50	1.81	1.50	2 6 8	98
20th ,,	1.50	2 53	1.50	2 6 8	85
27th ,,	1.50	4.10	1.50	2 6 7	43
3rd November	1.50	2 71	1.50	2 6 10	66
10th ,,	1.50	1.51	1.50	2 7 0	100
17th ,,	1.50	1.99	1.50	2 7 0	3
24th ,,	1.00	1.56	1.00	2 6 10	93
1st December	1.00	1.10	1.00	2 7 0	91
Total	15.50	27.46	15 50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	6	4
Belgium	25th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2	3
Denmark	2nd Nov., 1950	2½	3
Finland	19th Nov., 1951	5	6
France	17th Sept., 1953	2½	3½
Greece	18th July, 1945	4	5½
India	18th Nov., 1951	3	3½
Italy	6th April, 1950	3½	4
Japan	1st Oct., 1951	4	5.84
Netherlands	7th April, 1953	3	2½
New Zealand	30th July, 1951	3½	4
Norway	9th Jan., 1946	2½	3½
Pakistan	1st July, 1948	3	3½
Sweden	20th Nov., 1953	4½	4
Switzerland	27th Mar., 1952	3	2½
Spain	18th Mar., 1949	4½	4
United Kingdom	20th Nov., 1953	3	4
U.S.S.R.	26th Nov., 1936	3	2½
U.S.A.	26th Feb., 1951	2	1½
West Germany	17th Sept., 1953	4	3½
	1st July, 1938	5	4
	18th Jan., 1953	4½	4
	8th Jan., 1953	4	3½

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	April, 1953	April, 1952	Twelve months—April to March, 1952-53	1951-52
Import Duties :				
Revenue	9.22	8,77	111.00	130.97
Protective	49	77	7.85	10.81
On surplus disposals	..	..	6	24
Total import duties	9,72	9,54	118.13	141 76
Export Duties	3,00	4,84	55.36	90.78
Land Customs	11	20	2.02	3.22
Miscellaneous	5	7	1.15	1.12
Gross total customs	12,88	14,35	177,68	$36.85
Refunds and drawbacks	21	28	2.63	4.92
Net Customs	12 67	14,07	174.85	232.03
Gross excise	8,13	6,80	82.84	87.14
Refunds	7	14	1.43	1.78
Net Excise	8,06	6,66	81,41	85.29
Net total of customs and excise	20,73	20,73	$56.26	317.29

Imperial Bank of India

Statement of Affairs for the week ended 27th Nov., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital— 2,50,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,50,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,90,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,90,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,35 00 000
Deposits and other Accounts		212,65,80,306
Borrowings from other Banking Companies Agents		..
Bills Payable		8,55,49,000
Bills for Collection being Bills Receivable as per contra		60 62,000
Acceptances, Endorsements and Other Obligations as per contra		..
Other Liabilities (including Inter-Office Adjustments)		1,53,000
Total	Rs.	3,83 92,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		237,70,56 000
Balances with other Banks		33 30,53,000
Money at Call and Short Notice		3,89 00,000
Investments—		00,00,000
Government and other Trustee Securities		
Other Authorised Investments	86,36,97,000	
	10,93,45,000	
		97,30,32,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	87,33 77,000	
Bills Discounted and Purchased	7,64 61,000	
Bills Receivable being Bills for Collection as per contra		95,43,38,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		60,62,000
Premises less Depreciation		1,53 000
Furniture and Fixtures less Depreciation		1,32 01,000
Other Assets (including Inter-Office Adjustments)		38 82 000
		2,78,56,930
Total	Rs.	237,70,56,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings ⊕		21% Ten-Year Treasury Savings Deposit Certificates ‖	
	National Savings Certificates †											
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1948-49 ..	1.54	1.47	76	74	20,40	22,86	83,26	29,91	—	12.31		
1951-52 ..	1,76	6,08	77	2,91	22,08	44,81	1,07,56	74,18	—	27,65	18,10	16,39
1952-53 ..	1,63	6,64	66	3,27	23,66	64,18	1,12,36	91,01	—	31,06	7,54	23,84
September 1952	10	6,44	5	3,11	1,84	75,73	8,79	84,91	—	29,41	53	22,88
October ,,	11	6,48	5	3,14	1,71	76,77	8,86	85,25	—	29,59	58	22,93
November ,,	10	6,50	5	3,16	1,71	77,99	8,03	85,54	—	29,99	44	22,98
December ,,	8	6,51	5	3,16	1,86	79,34	9,45	85,95	—	30,23	48	23,48
January 1953	10	6,54	4	3,19	2,02	80,77	8,38	86,09	—	30,51	58	24,48
February ,,	14	6,61	6	3,22	1,86	82,14	8,36	86,36	—	30,76	62	25,08
March ,,	32	6,84	9	3,27	2,66	84,18	12,76	91,01	—	31,06	60	25,54
April ,,	11	6,80	6	3,27	2,24	85,95	9,66	91,01	—	31,06	60	25,54
May ,,	12	6,83	4	3,29	2,05	87,57	9,55	93,60	—	31,30	80	25,64
June ,,	11	6,82	4	3,31	2,25	89,33	9,43	93,60	—	31,52	66	26,38
July ,,	1	6,72	11	3,38	2,23	91,02	10,26	93,60	—	31,78	66	27,00
August ,,	1	6,67	9	3,44	2,23	92,83	8,76	96,67	—	32,03	66	27,56
September ,,	—	6,59	12	3,52	2,04	94,38	9,20	97,72	—	32,71	69	28,20
October ,,	..	..	..	..	..	..	..	..	..	..	69	29,01
											55	29,41

* At the end of period. ⊕ Progressive net repayments at the end of period from 16th August, 1947. † Issued from 1st October, 1943 in lieu of Defence Savings Certificates. ‡ 5-year and 7-year National Savings Certificates were issued upto June 1948. ‖ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 17-10-'53	14-11-'53	21-11-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.2	90.2
1. Government of India	90.1	90.0	90 0
2. Indian States	95.5	95.6	95.6
3. Municipal, Port Trust, etc.	89 2	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101 3	101 3	101 4
1. Electricity	102.7	102.7	102.7
2. Jute	98 8	98 7	98 8
3. Plantations	99 6	99 6	99.6
4. Sugar	100 1	100 1	100 1
5. Coal	90 6	90 6	90 6
6. General Engineering	101 7	101 7	101.7
7. Shipping	102 0	101 9	101 9
8. Others	100 3	100 2	100 2
PREFERENCE SHARES	87 1	87 1	87 2
1. Electricity	92 4	92 9	93 0
2. Cotton	84 0	84 3	84 4
3. Jute	85 9	85 5	85.6
4. Coal	91 6	91 5	91.8
5. Iron and Stee	89 7	89 4	89 6
6. Sugar	78 1	78 1	78.1
7. Tea	89 4	88 4	89.4
8. Plantations	87.8	84.0	86.3
9. Miscellaneous	85.5	85.6	85.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	83 2	85 3	86 6
(a) Financial	88 8	88 8	88 8
1. Banks	85 2	85 0	85 3
2. Insurance	95 4	95 1	95.3
3. Investment Trust	74 9	74 9	74.9
(b) Public Utilities	108 6	107 3	108.1
1. Electricity	116 1	116 2	115.9
2. Shipping and other Transport.	91 0	91 1	97 4
3. Railways	81 7	81 3	81.2
(c) Manufacturing industries	84 6	87 6	89 1
1. Cotton, Woollen and Silk	92 3	94 1	95.7
2. Jute	79 6	84 2	85 3
3. Iron and Steel	101 4	108 3	103 2
4. Paper	149 0	153 4	160 9
5. Cement	114 0	115 9	119.1
6. General Engineering	108 5	115 0	115 6
7. Sugar and Breweries	83 7	83 3	85.7
8. Chemicals	95 7	94 7	99 8
(d) Non-Manufacturing industries	93 2	96 1	97 2
1. Coal	74 8	74 7	74.7
2. Mining and Oil	132 4	138.1	133 8
3. Plantations	88.7	91 8	93 6
(e) Miscellaneous	86 2	88 3	89.6
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.7	89.7
2. Calcutta	90 2	90.1	90.1
3. Madras	90.5	90.5	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.7	101.8	101.9
2. Calcutta	101.8	101.8	101.8
3. Madras	100.1	100.1	100.1
PREFERENCE SHARES			
1. Bombay	91.8	91.9	92.1
2. Calcutta	83 9	83 9	84.0
3. Madras	88.6	88.7	88.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	101 2	103 4	105 0
2. Calcutta	85 1	90 2	91.2
3. Madras	91 1	92 3	92 9
4. Delhi	85 3	90 3	91 2

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,506,704
1951 ..	1,071	641,621	8,818,928
1952 ..	963	809,242	8,336,981
Nine months ended Sept., 1950	534	333,737	10 002 255
Do Sept., 1951	956	893,156	8104 044
Do Sept., 1952	859	757,506	2,551,981
Do Sept., 1953	690	407,913	2,055,040
January 1952 ..	95	808,821	674,340
February ,,	88	62,180	218,607
March ,,	87	42,490	148,498
April ,,	184	69,487	224,248
May ,,	116	80,098	254,868
June ,,	101	89,881	257,049
July ,,	82	40,764	171,782
August ,,	88	48,588	148,533
September ,,	98	57,878	280,552
October ,,	96	78,191	349,818
November ,,	87	49,746	273,248
December ,,	81	27,828	158,017
January 1953†	85	42,388	244,414
February ,,	63	28,477	125,411
March ,,	67	39,231	216,207
April* ,,	72	49,132	218,553
May* ,,	88	35,617	276 216
June ,,	98	80 127	252 059
July ,,	79	43,713(a)	188,146(b)
August ,,	68	51,933	210,517
September ,,	100	41,739	432,956

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case. (b) Not known in three cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1950-51 ..	573	5,948.1	4,849.0
1952-53 ..	614	6,901.4	5,134.3
April 1952 ..	577	488.8	395.8
May ,, ..	581	514.6	418.1
June ,, ..	548	500.1	408.8
July ,, ..	588	534.0	439.7
August ,, ..	592	531 6	428 7
September ,, ..	597	530.3	430.6
October ,, ..	599	546.3	441 5
November ,, ..	605	529.7	426 4
December ,, ..	606	552 2	457 8
January 1953 ..	611	535 5	441.8
February ,, ..	614	498 6	417 4
March ,, ..	614	538 0	435.7
April ,, ..	616	530 9	434.1
May ,, ..	620	540.4	458.1
June ,, ..	625	545.8	450.2
July ,, ..	627	553.0	471.0
August ,, ..	629	547.9	458 9

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	14th Nov., 1953	7th Nov., 1953	15th Nov., 1952	October, 1953	October, 1952	Percentage of increase (+) or decrease (—) in Oct., 1953 as compared with Oct., 1952	1952	1951
Food Articles	381.6	384.5	384.1	385.6	357.9	+ 7.7	359.8	409.8
Cereals	442	442	445	449	442	+ 1.6	450	483
Pulses	453	450	552	464	538	—13.8	443	506
Other	232	237*	230	231	222	+26.6	225	290
Industrial Raw Materials	437 8	436.9R	430.7	448.0	452.3	— 1 0	453.8	608.2
Fibres	424	415	393	411	434	— 5 3	454	622
Oil seeds	475	486R	495	546	513	+ 6 4	454	679
Minerals	469	465	449	492	502	— 2 8	458	626
Others	373*	379*	376	370*	352	+ 5 1	341	513
Semi-Manufactures	353.3	352.8	348 5	353 4	381.7	+ 0.5	348.5	377.5
Leather	396	390	413	384	384	—	345	453
Mineral oils	227	227	226	227	226	+ 0.4	221	197
Vegetable oils	500*	500*	444	511	457	+ 11.8	459	679
Cotton yarn	432*	431	441*	436	453*	— 3.8	465*	643
Metals	202	202	227	223	207	— 1.8	211	197
Oil Cakes	405	405	342	425	464	— 8.4	440	500
Others	304	301	293	302	260	+16 2	273	330
Manufactured Articles	387 8	386.8	374 0	386 5	378.0	— 2 8	377.5	395.6
Textiles	407	405	411	401	420	— 4 5	423	463
Jute	431	419	447	394	473	—17 0	506	803
Cotton	405*	405*	406*	410*	409*	+ 0 2	401*	490*
Rayon and Silk	389*	389*	442*	378*	455*	—17 5	485*	611*
Woollen	313	313	340	311	280	+11 1	346	376
Metal products	337	337	342	327	343	— 4 7	321	455
Others	294	294	294	295	295	— 3.4	293	300
Miscellaneous	715 7	719.1	629.1	721.9	634 0	+13 9	635.6	729.8
All Commodities	391 4	391.8R	383 8	393 6	387 5	+ 1 6	386.9	439.3

R—Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
		June 1934	July 1927	January 1928	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
1951 Average	144	330	260	313	451	392	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	155	150
Feb., 1952	144	334	241	318	441	382	343	336	141	178	142	155	155
March ,,	135	313	229	300	412	373	308	333	136	177	140	150	143
April ,,	141	345	262	321	415	377	319	326	148	169	138	153	144
May ,,	140	339	264	310	412	376	320	327	148	168	141	153	143
June ,,	140	338	263	309	404	373	342	330	145	171	141	153	148
July ,,	142	330	263	304	408	378	354	331	143	173	143	161	152
August ,,	144	340	267	312	408	380	369	330	145	176	149	160	157
September ,,	143	341	260	313	404	383	364	328	145	178	143	157	150
October ,,	144	345	274	314	406	381	363	327	146	179	143

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,424	20,741
Wheat ..	,,	24,041	23,450	6,762	6,039
Jowar ..	,,	41 945	39,144	6,036	5,944
Bajra ..	,,	23 992	22,439	2,925	2,559
Barley ..	,,	7,500	7 835	2,664	2,293
Maize ..	,,	8,796	8,073	2,937	2,021
Ragi ..	,,	5,348	5,390	1,235	1,212
Gram ..	,,	17,267	16,857	3,771	3,298
Rabi Pulses*	,,	11,693	11,559	2,063	2,047
Small Millets	,,	12,170	11,834	1,972	1,891
Jute ..	bales	1,934	1,931	4 695	4,678
Cotton ..	,,	15,674	16,198	3 650	3 133
Sugarcane ..	tons	3,376	4,792	5,260	6,063
Groundnuts ..	,,	11,882	11,788	2,894	3,045
Linseed ..	,,	3,894	3,402	855	816
Castorseed ..	,,	1,349	1,428	107	106
Rape & and Mustard Seed	,,	5 155	5,915	828	916
Sesamum (supp)	,,	5,751	5,845	451	436
Tobacco (supp)	,,	794	712	219	205
Pepper ..	,,	203	202	22	23
Ginger ..	,,	46	47	14	15
Dry chillies ..	,,	1,240	1,384	801	841

Source: Ministry of Food and Agriculture.

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

* Excluding gram.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Oct., 1953 ..	66.8
	Corresponding month 1952 ..	76.8
	Four months ended Oct., 1953 ..	266.4
	Corresponding period 1952 ..	304.9
Stocks	At the end of Oct., 1953 ..	102.7
	Corresponding month 1952 ..	94.9
		(In 000 bags)
Exports(JuteBags)	Week ended 24th Oct., 1953 ..	11,02
	Corresponding week 1952 ..	43,50
	From 1st Jan., to 24th Oct., '53 ..	24,81,75
	Corresponding period 1952 ..	33,03,19
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 24th Oct., 1953 ..	21,76
	Corresponding week 1952 ..	4,87,06
	From 1st Jan., to 24th Oct., 1953	1,08,12,49
	Corresponding period 1952 ..	88 52,62
	RAW JUTE	(In 000 bales)
Exports*	Week ended 24th Oct., 1953 ..	—
	Corresponding week 1952 ..	—
	During May, 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills†	Oct., 1953 (in lakh bales)	3.87
	Corresponding month 1952 ..	4.46
	Four months ended Oct., 1953 ..	15 60
	Corresponding period 1952 ..	17.69

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,50,000	10,87,100	7,99,200
Do. 31st March, 1953..	11,68,000	10,61,900	7,91,800
April to October, 1953 ..	5,68,100	5,21,900	3,77,000
August 1952	1,00,700	90,500	67,700
Sept., ...	94,200	88,300	64,500
October	99,400	90,100	67,900
August 1953	94,100	83,400	63,700
Sept., ...	94,200	91,100	61,900
October	99,500	94,000	65,500
Indian Iron and Steel Co.			
Jan. to Oct., 1953	4,37,540	2,66,850	1,74,610
May 1953	57,810	32,850	19,700
June	56,730	23,040	15,920
July	21,750	8,370	4,610
August	20,930	7,710	4,190
September	21,320	8,270	5,240
October	55,800	30,670	31,230

FOREIGN TRADE OF INDIA

Particulars	July,		Four Months, April to July,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	10,87	10,07	54.39	99,76
Raw materials	14 85	13,01	62.66	74,83
Manufactures	23 72	25,74	91.14	100,87
Other Items ..	27	19	1.27	2,18
Total	49,71*	58,03*	209.46*	277.64*
By land	2,81	1,18	5,88	5,70
Total Imports ..	51,52	59,21	215,34	283,34
Exports :				
By sea and air—				
Foodstuffs	11,95	14,08	38,85	41,41
Raw materials	6,78	13,19	37.84	50,46
Manufactures	20,19	23,91	78,74	96,24
Other Items	89	25	1,39	1,33
Total	39,81	51 46	156,52	189,44
By land	41	2,39	1,66	11,66
Total Exports ..	39,721	53,85	158.08	201,10
Total Re-exports ..	30	45	1,88	1,48
Balance of trade in merchandise	— 12,49	— 4,96	— 61,82	— 81,08
Balance of transactions in private treasure	— 2	—	— 4	— 2
Total visible balance of trade.	— 12,51	— 4,96	— 61,86	— 81,10
Imports : ‡				
Total C'wealth countries ..	23,62	22,66	97,94	89,82
Total Foreign countries ..	20,09	35,37	111,52	187,82
Exports : ‡				
Total C'wealth countries ..	19,69	23,24	74,67	68,68
Total Foreign countries	19,62	28,22	81,85	120,81

* Excludes value of certain special imports of foodgrains and stores till particulars of which are not yet available.

‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	z	176	192†	z	142	142	z	132	136	z	137	141	z	105	102	z	z	z	z	98	95
Sonalil	277	218	250†	158	160	160	194	199	217†	202	196	213	125	125	123	234	199	190	278	310	310
Kudchi	157	181	181	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	133	129	126	138	163	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Bamra	219	232	205†	85	96	99	130	136	148†	137	145	149	104	114	114	219	215	231	175	208	203
Munjguda	108	244	268†	104	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh ..	159	163	167	164	165	171	154	168	173	158	165	170	103	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	164	174	188†	162	181	193	114	136	142	139	134	132	206	157	189†
Malur	171	216	222	125	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana Balamatpur ..	293	207	209	302	808	819†	196	211	225†	228	221	231	130	125	128	206	184	184	222	189	189
	262	244	250	280	282	289	204	216	220	229	234	239	129	129	129	139	139	139	259	279	277

z Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 26th Nov., 1953 ..	28,910
	Corresponding week, 1952 ..	16,357
	1st Sept., to 26th Nov., 1953 ..	2,19,631
	Corresponding period, 1953 ..	2,99,247
Cotton Exports ..	Week ended 26th Nov., 1953 ..	2,204
	Corresponding week, 1952 ..	2,815
	1st Sept., to 26th Nov., 1953 ..	32,536
	Corresponding period, 1952 ..	1,12,076
Mill Consumption ..	1st Sept., to 26th Nov., 1953 ..	3,04,500
	Corresponding period, 1952 ..	2,46,400
Stock (with exporters dealers & mills) in Bombay	On 26th November, 1953 ..	3,19,278
	Corresponding date, 1952 ..	4,08,910
Karachi (Pakistan)		
Receipts	Week ended 21st Nov., 1953 ..	34,914
	Corresponding period 1952 ..	50,578
	1st Sept., to 21st Nov., 1953 ..	1,86,995
	Corresponding period, 1952 ..	2,37,441
Exports	Week ended 21st Nov., 1953 ..	17,481
	Corresponding period, 1952 ..	20,200
	1st Sept., to 21st Nov., 1953 ..	2,18,237
	Corresponding period, 1952 ..	2,02,800

Particulars	From 1st Sept., to 30th Nov., 1953 Bales	From 1st Sept., to 30th Nov., 1952 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	100	903
Continent	3,269	20,645
China	251	124
Japan	18,871	53,300
U.S.A.	1,024	4,878
Other Countries ..	394	1,743
Total to all foreign countries ..	23,899	81,073
Coastal Ports ..	16,010	21,657

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian	July, 1953 ..	3,16,494
Foreign		74,456
Indian	Eleven months September 1953 to July, 1953	83,03,099
Foreign		7,79,067
Indian	Same Period 1951-52 ..	$7,11,000
Foreign		9,83,189
Stocks (Mills and Elsewhere)—		
Indian	As on 31st July, 1953 ..	13,93,873
Foreign		2,40,358
Indian	As on 31st July, 1953 ..	12,81,666
Foreign		4,23,248
Cotton Pressed †	Week ended 20th Nov., 1953 ..	34,547
	Corresponding week, 1952 ..	23,810
	1st Sept., to 20th Nov., 1953 ..	1,65,010
	Corresponding period, 1952 ..	84,354

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102¼
4½% Bonds	1926-33	63,30,26,000	1960-70	101¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92¼
3½% Loan	1950	30,33,10,000	1964	92 ⅛
3½% Loan	1943	1,10,11,78,000	1966-68	90¼
3½% V. Loan	1944	1,14,06,89,000	1957	98¼
3½% Loan	1945	1,15,05,83,000	1970-75	86¼
3½% Loan	1945	1,13,65,64,000	1959-61	96 ⅛
3½% Loan	1951	50,33,63,000	1958	98 ⅛
2½% Loan	1946	45,63,07,000	1960	90 ⅛
2½% Loan	1946	57,00,49,000	1961	90 ⅛
2½% Loan	1946	35,06,06,000	1954	98 ⅛
2½% Loan	1946	14,77,48,000	1956	82
2½% Loan	1947	75,86,72,000	1962	91 ⅛
2½% Loan	1948	60,43,01,000	1955	98 ⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98 ⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	81 ⅛
3 % Loan	1946	248,91,90,000		81 ⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	3,01,87,700	31st July 1966	94⅛
3½% Bombay	1931	3,04,06,900	17th Sept. 1961	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4½% Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99
3½% Cochin	1943	1,00,00,000	14th Dec. 1953-58	98 ⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 % Madras	1939	1,29,76,600	21st June 1959	94⅛
3 % Madras	1942	1,33,25,800	18th Sept. 1955	99
3 % Madras	1943	1,23,10,000	14th Sept. 1956	98–7⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,90,81,200	1st Sept. 1961	91 ⅛
3 % Madras	1950	4,47,00,000	31st July 1960	93⅛
3½% Madras	1931	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	100 ⅛
4 % Madras	1952	5,00,00,000	1st Aug. 1964	100⅛
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104⅛
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953–63	101
3½% Mysore(J)	1936	3,99,72,900	30th April 1956–61	98⅛
3 % Mysore	1947	5,08,05,700	1st Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 % M.P.	1942	30,00,000	18th Sept. 1955	99
3 % M.P.	1943	20,34,200	14th Sept. 1956	98⅛
3 % M.P.	1944	32,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03 28,800	15th Sept. 1964	81⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	98⅛
3 % Punjab**	1945	2,93,81,000	14th Sept. 1960	93⅛
3 % Travancore	1944	3,00,00,000	15th May 1952–54	99⅛
3½% Travancore Cochin	1936	90,00,000	16th Aug. 1956	99⅛
3 % Travancore	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1936	1,61,96,500	15th Sept. 1961–66	95⅛
3 % U.P.	1939	3,07,99,600	15th Aug. 1960	94⅛
3½% U.P.	1945	2,24,80 300	14th Sept. 1960	94⅛
3½% U.P.	1946	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98N
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	3	1905	1965	
15,00,000	3	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97⅛N
40,00,000	3	1910	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	3	1913	1973	
14,35,876	4	1913	1973	D
80,00,000	4	1913	1974	99⅛N
48,04,000	3	1914	1975	99N
10,00,000	4	1915*	1965	
55,00,000	4	1915*	1975	
61,61,000	3	1915*	1960	
11,51,000	4	1916*	1976	
10 25,000	3½	1926*	1960	
55,00,000	3	1926*	1956	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3	1932*	1962	
24,58,000	3	1935*	1971	
15,00,000	3½	1936*	1966	
48,04,000	3	1936*	1960	
10 00,000	3½	1938*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs.
76,90,100	4	1921	1981	98⅛
68,02,300C	3†	1921	1981	79
1,50,00,000C	4½	1921	1981	144N
1,24,04,300	4	1925	1985–88	103
98,21 600	5½	1926	1956–86	104⅛
99,84,300B	5	1926	1956–86	103⅛
1,49,46,300B	5	1926	1957–87	103⅛
1,49,30,000	5	1928	1958–88	103⅛
80,00,000	4½	1931	1991	92⅛
21,50,000	3	1931	1954	99⅛
68,00,000	3½	1935	1965	99⅛
25,00,000	3	1938	1963–68	82
50,00,000	3	1940	2005	70N
50,00,000	3	1942	2006	82⅛
50,00,000	3	1946	1976	82
50,00,000	2½	1947	2006	70N
50,00,000	3	1947	1977	78⅛
50,00,000	3	1950	1978	81
50,00,000	3	1949	1959	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50 00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,800	5	1923	1953–83	£86
£901,000	5	1924	1954–84	£86
£835,100	5½	1932	1962	£96
MADRAS				
Rs. 46,60 347	4	1912	1982	Rs.
32 14,994	4	1912	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
3,32,322	4½	1922	1952	M
4,47,997	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00 000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
60,00,000	4	1902	1962	
60,00,000	4	1903	1963	
90,00,000	4	1904	1964	
20,00,000	4	1905	1965	97⅛N
15,00,000	4	1907	1966	
23,00,000	4	1908	1968	
18,00,000	4	1913	1972	
30,00,000	4	1914	1973	
23,00,000	4	1916	1974	97⅛N
40,00,000	5	1914	1976	
66,00,000	5	1919	1937–79	113N
23,00,000	6	1920	1935–80	
25,00,000	4	1922	1956–86	115N
10,00,000	3½	1936	1961–76	98N
			1966	
STERLING LOANS				
£566,600	4	1909	1969	£95⅛N
£333,000	4	1910	1970	£95⅛N
GALCUTTA				
Rs. 50,00,000	6	1925	1955	Rs. 104
25,00,000	5½	1926	1956	107
50,00,000	4	1934	1964	108
30,00,000	3½	1935	1965	84⅛
50,00,000	3	1936	1966	84
20,00,000	3	1937	1962	98
80,00,000	4	1938	1965–68	98
		1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
49,40,000	4	1913–14	1954	99⅛
20,60,000	4	1913–14	1974	99⅛
20,00,000	4	1913–15	1955	99⅛
1,60,00,000	5	1920	1980	113
23,00,000	5	1928	1954	102⅛
26,14,100	5	1928	1958	103⅛
8,45,500	5	1929	1949–59	105
26,21,500	5	1929	1954–59	104
8,23,00,000	3½	1939	1959	103½
2,50,00,000	3½	1947	1977	86⅛
4,00,00,000	3½	1950	1979	86⅛
2,00,00,000	4	1952	1965	91⅛
		1953	1966	100⅛
Rs.				Rs.
34,45 500	6½	1925	1955	103⅛
81 50,000	6	1925	1955	103⅛
36 00,000	5	1928	1958	103⅛
25 00,000	5	1928	1958	103⅛
25 00,000	5	1929	1958	103⅛
33 91 000	5½	1932	1962	108
60,00,000	3	1936	1965	93⅛
1,46,100	3	1936	1953	99⅛
3,11,400	3	1936	1953	99⅛
4,67,100	3	1937	1954	99⅛
1,62,500	3	1937	1954	99⅛
4,18,100	3	1937	1954	98⅛
47,50,000	3	1938	1958	98⅛
10,67,700	3½	1938	1968	88⅛
15,36,800	4	1938	1958	99⅛
15,36,800	4	1940	1957	99⅛
17,44,400	3½	1942	1959	96⅛
21,10,000	3½	1942	1959	96⅛
15,49,000	3½	1951	1960	92⅛
18,15,000	3½	1951	1961	96⅛
66,88 000	3½	1951	1961	96⅛
87,36,000	4	1952	1962	99⅛
Rs.				Rs.
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	101N
3,40,000	6	1925	1955	107⅛N
MADRAS				

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. *Loans held entirely by the Trustees.
(e) This includes the amount of loss converted into First Development Loan 1970-75. (J) Income-tax free. A—Held by Government of India.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. **Quotations in Pak. Currency. ***Rupee Conservertible

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	102	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	145	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	110	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	16	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec. ..	72	100
Puritabpore Co.	6,00,000	1922	10	Oct. ..	158	10
Ramnagger Cane	4,00,000	1933-36	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6N	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	1211	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	120	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	86	75(pp)
†††Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12⅛	10
Oodal, ...	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	108⅛	100
Bangalore	6,00,000	1884	6	Jan. July	128⅛	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	92	100
Brachaury Cotton	14,30,000	1919	7	June Dec.	3208	100
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137⅛	100
Cambodias	1,00,000	1928	7	Apr. ..	129	100
Central India	30,00,000	1912	5	Apr. Oct.	505	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	124⅛	100
Elgin	11,00,000	1912	8	May Nov.	144	100
Do. 'B' Pref. ..	4,20,000	1943	5	July Jan.	101	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	127½xd	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. F=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BOMBAY CITY AND ISLAND

30,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	43,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills ..	35½	100	6 0	6 0	Nil		12	Y.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,137	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	400	250	17 8	20 0	20 0	7 8(I)	12	Y.P.T.
10,00,000	27,25,759	54,19,315	48,70,757	80,357	Ramnarain Sons, Ltd. ..	38,532	860	Bradbury Mills	750	250	75 0	100 0	100 0	100 0	12	Y.
1,09,42,800	2,04,18,653	2,43,74,311	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg. ..	289½	100	18 0	20 0	20 0	8 0(I)	3	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill ..	72½	100	Nil	Nil	Nil		12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg. ..	107½	100	7 8	7 8	7 8	7 8	12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd. ..	38,304	73	Dawn Mills	50	Nil	Nil	Nil	Nil		3	Y.
24,00,000	14,31,836	62,31,113	57,35,000	3,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles ..	260	100	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	61,802	Chidambaram Muirej & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	44	200	15 0	15 0	15 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	268	100	15 0	20 0	30 0		12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0		12	Y.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills ..	118	250	43 12	50 0	50 0	50 0	3	Y.P.
50,00,000										10	0 12½	0	12½	54 4*		
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co.	47,172	1,191	Indian Mfg.	1,400	1D	0 2	0 4	Nil	Nil	12	Y.
29,92,500	49,54,660	2,07,51,457	1,57,18,443	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	197½	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd. ..	1,11,464	1,846	Kohinoor Mills	100	500	87 8	100 0	100 0	112 8*	3	Y.P.
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills ..	89	100	12 0	14 0	14 0	16 0	12	Y.P.
1,60,000B										100A	18 0	25 0*	18 0	6 0(I)	6	
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd. ..	33,750	451	Modern Mills	90N	20B	1 8	1 0	1 0		6	Y.P.
31,75,000	24,92,733	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	188½	100	7 0	7 0	5 0		10	Y.
1,60,42,600	2,46,192	4,77,10,526	70,00,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation	126½	100	15 0	15 0	12 0		12	Y.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	170	100	Nil	Nil	Nil		6	Y.P.
80,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Spg. & Wvg. ..	167	100	12 8	15 0	10 0		12	Y.P.
12,70,100	34,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	33,720	873	New Union Mills	26	100	12 8	12 8	10 0		12	Y.P.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd. ..	34,208	1,190	Phoenix Mills	121½	10	0 8	1 0	1 4		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	137½	100	10 0	10 0	8 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,613	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	19	100	9 0	10 0	10 0		12	Y.
25,00,000	60,49,474	1,17,37,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg. ..	28½	10	2 0	2 0	1 4		12	Y.P.
60,00,000	64,20,061	76,08,171	39,83,896	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills ..	171½	10	0 12	1 0	1 4		12	Y.
31,50,000	49,02,108	78,77,540	63,69,000	75,959	Forbes, Forbes Campbell & Co., Ltd	36,116	1,276	Simplex Mills	157½	14	0 17	0 13	0 0(I)	15 0	12	Y.P.
36,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard Mills	318½	50	14 0	17 0	13 0		12	Y.P.
75,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd. ..	63,040	2,000	Swadeshi Mills	268½	100	15 0	20 0	20 0		12	Y.
34,00,000	70,08,399	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd. ..	33,804	552	Swan Mills	342½	100	16 0	18 0	16 0		12	Y.P.
12,54,438	39,55,268	68,88,347	29,93,244	25,338	Tata Industries Ltd. ..	63,248	1,800	Tata Mills	51	100	20 0	25 0	30 0		12	Y.P.
12,00,000	60,35,708	98,62,654	75,30,000	6,244	Thackersey Mooljee Sons & Co	43,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	12	Y.P.

AHMEDABAD

33,00,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd. ..	44,724	1,016	Ahmedabad Advance Mills ..	133½	100	8 0	12 0	10 0		12	Y.P.
10,00,000	88,91,868	85,84,129	38,40,000	1,761	P. M. Hutheesing & Sons, Ltd.	42,768	813	Arvind Mills	490	100	15 0*	20 0*	20 0*	10 0*	6	
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	913	100	15 0*	20 0*	20 0*		12	Y.P.
10,00,000	40,85,169	76,03,158	31,50,000	1,11,503	Mangaldas & Bros., Ltd. ..	33,884	884	Arvydaya Ginning & Mfg.	313½	200	25 0	25 0*	25 0		12	Y.P.
12,00,000	1,00,12,980	82,29,958	61,63,453	1,05,810	Kalidas Dalpatbhai & Co. ..	37,368	918	Ayoka Mills	301½	200	30 0	30 0	30 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,400	Calico	313½	125	17 0	22 0	22 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills ..	1,075	500	55 0	55 0	55 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,272	1,795	Mafatlal Chandulal & Co. Ltd.	47,952	864	New Shorrock Spg. & Wvg.	618	125	35 0	35 0	35 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	682½	100	28 0*	28 0*	30 0*		12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	636	Raipur Mfg.	810	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	46,680	1,093	Reinagar Spg., Wvg. & Mfg.	110	25	5 0	5 0	5 0		12	Y.P.
32,50,000	16,11,500	81,97,903	46,17,803	9,866	Lallubhai Gordhandas Ltd. ..	33,156	640	Rohit Mills	125	100	30 0	30 0	Nil		12	Y.P.
24,90,150	1,18,66,544	1,01,07,705	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	326	50	15 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	375	100	15 0	20 0	20 0		12	Y.P.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	816	Vijaya Mills	497½	400	30 0	35 0*	35 0*		12	Y.

WEST BENGAL

15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	3½	10	0 8	0 5	Nil			
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	3½N	40	Nil	Nil	Nil			
4,00,000	22,76,247	77,26,924	51,55,000	—6,27,421	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills ..	285	100	Nil	Nil	Nil		12	Y.P.T
19,00,000	25,16,186	97,02,018	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	198	100	Nil	7 0	Nil		3	Y.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,33,151	1,17,624	Birla Brothers, Ltd. ..	69,352	1,990	Kesoram Cotton Mills ..	20½	15	1 14	1 14	1 12	1 12	3	Y.P.
39,94,097	19,75,000	79,53,835	60,34,842	31,255	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	—	10	0 12	0 12			12	Y.P.

SOUTH INDIA AND OTHER CENTRES

11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq. ..	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil				
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramat & Co., Ltd. ..	50,000		Alagarsamy Textiles (Cochin) Ltd.	6½	10	0 14 2½	0 9 3½	Nil		12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund, ..	19,944	440	Azam Jahi Mills	67N	100	5 8	6 0	Nil		12	Y.P.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	282½	100	17 8	20 0	15 0	10 0(I)	12	Y.P.
27,00,000	22,25,163	70,17,943	49,36,945	15,831	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills..	13½	10	1 4	2 0	2 0		6,12	H.P.T.
15,00,000	93,71,390	84,27,674	38,07,674	4,60,089	Birla Brothers, Ltd. ..	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½N	10	2 8	3 4	3 0			
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,353	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic ..	121½	100	6 14	7 8	3 0	4 0(I)	6,12	H.P.T.
20,00,000	14,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd. ..	37,336	4	Cambodia Mills	12	10	Nil	7 8	4 0		12	Y.
30,00,000	21,97,992	58,51,479	45,04,815	39,833	Begg, Sutherland & Co., Ltd.	28,796	591	Elgin Mills	81	10	0 9	0 9	1 0	4 0(I)	3	Y.P.T.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	160	100	12 8	12 8	12 8	0 9	12	Y.P.
20,00,000	9,19,878	34,84,987	13,33,422	1,33,496	T. R. N. Naidu & Co. ..	19,700	..	Coimbatore Pioneer Mills ..	319	100	7 0	12 8	9 0		12	Y.
20,76,900	4,40,358	1,10,86,516	66,17,587	—4,70,999	R. G. S. Naidu & Co. ..	19,700	..	Coimbatore Spg. & Wvg. ..	38	50	7 0	6 0	9 0		3	Y.
38,38,34,450	88,12,906	2,30,16,398	1,41,83,280	9,315	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	171½	100	2 8	5 0	Nil		6	Y.P.
1,00,523 }	1,77,46,784	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,830	Delhi Cloth & General Mills..	30½	25	3 0	4 0	2 0	5 0	6	
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons ..	29,500	201	Dhanalakshmi Mills ..	192	2½	Nil	2 0	4 0	1 12	6	Y.P.
43,00,000	43,00,000	1,30,76,657	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	175	100	15 0	20 0	10 0	0 12½	6	Y.P.
39,04,700	43,10,000	82,22,587	60,90,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	257	10	1 2	1 8	1 8	0 8	12	Y.
30,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Sekseria (Indore)	50,420	1,420	Indore Malwa United ..	102½	100	10 0	14 0	10 0		12	Y.P.
8,90,000	11,61,067	26,01,528	13,35,172	—2,58,201	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardana Mills	62	100	4 0	5 0	4 0		12	Y.
24,00,000	17,00,000	43,66,106	8,50,000	54,377	Kothari & Sons	30,512	200	Kothari Textiles	103	50	3 0	7 8	6 0	0 12	12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg. ..	560	10	0 11	0 12	3 12		12	Y.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co. ..	73,504	200	Lakshmi Mills	746	250	37 8	50 0*	37 8	10 0(I)	12	Y.P.
1,75,02,480	2,82,04,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd. ..	4,64,748	..	Madura Mills	594	50	4 0	4 0	3 0	3 0	12	Y.P.
12,00,000	2,17,383	1,42,52,416	74,32,490	—22,590	A. L. A. S. Chettiar and 2 others	21,856	603	Malabar Spg. & Wvg. ..	126	25	2 4	2 4	2 0	2 8	12	Y.
60,00,000	62,50,000	35,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	214	200	8 0	12 0	8 0		12	
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd. ..	36,416	678	Minerva Mills	91	100	25 0	25 0	12 8		12	Y.
94,91,850	25,59,837	1,34,73,361	75,31,558	29,643	Banulal Ahirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur) ..	141½	100	6 0	6 0	5 0	12 8	12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,451	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	195N	250	15 0	7 8	5 0		12	Y.
19,86,850	66,50,072	93,64,233	39,83,574	42,197	N. Sirur & Co., Ltd. ..	49,612	500	Mysore Spg. & Mfg. ..	139½	100	Nil		7 8		12	Y.
13,61,780	2,38,745	39,34,299	15,36,624	2,232	Sri N. G. Naik	6,000	..	Mysore Spun Silk Mills ..	6	10	0 8	9 0	10 0		6	Y.
52,89,840 }	23,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills ..	118	10	0 8	0 10	Nil	10 0*	12	Y.P.
3,07,095D										O. 25	Nil	Nil	Nil		12	Y.
87,03,400	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund ..	30,896	717	Osmenabhai Mills	90N	D. 1	Nil	Nil	Nil		3	Y.P.
4,00,000A										100	3 8	8 0	7 8		12	Y.
4,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co. ..	22,800	..	Palani Andavar Mills ..	68	50A	5 0	6 8	7 8		12	Y.P.
13,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	37,980	..	Pankaja Mills Ltd. ..	93	75B	5 0	8 0	7 8		9	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Guruswamy Naidu & Co.	38,864	200	Radhakrishna Mills ..	163½	100	7 4	8 0	11 4		12	Y.P.
8,40,600B									81	100A	16 0	16 0	6 0		12	
15,00,000	25,00,896	22,62,213	16,88,315	—63,366	B. R. Naidu & Sons ..	25,896	..	Rajalakshmi Mills	78½	50B	4 8	5 0	3 0		12	Y.
40,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	15,824	440	Raza Textiles	50	50	3 0	3 0	3 0		12	Y.
22,41,300	10,52,625	23,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd. ..	18,416	416	Shree Saijan Mills	75½N	100	Nil	Nil	Nil		12	
7,79,700	3,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd. ..			Sitaram Spg. & Wvg. ..	34	60	Nil				12	Y.P.
16,00,000	1,60,39,317	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	83,992	2,234	Sholapoor Spg. & Wvg. ..	1,415	1,000	Nil	3 0			12	Y.P.
						25,200	292	Sri Meenakshi Mills		300					12	Y.
36,69,700	11,73,985	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq. ..	27,340	992	Sutlej Cotton Mills	49	50	4 0*	4 0*	3 0*	Nil	3	Y.
15,00,000	93,93,793	64,94,083	43,13,769	58,49,305	Birla Brothers, Ltd. ..				80	10	4 0	4 0	4 0	4 0*	3	Y.P.
17,50,0000 }	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	88½	100	Nil				3	Y.
1,57,50,000 P									88½	10P.O.	0 8	0 8	Nil			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,555	Emcere & Sons (Travancore), Ltd.			Travancore Rayons	15½		14 2½	14 2½	Nil			
13,98,630	7,25,303	12,91,001	9,44,987	9,843	Mooljee Rampe & Sons ..	16,000	..	Trichinopoly Mills	9	10	Nil	Nil	Nil		12	Y.P.
21,00,000	28,00,000	47,61,131	28,15,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	164	100	1 0	1 0	11 1/2		12	Y.P.T.
32,00,000	30,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	152½	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 3 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BREWERIES AND DISTILLERIES

19,92,000	16,71,676	96,39,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9	25	Nil	2 13g	Nil		5	V.P.
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	22	10	Nil	1 2g	Nil		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd. ..	East India Distilleries and Sugar ..	5½	5	1 0	1 0	0 8	0 8	3	Y.
£300,000B							15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	22½	B. £1	Sh. 1	Sh. 1	Sh. 1		6	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq (Chairman)	United Breweries	45N	5	Nil	Nil	Nil		6	Y.
							160	75	11 4	7 8	15 0	15 0	3	Y.

CEMENT

11,37,700A.	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B.							10½	B. 10	0 6	0 12	0 12			
43,14,600O.	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd. ..	Assam Benga Cement ..	4½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D.							4½	D. 1	Nil					
10,36,20,438	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd. ..	Associated Cement Companies ..	187	100	8 8	9 8	9 8		7	Y.
60,00,000O.							7½	O. 10	0 8	0 10	0 10			
26,49,797O.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	8	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000D.							1	D. 1	Nil	Nil	Nil			
62,50,000O.	4,00,000	1,43,54,423	31,47,637	6,15,163	Easen Ltd.	India

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,60,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	52	25	1 4 ; 1 9 ; 1 9 ; Nil				6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd. ..	India Paper Pulp	187	100	4 0 ; 5 0 ; 5 0 ; 5 0				3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	14½	10	0 8h ; 0 12 ; 1 0 ; 1 0*			1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	40½	10	0 12 ; 1 0 ; 1 0 ; 1 0				3,9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	19½	10	0 8 ; 0 12 ; 0 12 ; 0 12				6,12	H.P.T
20,00,000 ; 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ ; 9½	O. 10 ; A. 10	0 10 ; 0 12 ; 0 12 ; 0 12 ; Nil ; 0 4 ; 0 4 ; 0 4				3,9	H.P.T.
56,00,000A. ; 56,04,800B. ; 4,37,500P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	37½ ; 37½ ; 4½	A. 10 ; B. 10 ; P.O. 2½	1 0 ; 1 0* ; 1 0 ; 1 0* ; 1 0 ; 1 0* ; 0 2 ; 0 2 ; 0 2 ; 0 2f				3,9	H.P
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co	Calcutta Hydraulic	83	100	3 0 ; 3 0 ; 5 0 ; 3 0				6	Y
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	5 0 ; 6 0 ; 7 0 ; 7 0				7	Y
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91xd	100	3 0 ; 5 0 ; 5 0 ; 4 0				6	Y.
PROPERTY AND LAND														
10,00,780O. ; 2,00,000D.	6,02,582	42,65,284	19,09,280	419	E. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ ; 1½	O. 10 ; D. 1	0 9 3/5 0 9 3/5 0 8 ; Nil ; Nil ; Nil				9	Y.P.
80,00,000	17,23,138	83,61,045	17,52,882	.....	David Sassoon & Co., Ltd. ..	Port Canning Land	27	100	2 0 ; Nil ; Nil ; Nil				4	Y.
94,00,000	35,56,934	97,99,238	88,015	4,609	Andrew Yule & Co	Midnapore Zamindary	41½	100	Nil ; 3 0 ; 2 0				4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	74	3	0 8 ; 0 8 ; 0 4				9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading ..	358½ ; 120½	Old 125 ; New 50	15 0 ; 37 6 ; 22 8 ; 15 0 ; 6 0 ; 15 0 ; 6 0 ; 7 6				9	Y
6,00,000	.....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	40N	100	5 0 ; Nil ; Nil				5	Y
15,00,000	16,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	35	10	3 8 ; 3 8 ; 3 0				6	Y.P.
													9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil ; 1 0 ; Nil ; Nil ; Nil				6	Y.
12,00,000A. ; 3,00,000B.	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	130cdN A. ; 120dN B.	100 ; 10	6 4 ; 1 0 0 ; 10 0 ; 0 10 ; 1 0 ; 1 0				4	Y
19,49,050	3,00,000	27,54,526	20,50,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	10	0 10 ; 1 0 ; 1 0 ; 1 0				4	Y
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	18½N	10	Nil ; 0 10 ; 0 12				9	Y.
32,00,000	23,18,481	1,29,41,870	81,88,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	71	10	1 0 ; 1 8 ; 1 8				6	Y.P.
15,00,000	55,34,712	99,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	35	10	Nil ; Nil ; Nil				6	Y.P.T.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	23½	10	1 8 ; 1 8 ; 2 0 ; 2 0				10	Y.P.
35,00,000A. ; 10,00,000O.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills ..	130N 'A' ; — O.	100 ; 100	6 0 ; 9 0 ; 12 0* ; 12 0* ; 1 0 ; 1 0*				6	Y.
18,00,000	8,70,387	68,10,139	33,07,987	—4,15,271	Kilachand Devchand & Co. ..	Kesar Sugar	52	80	3 0 ; 4 0 ; Nil ; Nil				6	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,031	Cotton Agents Ltd.	New India Sugar Mills ..	25N	40	1 8 ; 2 0 ; Nil ; Nil				7	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,893	Karamchand Thapar & Bros., Ltd.	New Savan	26	10	1 4 ; 1 4 ; 0 12 ; 0 12				6	Y.P.
1087,500 A.'} 2,71,875 B.'	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	6½ ; 18½N	10 ; 100	0 8 ; 0 10 ; 2 8 ; 2 8 ; 15 0 ; 20 0 ; 20 0 ; 20 0				3	Y.
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	45N	100	3 12 ; 5 0 ; 5 0 ; 5 0				6	Y.
12,00,000	12,71,178	18,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	100N	100	3 4 ; 11 0 ; 6 0 ; 6 0				7	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	98N	100	6 0 ; 10 0 ; 6 0 ; 7 0				10	Y.P.
8,00,000	6,04,162	25,16,182	20,31,813	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	14½	10	1 8 ; 2 8 ; 1 0 ; 1 0				10	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	14	10	1 8 ; 2 8 ; 1 0 ; 1 0	0 8			6	Y.P.
20,00,000	20,68,560	1,03,56,230	49,28,080	4,188	Babu Jain Ltd.	Shree Krishna Gyanoday Sugar	15N	10	1 0 ; 2 0 ; 1 0 ; 0 8				6	Y.P.
9,99,930	61,823	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)	Sitalpore Sugar	10N	10	0 6 ; 1 0 ; 1 8				7	Y.P.
6,50,000O. ; 1,75,000D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd. ..	South Behar Sugar	6½ ; —	O. 10 ; D. 2½	Nil ; 0 8 ; 0 6½				6	Y.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	18N	10	Nil ; Nil				10	Y.P.
16,00,000	9,19,618	30,61,987	24,51,617	34,865	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	13½	10	1 12 ; 2 0 ; 2 0				6	Y.P.
									0 4½ ; 2 0 ; 1 8				9	Y
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd. ..	Belapur Company	266½	50	12 8 ; 14 0 ; 16 0 ; 16 0				9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	Nil ; 3 0 ; 3 0 ; 3 0				9	Y.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..	22½	10	1 8 ; 2 8 ; 2 8				9	Y.P.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Goven Bros. (Rampur), Ltd. ..	Buland Sugar	5 ; 10½N	10 ; 10	1 4 ; 1 4 ; 1 4 ; 1 4				9	Y.P.
21,79,280	90,00,000	94,96,051	62,24,558	8,27,296	A. G. Bandi Gowda, Esq. (Managing Director)				0 12 ; 0 12 ; 0 12 ;				10	Y.
50,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasulal Ltd.	Mysore Sugar	43½	10	2 0* ; 2 0 ; 2 0 ; 2 0				6	Y.
14,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd. ..	Phaltan Sugar	10½	50	8 0 ; 8 0 ; 8 0 ; 8 0				6	Y.
20,00,000O. ; 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd. ..	Ramnagger Cane and Sugar ..	18½ ; 9½	10 ; O. 10	0 9½ ; 0 12 ; 2 0 ; 2 0	6 0			9	Y.P.T.
10,90,600	34,21,961	44,37,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Rawalgaon Sugar Farm	7N	D. 10	7 0 ; 9 0 ; 10 0 ; 10 0				9	Y.P.T.
50,00,000	10,71,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Rasa Sugar	10½N	10	1 0 ; 1 4 ; 0 12 ; 1 0				6	Y.
77,50,000A. ; 25,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	4½ ; 148½	10 ; A. 100 ; O. 100	Nil ; Nil ; Nil ; 12 0 ; 14 0 ; 14 0 ; 12 0 ; 14 0 ; 14 0				7 ; 9	Y.P. ; Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	155	100	10 0 ; 12 8 ; 12 8				10	Y.P.
1,00,00,000		3,00,32,730	1,45,00,237	35,606	Dinshaw Ltd.	Bharat Line	95	100	3 0 ; 4 0 ; 5 0				12	Y.
4655,580	61,133,737	45 428,105	43,332,999	615,172	Chowgule & Co., Ltd. ..	India General Navigation & Rly. Co.	75	£10	Nil ; Nil ; Sh 10				12	Y.P.
2,23,00,000	74,99,233	2,91,83,993	1,24,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8	10	Nil ; Nil ; 0 8				3	Y.P.
6,39,62,018	3,81,43,387	12,98,97,421	3,04,50,000	1,38,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	16–35	15	Nil ; Nil ; 0 8	0 8			6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	11,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0 ; 30 0 ; 35 0	32 0			9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0 ; 4 0 ; 5 0				12	Y.
25,00,000	23,18,130 ‖	25,18,130 ‖	1,000	8,955	Dana Sons, Ltd.	Davikan Nanji Investment Co.	8½	25	0 12 ; 0 12 ; 0 12				12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Chaganlal Manilal Ltd.	Estrela Batteries	235	100	3 0 ; 3 0 ; 3 0 ; 2 8				6	Y.P.
99,99,250	18,35,375	1,26,92,333 ‖	10,033	1,83,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	67½	100	4 0 ; 4 0 ; 4 0 ; 4 0	Nil			12	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard Esq (Mg. Director)	Killick Industries	157xd	100	8 0 ; 8 0 ; 8 0 ; 10 0	10 0			12	Y.
8,96,71,500A. ; 10,00,000B.	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd	Premier Automobiles	153½	100	Nil ; Nil ; 2 8	5 0			6	Y.
10,21,200	3,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	41½	A. 100 ; B. 10	Nil ; Nil ; Nil				12	Y.
2,20,20,000	1,58,21,860	2,16,71,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director).	Western India Match Co. ..	43½	20	2 0 ; 3 0 ; 3 0				12	Y.
45,00,000	42,00,000	1,24,608	1,07,188	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	200XR	100	11 0* ; 11 0* ; 11 0*				12	Y.
							350N	150	20 0 ; 20 0 ; 20 0				12	Y.
Other Centres														
47,50,000O. ; 2,50,000D.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½	O. 10	Nil ; Nil ; Nil ; Nil	Nil			3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,648	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	39	D. 2½	Nil ; Nil				6	Y.T.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	23½	10	1 12 ; 2 8 ; 1 4				12	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	23½	10	1 4* ; 1 4* ; 1 4*				8	Y.
50,00,700O. ; 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	272	O. 100	10 0 9 3/5 0 9 3/5 0 4				12	Y.P.T.
20,00,000	8,58,804	54,303,140 ‖	.....	1,35,380	Lovelock & Lewis			D. 40	20 0* ; 25 0* ; 20 0* ; 6 0*	5 0(?)			12	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. P. Parsons, Esq. (Mg. Director).	Birds Investment Ltd.	16½	10	1 0 ; 1 0 ; 1 0 ; 1 0				3	Y.P.
3,23,00,000	95,00,000	2,38,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	Britannia Biscuits	121	10	1 4 ; 1 4 ; 1 4 ; 1 4				6	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,521	7,01,489	Cecil Stack, Esq. (Mg. Director)	British India Corporation Ltd.	10	10	1 4 ; 1 4 ; 1 4 ; 1 4				7	Y.P.
51,24,000	47,57,061	1,26,33,420 ‖	.....	3,15,489	Bird & Co., Ltd.	Dunlop Rubber (India) Ltd. ..	16–5½	10	0 8 ; 0 12 ; 0 12 ; 0 12	0 8			3	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Eastern Investments Ltd. ..	30½	10	0 12 ; 0 12 ; 0 10				12	Y.P.T.
65,00,000	31,28,294	15,62,902	3,85,583	2,07,524	Sir Anthony J. Elkins	Ganges Rope Co., Ltd.	146	10	9 0 ; 9 0 ; 1 8				12	Y.P.T.
30,00,000	11,42,354	62,81,816	29,59,773	29,418	B. P. R. Syndicate	Gillanders Arbuthnot & Co., Ltd.	197	100	12 8 ; 20 0 ; 20 0				12	Y.P.
12,42,800	5,06,049	60,60,790	41,30,360	33,939	Birla Bros., Ltd.	Great Eastern Hotel	115	100	7 8 ; 10 0 ; 10 0 ; 10 0				9	H.
4,96,12,650	1,00,00,000	2,83,64,147	60,52,719	3,76,157	Birla Bros., Ltd.	Hindustan Motors	261	25	11 8 ; 13 0 ; 13 0 ; 13 0				3	Y.P.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	100N	100	7 8 ; Nil ; 8 0 ; 8 0				6	Y.P.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Dresser, Esq.	Indian Cables	45N	100	3 12 ; 5 0 ; 6 0 ; 6 0				6	Y.
8,27,970	3,38,000	14,39,460	7,97,308	38,465	E. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	107	100	Nil ; Nil ; Nil	Nil			12	Y.P.
2,00,00,000	57,43,280	29,81,477 ‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	19½	10	2 8 ; 3 0 ; 3 0 ; 3 0				3	Y.P.
6,34,000O. ; 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	12½	10	1 0 ; 1 0 ; 1 0 ; 1 0	0 10*			3	Y.P.
48,00,000O. ; 5,00,000D.	57,99,632	23,19,033 ‡	5,19,033	85,717	A. T. Peppercorn, Esq.		115	100	10 0 ; 10 0 ; 10 0 ; 10 0	9 0			3	Y.P.
1,30,55,750	30,19,025	13,73,127 ‡	4,61,584	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	McLeod & Co.	134 N	O. 100	12 8 ; 12 8	7 8			3	Y.
6,35,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Martin Burn Ltd.	19½	D.O. 10	0 12 ; 0 12 ; 0 12				12	Y.P.
4,88,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller) ..	Mysore Glass and Enamel Works	3½	10	1 4 ; 1 4 ; 1 6				12	Y.P.
10,00,000		11,49,854	3,93,996	11,329	R. V. Gnanashiv Iyer, Esq. ..	Mysore Lamp Works	10	10	Nil ; 1 0 ; 1 0				9	Y.
20,00,000	23,16,171	50,16,078	28,75,987	11 045	Associated Industrial Development Co., Ltd.	Mysore Tobacco	11½	10	1 0 ; 1 0 ; 1 0 ; 1 0	1 0			12	Y.
						National Insulated Cable ..	13½xd	10	0 8 ; 0 8 ; 0 8				3	Y.P.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	11	10	0 8 ; 0 8 ; 0 8				3	Y.T.
40,00,000	24,00,000	41,38,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½	10	0 4 ; 0 8 ; 0 12				3	Y.P.T.
8,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Pathymopulo, Esq. ..	Rallis (India) Ltd.	2	1	1 9 3/5 0 10‡ 0 4‡				12	Y.P.
8,14,00,000	78,53,108	6,09,39,407	2,16,88,623	7,97,486	Sahu Jain Ltd.	Rohtas Industries	96	100	8 8 ; 9 0 ; Nil ; Nil				12	Y.P.
60,00,000	92,32,582	1,19,84,861	70,89,235	3,36,552	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	9½	10	Nil ; Nil ; 0 12				12	Y.P.T.
75,00,000	35,00,000	12,11,901 ‖	2,17,120	3,56,616	R. H. D. Campbell, Esq. ..	Shaw Wallace & Co., Ltd. ..	14½	10	1 0 ; 1 0 ; 1 0				8	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 6‡ ; Nil ; Nil	0 8(?)			6	Y.P.
													12	Y.P.

‖ Includes investments at cost. ? Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	400	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	171	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28	10	1 4	1 0	Nil		12	Y.
3,50,000	7,21,416	14,91,743	4,23,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	141	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd. ..	369	Basmatia	33	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	15½	5	1 8	1 8			12	Y.
1,20,000	4,90,000	8,79,729	1,76,121	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Berjan	29½	10	3 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	34½	10	5 0	0 8			12	Y.
8,00,000		10,30,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	88½	10	0 8	Nil	2 8		12	Y.P.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,51,948	—29,101	McLeod & Co., Ltd.	232	Dejoo Valley	9½	10	1 8	Nil			12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	245	100	30 0	22 8	10 0		12	Y.
17,51,440	5,40,608	19,11,105	2,07,645	54,441	James Warren & Co., Ltd. ..	426	Dhelaikhat	13½	10	1 9 3/5	1 3½			12	Y.
4,50,000	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	12½	10	2 0	1 0	Nil		12	Y.
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	11½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dimakusi	35	10	4 8	1 8	1 0		12	Y.P.
3,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co., Ltd.	669	Duffla hur	40	10	2 0	Nil	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	20½xd	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd. ..	407	Gilapukri	18½	10	3 0	1 0	Nil		12	Y.
2,50,000	5,34,390	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Golpur	33½	10	3 0	2 0			12	Y.
A.4,94,360 ; B.2,40,790	13,22,810	17,77,138	3,02,656	33,724	Octavius Steel & Co., Ltd. ..	1,393	Grob	28 ; 15½	A.10 ; B.5	3 0 ; 1 8	2 0 ; 1 0

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16½	10	8+8	14+14	14+14	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	173	100	4+10	15+15	8+10	12f	5, 11	H.P.
6,00,000	3,35,000	9,49,030	29,18,570	—11,63,951	McLeod & Co., Ltd.	446	Alexandra	160	100	Nil	5	Nil	Nilf	6, 12	H.P.T.
30,00,000	2,10,000	1,16,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	168	100	Nil	2½	Nil	Nil	6, 12	H.P.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	231	100	Nil	10	10+10	10+15	7½	3, 9	H.P.
40,00,000	38,68,132	1,32,98,243	81,24,964	42,740	Bird & Co., Ltd.	810	Auckland	126	100	1½+4	6+5	5+4	2f	3, 9	H.P.T.
20,00,000	29,77,365	97,37,334	63,51,882	72,634	Jardine Henderson & Co.	959	Bally	180	100	6+6	6+1	Nil	4f	3, 9	H.P.
22,50,000	55,93,000	51,03,385	22,50,305	4,07,701	Sooraimull Nagarmull	1,373	Banagore	155	£5	£1	£1	£1	£1	3	Y.P.
30,42,000	2,64,46,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	2,273	Belvedere	205	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	154	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,180	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	141N	10	Nil	1+1	0+8		6, 12	H.P.T.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	1,603	Caledonian	163	100	4+10	10+12	6+6	6f	5, 11	H.
39,16,400	1,05,23,478	1,65,18,462	1,07,44,958	1,15,030	James Finlay & Co., Ltd.	1,400	Champdany	150	100	3+5	5+7	7+8	3f	3, 9	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,099	Andrew Yule & Co., Ltd.	1,224	Cheviot	224	100	6+10	10+12	6+6	6f	5, 11	H.P.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	McLeod & Co., Ltd.	500	Chhatrakah	11[Ler	10	½+4	1½+4½	2½+1½		6, 12	H.T.P.
10,05,000	46,90,000	58,16,362	41,42,304	1,07,364	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	3½	2	Nil	3	Y.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Bird & Co., Ltd.	766	Dalhousie	145	100	1+3	8+6	6+1	1f	3, 9	H.P.
31,49,200	39,29,308	1,28,67,836	61,35,715	8,357	Andrew Yule & Co., Ltd.	1,779	Delta	231	100	5+12½	5+17½	10+10	10f	5, 11	H.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	McLeod & Co., Ltd.	500	Empire	22½	10	1+1	1½+1½	3+3		6, 12	H.T.P.
15,00,000	32,30,000	75,61,304	53,68,650	—47,730	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	393	100	2½+20	12½+12½	10	Nil	Nilf	3, 9	H.P.T.
21,00,000	54,39,877	2,65,42,474	1,77,44,991	3,971	Bird & Co., Ltd.	1,884	Fort William	325N	100	Nil	Nil	Nil	Nilf	3, 9	H.T.P.
14,00,000	.....	72,62,199	43,27,194	—4,98,601	Bangur Bros., Ltd.	1,709	Ganges Mfg.	74	100	Nil	3½	2½+2½	Nil	Nilf	3, 9	H.
84,32,100	3,11,094	2,09,73,148	1,34,77,245	—6,25,945	Macneill & Barry Ltd.	607	Gondalpara	72[	300	45	90	30		12	Y.
10,80,000	28,83,794	68,12,500	47,46,452	41,193	Gillanders Arbuthnot & Co., Ltd.	1,394	Gouripore	240	100	2½+15	10+10	1½	Nil	Nilf	3, 9	H.P.
84,00,000	27,30,604	2,19,25,184	1,62,21,337	1,27,647	Macneill & Barry Ltd.	1,078	Hastings	125N	100	10	7	10	10	12	H.T.
40,00,000	46,39,631	77,52,908	49,35,241	2,81,847	Bangur Bros., Ltd.	720	Hooghly	31	10	1	3	1½	1½	3	Y.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	1,500	Howrah	23½	10	4½	4+4	5	5f	3, 9	H.P.
63,62,500	50,83,570	1,56,87,559	1,09,31,235	1,35,027	Jardine Henderson Ltd.	2,272	Hukumchand	74	100	1+1	11+11	5+5	5f	6, 12	H.T.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkumarsndas			31							Y.P.T.
O. 87,00,000 } D. 30,00,000 }	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co.	1,076	India	128½	O. 125 D. 100	3½+9½ A.7½+7½	3½+1½	3½+3½	3½f	3, 9	H.
24,00,000 } 19,20,000 }	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	189	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
30,00,000 } 24,00,000 }	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	180	'B' 100	8½+8½	10+12½	8½+6	6f		
21,00,000	47,00,000	92,15,718	69,51,567	1,15,896	McLeod & Co., Ltd.	703	Kelvin	146	'B' 100	Nil	5+7½	6+4	5f	6, 12	H.P.
54,00,000	22,65,375	1,60,84,537	1,08,02,499	4,00,392	Anderson Wright Ltd.	1,530	Khardah	245	100	10+10	12½+12½	7½+7½		6, 12	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	358	100	Nil	15	10+6	10+15	3, 9	H.P.
24,48,000	48,82,303	1,33,96,908	76,14,073	22,044	Bird & Co., Ltd.	931	Lansdowne	204	100	11+4	10+15	11+8	7+3	3, 9	H.P.T.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	1,135	Lawrence	135	100	2+10	11+8	7+3	2f	3, 9	H.P.
10,00,000	36,51,301	50,59,106	35,13,436	64,055	Andrew Yule & Co., Ltd.	558	Lothian	162	100	5+9	12½+11½	11+8	2f	3, 9	H.
81,65,200	23,35,448	1,93,98,406	1,16,00,448	28,020	Mackinnon Mackenzie & Co.	265	Megna	107	100	5+10	15+17½	15+15	15f	5, 11	H.P.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	1,008	Meghna	140	100	2½+6½	2½+11	2½+2½	2½f	3, 9	H.
20,00,000	17,75,000	25,77,260	16,42,890	5,104	Howrah Trading Co., Ltd.	815	Nahalipara	Nil	5	5+3	10+6	6+Nil	Nilf	3, 9	H.T.
35,00,000	44,27,437	27,58,552	8,93,531	1,01,832	Andrew Yule & Co., Ltd.	425	Naskarpara	14	10	½+4	1½+1½	½+½		4, 10	H.T.
7,50,000	41,00,000	25,75,900	16,24,098	1,23,783	McLeod & Co., Ltd.	852	National	25	10	1+1	1+1	1+1	1f	4, 10	H.P.
10,50,000	49,78,375	48,94,020	24,51,332	76,232	Sahu Jain Ltd.	516	Naihamala Jute	11[Ler	10	1½+1½	2½+3	2+1		6, 12	H.P.T.
16,79,880	47,26,931	1,21,23,908	54,12,507	30,263	Bird & Co., Ltd.	709	New Central	270	100	4+10	10+15	10+10	12f	6, 12	H.P.
66,79,300	32,37,529	2,12,90,664	1,33,98,806	30,481	Macneill & Barry Ltd.	567	Northbrook	20[	10	Nil	Nil	1	1+½	6, 12	H.P.T.
24,91,000	26,56,049	70,68,289	48,27,892	—3,93,006	McLeod & Co., Ltd.	400	Orient	49	50	Nil	1½	1½+1½	Nilf	3, 9	H.
25,00,000	4,39,778	80,78,198	50,46,813	—3,29,549	Macneill & Barry Ltd.	601	Presidency	185	100	4+10	12+12	10+6	6f	5, 11	H.P.
20,00,000	.....	26,15,293	7,67,493	1,80,000	Jardine Henderson Ltd.	1,276	Reliance	16½	10	Nil	Nil	Nil		6, 12	H.T.
49,50,000	1,50,000	1,23,45,796	55,07,248	£82,640	Thomas Duff & Co. (India), Ltd.	1,013	Samnuggur	13[	£1	10½	10½	10½	1f	3, 9	H.P.T.
£600,000	£1,102,661‡	£1,203,880	.....	6,03,669	Bagaria More & Co., Ltd.	401	Shree Ambica	11[	10	Nil	1½+1	1f		3, 9	H.P.
30,00,000	13,07,220	97,20,210	59,19,652	3,54,954	Hindustan Investment Corporation.	650	Soorah	23½N	10	½	Nil	½		12	Y.P.T.
7,00,000	7,74,812	48,14,456	35,67,743	10,963	Bird & Co., Ltd.	142	Standard	13[	100	3+6	9+8	8+1	1f	3, 9	H.P.
25,19,600	49,32,957	97,24,215	56,00,072	£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	13[	£1	10½	10½	10½		12	Y.P.
£600,000	£849,927‡	£990,895	.....	21,038	Bird & Co., Ltd.	1,326	Union	171	100	1+7	12½+11	10+1	1f	3, 9	H.P.T.
33,98,600	94,31,454	1,76,49,798	85,52,140	£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	13	£1	10½	10½	10½		12	Y.P.
£400,000	£587,164	£1,059,9171	.....	—65,636	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil	1/40 1/40	Nil	Nil	6, 12	H.P.T.
2,50,000	1,35,000	36,21,133	34,22,381												

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	19½	10	1+1	1+1	1+1		3, 9	H.
12,00,000	8,42,703	37,35,383	34,23,643	58,826	Jardine Henderson Ltd.	Bararee Coke	19½	10	½+½	½+½	3/5+½	As. 11½f	3, 9	H.
6,00,000	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½	10	½+½	½+½	½+½	1f	6, 12	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	503	200	17½+17½	17½+17½	20+20	17½f	6, 12	H.
2,25,000	5,14,434	25,84,461	21,98,073	4,260	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14½	10	1½+1½	1½+1½	1½+1½	1½f	4, 10	H.P.
13,97,000	4,73,358	37,29,385	22,67,365	25,279	H. V. Low & Co., Ltd.	Bhalgora	4[xd	10	6½	½	½	½	6, 12	H.P.
99,99,953	13,81,010	1,17,79,347	36,69,702	23,814	Sahu Jain Ltd.	Bhulanbarree	1¼	10	½	½	½	½	9	Y.
7,15,000	14,64,077	50,70,322	35,63,361	—43,875	F. W. Heilgers & Co., Ltd.	Bokaro-Ramgur	8	10	Nil	Nil	Nil	Nil	6	Y.T.P.
16,00,000	14,10,773	68,13,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Borree	28½	10	1½+1½	1½+1½	1½+1½		6, 12	H.
7,50,000	18,99,000	42,66,805	24,48,168	1,06,334	F. W. Heilgers & Co., Ltd.	Burrakur	8½	10	Nil	Nil	Nil		6, 12	H.T.
90,92,480	1,65,60,398	4,03,65,968	1,60,47,288	1,15,021	Bird & Co., Ltd.	Central India	5½	10	Nil	Nil	Nil		6, 12	H.P.
49,97,000	750	34,32,398	37,646	3,038	Hindustan Investment Corpn., Ltd.	Central Kurkend	14½N	10	1½	Nil	Nil		3	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,334	2,273	Anderson, Wright & Co., Ltd.	Churia	2½	10	½	Nil	Nilf	½	3	Y.
6,00,000	1,40,000	1,50,000‡	.....	13,973	F. W. Heilgers & Co., Ltd.	Dhemo Main	9½	4	½	½	½		6, 12	H.
16,00,000	2,70,000	45,41,647	25,27,346	24,455	Macneill & Barry Ltd.	East Indian	24½	10	½	½	½	Nil	6, 12	H.
£120,000	£424,897	£878,414	£669,896‡	£78,839	Jardine Henderson Ltd.	Equitable	31£	£1	1½	3	3½	3½	6, 12	H.
29,63,760	75,00,380	3,37,02,383	2,73,34,630	2,11,481	Macneill & Barry Ltd.	Ghusick and Mudia	15N	10	2½+2½	2½+2½	2+1½		6, 12	H.P.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Hingir-Rampur	40	50	3	3			3	Y.
12,00,000	1,57,000	35,64,134	17,61,189	1,843	Killick Industries Ltd.	Hurmuldih	15	10	½	½	½		3	Y.P.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Jogta Coal	11N	10	½+4	½+4	½+4	3	6, 12	H.
22,00,000	1,08,377	31,70,015	10,56,245	—1,95,248	Baipasie Trust Ltd.	Kalapahari	32½dN	10	Nil	Nil	Nil		6, 12	Y.P.
5,50,000	5,58,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd.	Karanpura Collieries	82	100	1½+1½	1½+1½	1½+1½	1½+1	12	H.
20,00,000	.....	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Katras Jherriah	40	10	Nil	Nil	Nil	Nil	2, 8	Y.P.
5,00,000	11,25,000	42,50,291	32,33,631	89,823	Andrew Yule & Co., Ltd.	Khas Kajora	7N	10	1½+1½	1½+1½	2+2	2f	2	
1,38,400	95,000	10,61,519	3,25,519	1,063	Berwala & Co.	Kuardi	41N	10	½+½	½			1, 7	H.P.
11,00,240	50,000	15,87,375	10,31,164	4,411	H. V. Low & Co., Ltd.	Laturka	10½N	10	3½	3½			6, 12	Y.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Nazira	6½	10	½+½	½+½			6	Y.
7,48,240	1,50,000	11,24,142	8,84,138	20,398	Andrew Yule & Co., Ltd.	New Beerbhoom	11½	10	3/10+3/10	½+½	Nil	½	4	H.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,764	Octavius Steel & Co., Ltd.	New Manbhoom	8½	10	Nil	Nil	Nil	1f	6, 12	H.P.
6,00,000	3,30,000	31,01,632	15,78,155	60,718		North West	10N	10	½+½	½+½	½+½	Nil f	4, 10	H.
1,15,000 } 1,57 ver	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.		7N	7½	½+½	½+½	½+½	½f	3, 9	H.
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd.	Ondal	17½N	10	1½+1½	1½+1½	1+1		6, 12	H.P.
10,00,000	1,10,000	33,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11½N	10	½+½	½+½	½+½		6, 12	Y.T.
8,34,000	83,590	17,23,582	6,27,675	15,769	Deepchand Kishendass	Panch Valley	3	10	Nil	Nil	Nil		12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,993	Shaw Wallace & Co., Ltd.	Ramegunge	10½	10	½+½	½+½	Nil		6, 12	H.
23,99,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Rewah	20[xd	10	½+½	½+½	½+½		2, 8	H.
13,50,000	7,38,385	30,36,328	24,50,328	26,964	Shaw Wallace & Co., Ltd.	Samla Collieries	7½	10	½+½	½+½	½+½	1f	3, 9	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Searsole	8N	2½	½+½	½+½	½+½		6, 12	H.
1,25,000	1,75,000	11,99,343	9,78,000	20,499	Gillanders Arbuthnot & Co., Ltd.	Seebpore	7N[xd	7½	2½+2	2+2	2+1		6, 12	Y.
2,80,000	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Sendra	8½N	10	½+½	½	Nil	½f	6, 12	H.P.
8,00,000	8,74,070	36,94,990	26,10,238	—70,471	F. W. Heilgers & Co., Ltd.								6, 12	H.
63,21,450	13,25,954	3,24,72,792	2,26,34,394	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	½	½	½		12	Y.T.
					Bird & Co., Ltd.	South Karanpura	10½	10	½+½	½+½	½+½	1f	2, 8	H.
17,50,000	10,86,300	35,53,705	13,67,030	26,614	F. W. Heilgers & Co., Ltd.	Standard	21½	10	½+½	½+½	½+½		6, 12	H.
8,00,000	13,68,503	2,33,837	56,445	86,379	Villiers Ltd.	Tasher	2½	2½	Nil	Nil			9	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Williamson Magor & Co., Ltd.	Union	22½	10	1½+1½	1½+1½	1½+1½		6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Hindustan Investment Corpn., Ltd.	West Bengal	4½	10	½	½	½+1		6, 12	Y.
49,98,000		44,91,158	13,91,545	63,500	Macneill & Barry Ltd.	West Jamuria	17	10	½+½	½+½	Nil		6, 12	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,314										

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1084 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 1039)

ing orders by raising the expectation that, if he were to hold off from the market a little longer, the duty might be reduced."

The foregoing remarks show that the Commerce and Industry Minister has failed to realise the complete change that has taken place in the climate of world trade. The buyers' market is in full swing. The buyer is now in a position to demand supply of goods according to his ideas of price. He will adopt all tactics to get the goods at that price. He will wait, if necessary, or try alternative sources. It is, therefore, no use, criticising either the Press or the trade for advocating abolition of export duties. There is nothing that Government can do in such a situation, which is almost identical to that in which a country finds itself when its currency is overvalued and rumours of devaluation start. In these circumstances, the Government should gracefully bow and withdraw the export duties. Any profit which the exporter makes immediately after the withdrawal of these duties will be of a temporary nature. Even if he makes some, it will come back to the Exchequer in numerous ways. After all, export duties were not meant to be a source of revenue; they were designed to keep off the inflation that was rife in several parts of the world in recent years. By continuing them at a time when the buyer is in a position to dictate his terms and when other countries are subsidising their export trade in devious ways, the Government of India is, in effect, absorbing the deflation in other countries to the detriment of investment and employment in this country.

• • • •

Quite a few speakers at the meeting of the Import Advisory Council advocated restriction on imports, with a view to giving protection to domestic industries. Some tried to exploit the unemployment problem, which has received so much publicity now, to support this demand. These people are opposed even to token imports. They want a completely closed market for Indian industries, little realising that that will ultimately affect our exports and thereby cause more unemployment. There were, however, at least a few to oppose this view, which is quite popular with some of our industrialists. One of them very pertinently remarked that the unemployment problem should not allow them to forget the inflationary factor which would raise its head again when the expenditure under the Five-year Plan was stepped up, as was proposed by the Finance Minister. On this issue, Mr. Karmarkar stated the Government's position very clearly and correctly. He declared that protection through import controls was not a scientific remedy. Psychologically, too, the Government must help the Indian industrialists to develop self-confidence that they could successfully compete with imported goods from any part of the world. It is needless to add that this self-confidence cannot be created so long as the industries are sheltered by restriction on imports or by high tariff walls. Such protection can be justified only in exceptional circumstances, such as dumping, or in the case of industries of vital strategic importance.

JUTE

(Concluded from page 1054)

was due to lower Indian wages. For the preparation of these estimates it was unable to obtain cost data from Indian mills. It, therefore, seems to have arrived at this figure purely on the basis of guess-work.

Be that as it may, the position now is not the same as it was five years ago. The health of the Dundee industry has vastly improved since then, whereas that of its Calcutta confrere has gone down. The Dundee mills, for instance, have been able to increase their efficiency by means of modernisation through installation of new equipment of the order of £5 million, while most Indian mills have not been able to carry out replacement programmes for obvious reasons. In the circumstances, the costs of production in Dundee must have now been far less than those in 1948 when the Working Party stated that there was no prospect of a healthy jute industry in the U.K. without protection against Indian imports. It had also stated, it may be added here, that so long as it was the policy of the Government to protect the industry Dundee should be assisted. This recommendation has held good since then, and protection to Dundee has gone on merrily, though it is against the G.A.T.T. principle.

The Economist, of course, is not totally against the continuation of protection, for it admits that such is necessary for preventing unemployment in Dundee; it is opposed only to protection in its present form for several reasons. Protection to jute industry, in a country such as the U.K., long associated with *laissez faire*, goes against its very grain. Secondly, by providing a closed market, it kills incentive to produce efficiently by jute mills and keeps costs high. The burden on the consumer continues to be high and affects exports adversely to the extent these exports are packed with costly jute. Thirdly, it works against the expansion of trade with the Commonwealth countries, namely, India and Pakistan and, therefore, should be avoided. Lastly, as it is against the G.A.T.T., it should be modified in such a way as to be in line with Britain's obligations under this Agreement. This could be done, says the *Economist*, by entering into special agreements with the two countries. Now that the question has come up to the surface, it is likely to be taken up in the coming Commonwealth Conference at Sydney.

MARKET REPORTS

(Concluded from page 1073)

Rs. 28-8. Assam upper bottoms at first gave way to Rs. 27 from Rs. 27-8 but closed higher at Rs. 28, and middles advanced to Rs. 31 from Rs. 30-8.

FOODGRAIN PRICES DECLINE

(From Our Own Correspondent)

HAPUR, 30*th November*

The overall food position in the country continues to maintain a steady improvement and there has been some further decline in wholesale prices. In some areas the State Governments are issuing foodgrains at less than an economic price by meeting the losses themselves. The Government of India has given an assurance only to Travancore-Cochin that it would assist the State Government in meeting a part of the loss incurred by it in issuing rice at the present subsidised wholesale issue price of Rs. 17 per maund.

The present food policy of the Government of India was outlined by the Deputy Food Minister in the House of the People early this week. It has been decided to decontrol wheat and coarse grains, except that inter-State barriers will continue as hitherto. It is not proposed to disturb for the present the existing rationing arrangements for the distribution of rice. The rice supply position in the country has improved considerably, but it is still not so easy as to justify complete derationing of rice.

The first all-India estimate of rice for 1953-54 places the current year's area at 67,452,000 acres, as against 65,374,000 acres in the adjusted first estimate for 1952-53. This shows an increase of 2,078,000 acres or 3.2 per cent. in area over 1952-53. This increase in the acreage is shared mainly by U.P., West Bengal, Assam, Hyderabad, Mysore, Punjab and P.E.P.S.U. Food position in Uttar Pradesh has considerably improved, as in most other parts of the country. The stock position is sound. Following the withdrawal of rationing and control restrictions, the Government's commitments have lessened and there is expected to be a fair amount of saving under this head, which should go a long way towards reducing the anticipated deficit in the current year's budget. The procurement of rice up to 12th November, 1953 when the Government of India stopped it amounted to 16,500 tons. Actual deliveries so far have been 9,898 tons and the rest is still with the purchasing agents. The procurement of gram and barley for the austerity provisioning scheme for hill districts and eastern districts is, however, continuing and up to 12th November, 8,843 tons of gram and 7,728 tons of barley were procured.

TIN PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, 1*st December*

The feature in the metal market during the week was increased activity in tin and an impressive rise in quotation. This was due to the expectation that the International Tin Conference might succeed in fixing a world price for tin, although America would not agree to this, because it stood to gain by entering into individual agreements with its main suppliers, i.e., Bolivia and Malaya. The proposal to build a buffer stock of 25,000 tons has been mooted in this Conference, and if this is accepted by the participating countries, its creation would require 18,750 tons to start with. This prospect could not but influence market trend, because if such a huge quantity were lifted there would be no surplus problem for this year at least, but an immediate tightness could result. There was keen activity in the local market, and the price at one time was higher at Rs. 429, as against the opening of Rs. 421. Consumers were not prepared to support the rise, and the price receded to Rs. 423. Mercury was quoted at Rs. 525, but business passing was little. Encouraged by foreign advices, electrolytic copper ingots gained from Rs. 162 to Rs. 164 and ready stocks continued difficult to locate. If the report that Chile would not place its copper in world markets, but would only sell to the United States, proves correct, world prices are expected to move up. The fire-refined material was priced at Rs. 149. Lead was quoted at Rs. 66 throughout. Electrolytic zinc eased to Rs. 53 from Rs. 54-8.

SUGAR SLIGHTLY EASY

(From Our Own Correspondent)

BOMBAY, 3*rd December*

Following expectation of large arrivals from northern and Deccan factories in the next few days, the Bombay sugar market exhibited slightly easy conditions during the week under review. The expectation was based on the Government of India's announcement releasing for sale the entire production of sugar in the mills upto the end of November during the current season. For want of support, therefore, sugar prices tended to decline. In the forward section, *magsar* delivery lost a rupee to Rs. 83-12 per bag. *Kartik* delivery was squared up at Rs. 85. *Posh* delivery was quoted at Rs. 84-12. In the ready section, large grain sugar was lower at Rs. 97, as against Rs. 98 last week. Small grain sugar was quoted at Rs. 91. Last week, this variety was not quoted, as no stocks were available. Medium grain sugar, however, was fully steady at Rs. 95. Some business has been reported in the current season's Deccan sugar at Rs. 92 to Rs. 93 per bag ex-mill. Imported sugar was subjected to heavy selling pressure, the rates for British and Mexican refined sugars being Rs. 84-12 per bag of 224 lbs. and Rs. 40-12 per bag of 110½ lbs., respectively.

It is reported that the Union Food Ministry has purchased 15,000 tons of East German sugar and 2,000 tons of Czechoslovakian sugar at £34-10 and £35-15 per long term, c.i.f., Bombay, respectively.

TEAS STRONG

(From Our Own Correspondent)

CALCUTTA, 1*st December*

Tea prices during yesterday's export auctions, when offerings consisted of 58,000 packages, made further impressive gains. Demand was strong, and buyers

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,176	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	112	*00	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				59½	50	0 3	0 3	0 3	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	107½	50	6 0½	6 0½	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	135½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
1,38,375	54,00,000	63,200	Bank of Indore	40½	25	3 0½	3 0½	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	35,334	Bank of Jaipur	18½	10	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	28½	100	16 0½	16 0½	16 0½	8 0(i)	12	Y.
50,00,000	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8½	2 8	2 8	2 8	6	Y.P.T.
59,99,150	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.
15,00,000	16,50,000	9,244	Canara Banking Corporation Ltd.	85	50	3 0½	5 0½	5 0½		12	Y.P.
10,00,000	10,00,000	9,244		64	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	67½	25	3 8	3 8	3 8	0 12(i)		
82,42,375'A'				25	10	1 8	1 12	1 12		12	Y.
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	2 0	4 0	4 0		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	68N	20					12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	10	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	11½	50					9	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0½	6 0½	5 0	5 0	6.12	R.L.H.
5,75,000	6,35,00,000	37,39,076	Imperial Bank of India	1,840	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,37,50,000				460	125	20 0	20 0	20 0	10 0(i)		
24,00,000	73,50,000	1,04,201	Indian Bank	174	100	12 0½	12 0½	12 0½	6 0(i)	6.12	R.L.H.
16,00,000				141½	85	10 3½	10 3½	10 3½	5 13 5(i)		
15,40,000			Indian Overseas Bank	99	60	7 3½	7 3½	7 3½	3 9 3/5(i)	12	R.L.H.
48,98,423	19,00,000	1,89,917		94½	100	5 0½	6 0	6 0			
6,25,000				73	100(A)	7 0	8 0	8 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				34	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,608	Punjab National Bank	201	25	4 0	4 0	4 0	1 0(i)	12	Y.
1,90,00,000	17,50,000	37,630	Travancore Bank	12½	25	—	—	—	—	12	Y.
48,00,000	30,00,000	2,06,135	Union Bank of India	6-4½	5	0 5	0 5½	0 5½		12	H.
8,00,00,000	75,00,000	1,01,119	United Commercial Bank	38	50	2 0	2 0	2 0		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-3-3	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	14†	14†	16†	7†	12	R.L.Y.
$5,00,$20,000,000	U.K. $96,000,000	U.K. $9,489,174	Hongkong and Shanghai Banking Corporation	£88½	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,936	£16,000,000	£418,242	Lloyds Bank	£2-17-6	£1	12†	12†	12†		12	R.L.Y.
£371,094				£14-6-3	£1	5†	5†	5†		12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24	A £12½	12	12†	14†	7½(i)	12	R.L.Y.
£300,000				£24	B £12½	12	12†	14†	7½(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£32½	C £8	12†	12†	14†	7½(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency. (i) Interim. *8 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
2,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	104	1st April .. 1956-61
83,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
6,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	102½	1st January .. 1967-72
13,68,000	5½		Dyehree Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950 96	31st March .. 1963
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102½	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940 100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949 94	31st December .. 1964
6,35,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950 102	1st January .. 1978
25,00,000	4	30th June and 31st December	Gauripore Electric Supply Co., Ltd.	1945 86	31st December .. 1970
15,00,000	5	1st January and 1st July	Bihar (Dhertab) Electric Supply Co., Ltd.	1951 96	30th June .. 1970
4,93,000	5½	1st January and 1st July	South Madras Electric Supply	1940 97	1st October .. 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939 94	 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1st July .. 1957-62
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	15th September .. 1951-55(f)
47,73,000	4	1st April and 1st October	Tata Power	1940 100½	15th September .. 1965-70
2,50,000	4	1st April and 1st October	Tata Power	93½	
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	1945 98	31st December .. 1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1928 99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942 102	1st July .. 1957-62
£1,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936 £93½	31st December .. 1966(f§)
10,00,000	4	31st May and 30th November	Kumarshubi Engineering Works Ltd.	1946 88	31st May .. 1961
1,30,00,000	3	1st April and 1st October	Tata Locomotive	1950 100½	1st October .. 1960-65
40,00,000	4	31st December	Textile Machinery Corporation Ltd	1950 93½	31st December .. 1960
JUTE					
42,00,000	4½	1st October and 1st April	Agarpara	1939 99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939 98	30th June .. 1956(a)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945 90½	31st December .. 1966
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940 99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945 89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949 91	31st July .. 1959(e)
10,69,000	5	30th June and 31st December	Chitavalpah Jute Mills	1951 97	30th June .. 1963
8,86,000	5	30th June and 31st December	Empire	1951 95	15th July .. 1966
85,00,000	5½	1st January and 1st July	Hukumchand	1947 93½	30th June .. 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949 98	31st December .. 1964
83,00,000	5½	30th June and 31st December	Naihati	1952 98	31st March .. 1967
5,00,000	5½	31st March and 30th September	Nasharpara Jute Mills Co., Ltd.	1947 98½N	30th March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939 93	14th November .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945 88	31st December .. 1964
8,00,000	4	30th June and 31st December	Prinsep	1948 93	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950 96	5th September .. 1963
8,00,000	4½	14th March and 14th September	Soorah Jute	1937 96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937 97	30th June .. 1937(d)
10,00,000	5½	31st January and 31st July	Waverley	1925 84	31st July .. 1960(a)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936 86	1st July .. 1956
6,80,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945 99½	1st November
4,50,000	4½	1st January and 1st July		1900 £61½N	At 105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October	Calcutta Tramways	1933 £77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945 89	31st December .. 1959
4,200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90½N	
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 100	1st January .. 1945-59
1,89,700	5	31st March and 30th September	Teekoy Rubber Estates	1944 100	31st March .. 1949-59
50,000	5	30th June and 31st December	Waterfalls Ltd	1943 101½	1st January .. 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1948 101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 96½	30th June .. 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1913 92	In February .. 1964
21,55,000	4½	1st July and 1st January	Clive Buildings	1936 88½	1st July .. 1956
80,00,000	4	15th March and 15th September	Dalhousie Properties	1946 87	15th September .. 1960
5,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946 79½	 1960
1,30,00,000	5	1st January and 1st July	Danlop Rubber	1950 102½	1st January .. 1971
80,00,000	5	15th March and 15th September	Mentor Chemical Industries	1949 94	 1964
39,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 470 (per note)	30th September .. 1978
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Martcell and Barry Ltd.	1951 90N	1st April .. 1971
1,90,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 93	31st March .. 1961
1,80,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946 84½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953 103½	1st May .. 1968

Note—See page 1082 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd December, 1953.

—	Closing quotations 26-11-'53	High	Low	Closing quotations 3-12-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155½	156	155½	155½
Bank of Baroda (50)	108	107½	107	107½
Central (25)	64	64½	63½	63½
Imperial (P.Pd.) (500)	1,832½	1,855	1,831½	1,855
Imperial (P.Pd.) (123)	460	460	458½	458½
Union Bank (5)	6¼	6-5½	6-4¼	6⅛
United Com. (50)	37½	38½	37½	38
COTTON MILLS				
Ahm. Adv. (100)	133½	135	133½	133½
Apollo (2)	2⅛	2-15/16	2⅛	2
Bombay Dyeing (250)	394½	406½	395	404½
Central India (100)	170	170½	168½	175
Century Mills (100)	290	297	291½	291
Colaba (100)	73	73	67½	67½
Edward Textile (200)	260	—	—	260
Elphinstone (50)	44½	44	43½	44
Finlay (100)	265	270	263	268
Gokak (100)	251	261	249½	256
Ind. Unit. Deri. (1)	1-11⅛	1-11⅛	1-10⅛	1-10⅛
Ind. Unit. Ord. (10)	11½	11-9/16	11⅛	11⅛
Indore Malwa (100)	100	105	100	102½
Khatau (100)	195	198½	194½	197½
Kohinoor (100)	297½	304½	294½	301
Lakhani (250)	562½	562½	560	561½
M. R. Cotton Mills (100)	55	57½	55	56½
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	100	—	—	141½
Morarji (100)	195	195	188½	188½xd
Mysore (50)	140	141½	139½	139½
New Great (100)	164	170	164	170
Pandit (100)	121½	—	—	167
Podar Mills (100)	136½	—	132½	121½
Ramson Silk (10)	19	140	—	136½
Ramson Spg. (10)	27	—	—	19
Shahpur (1,000)	1,415	28½	27½	28½
Simplex (50)	154	—	—	1,415
Svadesh (100)	265½	160	154½	159½
Swan (100)	330	272½	266	271½
Tata M.L. (25)	50	342½	330	342½
Vichan (100)	132½	52½	49½	52½
Western India (1,000)	3,550	152½	150	150
		—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	113⅛	114⅜	113⅛	114⅜
Amalgamated (10)	11½	—	—	11½
Andhra Valley (1,000)	1,300	1,257½	1,250xd	1,255
Bom. Sub-El. (100)	124½	127½	122½	123½
Surat (100)	127½	—	—	127½
Tata Hydro (100)	135xd	138½	136½	138½
Tata Power (1,000)	1,400	1,405	1,362½	1,367½xd
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	630	630	618½	620
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	6½	6-9½	6½	6-9½
New India (15)	39½	40	39½	39½
Oriental (200)	6,900	6,920	6,900	6,920
Universe (10)	8½	—	—	8½
Vulcan (10)	11½	—	—	11½
STEAMER COS.				
Scindia (15)	15-12½	16½	15½	16-4½
STEEL COS.				
Ind. Iron (10)	25½	26-9½	25-11½	26-9½
Tata Steel Defd. (30)	1,962½	2,036½	1,963½	2,030
Tata Steel Ord. (75)	337	349	336½	347
MISCELLANEOUS				
Alcock Ashdown (100)	327½	332½	326½	330
Associated Cis. (100)	183½	189½	184	187½
Belapur Sugar (5)	263½	274	263½	265
Bom. Burmah (125)	353½	367½	353½	357½
Do. (New) (50)	125	129½	125	129½
Br. B. Petrol (4 sh.)	2⅛	2-2⅛xd	2-0⅛	2-0⅛
Br. I. Corpn. (5)	9½	9½	9	9
Indian Copper (5 sh.)	2-1⅝xd	2-2½	2-1⅛	2-1⅛
Ind. Inv. Tr. (100)	21	21	21	2-1⅛
Port Canning (100)	29	29	27	67
Premier Cos. (50)	102½	114	102½	113½
Shirvajee (10)	69	70½	67½	69½
Tata Chemicals (10	10⅜	11½	10⅜	11⅜
Tata Oil (25)	34	35	33	34
Walchand Ind. (100	148½	162½	148½	158½
W. I. Match (100)	198½	200	198½	200

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	98⅜	—	3.60	98⅜
2½% 1955	98⅛	—	3.44	98⅛
2½% 1960	90⅛	—	3.88	90⅛
2½% 1961	93⅜	—	3.91	93⅜
2½% 1974	91⅛	—	3.91	91⅛
3% 1957	82⅛	—	3.92	82⅛
3% 1958	98⅛	—	3.44	98⅛
3% 1959-61	98⅛	—	3.41	98⅛
3% 1964	96⅞	3.74	3.56	96⅞
3% 1965-85	92⅛	—	3.84	92⅛
3% 1966-68	92⅝	3.91	3.78	92⅝
3½% 1970-75	90⅛	3.98	3.87	90⅛
3½% 1946 Con. Loan	86⅛	4.11	3.92	86⅛
3½% 1954-59*	81⅜	—	6.66**	82
4% 1960-70	100⅛	3.32	3.46	100⅛
4% 1955-68	101⅜	3.70	3.85	101⅜
4½% 1958-68*	102⅛	2.94	4.02	102⅛
5½% 1961 N.P. Bonds	103	3.40	4.03	103
	99⅛	—	3.67	98⅛

BRITISH GOVERNMENT SECURITIES	26-11-53 £	High £	Low £	1-12-53 £
3½% Brit. Consols	65	65⅛	64⅜	64⅜xd
3½% Savings Bonds 1955-60				
3% War Loan 1955-73	89⅜	89⅜	89⅛	89⅜
2½% War Loan 1952	101⅜	—	—	101⅜
3½% Brit. Iron and Steel 1976-78	85⅛	85⅛	85⅛	85⅛
4% Funding Loan 1960-90	94⅛	94⅛	94⅛	94⅛
	101⅛	—	—	101⅛

x.d.—Ex-dividend. ** Current Income. * Rupee Counterparts. x.r.—Ex-Right.

COMMERCE

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

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MORTGAGING THE FUTURE

ONE more long speech on the problem of unemployment has been delivered. This happened last week-end. The place was the House of the People and the speaker was the Minister for Planning, Irrigation and Power, Mr. G. L. Nanda. Only a fortnight before, Mr. C. D. Deshmukh, Finance Minister, had stated the official reading of the situation in a very comprehensive manner. Nothing has happened since then to deserve another official exposition of the problem. To many this may appear to be too minor a point, which it undoubtedly is, generally speaking, to be mentioned in these columns. There is, however, a reason why we give so much prominence to it. This endless talk is a typical instance of the leisurely manner in which the problem of unemployment, which in reality is the same old problem of economic development of the country, is being tackled. There is a sense of urgency in the speeches made by most of our Ministers, but it is conspicuous by its absence either in their policies or actions. The result is that more words, instead of persons, are being employed. That seems to be the only solid achievement of this country ever since the problem of unemployment raised its head and drew the attention of the public. In saying this, we do not deprecate discussion of the problem. What we deprecate is too much discussion and too little action. Too much talk on the self-same problem, it is needless to add, tends to cloud and confuse the real issue. This is exactly what seems to be happening.

So obsessed have some become with the problem of unemployment that the urge to provide short-term, non-enduring solutions at the cost of the chief objectives of the Five-year Plan has become strong among officials. Take, for instance, the Government's new legislation in regard to payment of compensation to workers who are retrenched or rendered idle for some reason or other. Both Mr. Deshmukh and Mr. Nanda opposed the Communists' demand in Parliament for the creation of a fund of Rs. 50 crores for giving out doles to the unemployed. They did so on the ground that distribution of doles would not meet the situation facing the country and that no reward could be given for idleness. Is not payment of compensation to workers retrenched analogous to giving out doles? After all, in both cases, the expenditure involved is unproductive. The only difference here is that, instead of the State paying out doles, the employers (that is, investors) are asked to bear the burden. If payment of this compensation is sought to be defended on grounds of social justice, then why not accept the demands of the Communists?

The primary object of compelling employers to pay compensation for retrenchment, however, is not aimed at providing social justice to industrial workers but to deter employers from lightly resorting to retrenchment. This is quite clear from the statement of the Labour Minister in the Council of States on Wednesday this week. In other words, the Government does not wish to see the problem of unemployment aggravated by industries retrenching surplus labour. This is understandable and it may have the desired effect. But what about its repercussions on future trend of employment? As we have ere now pointed out, it will have a dampening effect on fresh employment opportunities and thereby act as a deterrent to the realisation of the objectives of the Five-year Plan. It will make our economy even more rigid than at present, in that employers will be chary of expanding their activities even when market conditions turn out to be favourable, because of the fear of having to pay compensation to workers, if a set-back were to occur again.

To give another instance of the type referred to above. Mr. Nanda has been saying in recent weeks that the Planning Commission has been reconsidering the river valley projects and other irrigation schemes, in the light of the need for providing employment to the unemployed. By this he means that the employment potential of the big river valley projects even during the period of their execution should be expanded by reducing the use of mechanical power in favour of manpower. It seems from Mr. Deshmukh's speech in Parliament on 22nd November, 1953, that even he concurs with this view in a way. But this is a very short-sighted view. In the first place, execution of river valley projects will not provide employment of a permanent and durable nature. Secondly, the main objects of river valley projects are to provide, (a) motive power which will lead to increased industrialisation, (b) water for bringing vast waste lands under cultivation and (c) shelter against flood damage which has been of a colossal nature. It is the realisation of these objectives that will provide sustained employment at a high level of wages and increase the real wealth of the country. If these very desirable and eagerly longed for objectives are to be realised as quickly as possible, it is obvious that the river valley projects should be completed with great speed, skill and efficiency. It is also necessary that expenditure on these river valley projects should be kept at as low a level as possible, so that the cost of power and water could be maintained at economic levels. The importance of this aspect of the issue cannot be overemphasised. Most of the river valley projects are in areas which are either undeveloped or underdeveloped. The capital cost of developing these areas will be very heavy and special incentives will have to be offered to *entrepreneurs* to migrate to these areas and take an active interest in developing them. It will, therefore, be essential to keep down the water and power rates at attractively low levels.

If Mr. Nanda's proposal to increase the employment potential of the river valley projects during their construction stage were to be implemented, the achievement of the aforesaid objectives would be greatly delayed and become costly. The availability of manpower in abundance is not an adequate reason for bringing about this undesirable result. Mr. Nanda himself has admitted, albeit on an earlier occasion, that there is not enough trained labour in the country that can efficiently do the work involved in the construction of huge river valley projects. Again, the benefits assured to labour are so many that the wage bill will be enormously high. In view of all this, what is required is the use of machines to the maximum extent possible, so that a permanent and enduring source of employment can be created as rapidly as possible and at the cheapest cost that can be had. To ignore this consideration is to advocate a retrograde step. It will mean mortgaging the future for the present. But we are afraid it is useless to try to convince Mr. Nanda and those who think like him of the advantages of resorting to mechanisation in the execution of irrigation and power projects and the disadvantages of employing more manpower in the execution of these projects. For they argue that finance is not the problem and that cheapness is not everything. In fact, in his speech at the symposium on river valley projects held during mid-November, Mr. Nanda was reported to have said that the case for mechanisation should be based on stronger ground than mere economy and that it was essential that available manpower should be made the best use of. If this principle is going to be the basis of the Government's policy on all major economic issues, as it seems to be, then this country will do well to realise that it cannot achieve in 10 years what other countries have achieved in 100 years.

The present unemployment problem is due as much to long-term factors such as growing population and arrested economic growth of this country over a very long period as to short-term factors such as defective fiscal and labour policy of the Government, recession in business activity, failure of monsoons in certain parts and excessive rains in other parts of the country, and several impediments to production discussed in these columns last week. To the extent the latter factors have accentuated the unemployment problem, a perceptible improvement in the situation can be brought about if the Government acts quickly on the lines advocated by us in our last issue. As Mr. Nanda is aware, the relief given to the textile industry early in November has improved the position in the textile industry and the cloth market to some extent. Here is an instance of what relief in taxation can do. If similar measures were taken, the prospects for employment would improve to a far greater extent than they would through measures taken to support uneconomic means of production and to compel employers to tolerate a state of affairs in which productivity per worker is low. The solution for unemployment caused by long-term factors lies in resolutely implementing the big projects envisaged in the Plan for developing our latent resources and in taking appropriate measures for restricting the growth of population.

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FOOD AND AGRICULTURE MINISTRY

MANY fundamental issues have been raised and some far-reaching recommendations made by the Estimates Committee (Chairman: Mr. M. Ananthasayanam Ayyangar) which examined the working of the Food and Agriculture Ministry. The Committee finds that the administrative set-up of the Secretariat of this Ministry has been "created haphazardly on an irrational basis" and that there is "considerable duplication of work and overlapping of

functions." The Committee considers that some sections—the Ministry consists of 28 sections, in all—are "redundant" and could be abolished without any adverse effect on the efficiency of the Secretariat as a whole. It has, therefore, recommended, in some cases, the abolition of certain sections and the amalgamation, in certain others, of two or more sections into one. Since each recommendation has been backed by authentic evidence of redundancy, duplication and waste in expenditure, it is to be hoped that action on the lines suggested by the Committee will not be delayed by the authorities.

Economy measures, however, are not the only recommendations; nor are they the most important. The Committee has examined the work of the different research institutes under the control of the Ministry and has made a number of very useful suggestions. Referring to the work of the Forest Research Institute, the Committee says:

"The Institute has been in existence for nearly half a century and the expenditure (including non-recurring expenditure) on it is of the order of Rs. 41 lakhs per annum during recent years. The Committee, however, feels that the Institute, well-equipped as it is both in men and material, is not producing results of practical commercial utility commensurate with the enormous expenditure that has been incurred on it. Undue attention has been given in the past to researches of fundamental nature, of academic interest only, rather than to researches which are productive of results of practical and commercial utility aimed at enriching the forest wealth of the country. It is, indeed, regrettable that, even in cases where applied research had been initiated, little has been done to carry out the same to the developmental stage in order to assess their economic potentialities. To cite a few instances: the manufacture of camphor from *Ocimum (Tulsi)*, of starch from tamarind, the treatment of timber and bamboos against damage by insect pests, unfavourable weather and fire. Unless applied researches which promise to show practical results are 'followed up,' the continued existence of a costly Forest Research Institute will be hard to justify."

This is a powerful indictment of the work of the Institute and one which seems fully justified, in the light of the evidence adduced. The Committee rightly insists that while "beautiful buildings, costly equipment, big insect collections and museums may be fascinating and a source of pride," the country expects some "tangible results of economic utility." Indeed, this sentiment is repeatedly expressed and rightly forms the basis of the Committee's approach to the problems handled by the Ministry. Few will cavil at this approach, when it is realised that the plant and equipment, valued at Rs. 15 to Rs. 20 lakhs, imported four years ago by the Institute's authorities from foreign countries for the manufacture of paper, "have not been installed, and, in fact, some of the machinery has not even been unpacked."

The Committee has made three important recommendations in order to improve the Institute's work. In the first place, it urges the research officers to "devote more time to researches of applied nature" and the Government to provide facilities in order to determine whether the results are "commercially exploitable." Allied to this suggestion is the Committee's recommendation that the President of the Forest College and Research Institute should be a technical man, and not a non-technical man, as now. Secondly, it urges closer association of the industrial sector with the Institute. Thirdly, it urges reduction in expenditure per student in the Forest College. The annual expenditure per student comes to Rs. 6,675 and the students are charged Rs. 7,000 for the two-year course. This expenditure is certainly on the high side and the fees are much higher than for any other professional course of studies in the country. It rightly urges that admission should be made through open competition. This will attract the best students to the college and, if the level of fees, as the Committee suggests, is kept within the "reach of persons of average means," it should be possible for the college authorities to attract really able young men in the country.

Research in fisheries, as is well known, is now part of the work of the Agriculture Ministry, to which this task has been assigned on the ground that a well developed fishery industry will reduce the country's dependence on agriculture for all its food requirements. The research work on fisheries is now carried out through the Central Inland Fisheries Research Station, Barrackpore, Central Marine Fisheries Research Station, Mandapam, and Deep-sea Fishing Station, Bombay. The Committee finds that the work of the Barrackpore Research Station has suffered through "lack of adequate equipment and trained personnel," and of the Mandapam Institute through "limitations of finance and equipment." The Government will, it is to be hoped, remedy these defects. But the Committee's findings in respect of the work of the Deep-sea Fishing Station are really disturbing. It would appear that there is "practically no off-shore or deep-sea fishing in the true sense of the term or in any scale of commercial importance." It quotes the opinion of Dr. Hora, Director, Zoological Survey of India, who, in the course of his evidence submitted to the Committee, emphasised that deep-sea fishing in India was neither economical nor practical in the present circumstances. It would appear that the tropical seas are deeper than the North Sea where deep-sea fishing operations are successful, and also that the Indian seas contain far too many varieties of fish to build a regular canning industry. Although the Committee admits that it has not examined the whole subject in all its aspects, and that it, therefore, hesitates to come to the conclusion that deep-sea fishing should be abandoned altogether, it seems necessary that the whole scheme should be examined by the Government, in view of the strong views on the question expressed by the Director of the Zoological Survey of India.

Among the research institutes which come within the purview of the Food and Agriculture Ministry, the Central Rice Research Institute, Cuttack, established in 1946, is certainly one of the most important, in view of the fact that rice constitutes the weakest link in the country's food chain. But the Institute is a comparatively minor affair, financially speaking, for it costs the country less than Rs. 3½ lakhs a year, as compared with the recurring expenditure of over Rs. 15 lakhs on fisheries research, and of over Rs. 33 lakhs on forest research. Other research schemes, less essential from the point of view of immediate urgency to the country's national economy, claim and also receive larger funds. No wonder that the Committee finds that the Institute is "inadequately equipped in many respects." The Committee quotes, in this connection, the opinion of Mr. Stanley Clarke, who was deputed by the Australian Government in 1952 to investigate the supply of technical equipment from Australia under the Technical Co-operation Scheme. Mr. Clarke wrote:

"There is a strong bias towards higher university education and large and imposing institutions, irrespective of whether they are the most important needs of the country. On the one hand, there was the contrast of the new National Physics Laboratory costing £900,000 including an auditorium capable of seating 850 people. This Laboratory has been designed and staffed largely for fundamental work. On the other hand, there is the Central Rice Research Institute at Cuttack, completely starved for funds, working in old farm buildings with most inadequate equipment."

This is a sad, but true, commentary on the way research is being handled in this country. Although it might be wrong to describe the Central Government's research efforts as a costly show, all stage-managed for important visitors, there is no doubt that the country expects the Institutes to be more realistic in their work, if only to escape the charge that they are only costly appendages to the Government.

The Committee has examined the issues which arise out of the conduct of agricultural research in this country. The Indian Council of Agricultural Research (I.C.A.R.) was, as is well known, conceived as an apex body for the examination of all research schemes. The I.C.A.R. has an Advisory Board, a Governing Body and several scientific committees. These scientific committees, which are primarily responsible for the detailed examination of the schemes submitted to the Council and also for the review of the progress report of the schemes, meet for ten or fifteen days before the annual meeting of the Advisory Board and the Governing Body. The Estimates Committee rightly feels that, within the "limited time" at their disposal, these committees can hardly do "full justice to the schemes by conducting a detailed examination." In these circumstances, the I.C.A.R. cannot possibly exercise, in a satisfactory manner, its functions as a co-ordinating agency for agricultural research. In order that the I.C.A.R. may satisfactorily discharge this function, the Committee has recommended that this body should "periodically review the progress of work of all Research Institutes, with a view to assessing whether the nation's money is being well laid out and the schemes are yielding satisfactory results." The Committee has also suggested that the "Boards of Research and Extension, as also the Scientific Committees, should meet more frequently to scrutinise schemes and also to assess the results achieved." Some of the other valuable suggestions made by the Committee are: (1) prize awards should be made for the best research work; (2) the Vice-President of the I.C.A.R. should be an agricultural scientist; and (3) research results should be published in non-technical language for the benefit of the lay public. There is no doubt that, when these well-thought-out suggestions are implemented, the I.C.A.R. will attain its rightful place as the chief source of inspiration for agricultural research and the value of its contribution towards increasing the productivity of our land will considerably go up.

RAJASTHAN'S TAX PROBLEMS

ALTHOUGH the commercial bodies keep the Press informed of the representations they make to the Taxation Enquiry Commission, the State Governments and the quasi-governmental institutions, like the local bodies, do not seem to have cared to do so. The State Governments have certainly got something to say on this all-important question of the revision of the tax system in India. They are vitally concerned in this matter, for recent fiscal experience has shown that the States would find it extremely difficult to meet the financial requirements of the developmental programme. And it is, therefore, essential that the State Governments should let the public know their attitude towards fiscal reform.

In a way, the memorandum submitted by the Rajasthan Government to the Commission, a brief summary of which has appeared in a section of the daily Press, strikes one as eminently realistic and, at the same time, a model for similar representations by other States. The memorandum makes certain general observations, which are noteworthy, and also deals, as is only to be expected, with certain special problems of that State.

An equally realistic note is sounded on the question of prohibition. It says that the "moral gain," if any, achieved by the measure bears "no comparison" with the loss of revenue which could otherwise be utilised in "benficent activities designed to improve the general standard of living." Again, it is noteworthy that the memorandum recommends "complete uniformity" in regard to all aspects of the levy of sales tax—the system, the rate and exempted goods. It recommends centralisation of sales tax and distribution of the revenue from this source among the States. It is recognised that, if the matter is left to the States for decision, the "desired amount of agreement might be difficult to attain." This is by no means a new suggestion. Only, the willingness of the State to surrender its autonomy to the Centre, as far as the subject is concerned, is really commendable, for it obviously stems from larger considerations of general welfare of the country.

Referring to local finance, the Government says that local bodies should be given power to impose taxes on succession to property, estate duty, sale or purchase of newspapers, advertisement tax and terminal tax on goods or passengers carried by rail or road. These subjects, according to it, should be transferred from the Union to the State list or a "reasonable" share of the revenue from these sources assigned to local bodies on the basis of population.

The Rajasthan State Government, it is stated, raises more than 70 per cent. of its revenue from taxes. It would appear that there is no scope for expansion of taxation. Surely, a State like Rajasthan, which has not thrown away excise revenue, has greater right to complain of paucity of tax resources than many other States which have sacrificed revenue at the altar of moral reform. It is, however, recognised that the State can look forward to increase in revenue through land revenue, royalty, betterment fees and capital gains taxes when the projects, such as the Bhakra-Nangal and Chambal, are completed, and mineral resources of the State (mica, gypsum, etc.) are exploited. The State complains, in this connection, that the royalty fixed by the Central Government is too low for the State to get an adequate income. This deserves to be examined by the Central Government. But the State Government will, on its part, do well to see that the royalty rates are not fixed—at least, in the initial stages—at a level which will discourage prospecting and exploiting of new areas.

SHARE MARKETS STILL GOING STRONG

CUT IN BANK RATE UNLIKELY—INDIA TO IMPORT CUBAN RAW SUGAR

THURSDAY, 5 P.M.

THERE has been no important change in the undertone of share markets. The strong tone witnessed in the past few weeks still continues. This is particularly so in regard to Tata Iron and Steel shares. At one time during the week, there was a fair amount of profit-taking by the bulls, but towards the close there was a swift recovery, with the result that the closing rates of both the Deferreds and the Ordinaries are higher than those a week ago. Indian Irons, however, are a shade lower, following heavy liquidation by the speculator who was reported to have accumulated several lakhs of these shares. Knowledgeable circles feel that the decline of a few annas in the value of this scrip is negligible as compared with the large volume of sales that had taken place. Textile shares are a shade quiet, but this does not mean that there has been any perceptible change in the sentiment of operators in this section. Among miscellaneous scrips, Bombay Burmahs have been the favourite of the market this week. There are some who believe that this scrip will be one of the few that will take the place of Tata Deferreds when they are extinguished. B.B. Petrols have returned to the limelight again, on rumours that the Company has succeeded in finding a great fortune in oil somewhere in Africa. National Rayons have managed to retain the affection of a large body of speculators. There are strong reports that the Company will be in a position to pay the maiden dividend this year, market expectations varying between Rs. 8 and Rs. 10 per share. Some of the popular scrips such as Belapurs, A.C.Cs. and Scindias have registered minor losses.

MARKET GOSSIP

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The general trend of the Calcutta Share Market also is cheerful, though turnover is tending to diminish somewhat. Jute shares have hardened further, following the revival of upward trend in gunnies. The possibility of Russia buying Indian tea has imparted fresh strength to tea scrips. Even coals and some of the engineering shares which had remained neglected all these days have been experiencing bargain hunting. There have, however, been no special features in the miscellaneous section which in Calcutta is a much bigger one than in Bombay.

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Although the overall picture of share markets is optimistic, it would appear that much of the rise in equity values in recent weeks is due to speculative activity. This is not to suggest that the appreciation that has taken place is not warranted. But the rise has been rather too rapid and it must be well digested before the markets move up again. A continuous rise in values, it is needless to add, will make the markets unhealthy.

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One of the reasons for textile shares being a shade quiet is the unloading by some of the institutional investors. It is understood that one of the small insurance companies, for instance, sold large blocks of Kohinoors, in order to book the profit and show a better balance-sheet as at the end of the year. A big insurance company is also believed to have realised its profit on a substantial holding of Tata Steel Ordinaries. If, however, this development is not reflected in their value, it is evidently because of the large volume of speculative activity that is going on in them. The *Mahajan* market has already started trading in them on a large-scale in the place of Tata Deferreds. Most of this business is in the nature of options, which, though absolutely illegal, is still flourishing. Another reason for the firmness of these shares is the keen avidity with which a leading firm of brokers, having good connections, bought them to-day.

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Liquidation of investments in equities by insurance companies is quite understandable. In the current year, there has been keen competition among these companies for business. Despite the fact that rebating by insurers is illegal, it is common knowledge that this evil is very widespread. Naturally, some of the insurers must have tried to make profits in other ways. Booking the capital profit in their investments is one way. According to some in the market, quite a few insurance companies are said to have been dabbling in shares.

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There are reasons to believe that the present upward trend in equities is being utilised by some of the leading former rulers of (Indian) States to liquidate their holdings. Unlike in the past, their income from equities is now subject to super-tax. It is but natural, therefore, that they should cut down these holdings to the minimum, for the larger the income from equities, the higher will be the super-tax. It may be asked as to what the Princes will do with the proceeds of these sales. They will most probably invest them in Government securities, as the interest on these are exempt from both income-tax and super-tax so far as they are concerned. Thus, the Government of India's new interpretation of an understanding with the Princes, arrived at during the war years in regard to taxes on their income, promises to bring a sizable measure of support to the Gilt-edged market.

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There have been strong rumours of a reduction in the Bank rate before the year runs out. These rumours started first in Calcutta. They can, of course, be neither denied nor confirmed by official circles. At best, one can only state one's views on it. In our opinion, there is no justification whatever for lowering the Bank rate. There is no business recession in the country now. Bank credit is freely available and the rates of interest are not high. Nobody but speculators stand to gain by a reduction in the Bank rate at present. Moreover, much of the value of a change in the Bank rate will be lost, if it is made at a time when everybody expects it and thereby the change ceases to be a surprise. Since the advantages to be derived by an alteration in the Bank rate are mostly psychological, the change must be sudden and unexpected. In fact, so long as people act in expectation of a reduction in the Bank rate, there is no need to reduce it at all, for nothing much will be gained by doing so. In a way, therefore, rumours of a cut in the Bank rate suit the monetary authorities; they can sit quiet and watch the fun. These rumours, for instance, have not only toned up the equities but also the Gilt-edged market. Nowadays, there are no sellers in the Gilt-edged market. All the securities are well held. The Reserve Bank has been successful in selling quite a few crores worth of short-medium- and medium-dated loans at fractionally higher rates. The Imperial Bank of India alone is reported to have absorbed a couple of crores of 3 per cent. 1958.

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The Food Ministry of the Government of India, according to reliable reports, proposes to import raw sugar from Cuba. It is at present said to be sounding the trade and sugar millowners. The tentative programme of the Government is to import at least 30,000 tons. The cost of this sugar at present is £30 per long ton, c.i.f. Bombay. This raw saw sugar will have to be refined by the sugar factories and then released for consumption. We are told that the Government has no objection to the millers regarding the Cuban sugar refined by them as part of their production for sale in the free market. Apparently, the Government feels that this method of importing sugar will be cheaper than importing refined sugar at present.

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This new move by the Government seems to have perturbed some of the sugar factories in the Deccan. They feel that it will be cheaper for the U.P. and Bihar factories to buy the unrefined Cuban sugar, process it and sell it in competition with the Deccan factories. The cost of production of these factories is believed to be considerably higher than that of their Cuban confreres. It is not known to what extent this fear is justified, because the cost of moving unrefined sugar from the ports to the factory sites in U.P. and Bihar must be quite substantial. Further, if the factories in the Deccan, which grow their own cane requirements on scientific and modern lines, were to find it difficult to compete with Cuban sugar, the cane-growers in U.P. and Bihar would be hard hit to a much greater extent. It is unbelieveable that Mr. Kidwai will even dream of doing something which will place the cane-growers in his home State in a very disadvantageous position.

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A keen debate is, however, going on in the sugar trade on the merits and demerits of allowing imports of raw sugar to be refined in India. Those who are opposed to such imports make the following points:

Sugarcane growing will suffer a serious setback, especially in the U.P. and Bihar. The farmers in these States will be forced to bring more land under foodgrains. The State Governments will lose a part of their revenue by way of cane cess. Even the sugar factories in the Deccan will suffer hardship, as they will not be able to stand the competition from refined sugar out of the imported product. State trading in imports of sugar will be perpetuated, which will, at some time or other, clash with the interests of private enterprise in sugar industry and trade.

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Those who support the Government's move feel that it will have a salutary effect on sugarcane growers in U.P. and Bihar. It will compel them either to improve their efficiency or to switch over to other cash or foodcrops. It will help the industry to utilise its present idle capacity. It will enable at least a section of the industry to remain profitably employed after the crushing season is over. This will benefit not only the factories but also the workers employed by them. The consumer, too, will be assured, they contend, of regular supplies of cheap sugar throughout the year.

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Some notable movements of capital from London are expected to take place in the next few months. In the last two months, Pakistan, Ceylon and Kenya have contacted the British authorities in order to arrange for substantial loans in London. Pakistan has been given a £10 million loan by the British Government. But the British authorities, it would appear, hold the view that the sterling countries should, generally speaking, raise their requirements from the capital market itself. Thus, the U.K. Government has permitted Ceylon to raise a loan of upto £25 million sterling within the next three years. Malaya is expected to raise a £6½ million loan in London in the near future. Kenya is another country which is in the queue for raising a loan in the London market. It may be recalled that the Commonwealth Economic Conference stressed, last year, the need for Britain to provide the finance for Commonwealth development. The flow of capital from the U.K. has not been significantly large. This is attributed to the fact that the British investors have, in recent years, felt that political conditions in some Commonwealth countries, notably South Africa, are not very favourable for fresh investment. Again, they have been deterred from making investments in Australia, which was formerly considered a good field, by the difficulties experienced by certain industries in that country and also by fears of devaluation of the Australian pound.

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The U.S. has, as is well-known, been saying for some time past that, if other countries do not have the dollars with which to buy its surplus products, it will be prepared to sell them against the currency of the importing countries. The Export-Import Bank loans and outright aid are some of the techniques which the U.S. has adopted to enable the countries, short of dollars, to buy their requirements of American goods. The latest technique is that of authorising the foreign countries to pay for American produce in their own currencies. Reports from Washington suggest that several deals, on the basis of this new currency arrangement, are likely to take place in the near future under the guidance of the U.S. Foreign Operations Administration (F.O.A.). The F.O.A.'s (not to be confused with F.A.O., a U.N. organisation) planning target calls for the shipment of $130 million of commodities to Europe; the U.K. alone is expected to take up 45 per cent. of the total amount. Oilseeds interests in this country will be interested to know that the U.K. will acquire, under this arrangement, $8 million worth of American lard, and Germany $5 million worth of soyabeans and cottonseed oil. France too is expected to apply for cottonseed oil. Other prospective transactions include cotton to France and wheat and barley to Japan. The U.K. will buy $5 million worth of prunes. These are only a few of the commodities the transactions of which are now forecast; they will be followed by sales of a similar nature in due course.

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The economic impact of these transactions has, naturally enough, occasioned a lively controversy in the British Financial Press. To the raw material producing countries, the F.O.A.'s operations must mean reduced markets for their own surplus products. Even to the importing countries, the advantage of this arrangement is somewhat obscure. It is asked, for instance, why the U.K. should buy American goods—these goods have become unsaleable because of the U.S.'s unrealistic farm price support policies—and thereby divert its import trade from its normal sources (generally Commonwealth countries) to the U.S. Again, many feel that, if the U.K. has the sterling to pay for its imports from the U.S., it could as well spend it in buying Commonwealth products, for that will enable the Commonwealth countries to acquire the necessary purchasing power with which to buy British goods. Again, the purchase of Commonwealth goods is free from the restrictions which attach to the purchase of American goods, namely, that the American goods should not be resold and that a portion of the goods should be carried in American vessels.

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Some of these criticisms have been answered by those who support the new approach in the U.S. foreign economic policy. It is thus contended that the F.O.A's operations are not intended to disrupt normal economic channels. It is pointed out that there is a statutory mandate forbidding sales by the U.S. that would disturb the buying country's usual pattern of imports from the U.S. and other countries and that the F.O.A. could not approve of a sale that would cut into normal shipments by the U.S. or any of its allies. Incidentally, it is not clear whether this clause will entitle India to protest against any possible ill-effects that the U.S. sales operations might have on India's export trade with the countries to which the U.S. is prepared to send its surplus products. Be that as it may, there is not much force in these criticisms, for there can be no export of these goods by the U.S. without adversely affecting the exports of other countries in such goods.

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The criticism that the country which buys American produce under the plan will, in any case, have to spend its own currency and that the arrangement constitutes no additional advantage to the country concerned has been countered by the argument that the U.S. will utilise the currencies so acquired to promote the defence effort of the countries themselves. It is thus argued that the arrangement will, in fact, result in a gift to the buying country. Explaining the significance of this arrangement, Mr. R. Maudling, Economic Secretary to the British Treasury, said that it was not true that the U.K. was buying American commodities "simply because the payment asked for is in sterling, not dollars." He added that it was a "gift," inasmuch as the sterling proceeds would be made available by the U.S. to the U.K. Government "primarily for the support of the U.K. defence effort." But it is not clear whether other countries will get this advantage.

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These innovations in payments arrangements cannot, it should be clear, provide a permanent solution to the problem of farm surpluses, whether in the U.S. or in any other part of the world. In this connection, an interesting suggestion for the establishment of buffer stock schemes for primary commodities in order to even out short-term fluctuations in commodity prices has been made by Professor A. J. Brown, Leeds University, in the current issue of the *District Bank Review*. Prof. Brown says that the demand for primary commodities is too volatile to be controlled by monetary means. Monetary stabilisation, he says, can most easily be thought of as depending upon buffer stocks operated by an authority who would buy or sell at prescribed

(*Continued on page 1131*)

UPWARD TREND IN SHARES HALTED

TEXTILES REACT

(From Our Own Correspondents)

BOMBAY, *10th December*

THE rising *tempo* in the share market noted for some weeks past having persisted, equities touched the week's highest on the opening day. The sharp rise attracted profit-taking and, therefore, a moderate reaction was noticed in the two subsequent sessions. Equities disclosed minor losses over a broad front. Since yesterday, however, under the influence of several helpful factors, the market has resumed its upward trend, with the result that steel shares have recovered a portion of the losses suffered early. In the textile and miscellaneous sections, as operators were inclined to be cautious, the shares lacked strength and values were generally a shade lower. The undertone of the market, however, remained steady.

In fairly large and active dealings, equities displayed a very cheerful sentiment on the opening day of the week. Under the inspiring leadership of Tata Defds., on which the bulk of the activity was focussed, the main body of shares touched fresh high levels, Tata Deferreds reaching a peak of Rs. 2,047-8. The sharp rise, however, lacked follow-up. A spell of scattered professional selling and profit-taking which followed caused almost the entire list to wilt. Advices from Calcutta also assisted the downward trend which continued till Tuesday, in which process, a considerable part of the previous week's gains was wiped out. During the last two days, however, the sentiment changed for the better. Under the lead of steel shares, recovery gathered momentum on active short-covering and speculative support, induced by better advices from Calcutta, strength of commodity markets and better outlook for cotton textiles.

Despite the mid-week recession, steel shares were in good form, favourably influenced by the production results of the Tata Iron and Steel Co. and the Indian Iron and Steed Co. for the month of November. The output of steel by Tatas amounted to 68,400 tons, a drop of 100 tons from that in October. However, considering the fact that November was a shorter month and the output during that month was a near record for the current financial year of the Company, the results were considered good. The output of steel by the Indian Iron and Steel Co. in November amounted to 32,970 tons, an increase of 1,740 tons over that for the previous month. On the Stock Exchange, Tata Defds. opened the week at Rs. 2,031-4 and soon made a strident advance to Rs. 2,047-8. In the subsequent reaction, the shares were taken down to Rs. 2,005 on Tuesday, before rallying to Rs. 2,041-4 to-day, in sympathy with Tata Ordinaries and on heavy short-covering. The closing was a fraction lower at Rs. 2,040. Tata Ordinaries were marked down from Rs. 347 to Rs. 340-8, but rebounded to close at Rs. 349-8, on considerable support from professionals. Indian Irons disclosed a loss of but As. 4 at Rs. 26-5½, although they had touched a low of Rs. 25-11½ earlier.

In tune with the general upward trend during the earlier part of the week, textiles, suffered a setback, but towards the close the report that export of cloth during November reached a monthly record high of 68.7 million yards for the eleven months of 1953, revived a mild buying support which did not help the shares to make good the earlier losses. The export figure for November was better than the previous record of 64.5 million yards touched in May, 1953, and brings the total for the eleven months to 623.7 million yards, as against 553.9 million yards for the corresponding period of last year. Bombay Dyeings dropped from Rs. 404-6 to Rs. 395, but gained ground to Rs. 402-8 at the close. After moving down from Rs. 301 to Rs. 292-8, Kohinoors recovered to Rs. 297, but drifted at close to Rs. 295-12. Central Indias disclosed a loss of Re. 1-8 at Rs. 173-8, Centurys Rs. 5 at Rs. 286. Finlays Rs. 7-8 at Rs. 260-8. Gokaks Rs. 6-8 at Rs. 249-8 and Indores Rs. 2-8 at Rs. 100.

A rise of Rs. 2-8 to Rs. 40-8 in United Commercials was the highlight in an otherwise featureless banking section. Early in October last, the shares had stood at Rs. 36 and since then they had been slowly creeping up before staging a sudden rise this week, as stated above. Imperial Fully Paids were up by Rs. 5 at Rs. 1,860. Contributories were unchanged at Rs. 458-12.

In the insurance section, Orientals were favoured on expectations that the mutualisation proposal would soon materialise. Consequently, they appreciated by Rs. 180 to Rs. 7,100. New Indias attracted support at Rs. 39-12 and went up to Rs. 41-8. British India Generals were quiet at Rs. 13-2 and Vulcans at Rs. 11-2.

Electricity shares came under selling pressure and quite a few shares showed losses. Ahmedabad Electrics declined by As. 15 to Rs. 113-12 and Amalgamated by As. 13 to Rs. 10-7. Andhra Valleys moved down by Rs. 10 to Rs. 1,245, their Rights by Rs. 2½ to Rs. 197-8 and Coupons by Rs. 6 to Rs. 39. Tata Powers dropped Rs. 10 to Rs. 1,357-8, their Rights Rs. 8-12 to Rs. 262-8 and Coupons Rs. 3-4 to Rs. 51. Tata Hydros were steady at Rs. 139, while their Rights lost Rs. 2-8 to Rs. 29 and Coupons Rs. 2 to Rs. 9.

Barring a few select scrips, the miscellaneous shares, as a group, were quiet. A.C.Cs. were uninspiring, recording a drop of Re. 1 to Rs. 186-4. Belapurs reacted from Rs. 265 to Rs. 261-8. Bombay Burmahs receded from Rs. 357-8 to Rs. 351-4 early in the week, but rallied to Rs. 362-8 on strong speculative support. Scindias declined from Rs. 16-4½ to Rs. 15-12, but closed a shade better at Rs. 16.

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Calcutta Stock Exchange

CALCUTTA, *8th December*

An irregular tendency was displayed on the Calcutta Stock Exchange during the week under review. Earlier in the week, the volume of transactions showed an impressive increase, quotations being marked higher, but subsequent profit-taking reduced gains. Teas, however, came to the limelight again and prices improved. The inclusion of tea as an item of export to Russia in the Indo-Soviet Trade Agreement was welcomed, and traders expect that Russia would buy more tea from this country than usual. In addition to this factor, the improvement in prices during the export auctions, coupled with the stronger demand, made tea shares all the more attractive. Coals were an interesting section this week, and this was so, not because there was any interesting development in the export market, but because some of the counters, which had touched very low levels in recent weeks, were considered "good buy," and in the result an upward movement set in. Jutes were, however, noted for their lethargy and this was due to the wide fluctuations in the prices of jute goods, mainly sacking, and also to lack of sufficient business with foreign buyers. No doubt, prospects for the jute industry were never in question, but fears were entertained from the unhealthy movement in prices which kept off foreign buyers. Jute trade circles feel that prices of jute goods should not be permitted to move up, so that opportunity would not be afforded to Continental producers to undercuote Calcutta.

There have been encouraging signs of the revival of outside buying support, with the changed outlook for jute, tea and cotton textile industries and allied activities. The Government's attempts to create more employment opportunities in order to lessen the rigours of the unemployment problem mean, directly and indirectly, more industrial activity. However, whether there would be a marked increase in investment activity in the country remains to be seen.

In the coal section, Burrakurs were raised from Rs. 8-13 to Rs. 9-6, but subsequently receded to Rs. 8-12. A strong feature was Dhemo Mains which, at Rs. 9-14, recorded a gain of As. 11. East Indians rose from Rs. 24-15 to Rs. 25-14. South Karanpuras hardened to Rs. 10-14, and Ranegunges, although lower at Rs. 11, were, nevertheless, steady.

Although support to jute shares was restricted, the section was not devoid of features. The limited buying, as witnessed this week, should be considered only a temporary phase as more demand for jute goods is expected and it is possible that more production would be needed. This expectation should have cautioned the more prudent holders who refrained from making offers and it was noted that some quotations not only maintained recent gains but touched higher values. Thus, Deltas were priced at Rs. 233, Barnagores at Rs. 164, and Indias at Rs. 131. Howrahs were held at Rs. 25-4, while Kinnisons, after being lower at Rs. 201, gained to Rs. 205.

Mixed conditions were in evidence in the engineering section, where Indian Irons, after being higher at Rs. 25-12, eased to Rs. 24-15. On the other hand, Texmacos were further taken up to Rs. 9, but to-day's closing was at Rs. 8-15. Burn & Cos. gained Rs. 2 to Rs. 340. Jessops were fractionally lower at Rs. 25, as were Indian Standard Wagons at Rs. 66. Kumardhubis changed hands at Rs. 8-6 and Marshalls were wanted at Rs. 6-4.

The tea section recorded an impressive increase in the volume of transactions and several features were provided. There was, however, occasional profit-taking and some of the recent gains were partially lost. Thus, Patrakolas came back from Rs. 175-8 to Rs. 170, Hantaparas from Rs. 190 to Rs. 188, and Gungarams from Rs. 225 to Rs. 223. Although there were no spectacular rises in the miscellaneous section, rates were more or less maintained. B.I. Corporations changed hands at Rs. 9-7. Rohtas Industries were wanted at Rs. 10-2.

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Madras Stock Exchange

MADRAS, *8th December*

The Madras Stock Exchange revealed a steady trend during the week. Textile scrips continued to be active with favourites receiving major attention of the operators. This was because of persistent encouraging advices from the piecegoods markets. Among plantings, teas proved to be the bright spot on support by operators induced by improvement in the prices of tea leaves at the recent London and Calcutta auctions. Rubber shares came in for selective enquiry, as operators were hesitant to commit themselves on conflicting rumours about floating stocks of rubber. Activity in coffee scrips was checked on disappointing dividend announcements by Coffee Lands and Consolidated Coffees and reduction in the price of coffee. Miscellaneous scrips evoked little support.

Favourites among textile scrips came in for some enquiry. Buckinghams shot up from Rs. 126 to Rs. 129 and Bangalore Woollens from Rs. 285 to Rs. 287-8. Venkateshas and Coimbatore Pioneers were higher by Rs. 2 each at Rs. 77 and Rs. 27, respectively.

Among plantings, teas were in good demand. Devasholas advanced from Rs. 19 to Rs. 20, thereby registering a gain of Re. 1 over the week. Haileyburlas and Peermades rallied As. 8 each to Rs. 14 and Rs. 27-4, respectively. Udayagiris put on a similar amount and finished at Rs. 8. Parksides gathered As. 6 to Rs. 15-10. Twyfords and Nonsuch Teas gained As. 4 each to Rs. 12-12 and Rs. 31, respectively. Waterfalls improved from Rs. 3-11 *cum-div.* to Rs. 3-15 *cum-div.* The Directors have proposed to issue bonus shares at one share for every two shares held. Nelliampathy were done at Rs. 2-5 *cum-div.*, as against Rs. 2-5½ *ex-div.* The Directors have maintained the dividend of 12½ per cent. on ordinary shares for the year ended 30th June, 1953.

In the rubber section, Travancore Rubbers put on As. 6 to Rs. 14-4 and Teekoys an anna to Rs. 7-10. Cochin Malabars were done higher at Rs. 7-1, as against Rs. 7. Rajagiris changed hand at Rs. 10-14, *ex-div.*, as against Rs. 12-8 *cum-div.* Malanakaras, however, lost As. 8 to Rs. 108-8.

Coffee scrips presented an easy trend. Coffee Lands were enquired at Rs. 9 *cum-div.*, as against Rs. 10-13, *ex-div.*, on the announcement of a lower dividend of 3 per cent. for the year ended 30th June, 1953, as against 9 per cent. in the previous year (free of income-tax in both cases). Consolidated Coffees changed hands at Rs. 17-2 *cum-div.*, as against Rs. 18-2, following the announcement of a dividend of 15 per cent. for the year ended 30th June, 1953, as against 18 per cent. in the previous year (free of income-tax in both cases).

In the miscellaneous section, Rallis declined from Rs. 67 to Rs. 64. Deccan Sugars (Rs. 25 paid-ups) eased from Rs. 22 to Rs. 21-8. F.A.C.Ts lost As. 5 to Rs. 3-9 and India Cements As. 2 to Rs. 15-4.

IRON AND STEEL PRODUCTION IN NOVEMBER, 1953

The output of iron and steel by the Indian Iron and Steel Co., Ltd. and Tata Iron and Steel Co., Ltd. during November, 1953, as compared with the previous month is as follows:

	Indian Iron		*Tata Iron*	
	Nov. 1953	Oct. 1953	Nov. 1953	Oct. 1953
Pig Iron ...	61,240	55,880	100,300	99,500
Steel Ingots ...	41,550	30,670	95,800	94,000
Steel ...	32,970	31,230	68,400	68,500

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NEWS IN BRIEF

THE twenty-first annual general meeting of the Employers' Federation of India will be held at Bombay on 17th December, 1953. Sir Homi Mody will preside over the meeting.

The Madhya Pradesh Government has exempted agricultural associations from payment of sales tax on sales through cotton pools of improved varieties of cotton upto 28th February, 1954.

Between 15th August 1947 and 15th August 1952, 399 miles of new railway lines have been laid in India. The longest lines are the Hadgaon-Adilabad line 76.31 miles and the Assam rail link 76.24 miles.

The all-India second estimate of sesamum, 1953-54, puts the area at 4,393,000 acres, as against 4,219,000 acres in the corresponding adjusted estimate of last year, thereby showing an increase of 174,000 acres or 4.1 per cent.

The Air-India International Corporation has received a loan of Rs. 25 lakhs from the Government of India to finance part of the expenditure on the purchase of two super-Constellations for the Corporation's overseas service.

The all-India first estimate of *bajra*, 1953-54, puts the current year's area at 26,514,000 acres, as against 23,154,000 acres in the adjusted first estimate for 1952-53. This shows an increase of 3,360,000 acres or 14.5 per cent. in area over 1952-53.

The Government of Madras will take up a comprehensive land reform Bill after the Malabar Tenancy Bill now pending before a Joint Select Committee is disposed of. The Committee's report will be ready for presentation to the legislature at the next session.

An international planning team of seven foreign experts has just undertaken a study tour of India, at the invitation of the Government of India, in order to assist the Government in drawing up a programme of development for village and small-scale industries in the country.

The Public Relations Officer, Income-tax Department, Bombay, notifies that the instalment of advance payment of tax under section 18A—more popularly known as "Pay as You Earn Scheme"—falls due on 15th December, 1953. All those assessees on whom notice has already been served, are requested to make the payment on or before the due date.

The special committee appointed by the Rajasthan Government for the fixation of ceilings on agricultural holdings has decided to make an assessment of what should be an economic holding for an average family, before determining the ceilings. Accordingly, it has set up a six-man subcommittee to go into the whole question and make sample spot surveys of villages in selected areas.

With effect from 1st April, 1952, interest on post office savings banks accounts, standing in the joint names of two depositors, both of whom are living, is admissible, under the usual conditions, at the rate of two per cent. per annum, on balances not exceeding Rs. 20,000 and at the rate of one and half per cent. per annum on the remainder of the balance, not exceeding the prescribed maximum limit.

The Textile Export Promotion Committee will be inaugurated in Bombay on 18th December, 1953, by Mr. T. T. Krishnamachari, Minister for Commerce and Industry. The functions of this body are: (1) to conduct market research, (2) depute trade representatives to important markets, (3) appoint correspondents in less important places and (4) take necessary steps to institute systems of inspection.

A *communique* issued by the Food and Agriculture Ministry, Government of India, says that State Governments have sufficient stocks of fertilisers in their depots and the Centre also have stocks at Bombay and Sindri to meet all demands from States. This *communique* is a sequel to complaints of shortage of fertilisers received from different parts of the country.

The Government of Mysore will constitute shortly a State Industrial Finance Corporation in Mysore. The Government of India has expressed its readiness to give financial assistance for the establishment of the Corporation, in accordance with the general policy enunciated recently. Structural details of the Corporation will be furnished to the Government of India in due course. The Corporation will start functioning within the next one or two months.

The final agreement between the Government of India and the West German steel firms, Demag and Krupps, on the proposed Rs. 72-crore steel plant, is expected to be signed about the middle of this month in New Delhi. The final recommendation on the site will be made by the two firms after a second and a larger team of German experts, expected in India in January, scrutinises all factors, such as the availability of raw materials, iron ore, labour conditions and transport facilities.

The Kunzru Committee which has been appointed to enquire into the prevalence of corruption on the railways, and started functioning since October last, has almost completed the first phase of its work. Comprehensive questionnaires have been sent out to State Governments, Railway Administrations, Labour Unions, etc. About 3,500 copies have had to be issued to meet demands from individuals and organisations interested in rail transport. The last date fixed for the receipt of replies is 31st December, 1953.

The Government of India sanctioned, in the month of November, a sum of Rs. 6,50,020 under the Subsidised Industrial Housing Scheme, 1953-54, for the construction of 404 tenements. Of this amount, the Mysore Labour Housing Corporation will get Rs. 2,48,400, divided equally as loan and subsidy, to build 92 one-room single-storey tenements at T. Narasipur for the workers of the Mysore Silk Filatures Ltd. A subsidy of Rs. 27,120 has been sanctioned to Messrs. Jenson and Nicholson (India) Ltd. for constructing 48 two-room single-storey tenements near their factory premises at Naihati (West Bengal). The Rohtas Industries Ltd., Dalmianagar, Bihar, and the Praga Tools Corporation Ltd., Hyderabad (Deccan), will secure grants of Rs. 2,82,500 and Rs. 92,000, respectively, for building tenements near their factory premises at Dalmianagar and Secunderabad. In both these cases, the subsidy has been calculated at 25 per cent. of the total cost of construction and the loan at 37½ per cent.

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From Abroad

The Ceylon Cottage Industries Department is expected to buy Indian spinning frames worth Rs. 20 lakhs for producing yarn out of locally grown cotton.

Exports of wheat and wheat flour from Canada during the crop year 1952-53 amounted to 385.9 million bushels (in terms of wheat), second only to the record of 407.6 million bushels exported in 1928-29 and some 8 per cent. above those of 1951-52.

The B.O.A.C. plans to open a new Comet service from London to East Africa next April when, for the first time, jet-liners will operate to and from Nairobi. Services will be twice weekly in each direction between London and Nairobi and calls will be made at Entebbe.

The U.S. Government will be faced with a deficit of at least $7,500 million next year, unless expenditure is cut, according to the Under-Secretary of the Treasury. The deficit can be as much as $9,250 million, he estimates, if Congress refuses to extend the corporation and excise taxes.

According to reports reaching the U.S. Department of Agriculture between 300 and 500 million lbs. of surplus milled rice will be available for export from Pakistan's rice crop in 1953-54. Rice acreage in Pakistan has steadily increased in recent years, and the weather this season has been generally favourable.

Canadian wheat supplies in 1953-54 will amount to 966.5 million bushels, an increase of 61.4 million bushels over those in 1952-53, if the current forecast of production is realised. The supplies during 1953-54 will be the second largest on record, being exceeded only by those of 1942-43 when they reached 980.4 million bushels.

The Foreign Operations Administration, U.S., has made two allotments to Britain for an aggregate sum of $55 million for purchases of agricultural commodities, including cotton and dried prunes. One allotment of $35 million will be for providing dollar funds for various agricultural commodities including cotton. The other allotment is to be used only for purchase of surplus American agricultural commodities.

The Government of Ceylon has reduced the price of sheet rubber to local producers from Re. 1-20 cents fixed earlier to Re. 1-10 cents for R-M.I.A. No. 1 quality. Proportionate reductions have been made in the case of lower grade sheets. These prices will be effective from 21st December, 1953. The new prices are aimed at checking producers from switching over from crepe rubber to sheet rubber.

The General Services Administration, the buyer of crude rubber for the U.S. stockpile, has decided to give immediate consideration to the recommendations of its Rubber Advisory Committee, which met on the 2nd inst., to examine the U.S. stockpile rotation policy. This policy has been attacked both in the U.S. and the rubber-producing countries of South-East Asia.

PERSONAL

MR. B. N. Nanda, Indian Commissioner-designate to the West Indies and British Guiana, sailed for Trinidad on Friday last.

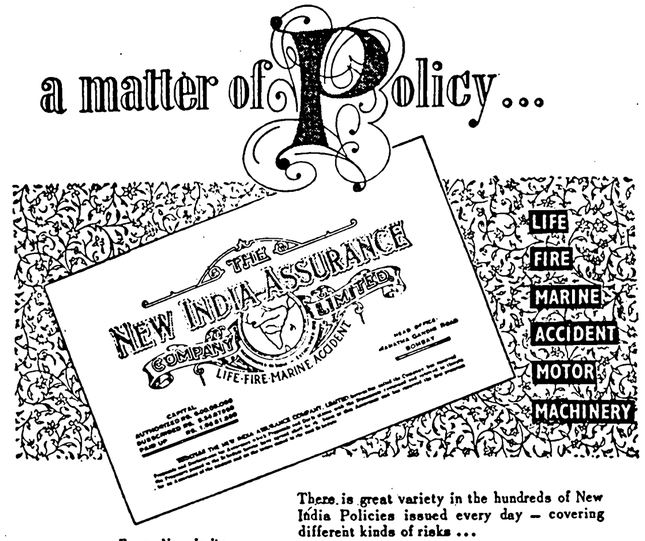
Mr. C. B. Marshall, Vice-President of the Standard-Vacuum Oil Company, arrived in Bombay from London on Tuesday this week.

Mr. V. P. Varde, Managing Director, The Bombay State Co-operative Bank Ltd., Bombay, who had been to Geneva to attend the meeting of the Experts Committee of the I.L.O. on Co-operation, has returned to Bombay.

Mr. M. N. Dalal, an industrialist of Bombay and Chairman of the Motor Vehicles Taxation Enquiry Committee, has been appointed Sheriff of Bombay, in succession to Dr. K. A. Hamied.

Mr. Chintaman Deshmukh, Finance Minister, Government of India, will lead the Indian delegation to the Commonwealth Finance Ministers' Conference to be held in Sydney on 8th January, 1954. The other members of the delegation are: Mr. M. V. Rangachari, Joint Secretary, Ministry of Finance, Mr. J. J Anjaria, Economic Adviser to the Finance Ministry, Mr. S. Boothalingam, Joint Secretary, Commerce and Industry Ministry, Mr. V. Doraiswamy, Under-Secretary, Finance Ministry, and Mr. Ramaswamy of the Reserve Bank of India.

a matter of Policy...



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LABOUR POLICY

IF reports from New Delhi are to be believed, the Planning Commission seems to be convinced that all is not well with the present labour policy of the Centre and the States. It is actually reported to have entrusted a Committee of Central Government Secretaries with the task of conducting preliminary enquiries into the effects of the policy on industrial costs and employment. Although belated, this action is welcome. For it is common knowledge that too much emphasis on welfare aspects and a virtual neglect of the productivity of the worker in the recent labour legislations of the Centre and the States have done serious harm to industrial activity in the private sector. These have prevented the employers from taking risks more than they might otherwise have taken. The fear that wages might take up the greater part of shrinking profits, as a result of increased labour amenities, and the safeguards against retrenchment have restricted the scope of employment opportunities and discouraged risk capital. The trade unionists have taken a narrow view of the interests of the members of the trade union and have been endeavouring successfully to protect the rights of employed workers to the jobs they hold at present, without considering the effect of this policy on fresh employment and production costs. This has created a very anomalous situation. By preventing retrenchment in certain factories, for example, it may not be possible to run the factories as economic units and the only alternative in such cases is to close the whole show. This has already happened in several cases. Again, in the case of a bank which was formed recently by the amalgamation of four small units, the difficulty of retrenching about 800 surplus workers has defeated the very object of amalmagation, namely, the economic working of the bank.

It is, therefore, necessary that the whole labour policy should be reconsidered. It is true that the worker should be provided with a remuneration and facilities that assure him at least a reasonable standard of living. But this principle should not be carried so far as to increase production costs and to price the products out of the markets. In such cases, the only principle that should be followed is "what the traffic can bear" and not prescription of wage levels and other amenities which cut right at the root of the new industries and thus eliminate what little chances there might be for increasing employment in the country. It is also true that, where workers cannot be given a decent living wage, wage levels must bear a reasonable relation to the market value of the product of labour. At the same time, the return on investment should not be neglected. The problem, therefore, is one of striking the golden mean between the investors' and workers' interests. It is to be hoped that the Committee, which has been asked to examine the labour policy, will deal with all the aspects of this important problem.

LOWER TEXTILE COSTS URGED

Elsewhere in this issue, we have made a reference to the problem of promoting India's export trade in cotton textiles. It will be seen from that survey that, unless energetic and rational steps are taken to enhance the competitive capacity of India's cloth in world markets, the chances of the country maintaining a high level of exports are extremely slender. This is the view which is widely shared by practically all sections of cotton textile industry and trade. In the course of his address at the recent annual meeting of the Delhi Cloth and General Mills Co., Ltd., held in New Delhi on Sunday last, Lala Shri Ram, one of India's leading millowners and Chairman of the Company, clearly pointed out, for instance, that, "if we are to obtain the maximum possible advantage of our natural facilities in respect of cotton textile exports, it is necessary that we should bring down costs of production."

That the present structure of manufacturing costs in the cotton mill industry is unduly heavy is to well known to need special mention. Caught between high tax imposts, on the one hand, and series of official restrictions, on the other, not to speak of high labour charges and low productivity, the industry has not been able to reduce its production costs. At a time when new and vigorous efforts are being made by Governments in other countries to lower cost of production by giving active encouragement to their textile industry, restrictions continue to be placed in this country on the mills. How else can one explain the continuance of the "absolute embargo" on the setting up of new looms in mills? Lala Shri Ram did well, therefore, to draw particular attention to this aspect. Said he: " .... it is inadvisable to restrict the loom capacity of mills on the assumption that we shall cater only for the internal market and for a limited volume of exports. There is, in my opinion, no justification for an apologetic or timid outlook in this matter. This, however, has nothing to do with the problem of the handloom, which is an internal one."

It is not the restriction on loomage alone that is hampering the efforts of mills to reduce costs; there are the restrictions on the production of certain qualities of cloth and the imposition of a punitive cess. Lala Shri Ram felt that these restrictions were unwarranted. In his characteristic way, he remarked: "The cue has been taken by ignorant critics, and the country is inundated with self-contradictory propaganda, for example, asking mills to reduce prices and also complaining that mills are undercutting the handloom, or trying to restrict or handicap mills looms, on one side, and objecting, on the other, to the closing of mills."

Lala Shri Ram made a few notable observations on the problems of the handloom industry. He said:

"There was a substantial increase in the number of handlooms during the war; many of them, reportedly, were dummies for earning yarn quotas for the black market. The handlooms, which actually worked, had a good time, thanks to the shortage of cloth and the controls and various new burdens imposed on the mills. Easy money, as in other cases, demoralised the handloom weavers, whose old habits of work have been lost. They are unable to produce qualities comparable with mill products. Latterly, when the seller's market disappeared, the handloom was unable to adjust itself to the new conditions. I am confident, however, that a place can be found both for the mills and the handlooms (not for an unlimited number of either nor for dummy handlooms). While it is a matter of doubt whether and to what extent handlooms will benefit from the various levies on the mills, it is not a matter of doubt that, by adding to the costs of the mills, the result is an additional burden on the consumer, who can ill-afford it, because of his already low purchasing power."

Anyone who has cared to follow the developments in the sphere of cotton textile industry and trade since the war will fully appreciate Lala Shri Ram's contention that the net effect of the Government's textile policy is to add to the consumers' burdens. It is to be hoped that the Cotton Textile Enquiry Committee will take note of these observations and determine, in a dispassionate manner, the place of the mills, the handlooms and the power looms in India's national economy.

SOUTH-EAST ASIA'S RICE SURPLUS

The U.S. Agricultural Department has forecast a bumper rice crop in South-East Asia during the current season. The season's crop, taken together with the carry-over from the old crop, is estimated to provide for export in 1954 "quantities of rice sharply above those of the year before and considerably larger than in any year since World War II." The new crop of Burma is estimated to yield 1.5 million metric tons for export in 1954 and the carry-over supplies on 1st January are expected to be 600,000 to 700,000 metric tons. The large carry-over is based on expectations of a drop of one million tons in exports during 1953 as compared with that of the previous year. The 1953 crop of Thailand is expected to yield 1.4 million tons for export. The carry-over on 1st January, 1953, will be at least 400,000 metric tons. Rice exports of Thailand in 1953 will be less than 1.3 million metric tons. It is believed that Indonesia also will harvest a rich crop, leading to an exportable surplus running to several hundred thousand tons. Thus, the three larger rice exporters of Asia will have considerable quantities of exportable surplus. The rice importing countries also, with the single exception of Japan, are expected to have a good rice crop in 1953-54 and, consequently, their dependence on imports will be less marked. Japan will, however, import about 1,600,000 metric tons, that is, 700,000 tons more than the import target set last year.

The surplus rice position thus created in South-East Asia is already reflected in Asian markets. Asia's rice importing countries are determined to resist the purchase of old crop rice beyond their minimum requirements at the existing prices. The price at present is secondary to quality. And sales can be effected if shipments of acceptable quality can be obtained at current price levels, according to the U.S. Agricultural Department. But there is no surplus of good quality rice at all and present sales by Asian countries are, therefore, having little or no effect on the demand for U.S. rice. Nevertheless, the rice exporting countries of Asia, however, show no inclination to yield much in price or to meet the demand for re-conditioned rice. Rice imports by Japan—this is an important factor in the world trade in rice—will depend on the relative cheapness with which it can buy South-East Asian rice.

PLANS FOR EXPANSION OF TOBACCO DEVELOPMENT

The Indian Central Tobacco Committee seems to have drawn up an ambitious programme for developing tobacco cultivation. From the account given by Mr. Dimle, Chairman of the Committee at its ninth annual meeting held at Madras last week, it is clear that it is devoting considerable attention to the work of passing on the result of research to the actual field. In this connection, the Committee will be greatly helped by the success achieved by the Tobacco Research Institute, Rajahmundry, in some of its work. Thus, the Institute has worked out manurial schedules, and it is now possible for the Committee to recommend doses of fertilisers and the method and time of their application for the benefit of cultivators. A promising new variety—Chatham—which was under trial in the cultivators' fields, has shown encouraging results. Economic methods of curing with less coal have also been evolved. It is now proposed to invite ryots from each taluk to the Institute to watch the improved methods of cultivation adopted at the Institute farm. A demonstration unit from the Institute will also visit farmers' fields and conduct demonstrations on all phases of tobacco cultivation, handling and curing. This move will go a long way towards the development of tobacco culture in India.

In addition, the Committee has done well in adopting other measures calculated to help the development of tobacco cultivation. It proposes to hold crop competitions for flue-cured tobacco in East and West Godavari, Guntur and Mysore, and for bidi tobacco in Charotar and Nipani tracts of Bombay. Items of expenditure have been sanctioned for a number of approved research schemes. The *Hookah* and Chewing Tobacco Research Station will now be located at Pusa. Multiplication of bidi tobacco seeds, taken up at Anand, will be continued for a period of ten years. Similarly, extensions have been given to research schemes on bidi tobacco at Nipani (Belgaum) and *hookah* tobacco at Ferozepore. Investigations will also be conducted on the possibilities of growing flue-cured tobacco in paddy lands. Exploratory work on cultivation of high-yielding cigarette quality tobacco in four centres of U.P., and Jaffna variety in one centre in Travancore-Cochin State has also been undertaken under the ægis of the Committee. Popular pamphlets in regional languages will be published for the benefit of ryots to tobacco-growing centres. These measures are welcome and one would like to know from time to time about the progress made in each of the schemes. It is to be hoped that, at its next meeting, the Committee will review the progress so far made by it since its inception and thus keep the public informed of the extent to which the funds allotted to it have been usefully spent.

It is encouraging to note that the Committee has earmarked a sum of Rs. 1,00,000 for granting financial assistance to co-operative societies organised for tobacco growing and marketing. These societies can also get aid from the State Governments in the form of *taccavi* loans and credit from the Reserve Bank under certain conditions. While credit and assistance to the needy ryot are thus forthcoming, the State Governments should lose no time in diverting the aid where it is most needed.

A serious situation has arisen on account of accumulation of large stocks of Indian tobacco in foreign ports, resulting from unrestrained exports on consignment basis. The Committee, after examining the question, has recommended to the Government of India the imposition of a ban on such exports for a period of six months. Besides, it has decided to appoint an advisory committee to be in charge of the promotion of tobacco export to foreign countries. The decision is in accordance with the views expressed by the Commerce and Industry Minister at the recent meeting of the Export Advisory Council favouring the establishment of separate export councils for different commodities. Sales officers are also to be shortly appointed in the U.K. and on the Continent and in the Eastern countries for promoting sales of low grade tobacco lying unsold in this country. Meanwhile, the Committee has requested the Government of India to reduce the excise duty on low grades of flue-cured virginia tobacco with a view to stimulating the offtake of this variety. It has also recommended the abolition of the *ad valorem* export duty on cigars to give an impetus to increase exports of Indian cigars. These measures, if implemented vigorously, will surely give some benefit to the tobacco grower.

MR. KIKABHAI PREMCHAND

It is with deep regret that we record the sad demise of Mr. Kikabhai Premchand, a well-known figure among the city's leading commercial magnates. Although he lived, according to Indian standards, to a ripe age—he was 71 when he died last week—there is no doubt that the ranks of sagacious business leaders are so thin in this country that any loss from its ranks leaves a great void that cannot be easily filled. Born in April, 1883, Mr. Kikabhai was educated in St. Xavier's High School. But he obtained his real education in the hard school of experience, for he entered business early in life, and lived to make a real mark in that field. A Director of many concerns, including the company which owns this journal, and Chairman of the Industrial Investment Trust, which he started, Mr. Kikabhai won recognition both from the public and the Government as a leader of rare business acumen. Knighted in 1931, he became the Sheriff of Bombay in the following year.

Deeply religious in outlook, Mr. Kikabhai was known to spend long hours every day in prayer and worship. Many institutions have benefited from his munificence, the chief of them being the Sir K. P. College of Commerce at Surat, and the Sanatorium at Poona.

Mr. Kikabhai belonged to that generation of business leaders who have no love for a soft life and who believe in hard work, perseverance, thrift and wise investment as the chief economic virtues. Perhaps, he, like many other leaders of his generation, failed to acclimatise himself to the changes in economic thought in the last two decades. He was sharply—and understandably—critical of the Government's economic policies. But he was not, on that account, a gloomy prophet. It was only last year that he said he found it "hard to subscribe to the view expressed in certain quarters that the industrial outlook in India is bleak," and urged the Government to "adopt a more realistic policy towards industrial problems." If he was critical of the Government, he was equally outspoken against the activities of the operators in the city's markets, who, he urged on one occasion, should realise that "unbridled speculation leads to inevitable crash." He was essentially a believer in private enterprise and he made no secret of it either. "I do not despair of the future," he said, two years ago, "if only the Government would leave private enterprise to function as in the past." In his death, the city has surely lost a person who could expound the virtues of this most ancient economic philosophy with conviction, and with that all too rare quality nowadays, the courage of conviction.

STATE FARMS FOR JUTE

Eight State farms are to be established in the country for producing improved varieties of jute seed, it is learnt. This follows the recommendation of the expert committee appointed in March last to suggest ways of improving the quality of Indian-grown jute.

According to a Press Note issued by the Indian Central Jute Committee, the principal recommendations of the Expert Committee have been accepted by the Union Government, and a scheme has been drawn up on that basis. Three of the proposed State farms will be located in West Bengal, another three in Bihar and one each in Orissa and Uttar Pradesh. Interest-bearing loans are to be granted to the States for this purpose, and the initial losses are to be shared by the Centre and the States concerned equally.

It has been further decided to start a Centrally-financed farm under the Indian Central Jute Committee to produce a nucleus stock of seeds for distribution among the State farms. A three-year scheme has been decided upon to construct 8,200 new tanks and repair 4,300 old tanks for supplying retting water to jute-growers. The Centre has also agreed, it is learnt, to provide improved agricultural implements for distribution among the jute-growing States.

OFF THE RECORD

(By "ROVER")

ANY other authority, with the unenviable record of the State Government of Bombay in the field of providing electric power for the growth of industry, would have hesitated long before engaging itself in a fresh controversial issue of first class magnitude in this sphere. After the sorry mess it made in the case of the North Gujerat and South Gujerat Grid Schemes and the almost fatal crisis it created in the Bombay-Poona area, first by its inability even to understand the seriousness of the impending crisis and then in the handling of it, one would have hoped that some sane elements in the Cabinet would assert themselves and prevent it from taking up a stand with regard to the capacity of the proposed thermal station at Trombay, which might lead to a fresh, and perhaps more disastrous, situation than the one this area faced during the last two years. The economic loss resulting from this shortage of electric power as computed by one of the most competent economists in the country, comes to 100 crores of rupees. From this, one is led to conclude that either such elements do not exist in the Government or that, if they are there, they are powerless against the combined influence and authority of the wild ones, who, to satisfy their own unfathomable urges, are prepared to gamble on the rainfall year after year for several years.

The most amusing part of this controversy as to whether the installed capacity of the Trombay Station should be 50,000 kw. or 100,000 kw is the Bombay Government's confidence in its ability to complete the Koyna Project by 1957. Apart from this robust optimism based on no solid foundation, another point for my unstinted admiration in this Government's stand is the indomitable courage of conviction it is showing in flying against the considered advice of all those who have examined and studied this project in both its technical and economic aspects. It is no secret that the Government of India and the Planning Commission are for two sets generating 50,000 kw. Not merely the Tata group of hydro-electric companies who are putting up this project, but the Association of Electric Undertakings in the State are emphatically of the opinion that the capacity should be 100,000 kw. right from the outset. Technical experts here and those consulted abroad are unanimously for installing two sets. The industrial community in the area is clamouring for a higher margin of safety and considers the extra cost involved as not only justifiable but negligible in comparison to the risk involved. The World Bank after due examination has shown its readiness to finance the project as proposed by the Tatas. It takes a rare degree of courage to resist the combined weight of such authoritative opinion. It is a pity, however, that such robust optimism and such reckless courage are not yoked to a cause worthy of them.

Indo-Soviet Trade Pact

I wonder what has come over our once enterprising and well-informed business community after independence. I grant that the politicians and the officials between them have done everything they could, during these six wasted years, to kill the spirit of initiative and enterprise, which inspired it when the struggle for independence was being waged. This community now seems to have lost even the desire to study and evaluate important world economic currents and to keep itself well-informed about political developments abroad, which were likely to affect the pattern and structure of world trade and industry. Perhaps, the harnessing of our country's economy to that of the United Kingdom, which in its turn was intimately affected by international affairs, made it necessary for industrialists and business men in this country then to keep their eyes skinned to what was happening abroad. Now they seem to have become parochial in outlook and easily satisfied with their own limited concerns.

But for this indifference, very possibly engendered by having to work within the limits prescribed by controls and restrictions at every turn, the complete ignoring of the implications and possibilities of the Indo-Soviet trade pact by industry, commerce and the various forward markets would be difficult to explain. Except for some not very illuminating comment on it in the high-brow section of the weekly Press and a passing and almost casual reference to it in the rest of the newspapers, I have not seen even a slight ripple in the business world caused by this significant event. No business man I have come across, since this pact was concluded early last week, has so much as mentioned, or taken note of, it as a development which might have, in the long run, repercussions on the country's economy or our business relations with the outer world. What had led to this attitude, I imagine, was the general belief amongst business circles that trade between our country and any of those behind the Iron Curtain in Eastern Europe was possible only on a Government-to-Government basis and that private enterprise, as such, did not come into the picture.

Whatever be the genesis of this attitude, I suggest that somebody with a proper knowledge of politico-economic international affairs, should undertake a comprehensive study of the provisions of this new trade pact in terms of its effect, immediate and distant, on the country's industry and commerce and the part the business community could play in exploiting any possibilities it might open out for the country's trade. At the same time, one has not to lose sight of the debit side of the balance-sheet, in the form of any modification or deterioration, in our politico-economic relations with the Commonwealth and other sterling area countries and those having hard currencies. In any case, the business community in the country must arrive at a considered opinion about the various terms of the pact and the rather complicated machinery proposed in it for payment of goods exchanged under it, after noting the reactions of those abroad with whom it has been customary for them to trade for generations.

Rajaji's Ministership

Like King Charles's head, Mr. C. Rajagopalachari's name cannot keep itself, for one reason or another, out of newspaper headlines. Bengal and Madras have long been recognised as the problem States of the Union. They became all the more so after the last general election. Not unlike a prima donna, Mr. Rajagopalachari emerged (as some of his friends like to put it, he was bodily dragged) out of the last of his oft-repeated total eclipses, to save his home State from the political chaos it was threatened with. The Congress High Command, to put it mildly, was not very enthusiastic at the time about this reappearance of a top-ranking leader, who had, for all practical purposes, been banished from New Delhi a little while ago. Some shrewd observers of political affairs felt then that Mr. Rajagopalachari's come-back was motivated more by a desire to score a victory over the Party clique in New Delhi, which had found him inconvenient and incalculable, than by any real desire to save Madras. This sounded then as a cynical way of putting it, but these observers have now been fully vindicated by the very obvious reluctance of the Madras Chief Minister to quit office even after he has accomplished the ostensible purpose for which he gave up his cherished desire to study the scriptures in the peace and quiet of the beach at Madras. In fact, a situation has now arisen, when, perhaps, his lingering in office might create once again the same or a similar danger, which threatened his Party and the State of Madras, when he was invited to form the State Government.

In politics, time plays strange pranks with its victims. Its dispensations are often so full of irony that one is apt to turn cynical and view long-range human affairs with an unbecoming levity. Mr. Jawaharlal Nehru, the President of the Congress, had his own misgivings about so controversial, resourceful, clever and influential a figure as Mr. Rajagopalachari heading a Government in one of the most important States. These misgivings were not without a good deal of justification. In fact, but for Mr. Rajagopalachari's consummately skilful and stubborn lead, the State Governments would have easily fallen in line with many of the wise and long-range economic policies of the Centre. He often spearheaded the revolt of the States in this respect to the immense chagrin and discomfiture of the Central Finance Minister. In most cases, Mr. Rajagopalachari's stand was wrong and against the overall interest of the unity and economy of the country as a whole. The most charitable view critics can take of his attitude on such occasions in the past is that provincialism has always a greater pull for those who have to maintain their authority in the narrow sphere of State affairs and intrigues. Those not so generously inclined towards Mr. Rajagopalachari could claim, with some show of justice, that it was not a matter of choice between the State and Union interests for him at all but that what guided the Chief Minister of Madras in his subtle defiance of New Delhi many a time was to pay out old scores to men in the country's capital, who had manœuvred his exit from there so as to have smooth running for themselves and their group.

The passage of time has reversed the position completely. The Congress President required a lot of persuasion and pressure to agree to Mr. Rajagopalachari being asked to be the Chief Minister. He put forward certain conditions, which, he believed, would not and would not be satisfied. But the love for office and power amongst party groups in Madras was so deep-seated that these conditions were satisfied and there was no option left to Mr. Nehru but to agree to the highly undemocratic manner in which Mr. Rajagopalachari's return to active politics was staged. The irony of the situation lies in the fact that it is the same Mr. Nehru, who insisted on unanimity on the part of Congress legislators in Madras for Mr. Rajagopalachari's entry into the State Government by the backdoor, who is now valiantly prepared to stifle, by the sheer weight of his personal influence and authority, the majority opinion against the leader of the Congress legislative party there, to retain Mr. Rajagopalachari in office against all democratic principles.

This should not be interpreted, however, as implying that Mr. Rajagopalachari's continuing in office at Madras at present would not be in the interest of the State. Considering the motives activating his recent opponents, one must concede that, if Mr. Rajagopalachari quits office at this stage, reaction would be rampant in any new Government which might be formed there. All I want to imply is that this favourable aspect of the situation cannot, for the sake of intellectual and political integrity, be allowed to cloud the democratic principle involved in the bullying of a large group in a State legislature party set-up, by the head of the Party, as also to cover up the unpleasant fact that so long as Mr. Rajagopalachari is at the head of affairs in Madras, economic integration of the country will not be easily accomplished. The irony of the situation is tempered and even neutralised, to a certain extent, by the fact that it is equally humiliating for Mr. Rajagopalachari, who once forced New Delhi's hands to give its reluctant consent to his being Chief Minister because of the unanimity of his choice by the State Party, that he should to-day be reduced to seek support from the Party High Command for remaining in office against the wishes of a large section of his own erstwhile backers.—*All Rights Reserved.*

PLANNING MINISTER ON UNEMPLOYMENT

INDO-SOVIET TRADE PACT SIGNED

(From Our Own Correspondent)

NEW DELHI, 10th December

THE debates in Parliament this week were more of a routine kind, barring a few which were of a constructive nature. Mr. G. L. Nanda, Minister for Planning and Irrigation and Power, supplied some details in regard to the tackling of the unemployment problem. According to him, Government would not be influenced by any dogma or prejudice in their development policy which would be adjusted to changing conditions. It approached the subject from three angles: first to expedite the implementation of the development schemes which were already a part of the Plan; second, to undertake suitable revision and adjustments so as to strengthen and supplement the existing Plan at various points, and thirdly to propose new programmes for increasing employment, especially in urban areas. Out of the proposal to increase the target of the Plan by Rs. 150 to Rs. 175 crores, about Rs. 45 crores are earmarked for the rehabilitation of displaced persons over and above the balance of Rs. 6 crores in the existing Plan, particularly in the development of refugee townships which had now become centres of chronic unemployment. Road development has claimed Rs. 10 crores and other expansion schemes relating to Ports, Survey of India, etc., another Rs. 15 crores, in all Rs. 70 crores. Schemes likely to confer benefit on chronic famine areas are expected to absorb another Rs. 40 crores and about 12 States are likely to benefit from this allocation.

DELHI LETTER

Besides the above, State Governments were, according to Mr. Nanda, asked to consider additional schemes relating to small-scale and cottage industries, establishment of additional thermal capacity, road transport services, vocational and technical training. A sum of Rs. 5 crores is to be set apart from assistance to States in establishing State Finance Corporations, primarily for providing assistance to small-scale and cottage industries. Another sum of Rs. 2.5 crores is earmarked for the installation of thermal power sets. A new line of development proposed is to establish work camps in big irrigation and power projects where anyone willing to work can go for getting himself gainfully employed. With the co-operation of industry, arrangements are to be made for imparting practical training through suitable apprenticeship schemes.

Cottage and Small-scale Industries

Mr. Nanda's approach to the problem of cottage and small-scale industries is from the human angle. He stated that the Centre was determined to make full use of Rs. 15 crores originally allocated towards the expansion of cottage industries. In this connection, he mentioned the setting up of organisations like the *Khadi* and Village Industries Board and the Handloom and the Handicrafts Board. Perhaps, the development of cottage industries will be greatly facilitated by the present study tour undertaken by a team of seven foreign experts under the Ford Foundation scheme. This team is stated to be composed of experienced men, each an expert in his own line such as rural marketing, co-operative movements, technical know-how about small industries, etc. It will at first tour most of the Community Project centres, as well as some centres of specialised industries in East Punjab, U.P., Bihar and Bengal and, after a thorough study, will make recommendations for immediate action to deal with these problems. After this report, Government would be setting up a multi-purpose institute of technology for village and small industries. This institute will be entrusted with the task of conducting research directed towards solving technical problems related to production and business methods, undertake continuous market analysis of all effective demands, provide training to village artisans, organise marketing facilities and market news service, assist in obtaining investment opportunities and credit facilities and in developing co-operatives.

Rural Credit

Another highlight in Parliament debates this week was provided by Mr. A. C. Guha, Deputy Finance Minister, who revealed that Government was contemplating the establishment of an Agricultural Finance Corporation. He did not reveal details regarding the above, but pointed out, in the course of his speech on the Reserve Bank Amendment Bill, that Government desired to expand rural credit facilities and strengthen the existing organisations for this purpose. Under the existing provisions, the Reserve Bank, he said, had been advancing money to the extent of Rs. 12 crores annually to the State Co-operative Banks for seasonal agricultural operations. This present Bill would widen the scope in this sphere, to include animal husbandry, so that funds might be available for the production and marketing of commodities such as butter, cream, ghee, gur and milk and processing like hulling of rice and ginning and pressing of cotton. The Deputy Minister stated that he wanted to provide short-term and medium loans to State finance corporations and co-operative banks to help small-scale industries. A limit of Rs. 5 crores had been placed for loans to State co-operative banks. In the case of the Industrial Finance Corporation a limit of Rs. 3 crores had been placed on medium loans. There was no limit for short-term loans to the Corporation. Finally, he declared that the Reserve Bank was having an enquiry into the entire rural credit system and when its report was available, the Reserve Bank and the Central Government would formulate its policy regarding the provision of more agricultural credit as a whole.

It is politics more than economics that has been engaging the attention of Parliament members this week. I mean the confabulations that have been going on between the U.S.A. on the one hand, and Pakistan on the other, in regard to the proposed military pact between them. The Government of India and leading members of Parliament have been keenly watching these latest developments with considerable anxiety. If such an alliance were to be concluded, the cold war from which India has been anxious to keep herself away these years will be brought very near to its frontiers. It is somewhat inexplicable against whom Pakistan desires military protection. Since the Partition, both India and Pakistan have not been able to get on well and, although India has many times offered a non-aggression pact, it is Pakistan that has been summarily rejecting it on the plea that all the issues affecting both the countries should be settled simultaneously. Apprehension is felt in this country that Pakistan will hereafter adopt a bellicose attitude towards India, especially on the Kashmir issue. This will mean that India must have to spend more money on defence and this will upset the implementation of the Five-year Plan according to schedule. During his five-day stay in this country last week, Mr. Richard Nixon, the U.S. Vice-President, must doubtless have been apprised of this country's views on the proposed military pact. Mr. Nixon gave expression to several friendly sentiments towards this country during his sojourn here. It was noted with satisfaction when he declared that he would return to the U.S.A. with the conviction that it would be completely erroneous to think that India was leaning towards the Communist ideology, that India must remain free, independent and strong, economically and otherwise, and that American aid would be provided generously to accomplish this purpose. All the same, military aid by the U.S. to Pakistan will have considerable repercussions not only on India but all over Asia.

There is neither optimism nor pessimism regarding the latest Indo-Soviet Trade Agreement here. In one respect this agreement is different from the rest concluded in recent years, for it is felt that there will be considerable scope for the development of trade between the two countries for mutual benefit. This agreement also signifies the fact that, just as India has been anxious to maintain friendly

(Continued on next page)



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IMMEDIATE PROBLEMS OF INDIAN SHIPPING

MAGNITUDE OF THE PROBLEM OF FINDING FINANCE INDICATED

(By M. A. MASTER)

TWO problems of immediate and vital importance were discussed at the recent meeting of the Consultative Committee of Shipowners. One was the acquisition of additional shipping tonnage during the period of the Five-year Plan. The other was the building up of a nucleus of a tanker fleet. Let us examine how they can be solved.

While the Government of India placed before the country, in 1947, the minimum target of building up two million tons gross of shipping in five to seven years, the Planning Commission has laid down the maximum target of 600,000 tons gross to be reached by 1955-56. Mr. Lal Bahadur Shastri, Minister for Transport, remarked at the meeting that the target laid down by the Planning Commission was, indeed, a very modest one and that the Government were most anxious that it should, therefore, be achieved during the Plan period. There can be no doubt that even this very modest target can only be achieved, if there is initiative and enterprise on the part of shipowners, and effective encouragement and generous financial assistance on the part of the State.

As the coastal trade has been reserved since 1950 and as even to-day a number of ships has to be chartered to meet the requirements of that trade, the Planning Commission has laid down that it was imperative to place an additional 175,000 g.r.t. on the coast and in the adjacent trades. This will include 60,000 g.r.t. for replacing old, obsolete and economically unserviceable ships.

As regards the overseas trades, the Planning Commission has visualised the acquisition of 40,000 g.r.t. for enabling the Eastern Shipping Corporation to fulfil its obligations in the African and the Far Eastern waters, and 70,000 g.r.t. for the Scindia and the India Steamship Companies to carry out their existing commitments in their overseas services between India and the U.S.A. and between India and the U.K. and the Continent. It is, therefore, not the expansion of our shipping business or the need for building up new shipping services which have influenced the decision of the Planning Commission in laying down the target of 600,000 g.r.t. They must have realised that the country's fundamental need was to acquire that tonnage immediately to fulfil her existing commitments in starting and maintaining the services which Indian shipping was building up. There is, therefore, no idealism which has actuated the Planning Commission. They have not approached the question even from the viewpoint of enabling India to acquire her proper place amongst the maritime nations of the world. Although they were aware of the fact that India's existing tonnage was hardly half per cent. of the tonnage in the world, they have not shown the slightest enthusiasm to encourage India to keep pace with the race for acquiring additional tonnage going on in the world. They have been overwhelmed with the limitations of the resources of the country and have consequently asked India face stern realities and do nothing more than acquire such tonnage as is immediately needed to fulfil her existing commitments and obligations. Will India be able to acquire even this modest tonnage during the period of the Plan? That is the crux of the question. That is the problem of serious and vital concern.

Will Finance be Sufficient?

It is estimated by the Planning Commission that the acquisition of 275,000 g.r.t. (165,000 g.r.t. for the coastal and the adjacent trades, and 110,000 g.r.t. for the overseas trades), will require finance to the tune of Rs. 29.7 crores. Will that finance be sufficient for that purpose? Let us examine the position.

So far as the coastal trade is concerned, four ships aggregating 20,000 g.r.t. have already been built and delivered since the beginning of the period of the Plan, by the Vishakapatnam Shipyard. They have cost the shipowners Rs. 2,11,00,000. Further, two ships aggregating 10,000 g.r.t. have already been launched at Vishak and will be delivered early next year. Shipowners have contracted to purchase them for Rs. 1,18,00,000. Vishak Yard has already booked orders for five cargo ships and will shortly be booking an order for one passenger vessel, aggregating 25,500 g.r.t, and they are expected to be delivered during the period of the Plan. Shipowners will have to pay about Rs. 5,65,00,000 for these ships. It will, therefore, be noted that the Yard will be constructing and delivering 12 ships for the coast during the period of the Plan with an aggregate tonnage of 55,500 g.r.t. at a cost of about Rs. 8,94,00,000.

As regards the overseas trades, the Eastern Shipping Corporation has placed orders for the construction of two ships of about 11,200 g.r.t. with the Vishakapatnam Shipbuilding Yard and one ship of about 7,200 g.r.t. with a shipbuilding yard in Germany. They will cost about Rs. 3,08,00,000. Further, that Corporation has purchased one motor vessel of 4,509 g.r.t. from abroad and two passenger ships of about 17,101 g.r.t. from the Scindia Company. That will cost them about Rs. 2,97,00,000. The Corporation will thus be acquiring six ships of about 40,010 g.r.t. at a cost of Rs. 6,05,00,000.

The existing position, therefore, is that 14 ships will be constructed at Vishakapatnam during the period of the Plan—12 for the coastal and two for the overseas trades—aggregating to 66,700 g.r.t. Further, one ship will be constructed in the German yard and three ships have been purchased for the overseas trades, aggregating 28,900 g.r.t. The total cost of all this tonnage comes to Rs. 14,99,00,000.

It will, therefore, be noted that arrangements have already been made for adding 95,510 g.r.t. to the shipping tonnage of the country. In order, however, to reach the figure of 600,000 g.r.t., during the period of the Plan, further 44,500 g.r.t. will have to be constructed at Vishakapatnam for the coast, 65,000 g.r.t. will have to be acquired for the coast from abroad, and orders will have to be placed for the construction or acquisition of 70,000 g.r.t. for the overseas trades. In other words, arrangements have yet to be made for the construction or acquisition of 179,500 g.r.t. to reach the total figure of 275,000 g.r.t. to be acquired during the period of the Plan.

As regards 65,000 g.r.t. to be purchased for the coastal trade from abroad, the Planning Commission has estimated that they will cost Rs. 6 crores. We may accept that figure for our present purpose, although if second-hand ships of not more than five years of age are bought, they might cost more. As regards the additional tonnage of 44,500 g.r.t. to be constructed at Vishakapatnam, they will not cost less than Rs. 5.50 crores (calculated on the basis of the cost of ships already sold and are under construction). As regards 70,000 g.r.t. to be acquired for the overseas trades, it is difficult to say whether the estimate is based by the Planning Commission on the cost of construction of new ships for the trades or not. We must remember that these ships will be required by the Indian Liners. These ships must, therefore, be suitable in every way for the services which they have to maintain. We shall not, therefore, be wrong in estimating that the minimum amount required for the construction will be about Rs. 12,50,00,000. We do not think that we shall be able to build up an efficient Indian merchant navy by the purchase of second-hand ships for this purpose, unless we are able to acquire suitable ships already under construction or other appropriate tonnage not more than five years of age. It will, therefore, be noted that the total finance which would be needed for the construction or acquisition of 275,000 g.r.t., as visualised in the Plan, will come to Rs. 38,99,00,000 (Rs. 14,99,00,000 for ships already purchased or under construction plus Rs. 6,00,00,000 for acquisition of second-hand ships for coastal trade, from abroad plus Rs. 5,50,00,000 for further ships to be constructed at Vishak plus Rs. 12,50,00,000 for overseas tonnage required). We shall, therefore, require about Rs. 39,00,00,000, as against the amount of Rs. 29.7 crores estimated by the Planning Commission. The problem, therefore, is how to find this finance.

Loans for Tonnage Acquisition

We are thankful to the Government for providing Rs. 10.5 crores under "shipping" and Rs. 4.51 crores under "shipbuilding," or, say, about Rs. 15 crores in all to be advanced to shipowners by way of loans to enable them to acquire the tonnage that they need.

Out of the total finance of about Rs. 39 crores which we shall need for constructing or acquiring 275,000 g.r.t. as mentioned above, Rs. 7,20,00,000 will have to be found by the Eastern Shipping Corporation in which the Government holds an interest of 74 per cent. Although the Planning Commission stated in their report that that Corporation would not seek a loan, for acquiring the tonnage it needs, the Government have already sanctioned the advancement of a loan to the extent of Rs. 1,65,00,000 to enable the Corporation to finance its requirements. The net position, therefore, is that private enterprise will need Rs. 31.79 crores for financing the cost of the tonnage it will acquire. The amount of loan available against that finance will be Rs. 13.35 crores. Private enterprise will have, therefore, to find about Rs. 18.50 crores by way of fresh capital to finance the cost of tonnage which it will have to acquire.

The terms on which the Government have decided to advance loans are not attractive. Loans will have to be repaid within a period not exceeding 10 years. The rate of interest for the loans to be advanced for the acquisition of coastal ships will be 4¼ per cent., that for the acquisition of overseas ships will be 2½ per cent. It is reported that, at the recent meeting of the Consultative Committee, shipowners pleaded for a longer period of repayment for the loans to be advanced to them and for making a substantial reduction in the rate of interest on the loans given for the acquisition of coastal ships. The Government, in announcing the National Shipping policy, in 1947, assured the country that they would give such financial assistance to Indian shipping as has been given by the U.S.A. and the U.K. to the shipping of their country. The terms on which the Government proposed to advance the loans are, however, far more stringent than the terms on which the U.S.A. and the U.K. have advanced such finance to the shipping of their country. We would, therefore, most earnestly request Mr. Lal Bahadur Shastri, Transport Minister, that he would be pleased to go to the farthest extent possible in raising the amount of the loans to be advanced, in increasing the period of repayment, in reducing the rate of interest to be charged and in advancing the maximum possible percentage of the cost of acquiring tonnage. The shipowners will also, we hope, realise their responsibility and give to the Transport Minister, as requested by him, definite and concrete indication of what their plans of expansion would be, if the concession asked for by them were to be conceded. Without such active co-operation between the shipowners and the State, it will be impossible to reach even the target of 600,000 tons during the period of the Plan. We would, therefore, earnestly urge the shipowners to respond fully to the gesture of goodwill and encouragement made by the Transport Minister, so that he may call another meeting of the Consultative Committee early next year for finalising the steps which should be taken both for the aquisition and for financing the tonnage which the country has to acquire as laid down in the Plan.

It is understood that responsible people connected with the Vizag Shipyard have been urging the Government that shipowners should not be allowed to place orders for the construction or purchase of the ships which they require for the coastal trade in foreign countries. As a general proposition we would strongly support such a policy for the development of the shipbuilding industry of the country. It will, however, seriously retard the development of an Indian merchant navy, if shipowners were prevented from acquiring ships from abroad even when the Vizag Shipyard is not in a position to build the ships they need during the period of the Plan. That is the present position. Taking the most favourable view, the Yard will not be able to construct more than 66,000 g.r.t. out of a lakh of tons which the Planning Commission has laid down that it should build during the Plan period. We would, therefore, earnestly appeal to the Transport Minister to examine this aspect of the question in the light of the existing circumstances and make such other arrangements for the acquisition of tonnage as the situation may justify.

Nucleus of a Tanker Fleet

As regards the building up of a nucleus of a tanker fleet, we regret to say that the assurances given by the Government to the three Oil Refineries, for enabling them to carry the refined products around the coast of India in tankers regardless of flag, have made the position extremely difficult for Indian tankers to participate in the carriage of that trade. Private enterprise will have no place in carrying that trade, although the coastal trade has been reserved to Indian ships. The only right which has been left to the Government, when they acquire tankers, will be the right of discussion with the Oil Refineries for participating in the carriage of that trade. This is an extremely unfortunate position for India. Although the Oil Refineries will be bringing nearly 37.2 lakhs tons of crude oil to India, Government have not arrived at any arrangement with them to enable Indian tankers bringing even a single ton of this huge quantity of oil to India. It is inexplicable that, while the Government insist upon a stipulation that a substantial quantity of the cargo, to be moved as a result of trade agreement with a foreign country, should be carried in Indian bottoms, why they have not thought it fit to make any arrangement for the carriage of a fair quantity of crude oil in Indian tankers, in spite of the fact that they have given the Oil Companies very generous and favourable terms for establishing their refineries in this country. It is, however, a matter for satisfaction that both the shipowners and the Transport Minister realise the need and place of tankers in any well balanced mercantile marine. We, therefore, cherish the hope that, even at this late hour, and despite the assurances given to the Oil Companies, Mr. Lal Bahadur Shastri will, with his conviction of the vital need for India to build up a tanker fleet, with his spirit of optimism and with his power of persuasion, be able to arrive at such an arrangement with the Oil Companies as will enable Indian tankers to bring a fair quantity of crude oil from abroad and to carry their legitimate share of the refined products around the coast.—*All Rights Reserved.*

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relations with all countries in the political sphere, it is equally desirous of fostering good trade and commercial relations with them in the economic sphere. The importable items from Soviet Russia are nearly 40 in number, which include, among others, crude petroleum, chemicals, dyestuffs, a variety of machinery for mining, electrical, agricultural and other industries. In the coming years, India is not likely to be a heavy importer of foodgrains, unless there is famine, but it will continue to import sizable quantities of machinery, mineral oils, some chemicals, dyestuffs, etc. For the present, India has been importing plant and machinery around Rs. 90 crores per annum and mineral oils about Rs. 80 crores. Chemicals, dyestuffs, iron and steel goods and some non-ferrous metals account for nearly Rs. 70 crores per year. These goods form about 50 per cent. of India's trade and in these, Russia can establish lucrative trade relations with this country, provided it is able to quote competitive rates. In case it does so, it will go some way to improve the terms of trade which have been running against India during the last many months. On its part, India can sell tea, shellac, coarse wool, vegetable oils, in case of improved supplies in the country, jute goods, coir products, etc. If Russia becomes an important buyer of the above goods, the indigenous industry will benefit to a great extent in the coming years. The general opinion in the capital is inclined to be cautious and hence time alone will show how far both countries are able to establish good trade relationship.

LAW FOR QUICK DISPOSAL OF BANK LIQUIDATION PASSED

HAS RESERVE BANK BEEN RESPONSIBLE FOR FAILURES?

THE House of the People passed, on the 3rd inst., the Banking Companies (Amendment) Bill. The Bill, which replaces the Ordinance issued on 24th October last, aims at simplifying the process of liquidation of banks. This will ease the difficulties of depositors of banks that crashed during the post-war and post-Partition periods. The urgency for the Bill will be evident from the fact that, during 1926-51, 351 banks in India suspended payments. The amount of their outside liabilities, of the order of Rs. 92 crores, occurred from 1947 onwards. Out of the 351 banks, as many as 321 were taken into liquidation. Schemes for arrangement were sanctioned in respect of the remaining 30 banks by Courts. The liquidation proceedings in all cases dragged on for an undue length of time, because the liquidator of each bank had to file as many suits as there were debtors on their files and in several courts all over the country. This procedure meant delay. And delays caused expenses. Consequently, the depositors stood to lose whatever was left of their deposits at the time of liquidation. The Government, therefore, appointed a Committee, in 1950, for submitting recommendations for the removal of defects in the existing winding-up procedure for liquidated banks. These recommendations were embodied in the Bill mentioned at the outset.

Moving for consideration of the Bill in Parliament, the Deputy Minister for Finance, Mr. A. C. Guha, stated that the most important amendment of the present law was the proposed appointment by a High Court of official liquidators and of special officers who could be authorised to seize the assets, books, etc., of banks in liquidation. Under the existing conditions, liquidators attended to only that bank which had good assets and promised good profits. The other banks, which did not offer any lucrative returns, were ignored, with the result that depositors of such banks suffered. Again, liquidators got their share of profits in the form of commission, even though the depositors on whose behalf they were supposed to work and whose interests they were supposed to guard, did not get a penny. The Government, therefore, considered it an obligation to carry out the necessary changes in the present law relating to liquidation procedure. It could not sit idle, he said, when every day lost meant more misery to the poor depositors.

Objectives of Bill Favoured

The discussion on the Bill was held at intervals and lasted four days. In these discussions the Government of India, the Reserve Bank of India, High Courts and Directors of banks in India, all were the targets of bitter criticism. One revealing feature was that the consensus of opinion fully concurred with the objectives of the Bill, namely, expediting liquidation proceedings, although there was difference of opinion on details.

Some members held the view that the Government was responsible for the misfortunes that had overtaken the depositors of the banks in liquidation. It was said that it had woken up a little too late to discharge its responsibility and that the present measure was only a "face-saving device." The hurry with which the Bill was hustled through, without giving time to the members to study it, was also criticised. The fact that the guillotine was applied without even giving a chance to the Deputy Financial Minister to reply to the debate substantiated the charge.

There was some force in the criticisms levelled against High Courts, particularly the Calcutta High Court. The High Court was accused of not having discharged its duties properly towards banks in liquidation. West Bengal had been the worst sufferer of the recent failures of banks, and the High Court, it was pointed out, did not act expeditiously in order to safeguard the interests of creditors. It was held that, if the present liquidators of these banks were continued, it would be a calamity. Even the Committee which enquired into their working had denounced the persons appointed as liquidators as being dilatory and useless. That these criticisms have some basis is evident from the fact that, in the case of 82 banks in liquidation in West Bengal, amounts returned to depositors aggregated only Rs. 17.64 lakhs, while the expenses of liquidation amounted to Rs. 89.81 lakhs!

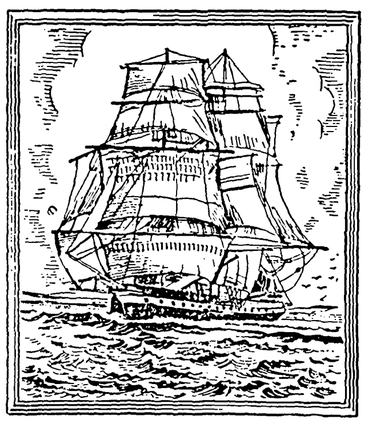
The most irrelevant part of the debate was the attempt made by some members to blame the Reserve Bank for the miserable plight of the depositors of banks in liquidation. The unwarranted blame laid at the door of the Reserve Bank is not at all surprising to those who are familiar generally with the ill-informed criticisms of some of our parliamentarians. One member, for instance, suggested that in every case the Reserve Bank should be appointed as the official liquidator, forgetting the fact that the Reserve Bank itself, being one of the creditors in most cases, cannot act both as liquidator as well as creditor.

Another member said that the Reserve Bank was guilty of never helping the Non-scheduled banks to prosper. He had learnt that industries in Calcutta appointed a committee to go into the question of finance being made available to them from banks. The Committee found that the small industries could not get any finance as the small banks had all gone. They had to borrow at 15 per cent. interest and sometimes borrow money even from the Kabulis. The present situation, he contended, was very tragic, in that the smaller banks could not stand against the competition of bigger banks and "the vigorous rules of a heartless, merciless Reserve Bank." Continuing, he said: "It is high time that the Reserve Bank was advised to function nationally and to think in national terms and not in the terms borrowed from England and the U.S. about banking business and credit. The Reserve Bank must function with a soul."

That the above criticism of the Reserve Bank is not based on a clear understanding of the position of the Bank will be evident from the fact that a large number of banks went into liquidation before 1949 when, for the first time, the Banking Companies Act was passed. The powers granted to the Bank even under this Act were not adequate to enable it to discharge its duties in time. Consequently, the Act had to undergo modifications on several occasions, and the fact that a further amendment is to be made to the Act in the present session of Parliament indicates that the Bank, being powerless, had to wait till it was sufficiently armed with legal powers to move in the matter. Besides, in the short span of three years, the ground it has covered in improving banking practices should bring it every credit. Since March, 1950, when it initiated regular inspection, until the end of last year, it had completed inspection of as many as 360 banks. And certain banks were inspected for more than one purpose. Licences were issued to 21 Scheduled banks and 63 Non-scheduled banks. It arranged amalgamations of weaker banks. Those which followed unsound practices were directed to suspend operations. About 174 companies were declared as non-banking companies or went out of business. Action was also taken on banks which failed to conform to the rules laid down by the Act. Although these activities by themselves do not complete the list, they are enough to indicate that our members of Parliament are not justified in condemning the Bank, as they did in the course of the debate. Rather, what is most surprising is the fact that the accusations were allowed to go unanswered by the Deputy Finance Minister, who according to Press reports, is understood to have stated that the views expressed by the member concerned about the working of the Reserve Bank would receive proper attention at the hands of the Government. This apologetic reply is regrettable, indeed.

Another issue which figured prominently in the debate was the liability of directors. The Bill provides no limitation of period in certain cases of liabilities while in others the period is limited to 12 years in respect of recovery of arrears. It was considered "unjust and unfair" not to place any limit, because after the lapse of time, the director concerned might not have any evidence on which he could contest the claim. Replying to this criticism, Mr. Guha stated that "if the provision appears to be somewhat harsh, members would do well to read the report of the Banking Enquiry Committee. If the directors have squandered money entrusted to them by depositors, they should be made to suffer. I think this is a sort of emergency legislation to meet an emergency created by some modern form of anti-social activity within society." The harsh provisions in the Bill also cover the honest directors, but, so long as the directors follows sound practice of banking, there is hardly any need for fearing them. The way in which some banks have been handling depositors' money justifies the enactment of these provisions.

Centuries of overseas trade



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Glowing tributes were paid to the Chartered Bank on the occasion of its Centenary Celebrations on the 7th inst. at the Vallabhbhai Patel Stadium, by H.E. the Governor of Bombay, and Mr. Pranlal Devkaran Nanjee, Chairman, Indian Banks' Association. The latter said, while speaking at the celebration: "The Chartered Bank was, as you know, the first English bank to come here and, having opened its branches in the important cities of the country, it has set an example of how good banking should be carried on. If to-day, we have Indian banks in our country which could compare favourably with the best and the largest banks of the world, it is due to the qualities they possessed and banks like the Chartered Bank have given us an example of maintaining these high qualities and we are, therefore, indebted to them, and particularly to this Bank."

That the Chartered Bank deserves the handsome tribute paid by the President of the Indian Banks' Association is evident from the way in which it has served this country all these years. The picture of its role in building the economy of India presented by Mr. H. C. MacColl, Manager of the Bombay office of the Bank, is refreshing. The Bank's experts have served on the several Commissions appointed by the Government of India from time

(Continued on page 1131)

INTERNATIONAL PAYMENTS POSITION

HOW TO BRING ABOUT A BALANCE?

[One of the questions which have been engaging very wide attention of world financial experts since the end of the war is the problem of achieving a balance in international payments. Despite active steps taken by the International Monetary Fund, the progress in the direction of establishing a multilateral system of payments and eliminating foreign exchange restrictions has been none too satisfactory. This is the result of a clash of interests between the deficit and the surplus countries; both have failed to take adequate and effective measures to solve the problem of balancing world payments. It is clear, therefore, that, if the various currencies are to be made freely convertible, it is important that all the countries should adopt sound monetary policies which seek to eliminate and avoid inflation through "strong budgets and tight credit." This was precisely the thesis which Mr. Ivar Rooth, Managing Director of the I.M.F., put forward, in the course of his address at the 39th National Foreign Trade Convention in New York recently, excerpts from which are published on this page.—Ed.]

THE International Monetary Fund and the National Foreign Trade Council share a common interest in expanding the volume of the world's trade. This is in your interest as business men, it is in the national interest of every member of the Monetary Fund, and it is essential to the peace, the prosperity, and the social and political stability of the world.

The Fund's interest is primarily in the world payments problem and the exchange policies that govern world trade and payments. I shall direct my remarks principally to the most important single problem which stands in the way of restoring a payments system based on convertible currencies. This is the persistent balance of payments surplus of the United States and the persistent dollar deficit of the rest of the world. This problem has been held at bay throughout the post-war period by extremely generous aid from the United States Government, especially to those countries which suffered severely in the war and are now co-operating in the restoration of the economic structure of the Free World. It is clear, however, that the solution to the problem cannot be found in the continuation of United States aid. This aid is at best a scaffolding to assist in the erection of a permanent structure. Let us see then what has already been done in the erection of this structure and what tasks still lie before us.

Two Extreme Views

Opinions on this differ sharply. On the one hand, there is an extreme attitude that there is no good reason why the world should not put its dollar payments in order. Those who take this view cite the fact that United States imports now pay for about twice as much exports from the United States as before the war. Under such circumstances, the deficit countries ought to be able to earn enough dollars, directly and indirectly, to pay for a volume of imports suited to their economies. The implication is that the payments problem persists, because they, the deficit countries, refuse to take adequate measures to solve it.

On the other hand, there is an extreme attitude that the payments problem is intractable and can never be solved. The dollar problem is said to have existed in one form or another since the First World War. And its persistence is variously attributed to such factors as the rapid increase in productivity in the United States, the recurrent recessions and depressions in the United States, the recurrent booms in the United States, the development in the United States of substitute products for major imports, as nylon for silk and synthetic rubber for natural, erratic stockpiling policies in the United States, too low a dollar price of gold, excessive protectionism in the United States, or the unwillingness of Americans to invest abroad. And the conclusion is that the dollar problem will persist because you, the surplus country, decline to take effective steps to solve it.

Right Measures Wanted

I believe that these extreme views are unjustified and that they do positive harm. The pessimists say that, as the dollar problem will not be solved, there is no reason for taking unpleasant measures to try to solve it. The fact is a great deal has been done to meet the problem. In 1947, the world's dollar deficit on goods and service transactions was almost $12 billion. The indications are that, excluding military aid shipments from the United States, the dollar deficit in 1952 will be about $2½ billion. And the import restrictions in deficit countries are now considerably less severe than they were in 1947.

It should not be expected, of course, that the goods and service gap will be completely closed, as part of it is more or less permanently covered by capital outflow from the United States plus private donations. Moreover, a substantial proportion of the remaining deficit is attributable to increased defence expenditure in Europe and to the disruption of East-West trade. Each of these elements is part of the cost of the common defence of the Free World. Let us hope that a separate solution will be found for them. I believe that the greater part of the problem has been met, and I see no reason for assuming that the remainder cannot be met by the right measures.

Role of the U.K.

Let us consider what has been done by the United Kingdom, the second trading country of the world and the heart of the sterling area, that accounts for more than one-fourth of total world trade. Two major factors have been responsible for most of the British post-war payments problem. In 1938, the net earnings of the United Kingdom from overseas investments (excluding oil, shipping and insurance) paid for a volume of imports that would, at present prices, cost about £750 million. In 1951, the net earnings of the United Kingdom from overseas investments paid for less than £100 million of its imports. Here is one single factor that caused a deterioration in Britain's current payments of £650 million, or about $1,800 million.

A second major factor has been the great rise in the prices of foodstuffs and raw materials, Britain's principal imports, relative to the prices of manufactured goods, Britain's principal exports—that is, the change in the terms of trade against Britain as compared with the pre-war period. If, between 1938 and 1951, the prices of the United Kingdom imports had only risen in the same proportion as the prices of United Kingdom exports, their cost in 1951 would have been less by nearly £1,050 million, or nearly $3 billion. Allowing for £200 million of duplication between them, these two factors, both beyond Britain's control, have together involved a deterioration of £1,500 million, or over $4 billion, in its payments between 1938 and 1951.

What has Britain done to face this problem? Its most significant action is found in an increased volume of exports. These exceeded the pre-war volume by 80 per cent. in 1951, that is, by an amount valued at over £1,200 million, or $3½ billion.

European Countries

In much the same way European countries have met a considerable part of the payments problem. In 1947, the volume of exports of France, Belgium, the Netherlands, Norway, and Denmark was below the 1937 volume. These same countries are now exporting between 60 and 70 per cent. more than before the war. In 1947, the dollar deficit of Western Europe was about $5¼ billion on goods and service transactions. In 1951, omitting military aid shipments, it was about $2 billion.

The improvement in European payments is not a temporary phenomenon. It reflects a real improvement in the whole economic environment of Western Europe. Industrial production in Western Europe is between 40 and 50 per cent. greater than in 1947. I believe that it could be increased further, and without the addition of new capital equipment, by the more intensive application of known techniques and perhaps a further shift towards incentive systems for remunerating labour. The structure of prices in Europe is also more competitive now than it was five years ago, due principally to the 1949 devaluations. And, now monetary policy in most European countries is better directed towards avoiding inflation and restoring a balanced payments structure.

So far, I have spoken of the world payments problem as if it were a European dollar problem. In fact, the payments problem is not confined to Europe. Nor is it exclusively a dollar problem. My reason for emphasising Europe's dollar payments is that this problem is so complex. The payments difficulties of other regions, no less than Europe's, must be solved if balance is to be restored in world payments. Their problems, however, would be easier to solve, if a solution had been found in Western Europe.

Structure of International Payments

Even before the war, the payments situation was unsatisfactory. It was kept in tenuous balance by tolerating unemployment in some industrial countries—especially the United States—and stagnation in the raw materials countries. It was a frail structure shored up by devaluations, exchange controls, bilateral clearing arrangements, and in some instances, by default on international obligations. The war brought about vast disruptions that further weakened the structure of international payments. There has, however, been a great expansion in production and trade in the post-war period. But, unfortunately, we have not yet got a strong and stable pattern of international payments.

The most important reasons for this, I believe, will be found in the great changes that have taken place during this generation in the objectives of national economic policy. Throughout the years, there has been a great increase in the degree of responsibility which nations have assumed for their domestic incomes and employment, and full employment policies have been pushed particularly hard in some of the deficit countries of Europe. In many of the raw materials producing countries, rapid development, with emphasis on industrialisation, has become a political and social necessity which Governments must heed. Too little attention has been paid to encouraging domestic savings in either industrial or raw material producing countries. The objectives of full employment and economic development are good in themselves, but the policies designed to achieve them have sometimes been pushed so far that they have served, not so much to contribute to the attainment of the objectives themselves, as to promote inflation.

Inflation

It is now generally recognised that inflation tends to result in payment deficits. When demand is inflated beyond what can be met by current production for the home market, or from imports financed by current exports or foreign loans or assistance, the excess demand will be used to bid away goods from export markets. It will also spill over into larger imports than the country can pay for. If the inflation persists, it will unbalance the structure of prices and make it difficult for the country to compete in world markets. Inflation may even reduce home employment opportunities by cutting off the means of payment for raw materials. Fortunately, many countries are now aware of the fact that a sound financial policy is an indispensable condition for a strong payments position and continuing high-level employment. The recent improvement in the payments positions of certain European countries is largely attributable to the renewed emphasis on credit policy.

In the raw materials exporting countries, the policy of rapid development has often been supported by inflationary finance, which here also has had the effect of attracting resources to home markets and discouraging exports. The supply of foodstuffs and raw materials for export from non-dollar regions has generally not increased commensurately with demand. Sometimes it has not increased at all. On the other hand, with increased production in the United States and Canada, the dependence on dollar sources of supply has increased, and this dependence has been accentuated by the falling off in East-West trade.

This persistence of the dollar payments problem is a natural consequence of excessive emphasis on full employment and rapid development. The payments problem, in turn, has led to exchange restrictions. Some persons are even willing to accept as permanent a situation in which the demand for imports is continually swelled by inflationary domestic policies and is continually held in check by exchange restrictions. I believe that we should not accept such policies as permanent.

Free Convertibility of Currencies

I believe, on the contrary, that we should aim at a system of balanced, international payments at a high level of trade, carried on under competitive conditions, free from restrictions and discriminations, and with prompt remittance of import payments and current earnings. Under such a system, the currencies of the great trading countries would be freely convertible. Countries could export, say, for sterling, and know that they could use the proceeds to import from any part of the world. Traders could export to any country and know that they would be paid promptly in accordance with the credit terms that they have agreed.

We are still some way from achieving such a payments system. Yet I believe that we shall achieve it. As examples of its advantages, let us look at the United Kingdom and some countries in Latin America. I believe that it is in the interest of the United Kingdom to work for the restoration of the convertibility of sterling. The higher prices which must be paid in inconvertible sterling raise the cost of its imports and handicap its producers in competing in world markets. With inconvertible sterling, the traders and financiers of the United Kingdom cannot fully perform their customary role as merchants and bankers to the world.

Some countries in Latin America are in substantial arrears in paying for their imports. These countries pay a heavy price for this delay and uncertainty in remitting for their current obligations. Exporters add a large premium in the prices they charge to cover interest and risk. Foreign investment in such countries is also discouraged and their economic development is slowed down.

Many of these countries are now seeking ways of putting their houses in order. This cannot be done by setting up new machinery and devising

(Continued on page 1124)

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FOREIGN TRADE IN COTTON TEXTILES

EXPORT PROMOTION SHOULD BE VIGOROUS, SAYS COMMERCE MINISTER

INDIA'S foreign trade in cotton textiles has suffered considerably in the past two years, thanks to the revival of a buyers' market in these goods the world over on a permanent basis. An indication of this is provided by the fact that cotton textiles, which were once the largest earner of foreign exchange, have now been pushed down to the third place, next to jute goods and tea. In view of this change in the world textile trade and the need for maintaining a high level of exports, so essential for the stability of the indigenous textile industry, the time has, indeed, come for the Government, the industry and the trade to take concerted measures to deal with problems of export promotion. A further expansion in exports of textiles, it must be mentioned here, requires, as Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, rightly emphasised, in the course of his address at the recent meeting of the Export Advisory Council, "hard work and concentrated attention on the many problems that await solution."

The Central Government's decision to permit free licensing of exports, and to reduce export duty on coarse and medium cloth (the latter has completely been abolished with effect from 24th October, 1953), has no doubt been responsible for the improvement in cloth exports in recent months. The quantity of cloth that is likely to be exported during the calendar year 1953 is estimated at 700 million yards, which compares favourably with 593 million yards in 1952. This figure, however, still falls considerably short of the target of 1,000 million yards chosen by the representatives of this country at the Buxton Conference and accepted by the Government. Moreover, the small improvement in exports that is now noticeable will certainly not endure for a long time in the face of import restrictions imposed by the Governments of several countries and the fierce competition from Japan.

It is, therefore, gratifying to note that Mr. Krishnamachari reiterated the suggestion for the formation of a non-official export council which will be exclusively concerned with the promotion of textile exports. Said he: "I am hoping that the industry and exporting bodies will soon join together to establish the Export Promotion Organisation on a permanent basis. I would like this organisation to conduct market research, depute trade representatives to important markets, appoint correspondents in less important ones, and also to take steps to institute systems of inspection on a voluntary or compulsory basis."

The work of the proposed organisation will surely be watched with considerable interest, not merely by the Indian cotton textile industry and trade but by the overseas importers as well. How far and to what extent this new organisation will achieve the purpose for which it is proposed, namely, maintenance of a high level of exports, will depend on its set-up. In this connection, the All-India Exporters' Association has made a few pertinent suggestions, in a communication addressed to the Textile Commissioner. In view of the importance of the subject, we reproduce below the suggestions of this body:

(1) It has been very correctly suggested that the proposed body should be non-official in character and should be free from restraints of official routine.

(2) Members constituting the Council should be nominees of the textile industry and trade associations engaged in the export trade; but no section of interest should have any predominant voice.

(3) The Council should not be merely of an advisory nature; its decisions should invariably be implemented by the Government.

(4) The personnel should be composed of persons having expert knowledge and experience of textile problems in regard to both manufacture and exports.

(5) A technical expert, conversant with qualities of various types and categories of cloth and yarn and an experienced man with close study of foreign trade problems, having no personal interests in the day-to-day trading, should be included in the personnel.

(6) The body should be allowed to frame its own rules and regulations in regard to procedures and functions of meetings. In fact, it should have a status of an autonomous body like the Tariff Commission.

(7) Appointments of representatives in important markets should be made by this body. The Government may recommend names of persons, who, in their opinion, would be eligible for the posts.

(8) In order that the reports collected from the study tours of these representatives may be made available to exporting houses and manufacturing concerns, a weekly or fortnightly bulletin may be published under the aegis of this Council, consolidating and editing such reports in suitable forms.

(9) Manufacturers and exporters may be advised to advertise their products through local embassies in respective markets or through export journals or local papers.

Whatever may be the measures taken by the proposed organisation, they will, by themselves, not stimulate the demand for Indian cloth in overseas countries. For much depends on the export policy of the Government. There are still several restrictions which the Government has imposed on exports of cloth. The retention of the export duty on coarse cloth is an instance in point. If the competitive position of Indian cloth in world markets is to be enhanced, export prices must be lowered by abolishing the export duty. It is, indeed, a pity that Mr. Krishnamachari should have refused to abolish the duty. There is also the need for allowing exports of mill-made *lungis* and pseudo-fine cloth which are at present banned.

Exports of Yarn

To revert to Mr. Krishnamachari's address at the Export Advisory Council. Dealing with exports of yarn, he declared, once again, that the Government of India was not out to establish any export trade in cotton yarn. For the Minister said that "all the yarn that we produce will be required by textile mills and by handloom weavers." The Government would, however, permit exports of small quantities now and then "to meet temporary situations of overstocking in mills." This principle has, as is well known, been followed by the Government of India in its yarn export policy for the current half-year. Under this policy, quotas have been fixed for mills (or their nominees) which have supplied a portion of the yarn produced by them to handlooms; the supply of yarn is fixed on the basis of supplies made by the mills to the handlooms in 1950-51 *plus* 25 per cent. of production resulting from any new spindles installed since the year. But it is not clear what quantity of yarn will become available for export on this basis.

WORLD WOOL POSITION

A rather pessimistic note about the international trade in raw wool has been struck by the U.S. Department of Agriculture, in a preliminary report on world wool conditions published in the weekly publication, *Foreign Crops and Market*. Says the Department: "...it is doubtful if the present large clip would be entirely marketed at the prices now prevailing." This view is based on the fact that the marked rise in world production of wool has not only not been followed by a similar improvement in offtake, but the offtake has actually suffered a sharp drop. The 1953 world wool output is estimated at 4,410 million lbs. (grease basis) which is an all-time record. The output is 80 million lbs. above the previous year's record of 4,330 million lbs. and 210 million lbs. above the record of 4,200 million lbs. attained in 1942.

The improvement in wool output witnessed in 1953 is in keeping with the steady uptrend since 1947, that is, the year which witnessed the post-war low of 3,700 million lbs. Most countries are now at, or exceeding, their pre-war levels of output, the chief exceptions being the U.S., Canada, Western Germany and the U.K., where economic conditions "do not appear to be as favourable for the production of wool."

On a clean basis, the world wool output during the year under review aggregates 2,540 million lbs. The bulk of this, 2,080 million lbs. to be precise, is accounted for by apparel type. The output of coarse or carpet type amounts to 460 million lbs.

Wool output in all the main producing countries is expected to be slightly above that for the last season, which, as indicated, was at a record level, largely as a result of an increase in wool output in Australia.

This increase, it is stated, was made possible by the sharp reduction in rabbit numbers, because of the disease, myxomatosis, and the subsequent improvement in the quality and quantity of pastures. In that season, wool production went up, as a result of increased yields per fleece, by nearly 20 per cent. while sheep numbers rose by only 4 per cent. Increases are noted in New Zealand for the past three seasons and production is now considerably above the pre-war and war-year averages. Output in the Union of South Africa in 1952 was above pre-war for the first time since the war and another substantial increase is estimated for the current clip. Increases in that country have been made possible by generally better feed and weather conditions.

World wool prices have strengthened steadily since the low point in April, 1952, and production was encouraged. At the same time, consumption and forward buying by mills has been stepped up, and, in the past 15 months, the trade has absorbed for the most part the large 1952 production *plus* the carry-over from 1951 in South America, the principal exceptions being the accumulation of about 100 million lbs. weight under the U.S. price support operations and some additional build-up in the U.K. strategic stockpile.

MORE AND BETTER WOOL FOR COTTAGE INDUSTRY

Arriving from Australia shortly are over 200 sheep consigned to the Uttar Pradesh Government. This is a part of a gift of sheep and equipment, costing $20,000, provided by the Food and Agriculture Organisation of the United Nations to supplement the Government's development plans. There are 50 ewes and 20 rams of each of three well-known breeds, Polwarth, Corriedale and Border Leicester. After acclimatising there for three months, 50 per cent. of the rams will then be transferred to selected flock-owners. The remaining ewes and rams will be used in a breeding programme for both pure and crossbred progeny for ultimate further distribution.

A heavier fleece on each sheep is one of the most important objectives of achieving a higher yield of wool with no corresponding increase in the numbers now grazing the U.P. hills and foothills. The lower-yielding indigenous sheep will be replaced by improved breeds as the scheme spreads from the main and subsidiary breeding farms. The other inherent characteristics of the foreign breeds will be utilised to improve the quality of the local wool and make it more suitable for hand-processing into the different manufactures of the cottage industry.

The sheep farm has been under development since April this year, and the necessary building construction for farm personnel and the night housing of stock is complete. Fodder trials have already been carried out with the small flock of indigenous (Bikaneri) ewes which are established there, and instruction in modern husbandry methods has been given to personnel and local shepherds. The U.P. Government recently purchased equipment for a wool testing laboratory to provide facilities for scientific checking of the practical results obtained outside. The two F.A.O. advisers in this joint project are Mr. G. R. Upward and Mr. H. Newton, both Australians and of well-proven ability in their specialised fields. It is envisaged that this Government farm will be not only a practical breeding station, but also an instructional college in sheep husbandry, fodder growing experiments, wool grading and the simpler methods of wool processing.

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M. DATTATRAYULU,
Secretary.

TRENDS IN WORLD TEXTILE TRADE

DECISION TO RESTORE FREE MARKET IN COTTON CRITICISED

(From A Special Correspondent)

MANCHESTER, 1st *December*

MANCHESTER LETTER

NOT for the first time thinly-veiled threats about the margin which exists between the Lancashire cotton trade's earning and spending capacity have been made on behalf of the Government. On this occasion, Mr. R. A. Butler, Chancellor of the Exchequer, has added his words of exhortation to the industry to increase its exports to avoid becoming a "net loser of foreign currency."

What exactly would happen in such circumstances was not made clear by the Chancellor but it is no new thing for Lancashire to be warned about the need to expand shipments overseas. Government spokesmen have been doing it persistently since the war.

Those who spend their working lives dealing with textiles are fully aware of the situation and exporters are far from satisfied at the results of their efforts in recent years. There are a multitude of reasons why international trade has failed to broaden and it is significant that Lancashire is not alone in its apparent inability to increase the volume of goods sold abroad.

Competition has grown ever more fierce since the revival of overseas countries from the after-effects of war, in particular, Japan and Germany. Foreign countries which were formerly large importers of yarn and cloth not only now make their own goods but in some instances produce a surplus which they in turn try to dispose of abroad. Domestic industries, newly created, often call for protective tariff barriers and the system of import restrictions and rising duties has become a veritable jungle for prospective exporters to explore in the past few years.

It is perhaps odd that Mr. Butler should choose this moment to compare the export earnings of the cotton industry with its cost in imports. Much of its raw material supplies meant dollar expenditure, he pointed out, but made no reference to the probability that under the reversion to full-scale free buying of the raw material even larger quantities of dollar cotton will be procured. This has been admitted by the President of the Board of Trade.

Private Cotton Buying

A violent attack on the decision to restore full-scale private enterprise buying of raw cotton and abolish the Raw Cotton Commission has been made by Mr. Charles Schofield, General Secretary of the 20,000-strong Operative Spinners' Amalgamation, in his quarterly report.

Mr. Schofield, who is a part-time member of the Raw Cotton Commission and a cotton union expert in this field, declares:

"The spinning section is now faced with a gamble the like of which has never before been witnessed. All the signs and portents show that confusion and chaos will surround the trade, the outcome of which may very easily be serious and permanent.

"This rough-shod riding over an industry still fighting the after effects of war-time concentration is unworthy of people who profess to have the industry at heart."

The proposals of the Government were shrouded in a mist of uncertainty and contained all the elements of speculation, both political and industrial. Questioning whether supplies of raw cotton to Lancashire mills could, in future, be maintained smoothly and in adequate quantity, Mr. Schofield declares:

"Fair warning is now given that in the event of unemployment arising a most serious view will be taken. At this early stage nothing more need be said about this aspect of the situation."

He added that the financial machinery necessary to insure against price fluctuations would have to be established, which as far as could be foreseen would be totally inadequate and accompanied by financial risks "which, to say the least, may be embarrassing, and to say nothing of the capital which would be tied up in carrying stocks."

Stock Position

It was well known that during the past 12 months of private trading the "free market" had carried only a very small quantity of stock on which spinners could draw to meet changes in trade. No evidence has been forthcoming that merchants would build up stocks in the future. "Indeed it would be surprising were they to do so in view of current prices," says Mr. Schofield. "It would appear, therefore, that the trade will be compelled to extend the principle now practised in the existing free market of direct-to-mill shipments."

To meet the difficulties, the spinner, Mr. Schofield said, would be obliged to carry a stock himself in order to ensure continuity of running, the cost of which would be "unthinkable" to the majority of firms in the industry. He added: "With American cotton at approximately £60 per bale, consumption of 100 bales per week and a replaceable stock equal to ten weeks' consumption, the spinner will have to set aside the sum of £60,000, or alternatively to pay interest on that amount if he can persuade his banker to loan it to him."

It was the intention of Liverpool merchants, according to Mr. Schofield, to have one futures contract only and the only cotton tenderable against that contract would be United States cottons. He said:

"Other American-type cottons will presumably be tied to U.S. values in some way not yet clear. From this it would appear that dollar expenditure on raw cotton will increase, thus adding to the country's dollar-sterling difficulties.

"The effect of this on the consumption of Colonial cottons may be very serious indeed. Much time and effort has been devoted in recent years to the development of the Colonies, to encouraging the Colonial peoples to work for a higher standard of life. This action of the Government can only be viewed by the Colonial peoples with considerable apprehension.

"It would be tragic indeed if it should work out that these cottons are neglected and the interests of the native producers brushed aside as of no consequence."

Textile Machinery Trade

Up to the end of October shipments of British textile machinery have shown a sharp contraction by volume this year and will, in all probability, be smaller than at any time since 1947 when the full year's totals are recorded. Earnings from these goods, however, remain persistently high and the average cost per ton of plant has never been exceeded. For the 10 months exports were 1,404,570 cwts., valued at £34,113,316, against 1,875,652 cwts. worth £41,826,433 in the corresponding period of 1952. The average price obtained for exported machinery this year has been £486 per ton, against £448 throughout 1952.

Although smaller shipments have been sent to the Indian sub-continent, this area remains by far the biggest buyer of British textile plant, India has already taken 262,374 cwts. and Pakistan 144,625 cwts. The other leading consumers have been Italy with 114,587 cwts. and Brazil 114,049 cwts.

The decline in exports has affected all the different classes of machinery, although spinning, which is the largest producer, shows the most substantial drop in overseas trade. In this section, foreign buyers have taken 803,466 cwts., against 1,083,643 cwts. last year. Weaving machinery shipments have fallen from 299,593 cwts. to 244,014 cwts., and finishing plant from 120,290 cwts. to 84,474 cwts.

International Cotton Talks

Criticism of the "time-wasting procedures" adopted at the Washington conference of the International Cotton Advisory Committee, attended by delegates from 29 nations, was expressed by Mr. C. Henniker-Heaton, Director of the Master Cotton Spinners' Federation, when he returned to Manchester from the United States this week.

Commenting on the Washington discussions on an international cotton price agreement, which resulted in a decision that the time was not appropriate for negotiations, Mr. Heaton said the British delegates opposed the form of agreement suggested because they believed it would lead to prices being stabilised at a high level.

On the other hand, the idea of maintaining raw cotton prices at reasonable levels was clearly beneficial to textile producers, since primary producers would be assured of a regular income with which to purchase finished textile goods. Far-sighted cotton growers realised that if cotton prices remained too high their raw material would be priced out of the market. Competitive conditions for the growth of raw cotton were therefore the best.

Referring to raw cotton prices generally, Mr. Heaton said the general feeling was that they should be lower than they had been and that they should compare more favourably with the prices of other fibres. But there was no reason for a very sharp break in prices if growers made sensible use of the statistics available.—*All Rights Reserved.*

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MILLS' COTTON CONSUMPTION HIGH IN 1952-53 SEASON

STOCKS HELD ESTIMATED TO LAST 3⅜ MONTHS

THE high level of productive activity in which the Indian textile industry was engaged during the cotton year ended 31st August, 1953, is reflected in the record level of cotton consumption in that year. Thus, the mills consumed during the year 1st September, 1952, to 31st August, 1953, about 4.46 million bales of 400 lbs. each, as against 4.07 million bales in the previous year. Never since 1945-46, when mills consumed 4.56 million bales, was this level of consumption witnessed in this country. Stocks with the mills at the end of the season under review were, however, lower at 1.26 million bales, as against 1.65 million bales a year before.

The increase in cotton consumption was primarily in that of Indian cotton, which increased from 2.98 million bales to 3.61 million bales. The consumption of foreign cotton, on the other hand, declined from 1.08 million bales to a record low level of 0.85 million bales.

The following table gives the consumption of Indian and foreign cotton, in terms of the different varieties of cotton during the years 1952-53 and 1951-52:

Mills' Consumption of Cotton

(In bales of 400 lbs. each)

	From 1st September to 31st August	
	1952-53	1951-52
Total Indian cotton	3,611,630	2,987,453
Of which :		
Bengal Deshi	166,182	123,834
Jarilla	1,484,701	1,152,240
L.S.S.	152,656	121,520
Broach Vijay	329,715	261,329
Surti	135,879	98,169
Wagad	143,050	186,932
Farm	121,696	150,741
Jayadhar	159,309	171,640
Laxmi	102,881	41,256
Cambodia	115,375	170,454*
Karunganni	106,598	110,585
Rajapalayam	39,083	..
Total Foreign cotton	848,786	1,084 018
Of which :		
Pakistan cotton	955	4,185
Egyptian cotton	198,648	157,524
Sudan Egyptians	58,359	62,706
East Africans	215,902	162,868
U.S.A.	367,316	678,829
Grand total (Indian and foreign) ..	4,460,416	4,071,471

* Includes Rajapalayam cotton

It will be seen from the table above that Jarilla lead other varieties of cotton consumed by the Indian mills, the consumption of this variety improving from 1.15 million bales to 1.48 million bales. A notable feature was the perceptible rise in the consumption of Bengal Deshi, a short-stapled variety of cotton, from 123 834 bales to 166,182 bales. There has been a slight decline in the consumption of superior varieties of Indian cotton, such as Cambodia and Karunganni, also. Among foreign cottons, the intake of U.S.A. cotton suffered the heaviest decline. Thus, the consumption of this cotton moved down from 678,828 bales in the 1951-52 season to 367,316 bales in the season under review.

An analysis of cotton consumed in the States of the Indian Union shows that the Bombay State leads, as is only to be expected, the other States as the largest consumer of cotton. The chief cotton consuming States of the Indian Union are shown in the following table:

Cotton Consumption in States

(In bales of 400 lbs. each)

States	From 1st September to 31st August	
	1952-53	1951-52
Indian Union	4,460,416	4,071,471
Of which :		
Bombay Island	1,235,416	1,032,234
Ahmedabad	629,785	625,309
Bombay State (other areas) ..	406,663	379,112
Bombay State	2,271,864	2,036,655
Madhya Bharat	271,363	252,570
Rajasthan	58,572	56,668
Ajmer-Merwara	39,320	40,107
Uttar Pradesh	354,605	332,595
West Bengal	177,309	133,951
Madhya Pradesh	169,443	156,361
Madras	604,641	502,803
Mysore	97,985	89,445

It is noteworthy that the consumption of cotton in both the Bombay and the Madras States had improved in the season under review over the levels touched in the previous season, despite the shortage of power and certain other difficulties which the mills in the States had to contend with.

A study of the position of the mills' cotton stocks, as on 31st August, 1953, shows that it was less comfortable than at the end of the 1951-52 season. This is true of the stocks position of Indian as well as foreign cotton. The following table gives the chief varieties of cotton held by the mills at the end of the 1952-53 and 1951-52 seasons:

Stocks of Cotton

(In bales of 400 lbs. each)

	Stocks as on 31st August	
	1953	1952
Indian cotton	1,013,315	1,239,529
Of which :		
Bengal Deshi	41,182	83,471
Jarilla	305,532	484,725
Gaorani	63,350	96,223
Vijay	120,787	75,569
Surti	38,629	41,596
Wagad	70,540	39,233
Farm	54,513	67,845
Jayadhar	29,867	86,536
Laxmi	52,315	34,468
Cambodia	34,557	62,303*
Karunganni	35,408	43,088
Foreign cotton	246,241	391,047
Of which :		
Pakistan	601	1,485
Egyptian	70,763	41,891
Sudan Egyptian	28,663	11,173
East African	92,111	47,040
U.S.A.	43,197	281,379
Total stocks (Indian and foreign) ..	1,259,556	1,630,576

* Includes Rajapalayam cotton.

When the stocks are related to the level of the mills' consumption of cotton in the season under review, it will be found that the period of availability of these stocks is only 3⅜ months. This is by no means a very comfortable level of stocks. At the end of the 1951-52 season, the period of availability of stocks, it may be mentioned, was 4¼ months, on the basis of the then prevailing level of consumption.

M. P. COTTON MARKETS CLOSED

The cotton markets in Madhya Pradesh have remained closed from the 1st inst., as a protest against the levy of sales tax on cotton by the State Government. A new amendment to the State's Sales Tax Act requires every trader to register himself and to give a guarantee that he will re-sell the goods only in Madhya Pradesh. Otherwise, he will have to pay sales tax at 6 pies in the rupee. The levy works out to as much as Rs. 23 per candy. Direct purchase from the cultivator is exempted from sales tax. Agricultural associations which arrange for the marketing of improved varieties under the "pool system" are also exempted.

The entire cotton trade in the State has been paralysed by the closure of the markets. And the closure of the markets at the present time, when cotton begins to be marketed, has affected the cultivators, the traders and the mills' agents. At an emergent meeting of the Madhya Pradesh Chamber of Commerce, held this week, the Executive Committee of the Chamber urged the State Government to postpone the Sales Tax (Amendment) Act, 1953, by which the new levy on cotton has been imposed, on the ground that this amendment "infringes Article 286 of the Constitution, inasmuch as it amounts to indirect tax on inter-State transaction."

The closure of the cotton markets in Madhya Pradesh forms the subject matter of a communication addressed by the President of the East India Cotton Association, Mr. Purshotamdas Thakurdas, to Mr. R. A. Kidwai, the Minister for Food and Agriculture, Government of India. The President says that, owing to the strike in the M. P. cotton markets, the "best time for marketing cotton is being lost to the growers." He has urged that, in this matter, the Central Government should, "in fairness to the growers, exercise their power and decide what they think right." He warns that any prolongation of this dispute is "bound to have very serious effects" on the marketing of cotton not only in Madhya Pradesh but also in the rest of the country.

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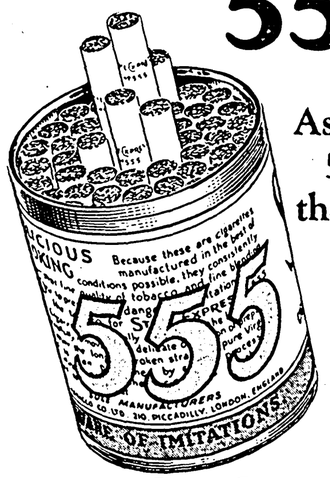

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RECENT TRENDS IN MONETARY POLICY

INFLATION SHOULD BE AVOIDED AT ALL COSTS

(By E. M. BERNSTEIN)

THE changes that have occurred in the world economic situation since 1950 and 1951 are striking. While these changes have occurred in a period when there was a revival in the use of monetary policy, it is not possible to attribute all the changes that have taken place to the use of such measures.

The boom in raw material prices that began with the Korean War would, in any case, have come to an end when there was wider realisation that the fears of raw material shortages were unfounded. The large dollar deficit of July, 1951 to June, 1952 would, sooner or later, have had to be reduced, since countries could not continue to draw down reserves. Nevertheless, monetary policy prevented even greater distortions and facilitated an orderly return towards stability.

Without imputing entirely to monetary policy, the greater internal and external stability of the past two years, it is worth noting what these achievements are. Wholesale prices reached a peak in most countries from March, 1951 to January, 1952 and have since receded nearly everywhere. In general, the turning point came earlier in the raw materials countries with sound monetary policies and in the industrial countries that took strong measures to restrain credit in 1950 or very early in 1951. The turning point came later in countries heavily dependent on imports, in which domestic prices lagged behind spot prices of foodstuffs and raw materials in export markets. The turning point also came later in industrial countries that delayed taking action to restrain credit until the summer of 1951 or later.

Payments Position

The relation of monetary policy to the payments position of countries is equally striking. The rest of the world paid $2.7 billion of their reserves to the United States from July, 1951 to June, 1952. It could add only $2.1 billion to its reserves as a consequence of transactions with the United States from July, 1952 to June, 1953, including American aid. Raw materials countries that applied restraining monetary policies in 1950 and 1951 were able to retain a considerable part of the reserves they accumulated during the boom. Industrial countries with effective monetary policies were able to build up reserves during the period of the Korean boom and to retain these reserves after the boom had terminated. The industrial countries that lost reserves in 1950 and 1951 and then took effective monetary measures showed large gains in their monetary reserves early in 1952.

Monetary policy also contributed to a solution of the payments problem in other ways.

First, the monetary restraints came just in time to prevent cost from rising to levels that would have impaired the capacity of some countries to compete in world markets. Countries that made prompt and vigorous use of monetary policy have price and cost levels very close to those of the major dollar markets.

Secondly, economic readjustments have been induced by monetary measures which will continue to help in the solution of the payments problem. There is one characteristic of monetary policy which makes it transcend in effectiveness any direct controls. Monetary policy is pervasive; it acts on the whole economy. In contrast, controls must always be stricter than the need for the restrictions they impose, because excess demand, restrained at one point, flows over or breaks through at innumerable other points.

Finally, the use of monetary policy in recent years has strengthened confidence in currencies. It can no longer be assumed that the value of money will move uninterruptedly in one direction—downwards. People are again encouraged to save and to keep their savings in national currency, instead of seeking refuge in gold and dollars.

Inflation and Payments

The experience of the past three years shows that monetary policy is an indispensable part of any programme for dealing with the payments problem. Any country that has inflation, however mild, can strengthen its payments position by ending the inflation. And as persistent inflation must ultimately raise prices and costs, a country that fails to deal with its inflation problem will in time undermine the exchange rate for its currency. A very considerable part of the payments problem that confronts the world to-day has its origin in a persistent current inflation and in the accumulated effects of the inflation of the past.

There is a mistaken view that it is not the absolute degree but only the relative degree of inflation which affects a country's payments. This seems to mean that, if all countries have an equal degree of inflation, say, an equal proportionate excess of demand over current output, payments will somehow be in balance. Even if the rest of the world has the same degree of excess demand as the United States, it may very well be confronted with a serious dollar payments problem. That is because not all countries respond equally to inflation either in their export-import trade or in their price-cost structure. Any inflation is a threat to the balance of payments of a country with a weak payments position.

Need for Other Measures

Monetary policy cannot, by itself, solve problems which have their origin in other forces affecting the international economic position of a country. It cannot solve payments problems arising from a loss of important export markets. It cannot solve payment problems arising from the loss of major import sources. These are problems that require fundamental changes in the structure of the world economy and in the pattern of world trade. Whatever the solution, it can in the end be applied only in an environment free of inflation, in which monetary policy encourages the adaptation of the economy to its real international economic position rather than freezing it to a pattern suited to the past.

Much has been done with monetary policy in the past three years. More can be accomplished by a vigorous use of monetary policy in the future. The greatest barrier to an effective monetary policy has probably been ideological in character. It is a mistake to assume that full employment and economic development must be based on inflation. Economic adjustment with stability is more likely to result in high levels of employment and rising standards of living than a policy of unlimited credit bolstered by controls. Economic development with stability is more likely to create broader work opportunities and more efficient methods of production than a policy of inflationary financing of investment. Governments are now beginning to understand this. That is why there is more reason for optimism on the payments problem than at any time since the end of the World War.—*By Courtesy: International Monetary Fund.*



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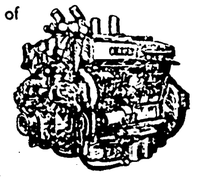

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WILL REGULATION SCHEME BE MODIFIED?

IN about three weeks' time, on 1st January, 1954 to be precise, the five-year world agreement on sugar will become fully operative. The agreement was signed in London on 24th August, 1953, after over six weeks of deliberations by the participating countries at the International Sugar Conference. It seeks to achieve two important objectives, namely, (1) to stabilise sugar prices by preventing accumulation of huge surpluses and maintaining steady supplies in the "free" market, and (2) to give those countries that depend on it a share of any expansion in world consumption of sugar. Now that it is becoming increasingly evident that world sugar supplies would be plentiful during the current year, sugar interests the world over would anxiously watch the possible outcome of the actual working of the regulation scheme proposed under the agreement.

The sugar supply position during the current (1953-54) season would appear to be so comfortable as to result, once again, in the accumulation of stocks in the major sugar-producing countries of the world. If the present estimates relating to world production turn out to be correct, the season will witness a record sugar output, the quantity expected to be actually produced being 38.21 million tons (English), which compares very favourably with the previous season's output of 35.71 million tons. This, together with the large carry-over of 10.92 million tons brought in from the 1952-53 season, brings the total available world sugar supplies for the season under review to more than 49.12 million tons, as against 44.41 million tons for 1952-53. Assuming that the annual rate of increase in consumption is about 3 per cent., the aggregate world consumption of sugar may be estimated at 38.28 million tons. The stocks of sugar at the end of 1953-54 would, therefore, be of the order of 10.84 million tons, which is about the same level as in 1952-53.

Fall in Sugar Prices

The easy availability of sugar is reflected in the gradual fall in prices in world markets during the past few months. The price (f.a.s.) of Cuban sugar in the world market is now as low as 3.10 cents per lb., as against 3.77 cents in May 1952 and 4.70 cents in the beginning of 1951.

The renewed weakness in the world market for sugar makes it obvious that the international regulation scheme will have to be considerably modified even before a trial is given to operate it. Under the agreement, it will be recalled, the basic sugar export quotas for individual countries will have to be varied if the ruling market price for sugar rises above or falls below, respectively, the maximum and minimum levels, laid down in the agreement. The ceiling and floor rates are 4.35 cents and 3.75 cents per lb. f.a.s. Cuba, respectively. Now that the world market price (3.10 cents) has fallen below the minimum fixed, the basic export quotas have accordingly to be reduced in order to stabilise the price. But difficulty lies in determining the extent of reduction. An agreement on this issue should naturally be based on the principle of compromise, on the one hand, between the two vital interests in the world sugar trade—exporters and importers—and, on the other, among the exporters themselves. This is precisely the question that is at present being actively considered by the Statistical Committee of the International Sugar Council. If no agreement is reached on the quantity to be cut within ten days of the commencement of the agreement, the aggregate basic tonnages themselves (amounting to 5.31 million) will be cut by 5 per cent., that is, to 5.10 million tons.

Reviewing the recent trends in the world sugar market, the London *Financial Times* makes the following interesting observations:

"It is still by no means a foregone conclusion that the number of ratifications will match the number of signatures to the pact, and some informed circles fear that some countries may ratify subject to reservations endangering the successful working of the scheme. Whether the quotas will be made sufficiently low to be realistic is still in doubt. From the viewpoint of producing countries, the problems likely to be raised by restriction of output are serious. Cuba, for instance, has already restricted her crop to 5 million tons, as compared with a production capacity of around 7 million tons. Although anxious to see the world price of sugar supported, she must always consider what any further restriction might mean in hardship to the sugar workers and consequent danger of labour troubles."

India's Interest in the Agreement

India has now become an importer of sugar. The country is to import 200,000 tons this year and the quantity to be purchased next year, that is, 1954, is estimated at 400,000 tons. As an importer, therefore, this country cannot be a disinterested observer of developments in the world sugar markets, particularly the working of the world marketing scheme for sugar. But since prices have gone below the floors fixed by the world sugar agreement, the agreement is now no more than of academic interest to this country. For India is not a party to the agreement and as such is not bound by its provisions. It is free to buy in the free market in which, as already stated, plentiful supplies of sugar would be available during 1954. India can certainly purchase 400,000 tons which it needs from the "free" market without any difficulty and at substantially low prices.

SUGAR IMPORTS

In reply to a question on imported sugar, the Deputy Food and Agriculture Minister laid the following statement on the table of the House of the People:

About 32,400 tons of imported sugar arrived at Indian ports up to 30th September, 1953. A further quantity of 62,600 tons of sugar has arrived in India up to the end of November. The imported sugar is being sold to the State Governments to the extent required by them for distribution through ration or fair-price shops. The next preference is being given to co-operative societies and the balance is being sold to merchants. Only the West Bengal and Travancore-Cochin Governments have asked for allotment of imported sugar on Government account. Sugar received at Bombay, Madras and Bhavnagar is being sold to co-operative societies and to merchants by inviting tenders.

WASHING OF COAL

MUKHERJEE COMMITTEE SUBMITS INTERIM REPORT

THE latest reports from New Delhi indicate that the Coal Washeries Committee, with Mr. J. N. Mukherjee as Chairman, set up by the Coal Board in January last, to examine and report on problems relating to the establishment of coal washeries in India, has submitted its interim report. This Committee was expected to go into the problems of the advantages of having central washeries, disposal of middlings, relaxation of controls on coal purchased by central washeries, encouragement of washing by private collieries and the like. For a fuller account of the Committee's views on these and allied problems, one has to await the publication of the report, as the Press report mentioned above confines only to the main recommendations of the committee. Among others, the Committee is reported to have recommended that:

(1) Coal preparation for home consumption and export on a large scale should be undertaken;

(2) the basic price structure of coal should be determined on the basis of useful heat units;

(3) the ideal plant for washing Indian coal should consist of a heavy medium plant for cleaning plus 1" coal and a jig for cleaning the minus 1", along with any crushed middlings from the heavy medium plant;

(4) as the washability features of Indian coal show that it is cheaper to wash the superior grades, washing of coal of all grades should be undertaken under one financial authority, so that profits and losses are balanced;

(5) a bonus of As. 8 to Re. 1 should be paid for washed coal having 10,800 to 12,130 useful heat units and a higher bonus for coal with heat units between 12,360 and 12,820;

(6) central washeries, which are more economical than individual units at the mines, should be organised under a central coal marketing organisation;

(7) (a) a central coal utilisation and marketing organisation should be created by an Act of Parliament. The organisation should have power to purchase and sell coal, exercise control over price and distribution of coal and also operate coal mines for the purpose of conservation or for amalgamation of small collieries. It should guarantee a fixed price structure to coal producers, subject to Government control and concurrence. It should fix zonal price structure for the sale of coal.

(b) the organisation should have a capital investment of Rs. 5 to Rs. 6 crores. Fifty per cent. of the share capital should be held by the Ministry of Railways and the Ministry of Production and 25 per cent. by coal mines directly participating in the working of coal washeries; the remaining 25 per cent. should be held by the public as deferred shares. It should be controlled by a Board of Directors, partly nominated by the Government and partly by the industry, according to the proportion of shares held by them. The Chairman should be appointed by the Government. The Chairman of the Coal Board should co-ordinate the activities of the organisation as well as those of the coal producing and consuming industries;

(8) a cess of As. 4 per ton might be levied on all despatches of coal, as marketing surcharge, for meeting the expences of inspection, grading, distribution as well as for financing other capital projects;

(9) the Fuel Research Institute should reorientate its programme of coal survey and carry out, at first, a rapid quality survey of coal in working areas;

(10) selective mining without complete stowing should be totally prohibited; and

(11) in mining of coal, strict scientific rotation should be observed.

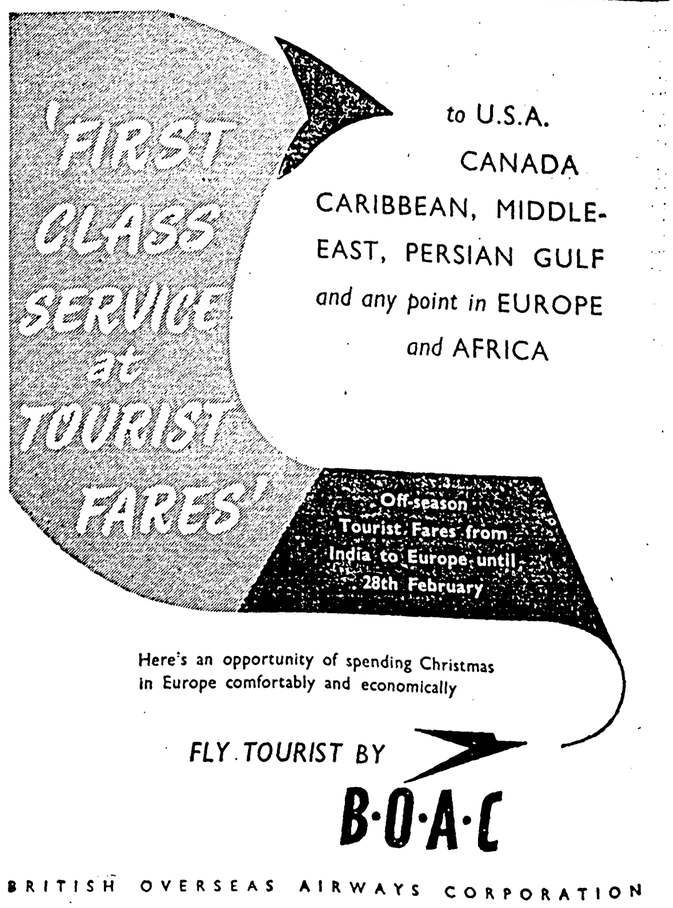
Detailed comments on the above recommendations have to be deferred till a copy of the Committee's report is available to the public. Meanwhile, a few general observations may be made here. It is clear that the Committee has recognised the need for establishing washeries as early as possible. This is in line with expert opinion in the country which has all along been emphasising the advantages which would accrue by installing washery plants. The Committee has done well in recommending the establishment of central washeries, because the small collieries, which with their limited finances cannot afford to have their own, can take advantage of these washeries. The suggestion that the washing of coal of all grades should be undertaken by one financial authority so that profits on the washing of superior coal might be set off against losses on the washing of inferior coal needs, however, further careful examination. The bonus recommended for washed coal will serve as an incentive to collieries to wash their coal. The recommendation that the present price structure of coal should be so revised as to reflect the relative fuel values of the various grades is, however, quite appropriate, and its implementation is long overdue.

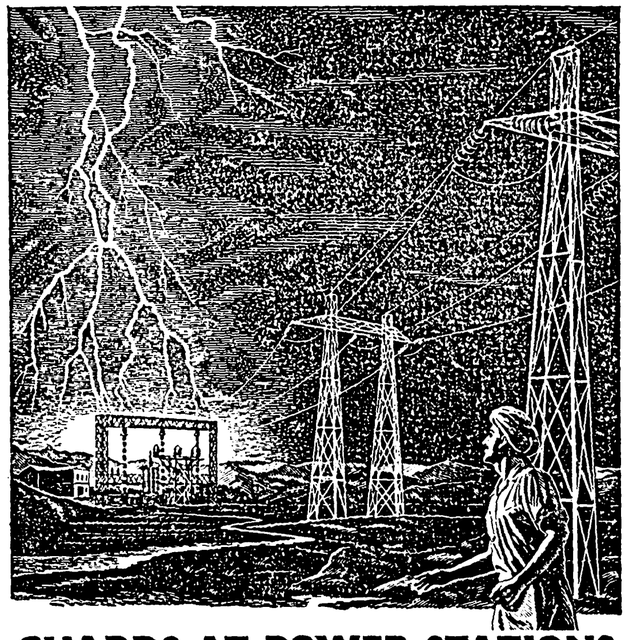
The washing of coal through washeries is beneficial in a number of ways and its advantages are enormous. It will help India export higher grades of coal and thereby recover the vanishing markets. In fact, the decline in exports of coal is chiefly due to the fact that India is not supplying the grades of coal required by overseas' customers. So long as the South and South-East Asian markets did not get higher grades of coal from any other source, they tried to do with whatever grade they got from India. Now that China, Australia and South Africa have entered these markets, the position has changed radically. These countries have been offering higher grades of coal and that too at competitive rates. If India is not to lose the position it still holds, let alone improving it, it will have to make a major effort to supply higher grades of coal and herein lies the utility of washing coal. Another significant advantage of the washing of coal is that washed coal relieves wagon shortage to some extent, as its ash content will be less and this results in savings in freight which will be reflected in the ultimate selling price of coal.

COAL STATISTICS

It is reported that as many as 824 collieries and 7 coke plants were working during the month of August, 1953. Ten mines were reopened. The output of coal from the various collieries in August was 2,746,918 tons. This was 85,698 tons less than that in the same month last year. Soft coke produced was 124,726 tons, hard coke 121,355 tons, and other kinds of coke 14,405 tons. Total despatches during the month under review were 2,506,039 tons of coal, 129,852 tons of soft coke, 41,439 tons of hard coke and 3,615 tons of other kinds of coke. Pithead stocks at the end of the month were 3,645,600 tons, including 1,558,995 tons of slack.

The daily average number of persons employed in the coal mines was 326,212 persons, which was 16,509 persons less than that in July 1953. The number of man-shifts worked was 7,915,461. The overall percentage of absenteeism was 13.82 in all coal mines. The output per man-shift for miners and loaders was 1.04, for persons employed in underground and in open workings 0.56 ton and for all persons employed above and below ground 0.34 ton.





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DELHI CLOTH AND GENERAL MILLS COMPANY, LIMITED

SIXTY-FIFTH ANNUAL GENERAL MEETING

SIR SHRI RAM'S CALL FOR A BOLD DECISION REGARDING TEXTILE EXPORTS

ADDRESSING the shareholders of the Delhi Cloth and General Mills Co., Ltd. at their Sixty-fifth Annual General Meeting held in Delhi on 6th December, 1953, Sir Shri Ram, Chairman of the Company, said that the time had come for the country to take a bold decision in regard to its cotton textile exports. He was confident that a permanent export market could be built up, notwithstanding the competition of powerful rivals like Japan. He felt that the difficulties of textile mills, "formidable" as they were, had been increased by the Government's policy in respect of handlooms. Referring to the sugar industry, he said that it was a "matter of humiliation" that the country needed imported sugar, even after 20 years of control over production and other controls extending over a period of 10 to 15 years.

The following are extracts from Sir Shri Ram's speech:

"FELLOW SHAREHOLDERS,

"... With your permission, as in past years, I will take the Directors' report as read. You will have observed with pleasurable surprise that notwithstanding the very difficult conditions during the year, the profit before taxation was about Rs. 175 lakhs, as against about Rs. 123 lakhs in the preceding year. This was because, in the first instance, we had no heavy losses in cotton this year, as we had, in common with other mills, in the earlier year; secondly, we fared better in Lyallpur than in the last year.

"The good results of the year must not, however, give us a feeling of complacency. The loyalty of our staff, their intelligence, skill, sense of duty and willingness to do hard work and adaptability to changing conditions, all of which are our most valuable assets, are no doubt with us, and will continue to be with us, gathering, as time passes, added value; but even with all this, unless their is purchasing power—whether in this country or abroad—to buy our goods, we cannot be happy. Fortunately, the policy of the Government of India in respect of taxation of exports has been, to some extent, corrected recently. There is still an export duty of 10 per cent. on coarse cloth. The excise duties also remain, though on a reduced scale. We are grateful to the Government for the grant of rebate of import duty on cotton used in exported goods.

Efforts to Develop Exports

"The steps we have already taken to develop our exports will be seen in the number of countries to which we export, as shown in the display pages of the balance-sheet and Directors' report; but there are many hurdles ahead, and we are continually sending out our senior staff to study foreign markets. Japan is intensifying its efforts on export. Its productive capacity is rapidly increasing; for example, as against 3¼ million spindles and 2 lakhs looms in 1949, it has 7¼ million spindles and 2¼ lakhs looms in 1953. Japan is already a formidable competitor and will be a bigger one in the future.

"In my opinion, the time has come for our country to come to a bold decision in regard to our cotton textile exports. Notwithstanding the competition of powerful rivals, like Japan, I am confident that we can build up a permanent export market, particularly in respect of coarse and medium cloth made out of our own cotton. We can grow short-staple cotton cheaply. We have a very intelligent labour force capable of turning out skilled work. Even as regards fine and superfine varieties, we can, with some effort, build up an export market. I am glad that the Hon'ble Minister for Commerce and Industry is all out to help exports. If we are to obtain the maximum possible advantage of our natural facilities in respect of cotton textile exports, it is necessary that we should bring down costs of production, and, in this view, it is inadvisable to restrict the loom capacity of mills on the assumption that we shall cater only for the internal market and for a limited volume of exports. There is, in my opinion, no justification for an apologetic or timid outlook in this matter. This, however, has nothing to do with the problem of the handloom, which is an internal one.

"Our difficulties, formidable as they are, have been increased by the Government's policy in respect of handlooms. Apart from other burdens imposed on us in recent years, to which I referred last year, and which cumulatively amount to a few annas a yard of cloth, our production of certain qualities has been restricted and a punitive cess imposed on us. The cue has been taken by ignorant critics, and the country is inundated with self-contradictory propaganda, for example, asking mills to reduce prices and also complaining that mills are undercutting the handloom, or trying to restrict or handicap mills looms, on one side, and objecting, on the other, the closing of mills.

Handloom Problem

"The handloom problem is a big and difficult one. We have no reliable statistics about handlooms, the last authoritative enquiry being nearly ten years' old; and only a few estimated figures are published from time to time. There was a substantial increase in the number of handlooms during the war; many of them, reportedly, dummies for earning yarn quotas for the black-market. The handlooms, which actually worked, had a good time, thanks to the shortage of cloth and the controls and various new burdens imposed on the mills. Easy money, as in other cases, demoralised the handloom weavers, whose old habits of work have been lost. They are unable to produce qualities comparable with mill products. Latterly, when the sellers' market disappeared, the handloom was unable to adjust itself to the new conditions. I am confident, however, that a place can be found both for the mills and for the handlooms (not for an unlimited number of either, nor for dummy handlooms). While it is a matter of doubt whether, and to what extent, handlooms will benefit from the various levies on the mills, it is not a matter of doubt that, by adding to the costs of the mills, the result is an additional burden on the consumer, who can ill-afford it, because of his already low purchasing power. Anyway, let us wait for the report of the Kanungo Committee, which, let us hope, will set out the true facts and help in a proper solution of the present problems both of mills and of handlooms.

"Incidentally, the present policy of the Government, placing an absolute embargo on the setting up of new looms in mills, places at a disadvantage those States in which the textile industry is not already developed. I am thinking of States like Assam, Orissa, Bihar and the Punjab. It is common experience that spinning mills as such are not remunerative. The result of the Government policy, therefore, will be that few mills will spring up in these States, which will continue indefinitely to be dependent on other States for the supply of both cloth and yarn. A via media would, I suggest, be to allow spinning and weaving mills in these States, but to earmark for the handlooms a somewhat bigger share of mill yarn than in mills already existing.

"Coming back to our working during the year, I am glad to say that, in spite of the increased difficulty of sales during the year, we were in a position to do fairly well because of our marketing organisation with our network of retail depots and our agents all over. ... The number of retail depots now is 130, exclusive of 22 depots for garments only.

Days of Easy Sales and Good Profits Gone

"The days of easy sales and good profits, however, have come to an end, and we can survive only on the basis of the highest value to the consumer for the lowest cost. Nevertheless, I am not pessimistic, so far as our own mills are concerned; for just as we successfully faced the long continued depression of the thirties, when most other mills in the country had to pass over dividends and also to reduce wages and we were one of the small minority who did not, we shall, I am sure, conquer our present difficu'ties also. The present situation is really a challenge to our staff and to the management, who, I am sure, will readily accept it and not relax until the battle has been won. But even the utmost efforts of the staff will not avail against the severe competition that is in the offing, unless we have the most modern and helpful machinery facilitating work and reducing costs. ....

"With every passing year, I am getting to be more pessimistic about our sugar factories. The price of cane (which forms 60 per cent. of the cost of sugar) is regulated by Government, and, as you know, the price is paid by weight irrespective of the sugar in the cane. The cultivator naturally grows varieties and uses fertilisers so as to get the maximum weight of cane per acre without regard to its sugar content. The State Government levies a cess for the purpose of improving cane, but most of the cess is used by it to augment its general revenues. The wage bill is rigidly controlled by Government—both numbers of staff and rates of wages—and we cannot discharge a single worker without the sanction of a Government authority nor even slightly reduce wages or even fix bonuses ourselves. Not even 10 per cent. of the cost of production is in our control, and it is a tribute to our technical staff that within this limited sphere, which alone is subject to our control, they have shown the highest standards of technical efficiency. It is, however, a matter of humiliation that after more than 20 years of production and 10 to 15 years of varied control by Government, the country needs imported sugar.

"Our chemicals side is doing well and also steadily expanding. We are extending our caustic soda plant and also propose to extend our sulphuric acid capacity. The D.D.T. factory, at one time intended to be a joint venture of ourselves and the Government of India will now be a wholly Government business, and we shall merely supply certain materials to them. ...

Purchasing Power Should be Raised

"Speaking generally and without special reference to our own factories, I have no doubt in my mind that the only effective method, under existing conditions, of augmenting purchasing power in this country is to bring down the cost of living, and more particularly the cost of food, which is about 60 per cent. of the cost of living of the less prosperous classes. This can, and should, be brought down gradually in stages, so regulated that there is no adverse effect on the production of agricultural or factory production, and, on the contrary, there is a salutary effect. With a lower cost of living and greater purchasing power, we shall have increased production all round, leading to reduce costs of production and still further increased consumption and so on. This circle of progress would definitely benefit the poorer classes far more than the richer ones. In short, the country should adopt a low cost and low price economy, instead of a high cost and high price economy. ...

"You will be glad to know that recently we started a system of inviting suggestions from our workers for better working, and we received some suggestions of very great interest. We give prizes regularly for approved suggestions ... I need hardly say that the value of this system lies not only in the monetary economies effected or in the improvements of the qualities of work, but in the increased and deeper interest which every one takes in his work and in the stimulus which it gives to persons of ability. ...

Technical School

"The opening of a technical school for the children of our employees is under consideration. The working of our hospital, which we are still continuing for the families of workers (for the Government scheme does not provide for workers' families), has improved. The Company's *Gazette* is changed out of recognition, and not only do workers take greater interest in it, but they are regular contributors to its columns. *Janamashtami* celebrations in the Swatantra Bharat Mills were on a high level; and, for the first time, *Ramlila* was celebrated in the D. C. Mill area on a magnificent scale, enjoyed daily for nine days by well over 50,000 spectators, mostly workers' families, friends and relations, with perfect arrangements and regulated by volunteers from workers. This celebration earned encomia from several distinguished guests. I am glad that workers are taking so much interest in these activities and I am sure that the Company will do its best to help them.

(Continued on page 1117)

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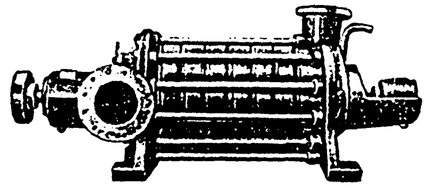
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DEVELOPMENT OF BOMBAY PORT

HOW TO FINANCE IT?

THE Bombay Port Trust authorities are confronted with one of the toughest problems in undertaking the financing of the major development schemes of Bombay Port. It is common knowledge that the major development schemes of this Port fall under two categories, namely, (1) those which are in connection with modernisation of the port and (2) those connected with the establishment of the oil refineries. According to present estimates, the former costs about Rs. 13 crores, and the latter Rs. 8 crores, excluding the cost to be incurred in removing the ammunition from Butcher Island. Thus, the aggregate finance required is Rs. 21 crores. So far as modernisation of the Port is concerned, the Government of India is prepared to give a loan of no more than Rs. 4.17 crores, while the cost of the developmental scheme runs up to Rs. 13 crores. The problem facing the Port Trust, therefore, is: How to raise about Rs. 4 crores required during the period of the Plan and Rs. 4 crores thereafter? It is true that the Port Trust has been asked to raise wharfage charges to find the finance needed. But is it advisable? The existing economic conditions do not appear to warrant the adoption of such a course. This is evident from the convincing case presented, on behalf of the Trustees of the Bombay Port, by Mr. M. A. Master, to the Minister for Transport, Government of India, at an informal discussion held during the latter's visit to the city last month.

Mr. Master, who is an undisputed authority on shipping, says that, even if the present rate of surcharge is doubled, it will not be possible to balance the budget of the Port in the future. He argues that this suggestion is the result of an incorrect appreciation of the financial position of the Port. He points out that the aggregate surplus of Rs. 3 crores accumulated during the last 3 years, as revealed by the budget of the Port Trust, is more apparent than real. For it is accountable partly to an increase in receipts of surcharge and partly to demurrage. But demurrage is only in the nature of windfall and cannot be relied upon. Already, it has been on the down-trend, thanks to the improvement in the working of the Port which has relieved congestion to a considerable extent. It is bound to go down further in future. That apart, the surplus does not take into account the liability of over Rs. 60 lakhs by way of municipal taxation and the amount of about Rs. 1 crore to be paid under the Minimum Wages Act. Further, the Port will have to pay, in the coming years, an additional sum of Rs. 28 lakhs per annum under the Minimum Wages Act. In other words, the additional annual expenditure will go up by that amount from next year. In addition, there are proposals for a re-adjustment of dearness allowance, etc., which will mean a new burden to the extent of Rs. 15 to Rs. 20 lakhs per annum. Municipal taxation will also add a further sum of Rs. 6 lakhs per year. All these and a host of others will impose a very heavy burden on the finances of the Port. Summing up this position, Mr. Master observed:

"When we add up all these figures, a more realistic picture will emerge before us, and we shall find that, not only the surplus will disappear, but the Port will also have seriously to consider how to find revenue for covering the additional burden of Rs. 125 to Rs. 130 lakhs, year after year. Even if the Port were to double the present rate of surcharge, it will not be able to balance its budget in the future."

Mr. Master does not leave the issue of balancing the budget there. He proceeds to point out the possible adverse effects of increase in the rate of surcharge on India's exports at a time as the present when the sellers' market has almost come to an end. To quote his words: "Unless the Port and other handling charges are kept within limits, we cannot sell our wares in foreign markets." He opines that, with the construction of Kandla, the diversion of cargo from sea to rail, on account of lower freight rates and the like are bound to affect the trade of the Port resulting in lesser revenue. In view of all these considerations, Mr. Master holds, not without justification, that the amount of Rs. 4.17 crores, which the Government is prepared to offer as loan, is grossly insufficient. He pleads for outright grants to some extent. He urges that such amounts as may be given by way of loan should be free of interest at least for a period of 12 years from the time the refineries begin to function and the scheme for the modernisation of the docks is completely executed.

As regards the scheme for the establishment of a Marine Oil Terminal, the Planning Commission has earmarked finance up to Rs. 8 crores. This includes the cost of nearly Rs. 3 crores for removing the dump from the Butcher Island. As a result, the exact sum that will be available for the establishment of the Terminal will be about Rs. 5 crores. The Port Trust, it may be noted, is of the opinion that the removing of the dump is not its liability, but that of the Government and, consequently, the Government should bear the cost. Dealing with this question, Mr. Master pertinently remarks:

"In view of the inexplicable haste with which we are asked to set up the Marine Oil Terminal and complete all the arrangements in connection therewith, the cost is unfortunately mounting. It is estimated that the Marine Oil Terminal scheme would cost us about Rs. 7 to Rs. 8 crores. It may go up even to Rs. 9 to Rs. 10 crores. It is difficult to say what the final cost will be. The Government have not yet made it clear that, whatever may be the ultimate cost of the scheme, the finance necessary for the execution of the scheme will be provided *in toto* by the Government. May I, therefore, request you to make the position crystal clear to us in this matter?"

Even in this case, Mr. Master pleads for assistance from the Centre by way of grants and loans with an interest-free period. He desires that permission should be given for recovery of the amount of money which the Port Trust will require for meeting the cost of interest, sinking fund charges, maintenance, depreciation, repairs, etc., from the oil trade, as it is that alone which will benefit from the huge expenditure incurred on the Terminal. He is opposed to the diversion of a portion of the general revenues to meet the cost incurred in respect of the Oil Terminal. The arguments of Mr. Master in this regard seem to be convincing.

The Central Government has allotted Rs. 80 lakhs during the Plan period for loans to State Governments for improvement of 31 minor ports. The total estimates submitted by the States come to Rs. 154 lakhs, but only Rs. 80 lakhs have been granted by the Centre and the States are expected to find the balance.

(Concluded from next column)

the National Planning Commission, the Government of Mysore, it is stated, is conducting fresh surveys of the project. The project, estimated to cost over Rs. 35 crores, is expected to generate power to the extent of about half a million kilowatts. Honnemaradu, it may be noted, is about five miles up the Sharawati river from the Jog hydro-electric generating station. The project envisages the construction of a reservoir at Honnemaradu, about three miles down the river, from Hirebhaskar dam, which impounds 15,000 million cubic feet of water. It is calculated that a reservoir constructed to a height of about 165 feet will impound over 100,000 million cubic feet of water. The Government of Mysore is urging the Centre to render financial assistance for taking up the construction of the project.

SUPPLY OF POWER FROM MYSORE

REVIEW OF INTER-STATE AGREEMENTS

RECENT trends indicate that the State of Mysore will, before long, be the biggest supplier of electric power in South India. It has either already entered, or is entering, into agreements to supply large blocks of power to neighbouring States. At present, negotiations are being conducted with the Governments of Hyderabad and Andhra, with a view to revising the agreement originally entered into with the composite State of Madras which provided for the supply of 4,000 kw. of power to the Ceded Districts. The revision of the agreement is prompted by the break-up of the State of Madras leading to the creation of Andhra and the merger of certain parts of Madras with Mysore State.

Reports from Kurnool indicate that the Kurnool area will be supplied with power from the Jog hydro-electric system under a scheme, which is being considered by the Andhra State Cabinet. The scheme envisages linking of Kurnool with Yemmiganur, which is already receiving power from the Jog system. Kurnool is, at present, supplied with power by the local thermal station, the capacity of which is 800 kw. The present consumption is 640 kw. When power from the Jog system becomes available, the major part of the thermal station will be closed, leaving only one or two generating sets for emergency purposes.

Mysore has entered into an agreement with Madras which provides for the supply of power to South Canara district by the middle of 1957. Mysore will supply at first 2,800 kw. and two years thereafter a total of 3,500 kw. and two years subsequently 6,000 kw. in the aggregate.

The Government of Mysore has also entered into an agreement with Bombay State. The agreement envisages a supply of 1,500 kw. power from Jog to Dharwar district in the near future. The Government of Mysore has also agreed to supply 10,000 kw. of power to North Canara district of the Bombay State. The Government of Bombay, it is stated, is erecting the necessary transmission lines.

The State of Mysore has entered into an agreement with the State of Coorg too. The agreement provides for a supply of 1,000 kw. of electric power to Coorg. Under the terms of the agreement, the Government of Mysore has itself agreed to lay transmission lines up to Coorg border at an estimated cost of Rs. 30 lakhs, which will be advanced by the Government of Coorg. Central aid to Coorg in this regard is anticipated in the near future.

In the meanwhile, the State of Mysore is trying to increase the generation of power, with a view to meeting the increasing demand for power not only from several areas of the State itself but also from the neighbouring States referred to above, which are short of natural facilities for generating power. It is anxious to take up early the construction of Honnemaradu hydro-electric power project. In response to the direction for alternative suggestions, made by

(Continued in previous column)

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AMY-5

MEETING OF EMPLOYEES' STATE INSURANCE CORPORATION

MR. V. V. GIRI'S CALL FOR MAKING SCHEME A SUCCESS

ALTHOUGH it is now more than five years since the Employees' State Insurance Act was placed on the Statute Book, it is deplorable that the Scheme itself should be functioning only in three areas, namely, Delhi, Kanpur and the Punjab. What makes it more deplorable is the *fact* that employers all over the country are compelled to contribute their share of expenses under the Scheme, though there is no relief to them so far as their obligations under the *Workmen's Compensation Act*, the Maternity Benefit Act and other labour laws are concerned. Thus, the failure of the authorities of the Corporation to extend the Scheme as rapidly as they *once thought* possible has imposed an unnecessary financial burden on employers. Even labour leaders are frankly critical of the progress of the Scheme.

The only redeeming feature of the whole situation is that no one is more conscious of the effects of continued failure on the part of the authorities to make more rapid progress in implementing the Scheme, than the Minister for Labour, Mr. V. V. Giri, himself. He warned in his recent address at the meeting of the Corporation, at New Delhi, that "unless substantial progress is made in the implementation of the *Scheme in the year 1954*, the forces of discontent and opposition might gather such momentum as even to wreck the Scheme." He called for a "little bit of heart-searching" to see whether all had "pulled together themselves adequately" in order to make the Scheme a success. He added:

"Responsible sections of employers have been complaining of the burden placed on them through the levy of the special contribution without an adequate return for the large sums they contribute. *While the levy* of what is essentially a general tax from all employers in the country might be justified for a time, it would be difficult to continue these levies for too long a period. I have, on behalf of the Corporation, given assurances to employers that *in the coming year* we would exert ourselves to the utmost and try to make good our promises and their expectations. It is for every one of you, representing employers, workers and State Governments, to back us in this endeavour if you are as *anxious as I am to see* that this difficult scheme is made a success."

The workers' grievance against the authorities of the Corporation stems not only from the *fact that the Scheme* is being only very slowly implemented but also from the consideration that the quality and standard of medical treatment given under the Scheme is not satisfactory. *Referring* to this complaint, Mr. Giri gave the assurance that he was himself "most anxious" to raise the quality and scope of the medical relief rendered under the Scheme. He revealed that *they were examining* how far they could go in this direction "having regard to our limited finances." But he counselled "patience," adding that "every big scheme starts in a small, and *often unimpressive* way, but given goodwill and the desire to make good, there is nothing which cannot be achieved."

State Governments

The State Governments are no less critical of the Scheme than the employers and the workers, for many of them have felt that their share of expenditure under the Scheme (one-third of the cost of medical care) is on the high side. On this question, Mr. Giri said that the State Governments will do well not to raise the issue of their share of expenditure at present, since it will be some time before the Scheme is implemented in its entirety. He said, in effect, that there will be time enough to consider the whole formula regarding the State's share of expenditure. Making an earnest appeal to the State Governments to co-operate, and even to take the initiative in seeing that the *Scheme is well* established, he said:

"I would, therefore, appeal to them not to reopen, for the time being, the present formula for the *sharing* of the cost of medical relief between the Corporation and State Governments. Before the end of the financial year 1955-56, we shall have gained valuable experience of the working of the Scheme in all important places and secured reliable statistics of the incidence of cash benefits and of the cost of medical care. Let us hope that experience will show that the amount which we are now *setting* apart, on the basis of actuarial estimates, for cash benefits is excessive and that a portion of it could be diverted to augment the expenditure on medical relief. That would be the time to consider whether the burden on State Governments, which would by then have attained the full extent, could not be adequately eased. If no such diversion becomes possible and State Governments find it difficult to contribute the full one-third of the cost of medical care, the Corporation will have to consider the question of increasing the rates of contributions of employers and employees. But any such increase at this stage will hardly be justifiable. I would, therefore, assure State Governments that we shall lighten their burden *before* its full weight is felt and would appeal to them not to reopen the question at this juncture as that must inevitably postpone implementation of the Scheme."

Finally, Mr. Giri revealed that the authorities had taken steps to "streamline" the administrative machinery of the Corporation. He hoped that this step would soon be reflected in increased efficiency. It would appear that they have taken care to see that the "utmost economy is exercised in the matter of staff and other incidental expenditure connected with the administration." All this will certainly go to commend the Corporation's services to those who benefit by them and also pay for them.

Hospital Treatment

The Corporation approved, at the session which Mr. Giri addressed, a scheme for setting up hospitals and specialist centres. Under the plan, a sum of Rs. 220 lakhs is proposed to be spent on providing 1,250 beds in independent hospitals and 400 beds in annexes to existing hospitals. The Corporation agreed that hospital treatment should be provided to T.B. patients among the insured persons and directed that a survey should be undertaken to find out the extent to which the existing T.B. hospitals could be utilised for purposes of treatment. It accorded sanction for establishing two X-ray-cum-laboratory centres in Calcutta and Howrah District at a capital expenditure of Rs. 1.9 lakh and recurring expenditure of Rs. 75,000.

The question of utilisation of the employers' existing facilities for providing medical care to insured persons under the Scheme was examined. It was agreed that these facilities should be utilised and the employer should be paid for all outdoor treatment including domiciliary visits and cost of all medicines, at a rate not exceeding Rs. 6 per insured person per annum, provided that the employer is spending an equal amount on the medical care of the insured persons.

Yet another important decision, taken at the meeting, was the one relating to the delegation of powers to regional boards. The Corporation decided, it is stated, to delegate certain financial and administrative powers to regional boards. This is a wise decision since it will enable these boards to take an active interest in the work of the Corporation. After all, the regional boards will be in constant touch with the local problems, so that a certain degree of local autonomy and decentralisation will make for increased efficiency in the working of the scheme.

HEALTH INSURANCE IN U.S.

Health insurance protection, which people purchase voluntarily, is expanding in the United States with striking rapidity each year. Both the number of people and of families protected against the financial costs and losses of illness and the types and amounts of coverage of their expenses and losses are growing constantly. To-day, more than 91 million persons, representing almost 60 per cent. of the population, have insurance protection against the expenses of hospitalisation; 73 million have surgical expense coverage; and 36 million are protected against medical expense. An estimated one million also are protected against extremely heavy medical expense arising from very serious illnesses or accidents. Last year alone, more than $2,000 million in benefits were paid to individuals and their dependents under voluntary health insurance policies. About $1,000 million of the benefits were to help meet the cost of hospitalisation, $500 million for surgical and doctors' bills, and another $500 million for benefit payments to replace income lost through sickness or injury.

The growing popularity of this type of insurance protection can be judged by the fact that in 1941 only 16 million persons were insured under group and individual hospitalisation plans, in contrast with the 91 million now protected. The increase in 1952 alone was more than 5.5 million. In 1941, less than 7 million persons were covered for surgical expenses, compared with 73 million protected to-day. About 3 million persons had medical expense coverage in 1941, *in contrast with 36* million at the beginning of this year. For the most part health insurance is maintained on a voluntary basis in the United States by insurance purchased under individual or group policies from private insurance companies or from non-profit organisations. The largest of the non-profit plans is the Blue Cross; its subscribers number more than 43 million.

TAX RELIEF FOR MUTUAL INSURERS

We reviewed, in our issue, dated 28th November, 1953, some salient features of the memorandum submitted by the Association of Mutual Life Offices in India to the Taxation Enquiry Commission. The memorandum dealt with the case of the mutual insurers for exemption from income-tax and cited a judgment given by the U.K. House of Lords in support of their claim. It would now appear that the Supreme Court of Canada has given a similar judgment in which it has upheld the contention of a mutual insurance company, known as the Stanley Mutual Fire Insurance Company, that the Company should not be assessed to income-tax. When the Stanley Mutual Fire Insurance Company was assessed under the Income-tax Act on the surplus arising after payment of losses and expenses, it appealed against this decision to the Income-tax Appeal Board, contending that, being a true mutual company, it did not have any profit or gain. The Board upheld this contention and allowed the appeal. The Government then appealed against this decision to the Exchequer Court. This Court allowed the Government's appeal, on the ground that as there was no complete identity between the contributing members and the participation in the surplus or reserve funds, such funds are profits of the Company.

The Company appealed against this decision to the Supreme Court of Canada. This Court allowed the appeal of the Company for the following reasons: (1) The business of the Company is properly described as a mutual insurer; (2) since it is the Company that incurs the obligations to the members by issuing policies of insurance, of necessity the reserve fund must be its property as its whole purpose is that it may be resorted to in satisfaction of the Company's liabilities; (3) the fund is accumulated, as directed by statute, not in pursuance of a profit-making enterprise but in furtherance of a mutual insurance plan; and (4) it is clear that on the winding-up of the Company, the surplus, if any, remaining after payment of the liabilities, would be returned to the members of the Company.

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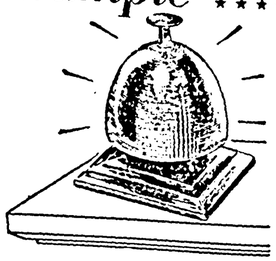

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Retrospect . . .



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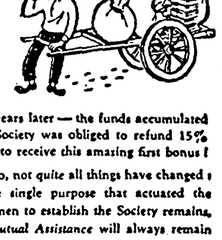



Then, in 1895 — barely 25 years later — the funds accumulated to such an extent, that the Society was obliged to refund 15% of the total premiums. Policyholders were startled to receive this amazing first bonus!

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TAXATION SYSTEM IN INDIA

REFLECTIONS ON SOME OF THE QUESTIONS RAISED BY ENQUIRY COMMISSION—VI

(By R. K. DALAL, B.COM., F.S.A.A., F.C.A.)

AN important aspect of the administration of income-tax law is the place of the income-tax consultants who appear on behalf of the assessees. In the Commission's questionnaire, question No. 87 deals with the effective representation of assessees and the professional efficiency of these representatives. Although some unqualified income-tax experts, who appear on behalf of the assessees, are really good and honest, their number is small. It is in the interest of the Department to do away gradually with unqualified experts. Only chartered accountants and lawyers should be allowed to practise. The rule should be made more and more rigid to shut out undesirable elements.

The syllabus for the examination for qualifying for the position of chartered accountant is proposed to be revised so as to include a special paper on income-tax. The Department can also help in the training of income-tax experts by making available to the public an up-to-date revised edition of: (1) the Income-tax Manual; (2) the table of computation; and (3) the Central Board of Revenue's circulars which give certain relief to the taxpayers in the assessment or refunds. The Department should also publish an annual of leading decisions of the Tribunal on the latter's views in regard to: (i) important sections of the Act; (ii) practice recognised by them as sufficient for acceptance of accounts; and (iii) guidance as to the observance of certain rules and requirements as to registration of partnership or order accepting partition of the H.U.F. These should be made available without, of course, disclosing the identity of the assessee, so as not to offend section 54 of the Indian Income-tax Act.

Disclosure of Names (Question 88)

Although the practice of disclosure of names prevails in some countries, it is thought that such a drastic measure is not likely to improve matters since among the names published, might be the names of persons with whom a smaller assessee might not be ashamed to keep company. One cannot say definitely as to the result of such an experiment, unless it is tried for a time and public reactions and revenue results studied therefrom.

There are penalties prescribed under the Act for concealment of income which are more than sufficient for a check on tax evasion. There is, therefore, no need for publishing the names of persons who are penalised for concealment of income.

Perquisites to Employees (Question 89)

It is difficult to say what loss of revenue the Government suffers by permitting the exclusion of perquisites from taxable profits. *Prima facie*, it is not thought to be considerable. Unless it develops into a scale which endangers public revenue, the present practice should continue.

The perquisites in the shape of rent-free quarters are taxable under section 7, explanation 1. Other perquisites such as medical aid, entertainment and mess expenses of the employees are not taxable under the aforesaid section. In view of the absence of any stability in employment, or such benefits as provident fund or pension as in Government or semi-Government institutions, it is not desirable to treat such perquisites given to employees of business undertakings as part of salary under section 7. Besides, the revenue to the Government will be very negligible if such small perquisites are made taxable under the aforesaid section.

Tax Due by Company in Liquidation (Question 90)

A company in liquidation should safeguard its funds to the extent of taxes levied by making it a first charge on the assets of the company and making the liquidator responsible for it, unless, after due notice and enquiry, he distributes the funds in his hands. If, any liability arises thereafter under section 34, only the recipient shareholders, who received the dividends, should be held liable and not the liquidator.

Powers of Income-tax Authorities (Question 91)

Larger powers in the hands of present personnel are likely to result in more harassment, greater corruption and smaller revenue. In very exceptional cases, searching of premises may be permitted but only during office hours; it must be carried out by a person of responsibility duly authorised by the Commissioner who must make careful enquiry and not rely upon the report of his lower staff. Also, this must be resorted to only if other measures are not likely to yield the result which the Department has in view. With such safeguards, these powers may be permitted. The power to enter premises must not be left to anyone below the rank of the Inspecting Assistant Commissioner, duly authorised by the Commissioner of Income-tax in writing. If the result shows that the enquiry was infructuous, the reasons should be submitted by the Inspecting Assistant Commissioner to the Commissioner of Income-tax in writing. Care should be taken to see that authorities do not act upon an anonymous report written by a rival in trade, enemy, disgruntled employee or a blackmailer. If action is taken on the report of such a person the Department must in duty bound disclose the name of the informant for suitable action by the assessee, if the report is proved to be false, baseless and actuated merely by malice or intention to blackmail and harass.

Large powers conferred on executives have often been misused both to the detriment of the Government and the assessees. There are sufficient powers already vested in the Income-tax Officers under the Act and any further power that may be given to them will surely result in unnecessary harassment of the taxpayers. What is required is the cordial, courteous and sympathetic attitude on the part of the taxing authorities towards the taxpayers who are heavily crushed under the excessive burden of taxation.

Creation of Legal Entities (Question 92)

The present practice of converting private property into trusts or private limited companies wih a view to mitigating heavy tax incidence, is not so widespread as to merit legislation against it. The legitimate way of reducing one's tax burden by the formation of companies, partnerships, trusts, etc., should not be disturbed so long as the transactions are *bona fide* and genuine and not a camouflage for avoiding tax under false pretences.

It is inconceivable that a taxing statute could penalise a person for legal avoidance of tax. The law, as it stands now, has made sufficient safeguards against possible evasion of tax. The provisions for penalty rates will not help either the Government or the trade and will ultimately scare the business community from their normal business activity and thus retard the progress or expansion of trade and commerce of the country.

Tax Due by a Partner (Question 93)

In case of a registered firm, the firm is an assessee but the tax is recovered from its partners. If any tax is unrealised, the provision for recovery of such tax may really conflict with the principle of individual assessment. Why should partners' unrealised tax be borne by the firm when the assessment proceeds on the principle of individual responsibility? But, if any such provision is made it must be clearly provided that only such part of personal tax may be recovered from the firm or other partners as relates only to his share in the partnership business.

Machinery of Recovery (Question 94)

Where the Department itself is lethargic in making assessments, which are delayed for a number of years for no fault of the assessee, sufficient time should be given to the assessee for payment of the tax for more than one year in one financial year. No penalty for delay in the payment of taxes in the aforesaid circumstances should be levied. The arrangement for the recovery of tax is quite adequate. What is required is vigilance and efficiency on the part of the Department for the recovery of the tax. There is adequate machinery prescribed under the Act for enforcing recovery of the tax from the resident assessees. It is only in the case of a non-resident or a foreign assessee that some special machinery for enforcing payment of tax is called for and especially in the case of a foreign company under liquidation to avoid heavy loss to revenue. Similar special machinery may be prescribed for other resident persons who are likely to leave India for the purpose of settling down abroad with no intention to return to India.

Private Companies (Question 95)

Private companies' tax should be met out of the assets of the company and not from the shareholders. When the assessment proceeds on the assumption that a company pays its own tax as an entity on behalf of the shareholders, how does it stand to reason to say that the company's unrealised tax shall be recovered from the shareholders? One cannot keep one's cake and eat it. One must not be allowed to tinker with a principle. One cannot say that for purposes of assessment, the company's legal entity will be recognised, and also say that when this tax is unrealised the legal entity will cease to operate. For purposes of assessment, a company is deemed to be a company but when recovery proceedings start, it suddenly becomes a partnership, each partner becoming liable to pay not what he receives, but what the company earns, whether it is distributed or not. To vary the principle to suit the exigencies of recovery is bound to make nonsense of the principle underlying the functions of a company and hold it up to ridicule. A more straightforward method will be to declare that all private companies will be to declare, for assessment and rate purposes, as a partnership, and not as a company, but that the shareholders will be taxed as a registered firm.

Property Income (Question 96)

Here also, there does not seem to be any logic. Why should the income of one be treated as the income of the other? If it is on the ground that the income, though legally transferred to another, really belongs to the transferor, the person who is taxed should be responsible for the tax; why should one man bear a liability to pay the tax of another when legal liability is not his? If the transfer is not real but a camouflage, then the law is strong enough to pursue its remedies against the so-called transferee as a benamidar of the real owner.

Public Relations (Question 97)

The greatest need of the taxpayer and the Department is to find ways and means to make the Department more reasonable in its demands for tax and the taxpayer to be honest and straightforward. Each must realise that on the improved tone of relationship between the taxpayer and the taxgatherer, depends the smoothness of the working of the tax machinery, recovery of revenue and the general satisfaction that the taxes are not only properly collected but are willingly paid as a mark of good citizenship. This can only be done when the laws are neither harsh nor inequitable and the citizens learn the duty of paying the taxes willingly without resort to manipulation or fraud. Taxpayers must be made to realise that the tax wrongly avoided, must weigh on the community as a whole in terms of either higher taxes or harsher laws. It does not pay to avoid paying one's true taxes. But, in order to achieve this, the Department must be scrupulously fair; their anxiety must not be to collect tax anyhow, as someone put it bluntly, by hook or by crook. In this matter, one should recall the maxim that it is not sufficient to do justice, but make the taxpaying public feel that justice is done. They must not be suspected; their statements should not be open to challenge, unless some evidence justifies such inference. Assumptions and presumptions must give way to proofs and evidence.

The Income-tax Officers must see that an assessee is not harassed through rejection of his books on flimsy grounds, adoption of unconscionable gross profit or demand for immediate payment of taxes, irrespective of the state of his finance. His assessment must not be delayed, prolonged scrutiny being made year by year, although nothing is detected or found; refunds should be paid as promptly as tax demands are recovered. Appeals should be heard and disposed off judicially and not in an atmosphere where everything that the Income-tax Officer says is believed, everything the assessee says is rejected. For this, the creation of the office of a liaison officer is a crying need. This officer should be scrupulously fair and beyond the reach of temptations, efficient, sympathetic and judicial by temperament. He should be able to control the vagaries of some officers and offer taxpayers of lower brackets advice as to filling in of returns, maintaining of simple accounts, claiming refunds and help in expeditious disposals of his old assessments. He should give free advice to the small assessees on the subject and also see that their genuine grievances are immediately looked into and redressed by proper approach. It must be his duty to see that taxpayers, who come and complain against authorities, are not victimised by them.

Any enquiry, either oral or written, from an assessee on various matters relating to the assessment proceedings, such as the disposal of refund applications, adjournment of applications, for examination of records, etc., should be promptly dealt with by the Income-tax Officer concerned. In any case, there should be no delay, longer than a month, for merely replying to such enquiries. Cases have come to light where the applications for rectification of apparent mistakes under section 35 have remained unattended for more than a year and penalty has been levied on the assessee for non-payment of tax even before the order under section 35 is made by the Income-tax Officer. The facts, agreed to between the assessee and the Income-tax Officer, should be recorded by the Income-tax Officer and a copy thereof should be supplied to the assessee to avoid dispute at a later stage.

Assessment and Appellate Procedure (Question 98)

With regard to the issue of notices and simplification and filing of returns, the present practice requires no change, except that the practice, which allows notices, asking for information and completing assessment within a few days before the year, to become barred should be discouraged. Where taxes are imposed for the current year as well as previous years together, reasonable time should be given to the assessee for payment.

The notice should be served always on the assessee and not on any other person, unless a special authority has been given by the assessee to some other person to receive it and such authority has been recorded by the Income-tax Officer. The form of return should not be very elaborate and complicated but simple and intelligible. The present amended forms of return are in some respects beter than old ones.

Penalties levied now for technical offences should be discouraged. The Act itself is so complicated that even experts are baffled by its obscurities. Penalties should be by way of a deterrent, not with a view to collecting larger revenue. Any such motive to collect revenue frustrates the principle of deterrence and punishment. The provisions for the recovery of tax are comprehensive enough and need no further tightening up. An under-estimate for advance payment of tax in the case of a business with wide fluctuations of profits should not be the ground for penalty unless it is definitely proved that the assessee has deliberately furnished inaccurate particulars of his income. An omission, on the part of the assessee, to add certain apparent disallowables by itself should not be the ground for invoking the penal section, unless the assessee has deliberately omitted them in order to defraud the revenue. The rejection of accounts on the ground of lower margin of profit and addition to the actual income disclosed by the books should not attract penalty for concealment of income, unless the Department can definitely lay their hands on some serious omissions or defects in the accounts.

Again, penalty should not be imposed in cases of cash credits, in the accounts of the partners, proprietors or other persons, which the Department merely suspects as secret profits without any evidence in its possession. The onus of proving that such cash credits are secret profits must lie on the Department before a penalty may be levied.

Where an assessee has applied for the rectification of a mistake apparent on records, under section 35, within the time prescribed for the payment of tax, returning the challans and requesting the Income-tax Officer to postpone the collection of tax till the mistake is rectified, no attempt should be made by the Income-tax Officer either to recover the tax or levy penalty for non-payment of tax before the mistake is rectified under section 35.

Where a refund is due to the assessee from one Income-tax Officer on account of, say, excess profits tax deposit, excess profits tax refund, business profits tax refund, etc., he should not be called upon by another officer to pay the demand, ignoring the refund due to the assessee. The refund due to him should be adjusted against the demand made against him and only the net demand should be enforced. Where the assessments are delayed for no fault of the assessee, the demand made for more than one assessment year in one financial year should not be enforced without giving sufficient time to the assessee, unless the Department has information that the assessee is likely to dispose of his assets and/or is likely to leave India to settle abroad.



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The practice of Income-tax Officers calling assessees on particular dates and at particular time and making them wait outside their rooms for long hours could be easily avoided if the Income-tax Officer does his work expeditiously, instead of seeing friends and other officers for a chat, in the midst of his duties, or trying to attend to some office work without consulting the convenience of the assessee. Nothing could be easier for the Income tax Officer than to give a fresh date, if the preceding case has taken an unexpectedly long time.

The work of assessment should also be prompt and not delayed by meticulous enquiry or collection of information which leads to no useful result. There are cases in which for years there is not much difference between income returned and income assessed. In such cases, liberal use of section 23(1) is called for. Further, such assessment should be reviewed every three to four years to mark wide fluctuations in incomes and expenses from the usual. Small assessees should not be harassed on account of imperfect book-keeping. Accounts should not summarily be rejected. He is likely to feel the extra incidence the hardest. Much revenue is not likely to be lost if meticulous scrutiny is not resorted to, except in cases of definite information in the possession of the Income-tax Officer.

Appellate procedure needs a change. The Appellate Assistant Commissioners should not be placed under the Commissioner of Income-tax. No amount of assurance to the effect that they are free to act judicially without fear or favour will satisfy the public when their pay, promotion and transfer are vested in the hands of an executive officer like the Commissioner of Income-tax. The ever-present danger of getting into the bad books of the Commissioner of Income-tax and of constant disagreement with the Inspecting Assistant Commissioner with regard to his decision makes him hesitant in giving relief to the taxpayer, lest the Department might go to the Tribunal in appeal against his order. Sometimes, the relation between the Appellate Assistant Commissioner and the Inspecting Assistant Commissioner is so bad and strained that every order of the Appellate Assistant Commissioner is appealed against by the Department to the Tribunal. The Appellate Assistant Commissioners should also have no power to enhance assessment. That is an executive function incompatible with the judicial post he holds.

Delay in Assessment (Question 99)

Undue and inordinate delays in income-tax proceedings have become almost chronic, as witness the large number of arrears in the Department. The undue delay is due to inefficiency of the Income-tax Officer. It is also due to the fact that delays do not matter so much to the Department, since the main part of the taxes has already been collected, as to the assessee who has large uncertain liabilities to meet and has to find finance for them. In order to expedite assessment and avoid undue delays, the following considerations should be borne in mind:

(i) Meticulous scrutiny of accounts every year should not be necessary where the previous records show a clean assessment. Such cases should be disposed of quickly on the basis of the standard information given along with the return.

(ii) Refunds should be expeditiously disposed of within, say, three or four months of applications for refunds under section 48. Similar prompt reliefs should be granted under the Appellate Assistant Commissioner's orders or the judgments of Tribunals.

(iii) Remand reports should be promptly attended to and made within the time given by the Appellate Assistant Commissioner and not after six months or a year thereby delaying disposal of appeals.

(iv) Technical errors should not be magnified into serious omissions and penalty levied for the default, necessitating long appeal procedure.

(v) Taxes should be collected giving the assessee facilities of instalments or postponement according as the tax imposed is large and major portion of which is in dispute and in appeal. Such disputed points should be left to the determination of the Appellate Assistant Commissioner in case of difference of opinion between an assessee and the Income-tax Officer.

(vi) Confidence should be generated amongst the tax-paying public that honest assessees would get courteous treatment and their cases expeditious disposal, that the Department is considerate and sympathetic towards the trader in regard to his finances.

(vii) Quarterly advance payment must now be discontinued. And the old method of collecting tax on assessment should be restored.

There is a tendency, at present among Income-tax Officers to take up some assessments only in the last month of the year lest they may get time-barred in the next year. This creates many difficulties and much embarrassment to the assessee who has to comply with the various requisitions of the Income-tax Officer within a short time. The assessee is thus required to preserve his old records for more than five years in some cases. On the slightest excuse of not furnishing a particular book or record, there is a tendency on the part of some of the officers to proceed with the assessments hurriedly without sometimes giving proper thought or consideration to the submission made by the assessee. In order to end or check these practices on the part of the Income-tax Officers, there should be proper review of such cases by the higher authorities. The Income-tax Officer should, in all cases, be asked by the higher authorities to take up the assessments within a reasonable time from the date of submission of the return. Otherwise, there is a likelihood of loss of considerable revenue to the Government and unnecessary hardship and trouble to the honest taxpayers.

The cases of assessees who declare losses or claim refund, should not be given a differential treatment by the Income-tax Officers. They should also receive the same attention and treatment as the other assessees. Their assessments should not be delayed unduly for a long time.

The cases which have already been taken up, for which information has been collected for purposes of assessment, should not be left over by an Income-tax Officer, if he knows that he is under transfer and the transfer is not made in the mofussil. In such circumstances, the Department will do well to see that transfers are delayed for a short period in order to avoid the unnecessary expense and worry involved to the assessee in producing all over again the books of accounts and documents already produced before his predecessor.

Special Business Taxes (Question 100)

In these days of recession in business conditions and stringent financial conditions it will be ruinous to impose new taxes on the already overburdened industry and commerce of the country. It will lead to closure of industrial and trading establishments and result in widespread unemployment. It will neither benefit the Government nor the taxpayers but only add to the already heavy administrative cost to the Government.

Moreover, the excess profits tax and the business profits tax were brought into existence to meet the peculiar conditions of war-time prosperity. Since such conditions do not now exist, these special taxes should not figure in our statute book. Taxes of abnormal nature should be reserved for meeting abnormal conditions.

Estate Duty Bill (Question 101)

The Estate Duty Act has been brought into force at a time when there is acute depression in industry and trade and consequent acute unemployment in the country. It will retard the progress of industry and trade. It may thus indirectly increase unemployment in the country. The levy will kill the incentive of the individual industrialist and business man. The limit for exemption prescribed under the Act should be raised, say, to Rs. 2,00,000 instead of Rs. 75,000 in the case of an individual and Rs. 1,50,000 in the case of an H.U.F., instead of Rs. 50,000 as at present. The rates of duty should suit Indian conditions and should be much lower than in the countries which are more advanced economically and socially than India. Again, there should be liberal exemptions for funeral expenses, life insurance policies assigned in favour of wife or children, dwelling house, jewellery, household, furniture and utensils, etc.

Self-acquired and Inherited Property (Question 102)

The maintenance of the distinction between self-acquired property and the inherited property of the deceased is desirable, so that differentiated rates may be applied to these kinds of property. The rates for self-acquired property should be lower than those for the property which is inherited by the deceased.—*All Rights Reserved.*

(Concluded)



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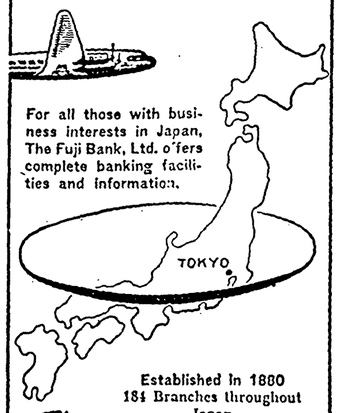

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IMPORT CONTROLS ATTAIN LARGE MEASURE OF STABILITY

EXPORT COUNCILS FOR COMMODITIES VISUALISED

MANY outstanding problems of trade and industry figured prominently in the proceedings of the Import and Export Advisory Councils at their respective meetings held early last week in New Delhi. Apart from those which were dealt with in the Market Gossip columns last week, there were a few other problems which could not be considered there for considerations of space, but which deserve equal attention.

The speech delivered by Mr. Karmarkar, Minister for Commerce, who presided over the meeting of the Import Advisory Council, was, by itself, very encouraging. Mr. Karmarkar claimed that the import policy had won a very wide measure of approval from diverse interests. Few would grudge conceding this claim, as the present policy is undoubtedly an improvement over what it was several years ago. Thus, at present, the import policy is announced for all the scheduled items ahead of the licensing period which was not the case formerly. Over a wide field, there is now a large measure of stability. Quotas are generally left unchanged, and in a few cases where articles are internally available, even cuts have been administered. The resulting savings in foreign exchange is utilised for importing stores and equipment not manufactured in the country. Provision has been made for importing essential consumer goods. The value and significance of token imports is now more widely recognised. Procedural changes have been introduced to help small traders. The minimum value of the licences for most items, for instance, has been reduced to Rs. 500. The period of validity of licences for all items valued at Rs. 1,000 or less has been extended to twelve months. Licensing of even specialised items has been decentralised. The scope of multiple licensing system has been widened. There has been comparatively a more even flow now than in the past of licences and applications from the beginning of the licensing period. Prodigious effort is being expended on the prompt and methodical handling of applications. All these have made a good impression on the trading community, as evidenced by the high tributes paid by the spokesmen of this community at the meeting of the Import Advisory Council.

Decline in Machinery Imports

Another point raised by Mr. Karmarkar was the steady decline in imports, particularly of plant and machinery. Thus in 1952-53, only Rs. 82 crores were used for importing industrial equipment, as against Rs. 100 crores in 1951-52, and Rs. 107 crores in 1949-50. There was a spurt in the quarter, April-June, 1953, when machinery valued at a little less than Rs. 29 crores was imported; but, in the succeeding quarter, it dropped to a little over Rs. 20 crores. The position in respect of industrial goods is somewhat similar. During the period January-June, 1953, these imports were valued at Rs. 135 crores, as against Rs. 140 crores in the preceding six-month period. But in July-September, 1953, the position improved, as in that quarter imports touched a high figure of Rs. 72 crores. This trend, as a whole, is disquieting indeed. It clearly reflects the setback in the implementation of the Five-year Plan. In the circumstances, the stress laid, by some members of the Import Advisory Council, on imports of plant and machinery deserves attention. It is, however, not known how far the decline in imports was due to vagaries of import controls. But the suggestion of the Federation of Indian Chambers of Commerce and Industry favouring grant of emergency licences, in respect of spare parts and other materials needed for meeting sudden breakdowns, is noteworthy. It has suggested the liberalisation of the issue of actual users' licence in the case of cotton mills for the import of such essential mill stores as mutton tallow, starch, china-clay, and caustic soda. The trade, however, is strongly opposed to the issue of users' licences. Referring to this issue, the official spokesman struck a via *media* which should please both the users and the importers. He said that the Government had received contradictory advice in regard to licensing for actual users. He thought it was not necessary to repeat the arguments justifying facilities for actual users to import their requirements, as they were familiar to trade and industry. He, however, stated that frequent allegations regarding abuse of actual users' licences were causing considerable anxiety to the Government. He assured that vigorous steps would be taken to bring the defaulters to book and to put a check to malpractices by actual users as well as by established importers. In advocating liberalisation of the import of such machinery, tools, and raw materials as would encourage cottage and small-scale industries, Mr. A. R. Macgillvray put forward a notable suggestion.

Token Imports

On the principle of token imports, there was some discussion at the meeting of the Import Advisory Council. One of the members opposed token imports because, in several items imported under the scheme, local industries had a surplus capacity. The imports thus led to the creation of unemployment. Another member who supported token imports stated that they were necessary because of their favourable effect on quality and prices of the indigenous product.

Many members pleaded for a census of industries which had to close down recently—causing thereby further unemployment owing to adverse import policy. It was also stated that such census should also cover industries lying idle because of labour trouble and the high taxation policy of the Government. The demand for a census of industry arises from the belief that the existence of idle capacity and closure of industrial units are due to wreckless imports. No categorical denial or acceptance is possible unless relevant data are available. The Minister, however, stated that he had not come across any instance in which the import policy had adverse effect on employment. He expressed his willingness to explore the items the imports of which needed to be liberalised for more rapid industrialisation of the country.

Complaints were made regarding the difficulties experienced by importers in observing the Import Trade Control Schedule. Referring to these complaints, the Minister stated that the special officer appointed to go into the question had submitted his report pointing out the lines on which the schedules would have to be revised. The revised schedule was ready for consideration by the Council but the Minister felt that the need for revision of the schedule was less now on account of fewer complaints. The Council, therefore, agreed to postpone consideration of the report till its next meeting.

Export Advisory Council

The speech of Mr. T. T. Krishnamachari, Minister for Commerce and Industry, delivered at the Export Advisory Council meeting, covered certain notable aspects which need to be noticed here as they could not be covered last week. It is necessary to mention, at the outset, Mr. Krishnamachari's emphasis on long-term objective of export policy. This policy, according to him, is "to limit our normal imports to what we can pay for normal net export receipts, visible and invisible. On this view, it would be clear that constant attention should be devoted not only to the maintenance but the steady development of our exports." But the country's exports in 1953 were distinctly lower on account of a decline in the export earnings from major items of its exports the prices of which fell sharply. These were jute goods, black pepper, tobacco, mica, lac, raw wool, and oils and oilseeds.

In view of the decline in exports, the Minister did well in stressing the need for cultivating India's natural markets. He stated that through the Trade Commissioners' service, the Government was trying to do what it could to bring the goods offered by India to the notice of consuming markets. He reminded industry and commerce in the country that, unless they set up appropriate organisations to do propaganda, to conduct market research, to promote standardisation and quality control, and to do such other things as were necessary to persuade foreign buyers to buy Indian goods, it would be difficult to attain the long-term objective. He was in favour of having separate export organisations for several commodities. He quoted the instance of jute and tea, where the associations concerned had been doing good work for establishing useful contacts abroad.

State Efforts

Speaking of the Government's efforts to step up India's export trade, the Minister for Commerce and Industry stated that the All-India Handicrafts Board was taking steps to set up a central organisation for marketing handicrafts in the U.S., U.K., and Canada. There would shortly be also a Coir Board, he said, to promote the use of coir manufacture, both in the country and abroad. The problems of the cashew industry also were under the review of the Government. The sports industry had been advised to concentrate on building up regulation and prestige of certain hall-marks in export markets. He expected that those connected with the textile industry and trade would organise market research, depute trade representatives, appoint correspondents, and institute a system of inspection to promote exports of textiles. He visualised the possibility of expansion of tobacco exports, as already two officers had been appointed to help the Government in the matter. But the position here is that there has already been heavy accumulation of tobacco in overseas ports despatched from India on consignment basis. The Indian Central Tobacco Committee has recommended the imposition of a ban on tobacco exports for a period of six months. There is, therefore, need for the Government to move quickly to bring relief to the exporters concerned.

The Ministry of Commerce and Industry has also taken some steps for promoting exports. According to Mr. Krishnamachari, a Deputy Secretary is now in sole charge of export promotion work. He is expected to provide facilities for setting up commodity Export Councils which are to operate in and around the ports through which exports take place. These Councils are expected to be of immense help to Trade Commissioners abroad.

During discussions on issues connected with exports, the Minister supported the view favouring the institution of export credit guarantee to cover risks of non-payment for shipment of goods abroad. He admitted that freight for coastal shipment was high. So far as Conference lines were concerned, the Government was clear, he said, that it should not allow freight rates loaded against Indian exports. He promised that the Government would study the whole question of shipping freight.



INDO-RUSSIAN TRADE PACT

Further details regarding the Indo-Russian trade pact made available shortly after we went to press last week, are quite revealing. The agreement, signed on the 2nd inst. covers a period of five years. It aims at strengthening trade relations between India and Russia on principles of equality and mutual benefits. The agreement sets out the procedure for trade and shipping as well as the settlement of accounts between the two countries. There is, however, nothing new in this agreement, as it is similar in almost all particulars to other agreements which India has signed with several other countries. The only significant feature of it is that it replaces the barter system which characterised the trade between the two countries in the preceding three years.

Among the goods which India has agreed to export to the U.S.S.R. during the first year of agreement are: jute manufactures, tea, coffee, tobacco, shellac, black pepper and other spices, wool, hides and skins, vegetable and essential oils and a number of other goods.

The list of goods which Russia has undertaken to send to India includes foodgrains (wheat, barley), crude petroleum products, timber and paper, iron and steel manufactures, chemicals, dyestuffs, medicaments, optical goods, cinematograph films, printed matter and other goods as well as a wide range of industrial equipment, including boring, mining, and road-building equipment, excavators, compressors, electrical equipment for textile, shoe, food and polygraphical industries, tractors and agricultural machinery, various machine tools and instruments.

Along with the signing of the trade agreement, the parties have exchanged letters on the establishment and status of the trade representation of the U.S.S.R. in India in regard to the technical assistance to be provided by the Soviet Union connected with the delivery of Soviet equipment to India. The presence of this clause is probably due to the failure in the past of the attempts by some Indian importers to purchase Russian tractors for sale in India, as Russians declined to render technical and other servicing assistance in the same manner as other foreign manufacturers.

The agreement provides that all payments between India and the U.S.S.R. may be made in Indian rupees. For this purpose, the State Bank of the U.S.S.R. will maintain one or more accounts with one or more commercial banks in India authorised to deal in foreign exchange. In addition, the State Bank of the U.S.S.R. will, if it considers necessary, maintain another account with the Reserve Bank of India. All commercial transactions to be financed in rupees will take place through the accounts maintained with the commercial banks. The account with the Reserve Bank will be used only for replenishing the balances with the commercial banks as and when necessary.

Payments permitted to be made by residents of India to residents of the U.S.S.R., under the Indian exchange control laws will be effected by crediting the amount of such payments to the abovementioned accounts of the Russian State Bank with the commercial banks. Payments made to residents in India by residents in the U.S.S.R. will be effected by debiting the said account with the commercial banks.

Any balance in the rupee accounts maintained by the State Bank of Russia with the Reserve Bank of India or with a commercial bank authorised to deal in foreign exchange will be convertible on demand into sterling at the usual banks' selling rate for sterling as fixed, from time to time, by the Indian Exchange Banks' Association.

PROTECTION TO PLASTIC BUTTONS INDUSTRY

The Government of India has accepted the Tariff Commission's main recommendation that the plastic buttons industry needs protection against imports from Japan, and that the protective duty on such buttons should be fixed at fifty per cent. ad valorem or 12 annas per gross whichever is higher and that this duty should remain in force up to 31st December, 1955.

No protection has however been recommended by the Commission for the indigenous dumnut, mother-of-pearl or metal buttons against competition from the same varieties of buttons imported from any source.

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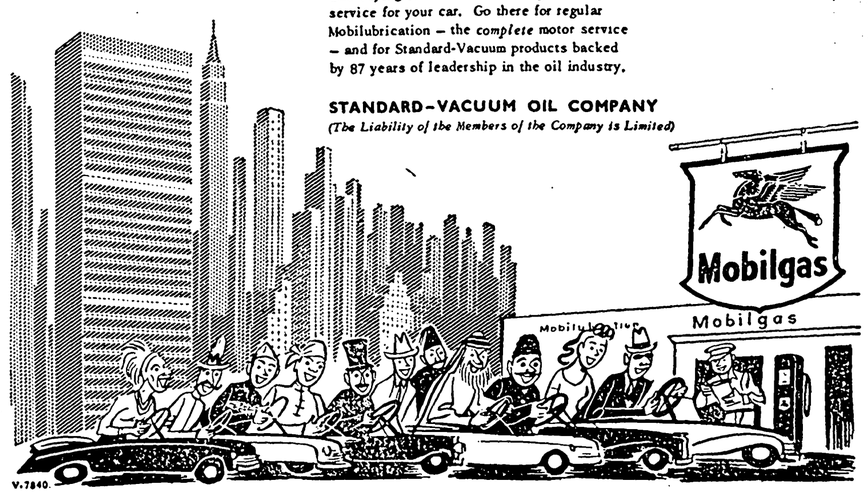
STANDARD-VACUUM OIL COMPANY

(The Liability of the Members of the Company is Limited)



V.7840.

Notices

Sanction of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Principal Office of the Company. It must be distinctly understood that in giving this sanction, the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

THE BIRLA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the abovenamed Company will be held at the Principal Office of the Company, 8, Royal Exchange Place, Calcutta, on Wednesday the 6th January, 1954, at 3-30 p.m. in the afternoon, to consider and if thought fit to pass with or without modification the following resolutions, viz.:—

ORDINARY RESOLUTIONS

1. (*a*) That the 35,000 new shares of Rs. 100 each created by the resolution of the shareholders passed at an Extraordinary General Meeting of the Company held on the 28th June, 1946, which have not been taken up nor agreed to be taken up by any person be and the same are hereby cancelled and the authorised capital is diminished by Rs. 35,00,000.

(*b*) That the Authorised Capital of the Company be increased from Rs. 65,00,000 to Rs. 1,45,00,000 by the creation of 8,00,000 new ordinary shares of Rs. 10 each.

2. (*a*) That a sum of Rs. 60,84,000 being part of the undivided profits of the Company standing at the credit of the General Reserve account be capitalised and that this amount be utilised as a Capital Bonus which shall be applied on behalf of the persons who are on the 6th day of January, 1954, holders of the existing 3,04,200 issued and subscribed ordinary shares of the Company of Rs. 10 each in payment in full for 6,08,400 new ordinary shares of Rs. 10 each and that such 6,08,400 new ordinary shares credited as fully paid up shall be accordingly allotted to such persons respectively in the proportion of two new ordinary shares for every one ordinary share held by them on the 6th day of January, 1954, and that the said new ordinary shares so distributed shall rank in all respects *pari passu* with the existing ordinary shares save and except that they will not participate in any dividend declared in respect of any period prior to and up to the 31st March, 1953, and shall also be treated for all purposes as an increase of the capital of the Company held by each such ordinary shareholder and not as income.

(*b*) That pursuant to the above Resolution and in satisfaction of the said special capital bonus, the Directors be and are hereby authorised to allot and distribute 6,08,400 new ordinary shares credited as fully paid up amongst the persons who are on the 6th day of January, 1954, holders of the existing 3,04,200 ordinary shares of the Company in the proportion of two such new shares for every ordinary share held by them and with full powers to the Directors to make such provision for the issue of fractional certificates or otherwise as they may think expedient in the case of fractions.

(*c*) That the draft of the Agreement providing for the Allotment of the said new ordinary shares in satisfaction of the said capital bonus and submitted to this meeting and signed in the margin by the Chairman by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Common Seal of the Company to duplicate engrossment of such agreement and that the same shall have been signed on behalf of the members holding the existing ordinary shares in the Company on the 6th January, 1954, by some person to be appointed by the Directors in that behalf under Article 177 of the Company's Articles of Association.

SPECIAL RESOLUTION

3. That clause 3 of the Memorandum of Association of the Company be amended so as to include a new sub-clause 17A as detailed below:

"To carry on, in all its branches, the business of manufacturers, importers and exporters of and dealers in Calcium Carbide and other chemicals including heavy chemicals and all products analogous to or connected therewith and to purchase and vend all material raw processed or otherwise and all articles in any way connected with the aforesaid business."

The Share Transfer Books of the Company will remain closed from 21st December, 1953, to 6th January, 1954, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

CALCUTTA, 5*th December*, 1953.

In particular to all the Shareholders to whom a notice is required to be addressed under Article 184 of the Articles of Association of the Company.

THE BIRLA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the abovenamed Company will be held at the Principal Office of the Company, 8 Royal Exchange Place, Calcutta, on Wednesday the 6th January, 1954, at 3-45 p.m. in the afternoon, to consider and if thought fit to pass with or without modification the following resolutions which will be proposed as ordinary resolutions, viz.:—

(1) That 12,00,000 Ordinary Shares of Rs. 10 each be consolidated into 4,00,000 Ordinary Shares of Rs. 30 each and such consolidation be effected as follows:

(*a*) That the existing issued and paid up 3,04,200 Ordinary shares of Rs. 10 each and the newly created issued and paid up 6,08,400 Ordinary shares of Rs. 10 each in the capital of the Company be consolidated in such manner that every one of the said 3,04,200 Ordinary shares of Rs. 10 each and every two of the said 6,08,400 new Ordinary shares of Rs. 10 each together shall constitute one paid up Ordinary share of Rs. 30 each.

(*b*) That the unissued and unpaid 2,87,400 Ordinary shares of Rs. 10 each including the Ordinary shares newly created be consolidated in such manner that every one of such ordinary share of Rs. 10 each together with every two of such ordinary share of Rs. 10 each shall constitute one Ordinary share of Rs. 30 each.

(c) That the existing certificates of the said issued and paid-up Ordinary shares of Rs. 10 each be called in by the Directors for suitable amendment.

(2) That Clause 5 of the Memorandum of Association of the Company beginning from the words "The Capital of the Company" and upto the words "Rs. 100 each" do now read as follows:

"5. The Capital of the Company is Rs. 1,45,00,000 divided into 4,00,000 Ordinary shares of Rs. 30 each and 25,000 Preference shares of Rs. 100 each."

The Share Transfer books of the Company will remain closed from 21st December, 1953, to 6th January, 1954, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

CALCUTTA, 5*th December*, 1953.

In particular to all the Shareholders to whom a notice is required to be addressed under Article 184 of the Articles of Association of the Company.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(*Incorporated in Travancore*)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st December, 1953, to the Registered holders as at that date, half-yearly interest due on the Preference shares at the rate of 6 per cent. per annum.

Preference Share Transfer Books will be closed from 25th December to 31st December, 1953, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE), LTD.,
Managing Agents.

ALLEPPEY, 1*st December*, 1953.

THE CONSOLIDATED COFFEE ESTATES (1943) LTD.

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of the Company will be held at the Registered Office of the Company, Pollibetta, at 11 a.m. on Thursday, 31st December, 1953, for the purposes stated below:—

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June, 1953.
2. To receive and consider the Report of the Directors on the working of the year ended 30th June, 1953.
3. To declare a Dividend.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other competent business which may be brought before the meeting.

The Ordinary Share Transfer Books of the Company will be closed from 18th December, 1953, to 31st December, 1953, both days inclusive.

By Order of the Board,
For THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,
R. C. PATERSON,
Secretary.

POLLIBETTA, 27*th November*, 1953.

P.S.—The Board of Directors has recommended a dividend of 15 per cent. free of Indian Income-tax on the Ordinary Shares.

THE EAST INDIAN COAL COMPANY LIMITED

(*Incorporated in England*)

NOTICE IS HEREBY GIVEN THAT THE ONE HUNDRED AND FIRST ORDINARY GENERAL MEETING of the Company will be held at the Head Office of the Company, 4, Clive Row, Calcutta, on Wednesday, the 30th December, 1953, at 11-30 a.m. for the following purposes:

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended 30th April, 1953.
2. To declare a Dividend.
3. To elect a Director.
4. To fix the Auditors' Remuneration.

The Share Transfer Books of the Company will be closed from the 17th to the 30th December, 1953, both days inclusive.

Dated this 2nd day of December, 1953.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Managing Agents and Secretaries.

A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company.

THE PEERMADE TEA COMPANY LIMITED

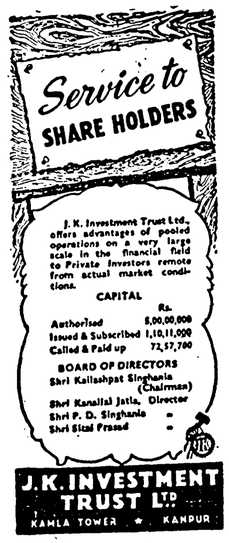
(*Incorporated in Travancore*)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st December, 1953, to the Registered holders as at that date, interest due on the Preference shares for the year ended 31st December, 1953, at the rate of 6 per cent. per annum.

Preference Share Register Transfer Books will be closed from 28th December, 1953, to 31st December, 1953, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE), LTD.,
Secretaries.

ALLEPPEY, 1*st December*, 1953.



THE HIND BANK LIMITED

Head Office: CALCUTTA

PAID-UP CAPITAL
Rs. 50,00,000
RESERVE FUND
Rs. 20,00,000

Chairman:
K. P. GOENKA, Esq.
General Manager:
S. D. PARDIWALLA

All types of Foreign Exchange business transacted

Bombay Office:
LAXMI BUILDING
Sir Pherozeshah Mehta Road, Fort
S. L. MEHTA,
Manager

THE TRAVANCORE BANK LIMITED

UNDER THE PATRONAGE OF AND LARGELY SUPPORTED BY THE GOVERNMENT OF TRAVANCORE-COCHIN

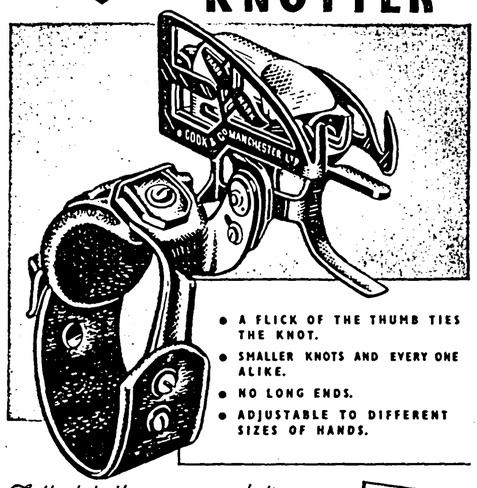
Authorised Capital .. Rs. 2 Crores
Issued and Paid-up Capital .. .. Rs. 1 Crore
Reserves .. .. Rs. 17,50,000

OFFERS COMPLETE BANKING SERVICES INCLUDING FOREIGN EXCHANGE FACILITIES

Branches at **Bombay, Madras and other important centres in South India.**

R. F. WISHART,
Managing Director.

AUTOMATIC WINDERS' KNOTTER



- A FLICK OF THE THUMB TIES THE KNOT.
- SMALLER KNOTS AND EVERY ONE ALIKE.
- NO LONG ENDS.
- ADJUSTABLE TO DIFFERENT SIZES OF HANDS.

Full details on request from:

W·H·BRADY & Co. LTD
CHURCHGATE ST., FORT, BOMBAY.

Branches at: CALCUTTA MADRAS AHMEDABAD KANPUR COIMBATORE

SOLE REPRESENTATIVES IN INDIA

BABCOCK BOILERS

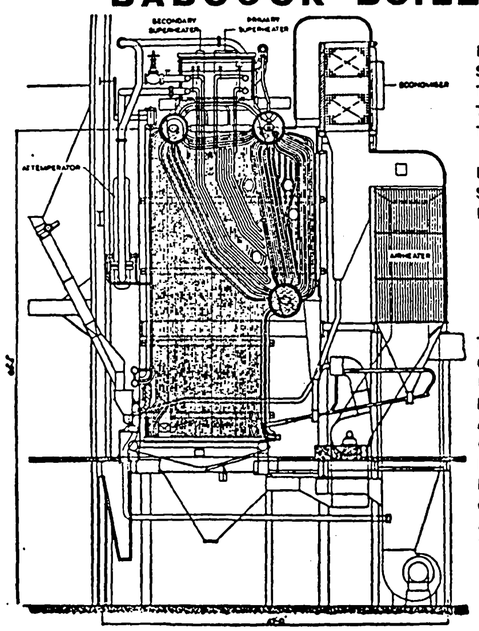


ILLUSTRATION SHOWS ONE OF THE **SIX** BABCOCK TRIDRUM BENT TUBE BOILERS WITH BABCOCK-DETROIT STOKERS RECENTLY COMMISSIONED AT SINDRI

THE STEAMING CAPACITY OF EACH UNIT IS 175,000 LB. PER HOUR MAKING A TOTAL OUTPUT OF 1,050,000 LB. PER HOUR AT A WORKING PRESSURE OF 650 LB. PER SQ. INCH AND A FINAL TEMPERATURE OF 835° F.

AT THE SINDRI FERTILIZER FACTORY

BABCOCK & WILCOX OF INDIA LIMITED
WALLACE HOUSE, 4 BANKSHALL STREET, CALCUTTA
BOMBAY MUTUAL ANNEXE, GUNBOW STREET, BOMBAY

SETBACK IN EARNINGS OF BOMBAY BURMAH TRADING

FINANCIAL POSITION, HOWEVER, SOUND

THE decision of the Directors of the Bombay Burmah Trading Corporation Ltd. (Secretaries, Treasurers and Managers: Messrs. Wallace & Co., Bombay), to prune the distribution to the shareholders for the year ended 31st May, 1953, from 18 per cent. for 1951-52 to 12 per cent., is fully justified by the financial results for the year under review. The trading profit of the Company for the year shows a decline from a high of Rs. 85.81 lakhs to Rs. 53.38 lakhs (the lowest since 1948-49) or a drop of 37.8 per cent. The net profit amounts to Rs. 10.40 lakhs and compares with Rs. 24.76 lakhs earned for the previous year. On account of the unfavourable results for the year under review, the Directors have not been able to add anything to the reserves. It may be noted, in this connection, that, except in the year 1950-51, the Directors have made no allocation to the reserves out of current earnings since the year 1947-48. Further, the Directors have not been able to declare any preferential dividend for the year under review on the Rs. 2,500 fully paid-up shares.

The following comparative table fully reflects the progress made by the Company in recent years:

(In lakhs of rupees)

	For the year ended 31st May			
	1953	1952	1951	1950
Trading profit on—				
Timber	21.25	41.84	52.89	32.67
South Indian plantations ..	23.77	34.76	21.86	19.93
Namsban tea factory ..	7.83	8.09	8.30	10.89
Furniture	..	..	..	—0.14
Sundries	0.53	1.13	0.70	1.34
Total trading profit ..	53.38	85.81	83.75	64.69
Other income	14.43	9.51	8.07	2.92
Special income	..	..	60.26	..
Establishment and other expenses	26.37	19.01	20.67	18.25
Secretaries' commission ..	11.34	14.67	15.66	9.64
Depreciation	12.99	14.14	10.71	13.25
Provision for taxation ..	6.70	22.75	44.31	5.00
Net profit	10.40	24.76	57.92	21.45
Excess credited on exchange written off ..	..	..	..	7.27
Reserves	..	..	10.00	..
Dividend	11.34 (D. 12%)	17.01 (D. 18%)	25.35 (D. 18% +10.12½%)	11.34 (D. 12%)
Preferential dividend ..	..	7.14	19.44	2.61
Carry forward	0.63	1.57	0.07	0.84

It will be observed that there has been an all-round decline in the Company's trading results. Timber trading, which constitutes the Company's main business and which had suffered a setback in the previous year, has been affected to a greater extent during the year under review. Commenting on the Company's timber trade, the Directors observe:

"In Rangoon, it has become more and more difficult to find royalty-paid logs for salvage, and this source of income, while still profitable, is very much reduced. Sundry trading and agencies in your Rangoon branch were also less remunerative. The results of your teak operations in Siam, though not so good as in the previous two years, were, nevertheless, satisfactory. Profits were reduced by higher royalty and taxation and by unfavourable exchange rates, and there is a tendency for costs to rise. Although a larger quantity of hardwoods was produced in Sarawak, the quality of timber was disappointing and it has, subsequently, been decided to close down this branch and to concentrate resources in your new forest area in the neighbouring territory of North Borneo, where production of timber is being rapidly expanded."

The decline in the trading profit of the Company's South Indian plantations (mainly tea) and from the tea factory in Burma should not occasion any surprise in the context of the steep fall in tea prices which occurred during 1952. Moreover, the Company's output of tea in South India suffered a decline, mainly because of the failure of the pre-monsoon rain in 1953. The output of tea from the Company's South Indian plantations for the year under review was 44,92,176 lbs. which was 4½ lakhs lbs. less than that in the previous year. Again, while cost of manufacture was higher at As. 19.27 per lb., as against As. 18.16 in 1951-52, the price realised for tea was lower at As. 26.90 per lb., as compared with As. 29.44 for the previous year. The Company's tea factory in Burma produced 8,50,478 lbs. at a cost of Rs. 2-5 per lb., as against 8,34,390 lbs. at about the same cost. Despite the slight increase in the factory's output, the lower prices realised for tea actually resulted in slightly reduced profits.

The Company acquired, during the year under review, a new coffee estate in Coorg and the first season's working of the estate, under the Company's ownership, is stated to have shown satisfactory profits, the total outturn of coffee being 5,906 cwts.

The rise in the item "other income," shown in the table, is mainly due to the transfer of Rs. 3.10 lakhs from the investment reserve, representing a portion of the accumulated profits of the Bombay Burmah Plantations Ltd. (in voluntary liquidation) received last year and to the receipt of Rs. 1.55 lakhs representing a similar income received during the year under review. This improvement in "other income" has been more than offset by the increase in expenses. Again, in spite of substantial additions to the block account made during the year, the provision for depreciation is lower at Rs. 12.9 lakhs. The provision for taxation has been reduced from Rs. 22.75 lakhs to Rs. 6.70 lakhs, of which that for Indian super-tax and foreign tax accounts for a reduction from Rs. 14.75 lakhs to Rs. 5.20 lakhs and Indian income-tax from Rs. 8 lakhs to Rs. 1.50 lakhs.

During the year under review, the Company received a supplementary *ex-gratia* grant of Rs. 1.21 lakhs from the British Government for purposes of capital rehabilitation. It also received a net sum of Rs. 5.01 lakhs from the Burmese Government for the Company's forest assets in Central Burma which the former had taken over. These sums have been added to the respective reserves. Besides, an aggregate sum of Rs. 27,266 has been added to the general reserve and insurance reserve. Fixed property reserve shows a reduction of Rs. 1.03 lakhs on account of the loss on sale of a steam launch and investment reserve a reduction of Rs. 1.08 lakhs, in spite of the appreciation in the sterling securities.

The Company's financial position is quite impressive. As against a paid-up capital of Rs. 94.50 lakhs, its reserves and surplus stand at Rs. 375.70 lakhs. Provision for taxation amounts to Rs. 67.84 lakhs. The current liabilities aggregate Rs. 181.68 lakhs. There has been an addition of Rs. 44.20 lakhs to the gross block, besides an addition of Rs. 20.26 lakhs, representing the value of buildings and machinery in erection, bringing the total value of gross block to Rs. 201.89 lakhs. The gross block has been written down to Rs. 176.65 lakhs. Current assets amount to Rs. 543.17 lakhs, of which stock-in-trade accounts for Rs. 123.67 lakhs, stores, etc., for Rs. 47.58 lakhs, debts and advances for Rs. 150.81 lakhs, investments for Rs. 76.01 lakhs and cash for Rs. 192.68 lakhs. These assets exceed the current liabilities and provision for taxation by a very wide margin.

The Rs. 125 paid-up and Rs. 50 paid-up shares of the Company are being currently quoted at Rs. 355 and Rs. 127-8, respectively, at which level and on the basis of the dividend for the year, the yield works out to 4.2 per cent. and 4.7 per cent. per annum, respectively.

BLUE MOUNTAIN ESTATES TO ISSUE BONUS SHARES

The Blue Mountain Estates Ltd. (Managing Agents: Messrs. Kothari & Sons (Agencies) Ltd., Madras) has had another year of successful working during the twelve months ended 30th June, 1953. Notwithstanding the severe slump in tea trade, in general, during 1952 and the poor yield of the Company's coffee crop, the Company has nearly maintained its profit. The gross profit for the year under review amounts to Rs. 8.47 lakhs, as compared with Rs. 8.72 lakhs for 1951-52. After making a slightly lower provision for reserves, the Directors have been able to step up the dividend from 10 per cent. paid for the previous two years to 12½ per cent. Incidentally, it may be noted here that the dividend for the year 1952-53 is the highest paid so far by the Company.

The sale proceeds of tea and coffee show a slight decline from Rs. 27.86 lakhs to Rs. 26.47 lakhs, mainly due to the drop in the output of coffee. The output of tea, on the other hand, shows a rise from 10,64,655 lbs. to a record level of 11,66,119 lbs. The yield from the Company's tea estates has shown a progressive rise in recent years, in spite of the adverse climatic conditions which South India has experienced during these years, thanks to manuring and cultivation. The net price realised for tea is lower at Re. 1-13-5, as against Re. 1-15-5 per lb. in the previous year. The output of coffee has, as stated above, suffered a decline from 4,111 cwts. in 1951-52 to 1,732 cwts. Expenses have gone down from Rs. 19.48 lakhs to Rs. 18.58 lakhs. While the cost of production of tea has dropped from Re. 1-0-5 to As. 15-4 per lb., that of coffee has gone up from Rs. 127 to Rs. 217 per cwt. Managing Agents' commission is lower at Rs. 79,304, as against Rs. 82,581. Provision for depreciation has been maintained at Rs. 65,000 and that for taxation at Rs. 1 lakh. The transfer to the dividend equalisation fund has been doubled from Rs. 1.50 lakhs to Rs. 3 lakhs. No addition has been made to the general reserve, which had received Rs. 2 lakhs last year. The payment of dividend absorbs Rs. 3.15 lakhs, as against Rs. 2.50 lakhs taken up last year. A sum of Rs. 26,103 is proposed to be carried forward, which compares with Rs. 38,721 brought in.

The Company's financial position is very satisfactory. The reserves and surplus aggregate Rs. 27.76 lakhs and exceed the paid-up capital by Rs. 2.76 lakhs. The debenture stocks have been redeemed to the extent of Rs. 10.80 lakhs up to the end of the year under review, the balance outstanding being no more than Rs. 1.20 lakhs due for repayment on 1st January, 1954. As these debentures have been redeemed out of current earnings, the debenture redemption reserve, amounting to Rs. 12 lakhs, has been unutilised and has, therefore, been added to the general reserve raising it to Rs. 21 lakhs. The reserve for taxation stands at Rs. 2.50 lakhs and current liabilities at Rs. 5 lakhs. As against a gross block of Rs. 47.20 lakhs, a depreciation reserve of Rs. 4.19 lakhs has been built up. The current assets, amount to Rs. 18.45 lakhs, cover the current liabilities and provision for taxation by nearly 2½ times.

The Company proposes to approach the Government of India for permission to capitalise a part of the reserve fund and, if such permission is received, the Directors will issue bonus shares in the ratio of one share for every two held. The issue of bonus shares requires a sum of Rs. 12.5 lakhs to be capitalised.

IMPRESSIVE RESULTS OF DELHI CLOTH AND GENERAL

RESERVES STRENGTHENED —DIVIDEND RAISED

THE Directors of the Delhi Cloth and General Mills Co., Ltd. (Managing Agents: Messrs. Bharat Ram Charat Ram & Co., Ltd., Delhi), who had paid a dividend of 4½ per cent. for the year ended 30th June, 1952, and followed it up with a scrip bonus of one ordinary share of Rs. 25 each for every Rs. 150 face value of ordinary shares held by the shareholders, have now proposed, for the year ended 30th June, 1953, a dividend of 7 per cent. on the increased capital. Such an enhancement of the distribution to the shareholders, even after transferring a substantial sum to the reserves, reflects the encouraging results of working during the year under review. The gross profit for the year has jumped from Rs. 181.61 lakhs to Rs. 243.78 lakhs. The net profit shows an advance from Rs. 51.78 lakhs to Rs. 76.94 lakhs. The reserves of the Company have been strengthened by the addition of Rs. 50 lakhs, as compared with Rs. 37.50 lakhs added last year.

The following comparative table shows how the Company's financial results, which had received a setback in the previous year, have been more than made good in the year under review.

(In lakhs of rupees)

	For the year ended 30th June			
	1953	1952	1951	1950
Sale proceeds ..	18,18.64	10,00.00	14,74.70	11,07.13
Subsidy on sugar sales ..	..	..	..	..
Other income ..	7.42	..	..	..
Stocks ..	7.79	13.00	8.89	6.26
Manufacturing and trading expenses, including raw materials consumed ..	4,53.51	5,02.21	4,09.81	3,62.03
Establishment and other expenses ..	13,34.03	15,45.11	12,34.50	10,33.11
Gross profit ..	66.43	69.74	69.51	62.41
Managing Agents' remuneration ..	2,43.78	1,81.61	2,27.37	89.59
Depreciation ..	19.35	11.33	9.47	2.65
Taxation ..	47.50	47.50	80.00	40.00
Net profit ..	1,00.00	74.00	73.00	37.00
Reserves ..	76.94	51.78	62.00	6.94
Provision for contingencies ..	50.00	37.50	52.00	..
Dividends—	2.00	..	..	..
Preference ..	..	..	..	..
Ordinary ..	1.31	1.31	1.31	1.31
	23.75* (7%)	13.09 (4%)	29.05 (10%)	11.63† (4%)
Carry forward ..	1.52	1.49	1.04	1.16

* On the increased capital of Rs. 329.35 lakhs.
† After drawing a sum of Rs. 6 lakhs from the dividend equalisation fund.

It is to be noted that, besides the increase in sale proceeds, the substantial fall in expenses has been responsible for the rise in gross profit. It is gratifying to note that nearly 75 per cent. of the net profit has been conserved and added to the reserves. A sum of Rs. 10 lakhs has been transferred to the general reserves, as compared with Rs. 5.08 lakhs in the previous year, Rs. 25 lakhs to the reserve for fall in prices and Rs. 15 lakhs to the reserve for renewals. The latter two funds had not received anything in the previous year. The amount thus ploughed back in the last three years alone aggregate about Rs. 1.20 crores. This policy of conserving financial resources is fully justified in the light of the vastness of the Company's operations and must stand the Company in good stead in future years.

Commenting on the working of the various departments, the Directors observe as follows:

"The market for cloth and yarn developed into a clear buyers' market, with progressively falling prices, and it has become a problem to sell goods. Exports also were smaller and at lower prices. Our Lyallpur Mills worked well and the results are quite satisfactory.

"The sugar industry continued to work under uncertain and discouraging circumstances. Between the unrealistic awards by Labour Tribunals and the restrictive rules by the State Government against reduction of staff or wages (including compulsory payment of bonuses without relation to profits), on the one side, and the absence of any improvement in the quality of cane, on the other, the position of the sugar industry is bound to continue to deteriorate. The distillery worked well, but the confectionery section suffered from severe competition for a dwindling market, leading to unfavourable results. The decontrol of sugar has also reduced the demand for sugar cubes. Efforts are being made to improve this section.

"The working of the chemicals division has been much better. It is showing steady improvement all round. Caustic soda and *vanaspati* showed better results. The acids section, however, consequent on the abolition of the superphosphate pool, under which the Government of India took up the entire output of superphosphate in the country, needs a closer watch.

"Just as the decontrol of sugar adversely affected our confectionery department, the decontrol of cloth had adversely affected our garment factory, but every effort is being made to solve the difficulties. A redeeming feature is that our markets are expanding and now extend outside India also. The tent business continued as in recent years on a small scale."

It may be recalled that, last year, the paid-up capital of the Company was raised from Rs. 3.26 crores to Rs. 3.74 crores, by the capitalisation of a sum of Rs. 48.48 lakhs. For this purpose, the

(Continued on next page)

Points From The Chair

Outlet for Surplus Chlorine

"THE production of caustic soda in India continues to present a problem to all manufacturers, because of the difficulty of finding an outlet for surplus chlorine. Although the installed capacity of the Indian industry is 37,000 tons of caustic soda per annum, production during 1952 was only 17,000 tons and will not exceed 20,000 tons in 1953. Whilst the installed capacity of 37,000 tons predicted by the Planning Commission for 1955-56 has been already reached, it is doubtful if their production target of 33,000 tons will be attained, unless a solution is found to the problem of the disposal of surplus chlorine. Our own efforts to solve this problem are likely to bear fruit in the near future, as mentioned in the Directors' Report. After a careful examination of various schemes we have embarked upon the manufacture of benzene hexachloride. This highly effective insecticide, which requires chlorine in its manufacture, offers a large and growing field in India, in view of the extensive programme of plant protection, malaria control, locust control, etc. undertaken by the Central and State Governments. The raw materials for the manufacture of this product are available in the country. The demand in India is estimated at 2,500 tons per annum, of which only about 500 tons are produced in the country at present, the balance being imported."

J. R. D. TATA,
Tata Chemicals Ltd.

Prospects for Indian Plantations

"Judging from the statistics available regarding the production, consumption and demand for tea and coffee in several countries, I personally feel that both these plantation crops have a bright future. Regarding tea, though America is the second largest importer of tea to-day, being next only to Great Britain, it is surprising that the level of consumption per head in America is only 0.6 pound, as against 9.3 pounds in the U.K. and 5.9 pounds in Australia and 3.6 pounds in Canada in 1952. Hence, there is great scope for increased consumption in the States which can be brought about by intensive propaganda. There is also scope for increasing home consumption which is now only half a pound per head. . . . In regard to coffee, the prospects are satisfactory. During recent years, the internal consumption has increased from 19,000 to 20,000 tons compared with the pre-war consumption estimated at 8,000 tons. Our yearly average production is only 20,000 tons per annum. As Indian coffee is highly valued in foreign markets for its better quality, it can always be sold at a premium in those countries."

C. M. KOTHARI,
Blue Mountain Estates, Ltd.

Country Should Adopt Low Cost Economy

"Speaking generally and without special reference to our own factories, I have no doubt in my mind that the only effective method, under existing conditions, of augmenting purchasing power in this country is to bring down the cost of living, and more particularly the cost of food, which is about 60 per cent. of the cost of living of the less prosperous classes. This can, and should, be brought down gradually in stages, so regulated that there is no adverse effect on the production of agricultural or factory production, and, on the contrary, there is a salutary effect. With a lower cost of living and greater purchasing power, we shall have increased production all round, leading to reduced costs of production and still further increased consumption and so on. This circle of progress would definitely benefit the poorer classes far more than the richer ones. In short, the country should adopt a low cost and low price economy, instead of a high cost and high price economy."

LALA SHRI RAM,
Delhi Cloth and General Mills Co., Ltd.

Serious State of Roads in U.K.

"There is, however, another aspect of the changing economics and habits of the population, on which I have spoken many times—but, I am afraid, with less success. I refer to the question of the roads in this country. Surely, whatever its politics the Government of the day cannot afford much longer to ignore the serious state of the roads in the United Kingdom. Roads—the lifeline of our being—have, with minor exceptions, remained unaltered for years."

SIR WILLIAM ROOTES,
Rootes Motors, Ltd.

DELHI CLOTH AND GENERAL MILLS

(Concluded from page 1102)

"I have already referred to the excellent work done by all ranks of the staff and the management—from L. Bharat Ram and L. Charat Ram downwards—during the year. Even a heavier call will be made on them in the near future. Slackening demand for goods, the prices of which have to be progressively reduced, will require our utmost efforts to increase productivity, to improve quality and to reduce costs. Side by side with this, we have to renew and modernise our plant and machinery, and also expand our capacity where this course will be profitable. All this will mean a strain on our staff and the management, but I am confident that their ability and devotion to duty will accept the challenge and meet it with complete success. I came back to work in 1951 largely on the insistence of our staff; I know that they will not let me down; and I wish to mark this occasion by an acknowledgment of how much the Company owes its success to them."

Notices

THE ALEXANDRA JUTE MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-sixth Ordinary General Meeting of the Shareholders of THE ALEXANDRA JUTE MILLS, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 28th December, 1953, at 3 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 30th June, 1953.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *7th December*, 1953.

WAVERLEY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-second Ordinary General Meeting of the Shareholders of WAVERLEY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 28th December, 1953, at 3-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 30th June, 1953.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *7th December*, 1953.

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and Seventeenth Ordinary General Meeting of the Shareholders of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 28th December, 1953, at 3-30 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 30th June, 1953.

By Order of the Board,
McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *7th December*, 1953.

IMPERIAL BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the Imperial Bank of India will be closed for transfer of shares from Saturday the 2nd January, 1954, to Saturday the 16th January, 1954, both days inclusive.

S. K. HANDOO,
Managing Director.

CALCUTTA, 19*th November*, 1953.

THE CALCUTTA TRAMWAY COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Books will be closed from the 17th to the 31st December, 1953 (both days inclusive), for the preparation of Dividend Warrants in respect of the Final Dividend of 2½ per cent., less income-tax, payable on the 1st January, 1954, on acount of the profits for the year ending 31st December, 1953.

By Order of the Board,
A. SMITH,
Acting Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA, 5*th December*, 1953.

MCKENZIES LIMITED

NOTICE

THE FORTY-EIGHTH ORDINARY GENERAL MEETING of the Shareholders of McKENZIES LIMITED will be held at the Registered Office of the Company, Sewri, Bombay, on Wednesday the 30th December, 1953, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the Audited Statements of Accounts of the Company for the year ended 31st July, 1953.

(2) To declare Dividends on Cumulative First Preference Shares.

(3) To elect two Directors in place of those who retire by rotation but are eligible for re-election.

(4) To elect a Director in place of Mr. Tenubhai D. Desai who retires pursuant to Article 124 of the Articles of Association of the Company, but is eligible for re-election.

(5) To appoint Auditors and fix their remuneration.

The Transfer Books of the Company will be closed from Wednesday the 23rd December, 1953 to Wednesday, the 30th December, 1953, both days inclusive.

By Order of the Board of Directors,
PURSHOTAMLAL JHUNJHUNWALA,
Managing Director.

BOMBAY, 11*th December*, 1953.

For Preference Shareholders:

The copy of the Profit and Loss Account, Balance Sheet, Auditors' Report, Directors' Report, and Notice calling the Ordinary General Meeting is sent to you in compliance with the provisions of the Indian Companies Act and the Company's Articles of Association.

You are, however, reminded that in terms of the Company's Articles of Association, you are not entitled to be present and vote at the General Meeting of the Company to be held on Wednesday the 30th December, 1953.

COMPANY AFFAIRS

(Concluded from previous page)

Directors drew a sum of Rs. 32.48 lakhs from the capitalisation fund and Rs. 16 lakhs from the reserve for fall in prices. Even after such capitalisation, the reserves and surplus of the Company stand, as on 30th June, 1953, at the satisfactory level of Rs. 1.66 crores. The provision for taxation amounts to Rs. 1.36 crores. A sum of Rs. 79.86 lakhs has been spent during the year, in pursuance of the programme of development, modernisation and expansion, raising the value of the gross block to Rs. 6.77 crores. A depreciation fund of Rs. 3.88 crores has been built up against this gross block. The current assets amount to a huge total of Rs. 7.80 crores and exceed the liabilities and provision for taxation at Rs. 5.28 crores, by a margin of Rs. 2.52 crores.

Some idea of the progress of the Company's programme of expansion and modernisation can be obtained from the following observations of the Directors:

"As part of our programme of developments, modernisation and expansion, we have decided (a) to erect a cotton textile mill at Hissar, for which we have received a licence, and also finalised negotiations with the Punjab Government for acquisition of land, (b) to expand the Swatantra Bharat Mills, partly by transferring some machinery from the Delhi Cloth Mills and partly by the purchase of new machinery, and (c) to establish a silk weaving shed in the industrial area, machinery for which has been ordered. The expansion of our Lyallpur Mills, referred to in last year's report, is nearing completion. We are also expanding our caustic soda plant at Delhi. In view of the uncertain outlook of the sugar industry, we are proceeding slowly with our schemes of improvement and expansion and, in the meantime, are attending to the best possible maintenance of the plant. Since our last report, the Government have decided to own and run the D.D.T. Factory themselves, but the factory, which has not yet been set up, will be located in our land and will take its raw materials from our chemical factory."

The Rs. 25 paid-up ordinary shares are being currently quoted around Rs. 30-8. At this rate and on the basis of the latest dividend, the shares give a yield of 5.7 per cent. per annum, free of tax.

EARNINGS OF KESORAM COTTON MAINTAINED

PATRAKOLA TEA RESUMES DIVIDEND

Kesoram Cotton Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1953.

After providing Rs. 7,62,376 (Rs. 10,74,130) for depreciation and Rs. 25,00,000 (Rs. 34,00,000) for taxation, a balance of Rs. 15,72,648 (Rs. 13,34,217) remains at the credit of the profit and loss account. To this has been added Rs. 84,976 (*Rs. 85,759*) being the balance brought forward from the previous year. Thus Rs. 16,57,624 (Rs. 16,24,976) remain at the credit of the profit and loss account (*without* taking into account the profit and loss of the Gwalior Branch) which the directors disposed of by paying a dividend on 20,000 preference shares at 7 (7) per cent. per annum free of income-tax Rs. 1,40,000 (Rs. 1,40,000) and dividend on 8,00,000 ordinary shares at Re. 1-12 (Re. 1-12) per share free of income-tax Rs. 14,00,000 (Rs. 14 00,000) leaving to be carried forward Rs. 1,17,624 (Rs. 84,976).

During the year the Gwalior Branch of the Company sustained a loss of Rs. 13,830 (Rs. 10,326) to which has been added the debit balance of Rs. 1,360 (*credit of Rs. 8 965*) brought forward from the previous year. The debit balance of Rs. 15,191 (debit of Rs. 1,360) has been carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,40,00,000	Block ...	2,26,87,000
Reserves ...	2,38,25,730	Stock ...	1,37,90,818
Provision for taxation ...	35,05,846	Stores, etc.	7,19,798
Liabilities ...	82,48,721	Debts, depositsand advances ...	69,05,328
Profit and loss account ...	1,02,434	Investments	44,23,324
		Cash ...	11,56,453
	Rs. 4,96,82,731		Rs. 4,96,82,731

Patrakola Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1952.

The accounts disclose a profit of Rs. 6,78,551 (loss of Rs. 1,98,551). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 7,19,643 (credit of Rs. 3,69,317), of which we have transferred Rs. 2,50,000 (*nil*) to revenue reserve.

The values of the Company's current assets and liabilities in Pakistan have been converted into Indian currency at the current rate of exchange, now recognised by the Government of India, and the resulting unrealised profit has been carried to an exchange suspense account.

In spite of continued efforts both by the managing agents and by their associated Company in East Bengal it has not so far been found possible to effect any remittance of the net trading profits earned by the Company's estates outside India since 1947 and although there is now a substantial balance of unutilised funds in Eastern Pakistan, the Company has been obliged to depend very largely on the managing agents for finance to meet its commitments in this country. Another severe handicap is the present burden of taxation, which has been aggravated in the case of this Company by the fact that existing agreements between the Governments of India and Pakistan do not include any provision for relief in regard to the double taxation of agricultural profits. As a result the Company's income is subjected to tax at a rate exceeding 75 per cent. of the profits earned and in order to make full provision for accumulated liabilities on this basis it has been necessary to utilise the sum of Rs. 10,50,000 standing to credit of contingencies reserve.

Dividends on the preference shares were paid on 9th December, 1952 and 1st May, 1953, respectively, leaving Rs. 3,97,643 (Rs. 1,72,317) now to be dealt with. It is proposed to pay a dividend of 5 (*nil*) per cent. on the ordinary shares and to carry forward Rs. 2,17,643 (Rs. 1,72,317).

The total tea crop raised during the year amounted to 68,568 (70,584) maunds. Estimates for 1953 provide for a total crop of 58,500 maunds in Pakistan and 16 500 maunds in India at respective costs of Rs. 44,79,550 and Rs. 18,21,570 inclusive of inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48.00.000	Block ...	40,00,000
Reserves ...	27,61,432	Stores and supplies ...	7,28,827
Provision for taxation ...	16.63.475	Tea sales receivable ...	45,88,689
Liabilities ...	23,03,608	Advances and deposits ...	12,66,378
Profit and loss account ...	2,17,643	Investments	14,763
		Cash ...	11,49,501
	Rs. 1,17,48,158		Rs. 1,17,48,158

Tinnevelly-Tuticorin Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

The revenue account shows a profit on the year's working of Rs. 2,14,674 (Rs. 2,28,790). After adding to this the forfeiture of security deposits Rs. 73 (*nil*) there is a total of Rs. 2,14,747 (Rs. 2,50,990). After deducting from this arrears of depreciation Rs. 4,215 (*Rs. 4,216*), bonus to employees Rs. 20,102 (Rs. 19,255), contribution to Vallabhbhai Patel National memorial fund Rs. 526 (*nil*), loss on realisation of investments Rs. 703 (*nil*), expenses for valuation of assets Rs. 144 (Rs. 7,773), provision for taxation Rs. 20,700 (Rs. 61,000), reserve for deferred taxation Rs. 47,000 (Rs. 30,000) and appropriation under the Electricity (Supply) Act, 1948 Rs. 6 048 (*Rs. 20,878*), there is a net profit for the year of Rs. 1,15,309 (Rs. 1,06,504).

After adding to this Rs. 6,376 (Rs. 6,872) the amount brought forward from previous year, and Rs. 1,738 (*nil*), on account of forfeiture of dividends, and also Rs. 31,609 (*nil*), being transfer from reserve for tariffs and dividends control in accordance with paragraph 11 (2) of the sixth schedule to the Electricity (Supply) Act, 1948, there is a credit balance of Rs. 1,55,031 (Rs. 1,13,376) on profit and loss account. The directors recommend that this amount be disposed of as follows:—

Pay a dividend of 10 (10) per cent. for the year ended 31st March, 1953, *without any deduction* of income-tax paid by the Company Rs. 97.000 (Rs. 97.000) and transfer to general reserve Rs. 50,000 (Rs. 10.000) leaving to be carried forward Rs. 8,031 (Rs. 6,376).

Due to restrictions having been in force over a considerable period during the year, the number of units sold recorded a fall of about 1 per cent. as compared with the previous year. The total number of consumers connected during the year was 11,404 (10,691) and the connected load in kw. 10,889 (10,451). The total number of units sold during the year 1952-53 amounted to 8,002,631 as compared with 8,115,701.

As the demand for additional load continues and the amount of power which the Company is permitted to draw from the Government Electricity System for purposes of distribution has been increased, the prospects of further expansion of business are considered good. The Government of Madras have made no pronouncement as to the date by which the Company will be taken over, and it is understood that this proposal has been postponed indefinitely.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,70,000	Block ...	17,07,833
Reserves ...	6,42,473	Stores, tools, etc. ...	3,29,525
Provision for taxation ...	21,180	Debts, deposits and advances ...	1,66,380
Liabilities ...	6,49,685	Investments	1,87,735
Profit and loss account ...	1,55,031	Cash ...	46,893
	Rs. 24,38,369		Rs. 24,38,369

Hindustan Motors Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The revenue account showed a profit of Rs. 5,37,392 (Rs. 17,77,221) which, after providing for part depreciation and making a provision for taxation reserve showed a credit balance of Rs. 31,336 (Rs. 46,752) to which was added the previous year's carry forward of Rs. 3,47,260 (Rs. 3,00,508) making a total of Rs. 3,78,597 (Rs. 3,47,260). This amount was carried forward. Depreciation amounting to over Rs. 120 lakhs still remains to be provided up to the end of the accounting period.

The manufacture of castings has been going on satisfactorily and all types of castings for Hindusthan cars are now being manufactured in India. Forging operations were also started during the period. At present, all forgings required for Hindusthan cars are being made in your plant.

During the accounting year, diesel engines were produced and placed in the market. Sales of the same have been poor owing to heavy import, but it is hoped the position henceforward should improve, as imports have now been restricted. The manufacture of tools for V-8 engine is continuing satisfactorily and some parts of the engine will be made in the factory in the current accounting year. It is hoped that most of the important parts of this engine will be made in 1954. The manufacturing operations of the plant were resumed in the later part of 1952 as already reported and have continued on a restricted basis owing to excessive imports. However, it is hoped that sales will improve henceforward, as Government have considerably restricted further imports.

The report of the Tariff Commission was duly published in April, 1953 and in pursuance of their policy, Government have now decided to allow only a certain number of manufacturers to remain in the field. The import of vehicles will also be regulated and it is hoped that such a policy of the Government will help the industry.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,96,12,650	Block ...	2,83,68,147
Reserves ...	62,45,519	Stock-in-trade	38,13,858
Provision for taxation ...	3,19,888	Goods under process ...	21,22,271
Liabilities ...	63,79,562	Stores, tools and raw materials	1,50,26,090
Profit and loss account ...	3,78,597	Debts, deposits and advances ...	58,97,257
		Investments	14,53,160
		Cash ...	62,55,523
	Rs. 6,29,36,216		Rs. 6,29,36,216

Kesar Sugar Works Ltd.

The directors of the above Company (Managing Agents: Messrs. Kilachand Devchand & Co., Bombay) submitted the audited accounts of the Company, for the year ended 31st July, 1953.

The working of the year shows a profit of Rs. 5,03,863 (loss of Rs. 4,20,871) after charging the amount of Rs. 17,98,057 (Rs. 18,62,368) for excise duty, Rs. 6,84,674 (Rs. 9,58,610) for cane cess and providing Rs. 3,37,447 (*nil*) for depreciation for the year 1951-52. After deducting the debit balance of Rs. 4,15,271 (credit of Rs. 59,758) carried forward from last year, the amount available for disposal comes to Rs. 90,592 (Rs. 65,944) which the directors recommend to dispose off as under:—

To pay a dividend at 5½ per cent. on preference shares Rs. 82,500 (Rs. 82,500), less income-tax Rs. 21,656 (Rs. 21,656) leaving a balance to be carried forward to next year's account of Rs. 29,748 (Rs. 4,15,271 after adjustment).

The factory started operations on the 4th January, 1953. The quantity of cane crushed was 36,45,472 maunds, during 131 days of crushing as compared with 50,05,920 maunds during the previous season. The sugar produced out of the same, during the year under report was 3,40,149 maunds as against 4,34,808 maunds during the preceding year. Although the quantity of cane crushed was lower the recovery during the year was better than in the previous year, being 9.3 per cent. as against 8.69 per cent.

The sugar season for India for 1952-53 opened with a carry-over of about three lakhs tons of sugar in the country. As this carry-over appeared to be large the Government permitted exports of sugar outside the country, but the exports were negligible. Then, owing to the slump in the prices of sugar caused by the large carry-over, many factories started crushing in the 1952-53 season later than usual resulting in the production of sugar being less by about two lakhs tons than during 1951-52. On the other hand, the consumption of sugar considerably increased owing to the higher prices of *gur* with the result that the large carry-over together with this year's production was not only consumed but the Government had to import foreign sugar in order to check an undue rise in prices. It is, therefore, advisable that the Government should adopt a long-range policy with a view to maximising production. In this context it is gratifying to note that the Government has fixed the prices of sugarcane for two years. This policy will give the farmer an assured return on his production for the next two years thereby creating stability and the industry will also be able to plan out its programme. It is essential that the production of sugar is not only maintained but increased and even if in any year a very much larger production takes place, then care should be taken that a situation similar to that in the latter part of 1951-52 season does not arise and the country has not to import foreign sugar as in 1952-53.

The Central Government has fixed the prices for sugarcane for the season 1953-54 at Re. 1-7 per maund for factory delivery and Re. 1-5 for outstation delivery. The Government has simultaneously removed the temporary excise duty on sugar of Re. 1 per maund on the production of sugar during the ensuing season, but this does not fully compensate for the increase in the price of sugarcane. It is unfortunate that the fixation of price is continued to be done as in the past irrespective of considerations of quality of sugarcane. It is, therefore, time that a method is evolved whereby the price to be paid for sugarcane should be according to the quality of cane supplied.

Although rains have been favourable this year in the Uttar Pradesh as a whole, the acreage under the cane has gone down owing to diversion of the areas under sugarcane to paddy crop due to Government carrying on intensive propaganda for growing more rice within the State. Crop prospects for sugarcane for the new season are, therefore, uncertain.

The production of power alcohol plant in the factory at Baheri was higher than during the last season but the plant could not be worked fully continuously as the State Government did not take up even the quantity that was produced. As reported last year, the Government was approached for an upward revision of the price of power alcohol in order to make it remunerative. Although over a year has elapsed, no decision has been taken by the Government. This also is coming in the way of achieving optimum production of power alcohol in the country. It is, therefore, essential that the Government should take the necessary measures without any further delay.

The Company's Chemical Factory has been able to maintain its production. The Tariff Commission has given some consideration to the difficulties of the indigenous hydroquinone industry and it is hoped that the factory will be able to resume production of this chemical in the future. Production of X-Ray chemicals is steadily going up and it is well received in the market.

The approval of the Central Government has been obtained to the change in the constitution of Kilachand Devchand and Co., the managing agents of the Company and that firm now consists of Shri Ambalal Kilachand, Shri Chimubhai Kilachand, Smt. Vimla Tulsidas, and Smt. Malti Ramdas. The managing agents have resumed management of the affairs of the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	73,26,508
Reserves ...	44,95,750	Stock-in-trade	53,52,972
Provision for taxation ...	5.77.714	Stores, etc. ...	11,28,200
Liabilities ...	75,57,192	Crop-in-progress ...	3,81,348
Profit and loss account ...	90,592	Debts, deposits and advances ...	14,49,445
		Investments	2,68,285
		Cash ...	1,14,490
	Rs. 1,60,21,248		Rs. 1,60,21,248

Indian Vegetable Products, Ltd.

The directors of the above Company (Managing Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September, 1953.

The accounts show a profit of Rs. 4,36,613 (Rs. 3,09,780) to which is to be added the net carry forward from 1952, of Rs. 17,408 (Rs. 59,384 including Rs. 40,000 transferred from dividend equalisation fund) which produces a total of Rs. 4,54,021 (Rs. 3,69,164). The following transfers have been made:—

Depreciation fund Rs. 1,00,000 (Rs. 50,000), provision for taxation Rs. 1,25,000 (Rs. 65,000) and staff gratuity fund Rs. 16,536 (Rs. 35,256) leaving available the sum of Rs. 2,12,485 (Rs. 2,18,908). From this balance the directors recommend the declaration of a dividend of Rs. 10 (Rs. 10) per share, free of income-tax, which will absorb Rs. 1,81,500 (Rs. 1,81,500) and bonus to staff Rs. 22,000 (Rs. 20,000) leaving a balance to be carried forward of Rs. 8,985 (Rs. 17,408).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,15,000	Block ...	24,67,828
Reserves ...	29,02,400	Stock-in-trade	9,36,487
Provision for taxation ...	1,10,843	Stores ...	3,15,894
Liabilities ...	3,50,202	Debts, deposits and advances ...	4,92,458
Profit and loss account ...	2,12,485	Investments	19,167
		Cash ...	11,59,096
	Rs. 53,90 930		Rs. 53,90 930

Smith, Stanistreet and Co., Ltd.

The directors of the above Company (Chairman: Mr. R. Menzies, Calcutta) submit the audited accounts of the Company for the year ended 30th June, 1953.

After providing for depreciation, taxation and all other charges, and transferring Rs. 76,000 (Rs. 2,29,316) to the rehabilitation reserve, there is a profit of Rs. 1,25,441 (Rs. 93,956) to which is to be added the balance carried forward from last year of Rs. 48,158 (Rs. 54,202) making the total sum available Rs. 1,73,599 (Rs. 1,48,158) which sum the directors recommend should be disposed of as follows:—

Dividend for the year to 30th June, 1953, on the preference shares at 10 (10) per cent. per annum, free of income-tax Rs. 50,000 (Rs. 50,000), and dividend for the year, on the ordinary shares at the rate of 10 (10) per cent. per annum, free of income-tax Rs. 50,000 (Rs. 50,000) leaving to be carried forward to the next account Rs. 73,599 (Rs. 48,158).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	4,40,133
Reserves ...	8,45,867	Stock-in-trade	22,92,902
Provision for taxation ...	2,80,178	Goods-in-transit	1,18,290
Liabilities ...	13,15,605	Debts and advances ...	5,33,444
Profit and loss account ...	73,599	Cash ...	1,30,430
	Rs. 35,15,249		Rs. 35,15,249

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

COMPANY MEETINGS AND DIVIDENDS

KESAR SUGAR WORKS LTD. Annual General Meeting, Bombay, 17th December, 1953. Dividend: *Nil.* Transfer books closed from 3rd to 18th December, 1953, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 21st December, 1953. Dividend: Re. 1-4 per share. Transfer books close from 14th to 21st December, 1953, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 21st December, 1953. Dividend: As. 8 per share. Transfer books closed from 8th to 21st December, 1953, both days inclusive.

KELVIN JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 21st December, 1953. Dividend: Rs. 7-8 per share. Transfer books closed from 8th to 21st December, 1953, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 21st December, 1953. Dividend: Re. 1 per share. Transfer books close from 14th to 21st December, 1953, both days inclusive.

PRESIDENCY JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 21st Decemoer, 1953. Dividend: *Nil.*

INDIAN VEGETABLE PRODUCTS LTD. Annual General Meeting, Bombay, 21st December, 1953. Dividend: Rs. 10 per share. Transfer books close from 5th to 18th December, 1953, both days inclusive.

CALCUTTA JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 21st December, 1953. Transfer books close from 15th to 21st December, 1953, both days inclusive.

CENTRAL PROVINCES RAILWAY CO., LTD. Annual General Meeting, Bombay, 21st December, 1953. Dividend: Rs. 5-8 per share. Transfer books closed from 7th to 21st December, 1953, both days inclusive.

PATRAKOLA TEA CO., LTD. Annual General Meeting, Calcutta, 22nd December, 1953. Dividend: Rs. 5 per share. Transfer books close from 14th to 22nd December, 1953, both days inclusive.

BORREA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd December, 1953. Dividend: Re. 1-8 per share (including bonus of As. 8 per share). Transfer books closed from 8th to 22nd December, 1953, both days inclusive.

BHULANBARAREE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd December, 1953. Transfer books closed from 8th to 22nd December, 1953, both days inclusive.

CHURULIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd December, 1953. Dividend: 6 pies per share. Transfer books closed from 8th to 22nd December, 1953, both days inclusive.

ONDAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd December, 1953. Dividend: Re. 1 per share. Transfer books closed from 8th to 22nd December, 1953, both days inclusive.

STANDARD COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd December, 1953. Dividend: Re. 1 per share. Transfer books closed from 8th to 22nd December, 1953, both days inclusive.

BURRAKUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd December, 1953. Dividend: As. 2 per share. Transfer books closed from 8th to 22nd December, 1953, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 23rd December, 1953. Transfer books closed from 9th to 23rd December, 1953, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 23rd December, 1953. Transfer books closed from 9th to 23rd December, 1953, both days inclusive.

MYSORE SUGAR CO., LTD. Annual General Meeting, Bangalore City, 23rd December, 1953. Transfer books closed from 8th to 31st December, 1953, both days inclusive.

SUTLEJ COTTON MILLS LTD. Annual General Meeting, Bombay, 30th December, 1953. Transfer books close from 17th to 30th December, 1953, both days inclusive.

MIDNAPORE ZEMINDARY CO., LTD. Annual General Meeting, Calcutta, 30th December, 1953. Dividend: Re. 1-8 per share. Transfer books close from 16th to 30th December, 1953, both days inclusive.

ASSOCIATED CEMENT COMPANIES LTD. Annual General Meeting, Bombay, 15th January, 1954. Dividend: Rs. 9-8 per share, free of income-tax, payable on and from 21st January, 1954.

WOODLAND ESTATES LTD. Dividend of Re. 1 per share, for the year ended 31st March, 1953.

BABABUDIN COFFEE AND PRODUCE CO., LTD. Dividend of As. 6 per share, for the year ended 30th June, 1953. Transfer books closed from 16th to 22nd December, 1953, both days inclusive.

STANES AMALGAMATED ESTATES LTD. Dividend of Re. 1 per share, for the year ended 30th June, 1953. Transfer books close from 17th to 29th December, 1953, both days inclusive.

COMPANY REGISTRATIONS

NATIONAL POWER SUPPLY CORPORATION LTD. (First Director: Mr. K. K. Sen.) Business: Supply of Electricity. Authorised capital: Rs. 10,00,000. Public company. Address: 23B, Allanby Road, Calcutta, 20.

SREE ANNAPURNA LTD. (First Director: Mr. B. L. Agrawal.) Business: Stock and Share Brokers, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 43, Zakaria Street, Calcutta.

MUSIC MASTERS LTD. (First Director: Mr. K. N. Kapoor.) Business: Manufacturers and Dealers in Gramophone Records, Phonographs, Gramophones, Radios, and other Musical Instruments, etc. Authorised capital: Rs. 5,00,000. Private company. Address: National House, 6, Tullock Road, Apollo Bunder, Bombay.

QUESTION HOUR IN PARLIAMENT

Payment of Wages Act

THE Government of India has under consideration the question of amending the Payment of Wages Act to enable its application to persons employed in public motor transport services for carrying goods or passengers. The contemplated legislation will not cover drivers of private motor cars.

—Deputy Minister for Labour

Industrial Undertakings

The Licensing Committee under the Industries (Development and Regulation) Act considered 226 cases for new industrial undertakings or substantial expansion of new undertakings. After 34 cases were rejected, 11 were referred back for further investigation. The sub-committee of the Central Advisory Council of Industries reviewed the recommendations of the Licensing Committee and submitted its report to the Central Advisory Council. The rejections were generally for one or more of the following reasons:

(1) The scheme proposed was not in accordance with Government policy in regard to the industry concerned; (2) existence of unduly excessive capacity in the industry; and (3) unsuitability of the location proposed, either on account of (a) difficulties in the transport of raw materials and finished goods and/or (b) supply of raw materials.

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Cottage Industry Products

The non-availability of regular supplies of cottage industry products is one of the reasons why they cannot be marketed in America. The head of an American departmental store came to India at the Government's invitation and surveyed some of the products. At his suggestion an exhibition of selected products was arranged in Paris and it was successful. Further samples are now being sent to America and, if favourable response is received, negotiations will be entered into with that store for marketing in the U.S. products of Indian cottage industries.

—Minister for Commerce and Industry

Investment in Oil Refinery

Representations to the Government that the Indian investing public should be afforded opportunities of participating in the ordinary capital of the oil refining companies are under consideration.

—Minister for Production

Indian Shipping

Indian shipping carried, in the first six months of this year, 350,760 deadweight tons of imports and exports in India's foreign trade. During 1952, Indian shipping carried 653,145 tons and the previous year 744,689 tons.

—Parliamentary Secretary to the Minister of Transport

Deep-sea Fishing

A private company which proposed to undertake deep-sea fishing on a commercial basis on the west coast has approached the Central Government for help in the form of technicians and equipment under the T.C.A. The company, which has made the proposal through the Travancore-Cochin State, has also asked for a loan from the grow-more-food funds. The proposal is under the Government's consideration. Procurement of equipment and technicians worth $2,014,699 has been authorised under the T.C.A. on expansion and modernisation of marine fisheries. Services of fisheries experts from the T.C.A. and F.A.O. have been secured. Indents have been placed for 144 marine diesel engines, 11 insulated road vans, three trawlers, seven boats and other equipment.

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Tube Wells

A Technical Working Committee has been set up for recommending allocation of 2,650 production tube-wells under the T.C.A. Programme in U.P., Bihar, Punjab and P.E.P.S.U. On the basis of preliminary geological data available with the Government of India suitable areas in Madras and Travancore-Cochin have been selected for the construction of 80 exploratory tube-wells under the Indo-American Technical Assistance Programme for 350 exploratory wells all over the country. Further programmes of tube-well construction in these areas will depend upon the results of these exploratory wells and upon further geological and hydrological data. The assistance of the State Governments concerned will, of course, be taken in this work.

—Deputy Minister for Food

Interest on Wheat Loan

Up to the half-year ended 30th June, 1953, $4,656,736.96 were paid to the U.S.A. as interest on the wheat loan. The payment was made in dollars from the cash balances of the India Supply Mission in Washington. The interest was calculated at 2½ per cent.

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D.V.C. Loan

Till 31st August, 1953, $14,085,206 were drawn out of the first D.V.C. loan amounting to $18,500,000.

—Finance Minister

Income-tax Cases

The number of income-tax cases referred for recovery under the Public Demand Recovery Act during 1952-53 was 27,530 and the total amount involved Rs. 25.08.25,029. Of these, 4,881 cases were disposed of during the year, the amount involved being Rs. 1,13.54,960. These amounts do not include figures for Assam and Tripura, which were not available.

—Deputy Minister for Finance

CALL MONEY RATE UP

(From Our Own Correspondent)

BOMBAY, 9th December

There was a perceptible change in the conditions of the short-term money market during the week under review. Demand for funds, signs of which appeared towards the close of last week, became fully evident early in the week under review and gathered momentum as the week rolled on. Large-scale movement of agricultural crop and advance payment of income-tax for which the last date is the 15th inst. were responsible for the resurgence of demand. The volume of floating funds was small and the call for funds was on a relatively larger scale, so that the demand could not be fully met. There was, therefore, a stiffening of money rates.

Inter-bank call money among the Exchange banks and larger Indian banks, which was unlendable at 1 per cent. almost throughout last week, was bid up to 2 per cent. this week. Some transactions were reported to have been done at even 2¼ per cent. The surplus funds with banks having been used up, some of them had to seek help from the Reserve Bank. Exchange banks were reported to be calling off their surpluses with their foreign offices, in order to meet the local demand, as the inter-bank call money rate had crossed 2 per cent. Among the smaller Indian banks, inter-bank call money was bid at 2¼ per cent., but even at this rate supplies were not readily forthcoming.

House money was quoted at 2¼ per cent. Short-term deposits were keenly sought at 2¼ to 2¾ per cent. for one to two months and at 2¾ to 3 per cent. for three to six months.

For the first time since the Government of India resumed sale of Treasury Bills on 9th September, 1952, it had to pay as high a rate as Rs. 2-7-2 per cent. per annum this week, as against Rs. 2-7 per cent. last week, which was the highest rate till then. In the corresponding week of last year, it may be recalled, the average rate of accepted tenders was no more than Rs. 2-5-11 per cent. per annum. The amount offered this week against the usual tenders for Rs. 1 crore was a little over Rs. 1.71 crores, as compared with Rs. 1.10 crores last week.

In contrast to the contraction noted in the previous two weeks, notes in circulation have risen by Rs. 17.57 crores during the week ended 4th December, 1953. Disclosing this, the Reserve Bank's statement for the week under review shows a drop of Rs. 18.53 crores in notes held in the Banking Department. There are, therefore, no sharp variations on the assets side of the Issue Department. In the Banking Department, deposits of the Central Government show a fall of Rs. 7.66 crores, part of which may be due to payment of half-yearly interest on some of the Government loans which fell due on 1st December. Deposits of State Governments are also lower by Rs. 2.14 crores. A decline of Rs. 9.03 crores is noted in deposits of banks, which is attributable to withdrawals by banks to meet the seasonal demand for funds. Deposits of others are higher by Rs. 1.23 crores. Cash balances have shrunk by Rs. 18.63 crores, while balances held abroad have risen by Rs. 3.29 crores. Ways and means advances to Governments and other loans and advances (including advances to Scheduled Banks against usance bills) show no worthwhile variations. There has been no change in the advances to Scheduled Banks against usuance bills during the week. Investments have gone down by Rs. 2.01 crores.

The consolidated statement of position of Scheduled Banks for the week ended 27th November, 1953, shows a rise of Rs. 10.15 crores in demand deposits of the Banks and of Rs. 1.23 crores in their time deposits. Inter-bank borrowings have risen by Rs. 1.21 crores. Borrowings from the Imperial Bank have declined by Rs. 77 lakhs. On the assets side, advances are lower by only Rs. 32.12 lakhs, while inland bills purchased and discounted have risen by Rs. 1.68 crores. Cash on hand and balances with the Reserve Bank show an increase of Rs. 8.11 crores and money at call and short notice Rs. 1.77 crores.

Conditions in the Gilt-edged market brightened up during the week under review, with a revival of demand. Short, medium and undated issues found buyers, accentuated by demand from Calcutta, on speculation regarding prospects of a reduction in the Bank rate. 3 per cent. 1957 had buyers at Rs. 98-6, but there was no change in quotation over the week. 3 per cent. 1958 and 3 per cent. 1959-61 each put on an anna to Rs. 98-2 and Rs. 96-2, respectively, following the increase by an anna in the Reserve Bank's selling rates. Good business was reported to have been done in these loans at these rates. 3 per cent. 1963-65 passed hands at Rs. 92-8. 3 per cent. 1964 gained an anna to Rs. 92-10, due to proximity of interest payment. 3 per cent. 1966-68 was done at Rs. 90-2 and 3 per cent. 1970-75 at Rs. 86-8. 3 per cent. 1986 Conversion Loan rose sharply by As. 9 to Rs. 82-8 on good support and short covering. 3½ per cent. N.P. Bonds hardened by As. 2 to Rs. 98-15.

KIPS EASY

(From Our Own Correspondent)

MADRAS, 7th December

The kip market which has been marking time, shows signs of easing, due to absence of shipment business. Prices of light weights and cow calf are easy in the local market, while medium and heavy weight kips and buff heavies rule steady. Buff calf market continues firm, due to good enquiries from the U.K. and the U.S.

There has been no change in the tanned skins market, and the course of U.K. auctions this week will determine the trend of prices in this section.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, 9th December

Barring a mid-week recession the bullion market presented, on the whole, a steady tone, with a moderate rise in prices of both the metals. On balance, forward silver gained Re. 1-13 per 100 tolas and forward gold As. 13 per tola. These gains, however, show that the metals could not regain anything more than a part of the previous week's losses, on account of the uncertainty about the proposed changes in the by-laws.

The steady tone of the market was due to revival of bull support, induced by firmer advices from upcountry centres and better offtake in the ready position, and followed up by sizable short covering. The mid-week reaction was attributed to weakness of gold, consequent on heavy arrivals on Saturday and professional selling in silver on expectations that the Board would ultimately decide upon changing the by-laws.

The representatives of the Board of the Bombay Bullion Association met the Advocate-General of Bombay on Friday last to elicit his opinion on the proposed amendments to the by-laws. The Advocate-General is reported to have expressed the view that all the three alternative amendments which the Board had suggested are legally valid. The Board can, therefore, adopt any one of the amendments. The Board held a meeting on Saturday and decided to convene an informal general meeting of the members of the Association on Wednesday, the 9th inst., that is to-day, to elicit the opinion of the members in regard to the amendments. Accordingly, the informal meeting was held to-day, but the outcome was not known at the time of writing.

To revert to the market trend. Silver for forward delivery (23rd December settlement) opened on a better note at Rs. 150-6, as against the previous week's closing of Rs. 149-12 and hardened to Rs. 151-3. In the reaction that took place mid-week, the forward rate touched a low of Rs. 150-3, but soon rebounded on revival of support. In this process, it touched a high of Rs. 152 to-day before closing at Rs. 151-6.

Opening at Rs. 150-10, ready silver (.996 Mint) gained some ground, touching Rs. 152-4 to-day. But the closing was a shade lower at Rs. 151-10. The floating stocks of silver are placed at 2,600 bars. The daily average offtake was 20 bars.

Gold for forward delivery (21st December settlement) began the week at Rs. 80-12 and closed higher at Rs. 81-8, after fluctuating within a narrow range. Opening and closing levels in ready gold were Rs. 80-15 and Rs. 81-12, respectively. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals was 7,000 tolas, while the offtake was 6,000 tolas on an average.

There was a fractional drop from 74d. to 73⅞d. per fine ounce in the spot and forward prices of silver at London on Friday last. The U.S. price of silver was, however, unchanged at 851 cents per fine ounce.

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

	9-12-53	Highest	Lowest	2-12-53
		Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	81 12	81 15	80 8	80 13
Forward	81 8	81 11	80 6	80 11
Sovereign	86 8	87 0	86 0	87 0
SILVER				
Ready (.996 fine Mint)	151 10	152 4	150 7	150 3
Forward	151 6	152 0	150 3	149 13
London Ready ..	73¾*d.*	74*d.*	73¾*d.*	74*d.*
London Forward .	73¾*d.*	74*d.*	73¾*d.*	74*d.*
New York Ready .	85½*c.*	—	—	85½*c.*

LINSEED REACTS

(Messrs. A. Bradley & Co.)

CALCUTTA, 7th December

Although conditions were slightly easier during the early part of the week, owing to the Government's decision to retain present export duties, a reaction set in towards the close and prices are back to former levels. A good demand for ready goods continued from local crushers, but, with arrivals very poor and firm advices from upcountry, sellers were very reserved, and trading was on a small scale at better prices. Fair activity was reported in the oil section, despite limited local stocks, with keen enquiries from local consumers for ready goods.

The latest quotations are as follows: Ready Rs. 20-12 and December Rs. 20-8 per maund.

STRONG DEMAND FOR BUFF

(From Our Own Correspondent)

KANPUR, 6th December

The most noteworthy feature of trading in the Kanpur hides market during the week under review was a heavy demand for all qualities of wet salted buff. Prices, therefore, showed a tendency to rise. The new arrivals were slightly less than the weekly average. The purchasers were mainly local tanners and Madras dealers. The latest quotations are as follows:

Wet salted cow, 1st grade Rs. 300 to Rs. 320, 2nd grade Rs. 250 and 3rd grade Rs. 160 to Rs. 180 per score; wet salted buff, 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. per rupee; goat, 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 230 to Rs. 250 per 100 pieces; and sheep, Rs. 300 per 100 pieces.

FORWARD COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 9th December

There was a slight discrepancy visible in the sentiment in the spot and forward sections of the cotton market here earlier during the week under review. The buoyancy which was in evidence at Kalbadevi last week gave place during the week-end to hesitancy and a clear desire to book profits on the part of the bulls. The range of fluctuations was widened and prices went up and down each day. All this was changed suddenly yesterday and the closing prices for the week show a remarkably firm trend. The earlier easy undertone of the market was mainly due to profit-taking by the longs rather than to any important development in the situation. It is true that but for the timely strike of cotton traders and producers in Madhya Pradesh, protesting against the levy of a very heavy sales tax on cotton, the price trend might have been, even if not distinctly unfavourable, at least, not so firm as it has emerged. It might be changed, however, if the strike were suddenly to come to an end, and in that case, even the spot premia which are ruling high at present might come to be affected. But there are no visible signs, at present, of the strike fizzling out or the issue being settled amicably and to the satisfaction of all the parties involved in it.

Another important feature of forward trading during the week has been the almost complete vanishing of the gap between the February and the May settlement. This points to the markets' belief that, though the supply position when the contract matures in February might be a little tight, eventually the larger crop expected this year was bound to tell. Weather reports from production centres are more or less favourable and though some slight reduction is expected in the case of Madhya Bharat, conditions in Broach, Surat and the southern parts of the country all point to a very satisfactory crop. Against this, one must allow for the fact that non-official ideas about the ultimate size of the crop have undergone some change lately and there are those in the trade who place the output even below 40 lakh bales. Ultimately, it is this factor which will dictate the price trend in the coming months.

Another factor affecting the forward trade in cotton is the influence of other markets, especially bullion, on cotton trading. Some of the prominent operators are common in these two markets and the fortunes of these in one market often have an exaggerated influence on the sentiment in the other. Something like this is again happening in cotton at present. The weakness in the bullion market is believed to have created difficulties for some of the longs in cotton and it is feared that they might be forced to lighten their burden of commitments in cotton later on if there is a heavy slump in the price of bullion. This is a very unhealthy feature of forward trading in our country, which requires the attention of the authorities controlling it.

In the forward section of the local cotton market, I.C.C. February opened the week under review at Rs. 646 and moved up to Rs. 656½ on 5th inst. There was a slight setback on 7th when it touched Rs. 649½. But there was a swift recovery on 8th and 9th inst., and the contract firmed up to Rs. 666 before closing the week at Rs. 659. I.C.C. May fluctuated between Rs. 666½ and Rs. 648½ and closed at Rs. 661.

The following is the trend of prices in the forward market over the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb.	Rs. 646	666	645½	659
I.C.C. May	Rs. 649½	666½	648½	661

In the spot market mill demand has continued to be steady. The early arrivals in Madhya Pradesh and Khandesh are believed to be of inferior quality and this fact has been responsible for a slight softening of prices. But good quality cotton fetches good premia and even increased arrivals during the coming weeks are not likely to affect the price trend adversely in the spot section. There is not much activity so far in Vijay, Surti and Gaorani 6, because the ginners are not prepared to commit themselves in advance before cotton begins to arrive in the market. The spot market has, therefore, turned its attention for better staple cotton towards foreign varieties and Egyptian and East African cotton are being enquired for.

There seems to be some kind of a race between State Governments where cotton is produced for taxing it. The incidence of tax keeps on increasing and in the case of Madhya Pradesh, where agitation at present is at its height, it has reached an unbelievable figure of about Rs. 24 per *khandi* which is three times the rate in Bombay and 50 per cent., higher than that obtaining in Hyderabad. These Governments seem to hold that the tax is ultimately passed on to consumers outside the State, but in actual analysis, it has been found that a greater part of the tax has to be borne by the growers. The East India Cotton Association is, therefore, right in requesting the Central Government to intervene and to bring about some kind of uniformity in the matter of sales tax in an important inter-State trade like cotton. The following are the latest quotations from the Sewri market:

Bengal *Deshi* Rs. 615; Berar *Jarilla* Rs. 745; Khandesh Rs. 785; Vijay Rs. 820; Oomra *Deshi* Rs. 660; Moglai Rs. 660.

At Karachi, it has been a featureless week with no development either in the official policy or in the price trend. The rates have remained more or less unchanged with very narrow fluctuations during the week.

The latest available quotations from Karachi are: Sind *Deshi* Rs. 69½; Punjab *Deshi* Rs. 65; 4F, R.G. Rs. 62; S.G. Rs. 67; L.S.S. R.G. Rs. 67; S.G. Rs. 72½; N.T. R.G. Rs. 69; S.G. Rs. 75; 289F. R.G. Rs. 79; S.G. Rs. 80.

The debate over the Government's proposal in the U.K. to wind up the R.C.C. before the next cotton season begins in October, in Parliament last week, has brought out fears of shortage of cotton stocks in the country at a later stage and unemployment resulting from such a situation in the textile industry there. The Labour Party which was responsible when in office in 1947 for bringing the R.C.C. into existence stressed the point that there was a declining tendency in the price of cotton the world over. Neither the textile mills nor private traders were likely to carry sufficient stocks to enable the industry in Britain to function uninterruptedly. Only a body like the R.C.C. could afford to carry big stocks of cotton under the present circumstances. The Opposition has moved an amendment which would make it possible for the R.C.C. to remain in existence and to perform certain functions until October 1955. The debate over this issue is to be resumed to-morrow.

The market at Alexandria has been quietly steady, the previous volume of enquiry having decreased to a certain extent. One of the reasons for this is the change in the official basis of prices from December to March futures in New York, with a consequent rise in the price of Karnak for which previously there had been a good demand. This rise in the official price schedule has affected the premia paid by private traders in upcountry centres, though they still continue at a clearly high rate in the case of Ashmouni and Giza 30 which are in short supply. Entitlement premia for sterling have also been on a lower scale during the week. The Egyptian Government has announced that its policy for buying and selling of the cotton crop in 1954-55 will continue to be the same as at present. With regard to the re-opening of the Alexandria forward market in cotton, the Egyptian Ministry's note laid down two factors as essential, one of these was the creation of foreign markets to establish an equilibrium in cotton prices outside and inside Egypt, to check monopoly transactions or the manipulation of prices, while the other one was the creation of machinery for currency conversion between Alexandria and other markets. This note further states that there was risk in commencing forward business at Alexandria at present owing to the smallness of the crop this year.

The U.S. Department of Agriculture has announced the long expected State-by-State breakdown of the acreage allotments for the 1954-55 season. These allotments aggregate 17,910,448 acres, with a crop expectation of 10 million bales. As the full allotment is generally not availed of by the farmers, who like to leave a safe margin to remain within the fold of full official price support, the total acreage sown next season might be a little less than this total. These acreage allotments will not be subject to the voting result at the national referendum of farmers to be held on the 15th inst., for fixing marketing quotas. The declining tendency in the forward market continued as a result of progressive hedge selling in March which also affected some of the distant positions for the new crop.

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

(In cents per lb.)

	8-12-53	3-12-53	24-11-53
Spot	33.55	33.55	33.85
March	33.08	33.26	33.45
May	33.22	33.40	33.57
July	33.06	32.22	33.39
October	33.37	32.46	—

ART SILK YARN LISTLESS

(From Our Own Correspondent)

BOMBAY, 9th December

Listless conditions prevailed in the art silk yarn market during the week under review. Extreme caution was the keynote of trading. Operators preferred to wait and see in anticipation of import policy for the ensuing half-year. Reports from rayon fabrics market also were not favourable. Nor was demand in the ready section encouraging. Purchases by traders were confined to immediate requirements so much so that values of art silk yarn fluctuated very narrowly. Over the week, however, values were well maintained.

In the forward section, 150D December delivery opened the week firm at Rs. 719, as against Rs. 714 last week-end, but receded to Rs. 712 on Saturday on account of profit-taking. Lower levels attracted some support and the contract staged a notable recovery thereafter, the rate at one time to-day being Rs. 721. There was, once again, bull liquidation at the close and the rate slided down to Rs. 715. The net gain over the week was just a rupee. January delivery moved in sympathy. After opening Rs. 6 higher at Rs. 723, it fell to Rs. 714 on the 5th inst. Subsequently, however, it recovered to Rs. 724 to-day, before finishing lower at Rs. 718. Yarn prices in the ready section were fully steady. 120 Japan, 150 Japan, 120 Italy and 150 Italy were all unaltered at Rs. 4-3, Rs. 4-1, Rs. 3-13 and Rs. 3-9½, respectively.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 2nd inst. and 25th November, 1953:

	9-12-53	2-12-53	25-11-53
	Rs. a.	Rs. a.	Rs. a.
150 December (per case of 200 lbs.)	715 0	714 0	732 0
150 January (" ")	718 0	717 0	—
120 Japan (per lb.)	4 3	4 3	4 3
150 Japan "	4 1	4 1	4 1½
120 Italy "	3 13	3 14	3 14½
150 Italy "	3 9½	3 9½	3 10½

Arrivals of art silk yarn into the market have somewhat been lower in recent weeks, owing to a fall in imports. The quantity of yarn actually imported during November, 1953, for instance, was 2,053,428 lbs., as against 2,621,504 lbs. in the previous month. Despite poor arrivals, floating stocks in the market are reported to be quite normal. Bulk of the imports during November came from Italy, the quantity actually imported being 984,329 lbs. Imports from Japan were very negligible, being only 13,000 lbs., thanks to high level of prices.

Forward trading in staple fibre yarn has remained suspended. The question of resuming traing in January contract will be discussed by the Committee of the Yarn Merchants Association, Bombay, at its meeting convened on Saturday next. The decision of the Committee is eagerly awaited by traders. It is expected that forward trading will be allowed with effect from the 14th inst. It is also expected that restrictions on counts and tests will be removed for January fixed delivery, since these are creating difficulties while tendering the goods. Hitherto, it may be noted, only staple fibre yarn (40 x 2) was being allowed to be traded in the forward section.

An extraordinary general meeting of the Yarn Merchants Association, Bombay, will be held on the 18th inst. to discuss the question of amalgamating this Association and the Bombay Yarn Exchange Ltd.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 9th December

The oilseeds market presented a firm trend this week. The groundnuts section led the market, despite advices from Veraval, Hyderabad and Madras markets. This was because speculators got busy on good buying by Saurashtra interests who had gone long in Rajkot and Jamnagar. This arrested the nervous selling which followed the Commerce and Industry Minister's statement last week indicating the possible withholding of exports of groundnut oil next year. Besides, renewed firmness in cotton futures also contributed to tone up the sentiment of the market. This had a favourable effect on other sections also. The castorseeds section also moved forward in sympathy with groundnuts and on expectations of announcement of liberal export policy for the first half of next year. The linseed section continued to depict a bright sentiment, on shortage of floating stocks. Business done in the market was, therefore, considerable and prices staged a sharp rise, thereby disclosing sizable gains over the week.

In the groundnuts section, Bold ready shot up from Rs. 27-12 to Rs. 30-6. December-January and February-March deliveries gained Rs. 2-12 each to Rs. 30-4 and Rs. 30-14, respectively. Khandesh quality ready new advanced from Rs. 29 to Rs. 31-6. Groundnut oil ex-mill rallied Re. 1-4 to Rs. 16-8, and railway receipts Re. 1-2 to Rs. 16-6. December delivery gathered Re. 1-6 to Rs. 16, and January on equal amount to Rs. 16-2. February delivery which opened at Rs. 15-9, on the 28th ultimo, was done to-day at Rs. 16-4.

Trading in castorseeds futures was of a purely speculative nature. May delivery which opened at Rs. 112-6, as against Rs. 113, fluctuated between Rs. 118 and Rs. 111-10, before closing at Rs. 116-12. F.A.Q. rallied Re. 1 to Rs. 26-8 and ready Madras As. 8 to Rs. 27. Castoroil B.S.S. was quiet at Rs. 16-4, while I Pressures and Commercials lost As. 4 each to Rs. 16 and Rs. 15, respectively.

In the linseed section, Bold ready advanced from Rs. 24-8 to Rs. 27-8. February-March disclosed a gain of Re. 1-8 at Rs. 23-8. Linseed oil was higher by Re. 1 at Rs. 15-4. It is stated that the merchants are reluctant to release stocks in expectation of a higher price for the seeds.

Among others, *kardi* Bold ready was up by Re. 1-4 at Rs. 23-8. Niger F.A.Q. gathered Re. 1 to Rs. 29.

The following table shows the prices of oilseeds and oil on the 9th inst. as compared with those at the end of the previous two weeks.

	9-12-53	2-12-53	25-11-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Ready New ..	31 0	29 0	31 12
Bold December-January ..	30 4	27 8	29 4
Bold Feb.-March	30 14	28 2	30 2
Linseed—			
Bold Ready (per cwt.) ..	27 8	24 8	26 0
Feb.-March	23 8	22 0	22 10
Castorseeds—			
May 1954	116 12	111 6	113 6
Madras (per cwt.)	27 0	26 8	27 8
Groundnut oil—			
Ex-mill Ready (per quarter).	16 8	15 4	17 0
Castor Oil—			
Commercial (per quarter) ..	15 0	15 4	15 4

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 9th December

The easy conditions that prevailed in the Bombay sugar market last week gathered momentum during the week under review and prices continued their downward march. The chief bearish factor, which influenced the trading, was the renewed expectation of large arrivals from northern and Deccan factories in the next few days, based on a further release for free sale of sugar produced during the fortnight ended 15th December, 1953, announced by the Union Food Ministry on the 9th inst. This release is in addition to the previous release of the entire production of sugar in the mills up to the end of November during the current season. There was, besides, the confirmation of reports of a further purchase of a couple of shiploads of East German crystal sugar by the Food Ministry, believed to be at £34-3 per long ton c.i.f. Bombay.

In the forward section, Posh delivery shed As. 8 to Rs. 84-4 and *Magshar* delivery As. 4 to Rs. 83-8 per bag. In the spot section, medium grain sugars dropped Re. 1-8 to Rs. 93-8. Small and large grain sugars were neglected, although their quotations were maintained at last week's levels, namely, Rs. 91 and Rs. 97 per bag, respectively. Arrivals of sugar into the market during the week amounted to 8,700 bags. Among imported sugars, Mexican refined lost As. 2 to Rs. 40-10 per bag of 110½ lbs. (net). British refined sugar, however, proved an exception in that it improved by As. 12 to Rs. 85-8 per 2 cwts. This was due to the tendency on the part of holders of this sugar to hoard stocks in expectation of a rise in prices. The expectation is based partly on the fact that no more of this quality is likely to be imported in the near future and partly on the belief that there will be a spurt in demand from confectionery manufacturers and sweetmeat traders.

The Central Food Ministry has invited tenders for Cuban sugar per s.s. *Marceller*. There is reported to be a great rush in the submission of tenders. Each tenderer, it is expected, will be allotted only 550 maunds, as in the case of the s.s. *St. David*. Both the s.s. *St. David* and the s.s. *Norton* are expected to arrive in Bombay by this week end. With the arrival of these ships, the deliveries of British refined sugar, so far programmed to be unloaded at the port, will be completed.

Since the prices of British refined sugar are a bit higher, the Central Food Ministry has naturally switched over to the purchase of Continental sugar. As already noted, a couple of shiploads of East German crystal sugar has been purchased. The Ministry is also reported to have decided to import at least 30,000 tons of raw sugar from Cuba at about £30 per long ton c.i.f. Bombay. The imported sugar, according to the tentative programme drawn up by the Government, will be distributed to sugar mills in this country for purposes of processing. The ex-mill cost of processed sugar is estimated at Rs. 27 per maund. This sugar is to be treated as part of the mills' production. In other words, the mills will be free to sell Cuban sugar to buyers of their own choice at free market prices.

UPWARD TREND IN PEPPER PERSISTS

(Messrs. Parekh & Co.)

BOMBAY, 9th December

The upward trend in Malabar black pepper referred to in our weekly report ended 25th November, continued under pressure of buying by New York. Grinders and dealers in New York, are making purchases for spot, afloat and nearby shipments, in view of the possibility of the renewal of Longshoremen strike when the period of injunction under "Ifartly Taft Law" ends around Christmas. New York dealers who sold short December and January delivery are being forced to cover at a loss, for the greater part of the stock of spot pepper in New York is reported to be in strong hands and November shipment from India proved smaller than generally expected. Stock with grinders who refrained from buying in a declining market is believed to be meagre and their enquiry for replenishment after the yearly inventory was one of the contributory factors for the present buoyancy in the market. Fair sized buying orders for afloat and for shipment during the first half of December and December from New York have made Indian growers and exporters tight sellers, as the existing stock of old pepper is small and the new arrival is not up to the mark.

London and New York buyers who were all along trying to bear Indian market, by giving out bearish news very frequently also came to buy and they are reported to have paid for afloat as high as $0.97, for the first half of December $0.94 and for December shipment $0.92. The intelligentsia in the market who sold December and January-February-March in expectation of reduction in the export duty, withdrew from the market as from what the Government spokesman told the Export Advisory Council at its meeting, it felt that the Government was not likely to reduce the duty in the immediate future. At Alleppey price moved from Rs. 1,900 to Rs. 2,100, Cochin quoted Rs. 365 with small sellers.

In the A.S.T.A. section December was done from $0.87 to $0.93, January-February-March from $0.84 to $0.87, January from $0.85½ to $0.89. In the delivery section, prices also firmed up from Rs. 1,620 to Rs. 1,770 for December and from Rs. 1,590 to Rs. 1,660 for February delivery.

Following are to-day's nominal quotations: Ready delivery Rs. 270/90 per cwt., December delivery Rs. 1,760/80 and February delivery Rs. 1,660/80 per candy of 5¾ cwts.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 8th December

The week under review in the jute goods market was characterised by an early easing tendency followed by a recovery later in the week. Fluctuations were wide in the case of B. twills and narrow in the case of hessians. The early recession resulted from profit-taking by weak holders and from lack of sufficient business with foreign buyers; but when details of the Indo-Russian Trade Agreement were announced and Russian demand for sacking goods was expected, losses were more than made good. In sympathy, hessians was also marked up. The trade agreement, which mentions jute goods as an item of export from India to Russia, does not stipulate the quantities of the exportable items and the fact that Russia has not been usually buying jute goods from this country has been taken to signify that the country is self-sufficient in its packaging requirements. Russia has been buying raw jute from East Bengal at

(Continued on page 1131)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (Pre-war)	27th Nov., 1953	A week ago	A month ago	A year ago
RESERVE BANK (Issue Department)					
Notes in circulation	172.44	1,066.85	1,101.05	1,077.79	1,073.66
Notes held in Banking Department	85.06	30.19	25.25	39.71	39.89
Foreign Securities	39.50	565.15	565.15	554.15	535.15
Rupee Securities	37.39	421.36	421.35	421.42	450.67
(Banking Department)					
Deposits of:					
Government of India	14.89	98.09	94.75	108.99	157.11
Other Governments		24.34	30.15	30.53	15.68
Balances held abroad	10.08	141.56	142.69	142.16	146.78
SCHEDULED BANKS*					
Demand Liabilities	134.37	538.93	527.67	553.41	514.10
		(12.57)	(11.46)	(13.14)	(11.78)
Time Liabilities	102.84	334.06	333.62	333.01	311.74
Borrowings from Reserve Bank		(2.73)	(2.63)	(4.02)	(5.07)
		0.91	1.00	1.25	1.74
		(0.49)†	(0.49)†	(0.49)†	(0.49)†
Borrowings from Imperial Bank		5.21	5.08	4.94	3.47
Cash in India	6.71	32.79	32.79	31.33	32.67
Balances with Reserve Bank					
Excess over statutory limits	25.28	67.85	60.74	69.11	64.82
	15.52	31.21	26.60	25.77	21.24
Balances with other banks in current account in India		11.25	11.38	10.89	12.39
Money at call and short notice in India	6.71	18.32	16.55	21.83	18.42
Investments (at book value)		376.77	337.42	339.70	324.99
Advances and bills	108.09	449.04	447.63	448.92	401.66
IMPERIAL BANK.					
Deposits	87.76	212.66	210.90	212.03	213.64
Investments	51.99	97.30	97.33	97.09	100.60
Advances	30.87	95.48	96.63	95.87	104.09
Cash	14.89	30.20	30.50	32.04	22.24

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in brackets).

† Borrowings against finance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	4th December, 1953		27th November, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,53,308	84,23,00,000	2,67,500	84,05,26,000
Calcutta	1,12,145	62,63,78,711	1,46,413	64,71,84,622
Madras	73,800	13,42,79,249	76,372	7,75,06,837
All Centres— 1951	..	..	1,05,94,122	3160,56,86,859
1952	..	..	1,06,41,941	2976,79,81,000
Sept., 1953	..	..	25,53,000	5,26,36,00,000
Oct.,	..	..	25,77,180	5,04,62,81,000

Reserve Bank of India

Statement of Affairs for the week ended 4th Dec., 1953

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	90 43 12,000
(2) Other Governments	22 24 02,000
(b) Banks	69 78 56,000
(c) Others	54 00 00,000
Bills Payable	3 08 31,000
Other Liabilities	15,12,30,000
Rupees	260 65 41,000

Assets	Rs.
Notes	11,65 01,000
Rupee Coin	11 60,000
Subsidiary Coin	3 38,000
Bills Purchased and Discounted—	
(a) Internal	
(b) External	26 50 000
(c) Government Treasury Bills	
Balances held abroad*	5 09 76,000
Loans and Advances to Governments	144,43,30,000
Other Loans and Advances	1,38,11,000
Investments	10 02 82,000
Other Assets	70 13 46,000
Rupees	7 18 88,000
	260 65 41,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against finance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availe. of by Scheduled Banks against finance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department		11,65 01 000
Notes in circulation		1114 42,45,000
Total Notes issued		1126,08,20,000
Total Liabilities		1126,08,20,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	563,13,71,000	
Total of A		603,14,82,000
B. Rupee Coin		07 53 39 000
Government of India Rupee Securities		421,38,18 000
Internal Bills of Exchange and other commercial paper		
Total Assets		1126 08 20,000

Ratio of Total of A to Liabilities: 54 007 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 27th Nov., 1953

	Rs.
1. Demand Liabilities in India	
(i) Borrowings from banks	12 54 70 000†
(ii) Other demand liabilities	9,26 36 31 000
2. Time Liabilities in India	
(i) Borrowings from banks	2 73 01,000†
(ii) Other time liabilities	3,32 22 44 000
3. Cash in India	32 78 81,000
4. Balances with the Reserve Bank in India	67 85 07,000
5. Balances with other banks in current account in India	31 21 82,000
6. Money at call and short notice in India	18,31,73,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	3,36 77 31 000
8. Advances in India	4,00 05 22 000
9. Inland Bills purchased and discounted in India	39 08 81 000

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

†Besides borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	9th December, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-5⅝	1-5⅝
Buyers T.T. 10 to 12 months	1-5½	1-5½
Bombay on New York—		
Sellers T.T. D.D. Rs.	476¼	476¼
Buyers T.T. Rs.	475¼	475¼
London on New York	£ 2·81⅛–2·81⅜	£ 2·81⅛–2·81⅜
London on Paris Fcs	980·9–9·01	980·8801
London on Berne Sw. Fcs	12 23 12 23½	12 23–12 23½
New York on London	$ 2·81⅜–2·81⅝	2·80⅞–2·81⅜

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342 13			8,780	256
Pakistan	1949	75 04			1,671	223
Burma	1951	18 67	Kyats	9,166	917	189
Ceylon	1951	7 74			581	542
Japan	1951	84 30	Y.	4,849 400	6,414	761
Philippines	1951	20 13	Ps.	7,548	1,850	368
New Zealand	1952	2 00	£(N.Z.)	746	961	4,307
Australia	1951	8 43	£(A.)	3,336	3,454	4,317
U.K.	1952	50 43	£	13 648	18,107	3,605
U.S.A.	1952	158 95	$	290,4 40	138,240	8,696
Canada	1952	14 43	$	19,135	9,168	5,862
France	1952	42 60	F. Fr.	10,100 000	19,861	2,454
W. Germany	1952	49 45	Dm.	91,400	11,158	2,301
Italy	1952	46 88	Lr.	8,112 000	6,141	1,318
Norway	1952	3 32	Kr.	10,596	1,104	3,331
Sweden	1952	7 13	Kr.	19 170	3,655	5,122
Netherlands	1952	10 85	Fl.	17,690	7,213	6,644
Denmark	1951	4 20	Kr.	10,716	1,439	3,346
Switzerland	1952	4 82	S. Fr.	20,100	3,189	6,641

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 27th Nov., 1953

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	30 65 81 000
(b) Provincial Governments	3 41 96,000
(c) Banks	14 01 63,000
(d) Others	2,48 37,000
Bills Payable	18 87,000
Other Liabilities	3,43 37,000
Rupees	61,23 00 000

Assets	Rs.
Notes	8 87 75,000
Rupee Coin	4,000
Subsidiary Coin	6,000
Bills Purchased and Discounted—	
(a) Internal	
(b) External	
(c) Government Treasury Bills	3 99 53,000
Loans and Advances to Governments	13 00,000
Provincial Governments Debtor Balances	2,47,25,000
Other Loans and Advances	2 09 00,000
Investments	33 79 54,000
Other Assets	9,56 87,000
Rupees	61,23 00 000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8 87 75,000	
Notes in circulation	209,75,63,000	
Total Notes issued		218 36 38,000
Total Liabilities		218,36,38,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion		
Sterling Securities	89,44,75,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,93,91,000	
B. Rupee Coin	6,19 50 000	
Government of Pakistan Securities	118,67,33,000	
Internal bills of exchange and other commercial paper		
		89,24,50,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19 02 000	
Sterling Securities	3,06,12,000	
Government of India Securities	70 10,000	
Rupee Coin	29,31,000	
		4 24,75,000
Total Assets		218 36 38,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 42 65 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
15th September	1·50	1·84	1·50	2 6 7	50
22nd „	1·50	1·96	1·50	2 6 8	50
29th „	1·50	2·81	1·50	2 6 8	100
6th October	1·50	2·12	1·50	2 6 8	99
13th „	1·50	1·41	1·50	2 6 8	99
20th „	1·50	2·84	1·50	2 6 8	84
27th „	1·50	2·84	1·50	2 6 8	85
3rd November	1·50	4·10	1·50	2 6 7	64
10th „	1·50	2·71	1·50	2 6 10	86
17th „	1·50	1·81	1·50	2 7 0	100
24th „	1·50	1·99	1·50	2 7 0	3
1st December	1·50	1·50	1·50	2 6 10	93
8th „	1·00	1·30	1·00	2 7 0	91
Total	18 00	27·41	18 00	2 7 2	87

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	26th Oct., 1953	3	2½
Canada	17th Dec., 1953	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	4
Finland	16th Dec., 1948	5	4½
France	17th Sept., 1953	2	3½
Greece	18th July, 1949	4	3½
India	16th Jan., 1947	10	3
Italy	6th April, 1950	3	3½
Japan	1st Oct., 1951	5·11	6·84
Netherlands	7th April 1953	2	2½
New Zealand	26th July, 1941	3	2½
Norway	9th Jan., 1948	3	2½
Pakistan	1st July, 1948	3	2½
Portugal	18th Jan., 1944	3	2
South Africa	20th Nov., 1953	4	3½
Spain	27th Mar., 1952	4	4
Sweden	19th May, 1949	4½	4
Switzerland	20th Nov., 1953	2	1½
Turkey	24th Nov., 1938	4	4
United Kingdom	17th Feb., 1953	3	4
U.S.S.R.	17th Sept., 1953	2	3
U.S.A.	1st July, 1936	1½	1
West Germany	8th Jan., 1953	4	3

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1952	May, 1953	Two months April and May, 1952	Two months April and May, 1953
Import Duties:				
Revenue	12 08	9 01	20.85	18 23
Protective	60	47	1 37	96
On surplus disposals	—	3	—	3
Total import duties	12 68	9 51	22 22	19 22
Export Duties	6 31	2.71	9 91	5 77
Land Customs	11	9	41	21
Miscellaneous	11	6	18	11
Gross total customs	18 81	12 40	23 75	25 31
Refunds and drawbacks	24	12	53	34
Net Customs	18 10	12 28	22 22	24 97
Gross excise	7 41	8 76	14 15	16 87
Refunds	16	5	30	11
Net Excise	7 25	8.71	13 85	16 70
Net total of customs and excise	25 35	20 99	40 07	41 73

Imperial Bank of India

Statement of Affairs for the week ended 4th Dec., 1953

Capital and Liabilities	Rs.	Rs.
Authorised Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders on Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6 35 00 000
Deposits and other Accounts		211 15 03,000
Borrowings from other Banking Companies Agents		
Bills Payable		
Bills for Collection being Bills Receivable as per contra		3,07 73,000
Acceptances, Endorsements and Other Obligations		50 87 000
Other Liabilities (including Inter-Office Adjustments)		1,54 000
Total	Rs.	3 45 54 000
		231 21 17 000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		27 22 03,000
Balances with other Banks		4 17 32,000
Money at Call and Short Notices		20,07,000
Investments—		
Government and other Trustee Securities	87,31 02,000	
Other Authorised Investments	10 83 43 000	
		98,17,06,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	88 06 39,000	
Bills Discounted and Purchased	7,09 01,000	
		96,05,40,000
Bills Receivable being Bills for Collection as per contra		3,07 73,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		50 87 000
Premises less Depreciation		1,54,000
Furniture and Fixtures less Depreciation		1,30,22,000
Other Assets (including Inter-Office Adjustments)		30 79 000
Total	Rs.	3 04 22,000
		231 21 17,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS										
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates, and Defence Savings Bank Deposits, Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1,84	1,47	76	76	20,40	22,86	83,26	29 91	— 12,31		
1951-52	1,75	6,98	72	2,81	22,05	44,81	1,07,55	74,18	— 27,54	13,10	13,39
1952-53	1,63	6,84	66	3,27	23,06	64,18	1,12,36	91,01	— 31,08	7,84	25,64
September 1952	10	6,44	5	3,11	1,84	78,73	8,79	84,91	— 29,41	52	22,86
October „	11	6,48	5	3,14	1,71	78,77	8,36	83,25	— 29,60	52	22,98
November „	10	6,50	5	3,16	1,71	78,77	8,03	83,53	— 29,90	55	23,05
December „	8	6,51	5	3,16	1,56	78,34	8,45	85,95	— 29,99	58	23,48
January 1953	15	6,54	6	3,19	2,02	80,77	8,34	86,09	— 30,22	58	23,94
February „	14	6,61	5	3,22	1,86	82,14	8,36	89,36	— 30,76	62	24,48
March „	12	6,64	9	3,27	2,46	84,18	13,75	91 01	— 31,16	60	23,96
April „	11	6,60	5	3,27	2,24	85,65	9,96	93,01	— 31,30	60	23,64
May „	12	6,65	4	3,29	2,04	87,57	9,55	93,80	— 31,52	66	24,36
June „	11	6,62	4	3,31	2,25	89,33	9,43	93,80	— 31,62	66	27,01
July „	1	6,73	11	3,42	2,21	91,02	10,28	95,29	— 31,78	60	27,56
August „	1	6,67	0	3,44	2,23	92,83	8,76	96,67	— 32,36	60	24,50
September „	—	6,60	12	3,53	2,04	94,33	9,70	97,72	— 32,71	60	25,37
October „	..	..	..	..	..	..	..	..	..	60	29,91

* At the end of period. @ Provisional net repayments at the end of period from 15th August, 1947.

† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. ‡ 5-year and 7-year National Savings Certificates were issued upto June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 24-10-'53	21-11-'53	28-11-'53
	§		
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.2	90.2
1. Government of India	90.1	90.0	90.0
2. Indian States	95.5	95.6	95.6
3. Municipal, Port Trust, etc.	89.2	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	101.4	101.4
1. Electricity	102.7	102.7	102.8
2. Jute	98.8	98.8	98.8
3. Plantations	99.6	99.6	99.6
4. Sugar	100.1	100.1	100.1
5. Coal	99.6	99.6	99.6
6. General Engineering	101.7	101.7	101.7
7. Textile	103.0	103.1	103.1
8. Others	100.3	100.2	100.2
PREFERENCE SHARES	87.1	87.2	87.2
1. Electricity	99.1	100.0	100.0
2. Cotton	83.8	83.6	83.3
3. Jute	85.0	85.0	85.0
4. Coal	91.6	91.8	91.8
5. Iron and Steel	89.3	89.6	89.6
6. Sugar	78.1	78.4	78.4
7. Paper	83.4	83.4	83.4
8. Plantations	87.3	85.3	85.3
9. Miscellaneous	85.6	85.7	86.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	93.4	93.6	93.4
(a) Fully Assessed	85.9	86.1	86.3
1. Banks	86.2	85.3	85.3
2. Insurance	94.2	94.3	94.3
3. Investment Trust	74.4	75.6	76.0
(b) Public Utilities	106.8	106.1	105.9
1. Electricity	114.7	115.1	115.0
2. Shipping and other Transport	90.8	87.4	87.5
3. Railways	81.6	81.2	81.3
(c) Manufacturing Industries	94.6	95.1	95.1
1. Cotton, Woollen and Silk	92.4	93.7	93.8
2. Jute	79.0	83.3	83.3
3. Iron and Steel	102.1	102.0	101.7
4. Engineering	110.5	109.9	109.5
5. Cement	115.5	119.1	121.1
6. General Engineering	102.1	112.0	111.7
7. Sugar and Breweries	85.8	85.7	85.8
8. Chemicals	95.7	99.8	102.7
(d) Non-Manufacturing Industries	93.6	93.3	93.1
1. Coal	74.3	74.7	74.6
2. Mining and Oil	133.6	139.8	141.0
3. Plantations	90.9	91.0	91.1
(e) Miscellaneous	86.2	85.6	85.2
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.7	89.7
2. Calcutta	—	90.1	90.1
3. Madras	90.5	90.5	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.7	101.9	101.9
2. Calcutta	—	101.8	101.8
3. Madras	100.1	100.1	100.1
PREFERENCE SHARES			
1. Bombay	91.7	92.1	92.0
2. Calcutta	—	84.0	84.2
3. Madras	88.7	88.7	88.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	101.6	105.0	106.1
2. Calcutta	—	91.2	91.8
3. Madras	91.2	91.2	91.7
4. Delhi	89.7	91.2	91.4

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series

§ Calcutta Market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950	814	719,663	[illegible]
1951	1,071	891,491	2,818 928
1952	963	809,242	3,336,981
Nine months ended Sept., 1950	584	333,737	10 002 255
Do Sept., 1951	956	601,158	2,04 044
Do Sept., 1952	839	757,565	2,53 [illegible]
Do Sept., 1953	690	407,919	2,055,080
January 1952	95	809,881	674,340
February „	88	63,160	219,607
March „	87	42,440	142,498
April „	134	59,437	234,846
May „	118	80,098	334,664
June „	101	69,881	257,062
July „	82	40,764	171,268
August „	83	44,504	148,553
September „	96	87,878	460,552
October „	98	78,181	349,816
November „	87	46,768	273,949
December „	81	27,825	134,015
January 1953†	85	42,382	244,414
February „	65	28,477	125,411
March „	67	88,231	216,207
April „	72	43,132	214,453
May „	98	34,617	170,216
June „	93	80,757	252,273
July* „	87	47,280	131,810
August* „	65	34,604(a)	210,710(b)
September „	100	41,739	455,553

† Figures for 1953 are provisional * Revised.

(a) Not known in two cases. (b) Not known in three cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,661 1	3,777 7
Two qr.	573	4,961 4	4,049 0
1952-53	614	6,301 4	5,134 3
April 1952	577	488 8	392.8
May „	591	514.4	413.1
June „	558	500 1	406 8
July „	595	531 0	428 7
August „	597	534 3	430 6
September „	599	545 2	441 5
October „	605	559 7	456 4
November „	606	552 2	457 6
December „	..	535 5	441 8
January 1953	611	495 0	417 4
February „	614	506 0	415 7
March „	616	550 9	454 1
April „	620	560 4	458 1
May „	623	544 8	450 2
June „	627	547 0	471 0
July „	627	567 0	468 0
August „	..	..	..

* Excluding railway, mimary and factory power stations; Chola Power Station, being interconnected with the Tata Power System, has been included 1 fornishing purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	21st Nov., 1953	14th Nov., 1953	22nd Nov., 1952	October, 1953	October, 1952	Percentage of increase (+) or decrease (−) in Oct., 1953 as compared with Oct., 1952	1953	1951
Food Articles	376 0	381 6	359.8	385.6	357.9	+ 7.7	389.8	409.8
Cereals	436	442	453	449	448	+ 1.6	440	454
Pulses	544	553	545	554	538	+13.8	548	506
Other	217	232	216	231	223	+26.8	225	293
Industrial Raw Materials	448.0	437 8	439 8	448.0	452.3	— 1 0	453.8	608 2
Fibres	443	424	401	411	434	— 5 3	434	622
Oil seeds	483	475	500	515	474	+ 8 8	474	570
Minerals	445	446	450	449	462	— 2 8	468	456
Others	372*	373*	368	370*	352	+ 5 1	341	543
Semi-Manufactures	367.2	353 7R	348 2	353 4	351 7	+ 0 8	348 5	377 5
Leather	398	398	426	384	384	—	345	443
Mineral oils	227	227	226	227	226	+ 0 4	225	197
Vegetable oils	448	440*	430	511	457	+ 11 8	459	579
Cotton yarn	444	441R	444*	436	453*	— 3 8	445*	653
Metals	226	226	227	224	227	— 1 8	211	197
Oil Cakes	474	465	430	425	464	— 8 4	440	500
Others	363	304	2.2	302	260	+16 2	273	330
Manufactured Articles	366.6	365.7R	373 5	384 5	379.0	— 3 8	377.5	395.5
Textiles	403	403R	411	401	420	— 4 5	423	465
Jute	435	431	442	394	478	— 17 6	403	403
Cotton	443*	440*R	404*	410*	409*	+ 0 2	441*	499*
Rayon and Silk	392*	389*	442*	378*	458*	— 17 5	445*	611*
Woollen	312	313	320	313	290	+ 11 1	346	375
Metal products	337	337	342	337	343	— 1 7	321	345
Others	234	234	234	235	235	— 3 4	295	300
Miscellaneous	714.4	715.7	720.8	736 0	636 0	+13 9	635 6	729 8
All Commodities	391 7	390 7R	382 3	393 6	387 8	+ 1 6	386 9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	344	330	260	313	451	392	370	334	142	178	141	160	168
1952 „	341	337	259	310	441	380	351	330	143	174	142	154	150
Feb., 1952	344	324	241	318	441	382	343	336	141	178	145	155	155
March „	335	313	239	300	412	378	346	327	140	174	140	150	145
April „	341	345	262	321	415	377	339	326	148	169	138	153	144
May „	340	339	264	310	412	376	339	327	148	168	141	153	143
June „	340	348	265	308	434	375	342	330	145	161	141	153	148
July „	342	350	263	304	456	377	354	....	143	175	143	161	155
August „	344	340	267	3 2	466	380	369	330	143	176	149	160	157
September „	343	341	269	310	463	381	368	328	143	176	147	157	150
October „	344	345	274	314	466	381	363	....	146	179	143	154	150
November „	343	347	271	306	459	380	347	328	143	176	139	150	150
December „	344	346	262	303	447	378	346	327	137	176	138	150	149
January 1953	339	346	280	310	454	381	337	327	135	168	134	149	146
February „	341	351	284	315	459	380	334	331	136	167	132	150	144
March „	342	358	283	322	448	381	333	333	136	163	131	148	143
April „	342	359	268	327	454	381

INTERNATIONAL PAYMENTS POSITION

(Concluded from page 1095)

new gadgets. It can be done only through wise national and international policies. The International Monetary Fund will make its resources available, when necessary, to member-countries pursuing such policies.

Avoidance of Inflation

National policy in all countries must start with eliminating and avoiding inflation through strong budgets and tight credit. Obviously, this is not consistent with the extreme view that there must not be any unemployment at any time in any sector of the economy. On the other hand, I do not believe that a sound financial policy need involve widespread or persistent unemployment. It should prevent a persistent rise in costs. But there must also be sufficient flexibility in the economy to allow resources to be moved to the production of the goods which the country needs for its own use and for its exports. This seems to me consistent with a moderate policy directed to maintaining high-level employment without inflation.

In the underdeveloped countries, there must be some moderation in their policy of rapid development at any cost. Many of these countries would welcome a policy of balanced development that would enable them to produce efficiently for the export and the home markets. Such a policy would require them to limit investment to the amount that they can finance by foreign capital and home savings without inflation. If foreign capital is available on a generous scale, a policy of balanced development can be made effective. It would enable the underdeveloped countries to import on a larger scale, widen the sources of supply for foodstuffs and raw materials, and make it possible for industrialised countries to earn dollars in third markets.

U.S. Tariff Policy

So far I have spoken of what *they*, the deficit countries, should do. I must supplement this with what *you*, the surplus country, should do. First, large as your imports are, they are still too small for your own best interests and too small for the needs of a world driven by circumstances to be much more dependent on the exports of the United States. It is true that half of your imports, mainly foodstuffs and raw materials, are duty-free. But some raw materials and foodstuffs and most manufactured goods are still burdened by tariffs and other impediments. In particular, some agricultural goods that your consumers want and which your producers are unable to supply adequately are wholly or partly excluded from your market by prohibitions or quantitative restrictions. It is encouraging to know that so able and public-spirited a group as the Public Advisory Board for Mutual Security is now re-examining the trade and tariff policy of the United States for consideration by the new Administration. We look forward to their report.

There is one other field in which the United States can take the lead in restoring balance in the world economy. The European countries, which were large foreign investors in the past and which still invest abroad, will not be in a position to increase their foreign investments until they secure a surplus in their payments. In the meantime, if the underdeveloped regions are to have an opportunity to expand their productive capacity without resorting to inflation, it will have to be through a larger capital flow from the United States than at present. I recognise, of course, that the real barriers to international investment are the political uncertainties and the economic risks, some of them the consequence of unwise policies in the countries seeking foreign capital. I believe, nevertheless, that constructive steps can be taken jointly by the United States and these countries to encourage investment on a sound basis and on a larger scale than at present.

Gold and Dollar Reserves

There is one further point I should mention. The level of gold and dollar reserves of many members of the International Monetary Fund is too small to allow an adequate margin of safety for payment fluctuations when exchange restrictions are relaxed. These countries, therefore, often hesitate to allow a greater measure of freedom in trade and payments, even when their payments position becomes stronger, because of concern for their reserve position. Of course, no level of reserves is adequate unless members are prepared to adopt policies which will bring their payments into balance within a reasonable period. Whenever members do adopt such policies and desire to relax restrictions, it will be the policy of the Fund to assist them.

In brief, this is what I believe can be done on international payments. It is possible, by proper measures in both deficit and surplus countries, to meet the hard core of the payments problem that persists. As international payments become better balanced, we can gradually approach the convertibility of currencies. In the meantime, a prompt remittance system can be established in those countries in which arrears in remittances for current transactions tend to be accumulated. What can be achieved will depend principally on sound financial policies in the deficit countries. The greatest contribution the United States can make to achieving balance in the world economy is to increase its imports and join in a larger programme of foreign investment for the balanced development of other regions. The Fund will do all it can to encourage countries to follow the right policies and it will not hesitate to use its resources to help countries with balance of payments difficulties that are striving to achieve its objectives. In these ways we may hope to move forward to the achievement of the goal of this Foreign Trade Convention, "a better world through increased production and wider consumption."

BURMA'S DEBT TO INDIA

The Government of India's representative, Mr. M. V. Rangachari, Joint Secretary, Finance Ministry, is now in Burma to hold preliminary negotiations in connection with the settlement of debt owed by that country to India. Burma's total debt to India amounts to Rs. 70 crores and comprises mostly railway and telegraph assets left by the Government of India when that country was separated in 1937. Burma paid regular instalments on the debt upto 1942. These instalments were discontinued following the Japanese war. Since the end of the war, the country has been pleading inability to resume payments in instalments owing to economic difficulties.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Oct., 1953	66.8
	Corresponding month 1952	76.8
	Four months ended Oct., 1953	280.4
	Corresponding period 1952	304.9
Stocks	At the end of Oct., 1953	102.7
	Corresponding month 1952	94.9
		(In 000 bales)
Exports (Jute Bags)	Week ended 31st Oct., 1953	1,60.92
	Corresponding week 1952	1,29.50
	From 1st Jan., to 31st Oct., '53	29,41.77
	Corresponding period 1952	84,32.69
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 31st Oct., 1953	6,35.97
	Corresponding week 1952	4,34.00
	From 1st Jan., to 31st Oct., 1953	1,13,48.44
	Corresponding period 1952	92,90.62
	RAW JUTE	(In 000 bales)
Exports*..	Week ended 31st Oct., 1953	—
	Corresponding week 1952	—
	During May 1953	—
	Corresponding period 1952	—
	Oct., 1953 (in lakh Rs.eq)	3.87
Consumption by Mills†	Four months ended Oct., 1953	4.46
	Corresponding period 1952	16.60
	Corresponding period 1952	17.69

† Estimated. * From Calcutta.

FOREIGN TRADE OF INDIA

Particulars	July,		Four Months, April to July,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	10.87	10.07	54.39	99.76
Raw materials ..	14.95	13.01	62.66	74.53
Manufactures ..	22.72	25.74	91.14	101.87
Other items ..	27	13	1.27	2.18
Total ..	49.71*	58.03*	209.46*	277.64*
By land ..	2.81	1.18	5.88	5.70
Total Imports ..	51.52	59.21	215.34	283.34
Exports :				
By sea and air—				
Foodstuffs ..	11.95	14.08	38.53	41.41
Raw materials ..	6.78	13.19	27.84	30.46
Manufactures ..	20.19	23.61	78.74	96.24
Other items ..	89	23	1.39	1.33
Total ..	39.31	51.46	146.52	169.44
By land ..	41	2.39	1.86	11.66
Total Exports ..	39.72	53.85	158.08	201.10
Total Re-exports ..	30	45	1.86	1.48
Balance of trade in merchandise ..	— 12.49	— 4.98	— 61.82	— 81.08
Balance of transactions in private treasure ..	— 2	..	— 4	— 2
Total visible balance of trade..	— 12.51	— 4.98	— 61.86	— 81.10
Imports : ‡				
Total Cwealth countries ..	24.62	22.66	97.94	89.82
Total Foreign countries ..	20.09	35.37	111.52	187.02
Exports : ‡				
Total Cwealth countries ..	19.69	23 24	74.57	88.53
Total Foreign countries ..	19 62	28 22	81.95	100 91

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

‡ Excludes Trade by Land.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅛
4% Bonds	1938-39	63,30,12,000	1960-70	101
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅞
3½% Loan	1930	30,33,10,000	1964	92⅞
3% Loan	1943	1,10,11,78,000	1966-68	90¼
3½% Loan	1944	1,14,06,89,000	1957	93⅛
3½% Loan	1945	1,15,05,83,000	1970-75	86½
2½% Loan	1945	1,13,65,44,000	1959-61	96⅛
3½% Loan	1951	50,35,61,000	1958	93⅛
2½% Loan	1946	45,63,07,000	1960	79⅝
2½% Loan	1946	57,00,49,000	1961	78⅛
2½% Loan	1946	35,04,06,000	1954	98⅛
2½% Loan	1946	14,77,44,000	1976	82⅜
2½% Loan	1947	77,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97.	8,93,35,000	At option of Government after three months' notice On September, 1986 or later at option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,48,18,000	1954-55***	100⅛
4½% Loan	1928	5,83,20,000	1958-68***	105
PROVINCIAL LOANS				
3 ½ Bombay	1942	3,54,21,300	18th Sept. 1955	99⅛
3 ½ Bombay	1943	3,55,09,000	15th Sept. 1956	99⅛
3 ½ Bombay	1944	3,44,00,000	15th Aug. 1948	97⅞
3 ½ Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 ½ Bombay	1950	3,01,87,700	31st July 1963	94⅜
3½ ½ Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,03,00,000	15th July 1963	101
4 % Bombay	1942	3,46,72,700	18th Sept. 1955	101
3 ½ Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½ Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
4 % Cochin	1956	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 ½ Madras	1939	1,29,76,600	21st June 1949	94⅛
3 ½ Madras	1942	1,21,25,000	18th Sept. 1955	99
3 ½ Madras	1943	1,25,10,000	14th Sept. 1956	98-7½
3 ½ Madras	1944	1,08,00,000	14th Sept. 1958	96⅜
3 ½ Madras	1945	2,82,19,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91⅛
2½ ½ Madras	1946	2,47,05,000	31st July 1962	93⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	100⅛
4 % Madras	1952	3,00,00,000	31st Aug. 1964	100⅛
3 ½ Mysore(f)	1930	1,63,44,300	1st Nov. 1955	104⅛
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101
3 ½ Mysore(f)	1936	3,99,72,900	30th April 1956-61	98⅛
3 ½ Mysore	1947	3,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 ½ M.P.	1942	50,00,000	18th Sept. 1955	99
3 ½ M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½ M.P.	1944	57,69,800	14th Sept. 1958	96⅛
3 ½ M.P.	1948	2,03,28,800	15th Sept. 1964	91⅛
3 ½ M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅜
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 ½ Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3 ½ Punjab**	1947	2,33,20,000	15th Sept. 1955	99⅛
3 ½ Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½ Punjab**	1945	2,93,81,600	14th Sept. 1960	98⅛
3 ½ Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 ½ U.P.	1936	1,81,96,500	15th Sept. 1961-66	90⅛
3 ½ U.P.	1944	3,07,99,600	15th Aug. 1958	97
2½ ½ U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
2½ ½ U.P.	1946	2,29,08,600	1st Sept. 1961	93N
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,15,900	1st Aug. 1964	99⅛
4 % U.P.	1953	3,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	96N
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36 50 000	4	1904	1964	
35,00 000	4	1905	1965	
15 00 000	4	1906	1967	
44,00,000	4	1907	1968	97⅛N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1970	
75,00 000	4	1911	1972	
1 10,00 000	4	1912	1973	
14,35,800	4	1913	1974	D
80,00,000	4	1913	1974	99⅜N
88,25,900	4	1914	1975	99N
1,00,00,000	4	1915	1960	
55,00 000	4	1915*	1975	
61,61 000	4	1922*	1960	
11,51 900	4	1924*	1960	
10 25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1973	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
30 50 000	3½	1938*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24 300	4	1914	1974	98½
76,90,100	4	1915	1975	98⅛
68,02 300	4	1919	1979	97⅛
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	5	1925	1955-85	105
69 21 600	5½	1925	1955-85*	101
99,44,900B	5	1926	1956-86	101⅛
1,49,49,500B	5	1927	1957-87	101⅛
1,49 90 300	5	1928	1958-88	104⅛
80 00,000	4½	1931	1961	92⅛
21,75,000C	3	1933	1954	99⅛
60 00,000	3	1934	1965	99⅛
25,00,000	3	1938	1963-68	88
90,00,000	3	1945	2005	70N
50,00,000	3	1945	2005	82⅛
50 00 000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,50,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1981	97⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£86⅛
£901,000	5	1924	1954-84	£86⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
32 14,994	4	1917	1982	
72,21,400	4	1918	1982	A
3 42 941	5	1918	1982	
7,46 044	6	1920	1982	
2,15,852	6	1921	1952	
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs				Rs
50,00 000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50 00 000	4	1904	1964	97⅜N
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
25,00 000	4	1907	1967	
18,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
25,00,000	4	1914	1974	97⅛N
25,00,000	4	1915	1975	
40,00,000	5	1919	1957-79	113⅜
66,00,000	6	1920	1935-80	
25,00,000	6	1920	1956-86	115⅜
25,00,000	4	1927	1961-70	98⅜
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£93⅜
£333,000	4	1910	1970	£95⅜
CALCUTTA				
Rs				Rs
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1914	1964	100
35,00,000	3½	1933	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	98
50,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.	BOMBAY		Rs.
49,40,000	4	1913-14 1954	99⅛
20,60,000	4	1913-15 1974	99⅛
20,00,000	4	1913-15 1955	100
50,00,000	4	1914 1964	100⅛
1 60,00,000	6	1924 1954	102⅛
25,00,000	5	1928 1958	
26 14,000	5	1929 1954-59	105
8,45,100	5	1929 1954-59	to
26,21,500	5	1929 1959	102⅛
8,50,00,000	3½	1949 2005	82⅛
2,50,00,000	3½	1949 2006	70N
4,00,00,000	3½	1950 1965	91⅛
2,50,00,000	4	1952 1964	100⅛
2,00,00,000	3½	1951 1966	97
Rs.	CALCUTTA		Rs.
34,45 500	6½	1925 1955	105⅛
84,70,000	6	1925 1955	104⅛
36 00 000	5	1928 1958	103⅛
25 00 000	5	1929 1957	103⅛
25 00 000	5	1929 1958	103⅛
10 00 000	5½	1932 1962	108⅛
33 91 000	3½	1935 1965	93⅛
60,00,000	3	1936 1966	88⅛
1,46,100	3	1936 1966	99⅛
3,11,400	3	1937 1954	99⅛
4,67,100	3	1937 1954	98⅛
1,52,500	3	1937 1954	98⅛
4,18,100	3	1937 1954	98⅛
47,50,000	3	1938 1968	88
10,67,700	3	1938 1955	99⅛
15,56,800	4	1939 1956	99⅛
13,56,800	4	1940 1957	99⅛
17,64,400	3½	1942 1959	96⅛
21,10,000	3½	1942 1972	92
15,49,000	3½	1951 1960	96
14,31,000	3½	1951 1961	96
66,88 000	3½	1951 1966	96
87,36,000	4	1952 1962	99⅛
Rs.	MADRAS		Rs.
5,00,000	4	1903 1953	101N
5,00,000	7	1923 1953	107N
3,40,000	6	1925 1955	107⅜N

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

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	102	100
Cawnpore Sugar Works ..	10,00,000	1903-24	8	Feb. Aug.	145	100
Deccan Sugar & Abkhari' A	7,00 000	1920	7	July Apr.	110	100
‡East India Distilleries ..	£200,000	1897	7	Jan. July	16	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem)	3,00 000	1940	7B	Dec. ..	72	100
Puriabpore Co.	6,00,000	1922	10	Oct. ..	15‡	10
Ramnugger Cane	4,00,000	1933-34	6	Aug. ..	101	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
Shree Bihar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
South Behar Sugar	10,00,000	1946	5(c)	Dec. ..	6½	10
Travancore	12,00,000	1932	5	Dec. ..	90N	100
Upper Ganges	15,00,000	1946	5(a)	Dec. ..	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	121½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00 000	1895	6	Mar. Sept.	120	100
Karanpura Collieries ..	7,50,000	1946	5(a)	.. ..	86	75(pp)
Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12⅜	10
Oodapore	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	108⅜	100
Bangalore	6,00,000	1884	6	Jan. July	124⅛	100
Basanji Cotton	5,00,000	1938	6½	Nov. ..	6⅜	10
Benares Cotton	1,05,200	1919	7	July Jan.	60	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	121	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	8	Feb. Aug.	92	100
Bradbury	21,30,200	1919	7	June Dec.	320	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137⅜	100
Cambodias	1,00,000	1928	5	Apr. ..	129	100
Central India	50,00,000	1912	5	Apr. Oct.	502⅛	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	124⅛	100
Digia	11,00,000	1912	8	May Nov.	144	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10⅛	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87⅛	100
Kesoram	20,00,000	1919	7	June Dec.	129	100
Khatau Makanji	20,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..	86⅛	100
Kothari	12,00,000	1937	6	Nov. ..	10⅛	10
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	.. ..	233⅛	250
Morarjee Gocouldas Spg. & Wvg.	17,25,000	1947	4½	January	78	100
Mubr Mills	30,00,000	1900	4	Jan. July	102	100
Mysore Spg.	7,45,050	1944	4½	.. ..	..	50
New Great	8,00,000	1913	5½(a)	Mar. ..	185	200
New Victoria	26,05,500	1920	7	Apr. Oct.	3⅜	5
Podar Mills	10,00,000	1943	4	Feb. ..	79	100
Rajnlakshmi	2,00,000	1932	6½	Apr. ..	56	50
Rajalakshmi	4,80,000	1944	4	.. ..	..	100
Shree Niwas Cotton ..	32,00,000	1943	3(c)	.. ..	80	100
Sholapoor	15,00,000	1935	5	Apr. Oct.	115	100
Swadeshi	35,00,000	1927	6	June ..	90	100
Swadeshi (Kanpur) ..	3,00,000	1931	6½	Apr. Oct.	116⅛	100
Vasanta	1,50,000	1943	4	.. ..	106⅛	100
Vishnu	15,66,500	1908	7(a)	Apr. ..	555	500
ELECTRICS						
Andhra Valley Power Supply	49 34 000	1917	(a)	May Nov	1,200xd	1 000
Calcutta Electric	£1,900,000	1909 11	5(i)	June Dec	12⅛	£1
Dacca Electric	6,00,000	1940	6	Mar. ..	8⅜	100
Nasik-Deolali Electric ..	4,00,000		7	Mar. ..	—	100
Poona Electric	4,00,000	1935	7(a)	June Dec	105	100
South Arcot	2,00,000	1933	6	Jan July	94	100
South Madras Ltd ..	8,00,000	1940	5½	July Nov	9‡cd	10
Do. (2nd)	5,00,000	1939	6½	Apr. ..	13⅛	100
Surat Electric Co.	89,28,000	1907	7½(a)	May Nov.	122‡xd	1,000
Tata Hydro-Electric Power ..	89,28,000	1918	7½(a)	May Nov.	1,310xd	1,000
Tata Power	1,25,000	1928	6	Mar. Sept.	81xd	10
Vizag	1,00,000	1933	6½(a)	Sept	82⅛	100
ENGINEERING						
Authur Butler (Mozaffarpore)	1,30,000	1919	7	Mar. ..	8⅛	10
Burn & Co. Ltd. (1st) ..	13,00,000	1895-98	7	Feb. Aug.	135	100
Do. (2nd)	15 00,000	1902	5	Dec. ..	120	100
Indian Iron and Steel Co., Ltd.	1,50,00,000	1918	7	June ..	106‡	100
Indian Standard Wagon ..	6,90,950		5½	.. ..	126	100
Indian Steel Rolling ..	10,00,000	1941	4	May Nov.	8⅜	10
Jessop	10,00,000	1919	4	June Dec.	104xd	100
†††Kumardhubi Engin. ..	13,00,000	1946-47-51	4	.. ..	101⅛	100
Larsen and Toubro Ltd. ..	3,50 000	1907	5½	.. ..	80	100
McKenzies (1st)	10,00,000	6(a)	6	.. ..	101⅜	100
Premier Construction (1st)	15,00,000	1936	6(a)	.. ..	94⅛	100
Do. do. (2nd) ..	15,00,000	1947	6(a)	.. ..	54	10
Do. do. (3rd) ..	56,25,000	1917	5	.. ..	17N	10
Steel Products	75,00,000	1908	6(a)	May ..	169‡	100
Tata Iron and Steel (1st) ..	75,00,000	1908	7½(a)	May ..	127‡	100
Do do. (2nd) ..	6,93,81,900					
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	119	100
Albion	9,00,000	1909	7	May Nov.	104	100
Alexandra	9,00,000	1905	7	Feb. Aug.	105	100
Alliance	15,00,000	1895	6	Jan. July	104	100
Anglo-India	15,00,000	1917	7	May Nov.	119	100
Auckland	10,00,000	1909	3½	May Nov.	93	100
Do. (2nd)(i) ..	10,00,000	1945	4	Jan. July	74	100
Baldwin	15,00,000	1918	7

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,881	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,035	B.R. Cotton Mills	25½	100	6 0	6 0	6 0		12	Y.
2,50,98,000	2,16,11,940	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd. ..	1,82,072	4,855	Bombay Dyeing & Mfg.	403½	250	17 8	20 0	20 0	7 8(i)	12	Y.P.T.
10,01,000	27,25,739	54,19,515	48,70,797	80,359	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	770	250	75 0	100 0	100 0	100 0	12	Y.
1,09,42,800	2,08,18,651	2,43,74,511	1,60,92,612	5,30,869	Birla Bros. Ltd.	1,09,320	2,706	Century Syg. & Mfg.	286½	100	18 0	20 0	20 0	8 0(i)	3	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	72½	100	Nil	Nil	Nil		12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd. ..	27,305	680	Coowla Syg. & Wvg.	107½	100	7 8	7 8	7 8	7 8	12	Y.
16,00,000	20,04,921	61,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304	..	Dawn Mills	72	Nil	Nil	Nil	Nil		3	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Puranmal Radhakishan & Co. ..	50,296	928	Edward Textiles	260	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	61,862	Chhatharam Mutraj & Co., Ltd. ..	44,768	886	Elphinstone Spg. & Wvg. ..	44	50	4 0	4 0	4 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	260½	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	43,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0	225 0*	12	Y.
										250	43 12	50 0	50 0	56 4*		
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	11-7½	10	0 12½	1 1½	Nil		3	Y.P
80,00,000									1½	10	0 2	0 4	Nil			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	1,240	1,000	175 0*	200 0*	200 0*	225 0*	12	Y.
										300	87 8	100 0	100 0	112 8*		
29,92,500	49,54,640	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd. ..	77,404	1,517	Khatau Makanji Spg. & Wvg.	195	100	12 0	14 0	10 0	10 0	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Lakshmi Mills	297	100	18 0	25 0*	25 0*	6 0(i)	6	Y.P.
28,80,000	80,77,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	87	100A	7 8	5 0	6 0		6	Y.P.
3,60,000										20B	1 8	1 0	1 4			
27,11,050	47,01,670	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	98N	50	6 0	7 0	8 0		10	Y.T.
51,75,000	24,92,715	1,71,00,016	1,44,55,746	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg.	185	100	17 0	15 0	12 0		12	Y.P.
1,60,42,640	2,66,192	4,27,10,526	70,00,000	38,933	Chiraj & Co., Ltd.		100	National Rayon Corporation	129½	100	Nil	Nil	Nil		12	Y.
24,00,000	26,69,841	31,22,988	42,20,172	42,051	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg. ..	171½	100	12 8	15 0	10 0		12	Y.P.
30,00,000	21,71,710	86,62,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg. ..	165	100	10 0	12 8	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	26	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	121½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	910	Podar Mills	134½	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd	60,240	1,254	Sassoon Spg. & Wvg.	28½	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills ..	172½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	152½	50	14 0	17 0	15 0(i)	15 0	3	Y.
56,00,000	1,30,69,446(a)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons ..	33,892	1,633	Standard Mills	313½	100	15 0	20 0	20 0		12	Y.
75,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	63,060	2,040	Swadeshi Mills	268½	100	16 0	18 0	16 0		12	Y.P.
24,00,000	19,19,106	65,86,475	53,41,077	5,71,220	James Finlay & Co., Ltd.	33,904	552	Swan Mills	337½	100	20 0	25 0	30 0		12	Y.P.
32,54,418	59,55,268	68,88,347	26,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	50	25	2 0	4 0	2 0		12	Y.T.
12,00,000	60,55,708	98,62,654	75,30,000	6,246	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spg. & Mfg. ..	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
53,00,000	38,80,266	88,29,985	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills ..	133½	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Aruna Mills	492½	100	25 0*	20 0	20 0*		12	Y.P.
21,00,000	2,07,45,675	1,16,76,139	76,33,000	1,309	Hoosenbhai & Co.	57,448	1,218	Arvindas Mills	893½	200	25 0*	25 0*	25 0*		12	Y.P.
20,00,000	40,03,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,864	884	Arvindava Ginning & Mfg. ..	305	200	30 0	35 0*	35 0*		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	916	Asoka Mills	310½	100	15 0	22 0	22 0		12	Y.P.
1,24,37,072	1,06,99,227	3,71,68,168	2,37,33,344	2,83,095	Kasturbhai Lalbhai & Co., Ltd.	1,39,120	2,400	Calico	310½	125	18 0	18 0	18 0		12	Y.P.
30,00,000	84,66,000	88,47,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	1,075	500	35 0	70 0	70 0		12	Y.P.
39,00,000	70,78,354	94,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg. ..	703½	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	677½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Rajpur Mfg.	810	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	46,680	1,093	Rajnagar Spg., Wvg. & Mfg.	250½	100	15 0	20 0	20 0		12	Y.P.
12,50,000	81,93,993	46,17,803	46,17,803	9,866	Lallubhai Govindhadas Ltd. ..	33,136	640	Rohit Mills	123½	100	30 0	9 0	16 0		12	Y.P.
24,90,150	1,18,66,344	1,01,07,709	77,25,000	1,23,351	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	317	50	15 0	18 0	16 0		12	Y.P.
19,32,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Handas Achratlal & Co., Ltd. ..	34,576	816	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3½	10	0 8	0 5	Nil		12	Y.P.T.
7,11,280	2,05,653	37,16,898	20,48,033	32,911	Bengal Textile Agency, Ltd. ..	28,448	936	Bengal Laxmi Cotton Mills ..	38N	40	Nil	3 0	Nil		12	Y.
6,00,000	22,76,247	77,20,924	51,55,000	—6,27,421	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	285	100	Nil	Nil	Nil		6 12	H.P.
19,00,000	25,16,186	97,02,018	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	190	100	Nil	7 0	Nil		6 12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	20½	15	1 14	1 14	1 12	1 12	3	Y.P.
39,96,097	10,75,000	79,53,835	60,34,842	51,255	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14			12	Y.P.
										10	0 12	0 12				
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil	Nil		12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,246	2,716	Alagarpa Textiles (Cochin) Ltd.	50,000	..	Coimbatore Cotton Mills ..	6½	10	0 14 2/3	0 9 3/5	Nil		12	Y.P.T.
71,94,400	51,73,000	1,90,39,319	45,27,372	18,450	Industrial Trust Fund, Ltd. ..	19,944	440	Azam Jahi Mills	67N	100	5 8	6 0	6 0		9	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	287½	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	70,17,945	49,36,945	15,831	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills.	13½	10	Nil	Nil	Nil		6, 12	H.P.T.
15,00,000	95,51,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½N	10	2 8	2 8	3 0		3	Y.
1,78,47,800	1,57,97,000	3,14,31,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd. ..	1,09,916	2,781	Buckingham & Carnatic	129	100	6 14	7 8	4 8		12	Y.P.
20,00,000	16,11,836	30,52,641	16,31,870	33,399	Perin C. Leslie & Co., Ltd. ..	37,336	4	Cambodia Mills	12	10	Nil	1 4	1 0	4 0(i)	12	Y.P.T.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	30	10	2 8	3 0	0 9	0 9	3	Y.
12,00,000	15,07,382	37,83,749	18,59,989	—1,33,453	M. Sheenas Pandu & Co.	28,864	..	Coimbatore Pioneer Mills ..	160	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	25,84,587	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700	..	Coimbatore Spg. & Wvg. ..	38	100	7 0	6 0	9 0		6	Y.P.
20,76,900	4,40,358	1,10,86,516	66,17,567	—2,70,999	R. G. S. Naidu & Co.	19,700	..	Imperial India	173	100	2 8	5 0	Nil		6	Y.
26,87,500	88,12,906	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Delhi Cloth & General Mills ..	30½	100	6 0	8 0	5 0		6	Y.
3,38,34,450										25	1 0	2 0	1 2	1 12		
1,00,24,7	1,65,19,859	6,75,75,908	3,88,00,000	1,31,617	D. R. Charat Ram & Co., Ltd. ..	75,604	1,830	Dhanalakshmi Mills	194	100	25 0	20 0	20 0	4 0(i) 4 2/3	6	Y.P.
24,34,800	16,26,594	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Elgin Mills	18	10	1 2	1 8	1 8		12	Y.
63,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd. ..	52,652	1,198	Elgin Mills	18	10	1 2	1 8	1 8		12	Y.
39,04,700	43,10,000	82,22,547	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	249½	100	10 0	14 0	17 0*	5 0(i)	12	Y.
						50,420	1,420	Indore Malwa United	100	100	4 0	5 0	6 0		12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore) ..	23,764	..	Janardana Mills	62	50	5 0	7 8	3 12		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	30,312	200	Kothari Textiles	101½d	10	0 11	0 12	0 12		12	Y.
24,00,000	17,00,000	43,66,166	8,50,000	54,377	Kothari & Sons	53,642	1,213	Lakshmi Cotton Mfg.	561½d	250	37 8	50 0*	37 8	10 0(i)	6	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	73,504	200	Lakshmi Mills	79	50	4 0	5 0	5 0	5 0	12	Y.P.
									39½	25	2 0	2 8	2 8	2 8	3	Y.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	4,64,745	..	Madura Mills	38½	25	2 4	3 0	3 0		12	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	21,856	..	Malabar Spg. & Wvg.	126	200	8 0	12 0	8 0		12	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others	24,252	603	Meritor Industries Ltd.	212½	100	25 0	12 8	12 8		3	Y.
80,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd. ..	36,416	678	Minerva Mills	91	100	6 0	6 0	5 0	12 8	3	Y.
29,80,834	22,90,000	73,68,250	42,20,144	25,960	N. Sirur & Co., Ltd.	49,456	952	Model Mills (Nagpur)	141½	250	15 0	7 8	7 8		12	Y.
94,91,850	25,59,837	1,34,73,351	75,31,524	29,643	Bansilal Abirchand Dadabhoy & Co.	86,318	1,834	Muir Mills	195N	100	Nil	Nil	Nil		12	Y.
30,00,000	52,19,600	1,53,39,772	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	49,432	500	Mysore Spg. & Mfg.	139½	50	10 0	9 0	10 0*	10 0*	12	Y.P.
19,86,800	66,50,072	93,64,233	59,85,374	42,197	N. Sirur & Co., Ltd.	6,000	..	Mysore Spun Silk Mills	6½	10	0 8	0 10	Nil	Nil	12	Y.
13,61,760	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naidu	11	..	New Victoria Mills	Q. 21	Q. 1	Nil	Nil	Nil	Nil	12	Y.
22,84,86,360	25,62,531	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd. ..	50,228	1,148	Osmanshahi Mills	90N	100	5 8	6 8	7 0		12	Y.
3,07,09,513						30,896	717		68	50A	5 0	8 0	7 8	9	9	Y.
87,03,600	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund					75B	7 8	12 0	11 4			
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800	..	Palani Andavar Mills	93	100	7 8	12 0			12	Y.P.
6,00,000B						27,980	..	Pankaja Mills Ltd.	67	100	7 4	5 0			12	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	38,864	200	Radhakrishna Mills	162	100A	16 0	16 0	6 0		12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	23,896	..	Rajalakshmi Mills	81	50B	4 8	8 0	3 0		12	Y.
8,40,600B						32,580	600	Raza Textiles	80	50	4 8	5 0	Nil		12	Y.P.
15,00,000	25,00,896	22,62,213	14,88,315	43,366	B. R. Naidu & Sons	32,580	640	Shree Sagian Mills	41½	10	Nil	Nil	Nil		12	Y.P.
60,00,000	62,96,504	1,03,26,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	15,824	416	Sitarami Spg. & Wvg.	75½N	100	6 0	Nil			12	Y.P.
22,41,300	10,32,625	25,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.	18,416	416		36	60	Nil	3 0			8	Y.
7,79,700	2,24,959	21,50,228	16,08,115	3,063	T. R. A. & Bros., Ltd.											
16,00,000	1,60,39,317	2,87,33,062	2,03,87,726	—89,84,958	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg. ..	1,415	1,000	Nil	Nil	Nil	Nil	3	Y.
						25,200	292	Sri Krishnarajendra Mills ..	500	500						
						27,340	992	Sutlej Cotton Mills	51	50	4 0	4 0	3 0	4 0*	3	Y.
										50N	4 0	4 0	4 0			
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.											
15,00,000	95,93,793	64,96,085	43,13,769	58,49,305	Birla Brothers, Ltd.											
17,50,0000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	93	100	0 8	0 8	Nil		12	Y.P.
1,57,50,000(c)									81	10P.O	0 14 2/3	0 14 2/3	Nil			
37,41,120	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	6½	10	Nil	Nil	Nil		12	Y.P.T.
13,94,630	7,25,503	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000	..	Trichinopoly Mills	9	10	1 0	1 0	0 11 1/5		12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	270	Vasanta Mills	165	100	9 0	10 0	12 0		12	Y.
32,00,000	50,43,359	1,20,85,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	152½	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (i) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
						Deccan Sugar & Abkhari	9	25	Nil	2 12½	Nil		5	Y.P.
							21½	10	Nil	1 2½	Nil			
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Dyer Meakin Breweries	5½	5	1 0	0 8	0 8	0 8	3	Y.
16,20,630	15 83,781	23,47,704	11,58,077	16,143	Mr. K. G. Khanna		35½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£80,000A	£560 156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	22½	B. 4½	Sh. 1	Sh. 1	Sh. 1			
£300,000B						Murree Brewery	4N	5	Nil	Nil	Nil		8	Y.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,612	S. P. Smith, Esq.	United Breweries	160	75	11 4	7 8	15 0	15 0	3	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)									
CEMENT														
						Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd. ..		10½	B. 10	0 8	0 12	0 12			
39 63,334B							41	D. 1	Nil	Nil	Nil		3	Y.T.
43,14,6000	11,13,132	1,01 23,397	6,52,61,468	—1,25,357	Eastern Corporation Ltd. .. ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	52½	25	1 4	1 9	1 9		6,12	H P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	187	100	1 4 / 4 0	1 9 / 5 0	Nil / 5 0		3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	15½	10	0 8b	0 12	3 0	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros	Orient Paper	40½	10	0 12	1 0	1 0		3,9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	198	10	0 8	0 12	0 12		6,12	H.P.T
80,00,000 / 80,00,000 A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 3½	O. 10 / A. 10	Nil / 1 0	Nil / 1 0	0 4 / 1 0	1 0*f	3,9	H.P.T.
80,00,000 A. / 66,04,900 B. / 4,37,500 P. O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	32½ / 36½ / 41	A. 10 / B. 10 / P.O. 25	1 0 / 1 0 / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2f	3,9	H P.
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80xd	100	3 0	3 0	5 0	3 0	6	Y
4,30,000	1,00,000	6,89,326	4,73,056	2,354	Pyne & Sons	Camperdown	86½	100	6 0	6 0	7 0	7 0	7	Y
3,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91xd	100	3 0	5 0	5 0	4 0	6	Y
PROPERTY AND LAND														
18,00,780 O. / 2,00,000 D.	4,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½	O. 10	0 9 3/5	0 9 3/5	0 8		9	Y P
60,00,000	17,23,138	83,61,045	17,57,982	.....	David Sassoon & Co., Ltd.	Port Canning Land	25	100	Nil	Nil	Nil		4	Y
94,00,000	35,56,934	97,00,410	98,712	4,031	Andrew Yule & Co.	Midnapore Zamindary	41	100	Nil	3 0	2 0	1 8	4	Y.P
SAW MILLS AND TIMBER														
13,99,998	28,08,334	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	35½ / 128½	Old 125 / New 50	15 3 / 6 0	37 8 / 13 9	22 8 / 9 0	15 0 / 6 0	5	Y
6,00,000	.....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	3 0	Nil	Nil		6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½d	10	3 8	3 8	3 0	1 (0	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,458	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	3	Nil	1 0	Nil	Nil	6	Y.
12,00,000 A. / 3,00,000 B.	29,28,761	46,95,772	30,57,940	80,000	Narang Bros. & Co., Ltd.	Basti Sugar	130N A. / 12cdN B.	100 / 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0		6	Y.
19,49,050	3,00,000	27,54,526	20,80,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9	10	Nil	Nil	0 12		4	Y
15,00,000	10,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	18 4 N	10	1 0	1 8	1 8		9	Y.
82,00,000	23,18,481	1,29,41,870	81,68,293	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	7½	10	Nil	Nil	Nil		6	Y.P.
13,00,000	35,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Champaran Sugar	35½	10	2 0	1 8	2 0	2 0	6	Y.P.T.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	23	10	2 8	1 8	2 0		10	Y.P.
35,00,000 A. / 10,00,000 D.	27,00,000	68,17,572	41,50,000	50,477	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N A. / O.	100 / 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	1 0	6	Y.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	52 / 25N	80 / 40	3 0 / 1 8	4 0 / 2 0	Nil / Nil	Nil / Nil	7	Y.P.
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	26	10	1 8	2 0	Nil	Nil		Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 10	2 8		6	Y.P.
1087,500 A. / 2,71,875 B.	45,66,096	55,67,288	16,02,000	33,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills	18½N / 43½	100 / 25	15 0 / 3 12	20 0 / 5 0	20 0 / 5 0		6	Y.
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	10N	100	3 4	11 0	6 0		7	Y.P.
12,00,000	12,71,178	28,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	98N	100	6 0	10 0	6 0		7	Y.P.
9,00,000	14,71,701	33,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Puraitapore Co.	14½	10	1 0	1 4	0 12		10	Y.
8,00,000	6,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13	10	1 8	2 0	1 0	0 8	6	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13½	10	1 0	2 0	1 0	0 8	6	Y.P.
20,00,000	20,88,360	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	0 6	1 0	1 0		6	Y.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	Nil	0 8	0 6½	7	Y.P.
6,50,000 O. / 1,75,000 D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 1N	O. 10 / D. 2½	Nil / Nil	Nil / Nil	Nil / Nil		6	Y.
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Ganges Sugar	18N	10	1 12	2 0	2 0		10	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	13½	10	0 4½	2 0	1 8		6	Y.P.
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	260½	50	12 8	14 0	16 0	16 0	9	Y.
27,68,900	2,31,646	37,63,451	16,03,111	51,013	Sri P. Srivastava & Sons (M.B.) Ltd.	Bhaluni Sugar	40N	100	Nil	3 0	3 0		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	23	10	1 8	2 8	2 8		9	Y.P.
33,57,320	29,59,135	39,11,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	10½N	10	0 12	1 0	0 12		10	Y.
21,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. O. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½d	10	2 0*	2 0	2 0	2 0	6	Y.
50,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kanitkal Ltd.	Mahalaxmi Sugar	94	50	8 0	8 0	8 0	6 0	6	Y.
16,59,820	23,50,939	44,76,150	22,24,649	1,61,652	Anderson Wright Ltd.	Ramnagar Cane and Sugar	19½	10	0 9½	0 12	2 0		9	Y.
80,00,000 A. / 4,00,000 D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 90N	O. 50 / D. 10	7 0	9 0	9 0 / 9 0		9	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	10½N	10	1 0	1 4	0 11½		10	Y.P.T.
30,00,000	10,73,392	38,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	41	10	Nil	Nil	0 12		7	Y.
37,50,000 A. / 23,50,000D.	42,73,988	1,72,24,516	86,54,835	2,07,924	Premier Construction Co., Ltd.	Walchandnagar Industries	157½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	135	100	10 0	12 8	12 8		10	Y.
1,00,00,000		3,00,22,730	1,45,00,237	38,606	Dinshaw Ltd.	Bharat Line	93	100	3 0	4 0	5 0		10	Y.P.
6655,580	61,23,737	45,428,105	43,512,999	633,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	75	£10	Nil	Nil	Sh 10		12	Y.P.
8,25,00,000	74,99,233	3,91,83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil	Nil	Nil		3	Y.P.
6,59,62,018	3,81,43,387	12,96,97,421	3,04,50,000	1,38,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	16-0½	15	Nil	Nil	0 8	0 8	3	Y.P.
														Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
13,98,560	1,03,860	2,28,198	60,000	7,545	Harkisondas Nanji	Bombay Talkies Ltd.	8½N	50	0 4	0 4	0 4	Nil	3	Y.
25,00,000	1,00,000	25,18,130	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	8½	25	0 12	0 12	0 12		9	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Chuonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	3 0		6	Y.
99,99,250	18,35,375	1,26,92,333	10,033	1,85,238	Premchand Roychand & Sons	Industrial Investment Trust	74½	100	8 0	4 8	2 8		3	Y.P
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard Esq. (Mg. Director).	Killick Industries	138 / 126½	100	8 0	8 8	4 8	10 0 / 5 0	12	Y.
8,06,71,500 A. / 10,00,000 B.	5,64,451	2,20,52,504	63,40,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	75 / 51 / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	2 8 / Nil	3 0	6	Y.
10,21,200	5,56,605	14,71,107	12,43,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40	20	2 0	3 0	3 0		12	Y.
2,20,00,000	1,59,61,960	2,16,78,179	1,34,40,615	4,20,869	T. Sivan, Esq. (Managing Director).	Sir Joseph Kay Match Co.	190½KR	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,104	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 O. / 2,50,000 D.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½ / 3½	O. 10 / D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19½	10	1 12	2 8	1 4		3	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	23½	10	1 0	1 4	1 4		12	Y.
20,00,000	12,61,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½	10	0 9 3/5	0 9 3/5	0 10		3	Y.
30,00,7000 / 10,00,000D.	97,71,800	33,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq (Director)	Balmer Lawrie & Co., Ltd.	272	O. 100 / D. 40	20 0* / 6 8	25 0* / 8 0	20 0* / 6 0*	5 0(f)	12	Y.P.T.
20,00,000	8,38,806	54,303,140	.....	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 2	1 4	1 4		3	Y.
30,64,480	33,23,548	99,11,484	21,85,999	3,96,133	P. J. F. Browne, Esq. (Mg. Director).	Britannia Biscuit Co. Ltd.	12	10	1 4	1 4	0 12	0 8	9	Y.P.
9,23,00,000	95,00,000	2,38,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	9½	3	0 12	0 12	0 12		12	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	30½	10	2 0	1 8	0 10		12	Y.P.
51,26,000	47,57,061	1,26,55,420	.....	3,13,489	Bird & Co., Ltd.	Eastern Investments Ltd.	146	100	2 0	9 0	1 8		12	Y.P.T.
7,00,000	16,97,060	25,07,609	18,10,721	30,793	MacNeill & Barry Ltd	Ganges Rope Co., Ltd.	196	100	10 0	15 0	10 0		12	Y.P.
85,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	115	100	10 0	15 0	10 0		3	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R Syndicate	Great Eastern Hotel	261	250	15 0	15 0	15 0		3	Y.
12,42,800	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	10 0	13 0		3	Y.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	5-2½	10	0 8	0 10	0 10		3	Y.T.
1,60,00,000	38,69,900	3,07,78,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	100	Nil	Nil	Nil	Nil	3	Y.P.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen Esq.	Indian Cables	19½	10	2 8	3 0	3 0		12	Y.P.
8,27,970	5,48,000	14,39,460	7,91,508	38,565	G. S. Mahajan & Co. (India), Ltd.	Indian Rubber Manufacturers	12½	10	1 0	1 0	1 0	1 0*	3	Y.T.
2,00,00,000	57,45,280	29,81,477	4,26,477	4,64,163	O. M. Mackinlay, Esq.	Jardine Henderson	112	100	10 0	10 0	10 0	0 12	3	Y.
6,34,000 / 60,000D. / 40,00,000D. / 5,00,000 D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2½ / Nil / 140 N	O. 5 / D. 10 / D.O. 10	Nil	Nil	Nil	7 8	3	Y.P.
1,30,35,750	30 19 025	13,73,127	1,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	19½	10	0 12	0 12			12	Y.P.
6,15,253	1,84,000	7,74,803	2,46,944	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 4	1 2	1 6		9	Y.
4,48,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	16½	10	0 10	Nil	Nil		12	Y.
10,00,000		11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	11½	10	1 0	1 0	1 0	1 0	3	Y.P.
20,00,000	23,16,171	50,16,477	28,73,987	1,61,043	Associated Industrial Development Co., Ltd.			10	Nil	Nil	Nil		12	Y.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Insulated Cable	15½	10	0 8	0 8	0 12		3	Y.P.T.
40,00,000	24,00,000	41,58,536	17,74,933	1,52,611	Parry's Holdings Ltd.	National Tobacco Co.	11½	10	0 4	0 8	Nil		12	Y.P.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq.	Parry & Co.	4	4	0 9 3/5	0 10½	0 4½		12	Y.P.T.
1,14,00,000	78,53,108	6,09,59,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rallis (India) Ltd.	66	100	8 0	9 0	Nil		9	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	5,34,552	C. W. Stephenson, Esq.	Rohtas Industries	10½	10	Nil	Nil	0 12	1 0	10	Y.P.T.
75,00,000	35,00,000	12,11,901	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Spencer & Co., Ltd.	11½	10	1 0	1 0	1 0	0 8(f)	6	Y.P.
9,98,380	1,50,000	12,67,853	2,60,547	59,789	Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd.	3½	10	0 6½	Nil	Nil		12	Y.P.
						Travancore Ogale Glass		10	Nil	Nil	Nil		12	Y.

‖ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 30 lakhs. †† Excluding goodwill at cost Rs. 25,17,685

§ Excluding Rs. 1,49,88,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	400	100	25 0	Nil	7 8		12	Y.P.
2,50,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	28	10	2 8	0 12	0 12		12	Y.
5,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	28	10	4 0	3 0	0		12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	Andrew Yule & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil		12	Y.
5,50,000	7,36,053	9,47,122	2,27,561	63,629	Williamson Magor & Co., Ltd.	369	Basmatia	33½	10	3 0	2 8	2 0		12	Y.
3,60,000	2,90,000	8,40,673	4,75,673	71,941	Gillanders Arbuthnot & Co., Ltd.	556	Basti	15½	5	1 8	1 8			12	Y.
6,00,000	4,90,000	8,79,729	1,76,121	—37,182	Williamson Magor & Co., Ltd.	4,038	Bateson	29½	10	3 8	1 8	Nil		12	Y.
3,20,000	4,50,000	44,86,333	18,68,359	82,500	Octavius Steel & Co., Ltd.	493	Bathnauth	35½	10	3 8	3 8	2 8		12	Y.
16,50,000	17,31,058	10,18,918	1,51,948	—36,227	McLeod & Co., Ltd.	450	Bokakhat	8½	10	0 8	Nil	Nil		12	Y.P.
6,00,000		3,43,530	8,21,714	2,13,632	Brook Bond India Ltd.	2,602	Bormah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
7,50,000		9,05,092	72,59,232	16,14,283	McLeod & Co., Ltd.	282	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.
35,00,000		1,83,234	3,46,150	1,23,441	Jardine Henderson Ltd.	1,220	Deoo Valley	9½	10	Nil	Nil	Nil		12	Y.
1,20,000		7,15,000	25,51,755	15,30,724	James Warren & Co., Ltd.	476	Desai & Parbuttia	245	100	30 0	22 8	10 0		12	Y.
6,00,000		19,11,105	2,07,645	54,461	James Finlay & Co., Ltd.	613	Dhirlakhat	13½	10	1 9 3/5	1 3½			12	Y.P.
17,53,440		2,40,608	8,09,426	3,110	McLeod & Co., Ltd.	458	Dhunseri	12½	10	2 0	2 0	Nil		12	Y.
4,68,970		2,20,000	8,01,461	1,17,960	Williamson Magor & Co., Ltd.	625	Dibrugarh	11	10	1 0	0 8	Nil		12	Y.P.
4,50,000		2,79,000	8,91,119	4,63,119	Williamson Magor & Co., Ltd.	669	Dimakusi	37½	10	4 8	1 8	1 0		12	Y.P.
2,36,700		3,70,000	16,38,157	9,38,157	Williamson Magor & Co., Ltd.	1,178	Duffleghur	40½	10	2 4	2 4	2 0		12	Y.
5,60,500		4,50,000	16,38,157	45,079	Andrew Yule & Co., Ltd.	407	East India Tea	19½xd	10	1 8	1 8	Nil		12	Y.
10,00,000		3,65,000	8,21,120	7,31,120	Gillapukri	18½	10	3 0	1 0	1 0		12	Y.
3,60,000		3,00,000	7,99,692	3,67,363	Williamson Magor & Co., Ltd.	522	Gohpur	36	10	3 0	2 0	2 0		12	Y.
4,00,000		4,00,000	12,09,149	5,56,149				14½	A 10	3 0	2 0	1 0		12	Y.
5,38,000		13,22,810	17,77,138	5,02,656	Octavius Steel & Co., Ltd.	1,393	Orob	14½	B 5	1 8	1 0	1 8		12	Y.
A 4,94,360 / B 2,40,790				2,11,316	Andrew Yule & Co., Ltd.	476	Hoograjuli	32½	10	1 8	0 12	Nil		12	Y.
2,00,000		6,50,000	6,89,042	8,66,970	Andrew Yule & Co., Ltd.	1,288	Hoolongooree	309	100	25 0	17 8	Nil		12	Y.
4,35,000		8,04,216	18,38,687	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	12½	10	1 4	0 8	Nil		12	P.Y.
1,50,000		5,85,000	13,93,352	2,02,650	Shaw Wallace & Co., Ltd.	1,166	Kignsley-Golaghat (Assam)	198N	100	20 4	Nil	Nil		12	Y.
7,40,000		80,000	11,43,851	6,20,851	Duncan Bros. & Co., Ltd.	1,037	Ledo	9	10	2 0	Nil	Nil		12	Y.P.
6,50,000		1,69,133	8,87,349	87,349	Duncan Bros. & Co., Ltd.	673	Mohoma	6½	10	1 0	Nil	Nil		12	Y.
4,80,000		5,34,590	7,45,693	3,81,992	Kettlewell Bullen & Co., Ltd.	433	Mothola	400 N	100	45 0	35 0	20 0		12	Y.
1,50,000								28	10	3 0	2 0	2 0			
O. 50,000 / O.2,50,000		3,65,000	8,80,915	3,61,800	Andrew Yule & Co., Ltd.	325	Murphulani	33½	P.O 10	3 8	2 8	2 8		12	Y.
2,00,000		3,41,211	5,70,550	20,262	S. C. Sen, Esq., Supervising Director	540	Naga Hills	18½	10	2 4	3 0			12	Y.
4,00,000			10,14,665	—99,094	Shaw Wallace & Co., Ltd.	810	Nambuwadi	99½	100	1 0	Nil	Nil		12	Y.
5,35,000		—	5,92,221	—44,129	Duncan Bros. & Co., Ltd.	933	New Clonsollah	75N	100	1 4	0 8	Nil		12	Y.
1,50,000		—	1,92,221	1,92,221	Andrew Yule & Co., Ltd.	345	Nowgong	27	10	3 0	1 12	Nil		12	Y.
2,00,000	4,77,500		6,97,158	20,602	James Finlay & Co., Ltd.	902	Rangacherra	19	10	0 12	0 4	Nil		12	Y.
6,00,000	2,82,640		17,57,582	6,23,984	Octavius Steel & Co., Ltd.	511	Rungamattee	24½	10	3 0	1 12	1 0		12	Y.
6,00,000	6,55,000		10,86,022	2,48,752	McLeod & Co., Ltd.	495	Telolian	15½	10	1 12	1 8	Nil		12	Y.
3,00,000	4,50,455		9,60,884	3,86,202		504	Tengaree	15½	10	1 8	0 12	0 12		12	Y.P.
5,98,000	4,90,127		7,21,258	1,63,010	Gillanders Arbuthnot & Co., Ltd.	2,115	Teoporo	21½	10	3 8	0 12	Nil	

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,59,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	17	10	4+4	1+1	1+1	If	3.9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Alhusn	173	100	4+10	15+15	8+10	12½	5.11	H.P.
6,00,000	3,55,000	49,90,030	29,18,570	—1,03,931	McLeod & Co., Ltd.	446	Alexandra	160	100	Nil	5	Nil	Nil	6.12	H.P.T.
30,00,000	2,10,000	1,16,99,940	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	172	100	Nil	25	Nil	Nil	6.12	H.P.T.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd. ..	2,561	Angle-India	226	100	Nil	10	10+10	10+15	6.12	H.P.
40,00,000	38,88,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	123	100	Nil	10	10+10	10+15	7½	3.9	H.P.
20,00,000	29,77,565	97,37,114	63,51,882	72,634	Jardine Henderson & Co. ..	959	Bally	123	100	13+4	6+5	5+4	2½	3.9	H.P.T.
£275,000	£639,470	£1,342,547	£1,046,810	£81,850	Sir John H. Burder (Chairman)	1,800	Barnagore	180	100	6+6	6+1	Nil	4½	3.9	H.P.
28,00,000	35,49,623	88,18,148	48,06,254	62,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	164	£5	£1	£1	Nil	£1	6.12	H.P.
22,50,000	15,95,000	54,22,523	24,75,695	4,28,770	Sonarsmull Nagarmull	600	Bengal	100	100	7+10	12½+15	7½+7½	7½	6.12	H.P.
90,42,000	2,64,46,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,393	Birla	16	10	1	1	1	1	6	Y.P.
36,00,000	29,72,925	1,08,11,310	70,76,743	27,143	Andrew Yule & Co., Ltd. ..	424	Budge-Budge	424	10	2½	3	3	3	6	H.P.
7,47,380	4,29,039	49,77,150	34,13,499	95,461	Dasaram & Sons	991	Calcutta Jute Mfg.	132	100	3+10	10+12	6½+6½	6f	4.10	H.P.
18,00,000	31,81,234	75,48,040	38,01,614	99,873	Andrew Yule & Co., Ltd. ..	616	Caledonian	170	100	Nil	1+1	0+8	Nil	6.12	H.P.T.
59,16,400	1,05,23,478	1,65,18,640	1,07,44,959	1,15,010	James Finlay & Co., Ltd. ..	1,400	Champdany	169	100	4+10	10+12	6+6	6f	5.11	H.
18,00,000	28,39,282	79,79,686	51,51,835	84,999	Andrew Yule & Co., Ltd. ..	530	Cheviot	237	100	3+5	5+7	7+8	3f	3.9	H.
10,05,000	46,40,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalsah	111	10	6+10	10+12	6+6	6f	5.11	H.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	989	Clive	10	10	1+1	1+1	1+1	1½	6.12	H.T.
31,49,200	39,29,308	1,28,67,836	81,35,713	8,357	Bird & Co., Ltd.	766	Dalhousie	252	10	1+1	1+1	1+1	1½	6.12	H.T.P.
28,00,000	44,74,179	74,99,140	45,61,779	1,17,795	Andrew Yule & Co., Ltd. ..	779	Delta	234	100	1+3	8+6	10+10	1f	3.9	H.P.
15,00,000	32,50,000	76,04,593	54,62,731	57,631	McLeod & Co., Ltd.	598	Dumas	239	100	3+12½	15+15	10+10	10f	5.11	H.P.
21,00,000	54,39,877	2,24,42,474	1,77,44,591	3,911	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	10	10	1+1	11+11	6+6	If	6.12	H.P.
14,00,000		72,62,199	43,27,184	—4,98,852	Bangur Bros., Ltd.	1,014	Fort William	325	100	21+20	23+123	10+Nil	Nil	3.9	H.P.T.
84,32,100	3,13,094	2,09,71,148	1,34,77,245	—8,32,945	Macneill & Barry Ltd.	1,700	Ganges Mfg.	325	100	Nil	3	Nil	Nil	3.9	H.P.
10,80,000	28,81,704	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	77½	100	Nil	3½	2½+2½	Nil	3.9	H.T.P.
24,00,000	27,30,614	2,19,75,164	1,62,21,317	1,57,647	Macneill & Barry Ltd.	1,394	Gourepore	300	100	15	90	30	7½	3.9	Y.
40,00,000	46,39,611	77,52,918	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	290	100	2½+15	10+10	11	Nil	3.9	H.P.
16,50,000	15,20,898	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	1,100	Howrah	100	100	10	7	10	10	3.9	H.P.
65,62,500	1,50,83,570	1,56,87,599	1,09,37,145	1,55,952	Jardine Henderson Ltd.	1,940	Howrah	251	10	3	3	1½	1½	3	Y.P.
O. 87,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramkrishendas	2,272	Hukumchand	44½d	10	3½	5+5	5+5	3f	3.9	H.P.
D. 30,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	131	10	3½	5	5	3f	3.9	H.P.T.
24,00,000								125	10	3½+9	3½+1½	3½+3½	3½		
'B' 19,20,000	24,95,613	1,36,83,308	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhaty	131	10	A 7+7½	8+8	3+3	3½	3.9	H.P.
30,00,000								190	100	8½+8½	10+12½	8½+6	6f		
'B' 24,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankarrah	1423	100	8½+8½	10+12½	8½+6	6f	6.12	H.P.
21,00,000	47,00,000	92,15,648	30,45,276	1,05,120	McLeod & Co., Ltd.	703	Kelvin	140	100	5+7	5+7	5+6	5f	6.12	H.P.
54,00,000	22,83,715	1,60,46,317	1,08,02,499	4,00,542	Anderson Wright Ltd.	1,530	Khardah	240	100	10+10	12½+15	7½+7½	7½	6.12	H.P.
46,00,000	95,73,829	2,19,74,862	1,02,36,332	2,84,405	F. W. Heilgers & Co.	1,250	Kinnison	199	100	Nil	5	5+5	5f	6.12	H.P.
24,48,900	48,82,305	1,33,96,808	76,14,073	22,044	Bird & Co., Ltd.	965	Kinnoull	205	100	13+4	10+6	10+15	5f	3.9	H.P.
28,00,000	58,66,796	1,11,81,617	61,83,380	2,757	Bird & Co., Ltd.	931	Lawrence	135	100	4+10	11+8	7+3	2f	3.9	H.P.T.
10,00,000	36,51,301	50,54,106	35,14,126	64,044	Andrew Yule & Co., Ltd. ..	840	Lawrence	162	100	2+10	11+8	7+3	2f	3.9	H.P.
81,65,700	25,33,448	1,93,49,406	1,16,00,448	29,020	Mackinnon Mackenzie & Co.	1,018	Lilliah	265	100	5+9	12½+11	11+6	2f	3.9	H.P.
29,59,900	41,01,208	1,55,39,515	90,71,821	—7,86,971	F. W. Heilgers & Co.	1,068	Mirpur	106	100	5+10	15+17½	15+15	12f	5.11	H.P.
20,00,000	17,75,000	25,77,260	5,104		Howrah Trading Co., Ltd. ..	140	Naihati	815	100	2½+6½	2½+11	2½+2½	2½	6.12	H.P.
35,00,000	44,27,437	27,58,552	8,93,251	1,01,832	Andrew Yule & Co., Ltd. ..	852	Naskarpara	14	10	Nil	3	10+6	6	Nil	3.9
7,50,000	43,00,000	24,25,140	17,17,019	31,895	McLeod & Co., Ltd.	316	Nellimarla Jute	29	10	1+1	1+1	1+1	1f	4.10	H.T.
10,50,000	49,78,375	48,94,020	24,51,324	76,215	Sahu Jain Ltd.	118	New Central	114	10	1+10	2+3	2+1	1f	6.12	H.P.
16,79,880	47,26,911	1,21,23,908	34,32,507	30,203	Bird & Co., Ltd.	709	Nonachook	270	100	4+10	15+15	10+12	12f	6.12	H.P.T.
66,79,500	32,37,529	2,13,90,641	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	205	10	Nil	Nil	1	1	6.12	H.
24,91,980	26,36,049	70,68,249	48,27,892	1,03,356	Andrew Yule & Co., Ltd. ..	601	Orient	49	10	5+9	12½+11	11+6	Nil	3.9	H.P.T.
25,00,000	4,41,364	80,71,921	61,33,411	—1,80,148	McLeod & Co., Ltd.	1,400	Prosperity	194	100	4+10	12+12½	4+6	Nil	3.9	H.
20,00,000		26,15,293	7,67,493	—3,29,549	Macneill & Barry Ltd.	305	Ramesh wara	53	5	Nil	Nil	Nil	Nil	5.11	H.P.
50,00,000	1,50,000	1,23,15,796	55,07,248	48,090	Jardine Henderson Ltd.	1,276	Reliance	78	10	Nil	Nil	Nil	Nil	6.12	H.P.
£600,000	£1,102,661	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	1,614	Samnuggur	164	10	Nil	Nil	Nil	Nil	3.9	H.P.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Bagaria More & Co., Ltd. ..	1,333	Shree Ambica	133	£1	10½	10½	10½	1f	3.9	H.P.T.
7,00,000	7,74,812	48,14,456	35,57,763	3,54,950	Hindustan Investment Corporation.	1,911	Sirpur	14	10	Nil	1+1	1+1	1	3.9	H.P.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	401	Soorah	223	10	1	Nil	Nil	Nil	3.9	H.P.
£600,000	£849,935	£990,895		£135,163	Thomas Duff & Co. (India), Ltd.	650	Standard	140	100	3+6	9+8	8+1	1f	12	Y.P.
35,94,600	94,31,454	1,76,49,798	83,52,140	2,11,116	Bird & Co., Ltd.	1,794	Titaghur	119	£1	10½	10½	10½	1f	3.9	H.P.
£400,000	£587,164	£1,059,912		£119,708	Thomas Duff & Co. (India), Ltd.	1,326	Union	171	100	10½	10½+11	10½+1	1f	12	Y.P.
2,50,000	1,35,000	56,21,133	34,22,381	—65,636	McLeod & Co., Ltd.	1,311	Victoria	13	£1	10½	10½	10½		3.9	H.P.T.
						465	Waverley	21	1	Nil	1/40	1/40	Nil	12	Y.P.
														6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,569	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	21¾	10	1+1	1+1	3½+1	If	3.9	H.
12,00,000	8,42,703	37,35,383	34,25,643	58,826	Jardine Henderson Ltd.	Bararee Coke	19½	50	1+1	1+1	1+1	If	3.9	H.
1,00,00,000	7,00,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhaidee	7¾	10	1+1	1+1	1+1	As. 11½	3.9	H.
2,25,000	3,24,434	29,42,461	21,98,073	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	507	200	17½+17½	17½+17½	20+20	17½	6.12	H.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bengal-Nagpur	143	10	1+1	1+1	1+1	1f	4.10	H.P.
69,99,951	13,81,010	1,17,79,367	54,00,702	21,814	Sahu Jain Ltd.	Bhalgora	48	10	1	1	1	1	6.12	H.P.
7,15,000	14,63,027	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bharat Collieries	6¾	10	1	1	1	1	9	H.
16,00,000	14,10,773	66,15,434	39,31,794	—1,46,405	Andrew Wright (Kampurh), Ltd..	Bhulanbarare	14	10	Nil	Nil	Nil	Nil	6	Y.T.P.
7,50,000	20,20,000	43,12,213	24,77,517	1,05,183	F. W. Heilgers & Co., Ltd. ..	Bokaro-Ramgur	58	10	1+1	1+1	1+1	Nil	6.12	H.
90,92,480	1,63,00,395	4,01,65,968	1,60,47,266	1,15,010	Bird & Co., Ltd.	Burrea	291	10	1½+1½	1½+1½	1½+1½	1½	6.12	H.
49,97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Burrakur	88	10	1+1	1+1	1+1	1	6.12	H.T.
8,00,000	13,30,249	49,20,847	32,27,334	2,231	Anderson, Wright & Co., Ltd.	Central India	58	10	1+1	1+1	1+1	1	6.12	H.P.
6,00,000	1,47,587	7,50,000‡		2,231	Anderson, Wright & Co., Ltd.	Central Kurkend	14	10	Nil	Nil	Nil	Nil	6.12	H.P.T.
16,00,000	2,70,000	45,41,647	25,27,346	19,667	F. W. Heilgers & Co., Ltd. ..	Churia	3	10	1+1	Nil	Nil	Nil	3	H.
£240,000	£332,801	£228,840	£9,002	24,455	Macneill & Barry Ltd.	Dhemo Main	4	10	1+1	1+1	1+1	1	6.12	H.
29,63,760	79,00,360	3,33,02,393	2,73,54,630	690,734	Jardine Henderson Ltd.	East Indian	25	10	2+2	3+3	3+3	4f	6.12	H.
10,00,000	2,62,255	8,41,725	2,33,993	2,41,481	Macneill & Barry Ltd.	Equitable	11	5	1	1	Nil	Nil	6.12	H.
12,00,000	1,57,000	35,64,154	17,61,169	66,865	Bhatter's Agency Ltd.	Ghusick and Mustia ..	32½	10	2½	2½	3½	2	4	Y.
8,00,000	4,90,000	21,29,494	17,15,778	1,843	Killick Industries Ltd.	Hingir-Rampur	15N	10	2½	2½+2½	2+1½	2	6.12	H.P.
22,00,000	1,08,577	31,70,015	10,56,245	44,396	Macneill & Barry Ltd.	Hurriladih	40	5	3	3	4	3	6	Y.
3,50,000	5,58,000	13,65,400	6,42,347	—1,95,248	Bangur Bros. Ltd.	Jagta Coal	15	10	Nil	Nil	Nil	Nil	6	Y.P.
20,00,000		25,62,791	1,50,648	21,356	Andrew Yule & Co., Ltd. ..	Kalapahari	11N	10	Nil	Nil	Nil	Nil	6.12	H.
5,00,000	11,25,000	41,50,291	32,33,631	1,18,146	Bird & Co., Ltd.	Karanpura Collieries ..	39¼dN	5	1½+1½	1½+1½	1½+1½	1½	6.12	H.
1,38,400	95,000	10,63,519	3,25,519	89,823	Andrew Yule & Co., Ltd. ..	Katras Jharriah	82	100	1½+1½	1½+1½	Nil	Nil	2.8	H.P.
11,00,240	50,000	15,87,375	10,31,164	1,063	Bezwada & Co.	Khas Kajora	41	10	1½+1½	1½+1½	2+2	2f	2	Y.P.
9,00,000	11,50,000	28,41,242	22,41,025	3,411	H. V. Low & Co., Ltd.	Kuardi	71N	10	1½+1½	1½+1½			1.9	H.
7,48,240	1,50,000	11,24,142	8,84,138	13,549	H. V. Low & Co., Ltd.	Lakarka	41N	10	3½	3½			6.12	H.P.
17,76,250	11,72,000	1,17,02,211	83,01,181	20,398	Lakarka	Nestra	111N	10	3½	3½			6	Y.
6,00,000	3,30,000	31,61,652	15,78,155	71,794	Andrew Yule & Co., Ltd. ..	New Beerbhoom	98	10	3½	3½+3½			6.12	Y.
1,15,000				60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	19¾	10	3,10s3/10	3½+3½	Nil	Nil	6.12	H.
1,53,500	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd. ..	North West	9	10	1½	Nil	Nil	Nil	4.10	H.P.
7,50,000	9,76,866	3,97,666	2,77,666	1,00,495	F. W. Heilgers & Co., Ltd. ..	Ondal	101N	10	Nil	Nil	Nil	Nil	3.9	H.
10,00,000	1,10,000	33,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	7N	10	1½	1½	1½	1f	3.9	H.
8,34,000	83,595	17,23,582	6,27,675	15,769	Deepchand Kishenlall	Purasea	111N	10	1½	1½	1½	1f	3.9	H.P.
15,75,000	8,75,000	39,37,644	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Perch Valley	3½	10	Nil	Nil	Nil	Nil	6.12	H.P.
23,99,500	13,67,105	1,09,49,971	76,29,244	—4,31,764	B. N. Elias & Co., Ltd.	Ramgungpa	23½	10	1+1	1+1	1+1	1f	6.12	H.P.
13,50,000	7,38,385	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd. ..	Rewa	11	10	Nil	Nil	Nil	Nil	3.9	H.
20,00,000	1,95,000	32,32,218	13,30,500	418	Jagurlia Sons Ltd.	Samla Collieries	21½d	10	Nil	1+1	1+1	1f	3.9	H.
1,25,000	1,74,000	11,99,361	9,78,999	20,604	Gillanders Arbuthnot & Co., Ltd.	Sarawla	7½d	10	1+1	1+1	1+1	1f	6.12	H.
2,80,000	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd. ..	Sarawla	8¾	10	1+1	1+1	1+1	1f	6.12	H.
8,00,000	8,74,070	34,94,900	26,10,258	—70,471	F. W. Heilgers & Co., Ltd. ..	Seebpore	24½d	10	2½+2	2+2	2+2	2f	6.12	H.
63,21,450	13,25,934	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Sendra	9¼	10	2+1	2+1	Nil	1f	6.12	H.P.
						Singareni	68	10	1+1	1+1	1+1	1f	6.12	H.T.
17,50,000	10,85,500	35,51,705	13,69,930	26,614	Bird & Co., Ltd.	South Karanpura	106	10	1	1	1	1	12	Y.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Standard	22	10	1+1	1+1	1+1	1	2.8	H.
10,00,000	12,950	30,15,423	15,43,301	—3,64,516	Villiers Ltd.	Talcher	23	23	1+1	1+1	1+1	1f	6.12	H.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd. ..	Union	23½	10	1½+1½	1½+1½	1½+1½	1f	6.12	H.
49,98,000		44,91,158	13,91,545	63,568	Hindustan Investment Corpn., Ltd.	West Bengal	5¾	10	1	1	1		6.12	Y.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	17	10	1+1	1+1	1+1	Nil	6.12	H.

* Including bonus. a Sales and amount written off. (b) Investments. ‡ For ten months ended 31st December 1951.

(f) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1132 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice on 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after Rs. 25,17,685.

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

(h) Option of repayment at any time at par at any time on or after 30th June 1947.

Shaw Wallace & Co.

MARKET GOSSIP

(Concluded from page 1087)

prices. When, at those prices, supply exceeded demand in any particular year, the authority would accumulate stocks; when demand exceeded supply, it would release them. "The essential problem faced by a buffer stock scheme," Prof. Brown writes, "is the same as that faced by a Central Bank in administering its gold reserves, or by an exchange equalisation account." The rules are the same: when stocks show a persistent tendency to increase, lower price; when they show a persistent tendency to decrease, raise it. He argues that, in the absence of a control scheme, price adjustments are often greater than even permanent changes in supply or demand could justify. But an authority, with large stocks and reserves of credit, could take its time before changing prices in the face of a discrepancy between supply and demand.

MARKET REPORTS

(Concluded from page 1121)

regular intervals, and last year took a considerable quantity. In view of all these, it is very difficult to estimate the quantity of jute goods Russia would buy from the Indian market. It is perhaps this realisation which made speculators cautious once again. Prices of heavy goods were again marked down yesterday. Market circles have noted the Karachi report which stated that Pakistan had agreed to supply South Africa with 4.5 million jute bags early next year. In view of the Indian trade sanctions against it, South Africa is purchasing its requirements of jute from distant sources and this means increased costs. Consequently, now South Africa can buy directly from Pakistan at cheaper rates than before.

Ready hessian 40" 10 oz. was quiet at Rs. 47-2 on last Tuesday as was B. twills at Rs. 103-8. Business in standard constructions with foreign buyers was lacking, but specialities changed hands. Mills could not make offers at these rates. Profit-taking was a feature on Wednesday, and this coupled with the absence of any worthwhile actual business reduced hessian to Rs. 45-12 and B. twills to Rs. 102-4. Fears that the stock figures of mills as at the end of November especially relating to sacking, when published, would not come up to earlier expectations affected sentiment further, although expectations of good business for January-March delivery arrested the decline in prices. At this stage, some business was put through with buyers on behalf of Saigon for delivery between December and January, and further enquiries were received from Africa and Australia. There were anticipations of business in sacking goods with Russia, and some orders from Burma were also expected. For all these reasons, B. twills recovered to Rs. 104-4 towards the week-end, and in sympathy, hessians 40" 10 oz. picked up strength to Rs. 47-6. Lack of business, however, led to a fractional decline in quotations yesterday when hessians 40" 10 oz. were lower at Rs. 47-2 and B. twills at Rs. 103-8. From the trend of this week, it is seen that B. twills fluctuated in a haphazard way in both directions.

Raw jute prices eased by about As. 8 this week. Even so, a tendency among stockists to hold on to their possessions was in evidence. This was due to expectations that prices would move up with the continuance of better demand for jute goods. Northern bottoms changed hands at Rs. 28 a maund, while middles were quoted at Rs. 31. *Bimli* f.a.q. declined to Rs. 25 from Rs. 25-8. The quotation for Assam upper bottoms was Rs. 27-8, and middles Rs. 30-8. Daisee middles were steady at Rs. 33-8.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 7th December

The overall food situation in the country maintained its all round progress during the week under review. Dr. Punjabrao Deshmukh, Union Minister for Agriculture, in a recorded talk, stated that "we have not only turned the corner, but are definitely on the road to more propitious and prosperous times." The food deficit, he said, should soon be a thing of the past and they might, in no distant future, be confronted with surplus stocks. The Union Food Minister, Mr. Rafi Ahmed Kidwai, in a statement at Calcutta this week, said: "The all-round production of rice has gone up and there is every hope that it will rise further with increased facilities for irrigation and greater availability and use of fertilisers next year. It is the first time in several years that India has not imported rice. The possibility of increasing the quantum of rice ration in Bombay and Calcutta is being explored." In another place, Mr. Kidwai said that, if the progress of improvement in food production in the country was maintained for another two years, there might not be any necessity for food rationing. Mr. Kidwai added that the Government might not have to import rice next year, in view of the improved rice position in India. He could not, however, visualise the time when rationing could be ended altogether.

With the steady improvement in the foodgrains supplies position, following a rice *kharif* crop, foodgrain prices have been declining steadily for some time past. It is authoritatively stated that the Government of India is having under active consideration measures to be taken in the event of an abrupt fall in the prices of foodgrains. The Government does not consider that any immediate steps are called for at the moment.

The all-India estimates of maize, *ragi* and *jowar* crops have been published this week, and in each case, this year's sown acreage shows an increase over last year's figures. *Kharif* crop yields are moving to the markets, as a result of which scarcity patches in all the States have virtually disappeared. There is no trade demand for wheat, gram or coarse grains from any quarter.

Some time ago, the Government of India had announced its decision to grant import licences for rice to the trade. It is now revealed that, so far, 39 applications, out of the total of 46 received, have been disposed of covering import of about 48,000 tons at a cost of Rs. 4.13 crores.

Here is a round up of news from different States. About 40,000 acres of land were brought under the Japanese method of paddy cultivation in the Punjab during the current year. The total area under paddy in the State was 552,000 acres. To popularise the Japanese method among cultivators, 104 training centres were opened in the State by the Agricultural Department. A high level conference between the Union Food Minister and the Andhra Food Minister will be held in the near future to discuss questions of food zones, production and procurement in Andhra. Orissa is expected to export about 350,000 tons of rice to deficit States in the next *kharif* year beginning from 31st December, 1953, as against 3 lakh tons in the current *kharif* year. The State will receive a surcharge of Re. 1 per ton of exports exceeding 250,000 tons and As. 8 on the first 250,000 tons.

In the U.P., coarse grain prices have recorded further fall this week, as seasonal arrivals are taking place at all places. Since the discontinuance of rice procurement by the Centre, prices have been steadily falling in that section also. Pulses prices too have declined in sympathy. The latest quotations (per maund) in the Hapur market are: Wheat Rs. 15-12 to Rs. 17; gram Rs. 13 to Rs. 14; barley Rs. 10-12; *bejhar* Rs. 10-12; maize Rs. 11-12; *bajra* Rs. 12; *jowar* Rs. 10-2; *guwar* Rs. 10-8; rice Rs. 29 to Rs. 19; peas Rs. 12-4

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,80,800	1,08,33,936	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				190	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	112	'00	6 0	6 0	6 0	3 0(i)	6.11	H.
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	107½	50	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12	—	12	Y.
2,50,000	3,52,00,000	6,36,553	Bank of India	155½	50	7 0	7 0	7 0	1 8(i)	6.11	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60½	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	15,324	Bank of Jaipur	18½	50	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	283½	100	16 0	16 0	16 0	8 0(i)	12	Y.
59,99,150	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8	—	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd	85	50	5 0	5 0	5 0	—	12	Y.P.
2,62,11,873				64	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
92,42,375 A	3,99,08,177	17,23,015	Central Bank of India Ltd.	67½	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12	—	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0	—	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—	—	12	Y.
50,00,000	1,10,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0	6 0	5 0	5 0	9	Y.
3,75,00,000	6,33,00,000	37,39,076	Imperial Bank of India	1,662½	500	80 0	80 0	80 0	40 0(i)	6.11	R.L.H.
1,87,50,000				458½	125	20 0	20 0	20 0	10 0(i)	6.11	R.L.H.
24,00,000				174	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	141½	85	10 3½	10 3½	10 3½	5 1 3(i)	6.12	R.L.H.
15,40,000				100	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	94	100	5 0	6 0	6 0	—	12	R.L.H.
6,25,000				73	100(A)	9 0	7 8	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8	—	6.12	H.
10,00,000				34	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	201	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	33,630	Travancore Bank	12½	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6-4½	5	0 5	0 5½	0 5½	—	12	H.
₹ 90,00,000	75,00,000	1,01,119	United Commercial Bank	40	50	2 0	2 0	2 0	—	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-2-0	£5	14‡	14‡	16‡	7‡	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£78	£5	6‡	6‡	7‡	3‡	12	R.L.Y.
‡‡R.$20,000,000	‡‡R.$96,000,000	‡‡R.$9,489,174	Hongkong and Shanghai Banking Corporation	£94	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2.17.6	£1	12†	12†	12†	5†	12	R.L.Y.
£1,437,296				£1-6-3		3†	3†	3†	1†		
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24‡	A £12‡	12†	12†	14†	7†(i)	12	R.L.Y.
£375,000				£24‡	B £12‡	12†	12†	14†	7†(i)		
£300,000				£10	C £5	12†	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£32‡	£124	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency ††O.S. Currency (i) Interim. *6 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June	1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February	1960(1)
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	9½	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	103	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November	1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	104	1st April	1956-61
35,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92	1st November	1959-64
COTTON							
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November	1956(a)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100½	1st January	1967-72
13,68,000	5½		Jaykhoy Textiles	1949	7-4½	1st January	1956-59
60,00,000	5	1st June	Tata Mills		101		1966-71
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96	31st March	1963
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		102½	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964
8,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102	1st January	1970
85,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1943	86	31st December	1970
15,00,000	5	1st January and 1st July	Hugli (Bengal) Electric Supply Co., Ltd.	1951	96	30th June	1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	1940	97		1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October	1956
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½		1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply		96	1st July	1957-67
67,73,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1953-54A
2,50,000	4	1st April and 1st October	Tata Power		93½	15th September	1963-70
ENGINEERING							
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	98	31st December	1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June	1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	102	1st July	1957-62
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£93½	31st December	1964(H)
10,00,000	4	31st May and 30th November	Kumardhubi Fireclay Works Ltd.	1944	88	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October	1960-65
60,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	93½	31st December	1960
JUTE							
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1941	90½	31st December	1964
10,00,000	4½	30th June and 31st December	Bally Jute Mill Co., Ltd.	1940	99	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	89	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July	1959(c)
10,49,000	5	30th June and 31st December	Dunsvilah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1951	95	15th July	1966
85,00,000	3½	1st January and 1st July	Hukumchand	1947	97½	30th June	1957
85,00,000	5	30th June and 31st December	Kamarhatty Jute Mills Co., Ltd.	1947	98	31st December	1964
85,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March	1967
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	93	14th May	1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1941	93	30th June	1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June	1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1923	84	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	86	1st July	1956
6,80,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	1945	99½	1st November	
£350,000	4½	1st January and 1st July		1900	£61½N	At 103% at any time on 6 months' notice or at par or every seventh year.	
£201,067	5	1st April and 1st October	Calcutta Tramways	1933	£77½N	1st October	1974
4,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	89	31st December	1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£90½N		
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		97	1st September	1963
PLANTING							
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943	106	1st January	1945-53
1,89,700	5½	31st March and 30th September	Teekoy Rubber Estates	1943	100	31st March	1945-53
50,000	5	30th June and 31st December	Waterfalls Ltd.	1943	101½	1st January	1945-53
MISCELLANEOUS							
19,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1948	101	30th September	1953
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June	1957(f)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1941	93	1st February	1963
21,57,000	4½	1st July and 1st January	Clive Buildings	1936	88½	1st July	1986
20,00,000	4	15th March and 15th September	Dalmoosie Properties	1946	87	15th September	1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1950	79½		1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	1949	102½	1st January	1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	96		1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470 (per note)	30th September	1976
15,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December	1972
15,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April	1971
80,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	95	31st March	1961
1,80,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	84½	31st December	1948
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	101½	1st May	1968

Note—See page 1130 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th December, 1953.

—	Closing quotations 3.12.'53	High	Low	Closing quotations 10.12.'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155½	156	155½	156
Bank of Baroda (50)	107½	107½	107	107½
Central (25)	63½	64	63½	64
Imperial (F.Pd.) (500)	1,855	1,865	1,852½	1,860
Imperial (P.Pd.) (125)	458½	458½	457½	458½
Union Bank (5)	6-4½	6-4½	6-4	6-4½
United Com. (50)	38	40½	38	40½
COTTON MILLS				
Ahm. Adv. (100)	133½	—	—	133½
Apollo (2)	2½	2 12½	2½	2-11½
Bombay Dyeing (250)	404½	405½	394½	402½
Central India (100)	175	177	170½	173½
Century Mills (100)	291	289½	282½	286
Cochin (100)	67½	—	—	67½
Edward Textile (200)	260	—	—	260
Elphinstone (50)	44	—	—	44
Finlay (100)	268	266½	258	260½
Gokak (100)	250	256½	248	249½
Ind. Unit. Defd. (1)	1 10⅛	1⅛	1-7⅛	1⅛
Ind. Unit. Ord (10)	11⅛	11⅛	11-2½	11⅛
Indore Malwa (100)	102½	102½	97½	100
Khatau (100)	197½	201½	195	196½
Kohinoor (100)	303	302	292½	295½
Lakshmi (250)	260	—	—	260
Madhusudhan (100)	88	88	87	87
M. R. Cotton Mills (100)	56½	56½	55	55½
Minerva Mills (100)	91	—	—	91
Model Nagpur (250)	141½	141½	140	140
Morarji (100)	188 ad	188	185	185
Mysore (50)	17½	—	—	17½
New City (100)	170	—	—	170
New Great (100)	167	167	163	165
Phenix (100)	121½	—	—	121½
Podar Mills (100)	136½	136½	134½	134½
Sassoon Silk (10)	19	—	—	19
Sassoon Spg. (10)	28½	—	—	28½
Sholapur (1,000)	1,415	—	—	1,415
Simplex (50)	158½	157½	151½	154
Sradashi (100)	271½	271½	264½	267½
Swan (100)	342½	342½	337½	337½
Tata M. (25)	52½	53½	49½	49½
Vishnu (100)	150	155	150	152½
Western India (1,000)	3,350	—	—	3,350
ELECTRIC COS.				
Ahmedabad (100)	114½	114½	113½	113½
Amalgamated (10)	11½	10½	10⅛ xd	10⅜
Andhra Valley (1,000)	1,255½	1,255½	1,241½	1,245½
Bom. Sub-El. (100)	123½	125½	123	125½
Surat (100)	127½	—	—	127½
Tata Hydro (100)	138½	139½	138½	139
Tata Power (1,000)	1,367 xd	1,370	1,352½	1,357½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	620	—	—	620
Ind. Mercantile (20)	36½	—	—	36½
Jupiter (13)	6-9½	6-9½	6½	6-8½
New India (15)	39½	41½	39½	41½
Oriental (200)	6,920	7,100	6,920	7,100
Universal (10)	⅜	—	—	⅜
Vulcan (10)	11½	11 6/716	11	11½
STEAMER COS.				
Scindia (15)	16-4½	16-6½	15-12½	16
STEEL COS.				
Ind. Iron (10)	26-9½	26-11½	25-11½	26-5½
Tata Steel Defd. (30)	2,030	2,047½	2,005	2,040
Tata Steel Ord (75)	347	349½	340½	349½
MISCELLANEOUS				
Alcock Ashdown (100)	330	328½	320	323½
Associated Cia (100)	187½	188½	185	186½
Belapur Sugar (5)	263	265	256½	261½
Bom. Burmah (125)	357½	362½	351½	362½
Do. (New) (50)	129½	130	126½	130
Br. B. Petrol (4 sh.)	2-0½	2-4½	2-0½	2-0½
Br. I. Corpn. (5)	9⅜	9⅜	9⅜	2-4½
Indian Copper (2 sh.)	2-14½	2-14½	2⅜	9⅜
Ind. Inv. Tr. (100)	67	74½	67	2-14½
Port Canning (100)	27	—	—	74½
Premier Cos (30)	113½	115½	109	23
Ritherdon (10)	69½	70	67½	111
Tata Chemicals (10	11⅛	11⅛	11 0½	69
Tata Oil (25)	34½	34½	33	11-5⅛
Wallace Ind. (100	133½	160	157½	33½
W. I. Match (100	200	200	198½	157½
				199½

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	—	3 60	99⅜
2½% 1955	—	3 44	98⅜
2½% 1961	—	3 58	96⅜
2½% 1962	—	3 51	93⅜
2½% 1974	—	3 87	91⅜
3% 1957	—	3 02	82½
3% 1958	—	3 44	93½
3% 1959-61	3 73	3 41	91½
3% 1964	—	3 56	96½
3½% 1963-65	3 91	3 84	92⅜
3½% 1966-68	3 92	3 78	92⅜
3½% 1970-75	3 98	3 87	90½
3% 1986 Con. Loan	4 11	3 92	84½
2½% 1926-54*	—	3 66**	82⅜
4% 1960-70	3 32	3 46	101½
4½% 1955-60	3 70	3 85	101½
4½% 1958-68*	2 94	4 02	102½
3½% 1961 N.P. Bonds	3 40	4 01	103
	—	3 67	98½

BRITISH GOVERNMENT SECURITIES	2-12-53 £	High £	Low £	1-12-53 £
2½% Brit. Consols	64⅜	64⅜	64⅜	64⅜
3 % Savings Bonds 1965/75	89⅜	89⅜	89⅜	89⅜
3 % War Loan 1955-59	101⅛	—	—	101⅛
3½% War Loan 1952	85⅜	85⅜	85⅜	85⅜
3½% Brit. Iron and Steel 1976/78	94⅜	94⅛	93⅛	93⅛
4 % Funding Loan 1960-90	101⅛	101⅛	101⅛	101⅛

x.d.—Ex-dividend. ** Current Income. * Rupee Counterparts.

COMMERCE

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

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SOUND ADVICE FROM PRIVATE ENTERPRISE

THE tendency to generalise when faced with specific issues is a common trait of the present Government of India. In this art, Mr. Jawaharlal Nehru, our Prime Minister, is a past master. He displayed this quality to a remarkable degree when he spoke at the annual meeting of the Associated Chambers of Commerce held at Calcutta on Monday this week. Mr. E. J. Pakes, President of the Chamber, presented a masterly exposition of the economic ills afflicting the country and outlined the remedies for them in a specific manner. Mr. Nehru, as is usual with him, did not touch the details, but spoke in general terms on the aims and objects of the Government's economic policy and delivered a homily to private enterprise, in particular, and workers, in general. Taken as a whole, there was not much in his speech to which private enterprise can take exception, though it is easy to join issue with him on some of his remarks such, for instance, as the one relating to the importance of material incentives to secure increased production. But the stage was long past for this sort of barren controversy; in fact, it should have ended with the publication of the final report of the first Five-year Plan in which all these general issues have been discussed at length and decisions taken. What the country needs to-day is action, specific measures which will facilitate the successful implementation of the current Five-year Plan and its successors. It was accordingly quite appropriate that Mr. Pakes should have chosen this subject as the main theme of his address. It was, however, unfortunate that Mr. Nehru did not give specific replies to the specific issues raised by the President of the Chamber, even though he must have received a copy of the latter's speech well in advance.

It is reassuring to be told by the Prime Minister that he regards the private sector as very important with a significant part to play in the implementation of the Five-year Plan, that there should not be any conflict between the private sector and the public sector, that the Government not only welcomes private capital and private enterprise but is also prepared to help industries in the private sector, and that there should be no clash between cottage and power industries. Speaking from a different platform at Calcutta on the same day, Mr. C. D. Deshmukh, India's Finance Minister, was even more categorical in his assurances to private enterprise. He asked the industrialists not to hold the "bogey of nationalisation in their bosoms" and averred, in all seriousness, that "the Government realises that there is further room for expansion in the private sector beyond the target set down in the Five-year Plan." These assurances are welcome as far as they go, but they do not mean much, because similar assurances were given in the past only to be followed soon by certain actions by the Government that were completely contrary to them either in spirit or in action. It is not surprising, therefore, that they (the reassuring statements) have failed to carry conviction even to an enlightened and liberal-minded employer like Mr. Homi Mody. Speaking on Thursday this week, at the twenty-first annual general meeting of the Employers' Federation of India in his capacity as its Chairman, Mr. Mody said:

"While free enterprise has been assigned a definite role and reassuring statements of Government's intentions are made from time to time, the blunt truth is that the actions of Government lack cohesion and consistency and create a state of uncertainty in which it has become very difficult for the private sector of industry to make any substantial contribution to the development of the country. The representations made by industrial interests from time to time seem to receive little attention. The flow of labour legislation, the irksome controls over profits, production and distribution, the refusal to provide adequate incentives to either old or new enterprises, and the irresponsible opinions indulged in by some of those who hold positions of influence continue; they are not only sapping the morale of the industrialist, but are destroying the confidence of the investor. Such a state of things cannot indefinitely go on. If costs keep continually going up through levies of one sort or another, if even ordinary discipline is not allowed to be maintained in factories, if surplus labour cannot be retrenched except at heavy cost and through protracted proceedings, and if installation, even where the necessity is established, of new or additional machinery is hampered for one reason or another, the situation becomes intolerable and free enterprise becomes free only in name. I am not arguing against the concept of a controlled economy; we have all accepted it; but controls have to be reasonable and must pay sufficient regard to the problems and difficulties of the enterprises which are sought to be regulated in the public interest."

The foregoing remarks are very pertinent. In this short paragraph, Mr. Mody has given the gist of what Mr. Pakes, another representative of employers, discussed in his speech at some length. The most important point that needs to be noted here is that mere assurance against nationalisation is not enough. What is more important for the effective functioning of private enterprise is freedom of action within the overall conception of a mixed and planned economy. It is this freedom that is lacking. And, even in the general and meandering speech of Mr. Nehru, there is enough evidence to show that the powers-that-be do not appreciate this.

Both Mr. Pakes and Mr. Mody strongly deprecated the tendency on the part of the Government to rush through important pieces of legislation, without giving adequate time to the interests affected to examine them and put forward suggestions. Hasty and ill-considered legislation, it is needless to add, has an unsettling effect on existing and potential enterprise and upsets the country's commerce and industry. Elucidating this point, Mr. Pakes said:

"By all means let us agree or fail to agree on the necessity and justification for, or on the principles to be incorporated in, the legislation which is thrust upon us from all sides. But do, I plead with the Government, give, whenever possible, responsible organisations of the business community more adequate time in which to analyse the proposed legislation and to put forward well-balanced opinions on it before it is placed on the Statute Book. We do, I can assure you, endeavour in this representative and democratic association of chambers of commerce to look at those problems from a broader angle than the narrow one of immediate expediency; but, with our business to look after in what are not easy times, we find it quite impossible to do justice to these subjects, and to give adequately the assistance and the benefit of our experience we feel we should be giving to the Government within the brief time limits allowed for the purpose."

Speaking on this feature of the Government's policy, Mr. Homi Mody, too, criticised the authorities for resorting to the use of Ordinances even for purposes for which there was no need to fall back upon such emergency legislation. An Ordinance, on the face of it, is an emergency measure and should be resorted to only in cases where delay in the enactment of any measure is calculated gravely to affect the interests of any section. Mr. Mody gave instances to show how, in the past two years, this extraordinary step was taken without conforming to this principle and added:

"A particularly obnoxious feature of this mode of proceeding is that, while the interests affected by a Bill which is circulated for opinion have some opportunity of putting forward their objections and shaping the measure which is ultimately placed before Parliament, there is little chance of a Bill which seeks to replace an Ordinance undergoing any material changes. In other words, when a piece of legislation flows from an Ordinance, it is just an embodiment of the viewpoint of Government, uninfluenced by public criticism."

Mr. Nehru in his speech sought to answer this criticism but he was not convincing. Stating that the Government was always eager to meet representatives of industry and other interests and to hear their points of view, he observed that the problem was not a simple one, in

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view of the democratic structure of the present Government. There were various interests involved and the interests of 350 million people of the country came in and their viewpoints had to be heard. In deciding its policy, the Government's primary concern was the interest of the people at large and, ultimately, it was their voice that mattered. When faced with conflicting points of view, the Government, he said, had to try and strike a balance. This is a fallacy, though it may not seem to be so. The flaw lies in Mr. Nehru's assumption that the interests of the people as a whole and those of business men conflict. It need not necessarily do so, for honest and far-sighted business men do appreciate that they cannot exist and thrive unless the whole nation does. They cannot advocate something which is not in the general interests of the country as a whole. As Mr. Pakes said, there are responsible organisations of the business community which can and do look at problems concerning them from a broader angle. There are undoubtedly black sheep in the business community as there are in every community, not excluding—we mean no offence to Mr. Nehru when we say this—that large sector of men and women who administer this country. But that is no adequate reason for condemning the entire business community as a selfish lot or discrediting the system of private enterprise. Be that as it may, it is gratifying to find that, in his speech, Mr. Mody roundly condemned dishonest business men. His remarks, in this connection, bear reproduction:

> "The malpractices, which have come to light in the working of some industrial establishments, call for our unqualified condemnation. We can have no truck with those who are out to exploit, by whatever means they can, the undertakings of which they have acquired control. Where the guilt has been brought home, it is the clear duty of the organisations to which the offenders may belong to expel them. Their actions are apt to bring discredit upon private enterprise and the least that can be done is to show that they are not, in any sense, representative of the general body of employers in the country."

It is to be hoped that all responsible business organisations will realise that to-day the existence of private enterprise is at stake and that, if they are to survive and raise themselves in the estimation of the people, they must scrupulously follow Mr. Mody's advice.

The subject of labour relations figured prominently in the speech of Mr. Pakes. He showed convincingly that, in this sphere, there were many impediments to the more rapid expansion of industry in the private sector and to the flow of capital into these channels. While he was not opposed to the degree of regulation implied in a dual economy, he maintained that it was idle to hope that capital would happily come forward "under conditions in which an expanding or new industrial establishment may find itself totally unable, in times of recession, to shed its surplus labour, even on the most generous terms of compensation; in which technological improvements are impeded by the clamour against the resultant temporary retrenchment: in which rising wage levels and bonus awards imposed from outside sap the capacity of Indian industry to supply the home and external markets at reasonable and competitive prices." It is this aspect of the labour situation, as he rightly contended, which, above all, repels new enterprise and expansion.

Another aspect of labour relations to which Mr. Pakes referred related to wages. He conclusively proved that wages must be related to production and no increase in living standards of either the industrial workers or the masses as a whole could be achieved merely by raising the level of remuneration to workers. Since there is considerable confusion on this particular subject even among educated men, it is worthwhile quoting the well-thought-out observations of Mr. Pakes:

> "I suggest, with great emphasis, that the time has come to consider what value in terms of work and output is to be placed on the rupee. Is it to buy one day's work, half a day's work or half an hour's work? The vast majority of the people of this land buy only the produce of India. They do not buy foreign goods. So, if the standard daily wage of a worker is, say, Rs. 2, he can, when he goes to the market, buy with this sum only one day's output of a worker—it may be food, it may be cloth, it may be cooking utensils and in it may be included a portion of the day's work of a transport worker and of a shopkeeper. Whatever it be, he can buy, in total, only one day's work. If the standard minimum wage should be Rs. 5 instead of Rs. 2, all he will be able to buy will be only one day's work, because the prices of all his necessities will have correspondingly increased. Even if it were Rs. 50 a day—to take the figure to an absurd extreme—nevertheless, when the economy settled down at this inflated level, all the individual could buy would still be the equivalent of one day's work. He would be no better off. So it seems clear that the answer is not to keep increasing wages and thereby depreciating the purchasing value of the rupee. The remedy must be to increase the output of the worker in return for his daily wage, to introduce technological improvements in our methods of production which should enable Indian industries to reduce their costs, and to improve agricultural methods so as to reduce the price of food. By such methods alone will it be possible to increase the purchasing value of the rupee and thus increase the standard of living in the country."

Mr. Nehru's reply to all these well-reasoned elucidations of the important problem of labour relations and economic development of the country took the form of vague generalisations. Considerations of space do not permit a detailed analysis of what he said. The burden of his song was that employers must cultivate a human approach to the worker in the factory. As a general statement, this is unexceptionable and all employers will accept it without reservation. There is also much that remains to be done by employers in this direction. But, as Mr. Mody rightly pointed out, Mr. Nehru and many of his colleagues do not seem to have realised the basic fact that undue regimentation of employer-employee relations is not calculated to bring about mutual understanding; on the contrary, it will continue to keep the two sides indefinitely at arm's length. About a year ago, there were signs that the Government was fully aware of this, as witness the famous "Giri Approach." But, unfortunately, the Government seems to have recanted, with Mr. Giri himself losing faith in the stand he advocated and Mr. Nehru emphasising, in his speech at Calcutta, the need for the Government to act as a third party to arbitrate in the disputes between workers and employers.

On the question of retrenchment, Mr. Nehru's views lacked clarity. He said he was not opposed to retrenchment where it was necessary. He did not suggest that the textile or any other industry should carry on with "useless staff." But, at the same time, he argued that social reasons had to be taken into consideration while resorting to retrenchment. Nevertheless, he seems to have added that a situation should not be created which would cause new difficulties or further complicate the existing ones. It will be seen from these words that the problem of retrenchment is a dilemma to Mr. Nehru. That is understandable, but the dilemma must be faced and solved. Mr. Pakes has shown in his speech how this could be done. Since Mr. Nehru and his advisers have been unable to indicate an effective alternative solution which will be in consonance with the democratic mode of life the country has chosen, we do not see why they should hesitate to try the methods advocated by this able spokesman of private enterprise.

AN UNWISE ACTION

APART from the impropriety of rule by ordinances, especially when they are promulgated on the eve of a legislative session, there are other valid grounds on which the recent Madras Ordinance, which seeks to grant a year's moratorium for agricultural debts, deserves to be opposed. Briefly, the Ordinance aims at giving protection to agriculturists who "have borrowed or added to their debts during the years of drought." It states that, if they are freed from the obligation to pay their debts, they would be enabled to rehabilitate themselves. Accordingly, it prohibits, for a period of one year, the institution of any suit for the recovery of agricultural debt. This relief does not, however, extend to a company or registered firm engaged in the cultivation of land. Nor does the freedom from payment of debt extend to the agriculturists who have borrowed from co-operative societies or from any corporation formed in pursuance of an Act of Parliament of the U.K. or of any special Indian law.

It is not clear what economic urgency there was for a measure of this kind. It is true that the Madras agriculturists have faced some lean years in the recent past. But they have had, as the Ordinance recognises, good weather this year. Surely, they ought now to be able to repay at least a part of their debts. By encouraging them not to discharge their debts and by preventing the creditors from exercising their right to collect debts from individual agriculturists, the Ordinance serves the agricultural debtors merely to postpone the difficult day of reckoning to a future which, as the world agricultural situation now stands, might be more difficult than the past. Bumper crops are reported all the world over, prices are falling and there is a genuine fear of burdensome surpluses. In any case, there is no evidence to show that there was any keen public demand for a moratorium for agricultural debts.

The Ordinance itself is defective in many ways, and might even defeat the very purpose it has in view. Thus, it is not clear why it should apply to all agriculturists, rich and poor, nor why it should not apply to registered firms and companies. Again, it is true that agricultural production has suffered in recent years through drought. But this is not true of all produce. Some commodities, notably plantation produce, have fared exceedingly well. Similarly, not all parts of the Madras State have suffered from drought and other vagaries of nature. The deltaic regions have always fared better than the dry parts of the State dependent upon rain. But this omnibus Ordinance clubs all agriculturists together, irrespective of the districts to which they belong and their status and irrespective also of the particular commodity they produce. Yet another objectionable feature of the scheme is that it places co-operative bodies, corporations and certain other institutions in a privileged position. These institutions can enforce their debts, but this right is denied to private parties. If the argument is that the liquidity position of co-operative credit institutions should not be jeopardised, it is not clear why private moneylenders do not deserve the same consideration. This feature of the Ordinance may have a totally unintended effect. The Ordinance might foster the impression that the farmers can borrow from private moneylenders with impunity, since they can expect moratorium on their debts. This feeling would encourage borrowings from private parties rather than from co-operative institutions.

Clearly, the Ordinance proceeds on certain wrong assumptions, that a creditor is necessarily a wicked person, that creditors and debtors are distinct groups of people, and that a moratorium for debt is the only real form of relief. None of these assumptions is correct. In the first place, a creditor in a village is, very often, a person of small means. He cannot afford to keep his money locked up indefinitely. He too has suffered from the effects of drought as much as those to whom he has lent a part of his savings. He has not been able to collect either the interest or the principal for the past several years. Secondly, a man may be both a creditor and borrower in varying degrees. Thirdly, the Ordinance does not provide for any relief to deserving cases of creditors such as widows or disabled persons who have no other means of living. These considerations apart, the after-effects of the Ordinance on rural credit would be very serious indeed. Credit, as any student of economics knows, is a tender plant which will wither away if confidence is upset. The present move will give a severe jolt to confidence among lenders to agriculturists. The volume of agricultural credit has already suffered a heavy reduction by former measures such as the Agricultural Debt Relief Act. This Ordinance will make the position still worse, especially because neither the co-operative credit institutions nor the joint-stock banks are able to take the place of the much misunderstood private moneylender who continues, despite all his shortcomings, to be the prop of India's rural economy. Such measures as this Ordinance will drive the honest and fairminded moneylenders out of the field and force the agriculturists to seek credit from usurers who are capable of collecting their debts without the aid of law courts. It will, therefore, be no exaggeration to say that the Ordinance is a distinct disadvantage rather than an advantage to the agriculturist who invariably needs a certain amount of credit to carry on his activities. It is a shortsighted measure. Many in this part of the country are surprised to find that its author is Rajaji who has come to be regarded as a farsighted and sagacious political leader.

SETBACK IN SHARE MARKET TECHNICAL

SILVER IN LONDON—INDIAN SHIPPING—WARNING TO INSURERS IN U.K.—NEW DEAL FOR TIN

THURSDAY 3 P.M.

THE upward trend in share markets, which had been fairly sharp in the past three or four weeks seems to have been arrested for the present.

MARKET GOSSIP

The leading speculative counters have actually suffered a relapse. At one time during the week, Tata Deferreds had registered a drop of Rs. 80 from the week's opening level, though the loss over the week is only about Rs. 46. Tata Ordinaries have lost about Rs. 10, Indian Irons As. 4, Bombay Dyeings Rs. 6, Kohinoors Rs. 4, A.C.C. Re. 1-8 and Belapurs Rs. 2-8. The closing rates for all these shares are, however, a little above the lowest levels witnessed earlier in the week. Advices from Calcutta also indicate the existence of a subdued trend in almost all the scrips which had become active ere now. This setback is but a natural reaction to the rapid rate at which equity values had climbed up in recent days. In fact, this is a healthy development, inasmuch as the technical position of the market which was tending to become lopsided has been corrected somewhat. Those who are in the know of things feel that the market has not yet fully digested the profit-taking indulged in by the bulls since the beginning of this week. Nevertheless, they feel that this week's fall in prices reflects no more than a technical correction and that there is no reason to feel that this is the beginning of a new downward trend. On the contrary, they are of the opinion that the basic causes—increased Governmental expenditure under the Five-year Plan in the coming months and the chances of a fall in interest rates—that induced the revival of strong bullish fervour are still there.

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While the expectation that the Government will resort to a large volume of deficit financing in the next two years is not unjustified, it is well to bear in mind that there may be other developments capable of offsetting the bullish implications of this factor to equities. It is, therefore, rather risky to depend on that factor alone. The most important points to be considered, in this connection, are the level of savings and the prospects for industries. As regards the first point, there are no signs that the volume of savings in the hands of the people who are accustomed to invest in shares will increase to any perceptible extent. Speaking at Calcutta, on Monday last, the Finance Minister made it very clear that the Government did not propose to give any interim relief in taxation, pending the report of the Taxation Enquiry Commission. He revealed that the findings and recommendations of the Commission would be reflected only in the 1955-56 Budget and that no major change in taxation was expected in the next Budget. This remark might not mean a bearish factor to some, but it is not a bullish one either. There is also no justification to hope that the savings of the class of people referred to above would improve through a fall in cost of living. For, if deficit financing were to be indulged in, price levels in the country would go up again.

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As regards the second point, namely, the prospects for industries, the position of our major industries such as cotton textiles, jute, rayon, sugar, tea, cement and iron and steel is now relatively better as compared with that a year before, in that the offtake of goods has improved. But, at the same time, the prices of raw materials have once again started going up and the cost of labour has become extremely rigid. Since the beginning of this month, raw cotton has gone up by Rs. 50 per candy, while there has been no corresponding rise in prices of cloth and yarn. Similarly, the cost of raw jute has been going up and the possibilities of a further rise are not ruled out. The gunny markets are also firm, but the improvement in prices for the finished goods is somewhat smaller than that in the cost of the raw material. Another point that has to be borne in mind is that the improved prospects for industries have already been discounted in most cases. In short, while there is no cause for pessimism, there is none for taking an absolutely rosy view either.

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In striking contrast to the setback suffered by the share market, the commodity markets have been displaying a strong undertone for the second week in succession. Raw cotton has taken the lead, with I.C.C. February and May positions touching a high level of Rs. 700 on Wednesday. At the time of writing, they are well below this peak (I.C.C. February at Rs. 684-12 and I.C.C. May at Rs. 682), but the undertone is still firm. Oilseeds also have recorded a sizable rise. In Calcutta, raw jute has staged an advance. This buoyant undertone of commodity markets is partly due to an overestimate of the size of the new crops and partly to the revival of demand for finished goods. In cotton and oilseeds, in particular, there had been heavy short-sales in the expectation of bumper crops. These sales were being covered in the past fortnight.

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Among oilseeds, there has been a handsome gain in groundnuts, despite the decision of the Government not to allow exports. Thus, during the past fortnight, the Khandesh quality has shot up from Rs. 29-4 to Rs. 33-8. The rise has been even more sharp in forward deliveries. Bold December-January is now standing at Rs. 32-10, as against Rs. 27-14 two weeks before. Similarly, Bold February-March has advanced from Rs. 28-11 to Rs. 33-3. It may be that the bulls are squeezing the bears, as the arrivals into Bombay are not large. Trade estimates of the crop indicate an increase of 100,000 tons more than that in a normal year, but most of this increase will be offset by the acute short-fall suffered in the past year. The ready stocks of this commodity are still not substantial for this time of the year. The Government of India is reported to have decided to get a firsthand idea of the crop by sending three of its officials to all the producing areas to collect the necessary information. Evidently, it wants to have an independent view of the crop, so that it may formulate its export policy correctly. This bid for freedom is admirable; only, it is to be hoped that the officials concerned will make no serious mistakes. Be that as it may, the Government's earlier decision not to allow exports of groundnut has been fully vindicated by the recent rise in prices. If it had fallen a victim to the insistent demand from interested parties for granting export quotas, the position would have been worse, with the poor consumer suffering most. Mr. T. T. Krishnamachari deserves to be congratulated on having correctly sized up the situation. Many a prominent operator on the Oilseeds Exchange was annoyed at this Minister's categorical refusal to issue export quotas, until prices of oil and oilseeds had come down to reasonable levels, from the consumers' point of view. Strong pressure was brought to bear on him, but he steadfastly resisted it.

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A notable development of the week which is of some interest to the bullion market is the decision of the British Treasury to discontinue the practice of furnishing, from official stocks, silver needed for essential purposes in the U.K. and allow the trade to meet these requirements through making purchases in the cheapest markets abroad, including if need be, those in the dollar area. This amounts to a limited step towards the re-establishment of a free market in London, though other import and export restrictions continue to be as stringent as before. This limited freedom to the bullion trade in the U.K. has been possible, because the flow of silver from soft currency areas has increased. In recent weeks, London has been receiving a fair amount of the white metal from Russia, Burma and Japan, all of which are short of sterling. Sales by Russia alone are said to be running at the rate of 14 million ounces per annum. Following this development, the free market price of silver in London has moved under the official quotation of 73¼d. per fine ounce. This means that the price of silver in London is cheaper than in New York, thereby making the former more popular among foreign buyers. The suspension of official sales will enable the authorities to devote the silver derived from the demonetisation of silver coinage to building up the stocks that will be required to return the silver obtained from the U.S. during the war years under lend-lease arrangements. This debt is repayable by 28th April, 1957, the quantity involved being 88 million ounces.

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Although the Government envisaged the grant of loans to the tune of Rs. 19½ crores to the shipping companies in order to enable the industry to augment its tonnage by 215,000 tons over the period of the Five-year Plan, there has been, as is well known, no satisfactory response from the Companies themselves for the Government's offer of assistance. Referring to this problem, Mr. Lal Bahadur Shastri, Minister for Railways and Transport, revealed, in the course of his speech, this week, at the Marine Engineering College, Calcutta, that, after the recent discussions he had with the shipping companies at Bombay, two or three of them had come forward for the purchase of new ships. He added: "I am keen that we must achieve our target fixed for the first Plan period and I hope shipping companies will fully co-operate in this matter."

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Although the Minister's affirmation of the Government's desire to see that the shipping target is reached and his reference to a few companies' efforts at augmenting their fleet are welcome, in a way, the shipping counters in the leading stock exchanges have not been able to attract any increased support. They are, if anything, a shade dull. It is, however, gratifying to note that among the Companies which have being drawing up plans for expansion of their fleet, India Steamship is one. The Chairman of the Company, Mr. A. Ramaswami Mudaliar, had some cheerful information to give to the shareholders at their recent annual general meeting. He said that the Company had bought the s.s. *Indian Commerce* by taking advantage of the Government's policy of financial aid to shipping companies. He revealed that the Directors were negotiating for the construction, at one of the Continental shipbuilding yards, of one vessel at least, and perhaps two vessels, of 10,000 tons d.w., equipped in the most modern way. For financing this purchase, he stated that they were "in communication with the Government of India for the grant of an appropriate loan on suitable terms." The vessels or vessels, now under negotiation, will, it is stated, be delivered by the end of 1954 or early in 1955. The Company has also agreed to place orders for further ships with the Hindusthan Shipbuilding Yard; these orders are expected to be completed by the yard in 1956 or 1957.

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Despite those notable improvements, it should be clear that the Company, like others in the field, is facing conditions of "severe competition," thanks to the end of the boom in freight rates which prevailed in 1951 and 1952. These conditions, which resulted from the natural laws of demand and supply, are not perhaps so difficult as those which are wantonly created by the more well established maritime countries. For some time past, the overseas maritime countries, which have more than their fair share of the world shipping tonnage, have questioned the propriety of the attempts at improvement made by the less fortunate maritime nations. Any measure which a country adopts in order to give some direct or indirect aid to its own shipping industry, is cited as an act of "flag discrimination," a convenient enough phrase for discouraging the legitimate aspirations of the countries which do not figure prominently on the world's maritime map. This unfair attitude on the part of the industrially advanced nations sometimes takes a more reprehensible form of open denial of the very reasonable demands made by the shipping industries of the underdeveloped countries. One such instance is furnished by the treatment meted out by the shipping companies of certain countries to the India Steamship Co., Ltd., which has been making a modest attempt at increasing its overseas traffic. Naturally enough, Mr. Ramaswami Mudaliar had some forthright remarks to make on this subject.

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It would appear that the Company has not yet been admitted to the Colombo-U.K. Conference, the Colombo-Continent Conference, the U.K.-Port Sudan Conference and the U.K.-Aden Conference, although these conferences relate to ports which are on the route from India to the U.K. or Continent. Mr. Ramaswami Mudaliar regretted that, although India is a member of the British Commonwealth, the U.K. lines have "consistently refused to allow the Indian lines the membership of any conference where the trade regulated does not emanate from an Indian port but, emanating from a wayside port, ends in a U.K. port or emanates from the U.K. and ends in a wayside port." The net effect of this refusal by the conference members to admit India into these conferences is that Indian shipping lines can carry freight from an Indian port to Colombo, Aden and other ports, but, after discharging their freight, they are compelled to go in ballast. Likewise, Indian shipping companies are prevented from carrying freight from the U.K. port to other ports on their way to India and Pakistan. It is to be hoped that the members of these conferences will revise their decision on the applications for membership made by this country, abandoning what Mr. Ramaswami Mudaliar rightly described as an "absolutely untenable, and almost an unfriendly, attitude."

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All this led Mr. Ramaswami Mudaliar to examine the appropriateness of the agitation against "flag discrimination." Mr. Mudaliar said:

> "The members who raise these questions overlook the fact that the practices complained of and many other practices, far more serious and restrictive, were resorted to by their own Governments in the not distant past and that these practices really enabled the shipping industries of such countries to attain their present position. Far more important and inexplicable is the fact that no reference is made to the restrictive business practices which are resorted to by some of the shipping companies which have established themselves in the past."

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These words, coming as they do from a person who is deservedly respected as a front rank international statesman, ought to bring greater sanity into the proceedings of the Conference lines, and also induce the leading maritime nations to take a less parochial and a more sympathetic attitude towards the very modest aspirations of the underdeveloped countries.

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The shipping industry of these countries have suffered severely, for a long time now, through neglect by their Governments (till recently, not their own) and through competition from better organised and more well established shipping companies of other countries. Any attitude which does not recognise the uneven development of the world's shipping industry and which fails to take into account the historical factors which have led to this development is bound to create a perpetual, and from the wider point of view of world trade, definitely harmful, schism between the privileged few and the unprivileged many. It is a pity that some countries, which have developed their own maritime position by means, both fair and not-so-fair, now think it fit to preach the doctrine of laissez faire in shipping. This doctrine, as Mr. Dharamsey M. Khatau, Chairman of the Scindia Company pointed out early this year, seeks nothing more than the perpetuation of a situation in which "the weak would struggle in vain with the most powerful and in which, therefore, the few, but financially mighty would soon crush the many.

(Continued on page 1179)

OUR NEXT ISSUE

The 1953 Annual Review Number of *Commerce* will be published on or about New Year's Eve. The Number is free to subscribers, but extra copies can be had at Rs. 7-8 each.

There will be no further regular issue of *Commerce* this year, in view of the Christmas and New Year holidays, and the first issue of 1954 will be the one dated 9th January.

We take this opportunity of wishing all our readers a Merry Christmas and a Happy and Prosperous New Year.

EQUITIES MARKED DOWN

HEAVY SELLING IN TATA DEFERREDS

(From Our Own Correspondents)

BOMBAY, *17th December*

AFTER an early cheerfulness, the Stock Exchange put on a bearish trend during the rest of the week under review. The initial brightness was mainly influenced by encouraging advices from Calcutta and the bullish trend in the cotton and commodity markets. Speculative activity was broadbased and, in active dealings, equity prices registered swift advances all round. Tata Steel soarcd to new high levels, and other equities moved smartly in sympathy with them, notwithstanding end-of-account considerations.

The bullish enthusiasm could not be sustained in the new account which opened on Monday. For prices were hammered down under a wave of liquidation caused by reports regarding U.S.-Pakistan military alliance and heavy overbought position. It was assisted by further reports that some of the "bears" in the cotton market who were caught unawares by the boom in cotton unloaded their holdings of Tata Steels. Consequently, these shares led the market in its downswing in the same manner as they had given the lead in the upward trend in previous weeks. Occasional attempts at recovery were too feeble to change the weakened sentiment. Barring a few selected counters, equities, over a wide front, disclosed fair losses.

The Stock Exchange will remain closed from 25th to 30th December, 1953, both days inclusive, on account of Christmas holidays.

Starting on a bright note at Rs. 2,058-12, Tata Deferreds dominated the opening day's trading and, under a spell of speculative support, advanced to Rs. 2,062-8, the highest since the middle of June, 1951. From Monday onwards, however, values broke under nervous selling and touched a low of Rs. 1,981-4 *yesterday*. There was a recovery to Rs. 2,015 this morning, but this could not be consolidated on recurrence of selling pressure. Tata Ordinaries spurted on the opening day from Rs. 349-8 to Rs. 353-8, but dipped to Rs. 337-8 before closing to-day at Rs. 340. Indian Irons moved between Rs. 26-8 and Rs. 26-1 before winding up at Rs. 26-2.

The main body of textile shares followed the general pattern of steel shares, though, at times, some of them offered good resistance. However, there were a few bright spots, which disclosed gains on balance. Bombay Dyeings hardened from Rs. 402-8 to Rs. 406-4, but receded to Rs. 391-4 yesterday. After retrieving to Rs. 402-8 to-day, they closed at Rs. 396-14. Kohinoors were marked down from Rs. 295-12 to Rs. 292, though at one time they touched a low of Rs. 289-8. In the Tata group, Central Indias were the most conspicuous with a smart rise of Rs. 13-8 to Rs. 187, on support from knowledgeable circles. Svadeshis added Rs. 2 to Rs. 269-8 and Tata Mills Rs. 2 to Rs. 51-8. Ahmedabad Advances, on the other hand, lost Rs. 5 to Rs. 128-12. Finlays dropped Rs. 3-8 to Rs. 257, Gokaks Rs. 4-8 to Rs. 245, Indu Ordinaries As. 5 to Rs. 11-6, and Indore Malwas Rs. 3-2 to Rs. 96-14. Standards recorded a loss of Re. 1-4 to Rs. 336-4. New Greats were taken up Rs. 2 better at Rs. 167, Simplex Re. 1 higher at Rs. 155 and Bradburys Rs. 5 at Rs. 785.

A further gain of Rs. 2-8 to touch Rs. 43 in United Commercials was the highlight in an otherwise dull bank section. Barodas lost Rs. 2-4 to Rs. 105, Imperial Fully Paids Rs. 5 to Rs. 1,855, Contributories Rs. 2-8 to Rs. 456-4 and Barodas Rs. 2-4 to Rs. 105. Indias were held at Rs. 156.

In the insurance section, Orientals were picked up Rs. 10 higher at Rs. 7,410. New Indias, on the other hand, moved down by Re. 1-8 to Rs. 40 and All-India Generals by Re. 1 to Rs. 3. Other counters were featureless and unchanged.

Selling pressure was in evidence in the public utility section and moderate recession in prices was noted in most counters. Ahmedabad Electrics suffered a loss of As. 8 to Rs. 113-7 and their new shares by Re. 1-12 to Rs. 108-4. Andhra Valleys drifted down by Rs. 47-8 to Rs. 1,197-8 and Rights by Re. 1-4 to Rs. 96-8, while Coupons are better by a rupee at Rs. 40. Tata Powers dropped Rs. 10 to Rs. 1,347-8, while their Rights put on Rs. 5 to Rs. 267-8 and Coupons Rs. 2 to Rs. 53. Tata Hydros lost a rupee to Rs. 138 and their Rights Rs. 5-8 to Rs. 27, but Coupons were unchanged at Rs. 9. Bombay Suburbans were done at Rs. 122-8 *ex-div.*, as against Rs. 125 *cum-div.*

In the miscellaneous section, Associated Cements were marked down by Re. 1-8 to Rs. 184-12 and Belapurs drifted down by Rs. 2-8 to Rs. 259. Bombay Burmahs, after receding from Rs. 362-8 to Rs. 351-4, firmed up to Rs. 362-8. Scindias experienced some selling and reacted from Rs. 16 to Rs. 15-13. B.I.Cs. were quiet at Rs. 9-4½, Indian Coppers at Rs. 2-13¾ and Killicks at Rs. 156-8. National Rayons, on the other hand, were in the limelight again on sustained enquiry, and firmed up by Rs. 6-8 to Rs. 135-8. Premier Constructions were in keen demand and advanced by Rs. 4-12 to Rs. 116-8. Shivrajpurs declined by Re. 1 to Rs. 68. Tata Chemicals by As. 6½ to Rs. 10-15 and Tata Oils by As. 8 to Rs. 33. Wimcos were well held at Rs. 199-6. Phalton Sugar drifted lower by Rs. 2-4 to Rs. 97-4.

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Calcutta Stock Exchange

CALCUTTA, *16th December*

Although the volume of transactions did not show an impressive increase during the first half of the week under review on the Calcutta Stock Exchange, quotations were firm and selected counters recorded gains. Subsequently, an easing tendency set in. Earlier in the week, rumours of an impending increase in the steel retention prices for the Indian Iron and Steel Co., Ltd., resulted in intense activity in Indian Irons. This was further aided by the satisfactory production figures for November. The fall in activity in the tea section did not cause any surprise, as demand having been satisfied, operators desired to pause and think before entering into further commitments. Although export of tea is expected to go up, the supply position for the next season should be watched, as this year it is the voluntary regulation of crop coupled with the climatic vagaries which brought down supply almost equivalent to demand. Jutes were active counters earlier, but were easy during the last three sessions, following the drop in prices of jute goods and the lack of adequate demand from foreign buyers.

Although the Prime Minister's views on the tax structure in his speech to the meeting of the Associated Chambers of Commerce last Monday was guarded and non-committal, his statement that borrowing was one of the methods by which industrialisation could be accelerated and that taxation aimed at the equalisation of incomes and the reduction of big disparities of wealth was noted by market circles. The Five-year Plan has been enlarged by Rs. 175 crores which has to be found. It is certain that the present taxation structure would not be disturbed until the Taxation Enquiry Commission has completed its labours and its report considered by the Government. The feeling is, therefore, gaining ground that the extra sum required would be found by more deficit financing, borrowing, external aid and savings. In the light of what Mr. Nehru said, it is difficult to expect any tax relief as such in the forthcoming Budget apart, perhaps, from minor changes either way. It is this realisation which made operators cautious during the last three sessions and that resulted in an easing tendency.

Up to Saturday last, jutes were noted for better conditions, but subsequently interest shown in the shares shrank and gains were affected. There is nothing alarming in the latter tendency which was in the nature of profit-taking. After rising to Rs. 25-12 Howrahs were marked down to Rs. 25-1 and Alliances were at one time as high as Rs. 181-8. Indias advanced to Rs. 134 from Rs. 131, but afterwards gave way to Rs. 131-8. Champadanies were traded at Rs. 149 but Kinnisons were quiet at Rs. 202. After easing to Rs. 182, Orients staged a partial recovery to-day to Rs. 183-8. Support was provided to Agarparas at Rs. 17-4, Nuddeas Rs. 50, and Nellimarlas at Rs. 11-8. Earlier features included Cheviots at Rs. 248, Megnas at Rs. 109, and Budge Budges at Rs. 161-8.

Coals were quiet. Bengals received attention at Rs. 507. Raneegunges, after being steady at Rs. 11-2, receded to Rs. 10-11. Dhemo Mains were fractionally lower at Rs. 9-12, as were Equitables at Rs. 32-2. New Manbhooms rose to Rs. 11-4 from Rs. 9. South Karanpuras were unaltered at Rs. 10-14 and Khatras Jherriahs came in for business at Rs. 41-2. New Beerbhooms were wanted at Rs. 18-7 and East Indians at Rs. 24-15.

In the engineering section, Indian Irons, in the first instance, advanced to Rs. 25-8 from Rs. 25 but later fluctuated around Rs. 25-1, the closing to-day being Rs. 25-3. A distinct feature was the improvement in Braithwaites to Rs. 13-11 from Rs. 12-9 on interested buying. Jessops were better at Rs. 25-8, while Kumardhubis were lower at Rs. 8-2. Texmacos were taken at Rs. 8-14 and subsequently improved to Rs. 9-5.

An early feature in the miscellaneous section was Bengal Papers which at Rs. 53-8 gained one point. Indian Cables changed hands at the fractionally higher rate of Rs. 19-12. After being lower at Rs. 61-8, Ballis recovered to Rs. 62-8, B.I. Corporations changing hands at Rs. 9-4. National Tobaccos gave way to Rs. 10-9 from Rs. 10-14, but Rohtas Industries moved to Rs. 10-14 from Rs. 10-9. Ganges Ropes were lower at Rs. 195-8. Jardine Hendersons were brought to business at Rs. 117. B.B. Petrols were steady at Rs. 2-5, and India Steamships were wanted at Rs. 7-5.

Profit-taking in teas continued, the volume of business declining. Thus Hasimaras gave way to Rs. 31 from Rs. 32, Teloijans to Rs. 15 from Rs. 15-4 and Bishnauths to Rs. 33-8 from Rs. 35-6. However, a distinct feature was provided by Gairhattas rising to Rs. 200 from Rs. 181. Brooke Bonds hovered around Rs. 12-4, and Basmatias at Rs. 33-4. Hattikhiras were unchanged at Rs. 14-11.

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Madras Stock Exchange

MADRAS, *15th December*

The Madras Stock Exchange presented fairly steady conditions this week. Activity in the textile section was broad-based, on continued demand from consuming centres for piecegoods. Advices from overseas for cloth were also favourable. Among plantings, teas were in the lead with favourites coming in for considerable enquiry. Rubbers also displayed a similar trend, while coffees were uninteresting. Miscellaneous scrips witnessed selective demand. Business, as a whole, reported done in the market was sizable, and the quotations, on balance, disclosed appreciable gains spread over a wide list of shares.

The textile section ruled generally bright with some of the backline shares coming to the fore. Venkateshas shot up from Rs. 77 to Rs. 82 and Metturs from Rs. 212-8 to Rs. 216. Vasantas gained Rs. 3 to Rs. 168 and Premiers Re. 1 to Rs. 83. Balasubramanias 'B' improved from Rs. 60 to Rs. 61. Ranga Vilas rallied As. 12 to Rs. 45-8 and Lakshmis 'A' As. 8 to Rs. 40. Lakshmis (Rs. 50 paid-up) were enquired at Rs. 80 as against Rs. 79, and Janardanas Rs. 63 as against Rs. 62. Pankajas, however, lost Rs. 8 to Rs. 67 and Rajapalayam Re. 1 to Rs. 72. Coimbatore Spinnings eased from Rs. 38 to Rs. 37-8.

Among plantings teas came in for some enquiry. Udayagiris gained As. 12 to Rs. 6-12 and Highland Produce As. 8 to Rs. 12-4 *cum-div.* Coonoor Teas were higher at Rs. 25-8, as against Rs. 25. Parksides were higher by As. 6 at Rs. 16 and Periakaramalais As. 2½ at Rs. 7-8½. Peermades, were, however, unchanged at Rs. 27-4 and Halleyburias at Rs. 14.

Rubbers came in for considerable support. Malankaras gathered As. 8 to Rs. 109 and Vaikundams As. 4 to Rs. 16-8. Peninsulars hardened by As. 2 and finished at Rs. 9-8. Thirumbadis moved up by an anna and finished at Rs. 3-4. Vellmalais were also higher by a similar amount at Rs. 2-8. But Rajagiris lost As. 2 to Rs. 10-12. Kallas and Pullangodes were fractionally lower at Rs. 3-8 and Rs. 2-15½, respectively. Teakoys were done at Rs. 8-2 *cum-div.*, as against Rs. 7-10 *cum-div.*

Coffees lacked interest except for Consolidated Coffees which put on As. 5 to Rs. 17-7 *cum-div.*, and Sheuroys which were fractionally higher at Re. 1-4, the rest were practically easy or unchanged. Coffee Lands, for instance, were lower by As. 4 at Rs. 8-12 *cum-div.* and Puthuthottams As. 2 at Rs. 3-2. Mysore Coffees were quiet at As. 13½ and Kadur Coffees at Re. 1-8.

Among miscellaneous scrips, Guntur Electrics gained Rs. 14 to Rs. 124 cum-div. and South Arcots Re. 1 to Rs. 94. Stanes Motors were higher by As. 8 at Rs. 12. Mysore Chemicals and Fertilisers advanced from Rs. 8-13 to Rs. 9-1. Aluminium Industries disclosed a gain of As. 6 at Rs. 11-14. But Rallis lost Rs. 2-4 to Rs. 61-12. Mettur Chemicals eased from Rs. 5-8½ to Rs. 5-5 and F.A.C.Ts. from Rs. 3-9 to Rs. 3-6.

JUTE EXPERT COMMITTEE

Readers may kindly note that, in the article on "Cultivation of Quality Jute" appearing on page 1002 of *Commerce* dated 28th November, 1953, wherever the term "Export Committee" occurs, it should be read as "Expert Committee."

Notice

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED

NOTICE OF 82nd DIVIDEND

NOTICE IS HEREBY GIVEN THAT THE Directors by virtue of the power vested in them under the Articles of Association have determined to pay an Interim Dividend of Rs. 3 per Ordinary Share of Rs. 50 and a Dividend of Re. 1-2 (less income-tax) per 4½ per cent. Cumulative Preference Share of Rs. 50 for the half-year ended 31st August, 1953.

The Dividend will be payable at the Imperial Bank of India, Bombay, on and from Thursday the 4th February, 1954, to those shareholders whose names stand on the Register of Members on the 25th January, 1954.

The Transfer Books of the Company will remain closed from the 25th January, 1954 to the 1st February, 1954 (both days inclusive).

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET,
FORT,
BOMBAY, *14th December*, 1953.

NEWS IN BRIEF

OUT of a little over two lakh acres put under the Japanese method of cultivation last season throughout India, West Bengal's share was 61,800 acres.

About 88 per cent. of the new passenger coaches and 58 per cent. of the goods wagons, placed on the line during the two years ended March this year, were manufactured in India.

A sum of Rs. 101.6 crores will be spent on the National Extension Service during the Five-year Plan period. The Centre's share will be Rs. 68.3 crores and that of the State Governments Rs. 33.3 crores.

The House of the People passed, during the week, the Forward Contracts (Regulation) Amendment Bill and the Indian Tariff (Third Amendment) Bill. The Council of States passed this week the Banking Companies (Amendment) Bill, which had been earlier passed by the House of the People.

The final forecast of jute output in West Bengal for 1952-53 places the production at 2,412,000 bales, an increase of 82,200 bales over that for the previous year. The area under jute this year is 836,300 acres which shows a drop of 39,800 acres from last year's figure. The yield per acre is 14.4 maunds, as against 13.3 maunds.

A new plant for the manufacture of fountain pens and inks will be set up near Bangalore in collaboration with a leading British firm of fountain pen and ink manufacturers. The capital outlay for the plant will be Rs. 5 lakhs and will be entirely Indian. The English firm will supply the necessary technical know-how.

A scheme, costing Rs. 3.28 lakhs, for carrying out investigations into methods and practices of farming in different States, for which purpose the country will be divided into six agricultural regions, has been approved by the Advisory Board of the I.C.A.R. The investigations will be carried out over a period of three years.

The Advisory Board of the Indian Council of Agricultural Research has accepted a scheme for carrying out model agronomic experiments in the country over a period of two years, 1954-55 and 1955-56. The scheme will cost Rs. 4.77 lakhs. The experiments will be conducted at 34 centres, including 18 already in existence for T.C.A. work, in co-operation with cultivators.

The amount of foreign capital invested in the industries managed by the Industrial Trust Fund, Government of Hyderabad, is Rs. 18.5 lakhs. Revealing this in the State Assembly during question hour, the State Commerce and Industries Minister said last week that no information was available about the foreign capital invested in other industries in the State.

The Travancore-Cochin Government has fixed the minimum wages for employment in the cashewnut industry in the State. The wages have been fixed on the recommendations of a committee appointed by the Government for the purpose. An adult male will receive a minimum time rate of Re. 1-14 per day and an adult female Re. 1-4. These rates will be given effect to from 30th December, 1953.

In reply to a question in the House of the People, Mr. M. C. Shah, Deputy Finance Minister, said that no change in the present basis of depreciation allowance was possible. A rebate on the undistributed profits ploughed back into industry was already being given. The Government, he added, did not favour any change pending consideration of the recommendations of the Taxation Enquiry Commission which was examining the problem.

The nine-man Committee appointed by the tripartite conference of representatives of sugar factory-owners in U.P., labour and the State Government has recommended payment of bonus to employees of sugar mills in U.P. for 1952-53 who were on the rolls during that year at a rate 25 per cent. higher than that paid for the previous year. The Committee has appointed a three-man sub-committee to examine the cases of 16 sugar factories which have claimed relief from payment of bonus.

The Government of Bihar proposes to set up a State Financial Corporation, with an authorised capital of Rs. 2 crores, to provide financial assistance to medium- and small-scale industries. The authorised capital will be divided into 2 lakh fully paid-up shares of Rs. 100 each. Out of this only 50,000 shares will be issued in the first instance. The allocation will be: State Government Rs. 17.5 lakhs, Reserve Bank of India Rs. 10 lakhs, Scheduled Banks Rs. 12.5 lakhs, and other parties Rs. 10 lakhs.

The Government of India has decided to extend the term of the Income-tax Investigation Commission by two years up to 31st December, 1955. The Commission was set up under the Taxation in Income (Investigation Commission) Act, 1947, with a view, among other things, to investigating particular cases of tax evasion referred to it by the Central Government. The Commission has already been in existence for about six years and its existing term of appointment expires on 31st December, 1953. The extension now granted to the Commission is necessitated by the fact that the Commission has still a large number of cases, the disposal of which is expected to take another two years.

The Rajasthan Government has decided to extend the compulsory life insurance scheme of the former Jaipur State to all employees of the Rajasthan Government. The scheme will be compulsory for all permanent Government servants drawing a substantive pay of more than Rs. 50 per month and aged 50 and below. It will be optional for those drawing a substantive pay of Rs. 50 per month and below. The scheme will come into force in January, 1954. Those already insured with private insurance companies on the date of applicability of the scheme may be exempted to the extent they are already insured. Six and a quarter per cent. of the substantive pay will be deducted towards monthly insurance premium. Those who desire may contribute at the rate of 12½ per cent., subject, however, to medical examination.

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From Abroad

Private pension funds of workers in the U.S. are growing at an annual rate of about $2,000 million. More than $17,000 million have now accumulated in such funds covering over 10 million workers.

The U.S. cotton crop this year will be the fourth largest on record, according to the Department of Agriculture. The estimated production of 16,437,000 bales is almost 1.3 million bales above the 1952 crop and well above the ten-year average of 12,216,000 bales.

The Commodity Credit Corporation of the U.S. proposes to launch a programme to bolster American wheat exports by selling its huge holdings at world market price, that is, at 60 cents per bushel below the American support price, which is the price at which the C.C.C. acquired the wheat.

American private enterprise spent $2,500 million for research last year, according to a survey just published by the Harvard Business School. Manufacturers of aircraft, industrial chemicals and electrical machinery spent the most on research, but over one quarter of the companies in every segment of U.S. industry support a significant amount of research work.

The Government of Uruguay has signed the Annecy Protocol of Terms of Accession and has consequently become a contracting party to the G.A.T.T. on the 16th inst. The Government of Uruguay has also signed the Torquay Protocol. The accession of Uruguay has brought the number of G.A.T.T. contracting parties to thirty-four.

For the first time since the war, the Soviet Union bought at the London wool auction last week considerable quantities of a type of wool used primarily for the manufacture of fairly good worsted material and knitting yarns. It is estimated that over 500 bales of about 300 lbs. each were bought by Russia. The competitive nature of purchase by Russia caused prices to go up.

Three leading car makers in Japan are turning out cars at a peak level. During October last, these three manufacturers produced 3,070 regular size cars and 1,778 baby cars. In addition to Japanese makes, production and sales of foreign cars, now being assembled in Japan, are also brisk. The country's automobile industry is thus said to be enjoying the greatest boom since the end of the war.

The International Bank for Reconstruction and Development expects to offer on or about 12th January, 1954, a $100 million issue of United States dollar bonds through a nation-wide underwriting syndicate managed by the First Boston Corporation and Morgan Stanley & Co. The maturity of the new issue is expected to be approximately fifteen years. The exact maturity, the price and interest rate for the issue will be determined in the light of market conditions prevailing at the time of the offering.

Japan and Burma have signed a trade agreement which will be valid for four years. The provisions of the G.A.T.T. will be applicable in trade between the two countries. Additionally, Japan will accord to Burma as much facility as possible with regard to technical assistance. Under the agreement, Japan will import, beginning in 1954, 300,000 tons of Burmese rice at £50 per ton during the first year. During the subsequent three years, the imports will be between 200,000 tons and a maximum of 300,000 tons at prices to be agreed through consultation.

PERSONAL

MR. W. Jenkins, Director, Messrs. W. H. Brady & Co., Ltd., left for New Zealand this week on three months' holiday.

Mr. Padamji Ginwala, Director, the Indian Iron and Steel Co., Ltd. Calcutta, has returned from a visit to Europe.

Mr. Herbert Hill, Director, Messrs. Begg, Sutherland & Co., Ltd., Kanpur, has been elected President of the Upper India Chamber of Commerce, Kanpur, for the year 1954.

Mr. A. C. N. Nambiar, Minister of India to Denmark, Sweden and Finland, has been conferred upon, by the President of India, the personal rank of Ambassador of India during his present term of appointment.

Dr. Phillip Vincent Cardon, an eminent agricultural scientist of the U.S., has been elected Director-General of the U.N. Food and Agriculture Organisation, in succession to Dr. Norris Edward Dodd who held this post for the past seven years.

Mr. K. N. R. Ramanujam of the Reserve Bank of India, Bombay, will be one of the members of the Indian delegation to the Commonwealth Finance Ministers' Conference to be held in Sydney, and not Mr. Ramaswamy, as was reported in these columns last week.

Prof. C. N. Vakil, Director, University School of Economics and Sociology, Bombay, has returned from the U.S., which he visited as a leader specialist on the invitation of the U.S. Government. Prof. Vakil has been elected a member of the Executive Committee of the International Economic Association for a period of three years.

Mr. A. K. Chanda, Secretary, Ministry of Production, Government of India, has been appointed Comptroller and Auditor-General of India, in succession to Mr. V. Narahari Rao who is due to retire in August, 1954. Mr. Chanda will relinquish his present post at the end of February next and join the Office of the Auditor-General as Officer on Special Duty, before taking over the post of Comptroller and Auditor-General.

Mr. R. A. Butler, Chancellor of the Exchequer, U.K., is expected to visit India in the fourth week of January, 1954, on his way back home from the Commonwealth Finance Ministers' Conference to be held in Sydney on 8th January. Mr. Butler will lead the U.K. delegation to the Conference. The other members of the delegation are: Mr. J. G. Foster, Under-Secretary of State for Commonwealth Relations, the Earl of Munster, Under-Secretary of State for the Colonies, Sir Leslie Rowan, Second Secretary at the Treasury, Sir Frank Lee, Permanent Secretary of the Board of Trade and Mr. R L. Hall, Director of the Economic Division of the Cabinet Office.

"COMMERCE" 1928

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 22nd December

India's Western Gateway

The opening of King George's Dock at Calcutta next week by the Viceroy calls to mind the ceremony when Lord Hardinge visited Bombay in March, 1914, to open the new Alexandra Dock and the visit of H.R.H. the Prince of Wales to open the Prince's Dock, Bombay, in November, 1875. These ceremonies are but milestones on the road of progress, each leading up to greater possibilities. They mark the growth of industries generally, to which the dock-gates are the portals. It was in 1689, the year before Sir John Child moved the headquarters of Government from Surat to Bombay, that the need of a dry dock was brought to the notice of the Court of Directors in London. They manfully responded to the appeal and sent out large quantities of iron for use in the construction and repair of ships; but, in spite of their sanction, it was half a century before steps were taken to build a dry dock and to improve the "wretched arrangements hitherto deemed sufficient for repairing ships." History does not explain the delay, but it must be remembered that at that time there was little "hustling" and the example of Sir John Child, who pocketed the funds for building Bombay Cathedral, may have been imitated by his subordinates.

LABOUR CRISIS? . . .

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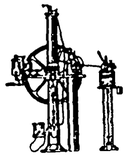

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FOOD SURPLUS

THE paradox of poverty amidst plenty has for long been the bane of the world's food economy. And it looks as though it will continue to provide the greatest stumbling block to all energetic economic planners. World food output has, no doubt, shown some encouraging improvement in recent years. It averaged about 10 per cent. more than before the war in the three years 1948-49 to 1950-51 and rose by 13 per cent. about the pre-war level in 1951-52 and by 17 per cent. in 1952-53. In the Free world, the output improved by 15 per cent. during the period 1948-49 to 1950-51 over the pre-war level, by 19 per cent. in 1951-52 and by 23 per cent. in 1952-53. Thus, in the last few years, food output has exceeded the growth of world population, estimated at 1.4 per cent. per annum. It was this performance on the world's food and agricultural front that induced Mr. N. E. Dodd, the erstwhile Director-General of the Food and Agricultural Organisation (F.A.O.), to remark, in his foreword to the F.A.O.'s report, entitled the *State of Food and Agriculture, 1953*, that the year 1952 marks a "new phase in the post-war food and agricultural situation."

This creditable performance, however, masks certain depressing possibilities and trends. In the first place, the expansion of agricultural and food production, as the F.A.O. report pointed out, owes much to good weather and harvests in most regions in 1952-53. But one or two years of bad weather, as the report warned, "would set back the world food position considerably." This means that the margin is not wide enough for viewing the position with optimism. Secondly, the trends themselves are diverse. Although the world food output has improved by 17 per cent. in 1952-53 over the 1934-38 level, there are certain regions where the position is not really quite so comfortable. Thus in the Far East (excluding China), the increase is only of the order of 3 per cent.

In sharp contrast to the Far East stand North America, Latin America, Oceania and Africa where food production has improved by 46 per cent., 34 per cent., 18 per cent., and 34 per cent., respectively. These countries are thus burdened with surpluses, while there are many parts of the world where food intake is still below the pre-war levels which themselves were abnormally low. In India, for instance, the *per capita* calorie content of food is only 1,620, as against 1,970 before the war. Nearly 70 per cent. of the world's population live in the less developed regions. To raise their average diet to the present average for the world as a whole —the world level itself is only about one-half of the American level—would require, according to Mr. Dodd, an "additional supply equal to the total 1952-53 production of North America and Oceania combined." There can thus be no lack of demand for food. But it is only potential demand, since the underdeveloped regions lack the necessary purchasing power. This large but ineffectual demand exists in certain parts of the world, while other parts are burdened by growing surpluses of food.

It is, therefore, hardly surprising that the F.A.O. Conference, which concluded its three-week session at Rome last week, should have considered the problem of increasing the food consumption in the less developed regions and the more immediate problem of the food surplus in certain areas of the world. The Conference has stated that, until the "economic progress of the less developed regions raises the purchasing power of their people, there can be no final solution to the problem of malnutrition and no satisfactory balance of international trade in agricultural products." It reaffirmed its faith in commodity agreements to stabilise agricultural prices and appealed especially to hard currency countries, to help remove trade obstacles by liberalising imports. On the question of the disposal of food surpluses, it recommended that the F.A.O. member Governments should dispose of their surpluses "in an orderly manner, so as to avoid any undue pressure resulting in sharp falls in prices on world markets." As an immediate measure, the Conference instructed the F.A.O. to draw up special distribution programmes, such as feeding of children, together with the World Health Organisation and the U.N. International Children's Emergency Fund. A special F.A.O. Committee will meet at Washington early in 1954 to study the best means of disposing of surpluses. This Committee's deliberations will, naturally, be watched with interest in this country, which still remains, despite sizable increase in food production, a large importer of foodgrains.

MADRAS-ANDHRA RICE DEAL

The new rice deal agreed to by the two Governments of Madras and Andhra is of a type that would certainly shake one's faith in the formation of new linguistic States in the country. Before the Partition of Madras, the State Government got rice from the surplus Andhra districts for distribution in the deficit districts of the composite State. Rice flowed freely without any price restriction between the districts under the zonal arrangement for distribution of the commodity. After the Partition, the Government of the 11-week old linguistic infant State demanded discontinuance of the regional system which linked certain Andhra districts with certain deficit districts of the residuary State. Further, it asked for payment of a bonus of As. 8 to a rupee for every maund of rice exported from Andhra. Madras being a deficit State, the demand gave rise to a piquant situation, requiring the urgent intervention of Mr. R. A. Kidwai, Union Minister for Food and Agriculture. Mr. Kidwai has of course, brought about a settlement but only at the cost of a sound principle. Thus, the agreement conceded that the Government of a State which has a surplus of food can extort a special price from the neighbouring State which is deficit in that commodity. That this is an unsound principle, capable of doing great harm to the unity of this country, needs no reiteration.

The Madras-Andhra deal is linked to the purchases of rice made by the Madras Government in Andhra areas in 1953. This year the Government of Madras got 200,000 tons of rice from the Andhra area—100,000 tons by procurement levy and another 100,000 tons by other arrangements. Under the new deal, the same quantity is required to be sold by the Andhra Government in 1954. Of this quantity, sale of 100,000 tons would be on a Government-to-Government basis and the balance will be sold by the Andhra Government to the merchants of Madras. The price at which the Madras Government would pay for the rice would be the same at which it got rice this year, though the trend of prices is generally downward. It is stated that the Andhra Government would make a profit of As. 3 to As. 4 on every maund sold to the Madras Government. The price payable by the Madras merchants would be lower than those paid by them hitherto; they would, however, be slightly higher than the price charged to the Madras Government. But what is most important is that on this sale, the Andhra Government would earn a profit of As. 12 on every maund of rice sold to merchants. Thus on all the sales made to Madras State the Government of Andhra would make a profit of As. 8 per maund. It is said that this is the same as the bonus paid to Orissa on every maund of rice it exports, but the point is that before the State was partitioned, the people in Tamilnad and other parts of the Madras State had not to pay this additional price for the rice they got from the areas which now constitute Andhra. That apart, a mistake once made (in the case of Orissa) cannot be an excuse for making more mistakes.

When asked to explain the presence of the bonus element in the price charged by the Andhra Government, Mr. Kidwai stated:

> "The Madras Government will not have to pay a single pie extra to the Andhra Government for the rice they require. They have agreed to take rice from Andhra because they will be getting it at a price at which they themselves got this year. Madras merchants who were paying a higher price in the open market in Andhra will get rice in the coming year at a lower price. So everybody should be satisfied."

Mr. Kidwai's explanation would, of course, be sound and reasonable, if prices next year were to remain higher, or at the same levels as those this year. But the world trend, as also the expected bumper rice crop in this country, suggests the possibility of a declining trend in rice prices next year. In that event, the Madras State would certainly stand to lose by the agreement which has allowed bonus payment through the backdoor. This apart, it is strange that the State Government should have resorted to profiteering—about Rs. 25 lakhs—at the cost of the deficit districts which formed part and parcel of one State till almost yesterday. People in this country are even to-day told to believe that formation of linguistic States would not affect the economic well-being of the country as a whole, and that it would not threaten the unity of the country. That these views are not dependable is proved by the bellicose attitude adopted by the Andhra Government towards the Madras State. The rice deal under reference is a clear indication of the separatist economic tendencies which have cropped up between Andhra and Madras. It should serve as both a lesson and a warning of the dangers which are pregnant in the formation of linguistic States.

PLANNING POWER OUTPUT

Reports from New Delhi aver that the Planning Commission is concerned over the fate of its plan for power output from multi-purpose projects. It is stated that the estimated capacity that is being, or is shortly to be, installed bears no relation to the foreseeable demand for it. Consequently, the Planning Commission is stated to have decided to set up a technical committee to enquire into the matter, taking into consideration the resources available for development plans in general. So far, the only project where prospects for the consumption of the entire quantity of power generated are bright is believed to be the Damodar Valley. It is feared that there may not be sufficient demand in the foreseeable future even for the electricity generated by the only power plant which the Government has decided to set up at Bhakra-Nangal. Similar views are held in regard to the Hirakud.

The picture thus presented is certainly intriguing. There are two schools of thought, one holding that the demand for power should precede supply and the other, that the supply will create, as has happened in the State of Mysore and elsewhere, its own demand in course of time. We have generally supported the latter school and we have no reason to change our view. Nevertheless, it must be admitted that the question whether it is wise to create an excessive surplus through simultaneous generation of electricity at all multi-purpose projects, leaving demand to wild speculation is an important one. Certainly, there should be some reasonable relation between installed capacity and the expected demand determined by the possible decentralisation of industries, the establishment of new industrial units and the popularisation of electricity for lighting, cooking and other non-industrial purposes.

RAJASTHAN'S TAX PROBLEMS

In the leader on the subject of the Rajasthan State Government's memorandum to the Taxation Enquiry Commission, which appeared in our last issue, a reference to an important feature of this document, namely, the Government's views on the objectives of a sound tax policy, was unfortunately left out, when the page was made up, for considerations of space. In view of the realistic stand taken by this State Government, it deserves to be recorded in these columns. A sound taxation policy, according to the Rajasthan Government, should aim at "equal distribution of income, encouragement to workers engaged in productive activities and maximum social advantage"; it is not opposed to estate and inheritance taxes. But the Government hastens to emphasise that inequality in the distribution of income is inevitable. It adds that all that a sound taxation system should aim at is only the "diminution of inequalities," and that, even in this respect, the principle should not be "stretched to the extent of discouraging savings" so essential to the economy of the nation." This is an eminently reasonable stand, indeed, which, in these days of uncritical socialistic tendencies, needs to be particularly emphasised.

EUROPEAN ECONOMIC SCENE

Once again, the Organisation for European Economic Co-operation has administered the warning—in the course of a survey issued this week—that hesitant approach on either side of the Atlantic will harden the division between the dollar and non-dollar areas and will strengthen resistance to the changes required. If, therefore, a freer competitive economy in the international sphere is to be re-established, new initiatives in scope, as well as purpose, are, according to the Organisation, necessary. In its considered opinion, a lasting solution to the world's dollar disequilibrium lies in a change in the basic economic policies of the U.S. and the European countries.

These are indeed very pertinent remarks which indicate how vital a role the countries of Europe and the U.S. play in shaping the world economic set-up. That the European countries have fully realised this factor will be evident from the importance attached to the problem of maintaining a high level of economic activity. Two notable aspects of the changed policies of the Governments of these countries are: (1) Greater reliance on material incentives to stimulate production and deliveries and (2) recognition of the principle, particularly in countries other than the U.S.S.R. and its camp-followers, that private enterprise has a continuing part to play in economic progress. An idea of how far and to what extent such a shift in emphasis in the economic policies have helped in the task of economic development can be had from the *Economic Bulletin for Europe—Second Quarter, 1953*, recently published by the Secretariat of the Economic Commission for Europe.

According to the *Bulletin*, industrial production in most of the West European countries registered improvement during the second quarter of 1953. Similarly, in the field of agriculture, the outlook is believed to be generally promising. Wheat crop, for instance, is expected to reach record levels. The output of other grains, particularly barley, is also expected to be appreciably higher than that a year before. In the field of trade and payments, too, the majority of countries improved, during the period under review, their balances of trade. The terms of trade improved further for almost all countries, as commodity prices continued to decline. Both overseas imports and exports were higher in volume. The proportion of overseas imports coming from the dollar area has been diminishing since the second quarter of 1952. Exports to dollar countries continued to increase. Additions to reserves from transactions with the U.S. were even higher than they had been in the first quarter of 1953, mainly because of the seasonal increase in tourist earnings and a new rise in exports to the U.S. In Latin American and Middle Eastern markets, Western Germany continued to advance at the expense of the U.K.

Additions to dollar reserves from transactions with the U.S. which had been secured in Continental Europe since the second quarter and in the U.K. since the third quarter of 1952 were even higher than in the first three months of 1953; such additions to Europe's convertible reserves reached $530 million during the second quarter. A good two-thirds of this was gained by the U.K. and W. Germany. The only countries which suffered significant losses of gold and dollar reserves during the quarter were Belgium and Norway, both of which paid gold to the E.P.U. This further strengthening of European dollar reserves was due mainly to the seasonal increase in tourism (with direct receipts from travel rising by $66 million from the first quarter to a level roughly one-fourth above that of the second quarter of 1952) and a new rise in exports to the U.S.

Commodity prices, which began to fall in the early spring of 1951, continued to decline gradually throughout 1952 and the first eight months of 1953 and were, in a number of cases, no longer above those ruling before the outbreak of the Korean conflict. The fall in foodstuff prices had been much less marked. Disparities between prices charged by hard and soft currency countries, which had widened during the Korean crisis, began to narrow down in the third quarter of 1951 and for a number of commodities had disappeared by the middle of 1953. During the quarter under review, the prices of some commodities—petroleum, wool, cotton, lead and sugar—rose moderately, while those of wheat, tin and rubber fell substantially.

In the East European countries, the second quarter of 1953 witnessed the adoption of further measures with a view to achieving the objective of bettering the lot of the consumer. Priority was thus given to augment supplies of consumer goods. It is necessary, however, to distinguish in this respect between the U.S.S.R. and other E. European countries. On the most general level, the increased emphasis on consumption constitutes a sharper reversal of policy elsewhere in E. Europe than in the U.S.S.R. In the latter country, the successive annual reductions in retail prices are evidence of a continued increase in consumption during the last several years. The more rapid growth of consumption now envisaged is represented as a natural development of this trend, now that a particular level of economic development and military preparedness has been achieved. In other E. European countries, by contrast, no such continuity of policy is claimed. The policy changes are often explicitly recognised as corrections of a previous over-emphasis on investment and other forms of accumulation at the expense of consumption levels, which do not appear to have improved.

The need for a higher rate of investment in agriculture has now been officially recognised in many E. European countries and the importance of material incentives to farmers has been re-discovered. In the U.S.S.R., the unsatisfactory level of agricultural production has attracted notice and several important reforms have been introduced. The measures adopted fall under two broad groups. First, increased resources—capital and current—are channelled to the agricultural sector. The second group of measures represents essentially a change in attitude. The main features are acceptance of the need to rely more on material incentives to raise output from collective farms, and recognition that individual enterprise, as practised on the plots of land which members of collective farms are still allowed to retain for private cultivation, has a continuing and important part to play in Soviet agricultural production. The importance of raising output on private plots, it is stated, has been explicitly affirmed, and a substantial part of expenditure on acquiring cows is allowed to be set off against tax liabilities in 1953 and 1954.

OFF THE RECORD

(By "ROVER")

WITH both the Prime Minister and the Finance Minister addressing important gatherings in Calcutta, the eyes and ears of the country's business community had naturally been turned towards this eastern metropolis this week. Even otherwise, December is an important month for commerce and industry, as the policy decisions behind the budget of the Government of India and those of the States are taken about this time. However, closely the secrets of the budget are guarded, there is always some scope left for intelligent anticipation, by shrewd observers able to read between the lines of authoritative pronouncements of Ministers, controlling the fiscal and financial policies of the country. When these utterances are specifically directed towards important sections of the business community, they are bound to reveal the way the Ministers' minds are working on important issues.

While there was much in the public addresses of both these Ministers at Calcutta, to create a sense of confidence amongst business men about their future, it remains to be seen how far they would have this wholesome effect and promote expansion of industrial activity in the coming year. It is not the first time that top-ranking Ministers have given expression to similar sentiments about the usefulness of and scope for the private sector in the country's economy. What is amiss is with the policies which are pursued simultaneously with these rather empty assurances. They have failed to create that sense of confidence, without which no enterprise and enthusiasm are possible.

Leaving it to others to analyse the contents of these speeches, which business men all over the country are scanning carefully, I should like to say a word about the general tone and tenor of these seasonal revelations. So far as the Finance Minister, Mr. C. D. Deshmukh, is concerned, there is little to look for in this direction. He is always his suave and soft-spoken self, at least at public gatherings, even though he may reveal a bit of a temper and impatience very occasionally in Parliament. He may not (few Finance Ministers can really afford to) say what might gladden your heart and set at rest your general misgivings. But Mr. Deshmukh can be depended upon to wrap up the bitterest medicine which he might have to administer in a coat of sugar or honey, to ensure that his victims swallow it without making a wry face. Even the medical profession has failed so far to press into its service the anæsthesia of words and sweet reasonableness which Mr. Deshmukh has discovered, to make his painfully unpleasant pills, potions and incisions harmless in their appearance. It would be sheer waste of time to analyse the form into which his speeches are cast to get a peep into his secretive mind. All that one can gather from what he said at Calcutta is that no one should expect anything by way of tax relief from him in the coming budget. There was a lingering hope in some quarters that he might be prevailed upon to give some direct incentive to industry at this critical moment when stagnation threatens it. If it can be taken for granted by implication that there would also be no fresh burden imposed on it, that in itself should be construed as incentive enough in the present circumstances.

But it is exactly the reverse with the Prime Minister. What Mr. Nehru says and how he says it often reflect not only the working of his mind but as much his mood of the moment and his temper. Though he is one of the most prominent figures in the world of diplomacy to-day, he has, perhaps, the least resemblance to the diplomat of tradition or even the more aggressive, smooth and demonstrative type which the U.S.S.R. has now made familiar to the international world. Mr. Nehru is too sincere and outspoken to suit either pattern. But what marks him out as a public figure, from the usual run of politicians strutting on the international canvas, is not so much his impulsiveness as his habit of groping and searching in the company of those he is dealing with or talking to, for a solution to any given difficulty rather than the professional attitude of selling one already decided upon by him, adroitly to his listeners.

For him, not only conversation but even a more formal mode of address is an occasion for an intellectual adventure in company with others in thinking out aloud the various perplexities of a situation. He has his share of prejudices and propossessions like any other mortal, but he does not start with these as his unshakeable premises. Neither has he any mental reservations, when he is in this mood of indulging in what I would like to call a mental adventure in search of a synthesis for his thesis and antithesis. It is a delightful trait, which generally does not fail to endear him even to those who fail to see eye to eye with him on momentous issues For some time, this distinguishing characteristic of his had not been in evidence in his public dealings. It may be that he has been overburdened with anxieties and work: it may be that he has not been in the best of health recently. Whatever the cause, Mr. Nehru's speeches and even his general attitude towards the many problems and happenings which are bound to beset a busy man of his position and status, have been marked recently by a lack of this quality of taking his listeners completely into his confidence, adventuring forth hand-in-hand with them and revealing to them his misgivings and his leanings. In fact, his reactions on occasions have been marked at times with peevishness and oftener by a lack of general appreciation of the other fellow's difficulties.

Apart from the vaguely reassuring statements which he made and the sentiments he gave expression to in connection with the future economy of the country and the undefined and the still very uncertain place of the private sector in it, it was his return to his former form at Calcutta, while addressing the Associated Chambers of Commerce, which brought good cheer to my heart. After a lapse of months, Mr. Nehru was his old self again. In spite of the proposed U.S.-Pakistan military pact weighing heavily on his mind, the Prime Minister was keenly alive to the extremely fluid economic situation in the country to-day and anxious to find a fair, just and workable basis for stabilising it. He was not dogmatic, as he is apt to be when put out by some unexpected development. He appeared, unlike some of his colleagues, even prepared to concede that whatever conflict had arisen was there not because of uncontrolled selfishness, greed or unreasonableness on the part of business men but because of the nature of things themselves and had to be resolved in a spirit of compromise and not compulsion of one element or another.

What, for instance, could be more conciliating and disarming than Mr. Nehru's ready admission about the vulnerability as well as the cracks and crevices in the national Plan? He even went to the length of confessing that it was not so much a plan as an approach to the problems facing us to-day. He defined it as an attempt to evaluate the available resources and the best method of utilising them for the benefit of the country. There is little you can say to a man in high authority, who comes out with a candid statement that "we are learning by error and trial," even though it be obvious that many of his fellow ministers, in spite of many errors and trials, had learned precious little from experience. Similarly, his attempt at explaining to the business community the Government's difficulty about arriving at clear cut and quick decisions arising from the necessity imposed by the democratic set-up, was in the nature of pleading for patience and understanding. It was at the same time another way of saying that all the decisions which were taken could not be based on merit. It is not infrequently that the business community is driven to accuse the Government of submitting to political compulsions and appeasing recalcitrant interests, instead of dealing in a just and fair manner with all the interests concerned. Self-preservation being as powerful an instinct with institutions and Governments as with individuals, the business community has to get reconciled to this fact.

I do not think I am alone in holding, after a careful perusal of this speech of his, that Mr. Nehru was not only aware of the various contradictions and weaknesses of his Government's economic policy, but that he was either consciously or subconsciously apologetic about it. He possibly wanted the business community to understand the limitations within which his Government had to work in the economic field and the care and compromise with which it had to meander its way in a field strewn with land mines. He was obviously at great pains not so much to justify as to explain the stark reality of the situation which made him countenance and give his consent to policies, which could not possibly stand a test of logic and reason.

And finally, the Prime Minister neither belittled nor ignored any of the major points raised by Mr. E. J. Pakes, President of the Associated Chambers of Commerce, in his address. He freely and openly avowed that they were important. He did not question the validity of most of these. All that he asked from business men was that they should try to look at these problems from a different angle, meaning, of course, the angle from which a man in his position and with his responsibility had, perforce, to view them. Used as we are either to evasions or more often to airy and arbitrary dismissals of crucial points raised in any controversy with some of the arrogant State Chief Ministers and partisan Ministers even at the Centre, this refreshing candour and the innate courtesy of approach in the attitude of the Prime Minister must have come as a pleasant and welcome surprise.

There is another aspect of this speech to which I should like to draw the pointed attention of those engaged in industry. An important and more demonstrative section of the party in power over which the Prime Minister presides is burdened with a cramping heritage of hatred for machines. These people are blind to the otherwise easily ascertainable fact that it is not the machines in themselves but the greed and the cruelty which form part of the human mind, which have made of industrialisation so ugly and unhealthy a form of economic organisation of society. There were no machines in the age when human slavery or untouchability flourished and were looked upon as economic necessities of the social order of the day. Exploitation of fellow human beings began long before the Machine Age. Only it took different forms in those days. All the same, this section, moved more by preconceived prejudices, has found in the present increase in unemployment an excuse for attacking the machines and those who use them for profit. Being highly gifted with a rationalist and scientific turn of mind, the Prime Minister obviously does not share in this prejudice and he must have had to do great violence to some of his cherished convictions in accepting some of the policies based on it, as can be seen clearly by reading between the lines of his Calcutta address. The business community is naturally alarmed at this new anti-machine prejudice which has already found recognition in some official circles and has begun affecting Government policies. The only solace for mechanised industry lies in the fact that the Prime Minister, with his obvious leaning towards what he calls a "jet plane economy," might be trusted to keep the wilder men from attempting completely to ruin industry in their misplaced zeal.

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GOVERNMENT ALIVE TO PROBLEM OF UTILISING IDLE PRODUCTIVE CAPACITY?

TARIFF COMMISSION ON RIGIDITY OF COSTS

(From A Special Correspondent)

NEW DELHI, 15th *December*

WAYS and means of reducing the idle capacity in industry as far as practicable have begun to engage the attention of the Government of India. Although the Government has been aware of this need for some time past, the unemployment problem and the report of the Expert Committee on Engineering have made it realise that a careful and well designed policy might bring about fruitful results especially if suitable measures of co-ordination were taken to utilise fully the inherent capacity of the various sections of industry from the point of view of maximising production. In some of the basic metal industries, the output has been a mere fraction of the installed capacity. This is particularly noticeable in the manufacture of pipes and tubes, machine screws, razor blades, etc. The present rate of production of diesel engines is barely 40 per cent. of its capacity. The position is not encouraging either in regard to twist drills, plain calico looms, complete ring spinning frames, carding engines, conduit pipes, etc. Some industries like malleable iron castings complain of excessive imports of certain types of goods which could be produced by the industry itself, non-utilisation of its capacity by the railways to the desired extent and difficulties in the procurement of steel melting scrap at controlled prices. Similarly, the machine tool industry, and a number of machinery manufacturing concerns engaged in production of machinery for the jute, sugar, tea industries, etc., have been complaining that their capacity is not utilised fully for some reason or other.

DELHI LETTER

The Government of India recognises the fact that mere restriction of imports will not solve the problem, without, at the same time, ensuring quality production in all these matters. The whole problem is now being examined afresh at high levels. At first, the Government is likely to take such measures as are necessary to facilitate imports of essential raw materials for augmenting the output of these industries. In regard to the engineering industry, for instance, the Government is likely to liberalise imports of special quality steel and also some essential non-ferrous metals. Now that the steel supply position in Europe and the U.S. has eased considerably and the prices of steel are being revised downwards, there will be no difficulty in getting adequate quantities of steel from abroad. At the same time, the Government may give greater preference to the use of indigenously manufactured goods in its departments, as well as in quasi-Government concerns, with a view to stabilising the progress of the country's engineering industries. The import policy is now being reviewed from this angle.

Electrical Industry

The idle capacity in the electrical industry is also being estimated at the same percentage as is prevalent in the engineering industry. This fact was revealed by the President of the Indian Electrical Manufacturers' Association, which held its meeting here this week. "The underlying causes," he pointed out, "are, to a large extent, attributable to the rigidity of economic conditions, under which the Indian industries are carrying on their production. The cost structure has attained a rigidity on account of the enforcement of the Minimum Wages Act and it has become impossible for the industries to compete with foreign manufacturers. The situation becomes worse when factors governing production costs are conveniently ignored in placing Government orders." The President further suggested the appointment of a Development Council for the industry, so that it might keep pace with the rapid growth in the country of the generation of electrical energy and to co-ordinate the various sectors of the industry along lines of progressive development. This meeting was inaugurated by the Production Minister, Mr. K. C. Reddy, who assured the industry that Government would always pay particular attention to the production potentialities of these industries in its formulation of the import policy. He also told them that the Government would not duplicate production in its Dry Core Cable Factory or for that matter in its proposed Heavy Electrical Plant Manufacturing Company.

The rigidity of cost structure of industry has received considerable prominence of late in Government, especially after the note submitted to it by the Vice-Chairman of the Planning Commission, Mr. V. T. Krishnamachari. He stated: "It is commonly felt that, owing to welfare legislation, labour costs have increased, with no corresponding increases—rather decreases—in output and that the diversion of surplus labour in some fields into useful directions has become impossible. *This requires careful examination and* remedial action." The Government has now appointed a committee of high officials to examine and report on the question to the Cabinet.

Tariff Commission's Views

This aspect of the problem has also received particular *mention in the latest report of the* Indian Tariff Commission. The Report says:

"Examination of the cases of several industries by the Tariff Commission during 1952-53 (October-September) revealed a trend towards an increase in costs, particularly in labour costs. The retention prices or control prices of commodities like steel, raw rubber and tin plate had to be revised upward after the necessary enquiries. Protected industries continued to complain of consumers' prejudice and to put forward this as a ground for continuance of a measure of protection. In some of the protected industries, as well as in the industries seeking protection, it was found that proper scientific system of costing did not exist and, therefore, the determination of the precise quantum of protection required by the industry, was somewhat difficult. Complaints from consumers against protected industries for taking advantage of protection to charge high prices were remarkably few. Several protected industries represented to the Commission that the liberalisation of import policy had reduced or nullified the effective protection enjoyed by them and asked for review of the position. A noticeable feature of several cases of industries coming up either for fixation of prices or grant of protection was the high cost at which their fixed capital, including machinery and buildings, had been acquired and installed. This is of the greatest significance not only to the competitive position of the industries themselves but also to the building up of a sound low cost industrial economy for the country."

Of the 44 industries currently enjoying protection, protection has been granted to 25 by the mere conversion of the revenue duty into an equivalent protective duty, says the Report. The significance of such conversion is that, once an industry is protected, the quantum of protection can be varied from time to time by a notification under section 4 (i) of the Indian Tariff Act, 1934. In these cases, no additional burden has been imposed on the consumers. The remaining 19 industries have been granted protection by an increase in the revenue duty in force prior to the grant of protection. For many of the industries, protection has been renewed after the initial period. One or two industries enjoyed subsidy also in addition to protection, some time ago; at present, no industry enjoys subsidy.

The general price trend in many of the protected industries has been very steady. Among these mention may be made of sewing machines, cotton belting, grinding wheels, ring frames, oil pressure lamps, hurricane lanterns, spinning rings, spindles, looms, bicycles, machine screws, etc. In some of them, there was even a slight decline in prices. The Report, however, fails to give a critical review of the progress of the various industries in regard to production, the extent of self-sufficiency, quality of the products manufactured, etc. Viewed thus, it is a very disappointing performance. The country expects a more critical assessment of developments in the protected sector and of the Government's policy pertaining to it, inasmuch as it is not an appendage of the Government but an independent commission.

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electricity instead of coal; the promotion of greater fuel efficiency in industry; the better cleaning of coal at the pits. As the report admirably sums up: "It is simply a question of balancing the cost and inconvenience of enforcing a more efficient and scientific use of our fuels against all the advantages to be obtained in health, convenience and economy from a clear atmosphere." So the doom of Britain's "smog" can be decreed.—*All Rights Reserved.*

"SMOG" NUISANCE IN U.K.

ADOPTION OF CONTROL MEASURES NECESSARY

(From Our Own Correspondent)

LONDON, 5th *December*

A LONG-SUFFERING public, inured to the rigours of an English winter—never sufficiently certain to enable adequate precautions to be taken against them—was startled a few weeks ago by a medical group who warned them of the deadly nature of their familiar London fog and offered them a mask to wear for protection. Fog, the public were told, was one thing, inescapable from this island's climate, but it was made deadly by the addition of smoke, grit and sulphur particles which combined to produce "smog". Of course, "smog" and the "smog mask" immediately became a London joke—until the Minister of Housing introduced this week the Interim Report of the Special Commission on Air Pollution which he had set up to study the phenomenon and to make recommendations. Now "Smog" has received official recognition and the Meteorological Office is to issue "smog" warnings whenever an area is likely to be affected for more than 24 hours.

LONDON LETTER

The arch-criminal in this pollution of the British climate is the domestic fire which accounts for half of the two million tons of solid matter that is deposited over this country every year as a result of inefficient fuel combustion. Industry, including the power stations, accounts for nearly the other half, leaving a small balance to be made up by railway engines and motor cars—the latter contributing oil particles and carbon monoxide. On the fuel side, the loss caused by inefficient combustion is put between 5 and 10 million tons—approaching 5 per cent. of the total solid fuel output of the country. But apart from this loss there is a vast damage to property, a huge national laundry bill and ill health. The Commission put the national loss, in so far as it is calculable—apart from the fuel loss—at some £100 million a year. If this were all it would be worth special measures, but in December, 1952, the prolonged fog killed 4,000 persons and caused suffering to many thousands more. And year by year, we are told, the smoke and the sulphur absorbed by the respiratory system weakens the nation's health and renders the population more subject to other diseases.

Apart from smoke, especial damage is done by sulphur and there industry has the chief responsibility, supplying three-fifths of the pollution, while the balance is jointly contributed by the power stations and the domestic grates.

Remedy For the Trouble

The Committee points the way to remedy the trouble. There are 12 million old-fashioned grates in this country which will take time to replace: they cannot burn smokeless fuels. Modern grates must gradually become standard and enough smokeless fuel must be produced for all the large urban areas to use. Already local authorities are required by law to install grates of certified efficiency in new buildings—the same should be required of all private builders. While if the Government were to lay down that in 10 or 15 years' time, only smokeless fuels could be burnt in open fires in scheduled urban areas, the problem would be well-nigh solved. Perhaps they are awaiting the final report of the Committee before taking such a drastic step.

So far as industry is concerned—half the smoke and three-fifths the sulphur—the problem, says the Committee, is completely solvable. Smoke-abating devices already exist and industry only creates half the pollution caused domestically per ton of fuel consumed. Though the general introduction of fully-efficient smoke abators would mean substantial capital expense, the saving to the nation would far outweigh the cost. Smoke pollution by industry could be ended in a very few years, if the country so decided.

Can anything be done meanwhile? The smoke control measures in industry could be brought to full efficiency for this winter; greater care could be taken in stoking; householders should use coke or smokeless fuels to the capacity of their equipment whenever fog is forecast and avoid banking up their coal fires at night; no rubbish should be burnt, while the "emergency" lasts. These are the palliatives—the longer term measures include the production of more smokeless fuels; greater use of gas and

(Continued in previous column)

AMERICAN LETTER

CONFLICTING TRENDS IN U.S. ECONOMY

NO SERIOUS RECESSION, HOWEVER, FEARED

(From Our Own Correspondent)

NEW YORK, 10th *December*

THE improvement of sentiment, noticeable for the past few weeks, continues here. The stock market, which, rightly or wrongly, is looked upon as the barometer of business conditions, has perked up in a mild sort of way. The conclusion is that whatever mild recession may occur will not be serious. The markets were cheered particularly by the continuation of an avalanche of year-end dividends and by the consideration that the promised elimination of the excess profits tax and the reduction in income-taxes makes for a happy 1954 corporate outlook. In fact, the news is such as to make it possible for optimists to find evidence that business is well maintained and for the pessimists to see signs of a downturn. Total employment and retail trade are certainly well maintained, although the ten days' newspaper strike in New York led to some reduction of volume locally.

On the whole, however, such merchants as automobile dealers, furniture and appliance stores, lumber and hardware shops and food chains have been doing more business than last year. This encouraging sales experience occurred without the aid of the large increases in Instalment debt which helped sales last year.

Signs of Downturn

Signs of a downturn include the fact that industrial output in November was 5 per cent. below the spring peak. Factory employment, while still high, has declined for three months and the percentage working overtime was off again. Claims for unemployment insurance have been rising, and in recent weeks, they have been up to 50 per cent. higher than last year. Also, in order to move inventories, substantial price concessions had to be made in some lines. It may be said that, in most durable manufacturing industries, shipments exceed new orders so that order backlogs are declining and this process seems to be accelerating.

So far as the capital expenditure programmes for 1954 are concerned, they seem to be off from the respective 1953 figures. They will even be cut more, if business does not turn out to be as expected. Capital expenditures have been one of the prime factors in U.S. business and should be watched closely. Failure to expand means slackness, at least in the American industrial vocabulary. Indeed, the expansion of American industry helped by inflationary tendencies over the past decade has been so rapid that it is most difficult to evaluate a trend based on normalcy. For, what is "normal"?

Those who measure the level of business in terms of normal, as the current bulletin of Northern Trust Company in Chicago says, suggest that business is slipping, as the many unusual factors that have stimulated activity in recent years lose force. But whether and how far business may fall below "normal"—whatever that is—is a subject of much speculation and difference of view at this time. Transportation—ground and air—one of the most sensitive indicators, certainly is off in all parts of the country.

So far as defence spending is concerned, it is now indicated that something less than $3,500 million will be cut from the Defence Department budget. Earlier, it had been hinted that the cut might run as high as $6,000 million. This will undoubtedly be an issue in the Congressional elections of 1954. Both parties, the Democratic and Republican, are now beginning to formulate their strategy.

Communists in Government will be another issue which Senator Joseph McCarthy of Wisconsin probably will not let die. His recent contest with the White House certainly was revealing. His proposal is for Washington to cut off any funds for any Government which is doing business with Communist China, for example. The Senator urged, in a radio broadcast, for anyone to make their respective positions known to President Eisenhower.

As a result, the White House was swamped with telegrams and letters. The final result is not yet known, but the telegrams alone are running two to one in Senator McCarthy's favour. This, of course, does not prove a thing, except that a small segment of the middle western farm population still has an anti-foreign sentiment which is the outgrowth of the preceding isolationism. Those who state such opinions, obviously, have not at their disposal the facts that the State Department has, and the opinion to judge what harm and what good would be derived in following the Senator's ideas.

Support to Eisenhower Administration

Meanwhile, the Democrats in Congress are expected to support the Eisenhower Administration on such matters as broadening of social security, boosting the minimum wage and extending the reciprocal trade law. Congressional decisions and the lawmakers' mood will naturally be much influenced by the business climate. At present, the state of mind is dominated oy uncertainty.

Statistically, however, things still do look fine. The grand total of consumer credit is still rising, but at a much slower rate than previously. In October last, for example, there was a rise of $139 million, as against $521 million in the corresponding 1952 month. The total at the end of October was $28.200 million, up $4,000 million over the figure 12 months previously.

The November volume of construction was one of the bright spots in the economy. New highs were set in both public and private building work and commercial building "rose contraseasonally to a new all-time monthly high," the Federal report says. For the first 11 months of 1953, total new construction outlays came to $32,100 million, which was 7 per cent. higher than in the corresponding 1952 period.

The number of unemployed rose by about 300,000 in November to 1,428,000, according to figures of the Department of Commerce. At the same time, the number of people working in non-farm jobs was 55,200,000, a new November high. Also, income payments to individuals in the first 10 months of 1953 were at the annual rate of $284,500 million, which was nearly $17,000 million higher than a year before.

The whole point is that, at the present time, there are many conflicting tendencies and inconsistencies. If any generalisation can be made at all, it seems to me that there is neither an up nor a pronounced downtrend in the American economy. The present state is one of rolling adjustments which is likely to prevail for some time.—*All Rights Reserved.*

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per annum. This, it is said, will result in a saving of Rs. 4 crores worth of foreign exchange.

An important event in the history of Pakistan's currency is the decision of the Government to introduce, with effect from 1st April next, the decimal coinage system. Accordingly, the Pakistani rupee will have 100 pice. As a measure of economy, no new coins are proposed to be minted, except the new pice; 25 of them will make the present quarter rupee and 50 the present half rupee.

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PAKISTAN NOTES

INDO-PAKISTAN TRADE

CHINA'S COAL FOR E. BENGAL

TRADE between India and Pakistan is at present practically at a standstill. The Indo-Pakistan trade agreement, entered into last year, expired on 31st August, 1953. Neither has the period of the agreement been extended nor any efforts made by the Governments of the two countries to revise the agreement or to sign a new one. The trade is, therefore, now confined to arrangements made between private parties on either side. Considering the complementary economic relationship that exists between India and Pakistan, a full-fledged and comprehensive trade agreement between them is imperative, whatever may be the political differences. It is to be hoped that the authorities in both the countries will make earnest efforts to bring about happy and cordial trade relations.

Be that as it may, the volume of Indo-Pakistan trade has been steadily declining. The aggregate value of this trade during the period 8th August, 1952, to 21st August, 1953, for instance, was not more than Rs. 26.29 crores, which compares unfavourably with Rs. 105.61 crores during February, 1951-June, 1952. The fall in value is accounted for by both exports and imports. Exports from India to Pakistan during the period of the trade agreement were of the value of Rs. 17.26 crores, as against Rs. 65.25 crores in the period covered by the previous agreement. Imports from India also dropped from Rs. 39.36 crores to Rs. 9.05 crores. The balance of trade was favourable to Pakistan to the extent of Rs. 8.21 crores. The favourable balance in the previous period was Rs. 25.89 crores.

It would not be out of place here if a brief reference were to be made to the latest position regarding India's balance of payments with Pakistan. India's transactions with Pakistan during the first half of this year were characterised by the re-emergence of a deficit—there was a surplus in 1952—although the deficit was negligible, being only Rs. 0.2 crore. The table below (taken from the Reserve Bank of India *Bulletin*) indicates Indo-Pakistan's balance of payment on current account during the first half of 1953 as compared with the position in the previous two half-yearly periods.

(In crores of rupees)

	1953 (preliminary)			1952	
	1st quarter	2nd quarter	Half-year	2nd half	1st half
Imports c.i.f.	3 2	2 3	5 5	12 0	15 4
Exports f.o.b.	2 2	1 3	3 5	17 4	40 1
Trade balance	—1 0	—1 0	—2 0	+5 4	+24 7
Official donations (net) ..	..	..	..	..	..
Other invisibles (net) ..	+0 8	+1 0	+1 8	+3 9	+5 3
Current account (net) ..	—0 2	..	—0 2	+9 3	+30 0

Both imports as well as exports fell, but the fall in the latter, amounting to about Rs. 14 crores, more than offset the fall in the former. While the reduced purchases of raw jute accounted for the low level of payments for imports, the imposition of severe import restrictions in Pakistan in November, 1952, following the deterioration in its balance of payments, accounted for the fall in exports to that country.

Purchase of China's Coal

A recent report from Calcutta avers that imports of coal from China into East Pakistan have considerably increased in recent weeks, the average number of shiploads per week being two. To quote the report: "Ships carrying Indian coal to Japan used to return in ballast formerly. Now, they touch Chinese ports to pick up coal for East Pakistan." While imports of Chinese coal into East Pakistan have thus been increasing, those from India are reported to be on the downward trend. During the month of November, 1953, for instance, imports amounted to only 15,000 tons. The orders placed this month are said to be even less, being 7,600 tons. The Indo Pakistan trade agreement signed in March last, provided for the maximum import of 48,000 tons of Indian coal into East Pakistan every month. Imports of Indian coal into West Pakistan, however, have been according to schedule, that is at the rate of 33,000 tons per month.

Jute Goods Import

The Government of Pakistan is understood to have decided not to import any jute goods next year. Disclosing this, a spokesman of the Pakistan Industrial Development Corporation is reported to have stated in Karachi recently that 1,400 jute looms, established so far in East Bengal, would help the country meet its own requirements of about 40,000 tons of jute goods

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RESERVE BANK OF INDIA ACT AMENDED

HIGH DENOMINATION NOTES—RURAL CREDIT

THE House of the People passed last week the Reserve Bank of India (Amendment and Miscellaneous Provisions) Bill. The Bill seeks to provide Rs. 5 crores for medium term agricultural credit and permit the issue of high denomination notes. An amendment proposing to increase the amount of Rs. 5 crores to Rs. 25 crores was rejected by the House.

The objects of the Bill as stated above being simple, there was practically no difficulty in getting the Bill through the House. With regard to the clauses seeking permission for issuing new high denomination notes, the Deputy Minister, Mr. A. C. Guha's preliminary explanations were enough to convince the House of the need for accepting them. It would be recalled that, in the past one or two years, this journal voiced on more than one occasion the need for resuming issue of high denomination notes. It is gratifying to note that the arguments put forward by the Deputy Minister are more or less the same as those advanced by us then. Thus, he admitted that the absence of notes valued higher than Rs. 100 was causing hardship to the business community. It was, therefore, decided to issue notes of Rs. 1,000, Rs. 5,000 and Rs. 10,000. He revealed that preparations for their issue had been completed and that the Government was awaiting the passage of the Bill. Even after the new notes are issued, those that were demonetised in 1946 would continue to be invalid. It is stated that up to now notes of higher denominations worth Rs. 1.25 crores (out of a total issue of Rs. 138 crores) are still in the hands of the public.

Incidentally, the Deputy Minister drew attention to the fact that one of the clauses of the Bill intended to extend foreign exchange facilities at any branch of the Reserve Bank of India to the Government. At present only four branches of the Bank provide these facilities.

The other objective of the Bill, namely, the provision of additional rural finance, was also welcomed by all sections of the House, because it was intended to alleviate distress in rural areas through expanded rural credit facilities. Practically every member who spoke agreed with the objective, though a few availed themselves of the opportunity to emphasise that the measure of assistance sought to be provided was inadequate. It was pointed out that the amount of Rs. 5 crores was pityfully low as compared with the credit requirements of the rural areas. A few others wondered whether this move would at all be of any help to the poor peasants. Some others wanted the Reserve Bank to remember that its responsibility was not over, once the State Government had given a guarantee for a particular loan. It must see as to how the loan was utilised. They, however, did not show how the Reserve Bank could do this. Some actually strayed out and made irrelevant demands. Thus, just because rural credit was sought to be given also through the Imperial Bank's new branches, some members pressed for the nationalisation of that Bank.

The reply to the various points raised in the course of the debate by the Deputy Finance Minister, Mr. A. C. Guha, falls into two broad divisions. One related to the credit facilities sought to be created by the Bill and the other to the suggestion for the nationalisation of the Imperial Bank of India.

Dealing with the credit facilities, Mr. Guha stated that he agreed that the sum of Rs. 5 crores was not sufficient for the purpose, but pointed out that it was in addition to Rs. 12 crores being given every year to State Co-operative banks for seasonal agricultural operations. The Land Mortgage banks, too, had received a little over Rs. 1 crore from the Reserve Bank. Then, there was other forms of agricultural loans. Besides, the Reserve Bank was not the only machinery for financing agricultural operations. The Government had, he said, under its consideration, a proposal to set up an Agricultural Finance Corporation. The final decision on the issue would be taken after the submission of the report by the Commitee appointed by the Reserve Bank of India to enquire into the entire agricultural credit system in the country. He assured the House that the Reserve Bank would supervise the activities of Co-operative banks and keep an eye on the rates of interest charged by them.

Under the present Bill, Mr. Guha said, the Government wanted to provide for short-term and medium-term loans to State Finance Corporations and Co-operative banks to help small-scale and cottage industries. Repayment of these loans and interest thereon should be guaranteed by the State Governments. A limit of Rs. 5 crores had been placed for loans to State Co-operative banks. In the case of the Industrial Finance Corporations a limit of Rs. 3 crores had been placed on medium loans. There was no limit for short-term loans to the Corporations.

The loans were intended, the Minister said, to cover marketing of crops and commodities such as, butter, cream, ghee, gur and milk. Processing such as hulling of rice and ginning and pressing of cotton would also benefit by the loans.

The arguments in favour of nationalisation of the Imperial Bank were: (a) The personnel of the higher ranks was mostly non-Indian in character; (b) the Bank discriminated against Indians, while granting advances; and (c) the Bank enjoyed unfair advantages over other banks in regard to facilities such as transfer of funds. The reply given by Mr. Guha to those arguments was quite convincing. He gave figures showing that the number of non-Indians in the higher ranks of the Bank was far smaller than in 1946. In that year, the number of Europeans in the senior grade was 101. This had been brought down to 29 in 1952. In 1946, there were 15 Europeans and one Indian as senior staff officers. In 1952, the number of the former came down to 11, while that of the latter rose to 12. In regard to (b) Mr. Guha revealed that a representative of the Government of India, Mr. A. D. Gorwalla, attended the weekly meetings of the Bank and was satisfied that there was no discrimination against Indian companies. As regards the third argument that the Bank enjoyed unfair advantages, it was pointed out that similar facilities were extended to all other banks also. He added that the Imperial Bank had opened 34 branches during the last two years and was going to open some more branches. These branches were "expected to do something in the realm of rural credit." The overwhelming majority of the share capital was now in the hands of Indians, and on the Board, Indians formed the majority. The Managing Director was now an Indian. "For all practical purposes the Imperial Bank is," Mr. Guha declared, "almost a nationalised institution. It is not a State Bank, but its management is now mostly in the hands of Indians."

These arguments convincingly prove that the Imperial Bank is a full-fledged national institution. They should set at rest all the suspicions of those in the country who have been unnecessarily labouring under erroneous impressions regarding this great financial institution which has been rendering a distinct service to the country for a long time now. Much of the valuable time of the House has been wasted in the past in discussing the affairs of the Imperial Bank and even members who ought to know better have not hesitated to cast aspersions on the national character of the Bank. In view of the satisfactory explanations given by the Government's spokesman, it is to be hoped that the House will not be called upon, in future, to discuss these points again and again. The Speaker too, will do well to bear this point in mind and prevent wastage of time over further discussions on these issues.

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TRAINING FOR CO-OPERATION

The Ministry of Food and Agriculture announced, last week, that, in consultation with the Reserve Bank of India, it was setting up a high-power committee, under the chairmanship of Mr. V. L. Mehta, to examine the facilities for the training of personnel for the co-operative departments and institutions. The lack of adequately trained personnel is partly explained by the paucity of arrangements for training in Co-operation. Only in a few States like Bombay and Madras are there any satisfactory arrangements for the training of the higher and subordinate officials as well as the staff of co-operative institutions. It was with a view to meeting the increased requirements of the Movement, including those arising from the reorganisation of the co-operative credit structure in several States which is now in progress, that the Reserve Bank initiated, in April 1952, an all-India training centre at the Co-operative Training College, Poona. At this centre, two types of courses are being provided—a short-term course for a period of six months for the higher officials of the co-operative departments and institutions and a long-term course, for a period of six months for the intermediate officials of the co-operative departments and institutions. Since such a centre will hardly meet the requirements of a vast country like India, it is now proposed to organise regional training centres for the intermediate staff. The Poona College will, in addition, continue to provide the training facilities for higher officials.

The Committee which, we understand, is meeting in the last week of this month, is expected to consider the organisation of training centres, with a view to attracting sufficient personnel. It is also proposed to provide, by way of inducement, several financial concessions such as stipends and travelling allowance, etc. Co-operative training should be intended to benefit three categories, namely, the higher staff, the intermediate staff and the subordinate personnel. Although there is, according to the Government resolution, a separation of functions between the Reserve Bank and the Government of India, the fact that one committee is in charge of the entire arrangements will ensure that there will be an integrated scheme of co-operative training. Regional training centres to be started by the Reserve Bank will train the intermediate staff, while the Central Government's help for the training of subordinate personnel will take the form of initiating arrangements for training where they do not exist and of giving subsidies and other financial assistance to institutions which are fulfilling such functions already. One of the limiting factors which have prevented full use being made of the training facilities available has been the fact that co-operative training involves financial strain for the trainees. It is understood that, with a view to providing some inducement to State Governments and institutions to have their personnel trained, some financial concessions such as stipends will be granted. The Committee, at its first meeting, is expected to survey the existing facilities and take steps for new schemes to be introduced in the next two years.

CEYLON SEEKS WORLD BANK LOAN

Ceylon will try to get a loan of Rs. 10 crores from the World Bank to finance the second stage of the Laxapana Hydro-electric Scheme, according to Sir Oliver Goonatilleke, Finance Minister of Ceylon, who passed through Bombay this week on his way to New York from Colombo.

The three-man delegation, headed by Sir Oliver Goonatilleke, will discus the question of the loan with the World Bank authorities. The other two members of the delegation accompany Sir Oliver are Mr. N. U. Jayawardhane, Director of Central Bank, Ceylon, and Mr. R. Kumaraswamy, Assistant Secretary to Treasury.

Sir Oliver told reporters at Santa Cruz airport that Ceylon had already spent Rs. 10 crores on the first stage of the Scheme. A similar big amount would be required for the third stage, he added.

Sir Oliver will fly to Sydney from New York to attend the Commonwealth Finance Ministers' Conference, commencing there from 4th January, 1954.

It may be noted that a Ceylon official delegation which had been to London to seek a sterling loan, returned to Colombo only recently. The delegation was headed by Sir Oliver Goonatilleke, who stated at Bombay, while on his way back to Ceylon, that their talks were very satisfactory. Ceylon would be re-entering its traditional market for a loan to cover its development works as and when the need arose.

The Finance Minister characterised as incorrect the rumours that a devaluation of the Ceylon rupee was considered either in Colombo or in his recent discussions with the U.K. authorities. Making this statement some time back in Ceylon, he observed: "There is not the slightest ground for any apprehension that the Ceylon rupee is likely to be devalued." This observation was made when his attention was drawn to the allegation that as a result of the rumour, funds of the order of £1 million had been sent out of Ceylon through banks by various devices.

THE BATTLE OF SAVOY

SHAREHOLDERS IGNORED

(From Our Own Correspondent)

LONDON, 12th December

SINCE your correspondent's last letter about take-over bids, the case to which he referred —that of the Savoy Hotel—has created vast excitement to the exclusion at the moment of any more serious topics in the City. The original trouble, it will be recalled, arose from the fact that the Savoy Hotel Company which controls three of the largest London hotels showed its assets substantially undervalued in its balance-sheet and the shares, as a result, stood at a level which would have shown a substantial profit to all shareholders on a revaluation. Accordingly, one operator, acting with his own and other funds, began steadily buying these shares, which rose over a relatively few weeks from 26d. to 62d. Another operator—a Mr. Clore—who was the first to come into the public eye, was at the same time buying these shares with the object of acquiring control.

The Board of Trade enquiry into the circumstances of the recent acquisition of the shares revealed the first operator as a Mr. Samuel who had by then got more than 20 per cent. of the shares. This, it was considered, would probably give him an adequate control over the Company. With the existence of Mr. Samuel's hold revealed, Mr. Clore withdrew from the contest, sold his shares to Mr. Samuel and left the battle to him and the existing Directors who, incidentally, only control 7 per cent. of the shares. It then became known that Mr. Samuel wanted, as soon as his control was established, to pull down one of the three hotels, the Berkeley, which was not making a profit—and to use the site for building shops and offices. The existing Directors were horrified at this proposal and took a most extraordinary step. They immediately formed a subsidiary company entirely controlled by a small block of very low par value shareholders (1s. each)—the bulk of the capital in preference shares not exercising effective control. The controlling shares were issued to the Trustees of the Savoy Hotel Staff Benevolent Fund and the rest of the shares were held by the Savoy Hotel Company.

The Directors of the Savoy Hotel Company had, by this action, voluntarily alienated from themselves control over their subsidiary company which now owned the Berkeley Hotel. Their object was, of course, to prevent Mr. Samuel, should he acquire control of the Savoy Company, from being able to carry out his plans with the Berkeley Hotel site—for Mr. Samuel would find that, although he had control over the greater part of the capital of the new subsidiary company, he had no control over that part of the capital, relatively trivial in amount, which controlled the Company!

The propriety of the action of the Savoy Company Directors is now being questioned. It is argued that the Directors have no right, without consulting their shareholders, to alienate from their control a substantial part of the property of a company, even though that part, as in this case, was not earning much profit. The Savoy Directors will no doubt hold that they have acted in the best interests of the shareholders and it is also likely that, although the Trustees of the Staff Benevolent Fund control the Berkeley, the Trustees may, in turn, be controlled by the existing Directors—one of the three anyway is also Managing Director of the Savoy! The principle, however, remains and we have probably not

(Continued on page 1179)

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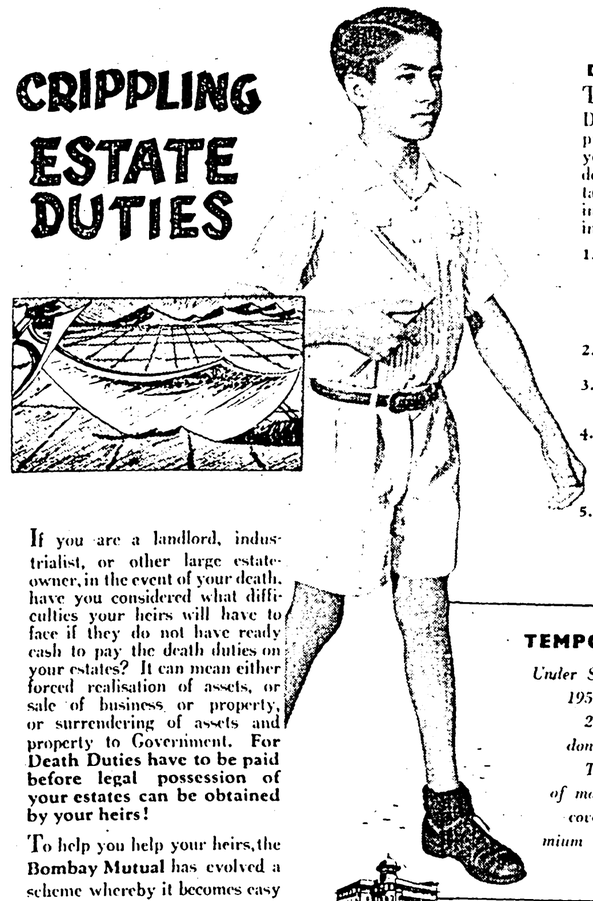

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DEVELOPMENT OF HANDLOOM INDUSTRY

SCHEMES COSTING RS. 2.15 CRORES RECEIVE GOVERNMENT OF INDIA'S SANCTION

BOTH the millowners and the handloom weavers, not to speak of the consumers of cloth, are eagerly awaiting the findings of the Cotton Textile Enquiry Committee. This is only to be expected, considering the keen—rather unfortunate—controversy, handlooms versus mills, that has all along been raging since Mr. C. Rajagopalachari, Chief Minister of Madras, put forward, early in September, 1952, a vigorous plea for the reservation of markets for certain items of cotton goods exclusively for handlooms. Naturally enough, one expects that the findings of the Committee and the Government of India's decisions thereon, would lay at rest this controversy. This expectation, of course, presupposes that any pattern for the cotton textile industry which the Committee might lay down would be, as Mr. T. Swaminathan, Textile Commissioner to the Government of India and Chairman of the All-India Handloom Board, has very aptly put it in his preface to the survey of the Board's activity just published, "a dynamic pattern, changing, from time to time, with the increase in population, employment and purchasing power, and the advance of technology and economic organisation." So far as the handloom industry is concerned, there is no gainsaying the fact that it plays an important role in the country's economy and as such calls for sympathetic and careful handling.

Whatever measures are adopted for developing the handloom sector, however, should not be at the expense of the more efficient mill sector. This point has unfortunately not been recognised by the powers-that-be, thanks to political considerations. How else can one explain the Government of India's policy of imposing restrictions on the manufacture by mills of *dhotis, saris, lungis* and *gamchas, chaddars*, bedsheets, bed covers and counterpanes, low reed pick cloth, tablecloths and napkins, dusters, towels, and coarse cloth of plain weave? The cost of this restriction, as reflected in the prices of the types of cloth affected, has to be borne by consumers, not all of whom can afford to do so.

Schemes of Assistance

Besides trying to provide a closed market for handlooms, the Government of India has taken several steps for the development of the handloom industry. During the last three months, for instance, the Government has approved of several handloom development schemes submitted by State Governments, costing about Rs. 2.15 crores out of the Rs. 4 crores earmarked for 1953-54, according to a Press note issued by the All-India Handloom Board on Saturday last. It has under consideration 67 more schemes of seven other State Governments, involving an expenditure of Rs. 45 lakhs, sanction for which is expected shortly. Before the end of the month, the remaining States are expected to submit their schemes.

The amount of Rs. 2.15 crores, which has already been placed at the disposal of the States, will be spent mainly on rebates on (1) sales of handloom cloth from co-operative stores and Government emporia—the sum actually provided for this purpose is nearly Rs. 1 crore—and (2) organisation of weavers on sound lines by advancing as loan the working and share capital and weavers' co-operative societies. The schemes cover, besides, provision of mobile vans which will tour the rural areas as propaganda-cum-mobile sales depots, opening of sales depots and emporia at several centres, and supply of improved types of accessories to weavers. The chief consideration which has weighed with the Board in laying particular stress on co-operation is that, "if the large majority of the unorganised handloom weavers is brought into the co-operative fold and adequate facilities are provided for marketing the cloth produced by them, it will not be difficult to ensure a reasonable living wage for the workers."

While all these are indirect measures of assistance, the Handloom Board has decided to implement two important schemes on its own initiative. The sanction of the Government has already been obtained and the schemes are under way. Those schemes are:

(1) Internal marketing scheme. An organisation, called the Central Marketing Organisation, has been set up with headquarters at Madras. This organisation will have branches at Madras, Bombay, Nagpur, Gwalior, Banaras and Calcutta. The functions of this organisation and its branches will be to study and explore markets for handloom cloth, to keep the industry informed of the requirements of the consumer, to standardise production, to conduct publicity and propaganda, and to correlate the activities of the States. The Board has also approved in principle a scheme for setting up an All-India Handloom Co-operative Society, the main function of which will be to improve the markets for handloom fabrics both within and outside the country.

(2) External marketing scheme. This scheme envisages the appointment of four Handloom Cloth Marketing Officers to be posted at Singapore, Rangoon, Colombo and Baghdad and to set up sales emporia in several foreign countries. These officers will be mainly concerned with developing the existing markets and exploring fresh markets for Indian handloom cloth. The Officers have been selected already and are expected to be in position very soon.

Stimulating Demand

It will be evident from the above that the Handloom Board recognises the need for stimulating the demand for handloom cloth not merely within the country but in overseas countries as well. With proper organisation, propaganda and standardisation of production, India should, it feels, be able to export without difficulty about 100 to 150 million yards of handloom cloth per annum. It is expected, for instance, that this year's export of handloom goods will be over 60 million yards. Up to the end of October, 1953, 52.70 million yards, valued at Rs. 8.3 crores, were exported and another 12 to 14 million yards are expected to have gone out by the end of the year. It is, therefore, not unreasonable to hope that exports will show marked improvement when the proposed machinery for improving external marketing of handloom fabrics gets down to work. It is true that some of the countries in which Indian handloom fabrics were once popular have, quite naturally, been developing their own handloom industry with a view to providing subsidiary employment for their agricultural population. Nevertheless, our handloom industry is based on skill acquired over hundreds of years and need not necessarily compete with the newer handloom industries developed elsewhere. There are also fresh markets which can be explored.

"CLOTHING INDIA'S MILLIONS"

Since clothing constitutes one of the three basic necessities of life—the other two are food and shelter—the industry which caters to the clothing requirements of the people plays a vital role in a country's economy. This is especially so in such a vast country as India with a population of over 350 million. It is no wonder, therefore, that the cotton textile industry should rank as the single largest industry in India. In view of the remarkable progress which the industry has achieved, the public is now evincing more than ordinary interest in the developments of the industry. Further, several ill-informed criticisms are being made against the industry and there are several snipers at it, each one of them trying to mislead the public. Viewed against this background, the efforts of the Millowners' Association, Bombay, at publishing an illustrated booklet on the cotton mill industry in India are indeed commendable. Appropriately enough, the booklet is entitled "Clothing India's Millions."

In about 30 pages, the publication under review depicts the story of cloth in India in all its phases—from the stage in which cotton, the primary raw material, enters the factory to the stage in which the finished product reaches the consumer. All stages of cotton textile manufacture are lucidly described with the help of illustrations. The utility of the publication is enhanced by a brief review of the latest position of the industry. Also given at the end is an account of the contri-

(Continued in next column)

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TEXTILE RESEARCH INSTITUTE

MILLOWNERS' SCHEME APPROVED

AT long last, the Bombay Millowners' Association's scheme for the establishment of a textile research institute in Bombay has received the approval of the Cotton Textiles Fund Committee. It was as early as in May, 1950, it will be recalled, that the Committee decided to go ahead with its original decision to have two textile research institutes—one at Bombay and the other at Coimbatore—provided the textile mills in these two regions were prepared to meet part of the capital and recurring expenditure. Subsequently, the Committee appointed a sub-committee to go into the question of evolving a scheme for the setting up of a regional institute at Bombay. The matter was taken up for consideration by the Millowners' Association towards the end of October, 1952. The Association decided to undertake the responsibility for promoting the institute and to collect for that purpose a sum of about Rs. 50 lakhs for capital expenditure. A sub-committee was accordingly formed to draw up a detailed scheme, including the establishment of a Research Association, to be registered under the Friendly Societies Act of 1860 which would handle all the monies and be in charge of the proposed institute. It is this scheme which has since received the approval of the Cotton Textiles Fund Committee.

The new Research Association, the memorandum and articles of association which have already been approved and will be presented for registration in the next few days, proposes to raise from members, through entrance fees, a sum of Rs. 50 lakhs. A like sum will be contributed by the Committee. The aggregate sum of Rs. 1 crore thus will be utilised for meeting the capital expenditure on land, buildings and equipment of the Research Institute "which will be owned and controlled by the newly formed association."

Salient Features of the Institute

The Institute will be capable of undertaking research in all departments of the cotton textile industry. It will have fully equipped sections dealing with spinning, physical laboratory, weaving, bleaching, dyeing, and finishing, chemical laboratory, engineering, industrial psychology and operational research departments, and liaison department. The management of the Institute will be vested in the hands of a Council consisting of 15 members. Among them, eight members are from the industry, three are the Directors (for the time being) of the Regional Research Institutes in Ahmedabad, Bombay and Coimbatore, three from the Government of India, and the Secretary of the Association. The recurring expenditure of the Institute in the initial stages may be about Rs. 2½ lakhs per annum, rising gradually to Rs. 11 lakhs when the Institute begins to work to its fullest capacity. Half of the recurring expenditure is to be met from the Cotton Textiles Fund, the other half being raised by members of the organisation by means of annual subscriptions.

The establishment of the Research Institute fulfils a long-felt need for promoting scientific and technological research in the sphere of the cotton textile industry. The need has become all the greater in the present context of the buyers' market for textiles the world over. Unless the inherent strength of the textile industry is improved through scientific research, the chances of the industry holding its market both in India and overseas are slender. It is only in the fitness of things that, as the premier organisation connected with the Indian cotton textile industry, the Bombay Millowners' Association should have sponsored the aforesaid Research Institute. Indeed, the establishment of the Institute is a great achievement in the history of the Association of which it can legitimately feel proud.

Considering the competition from synthetic textiles and the need for producing cloth at as cheap a cost as possible, the task before the Research Institute is indeed a heavy one. How far and to what extent the Institute will succeed in fulfilling this task will depend, to a large extent, on the range of equipment and technical personnel employed by it. These must be of the highest calibre, and comparable to those provided in the British Shirley Institute, one of the world's famous textile research promoting centres.

(Concluded from previous column)

buttons which the industry has been making to the Exchequers—Central and State—by way of taxes and levies. Written in simple language, the booklet is meant for those who are ignorant about the elementary facts of the industry. It will, if widely distributed, surely create, what Mr. Neville N. Wadia, Chairman of the Millowners' Association, has pertinently remarked in the foreword to the publication, a wider interest among the public in this premier industry of India.

SURVEY OF BRITISH EXPORT TRADE IN TEXTILES

MILLOWNERS' VIEWS ON FUTURE OF COTTON SUPPLY

(From A Special Correspondent)

MANCHESTER, 8th December

SURVEYS of Lancashire trade have lately come from several quarters covering a period of recovery after strain which tested the resources of every branch. There is general agreement that had it not been for the price maintenance schemes adopted in some sections the slump would have been much worse.

MANCHESTER LETTER

Sir John Reynolds, Chairman of Combined English Mills, says the early recovery of the spinning trade was in a large measure due to the steadying effect of the Yarn Spinners' Association. Other sections of the trade were at one time critical of the firm stand taken by the spinning section but, as he says, it is now generally recognised that the "floor" which spinners provided shortened by many months a movement which had the makings of a serious slump.

On the same lines, Sir Joseph Napier, Chairman of the Yorkshire Dyeing and Proofing Company, says the necessity of price maintenance on a fair and equitable collective basis is one of the most misunderstood aspects of industrial life to-day. Denying that any monopoly exists among textile finishers, he estimates that there has been ten times as much re-equipment since the formation of the Dyers' Price Associations than during the period of ruthless competition in the 1930's. He adds:

"One cannot re-equip without profits. It has been proved beyond doubt that the peculiarities of our industry are such that only in odd pockets here and there can profits be made consistently, and quality and efficiency maintained, without an agreed schedule of reasonable prices."

Raw Cotton Buying

Those companies which are direct buyers of raw cotton are naturally affected by the forthcoming change in the system of obtaining their supplies and certain comments have been made by chairmen on this subject. Mr. T. Marshall Brooks, of Horrockses, Crewdson & Co., has described the beneficial effect obtained by purchasing raw cotton through private traders. At the same time he, along with other important figures in the trade, is more than a little apprehensive about the prospects after the winding-up of the Raw Cotton Commission.

In his annual statement, Mr. Brooks says he hopes that the Commission will be allowed to continue its present cover scheme "until such time as an effective alternative has been established. Precipitate action in this connection could lead to grave difficulties, particularly for vertical concerns."

Fewer doubts about the future are expressed by Sir John Reynolds, whose Combined English Mills contracted out to the extent of 40 per cent. last year and has now completely left the Commission. "Individual mill managers have found a new freedom in their ability to depend on continuity of grades and qualities of cotton," he says.

Costly Stocks

Even so, Sir John has to admit that the Combine needed to secure its requirements for an appreciable period ahead prior to complete contracting-out in September. As a result, considerable stocks of cotton have been accumulated which are valued in the balance-sheet at over £2,600,000, against £1,770,000 12 months previously.

The fact that it will be necessary in the future for the mills to maintain large supplies of cotton has been taken up by the trade unions, who are very upset about the Government's decision to wind-up the Commission. Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation, has estimated that individual spinners will have to set aside a sum of £60,000 to finance cotton stocks. Even with the healthy cash resources of most mill companies these days, this represents a substantial amount of capital to be tied up.

What the unions are primarily afraid of is a dislocation in the steady flow of supplies of cotton to the mills, resulting in unemployment. There will certainly be widespread resentment and antagonism should such a situation arise.

Pakistan Plant Order

An order, stated to be worth £3,000,000, for textile machinery, electrical equipment and boilers, for the Valika Textile Mills, Karachi, has been placed with firms in the North of England.

The order has been placed by Mr. Valika Saifuddin, a director, who has just completed a two-month stay in England. It involves the supply to the Karachi mills of textile spinning, weaving and finishing machinery, boilers, electrical transformers and cables.

Mr. Saifuddin disclosed that his order brought the value of contracts placed in England by Pakistan industrialists during 1953 to about £9,000,000. He is now planning a visit to Italy to purchase textile printing plant.

Mr. Saifuddin said Pakistan preferred to buy its machinery requirements from Britain but warned that Britain would have to look again at prices and delivery dates if the latter wanted to win orders in face of foreign competition.

Standard Cloth Scheme

Production by the British cotton textile industry of a special standard cloth for sale in Kenya, Uganda, Tanganyika and Zanzibar—an innovation urged by the U.K. cotton textile mission to East Africa four months ago—has been criticised in Manchester by leaders of the Cotton and Rayon Merchants' Association, representing 1,000 firms.

Reporting on discussions which have taken place among its executives, the Association said in a report:

"Grave doubts were expressed regarding the practicability and desirability of introducing a standard cloth in any market. Such a standard cloth, branded and advertised, it was felt, would be a target for both internal competition and attack from other producing countries. The executive appreciated the political need for some assurance from the United Kingdom which would satisfy the market of East Africa, but, speaking on behalf of the U.K. export trade, as a whole, were convinced that the mission's proposal, if carried out, would cause serious repercussions in other important markets in the Dominions and elsewhere."

When the Association executives discussed shipping priority for cotton and rayon textiles up to the end of December, it was stated that the East African Governments were reviewing the position and it was hoped that the priority would be extended.

U.S. Trade Review

Efforts made by a few Lancashire textile firms to stimulate trade with North American markets are bearing fruit, Sir Raymond Streat, Chairman of the Cotton Board, said in Manchester on his return from a visit to Canada and the United States.

Figures of Lancashire textiles supplied to both markets were slightly better and this, he said, was no doubt the result of some good selling efforts which a few Lancashire firms had been putting in over recent years. This increase was also a tribute to the attractions of Lancashire's special goods.

Sir Raymond said that both the Canadian and American markets were well supplied with a wide range of cotton industry products and opportunities for Lancashire lay mainly in the direction of special English styles and the better types of cotton goods in which Lancashire specialised. "At times, when our prices are attractive, more standard goods can be sold on purely price competition," he declared. Sir Raymond added that order books in Lancashire were lengthening while those in North America were not.

Shuttle Wage Demand

Negotiations on a wage claim tabled on behalf of workers in the Lancashire shuttle manufacturing industry have broken down and the issue is to be submitted to the Ministry of Labour conciliation officers at regional headquarters in Manchester.

The dispute concerns a union demand for an extra 6d.-an-hour for shuttlemakers, which has been rejected outright by the employers.

Workers at Blackburn, Bury, Radcliffe, Heywood, Todmorden and other textile accessory centres are affected, as well as a number of Yorkshire shuttlemakers.

The decision to submit the dispute to the Ministry of Labour's Industrial Relations Department follows deadlock in negotiations between the Society of Shuttlemakers and the Shuttle Manufacturers' Association.—*All Rights Reserved.*

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FLEXIBLE EXPORT DUTIES FAVOURED BY COTTON INTERESTS

SALES TAX ON COTTON OPPOSED

THE importance of taking prompt decision on the export duty on cotton when the duty becomes too heavy a burden, of total or partial abolition of the import duty on cotton, and of specific as distinguished from *ad-valorem* rates for duties on cotton has been emphasised by the Cotton Buyers' Association in its reply to the questionnaire of the Taxation Enquiry Commission. The Association has expressed its opposition to the imposition of sales tax on raw materials for industries, such as cotton which is the raw material for the textile industry.

The Association urges that the raw materials required by India's essential industries should "invariably be free from the purview of the import duties." Referring to the import duty on cotton, it says:

"An import duty of six pies per lb. on foreign cotton had been imposed originally, with the idea of protecting Indian cotton and assuring a reasonable price to the indigenous farmers of cotton of 1" and shorter staple. This was specially done at the time when American cotton was available in the world markets at prices relatively cheaper than the equivalent descriptions of Indian cotton. In the early thirties, the import duty was raised to one anna and subsequently to As. 2 per lb. Out of this duty of As. 2, one anna was earmarked for the cotton fund and the balance for purposes of revenue. Subsequently, a further 5 per cent. surtax was levied, so that the existing import duty amounts to 2.1 anna per lb. The purpose of the import duty on cotton was fully justified in pre-war days, but developments after the end of the war have been such that the reasons put forward for this duty do not hold good any longer. For the last several years, Indian cotton, as compared with world prices of all foreign cottons, has been very much cheaper, with the result that the protective character of import duty has no longer any justification. The import duty is now purely a matter of revenue and has been tending to raise the price of foreign cotton resulting in higher selling prices of textiles manufactured from imported cotton. The Association is of the opinion that the present import duty on cotton would be a serious handicap if the indigenous production is insufficient to cover the requirements of the Indian industry and needs to be supplemented by imports of foreign cotton stapling 1" or less in future."

An important question in the Commission's questionnaire relates to export duties. The Commission has asked under what circumstances should export duties be imposed. Replying to this question, the Association says that it is opposed to the levy of export duties, "except as a measure devised to retain essential raw materials in shortage in the country." The Association agrees that the Central Exchequer would be justified in appropriating a portion of the income earned by the trade when there is a "marked disparity in the internal and international price of exported goods." It would, however, be wrong for the Government, according to the Association, to depend on export duties as a "stable" source of revenue. Emphasising the need for greater flexibility in the rate of export duties in the light of the changing conditions in India's export markets, the Association cites the experience of the cotton exporters to justify its contention that the Government's tardiness in reducing the duty on cotton has harmed the export trade in this commodity. It says:

"The past experience, in so far as the cotton trade is concerned, clearly demonstrates that Government's action has been belated and relief has come in only after export trade has been seriously damaged by the duties in question. For instance, there had been, in the past, a uniform rate of export duty of Rs. 200 per bale on raw cotton allowed for export. In November, 1952, the duty on Bengal *Deshi* was reduced to Rs. 125 per bale, whilst on other short-staple varieties of Indian cotton allowed for export, duty was retained at Rs. 200 per bale. As a consequence, the export quota released for Bengals was fully absorbed, whilst a fairly large part of the quotas released for other short-staple varieties remained unutilised last season, owing to the heavy export duty on these growths. The position with regard to these rates of export duty remains still unaltered with the result that the initial quota released for Bengals for the present season has already been absorbed, whilst the quota released for other exportable varieties remains still unsold, largely as a result of the heavy incidence of export duty on these growths. The Association, therefore, suggests that, once the duty is imposed, Government must be vigilant in assessing the impact of such duty on the country's export trade in consultation with the interests concerned and should not hesitate to withdraw or reduce the duty as promptly as it was imposed."

On the question whether the revenue from export duties should be funded for financing the development of the export trade, the Association says that such a policy could be pursued provided the revenue is used for the purposes of promoting the trade which is directly concerned with the commodities on which they are imposed. In other words, the Association is not in favour of appropriating the revenue from export duties for general purposes of export promotion.

Justifying the superiority of the specific duties over *ad-valorem* duties, the Association points out that the chief drawback in the latter form of duties is that, since the values cannot be determined with precision, it "generally leads to undesirable practices." Specific duties, on the other hand, do not give rise to any dispute. They are also easier to administer.

The views expressed by the Association on the subject of taxes on cotton are in conformity with those held by the trade in general. Thus, there is no doubt that the Government should be prepared to revise export duties on cotton when the situation demands it. There is also no justification, as the cotton mill interests have repeatedly urged, for the present duty on imported cotton. So far as sales tax on cotton is concerned, there is much to be said for withdrawing this tax, which prevails in many States, in view of the fact that the sales of cloth are subject to tax.

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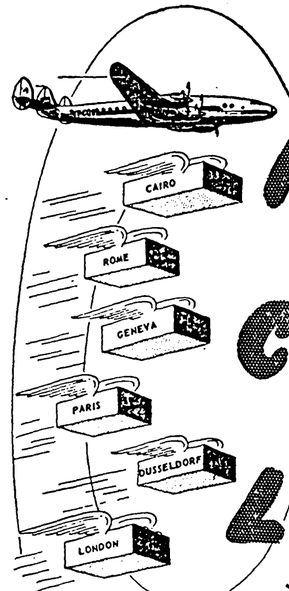

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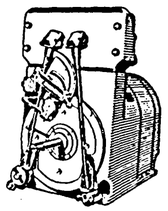

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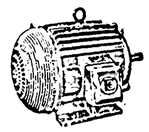

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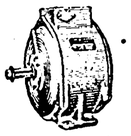

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MODERN HOUSING FOR WORKERS OF BELAPUR COMPANY

BETTER LIVING CONDITIONS WILL ENSURE CONTENTED LABOUR, SAYS SIR JOSEPH KAY

HARIGAON, the little rural town in Belapur (Ahmednagar District), hummed with activity on Saturday last, when the opening ceremony of the Belapur Company's new housing colony was performed by Mr. Girja Shankar Bajpai, Governor of Bombay. The ceremony marked the fruition of an ideal cherished by the Directors of the Company for a long time, namely, to provide housing for all permanent staff, including labour. The cost of the housing colony, the construction of which began some eighteen months ago, is estimated at about Rs. 55 lakhs; of this sum, Rs. 30 lakhs have already been provided out of the profits of the Company. This is, perhaps, the only instance in the State of Bombay where a sugar factory has undertaken a scheme on such a vast scale to house its workers. Indeed, the scheme is one of the best labour housing schemes ever ventured by private enterprise, giving spacious and comfortable accommodation to labour and staff, having up-to-date sanitation, water-supply and electricity.

With the opening of the new housing colony, one more important—and significant—chapter has been added to the history of the progress and development of the Belapur Co., Ltd. The idea of providing housing to workers is not as already stated, of recent origin with the Directors of the Company. They had realised the necessity to give this comfort to workers even before the war. But they could not translate it into action for reasons beyond their control. This will be evident from the following extract from the brief speech of Sir Joseph Kay, K.B.E., Chairman of the Company, delivered on the occasion of the opening ceremony:

"First of all, the Directors felt that the Company's affairs should be developed fully before embarking on such an extensive scheme. Then came the war; building materials of all kinds were controlled and difficult to obtain and even then at inflated prices, and with that goes the fact that any housing scheme which we considered must go forward, must be such as would meet the full requirements of our permanent employees and not undertaken in piecemeal fashion."

A Wise Investment

After the war, the Directors waited for some time to see whether the conditions would improve. The difficulties referred to above, however, did not subside to any appreciable extent. Nevertheless, the Directors decided some two years ago to go ahead and took bold action. The result is that to-day the Belapur Company has attained the distinction of being the first in the field, in this part of India at any rate, to provide modern housing on a scale which none of its confreres has done for its workers. Those who pay a visit to this colony will find that the Company has really done something worthy of emulation by other employers. They will also admit that the Company is a typical example of enlightened private enterprise. There may be some among the shareholders of the Belapur Co., Ltd., who may feel that the management has squandered away profits that belonged to them. If there are any, they are, we must say, living in an age which is past and which will never return. Actually, the Company's management has been far-sighted enough to do gracefully a thing which other employers may be compelled to do by the State in the not distant future. In any case, the Company has not done something which is not within its resources. In our opinion, the Directors of the Company have made a wise investment the return on which will be in the form of advantages that accrue from having a contented labour force.

It is significant that the Company has not sought any assistance from the State for providing this amenity to its workers. A pointed reference to this feature was made by Sir Joseph in his speech. He said:

"In the view of many, housing, particularly industrial housing, should be the responsibility of the State. It is true that the Government of India have introduced a subsidised housing scheme for industrial workers; at the same time, they are pressing employers—especially in new concerns—to provide suitable housing accommodation for their employees, but after consideration, the Board of Directors decided that, situated as we are in the Deccan, with a certain amount of money at our disposal, we should embark upon the present scheme, which contains our own ideas and which will be completely under our own control."

Sir Joseph detailed at length the salient features of the housing scheme—these will be referred to presently—and expressed the hope that better living conditions would help bring about the much desired higher standard of living, from the point of view of both health and enjoyment, which was so necessary in the changed India of to-day. "The Company," to quote him again, "has been lavish in its expenditure in the hope that the better living conditions which the new colony provides will tend towards our having a still more contented labour force and will improve the lot of the workers. As time passes, social and recreational events will be organised, with a view to giving change from work, for both mind and body, and thus lighten the toils of everyday life, of which many of the workers are in such need and which I hope will be appreciated."

Here is an admirable example of the employer being not only prudent but also enlightened in outlook. Certainly, the management of the Belapur Company deserves every word of praise that the Governor of Bombay showered on it. Said the Governor:

"I congratulate the Directors of the Belapur Company on the completion of the housing and recreational project of buildings for their workers. I am sure that they will reap their reward in the greater contentment and consequent greater efficiency of their employees. ... Amenities such as housing and recreational facilities could legitimately be regarded as labour's due and not luxuries, and whether the State or the employers should provide them is a question of which the merits do not affect the contentment of the worker. The prudent and enlightened employer does not wait for the conclusion of the debate. What we have to remember in India is that the resources of the State are limited and that social forces impart urgency to practical measures for improving the workers' lot."

Timely Advice to Workers

With the provision of better amenities to labour, one would naturally expect labour to raise its productivity and thereby help augment output. Concurring with this view, the Governor of Bombay gave the following piece of timely advice to industrial workers in this country:

"It is as much to the advantage of the workers as of their employer, be the latter Government or private agency, that the growth of the economic prosperity of the country should not be hindered or hampered by conflicts which hold up or impede production. I suggest that they cannot afford to hold up their advance along this road owing to disputes over ideologies. Practical achievement counts for far more than theoretical argument. If you look at the U.S.S.R. or China—both have remarkable progress to their credit—you must not forget what Western Germany and Japan have accomplished. They too represent Phœnix-like transformation of their national economies. The need of the moment is the maximum of effort, based on complete co-operation and understanding among all the parties that are engaged in production."

There is no doubt that, on careful and calm reflection, the interests to whom the aforesaid remarks are addressed will admit, if they have an open mind, that there is a lot of truth in what the Governor has said.

Dilating on the problems of the sugar industry, the Governor of Bombay paid a handsome tribute to the pioneers in the field of sugar manufacture. Here are his own words:

"The sugar industry is one of the most important in India and reference to old controversies and old struggles is relevant only because of the courage and enterprise of the early pioneers. What Sir Joseph Kay has said about the difficulties and financial losses encountered and incurred by the Belapur Company in its early years illustrated the hazards to which these *entrepreneurs* were exposed. Among the critics of the protagonists of a sugar industry for India were many who sought support for their arguments in the climatic advantage of Java, the superiority of its soil and the difficulty of mechanical cultivation of sugarcane in this country on account of the smallness of agricultural holdings. While North India, where the bulk of the industry is still located, is liable to frost, genetical science has not tried unsuccessfully to produce frost-resisting varieties of cane. Moreover, factories had grown up in the centre and the south of the country where frost occurred rarely, if at all. And, in the Deccan, the handicap of small holdings have been overcome by the leasing of comparatively large tracts of land where the yield of cane per acre and the sucrose content of the cane have both been increased by the production of new varieties and their effective cultivation by modern scientific methods. As the souvenir programme of this function tells you, this Company produced, in 1952-53, 54 tons of cane per acre, against 24 tons, in 1924-25, and the rate of recovery of sugar from the cane rose from 8.14 per cent. to 12.30 per cent. during the same period. These figures must be eye-openers to old-time Jeremiahs."

Mr. Girja Shankar Bajpai laid particular stress on the need for reducing the cost of producing sugar which is at present high in all conscience. Reduction of costs, he said, was desirable in the interests of both the consumers in this country and exports. In saying this he was not unaware of the fact that, with the general increase in the cost of living which had necessitated increase in wages, and the socio-economic policy of guaranteeing a minimum price for the cane to the cultivator, an appreciable fall in production costs was problematical at the moment. In view of this, he felt that greater efficiency of production offered "the only prospect of reducing production costs."

History of Belapur Company

To revert to the new housing colony of the Belapur Company. On the occasion of the opening ceremony of the colony, both the management and the labour of the Company could certainly look back with satisfaction upon a career which stands out as a remarkable performance in the history of the Indian sugar industry. Although the Company was registered on 27th October, 1919, the first chapter in its history began only with the year 1924, that is, when Messrs. Marshall Sons and Company retired from the managing agency, giving place to Messrs. W. H. Brady & Co., Ltd. Since then, the Company has made remarkable progress and has become one of the most successful producers of sugar in India. This is due mainly to the perseverance, foresight and confidence of its Managing Director, Sir Joseph Kay. The Company has achieved the distinction of delivering quality sugar and that at the lowest possible price, thanks to the efficient organisation and liberal price policy. This happy position has largely been rendered possible by the continuous effort of the management to keep production costs down, despite the series of tax imposts imposed by the Central and the State Governments.

That the Belapur Company has made notable progress will be evident from the fact that the production of sugar has gone up from a bare 2,067 tons in 1924-25 to as much as 18,317 tons. The output to-day accounts for more than 13 per cent. of Bombay's total production of 138,800 tons. The rise in sugar output is mainly the outcome of the improvement in the technique of sugarcane cultivation. Realising full well that sugar is made in the ground and not in the factory, the management has spared no efforts to improve the quality of cane produced on scientific lines. These efforts have met with considerable success. Not only the yield of cane per acre has increased—from 23 tons in 1924-25 to 54 tons in 1952-53—but the recovery percentage of sugar in cane also has improved—from 8.14 to 12.30. These figures compare very favourably with the all-India average per acre yield of 12 tons and recovery percentage of 9.27. The following comparative table showing the trend of sugar output and sugarcane cultivation will bear full testimony to the achievements of the Company:

Statement showing acreage, yield of cane per acre, yield of sugar per acre, recovery, etc., obtained by the factory from the season 1924-25 onwards.

Year	Acreage	Tons cane per acre	Tons sugar per acre	Cane crushed in tons	Sugar made and estimated in tons	Recovery percentage
1924-25 (a)	1,114	23.00	1.86	25,304	2,067	8.14
1925-26	1,071	22.45	1.87	24,063	2,072	8.32
1926-27	1,606	19.52	2.04	32,648	3,423	10.49
1927-28	1,574	23.71	2.30	37,322	3,628	9.72
1928-29 (b)	1,604	18.67	1.68	29,234	2,651	9.39
1929-30	1,715	24.69	2.67	42,348	4,578	10.81
1930-31	1,803	32.42	3.81	58,462	6,330	10.83
1931-32	1,792	34.06	3.94	62,686	7,074	11.54
1932-33	1,889	33.10	3.84	63,790	7,318	11.12
1933-34	1,758	42.73	4.75	78,158	8,677	10.98
1934-35	2,040	36.35	4.04	90,814	10,716	11.19
1935-36	2,581	38.07	4.12	105,347	11,321	10.76
1936-37	2,701	41.09	4.71	114,391	13,072	11.43
1937-38	2,618	43.87	4.83	115,537	12,723	11.02
1938-39	2,711	43.38	4.90	117,602	13,282	11.30
1939-40	2,780	39.11	4.86	108,205	11,877	10.97
1940-41 (c)	2,382	45.45	4.77	110,921	11,610	10.50
1941-42 (d)	2,878	38.02	3.60	110,114	10,429	9.47
1942-43	2,924	38.03	3.91	111,221	11,466	10.31
1943-44	2,854	38.88	4.12	109,726	11,274	10.74
1944-45	2,969	33.40	3.60	99,614	10,722	10.76
1945-46	2,564	34.29	3.76	87,578	9,636	11.00
1946-47	2,351	41.94	4.56	98,610	10,729	10.88
1947-48	2,621	38.95	4.64	114,344	13,652	11.85
1948-49	2,693	39.36	4.84	118,962	12,904	11.04
1949-50	2,718	42.84	5.24	116,653	14,272	12.23
1950-51	2,744	41.44	4.99	113,858	13,900	12.04
1951-52	2,707	45.08	5.62	145,337	16,985	11.89
1952-53	2,738	54.0	6.64	148,957	18,317	12.30

(a) In this year, 678 acres had been carried over from the previous year.
(b) Frost year.
(c) An area of 406 acres had to be carried into the season 1941-42, on account of the strike, hence lower acreage harvested.
(d) This yield is including carryover cane. Excluding that, the outturn was 38.39 tons per acre.

The all-round development in sugar production and cane cultivation is fully reflected in the highly encouraging financial position of the Company. As against a net loss of

Rs. 1,69,769, in 1923-24, the Company earned a gross profit of Rs. 56.29 lakhs in 1952-53. The reserves and surplus of the Company stand at the impressive level of Rs. 79.70 lakhs which represent about 169.5 per cent. of the paid-up ordinary capital of Rs. 47.00 lakhs. The gross block is Rs. 65.05 lakhs, as against which there is a depreciation fund of Rs. 51.14 lakhs. The surplus of current assets over current liabilities and provision for taxation as on 30th September, 1953, was as much as Rs. 112.79 lakhs.

Apart from providing employment to about 2,400 workers and satisfying the sugar requirements of over 4.7 million consumers—on the basis of the Planning Commission's estimated *per capita* consumption of 8.3 lbs.—the Belapur Company contributes quite a good bit to the Central and State Exchequers by way of taxes. During 1951-52, for instance, the Company paid about Rs. 73 lakhs as income-tax, excise duty, cane cess, irrigation charges and land taxes.

Housing Scheme Described

The management of the Belapur Company has always looked to the welfare and happiness of its staff with genuine concern, as witness the introduction of various welfare schemes for the employees. The ambitious new housing colony, referred to at the outset, is an instance in point. The colony is located at a very short distance from the actual factory and covers an area of about 100 acres. The area is self-draining, being on high and rocky ground. The salient features of the colony, as described by Sir Joseph Kay in the course of his welcome address, are as follows:

576 "D" type quarters for workers and others. 96 buildings, each of 6 tenements, each consisting of 1 living room with verandah on both sides, with a kitchen and a courtyard, with washing place and fuel store and with separate lavatory blocks for every 36 tenements consisting of 6 flush lavatories and 6 bathrooms. In these quarters, the density of population works out to only 66 persons per acre and, therefore, retains the rural and spacious atmosphere for living conditions.

44 "C" type quarters for junior staff of the Company consisting of 1 bedroom, a living room, a dining room, a kitchen, a bathroom and a flush lavatory, with an enclosed court yard.

16 "B" type quarters for senior staff of the Company consisting of 2 bedrooms, a living room, a dining room, a kitchen, a bathoom and a flush lavatory, with verandahs on both sides.

2 "A" type bungalows for departmental heads consisting of 3 bedrooms, a living room, a dining room, a kitchen, 3 bathrooms, and 3 flush lavatories.

In addition to the above, the following have been provided:—

A separate gymkhana building provided with inside badminton court, library room, office room and separate card room, dressing room and flush lavatories for ladies and gents. Two verandahs—one 8' wide at front entrance and the other 28' wide sitting verandah (capable of being used for two ping-pong tables) facing two tennis courts and a lawn has been provided.

A reinforced concrete water reservoir built at a height of 40' to be filled with water from six 30' wells that were dug for this purpose, providing water to the buildings of the whole colony by means of pipes and taps for drinking, washing and flushing of lavatories.

Flush type lavatory blocks with a net-work of drainage pipes leading to two septic tanks which deliver the effluent to the nala.

A market place with raised platforms to hold weekly bazaar.

A separate building just adjacent to the colony to serve as grain shop and a consumers' co-operative grocery and provision shop for the use of the employees of the Company.

Huge lawns and garden area in the centre of the colony and separate lawns provided between "D" type quarters to be used as playground and open space for ventilation and fresh air.

Street lights on all the 40-ft. roads of the colony.

The hospital has been extended.

The Company conducts a primary and secondary school up to Standard VII (old English third standard) for education of the children of its employees. The number of pupils attending the main school is 480 and those attending the branch schools is 75.

The foregoing descriptive account of the Belapur Company's new housing colony is a clear indication of the earnest desire of the management to provide its labour with several basic amenities. Indeed, these and other indirect contributions by the factory will soon turn Harigaon into a thriving model township. If the vast rural areas of this country were studded with such thriving model townships, we would have that happy blending of village and town life which will undoubtedly make for the sound economic progress of this country. Further, if the noble example of the Belapur Company were followed by more and more industrialists, the future of private enterprise, nay, of democracy itself, would be well assured and protected against the onslaught of Communism.

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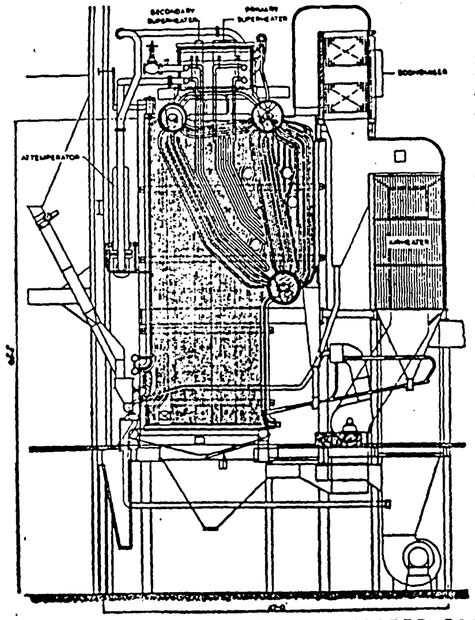

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MINING LIGNITE IN ASIA AND FAR EAST

REPORT OF E.C.A.F.E. AND T.A.A. EXPERTS

THE report of the Economic Commission for Asia and the Far East and the U.N. Technical Assistance Administration Study Group of lignite experts on their visit to Australia contains a number of recommendations relating to problems of prospecting, sampling, mining, processing, utilisation and the organisation and management of lignite mining operations. It will be recalled that the experts from Burma, China, India Indonesia, Japan, Korea, North Borneo, Pakistan, the Philippines and Thailand, accompanied by E.C.A.F.E. and T.A.A. experts on lignite recently visited 29 principal mines, plants and organisations in the States of Victoria, South Australia and New South Wales, with a view to obtaining a complete picture of the Australian advanced techniques in lignite mining and utilisation and find out how far they can be adopted in Asian countries to develop lignite resources. Their findings are of particular importance to India as arrangements to exploit the lignite resources in South Arcot are now in progress.

The experts have prefaced their findings by laying emphasis on two things. One is the basic importance of developing lignite and other low-grade coal deposits in Asia and the Far East which are woefully short of high-grade coals. The other is the emphasis on the value of group study tours. They have stressed the benefits derived from team work which, by pooling individual knowledge, experience and initiative, can make possible the gathering of a large quantity of data and information in a comparatively short period of time. They have recommended study tours, similar to the one they made in Australia, to Europe, especially France and Germany, and the U.S.S.R. in the near future. They have further suggested that any visit to the U.S.S.R. should include experts both in lignite exploitation and utilisation as well as geological survey and prospecting, as it is understood that geological survey and prospecting for mineral resources have been proceeding simultaneously on a large scale in the U.S.S.R.

The experts have pointed to the vital need for intensive and extensive prospecting that will establish as to whether sufficient quantities of lignite reserves at a workable depths are available, before plans for utilisation are made. They have also pointed out the need for a thorough knowledge of the distribution of lignite resources, with a view to avoiding grave mistakes such as the building of a town on a site where later on considerable reserves of coal might be discovered.

As against these general observations, the lignite experts have made the following suggestions in regard to coalfield investigations:

(1) Scout drilling to define the structure of the coal seam;
(2) test drilling to test the quality and quantity of coal;
(3) close grid drilling to provide data on overburden and sea thickness; and
(4) pitting to provide bulk samples for testing.

In planning for mine layout, the experts have urged the following factors to be kept in mind:

(1) Total reserves; (2) thickness of coal; (3) thickness of overburden; (4) character of overburden; (5) hardness of coal; (6) outline of deposit; (7) partings and cracks; (8) production rates and required reliability of continuous supply, and (9) maintenance of machinery.

The characteristic features of coal affecting utilisation in steam generation are: (1) moisture content, (2) ash content and ash-fusion temperatures, (3) sulphur content, (4) foreign substances in the coal as mined and (5) sizing of coal. Dealing with these aspects, the experts have made certain suggestions which are as follows:

(1) Sampling practice and moisture determination as accepted in Australia should be practised in E.C.A.F.E. countries. Proper sampling is one of the most important phases in the exploitation of lignite deposits, for the most precise method of analysis will be wasted on a poor sample, and such wastage should be avoided. The economic value of lignite is, to a large extent, determined by the moisture content at which bulk tonnages are eventually supplied to the final consumer. The moisture content of coal should, therefore, be determined, as accurately as possible.

(2) Hand firing in small furnaces can be used for lignites of fairly high moisture contents.

(3) Underfed screw stokers can be used with lignite of medium moisture and breeze coke might be added to avoid packing.

(4) Spreader stokers cover a great range of fuel of different properties. Extremely low grade coal can be successfully combusted. Operation and control is simple. High peak loads can be met easily and quickly as well as extremely low ratings at off-load periods.

(5) Mill firing will be necessary when the boiler capacity rises above 200,000 lbs. of steam per hour. For small boilers, mill firing is not advisable because of the high cost of installation and operation.

So far as lignite processing is concerned, the experts have observed that "in the preparation of lignite, the improvement in sizing is one of the most important and cheapest methods. The combustion process is basically a physical problem as well as a chemical one, and the volume-surface ratio of the fuel is a factor in achieving the desired result of efficient combustion or reaction at a required high technical rate." As some of the coal reserves in the region, particularly those of higher ranks will not briquette without a binder, the manufacture of ordinary briquettes with pitch or other binder will have to be considered. A combination of carbonising and briquetting might be adopted for some of the Asian coals.

The experts have felt that Lurgi pressure of gasification of lignites appear to be of major importance in the realisation of lignite projects. They were particularly interested in inspecting the large plant now under construction in the State of Victoria for the gasification of lignite under pressure of the Lurgi process for the manufacture of town gas. It was realised that complete gasification of lignite would be applicable not only in connection with the manufacture of town gas of normal standard but also in combination with advanced methods of synthesis. It appears to offer prospects for full beneficiation for various types of synthesis gas and/or liquid products.

The group was impressed by the possibilities of utilising low-grade coals for cement plants with modern vertical kilns which do not require large capital outlay. These plants should be able to use lignite coke or coal screenings including dust of below ¼" sizes or other slack fuels, which were hitherto regarded as waste materials, and would produce cement at low cost.

The importance of this report to the countries of Asia and the Far East are enormous because the region is rich in lignite resources. The quality in many cases is equal, if not superior to those in Germany and Australia. Proper exploitation and utilisation will greatly improve the Asian fuel situation and facilitate industrial development which is being held up by the acute shortage of coal.

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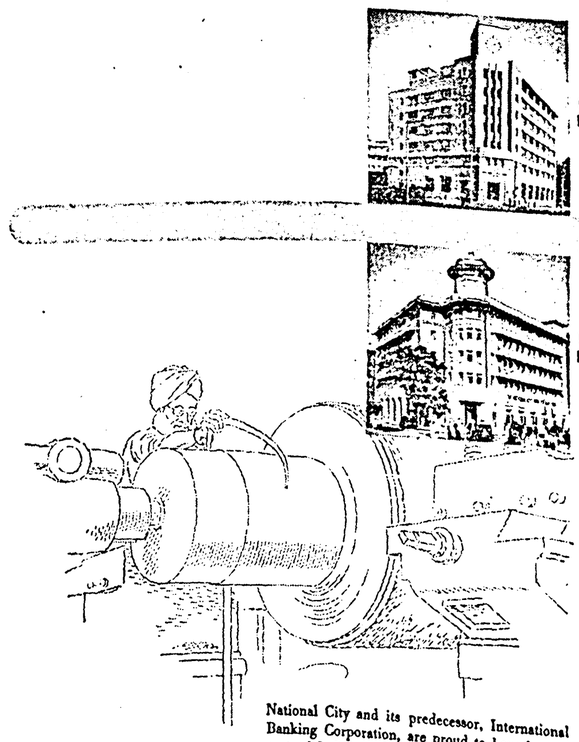

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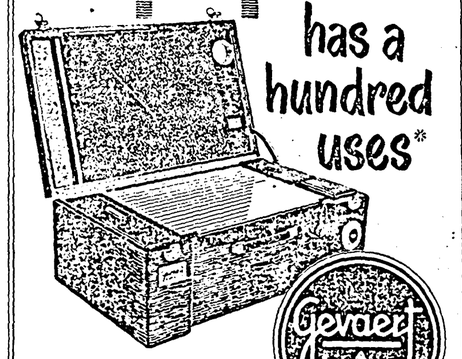

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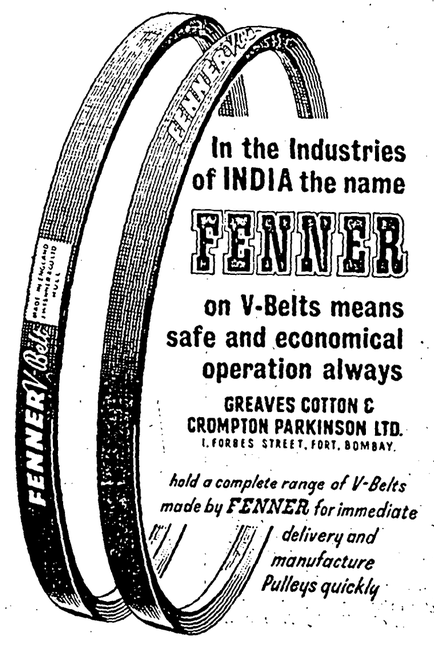

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FACTS ABOUT INDIAN COFFEE

REASONS FOR RISE IN PRICES EXPLAINED

(From A Special Correspondent)

COFFEE prices have been the subject of considerable controversy in recent months and the Government's attitude, as expressed by Mr. T. T. Krishnamachari on several occasions, is that it is too high. Whether a price is high or low depends on so many factors, but the most obvious and comparable ones are the following:

(1) Coffee prices in India, grade for grade, have been Rs. 50 to Rs. 250 per cwt. less than what coffee would fetch in the foreign markets. This has been the position since 1949.

(2) The rise in the price of coffee since 1939 has not been as great as the rise in the prices of comparable commodities, such as tobacco or betelnut. Here are some statistics to prove this point:

Wholesale Index Number (Base: 31st October, 1953	1939=100)
Coffee (Plantation P.B.)	537
Tobacco (Local Natu graded)	1893
Betelnuts (Deshi)	1238

(3) Nor has the price of coffee risen above those of the goods the producers of coffee have to buy in order to live and work, as will be seen from the following facts:

Wholesale Index Number (Base: 31st October, 1953	1939=100)
Rice	751
Wheat, Hapur	641
Groundnut, bold	637
Copra	818
Coconut oil	808
Bleached Mull	651

(4) A very important question, in this connection, is, what is the share of coffee in the cost of living of the average person. Is it as great as of rice, wheat, copra, cloth or tobacco or betelnut? Without going into figures it is obvious that it is not.

Unchallengeable Fact

The unchallengable fact about coffee is that the Indian producer gets about Rs. 117 for robusta variety which will fetch him Rs. 230 to Rs. 240 in the foreign markets. He gets only Rs. 180 for Plantation A which would fetch him Rs. 460 in London. This has been more or less the position during the last five years. Yet, it has been charged that Indian prices are too high, that the Indian Coffee Board which is alleged to be dominated by the producers, has been rigging up prices to the detriment of the Indian consumers. That the price was a mere Rs. 38 per cwt. for Plantation A in 1940 and that it is priced Rs. 212 at present and that it once went up to Rs. 351. These figures are quoted out of context and it is not all truth. In the first place, the Indian Coffee Board is dominated by the Government, not by its members, because under the existing Act the Government could set aside any decision taken by the Board if it did not approve of it. That was how the Board's cost figure of Rs. 2-7-1 has been set aside, the Board's marketing policy was altered since the middle of December 1952, the Board could not export any coffee in spite of the proved surplus since March until permission was given in October and in 1949, 1950, 1951 and 1952 coffee had to be exported against the wishes of the Board. On this Board apart from the overall reserve powers vested in the Government, there are 11 official members representing the Central and State Governments, including a Joint Secretary of the Commerce and Industry Ministry and a Minister of the State of Mysore. Out of 30 members, only 14 are producers of whom 3 are nominated by Mysore.

Price Variations

The price ranged between Rs. 38 and Rs. 45 per cwt. in 1940. India exported more than 50 per cent. of its coffee output before the war and, in 1940, the whole of the European market was lost to us as a result of the war. That left us with a surplus which forced prices down. Besides, throughout the thirties, world price of coffee was below cost of production and it would be wrong and misleading a comparison to base it on the minimum fetched during that period. Price of plantation A ranged between Rs. 70 and Rs. 90 per cwt. in 1926, 1927, 1928, 1929 and 1930.

It was since 1946 that the cost of all primary necessaries began to go up in the general inflation and the workers had to be compensated against a fair share of this increase. Besides, the Plantation Industrial Tripartite Conference decided upon new increases in wages and certain amenities. Since 1950, there have been further additions to wages, and, again in 1952, when all the States introduced the Minimum Wages Act. All these additional charges have reflected on the prices at which coffee could be sold.

It is, however, true that at one time, in 1952, there had been a steep rise, far above what was fixed as the basic price of coffee by the Board. In March 1952, the price of plantation A was Rs. 196-7. In September, it was Rs. 316-11. Similarly, robusta coffee rose from Rs. 166-8 to Rs. 239-15. The reason for this rise, as well as for the temporary rises in 1949, 1950 and 1951, however, arose primarily from the Government's policy. Early in 1950 the Board was asked to export 4,000 tons of coffee. The Board advised the Government against this. Eventually, 3,331 tons were exported. Next year, there was again pressure from the Government to export coffee against the Board's advice.

The entire mechanism of price control consisted of having enough stocks with the Board and the removal of this safe margin of stock made the Board powerless to control the market. It was the Government which forced the Board to export, thereby rendering the Board helpless to control internal prices—close to the basic prices—the Board itself considered adequate for the growers. It is on record that the Government wanted export, "even if it meant some hardship to the Indian consumers." It is also on record that the Board made representations against exports to the Government and one of the subjects dealt with by a Coffee Board deputation to the Minister for Commerce and Industry on 7th January, 1951 was a request to allow the Board to retain the unexported part of the coffee.

Board Cannot be Blamed

In 1952, there was again a demand for export in excess of a safe margin. Both the Chairman and Chief Coffee Marketing Officer of the Board had to visit New Delhi urgently to plead for a modification of the order in March. Although the quantity was reduced to 2,000 tons, there was again a query in July whether 1,000 tons more could be exported. The Government with its insistent demand for export against a marginal stock position rendered the Board helpless against the speculative forces in the market. That is the real reason behind the unusual rise in the price of coffee in 1952. Nevertheless, the average price realised for plantation A at Rs. 251-11 per cwt. was less than Rs. 288-13 realised for Santos 4 in the New York market and considerably less than the price realised for comparable coffees in Europe. Still, it was far more than what the producers in fairness asked for and the Board fixed as adequate. But the Board could control the prices only if it had enough stock of coffee and with the Government's insistence on export this was not possible. Yet, in 1953, the Board is blamed for all the consequences that flowed from a wrong policy on which the Government insisted in spite of earnest advice to the contrary.

Late in 1952, the Government's policy was reversed and, since then, the insistence was on reducing the price in the internal market. The growers would heartily co-operate with this policy, because it was also their own policy as expressed during the last five years. The present controversy arises from the fact that the blame for all what was the natural consequence of the Government's coffee policy of the previous four years is sought to be placed on the Board, on the growers and certain individual members. An effort is being made arbitrarily to decide on prices which should properly be determined by a fair and comprehensive enquiry. A frustrating attitude is taken in the relations with the Coffee Board, with the result that its considered and responsible views are disregarded and it is attacked openly without providing it the freedom to answer. Individuals are named and attacked in public where they have no opportunity to defend themselves.

Since December, 1952, the Government has been in direct control of marketing coffee and during this period, although prices have been ruling at Rs. 210 to Rs. 220 for plantation A and Rs. 142 to Rs. 148 for robusta, the quantity of coffee sold was about 35 per cent. less than normal. With repeated public statements threatening further reduction, the trade was disturbed and nobody could buy coffee for fear of the price being reduced at any time.

The Main Issue

The most important issue is whether the coffee industry should remain static or gradually decline or whether it should expand at least at the rate it did during the last ten years. The world coffee situation offers a tremendous opportunity to India which produces a premium coffee. Consumption within India is also expanding. There are large areas on both sides of the Western Ghats where coffee can be successfully grown without taking away land from other crops. Every 1,000 acres of coffee newly planted means:

(1) An additional Rs. 10 lakhs in exportable product; (2) 800 new jobs; (3) the removal of about 1,500 people from the crowded rural plains and their settlement on the under-populated hills, new houses and schools and other facilities; (4) the development of a township, trade and other services on the hills where there are none at present; (5) the introduction of anti-malarial and other health measures making the jungle area inhabitable; (6) extension of communications and modern facilities to areas where there are none now; (7) conservation and care of soil; and (8) creation of demand for other goods worth an additional Rs. 10 lakhs.

There are over 100,000 acres available for immediate planting. If 3,000 tons of export will allow a reduction in internal price by As. 3 per point or Rs. 15 per cwt., an export of 6,000 tons will cheapen coffee by Rs. 30 per cwt. If the duty of Rs. 62-8 had not been levied, it would have cheapened coffee for the consumer by an additional Rs. 15 per cwt. So increased production of coffee is in the nation's best interest. That large production can come about only if the Government's policy towards the growers is fair and constant is obvious. The attack on the Board and the producers and the threat to the trade have not created that confidence.

COFFEE PRICES

The retail selling price of coffee powder sold by the Coffee Houses run by the Indian Coffee Board has been reduced by one anna per lb. with effect from the 16th inst., in accordance with the decision taken by the Coffee Board at its meeting held in Bangalore on the 7th inst. The revised selling prices of the different varieties of powder are: Plantation Rs. 2-12, Cherry Rs. 2-8 and Robusta Rs. 2-3 in South India and Rs. 2-14, Rs. 2-10 and Rs. 2-5 in other places. The price of liquid coffee sold in Coffee Houses has also been reduced. The Board also decided to make a pool payment of As. 3 per point to coffee growers on the 1952-53 crop during the current month, bringing the total payment to Re. 1-14 per point. The Board requested the Government of India to enhance its borrowing power from Rs. 2 crores to Rs. 3 crores, in order to make sufficient funds available for pool payments. In the meantime, the Board would make an initial payment to growers on the 1953-54 crop at 50 per cent. of last year's rate. However, outright payments to small growers would continue to be made at Rs. 2-4 per point.

According to the revised estimates, the 1953-54 crop would yield 24,500 tons of coffee, made up of 17,500 tons of Arabica and 7,000 tons of Robusta, as against the original estimate of 22,750 tons. The question of export allocation out of the 1953-54 crop would be considered after watching the trend of internal consumption during the next two months.

The Marketing Committee of the Board made a preliminary study of the Government's Cost Accounts Officer's report sent to the Board for its views. As a number of points required clarification, the Board decided to request the Government to depute its Cost Accounts Officer to meet the Cost of Production Sub-Committee. The Board had an opportunity of hearing Dr. Leslie C. Coleman, an eminent scientist, on coffee research. In his address to the Board, Dr. Coleman emphasised the need for increasing production of Arabica coffee in India, as it was the quality coffee of the country and has established a high reputation for itself in world markets during the past decades. One way of increasing production, he said, was to educate the small growers in the country in the improved methods of coffee cultivation. The need for continued research on all aspects of coffee, especially in breeding high-yielding, disease-resistant strains, was stressed by Dr. Coleman.

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HALDA

ELECTRICITY SUPPLY INDUSTRY

NEED FOR UPGRADING STANDARD RATE OF RETURN

ONE more opportunity was availed of by Mr. K. G. Milne, President of the Association of Electrical Undertakings, Bombay State, to highlight the problems of the electricity supply industry in India, in general, and Bombay, in particular. This was the thirteenth annual meeting of the Association held in Bombay last week. The main problems facing the industry are the need for (1) upgrading the standard rate from the existing level of 5 to 6 per cent., (2) permissive provision for the creation of a deferred taxation reserve and (3) the creation of a rehabilitation reserve. So far as Bombay is concerned, the biggest problem is the tussle between the Tatas and the Government of Bombay regarding the capacity of the proposed Trombay thermal project.

Mr. Milne deplored, at the outset, the delay on the part of the Government of India to liberalise the Electricity (Supply) Act, 1948, especially with regard to the need for increasing the standard rate. He declared that such was virtually undermining the stability of the industry. Few can dispute this statement, for, with the standard rate pitched at the present limit of 5 per cent., it is becoming increasingly difficult to raise the capital needed for expansion of electric supply. A survey made by the industry, at the request of the Government, of the efforts by individual investors to raise finance has confirmed that such success as there had been was confined to exceptionally large and well-established undertakings and, even here, investment interest was at a low ebb. After all, the primary object of the financial provisions of the Electricity (Supply) Act is to ensure a fair price for good service. A fair price is that which allows sufficient margin of profit which will enable the undertakings to declare a decent rate of dividend, without which it will not be possible to attract the supply of capital needed for financing the expansion of industry. The urgency of this demand has been emphasised so often in the past. Most of the existing electricity undertakings have now reached a stage at which it will not be possible for them to maintain their dividend on the capital recently raised by them unless the standard rate is increased.

Out of Date

That the standard rate has become out of date will be obvious to those who have been following the developments in the capital market in the last two years. It is an accepted fact that the cost of capital has gone up. The Bank rate has gone up; the interest rate on Government loans has risen and the lending rate on the fully secured loans of the Industrial Finance Corporation has advanced by 1 per cent. to 6½ per cent. If the yield on fixed interest-bearing investments have gone up by this much, that on equities has necessarily to be much higher, because investors always expect a higher rate of return on equities than on either preference shares or debentures. It is, therefore, absurd to keep the return permitted to the electric supply industry unchanged at 5 per cent., a level which is very much below the current ideas of return on investment.

The industry's case for amending the Electricity (Supply) Act, so as to allow for deferred taxation reserve and rehabilitation reserve, is also important and calls for early action. The creation of a deferred taxation reserve will reduce the shock the electricity consuming public will receive when the incidence of deferred taxation begins to be felt in future years when it will be called upon to make good the present concessions in taxes. In other words, the incidence of deferred taxation must be spread over a period by means of advance provision for deferred taxation so that the shock when it came is lessened. In these days of high cost of plant and machinery, the need for the creation of rehabilitation reserves is too obvious to need reiteration.

The formation of State Electricity Boards is a long overdue measure. Section 4 of the Act originally provided a two-year period from 10th September, 1948, to State Governments for constituting Electricity Boards as visualised under the Act. This time limit has been extended from time to time, the latest extension being upto 31st March, 1954. But, so far, only a few States have constituted such Boards. It is deplorable that the Government of Bombay, the originator of the Electricity (Supply) Act itself, has not yet constituted such a Board. As Mr. Milne pertinently pointed out, in his speech referred to above, the delay means to the commercial sector of the industry that (a) the consultative machinery visualised in the Act has been kept in abeyance, and (b) an important potential source of finance visualised by the Statute is also withheld from many undertakings which are otherwise without recourse. To the public, the effect of the delay appears particularly in the halting approach to electricity policy, which is responsible for the continuing shortage of power in the Bombay-Poona area.

Mr. Milne then referred to the Trombay thermal controversy. He warned that any prolonged determination by the Government of Bombay to limit the capacity of the projected thermal station at Trombay to 50,000 kw. would leave a serious deficiency in power until power from Koyna was available and it would be worse if more accidents as the recent rockfall in the Bhira hydro-electric generating tunnel were to occur.

Supply and Demand

One does not know when Koyna would become a reality. The Union Deputy Minister, Irrigation and Power, had stated recently that there was no chances of any work starting on Koyna "this year," by which he evidently meant the 1953-54 fiscal year. The Bombay Government, which was all along saying that Koyna would be ready to supply power in 1956-57, is stated to have admitted, according to Mr. Milne, that it would take six full working seasons from the date work starts on the Koyna Project. This means that, if work were to start in 1954-55, the project would be ready not earlier than 1960-61. Will there be enough power to supply the needs of the Bombay-Poona region in the interval? The estimates of demand for power present a very disturbing picture. In this connection, the following account of the present power supply and demand position in the area and the general outlook for 1954, 1955 and 1956, that is, until the Trombay station comes into operation, prepared by the Association, will be read with interest:

(1) Since October, 1948, the demand on the Tata-railway system has increased from 255 m.w. to 285 m.w. or by 30 m.w. This increase of 6,000 kw. per year average has been due chiefly to the addition of new residential (principally lighting) consumers, who are now being added at a rate of between 15,000 and 16,000 per year, and some essential demands authorised by Government. The same rate of increased for these requirements will necessitate an increase in production capacity of 18,000 kw. in the next three years;

(2) the Government has committed itself to supply the refineries and the penicillin factory, and they will together require an increase in production capacity of 18,000 kw.;

(3) the railways, it is understood, have indicated that they have not ordered generating plant for an expected increase in traction demand of 14,000 kw. in the next three years. Consequently, this will require an increased generation of 10,500 kw. If to this is added the electrical production to supply certain Central Government enterprises, a combined increase of 18,000 kw. will be required;

(4) the first unit of the Bombay Government plant at Chola has been undergoing trial runs and it will, it is understood, be ready for commercial operation shortly. There are three generating sets each with a peak capacity of 18,000 kw. It is believed, however, that the full 54,000 kw. output will not be produced until the installation of the fifth boiler, which is due for completion about the end of 1954;

(5) the full output of the new Government plant, without any provision for standby, will therefore be required for the demands outlined in (1), (2) and (3) above; and

(6) this leaves no scope for meeting the vast pent-up, or new industrial, demands and the substantial unrequited domestic (heating, cooking, etc.) demands, or for the removal of factory working hours or holiday staggering.

This leads to the conclusion that, for the three-year period 1954 to 1956, until the Trombay station comes on loan, the power that will be available for the public will, on the most optimistic basis, be to the extent of 18,000 kw., taking into account such margin out of the power reserved for other purposes as will result from diversity of load. This amount of power will be hardly enough for normal growth of domestic load on its present restricted basis, and leaves no scope whatever for expansion of ordinary industrial load.

In limiting, for the present, the capacity of the Trombay station to one set of 50 m.w., the Government may be reckoning on the prospect of load demand in the area being equal to the production capacity until power from the Koyna Project becomes available by 1961. However, if past and prospective load development are any indication, the region would appear to be heading towards a serious power crisis between the period the Trombay station would be on load and the time the Koyna Project is commissioned.

In view of all these, the following suggestions put forward by Mr. Milne to meet the power requirements of the region deserve the attention of the authorities concerned:

(1) The Government of Bombay should review its decisions on the question of the capacity of the Trombay station and permit Tatas to proceed immediately with the installation of a 100,000 kw. power plant there;

(2) the railways should agree without demur to place such further orders for plant at their Kalyan power station as may be necessary fully to maintain the newly reacquired self-sufficiency;

(3) most urgent steps should be taken to overcome existing difficulties in fully commissioning the plant at the Government's new power station at Chola; and

(4) the Government should forthwith announce its stage-by-stage plans for the removal of all restrictions on power consumption in the Bombay area, including the removal of the holiday and factory-working-hours staggering schemes.

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CASCADE GENERATOR

The million-volt Cascade Generator, recently installed at the Tata Institute of Fundamental Research, has now reached full operation. It will be recalled that work on its installation was started in May last. The purpose of a Cascade Generator is to produce high energy atomic particles which are used to study the structure of the atomic nucleus. The first high tension generator of this type was constructed by Cockroft and Walton under Lord Rutherford at the Cavendish Laboratory in Cambridge and produced the first artificial disintegration of the atomic nucleus. Since then there has been a number of improvements and the Cascade Generator now functioning at the Tata Institute of Fundamental Research was developed by Messrs. Philips Electrical Company at their establishment at Eindhoven, Holland. It produces a high tension of one million volts with a combination of condensers and rectifiers. The voltage from a 100,000-volt transformer is multiplied 12 times to give a nominal voltage of 1.2 million volts. Charged particles such as protons and deuterons are produced at the top of an accelerating column, which is an insulated tube across which is supplied a high tension of one million volts. These charged particles travel down the accelerating column, which is kept under high vacuum, and bombard a target which is at ground potential.

The great advantage of this type of high tension unit is its ability to give a high flux of charged particles. Thus deuterons of about 300 micro-ampere beam current, bombarding a target, produce about two thousand million high energy neutrons per second. This is approximately equivalent to the radiation from a 200-gram radium beryllium source. Very interesting nuclear reactions take place when these particles bombard targets of light elements like deuterium, tritium, lithium, beryllium, boron and carbon. For example, 1,000,000-volt protons bombarding lithium give high energy gamma rays, whilst fast deuterons hitting a tritium target produce a high flux of very fast neutrons.

The Cascade Generator installed at the Institute is only one step in the plans of the Indian Atomic Energy Commission for developing atomic energy in India. It will be used to obtain nuclear data necessary for the design of an atomic reactor and for fundamental research into the structure of the nucleus, such as the study of the fission caused in heavy elements by high energy gamma rays, nuclear energy levels and so on. For this purpose, high efficiency detectors, developed in the Institute, will be employed. The high flux of neutrons will enable the preparation of artificial radioactive isotopes, some of which have such a short life that they cannot be imported from abroad. These isotopes will, in due course, be made available for research in physics, chemistry and medicine to other research centres in the country.

USE OF ATOMIC POWER FOR PEACE

PROPOSAL FOR AN INTERNATIONAL COMMISSION

THE proposal put forward by President Eisenhower for an international atomic commission, in the course of his address to the U.N. Assembly on atomic power last week, is an act of the highest statesmanship. So bold and so reasonable is the proposal that even the Soviet Union has found it hard to reject it outright and has been giving it, in the words of M. Vyacheslav Molotov, the Soviet Foreign Minister, "serious consideration". The main object of Mr. Eisenhower's proposal is "to lead straying humanity off the road to atomic doom" and make a "historic beginning" in pooling knowledge and resources in atomic energy for the betterment of humanity.

The proposal has come at the most appropriate time, because the monopoly of atomic power once possessed by the U.S. is no longer there, inasmuch as not only the U.K. and Canada, but also the Soviet Union possesses it. It may be that, because of an earlier start, the U.S. may have accumulated what is to-day a quantitative advantage. But this superiority in number (consequently, a greater capability of devastation) is in itself no preventive against the fearful material damage and toll of human lives that would be inflicted by surprise aggression. As Mr. Eisenhower pertinently remarked:

"The awful arithmetic of the atomic bomb does not permit of any such easy solution. Even, with the most powerful defence, an aggressor in possession of the effective minimum number of atomic bombs for a surprise attack could probably place a sufficient number of his bombs on the chosen targets to cause hideous damage."

It is true that, should such an attack be launched against the U.S., the reactions will be swift and resolute. The retaliation capabilities are so great that an aggressor's land could be laid waste. But, surely, no sane member of the human race can "discover victory in such desolation" and wish his name "to be coupled by history with such human degradation and destruction." And the U.S. is no exception to this. To quote the memorable words of the President:

"Occasional pages of history do record the faces of the 'great destroyers', but the whole book of history reveals mankind's never-ending quest for peace and mankind's God-given capacity to build. It is with the book of history, and not with isolated pages, that the United States will ever wish to be identified. My country wants to be constructive, not destructive. It wants agreements, not wars, among nations. It wants itself to live in freedom and in the confidence that the people of every other nation enjoy equally the right of choosing their own way of life. So my country's purpose is to help us move out of this dark chamber of horrors into the light, to find a way by which the minds of men, the hopes of men, the souls of men everywhere, can move forward toward peace and happiness and well-being. In this quest, I know that we must not lack patience."

The need of the hour, therefore, is to seek "an acceptable solution" to stop the atomic armaments race which overshadows "not only the peace but the very life of the world." It is certainly no shallow vision incapable of realisation. All that is needed is a little amount of goodwill among the nations of the world, particularly on the part of the Communist nations.

The peaceful uses of atomic energy are so enormous that they may easily be considered as dreams about the future. But they are no longer dreams. This is already evident from the significant developments in nuclear research. To-day, the U.S. Atomic Energy Commission (A.E.C.), for instance, has in operation a fantastic power plant capable of producing its own fuel. The reactor employed in the successful experiment has been generating electric power in experiments since 20th December, 1951. The successful operation of the breeder reactor and a number of developments were responsible for the decision taken by the A.E.C., in October last, to construct the first full-scale power reactor capable of producing a minimum of 60,000 kilowatts, a quantity of power enough for a city of 50,000 people. Scientists say that it is now only a question of development to bring the costs of atomic electricity down to where they can compete with those of electricity from conventional sources. "The potential power to be harnessed from the atom for mankind's peaceful purposes staggers the imagination," to quote Mr. Gordon Dean, a former Chairman of the U.S. Atomic Energy Commission. "There is," according to him, "the same amount of energy in one pound of fissionable material as in 2,600,000 pounds of gasoline."

The most useful atomic by-product, the radioisotopes, has been the greatest research discovery since the microscope. These radioisotopes, which are ordinary chemical elements such as sodium, iron or carbon which have been made radioactive in an atom reactor, have proved valuable in medical science both in diagnosis and therapy. Radioactive iodine is used in diagnosis and treatment of hyperthyroidism and in the location of thyroid cancer and brain tumors. Radioactive strontium is effective in treating lesions and tumors, without surgery, in highly sensitive areas such as the eye. Radioactive phosphorus is now standard treatment for certain blood disorders. Radioisotopes have enabled agricultural scientists to trace fertilising materials from the soil into plants, to measure the speed of their movement, and to determine at which stage, in its growing cycle, a plant needs fertiliser most. This results in more effective use of fertilisers at less cost. Radioisotopes also are used to determine more effective uses for insecticides and weed-killers.

Numerous industrial uses also have been found for radioisotopes. They are used to look inside heavy castings, to measure the wearing process under different lubricating conditions and to study processes for producing petrol synthetically from coal and oil. Isotopes also help in steel and rubber manufacturing.

Current research also holds out the hope that man, through atomic energy, may learn how nature produces food and fuel from sunlight, air and water—the process called photosynthesis. To quote Mr. Dean, again:

"All of this progress has been made in a little more than one decade. . . . it is without parallel in history. No one can predict the future, but, if past performance is any gauge, we need only look at the astounding rate at which the Atomic Age has progressed in its first decade to be convinced that the potential benefits of atomic energy are truly enormous."

Since 1947, the U.S. Atomic Energy Commission has been conducting an export programme, whereby a limited variety of radioisotopes are made available to users in other nations for the specified purpose of scientific and medical research and medical therapy.

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CONTROL OF VEHICULAR TRAFFIC

PROBLEM OF INCREASE IN ACCIDENTS

WE reviewed, in *Commerce* dated 14th November, 1953, the observance of the Safety First Week in New Delhi, and the causes of accidents on India's roads. Since the safety first principle in transport is of the utmost importance to insurers who, in the long run, stand to benefit by the wider acceptance and adoption of this principle by the motorists, cyclists and pedestrians, we made a fervent plea to insurers to interest themselves in the work of the Safety First organisations. In this connection, Indian insurers will be interested to know that some illuminating details relating to the number of vehicles, and of accidents in 49 of the world's largest towns, have been compiled by the Copenhagen Police Department and published by the Committee for Road Safety, appointed by the Danish Ministry of Justice under the title *World's City Traffic*.

The year 1951, according to the pamphlet, saw a "tremendous" increase in the number of motor vehicles. In 1949, the mean figure was 117.50 per 1,000 inhabitants. In 1950, the figure was 121.49, but in 1951 it had risen to 134.04. The numbers of cycles and cyclists also rose considerably during 1951. The mean figure for 1950 was 136.06 cycles per 1,000 inhabitants, rising to 152.15 per 1,000 in 1951. In other words, cycles still outnumber motor vehicles in a large number of towns. The following table shows the number of motor vehicles and cycles in some of the leading towns in the world:

Name of city	Motor vehicles Per 1,000 inhabitants 1951	1950	Bicycles Per 100,000 inhabitants 1951	1950
New York ..	180.31	169.06		
Sydney* ..	183.34	167.73	157.80	162.65
Bombay ..	15.00	13.93		11.67
Calcutta ..	36.06	32.76	10.20	9.80
Detroit ..	532.81	507.76	25.64	24.45
Madras ..	9.13	7.46	24.24	22.65
Singapore ..	38.01		126.45	
Copenhagen† ..	84.87	48.65	667.50	639.46
Lahore ..	21.34	15.37	235.43	235.57
Zurich ..	83.41	71.12	301.95	304.59

* Figures cover the whole of New South Wales.
† Figures cover Frederikaberg as well as Copenhagen.

In the context of the large increase in the number of motor vehicles and other means of road transport, the number of people killed and injured in traffic accidents again rose in 1951. Whereas traffic fatalities in 1950 averaged 8.62 per 100,000 inhabitants, they rose to 9.13 in 1951. The mean figure for injured persons rose from 3.94 per 1,000 in 1950 to 4.34 in 1951. The following three tables give the information relating to persons killed, children killed and persons injured in traffic accidents in some of the leading cities:

Persons killed

Name of city	Per 100,000 inhabitants 1951	1950	Per 100,000 motor vehicles 1951	1950
London ..	7.00	7.39		
New York ..	7.13	6.78	39.67	40.08
Sydney* ..	21.67	19.34	118.22	115.31
Bombay ..	8.75	7.87	583.22	567.80
Calcutta ..	2.79	3.25	75.09	90.35
Detroit ..	12.78	11.15	23.99	21.96
Madras ..	4.69	2.80	513.29	375.64
Singapore ..	15.80	..	415.67	
Copenhagen† ..	10.41	7.82	190.40	160.80
Lahore ..	1.63	2.43	71.72	176.23
Zurich ..	9.08	9.69	108.88	136.27

Children killed

Name of city	Per 100,000 inhabitants 1951	1950	Per 100,000 motor vehicles 1951	1950
London ..	0.92	1.15	..	..
New York ..	1.02	0.78	5.68	4.68
Sydney* ..	2.08	2.29	11.37	13.64
Bombay ..	2.73	2.53	182.22	190.00
Calcutta ..	0.59	1.14	16.05	34.71
Detroit ..	1.47	1.20	2.76	2.36
Madras ..	1.26	0.87	137.90	116.24
Singapore ..	8.30	..	66.82	..
Copenhagen† ..	0.63	0.34	12.42	6.99
Lahore ..	0.69	1.80	27.58	84.25
Zurich ..	1.61	1.02	18.15	14.34

Persons injured

Name of city	Per 100,000 inhabitants 1951	1950	Per 100,000 motor vehicles 1951	1950
London ..	4.83	4.44		
New York ..	4.24	3.24	23.50	23.09
Sydney* ..	3.66	3.38	19.96	20.18
Bombay ..	1.74	1.97	116.31	147.80
Calcutta ..	1.35	1.23	37.65	37.58
Detroit ..	9.43	8.96	17.79	17.83
Madras ..	1.10	0.93	120.97	124.25
Singapore ..	8.59	..	66.01	..
Copenhagen† ..	5.15	4.67	94.19	95.99
Lahore ..	0.14	0.08	6.51	8.52
Zurich ..	6.12	5.35	75.41	76.20

* Figures cover the whole of New South Wales.
† Figures cover Frederikaberg as well as Copenhagen.

It will be seen from the tables above that among the Indian towns, for which information has been collected, namely, Bombay, Calcutta and Madras, the "safest" town, so far as traffic accidents are concerned, is Calcutta. The number of fatalities per 100,000 inhabitants is 2.79 in Calcutta, as against 8.73 in Bombay and 4.69 in Madras. The number of fatalities per 100,000 motor vehicles is also low at 75.99 in Calcutta as against 582.22 in Bombay and 513.29 in Madras.

The survey mentions that two particular measures are taken to prevent traffic accidents, namely, propaganda and police intervention (possibly resulting in fines or other penalties for traffic offences). Traffic regulations include the imposition of speed limits and parking restrictions. In most towns, there is a fixed speed limit. In Athens, Copenhagen and Hamburg, for instance, the speed limit is 25 miles per hour. In the U.K. it is 30 m.p.h. In Bombay in 1950, excessive speed and reckless driving accounted for 102 deaths. The penalties for excessive speed and reckless driving, it is stated, are severe in the U.S.

In a separate pamphlet, entitled *Parking*, compiled and published by the Copenhagen Police Department, the authors observe that a perusal of the information collected from all the principal cities of the world "compels the conviction that parking is nearly everywhere the greatest traffic problem of the present day and one that causes not only the users of the roadways but also the authorities the very greatest difficulties."

In many cases, there are restrictions on the period of time, usually half an hour, for which cars may be parked. This period is further restricted in certain hours of peak traffic conditions. In some towns, drivers are allowed to stop only in front of even house-numbers on even dates and outside odd house-numbers on odd dates of the month. To prevent streets being used as garages, many towns have laid down a general maximum period, 18 or 24 hours, in which a car is permitted to remain stationary.

It cannot, however, be too strongly emphasised that the problem of reducing the number of traffic accidents can be solved satisfactorily only when education in safety first principles becomes more widespread among all road users —drivers, pedestrians and others. It is necessary to reiterate the point we have stressed ere now, namely, that in this task of educating the people in safety first principles, insurers should play a more active role than now.

CREDIT INSURANCE

Although India has a large and growing export trade, there is, as is well known, no export credit guarantee scheme in operation in this country. In our issue dated 31st October, 1953, we dealt with the importance of this scheme for India and outlined the measures that have been taken in other countries in order to provide insurance against risks in export credits. It is gratifying to note that the Government of India is alive to the need for an export credit guarantee scheme for India, as witness the following remarks made by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, in the course of his address at the Export Advisory Council, which met at New Delhi, last month:

"One of the suggestions which has been considered from time to time is whether we should have in India an Export Credit Guarantee Scheme somewhat on the lines of the U.K. scheme. This scheme works on the commercial principle of insurance. The risks of non-payment for any shipment are borne not by the particular shipper who happens to be unfortunate, but is shared by the exporters as a class. These risks arise not only from the overseas buyer becoming unable to pay when the documents are presented to him but also in other contingencies such as a governmental restriction on remittances. We recently had that experience in the case of shipments to Brazil. Whether it would be desirable to introduce any arrangement of this kind is a matter which could well be considered. Incidentally, we can also think of this system in the reverse. Very often, overseas buyers are nervous of making new contacts with Indian buyers whom they do not know. It is equally possible to think of a guarantee scheme in the reverse which will, upto a point, cover the overseas buyer against the risk of default or non-fulfilment of contract by an Indian exporter. These are no more than ideas at present which the Council may like to think about."

If India makes a concrete move in the direction it will be only in line with many European countries which are devoting their attention to the problem of export credit, for they realise that a scheme of insurance against these risks is necessary in the interests of export trade. Italy, for instance, lacked export credit insurance and the former Government contemplated the introduction of such a scheme before it was swept away by the last general election. A scheme which had been submitted to Parliament last March was discussed by a committee without coming to a decision whether to accept Government insurance on the British model or adopt the plan of the private insurance companies based on private enterprise with Government backing and reinsurance regarding the political risks involved in present-day export credit insurance. The new Government regarded the boosting of the export trade as one of its most urgent duties and among the new measures approved by the Government to this end is one granting export credit insurance through the Instituto Nazionale delle Assicurazione with the cooperation of private insurance companies as intermediaries in the administration of the scheme. The Government thus rejected the scheme of the companies and established a Government plan, limiting the guarantee for 1953-54 and 1954-55 to Ltr. 60,000 million (about £35 million).

Again, Sweden is yet another country where the Government guarantees export credit. It is now stated the trade interests have urged the Government to continue this scheme. Thus, continued Government guarantees for export credits during the period July 1954-June 1957 are recommended by the Swedish Board of Trade, the General Export Association of Sweden, the Chambers of Commerce and a number of other organisations in their comments on a proposal by the Export Credits Board. The stiffening competition on the world markets is cited as the principal motive underlying the recommendation. The Board of Trade stresses that the guarantees have so far corresponded to only a minor share of the total export value. A relaxation of the present stipulations would probably lead to increased utilisation of such guarantees, which is a desirable development in the present situation, the Board says. The growing difficulties experienced by the Swedish engineering industry on foreign markets are likely sooner or later to affect the steel works and the iron ore consumption. Furthermore, should the lull in shipping persist, this will result in difficulties for the large Swedish shipyards in utilising their full capacity at the end of 1954. The Board of Trade, therefore, finds that an investigation into the possibilities of furthering exports, especially by means of credits, should be undertaken without delay.

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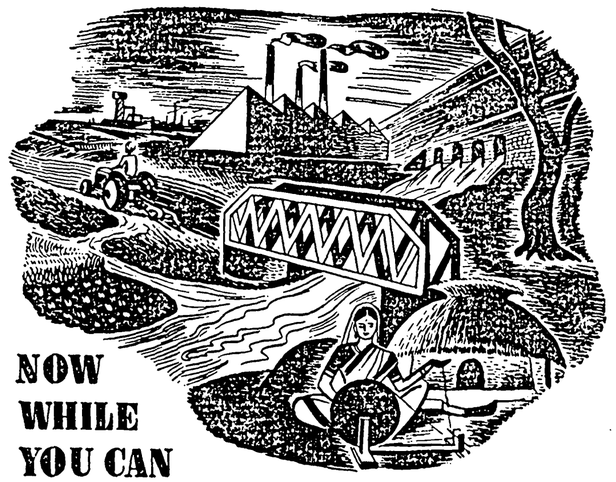

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MILL INDUSTRY'S CLAIM FOR FURTHER RELIEF

NON-FISCAL MEASURES INDICATED

MOVING the resolution on the need for further relief for the Indian cotton mill industry, at the annual meeting of the Associated Chambers of Commerce of India at Calcutta this week, Mr. R. L. Coghlan showed that, even if the Government was unwilling to adopt measures which would in any way curtail the revenue it was now deriving, it could make a few changes which, without affecting its revenue, would serve as a relief to the industry. Since such proposals deserve a wider audience than those who attended the Chamber's meeting, we reproduce below the speech made by Mr. Coghlan:

On behalf of the Bombay Chamber of Commerce, I beg to propose the following resolution:—

"While recognising that, by reducing the excise duty on superfine cloth, and removing the export duty on medium cloth, the Central Government have taken some steps to lighten the manifold burdens imposed by themselves and by the State Governments upon the cotton mill industry, this Association considers that, in view of the rapidly deteriorating circumstances in which the industry finds itself, further relief is urgently necessary, and in particular, urges that those restrictions, which serve no fiscal purpose but merely hamper the working of the industry, be removed."

Last year the Bombay Chamber moved a somewhat similar resolution, which was seconded by the Madras Chamber and supported by Upper India. When preparing this speech, I referred to the proceedings of the meeting last year, and was struck by the appropriateness of what was said then to the situation as it is now. Almost every point the speakers made on that occasion, applies with equal force to-day—in fact, with added force, because the cotton mill industry is largely as a result of the continuance of the burdens against which protest was made, in by no means so prosperous a condition now as it was one year ago.

True, there have since then been the reduction in the excise duty on superfine cloth, and successive reductions in export duty, from 25 per cent. on coarse and medium varieties to 10 per cent. on coarse cloth only. The latter reductions are considerable, and show that the Government are alive to this aspect of the industry's problems, and are concerned to see a nearer approach being made to the target figure for export of 1,000 million yards per year. This figure will certainly not be reached in 1953, but it is too early yet to say that the remaining duty on coarse cloth makes it impossible to achieve it in a full period of 12 months.

Turning to the home market, one may say that the small concession of one anna per yard in the excise duty on superfine cloth has been more than counterbalanced by the effects of restrictive labour legislation and other disadvantages. I would be going outside my brief if I did more than mention the chaotic position resulting from the variations in incidence and interpretation of the various States sales tax laws, and the losses arising from the risks and uncertainties they engender.

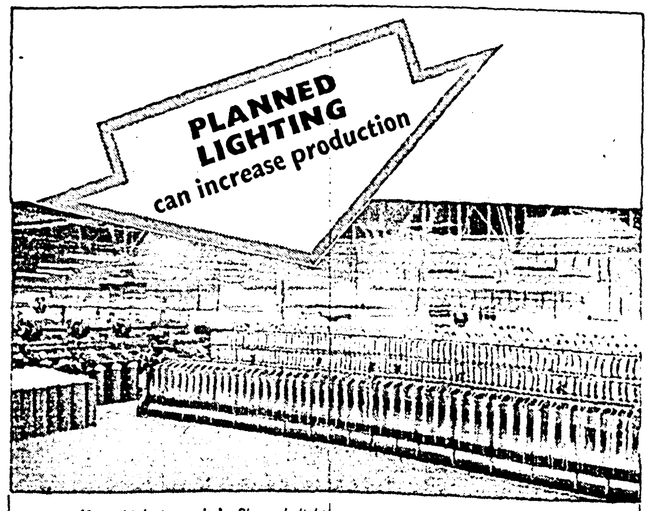
I should like to say a few words about the curious legacy which has been left by the departed price control, in the form of production control. This type of production control is quite different from that designed to protect the handloom industry, and arose, at the time price control was introduced, from the difficulty in devising formulæ for the fixation of ceiling prices, which could be applied to all varieties of cloth. As a result of this difficulty, it was decided to restrict production to cloths conforming within fairly narrow margins with a limited number of standards, and the manufacture of varieties which did not so conform was prohibited, even if they were well-established qualities which had been selling for years. To fix equitable ceiling prices on cloths which differed fundamentally in construction from the standards would have been a Herculean task, and the Government cannot be blamed for taking the easier course of prohibiting their manufacture. However, when price control was removed, these restrictions were retained, although they have now completely outlived their purpose, and merely constitute a handicap, both on producers and consumers, which does nobody any good and for which there is no justification whatever. One can only suspect that the reason for their retention is that it provides work in the Textile Commissioner's Office for those whose services, since the abolition of price control, have become redundant.

I do not propose to go into the merits of the case for production control in the interests of the handloom industry, but would like to comment on the way one form of this, namely, the restriction on the production of *dhotis*, is administered. When this was first introduced by Ordinance, the restriction was imposed on production. Mills could not, in any month, produce more than 60 per cent. of their monthly average in the basis period. This meant that the yardage of cloth which came off the looms during that month must conform to the quota. It was pointed out that the computing of the quota at this stage introduced unnecessary difficulties for the mills in balancing their production programme, without doing anything to help the handloom industry, which could not equally well be done, if the quota were reckoned at the stage of packing, not of production. The Government accepted this, and the next Ordinance changed the basis of reckoning to packing. Now, this Ordinance has been followed by an Act, which changes the basis again, this time from packing to clearance from the mill. This last alteration makes the mills' position almost worse than it was to begin with, because clearance is a matter largely outside their control; goods are normally cleared only when the buyers pay for and take delivery of them. The mills are therefore liable to forfeit their quota, if, for any reason, their buyers fail to come forward and take delivery of their purchases within the quota period.

Another form of Governmental restriction from which the industry suffers arises from the reluctance of the Government to allow the installation of modern labour-saving machinery, owing to their fear that this may lead to a reduction in the number of workers employed. There is, for example, now a prohibition on the installation of automatic looms. These looms not only have the advantage of requiring fewer hands to operate them, but also produce better cloth, and they are therefore particularly suitable for manufacturing cloth for export. The Government's policy in this respect is, therefore, inconsistent with their desire not only to increase the export of cloth from India, but also to improve its quality, and one feels that at least those mills, which manufacture largely for the export trade, should be free to install them without restriction.

The administration and collection of the excise duty provide the mills with another series of headaches. Innumerable complicated forms have to be filled and records maintained, involving the necessity for additional staff, and also delays in effecting delivery of the goods concerned. I suggest that fiscally the same results could be achieved by the Government far more simply by substituting for the present complicated excise system, a tax on cotton received in the mills. A standard weight per bale should be taken for the purpose rather than actual weight, and the rates of tax could be varied according to the type of cotton. The same results could then, in effect, be achieved as by the present system of rates of excise which vary according to the type of cloth.

I have concentrated mainly on those forms of Government restriction which hamper the industry without bringing the Government any revenue, in the hope that where no loss of revenue is at stake, the chances of redress are greater than where it is. That the industry is in need of more sympathetic and helpful treatment from Government is only too obvious from the decline in profits revealed in the annual accounts of mill companies published in recent months, and this decline is continuing.



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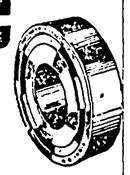

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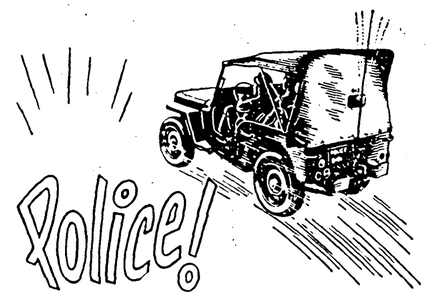

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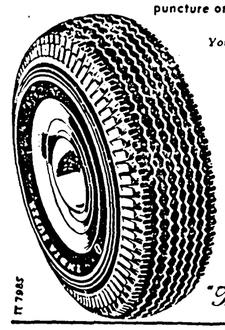

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PROBLEMS OF CHEMICAL INDUSTRY

PRODUCTION WELL BELOW INSTALLED CAPACITY

BOTH the heavy chemicals and pharmaceutical industries have been passing through difficult times for some time now. Recognising the importance of both to the Indian economy, the Government has appointed a Development Council for the former and an Enquiry Committee for the latter. The two bodies have the heavy responsibility of seeing the two industries out of the wood. Both seem to be facing the same set of difficulties. The rated capacity of most units in both is nearer the targets fixed in the Five-year Plan, but the percentage of unutilised capacity is high. High railway freights, and low priority for the movement of raw materials and the finished products have been their longstanding difficulties. Lack of co-ordination between State policies, imposition of cesses, fall in demand, inadequate State assistance in several directions, etc., have been held responsible for the difficulties of these industries. Despite vast potentialities, the chemical industries in India are still in an undeveloped state. The capital employed in the private sector of the industry, for instance, is estimated at Rs. 30 crores only, as against Rs. 200 crores in textiles, Rs. 70 crores in jute and Rs. 50 to Rs. 55 crores each in the iron and steel, engineering, sugar and vegetable oil industries.

The recognition of this poor growth of the chemical industry was perceptible in the proceedings of the last annual meeting of the Indian Chemical Manufacturers' Association, held at Calcutta on 30th November last. Availing himself of the presence of Mr. K. C. Reddy, Minister for Production, Government of India, who inaugurated the session, Mr. Purshotamdass Popatlal, the outgoing President of the Association, chose to draw the Minister's attention to the difficulties facing the two industries.

Idle Capacity

The problem of idle capacity appears to be very disquieting. For, according to Mr. Purshotamdass, the percentage of installed capacity utilised was 49.6 in sulphuric acid, 50.1 in caustic soda, 44.7 in liquid chlorine, 20.5 in bleaching powder, 17.2 in superphosphate and 36.4 in bichromates. In many of these, the rated capacity has reached the targets fixed by the Five-year Plan. The measures suggested by the Association for utilising the idle capacity are: (1) long-term tariff protection, (2) recognition of import policy as a means of protection, (3) restriction of foreign capital only to such industries as required highly specialised technique and large capital not available locally, (4) guidance of State Governments in formulation of their policies so as not to be in contradiction to the Union Government's policy, and (5) State assistance in the form of accelerated tax amortisation, bulk purchase and resale of vital materials, direct loans, loan guarantees, commitments to purchase at specified floor prices and Government financing of part of the cost of exploration of minerals. Commenting on these demands, Mr. Reddy stated: "The Government has not lost sight of the suggestions and, while appropriate and feasible action has already been taken in certain directions, they are on the watch to see what other action should be taken in the light of the varying circumstances, keeping in view the needs of the manufacturers as well as consumers." He also drew the attention of chemical manufacturers to the fact that the Government had instituted an enquiry in certain spheres in connection with the utilisation of idle capacity.

Development Council

Mr. Reddy welcomed the formation of the Development Council for the heavy chemicals and fertilisers industry and hoped that it would influence and shape the course of development of this sector of the chemical industry along sound and healthy lines. He revealed that the Council had recently recommended the formation of a National Fertiliser Association for the wider dissemination of knowledge and demonstration about fertiliser utilisation and for improving the offtake of fertilisers.

The President of the Association attributed the difficulties of the sulphuric acid industry to the fall in the production of superphosphate consequent on closure of the Central Phosphatic Pool. The disbandment, he said, resulted in delinking the consumption of nitrogenous fertilisers with phosphatic fertilisers. For, when the Pool was in operation, both ammonium sulphate and superphosphates were distributed by the State agencies, whereas now the former alone, which is produced in Sindri, is being pooled and distributed through the State agencies. Dealing with this subject, Mr. Reddy stated the disbandment of the Superphosphate Pool merely meant the return of its sale to private enterprise. The Pool had been established under war-time conditions and now that there were normal conditions, the Government felt that there was no point in continuing the control. He said that the Government's policy was to encourage the use, in adequate proportions, of both phosphorus and nitrogen as nutrients for crops. He added that the State Governments would also give credit facilities for superphosphates in the same manner as they were giving to sulphate of ammonia. The Union Government had stopped the imports of superphosphate in order to leave the entire field to be served by the indigenous industry. He believed that, as a result of these measures, the consumption of superphosphates would maintain last year's level.

The difficulties experienced by the pharmaceutical industry as a result of the dual control exercised by the Health and Commerce and Industry Ministries were highlighted by Mr. Purshotamdass. The manufacturers' licences prescribed by both the ministries were not identical as the qualifications required varied widely. Mr. Purshotamdass remanded the setting up of a Development Council for the pharmaceutical industry also. Replying to this demand, Mr. Reddy stated that the Ministry of Commerce and Industry, in giving licences, was concerned with the regulation of quantitative manufacture of products, while the licences under the Drugs Act were concerned with qualitative control only. He hoped that the question of co-ordinating the issue of licences under the two Acts, namely, the Industries (Development and Regulation) Act and the Drugs Act would be dealt with by the Pharmaceutical Enquiry Committee.

Salt Cess

Mr. Purshotamdass complained that the alkali industries were greatly handicapped by the incidence of the cess on salt. The industry had been pressing for the total abolition of the cess and for this it had the support of the Planning Commission, the Salt Expert Committee, the Salt Advisory Committee and the Tariff Commission. The relief sought by the industry would amount to, it is stated, only 5 per cent. of the total revenue from the cess. While it would cause no great sacrifice to the revenues, the relief would mean a reduction in the cost of production, of the order of Rs. 7 to Rs. 13 per ton of caustic soda or soda ash. Speaking on this point, Mr. Reddy stated that the plea for exemption of the payment of cess would be re-examined in all its aspects. He did not, however, forget to remind them that, while fixing controlled price, allowance had been made for the cess. Although there was some truth in the fact that the industry had not been realising the controlled price at a time when there was no demand, Mr. Reddy observed that such was only a temporary phase. For the indigenous production, according to his information, had latterly been in good demand and he, therefore, felt that complaints against lack of demand was not quite well founded. He, however, assured the Association that problems such as incentives for greater production, fiscal, import and export policies, transport difficulties, co-ordination of Government policies as affecting the chemical industry would continue to receive the attention of the various Ministries of the Government of India.

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CONTROL OVER STATE UNDERTAKINGS

FINANCE MINISTER EXPLAINS POSITION

THE debate last week on the need for exercising Parliamentary control over the State-owned industrial concerns revealed certain notable features. It has brought out the variegated nature of these concerns over which no proper method of Parliamentary control exists. It has also shown that the problem bristles with certain complicated issues on account of which the Government has not been able to take a decision as to the shape such control should take. Lastly, by insisting on the need for establishing Parliamentary control, the debate has confirmed the country's faith in its adherence to the principles of democracy.

The variegated nature of the State-owned industrial concerns is evident from the fact that, on the one hand, there are the Railways and Posts and Telegraphs. These are not corporations, but they continue to be under the vigilance of Parliament. On the other, there are the river valley projects managed departmentally. Then there are also statutorily established corporations, such as the Damodar Valley and Industrial Finance Corporations, which are supposed to be autonomous. Again, there are certain industrial concerns such as the Sindri Fertilisers, Hindustan Shipyard, Hindustan Aircraft, registered under the Indian Companies Act. It is stated that about Rs. 400 crores are invested in these public-owned Corporations over which Parliamentary control is not defined.

Complaints made in Parliament in this context are worthy of attention. Dr. Lanka Sundaram, to whom goes the credit for initiating the debate on this important subject, drew the attention of the House to the unsatisfactory manner in which the companies were incorporated. From the beginning officials, and not the Ministers, conducted negotiations and entered into preliminary contracts. Once these companies were brought into existence, they became impervious to public or Parliamentary control. They became, he averred, official propositions. Even the Public Accounts Committee came into the picture only *ex post facto*. The Estimates Committee too had not been able to go into the affairs of any single corporation so far. He pointed out that the Auditor-General had described these private limited companies "as a fraud on the Companies Act and on the Constitution." This official had also complained that his authority and the right to report to Parliament through the President was sought to be taken away. Conversion of Government concerns into private concerns solely by Executive action was considered unconstitutional. Besides, most of these concerns had a monopoly, each in its own field, and there was no competition, with the result that the consumers' interest had been completely forgotten. They had become, Dr. Sundaram added, something like an *imperium in imperio*. He, therefore, wanted that a Parliamentary Committee, charged with the work of looking into the affairs of the corporations, should be set up under the direction of the speaker.

The Finance Minister, Mr. C. D. Deshmukh, in replying to the debate, clarified the present position as also the possible future policy of the Government in regard to the management of the State-owned industries. He admitted that there was a great deal of substance in what the Auditor-General had stated in regard to the concerns, but objected to the description "fraud," as they had been set up out of funds drawn from the Consolidated Fund. The various companies had been set up, he observed, as a sort of emergency measure for making certain arrangements in regard to the production of materials like fertilisers. It was, however, not the final position. The Government intended either to come forward with legislation authorising the setting up of a State Corporation for carrying on business or industry by the Government or, in the alternative, to introduce in the Company Law Amendment Bill, awaiting to be introduced in Parliament, a separate chapter in regard to companies which are owned either wholly or predominantly by the State.

The real issues posed by the Finance Minister were: (a) the powers of the Comptroller and Auditor-General, (b) the authority of the Executive and (c) Parliamentary control over the organisations in regard to financial matters. In regard to (a), he said that, when the special legislation was brought forward, it was proposed to introduce suitable provisions to ensure that

(Continued on page 1167)

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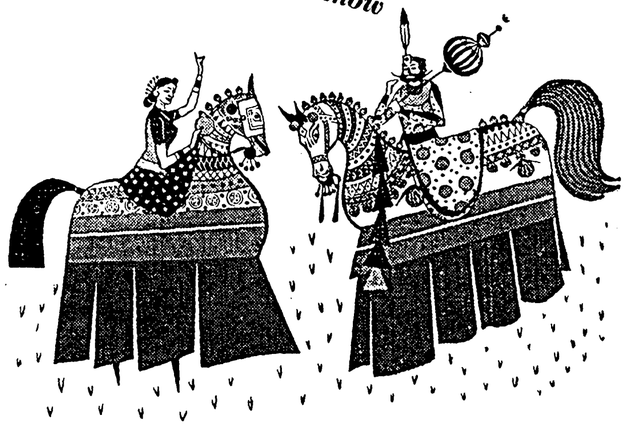
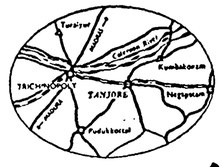
Tanjore's dummy horse show



Tanjore, the home of Bharata Natyam, is also famous for its dummy horse show, performed during the year-end festive season. Drawing upon mythology for themes, the dances—an intricate pattern of expressive movements and gestures—are performed to the accompaniment of classical music. The brilliantly coloured horses may weigh up to 1¼ maunds, and the performance, often running to several hours, calls, therefore, not only for great skill but also much stamina.



Tanjore is 34 miles east of Trichinopoly which stands 248 miles down south on the road leading from Madras to Cape Comorin. Both accommodation and petrol are available in Tanjore. A visit to the scenes of India's famous festivals ranks high among the pleasures of motoring, made possible by John Boyd Dunlop's invention of the pneumatic tyre.

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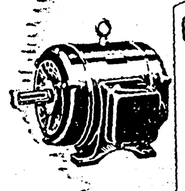

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HARM CAUSED BY SPURIOUS DRUGS

MR. E. L. C. GWILT ON NEED FOR STERN MEASURES

[In view of the great importance of preventing the manufacture of spurious drugs which cause irreparable harm to the unsuspecting buyers who use them, it is gratifying to note that the Associated Chambers of Commerce of India adopted, at its annual meeting held at Calcutta this week, a resolution urging the Government to take stern measures against this practice and to amend the Drugs Act so as to make the manufacture of spurious goods a cognisable offence. The speech, which Mr. E. L. C. Gwilt made in support of the resolution on this subject, throws a flood of light on the nefarious ingenuity of the manufacturers of faked goods.—ED.]

AT the Annual General Meeting of the Associated Chambers of Commerce of 1951, the Bombay Chamber moved a resolution in much the following words:

"This Association views with great concern the alarming increase in the manufacture of spurious drugs and of the practice of misrepresenting chemicals and pharmaceutical preparations. The Association is of the opinion that a contributing factor is the deficiencies of the Drugs Act, and the Rules thereto, and accordingly urges upon Government:

1. "so to amend the Act as to make the manufacture of spurious drugs and of misrepresenting chemicals and pharmaceutical preparations, cognisable offences;

2. "to enhance the penalties for these offences and to take such steps as may be necessary to ensure that law is enforced."

On their behalf I do so again. The resolution, which was carried, was designed to draw attention to the menace to public health from the alarming increase in the practice of manufacturing spurious drugs and it aroused a good deal of publicity in the lay and trade and medical Press, all of which supported it. Since then almost every month there has been reported in the papers the activities of the spurious drugs gentry; as recently as the 17th November the papers reported that a machine used for manufacture of sulphadiazine, etc., all found to consist only of chalk, had been unearthed in Calcutta by the Enforcement Branch Police.

In seconding the resolution, the representative from the Upper India Chamber drew attention to the fact that India was experiencing what countries in the West had already done. He noted that, in the year 1951, we were debating a matter which had aroused attention in England exactly a hundred years before, and that in 1851, the year of the great Exhibition in London, *The Lancet* had launched a campaign against the adulteration of drugs and food which led to modern legislation on this subject. He also referred to the practice of the evil in the United States. India is, as he said, only repeating what has happened in other countries of the world, but it was not until public opinion was roused in England and America, and their respective Governments urged to take appropriate legislative action, that those who indulged in the manufacture of spurious drugs were made to realise that the offence was not worth the profit accruing.

Drugs Act

On the 29th December of last year, that is of 1952, at Kanpur, in the speech made by the Union Health Minister in inaugurating the 13th session of the All India Pharmaceutical Congress held jointly with the 5th Session of the Indian Pharmaceutical Congress, she made the following observations:

"I have received representations from time to time that the provisions of the Drugs Act are not sufficiently deterrent and that steps should be taken to enhance punishment for offences under it. The Union Government is actively considering what measures should be set on foot in this regard and I hope before long that adequate steps will be taken to remedy any defects in the present legislation. More important than legislation, however, is the machinery which enforces the provisions of any Act. This must be adequate and above all it must maintain a high standard of integrity."

That was twelve months ago.

The resolution to which I have referred stated that, in answer to a question put in Parliament to the Minister of Health on the 16th February, 1951, it was stated that it was not possible to indicate the quantity and value of spurious drugs manufactured in India, since the manufacture was carried out surreptitiously. The Minister, however, laid on the table of the House a statement giving the names of 26 products spuriously compounded which had, up to then, been detected by the drugs Standard Control authorities in various States. The Minister went on to say that certain amendments to the Drugs Act of 1940 were under consideration, with the object of making the penalty clause more stringent. That was more than two years ago. So far as we are aware, no amending Bill to the Drugs Act has been moved in the House of the People, but on the 18th November last, a resolution issued by the Ministry of Commerce and Industry states that the Government of India consider that the laws bearing upon Trade Marks and Merchandising Marks upon goods need to be reviewed to see what changes and modifications are necessary, particularly to ensure effective remedies against the infringement of such marks and also against the sale of spurious goods. The resolution announces the appointment of a Trade Marks Enquiry Committee with terms of reference that include the consideration, particularly, of the Trade Marks Act of 1940, the Merchandising Marks Act, the Indian Penal Code and the Drugs Act of 1940, and other laws in their relation to infringement and fraudulent imitation of trade marks and merchandising marks, and to suggest ways and means of dealing more effectively with such anti-social activities. Despite the fact that the emphasis of the resolution applying to the Committee's terms of reference is heavily in the direction of the Trade Marks and Merchandising Marks Act, nevertheless mention is made of the Drugs Act, and I would therefore commend the following remarks to the Committee for their consideration.

No offence committed under the Drugs Act to-day is cognisable, and any investigation by the Drugs authorities cannot be undertaken without the previous sanction of a Presidency Magistrate. If and when such sanction is obtained, the Magistrate proceeds to instruct the C.I.D. to investigate. Experience has shown that applications for investigations made in open court, which is customary practice, frequently lead to information reaching the suspect before a raid can be carried out at his premises, so that incriminating evidence has vanished by the time the authorities arrive.

As the Act stands, the maximum penalty it provides is but one year's imprisonment or a fine of Rs. 500 or both. If a manufacturer of pharmaceutical preparations in India to-day has reason to believe that any of his products are being manufactured spuriously, he has to take action not only under the Drugs Act, but also under the Indian Penal Code. If offences under the Drugs Act were made cognisable, many of the impediments in the Act would disappear.

New Powers

In a notification issued in the *Gazette* on the 26th November, the Bombay Government have vested certain officers with powers to issue warrants for the arrest or search of any person, building, vessel, or place whom they have reason to believe has committed an offence under the Dangerous Drugs Act, or where dangerous drugs are kept or concealed. These officers include, the Director of Excise and Prohibition, the Collector of Customs and the Collector of Central Excise. I would urge that similar powers in respect of offences suspected to have been committed under the Drugs Act should be granted to Drugs Controllers, or to their deputies. The duties of a Drugs Controller are onerous and his responsibilities heavy, and surely the post should be a whole-time one. In at least one State the Civil Surgeon is also the Drugs Controller. I submit that one of his functions must suffer severely, and recommend that a whole-time Drugs Controller, with a pharmaceutical degree, should be appointed in each State, and that he be provided with a sufficient number of inspectors to make his work effective.

In this respect I quote from the *Times of India* leading article of the 7th December:

"The official announcement on the extension of the Drugs Act and the various regulations under it to the entire Bombay State makes pathetic reading in the context of the confirmed futility of present legislation and of the failure of the enforcement machinery to curb the sordid trade in spurious medicines. Like the other outstanding danger to public health, the adulteration of foodstuffs, the sale of fake drugs continues to flourish. Recent raids in various parts of the country have shown that in terms of total volume and the variety of drugs involved, the illicit traffic has become extensive. Central and State Ministers admit this state of affairs and are eloquent in describing the menace as a social scourge. Action, however, has been limited to directing appeals to doctors, dealers and pharmaceutical firms. Apparently, it is forgotten that these interests suffer equally with the general public from the activities of the racketeer and they have been in the forefront in agitating for effective measures by Government."

I have here two bottles, each containing a different antibiotic—aureomycin and chloromycetin—both taken from stocks alleged to be spurious. The carton, bottle, label on the bottle, and leaflet inside the carton in respect of each appear to be genuine. The leaflet of the aureomycin states that its indications, *inter alia*, are acute intestinal amebiasis, various virus infections for which it, and it only is specific, and many other serious medical conditions.

The illness in the treatment of which chloromycetin is most widely prescribed in this country is typhoid, the gravity of which complaint I need not dwell upon. The manufacturers use for the closing of their capsules a grey gelatine strip. Whoever counterfeited the particular capsules I have here has most ingeniously enamelled upon them a grey band, and unless each capsule is meticulously examined it is difficult to detect any difference in the width of the band.

Empty Bottles

The price the *jaripuranawala* is said to obtain from the spurious drugs manufacturer for an empty bottle of either of these products, provided its carton and label and leaflet are intact and in good condition, is Rs. 2. The controlled maximum selling price of aureomycin is Rs. 23 per bottle and of chloromycetin, Rs. 22 per bottle, although the actual price in the bazar for each is a little less, but dealers in spurious drugs invariably offer them at prices substantially less than bazar rates.

The contents of the capsules in bottles seized and accompanying those I have here and that have been analysed are alleged to be, in the case of the aureomycin, soda bicarb with some colouring material to give the capsule its characteristic yellow colour, and in the case of the chloromycetin, plain soda bicarb. Empty gelatine capsules can be bought anywhere in any of the larger bazars in India and so, too, of course, can soda bicarbonate, so at the price at which these two anti-biotics can be sold and still be well below controlled price, provides a very handsome profit to the spurious manufacturer, even if he only sells a dozen bottles of each per day, and if he gets caught the risk is a year's imprisonment and a Rs. 500 fine. I know of no instance where a magistrate has imposed the maximum penalty, however, heinous the offence.

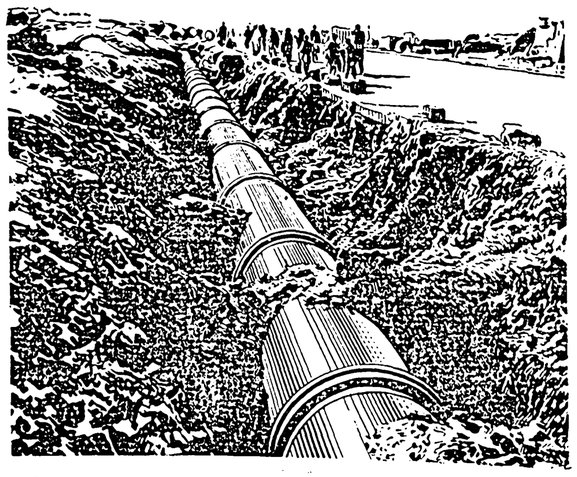
Procaine Penicillin

Bottles of alleged spurious procaine penicillin seized recently are said, by a competent analyst, to be powdered sulphanilamide tablets. These tablets, which are very cheap, contain a little starch, as a disintegrating agent and if powdered and mixed with water, the powder goes into suspension in a manner identical with procaine pencillin, which the label on the bottle would indicate the contents to be, thus arousing no suspicion on the part of the doctor administering it.

The Government have appointed a Pharmaceutical Enquiry Committee to investigate, *inter alia*, the existing manufacturing potential and the needs of the country for pharmaceutical products, and the quality of the drugs concerned. It is to be hoped that this Committee will give particular attention to the subject of spurious drugs, which are calculated to do the industry of this country irreparable damage when it commences exporting its products.

I hope I have shown that the Drugs Act, more than ever, requires amendment to deal adequately with those ruthless and unscrupulous persons who indulge in the practice of spurious drugs manufacture, and the danger that exists of their worthless products being administered to patients suffering from conditions in which their lives are at stake, and possibly at a time when they are desperately ill, and their friends too over-wrought with anxiety to distinguish the almost imperceptible evidence which could arouse suspicion, if, indeed, suspicion ever entered their heads.

longevity



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Notices

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, No. 12, Mission Row, Calcutta, on Wednesday, the 30th day of December, 1953, at 11 a.m.

AGENDA.

(1) To receive the Directors' Report and pass the Audited Accounts for the year ended 31st March, 1953.

(2) To confirm the dividend declared on the Ordinary Share Capital.

(3) To elect Directors.

(4) To appoint Auditors and fix their remuneration.

By Order of the Board,
MARTIN BURN LIMITED,
Managing Agents.

CALCUTTA, 10*th December*, 1953.

NOTE TO THE SHAREHOLDERS

The last General Meeting of the Company was held on the 14th November, 1952, and since the Indian Companies Act requires a company to hold a General Meeting once at least in every calendar year and not more than fifteen months after the holding of the last preceding meeting, it has been necessary to convene the above meeting before the close of the current calendar year.

Owing to the conditions that have prevailed at the Company's Works at Burnpur it has not yet been possible to complete the audit of the accounts of the Company for the year ended 31st March, 1953, and therefore it will be proposed at the meeting that the meeting be adjourned *sine die*. If this is approved by the Shareholders, the Directors' Report and the Accounts for the period together with the remaining business on the Agenda will be considered at the adjourned meeting which will be held at as early a date as possible. Due notice of the adjourned meeting will be given to all Shareholders and copies of the Directors' Report and Accounts circulated therewith.

Your Directors very much regret the inconvenience caused by the delay in the presentation of the Accounts, which however is due to circumstances entirely beyond their control.

INDIAN PLASTICS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 9th Ordinary Annual General Meeting of the Shareholders of the Company will be held at the Office of the Managing Agents at Imperial Bank Annexe Building, Bank Street, Fort, Bombay, at 4 p.m. on Tuesday, the 29th December, 1953, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1953.
2. To declare Dividend.
3. To elect Director in place of one of the Directors who retires by rotation.
4. To appoint Auditors and fix their remuneration.
5. To transact such other business as may be brought before the meeting with the consent of the Chairman.

The Share Register of the Company will be closed from 22nd December, 1953 to 5th January, 1954 (both days inclusive).

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

BOMBAY, 7*th December*, 1953.

THE PHALTAN SUGAR WORKS LIMITED

NOTICE

THE TWENTY-SECOND ORDINARY GENERAL Meeting of the Phaltan Sugar Works Ltd. will be held on Monday the 28th December, 1953, at 3 p.m. (S.T.), at the Factory Office of the Company at Sakharwadi, District Satara North, to transact the following business:

(1) To adopt the Directors' Report and Audited Statements of Accounts for the year ending 30th September, 1953.

(2) To sanction payment of Dividend.

(3) To elect Directors in place of Messrs. Arvind N. Mafatlal and Himatlal Kantilal who retire by rotation but being eligible offer themselves for re-election.

(4) To elect Director in place of Seth M. L. Apte who retires in pursuance to Article 123, but being eligible offers himself for re-election.

(5) To appoint Auditors for the current year and fix their remuneration. A notice has been received by the Company from one of the shareholders of the Company proposing that Messrs. C. C. Chokshi & Co., of Bombay, be appointed Joint Auditors with Messrs. G. M. Oka & Co., the present Auditors.

(6) To transact any other business that may be brought forward by the Chairman.

The Transfer Books of the Company will be closed from 21st December, 1953, to 13th January, 1954, both days inclusive.

By Order of the Board of Directors,
For MAFATLAL, APTE & KANTILAL LTD.,
L. V. APTE,
Managing Director,
Managing Agents.

SAKHARWADI (DIST. SATARA NORTH),
3*rd November*, 1953.

N.B.—The Dividend when declared will be made payable at the Factory Office at Sakharwadi, on and after 28th January, 1954. The Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on the 20th December, 1953.

McLEOD AND COMPANY, LIMITED

THE 30TH ORDINARY GENERAL MEETING of the Shareholders of McLEOD & CO., LTD., will be held at "McLeod House," No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Tuesday the 29th day of December, 1953, at 3 p.m., for the following purposes:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st December, 1952.
2. To declare Dividends.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 22nd December, 1953, to 29th December, 1953, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
C. L. BAJORIA,
Director.

"McLEOD HOUSE,"
3, NETAJI SUBHAS ROAD,
CALCUTTA—1, 4*th December*, 1953.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 29th day of December, 1953, or to their mandatees.

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

RESULTS OF BIRD-HEILGERS GROUP OF COAL COMPANIES

BORREA COAL STEPS UP DIVIDEND

THE Directors' reports and audited accounts of the group of coal companies under the management of Messrs. Bird & Co., Ltd. and Messrs. F. W. Heilgers & Co., Ltd., Calcutta, for the half-year ended 30th June, 1953 indicate that the period was none too smooth sailing for the companies. To mention a few of the difficulties that faced them. The cost of production remained high, transport bottlenecks, though not as bad as in previous years, continued to hamper despatches and there was a loss of export markets, owing to a number of factors over which the industry had no control. Consequently, the Companies had to work on a narrow margin of profit. Although the aggregate gross profit of these companies for the half-year under review is a shade better than that for the previous half-year, one should not jump to the conclusion that the companies must have turned the corner; for it does not give a correct picture of all the companies' position. Out of the seven companies belonging to the group, only two have been able to earn substantially higher profits than in the previous six months. The profits of three others are only slightly better, while those of the remaining two disclose a further setback.

The performance of each company will be evident from the following table, which presents the gross profit of each for the half-year under review against the background of those for the previous two half-years:

(In lakhs of rupees)

	For the half-year ended		
	30-6-1953	31-12-1952	30-6-1952
Bhulanbarares	+ 0.27	— 0.23	+ 0.76
Borrea	+ 5.06	+ 2.73	+ 4.37
Burrakur	+ 10.30	+ 13.92	+ 14.99
Churulia	+ 0.12	— 0.10	+ 0.11
Ondal	+ 3.59	+ 1.81	+ 1.69
Sendra	— 0.70	— 0.59	+ 0.23
Standard	+ 2.93	+ 2.36	+ 2.07
Total ..	+21.57	+19.90	+24.35

The pattern of dividend distribution of these companies is as varied as the profits themselves. Only one, namely Borrea, has been able to step up the distribution from 25 per cent. to 30 per cent. per annum and that too by raising only the bonus part of it from 5 per cent. to 10 per cent. per annum. By this increase, the total distribution is restored to that paid for six successive half-years upto the end of June, 1952. Churulia, Ondal and Standard have been able to maintain the dividend, the first one at 1.9/16 per cent. and the other two at 20 per cent. per annum. Burrakur has had to cut the dividend from 5 per cent. to 2½ per cent. per annum—the lowest for the last 10½ years, it being the same as that for the half-year ended 31st December, 1942. Bhulanbararee and Sendra have had to skip over the dividends, the former for the second half-year in succession and the latter for the third half-year. What is more, these two companies have had to carry forward small losses for the current half-year.

Of the above seven companies, only four, namely, Bhulanbararee, Borrea, Burrakur and Sendra, have their own collieries, while the other three depend on the earnings from their investments in other collieries and other investments. The raisings and despatches of the first mentioned four companies for the half-year under review, as compared with those for the previous two half-years, are as follows:

(In tons)

	For the half-year ended		
	30-6-1953	31-12-1952	30-6-1952
Bhulanbararee—			
Raisings	72,010	72,015	80,355
Despatches	69,457	71,424	85,601
Borrea—			
Raisings	72,735	77,426	81,034
Despatches	71,056	75,593	81,216
Burrakur—			
Raisings	509,461	492,571	526,000
Despatches	493,292	503,326	481,959
Sendra—			
Raisings	71,691	71,051	75,461
Despatches	64,929	65,899	74,036

The reduced output of Borrea is said to be within the target fixed by Government in implementation of its policy for the conservation of metallurgical coal, and appreciably below the production capacity of the colliery. In spite of the satisfactory raisings of these companies, despatches have lagged behind considerably. This is mainly attributed to transport bottlenecks. In this connection, the following remarks culled from the Directors' reports of these companies bear reproduction:

"Although general wagon availability in the Bengal and Bihar coalfields improved to the extent of some 90 wagons per day on average over the preceding six months, there persists a feeling that the railways might with advantage plan ahead, so that the last possible reason for the retention of 'movement controls,' under which the industry suffers, may, ten years, after the necessity first arose, be done away with."

As regards production of and demand for coal in the country, the Directors do not seem to agree with the general view that there is sufficient demand in the country to consume all the production. The Directors thus observe:

"It is no satisfaction to us to point out that we foresaw the loss of the export trade. We do not subscribe to the view that there is a large unsatisfied internal demand. The majority of consumers have substantial stocks of coal, and where there are shortages, these are mainly caused by transport bottlenecks and restrictions. In our view, there is surplus production of coal above the country's needs, and this has led to the offering by some colliery owners of illegal rebates below the Government-controlled selling prices."

Sand stowing has been accepted as a vital process in the recovery of the maximum quantity of the country's coal reserves. But the industry complains that the subsidy paid to it is so unremunerative that it may become necessary to close some of the collieries. Commenting on this state of affairs, the Directors of the Burrakur Coal Co. have made the following interesting comments:

"Conservation of the country's resources of coking coal is now an accepted policy of the Government of India and it is generally agreed that the most effective means of securing this end is by sand stowing, which reduces to an absolute minimum the coal lost in the course of extraction. In pursuance of this policy, the Government has assisted those collieries which adopt this means of conservation by granting them a subsidy. As most of the coal sought to be conserved is, in fact, situated at a distance from sand-getting points, your Company has always contended that the rate of subsidy is uneconomic. Since 1948, this subsidy has been at the rate of 75 per cent. of actual expenditure for every ton of coal extracted with sand stowing with a maximum of Re. 1-4. The increases in the cost of labour, food and stores in the intervening period and the reduction in the selling price of the coal has worsened the position, so that there is no longer a margin, inside which to carry 25 per cent. and more of the cost of these stowing operations.

"Four of your Company's collieries are stowing and these have all worked at a loss during the half-year, despite the fact that a percentage of the coal is raised without sand. It is estimated that after taking credit for the sand subsidy, the cost of stowing borne by these collieries is in some cases as large as Re. 1 per ton of sand stowed.

"As pioneers in sand stowing, your Directors feel that it is inequitable that your Company should be penalised to this extent for carrying out a policy that is approved and encouraged by the Coal Board. It is, therefore, hoped that the Government of India will take early steps to raise substantially the rate of the sand stowing subsidy, even if this means a small increase in the stowing cess. If action along these lines is not taken, any increase in the percentage of coal raised in the coalfields with sand replacement is most unlikely and your Company may be forced to consider the permanent closure of certain collieries that are uneconomic under the present rate of subsidy."

WATERFALL ESTATES PAY RECORD DIVIDEND

The audited accounts of the Waterfall Estates Ltd. (Managing Agents: Messrs. Kothari Mehta & Co., Ltd., Madras) for the year ended 30th June, 1953, show encouraging results, as compared with those for the previous year. The gross profit reveals an appreciable increase from Rs. 6.28 lakhs earned in 1951-52 to Rs. 7.40 lakhs. The net profit has gone up from Rs. 4.32 lakhs to Rs. 5.69 lakhs. The reserves have been considerably strengthened by the addition of as much as Rs. 4.25 lakhs, as against Rs. 2 lakhs added last year, and the dividend on the ordinary shares has been stepped up from 10 per cent. paid for the previous two years to 12½ per cent., which is a record one in the history of the Company.

The Company's tea crop for the year under review has yielded a record output of 925,152 lbs., an increase of 102,418 lbs. over the previous year's output of 822,734 lbs., thanks to an increase in yield per acre from 923 lbs. to 1,038 lbs. The higher yield has been due to postponement of pruning and the more elaborate methods of manuring and up-to-date cultivation practice. The cost of production of tea is a shade lower at As. 13-2, as against As. 13-8 per lb. in 1951-52. But this fall has been more than offset by the decline in net price realised from Re. 1-14-6 to Re. 1-12-3 per lb. The output of coffee has suffered a decline from 704 cwts. to 117 cwts. which is below the average. The yield per acre has fallen from 4 cwts. to 0.78 cwt. The cost of production has risen sharply from Rs. 44 to Rs. 235 per cwt., accompanied by a drastic fall in price realised from Rs. 214 to Rs. 152-2 per cwt.

The sale proceeds have advanced from Rs. 15.15 lakhs to Rs. 17.48 lakhs. Expenses have gone up from Rs. 10.05 lakhs to Rs. 10.36 lakhs. The gross profit, Rs. 7.40 lakhs for the year under review, as already stated, compares favourably with Rs. 6.28 lakhs for 1951-52, but, it may be mentioned here, that it is sizably lower than that of Rs. 9.61 lakhs for 1950-51, despite a lower output of tea at 812,468 lbs. and poor crop of coffee at 48 cwts. in that year. The higher profit for 1950-51 was mainly due to the good price realised for tea at Rs. 2-3-10 per lb. The managing agency commission for the year under review absorbs Rs. 70,354, as against Rs. 60,011 for 1951-52, provision for depreciation has been raised from Rs. 36,000 to Rs. 40,870, while that for taxation has been reduced from Rs. 1 lakh to Rs. 60,000. The addition to the general reserve has been raised from Rs. 1 lakh to Rs. 3 lakhs, while that to the dividend equalisation fund has been maintained at Rs. 1 lakh. The Directors have also transferred a sum of Rs. 25,000 to the reserve for redemption of redeemable preference shares, which had not received anything in the previous year. The distribution of dividend on the 6 per cent. preference shares absorbs Rs. 30,000 and the ordinary dividend, Rs. 1.75 lakhs. The sum left to be carried over is Rs. 28,379 which compares with Rs. 89,927 brought in.

The Company's financial position is quite comfortable, as will be seen from the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ..	19,00,000	Gross block	26,71,951
Reserves and surplus ..	24,53,379	Less—Depreciation	3,07,033
Debenture ..	50,000		
Provision for taxation ..	2,00,459	Net block ..	23,64,918
Liabilities ..	3,75,536	Stock ..	97,225
		Stores ..	1,48,905
		Debts, deposits and advances ..	4,70,379
		Investments	11,30,972
		Cash ..	7,66,975
	Rs. 49,79,374		Rs. 49,79,374

It will be noted that the current liabilities and provision for taxation are more than adequately covered by the cash balances alone. The Company has, up to the end of the year, redeemed of 500 debentures to be redeemed in January, 1954. As the debentures have so far been redeemed out of current earnings from year to year, the debenture redemption fund amounting to Rs. 5 lakhs, is unutilised. The unredeemed debentures can be easily paid off out of the cash balances. The Directors have, therefore, transferred the debenture redemption fund to the general reserve. The reserve for redemption of redeemable preference shares stands at Rs. 5.25 lakhs. The Company has the option to redeem the preference shares of the total paid-up value of Rs. 5 lakhs at a premium of 5 per cent. after ten years from the date of issue, that is, 1st May, 1943, on giving six months' notice.

The Directors propose to approach the Government of India for permission to capitalise a part of the reserve fund and, if such permission is received, they will issue bonus shares in the ratio of one ordinary share for every two held. The sum required to be capitalised for such an issue will be Rs. 7 lakhs.

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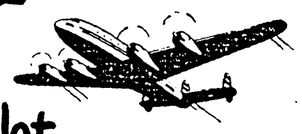

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MYSORE SUGAR'S PROFIT DECLINES

A sharp decline of Rs. 29.10 lakhs in trading profit, that is from Rs. 70.27 lakhs (a record level) to Rs. 41.17 lakhs, is disclosed by the audited statement of accounts of the Mysore Sugar Co., Ltd. (Managing Director: Mr. A. G. Bandi Gowda, Bangalore), for the year ended 30th June, 1953, as compared with that for the previous year. Though this decline in profit may be attributed partly to the fall in the average price realised on sale of sugar, it is due, to a large extent, to the fall in the Company's production for want of adequate supply of cane. The profit for the year under review, however, should be considered satisfactory, inasmuch as it is the second highest in the history of the Company. The net profit has dropped from Rs. 29.29 lakhs to Rs. 17.73 lakhs. This profit, together with the sum of Rs. 8.27 lakhs brought in from the previous year, is large enough to add something to the reserves and also to maintain the dividend. Nevertheless, the Directors do not propose to add anything to the reserves. They have decided to repeat the dividend of 20 per cent. paid for the previous 13 years and to carry over an undistributed surplus of Rs. 21.65 lakhs. They consider it desirable to carry forward such a huge balance, in view of the "uncertain conditions" during the current year's working.

The Company's factory commenced crushing of sugarcane on 12th July, 1952, and continued to work till 6th February, 1953, the total number of milling days being 195. This compares unfavourably with 243 days in the previous year. The early closure of the factory was necessitated by shortage of cane caused by the unsatisfactory watersupply position in the canal. The quantity of cane crushed during the period was 2,45,500 tons, as compared with 3,19,268 tons in 1951-52, and that of sugar produced 27,962 tons, as against 37,155 tons. The Company's distillery continued to work satisfactorily, though, during the closing months of the year, manufacturing operations had to be suspended for want of water.

The following comparative table brings out clearly the progress in the working of the Company during the last three years:

	For the year ended 30th June			
	1953	1952	1951	1950
Cane crushed (in tons) ..	2,45,500	3,19,268	24,719	1,76,822
Sugar produced (in tons)	27,962	37,155	2,015	16,783
	Rs.	Rs.	Rs.	Rs.
Trading profit (+) or loss (—) ..	+41,17,161	+70,27,695	—8,88,695	+23,45,745
Other income ..	70,240	92,418	51,041	1,44,278
Expenses	2,45,649	3,15,595	1,96,497	1,84,418
Depreciation ..	3,70,356	4,76,064	..	3,23,145
Taxation	16,00,000	32,00,000	..	9,00,000
Net profit (+) or loss (—) ..	+17,73,396	+29,29,266	—8,12,151	+10,82,462
Transfer to reserves ..	..	14,12,030	..	2,00,000
	4,35,856	1,35,856	4,35,856*	4,35,856
Dividend	(D. 20%)	(D. 20%)	(D. 20%)	(D. 10% + B. 10%)
Carry forward ..	21,64,837	8,27,296	—2,64,063	5,88,067

* Paid out of dividend equalisation fund.

The provision for depreciation has been reduced, in spite of the substantial addition made to the gross block during the year. The cut in the provision for taxation is only in tune with the drop in earnings.

The Company's financial position, as is seen from its latest balance-sheet, is strong. As against a paid-up capital of Rs. 21.79 lakhs, the reserves and surplus amount to as huge a sum as Rs. 111.91 lakhs. The reserves include general reserve at Rs. 60 lakhs, cane price stabilisation fund Rs. 11 lakhs, dividend equalisation fund Rs. 7.50 lakhs, bad and doubtful debts reserve Rs. 8.98 lakhs and stores depreciation fund Rs. 2.50 lakhs. Provision for taxation stands at Rs. 52.50 lakhs and other liabilities at Rs. 42.28 lakhs. The Company has made considerable additions to the buildings, plant, machinery, farms, etc., at a cost of Rs. 13.25 lakhs, which brings the total value of the gross block, as at the end of the year under review, to Rs. 108.06 lakhs. The written down value of this block is no more than Rs. 39.89 lakhs. The current assets aggregate Rs. 188.60 lakhs, of which stock-in-trade accounts for Rs. 18.86 lakhs, stores, spares, etc., for Rs. 44.31 lakhs, debts, deposits and advances for Rs. 53.06 lakhs, investments (including call deposits with banks amounting to Rs. 30 lakhs) for Rs. 56.02 lakhs and cash balances for Rs. 16.34 lakhs. Thus, the current assets exceed the current liabilities and provision for taxation by a huge margin of Rs. 93.82 lakhs.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 43-4 cum-div. On an ex-div. basis, the latest dividend gives a yield of 4.8 per cent. per annum, free of tax.

Points From The Chair

Convertibility of Sterling

"WE have to find a means of achieving a state of affairs in which the great trading area, based on the pound, can work freely with the other great trading area, based on the dollar. Much has been said and written on the subject of convertibility. Although the extent of the reserves that would be needed to bring this about is an important consideration, it is by no means the only one. It seems to me that the arguments have centred too exclusively on this point. We must not forget that whatever figure our reserves might reach, or however large the credits that might be arranged, they will certainly prove inadequate, unless the underlying policies are sound. If the two areas follow mutually incompatible policies, based on faulty economics, no truly effective 'arrangement' will ever be possible between them. On the other hand, if they were to be founded on mutual trust and a real understanding of the basic principles of trade, then I believe 'convertibility' could not only be achieved but achieved soon."

J. S. CROSSLEY,
Barclays Bank (Dominion, Colonial and Overseas).

Coffee Prices to Growers

"The Government of India and the Indian Coffee Board have come to an agreement that price should be paid to the grower for Plantation 'A' on the basis of Rs. 2-4 per point and proportionately for other grades. The result should mean an assured return to the grower, at the same time safeguarding the interests of the consumer. I personally feel that although Rs. 2-4 per point would work out to about Rs. 175 to Rs. 180 per cwt. for Arabica coffee and Rs. 130 to Rs. 140 for Robusta coffee, it is certainly lower than the price of coffee realised during the last two years which went up to Rs. 2-12 per point, on which basis the price of coffee worked out to Rs. 200 for Arabica and Rs. 170 for Robusta. For an estate which gives an average crop of 2½ to 3 cwts. per acre, the new price level may be considered a reasonable return, although the average yield of many coffee-growing estates in South India is not more than 1½ to 2 cwts. per acre."

C. M. KOTHARI,
Waterfall Estates Ltd.

Australia's Economy

"Australia enjoys, and is entitled to, a high standard of living, but this standard can only be maintained with an appropriate effort. Her people cannot support for long an economy based on costs disproportionately higher than world levels, and the need for increased production to lower unit costs is very obvious. The relatively high prices which Australia has received for her exports over the last few years, particularly for wool and other primary products, have masked to some extent this vulnerable point in her economy. Should these prices fall substantially, or should a widespread drought reduce the volume of exports, one might well see a serious situation arise."

THE HON. DAVID F. BRAND,
English, Scottish and Australian Bank, Ltd.

CLASSIFICATION OF JOINT STOCK COMPANIES

The Government of India has considered it necessary to revise the existing classification of joint stock companies. An inter-departmental committee has drawn up a tentative list for comment taking into account (i) the standard International Industrial classification; and (ii) the classification adopted for (a) the Census of Manufacturing, (b) the Census of Population, 1951, (c) income-tax assessment, and (d) factories statistics. The same has been circulated to various chambers of commerce. After consultation with the connected associations, the Bengal Chamber of Commerce and Industry has submitted a list of suggestions and amendments to the list. Some surprise is felt that tea plantations and tea factories should have been classified separately and it is pointed out that this might lead to confusion; so far as is known, there are no joint stock companies of this type in India which own factories but do not own plantations.

Notices

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the Dividend on 6 per cent. and 7 per cent. Preference Shares of the Company for the half-year ending 31st December, 1953. Payment will be made on or after the 11th January, 1954, to those shareholders whose names appear on the Company's Registers on the 31st December, 1953, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 16th *December*, 1953.

THE K.C.P. LIMITED, MADRAS

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of the Shareholders of the K.C.P. Ltd., will be held on the 30th December, 1953, at 3 p.m., at the Registered Office, Madras, to transact the following business:—

1. To receive and adopt the Directors' Annual Report and the Audited Accounts for the year ending 30th June, 1953.
2. To declare further Dividend.
3. To ratify the sanction of 5 months' pay as Bonus to the permanent employees of the Company.
4. To elect Directors in the place of those who retire from the Office of Director under Article No. 101 of the Company's Articles of Association but are eligible for re-election.
5. To appoint Auditors for the year 1953-54 and fix their remuneration.
6. To consider any other subject that may be placed before the Meeting.

Notice is also given that the Registers of Members of the K.C.P. Ltd. will be closed from 24th December, 1953, to 31st December, 1953, (both days inclusive), during which period transfer of shares will not be registered.

By Order of the Board,
M. SITHARAMARAO,
Secretary.

VUYYURU, 10th *December*, 1953.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE OF AN EXTRAORDINARY MEETING

AN EXTRAORDINARY MEETING OF THE Members of the Alkali and Chemical Corporation of India, Ltd., will be held on Monday, the 11th January, 1954, at 3-30 p.m., at the Registered Office, 18, Strand Road, Calcutta, to transact the following business:—

To appoint Mr. Edward Martley, General Manager of the Company's Rishra Factory and a person holding an office of profit under the Company as a Director of the Company under Section 86E of the Indian Companies Act, 1913. For this purpose the following ordinary resolution will be proposed:—

"That Mr. Edward Martley, General Manager, Rishra Factory be and he is hereby appointed a Director of the Company from the 11th January, 1954."

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) LIMITED,
Secretaries.

CALCUTTA, 14th *December*, 1953.

To,

The Shareholders of The Alkali and Chemical Corporation of India, Limited, and in particular to:—

Mr. J. V. A. e Brito, Mr. W. A. Bell, Mrs. A. L. Baxendale, Her Highness Bada Maharani Deela Kumari Devi, Mrs. M. Duncan, Mrs. H. C. D'Cruz, Mrs. M. A. Edney, Mrs. E. M. Fanthome, Mrs. J. Guest, Mr. P. H. Guest, Mr. W. A. T. Hollingbery and Mrs. E. M. Hollingbery, Commdg. Genl. Mohun S. S. Jung B. R. and Major Genl. Bijaya S. S. Jung B. R., Genl. Sir Baber S. S. Jung B. R., and Major Genl. Mrigendra S. S. Jung B. R., Mr. A. Y. Kadwa, Mr. F. J. C. Molhuish, Mrs. N. M. McCann, Major Sirdar K. M. Panikkar, Mr. S. P. Upadhya, Mr. C. R. Witcher, Mr. K. W. Young.

RESULTS OF SOME MCLEOD GROUP JUTE COMPANIES

EARNINGS OF NELLIAMPATHY LOWER

Chitavalsah Jute Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for *the half-year* ended 30th June, 1953.

The accounts show that the *profit* for the half-year after providing for depreciation Rs. 1,25,000 (*Rs.* 1,10,000), amounts to Rs. 5,37,379 (Rs. 1,86,797) to which must be added the credit balance brought forward from the previous half-year Rs. 1,07,364 (Rs. 1,92,345) and amount received on account of post-war E.P.T. refund (Net) *Rs.* 1,87,710 (*nil*) making a total of Rs. 8,32,453 (Rs. 3,79,142). From this sum has been deducted payments made to workers on account of bonus *for 1951 and fixation* of wages and dearness allowance as per Appellate Tribunal Award effective from 13th October, 1952, to 31st December, 1952, amounting to Rs. 5,83,324 (*nil*) leaving a balance of Rs. 2,49,129 (Rs. 3,29,142). The directors recommend that, this amount should be distributed as follows:—

Dividend on 5,000 preference shares at 7 per cent. per annum for the half-year ended 30th June, 1953, or Rs. 3-8 (Rs. 3-8) per share Rs. 17,500 (Rs. 17,500) and dividend on 1,00,500 ordinary shares at 25 (50) per cent. per annum for the half-year ended 30th June, 1953, or Rs. 1-4 (Rs. 2-8) per share Rs. 1,25,625 (Rs. 2,51,250) leaving to be carried forward Rs. 1,06,004 (Rs. 60,392).

Jute stocks are shown at or under cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June, 1953, have been valued at market rates.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,05,000	Block ...	16,60,457
Debentures	10,69,000	Stock ...	38,02,682
Reserves ...	46,90,000	Stores ...	5,30,753
Provision for taxation ...	3,77,537	Debts, deposits and advances ...	12,67,705
Liabilities ...	19,72,937	Investments	8,43,007
Profit and loss account ...	1,06,004	Cash ...	16,15,874
	Rs. 97,20,478		Rs. 97,20,478

Empire Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

The accounts show that the profit for the half-year, after providing for depreciation Rs. 95,000 (Rs. 1,05,000) and taxation Rs. 89,000 (Rs. 6,000) *amounts to Rs.* 1,19,901 (Rs. 16,454), to which must be added the credit balance brought forward from the previous half-year of Rs. 47,730 (Rs. 12,159), leaving an available balance of Rs. 1,67,631 (Rs. 1,55,656), which sum the directors recommend *should be distributed as follows:*—

Dividend on 10,000 preference shares at 7 per cent. per annum for the half-year ended 30th June, 1953, or Rs. 3-8 (*Rs. 3-8*) per *share* Rs. 35,000 (Rs. 35,000) and dividend on 1,50,000 ordinary shares at 10 (10) per cent. per annum for the half-*year ended* 30th June, 1953, or As. 8 (As. 8) per share Rs. 75,000 (Rs. 75,000) leaving to be carried forward Rs. 57,631 (Rs. 45,656).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June, 1953, have been valued at market rates.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	21,41,862
Debentures ...	8,86,000	Stock ...	20,31,528
Reserves ...	32,50,000	Stores ...	4,74,341
Provision for taxation ...	2,94,200	Debts, deposits and advances ...	6,88,942
Liabilities ...	7,32,412	Investments	8,69,496
Profit and loss account ...	57,631	Cash ...	15,14,074
	Rs. 77,20,243		Rs. 77,20,243

Kelvin Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for *the half-year ended* 30th June, 1953.

The accounts show that the profit for the half-year, after providing for depreciation Rs. 95,000 (*Rs.* 1,00,000) and taxation Rs. 1,40,000 (Rs. 85,000) amounts to Rs. 1 81,924 (Rs. 1,17,411), to which must be added the credit balance brought forward from the previous half-year Rs. 1,15,895 (Rs. 70,010) making a total of Rs. 2,97,820 (Rs. 2,99,629). This amount the directors recommend should be distributed as follows:—

Dividend on 10,000 preference shares at 7 per cent. per annum for the half-year ended 30th June, 1953, or Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and dividend on 21,000 ordinary shares at 15 (15) per cent. per annum for the half-year ended 30th June, 1953, or Rs. 7-8 (Rs. 7-8) per share Rs. 1,57,500 (Rs. 1 57,500) leaving to be carried forward Rs. 1,05 320 (Rs. 1,07,129).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June, 1953, have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills' Association, working hours were 42½ hours per week with 12½ per cent. of the total looms sealed. Due to a re-allocation of looms hours on a group basis, the mills worked 48 hours per week with 12½ per cent. of their total looms sealed. During the period there was considerable labour unrest and a strike occurred, the mills being closed from 17th to 26th June, 1953.

Difficult trading conditions continued throughout the period with an improvement in prices during May and June, 1953. A further recession in prices of both hessian and heavy goods has since taken place, and the Government announced a further reduction on hessian export duty of Rs. 155 per ton on 15th September, 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	21,70,372
Reserves ...	47,00,000	Stock ...	23,83,546
Provision for taxation ...	5,24,980	Stores ...	8,49,721
Liabilities ...	11,63,263	Debts, deposits and advances ...	12,81,986
Profit and loss account ...	1,05,320	Investments	5,26,070
		Cash ...	23,81,863
	Rs. 95,93,563		Rs. 95,93,563

Nellimarla Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

The accounts show that the profit for the half-year, after providing for depreciation Rs. 88,300 (Rs. 87,000) amounts to Rs. 3,59,840 (loss of (Rs. 1,38,364) to which must be added the credit balance brought forward from the previous half-year of Rs. 1,23,783 (Rs. 1,75,436) and the amount transferred from general reserve account Rs. 1,00,000 (Rs. 1,00,000) making a total of Rs. 5,83,623 (Rs. 1,86,345). *From* this amount is deducted, payments made to workers on account of bonus for 1950 and 1951 and fixation of wages and dearness allowance as per Appellate Tribunal Award effective *from* 13th October, 1952 to 31st December, 1952, amounting to Rs. 4,61,728 (nil) leaving an available balance of Rs. 1,21,895 (Rs. 1,86,345), which the directors recommend should be distributed as follows:—

Dividend on 5,000 preference shares at 6 per cent. per annum for the half-year ended 30th June, 1953, or Rs. 3 (Rs. 3) per share Rs. 15,000 (Rs. 15,000) and dividend on 75,000 ordinary shares at 20 (40) per cent. per annum for the half-year ended 30th June, 1953, or Re. 1 (Rs. 2) per share Rs. 75,000 (Rs. 1,50,000) leaving to be carried forward Rs. 31,895 (Rs. 21,345).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	9,13,121
Debentures	5,00,000	Stock ...	27,92,752
Reserves ...	40,00,000	Stores ...	3,72,759
Provision for taxation ...	2,56,612	Debts, deposits and advances ...	13,18,804
Liabilities ...	15,66,822	Investments	5,35,629
Profit and loss account ...	31,895	Cash ...	16,72,264
	Rs. 76,05,329		Rs. 76,05,329

Presidency Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th *June*, 1953.

The accounts show that the profit for the half-year after providing for depreciation Rs. 90,700 (Rs. 1,02,500) amounts to Rs. 2,12,658 (loss of Rs. 4,82,703). Deducting therefrom the debit balance brought forward from the previous half-year of Rs. 3,93,006 (credit of Rs. 5,816) this is a debit balance to be carried forward, of Rs. 1,80,348 (debit of Rs. 4,76,887).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	19,38,510
Debentures	8,00,000	Stock ...	15,53,914
Reserves ...	4,41,364	Stores ...	3,00,096
Provision for taxation ...	20,726	Debts, deposits and advances ...	4,65,959
Liabilities ...	10,27,323	Investments	3,02,507
		Cash ...	46,079
		Profit and loss account ...	1 80.348
	Rs. 47.89 413		Rs. 47.89 413

Nillampathy Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co. Ltd., Alleppey) submit the audited accounts of the Company for the year ended 30th June, 1953.

The tea crop harvested is less than the estimate for the year by 20,836 lbs. owing to unfavourable weather conditions, *the rainfall during the* year being only 88.94" as compared to 110.67" for the previous year. The cost of production was higher than the estimate, mainly *on account of* higher wages to labour consequent on the implementation of the *Minimum* Wages Act.

The rubber crop harvested this *season* was a record one, being 13,700 lbs. more than the estimate (62,500 lbs.), the average yield per acre amounting to 610 lbs. This extremely satisfactory result was achieved by the systematic improved methods of tapping and cultivation adopted on the Company's rubber property. Notwithstanding the high yield secured, the cost of production, though lower than the estimate for the year, was higher than that of the previous year due to higher wages paid to workers.

The coffee crop harvested during the year amounted to 57.37 cwts., against an estimate of 20 cwts. and the cost of production was Rs. 1,057.09 per cwt.

The cardamom crop harvested during the year was 15,990 lbs. very satisfactory having exceeded the estimate by 9,990 lbs. and naturally the Estate cost of production was lower than that estimated.

The tea seed obtained was 30 maunds as estimated, though the cost of production was slightly higher than the estimate.

The net profit for the season, after providing for depreciation and *income-tax*, amounts to Rs. 1,47,372 (Rs. 1,78,923) to which has to be added the amount of Rs. 49,322 (Rs. 52,399) carried forward from last year making a total of Rs. 1,96,694 (Rs. 2,31,322). From this a sum of Rs. 27,000 has to be deducted towards 6 (6) per cent. dividend paid to preference shareholders for the year and also a sum of Rs. 7,500 towards reserve for bad and doubtful debts leaving a balance of Rs. 1,62,194 (Rs. 2,04,322) available for distribution, which the directors recommend be disposed as under:

Payment of a dividend of 12½ (12½) per cent. for the year 1952-53 on ordinary shares Rs. 1,50,00,000 (Rs. 1,50,000) and carry over to next year Rs. 12,194 Rs. 49,322).

Estimate for season 1953-54 are as under:

	Crop	Cost of production
Tea ...	7,00,000 lbs.	100 64 cts. per lb.
Rubber ...	62,500 lbs.	63 98 "
Coffee ...	40 cwts.	Rs. 1,453 99 per cwt.
Cardamom ...	10 000 lbs.	Rs. 4 65 per lb.
Tea seed ...	35 Mds.	Rs. 152.23 per md.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,50,000	Block ...	17,49,401
Reserves ...	3,00,280	Stock-in-trade	1,70,411
Provision for taxation ...	1,99,878	Stores, etc. ...	1,28,699
Liabilities ...	99,373	Debts, deposits and advances ...	1,64,404
Profit and loss account ...	1,62,194	Investments	12.907
		Cash ...	1,85,903
	Rs. 24,11,725		Rs. 24,11,725

Midnapore Zemindary Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 13th April, 1953.

The accounts show clearly the *effects* of the contraction of income resulting from the loss of the Company's *East Pakistan* and Bihar Concerns. Total collections including selami were Rs. 11,45,525 (Rs. 8,18,989) lower than last year and, by the exercise of strict *economy*, *expenses* have been proportionately reduced. The amount at the credit of profit and loss account before providing for taxation is Rs. 6,30,151 (Rs. 8,18,989).

As mentioned in the last report, the Company no longer holds any rent-receiving interests in East Pakistan or Bihar. No compensation has yet been received from either Government for the property taken over from the Company.

A bill for the abolition *of zamindari* in West Bengal is now before the Assembly.

After providing Rs. 4,50,000 (Rs. 6,80,000) for taxation and Rs. 43,810 (Rs. 43,810) for the preference dividend there remains at the credit of *profit* and loss account a sum of Rs. 1,45,031 (Rs. 1,92,608) including Rs. 4,609 (Rs. 93,984) carried forward from last year] from which the directors recommend a dividend of Rs. 1-8 (Rs. 2) per share absorbing Rs. 1,41,000 (Rs. 1,88,000) leaving Rs. 4,031 (Rs. 4,609) to carry forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,02,76,200	Block ...	98,01,698
Reserves ...	35,56,933	Stores ...	69,598
Provision for taxation ...	23 88.208	Crops-in-stock	4,416
Liabilities ...	24,97,583	Debts, deposits and advances ...	36.28.651
Profit and loss account ...	4,031	Investments	34.72,468
		Cash ...	19.46:127
	Rs. 1,87.22 958		Rs. 1,87.22 958

Great Eastern Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co., (Bombay) Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June, 1953.

The Company has maintained its progress. During the year under report the total freight earnings in respect of owned and chartered vessels amounted to Rs. 1,70,28,297 as compared with Rs. 93,44,707 for the previous year. After meeting the unusually heavy general survey repair charges amounting to approximately Rs. 9,00,000 in the *case of s.s. "Jag Vijay"* the Company has earned a gross profit of Rs. 25,05,944 (Rs. 25,14,527). After deducting the normal depreciation of Rs. 8,75,716 (Rs. 4,72,528) initial depreciation of Rs. 2,16,723 (Rs. 10,72,223) and the managing agents' commission of Rs. 1,42,159 (Rs. 99,429), there is a net profit of Rs. 12,71,346 (Rs. 8,70,347). Adding Rs. 54,532 (Rs. 44,184) brought forward from the previous *year*, the amount available for appropriation aggregates to Rs. 13,25,877 (Rs. 9,14,531). The directors recommend the *following appropriations:*—

Dividend at 10 (10) per cent. on the 3 (2) lakhs fully paid-up ordinary shares of Rs. 10 each Rs. 3,00,000 (Rs. 2,00,000), dividend at 10 (*nil*) per cent. for 6 months on 2 lakhs partly paid-up shares of Rs. 10 each (Rs. 5 paid-up) Rs. 50,000 (nil), reserve to meet taxation liability Rs. 6,00,000 (Rs. 2,60,000) and to reserve fund Rs. 3,00,000 (Rs. 4,00,000), leaving to be carried forward to next year Rs. 75,877 (*Rs.* 54,531).

The partly paid-up shares participate in the profits of the Company from 1st January, 1953, and therefore dividend provision as recommended above has been made in their case.

The four-yearly general survey of *s.s. "Jag Vijay"* was due during the year under report. In view of the survey requirements heavy repairs were carried out at a German repair yard. The vessel is now in a very good condition.

During the year under report four owned and a few time chartered vessels were under operation. The *"Jag Vijay"* was laid up for special survey repairs at the repair yard for a period of 63 days and was not available for employment.

The Company purchased *s.s. "Fidra"*, renamed the *"Jag Bindu"* for Rs. 6,57,000 during the year. The conversion of *s.s. "Jag Bindu"* from coal burning to oil firing and purchase of another vessel m.v. *"London Artisan"*, to be renamed *"Jag Laadki"* relate to the period subsequent to that under report. After the cost of conversion from coal burning to oil firing and other alterations are taken into account *s.s. "Jag Bindu"* would be worth over Rs. 9,00,000. M.V. "London Artisan" has been purchased by the Company for a sum of Rs. 40,00,000. The Government has advanced a loan of Rs. 26,66,000 to assist the Company in the purchase of this vessel. The loan of Rs. 15,75,000 due to the Government in respect of purchase of *s.s. "Jag Rani"* has since been repaid in full to the Government far ahead of the scheduled date of 1st June, 1957, specified by the Government for the repayment of the last instalment.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	1,22,23,144
Reserves ...	57,65,273	Stores ...	2,446
Provision for taxation ...	15,80.000	Debts and advances ...	18.25.895
Liabilities ...	38,28,272	Investments	5,64,041
Profit and loss account ...	13,25,877	Cash ...	16,83,896
	Rs. 1,62,99,422		Rs. 1,62,99,422

Bengal Jute Mill Co., Ltd.

The directors of the above Company (Managing *Agents*: Messrs. Soorajmull Nagarmull, Calcutta) submitted the audited accounts of the Company for the *year* ended 30th June, 1952.

The accounts *showed* a gross profit of Rs. 10,33,746 (Rs. 96,77,796). After providing Rs. 2,19,380 (Rs. 3,40,176), for depreciation and Rs. 2,56,297 (*Rs.* 13,05.898) for interest, commission, allowance and other expenses, there was an available balance at credit in profit and loss account *of Rs.* 5,58,069 (Rs. 80,27,722). To this sum was added the amount brought forward from the previous year of Rs. 4,07,701 (Rs. 1,09,979) making a total of Rs. 9,65,770 (Rs. 81,37,701). The directors set aside as a reserve for taxation (income, supertax, etc.) a sum of Rs. 2,57,000) (Rs. 40.00.000) leaving a balance of Rs. 7,08,770 (Rs. 41.37.701). out of the above sum the directors paid a dividend of 5½ per cent. per annum on 10,000 redeemable cumulative preference shares for the year ended 30th June, 1952, (free of income tax) Rs. 55,000 (Rs. 53,000) and a dividend on 2,25,000 ordinary shares of Re. 1 (Rs. 3) per share (free of income-tax) for the year ended 30th June, 1952. Rs. 2,25,000 (Rs. 6,75,000), leaving to be carried forward Rs. 4,28,770 (Rs. 4,07,701) after transferring Rs. 30,00,000 to reserve account.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	32,50,000	Block ...	29,46,837
Debentures ...	20,00,000	Stock ...	37,39,830
Reserves ...	55,95,000	Stores, spare parts, etc.	29,62,982
Provision for taxation ...	68,43,519	Debts, deposits and advances ...	95,61,581
Liabilities ...	30,78,133	Investments	5.000
Profit and loss account ...	9,65,770	Cash ...	25,16,212
	Rs. 2,17,32,422		Rs. 2,17,32,422

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

COMPANY MEETINGS AND DIVIDENDS

DEHRI-ROHTAS LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 21st December, 1953. Dividend: As. 10 per share. Transfer books closed from 12th to 21st December, 1953, both days inclusive.

GREAVES COTTON & Co., LTD. Annual General Meting, Bombay, 21st December, 1953. Transfer books closed from 15th to 21st December, 1953, both days inclusive.

CHERRA-CHHATAK ROPEWAY CO., LTD. Annual General Meeting, Calcutta, 22nd December, 1953. Dividend: As. 10 per share. Transfer books closed from 12th to 22nd December, 1953, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Annual General Meeting, Bombay, 24th December, 1953.. Dividend: Re. 1 per share, on ordinary shares of Rs. 10 each. Transfer books closed from 11th to 24th December, 1953, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 24th December, 1953. Dividend: As. 7 per share, free of income-tax. Transfer books closed from 18th to 24th December, 1953, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 24th December, 1953. Dividend: As. 4 per share. Transfer books closed from 18th to 24th December, 1953, both days inclusive.

CALVERY VALLEY PAPER MILLS LTD. Annual General Meeting, Bangalore City, 26th December, 1953. Dividend: *Nil*. Transfer books closed from 14th to 27th December, 1953, both days inclusive.

MOHINI MILLS LTD. Annual General Meeting, Belgharia (24 Parganas), 27th December, 1953. Dividend: Re. 1-4 per share on shares of Rs. 25 each and As. 8 per share on shares of Rs. 10 each. Transfer books closed from 13th to 28th December, 1953, both days inclusive.

BISRA STONE LIME Co., LTD. Half-yearly General Meeting, Calcutta, 28th December, 1953. Dividend: As. 14 per share. Transfer books closed from 14th to 28th December, 1953, both days inclusive.

NELLIAMPATHY TEA AND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 28th December, 1953. Dividend: As. 4 per share. Transfer books close from 22nd to 28th December, 1953, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 28th December, 1953.

ALLIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 28th December, 1953.

WAVERLEY JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 28th December, 1953.

NATIONAL NEWSPRINT AND PAPER MILLS LTD. Nepanagar. Annual General Meeting, Nagpur, 28th December, 1953. Transfer books close from 21st December to 9th January, 1954, both days inclusive.

INDIAN PLASTICS LTD. Annual General Meeting, Bombay, 29th December, 1953. Transfer books close from 22nd December to 5th January, 1954, both days inclusive.

COTTANAD PLANTATIONS LTD. Annual General Meeting, Madras, 30th December, 1953. Dividend: Re. 1-8 per share (including bonus of As. 8 per share). Transfer books closed from 24th to 30th December, 1953, both days inclusive.

RAJENDRA COFFEES LTD. Annual General Meeting, Madras, 30th December, 1953. Dividend: As. 12 per share, tax-free. Transfer books close from 24th to 30th December, 1953, both days inclusive.

WOODLAND ESTATES LTD. Annual General Meeting, Trivandrum (Menathottathil Buildings, Barton Hill Junction), 30th December, 1953. Dividend: Re. 1 per share. Transfer books close from 20th to 30th December, 1953, both days inclusive.

EAST INDIAN COAL CO., LTD. Annual General Meeting, Calcutta, 30th December, 1953. Dividend: Rs. 2-8 per share. Transfer books closed from 17th to 30th December, 1953, both days inclusive.

MCKENZIES LTD. Annual General Meeting, Bombay, 30th December, 1953. Transfer books close from 23rd to 30th December, 1953, both days inclusive.

KAPILA TEXTILES LTD. Annual General Meeting, Nanjangud, Mysore State, 30th December, 1953.

NATIONAL STEEL WORKS LTD. Annual General Meeting, Bombay, 30th December, 1953. Transfer books closed from 16th to 30th December, 1953, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Annual General Meeting, Calcutta, 30th December, 1953.

BEHARILAL RAMCHARAN COTTON MILLS LTD. Annual General Meeting, Bombay, 30th December, 1953. Transfer books close from 21st December to 4th January, 1954, both days inclusive.

KIRLOSKAR ELECTRIC CO., LTD. Annual General Meeting, Rajajinagar, Bangalore, 30th December, 1953. Transfer books close from 25th December to 8th January, 1954, both days inclusive.

CONSOLIDATED COFFEE ESTATES (1943) LTD. Annual General Meeting, Pollibetta, 31st December, 1953. Dividend: Re. 1-8 per share. Transfer books closed from 18th to 31st December, 1953, both days inclusive.

MALABAR STEAMSHIP CO., LTD. Annual General Meeting, Bombay, 31st December, 1953. Transfer books close from 24th December to 7th January, 1954, both days inclusive.

COMPANY REGISTRATIONS

R. KHIMJI LTD. (First Director: Mr. Mulji Kersondas.) Business: Financiers, Brokers, Merchants, Commission Agents, etc. Authorised capital: Rs. 20,00,000. Private company. Address: Warden House, Sir Phirozshah Mehta Road, Fort, Bombay.

DADA FIREWORKS LTD. (First Director: Mr. Ahmedally Abdulhusen Kaka.) Business: Manufacturers of all types of Fire Crackers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 11, Karim Chamber, Hamam Street, Fort, Bombay.

Notice

GILLANDERS ARBUTHNOT & COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office, Clive Buildings, Netaji Subhas Road, Calcutta, on Wednesday the 30th December, 1953, at 3-15 p.m., for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended the 31st March, 1953.
2. To declare and confirm Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

Notice is also hereby given that the Register of Members of the Company will be closed from the 24th to the 30th December, 1953, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,

For GILLANDERS ARBUTHNOT & CO., LTD.,

K. R. FETTES,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 11th December, 1953.

(*Concluded from page* 1160)

the Auditor-General exercised his functions in the case of these organisations as required by the Constitution. A different situation would, however, arise in the *case of corporations* or companies in which the Government might have a share. In such cases, there might be a need to fix the limit of Government's share, above which a concern could be regarded as a State concern to attract the exercise of the functions of the Auditor-General.

With regard to the exercise of financial control by the Executive, Mr. Deshmukh said that a certain pattern had been evolved as a result of experience. For avoidance of red-tape and for facilitating administrations, the companies or corporations were invested with certain financial powers. But two precautions were taken to safeguard the interests of the Government. One was the appointment of a representative of the status of a Joint Secretary to serve on the Boards of these concerns, and the other the power vested in Government of issuing directives to the concerns. After gaining some experience in this pattern of control, it would be possible, he said, to define the precise pattern later on.

Commenting on the control to be exercised by Parliament, Mr. Deshmukh said that Parliament had the right to set up a committee if it so desired. For his part, he thought that the appointment of such a committee to go into details of the industrial concern was not desirable. "It seems to me," he said, "that at the present state of industrial development of the country and expansion, there is a danger of going too far in immersing ourselves too much in the administration." He asked: "Is it not better to enable the Corporations to manage its affairs and then call the Executive to give an account in the way in which it always called the Executive *to account*?" Proceeding, he added: "if we hurry too much in this matter, there is always the danger of our throwing out the baby with the bath water." Finally, Mr. Deshmukh remarked:

"For certain reasons, partly historical, some very big utility services like the Railways or Posts and Telegraphs have never been created into corporations and, therefore, they continue to be under the continuous observation and vigilance of the House. Then for certain purposes, as for instance for the fancied advantages of so-called business management, we are now trying out this organisation of corporations or companies. We have not yet made up our mind as to which of these two forms is superior or whether one should be chosen to the exclusion of the other. That is a matter of convenience. So far as Government are concerned, I believe that there will be advantages in both, and it may be that we might both have to put in that amendment to the Company Law and we might have to provide separately for State Corporations."

STRINGENCY IN MONEY GROWS

(From Our Own Correspondent)

BOMBAY, 16th December

Conditions in the short-term money market became perceptibly stringent during the week under review, following further call for funds on banks for income-tax payments and for financing crop movements. Although the demand for funds was not heavy for this time of the year, the supply was not enough to satisfy the demand fully. Exchange banks had to call for funds from their foreign offices. Inter-bank call money, among the Exchange and big Indian banks, which had declined from 2 per cent. to 1¾-1¾ per cent. on Saturday last, firmed up to 2¼ to 2¾ per cent. from Monday onwards. Among the smaller Indian banks, inter-bank call money was bid at 3 per cent.

As the current year is drawing to a close, inter-bank money rate is expected to fluctuate fairly frequently on the basis of day-to-day position in regard to supply and demand. A factor that has to be taken into account here is that each bank will generally be keen on maintaining a high level of cash balance in view of the annual closing of accounts.

Some keen bidding was noted in short-term deposits for 3 to 4 months at 2¾ to 3 per cent. One month deposits were taken up at 2¼ per cent. and two months' at 2½ per cent.

This week's tenders for Rs. 1 crore three months' Government of India Treasury Bills did not bring an offer of more than Rs. 1 crore as against Rs. 1.71 crores last week. The average rate of accepted tenders was Rs. 2-7 per cent. per annum, that is, a fraction lower than last week's record rate of Rs. 2-7-2 per cent.

The Reserve Bank's statement for the week ended 11th December, 1953, as compared with that for the previous week, shows an expansion of Rs. 8.77 crores in notes in circulation, as against Rs. 17.57 crores a week ago. Notes held in the Banking Department are up by Rs. 75.54 lakhs. The rise in total notes issued, at Rs. 9.53 crores, is offset by an increase of Rs. 10 crores in foreign securities and a decline of Rs. 47.27 lakhs in rupee coin. Deposits of the Central Government are higher by Rs. 1.79 crores, while those of other Governments and banks are lower by Rs. 2.93 crores and Rs. 5.02 crores, respectively. Cash balances have risen by Rs. 80.25 lakhs, while balances held abroad have declined by Rs. 7.74 crores. Loans and advances to Governments show an increase of Rs. 1.15 crores. Other loans and advances do not record any notable variation. Despite the reported stringency in the money market, there has been no borrowing by banks against usance bills. Investments have declined by Rs. 3.46 crores. Government Treasury Bills purchased and discounted have risen by Rs. 3.61 crores.

The Scheduled Banks' statement for the week ended 4th December, 1953, shows a decline of Rs. 6.86 crores in demand deposits and Rs. 1.53 crores in time deposits. Inter-bank borrowings have gone down by Rs. 1.43 crores. Advances and bills discounted and purchased have risen by Rs. 1.73 crores, while cash on hand and balances with the Reserve Bank have together dwindled by Rs. 10.12 crores and money at call and short notice by Rs. 1.74 crores.

The Gilt-edged market was not as active as in the previous week. There was a tapering of demand, but the undertone remained steady, with selected counters showing further gains. 3 per cent. 1957 and 3 per cent. 1958 held their ground at Rs. 98-6 and Rs. 98-2, respectively. 3 per cent. 1959-61 was well maintained at Rs. 96-2. 3 per cent. 1963-65 was taken up at Rs. 92-8. 3 per cent. 1964 closed at Rs. 92-8 *ex-voucher*, as against Rs. 92-10 *cum-voucher* last week. 3 per cent. 1966-68 was in request and changed hands As. 2 higher at Rs. 90-4. 3 per cent. 1970-75 was done at Rs. 86-8. 3 per cent. 1986 Conversion Loan was keenly bid early in the week and rose from Rs. 82-8 to Rs. 82-13, but reacted to Rs. 82-8, before closing higher at Rs. 82-10. 3½ per cent. 1961 N.P. Bond was unchanged at Rs. 98-15.

TIN PRICES MAINTAINED

(From Our Own Correspondent)

CALCUTTA, 15th December

Although buying was meagre, prices were maintained in the metal market during the week. Tin opened at Rs. 416 and encouraging advices from Singapore raised the rate to Rs. 418. Over the week-end, the quotation receded to Rs. 416. The announcement regarding the results of the International Tin Conference held in Geneva was noted. The main aim of the draft agreement is price regulation, and this would be achieved by the creation of a buffer stock which would be operated by a manager, who would buy if the price declined below £800, and sell if the price rose above this level. No indication as to whether mining should be kept at a lower level in order to keep production in satisfactory relationship to demand is given, but this is perhaps left to the mining countries themselves who would have to consider the problem sooner or later. Producers can be ensured of fair prices only if most of what is mined is bought. Electrolytic copper ingots were better at Rs. 164, but this quotation was nominal in the absence of ready supplies. Some scrap, which is also in tight supply position, changed hands for being melted and made into billets. Electrolytic zinc opened at Rs. 53-8 and declined to Rs. 53 following the anxiety of stockists for business. The AZ material was, however, in moderate demand. Lead was dull at Rs. 65, as buyers were not interested in offers.

BULLION FEATURELESS

(From Our Own Correspondent)

BOMBAY, 16th December

Trading on the Bullion Exchange was featureless during the week under review. Movements in prices were narrowly erratic. The undertone was quietly steady.

The informal meeting of the General Body of the Bullion Association, held on Wednesday last week, considered the alternative proposals of the Board to fix the penalty for non-delivery of goods at the settlement, and approved of the one fixing the penalty over the highest rate touched during the settlement. Later on, the Board decided to fix the rate of penalty at Rs. 2 per 100 tolas in the case of silver and at Re. 1 per tola in the case of gold. The Board has forwarded the final proposal to the Bombay Government and a directive from the Government is awaited.

Silver for forward delivery (23rd December settlement) opened on a quiet note at Rs. 151-1, but soon staged a smart recovery to Rs. 152-14 on Friday on revival of support from Calcutta interests and short-covering by a prominent bear operator. Firmer advices from cotton and other commodity markets also fanned the speculative enthusiasm. Uninspiring demand in the ready section and increase in arrivals of unrefined metal brought forth some unloading on Saturday which depressed the price to Rs. 150-14. Subsequently, the white metal made some headway and touched Rs. 152-2 yesterday on reports of good offtake. There was, however, renewed unloading which brought back the price at the close of to-day to Rs. 151-5.

Ready silver (.996 Mint) commanded a premium of As. 4 over the forward in the earlier half of the week, but, towards the close, the premium widened to As. 10 (the opening and closing rates being Rs. 151-5 and Rs. 151-15, respectively), thereby reflecting the revival of demand for ready metal in the last three days. The floating stocks of silver are estimated at 2,500 bars. The daily average offtake was 20 bars.

Gold for forward delivery (21st December settlement) began at Rs. 81-3 and, on reports of large arrivals and paucity of sufficient offtake, drifted lower to Rs. 80 on Saturday. A decline in arrivals in the last three days helped the metal to look up to Rs. 81-10, but this recovery could not be sustained at the close when the price reacted to Rs. 80-13.

Opening at Rs. 81-7, ready gold moved down to a low of Rs. 80-1. After coming up to Rs. 81-12, the metal finished lower at Rs. 80-13. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 7,000 tolas, while the offtake was 5,000 tolas on an average.

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

	16-12-53	Highest	Lowest	9-12-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	80 15	81 12	80 1	81 12
Forward	80 13	81 10	80 0	81 8
Sovereign	56 8	56 8	56 4	56 8
SILVER				
Ready (.996 fine Mint)	151 15	153 2	151 1	151 10
Forward	151 5	152 14	150 13	151 6
London Ready ..	74d.	—	—	73⅞d.
London Forward .	74d.	—	—	73⅞d.
New York Ready .	85½c.	—	—	85½c.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 16th December

Malabar pepper in all the primary markets during the week remained steady, the highest and the lowest at Alleppey being Rs. 2,100 and Rs. 1,850 respectively. There were constant enquiries for shipment to New York by specified steamers, and U.S. dealers are reported to have paid $0.94 for named steamers and $0.91 for shipment during the whole of December, though shipments during January and Jan-Feb-March were reported to have been neglected. In the local A.S.T.A section, some of the prominent exporters remained buyers for January and Jan-Feb-March in equal monthly lots, as they thought the market would improve, if Russian enquiries for January shipment materialised into business. They are reported to have paid $0.88½ for January and $0.87 for Jan-Feb-March.

Arrivals of new crop at Cochin and Alleppey are increasing though slowly, but so far all the arrivals of matured pepper are said to have been fully absorbed. Enquiries for light berries for internal consumption being not so satisfactory, stock of the variety is reported to have accumulated with the growers. As to the future of the market, much depends upon the buying policy of New York, for from now onwards, new arrivals will be on the increase, and if these arrivals exceed the demand, the market is likely to go down, in view of the fact that no grower would like to start storing pepper in the very beginning of the season.

In the delivery section, December and February improved to Rs. 1,750 and Rs. 1,650 respectively with small business passing.

Following are to-day's nominal quotations: Ready delivery Rs. 240-70 per cwt., December delivery Rs. 1,700 and February Rs. 1,610-30 per candy of 5½ cwts.

SPURT IN COTTON

(From Our Own Correspondent)

BOMBAY, 16th December

The rate at which the forward cotton market is sprinting precludes any possibility with regard to speculation about its next stopping place. When the season is still young and the pressure of the full crop has hardly been felt, forward prices have jumped from below Rs. 600 to Rs. 699 almost in the twinkling of an eye. No change of any importance has occurred in the prospect about the total crop of the season. The season everywhere has been about as good as it could be expected to be at this time of the year and still the crop seems to have shrunk from 4.2 million to 3.9 million bales or even less. The same crop which at one time was believed to be so big as to be practically unsaleable is now so small that there would not be enough Indian cotton to go round during the season. The only important change that has occurred is in the offtake of coarse and medium cloth. High prices had reduced demand for this cloth; at lower prices, the demand has naturally increased. But there is no improvement in the purchasing power of the people which would ensure that the demand for cloth would continue at its present level even if prices were increased further.

What is now obvious even to an indifferent observer is that as usual some speculative interests have combined to corner the market and to squeeze the unwary short sellers. There would be little to worry about these desperate struggles between bulls and bears, if they had centred round some unimportant commodity which did not affect the general interest of an important industry or a large class of consumers. For instance, nobody bothers about the heavy fluctuations in mercury. If there had been a genuine and overall shortage in supplies, the May position in cotton would not have been quoting at a discount. The overall shortage is sure to be felt more severely during the latter months of the season than in December. This fact alone is enough to show that forward trading has ceased to serve the legitimate interests of industry, trade and the producers and has taken a form where it might do more harm than good.

The first effect of the inevitable rise in the price of cloth would be to affect the volume of exports. It was to render some assistance in this direction to the textile industry that the Government agreed to sacrifice the export duty on medium cloth. If this sacrifice is to be rendered void by a corresponding increase in the price for exports due to a phenomenal rise in the price of cotton, the sacrifice of public revenue would appear to be useless. The accumulation of stocks with mills had threatened the volume of employment in the textile industry. Increase in the price of cloth will once again dry up the demand which has been in evidence and what little advantage has been gained in this direction also will disappear with rising prices. It seems the cotton trade and, especially, the speculative element in it which dominates the scene, is cutting its own throat in this manner by engineering sudden booms and depressions in the market and leading it to a stage of either controlled or co-operative buying and selling of cotton.

Neither industry nor agriculture could be allowed to be transformed into a playground for speculators. The same thing is happening in other commodity markets also and it is feared that it might attract the attention of the authorities and invite them to intervene. A certain amount of elasticity and a slight over-emphasis on certain temporary aspects in the course of free trading is inevitable. But what is happening is something beyond this permissible range and the sooner the speculators draw their horns in, the better it would be for the trade. It is for the E.I.C.A. to devise ways of controlling unhealthy tendencies from within. It is only when business organisations fail to exercise such control that authorities get an excuse for interference.

In the spot market, conditions with regard to prices are naturally reflected in day-to-day trading. But the rise has been so hectic that the turnover has naturally been affected. Though there has been a fairly good demand for Vijay and Mathia, with the present bases and 'ONs' mills cannot be expected to be keen buyers beyond their immediate requirements. Even imported cotton has gone up in value during the last two or three days. It is, however, expected that the imports this year will be the lowest during recent years, as the textile industry is concentrating more and more on the production of coarse and medium cloth. The only foreign variety favoured at present is Egyptian Karnak, for which stray transactions are reported frequently. With the recent rise in prices which covers also short-staple cotton, export demand has disappeared completely.

In the forward market, I.C.C. February opened the week under review at Rs. 654 and moved up to touch a high of Rs. 699 to-day before closing the week a shade lower at Rs. 692½. I.C.C. May fluctuated between Rs. 692 (this rate was touched to-day) and Rs. 656½ before finishing the week at Rs. 688. The following is the trend of prices over the week under review:

	Opening	High	Low	Closing
I.C.C. Feb. ..	Rs. 654	699	654	692½
I.C.C. May ..	Rs. 656½	692	656½	688

The following are latest available quotations from the Sewri market:

Bengal *Deshi* Rs. 620; Berar *Jarillas* Rs. 780; Khandesh Rs. 820; Vijay Rs. 860; Oomra *Deshi* Rs. 690; Mogtai Rs. 690.

This has been another uneventful week at Karachi. During the latter part of the week under review, there was a slight easiness in prices due to lack of demand from abroad and selling pressure from producing centres. Till apprehensions with regard to the export policy of the U.S.A. Government for disposing of its surplus product are set at rest one way or the other, the Continental centres in Europe which are interested in Pakistan cotton are not likely to come out in the open and make purchases for their future requirements during the year. The latest available quotations from the Karachi market are:

Sind *Deshi* Rs. 67; Punjab *Deshi* Rs. 62; 4F Punjab R.G. Rs. 61; S.G. Rs. 66; L.S.S. Punjab R.G. Rs. 66; S.G. Rs. 71½; N.T. R.G. Rs. 68½; S.G. Rs. 74½; 289F Punjab R.G. Rs. 72½; S.G. Rs. 78½.

Even at Alexandria trading has not been as active as in the past weeks, except in Karnak for which France, the U.K. and India are moderate buyers. This drying up of demand for varieties other than Karnak has resulted in a slight reduction in the premia for Ashmouni and Giza 30 by about a penny to a penny and a half per £. The Government has asked for completion of ginning operations earlier this year, i.e., 15th February, in Upper Egypt and 15th March, in Lower Egypt. The obvious result of this would be to increase the stocks at Alexandria, with a consequent drop in prices as soon as the effect of this measure is felt.

At New York, the market has absorbed, with a certain degree of ease, the increase in production revealed in the December forecast. The trade there has taken it for granted that the additional production will only go into loan and not affect the general trend of prices. Export demand is bound to remain slack in view of the fact that the authorities might at a later stage offer some further incentives for export. The expiry of December contract last Monday had a bearish effect on prices temporarily, because of additional hedge selling in March and May positions. A similar depressing effect was felt also from a likely increase in the acreage for the next season. But the price trend, after these factors were discounted, has been on the whole steady and is likely to remain so.

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

(In cents per lb.)

	16-12-53	8-12-53	3-12-53
Spot	33.40	33.55	33.55
March	32.98	33.08	33.26
May	33.22	33.32	33.40
July	33.01	33.06	32.22
October	32.36	33.37	32.46

ART SILK YARN FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 16th December

Trading in the art silk yarn market was extremely cautious this week too. Conflicting rumours regarding import policy for the coming half-year and advices from rayon cloth markets were not encouraging. There was, therefore, very little inclination on the part of traders to enter into sizable commitments; most of the purchases were for meeting day-to-day needs only. Interest in business was so dull that it remained uninfluenced by reports of an upward revision—ranging from 2d. to 3d. per lb.—in rayon yarn prices by Italviscosa, one of Europe's leading producers of the commodity. Transactions put through remained, as a consequence, greatly restricted, with values of yarn recording minor fluctuations. As compared with last week-end rates, to-day's closing quotations were, however, much better. The undertone of the market at the close was fully steady.

Art silk yarn (150D) for December delivery began the week firm at Rs. 722, as against Rs. 715, and improved to Rs. 725 on Friday. After gradually receding to Rs. 717 yesterday, it staged an impressive recovery to Rs. 726 to-day. Not only the previous losses were completely erased but the closing quotation was 11 points higher than the previous week's closing rate. January contract rose from Rs. 718 to Rs. 728 and, after dropping to Rs. 7 to Rs. 721 on Tuesday, recovered to Rs. 730. The net gain over the week was 12 points. Values of yarn in the ready section were well maintained. 120 Japan advanced by As. 2 to Rs. 4-5. 120 Italy rose by an anna to Rs. 3-14. 150 Italy was half an anna higher at Rs. 3-10. 150 Japan was fully steady at Rs. 4-1.

The table below gives the prices of art silk yarn quoted to-day, as compared with those on the 9th and 2nd inst:

	16-12-53 Rs. a.		9-12-53 Rs. a.		2-12-53 Rs. a.	
150 December (per case of 200 lbs.)	720	0	715	0	714	0
150 January (" ")	730	0	718	0	717	0
120 Japan (per lb.)	4	5	4	3	4	3
150 Japan "	4	1	4	1	4	1
120 Italy "	3	14	3	13	3	14
150 Italy "	3	10	3	9½	3	9½

As already stated, Italviscosa, the art silk yarn producing firm in Italy, has raised the prices of yarn by 2d. per lb. for finer counts above 100 deniers and by 2d. per lb. for lower counts below 100 deniers. The increase in price, it is reported, applies only to yarn supplied by the Company to established importers in overseas countries and not to actual consumers. This has, to a certain extent, diverted the attention of local traders to watch the attitude of other Continental producers, such as Switzerland, Germany and France, as also Japan. Some feel that there will not be any similar upward revision in price. For "forward business even at low prices," to quote one report, "has become increasingly difficult, on account of the continued slackness in demand and low offtake of rayon yarns during the last several months, mainly due to unremunerative prices realised by actual consumers, namely, silk weaving mills."

Contrary to expectations, forward trading in staple fibre yarn was not commenced on the 14th inst., as the Committee of the Yarn Merchants Association, Bombay, could not take any decision at its meeting held on Saturday last. The Committee is expected to meet again next Monday to consider the question. In the ready section, offtake of yarn, particularly 2×40s, has been quite satisfactory, thanks to good demand from powerlooms and handlooms. Yarn of 20s, however, has suffered a fall in price, due to heavy stocks and poor offtake.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 16th December

The oilseeds market ruled generally firm during the week under review. Groundnuts led the market, followed by other seeds. Prospects of the groundnut crop turning out to be lower than earlier expectations and keen *vanaspati* enquiries provided the driving force. The firm trend in the cotton market proved an additional influence. The sentiment of operators, therefore, hardened and the linseed section also responded sympathetically. In the castorseed section, futures witnessed some fluctuations, while the spots were quietly steady. The market was expecting export quotas in, and reduction of export duty on, castorseeds and castoroil.

From the trend of price movements in the groundnut section, it appears as though the probable ban on exports next year, contemplated by the Government, is justified. For, if exports are allowed, chances of speculative elements boosting the prices far higher than what they are to-day would be great, to the detriment of consumers' interests. That groundnut prices have recorded a rise of more than Rs. 5 over the past fortnight is a clear indication of what is likely to happen if exports are allowed.

Groundnut Bold is quoted to-day at Rs. 32-8, as against Rs. 30-6 on the 9th inst., and Rs. 27-12 on the 2nd inst. December-January delivery is enquired at Rs. 32-10 as against Rs. 30-4 end of last week and Rs. 27-8 on 2nd December. February-March is done to-day at Rs. 33-3, as compared with Rs. 30-14 on the 7th inst., and Rs. 28-2 on the 2nd inst. Khandesh quality has shot up by Re. 1-12 to Rs. 33-3 over the week and Rs. 4-2 over the fortnight. Groundnut oil ex-mill, and railway receipts advanced from Rs. 16-8 and Rs. 16-6, respectively, on the 9th inst., to Rs. 17-4 each. December, January and February deliveries were done at Rs. 17-4, Rs. 17-6 and Rs. 17-9 as against Rs. 16, Rs. 16-2 and Rs. 16-4, respectively, end of last week.

The linseed section also came in for good enquiry with few sellers. Bold ready rallied Re. 1-12 to Rs. 29-4 over the week. February-March delivery gained Re. 1-10 to Rs. 25-2. Linseed oil was done at Rs. 16 as against Rs. 15-4.

In the castorseeds section, May delivery, which opened at Rs. 116-4 as against Rs. 116-12, fluctuated between Rs. 121-4 and Rs. 115-6, before closing at Rs. 120-2. Ready F.A.Q. was quietly steady at Rs. 26-8 and Madras quality at Rs. 27. Castoroil B.S.S. rallied As. 4 to Rs. 16-8. Commercials gathered an equal amount to Rs. 15-4, while First Pressures were steady at Rs. 16.

Among others, *kardi* Bold advanced from Rs. 23-8 to Rs. 25. *Niger* ready F.A.Q. was higher by As. 2 at Rs. 29.

The following table shows the prices of oilseeds and oil on the 16th inst. as compared with those at the end of the previous two weeks.

	16-12-53 Rs. a.	9-12-53 Rs. a.	2-12-53 Rs. a.
Groundnuts—			
Khandesh Ready New (per cwt.) ..	33 2	31 6	29 0
Bold December-January ..	32 10	30 4	27 8
Bold Feb.-March	33 3	30 14	28 2
Linseed—			
Bold Ready (per cwt.) ..	29 4	27 8	24 8
Feb.-March	25 2	23 8	22 0
Castorseeds—			
May 1954 (per candy of 5 cwts.) ..	120 2	116 12	111 6
Madras (per cwt.)	27 0	27 0	26 8
Groundnut oil—			
Ex-mill Ready (per quarter).	17 4	16 8	15 4
Castor Oil—			
Commercial (per quarter) ..	15 4	15 0	15¾ 4

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 16th December

Satisfactory supplies of cheap imported sugar and liberal releases from current season's production engendered heavy selling pressure in the Bombay sugar market during the week under review. The interior markets displayed a lack of interest. Sugar mills in the Deccan are reported to have cut down the ex-mill prices by about Rs. 2 per bag, following a reduction of As. 12 per maund in the ex-mill price of sugar effected by northern mills. Even at such reduced rates, demand for sugar was not encouraging. Consequently, sugar prices slided down. The undertone of the market was distinctly bearish.

The fall in prices over the week was particularly in evidence in the forward section. Sugar for *Magshar* delivery dropped a rupee to Rs. 82-8 per bag and that for *Posh* delivery receded by As. 8 to Rs. 83-12. In the ready section, small grain sugar fell from Rs. 91 a week ago to Rs. 90. Medium grain sugar was quoted at Rs. 93-8, as against Rs. 92-94. Large grain sugar was neglected at Rs. 97: previous week's quotation for this variety was Rs. 97-102. Arrivals of sugar into the market during the week amounted to 7,000 bags, which are 1,700 bags less than those a week before. Imported sugars also suffered losses, although they were met with good buying enquiries. Thus, British refined sugar retreated from Rs. 85-8 to Rs. 84—Rs. 84-4 per 2 cwts. Mexican sugar declined by As. 6 to Rs. 40-4 per bag of 110½ lbs. before finishing higher at Rs. 40-8.

As reported last week, both the s.s. St. David and the s.s. *Norton* arrived in Bombay last week-end. Deliveries of sugar from these ships are in progress and offtake at existing levels is fairly satisfactory.

Tenders for Cuban refined sugar per s.s. *Ameriki* have been invited by the Union Food Ministry, the last date for submission being the 21st inst. Initially, there was some hesitation on the part of traders to submit tenders, as a result of the free sale of Mexican sugar. Subsequently, however, the sentiment improved and it is now reported that tenders are steadily increasing.

The Central Government's scheme for importing raw sugar from Cuba, referred to in our previous week's issue, has raised a chorus of protest from a considerable section of the sugar industry and the trade. Several representations have been made to the Government to revise the policy. As a sequel to these representations, the Government, it is understood, has shelved the programme, at least temporarily. It is believed that a tentative programme has been drawn up to import 400,000 tons of refined sugar during 1954. Whether this quantity will be imported after the crushing season is over or whether the flow of imported sugar will be maintained at the ports all the year round, leaving the interior areas to be fed with indigenous sugar, are, however, issues on which no final decision has yet been taken. In so far as the releases of sugar produced during the current season are concerned the Government is expected to continue its present liberal policy.

DUST TEAS DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 11th December

There has been no auction sale in Cochin this week, but sale No. 25, the last sale of 1953, is due to be held on Tuesday, 15th December. This sale contains over two million pounds and quality is fully equal to the previous sale. Some of the high-grown teas show an improvement and have attractive flavour. In the private market, prices have remained fully firm.

After sale No. 25 there will be no further sale this year, due to Christmas holidays; the first sale of 1954 will be held on 5th January, 1954.

London Market.—Prices hardened, as sale progressed, 1½d. dearer.

Colombo Market.—Strong demand. High-grown brokens declined 10 cents. Mediums firm. Low-grown brokens and commonest five cents dearer.

Calcutta Market—Export.—61,000 packages. Very strong demand upto Rs. 2 per pound. Advances of As. 2 to As. 2½ were recorded.

Dust.—Strong demand. Market generally half to one anna dearer and strengthened as the sale progressed. C.T.C. fairly well supported.

Export Quota.—The market opened easier with sellers at 27½ pies. Later, however, it again hardened and business was done at 30 pies. To-day's quotation is 31 pies sellers.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:

"*Dust Sale Y.*—1,15,000 lbs. Strong general demand. Market one to two annas dearer all round."

"*Sale* 25.—20,65,000 lbs. Very strong general demand. All common and low medium teas fully two annas dearer. Mediums irregularly one to two annas. Best liquoring dearer, following quality. Whole leaf very strong."

HIDES ACTIVE

(From Our Own Correspondent)

KANPUR, 14th December

The hides and skins market ruled active during the week under review and considerable amount of business was done. Madras dealers and local tanners were keen purchasers. Arrivals were also adequate. There are said to be prospects of good business in the coming weeks.

The closing quotations are: Wet salted cow hides, 1st grade Rs. 300, 2nd grade Rs. 220 and 3rd grade Rs. 220 to Rs. 250 per score; wet salted buffalo hides, 1st grade 1 lb. 12 ozs., 2nd grade 2 lbs. 6 ozs. and 3rd grade 2 lbs. 8 ozs. per rupee; goat skins, 1st grade Rs. 280 to Rs. 310 and 2nd grade Rs. 240 to Rs. 260 per 100 pieces; sheep skins, 1st grade Rs. 430 and 2nd grade Rs. 320 per 100 pieces.

JUTE GOODS RECEDE

(From Our Own Correspondent)

CALCUTTA, 15th December

Conditions in the jute goods market were extremely dull yesterday, and this was reflected in prices dropping noticeably. Foreign demand was conspicuous by its absence and small holders indulged in profit-taking. Earlier in the week prices were well maintained and the feature was the moderate business in sacking goods that was put through with buyers on behalf of Australia and East Africa. The market expects more business from these quarters. The interest now being shown by Australia is considered significant, as its annual requirement of heavy goods is considerable and Government stocks there have reached the

(Continued on page 1179)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	4th Dec., 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.46	1,114.42	1,096.85	1,108.84	1,087.06
Notes held in Banking Department	35.08	11.66	30 19	16.84	25.77
Foreign Securities	99.50	568.15	568 15	568.15	538.15
Rupee Securities	37.89	421.38	421 38	421.42	450 07
Banking Department					
Deposits of:					
Government of India	14.89	94.74	98 09	100 22	153.63
Other Governments		30.15	24 38	20.96	13 71
Balances held by Banks	16.08	142.69	141.66	137.27	159 84
SCHEDULED BANKS					
Demand Liabilities	134.97	530 91 (11.41)	588 93 (12 57)	512.95 (11 06)	541 08 (12 28)
Time Liabilities	102.84	333.16 (2 46)	334.96 (2 73)	334.78 (3 34)	318.59 (5 00)
Borrowings from Reserve Bank	..	1.29 (0 49)†	0 91 (0 49)†	3 01 (0.49)†	2.14 (0.99)†
Borrowings from Imperial Bank	..	4 62	5 21	8.63	4 51
Cash in India	6.71	31.73	32 79	25.84	33 04
Balances with Reserve Bank	25.28	55.79	67.85	45.68	47.56
Excess over statutory limits	16.62	25.53	34 21	13 34	14.10
Balances with other banks in current account in India	..	11.24	11.25	0 54	12.04
Money at call and short notice in India	..	16.57	18 32	10 54	16.64
Investments (at book value)	..	337.11	336 77	340 21	322.23
Advances and bills	106.09	440.77	449 04	443 21	455.64
IMPERIAL BANK					
Deposits	..	87.76	211 19	212 86	205.76
Investments	..	51.99	95 17	97 20	94 10
Advances	..	30.87	96 05	95.48	102 91
Cash	..	14 69	31 39	30 20	21 03

(Borrowings from Banks excluding the Reserve Bank and Imperial Bank, shown in bracket).

† Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	11th December, 1953 — Number of Cheques	Amount Rs.	4th December, 1953 — Number of Cheques	Amount Rs.
Bombay	2,56,132	62,64,40,000	2,63,308	58,25,00,000
Calcutta	1,58,371	53,17,80,335	1,53,605	62,68,76,711
Madras	79,142	7,62,43,717	79,800	13,42,79,242
All Centres—				
1951	..	..	1,05,94,122	8180,56,88,859
1952	..	..	1,06,41,941	78,79,51,57,000
Sept., 1953	..	..	25,63,000	2,25,35,00,000
Oct., "	..	..	25,77,183	2,04,62,00,000

Reserve Bank of India

Statement of Affairs for the week ended 11th Dec., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	92,02,11,000
(2) Other Governments	1,31,31,000
(b) Banks	55,78,01,000
(c) Others	67,53,44,000
Bills Payable	5,11,51,000
Other Liabilities	13,24,61,000
	Rupees 235,19,01,000

ASSETS	Rs.
Notes	12,41,45,000
Rupee Coin	15 81,000
Subsidiary Coin	4,18,000
Bills Purchased and Discounted:—	
(a) Internal	26.00,000
(b) External	..
(c) Government Treasury Bills	8,71,22,000
Balances held abroad*	137,11,05,000
Loans and Advances to Governments	2,53,00,000
Other Loans and Advances	11,05,91,000
Investments	75,67,21,000
Other Assets	7,23,18,000
Rupees	235,19,01,000

* Includes Cash and Short-term Securities.

N.B.—The Item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances available of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1953 is Rs. 65,65,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,41,45,000	
Notes in circulation	1123,10,67,000	
Total Notes issued		1135,61,12,000
Total Liabilities		1135,61,12,000

ASSETS	Rs.	Rs.
A. *Gold Coin and Bullion*		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	578,15,11,000	
Total of A		618,16,82,000
B. Rupee Coin		96,00,12,000
Government of India Rupee Securities		421,38,18,000
Internal Bills of Exchange and other commercial paper		..
Total Assets		1135,61,12,000

Ratio of Total of A to Liabilities: 54.435 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 4th Dec., 1953

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	..
(ii) Other demand liabilities	11,41,18,000†
2 Time Liabilities in India:	5,19,50,28 000
(i) Borrowings from banks	..
(ii) Other time liabilities	2,46,00,000†
3. Cash in India	3,30,69,84,000
4. Balances with the Reserve Bank in India	31,73,31,000
5. Balances with other banks in current account in India	56,78,87,000
6. Money at call and short notice in India	11,24,36,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	16,57,39,000
8. Advances in India	5,37,10,73,000
9. Inland Bills purchased and discounted in India	4,10,31,80,000
	40,44,76,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	16th December, 1953	Previous week
Bombay on London—		
Sellers T.T. D.D. 8pet.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	476¼	476¼
Buyers T.T. Rs.	472¼	472¼
London on New York $	2.81-2.81⅛	2.81⅛-2.81⅛
London on Paris Fcs.	980-980½	980-980½
London on Berne Sw. Frs.	12.23-12.23⅛	12.23-12.23⅛
New York on London $	2.81-2.81⅛	2.81⅛-2.81⅛

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	345.12	..	..	8,780	255
Pakistan	1949	76.04	..	..	1,971	259
Burma	1951	18.87	Kyats	2,186	317	169
Ceylon	1951	7.74	..	..	481	622
Japan	1951	84.80	Y.	4,849,400	6,181	781
Philippines	1951	20 28	Ps.	7,586	1,826	444
New Zealand	1952	2.00	£(N.Z.)	648	851	4,307
Australia	1951	8.43	£(A.)	2,284	3,464	4,817
U.K.	1952	50 43	£	13,648	18,197	3,608
U.S.A.	1952	156 98	$	290,400	185,250	8,808
Canada	1952	14.48	$	26,155	16,675	5,602
France	1952	42.60	F. Fr.	10,190,000	13,864	3,254
W. Germany	1952	48 43	Dm.	98,400	31,186	2,301
Italy	1952	46.86	Lr.	8,112,000	6,181	1,319
Norway	1952	3.32	Kr.	10,596	1,104	3,331
Sweden	1952	7 13	Kr.	29,170	3,652	5,122
Netherlands	1952	10.33	Fl.	17,960	3,213	3,104
Denmark	1951	4.80	Kr.	20,716	1,439	3,946
Switzerland	1952	4.82	S. Fr.	20,100	3,189	4,841

* National Income as factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 4th Dec., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	20,81,91,000
(b) Provincial Governments	2,55,55,000
(c) Banks	12,75,81,000
(d) Others	2,57,67,000
Bills Payable	11,71,000
Other Liabilities	5,40,23,000
Rupees	56,85,47,000

ASSETS	Rs.
Notes	0 53,05,000
Rupee Coin	4,000
Subsidiary Coin	4,000
Bills Purchased and Discounted:—	
(a) Internal	..
(b) External	..
(c) Government Treasury Bills	8,49,61,000
Loans and Advances to Governments	13,00,000
Provincial Governments Debtor Balances	2,74,02,000
Other Loans and Advances	2,68,01,000
Investments	24,29,40,000
Other Assets	9,53,32,000
Rupees	56,85,47,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	0,53,05,000	
Notes in circulation	214,56,26,000	
Total Notes issued		224,20,21,000
Total Liabilities		224,20,21,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	..	
Sterling Securities	39,47,44,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,81,000	
B. Rupee Coin	6,03,33,000	89,23,49,000
Government of Pakistan Securities	124,68,64,000	
Internal bills of exchange and other commercial paper	....	130,71,97,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,61,000	4 24,75,000
Total Assets		224,20,21,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes circulation: 41.56 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted rate at minimum rate
1953				Rs. a. p.	%
22nd September	1.50	1.96	1.50	2 6 8	69
29th "	1.50	2.81	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	99
13th "	1.50	1.81	1.50	2 6 8	99
20th "	1.50	2.58	1.50	2 6 8	85
27th "	1.50	4.10	1.50	2 6 7	43
3rd November	1.50	2.71	1.50	2 6 10	66
10th "	1.50	1.51	1.50	2 7 0	100
17th "	1.50	1.09	1.50	2 7 0	3
24th "	1.00	1.58	1.00	2 6 10	93
1st December	1.00	1.10	1.00	2 7 0	91
8th "	1.00	1.72	1.00	2 7 2	87
15th "	1.00	1.00	1.00	2 7 0	100
Total	17.50	26.57	17.50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	6	4
Belgium	29th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	3rd Nov., 1950	4½	5
Finland	19th Nov., 1951	7½	6½
France	17th Sept., 1953	4	3½
Greece	15th July, 1948	18	15
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	3	2½
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1948	3	2½
Pakistan	1st July, 1948	..	3
Portugal	15th Jan., 1946	3	2½
South Africa	27th May., 1952	3½	4
Spain	15th Mar., 1949	4½	4
Sweden	20th Nov., 1953	3	2½
Switzerland	26th Nov., 1948	4	3½
Turkey	24th Feb., 1941	8	4
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1938	4	4
U.S.A.	18th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1952	May, 1953	Two months — April and May, 1952	Two months — April and May, 1953
Import Duties:				
Revenue	12.09	9.01	20.85	18.28
Protective	6.0	6.7	1.57	96
On surplus disposals	—	3	—	2
Total import duties	12.68	9.51	22.22	19.22
Export Duties	3.24	2.71	9.91	8.77
Land Customs	21	9	41	21
Miscellaneous	31	6	18	11
Gross total customs	18.24	12.40	23.73	28.81
Refunds and drawbacks	24	12	1.73	34
Net Customs	18.10	12.28	22.22	24.97
Gross excise	7.41	8.76	14.18	16.87
Refunds	16	5	30	11
Net Excises	7.25	8.71	13.86	16.76
Net total of customs and excise	25.35	20.99	46.07	41.78

Imperial Bank of India

Statement of Affairs for the week ended 11th Dec., 1953

CAPITAL AND LIABILITIES	Rs.	Rs.
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		210,25,78,000
Borrowings from other Banking Companies Agents		
Bills Payable		2,66 13,000
Bills for Collection being Bills Receivable as per contra		58,43,000
Acceptances, Endorsements and Other Obligations as per contra		
Other Liabilities (including Inter-Office Adjustments)		1,52,000
Total	Rs.	229,03,87,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,99,37,000
Balances with other Banks		3,57,33,000
Money at Call and Short Notice		1,03,33,000
Investments—		
Government and other Trustee Securities	83,44,52,000	
Other Authorised Investments	10,83,69,000	
Advances—		99,28,21,000
Loans, Cash Credits and Overdrafts, etc.	87,17,33,000	
Bills Discounted and Purchased	8,30,33,000	
Bills Receivable being Bills for Collection as per contra		95,47,66,000
Consolidents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		58,43,000
Premises less Depreciation		1,52,000
Furniture and Fittures less Depreciation		1,30,22,000
Other Assets (including Inter-Office Adjustments)		30,49,000
		3,06,01,000
Total	Rs.	229,03,87,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs of rupees)

	National Savings Certificates† 5-Year Receipts	5-Year Outstandings*	7-Year Receipts	7-Year Outstandings*	12-Year Receipts	12-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings@	21% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	Outstandings*
1948-49	1,54	1,47	76	74	20,40	23,86	85,29	29,91	— 12,31		
1951-52	1,76	6,08	77	2,81	23,06	46,81	1,07,55	74,18	— 27,37	13,10	16,39
1952-53	1,63	6,84	68	3,27	23,66	64,18	1,13,96	91,01	— 31,06	7,64	23,04
September 1952	10	6,44	2	3,11	1,84	75,73	8,79	84,91	— 29,41	52	22,85
October "	11	6,48	2	3,14	1,71	76,77	8,86	85,35	— 29,69	56	22,93
November "	10	6,50	2	3,16	1,71	77,99	8,03	85,54	— 29,69	56	22,93
December "	8	6,51	2	3,16	1,88	79,84	6,45	85,95	— 30,23	48	23,24
January 1953	10	6,54	4	3,19	2,02	80,77	8,58	86,09	— 30,51	58	23,46
February "	14	6,61	5	3,22	1,88	82,14	8,86	86,36	— 30,78	62	23,84
March "	32	6,64	9	3,27	3,56	84,18	13,75	91,01	— 31,06	80	25,64
April "	11	6,60	5	3,27	2,24	85,95	9,66	93,01	— 31,30	80	25,58
May "	12	6,53	4	3,20	2,08	87,57	9,55	93,80	— 31,52	66	27,00
June "	11	6,52	4	3,21	2,25	89,33	9,43	93,60	— 31,78	59	27,56
July "	1	6,73	11	3,35	2,23	91,08	10,28	95,23	— 32,08	66	28,20
August "	1	6,67	9	3,44	2,23	92,83	8,78	96,67	— 32,36	69	28,87
September "	—	6,59	12	3,52	2,01	94,38	9,20	97,72	— 32,71	59	29,41
October "	..	..	..	..	..	..	..	..	..	54	29,91

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.

† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. ‡ 7-year and 7-year National Savings Certificates were issued prior to June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 31-10-'53	28-11-'53	5-12-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.2	89.2	89.2
1. Government of India	90.1	90.0	90.0
Indian States	95.5	95.5	95.5
3. Municipal, Port Trust, etc.	89.2	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	101.4	101.5
1. Electricity	102.7	102.8	103.0
2. Jute	98.7	98.8	98.8
3. Plantations	99.6	99.6	99.6
4. Sugar	100.1	100.1	100.1
5. Coal	90.6	90.6	90.6
6. General Engineering	101.7	101.7	101.7
7. Shipping	102.1	102.1	102.1
8. Others	100.2	100.2	100.2
PREFERENCE SHARES	87.9	87.3	87.6
1. Electricity	99.4	100.0	100.0
2. Cotton	84.0	84.3	84.4
3. Jute	85.6	85.8	86.3
4. Coal	91.6	91.6	91.6
5. Iron and Stee	89.6	89.6	89.3
6. Sugar	76.1	76.1	76.1
7. Paper	88.4	88.4	89.4
8. Plantations	87.8	88.3	89.2
9. Miscellaneous	85.4	86.0	87.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	93.9	97.4	98.3
(a) Financial	88.8	88.3	87.7
1. Banks	85.4	85.6	86.1
2. Insurance	74.3	74.0	74.0
3. Investment Trust	98.6	98.6	105.7
(b) Public Utilities	116.2	116.0	115.7
1. Electricity	91.3	98.8	99.8
2. Shipping and other Transport.	81.3	81.6	81.5
3. Railways	95.5	100.0	100.7
(c) Manufacturing Industries	92.8	96.8	97.2
1. Cotton, Woollen and Silk	80.4	85.5	85.1
2. Jute	103.8	107.9	110 0
3. Iron and Steel	151.1	165.5	165.6
4. Paper	114.8	121.1	123.0
5. Cement	112.0	116.7	119.2
6. General Engineering	85.3	85.8	86.0
7. Sugar and Breweries	95.8	102.7	103.2
8. Chemicals	98.8	100.1	101.9
(d) Non-Manufacturing Industries	74.6	74.6	75.7
1. Coal	130.6	143.3	142.3
2. Mining and Oil	90 0	97.8	103.1
3. Plantations	86.5	80.2	80.7
(e) Miscellaneous			
REGIONAL†			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	89.7	89.7
1. Bombay	90.2	90.1	90.1
2. Calcutta	90.5	90.5	90.5
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS:	101.8	101.9	101.9
1. Bombay	101.8	101.9	102.0
2. Calcutta	100.1	100.1	100.1
3. Madras			
PREFERENCE SHARES	91.7	92.0	91.8
1. Bombay	83.7	84.2	84.9
2. Calcutta	88.7	88.9	88.9
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	102 4	100.1	100.8
1. Bombay	84.6	91.8	92.8
2. Calcutta	91.4	93.7	94 2
3. Madras	89.2	91.4	93.3
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,808,704
1951	1,071	691,881	5,815,926
1952	983	809,242	8,336,961
Nine months ended Sept., 1950	544	393,737	10,062,255
Do Sept., 1951	956	593,166	3,804,044
Do Sept., 1952	859	757,566	2,852,081
Do Sept., 1953	690	407,911	2,055,040
January 1952	95	206,821	674,349
February "	87	61,746	218,607
March "	184	49,447	145,498
April "	118	80,093	254,886
May "	101	49,861	237,093
June "	83	40,784	171,248
July "	83	46,858	148,535
August "	98	57,875	460,552
September "	96	78,181	349,815
October "	87	45,746	279,248
November "	81	27,825	155,017
December "	85	42,388	244,414
January 1953†	45	26,477	124,411
February "	67	36,231	218,207
March "	72	49,152	218,853
April "	88	35,017	276 216
May "	93	80,857	252,228
June "	87	47,290	180,356
July "	66	51,958(a)	219,557(b)
August "	100	41,739	452,850
September "	..	..	..

† Figures for 1953 are provisional. * Revised.

(a) Not known in two case. (b) Not known in three cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	573	5,948.1	4,849.0
1952-53	614	6,301.4	5,134.8
April 1952	577	488.8	392.8
May "	581	514.4	413.1
June "	582	500.1	403.6
July "	588	534.0	429.7
August "	592	531.6	428.7
September "	597	546.2	441.5
October "	603	529.7	436.4
November "	608	552 2	457.8
December "	611	535.5	441.8
January 1953	614	498 6	417.4
February "	614	538.0	435.7
March "	616	530 9	456.1
April "	620	550.4	458.1
May "	623	548.8	450.2
June "	627	533.0	471.0
July "	629	547.9	468.9

* Excluding railway, military and factory power stations: Chola Power Station, being interconnected with the Tata Power System, has been included ‡ including purchases from non-electric utilities.

‡ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	28th Nov., 1953	21st Nov., 1953	29th Nov., 1952	October, 1953	October, 1952	Percentage of increase (+) or decrease (—) in Oct., 1953 as compared with Oct., 1952	1953	1951
Food Articles	370.8	375.6	356.6	385.6	357.9	+ 7.7	389.8	409.8
Cereals	435	436	442	449	442	+ 1.8	450	483
Pulses	439	444	627	464	559	—13.8	506	506
Other	257	277	220	231	222	+26.8	225	290
Industrial Raw Materials	444.3	449.8R	418 2	448.0	452.3	— 1.0	453.8	508.2
Fibres	431	443	389	411	434	— 5.3	434	522.
Oil seeds	493	483	476	546	513	+ 6.4	456	570
Minerals	465	465	449	468	460	+ 2.8	458	458
Others	348	347R	360	370*	352	+ 5.1	341	533
Semi-Manufactures	389.4	387.2	346.1	383.4	351.7	+ 9.5	346.8	377.8
Leather	893	898	430	884	884	—	845	453
Mineral oils	227	226	227	226	226	+ 0.4	231	197
Vegetable oils	408	408	424	410*	407	+21.8	412	679
Cotton yarn	436	434	436	455*	..	— 3.8	455*	653
Metals	236	236	227	223	227	— 1.8	211	197
Oil Cakes	465	476	424	425	454	— 6.4	440	500
Others	305	303	252	302	260	+16.2	275	330
Manufactured Articles	382.9	386.6	371.4	384.5	379.9	— 3.8	377.5	398.8
Textiles	399	405	407	401	420	— 4.5	423	465
Jute	427	433	421	396	478	—17.6	506	803
Cotton	407*	405*	406*	410*	409*	+ 0.2	401*	400*
Rayon and Silk	393*	393*	442*	378*	458*	—17.5	485*	511*
Woollen	313	313	280	311	280	+11.1	346	276
Metal products	337	337	345	342	347	— 1.7	331	335
Others	283	284	294	295	295	— 3.4	295	300
Miscellaneous	711.5	714.4	627.8	721.9	634.0	+13.8	638.9	729.8
All Commodities	388.6	391.3R	378.2	393 9	387.6	+ 1.6	389.9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDEXES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	392	370	334	142	178	141	160	148
1952 "	141	337	259	310	441	380	351	330	143	174	142	154	150
Feb., 1952	144	334	241	318	441	382	346	331	145	178	148	152	152
March "	135	313	235	300	412	378	340	325	136	177	140	150	143
April "	141	345	242	321	415	377	339	326	146	180	149	156	144
May "	140	339	264	310	412	376	339	327	146	182	148	153	143
June "	140	338	263	300	434	377	342	330	145	171	143	153	143
July "	142	339	263	304	436	376	354	331	143	175	143	161	153
August "	144	340	267	312	440	380	369	330	143	176	149	160	157
September "	143	341	260	310	463	381	364	328	142	178	143	157	150
October "	144	345	274	311	466	381	363	327	146	179	143	154	150
November "	143	347	271	306	459	380	357	328	143	176	139	150	150
December "	139	348	262	303	447	378	346	327	137	178	138	150	149
January 1953	139	348	260	310	454	381	337	327	135	168	134	149	146
February "	141	351	264	315	459	380	334	331	138	167	132	150	144
March "	142	358	265	322	448	381	333	333	136	165	131	148	145
April "	142	359	268	327	434	384	344	334	139	166	130	148	146
May "	145	363	275	330	434	391	345	336	139	170	131	152	155
June "	150	371	282	334	453	393	363	340

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,424	20,741
Wheat	"	24,041	23,450	6,782	6,039
Jowar	"	41,945	39,414	9,666	9,444
Bajra	"	23,572	22,459	2,952	2,519
Barley	"	7,800	7,835	2,664	2,393
Maize	"	8,794	8,073	2,807	2,021
Ragi	"	5,344	5,390	1,215	1,212
Gram	"	17,247	16,837	3,771	3,293
Rab. Pulses*	"	11,577	11,550	2,064	2,047
Small Millets	"	12,170	11,814	1,912	1,901
Jute	bales	1,834	1,951	4,805	4,678
Cotton	"	15,674	16,104	3,456	3,153
Sugarcane	tons	4,376	4,296	5,290	5,163
Groundnuts	"	11,662	11,794	2,894	3,043
Linseed	"	3,374	3,492	353	318
Castorseed	"	1,349	1,428	107	165
Rape & Mustard Seed	"	5,155	5,915	823	916
Sesamum (supp)	"	6,751	6,845	451	435
Tobacco (supp)	"	794	712	213	203
Pepper	"	263	262	22	23
Ginger	"	48	47	14	13
Dry chillies	"	1,240	1,344	801	841

Source: Ministry of Food and Agriculture.

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

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Nov., 1953 ..	69 0
	Corresponding month 1952 ..	72 2
	Five months ended Nov., 1953 ..	355.4
	Corresponding period 1952 ..	377.0
Stocks	At the end of Nov., 1953 ..	97 8
	Corresponding month 1952 ..	101 2
		(In 000 bales)
Exports(Jute Bags)	Week ended 31st Oct., 1953 ..	1.60.02
	Corresponding week 1952 ..	1.29.10
	From 1st Jan., to 31st Oct., '53 ..	26.41.77
	Corresponding period 1952 ..	34.32.69
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 31st Oct., 1953 ..	8.35.07
	Corresponding week 1952 ..	4.34.00
	From 1st Jan., to 31st Oct., 1953 ..	1.13.48.46
	Corresponding period 1952 ..	92.00.62
	RAW JUTE	(In 000 bales)
Exports*	Week ended 31st Oct., 1953 ..	—
	Corresponding week 1952 ..	—
	From 1st May, 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills†	Week ended 31st Oct., 1953 ..	4 00
	Corresponding week 1952 ..	4 10
	Five months ended Nov., 1953 ..	20 00
	Corresponding period 1952 ..	21 88

† Estimated * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952 ..	11,30,000	10,67,100	7,99,500
Do 31st March, 1953 ..	11,54,900	10,61,900	7,91,400
April to November, 1953 ..	7,32,500	7,01,100	5,09,100
Sept., 1952	94,200	88,900	64,500
October	99,800	93,100	67,300
November	1,03,500	91,700	68,700
Sept., 1953	94,900	91,100	61,900
October	99,500	92,400	64,500
November	1,00,300	95,800	68,400
Indian Iron and Steel Co.			
Jan to Nov., 1953	4,08,780	2,08,400	2,07,480
June 1953	38,270	23,940	13,920
July	21,750	8,370	4,810
August	20,230	7,710	4,190
September	21,320	2,220	2,440
October	55,900	30,670	31,210
November	61,240	41,550	32,970

FOREIGN TRADE OF INDIA

Particulars	July,		Four Months, April to July,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	10.87	19.07	84.70	99.76
Raw materials ..	11.45	11.01	62.66	74.43
Manufactures ..	22.72	25.71	91.14	109.47
Other items ..	27	18	1.27	2.15
Total ..	45.71*	54.01*	239.45*	277.84*
By land	2.81	1.19	5.88	5.70
Total Imports ..	51.52	59.21	245.34	283.54
Exports :				
By sea and air—				
Foodstuffs ..	11.95	14.08	38.83	41.41
Raw materials ..	6.73	13.19	27.94	50.46
Manufactures ..	20.84	25.93	79.74	90.21
Other items ..	39	25	1.39	1.33
Total ..	39.31	51.46	156.52	199.41
By land	41	2.39	1.56	11.66
Total Exports ..	39.72	53.85	158.08	201.10
Total Re-exports ..	30	45	1.84	1.48
Balance of trade in merchandise ..	— 12.49	— 4.96	— 81.82	— 81.08
Balance of transactions in private treasure ..	— 2	..	— 4	— 2
Total visible balance of trade ..	— 12.51	— 4.96	— 81.86	— 81.10
Imports : ‡				
Total C'wealth countries ..	24.62	22.86	97.94	85.82
Total Foreign countries ..	20.09	35.37	111.52	187.02
Exports : ‡				
Total C'wealth countries ..	19.69	22 21	74.57	88.53
Total Foreign countries ..	19.82	24 25	81.16	100.01

* *Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.*
‡ *Excludes Trade by Land.*

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	x	176	1029	x	142	142	x	132	136	x	137	141	x	105	102	x	x	x	x	94	95
Sonalli	277	216	250†	158	160	160	194	109	217†	202	196	213	125	125	125	234	199	199	278	310	310
Kurdhi	157	181	181	146	139	139	154	194	194	156	186	186	127	113	118	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	126	129	126	136	165	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	203	203
Banira	219	232	205†	85	96	99	130	136	148†	137	145	149	104	114	114	219	215	231	175	208	208
Municnda	168	244	269†	194	178	191†	190	241	269†	194	231	256	145	135	152†	215	160	161	266	200	202
Shankargarh ..	159	163	167	164	165	171	154	168	173	158	165	170	105	95	101	145	122	127	130	161	160
Krishna	190	209	212	173	185	186†	154	174	184†	162	181	193	114	136	142	129	134	132	206	157	180†
Malur	171	218	222	128	147	150	135	163	166†	143	172	184	100	100	100	244	193	193	165	171	147†
Nana	203	207	209	302	308	319†	196	211	225†	228	221	231	130	125	124	206	194	194	222	199	199
Salamatpur	262	244	250	259	242	239	214	216	220	229	234	239	129	129	129	199	133	133	259	279	277

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 10th Dec., 1953 ..	30 514
	Corresponding week 1952 ..	19 254
	1st Sept., to 10th Dec., 1953 ..	2,93,514
	Corresponding period, 1952 ..	3,38,493
Cotton Exports ..	Week ended 10th Dec., 1953 ..	3,208
	Corresponding week 1952 ..	..
	1st Sept., to 10th Dec., 1953 ..	27,619
	Corresponding period, 1952 ..	91,233
Mill Consumption ..	1st Sept., to 10th Dec., 1953 ..	3,51,500
	Corresponding period 1952 ..	3,03,279
Stock (with exporters dealers & mills) in Bombay	On 10th December, 1953 ..	3,07,547
	Corresponding date, 1952 ..	3,68,699
Karachi (Pakistan)		
Receipts	Week ended 5th Dec., 1953 ..	40 870
	Corresponding period 1952 ..	44 143
	1st Sept., to 5th Dec., 1953 ..	2,78,828
	Corresponding period, 1952 ..	3,29 019
Exports	Week ended 5th Dec., 1953 ..	23,461
	Corresponding period 1952 ..	48 000
	1st Sept., to 5th Dec., 1953 ..	2,66,817
	Corresponding period, 1952 ..	2,94 000

Particulars	From 1st Sept., to 14th Dec., 1953 Bales	From 1st Sept., to 14th Dec., 1952 Bales
Indian Union		
Cotton Exports from—		
United Kingdom ..	1,500	983
Continent	5,000	29 705
Japan	241	124
U.S.A.	20,157	68 000
Other Countries ..	4,519	6,575
Total to all foreign countries ..	800	2,043
Coastal Ports ..	33,126	97 613
	21,500	27,002

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	August, 1953 ..	3,09 821
Foreign		9 19
Indian	Twelve months September 1952 to August, 1953 ..	35 11 360
Foreign		8 45 781
Indian	Same Period 1951-52 ..	29 87 453
Foreign		10 34 013
Stocks (Mills and Elsewhere)—		
In Indian	As on 31st August, 1953 ..	12 13 715
Foreign		2 48 241
Indian	As on 31st August, 1952 ..	12 59 52
Foreign		3 01 017
Cotton Pressed †	Week ended 4th Dec., 1953 ..	29 483
	Corresponding week 1952 ..	7 749
	1st Sept., to 4th Dec., 1953 ..	2,87,170
	Corresponding period, 1952 ..	1,53 705

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,54,000	1955-60	102‡
4½% Bonds	1926-33	41,30,26,000	1960-70	101
3½% Loan	1938-39	1,16,17,46,000	1961-65	93
3½% Loan	1950	30,33,10,000	1964	93
3½% Loan	1951	1,10,11,78,000	1966-68	93
3½% Loan	1944	1,14,86,89,000	1957	94
3½% Loan	1945	1,19,04,84,000	1959-75	86
3½% Loan	1945	1,13,65,84,000	1959-61	90
3½% Loan	1931	50,35,63,000	1958	93
3½% Loan	1946	57,00,49,000	1960	93
2½% Loan	1946	57,00,49,000	1961	90
2½% Loan	1946	35,04,06,000	1954	98
2½% Loan	1946	14,77,44,000	1956	82‡
2½% Loan	1947	75,84,72,000	1962	91‡
2½% Loan	1948	60,45,01,000	1955	95‡
3¼% Loan(N.P. Bonds)	1933	73,00,00,000	1961	98‡
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,35,000	At option of Government after three months' notice	82‡
3% Loan	1944	248,91,90,000	On September, 1966 or later at option of Government after three months' notice	82‡
REPATRIATE STERLING LOANS				
3½% Loan	1931	12,50,000	1954-59***	100‡
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3½% Bombay	1942	3,54,23,300	18th Sept. 1953	99‡
3½% Bombay	1943	3,50,01,000	15th Sept. 1946	99 A
3½% Bombay	1944	3,44,00,000	15th Aug. 1948	97‡
3½% Bombay	1949	6,70,15,500	1st Aug. 1962	93
3½% Bombay	1950	3,01,87,700	31st July 1960	94‡
3½% Bombay	1951	3,01,06,900	17th Sept. 1962	93
4% Bombay	1953	5,01,01,000	15th Sept. 1963	101
4½% Bombay	1952	3,66,72,700	1st Aug. 1964	101
3½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3½% Cochin	1945	1,00,00,000	16th Dec. 1953-58	99 A
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Travancore Bridge (New)	1936-37	2,31,07,100	1956-66	97‡
3½% Madras	1939	1,29,76,600	21st June 1949	94‡
3½% Madras	1942	1,21,23,800	18th Sept. 1953	99
3½% Madras	1943	1,25,10,900	14th Sept. 1953	98-7½
3½% Madras	1944	1,08,80,000	15th Aug. 1948	96‡
3½% Madras	1945	2,82,19,000	14th Sept. 1960	91‡
3½% Madras	1946	3,99,13,700	14th Sept. 1960	91 A
3½% Madras	1940	4,47,04,000	31st July 1960	91‡
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
3½% Madras	1953	5,01,01,000	15th July 1963	9-1-15‡
4% Madras	1952	5,00,00,000	1st Aug. 1964	100‡
3½% Mysore(f)	1930	1,63,44,100	1st Nov. 1953	101‡
3½% Mysore(f)	1933	2,93,85,200	1st Dec. 1953 (c)	101
3½% Mysore(f)	1936	5,99,72,900	30th April 1953-56 (c)	98‡
3½% Mysore	1947	3,08,05,700	25th Jan. 1958	90‡
4% Mysore	1953	3,01,01,000	15th July 1963	99-7½
3½% M.P.	1942	50,00,000	18th Sept. 1953	99
3½% M.P.	1943	50,54,200	14th Sept. 1946	98‡
3½% M.P.	1944	52,69,800	14th Aug. 1948	96‡
3½% M.P.	1945	2,01,28,600	15th Sept. 1964	91‡
3½% M.P.	1940	1,01,41,700	31st July 1960	94‡
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97‡
4% M.P.	1953	1,00,00,000	15th July 1963	99‡
3½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99‡
3½% Punjab**	1942	2,35,20,000	14th Sept. 1953	99‡
3½% Punjab**	1941	2,48,78,300	14th Sept. 1956	99‡
3½% Punjab**	1945	2,95,81,600	14th Sept. 1960	98‡
3½% Travancore	1944	3,00,00,000	15th May 1952-54	99 A
3½% Travancore	1936	50,00,000	16th Aug. 1956	99‡
4% Travancore	1953	3,00,00,000	15th July 1963	99‡
3½% U.P.	1938	1,81,86,500	15th Sept. 1961-66	90‡
3½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1945	2,24,80,300	14th Sept. 1960	94‡
3½% U.P.	1946	2,29,08,600	1st Sept. 1961	91‡
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97‡
3½% U.P.	1952	4,11,37,000	1st Aug. 1964	99‡
4% U.P.	1953	5,00,00,000	15th July 1963	99 H
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98‡
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100‡
4% W. Bengal	1953	3,00,00,000	15th July 1963	100‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1954	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
25,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1972	
75,00,000	4	1911	1972	
1,00,00,000	4	1912	1972	
12,50,976	4	1912	1960	D
80,00,000	4	1913	1973	99½N
84,25,000	4	1914	1975	99N
50,00,000	4	1915	1960	
55,00,000	4	1916*	1940	
61,61,000	4	1922*	1960	
61,55,000	4	1923*	1960	
37,25,000	3½	1924*	1960	
35,00,000	3½	1925*	1957	
12,50,000	4	1926*	1960	
12,50,000	4	1927*	1960	
15,00,000	3½	1931*	1961	D
68,04,000	3	1936*	1960	
10,00,000	3	1940*	1960	
7,00,000	3½	1941*	1971	
CALCUTTA				
Rs.				Rs.
90,24,900	4	1914	1974	99‡
78,90,100	4	1915	1975	99‡
68,93,300	4	1921	1981	79
1,50,00,000	4½	1922	1982	114N
1,24,06,300	5	1923	1953-55	101
97,21,400	5	1924	1954-56	101‡
99,44,4008	5	1926	1944-86	101‡
1,49,49,3008	5	1926	1946-86	101‡
1,49,40,000	5	1927	1947-87	101‡
80,00,000	4½	1928	1958-88	101‡
21,75,100	5	1933	1946	99
60,00,000	3	1933	1966	94
25,00,000	3	1934	1965	96
50,00,000	3	1935	1943-68	98
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1972	82‡
50,00,000	3	1946	1976	82‡
50,00,000	3	1946	2006	70N
50,00,000	3	1947	1977	78‡
50,00,000	3	1948	1978	81
1,00,00,000	3	1949	1949	94‡
50,00,000	3	1950	1980	80
1,00,00,000	3	1950	1960	94
50,00,000	3	1952	1990	84
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97‡
50,00,000	4	1953	1963	97‡
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-55†	£96‡
£901,000	5	1924	1954-56	£94‡
£835,100	5½	1932	1962	£98
MADRAS				
Rs.				Rs.
46,60,347	4	1912	1952	
32,14,964	4	1919	1952	
21,21,419	4	1918	1952	A
3,42,951	4	1918	1952	
7,46,044	6	1920	1952	
2,15,852	6	1921	1952	
3,32,322	4½	1922	1952	M
4,47,995	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs				Rs
50,00,000	4	1899	1959	
30,00,000	4	1900	1960	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97‡N
40,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
23,00,000	4	1912	1972	
40,00,000	4	1913	1973	
66,00,000	4	1914	1974	D
25,00,000	5	1915	1975	99‡N
25,00,000	5	1916	1976	
10,00,000	5	1917	1977	97‡N
10,00,000	5	1918	1978	
10,00,000	5	1919	1979	
10,00,000	5	1920	1980	
10,00,000	5	1921	1981	
10,00,000	5	1922	1982	
10,00,000	5	1923	1983	
10,00,000	5	1924	1984	
10,00,000	5	1925	1985	115N
10,00,000	5	1926	1986	
10,00,000	5	1927	1987	96N
10,00,000	5	1928	1988	
10,00,000	5	1929	1989	
10,00,000	5	1930	1990	
10,00,000	5	1931	1991	
10,00,000	5	1932	1992	
10,00,000	5	1933	1993	
10,00,000	5	1934	1994	
10,00,000	5	1935	1995	
10,00,000	5	1936	1996	
10,00,000	5	1937	1997	
10,00,000	5	1938	1998	
STERLING LOANS				
£564,600	4	1910	1960	£93½N
£333,000	4	1910	1970	£93½N
CALCUTTA				
Rs				Rs
50,00,000	6	1919	1959	104
25,00,000	5½	1920	1950	107
25,00,000	5	1920	1960	98
35,00,000	5½	1919	1964	108
30,00,000	5	1936	1966	99
50,00,000	5	1937	1967	99
20,00,000	3	1937	1962	99
80,00,000	4	1938	1961-68	98
	4	1932	1962	100

MUNICIPAL LOANS

Rs				Rs
BOMBAY				
49,40,000	4	1913-14	1954	99‡
50,00,000	4	1913-15	1974	99‡
20,00,000	4	1913-15	1955	100
10,00,000	4	1913-15	1955	100
1,00,00,000	5	1920	1955	113
25,00,000	5	1924	1954	102‡
2,50,00,000	5	1928	1958	115
25,00,000	5	1929	1954-59	101
36,21,300	5	1929	1959	101‡
2,50,00,000	3½	1947	1959	84
1,50,01,000	3½	1948	1968	84
4,00,00,000	3½	1949	1979	84
2,50,00,000	3½	1950	1965	84
2,50,00,000	3½	1952	1962	84
	3½	1951	1961	87
CALCUTTA				
34,45,300	4½	1914	1955	103‡
84,70,000	5	1928	1958	101‡
36,00,000	5	1928	1958	101‡
23,91,000	5	1929	1957	103
25,00,000	5	1929	1959	103‡
10,00,000	5½	1912	1962	104
3,11,100	3½	1915	1965	84‡
4,67,100	3½	1916	1966	88‡
1,42,500	3½	1937	1964	94‡
4,18,100	3½	1937	1964	94‡
47,51,000	3½	1937	1964	94‡
10,42,700	3½	1938	1965	93
15,56,900	4	1938	1965	99‡
17,64,430	3½	1942	1970	99‡
21,10,000	3½	1942	1972	92
14,47,000	3½	1951	1962	96
16,31,000	3½	1951	1964	96
66,88,000	3½	1951	1966	96
87,36,000	3½	1951	1968	96
Rs				Rs
MADRAS				
5,00,000	4	1901	1953	101‡N
5,00,000	7	1923	1953	107‡
3,40,000	6	1925	1955	107‡N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees.
(c) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India.
† Rate of interest reduced from 4½ to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April. **Quotations in Pak. Currency. ***Rupee Counterpart.

PREFERENCE SHARES

Company.	Amount issued, Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1951	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1873	6½	Mar. Sept.	102	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	145	100
Dwarka Sugar & Akbhart'A' ..	5,00,000	1920	7	July Apr.	110	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	16	21
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	73	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	72	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15§	10
Rammugger Case	4,00,000	1933-34	6	Aug. ..	103	100
Ravalpore Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	5½	Oct. ..	60N	100
Travancore	15,00,000	1946	5(a)	Dec. ..	61	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	7½	Oct. Apr.	118xd	100
Burrakur (1st)	22,99,800	1901-19	7½	Apr. Oct.	121§	100
Do. (2nd)	6,50,000	1946	6(a)	.. ..	9§	10
Equitable	4,00,000	1895	5	Mar. Sept.	120	100
Karanpura Collieries ..	7,50,000	1946	5§(a)	.. ..	86	75(pp)
†‡Khas Kajora	1,93,000	1931	5	Mar. Sept.	6N	10
New Beerbhoom	2,00,000	1930	5	Jan. July	15§	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108§	100
Bangalore	4,00,000	1884	6	Jan. July	124§	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7	10
Benares Cotton	3,00,000	1896	7	Apr. Oct.	121	100
Bengal-Nagpur	6,00,000	1900	5	Feb. Aug.	140	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	92	100
Do. 'B'	14,75,000	1919	7	June Dec.	320	250
Bradbury	21,30,200	1920	7½	Jan. July	137§	100
Buckingham & Carnatic ..	10,00,000	1928	7	.. ..	129	100
Cambodias	50,00,000	1912	5	Apr. Oct.	502§	500
Central India	1,00,000	1935	6½	Nov. ..	124§	100
Coimbatore Pioneer	11,00,000	1912	6	May Nov.	44	100
Elgin 'B' Pref.	4,20,000	1

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. s.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. F=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2-9½	2	0 4	0 3	0 4			
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49	100	6 0	6 0	Nil		12	Y.
8,50,58,000	2,16,13,940	3,77,02,990	3,19,04,157	1,80,714	Nowrosee Wadia & Sons, Ltd. ..	1,82,072	4,853	Bombay Dyeing & Mfg. ..	397½	250	17 8	20 0	20 0	7 8(I)	3	Y.P.T.
10,00,000	27,25,759	54,19,515	48,70,797	80,337	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	785	250	75 0	100 0	100 0	75 0(I)	12	Y.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	283½	100	18 0	20 0	20 0	8 0(I)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(a)	V. J. Pilani (Chairman and Managing Director) ..	40,668	698	Colaba Land & Mill	69½	100	Nil	Nil	Nil	Nil	12	Y.P.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd. ..	27,308	680	Coorla Spg. & Wvg.	115	100	Nil	Nil	4 0(c)		12	Y.
16,00,000	20,04,821	61,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304	72	Dawn Mills	50	Nil	7 8	7 8	7 8	7 8	12	Y.
34,00,000	24,00,000	62,31,113	37,35,000	5,622	Duncan Padshahsun & Co. ..	30,296	928	Edward Textiles	260	100	15 0	15 0	15 0	4 0(I)	12	Y.
89,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg. ..	44	200	15 0	15 0	15 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	25/-	100	15 0	20 0	15 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,385	1,000	175 0	200 0	200 0	45,75%	12	Y.P.
8,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	11-3½	250	43 12	50 0	50 0	225 0* 36 4*	3	Y.P
80,00,000D.									1-9½	10	0 12½	1 1½	Nil			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co	47,172	1,191	Indian Mfg.	1D	100	0 2	0 4	Nil		12	Y.
29,92,500	49,54,660	2,07,51,457	1,37,18,445	22,865	Khatau Makanji & Co., Ltd. ..	77,404	1,317	Khatau Makanji Spg. & Wvg	196½	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	291	500	87 8	100 0	100 0	112 8*		
28,80,000A	60,71,868	4,61,890	82,822	7,47,308	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	87	100	12 0	14 0	18 0	6 0(I)	12	Y.P.
3,60,000B									100A	25	3 0	3 0	4 0			
82,11,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	201	100	7 8	15 0	15 0	6 0	12	Y.
1,75,00,000	24,92,735	1,71,00,016	1,44,55,726	2,80,686	Piramal & Sons	60,652	1,650	Morarjee Goculdas Spg. & Wvg	185	100	17 0	30 0	30 0	15 0(I)	3	Y.
1,60,42,600	2,66,192	4,27,10,526	70,00,040	38,933	Chinai & Co., Ltd.			National Rayon Corporation	133½	100	Nil	Nil	12 0		6	Y.P.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	1718	100	Nil	Nil	Nil		12	Y.P.
30,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd. ..	48,395	1,018	New Great Spg. & Wvg. ..	162	100	15 0	10 0	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,880	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	26	10	0 8	1 0	1 4		12	Y.P.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	122½	100	10 0	10 0	14 0		12	Y.
40,00,000	40,68,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,940	910	Podar Mills	121½	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.P.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd	60,240	1,254	Sassoon Spg. & Wvg.	28½	10	0 12	2 0	1 4		12	Y.P.
60,00,000	64,20,061	76,08,371	39,43,894	3,43,673	Marwar Textiles Agency) Ltd. ..	66,452	1,040	Shree Niwas Cotton Mills ..	172½	100	14 0	17 8	12 8		12	Y.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	153	50	14 0	17 0	15 0(c)	15 0	12	Y.P.
56,00,000	1,30,69,660(e)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons ..	51,892	1,613	Standard Mills	308½	100	15 0	20 0	20 0		3	Y.
75,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Standard Mills Ltd.	296	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,027	5,71,220	James Finlay & Co., Ltd. ..	35,804	352	Swan Mills	337½	100	20 0	25 0	16 0		12	Y.P.
32,54,438	59,55,268	68,88,147	25,93,248	25,338	Tata Industries Ltd.	63,248	1,800	Tata Mills	48½	25	2 0	4 0	2 0		12	Y.
12,00,000	60,55,708	98,62,654	75,30,000	6,246	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spg. & Mfg. ..	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
85,00,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills ..	128½	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	761	M. Hutheesing & Sons, Ltd. ..	42,768	912	Arvind Mills	465	100	15 0*	20 0*	20 0*		12	Y.P.
21,00,000	2,07,45,675	1,18,76,119	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	881	100	25 0*	25 0*	25 0*		12	Y.P.
20,00,000	40,85,160	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,804	884	Aryavidya Ginning & Mfg. ..	305	200	30 0	35 0*	40 0*		12	Y.P.
12,00,000	1,00,00,000	82,29,958	61,65,143	1,05,810	Lalbhai Kasturbhai & Co	37,368	914	Calico Mills	490	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Karamchand Premchand Ltd. ..	1,39,120	2,400	Calico	310	125	12 8	18 0	22 0		12	Y.P.
50,00,000	64,96,000	88,67,870	62,25,000	4,855	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	1,025	500	55 0	70 0	70 0		12	Y.P.
39,00,000	70,70,354	96,79,253	74,88,970	1,795	Mafatlal Chandulal & Co., Ltd	47,952	864	New Shorrock Spg. & Wvg. ..	602	125	35 0	35 0	35 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.										12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	24,840	528	Nutan Mills	677½	100	28 0*	28 0*	30 0*		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	46,680	1,095	Rajnagar Spg., Wvg. & Mfg	110	250	15 0	20 0	25 0*		12	Y.P.
32,50,000	16,31,830	81,93,993	46,17,803	9,866	Lallubhai Govindanada Ltd. ..	33,156	640	Rohit Mills	125	100	15 0	30 0	30 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,23,000	1,23,151	Harkhalldas Kanjdas & Co. ..	73,796	1,325	Shri Ambica Mills	316½	50	15 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.										12	Y.P.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Handas Achratlal & Co., Ltd. ..	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
						34,576	816	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,063	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4	10	0 8	0 3	Nil		12	
7,11,280	2,03,651	37,16,898	20,48,013	32,931	Bengal Textile Agency, Ltd. ..	28,448	936	Bengal Laxmi Cotton Mills ..	38N	40	Nil	3 0	3 0		12	Y.P.T.
6,00,000	22,76,247	77,20,924	51,55,000	—6,27,421	Bowreah Cotton Co., Ltd.	42,872	841	Bowreah Cotton Mills	280	100	Nil	Nil	Nil		3	Y.P.
39,00,000	25,16,186	97,02,018	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	185	100	Nil	7 0	Nil		6-12	H.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	20½			Nil	Nil		6-12	H.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarty Sons & Co.	23,484	442	Mohini Mills	—	15	1 14	1 14	1 12	1 12	3	Y.P.
33,96,268										25	1 14	1 14		1 4		
										10	0 12	0 12		0 8	12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil	Nil		12	Y.
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles(Cochin)Ltd	6½	10	0 14	2 0	3 3		12	Y.P.
21,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund, ...	19,944	440	Azam Jahi Mills	67N	100	5 8	6 0	6 0		12	Y.P.T.
40,50,000	93,74,283	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	287½	100	17 8	20 0	15 0	10 0(I)	9	Y.
27,00,000	22,25,163	70,17,945	49 36,945	15,831	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills.	13½	100	1 4	0 8	0 8		12	Y.P.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½N	10	2 8	3 0	4 0		6-12	H.P.T.
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras) Ltd. ..	1,19,916	2,781	Buckingham & Carnatic	129½	100	6 14	8 0	8 0		3	Y.
20,00,000	16,31,839	30,52,641	19,31,870	93,397	Petrie, Leslie & Co., Ltd. ..	17,336	4	Cambodia Mills	12½	10	Nil	1 0	1 0	4 0(I)	12	Y.
30,00,000	21,97,992	56,51,479	45,04,815	49,859	Begg, Sutherland & Co., Ltd.	28,776	591	Cambodia Textiles	44	100	5 0	9 0	9 0		12	Y.P.
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills ..	160	100	12 8	12 0	9 0	0 9	3	Y.P.
20,00,200	9,19,870	25,84,587	13,33,472	1,33,496	T. R. N. Naidu & Co.	19,700	..	Coimbatore Pioneer Mills ..	127	100	7 0	6 0	9 0		12	Y.P.
20,76,900	4,40,358	1,10,86,516	66,17,567	—2,70,999	R. G. S. Naidu & Co.	19,700	..	Coimbatore Spg. & Wvg. ..	17½	50	2 8	3 0	9 0		6	Y.P.
46,87,500	88,12,906	2,30,16,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	177	100	6 0	6 0	9 0		6	Y.
3,38,14,450	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	D. R. Charat Ram & Co., Ltd. ..	75,604	1,830	Delhi Cloth & General Mills ..	30½	25	Nil	2 0	2 8	5 0	6	Y.P.
1,00,521									23½	Nil	0 4	0 4	0 4	2 4½		
24,14,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	194	100	25 0	20 0	20 0	2 4½	6	Y.P.
63,00,000	43,06,000	1,30,76,652	1,05,71,631	1,23,153	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	171½	10	1 2	1 8	1 8		12	Y.P.
39,04,700	43,10,000	82,22,287	60,50,000	1,03,375	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	245	100	14 0	14 0	17 0		9	Y.P.
50,00,000	12,32,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	96½	100	4 0	5 0	6 0	5 0(I)	12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,701	G. V. Naidu & Co., Ltd.	63,000	..	Janardana Mills	63	10	3 0	5 0	6 0		12	Y.
24,00,000	17,00,000	43,66,166	8,50,000	54,377	Kothari & Sons	30,512	200	Kothari Textiles	10½cd	100	10 0	10 0	12 0		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	556½	250	37 8	50 0*	37 8	10 0(I)	12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	80	20	4 0	4 0	5 0	5 0	6	Y.P.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748	..	Madura Mills	40	25	2 0	2 0	2 0		12	Y.
12,00,000	4,17,361	24,32,416	15,52,690	—22,590	A. L. A. R. Ramasamy Chettiar and 2 others	23,856	..	Madura Spg. & Wvg.	38½	15	2 4	3 0	3 0	2 8	3	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	216	100	8 0	12 0	8 0		12	Y.
29,80,854	22,90,000	73,68,230	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	91	100	6 0	12 0	12 8	12 8	12	Y.
94,91,850	23,39,837	1,34,73,351	75,31,328	29,843	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	140	250	15 0	6 0	5 0		12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	195N	100	Nil	7 8	7 8		12	Y.
19,86,800	66,50,072	93,64,233	59,83,574	42,197	N. Sirur & Co., Ltd.	49,632	500	Mysore Spg. & Mfg.	139½	100	Nil				6	Y.
13,61,780	2,38,745	29,34,299	13,36,624	2,232	Sri N. G. Naik	6,000	..	Mysore Sree Silk Mills	50	10	0 8	0 10	Nil		12	Y.
22,84,863D									12	10	0 8	0 10	Nil	10 0*	3	Y.P.
3,07,09,512	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd. ..	50,228	1,148	New Victoria Mills	1½	Cr. 2½	Nil	Nil	Nil	Nil	3	Y.
87,01,400	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	90N	Dr. 1	Nil	Nil	Nil	Nil	12	Y.P.
4,00,000A									68	100	5 8	8 0	7 0		12	
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800	..	Palani Andavar Mills	50A	50	5 0	8 0	7 8		9	Y.
13,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	93	75B	7 8	12 0	11 4		12	Y.P.
14,81,200A									59	100	7 4	15 0			12	
8,40,600B	16,63,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	38,864	200	Radhakrishna Mills	162	100A	16 0	16 0	16 0		12	Y.
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	81	50B	3 0	6 0	6 0		12	Y.
60,00,000	62,86,508	1,03,26,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	32,580	600	Raza Textiles	50	50	4 8	5 0	Nil		12	Y.P.
22,41,300	10,32,625	25,98,011	17,73,000	65,528	G. Liladher & Co., Ltd.	15,824	440	Shree Sagan Mills	45½	10	Nil	Nil	Nil		12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,081	T. R. A. Iyer & Bros., Ltd. ..	18,416	416	Sitarama Spg. & Wvg.	1N	100	6 0	6 0	Nil		12	Y.
16,00,000	1,60,39,317	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg. ..	60	Nil	Nil	3 0			8	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	Sri Krishnajeyendra Mills ..	25,200	292	Sri Krishnajeyendra Mills ..	1,325	1,000	Nil	Nil	Nil	Nil	3	Y.P.
15,00,000	99,93,793	64,96,085	43,13,769	58,49,305	H. N. Pattegar, Esq.	27,340	992	Suntej Cotton Mills	51½	50	4 0*	4 0*	4 0*	4 0*	3	Y.
					Birla Brothers, Ltd.				50N	10	4 0	4 0	3 0*		3	Y.
17,50,000D	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8½	100	0 8	0 8	Nil		12	
1,57,50,000P									6½	10P	0 10	1 0	1 0		12	
9v.+2,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd			Travancore Rayons		10	14 2/5	14 2/5	Nil		12	Y.P.
13,98,630	7,25,503	12,91,001	9,44,987	9,843	Moolgee Ramjee & Sons	16,000	..	Trichinopoly Mills	9	10	Nil	Nil	Nil		12	Y.P.T.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	270	Vasanta Mills	168	100	9 0	10 0	11 11/2		12	Y.
32,00,000	50,43,539	1,20,63,157	83,26,292	2,21,881	Bombay Co., Ltd.	54,260	1,493	Vishnu Cotton	152½	100	9 0	14 0*	12 0		12	Y.P.

* Includes bonus. (a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves. (d) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (e) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	16,71,676	96,59,717	48,84,037	12,127	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9	25	Nil	2 13g	Nil		5	Y.P.
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	21½	10	Nil	1 2g	Nil		3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	5½cd	1	1 0	0 8	0 8	0 8	3	Y.
£300,000B							24½	B. £1	Sh. 1	Sh. 1	Sh. 1		9	Y.P.
24,00,000	8,14,510	33,30 482	26,13,607	—7,87,612	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil		8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	160	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,334	Andhra Engineering Co., Ltd.	Andhra Cement Co.	10½	A. 100	3 12	7 8	7 8		12	Y.P.T.
39 63,134B							10½	B. 10	0 6	0 12	0 12			
43,14,600A	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd. ..	Assam Benga Cement	4½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D							18½	D. 100	8 8	9 8	9 8		7	Y.
10,56,20 418	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies ..	7	O. 10	0 8	0 10	0 10			
60,00,000O.							1½	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
26,49 797O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)† ..	8

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	53½	25	1 4	1 9	1 9			
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	185½	100	1 4	1 9	Nil	6.12	6.12	H.P.T.
85,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	15⅝	10	4 0	5 0	5 0			
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	40½	10	5 0	5 0	5 0			
									0 12	1 0	1 0*	1 0*		
90,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	20	10	1 8	1 0	1 0	3.9	3.9	H.P.T.
									0 12	1 0	1 0			
88,00,000 } 98,00,000A. }	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½	O. 10	Nil	Nil	0 4	3.9	3.9	H.P.T.
							9½	A. 10	Nil	Nil	0 4			
84,00,000A. } 86,04,800B. } 4,87,500P.O. }	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	36½	A. 10	1 0	1 0	1 0	1 0*f	3.9	H.P.
									0 14*	1 0*	1 0*			
							36½	B. 10	1 0	1 0	1 0	1 0*f		
									0 14*	1 0*	1 0*			
							4¾	P.O. 2½	0 2	0 2	0 2	0 2f		
									0 2	0 2	0 2			
PRESSING														
8,00,000	5,92,365	15,65,539	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80xd	100	3 0	3 0	3 0	3 0	6	Y
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	86N	100	6 0	6 0	7 0	7 0	7	Y
9,00,000	1,55,000	11,21,900	9,45,356	10,627	Andrew Yule & Co	Central Hydraulic	91xd	100	3 0	5 0	5 0	4 0	6	Y.
PROPERTY AND LAND														
18,00,780O. } 8,00,000D. }	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½	O. 10	0 9 3/5	0 9 3/5	0 8½			
60,00,000	17,23,138	83,61,045	17,52,882	....	David Sassoon & Co., Ltd.	Port Canning Land	1½	D. —	Nil	Nil	Nil		9	Y.P.
94,00,000	33,58,934	97,00,410	98,712	4,031	Andrew Yule & Co.	Midnapore Zamindary	26½	100	2 0	1 8	1 0		4	Y.
							40½	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	5	0 8	0 8	0 4		9	Y.
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	360½	Old 125	15 0	37 8	22 8	15 0	5	Y.
6,00,000	....	2,03,769	1,57,315	—2,50,305	Jardine Henderson Ltd.	Bengal Timber Trading	131½	New 50	6 0	12 0	9 0	6 0	5	Y.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	40N	100	3 0	Nil	Nil	1 0	6	Y.P.
							34½	10	3 8	3 8	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	Nil	Nil	Nil.	3	Y.P.T.
12,00,000A. } 3,00,000B. }	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	130N	A. 100	6 4	10 0	Nil	Nil	6	Y.
							126dN	B. 10	0 10	1 0	10 0	10-0	4	Y
19,49,...	3,00,000	27,54,526	20,40,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7½	10	Nil	Nil	Nil	1-0	6	Y.P.
15,00,000	40,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	18½N	10	Nil	1 0	0 12		9	Y.
32,00,000	23,18,...	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	7½	10	1 0	1 8	1 8		6	Y.P.
15,00,000	55,34,712	98,28,542	75,34,740	81,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	33½	10	Nil	Nil	Nil		6	Y.P.T.
18,00,000	33,12,562	63,...7,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champerun Sugar	23	10	2 0	3 0	2 0		10	Y.P.
55,00,000A. } 10,00,000C. }	27,00,000	68,17,572	41,50,000	50,477	Backhraj & Co., Ltd...	Hindustan Sugar Mills	130N	A. 100	6 0	9 0	2 0	1 0	6	Y.
								O. 100	6 0	9 0	12 0		6	Y.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	50N	100	6 0	9 0				
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Cotton Agents Ltd.	New India Sugar Mills	80	100	6 0	9 0	Nil	Nil	7	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,893	Karamchand Thapar & Bros., Ltd.	New Savan	26	40	1 8	2 8	Nil	Nil		
1087,500 A. } 2,71,875 B. }	43,66,096	55,67,288	16,02,000	83,389	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N	100	15 0	20 0	10 0	5	6	Y.
							45N	25	3 12	5 0	3 0		6	Y.
77,48,500	50,18,919	1,63,07,813	69,00,000	45,193	Cotton Agents Ltd.	Oudh Sugar	100N	100	12 0	20 0	20 0		6	Y.P.
12,00,000	12,71,178	38,94,458	18,81,746	46,000	Narang Bros. & Co., Ltd.	Punjab Sugar	98N	100	6 0	11 0	6 0		7	Y.P.
9,00,000	14,71,701	33,72,804	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Puratchena Co.	14½	10	1 0	2 0	1 0		10	Y.P.
8,00,000	4,04,162	23,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	11N	10	1 0	2 8	1 0		6	Y.P.
11,99,000	17,25,204	31,37,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13½	10	1 0	2 8	1 0		6	Y.P.
20,00,000	20,68,560	1,03,16,230	49,26,080	6,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	1 0	1 8	1 0	0 8	6	Y.
9,99,930	61,825	22,84,311	11,98,643	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shahpore Sugar	6½	10	0 6	1 0	1 8	0 8	7	Y.P.
6,50 000O. } 1,75,000D. }	47,623	25,93,296	11,44,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	6½	O. 10	Nil	Nil	0 8	0 6½	6	Y.
							3N	D. 2½	Nil	Nil	Nil			
8,00,000	10,96,720	70,75,580	33,99,754	57,216	Cotton Agents Ltd.	Upper Gangoe Sugar	22N	10	Nil	Nil	Nil		10	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	34,645	James Finlay & Co., Ltd.	United Provinces Sugar	13½	10	1 12	2 0	2 0		6	Y.P.
									0 4½	2 0	1 8		9	Y.
Other Centres														
44,99,750	79,06,443	65,05,216	31,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	258½	50	12 8	14 0	16 0	16 0	9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	Nil	3 0	3 0		6	Y.P.
13,00,000	30,23,936	24,51,840	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	23½	10	0 12	1 4	1 4		9	Y.P.
33,37,520	29,59,135	39,13,908	19,50,442	7,98,891	Goyen Bros. (Rampur), Ltd.	Buland Sugar	10½N	5	0 12	1 4	1 4		9	Y.P.
81,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	43½d	10	0 12	1 0	1 0		10	Y.
30,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasliwal Ltd.	Phaltan Sugar	96½	10	2 0*	3 0	2 0	2 0	6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Rampur Cane and Sugar	11½	10	2 0	2 0	2 0	2 0	6	Y.
80 00,000O. } 4,00,000D. }	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N	O. 10	0 9½	0 12	2 0	6 0	8	Y.P.T.
							7N	D. 10	7 0	9 0	2 0			
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Goyen Bros. (Rampur), Ltd.	Rasa Sugar	10½N	10	Nil	1 4	0 11		9	Y.P.T.
90,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	10	10	1 0	1 4	0 12		10	Y.
77,50,000 } 83,50,000O. }	42,73,988	1,72,24,516	86,34,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	157½	A. 100	12 0	14 0	Nil		7	Y.P.
								O. 100	12 0	14 0	14 0		9	Y.P.T.
TRANSPORT														
25,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	155	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,43,00,237	58,606	Dinabaw Ltd.	Bharat Line	93	100	3 0	4 0	4 0			
1,65,780	41,121,737	4,67,28,105	43,312,999	413,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	75	410	Nil	Nil	Nil		12	Y.P.
8,25,00,000	74,99,233	3,91,83,993	1,28,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	78	10	Nil	Nil	Nil	Sh.10	12	Y.P.
6,59,62,018	3,81,43,387	12,98,97,421	8,04,30,000	1,58,231	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	158	15	Nil	Nil	Nil	0 8	3	Y.P.
													6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	350	200	30 0	30 0	35 0	32 0	9	Y.
13,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	50	4 0	4 0	4 0		9	Y.
25,00,000	1,00,000	25,18,130‖	8,079	8,955	Dera Sons, Ltd.	Dawan Nanji Investment Co.	8½	10	0 12	0 12	0 12		3	Y.
14,96,180	3,83,000	24,77,167‖	14,08,046	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	4 0	4 8		3	Y.P.
99,99,250	18,35,373	1,24,92,233‖	10,033	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	74½	100	8 0	8 0	8 8	Nil	3	Y.P.
89,98,350	19,49,340	17,63,055	4,98,461	20,637	B. D. Sheppard, Esq. (Mg. Director).	Killick Industries	138	100	8 0	8 0	8 8		3	Y.P.
8,06,71,500A. } 10,00,000B. }	5,64,451	2,20,52,504	63,60,813	4,52,797	Aero-Auto Ltd.	Premier Automobiles	126‡	75			10 0	10 0	6	Y.
							50	A. 100			2 8	3 0		
30,31,200	5,56,603	14,71,107	12,41,107	34,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	—	O. 10	Nil	Nil	Nil			
8,20,00,000	1,59,69,360	2,16,78,339	1,34,40,613	4,20,869	T. Rotin, Esq. (Managing Director).	Western India Match Co.	40	20	2 0	3 0	3 0		6	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	J. H. Brady & Co., Ltd.	198	100	11 0*	11 0*	11 0*		12	Y.
							350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. } 8,50,000D. }	15,00,000	1,56,92,044	90,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	O. 10						
							3½	D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	2½	10	1 12	2 8	1 4		8	Y.
20,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	23½	10	1 4*	1 4*	1 4*		8	Y.
30,00,000	12,91,523	92,32,652	59,87,830	9,249	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½	10	Nil	Nil	Nil		6	Y.
80,00,700O. } 10,00,000D. }	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	274	O. 100	0 9 3/5	0 9 3/5	0 8			
20,00,000	8,38,806	54,30,760‖		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	16½	D. 50	25 0*	25 0*	25 0*	3 0(f)	12	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Jutelia	12	10	1 4	1 4	1 4		3	Y.P.
3,35,00,000	95,00,000	2,36,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	2,00,000	100	1 4	1 4	1 4		6	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,449	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	2,00,767	100	20 0	25 0	20 0		3	Y.P.T.
51,26,000	47,37,041	1,26,55,420‖		5,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	301½	10	2 0	2 0	2 0	0 8	3	Y.P.
							14½	10	Nil	Nil	Nil		6	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	196	100	9 0	9 0	9 0	8 0	12	Y.P.
65,00,000	31,28,294	15,62,902	3,85,563	2,07,524	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	115‡	100	10 0	12 8	20 0		3	Y.P.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. Syndicate	Great Eastern Hotel	100	100	7 8	10 0	10 0		9	H‡
12,42,800	3,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	250	10	15 0	15 0	13 0		3	Y.P.
4,96,12,650	1,92,800	2,93,64,147	60,52,719	3,78,257	Birla Bros., Ltd.	Hindustan Motors	25	10	1 0	1 0	1 0		3	Y.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,033	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	4-15‡	10	7 8	10 0	10 0		12	Y.P.
1,32,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen Esq.	Indian Cables	107	100	12 0	12 0	12 0		12	Y.P.T.
8,37,970	5,38,000	14,39,460	7,97,308	38,563	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	19‡	10	3 8	5 0	5 0	Nil	3	Y.
2,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	11‡	10	1 0	1 0	1 0	1 0*	3	Y.P.
6,34,000O. } 6a,000D. }	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	11‡	10	1 0	1 0	1 0	0 12	3	Y.P.
							2	O. 3	1 0	1 0	1 0	7 8	3	Y.P.
40,00,000O. } 5,00,000D. }	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	140N	D. 100	12 8	12 8	7-8		3	Y.
1,40,35,750	30 19,025	13,73,127‡‡	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	19‡	10	0 12	0 12	0-4		12	Y.P.
6,35,235	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	10	10	1 4	1 0	1 0		9	Y.
4,44,000	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	16‡	10	0 10	Nil	1 6		9	Y.
10,00,000		11,43,834	3,93,996	11,329	K. V. Ganapathy Iyer, Esq.	Mysore Tobacco	11-8‡	10	1 0	1 0	Nil		6	Y.P.
80,00,000	23,16,171	50,16,078	28,75,987	11,045	Associated Industrial Development Co., Ltd.	National Insulated Cable	15‡	10	1 0	1 0	1 0	1 0	3	Y.P.
79,97,000	28,12 725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	10‡	10	0 8	0 8	0 12		3	Y.T.
40,00,000	24,00,000	41,58,536	17,74,933	1,52,611	Parry & Co.	Parry's Holdings Ltd.	4	2	1 9 3/5	0 10½	0 4‡		12	Y.P.
4,25,00,000	25,18,049	1,69,49,507	37,31,570	24,647	G. U. Euthymopulo, Esq.	Rallis (India) Ltd.	62½	100	8 8	9 0	Nil		12	Y.P.
1,14,00,000	78,33,108	6,09,59,407	2,16,88,623	7,17,186	Sahu Jain Ltd.	Rohtas Industries	10‡	10	1 0	1 0	1 0		10	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,233	5,36,352	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	14‡	10	1 0	1 12	1 0		10	Y.P.
75,00,000	33,00,000	12,11,901‖	2,17,120	3,36,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14‡	10	1 0	1 0	1 0		10	Y.P.T.
9,98,380	1,30,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	5‡	10	0 6‡	Nil	Nil		12	Y.P.

‖ Includes investments at cost. * Includes bonus.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685

‡ Excluding ... in Power) Rs. 30 lakhs ‖ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	400	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	3,49,966	1,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	17½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	4,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,418	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil		12	Y.
3,60,000	7,34,053	9,47,122	3,27,561	63,829	Andrew Yule & Co., Ltd.	369	Baimatia	33½	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,671	71,941	Williamson Magor & Co., Ltd.	556	Batell	15½	5	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Beejan	29	10	3 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,313	18,68,239	82,500	Andrew Yule & Co., Ltd.	4,038	Bishnauth	34½	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,736	2,13,632	—32,144	McLeod & Co., Ltd.	430	Bormeh Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,03,082	72,59,232	16,14,785	12,511	Brooke Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,334	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	11	10	1 8	Nil			12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	255	100	30 0	22 8	10 0		12	Y.
17,33,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd.	133	Dhalakhat	13½	10	1 9 3/5	1 3½			12	Y.
4,68,970	2,50,000	8,09,426	52,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	12½	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,01,461	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	12	10	1 0	0 8	Nil		12	Y.
2,56,700	3,70,000	8,93,019	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dirrumbai	37½	10	1 8	1 8	1 0		12	Y.P.
7,60,500	4,50,000	16,38,157	4,98,157	1,19,948	Williamson Magor & Co., Ltd.	669	Duffaghur	16	10	2 4	1 8	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	20½d	10	2 4	2 4			12	Y.
3,60,000	10,00,000	7,99,693	1,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Ghitapukri	18½	10	3 0	1 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	4,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	36	10	4 0	3 0			12	Y.
A 4,94,360 } B 2,40,790 }	13,22,810	17,77,138	3,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Orob	28½	A.10	3 0	2 0	2 0		12	Y.
								33½	B.5	1 8	1 0	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	33½	10	3 0	1 8	Nil		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	309N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,91,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlakhi	12½	10	1 0	1 4	0 8		12	Y.
2,40,000	80,000	11,45,851	4,20,851	3,393	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	200N	100	20 0	Nil	Nil		12	Y.P.
4,50,000	1,69,133	6,53,647	1,03,647	371	Duncan Bros. & Co., Ltd.	1,037	Ladu	9½	10	2 0	Nil	Nil		12	Y.P.
3,40,000		6,50,000	1,87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohesna	6½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	400N	100	45 0	33 0	30 0		12	Y.
O. 50,000 } P.O.2,00,000 }	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	28	O.10	3 0	2 0	2 0		12	Y.
								33½	P.O.10	3 8	2 8	2 8			
2,00,000	3,41,211	5,78,550	3,61,800	20,262	S. C. Sen, Esq., Supervising Director	540	Naga Hills	17½xd	10	2 4	2 4			12	Y.
3,35,000	—	10,14,665	4,06,665	—99,094	Shaw Wallace & Co., Ltd.	810	Namburnadi	9½	10	1 0	Nil	Nil		12	Y.
3,00,000		3,92,271	1,92,221	—44,129	Duncan Bros. & Co., Ltd.	315	Nim Dalmotilokh

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	17¼	10	4+4	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	173	100	4+10	15+15	1+1	1f	3, 9	H.
6,00,000	3,55,000	49,90,030	29,18,570	—1,63,951	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	12½	5, 11	H.P.
30,00,000	2,10,000	1,15,99,580	86,07,991	—11,66,135	McLeod & Co., Ltd.	1,264	Alliance	181½	100	Nil	25	Nil		6, 12	H.P.T.
49,20,700	70,44,144	2,27,14,371	1,67,40,000	1,32,947	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	230	100	Nil	10	10+10	10+15	6, 12	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	122	100	11+4	6+5	10+10	7½	3, 9	H.P.
20,00,000	29,27,565	97,37,334	63,51,852	72,634	Jardine Henderson & Co.	959	Bally	177	100	8+6	6+1	Nil	4f	3, 9	H.P.T.
£273,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,890	Barnagore	162xd	£5	£1	£1	£1	£1	3, 9	H.P.
28,00,000	35,49,623	88,18,168	48,06,234	62,117	Andrew Yule & Co., Ltd.	820	Belvedere	204	100	7+10	12½+15	7½+7½	7½f	3	Y.P.
22,50,000	55,93,000	54,22,523	24,75,886	4,28,770	Soorajmull Nagarmull	600	Bengal	13§	10	1½	3	1		6, 12	H.P.
30,42,000	2,64,96,567	3,06,30,766	1,23,13,242	1,03,646	Burla Bros., Ltd.	1,373	Burla	41	10	2½	3	1		6	Y.P.§
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	160	100	3+10	10+12	6½+6½	3	3	Y.P.
7,47,380	4,29,739	49,77,150	36,73,499	93,461	Duyaram & Sons	502	Calcutta Jute Mfg.	71½N	10	Nil	1+1	0+8	6f	4, 10	H.P.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	616	Caledonian	176	100	4+10	10+12	6+6	6f	6, 12	H.P.T.
59,16,400	1,05,23,478	1,65,18,460	1,07,44,959	1,13,030	James Finlay & Co., Ltd.	1,400	Champdany	147	100	3+3	5+7	7+8	3f	5, 11	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd.	530	Cheviot	248	100	6+10	10+12	6+6	6f	5, 11	H.
10,05,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	300	Chitavalsah	11§	10	8+4	11+4½	2½+1½	1½f	6, 12	H.T.
16,00,000	17,02,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	25	10	1½	1½+4½	2½+1½	1½f	6, 12	H.T.P.
49,97,000	750	34,32,368	37,646	3,038	Hindusan Investment Corpn., Ltd.	600	Cornelia	14	10	1½	3	Nil	Nil	3	H.P.T.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd.	14½N	Cossipore	21xd	10	4+4	4	Nil	4f	6, 12	H.P.T.
4,00,000	1,41,587	7,50,000k	....	19,867	F. W. Heilgers & Co., Ltd.	300	Churlia	4	10	1+1	Nil	Nil	Nil	3	Y.
16,00,000	2,70,000	43,47,547	23,27,346	4,28,770	Macneill & Barry Ltd.	600	Dhemo Main	9	10	1+1	1+1	1+1	1f	6, 12	H.
£240,000	£332,801	£224,840	£9,002	£90,734	Jardine Henderson Ltd.	41	East Indian	24½xd	£1	1½	3	1	Nil	6, 12	H.
39,63,760	75,00,380	3,37,02,383	2,73,34,630	2,11,481	Macneill & Barry Ltd.	1,032	Empire	32½	10	2½	2½	2½	2½	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	1,884	Fort Gloster	25N	10	2½	2½	2+1½	2½	4	Y.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	1,014	Fort William	325N	100	3	3			6, 12	H.P.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	1,709	Ganges Mfg.	71§	100	Nil	3	Nil	3	6	Y.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bagaria Trust Ltd.	1,000	Gondalpara	24½	10	1½	1½	Nil		3, 9	Y.P.
3,50,000	5,58,000	13,65,400	6,42,347	21,356	Andrew Yule & Co., Ltd.	394xdN	Gouripore	29½	10	2½+1½	10+10	1½	Nil	6, 12	H.
20,00,000	....	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	825	Hastings	125	100	10	7	1½	Nil	12	Y.P.
5,00,000	12,00,000	42,94,551	33,08,631	77,361	Andrew Yule & Co., Ltd.	411	Kamarhatty	100	100	1+3	8+6	6+1	Nil	3, 9	H.
1,38,400	93,000	10 63,519	3,25,519	1,063	Berrowla & Co.	41N	Kanoria	10	10	5+12½	15+17½	10+10	10f	2	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	10½N	Kanpur	10	10	1+1	1½+1½	1	1f	5, 11	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	703	Kelvin	10	10	3+3	3+3	3+3	3f	1, 7	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	20,398		68	Katarpara	10	10	1+1	1+1	1+1	1f	6, 12	H.P.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd.	18½	New Beerbhoom	10	10	1½+1½	1½+1½	1½+1½	1½f	6	Y.
6,00,000	3,30,000	31,61,632	15,78,153	60,718	Octavius Steel & Co., Ltd.	10½	New Manbhoom	10	10	3/10s	3/10	Nil	Nil	6, 12	H.
1,15,000					Andrew Yule & Co., Ltd.	12½N	North West	10	10	1+1	1+1	1+1	Nil	4, 10	H.P.
1,37,500	3,36,004	12,61,739	7,54,794	6,603		8N		7½	10	1+1	1+1	1+1	1f	3, 9	H.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	197xd	Ondal	10	10	1½+1½	1½+1½	1½+1½	1½f	3, 9	H.
10,00,000	1,10,000	33,60,122	14,26,827	56,431	K. C. Thaper & Bros.	12N	Oriental Coal	10	10	1+1	1+1	1+1	1f	6, 12	H.P.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kishenlall	3§	Parasea	10	10	Nil	Nil	Nil		12	Y.T.
15,75,000	8,75,000	39,37,649	26 12,649	31,995	Shaw Wallace & Co., Ltd.	22§	Pench Valley	10	10	1+1	1+1	Nil		6, 12	H.P.
23,09,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	10½	Ranergange	10	10	Nil	1+1	Nil		3, 9	H.
13,50,000	7,38,385	30,36,328	24,30,328	26,964	Shaw Wallace & Co., Ltd.	21§	Rewa	10	10	1+1	1+1	1+1	1f	3, 9	H.
20,00,000	3,93,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	7§	Samila Collieries	10	10	1+1	1+1	1+1		6, 12	H.
1,25,000	1,75,000	11,99,313	9,78,099	20,499	Gillanders Arbuthnot & Co., Ltd.	8N	Searsole	2½	10	1+1	1+1	1+1	1f	6, 12	H.
2,80,000	6,77,288	28,80,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	24xd	Seebpore	7	10	2½	2	2	2f	6, 12	H.
8,00,000	8,74,490	36,59,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd.	10N	Sendra	10	10	1+1	1+1	1+1	1f	6, 12	H.
83,21,450	13,25,954	3,24,72,792	2,26,34,594	65,360	Industrial Trust Fund (Government of Hyderabad)		Singareni	6§	10	1+1	1+1	1+1	Nil	6, 12	H.P. H.T.
17,50,000	10,86,300	35,53,705	13,67,030	26,614	Bird & Co., Ltd.	1,276	South Karanpura	17½	10	1+1	1+1	1+1		12	Y.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd.	2,013	Standard	10	10	Nil	Nil	Nil		2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	20½xd	Talcher	10	10	1+1	1+1	1+1	1f	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd.	23§	Union	10	10	1½+1½	1½+1½	1½+1½		9	Y.
49,98,000	....	44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	141	West Bengal	10	10	5+5	10	10	10f	6, 12	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	16§	West Jamuria	10	10	1+1	1+1	1+1	Nil	6, 12	H.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	20§	10	1+1	1+1	1+1	1f	5, 9	H.
12,00,000	8,42,703	37,55,383	34,23,643	58,826	Jardine Henderson Ltd.	Bararee Coke	19§	10	1+1	1+1	1+1	Rs. 4½ 11f	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6§	10	1+1	1+1	1+1	1f	3, 9	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	509	200	17+17½	17+17½	20+20	17½er	6, 12	H.
2,25,000	5,14,434	25,84,461	21,98,073	4,280	Andrew Yule & Co., Ltd.	Bengal-Nagpur	14§	10	1+1	1+1	1+1		4, 10	H.P.
13,97,000	4,73,358	37,29,385	22,67,363	25,529	H. V. Low & Co., Ltd.	Bhalgora	4§xd	10			8+8		6, 12	H.P.
49,99,953	13,81,010	1,17,79,347	36,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	6	10					9	Y.
7,15,000	14,67,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd.	Bhulabarrave	14	10					6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,794	—1,66,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	7§	10	Nil	Nil	Nil	Nilf	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd.	Borrea	28§	10	1½+1½	1½+1½	1½+1½	1½	6, 12	H.
90,92,480	1,70,58,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	Burrakur	81§	10	1½+1½	1½+1½	1½+1½	1½	6, 12	H.T.
49,97,000	750	34,32,368	37,646	3,038	Hindusan Investment Corpn., Ltd.	Central India	3½	10	1½	1½	Nil	Nil	6, 12	H.P.
8,00,000	13,30,249	49,20,487	32,27,354	2,273	Anderson, Wright & Co., Ltd.	Central Kurkend	14½N	10	1½	1½	Nil	1	6, 12	H.P.T.
4,00,000	1,41,587	7,50,000k	....	19,867	F. W. Heilgers & Co., Ltd.	Churlia	24½xd	10	4+4	4	Nil	Nil	3	Y.
16,00,000	2,70,000	43,47,547	23,27,346	4,28,770	Macneill & Barry Ltd.	Dhemo Main	9	10	1+1	1+1	1+1	1f	6, 12	H.
£240,000	£332,801	£224,840	£9,002	£90,734	Jardine Henderson Ltd.	East Indian	24½xd	£1	1½	3	1	Nil	6, 12	H.
39,63,760	75,00,380	3,37,02,383	2,73,34,630	2,11,481	Macneill & Barry Ltd.	Equitable	32§	10	2½	2½	2½	2½	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghurick and Muslia	15N	10	2½	2½	2+1½	2½	4	Y.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	40	50	3	3			6, 12	H.P.
8,00,000	4,60,000	21,29,494	17,15,778	44,366	Macneill & Barry Ltd.	Hurriadih	15	10	4	4	3	3	6	Y.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bagaria Trust Ltd.	Jogta Coal	1½N	10	Nil	Nil	Nil		3, 9	Y.P.
3,50,000	5,58,000	13,65,400	6,42,347	21,356	Andrew Yule & Co., Ltd.	Kalapahari	39½xdN	10	1½	1½	Nil		6, 12	H.
20,00,000	....	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	82	100	Nil	Nil	Nil	1½+1	12	Y.P.
5,00,000	12,00,000	42,94,551	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katras Jherriah	41§	10	1½	1½	Nil	Nil	2, 8	H.
1,38,400	93,000	10 63,519	3,25,519	1,063	Berrowla & Co.	Khas Kajora	7N	10	1+1	1+1	2+2	2+2	2	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusrdi	40N	10	3§	3§			1, 7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10½N	10	1	1			6, 12	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	20,398		Nazira	6§	10	1+1	1+1			6	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	1½+1½	1½+1½	1½+1½	1½f	6	Y.
6,00,000	3,30,000	31,61,632	15,78,153	60,718	Octavius Steel & Co., Ltd.	New Manbhoom	10½	10	3/10s	3/10	Nil	Nil	6, 12	H.
1,15,000					Andrew Yule & Co., Ltd.	North West	12½N	10	1+1	1+1	1+1	Nilf	4, 10	H.P.
1,37,500	3,36,004	12,61,739	7,54,794	6,603			8N	10	1+1	1+1	1+1	1f	3, 9	H.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	Ondal	19§xd	10	1½+1½	1½+1½	1½+1½	1½f	3, 9	H.
10,00,000	1,10,000	33,60,122	14,26,827	56,431	K. C. Thaper & Bros.	Oriental Coal	12N	10	1+1	1+1	1+1	1f	6, 12	H.P.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Parasea	3§	10	Nil	Nil	Nil		12	Y.T.
15,75,000	8,75,000	39,37,649	26 12,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	22§	10	1+1	1+1	Nil		6, 12	H.P.
23,09,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranergange	10½	10	Nil	1+1	Nil		3, 9	H.
13,50,000	7,38,385	30,36,328	24,30,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	21§	10	1+1	1+1	1+1	1f	3, 9	H.
20,00,000	3,93,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samila Collieries	7§	10	1+1	1+1	1+1		6, 12	H.
1,25,000	1,75,000	11,99,313	9,78,099	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8N	2½	1+1	1+1	1+1	1f	6, 12	H.
2,80,000	6,77,288	28,80,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Seebpore	24xd	7	2½	2	2	2f	6, 12	H.
8,00,000	8,74,490	36,59,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd.	Sendra	10N	10	1+1	1+1	1+1	1f	6, 12	H.
83,21,450	13,25,954	3,24,72,792	2,26,34,594	65,360	Industrial Trust Fund (Government of Hyderabad)	Singareni	6§	10	1+1	1+1	1+1	Nilf	6, 12	H.P. H.T.
17,50,000	10,86,300	35,53,705	13,67,030	26,614	Bird & Co., Ltd.	South Karanpura	17½	10	1+1	1+1	1+1		12	Y.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd.	Standard	20½xd	10	1+1	1+1	1+1	1f	2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	2§	2½	Nil	Nil	Nil		6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd.	Union	23§	10	1½+1½	1½+1½	1½+1½	1f	9	Y.
49,98,000	....	44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	5½	10	5	10	10	10f	6, 12	H.
7,00,000	6,65,000	40,16,017	19,92,108	5,514	Macneill & Barry Ltd.	West Jamuria	16§	10	1+1	1+1	1+1	Nil	6, 12	H.

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1180 in the debentures section:—

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

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 1135)

but financially puny." And yet what the "puny" demand is not equality with the "mighty" but only a fair field in which they can attain their legitimate stature.

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Readers of this journal are already aware that, with the restoration of freedom to private enterprise by the present Government in the U.K., speculators have been active, cornering shares with the ulterior motive of getting control of companies. But the authorities there seem to be quite vigilant and taking prompt measures to nip the evil in the bud. A circular letter addressed recently by the Bank of England to insurance companies and banks in the U.K., asking them not to associate themselves with speculative deals, is a sequel to the emergence of this new type of speculative activity, which has come to be known as "take-over bids." Some property-owning companies are being bought, not with a view to running them but in order to gain a large profit by selling the real estates at the high prices such estates command now. Insurance companies have been asked by the Bank not to buy property, if it appears to assist the negotiation of a transaction of a purely speculative nature. They have been requested to take a broad view in regard to their investments in property and to consider the motive behind financial deals, in which they are asked to join. The Governor of the Bank of England has asked banks to pay particular attention to their loans policy, especially in respect of loans granted for property deals. In this connection, the banks' attention has been drawn to the directive given by the Chancellor of the Exchequer in 1951. The Chancellor had told them not to give facilities for the speculative buying or holding of securities, real property or stocks of commodities. In short, the banks were asked not to lend for purposes which were not in the national interest.

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The British Insurance Association, while refraining from commenting on the Governor's letter, has issued a statement explaining the insurance companies' investment policy. The statement says: "There have been suggestions in the Press that insurance companies have been aiding what are described as 'take-over bids,' which are said to be speculative in character. The insurance companies' attitude in investing their funds has been to give at all times close regard to the interests of policyholders and the nation. If there were a feeling that any 'take-over bid' would be detrimental to the nation, the insurance companies would be the first to be careful not to facilitate it by financial co-operation." Though the Bank of England's statement was of a general nature and made no reference to any particular transaction of a speculative character, the general belief that a few of the insurance companies—may be a small minority—have been associated with some deals of the nature mentioned above in one way or another, must have induced the Bank to give a precautionary alert to these companies. The fact that such a statement from the Bank of England has received wide publicity in the U.K. is liable to give the public an unpleasant impression about all insurance companies, whether they have been connected with such deals or not. The British Insurance Association's statement quoted above has not made any effort at removing any possible odium. Although no such 'take-over bids' by insurance companies in India are reported now, they do not seem to have withstood the temptation to engage in transactions in speculative equities. This practice, to which we referred in these columns last week, is no less serious than the kind of transactions against which the British insurance companies have been rightly warned.

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The International Tin Conference, which concluded its plenary session in London last week, has formulated a draft scheme for controlling the marketing of tin. This is a welcome event, since the scheme is designed to avoid excessive fluctuations in the prices, such as those witnessed in the recent past. The price of tin to-day is about £658 per ton, as against £581 per ton at the end of July and £960 per ton in January, 1953. The price of tin was fairly stable in 1952 at about £960, the extreme points touched being £1,005 in January and £918 in August. The main tin producers, namely, Malaya, Indonesia and Bolivia naturally want to avoid wide fluctuations in the prices, which arise principally from the inelastic nature of the demand for this commodity. Since the economies of these countries are to a great extent dependent on the price fetched by tin, the violent swings in its prices have impeded plans for their economic development.

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The draft scheme seeks to set up an International Tin Council to operate in London. It envisages the creation of a buffer stock in tin and the allocation of export quotas among producing countries. Its authors have taken into consideration an estimated surplus of about 25,000 tons, on the basis of the world output of 170,000 tons, which will influence the trend of prices. The scheme does not propose any rigid price structure unrelated to supply and demand. It has fixed a floor and a ceiling price at £640 a ton and £880 a ton, respectively. If the market price is in the upper third (£800-£880) of the margin, the authorities will sell tin from the buffer stock. In the middle third (£720-£800), they will not operate. In the lower third (£640-£720), they will buy tin. This is a notable feature of the scheme. Action, designed to control prices, is not postponed till the floors or the ceilings are pierced, for the market might then be in a too demoralised condition to make the correct response to official buying or selling. The prices, which would attract official intervention, are fixed at safe levels—they are both well below the ceilings and well above the floors—so that there is larger room for manœuvres by the authorities and for adjustment by the market.

The resources of the buffer stock are sought to be built in an ingenious manner. The producing countries are to contribute the equivalent of 15,000 tons in metal and cash; the proportion of the metal is not, however, to exceed 75 per cent. of the contribution. The maximum expected in tin and cash is an amount equivalent to the value of 25,000 tons. As soon as the metal reserves of the buffer stock reach 10,000 tons, the export control machinery will come into operation; producers would be allocated export quotas in proportion to their output.

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Since export quotas are to be allocated among the producing countries in proportion to their present (or eventually revised) output, it is clear that the present high level of production will be maintained, if not increased. A significant feature of the scheme is that it contains a suitable provision for rewarding efficient producers. Thus, 20 per cent. of the allocated quotas will be deducted annually and put at the Council's disposal for a special export allowance to producers as a stimulus to efficiency. It is, however, not clear from available reports how the efficiency of the different producers could be measured when the price mechanism is not allowed to operate freely.

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The implementation of the scheme rests on its final ratification by the countries concerned, the date for which is fixed between 1st March and 30th June, 1954. It is stipulated that the draft scheme should come into force only when countries representing 90 per cent. of the producers and 33 per cent. of the consumers ratify it. The votes have been distributed in proportion to current production and consumption. But the voting strength is so adjusted as to avoid the position which would give the U.S. an absolute majority among the consuming countries, although it consumes more than 50 per cent. of world tin output. In other words, the voting system is so arranged as to permit the scheme to function without the concurrence of the U.S., which has expressed its reluctance to commit itself, until the report of the Randall Commission on U.S. foreign policy becomes available.

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Although the draft agreement is so framed as not to make its execution depend on the concurrence of the U.S., the scheme will lose its substance without American support, since the U.S. is the largest consumer of tin. The Indian delegate, Mr. S. Sen, rightly emphasised that the labours of the Conference "have been made theoretical" since they "did not know the position of one of the most important consuming countries." Indications are that the U.S. will ratify the scheme, as it has not raised any objection to the regulation of tin supplies. It is to be hoped that the U.S. will appreciate the producers' case and support the scheme in the interest of avoiding unnecessary fluctuations in tin prices and of ensuring a stable economy in the countries producing this commodity.

BANKING

(Concluded from page 1143)

heard the last of this unprecedented case in company control, especially as Mr. Samuel, who is principally affected, is demanding enquiry into this action.

Mr. Samuel's next move, after finding himself frustrated over the Berkeley, was to offer all his shares to the Directors of the Savoy Company at the top market price which, one can calculate, would have given him a capital untaxed profit of some £200,000. The Directors have turned down his offer feeling that the shares are grossly overvalued at that price. Mr. Samuel has replied that, since they will not buy his shares, he now proposes to buy as many more Savoy shares as he can at the price at which he offered to sell in order to obtain definite control over the Company. He has avowed that he has no intention of disposing of the assets of the Company but simply proposes to ensure that the properties are operated in the most profitable way for the shareholders.

Battle has now been joined and the City and the shareholders await with interest the outcome. But, unless a great number of unorganised shareholders of the Savoy side with the existing Directors, the odds may go against them, while, no doubt, many will be tempted by the capital profits they can realise by selling out at present prices. The whole case emphasises the helplessness of the ordinary shareholders who, apart from not being consulted, are not even informed of the economics of the battle!—*All Rights Reserved.*

MARKET REPORTS

(Concluded from page 1169)

border of exhaustion. There were also enquiries from and subsequent business with Indo-China and Burma.

B. twills opened firm at Rs. 103-4 last Tuesday, and, in the moderate business that resulted, improved to Rs. 104-8 by Thursday. At this stage, a reaction set in taking the price down to Rs. 103-10 by the week-end. The fall was due to speculative activity, and took the quotation to as low as Rs. 102-4. Ready hessian opened on Tuesday at Rs. 47-2 and were taken up to Rs. 47-6 on Thursday. Week-end reports that American consumption of burlap in November fell to 73.5 million yards from 83 million yards in October resulted in an easing tendency and the price gave way to Rs. 46-10. Moreover, advices from New York were discouraging, as buyers there were willing to wait for entering into commitments on the expectation of a further drop in prices. The rate fell further to Rs. 45-14 yesterday. The 8 oz. hessian was offered at Rs. 37-8 f.a.s. and at Rs. 40-12 f.o.b.

The raw jute market was steady. The quantity that changed hands was in the neighbourhood of 300,000 maunds. Support from mills was forthcoming. Arrivals showed an increase and were mainly the poorer varieties. *Bimli* f.a.q. was bought at Rs. 25-8, the latter declining to Rs. 25. Daisee bottoms were paid Rs. 29-8. Northern bottoms were for a time better at Rs. 29 and middles Rs. 32.

SUGAR PRICES DECLINE

(From Our Own Correspondent)

HAPUR, 14th *December*

Crystal sugar markets remained quiet to bearish during the week under review and there was a slight decline in prices. The Government of India's decision to release for free sale all sugar produced by the factories up to 15th December, 1953 and speculations regarding the Government's contracts with foreign countries for importing raw sugar to the tune of 200,000 tons acted as great dampers. The fear in the business community is that this would perpetuate State trading in sugar and thus directly affect the interests of private enterprise.

Fresh arrivals of imported sugar at the ports, particularly Calcutta and Madras, have made the supply position considerably easier, with prices receding gradually, resulting in the easy trend of the markets there. Other markets have also receded in sympathy. Production of sugar has been going ahead in all the States.

The Bihar Government

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000				112	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000	12,03,000	1,79,017	Andhra Bank	59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	103½	50	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,000	3,52,00,000	6,36,353	Bank of India	156	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,30,375	24,00,000	63,500	Bank of Indore	6eN	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	15,324	Bank of Jaipur	18½	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	283½	100	16 0	16 0	16 0	8 0(i)	12	Y.
59,99,150	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
13,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	63½	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
62,42,375 A				69	25	3 8	3 8	3 8	0 12(i)		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	10	2 0	4 0	4 0		12	Y.
1,25,00,000	10,20,000	10,609	Hindustan Commercial Bank	9	50	—	—	—		12	Y.
50,00,000	1,10,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0	6 0	5 0	3 0	9	
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,855	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				456½	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				173	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	141½	85	10 3½	10 3½	10 3½	5 1 3·5(i)	6.12	R.L.H.
15,40,000				100	60	7 3½	7 3½	7 3½	3 9 3/5(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	94½	100	5 0	6 0	6 0		12	R.L.H.
6,25,000				73	100(A)	0 7	0 8	0 8			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				37	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	201	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	12½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	92	50	0 5	0 5½	0 5½		12	Y.
8,00,00,000	75,00,000	1,01,119	United Commercial Bank	42	50	2 0	2 0	2 0		12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-2-0	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7†	6†	7†	3†	12	R.L.Y.
H.K.$20,000,000	H.K.$6,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£94	H.K. $125	9*	9*	9*	8*(i)	12	R.L.Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2 17 6	£1	1s†	1s†	1s†	7†(i)	12	R.L.Y.
£1,437,296				£1-6-3	£1	3†	3†	3†*			
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24½	A £125	12†	12†	14†	7†(i)	12	R.L.Y.
£375,000				£24½	B £125	12	12†	14†	7†(i)		
£300,000				£103	C £5	12†	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£32½	£124	16†	16†	16†	8†(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††U.S. Currency (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	99½	31st December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November 1959-64
80,00,000	4	1st May and 1st November	Walchandnagar Industries	105	1st April 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April 1964
4,00,000	4½	19th May and 10th November	Bengal-Nagpur	98½	15th November 1956(e)
1,80,00,000	3	1st April and 1st October	Buckingham and Carnatic	100½	1st January 1967-72
13,68,000	3½		Jaysheo Textiles	7-9N	1st January 1956-58
40,00,000	5	1st June	Tata Mills	101	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102½	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	104½	1st October 1959
12,50,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December 1964
8,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	102½	1st January 1970
25,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	96	31st December 1970
15,00,000	5	1st January and 1st July	Hisar (Imperial) Electric Supply Co., Ltd.	96	30th June 1976
4,95,000	5½	1st January and 1st July	South Madras Electric Supply	97	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	96½	1953-43
4,63,600	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,73,000	4	1st April and 1st October	Tata Power	100½	15th September 1951-55(i)
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September 1965-70
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	103½	31st December 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	31st May 1971
1,30,00,000	3	1st April and 1st October	Tata Locomotive	101	1st October 1960-63
60,00,000	6	31st December	Textile Machinery Corporation Ltd.	93½	31st December 1968
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June 1954(d)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December 1966
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July 1959(e)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June 1961
8,86,000	5	30th June and 31st December	Empire	93	31st July 1966
85,00,000	5½	1st January and 1st July	Hukumchand	92½	30th June 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December 1949
85,00,000	5½	30th June and 31st December	Naihati	98	31st March 1967
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March 1956
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December 1966
8,00,000	4	30th June and 31st December	Presidency	93	30th June 1958
85,00,000	5½	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	31st September 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th March 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June 1957(d)
20,00,000	5½	31st January and 31st July	Waverley	84	31st July 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
6,50,000	4	1st January and 1st July	Barsaat-Basirhat Light Railway	86	1st July 1956
6,00,00,000	4½	10th November and 10th May	Bombay Steam Navigation Co.	99½	1st November
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900 £61½N	A 1·05% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933 £77½N	1st October 1976
4,50,000	5½	30th June and 31st December		1945 85	31st December 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90½N	
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September 1963
PLANTING					
1,20,000	5	31st December and 30th June	Blue Mountain Estates	1943 100	1st January 1945-55
1,89,700	5½	31st March and 30th September	Teekoy Rubber Estates	1946 100	31st March 1949-59
50,000	5	30th June and 31st December	Waterfalls Ltd	1945 101½	1st January 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 98	31st December 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 96½	30th June 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1935 93	1st February 1964
21,35,000	5½	1st July and 1st January	Clive Buildings	1936 88½	1st July 1966
20,00,000	4	15th March and 15th September	Dalmoine Properties	1946 87	15th September 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1948 79½	1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	1950 102½	1st January 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949 96	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 470 (per note)	30th September 1976
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 410 (per note)	31st December 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April 1971
80,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 93	31st March 1961
8,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	1948 84½	31st December 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953 103½	1st May 1968

Note—See page 1178 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th December, 1953.

	Closing Quotations 10-12-'53	High	Low	Closing Quotations 17-12-'53
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	156	156	155½	156
Bank of Baroda (50)	107½	107	105	105
Central (25)	64	64½	63½	64
Imperial (P.Pd.) (500)	1,860	1,861½	1,852½	1,855
Imperial (P.Pd.) (125)	458½	457½	456½	456½
Union Bank (5)	6-4½	6-4	6½	6-4½
United Com. (50)	40½	43	40½	43
COTTON MILLS				
Ahm. Adv. (100)	133½	133½	128½	128½
Apollo (2)	2 11½	2 11½	2-9½	2-9½
Bombay Dyeing (250)	402½	406½	391½	396½
Central India (100)	173½	188	169	187
Century Mills (100)	286	289	279	280½
Edward Textile (200)	260	72½	67½	68½
Hindustans (50)	—	—	—	24
Finlay (100)	44	44	41	260
Gokak (100)	266½	264½	255	42
Ind. Untd. Defd. (1)	249½	251	244	257
Ind. Untd. Ord. (10)	1 1½	1 1½		245
Indore Malwa (100)	11½	11-12½	11-7½	1-9½
Khatau (100)	101	102½	94½	118
Kohinoor (100)	196½	—	—	96½
Lakshmi (250)	295½	299	289½	196½
Model Mills Nagpur (250)	561½	561½	536½	292
B. R. Cotton Mills (100)	87	—	—	556½
Minerva Mills (100)	55½	55½	49	87
Model Nagpur (250)	91	—	—	49
Morarji (100)	146	—	—	91
Mysore (50)	139½	—	—	140
New City (100)	171½	—	—	185
New Great (100)	165	167	162	139½
Phoenix (100)	122½	—	—	171½
Podar Mills (100)	134½	136½	133½	169
Sassoon Silk (10)	19	—	—	122½
Sassoon Spg. (10)	28½	—	—	133½
Shahpur (1,000)	1,415	1,415	1,325	19
Simplex (50)	154	155½	152	28½
Sradashi (100)	267½	271	262½	1,325
Swan (100)	337½	340	333½	155
Tata M. (25)	49½	52½	46½	269½
Vishnu (100)	152½	153½	152½	316½
Western India (1,000)	3,350	—	—	53½
				132½
				3,350
ELECTRIC COS.				
Ahmedabad (100)	113½	113½	113⅝	
Amalgamated (10)	10⅛	—	—	113⅝
Andhra Valley (1,000)	1,245	1,245	1,197½	10⅜
Bom. Sub-El. (100)	125½	124½	122½	1,197½
Surat (100)	127½	—	—	122½ xd
Tata Hydro (100)	139	139½	138	128½
Tata Power (1,000)	1,357½	1,357½	1,345	138
				1,347½
INSURANCE COS.				
British India (10)	13⅜	—	—	
Empire of India (100)	620	—	—	13⅜
Ind. Mercantile (20	38½	—	—	620
Jupiter (15)	6⅛	—	—	38½
New India (15)	41⅜	—	—	6⅛
Oriental (200)	710½	41½	40	40
Universal (10)	8½	7,410	7,310	7,410
Vulcan (10)	11⅜	—	—	8⅝
				11⅜
STEAMER COS.				
Scindia (15)	16	16-2½	15-10½	15⅜
STEEL COS.				
Ind. Iron (10)	26-5½	26½	26⅛	26½
Tata Steel Defd. (20)	2,040	2,062½	1,981½	1,997½
Tata Steel Ord (75)	349½	353½	337½	340
MISCELLANEOUS				
Alcock Ashdown (100)	323½	325	318½	322½
Associated Cs. (100)	186½	186½	182½	184½
Belapur Sugar (5)	261½	265	257	259
Bom. Burmah (525)	362½	366½	351½	362½
Do. (New) (50)	130	133½	130½	131
Br. B. Petrol (4 sh.)	2-4½	2½	2⅛	2⅛
Br. I. Corpn. (5)	9⅛	2½	2⅛	9-4½
Indian Copper (4 sh.)	2-14½	2-14½	2-13½	2-13½
Ind. Inv. Tr. (100)	76	—	2-9½	74½
Port Canning (100)	25½	—	—	24½
Premier Cop. (10)	11½	26½	25½	26½
Shivrajpur (10)	60	11-7½	10-13½	110½
Tata Chemicals (10	11-5½	68½	67	68
Tata Oil (25)	336	11-6½	10-13½	10⅜
Walchand Ind. (100	152½	333½	321	33
W. I. Match (100)	199½	200	198½	157½
				199½
GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98⅜	—	—	98⅜
2½% 1955	98⅜	—	3 60	98⅜
2½% 1961	90⅜	—	3 44	98⅜
2½% 1960	97⅜	—	3 86	90⅜
2½% 1963	91	—	3 80	97⅜
2½% 1974	82⅜	—	3 86	91
2½% 1957	99⅜	—	3 92	82⅜
2½% 1956	99	—	3 44	99⅜
3% 1948-61	96⅜	3 73	3 41	98⅜
3% 1964	92⅜	—	3 56	96⅜
3% 1963-65	92⅜	—	3 84	92⅜
3% 1966-68	90⅜	3 91	3 78	92⅜
3% 1970-75	89⅜	3 97	3 87	90⅜
3% 1986 Con. Loan	82⅜	4 11	3 92	89⅜
3½% 1954-59*	Intd.	—	3 63**	84⅜
4% 1960-70	101⅜	3 32	4 46	82⅜
4½% 1955-58	103⅜	3 70	4 02	101⅜
4½% 1958-68*	105⅜	3 56	4 03	101⅜
3½% 1961 N.P. Bonds	98⅜	3 40	3 66	102⅜
				103⅜
				98⅜

BRITISH GOVERNMENT SECURITIES	10-12-53 £	High £	Low £	16-12-53 £
2½% Brit. Con ols	64½	64½	63½	63⅝
3 ½ Savings Bonds 1965				
3 ½ War Loan 1952-75	88⅜	—	—	88⅜
3½% War Loan 1952	101⅜	101⅜	101⅛	101⅛
3½% Brit. Iron and Steel 1976-78	85⅜	85⅜	84⅛	84⅛
4 % Funding Loan 1960-90	93½	43½	93⅜	93⅜
	101⅛	101⅛	101⅜	101⅜

x.d.—Ex-dividend. ** Current Income. * Rupee Counterparts.

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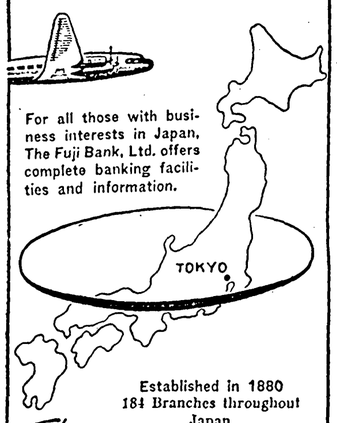

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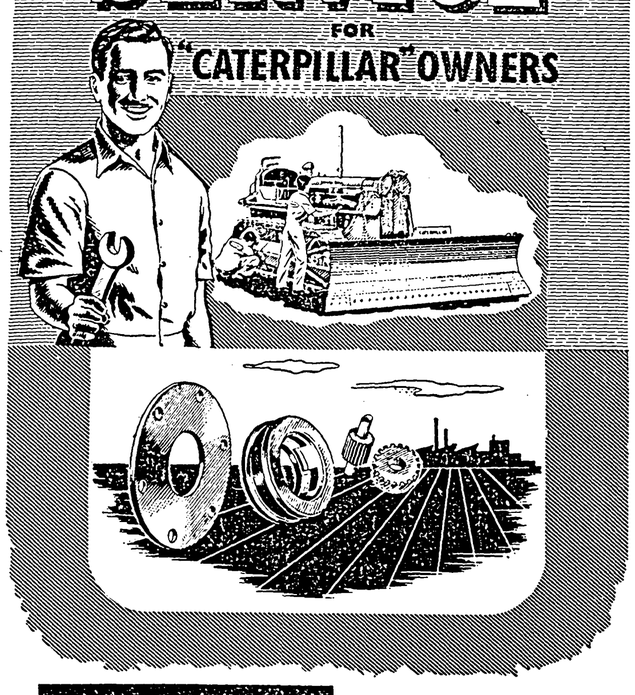

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(1)

INDIA STEAMSHIP COMPANY, LIMITED

FREIGHT EARNINGS RISE—CASH RESOURCES SATISFACTORY

SIR A. RAMASWAMI MUDALIAR SURVEYS SHIPPING PROBLEMS

ADDRESSING the Shareholders of the India Steamship Company, Limited, at its Annual General Meeting held at Calcutta on 10th December, 1953, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), Chairman of the Company, said:

"GENTLEMEN,

"The audited accounts and Directors' report for the period ended 31st March, 1953 has been in your possession for some time. With your permission, I shall take them as read.

Trading Experience

"It will be noticed from the Directors' report that the freight earned during the year is Rs. 3,93,00,000, the highest freight earned so far. Conditions during the year were not, however, uniform, the rates of freight, as well as charges for bunkering, having varied during the course of the year. The turnround of the ships took a longer time, owing to delays and detentions at some of the ports, resulting in the time taken for a round voyage by a ship being longer than estimated. This, in its turn, presented a serious problem to the operation department in its attempts to keep a regular schedule of service at both ends of the voyage. The expenditure under salaries and wages and under bunkering charges shows an increase over the former year and is due to rates of pay being revised in some cases and to the normal increase due to the earning of increments. Insurance premium also was higher, as, owing to the prevailing cost of ships, the amount for which the fleet was insured had to be raised. It is gratifying to note that, in spite of all these factors, the Company has made a gross profit of Rs. 59,00,000.

Financial Position

"In accordance with the decision of the Board of Directors which was announced at the last annual general meeting, the debentures amounting to Rs. 25,00,000 have been fully redeemed. The Directors have provided the normal depreciation of Rs. 23,00,000 and have transferred a sum of Rs. 18,00,000 to the general reserve bringing up that reserve to Rs. 50,00,000. The cash resources of your Company are, therefore, in a satisfactory position.

Coastal Trading

"In my last address, I referred to the part which your Company desired to play in the coastal trade of the country. We had put one of the ocean-going vessels—the *Indian Importer*—on the coastal trade, but your Directors felt that there was need for putting a smaller vessel also on the coast and the nearby trades and, therefore, taking advantage of the Government's policy of offering loans for the purchase of vessels, both coastal and ocean-going, your Directors have purchased a vessel built in 1952 and christened it the *Indian Commerce*. This vessel is now regularly plying on the coast of India and may also be utilised for trade between India/Burma or Ceylon.

Delays at Ports

"The delays caused at some ports in getting berths and in discharging or loading freight has been referred to in previous addresses. The 'go-slow' tactics adopted by dock labour has been causing serious concern to all shipping companies. An additional factor which has recently emerged and which is equally disturbing, owing to its effect in delaying ships, is the dispute about the number of gangs that must be employed for a particular load. I do not wish to go into the details of this question, as I understand that the subject has been referred to the Government. I can only say that your Company, along with others, desires to co-operate in providing all reasonable salaries and amenities to labour, but wishes also to emphasise that the labourer must be worthy of his hire and that he should do that amount of work which may reasonably be expected of him.

Shipping Industry

"I referred to the sympathetic attitude of the Minister for Transport and of all the officers concerned with shipping in my last address. I am glad to report, as a redeeming feature in the situation, that this sympathy continues to be extended and that the Minister for Transport, the Secretary of the Ministry, the Director-General of Shipping and other officers connected with the Ministry have shown a deep and abiding interest in the progress and welfare of Indian shipping and in its expansion.

Loan for Development of Shipping

"The Five-year Plan has stated that there should be at least 600,000 tons of Indian shipping owned and operated by Indian shipping companies by the end of the period of the Plan, that is, by the end of 1955-56. The present tonnage of Indian shipping is about 400,000 tons and it is obvious that, if this has to be increased by another 200,000 tons within the next two years, both shipowners and Government have to play their part in obtaining this result. At a recent meeting of the Consultative Committee on Shipping held at Bombay, the Minister for Transport exhorted the Indian shipping companies to make progress in adding to their fleet and increasing the Indian tonnage and stated that the Government would consider the grant of liberal loans for the purpose. Your Company had taken advantage of this policy of the Government at an earlier stage and had bought the vessel the *Indian Commerce*. It is now negotiating for the construction of one vessel at least and perhaps two vessels of 10,000 tons d.w., equipped in the most modern way, at one of the Continental shipbuilding yards and is in communication with the Government of India for the grant of an appropriate loan on suitable terms. We hope to have the Government of India's approval for the loan very shortly, in which case the vessel or vessels will, it is expected, be delivered by the end of 1954 or very early in 1955. It would be clear from what I have stated already about the operation difficulties with the fleet which we now possess that it has become an acute necessity to add to our fleet and to maintain a regularity of service, if we have to fulfil the requirements of the shippers at either end.

Hindusthan Shipbuilding Yard

"As you are aware, the Government of India has taken over the Shipbuilding Yard at Vizagapatam and with expert foreign advice and assistance is engaged in expanding and improving the Yard. It is expected that the Yard will be in a position to build shortly not only coastal vessels but ocean-going vessels of the requisite tonnage. The need for supporting the shipbuilding industry in the country hardly requires emphasising. Indian shipping companies are naturally expected to place orders for ships at the Vizagapatam Shipbuilding Yard. Your Company desires to play its part in promoting this industry and has, therefore, agreed to place orders for further ships at this Yard. It is expected that such orders as are placed will be completed by the Yard in 1956 or 1957.

Competition

"The boom period which prevailed in 1951 and in the early part of 1952, as much in shipping as in other industries, has practically ended and shipping companies are facing severe competition. This competition is not always fair, notwithstanding the rules of the Conference and, in addition, where newcomers are concerned with their small fleet and the consequent infrequency of service, advantage is inevitably taken by owners of some large fleets. There is all the more reason why your fleet should be strengthened and the number of vessels on the India/U.K./Continent trade increased. The Board of Directors are well aware of this fact and are taking all possible steps to meet the situation, and I trust I shall be in a position at the next meeting to place before you concrete facts about substantial additions to your fleet.

Conference Membership

"I referred on the last occasion to the applications that your Company has made for the privilege of becoming a member of certain other Conferences. These were the Colombo/U.K. Conference, the U.K./Colombo Conference, the Colombo/Continent Conference, the U.K./Port Sudan Conference and the U.K./Aden Conference. It will be noticed that all these conferences relate to ports which are on the route from India to the U.K. or Continent, ports at which normally the Indian shipping lines have to call on their way to or from the U.K. or the Continent. I deeply regret to state that we have made no progress in the matter of admission as members to any of these Conferences. I feel that the time has come when a plain statement of facts should be placed before the public in this country and before our shipping colleagues in the U.K., in particular. The facts are these. The Indian shipping companies have been allowed into Conferences which regulate the trade only between Indian ports and ports in the U.K. or on the Continent. They are not allowed into any Conference which regulates the trade between a wayside port on the normal route of Indian shipping companies and any port in the U.K. It will be crystal clear that, where trade emanates in India and is destined for any port in the U.K. or emanates from the U.K. with India as its destination, it would hardly have been possible even for the powerful U.K. shipping lines to have refused membership to the Indian shipping companies. Indeed, even here, membership was not allowed to the Indian shipping companies till a guarantee was given that a certain number of ships would be regularly plying on this trade. But, notwithstanding the fact that India is a member of the British Commonwealth, the U.K. lines have consistently refused to allow the Indian lines membership of any Conference where the trade regulated does not emanate from an Indian port but emanating from a wayside port ends in a U.K. port or emanates from the U.K. and ends in a wayside port. The practical picture which arises out of this situation is as follows.

Change in Attitude Urged

"Indian shipping lines can carry freight from an Indian port to Colombo, Aden, etc., but, after discharging that freight, they cannot carry further freight from such ports to any of the ports in the U.K. and, therefore, will have to go in ballast to that extent. Conversely, from the U.K., Indian shipping can only carry freight to India and Pakistan and cannot carry any freight to the wayside ports, including Port Sudan, Aden and Colombo. I can only hope that the shipping companies, particularly those of the U.K., will review this situation and abandon an absolutely untenable, and almost an unfriendly, attitude and trust that it will not be the painful duty of Indian shipping companies to break into a Conference arrangement by which certain interests are safely entrenched.

I.M.C.O.

"I have on more than one occasion referred to the Organisation which is contemplated for regulating maritime affairs and to the suggestion that the Government of India should seriously consider the desirability of becoming a member of the International Maritime Consultative Organisation. At long last, it looks as if this Organisation will come into existence during the course of the next year, as the main difficulty of securing membership of seven countries with more than one million tonnage seems to have been resolved. Whether India should become a member and the practical steps it should take before accepting such membership are matters which are under consideration of Government. It is my firm conviction that India will stand to lose much, even if she does not gain anything, by not becoming a member of this Organisation at the appropriate time.

State Intervention

"It has become the fashion at annual conferences of the International Chambers of Commerce and of the International Shipping Federation for certain members who are safely entrenched in trade and in shipping particularly to raise the question of 'flag discrimination' and to suggest that certain Governments have resorted to them by certain practices. The members who raise these questions overlook the fact that the practices complained of and many other practices far more serious and restrictive were resorted to by their own Governments in the not distant past and that these practices really enabled the shipping industries of such countries to attain their present position. Far more important and inexplicable is the fact that no reference is made to the restrictive business practices which are resorted to by some of the shipping companies which have established themselves in the past.

"Having attended some of these Conferences and having followed closely the attitude of the Government of India in the bureaucratic past as well as in the present Republican Democracy, the representatives of Indian shipping companies can certainly state that the Indian Government has been so scrupulously fair, so concerned about allegations of 'flag discrimination' that it has ignored, rather than furthered, the primary claims of Indian shipping, claims which are recognised directly or indirectly, by almost every Government in the world interested in its national shipping. The loan that the Government of India has promised for developing the Indian fleet will not, I believe, be called a case of 'flag discrimination' by any shipping company of any nation, as, in the recent past, practically every Government has given liberal loans to its shipping companies. Indeed, it is an open secret that some Governments at least have no intention of requiring these loans to be repaid.

Bilateral Treaties

"In the International Conferences referred to above, the bilateral treaties of commerce which the Government of India has sometimes entered into with different countries have sometimes come in for criticism. A clause in such treaties speaks of each Government undertaking to help the national shipping of the other Government as far as possible. That this clause has practically remained a dead letter and that no way has yet been found whereby the promises held out in the signed treaties can be translated into practice does not disturb the critics. It is only further proof of the fact that vested interests will go to any length while maintaining their past position and, in fact, trying to improve on it by various methods of indirect discrimination, to cry out before they are hurt, and to condemn Governments and shipping companies without the slightest justification.

"I have always held the view that the mercantile fleet of various countries should be allowed to develop in their own way without restrictions or interventions by Government, but I have also held the view that the phrase 'freedom of the seas' should not be a pious expression but should have a purpose and a meaning which no one can cavil at. The more I see of 'restrictive business practices' by well established shipping concerns, the longer I follow the proceedings of Conference Lines and the manner in which applications for membership are dealt with, the more I am convinced that it is only the strength of a powerful fleet backed up by its Government, which seems to influence some at least of the members of a Conference to accept proposals made by such a fleet. It is a sad reflection that strength only pays and justice or fair play are sometimes secondary considerations in arriving at decisions. I trust that the lessons that Indian shipping companies have learned during the past few years will be taken note of by the Government of India and I trust even more that Conferences will even now adopt attitudes which will make it unnecessary for national shipping concerns to invoke, directly or indirectly, the intervention of their respective Governments.

Industrial Development and Shipping

"India is now in the process of vast industrial development in both the public and private sectors. So far as the public sector is concerned, the Government has undertaken the starting and development of certain essential industries. The huge steel factory that is intended to be set up at a cost of nearly Rs. 80 crores, the integrated coach building factory near Madras, the explosives factory shortly to come into existence, the three oil refineries which will refine crude oil and other Central and State concerns which are under execution or are being planned will involve the import of plant, machinery and other materials in vast quantities. I trust the Government has paid some attention to the means of transport to be employed for the carriage of the vast amount of materials, plant and machinery which will have to be imported into this country in connection with these many schemes. Here is an opportunity for the Government of India, without any reference to trade clauses, to provide that Indian shipping gets a fair share and not a monopoly of the freight which has to be imported in connection with schemes which the Government of India is finding the money for.

Tribute

"I have already referred to the special interest that the Minister of Transport has shown in the progress of Indian shipping and in additions to the Indian fleet. The Director-General of Shipping and his assistants have been always co-operative and I should like to thank them all for the advice and assistance that they have given to your Company from time to time. I should also like to refer to the co-operation that has been extended to your Company as, indeed, to other companies, by the Port Trust authorities at various ports and, in particular, at the port of Calcutta. To the shippers who have patronised us both here and overseas and who have been loyal to us throughout, we are extremely grateful. But for their consistent support which I hope will be copied by other shippers, we could not have made the progress shown in this report.

"It is no conventional language that I am indulging in when I state that I should like, on your behalf and on behalf of the Directors, to convey our thanks to the executive and supervisory staff and to all employees of the Company, both ashore and afloat for their good and enthusiastic work throughout the year.

"I shall now be pleased to answer any question that the shareholders may wish to ask regarding the Accounts."

EXPORT DUTY ON COARSE CLOTH

ABOLITION URGED

(By M. V. SITARAM)

"EXPORT More," "Export or Perish," these and other similar slogans have been in vogue for some time in order to see that more goods are exported and thus the country is made richer. Towards the promotion of exports, various encouraging statements by Central and State Government Ministers, industrialists and representatives of trade have fed the Press sufficiently and raised hopes among traders. The recent statement of the Commerce and Industry Minister, made at the Export Advisory Council meeting, is a step forward in giving encouragement to the trade. The suggestion of the Minister to establish an Export Promotion Organisation on a permanent basis to conduct market research, depute trade representatives to important markets, appoint correspondents in less important ones and also to take steps to institute systems of inspection on a voluntary or compulsory basis is really encouraging.

The Commerce and Industry Minister has advised the trading and industrial interests to set up appropriate organisations to do propaganda, conduct market research, promote standardisation and quality control and do a lot of other things that are necessary to persuade foreign buyers to buy our goods. Although the advice is sound and wholesome, it is to be considered whether any amount of propaganda and/or persuasion will have any effect when our prices do not compete favourably in the foreign markets. Let us examine the position of textiles. With the high cost of manufacture of Indian cloth, together with the export duty, it is hardly possible to create a sellers' market. The export duty on coarse cloth still persists and this has to be removed to make it attractive to buyers in the countries of the Indian Ocean which are our main purchasers of coarse varieties.

Price Factor

When there is huge accumulation of stocks, it is but natural that one tries to unload them when there is offer to buy. In the face of such huge accumulation of stocks, it is unnatural for the trade to put up prices directly after reductions in duties are announced. It will also be recalled that the Government removed the export duty on medium varieties when the mills threatened to close down one shift owing to increasing accumulation of stocks in the absence of perceptible offtake. Price is the main obstacle to the promotion of textile exports and removal of export duty is the way out. In a country dependent upon export of primary products for its external balance of trade, taxation of exportable products must be such that these are not priced out of the markets, whether by direct internal taxation or by export duties. Export duties destroy the competitive power to sell in world markets. The levy of an export duty on commodities which enjoy a sort of monopoly in the source of supply causes overseas buyers to look for substitutes or to seek alternative sources of supply. India's jute trade had to face a similar situation.

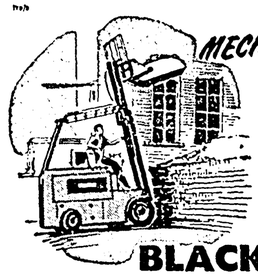
An examination of the shipment figures of textiles of each of the major participants of the Buxton Conference and the targets assigned to them gives a clear picture of the prevailing situation. Japan, which was assigned a target of 1,100 million yards, shipped 470.92 million yards during the first seven months of the current year. India, with a target of 1,000 million yards, hopes to reach somewhere around 700 million yards according to official estimates. Britain, with a target of 1,350 million yards, has shipped 409.66 million yards during the eight months ended August. The record is hopeful and it should be the business of the trade, with Governments' sympathy and 'nursing,' to see that the markets so far covered is maintained, the markets lost are regained and the target fixed is reached.

(Continued in previous column)

With regard to the continuance of the export duties on coarse cloth, it is argued that India has a great advantage in growing its own cotton and that Japan—the major competitor to India in these varieties—has to import its raw material. It is felt in Government circles that, as long as Indian cotton prices remain at current levels, and as long as Japan has to import its cotton, the possibility of India's markets for coarse cloth being seriously affected seems remote. If the cheap Japanese labour, cheap power and all-round cheap cost of production in Japan, as also the fact that accumulation of coarse and medium varieties is daily mounting up in the Indian mills which necessitated the mills to give notice to the Government to close down one shift, are taken into consideration, it should be clear that export duties work as deterrent to the export move.

Commenting on the continuance of export duties, the *Hindu* of Madras states: "In a period of declining prices and the turning of overseas markets in the buyers' favour, export duties may have a crippling effect on trade. As a mode of raising revenue, export duties are generally out of favour, except in regard to a very limited number of commodities in which a country may have a quasi-monopoly. The Commerce Minister referred to the fact that removal of export duties resulted sometimes in the internal prices going up. This might happen—and to the extent it does the Exchequer might ultimately benefit—but that is no ground for not taking a step the purpose of which is to leave sufficient elbow room to exporters to counter conditions in foreign markets."

If the markets that are still with us are to be retained, if the markets already lost are to be regained, if the target fixed at the Buxton Conference is to be reached, and if our country is to unload all the textiles that are now lying accumulated in the mills and thus create less unemployment, then the export duty on coarse varieties, which works as a handicap, should be removed.



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QUESTION HOUR IN PARLIAMENT

Foreign Firms

A SUM of Rs. 11.88 crores was remitted abroad as profits by foreign firms and companies during the period January to August, 1953. This represented an increase of Rs. 3.78 crores over the corresponding period in 1952. The question of ensuring that the profits of foreign firms and companies in India are ploughed back in India is left to the discretion of the companies concerned, though the Government of India tries to create conditions favourable for ploughing back. The Government has given a guarantee from the exchange point of view that anyone who wants to remit profits abroad will be permitted to do so. Only by leaving the doors open can we ensure that a large part will be ploughed back as had happened in the past.

Aid Under Colombo Plan

Upto 30th June, 1953, India received assistance by way of training facilities abroad for 352 Indian candidates, services of 35 foreign experts and equipment worth £31,074 under the Technical Co-operation Scheme of the Colombo Plan.

—*Parliamentary Secretary to the Finance Minister*

Income-tax Arrears

The arrears of demand (income-tax) outstanding collection in the whole of India as on 30th September, 1953, amounted to Rs. 184.14 crores. Out of the arrears, a sum of Rs. 110.24 crores represents the arrears out of the demand for 1951-52 and earlier years, Rs. 43.51 crores out of demand for 1952-53 and Rs. 30.36 crores out of demand for 1953-54. Out of the total arrears, Rs. 26.33 crores represent the amounts pending settlement of double income-tax and other relief claims, Rs. 9.64 crores due from persons who have left India and have no assets in India, Rs. 4.14 crores due from companies under liquidation and Rs. 53.82 crores relating to amounts covered by certificates issued to collectors, but excluding earlier categories. A sum of Rs. 18.49 crores relates to amounts pending disposal of appeals and Rs. 3.76 crores represent amounts, in respect of which penalties under section 46 of the Income-tax Act have been levied (but excluding amounts due in earlier categories). A sum of Rs. 4.87 crores is considered irrecoverable for other reasons (for example, persons in India who have no assets in India) while a sum of Rs. 4.49 crores probably irrecoverable. Out of the balance recoverable, Rs. 39.47 crores represent amounts fallen due before 30th September, 1953, and Rs. 25.09 crores represent amounts not fallen due before that date.

Cost of Living Index

The question of compiling an all-India middle class index and later integrating it with the present all-India working class cost of living index is under active consideration in consultation with the Central Statistical Organisation. An all-India working class cost of living index with base 1944 is being regularly published since the report of the Dearness Allowance Committee.

Training in Estate Duty Work

No Income-tax Officers have been deputed to England for technical training in Estate Duty work. The Government has, however, under consideration a proposal to send a few selected officers to the United Kingdom for technical training in Estate Duty work. The likely number is two Assistant Commissioners and four Income-tax Officers. They are being selected on the basis of their experience and suitability for the particular kind of work.

—*Deputy Finance Minister*

Burnpur Strike

The strike and lockout in the Indian Iron and Steel Co. during 1953 resulted in a loss of about 88,000 tons of steel worth Rs. 4 crores.

Concession to Textile Industry

As a result of the recent concessions given by the Government to the textile industry, cloth stocks have been reduced from 420,000 bales at that time to 234,000 bales at the end of last week. In Bombay particularly, stocks are less than three weeks' production now.

Apprentices Act

The Government is considering proposals to amend the Apprentices Act of 1850 so as to make training of craftsmen an integral part of the activity of every industrial concern. The initiative in the matter has been taken by the Madras Government which wants to amend the Act itself, but the Central Government feels it more appropriate, if it introduced amending legislation on an all-India scale. The Government is consulting various State Governments and is also awaiting the report of the Shiva Rao Committee on employment exchanges.

—*Minister for Commerce and Industry*

Sample Surveys to Estimate Rice Production

Sample surveys for estimating production of rice are being carried out in the main rice-producing States (except Orissa), but the results of such surveys will not be available before February or March, 1954. The present indications, however, are that the rice crop this year will be much better than last year. There has been a fall in the prices of rice in West Bengal, Madhya Pradesh, Madras and Andhra during the last three months, the extent of fall ranging roughly between Re. 1 and Rs. 4 per maund in the four States. There has been a substantial drop in the prices of rice in certain areas during the last few months, and it is anticipated that this falling tendency in the prices will persist during the next few months of the harvest season. The Government is watching the situation very carefully. In case it is found that the prices in any area fall below the economic level, suitable measures will be taken to give necessary support to the price-level, so as to ensure reasonable prices for the producers. The internal surplus of rice this year is expected to be sufficient to meet the requirements of the deficit States, but it may not be possible to purchase any substantial quantity of rice internally to build up a central reserve.

Census of Land Holdings

A letter will be sent shortly to all States regarding the lines on which they should conduct a census of land holdings. The object will be to collect such data relating to holdings and cultivation of agricultural land as well enable each State Government to determine the maximum area which an individual might hold.

Reserve Surplus of Foodgrains

The reserve surplus of foodgrains in the current year is expected to be about 1,600,000 tons, including rice, wheat and other foodgrains. No rice will be imported except small quantities which private trade may import under the relaxations recently allowed, or the rice that the Government may import for building up a central reserve. As regards wheat, the Centre and States hold large stocks and there will be no need to import more than the 1 million tons wheat quota under the International Wheat Agreement.

—*Deputy Food Minister*

Second Five-year Plan

The objectives in the terms of reference to the Planning Commission for the first Five-year Plan will mostly stand for the second Five-year Plan too. If at any stage the Government felt that fresh terms should be issued to the Commission, it will be done. So far, the main step taken towards the formulation of the second Five-year Plan is the appointment recently of an advisory committee on irrigation and power projects. The committee will examine various proposals from the technical, financial and economic aspects and will help ensure that all projects are fully investigated. There has also been preliminary consideration of priorities and man-power requirements for the second Plan. The question of laying down fresh terms of reference to the Committee has not received consideration so far. A proposal to reorganise the present planning machinery so as to make it democratic and enable planning from the bottom is under consideration. Some discussion on this subject took place at the recent meeting of the National Development Council.

—*Minister for Planning*

Employment Schemes

Replies have been received from all State Governments, except Jammu and Kashmir, to the Central Government's proposal for the removal of unemployment within a stipulated period. The State schemes are being considered and a statement will be laid on the table after decisions have been reached. It will take about two months to come to a decision. The State schemes include expansion of road construction programme, small-scale and cottage industries and agricultural expansion. About Rs. 46 crores have been provided for rehabilitation of displaced persons in townships, Rs. 10 crores for road construction and Rs. 40 crores for irrigation projects in scarcity areas.

Loan to Mysore

It is proposed to give to the Government of Mysore loan assistance to the extent of Rs. 3 crores on the basis of an agreed programme for the construction of the first stage of the Lakkavalli Project. Details will be settled on receipt of the proposed programme from the State Government.

—*Deputy Minister for Irrigation and Planning*

Development of Ports

A total of Rs. 14.70 crores has been set apart as loans in the Five-year Plan for the development of major ports in India. Of this, Calcutta will receive Rs. 6.59 crores, Bombay Rs. 4.17 crores, Madras Rs. 3 crores and Cochin Rs. 93 lakhs. The ports have incurred some expenditure from their own resources, but no loans out of the allotment have so far been drawn.

Manufacture of Salt

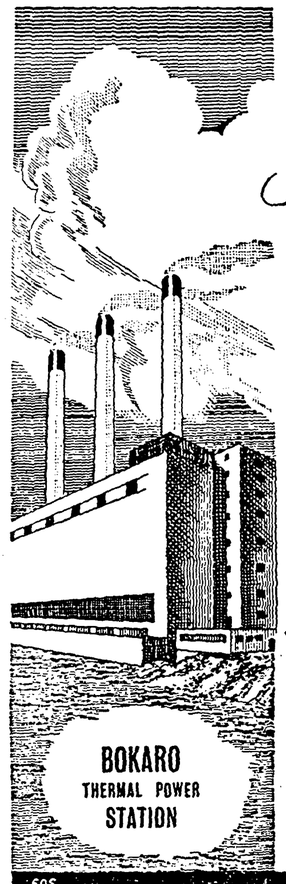
Steps to ensure that salt produced by non-licensees came up to the standards prescribed by Government are under the active consideration of Government. The Government is going thoroughly into the question to decide the future policy in regard to manufacture of salt. Various State Governments have been consulted and their opinions are awaited.

—*Minister for Production*

H.T. 2 Planes

The H.T. 2 type of aeroplane manufactured in the Hindustan Aircraft factory is expected to cost approximately Rs. 73,000, excluding the price of the radio equipment. No final price has yet been fixed. While the production is now 60 a year, it can be increased to 120. It is proposed to offer them for sale abroad after meeting the country's requirements.

—*Deputy Minister for Defence*



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COMMERCE

OFF THE RECORD

(*By "ROVER"*)

LOOKING back over the twelve months which have passed, since I wrote my last piece for this feature for the 1952 Annual Review Number, I see little evidence for taking a hopeful and reassuring view of the future. This might sound shockingly surprising to many. A few loose coins in one's trouser pocket can be made to produce a sound which is pleasant to the ears. The possession of these, however, constitutes no sign of great wealth. Examined individually, some of our economic activities during the year might create an illusion of health and well-being. The monsoon for once has been merciful. Crops are good and many of the irksome and annoying restrictions regarding food have been removed. Production in several of the important industries has increased. The share bazaars and other speculative markets are ruling strong. Yes, we have plenty of petty coins which jingle pleasantly. But they would not add up to more than a few rupees and would not buy more than a meal or two for us. They would not take us far beyond the New Year.

Behind this seeming masque of returning prosperity and deep below the surface of smiling plenty, new and destructive forces are gathering, which, though they may not overflow one day like a volcanic eruption, threaten to undermine and corrode the whole socio-economic structure slowly and gradually from within, so that it might collapse one day by its own dead weight and inertia. This is supposed to be a festive season and I fully realise the incongruity of my dismal forebodings. But the imaginary point of time which marks the end of a year and the beginning of a new one is known, apart from the good cheer and new hope which it brings to many a mind, to induce a reflective and receptive mood and a degree of sensitivity which it lacks at other times. I have no desire to make a secret of my intention to profit by this mood in which many thoughtful and serious minds are cast at the time of the year, by revealing to them some of the fears which weigh on me heavily and getting them not only to share these, but to seek remedies which will save our economy from the danger of early disintegration to which it is exposed to-day.

There is enough happening outside our country to-day to make us apprehensive regarding our future and to eschew our internal differences and to close our ranks. Strange as it may seem, fear is driving mankind to new follies, which can bring the dreaded disaster only earlier. Racial differences are being whipped up into passions, which might start a conflagration enveloping the whole earth in it. The cauldron of Korea might be on the boil at any moment. It would not take much to set the inflammable Middle East ablaze any moment. The proposed entanglement of Pakistan in the cold but no less fierce war is bound to bring unforeseen economic and political complications in the countries of South-East Asia and create additional hardships for the common man in this region whose living standards are woefully low.

But serious as these are, it is not these things that I want to write about at present. Adversity, especially danger emanating from forces beyond one's control, often has the effect of eliminating petty differences of opinions and submerging selfish and personal interests into the need for closing one's ranks. If there be genuine love for our country amongst our people, if the patriotism, about which our politicians have been so generous in display in their wordy speeches and statements, has a sound basis in selflessness, if we deserve to survive as a nation, these external dangers to which we are exposed today would certainly serve as a cementing force and help us to unite in common dedication to the country and the cause of peace which we profess to love. Those who survive a storm are often left battered in bodies but strengthened and buttressed in spirit.

What has depressed me so heavily in the course of this retrospection is the series of reactions set up in the minds and behaviour of our public men, who control the economic destiny of the country, by the emergence of unemployment on a large scale during 1953. This is the one single factor which has overshadowed the whole of this economy and started false trains of thought, which, if persisted in, might wreck it beyond repairs. This running sore of unemployment is no new thing. It has always been there, causing a pain under the skin and a swelling above it. The sepsis has been there in the organism, coursing its way through the blood stream. It has now found a weak spot and emerged as a symptom, drawing attention to the poison which the system has generated in the form of a boil which has burst open.

There have been similar outlets on the moral side also for some time, which should have opened our eyes to the presence of this disease. The increased incidence of crime, crimes of violence, lust and greed, during the last six or seven years, the sudden and otherwise unexplained lowering of the moral standards were the earlier signs of the state of degradation and desperation induced by a lack of gainful employment for a large number of people and the systematic lowering of living standards for large classes of semi-educated people which results from it. The quacks amongst our political pundits, some of whom attained positions of great influence and authority because of the vast opportunities thrown up by a sudden change in the political set-up, failing to understand the genesis of this degeneration, applied remedies, with an assurance which few genuine experts could have felt and which could spring only from crass ignorance, which, instead of attacking the cause of the disease, aggravated it. Whatever other harm some of the desperate moral reforms introduced by some of our State Governments might have caused, they certainly did succeed in closing up some of the avenues of employment.

Unemployment and underemployment have always been the twin evils of our economy. This has been a feature of it for such a long time that our whole social organisation has come to be moulded to suit the conditions created by this aspect of our economy. One of the reasons which has brought this disease prominently to our attention, apart from the political capital which can be made out of it by ambitious but unemployed public men, is the inevitable breakdown of the joint family and the caste system, which more or less indifferently shouldered the burden arising from it. But for World War II and the sudden impetus it gave to economic expansion and the increase in the avenues of employment in other directions also, conditions in this respect would have been more distressing to-day.

In fact, those who have long memories and still remember the depression which assailed us in the thirties, which destroyed opportunities for gainful work even in agriculture unlike to-day, can easily recall the appalling conditions of those days. And it was no better even in the earlier decades which were not marked either by famine or marked economic depression. We have always had more people than we could find regular work for. I still remember as a child the scramble I witnessed about fifty years ago amongst able-bodied men in a big village for a temporary official, full-time job which carried the magnificent salary of five rupees a month! The pathos of that grim struggle is something which I shall never forget.

I do not propose here to ride my hobby horse and inflict my views about restricting the rise in our population strictly in proportion to the economic expansion which we are in a position to secure within a given period. My purpose at present is to examine some of the reactions to our new awareness of growing unemployment in the country. This unemployment has not resulted from a sudden contraction of our economy. Nowhere have people been thrown out of employment in large numbers by the closing of factories or of banks, offices, shops, godowns, etc. There are many more people employed in industry, commerce, agriculture, domestic service, transport services and Government departments than at any other time in the past. Most of those who are without work to-day are so not because they have lost their employment, but because they have never been able to find it. Nobody could claim with any show of logic or justice that the ranks of the unemployed are made up mostly of those thrown out of their jobs or because old hands when they die or retire are not being replaced by an almost equal number of new hands. Our primary concern in the circumstances, therefore, should be not for those already in receipt of wages or salaries, but for those who are denied the opportunity of earning their living.

And yet, perversely, as it seems to me, some of our wisest rulers are trying to solve the problems of unemployment by concentrating their energies not on some dynamic and creative plan for enlarging opportunities for millions, who are without any visible means of subsistence, but on the purely punitive and police action of seeing that the wicked employers are obstructed in their fell designs to discharge a few hundreds here and a few score there. This grotesque vigil extends even to concerns which have come to grief and where some hands are rendered superfluous precisely because of the Government's own policies in placing restrictions on outlay. I have watched children on the beach trying to stem the incoming tide of the ocean by throwing up a six-inch high dam of shifting sands. Their effort, though equally futile, is at least amusing to witness. If it were not fraught with tragic consequences both for industry and for those without work, we might derive some entertainment from these juvenile activities of our politicians.

No business organisation could be made to carry a bigger complement of workers than it actually needs, without sacrificing efficiency and without immediate weakening and future disaster. Any thoughtless effort to save a few men from being retrenched to-day in this manner can only end, not only in discouraging employers from launching any experiments for expansion, but in jeopardising the livelihood of many more, who would otherwise have been assured continued employment by a timely retrenchment of but a few. Besides, these petty politicians are in no wise naive as the children playing on the seashore. They know very well that neither the problem of unemployment is going to be solved nor the plight of those without work likely to be lessened, by preventing justifiable retrenchment. They, however, persist in this perverse course, because, while creative and positive work involves sweat and toil and taking of risks and responsibility, harassing of industry in this manner brings them all the satisfaction of having performed a public duty and won the support of the unemployed and the employed for the next election.

This misguided activity does not stop merely with the so-called friends of workers playing this game of safeguarding the security of workers already in employment. Apart from their utter neglect of undertaking anything constructive for securing opportunities of employment for millions who are forced by circumstances to be idle, except by way of making fatuous suggestions for disallowing imports of new machinery and prohibiting use of improved machinery which alone can secure the much needed expansion, they are actually busy boosting up cost of production by compelling employers to give concessions and amenities to workers, at a time when everything possible should be done to increase demand for and production of goods. The Government has already raised this cost by its ruinous policies of taxation and controls to a point where it has begun to tell on the rate of expansion. If, after reducing the return on capital by various devices to a figure which has ceased to draw forth enough capital for natural expansion, the workers are to be continuously egged on to make further demands, and if technical improvements are to be tabooed lest they should reduce the number of men employed on a job, there could be no hope of prices being reduced.

If prices are not reduced, demand cannot increase either at home or abroad. And without the possibility of an increased demand, it would be idle to look for any expansion at least along the line of established industries. There could thus be no future for the additional millions, who attain the age of employment every year, so long as our economy remains arrested within this vicious circle. We all agree that half a loaf is better than no bread. But, unless those already in jobs are advised by their own leaders not to insist on a whole loaf, so that the rest who are not so lucky as themselves can have a chance of having the other half, it is useless for these leaders to pretend that they have the interest of the un-

employed at heart or that they are helping their cause in any way. If the unemployed have to blame anybody for at least a part of their plight to-day, it is clearly not the employers but the Governments and those securely employed, who are creating conditions against industrial and business expansion.

The very mention of unemployment to-day is capable of raising deep-seated but slumbering prejudices, passions and hatreds. The sense of guilt, which every politician feels subconsciously for allowing this evil to grow unchecked during wasted years when he had both the power and the opportunity to do something to mitigate its effects and to minimise its toll, drives him desperately to cloak these prejudices and passions in terms of high-sounding principles of abolishing inequalities of income and securing social justice or favouring 'a human' as against an economic approach to problems which perplex and plague us. No sooner a reference is made to the misfortune of the millions of unemployed, all eyes in the politicial world are turned instinctively to the industrialists and the employers, as if they were responsible for the prolonged agony undergone by these unfortunate souls. With the economy of the country as it stands to-day, the unemployed constitute a national problem and by no stretch of imagination or moral quibble could we place the responsibility for it on commerce or industry. If anything, the private sector has done more towards absorbing surplus workers by its phenomenal progress during the last half century than either agriculture or the agencies of employment directly controlled by the Government. It has done this, in spite of every possible discouragement by an alien Government and positive obstructions placed by our own Governments during the short period after independence. Instead of being grateful to it for what it has done and what it is still striving to do, albeit the heavy yoke placed on its neck, and encouraging it by word and deed to do more, we have become so cantankerous as to frown upon it for not doing more.

The reason behind this unjust and illogical attitude is not so much our concern for the out-of-work as our envy and hatred of the few, who have managed, in the course of bringing about industrial develoment and organising business enterprise, to enrich themselves and the ostentatious manner in which some of these are splashing about their wealth. We have developed this hysteria of our hatred for the rich to a point where we would rather be satisfied with a lower rate of progress or even a setting back of the clock, and the increased poverty and the greater distress flowing from it, than suffer a few people to amass wealth in the process of building up new business or enlarging existing units. We are not exactly a nation of sportsmen, but some hidden and unhealthy streak in our character is goading us all to engage ourselves in baiting and hunting the rich as a national sport, perhaps, in an effort to drown our pangs of poverty, misery and disappointment. It is quite an exciting sport and now that it has become fashionable, most of us would soon be ready to join in this pastime.

Personally, I have no objection to this, if it affords even a temporary relief and respite to our sorely tried people. In the first place, millionaires, as a class, are not very attractive specimens of humanity, though I have found some individually to be quite human. The only question which troubles me is whether we can afford to indulge in this frivolity, favoured by many of our progressive politicians, at a time when we are sorely beset by great difficulties. I also ask myself if the extermination of this species at this time will secure social well-being or result only in increasing our perplexities and pressures. I grant that the wealthy millowner, or his counterpart in any other industry, has a knack of absorbing large sums of money from anything he undertakes. But I also find, from my perusal of the last hundred years' economic history of our country, that he does not exactly build up his wealth by robbing people of what they have, but by enabling large numbers to earn more. He does this by launching new enterprise and organising them successfully and thus creating new values and expanding credit and production. Without this expansion, which we have witnessed especially during the last half century, life for millions of us to-day would have been even poorer than it is to-day, just in the same manner as in Iran, Afganistan or Indo-China. There is no possibility of the State replacing him completely to-day, except by way of a bloody revolution, which would, while destroying the few rich, also destroy much that we hold as of greater value in our national life.

I have no doubt that, if we go seriously about it and in right earnest, we might succeed within the next few years in eliminating this breed. But now when we have only succeeded in frightening him and creating a suspicion in his mind about his future, we already see the effect in the sphere of industry and commerce. If we hunt him down to his lair, the only result would be that confidence, which is only lacking to-day, will be destroyed, and the economic edifice, which to-day shelters millions, will begin to crumble perceptibly. The volume of unemployment would in no way be decreased but multiplied possibly tenfold. Living standards would slump to those obtaining to-day in some of the less developed and more primitive countries. When we are reduced to this sorry state of affairs, the fact that we have achieved a greater equality of incomes (which incidently would be lower than even the lowest income to-day) and that we have no rich men amongst us would be a poor consolation for the actual and potential loss suffered by the country. We are already taking a good bit of the wealth which the millionaires make for themselves in his pursuit of private enterprise by way of taxation and the path of wisdom lies, if not in encouraging them, at least in making use of them so long as our economy needs them.—*All Rights Reserved.*

U.S. LOCOMOTIVES FOR INDIA

India's railway system will receive 100 new locomotives and 3,000 new freight cars as a part of United States economic aid to India during 1954, under an agreement signed in New Delhi on 24th December by representatives of the Government of India and the U.S. Technical Co-operation Mission. The contract calls for expenditure of $20 million of U.S. funds and Rs. 3.2 crores. The project is part of the planned rehabilitation of Indian railways under the Five-year Plan. United States funds will go for the purchase of the locomotives and cars outside India. Rupee costs will be used for ocean transportation to India, handling costs, and assembly of freight cars imported under the agreement.

Under the five-year development plan, India has already placed orders for 769 locomotives and will place orders for 500 more during the last two years of the plan. These are to be paid for in resources available to the railways themselves. Similarly, orders have been placed for 32,293 new freight cars already and 29,000 more will be ordered in the last two years of the plan.

By March, 1956, however, some 3,600 locomotives will be over 40 years old. Many of these were bought before World War I and are already uneconomical to operate. It is estimated that, once the accumulated arrears of repairs and replacements are overtaken, the present level of traffic can be moved with about 7,800 locomotives with an average age of 20 years. At this level, replacement requirements will be about 200 locomotives a year, well within the productive capacity of India's two locomotive plants. As for freight cars, some 73,000 are over-aged already or will be during the period of the Five-year Plan. The normal annual requirement, once arrears are cleared, would be about 6,000 cars and this also can be met from present manufacturing capacity.

THE TAJ GOLDEN JUBILEE

GLIMPSE INTO MR. HOMI MODY'S SOCIAL PHILOSOPHY

(By "ROVER")

UNLESS Mr. Homi Mody is careful, he stands to-day in the imminent danger of becoming an institution in this glamorous city of Bombay, instead of being a mere respected and loved citizen. He is getting so popular that any gathering where he is not scheduled to speak becomes dull by comparison. In these distraught days, when taxation pursues us even beyond the grave or the funeral pyre and all sources of diversions and avenues of escape (even if they are only momentary) from the dreary routine of circumscribed existence are being frowned upon officially, it is given to few to be able to laugh in the face of unpleasant adversities. It is given to fewer still to help their compatriots to defy depression and dispel gloom. Mr. Mody happens to be one of these very few. The Goddess of Fortune is universally regarded as highly capricious. In the case of Bombay, she has been very considerate. While sending some prophets of gloom, to save the city from becoming too frivolous, to rule over it, she has compensated it and restored the balance by forthwith despatching Mr. Homi Mody to rescue it from an overdose of austerity.

I have often seen Mr. Mody extemporising brilliantly and having a sly dig at friend and foe alike, not sparing even his own self from the pricks of his sprightly genius. But one of the best occasions when he administered his medicine in the most effective manner was when he welcomed guests with a set speech on behalf of the Directors of Tatas at the Golden Jubilee celebrations of the Taj Mahal Hotel on Wednesday, the 16th of this month. The occasion, as well as the audience provided the most perfect background, atmosphere and setting for Mr. Mody's sallies, which came in quick succession in an address characterised as much by brevity as by brilliance. Except to those, who look upon laughter as lewdness and regard any reference to conjugal relations as insufferable levity, barring those to whom pulling a long face is an outward sign of inner virtue and pleasantries are paving stones on the path to perdition, Mr. Mody's scintillating speech must have come as a great and thoughtful sermon on tolerance and the social value of righteous rejoicing.

It is easy to declaim invectives against social abuses or tyrannies from platforms. It is equally easy to lead an open and frontal attack on unpopular official policies. It is no less easy to frighten timid people with threats of fire and brimstone into an outward show of morally correct behaviour. But it needs a highly sensitive mind, deep thinking and a penetrating sense of humour to attack evils and uphold great truths with the gentle aid of a story, a joke and a spontaneous smile. What Mr. Mody says sounds light and frivolous. But he has a serious purpose behind every laugh that he raises among his listeners. The subtle criticism of some of the ways of our Governments, which he conveyed at this pleasant gathering, can prove more corrosive and disintegrating than any acid known to chemistry.

But it would be a mistake to think that Mr. Mody can only be destructive in his effect, though it is true that he can demolish humbug and hypocrisy, which would otherwise take a lot of hammering, with a phrase. Real humour, humour which does not arise from cruelty and bitterness of spirit, from venom and vendetta, has its great constructive side also. Our sense of values is apt to be vitiated and our sense of proportion to be distorted by prejudices and prepossessions, by passions and partisanships. Mr. Mody's humour, as I discovered in this speech of his at the Taj Mahal Hotel and on many an occasion previously, arises from his essentially benevolent and balanced outlook on life and its diverse aspects. It is, therefore, genial and constructive. What a wealth of meaning and a mine of political wisdom lie behind his very simple-sounding observation that, by keeping people interested and amused, the Taj Mahal Hotel is trying to help in solving some acute domestic problems in its own little way!

In fact, the claim made by Mr. Mody on behalf of the Taj Mahal Hotel in Bombay is more modest than it could justifiably be. It is not only the domestic tensions which are eased by providing gaiety and amusement to any class of citizens. Group tensions culminating in the long run into class hatred, social maladjustments and anti-social acts are also dissolved in an atmosphere of hospitality and good cheer. It is of the essence of good and progressive government and a prime necessity for the maintenance of law and order in society that the authorities should aid and encourage places and institutions, which provide entertainment for various classes of people of differing tastes and standards. There could be no greater folly than to look askance at such places and to try to regulate them out of existence, as is being attempted by some of our spartan ministers. The life force at every stage of social development must find adequate expression in joy and delight. If you repress it by blocking its natural outlets, it needs must break out in vice and violence.

"The Taj" as it is affectionately known over the five continents, has, as shown by Mr. Mody, admirably served the purpose of its founder, Mr. Jamshedji Tata. One of the most characteristic and lovable traits of the great mass of people in the U.S.A. is their love for and pride in their home towns. The community life of each little township or even a village means a great deal to every citizen and he considers it his primary duty to enrich and enlarge it. It was this spirit which animated Mr. Tata almost sixty years ago in establishing the Taj Mahal Hotel, as the lavishly illustrated and artistically got up souvenir, issued by the management on this happy occasion, brings out. Nothing but his deep affection for the little community cell in which he lived could have induced this great pioneer, occupied with the problems of his gigantic industrial schemes, to waste his thoughts and time on what was obviously an uneconomic venture.

Mr. J. N. Tata had travelled wide and far, when travelling was neither so common nor so comfortable as to-day. He understood the value of a good hostelry in the scheme of international political, cultural and commercial relations. He could not remain unmoved by the fact that his country and his home town was without a well-appointed and fitting centre of hospitality for visitors from abroad, who were bound to be attracted to our shores in greater numbers, and contacts between the eminent nationals and the country's guests. He, therefore, set about in earnest to fill this gap. It would have been obvious even to the meanest intelligence of the day that it was a hopeless venture, so far as money-making went. And Mr. Tata possessed one of the keenest brains in this country, where we have never lacked in brains. It was as a form of social service, a very necessary form of public service as we have realised only now, that he looked upon it. And, fortunately for Bombay and for India, the House of Tata has ever since regarded the Taj as one of its many contributions to the well-being and international prestige of this city.

Imagine Bombay without the Taj Mahal Hotel! The attractive souvenir states that the modern resident of Bombay gets something of a shock on seeing a photograph of Apollo Bunder without the Gateway of India. Many of there residents would get a similar shock if asked to visualise Bombay without the Taj. I am in no position to compute the social service rendered by this institution in terms of averted divorces, by providing citizens, afflicted with wives unable to cook, with good food and thus enabling them to keep their wives as pets, instead of being compelled to divorce them. It was Mr. Mody who facetiously suggested this to the patrons of this hotel as one of the services the Taj could render to them. Of course, I do not claim to know whether Mr. Mody's great regard and affection for the Taj originates from its having rendered a similar service to him in years gone by and helping him thereby to steer clear of the Parsi Matrimonial Court. But I do know that, whatever the nature of this claim of the Taj on Mr. Mody's affections, it has rendered great service to Bombay by promoting its culture, commerce and industry by providing a cosmopolitan venue for social intercourse.

SURVEY OF THE WEEK

TRAINING FOR CO-OPERATION

THE inauguration of the Central Committee for Co-operative Training on the 22nd inst., by Mr. Benegal Rama Rau, Governor of the Reserve Bank of India, marks a very notable step forward in building up the Co-operative Movement on sound lines. As stated in the last issue of *Commerce*, the Committee, under the chairmanship of Mr. V. L. Mehta, has been set up jointly by the Government of India and the Reserve Bank. The Committee has before it the great responsibility of providing the Co-operative Movement with a regular and adequate supply of trained men —fully equipped with the knowledge of the technique of Co-operation and understanding of its spirit—for expanding the movement far and wide in the country.

Judging by the constitution and the resources at the disposal of the Committee, there seems no reason why the Committee should not succeed in discharging the functions assigned to it. It must, at the outset, be said that it is not an *ad hoc* Committee, as was pointed out by Mr. Rama Rau, to produce a report, but a standing committee to produce results. It consists of well-known co-operators such as Mr. V. L. Mehta and Mr. R. G. Saraya who have made a mark in the service of the Co-operative Movement in the country. There is in the Committee, besides, a co-ordination of all relevant authority—non-official and official, Central and State Governments, and the Reserve Bank of India. The latter is represented by one of the ablest civil service men in the country, Mr. B. Venkatappiah. The Committee is also assured of reasonable financial aid for the training schemes it might draw up. Moreover, thanks to the initiative and enterprise of the Governor of the Reserve Bank, a scheme for training of co-operative personnel is already in operation in Poona and the experience gained there should prove useful to the Committee in drawing up a well co-ordinated scheme of training for the country as a whole. One can, therefore, look forward with confidence to the Committee making a significant contribution to the development of the Co-operative Movement in India.

The magnitude of the task set before the Committee is evident from the importance attached to the training of co-operative personnel in the scheme of co-operative credit activity with which the Reserve Bank is concerned as also in the Five-year Plan. The inaugural address delivered by Mr. Rama Rao on the occasion of the meeting, in this context, is notable in that it draws the attention of the Committee to two points, namely, (*a*) the targets for agricultural credit set by the Five-year Plan, and (*b*) the progress made so far in reaching these targets. A perusal of the speech brings also into relief how the work of the Reserve Bank has been handicapped by lack of trained personnel to man the co-operative institutions.

The targets for agricultural credit —both Government and co-operative —set by the Plan are Rs. 100 crores per annum for short-term credit, Rs. 25 crores for medium credit and Rs. 5 crores for long-term credit. Towards reaching this goal, the Reserve Bank has initiated several steps. These steps consist of (*a*) liberalisation, legal provisions and procedure governing the supply of credit to co-operative banks, and (*b*) creation of conditions in each State for the eligibility for credit facilities placed within the reach of co-operative institutions. The latter category of measures is largely concerned with the (*a*) setting up of new co-operative banks, (*b*) reorganisation of existing ones, (*c*) establishment of central and district co-operative banks, (*d*) rehabilitation of primary credit societies, and (*e*) creation of land mortgage banks. In all these five directions considerable progress has been made during the last few years. And what is more, some of the States have come forward with zeal to co-operate with the Reserve Bank with a view to taking advantage of the agricultural credit facilities provided by the Bank. The reorganisation of co-operative credit agencies so far carried out has enabled the Reserve Bank to provide credit for these States which could not make use of the facilities hitherto. According to Mr. Rama Rau, credit limits of Rs. 10 lakhs each have been sanctioned for Saurashtra and P.E.P.S.U., Rs. 20 lakhs for Assam, Rs. 25 lakhs for Hyderabad, and Rs. 60 lakhs for Punjab. Besides, a sum of Rs. 75 lakhs has been granted to the new State Co-operative Bank of Andhra. Apex banks already accommodated by the Reserve Bank have been encouraged to make larger use of the credit facilities. An idea of the large use that is made of these facilities is provided by the outstandings with apex banks as at 12th December, 1953, in some States. In Uttar Pradesh, for instance, such outstandings have been Rs. 53 lakhs as against Rs. 27 lakhs last year, Rs. 71 lakhs as against Rs. 39 lakhs in Madhya Pradesh and Rs. 258 lakhs as against Rs. 190 lakhs in Bombay. If the Bank has not been able to achieve more, it is due, in the main, to organisational difficulties experienced by the Bank. The essence of the problem of overcoming these difficulties is, in its turn, one of finding trained personnel needed for manning the co-operative institutions not only in the credit sphere but also in other spheres, such as marketing, farming and consolidation of holdings. It is to an examination of these difficulties and formulation of a suitable scheme for providing training for co-operative personnel that the present Committee has been asked to address itself. It will have at its disposal a sum of Rs. 10 lakhs for two years allotted by the Planning Commission and of Rs. 5 lakhs per annum contributed by the Reserve Bank for expenditure on co-operative training schemes.

PROPERTY RIGHTS

The Supreme Court's judgment in the case which arose out of the assumption of control by the Bombay Government of the Sholapur Spinning and Weaving Co., Ltd., restates certain principles in relation to property rights under the Constitution in a most significant manner. The main facts of the case are: When the mills run by the Sholapur Company closed in August, 1949, a labour problem was created. In order to solve this problem, the Central Government appointed, under the powers conferred on it by the Essential Supplies Emergency Powers Act, 1946, a Controller to supervise the Company's affairs. The Controller asked the Directors of the Company to make a call of Rs. 50 per share on the preference shareholders. The Directors refused this requisition, since they felt that it was not in the interests of the Company. Thereupon, the Central Government issued, in January, 1950, the Sholapur Spinning and Weaving Company (Emergency Provisions) Ordinance under which the mills could be managed and run by the Directors appointed by it. Acting under section 15 of the Ordinance, the Government later delegated all its powers to the Government of Bombay, which later appointed certain Directors who took over the assets of the Company. They passed a resolution making a call of Rs. 50 on each of the preference shares. A preference shareholder questioned, in a suit filed in the Bombay High Court, the validity of the Ordinance and also the right of the Directors to make the call. When the High Court dismissed the suit, the shareholder appealed to the Supreme Court where the decision holding the Ordinance and the subsequent Act of Parliament *ultra vires* the Constitution was given by the Constitution Bench of the Supreme Court.

Mr. Justice Mahajan subjected the provisions of the Ordinance to a scrutiny in the light of the property rights guaranteed by the Constitution. He said that the result of its provisions was that all the properties and assets of the Company passed into the hands of the persons, nominated by the Central Government, who were not members of the Company or its shareholders or in any way connected with and who were merely the creatures of the Central Government or its dummies. Thus, the Central Government became vested with the possession and control of the property of the Company and the normal function of the Company under its Articles and the Indian Companies Act came to an end. The shareholders' most valuable right to appoint Directors, His Lordship observed, had been taken away. The shareholders, the Directors and the Managing Agents had been completely deprived of the possession of the property. Rejecting the contention of the Attorney General that the Ordinance merely gave the Government powers of superintendence and it did not affect the Company's title to property, His Lordship held that the Act had overstepped the limits of legitimate social control legislation. The Act had, therefore, infringed the fundamental rights of the Company guaranteed to it under Article 31(2) of the Constitution. Briefly, Article 31(2), it may be mentioned here, states that no property, movable or immovable, including any interest in, or in any company owning any commercial or industrial undertaking, shall be taken possession of or acquired for public purposes, unless the law provides for compensation for the property taken possession of.

In the course of his judgment, Mr. Justice Mahajan observed that the Indian Constitution, subject to certain exceptions, had guaranteed the fullest protection to private property. It had not only provided that no persons could be deprived of property by the executive without legislative sanction, but it had further provided that even the Legislature could not deprive a person of his property, unless there was a public purpose and even then, only on payment of compensation.

It should, therefore, be clear that the judgment has categorically reiterated the rights of private property conferred by the Constitution. The Central and State Governments would, perhaps, do well to examine how far the various legislative or executive measures are in consonance with the letter and spirit of the provisions in respect of the rights of private property, as provided for in the Constitution and as now interpreted by the Supreme Court. In effect, the judgment means that the mismanagement of a company or of any property cannot be made the ground for dispossession of property rights of the owners without payment of compensation. This constitutes a charter of economic liberty and property rights. This charter may sometimes make the task of the Government, which is anxious to stem the rot that may have set in in any unit of the private sector, unduly difficult. But the Government should not, on that account, sacrifice property rights at the altar of expediency. These rights are too valuable to be ignored even for the sake of what the Government might regard as the public good. To say that they might be ignored is to place a far too dangerous weapon, that might not always be wisely used, in the hands of the executive.

SCRAMBLE FOR TEA EXPORT QUOTA

The Government of India has announced an increase in the export allotment of tea for 1953-54 from 424.86 million lbs. fixed earlier, to 437.05 million lbs., representing 125.5 per cent. of India's standard export figure, the allotment to take effect from 17th inst. This is the second increase made during the year. In April last, the Government fixed the export allotment at 115 per cent. of the standard export figure (namely 348.25 million lbs.) equivalent to 400.49 million lbs. Under the International Tea Agreement, India is permitted to make an export allotment of 135 per cent. of the standard export figure for the current year. But the Government of India decided to restrict it to 115 per cent. in view of the low prices fetched in tea auctions. This was followed by a second release of 7 per cent. in August, making a total release of 122 per cent. or 424.86 million lbs. In view of the abnormal rise in the price of tea export quota rights, this has, as stated at the outset, now been raised further to 125.5 per cent. or 437.05 million lbs.

The latest decision of the Government has been welcomed in tea trade circles, inasmuch as they have for some time now been asking for an additional allotment. Large-scale speculative activity has been rampant for some weeks past in export quota rights, the price of which rose to as much as 40 pies per lb. in both Calcutta and Cochin last week. It is reported that there has almost been a squeeze in the market for getting export quota rights. An idea of the extent to which speculative activity has been carried can be gauged from the trend of quotations for export quota rights during recent months. For instance, in the middle of April, that is prior to the notification by the Government of India fixing the export allotment for the season 1953-54, business in special export licence was done at 1½ pies per lb. When it was known that the Government had decided to restrict the export allotment to 115 per cent. of the standard export figure, a large quantity of export quota changed hands at 13 pies per lb. As the demand for tea abroad picked up considerably and as the export allotment came to be exhausted, the price of export quota rights shot up to 22 pies in the second week of July. Following the announcement of the second release in August, the market declined to 11½ pies, from which it advanced to 18 pies early in November. It was then rumoured that the Indian Tea Licensing Committee would make available in the following two weeks a second allotment of quota. Consequent on this rumour, the market weakened to 15 pies. Subsequently, it strengthened to as much as 40 pies last week.

The present scramble for export quota rights is evidently due to the very keen demand there is for Indian tea in the overseas markets, particularly in the U.K. Despite an increase of 53 million lbs. in the export of Northern Indian tea to the U.K. during the current season, there is a shortage of floating stocks in that country, which are estimated at only 95 million lbs. or 12 million lbs. less than in the corresponding period of last year. The situation arising out of the increasing pressure of external demand and the possible offtake of at least 30 million lbs. from Russia during 1953-54 under the Indo-Russian trade agreement recently concluded, *vis-a-vis* the export allotment, restricted till recently to 122 per cent., has been seized by the speculators to push up the quota prices beyond uneconomic limits. This is an undesirable trend, in that it adds to the cost of marketing tea abroad and may result in consumer resistance in foreign countries. The latest decision of the Government of India in increasing

the export allotment is, therefore, a step in the right direction.

The larger export allotment may not result in tea becoming costlier in the internal market, as is feared by some. For the North India tea crop for the current season will be only 10 million lbs. less than in the previous year, as against 50 million lbs. fixed under the voluntary crop restriction scheme. The South India crop will actually exceed last season's level of output by about 4 to 5 million lbs. There is, therefore, no fear of any shortage of tea for internal consumption.

BOMBAY STATE FINANCE CORPORATION

The Bombay State Finance Corporation, inaugurated on the 21st inst. by Mr. Morarji Desai, Chief Minister of Bombay, has come not a day too soon. For, ever since the Union Parliament passed, on 28th September, 1951, The State Financial Corporations Act, enabling the States to form such Corporations, scores of small- and medium-scale industries in this State have waited for the establishment of this institution. Of about 6,800 factories in the State, barring about 700 public limited companies, many of which can avail themselves of the accommodation from the Industrial Finance Corporation of India, the rest are completely bereft of any dependable source of accommodation. Many of these industries are experiencing difficulties in the shape of either lack of raw materials or competition from large units or from imported materials. But the most important of these difficulties is the lack of finance. Now that the State Finance Corporation has been established—under the chairmanship of Mr. Purushottam Kanji—many industrial establishments may look to this institution for necessary support.

It will, however, take some time before industries can expect actual assistance from the Corporation. For it has yet to approach the money market for the issue of its share capital. It is learned, from the appeal made to the investing public by Dr. Jivraj Mehta, Finance Minister of Bombay, who spoke at the meeting of the Board of Directors and other invitees, that the Corporation will issue the shares for subscription in the first week of January, 1954. The authorised capital is Rs. 2 crores, of which only Rs. 1 crore, divided into 100,000 shares of Rs. 100 each, will be issued. The Bombay Government and the Reserve Bank of India have taken up shares of the value of Rs. 31 lakhs and Rs. 20 lakhs, respectively. The balance of Rs. 49 lakhs will be offered for subscription by institutional investors and other parties. The repayment of the principal, as also a minimum dividend of 3½ per cent. per annum, has been guaranteed by the State Government. The minimum dividend is free of income-tax. It is in line with the present pattern of yields on Gilt-edged securities and, therefore, are attractive to insurance companies, investment trusts, co-operative banks and other institutions.

When the Corporation commences its loan operations industrial units will have to go through many procedures and formalities before submitting their loan applications. Experience, has shown that, on account of the complexity of the various rules, many applications are liable to be rejected. Hence, considerable delays are caused. With a view to avoiding such delays, the Corporation will do well to establish a simplified code or rules and circulate it amongst industrial organisations in the State beforehand. This will certainly facilitate quick disposal of loan applications.

INDIAN LABOUR CONFERENCE

SETTING UP OF WAGE BOARDS TO BE DISCUSSED

MANY important issues of great significance to industrial relations in the country will come up for discussion at the forthcoming thirteenth session of the Indian Labour Conference, scheduled to be held from 7th to 10th January, 1954, at Mysore. Since the tripartite character of this Conference ensures that the decisions reached there will form, as they deserve to form, the basis for any possible changes in the Government's labour policy, it is well to consider the subjects that will come up for discussion at this Conference. The most important item on the agenda of the Conference relates to the need for the setting up of wage boards at the Centre and in the States. Among others, the Conference will also discuss problems relating to technical assistance. Another problem it will consider is the economic and social status of women workers, with particular reference to the possibility of evolving a Central law designed to bring uniformity in legislation relating to maternity benefits.

Latterly, the importance of establishing a wage fixing machinery has been assuming increasing importance. The need for a standard wage fixing machinery was stressed by the I.L.O. long ago. Two conventions, namely, the Minimum Wage Fixing Machinery Convention (No. 26), 1928, and the Minimum Wage Fixing Machinery Agriculture) Convention (No. 99), 1951, have been adopted by the I.L.O. These Conventions emphasise that a permanent wage fixing machinery should be set up in industry and trade as well as in agriculture to advise and to review from time to time minimum rates of wages for workers covered by them. Although the Government of India has not been able to ratify them so far, it has accepted the principle of establishing such a machinery on a tripartite basis.

The Planning Commission has recommended in the First Five-year Plan that separate wage boards for important industries in the States will be found very useful. Such wage boards may also be established at the Centre to which issues affecting an industry in the country as a whole may be referred. It has also recommended that permanent wage boards with a tripartite composition should be set up in each State, and at the Centre, with a view to dealing comprehensively with all aspects of the question of wages, initiating necessary enquiries, collecting data, reviewing the wage situation from time to time and taking decisions regarding wage adjustments suo motu or on reference from parties or from the Government.

It is better that the wages are fixed by the wage boards rather than by industrial tribunals. For the workers have to start an industrial dispute before the matter of fixing minimum wages can be referred to the industrial tribunals. Besides, the tribunals do not consist of experts. But wage boards might be expected to function more effectively, as they consist of representatives of employers, employees and the Government. Wage levels would then be determined by mutual agreement as a general rule.

Wage Regulation

The most important function of wage boards is to ensure that the worker is paid a minimum wage which will guarantee a reasonable standard of living. But this should not be carried so far as to increase production costs and to price the products out of the markets. In such cases, the only principle that should be followed is "what the traffic can bear" and not prescription of wage levels and other amenities which cut right at the root of the new industries and thus eliminate what little chances there might be for increasing employment in the country. It is also true that, where workers cannot be given a decent living wage, wage levels must bear a reasonable relation to the market value of the product of labour. At the same time, the return on investment should not be neglected. The problem, therefore, is one of striking the golden mean between the investors' and workers' interests.

How difficult is the task of prescribing minimum wages will be evident by the fate of the Minimum Wages Act, 1948. The process of implementation of the Act, even after allowing for the fact that the Act came into force in Parts B and C States much later than it did in Part A States, has been rather slow, even with regard to sweated industries, let alone agriculture. It is true that the last date for fixing minimum wages in industries given in Part I of the schedule of the Act expired on 31st March 1952, while that in agriculture mentioned in Part II of the schedule is to expire on 31st December, 1953. The Government has sponsored an amending Bill to extend the two dates till 31st December, 1954. But it is doubtful whether the States will be in a position to implement the Act completely even by that time, especially in the agricultural sector.

Fair Wages Bill

Meanwhile, the Government is considering the question of reviving and reintroducing in Parliament the Fair Wages Bill, 1950, which was originally introduced in the provisional Parliament, and which now stands lapsed. It has asked the Conference to suggest modifications, if any, to the Fair Wages Bill. But we feel that it is not wise to revive the Bill now. After all, when it has become difficult to assure even minimum wages, the prescription of fair wages tantamounts to a mockery. It is argued that the increase in wage rates above the minimum level may be expected to improve the distribution of incomes, thereby increasing the savings of the middle class and workers for purposes of investment. But this will not be the case in underdeveloped countries like India, where the consumption levels are very low. It is to be hoped that the Conference will consider this subject in the light of these factors.

Technical Assistance

Technical assistance programmes are a recent development in the field of international co-operation. They aim at accelerating through mutual help, the pace of economic development of underdeveloped countries. The contribution of the programmes of technical assistance to economic development is twofold. Firstly, by helping to increase productivity in industry and agriculture, they directly promote economic development. Secondly, they help to tackle human and social aspects of development.

The important programmes of technical assistance are the Regular and Expanded Programmes of Technical Assistance of the United Nations and the Specialised Agencies, the Colombo Plan Technical Co-operation Scheme, and the Technical Co-operation Programme (also known as Point Four) of the Government of the United States. The technical assistance provided usually takes the form of expert advice, fellowships and scholarships, pilot and demonstration projects, training of local technicians in underdeveloped countries, seminars, dissemination of technical information, equipment and supplies.

The effectiveness of technical assistance obtained by India in the labour field can be improved considerably and the scope enlarged through proper planning and scrutiny, follow-up, and the streamlining of assistance to the requirements of the country. All this requires forethought and a continuous watch on the part of Government, employers and workers. Prompt and speedy action to take advantage of the technical assistance schemes is equally important. It may be mentioned that the subject of technical assistance will be discussed at the 37th session of the International Labour Conference to be held in Geneva in June, 1954. The Indian Labour Conference is expected to make suggestions for a fuller and more effective use of programmes of technical assistance and find out whether the State Governments and employers' and workers' organisations would like to obtain any further technical assistance.

Employment of Women

Employment of women is assuming greater importance nowadays as, in these days of high living costs, the earnings of the male members are not enough to maintain the whole family. Women already constitute a considerable portion of the adult labour force in the major sectors of industrial activity of the country. Thus, in 1931, they constituted 11 per cent. of the total labour force in factories, 20 per cent. in mines and over 47 per cent. in plantations. Other important industries from the point of view of the number of women employed are food, gins and presses, tobacco, non-metallic mineral products and chemical and chemical products. They are also employed in large numbers in some unorganised industries such as bidi making.

It will appear that, though the total employment in factories increased considerably since 1927, there has been no corresponding increase in the total number of women employed; the percentage of women workers to the total labour force has fallen from 16.95 in 1927 to 11.3 in 1951. But the number of women employed in mines has increased considerably during the decade ended 1950. The percentage of women to the total labour force in the mining industry rose from 17.9 to 20.5.

The wages of women workers have generally been lower than those of men, either because the value and nature of work are different in the two cases, or because of historical developments and social and economic factors, which have generally made for the fixation of lower rates for women workers irrespective of the nature of their work. So far as wage rates under the Minimum Wages Act are concerned, in a majority of cases, no differentiation has been made between men and women. But the policy followed has not been uniform. Generally speaking, differential rates for men and women have been fixed in specific industries like plantations, road construction and building operations in certain States, while, in some others, differential rates have been fixed in almost all the industries.

It would appear that there is a tendency towards narrowing the gap between the wages of men and women but the application of the principle of equal pay for men and women for work of equal value has not been general. While, for instance, the principle has been applied in a large section of the textile industry, the position in the factory industries generally seems to be different. In most of the recent adjudications equal basic wages have been awarded in some cases, but there are cases in which differential rates have also been fixed.

Equal pay for men and women for work of equal value is one of the Directive Principles of the Indian Constitution and the I.L.O. has also adopted a Convention on this subject. Although it has not been possible for India to ratify the Convention in the absence of any job-appraisal machinery, its adherence to the principle nevertheless remains.

While the application of the principle through legislation may appear premature at this stage, progressive application may be achieved through voluntary action. The industrial tribunals as well as the wage fixing machinery, under the Minimum Wages Act, may also be directed to keep this principle in view, while considering fixation of wages.

Specific Points

While discussing these problems the Conference is expected to consider the following specific points among others:

(i) what measures should be taken for expanding women's employment opportunities and in what fields?

(ii) what measures should be taken to stop or reduce the decline in employment opportunities in industries and occupations in which women were formerly employed in larger numbers?

(iii) what measures should be taken to encourage women to join occupations and trades which are specifically suitable for them, e.g., teaching, nursing and welfare work?

(iv) how should recruitment of women workers be improved, e.g., through increased utilisation of Employment Exchanges?

(v) what training facilities are required by women and in what industries and occupations? How should these be arranged, and

(vi) how should the full application of the principle of equal pay for work of equal value be secured in as short a time as possible. What difficulties are standing in the way of universal application of the rate for the job and how should these be overcome? How should job-appraisal be secured?

The Conference will also consider how the welfare measures for the protection of women could be improved. It will examine, in particular, the problems relating to the enactment of a Central law to lay down minimum uniform standards in respect of maternity protection. If Central legislation is not favoured at this stage, it will consider the question of drawing a list of agreed points concerning these standards.

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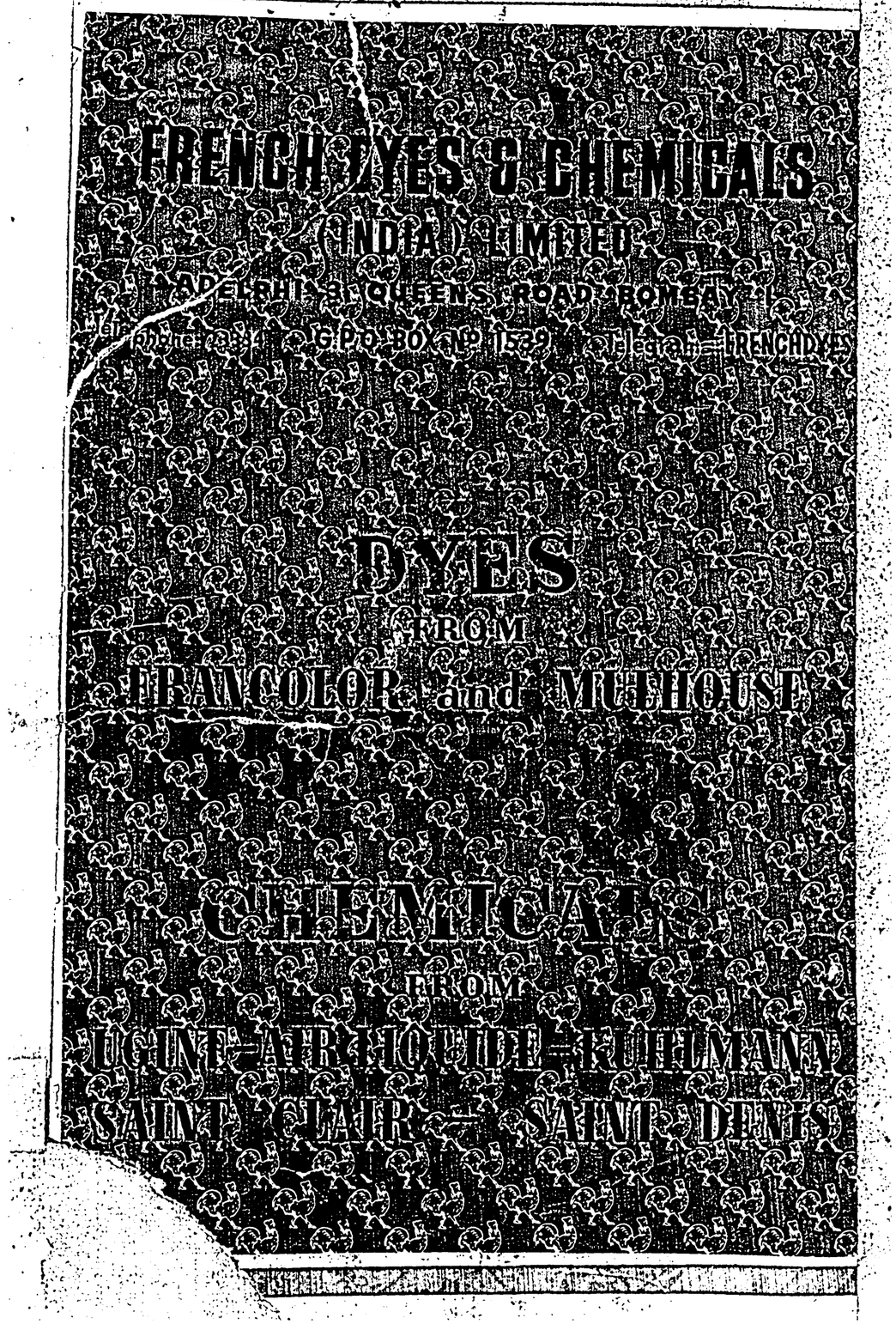
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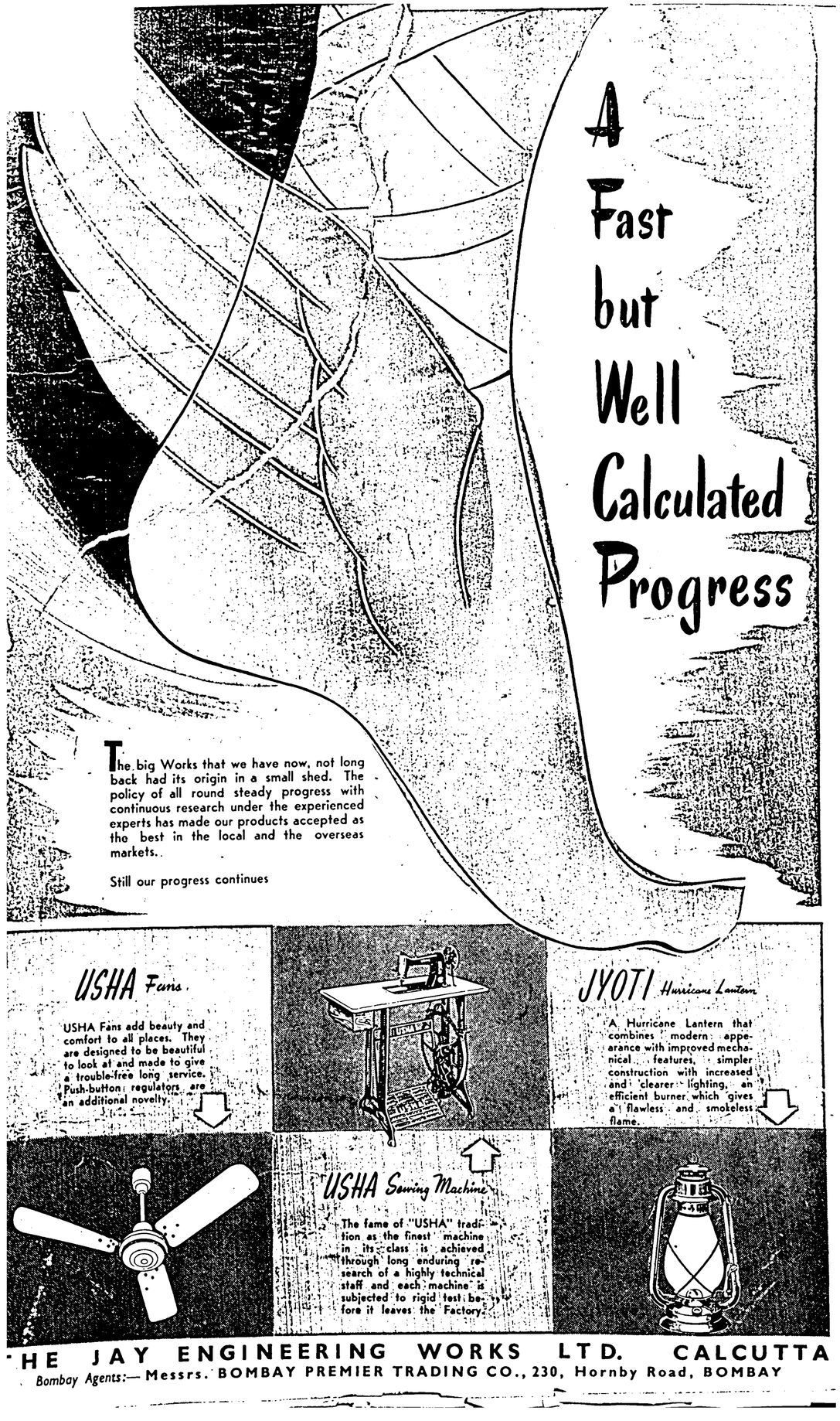

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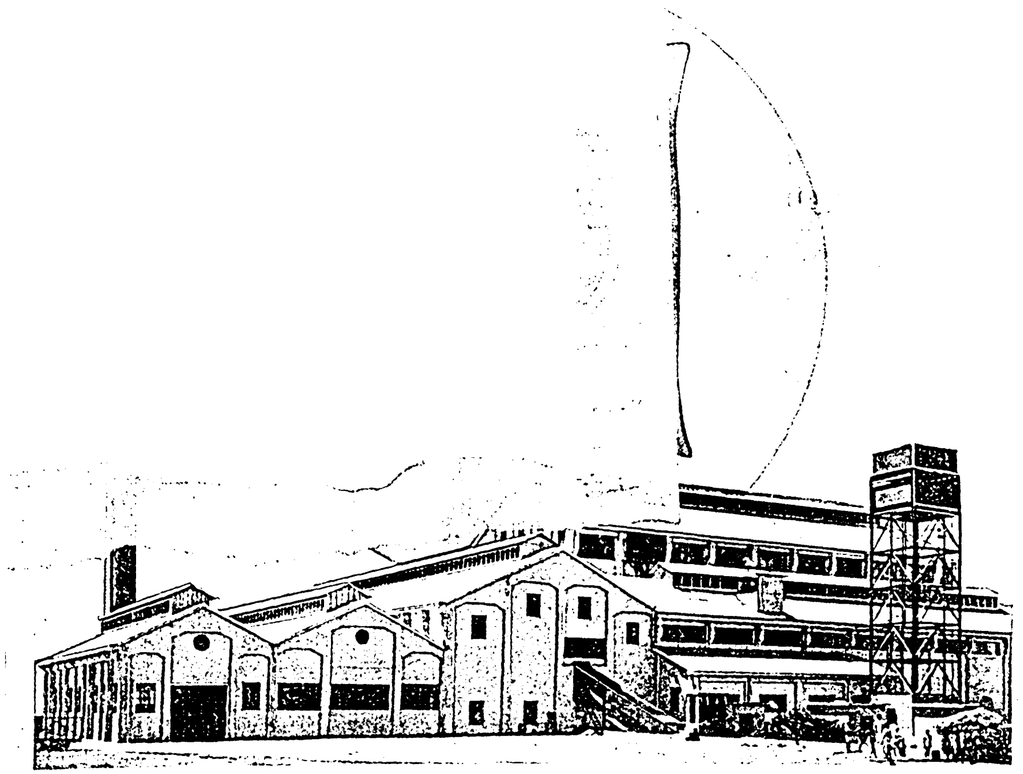

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1953 In Retrospect

ALTHOUGH A.D. 1953 brought with it reassuring indications that the danger for the world from a devastating war had receded, it is lapsing without witnessing any further significant improvement in the political situation. The world is still marred by cleavages and threatened by discords. The U.S., leader of the Western world, and Russia, leader of the Communist world, continue to be as far apart as they were a year ago. Their fears and suspicions of each other are greater and each is continuing the task of building positions of strength against the other. The result is that the cold war is threatening to envelop a wider area of the world. India's sincere efforts to bridge the gap between the two blocs and bring them together have yielded no tangible results. The only "beam of light amid so much darkness and confusion," to quote the words of Sir Winston Churchill, who has been ceaselessly striving to bring about an understanding between Russia and the Democratic countries, is the latest proposal of President Eisenhower for international co-operation in the use of atomic energy for peaceful and constructive purposes. If this experiment in co-operation for peaceful purposes were successful, it would, in the opinion of competent political observers, become easier to deal with the negative problem, namely, the control of destructive atomic weapons. Another important development is the informal conference of four powers, scheduled to take place in Germany early next year, in which an attempt will be made to reach an understanding with Russia. These latest efforts to steer mankind into safer waters give a new hope for world peace. It is, however, difficult to say how far this hope is well founded, for the Communist powers are a very intractable lot and invariably put forward demands which exasperate even the most patient peacemaker in the world. Be that as it may, the next few months promise to be a crucial period in the history of this planet.

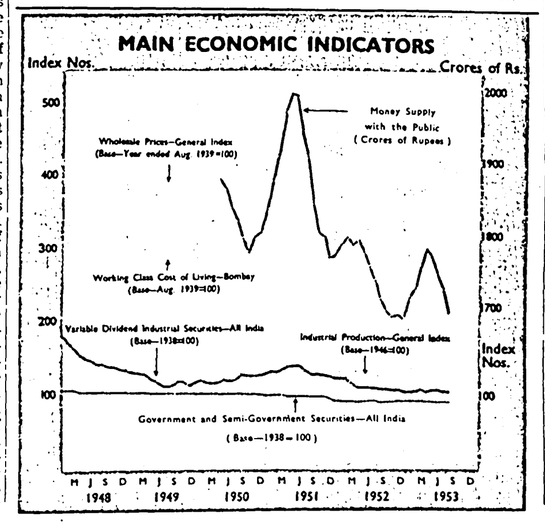
In the economic sphere, the year that is fast closing was one of relative stability, as compared with the recession suffered in 1952. There was a world-wide increase in production, resulting in a perceptible expansion in world trade, virtual abandonment of several Government controls in favour of flexible measures of monetary and fiscal policy, and greater freedom of choice for consumers. Inflationary pressures ceased over large parts of the free world and price levels declined. The *Financial Times* index number of world commodity prices (base 1st July 1952=100), for instance, declined from 94·02 at the close of 1952 to 84·70 in the third quarter of this year, though at the time of writing it is somewhat higher at 86.24. Over the year, the decline is of the order of 8.5 per cent. and this reflects the fall in prices of basic raw materials as well as food. Unlike in 1952, the Governments of many countries were, during 1953, more concerned with the problem of averting an economic recession than with fighting inflation. There was, therefore, a slight reversal of the steps taken to keep inflation under check. The outstanding among these were a reduction in Bank rate, relaxation of credit restrictions, lowering of tax burdens and further restoration of freedom to private enterprise. Though there was keen competition for markets in foreign countries, the industrial countries of the West were successful in having a fairly comfortable balance of payments position, especially with the dollar area. This was due partly to the terms of trade being in their favour and partly to the high level of economic activity in the U.S. which enabled the latter to buy more goods from other countries. The dollar problem, which seemed intractable till last year, was almost forgotten during the year under review. The disappearance of the dollar gap reflected partly the tightening of trade controls in some countries, partly the increase in U.S. imports from non-dollar areas and partly the readjustment of world supply and demand for many commodities. Generally speaking, the closer balance that was achieved in international trade during the year under review has improved the prospects for broader inter-convertibility of currencies, although it must be admitted that many uncertainties remain to be solved.

While the industrial countries of the West experienced fairly comfortable conditions in the year now drawing to a close, the Eastern countries, especially those producing primary raw materials, had to face difficult conditions. The sharp fall in the prices of their principal export commodities led to a decline in their national incomes. The effect of this development on these countries would have been far more serious but for an increase in their production. As the prices of goods imported by them fell comparatively little, most countries in this area suffered a further deterioration in the terms of their trade. An outstanding exception was Burma, because the price of rice, its principal export, continued to rule high. For two or three other countries, notably Ceylon and Malaya, the terms of trade are even now considerably better than in 1948, the reason for this being that prices of a few products, such as rubber and copra, are higher than they were in that year. The terms of trade of India and Indonesia, however, have deteriorated by about 9 per cent. even as compared with those in 1948.

Although prices of agricultural commodities have fallen in South East-Asia, the costs of labour and construction have remained rigid. Cost of living in most of these countries is still high and the problem of chronic underemployment, arising primarily from lack of capital and sufficient arable land, coupled with growing populations, continues. The only redeeming feature is that the Governments of these countries have been pushing ahead with their plans for economic development. It is noteworthy that, despite the fall in their revenue, consequent on the adverse developments in foreign trade, they managed to spend, according to the second Annual Report of the Colombo Plan Consultative Committee, more on their development programmes in 1952-53 than they expended in 1951-52. This has been possible, because of the substantial surpluses accumulated during the Korean War boom. Consequently, the external assets and the internal reserves of the Colombo Plan countries have been severely reduced. The problem of continuing their development plans in the coming years, therefore, is a grim one.

For India, 1953 has been one of gains and losses. It is difficult to strike a balance of the two and indicate the net result, for the result will depend on the emphasis one places on them. Some of the main economic trends of this country have been similar to those of the industrial West, while others have been in consonance with those of the South-East Asian region as a whole. This is not surprising considering the fact that the Indian economy has the features of both. In the matter of production, money and banking, and balance of payments, the experience of India has been similar to that of Europe, while the trend of employment, investment, volume of trade and terms of trade was in tune with the experience of South-East Asia and in striking contrast with that of the West. In short, the turn of the year sees India in a financially sound position, but that does not necessarily mean that the general economic health of the country is quite good. If the needs of its growing population are taken into account, its economic health is not as good as it ought to be; in fact, it is a little weaker than a year ago, in that the progress that has been made falls short of even the minimum that is needed to cope with its ever-rising responsibilities.

The upward trend in industrial production in India which began in 1951 continued during the year under review. Thus, the average interim general index of production (1946=100) for the first eight months of 1953 stood at as high as 133.8, as against 128.9 for the whole of 1952, 117.2 for 1951 and 108.4 for 1950. As compared with 1948, the increase in industrial production was higher by nearly 25 per cent. The pace of expansion in 1953, however, was perceptibly smaller than in 1952, whereas it ought to have been higher to ensure at least the same rate of *per capita* income as in the previous year. The fall in the rate of expansion in industrial output reflects, in the main, a drop of 8.4 per cent. in steel (based on the aggregate production for nine months ended September, 1953, as compared with the corresponding period of the preceding year), 10.3 per cent. in sugar, and 9.4 per cent. in jute, all of which belong to major industries. Cotton textiles and cement are the only two major industries to record an increase in their production, the former by 6 per cent. and the latter by 5.4 per cent. The output of coal showed neither a fall nor a rise; it was just maintained at the previous year's level. But according to the Five-year Plan, coal production this year ought to have gone up. The fact that it was maintained is, therefore, no cause for satisfaction. It is true that production of woollen manufactures, paper, matches, salt, chemicals and a section of engineering industries was higher, but this was offset to some extent by a fall in a number of other industries.



The slowing down in the rate of increase in industrial production is due partly to the fall in demand, both internal and external, and partly to unrest among a section of industrial workers. The latter factor was the cause for the fall in steel production. The decline in the output of jute and a number of minor industries, as well as the failure of coal output to expand, was the outcome of a recession in demand. The only notable instance of a fall in output for want of adequate raw material was sugar. *Vanaspathi* is, perhaps, another instance, but its position became easier in the latter half of the year, thanks to liberal imports of palm oil, coconut oil and cottonseed oil. In the case of other industries, the supply of raw material did not present a problem. Where domestic production was found insufficient, liberal imports were allowed and this was made possible by an improvement in the balance of payments position. The rise in production of some of the industries was in fact due to larger availability of raw material, as, for example, cotton textiles. At the same time, there was at least one instance, where plenitude of raw material proved a hindrance to production. This was the jute industry. Large supply of raw jute in this sub-continent, in the absence of any effective price support scheme, had a demoralising effect on prices of jute which, in turn, affected those of finished goods too.

The progress of production in some cases was also retarded by the large stocks brought in from the previous year. Tea and sugar are typical instances. In the case of tea, producers decided, towards the close of last year, to restrict production, with a view to bringing about a readjustment of supply to demand. In the case of sugar, the large accumulation of stocks compelled several producers in North India to delay the commencement of crushing in the 1952-53 season. Both the industries were concerned over the poor offtake of their products and felt that demand would not be equal to the then prevailing rate of production. Fearing that the country would not be able to consume all the sugar that was available then, the Government allowed even exports of both *gur* and white sugar. But later developments showed that this view was wrong. After a sluggish start, demand for sugar picked up and exceeded all expectations. The available supply fell short of the requirements to such an extent that the country had to import foreign sugar in large quantities, in order to keep prices within reasonable levels. Similarly, both external and internal offtake of tea improved as the year progressed, resulting in a marked recovery in prices. Indeed, the tea markets both in London and in India ruled so buoyant that producers found it necessary to relax, in the closing months of this year, a good part of the self-imposed restrictions, lest prices shou'd overshoot the mark. The Government of India, too, found it necessary to increase the export quota, in order to permit exports of a larger quantity.

The demand for other manufactured goods was at a low ebb during the year under review. The fall in prices of some of the cash crops, coupled with the rise in prices of foodgrains, edible oils and other necessaries of life, reduced the purchasing capacity of people over a large part of the country. Scarcity conditions caused either by drought or by floods constituted another cause for the fall in the demand for goods other than the absolute necessaries of life. Even in regard to the latter, those goods the consumption of which can be deferred, as for instance cloth, were severely affected, because people had to pay more for their food. This state of affairs caused hardship to several industries. One way of meeting the situation would have been to cut costs, but there were serious limitations to this, as wages had become rigid following the Government's policy of pampering the industrial workers. The only alternative was to reduce the incidence of indirect taxation. The Government was thus compelled to provide some relief to industries in this direction by a reduction in export, import and excise duties. Industrialists found it extremely difficult in convincing the Government of the necessity for this relief. In the first place, the Government was reluctant to give up its revenue, even if it was of a diminishing nature. Secondly, it did not have confidence in the spokesmen of the industry. Not until it actually found that export markets were being lost and that workers were threatened with unemployment did the Government act. Even then, the reliefs provided by it were inadequate. This kind of belated and halting actions of the Government dealt a serious blow to the confidence of industrialists and induced a sense of frustration among them.

In the field of industrial relations, the position was not as satisfactory as in the past year, when the relationship between employers and employees had been not only peaceful but also quite happy. Complete statistics relating to industrial disputes in 1953 as a whole are not available at the time of writing. The figures for nine months ended September, 1953 show that the number of disputes declined from 889 (in the corresponding period of 1952) to 690, workers involved from 757,566 to 407,913 and man-days lost from 2.56 million to 2.05 million. These figures suggest that there was less industrial strife in 1953 than in 1952. But they do not reflect the real state of affairs. While the disputes were fewer than in the past year, the loss to the country in the form of production and wages not only in the industries affected but also in the other sectors dependent upon them must have been heavier. For, whereas, in 1952, there were no major strikes, there was, in 1953, at least one big strike, namely, the one at the Indian Iron and Steel Works at Burnpur. This strike was preceded by a "go-slow" movement for several months. The direct loss from this strike alone was of the order of 88,000 tons of steel, valued at Rs. 4 crores, and of over Rs. 40 lakhs of production bonus which workers would otherwise have received. But the total loss, direct and indirect, resulting from this dispute, must have been very much larger than this.

"Go-slow" tactics were not confined to the Burnpur works alone. Reports of their wider application by workers were far more numerous this year than in the past year. There are, of course, no data to prove this. Again, in distinct contrast to the welcome feature witnessed in 1952, of employers and employees settling their disputes mutually without going to industrial tribunals, almost every dispute during the year was referred to a tribunal. This lack of mutual confidence was borne out by the fact that disputes relating to bonus in the cotton textile industry in Bombay, Nagpur and Coimbatore and in the U.P. sugar industry had to be adjudicated by Industrial Courts, whereas last year they were amicably settled by direct negotiations between the parties concerned.

Another disquieting development in the sphere of industrial relations was the increase in rivalry among labour leaders to get control of the workers' unions. This rivalry often led to violence and breach of peace in industrial centres. Inevitably, it resulted in loss of production also. This trend manifested itself to a menacing extent particularly in West Bengal. It was precisely this rivalry that precipitated the strike and lockout in the Burnpur Works. What was even more regrettable was the failure of the authorities to nip all such trouble in the bud.

Unlike in the case of industrial production, there is no composite index number to indicate the trend of agricultural production as a whole. One has, therefore, no alternative but to relate the performance of each individual commodity. Commenting on the relaxation of controls on foodgrains, we stated in our last *Annual Review* that such would result in an increase in production and minimise the need for imports much earlier than was believed by many. This expectation, we are gratified to find, has been fulfilled in an impressive manner. Production of foodgrains, including pulses, has gone up by as much as 11.8 per cent. from 47.78 million tons to 53.42 million tons. Here are some statistics which will show at a glance the performance of the principal foodgrains:

(In million tons)

	1951-52	1952-53	% Rise in yield	% Rise in acreage
Rice	20.7	23.4	+12.9	+ 1.4
Wheat	6.0	6.8	+12.0	+ 2.5
Jowar	5.9	6.0	+ 1.0	+ 7.2
Bajra	2.3	2.9	+27.1	+10.7
Maize	2.0	2.6	+29.1	+ 9.0
Barley	2.3	2.7	+15.2	— 4.3
Ragi	1.2	1.3	+ 1.9	— 0.2
Small millets ..	1.8	1.9	+ 2.2	+ 2.8

A more pleasant feature than the absolute increase in the output of foodgrains is the fact that percentage of rise in yield in the major grains such as rice, wheat and *bajra* has been far greater than the increase in acreage devoted to them. While favourable weather may have been responsible for this rise to some extent, the major cause must have been the improvement in culturable practices and intensive cultivation, with the aid of fertilisers, etc. This is undoubtedly the most outstanding gain of the year for this country. There is no doubt that the removal of controls on prices and distribution of foodgrains has provided a tremendous incentive to agriculturists to strive for more production. The people of this country must be greatly indebted to Mr. C. Rajagopalachari and Mr. Rafi Ahmed Kidwai for this development, for it was they who sensed the situation correctly, took courage in their hands and removed the controls in the face of severe opposition not only from their opponents but also from their colleagues in the Congress, as well as in the Administration. They took this step with faith in the innate goodness of our farmers and merchants, as well as in the virtues of a free market economy. Their faith and vision have been amply justified. If their colleagues in the Government, to whose charge industrial development in the private sector is committed, had displayed these qualities, we are sure the country's economic health would have been far more satisfactory than it is now.

There is a school of thought in this country which feels that the statistics of foodgrains production are not reliable. Their insinuation in saying this is that these figures give an exaggerated account of output. Even supposing there is a grain of truth in this contention, the fact remains that, despite a growing population and despite the relaxation of restriction on consumption in almost all parts of the country, imports of foodgrains have declined. From 1st January, 1953 to 9th December, 1953, these imports amounted to a little over 2 million tons only—2,017,850 tons to be precise—as against 3.90 million tons in 1952 and 4.70 million tons in 1951. This argument also does not seem to convince these critics, for they contend that, because of higher prices following the removal of food subsidies and abolition of price controls, consumption of food has gone down. There may be some truth in this, too, but it is clear exaggeration, because the benefits of control and subsidies, when they existed, were available only to a small section of the population and even this section was paying a higher price for its food, as the rations were of bad quality and had to be supplemented by purchases in black markets at fancy prices, a fact which was not reflected in the cost of living indices.

The increase in foodgrain production does not seem to have adversely affected other agricultural crops. Some of them have no doubt suffered a reduction in outturn, but there is no convincing proof to establish that it was the result of land having been diverted to food crops. The main reason for the fall in the production of commercial crops was adverse weather conditions. The output of cotton declined by about 300,000 bales, or 2.6 per cent., to 3.63 million bales, while that of jute was well maintained at 4.70 million tons. There was a sizable drop of 5.2 per cent. in groundnuts, but castorseed and linseed improved by 1.9 per cent. and 12.3 per cent. Sugarcane sustained a fall of 13.2 per cent., whereas tobacco registered a rise of 12.1 per cent.

A point that does not seem to have received much notice is that the expansion in production of foodgrains took place in a year in which India's export trade had to pass through difficult weather. It is not difficult to imagine what would have been the balance of payments position of India this year but for the saving of nearly 2 million tons in imports of foodgrains. Some idea of the fall in India's exports this year can be had from the fact that, during the nine months ended September, 1953, the value of exports was only Rs. 380 crores, as against Rs. 470 crores in the corresponding period of 1952 and Rs. 580 crores in the same period of 1951. Notwithstanding the sharp contraction in food imports, the balance of trade was adverse to the tune of Rs 63 crores. If, in spite of this, India's foreign exchange reserves show an increase of nearly Rs. 10 crores between 26th December, 1952 and 11th December, 1953, it is because of the invisible receipts (including loans) which this country had during this year.

The Finance Minister's budget speech on the last day of February, 1953 envisaging a large dose of deficit financing, had raised expectations that the year would end with inflation raising its head again and that price levels and cost of living would stay high. While the latter has come true, the former has not. Monetary and banking statistics reveal no abnormality. Over the 12 months ended November, 1953, money supply shows an increase of only Rs. 27.9 crores. If we take the period 11 months ended November, 1953, the currency in circulation is actually lower by Rs. 15.46 crores. The monthly average volume of currency in circulation for these 11 months was only Rs. 1,232.41 crores, as against Rs. 1,252.04 crores in the same period of 1952. There has been a fall in bank credit also. The Scheduled banks' advances and bills purchased have declined by Rs. 19.29 crores, from Rs. 468.33 crores on 26th December, 1952 to Rs. 449.04 crores on 27th November, 1953. The average for this 11-month period is also lower at Rs. 494.6 crores, as compared with Rs. 534.7 crores. Deposits of these banks show an increase of Rs. 27.87 crores to Rs. 838.2 crores, but the major portion of this rise reflects the expansion in time deposits. It will be seen from these facts that there has been no credit or currency inflation during the year.

From the review made so far, two points emerge. One is that there has been no monetary inflation and the other is that supply of goods has been greater. Why then have price levels and cost of living continued to remain at levels higher than they were a year before (*vide* the chart published on the previous page, as well as the detailed survey of cost of living and commodity prices published on page 150 of this issue)? This paradox is not inexplicable. First, there has been no appreciable fall in wages. Secondly, the increase in the supply of foodgrains has not been large enough to make an impression on price levels. Thirdly, in the past, the price levels and cost of living were artificially low, in that they did not reflect the prices ruling in black markets. Fourthly, there is always a time lag in the adjustment of price levels and cost of living to the supply position. Fifthly, a part of the rise in prices is due to the recovery in prices of export commodities such as tea, jute, cotton and cotton textiles. Sixthly, the transport capacity, though considerably higher than a year before, has not expanded as much as it should have to move the increased supply of goods. And, finally, there has been some increase in speculative activity, which is not unusual, considering the freedom from controls that most of the commodities and finished goods enjoy.

The outlook for the coming year is not depressing for consumers. Thanks to good monsoons and fair weather, production of foodgrains, oilseeds, cotton, cloth and several other goods promises to be higher than in the year now fading into history. The sugar output may be somewhat smaller, but the supply can be easily maintained through imports. As the weight of the new crops makes itself felt on the markets, price levels may go down to some extent. The trend of world commodity markets also supports this conclusion. While thus the immediate outlook is reassuring from the point of view of supplies and prices, the larger aspect of demand for these goods and the long-term prospects for the economic advancement of the country are uncertain, if not bleak. Demand can be maintained only if there is a high level of employment which, in turn, will be possible only if there is adequate capital investment. In spite of the fact that India is now in the third year of its first Five-year Plan, the progress that has been made in this respect has been quite inadequate. The Government has chosen mixed economy as its economic system. A large area for development has been reserved for the State and an equally wide area has been left for private enterprise. Neither sector, however, has been able to complete even the modest targets laid down under the Plan. Nor is there any indication to show that progress will be rapid in the coming years at least. The private sector has been deprived of its resources and freedom to act—its plight has been forcefully stated by an eminent contributor in the article published on the next page. And the public sector is lacking in administrative efficiency, drive and single-mindedness of purpose. Unless the powers-that-be wake up, realise their faults and rectify them in time, the country will fall between the two stools.

GŌSAMVARDHAN OF PRIVATE ENTERPRISE

By M. A. Sreenivasan
Chairman, Kolar Gold Field Mining Companies

THE splendid way in which the infant Republic of India weathered menacing post-Independence and post-Partition problems that assailed her, and her impressive record of achievement in certain fields of national and international endeavour have won the admiration of the world and filled every Indian heart with thankfulness and pride. Unfortunately, the obverse of the medal is not so fair and resplendent. There is growing anxiety and disappointment in the minds of increasing numbers of men and women of all classes and parties, not excluding some associated with Government, over the worsening position in regard to many matters affecting the daily lives of the people.

It is in the economic field that the deterioration is most markedly felt. The fall in purchasing power, the deepening distress of unemployment among the educated as well as the uneducated, the decline of savings and capital formation and the lagging of the country's economy behind even the modest pace set by the well-thought-out Five-year Plan, are some of the symptoms of the economic malaise the country is suffering from.

What is the nature of the ailment and what are its causes?

It is not difficult to see that what has been called the private sector, which provides most of the revenues of the State, and 80 per cent. of the employment of the people, is debilitated and depressed, and suffers from all the effects of what medical men would call the anxiety neurosis syndrome. The landowner and the shopkeeper, the manufacturer and the business man, are, with few exceptions, feeling dispirited, insecure and nervous about the future.

Now, the health of a community, as of an individual, is greatly influenced by two factors—first, climate, and, secondly, the environment or living and working conditions.

It is common knowledge that the economic climate of India has changed a great deal since the attainment of Independence. A change was expected; unfortunately, the change that has come is not exactly exhilarating to the individual *entrepreneur*.

On the role of private enterprise in the Welfare State, opinions may vary as widely as the brands and hues of Socialism. They would vary also with the degree of willingness of the country's rulers to learn from the experience of other countries. But leaving opinions aside, it is an undisputed fact that private enterprise has made and can make a signal contribution to India's economic progress. It is in recognition of this fact that the wise men of the Planning Commission prescribed, and the Government of India accepted, what has been called a mixed economy as being the best for the country.

Unfortunately, there is much muddled thinking about the mixed economy. Stray statements by political leaders and certain ill-considered steps recently taken by the Government have added to the uncertainty and confusion.

One thing that has, more than any other, contaminated the climate for private enterprise with the fearful germs of insecurity during the last two or three years is the majority-armed readiness with which pledged word and covenant are set aside or scrapped by the State, even amending the Constitution, if necessary, for the purpose. This shakes the very foundation of what has been called the sanctity of contract upon which all free enterprise and credit, national and international, are based. It is also the negation of the Hindu Dharma, which ceaselessly reminds one of how many a mighty emperor, and even *avatars* of God, held the pledged word more sacred and inviolable than life itself.

This new sacrilege is sought to be justified on various grounds, most of which have a familiar ring of plausibility—such as that the contract is an anachronism, or that the party was not happy about it when he signed. Another somewhat novel argument frequently urged is the pressure or compulsion of events.

The argument of anachronism is one that really begs the question, as the very purpose of a contract is to safeguard against repudiation with the passage of time. The plea of individual unhappiness over a joint decision is more than an admission of disunity; it is an open invitation to the next unhappy individual in power to repudiate what the present one is happy with.

The excuse of compulsion of events is as disingenuous as it looks plausible. It suggests a belief in fatalism. It paints the picture of a party to the contract tearing it up with tears of helplessness in his eyes, almost seeking the victim's sympathy in his doing so. It evades the fact that it is the art as well as the duty of the administrator and the statesman, as it is of the engineer and the scientist to control and to guide pressures—not let the pressures control him or lead him astray. No self-respecting engineer would dream of pleading pressures as the excuse for the bursting of a dam, or the collapse of a building.

Coming now to the more immediate environment and the conditions in which the private *entrepreneur* finds himself. Not many years ago, when England ruled India, the picture was often drawn of the Indian industrialist or business man manacled, and chained to Imperial Britain's chariot and dragged helplessly along. To-day the manacles and chains are off and he is free—and how he longs to feel the thrill of it! He finds himself hemmed in by rolls of barbed wire controls and restrictions and piles of new ordinances and laws. Taxes have multiplied and are so heavy that the more his earning capacity, the larger is the number of working days he spends toiling for Government account, nearly half the year if he is hapless enough to earn five thousand rupees a month. Has he, he wonders, ceased to be a slave only to enter a more respectable and expensive serfdom to an omnipotent Welfare State? Or has he exchanged the tranquil captivity of the stall-fed cow for the freedom of the cow one sees in the streets of Calcutta and Madras, turned loose after milking time, to wander at will and pick up the sustenance she can while being bumped about and generally looked upon as a nuisance?

During the struggle for Independence, many an industrialist and business man fought side by side with or generously supported the freedom movement openly or on the quiet. He probably was also in jail. He is, perhaps, still a habitual wearer of *khadi*. Now, after the victory, he sees a rift between himself and his erstwhile political comrade which gets wider as the comrade climbs higher up the ladder of office. Once flatteringly referred to as a patriotic captain of industry, or a public-spirited merchant prince, he now finds himself called a vested interest, if not an anti-social capitalist or a greedy employer by the very *men he worked with—men he* trusted and who trusted him. He has liberty, but fraternity seems lost.

To-day, there is an abnormal exaltation of politics above economics and a predominance of politicians both in number and influence over producers of wealth and employment. This is a hangover of the unarmed battle for political independence just as indiscipline and disrespect for authority are of the Civil Disobedience Campaign. Had it been an armed fight one would have seen a similar preponderance of soldiers in uniform. It is like finding stones and rails and sheds in the site of a newly constructed reservoir or building.

Further, a fragment of the great respect the people had for the immortal leader and his great generals still attaches to every politician in the land, as flowers or confetti are found on the clothes of persons near the hero in a procession.

In a world which thus seems dominated by politics and politicians, the *entrepreneur* finds himself regarded as a second class citizen whose voice is unheard, a species threatened with extinction but tolerated meanwhile as tax- and sermon-fodder to be lectured at, in season and out, and asked to adjust and behave himself. He is puzzled by the din and hullabaloo against the earning of profit—profit which pays the taxes that keeps the State solvent and the politicians in power; profit which is the source of capital that finances development, expands production, and creates employment. It would seem that the profit motive is a deadly sin while the power motive is wholly meritorious. It is unworthy to seek a profit, but noble to seek a vote. Indeed, if the current whoops and slogans of competing vote-seekers were to be believed, it would look as though they would transform the land into an Eldorado, where there would be capital without capitalists, enterprise without reward, aid without appreciation, and quid without quo.

It is high time a halt was called to this harmful Utopia-peddling. It is time that all the collaborators in enterprise—not labour alone—are taken into confidence by those in power, and that each one of them too is encouraged, consulted, and given equal sympathy and consideration.

It is essential that the atmosphere is cleansed of fear, and insecurity and of the tensions they create. Let not the scare of Communism or of violence be tolerated as an excuse for any action that undermines credit and confidence such as expropriation. If a cobra is sighted, surely the thing to do is to kill it and not amputate the limbs of the people in the region, in anticipation of a snake-bite.

In the international field, India is striving, under the leadership of its great and respected Prime Minister, to remove the causes of world tension and to promote world security. It is certainly not too much to hope that, under his bold captaincy, the anxieties and insecurities that haunt and vitiate the domestic economic scene will also be dispelled, and cheer and confidence restored. One dearly wishes, too, that the distrust and bickering that now divide and sour the relations between labour, capital and the State, will soon vanish and that the three limbs, now brought together only for periodical tripartite wrangles, are united in a great triple confluence that will refresh and enrich the land.

The Moghul emperors are said to have had a special taste for the tongues of peacocks. Perhaps, they could afford it. In more recent times, a new taste has been developed, in political laboratories, which the Governments of certain great nations are finding ruinously expensive—the taste for the meat of the goose that lays the golden eggs. In India, the cow has been held in high reverence through the ages. Following this tradition, a clause is embodied in the new Constitution urging the protection of cows, and the prevention of cow slaughter. Accordingly, cow-killing is banned in several States, and Gosamvardhan—the protection and nurture of cows—has received official blessing and support. The need now is even more urgent for the Gosamvardhan of private enterprise—the milch cow of India's economy.

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INDIA AND THE WORLD BANK

POLICY OF ASSISTANCE EXPLAINED

By Eugene R. Black

President of the International Bank for Reconstruction and Development

IN 1944, at the height of the war, India joined with other countries of the free world in the deliberations at Bretton Woods, which led to the decision to establish the International Bank for Reconstruction and Development. Since then, her association with the Bank in all aspects of its work has been close. On the one hand, India has from the beginning been one of the five largest stockholders of the Bank, and has had a permanent seat among the Executive Directors. She has thus played a considerable part in formulating the Bank's policies and in guiding the conduct of the Bank's operations. On the other hand, the Bank has made five loans to India, totalling over $113 million, and has kept in constant touch with the Government of India. I myself visited India in 1952. Many other visits have been paid by members of the Bank's staff, not only to watch the progress of the projects for which the Bank has made loans but also to gain at firsthand knowledge of the problems and conditions of India to-day.

Seven years have now elapsed since the Bank came into being. In these seven years, the post-war economic problems of the world, which could not have been foreseen with any precision at Bretton Woods, have emerged with greater clarity. At the same time, the Bank has shown that it is able to make a significant contribution to the solution of these problems. For these reasons this is an appropriate time to consider, particularly in relation to India, what the problems are and how far the Bank has helped, and can in the future help to solve them.

World of To-day Different

The world of to-day is very different from anything envisaged by those who met at Bretton Woods. The early hopes of a harmonious settlement of international political problems have been disappointed; and events of the post-war years have intensified the economic problems which proved, in any case, far greater and more intractable than was foreseen in 1944.

The hopes and preoccupations of that time are reflected in the Bank's Articles of Agreement. It was naturally expected that the first task of the Bank would be to help in the reconstruction of those countries whose economies had been worst hit by the war. Undoubtedly, this task had to have priority over others; and the Bank did in fact make large loans for reconstruction. It is easy to see in retrospect that the resources of the Bank were inadequate to this need, and that the problems of post-war reconstruction had to be attacked by other means. But this question is now largely a matter of historical interest; for the requirements of reconstruction decreased within a few years. In any case, India was fortunate in that her territories almost wholly escaped the direct devastations of war. India's problem was related to the second of the Bank's purposes—assistance to countries in need of long-term capital for economic development.

At the Bretton Woods Conference, it was thought that a large part of the Bank's work in helping development would be concerned with supporting private investment, notably by guarantees. It was laid down in the Articles of Agreement that the Bank should "promote private foreign investment by means of guarantees or participations in loans and other investments made by private investors" and it was provided that only "when private capital (was) not available on reasonable terms" was the Bank "to supplement private investment by providing . . . finance for productive purposes . . ." In other respects, too, the field within which the Bank could operate was closely defined. Thus, assistance of whatever kind was to be given only after paying due regard to the prospects that the member country, whether as borrower or guarantor, would be in a position to meet both its local currency and its foreign exchange obligations. Save in exceptional circumstances, loans were only to be made for specific projects, and only in foreign exchange.

The Bretton Woods Conference was concerned to avoid the misfortunes which overcame a great part of international lending in the inter-war period. And the experience of the post-war period has shown that this concern was not unjustified. We do not have difficulty in finding since the war examples of investment in projects which were ill conceived or ill prepared, with a resulting waste of resources difficult to excuse in times of acute shortage of capital.

If the specific field of Bank operations is borne in mind, the pattern of its lending will be understood. It will be apparent that large sectors of the development plans of various countries lie beyond the scope of the Bank's activities. Investment in schools and hospitals and similar forms of social capital cannot be regarded as directly "productive" in the sense intended by the Bank's Articles of Agreement. Other programmes of investment may be unsuitable, because they cannot be cast in the form of "specific projects" or because the expenditures are largely in local currency.

Object of Loans

Consequently, in India the Bank has aimed, in consultation with the Government, to give help by the provision of foreign exchange for projects in those sectors which can be regarded as basic to India's development. As readers of *Commerce* will be aware, loans have been made for the rehabilitation of the railways; for the reclamation of weed-infested land; for the development of electric power, for irrigation and for flood control in the Damodar Valley; and for the expansion of iron and steel production. Furthermore, the Bank is now examining projects for the expansion of electric generating capacity in Bombay State.

All these projects meet vital needs. In addition, the Bank's loans in India are conforming to a pattern which has marked the Bank's operations in a large number of underdeveloped countries, in that the greater part of the loans are devoted to increasing the capacity of those basic services without which industrial expansion would be impossible. I am confident that this is the right pattern. Unless plentiful supplies of power and efficient transport facilities exist in major industrial areas such as those around Bombay and Calcutta, India's hopes of rapid growth in industrial output will be small. And the importance of these basic services is not confined to local enterprise. For their absence constitutes in all underdeveloped countries one of the major discouragements to the entry of foreign capital.

Other Causes

Of course, the absence or shortage of these services is not the only reason for the failure of foreign capital to flow in larger quantities to India. Indeed, to-day it is probably not even the most important reason. I have already mentioned the expectation held at Bretton Woods that the Bank would primarily be concerned with the promotion and support of foreign private investment in underdeveloped areas; and the Bank has constantly emphasised the need for steps which can be taken by underdeveloped countries to attract foreign investors. At this year's Annual Meeting of the Board of Governors, held in September, 1953, the Bank arranged for an informal discussion of this question by a panel of experts, of which Sir Benegal Rama Rau, Governor of the Reserve Bank of India, was a member. It is not possible within the limits of this article to refer to the points there made. But it is worth noting that, of the various factors mentioned during the discussion as having inhibited the flow of private foreign capital to underdeveloped areas, many were of a kind which could be affected only by the initiative of the country concerned.

The Bank is ready to promote private foreign investment by every means available to it. But the first steps must clearly be made by the private investors themselves. It is doubtless disappointing to a country like India, which has made many efforts since the war to provide a hospitable climate for the foreign investor, to find that the inflow of funds, and of the technical expertise that could accompany such inflow, has been small in relation to the needs of the country. We can hope, however, that India's efforts will be rewarded. The various contracts which have been made with foreign firms with provision for some Indian share in the equity of the concern have indicated a new and hopeful technique. Equally encouraging are the agreements recently concluded with three oil companies for the building of refineries.

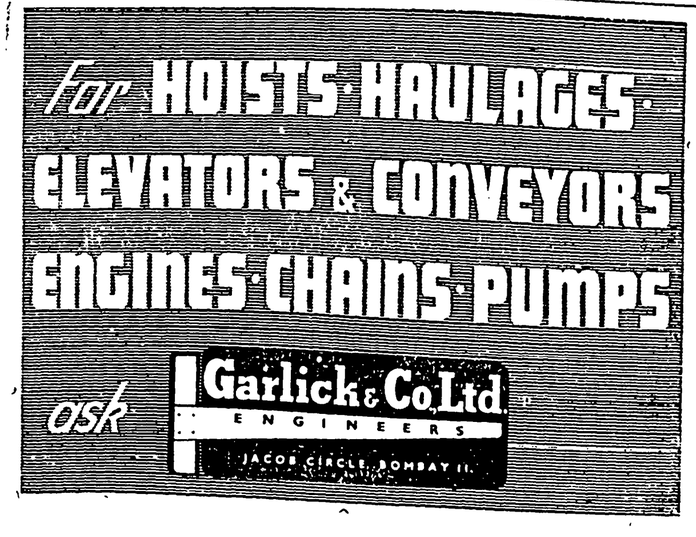
The confidence of foreign investors takes long to build up and can be very quickly dissipated, even by events beyond the boundaries of India. It is now generally appreciated that the lack of basic facilities, although important, is not the only deterrent to foreign investment in underdeveloped regions. But it is a hopeful sign there is an increasing intention throughout the world, amongst private individuals and in Governments, to deal with the other deterrents.

Revolution in Social Outlook

It must be remembered, too, that, in an important economic sense, the India of to-day is a new India. It is not merely that she has emerged since the war as a full sovereign power. She has also, like many other countries, undergone a revolution in social outlook. The people and the Government are aware to-day more than ever before of the possibilities of, and the necessity for, improving the standard of living of the vast majority of the population. The Five-year Plan is a reflection of this awareness.

I should, however, like to repeat what I have often said before. The process of development cannot depend on the provision of funds alone, whether these come from the Bank, or from foreign private investors, or from domestic saving. As the Government of India well knows, if the aims of development are to be achieved the real impetus must come from the people of India. There must be fundamental changes in the outlook of townsman and villager alike. Progress of any kind involves the abandonment of some old ideas, not only among managers and landowners, but also among the people themselves. For this reason the Bank is watching with great interest the course of the Community Development Programme.

Much has been learned from the experience of the past few years, both by the Bank and by India. Given a continuation of the political stability which has been a feature of the Indian scene since the war, and of the approach which the Government of India has made toward solving the economic problems which face it, there is ample ground for hope that the objectives of the Five-year Plan will be achieved. The Bank shares India's desire to accelerate her economic development, and will continue to support the Plan in all ways that appear sound and practicable.—*All Rights Reserved.*



SYNTHESIS OF RURAL AND URBAN LIFE

DEVELOPMENT OF ELECTRIC POWER CAN ACHIEVE IT

By Sir S. V. Ramamurthy

I.C.S. (Retd.)

INDIA, like the rest of Asia, has long developed a predominantly rural civilisation. Eighty per cent. of the people of India live in villages. In Europe, with the Industrial Revolution, there was a growth of urban civilisation, without losing the old quality of rural areas. In America, civilisation is being developed predominantly as an urban one, with the result that some 80 per cent. of the people of the United States live in cities. The tendency of the modern world, under the impetus of science and mass production, is towards the rise of the urban way of life, replacing the rural way.

Primarily, rural life has agriculture for its basis, while urban life grows around industry. The quality of rural life is set by man's dependence on nature, while the quality of urban life is set by man's conquest of nature. In rural life, the objective of a man is to attain self-sufficiency in growing and making things that he needs for his life, while in urban life the object is commercialism, under which man produces more than he needs and by selling the surplus he gets the rest of the things that he needs. In rural life, the strength of family life continues, whereas, in urban life, individualism tends to replace the strength of family ties. Being in closer contact with nature, rural life continues its attitude of faith in religion, whereas, in urban life, more and more rationalism, bounded by the facts and hypotheses of science, tends to govern man's attitude towards the world. The pace of rural life continues to be slow, unlike that of urban life which seeks more and more of motion. There is a greater integrity in rural life, where art is woven with business, whereas, in urban life, art and the business of life are kept apart.

Not only in time but also in space the quality of rural life differs from that of urban life. Rural groupings are small. Urban groupings tend to be large. Roughly speaking, a population of 500 living together in a place may be regarded as a hamlet. A population of 5,000 may be regarded as a village. A population of 5,000 to 20,000 may be treated as a modern town. Beyond 20,000, municipal life gathers momentum and at a stage of a couple of lakhs of population the large city life is evolved. It is surprising how all these changes of quality from hamlet to village, village to small town, small town to big town are paralleled by a change of quantity. There is a well-known principle in philosophy that quantity is incipient quality. If a man has a few rupees in his hand he is poor, but, as the number of rupees with him rises to a hundred, thousand, ten thousand, he becomes rich. As this again grows to 50,000, a lakh, a million, he becomes a millionaire. If, therefore, we feel the need to change the quality of any given continuum of life, one might study the quantitative basis of existing continua and by striking a middle quantity attain a middle quality.

In India, we feel that 80 per cent. of rural life, with its corresponding emphasis on agriculture, is too heavy a factor for enabling the life of the country to grow apace in modern times. While 20 per cent. of village life is too small, 80 per cent. of urban life as in America is too large. There are no doubt advantages attached to each way of life. I was once talking to a leading journalist in Italy and, when he spoke of the objectives of Italian nationalism, I felt that, if I substituted India for Italy in what he said, much that he said could apply to India. His main thesis was that Italy sought the development of rural civilisation, because it was much less liable to crisis than urban civilisation. While, however, a large rural civilisation has the advantage of security and stability, lack of growth of an urban way of life tends to deprive man of the growing advantages of modern science and industry. Some kind of a balance between the rural and urban, between agriculture and industry, between dominance of nature and of man, between security and progress, between self-sufficiency and a large economic life has got to be struck. It is hardly possible to change the quality of rural life at its own end or that of urban life at its end. A synthesis of these two must be found in some middle region which can act as a buffer between the rural and the urban.

We often hear of the cry, "Back to the land." People have moved from villages to towns, because of the lack of amenities which modern life makes possible and desirable. People in a village lack decent roads, a pure water-supply and shops to get modern necessaries. One feels cut off from the various events of world life by being in belated touch with newspapers, with rare possibilities of hearing the radio or seeing the cinema. When people in towns feel the need of a more secure life than the vissicitudes of urban civilisation make possible or when the nation feels that intelligence and energy are being drained out of villages to the towns to the detriment of village life which is the major part of Indian life, the cry of "Back to the village" rises. I have known several people who tried to do this but rarely they stayed on in the village. They found life too uncomfortable, they found the minimum necessaries of life to which they have become accustomed missing. They feel also the ideology of village life to be something which they have overcome. The course of urban life makes them unfit for strong family ties, unfit for the daily religious life centering around the temple in a village, unfit to look on life as something desirably self-sufficient. We are thus left with the dilemma of a rural life, which is unsatisfying in some ways but necessary to national life and of an urban life the growth of which is necessary but which does not give a satisfying life to the many that may crowd there from villages.

The remedy to this seems to me to be the development of a type of life which combines both the rural and urban qualities of life. On the theory that quantity develops quality, could we not maintain a predominantly agricultural life with a population of, say, 20,000 people, spread over a number of villages which are linked together by a common centre from which modern amenities could flow back to the villages? Twenty thousand people live together in what is called a town where we have a high school, a hospital, shops, cinemas and other amenities of modern life. Such an arrangement has been possible, because, though the number of people there is large, the area in which they live is small. With the means of communication and transport that have been in the past available, it was not easy to have group life for the 20,000 people when they were spread over a comparatively large area. But modern science, both mechanical and electrical, has made it possible for 20,000 people spread over a largish area yet to live a sufficiently compact life.

We have witnessed a somewhat similar phenomenon in the continent of India being knit together politically into a country by the British rulers who introduced modern transport and communications in India. When, in the old days, it took long to send an order from Delhi to Madras and therefore it was difficult to realise a common administration for India, the position changed when railway trains, telegraph and aeroplanes brought distances such as between Delhi and Madras to small proportions. It is an advantage to India that it should become politically one Union instead of a bundle of many States. So also it would be an advantage for a population of 20,000 people not being spread in so many villages but forming one compact administrative entity where people could on the one hand attend to their accustomed occupations yet live together in newer relationships. To an area that develops such a type of life, the word "rurban" can be applied. It is a synthesis of rural and urban. The quality of "rurban" life is the synthesis of the quality of rural life and of urban life. Agriculture can be combined with cottage and small-scale industries. This is particularly possible by the use of electrical power which permits democratic decentralisation. One reason for urban life in Europe developing with a concentration of large populations was that power for large industry was only supplied through coal and oil and the development of such power required a concentration of work and workers. The use of electricity, on the other hand, permits mass production in a decentralised form. The use of large-scale industrialisation in Europe led Indian thinkers for a time to object to the use of power, but it is being recognised that the use of electricity is as attuned to rural life as it can be to urban life.

With the first production of electricity in India, the tendency has been to use it for large-scale industry. When power was generated, the question was asked where was the load for it, because it was felt that power could be used only in large-scale factories, as was the case with coal and oil power. But now the feeling is growing that the use of electric power is socially more advantageous when it is adjusted to the use of a large number of small users rather than the use of a small number of large users. It is no longer necessary for the development of modern industry with the use of electrical power to have large concentration of population or, in other words, large towns for the purpose of industry. One could have smaller groups of population better educated than in small villages, but carrying together intelligent and skilful processes with the aid of electricity, without requiring the growth of large towns. A "rurban" way of life, therefore, can be sustained and stimulated by the use of electrical power just as the urban way of life was sustained and stimulated by the use of large mechanical power.

In a country like India, where the balance between the rural and the urban is lopsided, we need to reduce the preponderance of rural life. My own feeling is that 60 per cent. of rural life, 25 per cent. of "rurban" life and 15 per cent. of urban life would make for a good balance in the structure of Indian economic life. The "rurban" way as a middle way, bringing together rural life, on the one hand, and urban life, on the other, makes for a synthesis of the rural and the urban.—*All Rights Reserved.*



THE UNEMPLOYMENT PROBLEM

NECESSITY FOR A LONG-TERM SOLUTION

By A. D. Gorwala

AN understanding of the occupational structure of India is the beginning for any consideration of the problem of unemployment. How are Indians mainly employed? Employment falls into two broad classes, employers and independent workers being one and employees the other. Agriculture dominates the employment field. In it self-employment is of great importance. So, too, self-employment is very significant in small industry, trade and transport, and service activities including professions. The large bulk of the employees are to be found in the public force and administration, education, health and sanitary activities, railway and other public transport, large industry and mining, small industry and trade, the professions and domestic service. For both these categories, unemployment can be overt or disguised. Disguised unemployment is often termed underemployment.

The measurement of the dimensions of unemployment, overt and disguised, is difficult in the extreme. Taking even the urban sector, there is great lack of information. Proper unemployment data, as found in many other countries, are not available even in organised manufacture and mining. There is always a large peripheral labour force which makes difficult any approach to exactness. Such a force, moreover, is peripheral from the points of view of both occupation and location, for its members are liable to change both, making the keeping of proper statistics even with the best of will a problem in guessing. Total employment is known for some categories such as factories, industries and mines, and Government services, inclusive of railways and other State transport. Any conclusions that may be drawn from these total figures are, however, vitiated by the difficulty of defining the labour force affected. Employment Exchange data may be of some use as an index of general urban employment, but it gives no overall measurement of unemployment. Nor is the census data, available for some States only, of particular help from the all-India point of view.

Some Sample Surveys

Turning to some samples which specific surveys have made available, we find in the Gokhale Institute Urban Socio-Economic Surveys that, in 1936-37 in Poona, the proportion of unemployment was 3 per cent. of the total occupied and 5-6 per cent. of the employed. The Sholapur Survey of 1939-40 held by the same Institute showed 1 per cent. and the Kolhapur Survey of 1944 also showed 1 per cent. The passage of time and the increase of employment during the war accounted, perhaps, for the reduction in unemployment. An interesting feature of these surveys was that the percentage of unemployed among the literate in all languages was the same as that among those literate in English. From these surveys, it appeared that the main categories affected were the depressed classes, some artisan groups and the advanced classes, broadly in that order. While urban employment is usually on a weekly or monthly salary basis, in rural employment, only a small percentage is annual and the rest mostly on a daily basis, making unemployment more difficult to measure.

About rural employment, in fact, there is even less information available than about urban. Although there have been agricultural labour enquiries and pilot village surveys, the data generally given is in terms of overall annual days of work. This comes to between 150 and 200 per annum. There has also been an ambitious attempt by the Bombay Bureau of Statistics to measure both unemployment and the discontinuous employment from which cultivators suffer largely. The difficulty here often arises from the need to distinguish between reportable unemployment and idling or doing trifling work. What, for instance, are to be the criteria? When does the agriculturist report that he is actually unemployed? The Bureau data is classified in terms of persons and seems to indicate that the amount of unemployment, as distinguished from underemployment or discontinuous employment, is small even among agricultural labourers. Other data compiled by the Poona Section of the National Sample Survey in 1950-51, which is classified in terms of man-day employment, shows broadly a larger degree of unemployment in certain regions, especially in the South, for instance, 6 per cent. among non-cultivating adult males.

The comparatively low figures in all these surveys indicate the difficulty of properly measuring unemployment in rural areas. And this is understandable, for the status of the persons considered does not remain static throughout the time. Transfers within the various categories continuously take place. Agricultural labourers or rural artisans revert to the status of self-employed. Even landowners, with reasonably sized holdings, are often in receipt of cash wages. Considering both the urban and rural sectors, it has to be admitted that the measurement of unemployment is, in the Indian situation, not easy.

Two propositions can be safely made. Chronic unemployment is almost non-existent in the rural sector, though there is a great deal of disguised unemployment resulting in considerable hardship. Because of the influx and efflux of the labour force, it is extremely difficult to identify a hard core of permanent unemployed in the urban sector.

Types of Unemployment

The situations regarding unemployment that arise in more developed countries can be isolated into distinct types. There is the seasonal unemployment, which is normal and to be found in almost any year for certain trades, professions, etc. There is the structural unemployment often associated with technological advances. Changes in the structure of economic society bring about unemployment. There is the cyclical unemployment which owes its origin to industrial fluctuations and trade cycles.

The Indian situation has certainly a chronic element of technological unemployment in it. This is so especially in relation to small industries. The situation would also seem to have been detrimentally affected for some months at least by cyclical factors, though these seem to be losing their strength recently. In the main, however, the Indian situation does not fall into the usual patterns. The effects of an economy with inadequate resources, lacking a proper relationship between the factors necessary for the employment of modern technique, are aggravated by a constantly growing population. This, considered in conjunction with the occupation distribution, explains how unemployment pressures in large backward structures are compatible with full employment in organised industry and how, therefore, even organised industry working at full capacity is no guarantee of the absence of unemployment in other parts of the economic fabric.

Principal Remedies

The Indian problem is, in fact, connected with the total character of the economy. It must necessarily be considered as such. The placing of emphasis on the educated unemployed, natural as it is, in view of the vocal character and political possibilities of that class, is likely to be misleading. The greatest sufferers from the present situation would seem to be landless agricultural and non-agricultural rural labourers, casual urban labourers, workers in rural and urban small industries and wage-artisans. In all these categories, the lower socio-economic grades suffer the most. In social terms, these are, broadly speaking, the depressed classes, the aborigines and the lower artisan categories. This does not mean, of course, that there is no suffering among other classes. It is all a question of proportion and degree.

The principal remedies by which other countries attempt to meet the ravages of unemployment are extensive price support of agricultural commodities and large public expenditure. With the aid of these, they aim at providing stable incomes thus leading to full employment. Now these devices have a very limited application in Indian conditions.

Full employment in terms of the total use of the industrial capacity available can be comparatively easily attained here. But since that capacity is itself extremely limited in terms of real employment needs, that is not likely to make any substantial impression on the unemployment problem. Again, as the agricultural sector occupies a very large place in national production, price support can also have very limited application. All that would seem to be possible by price support is some correction of the terms of trade between the agricultural and non-agricultural sectors and the maintenance of the correction over a period of time. The natural correction of the terms of trade of the 'thirties that followed from the shortage of agricultural commodities during the early war years was later maintained by measures of price-support such as Government buying and price control of agricultural and non-agricultural commodities. As regards public expenditure, because of the narrow margin of full capacity employment, too greatly increased public expenditure generates quickly inflationary forces, leading on to further hardship even for the employed. A consideration of this problem of provision of employment in terms of the familiar short-run equilibrium is then not likely to be fruitful. In fact, as the normal working of our economy does not give the investment quantum required by our technical backwardness and increasing population, this method of dealing with it will not be successful.

Educated Unemployed

Obviously some other more fundamental requirement has to be met. That is to be found in man acting on what employs labour or affords employment, namely, national resources and capital. With modern technology, the importance of capital increases considerably, while the Indian capital saving performance is by no means satisfactory, since consumption leaves but little for investment. The educated unemployed are in a very special sense the product of this failure of capital to meet real needs, for they can only find employment as adjuncts to the activities engendered by the use of capital. As units by themselves, their use is extremely limited indeed. Public action, then, if it has to have any effect on employment, must have a double aim, short-run and long-run, it being remembered all the time that the short-run does not automatically lead to proper long-run results. The aims must be, while maintaining full employment and stable income, to increase substantially the rate of appropriate investment.

The Implications

The implications of this for public policy are many. They relate to Government expenditure, regulation, control and direction, both of investment and of consumption and to settling the area of the public sector. Given the aims, a *laissez faire* solution, is evidently out of question. The consumption-saving dilemma must be faced. The general consumption must be cut down and yet the consumption of the poorer classes must be maintained at a minimum. Private profits must be kept down and yet the product must be increased by proper investment.

The importance of broadening basic production must be realised. Initial investment must lead to the larger base on which further industrialisation can follow. It must not so far as possible impinge on present spheres of production employing large personnel and low technique. That development can follow later, a programme of transition being properly worked out. All these results are, to say the least, unlikely, if a large private sector operating on *laissez faire* principles continues. Only by rationalising consumption and foreign trade, directing investment where it is wanted, deciding upon the proper allocation between the production of consumer goods and producer goods can that increase in the national product be brought about, which will enable the further investment that will increase employment sufficiently.

Long-term Plan

The plan obviously must be a long-term design. It has to be remembered that such a plan can only be worked if there are a certain minimum of social security measures in the form of public health amenities, poor relief, etc. The situation of the least privileged must be ameliorated to a certain extent, while they are being called upon to bear the discipline and sacrifices that go with such a plan. In this connection, the experience of famine works is very relevant. A policy of properly worked famine relief often results in a better consumption level for the poorest classes during a famine, because of the provision of regular work, some amenities and the distribution of food at a fixed price. The results of a rightly directed famine policy can, on the other hand, be a large series of public works, meaning increased capital and lack of discontent.

One further prerequisite for a sensible solution of the unemployment problem is a proper campaign of population control. In the conditions of this country, with its existing natural resources, unrestricted growth of population must, despite even the most vigorous efforts, lead to a lowering of the standard of living and a glut upon the labour market of educated or uneducated alike. Not the least important factor, then, in a proper employment policy must be full consciousness of the need for holding the population.—*All Rights Reserved.*

People of European origin increased more than twice as fast as non-Europeans between 1650 and 1950, growing from about 100 million to 800 million, while the non-European population in the world grew only from 445 million to 1,600 million, say the authors of a new report brought out by the Twentieth Century Fund.

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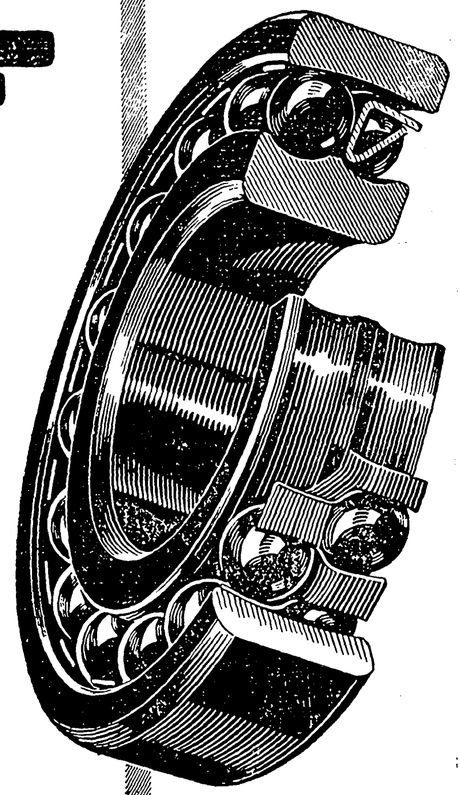

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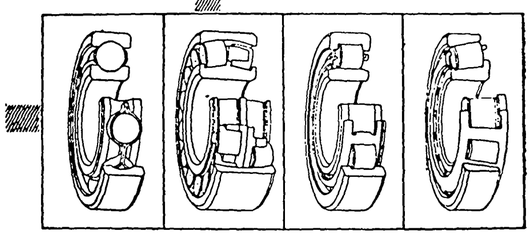

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COMMUNITY DEVELOPMENT PROJECTS

FAMILY PLANNING NEGLECTED

THE target of any national reform in our country must be evolve ultimately—not revolutionise overnight even were it possible—a casteless, secular, welfare State in reality (and not on paper or in the Constitution as we have it to-day), free from all traditional uneconomic, fear-fostering and inertia-breeding fetters. A major step towards this goal is to raise the level of living of the backbone of our population—the rural millions who lead a parody of life in the countryside. This means not only the reconstruction of the rural scene, but also rehabilitation of the rural man. Efforts at rural reconstruction in the general sense date from a pre-Gandhian era and are now more than half a century old, but, judging from the present situation, there seems to have been no improvement deserving the term "progress." What then is the difficulty?

The difficulties have been many, but the major ones seem to me the segmental or the isolated approach (whether it is official or voluntary), lack of the will to better themselves on the part of the people involving a kind of fatalistic approach and, finally, the inordinate (in relation to the available economic and other resources) growth of population in the country as a whole. Now that the National Extension Service and the Community Development Projects, set up by the Planning Commission with the co-operation and the financial and technical aid of the Ford Foundation, have completed a year of their labours, their approach and its adequacy may be briefly examined in the light of the triple major obstacles to rural reconstruction mentioned earlier.

Chief Aims

What is a Community Development Project? The Community Development Project aims to bring about an all-round development of the human and material resources of rural India. The term is new, but the concept is really old. First, it is not a sectional or a segmental approach. It is a multi-pronged attack, developing the various inextricably interdependent sectors of the rural economy. It is now realised that all the rural interests are intimately related and that no lasting results can be achieved if individual aspects are dealt with in isolation. Secondly, though it is a an official programme, it is not something to be thrust down upon the villages by the Government servants at the top in their superior wisdom of what is good for the countryside. Here again, fortunately, the approach has been a correct one, in the sense that these Projects have tried, and often successfully, to awaken the interest and active support of the villagers themselves. Once our villagers are convinced of the desirability and the profitability of the new integrated approach in raising their standard of living, their spontaneous initiative and drive can be effectively channelled toward this effort.

But the third criterion of population control, advanced earlier as a major difficulty, has not been touched at all. The reason for this unfortunate omission seems to be that neither the Government of India nor the Ford Foundation appears to be eager to touch the explosive population question in the villages. Even those obscurantists, who subscribe to the theory of "The more the merrier" in our present economic context, must concede that one of the biggest obstacles in the path of our national development—rural and urban—continues to be our high birth rate, something in the order of 40 per 1,000, which is among the highest fertility rates registered in the world.

The simultaneous and integrated development of all the rural sectors and the resulting cumulative effect in a few years is bound to be impressive, if nothing untoward happens to the Projects. More irrigation, better seeds, better-bred cows and bulls, scientific ploughs, compost, double cropping, diffusion of some elementary knowledge of scientific agriculture, subsidiary occupation to the under-employed farmers in the cottage industries, all these are bound to give us more food and more money. There is no doubt about the utter desirability or the ultimate effectiveness of these simple and yet revolutionary reforms. Besides these, we are building more rural roads which will ease transportation problems resulting in easier marketing, and provide good drinking water all

By Dr. S. Chandrasekhar

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the year round which will lead to drastic reduction in the rate of rural morbidity. The Development Projects are also improving public sanitation and hygiene, involving a more rational disposal of garbage and night soil. These will effect a reduction in our overall death rate. Then there are new schools springing up in these areas built with the villagers' voluntary labour and these schools are bound to open up, at least a little, the big, wide world beyond the horizon of the village. Apart from the traditional three R's, the schools and the Adult Social Education centres that accompany them will lead to some welcome discontent with the traditional way of life and the existing pattern of accepted respectabilities. They may, in course of time, awaken the latent spirit of adventure among the villagers and the present poverty may not be accepted any more as a part of the divinely ordained scheme of things. This will result in an insistent desire for a better and a higher standard of living, demanding more of the things they have to-day and some of the good things they never had before. When this social change comes about, it will be all for the good, for we are hoping and working for some similar change in the minds of our rural people.

Population Control

What will be the final effect of all these reforms? The effect, of course, will not be quick or immediate, but it is part of "planning" that we look ahead, far ahead if necessary. Our villages will have better health, suffer perhaps from fewer diseases, if at all (!), marry early, live long and have more children—children who will not die in numbers before they reach their first birthday as they do to-day, because of more milk, better food, more sanitation and some modicum of medical care and wonder drugs. The rural population will increase. But then, we shall also have more food, thanks to better agriculture, self-help and the co-operative atmosphere in the village. All this is very well—but more people and more food will simply mean the same old standard of living, made perhaps a little worse by the fact that there will be fewer deaths among the adults and the children. Then, the vicious circle will begin all over again. This may be too pessimistic a forecast and this may happen only in the very distant future. Possible. But the pattern is clear and we must try to plan now to avoid this picture of the future.

Before it is too late, therefore, it is to be hoped that the Village Level Worker and the numerous voluntary social work agencies, not to speak of the Government agencies, will be encouraged to preach, to our rural mothers particularly, that there is no need to marry early or to multiply fast and that there is something called planned parenthood. There is nothing in our religious or rural mores to interfere with this supposedly new doctrine of planned parenthood. If the Village Level Worker can only tell the people that it is patriotic to have only three children, it is quite possible that our villagers might respond sooner than we imagine and this gospel of three children per couple might solve the unhappy problem of improvident maternity.

Increased production must be accompanied by a decreased number of mouths to be fed if the per capita share of everything is to increase. In our present situation, there is no other way for a higher standard of living. Had the question of population control been included in the programme in the 55 Project Areas launched on 2nd October, 1952, now, a year later, some results might have been registered. Even if the result were not one of less people sharing increased production, it could at least have been in the direction of discussion and thought on this question in our villages. The problem of our poverty is of such an incredible dimension that we should attack it from all possible angles without inhibition or irrationality. It is exactly because the Community Project is a many-sided approach that this aspect of inculcating the small family habit cannot be ignored. It is true that the desire for a small family implies an understanding of and advancement in certain other sectors of rural material and cultural life, but the Projects have launched schemes to improve these very sectors that impinge on the desire for a small family. It is realised that social change is not an overnight process. It does take time and it is normally the result of a silent social revolution in which the mental outlook of millions is transformed to aspire for higher and better goals in life. But I believe that some effort should be directed towards this aspect to change the climate of public opinion in our villages on this question.

Multi-purpose Agent

Let it not be said that the Village Level Worker of the Community Project areas is not an expert on contraceptives and that he cannot do everything. The Village Worker is really a multi-purpose agent. He must be both a "specialist" on every rural topic and a Jack-of-all-village-trades. His concern and interest must embrace the entire gamut of the rural scene. If he is sympathetic to the needs and aspirations of the villagers, he must also be alive to the limitations of the resources at his disposal. He must be able to balance the legitimate needs and the available resources and see whether both could be increased and met. An easy way is to increase production and decrease the number of mouths to be fed.

Apart from this criticism of the approach towards rural problems, the actual set-up of the Community Development Projects leaves little to be desired. The development programmes fall into two separate but interrelated parts. The first is supervised by the Community Projects Administration, with substantial financial assistance from the Indo-American Technical Co-operation Fund. The Projects planned for under this part of the programme consist of three types: (1) the "basic" community development project, (2) the "composite" development project and (3) the training centre for instructing the Village Level Workers.

In the "basic" community development projects, major emphasis is laid upon increasing agricultural production, with some efforts at improving public health, village roads and schools. Each Project area roughly covers an area of about 300 villages with a population of 200,000, about 500 square miles in area with some 150,000 acres of cultivated land. The Project area consists of three development blocks, each block covering about a hundred villages. The cost of "basic" development projects has been estimated by the Planning Commission at Rs. 6.5 million over a period of three years, of which Rs. 0.65 million will be foreign assistance. In the "composite" development projects and blocks the primary emphasis will be on the development of small industries and rural crafts. The "industrialisation" of the villages will be after the pattern developed in Nilokheri and Faridabad rehabilitation colonies.

The total cost of this part of the Community Projects Programme during the next three years will be roughly Rs. 380 million. The United States Government are providing Rs. 50 million in dollars under the Indo-U.S. Technical Co-operation Agreement entered into in 1952.

The Training Centres, which form the Rural Extension Service to the programme, are located in community development projects or blocks so as to facilitate the training of student village workers. The cost of these Training Centres is also covered by the financial assistance given by the Ford Foundation. Each of the Training Centres provides facilities for the training of fifty village workers at a time. The overall work undertaken in all the three types of Community Projects are distributed in the country as shown in the table at the foot of this page.

The Community Projects Administration have completed a year since the inauguration of the Programme in October, 1952. The first-year anniversary is marked by the publication by the Administration of a journal called *Kurukshetra* reminding us of a great war fought in an earlier and great epoch of Indian history. The present *Kurukshetra* against poverty and all its attendant evils as recorded in the journal makes impressive reading. If this *tempo* and quality of progress registered in the first year are kept up in the subsequent years, we are bound to witness substantial development in our villages in the years immediately ahead. Talking of these Community Development Projects, Mr. Nehru, India's Prime Minister, recently observed:

"All over India, we have centres of human activity which are like lamps spreading their light more and more in the surrounding darkness. This light has to grow till it covers the land. Among these centres, there is Nilokheri which has achieved a great deal of fame in India and outside. That brings a great responsibility on Nilokheri and other like centres. They are the examples for others to follow and they must keep up high standards, because it is quality that will tell in the end, not quantity."

This message from Mr. Nehru brings us to our main criticism, that we cannot have both quantity and quality; we can have quality only at the expense of quantity.—*All Rights Reserved.*

States	Indo-U.S. Technical Co-operation Fund		Joint Auspices	Ford Foundation and Food Ministry	
	Community Projects	Blocks	Training Centres	Development Projects	Training-cum-Development Projects
Part A	32	16	16	3	4
Part B	11	2	6	4	1
Part C	2	8	3	3	..
Total ..	45	26	25	10	5

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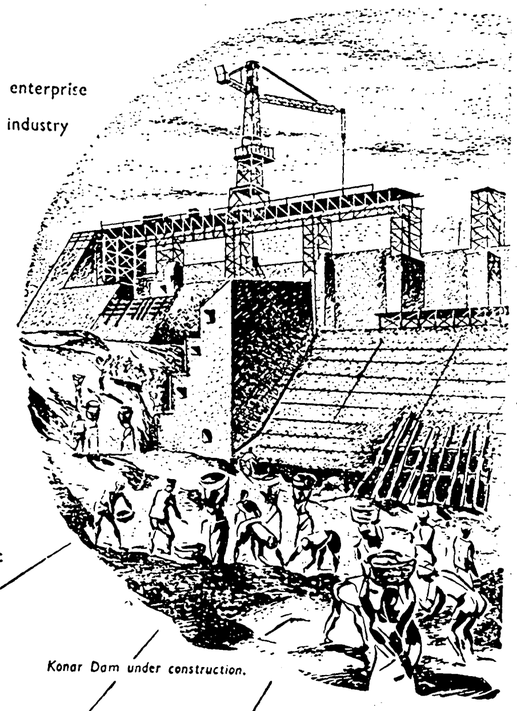

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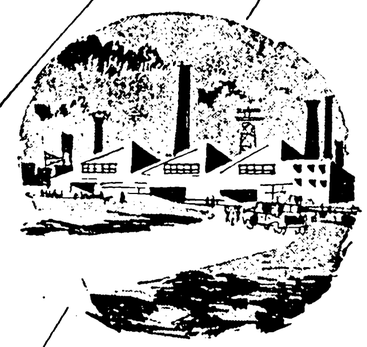

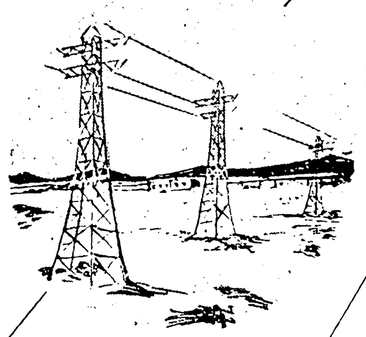

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EFFECT OF POPULATION TRENDS ON ECONOMIC DEVELOPMENT

BETTER TO RELY ON LOCAL CAPITAL GENERATION

THE subject matter of this article is one which seems to have received insufficient attention in our consideration of the whole field of economic development; that is to say, the effect on economic development of the wide forces at work in the world to-day on the population of our planet. Let us first examine what we mean by economic development. Is it not fair to say that the modern meaning of this term so widely used to-day is the process of expanding the availability of the necessary things of life for consumption by the widest possible segment of the population? To attain this increase in the availability of food, clothing, shelter, means of transportation and the like, we must also produce more raw materials and capital goods, for these are essential to a continuation of the process of expansion of production of items for consumption. We must also increase the availability of the services upon which we increasingly depend, such as for communications, as well as facilities for wider education and a greater dissemination of the cultural and religious values of life. It is a complex market basket, but I think it has built into it the notion that, as the generations succeed each other, the individual himself should be able to look forward on a per capita basis to a fuller and fuller market basket. As the economists would say, this is the concept of the increasing standard of living per capita.

Those last two words are of enormous importance, for they set up a mathematical relationship. The available supplies of goods and services, increasing as they may be, must continually be divided by the number of people which must share in them, also increasing as they are. If the standard of living per capita is to grow, the divisor must grow less rapidly than the numerator. Our increase in available goods and services must be at a faster rate than the people who must partake of them. This is all rather elementary and you have heard it stated many times. The very statement of the case, however, generates widespread differences of opinion as to the forces at work in the rate of increase of both goods and people. I propose briefly to analyse some of these views, particularly with reference to the conditions so prevalent in the Far East.

Pools of Population

Generally speaking, the pools of world population are divided into three somewhat distinct classes. There are in the world to-day:

First, the old primarily agrarian countries, little industrialised, but supporting at a distressingly low subsistence level very large populations exhibiting the age-old pattern of very high death rates and correspondingly high birth rates. The average level of living in these areas is, of course, very low, because the divisor of the equation is very large.

Secondly, there are those countries which have gone far in the direction of a new pattern of population stabilisation, with low death rates, a greatly increased span of life, and low birth rate. This pattern is typical of the Western European countries and North America. Industrialisation is usually far advanced, although the agricultural production of many of these countries is still substantial. In many of these countries, both the birth and the death rates have steadily declined for many years, albeit with a significant lag in the decline of the birth rate.

Finally, there are those countries which are in the position of transition from the first category to the second. Some of these countries are already heavily populated. Other nations have the good fortune of possessing still large unpopulated areas of potential production, such as Brazil, Australia, and parts of Africa. In general, we see in this category fairly rapidly falling death rates, but birth rates with a marked tendency to remain high and to decline, if at all, rather slowly.

Most of the countries of the Far East, with the notable exception of Japan, fall into either the first or the third of these categories. These are the explosive areas from a demographic point of view, for their populations are frequently increasing at two or three times the rate for the world as a whole.

In studying economic development in such countries, one is confronted with a number of basic realities which necessarily heavily influence the planning for such development. The more important of these are:

By Samuel W. Anderson

Assistant Secretary, United States Department of Commerce

1. Very low overall level of living, high rate of consumption in relation to earnings, and, in consequence, very low capital generation, because of lack of savings;

2. a great lack of modern agricultural and industrial production techniques as known in the Western world, except in the newer industrial sectors of the economy;

3. relatively poor and expensive transportation facilities so necessary for the internal movement of goods in large volume;

4. non-existence or complete inadequacy of anything approaching modern sanitary conditions or healthy environment.

Certainly, one of the most universal reactions of the Western mind to the social and economic conditions in the countries, with which we are now dealing, is an intense and entirely creditable desire to improve the physical lot of the masses of people living on a low level of nutrition and with inadequate treatment for their many ills. Agency after agency and foundation after foundation have come to grips with this problem in wide areas of the Far East, as elsewhere in the world. Readers know better than I the history of these efforts for the improvement of public health in the Far East. But in recent years, something new has been added. We have discovered new and miraculous drugs and chemicals, the application of which on a wide scale at comparatively minor cost has a spectacular effect upon the health of the population. Let me give a few startling examples.

Ceylon

In only one year, Ceylon's death rate fell from 20.3 per thousand in 1946 to 14.3 in 1947, as a result of an anti-malarial campaign based mainly on residual spraying with D.D.T. at a cost of 15 cents per capita. The birth rate remained high, at about 40. As a result, Ceylon's annual rate of growth increased about 50 per cent. (from 14.5 to 25.1 per thousand). In 1950, the population of Ceylon was about 7.6 million—a density of over 300 persons per square mile and only half an arable acre per person. Even now, Ceylon imports food, and her problems will increase, because at the current rate of growth, her population will double in only 25 years.

In the largest single public health programme in the world, the U.S. Technical Co-operation Administration sprayed some 1,200 tons of D.D.T. in 9,000 Iranian villages to kill malarial mosquitoes. As a result, according to Dr. Palmquist, the incidence of malaria was reduced at once from about 90 per cent. of the population to 19 per cent. Picture for yourself the decline in the death rates in those 9,000 villages and the resulting increase in their populations which lies ahead.

Position in India

Before World War I, what was then British India and the Indian States was a typical example of the first category. According to Kingsley Davis, in his monumental work on the population of India and Pakistan, the average annual death rate in the decade of 1911 to 1921, was 48.6 per thousand, the highest on record, largely due to the severe epidemics of 1918. The death rate started a decline after 1920, which brought it to about 35 per thousand in the thirties, where it remained, with variations, until the end of the Second World War. There is some evidence that there have been appreciable declines in some areas in recent years. In the meantime, birth rates remained relatively unchanging at a plateau of around 43 in the two decades from 1920 to 1940. There is some suggestion that there may have been slight declines in recent years, but, if so, they are far less than the decline in the death rates.

India's 1.2 per cent. annual rate of population growth at present is not nearly as high as in many other lands. But the very massiveness of her population of about 360 million, the divisor in our equation, poses a great problem in economic development. At present rates, about 50 to 55 million additional consumers, a population considerably greater than Great Britain, must be cared for each decade.

If, as a result of improved public health measures, coupled with an increased level of consumption contemplated by the Five-year Plan, India's death rate drops substantially in the future, the population increase would, of course, be correspondingly enlarged in the absence of a severe decline in the birth rate.

Food Problem

To illustrate the problem, let us look at India's foodgrains problem. Twenty years ago, the per capita consumption was 370 pounds. By 1950-51, this had declined to 315 pounds. To hold it at that level for the estimated population of 378 million in 1956, an additional 7.2 million tons of grain must be available. To make a start back in the battle for an improved diet, more millions of tons must be provided. Bear in mind that the present caloric intake of India is about 1,660 daily, as compared with 3,150 in the United States. In the words of the National Planning Commission:

"The food problem has existed for about two decades. The separation of Burma reduced internal supplies of foodgrains by 1.3 million tons, the Partition in 1947 by a further .77 million tons. The lesson of the Bengal famine and, even more, of recent events, is that India's food problem is not a temporary disequilibrium between supply and demand; it is a manifestation of the continually growing pressure of population on food supply. It has, therefore, to be resolved, not through short-term expedients, but through careful and sustained application of relatively long-term measures.

"The shortage of food and raw materials is at present the weakest point in the country's economy. Measures to increase agricultural production have, therefore, been assigned the central place in the Five-year Plan. As each year passes, the growth of population makes more difficult the task of producing enough to meet the country's needs."

So far, using India as an illustration, I have sought to show that the bete noire of economic development is the growth in numbers—a tide against which all efforts for economic development must swim. Success for the economic development swimmer will depend on the strength of the tide against which he must swim; the strength of the swimmer—that is, are his muscles strong enough and his reserve resources able to sustain his efforts; and finally, how long will his swim have to last—when will the tide slacken or cease?

Again, let us take India as an example. We can say that comparatively, the Indian tide is not great at present, as compared, let us say, with Mexico's 3 per cent. per year increase.

What of her power to stem the tide? To stay even, she must add, in the field of food, 700,000 tons of grain each year. The Planning Commission has established goals calling for increases, in the five years ending 1955-56, of 8.9 million tons of foodgrains, 19.7 million acres of irrigated land, 1.2 million kw. of installed generating capacity, and so forth, over a wide range of items.

The Plan is an operating reality calling for capital expenditures over the five years of about $4.3 billion, of which about $1.2 billion have already been raised and spent by India. This figure includes about $400 million obtained from loans from the International Bank, and grants and technical assistance from the United Nations, the Colombo Plan and from the United States.

Perhaps the most significant point, however, is the fact that India's total tax collections are only 7 per cent. of national income, as against figures several times that amount in many other countries. What is even more significant is the fact that capital generation in India to-day is only 5 per cent. of gross national product, as compared, for example, with 16 per cent. in Japan. The Plan contemplates that capital formation will rise gradually to 7 per cent. in 1956 and to 20 per cent. in 1968. The per capita income of $57 is projected to double by 1974.

Poor Yield

Departing from this approach, it is worth noting that yields per acre in India are about one-third of those in the United States and manpower per acre is roughly 8 times that in the United States.

Does this mean that the swimmer's resources will let him not only stem the tide but make progress against it? The Planning Commission says "yes" for the first five years, if it can find an estimated $700 million still not in sight. Whether this will be true of the second and third five-year plans is difficult to judge.

The cornucopia school of thought, for which Dr. Jose De Castro speaks, generally takes the position that the potential increase in the production of the land and its raw resources into food and necessary goods and services is fully equal to the demands of the compound interest curve of population growth. Those of us who are sceptical of this line of reasoning feel an awesome respect for the compound interest curve and we also try to do some simple calculating as to the capital needs. Bear in mind, please, that, at the present average rate of increase per year of 1 per cent., the world's population will double in 70 years. If this situation had existed heretofore, the present world's population of 2.4 billion would have been generated had Adam and Eve lived at the time of Julius Cæsar.

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ard of living, the necessary goods and services for one new person as a consumer. In the first category of countries with their excessive population, the figure would be much less, because of present primitive methods and low consumptive levels.

Large Capital Investment Needed

Suppose we were to say that, to stay even in his struggle, our swimmer must have a continuous supply of capital energy of about $300 for each new consumer, or about 1/15 of the United States figure. There is some support for this figure in a recent study of Pakistan. Then, in the case of India with her present annual population increase of almost 5,000,000, new capital of the magnitude of $1.5 billion would have to be generated each year, to stay even. The Planning Commission estimates that the 1950 capital generation in India, excluding outside assistance, was about 5 per cent. of national income, or approximately $900 million. If this is correct, it would appear that the capital resources available to our swimmer to hold his own with the present strength of the tide, may be even less than his needs, unless, as the Planning Commission suggests, a very considerable part of the projected increase in national income is saved in the form of new capital. Bear in mind, too, that, as success attends a county's efforts in industrialising and improving efficiency of agricultural production, the capital investment *per capita* tends to rise quite steeply. As standards of living rise above subsistence levels, consumption demands require larger relative capital investment. That is to say, the modest $300 figure might grow rapidly.

Since capital, as I have attempted to show, is one of the most essential elements, if not the very keystone of economic development, its generation, its use and its transfer has come in for an immense amount of discussion as part of the whole drive for development. There is a good deal of confusion about this matter. As we survey the world, we often find, for example, a great deal of confusion in the distinction between capital and credit. We must always keep in mind that true capital is only born out of the forgoing of consumption of consumer goods and services, so that a large share of production may be applied to the expansion of productive capacity. In many parts of the world, where the urge for development and industrialisation is particularly strong and where the monetary systems are not very well organised or managed, Governments and peoples have yielded to the temptation to use credit made available by unsound fiscal and monetary policies as a substitute for capital. This has invariably resulted in an inflationary spiral, the outstanding effect of which is an involuntary form of taxation falling most heavily upon the masses. Such conditions are the fertile seed beds for authoritarian regimes in which the power of the Government is constantly extended through a series of chain reaction controls. This leads so often to deteriorating living conditions which invite the desperate remedy of communism

Import of Foreign Capital

Another phase of this complicated matter is that there exist widespread misconceptions with respect to the importation of foreign capital for the purposes of supporting economic development, as distinguished from the internal generation of true capital by the savings of the people. Here, again, the problem depends upon a basic understanding of the functions of capital and of the monetary system. Imported foreign capital can take various forms. It can take the form of importation of capital goods for installation of facilities designed to raise the level of production. In many of these instances, the resulting increased production will relieve the host country of the necessity of spending foreign exchange for necessary imports, or, alternatively, will create a greater production of goods for export to earn foreign exchange. In these cases, certainly, the use of foreign capital is not inflationary and fulfils a constructive role. Such importation of capital can be legitimately in the form of long-term loans from such institutions as the International Bank and Export-Import Bank. If the investment climate is attractive, such imports of capital may be excellently suited for the private capital market attracted by the normal incentives of the free enterprise system. We, in the Government, hope that this latter flow of capital will increase and that the Governments of capital deficient countries of the world will see to it that fair and realistic rules are established to attract this type of sophisticated capital usually accompanied, as it is, by skilled know-how.

Where foreign capital is imported for conversion into local currency, destined to be spent on labour and local materials for projects or services such as roads or other worthwhile projects, there may be a tendency to initiate an inflationary trend, although this is not always the case. To the extent, for example, that such enlarged expenditures in local currency generate an increasing demand for imported consumers' goods, the importation of such capital in the form of foreign exchange sometimes has an anti-inflationary effect.

The Alternatives

In any case, where a capital-deficient country striving for development utilises foreign capital in the form of loans or in the form of private investment, such capital imports have an inevitable impact on the future demands for foreign exchange to render proper service on the loans or on the equity investments. These forces must be calculated with care, if the international credit standing of the country is not to be seriously impaired, an event which will have the effect of slowing down or stopping the inflow of both loan and equity capital. Thus, it is fair to say that the capacity of those countries, which have only recently embarked on programmes of economic development, to borrow or to attract foreign public or private capital is clearly limited by a ceiling which, I suspect, is far below the general needs of the nation for capital in the abstract. The inescapable conclusion from this is one of two alternatives—either the great demand for capital must be largely supplied by the savings of the people of the country itself, or foreign capital must be supplied on a grant-in-aid basis imposing no future claims for repayment of principal or interest.

It would be unrealistic to expect that grants-in-aid from the capital-exporting countries, such as the United States, can long continue or can be expected, in any case, to be of significant volume. We are all aware that neither the giver nor the receiver is genuinely happy with grants-in-aid. We must also bluntly face the fact that capital is inadequate everywhere. The differences between countries in this respect are only relative. The interest rate set in the market place is perhaps the only proof needed of this statement.

Capital Generation

Thus, we are inevitably thrown back, it seems to me, on the possibilities for capital generation in the economic developing countries. One may question my estimates of the amounts of capital needed in the process of economic development, but I think no one can doubt that the capital requirements are large. Granting this, it seems inevitable that these pools of capital must, somehow, mostly be generated locally. Experience with countries in transition suggests that difficult choices will have to be made and that considerable restraint and austerity will be necessary by virtue of the limitations on the ability to generate the necessary capital. Thus, reasonably careful selection of projects must be undertaken, and some measure of direction will be necessary. Indeed, I cannot see how that unpopular word "planning" can be completely avoided. I, for one, hope that the plans can be drawn with wisdom and that they will exert a minimum restraint on the operation of a free enterprise system.

Crucial Elements of Development

This analysis of the problem also suggests that one of the most constructive forms of activity which might be sponsored far more energetically by developing countries is a speeded-up effort to introduce into their economies some of the modern schemes for encouraging and mobilising local capital generation. I am referring to modern-type savings banks, life insurance companies, Government savings bond schemes and creation of an open capital market. In this connection, the United Nations Economic Commission for Asia and the Far East has been doing much useful work. To create such agencies and institutions is not an easy task. They must, of course, stand on a base of non-inflationary finance, but, when they are so anchored, they may prove to be crucial elements of development. In my judgment, they are far more important than is generally realised. Some rather spectacular examples of recent successes in this direction are visible around the world. In Brazil to-day, a genuine and very useful investment banking business is rapidly developing, utilising fully the know-how of the great capital nations. For the first time in its history, El Salvador marketed a $12½ million local bond issue to the public with the assistance of only one trained investment banker. There is much room for progress and improvement in the methods and management of such institutions as social security funds, housing co-operatives, savings banks and insurance companies.

Finally, let us look at the strength of the tide again and examine the possibility that it may abate. As I pointed out previously, the present 1.2 per cent. annual population increase in India is not large in itself. Those who have studied demography may quite properly say to me—yes, we recognise that a compound interest curve is very hard to keep up with, but experience shows that population curves finally turn out to be "S" curves in which the rate of increase gradually tapers off, because, after the period of steep rise caused by declines in the death rate, the birth rate also declines to a point more nearly in balance with the rate of death. Experience in general would support them. Fertility does tend to decline with a rising standard of living and greater urbanisation and industrialisation. But, and this is important, as far as we can tell now, the leveling off process is not likely to happen, or at any rate, will occur only very slowly, *unless* there is, during the period, a significant rise in the average real income *per capita*.

The Big Question

The big question is: Where, in the "S" curve is any country at any particular time? India is barely beginning the transition which Western countries have experienced in the past century. If that pattern is to be repeated, a period of very rapid growth is in prospect. During the century of transition, between 1850 and 1950, the population of the United States tripled. In Asia, even where the initial population is already quite dense, the same pattern seems to prevail. Since 1853, when Commodore Perry's visit initiated a revolution in Japan, the population has also mutiplied by about three. Japan is now approaching the level-off point, but is still at least a generation in the future and population seems destined to increase many more millions before that point is reached.

I think all will realise that most, if not all, of the Governments in the Far Eastern countries are becoming increasingly aware of the impact of potential population increases upon their plans for economic development. This is emphatically the case in India and, indeed, in Japan. In India particularly, the Government is moving vigorously forward in promoting research and programmes of action designed to provide increasingly effective answers to the possible run-away increase in its population, incident to the carrying out of plans of the National Planning Commission.

In closing this article, I would like to make one appeal. We are all interested in economic development, because it leads to improved living standards for our peoples. We are embarked on a wide horizon on programmes and efforts towards this goal. But let us have the wisdom to study and assess the deeper consequences of these plans and programmes.

WORLD BANK LOAN TO BRAZIL

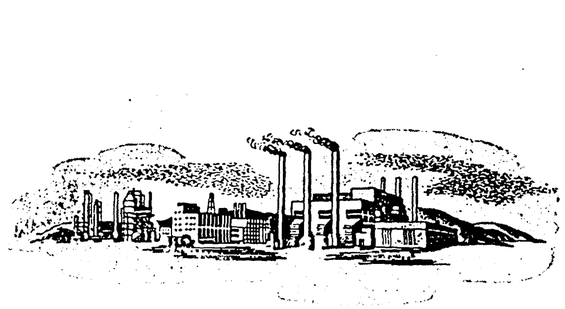
The International Bank for Reconstruction and Development granted two loans aggregating $22.5 million to Brazil on 18th December, 1953. The first is a loan of $12.5 million to the Government of Brazil. It will be used primarily to meet a part of the cost of importing passenger train units urgently required to maintain the suburban service of the Central do Brasil Railroad in Rio de Janeiro. The second is a loan of $10 million to the Usinas Electricas do Paranapanema S.A. (U.S.I.N.A.S.), a corporation owned almost entirely by the State of Sao Paulo. This loan is guaranteed by the Brazilian Government. It will be used to pay for imported equipment for the construction of a hydro-electric plant at Salto Grande on the Paranapanema River in the State of Sao Paulo and associated transmission and distribution facilities in the States of Sao Paulo and Parana. The power will serve the rapidly growing agricultural and urban centres, and will help electrify the Sorocabana Railroad, one of the State's important railways.

The railway loan of $12.5 million is the second that the Bank has made for an emergency programme to rehabilitate and improve the services of the Central do Brasil Railroad. This railroad connects Brazil's major industrial centres and a loan of $12.5 million was made in June, 1952 to cover the Central's immediate needs for freight cars and other equipment to increase the carrying capacity of the railroad. At that time, the Bank indicated that it would be prepared to consider an additional loan for the suburban service as soon as effective steps were taken to improve administration and operating conditions on the suburban lines. These steps have since been taken.

The total cost of the project will be equivalent to $34 million. Of this, $20.4 million will be in foreign exchange, of which the Bank's loan will meet $12.5 million; the Central is covering the remainder under credit arrangements with the British firm which is supplying the cars. The local currency costs, equivalent to $13.6 million, will be financed from Brazilian sources. The Bank's loan of $12.5 million is for a term of 15 years and carries interest of 4½ per cent. per annum, including the 1 per cent. commission which, under the Bank's Articles of Agreement, is allocated to a special reserve. Amortisation payments will begin on 1st July, 1959.

The Salto Grande project is the first step in the development of the power potential of the Paranapanema River, which is situated in an area devoted primarily for the raising of coffee. New wealth from coffee has brought about immigration from other parts of the State and rapid development of urban centres. The privately owned utilities serving these communities are at present unable to keep up with the demand for power, but will be able to do so when they can obtain power wholesale from Salto Grande and distribute it over their extended systems. The Sorocabana Railroad connects these agricultural areas with the city of Sao Paulo and power from the project will enable the railroad to extend the electrification of its lines.

The total cost of the Salto Grande power project is estimated at $39 million. The Bank's loan will pay the foreign exchange costs. The local currency costs, equivalent to about $29 million, will be met principally by the Government of the State of Sao Paulo; the remainder will be financed from private sources. The power plant and transmission lines are scheduled to be completed and in operation early in 1957. The Bank's $10 million power loan is for a term of 20 years and carries interest of 5 per cent., including the statutory 1 per cent. commission. Amortisation payments will begin on 1st July, 1958.



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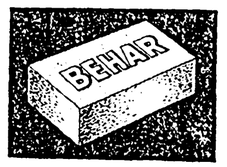

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OUR AGRICULTURAL PROBLEMS

SCOPE FOR MECHANISATION LIMITED

By Prof. V. G. Ramakrishna Aiyar

IT is often remarked that India now stands in economic development where European countries stood previous to the industrial changes of the nineteenth century and that India is now following the beaten path of economic development which other nations have trodden. It is said that, in the city of Bombay, the Industrial Revolution has already been accomplished and the brazen villages and never-ending fields with which we have been familiar are the India which is passing away and Bombay is the presage of the future. In the village life of India, in the conditions of agriculture and the absolute dependence on the harvest, in the peasants' indebtedness, in the position of weavers in the economic organism, etc., there are, it is further said, endless similarities between India to-day and the Europe as it was, and, with the spread of knowledge and growth of capital, the India of to-morrow will bear a general resemblance to Europe of to-day.

A considerable part of the educated classes seem to insist with patriotic fervour on the industrialisation of the country and the greatest possible development of manufactures. One is sometimes inclined to ask whether such a future is likely or desirable. It is an unfortunate consequence of the British connection that industrialisation should present itself to Indians as the royal road to prosperity and to a dignified position among nations. Because Britain in the Middle Ages bore many resemblances to India and because industrialism has since made Britain and few other European countries rich and powerful, the poverty of India is automatically attributed to the lack of industrialisation. Of course, some important industries well suited to Indian conditions, as jute, cotton, etc., have already come into being and India has come to be recognised as one of the countries making strides towards industrialisation. But it is a misreading of the real economic development of India if we regard Bombay as the presage of India's future. If we pay due regard to the climatic conditions, the aptitudes and habits of our people, it seems true that India will obtain more wealth by diverting a good part of her capital to the improvement of agriculture.

Prosperity Through Agriculture

The manufacturing nations have now reached the highest point of their relative advantage and the balance of exchange will move in future in favour of those countries the advantage of which lies in the extent of fertility of their soil. The prosperity of India in the future depends on the development of only those industries for which conditions are well suited, but there is good reason to believe that it is to be achieved largely by the application of more skill and knowledge, of more capital to the methods of agriculture. Every diversion of indigenous capital from agriculture, where our potential advantage is great, to manufacturing industries, where our relative position is weak, will be ultimately to the detriment of our real economic strength and prosperity. The mills of Bombay and Calcutta figure too large in the public eye. They will have an insignificant influence on the general level of economic well-being throughout the whole extent of the country. The raising of the level of comfort among the vast mass of population must be brought about by the application to the *land* of the brains and capital of new India. India will not find in mills and factories the non-economic goods which make up, along with wealth, the dignity of a nation.

It is against this background that we must view the present position and future possibilities of Indian agriculture. Agriculture in India is the livelihood of about 70 per cent. of the population. It is backward and the causes are partly agricultural and partly economic. The agricultural causes are soil erosion, excess or scarcity of water, general poverty of certain soils, and infestation of weeds, lack of proper manure and improved seeds, absence of an organisation to bring scientific farming within the easy reach of the poorest and most ignorant cultivator. The economic causes are rural indebtedness, defective land system and of sub-division and fragmentation of holdings. The small size of holdings and their dispersal in small parcels over a large area are the biggest handicaps to better farming. The physical unit of village varies from State to State, the average size of a holding being 4½ acres of which one acre is irrigated. Even this figure is misleading, because 60 to 75 per cent. of the holdings in each State are below this average.

The phenomenal success of tractor ploughing in Soviet Russia has led people to think that unit yield and total production could be increased in India also. The fundamental fact is no technological schemes of increased production or better farming can work on uneconomic holdings of a size of no more than three to four acres. It is only in large holdings that specialised and expensive machinery can work continuously and the farm can operate economically. Can large holdings be brought into existence?

Collective Farming

The example of Russian collective farm is often mentioned. There collective farming was part of an organised attempt to abolish private property in all branches of economic life by a powerful State. In India co-operative and compulsory consolidation of holdings attempted by Provincial Governments in the past has not been very effective, partly on account of complexity of ownership and tenurial rights in land and absence of a common consciousness of common welfare. There has been much loose thinking on the subject of mechanisation in our agriculture. Mere use of large tractors and harvesters would not increase agricultural production. Complicated agricultural machinery is used primarily in grain farming by prairie methods, as, for example, in the U.S.A. and the U.S.S.R. This type of farming is not quite suited to a crowded country like India. Much smaller editions of multi-furrow ploughs, 40 horse-power tractors are more suitable to us. Moreover, the peasant in India could use with advantage various kinds of small barn machinery, e.g., the root slicer, the chaff-cutter, the hay-elevator and the threshing machine, the water pump, the liquid manure pump, etc. The scope for tractor ploughing in India lies mainly in weed eradication and even here it is limited by the period in which ploughing can be carried out.

Mechanisation is desirable, but the peasants must be educated in the use of mechanical appliances. We should make a beginning with less complicated machinery, less expensive, easier to handle and likely to be of more practical value. As regards large-scale farming, mere consolidation, voluntary or compulsory, will not go far enough; an exact replica of Russian *Kolkhoz* is also not suitable. Experiments in co-operative or collective farming show that the Indian peasant still values his right of ownership or other rights in the soil. Large-scale farming can only take the form of co-operative farming on a proper scale. Co-operative farming is not a mere combination or pooling of lands on the part of small owners; it also implies social control over the management of land, that is, society should carry on cultivation itself employing the members as paid workers and distributing the proceeds minus the expenses to the members in proportion to work. Small plots of land to the members on an occupancy basis may be allowed. Besides, the size of the field, organisation, capital and technique are important.

Planning in Agriculture

Recent discussions of agricultural planning to bring uncultivated lands under the plough, to increase the acreage under protective food crops, to diversify agricultural operations, to increase unit yield by use of improved seeds, better manures and by irrigation and by drainage or bunding according to local conditions seem to indicate the right approach to the problem.

As regards targets for production, opinions may differ as to how much we can increase our yield by various experiments mentioned above. That a new spirit is now manifesting itself may be seen from the plans recently adumbrated for increasing agricultural production on the basis of such plans. The Bombay Plan, the first of its kind, envisaged increasing of agricultural production in a period of 15 years. Dr. Burn's note on "Technological Possibilities of Agriculture in India" disclosed possibilities of increase of yield of 30 to 50 per cent. in rice and wheat, 10 to 20 per cent. in other cereals and 100 to 200 per cent. in sugarcane. The Imperial Council of Agricultural Research also adumbrated a plan of national self-sufficiency in foodstuffs and pointed out that production must be increased by 10 per cent. of cereals, 20 per cent. of pulses, 250 per cent. of fats and oils, 50 per cent. of fruits and 100 per cent. of vegetables. The Government of India Reconstruction Committee adumbrated a plan for development of agriculture and animal husbandry, increasing agricultural production by 50 per cent. in ten years, and 100 per cent. in fifteen years.

Planning in action may be said to have begun with the Five-year Plan. It envisages for agriculture an outlay of Rs. 361 crores constituting 17.5 per cent. of the total expenditure. It accords the highest priority to agriculture, including irrigation and power projects which together account for 44.6 per cent. of total expenditure to be incurred in the public sector. Among the targets for agricultural production suggested in the Plan, that of foodgrains is the most important. The Planning *Commission* has suggested various measures for increasing the production of foodgrains by 8.9 million tons during the five-year period.

Agriculture

	1950-51	1955-56
Foodgrains (million tons)	52.7	61.6
Cotton (lakh bales) ...	29.7	42.2
Jute („) ...	33.0	53.9
Sugarcane (million tons)	5.6	6.3
Oilseeds („) ...	5.1	5.5

It may be observed, in this connection, that agricultural plans, particularly the food plans that are based on the monsoons, are no *plans* at all and that they are in the region of possibilities rather than of actual achievements. In fact, so far as food problem is concerned, it is a *quantitative* problem of increasing our food production, a *qualitative* problem of a balanced diet, an administrative problem of effective distribution of food free from transport bottlenecks, hoarding, inter-State restrictions, and finally it is ultimately an *economic* problem of low purchasing power. The most effective remedy from this aspect of the problem is not only rationalisation of agriculture, but also increasing industrialisation along particular lines in which India can hold its place in the internal and international markets.

Finally, it is well to observe that the Malthusian riddle of food supply *versus* population is unresolved and any scheme of agricultural planning as a long-term measure will have to be accompanied by planning of population. It is a good augury for the future that, in recent years, there is a growing awareness of this problem.

Centre's Responsibility

While much of the detailed planning must fall on the shoulders of the States, the Centre must take the lead in many matters if progress is to be rapid. It must accept the main responsibility for fundamental research and should no longer remain entirely aloof from the extension of the results of research into farm practice. Self-sufficiency in respect of food and raw materials for industry, together with the production of raw materials for an export market, must be the broad aim of a national policy.

In fine, the broad aims of a national policy in regard to agriculture may be summed up as: (i) the securing of adequate nutrition to our growing population (India must produce an adequate quantity of food of all kinds required for a balanced diet); (ii) the production of adequate raw materials for the growing industries of the country, in view of the fact that industrial expansion in India would make increasing demands on raw materials such as fibres, sugarcane, oilseeds, etc.; and (iii) the production of raw materials for which, with or without processing, there is an export market. This is necessary, in order to obtain the foreign exchange necessary for the country's programme of economic development.—*All Rights Reserved.*

SOIL CONSERVATION IN U.S.

Scientific conservation of land, water, forest and wild life resources has, more than anything else, contributed to the development of American agriculture. Research, education, surveys and successful application of conservation measures have brought the farmers to a new concept of the importance of land and of the need for keeping it permanently productive. National Conservation Week, observed every year in December throughout the country, is but one of the many ways in which the economy and efficiency of soil conservation farming are brought home to the farmer.

The U.S. Congress took emergency measures in 1933. Among other things, it created the Soil Conservation Service as a federal agency to work with farmers. This agency has carried on a nation-wide campaign against soil erosion. It has provided soil scientists, engineers, agronomists and other specialists to help farmers improve their land. The results have been amazing. The scars of the old "dustbowl" are healed. Once barren fields are yielding good crops, year after year. Every section of the country is now producing 25 to 30 per cent. more food and fibre than was being produced 20 years ago. Most of the credit must go to the farmers themselves. They have voluntarily banded together into more than 2,400 soil conservation districts embracing 1,332 million acres and 1.94 million farms. The planting of millions of trees in the once treeless Great Plains region—lying between the Mississippi River and the Rocky Mountains, and comprising about one-fifth of the nation's land—is an outstanding achievement in the conservation programme. Started in 1934, more than 300 million trees have been planted on 60,000 farms in the Great Plains, under a programme known as "shelterbelts." Experts trained in the specialised fields of agricultural science make up the personnel of the Soil Conservation Service, which provides all assistance to farmers through the farmers' own soil conservation districts.



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REGULATION OF FUTURES TRADING

FUNCTIONS OF FORWARD MARKETS COMMISSION

By
Dr. B. V. Narayanaswamy Naidu

IN the eighteenth century, particularly before the advent of the Industrial Revolution, the marketing of agricultural commodities did not present a serious problem to the world, as it exists to-day. The industrial expansion of the nineteenth century in the U.K., the U.S.A., the Continent and Japan increased the demand for agricultural commodities, which formed the raw materials for their key industries. As most of the industrial countries were not producers of the raw materials required by their industries, they had to depend on the so-called backward or agricultural countries for these raw materials. Thus, during the nineteenth century, production of cash or commercial crops gained considerable importance in these agricultural commodities. Those were the days of "Free Trade" and so their prices were determined by the free interplay of the law of demand and supply. The reduction of crop in one country, for instance, of a particular agricultural commodity influenced the prices in the markets of other countries during the course of a few hours. Hence, the need arose for the evolution of some mechanism for reducing price risks, particularly for the convenience of manufacturers and traders. Those were the days of *laissez faire* and the problem of insuring against price fluctuations was solved by the trading community themselves to a limited extent by what is known as "forward trading." The technique of forward trading was developed considerably during the course of the last half century, with the result that traders were in a position to reduce price risks by resorting to the mechanism of "hedging." The technique of hedging or "futures trading" as it is popularly known, is one of the recognised methods of forward trading and it is well developed in the U.S.A. In India, the fairly well developed forward markets are mainly in Bombay.

Meaning of Forward Trading

In simple language, forward trading means a transaction for the sale or purchase of a commodity at a future date and at a specific price. It is different from a ready transaction, in that the delivery of the article does not take place immediately after the completion of the contract. The delivery may take place, say, after one month, two months or such dates as agreed upon between the buyer and the seller. Another distinguishing feature of a forward contract is that the transaction may be closed even without giving delivery of the commodity, i.e., by settlement of the transaction between the buyer and the seller at such agreed terms through the medium of recognised Exchanges. In that regard, the Commodity Exchanges, which provide facilities for their members to enter into forward transactions, render certain useful functions. The by-laws, rules, etc., of these Exchanges provide for the regulation and control of forward contracts and the prices established in such markets become the barometer of price trends ruling in that area.

Is Forward Trading Necessary?

On this issue, there may be a difference of opinion, particularly in the case of India, where it is generally stated that the cultivator does not make use of the Commodity Exchange for selling his produce. But it has some utility, in that it serves as a guide of the price trends and helps in diffusing risks to some extent. It is said that, in the absence of forward trading, what would happen is that the normal distribution of the crops would be impeded. To illustrate this point: let us take the case of cotton. India produces annually about 40 lakh bales of cotton. This year the production is expected to be about 42 lakh bales, which, based on the ruling level of prices, will be worth about Rs. 140 crores. Bulk of this cotton is consumed by the mills in India itself and their annual consumption of Indian cotton is about 36 lakh bales. From this one cannot jump to the conclusion that the crop, when harvested, can readily find its way to the consuming mills. Nearly 75 per cent. of our crop moves within a period of 4 to 5 months, i.e., between the months of December and April, and it is a well-known fact that our farmers' holding capacity is very poor. What he does is that he sells his crop immediately after the harvest at whatever price is obtained at that time. The farmer does not sell it in the form of cotton but in the form of seed-cotton or *kapas*. Therefore, it is the business of the trader to buy the *kapas*, get it ginned and pressed and rail it to the mill centres. All this will take 2 or 3 months. Meanwhile, prices may go up or down. Therefore, unless the trader is given some means to insure his price risk, he will not come forward to buy *kapas* in large quantities and the result will be a fall in prices in the up-country markets.

On the demand side, the mills do not buy all their annual requirements during the period of a month or two, as this involves a lot of finance. They generally spread their purchases. All this means that there should be somebody to carry the cotton until the mills make their purchases, and, in order to induce the traders to carry heavy stocks of cotton, they should be given some means to insure the price risk and that is done through the existence of forward markets and forward trading. So far as the cultivator is concerned, the existence of a forward market helps him incidentally, in that he knows even at the sowing period as to what price he is likely to get and it is not uncommon that he finds a buyer even before the crop is harvested. In short, therefore, forward trading offers advantages to the cultivators, traders and the manufacturers. But, then, forward trading has to be developed on healthy lines and it is with a view to achieving this object that legislation, namely, the Forward Contracts (Regulation) Act had to be passed by Parliament in 1952.

Need for Regulation

In India, the problem of regulating the activities of forward markets assumed great importance, particularly after the outbreak of World War II. In the absence of Governmental legislation for controlling speculative activities, forward markets dealing in commodities like cotton, jute, yarn, oilseeds, pepper, bullion and metals became the playground of speculators. The war-time inflation also assisted the speculative activities, with the result that prices in these markets shot up to dizzy heights during the first half of 1943, despite the fact that, in a commodity market like cotton, actually there was no shortage and the real problem then was one of finding an outlet for the pretty large surplus of cotton in the country, as a result of the loss of Far Eastern markets. The Government of India, therefore, banned forward trading in a number of commodities such as foodgrains, oilseeds, oilcakes, vegetable oils, raw cotton, spices, sugar, etc., as an anti-inflationary measure under the Defence of India Rules. This was subsequently relaxed in respect of cotton and jute, subject to certain conditions. After the lapse of the Defence of India Rules, powers were assumed under the Essential Supplies (Temporary) Powers Act, 1946 and some of the orders prohibiting forward trading issued earlier in respect of such commodities as foodgrains, oilseeds and oils, etc., were kept in force.

Utility of Forward Markets

A forward market, if worked properly, can render genuine economic service in regard to the orderly distribution of the commodities and provide some sort of price insurance. The fact that the forward markets do not transact ready delivery contracts (i.e., contracts, which provide for the immediate delivery of the goods against payment), but only forward contracts offer plenty of scope for speculation, because there is a time lag between the date of the contract and the date of its performance. In view of the fact that forward markets are not solely guided by the laws of supply and demand but also by market sentiment, this gives rise to speculative activity. Such activity, if allowed to remain within limits, will not be harmful, but unhealthy speculation hampers the proper working of the markets and this is detrimental to the interests of the grower, trader and the consumer. This is what has been happening in some of the forward markets in our country, and one of the ways of controlling them is by means of Governmental regulation.

The ban imposed by the Central or the State Governments during the war and post-war period were only interim measures, and, as it is not the intention of Government to deprive producers and traders permanently of the hedging facilities, the Government of India thought of bringing in a uniform legislation to regulate the forward markets. Until the inauguration of the Constitution, the Central Government did not have the power to enact any long-term legislation on an all-India basis for regulating forward trading. This difficulty has now been removed, since, under the new Constitution, the subject of "Stock Exchanges and Futures Markets" has been included in the Union List. As a result of this change, the State Governments are no longer competent to enact any fresh legislation with regard to forward markets. As already mentioned, the Forward Contracts (Regulation) Act was passed by Parliament in 1952. With the coming into effect of the Central Act, legislative measures, undertaken by the State Governments, will cease to operate to the extent to which they are inconsistent with the Central Act. This provision is being made clear by the Amending Bill which is before Parliament now. The main objects of the Forward Contracts (Regulation) Act, 1952, are to provide for the regulation of forward trading, the prohibition of options, and the prevention of unhealthy speculation.

Forward Markets Commission

In order to assist the Central Government in the exercise of the powers under the Act and in the administration of the Act generally, the Government of India have set up the Forward Markets Commission. The functions of the Commission, as set out in the Act, are: to advise Government in respect of recognition or withdrawal of recognition of associations conducting forward trading; to keep forward markets under observation; to draw the attention of Government to the various developments that are taking place in the different forward markets, with suitable recommendations; to collect and publish information (including information regarding supply, demand and prices) as regards trading conditions in respect of markets falling under its jurisdictions; to submit periodical reports to Government on the operation of the Act and on the working of forward markets; and to inspect accounts of recognised associations, and to make recommendations generally, with a view to improving the organisation and working of forward markets.

How the Act Will be Implemented

Chapters II to IV (inclusive) of the Act have already come into operation with effect from 24th August, 1953. Under section 15 of the Act, the commodities and the areas to which the regulatory provisions of the Act would be applied have to be notified. This question is now under the consideration of the Commission in consultation with the Government. As soon as the commodity and the area are notified, all associations concerned desiring recognition should apply to Government in accordance with the rules which will be prescribed for the submission of applications, together with copies of their by-laws, rules and memorandum and articles of association. The rules are being finalised and will be published in the *Gazette of India* in due course.



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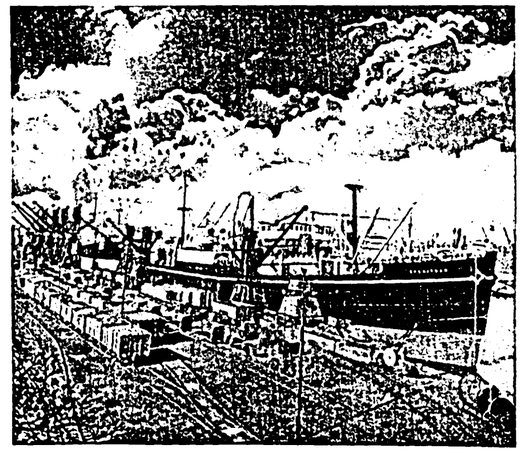

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ROMANCE OF TATA DEFERRED

IS THERE A SUCCESSOR TO IT?

SO great has been the influence of the Deferred share of the Tata Iron and Steel Company on the investment climate in India for nearly half a century that its passing away, now a certainty, can well be described as the passing of an age.

From 1907, when the Tata Steel Company was floated, to 1953, when the scheme for the conversion of the Deferred was accepted by a very large majority of both the Deferred and the Ordinary shareholders of the Company, was the era on the Stock Exchange in which the Deferred ruled like an oriental monarch, swaying the court by its own fitful and highly temperamental character. It is a stormy history in which the turbulent armies of bears and bulls, both claiming adherence to the Deferred, waged relentless war against each other, attacking and counter-attacking, with heavy casualties on either side. Like all battles, it was, perhaps, inevitable, though profitless and even painful for many of the contestants. But the story is of far-reaching significance and is so closely woven into the texture of India's industrial development as to merit closer study.

The Tata Iron and Steel Company, the great steel producer of India and the East, is not only the pivot but also the symbol of Indian industrialisation. The crucial role it has played was particularly demonstrated during the two world wars. The first phase of the Company's rise ended soon after World War I, when, encouraged by war-time profits, the Company embarked on further expansion by raising additional share capital. With the developing world recession, hard times followed for the Company in the twenties and early thirties, before it was able to regain the measure of stability which had not prevailed for nearly two decades. But, while at the end of 1918, additional capital included further issue of Deferred capital, the outlook has so changed since then that, almost by general consent, reorganisation of the Company's capital structure has now come to be viewed in a manner where the elimination of the Deferred share is regarded as helpful to the Company's further progress.

Speculative Feature

The phenomenal influence which the Deferred share has unquestionably exercised, particularly during the last 30 years, on the Stock Exchange has aroused so much controversy that it would be worth while to disentangle its positive from the negative side. It is as the speculators' paradise that the Deferred share is fixed in the public mind. The unwary multitudes, in search of a short cut to fortune, have so often succumbed to the temptation of dabbling in Tata Deferreds with dire consequences to themselves that the Stock Exchange activity has often, though erroneously, been regarded as little more than gambling in Tata Deferreds. The wild, capricious price oscillations in this counter have always been so colourful and tantalising that new crowds have been allured even while others had suffered grievously and retired disillusioned. There was hardly a year when the range of price fluctuation was under Rs. 500 (if not nearer Rs. 1,000). Such movement, coupled with the sharpness and suddenness with which it took place in either direction, tempted large crowds to play in this scrip, making the ground fertile for the few large professional speculators, who always made it their exercising ground, with abundant scope for employing all their ingenuity and resourcefulness in day-to-day operations. It is, however, noteworthy that, while in the trial of speculative strength, the common man so often lost to the wily operator, over a period, many of the operators themselves were hoist with their own petard. The history of Tata Deferreds on the battlefield of the stock market is the tale of many a commander who came to conquer, led for a while, but, ultimately, perished at the hands of other stalwarts.

It is significant that, while fluctuations in Tata Steel Ordinary shares were almost always in line with those in the Deferreds, with only minor exceptions, relatively little notice was taken of the Ordinary, while the Deferred always caught the public fancy. The secret no doubt lay in the peculiar capital structure of the Company, in which the 48,750 Deferred shares of Rs. 30 each, out of a total paid-up capital of Rs. 14,62,500, had a right to participate in nearly half of the Company's stupendous annual profits. No wonder that, with the annual dividend on this share during the last 15 years

By H. T. Parekh

ranging from Rs. 65 to Rs. 172 (average for the period Rs. 100) per share, the scope for price change was always large enough to catch the imagination of all.

While the peculiar capital composition of the Deferred made for its wide popularity as the most suitable counter for a flutter, it must be said that indulgence in its gambling was encouraged by the absence of anything better to do. With the deep-rooted and widespread trading propensity of the Bombay public, any field was worth exploring where there was room for exercising one's judgment and taking one's chance. In the earlier period, particularly the war and pre-war years, the stock market offered too narrow a field for investment with too few investors and too few public companies; this aided the tendency to indulge in speculation and gambling by those who depended on the market for a living and by those whom they could influence. In the post-war period, stock markets have been far more broad-based than in earlier days and far less capable of being influenced by manœuvres of a few operators that they have ceased to be the same fertile field for manipulation. In fact, this has been particularly so in the last few years. Marketwise, therefore, the Deferred share has outlived its utility and the plea for its removal no longer arouses such bitter opposition as it used to in the past. Further, the public attitude, as well as the Government's approach, is now one which does not tolerate a state of affairs which encourages wasteful speculation. State regulation of the economic sector is fast taking the place of *laissez faire* thought and it is generally recognised that the Deferred share has become an anachronism.

Positive Role

With these negative features of trading in the Deferred is interwoven a positive side which needs to be recognised. Being the market leader with vast influence, the ups and downs in the Deferred determined, in large measure, the price trend over the entire stock market in Bombay and thereby on other exchanges all over the country. That is, its rise or fall set the pace for the course of prices in the country's capital market generally. It followed that, during the period of declining prices in Tata Deferred, the climate in investment market was depressing and unhelpful for new development. And, similarly, in periods of rising tempo of Deferred, the ground was regarded as favourable for new capital issues. The booms of 1936-37 and 1945-46 significantly were periods, when hectic activity in the Deferred created highly favourable conditions in the new issue market. Likewise, the depression which swept over the market in 1948 reflected in no small measure the crisis which gripped the Deferred at the time. The immense impact of one single scrip on the pace of the country's industrialisation through influencing investment psychology is altogether a unique feature, perhaps without parallel in any other country. This aspect, while reflecting the backwardness of the economy, also amply indicates that, out of the frenzy of speculation in Deferred, often arose a climate under which Indian industry could surge forward. The passing away of Deferred may not be regretted, but the signal role that it has played and the titanic influence it has wielded in the investment life for over half a century deserve to be boldly underlined.

The void which the disappearance of the Deferred will soon create raises the question: What of the future? The leadership which the Tata Company holds is still undisputed and, as its counterpart, the now enlarged Ordinary share capital could hardly fail to interest the Stock Exchange in great measure. In the new phase of industrial development, it is, perhaps, more fitting that speculative propensities should be discouraged and more sedate influences allowed to work on the economic scene. In place of the dramatic and the colourful, a more orderly development must permeate where there is room not for heroics but for boldness coupled with cool calculation.

The New Look

The new look which the Stock Exchange will, therefore, present will be so vastly different from the old that it will need an effort on the part of those interested to get adjusted to the changed climate. The Stock Exchange will no longer appear the disdainful arena for cruel bull fights, or bear raids, because no price changes will be so volatile or large as to hit the headlines in newspapers. It will gain a more solid and respectable appearance and, in due course, be able to attract increasingly the investing public. There is no other Company with the same strength, popularity and all-India appeal the shares of which can even aspire to take the place of the Deferred. Neither the Bombay Dyeing or Kohinoor in the textile section nor any of the other active scrips such as the Bombay Burmah, Scindia or Associated Cements in the miscellaneous section has the basic characteristics which make for leadership of the market. Nor can it be regarded as marketwise necessary that, in the new economic order, a substitute to Deferred as a plaything of the market is desirable. It seems fairly certain that, more in keeping with present-day conditions, the leadership of the market will rest with the Tata Ordinaries. As with the U.S. Steel, so long as the Tata Company remains in the forefront of Indian industry, its share will receive country-wide support which will not diminish even after the elimination of the Deferred. The decline in speculative activity which could result is sure to be made up at least in part by the fillip to investment activity which the enlarged Ordinary share will receive.

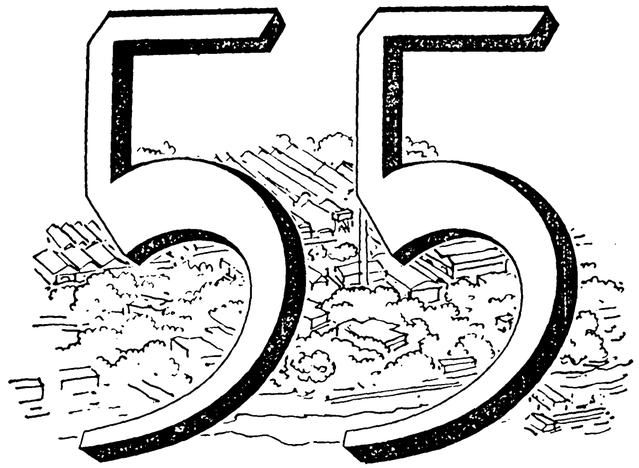
Industrial investment, though popular in the country, is still greatly limited. The vast mass of the people, apart from its inability to invest, has a well-founded, legitimate distaste for such investment, due to lack of a sense of safety of such investment. The tradition of sound management is still not sound enough to inspire the investor's confidence. But, even in this field, conditions are improving. The widening field of Government regulation, as reflected in the new elaborate Companies Bill, the control of forward markets, including regulation of the Stock Exchange on all-India basis, the vigilance of the Government in checking malpractices in company managements through active operation of the Industries (Regulation and Development) Act amply indicate that laxity in company management cannot easily flourish. Moreover, a heartening sign is the equal awareness on the part of the investing public itself to fight its own battle with management where it sees evidence of mismanagement or embezzlement. With improved company management which must result from such conditions, a sense of new confidence must sooner or later permeate the industrial investment sector, so that the little men's savings could flow in a larger measure in public companies. The Stock Exchange could then play a more positive and wider role in accelerating the pace of industrialisation of the country.

New Industrialisation

An investor's confidence generally depends upon the steady and regular character of a satisfactory return on capital which he can realise from his investment over a sufficiently long period. In the U.S.A. and U.K., for instance, numerous industrial investments are available on the Stock Exchange, with unfailing annual dividend record extending for 25 or 50 years if not more. As in the case of Gilt-edged and public utility investment, the public must have a full sense of security that not only its capital would be safe and may grow but that it will yield a constant return over years. Such fruitful character of investment presupposes faith in the management which will keep abreast of new scientific development, so that individuals may come and go but the corporation would go on for ever, growing from strength to strength. India has still to go a long way in the direction of modern, scientific management which transcends individuals and gives the corporate entity a character of its own.

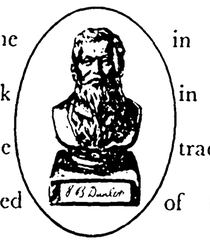
But even in this direction distinct progress is noticeable. Not only the Tata Company has an unfailing dividend record for the past 15 years but several other companies such as Associated Cements, Bombay Dyeing, Belapur Sugars, to name only a few, have also a longer dividend record, even over 25 years. Only when such instances can be multiplied that the investment climate can be regarded propitious for drawing the small man's savings for industrial development.

The role which the Government has played in the positive development of public companies is still negligible in this direction. In its new-found, immature enthusiasm of developing the so-called "public sector," wrongly regarded as the antithesis of the private sector, much development is being retarded. Unless the Government can bring to bear a new understanding on the dynamic character of industrial progress which depends vitally upon increasing profits utilised for continued development and unless the Government ceases to view profits as an evil, industrialisation can hardly be expected to make rapid strides. The case of the Tata Company itself is an illustration; in this case, through a wrong understanding of the function of profits, the Government has done much to retard the Company's development which could well have grown far greater than at present. If only the secret, which has brought into existence such great corporations as the U.S. Steel, the General Motors, Imperial Chemicals, General Electric, etc., were to be grasped by those in authority what rapid progress could the country attain in its march towards economic freedom!—*All Rights Reserved.*



Years of Dunlop Enterprise

John Boyd Dunlop invented the first practical pneumatic tyre in 1888. Ten years later, Dunlop enterprise brought the first pneumatic tyres to India. In the following years, a marketing network was gradually built up; today there are thirteen Dunlop offices distributed throughout the country. In 1936, when the volume of demand justified local manufacture, Dunlop set up India's first tyre factory at Sahaganj, 35 miles from Calcutta. In the 17 years since, Dunlop enterprise has continually expanded the manufacturing range. Starting with car, truck, cycle, and bullock cart tyres in 1936, aero tyres were added in 1940, cycle rims in 1946, and tractor tyres in 1948. Production of Dunlopillo, the original latex foam cushioning, commenced in 1951. In 1952, the factory started manufacturing industrial belting—yet another Dunlop contribution to the progress of India's rubber manufacturing industry.



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CONVERTIBILITY OF CURRENCIES

KEYNESIAN CONCEPT HAS LOST CONSIDERABLE GROUND

LONDON, 30*th November*

WHEN that greatest of contemporary economists, John Maynard Keynes, struck at the gold standard as a "barbarous relic," he declared a war to dethrone gold from its place as the financial unit of convertibility and to replace it by units of indebtedness in terms of goods and services. We shall come back to that phrase later in this article. Meanwhile, we must see how that war has fared—how gold, battered by the shock troops of events and harassed by the guerillas of Keynes went underground, leaving the open war to be fought by the dollar, how the civilised "units of indebtedness" gained ground, seeming almost at one time to have complete victory, but how, in the end, above ground or below (in a sense as literal as metaphoric) gold has remained king of all.

When the United Kingdom abandoned the gold standard 22 years ago, gold disappeared from the Bank of England accounts to be sunk into an Exchange Equalisation Fund, whose operations opened an era of managed currencies. But, in those days, sterling, having first found its level in terms of other currencies, could be freely exchanged for them, which meant that it could be freely exchanged for dollars. Those were the days, when "hot" money ebbed and flowed, but the resources of the Exchange Fund were always great enough to contain such movements. They were days also of protectionism, of quota restrictions which cut at the sources of the flow of trade, while leaving capital movement unimpeded. So, at the same time, a new concept of convertibility arose, embodied in the sterling area, which, initially, was an area distinguished rather by its trade being free of quota restrictions than as an area enjoying special freedom of currency convertibility. It was an area, that is, contained within a commercial rather than a financial ring fence.

War and After

Only eight years after the beginning of the managed currency area came the second war, opening a new era of exchange restrictions and non-convertibility, from which the first departures were not made until five years ago. Even to-day, the basic principles of non-convertibility have not been touched as between one half of the world and the other. But it was, strangely enough, in this era of non-convertibility that the Keynesian concept of a unit of indebtedness not linked to any metallic standard came to perfection in the sterling area. What Keynes had wanted to see was currency convertibility without gold, that is, the free exchange of currencies, coupled with some degree of international economic management to prevent excessive indebtedness between one country and another, and that is exactly what the sterling area became and still is. Nowhere else has this ideal of convertibility been achieved. Within the area trade is unhampered by quota restrictions, currency is freely exchangeable, and the associated countries concert mutually agreed policies for keeping their foreign exchange affairs in order and for preventing any one country being an excessive drain on the resources of the area as a whole.

Outside the sterling area, the strength of currencies depended not merely on the economic relations between the countries concerned but on the convertibility of their currencies into gold and dollars. Hence, of course, the preoccupation of the sterling area itself as a whole with the gold and dollar reserves in the United Kingdom which governed the relations of sterling with the rest of the world.

Keynes's Ideal Has Drifted

Keynes, of course, would have liked to have seen the International Bank and the International Monetary Fund, which he helped to found at the close of the war, a means of extending the concept of the sterling area to embrace the world. He would have liked both institutions to do for the world what the Bank of England, the Exchange Equalisation Fund, and the Conference of Commonwealth Ministers did for the sterling area. But this would have meant as close economic co-operation between the countries adhering to the International Bank system as then existed between the individual countries of the Commonwealth, and for this integration the world was not ready. Instead, Keynes's ideal has drifted further and further away from the

By G. O. Hoskins

original concept. The International Bank nominally dealing in bancor was, in reality, dealing in dollars, and the dollars were themselves broadly based on a capital mainly subscribed in gold by the United States. Neither Bank nor Fund, indeed, made any real attempt to concert economic policies or to get themselves used as an accounting centre for the very good reason that to have so would have—in the state in which the post-war world found itself—meant an immediate drain on these central dollar resources and the building up of unliquidable debts by all the non-dollar countries. The only practical approach to the question of mutual interchangeability of currencies through the Bank would have been first to achieve international agreement on economic and monetary policies.

Yet though this was not possible on a world scale, in Europe, the European Payments Union was established, attempting, again by dealing in E.P.U. units offsetting intra-European debts one against the other, to liberate the countries of the Union from the dead hand of gold. While, however, the sterling area had successfully achieved this, the E.P.U. never got more than half-way—the balances owing by debtor countries ultimately had all to be settled in gold. The reason again for the partial failure was the lack of true economic integration. Thus, in this new era of the International Bank and the E.P.U., gold had only gone into the background and as it disappeared openly from the stage so the dollar emerged and the cry for convertibility became a cry not for gold but for dollars.

World Bank

To-day, the search is no longer for an extension of the sterling area, for whose existence, indeed, British Governments have been too apologetic in the face of American criticism; the E.P.U. tends to think in terms of more of its debt settlements being in gold instead of less; nor is it regarded feasible to extend the functions of the O.E.E.C. towards that sort of close economic co-operation which would keep all the member-countries in line regarding the factors bearing on their external indebtedness; the Iron Curtain divides Europe and equally prevents the Economic Council for Europe performing the same task, which at the outset it was hoped it might do; while the International Bank for most of the world is simply a place, from which a borrower, who is *persona grata* to the United States, can, under sufficiently strict conditions, borrow money, and which once a year issues a report urging the desirability of convertibility—which, if achieved, would incidentally remove the object of the Bank's existence!

Thus the "trade" unit of indebtedness, the Keynesian concept, has lost ground all along the line, dollar dominance has made non-convertibility merely the prerogative of respectable poverty and attention has been diverted to the narrow issue of making all currencies convertible into gold and dollars. At home, this has become a cardinal point of Government policy and, since 1951, the present Government has been steadily working towards it.

Foreign Exchange Markets Reopened

In pursuance of this, the foreign exchange market was reopened two years ago, and, whereas up till then all exchange transactions had had to be done ultimately with the Bank of England, the market was allowed to buy and sell currencies against each other, buying and selling final balances only at the Bank. The first step was taken with American and Canadian dollars, Swiss, Belgian and French francs, Dutch guilders and Portuguese escudos, and the three Scandinavian currencies. It was also permissible to swop American dollars for Canadian dollars, but not till six months ago was this freedom of swopping currencies against each other extended to all the currencies mentioned above, plus the West German mark. This autumn, the final step forward was taken of permitting forward exchange dealings, so that there is now a fully effective foreign exchange market in London for all the most important currencies—a market which has regained on this side of the Atlantic its former preeminence.

But, of course, freedom to exchange currencies is meaningless if the goods from which the currencies flow are themselves restricted. Immediately after the war, 80 per cent. of this country's trade was carried out by the Government and, therefore, settled by the Bank of England. Even five years later, one half of the country's trade was still centrally bought and settled, but the last three years have seen a rapid transfer of this half back to private enterprise, and, in 1954, only about 5 per cent. will remain on Government account. This parallel growth of the free commodity market and the free foreign exchange market has meant that, in practical terms, sterling is a convertible currency, except against dollars. For sterling is convertible not only in the sterling area, but throughout the E.P.U. system and, in practice, with the Iron Curtain currencies, where the limitation arises from the hindrances to trade rather than to exchange the proceeds. Even the dollar exception has been dented by the freedom now given to private trade to buy American grain for dollars and to bring it in without restriction or to sell it again also for dollars. An attempt was made a year ago to permit grain bought in the U.S.A. to be sold to the E.P.U. countries, but this caused too heavy a rush by the E.P.U. countries to use their sterling to buy dollar grain.

This brings us to the fundamental difficulty facing this country on its way to full convertibility. It is not enough for the United Kingdom and the sterling area to have sufficient economic strength *vis-a-vis* the dollar area to permit free exchange between sterling and dollars. Sterling must also bear the brunt of any demands made on it by other currencies which are dollar hungry. It would probably be possible to make sterling convertible into dollars in the near future at the expense of making it unconvertible into the E.P.U. currencies and other non-sterling, non-dollar currencies, which this country at present deals in freely. In terms of liberating trade, which is the real objective, this would be a backward step. The problem of convertibility is not then a problem which this country can look at in isolation, it is a problem of the sterling and E.P.U. areas combined. Are the prospects at present any better than they were a year ago for achieving this objective?

Reserves Inadequate

In discussing the power of a country to maintain convertibility, it is not enough to think in terms of a year or of the current position. Looked at long-term, this country is earning a surplus on balance of payments account of £100 million certain and at most £300 million. This is not adequate, without strong capital backing, to provide a reserve against all the pressures of demand for dollar convertibility via sterling that might arise under complete freedom—as things are at present. Moreover, the figure of £300 million is the one which the Chancellor of the Exchequer has designated as the minimum necessary to enable this country to maintain an adequate flow of overseas investment: thus the country's surplus at the present foreseeable maximum is largely mortgaged for investment and not available to build up annual reserves to meet either capital demands or demands on current account for dollars. What then of the capital backing of sterling?

The gold and dollar reserves are no more than £900 million. This is little more than one-quarter of a year's import trade, or, if we reckon that one half of the gold and dollar reserves must be regarded as an absolute non-expendable minimum, the fluid reserve is only about one-eighth of the country's import trade. Given a more substantial reserve, the risk could be taken of permitting current account business through sterling to be done without limitation and, indeed, *if there is to be no further freedom of import from dollar countries* we may be much nearer that sort of convertibility than the British Treasury is prepared to accept. But one-way convertibility is not a very good proposition for the sterling area with assets held widely in non-convertible European currencies. Though the U.K. could "convert" if it made sterling "hard" for Europe and put itself on a gold basis for the non-sterling, non-dollar world, this would be a blow at world trade, and weaken the international position of sterling. From a practical point of view, it is far better to concentrate on liberalising trade with North America and indeed with other countries than in making sterling itself convertible into dollars: this means concentration on still further strengthening British exports to improve the current margin of safety.

If the E.P.U. economies greatly improved so that they were as strong individually dollar-wise as is the U.K.—under restricted imports—then all E.P.U. currencies could simultaneously be made convertible: and that is the only sensible solution in the present state of the non-dollar world. Convertibility on capital account is another story, and would need to be a second stage in the general move to freedom.—*All Rights Reserved.*

The great inter-continental migrations of the nineteenth century made the world enormously richer in material goods by bringing men closer to untapped stores of natural resources.



TASKS BEFORE INTERNATIONAL MONETARY FUND

BASIC PREMISES FOR ITS OPERATION

THE International Monetary Fund is an international organisation, whose main purpose is co-operation in the solution of payments and exchange problems. At present, 55 countries are members of the Fund. It has an executive Board of 16 members, each of the five countries, with the largest subscriptions, appointing one director, and the remaining members electing 11 directors. The purposes, powers, and scope of operations of the Fund are set out in its Articles of Agreement. The United States membership was authorised by the Bretton Woods Agreements Act of 1945.

The basic premise on which the Fund was established is that orderly exchange arrangements are necessary in a world increasingly dependent on international trade and investment. It was foreseen that the world would have serious payments difficulties in the post-war period. Before and during World War II, there had already been a wide extension of abnormal exchange practices, and the post-war difficulties of a world, in which many countries had inadequate reserves, would probably mean still more disorderly and discriminatory exchange and trade practices. Standards of fair exchange practice were accordingly set out in the Fund Agreement. The Fund was given resources in gold and currencies which were to be used to give temporary assistance to its members. It was made, in effect, an international reserve bank for the central banks and treasuries of its members.

The Fund has had to operate in an environment of persistent payments difficulties. In 1946, par values were established for the currencies of nearly all its members, with the knowledge that many of them would have to be changed after the post-war sellers' market had come to an end. In 1949, the currencies of many members of the Fund were devalued, and both before and since 1949 several other changes of individual par values have been agreed with the Fund. These adjustments were made in an orderly way, despite the difficulty of determining appropriate exchange rates under the abnormal conditions that often prevailed.

Jurisdiction Over Exchange Practices

The Fund has been entrusted by its members with a certain jurisdiction over their exchange practices. Many countries still make use of exchange restrictions and discriminations, particularly against dollar imports. These are a natural consequence of persistent payments difficulties, which still manifest themselves largely as a dollar problem. Members that continue exchange restrictions and discriminations have an obligation to consult with the Fund. During 1952 and 1953, the Fund has been almost constantly engaged in such consultations, some of which have proved fruitful in leading to the simplification or relaxation of restrictive and discriminatory systems. An important aspect of the consultations has been the opportunity afforded for fruitful exchange of views on actual and possible economic policies conducive to the relaxation of restrictions and discriminations.

The Fund has resources equivalent to $8.7 billion, of which $1.7 billion is in gold, $1.3 billion in U.S. dollars, and substantial amounts in other currencies. The Fund is authorised to use these resources to help its members to meet temporary payments difficulties. Without help from the Fund, some members would probably have felt obliged to resort to more stringent restrictions and discriminations. The availability of Fund resources encourages members to rely more on financial policy and less on direct controls as instruments for maintaining international and domestic equilibrium, and, as their payments position improves, to take the risks involved in a gradual relaxation of restrictions and discriminations.

The total of these transactions is now over $1 billion ($1,052,800,000). Because the Fund is, in effect, a reserve institution, the volume of transactions must be expected to vary considerably from year to year. In 1947 and 1948, the Fund sold $675 million of currencies. During this critical period before the Marshall aid programme, the Fund adopted a bold policy for helping its members. From 1949 to 1951, the total transactions of the Fund were only about $135 million. Many of the larger members of the Fund were at that time receiving aid from the United States and were, therefore, advised to conserve their position in the Fund for future needs.

By Ivar Rooth

Managing Director and Chairman of the Board of Executive Directors, International Monetary Fund

In 1952 and 1953, the Fund has again been operating on a larger scale, and sales of currency to members and stand-by arrangements have so far together aggregated more than $290 million in these two years.

Two Dozen Countries Assisted

In all 24 countries have purchased foreign exchange from the Fund, some on two or more occasions. Nine of these countries have repaid in full. Two other countries have repaid their first loans, but subsequently borrowed again and are still indebted to the Fund. Repayments in gold and dollars have amounted to $266 million. In addition, $135 million in currencies which some members had paid to the Fund when drawing dollars have subsequently been purchased by other members. Thus, of the Fund's total transactions of over a billion dollars, more than three-eighths has been repaid. Several loans have been repaid within one or two years.

Most of the Fund's transactions (about 85 per cent. of the total amount) have been in U.S. dollars. The Fund has also sold three other currencies—sterling, German marks, and Belgian francs. Of this year's transactions of $155 million, $84 million has been in sterling.

The Basic Problem

Fund resources are intended to be a second line of reserves. Therefore, the basic problem in connection with their proper use is to get members to regard a drawing on the Fund in the same light as a transaction involving the use of their own monetary reserves. Members must be as cautious in using Fund resources as they would be in using their own reserves, and they must restore their position with the Fund when their reserves increase. For the Fund, the problem is to give members assurance that its resources will, in fact, be available for temporary use in helping to achieve the objectives of the Fund.

In the past two years, the Fund has taken several steps to make these policies clear. Members using the Fund's resources know that they are expected to repay the Fund within a period suited to their payments problem, not in excess of three years, and as a general rule, with an outside limit of five years. The Fund has established procedures to give assurance about their use of Fund resources. A member has a practical assurance that it will be able to purchase from the Fund up to an amount equal to the gold or dollars it has contributed to the Fund. The Fund has also instituted a system of stand-by arrangements under which members can agree with the Fund in advance for specified drawings during a limited period.

Future Role

In considering the future role of the Fund, the first task is to help to restore international balance. Most countries are still confronted by a more or less difficult payments problem which manifests itself largely, though not exclusively, in the form of a dollar payments problem. Aid from the United States and off-shore military purchases have been substantial factors in improving the international payments situation. Recently, however, despite the necessity in many countries of providing large resources for defence, there has been encouraging evidence of recovery based on firmer and more permanent foundations than external aid can provide. The payments problem can be substantially solved if the members of the Fund pursue proper policies—that is, if the deficit countries apply policies that restrain excessive expenditure and costs, and the surplus countries policies that encourage high levels of production and international trade. Exchange and financial policies that encourage foreign investment would, of course, also help to solve the world payments problem.

Appropriate national policies are the only effective means of solving payments problems. Indeed, one of the most important tasks of the Fund is to provide technical assistance to help members to establish such policies. The Fund can help, encourage, and advise its members. But it is they, and they alone, who can put into force the right policies. The role of the Fund should be similar to that performed by central banks. The Fund can be the advocate of sound policies and a persuasive force in securing their adoption. In recent years, countries have come to recognise more clearly than before the central role of financial policy in determining their payments position. This has made it possible for the Fund to exert a greater influence upon its members. The modifications of policy required by changing conditions are, however, too long delayed, both in debtor and in creditor countries. The failure to appreciate the importance of flexibility not only in budgetary and monetary, but also in commercial policy has been one of the factors that have in recent years slowed down our progress toward a stable international equilibrium.

Convertibility of Currencies

The second big task of the Fund is to help its members in establishing the convertibility of their currencies. The maintenance of general convertibility depends upon the restoration of international balance. That does not mean, of course, that all payments have to be solved before any currency can be made convertible. The convertibility of the leading currencies would be a powerful force inducing both the countries immediately concerned and others to put into effect and to continue the sound financial policies that are essential for a lasting solution of their payments problems.

There are to-day a few major currencies that are approaching the position where they could be made convertible. When a country decides to establish convertibility, it must indeed be sure of its ability, even under pressure, to maintain convertibility. The domestic situation must be free of inflationary pressures, the payments position must be strong, the country must have accumulated reserves of its own. Assurance will probably also be needed of adequate financial support to meet the initial stress or subsequent unforeseen difficulties.

Convertibility is an essential requirement for effective competition in international trade. It is the only way by which countries can sell freely in any market the goods that they produce most efficiently and buy freely in any market at the lowest possible price the goods that they consume. Convertibility would also help create conditions favourable to an expansion of international capital movements. The extension of convertibility is in the direct interest of the countries immediately concerned. But it is also in the interest of the rest of the world, and in particular of the United States. As U.S. foreign aid declines, some adjustments will be necessary in the U.S. economy. These adjustments will be less difficult if other countries have the economic strength associated with convertibility. This is in turn dependent upon the possibilities open to them to earn dollars, which are linked with the freedom allowed to them to sell in U.S. markets. It would thus help them to maintain their demand for U.S. products. Progress is now being made in establishing the basis for convertibility. The payments position of many countries and regions has been strengthened and the reserves which are indispensable for convertibility are being accumulated. The recovery of the reserves of some of the great trading countries from very low levels has already been an important factor in making possible a liberalisation of their import and exchange policies. It is in the best interests of the United States that these reserves should be still further strengthened.

Further practical steps are now being taken in many countries to liberalise their trade and to minimise currency discrimination in their import policies. For example, in the United Kingdom, private trade in raw materials and some foodstuffs has been restored. Several commodity markets have been reopened. Others will follow. Every such decision is a step toward convertibility.

Avoidance of Business Fluctuations

The third big task of the Fund is to minimise the international impact of business fluctuations. A recession in a great trading country has a considerable impact on the payments position of other countries. Even a 5 per cent. decline in the national product of the United States could result in a 15 per cent. reduction of total U.S. imports and a substantially larger reduction in U.S. imports of certain raw materials. This would hurt some raw material producers very severely. If other countries were then compelled to reduce their imports to the depressed level of their foreign exchange receipts, the export industries of the United States would be affected, and the recession would spread from country to country with increased intensity. If countries could use Fund resources to supplement their own reserves in maintaining a tolerable level of imports, the international effects of a recession could be moderated. The sensible policy in international finance, as in domestic finance, is not to intensify a recession by deflation but to alleviate it by a judicious use of credit.

The Fund is fully aware of its responsibilities to act with determination to assist its members in lessening the balance of payments impact of any future depression. The Fund can operate with sufficient flexibility in a depression without changes in the Agreement. It believes that, with its present machinery and even with its present resources, it can make a useful contribution to that effect.

The present resources of the Fund are enough to meet calls for temporary assistance under existing conditions. They are enough to permit even substantial stand-by arrangements for members planning to esta-

(Continued on page 146)

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RURAL BANKING IN A PLANNED ECONOMY

SOME CONCRETE PROPOSALS FOR DEVELOPMENT OUTLINED

INDIA is throbbing with new life. A great plan of national development has got into its stride. The plan has been born in vision and inaugurated under inspiring auspices. The authors of the plan envisage that the Reserve Bank will play an active role in creating "the machinery needed for financing developmental activities all over the country." This machinery is intended to be so designed that, while it will be properly equipped to undertake some "judicious credit creation somewhat in anticipation of the increase in production," it should be adequately efficient in encouraging savings so that the same may be employed in "productive use" and not tucked into "mere hoarding." The authors expect that necessary funds will be provided to meet "large credit needs of agriculture and industry, especially of cottage and small-scale industries," and that "a network of institutions" will be created to "mobilise savings in the rural areas and disburse credit on a large scale." And yet, there are signs of faltering steps. Doubts and suspicions assail the common man; and bewilderment seems to cloud view and stultify action.

Problems of Development

The problems of Indian economic development have been subjected to anxious and elaborate examination during last two decades, at both expert and administrative levels. It is commonly agreed that the task involves not only growth but also rehabilitation, a turning of the growing drift towards urbanisation, a decentralisation of productive activities, and an integration of rural and urban economics to ensure orderly production of raw materials in accordance with varying needs of industries and also to provide an expanding market for increasing industrial output. It has been found that the transition, though slow and wobbling, from agricultural to industrial economy, embracing the last 40 years, has been accompanied with gradual disintegration of rural life, with consequent disruption of the rural credit structure, growing neglect of agriculture as an instrument for creating economic wealth and disappearance of subsidiary and ancillary rural employments. The results have been more disastrous then those experienced in England in the eighteenth and nineteenth centuries, when, in the wake of the industrial civilisation, employment was contracting and distress in rural areas was deepening.

Need of the Hour

Industrial advancement in England was built on colonial acquisition of raw materials and geopolitical exploitation of foreign markets; whereas, like in the U.S.A., industrial development in India will have to depend basically on internal supplies of raw materials and internal organisation of extensive markets, though both imports and exports may serve as marginal and corrective forces and may even sustain individual industries like tea and jute. It is not necessary here to enter into a controversy over the rationale of an introvert market, because whatever may be the merits or demerits of a 'closed economy,' the inescapable fact remains that extended industrial activities in India will end in chaos and ruin, unless the vast rural hinterland is *active enough to keep* supplies of raw materials rolling and vital enough to absorb goods and services turned out by an awesome industrial engine.

The disorganisation caused by insidious decay of rural life has been assuming disquieting proportions. Though industrial production has been rising, market is receding, purchasing power has been falling and inventories have been accumulating. The Planning Commission believes that bold and energetic measures are called for to revitalise economic life, and to this end, indicates a schedule of "priorities for development" to be followed in both rural and urban spheres. The need of the hour is, therefore, to set up and bring into action a machinery which will extend credit to stimulate rural activities (both agricultural and industrial), mobilise savings and rationalise money supply, create enthusiasm and promote confidence, and thus help towards an all-purpose development of rural life, including mobilisation of "local effort for local development."

Several alternative patterns of the contemplated machinery have been discussed and considered. There may be an extension of branch banking

By A Banker

activities into villages, vigorous propaganda may be launched to popularise co-operative societies and postal savings banks and steps may be taken to start new societies and open new postal savings departments. The Rural Banking Enquiry Committee, which was appointed in 1950, recommended that, while commercial banks should be encouraged to open branches at taluka and *mandi* towns and other towns of commercial or industrial importance, the vast remaining area of the country should be served by the co-operative and postal systems; co-operative banks being required to cover the towns and larger rural areas, and co-operative societies and postal savings banks to extend to smaller villages. The Committee also suggested that, in certain areas and regions, institutions like Agricultural Credit Corporations or State-sponsored Agricultural Banks might be set up to strengthen the activities of co-operative banks and societies. The measures which the Committee considered necessary for satisfactory implementation of its recommendations are as follows:

(i) A well developed transport system, (ii) acceptance by banks of accounts from illiterate customers, (iii) use of regional languages in books and forms of banks, (iv) association with banks of local persons as directors and employees, (v) propaganda to educate people regarding use of banking facilities, to be undertaken by Government as well as associations of banks, (vi) sympathetic dealings with the rural people by officials of banks, and active interest to be taken by such officials in rural social life and agricultural problems, (vii) non-application of Shops and Establishments Acts and awards of Industrial Tribunals to offices of banks situated in towns having a population of less than 50,000, so that operating costs of rural branches may be kept down, (viii) treatment of commercial banks on par with co-operative institutions in respect of legislations relating to money-lending and debt relief, (ix) liberalisation of remittance facilities to ensure cheap transfer of funds between different places served by banks, co-operative institutions and indigenous bankers, (x) adequate facilities for conversion and exchange of notes and coins, (xi) facilities for banks to keep their iron safes and chests in the strong rooms of treasuries and sub-treasuries, (xii) active steps for promotion of warehousing, and in particular, establishment of a Warehouse Development Board, (xiii) special assistance and subsidies for co-operative institutions and (xiv) higher rates of commission on turnover at new branches and Treasury pay offices of the Imperial Bank for a period of five years.

It will be noticed that the measures suggested by the Rural Banking Enquiry Committee extend differential treatment in favour of co-operative institutions and the Imperial Bank. In spite of forty years of special nursing of co-operative societies under official patronage, agricultural credit societies had aggregate deposits of only Rs. 7.5 crores, as against borrowed funds of Rs. 24.8 crores as at 31st March, 1951. It is doubtful, therefore, as to how far the above stated measures will help in breaking the long tradition of the rural population regarding co-operative societies as sources of loans rather than as depositories of savings. Again, unless the Imperial Bank modifies its semi-bureaucratic approach and follows normal methods of commercial banking, it does not seem reasonable to expect it to develop fruitful local contacts or to undertake such credit creation as is visualised in the plan. Moreover, further continuance and/or extension of discriminatory treatment in favour of the Imperial Bank will place other commercial banks under a handicap and also run counter to the principle of providing equal opportunities for private enterprises in the same class.

Let Private Sector Do It

It seems also obvious that branches of big banks (whether the Imperial Bank or other commercial banks) with a metropolitan outlook, lacking special interest in any local area of its operation, and assuming a distant, though correct, attitude to the local people will fail to create the necessary measure of enthusiasm. On the other hand, co-operative institutions lack necessary funds of their own, are not integrated with the urban money market and have no means or tradition to train personnel in sound methods of accounting, proper business practices and knowledge of banking law. Though the State and the Reserve Bank may provide necessary funds to co-operative institutions, the access to funds thus opened will fail to form part of a bank's regular programme of operation and will depend on decisions made from time to time at distant headquarters, and thus be vitiated *in a more accentuated form* by the same evils which are attributable to the functioning of big banks through their branches in villages. Again, though the Planning Commission expects the State to provide Rs. 10 lakhs for improvement of the co-operative personnel, and the State may, therefore, organise and finance the training of personnel for co-operative institutions, such training will fail to be directly related to experience of practical working and will also involve State assistance in the private sector in a matter which may well be organised by private resources.

It should be remembered that, while the State should not fight shy of meeting calls for assistance or intervention in any sector, the demand on its resources is so great that it should not spend its energy or resources where the private sector possesses reasonable capacity. As regards postal savings banks, irrespective of other advantages or disadvantages, the fundamental fact that the system cannot efficiently handle money supply and that the savings collected by the postal banks will flow into channels of State investment and will not thus be available for productive employment in the private sector, seems sufficient to render it unfit for the role which is envisaged by the Planning Commission for the new machinery of credit institutions. It should also be borne in mind that, in spite of much-publicised shift in income, the availability of rural savings will depend on cheap and rationalised credit supply, access to wider money and commodity markets and a healthy relation between prices of primary produce and of manufactures. It appears, therefore, that, while an urban plant should not sprout on the rural soil, an appropriate scheme *designed* to meet the peculiarities of the position and its special needs should be so devised as will integrate "all the channels of credit" and ensure purposeful co-operation of the commercial banking system.

Scheme Outlined

It is suggested, therefore, that a scheme prepared on lines similar to those indicated below may be considered suitable for the purpose:

(i) Rural banks should be established at the rate of one in each sub-division of a district, with pay offices in sufficiently built up areas within the sub-division of each bank's operation. These banks should be shareholders' banks, with a paid-up capital of Rs. 1,00,000 for the principal office and Rs. 10,000 for each pay office. The whole of the country should be covered by the scheme within five years, though pay offices may take longer, say, further two years to be fully extended.

(ii) Such banks should be sponsored by Scheduled Banks of at least five years' standing and working at a profit, as their subsidiary concerns. It would generally be obligatory for the Scheduled Banks to join the scheme, opportunity being given to them to select their areas of operation as far as practicable. The "sponsor bank" should subscribe half of the capital of the rural bank, the balance being subscribed by the public, and, failing adequate public subscription, by the Government to the extent of the shortfall arising.

(iii) The "sponsor bank" should lend to the affiliated rural bank upto three times the amount invested by it in the paid-up capital of the latter, the loan being guaranteed by Government.

(iv) Capital losses, if any, incurred by Scheduled Banks in respect of the working of rural banks within the first seven years must be reimbursed by the Government.

(v) The sponsor banks will be entitled to commission at the rate of 1/8 per cent. of annual outstanding deposits of rural banks for a period upto the fifth year of incorporation.

(vi) A deposit insurance scheme should be introduced for rural banks.

(vii) The rate of tax on the income of rural banks should not exceed 25 per cent. of the rate for public companies in general, upto a period and size of profit, and thereafter, the undistributed profits of these banks should be wholly exempt from tax.

(viii) The sponsoring Scheduled banks, if conforming to prescribed standards of size and efficiency, should be entrusted with the cash work of Government Treasuries or sub-treasuries in the respective areas allotted to them.

(ix) It should be permissible for rural banks to run mobile offices.

R.B.E. Committee's Objections

A scheme formulated on the above lines was submitted to the Rural Banking Enquiry Committee in 1951 but encountered objections on the following grounds:

(a) Co-operative banks and post offices can go deeper into the rural areas than commercial banks.

(b) (i) The scheme involves guarantees, payments of subsidies and concessions of taxes for which State finances are not sufficiently strong and which, however, justifiable in respect of other undeveloped industries, is not tenable in relation to banking which is neither an 'infant industry' nor is it in need of protection against foreign competition. Moreover,

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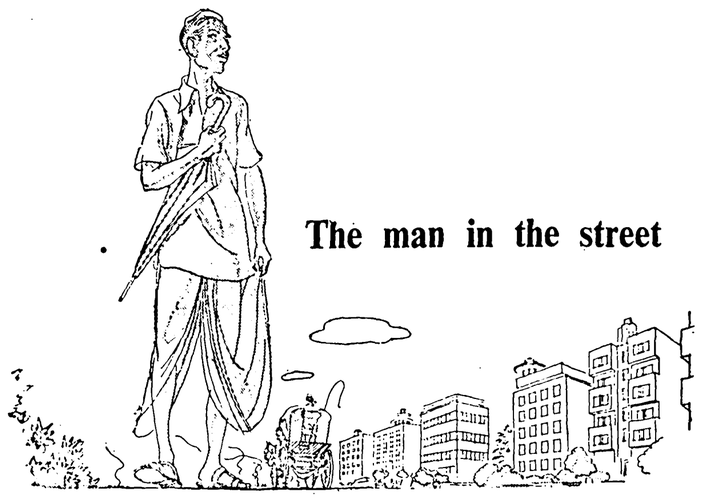

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banking losses in initial periods are normal and, therefore, should legitimately be borne by banks expanding their business.

(ii) The question of practicability of a scheme of deposit insurance should be considered after the banking system is properly consolidated.

(iii) Subsidies and concessions involved in the scheme will operate in competition with those now being extended to the co-operative system.

(iv) The subsidies, etc., though intended for short periods, have the knack of claiming continuance.

(c) The scheme will raise complicated issues regarding allocation of various regions to different Scheduled Banks.

It may also be argued in some quarters that a scheme for setting up rural banks as subsidiaries of commercial banks will give rise to serious misgivings regarding Government policy in the field of finance; that success of the scheme will require detailed supervision of and direction of rural banks, which will be administratively difficult and may even be resented by the banks themselves; and further that co-operative agencies will be in a better position than commercial banks to develop contacts and build up a rural clientele.

Criticisms Answered

It seems that the criticisms levelled against the scheme are based on an insufficient conception of the part that the postal system can play in the economic set-up of the country. As already indicated, savings collected by Post Office Savings Banks are utilised for finance in the public sector and thus will not be available for the much needed finance for the private sector; again, the postal system is not a part of the normal money market, nor can it conduct money supply which, in the interest of a well-regulated policy of credit and currency, should be integrated in the organised banking system. As regards co-operative institutions, also, it has been noted that tradition has fitted them into a role of intermediary lending institutions, and experience of low deposits and high borrowings shows that they are not suitable agencies for mobilising savings or operating currency.

A policy of encouraging the co-operative and postal systems to undertake the role, for which they are not organisationally designed and naturally competent, may soothe one's conscience with a sense of having done the best that is possible, but will hardly achieve the desired result. The criticisms relating to the States' inability to meet the cost of guarantees, subsidies, and remissions of taxes seem to overlook the fact that such assistance is already being extended to, and planned to be further increased in respect of, the co-operative system, and that considerable outlay is being made on propaganda to popularise the postal system. As regards the objection against the proposed guarantees and protection for rural banks, it should be borne in mind that they will not create new wastage or destruction of assets but are intended only to disperse the burden of losses which will in any case arise, and if left to weigh on a localised sector, will cause aggravated economic losses by dislocating the economy.

Rural Banking Still An Infant

Though it may also be possible to maintain that banking, and especially rural banking, is still an infant industry in India, it is not necessary to dwell on the issue, as guarantee and protection are intended to subserve the well-being of the larger economy and do not relate simply to the narrow question of infancy. Creation of credit in pursuance of development finance, furthering a plan with both time and achievement targets, will, in the nature of things, be attended with failure and misdirection of productive and distributive activities, in individual sectors, and, unless the larger economy is protected by a well-prepared scheme of protection and guarantee, the plan itself will stand the risk of foundering on unseen rocks. It will, therefore, also, logically follow that a scheme of insurance will make a creative contribution and serve best only before the banking system is fully rationalised and consolidated, and that such scheme may be necessary only as a routine measure after the system succeeds in dealing with or overcoming the factors of uncertainties and disturbances.

Issue Should Not Be Distorted

The question of competition with the co-operative system should not be allowed to distort the issue, because it is contended that co-operative institutions are no fit to function as credit agencies and that, while they may be utilised as intermediary lending agencies and in other fields of co-operative endeavour, they should not be called upon to take part in conducting currency and credit. Moreover, unlike guarantees for co-operative institutions, it is possible to evolve guarantees for banks on a self-sufficient basis and arrange that the premia and surcharges levied on the members of the banking system and credit-users, respectively, will be sufficient to meet the cost of guarantee and protection, and thus to minimise, if not to eliminate, the necessity of drawing on State funds. Again, income enhanced by accelerated economic activities will not only augment national income but will also bring increased revenue to the State.

As regards the danger of perpetuation of the system of assistance and guarantee, the legislators and administrators functioning under an organised plan should be expected to be firm in resisting unnecessary demands and yet to be responsive to the needs of the situation obtaining from time to time; and, in any case, such danger will equally affect the liberal provisions made for grants and assistance to the co-operative institutions. The allocation of various regions to different Scheduled Banks should not present any formidable problem for the Reserve Bank which is already called upon to perform a similar but more complicated function of licensing branches of banking companies under section 23 of the Banking Companies Act.

The apprehension that the proposal for setting up rural banks on the lines suggested above, will create special misgivings in the public mind seems to be unfounded. It is true that Governmental activities in the economic field are sometimes viewed with distrust; but this attitude will be more pronounced in relation to Government's association with an inefficient and wooden system represented by the present structure of co-operative credit than that with a system which will succeed both in mobilising savings and creating credit. In view of the policy of control and supervision already adopted and enforced in respect of banks and co-operative institutions, the argument against its practicability or acceptability seems also to be out of place; further, the availability of trained personnel and useful experience through co-operation with commercial banks will make it increasingly possible to lessen the rigidity and elaborateness of supervision and direction.

An Important Benefit

Lastly, rural banks originating in the area of their operation but organisationally linked with Scheduled Banks will enjoy the benefits of specialised training and sound traditions, and yet, will breathe the local spirit and be in complete harmony with the local atmosphere. It is quite within the range of practicable politics to organise 500 rural banks, with 4,000 pay offices, that, within five years of their inception, they will raise deposits of the order of Rs. 45 crores, as against a sum of less than Rs. 8 crores raised by agricultural co-operative credit societies, with a background of forty years of propaganda and official assistance; and the facilities provided by sponsor banks should also be expected to help in preparation of a programme of expenses which need not exceed the income of a rural bank even in the first year of its existence.

Conclusion

The Planning Commission emphasises the necessity of stimulating co-operative activities in the rural field and contemplates that rural credits to the extent of Rs. 100 crores per annum shou'd be extended by the Government and the Reserve Bank through Co-operative institutions. It is respectfully submitted, however, that the Commission does not take into sufficient account the fact that co-operative institutions, as now constituted and controlled, do not contain the necessary elements of co-operative adequacy. Supply of credit, which is the principal function of a credit agency, does not originate in the Indian co-operative system but has to be borrowed from outside agencies, whereas rural banks functioning in close association with commercial banks, will succeed not only in collecting savings but also in operating money supply; and thus credit extended by them will be based on resources raised under conditions of co-operation between banks and local people, and not like the so-called co-operative societies, on funds obtained from outside sources.

Again, immense outlays borne or commitments undertaken by the State in respect of co-operative societies, in connection with training, supervision, propaganda, subsidy and guarantee, will have to be met out of general revenues of the State, whereas the burden of similar costs and obligations may reasonably be expected to be distributed among their direct beneficiaries. It may not, therefore, be presumptuous to maintain that the proposed system of rural banks will more effectively answer the purpose of the Planning Commission in bringing about that "institutional reform" which the Commission considers to be an essential part of the implementation of the Five-year Plan, than an extended scheme of finance and assistance for credit societies belonging to the organisation built on present laws relating to co-operative societies. While, therefore, co-operative societies may, at best, discharge in a credit system functions similar to those assigned to small wells in a scheme of irrigation, rural banks will fill the role comparable to that of a D.V.C. project in an all-embracing scheme, serving not only the purpose of irrigation, but also of flood control, power generation and navigation.—*All Rights Reserved.*

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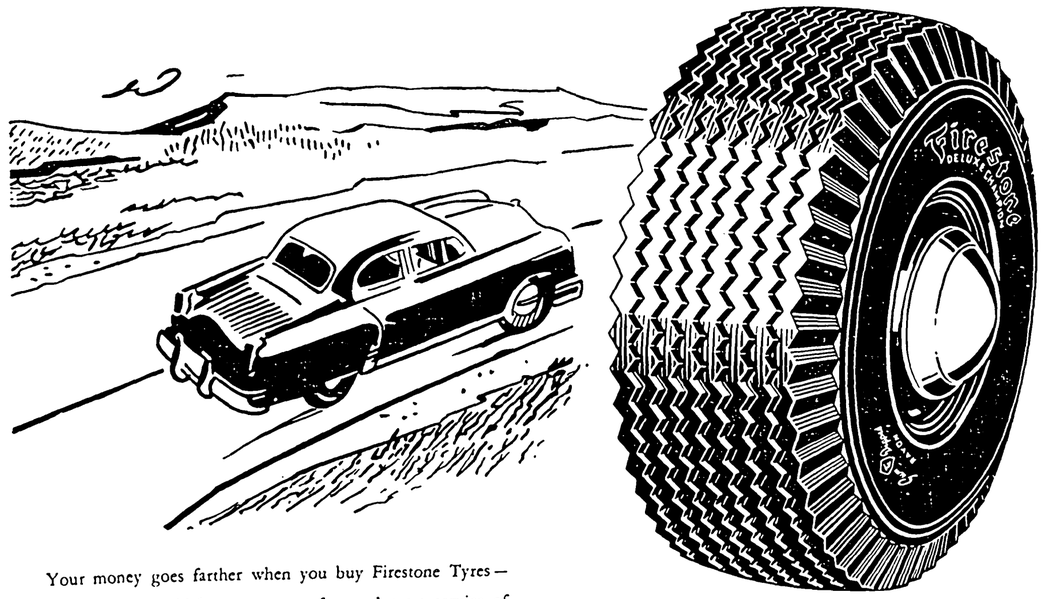

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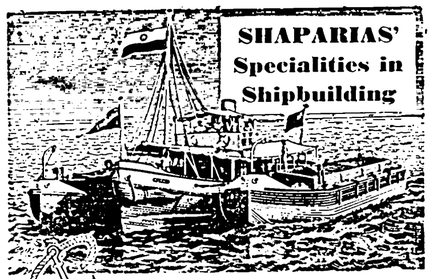

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IDEA OF MIXED BANKING OBSOLETE

By S. T. Sadasivan

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THE Industrial Policy Statement of 1948 and the Five-year Plan formulated by the Planning Commission have laid down that certain basic industries of national importance shall be reserved for development by the State and the remaining industries left for operation, subject to regulation and control by the State to private enterprise. The financial resources needed for carrying through the developments envisaged by the Plan are also estimated and allocated between the public and the private sectors, so that each sector might get its proper share of available resources.

The pattern of finance envisaged by the Planning Commission for the private sector reveals that a sum of approximately Rs. 383 crores will be required for investment on expansion, modernisation and replacement and Rs. 150 crores for working capital. The sources of finance indicated for carrying through this programme are as follows:

(In crores of rupees)

(a) Savings of corporate enterprise in the industrial sector	200
(b) New issues	90
(c) Assistance from the public sector ..	5
(d) Industrial Finance Corporation ..	20
(e) Refunds of excess profits tax deposits	60
(f) Banks and other sources of short-term finance	158
Total ..	533

It is significant that banks are classified under sources of short-term finance and the amount to be provided by these interests is approximately equal to the working capital requirements of private industry.

The question that arises is whether banks are in a position to provide an additional Rs. 150 crores of finance for industry and in this context we might examine also the general question whether banks can help industry in respect of its requirements of long-term finance either through participation in the ordinary and preference share capital or through subscription to debentures.

The total deposits of scheduled and non-scheduled banks as on 31st December, 1952 were Rs. 814.36 crores and Rs. 43.96 crores, respectively, making a total of Rs. 858.32 crores. This total was composed of demand deposits Rs. 436.95 crores, savings deposits Rs. 143.66 crores and time deposits Rs. 277.71 crores. Treating savings deposits, from its nature, as time deposits, half the total deposits were payable on demand and half on fixed dates within twelve months. The classification of the ownership of these deposits reveals that private individuals held Rs. 409.82 crores, industrial concerns Rs. 79.09 crores, commercial concerns Rs. 239.02 crores and others (mostly Government and quasi-Government bodies) Rs. 130.38 crores. The industrial and commercial deposits are susceptible to very rapid turnover, while the personal and other deposits are subject to a small rate of turnover.

The examination of the growth of the resources of the commercial banking system from the year 1939 reveals that, as a result of war finance, the deposits of banks rose from Rs. 277.5 crores in 1939 to Rs. 948.9 crores in 1952. During the same period, the holding of Government securities (investment by banks in the public sector) rose from Rs. 79.8 crores to Rs. 347.1 crores and the advances of banks rose from Rs. 167.5 crores to Rs. 548.1 crores. From this it is clear that banks have contributed their share to developments both in the public sector and in the private sector.

Since the coming into force of the Banking Companies Act, 1949, four years ago, classified figures of advances to industry, commerce, agriculture and other interests have been published by the Reserve Bank of India and, though only the figures for the past four years are available, it is reasonable to assume that the figures give a true picture of the general pattern over a period of years and of the underlying trend where changes have occurred. The following table gives the analysis of advances of all banks (scheduled and non-scheduled) as at the end of the years 1949, 1950, 1951 and 1952 and also as on 31st March, 1951 and 1952. The figures within brackets give the percentage to total advances and at the foot of the table is given the ratio of advances to deposits:

Analysis of Advances of Scheduled and Non-Scheduled Banks According to Purpose

(In crores of rupees)

	31-12-1949	31-12-1950	31-3-1951	31-12-1951	31-3-1952	31-12-1952
Industry	138.57	160.1	203.4	201.7	241.1	186.4
	(29.6)	(30.9)	(32.4)	(32.4)	(35.7)	(34.0)
Commerce	237.77	263.6	225.4	223.2	231.1	253.1
	(50.7)	(50.8)	(52.8)	(52.0)	(49.9)	(46.2)
Agriculture	9.95	13.5	14.9	15.4	19.0	23.4
	(2.1)	(2.6)	(2.4)	(2.5)	(2.7)	(4.3)
Personal and professional ..	45.37	54.1	54.2	54.1	54.0	50.3
	(9.6)	(10.4)	(8.7)	(8.7)	(8.0)	(9.1)
All others	37.05	27.6	28.7	27.2	30.8	34.9
	(7.9)	(5.3)	(4.2)	(4.4)	(4.6)	(6.4)
Total advances	468.1	519.7	627.6	621.6	675.0	548.1
Ratio of advances to deposits.	47.3	52.0	67.0	63.8	76.0	57.7

The figures provide very interesting reading. During the period 1st January, 1950 to 31st December, 1951, advances rose from Rs. 468.7 crores to Rs. 518.7 crores and, in the three months from 1st January, 1951 to 31st March, 1951, there was a further steep rise by Rs. 108.9 crores to Rs. 627.6 crores. The figure fell to Rs. 621.6 crores on 31st December, 1951, but, on 31st March, 1952, advances again rose to Rs. 675.0 crores. At the end of December 1952, the figure fell to Rs. 548.1 crores. The banking system was thus called upon to meet a tremendous demand for advances in 1951 during the period of the Korean War boom. These advances were not liquidated in the slack season of 1951, but were carried over into 1952 and on the top of this carry-over was superimposed the seasonal demand for advances of the 1952 season of nearly Rs. 55 crores. Over a short period of one year and three months, the banking system showed itself capable of expanding its advances by the very huge figure of Rs. 156 crores despite a fall in deposits of Rs. 32 crores. Of this increase, advances to industry rose from Rs. 138.59 crores on 31st December, 1949 to Rs. 241.1 crores on 31st March, 1952.

The banking system has thus shown itself capable of almost doubling its advances to industry. The strain was very great and this tremendous expansion in banking credit was made possible by sale of Government securities, by borrowings against Government securities and also by borrowings against usance bills under the bill market scheme formulated by the Reserve Bank of India. This scheme was brought into operation not one moment too soon and, but for its introduction, the banking system in the country would have been subject to an unprecedented severe strain.

Examining the figures for 31st December, 1952, advances to industry constitute 35.1 per cent. of the total advances while those to commerce, agriculture, 'personal and professional' and 'all others' constitute 46.7 per cent., 4.2 per cent., 7.8 per cent. and 6.3 per cent. respectively. Within the industrial group, the cotton textiles industry gets 26.6 per cent., sugar 15.4 per cent., engineering 9.6 per cent., jute 7.9 per cent. and other textiles 5.5 per cent. Obviously the textile industry, being the oldest established, gets the largest share of advances from banks and the sugar industry, which, in recent years, has recorded rapid development, comes next in importance. Cement, although it is a very important section of industry, is largely financed by internal resources and its share in bank advances is only 0.6 per cent.

It would appear, *prima facie*, that established industry is getting all its working capital requirements from banks, but the question arises whether the banking system is in a position to meet an additional demand of the order of Rs. 150 crores for industry envisaged by the Planning Commission. The answer to that depends entirely on whether, as a result of the execution of the Plan in the public sector, there would be a large increase in deposits in the commercial banking system.

It goes without saying that, if deposits were to expand during the Five-year Plan period by about Rs. 600 crores, bank advances could increase by Rs. 300 crores and, if a certain bias in favour of advances to industry were to be exercised, they could be stepped up by Rs. 150 crores. The trend of bank deposits in recent years has been downward or at best stagnant. Advance collection of income-tax, borrowings by the Government of India, State Governments and Local Bodies and diversion of funds from banks into the Government treasuries through the operation of the State scheme for compulsory provident fund for industrial employees, all have the cumulative effect of draining of the natural accumulation of funds in banks. In these circumstances, it would be grossly optimistic to assume that an expansion in deposits of the order of Rs. 600 crores would materialise in the next three or five years.

The deposits of commercial banks declined from Rs. 1,168.48 crores in 1946 to Rs. 956.60 crores in 1952, while, in the same period, the advances had increased from Rs. 530.73 crores to Rs. 675 crores and then declined to Rs. 579.34 crores. The net increase in advances has been financed by a reduction in the portfolio of Government securities held by the banking system. In the busy season of 1951 and 1952, the percentage of bank advances to deposits reached dangerously high levels and it was the decline in commodity prices which set in in the first half of 1952 that made a return to normal conditions possible.

The record of service of banks to industry has been impressive. As has already been pointed out, when industry needed additional working capital during the years 1950 to 1952, banks readily came to their assistance by increasing their loans to industry by over Rs. 100 crores. The total of advances of the banking system today, after the collapse of the post-Korean war boom, is of the order of Rs. 500 to Rs. 550 crores and, even after making provision for seasonal needs of industry and commerce, banks are well placed to handle a fair amount of acceptable new business relating to industrial finance. It is, no doubt, true that, in the slack season, the advances come down and deposits go up and money becomes easy, but, considering that advances can increase by Rs. 70 to Rs. 80 crores in the busy season and deposits could go down by about Rs. 30 crores, the banks have to be prepared for a shift of funds of the order of Rs. 100 crores. This they are able to do by borrowing against Government securities and also by resorting to the bill market scheme introduced by the Reserve Bank. While, therefore, it is possible that a certain amount of additional finance for new industry can be handled by banks, the conclusion is irresistible that, on the basis of present deposits of the banking system, commercial banks have reached their limit for advances to industry and commerce.

The small size of the excess cash balance reserves of the banking system with the Reserve Bank over and above the statutory minimum which banks are required to keep provides a further confirmation that the banking system has reached the limit of its ability to give advances to industry and commerce. This excess, which was very pronounced in the war years and in the period following the termination of the war, has steadily dwindled, with the result that, in February, 1952, the excess fell to a mere Rs. 8.10 crores. The minimum was touched, when the ratio of scheduled banks' advances to their deposits rose to 68.5 per cent.

In contrast with the experience of the commercial banks, the co-operative banks and the post office savings banks recorded a spectacular rise in deposits. Deposits of co-operative banks rose from Rs. 57.80 crores in 1946 to Rs. 105.66 crores in 1952 and those of post office savings bank from Rs. 115.05 crores in 1945 before the Partition to Rs. 199.81 crores in 1952. Thus, while the commercial banking system has experienced a shrinkage of resources, the co-operative banks and the post office savings bank, which contribute to the finances of the quasi-public and public sector, have registered very great improvement. This is a convincing proof of the shift of income and saving capacity from the urban to the rural area and from the middle and upper classes to the agriculturists and industrial workers. This shift, coupled with the Government's budgetary and development policies, does not give much hope of an expansion of the resources of the banking system, except in the event of inflation of currency and credit through the operation of the Five-year Plan.

Leaving out the possibility of inflation, the question is whether on the basis of the present banking structure any large increase in banking credit other than for seasonal requirements is feasible. Theoretically credit could be expanded by reducing the holding of Government securities and by working on a narrower basis of cash. These two methods have already been in operation for some time as is borne out by the following table:

Cash and Investments in Government Securities of all Banks

(In crores of rupees)

	31-12-1949	31-12-1950	31-12-1951	31-12-1952
Cash on hand and with banks and money at call ..	201.9	165.8	162.5	152.9
(%, to deposits)	(20.5)	(16.6)	(16.7)	(16.1)
Investments in securities of the Government of India and State Governments and in Trustee Securities ..	378.3	341.9	312.1	347.1
(%, to deposits)	(38.4)	(34.2)	(32.0)	(36.6)
Borrowings against investments	34.3	37.9	50.5	40.1

Under the provisions of the Banking Companies Act, it is incumbent on banks to keep in the form of cash and unencumbered Government securities a sum equal to 20 per cent. of deposit liabilities. But this is a minimum requirement and in practice banks find it prudent to work on the basis of 40 per cent. ratio.

This liquidity ratio is one which has to be decided in the light of experience and varies from country to country. Also the concept of what constitutes a liquid banking asset varies. In India, the securities of the Government of India and the State Governments are considered liquid, as it is possible, under the provisions of the Reserve Bank of India Act, to borrow moneys against them at all times. Likewise, in the United States, Government securities are looked upon as a liquid asset. In the United Kingdom, however, securities of the British Government are not considered liquid asset in the technical sense and it is only cash, holdings of first class bank bills and of Treasury Bills and moneys lent out at call and short notice to the money market against bills and short bonds that are considered liquid assets and the banks work on the basis of a ratio of these liquid assets to deposits of 30 per cent. In Germany, Government securities are not looked upon as a desirable banking asset and banks there treat commercial bills rediscountable at the Central Bank as a liquid asset.

In recent times, the concept of liquidity itself has undergone a change. Whereas years ago any security that could be easily realised without loss or any advances or bill which might be deemed to be self-liquidating was considered a liquid asset, the stress now is more on the shiftability of assets and it is only those assets that can be passed on to the Central Banking institution in times of crisis for the purpose of advance or rediscount that would now be deemed to be liquid assets. In the light of this development, it is only those assets which would be bought, advanced against or discounted by the Reserve Bank of India under the provisions of the Reserve Bank of India Act that should, strictly speaking, be deemed to be liquid assets. From this point of view, there should be no difference between Government securities and commercial advances backed by usance bills, because both are acceptable as collateral for advances by the Reserve Bank of India.

If a lower holding of Government securities is offset by a larger holding of commercial bills eligible for deposit with the Reserve Bank of India by way of collateral security for call loans, there is no impairment of liquidity. In actual practice, however, the turning of all or a majority of advances into bills acceptable to the Reserve Bank of India is not a feasible proposition, except to a limited extent for the purpose of seasonal expansion of credit and, therefore, considerations of liquidity suggest that the holding of Government securities should not be further reduced. The experience of the busy season of 1952 clearly indicates that a large expansion of credit not backed by an expansion in banking resources is beset with potential dangers. The idea of a reduction of holding of Government securities to provide the basis for an increase of bank credit to industry must, therefore, be ruled out.

A Prerequisite

The other alternative that presents itself is that the cash ratio of the banking system could be reduced to provide the basis of credit expansion. British banks over a period of time have reduced their cash ratio by gradual steps from about 15 per cent. to 8 per cent. Treating balances with other banks in current account and money at call and short notice as cash, banks in India work on the basis of a cash ratio of 12 to 15 per cent. and there is some room for economy provided remittance facilities and telecommunications are speeded up. At present large cash balances have to be kept at widely scattered centres, because it takes one day to transfer funds even from Bombay to Calcutta and *vice versa* and longer in the case of remittance to mofussil centres. If the "telex" system of communication is brought into wide use or, at any rate, if all the banking offices operating in the country are brought together by a system of "bank wire" whereby instantaneous communication is possible between any two banks, however far-flung they may be situated, it would be possible to move cash by "bank wire" in a matter of seconds and idle cash now lying in the vaults of branches of banks can be put to use as the basis for expansion of credit.

Long-term Finance

Turning to the requirements of equity capital and long-term finance for industry, it must be admitted that, with the competition for finance from Central and State Governments for the execution of their heavy development programme, industries find it difficult to raise capital from the open market. Established industries have to depend for expansion more and more on their own internal resources such as depreciation funds, renewal and replacement reserves and undistributed profits. So far these industries have not had much difficulty in securing their long-term capital requirements by the issue of equity capital, preference shares or debentures. An active demand exists for first class preference shares and debentures and banks themselves have not been averse to subscribing for debentures with a view to pass them on, in due course, to investors. These are, however, not liquid assets as they are not capable of being tendered to the Reserve Bank of India in the last resort as security for advances; but, as it is not necessary for banks to work on the basis of 100 per cent. liquidity, it is permissible for banks to divert a portion of their resources to investment in debentures.

The Industrial Finance Corporation of India, with a paid-up capital of Rs. 5 crores and a debenture borrowing of Rs. 7.80 crores, is performing a very useful function and the claim of the Chairman at the annual general meeting that "but for the help rendered by us many industries which have taken loans from us could not have started schemes whether of expansion or of modernisation or of new lines on which they have launched" is well founded. Several Finance Corporations sponsored by State Governments are slowly coming into being. They may be expected to assist the medium-sized industries in the same manner as, broadly speaking, the Industrial Finance Corporation of India is assisting the bigger industries.

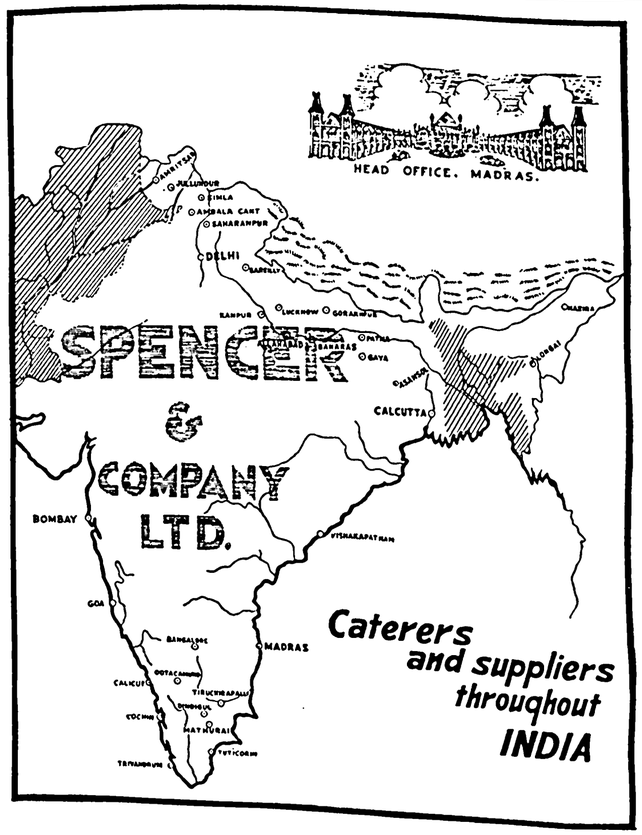
Mixed Banking

There is one point to be stressed in connection with the share capital issues by these corporations. They are, in all cases, guaranteed by the respective Governments as to safety of capital and minimum dividends and are declared to be Trustee securities. The Governments and the Reserve Bank of India between themselves take up 50 to 60 per cent. of the capital and the bulk of the remaining capital is offered to financial institutions. Banks would more freely subscribe to these issues if they are assured that the shares would be treated on a par with Government securities and freely accepted as collateral security for loans. The Reserve Bank of India at present would appear to look upon these shares as a sort of second class security against which no advances should normally be granted and, if this impression is correct, it is not right on the part of the Reserve Bank of India to authorise these flotations with the reservation of such a large part of the capital for subscription by banking interests. It is no wonder that banks who pay special regard to the liquidity aspect of their investment portfolio feel chary about subscribing to these shares.

The problem of new industries, however, is a very different one. The shortage of capital in the country in quarters accustomed to undertake risks necessitates new methods of raising capital. The idea that found favour a quarter of a century ago that commercial banks should adopt the mixed industrial-*cum*-commercial banking system in vogue in Germany and sponsor new industries by subscribing the whole or a part of the capital required by companies floated for the purpose, and retain investments in their portfolio till such time as the companies make a success of their venture and thereafter sell the shares in the open market has now become obsolete and would no longer find favour with the monetary authorities charged with the regulation of and control over the banking system. Liabilities of commercial banks are predominantly demand liabilities and even their time liabilities are repayable within one year. The policy of borrowing short and lending long has always proved disastrous in the past and there is no need for Indian banks to learn that lesson in the hard school of experience.

The fact that commercial banks cannot sponsor new industries and that the capital market has not the resources of risk capital to absorb the capital issue of new industries does not mean that no steps should be taken in the starting of new industries. The idea is already in the field that Government should set up a Development Corporation to start new industries and see them successfully through the initial stages of development till they reach a profit-earning stage when they should be turned over to private enterprise. Such a corporation should have a capital of, say, Rs. 100 crores. It should sponsor new industries and offer their capital to public subscription if thought fit. The Development Corporation should take up the entire capital of companies which are floated in public and make good the deficiency of capital not subscribed by the public in the case of companies whose capital is offered for public subscription.

There is also roim for the formation of financial companies specialising in the issue of new capital not on the scale of the suggested Development Corporation but on the lines of the Issue Houses in London. They would form a welcome addition to the Indian financial system and perform useful service even long after planning and priorities disappear.—*All Rights Reserved.*



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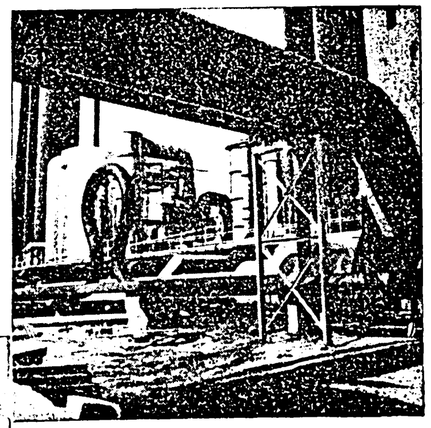

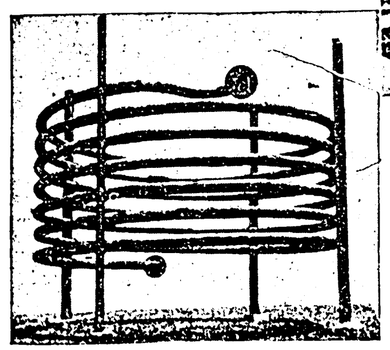

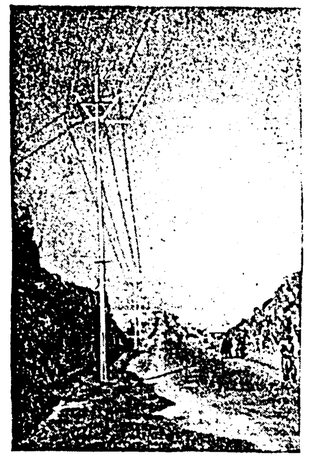

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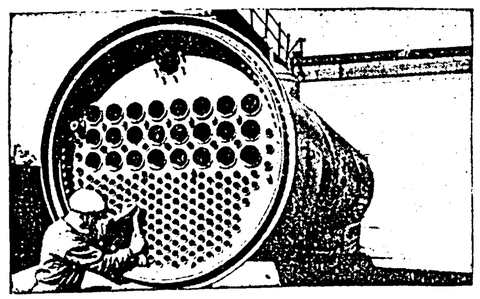

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WHY HAS THE FIVE-YEAR PLAN FAILED?

FINANCIAL BASES FAULTY

By Prof. D. R. Samant

THE First Five-year Plan (referred to hereafter as the Plan) has been by now in operation for nearly three years. The consensus of opinion is that the Plan has not succeeded in delivering the goods so far at least. Nor do the developments so far hold out any reassuring prospects of the objectives being fulfilled during the remaining period of the Plan. This failure of the Plan to set in motion economic activity, leading to all-round economic development, cannot be attributed to any unexpected extraneous factors. Consequently, it must be due to certain inherent shortcomings of the Plan itself. In the considered opinion of the present writer, the Planning Commission (referred to hereafter as the Commission) has made a wrong approach to the problem of economic development and has, consequently, raised faulty financial scaffolding which cannot allow any vigorous growth of the economy. It is needless to mention that financial policies play quite an important and decisive role in money economy, especially with free enterprise and free market. It is, therefore, proposed to examine here some of the important aspects of the financial bases of the Plan.

At the outset, it would be better to note some basic facts regarding planning for the economic development of India. These may be mentioned as follows:

(1) There is large-scale unemployment in India in respect of all types of labour, excepting, perhaps, highly specialised technicians. They too can be quite quickly and easily trained, as the basic knowledge and training is already there.

(2) The public economic activity in India is only a part of the total economic activity and the public developmental programme is only a part of the total economic development.

(3) Planning in India is going to be of the induced type, with private enterprise functioning under market mechanism.

It is quite necessary to remember these basic facts while framing or evaluating a plan for India's economic development. As we shall try to show presently, the Commission has not paid proper attention to the significance of these facts in drawing up the Plan and so its utility for achieving the objective, namely, rapid economic development of the country, has been greatly diminished.

Wrong Assumption

The Commission starts with the admission that "the material well-being a community can attain depends, in the main, on the stock of capital at its disposal" and proceeds to explain how the investments necessary for increasing the stock of capital can be achieved. Here, the Commission admits, "an underdeveloped country has a certain advantage, in that it has large resources of unutilised or underutilised manpower." "Still in practice," it adds, "mobilisation of idle manpower on a large scale cannot but result in the generation of considerable money incomes in advance of a corresponding increase in output. This is likely to create inflationary pressures which might be felt strongly at particular points in the system, infringing more heavily on the real income of some sections of the population than on others."

From this analysis the Commission jumps to the conclusion that. "A measure of privation to start with and austerity for a fairly long period are thus unavoidable under conditions of rapid development even in countries with vast unutilised resources." This conclusion is not warranted under the above assumptions. Inasmuch as investments can be undertaken by utilising idle manpower, there need not be any increase in privation and austerity for the community as a whole. On the other hand, the investment programme, by giving employment and income to the unemployed, will only result in redistributing the given production of consumption goods. Such redistribution is obviously socially desirable and will result in reducing privation for the community as a whole, instead of increasing it. Here, of course, care must be taken to see that the pressure of demand will not lead to a greater degree of inequality through speculative profits. This is one of the purposes of planning and the Commission would have rendered more useful service by pointing out how such undesirable effects of the inflationary pressure can be avoided. Instead of that, it just proceeds to draw up a plan free from the possibilities of inflationary pressure. But the Commission, perhaps, does not realise that, in doing this, it also reduces the possibilities of economic development. This is like throwing away the baby with the tub water.

Influence of Worn Out Theories

The fact is that the Commission has not been able to overcome the influence of the old and worn out economic theories of the Classical School which are based on the assumption of full employment and so are inapplicable in the case of a country like ours. It, therefore, finds, itself torn between facts and theories which it cannot correlate. The result is contradictory and illogical statements and policy recommendations. For instance, look at the following statement:

"The programme of investment," says the Commission, "that can be undertaken at any particular time depends primarily on two factors: The rate of saving in the community and the volume of unutilised human and material resources which can be used for direct investment." This is a confused statement. Of course, a community cannot undertake investment without using real resources—human and material. Under a state of full employment, therefore, the size of investment depends upon the resources set free, or rendered idle, by saving, that is, by reducing consumption. But, with unutilised resources, investments can be said to depend upon saving only when they are planned to exceed the utilisation of idle resources. But the Commission, without giving any estimate of how far the proposed investments are going to exceed the utilisation of unutilised resources, is only harping constantly upon the need for privation and saving. The fact is that it cannot ignore the existence of unutilised resources nor can it forget the classical theory that investments depend on prior savings. For instance, the next sentence in the Plan runs as follows:

"In the earlier stages of development, though the unutilised resources would be considerable, the scope for using them for stepping up the rate of capital formation might be restricted by either lack of technical skill or shortages of specific commodities and services. In this period, therefore, the reliance on savings has to be correspondingly greater."

But does the Commission mean that the sort of technical skill, the specific commodities and services needed for capital formation are the same as are used at present for the production of consumption goods, say, food and clothing? If so, are not such technical skill and services available at present in excess of their use in the consumption goods industries? As a matter of fact, there has been a constant complaint regarding large-scale unemployment in these occupations. The obvious conclusion is that either these skills and services are useless for capital formation or they are not being used to the fullest extent. In either case, there is no sense in asking the people to reduce their consumption for capital formation. Rightly speaking, the Commission should have given a clear idea of the nature and amount of the technical skill and services needed for carrying out the proposed capital formation programme and shown how far it was necessary to withdraw them from their present use in the consumption goods industries, and, consequently, what amount of curtailment of consumption was called for. Instead of doing so, to make frequent mention of the vague generalisation that capital formation depends upon the community's willingness to save looks like an attempt to shirk the issue by shifting the responsibility to someone else.

Commission's Ignorance

The Commission's ignorance of the theories of employment and income can well be seen from the following sentences which constitute the foundations of its investment policy:

"In the initial stage," says the Commission, "there are clearly two alternatives open. One is to impose on the community a high rate of saving through taxation, loans, price inflation, or by any other means and to utilise the resources thus made available for a sharp increase in the rate of capital formation. This has certainly its merits, as, in this way, not only would development be rapid but there would be immediately a large increase in employment."

In the first place, in spite of its own admissions regarding idle resources, etc., the Commission does not seem to be able to get over the obsession that economic development depends upon prior savings. Secondly, strangely enough, saving "through taxation, loans, price inflation, or by any other means" is all rolled together, as if they are all of the same kind when, as a matter of fact, each one of these methods is widely different in its economic characteristics and consequences. Saving through taxation, for instance, imposes involuntary cuts in consumption; the purpose being to release resources for the production of capital goods by reducing their use in the production of consumption goods. This, excepting the extent to which taxes are paid at the cost of savings, cannot lead to any increase in total output or employment; only, the nature of output and employment gets changed. Not only that, but the increase in taxation may result in reducing private investments due to excessive taxation of income or reduced demand for consumption goods. In either case the capital formation in the public sector will not mean a net addition to the normal rate of capital growth, perhaps not even to the existing capital stock.

Saving through loans represents a part of the income not normally spent on consumption. The investment of this amount will result in maintaining the income flow which otherwise would have been reduced. But, in so far as these savings would have been otherwise invested in the private sector, their investment by Government does not lead to any net increase in the total investments. Government borrowing will result in increasing total investment only if it reduces hoardings, past or current. On the other hand, the extent to which Government borrowings are in competition with and at the cost of private investments, capital formation in the private sector will suffer. If Government borrowings, for instance, raise the rate of interest, it will depress private investments. Surprisingly enough, the Commission has completely ignored the possible effects of public investments by taxation and borrowing on private enterprise and has proceeded to calculate capital formation and national income as if Government investments constitute a net increase.

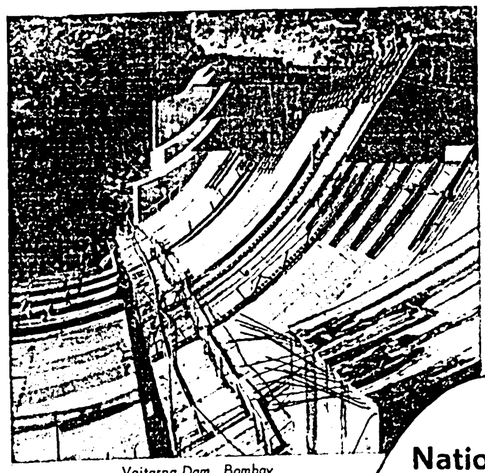
Price Inflation

The third method of imposing on the community a high rate of saving, as mentioned by the Commission, is through price inflation. Price inflation can lead to saving, that is, curtailment of consumption, only if, alongside of the rise in prices, the total money income remains constant, as, for instance, when prices rise due to excise duties, sales taxes, import duties, etc. Another way in which prices of consumption goods can rise without there being any rise in total money income is when the total output remains the same but the proportion of consumption goods in it decreases. But such increase in the production of capital goods, alongside of declining consumption, can come about only in the public sector where investments are undertaken without profit motive. But, if such public investments are to be undertaken without increasing the total income, they must be financed out of taxation, leading to curtailment of production and employment in the private sector.

Normally, price inflation comes about as a result of increase in total money income. The increase in money income increases the demand, but, as the supply, especially of consumption goods, does not increase in the same proportion, prices rise. Here, there is no saving in the sense that consumption now is less than what it was before. The thing is that consumption does not increase in proportion to the increase in demand at prior prices. The equilibrium in the present supply and demand is thus brought about by the rise in prices. There is, therefore, no question of "imposing on the community a high rate of saving," in the sense of bringing down consumption from the former level. The only effect of price inflation is not to allow consumption to rise in proportion to the rise in income.

Importance of the Demand Factor

Apart from the merits of the various methods of saving, the point to be remembered here is that it is not possible to bring about "a large increase in employment" by "imposing on the community a high rate of saving." Saving, by reducing consumption, releases resources from production of consumption goods. When the money equivalent of these released resources is used for the production of capital goods, the employment created is equal to the employment reduced in the consumption goods industries. The total employment, therefore, remains the same, though the nature of employment is changed. The increasing rate of saving that we find in the case of developing economies is not achieved by reducing consumption; it is the result of increase in national income at a rate greater than the increase in consumption. In such a process, consumption and capital formation both increase. An increase in national income cannot take place through a prior increase in the rate of saving; but it is a prior increase in the national income that leads to a rise in the rate of saving. That is why, as the Commission found in the case of England, "In prosperous years" the rate of saving was high. Very often increase in income causes increase in demand in excess of the increase in the supply of consumption goods and this leads to price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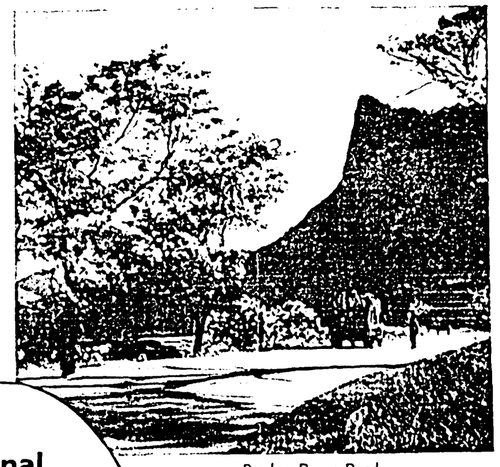
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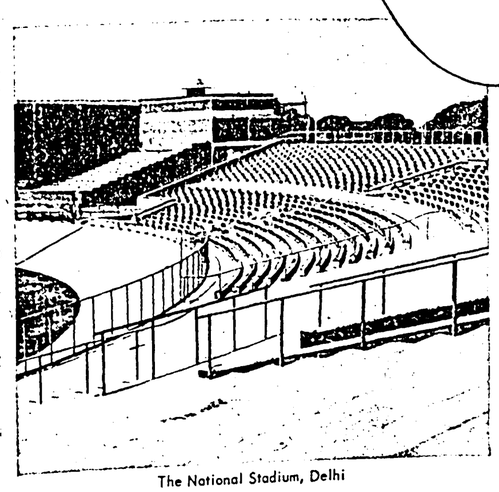
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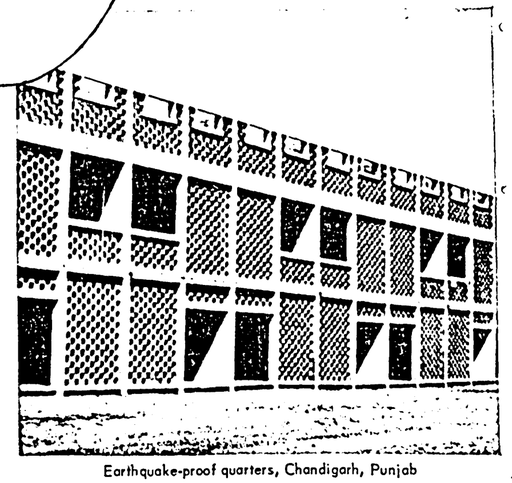
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inflation. This is also why economic development is almost always accompanied by a rise in the price level. The smaller the increase in the supply of consumption goods as compared with the increase in the national income the greater will be the rise in the price level. So, the rise in prices is not the cause of disparity between consumption and income but the effect of it.

Another important point to be remembered, in this connection, is that capital formation in the private sector will never increase, unless the demand for consumption goods increases. Capital goods are just the means of producing consumption goods and so private enterprise will never think of acquiring capital goods, unless the demand for their products increases. To increase the accumulation of capital goods when demand for consumption goods is not increasing will prove a losing proposition. And so, in so far as the private sector is concerned, no increase in capital formation can be expected, unless the demand for consumption goods increases.

After explaining the importance of a high rate of saving for the economic development of a country, the Commission turns to the problem of how such a high rate of saving can be accomplished and the national income be raised. This the Commission has tried to explain, with the help of some illustrative calculations, how the per capita incomes in India can be doubled by about 1977. Starting with Rs. 10,000 crores as the national income in 1955-56, certain curves are drawn to depict the rate of progress in regard to national income and consumption standards that could be attained, if, from 1956-57 onwards, investment is stepped up each year by an amount equal to 50 per cent. of the additional output. The underlying idea is that, if a certain amount out of the income accrued during a particular period is saved and invested, the total output during the next period will increase by nearly one-third of the total investment and, if 50 per cent. of this additional output is saved and added to the initial investment, the total output in the following period will increase by one-third of the total increased investments; and so on for the consecutive periods.

Confusion Galore

All these calculations involve a good deal of confusion. In the first place, increase in investments may lead to an increase in productive capacity but that does not mean that it will also automatically lead to increase in production. Increase in production will depend upon the increase in national income, that is, aggregate demand.

Let us take some concrete figures. According to the Commission, by 1955-56, national income will have gone up to about Rs. 10,000 crores and 6¾ per cent. of this will be saved. That means savings in 1955-56 will amount to Rs. 675 crores. As the entire savings are being invested, the total output in 1956-57 will rise by nearly Rs. 225 crores. This deduction regarding the actual increase in the total output is not warranted. The investment of Rs. 675 crores increases productive capacity by so much as the total annual output may now increase by Rs. 225 crores. But that does not mean that that increase in output is actually realised. The realisation of that increase will depend upon there being increase in the demand for that output, in which case the total national income will have to rise to Rs. 10,000+225 crores. But such increase in income can never come about, as pointed out earlier, as a result of investments of savings out of earlier incomes, however high the percentage of savings. In the absence of the required increase in national income and demand, the increased productive capacity will remain unused and the idle capacity will frighten away prospective investors in the following periods. If as a result of this, investments happen to be less than the average propensity to save, total national income will decrease.

As the Commission's calculations contain no source of increasing national income alongside the increase in productive capacity, the estimates of increase in output can never be realised. If the total output, i.e., national income, is to increase by a given amount, the investments must exceed the prior savings, under a given multiplier, by an amount equal to the multiplicant of the expected increase. For instance, supposing the multiplier to be three, deficit spending to the extent of nearly Rs. 80 crores will be necessary just to utilise the increase in productive capacity brought about by the investment of savings mentioned above. Without such deficit spending, which must go on increasing as the productive capacity increases, there will not be any increase in the total output, however high the rate of saving.

The Demand Factor and Private Sector

The Commission does not seem to have grasped the fact that investments and output in the private sector cannot expand without prior expansion of demand. In so far as private enterprise is concerned, the output is determined not by the size of the productive capacity but by the state of effective demand. Private investments are induced investments, that is, determined by the current, or expected, market conditions. In other words, private investments are never pushed up either by the available productive capacity or the volume of savings; they are to be pulled up by the expanding demand which means expanding money incomes.

The Commission, on the other hand, seems to believe, in the perfect classical tradition, that the more the savings the more the investments. For instance, while assuring the public that Government investments are not going to reduce supply of investible funds to private enterprise, it maintains: "Moreover, the State is not, as it were, drawing from a given capital fund; it is in a position, through fiscal and other measures, to regulate consumption standard within limits and thus release for investments resources which might not otherwise have been forthcoming." What this means, in short, is that Government will raise funds by making people reduce their expenditure on consumption and thus would leave to that extent the supply of savings unaffected for private enterprise. But it does not realise that, if demand for consumption goods is reduced, whatever the supply of savings, investments by private enterprise will not increase. Investments by private enterprise can increase only when demand increases, that is, when the money income of the community increases. For such increase in national income, investments, as pointed out earlier, must exceed prior savings; in simpler words, there must be deficit spending.

No doubt the Commission admits that "a persistent upward trend in production and trade cannot be sustained, without an expansion in the supply of money and credit." But "this must come about," according to it, "through extension of credit institutions which will impart the necessary elasticity to money supply without generating inflationary pressures." The parts played by deficit financing and commercial bank credit in income expansion are, however, quite different. Bank credit helps to increase production in response to increased demand for it. Banks are rather passive financial agencies; they cannot initiate any increase in demand for output; they can only help the producers to satisfy the increased demand. To cause an increase in demand is the function of deficit financing. The additional money needed to increase production in response to the increase in demand caused by the deficit financing is supplied by the credit institutions. So, in short, mere extension of credit institutions cannot be expected to bring about expansion of national income.

Deficit Financing

Of course, the Commission does not altogether debar deficit financing. But it looks upon it as the last resort, a sort of *pis aller*. This can be seen from the following remark: "There is thus still left a gap of Rs. 365 crores," says the Commission, "which can be met only from external resources or, in the absence of it, by additional measures of internal taxation and borrowing or by further deficit financing." From this it should be clear that the Commission has not fully grasped the significant part played by deficit financing in the programme of economic development. This faulty approach to the whole problem of economic development has led the Commission to keep deficit financing dependent upon external assistance. The reason given for this is as follows: "The low levels of consumption prevailing in the country and the shortages of essential commodities even at these low levels—which are ultimately the factors that limit the scope for deficit financing—raise in a concrete form the problem of external assistance in relation to development." Deficit financing may no doubt lead to disparity between demand and supply by raising demand more than the supply. The undesirable price effects of such relative scarcities can be avoided either by controlling prices and demand or by augmenting supply by increasing imports with the external assistance. But, if deficit financing is considered necessary for expediting economic development, then to keep it dependent upon external assistance means to make economic development depend upon factors outside our control. From that point of view, it would be far better to make our own capacity to control the effects a determinant of deficit financing rather than the willingness of others to help us. Besides, if deficit financing is completely equalled by the purchase of imports, the development programme will not lead to any expansion of national output.

The foregoing lines are meant to throw some light on some of the faulty principles and ideas on which the Commission's approach to the problem of financing India's economic development is based. There are many more points that deserve attention and even those covered here cannot be said to have been discussed fully. But nothing more could be attempted in this article which has already exceeded even the limits so generously extended by the Editor.—*All Rights Reserved.*

ADJUSTMENTS IN FIVE-YEAR PLAN

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"To the extent that increased employment yields more consumable goods and services, an increase in outlay may not have adverse repercussions on prices or consumption. But, with low levels of production and low incomes prevalent in the country, there is danger of generating inflationary pressures. The prime objective in view is to stimulate investment both in the public and private sectors; adjustments in the development programme, however, will have to take into account the possibilities of augmenting supplies of consumer goods, especially of necessaries, from domestic sources or from imports."
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MONETARY AND BANKING TRENDS IN PAKISTAN

SALIENT FEATURES REVIEWED

By A Banking Correspondent

SEASONAL influences have very pronounced effects on monetary and banking trends in Pakistan, because the major part of activity in the country's economy is associated with the movement and export of two cash crops, jute and cotton. Though the "busy season" is not a strictly definable period in the sense that it should cover an identical period of time every year, it is traditional to refer to the months August-March as the busy season, for it is usually in this period that the bulk of the cash crops is marketed. The increased *tempo* of economic activity in the busy season exercises an upward pressure on currency circulation and bank credit for obvious reasons. As against this, the "slack season" registers a perceptible diminution in export activity, giving rise to depressive influences on bank credit and currency circulation.

From the point of view of seasonal pressures, any year ending 30th September can be divided into four quarters, with some distinct characteristics. Thus, the quarter October-December marks an important stage in the progress of the busy season due to the intensification in seasonal expansion of economic activity. There is usually a sizable increase in bank credit and currency circulation during this quarter, due to the swiftly growing volume of export activity and Government balances and the country's foreign exchange reserves are also favourably affected. The next quarter is characterised by a continued expansion in seasonal activity and it is frequently in this quarter that the peak of the busy season is reached. The increased demand for short-term funds frequently generates conditions of severe stringency in the call money market and the Scheduled banks usually take increasing recourse to the State Bank for temporary financial accommodation.

The expansionary influences, however, begin to weaken after the peak of the busy season has been passed and the next quarter (April-June) registers a pronounced fall in seasonal economic activity. As the credit needs of merchants and traders are substantially reduced in this quarter due to smaller turnover, creation of bank credit assumes smaller proportions, while a good deal of previously outstanding bank credit is retired. On the other hand, idle funds begin to accumulate in the hands of individuals and business firms which tend to exercise an upward pressure on bank deposits. The fall in bank credit and increase in bank deposits improves the liquidity position of the banks, enabling them to retire a substantial portion of their indebtedness to the State Bank. The slackness in internal economic activity reduces the public demand for holding money for transaction purposes which has a depressive influence on the volume of money supply. The earlier portion of the quarter July-September continues to be characterised by slack season influences but expansionary forces associated with the new busy season begin to exercise their first influence on monetary and banking trends towards the close of this quarter. This completes the full cycle of seasonal changes during the year.

Though monetary and banking trends are powerfully affected by seasonal influences, they cannot be taken as the only influence. Thus, apart from the purely seasonal factors, monetary and banking trends are significantly affected by the state of overall economic activity in the country, the country's balance of payments, variations in national money income and pattern of income distribution, changes in banking habits, attitudes of business community, banks' lending policies and the credit control policies of the central banking authority. All these are dynamic factors and are, so to say, superimposed on seasonal influences. Monetary and banking trends in the country can, therefore, be best analysed only in the light of overall economic conditions prevailing during a particular period of time.

The greater part of the year under review was characterised by a depressed level of economic activity, particularly in the sphere of foreign trade. The developments that took place in world economy during the year were far from favourable for Pakistan. Several factors, both on the side of demand and supply, combined to reduce the demand for Pakistan's export products. Cotton was the greatest sufferer. In consequence of the falling tendency in its prices since past several months, its quotations reached in January, 1953, the lowest level ever since the Partition. Though sentiment in commodity markets improved somewhat in later months, prices were still considerably lower than in the previous year. There was thus a fall in money incomes in the agricultural sector engaged in the production of cash crops. The reduced foreign exchange earnings resulted in balance of payments difficulties and severe import cuts had to be imposed as from November, 1952. Though the Government revenues were adversely affected by the weak tone in commodity markets and the fall in the volume of imports, expenditures could not be reduced drastically due to the exigencies of economic development and inflexibility of certain expenditures. All these factors had far-reaching effects on monetary and banking trends during the year.

The creation of bank credit in the busy season of 1952-53 was on a far smaller scale than in 1951-52, due to lower sale prices of exportable products, quantitative and credit restrictions on the inflow and holding of imported goods, reduced level of internal business and slower turnover. Bank deposits, on the other hand, recorded a handsome gain over the year, due to increase in idle balances, consequent on the slackness in economic activity, sizable Government disbursements inside the country and a favourable turn in the balance of payments on private account. The ratio of bank credit to total bank liabilities, therefore came down to 40.03 per cent. in September, 1953 as against 54 per cent. a year earlier. The increase in bank deposits and decline in bank credit improved the liquidity position of the banks and recourse to the State Bank for temporary financial accommodation in 1952-53 was on a far limited scale than in the previous year. Bank balances with the State Bank were higher on average than in the previous year and there was a significant increase in the excess balances of the banks with the State Bank over and above the statutory minima. It was, perhaps, largely due to this easy availability of funds that the newly introduced bill discounting scheme of the State Bank did not achieve that degree of popularity which was originally expected of it.

A pronounced increase in activity was noticeable in the capital market and, besides Central and Provincial Government loans, many private limited companies issued their share capital which were heavily oversubscribed. Some conflicting influences were at work on the volume of money supply during the course of the year. While the weakness in commodity markets and decline in bank credit were the major depressive influences, an upward pressure was exerted on money supply by the excess of Government disbursements inside the country over the receipts from the public and a favourable turn in the balance of payments on private account. These, in general, were the main monetary and banking trends in the country during the year under review. The remaining portion of this article is devoted to a more detailed analysis of some of these trends. Attention is invited in this connection to the tables of monetary and banking statistics published on the next page.

Bank Credit

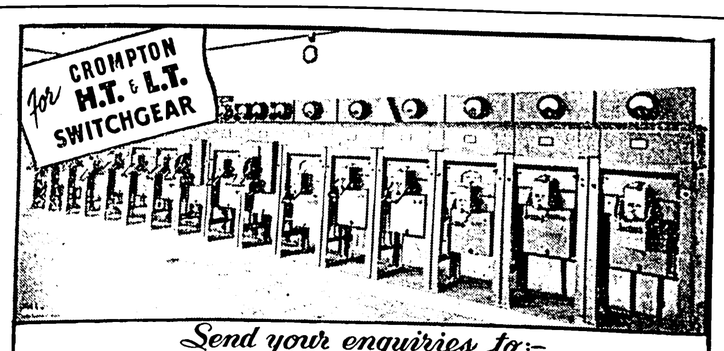
Bank credit registered a net decline of Rs. 11.72 crores during the year ended 30th September 1953, as compared with an increase of Rs. 19.29 crores in the year ended 30th September 1952. The net decline was due mainly to the fact that the retirement of bank credit in 1953 was far in excess of the creation of credit in the busy season for 1952-53. Though the quarter October-December 1952 recorded a modest increase of Rs. 3.51 crores in bank credit, the fall in the subsequent quarter (Rs. 4.02 crores) more than offset it, so that, during the six "active" months ended 31st March, 1953, bank credit recorded a net decrease of Rs. 0.51 crore in contrast to a rise of Rs. 33.19 crores in the corresponding period last year. It is noteworthy that the decline in bank credit started soon after the middle of January, 1953, and was almost continuous thereafter, though normally credit expansion continues upto the month of March. The peak level of bank advances and bills discounted (Rs. 81.08 crores) was reached on 16th January, 1953, which was less by Rs. 17.69 crores as compared with the corresponding figure of Rs. 98.77 crores attained in 1952. An important factor in this unusual "busy season" phenomenon of decline in bank credit was the retirement of the heavy outstandings of bank credit that were continuing since early 1952 due to the stagnation in export activity. Other causes responsible for this trend were the drastic reduction in import activity, decline in the prices of some exportable products, slower turnover of internal business and the existence of private idle balances which, to a significant extent, obviated the necessity for the creation of credit.

Bank credit registered a further decline of Rs. 11.21 crores in the six months ended 30th September, 1953, due to the intensification of slack season influences. Thus, the total decline in bank credit over the whole year amounted to Rs. 11.72 crores. The outstanding level of bank credit at the end of September, 1953, was Rs. 63.99 crores which was lower by Rs. 11.72 crores, as compared with the corresponding figure of the previous year. As a result of this decline in bank credit and the increase in bank deposits, the ratio of bank credit to total bank liabilities had come down to 40.03 per cent. in the last week of September, 1953, as compared to 54 per cent. a year earlier.

Bank Deposits

Bank deposits recorded an increase of Rs. 19.08 crores during the year, the share of demand and time deposits in this increase being Rs. 12.01 crores and Rs. 7.07 crores, respectively. Though in absolute amount, the increase under demand deposits was larger than that under time deposits, the percentage increase in the case of time deposits was far larger than in the case of demand deposits due to the comparative smallness of time deposits in total bank deposits. The larger percentage increase in time deposits can be attributed partly to the further rise in the interest rates on fixed deposits as from October, 1952, and partly to the lack of sufficiently attractive alternative outlets for private funds.

There was an almost continuous rise in bank deposits since the beginning of the calendar year 1953 to the end of September, 1953, the largest increase taking place in the quarter April-June, 1953, when slack season



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influences were at their height. Total bank deposits stood at Rs. 157.55 crores at the end of September, 1953, as compared with Rs. 138.47 crores a year earlier. The increase seemed to have originated principally from reduced commercial activity, especially in the sphere of import trade, with consequent increase in idle balances. Other factors exerting an upward pressure on bank deposits during the year were a surplus in the balance of payments on private account and excess of Government disbursements inside the country over receipts from the public.

The easy availability of funds was an important factor in sustaining the activity in the capital market at a high level. In the shares market, several scrips, especially the industrial ones, recorded handsome gains. Eight public limited companies floated their share capital during the year and the shares in most cases were heavily over-subscribed. The Central Government floated four loans during the year under review, which brought in a cash subscription of Rs. 32.16 crores. Amongst the Provincial Governments, East Bengal was the only one to enter the market during the period, receiving a loan subscription of Rs. 3.34 crores. The issue of Treasury Bills with 90 days' maturity was also resumed as from July 1953. Total subscriptions till the end of September, 1953, amounted to Rs. 9.45 crores.

Liquidity Position

The improved liquidity in the banking system was instrumental in keeping the Scheduled banks' indebtedness to the State Bank at a far lower level in 1953 than in 1952. Early in the first quarter of the year under review (i.e., October-December, 1952), the Scheduled banks were able to arrange considerable repayment of outstanding central bank credit. This brought down "Other Loans and Advances" of the State Bank (representing mainly loans and overdrafts to the scheduled banks) from Rs. 10.43 crores in the beginning of October, 1952, to a mere Rs. 1.66 crores in the middle of November, 1952. Thereafter, for a few weeks the banks took increasing recourse to the State Bank for financing their busy season needs, so that the amount under this head rose almost steadily to reach the highest figure of Rs. 11.46 crores for 1952-53 on 9th January, 1953. This compared with the peak of Rs. 17.15 crores on 18th April, 1952, attained in 1951-52. Since 9th January, 1953, there was an almost continuous fall in Scheduled banks' indebtedness to the State Bank, consequent on the greatly improved liquidity position of the banks and the level of "Other Loans and Advances" as at the end of September, 1953, (Rs. 0.09 crore) was the lowest on record since the middle of 1951.

Inter-Bank Call Money Rates

Conditions in the money market were generally less stringent during the year under review than in the previous year. The last quarter of the previous year (i.e., July-September, 1952) had witnessed an unusual stringency in the money market, due to the heavy speculative imports of consumer goods and tardy repayment of previously outstanding bank advances due to the stalemate in commodity markets, so that the inter-bank call money rate at the end of September, 1952, was 2 per cent., as compared to a mere ¼ per cent. a year earlier. The year under review, therefore, began with an abnormally high call rate of 2 per cent. which was soon pushed up to 2½ per cent. due to the pressure exerted by the seasonal demand for short-term funds. Further rise in the interbank call money rate was, however, checked, due to subsequent developments such as the drastic reduction in import activity, low level of export prices and steady improvement in banks' cash position on account of the retirement of previously outstanding bank credit and rise in bank deposits. Easier conditions began to develop in the money market from March, 1953, and, as the volume of floating funds kept on increasing in subsequent months while the demand for short-term funds was on a reduced scale, the call rate registered a steady decline to reach a nominal ¼ per cent. in May, 1953. In June, available supplies of investible funds were scarcely usable even at this rate and, at times, the Scheduled banks had to carry excess reserves with the State Bank of as high a magnitude as Rs. 18.7 crores. Though activity in the short-term money market was on a very limited scale even in the last quarter of the year under review, somewhat larger funds could be placed at the rate of ¼ per cent.

Money Supply

Money supply (representing currency circulation and demand deposits of the Scheduled banks) recorded considerable fluctuations from month to month but the figure at the end of September, 1953, (Rs. 342.69 crores) represented a rise of Rs. 25.48 crores over the year, the shares of currency circulation and demand deposits in this rise being Rs. 13.47 crores and Rs. 12.01 crores, respectively. Creation of bank credit and seasonal expansion in economic activity did not play any significant part in this rise in money supply; in fact, the rise in bank deposits originated principally from reduced business activity. Excess of Government disbursements inside the country over the receipts from the public and a favourable turn in the balance of payments on private account were the two main factors responsible for the rise in money supply during the year.

Money Supply

(In crores of rupees)

	Currency circulation (i)	Demand deposits (ii)	Money supply (iii)
September, 1951 ..	209.97	119.83	329.79
December, 1951 ..	246.74	119.03	365.77
March, 1952 ..	236.89	113.71	350.60
June, 1952 ..	223.83	110.67	334.50
September, 1952 ..	203.67	113.54	317.21
December, 1952 ..	215.08	109.14	324.22
March, 1953 ..	225.83	111.79	337.61
June, 1953 ..	223.87	120.00	344.77
September, 1953 ..	217.14	125.55	342.69

Banking Developments

Despite the fact that economic and commercial activity in the country was on a reduced scale during the year under review as compared with the previous year, commercial banking in Pakistan continued to register steady progress. In pursuance of the programme of banking development and extension of banking facilities in all the regions of the country, banks opened new offices, so that the total number of bank offices had risen to 223 by the end of September, 1953, as compared to 198 a year earlier. Another bank, namely, the Bank of Tokyo, was added to the list of Scheduled banks during the year, raising the number of Scheduled banks to 32. The progress registered by the National Bank of Pakistan deserves special mention. The number of its branches rose from 34 to 47 during the year and it completed the taking over of the agency work of the State Bank from the Imperial Bank of India. In addition to its normal activities in the fields of cotton and jute financing, the National Bank of Pakistan also played an important part in the financing of Government stock-piling schemes and foodgrains procurement programme of the Government of East Bengal. Commercial banks in Pakistan are also beginning to give attention to the opening of branches in foreign countries and to the building up of foreign contacts. An important step forward in this connection was taken with the establishment of the Habib Bank (Overseas) Ltd., with the objective of opening offices outside Pakistan. This Bank has already opened a branch at Rangoon and is actively considering the establishment of offices in some other countries having intimate trade relations with Pakistan.—*All Rights Reserved.*

State Bank of Pakistan

(In crores of rupees)

Period	Notes in circulation	Notes held in the Banking Department	Total notes issued	Deposits of the Central Government	Deposits of the Provincial Governments	Deposits of the banks	Other loans and advances
	1	2	3	4	5	6	7	8
September, 1951	197.20	5.0	202.19	67.15	8.45	24.49	0.60
December, 1951	235.10	6.33	241.33	54.20	5.41	14.75	13.00
March, 1952	221.41	9.09	230.49	65.10	6.21	10.93	13.14
June, 1952	209.36	6.14	215.49	44.17	0.24	10.93	13.28
September, 1952	187.48	8.51	195.99	19.35	3.51	10.51	19.43
December, 1952	200.82	4.80	205.62	37.71	0.85	10.13	7.21
March, 1953	208.88	4.79	213.67	33.25	2.14	11.65	6.74
June, 1953	208.06	10.38	218.45	37.12	0.62	14.93	3.43
September, 1953	200.67	11.08	211.75	41.75	1.28	16.26	0.09

Scheduled Banks

(In crores of rupees)

Period	Other demand liabilities	Other time liabilities	Inter-bank borrowings: Demand	Inter-bank borrowings: Time	Inter-bank deposits: Demand	Inter-bank deposits: Time	Total cash in Pakistan	Balance with S.B.P.	Advances	Bills discounted	Total of 7+8	Excess over statutory minimum	9 as % of total liabilities	7+8 as % of total liabilities
	1	2	3		4		5	6	7	8	9	10	11	12
September, 1951	119.82	29.18	0.81	0.69	..	..	4.44	21.65	51.63	4.79	56.42	15.02	17.4	37.5
December, 1951	119.03	25.16	2.18	0.84	..	..	7.10	13.97	63.70	8.21	71.91	7.24	14.0	61.3
March, 1952	113.71	25.99	4.16	0.89	..	..	4.54	10.31	60.86	8.95	69.81	3.29	10.3	62.1
June, 1952	104.52	24.29	4.02	0.98	6.15	0.26	5.74	10.20	71.56	6.45	78.01	4.02	11.8	55.9
September, 1952	108.47	24.29	2.08	0.95	5.07	0.64	3.64	15.28	69.47	6.24	75.71	9.01	13.5	54.0
December, 1952	102.27	26.25	3.86	0.25	6.87	0.007	3.78	8.99	67.72	11.59	79.22	2.80	10.8	56.6
March, 1953	102.50	27.75	3.71	0.25	9.29	0.01	3.40	10.56	63.81	11.30	75.20	4.22	9.8	52.4
June, 1953	111.81	30.38	0.22	0.99	9.19	0.71	4.92	13.35	54.14	11.43	65.57	6.55	11.9	42.8
September, 1953	117.19	31.25	1.47	0.84	8.30	0.75	3.96	15.09	53.07	10.92	63.99	8.03	11.8	40.01

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BRITAIN'S ECONOMIC AND FINANCIAL POSITION

A POST-WAR REVIEW

By Oscar R. Hobson
City Editor of the
News Chronicle and *Star*, London

THERE is, nowadays, such a mass of statistics, official and unofficial, available that one could string together, with a few connecting sentences, a score or more of tables, illustrative of different phases of Britain's economic and financial life and present it as a picture of the present situation. It would, however, be more of a "blueprint" than a picture and as such would hardly be intelligible, except to readers who were economic experts and probably already had access to the official sources of statistics. The contrary procedure is for the writer of the article to present his own personal assessment of the state of Britain today, not burdening his argument, or running the risk of wearying his readers, with statistical material. The weakness of that method is that it requires that the reader shall repose in the writer's competence and judgment a degree of confidence which he may not be sure is justified.

I, therefore, propose to follow an intermediate course and try to present my own appraisal of the economic state of Britain to-day, but to support it and, I hope, to clothe it with a greater degree of credibility than it might otherwise command, by a restrained use of official statistics when that appears desirable. I shall apply myself mainly to those phases of our economic life which may be supposed to interest the ordinary reader, our production, employment and unemployment, imports and exports, our cost of living and standards of living, our social services and our defence programme.

War Damage

Any account of our situation to-day which is worth anything must start with some reference to the economic state in which World War II left us It is true that the end of the war is over eight years away and that it is more important now to look forward than to look back, and it is true, too, that it is all too easy to make the war the excuse for failures and shortcomings on our own part for which the war cannot properly be held accountable. Nevertheless, the war is so obviously and so certainly the cause of the main economic difficulties which we have suffered since its end that it is proper and, indeed, imperative to indicate at the start the magnitude and nature of the damage which the war inflicted upon our economy.

Of all the allied countries which escaped the fate of hostile occupation, Britain suffered much the heaviest material losses. Moreover, the losses were of a kind to inflict particularly severe handicaps on a country so dependent upon overseas trade as Britain. Three-fifths of her pre-war merchant fleet was destroyed by enemy action and total direct physical damage, including bomb damage to industrial establishments, dock, homes and railways, amounted to the big figure of £2,600 million (reckoning at 1950 prices).

Further indirect physical losses due to the running down of industrial plant during the war, when adequate maintenance was impossible, amounted to £1,200 million. That, however, was hardly the worst. In the all-out mobilisation of her resources for the war effort, Britain was driven to sell a large portion of her accumulated overseas investments and to borrow heavily from abroad. Overseas investments to the amount of £1,000 million were sold, the whole of the Treasury's gold reserve, almost to the last pound, was liquidated before Lend-Lease assistance from the United States began, loans were raised both in the United States and Canada and, finally, some £3,000 million was borrowed from India and other sterling area countries in the form of additions to their "sterling balances" held in London In all, Britain's external capital position deteriorated by some £4,800 million, bringing the total material loss she suffered during the war up to the huge figure of over £8,500 million.

Further Borrowing Necessary

After the war, moreover, further borrowing from overseas became necessary to tide her over the transition period of demobilisation and the restoration and reconversion of her industry to peace-time production. Dollar loans to an amount of 5,000 million dollars were raised from the United States and Canada and there were further increases in the "sterling balances" debt to the Commonwealth.

For a century and more past, Britain had been more dependent upon imports than almost any other country in the world. The damage suffered by her shipping and the loss of her overseas investments thus hit her in a particularly vulnerable spot. Before the war, thanks to these assets, she enjoyed an "invisible" overseas income which enabled her to obtain about one-fifth of her imports free, in the sense that they did not require physical exports to pay for them. This one-in-five free cargo of imports no longer existed at the end of the war. It had now to be paid for by an export trade which had to so great an extent been, voluntarily or involuntarily, jettisoned during the war that, by 1943, the physical volume of United Kingdom exports had shrunk to only 28 per cent. of pre-war.

These are the circumstances which were responsible for Britain's severe and recurring "balance of payments" difficulties after the war. Those difficulties were encountered notwithstanding tremendous efforts to meet them both by cutting imports and expanding exports. To drive home this point, let me quote a few statistics. Here first are figures of Britain's "balance of payments" in each of the post-war years including U.S. Defence Aid:

(£ millions)

	Surplus (+) or deficit (—) on current account
1946	—298
1947	—443
1948	+ 1
1949	+ 31
1950	+298
1951	—410
1952	+269
1953 Jan.-June (Provisional)	+ 81

And here are indices in terms of the average for the five pre-war years of the volume of our imports and our exports:

Trade Volume

	Imports	*Exports*
1934-38	100	100
1946	113	78
1947	74	97
1948	84	135
1950	84	127
1951	95	159
1952	86	149
1953 (1st 9 months)	92	149

Britain thus has suffered this global balance of payments deficit of £690 million in the seven post-war years, notwithstanding that in no one of those years did the volume of her imports reach the pre-war volume and notwithstanding the building up of her export trade to a volume of over half as much again as the pre-war volume.

In attacking this task of re-establishing external financial balance, a further serious obstacle, not so far mentioned, was encountered—the deterioration of the price relation between the goods we import and the goods we export. The effect of this adverse movement of the "terms of trade" was that the amount of imports which a given volume of United Kingdom exports would buy fell almost continuously from the end of the war until 1951, when it was less than seven-tenths of what it had been in 1938. Then, there was a slight recovery, but, in 1952, we still received only three-quarters the quantity of imports which we had received in 1938 for a given quantity of exports. If we had suffered no ill-effects from the war, we should still have had to increase our exports by one-third in order to purchase the same quantity of imports.

Here are the yearly figures showing the changes in the terms of trade since 1947:

(Quantity of imports bought with a fixed quantity of exports)

1938	100	1950	79
1947	86	1951	69
1948	84	1952	75
1949	85	1953 (1st 9 months) ..	69

These figures indicate how greatly the relative rise in import prices following the outbreak of war in Korea contributed to the balance of payments crisis of 1951.

But now let me come to the heart of our post-war economic problem—production. The efficiency of United Kingdom industry, the competence of United Kingdom management and productive effort of United Kingdom labour have been the subject of unending and often excited controversy, both in Britain and overseas, ever since the end of the war. I have no *ex-cathedra* statements to make on the subject. It is undoubtedly true that the achievements of industry in Britain leave in many respects much to be desired. It is true that, in a number of industries, particularly, though not exclusively, the older industries, which have long histories of recurring unemployment, restrictive practices exist which it is utterly impossible to justify; and it is true that, short of deliberate restrictionism, there are many practices and methods which are out of date and could be reformed to the great benefit of both sides of industry and of the community at large. There has since 1945 been no series of great strikes in key industries such as followed World War I, but it would be idle to claim that relations between managements and men have been uniformly cordial.

American Council was succeeded by the British Productivity Council).

I could not claim the competence to present a balanced and judicial summary of the conclusions arrived at by all these teams. But I think it would be fair to say that, while many of them found that the best practices of United Kingdom industries compared favourably with those of the American industries and that the standard of craftsmanship was certainly not inferior to the American, yet nearly all the teams reported that the average productivity was substantially higher in the United States.

It is also, I think, fair to say that most teams found that the most important single cause of this superior productivity lay in the greater degree of mechanisation of American industry—the greater horse-power at the elbow of the United States factory worker than of his United Kingdom comrade—and that United States industry enjoyed a further advantage in the size and nature of its market which permitted of greater standardisation of product.

Nevertheless, most teams, including, of course, the workers' representatives on them, admitted frankly that, on the matter of productivity, there was "a different attitude of mind in the United States from that prevailing in many quarters of the United Kingdom" (these words are quoted from the final report of the Anglo-American Council on Productivity). They found that the United States' workers showed more zest in their work, because they had greater confidence that they would enjoy, with capital, a fair share of the return from the increased production which their efforts helped to bring about. The United States' worker, in other words, saw more clearly that a higher standard of living can come only from higher production.

Lesson Learned

Many of the leaders of Trade Unionism in Britain have now fully learnt this lesson and are striving hard to bring it home to the rank and file of organised labour.

Those readers of this article who desire to do so will form their own judgment on these matters and on the general performance of industry in Britain since the war. To help them in this I give below two tables indicating the progress of production in the past five years. The first one (based on the official index of the Central Statistical Office) gives production of a number of individual industries or groups of industries.

Britain's Industrial Production by Industries

	1948	1949	1950	1951	1952	1953 (1st 9 months)
Mining and quarrying	100	103	104	108	104	..
Bricks, cement	100	104	111	115	121	..
Metal manufacture, ferrous	100	105	111	115	121	..
Metal manufacture, non-ferrous	100	94	102	115	118	..
Engineering, shipbuilding, electrical goods ..	100	109	119	116	115	..
Vehicles	100	111	116	127	128	..
Chemicals, etc.	100	109	124	124	123	..
Textiles and clothing	100	102	119	124	121	..
Food	100	106	117	116	99	..
Drink and tobacco	100	108	94	108	114	..
Building	100	105	101	99	98	..
Gas, electricity, water	100	107	110	124	127	..
All Industries	100	106	114	117	114	118

On the other hand, it is also true that unremitting efforts to improve methods of production, in which employers' organisations and trade unions have co-operated, have been made. A very notable move in this direction was the establishment by Sir Stafford Cripps in 1948 of the Anglo-American Council on Productivity, composed of representatives of management and labour, both in the United Kingdom and the United States to promote exchange of knowledge on industrial organisation and technique between the two countries. Under the auspices of this Council, some 60 to 70 teams representing managements and labour of different United Kingdom industries visited the United States to study United States' methods and furnished written reports on their return. (A year ago, in November 1952, the United Kingdom Section of the Anglo-

This table shows how the engineering, vehicle and chemical industries have forged to the front, how, thanks to the great expenditure on new electricity generating stations, the gas, electricity and water group has increased its output by more than a quarter in the last five years, and how, despite large expenditure on mechanisation of the coal mines, mining and quarrying output has made only small gains.

One great obstacle to raising production has now to be mentioned. It can be presented as lack of capital or as overtaxation—it amounts to much the same thing. The need to repair the physical damage and the shortage of housing due to the war, as well as to establish the extensive and expensive "social services" for which an over-whelming majority of the people voted at the end of the war, meant (1) that the savings of the

community became inadequate for the purposes they had to cover and particularly for industrial re-equipment, (2) that taxation had to be increased to a level never before experienced in peace-time.

The people of Britain complain (but are, perhaps, secretly rather proud of the fact) that they are the most highly taxed nation in the world. Whether or not this is literally true, it might be difficult to establish—the Chancellor of the Exchequer in his last budget speech only claimed that Britain is "among the most highly taxed countries"—but the following table taken from the Economic Commission for Europe's *Economic Survey of Europe Since the War* certainly lends colour to the belief:—

Taxation as Percentage of Gross National Product

	1938	1946	1951
United Kingdom ..	29	35	33
Denmark	19	20	18
Holland	16	17	26
Norway	15	22	24
Sweden	14	19	..

Thanks to the willingness of the people to bear high taxation, Britain's budget was balanced in the second year after the war and, in spite of all vicissitudes and misfortunes experienced, has been kept in balance since. These figures provide the proof of that statement:

(£ millions)

Financial year	*Ordinary revenue*	*Ordinary expenditure*	*Surplus or deficit —*
1945-46	3284.5	6484.3	—2199.8
1946-47	3341.2	3910.3	— 569.1
1947-48	3544.8	3209.5	+ 635.3
1948-49	4000.6	3173.6	+ 831.0
1949-50	3924.0	3325.3	+ 649.7
1950-51	3977.8	3257.3	+ 720.5
1951-52	4433.4	4053.6	+ 379.8
1952-53	4438.7	4350.6	+ 88.1
1953-54 (estimated)	4368.2	4259.3	+ 108.9

The inflation suffered after the war and the devaluation of sterling in 1949 were not due to the elementary error of an unbalanced budget, for the budget provided each year surpluses to go towards the capital expenditure of the "public sector." They were due rather to a general overloading of the economic structure—to trying to do too many things at once.

The two biggest loads—and I am not criticising either—have been the Social Services and Defence. One official analysis made earlier this year of the social services put the total cost (exclusive of capital expenditure on new houses provided by local authorities) at £1,521 million distributed as follows:

(£ millions)

Insurance and pensions	511
National Health Services	440
Education	281
Family allowances, national assistance, nutrition services and child care	218
Housing (current expenditure)	71
Total ..	£1,521

Of this amount, some £1,107 million was provided by the Central Exchequer and the remainder by the boroughs and county councils from the proceeds of local taxation. The amount falling on the budget compares with about £280 million in 1938-39 and represented just over one-third of the total ordinary national expenditure in 1951.

On the top of the burden imposed on the taxpayer by the social services has come since 1950 the added cost of defence. This amounted, in the last financial year, 1952-53, to £1,549 million and it is estimated that it will in 1953-54 amount to £1,635 million. This latter amount represents about 38 per cent. of total budget expenditure. Defence and Social Services between them account for over 70 per cent. of that expenditure.

So much for our "burdens." There is also the other side of the account and it is important. The burdens and the strain have been borne without harm to the health of the people or to the standards of life of the great majority of it. On the contrary, whatever excesses and extravagances they may have involved, the health services have paid good dividends in relieving suffering and improving the general standard of health.

Furthermore, the standard of living of the wage-earning and lower-income classes, has improved rather than declined. Wage rates have kept in step with the rising cost of living. The average standard of nutrition, as measured by consumption of calories, is rather better than before the war. All this has been brought about by a tremendously steeply graduated system of taxation, fuller employment and such direct social benefits as family allowances. There has been a great levelling of real incomes. The standard of living of the moderate and high income brackets has fallen in increasing degree up the scale.

In ending this account of Britain's financial and economic situation, it seems right to refer to certain trends of development which have become discernible. For a century and more before the war, Britain was not only a great industrial country, doing a large import and export trade on her own account, but she was a great mercantile and financial centre maintaining exchanges and markets in raw materials of many kinds and banking, insurance, shipping and other services, which the world at large was glad to use. At the outbreak of the war, all these markets and services had either to be completely closed down or else subjected to severe restrictions and limitations.

After the war, it was found impossible for many reasons, but predominantly owing to balance of payments difficulties and the need to maintain foreign exchange control, to make rapid progress in restoring these world-trading facilities. Nevertheless, as it was generally recognised that the revenue from these services was an indispensable contribution towards the balancing of our overseas accounts, a start was made, under the Labour Government of 1945-50, which re-established the London free markets in rubber and tin. The Labour Government, however, believed in Government bulk purchasing and in the maintenance of "direct" controls over prices and it was not until these last two years under the present Conservative Government that massive progress was made in the restoration of the free markets and general mercantile freedom.

In a word, Britain has, in the past 12 months, been moved rapidly back towards her traditional freedom of trading and exchange. But there is still the act of freedom of exchange to be accomplished—the restoration of the "convertibility" of sterling into dollars or other "hard" currencies. This is now the officially-adopted objective of the Governments of the whole Commonwealth. Though progress has been made towards restoring the practical advantages of convertibility, the final step may still have to be delayed for some time. When it has been taken, and only then, can Britain resume in reasonably full measure the position of a world-centre of finance and commerce which she held before the war.—*All Rights Reserved.*

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ECONOMIC TRENDS IN U.S.

TRADE POLICY LIKELY TO BE LIBERALISED

NEW YORK, 30*th November*

AS the United States passes into the new year of 1954, the country has completed one of its most satisfactory years, business-wise, and is looking forward to continued high level activity, with continued adjustments as well in lines where output temporarily exceeds demand.

The Federal Reserve Board estimates that the U.S. lifted itself to a new high level of good living in the calendar year 1953. The gross national product, the total value of all goods and services performed, will aggregate $360,000 million, it is projected. This is not only a record in dollar value, but also in the outpouring of production. It is at least 5 per cent. more than in 1952. Contributing factors in achieving this were the absence of any major labour disturbances in 1953, while, in the preceding year, the prolonged steel strike depressed figures in all lines using steel and also the completion of many new industrial facilities planned years ago.

Personal income, probably, will also set a record for 1953 at about $285,000 million, or 6 per cent. over the previous year. These figures belie all the *pronunciamentos* of learned university professors here who have been telling the world, the U.S. has been in a real recession. This is not to say that the lull in the textile industry of several years' standing, which is now, more or less, surmounted, has not been followed by an over-production of certain hard goods. But even in this respect, no generalisations can be made.

Competition

While some manufacturers and dealers in the appliance field complain bitterly of lagging sales, others like Westinghouse and General Electric report record performances and expect more of same in 1954. If the complaints are traced, it may be found in most instances that those who lose are mostly non-competitive in one way or another. The sellers' market is definitely a thing of the past, shortages, except in a few isolated lines, have become non-existent and merchandise must be sold again. It works to the advantage of the most efficient and those without effective sales efforts fall by the wayside. It has been so long that such a condition of that type exists that a few people and concerns cannot readily adopt themselves to this state of affairs. It is from these quarters that the loudest complaints are heard—yet, overall statistics disprove the claim of an existing calamity.

Farm income was about the only downward line on the Federal Reserve Board's charts of economic conditions from January to December. Income of farm proprietors has declined markedly and it is back at the post-war low reached at about 1949, valued at $16,250 million. However, while farmers are complaining, the height of commodity prices, reached after the outbreak of hostilities in Korea, was so abnormal that, by any standards other than war-time, present income can hardly be regarded as unsatisfactory. In fact, a pattern of new normalcy may be developing.

What seems quite certain is that inflationary tendencies in the U.S. have definitely been arrested and what is emerging is the aimed-for flexible stability. Such a condition may involve a decline in the cost of living in the coming winter months, owing to lower commodity prices. At the same time, necessary adjustments to higher costs in, say, transportation may bring higher rates in individual sectors of the economy. Since mid-year 1953, the growth of inventories has slowed somewhat. It resulted in fewer new orders and it has been the chief factor in the slight economic downturn—of about 1 per cent.—since the high which was reached last spring.

Substantial Economic Achievement

The year as a whole was one of substantial economic achievement in terms of utilisation of manpower and industrial resources, additions to productive capacity, higher consumer, standards and overall stability of prices. Indeed, average wholesale prices have been remarkably stable, consumer prices have increased steadily, but, in October, they were only about 1 per cent. higher than a year previously. Federal expenditures for national security programmes are estimated to be only moderately larger in 1953, accounting for about one-seventh of total output.

On the other hand, State and Local Governments have purchased about 7

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per cent. more in the open market than they did in 1952. What helped business substantially in 1953 was that private outlays for fixed investments, such as new industrial facilities and durable equipment, topped the record year of 1952 by about 5 per cent.

Funds for mortgages, tight earlier this year, have become more plentiful and purchases of new automobiles have accounted for the bulk of the year's increases in spending. Passenger car output in 1953 will probably be tabulated, finally, at 6,100,000 automobiles, second only to the record of 6,700,000 cars in 1950. The total number of housing units started in 1953 is projected at about 1.1 million, about the same as in 1952 and 1951, but spending for non-farm residential construction has declined about 10 per cent. during last year. All told, there is no cause to shed tears over 1953 in the United States, except in the few isolated instances of hardship which invariably develop in any circumstances.

1954

So far as 1954 is concerned, everyone seems to look for a decline in spending for defence and the resulting slack will have to be taken up by civilian consumption. Superimposed on all this is the outcome of a possible four-power Foreign Ministers' Conference. Also, of further developments in Korea. On the basis of past experience, nothing along those lines can be projected too far in advance. Indeed, the impact of events on the people of the U.S. with their volatile temperament is often so great that it is useless to predict anything. An example was the invasion of Northern forces of South Korea which sent everybody on a buying spree which was virtually unparalleled, in the circumstances, and which sent commodity prices zooming. All that can be done in any projection of future events, therefore, is to consider the various possibilities.

Continuation of present conditions will mean continued good business in the coming year. Cuts in defence spending is so long-range that the aircraft industry, for example, will not be affected for the next two years. The backlog in the machine tool industry so far as orders are concerned is almost 18 months. In other words, most of the lessening in Government spending in relation to 1954 is more or less groundless. What is possible, in normal circumstances, is that people may save a larger proportion of their income and not spend as freely as during inflationary periods. But that is salutary in many respects, although retail sales may be affected slightly. If such a setback occurs, which is quite possible, it may or may not lead to a reduction of, say, 5 per cent. in the national product. In case this is accompanied by further redistribution of U.S. gold and an additional increase in American imports, there is no reason why such a development should be harmful to overseas countries.

New Trade Policy Likely

In fact, there are great hopes in informed quarters within and without the Eisenhower Administration that a new U.S. trade policy will be formulated which, in effect, would liberalise not only the procedure, but also the protective tariff walls now surrounding this country. Some of this easing in legislation may very well be accomplished in the first half of the coming year and may bring some lift to world trade generally.

There is also a movement afoot, supported by the National Foreign Trade Council, that American restrictions in respect of trade with Soviet Russia and the satellites should be eased so that non-strategic goods could move more freely than heretofore. The last convention of the Council adopted a resolution to that effect, recommending that the gates of trade should be opened more widely, but not quite as wide as they are in some other countries. The group pointed out that the U.S. could use profitably many of the goods Russia and the countries under her domination had to offer.

Little to Fear

The expiration of the excess profits tax and reduction in Federal income-tax in 1954, likewise, has hopeful implications. It should enable business and industry either to plough back more earnings or pay more in dividends. Both is salutary, economically. The demand for funds for corporate and civic improvements is likely to continue on a very large scale throughout the year and beyond. Now that interest rates have flattened slightly from their peak in the early part of 1953, many borrowers are expected to come into the market to provide growing needs of a growing population, such as new schools, hospitals, playgrounds, airports, roads, housing, etc. On balance, therefore, there is very little to fear about business conditions in the coming year. The pattern of economic behaviour may change, of course, as it has over a period of years. Metropolitan department stores, for instance, have lost some business, but that was made up in suburban branches. The dispersion of the population is at the root. Yet, the total has remained more or less unaffected. These normal shifts are no more of a calamity than the invention of the automobile who drove many blacksmiths out of business who had to adjust themselves to changing conditions. This, in brief, is the pattern for 1954 under normal conditions.

Korean War May Flare Up

Although many indications point against it, the chance still exists that the Korean war may flare up again for one reason or another. This, in my opinion, would reverse almost immediately the normalcy policies of the Republican Administration here. Pressure of public opinion would cause an immediate stepping up of defence measures and spending and a drift back into inflationary cycles would be almost inevitable. The now envisaged four-power Foreign Ministers' Conference, it is felt here at this writing, may either end in a deadlock or enhance the chances for peace or war. From this vantage-point, it seems unrealistic to assume that the Kremlin will offer the proverbial olive branch as was done after the death of Stalin. This does not conform to Soviet policy and it is not in the Russian interest internally, because a constant emergency pressure has to be maintained to keep the system together.

It is quite possible, therefore, that Moscow will demand concession from the Western world for her co-operation in the reunification of Germany and an Austrian peace treaty, to mention just two problems. Such concessions could be so severe as to be unacceptable in the West and the chances for outbreak of Atomic War I could certainly be boosted, insiders suggest. In the event of outbreak of all-out war, all forecast must be off for 1954 and beyond. The material destruction from bombings is impossible to calculate and the final economic effect on the world must remain an unknown factor.

Significance of Nixon's Visit

One thing is certain that, with the shift of Administration in America, a lot more importance is being placed on Asia than before. The extensive visits of Far Eastern capitals by Vice-President Nixon is a concrete example. He was not only the spokesman of the President of the United States on his mission, but of the Congress, and his final report may make an effective contribution to U.S. foreign policy. I have reason to believe that neither Eisenhower nor Nixon have started their administration with any preconceived ideas and pending a full study, their plans are flexible. Perhaps, they have been too flexible, because the popular impression is that, so far, very little leadership has been provided by the new Republican Administration in either the foreign or domestic field.

The Congressional elections next November will probably reflect the sentiment which may be prevailing then in the light of decisions made in the first half of the year. These elections will be important to watch, because Eisenhower's plans stand and fall, of course, with the extent of his support in Congress. If the choice is made along party lines, a loss of Republican seats may be serious. At the same time, many Democrats may continue to support the President, despite their label. In that sense, 1954 will be a critical year for America and a year of decision for the new Administration.—*All Rights Reserved*

U.S. IMPORTS OF ASIAN PRODUCTS

U.S. imports of a number of Asian products registered significant gains in September, 1953, the most recent month for which import figures are available. Crude rubber imports, for instance, amounted to 132 million pounds valued at $27.6 million, as compared with 100 million pounds valued at $21.9 million in August and 115 million pounds valued at $31.1 million in September, 1952. Imports of unground black pepper aggregated to 2.9 million pounds valued at $3.3 million, as compared with 1.9 million pounds valued at $2.5 million and 2.4 million pounds valued at $3.7 million. Imports of copra amounted to 74.7 million pounds valued at $6.0 million, compared with 45.7 million pounds valued at $3.8 million and 47.0 million pounds valued at $3.5 million. Imports of tea aggregated 10.4 million pounds valued at $4.7 million, as against 7.8 million pounds valued at $3.5 million and with 9.5 million pounds valued at $4.0 million. Imports of sisal and henequin aggregated 12,269 tons valued at $2.7 million, as compared with 9,735 tons valued at $2.1 million and 9,380 tons valued at $2.9 million. Imports of tin in concentrates amounted 1,910 tons valued at $4.7 million, as compared with 1,214 tons valued at $3.1 million and 1,136 tons valued at $2.9 million.

On the other hand, imports of tin metal, which had been among the leading imports earlier in 1953, declined to 13.7 million pounds valued at $11.2 million, as compared with 16.7 million pounds valued at $15.0 million in August, 1953 and 18.4 million pounds valued at $21.5 million in September, 1952.

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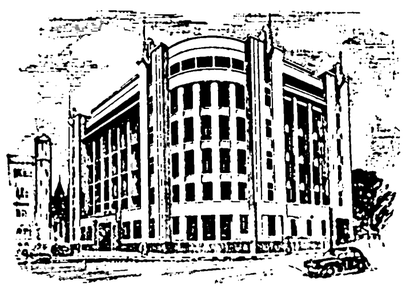

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ECONOMIC TRENDS IN BRITAIN

PRODUCTION SUBSTANTIALLY HIGHER

LONDON, *27th November*

IT is not only the outside world which has studied with interest during 1953 the doubtful movement of the U.K. towards surplus in her overseas payments, for, domestically, the foreign trade progress of this year has been the most interesting single development in the economic field. "Progress" in this sense has meant rather a survey of what has been happening month by month, for it cannot be said that the country is much better off, in a balance-of-payments sense, at the end of 1953 than it was at the beginning. On the other hand, the improvements over the low period of 1951 have been consolidated and it is indubitable that the gold and dollar reserves at £900 million are some £290 million higher than a year ago. This is no mean achievement even allowing for the U.S. Defence contribution.

Nevertheless, it is the movement of trade on current account which is the best index of a country's overseas strength or weakness and here the showing is not so good, although the money figures at first indicate an improvement. For the first 10 months of this year, imports have totalled £2,792 million, which, after allowing 10 per cent. for freight and insurance, gives a net £2,512 million. Over the same period, British exports and re-exports have totalled £2,207 million. This leaves an adverse balance of just over £300 million or an annual rate of some £360 million.

Balance of Payments

In 1952, the first ten months showed imports of £2,958 million which, again allowing for freight adjustments, left £2,660 million, while exports and re-exports gave £2,291 million, an adverse balance of £370 million and an annual rate of, say, £440 million. So there is an improvement to show over all on trade account of some £80 million, and, if 1952 showed a net surplus on balance of payments of the order of £100 million, this year should yield twice that figure.

The following table shows the trade figures for the current year in a little more detail:—

(In £ 000,000's)

1953	*Imports c.i.f.*	*Exports f.o.b.*	*Re-exports f.o.b.*
1st quarter ..	819	626	30
2nd quarter ..	881	630	24
3rd quarter ..	812	635	25
October	280	228	9
Total for 10 months.	2,792	2,119	88
Allow for freight..	280		
Imports f.o.b. ..	2,512	Total exports ..	2,207

In terms of volume, the first quarter's imports showed a 6 per cent. increase over the previous year, the second quarter showed a 16 per cent. increase, and the third quarter an increase of 12 per cent. On the other hand, exports have averaged this year about 5 per cent. less than in 1952. In other words, although there has been some monetary improvement in the balance of payments, this has been in spite of an increase in the volume of imports and a decline in the volume of exports. Indeed, the terms of trade have moved 10 per cent. in favour of this country over the year, and our position has been improved by virtue of the fact that we can buy more cheaply and still sell more dearly.

Competition Becoming Severe

It is very unsatisfactory to note that, while British exports fell by 5 per cent. over the year, world exports have risen by 7 per cent. The indications are that competition with other countries is becoming more severe. As compared with pre-war, our exports are 50 per cent. higher, although, as the above figures have shown, the relative volume is beginning to decline. Germany now exports one-third more in volume than before the war, and the relative increases have been progressive in recent years. Similarly, Japan, which has been out of the export field and which exports to-day only one-third of her pre-war volume, is steadily increasing her trade. Other European countries and even the Commenwealth countries are becoming severer competitors and, with the exception of North America, British exporters are in fact failing to hold their ground. There is nothing to indicate that British prices are too high and the export price index has, in fact, dropped 3 per cent. over the past year. But delivery dates are generally worse than those which countries such as Western Germany can offer—a pointer to the effects on production of being saddled with an arms programme.

On the other side of the picture, the year has shown continued reward for the steady pressure to expand British exports to the United States

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and Canada. For the first eight months of the year, exports to both these areas reached £215 million—an increase of £40 million or more than 20 per cent. over the corresponding figure of a year ago—and the increases have been in all branches of the export trade. The trade with Canada has shown the most spectacular increases, particularly in machinery, engineering equipment and cars. Incidentally, there is a general impression that, with Britain restricting her dollar expenditure, we import less from Canada than before the war, but, in fact, we are taking about twice as much Canadian wheat and, among raw materials, about eight times as much aluminium as before the war. The growth of the trade with North America has meant that this country now earns a surplus on its direct dollar trade. The present prospects are that the American trade should, subject to the maintenance of internal prosperity in that country, continue to improve, particularly if the hurtful Customs regulations ever get amended.

Production Trend

If the export market in general has failed to expand, the domestic market has more than made up for this over the past year. In the first quarter, total national production rose by 1 per cent., in the second quarter by 6 per cent., and in the third quarter, by 7 per cent., all compared with the corresponding periods of a year before. If one takes the manufacturing industries alone, the rise has been even greater—the third quarter's increase being as much as 10 per cent. The production of steel ingots and castings is a good illustration of a trend that has been general throughout the engineering and heavy industries: in the first quarter of this year, output, which has been running at something like 300,000 tons a month, was 123,000 tons higher than a year before; in the second quarter, it was 108,000 tons, and in the summer quarter 31,000 tons higher: a cumulative increase over the year of well over a quarter of a million tons. On this showing, 1953 will have yielded a steel output approximately 10 per cent. higher than that of 1952. But from shipbuilding and motor vehicles to cotton and woollens the picture is the same. Not that this gives the Chancellor of the Exchequer any great satisfaction, since, while higher production is the cause of the rising import bill, the diversion of output to the home market is a reflection of the failure to expand exports. Is the Chancellor going to decide that his "soft" budget of last spring and the slight easing of domestic monetary policy have some responsibility? or—as he seems at present inclined—will he go on exhorting exporters to make a better showing with the increased production at their command? That is one of the economic problems to be carried over into the new year, in spite of the Chancellor's indication that he is not dissatisfied with his past deeds.

A good deal of responsibility for the internal diversion of increased production must lie at the door of the highly successful housing programme. In the first three quarters of this year, 55,000 more houses have been completed than in the same period last year, and, by the end of the year, the Government's target of 300,000 houses completed will have been achieved. This has meant—since there has been no diminution in the scale of factory or office block building—a demand for more bricks, cement, tiles, metal fittings and all the furnishings and equipment that go into the finished houses.

Unemployment Less

Not surprisingly, unemployment has again receded to a little over a quarter of a million, some 30,000 less than for the corresponding period a year ago. Although this is not quite as low as the bottom of the trough—180,000—reached in that inflationary year 1951, it is as good as 1950. The total working population which stands at 23¼ millions has shown little change over the year, although the curve is still slightly upwards in conformity with the population curve which has almost flattened out.

The recovery from the recession of 1952 has been accompanied by an upward swing in the monetary indices. Bank deposits, which range around £6,200 million, are £200 million higher on the year and the total of currency in circulation, which this summer reached a new peak of £1,500 million, is some £90 million higher than a year ago. Nor has this increase only been due to Coronation spending, as the Coronation merely increased the rate of currency circulation sooner than would otherwise have happened.

Wholesale Prices

It is encouraging in the light of all these factors to find that prices have moved only slightly. These do not yet appear to have finished their upward rise, but wholesale prices rose over the past year only 1 per cent. and are now at much the same level as that of two years ago. Retail prices have risen much more—about 3 per cent. over the year and as much as 10 per cent. over the figure of two years ago: in January, the index stood at 38 per cent. over the 1947 level, during the summer it rose seasonally to 41 per cent. over, and is now running at 40 per cent. over.

On the stock market, Gilt-edged showed a little change over the year till the Bank rate fall in September gave a slight fillip to the market which now stands about 5 per cent. over last year's average. Industrial Ordinaries have continued the change of fortune which began in the summer of 1952: after a slumping slowly over since 1950, the upward turn had brought them back to the 1950 level at the start of the year. A spectacular rise began in June which jumped the index 13 per cent. in four months. November has shown a slight recession and it may be that the boom is now over, though company profits give no hint of this.

To sum up, thanks to the swing back of the terms of trade in this country's favour, the economy is set fair at present. It is true there are some rumblings—foreign competition is getting stronger and it will not be easy either to stop the decline in exports or to step up exports; at home, wages dissatisfaction is also growing, largely because of the higher profits industry has been showing and declaring, but this rumble, though important, may mean only some redistribution of the national wealth without prejudice to export costs.

Nothing Very Much Wrong

If because of recession in America or for any other reason the economic weather turns cloudier in 1954, the economy—freer to-day than at any time for 15 years—may be put to the test of the old-fashioned trade cycle. A Conservative Government would then have the task of controlling the economy to prevent deflation. But to-day Ministers are not obsessed by such nightmares: they are putting the final touches to the freeing of foodstuffs and the liberalisation of imports. On the latter, they believe that they have gone as far as possible for the moment, and that is in line with the only point on which the economy gives any sign for nervousness. The former is in line with the general policy of freedom, which has, of course, partly contributed towards the increase in consumer spending. So far as the public as a whole are concerned, the economic situation is becoming a matter of diminished interest—a sure sign that there is nothing very much wrong with it domestically. That is the note on which 1953 ends. But for the U.K. the factor of external trade is always too great, and is itself too subject to uncontrolled influences to make possible any assertions about trends of events in 1954.—*All Rights Reserved.*

SERVICES FOR EXPORTS

At his Press conference, Mr. Thorneycroft, President of the U.K. Board of Trade, said that there were three ways in which the Government could help exporters:

1—By ensuring that the home economy was soundly balanced and that there was no inflation.

2—By seeing that Britain had a fair deal abroad, and that, as far as possible export subsidies were abandoned, a policy in which Britain had given a lead.

3—By aid through the Government services. The Board of Trade Commercial Relations and Exports Department, which had a great deal of information on markets and opportunities oversea, the B.O.T. Officers in oversea countries, the Export Credits Guarantee Department, which took some but not all the risk out of exporting, and the Dollar Exports Council, which was concerned with the dollar area.

Finally, there were the Board's own Regional Officers, who tried to keep industry informed on the services.

Mr. Thorneycroft said that the Government was very anxious that every manufacturer who might export more or might export something different, or who might export to destinations he had not sent to before, should know about the aid which could be given. The Export Credits Department, which started in 1926, was giving guarantees on behalf of exporters at a rate of £61 million in 1939, £138 million in 1946-47, and £500 million in 1952-53, the last-mentioned representing a premium income of over £3 million. The position which has arisen over guarantees given for exports to Brazil has resulted in complete exhaustion of the Department's "capital reserve" of £13 million. A total of £22 million has been paid out, with a further £2 million due, but with the title to the Brazilian debts in its possession the position is expected to right itself.

U.K.'S EXPORTS IN NOVEMBER, 1953

British exports in November, 1953 were the highest since March, 1952. They reached a total value of £239,900,000, despite the fact that the month had only 25 working days. A notable increase has occurred in the last five months—July to November—when sales abroad averaged £220,500,000 monthly, as against an average of £202,600,000 in the corresponding period last year. Commenting on the figures at a Press conference in London, Mr. Peter Thorneycroft, President of the Board of Trade, said that the November result was obviously a good thing, though it was only one month's figure and should be seen in its right perspective.

British exports to North America at a provisional total of £25,100,000 during the month under review brought the average for October-November, 1953 to £26,000,000 a month, which was slightly less than the third quarter average. Exports to the U.S. in November at £11,300,000 were 19 per cent. below the high average for the second and third quarters. Exports to Canada at £13,800,000 were 8 per cent. more than the third quarter average.

ECONOMICS OF CONSUMPTION

PATTERN OF SPENDING MUST BE RELATED TO PRODUCTION

By
J. M. Lobo Prabhu, I.C.S.

THE Five-year Plan did not invent mixed economy. It had existed before, in India and other countries, even Communist countries in which private enterprise is now reappearing. What the Plan did was to recognise mixed economy, defining the public and private sectors so that they could support each other. The declared objective was "a progressive widening of the public sector and a reorientation of the private sector to the needs of a planned economy."

There should be no mistake about the size of the public sector. The gross value of the assets of the Central and State Governments (excluding Port Trusts, Municipalities and other semi-public agencies) is about Rs. 1.236 crores, the share of railways being Rs. 837 crores and irrigation works Rs. 230 crores. Against this, the assets of the private sector are estimated at Rs. 1,500 crores, factory establishments accounting for Rs. 1,100 crores, plantation Rs. 100 crores and motor transport Rs. 130 crores. It would appear that State and private enterprise are about equal, with this difference that a good part of private enterprise supplies the requirements of the Government. As far as the employment pattern is concerned, even after allowance for the large number employed in the Civil and Defence establishments, the State's share is smaller as compared with the large number employed in trade, professions and various occupations. This follows from the fact that the tax revenues of the State form only about 7 per cent. of the national income. Considered from this point of view, the State in India is less important in the economy than in the U.K., where tax revenues are 35 per cent. of the national income, in the U.S.A. 23 per cent. and in Japan 27 per cent.

Is There Any Antagonism?

Is there any natural antagonism between the public and private sectors? In several respects, the two sectors are complementary. To the extent the State expands basic services like power, irrigation, roads and communications, the private sector is provided with means and channels to expand itself, which may be beyond its own ability. To the extent, expenditure of the State increases incomes and purchasing power, the private sector is assured of its market. In this matter, the contribution of the State is very much larger than suggested by its volume, for the reason that the incomes assured by the State are first certain and regular; and second, are in the aggregate large and massive, as compared with those from diffuse and diverse private employment. In respect of purchasing power, development activities of the State to capitalise human and material resources increase general purchasing power on which private enterprise rests. Though the process may be indirect, it is certain that higher productivity and efficiency are reflected in sales of new and more items.

At the same time, the private sector is no less important to the public sector. Representing as it does 93 per cent. of the national income, it is the source of the taxes, loans and income of the State. The question, which is being asked, is whether the Five-year Plan has not ignored this sector, with the result that there is not only unemployment in this sector, but the public sector itself is adversely affected by falling taxes and failing enterprises. It is argued that, if this sector had been activated more fully, the public sector, which is functional, would have naturally grown.

It is, perhaps, not correct to say that the Five-year Plan has neglected the private sector. The Plan covers every department of national activity. The Plan starts with the ideal of full employment for which it recognises that the capital-labour ratio should be increased. This is subject, however, to two conditions, first that incomes should not outrun production, and second, that it is, therefore, necessary to rely on voluntary unpaid labour.

The validity of these two conditions is questioned. In respect of free labour, it is contended that this could not, even under pressure of propaganda, be anything but spasmodic and small. It is further argued that labour required for public works is largely rendered by the landless, who are unwilling and unable to donate it. In any case, if they did so, they would receive nothing directly to augment their purchasing power, and what the community received indirectly from public works would be intangible and distant. It is, therefore, argued that the labourer is worthy of his hire not only for his own sake, but for the sake of the community, the prosperity of which depends not merely on its amenities, but also on the income of all its members. Any money spent for new employment has, as Keynes has described, a 'multiplier effect', the man paid, in his turn, employing some four more in the chain reaction of his increased purchasing power.

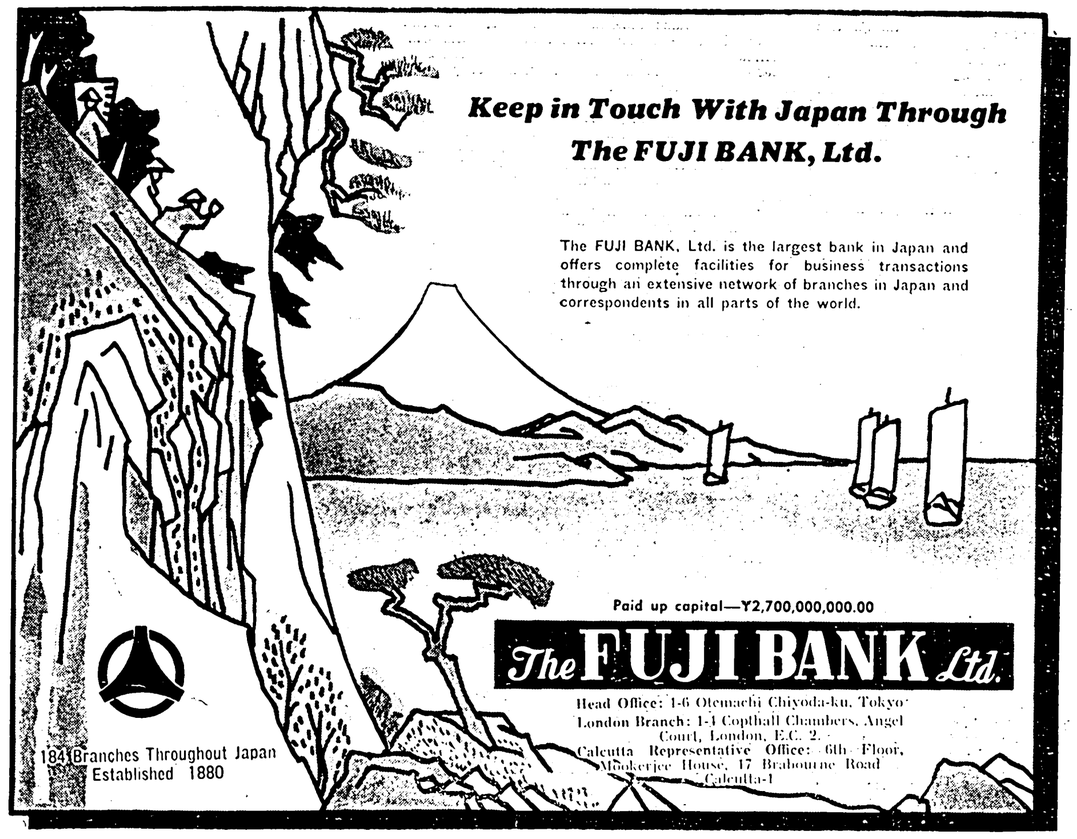
Question Must Be Re-examined

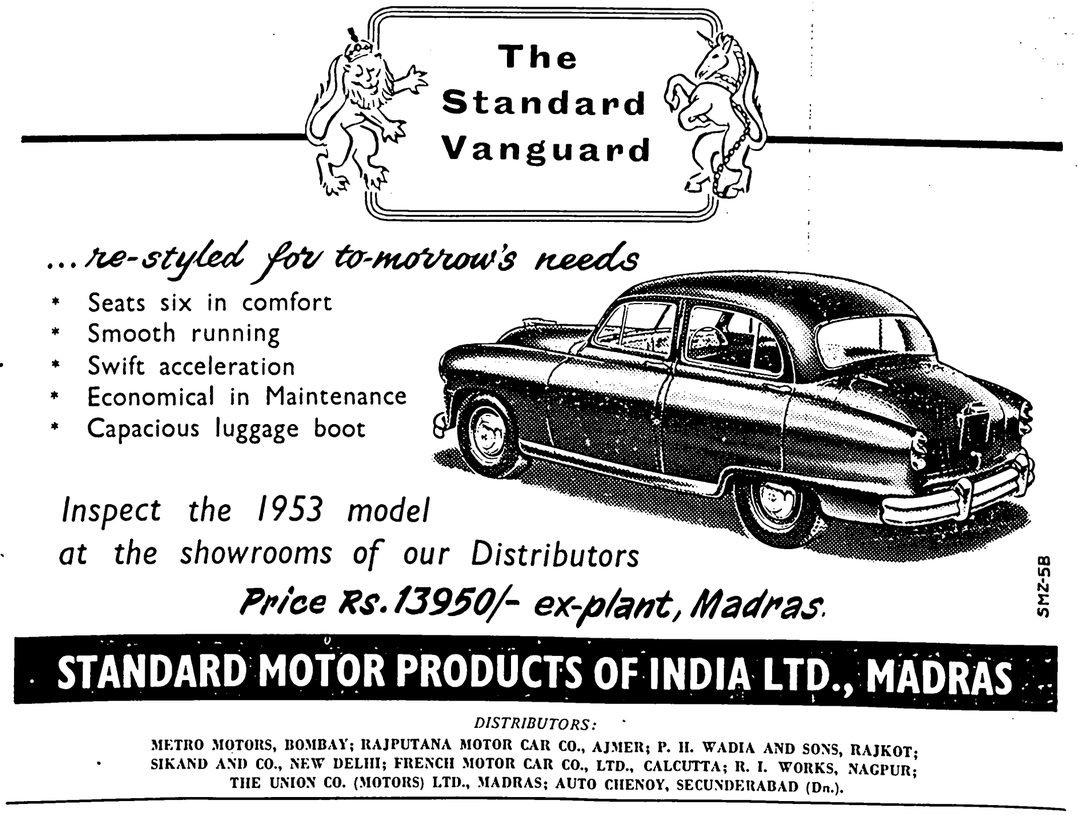
The question, perhaps, deserves to be re-examined, if idle labour should not be mobilised, by at least part payment, the balance being deferred till the benefit of the new work materialises. This touches the first condition that incomes should not outrun production. It is feared that this may lead to inflation by increasing pressure on articles in short supply, particularly food. There are some who consider that food scarcity is a bogey, that, in 1952-53, the food production touched pre-1939 levels, that in the current year, with the good rain received, it may well be high enough to cause a serious collapse of prices. It is also argued that there are limits to the food which can be consumed, that people, employed or unemployed, are eating as much as they can, and that, in fact, if their incomes were higher, they would eat less grain, but eat better things instead. This school also thinks that food shortage was due to food controls, which discouraged production to increase fallows even in the last three years by 7 per cent. and distorted distribution involving pockets of scarcity, which induced cyclonic movements of price. It argues that, since controls have crumbled, the food problem is now capable of solving itself. At worst, this school argues that food prices can always be controlled by automatic levy of all stocks when prices pass a fixed line, declared in advance. This would naturally keep prices below that line. In its opinion, the paramount consideration is to fully employ all labour, money being found without fear of inflation. As this idle population already consumes food and social services, labour in any form rendered by them is addition to the country's wealth, as well as their own. The spectacle of idlers, beggars and the unemployed in streets of cities, towns and villages is regarded by them as the greatest waste of national wealth. There are innumerable tasks waiting for them, if only the money can be found to set them working. The whole question is important as it is complicated and deserves more precise attention from economists than it has received. The economic climate is threatening to break, not only from the unemployment already in evidence but from overproduction of grain which will affect the large agricultural sector.

Money the Basis of Plan

Money is the basis of the Plan, as it is of all development. In respect of it, perhaps, there is a clash in the interests of the private and public sectors. For the public sector, the income of which is relatively inelastic, it is necessary that money should not lose its value. This is the basis of the policy of disinflation which the Plan has assumed. But the private sector cannot expand, if prices fall, for at least two reasons, first, the purchasing power of the consumers is reduced, and, second, even if manufacturers receive some advantage from the low prices of raw materials, they lose much more from the low prices of manufactured articles. The disinflation enforced during the last two years has affected the market, and is reflected in industrial activity generally. In the second place, the clash is from taxation policies. The public sector depends on taxes, which the private sector must pay. It happens that a very small part of the population pays the largest part of these taxes. This may be a socialising measure, but to the extent it reduces the savings of this class, industry is deprived of capital which it steadily requires. The Plan recognises that capital formation should be encouraged, because the economic standing of a community is related to the capital per head. The question then is whether capital formation for the private sector or tax increases for the public sector should have







precedence. The Taxation Enquiry Commission is examining this question precisely. Its questions seem to suggest that it is trying to discover how taxation can be purposive to the increase of the country's income. This in fact is the only text, and by it not only State revenues can be benefited directly by a greater volume of taxes, but indirectly form a greater field of income to tax.

Tax Structure

Our tax structure is largely inherited from rulers whose aims were limited to their trade and interests. In some ways, they could not make taxation an instrument of policy without rousing opposition which may have been too strong for them. Our economy suffers from defects bestowed by history. The disturbed conditions of the last two thousand years imposed a conservatism, which the British did not change, except to some degree in the towns. Everything has stood still, particularly in our villages, not only because, in the struggle for existence, no one has courage to change, but also because no one was sure of the fruits of his toil. Agriculture suffers not from want of knowledge so much as want of incentive and will to work. Conservation of water, soil, manures, use of better seeds, implements and methods, demand very little more than labour, of which there is plenty. The simple expedient of a higher rate of taxation on those who fail to do, what is within their ability, could immediately transform agricultural practices. Similarly, for good animal husbandry, what is required is that existing communal pastures should be improved by conservation of running water, by rotational grazing and proper seeding, all well within the labour capacity of the owners of cattle. For afforestation so necessary to conserve soil and increase precipitation of rain, it would be enough if the existence of a specified number of trees per acre of land is enforced by penalty of the cost of raising such trees on those who default.

In industry, those who fail to follow standards, within their capacity, may pay excise duties on their outturn. Export and import may be subject to taxes precisely related to national policies for development. Fallow land and vacant sites could be similarly taxed into being used. Even social service could be secured by taxing ascertained leisure. The whole purpose is first to pressure the population to render the best and full account of their labour, and, second, to secure for the State a large volume of taxes from those who make no return for their capacities and opportunities. There is a moral, as well as a material basis for taxing unused potentials. The question simply is, whether we are prepared to orientate our taxation to the definite purpose of increasing productivity by penalising inefficiency and indifference. By the minimum of pressure, not only will production be stepped up to optimum levels, but the State will, at the same time, benefit from increase in the rate and field of taxation. Purposive Taxation, the new concept, which I have elaborated, holds infinite promise to enrich both the private and public sectors of our economy. The concept deserves examination by economic experts, if the Taxation Enquiry Committee is to accept it.

Progress of Production

Otherwise, how is money to be found for development? During the first two years of the Plan, imports of capital goods have declined, production and investment in manufacturing industries has fallen and unemployment has been growing. The Plan has been behind schedule in most States, and a total of Rs. 1,485 crores, that is more than 70 per cent., remains to be spent in the remaining three years. Is this due to change in monetary policy, which coincided with this period? The report for the first two years of the Plan refers to the decline in money supply by Rs. 115 crores. At the same time, the cash balances of the State and Central Governments have been reduced by Rs. 102 crores. The Reserve Bank is holding Rs. 40 crores less of Government securities. In the first two years, no net increase in public debt has taken place; on the other hand, the net outgo from maturing securities was of Rs. 9 crores. The floating debt of the Central Government has been reduced by Rs. 45 crores. The Government's financial position has never been stronger arising from the definite policy of reducing currency and credit. Less money has not, however, meant lower retail prices. No doubt productivity programmes already under way have not been affected. Food output, as stated previously, has touched the 1939 mark. During the two years production of textiles, steel, cement, power has improved, the general index having risen from 104 in 1950-51 to 121 in 1952-53. Scarcity of money has, however, affected consumption.

Maintenance of Demand

The Five-year Plan and the monetary policy of the country have been based on production economics, without reference to consumption economics. It seems to have been ignored that, in economics, demand is more important than supply. Not to maintain demand, is to flatten supply by its own weight. Even if the smallest share of attention had been paid to demand, all policies regarding money, wages, employment would have been different. If demand is created, supply comes sooner or later into existence, but not *vice versa*. Consumption economics, which have been ignored, must now receive attention. The aim should be to equip people to consume more, at least as much as is being produced. This implies first, increase in the money supply. Dr. Bernstein of the World Monetary Bank, a conservative in his economics, thought that money supply can be increased at least equivalently to the increase in production. Since 1952, production has increased by 12 per cent., while money supply has decreased by at least the same percentage. While there has been more to sell, there has been less to buy it with. This has recoiled in accumulated stocks which are now reducing production, and increasing unemployment. The process is a vicious circle, only to be broken by more money. In the second place, even when money is available, it has not been spent in the same direction as the production planned. This has meant that certain shortages have persisted side by side with surpluses in other directions.

Crux of Problem

The economics of consumption requires, therefore, first, more money, and, second, a pattern of spending related to the pattern of production. I have been pressing for some time for the issue of development currency to increase the supply of money on the one hand, and to canalise its use on the other. As long as this currency is encashable only against specified production, it will not cause inflationary pressure, even while it accelerates turnover. A problem like that of handloom cloth could be solved in the shortest time, if people had part of their incomes paid in currency which can buy only this and other specified items. Otherwise, the pattern of expenditure may be determined by compulsory savings of all incomes in a fixed proportion, in the form which was enforced in the U.K. during the war. These savings, however, should be ploughed back at once into production, either as capital for industries, or amenities for the contributors concerned. Thirdly, consumption may be activated by concessions and preferences in State taxes and services. The tax structure, on the one hand, and services like transport, irrigation, power, on the other, will have to become purposive also in respect of the consumption pattern. They are so to some extent already and what is required is more precise attention and action. The private sector, therefore, depends a great deal on Government policies being more purposively related to consumption economics. This is a very important service the public sector can render to the private sector. The Five-year Plan has to consider both production and consumption, the latter a little more now, as it has been neglected so far.

To sum up, my thesis is first, that taxation should be purposive, and, second, that planning must take account also of consumption economics. Only thus can mixed economy prove a success.—*All Rights Reserved.*

FOOD CONSUMPTION

Are the peoples of the world eating more or less food than they did before the war, and what do they mostly eat? Approximate answers to these questions may be found in figures for the daily intake of calories per person, and for annual *per capita* supplies of cereals or potatoes, meat, milk and sugar. Latest figures for 40 countries for calories per person per day (generally 1950-51 or 1949-50) place these countries in the following broad categories:

3,000 *calories or over*:—Ireland, New Zealand, Australia, Switzerland, Canada, Sweden, Iceland (1948-49), Finland, United States, Argentina, Norway, Denmark, United Kingdom and the Netherlands.

2,800-2,999 *calories*:—Uruguay, Belgium-Luxemburg and Western Germany.

2,600-2,799 *calories*:—France, Austria, Cuba (1947-48), Czechoslovakia (1948-49), Israel, Union of South Africa and Poland (1947-48).

2,400-2,599 *calories*:—Greece, Turkey, Cyprus (1948-49) and Italy.

2,200-2,399 *calories*:—Chile (1948-49), Brazil (1948--49), Egypt, Colombia (1948-49), Mauritius and Venezuela.

2,000-2,199 *calories*:—Japan, Ceylon, Indo-China (1947-48) and Pakistan (1948-49).

Under 2,000 *calories*:—Burma (1947-48) and India.

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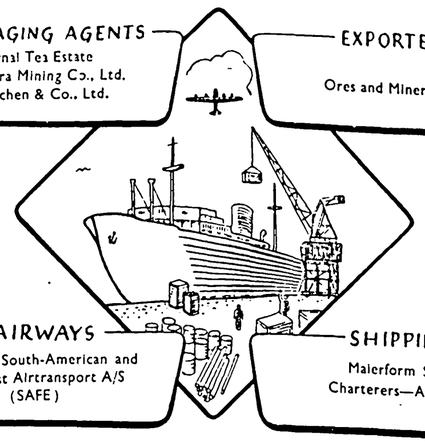

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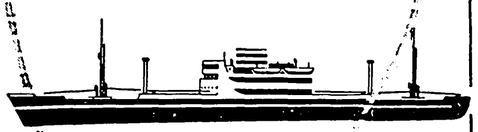

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SCIENTIFIC RESEARCH IN INDIA

SIGNIFICANT PROGRESS OVER WIDE FIELD

By
Dr. S. S. Bhatnagar, F.R.S.

IN the eighteenth century, when industry in the modern sense was still in its comparative infancy, an eminent writer described commerce as "the bringing into the country of whatever is wanting and carrying out of whatever is superfluous." This description may have suited the times, because exchange of primary commodities was then the main feature of commercial transactions. During the last two centuries, however, there has been a rapid change in the character of international trade and now industrial products figure as prominently, if not more, in the exchange of goods and materials between different countries as primary commodities. The emergence of industry as an important factor in the national and international sphere has also brought about a change in the concept of what the terms "commerce" and "industry" imply, with the result that to the layman the two terms more or less carry a similar meaning and for him a "merchant" and an industrialist are both "men of business," the distinction between the terms being more or less subtle.

The comparative affluence of industrialised countries and the international influence and prestige they enjoy have spurred countries, which had hitherto been content, more or less, to barter away their primary commodities for industrial products, also to realise the economic advantages which accrue from processing of raw materials and trading in finished goods. This realisation came to Indian business several decades ago and a gradual change in the pattern of Indian economy, accentuated by the world wars, has since been evident. The advent of independence has resulted in a setting of pace and there is a most welcome emphasis on hastening the industrialisation of the country. This shift in the economic structure of the country will no doubt also lead to changes in the pattern of India's trade and commerce, both internal and foreign.

Importance of Research

The role which scientific research can play in the industrial development of the country is now increasingly appreciated both by Indian industrialists and the Government of India. Apart from devoting a separate chapter to "Scientific Research," the first Five-year Plan makes constant references to problems in different spheres which science can help to solve. Most leaders of Indian industry are also agreed that, though apparently costly, scientific research, whether pursued for the sake of obtaining new knowledge or for application for specific purposes, is an essential investment for industrial development which pays handsome dividends in the long run. It is heartening to record that even the protagonists of village and small-scale industries have recognised that research is necessary for their logical development. Thus, the All Village Industries and India *Khadi* Board has appointed a research committee to draw up plans for a research organisation which will exclusively concern itself with fostering research in this sphere. One of the functions of this organisation will be to place the problems of village industries before existing research institutions and convey the results to smaller research centres and artisans.

The rapid implementation of the scheme of national laboratories formulated by the C.S.I.R. is a direct outcome of this interest. The current year (1953) has seen the completion of the first scheme, envisaging the establishment of 11 research institutes, the National Physical Laboratory, New Delhi, and the National Chemical Laboratory, Poona, dealing with general subjects, and the remaining nine as specialised institutions devoted to specific subjects.

Plans for the expansion of the scheme to cover other fields are being drawn up and, during the period of the first Five-year Plan, it is intended to establish three new research institutes dealing with salt, electronic engineering and mechanical engineering with special emphasis on cottage and small-scale industries. The Birla Education Trust has made a donation of Rs. 21 lakhs towards the cost of construction and equipment of the Central Electronics Engineering Research Institute, Pilani (the foundation-stone of which was laid by the Prime Minister in September, 1953); it has also promised to make an annual contribution of Rs. 50,000 towards its recurring expenses. The Mechanical Engineering Research Institute, to be located at Calcutta, will be the recipient of a donation of Rs. 21 lakhs from Mr. K. D. Jalan. The Central Salt Research Institute is housed in Raj Hotel, Bhavnagar, a gift of the Saurashtra Government.

These laboratories do not work in isolation; they keep in touch with industry in several ways, by personal contacts, by organising intelligence services and symposia, by encouraging personal visits and by having industrialists as members on their Advisory Board. These contacts help them in gauging the requirements of industry and taking up investigations to meet them. On several occasions, the Tariff Commission has suggested the direction in which national laboratories can assist in the development of particular industries. Similar suggestions are also contained in the "Programme of Industrial Development" laid down by the Planning Commission.

Wide Field of Activity

An idea of the wide field of activity to these laboratories, since their inception in 1950, is possible from a brief narration of their research activities.

The Fuel Research Institute, Digwadih, and its five Coal Survey Stations are continuing a detailed survey of Indian coals. Monographs on a "Preliminary Survey of Madhya Pradesh Coals" and "Utilisation Survey of Bermo Seam at Kargali and Dhori" have been published. Washability of coals is one of the main lines of investigation on which a further detailed report was published. The Institute has investigated the best manner of utilising slack coals from State railway collieries and shown that, by washing and carbonising the cleaned product to a high class coke, it is possible to make the slacks suitable for manufacture of calcium carbide and ferro-manganese. Till washeries and coke ovens are installed, the slack can be used in the Bokaro Thermal Power Station. Work has also been in progress on the coking properties of Madhya Pradesh coals, gas purification for removal of dust particles and sulphur, spontaneous combustion, desulphurisation of Assam coals, concentration of pyrites in coals, the Fischer Tropsch process of synthetic petrol manufacture, active carbons and ion exchangers from coals, etc. Of particular interest is the new method for determining phosphorus in coals and coke, inasmuch as it eliminates the error, ranging from two to 20 per cent., involved in the methods hitherto employed. A proposal has been submitted to Standardisation Organisation to adopt the method for international use in fuel analysis.

Beneficiation of manganese ores, chromites, uranium ores, etc., has been studied at the National Metallurgical Laboratory, Jamshedpur. A plant for beneficiating low grade manganese ores for industrial units producing 5 to 10 tons per day and another for smaller units has been devised. A process for electrolytic preparation of beryllium oxide from beryl has been worked out; beryllium oxide finds use in nuclear energy plants. Electrolytic production of high purity manganese metal and titanium metal is also being investigated. A detailed study of the conditions for producing high temperature refractories using sillimanite from Travancore beach sands has been carried out. Other subjects of study include nodular cast iron, structure of aluminised steel, low carbon ferro-chrome, fatigue resistance of steel structures and wear resistance of railway wheels, tyres and rails.

Glass and Ceramic Research

Survey and standardisation of raw materials used by glass and ceramic industries, clays, talcs, glass sands, etc., and improvement of their quality is a feature of the work of the Central Glass and Ceramic Research Institute, Calcutta. A detailed report on Indian Talcs has been published. Methods of producing chemical porcelain, traffic signal lenses and glasses, glazes and colours used in the ceramic industry and insulating compositions for wire wound resistors have been worked out and are awaiting utilisation by industry. It has been demonstrated that good sand lime bricks in a variety of decorative colours can be produced from the waste sludge of acetylene factories. Investigations on glass containers used by ink manufacturers have assisted in rehabilitation of the ink industry. Similar investigations on containers used by food and pharmaceutical industries are in hand. Alumina glasses are being studied. Conditions for manufacture of hæmatogical instruments were determined and manufacture of these instruments by industry is being arranged. Waste mica has been used in improving the performance of refractory bricks.

Chemical Laboratory

Amongst the important problems being tackled by the National Chemical Laboratory, Poona, is the production of fertilisers from indigenous phosphatic rocks without the use of sulphuric acid. Experiments on solubilisation of phosphatic rocks with magnesium salts and sea bitterns have yielded a product containing 80 per cent. of the total phosphate content in citrate soluble form. In extension of this work, mixed nitrogen-potassium fertilisers have also been prepared from sea bitterns and Epsom salt. Conditions for preparation of ammonium sulphate from Epsom salt have been determined.

Tests for identification of vegetable oils in the presence of other oils are being studied. Having established the possibilities of using tobacco seed oil in the manufacture of varnishes and paints, the Laboratory is determining in detail the physical and chemical properties of the oils obtained from tobacco seed grown in different parts of the country. Investigations on storage of *kamla* seed have shown that the seed can be stored under ordinary atmospheric conditions for six months without spoilage; after this period, it begins to deteriorate very rapidly. Work has now been started on stabilisation of *kamla* oil so as to preserve it without spoilage and gelation. Processes for economic production of nicotine sulphate from tobacco wastes and saponins from soapnuts have been developed and sugarcane wax, has been modified to compare with Carnauba wax in its properties.

At the instance of the Indian Council of Agriculture Research, investigations on manufacture and application of hormone type of herbicides have been initiated. Lightweight honeycomb type low pressure laminates for use in construction of aeroplanes and light houses are being studied. A process for the preparation of pectic enzymes which are useful in the curing of coffee has been evolved. A scheme for the preparation and supply of research chemicals for assisting research workers to get their requirements without inordinate delay and at a fair price has been inaugurated.

National Physical Laboratory

Intensive studies on the thermal effects of ultrasonics at the National Physical Laboratory, New Delhi, have culminated in the discovery of the relationship between sonic and thermal energies and it has been established that, whatever the form of energy, mechanical, electrical or sonic, the heat produced by it is the same so long as the value of that energy remains the same. The Laboratory has also designed for the Bhakra Nangal Concrete Laboratory an automatic temperature control unit for studying the temperature rise in mass concrete in different design mixtures with the object of fixing the cement content at a minimum and thus helping in the elimination of temperature cracks. An air duct for experimenting on the effect of air flow on heat flow was designed and constructed. A low temperature research unit has been established. A bone digestor for production of bonemeal for use as a fertiliser has been designed at the instance of the Ministry of Food and Agriculture and tests on the digestor are in progress. A new method of mode control of inter-digetal magnetron is being investigated, with the object of obtaining controlled operations in more than one mode. Investigations have been conducted on the colorimetic, photometric and transmission requirements of coloured signal glasses. A two dimensional paper chromatographic method for detection of phenols in bitumens is being developed.

Investigations on improving the depolorising properties of Indian manganese for use in dry cell manufacture are being conducted on a pilot plant scale and beneficiation of graphite ores by flotation is being studied. Insdoc (Documentation Centre), housed in the Laboratory, has organised document procurement, translation and information services and continues to provide facilities to Indian scientists by supplying the required literature references.

Food Technological Research

Breeding experiments on groups of young albino rats, using different rice samples at the Central Food Technological Research Institute, Mysore, have confirmed that husked rice is the best growth promoter and milled rice the most inferior; raw undermilled and parboiled undermilled rice fall intermediate, the difference in the growth-promoting values being statistically significant. Apart from production of tapioca rice and tapioca semolina, investigations are also in progress on the nutritive properties of other materials. Estimation of ascorbic acid (vitamin C) content of sulphited jack fruit squash and orange juice concentrates by a new method developed at the Institute itself has revealed that loss of ascorbic acid during concentration ranges from 7 to 32 per cent. in the case of Coorg and Sathgudi orange juices. Indian mangoes constitute a rich source of vitamin C and work to prepare a vitamin C rich mango

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product is in hand. The true ascorbic acid content of several fresh material like pomegranate fruit and *amla* leaves has been determined and studies in the bio-synthesis of vitamin C in plants and its possible role in plant metabolism have been undertaken. Investigations on the preservation of *neera* (palm juice) by addition of citric acid and aeration with carbon dioxide have shown that, when so treated, no fermentation or off flavour develops in it even after a week. An experimental forced circulation evaporator has been installed for obtaining a high density evaporated groundnut milk as a preliminary to its conversion to the powder form.

Leather Research

Replacement of wattle bark by easily available indigenous tanstuffs is being attempted at the Central Leather Research Institute, Madras; amongst the materials being tried are *goran*, *karada* and *divi divi*. By modifying *goran* liquors, it was possible to obtain a light coloured leather similar to wattle tanned leather in strength and yield. *Karada* tanned kips are a bit looser in grain and darker in colour than wattle tanned leather, other properties being similar. A process for production of upholstery leather using *divi divi* as a tanning material and yielding a full and soft leather with good feel has been worked out. A systematic investigation on vegetable tanstuffs—physical, chemical tanning characteristics—available in the Madras State is in progress. The physical and chemical properties of goat skins, cured with naturally occurring Glauber's salt (Didwana salt) and their tanning characteristics, are under study. Analysis of sample of East Indian kios and chamois leather to lay down standards and prevent their adulteration have been completed. Researches have been undertaken to improve the wearing qualities of indigenous sole leather produced by bag as well as pit tanning and to compare their abrasion resistance.

Drug Research

A systematic study of the active principle of indigenous drugs is in progress at the Central Drugs Research Institute, Lucknow. Pharmacological investigations on the blood pressure lowering and hypnotic properties of the resinons residue of *Rauwolfia serpentina* have shown that the residue does not give any positive reaction for alkaloids. Chemical investigations on *Naukuj*, a plant reported to be useful a number of debilitating conditions, have been initiated. Preparation of peptones, enzymic make up of vibrio cholerae, antibiotics from higher plants and soil micro-organisms, curariform drugs are some of the other subjects under study. An "Indian Pharmaceutical Code" has been compiled and published.

Electro-chemical Research

Electro-chemical preparation of copper oxide for use in anti-fouling paints and as a fungicide, electrothermal preparation of iron and carbon disulphide using carbon and iron pyrites as the starting material, production of formaldehyde from carbon monoxide and hydrogen under high pressure silent electric-discharge, reclamation of pure aluminium from aluminium scrap by a simple process, electrolytic preparation of titanium and production of electrolytic white lead constitute some of the investigations undertaken by the Central Electro-Chemical Research Institute, Karaikudi.

Road Research

A test track for observing the behaviour of road materials under normal conditions of road traffic has been laid in the Central Road Research Institute, Delhi. The track will also be used for experiments with different forms of signals used for directing road traffic. The Institute is working on improving bullock-cart wheel axles and on rural roads. It has conducted plate bearing tests at 15 different sites at Chandigarh and the site of the proposed Supreme Court building in New Delhi to determine the bearing capacity of soil for designing foundations for multi-storeyed buildings.

Building Research

A new type of roofing tile from bamboo is being attempted by the Central Building Research Institute Roorkee. Experiments on manufacture of bricks from black cotton soil have shown that it is possible to obtain from it bricks of high compressive strength, comparable to those of bricks obtained from alluvial soils Utilisation of Indian blast furnace slag, preparation of solar charts for different places in India, use of Sindri ash as a puzzolana, exfoliation of raw vermiculite are some of the other subjects being studied. A small hut of stabilised rammed earth has been constructed for weathering tests. Corrugated concrete shell structures of a thin layer of concrete laid on jute fabric have been evolved.

The results of some of these investigations have been published for general information and use by industry Solar cookers, carbon slabs and rods for brushes for electrical machinery groundnut milk curds, thermo-couple ammeters, pristermerin and dulcitol are some of the items, the production of which has been arranged by agreement with industrial concerns Amongst the processes awaiting large-scale development may be mentioned production of vitamin C, cation exchange resin, air drying wrinkle finish compositions, drying oils from tobacco seed oil and safflower oil, plain or wrinkle finishes for protective and decorative purposes, cation exchangers from coal, ceramic colours and glazes, chemical porcelain, and nicotine from tobacco wastes.

Translation of laboratory research to commercial production is of importance from the industrial and commercial point of view. In industrially advanced countries, industry, in spite of its conservative nature, is generally on the look-out for innovations and inventions to improve their products and processes and to expand the yield of their activities. In India, however, barring a few exceptions, industry fights shy of new developments and looks askance at suggestions and proposals indicated by laboratory work till their intrinsic merits have been fully proved. This attitude has been partially responsible for retarding the pace of research development. In order to bridge the gap between research and development, a National Research Development Corporation of India has been established with the object of developing and exploiting inventions, whether patentable or otherwise, of C.S.I.R. patents and inventions of other Central and State Government research organisations, commodity committees and other research institutions and patents of university workers and individuals where public interest so demands. The Corporation will arrange trials of promising inventions in existing State-owned or private factories, or finance installation of pilot or prototype plants where desirable.

The activities of the Corporation will influence the country's economy in several ways. Apart from direct returns by way of premia and royalties, the establishment of new industries will open fresh avenues of employment, provide new opportunities of utilisation of indigenous raw materials, effect savings in foreign currency by reducing imports and bring in additional revenues by way of income and other taxes. In the case of existing processes, these activities will be helpful in reduction of costs and standardisation and improvement in the quality of the materials, both valuable considerations for facing competition in national and international markets.—*All Rights Reserved.*

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TAXATION ENQUIRY COMMISSION

PART I OF ITS QUESTIONNAIRE CONSIDERED

THE questionnaire issued to the public by the Taxation Enquiry Commission last July is very comprehensive and exhaustive, containing as many as 228 questions and dealing with practically all the aspects of the economic life of our country. Some of the questions, especially in Part I, are such that a student can prepare a thesis for the Ph.D. degree of a University on any one of them. The questionnaire is divided into six parts, entitled the Tax System, Direct Taxes, Commodity Taxes, Agricultural Income-tax, Land Revenue and Irrigation Rates, other Taxes and Local Taxation. Of these parts, only the first is of interest to the general public, the other parts being more or less technical, and it is proposed to deal with this part only in this article. In doing so, the writer is guided by the basic conditions of the country, namely, a population which is not only the second largest aggregation in the world and one-sixth of the world's population, but which is increasing at the rate of 1.2 per cent. annually, low standard of life of the people, depressed further by the war and its aftermath, the urgent need for rapid economic development of the country, so as to increase progressively the production of goods and services and the need for stimulating private enterprise, work, savings and investment in order to bring about the economic development, because public enterprise, even if it is expanded, cannot, on account of its serious shortcomings, secure the development to the required extent and with the required speed. The writer acknowledges the benefit obtained by him from informal discussion of the questions with the representatives of a few chambers of commerce and industrial associations.

Sound Tax Policy

The first question of the Commission asks the reader's opinion about the objectives of a sound tax policy and the place of (a) reduction in inequalities of income and wealth, (b) encouragement of incentives to work, to save and to invest, (c) countering of inflationary and deflationary tendencies and (d) maintenance of the external balance of the economy in such a policy. The question further asks the modification required in the Indian tax system to achieve the objectives. The answer to this question is that the objectives of a sound tax policy are determined by the economic policy desirable for a country. In India, in view of what has been stated above, the primary objective should be to encourage the incentive to work, to save and to invest and to stimulate private enterprise and, at the same time, to secure an equitable distribution of the burden of taxation on all sections of the community, consistent with their ability to pay. At present, the feeling prevails among the upper and middle income groups living in urban areas that they have to bear an excessive share of the burden of taxation and that this seriously hampers the flow of their savings to productive enterprise. The Five-year plan has made the private sector responsible for providing Rs. 233 crores for new industrial development and Rs. 150 crores for making up the arrears in depreciation. Further, new employment to additional 1½ million workers each year, necessitated by the growth of population, can be provided chiefly by a rapid expansion of industry. These objectives can be achieved only by giving the private sector scope to work as free as possible from Government interference and with incentives sufficient to cover the risks attendant upon rapid industrial expansion.

Inequalities of income and wealth should be attempted to be reduced not by levelling down the upper incomes through high direct taxation, but by increasing the production of wealth and raising the standard of life of the people. Equal distribution of the present national income would give each Indian only Rs. 20 per month, that is, Rs. 5 per month in terms of the pre-war purchasing power of the rupee. This would mean a very low standard of living for all. As regards the objectives (c) and (d) mentioned in the question, they can arise only in an emergency and the tax policy may be modified temporarily to achieve these objectives, so long as the emergency lasts. But, even in an emergency, in an underdeveloped country like India, the above objectives are likely to be achieved much better by special measures, such as special incentives to exports,

By

Dr. S. G. Panandikar

quantitative import controls and exchange regulations, than by a modification of the tax system, because the proportion of the national income that can be taken away by taxation is much lower in an underdeveloped country than in an advanced country. Further, experience shows that customs duties in India are hardly the proper means of achieving a balance in external payments, because their effects are uncertain and often contrary to those which were intended.

Modifications Required

The important modifications required in the tax system are: (1) making the people living in rural areas, especially the well-to-do sections, bear their fair share of the burden of taxation and thus widening the base of the tax system; (2) some relief in the rates of income and super taxes on personal incomes, which, in their higher levels, are discouraging work, saving and investment; (3) some relief in the taxation of profits of companies, especially of their undistributed profits, which will increase the savings and investment of companies, without increasing personal incomes; (4) a scientific system of depreciation allowances, which takes into account the replacement cost, so as to alleviate the harmful effects of inflation and high cost on companies, and (5) extension of the present period of five years from the formation of new industrial concerns for the grant of concessions to them, such as exemption from income-tax and higher initial depreciation allowance, to a period starting from the formation of the concerns and ending with five years after the commencement of earning of profits by them.

Equity of A Tax System

The second question asks the criteria for determining the equity of a tax system and how far it is possible to secure it in the Indian tax system. The third and fourth questions are whether the Indian tax system conforms adequately to the principle of ability to pay and whether the taxable capacity of various sections of the community has been properly used by the Indian tax system. The answer to these questions is that the equity of a tax system is determined by the equitable distribution of the burden of taxation among different income groups and urban and rural groups, providing, at the same time, in a democratic State, encouragement to individual effort. The Indian tax system is not equitable and does not conform adequately to the principle of ability to pay, because, while the tax system is excessively progressive in respect of the higher income groups of urban areas, the people of rural areas, especially the higher income groups, appear to be bearing less than their fair share of the burden of taxation. The latter have benefited from the rise in the prices of primary products, which, on account of the war, have risen more than the cost of living in rural areas.

Redistribution and Incentive

Further, tax policy is only one aspect of economic policy, which is framed to increase the economic and social welfare of the community. This welfare can be secured better by an unequal distribution of riches than by an equal distribution of poverty. A tax policy which strives to make the standard of living of the people uniform, but which has the effect of lowering the standard, although it may be equitable in theory, is harmful to the welfare of the community. A tax policy which tends to produce this effect, by adversely affecting the incentive to work, to save and to invest, is opposed to the true interests of the community. It, therefore, seems necessary to reduce the present steepness of the direct taxes in India at their higher levels, in order to increase the above incentive and to devise indirect taxes like salt tax, surcharge on land revenue, betterment charges and agricultural income-tax, which can yield a substantial revenue and spread, at the same time, the burden of taxation more equitably over all sections of the population. It would not be difficult to collect such taxes with the existing machinery.

Finally, the tax system should be simple and clear to all; the taxes should be easy to calculate and to collect; the extent of liability for them should be clear; and capital undertakings should normally be financed by loans.

Tax Revenue and National Income

The fifth question asks whether the proportion of tax revenue to national income, which is stated to be lower in India than in several other countries, can be raised and, if so, the manner in which it can be raised. It is true that this proportion is small in India, being only about 7 per cent. But the comparison of India with other countries in this respect is misleading on account of India's vast population and low individual income, which puts 99.6 per cent. of the population below the level of direct taxes. The proportion is bound to be much lower in a poor country like India than in a rich country. Only the surplus over subsistence can yield tax revenue. This surplus is far smaller in India than in advanced countries. Further, the proportion depends upon the economic structure, willingness to pay taxes and administrative skill in collecting them.

As the foreign trade of India is small as compared to its national income, export and import duties, which are easy to collect and, therefore, very productive, cannot yield in India the proportion to national income which they do in a country like England. The income-tax cannot be made to yield more revenue in India at present. Its burden on the higher income groups is already excessive. It does not pay to lower the exemption limit for it, so as to broaden its coverage, because the expense of collecting it in small amounts from a large number of persons would be too heavy. The tendency in recent years has been to raise the exemption limit. The revenue from income-tax is capable of a substantial increase, if evasion can be minimised, but this is a matter of time. Any appreciable increase in the revenue from customs duties is impracticable at present, because they are already fairly high and because some of them are levied for considerations other than those of revenue. The burden of Central excises and State sales taxes is already high enough and an increase in the burden is not desirable. The only scope for obtaining additional revenue at present is through the salt duty, surcharge on land revenue, betterment charges and agricultural income-tax.

Direct and Indirect Taxes

The sixth question is whether the relative place of direct and indirect taxes in the Indian tax system is satisfactory. The answer is that at present direct taxes on urban people are exploited too much. The proportion of the revenue from them to the total revenues of the Central Government has been raised from 23 per cent. before the war to 38 per cent. now. In absolute figures, the revenue from them has increased from Rs. 17 crores before the war to Rs. 170 crores now. The high rates at the upper levels have made savings and the raising of equity capital very difficult. The estate duty, with its high rates on estates valued at over Rs. 1 lakh, will worsen the situation in this respect. More reliance should, therefore, be placed in future upon taxation of rural people, particularly of the higher income groups of the rural areas.

Non-tax Revenues

The seventh question is whether non-tax revenues are likely, in future, to occupy a more important place than hitherto in the public revenues of India. The answer is that they are likely to do so on account of Government undertakings such as Sindri Fertiliser factory, State road transport, irrigation projects, electrical undertakings, steel plant, etc., if they are managed efficiently and economically. But, in order to secure more and more of such revenues, Government should not extend the scope of nationalisation beyond its declared policy, namely, nationalisation only of those key and strategic industries which occupy a vital place in the national life. The reason is that public enterprises, whatever be their structural organisation, cannot secure the advantages of initiative, quick decision and willingness and ability to take risks, which are possessed by private enterprise, on account of the absence of economic incentive among the former.

Taxes for Specific Purposes

The eighth and ninth questions are whether receipts from particular taxes should be earmarked for specific purposes and whether cesses should be levied for special purposes. The answer to the former question is generally negative, because the principles on which taxes are levied are different from those according to which the revenues are spent on the various activities of the Government. Further, hard-pressed Governments are apt to divert the funds from the specific purposes for which they are collected. The earmarking may be desirable in those special cases in which it may make the taxpayers feel that the money taken from them is spent directly for their benefit and thereby reduce their opposition to such taxes. Thus, a cess may be imposed on a commodity in order to utilise its proceeds for promoting research in the production of the commodity or its marketing, e.g., the cess on sugarcane and tea. But the proceeds of such cesses should be spent fully on the objects for which they are levied. This is not the case with the sugarcane cess in U.P., Bihar

and Bombay, a large part of the proceeds of which is treated by the State Governments as their general revenue.

Further, in the absence of strict control, too many cesses may impose a penal burden upon an industry. A typical instance is provided by the cesses imposed upon the coal industry in Bihar and Bengal. These are: stowing excise duty, rescue excise duty, labour welfare cess, health board cess, water board cess, road board cess, district cess, primary education cess, etc. Furthermore, it is wrong to impose a cess on one industry in order to benefit another industry, as has been done in the case of the cotton mill industry for the benefit of the handloom industry.

State Undertakings

The tenth and eleventh questions are whether there should be further extension of State undertakings for revenue purposes, what their policies should be in respect of pricing and whether the net surplus earned by them should accrue to general revenues or be carried to a fund for financing projects of development or be reinvested in the undertakings concerned. The answer is that the industrial policy of the Government does not at present, and should not in future, envisage the establishment of State undertakings for revenue purposes. Even otherwise, for reasons mentioned above, there should not be extension of State undertakings, except in key and strategic industries and those industries which private enterprise is unable to take up.

The earnings of State undertakings should be dealt with in the same manner as those of private undertakings. This means that, from the gross earnings, all expenses and outgoings would be paid first, then interest on capital and income and super taxes, according to the commercial scale, would be paid to Government, then provision would be made for depreciation, replacements and rehabilitation, and the balance, if any, should be reinvested in the undertakings, and if there is no scope for reinvestment, it should be handed over to Government as repayment of capital invested in the undertakings. This procedure will give the managements of State undertakings some incentive to raise efficiency and to lower costs.

When the capital of an undertaking is repaid completely by means of the balances mentioned above, they may be used for financing other projects of development or may be wiped out partially by reducing the prices charged by the undertaking to the consumers. If an undertaking makes losses over a period of years, it should be closed down. The balance-sheets of all State enterprises should be made available to the Legislatures, as representing the proprietors, in the same way as those of companies are made available to shareholders, so that the Legislatures can exercise proper control and prevent the undertakings from becoming a burden upon the people.

The twelfth question is whether income, occupation or rural or urban residence should be the basis of differentiation in examining the incidence of taxation. The answer is that the basis of differentiation should be chiefly income but that residence, urban or rural, will have to be taken into consideration in order to achieve the aim of framing such a system of taxation as will make the incidence of taxation the same on the same income groups living in urban or rural areas.

Distribution of Burden

The thirteenth question is whether the burden of the present tax system is fairly distributed among the various classes of people and the different States. The answer is that the middle and upper income groups living in urban areas seem to be bearing more than their fair share of the burden of taxation, while similar groups living in rural areas seem to be bearing less than their fair shares of the burden, but the extent of the unfairness can be determined only by a study of the respective burdens based on family budgets. It follows from this that those States which have a higher proportion of urban population and of trade and industry bear more than their fair share of the burden. People living in these States may not, however, receive greater benefit from State activities.

The fourteenth question is whether shifts in the distribution of income in the community in recent years have altered the relative incidence of taxation on various classes of people. In answering this question, we should consider first the shift between different classes in the urban sector. It seems that there has been a shift from the middle income group to the upper and lower income groups. The shift seems to be largely corrected by the higher direct taxes, so far as the upper income group is concerned. The commodity taxes do not appear to have corrected the shift appreciably as between the different groups. It seems, therefore, that the incidence of taxation on the middle income group has increased. Then, there is the shift from the urban sector to the rural sector, on account of the greater increase in agricultural prices and incomes than in the rural cost of living. Cultivators of economic holdings and more especially well-to-do landlords seem to have benefited from this shift, as the land revenue has not been increased and as there is no agricultural income-tax except in a few States, in which also it is paid by a small number of persons. Hence, the incidence of taxation on such cultivators and landlords appears to have become unduly low.

Tax Regulations

The fifteenth question is whether the cost of compliance with tax regulations adds materially to the burden of taxation and, if so, in respect of what taxes. The answer is that compliance with tax regulations does impose further consequential burdens on trade and industry, on account of the prevalance of over-elaborateness in the collection of income and commodity taxes. The smaller concerns are obliged to maintain elaborate accounts and books only for complying with tax regulations. For the same purpose, large concerns have to engage a large staff to maintain the various registers, returns, etc. In addition to the statutory registers and returns, which have to be maintained and submitted to the various authorities, in connection with income-tax, sales tax, octroi, customs, excise duties, etc., information on a large number of points has to be supplied every time an assessment is made or a duty is paid. Further, the complicated nature of the laws and regulations, the absence of clear rulings or instructions and the frequent inadequacy and inefficiency of the personnel employed in their administration cause much delay and waste of time and money in appeals and *counter-appeals*.

Public Expenditure

The sixteenth question is whether the benefits accruing from public expenditure have a bearing on a consideration of the burden of taxation and if so, how this should be taken into account in considering the burden of Indian taxation. The answer is in the affirmative. In judging whether a particular section of the peop'e should obtain taxation relief or should be subjected to greater taxation, both the present burden of taxation upon it and the benefits which it is receiving from public expenditure should be taken into consideration. In recent years, Governments have been incurring increased expenditure in order to confer greater benefits on certain sections of the Indian people and, in fairness, these sections should contribute more to the revenues of the Governments.

The seventeenth question is whether the tax burden weighs particularly heavily on any individual industry or occupation. The associations of some industries, such as cotton and jute textiles, sugar, motor transport and *vanaspati*, have submitted detailed memoranda to the Commission, explaining how the tax burden weighs particularly heavily on them. Further, the tax burden appears to weigh particularly heavily on the professional classes, who do not have the benefits of incorporation and who have to provide for their old age and their families out of heavily taxed income.

Taxation and Borrowing

The eighteenth question is: what is the role that should be assigned to *taxation via-a-vis* various types of borrowing in finding the additional resources required for the development programme of the country? The answer is that additional resources should be found as far as possible by tapping the savings of institutions and individuals, where such resources are required for schemes of development which will benefit the future generations much more than the present generation. Such a policy would allow the grant of some relief to those sections which are very heavily taxed at present and would thereby enhance the incentive to work, to save and to invest. Further, with the progressive increase in the national income resulting from the development expenditure, the burden of interest payments in respect of the loans would become lighter in future. The success of the State Government loans and small savings campaign in the current year indicates that the adoption of suitable measures would enable a larger portion of the development expenditure to be financed by means of loans and small savings.

Economy in Expenditure

The nineteenth question is, in maximising the resources required for the financing of development, what degree of importance should be assigned to (*a*) economy and rationalisation in expenditure, (*b*) prevention of tax avoidance and tax evasion, (*c*) higher rates of existing taxes, (*d*) fresh taxes and (*e*) development of non-tax revenues. The writer would assign the first place to economy and rationalisation in expenditure not only in civil administration and defence but also in development projects, because the findings of the Kasturbhai Economy Committee and other committees and various admissions made in Parliament show that great waste is going on at present in all these directions. If this waste is checked substantially, large amounts of money will become available, which can be used partly for economic development and partly for reducing the present burden of direct taxes. The second place should be assigned to prevention of tax avoidance and tax evasion. The prevention will be greatly promoted by making the structure of taxation more reasonable, by making the tax laws simple, intelligible and precise by making the administrators of tax laws show better consideration and goodwill to the assessees and by speeding up the work of assessment. At the same time, care should be taken to see that measures of prevention did not raise the cost of compliance to the taxpayers, as far as possible. It has already been mentioned before that there is not much scope for (*c*), (*d*) and (*e*), except the taxes on the rural sections indicated a'ready.

Public and Private Sector

The twentieth and twenty-first questions are what tax policy would be suitable for the development programme of the private as well as the public sectors laid down in the Five-year Plan and what part can tax policy play in stimulating capital formation in the private sector consistently with the needs of the public sector. The answer is that the resources available for development are limited and that the private and public sectors have to compete for them. So far, the tax policy of Government seems to have been devised primarily in the interests of the public sector. But it is opposed to national interests, because it means a check to the development in the private sector, which has been given —and rightly so—an important place in the Five-year Plan. It is, therefore, necessary to reduce the direct taxation of companies and of the investing classes, so as to stimulate production, saving and investment in the private sector. Further, reinvestment of profits of companies in approved development projects in the private sector should be exempt from taxation or should be given substantial tax relief. The immediate loss of revenue resulting from suitable tax relief would be more than made up by the increase in savings and investment, which, in a few years, would lead to an increase in Government revenue also, as development in the private sector would have a snowball effect. Further, increased taxation of those classes which benefit from development projects in the public sector would give appreciable revenues for financing more such projects in the same sector.

Rate of Capital Formation

The twenty-second question is whether the rate of private capital formation in the community has been lower in the last few years as compared to the pre-war period and whether there has been a shift in recent years in the sources of capital formation in the private sector as between individuals, corporations and other institutions. The answer is that comparison with the pre-war period would not be satisfactory, because the value of the rupee then was about four times its present value. The proper comparison would be between the early post-war period and the present time. The ability and willingness to save in terms of goods and the ability and willingness to convert the saving into real capital at present are less than in 1947 and much less than in 1938. Examination of company accounts shows that industrial operations are now carried on with bank advances to a far greater extent than in pre-war years. The report of the Planning Commission on the working of the Five-year Plan during its first two years shows that the private sector has fallen far short of the investment target set for it. This situation is the result of high incidence of direct taxation, excessive regulation of commerce and industry, unrealistic labour policies, income-tax regulations which do not allow for adequate provision for depreciation and the threat of nationalisation.

The answer to the second part of the question is that there has been a shift in the sources of capital formation from individuals to corporations and institutions. Middle income groups can hardly save anything, the upper income groups cannot save much and the principal savings in the private sector are made available by provident funds, insurance companies and similar institutions, whose funds are not available for new risk investment. Individual savings can increase if the incidence of taxation and the cost of living are lowered.

Tax Relief to Middle Income Group

The twenty-third question is whether tax relief to the middle income group would assist the growth of savings or mainly promote consumption. The answer is that the relief would assist the growth of savings. This group is used to a certain standard of living and is also keen on making savings. In spite of this keenness, it is not able to save anything now, because, owing to the high incidence of taxation and high cost of living, it has to spend its entire income in trying to maintain the standard to which it has been habituated. Tax relief, especially if it is accompanied by a lowering of the cost of living, would enable it to maintain its usual standard and to resume its saving habit. Further, even if tax relief results in some increase in consumption, such a situation need not be regarded as unsatisfactory, because industrial development and expanding economy have to depend upon increasing consumption.

The twenty-fourth question is what tax measures are necessary to realise the Planning Commission's assumption of 50 per cent. of the additional output going into investment each year after 1956-57. The answer is that the assumption of the Commission is too high, considering the low standard of life of the population even before the war, its fall since the war and the growth of the population at the rate of 1¼ per cent. per annum. The only feasible tax measures would be such as would tap the areas and classes benefiting from the development measures.

The twenty-fifth question is what part tax policy can play in regulating consumption standards as a means of releasing larger resources for development. The answer is that, as the consumption standards of the vast majority of the Indian people are already very low, any regulation of them, resulting in depressing them further, would be undesirable. It would also impair the incentive to work. Higher taxation of the well-to-do class would not release even appreciable resources for development, as the number of persons belonging to this class is very small. Further, higher taxation would impair the incentive to work for this class also.

Tax Policy and Efficiency

The twenty-sixth question is how far tax policy can help to promote the efficiency of the productive system and how far multiplicity of taxes in India in respect of the same commodities and their lack of uniformity from State to State affect the efficiency of the economy. The answer is that the efficiency of the productive system depends primarily upon the working of the price mechanism, i.e., competition in the market and that the tax policy can promote the efficiency negatively by not interfering unduly with the above mechanism and positively by granting such reliefs as would help the modernisation of plant, etc. Further, multiplicity of taxes and their lack of uniformity do affect adversely the efficiency of the economy. For instance, the same sales tax has to be paid on the same goods in different parts of India, from the point at which the goods leave the factory in one State upto the point at which they are consumed in another State, causing hardship and inconvenience to business men and consumers. Each tax may be low, but, as they are many and imposed by different authorities, their total burden upon trade, industry and consumer becomes heavy. Such taxes should be centralised and the Central Government should distribute the proceeds among the other authorities.

The twenty-seventh question is: How far can the tax system be used to secure any order of priorities in the development programme in the private sector? It is not desirable to employ differential tax measures for this purpose, because their success in securing it is very uncertain. If it really becomes necessary to secure a particular order of priorities, Government can do so by acting under the provisions of the Industries (Development and Regulation) Act and also by giving positive help and support.

The twenty-eighth question is: What are the possibilities of tax policy as an instrument for economic development (*a*) by influencing overall demand, (*b*) by reducing consumption and unessential investment, (*c*) by positive inducement for desirable investment, and (*d*) by redistribution of income? The answer is that the success of tax policy in securing (*a*) and (*b*) is uncertain, especially in a country with an underdeveloped economy like India, that reduction in direct taxation would encourage (*c*) and that a tax policy operating as an instrument for economic development would tend to increase inequalities of income at first.

Taxation *Vs.* Monetary Policy

The twenty-ninth question is: What are the scope and efficacy of tax policy as compared to monetary policy and direct controls as an instrument of planned economic development in India? In the present and probable future conditions of India, tax relief would be the best incentive to economic development. If supplementary measures are regarded as essential, beneficial results are more likely to be secured from monetary policy than from direct controls.

The thirtieth and thirty-first questions are whether the present tax system in India makes for a reduction in inequalities of income and wealth and what modifications in it are necessary for securing a larger degree of economic equality consistently with maintaining the incentives to capital formation and higher production. The answer is that the present tax system goes too far to reduce inequalities of income and wealth, considering the great need for maintaining the incentive to capital formation and higher production. The best way to secure a larger degree of economic equality is to raise the general standard of living by increasing production.

The thirty-second question is: What is the place that should be assigned to public expenditure as compared with the tax system in achieving a greater measure of equality of income? As the taxation of higher incomes has already gone too far, it cannot be raised further to achieve a greater measure of equality of income. Hence, the only way to achieve this greater measure is to increase the public expenditure for the benefit of the lower income groups. But in doing so, the limited resources of the country and the great need for development should not be lost sight of. This means that the increased public expenditure should chiefly be for productive purposes.

Foreign Capital

The thirty-third question is: Are any changes necessary in tax policy in relation to the investment of foreign capital in India? Investment of foreign capital should be encouraged only in those fields in which Indian capital is not forthcoming on account of the necessity of employing huge capital at the initial stages and/or specialised technical skill. This should be done by concluding agreements with other countries for avoiding double taxation, by providing that the rates of tax payable by foreign capital on profit, interest and royalties would not be higher than those payable by Indian capital, by reducing the tax on dividends payable by Indian companies to foreign shareholder-corporations by the allowance of the maximum corporation-tax abatements and by exempting a subsidiary or a sub-subsidiary of a foreign company, in which the public is substantially interested, from section 23A of the Income Tax Act.

The thirty-fourth question is whether succession or estate duty on property other than agricultural land, terminal taxes on goods or passengers carried by railway, sea or air, taxes on railway fares and freights, taxes other than stamp duties on transactions on Stock Exchanges and futures markets and taxes on the sale or purchase of newspapers and on advertisements published therein, which may be levied and collected by the Union Government but the proceeds of which are to be assigned to the States according to Article 269 of the Constitution, should be levied. The answer is that estate duty has already been imposed, although the burden of direct taxation was already too heavy; that terminal taxes are really the province of local authorities; that taxes on railway fares and freights should not be imposed, because the fares and freights have been increased recently and substantially and are heavy enough; that additional taxes should not be imposed on transactions on Stock Exchanges, etc., because the burden of the stamp duty is heavy enough; that there should be no taxes on the sale or purchase of newspapers, because they would restrict the spread of knowledge and literacy; and that there should be no taxes on advertisements published therein, because the advertisers are already taxed heavily.

Prohibition

The thirty-fifth question is whether it is desirable to impose taxes on capital, salt duty, surcharges on land revenue, betterment levies, agricultural income-tax and social security tax and to modify the policy of prohibition. The answer is that there should be no additional taxation of capital, in view of the shortage of capital in the country and the need of attracting it into productive channels; that a moderate salt duty would yield a substantial revenue without making the burden felt by the people; that surcharges on land revenue should be imposed pending the next land revenue settlement, because the land revenue has remained unaltered since the war, although the prices of agricultural products have increased about four times; that betterment levies should be imposed, because the increase in income is due to the activities of the State and not to the labour or capital of the cultivator; that agricultural income-tax should be imposed, because well-to-do cultivators are bearing the burden of taxation much less than the urban people; that social security taxes may be imposed if they are to be paid by the beneficiaries, i.e., employees and not by employers; and that the present rigorous policy of prohibition should be modified, because, while it has mostly failed to achieve its object, it has involved the loss of large amounts of revenue and heavy expenditure on enforcement.

The thirty-sixth question is whether it is desirable to levy a tax on unearned increments in value of land and other property as a result of public projects of development. The answer is in the affirmative, in theory, because the increased values are due to public projects and not to the labour or capital of the owners, but there are serious practical and administrative difficulties.

The thirty-seventh question is: What are the measures that would increase the receipts from existing sources of revenue? The answer is that simplification of the present system of collection and adoption of more efficient methods of collection would do so.

The thirty-eighth question asks for other new sources of taxation. The answer is that none can be suggested beyond those already suggested in the answer to question 35 above.

Surcharges

The thirty-ninth question is as regards what taxes the powers of the Centre to impose surcharges under Article 271 of the Constitution should be used. The answer is that, as a rule, the levy of surcharges on taxes should be confined to the period of a war or any other grave emergency. The only exception to this rule is the surcharge on land revenue. This surcharge should be imposed for the reason given above, pending the next land revenue settlement.

Questions 40 to 45 invite opinion regarding the scope of the tax system for dealing with inflationary and deflationary conditions. The scope of the tax system for correcting an inflationary condition, by applying recent Western theories on the subject, is very limited in a country like India, having a poorly developed economy, in which the vast majority of the people live at the bare subsistence level. In recent years, direct taxes have been raised to the maximum, partly for counteracting inflation. But, by perpetuating the high rates, the Government has destroyed the flexibility of taxation, which is necessary for its use as an anti-inflationary weapon. Even the current rates, if fully paid, tend to have an inflationary effect, by discouraging productive effort, by encouraging company managements to indulge in unnecessary expenditure and by encouraging individuals to divest themselves of taxable income. Higher rates, if fully paid, would heighten the inflationary effect. The high rates, however, have resulted in considerable evasion. Moreover, direct taxes are paid only by a very small fraction of the Indian people, although the inflationary pressure is exerted by all incomes. In a deflationary situation, however, reduction in taxation, particularly direct taxation, will help reduce costs, and thereby increase consumption and exports. At present, tax reliefs will help reduce the existing high costs, stimulate the slackening activity and check the growth of unemployment. It may be argued that the need of Government for revenue comes in the way of an appreciable reduction in taxation. It need not necessarily be so; even if it is, it will be only for a short while for the expansion in economic activity that will follow the relief in tax burden will raise the Government's tax revenue, thereby more than offsetting the initial loss occasioned by the reduction in the incidence of taxation.

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BASIS OF TAX SYSTEM IN U.S.

"We must develop a system of taxation which will impose the least possible obstacle to the dynamic growth of the country. This includes particularly real opportunity for the growth of small businesses. Many re-adjustments in existing taxes will be necessary to serve these objectives and also to remove existing inequities. Clarification and simplification in the tax laws as well as the regulations will be undertaken."—*President Eisenhower*

"The basic issue in any tax structure is the balance between the different major sources of revenue. The United States, during most of history, has relied on customs duties, sale of public lands and excise and, after 1913, income-tax. With Government functions enormously expanded, a large total revenue is necessary and a dominant reliance on any single form of taxation would be advisable. At present, income-tax of individuals is the first major source of revenue, corporate income the second and excises, the third.

"In developing a proper balance among these three principal sources of revenue, one must be careful not to adopt doctrinaire attitudes concerning the supposed advantages of any one form. No tax is without inequities or repressive effects. When the rates are low, the inequities and adverse economic consequences may not be too serious; but, as rates become higher, the bad features of any one form of taxation become intolerable. A diversification of sources of revenue is likely to give a better approximation to an acceptable system than can exist when any one source is pushed to excessive levels. So long as total revenue requirements are large, a broad and diversified tax system will minimise both inequities and repressive economic pressure."—*Under Secretary to the U.S. Treasury.*

TRAINING FOR MANAGEMENT

CRUCIAL NEED OF THE DAY

By Dr. M. C. Munshi

ONE of the principal improvements in the final Five-year Plan on the draft Plan of 1951 is the pointed emphasis that the former has laid on leadership in industrial and administrative machinery—both in the government of business and in the business of the Government—for the success of the Plan. Undoubtedly, this emphasis by itself is nothing new, for "deficiencies in business experience and practical knowledge of technical details" were stressed even by the Indian Industrial Commission of 1916-18 "*as a more serious handicap often in the way of its promoters than lack of finance*" (italics ours). The draft Plan of 1951, while referring to "the drawbacks that have become prominent lately," stressed the need for "improvements in the administrative set-up, factory management, purchase and sales organisation, system of accounting, etc., which are essential for industrial efficiency."

All throughout the past generation, deficiencies of our managerial organisation were very vaguely, but increasingly, realised. It was, however, left to the Fiscal Commission of 1950 to draw forceful attention to it in a constructive manner. Before dealing with "labour efficiency in relation to industrial development," they examine the problem of management both in the public and private sectors of industry and their recommendations related not merely to "the urgency of a special Economic Civil Service" (this has become well known), but to "control and co-ordination in higher management" as also to "a proper co-ordination of the lines of industrial research" including management research, production processes and market research.

British Traditions: The Great Change

It is true that the almost total neglect of these problems in the last generation must be attributed to the prevalence of the managing agency system in our industrial enterprise. But it must also be explained—at least partially—by the manner in which we have (until lately?) followed the British traditions in our educational and business fields—modified by our own peculiar limitations—and seldom cared to look beyond these. It is true again that such traditions die hard; and the passive—though perhaps sublime—expectations with which New Delhi has been looking up for guidance at the great trek of "Foreign experts" in order to be able to set our house in order, would testify to the gradualness of this process of change. But, while speaking of British traditions, it must be noted that a veritable metamorphosis[1] has been wrought in the British methods during the last 8 or 10 years. This great change started during the war, with the appointment and work of the Percy Committee (1944) and was accelerated by the recommendations of the Scientific Man-power (Barlow) Committee (1946) and the Urwick Committee on Education for Management (1947). All these enquiries not only emphasised that "the United States have a wealth of equipment, of experience and of trained personnel in this field to which there is no parallel in Great Britain." But Parliament and the educational authorities have sought to make up this leeway as early as possible. These efforts were epitomised in the establishment of the British Institute of Management (B.I.M.), which was declared open by the late Sir Stafford Cripps in 1947. In the years that followed and up to 1951, no less than 25 committees of the British Productivity Teams of the Anglo-American Council on Productivity were almost unanimous in attributing much of the drive for higher productivity per man-year in American industry to the attitude of its executives.[2] Indeed, the Anglo-American Council had, by 1950, already decided to send out specialist teams for this purpose. The first Specialist Team on Universities and Industry reported in the spring of 1951 and another Specialist Team on Education for Management presented its report in November, 1951. While space would forbid us from causing to dilate upon the findings of these committees or even their recommendations, we may note that there are no less than 41 organisations in Great Britain which are devoting themselves to making up this leeway in Britain's education set-up.

But it would be misleading to read these post-war trends as being confined to educational reconstruction in Britain. Indeed, the activities of the Anglo-American Council—now British Council on Productivity—went far beyond this sphere. This can also be confirmed by the interest which Parliament, as well as the Trade Unions, then began to take in industrial productivity. The former appointed a committee under the chairmanship of Sir Charles Tizzard which submitted two reports and the Trade Union Congress efficiency collaborated with the employers and Government in the raising of the British workers' productivity.

These trends, read in the light of the performances of the British industry in recent years, would show not merely the result of the need for bringing university training and industry as close as possible to each other, but also the efforts made to answer the new demands on universities by the economic organisation, in general, and by British industry, in particular. The most important of these changes related to the swift building up of a Welfare State and, more particularly, Governmental control and regulation of industry.

The Crucial Problem

To the student of industrial economics, this increasing tempo of attention, care and organisation of management training does not signify merely a hurried approach to make up the leeway or profit by American methods, but institutional changes resulting from the new forms of organisation and control of industries and the patterns of industrial advance. Indeed, these changes during the last decade and a half, have meant reorganisation of industry in Great Britain; so that the crucial problem to-day is not socialism *versus* capitalism but the maintenance of initiative, of sense of responsibility and goodwill at their maximum. These developments may have meant, on the one hand, a widening of the perimeter of the control of industry by the State, but also should signify the devising of new forms of public control and ownership. It would be a superficial view of Britain's industrial structure if the more critical approach to nationalisation of industries to-day is interpreted as a retreat to liberalism or from the road to serfdom. One must delve deeper, in order to be able to see that the tremendous stress now being placed on management issues in Britain has been thrown up by the new patterns of development she is experimenting in her industrial structure.

What About Our Problems?

If in Great Britain, control and planning have been as novel and disturbing to the thoughts and habits of Government dealing with business, as to her business itself, the new and (more consciously) directed patterns of development in India are likely to raise important issues. Indeed, both the draft Plan and the final Five-year Plan have stressed the difficult problems of adjustment between the public and the private sectors and in the organisational changes in the sphere of industry while dilating upon their approach to objectives and techniques of planning (mixed economy and democratic planning). In the light of what we have said about the developments in Great Britain, it is unfortunate that the implications of these changes in the organisation of industries escaped the Planning Commission's proper emphasis, even after the Fiscal Commission had hinted at such changes. Perhaps it is still imperfectly realised that these adjustments imply much more than "the private sector visualising for itself a new role and accepting a new code of discipline."

Thus, for example, when we bear in mind the operative parts of the Industries (Development and Regulation) Act, we are only slowly learning that these organisational changes that we contemplate need (1) objective criteria for judging the performance (or want of it) in industries sought to be "investigated or regulated" and (2) business (or industrial) leadership. While we are not primarily concerned with the former, it would still be pertinent to note that, even with the first stages of the career of the Industries Act, these problems have arisen, as was seen in the Commerce Minister's report of the investigations into the working of a textile firm in Bombay. Let us leave this wider question after noting that the Planning Commission have dismissed this aspect with a general emphasis on the co-ordination between the public and the private sectors and on Industrial Productivity.[3]

Business Leadership

We have already alluded to the perspective in which the Fiscal Commission had tried to view the problems of Industrial Management. The draft Plan, however, reverted to the traditional view of seeking a reform of our managerial organisation by suitable changes in our Companies' Act. While the 52 specific clauses relating to managing agencies in the new Companies' Act Amendment Bill and the others relating to Directorates may help in checking "the abuses of the law" that have been "brought into prominence during the post-war period," it cannot be too strongly asserted that the real question is the raising of new leadership in industry at various levels and not merely that of reforming the managing agency system (the so-called mending it or even ending it). It is only slowly being realised that, while this leadership at the highest level may be born (like poets) and not made at the other rungs of the ladder, it can be made and that under modern conditions it needs to be trained at all levels.

In a limited manner, the Five-year Plan has addressed itself to this problem. While dealing with "education for commerce and management," they show some awareness of the developments abroad and quote with approval the Percy Committee (1944) referred to above. The task of organising this education for management "for young men who reveal aptitude for managerial work" was then left to the All-India Council for Technical Education. Indeed, this chapter shows that the plans for organising such studies for Industrial Administration and Business Management on a regional basis are already under way.

The Wider Perspective

We have reached a stage where it is of crucial interest to analyse properly our needs and examine the answers that we are framing. If in the foregoing paras we have stressed the importance of the wider outlook regarding our industrial organisation or its advance, it is because there is a very real danger of ignoring the lessons of the American and, more particularly, the (recent) British experience. The training for management should not be merely taken as one more extension of technological education or, say, one more branch of commerce curricula. The real objective is not so much to inflict one more type of teaching in industrial or production engineering or, say, in business administration resulting from the greater and greater specialisation of our times as to foster a breed of higher executives and leaders in industry. Further, and in a more important way, the success of the training presupposes a much closer and much more real contact between industry and the universities. By this is not implied merely a greater liaison between fields, factories and laboratories, but a readiness on the part of industry to appoint, select and depute from their personnel, from time to time, such men as might benefit from the training as also benefit their firms. This also means an equal readiness on the part of industry to allow universities and their trainees to bank on the talents and experience built up by industry. Both these, again, presuppose a proper selection and training of personnel within the industries themselves and a tacit acceptance of the responsibility of deputing the selected personnel.

Such an extension of management training should also lead to a widening of the field of enquiry and research in industrial economics. A greater familiarity with industrial units and a closer analysis of managerial problems should be expected to lead, besides a deeper understanding of the problems of the firm, to a desire to formulate objective standards of performance. Even the tool-maker in economics should welcome a widening of this perimeter of research, for, at a time when he is preoccupied with employment, investment and national income in economic development, the parallel approach of a cost analysis of the economy and a systematic approach in the measurement of performances should more often than not provide a much needed corrective.—*All Rights Reserved.*

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[1] Vide, for example: "In particular, the experience of war has shown that the greatest deficiency in British industry is the shortage of scientists and technologists who can also administer and organise, and can apply the results of research to develop." Percy Committee Report, paragraph 2.

[2] See Reports of the two Specialist Teams which visited U.S.A. in 1951.

[3] While both the draft and the final Five-year Plan have expatiated upon the Development Councils, the need for or the methods of evolving such standards of performance are only being realised by experience.

WAGES AND PRODUCTIVITY

Americans can expect a continued rising trend of real wages over the next decade or two, which may average 2.5 to 3 per cent. a year if most factors are favourable, says a new study, *Employment and Wages in the United States*, by W. S. Woytinsky and a group of associates, published by the Twentieth Century Fund. Some other important findings of the study are the following:

Over the long run, the trend of real wages tends to parallel the trend of average productivity, or output per man-hour, for the economy as a whole, and any attempt to raise money wages much faster will push up the price level.

The most important factor in raising average productivity, and hence real wages, is a continuation, or even speeding up, of the pace of technological advance in industry.

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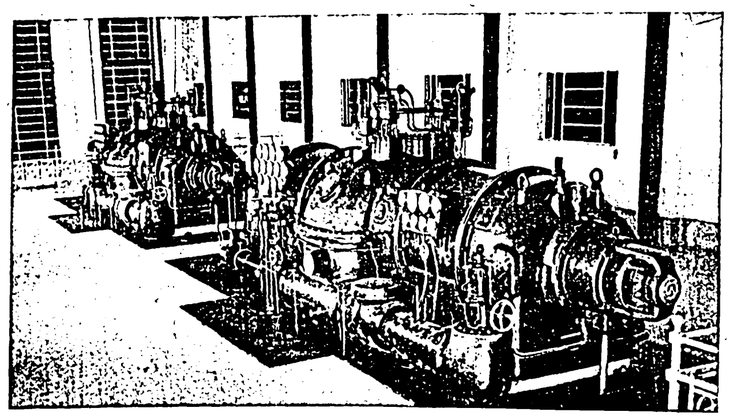

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PATENT SYSTEM IN INDIA

COUNTRY NEEDS TO BE EDUCATED ON ITS UTILITY

EVERY nation is built up on healthy industrial activities which should ever be progressive. Progress is possible by the contribution of new inventions, either for opening new industries or for the improvement of old industries. Inventions resulting in new manufacture or in the improvement of old manufacture require, therefore, to be encouraged, and it is for that reason that the patent system is necessary and exists in countries on the way to advancement. Any inventor, who, by dint of his merit and diligence and by the expense of his time and money, makes a new invention, would naturally hesitate to disclose it, and, instead, prefer to keep it secret, in the fear of being copied by others for their own benefit without himself getting any advantage. The patent system is evolved to give the inventor a protection to encourage him to disclose his invention to the public for the benefit of the nation.

The grant of patent monopoly gives the inventor or a person deriving title through him an exclusive privilege for a limited number of years of making, selling and using his invention and of authorising others so to do. When any person, therefore, wants to avail of the invention, he has to obtain a licence from the patentee on payment of royalty. The monopoly thus gives the inventor an opportunity of making a profit, which, in its turn, encourages him to disclose his invention. After the lapse of the limited period, the invention goes to the public and becomes their property, with the result that any person can then make free use of it. Had this encouragement not been given, for reasons stated above there would not be public disclosure of the invention and practical use of it for the benefit of the public. The attempt to keep it secret would mean that the invention would ultimately be lost to society, without any beneficial effect. Another advantage of the patent grant is that the patent specification which is required to be submitted by the inventor, leaves to posterity full and complete information of the invention to enable it to be performed. Patent specification is also the first document to transmit the knowledge of the invention to the public. One invention leads to another and thus a legion of inventions may crop up and improve the stock of knowledge of society.

First Legislation

The first legislation for the grant of monopoly for inventions in India was made in 1856, ninety-seven years ago. The right then conferred was referred to as an "exclusive privilege," and it was conferred to the 'inventors' which expression included the importers also, for inventions of new and useful manufacture. The exclusive right had its origin in law and was not derived by a grant from the 'Crown.' The procedure laid down in the Act was that a petition was presented for leave to file a specification. The petition contained a statement that the invention, the title and a description of which had been given, was new within the meaning of the Act, and it was accompanied by a declaration that the invention was of public utility and that the petitioner was the inventor or his assignee, executor or administrator. The petition was referred to experts at the expense of the petitioner and on their advice leave was granted to the petitioner to file a specification. On the filing of the specification, the 'exclusive privilege' sprang into existence by mere operation of law. The petition had to be written on stamped paper of Rs. 100 and the 'exclusive privilege' normally continued for 14 years. There was no provision for renewal fees.

The Act of 1856 was repealed in 1857, on account of certain technical defects, and was re-enacted in 1859 with certain modifications. The 1859 Act was amended in 1872 and 1883; the first of these amendments included within the meaning of the term 'new manufacture' any new and original pattern or design for which an 'exclusive privilege' was given for three years. In 1888, a consolidated Act was made to cover both inventions and designs and it incorporated some provisions of the U.K. Act of 1883. In this Act, the fees for securing the 'exclusive privilege' for 14 years were required to be paid in instalments and a sort of examination of the specification was introduced. It also included some other provisions, such as, for the purpose of binding the Crown, to impose conditions for Government servants, and for the grant of compulsory licence.

By H. N. Ghosh

Deputy Controller of Patents and Designs

The final Act, which is still in force, came into existence in 1911 and it has been amended from time to time since then. This Act was brought into conformity with the U.K. Act of 1907 and it includes, as in the 1888 Act, both inventions and designs. It was now for the first time that the term 'patent' was substituted for the expression 'exclusive privilege,' and the right was conferred on the sealing of a patent and not by the operation of law. The function of administering the Act was entrusted to an officer designated as Controller of Patents and Designs who would have an office known as Patent Office. The procedure for granting patents was changed and opportunity was given to the public to object to the grant or ask for the revocation of a patent in certain circumstances. The scale of fees was also changed and a system of the payment of annual renewal fees was introduced. The life of a patent at present normally continues for 16 years, subject to the payment of the renewal fees, and it may be extended for a further period of 5 or 10 years, if the invention is meritorious and the profit made is not adequate.

Functions

The function of the Patent Office is to maintain the Registers of Patents and Designs, where in all entries relating to them are entered. The Controller is empowered to grant patents and register designs which are new or original, not previously published in India, and to do all functions entrusted to him under the Act. The Act specifies certain requirements to be met before the grant of a patent. It is required by the Act that an application for a patent should be accompanied by a provisional specification, describing the nature of the invention, or by a complete specification, describing in addition the manner in which the invention is to be performed. In the former case, the complete specification is filed later on. When a complete specification is filed, the application is examined to find out whether it meets the requirements of the Act. For this purpose, the Controller has under him a number of Examiners conversant in different branches of science and engineering. When the requirements are fulfilled, the application is accepted and advertised; and the application and specification are open to public inspection. Any person is allowed to oppose the grant of a patent within four months from the date of the advertisement. The opposition is decided by the Controller or the Deputy Controller. When there is no opposition or if it is decided in the applicant's favour, the patent is sealed and the Letters Patent issued. By an amendment of the Act in 1950, the Controller is empowered to grant a compulsory licence under a patent in case of an abuse of monopoly, such that the invention has not been worked in India or that the demand of the patented article in India is not being met to an adequate extent or on reasonable terms, etc.

Public Support Needed

The achievement of the Patent Office depends on the use made of the patent system by the public. Although the law for granting monopoly for inventions has been in existence for nearly one hundred years and the law at present in force has been in vogue for over 40 years, it has not attracted much attention of the nationals of the country. The reason for this lack of interest is not far to seek. The patent system is closely associated with industries. Patents give exclusive right to make, sell and use the invention in the article patented. Unless there are manufacturing industries and unless there is fear of competition, there would not be a popular demand of the patent system. During the foreign domination in India, there was a dearth of industries in the country and the system had but a limited use. It was mainly taken advantage of by foreigners to have a safe and uncompetitive market for their goods manufactured and exported from abroad. With the growth of industries in India, with India changing from an agricultural country to an industrial country and with the opening of facilities for research, the patent system is bound to be popular and give a lead to the country.

This fact is borne out by the number of patent applications made annually before and after the last world war, since when India is having new industries. Before the war, on an average, there were about 1,000 applications annually and now the average is about 2,000. With the efflux of time, it may be expected that the annual number of patent applications will increase to a considerable extent and a majority of the inventions will originate in India itself. With the attainment of independence in India, the Government set up a committee in 1948 to recommend improvements to make the patent system more conducive to national interest. The Committee submitted its report in 1950 and the proposed change of law on its recommendation is now under way.

I have already said that the patent system in India has not yet attracted much attention of the nationals of our country. In that view, the Patent Office Society, a body consisting of the members of the Patent Office staff with its objective "to explore ways and means for encouraging invention and for increasing the utility of the patent system for promoting the economic and industrial progress in India," opened a stall at the All India Exhibition in Calcutta held at Eden Gardens in February, 1948. In this exhibition the inventors were invited to exhibit their patented articles, and lectures were given to the visitors explaining to them the purpose and utility of the patent system and how a patent can be obtained. The part the Society played in taking a place in the exhibition will be apparent from some of the expressions of persons of various positions who visited the stall. These expressions out of many others are:

'This is the most useful showroom in the whole exhibition' 'I am really thankful to the organizers for having this instructive stall here. . . .' 'Most interesting exhibition of Indian patented invention,' 'The stall will serve a very useful purpose of bringing the patentee and the industrialist together, in addition to that of creating some enthusiasm in the minds of new brains for inventing something,' 'The Patent Office stall is really interesting, educative and informative,' 'Such sections are needed to encourage public,' 'I hope they will work up more and more and do useful service to the public as they have started,' and 'More publicity is required for making people patent-minded.'

Needs Publicity

It is evident from these remarks that the country requires education on the utility of the patent system and needs encouragement for the inventors. It may be hoped that, in the new set-up of the Patent Office after the passing of the new Patents Act, there will be adequate provision in this direction as recommended by the Patents Enquiry Committee. The proposal for opening a National Research Development Corporation is also a step in that direction. It is not only the Government who can give the necessary facilities for the making of inventions and their utilisation, but it is necessary also that the industries as well should put their mind to that end. The other day I had a visit from a patent expert who came to India from America on a short tour. He said that the industrial concerns in America have invariably research departments of their own, and that they spend a huge sum in research. I should think that such should also be the policy of big industrial concerns in this country.

There is no provision in law so far which would enable the Controller to obtain any information regarding the working of an invention after a patent has been granted. It is not, therefore, possible to say to what extent the patents granted in India have been of any use in the industrial advancement of the country. To avoid this drawback, however, necessary provision has been made in the new Patents Bill, already circulated for public opinion, to give power to the Controller to call for information from the patentees.

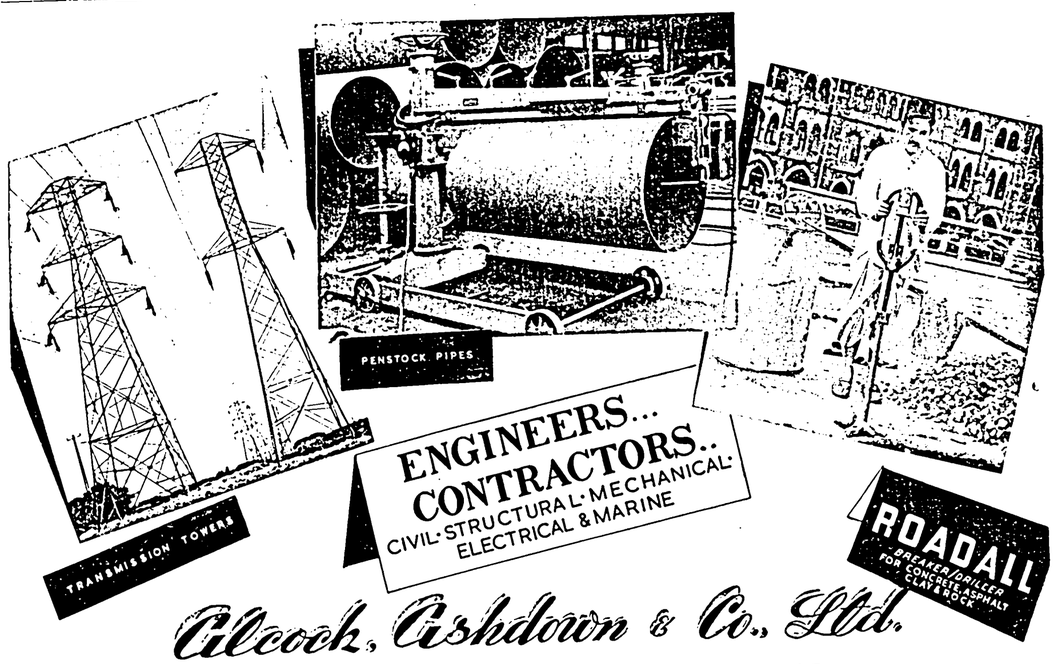
An Example

The little information that is available in this office shows that the Indian Telephone Industries has set an example in which a new industry of great magnitude has been based on patents. Before the factory at Bangalore was started, Government entered into an agreement with the Automatic Telephone and Electric Co., Ltd., and got an exclusive licence under all patents owned by the Company. It was agreed that the Company would give full technical information and advice, and render the services of experts and technicians for the manufacture of telephone equipments. It may be presumed that the factory is engaged in the manufacture of telephone equipments for automatic exchange, which have been the subject matter of inventions in recent years, for use in the change from manual to automatic system. So long as we do not have the necessary technique and equipment, it is a healthy practice to come to an arrangement with the patentees from abroad, while opening new industries in this country.

Act Amended

In order to remove an obstacle in the early establishment of factories for the production of food, medicines and surgical and curative devices, the Patent Act was amended in 1952 to empower the Controller to grant licence liberally under patents for these articles. It was felt, however, that this provision was not sufficient to facilitate the early establishment of factories for the manufacture of insecticides, fungicides and germicides; and a Bill is now before

(Continued on page 72)



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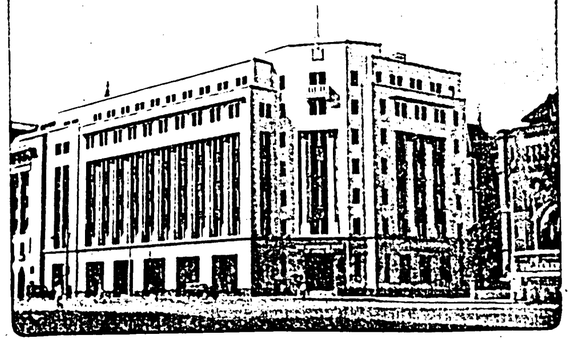

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THE CANADIAN CROWN COMPANY METHOD

ITS APPLICABILITY TO INDIA EXAMINED

By O. K. Ghosh

Deputy Secretary, Planning Commission

INDIA is a country with a very ancient civilisation. She has had a chequered past, full of ups and downs. In her periods of greatness, she has built up systems of administration embracing the whole country. The fragments still surviving from the memoirs of the ambassador to the Court of Chandragupta Maurya, Megasthenes, the "Artha Sastra" of Kautilya, the travel impressions of impartial Chinese pilgrims like Fa Hian and Yuan Chuang, the "Ain-i-Akbari" of Akbar, the records of the Maratha Peshwas, all bear testimony to this organising genius and ability. At present, we have a running system deriving partly from our own past, and partly from British practices which seem to have, through long association, taken roots in this country. The administrative problems which have faced this country since 1947 have, so feel many, more or less been met and are being met. In this context, one may well ask: What is the necessity of trying to import foreign modes and upsetting the whole apple-cart? Indeed, is it at all necessary, and, if necessary, is it practicable, to import anything from a far-off foreign country? Why should we waste our time in considering Canadian and U.S. models?

Before we try to answer these questions we must try to gauge whether there is any necessity for fundamental structural changes in any portion of our administrative system. Our present system is a legacy of the past. In the past, the main problem of the State was to keep law and order. Any king or queen, who went beyond, was worshipped practically as a god or goddess. Thus, the legendary irrigation engineer king Bhagirath has the whole Ganges named after him; Sri Rama Chandra, who attempted to found some sort of a Welfare State, has become an incarnation of God; and in more recent times, it is only the intrusion of Western ideas and Western scepticism which has prevented the great eighteenth century Maratha Queen Ahalya Bai from being exalted to the position of a goddess. The Welfare State is now, however, our conscious goal, a goal which we desire to reach as fast as possible, and so catch up with the advanced nations of the world. In the process of transformation of the Law and Order State to the Welfare State, the Law and Order apparatus of administration has itself to suffer a sea-change into something—from the point of view of those used to old ways—"new and strange"! There has to be still greater integration with the daily lives of the people, and perhaps new forms of public participation in the administration.

Type of Change Required

Thus, if we consider the administrative system as a dynamic one, changing fast to meet the needs of a new kind of State, we will see the necessity for change in it, for the purpose of the old structure which we have inherited was essentially to keep law and order and ensure stability. I consider this philosophic matrix as a background to a discussion on the immediate subject matter necessary, as without such a background philosophy, the kind of attempt essayed in this article will have no purpose and hence no meaning.

Against this background of necessity for urgent change, we confine ourselves to the mechanics and technique of change in a limited sphere—the sphere of economic development schemes operated on or influenced by the Central Government. By this I mean schemes of industrial development like the manufacture of fertilisers, iron and steel, synthetic petrol, heavy electric plant, ships, machine tools, etc., as well as possible assistance to the private sector of industry. Railways and Posts and Telegraphs are excluded, as they have been running as separate organisations now for more than a century. Multi-purpose River Valley development schemes obviously form a different category from either posts and telegraphs, and railways or industrial schemes. They are also, therefore, excluded.

Now, in the sphere under consideration, what modifications in the present system are necessary to gear it more to the important needs of the public, and thereby to give the public a greater sense of oneness in its operations? This seems more a question of refashioning the structure and of making it a still more effective instrument of public service than at present rather than one of changing the philosophy of the personnel or of the personnel itself. The philosophy of the Social Welfare State has now gone deep even into bureaucratic and administrative cadres and hence a change of personnel—if anyone likes to consider this—would not only be unnecessary; it may cause even serious difficulties, as we are by no means rich in experienced people of different kinds required to run industries. Refashioning the structure out of extant material seems to be the only practical problem involved.

Coming back to the question of modifications in the system, it seems that these should be designed to:

(a) Help solve the budgetary problem—the difficulty regarding annual appropriations;
(b) Ensure unified direction in the public industrial sector;
(c) Make possible intensive market studies;
(d) Enable new links to be forged with the private sector of industry.

With these modifications, the objective of greater gearing with public needs and the giving to them of a sense of a greater participation will, it seems to me, be better served.

But is this not possible under the present system? Our public industries now have a public corporate structure. Men of affairs and men of proven worth in business are associated with such public corporations. What then is required?

General Features

I think it is at this point that I must digress and bring the Canadian Crown Companies in, describe their general features a little, and paint a picture of how I see their applicability to India. Having done so, I will go back to answer the questions posed in the preceding paragraphs.

The salient features of the Canadian Crown Company system can be described under four heads:

(a) Extent of operations, i.e., fields covered;
(b) Internal structure of these Companies;
(c) Relations with the legislature and sources of finance;
(d) Relations with the Executive, i.e., Government Departments.

A wide variety of activities figure under the Crown Companies list. To mention some of the most important Crown Companies: (1) Central Mortgage and Housing Corporations, (2) Canadian Farm Loans Board, (3) Dominion Coal Board, (4) National Research Council, (5) Eldorado Mining and Refining, (6) Trans-Canada Airlines Corporation, (7) Synthetic Polymers. (8) Canadian Maritime Commission, (9) Export Credits Insurance Corporation, (10) Canadian Travel Bureau, (11) Crown Assets Disposal Corporation, and (12) Canadian Broadcasting Corporation.

Item (5) refers to an organisation for the mining of uranium and other rare minerals, the sources of energy through atomic fission. Item (7) pertains to a giant plant at Sarina on the shores of Lake Ontario which manufactures synthetic rubber in abundant quantities for Canada's need and for export. All other items are recognisable by their nomenclature.

It will be thus seen that a very wide variety of activities come within the purview of the Canadian Crown Company system—not only 'developmental' activity, as commonly understood here, but also other activities, like scientific research, broadcasting, disposal of surplus assets, export credits, etc. The St. Lawrence Seaway Canal, when it matures, will also be constructed under the auspices of a Crown Company. It has been estimated that the volume of these operations constitute about one-seventh or so of total operations in the private sector in Canada. Nevertheless, as the list above shows, the activities of Canadian Crown Corporations are in vital and crucial sectors, where, for some reason or other, the resources of the private sector are not easily forthcoming, and where, as in the case of items (2), (4), (12), for instance, the varied interests of the nation as a whole are involved.

Structure of Corporations

Structurally, all these organisations follow a more or less similar pattern. The Chief Executive, variously styled General Manager, President, etc., is also the Chairman of the Board of Directors. This Chief Executive is also President of the Executive Committee which supervises the day-to-day operations of the Corporation. Each corporation is constituted under an Act, which lays down the number of members of the Board of Directors, their mode of appointment, their tenure, etc. In most cases, there are both members from the public services as well as from outside the public services on the Board. The Canadian Mortgage and Housing Corporation, for instance, is run by a Board consisting of a President, a Vice-President and 8 members, three of this 8 are from the public services and the balance from outside the services. There is thus non-official preponderance in this case. In a few cases—the Exports Credits Insurance Corporation, for instance—the preponderance is official. Indeed, the Export Credits Insurance Corporation has a Board constituted wholly of officials. It is not necessary thus for a Board to have a few non-officials in every case. The Chief Executive, who is also the President of the Board of Directors, is usually a man from the public services, and always a wholetime servant of the Corporation.

The President and other members of the Board are appointed by the Governor-General in Council, their terms being specified in the relevant Acts. The employees of the Corporations are not governed by civil service regulations—except a few civil servants seconded to the Corporations—but by such terms and conditions as may be determined by the Executive Committee. This gives flexibility of control and it is possible to give incentives to good work by way of quicker promotion. The Chief Executive has wider powers of appointment, dismissal, promotion, than permissible under the civil service regulations of most countries. In a way, therefore, he is a sort of a "fuhrer"—to use this unpleasant term, which means, however, only "leader"—and there is a great degree of *gleichschaltung* (to use another German word, meaning "co-ordination") affected by him and his aides. He is checked in whatever autocratic tendencies he may develop (for, as Lord Acton said, "all power corrupts, and absolute power corrupts absolutely") by the Executive Committee and the Board of Directors, the service conditions of employees laid down by the Executive Committee and the Board, and the vigilance of the employees themselves. Nevertheless, he wields great power and influence and it seems that, without the vesting of such power and responsibility, speed and decisiveness of action is well-nigh impossible.

Sources of Finance

The Acts constituting the Corporations lay down the sources of finance. Usually, a certain fixed amount is prescribed over a period from out of the Consolidated Revenues, with annual ceilings. Subject to this, the Corporation manages its own financial affairs without further Parliamentary appropriation and the General Manager is responsible not only for administrative matters but also for expenditure control. He has to have, of course, a unit for expenditure control under him. There is no dichotomy in administrative management and expenditure control as prevailing in the Indian bureaucratic system. The auditing is usually continuous, done by the Auditor General, and annual statements of accounts and audit reports have to be submitted to the Dominion Minister concerned, and these reports, and the Annual Administrative Report laid before Parliament, through the Minister, within 2 to 3 months after the end of each fiscal year, a period very much shorter than what most of the joint-stock companies in the private sector in this country take to submit their statement of accounts and directors' report to their shareholders. Thus, when Parliament discusses these Reports, it discusses something live and topical, and has opportunities for checking excesses and correcting mistakes. Usually, Parliament considers these Reports through various Committees, separate for separate Corporations, and constituted of men and women with special interest in the subject matter of the Corporation in question. These men and women question the General Manager and put him, so to say, 'on the mat', in a series of gruelling sittings. Thus, the scrutiny of the Annual Administration Report and of the statement of accounts gives Parliament a lever for control on broad issues of principle. Apart from this, the understanding is that Parliament refrains from asking questions on the day-to-day activities of the Corporations, although it has this sovereign right.

The Corporations are similarly free from pressure from Ministers and Executive Departments, as they are fully autonomous bodies. The Annual Reports are laid before Parliament through the Minister in charge of the subject, but the Minister and his department exercise no control whatsoever, on the day-to-day affairs of the Corporations, in practice as well as in theory.

How to Adapt the System to India

Now to paint a picture of the applicability of the Canadian system, just described, to India. We have our public Corporations, although, as regards their range, we are still at an infant stage of development, considering what might one day possibly be their ramification. The following reforms in their working, however, would make them more well-knit structures than at present:—

(a) By an amendment of the Constitution, if necessary, arrangements should be made to place these Corpo-

rations in funds for 3-5 years at a time. If it is deemed suitable, annual ceilings may be fixed by Parliament. Within these ceilings, Corporations should then be able to go ahead on their own without the necessity of any intercession from a Government Department or the legislature.

(b) The granting to the Chief Executive of the Corporations the same sort of status (Chairman of Board of Directors, as well as of the Executive Committee), which, together with the change suggested in (a), would lead to conditions where it should be easier to do more in the same period of time.

The practice of the legislature confining itself with regard to these Corporations, mainly to matters of principle, should also grow. It may be useful to have Standing Legislative Committees, which will become expert appraising bodies for the different Corporations.

The Implications

The suggested reforms would imply a series of practically independent Corporations. In Canada, the need for close co-ordination of the activities of such Corporations has not perhaps been felt. Each Corporation is "attached", in a very loose way, to the Department which deals with the subject matter in question. Canada, however, is practically an empty wonder-land with tremendous resources in the process of active exploitation, where the elbow room for making possible errors of judgment is much greater than in India. It is not necessary to labour this point in this short essay. But most people would, perhaps, agree that a Central Co-ordinating Body for all these Corporations is necessary. One can visualise the functions of such a Central Co-ordinating Body as follows:—

(i) Making recommendations to the Government of India regarding the amounts to be allotted to the various Corporations for the 3-5 year period mentioned above.

(ii) Making recommendations regarding the citing of new public industries, and the doing of all preliminary work till Corporations come into being.

(iii) Marketing studies for public Corporations.

(iv) Liaison work between the public Corporations, on the one hand, and research bodies and laboratories, on the other, for the improvement of processes, the invention of new techniques of manufacture, etc.

(v) Serving as link with the private sector of industry.

(vi) Handling any assistance that may be given to the private sector of industry.

Objective (v) would have to be served, to begin with, by cells attached to the recognised chambers of commerce, manufacturers' association, etc., if this finds favour with the private sector. Such a link will assist in (iii) and (vi) also.

For effective working, it seems to me that the Central Co-ordinating body should also be organised as a Corporation with funds of its own and with sufficient internal flexibility and resilience. This Corporation should also have a strong representation of elements from outside the public services.

It has to be emphasised that the painting that has been done is that of a piece of machinery. To what extent such a Central Body should have links with the private sector of industry and how and to what extent Government can aid the private sector of industry are wider matters of policy.

It has also to be emphasised that such a Co-ordinating Corporation would usurp some of the functions of existing agencies of Government. Methods will have to be devised to avoid duplication. The handing over of all such functions, where there might be duplication, to the Corporation as visualised would seem to be the way out.

I do not wish to make too much of the Canadian model. The Canadians themselves are extremely modest and unassuming about it, looking upon it as almost axiomatic. There is no doubt that we are able to devise systems on our own. But a good example in a country beyond the seas exists, and there is no reason why one should not borrow a leaf or two from another's book now and then, where this can be of help.

At this point our thoughts would flow back, almost naturally, to our starting point—our philosophical matrix regarding change. Only against the background of such a philosophy, would the necessity for urgent change be seen. Otherwise, if one thinks only of stabilising things as they are—with perhaps a slow rate of progress—then the necessity for change would not be seen and anything new would be regarded as not feasible and impractical.—*All Rights Reserved.*

PATENT SYSTEM IN INDIA

(Concluded from page 68)

Parliament to amend the Act, so that licence could also be given more freely in respect of patents for these articles. These provisions, it is hoped, will help in the establishment and production of the Indian Penicillin and D.D.T. factories, the arrangements for which are being made. Chemical compounds, in general, and therapeutics, in particular, have taken a leading place in the field of inventions in recent years and have resulted in a number of patents. If such medicines as anti-tuberculosis drugs, streptomycin, chloromycetin, etc., are manufactured in this country and are available at reasonable price, it will remove a great hardship which people in general have to bear at present.

Internal combustion engines, especially diesel engines, internal combustion turbines, motor vehicles and textile machineries are some of the subjects for patent which are expected to have application in the existing industries. For small-scale industries, inventions have been made on toys, soap, lanterns, lamp chimneys, furniture, cookers, tiffin-carriers, etc. —*All Rights Reserved.*

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SOME THOUGHTS ON THE COAL INDUSTRY

TRANSPORT BOTTLENECK STILL THE MAIN HANDICAP

SINCE 1948, when India produced 26,800,000 tons, the country's annual production of coal rose steadily. By 1949, the figure exceeded 29,000,000 tons and the graph continued its upward trend, until 1952, when it touched the highest ever total of 36,200,000 tons. In the early months of 1953, it seemed that the process would continue and, by the end of December, a figure even higher than 1952 would be attained. By the summer, however, the trend had received a check and, at the end of the first half of the year, the country had produced 100,000 tons less than the corresponding period last year.

Turning from production to despatches, the first half of 1953 showed a slightly better result than the first six months of 1952, a total of 12,100,000 tons having been despatched from pitheads during this period of 1953, as against 11,800,000 tons last year. The collieries, however, continued to carry very heavy stocks and, at the end of September, 1953, it was estimated that the total accumulations amounted to 3.13 million tons. Of this total, 2,800,000 tons had accumulated at the pitheads in Bengal and Bihar, where the corresponding stock figures at the end of September 1950 and 1951 were 1,700,000 tons and 2,000,000 tons, respectively.

Transport

Viewed together these figures show that, whilst the rail transport position has improved, it still lags behind productive capacity; in fact, the decline in raisings evident this year reflects a prominent view in the industry that, although there is a potential demand to absorb further increases in output, it would serve little purpose to raise more coal if the railways could not move it. The supply of wagons has always been subjected to seasonal fluctuations and, in relation to other traffic, the railways are in a position to allocate more wagons to coal during the monsoon months. Yet, at the end of September, when the 'easy' period was nearly, at an end, the colliery stocks stood at the formidable total of 3.13 million tons. This represents a very serious immobilisation of capital, and naturally carries with it a heavy financial strain on the producers. Transport difficulties have been further aggravated by various geographical restrictions imposed by the railways on the routing of coal wagons, and this practice has interfered considerably with the discretion of buyers in obtaining the quality of coal they want from suppliers of their own choice. The Chairman of the Bengal Coal Co., Ltd., in his recent speech to the shareholders of the Company, drew attention to this problem and said:—

"Instead of withdrawing restrictions, the railways have progressively increased geographical restrictions, with the result that the control over distribution is more acute now than in the difficult days when coal was in short supply and had to be distributed to essential consumers. In other words, the means, in the form of railways, is shaping the end, in the form of the coal industry and the consumer, and all sorts of routing restrictions are being imposed on the ground that this will economise rail transport. These restrictions are encouraged by the continued operation to-day of a system of controls, designed in 1943 for famine conditions in the supply of coal, and of wartime demands—in fact the complete antithesis of the present position. Indeed, the whole approach to controls, both by the Government of India and by the Railway Administrations, should before now have been reviewed and a new set-up devised appropriate to the changed circumstances."

The economics of the coal industry are very directly affected by the transport facilities available and a situation has now been reached when the development plans of the railways as well as their operational policy requires to be carefully reviewed so as to ensure that the needs of the consumers are adequately met, and that they are not subjected to avoidable restrictions on the normal flow of traffic in the name of rationalisation of transport.

Exports

In the sphere of exports, the year 1953 has seen a considerable contraction in the volume of trade. There are certain countries in close proxi-

Contributed

mity to India which have practically no coal resources of their own and are, therefore, India's natural markets. Thus, Burma, Ceylon, Malaya and Hongkong have traditionally been supplied with coal from India. In the years following the war, however, there was a world shortage of coal as the productive capacity of various other coal producing countries had been impaired. In these circumstances, India's range of exports were considerably extended and cargoes were sent to the United Kingdom, Denmark, Italy, Egypt, Libya, Australia, New Zealand and other countries which would not in normal circumstances have been expected to import coal from India. Unfortunately, during this period, the Government subjected India's export trade to high export surcharges and at the same time imposed restrictions on the grades of coal which could be sent overseas. Whilst one could appreciate the Government's anxiety to prevent the export of the best grades of metallurgical coal, the reserves of which are comparatively limited, it was difficult to follow the justification of extending these restrictions somewhat mechanically to high volatile coal, of which there is no shortage whatever in the country. The fact that overseas customers did not get the best Indian coal available as well as the inordinately high cost of this coal as a result of the surcharges, naturally led them to turn to other sources of supply as soon as opportunities occurred. Exports to the West have now virtually disappeared, and in the East Australia has emerged as an exporter in sharp contrast to the position two years ago, when we were shipping large quantities of coal to Melbourne. Australia is now a serious competitor and has shipped coal to Hongkong, Singapore and Chittagong, thus threatening India's position in her natural markets. South Africa has also entered the field by sending cargoes to Pakistan, Ceylon and Singapore. It is quite apparent now that the retention of even India's customary markets will require the utmost efforts on the part of exporters, and that these efforts should not be hampered by unnecessary Government regulations.

Labour

In the field of labour, one of the problems which the coal industry has had to face from its inception is that it never had an adequate force of settled miners. The typical coal miner when he came to work at a colliery did not sever his connections with the land and was always drawn back to it during the busy agricultural seasons. It has been calculated that between 30 and 40 per cent. of the miners migrated from the collieries to their native villages during the sowing season between June and July and again for the harvest in November and December.

This migratory character of labour is, however, undergoing a slow transformation. During the last war when labour conditions became acute the industry recruited a large force of miners from the United Provinces, who were prepared to make mining their sole occupation in life. It is quite likely that this corps of labourers, drawn mainly from the district of Gorakhpur, will eventually form the basis for a permanent labour force in the coalfields. It is of the utmost importance to have a well-trained permanent labour force if India is to lead Asia in coal production and if her coal industry is to keep pace with the various development projects contemplated under the Five-year Plan. The art of winning coal will inevitably have to conform to modern practice, implying increased mechanisation of the mines, and a settled labour force is much more amenable to absorb technical training than the semi-agricultural worker to whom mining is only a side line.

During the last few years, a number of measures has been introduced with a view to improving the economic condition of the workers. The most important step was the appointment by the Government of India in 1947 of a Board of Conciliation. This Board gave an award which until now has provided the basis of employer-labour relationship in the coalfields and has largely been responsible for maintaining comparatively peaceful labour conditions in the industry. The Award fixed the rates of wages and also granted the mine workers numerous facilities and amenities which they had not received before. For example, it spawned the Coal Mines Provident Fund scheme and the Coal Mines Bonus scheme. A welfare cess levied on the industry goes towards the servicing of a welfare fund for colliery workers. This fund finances a host of useful activities such as the building and maintenance of creches for women workers and their children, pithead baths built on the most modern lines, and the construction of hospitals at selected centres.

Healthy Trade Unions Needed

The end of World War II saw a big spurt in trade union activities in the coalfields. Unfortunately, the energy displayed was not canalised into the development of a strong and responsible trade union movement. Petty factionalism, personal rivalries and the subordination of political ends to genuine economic considerations led to the emergence of a number of rival unions fighting each other for prominence. In certain parts of the coalfieds, extreme left-wing political parties have endeavoured to exploit this situation, resorting at times to violent methods in pursuance of this aim. There is no reason, however, why the more responsible elements in the trade union movement should not gradually succeed in consolidating their position and in eliminating those factions whose avowed aim is to disrupt the industry. The growth of a powerful and healthy trade union movement would undoubtedly be a step forward in promoting mutual understanding and goodwill, which in turn would benefit not only the coal industry, but the country as a whole.—*All Rights Reserved.*



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SIDELIGHTS ON SUGAR INDUSTRY

SOME WRONG NOTIONS DISPELLED

THE sugar industry, few can deny, has been playing a very important role in the national economy of the country, by supplying one of the most essential daily necessities of life to both rich and poor alike. Its development and expansion have been so phenomenally rapid that there is hardly a parallel to it in the industrial history of the country. Tariff protection was granted to the industry in 1932 and, within the short period of three years since then, over 100 plants came to be installed. The number of plants that were in operation before protection was granted was 31 and production of sugar therefrom was 1.58 lakh tons. By 1935-36, the number of plants had increased to 135 and production to 9.19 lakh tons and the country had been made self-sufficient in sugar. If sugar has been in short supply, thereafter, it is not so much due to any fault or wilful act on the part of the industry as to other causes—mostly man-made. Yet it is one of the most criticised and misunderstood industries. The criticism, as it so often happens in similar circumstances, is generally misplaced and is based on sheer ignorance of facts. The present-day tendency to criticise the industry when anything goes wrong is fundamentally unjust, because, if one were to analyse the causes, one would find, in the ultimate analysis, that things for which the industry is mostly blamed are those over which it has the least control.

The main criticisms levelled against the industry are:

(a) that the prices of sugar are very high and are beyond the means of the common man,
(b) that the prices ruling in this country are higher as compared with those prevailing in other countries, and
(c) that the sugar industry has been making high profits in utter disregard of the interest of the consuming public.

The three charges are, as a matter of fact, born of the mistaken belief that high prices are co-related to high profits and that prices could be appreciably reduced, if only the industry were willing to reduce its profits.

Before we deal with these charges, a short description of the background against which the sugar prices are fixed, may help the reader to a better appreciation of the problem. Whenever there has been any control on the sugar industry, the prices have been rigidly fixed, on the basis of a formula, popularly known as the "Srivastava Formula," which was evolved in 1936 by Mr. R. C. Srivastava, the then Director, Indian Institute of Sugar Technology. The price of sugar, according to this formula, is arrived at by taking into consideration, estimated duration of cane crushing and recovery as also the various items of cost of manufacture. The margin of profit is allowed at a fixed figure of 10 per cent. on block. More often than not, instead of the latter being realised, the industry, at the end of a season, used to find itself in a tight position, owing to the estimated duration and recovery figures, as assumed by the Government while fixing the sugar prices, having gone wrong.

The Srivastava formula of price fixation has influenced the fortunes of the sugar industry considerably, for even when there is no control over sugar, the price is calculated according to this formula. It is always there in the background as a handle to the critics to base their view of the "fair price" for sugar even when the prices find their own level governed by the economic laws of supply and demand and are influenced by the prices of *gur* and *khandsari* sugar.

Coming now to the criticism that sugar prices are very high and beyond the means of the common man, let us examine the facts in an impartial manner. The only barometer which could indicate as to whether the price of a commodity is high or low is the pre-war level of prices. It is not denied that sugar prices, as compared with the pre-war level, have registered an advance, but then it may be pertinent to ask as to which commodity has not shown an increase in its price since pre-war days. The general index of prices for the period ended 29th August, 1953 (base August 1939) shows an increase of 308.3 per cent. on the pre-war standard. (Source: *Reserve Bank Bulletin*, September, 1953.) The corresponding increase in sugar price is only about 170 per cent. If any conclusion is to be drawn from this, it could only be that the price rivulet of the sugar industry has not overflown its banks.

It should also not be forgotten that the various factors which constitute the cost of production of sugar have also gone up abnormally. The price of cane in 1939-40 was between Re. 0-5-3 and Re. 0-11-9 per maund, the average being about Re. 0-8-5. Now it is Rs. 1-7 per maund, which means an increase of 176 per cent. Minimum

By K. K. Birla

wages in 1939-40 were Rs. 11 per month and they are at present Rs. 55 per month; they have thus risen five times. Further, there was no bonus in those years; now the mills are required to pay bonus regularly every year. The Governmental levies have gone up by over 150 per cent. The cost of stores, packing material and other factors have all increased stupendously. How, then, could sugar alone sell at lower prices?

It may be further mentioned that, according to the 1952-53 season price structure in the sugar industry, 49.5 per cent. of the calculated price of sugar goes to the growers in the form of payment for cane, 21 per cent. to Central and State Governments against levies, 10.5 per cent. to workers for wages and 15.3 per cent. goes for overhead expenses. The gross profit left with the industry is only 3.7 per cent. of the total price. The industry has thus hardly any control on factors which constitute the cost. For example, cane prices, as determined by the Government of India, are fixed as *minimum* prices below which the factories are not permitted to pay. As to the expenditure on wages, it is essentially a multiple of the scale of wages and the number of hands employed. The industry has hardly any say in the former as the minimum wages for unskilled workers are fixed by the State Governments and wages of skilled workers have to be fixed relatively. Reduction in expenditure could no doubt be achieved if the number of hands could be reduced by modernising the plants. But then, where is the money to come from for such modernisation, when the margin of profit normally left in the hands of the industry is so meagre? Moreover, even where some units in a mill are mechanised by some factories, the State Governments are reluctant to grant permission to these factories to introduce rationalisation on the plea of unemployment increasing.

While, therefore, it is beyond the power of the industry to make any effective reduction in sugar prices, even taking the prices as they are, it cannot be said that they are unreasonably high. Many people unfortunately do not realise that there is a close connection between the price of sugar and *gur*. In fact, sugar is not the only commodity which supplies sucrose to the public. Sugar is used mostly by the urban population, which is only a fifth of the total population in India, whereas *gur* and *khandsari*, the two other most important sweetening items in the Indian dietary, are used by the vast rural population. The combined production of *gur* and *khandsari*, as a matter of fact, is three to four times the production of sugar. It is futile in the circumstances to expect that the prices of sugar should remain unaffected by either the prices which *gur* and *khandsari* fetch or by the circumstances which affect the prices of the latter. The comparative pattern of the prices of sugar, *gur* and *khandsari*, as they existed in 1952-53, shown below, demonstrates how sugar is bearing a heavier load of cost and yet offers the commodity comparatively cheaper:—

		Per maund
Gur	ex-*mandi*	Rs. 22 to Rs. 24
Khandsari	...	Rs. 28 to Rs. 30
Sugar	ex-factory	Rs. 27 to Rs. 30

It has to be remembered, in comparing these prices, that the production of *gur* and *khandsari* involves considerably less overhead and enjoys freedom from Governmental levies in contrast to the sugar industry. That sugar prices are in the ultimate analysis cheaper is to be seen from the fact that people who formerly consumed *gur* are now taking to sugar. Consumption of sugar has shot up in the current year and is estimated to be about 16 lakh tons. In other words, sugar, by its cheapness, has started replacing *gur*. What better testimony is needed to prove the cheapness of sugar prices?

To come to the second criticism that the prices ruling in other countries are cheaper than in India. It is no doubt true that sugar is cheaper in some of the other countries. But it is scarcely fair to blame the industry for this position, as the conditions that exist in those countries and in India are by no means similar. As would be seen from the break-up given above, sugarcane accounts for 49.5 per cent. of the cost of production and Governmental duties for 21 per cent. in India. Until these two costs, which together account for 70.5 per cent. of the total, are lowered and sugarcane is made available to the manufacturers at prices comparable with other countries, it will be unjust to blame the industry for the alleged high prices of sugar.

The price of sugarcane for the 1952-53 season was fixed at Re. 1-5 per maund and for this year, it has been fixed at Re. 1-7 per maund delivered at gate. The prices of sugarcane in other countries are mostly dependent on the price of sugar that the industry is able to fetch but, in the ultimate analysis, the cultivator gets about Re. 1 to Re. 1-4 per maund of cane. Besides, the quality of sugarcane grown in this country is so poor that about 10 maunds or more of cane are required to produce one maund of sugar, while, in other countries like Australia, Hawaii, Cuba, Peru and Puerto Rico, the quantities of cane which are required for yielding one maund of sugar are 6.98, 9.56, 8.16, 8.11 and 8.18 maunds, respectively. Nowhere in the world is the miller required to pay so high a cost for a cane so deficient in sucrose content as in India. The cost of sugarcane, therefore, per maund of sugar in India, as compared with other countries, works out as under:

Cost of Cane Per Maund of Sugar

India	Rs. 14-6-0
Australia	Rs. 6-15-8 to 8-11-7
Cuba	Rs. 8-2-0 to 10-2-6
Peru	Rs. 8-1-9 to 10-2-2
Hawaii	Rs. 9-9-0 to 11-15-3
Puerto Rico	Rs. 8-2-11 to 10-3-7

It will thus be seen that it is the sugarcane which is primarily responsible for the high cost of Indian sugar and forms the bulk of the cost of production. As a matter of fact, the protection that was granted to the sugar industry was not so much for the industry as for the grower. If the incidence of cost of sugarcane per maund could be brought down to the same level as in other countries, the price of Indian sugar, as would be evident from the above table, could immediately be reduced by Rs. 4 to Rs. 7 per maund and, if the high Governmental duties which are a "speciality" of this country are abolished, Indian sugar could sell at rates which would compare favourably with world prices.

The above analysis might lead the reader to shift the blame for the high cost of sugar from the industry to the cane grower but, in fairness to the latter, it must be stated that he is not responsible for it, in any way. While examining the economy of sugarcane, it must be conceded that there could be no possibility of its cost being lowered until its yield per acre is increased and the quality improved. Unfortunately, the *per capita* acreage holding of the farmer in India is very small. In the other sugar producing countries, cane is grown by farmers owning big farms of thousands of acres. It is thus cultivated both on an intensive and extensive scale and in a mechanised manner, applying all the modern methods of sowing, irrigation, manuring and harvesting. Naturally, the yield per acre there is much higher and thus the cost is automatically lowered. In India, on the other hand, except for some varietal improvements, sugarcane is cultivated in an antiquated manner, using ordinary bullock power and crude implements.

The only redeeming feature is that the cultivator is gradually becoming conscious of these facts and realises that his methods call for reorientation. But what modern implements could he use when his holding is confined to a few acres? He also realises that the cost of cane could be appreciably lowered if adequate irrigation and manure facilities are provided. But here again he has to look to the Government for these facilities.

In this respect, it is worthwhile examining the action taken by the Governments of U.P. and Bihar. When the cane cess was originally imposed on the sugar industry 17 years ago by these two Governments within whose jurisdiction the majority of factories are situated in India, the intention was to use the proceeds towards the development of cane. Actually, however, the money spent on development work forms a very small percentage of the total collections as the following figures of the last eight years will reveal:

(Figures in lakhs of rupees)

Year	U.P.			Bihar			Overall picture		
	Cess collection	Spent on development	% of expenses to collection	Cess collection	Spent on development	% of expenses to collection	Cess collection	Spent on development	% of expenses to collection
1944-45	111.02	2.57	2.3	7.49	...	...	120.41	...	...
1945-46	95.63	1.93	2.0	18.05	8.07	44.47	113.68	10.0	8.8
1946-47	87.05	1.17	1.3	25.10	0.62	2.4	112.15	10.79	9.8
1947-48	185.33	...	...	24.57	11.44	46.6	209.90	...	...
1948-49	298.78	37.82	12.7	63.19	14.38	22.8	361.97	52.20	14.4
1949-50	292.56	41.44	14.2	113.45	14.20	12.5	406.01	55.64	13.7
1950-51	216.87	41.29	19.0	125.66	14.31	11.4	342.53	55.60	16.2
1951-52	323.37	36.03	11.4	Not available.			Not available		

(Source: *Indian Sugar Manual*, 1952.)

If the Governments of U.P. and Bihar agreed to spend more money on sugarcane development, not only could the yield be increased but the quality of sugarcane could also be improved so as to yield higher recovery.

Technical Efficiency

We have so far examined the items of cost of cane and Government duties among the factors that constitute the cost. We have also referred to the scale of wages. The next item in the series is technical efficiency. It is gratifying to note, in this connection, what the Tariff Board had said in 1950 when it examined the problem: "Simultaneously with the expansion of the industry, the technical efficiency of the industry," said the Board, "has also improved considerably." It is not the intention of the writer to claim that top efficiency, comparable with other countries, has been achieved in the Indian sugar industry. All that is needed to be emphasised here is that the mill-owner is fully alive to the shortcomings of the industry and, given facilities, is eager to modernise the plants and to further improve the technical efficiency. Modernisation of plants is, however, dependent on funds, which are not easy to reach with the forces that are now found working against the industry, as explained earlier. It is not denied that there is scope for a reduction in the prices of sugar, but that scope can be had only if proper assistance is available to the industry in the matter of improvement of the quality of cane, Governmental levies, technical efficiency, rationalisation, etc., as already explained.

The next criticism against the industry is that it makes undule high profits. The preceding discussion will have shown the scope available to the industry for profits. They can hardly be high, even when it is possible to make them; and this will be further borne out if we examine the case of the industry as to how it functions *vis-a-vis* control and decontrol.

The calculation and fixation of price, according to the Srivastava formula, has already been referred to in the earlier part of this article. The price so determined is the statutory price during days of control and the so-called "fair price" when there is no control. During decontrol, economic factors like the law of supply and demand also come into play and influence the prevailing prices, but these are always supposed to revolve round the "fair price." We can, therefore, start with the "fair price" as our basis and investigate if the profit this price leaves to the industry is high or low.

Return Inadequate

It must be realised that, whereas there has been a general increase in the cost of various factors accounting for the cost of production of sugar, the only thing that has remained constant is the amount of profit reserved for the industry which has been maintained at 10 per cent. on a fixed block capital of Rs. 18 lakhs valued at pre-war rates.

A return of 10 per cent. on pre-war block might have been a reasonable one 15 years ago, when taxation was low and bonus was unknown to the industry. Ten per cent. gross profits then mean 8 per cent. net return on block, after providing for taxation. The position to-day is entirely different. Out of the 10 per cent. profits now permitted to the industry, approximately 20 per cent. of it is given away as bonus to labour. Of the balance, 50 per cent. goes in taxes. Thus, after providing for these expenses, the residue that is left to the industry is a mere 4 per cent. as the net return on block. And, as has been mentioned above, this return is on the value of the block calculated at pre-war rates. As the prices of capital goods have gone up by five times meanwhile, the net return would come to less than 1 per cent. in terms of current value and, in terms of the depreciated value of the rupee, it would come to a mere ¼ per cent. which is almost negligible. Few will believe this claim; many may ridicule it as unreal. To the latter, the fact may be mentioned that the Indian Sugar Mills' Association had carried out a very interesting survey of the audited balance-sheets of a representative number of units in U.P. and Bihar for the years 1944-45, 1945-46 and 1946-47. The result of this survey was as per table given below:

—	1944-45	1945-46	1946-47
No. of sugar factories analysed ..	67	64	57
	Rs.	Rs.	Rs.
Gross profit ..	1,21,14,000	1,05,63,000	1,14,27,000
Taxes paid ..	72,22,000	59,33,000	65,69,000
Net profit ..	48,92,000	46,30,000	48,58,000
Per factory			
Gross profit ..	1,81,000	1,63,000	2,00,000*
Taxes paid ..	1,05,000	92,000	1,20,000
Net profit ..	73,000*	77,000*	80,000*
Reserves† ..	3,82,000	4,42,830	4,30,595
Percentage of reserves to block—Rs. 90 lakhs ..	4.2%	4.9%	4.7%

* Profits include sidelines also.

† *The figures under "reserves" represent* the average reserve per factory accumulated from year to year from the very beginning as at the end of the year.

(The figures of years subsequent to these have not been analysed by the Association, but it would not show any improvement on the above facts as the basis of price fixation has not been changed.)

The meagreness of the profits made by the industry as depicted by the above table has its effect, the unwholesomeness of which is not yet fully realised. It cannot be denied that, unless the industry is left with some reserves in hand, it cannot go in for new and modern methods of manufacture; and a new factory at existing prices would cost something like Rs. 90 lakhs. According to the Srivastava Formula, what is allowed by the Government of India is only Rs. 1.8 lakhs towards profits and Rs. 0.7 lakh against depreciation. Against this, the depreciation alone on the new plant would cost something like Rs. 10 lakhs. Who will then come forward to start a venture under such conditions, or even undertake improvements, which cost so much, but yield so little?

Economic Truism

It is an economic truism that production cannot increase without the help of a proper incentive; and if there is no production, there can be no supply. True, the Government can import sugar for some time but can the country's economy stand such a procedure and is it advisable to do so? To kill an industry is easy, but to replace the loss to national economy such killing will effect, is not easy to repair. The proper way is to accept the realities and to find a solution out of them that will bring strength to the industry and good to the community. Imports will be unnecessary, if supplies are maintained and supplies can be maintained if a fair return is assured to the producers of cane and the promoters of the industry. If cane prices are fixed with no relation to the cost of production of cane or the parity of cane with the prices of other agricultural products, the supply of cane to the factories is bound to be affected. Likewise, if a fair return is not permitted to the manufacturer, he will hardly have any incentive to produce more by bringing cane from difficult areas. And if the production is less, the cost of production goes up and supply becomes restricted resulting in higher prices to the consumer. If this vicious circle is to be broken, the situation has to be faced boldly. Few even among the most pessimistic will desire dependence on foreign producers for a commodity which has a good soil to grow in this country and an experience of success to back it up. Fundamentally, therefore, one has to choose between:

(a) low-priced sugar but restricted supply, necessitating re-introduction of rationing and the accompanying evils like long queues and creation of black markets, etc;

or

(b) a somewhat higher price for sugar but full and adequate supply of it by offering fair profits to the cultivator and the industry.

Let the public decide which of the alternatives it wants.

Profit and Production

When people clamour for low profits, it is obviously with the object that sugar may sell at low prices. But the very object of this policy may be defeated, if, owing to low profits, production becomes restricted resulting in higher prices. A short review of how low profits have affected production during the regime of control may, perhaps, convince the reader of the point at issue.

Control was first imposed on sugar in the year 1942. The industry even at that time had suggested that it would be more prudent to divert the energies towards improving the production rather than imposing control on profits and distribution. But the suggestion did not find favour with the authorities concerned. The result was that control failed and production gradually declined and became stationary at about 9 lakh tons, as will be seen from the following fable:

Year	*Production (Lakh tons)*	*Remarks*
1942-43 ..	10.52	Crop was planted before announcement of control.
1943-44 ..	12.01	Loose control.
1944-45 ..	9.62	Control tightened.
1945-46 ..	9.23	,, ,,
1946-47 ..	9.01	,, ,,

As far as distribution during the period of control is concerned, in the cities, sugar was distributed through ration shops. In small places, it was usually given to dealers chosen by the district authorities. One of the main causes of the growth of the black market was that the sugar control order was effective on the price of sugar only at the factory stage. There was no effective control over prices at which thousands of dealers sold the commodity to the consumer. Besides, a large number of people, who were supplied with sugar ration but who were accustomed to taking *gur*, sold their sugar in the black market through the ration shops themselves. The price that one had to pay in the black market to get sugar was about Rs. 2 to Rs. 2-8 per seer. Thus, this rigid control neither benefited the industry nor the grower. The Government lost revenue, as profits made by the industry were very meagre. The public, too, did not benefit, as, except for a small quantity which they could get at controlled rates under their ration cards, they had to supplement their requirements of sugar from the black market. The only person to benefit with impunity in this vicious circle was the black marketeer. Yet this procedure continued not for a short period but for five long years, in spite of periodical representations from the industry pointing out the futility of following such a course of action and impressing upon the Government the desirability of improving production.

In 1947-48, control was lifted at the instance of Mahatma Gandhi, the Father of the Nation. Reasonable profit was provided for the industry and the grower, and the result was that production shot up. The production which had become stagnant at about 9 lakh tons and odd immediately shot up to 10.75 lakh tons. It is not denied that the industry and the grower earned a fair profit, but then, in view of the abundant supplies made available by production increasing, black markets were smashed and sugar, which was formerly selling in black markets at Rs. 2 and Rs. 2-8 per seer, fell precipitately and became available everywhere at prices ranging from As. 15 to Re. 1 per seer.

A Myth

It is no more than a myth to say that, during control, sugar sells at a reasonable price by introduction of rationing. It is common knowledge that only a small quantity is sold through ration shops at the controlled rates. The balance of sugar sells at a very high rate. The following interesting figures, compiled by the Indian Sugar Mills' Association and as published in their pamphlet *Control, Decontrol, Recontrol of Sugar*, will, illustrate that the real price of sugar is actually cheaper during the period of decontrol:

	Control price Rs. a.	*Black market price* Rs. a.	*Weighted real price* Rs. a.	*Remarks*
1939-40 ..	..	..	11 8	No control.
1940-41 ..	..	..	9 0	,,
1941-42 ..	..	..	10 8	,,
1942-43 ..	14 0	30 0	23 0	Control.
1943-44 ..	16 4	33 0	24 8	,,
1944-45 ..	16 4	60 0	41 0	,,
1945-46 ..	16 10	70 0	46 8	,,
1946-47 ..	21 7	75 0	53 0	,,
1947-48 ..	..	..	35 7	Decontrol.
1948-49 ..	..	..	29 0	,,
1949-50 ..	28 8	80 0	57 8	Recontrol.

Unfortunately, however, the policy of decontrol was not pursued the year next succeeding 1947-48 and sugar prices were drastically reduced resulting in lower production. As a natural consequence, prices started shooting up and control was re-imposed in the season 1949-50.

In the year 1950-51, better counsel prevailed with the Government of India who, with a view to giving incentive to the industry, introduced the scheme of "free sugar," whereby any factory, after producing its basic quota required under the scheme of control, was permitted to sell the balance of surplus production in the free market. The incentive thus provided, helped towards greater production which amounted to over 11 lakh tons. This scheme was continued the next year also and the industry had the proud privilege of registering a record production of 14.9 lakh tons which was the highest production ever achieved, thus fulfilling the Planning Commission's target for the year 1956 even before that year. The results were so encouraging that, in the next year, sugar was completely decontrolled, except in regard to releases. In the year 1952-53, the production, though lower than in the year 1951-52, was much higher than normal and was better than in any other previous year.

Prerequisite for Higher Production

The facts adduced above and the play of forces explained earlier will amply bear out, beyond the shadow of a doubt, that low profits make the running of sugar factories uneconomic, thereby seriously affecting the production and prices. If, therefore, sugar production has to be maintained at a reasonable level, a fair return has to be granted to the industry and to the grower which will automatically result in lowering of prices.

An attempt has been made in this article to dispel the doubts that are normally entertained by the public and to answer the criticisms that are commonly indulged in. It will have served its purpose if it has helped, if not to remove, at least to shake the wrong notion in the public mind that the industry has been trying to exploit the consumer. In truth, what the industry desires in its own interest is to see the economy of the country improved, which in turn will raise the purchasing power of the people. With the purchasing power will improve the supply position and with the supply position easing, the prices will automatically go down. Plenty and prosperity thus will go hand in hand, bringing wealth and happiness to every hearth and home in the country. The industry hopes and prays that such a millennium will not be long in coming to this country.—*All Rights Reserved.*



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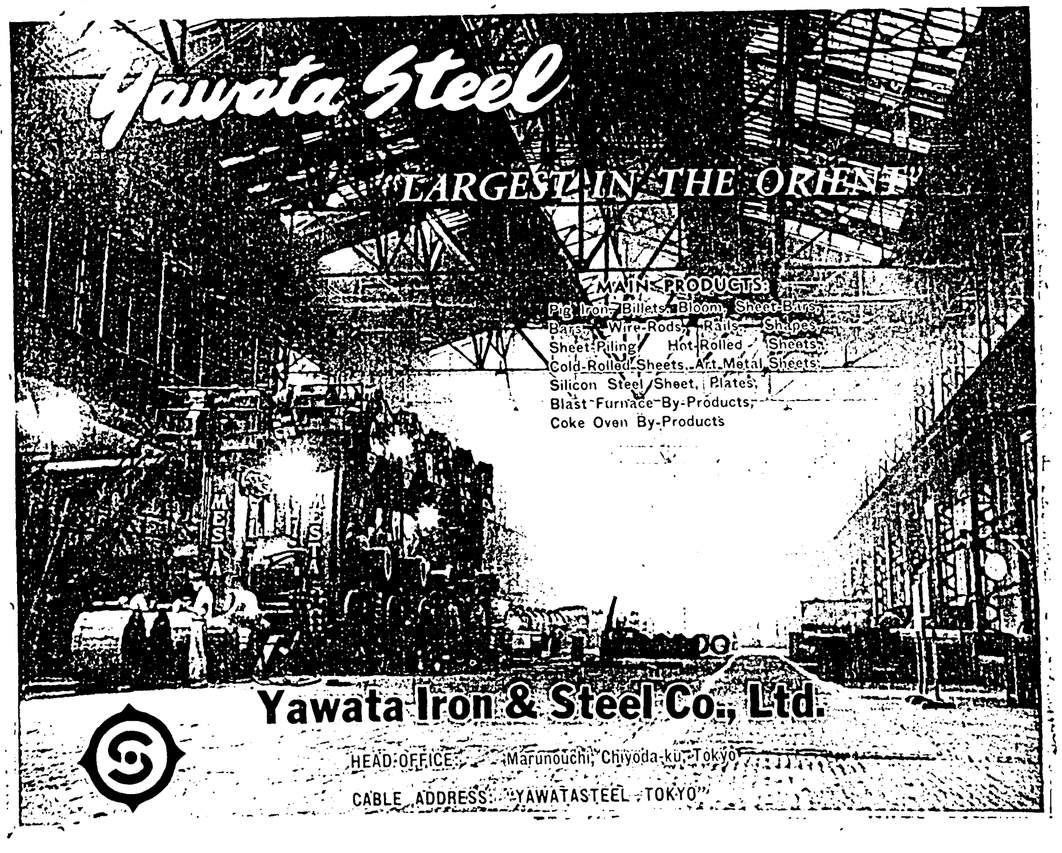

THE PAPER INDUSTRY IN INDIA

DEVELOPMENT MUST BE PROPERLY CO-ORDINATED

THE present state of development of the paper industry in India can, perhaps, best be appreciated against a background of its earlier history. The manufacture of paper by machinery started in Europe at the beginning of the last century. India also made a comparatively early start in the production of machine-made paper, the first paper machine in India being installed at Serampore, on the River Hooghly, early in the last century by Dr. William Carey, the Baptist Missionary. Paper mills were later established in other parts of the country, but, unfortunately, for many years the trade was not very prosperous. This was possibly due to the industry having to resort to jute waste, old rags and waste paper as raw materials, and, consequently, only cheap and unbleached qualities of paper were made. In the West, in the latter part of the nineteenth century, the use of wood-pulp for the manufacture of paper had been developed, and, due to its suitability and cheapness, alternative competitive raw materials were not easily introduced. Indian grasses (*Moonj* and *Sabai*) were, however, used to an increasing extent for the manufacture of paper in India, but it was not until the practical and economical application of the manufacture of paper from bamboo was established in the present century that the development of the paper industry in India began to make rapid strides.

Process of Manufacture

The manufacture of paper by machinery entails the installation of a very large complicated and expensive plant, as the raw materials are subjected to involved and costly mechanical and chemical processes. Briefly, the process is as follows:

The raw bamboo is first chipped and crushed and is then loaded into large digesters, together with the chemical reagent, where it is boiled under pressure and the cellulose fibres separated from the other material and reduced to pulp. The washed pulp is then bleached, the fibres beaten or teased out and mixed with sizing materials, fillers, colours, etc., and finally passed over a paper making machine, where, in the space of a few minutes, the "stuff," as it is now called, is changed from a milky-looking liquid into a continuous web of paper. After this, the paper web is cut into sheets of various sizes and packed ready for despatch.

The paper industry in this country grew under the shelter of tariff protection for 22 years and also developed under the stimulus of war-time conditions. Protection of the Indian industry was terminated in 1947, but a revenue duty on imported paper still remains. It is hardly necessary to stress the importance of making paper available in sufficient quantities for the spread of literacy and the propagation of knowledge. Although the paper industry in India has developed in respect of the number and size of units, as well as the quantum and variety of production, the total production is still small as compared with the population and educational needs of the country. The *per capita* consumption of paper in India was only 1 lb. in 1939, as compared with 152 lbs. in the U.K. and 174 lbs in the U.S.A. in 1935. The consumption of paper is largest in the U.S.A., where the *per capita* consumption in 1941 was about 300 lbs.

Trend of Production

During the war, the peak year for production of paper in India was 1944, when the total output was 103,783 tons. After that year, however, although the rated capacity had increased, the production of most of the Indian paper mills declined for various reasons, with the result that the actual *output for several years was only* about 80 per cent. of rated capacity, and the effective production not more than about 90,000 tons per year. The causes of the decrease in production can be traced to shortages of raw materials due to railway transport difficulties accentuated by the Partition, shortages of chemicals, coal, etc., and labour unrest. Fortunately, from 1949 onwards, although some of these difficulties have remained, established *mills have been able to produce* tonnage nearer to their rated capacities, and new units have also come into operation. Production has increased and, during 1952-53, an annual production figure of 137,045 tons was reached. The industry continues to expand.

During the war years, expansion and renovation programmes of the Indian mills had to be held in abeyance, but, immediately upon the cessation of hostilities, development programmes were resumed. Several new machines and ancillary plant have

By A Correspondent

already been installed and are in production.

In addition to the development in respect of the quantity of paper which India can produce, there has also been a wide expansion in the range of qualities of paper which can now be made in this country. Twenty-five to thirty years ago, only the cheapest grades of paper were produced in India, but now, with improved technique, additional machinery, etc., there are few qualities of paper which India is unable to make from indigenous raw materials. So far, only newsprint has not been manufactured on a commercial scale in India, but the installation of the machinery of India's first newsprint mill is already proceeding, and the promotors of this enterprise hope to start production of this quality of paper, using Indian woods as their raw material, at no far distant date. Arrangements for the manufacture of other qualities of paper hitherto not manufactured in India *have also been introduced* by other paper manufacturing concerns.

Requirements of India

It is difficult to assess exactly the present requirements of paper in India, as the demand continues to increase and the policy of the Government regarding education alone will call for further heavy requirements of paper. The consumption of paper in India will undoubtedly continue to increase as education programmes develop and the public require more reading matter. There is now a better equilibrium between supply and demand, but considerable tonnage of paper is still being imported from overseas. It is, however, to the interest of India to develop its own industry, and it is possible for India to be self-supporting and even an exporting country as regards paper, if the programme of development is handled in the right way.

The Government of India Panel on Paper, set up during 1944-45, arrived at the following production and consumption targets:—

	1951 Tons	1956 Tons
Consumption target	2,20,000	3,22,000
Production target	1,69,000	3,12,000

The Planning Commission, which examined the question, affirmed that, although the country has since been partitioned, the above targets fixed by the Government Panel might be considered as still holding good, education activities having increased since independence. The demand in 1951 did not, however, reach the high figure estimated by the Panel, but it was thought that, from the present tempo, this demand might be reached by 1953.

Raw Materials

In regard to raw materials, there is an adequate supply of bamboo in India, but it is most necessary to ensure that the forest wealth of the country is properly conserved. Bamboo has a prolific growth and, with discriminate felling, bamboo areas can be operated so as to give not only a satisfactory yield for present requirements, but also ensure adequate supplies for the future. For this reason, the Government of India Forest Research Institute has devised silvicultural rules for the working of bamboo areas, so that the valuable resources of the bamboo forests are not dissipated. Per contra, a policy of short-term contracts may easily result in complete denudation of areas near railheads and leave areas further away, with consequent more expensive extraction, undeveloped. This short-term policy must be avoided at all costs, as it will result in diminishing and more expensive supplies of paper-making raw materials, and India will find itself no longer able to compete in the world market in the economical production of pulp and paper.

To summarise, therefore, India's forest resources are sufficient for the purpose of building up a paper mill industry adequate for her needs. It is very necessary, however, that the eagerness of States to start new mills without sufficient regard to raw material resources should be curbed, and the programme of development co-ordinated by the Central Government, so that each mill has allotted to it sufficient resources to ensure its future. It follows that, in order to prevent the dissipation of these forest resources, leases should be given only to contractors, be they private contractors or mills, who are in a position to give adequate guarantees for properly utilising and conserving the forests. In addition, it is imperative that the transport system should be developed to enable it to carry the raw materials to the mills without the struggle which frequently goes on between the manufacturers, on the one side, and the railways on the other. The location of new units should be so arranged as not to outstrip the capacity of the railways to carry raw materials. The importance of this will be appreciated when it is realised that over eight tons of raw materials, coal, chemicals, etc., are required in the production of one ton of paper. For maintenance of production, which is so essential not only to meet the requirements of the country, but also to combat inflation, first attention must be given to feeding the existing units with their requirements so that they may produce up to their fullest capacity.—*All Rights Reserved.*

OUTLOOK FOR PAPER

"Paper being the handmaiden of the great range of industry and domestic life, the real consumption fluctuates mainly with the general trade activity and has little elasticity of its own. Recent experience, however, has shown that the demand on mills and merchants is rendered more fluctuating by the very fact that paper is, in larger measure, a minor but essential adjunct in the manufacture and distribution of so wide a range of goods. . . . On the long-term trend on the industry we can, I feel, look with hopefulness. Within a general economy which continues to progress, there is every reason to expect that the demand for paper will not cease to grow and its uses to extend, and with this the variety and efficiency of the industry's products. It is, therefore, my opinion that the paper and board making industry can look forward with confidence to the future."—WILLIAM WHITELEY, President, *British Paper and Board Makers' Association.*



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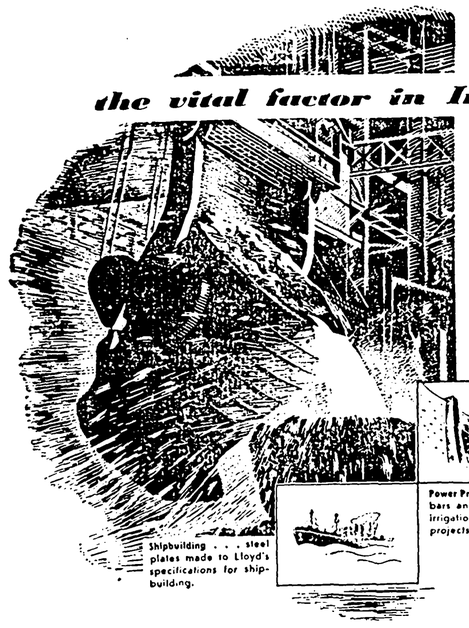

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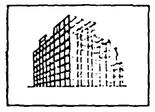

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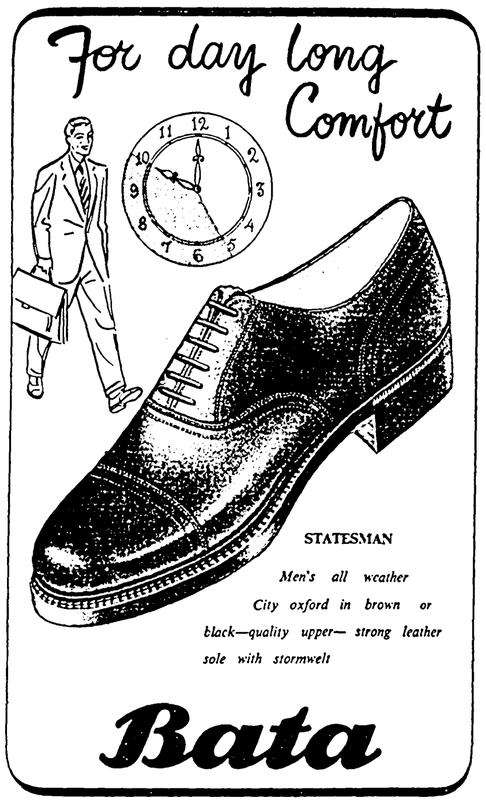

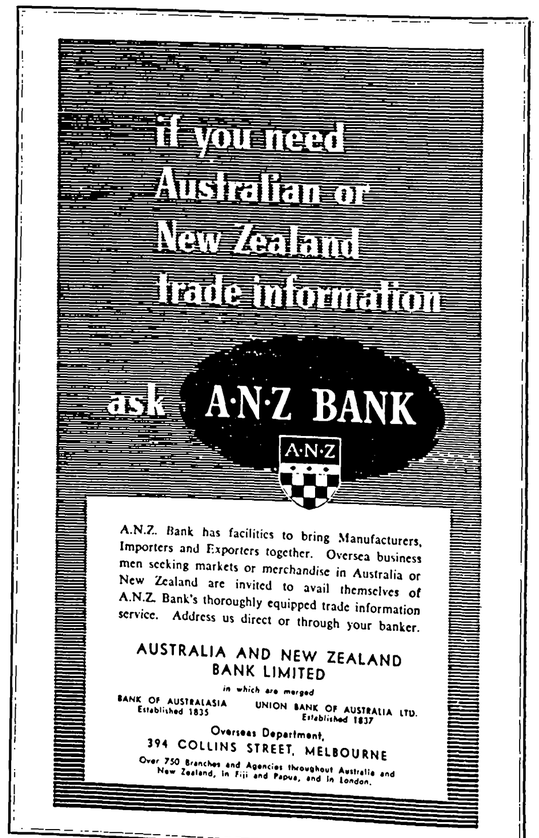

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REHABILITATION OF TEXTILE INDUSTRY

MAGNITUDE OF THE PROBLEM AND SOLUTIONS FOR IT STATED

THE phenomenal increase this year in cloth output by the cotton mills of India is apt to induce a feeling of complacency about the condition of their productive equipment. It is not readily realised that, in responding to the call for higher production, the industry is exerting greater pressure on its machinery which, in most units, is hardly in a condition to withstand such strain indefinitely. The fact is that the industry has had few opportunities for discarding its worn out and outmoded equipment, 90 per cent. of which, according to one reliable estimate, is at least twenty-five years old.

A series of adverse circumstances has prevented the industry from undertaking the programme of plant renovation on a large scale. Before the last war, the home market was dominated by imported textiles, leaving little scope for the indigenous industry to make profits sufficient to meet the cost of rehabilitation. As the Special Tariff Board reported in 1936, many mills in the country were forced to work 120 to 126 hours a week in three shifts of seven hours each in order to "reduce working costs so as to enable them to compete not only against foreign imports, but also against the products of longer established Indian concerns whose large accumulations of depreciation and reserve funds place them in a more favourable position." It was pointed out to the Board that, in spite of these strenuous efforts, quite a large section of the industry could not earn sufficient profits to cover the depreciation allowances to which the mills were entitled and the large amounts required for interest on borrowed money.

Opportunity Neutralised by High Cost

It is true that the last war brought about a considerable change in favour of the industry. Even units, whose viability had been seriously jeopardised by the depression of the 1930's, were able to shake off their infirmities and achieve a reasonable degree of financial stability. But these favourable conditions did not materially assist the industry in eliminating the arrears of rehabilitation which would certainly have been possible if machinery values had remained at a reasonable level. The abnormal rise in the prices of capital equipment has prevented most of the marginal units from renovating their worn out machinery. The cotton mill industry of India has not been built up on the basis of ploughed-back profits and does not, therefore, command sufficient reserves for purposes of rehabilitation.

In attempting to focus attention on the gravity of this problem, I can do no better than quote a few authorities on the subject. In its second annual report, the Industrial Finance Corporation observes thus: "during the war years, the machinery and plant of the textile mills were put to intensive use, and renewals and replacements could not be carried out on an adequate scale, partly as a result of restrictions imposed on imports and the diversion of the productive capacity of the supplying countries to war purposes. Since the cessation of hostilities, the supply of new machinery has not been adequate to meet the demand, and, while the prices are approximately three times pre-war or higher, deliveries are extended over long periods. Generally speaking, very few textile mills have adequate reserves or resources to pay for new equipment at present prices to replace their old machinery."

The Planning Commission is of the opinion that there are 150 'uneconomic' units in the industry, which require assistance in order to attain viability. The Commission rightly holds that the emphasis of industrial policy should be "on increasing the efficiency of existing plants by renovation and modernisation and by securing a better balance in the plants." The Working Party for the Cotton Textile Industry also recognises in its report, released this year, that there has been a back-log in the rehabilitation of the mill equipment and that "it is not possible at this stage to get new capital invested in the industry for the purpose of renovation and rehabilitation." The Working Party, however, strongly urges that "it is in the interest of the consumer, in the interest of the general economy of the country and in the interest of the large labour population engaged in the industry, that proper rehabilitation, renovation and replacement of these old and deteriorated plant and machinery should be undertaken."

By A Correspondent

It is evident from these authoritative pronouncements that, while the problem or rehabilitation is serious, the industry has no adequate means for grappling with it. There are no precise data to indicate how much money is required for purposes of rehabilitation but an approximate appraisal of the industry's needs has been attempted by the Industrial Courts in the cities of Bombay and Ahmedabad whose cotton mills account for nearly 55 per cent. of the total installed capacity of the industry. According to these Courts, cotton mills in Bombay City alone would require Rs. 72 crores for plant renewal and modernisation. Their findings in regard to the Ahmedabad mills put the figure at Rs. 55 crores. It is, however, not possible to accept these estimates as final, since they are made on the basis of the original cost of plant and machinery raised by 2.7 times only. In fact, in terms of present costs, mills in Bombay City alone are estimated to require Rs. 120 crores, while the resources at their disposal are most inadequate. It may not be far-fetched to say that the total modernisation cost of the industry as a whole would amount approximately to Rs. 360 crores, a staggering sum indeed!

Magnitude of the Problem

It is true that the Government is alive both to the seriousness and the magnitude of the problem but, in terms of tax concessions, its attitude towards the industry has been none too generous. Apart from the fact that the depreciation allowance permitted to it is based on historic or original costs of the machinery and not on the actual replacement costs, even this inadequate benefit can accrue to mills only when they make profits. Mill companies that have been able to build up sufficient reserves may have no reason to regard the present rate of depreciation allowance as inadequate, but the number of such fortunate mills is very small. It is the marginal units, and they are in preponderant numbers in the industry, which require assistance.

Many suggestions have been put forward for hastening the re-equipment of the industry's productive capacity. For example, it is urged that the present depreciation allowance should be calculated on the actual cost of renewal and replacement. This procedure is followed in France where the balance-sheet values of fixed assets are written up as a means of relating depreciation to current replacement costs. It is also suggested that the burden of taxation on undistributed profits should be substantially lightened, subject to effective safeguards to ensure that such profits are utilised for the specific purpose of machinery rehabilitation. It is further pointed out that investment of more moneys in the industry is seriously retarded by the heavy incidence of income-tax and super-tax on personal incomes. According to this view, tax relief would facilitate the flow of more capital into the industry and thus assist in solving the problem of rehabilitation.

It is unfortunate that official reactions to these suggestions have been most unhelpful. This was made clear some months ago when the Finance Minister declared in Parliament that the "necessity of prompt and immediate relief" to the industry was not apparent to him. It is true that the Taxation Enquiry Commission will examine this question, but its findings and the Government's decisions on them may not become available for at least a couple of years. Meanwhile, the marginal units in the industry have to struggle as best they can to remain in production without any expectation of early relief. Surely, such a policy towards the nation's premier industry cannot be held as enlightened, especially when Governments in other textile producing countries are doing everything in their power to help their industries in achieving greater efficiency and economy of production. In England, for example, the programme of machinery modernisation is assisted under the Spinning Industry (Re-equipment) Act of 1948, which provides for the allocation of funds for this purpose from the general revenues.

Machinery Import Policy

Nor is the Government's machinery import policy calculated to speed up the rehabilitation of the industry. It is readily conceded that protection and encouragement should be accorded to the indigenous manufacturers. No sane person would object to the development of a national machinery manufacturing industry, capable of emancipating home customers from dependence on uncertain supplies from abroad, but until such a happy position is reached, it would be short-sighted to prevent the mills from equipping themselves with the most modern plant and machinery. Even in industrially advanced countries, such restrictions on machinery imports as exist in India are unknown.

In the United States of America, which leads the world in industrial progress, there does not appear to be any prohibition on the import of capital goods. To cite a few more examples: France and Italy, themselves important machinery manufacturing countries of long standing, do not impose any ban on imports of textile equipment of a special nature. There is a move in England for the resumption of imports of machinery duty-free, which cannot be secured in the country. It is urged that such duty-free imports would help the national industry " to keep its equipment up to date and keep machinery makers in England on the alert." The need for adopting such a realistic policy in India cannot be gainsaid.

The fact is that, in other countries, the equipment of factories with the most modern and efficient machinery is regarded, not as a luxury, but as a vital need. To take two specific examples, in Japan, the cotton textile industry has taken big strides towards renovating its war-damaged equipment, 65 per cent. of which is now brand new. The industry has also succeeded in installing a large number of automatic looms which are used mostly for producing cloth for export. Since 1947, the average annual expenditure of the American textile industry on new plant and equipment is estimated at 500 million dollars. 40 per cent. of this huge sum of money is stated to be the share of cotton mills which, in terms of Indian money, are spending Rs. 95 crores yearly for the sole purpose of rehabilitation!

When other countries are spending on such a large scale in order to impart the highest possible efficiency to the productive capacity of their industry, we in India are doing next to nothing in that direction, despite the fact that the machinery in most of the mills is in need of replacement. If not for any other consideration, rehabilitation is necessary, at least in order to improve the quality of cloth and to make it available to the consumer at a price in keeping with his low purchasing power. Owing to the prevalence of cost inflation, rehabilitation and rationalisation offer the only means by which the manufacturing costs can be reduced and the benefit of the resultant economy in production passed on to the consumer. Price and quality are thus important factors in stimulating a higher rate of consumption.

Exports

Even from the point of view of broadening the demand for Indian textiles in foreign markets, modernisation of the industry's equipment is vitally necessary. In a steadily shrinking world market, where only the fittest can survive, India cannot possibly wage her battles with enfeebled weapons against competitors who are in a much stronger position. And yet she cannot ignore her export trade, especially in textiles. Indeed, if the industry is to maintain production and employment at current high levels, as it must, every effort must be made to reach the export target of 1,000 million yards per annum. By growing all the cotton she needs for producing coarse and medium cloth, India enjoys some advantage over her Japanese and British competitors in foreign markets, but she is unable to exploit this advantage owing to the high manufacturing costs of the industry, partly brought about by increased labour charges and antiquated machinery. But, with rehabilitation and a more scientific deployment of labour, it should be possible to reduce these costs and thus make Indian cloth acceptable to foreign consumers on a much larger scale.

Rehabilitation thus holds the key to the stability and prosperity of the industry. The problem is, however, too big for the industry to cope with single-handed, especially in a period of falling profits. The Government should, therefore, come to its aid by granting suitable tax reliefs. The fall in its income through such concessions will only be temporary, for, with increased output and consumption, the industry will eventually provide the State Exchequer with bigger revenues than at present.—*All Rights Reserved.*

FACTS ABOUT COTTON INDUSTRY

There are 453 cotton mills in the country. Out of these, 200 are located in Bombay State which holds the pride of place in the industry. There are 65 mills in Bombay City and Island, 74 in Ahmedabad, and 61 in the rest of the State. The State which has the second biggest concentration of mills is Madras, with its 90 units. There are 11,427,034 spindles and 203,786 looms. Over 60 per cent. of them are concentrated in Bombay State, the balance being distributed mostly in the States of Madras, Madhya Pradesh, Uttar Pradesh and Madhya Bharat.

The mills consume nearly 3 million bales of Indian cotton a year, valued at about Rs. 121 crores. Only a small quantity of the entire production, about 200,000 bales, is exported. The industry also consumes about 1 million bales of foreign cotton.

Besides supporting the cultivator and the handloom weaver, the industry engages 743,000 operatives. The cotton mills of Bombay City alone employ about 208,000 workers whose basic wage and dearness allowance amount to over Rs. 27 crores per annum besides bonus, provident fund, health insurance, leave with wages and paid festival holidays.

VANASPATI INDUSTRY AND THE FIVE-YEAR PLAN

PRODUCTION WELL BELOW INSTALLED CAPACITY

THE *vanaspati* or hydrogenated vegetable oil industry, is the second largest food processing industry in India—second only to the sugar industry. It is the largest of its kind in Asia and the fourth largest in the world. Nearly Rs. 25 crores have been invested in this industry. It provides employment to 15,000 people directly and about 60,000 persons indirectly. In addition, there are over 50,000 dealers selling *vanaspati* throughout the land. It is, therefore, natural that the industry should find a place among the 42 industries selected by the Planning Commission for further development during the first Five-year Plan and among the 45 industries controlled by the Union Government under the Industries (Development and Regulation) Act.

In the Five-year Plan, the Planning Commission has recommended increase in the production of *vanaspati* from 171,000 tons in 1951 to 300,000 tons by 1956. From the table given below, it will be observed that the industry has the requisite productive capacity to achieve the target, but the production of *vanaspati* has not been increasing at the necessary rate for lack of demand. However, before examining the factors impeding the increase in *vanaspati* output, it would be appropriate to consider the importance of the industry to our national economy and its post-war development, in order to obtain a proper perspective of the industry's problems.

Year	No. of factories	Production capacity Tons	Actual production Tons
1945	21	193,960	132,627
1946	22	149,960	142,049
1947	24	249,360	97,189
1948	26	298,960	127,664
1949	41	301,960	154,923
1950	46	339,360	171,425
1951	46	339,360	171,351
1952	44	334,960	190,723
1953 (10 months) ..	44	334,960	149,000*

* Estimated.

Vanaspati is only vegetable oil in a more palatable form. The oil is refined to remove unsaponifiable matter, odour and colour and hydrogen is added to its molecules to give a consistent (non-fluid) form. The *vanaspati* industry, therefore, does not add to the total fat resources of the country. But it helps to secure an optimum use of the available resources as explained below.

Importance of Taste

Food to do maximum good to a human body must not only be nutritious but also palatable. Hence taste is an important consideration in the use of oils in our diet. In India, there are strong regional preferences in this matter. People in the south-west prefer coconut oil, in the east and north-east mustard oil and in Maharashtra kardi oil. Ghee and til oil alone are generally acceptable over most parts of the country. These regional preferences seriously hinder rational use of our oil resources. To illustrate, although India has been the largest producer of groundnut in the world for many decades, groundnut oil, a first class edible oil, was not very popular before World War II and a large portion of the groundnut crop was exported. With the increasing popularity of *vanaspati*, largely made from groundnut oil, the oil has now a large domestic market. This development has given considerable impetus to the oil crushing industry, which, besides providing employment, helps to retain valuable oilcake for cattle feed and manuring.

Again, India produces about 1 million tons of cottonseed, containing 14 to 22 per cent. of good edible oil. At present, cottonseed is fed to cattle and its oil is wasted, since cattle do not require that much oil. At present, only about 5,000 tons of cottonseed oil is produced. But, if the cottonseed crushing industry is fully developed, nearly 100,000 tons of oil will be added to our limited edible fat resources. Cottonseed oil in crude form has a dark colour and an unpleasant smell, but refining eliminates these features and makes it fully edible. The *vanaspati* industry, therefore, provides a ready market for cottonseed oil and, in the form of *vanaspati*, it would be easier to overcome the popular misconception that cottonseed oil is inedible. Thus, the *vanaspati* industry helps overcome regional barriers of prejudices in the use of edible oils and promotes rationalisation of the country's fat resources.

The labelling regulations requiring mention of every oil used in the manufacture of *vanaspati* on the containers impedes, to some extent, the ability of the industry to promote

By Dr. A. C. Chhatrapati

rationalisation of the fat resources. For the difficulty of changing labels with every change in the oils used, of showing more than two or three oils in the required size of letters on small containers and the danger of development of consumer resistance if unfamiliar oils are shown, restrain the manufacturer from selecting edible oils according to their availability and price. Since the industry can use only oils approved by the Vegetable Oil Products Controller for India, it should be sufficient if the labels show that the product is made *from* vegetable oils *only*. This would ensure flexibility in the selection of oils and the supply of *vanaspati* at the cheapest possible price to the consumer.

Inadequate Supply

Although India is the third largest producer of oilseeds in the world, the available edible fat resources are very inadequate to provide even the minimum fat requirement of the people. The average *per capita* consumption of fat is only about ½ oz. daily, against the minimum nutritional requirement of 2 ozs. As fat provides twice as many calories as the same amount of carbohydrates, which cereals are, from the nutritional point of view, it would be better to devote all the additional land available for groundnuts, instead of grains and increase the fat consumption. Groundnut being a leguminous crop will help to enrich the soil and groundnut oilcake can provide protein for human beings as well as cattle. According to the Five-year Plan, however, all the additional land is to be devoted to foodgrains and the production of oilseeds should be increased by improved methods of cultivation only. The increase contemplated is only 400,000 tons which would be just sufficient to maintain the existing level of consumption at the current rate of increase in population. Hence the only way to increase fat consumption within the present scope of the Plan is improved utilisation of the available resources and the *vanaspati* industry can play an important part in this.

Vanaspati was first introduced into India after World War I by imports from Europe. Being similar to ghee, it rapidly became popular and, by 1928, about 23,000 tons were imported. The first *vanaspati* factory was established in 1930 and the levy of an import duty gave impetus to the growth of the industry. In 1939, there were eight factories, with a total capacity of 88,000 tons and actual production of 52,000 tons. During the last war, the demand for *vanaspati* by the defence services, as well as the civilian population increased very rapidly. Consequently, the number of factories continued to increase despite war-time difficulties of procuring machinery and construction materials. In 1945, there were 21 factories producing 132,600 tons of *vanaspati*.

More Factories Started

In the post-war period, Government decided to regulate the expansion and the location of the industry in accordance with its development plans through a system of licences. Licences were issued for the establishment of 59 factories with a total productive capacity of about 400,000 tons, as it was estimated that, by 1950, the demand for *vanaspati* would be 400,000 tons, including 50,000 tons for export. The war-time prosperity of the Industry attracted sufficient capital for the expansion of the industry. At present, 48 factories, with an annual productive capacity of 335,000 tons, are in existence and 11 more are under construction which, when completed, will increase the production capacity to 390,000 tons approximately. It is, however, doubtful whether all the factories under construction will be completed, because the demand for *vanaspati* has failed to increase at the expected rate and even the existing factories operate at about 50 per cent. of the capacity as evident from the table given above.

Reasons for Poor Growth

The following major influences account for the failure of the output of *vanaspati* to increase at the rate anticipated in the post-war plans:

(1) The unfortunate publicity given to an incomplete experiment on the nutritive value of *vanaspati* in 1947 and the subsequent political agitation against the industry created considerable prejudice against the product and hampered increase in its demand. As the Prime Minister, Mr. Jawaharlal Nehru, pointed out in June 1952, nearly three-fourths of the world is consuming *vanaspati* or its like and nobody has suffered from it. The eminent scientists of the country have, after extensive research, confirmed that *vanaspati* is wholesome. With the compulsory addition of synthetic vitamin A from 1st December, 1953, *vanaspati* is nutritionally as good as ghee. The Industry has, however, still to contend with the misconceptions created by the ill-informed criticism of *vanaspati* in the past and a long educational programme is necessary to eradicate them, in order to pave the way for a larger *vanaspati* market.

(2) High oil prices have limited the demand of *vanaspati* in two ways. First, the high cost of *vanaspati*, owing to the high cost of groundnut oil, has compelled people to continue to use cheaper oils as a cooking medium. Secondly, the high cost of *vanaspati* prevented development of an export market. Only 2,600 tons of *vanaspati* were exported in 1952, as against the original target of 50,000 tons.

(3) The partition of the country and the subsequent political tension between India and Pakistan resulted in the loss of a valuable market for *vanaspati*, as in West Pakistan, consistent ghee-like fats are popular.

(4) During the immediate post-war period, the shortage of essential raw materials like coal, chemicals and tinplate impeded production, e.g., until 1952, the industry was allotted only 40 per cent. of its tinplate requirement, calculated on the basis of actual production of *vanaspati*.

(5) The *vanaspati* industry has also been afflicted with transport difficulties in the same way as other industries. To move oil from upcountry oil mills, tank wagons are the most economical mode of transport. But the number of tank wagons available for vegetable oil traffic on the entire railway system is grossly inadequate. Consequently, the bulk of oil has to be transported in containers in ordinary wagons, involving higher cost by way of freight on containers both ways, depreciation on drums and loss of oil through leakage in transit. The supply of ordinary wagons, too, is insufficient to move both oil and empty containers. The position in the busy season is particularly difficult.

The transport of *vanaspati* is frequently held up for want of wagons and there have been many instances when factories had to curtail production due to accumulation of stocks.

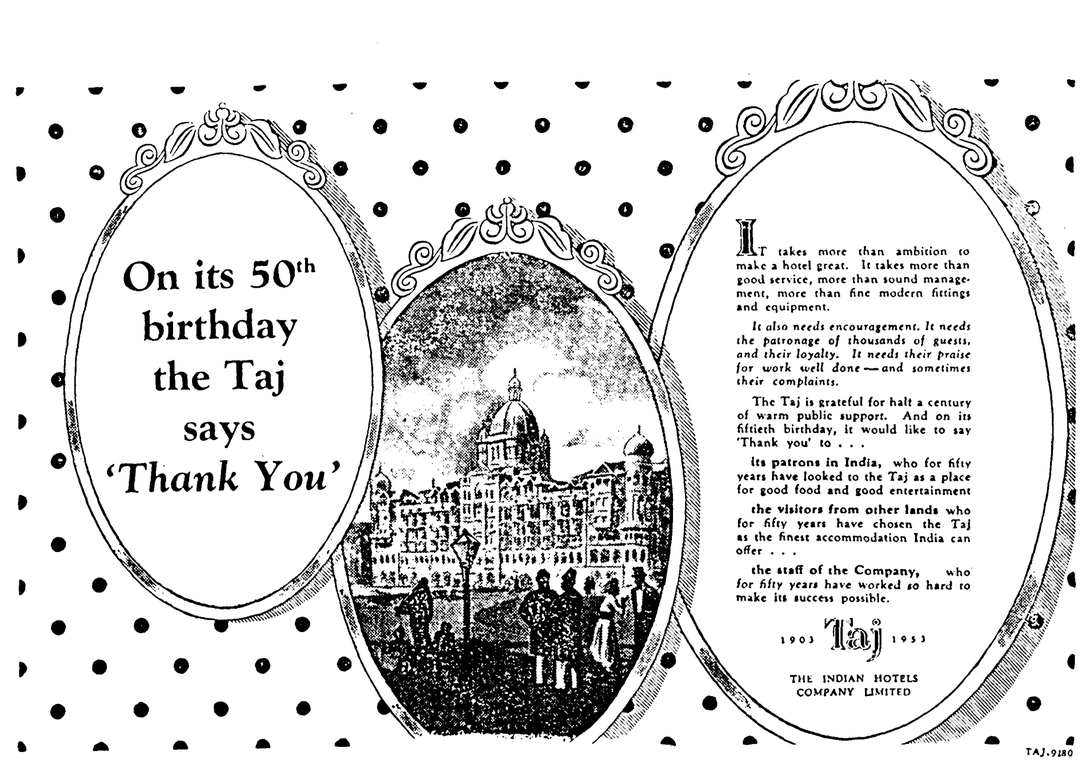
(6) The enforcement of price control on *vanaspati* often led to reduction in output. This is not to criticise the control as such, but the manner in which it was enforced. Normally, the cost of oil accounts for nearly 75 per cent. of the cost of *vanaspati*. Hence in the absence of a control on oil prices, it was necessary to adjust *vanaspati* prices according to changes in oil prices. These adjustments lagged behind, especially when oil prices were rising rapidly. In the circumstances, the manufacturer had no choice but to curtail output. The decline in *vanaspati* output in 1947 and 1948 was largely due to this reason.

Price Control Removed

Since June, 1952, the control on the price of *vanaspati* has been removed and the supply of raw materials has also improved, though transport still remains a difficult problem. The industry is now confronted by another problem with regard to the supply of its principal raw material, namely, vegetable oils. In the last two years, the oil prices have been fluctuating very sharply which seriously hampers continuous production of *vanaspati* at an even rate. In a rising oil market, the price of *vanaspati* cannot keep pace with oil prices, as the industry, with a large idle capacity, is extremely competitive. On the other hand, in a falling market, the manufacturers have to bear heavy losses on their stock of *vanaspati*, as the price of *vanaspati* tends to fall simultaneously with the price of oil. To minimise losses on a falling market the production is naturally curtailed. It is the anticipation of decline in oil prices which has seriously curtailed the production of *vanaspati* in the second half of this year. The total production of *vanaspati* during 1953 will be less than that in 1952 largely on this account. No doubt, the scarcity of groundnut oil has also contributed to the decline in *vanaspati* output in 1953.

Heavy and Discriminatory Taxes

In the final analysis, the demand for *vanaspati* as a cooking medium depends on its price relative to that of other fats. Since *vanaspati* is made from vegetable oils with which it must also compete, the difference in their prices should not be such as to more than outweigh the advantages offered by *vanaspati* in keeping quality, nutritive value (with the presence of vitamins) and transportation (less leakage due to consistent form). The processing cost is only about 15 per cent of the cost of *vanaspati*. But the price of *vanaspati* to the consumer is considerably enhanced by the imposition of heavy and sometimes discriminatory taxes on *vanaspati*. The Union Government levies an excise duty of 1 anna per pound and the incidence of sales tax on *vanaspati* varies from 6 pies to nearly 15 pies in the various States. In addition, some local authorities, misguided by prejudices, impose discriminatory and penal octroi at the highest possible rate. The total incidence of commodity taxes in some places amounts to as high as 20 per cent. of the price of *vanaspati*. This substantially widens the difference in the prices of *vanaspati* and oils and restricts consumption of fat in the form of *vanaspati*. It is to be hoped that the Taxation Enquiry Commission will give due consideration to the effect of the unco-ordinated levy of commodity taxes by various Governments on the progress of industries such as the *vanaspati* industry as envisaged in the Plan.—*All Rights Reserved.*



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FUTURE OF INDIAN JUTE INDUSTRY

MODERATE PROSPERITY, PROVIDED REALISTIC POLICIES ADOPTED

AS the export of jute goods is one of the biggest items in our exports, the fate of the jute industry of India has a special significance for our international trade position. The Planning Commission has set before the country a production target of at least five million bales of raw jute per year and an export target of one million tons of jute manufactures per annum, both to be reached by 1955-56.

Recent developments in the field of jute is causing some anxiety to the Government. A Jute Enquiry Commission has been appointed. It has prepared a very comprehensive *questionnaire*. I do not propose anticipating its recommendations in this article. I simply propose to discuss the future of this industry from the shareholders' point of view, because, to-day in India, there are a large number of people, especially of the middle classes, who are interested in the fortunes of this industry as shareholders. They are not concerned with targets or international balance-sheets. What they are concerned with is, what is going to happen to their investments and whether they will get an adequate return on the capital invested by them. In the last few years, the erratic state of affairs which has prevailed in this industry, is naturally giving some cause for anxiety to those whose money is sunk in this industry.

In the early decades of this century, especially before, during and after the First World War, this industry prospered to such an extent that an investment in good jute shares was considered the wisest thing to do. The shareholders not only earned handsome dividends but their investments progressively appreciated in value. I remember the time when, in many *Marwari* families, jute shares were considered as heirlooms and were not to be disposed of, unless the holders were in great distress. The late Seth Baldeodass Doodwala, who, at one time, was one of the biggest operators in jute shares on the Calcutta Stock Exchange, used to say that it was a marvel to him as to why shares of jute mills were available, and why shares of banking companies were saleable. His argument was that there was no limit to the earning capacity of jute mills, while the earning capacity of banking companies was limited. In those days, even at current prices, jute shares paid dividends at a rate which, in many cases, was more than double the rate at which interest was charged by banks on loans against jute shares.

Complete Change

Unfortunately, there has been an almost complete change in this state of affairs. Instead of being steady dividend-paying concerns, the fortunes of the Indian jute industry are subject to violent fluctuations. There is a wide difference in the state of the balance-sheets of individual jute mills. Whilst one makes a large profit, another loses heavily. The same mill sometimes makes a good showing in one half-year, while its results are disastrous in the second.

Naturally, all those who are interested in this important industry as shareholders, would like to know the reasons for the change that has taken place, and the future prospects for this industry as a whole.

I have been closely connected with the jute goods trade for more than 25 years and, after studying the present conditions and the attitude of those responsible for managing its affairs, I am led to the irresistible conclusion that, unless all concerned show a realistic attitude, and grapple with the situation in the right manner, instead of tinkering with the problem by adopting palliatives, the jute industry of India is likely to become a headache to all concerned.

On the eve of the Partition, I wrote to an American friend that the division of the country into two, India and Pakistan, was an event of the greatest importance to the jute industry of India. I quoted the Indian saying, "If there are two rival gods, I will never die and if there are two rival magistrates, I will never be punished."

Due to the fact that, whilst the entire manufacturing industry was located in India, the production of jute was done in Pakistan to the extent of 85 per cent. of the total crop, I expected that Pakistan would try to become independent of India, so far as the sale of raw jute was concerned, by trying to sell to countries other than India, and would also try to develop its own jute manufacturing industry. India, on the other hand, was bound to protect its interests by trying to grow all the jute that it required within the borders of this country.

By H. P. Bagaria

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This is exactly what is happening now. Rome was not built in a day. But, at the same time, the Roman Empire did not disappear also in one day. It takes years for certain markets to develop and to disappear. But, as time goes, the jute industry of India is bound to find the going more and more difficult.

Before the advent of Indians into the field of the jute manufacturing industry, the Scotchmen of Clive Street had sedulously fostered the idea that the running of a jute mill required technical skill of a very high order and that only Scotchmen from Dundee could successfully manage a jute mill. The *Marwari* business men of Calcutta were content with being brokers and dealers in jute and jute goods, while the Indian business men in Bombay were busy with the cotton industry. The myth of only Scotchmen being able to run a jute mill, exploded with the entry of Indian business men like Birlas and the late Seth Mafatlal in the field of jute manufacturing. The writer once had occasion to talk to the late Seth Mafatlal. He observed that the running of a jute mill was easier than even managing the waste department of a cotton mill.

Nature's Contribution

The real reasons why the jute industry prospered from its very inception upto a few years back are to be found in the peculiar circumstances in which this industry was placed by nature. Due to certain climatic conditions which prevailed only in Bengal, the production of raw jute was confined mainly to Bengal and, to a very small extent, to the adjoining Provinces of Assam and Bihar.

As the cultivators were economically weak, due to the superior organisation of the manufacturing jute industry, the jute mills could always count upon getting all the raw jute that they required at prices which left to them, on an average, a handsome manufacturing profit. Besides this, the jute industry of Calcutta confined its activities to the manufacture of certain types of jute goods which were not manufactured by any other country. Being thus in the position of almost the sole suppliers of certain kinds of goods which the whole world required, the jute industry in India was able to maintain profitable trading conditions through the device of working agreements whereby production was kept within the limits of world demand.

The jute industry had another advantage, inasmuch as it developed in Calcutta an outlet for its production which was collectively known as the Bazar. It consisted of a large number of dealers, who were at all times prepared to buy any amount of goods for ready or forward deliveries. Thus, the jute industry had not to wait for the disposal of its production till the foreign consumers required them for actual use.

Effects of the Partition

The creation of Pakistan has brought about a complete change in this situation. For a fuller study of this question, I would recommend to the readers a series of articles that I wrote some months back in *Indian Finance*. In short, the position now is that the jute industry can no longer claim that it is a monopoly industry. Pakistan is making strenuous efforts to induce other countries to expand the production of jute goods by assuring them ample supplies of raw jute. Besides, it is itself putting up a number of jute mills. Some are already in production and it is expected that, by the end of 1955, not only the entire internal demand of Pakistan will be supplied by its own jute mills, but there will be a surplus sufficient to export appreciable quantities of jute goods to other parts of the world as well.

The jute industry of India, to-day, cannot be sure of getting all the raw jute that it requires at comparatively cheap prices. Being no longer the sole suppliers of jute goods, this industry can no longer safely afford to continue to resort to the expedient of regulating its production to keep up prices by closing down a certain number of looms or by reducing the working hours. By continuing to do so, they will be giving a great advantage to their foreign competitors. The unique advantage of securing its profits by making simultaneous purchases of jute and sales of goods for forward deliveries is also no longer available due to the disappearance of the large body of dealers who avidly bought all that the mills wanted to sell.

No Proper Appreciation Yet

Unfortunately, up to now, there does not seem to be any proper appreciation of the changed circumstances by any of the parties concerned. A policy of *laissez faire* and adopting the line of least resistance seems to be still in vogue. It may be asked whether there is no hope for the jute industry.

After studying all available information on the subject, I think the position is not hopeless. But all concerned have to realise the dangers that threaten this important industry and have to make strenuous efforts to place it on a sound footing. So far as is known, nothing has been done up to now, except that the Government of India, by stages, have reduced the heavy export duties that were levied immediately after devaluation and after the start of the Korean trouble. The reduction of export duties is a step in the right direction. But the Government of India would be well advised to remove the export duties altogether. I do not know what justification there is for retaining even the present rate of export duties. Because either the jute industry is a monopoly industry or it is not. The present export duty acts as a sort of subsidy to foreign competitors of Calcutta. Besides, reduction by stages leads to agitation for further reduction which in turn makes the buyers adopt a waiting policy. According to the terms of the contract on which all sales of jute goods are made to foreign buyers, all changes in the export tax are on account of the buyers. The importers in foreign countries are irritated by finding the value of their holdings depreciating all of a sudden. But it has to be realised that as an Indian proverb says, "You cannot reduce the load of the dead body by shaving of a few hairs here and there," even assuming that the entire export duty is removed, the jute industry of India is likely to be faced with competition as time goes on and will have seriously to tackle that problem.

Ever since the jute industry was started, it was never threatened with any competition. Lack of competition breeds inefficiency. Up to now, the jute industry of India has been the most easily managed industry in the world. The question of relative costs of production or the question of a high degree of salesmanship did not trouble the owners of the industry.

Industry Must Look Ahead

This industry, if it is to survive, can no longer afford to ignore these questions. It cannot go on adopting a policy of complacency and those in charge of it should not look at these questions from the short-term point of view. If they go on doing so, the Indian jute industry will find itself sooner or later reduced to a position of minority, instead of being a Colossus in the realm of the jute goods market.

It may be considered presumptuous on my part to offer any advice to the jute mill industrialists, because I have no jute mill of my own. But I think they should seriously consider ways and means of placing this industry in a position of advantage as compared with its potential rivals. When I was in the U.S.A., I was told that the big industrial concerns in that country not only kept an accurate account of their own costs of production but kept themselves very well informed about the cost of production of their rivals.

Three Big Problems

In my opinion, the three big problems that face the jute manufacturing industry of India are:

1. The problem of not allowing Pakistan to have a stranglehold on the jute industry by having to depend for supplies of raw jute on that country.
2. Bringing down the cost of production to as low a figure as is humanly possible.
3. Developing a high degree of salesmanship.

I have no hesitation in admitting straightaway that the tackling of these problems is not so easy as it looks. Take the case of raw jute. There is no doubt about the fact that the Government of India are sincere in their desire to increase the production of raw jute in this country. During the last four seasons, there has been a tremendous increase in the quantity of jute produced in India. But it is my belief that this has been due almost entirely to the high prices realised for raw jute in the last few seasons. As the prices realised for the 1952-53 crop were comparatively lower than the previous three or four seasons, the 1953-54 crop is believed to be considerably smaller than the previous crop. This means that the production of raw jute in India can be kept at a high level only if the price of raw jute is kept at a high level. That in turn increases the cost of jute manufactures which means less demand.

Supply of Raw Material

This is a very difficult problem for the Government of India to tackle. In the past, the cultivators in undivided Bengal grew all the jute that the jute industry of the world required, because, as compared with other crops, jute paid them better. If the cultivators in India are to keep up the production of raw jute at a high level, they will do so only if they get a *comparatively* better price. I lay stress on the words "comparatively better," because the comparative price varies from time to time. It is a very serious problem and the Government of India would be well advised to appoint a small committee, consisting of some eminent economists, preferably one who has served on the Tariff Board, and some experienced businessmen with no axe to grind.

As regards the cost of production, in the last few years there has been a tremendous rise in all directions. In fact, the entire conception of values has changed. There has been a big increase in the emoluments paid to managers and managing agents and wages paid to labour. It is no use one section trying to make someone else sacrifice. The question has to be studied from the long-term interests of all concerned. To increase the cost of production at a time when the industry is threatened with competition, may prove fatal for the industry.

Rationalise Production

I think a great saving can be made if the production of jute goods is put on a rational basis. At present, the mills are keeping 12½ per cent. of their looms sealed and they work at the rate of only 42½ hours per week. If the mills in other parts of the world have not to keep a single loom idle and if they can work double shift or even triple shift, as some of the mills in Pakistan will be working, certainly their cost of production will be much lower than ours. The jute industry has seriously to consider the question of removing all restrictions on production and let the principle "survival of the fittest" work to its inexorable conclusion. Or it has to study the question of getting the present production on a portion of the total machinery now employed for the same purpose and put the machinery that will be released from the production of jute goods to some other productive use. This again has to be studied from all aspects by economic and business experts. It is not possible for a layman like me to pronounce an offhand judgment on this important question. But, if the jute industry wants to be in the race, it has to lighten the load that it is carrying; otherwise there is no hope of its being able to stay.

The jute industry upto now did not find it necessary to study the world markets, the needs and requirements of its consumers and ways and means to increase the use of jute goods. Being faced with the prospect of competition, the Indian jute industry has to give more attention to the requirements of the buyers. Only a year back, I found in New York half a dozen Japanese representing the Japanese jute industry. The latter is a tiny thing as compared with the size of the Indian jute industry. But the Japanese technicians were busy studying the requirements of the American buyers.

Sales Promotion

I was given to understand by some American buyers that, if the jute industry cared to manufacture certain special weights and constructions, they could use a few thousand bales of these per month. Unfortunately, I have received no positive response to my enquiries. The jute industry can no longer be content with delivering its goods to buyers in Calcutta and then forget about them. The industry has to set up a special organisation for sales promotion in all parts of the world.

The greatest good fortune of India is that we have in this country a large number of talented officers, public men and efficient business men. In the jute industry itself, especially in the Indian section, there is no dearth of talent. All that is necessary is a little more thought to the future, a changed angle of vision, and complete and sincere co-operation between the Government of the country and those who are placed to-day at the helm of affairs of this important industry.

From all that I have written above, it will be seen that the prospects for the shareholders in this important industry are not bright. They cannot expect any steady payment of dividends or any appreciable improvement in the value of their holdings. If things are tackled in the right manner, this industry can maintain a measure of moderate prosperity.

The shareholders should exercise strict vigilance over those whom they pay to look after their interests. Inefficiency and lack of market sense should no longer be tolerated. The proposed changes in the Indian Companies Act give enough power to the shareholders to protect and watch their interests. But they have to do it.—*All Rights Reserved.*

ROT-PROOFING JUTE FABRIC

A process for strengthening the resistance of jute and similar material has been evolved as a result of researches undertaken at the Indian Jute Mills Association Research Institute, Calcutta. Jute and other cellulosic textile materials can be rendered resistant to attack by micro-organism by treating with cuprammonium solution. The cost of the treatment is negligible, and during the last war, over 200 million yards of sandbag hessian was made rot-resistant by means of the cutch-cuprammonium process. The effect of the treatment was thought to increase the service life of the sandbags by five to eight times. Large stocks of the treated bags, left unused, were put to service after the war, but they were found to have markedly deteriorated in tensile and bursting strengths.

Investigations showed that sodium and ammonium sulphate which get precipitated on the fabric during the treatment were mainly responsible for the damage. The process, now developed, eliminates the presence of excess sulphate ion on the fabric. While retaining the rot-proofing efficiency of the older method, it leaves the tensile strength of the fabric unimpaired.

(*Concluded from fourth column*)

the former and join up with the sulphur-dioxide. The two liquids, kerosene and sulphur-dioxide will not mix just like oil and water will not mix, so that, upon standing, they settle out into two layers. These two layers are then separated, whereupon it is found that the quality of kerosene has changed considerably.

Similarly, other petroleum products like diesel oils, diesel fuels are separated, refined and extracted. The crude flows from the storage tanks through the whole process and emerges, via another set of pipes to another tank, as a refined product, ready for use. Delicate instruments record the rates of flow, as well as the processing conditions such as temperature and pressure. Tremendous quantities of material can be handled in this fashion by relatively few men. This plant, with a throughput (i.e., intake and output) of 875,000 imperial gallons per day must, therefore, use up a large part of the refinery space for storage tanks for crude oil and intermediate products as well as those for finished products.

The modern refinery is a symbol of Man's amazing technological and mechanical progress. A mere handful of technicians, relatively speaking, can now move 4,000 tons of petroleum in and out of the Stanvac Bombay Refinery each day. Behind them is decades of research and experience gained the hard way.—*All Rights Reserved.*

OIL REFINING INDUSTRY

MAIN PROCESSES EXPLAINED

THE oil refining industry, perhaps the most highly mechanised of all industries, uses more mechanical horse-power per man than any other manufacturing unit. This fact, perhaps more than any other, is not known to the average layman. Here in India, when the newspapers first flashed the news that the Standard-Vacuum Refining Company of India Ltd. was going to build the nation's first modern oil refinery, a lot of people envisaged a scheme of things to come, bristling with steel structures and maintained by a vast army of men. The truth is rather different. To understand it is to take the reader on a guided tour of the Stanvac Bombay Refinery.

The year is 1954. The place, Trombay. The Stanvac Bombay Refinery has gone "on stream." We motor down from Bombay, through the suburbs and down a broad new thoroughfare to the refinery gates. The first thing that strikes the tourist is the paucity of buildings. Instead, there are a large number of tanks.

By A Correspondent

surrounding some tall vertical and shiny cylinders, like huge bottles standing in a row. Leading to these spheres and cylinders are a complicated maze of roads. Close to the main part of the equipment, which looks surprisingly sparse in the midst of so many tanks, is a big smoke stack, reaching 200 feet into the sky. There is very little seeming activity, not very many people moving about. But the plant is working at full pressure, turning out the petroleum products which India needs. How is this done?

Secret of Tanks

The visitor must first probe the secret of the tanks. These contain the raw crude oil, which is a very complex mixture of many components. In order to derive the various products from the crude, it is first necessary to make a broad separation of the "lighter" and "heavier" materials in the crude petroleum. The material is separated by distillation into several parts, ranging from a pale, thin, water-like substance to a very thick, dark, oil material. The distillation—it is accomplished in the crude pipe still—is a purely physical process accomplished by progressively boiling out the lighter materials. The process is somewhat similar to taking gravel from a river bed and putting it through a series of screens so as to separate it into silt, fine sand, coarse sand and rock.

The material which is lightest in colour looks a great deal like petrol, except that there seems to be something not quite right with it. The colour is off-white, the odour is slightly unpleasant. If an attempt was made to run an automobile on this liquid, there would be no end of trouble. The reason, lack in "octane number." One of the problems of the refinery is to produce gasoline meeting all the necessary specifications. These include volatility to permit easy starting, sufficient octane number to prevent knocking, good odour to prevent customer irritation and no colour. The last indicates other good qualities with reference to corrosiveness and engine deposit factors. In the refinery, these quality points are subsequently treated through a chemical process to remove harmful components and by blending with other products to offset poor quality.

The next product separated from crude petroleum is a great deal like the first, except that it is heavier and has a higher boiling point. Although this material is sufficiently volatile to "fit" into motor spirits, its quality is even lower than the first fraction. This material is ordinarily referred to as reformer naphtha, because it is generally treated by a thermal cracking process known as naphtha reforming.

The term "cracking" requires explanation. But, as a preliminary, it must be understood that any petroleum substance, if exposed to high enough temperatures, begins to decompose, just as sugar does if put out in the sun. Sugar, thus exposed, first turns yellow, then brown, then darker brown and finally begins to produce carbon deposits. Similarly, petroleum products begin to decompose with the formation of gases and carbon. The products resulting from thermal decomposition of petroleum materials are influenced by pressure and it was discovered, several years ago, that the heavy naphtha fraction of crude oil, when partly decomposed by heat, yields a product with a higher octane content than the original crude fraction.

Petroleum technologists now have learned to control, with more certainty, the decomposition of petroleum hydrocarbons. When thermal treatment is used, very little control, is possible over the distribution of products which may be obtained. However, with the advent of what is known as catalytic cracking, a greater control of distribution to gas, gasoline and heavier products, as well as over the quality of these products can be exercised. The Stanvac Bombay Refinery incorporates the very latest commercial development of catalytic cracking in its Model IV Fluid Catalytic Cracking unit. In this equipment, the gas oil is decomposed to produce gas, gasoline and light and heavy cracked gas oils. Operations are carefully controlled so as to minimise the formation of gas, maximise the production of gasoline, and minimise heavier cracked materials. The latter are suitable as low viscosity blending agents for fuel oils. The cracked gasoline has excellent anti-knock properties and is used to blend the reformed naphtha and the straight-run gasoline distilled from crude oil to a finished mixture having highly desirable properties for use as motor spirits.

Before the final blend of gasoline is made, the now cracked gasoline and other cracked products must be put through yet another distillation process, after which it is chemically treated to remove all low quality components.

Another Material

Yet another material which is separated from the crude is dark in colour, heavy and with a high boiling point. This liquid has a slightly oily feel and smells like a poor grade of kerosene. That is exactly what it is. However, as the quality is low, there is a tendency to burn with a smoky flame. Before this can be marketed as illuminating kerosene, its objectionable features have to be removed. This is done in the refinery via a process known as sulphur-dioxide extraction. While the actual processing equipment is exceedingly complicated, because sulphur-dioxide, normally a gas, is used under pressure in the liquid state, in reality, the treatment given to the material is relatively simple. The sulphur-dioxide is used as a solvent to extract all the objectionable compounds. It is rather like washing clothes. A mixture of cloth and dirt is soaked in soapy water in such a manner as to separate the dirt from the cloth. In the kerosene process, the kerosene plus its objectionable features are mixed up with a liquid sulphur-dioxide to cause the latter to leave

(*Continued in second column*)

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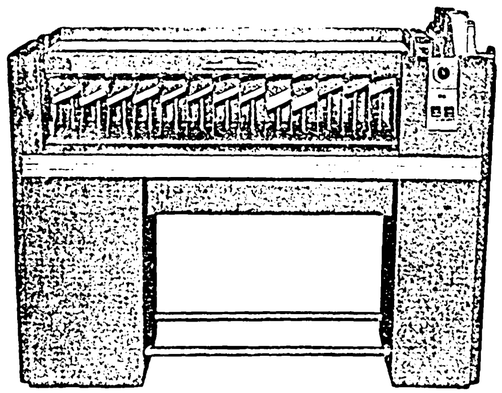

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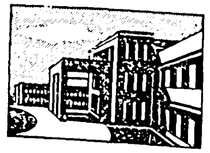

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SOME VITAL ECONOMIC STATISTICS

CLASSIFICATION OF LAND AREA

Classification	Area ('000's acres)	Percentage to area surveyed
Total land area	**812,570**	..
Total land area surveyed	**623,477**	..
Cultivated area*	327,594	52.5
Fallow land	59,364	9.5
Land sown	268,229	43.0
Land under forests	93,385	15.0
Land not available for cultivation	99,572	16.0
Other uncultivated land (excluding fallow land)	102,663	16.5
Unclassified	61	..

* Includes irrigated area 47,861,000 acres.

AREA AND POPULATION OF STATES

States	Area (in sq. miles)	Population (In thousands) 1951	1941	Increase (+) or Decrease (–) (In thousands)	%
Assam	85,012	9,044	7,593	+ 1,451	19.1
Bihar	70,330	40,226	36,928	+ 3,695	10.1
Bombay	111,434	35,956	29,181	+ 6,775	23.2
Madhya Pradesh	130,272	21,244	19,642	+ 1,616	+ 8.2
Madras	127,790	57,016	49,831	+ 7,185	14.4
Orissa	60,136	14,646	13,768	+ 878	6.4
Punjab	57,374	12,641	12,699	— 58	0.5
Uttar Pradesh	113,409	63,216	56,532	+ 6,684	11.8
West Bengal	30,775	24,810	21,837	+ 2,973	13.6
Total Part A States	**786,536**	**278,803**	**247,600**	**+ 31,203**	**12.6**
Hyderabad	82,168	18,655	16,327	+ 2,328	14.2
Madhya Bharat	46,474	7,954	7,170	+ 784	10.9
Mysore	29,489	9,075	7,338	+ 1,737	23.7
P.E.P.S.U.	10,078	3,471	3,402	+ 69	+ 2.7
Rajasthan	130,207	15,291	13,396	+ 1,895	14.9
Saurashtra	21,451	4,137	3,561	+ 576	16.2
Travancore-Cochin	9,144	9,280	7,500	+ 1,780	23.7
Total Part B States	**329,015**	**67,887**	**58,804**	**+ 9,283**	**15.8**
Ajmer	2,417	693	584	+ 109	18.6
Bhopal	6,878	836	779	+ 57	7.3
Bilaspur	453	126	110	+ 16	14.5
Coorg	1,586	229	169	+ 60	35.6
Delhi	578	1,744	918	+ 826	90.0
Himachal Pradesh	10,451	943	947	— 4	0.8
Kutch	16,724	564	505	+ 60	11.8
Manipur	8,624	578	512	+ 66	12.9
Tripura	4,032	639	513	+ 126	24.6
Vindhya Pradesh	23,603	3,575	3,367	+ 208	6.1
Total Part C States	**75,350**	**9,972**	**8,406**	**+ 1,566**	**18.6**
Andaman and Nicobar Islands and Sikkim	5,959	169	155	— 14	9.0
Total Indian Union	**1,176,860**	**356,829**	**314,766**	**+ 42,063**	**13.4**

DECENNIAL GROWTH OF POPULATION OF INDIA

Census year	Population (In millions)	Decennial growth (In millions)	%
1901	238.4	..	..
1911	252.3	+13.9	+ 5.8
1921	251.5	— 0.8	..
1931	279.2	+27.7	+11.0
1941	318.9	+39.7	+14.2
1951	361.2	+42.3	+13.3

NOTE:—The above census figures relate to Indian Union only, including Jammu and Kashmir. In 1951, however, no census in Jammu and Kashmir was taken. The figure for 1951, therefore, includes only an estimated population of 4.4 million in respect of that State.

OCCUPATIONAL DIVISION OF POPULATION—1951 CENSUS

(In millions)

	Self-supporting persons	Dependents: Earning	Dependents: Non-earning	Total	Percentage to total population
Cultivators of land wholly or mainly owned	45.7	21.5	100.1	167.3	46.9
Cultivators of land wholly or mainly un-owned	8.8	3.9	18.9	31.6	8.8
Cultivating labourers	14.9	5.2	24.7	44.8	12.6
Non-cultivating owners of land and other agricultural rent receivers	1.6	0.4	3.3	5.3	1.5
Total agricultural classes	**71.0**	**31.0**	**147.0**	**249.0**	**69.8**
Non-agricultural production	12.2	3.2	22.3	37.7	10.5
Commerce	5.9	0.9	14.5	21.3	6.0
Transport	1.7	0.2	3.7	5.6	1.6
Other services	13.6	2.6	26.8	43.0	12.1
Total non-agricultural classes	**33.4**	**6.9**	**67.3**	**107.6**	**30.2**
Total population	**104.4**	**37.9**	**214.3**	**356.6**	**100.0**

AGE GROUP OF POPULATION

(In thousands)

Age group	Males: Rural	Males: Urban	Females: Rural	Females: Urban
0	4,567	954	4,781	883
1-4	15,084	2,856	15,150	2,753
5-14	37,749	6,954	35,516	6,472
15-24	24,412	6,260	24,759	5,293
25-34	22,469	5,406	22,439	4,194
35-44	13,116	3,916	16,556	2,972
45-54	13,072	2,647	11,799	2,099
55-64	7,674	1,390	7,341	1,283
65-74	3,305	563	3,420	555
75 and over	1,403	227	1,513	243
Age not stated	96	16	100	17
Total	**142,947**	**31,189**	**143,374**	**26,774**

N.B.—The age table is not based on the entire population, but is based on a ten per cent. sample of population (excluding displaced persons).

INDEX NUMBERS OF COST OF LIVING (WORKING CLASS)

City or Town	State	Base Period	Average for the Calendar year 1948	1949	1950	1951	1952	Average for eight months January-August 1953	1952
All-India		**1944**	**134**	**138**	**138**	**144**	**141**	**144***	**140***
Bombay	Bombay	August, 1939	288	292	298	314	321	345	317
Ahmedabad	..	..	333	339	351	357	355	374	348
Sholapur	..	..	400	410	395	424	424	445	428
Calcutta	West Bengal	..	..	..	..	..	376	351	348
Kanpur	U.P.	..	471	478	434	451	441	453	433
Madras	Madras	..	315	330	332	341	337	358	340
Ernakulam	Travancore-Cochin	..	358	365	372	386	387	391	387
Nagpur	Madhya Pradesh	..	372	377	372	391	380	388	380
Jabbulpore	..	1944	145*	151	153	168	150	151*	149*
Delhi	..	..	132	131	132	142	143	139	143
Ajmer	..	..	161	161	164	178	174	171	174
Jharia	Bihar	..	152	159	162	183	175	167	174
Jamshedpur	..	..	136	134	145	160	155	153	154
Gauhati	Assam	..	117	128	126	141	142	131	143
Cuttack	Orissa	..	134	147	163	198	160	157	163
Ludhiana	Punjab	..	..	..	..	..	151	146	151
Mercara	Coorg	July-December, 1948	..	..	..	..	109	115	111
Bangalore	Mysore	July, 1935-June, 1936	287	301	317	345	346*	345	348*
Hyderabad	Hyderabad	Aug., 1943-July, 1944	147	154	161	167	164	172†	163†

* Average for the first seven months. † Average for the first six months only.

EMPLOYMENT IN FACTORIES COMING UNDER FACTORIES ACT

State	Average daily number of workers employed 1939	1945	1946	1947	1948	1949	1950	1951	1952§
Assam	52,003†	58,070†	53,181	56,119	59,563	61,132	61,582	65,136	56,831
Bihar	95,988	164,405	136,504	146,298	155,334	160,204	162,150	173,083	
Bombay	466,040	735,774	640,896	702,465	737,460	759,463	773,332	767,704	716,371
Madhya Pradesh	64,494	110,263	101,355	97,219	101,646	96,273	100,056	110,994	103,769
Madras	197,256	276,176	258,722	323,750	331,457	417,145	393,570		
Orissa	5,471	7,427	7,443	10,592	12,329	13,359	14,439	17,186	16,478
Punjab	22,468	44,759‡	41,628	37,486	36,625	39,342	50,413	48,175	42,615
Uttar Pradesh	139,734	276,468	227,140	240,396	242,983	233,637	232,695	262,514	199,008
West Bengal	532,830	702,964‡	603,087	667,626	687,701	665,008	641,694	654,001	623,885*
Ajmer	13,330	15,827	15,789	15,864	15,827	15,380	16,597	16,027	16,124
Coorg	14	27	53	117	74	82	455	366	344
Delhi	17,400	30,870	33,349	31,320	36,894	38,806	40,268	42,635	40,383
Andaman and Nicobar Islands	N.A.	N.A.	N.A.	2,065	2,019	2,000	1,407	1,637	1,548*
Total	**1,626,842**	**2,436,083**	**2,555,188**	**2,274,689**	**2,360,201**	**2,433,966**	**2,504,398**	**2,636,970**	..

† Figures relate to undivided Province. N.A.—Not Available. ‡ Estimated. § Provisional.
* Average for first half of 1952, as figures for second half are not available.

CLASSIFICATION OF DISPUTES BY INDUSTRIES

Industry	1951 (January-December) No. of disputes	No. of workers involved	No. of man-days lost	1952 (January-December) No. of disputes	No. of workers involved	No. of man-days lost	1953 (January-June) (Approximate) No. of disputes	No. of workers involved	No. of man-days lost
Textiles—									
Cotton	221	324,481	1,557,391	227	438,359	1,031,198	63	50,628	217,431
Jute	18	29,086	103,701	33	37,482	150,635	18	27,612	183,458
Others	62	11,534	69,444	62	13,065	61,920	25	1,343	10,655
Engineering	73	30,252	232,880	51	20,839	205,196	44	57,129	197,820
Minerals and Metals—									
Iron and steel	26	19,241	54,193	24	20,831	27,083	10	19,280	43,965
Others	42	7,098	47,244	20	5,000	76,121	15	4,008	62,963
Food, drink and tobacco	120	41,276	382,231	88	22,085	116,093	32	17,065	106,017
Chemicals and dyes	25	6,213	61,587	16	5,442	84,494	3	1,677	1,939
Wood, stone and glass	42	13,332	150,617	65	17,449	83,250	22	3,461	40,639
Paper and printing	22	4,877	32,255	21	6,398	102,936	22	5,945	80,648
Skins and hides	19	2,654	13,212	13	2,200	22,965	6	336	4,222
Gins and presses	..	..	..	..	..	..	..	..	..
Mines—									
Coal	50	22,384	298,390	42	13,569	271,185	25	12,079	116,841
Others	12	16,265	29,426	24	19,949	102,162	6	1,273	5,483
Transport—									
Railways	26	14,897	88,230	25	53,669	45,859	7	2,932	5,488
Others	8	924	8,962	14	37,389	145,909	6	242	1,400
Docks and ports	35	24,142	30,475	31	13,210	40,843	12	12,372	85,722
Plantations	35	22,507	47,037	37	21,119	178,305	7	3,315	14,997
Municipalities	56	15,430	87,611	52	7,470	50,054	6	1,017	8,778
Miscellaneous	179	73,672	442,753	128	53,717	454,894	102	37,398	170,965
Total	**1,071**	**891,321**	**3,818,928**	**983**	**809,242**	**3,338,981**	**431**	**269,312**	**1,361,238**

WORLD COMMODITY SURVEY

Commodity	Unit	Year begins	World Production: Pre-war	Years beginning in 1950	1951	1952	Indian production 1952-53
Wheat	Million bush.	April	6,024	6,320	6,480	7,325	253.9
Maize (corn)	Million bush.	April	4,760	5,210	5,210	5,630	48
Oats	Million bush.	April	4,365	4,165	4,210	4,190	..
Barley	Million bush.	April	2,365	2,425	2,575	2,750	126
Rice (rough)	Million tons	July	149	150	151	158	23.4
Fats and oils	000 tons	January	21,200	22,900	23,300	24,200	1,160*
Sugar‡	000 tons	September	29,070	35,325	37,092	35,879	5,260
Tea	Million lbs.	January	882	875	1,000	918	622
Coffee	Mill. bags (132 lbs.)	July	35.0	30.1	29.9	31.8	0.39
Cocoa	000 tons	October	706	774	678	717	..
Tobacco	Million lbs.	July	6,490	7,140	7,441	7,203	490.6
Cotton	Mill. bales (478 lbs.)	August	31.7	28.2	35.7	35.3	3.1†
Wool (apparel)	Million lbs. (clean)	July	1,658	1,871	1,892	2,055	16.6
Wool (total)	Million lbs. (clean)	July	2,058	2,283	2,301	2,475	..
Jute	000 tons	July	1,860	1,720	2,040	2,140	838
Sisal, Abaca, Henequen	000 tons	January	527	525	587	594	..
Rubber (natural)	000 tons	January	997	1,860	1,885	1,785	20
Rubber (synthetic)	000 tons	January	..	535	908	878	..
Coal	Million tons	January	1,038	1,157	1,207	1,166	86.1
Iron ore	Million tons	January	146	190	225	219	..
Copper	000 tons	January	2,140	2,455	2,580	2,590	6
Lead	000 tons	January	1,660	1,665	1,620	1,710	1
Tin	000 tons	January	184.2	166.5	167.5	170.0	..
Zinc	000 tons	January	1,330	1,890	1,990	2,080	..

Many figures included above are rough estimates only. Tons are long tons of 2,240 lbs.; the capacity of the bushel is normally 60 lbs. for wheat, 56 lbs. for maize, 32 lbs. for oats, 48 lbs. for barley.

* Vegetable oils. † Bales of 392 lbs. each of cotton lint. ‡ Raw sugar.

SOME VITAL ECONOMIC STATISTICS—(Continued)

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	11th Dec., 1953	End of 1952	End of 1951	End of 1950
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,123.20	1,092.12	1,141.09	1,163.25
Notes held in Banking Department	35.05	12.41	20.78	19.21	10.43
Foreign Securities	39.50	575.15	534.15	583.15	684.15
Rupee Securities	37.39	421.38	450.06	468.13	488.65
Banking Department					
Deposits of :					
Government of India	14.89	92.22	174.79	210.49	164.45
Other Governments	..	19.31	3.55	10.19	14.82
Balances held abroad	10.05	137.11	167.34	197.94	190.27
SCHEDULED BANKS					
Demand Liabilities	134.37	524.29	530.46	576.06	597.94
		(12.04)†	(13.01)†	(22.33)	(18.13)
Time Liabilities	102.84	373.19	317.06	293.22	284.24
	..	(2.11)‡	(3.70)‡	(0.75)	(1.31)
Borrowings from Reserve Bank	..	1.20 (0.49)‡	4.54 (0.99)‡	9.66	..
Borrowings from Imperial Bank	..	5.65	5.15	..	..
Cash in India	6.71	32.12	34.95	43.65	40.76
Balances with Reserve Bank	25.24	53.87	43.53	45.86	53.83
Excess over statutory limits	15.52	20.80	10.72	11.20	18.25
Balances with other banks in current account in India	..	11.32	11.20	14.21	..
Money at call and short notice in India	..	16.89	16.70	11.06	..
Investments (at book value)	105.09	338.40	323.20	307.48	..
Advances and bills		449.49	468.33	542.52	445.15
IMPERIAL BANK					
Deposits	87.76	210.26	206.15	232.26	231.84
Investments	51.99	99.24	97.25	86.97	121.57
Advances	30.37	95.48	111.51	139.87	98.54
Cash	14.65	24.60	18.23	31.09	32.80

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.

‡ Borrowings against usance bills and promissory notes.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1953					
6th January	1.00	1.45	1.00	2 6 5	55
13th "	1.00	1.22	1.00	2 6 9	79
21st "	1.00	1.23	1.00	2 7 0	81
27th "	1.00	1.09	1.00	2 7 0	100
3rd February	1.00	1.14	1.00	2 7 0	87
10th "	1.00	1.19	1.00	2 6 11	84
17th "	1.00	1.32	1.00	2 7 0	100
24th "	1.00	1.09	1.00	2 7 0	100
3rd March	1.00	1.02	1.00	2 7 0	94
10th "	1.00	1.16	1.00	2 6 11	85
17th "	1.00	1.09	1.00	2 7 0	93
24th "	1.00	1.02	1.00	2 7 0	100
31st "	1.00	1.01	1.00	2 7 0	100
7th April	1.00	1.35	1.00	2 7 0	100
14th "	1.00	1.21	1.00	2 7 0	100
21st "	1.00	1.30	1.00	2 7 0	100
28th "	1.00	1.01	1.00	2 7 0	100
5th May	1.00	1.63	1.00	2 7 0	61
12th "	1.00	1.53	1.00	2 6 10	58
18th "	1.00	1.95	1.00	2 6 8	41
26th "	1.00	2.26	1.00	2 6 6	24
2nd June	1.00	2.02	1.00	2 6 6	32
9th "	1.00	2.10	1.00	2 6 5	27
16th "	1.00	2.23	1.00	2 6 6	24
23rd "	1.00	2.90	1.00	2 6 6	21
1st July	1.00	2.71	1.00	2 6 6	23
7th "	1.00	3.03	1.00	2 6 2	8
14th "	1.00	2.85	1.00	2 6 2	9
21st "	1.00	2.80	1.00	2 6 2	10
28th "	1.00	3.76	1.00	2 6 2	30
4th August	1.50	3.62	1.50	2 6 3	43
11th "	1.50	2.02	1.50	2 6 3	43
18th "	1.50	2.85	1.50	2 6 5	65
25th "	1.50	2.62	1.50	2 6 6	56
8th September	1.50	1.77	1.50	2 6 7	77
15th "	1.50	1.84	1.50	2 6 7	80
22nd "	1.50	1.90	1.50	2 6 8	69
29th "	1.50	2.51	1.50	2 6 8	100
6th October	1.50	2.02	1.50	2 6 8	99
13th "	1.50	1.81	1.50	2 6 8	100
20th "	1.50	2.58	1.50	2 6 8	85
27th "	1.50	4.10	1.50	2 6 7	48
3rd November	1.50	2.71	1.50	2 6 10	56
10th "	1.50	1.51	1.50	2 7 0	100
17th "	1.50	1.99	1.50	2 7 0	3
24th "	1.50	1.56	1.00	2 6 10	93
1st December	1.00	1.10	1.00	2 7 0	91
8th "	1.00	1.72	1.00	2 7 2	57
15th "	1.00	1.00	1.00	2 7 0	100

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	25th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	29th July, 1953	2½	3
Denmark	2nd Nov., 1950	4½	5
Finland	16th Dec., 1951	7½	6½
France	17th Sept., 1953	4	3½
Greece	12th July, 1948	10	12
India	15th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct. 1951	5.11	5.84
Netherlands	7th April, 1953	3	2½
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	..	3
Portuzal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	14th Mar., 1949	4½	4
Sweden	26th Nov., 1953	3	2½
Switzerland	26th Nov., 1936	4	3½
Turkey	26th Feb., 1951	2	3
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

INDUSTRIAL PRODUCTION

Industry	Unit	Installed capacity	For the year ended 31st December 1948	1949	1950	1951	1952	First 8 months of 1953	First 8 months of 1952
Mining and Quarrying :									
Coal	Million tons	..	29.8	31.5	32.0	34.3	36.2	24.1	24.4
Food Manufacturing Industries :									
Coffee	Tons	..	16,128	22,380	20,532	18,096	21,096	20,570	19,952
Salt	Million maunds	..	63.5	55.6	71.3	74.4	76.9	79.7	67.5
Sugar	Thousand tons	..	1,025	1,008	979	1,101	1,493	1,264	1,173
Tea	Million lbs.	..	565	565	613	629	623	347	374
Vegetable oil products (*vanaspati*)	Thousand tons	339	130	155	172	179	191	125	124
Wheat flour	Do.	1,524	N.A.	418	478	486	512	360	334
Textiles :									
Cotton yarn	Million lbs.	..	1,447	1,360	1,175	1,304	1,450	999	941
Cotton cloth	Million yards	..	4,319	3,965	3,665	4,076	4,598	3,303	2,999
Jute—hessian	Thousand tons	..	375	329	317	322	311	252	200
Jute—sacking	Do.	..	525	562	445	521	607	393	432
Jute—other manufactures	Do.	..	31	32	34	32	34	21	22
Woollen manufactures	Million lbs.	20.0	20.0	21.0	18.0	17.7	18.6	11.0	9.80
Belting	Tons	1,219	660	492	510	676	709	470	481
Rubber Products :									
Dipped rubber goods	Million dozens	45.0	23.6	6.8	10.6	11.0	13.8	7.7	10.1
Ebonite	Thousand lbs.	611	..	..	..	119	119	64	93
Fan belt	Thousands	582	..	43	161	119	119	64	93
Footwear rubber	Million pairs	36.6	18.7	17.8	16.6	22.0	22.8	15.2	13.8
Hoses—Radiator	Thousands	470	..	101	206	221	153	115	108
Hoses—Vacuum Brake	Do.	1,020	..	325	234	473	444	313	340
Hoses—Other types	Thousand ft.	7,495	..	1,595	2,820	3,474	3,560	2,907	3,322
Latex foam sponge	Thousand lbs.	767	..	..	..	472	640	348	479
Tyres—									
Automobiles	Thousands	925	770	686	638	870	721	502	517
Aero	Nos.	6,600	..	..	..	2,472	684	770	558
Cab	Thousand ft.	1,556	..	..	..	372	395	263	225
Cycle	Thousands	5,582	3,370	4,612	3,325	3,941	4,199	3,221	2,847
Tractor	Nos.	5,400	..	..	..	..	..	3,852	4,000
Tubes—									
Automobiles	Thousands	925	750	701	693	821	661	455	478
Aero	Nos.	5,700	..	..	..	996	984	690	845
Cycle	Thousands	7,780	3,790	3,123	4,207	4,597	4,166	2,928	2,722
Tractor	Nos.	6,000	..	..	..	..	..	5,454	4,384
Chemicals and Chemical Products :									
Ammonium sulphate	Thousand tons	4,269	352	459	473	627	220	212	109
Bakelite moulding powder	Thousand lbs.	1,800	..	..	..	..	..	..	990
Bichromates	Tons	5,916	2,940	1,716	1,040	3,276	1,464	1,383	952
Bleaching powder	Do.	37,800	20,292	2,472	3,312	3,356	702	1,095	557
Caustic soda	Do.	46,296	4,380	6,300	10,848	14,724	17,064	12,239	10,998
Chlorine liquid	Do.	19,336	1,800	2,652	3,972	5,208	6,240	4,667	3,892
Copper sulphate	Do.	1,940	432	456	432	504	336	264	271
Glycerine (refined)	Do.	3,516	2,043	1,740	2,004	2,424	2,220	1,575	1,508
Glue	Do.	960	602	601	672	708	732	540	445
Liver extract—									
Injection	Million c.c.	23.8	..	..	..	..	..	..	..
Oral	Thousand lbs.	1,440	..	7.3	11.1	10.7	10.4	4.3	7.5
Matches	Thousand cases	706	533	527	522	319	311	149	205
Paints and varnishes	Thousand tons	65	36	31	23	577	603	410	406
Rayon	Tons	4,560	..	..	..	33	32	20	21
Soap	Thousand tons	194	..	..	..	2,040	3,588	2,774	2,132
Soda ash	Do.	54	76	71	73	83	86	57	56
Sulphuric acid	Do.	189	29	18	44	36	44	38	26
Superphosphates	Do.	193	50	99	102	107	66	64	60
Welding gases	Million c. ft.	376	21	47	52	61	47	25	38
Basic Metal Industries :									
Pig iron and *ferro alloys*	Thousand tons	..	1,464	1,610	1,679	1,825	1,855	5,000	1,223
Finished steel	Do.	..	827	930	1,004	1,076	1,103	684	722
Semi-finished steel	Do.	..	1,012	1,105	1,142	1,240	1,308	783	854
Steel ingots and metal for castings	Do.	1,546	1,256	1,352	1,438	1,540	1,574	998	1,035
Steel tubes	Tons	20,700	..	470	427	456	495	315	330
Aluminium	Do.	4,000	3,361	3,490	3,506	3,844	3,966	2,323	2,700
Antimony	Do.	700	330	100	376	329	161	104	150
Copper—									
Virgin metal	Do.	7,200	5,864	6,390	6,114	7,044	6,079	2,387	4,174
Pipes and tubes	Do.	360	24	65	10	11	35	33	17
Sheets and circles	Do.	..	..	..	6,204	4,400	804	740	..
Lead—									
Virgin metal	Do.	6,000	625	594	624	859	1,132	998	719
Pipes and tubes	Do.	4,000	229	299	312	227	332	195	199
Brass—									
Pipes and tubes	Do.	..	..	..	..	..	..	..	..
Sheets and circles	Do.	380	2	4	10	11	4	1	2
Gold	Thousand ozs.	..	181	164	19,416	11,232	6,385	6,411	167
Metal Products :					199	226	253	152	
Duplicators	Nos.	4,500	343	852	756	1,580	1,020	631	703
Enamel-ware	Million pieces	30.0	6.7	5.4	8.1	7.7	5.7	5.4	6.6
Expanded metals	Tons	2,940	1,464	300	2,144	1,998	2,016	1,609	1,314
Hurricane lanterns	Thousands	4,440	979	1,723	2,807	3,077	3,522	2,865	2,394
Oil pressure lamps	Do.	95	38	38	31	62	55	22	30
Razor blades	Millions	200	..	7.6	10.7	22.9	10.8	12.0	9.1
Screws—									
Machine	Thousand gross	444	31	83	160	127	148	112	107
Wood	Do.	3,799	165	344	703	797	1,330	1,513	813
Non-metallic Mineral Products :									
Abrasives	Reams	80,400	45,600	25,200	31,200	37,200	65,200	37,900	31,000
Asbestos (cement sheets)	Thousand tons	118	77	86	86	84	85	45	55
Cement	Do.	4,105	1,553	2,102	2,612	3,196	3,538	2,437	2,310
Ceramics—									
Glazed tiles	Thousand dozens	870	..	..	..	..	..	..	..
Insulators	Thousands	6,588	2,593	2,376	1,453	1,877	2,366	1,672	1,323
Refractories	Thousand tons	239	190	209	226	238	244	146	108
Sanitary-wares	Tons	2,544	1,464	1,068	1,765	643	432	462	278
Stone-wares	Do.	41,600	15,600	22,800	26,400	30,000	33,600	23,100	22,600
White-wares	Do.	16,872	5,376	3,732	6,060	9,192	9,600	6,681	6,252
Glass—									
Sheets	Million sq. ft.	44.4	6.3	3.5	9.6	11.1	9.1	13.1	8.0
Laboratory	Tons	6,072	1,920	1,980	2,160	1,980	1,476	948	1,196
Shells	Million pieces	21.6	11.2	9.4	13.2	13.4	16.7	11.6	11.8
Other glasswares	Thousand tons	168	64	64	72	90	85	44	59
Machinery :									
Carding engines (revolving flat cards)	Nos.	600	..	..	..	..	..	..	..
Complete ring spinning frames	Do.	396	..	..	..	..	..	..	..
Diesel engines	Do.	13,164	..	..	..	..	..	..	..
Grinding wheels	Thousand lbs.	1,120	1,020	2,076	4,596	276	108	65	108
Machine tools	Value (lakh Rs.)	..	972	707	500	7,245	4,248	1,584	3,440
Plain calico looms	Nos.	4,200	54.73	47.31	26.60	709	865	535	604
Power-driven pumps	Thousands	60	..	..	..	47.39	44.34	31.52	31.27
Sewing machines	Do.	1,452	8	14	30	2,250	1,344	1,044	822
Twist drills	Do.	..	376	25	31	45	32	14	24
Electrical Goods :				401	443	50	39	34	34
Bare copper conductors	Tons	19,992	5,880	5,724	5,676	1,018	775	224	529
Conduit pipes	Thousand ft.	7,560	1,708	2,945	2,968	3,000	5,923	5,003	2,758
Domestic refrigerators	Nos.	3,000	..	..	..	3,970	3,605	2,532	2,340
Dry cells	Millions	222	124	152	138	..	600	406	465
Electric fans	Do.	304	150	178	193	143	93	83	83
Electric lamps	Thousand H.P.	26,040	9,222	13,044	14,304	15,516	20,880	13,414	13,612
Electric motors	Thousands	200	60	65	82	143	157	116	105
House service meters	Do.	166	..	..	..	..	34	26	11
Power transformers	Thousand K.V.A.	230	110	200	150	152	200	115	118
Radio receivers	Thousands	325	..	..	..	..	..	..	..
Storage batteries	Do.	153	82	109	172	176	215	197	133
Transport Equipment :			25	17	44	83	71	34	48
Automobiles—									
Cars	Nos.	..	..	..	..	..	..	..	..
Trucks	Do.	70,704	6,672	8,568	9,888	12,384	6,948	3,734	4,950
Complete cycles	Do.	..	61,896	80,028	109,352	114,204	98,340	57,757	6,256
Spare parts and accessories	Value (lakhs Rs.)	..	12	13	65	95	82	60	116,404
Other Industries :									97
Alcohol—									
Power	Thousand bulk galls.	10,920	3,776	4,230	4,498	5,809	7,742	5,716	5,510
Industrial	Do.	..	3,701	3,066	4,913	6,077	6,780	3,964	4,670
Chrome tanned hides	Thousands	1,972	1,067	681	498	892	652	467	455
Cigarettes	Millions	17,460	21,824	21,890	23,629	21,468	20,119	13,177	13,870
Footwear (leather)	Thousand pairs	..	5,269	4,955	4,934	5,714	5,173	3,673	3,985
Leather cloth	Thousand yards	5,278	..	..	..	1,019	925	642	455
Linoleum	Thousand lineal yds.	450	..	..	..	..	160	94	99
Paper and paperboards	Thousand tons	151	93	103	109	132	137	93	90
Plywood—	Thousand gross	..	..	..	..	1,446	1,544	874	1,051
Tea chests		..	..	..	..	..	..	..	..
Commercial	Million sq. ft.	162.0	45.1	33.4	41.6	60.6	76.2	34.0	56.0
Vegetable tanned buffalo and cow hides	Thousand hides	3,113	8.6	9.2	8.8	10.2	12.3	8.7	7.9
			1,958	1,835	1,814	1,704	1,478	820	1,061

SOME VITAL ECONOMIC STATISTICS—(Continued)

FOREIGN TRADE OF INDIA

(In crores of rupees)

	1948	1949	1950	1951	1952	January-June 1952	January-June 1953
BALANCE OF TRADE :							
Imports	469.09	650.39	540.90	769.11	754.32	474.86	245.59
Exports	424.32	463.04	542.74	761.27	588.67	302.60	245.89
Balance	—40.77	—187.31	+ 1.84	— 7.84	—165.65	—172.26	— 39.70
TERMS OF TRADE (Index numbers of Imports, exports and terms of trade—Base : 1949-49=100) :							
Imports—							
Value (unit declared)	..	..	109	142	136	146	121
Quantum	..	..	72	100	88	107	67
Exports—							
Value (unit declared)	..	..	115	174	128	143	106
Quantum	..	..	106	102	93	87	87
Net terms of trade	..	..	108	123	94	98	88
BALANCE OF PAYMENTS* :							
Current Account—							
Imports	493	651	559	883	747	448	291
Other payments	162	73	105	109	102	52	55
Total	655	724	664	992	849	500	346
Exports	427	453	587	750	613	335	251
Other receipts	128	114	134	164	199	103	95
Total	555	567	721	914	812	438	346
Net position	—100	—157	+ 57	— 78	— 37	— 62	..
Errors and omissions	— 43	..	— 23	— 31	*Nil.*	— 7	+ 17
Adjusted net position	—143	—157	+ 34	—109	— 37	— 69	+ 17
Capital Account—							
Changes in assets	—130	—177	— 2	— 71	— 83	— 93	+ 8
Changes in liabilities	+ 13	— 19	— 36	+ 34	— 45	— 24	— 10
Net change in assets	—143	—158	+ 36	—109	— 38	— 69	+ 18
BALANCE OF PAYMENTS ON CURRENT ACCOUNT BY CURRENCY AREAS—							
Sterling area**—							
Imports	233	318	301	380	304	156	160
Other payments	137	81	69	61	69	36	36
Total	370	399	370	441	373	192	196
Exports	213	216	322	355	321	136	126
Other receipts	109	129	107	130	147	78	66
Total	322	347	429	485	468	204	192
Net	— 48	— 52	+ 59	+ 86	+ 95	+ 72	— 4
Hard currency area—							
Imports	177	101	160	241	240	205	60
Other payments	15	18	20	17	13	7	9
Total	192	119	180	258	253	212	69
Exports	137	120	155	201	148	78	61
Other receipts	13	18	18	19	30	15	18
Total	150	138	203	220	178	93	79
Net	— 43	— 41	+ 23	— 78	—115	—119	+ 10
Other areas—							
Imports	83	135	99	221	163	87	72
Other payments	10	11	15	31	20	9	9
Total	93	146	114	252	183	96	81
Exports	77	71	80	154	144	72	64
Other receipts	7	9	9	16	21	9	12
Total	84	80	89	170	165	81	76
Net	— 9	— 66	— 25	— 82	— 18	— 15	— 5
All areas (net)	—100	—159	+ 57	— 78	— 33	— 62	+ 1

* Figures for the years 1948 and 1949 exclude transactions with Pakistan and Afghanistan.

COMPOSITION OF INDIA'S FOREIGN TRADE

(In crores of rupees)

	1948-49	1949-50	1950-51	1951-52	1952-53	April-July 1952	April-July 1953
Imports—							
Grain, pulses and flour	87.31	99.54	80.41	228.12	153.10	76.01	37.07
Machinery and mill work	81.52	105.52	93.00	104.31	87.86	23.50	22.45
Oils—vegetable, mineral and animal	84.21	89.19	59.54	79.43	98.74	29.31	25.10
Cotton—raw and waste	64.53	83.24	109.77	137.13	76.67	30.01	19.25
Vehicles	33.15	23.40	24.50	34.41	24.18	9.10	4.79
Chemicals, drugs and medicines	24.91	16.14	19.37	35.97	24.87	7.63	6.23
Iron and steel and manufactures thereof	12.34	13.70	19.03	21.07	23.71	7.33	5.40
Other metals and manufactures thereof	22.27	18.18	27.83	20.65	19.37	6.25	3.51
Raw jute	16.37	15.85	14.46	67.05	16.41	3.52	3.81
Cutlery, hardware, implements, etc.	11.44	13.07	9.67	10.36	13.81	3.94	3.72
Electrical goods	15.32	9.71	10.45	14.89	12.79	2.91	4.09
Paper, pasteboard and stationery	15.58	11.11	14.60	19.23	10.42	2.91	2.78
Dyes and colours	5.87	6.01	9.51	9.04	9.31	2.53	3.37
Fruits and vegetables	17.17	18.41	2.30	8.53	4.89	1.06	2.30
Cotton yarns and manufactures	5.07	1.05	8.21	6.72	1.75	1.05	2.63
Woollen yarns and manufactures	13.15	16.05	15.60	9.81	9.51	1.72	4.59
Other yarns and textile fabrics	1.01	0.17	3.01	2.46	0.90	0.42	0.02
Raw rubber	2.81	2.80	2.80	5.54	2.24	0.69	0.39
Wood and timber	3.17	3.03	5.02	2.58	0.66	0.13	0.43
Raw wool	1.71	0.21	2.41	1.56	0.67	0.07	0.19
Silk—raw and cocoons	50.84	58.22	64.55	23.83	34.72	6.87	58.71
Other imports	..	..	..	..	..	..	..
Total imports	642.92	660.61	681.17	882.84	632.85	277.64	209.46
Exports—							
Jute manufactures	146.56	126.99	113.05	260.06	129.06	44.06	24.65
Cotton textiles	39.86	74.91	130.71	54.10	69.32	15.62	17.20
Tea	63.69	72.44	79.87	93.30	80.31	10.31	10.15
Metallic ores	2.13	7.16	9.69	13.53	23.09	5.94	8.52
Oils—vegetable, mineral and animal	9.15	18.82	17.35	21.02	23.09	8.60	3.41
Cotton—raw and waste	5.46	10.13	24.02	27.89	20.43	7.34	6.42
Spices	..	..	..	..	..	4.05	4.34
Hides and skins (tanned or dressed) and leather	12.69	20.06	25.77	25.69	20.34	2.94	6.42
Fruits and vegetables	6.10	7.02	10.95	13.41	18.31	4.05	4.16
Tobacco	8.26	4.21	3.30	7.81	7.66	2.50	1.42
Coal	3.77	..	..	..	..	..	..
Other non-metallic and quarrying products	6.13	7.33	10.34	14.19	9.84	2.67	2.71
Raw wool	11.09	3.71	7.87	4.90	8.42	1.03	1.43
Raw hides and skins	9.46	8.92	13.60	16.24	8.26	2.20	1.59
Guns, resins and lac	5.50	6.96	9.50	8.52	5.69	1.47	1.56
Raw hides and skins	1.47	1.01	2.48	3.24	3.73	0.71	0.87
Fish (excluding canned fish)	1.27	1.05	3.03	5.27	3.75	0.96	1.01
Chemicals, drugs and medicines	1.73	0.01	1.77	2.43	3.75	0.37	0.85
Apparel	7.05	14.80	17.20	7.96	4.60	2.14	0.73
Oilseeds	63.16	52.71	48.60	63.51	54.54	75.23	54.36
Other exports	..	..	..	..	..	..	..
Total Exports	416.02	471.94	578.88	701.80	651.04	189.44	158.82

AREA AND YIELD OF CROPS

(In thousands)

Crop	Estimate	Area (acres) 1952-53	Area (acres) Corresponding adjusted 1951-52	Area (acres) Increase (+) or decrease (—) %	Production (tons) 1952-53	Production (tons) Corresponding adjusted 1951-52	Production (tons) Increase (+) or decrease (—) %
Cereals—							
Rice	Final	74,674	73,665†	(+) 1.4	23,424	20,741†	(+) 12.9
Jowar	Do.	41,045	39,144†	(+) 7.2	6,034	5,944†	(+) 1.6
Bajra	Do.	25,282	22,853†	(+) 10.7	2,922	2,299†	(+) 27.1
Maize	Do.	8,706	8,027†	(+) 9.0	2,967	2,121†	(+) 39.9
Ragi	Do.	5,388	5,399†	(—) 0.2	1,235	1,212†	(+) 1.9
Wheat	Do.	24,041	23,450†	(+) 2.5	6,762

SOME VITAL ECONOMIC STATISTICS—(Concluded)

TRANSPORT AND COMMUNICATIONS IN INDIA

Total road mileage (excluding Municipal)	255,459
Of which : Metalled	91,857
Non-metalled	163,602
Waterways	
Approximate main waterways navigable by steamers and large country boats (in miles)	5,144
Shipping	
Total gross registered tonnage	411,333
Of which tonnage on : Coastal trade	236,333
Overseas trade	175,000
Railways	
Total route mileage	34,119
Number of locomotives	8,590
Number of passenger coaches	23,000
Number of wagons	220,500
Capital outlay (in crores of rupees)	861.55
Aviation	
Total unduplicated route mileage on scheduled services (in miles)	26,003
Average number of miles flown on both scheduled and non-scheduled services per month	2,000,000
Average number of passengers flown on both scheduled and non-scheduled services per month	47,333
Average amount of freight carried on scheduled and non-scheduled services per month (in lbs.)	13,000,000
Average amount of mail carried on scheduled and non-scheduled services per month (in lbs.)	730,000
Number of aerodromes owned by the Government of India	186
Number of aerodromes owned by State Governments	105
Number of aerodromes owned by Private Agencies	14
Automobiles	
Total number	308,263
Of which : Motor cars	147,932
Taxicabs	11,749
Buses run on diesel	2,145
Buses run on other fuels	32,225
Goods vehicles run on diesel	1,451
Goods vehicles run on other fuels	81,942
Motor cycles	27,012
Miscellaneous run on diesel	3,504
Miscellaneous run on other fuels	190
Total number of Assembling and Manufacturing Units	12
Of which those having manufacturing programmes	5
Aggregate assembling capacity of the 12 units (in numbers)	84,014
Total number of cars and commercial vehicles assembled per year	14,873
Posts, Telegraphs and Tele-communications	
Number of post offices	42,084
Of which : Rural	36,501
Urban	5,583
Number of telegraph offices including railway and canal offices	8,463
Total number of telegrams sent annually (inland and foreign)	30,000,000
Total number of telephone exchanges	4,594
Total number of telephones	201,813
Total number of wireless stations (excluding those run by defence services)	1,484
Total number of broadcast receiver licences	660,781
Total number of wireless messages sent per year	574,400

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

	For the year ended 31st December			For nine months ended 30th September	
	1950	1951	1952	1953	1952
Food Articles	410.7	409.8	359.8	383.6	371.4
Rice	515.4	546.6	527.4	518.1	493.9
Wheat	531.7	549.5	533.3	565.4	394.0
Jowar	342.7	297.8	218.5	214.5	164.3
Bajra	245.0	245.0	245.0	245.0	245.0
Pulses	450.8	506.0	446.0	514.7	350.2
Tea	437.1	409.9	246.3	355.7	196.0
Coffee	479.7	567.3	680.0	624.7	496.2
Sugar	279.2	297.0	294.1	270.2	297.0
Gur	420.7	305.0	176.6	264.8	130.6
Industrial Raw Materials	503.5	608.2	453.8	463.6	347.6
Raw cotton	450.4	501.0	426.6	439.2	325.3
Raw jute	496.0	859.3	513.0	375.5	412.8
Groundnut	733.2	768.5	561.3	759.7	414.0
Linseed	564.6	613.8	426.0	423.5	324.3
Coal	357.0	357.0	357.0	357.0	357.0
Semi-manufactures	360.9	377.5	346.5	356.7	259.9
Leather	354.5	453.0	345.0	416.9	325.6
Mineral oils	193.9	197.0	221.0	223.9	219.5
Vegetable oils	646.3	679.0	459.0	531.4	464.9
Cotton yarn	410.7	443.0	463.0	444.0	472.3
Metals	176.7	197.0	211.0	225.4	206.7
Oilcakes	472.5	500.0	410.0	429.6	443.1
Others	312.0	330.0	273.0	250.3	240.4
Manufactures	368.4	395.5	377.5	367.8	284.2
Jute	561.0	817.5	515.8	392.0	405.9
Cotton	354.4	400.4	401.0	405.2	299.2
Rayon and silk	612.0	611.0	485.0	452.1	455.0
Woollen	302.0	378.0	346.0	305.8	372.7
Iron and steel	211.0	226.0	233.2	267.4	171.2
Miscellaneous	685.8	729.8	635.6	645.9	478.1
All Commodities	400.9	439.3	386.9	394.9	291.9

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India	1948	342.12	..	8,730	255
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats 3,166	317	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1951	20.25	Ps. 7,586	1,926	856
New Zealand	1952	2.00	£ (N.Z.) 846	861	4,307
Australia	1951	8.43	£ (A) 3,234	3,154	4,317
U.K.	1952	50.43	£ 13,643	14,197	3,603
U.S.A.	1952	156.94	$ 290,400	134,280	8,868
Canada	1952	14.43	$ 18,135	9,164	5,662
France	1952	42.60	Fr. Fr. 10,190,000	13,564	3,254
W. Germany	1952	44.44	Dm. 93,400	11,156	2,301
Italy	1952	46.84	Lr. 8,112,900	6,141	1,318
Norway	1952	3.32	Kr. 16,596	1,106	3,331
Sweden	1952	7.13	Kr. 33,170	3,652	5,122
Netherlands	1952	10.34	Fl. 17,650	2,213	3,104
Denmark	1951	4.30	Kr. 29,716	1,439	3,346
Switzerland	1952	4.82	Sw. Fr. 29,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source : United Nations Monthly Bulletin of Statistics, August, 1953.

FINANCIAL POSITION OF INDIA

(In crores of rupees)

	1948-49	1949-50	1950-51	1951-52	1952-53 Budget	1952-53 Revised	1953-54 Budget
GOVERNMENT OF INDIA							
Revenue Account :							
Revenue—							
Customs	126.16	124.71	157.15	231.69	165.00	177.00	170.00
Excise	59.61	67.45	67.54	85.74	86.00	80.00	94.00
Corporation tax	62.26	39.53	40.69	47.41	39.53	39.53	38.62
Other taxes on income	119.50	121.59	132.73	146.19	124.47	130.17	123.58
Currency and Mint	12.83	11.82	12.27	11.30	10.39	10.77	15.69
Contribution from Railways	7.34	7.00	6.50	6.92	7.65	7.65	7.65
Contribution from Posts and Telegraphs	2.36	2.38	3.98	3.43	1.16	1.40	2.30
Total revenue	371.70	350.38	410.86	515.38	404.98	418.64	439.26
Expenditure—							
Defence (net)	146.05	148.86	164.13	170.96	197.95	192.73	199.84
Direct demands	8.62	13.90	12.60	16.23	15.76	31.05	32.49
Irrigation	0.06	0.05	0.22	0.17	0.18	0.17	0.19
Debt services	42.53	39.43	37.36	39.00	36.16	35.03	37.17
Civil administration	35.56	39.30	44.80	53.67	55.98	56.23	71.27
Currency and Mint	2.13	2.08	2.55	2.51	3.20	3.05	2.57
Civil works, etc.	6.61	6.53	10.34	11.36	14.95	14.82	15.06
Miscellaneous	56.99	52.41	52.85	65.14	40.93	53.11	22.37
Adjustments between Union and States	2.06	2.06	15.59	17.21	20.24	23.04	20.37
Extraordinary Items	19.45	11.54	7.03	10.91	15.86	13.21	24.49
Total expenditure	320.88	317.12	351.44	387.27	401.26	422.43	438.81
Net revenue position	+50.84	+33.27	+59.22	+128.09	+ 3.73	— 3.79	+ 0.45
Capital Account :							
Receipts (net)—							
Permanent debt	..	..	..	23.36	32.76	29.80	..
Other debt	317.71	124.14	59.09	30.58	43.75	50.52	161.23
Total	317.71	124.14	59.09	53.94	76.51	80.12	161.23
Disbursements (net)—							
Railways	34.40	34.25	25.41	23.21	15.36	14.12	18.97
Civil works	N.A.	N.A.	7.72	10.15	16.79	15.93	17.81
Defence capital outlay	132.69	1.95	4.19	10.17	17.00	8.71	15.00
Posts and Telegraphs	N.A.	N.A.	7.07	4.06	4.85	5.39	7.60
Industrial development	7.33	9.18	8.90	8.34	10.10	1.95	6.75
Multi-purpose projects	N.A.	N.A.	2.59	3.27	3.07	4.15	8.80
State trading	N.A.	N.A.	—2.26	12.03	0.84	—0.20	3.52
Civil aviation	N.A.	N.A.	1.82	1.51	1.92	1.77	2.32
Ports	N.A.	N.A.	0.29	0.90	2.58	2.13	3.23
Sterling pensions	214.55	—9.56	—7.37	—7.21	—7.26	—7.26	—7.16
Special development fund	..	..	..	46.97	10.00	26.57	..
Other heads	—1.22	—9.47	22.35	2.85	3.63	2.60	6.75
Redemption of permanent debt	102.59	64.77	45.85	87.94	8.30	8.19	119.62
Grants, loans and advances	45.78	87.41	65.71	87.31	119.91	126.45	151.82
Total	545.81	202.88	182.59	293.43	205.18	208.80	348.08
Net position	—167.44	—80.05	—92.04	—124.30	—79.76	—75.49	—30.67
Miscellaneous	+34.97	+2.95	+15.25	—2.79	+0.43	—0.67	+1.97
Overall surplus (+) or deficit (—)	—81.67	—43.80	+12.44	+0.81	—75.60	—82.85	—28.18
Cash balance—							
Opening	273.90	193.28	149.50	161.78	158.68	162.69	79.84
Closing	192.23	149.48	161.94	162.69	83.08	79.84	51.69
Public debt (at the end of the year):							
Interest-bearing obligations—							
Loans	1,478.39	1,452.15	1,439.46	1,402.10	1,427.10	1,405.58	1,389.68
Treasury Bills, ways and means advances and TDR's	373.33	361.45	373.29	335.01	330.01	319.19	429.04
Small savings	271.73	293.80	326.25	372.57	417.14	417.64	452.87
Depreciation and reserve fund	116.77	126.15	155.56	171.47	171.04	170.15	159.40
Others	172.74	222.75	297.26	193.02	187.16	189.14	194.13
In England	42.84	39.83	36.17	33.45	30.27	30.23	29.99
Dollar loans	..	16.77	24.60	112.04	111.94	113.74	112.76
Total	2,456.80	2,512.93	2,581.80	2,619.69	2,675.66	2,645.70	2,776.37
Interest-yielding assets—							
Capital advanced to—							
Railways	602.47	723.80	814.13	833.63	850.04	864.23	883.20
Other commercial departments	45.85	68.97	90.11	112.05	134.05	81.25	90.34
States and other interest-bearing loans	110.44	158.92	216.97	341.39	431.25	377.47	473.79
Debt due from Burma and Pakistan	348.15	348.15	348.15	348.15	348.15	348.15	348.15
Deposits with U.K. Government for redemption of railway annuities	15.53	13.29	10.06	8.53	6.44	6.44	4.33
Purchase of annuities for sterling pensions	215.68	208.26	200.80	193.53	186.32	186.32	179.16
Total	1,431.12	1,521.39	1,681.21	1,836.23	1,956.25	1,862.86	1,976.97
Cash and securities held on Treasury account	235.81	172.99	141.97	105.70	142.35	136.18	106.53
Balance of total interest-bearing obligations not covered by the above	788.87	818.55	758.62	582.76	576.00	646.66	688.87
PARTS "A" AND "B" STATES							
Revenue Account :							
Revenue— "A" States	258.21	291.31	294.37	306.81	314.82	324.66	346.89
"B" States	..	..	93.38	106.50	104.02	109.03	113.03
Total	..	..	387.75	413.31	419.44	434.29	459.42
Expenditure— "A" States	250.82	287.29	293.08	309.11	323.32	340.06	362.93
"B" States	..	..	91.93	100.53	107.37	111.18	119.02
Total	..	..	385.01	409.64	430.69	451.24	481.55
Net revenue position— "A" States	+7.39	+4.02	—1.29	—2.30	—8.50	—15.40	—18.04
"B" States	..	..	+1.45	+5.07	—2.75	—1.55	—5.09
Total	..	..	+0.16	+3.67	—11.26	—16.95	—23.13
Capital Account :							
Receipts— "A" States	..	..	59.43	106.46	105.86	122.26	143.81
"B" States	..	..	20.79	31.55	24.94	32.84	41.80
Total	..	..	80.22	138.01	130.80	155.10	185.01
Disbursements— "A" States	..	52.60	61.49	146.92	129.80	157.45	161.08
"B" States	..	..	22.76	42.55	26.40	39.95	45.97
Total	..	..	84.25	189.47	156.20	197.40	207.05
Net position— "A" States	..	..	—2.06	—40.46	—23.94	—35.19	—17.27
"B" States	..	..	—1.97	—11.00	—1.46	—7.11	—4.47
Total	..	..	—4.03	—51.46	—25.40	—42.30	—22.04
Overall surplus (+) or deficit (—)— "A" States	..	..	—5.21	—42.76	—46.39	—50.59	—35.61
"B" States	..	..	—0.52	—5.03	—3.47	—6.66	—9.56
Total	..	..	—5.73	—47.79	—54.86	—59.25	—45.17
Reserves— "A" States	..	..	—14.34	—21.51	—15.25	—27.48	—4.47
"B" States	..	..	..	—0.20	—1.64	—1.24	—1.70
Total	..	..	—14.34	—21.71	—16.89	—28.76	—6.23
Cash balances— "A" States	..	..	+4.26	—0.24	—0.64	—13.56	—21.04
"B" States	..	..	+6.88	—1.31	—4.11	—3.44	—0.33
Total	..	..	+11.14	—10.55	—4.75	—17.00	—27.37
Cash balance investment account— "A" States	..	..	+4.87	—12.01	—30.50	—0.55	—10.10
"B" States	..	..	—7.40	—3.52	—2.72	—3.94	—1.47
Total	..	..	—2.53	—15.53	—33.22	—13.49	—11.57

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Bombay—Fort
Bombay—Mandvi
Calcutta
Cannanore
Cochin
Coimbatore
Devakottah
Karaikal (French India)
Karaikudi
Kilasavalpatti
Kozhikode
Kumbakonam
Madras
Madras—Mount Road
Madras—Theagarayanagar
Mangalore
Mathurai
Mayuram
Nagapattinam
Pondicherry (French India)
Pudukottah
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OUTLOOK FOR JUTE INDUSTRY

THREE-PRONGED ATTACK NEEDED TO IMPROVE IT

By K. D. Jalan

THE last decade has been a very critical period for the Indian jute mill industry. Its working has been handicapped throughout this decade by one factor or another. At times, it appeared that the constant and cumulative pressure of some of them would lead to its virtual breakdown and ultimately result in its extinction. During the thirties, short-term working was more or less a regular feature. But the difficulties faced by this industry during the war period were characterised by serious shortages of shipping space and of wagons for movement of coal and requisitioning of mill premises. Consequently, in spite of heavy demand, it could not produce and supply jute goods to the extent it would have done with more favourable situation in respect of these factors.

These difficulties remained in force to some extent even during the early years of the post-war period and the controls on prices and exports, coupled with heavy demand for jute goods, irritated the overseas consumers. The continued shortage of jute goods and difficulties in obtaining supplies led the consumers to a more vigorous search for substitute materials and methods than hitherto. The Partition and Indo-Pakistan trade deadlock made things worse and the shortage of raw material thereby caused in India forced the industry to curtail its production by reducing its working hours and/or sealing a portion of the looms. When the situation improved, with the increase in the production of jute in India and solution of the trade deadlock between the two neighbours, the high prices as a result of the high cost of the raw material and the increased export duty in India further widened the gap between the Indian industry and its principal consuming markets. During this period, our competitors made serious inroads into the markets that were hitherto our preserves. The Continental manufacturers could sell at lower prices, owing to the advantages they had in the form of supplies of better quality Pakistani jute at lower cost and the tax element in the prices of Indian jute goods which was altogether absent in their own.

Some markets were lost to the substitutes, mainly paper, and in some cases bulk handling. Return to cheaper prices of jute goods as a result of the drop in the cost of raw jute and the cut in export duty has been hailed by all the consumers and given them a new hope to some extent. While the developments since the last cut in export duty are encouraging, it is yet too early to say to what extent the damage caused to the Indian jute trade can be retrieved. The loss in some cases is so serious that the trends developed thereby will continue to forge ahead and the only way of countering their effects would be to look for new outlets. In any attempt to assess the position of jute goods to-day and forecast their future, it is necessary to review the developments that have recently taken place in our principal markets and affected the offtake of jute goods from India.

U.S.A.

The U.S.A. is by far the largest single importer and consumer of Indian jute goods. Immediately after the war, its consumption of burlap was running at an annual rate of more than 800 million yards, but dropped to 579 million yards in 1951-52.

In spite of increase in economic activity in the U.S.A., the market for jute goods has not expanded; what is worse, the importance of burlap in relation to its substitutes like paper has considerably gone down. India supplied 97.3 per cent. of burlap imported by the U.S.A. in 1946 and 77.2 per cent. in 1953 (upto 30th June). The statistics relating to the total forward purchases as at the end of July and August showed supplies from India at 66 per cent. and 57 per cent., respectively, and from other sources at 34 per cent. and 43 per cent., though the corresponding figures at the end of September were 84 per cent. and 16 per cent., respectively. This indicates the serious loss suffered by the Indian jute manufactures in the U.S.A. market. While a good portion of this market has been lost to substitutes, a further slice of India's share has been taken away by the European jute manufacturers.

Australia and New Zealand

Australia constitutes the most important market in the East. The delegation of the Indian Jute Mills Association that visited this country in the month of April this year found that, while our total trade was still much the same, our sales were not expanding in an expanding market. The insecurity of supplies is the main cause of the losses to substitutes, of which bulk handling is the most serious. For all practical purposes, wheat is now entirely bulk-handled in New South Wales, Victoria and Western Australia and to some extent in South Australia also. The sugar market can well be lost to bulk handling and consumer-packing in course of time. Fertilisers are now packed in paper to the extent of 20 per cent. of the total production.

New Zealand is also an expanding market, but here the paper pulp manufacturing project is the biggest threat. Development of *Phormium tenax* is also likely to affect the market for wool-packs, particularly as the use of sacks manufactured from this fibre is being officially encouraged. A substantial portion of the total production of fertilisers is now either handled in bulk or packed in paper bags. The entire cement market has been lost to paper.

South American Markets

In our South American markets, Argentina is the most important. Here jute goods are used mainly for handling of grains. Recent reports indicate that they have decided to construct grain elevators for bulk handling of grains and avoiding use of sacks. The importance of this market appears to have considerably dwindled. So far during the post-war period, its imports had not reached the pre-war level, though our exports to that country this year are likely to exceed the pre-war level. Brazil has become more or less self-sufficient in her requirements of bagging materials and her raw jute production is constantly going up. It was about 1,000 tons in 1941 and 25,000 tons in 1952. Her plans envisaged a crop of 50,000 tons in 1956. Peru has put up her own jute mill. Cuba is experimenting with *kenaf* and available information indicates that, in course of time, she may be successful in producing sufficient quantities of this fibre and manufacturing sacks to meet her needs. Bulk handling of sugar, which is now being resorted to to an increasing extent, may mean, in the long run, complete extinction of the Cuban sugar market for jute goods.

European Markets

To what extent Europe can be considered a market for Indian jute goods is an important question. The European jute industry has been completely rehabilitated. The high export duty in India on export of jute goods has enabled the European manufacturers to make handsome profits even after underquoting India and thereby helped them to modernise a major part of their equipment. The result is reduction in their working costs and increase in their productive capacity. They have presented a formidable competition for India in markets like the U.S.A., where practically 20 per cent. to 25 per cent. of the burlap supplies are now from countries other than India. The consumption of jute by the Continental manufacturers has considerably increased. The manufacturers in some of the countries have been working two shifts. Sweden, the Netherlands, Western Germany and the U.K. are the countries in instance. France is subsidising exports to the extent of 10 per cent. to 15 per cent. If the European jute industry finds any difficulty in meeting Indian competition, India's exports to Europe for their internal consumption are likely to be further affected as the Governments of these countries would naturally protect their industry, and further restrict imports from India.

Asian Markets

In the Asian markets also the situation is not encouraging. Pakistan has not only ceased to be a purchaser of Indian jute goods, but now exports its own products to foreign countries. It has just been reported that Pakistan has entered into an agreement with South Africa for supplies of a substantial quantity of jute goods during the next year. With the natural advantage to its industry by way of better quality jute available at lowest cost, coupled with most modern equipment and its plans for further expansion of the loomage, it will, in all probability, mean a formidable competitor for India in the near future.

The jute industry of Japan has been completely rehabilitated and now produces jute goods not only for internal consumption but also for export. Thailand has set up two jute mills which produce 20 per cent. of her requirements. Plans are reported to have been prepared for further development of one of the factories by additional investment of about Rs. 13 million. Indonesia has also planned to have a jute bag factory at a cost of Rs. 11.8 million to manufacture one-third of the jute bags needed by her. Jute mills have been set up in the Philippines. While they produce jute goods now for both internal consumption and export out of imported jute, they are planning expansion of cultivation of *kenaf* with a view to replacing jute. Burma has taken steps to extend cultivation of jute to meet her needs locally and some time back it was reported that she would set up a jute mill.

Middle East and Africa

Establishment of a sack factory in Israel, as reported some time back, would close that market for Indian jute goods and may even result in some exports from that country. Egypt has one jute mill and a Special Committee of the Permanent National Production Council of Egypt, appointed by the Government of Egypt, has stressed the need for official protection to this industry. The expansion plans of the present company are directed towards manufacturing all the jute bags required by Egypt. Cyprus is also said to have decided upon the erection of a factory to meet her needs of sacks. Experiments with Rama fibre as a jute substitute have been reported to have been successful in Nigeria and its production is now being encouraged with a view to exporting and using it in a local sack factory planned for 1953. The new sack factory established in Angola last year is expected to meet a large part of its requirements. South Africa has made remarkable progress and is now in a position to meet all her requirements of wool-packs and about one-half of the grain bags needed by her. The expansion of the factories has been going on and a considerable quantity of hibiscus fibre is now used as a substitute for jute. It is expected that the South African Government would announce a subsidy for the industry.

Causes for These Developments

These developments clearly show that the Indian jute goods no longer hold the same importance that they had in the world packaging markets. An analysis would show that the chief factors responsible for the generation and the acceleration of the pace of these trends are:

(1) Supply and cost of labour, (2) insecurity of supplies, (3) high prices, (4) Pakistan's jute policy, (5) Indian fiscal policy, and (6) consumer preference.

Countries like Australia, where labour is scarce and relatively very dear, have all along been anxious to find alternative packaging materials and methods which would reduce their dependence on labour involved in the use of jute bags. Here, the cost of bags was not at all important and saving in labour was the predominant factor. For this reason, in spite of heavy initial investment involved, bulk handling was naturally a great attraction and the ultimate reduction in the handling costs by this method, coupled with insecurity of supplies of jute goods, led to its widespread use in the grain-producing countries. Bulk handling of grains has come to stay and is being increasingly resorted to. Fertilisers are gradually switching over to this method. It is now being adopted for the transport of sugar. Huge investments are now being made in the arrangements for handling of sugar in bulk in many countries and, as I have stated earlier, this market is likely to be entirely lost so far as jute goods are concerned. To some extent, the diversion to paper bags can also be ascribed to this factor, as, by the use of labour-saving machinery for filling in paper bags, the labour costs were somewhat reduced. Even when the prices of jute goods become economic in relation to the costs of substitute materials and methods, there is very little possibility of the consumers returning to the former, as this would involve keeping the huge investments made for the use of the latter idle.

National Self-sufficiency

National self-sufficiency with regard to the primary needs was being pursued as an objective by some countries even during the pre-war period, as a result of which the use of paper and cotton as substitute material was being resorted to for packing some of the products where they offered some other advantages too. A notable example is that of cement. The cheapness of jute bags was, however, a great deterrent and paper could not make any serious headway, except in respect of those commodities where it had natural advantages. The difficulties faced by the overseas consumers during the Second World War and the post-war period in securing adequate supplies of jute goods and the consequent repercussions on their economy made them realise the great danger in depending upon a foreign country in the matter of such an essential item and vigorous efforts were made to find indigenous substitutes. Shortage of jute goods also led many countries to prohibit their use for certain purposes and consumers perforce had to seek something to pack their produce in. The result was bulk handling made a great headway, the use of paper bags increased by leaps and bounds and the search for substitute fibres was given a spurt.

The I.J.M.A. delegation to Australia found that insecurity of supplies was the predominant threat in that market, much more than the high prices. What the consumer resented was the restrictions placed by way of quotas, etc., on the exports of jute goods even when supplies were relatively plentiful and the need for conservation of supplies for armament requirements was over. The danger in depending upon India for jute goods became all the more apparent when shortage of raw jute in India after the Partition resulted in further shortage of jute goods.

With insecurity of supplies, the high prices of jute goods, due to the increased price of raw jute after the Partition earlier, and due to the high Indian export duty later, have been the most important factor in taking away our traditional consumers. Cheapness was the predominant influence in spreading the use of Indian jute goods all the world over. The continued high prices of jute goods in the post-war period for one reason or another made them uneconomic as a packaging material and they lost one of the great advantages in their favour. Even after taking into account their reuse value, they became uneconomic in comparison to paper and cotton. It was, therefore, natural that consumers switched over to substitutes and their use was thereby encouraged.

The Partition and After

All the countries were anxious to rehabilitate their industries after the war, but the cost of such rehabilitation in the case of the jute industry would have been normally considered uneconomic and prohibitive, when they had to depend upon India for the raw material and owing to the natural advantages in its favour the Indian jute industry was capable of supplying jute goods cheaper than others. With the partition of the country, the advantage of cheap and monopolistic supply of raw material was lost and India not only had to compete with its foreign counterparts to purchase raw jute from Pakistan, but, for a time, its supplies were completely cut off and then the cost of Pakistani jute to India became very high, due to the discriminatory export tax on exports from Pakistan and the unrealistic exchange ratio between the two countries.

The disadvantages arising out of these factors to India became advantages to the manufacturers in the Continent. Encouraged by these circumstances, they rapidly re-developed their industry. Other countries started thinking in terms of having their own manufacturing units to meet their requirements of jute bags. There was still enough demand from the consumers to take over their production and, with reduced costs of manufacturing due to modern machinery, coupled with the above advantages, they could now compete with India without much difficulty.

Increase in Export Duty

The increase in the export duty on jute goods in India provided the foreign manufacturers with an excellent opportunity and further protection. This tax increased the costs of Indian jute goods to the overseas consumers and the resultant high prices gave the foreign manufacturers a wide margin of profit, in spite of their underquoting India to some extent to secure the business. Out of this indirect subsidy from India they reaped a rich harvest. They worked double shift and earned windfall profits which they utilised for modernising the equipment. Perhaps, without this tax burden, the Indian goods would have competed the foreign products out, but the burden so placed on them was unbearable. Overseas offtake of jute goods from India was reduced and the industry has had to continue its short-time working of 42½ hours a week, with 12½ per cent. of its looms sealed, an expedient adopted earlier owing to shortage of supplies of raw jute. None else but the foreign manufacturers have benefited by this policy, as modernisation of equipment has helped to further reduce their manufacturing costs, increase their competitive capacity and give them a fresh lease of life. Although the duty has now been substantially reduced, with the changes in the structure of the competitors and consequent strengthening of their competitive capacity, they have been placed in a strong position and are now likely to put up a tough fight.

Demand for Smaller Bags

One more factor has been responsible for taking away some of the consumers from jute goods. For some time now, consumer packing is being favoured by the producers of articles of daily consumption such as sugar, flour, etc. Smaller packages are convenient for handling by the retailers as well as the consumers. In some items like potatoes, smaller bags have now come into vogue. The jute industry is quite alive to the new situation developed by these factors and has given considerable attention to it. In fact, 50-lb. potato bags are now manufactured and have found a ready demand in the U.S.A. It is expected that this season might see a return to the use of jute bags in this sphere. Similarly, it is my belief that, in many other spheres too, a return to jute bags should not be ruled out, provided smaller bags are developed according to the demands of the consumers and dealers. Co-operation between the industry, on the one side, and the producers and dealers, on the other, is capable of bearing good fruit by way of come-back to jute goods and halting further diversion to substitutes to any serious extent.

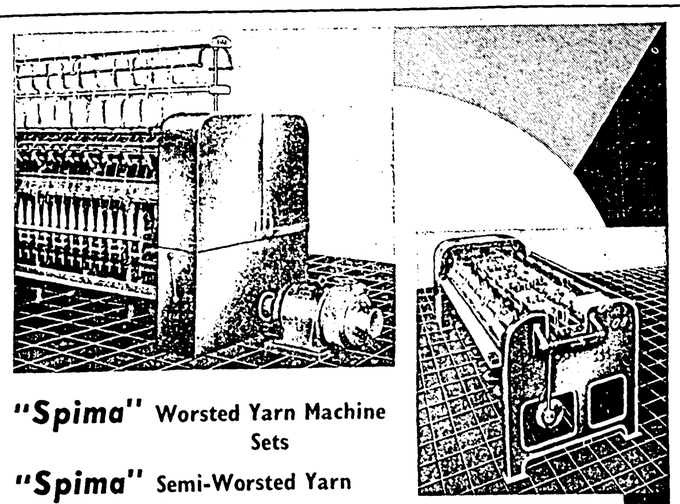
It is unlikely that cheaper prices of jute goods will affect the trends generated with regard to the expansion of bulk handling in the long run, though its further development could be slowed down and halted. The drive for national self-sufficiency is a grave threat. All the countries which have developed this industry will naturally protect it. Attempts will be continued to find suitable indigenous substitute fibres to replace jute. But, with increased production of raw jute (the crop is expected to be smaller this year and the consequent high price is likely to adversely affect the position of jute goods), it is now possible to produce more jute goods and compete with foreign manufacturers so far as their exports are concerned. If jute goods can be made sufficiently cheap, it is not unlikely that the forces working against them in certain spheres can be halted, further diversion to substitutes checked and a part of the markets regained.

A three-pronged attack is necessary to solve the problem. Adequate supplies of raw jute at a cheap cost are the first essential. Quality of jute is no less important. The question has been studied for a long time. The report of the Committee appointed by the Government to examine the matter has been submitted. What is now needed is implementation of the recommendations made by it with vigour and zeal. The yield, along with the quality, must be improved, for that alone can help us in reducing the cost of production of jute. No half-hearted action would do.

Reduction in labour costs is equally essential to make jute goods sufficiently cheap to gain ground. Only modernisation of equipment can help us, when labour costs are increasing from day to day, owing to new labour legislation and the additional financial liabilities thrown on the industry thereby. Plans of modernisation have been considered and talked about for a considerable time. Finance is the chief hurdle. But it is imperative to undertake modernisation as early as possible, otherwise it would be difficult to compete with the Continental industry on an equal footing.

The drive on these two sides should be supported by appropriate changes in the fiscal policy. At a time when the industry has to struggle for its existence and needs assistance from all sides with a view to regaining its old cheapness, it is only proper that all fiscal burdens by way of export tax on its products should be taken off. Action on these three lines, coupled with a dynamic policy on the part of the industry (a) to adjust the production to demand, (b) to vigorously pursue its public relations cam-

(Continued on page 140)



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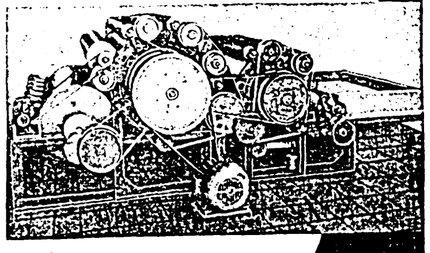

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INDIA'S JUTE INDUSTRY FACES THE CHALLENGE

DETERMINED EFFORTS BEING MADE TO MEET CHANGING CONDITIONS

THE last few years have seen vast changes, dynamic events in the Indian Continent, changes in their speed, extent, and import, perhaps, unequalled in history. There have naturally been tremendous repercussions from these events affecting all sections of the economy of this subcontinent, but, perhaps, none has been more affected than has the jute manufacturing industry in West Bengal. Problems, difficulties, at first seemingly insurmountable, have faced the industry and fully absorbed the attention of all concerned at a time of important post-war changes in markets throughout the world. These difficulties have gravely handicapped the industry at a crucial time and have undoubtedly given rise to the belief, sometimes expressed outside this country, that the Indian jute industry is a spent force, using machinery that is obsolete, unable to keep abreast of the times and definitely on the decline. Were there any truth in this, there would be cause for the utmost concern, because the jute manufacturing industry, in addition to being the mainstay of the economy of West Bengal, is also one of India's foremost export industries and her principal source of dollar exchange. That the problems still facing the industry are formidable no one would deny; but these problems are a legacy of the even greater difficulties of the past, and the fact that the industry has survived—though not without loss—the tremendous crises of the post-war years is at once a tribute to its resilience and a sure indication of its ability to face the future.

Mistaken View

Those who doubt the Indian jute industry's future may, perhaps think it is incapable of properly appreciating its present problems or of adapting itself to changed conditions. Such a view could not be more mistaken. The industry knows what it is up against and its policy for the future is based on a careful assessment of the situation; but, before outlining some of the measures which are being taken, a brief account must be given of the situation itself and of its origin.

Although many other factors have been involved, the present difficulties of the Indian jute industry may be attributed principally to the dislocation of markets caused by the Second World War and, subsequently, to the Partition of the country. The two great advantages of jute as a packaging material have always been its ready availability and its cheapness. War-time conditions brought about an increase in prices, and, although the production of jute goods was greatly stimulated, the available supplies were, to a large extent, diverted from the civilian market to the military demand. Of themselves, these two developments might not have mattered so much, because all commodity prices were rising steeply, other markets were similarly affected and at such a time consumers did not expect to receive their normal supplies. Unfortunately, however, both tendencies persisted after the war. Wage rates continued to rise, with no corresponding increase in the productivity of labour, and, at a time when an all-out effort could have been made to re-establish and develop civilian markets throughout the world, the sub-continent of India was partitioned and the Indian mills were overnight separated from their principal source of raw jute. Mills had to adopt a system of rationing of their raw material with all the disadvantages and restrictions that any rationing scheme entails. In 1949, the devaluation of sterling should have afforded the industry a golden opportunity of vastly expanding its dollar markets, but the inability to obtain sufficient supplies of raw jute prevented this. Lastly, the stockpiling at the outbreak of the Korean war brought about an acute shortage of manufactured goods, forced prices to prohibitive levels and precipitated the situation facing the industry to-day.

Rising costs, shortage of raw material, high prices, heavy export duties: these were the principal causes of the present situation, and, although the causes themselves have, to some extent, been removed, the effects are only slowly being corrected. The world's raw materials—foodstuffs, fertilisers, cotton, wool, all the commodities which are packed in gunnies—have to be transported and transported quickly. If jute goods are not available or are too costly, the producers of these primary commodities are forced to look elsewhere for their packaging needs. This is in fact

By J. G. Walton

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what has happened; and, as a result, the Indian jute industry has lost a lot of ground through the encouragement given to the use of substitute packaging materials and the adoption of bulk handling methods, through the advantages afforded by high export duties to the jute manufacturing industries of other countries, and, finally, through the establishment of new jute mills in countries which had previously imported all their requirements of jute goods.

Fierce Competition

Competition from other packaging materials such as cotton and paper has, of course, been experienced before, but the Indian jute industry's misfortunes enabled, these materials to invade and establish new markets at the expense of jute, and competition from them, and particularly from paper, is now much fiercer than it was. Bulk handling, too, though a natural development in countries like North America, Canada and Australia where crops are large and labour expensive, was directly and greatly encouraged by the shortage and high price of jute bags. While jute has thus lost ground to other packaging media, the Indian industry has also lost markets to foreign competitors. The Continental mills in particular took full advantage of the protection afforded by the heavy Indian export duties to invade the American market at India's expense, and, whereas, in 1948, India supplied more than 95 per cent. of the total imports of hessian into the U.S.A., her share of this market had fallen by the end of 1950 to 87 per cent.; in August, 1953, it was only 71 per cent. In the Philippines the jute industry has expanded rapidly, until it now produces more than two-thirds of that country's requirements; Egypt is endeavouring to increase her production from 2,500 tons a year to 16,000 tons by 1957 and to reach self-sufficiency by 1960; nearer Home, Burma is reported to be already growing jute and to be contemplating the erection of a mill. Finally, and most significant of all, there is the emergence of a jute manufacturing industry in Pakistan, equipped with modern machinery and with unlimited supplies of good quality raw material readily available. This industry is already producing sufficient goods to meet Pakistan's own internal needs, and, if present reported plans are fulfilled, Pakistan will, by next year, be in a position to export substantial quantities to foreign markets.

The Challenge To Be Met

This, then, in broad outline, is the situation which now confronts India's jute manufacturing industry. What is being done to face the challenge? This article will deal mainly with the steps which are being taken by the industry itself; but, from what has already been said, it will be evident that the solution of the problem does not rest with the management alone, but will require the fullest co-operation of Government and labour and all sections of the trade.

In meeting the much keener competition which is now being experienced both from substitute materials and from jute manufacturing industries in foreign countries, the first essentials are to ensure that there should be a plentiful supply of jute goods at the lowest possible cost to the consumer. The Indian industry has sufficient productive capacity to meet any foreseeable world demand, the first requirement thus depends solely on the receipt by the mills of adequate supplies of raw material. Much progress has already been made in this direction. The acreage under jute cultivation in the Indian Union has been greatly extended in recent years, and, from a total of less than 17 lakh bales in 1947-48, the Indian jute crop increased by 1952-53 to nearly 47 lakh bales. The present crop is in the region of 35 lakhs bales and, while this is a good deal less than the last crop, the industry's position is much more secure. In present economic conditions, the lowering of prices is a bigger problem, but, in one direction at least, the remedy is available. Since 1949, the price which consumers have had to pay for Indian jute goods has been greatly increased by high rates of export duty. These duties have greatly handicapped the industry and the reductions already made in the rates have considerably improved the position. The last reduction took place on 15th September, 1953, when the duty on hessian was reduced from Rs. 275 to Rs. 120 per ton. It is still too early to assess the effect which this lowering of the duty will have on overseas demand, but it has certainly improved the Indian industry's position *vis-a-vis* its foreign competitors and it may enable India to recapture a large proportion of the markets lost to Continental mills. It is true that, even with the recent reductions, the rates of export duty are still higher than they were when India enjoyed a virtual monopoly of the jute goods trade and that, to this extent, the Indian industry is handicapped in its competition both with foreign industries and with other packaging materials; but the very existence of this handicap means that India has a margin in hand and that her competitive position can be improved by a further reduction or total abolition of the duties.

Modernisation

The industry is keenly alive to the need for reducing its manufacturing costs by continued and increased modernisation of machinery. This is not a question of increasing production—which could easily be achieved with the existing plant—but of producing the finished goods more cheaply. This is probably not appreciated by those who may disparage the Indian industry on the score of old type machinery, as if the machinery now in use were inefficient and incapable of producing high quality goods. Such a view reveals ignorance of the true position. It is important to realise that (apart from a very small number of circular looms, the possibilities of which

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are being examined by the Indian industry) the looms now being installed in new mills in other countries are of exactly the same type as those used in India. Modernisation in the jute industry thus means not a replacement of looms but the installation of new preparatory machines which supply the looms with yarn; and the reason for installing such machines is not that they produce a superior yarn but that they work at high speed and produce the yarn more quickly and more cheaply. While the machines themselves are expensive, the economy resulting from their use is considerable, and, in recent years, the Indian industry has spent more than six crores of rupees on their installation. Much still remains to be done before the entire industry is modernised, and finance is a major problem; but modernisation is proceeding at an increasing momentum. The Indian Government appreciates the importance of maintaining India's supremacy in the manufacture of jute and is already considering how best it can assist. In this process of modernisation, some dislocation of labour is inevitable and this will have to be faced, but the limited capacity of the machinery manufacturers will spread the process over a number of years, during which time the labour thus rendered surplus will, to a considerable extent, be eliminated by natural wastage. Within the limitations imposed by finance and the availability of new machines, the Indian jute industry is modernising and modernising fast, and it is true to say that there is already more modern machinery in India than in any other country of the world.

More Positive Steps Needed

So much for modernisation and the lowering of costs. In present circumstances, however, the strengthening of India's competitive position in world markets is not of itself enough. More positive steps are needed to recover old markets or develop new ones, and here again the Indian jute industry is taking vigorous action. Some markets—those where Indian jute goods have been replaced by bulk handling methods or by the production of indigenous industries—have been irretrievably lost, because the capital cost involved in the introduction of bulk handling methods and the establishment of new industries will ensure the continuance of such plants when once they have been established. On the other hand, the very fact that they are expensive tends to discourage such ventures, and every effort is being made, by ensuring regular supplies of jute goods at reasonable prices, to retard, if not altogether to arrest, their further development. In other cases, where markets have been lost to substitutes like cotton and paper, there is a real possibility of recovering some of the ground lost; and in countries like Australia, New Zealand and the Americas with their expanding economies and their plans for increased agricultural and industrial development, there are prospects of a larger demand for packaging materials.

Research

These markets cannot be captured without a struggle. Apart from the emergence of the Pakistan industry, competition from other packaging materials and especially paper is fierce; but jute has certain natural advantages—amongst others its greater strength and re-use value—and these must be pressed. With this object in view, the industry has been financing a large-scale publicity campaign in North America, designed to bring home the merits of Indian jute goods both to importers and to ultimate consumers by means of direct contacts, advertisements in the Press, broadcasts on radio and television and by exhibitions at Trade Fairs. Attention is now being turned also to the Australasian market, where a publicity campaign is being launched in New Zealand to combat the competition from paper and from woolpacks made locally from phormium tenax fibre. To keep the industry fully informed about market conditions in Europe and the all-important dollar countries, offices have been established both in London and New York. Delegations have been sent to America, Canada, Australia and New Zealand to assess the prospects of those markets, to establish personal contacts with consumers and to ascertain their difficulties and requirements. These missions, which have been highly successful in strengthening the ties between the Indian jute industry and its customers and in building up a fund of goodwill, will be continued in future. In its search for new outlets, the Indian industry realises that it can no longer rely solely on standard fabrics, and, in all these contacts with consumers, the attitude adopted is: "Tell us what you want and we will make it." If experiments and research are necessary before new requirements can be met, the industry has large and up-to-date laboratories in Calcutta fully equipped to carry them out. The research which enabled jute to be adapted to many special war-time needs is now being directed towards the discovery of new agricultural and industrial uses.

The Future

Upon the expansion of its present markets and the development of new markets the whole future of the Indian jute industry depends, and no effort will be spared to achieve this end. The difficulties are enormous and are not under-estimated; but India's jute industry is one of the most highly organised industries in the world, it has the advantages of established contacts and a vast store of experience, and it is determined to do everything in its power to adapt itself to changing world conditions.

During the past few years, the Indian jute industry has successfully faced and solved the most serious problems in its long history. It has done so without either internally supported prices or subsidised export prices; in fact, it has done so under the tremendous handicap of heavy export duties. The Indian industry can look forward not with complacency but with confidence in its strength and resilience to meet the challenge of the future.

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JUTE MANUFACTURE IN EGYPT

The Egyptian Development Board has approved a plan for expanding the jute industry to satisfy the whole local demand for jute by 1959. According to the plan, the present jute company will increase its capital by £450,000, to be provided by a Pakistani industrial corporation. The Egyptian company will thus be able to add to its machinery and to import more Pakistani jute, so that its production will satisfy 30 per cent. of local needs in March, 1955, and 60 per cent. two years later. The Board has approved in principle a customs tariff protectionist policy for the industry and has recommended fixing prices for an initial period, thereby guaranteeing a reasonable profit for the company and its shareholders. The company at present produces only about 2,500 tons of sacks and wrapping materials, using 2,000 tons of raw jute from Pakistan and the raw flax planted in Egypt. The aggregate domestic demand for jute products is estimated at about 28,000 tons.

JUTE FACTORY FOR ISRAEL

Israel's first jute factory—claimed to be the only one in the Middle East—is scheduled to go into production next March. It will produce string, rope, sacking and other jute products. The plant represents an investment of I£1 million half of it in foreign currency. During the first stage of operations, the plant is scheduled to process 2,000 tons of jute per annum, which will gradually be increased to 3,000 tons. The company reports that it has already received an order for 500,000 yards of jute goods from abroad.

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THE WORLD WOOL SITUATION

STEADY RISE IN PRICES—OUTPUT RECORDS INCREASE

WHEN the 1952-53 wool season ended last June, both growers and buyers had reason to be satisfied with the course it had taken. Growers could reflect upon the fact that, jute apart, wool was the only primary commodity to have steadily risen in price during that time. Buyers could take satisfaction from the record supplies of wool which, despite growing demand, kept wool prices within reasonable limits. A growing supply of wool, accompanied by a slow but steady recovery of prices from the low levels of 1952, made the 1952-53 wool season one of the most satisfactory since the end of the war.

Supplies of wool, at 2,780 million lbs. clean, were about 260 million lbs. more than in the 1951-52 season. Three-fifths of this increase was due to an expansion of current production, the remainder to an increase in stocks carried over from the previous season. The increase in production was largely the result of the growth in the Australian clip alone. Australia, by far the world's biggest producer, expanded output by no less than one-fifth—or an amount rather greater than the entire Uruguayan clip. This spectacular increase was in no small measure due to the effective campaign which reduced the rabbit population, improved sheep pastures, increased the number of sheep that can be fed from them, and gave a heavier clip per sheep. The average clip last season was higher than ever before. The restoration of mineral deficiencies to improve sheep pastures was another factor contributing to the increase.

Production in the other Dominions also increased, and in the United States the declining trend of recent years was at last reversed. The only important producer to show a decline in production was Argentina, where the continuing shift from sheep to cattle, combined with a drought and the depressing effect of large unsold stocks of wool from the previous season, caused her to give way to New Zealand as the world's second largest wool producer. Russia, with an estimated production of 225 million lbs. clean last season, stood fourth among the world's producers, but the Communist world as a whole still accounted for only 13 per cent. of the world's production of wool.

The increase in stocks carried forward, like the increase in current production, was also due mainly to one country. Argentina carried over into the 1952-53 season unsold stocks equal to about two-thirds of that season's clip. Uruguay had a smaller, but nevertheless considerable surplus. On the other hand, the stocks which New Zealand had carried at the beginning of the previous season, because of the water-front strike, had been liquidated. The final balance for the 1952-53 season showed a substantial increase in stocks.

By B. A. Robertson
Economics Department, International Wool Secretariat

Wool growers, therefore, had reason to fear, in the face of these additional supplies, a weakening, if not a reversal, of the price recovery which had begun towards the end of the previous season. These forebodings were not realised. Strong demand was evident from the beginning of the season, and prices became firmer, month by month, almost until the end of the season, so that the closing prices were about one-fifth above those ruling at the outset. Demand was sufficiently strong to take up nearly all the current clip, as well as the large South American surplus, at a rising price level. Apart from strategic stockpiling in the United Kingdom, the only accumulation of unsold stocks was in the United States, where the Commodity Credit Corporation took over a considerable part of the domestic clip under the loan programme.

What lay behind this strong demand for wool? Several factors must be noted. The most influential was certainly the revival of the wool textile industry from the depression that followed the break in wool prices early in 1951. During this slack period, stocks were run down, and the first promise of reviving activity consequently brought about their replenishment. The catching up on consumer demand, postponed while prices were still falling, gave additional impetus to the revival, and indeed, this backlog only recently seems to have been made up.

Another factor of importance has undoubtedly been the eventual post-war recovery of the German and Japanese textile industries. Japanese consumption of wool, which, as late as 1949, was only 16 million lbs. (on a clean basis), rose last year to 123 million lbs. and by all indications is still rising. Already the pre-war level of consumption (an average of the years 1934-38) is being exceeded by over 15 per cent., and last season Japan became Australia's third best customer for wool, buying half as much again as in the previous season.

With the exception of the United States, all other major importers of wool, such as the United Kingdom, Belgium and Italy, increased their overall wool purchases. Although the total imports of the United States were only down a little, a far larger proportion than in previous seasons came from South America; imports from Argentina rose sixfold, while purchases in the Dominions decreased by half.

Current Season

This brings us to a consideration of the current season which began in July. In many of its features, it differs from the last. According to estimates, the increase in the wool clip will only be 1½ per cent. or barely a quarter of the rate of increase registered last season. Against this increase of about 40 million lbs. clean, there must be set a decrease in stocks of some 160 million lbs. Supplies as a whole will, therefore, amount to 2,660 million lbs.—considerably less than last season and below the annual rate of consumption during the first nine months of this year. This indicates a reduced level of consumption for 1954.

At the opening sales in Australia at the end of August, and later in South Africa and New Zealand as well, prices followed the previous season's closing rates. Nor has any marked trend been discernible since then. Satisfaction has been expressed at the remarkable stability shown so far. In view of the tighter supply position, the fact that the upward trend has been halted may denote a slackening in demand. There is much to support this view. In the first place, the rate of recovery in the chief wool textile industries of the world has slowed down in recent months. In most countries, yarn production has also fallen, while that of tissues rose only slightly. Only in Germany, Japan and the Netherlands did production of both yarns and tissues during the third quarter exceed that of the previous quarter. The reason for the decline may, to a certain extent, be only seasonal, but it seems probable that the backlog of demand from the earlier recession has by now been almost satisfied and that the strength of the market at present is due to the temporary need for stock replacement. Only in the United States is there evidence of a more prolonged lack of demand.

Trade Agreements

Demand in the Dominion wool markets is affected by another factor, namely, the currency difficulties in which many of the Dominion's best customers at present find themselves. Japan in particular is short of sterling, and Russia whose trade with the sterling area is small, would encounter the same difficulty in any considerable expansion of imports from that source. Sterling scarcity is probably the cause of quite a number of the recently negotiated trade agreements between Argentina and such countries as France, Japan, Russia, Hungary and Austria, involving the exchange of wool against manufactured products.

This trend should not, however, be without its compensations for Dominion producers. The commitment of a large part of Argentina's current clip under trade agreements, and the absence of any carry-over of wool stocks in Argentina from last season, means that the United States is unlikely to be able to satisfy as large a proportion of her requirements in the South American market as last season. A reversion of the American buyer to the Dominion markets should go some way towards compensating for the switch of Japanese and some Continental buyers to South America.

Importance of the U.S.

This forecast rests on the assumption that the United States' total wool purchases will not be lower than last season. Unless the domestic market for wool textiles looks a great deal brighter by the new year than it did in the autumn of 1953, this is not at all certain. The American manufacturer, despite his low stocks of raw wool, is unlikely to make large purchases under the present slack conditions of demand. The possibility of an American recession, which may not be confined to textiles, is the darkest cloud upon the wool grower's horizon at the moment.

Other uncertainties also overhang the American market which deserve mention, because of the importance of America as a wool importer to-day. One is the rate at which the Commodity Credit Corporation is able to dispose of the 50 million lbs. of wool which it took over from domestic producers under the loan programme last season. Another is whether or not the United States will decide to raise the tariff on imports of raw wool under the G.A.T.T. escape clause. And, in the near future, there will be the findings of the Foreign Economic Policy Commission which will be presented next spring and are likely to determine the course of America's trading policy over the next decade.

Per capita consumption of wool to-day for the world as a whole is slightly higher than before the war, though because of the vast differences between country and country, continent and continent, such a global figure has little meaning. The prospect for an expansion of wool consumption depends upon both supply and demand factors. On the supply side, leaving apart, yearly fluctuations of output due primarily to climatic conditions which none can predict, the likelihood of an increasing wool supply will depend upon the price of wool relative to other farm products—and not only on the price but on its stability. At present, wool prices compare favourably with those of other commodities, relative to pre-war levels, and they have, moreover, since the stockpiling boom, been fairly stable. In the Dominions, a continuation of these factors is likely to be sufficient in itself to maintain an increasing wool supply. In the United States and Argentina, however, the competition of rival farm products is an important factor, and United States' wool growers are not likely to be encouraged by last season's demand for their wool.

Threat From Synthetics

On the demand side, the situation is more favourable in some respects than it was a year or two ago. The threat from synthetics is now seen to have been exaggerated, for it is becoming clear that their value is as a supplement rather than an alternative to wool. It is not the superiority of synthetics but their cheapness which is their real advantage Their increasing use, providing that the overall consumption of textiles is also increasing, may not be detrimental to wool consumption.

This leads on to one last point. *Per capita* consumption of wool in different countries is very closely related to *per capita* national income (leaving aside such obvious factors as climate). An increasing demand for wool can, therefore, follow upon the raising of living standards, especially in the underdeveloped nations of the world, whether this is undertaken by their own unaided endeavours or, as many hope, by joint international effort.—*All Rights Reserved.*

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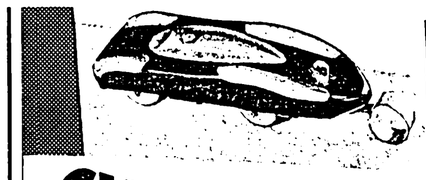

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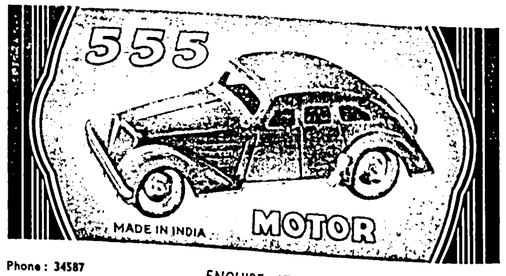

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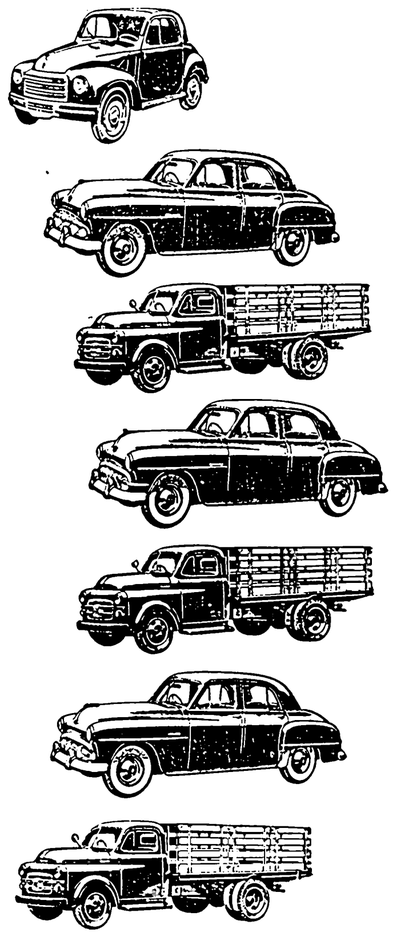

ELECTRIC SUPPLY INDUSTRY

FACTORS IMPEDING ITS DEVELOPMENT

By K. G. Milne

THE development of public and private sources of supply of electricity is one of the most costly and important items in the Five-year Plan. In view of this, it is essential that the industry secures the funds needed for development and that this development is properly co-ordinated.

The first Five-year Plan dismisses the contribution of the private sector in the field of electric power development in a matter of a mere four lines, saying:

"Additions to generating capacity in the private sector are expected to total about 170,000 kw. in the period of the Plan. These will consist mainly of extensions at Calcutta, Ahmedabad and Lucknow and a new steam station at Trombay. They will meet the load growth in the areas served by these power systems."

This, however, is not the whole story. Apart from the major extensions mentioned above, a number of other electric supply undertakings in the private sector also have plans to augment the supply facilities in their areas. Altogether the expenditure is reckoned at about Rs. 30 crores during the currency of the First Five-year Plan and the additional power contemplated is of the order of 200,000 kw. Is there adequate incentive, at the present time, to attract such a sum from private investors?

The Sixth Schedule to the Electricity (Supply) Act, 1948, lays down certain principles which a licensee shall adopt in respect of finance. In particular, a licensee's rates of supply of electricity must not contain an element of profit greater than that permitted by this schedule. To quote from the statement of objects and reasons of the Act, the financial provisions "are designed to secure that a licensee shall not be permitted to earn more than is necessary to provide him with a reasonable return but which, at the same time, would enable him to raise funds in the market for the proper continuity of his public duties."

Insufficient Incentive

It is, therefore, clear that those who framed the Act paid particular attention to the need to attract adequate capital for the development of this industry. It cannot be said that this need is being satisfied at the present time. The Act relates the upper limit of return to the investor to a figure of 5 per cent. on a defined "capital base." (Roughly speaking, the "capital base" is the capital employed in the business of electric supply.) This limit was fixed in 1948, when money market conditions were easy, but times have since changed greatly. We are now deep in a crisis created by the old restrictive limit of 5 per cent. continuing to be in operation by force of statute so far as the electric supply industry is concerned, whereas all other market interest ratios such as the Bank rate, the interest rate on Gilt-edged investments, including State and Central Government loans, and the rate of interest on lendings by the Industrial Finance Corporation of India, have been raised by executive acts operating freely in response to economic pressures. In the case of *fully secured* lendings by the Industrial Finance Corporation of India, the rate of interest now imposed in 6¼ per cent., which is 1¼ per cent. above the basic limit permitted to the *equity* investor in the electric supply industry. A rise in the standard rate of return for the electric supply industry to 6 per cent. will, therefore, be absolutely fair and reasonable.

While the interest rate goes up all round, the electric supply industry has been helplessly watching its financial health slowly disintegrating because of an out-of-date limitation on its earnings. This inevitably inhibits the industry's growth, and, in this respect, the Electricity (Supply) Act has failed in its purpose.

The primary object of electricity supply rate regulation is to introduce into a field of quasi-monopoly those safeguards which elsewhere protect consumers through the impact of competition. The return allowed on the equity investment in any regulated industry should clearly not exceed that which can be obtained in an equally sound enterprise operating in a free market. The Sixth Schedule to the Indian Act very largely follows rate regulation precedents elsewhere, such as the above-mentioned governing principle which was enunciated in 1937 by the Federal Power Commission before the U.S. Supreme Court in an *amicus curiæ* ("disinterested adviser") brief. While the Electricity (Supply) Act certainly visualises such a return, its standard has lagged behind the change in the fundamental unit of measurement. The remedy is to raise the standard.

Need to Raise the Standard Rate

A suggestion was made to Government as early as 1951 that the basic standard rate should be upgraded to at least 6 per cent. Such an increase is not considered actually sufficient to allow a return on equity investment in the electric industry comparable to a return from an investment in another, and equally sound, enterprise operating in a free market, but regard had to be had to the probability of any attempt to secure a higher increase invoking correspondingly greater opposition from both Central and State Governments.

The limit of 5 per cent. is part of a statute and an increase in the standard rate to 6 per cent. involves an amendment to the Act. A Bill including only this amendment has been repeatedly suggested to Government, but so far Government has declined to consider it. Further, suggestions have also been made repeatedly when Parliament was in recess that an Ordinance dealing with this important matter might be promulgated, but these also have fallen on deaf ears.

Although the necessity to raise the standard rate by amendment to the Electricity (Supply) Act is the most urgent of all the needs of the industry, it is by no means the only one. There are complementary ways to assist in increasing the funds needed so much for healthy survival and development, but all of them depend on action by Government which has not yet been forthcoming.

Deferred Tax Reserve and Double Taxation

The Sixth Schedule does not specifically permit private electric supply undertakings to set aside amounts against liability for taxation presently deferred but which will later accrue. Initial and special depreciation allowances under the Income-tax Act result in private undertakings, which have recently installed new plant, obtaining a large amount of relief from income-tax and super-tax, but depreciation to be actually set aside in the books of the undertakings remains statutorily fixed by the Electricity (Supply) Act on an entirely different basis. Since this relief is inherently only temporary, the deferred tax liability will mature in the future in addition to non-deferred tax payable. Such undertakings should, therefore, be allowed to make advance provision over a period of time against the incidence of deferred taxation so as to avoid the necessity of sudden and heavy rates increases when the burden descends later. It has been understood that Government is favourably inclined to consider this proposal, which is similar to action already taken in the U.S.A., where accelerated amortisation facilities have been granted to certain utilities for augmenting plant for national defence. The more time is lost before Government acts, the more severe will be the future adjustment of rates to meet deferred taxation. Moreover, this reserve would meantime provide the industry with more sorely needed finance, which is after all the object of the income-tax special allowances. Action is also badly required to remove a serious element of double taxation which has arisen with respect to dividends paid during the period of tax deferment.

Electricity undertakings not being in a position to take any advantage of the initial and special depreciation allowances, the industry has suggested to Government that a sum not exceeding 1½ per cent. of the "capital base" should be allowed, in addition, yearly towards a special reserve for rehabilitation. This reserve is much needed now, because of the high cost of new plant essential for the renovation and development of the industry.

Contingency Reserve

The Sixth Schedule to the Electricity (Supply) Act at present provides that a certain portion of the year's earnings should be set aside to a reserve called the "contingency reserve" and invested in Trust securities. It has been suggested that the schedule should be so amended as to permit an undertaking to invest in its own development at least half of the "contingency reserve".

Another suggestion made is that the consumers' statutory share of any surplus profit should be merged in the, also statutory, tariffs and dividends control reserve, and not paid out in rebates to consumers as at present provided.

Electricity Boards

There are other flagrant examples of Government inaction where the electric supply industry is concerned. The Government of India, after the Second World War, recognised the need to constitute Electricity Boards for the co-ordinated development of electricity supply in India on a regional basis. The Electricity (Supply) Act embodied, therefore, a suitable provision. This Act specified a time limit of two years from September, 1948, in which State Governments should constitute Electricity Boards, but, unfortunately, the limit has been extended by the Central Government several times under the provisions of the Act at the request of the State Governments. The latest extension expires on the 31st March, 1954, and only Delhi State and Madhya Pradesh have constituted Electricity Boards.

The main duties of these Boards are to promote the co-ordinated development of supply of electricity within a State in the most efficient and economical manner, with particular reference to development of areas which are not at present served by any licensee. One of the objects of this Act was to promote the expansion of electricity supply in whatever manner, whether involving State or investor ownership, was the most suited to the needs of the particular area. The Electricity Boards would impart financial acumen, efficiency, responsiveness and a sense of drive and direction, so pronouncedly lacking at present, to the electricity policies of many State Governments.

Apart from the four multi-purpose projects (Bhakra-Nangal, Damodar Valley, Hirakud and Harike) which are responsibilities of the Central Government, all the other Governmental projects are operated by the various State Governments. Except in Madhya Pradesh and Delhi, the State schemes are handled by the various Public Works Departments and it is sure that these departments cannot effectively fulfil the role of Electricity Boards which they are assuming in practice, especially where successful supply systems run by licensed supply companies are serving large communities and where State schemes require close co-ordination with such companies.

It is understood that the Central Government would like to see Electricity Boards constituted by the State Governments at an early date, but the latter are not actively in favour of setting them up. Since electricity is a concurrent subject under the Constitution of India, the Central Government has apparently tried so far to persuade the State Governments to co-operate with them in the application of the Act. A firm refusal on the part of the Central Government to extend the time limit any further may now be needed to replace the persuasion.

Rural Electrification

The rural sphere is another where electrification could be much assisted by Government action. The very limited rural electrification which has so far taken place in India has led the Planning Commission to propose that a body be formed similar to the Rural Electrification Administration of the U.S.A., although some of the State Governments to whom this suggestion was made earlier by the industry had brushed it aside as being impracticable in this country. The Planning Commission, in making its proposal, had recommended that the organisation visualised should give long-term loans to village co-operatives for rural electrification and development. This will, however, remain a dead letter if a co-ordinated policy to bring into being such organisation is not actively pursued in the right quarters. The desired aim can best be achieved by the Central Government itself forming, on the analogy of U.S. practice, the nucleus of an organisation and providing it with adequate finance. Such an organisation could work in co-operation with the various State Electricity Boards and public utility undertakings in the private sector.

Unresponsive Attitude of the State Governments

This review of the conditions in which the private electric supply industry is struggling has directed attention to some of the major obstacles it meets in its attempts to attain even the limited objectives allotted to it in the Five-year Plan. Apart from the limitations imposed by the Electricity (Supply) Act, the approach of the various State Governments in dealing with the local problems of the industry has not always been helpful. Since electric supply development has been assigned top priority in the National Plan, the conditions under which each sector of the industry operates should enable it to give of its best. If these conditions do not exist, it will not be possible to fulfil the aim of the Electricity (Supply) Act, namely, that electricity supply concerns, State- or investor-owned, as the case may be, should be able to develop in the most efficient, economical manner possible.

Let the Central and State Governments remember that the expansion of private electric supply under the Five-year Plan requires the investment of very large sums of money, and the co-operation of all those who are concerned in the development of electric supply.—*All Rights Reserved.*

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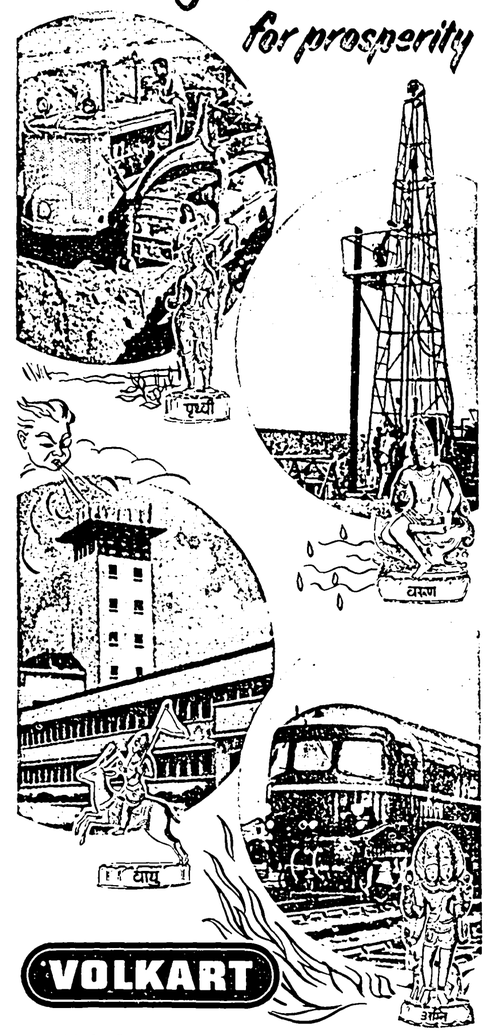

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TEXTILE INDUSTRY IN SOUTH INDIA

ITS PROBLEMS AND PROSPECTS

By G. K. Devarajulu
Managing Agent, The Lakshmi Mills Company, Ltd., Coimbatore

THE problem of all the problems in the South to-day is that of making the handloom industry come into its own as it was, say, in the pre-war era and provide urgently the necessary work, and therefore living wages, for the 5 lakhs of weavers, who form one-fifth of the strength over the whole Union. Vociferous cries are raised now and then about their unemployment and underemployment and, sometimes, starvation deaths. Recently, it has been reported that many weavers have turned beggars and have migrated to Madras, so much so that the Corporation of the City has been compelled to open gruel centres for them.

It is difficult to understand how the weavers have come to such a pass and their deterioration has been continuing even after the conditions of the latter part of 1950 and early part of 1951 have worn off and the supply position of yarn has become so very advantageous to them. During the aforesaid period, all the blame was cast upon the mill industry for not producing yarn adequately for the internal supply position but exporting far too much with the result that yarn was not available to the handloom weaver at fair prices and in sufficient quantities. To-day, with the slackening of the overseas trade in yarn, together with record production reaching almost the Five-year Plan target, and the recession in prices, the handloom industry should have its needs supplied adequately. Yet, we find a poor offtake of the yarn produced by the mill industry. Surely, therefore, the cause for the malady lies elsewhere, more deep-seated than in the failings of the mill industry.

The Main Cause

To my mind, the serious fall in the purchasing capacity of the people all round, with the inevitable consumer resistance, accounts for the poor offtake of goods from mills, which in turn have their repercussions on the fortunes of the handloom industry. In the final analysis, there could be no denying the fact that the consumer has the last word on the subject of the law of supply and demand.

The question of affording permanent relief to the handloom weaver seems to be by way of attacking the purchasing incapacity of the masses. This is a larger politico-economic question. But it must be conceded that one way of increasing consumption of textiles is by bringing down the costs of production.

Dogmatic assertions in regard to this question can be of no avail. If handloom products have to sell cheaper and if the demand for them in the country is to increase, not only the production costs in that industry itself needs to be appreciably reduced but the raw material for this industry, namely, yarn, has also to be made available to it at a correspondingly workable rate. This means that the solution to the problem hinges on reducing the manufacturing costs of the mill industry.

Would it be possible for the mill industry to so reduce costs? Surely, the industry can be said to have attained a measure of efficiency now, which, although it may not compare very favourable with some of the more advanced countries, should be taken as good enough to permit economic production of textiles, given certain other conditions. Mere technical efficiency, in the absence of other prerequisites or co-existing conditions, cannot bring about the much desired reduction in costs.

It may be said that rehabilitation of machinery, rationalisation and more scientific research can all help to reduce the costs of production. But these are complicated questions with which other problems—for example, availability of foreign exchange, protection to indigenous machinery and many others—are related and hence these could only be long-range solutions for the problem of costs, or at any rate not immediate solutions which could bring succour to the distressed weavers.

Certain Hard Facts

Meanwhile, there are certain hard facts which are worthy to be noted and which make it practically impossible for the mill industry to market their yarn below par, without jeopardising their very existence now or in the near future. With the price of raw cotton at 8 annas and wages at 4 annas in the rupee, there is no possibility of effecting any reduction in prices. Governmental control over production, which has still not been withdrawn, the haphazard change in policy regarding import and export, and the spate of hurried labour legislations all act as disincentives to more production. And yet it is a truism that only by more production can the price of yarn be brought down.

This brings in the question whether production control is still necessary in the present context. Controls were necessary and introduced at a time when there were serious shortages in yarn and cloth, with the idea of ensuring equitable distribution of these commodities. Production having reached peak or record levels in 1952 and promising to be even better in 1953, the continuance of production control has become unnecessary. It can serve no useful purpose in the present context of a buyers' market. In this connection, I venture to put forth my humble suggestion that the time has come to implement the recommendations of the Working Party for the Cotton Textile Industry led by Sir A. Ramaswamy Mudaliar. The party reported that the industry itself, through the various millowners' organisations, should regulate the production control and check the tendency to produce unwanted varieties or of inferior quality by some of the mills. In order to maintain some production standard, the party has stated that the Government should revive the suggestions put forward by the Textile Production (Control) Committee of 1948 and appoint a team of technical experts whose main functions would be to suggest ways and means of improving the technical efficiency of the mills.

Is Reservation Necessary?

While on the subject of production control, something has to be said on the scheme of reservation in certain fields for the benefit of the handloom industry. This is a highly controversial subject and much might be said for and against it.

The humanitarian aspect of providing employment to the weavers has been stressed by Mr. C. Rajagopalachari to the exclusion of every other consideration. He knows better than anybody the peculiar condition of the handloom weavers, particularly in South India, and his mature wisdom and practical statesmenship can be depended upon to invest his utterances with the weight to which they are undoubtedly entitled. His sincerity and belief that the measure is bound to prove beneficial to this largest cottage industry cannot be denied, having regard to the background and historical development of the handloom industry in the South.

It is not only the 5 lakhs weavers in Madras State (before Andhra's separation) that have to be provided with their livelihood to continue their hereditary occupation, but four times that figure. As per the Fact-Finding Committee, we may assume that, on an average, there are three other dependents attached to every weaver. This means that virtually a population of 20,00,000 has to be supported by the handloom industry in the State. Nearly three-fourths of the weavers are employed in cotton weaving, while a small proportion only is engaged in making silk, woollen or other products. In Madras, again, 87 per cent. of the 5 lakhs are full-timers and only some among the rest are taking it as an occupation subsidiary to agriculture in the rural areas. We have it also on the authority of the Fact-Finding Committee of 1942 that, in the Madras and Andhra States alone, 39 per cent. of the looms were concentrated in about 49 urban centres. The percentage of weaver populations in cities like Madura, Coimbatore and Salem are 30.25 and 28, respectively.

Yarn Supplies

The volume of opinion against reservation of any kind is also considerable. In the first place, it is pointed out that, judging from the results so far seen, the scheme of partial reservation has not really been such a success as to merit its extension further. At any rate, so far as the South is concerned, there has been no real rivalry between the mill industry and the handloom industry, for they have been more complementary to each other for several decades. In spite of the growth of indigenous mills, the position of the handloom industry has not altered anything appreciably during the last 30 to 40 years. The quantum of availability of yarn to it remains steadily always just the same. The South Indian mills have played the game admirably by catering to the exact needs of the handloom industry in this part of the country. The counts of yarn most in demand by the handloom are upto 40s and the consumption of such yarn by the handlooms in Madras State is 81 per cent. counts above 40s accounting for the rest. The types of cotton locally or near about available, like the popular varieties Karunganni and Cambodia, could easily spin upto 40s warp. Mills in the South have not been slow in exploiting this natural advantage to the maximum extent and spinning mostly 40s and below with these cottons to supply the handlooms. Only mills which were spinning fine and superfine counts, in a few instances, were getting their requirements of long-staple cotton from the Punjab before the Partition or importing such cotton. In most cases, by utilising local varieties of cotton and thus saving on transportation charges, they were reducing their costs of production of coarse and medium counts required by the handloom. If the handlooms were dependent on the mills for their raw product, yarn, the mills equally found their advantage in the ready and nearer market for their goods at the handloom centres of the South. Such immediate chances of disposal and facilities for conversion of their invested capital into ready money acted as good incentives for more entrepreneurs to start spinning mills in the South. That accounts for Madras

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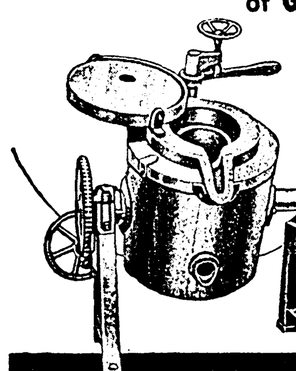

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taking the largest share in the spindlage expansion under the post-war expansion programme also.

Unintelligible

Again, all talk about reservation of manufacture of *dhotis* and coloured *saris* to handlooms becomes unintelligible when it is remembered that, by and large, the handloom weaving industry's products in the South comprise only *dhotis* and *saris*, which it has ever been doing. Madras handlooms manufacture 200 million yards of *dhotis* and *saris*, as against the all-India production of 600 million yards and the estimated demand in the country of 2,000 million yards. People in the rural parts still prefer handloom coloured *saris* to mill-made ones and India is made up of lakhs of villages. It may be noted here that, as much as 82 per cent. of India's total population lives in rural areas. According to the Fact-Finding Committee, only 5 to 10 per cent. of the handloom products are taken for home use, while 80 to 90 per cent. is sold in the Indian markets, the balance 5 to 10 per cent. being exported. The fears that mill production of *dhotis* and coloured *saris* will be to the detriment of the similar handloom productions are more imaginary than real. It is not the production as such that has to be tackled, but the more crucial question of costs. Other things being equal, there is no doubt that the masses prefer the handloom products.

Real assistance to the handloom industry will therefore lie in enabling it to reduce the cost of its manufactures and putting it on a firmer basis economically by strengthening the organisation. In this connection, I have to endorse two valuable suggestions made by the late Dr. S. P. Mookerjee. The first is that yarn has to be supplied at reasonable rates to the weavers which cannot be done without subsidising it. Secondly, production by handlooms should be standardised and a marketing organisation set up. This organisation should purchase the entire output and sell it to consumers at reasonable prices.

A Retrograde Step

It is seen, therefore, that any assistance given to the handloom industry at the expense of the mill industry, which has saved the country and come to its rescue at a crucial moment during war, will be retrograde in nature. Production by the mills is bound to suffer by any scheme of restrictions. That will inevitably raise the costs of manufacture to the mills with the result that the position will be rendered more difficult for mills to supply cheaper yarn to the handloom industry. Commenting on the multiplication of reservations, the Federation of Indian Chambers of Commerce and Industry has put it ably thus:

"Then in the context of the buyers' market, the mills can maintain or increase employment provided by them only by increasing the output of other varieties of cloth. To the extent that these other varieties are also produced by the handlooms, it would mean that either the mills would not be able to sell their production or that the handloom production of these varieties will have to be curtailed."

Lest I should be misunderstood, I hasten to say that Government should by all means do everything possible to resuscitate the vitality of the handloom industry in the country, which has existed for ages and had been at one time the glory of ancient India. But this must be done within the limits of their own resources and without affecting the future of a sister industry which has immense potentialities. It would be foolish to kill the goose that lays golden eggs.

Now the question may be asked whether, in view of the South Indian spinning industry playing such a notable part in the well-being of the handloom industry, it need remain only so or go on developing to perfection its role as a spinner of yarn for the handloom industry, without ambition to enlarge its weaving enterprises which are, comparatively speaking, very poor in the context of the total strength in the Union.

It is gathered from the Report of Sir A. Ramaswamy Mudaliar's Working Party that there are 85 mills in the Madras State, with a spindlage of 18,94,178 and loomage of 8,295 as on 31st August, 1951. In the whole of the Union, we have 445 mills, with 1,12,40,635 spindles and 2,01,484 looms. That is, our spindlage forms about 17 per cent. and loomage about 4 per cent. of the total. This great disparity between spindlage and loomage has got to be minimised, for it is reckoned that one loom is equivalent to 40 spindles. On this basis, we require yet over 39,000 looms to achieve the equilibrium, whereas, in the Bombay State alone, the looms form 67 per cent. of the total. We could, therefore, go a long way to increase production of cloth in the South. We have excellent natural facilities, such as climate, abundant labour, talent, etc., which, I am afraid, we have not availed of to the fullest extent that we can do.

Textile Machinery

The next problem with which we in the South should concern ourselves is what contribution we could make towards the further industrialisation of the country. By industrialisation, I contemplate not only the manufacture of consumer goods but also the manufacture of the necessary machinery to produce those consumer goods. Foreign competition is ever growing. If we want to exist against it, we must become self-reliant in our machinery manufacture, for only then we could reduce our cost of production and compare favourably with our competitors in the overseas markets for our products. India's imports of spinning, weaving and processing machinery were worth Rs. 141 millions in 1949-50, Rs. 72.7 millions in 1950-51 and Rs. 73.1 millions in 1951-52. What a colossal drain on our foreign exchange?

Thanks to the first Five-year Plan and the starting of the Textile Machinery Corporation (TEXMACO) Calcutta, the Textool Co., Ltd., Coimbatore, the Acme Manufacturing Co., Ltd., the Machinery Manufacturers' Corporation Ltd. (M.M.C.), the National Machinery Manufacturers' Ltd. (N.M.M.), the Ramakrishna Industrials Ltd., Coimbatore, we are indeed making some notable progress in spinning machinery manufacture. For looms there are the Texmaco (Gwalior) Ltd., the Cooper Engineering Ltd., India Machinery Co., Ltd., and the Mysore Machinery Manufacturers Ltd. We should wish for the ever-growing success of these institutions. In this connection, I have to point out the hope expressed by the Working Party that "by the constant guidance of the Tariff Commission, the capital goods industry which we wish to see encouraged and strengthened will play its proper part in furnishing to the country the right type of capital goods which can bear comparison in quality with any of the foreign imported goods."

Great Future Ahead

With proper planning, I hold that the textile industry in the South has still a great future before it, although the war (or post-war) boom has disappeared, recession in prices has occurred and a buyers' market has replaced a sellers'. The numerous hydro-electric projects that have already come into existence and the others yet to come could give us cheap power. With our experience, it has been proved that it is only a myth that one has to find Rs. 40-50 lakhs for starting a spinning unit, but that about Rs. 10-12 lakhs would be quite adequate. The special advantage of the South is that the mills here are small units, but quite efficient. Many of them have comparatively newer machinery. Last but not least, the advantage is that most mills are situated in cotton-growing-cum-consuming areas, which makes their output economical by avoiding huge transport charges, pressing and baling charges, etc.

Potentialities

Venturesome capitalists to start new undertakings or expand existing units could yet be found. With newer and up-to-date machinery, the South will be able to give better quality yarn to the handloom industry. As the South Indian mills have succeeded in capturing a good market in East Bengal and wrested the prerogative formerly enjoyed by the Bombay spinning mills, so too they will be able to hold their own pre-eminent position in spinning industry in the South, nay, in the whole of the Union, provided they proceed on right lines. The potentialities for their expanding in weaving departments are also largely present, only to be exploited. For spinning coarse and medium counts our local cottons will suffice, and if the State Government's efforts to evolve superior types of long-staple cotton with the assistance of the Union Government prove successful, ere long our mills can also take up the production of fine and super-fine counts more economically and compete on equal terms with our sister mills in Bombay and Ahmedabad. The era of controls, I hope, will soon pass. A large part of it has already gone. With Government direction and control confined to the barest extent necessary and the industry allowed to develop on private initiative, I am sure the South Indian mill industry will play a useful role in putting India on the industrial map of the world.—*All Rights Reserved.*

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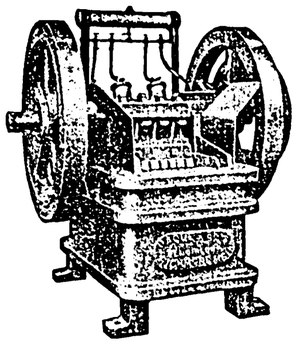

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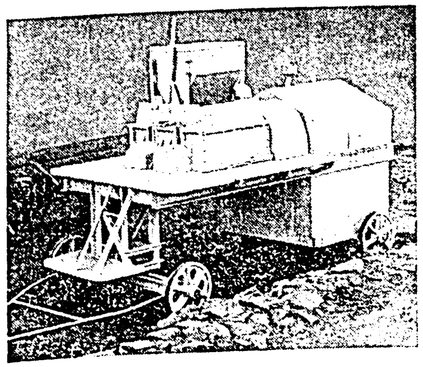

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The following table shows that, by 1952, world production over the whole range of vegetable, animal and marine edible and industrial oils and fats had reached a figure of 24,546,000 metric tons, or almost three million tons higher than the average of the five pre-war years. This increase corresponds to one of almost 330,000,000 in world population over the same period and gives an average *per capita* availability of 22 lbs. per annum, as compared with the figure of 22.3 lbs. prevailing before the war of 1939-45:

Estimated World Production of Oils and Fats
(In terms of oil or fat)
(Metric tons (000's)

	Pre-war	1952	Gain (+) Loss (−)
AMERICAS			
Production	5,100,000	7,433,000	+2,333,000
Exports	810,000	1,219,000	+ 409,000
Retained for use	4,290,000	6,214,000	+1,924,000
ASIA AND OCEANIA			
Production	8,417,000	7,884,000	— 533,000
Exports	2,709,000	1,793,000	— 916,000
Retained for use	5,708,000	6,085,000	+ 377,000
INDIA, CEYLON AND PAKISTAN			
Production	2,490,000	2,351,000	— 139,000
Exports	589,000	312,000	— 277,000
Retained for use	1,901,000	2,039,000	+ 138,000

The contrast afforded by these figures becomes even more marked when it is considered that, by far the largest part of the world population increase, which has taken place during the last one and a half decades, has taken place in the East and South-East Asian region, where the crops have declined whilst, in the North American area, which has seen the most considerable increase in supplies, the use of synthetic detergents has reached a point where considerable economy in the use of oils and fats can be effected to the benefit of the consumer of edible oils. Furthermore, the pre-war consumption of oils and fats per head in America was, at 65 lbs. per annum high enough to give little room for expansion, whilst the consumption per head per annum in East and South-East Asia at barely one-fifth of this figure was, and still is, so low as to be a growing source of anxiety to the Dietetic Experts and the Health Authorities of the area.

As we have seen above, one feature of this changed pattern of production and supply has been that the East and South-East Asian region has been contributing each year less and less supply to world markets and using a bigger proportion themselves. What little quantities have been exported have been as a result of the pressing need to earn foreign exchange rather than from any complacency based on the assumption that such quantities can be spared from a genuine surplus. On the other hand, stocks have been piling up in North America to a point where they are becoming a distinct embarrassment to the stockists and prices there have, in the last year or two, tended to decline to a point where, in spite of the dollar shortage, many countries have been tempted to buy from there, both to meet their day-to-day consumption requirements and to build up their strategic stockpiles.

Estimated World Production of Oils and Fats
(In terms of oil or fat)
(Metric tons (000's)

Oil or fat	*Main producing country*	*Pre-war*	1951	1952 *Preliminary*	1953 *Forecast*
"EDIBLE" TYPE OILS					
Cottonseed	U.S.A., Egypt, Sudan	1,453	1,470	1,715	1,724
Groundnut	India, Manchuria, Nigeria	1,755	1,620	1,694	1,558
Soya beans	China, Manchuria, U.S.A.	1,261	2,093	2,042	2,067
Sunflower	Argentine, Turkey, E. Europe	455	978	893	863
Olive	French Africa, Spain, Greece	950	613	1,625	795
Sesame	Nigeria, China, Manchuria	563	575	563	563
Maize	U.S.A.	70	105	105	105
Teaseed	China, Manchuria	25	10	10	5
	Total	6,514	7,449	8,647	7,663
"PALM" OILS					
Coconut	Indonesia, Philippines, Ceylon, India	1,033	1,915	1,728	1,070
Palm kernel	Nigeria, French, Belgian and Portuguese Africa, Indonesia	355	372	373	393
Palm oil	Nigeria, French, Belgian and Portuguese Africa, Indonesia	644	876	911	916
Babassu kernel	Brazil	27	47	25	25
	Total	2,059	3,210	3,037	3,034
INDUSTRIAL TYPE OILS					
Linseed	N. America, Argentine, India	1,040	1,105	929	1,014
Castor bean	Brazil, India, Thai	178	160	185	194
Rapeseed	Sweden, France, India	1,273	1,607	1,531	1,596
Oiticica	Brazil	9	9	5	5
Tung	China, Argentine	121	95	103	106
*All other vegetable oils		211	275	240	267
	Total	2,832	3,260	3,033	3,186
ANIMAL FATS					
Butter (including ghee) (fat content).	New Zealand, Australia, Denmark, India, U.S.A.	4,160	3,636	3,663	3,764
Lard	U.S.A.	2,913	3,066	3,171	3,059
Tallow	U.S.A., Australia, N. Zealand	1,679	2,179	2,231	2,237
	Total	8,752	8,931	9,070	9,060
MARINE OILS					
Whale (including sperm oil)	Norway, U.K. (including S.A. expedition)	507	501	493	426
Fish oils	Norway, Iceland, South Africa	323	244	266	257
	Total	830	701	759	683
	Estimated World Total	21,587	23,641	24,546	23,636

* Includes mowrah, niger, hempseed, perilla seed and other minor oils.

Within the total figure of world production, however, there are many sharp changes not only in the relative supply of various oils and various groups but, even more seriously, in the supply position in various areas, so that there is still a sharp degree of off-balance between the supply and the demand in many fields.

Increase Mainly in Americas

In the edible type soft oils, the increased supply has largely been in soya oil and that too mostly in the U.S.A. Cottonseed oil has also shown a marked increase, again predominantly in the U.S.A. On the other hand, groundnuts are still being produced in quantities lower than in the pre-war years by an amount equivalent to almost 200,000 tons oil, and the decrease in cropping is

Accumulation of Stocks

As was pointed out at the Congress of the International Association of Oilseed Crushers earlier this year in Holland, evidence shows that, although pre-war *per capita* consumption could have been restored in 1952, in fact average world consumption did not revert to pre-war levels and very large stocks have been built up. It is well known that the use of synthetic detergents both in industry and in the homes of the North American and European families to replace soap products has increased sharply over the last few years, until, by 1952, half a million tons a year of oils and fats, which would have gone to the soap industry, are now being saved for edible consumption. It is also apparent that, during the years when linseed oil was so highly priced and difficult to obtain in quantity, consumers have turned to a wide range of synthetic materials for use as vehicles in their paints, varnishes, printing inks, etc., and have found these new products very satisfactory. Now that linseed oil is again cheap and readily available, the buyers of pre-war days are not coming forward with any eagerness to revert to their pre-war formulae. Even after allowing for such known changes in the pattern of consumption, however, it seems as though other reasons must be sought to explain the huge stock build-up over the past few years. It may be that, in Europe, which was traditionally the biggest importing area for those oil and fats entering world markets, supplies have been so severely rationed for so long, either by Government action or by price, that dishes calling for a large quantity of fat have tended to drop out of the diet, except on special occasions, and that a permanent change of eating habits has been established in this habitually high fat-consuming area. In any case, as the rate at which stocks are accumulating or being liquidated is such a vital factor in any market, the extent of these stocks deserves a more detailed study.

Stocks

According to the figures presented to the International Association of Oilseed Crushers in June, 1953, the main excess stocks at the end of 1952 over the normal requirements of trade and consumption were as follows:—

	Tons
Estimated strategic stockpiles in U.S.A. and Europe	500,000
Further stocks held by the U.S. Government acquired under their Agricultural Price Support Programme for:—	
Cottonseed oil	400,000
Butter	50,000
Linseed oil	200,000
Total	1,150,000
Oil unsold in the hands of the producers from the 1951-52 whale and sperm oil catch at the end of 1952	100,000
Castor seed (as oil) from the previous crop unsold in the hands of Brazilian producers at the end of 1952	50,000
Surplus carry-over stocks of other oils in other producing countries at the end of 1952	300,000
Grand Total	1,600,000

It has been estimated that this huge excess stock, which represents almost 7 per cent. of the world annual production, or more significantly almost 30 per cent. of total world annual exports, has been accumulated, at least to the extent of one million tons, during 1951 and 1952. During these two years, the average world production was 24,095,000 tons per annum so that, if, each year, half a million tons went into the building up of stocks, the world would appear satisfied for the moment with only 23½ million tons or an average *per capita* consumption rate of about 21.4 lbs. per annum. If this is the case, the reduced production estimated in 1953 will still be sufficient to go round, even if none of the excess stocks held at the end of 1952 are liquidated during 1953 or early in 1954. This is particularly the case as most of the drop in production between 1952 and 1953 is in respect of olive oil, where the huge 1½ million tons crop in 1951-52 was followed by a slightly subnormal 758,000 ton crop in 1952 53. As the average crop and consumption is only 8/900,000 tons, there was a large carry-over into the latter crop year and supplies will be adequate to provide a slightly above normal carry-over into 1954.

U.S. Key Factor

Even though, of the excess stocks mentioned above, it is unlikely that any Government will try to liquidate the strategic stocks built up at such great expense, there seem to be good reasons for assuming that the Commodity Credit Corporation is becoming increasingly anxious to liquidate some part at least of the large cottonseed oil and butter holdings, and they have already sold some 10,000 tons of their linseed oil. If these stocks are liquidated into the American domestic market, it can only frustrate the desire of the American Government to support prices for this and next year's harvests and curtail demand for soya oil, which will thus be driven on to the overseas markets or back into the hands of the C.C.C. It seems probable, therefore, that any liquidation can only take place after means have been found to overcome the shortage of dollars so as to make the liquidated stocks, or the other oils they replace, available to foreign markets. It also seems probable that the surplus stocks held in producing countries will be liquidated to a large extent as soon as buyers can be found, and it is virtually certain that neither producing nor importing countries will wish to increase stocks any further.

Although it is always very dangerous to attempt to prophesy, there do seem good grounds in all the above for hoping that, at least for the next year or so, price levels in international markets will fluctuate between three and four times pre-war, or in conformity with the apparent general decrease in the purchasing power of the various monetary units. In this context, it now behoves us to examine our own position and see how it compares with that of the rest of the world. In doing so we find that, when the rest of the world had reached a point where supply had at last caught up with or even outstripped demand, and prices were reverting to more reasonable levels, India found herself more short of edible oils, and with prices at a higher level, than was ever the case during the previous years.

India

The contradiction between the world position and that in India arises, as do so many of India's misfortunes, from the failure of the rains. The 1952 monsoon failed over many of the groundnut-growing areas which supply some 600,000 tons towards India's total fat supply in a normal season, a figure not exceeded even by ghee, the production of which, according to the latest estimate of the Ghee Marketing Committee, is only 411,000 tons out of the total fat supply of about 2,000,000 tons produced in India in 1952. As a result of monsoon failures in the groundnut-growing areas, only some 1,500,000 tons of groundnut seeds were harvested against a crop average over the previous five years of almost 2,000,000 tons of kernels. On

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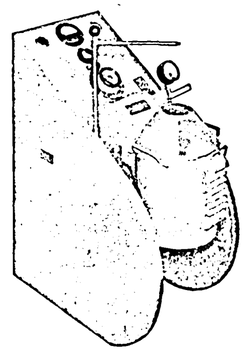

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this count alone, the supply for 1952-53 was reduced by 200,000 tons of oil, or almost 10 per cent. of the total, and other oilseeds growing in areas affected by the monsoon failure probably cost India a further 5 per cent. of her normal supply during the past 12 months. It can be seen, therefore, that the shortage of supplies during the last 12 months, and the consequent record high prices, are a result of a local condition and a temporary diminution in the harvest and cannot be regarded as having any material bearing on the future supply or price prospects. It must always remain a major factor, however, until such time as the efforts of the Indian Central Oilseeds Committee bear fruit, and the much discussed irrigation projects reach fruition, that a bad monsoon can leave India with insufficient fats to meet her needs for a year, and consequently make the markets again pass through a phase when there seems no limit to the height to which prices can go.

Prospects Comfortable

For the coming 12 months, the prospects look far more comfortable. The rains on the whole have been kind; in some areas, they have been even too plentiful and an even better crop would have been produced had they fallen with a little less weight or stopped a little earlier. On the whole, the crops are good, and the main contributor, the groundnut crop, should this year put into the oils and fats pool of this country rather more than the average for the past five years. The Government esimates are not yet available to us, but the trade have estimated the crop to be even as high as 2,500,000 tons of groundnut kernels which, if it were true, would presage prices lower than we have seen for many years. In view of partial damage in some areas arising from excessive and late rains, however, it would appear preferable to be cautious, as the Central Government have now learned, and make no wildly optimistic guesses about the crop. A conservative 2,200,000 tons might confidently be expected, which would nicely cover the fact that, with so little last year, the carry-over was much less than normal and the pipeline between the farmer and the oil consumer is empty. If there is more than this, and that will only be known in January when the Madras areas, which supply almost half of the total, are ready to harvest their goods, then the increased quantities might well be offered to the overseas markets through the medium of enhanced quotas. With the complete absence of carry-over stocks, however, for the Government to listen to the plea of interested shippers and allow large exports before the crop has been assessed with accuracy, could well cause a very serious shortage again should the crop not come up to present expectation. During the past few years, India has too often found herself sorry and, this year, we feel that the Government would be better advised to be safe.

As far as the other vegetable oilseeds are concerned, it also appears that the crops will show a marginally above-average yield, and generally it appears that, in 1954, India can look forward as happily as can the outside world to a period when supplies are available in quantity and at prices more in line with the general cost of living index than has been the case for a long time past. With the industrial oils, in which the price is so much subject to the manipulations of the speculator, linseed oil found its way into the diet in increased quantities when the normal oils were short and high-priced earlier this year and, should the foreign buyer not be prepared to pay for the surplus that India can produce, the same thing might well happen again, until the farmer decided to transfer some of the acres at present devoted to linseed into some other crop that brought him a better return and his country a higher food value. With castorseed, carry-over stocks from the past season seem high, largely because speculation over the past few months has prevented exports from taking place by holding the price out of line with that ruling abroad. With a new crop and a fairly good one expected shortly, it seems doubtful whether the speculators can continue to hold the price higher than that quoted by Brazil, and shipments should soon be resumed even if the Government do not come to the aid of the speculator by falling in with recent requests to reduce or remove export duties.

No Grounds for Complacency

Even though the world supply position for the immediate future looks reasonably secure, there can be no grounds for complacency, as the continued increase in the number of mouths to be fed is a fact that can never be ignored. Production, which was sufficient to allow for the accumulation of stocks during 1951-52, would be inadequate to feed the world's growing population a few years hence. Plans to increase supplies still further must, therefore, be pushed ahead, both in the outside world and more particularly in India where production has decreased and the population is increasing at a higher rate than in many other countries. One would have expected our Five-year Plan to have been more ambitious in this respect, and it is particularly surprising that the potentialities of increased food supplies through, for instance, increased groundnut production are almost ignored in Community Projects programmes. During the last 15 years or so, the yield per acre of land under groundnut has steadily declined; this should be remedied, as it could be by the use of more scientific methods and higher yielding seeds.

India's interests also require that not only must exports continue to be limited to prevent supplies being spirited away to countries with a higher purchasing power, but every effort to bring all available fat into efficient use must continue to be developed. The processing of all available supplies of suitable varieties of cottonseed, at present the largest unexploited source of oil, must be pushed ahead with all necessary Government support. To this end, it is of the greatest importance that Government should take the most energetic steps through education and propaganda to secure the full acceptance by the farmer of cottonseed cake as a feed for cattle, in lieu of whole cottonseed which results in the oil content of the cottonseed being largely wasted. The *vanaspati* industry must step up its efforts to spread the use of groundnut oil, despised as an edible oil in many parts of the country, by presenting it in the more palatable and wholesome form that *vanaspati* gives to it. The use of the more efficient power mill must be extended and not sacrificed to the emotional appeal of the inefficient *ghani*. These and all other possible methods of still further increasing supplies must be pressed forward as matters of urgency, if the *per capita* supply is to be brought up even to the world average, or if the added millions of five and ten years hence are to be maintained even at the present sub-standard dietary level.—*All Rights Reserved.*

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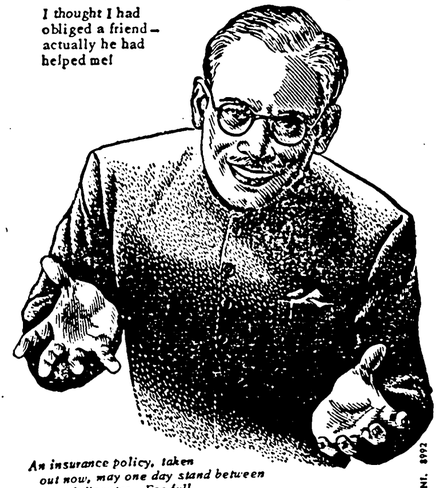

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The other plantation crops which are native to India or have been introduced in the far distant past are pepper, coconut, arecanut, cashew, tapioca and orange. But these crops are largely grown on peasant holdings and are not organised or held on a scale capable of being considered plantations. Yet, they are crops best exploited on a plantations scale, as is done in other countries which offer substantial competition to India in the world markets.

Plantations do not have a good name in subject countries or countries which still remember their colonial days. Most of the plantation crops were introduced to serve the needs of the colonial powers at the time and many cruel features of colonialism are closely associated with plantations. But for all its raw exploitation, it achieved two distinct economic gains for the countries where the crops were introduced. One was that plantation organisation and management pointed the way to applying the industrial concept of management to agriculture and the other was that it provided a source of earning of valuable foreign exchange.

A careful reappraisal of the role of plantations seems to be called for, particularly in view of the controversy that raged round the industry throughout 1953. Whatever its origin, the plantation industry is the largest organised industry, responsible for providing more employment and capable of expanding further than any other single industry in the country.

Importance of Tea

Tea, as stated earlier, is the most important among plantation crops. There are 752,244 acres under tea, yielding about 620 million pounds a year. India's requirement of tea is about 180 million pounds and all the rest finds a profitable outlet in the world markets. Last year (1952-53), India earned Rs. 80.30 crores in foreign exchange through exports of tea, of which over Rs. 10 crores were in dollars. India's earnings were higher in 1951-52 when the value of tea exported was Rs. 93.36 crores. During the two years, India exported 425¼ million (1951-52) and 423¾ million pounds and met 50 per cent. of the world demand for black tea or 45 per cent. of all, including green teas appearing in export trade.

Tea faced its second greatest crisis of the half century during 1952-53. But it was a crisis the causes of which are being still studied. Was it a wholly unexpected aftermath of the removal of control in Britain? Was it the result of trade manipulations? Was it the effective protest of consumers against coarse tea and high prices? Or, was there too much of tea in the world?

The war-time controls and distributive methods have introduced certain new features in trading which the trade cannot apparently discard for very good reasons. Price of tea is four to five times higher than pre-war and the trade has to invest as many times more capital on its stocks than it did before the war for the same quantity of tea. War-time distribution was so phased as to maintain a large control stock and a minimum quantity in effective circulation.

In the third quarter of last year, preceding the removal of all controls, the stock in the U.K. bonded warehouses remained as high as 140 to 160 million pounds or over three months' supplies. But trade opinion was that blenders and packers maintained a low inventory position.

It was firmly believed at one time that 1951-52 offered 37 million pounds of tea more than what the world could absorb and part of the restriction scheme introduced in 1952-53 rests on this belief. But, with less than 90 million pounds in the U.K. bonded warehouses, with no diminution in world exports prices appear to hold steadily at 1s. 6d. to 1s. 9d. per pound higher than last year at this time.

By Valale I. Chacko

The Northern Indian gardens which introduced the restriction scheme, has reduced the cut and India's total output may suffer only by about 10 million pounds at the end of the year. So, the tea available in 1953 is not any lower than in 1951 or 1952 and still the market holds up at 1s. 6d. higher per pound at the London auctions than they did last year or early this year.

World Consumption Higher?

If the world consumption of tea has been advancing to take care of the expanded output of the post-war years, the International Tea Market Expansion Board has done a better job than it has been credited with. What is more important, it indicates the prospects which face the world tea industry, in which India still retains a lead.

The depression in the 1952-53 season showed on what a precarious balance the economy of the tea industry rests. Tea is a pleasant beverage which adds to the enjoyment of life, but is by no means an indispensable item in the lives of people. Long habit may force some consumption, but high prices or non-availability can considerably reduce the frequency of consumption, and prevent the spread of the habit in new generations. Tea is not the only beverage available. There are many others available in countries where we seek to sell tea. So Indian tea faces competition not only from other world producers but also from other beverages as well. While competition has increased, the cost of production has also increased, making tea less capable of facing the competition. The rigidity set in costs by other factors than the real value of tea abroad is probably the biggest threat to the future of this valuable crop.

Danger of Static Phase

All products on which the production of tea depends are costlier than they have been and this affects all industries. If the cost structure is built up, including wages, on this basis, the position of tea would have been no better, perhaps, but assuredly, no worse than that of other commodities. But Independent India is going ahead with labour legislation and the welfare concept at a rate that the element of labour cost in the total is only capable of further increase. Rationalisation or mechanisation which involves a reduction of labour would be acceptable neither to labour nor to the Government. In other words, the industry's flexibility to adjust itself to the market has been practically eliminated by its obligation to maintain a static posture with regard to employment and employment conditions. The freedom to apply managerial techniques to reduce costs and to make the product more attractive is practically eliminated, whilst two imponderables hang over the industry. One is that the prices can fall, over which the producer has no control. The other is that India's competitors, bound by no such restrictions, can introduce modern methods of production and management and thereby cheapen their product. Faced with such prospects, the tea industry is in danger of entering a static phase, holding on to what it has, as best it could, and hesitant to invest either talent or money. The ease with which the economy of the tea industry in a whole district collapsed and wiped out the hard-won reserves of many years is symptomatic of the rigidity imposed on the industry.

Marketing Developments

Subject to these considerations, the development of the markets and the methods of marketing assume some importance. There was a fear that the re-opening of the London tea market would adversely affect the markets laboriously built up in Calcutta, Cochin and Colombo. Actually, the restoration of Mincing Lane auctions has not had the effect that was feared. Much of the tea that was contracted out to the Ministry of Food continues to go over on a consignment basis, but if there has been a gain it was all in favour of local markets. Both Calcutta and Cochin tea trade have increased the volume of tea they handle and in Ceylon the restrictions placed on consignable grades have increased the amount of high quality teas available on offer at the Colombo sales. The gradual adjustment which this permits, the change-over from a highly centralized and long established London market to local centres, is the most significant development in the world tea trade. The trading skills and handling facilities which were developed in over two centuries are now being drawn to Calcutta, Cochin and Colombo. It probably represents a far greater gain than any change forced by legislation.

It is not yet recognised by many in the country, as well as in the industry, that the creation of goodwill for a product and for the product of a country is indispensable as a part of building up a sales force.

A recognition of this is particularly lacking in India and, since the return for a given promotional effort is not precisely calculable, the role of propaganda itself is discounted. When political considerations enter this slippery field, the results of the type we have observed in the last year or two are unavoidable. The increasing intervention of the Government on methods of publicity and propaganda is directly traceable to a serious confusion of ideas. The Government has neither the professional skill nor the flexibility to operate efficiently in this highly specialised field and somehow the industry finds itself helpless against the Government attitude on this question. The sudden and unreasoned withdrawal from the International Tea Market Expansion Board was such a decision taken by the Government without even consulting the particular machinery set up by it to provide the necessary advice.

Of all the likely mistakes in the re-orientation of policies in keeping with national interests, the interference in the handling of trade publicity and propaganda are the least excusable. This is a mistake which may be sooner or later corrected but it is at the moment, inextricably confused with the larger industrial policies in which sphere the Government could usefully intervene. The provisions of the controversial Tea Act of this year indicate the direction in which Government's ideas of control are moving. It seeks not merely the right to overall supervision and regulation, but detailed direction and control. The representative character of the Indian Central Tea Board has been altered fundamentally and with that the nature of the Board. It is not the producers who shall select their representatives, but the Government who shall decide which organisations are to be recognised and who shall be their representatives. The Government reserves to itself the right to dismiss the Board and re-appoint a new one at any time it so desires. These amazing provisions are probably intended to provide the Government with absolute control over the Board. But, in doing so, it also takes away the scope for initiative from the Board and from those in the Board who fully understand the industry and could offer opinions that represent the views of the industry. It is likely, as the Minister for Commerce and Industry has often stated, that the Board will be largely left free to work itself. If this is in fact what happens when the Board is set up under the new Act, there are two dangerous possibilities and a long period of uncertainty.

Dangerous Possibilities

Uncertainty arises from not knowing in what matters and on what occasions the Government would intervene and where exactly the division of responsibility can be marked. In the absence of any clear idea of the sphere in which they can safely take a decision and effectuate it, there would be no initiative from within the Board. If the Board fails, the blame would more likely fall on itself than the Government. Bereft of initiative and dependent on Government pleasure, the Board would lose its dynamism and with it the industry and the leadership it has the right to expect since so much of power over the industry is legally vested in the Board.

The difficulty experienced in the setting up of industrial or commodity Boards is not confined to the plantations or to this country. The difficulty lies in trying to wed two conflicting interests by means of the Board. The producer and consumer interests are being placed face to face within the Board, the Government shifting its support from one side to the other. So long as the interests of the producers are most vitally concerned, it is they who will always prove to be the section which will take the closest interest in the working of the Board, and by replacing it without anything to take its place the Government paralyses the Board.

If this is true of the Tea Board, it is true of all the Boards that will be set up under similar legislation. The real difficulty is that the Government has no means to curb the interests of producers dominating all other interests in the working of the Boards and what it seeks to set up are Boards incapable of serving any interests.

Coffee

Next to tea, the best known plantation crop is coffee. This industry attracted even greater measure of criticism than tea during the year. Certain basic facts of coffee are still not known widely enough to place the criticism of the industry sensibly.

Coffee was introduced into India about three centuries ago and it has been cultivated on peasant holdings for a long time in Mysore. Its development on a plantation scale began only at the beginning of the last century. The tracts of the hill slopes of the Western Ghats were opened to coffee cultivation. At one time the acreage

exceeded 300,000 and production was large enough to enable exports of 25,000 tons.

Since the beginning of this century, coffee fell on evil days and what coffee could not be wiped out by pests and diseases were abandoned by poverty and helplessness. Most of the growers who remained were in debt and many had no right over the crops they raised, because they were already in debt to the money-lending merchants to whom the crops were mortgaged. The main achievement of the Coffee Board was that, in about ten years, coffee growers were re-investing their profits in the expansion of the industry, the improvement of cultivation and plants and the betterment of their workers' living conditions.

The area under coffee has increased from 1,80,412 acres in 1941-42 to 2,35,374 acres by 1950-51.

The crop has increased from about 16,000 tons to 23,000 tons. Workers employed in coffee have gone up from 1,06,038 to 1,77,297.

Consumption of coffee within India has risen from 7,500 tons to 18,000 to 20,000 tons.

Indian coffee prices since 1949 have been about two-thirds to one half of the world prices.

This formidable record of progress and achievement by an industry which had been in the throes of a chronic depression of ten years in 1939 and faced the unexpected loss of the Continental market in 1940, was something of a miracle. But, if it were a miracle, it was achieved by three or four consolidating measures which only a Board constituted as the Coffee Board was and commanding the confidence of the producers could have done. In the first place, the propaganda efforts of the Board were brilliantly conceived and ably carried out. Next, the centralised, co-operative marketing method gave effective control over the prices and the market. Thirdly, the research programme of the Board advanced planters' knowledge and cultural practices. The record of the industry is probably the best proof of the soundness of these measures. All the areas newly planted have not begun to yield and, if the average yield accepted for costing were taken as the normal, the total yield would be over 36,000 tons.

Most of the arguments applicable to control over tea is equally valid for coffee. But, in coffee, certain other factors have a bearing on the matter. Coffee prices are not legally controlled, but the existing provisions of the Coffee Act provide the Government with ample powers over the Board and it has been used to restrict the return payable to the growers from the proceeds of pool sales.

Government's Responsibility

The myth has been created, with a few strands of truth, that coffee prices are too high and that the Government must bring it down. The truth is that the Government itself was responsible for the forcing up of prices during 1952. It forced the Board to export more coffee than was safe, because, from 1948 to 1952, the Government was in favour of exports even if it hurt the Indian consumers. The reversal of this policy was a late 1952 product.

In early 1952, the price of plantation A was Rs. 222-2 per cwt., which included Rs. 21 excise duty, Re. 1 cess and the usual Board charges. At this rate, the net price of coffee was nearly half the world prices for equivalent coffees. If the weight of duty were taken out of the wholesale price index of coffee, the increase in coffee prices since 1939 would show to be smaller than many products with which coffee could be exchanged. These two comparisons would indicate the true price status of coffee. If coffee could be treated like any other agricultural crop and if the highly personal policies which were evident during this year are abandoned, coffee has the brightest future among plantation crops.

Rubber

The enquiry by the Tariff Commission and the fixation of prices have done much to stabilise the rubber industry and to encourage its development. The most important feature of this year's rubber market was the presence of large stocks with producers, the reduction of which became a problem. There appears to be some truth in the contention that many growers concealed stocks until the Tariff Commission report on prices was notified. Another fact was that there had been a genuine increase in production, as a result of areas planted since 1942 coming into bearing. The full effect of this development has not yet been felt, but it will be in the course of the next three or four years as new acreage of fresh, young trees of higher-yelding varieties come into bearing.

From the existing area of 173,000 acres over 23,000 tons of rubber can be expected when it is all in full bearing.

If the country's consumer potential for rubber goods of various types were fully exploited, the estimated production of rubber from the present area would be inadequate. In Indonesia, Malaya and Ceylon, rehabilitation of rubber is taking place at a quicker pace and yields of 2,000 lbs. and over per acre have been achieved. If a sound development policy were adopted, the area now occupied by rubber could be reduced, while increasing the output of rubber. Rubber is fortunately located in areas where the sub-marginal producer could put his land under substitute crops.

In both rubber and coffee, one of the biggest problems is the large number of uneconomic holdings. The lower the acreage the less efficient the production.

Coffee Yield According to Size of Holdings

Size of estates	No. of estates	Acreage	Production approximate basis	Average yield per acre
		Acres	Tons	Cwts.
Below 5 ..	21,442	30,532	1,750	..
5 to 10 ..	2,491	15,060	694	0 87
10 to 25 ..	1,820	28,217	1,219	0 93
25 to 50 ..	501	16,165	985	1 12
50 to 100 ..	357	23,870	1,600	1 35
100 to 150 ..	128	19,018	1,060	1 60
150 to 200 ..	56	11,775	1,005	1 88
200 and above	303	87,939	10,022	2 24
Unregistered Estates ..	1,204	2,950	100	..
.. Total	28,436	2,35,374	18,405	1 91
Arabica ..		..	1,68,010 acres.	
Robusta ..		..	67,358 ..	

The above figures indicate the significant relationship between size of holdings and yield. If the national average could be raised to the average already obtained by large holdings, it would mean the creation of an additional quantity of 8,700 tons in exportable coffee, about Rs. 7 crores in foreign earnings and gainful employment for a few thousands of people.

Other Plantation Crops

Tea, coffee and rubber do not exhaust the number of plantation crops. Cashew is a crop which is receiving more notice. The tree was introduced to India from Brazil by the Portuguese, who found it suitable for the prevention of soil erosion in the undulating country on the west coast. The tree is hardy and is well able to stand the drought conditions frequently met with in that area. The commercial exploitation of the kernel of its nuts as an edible article is of relatively recent origin. The first consignment was probably made in 1925. Since then, the development was rapid and, in 1952, about 27,000 tons of cashew kernels, representing 100,800 tons of raw nuts, were exported from India. Most of this went to the United States.

The cashew industry has certain special features in its factory organisation, production methods and export practices. For about 60,000-70,000 tons of raw nuts, India is dependent on East Africa from where Indian traders buy cashewnuts from the natives in exchange for textiles and other Indian goods. This trade is concentrated in the hands of a few people.

Indian production of cashewnut is in the neighbourhood of 45,000 tons, but 70 per cent. of the processing industry is concentrated in the Quilon area. One important reason for this particular development is that the raw nut is dried, roasted, shelled, peeled, sorted and packed for the market mostly by hand. The industry is estimated to employ about 100,000 people and there has been very small progress in the mechanisation of the processing operations.

Given below are figures relating to imports of raw nuts and exports of cashew kernels with their values:

Cashewnut Imports

	Tons	Rs.
1950-51	54,956	2,48,55,692
1951-52	42,356	3,27,10,343
1952-53	51,662	4,05,83,275

Export of Kernels

1950-51	25,393	8,55,12,663
1951-52	21,262	9,93,17,980
1952-53	27,417	12,70,42,581

Pepper

The pepper bonanza is coming to an end and concern is being expressed about its future. Pepper is the berry of a plant native to India and, during the last two and a half centuries, the world market was supplied by Indonesia and Sarawak which countries developed them on plantation lines. In 1941, the Indonesian export exceeded 70,000 tons. Indian exports normally did not exceed 3,000 tons in the inter-war period, but as imports were made in large quantities, it was not a net exporting country.

Indonesia, Sarawak, Indo-China and other suppliers were eliminated from the Western markets during the war, leaving India as the largest supplier. The war-time controls were relaxed in 1946 and all except destinational regulations removed from November 1947. By then two developments had taken place. One was that the large stocks held by the American trade had been exhausted and it was found that the producers in the Malayan Archipelago would take several years before their ruined industry would be rehabilitated.

The pre-war world consumption of pepper was estimated at 57,000 tons, of which the United States accounted for about 27,000 tons. In 1947 the total world supply did not exceed 27,000 tons. Some of the accumulated stocks with growers in India came out that year, and, during the next five years, India dominated the world pepper market. Prices reached fantastic levels; producers, who readily parted with their crop at Rs. 80 per candy in 1940, were reluctant to sell at Rs. 4.200 in 1950.

The United States was the largest market for pepper and given below are figures of imports and price per pound.

Black Pepper

	Tons	Price per lb. U.S. dollars
1947	16,271	0 304
1948	12,326	0 44
1949	11,243	0 82
1950	14,409	1 41
1951	10,510	1 56
1952	11,983	1 37

The war-time experience and the large finance involved in holding large stocks have transformed American ideas of large inventories and they turned to small stocks and quick turnover. The largest section of consumers, the meat packers, are doing with far less pepper than they have been used to. The American youth is now almost unfamiliar with pepper as a flavouring agent. These have their immediate and long-term effects. In addition to all these, 1953 brought into the market the first fruits of rehabilitation in Sarawak and Indonesia. Over 10,000 tons were offered from these two sources.

The future of pepper depends on popularising the spice and it cannot be promoted at a fancy price. As it is, the Government which imposed 30 per cent. export duty on the fixed value of Rs. 400 per cwt. when the price ruled at Rs. 700 per cwt. has not lowered the rate, although prices have been Rs. 300 per cwt. since August.

Lemongrass

Lemongrass oil produced by India is of the best quality available of its kind. Its high solubility and citral content have always commanded a premium in the overseas markets. Normal Indian output is below 400 tons, but, during 1950-51, no less than 512 tons were exported. The U.S. market, which received 80 per cent. of its lemongrass oil supply from India six years ago, reduced her indent on India to 15 per cent. by 1952. Guatemala and Haiti have largely taken over India's place as the larest supplier.

Lemongrass oil production in India is entirely primitive and cultivation of the grass is in small holdings. There are some 8,000 holdings, with a total acreage of 25,000 in this industry and most of it is concentrated in the areas adjoining Cochin. Yield per acre is low, being about three pounds per 1,000 pounds of grass, too low to give an economic return to the producer at current prices.

Coconut and Arecanut

Except a few units, coconut and arecanut holdings are not organised on a plantation scale. The Coconut and Arecanut Committees are devoting considerable attention to the development of these two crops, but their efforts are retarded by the unorganised nature of the industry. While tea, coffee and rubber have greatly augmented production and employment, the more important coconut industry is producing far short of the home demand. For a producer country, India pays the highest price for the coconut and arecanut products it consumes and it will change only when the industry is organised.

The greatest contribution that the planting industry has made is applying modern industrial management techniques to agriculture. This could not have been done without sufficiently large units of holdings and without a sound organisation of producers. It was inevitable that an industry so well organised as planting should also act as a force in the formation of other organisations. The labour movement in the industry is still in its infancy, but its vigorous presence is beginning to be felt. If the producers in coconut, arecanut pepper and cashew are not organised, their workers are even less organised. Therefore, planting is the only sector of agriculture which has a standard to maintain with regard to labour housing, medical help and physical well-being. In addition, it provides steady employment for most part of the year. The industry's outlay on housing, schools, communications, health measures and care of the sick and young is probably the highest in the rupee, as compared with any other industry in India. Yet the noisiest political clamour which emanated from the controversy this year had as its ideal the disintegration of units. Very largely, this attitude originates from the land-hunger of rural India. But the land put to use by the plantation industry is on the hills and slopes of mountains which does not take away the peasant's land on the plains. The planters wrested it from the jungle and malaria and extended communications, conserved top soil, increased employment and national wealth.

There are some 500,000 acres still capable of bearing plantation crops in the South in the shadows of the Sahiadri. Of the three hill crops mentioned, coffee has the greatest future and over 100,000 acres are suitable for growing coffee. Every 1,000 acres of plantations opened up adds nearly 1,000 workers to the ranks of the employed, 200 new housing units, new roads and communications perhaps, a new settlement and township on the hills and more exportable products for the nation. Planting has a role to play in the India of tomorrow.—*All Rights Reserved.*

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COFFEE--THE KEY TO THE MALNAD

VAST SCOPE FOR INCREASING EMPLOYMENT

By Ivor Bull
Managing Director, Consolidated Coffee Estates (1943) Ltd., Pollibetta

THE Malnad, literally the 'hill country' of the South, is confined, strictly speaking to the western hill areas of Bombay, Mysore, Coorg and Madras, which receive the south-western monsoon, but, by implication, the whole of the area, running eastwards from the mountainous spine of the Western Ghats from Bombay through the Wynaad to South Travancore, comes within this definition, including spurs such as the Nilgiris, the Palnis and the Anamalais. The rainfall decreases steeply from some 200" or so, where the S.W. monsoon hits the Ghats, to 45" to 50", where the Malnad joins the drier *maidan* country. It is this monsoon mountainous region, covered with evergreen jungle in the higher rainfall areas, bamboo deciduous jungle in the medium rainfall areas and including lakhs of acres of waste land under lantana and scrub jungle, which is the source of the streams and rivers which feed the great river projects of the plains.

It is largely a waste area particularly in the north, but it contains wide stretches of country capable of development under paddy, dairy farming, areca, cardamoms, pepper and above all under coffee. Communications are poor throughout much of the Malnad, and this has handicapped the development of one of the greatest of India's untapped natural sources of wealth. Malaria, which was until recently the scourge of this region, is successfully controlled to-day.

In the forests, timber awaits roads for its extraction; many of the swamps which are natural throughout this zone, and which are potential fertile paddy fields, lie neglected on account of poor communications or the ravages of wild animals. Further south, wherever the land has been opened up under plantation crops, most of the wet land is cultivated, for the wild animals have withdrawn to the jungles.

Main Plantation Crops

Tea and coffee are the main plantation crops, but cardamoms and pepper are also important, whilst rubber is chiefly grown in the lower foot-hills of the Ghats.

Of these crops, coffee and cardamoms are of outstanding value, for both are grown under a canopy of shade and the mulch from the shade trees provides a build-up of humus, which assists the retention of springs and streams, whereas severe erosion results from open cultivation and water supplies, which should be permanent, dry up annually. Neither crop is competitive with any food crop, but cardamoms require evergreen shade and unless grown in a valley, require heavy rainfall for their cultivation, and, of the vast area with a rainfall of 50" to 90", most of which is suitable for coffee, comparatively little is suitable for cardamoms. To increase the cardamom crop, the main need is for new roads driven right into the heart of the evergreen jungle, to reach the western side of the Ghats.

Home of Indian Coffee

Practically the whole of the Indian coffee crop is grown in the southern part of the Malnad, beginning with the Chickmagalur District of Mysore State, and tapering off in Travancore, and a planned expansion of this industry provides the simplest and cheapest way of developing most of this neglected area.

It is necessary to refer briefly to the past history of Indian coffee, so that a true appreciation of to-day's position may be made.

Coffee was introduced as a commercial crop about 1845, and its production quickly spread throughout our southern hills, reaching a peak area of some 3 lakhs acres in 1890. The market itself shows a constant history of booms, followed by violent recessions, and, as a result of these recessions, the area under coffee gradually shrunk, till, in 1939, the acreage was only 2 lakhs, and even much of this area was being cultivated on subsistence lines.

India produces just over 1 per cent. of the world's coffee supplies, but the high quality of Indian arabica coffee is so widely recognised that there is an unsatisfied demand for it abroad. There is also a steady demand for our robusta coffee.

For many years, Brazil was responsible for two-thirds of the world's production, and it used this dominating position to introduce various schemes to stabilise world coffee prices. Brazil alone paid for these schemes and other countries took advantage of them to increase their plantings. Finally, Brazil was unable to support the structure it had created and, in 1929, its last stabilisation scheme broke down and the coffee industry throughout the world entered on a painful and deep depression which lasted for ten years.

In India, the effects of the depression are fresh in the memories of all older planters, and the results of it are still evident in many districts. Much coffee and, in some cases, whole estates were abandoned; both the Mysore and Coorg Governments issued special distress coffee loans to assist planters; company dividends were negligible or nil; practically no capital expenditure on labour quarters and buildings could be undertaken, and, in most cases, either additional capital had to be pumped into the business to keep it going or heavy additional debts were incurred for the same purpose. Many of the skilled labourers left the industry for their villages and the loss of these highly trained cultivators is still felt. Ryots who supplied the estates with grain were equally affected, and the price of paddy fell to unprecedented levels.

Tea and rubber, due to their international marketing schemes, weathered the depression of the 'thirties with a measure of success denied to coffee, which was engaged in a struggle for survival.

Origin of Coffee Board

Coffee was still in the doldrums in 1939 and, with the outbreak of war, prices fell still further. When Germany overran Europe in 1940, the major part of our export market was lost, and as two-thirds of its production had always been exported, it was feared that the industry had received its death-blow. The Central Government came to the assistance of the industry and, following a conference of all interests held in 1940, an ordinance was issued, to be followed later by an Act, whereby the whole of the coffee produced on the larger estates, which was formerly marketed abroad, was delivered to the first Commodity Board to be established, the Indian Coffee Board, for its disposal. This was followed, two years later, by the compulsory delivery of the whole of the crop from all estates, and the co-operative system of marketing coffee assumed its present form.

To ensure that the grower received a return which would at least enable him to survive till the end of the war, a higher price was fixed for sales in India, so that the lower prices received from exports could be averaged up. Until 1945-46, the Indian consumer paid up to Rs. 15 to Rs. 17 a cwt. more than the world price for his plantation coffee, but from 1946-47 onwards, the export price has been higher than the internal release price. ("Plantation" coffee is washed arabica coffee, peeled, graded and prepared for the market. Cherry coffees are unwashed, being dried in the sun and then hulled, after which they receive much the same preparation for sale as does plantation coffee).

For the last five-years, the difference has been very great, and to-day the Indian consumer can purchase his plantation coffee at one-half and his robusta coffee at two-thirds of the price which these coffees fetch abroad.

Due to the work of the Indian Coffee Board, the period 1940 to 1953 has been one of steady development in the industry. The area under coffee has increased by 40,000 acres, much of which is still immature, for it takes from five to seven years to bring coffee into bearing; production has increased from about 17,000 tons to 22/23,000 tons, internal consumption has been increased by 8,000 tons, and employment has been practically doubled. Thanks to this increase in production, and the consequent rewards that exports have brought to the industry, internal prices have been subsidised to an extent which enables coffee to be sold in India at some Rs. 100 a cwt. for robusta and Rs. 200 a cwt. for arabica plantation, below the world price, and this, despite the fact that all coffee sold in India bears a heavy excise duty of Rs. 21 a cwt. These are some of the benefits which a well-designed and carefully administered Commodity Board have brought to the country.

Some Facts

To fill in part of the background of the coffee industry to-day, two tables are given below:

TABLE 1—*Area and production in the principal producing States*

States	*Acres*	*Average production for 4 years, 1949-50 to 1952-53 (In tons)*	*Percentage of column 4 to total*
1. Madras ..	99,770	6,193	29 82
2. Mysore ..	93,368	6,969	32 93
3. Coorg ..	47,940	7,340	34 07
4. Others	1,960	545	2 59
Total ..	2,40,038	20,987	100 00

TABLE 2—*Analysis of Estates according to their size and yield as in 1951-52*

Size of estates in acres	*Number of estates*	*Acreage acres*	*Production approx.*	*Average yield per acre in cwt.*
Below 5	21,412	30,532	1,150	..
5 to 10	2,491	15,060	694	..
10 to 25	1,920	28,217	1,219	0 97
25 to 50	565	16,105	915	1 12
50 to 100	347	21,879	1,606	1 35
100 to 150	194	19,048	1,606	1 66
150 to 200	88	11,775	1,106	1 88
200 and above ..	303	87,939	10,022	2 23
Unregistered estates ..	1,204	2,059	100	..
Total ..	24,430	2,33,374	18,408	1 91
	Acreage in 1952-53			
Arabica			..	1,68,300
Robusta			..	71,700
		Total ..		2,40,038

As will be seen above, two main varieties of coffee are grown—arabica and robusta. Until about 1910, only arabica coffee was produced, but about that year, robusta coffee was introduced from Java and planted out on a field scale. For a long time, the area under robusta was relatively unimportant, but, from the depression days of 1930 onwards, there has been a rapid expansion in its planting. In 1947-48, for the first time, the robusta crop of 8,830 tons exceeded the arabica crop of 6,970 tons. In 1952-53, the robusta crop rose to 10,667 tons, the arabica crop being 12,253 tons. In the twelve seasons between 1941-42 and 1952-53, the area under arabica has increased from 1,52,000 acres to 1,68,300 acres, though the six-yearly average annual crop has fallen from 14,017 tons to 13,405 tons. In the same period, the area under robusta has increased from 28,500 acres to 71,700 acres, and the six-yearly average crop has increased from 4,239 tons to 6,805 tons.

If times are more difficult, the turnover from arabica to robusta will be accelerated, for robusta is, in certain ways, hardier than arabica, though to obtain proper yields equal care has to be given to its cultivation. Its harvest is later and is more convenient for the many ryots and planters who also grow paddy, while its cultivation involves the employment of only two-thirds of the labourers employed in growing arabica. Its value is approximately two-thirds of the value of plantation coffee.

Factors to be Considered

The following factors have now to be considered:

(a) There exists a world shortage of coffee to-day, and as far as can be seen, this shortage will continue for some time ahead.
(b) It is estimated that there is at least 2½ lakhs acres in the southern hills, of unused land, which could be opened under first-class coffee.
(c) To cultivate 100 acres of arabica 100 labourers are required. To cultivate 100 acres of robusta 66 labourers are required. On an average, every labourer supports half a dependant.
(d) For every 1,000 labourers employed, approximately twenty educated staff or artisans are required together with two officer grade staff.
(e) If the present pattern of production between larger estates and ryot holdings is maintained, a further 28,000 ryots could be settled on some 95,000 of these acres, but, allowing for to-day's trends, it is more likely that 10/15,000 small planters would be settled on 1,80,000 acres and and that the remaining 70,000 acres would be more economically opened up by the larger estates.
(f) The protection which coffee gives both to the soil and to the moisture in the soil. Coffee and cardamoms are the only crops grown in these areas under which there can be an actual positive build-up of humus in the soil.
(g) India is already more than self-sufficient in her coffee production, and every additional ton produced will, therefore, add to her exports.
(h) An export of 1,000 tons of plantation to-day should earn ninety lakhs of foreign exchange. At the other end of the scale, an export of 1,000 tons of robusta will earn some forty-five lakhs of exchange. A planned increase in production must have a target figure which will more than double to-day's crop within fifteen years. This would enable some 24,000 tons of coffee to be exported annually, worth, say, Rs. 17 crores.

Employment Potential

Such a plan for the development of the coffee industry would rehabilitate and transform much of the neglected Malnad area. With the opening of coffee, the abandoned swamps would also come under paddy cultivation, pepper crops would be increased by several thousand tons, for in Coorg and the Wynaad pepper is readily grown as something more than a catch crop in the coffee estates, and ravine areas would come under cardamoms.

Another two lakhs families could find employment under coffee alone and almost an equal number would

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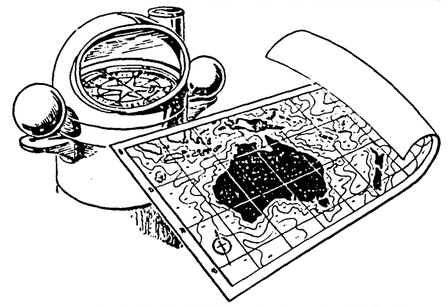
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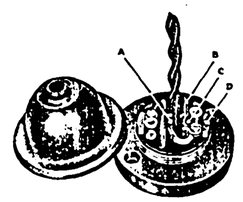

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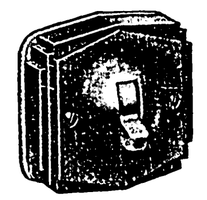
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be employed in the cultivation of other crops, and in the trading and development of the town, village and country life of this region.

There was correspondence which was recently dropped regarding a proposal to send 10,000 Indian families to Borneo. It is surely better for twenty times this number to be settled happily in the hills of their own country.

New life would be given to the villages and townships.

New home markets would be found for the products of the fertiliser factories, the cotton mills and other businesses which cater for the agricultural and building needs of estates and for the daily needs of those who work on them and in the villages.

Land revenue receipts would increase as also would agricultural income-tax receipts in States like Coorg and Travancore.

Are these possibilities of development and rewards for development dreams, or are they practical proposals? Of course, they can be carried out successfully, provided that knowledge, thought, confidence and patience are brought to the problem.

A Commission Needed

They require and deserve the study of an experienced and impartial Commission, and, as immediate results are possible, the work of the Commission might well be divided into three parts:

Part One.—To report on the quickest way in which the low average yield of coffee from the existing area can be increased.

Part Two.—To report on the best way of developing the vast area which is so suited for coffee cultivation.

Part Three.—To report on how to link Parts one and two with the general development of the whole Malnad area, remembering the assistance which coffee alone can give to the fulfilment of the final plan. Here the data already collected by the Malnad Improvement Committee should be of invaluable service.

There is a degree of urgency about the study of these problems. The world price of plantation coffee will not always remain at a premium of Rs. 200 a cwt. over its internal value, nor robusta at a premium of Rs. 100 a cwt. But, whilst any major premium exists, the cost of opening up this area can be greatly assisted by the consumer abroad, provided the development is properly planned.

Some Concrete Suggestions

It would be wrong to try and anticipate the findings of such a Commission, but, as regards Parts one and two, the following notes might receive consideration:

(i) In most cases, it will be necessary to confine the initial efforts to land which may have been opened under coffee one hundred years ago or more and later abandoned. Certain of these old estates have been successfully re-opened in recent years.

(ii) There were formerly coffee estates in Shimoga District and, although these have now practically disappeared, a scientific and practical attempt should be made to ascertain the northern boundary for coffee, using new plant material and modern methods of cultivation.

(iii) The Board's Research Department has brought valuable and practical results to the industry. In particular, the work on improved heavy bearing, disease-resistant strains of arabica coffee is far advanced and some strains have been developed which could transform many coffee estates.

(iv) The problem of passing the knowledge gained at the research station to planters is already being tackled by the Board through the organisation of an extension service which will soon be well under way. The officers engaged are being trained on selected, well run estates, so that, in addition to their technical capabilities, they will also understand the practical side of coffee cultivation.

(v) Private enterprise should be associated with every step of the development work. The training of the Extension Service Officers is an instance of what can be done. When suitable Government land is thrown open for settlement by planters, much waste of money will be saved if would-be planters receive a similar thorough training of at least one year on well-run private estates or on Government Demonstration Farms. This will sift the wheat from the chaff and give applicants an opportunity to decide after a year of estate work whether they really wish to become planters.

(vi) The successful food cultivator is rightly honoured and publicised as a Krishi Pundit. At the moment, the successful planter, for reasons which are obscure, sometimes appears to be considered as an anti-social individual. Yet, in both cases, the same observation, earnestness, study and love of one's work are required to bring success, and the same joy and pride of achievement are felt, only the crops are different. Unless these views alter, they will act as a deterrent to the progress of the industry.

Intensive Cultivation Needed

Some of the most efficient coffee planting in the world is being carried out on estates in India, the best work of all being on private estates. The results achieved and their method of achievement deserve the widest publicity, for it is only through improved methods that improved crops can be gathered; and it is only through raising the yield that costs can be reduced and any progress made in raising standards of living. The more intensive the cultivation, the greater the number of labourers who can be employed.

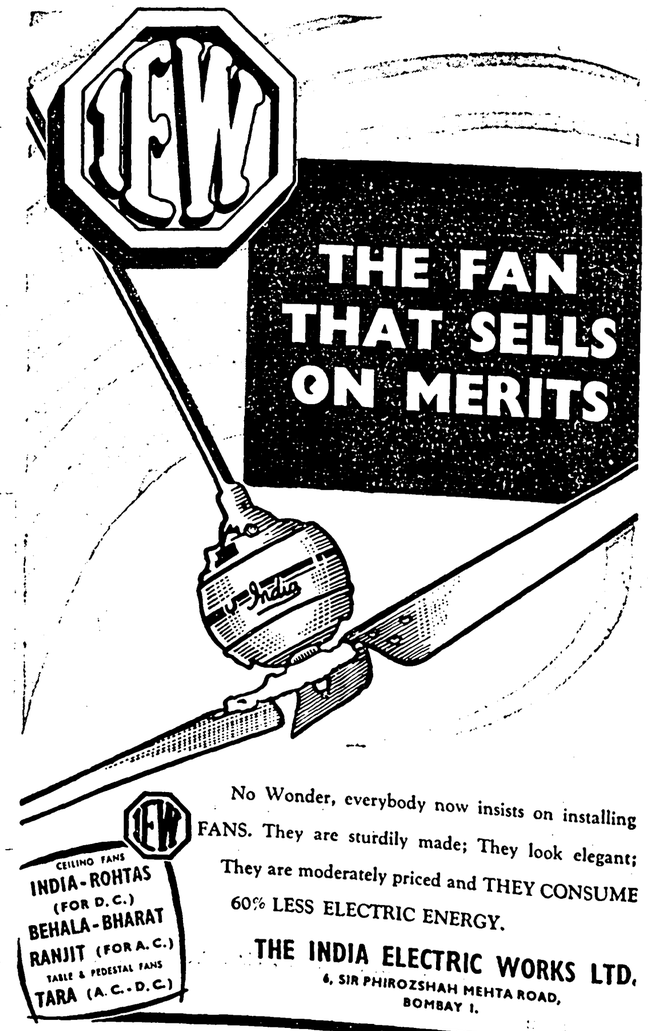
(vii) The first efforts of the Extension Service must be aimed at the smaller producer. Although there are many small ryots whose work is first class by any standard, it will be realised from Table 2 that, on an average, the lowest yields in the country come from the smallest estates. It is suggested that, in each coffee, zone, a selection of these small growers should be made by the Board whose estates could be used as demonstration farms.

Such demonstration farms would serve as models for their neighbours. Costs would have to be carefully kept, for the only answer which will really influence their neighbour is, does the practice recommended and the cost involved pay? This must be proved beyond doubt.

Let all these matters await the report of the Commission. Coffee can be the agent for transforming the face of much of this neglected area, for making a real easement of the unpublicised unemployment and marginal employment in the rural areas of the south. It could also be one of India's largest earners of foreign exchange.

One day, the potential wealth of the Malnad must be developed, and it is unlikely that it can ever be done in more favourable circumstances than those of to-day.

A plan for the development of the coffee industry can be the key which opens the door to the riches of this region. It is not too late for this project to be included even now in the last years of the Five-year Plan. The benefits would be immediate and lasting, and, with courage and determination brought to the task, the project could not fail.—*All Rights Reserved.*



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PLASTICS INDUSTRY IN INDIA
SCOPE FOR INCREASING EXPORTS

THE slump in March-April, 1952, had affected the plastics industry very adversely. There has, however, been partial recovery from it in 1953. Nevertheless, high cost of living and unemployment, and the consequent shrinkage of market, have brought about stagnation in production. Profit margins have been considerably lower, owing to paucity of demand and panic sales by weaker units. The rate of production is at present very low, although output of goods in individual units has recorded a slight improvement. There is, however, one encouraging development of late, namely, production of new varieties of plastic goods, which will surely have a salutary effect on the plastics industry as a whole.

In the face of all this, the properly organised units and the manufacturers with proper industrial basis in the form of facilities for new moulds, research, variety of products, different lines of manufacture (injection moulding, compression moulding and fabrication, etc.), and sound distribution organisation have been able to display some strength and to come into their own. Not that the lot of such manufacturers is better, but they have been able to avoid closure of factories and to continue production.

The prices of plastic goods have fallen considerably, while costs of raw materials and labour have increased. The margin of profit has, therefore, been substantially reduced. This has made it necessary for the manufacturers to increase their capacity or to go in for new products with a view to keeping their units economic. Thus, some factories have come to be endowed with double tasks, namely, of marketing their already existing production and of marketing new production. In these circumstances, a good selling organisation has become a vital necessity for manufacturers continuing production.

Raw Materials

Polystyrene moulding powder, the material which accounts for nearly 70 per cent. consumption of plastics raw materials in India, continued to be imported under O.G.L. from soft currency areas. This material is imported mainly from the United Kingdom. Of late, moulding powders are also offered from Germany and Italy, and it is expected that, in the near future, the bulk of the raw materials may come to be supplied from these countries.

Before 1952, the production of polystyrene moulding powder in the U.K. was very limited. At that time, this powder was allowed to be imported from the U.S.A. and Canada under O.G.L. The cancellation of O.G.L. for imports of powder from dollar areas, however, has resulted in a complete diversion of trade to the sterling area. In this connection, the following figures reveal an interesting pattern:

Total Imports of Plastic Materials and Manufactures Thereof

		1950-51	1951-52	1952-53
Synthetic resins and moulding powder	Cwt.	80,846	80,052	76,402
	Rs.	1,13,74,164	1,58,15,816	1,40,10,706
Semi-fabricated plastic materials	Qty. lbs.	46,66,928	97,07,330	87,53,401
Finished plastic goods (not otherwise classified) ..	Qty. Rs.	1,05,050	12,43,762	11,30,354

Country-wise Imports of Plastic Materials and Manufactures Thereof

	1950-51 Rs.	1951-52 Rs.	1952-53 Rs.
From U.K.	67,97,243	1,38,88,869	1,38,64,187
,, Canada	24,51,257	42,42,479	16,60,289
,, U.S.A.	53,40,228	43,91,624	41,20,466
,, Other countries	9,54,176	43,34,136	42,82,209
Total ..	1,51,46,942	2,68,56,063	2,39,03,551

It would be in the interests of the Indian industry if the raw materials were allowed to be freely imported from dollar areas also, as this would make imports possible at competitive prices and thereby resulting in reduction of costs of production, which is most essential at this stage.

Cellulose acetate moulding powder and urea formaldehyde moulding powder, which were under O.G.L. in 1952, have been brought under import control during 1953. Open general licence for urea formaldehyde moulding powder made imports of wood-filled urea powder possible, which directly competed with indigenously manufactured P.F. moulding powder; the present import control for U.F. powder is desirable from that point of view.

During the period, the search for new products has resulted in increasing consumption of materials like special P.F. powders, cellulose acetate, polyethylene and special grades of polystyrene.

Indigenous Raw Materials

P.F. moulding powders are being manufactured locally. The production in 1951, 1952 and during the eight months of 1953 is 459,600 lbs., 667,200 lbs. and 533,300 lbs., respectively. The

By R. C. Shah

average monthly production works out to 38 300 lbs., 55,600 lbs. and 66,600 lbs. for the years 1951, 1952 and 1953, respectively. It will thus be seen that there is increase in the production of P.F. moulding powders. The production of P.F. moulding powders locally will be further encouraged, if rebate of duty is allowed to all indigenous manufacturers. Presently, the manufacture of P.F. moulding powders is protected. For individual firms producing to the extent of 200 tons and above, a refund of duty is given on raw materials imported, namely, phenol and formaldehyde. The present estimated demand for P.F. moulding powders is only about 300 to 400 tons a year. Three firms are engaged in the manufacture of this product. As such, it is not possible that all the three firms can produce to the extent of 200 tons and above individually and can also market their production. At the same time, it is necessary that the production should be encouraged. In view of this, it is very desirable that the limit of production of P.F. moulding powders, required to qualify for rebate of duty on raw materials—phenol and formaldehyde—should be reduced from 200 tons to 50 tons per annum. The case for a review of the plastics industry for protection is coming up before the Tariff Commission, and it is hoped that this very important aspect of indigenous manufacture of phenol formaldehyde moulding powders will be reviewed in its proper perspective.

Laminated sheets are also now being satisfactorily manufactured and their production has improved. In the year 1952, their production was about 40 tons, while in 1953, it is expected to be about 80 tons. Production is also likely to commence during the year for P.V.C. plastics sheets (unsupported).

The industry is becoming more and more conscious of the need for indigenous manufacture of raw materials. Certain schemes are being examined by certain parties. Besides, the All-India Plastics Manufacturers' Association, in pursuance to the resolution passed at the sixth annual conference, has set up for raw materials manufacture a committee comprising representatives of plastics industry, chemical industry, and research and technical institutions to work out schemes for indigenous manufacture of raw materials, such as polystyrene, polyvinyl chloride, cellulose acetate, polyethylene, polyvinyl acetate, urea, formaldehyde and phenol.

Production

The production of plastics products was 1,446,000 gross and 1,544,400 gross during the years 1951 and 1952, respectively. The production during the first six months of 1953 was 633,600 gross. The monthly average of production works out to 120,500 gross for 1951, 128,700 gross for 1952 and 126,700 gross for 1953. It will be seen from these figures that the production during 1953 is much lower than in 1952. The conditions are actually worse, even as compared to conditions during 1952. Due to paucity of sales, some of the factories have actually closed down. Many other factories are also working on the basis of one or two shifts production, as against the usual three shifts production.

A further analysis of production reveals two marked trends. First, some factories had to close down or curtail production on account of unremunerative prices and accumulation of stocks, following lack of sales. Secondly, for factories, which continued production, output had to be increased, as there was the need to find a balance between falling prices, on the one hand, and increasing costs of raw materials and labour, on the other. Under these conditions, the factories had to struggle very hard against numerous odds.

Sales Tax

Apart from the general causes, such as a fall in demand, etc., the industry is much handicapped in respect of shortage of power, increase in cost of labour, and special sales tax levied on plastics products. Though the plastics industry is a basic industry, its products are subjected to a levy of special sales tax, besides the general sales tax. This one factor has done much harm to the continuance of the industry.

It is very significant that, while production in almost all other industries has increased in 1953, that in the plastics industry has gone down. This, in itself, very clearly indicates the critical position of the plastics industry at the moment.

Remedial Measures

The remedies for the alleviation of the difficulties lie in the grant of sufficient power, removal of special sales tax, reduction of duty on raw materials, drawback of duty on raw materials for export, utilisation of existing indigenous capacity fully, all Government purchases being made from local producers, and complete ban on all imported materials and items of stores where plastics is used.

At the moment, no machinery is being manufactured locally, except a few hand presses. The present position in respect of machinery is approximately as under:

	No. of machines	Machine capacity
Injection moulding ..	300	700 ozs.
Compression moulding ..	150	10,000 tons
Extruders	50	From 1" to 4"

Most of the machinery is imported, the suppliers usually being the U.S., England and Germany. In this respect, the following figures for machinery imported in India from the United Kingdom, as compared with the total exports from the U.K. of plastics presses gives very interesting information:

	1948				1949				1950			
	All countries		India		All countries		India		All countries		India	
	No.	Value £	No.	Value £	No.	Value £	No.	Value £	No.	Value £	No.	Value £
Hydraulic presses ..	145	1,34,437	12	16,714	241	2,92,825	42	48,904	224	3,30,081	35	49,550
Other presses ..	196	1,19,604	15	7,737	126	1,65,952	30	57,550	122	1,17,041	23	18,042
Total ..	341	3,03,041	27	24,501	367	4,58,780	72	1,06,454	346	4,47,122	58	67,592

By courtesy: "British Plastics."

Manufacture of plastics moulds is a very important aspect of the industry. There has been good progress in this field. More moulds are now being manufactured locally than before. Further, the manufacture of complicated moulds has also been undertaken now.

This particular aspect of the industry has received good attention during the year. The Government made available to the industry, through the U.N.T.T.A., the services of Mr. Robinson, a plastics expert from the U.K. Mr. Robinson has made a survey of the conditions of the plastics industry and has submitted a report to the Government about it and about the present position of the plastics mould making in India. Besides, Mr. Robinson stayed with certain factories and helped them to develop some moulds. He actually got certain moulds started under his supervision and advised technicians with the plastics factories for the development of these moulds, especially in respect of the designs of complicated moulds, from the point of view of suitable raw materials, types of steel to be used, hardening, run on machines and finishing, etc.

Conclusion

Apart from feeding the home market, the products of the plastics industry are also being exported to countries like South Africa, Iraq, Iran, Egypt, Ceylon, Burma, Indonesia, etc. It is possible to increase the exports of plastics goods to these countries. In order, however, to encourage exports, it is very much necessary that the industry should be allowed the drawback of import duty on raw materials used in the products meant for exports.

The plastics industry is at present producing a variety of products ranging from household items, such as soap boxes, tumblers, combs, etc., to industrial items like bobbins, pirns, pulleys and the like. There is no end to the variety of uses to which plastics can be put. In foreign countries, the plastics industry has achieved the position, not as a secondary or subsidiary industry, but as the main and leading industry. Under the present stage of industrial development of the country, particularly at the time of new projects, the plastics industry can play a very vital and important role.

The plastics industry has been making very valuable contribution to the general industrial development in the U.S.A., the U.K. and other industrialised countries. It has no more remained an "unimportant" industry. The necessity for strengthening this industry cannot be separated and minimised, in the face of increased essentiality for industries and projects like power, buildings, irrigation, radios, aircraft, automobiles, textiles jute, pharmaceutics, etc., to all of which, amongst others, the plastics industry acts as a feeder industry.—*All Rights Reserved.*

THE ALUMINIUM INDUSTRY

PLENTY OF SCOPE FOR EXPANSION IN INDIA

A QUARTER of a century ago, *Commerce* published a report which drew a somewhat alarming picture of the growing rivalry between tin and aluminium—alarming from the point of view of the holder of tin investments—and pointed out that aluminium had been permanently substituted for tin in many foreign countries in the manufacture of food containers. Since then, aluminium has expanded its uses vastly, no less than 4,000 end uses of the metal have developed, and it now competes favourably with copper, lead and zinc in performance and price for many uses. Aluminium's present uses range from spoons to ship superstructures. Its versatility offers a challenge to the ingenuity of designers and fabricators.

In India, however, the metal has only recently made its debut in various industrial applications and a vast potential field yet remains to be developed. This development work has, however, commenced and promises to increase the consumption of aluminium within the next few years to an extent which will fully justify the scheduled expansion of the industry under the National Plan.

The remarkable properties which have helped the metal to come to the forefront are lightness, high electrical conductivity, thermal reflectivity and resistance to corrosion. Malleability and ductility are equally notable properties. The basic characteristics of aluminium are well suited to the requirements of the present technological age, in terms of speed, economy and efficiency. Pure aluminium readily combines with other elements to yield a range of alloys which retain the distinctive lightness of the parent metal and acquire strength values of a high order. In an age of speed, the lightness of aluminium, combines with its high tensile strength, varying from 12,000 to 80,000 pounds per square inch according to the alloying ingredient, makes it the ideal metal for aircraft and other transportation purposes where the elimination of dead weight is of primary significance. The corrosion resistance of aluminium reduces the cost of maintenance, repairs and replacements. As a conductor of electric current aluminium is a serious rival of copper and is fast replacing it, especially for long-distance transmission lines. An excellent conductor of heat, aluminium lends itself well to the manufacture of cooking utensils, household articles and other types of hollow-ware. In other applications, such as roofing and siding the high heat reflectivity of aluminium comes into operation, the radiant heat of the sun being reflected and the interior of the buildings kept cool. Other recommendations of the metal are workability and appearance, helping fabrication and designing.

World Output

These characteristics, which extensive research and engineering have discovered and developed, have made possible the evolution of aluminium from a scarce semi-precious metal to an inexpensive and versatile medium which now leads all non-ferrous metals in volume of production. In 1952, world production of aluminium (excluding the U.S.S.R. and its satellites) was 1,774,000 metric tons, which was considerably greater than the average war-time production. World production has more than doubled at the end of every decade since the twentieth century. Table I shows the world production of aluminium since 1928. The phenomenal increase in the output within the last twenty-five years may be noted. In fact, the volume of world production of aluminium in 1952 for the first time in history exceeded the combined volume of copper, lead and zinc.

TABLE I

World Primary Aluminium Production

(Thousand metric tons)

Year	Production
1928	252
1929	207
1930	266
1931	220
1932	152
1933	188
1934	156
1935	233
1936	329
1937	445
1938	532
1939	632
1940	718
1941	908
1942	1,328
1943	1,672
1944	1,614
1945	764
1946	681
1947	954
1948	1,115
1949	1,125
1950	1,292
1951	1,567
1952	1,774

Aluminium constitutes 8.05 per cent. of the earth's crust and is the main element next to oxygen (46.67 per cent.) and silicon (27.60 per cent.) iron coming fourth with 5.03 per cent. But though the occurrence of aluminium is more than 1½ times that of iron, it is more difficult and more expensive to produce a ton of aluminium than a ton of iron. In fact, an economical solution to the chemical puzzle of releasing aluminium from oxygen, silica and iron oxide was not

By A. L. Sabharwal

accomplished until 1886, when the discovery of reduction by electrolysis was made independently but simultaneously by Hall in America and Heroult in France. This explains why, although widely distributed and the third most abundant element in the earth's crust, aluminium has been produced in metallic form only within the last hundred years or so.

The possibility of starting an aluminium industry in India was considered, from time to time, by scientists and industrialists since 1900, when a company called the Indian Aluminium Company (which had nothing to do with the present company of that name) was formed. The Company's main interest was hollow-ware and not primary aluminium, but it made little progress and soon went out of existence. The possibility of establishing an aluminium industry, however, continued to receive official and public attention and, in the years immediately preceding the last war, the aluminium industry in India was conceived with the formation in 1937-38 of the Aluminium Corporation of India Ltd., and the Aluminium Production Co. of India Ltd. (now known as the Indian Aluminium Company, Ltd.).

The Indian Aluminium Company set up its rolling mills near Calcutta, which started production in August 1941 using imported ingot. A smelter was shortly thereafter set up by the Company near Alwaye (Travancore-Cochin). Finally, in 1948, the Company achieved integrated production by establishing an alumina plant in Muri (Bihar) and bauxite mining facilities at Lohardaga (Bihar). The Aluminium Corporation of India has all its units located together at Jaykanagar near Asansol.

The annual primary aluminium and rolling capacities of these two producers on the eve of the Plan period were:

Annual Capacity

(In long tons)

	Primary aluminium	*Rolling*
I.A.C.	2,500	3,000
Aluminium Corporation	1,500	500
Total	4,000	3,500

Expansion Targets

The first Five-year Plan envisages the expansion of India's primary aluminium capacity to 20,000 tons by 1955-56, so that the respective capacities of the two producers at the end of the Plan period are scheduled to be as under:

Annual Primary Aluminium Producing Capacity

(In long tons)

	1950-51	1955-56
I.A.C.	2,500	15,000
Aluminium Corporation	1,500	5,000
Total	4,000	20,000

This target is to be accomplished by the expansion of the present reduction plants to 5,000 tons and through the building of a new 10,000-ton smelter at Hirakud (Orissa).

During the Plan period, the Corporation expects to increase its annual rolling capacity from 500 tons to 3,000 tons, while the Indian Aluminium Company's rolling capacity is expected to expand from 3,000 tons to 6,500 tons. Rolling is also done by several small fabricators, who are currently estimated to have a total annual capacity of about 6,000 tons.

The expansion has been based on an estimated consumption during the Plan period of 16,000 tons of aluminium per annum, made up of 10,000 tons of circles for utensils, 2,500 tons of wire bars for aluminium cables for power transmission lines, 2,000 tons of sheets for industrial purposes, and 1,500 tons of metal for miscellaneous uses including coiled strips for the manufacture of foil. Since the Planning Commission's report was published, two companies are setting up rod mills, with a total capacity of 8,000 tons per annum, for meeting the requirements of A.C.S.R.

Production

Table II shows the trend in production of primary aluminium in India since 1943:

TABLE II

Production

(In long tons)

Year		Year	
1943	1,272	1949	3,400
1944	1,723	1950	3,506
1945	2,254	1951	3,848
1946	3,236	1952	3,848
1947	3,214	1953 (estimated)	3,566
1948	3,301		3,500

The decline in 1952 and 1953, as compared with 1951, was mainly the result of power shortage.

Consumption

The current annual demand for aluminium in India is estimated at 8,000 to 10,000 tons. The metal is consumed mostly in rolled form. As the production of virgin metal in the country is below 4,000 tons, the balance of the consumption is met by imports.

Imports

Table III shows imports of aluminium in all forms into India since 1943:

TABLE III

Year	*Long tons*	Year	*Long tons*
1943	22	1949	8,699
1944	261	1950	7,033
1945	4,855	1951	10,314
1946	11,154	1952	7,079
1947	11,809	1953 (Jan.-Oct.)	3,859
1948	10,129		

Basis of Planning

Recently there has been a sharp controversy as to the advisability of the expansion programme laid down by the Planning Commission. This is entirely due to the misconception that aluminium, as at present, will continue to be used mainly for the manufacture of pots and pans. India is rapidly getting industrialised and, therefore, we can reasonably expect that this metal will find an increasing use in the industrial field as the following brief survey will show:

(i) Aluminium is the only non-ferrous metal which India can produce in large quantities. India's reserves of other non-ferrous ores such as copper, lead and zinc are either very inadequate or non-existent. The country has known reserves of about 250 million tons of bauxite, of which some 35 million tons are of high grade, sufficient to sustain a substantial aluminium industry for generations to come. The other raw materials required for producing aluminium are also obtainable in India, with the exception of cryolite, aluminium fluoride and fuel oil. The various hydro-electric projects planned by Government will make adequate bulk power available to the aluminium industry.

(ii) Aluminium is no longer a single metal; it is a family of metals, having a range of alloys suitable for varied industrial purposes. The aluminium industry in India has access to technical knowhow and can meet the demand for various alloys. Besides, a 1,000-ton extrusion plant is expected to be put into commission shortly, which will fabricate a wide range of sections for architectural and other uses. There is already a 500-ton powder and paste plant in Bombay State. The industry is thus prepared to meet the demand for aluminium in all forms.

(iii) The general industrial expansion scheduled under the Plan involves a considerable increase in the consumption of aluminium. In the manufacture of aircraft, railway coaches, bus bodies and other transport vehicles, aluminium has begun to be used in India and the use is increasing. The increase of power generation envisaged by the Plan in turn means more transmission lines, and, therefore, an increase in the demand for aluminium cables to carry this power. Several other industries expanding under the Plan promise to be users of aluminium, not the least among them being the light engineering industries which have already shown considerable development (see Table IV).

TABLE IV

Industry	*Production* *Unit*	1947 (a)	1952 (b)	*Percentage of increase — (b) over (a)*
Hurricane lanterns	000's	910	3,449	283
Electric lamps	000's	7,020	20,830	174
Bicycles	Nos.	31,000	195,571	514
Electric fans	000's	160	198	23

(iv) Aluminium, which has supplanted lead and tin plate for packaging in foreign countries, is already being extensively used in India for tea chest lining and wrapping retail packets, taper-proof pill-boxes and collapsible tubes.

Utility To Agriculture

Aluminium grain storage bins will solve a major agricultural problem in India. It has been estimated that faulty storage accounts for the loss of some five per cent. of current total grain supplies in India. Our present average annual production of foodgrains is around 45 million tons. We lose over 2 million tons in storage. Our national programme is to secure an additional production of 7.2 million tons of foodgrains by 1955-56. A third of the target could be achieved by scientific storage alone. The solution is the aluminium grain bin now being manufactured in India. It is inexpensive, rain-proof and affords complete protection against dampness, rodents and insects. The high reflectivity of aluminium holds the inside temperature to a minimum and eliminates the incidence of fermentation.

Another way in which the metal will serve agriculture is by means of sprinkler irrigation which is now being introduced in India. The traditional method of irrigation is by means of canals, ditches and furrows. But recently a new system of irrigation has been developed, especially in North America, a method which furnishes a controlled water supply in the form of spray, just like natural rainfall. This is portable sprinkler irrigation. It provides a profitable means of augmenting natural rainfall, and by conserving the water supply, helps to reclaim vast areas of arid land for cultivation. A prominent Canadian agriculturist has stated: "Aluminium sprinkler irrigation is one of the most significant advances in the development of agriculture in recent years." Heavy steel pipes were used for this system previously, but the labour of moving the pipes was excessive, while rust and corrosion in pipes gradually increased frictional losses and resulted in reduced water pressure. The substitution of aluminium pipes has brought about a revolution, for aluminium tubing weighing only one-third as much as other metal tubing, is easily handled and fully portable and remains free from rust or corrosion.

Elsewhere in this review the versatility and numerous end-uses of aluminium have been discussed. There is no reason why the metal cannot find a variety of uses in a developing economy. Space does not permit us to examine in detail the various developing and potential applications of aluminium in India. There can be no doubt that, while the utensil industry will continue to be a significant consumer of aluminium, equally significant will be the tonnage of metal absorbed by other industries. In fact, it was estimated in 1947 that the long-term production target to be secured at the end of 15 years would be 50,000 tons. It is clear, therefore, that not only will the projected total capacity of virgin aluminium production of 20,000 tons by 1955-56 be utilised in the country, but there will be need to plan further expansion.—*All Rights Reserved.*

TRADE UNIONISM IN U.K.

GROWING MEMBERSHIP

MEMBERSHIP of trades unions is increasing throughout the free world. This development is a complex and important field of study, as the movement varies in the countries in which it has taken root—but it has a vital role in all of them. Light can be thrown on the nature and potentialities of trade unions by considering the membership figures in any of these countries, not least those of the home of trade unionism, the United Kingdom, where up-to-date figures have recently been issued.

Trade unions in Britain have had substantial membership in the main heavy industries for 100 years. In this century the idea spread to other industries but the large numbers of new members recruited between 1910 and 1920 were not held. The steady upward climb began again in 1923 and this time the gains have been consolidated.

During the six years of World War II membership went up by 1,500,000 or 25

By Ray Boyfield

per cent. In the seven years since 1946 it has gone up further 1,600,000, the increases being particularly large in 1946-47 when men were being demobilised from the armed forces. Comprehensive statistics of membership and finances have recently been published by Britain's Ministry of Labour for 1952; these show a further increase of 43,000, bringing the total to 9,524,000.

The degree of trade union development cannot, however, be gauged solely by membership figures. Although keen members were hopeful, 20 years ago, that conditions of employment in all industries might soon be governed by collective agreements, it was only a minority who looked further forward to the time when unions would be influential outside industry in the wider fields of public policy.

Yet this is the position to-day. All political parties now join in praising the essential part unions play in the community. They are regularly consulted by the Government on economic, social and even defence questions. The general public now understands that unions are not simply concerned with the immediate wages of their members but, as a very large part of the nation, are interested in many aspects of the national life.

This change from grudging acceptance to wide recognition has also had its effect on the unions themselves. They are no longer "a permanent minority" and realise that to a very great extent the future prosperity of their members is now in their own hands.

Unions naturally hope for even larger membership but with several exceptions they are committed to the voluntary principle, and the policy of improving the wages and conditions not only of their members but of all workers in the trades which they organise. These liberal policies make organisations more difficult but the aim of trade unionism in Britain remains "100 per cent. membership by persuasion". At present membership is not evenly spread.

The proportion is much higher among manual than among office workers, higher in larger establishments than in small, twice as high among men as among women. Some sections are almost entirely unionised—for instance, certain of the crafts in printing or engineering. Types of employment with the highest level of membership in all grades are mining, transport and other utilities and government service. Sections with the lowest proportion of union labour include commerce and retail distribution other than by co-operative societies.

The pattern of organisation still shows many traces of its early origins. When unionism was first preached, only local societies were practicable and the necessary amalgamation of them to form nation-wide unions has proceeded unevenly. Despite many mergers in the 1920s there are still 690 separate organisations but 500 of these have under three per cent. of the total membership between them. Two-thirds of all members are now in 17 unions, each with over 100,000 members.

Financial Position

Figures of income and expenditure are not made public by all unions. They are, however, available from unions with 8,400,000 members, and a report on them is published annually by Britain's Registrar of Friendly Societies. His figures show that each member paid on average of £2 1s. 3d. in 1952 in contributions. This represents an increase of only 13 per cent. over 1938 which is small when account is taken of the far greater rise in wages and prices.

This small increase is explained in three ways. The much greater number of members makes for economy—for instance, the cost of negotiating for half the workers in a firm is not increased when the rest are recruited. Secondly, the proportion of union expenditure on strike and unemployment benefit is much lower than in the troubled years between the two World Wars. Thirdly, owing to the improved State provision for sickness and old age, a lower proportion of members now make additional provision for these through their unions.

Reserve funds are now over £70,000,000. They are, of course, highest in those unions which make extensive provision for superannuation payments; for example, in printing unions the average is £18 a member. Over the whole field the average reserves are £8 a member, and unions now believe these can safely be increased at a reduced rate. In 1952, only one-and-a-half per cent. of income was put by as compared with 14 per cent. in 1938, and 60 per cent. was expended in services to members.

In fact, steadily growing membership and stable employment have given confidence to unions. They feel their resources are more wisely used when invested in shaping the future through education than when hoarded in memory of past disputes.





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BICYCLE INDUSTRY IN INDIA
ITS PROGRESS, PROBLEMS AND PROSPECTS

By S. K. Sen

Chairman, Sen-Raleigh Industries of India Limited

IT is difficult to say precisely when the first bicycles made their way to India, but there are in existence records to show that cycling clubs, with large numbers of enthusiasts, had sprung up in Bombay by the 1890's. A photograph dating back to 1899 shows old and young members of the Dharwar Cycling Club, clad in the typical Victorian costumes of the day, gathered for a cycle meet. Bicycling in India can, therefore, be said to have a history of at least 50 to 60 years.

In this fairly long span of time, however, the use of bicycles in India has not made the progress commensurate with the needs of her population. "In a country like India," says the Report of the Five-year Plan (Programmes of Industrial Development), "where conveyance and transport facilities are limited and inadequate, bicycles play an important role in the country's economy..." Despite its obvious importance, the use of bicycles in India still remains at a very low level. According to an estimate quoted by the Tariff Board Report on the Bicycle Industry (1946), the number of pedal bicycles in use per thousand of population was 3.85 in India, as compared with 255 in Britain, 463 in Holland and 539 in Denmark.

The import trade in bicycles had been more or less established before World War I. Dislocation of imports caused by the war lay behind the first attempts to manufacture cycle parts in India for replacement purposes. Both during and after the First World War, small workshops grew up for the production of frames. While manufacturing progress between the two wars was slow, the consumption of bicycles increased and imports continued to show an encouraging rise, reaching the figure of 170,000 in 1937-38.

Origin of Industry

It is from this time that the Indian bicycle industry properly originates. Between 1938 and 1941, three concerns went into operation—India Cycles Manufacturing Company, Ltd., Calcutta; Hindusthan Bicycle Manufacturing and Industrial Corporation Ltd., Patna; and Hind Cycles Ltd., Bombay. Due to the outbreak of war, the first company went over to the production of components such as bells, lamps, carriers, etc., while the two latter undertook manufacture of complete bicycles, with the exception of complicated parts, such as free wheels, chains, ball bearings, etc. During World War II, the Indian bicycle industry supplied to the Government more than 50,000 bicycles, apart from various other defence requirements such as mine contact frames, fuse percussions, etc. Imports necessarily declined during the war.

With the end of war and the easing of the shipping and supply situation, imports again began to rise. The potential of the internal market showed definite possibilities. The pent-up demand of the war years, it was realised, would provide a steady market for long; in spite of the economic distresses caused by the war, the signs of radical political changes were unmistakable, changes which could not but accelerate economic development. The bicycle industry, which had had to contend with the most serious difficulties during the war, was anxious to secure its future progress and applied for tariff protection.

The Tariff Board, which conducted the enquiry in 1946, while recommending protection, made some exceedingly valuable observations concerning the problems and tasks of the industry. The Tariff Board bore out the possibilities of the internal market. At the same time, it laid the utmost emphasis on the need to improve the quality of the Indian-made product. It concurred with the view of the Director General of Supplies that "the quality of the indigenous bicycle is passable but inferior to the best foreign make such as Raleigh or B.S.A...." The Tariff Board remarked that the poorness of quality was due to two factors:

(a) the raw materials used were not of proper specifications;

(b) sufficient attention was not paid to maintaining the accuracy of tools, dies, and gauges.

The Board recommended that the existing *ad valorem* duty of 24 per cent. (British Preferential) be converted into a protective duty at the same rate. This recommendation was accepted by the Government with effect for three years.

When this term of protection was due to expire, the Government ordered another Tariff Board enquiry which was concluded in 1949. Reviewing the progress during the preceding years, the Board observed that actual production had fallen short of the targets estimated at the previous Tariff enquiry, the actual production of complete cycles amounting in 1947 to about 43,400 against the estimated 65,000.

The Tariff Board noted that progress had been made in improving the quality of the Indian-made bicycle and components. "Notwithstanding the lack of suitable raw materials and machinery, the indigenous manufacturers have been able to effect substantial improvements in the design, structure and finish of their bicycles," observed the Board. But there were still serious complaints about the quality of Indian bicycles and the Board emphasised, in its turn, the paramount need to obtain suitable raw materials and machinery in order to bring the quality of the Indian bicycles up to the standard of the imported product.

Protective Duty Raised

The Board recommended the rising of the protective duty to 60 per cent. *ad valorem* (British Preferential), with a similar duty on bicycle parts and accessories. There can be no doubt that protection afforded to the industry was of considerable assistance in enabling it to develop and raise production:

Year	Production of complete cycles
1947	43,424
1948	61,896
1949	80,028
1950	103,152
1951	114,276

The year 1952 saw the addition of large and important units to the industry. Profiting from the experience of the pioneering units, the new enterprises have taken care to ensure quality in production right from the start. This has been facilitated by means of technical and financial collaboration between leading cycle manufacturers in the U.K. and Indian industrialists. Thus, T.I. Cycles of India Ltd. represents a tie-up with Tube Investments of Birmingham and Sen-Raleigh Industries of India Ltd. with Raleigh Industries of Nottingham as well as certain well-known German component manufacturers like Union.

The association with bicycle interests abroad has been of great assistance in the matter of obtaining capital equipment and technical guidance in the difficult stage of teething troubles.

Both T. I. Cycles and Sen-Raleigh have given their technicians a course of intensive training at the associated factories abroad. It may also be stated confidently that precision tools and complicated capital equipment which they have been able to obtain make these factories among the most modern and best equipped. The foundations for producing quality bicycles in India have been securely laid.

Know-how in the cycle industry is constantly improving in Britain and the Continent, some recent advances being in the technique of brazing, bonderizing, enamelling and nickelling processes. Light strips and steel alloys have replaced heavy gauges with greater strength resiliency. The results of this research and experiment in advanced countries are now immediately available in the production of the Indian bicycle, as a result of technical collaboration with foreign manufacturers. We are thus assured that the quality of the Indian-made cycle will keep pace with its foreign counterparts.

Atlas Cycle Industries of Sonepat, East Punjab, is the third of the large new units to go into production since 1952.

The installed capacity of each of these new units is 100,000 a year. Another concern, Messrs. Wearwell Cycle Industries, have received sanction for putting up a factory, with a similar installed capacity. The industry thus has at present six units (three old and three new) with one more proposed, and development programme for the industry, as visualised in the Five-year Plan, is as follows:

	1950-51	1955-56
Rated capacity ...	120,000	530,000
Actual production	*101,136	530,000
Quantity available for consumption	266,597	500,000
Available for exports	—	30,000

Five-year Plan Report

The Five-year Plan Report, commenting on the programme for the industry, says:

"It is expected that the potential capacity for the industry by 1955-56, which would be higher than the anticipated demand, would help in lowering prices, improving quality and thus also help in improving demand. Moreover, with an appreciable fall in price and an improvement in quality, there should be good prospects for the export of about 50,000 Indian bicycles to some of the neighbouring countries. . . "

Quite a large number of the parts that go into a bicycle are now being manufactured in India, such as frames, forks, mudgards, backstays, tyres, rims, pedals, etc. Precision components such as chains, free-wheels, etc., present a more difficult problem. Though there is a certain amount of local production in these, quality is still not up to the mark. However, the manufacturing programmes of the large new, well-equipped factories includes production of these components to a standard comparable with the imported products. In fact, some of the new factories are laid out so as to undertake manufacture of 70 per cent. to 90 per cent. of the bicycle parts themselves.

In regard to cycle accessories and parts, the Tariff Board Report (1949) has drawn attention to the large number of units producing on a cottage industry basis. These are localised chiefly in Calcutta and the East Punjab. Some 50,000 workers, mostly refugees, are thus employed in East Punjab alone, producing parts and accessories valued (in 1949) at Rs. 60 lakhs per annum. It is interesting to note, in this connection, that the value of cycle parts and accessories imported into India between 1936-37 and 1944-45 invariably exceeded the imported value of complete bicycles—an indication of the large internal demand for bicycle components both for replacements and for assembly into complete bicycles. Between 1946 and 1952, the value of imported bicycle parts was in the region of Rs. 8 crores and more.

The Tariff Board was of opinion that if these small units were properly organised and supplied with raw materials and technical supervision, they could develop into an important adjunct of the bicycle industry. The same view was upheld by the Planning Commission which recommended close co-ordination between the small-scale manufacturers of cycle parts and the large manufacturers of complete bicycles.

Raw Materials

If we turn to the problem of raw materials for the industry, it will be found that Indian cycle manufacturers are still dependent on imports for its basic requirements of steel. The major portion of the bicycle is fabricated from steel strips, bright bars, steel alloys and bright sheets. The steel tube for the frame is itself manufactured from strip steel. Of these materials, so far not one is manufactured in India to the requisite standards.

The manufacture of strip steel requires a cold reducing unit which does not yet exist in India. Some time ago, there was news of an agreement between Tatas and Stewarts and Lloyds for the setting up of a cold rolling strip mill and a steel tube works. How far this has progressed is not known, but there can be no denying that the bicycle industry eagerly awaits the fruition of this plan.

The Industry To-day

How then may we sum up the position of the bicycle industry on the threshold of 1954?

The grant of protection has acted as a boon, enabling the industry to expand output and encouraging new units to enter the field. The effect of this on total production was felt in the latter half of 1952 and, particularly in 1953, when these three new units went into steady production. At least one of these new units exceeded its initial target of production by 25 per cent. by the beginning of 1953.

As compared with 114,000 cycles produced in 1951, the figures for 1952 are 192,000; and for the first six months of 1953, the output was 120,000 cycles, which, with the usual increase in the last six months of the year, may well represent an annual rate of 250,000 to 300,000 cycles. Imports continued in 1952-53 but Indian-made cycles were able to meet this competition and establish themselves, indicative of the expansion undertaken by the industry of late are the estimates of additional plant and machinery installed during 1952-53. The larger units accounted for, possibly, about Rs. 27 lakhs of additional plant and various others for another Rs. 5 lakhs, a total addition to plant to the value of Rs. 32 lakhs approximately. There is every reason to hope that, by 1955-56, India will be self-sufficient in regard to bicycles and may even have a surplus for export.

Quality Improves

The quality of the Indian bicycles has shown marked improvement of late, while new units, established in collaboration with leading foreign manufacturers, have laid the groundwork for producing in India bicycles which can hold their own against any imported product in respect of quality and performance, the need for which had been strongly emphasised by the Tariff Board.

*This figure, quoted in the Five-year Plan Report, varies from the figure quoted earlier which referred to the calendar year 1951.—AUTHOR.

The manufacture of components is making steady progress and the next stage will be to undertake production of the more complicated parts like free-wheels, etc., with due regard for quality. All the new factories have expanded their plant during 1953 to undertake further stages of manufacture and, as a result of local production of many more components by 1954-55, bicycle prices may be expected to go down, thus helping to cater for a wider market. In this connection, encouragement has to be given to the numerous small producers of bicycle parts and accessories. With proper supervision and enforcement of standards, they may be expected to supply bells, carriers, and other accessories, concentrating for the most part on supplying the demand for replacements.

In regard to raw materials, the industry still depends on imports for its basic requirements in steel. In the interests of self-sufficiency, it is urgent that internal production of cold rolled steel in strips and bars should commence. Until that is done, as an immediate relief, customs duty on imported materials should be reduced, thus helping to bring down prices.

Future of the Industry

The current demand for bicycles is estimated at 400,000 and, though rated capacity is in excess of this figure, actual production is below it. The position will doubtless improve in 1954, but this requires a more sympathetic attitude from the Government. Delay in granting import licences for capital equipment, etc., has been one important reason for a slower rate of expansion than would have been otherwise achieved. Likewise, reduced duties on imported raw materials would go a long way in bringing down prices—a most vital consideration in the present context of shrinking purchasing power caused by unemployment.

Already the cycle market has experienced some mild shocks by way of slackening demand and the worsening employment situation cannot but have an adverse effect on the cycle industry and trade. The future of the industry is closely tied to the successful fulfilment of the Five-year Plan projects which promise to raise living standards and create greater employment.

The bicycle industry is one in which, to-day, profits are of the least importance. Manufacturers are anxious to build up reserves rather than distribute dividends. They are aware that this is still an infant industry which has to be carefully nursed, so that it can hold its own in a competitive world. Their attention is directed towards expanding production and improving quality, and it can be safely said that the industry now produces cycles equal to the world's best, thus overcoming the old prejudice against the Indian product.—*All Rights Reserved.*

DEVELOPMENT COUNCIL FOR BICYCLE INDUSTRY

The Central Government has formed a Development Council under the Industries (Development and Regulation) Act, 1951, for the bicycle industry. The personnel of the Council and the functions assigned to it have been announced in a *Gazette of India Extraordinary* of 18th December, 1953.

The Council will consist of 12 members. They are:

Mr. M. G. Vohra, Mr. I. C. Gupta, Sardar Balwant Singh Chhatwal and Mr. A. M. M. Murugappa Chettiar, to represent the interests of owners of undertakings in the industry.

Mr. P. L. Kumar and Mr. Ishwar Datt, appointed to be members as persons having special knowledge of matters relating to the technical or other aspects of the industry.

Mr. Ram Desai to represent the interests of persons employed in the industry.

Mr. D. C. Sutaria, Mr. Iqbal Singh, Mr. V. S. Rastogi and Mr. K. Eswaran to represent the interests of consumers of goods manufactured by the industry.

The twelfth member to represent the interests of persons employed in the industry will be appointed by the Government later. Mr. P. L. Kumar will the Chairman of the Council.

IRON AND STEEL INDUSTRY

MAIN DEVELOPMENTS REVIEWED

So far as the iron and steel industry is concerned, the year 1953 is one of outstanding events. The most notable among them is the provisional agreement entered into between the Government of India and Krupps and Demag, the world-famous German steel firms. The agreement provides for the technical and financial participation of these firms in the construction of new steel plant with an initial capacity of half million tons, capable of expanding into a million tons. Next in order comes the merger of the Steel Corporation of Bengal with the Indian Iron and Steel Company, with effect from 1st January, 1952. Thirdly, the Government of India announced, on 20th July, an increase in the retention price of steel, produced by the Tata Iron and Steel Company, by Rs. 32.31 per ton for the year 1952-53 and Rs. 47 per ton for the two-year period from April, 1953 to March 1955.

The foregoing developments are of considerable significance, inasmuch as they are aimed at making India self-sufficient in steel. The extent of dependence of India on foreign imports will be evident from the fact that, while the indigenous production of steel of the three major producers, namely, the Tata Iron and Steel Works, the Indian Iron and Steel Company and the Mysore Iron and Steel Works, is 1.07 million tons, the demand exceeds 2.4 million tons. These three companies, too, have plans for expanding their capacity. But the implementation of these plans would increase their aggregate output to no more than 1.6 million tons by 1956-57, when the demand is expected to be about 2.8 million tons. Thus, there will still be a deficit of more than a million tons.

Expansion Schemes

The expansion scheme of the Tata Iron and Steel Co., Ltd. is designed to secure an increase in production from the existing capacity of 750,000 tons per annum to 950,000 tons. The Indian Iron and Steel Company will step up its production from the existing level of 280,000 tons to 650,000 tons a year, besides setting up a blast furnace capable of producing 450,000 tons of pig iron a year. The Mysore Iron Works has also an expansion scheme to step up its production from 40,000 tons at present to 100,000 tons.

The production of finished steel during January-August 1953 was about 558,800 tons, as against 631,600 tons in the same period last year. The fall of 72,800 tons was due to labour trouble at the Indian Iron and Steel Works.

New Plant

The urgency for the establishment of the new State-sponsored steel project at a time when the gap between production and demand is large needs no emphasis. The final agreement between the Government of India and the Krupp-Demag firms is expected to be signed shortly. Already the Krupp-Demag delegation, led by Dr. Thum, Managing Director of Demags, now in India, has completed its tour of West Bengal, Orissa, Bihar and Madhya Pradesh, for carrying out a preliminary survey of the possible sites for the proposed steel plant. The German participants expect that the plant can be commissioned within a period of four years after the preliminary details are settled. The project is estimated to cost about Rs. 71.25 crores. The West German participants will contribute about Rs. 9.5 crores, the exact amount depending on the value of the plant that they may supply. If the volume of orders placed with the German firm equalled 20 million dollars, the German investment will be 25 per cent., upto the second 20 million dollars it will be 30 per cent. and in excess it will be 33⅓ per cent., subject to a ceiling of $20 million. Global tenders for supplies of plant, etc., will be invited; quality, price and delivery date will be the determining factors in the selection of suppliers. It is stated that, if the capacity of the proposed half-a-million ton plant is increased to one million tons, the additional capital investment that will be needed will be about Rs. 40 to Rs. 45 crores.

The proposed new steel project, however, came in for some criticism. It was argued that the private sector in the steel industry could have accomplished the same increase in output, as is now visualised by the Government, at a lesser cost. It was stated, for example, that the Tatas could do it at a cost of Rs. 40 crores and the Indian Iron and Steel Company at a cost of Rs. 60 crores. Thus, the Government project would entail an additional expenditure ranging from about Rs. 12 to Rs. 31 crores. It was feared that, if the Government was unable to make profits from the new project, it would be tempted to nationalise the entire steel industry.

Amalgamation of S.C.O.B. with I.I.S.C.

The amalgamation of the Steel Corporation of Bengal with the Indian Iron and Steel Company is expected to help production of steel by the latter company more efficiently and economically. The Company proposes to install the latest rolling mill and a continuous sheet bar and billet mill which will reduce the cost of sheet bars and billets considerably. The output of saleable steel products which now amounts to about 3 lakh tons per year is estimated to rise to 7 lakh tons per year by 1957.

Retention Price of Tata Steel

The increase in the retention prices of steel produced by the Tata Iron and Steel Company for the year 1952-53 by Rs. 32.31 per ton of saleable steel over the 1951-52 prices, including depreciation and 8 per cent. return on colliery block, was welcomed. But the grant of an increase of only Rs. 47 per ton for the years 1953-54 and 1954-55, as against the Tariff Commission's recommendation of Rs. 66.98 per ton of saleable steel over the prices prevailing in 1951-52, was a disappointment to the Company. The Tariff Commission has arrived at Rs. 66.9 per ton after taking into consideration depreciation and a return on the colliery block, and an increase in the rate of return on the total block from 8 per cent. to 10 per cent., but excluding the Company's claim for the inclusion of profit-sharing bonus as an item of expense. The Government of India declined to accept the Commission's recommendation for the inclusion of the colliery block for the purpose of calculating the depreciation and the return allowed on gross block, on the ground that it required further examination. It also ruled out the recommendation for an increase in the rate of return on gross block from 8 per cent. to 10 per cent. on the score that the advance by the Government of a loan of Rs. 10 crores to the Company on special terms to finance its modernisation and expansion programme made such an increase unnecessary.

Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Company, while expressing gratitude for the proposed loan, observed that the acceptance of the small increase recommended by the Commission would not have been inconsistent with the grant of the proposed advance, as the Government could have directed that it be used either to reduce the total amount of their loan, or accelerate its repayment. He maintained that a gross return of 8 per cent. on capital expenditure, leaving a net return of about 3½ per cent., was totally inadequate to attract risk capital, either Indian or foreign. He hoped that the Government would reconsider this question in the light of these observations.

Outlook

The outlook for the industry depends chiefly on the Government's policies towards encouraging the development of this industry. For there is neither dearth of resources nor of labour in the country. India has about 10,000 million tons of reserves of good quality iron ore (containing 60 per cent. of iron). This is exclusive of the quantities of laterite in several areas of Deccan tracts containing 25 to 30 per cent. iron ore. Besides, there are large tracts of unexplored regions which are expected to contain iron ore reserves. The consumption per head is so low that it is needless to say that there is a large scope for the growth of demand in future. The *per capita* consumption is deplorably low at 12 lbs., as against 1,300 lbs. in the U.S. and 530 lbs. in the U.K. What is needed for increasing the *per capita* consumption is the establishment of new industries in the country. These latter in their turn call for further expansion of the steel industry, which is to-day experiencing lack of finance. Certainly, it will not be possible for the industry to attract risk capital in the existing state of affairs, when not only the rate of return is not attractive, as Mr. Tata pertinently pointed out, but also the threat of nationalisation hangs over it.

• • •

Since writing the above, the final agreement has been signed. According to Press reports, the agreement falls into three parts, namely, (a) the promoters' agreement signed at Bonn recently which is now modified, (b) technical consultants' agreement and (c) the articles and memorandum of association. The agreement provides for the formation of a private limited company with the name Hindusthan Steel Ltd. The Company will have an authorised capital of Rs. 100 crores. It will have, at the outset, a subscribed capital of Rs. 5 lakhs, of which Rs. 1 lakh will be contributed by the German combine. The same ratio of four to one will be maintained in the capital structure, when subsequent issues of share capital will be made. The German combine will have representation on the Board in proportion to its contribution. The Chairman and the Managing Director will be the nominees of the Government of India.

The share capital agreement is for a period of ten years but this can be extended for another ten years. The agreement does neither provide for the issue of royalities, nor for relaxation of tax provisions. The German combine's maximum contribution is estimated at present at 20 million dollars (Rs. 9.5 crores). Provision has been made for audit by the Auditor-General. The German combine will provide all technical assistance needed for the erection and commissioning of the project to be completed in four years from the date of selection of the site. For this purpose, the combine will submit to the Company a list of names of technical experts for appointment.

The combine has undertaken to train Indians for every place of responsibility from the very start. The agreement also provides the penalty clause, which obliges the combine to pay to the Government of India a sum not exceeding the full amount of its consultants' fee of Rs. 21 crores, in the event of its not fulfilling its guarantee.

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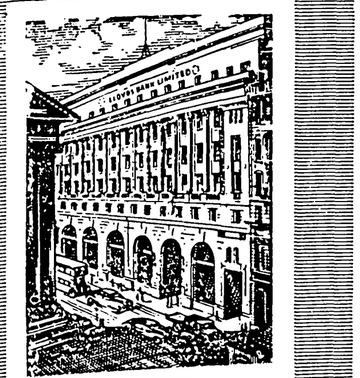

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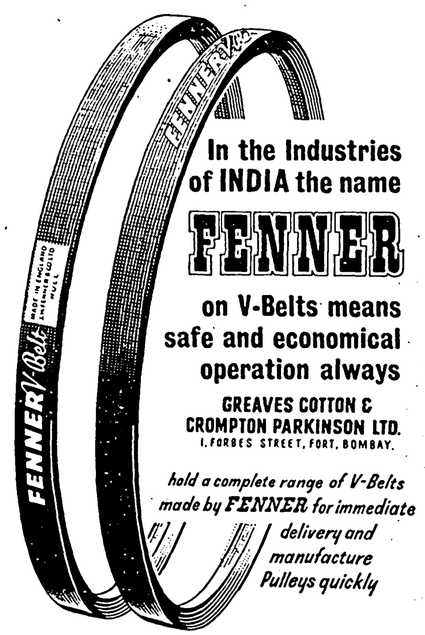

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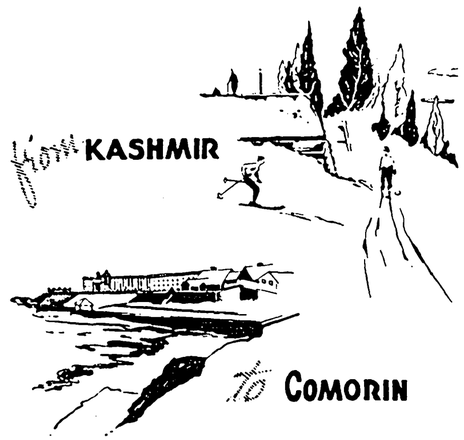

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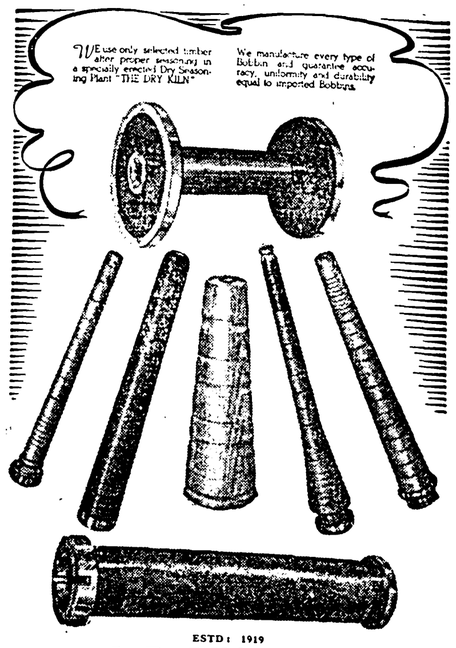

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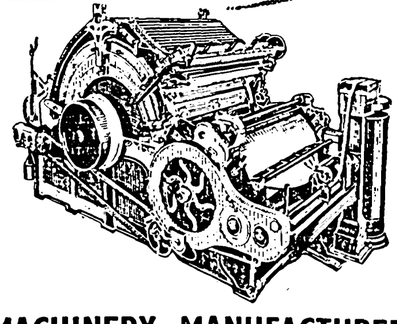

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U.K. TEXTILE INDUSTRY IN GOOD HEALTH

EFFICIENCY CONSIDERABLY HIGH

MANCHESTER, *15th November*

AFTER falling precipitately from the high post-war level of production and employment in 1952, conditions in the Lancashire cotton trade stabilised in the past twelve months and the trade entered upon a new era of relative prosperity. A period of slack business, with mills closed and operatives in thousands thrown idle, was followed by expanding operations which led to well-filled order books, over-full employment and more encouraging prospects by the end of the year.

It may be recalled that the post-war trade boom came to an end in the autumn of 1951. Rather suddenly, buying of goods ceased, and, owing to a falling tendency in raw material rates and a decline in prices for yarn and cloth, the attitude of customers was very strongly maintained. The change in the situation was said to be a trade recession, but a few months later it was more correct to describe the developments as a depression.

This very unsatisfactory state of affairs continued for approximately twelve months to the autumn of 1952. During that period, the most serious factor was the decline in the value of stocks of goods and deliveries against old orders booked at much higher prices than existed. Both producers and distributors had to bear heavy losses. It is significant, however, that no serious financial embarrassments were recorded. On the whole, merchants were more vitally affected than producers of goods.

A change in the conditions began to show itself towards the end of 1952. Enquiry on a larger scale was met with and there were indications of buyers being more prepared to operate, as in certain sections stocks had been cleared, but at very unsatisfactory prices. The lead began in the home trade section and it was largely a result of enterprise on the part of the stores, with extensive textile connections, taking the view that the time to replenish stocks had come round.

Steady But Slow

In the producing sections, the improvement was steady but rather slow. Gradually both spinners and manufacturers booked orders on a freer scale and the change for the better showed itself to a greater extent in the spring of this year. During the past six months, demand has broadened and the industries as a whole, both cotton and rayon, are now in a healthier position than for about two years back.

Very little improvement has shown itself in the sales of goods for export. In this connection, the price factor has been very important. Many cloths produced in Lancashire are relatively dear, as compared with the products of other countries. Repeatedly there has been reference to the competition from Japan, but India is increasing her output of textile goods and there is also evidence of Western Germany increasing her production. In some foreign countries, the import restrictions have been so severe that it has been impossible to export more than trifles, chiefly of the higher quality goods.

A large and persistent demand has been experienced in materials suitable for home consumption. The business done has covered a wide range of styles and qualities and favourable reports have been received as to clearances in the retail and wholesale establishments. This business has been very largely due to the increased spending power of the home population, which, to some extent, has been a result of the Government Budget last spring when taxation was reduced. At the same time, wages have tended to rise and the textile industries as a whole have derived considerable benefit.

Shortage of Manpower

A factor in the situation which has attracted increased attention has been the shortage of manpower. Great efforts have been made to secure more operatives, and, recently, the recruitment of school-leavers has been fairly encouraging, but it is quite evident substantial numbers of workpeople who were employed in the mills in 1951 have obtained other jobs and are not prepared to return to work in textile factories.

At the height of the boom in 1951, it was estimated that, in Lancashire spinning and weaving mills, 320,000 operatives were at work, but, during the trade recession, the manpower fell to 260,000. Since then, it is estimated that 25,000 have gone back to the mills, the total number at work being around 285,000. It is feared that about 35,000 have been permanently lost to the industry. There have been suggestions that foreign labour should be used in the mills, but a problem of this kind might lead to unsatisfactory conditions should the prosperity which is now being experienced fade away.

From Our Manchester Correspondent

Towards the end of 1952, the cotton unions made an approach to the employers for an all-round increase in wages of 10 per cent. This application was rejected and was put before the Industrial Disputes Tribunal in January. For the first time for many years, the unions were turned away empty-handed when making a wage claim, as a result of the refusal of the Tribunal to accept the application.

The situation was reconsidered later in the year, and, in May, 1953, a further claim for a 10 per cent. wage increase was submitted to the employers' organisations. This time the matter was not referred to the Tribunal and a joint agreement was reached in July, providing for an advance of 5 per cent. to operate from the beginning of August.

Before this claim was submitted, the Ministry of Labour had undertaken its usual half-yearly census of earnings as at the end of April. When the details of the survey were published, it was disclosed that the figures for cotton spinning and weaving were at the highest level yet recorded, being 3d. a week on average higher than the previous peak in October, 1951. Men were receiving average earnings of £8 6s. 1d. weekly and women £5 6s. 2d. Youths under 21 earned an average of £4 10s. 7d. and girls under 18 got £13 19s. per week. The average of all cotton workers was £6 4s. 8d. weekly.

Average hours worked by cotton spinning and weaving mills in April were 44.1 per week, as against 33.1 hours six months previously. In the spinning section the average was 43.9 and in weaving 44.5 hours per week.

One result of the shortage of operatives which became more acute as the year progressed was the revival of schemes introduced by individual firms to obtain foreign workers. There was no central recruiting plan sponsored by the trade organisations or the Cotton Board as was the case some years ago, but certain groups endeavoured to secure green labour from Northern Ireland and the Continent. Discussions have taken place between the trade unions and the employers over certain aspects of this development and safeguards are being drawn up to protect British workers in the event of any future contraction in trade.

The following tables show the latest position of employment, exports and production compared with recent years:

Employment in the Cotton and Rayon Industries

(Average numbers actually working)

	Spinning and Doubling	*Weaving*
1937	176,000	187,000
1941	117,800	104,200
1945	96,000	95,100
1946	111,800	101,000
1947	119,500	103,600
1948	133,240	121,270
1949	137,660	129,800
1950	142,050	137,050
1951	142,430	140,320
1952	114,090	118,390
1953		
1st quarter	125,320	125,490
2nd quarter	127,970	123,220
3rd quarter	114,000	104,890*

* July/August average only.

Production of Cotton, Rayon and Mixture Yarn

(All figures are weekly averages)

	Lbs.
1937	26,500,000*
1941	23,180,000
1945	17,910,000
1946	19,350,000
1947	19,570,000
1948	23,620,000
1949	24,350,000
1950	26,090,000
1951	27,110,000
1952	19,460,000
1953	
1st quarter	22,420,000
2nd quarter	22,640,000
3rd quarter	21,890,000

* Excluding doubled yarn.

Cotton, Rayon and Mixture Cloth Production

(All figures are weekly averages)

	Linear yds.
1937	79,270,000
1941	41,300,000
1945	35,530,000
1946	38,060,000
1947	38,700,000
1948	46,040,000
1949	49,830,000
1950	54,420,000
1951	56,920,000
1952	44,070,000
1953	
1st quarter	48,810,000
2nd quarter	49,940,000
July/August average	42,230,000

Cloth Exports and Imports

	Cotton exports Sq. yds.	*Cotton imports* Sq. yds.	*Rayon exports* Sq. yds.
1938	1,386,235,000	22,641,000	31,176,000
1941 ..	783,109,000	13,923,000	69,054,000
1945 ..	441,095,000	12,852,000	84,187,000
1946 ..	514,505,000	9,500,000	90,454,000
1947 ..	532,887,000	142,735,000	96,836,000
1948 ..	761,505,000	200,047,000	137,074,000
1949 ..	903,578,000	308,750,000	160,708,000
1950 ..	852,473,000	245,425,000	189,568,000
1951 ..	864,375,000	339,088,000	217,206,000
1952 ..	710,803,000	144,272,000	149,823,000
1953			
1st quarter..	178,406,000	19,144,000	36,261,000
2nd quarter..	169,694,000	22,252,000	40,238,000
3rd quarter..	182,020,000	12,447,000	45,932,000

Raw Cotton Prices and Supplies

Events in the raw cotton situation during 1953 centred mainly in Britain on the moves to return to free enterprise buying and distribution of the raw material. The Government set up the Cotton Import Review Committee which was charged with the task of reporting on whether any change was desirable in the structure of the Raw Cotton Commission and the provision of cover to spinners.

As a result of its findings, it was determined to continue the trend towards complete freedom of trading in cotton and the eventual re-establishment of the Liverpool futures market. The Committee considered it was intrinsically undesirable that public funds should be risked to provide cover for the cotton spinning industry.

Towards the end of the year, the Government announced that legislation would be introduced to wind-up the Raw Cotton Commission during 1954 and facilitate the revival of a futures market in Liverpool. At the time of writing, detailed discussions on the procedure to be adopted were still in progress, but it was confidently predicted that the Liverpool market would reopen around June, 1954.

Spinners were given a second opportunity in July to decide whether to continue obtaining their supplies from the Raw Cotton Commission or to secure their cotton through private Liverpool and Manchester merchant firms. It was then stated that 131 cotton spinning firms had chosen to obtain all their requirements for 152 mills from the Commission; 64 firms had chosen to obtain their requirements for 152 mills privately; 10 firms chose to obtain part of their requirements for 54 mills from the Commission and part privately; 41 other users chose to obtain all their requirements from the Commission and 32 to obtain all their requirements privately.

On the basis of past consumption, the Ministry estimated that about 56 per cent. of the cotton, other than Peruvian and Californian, to be imported in the 1953-54 season would be on private account, compared with 30 per cent. in the previous season. In the American type group, 61 per cent. cotton would be purchased privately, against 35 per cent; Egyptian types 40 per cent., against 15 per cent., and in West Indian Sea Island 83 per cent., against 64 per cent.

Price Changes

It was later announced that, on the basis of past consumption, 47 per cent. of Peruvian and Californian cotton would be imported privately in 1954, against 36 per cent. in 1953. As a result of recommendations made by the Cotton Import Review Committee, the Raw Cotton Commission from the beginning of September separated its merchanting and cover sections. At the same time, a new system of calculating selling rates to spinners was brought into operation, incorporating a number of cover bases and more than 30 index prices. The following table shows price changes for leading growths during the year, week by week:—

	American 15/16" Middling	*Pakistan S.G.A.S. Fine.*	*Egypt. Karnak Type Koto*	*Egypt. Uppers Type Suen*	*Peruvian Type 1541*
1953	*d.*	*d.*	*d.*	*d.*	*d.*
Jan. 3..	32.35	31.65	45.25	35.80	44.35
,, 10..	31.60	31.65	44.25	35.05	43.35
,, 17..	31.60	31.65	44.25	35.05	43.35
,, 24..	31.60	31.15	44.25	35.05	43.35
,, 31..	31.80	31.15	44.25	35.05	43.35
Feb. 7..	31.80	28.25	44.25	36.05	43.35
,, 14..	31.80	27.25	45.00	35.80	42.85
,, 21..	31.70	27.25	45.00	35.80	42.85
,, 28..	31.70	27.25	42.00	35.80	42.85
Mar. 7..	31.90	29.25	42.75	32.30	42.85
,, 14..	32.30	29.75	42.75	32.30	42.85
,, 21..	31.90	29.75	42.25	31.80	42.85
,, 28..	31.80	29.75	42.00	31.55	42.85
Apr. 4..	31.80	28.75	42.00	31.55	42.85
,, 11..	31.80	28.25	42.00	31.55	42.85
,, 18..	31.80	28.25	42.00	31.55	41.85
,, 25..	31.90	28.25	42.00	31.55	41.85
May 2..	32.10	28.25	42.25	31.80	38.80
,, 9..	32.20	28.25	42.55	31.50	38.80
,, 16..	32.20	28.25	42.55	31.50	38.80
,, 22..	32.40	28.25	42.80	32.75	39.30
,, 29..	32.00	28.25	42.80	32.75	39.30
June 6..	32.00	28.25	42.80	33.25	39.30
,, 13..	32.00	28.25	42.80	33.25	39.30
,, 20..	32.00	28.25	42.80	33.25	40.50
,, 27..	32.00	28.25	42.80	33.25	40.50
July 4..	32.00	28.25	42.80	33.25	40.50
,, 11..	32.25	28.50	43.05	33.50	40.50
,, 18..	32.25	28.50	43.05	33.50	40.75
,, 25..	32.25	28.50	43.05	33.50	41.75
Aug. 1..	32.25	28.50	43.05	33.50	41.75
,, 8..	32.25	28.50	43.05	33.50	41.75
,, 15..	32.05	28.30	42.85	33.30	41.55
,, 22..	32.05	28.30	42.85	33.30	41.55
,, 29..	32.05	28.30	43.85	33.30	41.55
Sept. 5..	32.00	28.20	43.45	33.70	41.55
,, 12..	31.95	28.15	43.45	33.70	41.55
,, 19..	31.80	27.80	43.05	34.20	41.55
,, 26..	31.80	27.80	43.05	34.20	41.55
Oct. 3..	31.05	27.50	43.80	35.90	42.05
,, 10..	30.95	27.80	43.80	36.40	42.80
,, 17..	31.10	27.65	43.80	36.55	42.80
,, 24..	31.40	..	43.80	36.55	42.80
,, 31..	31.65	..	43.80	36.55	42.80

World raw cotton affairs have centred on the abundance of supplies in the United States. The first Government estimate of the crop indicated an output of 14,605 000 bales, but by November this had been raised to over 16,000,000 bales. This increase in production was largely attributed to the expansion in yield per acre to a new all-time record of 325.4 lbs.

Considering the magnitude of available supplies, the effect on prices has been relatively small, although the trend has been generally downwards. The American Government loan to farmers is providing a "floor" for the market and values for some months remained steady at around this point.

(*Continued on page 131*)

MILLS CONSUME MORE INDIAN COTTON IN 1952-53

OVERALL SUPPLY SOMEWHAT LOWER

IF there is one factor which stands out more prominently than any other in the cotton economy of the Indian Union, it is the increasing consumption of cotton. Indeed, this factor, which became evident even in the 1951-52 season, became more pronounced in the 1952-53 season, the latter part of which coincides with the major portion of the calendar year 1953. Thus, the cotton consumption in the whole of the 1952-53 season amounted to as much as 4.46 million bales (made up of 3.61 million bales of Indian cotton and 0.85 million bales of foreign cotton), as against 4.07 million bales in the previous season, (consisting of 2.99 million bales of Indian cotton and 1.08 million bales of foreign cotton), an increase of 390,000 bales or 9.5 per cent. One must go back to the war years, 1942-43 to 1945-46, to look for a larger level of cotton consumption than the present levels, for it was in those years that the consumption of cotton ranged from 4.5 to 4.9 million bales. It would, therefore, be correct to say that the outstanding feature of the cotton trends in the current year was the rise in the consumption of cotton to the high war-time levels. In fact, the year was one in which the consumption of Indian cotton was the highest on record.

Cotton Supply

From the overall cotton supply point of view, the 1952-53 season reveals a slightly less comfortable position than in the previous one. Thus, the supply is estimated at 6.7 million bales, as against 6.9 million bales in the previous season. The supply for the 1952-53 season consists of carry-over stocks of 2.4 million bales (1.9 million bales of Indian cotton and 0.5 million bales of foreign cotton), estimated production of 3.6 million bales of Indian cotton and about 0.7 million bales of imported cotton. The lower supply position in the 1952-53 season, as compared with the previous season, is accounted for primarily by the fact that both production of Indian cotton and imports of foreign cotton were lower during the season at 3.6 million bales and 0.7 million bales, respectively, as against 3.9 million bales and 1.3 million bales in the 1951-52 season. The following table compares the supply and distribution of cotton during the 1952-53 season with that of the 1951-52 season:

Cotton Supply Position

(In 000 bales of 400 lbs. each)

	1952-53	1951-52
Supply		
Stocks at beginning of season:		
Indian cotton—		
Trade stocks	893	258
Mills stocks	1,260	1,236
Foreign cotton—		
Trade stocks	114	24
Mill stocks	331	301
Estimated production	3,630	3,993
Imports	685	1,264
Total	6,753	6,976
Distribution		
Indian cotton—		
Estimated exports	345	197
Mill consumption	3,612	2,947
Village consumption	270	270
Foreign cotton—		
Mill consumption	850	1,684
Total disappearance	5,077	4,538
End-season stocks	1,676	2,434
Total	6,753	6,906*

* Unexplained difference of 20,000 bales.

It will be seen from the table above that the total disappearance of cotton during the 1952-53 season is higher at about 5.0 million bales, as against 4.5 million bales in the previous season. This is due as much to the larger exports, estimated at 0.34 million bales for 1952-53 as against 0.19 million bales for 1951-52 as to the increase in cotton consumption which is placed at 4.46 million bales as against 4.07 million bales in the previous season. Reference has already been made to the steep increase in cotton consumption in the 1952-53 season.

The table below gives the trends in the mills' consumption of cotton during the decade ended 1952-53:

Mills' Consumption of Cotton

(In million bales of 400 lbs.)

	Indian cotton	Foreign cotton	Total
1944-45	2.99	1.90	4.89
1945-46	2.70	1.86	4.56
1946-47	2.14	1.72	3.86
1947-48	2.96	1.85	4.21
1948-49	3.12	1.13	4.25
1949-50	2.54	1.14	3.68
1950-51	2.92	1.10	3.62
1951-52	2.99	1.08	4.07
1952-53	3.61	0.85	4.46

A study of the table reveals that, for the first time during the last decade, the consumption of foreign cotton has fallen below the one million level, after having been consistently maintained at above that level. Again, it will be seen that the mills' consumption of Indian cotton crossed the three-million mark during the 1952-53 season and touched a high level of 3.61 million bales. There has been only one occasion during the last 10 years when a similar level was touched; it was in the 1948-49 season, but the actual figure was a little smaller than the one for the year under review.

It is against this background of increasing consumption of Indian cotton that one must study the plans for the improvement of cotton output in the country. For the 1952-53 season, the output of cotton has been estimated at 3.63 million bales, as against 3.89 million bales in the previous season. For the year 1953-54, no correct estimate is available yet. It was at one time believed that it would be as high as 4.2 million bales. But current estimates place it at no more than 3.8 to 3.9 million bales. In any case, there is reason to believe that the crop will be substantially larger than the 1952-53 season. From the point of view of the long-term outlook for production, it is noteworthy that the completion of the various multipurpose projects, which the Central and State Governments have taken in hand, will increase the land under cotton. Since much of this land will be under irrigation, it is reasonable to expect not only a quantitative increase but also a qualitative improvement in cotton. It may be mentioned, in this connection, that the Five-year Plan estimates the additional area to be gained for cotton at 18 million acres in 1955-56; the Plan's target for the output of cotton is 4.2 million bales. Perhaps, this target will be reached sooner than the date set for it. Already, some of the projects, contemplated by the Plan, have been completed. Thus, the Tungabhadra Project, which was completed during the year under review, will increase the production of long-staple cotton such as Laxmi, Jayadhar and even Punjab-American varieties, it is stated. The Lower Bhavani Scheme in Madras State, which is expected to yield results from next year, will enable 100,000 acres to be planted with MU1 (the new name for Rajapalayam and Uganda seed). The Kakrapara Scheme of the Bombay State is expected to bring another 100,000 acres under cotton during the 1954-55 season. This area will grow long-staple cotton up to 1.1/16". Thus, the outlook for the output of cotton in the near future seems bright, though much will depend on price and other factors.

It cannot be too strongly emphasised that the problem before cotton planners is not only the quantitative improvement of cotton but also its qualitative improvement. The latter aspect continues to receive the attention of the Indian Central Cotton Committee. A recent achievement, in this connection, is the isolation of IL.29 and 216F/14. These two strains, which have been developed in the Punjab, bid fair to outyield the existing strains LSS and 320F. In Rajasthan, good work in the evolution of American strains has been done. In Madhya Bharat, two improved Deshi strains, D46-5 and D48-154, are reported to have surpassed Jarilla in respect of yield and ginning quality. The strains, which are growing in popularity in the Bombay State are Kalyan, Vijay and Vijapala in Gujerat, Virnar in Khandesh, Jayadhar and Lakshmi in Karnatak. In the Madras State, work is in progress for the isolation of very high quality American cottons. The latest strain is Madras Uganda 2, which is superior to its previous sister strain MU1. The State has also been devoting its attention to the cultivation of cotton on paddy land during the off-season.

Short-staple Cotton

Although the need for qualitative improvement of cotton has been a recognised part of the Government's cotton policy, an interesting question, which figured somewhat prominently in the deliberations of the Indian Central Cotton Committee during the year under review, was whether the country should not grow more short-staple varieties, particularly, Bengal Deshi varieties, in order to facilitate larger export trade in these varieties. One section of expert opinion on this subject held that there was both scope and need for increasing the cultivation of this variety. The need for increasing the production of this variety, it was stated, arose not only from the imperative necessity to increase the exportable surplus of the variety, now estimated at about 2 lakh bales, to about 3 to 5 lakh bales, but also from the fact that larger quantities of this variety were needed for such non-mill purposes as the making of *rajais*, padding jackets, etc. Another section held that it was not in the country's interest to interfere with the present trend towards the larger production of better staple varieties. It was, however, generally conceded that the consideration of the question of the rationalisation of production of different varieties of cotton was "premature", until data for a few years under a decontrolled economy were available.

In the sphere of cotton control, the Government has, as is well known, been gradually moving towards decontrol. The movement gained further momentum during the year under review. Last year, the Government permitted trading in cotton futures. In July, 1953, the Government granted permission for futures trading in the 1953-54 crop. First, the permission was restricted to February, 1954 delivery only. This was followed by another announcement, in September, 1953, permitting trading in May, 1954 contract. The Government also decided, early in the current season, to abolish the system of zonal allocations of cotton to mills, except in the deficit area in the South. This was soon followed by its decision to increase the allocation of Indian cotton to mills upto 100 per cent. of their consumption during 1951-52. For the 1953-54 season, individual mill quotas have been increased by 20 per cent. over their consumption during the previous season. The general framework of the cotton control, however, remains unimpaired. Thus, the floors and ceilings remain and so also the system of licensing of dealers and of control over movement of cotton, as well as over exports and imports.

Foreign Trade

So far as the import trade in cotton is concerned, the Government decided, as far back as in October, 1952, to issue licences for the import of a limited quantity of 1952-53 crop American cotton stapling 1.1/16" and above to mills and importers nominated by each mill for the import of such cotton. Licences were valid for imports upto end of June, 1953. The import quota for the first half of 1953 was later fixed at 5 lakh bales of 400 lbs. each for both dollar and non-dollar areas; this quota was to include the quota already announced in October 1952. The Government also decided to extend the validity of outstanding licences for import of U.S.A. cotton of the previous season for shipment upto 30th June 1953, in addition to the import quota of 5 lakh bales. This quantity was estimated at 150,000 bales. Early in 1953, the Government, however, stopped entertaining cotton import licences for dollar area. Outstanding licences were made valid till June, 1953; the date was later extended to 31st December, 1953. In its import policy for the July-December, 1953 period, the Government stated that imports from non-dollar areas would be confined only to cotton stapling 1.1/16" and above.

An important event during the year, from the point of view of the country's cotton import trade, was the conclusion of the Indo-Egyptian Trade Agreement, which came into effect in July, 1953. Under the agreement, India is expected to purchase annually about 100,000 bales of Egyptian cotton, among other articles, and to send tea, certain items of machinery and other goods. The most noteworthy feature of the agreement is that Egypt will accept payment for its cotton in terms of 60 per cent. sterling and 40 per cent. Indian rupees.

Exports of Cotton

For the 1952-53 season, the Government permitted an export quota of 250,000 bales, made up of 150,000 bales of Bengal Deshi, 50,000 bales of Oomra Deshi, C.P.I, C.P.II and 50,000 bales of Dholleras and Mathias, Assam Comilla and Cocanadas were freely licensed for export. These quotas were announced in the last quarter of 1952. Early this year, the Government permitted the export of Bengal Deshi to the extent of 50 per cent. of the unutilised quotas of other varieties. Total exports of cotton during the season 1952-53 amounted to about 345,000 bales, the excess over the quotas allotted for the year representing exports allowed against the unutilised quotas of the previous season.

For the 1953-54 season, the Government announced, in September, an export quota of 175,000 bales, made up of 75,000 bales of Bengal Deshi, 50,000 bales of Mathia, Kalagin and Dholleras and 50,000 bales of C.P.I, C.P.II, Central India Deshi and Oomra Deshi 11/16" and below. Export licences are being issued for shipment upto 31st August, 1954. Cocanadas, Assam-Comillas and linters, Zoda and yellow pickings, it was stated, would be allowed to be exported freely.

The export trade has been disappointed by the Government's attitude towards the question of export duties on cotton. The prevailing rates of export duties are: Bengal Deshi, Rs. 125 per bale; Dhollera, Mathia and Kalagin, Rs. 200 per bale; C.P.I, C.P.II, C.I. Deshi and Oomra Deshi, Rs. 200 per bale; Cocanadas, Rs. 200 per bale; linters, Zoda and yellow pickings 30 per cent. *ad valorem*; Assam-Comillas, no duty. Now, it is felt that, unless the export duty on non-Bengal Deshi varieties of short-staple cotton is reduced from Rs. 200 per bale to the level of Rs. 125 per bale, the duty on Bengals, the export quotas of these (non-Bengal Deshi) varieties may not be fully utilised. At the time of writing, the demand for a reduction in the duty continues to form the subject of frequent representations by the trade to the Government. Although the Union Minister concerned has been repeatedly saying that he would not reduce the duty, many in market circles believe that the last word on it has not yet been said.

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RECORD PRODUCTION OF COTTON TEXTILES

PRICE AND DISTRIBUTION CONTROLS ABOLISHED

IN the rough weather of growing competition in world trade in cotton textiles and amidst all the stresses and strains—production control, heavy tax imposts, power rationing and the vagaries of the Government's policies, to mention only a few—the Indian cotton textile industry earned the unique distinction of having produced an all-time record output of cloth during the calendar year 1953. The production of cloth for the year—on the basis of figures for the first 11 months—may be estimated at 4,845 million yards, which surpasses not only the previous record of 4,811 million yards attained in 1944 but also the target of 4,700 million yards fixed by the Planning Commission for 1955-56. The previous year's output was 4,599 million yards. Indeed, the performance of the industry was so encouraging that the industry must be said to have very successfully met the challenge for higher production, with a view to clothing the country's population in full and to making available adequate supplies for exports.

The record output of cloth during 1953 followed a high level of yarn production, estimated at 1,489 million lbs. This figure compares favourably with 1,450 million lbs. in 1952, but falls short of the Planning Commission's target of 1,640 million lbs. by as much as 151 million lbs. The improvement in yarn output, besides meeting the mills' own requirements for cloth manufacture, enabled the handloom industry to maintain a high level of production. Sufficient yarn supplies were also made available to power looms, hosiery factories, jute mills, and manufacturers of fishing nets, cotton braid, cotton tape, sewing thread and newar.

Claim for Complete Decontrol

Thanks to the impressive performance on the production front, the industry's claim for *complete* decontrol came to be fully justified. The Government, however, did not recognise this claim for *complete* decontrol, as witness its decision to abolish only the remaining price and distribution controls—with effect from 10th July, 1953—and to retain control over production. In the present context of free competitive markets—it is only this state of affairs that will ensure improvement in the quality of of cotton textiles—the Government should immediately withdraw the production control.

That the improvement in cloth and yarn production during 1953, as compared with the previous year, was very impressive will be evident from the following table which indicates the trend of output—month by month—during the two years:

(Cloth in million yards; yarn in million lbs.)

	Cloth		Yarn	
	1952	1953	1952	1953
January ..	345	416	114	131
February ..	341	379	111	117
March ..	346	399	112	119
April ..	365	417	116	122
May ..	391	422	117	126
June ..	378	414	113	125
July ..	424	436	132	134
August ..	411	414	127	129
September ..	393	399	124	126
October ..	388	413	122	131
November ..	397	369	126	105
December ..	422	369†	136	124†
Total ..	4,599	4,845*	1,450	1,489*

* Estimated on the basis of actual production in the first 11 months of the year.

† Estimated.

The improvement in cloth output noted above has been shared by all varieties, excepting fine counts. Thus, production of coarse cloth during the 10 months ended October, 1953, amounted to 494.21 million yards, which compares favourably with 397.54 million yards in the corresponding period of 1952. Similarly, production of medium and superfine cloth was higher at 2,615.37 million yards and 253.82 million yards, as against 2,221.97 million yards and 155.23 million yards, respectively. The output of fine counts, however, declined from 1,004.95 million yards to 743.97 million yards.

The following table depicts the pattern of production according to varieties during the current year as compared with the previous year:

(Figures in thousand yards)

	Coarse	Medium	Fine	S. Fine
1952				
January ..	33,825	214,108	80,886	15,772
February ..	32,063	209,381	84,093	16,062
March ..	31,521	210,125	87,480	16,499
April ..	33,302	226,257	89,926	15,591
May ..	31,145	241,946	101,365	16,576
June ..	40,014	262,473	109,904	14,330
July ..	53,420	235,401	117,207	14,760
August ..	45,332	226,086	120,583	15,281
September ..	45,027	217,997	114,220	15,470
October ..	45,886	215,871	108,316	14,379
November ..	31,847	257,147	93,754	18,069
December ..	54,268	257,465	85,916	21,453
Total ..	503,585	2,706,580	1,193,720	194,753
1953				
January ..	45,814	262,980	81,115	23,124
February ..	43,884	230,338	77,521	20,852
March ..	45,660	248,416	84,479	22,637
April ..	53,623	257,252	91,146	25,120
May ..	48,567	269,858	76,592	27,047
June ..	47,767	268,034	71,415	26,334
July ..	49,690	282,987	75,161	28,134
August ..	50,954	284,423	70,879	27,272
September ..	51,827	259,123	64,785	23,919
October ..	53,025	263,126	61,875	23,575
November ..	N.A.	N.A.	N.A.	N.A.
December ..	N.A.	N.A.	N.A.	N.A.

Figures for September, October and November are provisional only.

N.A.—Not Available.

The significant improvement in cloth and yarn output during the year under review would not have been possible but for the availability of adequate supplies of raw cotton at relatively low prices. Another factor that was conducive to higher level of production was continued favourable relation between management and labour. There was no labour strike of any magnitude during the year. The number of disputes in the cotton mill industry during the first eight months of 1953 was lower at 87, as against 164 in the corresponding period last year. The number of workers involved was less, being 70,877, as against 161,013. The man-days lost too were lower at 276,896, which compares with 835,181 in January-August, 1952. A significant feature was that the number of disputes relating to claims for higher wages and dearness allowances was smaller than in the previous year, most of the disputes that arose being concerned with retrenchment and grievances relating to personnel.

The transport situation too was fairly satisfactory, though not to the extent found necessary. The number of wagons loaded with cotton manufactures in the eight months ended August, 1953, was 42,000, which was the same as in the corresponding period of 1952. Supply of wagons for cotton transport, however, was less, being 67,000, as against 80,000 a year before. Another helpful factor was the improved position in respect of power and fuel. The abolition of all price and distribution controls on all varieties of cloth was also a factor that induced the mills to step up their output.

Supplies for Domestic Consumption

Following the substantial increase in cloth output, unaccompanied by a corresponding rise in exports, the supplies of cloth for domestic consumption were plentiful. Excluding cloth exports, estimated at 700 million yards (on the basis of exports up to the end of November, 1953), the quantity of mill cloth that was available for internal consumption from the year's production may be placed at more than 4,145 million yards. This supply—it does not include carry-over stocks nor handloom production at 1,000 million yards—was considerably higher than the 4,000 million yards available in 1952 and 3,370 million yards available in 1951.

Internal offtake, however, failed to keep pace with increasing supplies, so much so that heavy stocks of cloth accumulated with the mills. The quantity of cloth lying unsold with the mills in the beginning of October, 1953, was, according to one estimate, as much as 475,000 bales valued at about Rs. 71 crores. Of these, Bombay and Ahmedabad cities alone held not less than 300,000 bales. Following such heavy stocks and difficulties in finding storage space and finance, 14 mills in India gave notice of closure, involving 8,510 workers. Two of these actually closed down in October, 1953, resulting in a loss of employment for 1,400 workers. There were also reports of forced liquidations of holdings.

Forced by circumstances thus and with a view to improving the marketability of mill-made cotton piecegoods, the Government of India announced, towards the close of October, threefold measures. These were: (1) Reduction in excise duty on superfine cloth from As. 3-3 to As. 2 per yard, (2) abolition of the 10 per cent. export duty on medium counts cloth, and (3) granting of a drawback of import duty on cotton used in the cloth meant for export. These concessions, though welcome, did not go far enough. Several mills continued to experience large accumulation of stocks. At the beginning of December, the mills still had about 334,000 bales worth about Rs. 50 crores.

Prices Still High

Despite the comfortable supply position, consumers had to pay higher prices for their cloth requirements during the major part of the year under review. The all-India average index number of wholesale price for cotton manufactures (Base: 1939=100) for the nine months ended September, 1953, was over 408, as against 399 in the same period last year. An idea of the rise in prices can also be had from the following table which gives the rates for some of the popular varieties of cloth in the Bombay market, as compared with those a year before:

Varieties of cloth	Prices 15-11-'52	15-11-'53	Percentage rise
Grey, unbleached—	Rs. a. p.	Rs. a. p.	
Shirting (35") ..	0 6 11	0 7 7	9.6
Drill (31")	0 13 3	0 14 9	10.31
Dhotis (44" × 10/2 yds.)	5 11 3	6 8 0	13.9
Saris (2" border 44" × 10/2 yds.)	6 7 6	6 9 6	1.9
White, bleached—			
Shirtinz (35") ..	1 2 4	1 2 4	
Drill (27") ..	0 15 0	1 3 0	26.6

It will be seen from the above figures that the prices of *dhotis* during 1953 were considerably higher than in the previous year. This was due to the marked reduction in the quantum of mill-made *dhotis* available for consumption, following a fall in output, thanks to the restrictions on *dhotis* production by mills to 60 per cent. of their average monthly output for 1951-52. The rate of production of *dhotis*, which averaged at one time 50,000 bales per month before the restriction, went down to as low as 29,000 bales, as against 45,000 bales which represent the optimum that is needed to meet the country's requirements. The gap between the supply of and demand for *dhotis*, which was expected to be largely covered by the handlooms, continued to remain. Consequently, there was a scarcity of supplies in the market, leading to an upward trend of prices, which had its inevitable reaction on prices of other varieties of cloth. What more proof is required to show that the restriction on output of *dhotis* by mills is a negative approach to the solution of the ills of the handlooms? It is time the powers-that-be realised this aspect and revised its decision.

Exports of Textiles

Exports of cotton textiles from India during 1953 registered some improvement over those in 1952. India exported about 623.7 million yards in the 11 months ended November, as against 549.5 million yards during the corresponding period last year. On the basis of this and assuming that the level of exports—at 68.7 million yards—in the month of November has been maintained in the subsequent month also, the aggregate exports for the whole calendar year may be estimated at 700 million yards. This no doubt compares favourably with the exports of 593 million yards in 1952. But, as compared with the target of 1,000 million yards fixed at the Buxton Conference, the figure falls short to the extent of more than 300 million yards. Incidentally, it may be noted that the free licensing of cotton piecegoods exports, which early in January was extended up to the end of June, 1953, has since been extended up to the end of June, 1954.

The improvement in cloth exports during the first 11 months of 1953 was shared only by coarse and medium varieties, the quantities actually exported being 236.1 million yards and 232.9 million yards, as against 146 million yards and 123.3 million yards, respectively, a year before. The significant rise in exports must be attributed to the reduction in the export duty on coarse and medium cloth early in January, 1953, and its final abolition on medium cloth on 24th October, 1953. Fine and superfine counts suffered a loss, their exports falling from 241.5 million yards and 20.2 million yards to 142.1 million yards and 12.6 million yards, respectively. The chief factor which has been responsible for the poor exports of these varieties of cloth is the high level of prices, thanks particularly to the import duty of As. 2 per lb. of foreign cotton. It is indeed gratifying that the Government of India has realised, although belatedly, this factor, as witness its latest announcement granting the drawback of import duty on cotton used in cloth meant for export.

An idea of the trend of cloth exports of different varieties during the year under review, as compared with that in the previous year, can be had from the figures given below:

(In million yards)

	Total	Coarse	Medium	Fine	'Superfine
1952					
January ..	30.7	8.0	8.2	14.2	0.3
February ..	29.4	4.4	10.0	14.8	0.2
March ..	22.4	4.3	3.8	14.1	0.4
April ..	26.0	3.9	2.6	19.0	0.6
May ..	46.4	7.5	4.6	30.3	4.0
June ..	54.9	15.1	12.8	37.2	3.8
July ..	69.4	26.0	17.4	22.6	2.4
August ..	82.6	33.9	23.9	22.4	2.4
September ..	65.7	17.6	13.8	31.5	2.8
October ..	63.0	15.4	17.8	24.4	2.6
November ..	49.0	15.0	13.3	19.7	1.9
December ..	39.4	14.0	9.8	14.2	1.4
Total ..	503.8	169.1	138.7	264.4	22.6
1953					
January ..	43.4	17.7	15.0	9.7	1.0
February ..	38.6	15.0	11.5	11.3	0.8
March ..	53.9	23.8	17.5	11.3	0.8
April ..	63.6	26.2	22.6	11.7	0.9
May ..	64.5	24.4	22.7	13.9	0.9
June ..	56.1	20.7	21.9	12.6	1.0
July ..	52.9	19.8	20.5	12.2	0.9
August ..	61.8	19.1	23.6	16.6	1.5
September ..	62.0	22.5	21.4	16.9	1.2
October ..	64.2	24.3	22.9	16.2	1.2
November ..	68.7	24.1	24.2	18.9	2.1
December* ..	68.7	21.9	34.2	11.9	1.4
Total* ..	692.4	258.0	267.1	152.9	14.4

* Estimated.

It will be seen from the above figures that exports of cloth since August, 1953, have been steadily moving up. From this, one should not, however, rush to conclude that prospects for cotton piecegoods exports are quite encouraging. For, as a recent review of the position in respect of export markets revealed, Hongkong and Singapore—two of India's best customers—continue to hold off. Burma's orders are negligible. Enquiries from U.K. and West African territories have slackened of late. Persian Gulf markets are quiet. Pakistan's import policy continues to be uncertain.

If the foreign trade in Indian cotton textiles is to be stabilised, it is of utmost importance that the Government of India should adopt a more farsighted policy based purely on economic considerations. So far as the industry and trade are concerned, hard work and concentrated attention are required. The move to establish an Export Promotion Council is certainly a step in the right direction.

The first stage in the setting up of this Council was completed on 18th December, 1953, that is, when, at a conference of the representatives of mill and exporting interests, a Working Committee was constituted to work out the details of the proposed Council. Mr. Neville N. Wadia, Chairman of the Bombay Dyeing and Manufacturing Co., Ltd., is the Chairman of the Committee. The other members are: Messrs. Kasturbhai Lalbhai, Krishnaraj M. D. Thackersey, T. V. Baddeley, Arvind Mafatlal, Navnitlal Shodan, Gautam Sarabhai, M. L. Shah, H. Hill, R. E. Castell, Ramnath Podar, Bharat Ram, Naranji Kara, M. N. Savani, Ramanlal D. Shroff, R. G. Saraiya, Ambalal Kilachand, W. Foges, R. M. Deshmukh, M.P., A. D. Gorwala, and T. Swaminathan, Textile Commissioner. The Committee is expected to submit its report towards the end of January or early in February next.

The work of the proposed Council will surely be watched with great interest. Considering the recent developments on the world cotton textile front, the responsibility that devolves on this Council will indeed be heavy. If the Council is to achieve the purpose for which it is designed, namely, the maintenance of a high level of exports, it is imperative that it should examine all issues relating to cotton textile exports in a dispassionate manner and recommend constructive measures. How important this issue is will be clearly evident from the pertinent remarks of Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, made in the course of his address at the recent Bombay Conference. Said the Minister: "I make no secret of the fact that a major responsibility for the disastrous decline in exports and the critical situation obtaining now should be accepted by exporters themselves—especially certain exporters—who ship inferior goods after taking orders on superior samples. I regret that the money-making tendency of this sort should have been allowed to damage irreparably India's export trade in textiles. I envisage the creation, early next year, of a special machinery which would officially inspect every yard of cotton textiles which would leave India's shores."

Expansion Plan For Textiles

The year under review witnessed a notable event in the history of the cotton textile industry, namely, the publication of the expansion plan by the Planning Commission. The plan is on the following lines:

		1950-51	1955-56
Rated capacity:			
Spindles		10,942,241	11,292,241
Yarn ..	(million lbs.)	1,669	1,722
Looms		194,411	195,849
Cloth ..	(million yds.)	4,744	4,779
Actual production:			
Yarn ..	(million lbs.)	1,179	1,610
Mill cloth	(million yds.)	3,713	4,700
Handloom cloth	Do.	810	1,700
Exports:			
Yarn ..	(million lbs.)	75	..
Cloth ..	(million yds.)	1,270	1,000
Raw cotton requirements	(million bales)	3.5	4.9

The foregoing statement clearly reveals that the Planning Commission has attached relatively greater importance to the expansion in the handloom sector as a means of augmenting cotton textile output. The production target for mill cloth has been fixed slightly higher at 4,779 million yards; even this increase is to be achieved, not by the establishment of any new composite mill, but by enhancing the efficiency of the existing units. The need for maintaining a high level of exports, however, has been fully taken into account.

U.K. TEXTILE INDUSTRY

(Concluded from page 127)

Exports

A disappointing feature of the trade expansion which has taken place in Lancashire, particularly in the second half of the year, has been the failure of exports to broaden. For the first nine months of the year, cotton goods shipped abroad were valued at £97,282,946, against £114,775,515 in the same period of 1952.

In the first three-quarters of the year, cotton cloth exports were 524,948,000 square yards, valued at £64,900,448, as against 525,844,000 square yards worth £78,023,946 in the previous year. The average price per square yard of cloth was 29.67d., against an average of 34.05d. throughout 1952. Cotton yarn shipments showed a slight improvement on the previous year, but were well below the post-war peaks established in 1950-51. For the first nine months of the year, they amounted to 29,491,600 lbs. valued at £11,872,352 against 26,365,700 lbs. worth £13,578,487 in 1952. The average price obtained for cotton yarn was 96.62d. per lb., against an average of 119.25d. per lb. throughout 1952.

British Commonwealth markets continued to absorb the largest quantities of Lancashire-made yarn and cloth, useful supplies being sent to British West Africa, Australia, South Africa, New Zealand, Malaya and East Africa. Import restrictions caused a sharp contraction in trade with Pakistan, which in the nine months shrank to only 2,435,000 square yards of cloth, as against 40,544,000 yards in the same period of 1952. Yarn exports to Pakistan were only 180,700 lbs., against 2,743,000 lbs. Shipments of cloth to India were also lower at 3,436,000 square yards, as against 4,719,000 yards.

Production of cotton and rayon goods in Lancashire by the middle of 1952 had fallen to about 55 per cent. of the high output achieved in the 1950-52 era. The labour force declined to 82 per cent. of its peak post-war level. The return of workers to the mills has enabled production to rise again to almost 90 per cent. of the rate achieved before the recession.

For several years back, there has been a reduction of looms in Lancashire, partly as a result of respacing by individual manufacturers. Since 1948, about 58,000 ordinary Lancashire looms have been scrapped, while the number of fully automatic looms has increased from 26,000 to nearly 42,000. Automatic weaving machinery now represents about 13 per cent. of the industry's total loom capacity, as against 7 per cent. five years ago.

In the spinning section, the number of mule spindles was being reduced at an annual rate of 740,000 in 1950-51, while ring spindles installed rose at an increasing rate up to 240,000 in 1951. Mule spindles in the industry now number 17,000,000 against 21,000,000 five years back, but the quantity of ring spindles has increased from 10,000,000 to nearly 11,000,000.

Considering the difficulties encountered during the past two years and the problems of expanding foreign trade in textile goods, the re-equipment of mills which has taken place has been substantial. It is more than likely that, in future, Lancashire will have to depend upon a limited industry, as compared with its former size; yet the pointers indicate that it will be more efficient than in the past and less vulnerable to foreign competition which tends to increase in all quarters.—*All Rights Reserved.*

Notice

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE SEVENTEENTH ANNUAL GENERAL MEETING of the Shareholders of THE ASSOCIATED CEMENT COMPANIES, LIMITED, will be held at the Registered Office of the Company at 1, Queen's Road (opposite Churchgate Railway Station), Fort, Bombay, on Friday the 15th January, 1954, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July, 1953.
2. To sanction the declaration of a Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year and fix their remuneration.

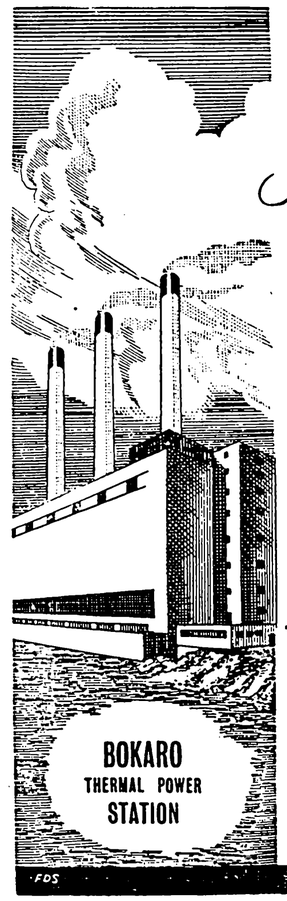
By Order of the Board,

For THE ASSOCIATED CEMENT COMPANIES, LTD.,
CEMENT AGENCIES LTD.,
Managing Agents,
J. H. PATEL,
Managing Director.

BOMBAY, 27*th November*, 1953.

Note.—The Transfer Books of the Company were closed from Monday the 2nd November to Monday, the 30th November, 1953, both days inclusive.

The Dividend when sanctioned will be made payable on and after Thursday, the 21st January, 1954, to those Shareholders whose names stand on the Register on Monday the 30th November, 1953.



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SUGAR MAKES SAD STORY

PRODUCTION DECLINES—PRICES RISE

IF the 1951-52 season ranked as the most eventful in the history of the Indian sugar industry, 1952-53 will go down in history as a season which greatly disappointed the consumer. Not only were the eager hopes of the consumer getting his requirements of sugar at lower prices completely belied but the country also was driven to the necessity of importing sugar at the cost of much precious foreign exchange. Indeed, the prospects of India being completely self-sufficient in sugar are bleak, unless, of course, the Governments at the Centre and in the States take energetic steps to remove the series of impediments to increased production. This is an important proviso which needs to be specially stressed in the present context of the growing tendency on the part of the powers-that-be to treat the sugar industry as their milch cow. The industry, it must be remembered, is the second largest industry in India, ranking next only to cotton textiles. Excluding the agricultural side of its operations, the industry provides employment to as many as 125,867 persons and produces over Rs. 100 crores worth of sugar every year, which represents more than 1 per cent. of the national income of India.

The 1952-53 season witnessed an appreciabe decline in sugar output. The quantity of sugar actually produced was only 1,316,300 tons, as against the peak level of 1,483,100 tons established in the previous season, which represents a fall of over 11 per cent. Nevertheless, the output was the second largest since the pre-war period. The pre-war record output was in 1938-39 when such amounted to 1,207,000 tons.

Causes for Lower Output

Two important factors were responsible for the marked fall in sugar output during the season under review, namely, accumulation of heavy stocks at the commencement of the season and inadequate supplies of sugarcane to mills. The carry-over stocks at the end of October, 1952, for instance, aggregated as much as 564,674 tons or nearly 38 per cent. of the total production during 1951-52. These heavy stocks, coupled with the downward trend in sugar prices then prevailing, both of which caused considerable difficulties and hardships to the mills, acted as a damper on the enthusiasm of the factories to crush more cane. It was no wonder, therefore, that the crushing operations in the factories generally commenced much later than in the previous season. Thus, by 28th November, 1952, only 37 factories had started crushing, as against 70 a year before. The number of factories working was also less, being 134—the total number of factories in India is 157— as against 137 during 1951-52.

Further, supplies of sugarcane to the factories were not adequate to meet their requirements. The extent to which they fell short will be evident from the fact that the quantity of cane crushed during 1952-53 was 13.2 million tons, which compares unfavourably with 15.5 million tons in the previous season—a decrease of 16 per cent. The fall in cane supplies was due to diversion of cane to the manufacture of *gur*. The removal of price and movement control on *gur* and *khandsari* and the permission to export these commodities, not to speak of the reduction in sugarcane prices, induced the growers to utilise the cane for the production of these sugar substitutes, instead of supplying it to the factories. The rise in the price of *gur*, thanks to enlarged demand both for direct consumption and for the manufacture of illicit liquor, provided further impetus to *gur* producers. In fact, at one time, *gur* fetched in some centres as high a price as the white sugar itself.

Another contributory factor for the inadequate supplies of cane to the factories was the reduction in the sugarcane crop. The aggregate yield of cane during 1952-53 was not more than 52.6 million tons, as against 60.7 million tons in the previous season—a fall of 13.3 per cent.

To revert to the production performance of the sugar industry. The table below indicates the trend of sugar output in the factories—classified according to the territories covered—during the season under review, as compared with the previous one:

	1951-52		1952-53	
	No. of factories	*Production*	*No. of factories*	*Production*
		Tons		Tons
Uttar Pradesh ..	66	834,000	66	699,800
Bihar ..	27	224,000	27	272,800
Bombay	15	157,800	14	134,800
Madras	12	94,900	13	80,600
Hyderabad ..	3	39,900	3	42,900
Mysore	1	37,100	1	27,900
P.E.P.S.U. ..	2	27,900	2	15,000
Punjab	1	20,100	1	16,100
Madhya Bharat ..	5	18,100	3	7,500
W. Bengal and Assam ..	1	7,200	1	8,000
Rajasthan ..	2	7,500	1	600
Travancore-Cochin	1	4,400	1	3,900
Orissa	1	2,600	1	2,400
Bhopal	1	3,700	..	..
Ajmer	1	800	..	..
Total ..	139	1,483,100	134	1,316,300

It will be seen from the above table that the trend of sugar output during 1952-53 was generally downwards. The decline was particularly marked in the case of Uttar Pradesh, where sugar production declined by 134,200 tons. Similarly, Bombay, Madras, Mysore and P.E.P.S.U. showed a sizable fall in output. The States of Punjab, Madhya Bharat, West Bengal, Assam, Rajasthan, Travancore-Cochin and Orissa also accounted for a decrease. There was no production of sugar at all in Bhopal and Ajmer. Bihar and Hyderabad, however, were the two States which registered an increase in sugar output.

Cane Crushed

As already noted, the total quantity of cane crushed during the season under review was lower than in the previous season (13.2 million tons, as against 15.5 million tons). The all-India average rate of crushing of cane was 870 tons per day; the figure for 1951-52 was 831 tons. This rate of crushing remained the same in U.P., but increased in all the other major States.

Consequent on reduced cane supplies to the sugar factories, the duration of the crushing period was shorter. The all-India duration during 1952-53 was 113 days, as against 133 days in 1951-52. The average number of days worked in the U.P., Madras and Bombay was 118, 99, and 118, as against 148, 151 and 148, respectively. The maximum figure for the whole of India was 196 days, as against 249 days in 1951-52.

While there was a fall in the quantum of sugar produced, the season under review witnessed a welcome improvement in the recovery percentage of sugar in all the major States, except Bihar, Mysore and P.E.P.S.U. While the quantity of cane crushed in the factories declined by more than 16 per cent., that of sugar produced fell by only 11 per cent. Accordingly, the all-India recovery percentage of sugar was 9.97, as against 9.57 in the preceding season. The maximum recovery for any factory was 12.79, as against 12.45. The State-wise recovery of sugar percentage, cane during the past two seasons is given in the following table:

	1951-52	1952-53
Bombay	11.08	11.51
Mysore	11.61	11.37
Hyderabad	9.68	10.60
West Bengal and Assam ...	10.87	10.33
Punjab	9.41	10.21
Bihar	10.32	10.03
U.P.	9.27	9.75
Rajasthan	8.50	9.73
Madhya Bharat ...	9.31	9.39
Madras	8.62	9.38
P.E.P.S.U.	8.68	8.22
Orissa	9.02	8.14
Travancore-Cochin ...	6.58	7.32
All-India average ...	9.57	9.97

Judged, however, by the enormous amount of money collected by the State Governments by way of sugarcane cess, the encouragement given by the Indian Central Sugarcane Committee, and the various schemes of assistance directly undertaken by the Government of India, the improvement in recovery percentage of sugar noted above pales into insignificance. For the recovery percentage in India continues to be the lowest as compared with the other leading producers of sugar in the world. The average recovery percentage of sugar in Australia, for instance, is 14.33, in Formosa 12.93, in Cuba 12.25, in Puerto Rico 12.23, in Mauritius 12.08, in Java 11.49 and Hawaii 10.46.

Despite the fall in sugar output, the supply position was quite comfortable, thanks to the large opening stocks. The production of 1,316,300 tons of sugar during 1952-53, together with 564,674 tons brought in from 1951-52 and imports of 52,000 tons, gave a total supply of 1,871,300 tons for the season under review, as compared with 1,653,100 tons in the previous season. Out of these, stocks with the mills as on 31st October, 1953 amounted to 503,000 tons. The balance of 1,371,898 tons (excluding exports of 6,432 tons), may, therefore be regarded as the quantity consumed within the country during the season under review. This compares with 1,184,000 tons in the previous season.

Sugar Prices

In spite of such comfortable supply position and of a reduction in sugarcane prices from Re. 1-12 to Re. 1-5 per maund, prices of sugar continued to stay at a high level. The average all-India price of sugar for the month of September, 1953, for instance, was Rs. 31-14 per maund, as compared with the previous control price of Rs. 29-12.

What then was the high level of sugar prices due to? The answer to this poser is not far to seek. Apart from factors like larger consumption, increase in *gur* prices, rigidity of wagon allotments and smuggling to Pakistan the Government of India itself is to be blamed. Although stocks of sugar were plentiful and prices low in the early months of 1953, the Government continued to exercise control on releases of sugar from the factories. This resulted in large supplies of sugar being withheld from the market and thereby helped the anti-social elements to indulge in speculation and to hoard sugar, and prevented the operation of the natural law of supply and demand. If the Government had completely decontrolled sugar, leaving the previous season's stocks and the production of the season under review to be marketed without any interference, the rise in sugar prices would certainly not have arisen to the extent it did. The country also would have been spared the need for importing sugar, entailing loss of foreign exchange.

Instead of adopting the aforesaid measure, the Government announced—on 16th June, 1953—a three-point plan to bring down the price of sugar. The three features of the plan were:

(1) Flooding the important markets like Bombay, Calcutta, Kanpur and Delhi with sugar released from factories by arranging special trains for its movement.

(2) Allotment of sugar from factories from their reserve stocks at a statutory ex-factory price of Rs. 27 per maund to State Governments and other agencies for distribution through fair price shops.

(3) As a supplement to the above measures, arrangements for importing sugar from abroad to the extent necessary to defeat hoarding, if any, on the part of the trade.

Imports of Sugar

The implementation of the first two measures did not, however, bring down sugar prices. The Government, therefore, decided to import sugar from abroad. It first decided to allow private traders to import sugar. And, with a view to bringing down the cost of foreign sugar to a level, which had been well above the domestic prices, the Government reduced the import duty from Rs. 14-14 to Rs. 7 per cwt. Within three weeks of the announcement—on 9th July, 1953 to be precise—the Government decided to import sugar on its own account. First tenders were invited for the delivery of 30,000 tons of sugar to the Government at specified rates, The Central Food Ministry concluded a direct deal with British refiners for shipment of 20,000 tons and with Mexico, Java and Cuba for the purchase of 30,000 tons each. The Government has since completed arrangements for the ourchase of 130,00 tons of imported sugar. According to the Deputy Minister for Food and Agriculture, India will probably import up to 400,000 tons next year.

Despite the imports, sugar prices all over the country still continue to be high, as will be evident from the following latest available quotations (per maund) for some of the important sugar markets: Hapur Rs. 31-0; Kanpur Rs. 30-6; Meerut Rs. 30-11; Calcutta Rs. 30-2; Bombay Rs. 35-1; Madras Rs. 34-12; and Delhi Rs. 32-3. It will be seen from these figures that the price of sugar now being quoted is higher than the fair ex-factory price of Rs. 27 per maund and the world price of about Rs. 14 per maund.

The one irresistible conclusion that follows from the foregoing account is that the Government of India's sugar policy for the past season had been based more on expedients, rather than being a planned effort, with a clear vision of the future. The latest policy, that for the current (1953-54) sugar season, announced by the Government on 24th September, 1953, is no exception. The salient features of the policy are indicated below:

(1) Sugarcane price was raised from Re. 1-5 to Re. 1-7 per maund and the revised rate was applicable for the 1953-54 and 1954-55 seasons.

(2) Special additional excise duty of Re. 1 per maund of sugar, imposed last year for the specific purpose of meeting the loss involved in reducing the price of the 1951-52 season's carry-over controlled stocks, was discontinued.

(3) The practice of fixing minimum price for cane one year in advance adopted.

(4) No statutory control was to be exercised on the price or distribution of sugar, but releases of stocks from factories would be controlled by the Government in the same manner as was done in 1952-53. Approximately 25 per cent. of the season's production will, however, be treated as reserve stock from which the Government will make releases at controlled prices, if and when necessary, if the market price of sugar rises unduly high. The possibility of reducing this controlled price below Rs. 27 per maund is being examined. The factories are free to sell the rest of their production at prices and to buyers of their own choice as in 1952-53.

Outlook for 1953-54

The withdrawal of the special additional excise duty was certainly a welcome development. But the benefit of this measure to the consumer has been more than nullified by the increase in the sugarcane price. For a two-anna rise in the price of sugarcane means an increase of 9.5 per cent. in the cost of sugar manufacture. Moreover, the indications so far available point to a fall in sugar output in the 1953-54 season; according to one estimate, the output will amount to no more than 1,250,000 tons. Thus, the sugarcane crop is expected to be smaller than in the previous season, following the expected reduction in acreage under cane from 4,376,000 acres in 1952-53 to 4,164,600 in 1953-54. On the basis of this and assuming that the average yield of cane per acre will be maintained at 12 tons, the aggregate production of cane may be estimated at 49.98 million tons, which falls short of the 1952-53 season's output by as much as 2.62 million tons. Again, *gur* prices have continued to rule high which will naturally keep at a high level the competitive capacity of *gur* producers *vis-a-vis* the sugar mills. All this means that the supplies of cane available to the factories will tend to be smaller than in 1952-53.

A disquieting feature of the Government's sugar policy is the retention of control on releases and the keeping of a reserve of 25 per cent. of the year's production as buffer stock. Evidently, the Government has never learnt from its past mistakes. Any artificial control on sugar, besides taking away the incentive for higher production, will provide no inducement to improve the quality.

Considering the anticipated fall in sugar output and the steady rise in consumption, one indeed wonders if the chances of the consumer getting sugar at reduced prices are not but slender. There is, however, one factor which suggests that prices of sugar may not rise unduly high. As the world supply position is quite confortable and prices have declined, the country can import sugar at a lower price. But imported sugar, it must be pointed out, accounts for only a part of the country's requirements. Moreover, the quantity of sugar that will actually be imported will depend on the availability of foreign exchange. Merely because sugar is available abroad at a cheap price, India cannot import considerable quantities. What is more urgently required is incentive to the sugar industry to augment output.

The scope for the development of the Indian sugar industry is vast, what with the steady rise in population, the migration of the people from the villages to urban areas, and the improvement in the general standard of living. The *per capita* consumption of sugar (including *gur*) per annum in the country is at the rate of 30 lbs.—23 lbs. *gur* and 7 lbs. sugar—as against 116 lbs. in Australia, 106 lbs. in the U.K. and 97 lbs. in the U.S.A. Considering the increase in the "sugar-tasting habit of the people of this country" in recent years, the need for expanding the sugar industry cannot be over-emphasised.

Viewed thus, the target of 1.55 million tons in the rated capacity of the sugar industry fixed for 1955-56 by the Planning Commission must be said to be rather low. The rated capacity depends, of course, on a number of factors, as, for example, daily cane-crushing capacity of each factory, duration of the crushing season, which depends on availability of cane supplies, quality of cane, efficiency of operation in a factory, and the number of units working in each season. But there is no gainsaying the fact that, in the next few years, the rated capacity will be found to be too insufficient fully to meet the domestic sugar requirements.

Notices

THE PHALTAN SUGAR WORKS, LIMITED

NOTICE

THE TWENTY-SECOND ORDINARY General Meeting of the Phaltan Sugar Works Ltd. will be held on Monday the 28th December, 1953, at 3 p.m. (S.T.), at the Factory Office of the Company at Sakharwadi, District Satara North, to transact the following business:

(1) To adopt the Directors' Report and Audited Statements of Accounts for the year ending 30th September, 1953.

(2) To sanction payment of Dividend.

(3) To elect Directors in place of Messrs. Arvind N. Mafatlal and Himatlal Kantilal who retire by rotation but being eligible offer themselves for re-election.

(4) To elect Director in place of Seth M. L. Apte who retires in pursuance to Article 123, but being eligible offers himself for re-election.

(5) To appoint Auditors for the current year and fix their remuneration. A notice has been received by the Company from one of the shareholders of the Company proposing that Messrs. C. C. Chokshi & Co., of Bombay, be appointed Joint Auditors with Messrs. G. M. Oka & Co., the present Auditors.

(6) To transact any other business that may be brought forward by the Chairman.

The Transfer Books will be closed from 30th December, 1953, to 22nd January, 1954, both days inclusive.

By Order of the Board of Directors,
For MAFATLAL, APTE & KANTILAL LTD.,
L. V. APTE,
Managing Director,
Managing Agents.

SAKHARWADI (DIST. SATARA NORTH),
3rd November, 1953.

N.B.—The Dividend when declared will be made payable at the Factory Office at Sakharwadi, on and after 6th February, 1954. The Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on the 29th December, 1953.

THE EQUITABLE COAL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the One Hundred and Seventeenth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 8th January, 1954, at 2-30 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1953.
2. To declare Dividends.
3. To transact any other competent business that may be brought forward.

The Share Books of the Company will be closed from the 2nd to 8th January, 1954, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
J. LATIMER,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *23rd December*, 1953.

THE HURRILADIH COAL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Eighty-fifth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 8th January, 1954, at 2-40 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1953.
2. To declare a Dividend.
3. To transact any other competent business that may be brought forward.

The Share Books of the Company will be closed from the 2nd to 8th January, 1954, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
J. LATIMER,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *23rd December*, 1953.

THE DHEMO MAIN COLLIERIES, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Sixtieth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 8th January, 1954, at 2-50 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1953.
2. To transact any other competent business that may be brought forward.

The Share Books of the Company will be closed from the 2nd to 8th January, 1954, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
J. LATIMER,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *23rd December*, 1953.

THE WEST JAMURIA COAL COMPANY, LIMITED

NOTICE

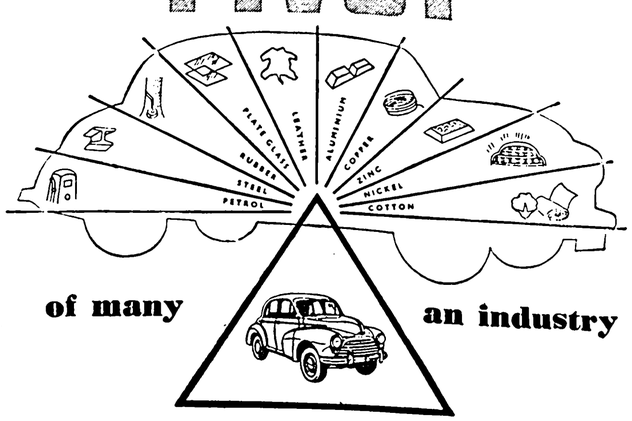
NOTICE IS HEREBY GIVEN THAT the Fifty-seventh Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 8th January, 1954, at 3-00 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th June, 1953.
2. To transact any other competent business that may be brought forward.

By Order of the Board,
MACNEILL & BARRY LTD.,
J. LATIMER,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *23rd December*, 1953.

The PIVOT of many an industry



In the post-Independence years, the efforts and attention of the Government have rightly been directed towards raising the general standard of living of the millions in this vast country. This urge to live well and live better has found expression in the first Five-Year Plan.

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A DISAPPOINTING YEAR FOR COAL

EXPORTS STAGE SHARP DECLINE

THE year that is just drawing to a close was a disappointing one for the Indian coal industry. It witnessed, for the first time since 1948, the arrest of the upward trend in the production of coal. Exports of coal staged a precipitous fall, and even the removal of surcharge on exports failed to reverse the down-trend. The transport situation also failed to rise up to expectations, inasmuch as the wagon supply position for loading coal in Bengal and Bihar collieries during the first nine months of the year showed no improvement, with the daily wagon supply being more or less in line with the number of wagons supplied in the previous year. Labour relations at the collieries were not very encouraging and the intervention of the Government was found necessary to settle disputes.

The year was, however, not altogether eventless for the coal industry. For it witnessed several outstanding developments which had a close bearing on the economy of the industry. Among these developments were the institution of a scheme of regional distribution of coal with effect from 1st July, the submission of *interim* report by the Washeries Committee, which was appointed in February, 1953, to examine problems relating to the establishment of coal washeries in India and the decision of the Government of India to work railway collieries departmentally by 1st April, 1954, by abolishing the contract system for raising coal. Facilities were also created for mines engaged in sand-stowing by relaxing restrictions on output of coking coal.

The raisings of coal during January-September 1953, the latest period for which figures are available, were 27,070,304, as against 27,137,835 tons during the corresponding period of 1952, that is a decline of 67,531 tons. On estimated output for the subsequent three months of the year, it is expected that the total production for the whole year, 1953, would be about 400,000 tons less than in 1952, when it touched a peak of 36.3 million tons. This is no doubt a fractional fall, but it is significant in that it marks the deviation in the production curve which continued to maintain its upward trend since 1948. The output in 1948 was 29.8 million tons. It shot up to 31.4 million tons in 1949. In the following year, it rose to 32 million tons. The upward trend persisted on its course and in 1951, it reached a high of 34.1 million tons, to be surpassed again in 1952 when an all-time high of 36.3 million tons was reached. The five-year old rise in production, however, received a check this year, when the output is expected to be no more than 35.9 million tons.

Despatches

The despatches of coal also recorded the same trend witnessed in production. No notable variations are visible in the total despatches. They were during the first nine months of 1952 as much as 22,908,716 tons, as against 22,861,201 tons in the same period during the previous year, that is a fall of 47,515 tons. The decline in despatches is also negligible. The total despatches during the year 1952 were 31,183,866 tons, as against 29,217,332 tons in 1951.

The output of hard and soft cokes was, however, substantially higher during the period under review, as compared with the corresponding period of 1952. Soft coke produced during January-September, 1952 was 97,438 tons, as against 79,877 tons, a rise of 17,561 tons. The output of hard coke was higher by 936,275 tons at 1,087,199 tons. The production of hard and soft cokes in 1952, amounted to 111,396 tons and 1,302,016 tons, respectively, as against 106,625 tons and 1,270,826 tons in the previous year.

Despatches of hard coke staged a small fall, while there was a marked fall in those of soft coke. Thus, despatches of hard coke during January-September, 1953, were 91,154 tons, as against 91,764 tons in the corresponding period of the previous year, a fall of 610 tons. The despatches of soft coke were 1,076,173 tons, as against 952,581 tons, a rise of 124,592 tons. The despatches of hard and soft cokes during the year 1952 were 120,806 tons and 1,319,874 tons respectively, as against 102,581 tons and 1,210,591 tons in the previous year.

The transport position remained almost static. Despite pressure from the industry for more wagons, the railways were unable to cope with the demand. The *status quo* was, however, maintained in regard to allotments of wagons during January-September, 1953, as compared with the same period in the previous year. The average loading in Bengal and Bihar collieries was 3,099 wagons per day, as against 3,108 in the same period the previous year. It is stated that the despatches and, consequently, production, would have shown improvement, had the collieries been supplied with more wagons. With a view to overcoming this handicap, recourse had to be taken to a scheme for regional distribution of coal by the Coal Board.

Regional Distribution

This scheme came into effect as from 1st July, 1953. According to the scheme, no movement of coal other than selected grades and coke is permitted from Bihar and West Bengal collieries to areas mentioned below:

(1) Stations beyond Chakradhara Pura on the original B.N. Railway. Consumers situated in areas outside this area are required to draw their supplies of coal from Vindhya Pradesh coalfields only;

(2) stations on and south of line Katni-Bina-Kotah;

(3) all stations via Nagpur on the Central and Western Railways; and

(4) all stations via Ujjain on the Central and Western Railways. These three areas are to get coal from Madhya Pradesh or Vindhya Pradesh coalfields;

(5) all stations on the Southern Railway; and

(6) all stations south of Balharshah on the Central Railway. Consumers situated in these two areas are to obtain their coal requirements from Madhya Pradesh or Singareni collieries in Hyderabad.

This scheme has been in operation for only five months and it is too early to assess the success of the scheme which is expected, among others, (1) to reduce difficulties in moving coal in Western and Central India through such junctions as Agra East Bank, Cheoki, etc., (2) to meet adequately the difficulties created by chronic shortage of wagons, (3) to improve the turn-round of wagons for Bengal-Bihar coalfields, (4) to avoid the necessity of hauling coal over long distances and (5) to give impetus to coal producers of the regions other than West Bengal and Bihar coalfields, for producing more by assuring a market for their coal.

Exports Discouraging

Statistics relating to exports are available only for the first nine months of the year. They depict a very discouraging picture. Exports of coal by sea, excluding Pakistan, during the first nine months, January-September, 1952, at 974,019 tons, as compared with 1,644,334 tons in the same period in the previous year, revealed a marked fall of 40.7 per cent. Exports to Pakistan also fell from 956,614 tons during January-September, 1952, to 610,420 tons during the same period in the current year, a drop of 55,194 tons.

The indifferent attitude of the Government towards promotion of coal exports from India in the first half of the year was one of the causes which were responsible for the marked fall in exports. The Government machinery was able to move only after repeated appeals by the industry. And, where it moved, the progress was halting. It ordered the abolition of surcharge on coal exports to Pakistan in March. But this concession was not extended to other countries until May. Permission was also granted to shippers to negotiate individually with foreign countries, other than Pakistan, for exports without prior consent of the Coal Commissioner. All this was not enough to revive an upward trend in coal.

There were also certain other causes for the decline in exports. China, Australia and South Africa emerged as keen competitors to India in the Asian and South-East Asian markets. Australian coal was—and is even now being—shipped to Hongkong, Singapore and Chittagong. South Africa has been sending its coal to Pakistan, Ceylon, Singapore and even Hongkong. It was reported that a trial consignment of Australian coal had been delivered to the Government of Ceylon Railways and tests were being conducted to find out all possible modes of using it, if possible, in preference to Indian coal.



Another cause for the decline is attributed to controls on export of high-grade coal, which is in great demand in the overseas countries. Consequently, doubts are expressed in regard to reaching the export target of 2 million tons for the year.

The future of India's export trade in coal depends initially on the extent of freedom given to the export trade to supply in full the quality of coal needed by importing countries. Secondly, if the export markets for Indian coal are to be stabilised, coal prices should be reasonably competitive. Thirdly, adequate transport for the carriage of coal from pitheads to ports and storage facilities at the ports should be provided as early as possible. Finally, washing and blending of coal should be encouraged with the assistance of the Government, wherever possible so that India could export a larger quantity of higher grade coal with, of course, as little interference as possible with the policy of conservation of high-grade coal.

While on this subject, attention has to be drawn to the eight-man Washeries Committee, with Mr. J. N. Mukherjee as Chairman, appointed in February last by the Government of India. The Committee was required to examine and report on problems relating to the establishment of coal washeries in India. The *interim* report of the Committee, published early in December, has, *inter alia*, urged the need for the establishment of central washeries at an early date, the determination of the basic structure of coal on the basis of useful heat units, payment of bonus on washed coal to encourage washing and the establishment of a central coal utilisation and marketing organisation.

Prices

The control on prices for internal distribution continued during the year under review. There were no changes in coal prices. The figures in the second column will give an idea of the controlled prices for some of the principal varieties of coal.

There was a move on the part of the authorities concerned to reduce the statutory prices of Grades II and III coal by Re. 1-5 per ton each. It was reported that the Coal Commissioner had asked the colliery interests concerned to show cause why the Grades II and III coal should not be subject to a price-cut, in view of the strong evidence of the prevalence of rebates ranging upto Rs. 4 on a large scale. No action was, however, taken in the matter till the close of the year.

Prices realised during the year on sales for export were, however, lower than those in 1952. On the basis of declared values in the sea-borne statistics, published by the Government of India, the average price realised in January-July 1953 was about Rs. 35-9-1 per ton, as against Rs. 36-6-7 in the corresponding period in 1952. But as compared with the same period in 1951 for which the average price was Rs. 30-1-5 per ton, the price realised during the period under review was very much higher.

(Price per ton f.o.r. colliery siding)

	Rs.	a.
Selected Jheria "A" ...	16	4
Selected Jheria "B" ...	15	4
Jheria (Grade I)	14	6
Dishergarh	16	4
Poniali	16	4
Raneegunj Kajora class (Grade I)	14	6
Central Provinces (1st class) Hirdagarh	17	8

Employment Situation

The coal industry employed more workers during the year. But the man-days lost were relatively larger than those of the previous year. Absenteeism was somewhat lower. Productivity per man-shift, however, remained unchanged, although there was a slight improvement in the productivity of miners and loaders. Labour employer relations in collieries were generally not cordial.

The monthly average number of workers employed in coal mines during January-July 1953 was 342,307, as against 300,179 in the corresponding period of the previous year, a rise of 42,128. The total number of man-shifts worked during the period under review was 8,494,213, as compared with 8,529,305. The number of man-days lost during January-July 1953 was 128,565, as against 116,791 during the corresponding period last year.

Figures relating to percentage of absenteeism in coal mines, also available only upto July 1953, show that the overall absenteeism during January-July 1953 was on an average 13.01 per cent. per month, as against 13.51 per cent., that is lower by 5 per cent. The average absenteeism per month among workers underground during the first seven months of the year was 14.94 per cent., in open workings 15.63 per cent., and on surface 10.89 per cent. The corresponding figures during January-July 1951 were 14.59 per cent., 14.21 per cent. and 10.34 per cent., respectively.

The productivity of workers in coal mines was practically the same during January-August 1953, as compared with the corresponding period in the previous year. Thus, the output per man-shift for all persons employed above and underground was unchanged at about 0.35 ton. The output per man-shift for all persons employed underground and on open-workings was 0.56 ton, the same as in the corresponding period in 1952. But the productivity of miners and loaders was higher at 1.05 ton, as against 1.03 ton.

Labour Disputes

Coalmine workers demanded the revision of the 1947 Conciliation Board Award. The present terms and conditions of labour employment in collieries are based on this Award. The demand for the revision of the Award covered provisions relating to a rise in the minimum basic wage, increase in dearness allowance proportional to the rise in the cost of living since 1947, and the calculation of provident fund contribution on the basis of pay plus dearness allowance as provided in the Employees' Provident Funds Act 1952. The industry, for its part, complained that the grant of these concessions would be suicidal to the future of the coal industry, especially when productivity of labour in mines had remained stagnant. As a major strike appeared to be imminent on the issue, the Government intervened and announced its decision to appoint a tribunal for adjudication.

Contract System in Railway Collieries

An outstanding development of the year was the abolition of the contract system in all railway collieries. It was decided to see to it that every endeavour was made for raising coal in all railway collieries departmentally by 1st April, 1954. The contract system was accordingly abolished in nine of the railway collieries. The change-over from the contract to departmental system is estimated to necessitate eventually a capital expenditure upto Rs. 20 lakhs on the acquisition of lands, construction of offices, godowns and a recurring expenditure of Rs. 6.5 lakhs on account of pay and allowances to staff. The abolition of the contract system is expected to usher in a new era of labour relations in railway collieries, in that the workers now become the direct employees of State collieries.

Report of Driver Committee

The year under review witnessed the publication of the Report of the Railway Fuel Enquiry Committee, of which Mr. D. C. Driver was the Chairman. The Committee made a number of recommendations with a view to effecting economy in expenditure on coal used in railways as fuel. The recommendations included, *inter alia*, the estimation of loco-coal requirements on the basis of suitability of each grade of coking and non-coking coal for different categories of locomotives, use of low-grade coal on shunting locomotives, the exclusion from future loco-coal programmes as far as transport permitted of coal, the calorific value of which is below 11,500 B.t.u./lb. and the electrification of certain sections of railways. The implementation of the recommendations of the Committee is expected to result in a saving of Rs. 6 crores annually for the next few years in the fuel bill of railways. It is estimated that the savings in the consumption of railways will be to the extent of 20 per cent. of the present consumption.

Another important event of the year is the decision of the Government of India to relax restrictions on the output of coking coal in the case of those mines which have undertaken sand-stowing and to reconsider ceilings on raising of coking coal of collieries proposing to introduce sand-stowing measures. These concessions, though small, are significant as they would go a considerable way towards encouraging stowing. The Coal Board also set aside Rs. 23 lakhs for granting loans to collieries for the purchase and installation of stowing plants and transport of stowing materials

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Vice-Chairmen :
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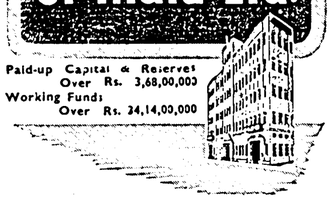

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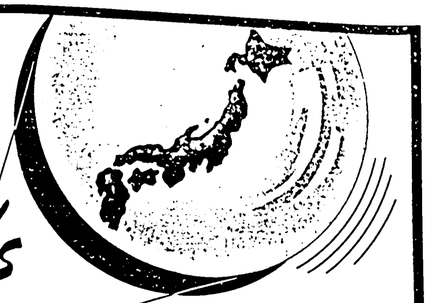

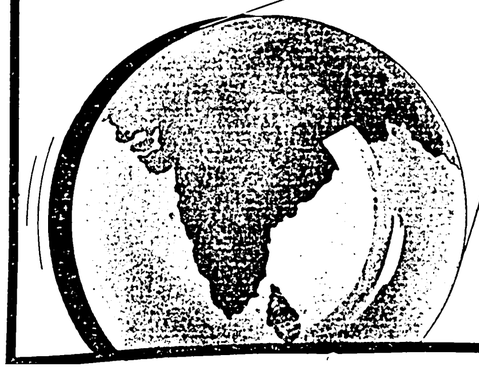

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JUTE INDUSTRY EMERGES FROM STOCKS CRISIS

UTILISATION OF IDLE CAPACITY IS THE MAIN PROBLEM

WITH heavy odds against it, the jute industry limped into 1953. The export duty of Rs. 275 per ton on hessians and Rs. 175 per ton on sackings together constituted about 18 per cent. of the value of jute goods early in the year. Stocks of jute goods with Indian mills were rising at an alarming rate, and godowns were jammed to capacity. Stocks early in January were the highest for the previous three years. Foreign demand was failing and the holding power of the industry and trade had been smashed by continued slump in prices. Continental jute mills were buying raw jute from Pakistan at a much lower rate than India. Owing to Pakistan's policy of discrimination against India regarding export of jute, India had to pay Rs. 129 (Indian) per ton more than its Continental competitors. With cotton and paper substitutes gaining ground in the packaging industry, bulk handling of grains in grain producing countries of the U.S., Canada, Australia and New Zealand expanding and use of second-hand bags increasing, the demand for Indian goods continued to shrink. Consequently, prices sagged and the industry was sequealing with pain of financial losses as the year 1953 turned in.

Placed in the most miserable situation thus, the year under review may be aptly described as one of "crisis of stocks" for the industry. With the raw jute position no longer acute, on account of plentiful supplies of jute in India and Pakistan, the industry was in a position to meet any conceivable increase in the world's demand for jute goods. But no expansion in production commensurate with the increased supply of raw jute took place. On the contrary, production was greatly hampered by the accumulation of stocks of manufactured goods. The table below gives an idea of the stocks held by the industry at the end of each month in the year under review, as compared with the corresponding months of 1952:

(In tons)

Month	1953	1952	Month	1953	1952
January	129,418	88,402	July	136,607	100,804
February	134,106	106,427	August	132,459	93,804
March	138,797	111,574	September ..	118,373	91,486
April	137,534	116,369	October	102,703	94,957
May	134,780	103,341	November	..	104,229
June	133,840	90,730	December	..	114,038

It will be seen from the table above that the malady of accumulating stocks from which the industry suffered in the year under review began as far back as October, 1952. Thus from 94,957 tons in that month, they rose continuously to see the year's peak at 138,797 tons in March, 1953. After a minor decline to 137,534 tons, the stocks at the end of each subsequent month revealed an irregular trend and stood at 118,373 tons at the end of September, which was equal to about six weeks' production by the mills working on the basis of 42½ hours a week, with 12½ per cent. of the looms sealed.

Output of Jute Goods

In these circumstances it is not surprising that production of jute goods showed no improvement. The extent of fall in output is indicated by the monthly production figures for 1953, as against those in 1952 given in the table below:

(In tons)

Month	1953	1952	Month	1953	1952
January	72,995	91,712	July	74,353	83,820
February	69,615	83,618	August	68,134	74,291
March	74,430	82,809	September ..	73,097	80,905
April	74,202	81,681	October	..	76,844
May	72,514	85,337	November	..	72,190
June	72,407	73,696	December	..	78,799

It will be noted from the table above that the monthly production of jute goods was appreciably below that in the corresponding months of 1952, except in September, 1953. The total output for the nine-month period of the year under review, amounted to only 655,271 tons, as against 724,049 tons in the same period of 1952, a decline of 68,778 tons or 9.5 per cent. In other words, the jute mills found themselves able to produce no more than a monthly average of 72,808 tons in the nine months ended September, 1953, as compared with 80,444 tons in 1952 and the rated capacity of 100,000 tons a month. This was because demand from important foreign markets continued to falter during the major part of the year under review. In this context, the table below, indicating despatches of jute goods during the nine-month period ended September, 1953, as compared with the same period in 1952, is revealing:

(In 000 tons)

	1953			1952		
	Exports	*Internal consumption*	*Total*	*Exports*	*Internal consumption*	*Total*
January	44.1	14.7	58.8	73.6	12.4	86.0
February	43.5	12.5	61.0	64.2	12.0	66.2
March	57.1	14.4	71.5	62.8	13.6	77.4
April	57.0	14.2	71.2	61.0	17.3	78.3
May	59.4	12.1	71.5	76.5	18.0	94.5
June	69.3	7.8	77.1	63.8	14.0	77.8
July	67.0	9.7	76.7	67.3	15.2	82.5
August	63.1	8.7	71.8	69.1	13.4	82.5
September	80.6	9.8	89.9	57.7	13.3	71.0
October						
November						
December						
Total ..	546.1	107.4	653.5	587.0	129.2	716.2

Despatches Decline

The total despatches during January-September, 1953, aggregated only 653,500 tons, as compared with 716,200 tons in the same period a year previously, a drop of about 8.8 per cent. Of the total, exports accounted for 546,100 tons and internal consumption for 107,400 tons, as compared with 587,000 tons and 129,200 tons. These figures indicate that, while exports declined by 7 per cent., internal consumption of jute goods went down by as much as 17 per cent. Exports which were weak in the early months of the year showed an improvement in the subsequent months, with the year's peak for any one month touching 80,600 tons in September, 1953. The trend was, however, otherwise in the case of the internal market, as the improvement witnessed in the first four months yielded place to a marked deterioration, with the monthly offtake continuing to remain less than 10,000 tons.

An important feature disclosed by the statistics relating to stocks, production and despatches discussed in the foregoing paragraphs is that, although the position of the industry was miserable in the first six or seven months, it began to improve in the subsequent months. Thanks to the reduction in export duties, to the details of which we shall refer presently, the offtake improved, stocks declined and production tended to look up. It will be observed that stocks in October were the lowest for the year, though relatively higher than those in the same month of 1952. Exports were better in June, July and August than in the preceding months. Production in September, 1953, was higher than in either August, 1953 or September, 1952. Latest advices from Calcutta on all these three aspects also make encouraging reading. One can, therefore, confidently say that the industry has managed to emerge from the crisis of stocks that dominated it in the earlier part of the year. This, however, does not mean that the position has become healthy. Far from it. Stocks are still substantially above the normal levels.

Export of Sackings Recede

An analysis of exports of jute goods variety-wise, discloses that, during the nine months ended September, 1953, exports of hessians showed marked progress in that they amounted to 275,900 tons, as compared with 209,700 tons in the same month in 1952. Exports of sackings, on the contrary, staged a marked recession. They aggregated during the period only 266,300 tons, as compared with 372,300 tons in the same period of 1952. Thus the sackings position continued to be most disturbing. Referring to this aspect at the annual general meeting of the Indian Jute Mills' Association held early in the year, the then Chairman, Mr. Moncur, stated that sackings represented 55 per cent. of the industry's production. In the early months of 1952, he said, the offtake was satisfactory, but demand tailed off in the latter months, and as a result, the industry was faced with a steady accumulation of stocks. The mills had been making very heavy losses on their sacking manufacture for some months and the problem before the industry was to stimulate the offtake of heavy goods at more satisfactory prices. The position since then has not changed much, though in the latter part of the year some large purchases were made by Argentina.

From the foregoing analysis, it is clear the Indian jute industry is faced with the twin problems of reduction of accumulated stocks and the utilisation of the idle capacity of the mills. The problems are so interrelated that the solution of the first one would automatically solve the second one. It will be interesting to examine here the various measures adopted by the State and the industry to solve this problem.

With regard to the first problem, namely, reduction of stocks, it is needless to add that the chief remedy lies in restoring the competitive efficiency of the industry in overseas markets. Competitive efficiency, in its turn, depends on availability of high quality raw material at reasonable prices, modernisation of plant and machinery, increased productivity of labour, and the co-operation of Government in removing impediments such as export duties, trade restrictions, controls, etc.

Raw Jute Supplies Adequate

During the year under review, by reason of a bumper jute crop both in India and Pakistan, jute mills did not experience any difficulty in getting their needs of raw jute. In the 1952-53 season (July to June), raw jute production in the Indian Union amounted to 4.7 million bales. With a carry-over of 1.16 million bales from 1951-52 and imports from Pakistan of 1.3 million bales, the total availability of raw jute was 7.18 million bales, as compared with 7.53 million bales in the 1951-52 season. Of this, mills consumed 5.65 million bales, while other consumption accounted for one million bales. In the result, the carry-over at the end of the 1952-53 season was estimated at 1.42 million bales.

In Pakistan too the crop in the 1952-53 season amounted to 6.8 million bales, as compared with 6.3 million bales in the previous year. Including carry-over stocks estimated variously between 2.5 and 3 million bales, the total availability in Pakistan was of the order of about 9 million bales. Thus the total availability of raw jute from both countries was about 16 million bales.

In addition to the plentiful supplies, flow of raw jute from Pakistan was made liberal by the Indo-Pakistan Agreement signed during March, 1953. The agreement was the outcome of a dispute between India and Pakistan regarding the discriminatory treatment against India in respect of a special licence fee of Rs. 2-8 per maund on exports of raw jute in India as also an additional export duty of Re. 1-4 on exports of *kutcha* jute bales to India. The dispute was taken to the G.A.T.T. by India and as a result Pakistan agreed to remove the discriminatory levies, while India agreed to buy 1.8 million bales of raw jute from Pakistan and, if need arose, even more, up to 2.5 million bales a year. The agreement was beneficial to India in two respects. By the abolition of the discriminatory export duty by Pakistan, India's competitive ability in overseas markets improved in respect of jute goods manufactured out of Pakistani raw jute. Secondly, India was able to purchase more jute this year than it did last year. Thus, in the nine months of the current year its purchases, at 1.05 million bales, were twice as much as those in the same period last year amounting to 513,000 bales.

Reduction in Export Duties

Another important factor which considerably strengthened the competitive ability of Indian mills was the reduction effected by the Government of India in the unduly high export duties on jute goods. The reduction was carried out in three stages during the year. The first cut came on 7th May, 1952, when the duty on hessians was reduced from Rs. 750 per ton to Rs. 275 per ton and that on sackings from Rs. 350 to Rs. 175 per ton. Again on 1st March, 1953 the latter was further reduced to Rs. 80 per ton. In July, a minor concession was given by the abolition of export duties on certain special types of jute goods. All this, however, did not help much to improve the position. The deterioration in the offtake of hessians continued and the Government was perforce obliged to reduce further the duty on hessians from Rs. 275 per ton to Rs. 120 per ton on 15th September, 1953. The cumulative effect of all these reductions began to make itself felt in October when stocks of jute goods came down to 102,713 tons, the lowest for any month in the year under review so far. The parsimonious manner in which the reductions were effected by the Government only delayed the process of recovery. Even the present levels of duty are considered to be high and the industrialists and the trade are urging the Government to abolish these duties completely. While the Indo-Pakistan trade pact and the reductions in export duties helped raise the competitive efficiency of the industry, at one time during the year suggestions were made by the industry for permission either to seal further loomage or to reduce hours of working. The Government, however, did well in not giving its approval to this suggestion. The matter was, therefore, dropped. Such a step would have only added to the cost of production and conferred a direct protection to the jute industry in other countries.

With a view to exploring further outlets to its goods, the industry sent

a delegation to survey the markets for its products in Australia, New Zealand and some Far East Asian countries. The delegation's investigations revealed that jute goods could still hold their own in these markets provided they were sold at comparatively low prices.

The extent of benefit derived from the aforesaid measures is reflected in the improvement in values of raw jute and jute goods. Early in the year under review, raw jute was quoted at Rs. 24 per maund (Assam bottoms). Owing to steady deterioration in the jute goods market, the rate declined to Rs. 17 per maund early in April. Towards the middle of November, it improved to Rs. 28-8 per maund. Similarly, B twills, after declining from Rs. 93-12 per 100 bags to Rs. 85-4 in April, recovered to Rs. 102-12. Hessian 40 oz×10" which were quoted at Rs. 43-4 per 100 yards early in the year, staged a setback to Rs. 37-8 in April, but recovered, thereafter, to Rs. 49-4. These recoveries, however, were painfully slow and halting.

Nevertheless, the improvement in prices is welcome, but by itself it is not enough, though it renders processing of jute remunerative. The chief problem before the industry to-day is the utilisation of its idle capacity. This would be possible only by recovering its original markets lost to Continental jute manufacturers and cotton and paper packaging substitutes. Besides, there is the threat of growing competition from the newly started jute mills in Pakistan. The Indian industry can cope with the task of regaining old markets and conquering new ones only by means of modernisation of its plant and machinery. Though according to some in the industry modernisation constitutes no urgent problem, the fact is that most of the plant and machinery is outmoded and requires to be rehabilitated.

Besides modernisation, there is the question of raw jute. The first estimate of raw jute for the Indian Union places the output for 1953-54 at about 3.2 million to 3.5 million bales, as compared with the actuals for 1952-53 at 4.7 million bales. This decline for the current season has exploded the hope of making the country self-sufficient in jute, a hope which was very much boosted by the Ministry of Agriculture. In addition to the fall in total production, there is the question of yield which at 2.6 bales per acre is quite unsatisfactory. Further, the quality of Indian jute leaves much to be desired. If the industry is to cater to the changed tastes of its customers abroad, not only the yield per acre but also the quality of jute should be improved considerably. In this direction, the work of the Indian Central Jute Committee is far from satisfactory.

A matter of utmost concern to the industry at present is to put back into operation its idle capacity. Before doing so, the industry should resume normal working. At present, it is working only 42½ hours a week. This must be increased to 48 hours. And then the 12½ per cent. sealed looms should be brought back into production. In order to enable it to achieve this state of normalcy, the industry should be assured of adequate supply of the right type of raw material at economic rates; for the cost of raw jute is by far the biggest item in the cost of production. In addition, cooperation of labour, tax concessions to the industry, total abolition of the export duty on jute goods are also required to help the industry not only to utilise the full complement of plant and machinery, but also to win back its former position in the world markets. The improvement in exports thus secured will adequately repay the State Exchequer by increase in employment and by means of the various taxes on income and consumption.

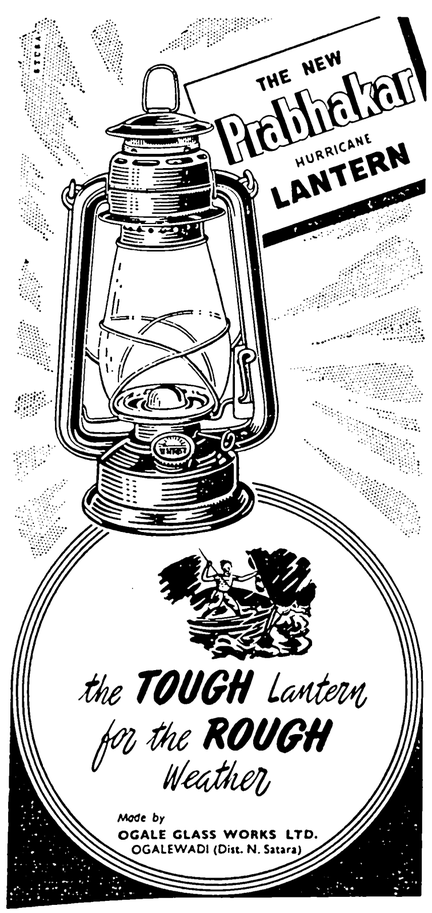
The prospects for the industry in the near future are dimmed to a certain extent by continued lack of attention to modernisation of plant and machinery, growing threat of competition from Pakistan and reduced output of jute estimated for the current season. Nevertheless, the industry can expect to fare better next year. Mills have to their credit vast experience of the problems of the industry and its markets. They have also established trade contacts abroad which can be turned to good advantage. The publicity sections in the U.S. and the U.K. should help serve the consumers in these countries to make their purchases in India. The fact that Pakistan has placed Indian mills in line with Continental mills in respect of raw jute exports by removing the discriminatory levy has improved the Indian Industry's ability to compete abroad. The Government has paved the way for freer flow of goods by reducing the duties and it can do much more in this direction by complete abolition of the duties, so that the industry may make a fresh bid to regain its lost markets.

OUTLOOK FOR JUTE INDUSTRY

(*Concluded from page 95*)

paign in the principal markets, (c) to keep a watch on the new developments in the packaging world and take effective measures and (d) to counter the threats, can ensure the maintenance of its markets and remove the threat to its existence which appears so virile on certain occasions.

Since the last reduction in the export duty, the offtake by overseas markets has improved. It is likely to continue to be so in the near future, but the existing export duty, even at the present level, is likely to afford protection to the foreign manufacturers. It might be contended that the competitive capacity of the jute goods has now been restored. But to be able to sell the production which is more than 20 per cent. below the normal level and to oust the competitors and regain the lost ground are two different things. In order to make up the losses caused to the Indian jute goods in the foreign markets, it is necessary not only to bring down the prices in level with our competitors, but also to reduce them to a level which would make it uneconomic for the foreign manufacturers not only to deter them from expanding their capacity and production, but also to put them in a position where they would not think of producing more than what they could sell in their own country for internal consumption. The supplies from India must be cheap and abundant. It is only then that there can be hope for the industry to survive.—*All Rights Reserved.*





PROGRESS OF PLANTATION INDUSTRIES

GOOD YEAR FOR ALL BUT COFFEE

So far as India's plantation industries are concerned, the notable features of the year 1953 have been the end of the slump and the realisation of improved prices for tea, the maintenance of the *status quo* in rubber, and the emergence of a difficult and anxious period for coffee. The production of the main plantation crops has been well maintained under improved weather conditions, though, in some areas, labour troubles have adversely affected production to some extent. De-rationing of foodgrains in many of the planting districts has helped to maintain the health of the labour and there is a feeling of satisfaction among the labour as a result of improved food supplies. Adequate supplies of ammonium sulphate and other fertilisers and of cement and building materials have greatly assisted in keeping crops, factories and labour and staff quarters in good condition. Costs of production of all plantation crops have risen further by comparison with the previous year. Important pieces of legislation affecting plantation crops have been adopted and some are on the anvil of Parliament and the legislatures. These and the recent shift in Government's policy in plantation labour affairs will be dealt with in detail later in this article.

Tea Recovers from Slump

After the distressing experiences of last year, when the tea market was nearing a collapse, it was good to see the tea industry back once again in its normal strides in early 1953, with tea prices and tea markets recovering gradually but steadily. The improvement has been maintained for the remainder of the year also, particularly in the export markets. The average price of North Indian tea in the London auctions rose from 2*s.* 8.67*d.* in the week ended 3rd December, 1952, to 3*s.* 0.10*d.* in the week ended 3rd December, 1953; and that of South Indian tea rose from 2*s.* 3.57*d.* to 2*s.* 9.34*d.* during the same period. The rise has not been quite so good in the internal market, but is regarded as satisfactory. In many cases, the increase has merely helped to offset the losses incurred in the previous year, and allows of no provision for building reserves for the rehabilitation of the gardens or of meeting the heavy expenditure that will be required when the Plantation Labour Act is brought into force. As readers will remember, the Rajaram Rao Committee of Enquiry recommended postponement of the implementation of the Act for a period of two years to enable the industry to tide over the economic crisis of last year, but the Government has so far not indicated its acceptance of the recommendation which is still believed to be under consideration.

Improved Quality and Reduced Output

A welcome sequel to last year's crisis in the tea industry has been the genuine attempt on the part of growers this year either to restrict total production or to produce good quality teas only in order to keep up the demand. In Northern India, a scheme of voluntary restriction of production has been put into operation and is stated to be working efficiently. In South India, there has been no such wholesale restriction, but more attention is being given to the production of better quality teas, and it was recently learnt that factories were urged not to manufacture teas of a quality which is below a minimum prescribed standard. It is doubtful, however, if these steps will help to reduce the total Indian output by more than a few million lbs., below the 1952 level of production, for two reasons: first, this year weather conditions throughout the planting districts have been extremely favourable to the production of tea, and second, a number of North Indian gardens which had closed down production in 1952 due to acute economic distress are now reported to be back in production. Nevertheless, it is the universal feeling that, with the certain emergence of a buyers' market and with consumption not keeping pace with output, it would be folly not to restrict production in one or the other of the above-said lines.

Tea Propaganda to be Intensified

Last year the decision of the Government of India to withdraw from the International Tea Market Expansion Board cast a gloom over the industry and was strongly criticised on the ground that it would seriously retard the propaganda for consumption of tea in foreign markets and that India would be the worst sufferer. Fortunately, however, the Government of India took other steps to ensure that the tempo of propaganda is maintained, especially in the U.S.A. Propaganda is now conducted by the Tea Council of America, of which India, Ceylon, Indonesia and the U.S. tea trade are the principal partners, India itself contributing $450,000 out of the total annual expenditure of about $1,400,000. It is learnt that a vigorous propaganda campaign is in progress, and that proposals are under way for using television and other modern aids for strengthening the campaign. A strong and concerted drive by the Central Tea Board to increase local consumption is also a vital necessity at the present time, as well as in the future, inasmuch as world production is continually rising (with East Africa particularly active) and going out of reach of world consumption.

The Tea Act

The Tea Act, which combines the main provisions of the existing Central Tea Board Act and the Indian Tea Control Act, was passed by Parliament in May this year, but has not been implemented up to the time of writing. It provides for replacement of the present Tea Board with a new Board, having such additional functions as the regulation and control of tea sales, the registration and licensing of brokers and blenders and the fixation of wholesale and retail prices at which tea may be sold. While no satisfactory explanation has been offered as to the necessity for assuming these sweeping powers, the provision that has been most strongly criticised is that the Central Government should appoint members of the Board from among persons capable, in their opinion, of representing the various interests concerned such as growers, labour, the State Governments and the chambers of commerce. The industry's modest request that it should be consulted in the matter of appointment of its representatives to the Board has not been conceded in the Act, but the Minister who piloted the Tea Bill is stated to have given a verbal assurance that this point will be considered. There is a general feeling, however, that by the Tea Act, the Government has displayed its intention to assume to themselves, without sufficient justification, a right to interfere in the normal day-to-day affairs of industries. This is a shift in the Government's policy which is worthy of note.

Central Excise Tariffs

In at least two matters concerning the tea industry, the Government has not acted in a manner that is altogether to the good of the industry. The recent change in the excise tariff on tea is one of them. Presumably with the intention of helping the small dealer and consumer of tea, the Government, in April this year, announced that tea packed in unit containers of more than 60 lbs. net will attract duty at the rate of 1 anna a lb. only, whereas tea packed in unit containers of smaller sizes will attract duty at 4 annas a lb. What Government did not consider is that many of the small dealers who sell tea to consumers do not buy tea in lots of more than 60 lbs. at a time, so that the small dealer and consumer do not, in effect, get the benefit of relief. It is still not too late, however, for the Government to modify this arrangement, so that unit containers of, say, 10 or 20 lbs. also will get the concession. Apart from this, there is also a real danger that the sale of large quantities of loose tea at concessional rates of duty will encourage adulteration in a large measure.

The other matter in which Government has taken an important decision affecting the tea industry is in regard to foreign-made tea chest panels. After several years of restricted imports, the Government has this year decided on a complete ban on imports, on the ground, presumably, that the indigenous plywood industry has developed to a position in which it can meet the full demand of the tea industry in respect of both quality and quantity. No doubt the indigenous plywood manufacturers have made very considerable progress with their industry, particularly in the last year or two. Nevertheless, it is open to question whether the local plywood industry has yet reached such a high standard of perfection as that reached by the foreign industry in all respects. That it has not done so is evident from the fact that the indigenous plywood industry has been asking for a further term of tariff protection (it has already enjoyed protection in the past five years) and the Government appears to view that request sympathetically. If the Government really feels that it will take some more years for our local plywood industry to stand full comparison with foreign plywood, then

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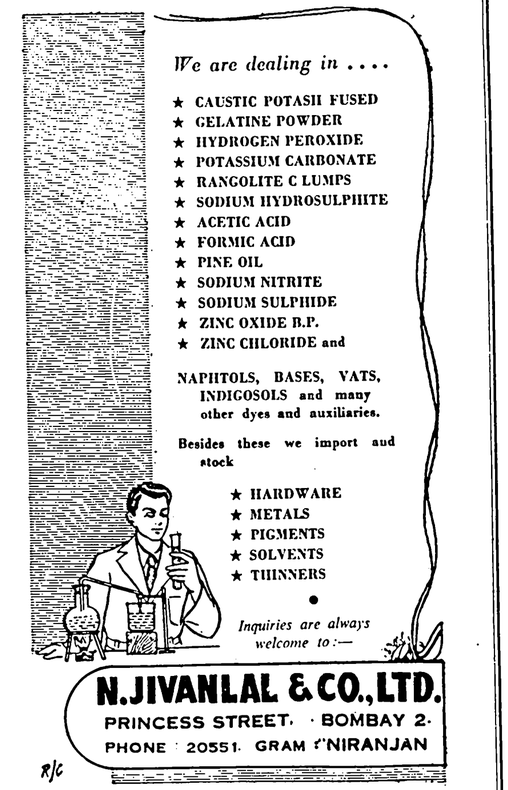

the Government should really permit a further quota of imported plywood panels for such period, in order to prevent criticism of the condition of packing of Indian tea in foreign markets.

Rubber Enjoys *Status Quo*

There have been no excitements in the rubber industry in the past 12 months, with the exception of that hardy annual, namely, the problem of accumulation of unsold stocks with growers and dealers. This problem assumed more than customary importance this year, owing to the fact that the production of rubber reached the record figure of 19,860 tons in 1952, as compared wih 17,149 tons in the previous year, whereas consumption of rubber by manufacturers of rubber goods went down to 21,050 tons in 1952, as compared with 22,427 tons in the previous year. Early this year, large stocks had accumulated with growers and dealers and it was reported that, due to adequate supplies, many of the growers could not sell rubber except at prices well below the Government controlled prices. It was ascertained that the problem of stocks could be solved to a large extent if the manufacturers of rubber goods would adopt a programme of even purchases of raw rubber instead of the present practice of holding off purchases for indefinite periods. The Government's action in persuading the manufacturers of rubber goods to buy up more stocks of raw rubber yielded favourable results, and the stockpile has been going down monthly. Nevertheless, it is likely to go up again in December this year and early in 1954, and the Government would do well now to work out its plans to meet the situation. It is good to hear that the Secretary, Ministry of Commerce, who met producers' representatives in Cochin in September this year, stated that, although the Government was opposed to the idea of exporting rubber in order to solve the problem of stocks, the Government was not irretrievably committed to such a policy and that the position would be considered in future in the circumstances then prevailing. The production figures up to the end of October this year indicate that the year's output of raw rubber will almost touch last year's levels. The *status quo* continues as regards prices, the maximum being Rs. 138 per 100 lbs. for Grade I fixed by the Government in October, 1952.

The Rubber Bill

The important event in the Indian rubber industry this year is the proposal to amend the Rubber Production and Marketing Act, a Bill for which purpose was introduced in Parliament in December, 1952. As in the case of the Tea Bill, the Rubber Bill also proposes drastic changes in the constitution of the Indian Rubber Board, including proposals to fill all seats on the Board by Government nominees, to abolish the Rubber Price Advisory Committee, and to abolish the practice of the Government consulting the Indian Rubber Board before taking important decisions affecting the rubber plantation industry. The industry rightly considers these changes are unnecessarily drastic, undemocratic and undesirable. It was thought that the Bill might be considered during the November session of Parliament, but it is now learnt that it will only be brought up at the next session. Representatives of growers' organisations are believed to be taking steps to oppose the abovesaid proposals before the Select Committee, if and when it is appointed.

As in the case of tea, it is thought that Government interference in the affairs of the rubber industry should be kept to the minimum and that it will do no one, least of all Government, any good to ignore the considered opinion of representative bodies of growers and the Indian Rubber Board in dealing with the affairs of this industry.

Replanting of Rubber

The raw rubber industry to-day badly needs a Scientific Research Station as well as a scheme of replanting of old and uneconomic rubber trees. It is gratifying to learn that Government is considering a scheme of replanting some 70,000 acres over the next 10 years, at an estimated cost of Rs. 3,00,000 a year. There has practically been no replanting since 1947 until a year or so ago, owing to the fact that rubber planting during this period was largely unprofitable, but, with the recent increase in price, replanting and new planting have commenced again. It is up to the Government to realise the potentialities of this strategic industry and to render practical assistance to growers in stepping up production.

New Record in Coffee Production

Coffee production reached a new high level of 23,175 tons in the 1952-53 crop, this being the highest for the past six years. Under normal conditions, this would be welcomed as something of an achievement, but the conditions through which the coffee industry has passed this year are such that the industry is more alarmed than pleased with the big crop. At the end of October this year, unsold stocks of coffee in the Pool amounted to 12,600 tons, and the position has since turned out more alarming by the fact that the new season's crop of some 23 000 tons has already begun to be delivered to the Board.

With production and stocks at these levels and local consumption hardly rising above 18,000 tons a year, the coffee industry has had trouble in marketing the crop, and has been strongly urging the Government to export at least 5,000 tons with two objects in view: first, it would help to realise some cash with which to pay to the growers some of the Pool dividends that are already considerably overdue; and second, that it would yield a substantial premium by the fact that the foreign market price of coffee is considerably above the Indian price, and the premium could then be used to subsidise the price payable by the Indian consumer. After much persuasion, the Government has only so far agreed to export 2,000 tons of Robusta coffee, and this is considered hardly adequate for the purposes in view. While agreeing to export 2,000 tons, the Government also decided to mop up the difference between export and local prices by levying an export duty of Rs. 62-8 per cwt. on the said 2,000 tons. In other words, the Government does not agree that the benefit should go to the local consumer, in spite of its desire that the price of coffee should be more favourable to the consumer.

Owing to high crops and the Government's reluctance to export, the offtake of coffee at the auctions has steadily come down and prices have steadily declined over the past six months. In the Pool auctions, the price of Arabica dropped from Rs. 258-5 a cwt. in February to Rs. 211-8 in October, 1953, while in the local auctions it dropped from Rs. 247-12 in January to Rs. 221-4 in October, 1953. The reduction in auction prices and the difficulty in selling the large crops have resulted in the inability of the Board to find resources to pay the dividends to growers promptly, and growers in general, and small growers in particular, are suffering hardships on this account.

Prices Reduced

The industry is anxious that the Government should realise the importance of coffee in the economy of India and the need to maintain and develop that industry by every means. It requested Government early this year to ask the Tariff Commission to conduct a comprehensive enquiry into the coffee industry's affairs, including the cost structure and future development. The Government, however, rejected this request and merely arranged for a Cost Accounts Officer to enquire into and report on the cost of production only. Acting on the report of the Cost Accounts Officer, the Government expressed its intention to bring down the basic price of coffee from Rs. 2-7-1 to Rs. 2-4 per point, which is below the Coffee Board's own calculation of the cost of production. It is understood that the Board has questioned the calculation of the Cost Accounts Officer and has expressed a wish to discuss the details with him.

The Government has only been too ready lately to express its strong dislike of the so-called high price of coffee paid by the consumer. But does the Government realise that it is their own pet policy that brought about high prices? In 1952, when stocks were too low even for local consumption, the Government ordered the Coffee Board to export a large quantity of coffee against the considered opinion of the Board and the price of coffee promptly shot up in the local market. One wonders why the Government does not accept the blame for that extremely short-sighted action. And now, when stocks are high and the Board strongly urges exports, the Government again appears to be making a fundamental error in not accepting that advice wholeheartedly.

As in the case of tea and rubber, coffee too is sought to be brought under a rigorous legislative enactment. The Indian Coffee Market Expansion (Amendment) Bill was introduced in Parliament in December last year, but has not so far been taken up for discussion. The principal objectionable features of the Rubber Bill are there in the Coffee Bill also and the coffee industry proposes to make a strong representation before the Select Committee, if and when it is appointed.

The Minor Crops

In addition to the main crops, India's plantation crops also include cardamom, pepper and cinchona and these have passed through a relatively satisfactory period. Cardamom prices in November touched Rs. 7-4 a lb. for the best quality and black pepper touched Rs. 413 Rs. 565 respectively, in November last year. As for cinchona, the growers' request for an increase in the price of bark to meet the increased cost of production was rejected by the Government, which, however, reduced the price from 4 annas to 3 annas per unit. An important event of the year in the field of minor products was the investigation conducted by the Spices Enquiry Committee into the problems of production and marketing of various spices, but the result of the enquiry has not been published.

Big Tax Burden Continues

The plantation industries continue to be burdened with taxes of all sorts and, despite the most convincing arguments for relief, the Government has not so far thought fit even to confer a nominal relief. Instead, attempts have been made to increase the scope and the incidence of taxation in diverse directions. A case in point is the attempt on the part of the Income-tax Department to assess a portion of the income of coffee growers on the ground that it accrues from a manufacturing process in coffee, and one or two assessments have already been made. The industry will no doubt put up as strong a case as possible to prove that the cultivation of coffee is a purely agricultural operation and does not attract income-tax to the slightest extent, but an income-tax official is reported to have said that the present income-tax law does not exclude coffee from liability to tax! We suppose the next step—a truly logical one—would be to declare that the de-husking of paddy also involves a manufacturing process and hence part of the proceeds of the sale of rice is liable to income-tax!

Labour

Labour relations in the plantation industries have not been so happy during the year as they were in the previous year. Reports of hunger-strikes and *satyagrahas* by officials of the various workers' unions were more frequent than before. The resort to hunger-strike for the redress of workers' grievances is deplorable in the extreme and has been strongly condemned by our national leaders, but the practice continues, nevertheless. In nearly every case, it has been found that workers by themselves are hardly to blame, and the trouble is sponsored, directed and executed by agitators and politicians having no stake in the industries concerned. In spite of all this, negotiations have been and are still being carried on at union levels in many a case with mutual satisfaction. The plantation industries are under strict obligation to provide adequate housing, hospitalisation and other amenities and services for workers under legislation or under agreement with Government and are trying their best to discharge those obligations faithfully, in spite of all the handicaps provided by the professional agitators.

It will be seen from the way in which the Government has been handling the affairs of the tea, rubber and coffee industries that, of late, there is a definite shift in the Government's policy, in that it seeks to assume greater control of these industries. No one could possibly object to such control, if there was some proof that it would be exercised with care and sympathy and with the fullest appreciation of the position in which the industries are placed. Unfortunately, the manner in which these industries have been dealt with lately by the Commerce Ministry does not provide that proof. The plantation industries are mostly in the nature of agricultural industries and they should be dealt with as such. It would be interesting to know whether these industries cannot come within the scope of the Ministry of Agriculture in future. It is understood that the Government of India is shortly appointing an officer to undertake a full investigation into the affairs of the plantation industries and it is to be hoped that this point would be brought to his notice as one that is highly worthy of consideration.—*All Rights Reserved.*

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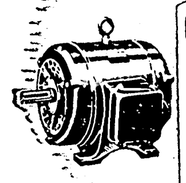

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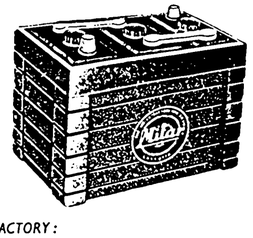

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PRESENT-DAY PROBLEMS OF FOUNDRY INDUSTRY
LARGER SUPPLY OF PIG IRON AT FAIR PRICES NEEDED

By M. L. Atta
Chairman, Indian Foundry Association

FEW industries in India are confronted with so many problems as the foundry industry. It has, unfortunately, not received the same attention as it deserves, in view of its importance to the nation. The Foundry Industry Panel, appointed under the Engineering Capacity Committee, has taken up the task of ascertaining the idle capacity of the industry and suggesting ways and means for utilising it. The findings of the Panel will be very useful, as they will, for the first time, focus attention of the public, as well as of the Government on the problems of the industry. So far, no organised effort has been made to study its problems. In the following paragraphs, I shall attempt to place before readers certain very important problems which must receive the careful attention of the Government.

Perhaps the most serious problem before the foundries—whether big or small—is lack of demand. What is significant to note is that the foundries are facing acute shortage of orders, even though the supplies of pig iron are much below the proven capacity. The foundries in the grip of depression are not able to sell their products. A large number of them are small proprietory concerns whose financial resources are very poor and the present depression has hit these foundries most seriously. These small foundries catering for ordinary consumer goods, such as cast iron pans, pipes and fittings, etc., had in Pakistan, particularly East Bengal, their most important market. Pakistan's decision not to import cast iron goods from India has very seriously affected many foundries, particularly in West Bengal.

What Needs to be Done

The situation would not have deteriorated had a corresponding market been available in the country. I am sure that, in a vast country like India, the foundry industry will always have a prospect, provided certain things are done. These are:

(1) A thorough investigation into the market conditions and the possibilities of new products is necessary. It is impossible for small foundries to undertake this work. The Indian Foundry Association is the only organised body which could undertake the job, but it is yet in its infancy and the magnitude of the problem requires that it should have co-operation from a considerably large number of foundries than what it enjoys to-day. The stereotyped casting would not do. The foundry industry should better-write off Pakistan as the principal market for many consumable goods, for Pakistan's policy is influenced by political considerations. Pakistan or no Pakistan, Indian foundries must so adjust their production programme that more and more goods will be consumed in the country alone.

(2) This leads us to the second important step that will have to be undertaken. Supposing the foundries are prepared to switch on to certain new lines of production. They should then be assured of continued orders, so that they can make necessary investment and engage hands with a sense of security. Detailed information regarding the estimated demand, present production, future programme and possibilities of exports in respect of the various items will be very useful. The absence of reliable data is a great hindrance to any planned production. If the detailed information, as envisaged above, is available with the various Chambers of Commerce, Associations, Directorates of Industries, etc., foundries will naturally feel sure that they can switch on to some other lines, if the one they are engaged in currently is not an economic proposition.

(3) The Directorate of Industries in each State can arrange small commercial museums where the foundries could see as to what castings are required by the Government and what would be their prospects.

(4) In order to maintain quality, suitable standards will have to be laid down with an eye to the special conditions prevailing in India.

(5) It would be necessary to advance loans to small foundries who cannot cover the additional need for capital for modernising their plants and machinery. State Finance Corporations can financially help small foundries by granting loans at reasonable terms.

(6) Numerous items are at present being imported. There are two reasons for such imports. First, the Government are, perhaps, not aware that certain items are actually manufactured or can be manufactured in India, without much trouble, or maybe the items are found wanting in quality. So far as the first is concerned, it would be very helpful if Government—particularly the Railways—could make out a detailed list of the articles (with specifications) required by them. Government should first ascertain whether these things can be manufactured in the country or not. Imports should be allowed only when they cannot be manufactured in the country. As regards the items that are found wanting in quality (on which the Government can ill afford to lose public money), the local foundries should be given the right type of pig iron, so that the quality can be improved.

(7) Production of specialised castings like high duty castings, alloy castings, etc., is at present not existent in the country. It would certainly be possible to gear the existing foundry facilities for the production of these items. A little initiative, know-how and Government assistance is all that is wanted.

(8) There are many foundries—particularly non-ferrous, whose major portion of capacity is lying idle. These foundries can be kept occupied, if orders are placed for railway parts. Instead of utilising their idle capacity, Government have set up new factories for which there was no justification whatever. It is necessary that, when the private sector is willing and capable of undertaking the job efficiently and to the satisfaction of the Government, the creation of additional capacity in the public sector be discouraged.

(9) It would greatly help the foundries if bulk orders are placed with them by the Government. For the healthy growth of the industry, it is essential that it should be assured of regular orders, so that it can engage men and money with confidence.

I am of the opinion that any steps that might be taken in other directions would not be productive of any result, unless and until the existing offtake of iron castings from indigenous foundries is substantially raised for mobilising the capacity of the foundry industry to the full. As castings, for a large part, are used as components of finished equipment and stores, this question can only be tackled in conjunction with the increased consumption of the latter.

Pig Iron and Its Price Structure

Shortage of pig iron is chronic and it requires no emphasis to establish that the present supplies to the foundries are far less than what they would require to keep their capacity utilised. For instance, according to the Development Wing, the proven annual capacity of the cast iron foundries borne on the Central List, based on the best performances of the individual units during the last six years, is 340,000 tons of serviceable castings. The screened demand of all the Central List foundries, during the year 1952 and 1953, for pig iron has been 257,000 tons and 221,000 tons, respectively. The allotments made during these two years have been only 156,000 tons and 168,000 tons, respectively. It is estimated that there is idle capacity in the cast iron foundry in the Central List to the extent of at least 170,000/180,000 tons of casting per year. Thus, 50 per cent. of the capacity of the Central List foundries is lying idle for want of pig iron. Similarly, about 50 per cent. of the capacity of State List foundry is also lying idle.

Production of pig iron cannot be increased overnight. It requires considerable advance planning. I do not want to lament over the past as to why no action was taken to increase the production of pig iron. What is surprising is that, even now, no steps seem to have been taken to increase pig iron production. The new steel plant, which is proposed to be started in conjunction with the German combines, does not envisage in its programme, it is understood, any pig for outside foundries. The existing main producers also do not appear to increase pig iron production—rather it is reported that I.I.S.CO's supplies of pig iron will be further reduced when their steel expansion programme is implemented early next year. The prospect is, therefore, gloomy and the fate of the foundries can better be imagined than described.

The general shortage of pig iron is further accentuated, owing to shortage of graded pig iron. While it is unlikely that the situation will improve unless additional blast furnaces are set up, I feel that, even now, improvement is possible, if the present price structure is revised so as to give incentive to the main producers to increase production of graded pig iron. The following steps may be taken to improve the supply position of pig iron:

(1) Off-grade pig iron has a relatively easy supply. But, with the exception of some organised foundries, the majority of the foundries are reluctant to use it, as they have neither the requisite technical experience nor finance for treating this iron with desiphirising agents such as fused soda ash and ferro-alloys like ferro-silicon, ferro-manganese, etc. Use of these alloys makes the cost of ordinary consumer goods so high that it becomes an uneconomic proposition. As the more organised foundries, including the railways and Government workshops, are technically equipped and financially sound, it would be better if they use more and more of the off-grade stuff. If by proper treating, off-grade can serve the purpose of graded pig, Government and railways foundries are best suited to use them, for they are not to worry about the cost of finished goods to the same extent as the private sector foundries are bound to.

Price Structure

(2) The present price structure will have to be revised on a scientific basis so that there is ample encouragement to the main producers. Prior to the recent increase of pig iron price by Rs. 20 per ton, the off-grade pig had registered an increase of 109 per cent. over pre-war price, as against less than 60 per cent. increase in case of graded pig iron. On 13th November, 1953, i.e., immediately before the Rs. 20 per ton increase, the prices of different categories of pig iron were as follows:

	Per ton Rs.
Basic off-grade	129
Grade No. 1	143
Grade No. 2	139
Grade No. 3	135
Grade No. 4	133
Specials	131

It does not require much imagination to conclude that, when the producer is getting good margin for off-grade, he will not bother for graded pig for a small difference. There should have been the same difference in the price of off-grade and graded pig as in 1939. As long as there is a premium in the price of off-grade, the country's interest in respect of graded pig iron will continue to suffer.

(3) At present a good deal of scrap is available from the railways, jute mills, etc. This scrap is better than the off-grade and I feel that, if this scrap is distributed through the proper channels, foundries will be benefited to a very great extent. The primary consideration should be that this scrap is a useful material for the foundries. It has special significance in the absence of adequate quantity of pig iron. It is the industry that should benefit and not the intermediaries who make capital out of the short supply of pig iron. As long as industrial users are available, no scrap should be sold to middlemen.

(4) No export of pig iron of any grade whatsoever and/or of any cast iron scrap should be allowed.

In a preceding paragraph, I have mentioned about the difficulties of the foundries due to depression and the stoppage of export to Pakistan. At a time when the foundries were exploring ways and means for disposing of their products and keeping their idle capacity utilised, the Government of India have suddenly increased the price of graded pig iron by Rs. 20 per ton and that of off-grade by Rs. 10 to Rs. 12 per ton. According to a Press report, the increase has been effected in order to enable the marketing of the costlier pig iron produced by the Mysore Iron and Steel Works, costlier in production than that of the two main producers, namely, T.I.S.CO. and I.I.S.CO. It has been decided that the difference between the present selling prices and the prices hitherto in force will be collected for an equalisation fund for subsidising the Mysore Iron and Steel Works.

Rise in Price Not Justified

I think that the present increase had no justification and the Government action shows that either they are ignorant of the difficulties of the foundries or they are under the impression that the foundries can also increase the prices of finished goods with the same freedom as they have done in the case of pig iron. Conditions are vastly changed. But can manufacturers raise the prices of finished goods? As a matter of fact, in the last two years, the general selling prices have gone down considerably, whereas the cost of production has gone up due to increase in price of the raw materials, increased remuneration and facilities to labour in the form of wages, D.A., bonus, compulsory provident fund, State insurance, etc. As a result, many marginal units have had to close down wholly or partially. Many others have had to curtail their production, because there has been no demand. The Government are aware that many small units have not even lifted their quota due to financial stringency. It is, therefore, very unfortunate that the Government of India have suddenly increased the price of pig iron just to give a fillip to the Mysore Iron and Steel Works. I am not aware as to the quantity of pig iron which the Mysore Iron and Steel Works have now started supplying to the outside foundries and whether this is only a temporary feature, but, in 1951, the Tariff Board observed as follows:

"This Company (i.e., Mysore Iron and Steel Works) has no surplus iron available for sale to the general trade and its expansion programme provides for the consumption of any increased production of pig iron within its own works."

Even supposing that the Mysore Works are now able to supply a few thousand tons to outside foundries, why should foundries situated, say, in West Bengal, Bihar, U.P., East Punjab, Madhya Pradesh and Bombay, be compelled to obtain supplies from the Mysore Works and for that matter impose a heavy burden on 95 per cent. of the foundries who were drawing their supplies from I.I.S.CO. and T.I.S.CO.? It would have been much better to arrange regional supply of the Mysore pig iron. Foundries situated in the neighbourhood of the Bhadravati Works could have saved the transport freight from I.I.S.CO. or T.I.S.CO., if they obtained their supplies from Bhadravati.

The higher cost of production of the Mysore Iron and Steel Works as compared to the cost of production of T.I.S.CO. and I.I.S.CO. need not have gone to penalise hundreds of foundries employing thousands of workers and catering to millions of consumers. The Government should have considered other ways of assisting the Mysore Works, so that they could have reduced the cost of production.—*All Rights Reserved.*

INDUSTRIAL PRODUCTION IN INDIA

PERFORMANCE GENERALLY SATISFACTORY

THE performance of industries in India in the sphere of production may be said to have been generally more satisfactory in 1953 than in 1952, despite the presence of certain adverse factors. The latest available production figures cover only up to August, 1953. During the first eight months of this year, the output of a large number of industries was distinctly higher than in the corresponding period of last year. The average number of general index of production for this period was 133.6, as compared with 128.9 for the whole of 1952 and 117.2 for 1951. This improvement occurred, despite a rise in the prices of raw materials and a fall in those of finished goods. Thus, the index figure for the former rose from 427.6 in January to 488.7 in August, 1953, representing an increase of over 14 per cent. The prices of finished goods, on the contrary, dropped from 385.8 to 364.5 or a fall of 5.4 per cent. in the same period. The fall in the latter is attributed to lack of purchasing power, consumers' resistance and a fair measure of competition arising from the coming into existence of a strong buyers' market in several goods. The rise in the prices of raw materials may be generally ascribed to speculative forces induced by prospects of lower output of agricultural raw materials due partly to diversion of some land to foodgrains (which became relatively more remunerative owing to a large measure of liberalisation of controls) and partly to adverse weather conditions (which affected certain crops such as cotton and oilseeds). The contrary trend in prices of raw materials and of finished goods resulted in a fall in profit margins and led to the closing down of certain units of production, especially those that fall under the description of sub-standard units.

Conditions Favourable

Nevertheless, conditions for industrial production were generally better, though not quite satisfactory. In the sphere of labour, man-hours lost were less this year than in 1953, although productivity per man-hour showed no change. Labour relations in certain industries, no doubt, deteriorated, but, in most others, the *status quo* was maintained. Industries found no difficulty in getting their credit requirements for working capital and at no time during the year were there any complaints of stringency. The wagon supply position improved to some extent, though certain industries, especially those having a low priority, experienced some difficulty. Certain concessions in indirect taxation, such as customs and excise duties, provided some relief to those industries which depend on export markets. The extent of this relief varied from industry to industry, but in almost all cases it was belated and inadequate. Nevertheless, it must be admitted that it did provide a prop to such major industries like jute and cotton.

The trend of production, as indicated by the general index, reveals that the number started the year at the high level of 131.1 in January, 1953. It advanced to 135.9 in February, but retreated to 131.1 in the following month. In April it recovered and shot up to 140.6, the highest level for the year so far. In the following three months it stood lower, more or less at 132.2, but improved to 133.2 in August.

Statistics of the volume of production available for the period disclose that production of cotton cloth, cotton yarn, woollen manufactures, paper, matches, dry cells, transformers, electric motors, copper conductors, rubber insulated cables, insulators H.T., salt, caustic soda, bleaching powder, sulphuric acid, sewing machines, bicycles and commercial plywood showed a marked improvement in varying degrees.

Major Industries

Among the major industries, the textile industry made a mark, in that it recorded an impressive rise in the output of both cloth and yarn. During the eight-month period, January to August, production of cloth amounted to 3,302.7 million yards, as against 3,001.8 million yards in the same period last year. The output of yarn rose from 539.1 million lbs. in January-August, 1952, to 998.9 million lbs. in the same period this year. This satisfactory progress in the output of cloth and yarn was due to improvement in the supply of cotton, both Indian and foreign, as also to higher offtake by foreign and internal markets. The latter tendency gathered further momentum following the announcement of reduction in excise and import duties on certain varieties of cloth at the end of October.

Manufacture of woollen goods during the period under review aggregated 11.6 million lbs. as against 9.6 million lbs. In other words, there was an improvement in output to the extent of 1.4 million lbs. or 15.6 per cent.

The jute industry, however, did not fare as well as it did last year. The output of all varieties amounted, during the eight-month period, to 582,100 tons, as against 653,000 tons in the same period last year. The lower production of jute goods was largely the result of a decline in exports. Consequently, despite lower production, stocks with the industry were, as a rule, higher than in 1952. Some improvement, however, became visible in the subsequent months, resulting from a reduction in the export duty on hessians as from 15th September last.

Production of steel fared better during the period under review. The output of steel ingots and metal for castings amounted to 998,100 tons, as against 900,000 tons last year. The production would have been better still had there not been labour troubles in the Indian and Iron steel factory, at Burnpur, where, on account of rivalry between two groups of workers to assume control over the labour union offices, the works had to remain closed for some weeks.

Coal

In the first eight months of this year, 24.1 million tons of coal were mined, as against 24.4 million tons a year ago. The slight decline may be attributed to accumulation of stocks at pit-heads on account of inadequate wagon supplies and fall in export following competition from South Africa, Australia, and China.

The upward trend noticed in 1952 in the output of cement continued its course in the current year also. In January-August, 1953, the output aggregated 2.43 million tons as against 2.3 million tons in the corresponding period last year. The paper industry too gave a good account of itself by raising its production from 90,355 tons to 92,922 tons. Production of matches also rose from 405,500 cases to 410,000 cases. Output of sugar improved from 1.17 million tons to 1.23 million tons. Lest this comparison should give a misleading impression, we hasten to add that in the 1952-53 sugar season (November to October) as a whole, the output was perceptibly lower at 1.32 million tons, as against 1.49 million tons in the 1951-52 season.

Engineering and Electric Industries

Among the engineering and electric industries, a mixed trend was noticeable. The output of machine tools, in terms of value, showed a small increase from Rs. 31.1 lakhs to Rs. 31.5 lakhs. There was a marked improvement in the output of dry cells which rose from 83 million to 94.9 million. A similar improvement was recorded in the output of transformers, the total being 196,800 k.v.a. as against 131,600 k.v.a. Manufacture of electric motors rose from 104,900 h.p. to 115,900 h.p. Copper conductors and rubber insulated cables rose from 2,633 tons and 2,084 tons to 5,903 and 3,341 tons respectively. H.T. insulators rose by 158,000 to 333,600 or more than 100 per cent.

But there were some industries in the above group which experienced a downward trend. Thus, the output of electric lamps was a shade lower at 13.4 million, as against 13.5 million. Electric fans also reported a lower output at 143,400, as against 146,900. There was a marked fall in the manufacture of radio receivers from 48,784 to 37,690. Similarly, storage batteries went down from 119,200 to 115,400. Production of L.T. insulators sustained a fall of 33 per cent. to 1.33 million.

Chemical Industries

In the chemicals group, production was exceptionally good in the first eight months of the current year. Salt production was a record at 797.28 lakh maunds, as against 675.41 lakh maunds. Caustic soda rose from 10,972 tons to 12,259 tons. The rise in soda ash was phenomenal, the aggregate output being 37,495 tons, as against 25,761 tons. Chlorine liquid improved from 3,902 tons to 4,667 tons, and bleaching powder from 591 tons to 1,093 tons. Bichromates too fared well at 1,383 tons, as against 967 tons. Sulphuric acid aggregated 63,752 tons, as against 58,949 tons. Superphosphates, however, experienced a declining trend, the output having fallen from 35,927 tons to 24,513 tons. There was, however, an impressive rise in the output of sulphate of ammonia which amounted to 178,874 tons, as compared with 146,872 tons.

Miscellaneous Industries

A large number of industries belonging to the miscellaneous group reported a better performance. Thus, the output of sewing machines rose from 34,015 to 38,976. Manufacture of hurricane lanterns was better at 2.87 million, as against 2.39 million. Bicycles turned out aggregated 157,663, as against 113,090. Cycle tyres and tubes amounted to 6.15 million, as against 5.57 million. Commercial plywood rose from 7.8 million sq. ft. to 8.7 million sq. ft. There was also an improvement in abrasives from 30,100 reams to 37,100 reams. Sheet-glass manufacture gave a better account at 13.11 million sq. ft., as against 4.8 million sq. ft. Sheet glass manufacture, it may be noted here, had been stopped for several months in 1952.

In the group of industries mentioned above, production of motor tyres and tubes declined from 994,000 to 958,000 and cigarettes from 138.6 million to 131.7 million. Tea chests also were down at 34 million sq. ft. as against 56.05 million. Refractories also were shade lower at 148,000 tons, against 163,000. Industrial alcohol fell from 4.59 million gallons to 3.96 million.

Although the general performance of most of our industries has, on the whole, been satisfactory, as is evident from the foregoing account, their total output is still far short of the latent demand of the country which remains unsatiated for lack of adequate purchasing power with the masses. The problem of augmentation of purchasing power in the hands of the masses, therefore, should be effectively tackled. This could be done by encouraging establishment of new industries and intensive agricultural production which is the only way of providing the masses in India with gainful occupation. For this a bold industrial and agricultural policy is quite essential. The keynote of such policy should be unstinted State assistance to private enterprise. Apart from tariff protection, State assistance should take the form of tax reduction, bulk purchases, direct loans, loan guarantees, research facilities, and freight concessions.

TASK BEFORE INTERNATIONAL MONETARY FUND

(*Concluded from page 32*)

blish convertibility. However, the Fund's resources alone are probably not adequate if stand-by arrangements were necessary to support the introduction of convertibility by all the leading countries, and certainly not adequate for a serious recession. The Fund and its principal members would be well advised to agree beforehand at least on some temporary increase in its resources whenever necessary. If the Fund can get increased resources before a recession becomes serious, it would no doubt assist its members more freely in the early stages of a recession. Such action would help to give confidence that a recession in one country would not grow into a world-wide depression.

• • •

N.B.—The above article is an extract from the statement recently made by Mr. Ivar Rooth, Managing Director and Chairman of the International Monetary Fund, to the U.S. Commission on Foreign Economic Policy (Chairman: Mr. Clarence Randall) which is currently studying tariffs and other aspects of the U.S. import policy.—Ed.

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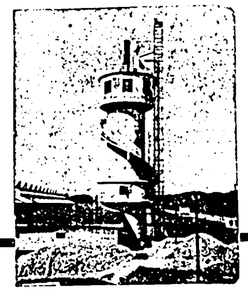

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INDIAN LABOUR PROBLEMS

"GIRI APPROACH" SUFFERS SETBACK

FEW subjects evoked so much interest amongst the enlightened public as those relating to labour in the year 1953. First of all, there was the postponement of the "Giri approach"—so called because Mr. Giri was the first to give shape to it, though at one time it was vigorously mooted by Mr. Nanda—which was designed to encourage settlement of disputes by mutual discussions and voluntary conciliation. Then came the news that the Five-year Plan had failed to solve the problem of unemployment and, with it, the announcement of the 11-point Programme to mitigate the rigours of unemployment and the subsequent proposals to revise the Plan itself so as to provide more opportunities for employment. Further, there was the Industrial Disputes (Amendment) Ordinance, 1953, promulgated on 24th October, providing compensation for laid-off and retrenched workers; the Bill to replace and amend the Ordinance is awaiting the assent of the President. There was again the Employees' Provident Funds (Amendment) Ordinance, promulgated on 14th October last, a Bill to replace which is also awaiting the assent of the President. The Bill to amend the Factories Act, 1948, is on the legislative anvil. Other developments of all-India importance included the misuse of powers, by the Travancore-Cochin Government, of section 15 of the Industrial Disputes (Appellate Tribunal) Act, in setting aside the award of the Labour Appellate Tribunal, and the award of the Special Industrial Tribunal giving the Madras Electric Tramways' workers the right to participate in the unused reserves of the Company.

Throughout the year, the Centre pursued what many would regard as an unenlightened labour policy. It is true that each of the labour measures it undertook meant only a small additional burden on the industry, but the cumulative effect of all of them was to inflict a heavy burden indeed. No wonder, therefore that the Centre's policy came in for a good deal of criticism by the employers as being unwarranted in the context of the buyers' market which has come to prevail.

The trade union leaders took full advantage of the restless labour situation and inflamed it, with a view to advancing their own political and personal ends. Consequently, the tussle between capital and labour was aggravated, with the latter generally tending to adopt go-slow tactics. How political parties vied with each other for leadership of labour was prominently revealed in the Burnpur labour dispute, which resulted in the loss of not only wages to labour but also of more than a lakh tons of steel to the nation. Regrettably enough, the trade union leaders limelighted the rights of workers though they forgot their obligations. They seemed to think that the road to healthy labour relations was a one-way street, with the responsibility resting entirely on the employer.

"Giri Approach"

The setback to the "Giri approach" was the most disappointing development of the year. More so, because the author himself lost the zest for it at the very first sight of opposition and tried laboriously to explain away his failure to implement his plan by the argument that there was every justification for pursuing a cautious and, perhaps, conservative policy in the matter of labour-management relations, as the economy was showing visible signs of depression leading thereby to increase in unemployment. This explanation was hardly convincing. In fact, it was pointed out that the increase in unemployment was more due to increase in population than to any marked setback in economic activity and also that what the country was suffering from was the high-cost economy. This defect, it was further pointed out, could not be remedied by pursuing a doctrinaire approach to employer-employee relations or by impeding the wholesome attempts of employers at making their units economic and competitive, but by providing incentives for industrial and agricultural expansion on lines that would yield sustained results.

11-Point Programme

The Planning Commission's 11-point Programme did not evoke much enthusiasm. There was nothing new in this programme, for the suggested measures such as special assistance to individual or small groups of people for establishing small industries, development of road transport, encouragement of private building activities, provision of incentives for development of power sponsored by private capital and assistance to cottage and small-scale industries had either foundered on the rock of finance or was nullified by the threat of nationalisation. Moreover, it was not clear how the cottage and small-scale industries would succeed in a buyers' market when the cost of their products would be high and their quality low. Surprisingly enough, even the Centre's scheme, announced in August, for providing employment to 30,000 teachers in 1953-54 and to 50,000 in 1954-55, besides employment for a large number of social workers, and the subsequent announcement that the expenditure on the Five-year Plan might increase from the originally estimated Rs. 2,069 crores to Rs. 2,200 crores did not evince much enthusiasm. The Commission failed to emphasise the most important need for freeing private enterprise from the shackles of high taxation, threat of public ownership and the like. It failed to recognise that no living organism could grow when put into a strait jacket and, even if it did so, it would be unbalanced and ugly.

Industrial Disputes Act

The Bill to replace and amend the Industrial Disputes (Amendment) Ordinance, 1953, which is awaiting the assent of the President, is no doubt a good measure which no enlightened employer would oppose. But its chief drawback is that it will retard industrial development of the country, since it will act as a strong disincentive to the expansion of existing industries and to the establishment of new industries. New ventures need careful nursing and, should it become necessary to effect economies, the provision of gratuities calculated at 15 days' average pay for each completed year of service, or part thereof in excess of six months, would be found to be a significant additional liability. Those who seek to promote new concerns will naturally hesitate before doing so. The case of existing concerns which, on account of changed circumstances, are unable to continue to keep in employment surplus labour will be no different. Not only have they to suffer losses, but also to meet this fresh burden.

Provident Funds Act

The proposed amendment to the Employees' Provident Funds Act, 1952, which seeks to provide for the application of the Act to a factory, if the majority of the employees and the employer were agreeable, and for the inspection of factories, whether covered by the Act or not, to ensure strict compliance with its provisions, might be well-intentioned. But it suffers from the grievous defect of over-centralisation. It fosters in the mind of the illiterate workers, who constitute the bulk of the labour population, that the Government alone is the benefactor of labour.

Factories Act

Although the Bill to amend the Factories Act, 1948, is an improvement over the Act, it is not free from blemishes altogether. Thus, clause 13 of the Bill relating to the calculation of overtime wages, is fair neither to the employers nor to the workers. For it virtually compels the employers to treat even bachelor workers as standard families. It is not fair to employees either, for the employees with families larger than a standard family would not be entitled to any additional benefit. The wages should be related to circumstances obtaining in the case and should not be tied to any particular level. Again, the Bill treats the days of lay-off, maternity leave and leave earned in the previous year as days on which the worker had worked for computing the period of 240 days of active work. This again is not fair. It should be made obligatory on the worker to put in a qualifying period of 240 days of actual work, before he becomes entitled to leave with wages.

Appellate Tribunal's Award Ignored

The Travancore-Cochin Government's rejection of the Labour Appellate Tribunal's Award on the question of retrenchment of the employees of the Tata Oil Mills Co., Ltd., Ernakulam, has a far-reaching judicial and economic significance. The Labour Appellate Tribunal reversed the judgment of the Industrial Tribunal which had held that there was no justifiable necessity for retrenchment and held, instead, that it was the function of the management to determine the strength of the labour force it needed. The State Government's rejection of this award has created the impression that the judgment of the Appellate Tribunal is not binding on all parties to the dispute. It is true that discretion vests in a State Government to take such a decision, but this discretion should be exercised only in an emergency. But no such emergency prevailed at the time the Travancore-Cochin Government decided to ignore the Appellate Tribunal's judgment. The situation is one that calls for some remedial action, so that this instance may not be repeated in future. It is gratifying to note that the Ministry of Labour, being aware of the complications of the issue, has expressed the hope that it would be possible to evoke a formula, which would receive the general acceptance of all the parties concerned.

Unused Reserve Funds

The award of the special Industrial Tribunal set up by the Government of Madras to settle the industrial dispute that arose between the workers and the Madras Electric Tramways Company, following the heavy losses suffered by the Company and the stoppage of the tram service with effect from 12th April, 1953, is yet another subject of controversy. For, it held that the workers should be allowed to participate in the unused reserve funds of the Company provided for improvements and extensions, taxation and general purposes and that 50 per cent. of the funds should be divided amongst the workers who were on the rolls on the day of closure. The repercussions of such an award are really far-reaching. An appeal has been filed with the Labour Appellate Tribunal, the judgment on which is awaited.

These developments in the sphere of industrial relations are disquieting indeed. It is insufficiently realised that the future prosperity of this country rests, as that of any other country, on healthy labour-management relations. It is wrong to talk about capital and labour, as if they were two irreconcilable opposites—a conception leading only to discord and, via the class struggle, to destruction and never to a constructive goal. The responsibility for industrial peace rests not merely on the employer but also on labour and the Government. All must be prepared to give and take. This presupposes, at the outset, a healthy trade union movement in the labour sector and enlightenment on the part of employers.

So far as the Government is concerned, it should weigh the interests not only of labour and employer but also the consumer in formulating its labour policy. The history of the labour movement, since Independence, reveals that the Government has erred on the side of speed in enacting statutes. A positive cascade of Acts, Bills and expert committee reports has descended upon us. It might well be called a veritable avalanche considering how chilling the effects of some of the measures enacted, and proposed to be enacted, are on the incentive to investment, which alone provides the cure for the growing unemployment in particular and for the low living standards in general. It is true that, speaking from a purely humanitarian point of view, the labour laws are splendid pieces of legislation. But the present state of industrial economy is not in a position to bear its crushing weight. This is so because even the U.K., which has provided the inspiration for major labour legislation, has not itself departed from the salutary doctrine of gradualness. It is true that many social welfare measures have been adopted by the U.K. But it must be remembered that the U.K. did not attain this position overnight. The history of British labour clearly shows that the gains which labour has made have come only after the country had achieved a great measure of industrial prosperity and not before. This indicates the need on the part of the Government of India to "hasten slowly" with its social welfare measures and to consider their implications on the developing economy, before enforcing them.

Notices

THE FORT WILLIAM JUTE COMPANY, LIMITED

NOTICE

THE HALF-YEARLY ORDINARY General Meeting of the Company will be held at the Registered Office, No. 14, Netaji Subhas Road, Calcutta, on Monday, the 25th January, 1954, at 3-20 p.m. for the purpose of receiving the Directors' Report and Auditors' Report, passing the Accounts for the half-year ended 30th September, 1953, and transacting such other business as may be brought forward before the meeting.

The Share Transfer Register of the Company will be closed from 18th January to 25th January, 1954, both days inclusive.

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THE BRITANNIA BISCUIT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT an Interim Dividend of 3¼ per cent. on Ordinary Shares and 4 per cent. on Preference Shares has been declared by the Directors for the year ending 31st March, 1954.

The Dividend Warrants will be issued on or after the 15th January, 1954 to those shareholders whose names stand on the Company's Register on the 12th January, 1954.

By Order of the Board,
(Sd.) A. P. CHANDA,
Director and Secretary.

15, TARATOLA ROAD,
CALCUTTA-27, 18*th December*, 1953.

TREND OF INDIA'S FOREIGN TRADE

ADVERSE BALANCE NARROWS DOWN

THE year 1953 may be regarded as a turning point in the foreign trade of India for more reasons than one. A certain amount of stability came to prevail in this sector, especially during the second half of this year, with prospects of this tendency becoming pronounced in the next year. This improvement was made possible by a substantial increase in the production of foodgrains and other commercial crops such as raw cotton. From 1954 onwards, it is expected that the first fruits of the Five-year Plan will slowly but steadily manifest themselves, giving further strength to the general economy of the country and making it possible for India to export more.

Ever since the Partition, the authorities were motivated, from time to time, to modify the country's foreign trade in such a manner as to safeguard the exchange resources in order to enable them to import essential foodstuffs, industrial raw materials and plant and machinery. At the same time, they effected considerable liberalisation of the export trade, with a view to reducing the trade gap as far as practicable. Until mid-1952, the food position, as well as the supply conditions, in regard to raw cotton and raw jute, continued to dominate the attention of the Government. Real relief came to it only when the production of foodgrains in 1952-53 showed an increase of nearly five million tons and the position may become still better during the current year on account of the promising *kharif* and *rabi* crops.

Terms of Trade

Despite the improvement in the economic health of the country, India's foreign trade is not likely to show a heavy trade surplus during the coming months, due to the fact that the terms of trade have been running against this country since mid-1952. This factor was very pronounced during 1953. The index number of average unit of declared values for exports stood at 110.2 (1948-49=100) in January, 1953, as against 169.1 for the corresponding month in the previous year. The index for import values was higher than that for export at 120 for January, 1953, the corresponding figure for January, 1952 being 129. In other words, while the import index dropped by about nine points the export index receded by 59 points, indicating thereby that the country had to pay more for its imports than it earned on its exports. The export index moved within a narrow range around 110 during the crop-moving season early this year. From May onwards, it began to show some improvement, touching 113.1 in June. The import index always ruled higher than its counterpart, moving between 114.2 and 122.7 during the first half of the year. From the quantum index point of view, the terms of trade were decidedly against India, especially in the first quarter of 1953. While the average import quantum index stood at the low level of 75, the export index was high at 108 for this period. During the second quarter of 1953, however, the difference narrowed down to only one point in favour of imports.

On the sea- and air-borne trade account, India continues to experience an adverse trade balance, but the gap is tending to narrow down appreciably during 1953. In the first ten months, total imports on this account amounted to Rs. 469.50 crores, as against Rs. 421.18 crores worth of goods exported from this country. In 1952, imports into India amounted to the high figure of Rs. 768.66 crores, as compared with Rs. 592.44 crores of merchandise exported from India during that year, the adverse trade balance to India being Rs. 176.22 crores. A substantial portion of this adverse balance was incurred during the first half of 1952 when India had to import large quantities of foodgrains. During 1953, imports into India on sea- and air-borne account may be estimated at Rs. 550 crores, while exports are expected to amount to about Rs. 520 crores, the adverse trade balance being about Rs. 30 crores.

It may be mentioned that most of this adverse trade balance was experienced during the months April to August, when the contracted foodgrains began to arrive in sizable quantities. The last four months of 1953 are, therefore, expected to show a moderate trade surplus on the sea- and air-borne trade account. In September and October, the surplus amounted to Rs. 7.07 crores. Since imports of foodgrains have been negligible during the last two months of the year and as there has been a revival of exports on account of the improved flow of jute goods, cloth, tea, etc., it is possible that a favourable trend will be revealed when the actual figures are released for publication in due course.

Balance of Payments

Although the figures in respect of the balance of payments position for 1953 may not be available for some time, indications are that the position is not at any rate unfavourable to India. The index for this is provided by the total foreign balances held by the Reserve Bank. These balances have been remarkably steady for the last many months. They declined to a post-war low of Rs. 677.28 crores in August, 1952; from this level there was a steady improvement to Rs. 724.45 crores at the end of the first quarter of 1953. From this, they again receded to Rs. 700.38 crores by August, 1953, on account of heavy adverse trade balance during April to August this year. But thereafter they moved up again, the latest figure standing at Rs. 710.84 crores (20th November). This figure is expected to improve further during the coming months if the trend in recent years for this part of the year is any indication. To some extent, however, India's trade balances are being influenced by the donations received from the U.S.A., the Commonwealth countries and also by the loans from the International Monetary Fund.

The trend of India's sea- and air-borne trade month by month for the last three years is as under:—

(In crores of rupees)

	Imports			*Exports*		
	1953	1952	1951	1953	1952	1951
January	40.91	89.46	64.51	43.61	64.53	60.57
February	38.64	79.31	51.80	38.73	45.68	63.73
March	45.46	89.64	59.13	48.58	53.61	86.54
April	55.66	79.41	58.10	38.50	42.37	55.25
May	55.40	78.38	71.28	40.58	48.14	86.91
June	49.68	61.82	70.56	39.71	48.50	63.25
July	48.71	58.03	68.45	39.61	51.91	58.66
August	48.45	57.56	70.15	38.10	53.22	62.20
September	43.12	47.73	67.24	47.81	46.74	60.49
October	43.47	43.65	66.07	45.85	52.96	46.41
November	..	40.03	66.94	..	40.40	62.33
December	..	43.64	73.89	..	44.48	56.48
Total ..	469.50†	768.66	780.12	421.18†	592.44	762.82

† For ten months only.

On the land-borne account (principally the trade with Pakistan), the trade between India and Pakistan has not been developing as one would have liked. In 1952, imports from the landlocked countries like Pakistan, Afghanistan, Iran, etc., amounted to Rs. 32.93 crores, as against Rs. 73.97 crores in the previous year. In the first three quarters of 1953, the imports declined appreciably to Rs. 17.26 crores. A large part of the recession has doubtless been due to the heavy decline in the prices of raw jute. More than imports, the drop in exports from India has been very much pronounced, largely due to the severe import restrictions resorted to by Pakistan, in order to improve its balance of payments position. Despatches from India in 1952 aggregated Rs. 26.73 crores and indications are that they are not likely to exceed Rs. 10 crores in 1953, the actual for the first three quarters of 1953 being Rs. 4.84 crores.

Land Trade

The following table gives, in a nutshell the trend of India's trade on the land frontier account during the last three years:—

(In crores of rupees)

	Imports			*Exports*		
	1951	1952	1953	1951	1952	1953
1st quarter	6.75	13.24	5.48	6.74	9.49	1.60
2nd ,, ...	25.34	4.52	3.07	4.44	9.27	1.16
3rd ,, ...	22.76	4.34	8.71	5.01	5.42	2.08
4th ,, ...	19.12	10.83	..	8.20	2.55	..
Total ..	73.97	32.93	17.26†	29.39	26.73	4.84†

† Three quarters only.

On the import side, the decline in the value has been largely the result of the drop in foodgrains and raw cotton, the actual decline of both being nearly Rs. 154 crores which represent 75 per cent. of the fall in the values. During the first eight months of 1953, imports under the food, drink and tobacco group amounted to Rs. 89.81 crores, as against Rs. 198.66 crores in the corresponding period of the previous year. It may be mentioned that the quantum of foodgrains imported till the end of September, 1953 amounted to 16 lakh tons, as against 37 lakh tons during the same period of the previous year. Imports of raw cotton receded from Rs. 95.47 crores to Rs. 39.04 crores during the eight-month period, while those of mineral oils were slightly higher at Rs. 57.92 crores, as compared with Rs. 55.02 crores. Raw rubber imports were negligible, indicating thereby that India is fast approaching self-sufficiency in this respect. In the first eight months they amounted to barely Rs. 10 lakhs. Thanks to liberalisation of imports of copra, palm oil, cottonseed oil, etc., their arrivals moved up from Rs. 1.39 crores to Rs. 1.74 crores. Relaxation on imports of woollen goods is reflected in the higher intake of imported wool by the indigenous mill industry which increased from a mere Rs. 33 lakhs to Rs. 1.07 crores. Total imports under the raw material group receded from Rs. 166.80 crores to Rs. 111.74 crores.

In the manufactures group, the decline was slightly moderate, the figure coming down from Rs. 221.26 crores to Rs. 179.39 crores. Since imports under this group are scanned by the Government from time to time taking into account the stock position and the progress of indigenous manufacture, the intake of these also showed a downward trend. Imports of chemicals declined from Rs. 23.08 crores to Rs. 14.88 crores, dyestuffs and colours from Rs. 10.26 crores to Rs. 8.19 crores, cutlery, etc., from Rs. 11.95 crores to Rs. 9.70 crores, metals (iron and steel) from Rs. 18.80 crores to Rs. 13.67 crores, non-ferrous metals from Rs. 14.57 crores to Rs. 12.57 crores, vehicles from Rs. 27.21 crores to Rs. 15.39 crores and cotton yarn and manufactures from Rs. 3.71 crores to Rs. 2.32 crores. An unwelcome feature, however, was the drop in imports of millwork and machinery, which is a sure index of the progress of industrialisation and the rehabilitation of plant and machinery in India. During the eight-month period, they receded from Rs. 68.41 crores to Rs. 58.36 crores. Imports of electrical goods were, however, better at Rs. 10.66 crores, as against Rs. 8.61 crores a year ago; similar is the case with "other yarns and textile fabrics" which moved up from Rs. 5.85 crores to Rs. 8.72 crores largely due to imports of staple fibre yarn.

During the process of the return of normal times, underdeveloped countries exporting raw materials and semi-manufactured goods will necessarily have to take special measures for safeguarding their export trade. Since the prices of manufactured goods like machinery, etc., are expected to show substantial resistance, relatively speaking, as compared with those of raw materials—this was the position in the pre-war depression period—India must be vigilant in the coming years. In this connection, the measures that are proposed to be taken by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, are in the right direction, especially the setting up of individual commodity committees in important ports from where they are being exported.

Total exports during the eight-month period declined from Rs. 331.17 crores to Rs. 240.94 crores, a substantial portion of which was accounted for by jute goods which declined from Rs. 124.78 crores to Rs. 57.33 crores. While the volume of jute goods was lower by about 8 per cent., the value receded by 49 per cent. Despite the improvement in the volume, the value of cotton textiles exported dropped from Rs. 49.62 crores to Rs. 40.21 crores. In a number of instances also, the decline in prices has acted adversely against India.

Shipments of cashew kernels declined from Rs. 11.20 crores to Rs. 9.73 crores, spices (mainly pepper) from Rs. 17.01 crores to Rs. 12.08 crores, tobacco from Rs. 10.17 crores to Rs. 8.32 crores, mica and other products from Rs. 7.30 crores to Rs. 6.06 crores and lac and resins from Rs. 6.40 crores to Rs. 4.64 crores. Following an improvement in prices, exports of tea rose in value from Rs. 47.09 crores to Rs. 51.32 crores.

Under the raw material group, exports of coal dropped from Rs. 6.66 crores to Rs. 3.46 crores and vegetable oils from Rs. 18.93 crores to Rs. 9.28 crores. Oilseeds were appreciably lower at Rs. 2.51 crores as against Rs. 4.79 crores. Raw cotton and wool also declined from Rs. 16.11 crores and Rs. 5.41 crores to Rs. 14.57 crores and Rs. 4.04 crores, respectively. Exports of manganese continued to move up, their value improving from Rs. 18.47 crores to Rs. 22.80 crores. Raw hides and skins remained very steady at Rs. 4.05 crores. In the manufactures section, a marked improvement was noticeable in the sendings of half tanned hides and skins, the value of which moved up from Rs. 10.23 crores to Rs. 17.35 crores.

Distribution of Trade

In the distribution of trade, there was a notable change in that there was a marked decline in the imports from the U.S.A. During the period of eight months, imports from that country declined sharply from Rs. 245.64 crores to Rs. 68.67 crores due to the reduction in the offtake of wheat, raw cotton and some coarse grains. As a result of this development, the U.K. once again came to occupy the first place in the import trade. Total imports from that country amounted to Rs. 93.68 crores, as compared with Rs. 108.64 crores in the preceding year. Imports from Canada also dropped from Rs. 22.54 crores to Rs. 13.38 crores, mainly due to a decline in the intake of wheat from that country. Australia, on the other hand, increased its exports to India from Rs. 12.25 crores to Rs. 22.95 crores. Trade with West Pakistan came to a standstill, imports from that country being negligible at Rs. 46 lakhs. Despatches from Ceylon declined from Rs. 3.67 crores to Rs. 2.99 crores. The intake from the free port of Singapore was somewhat better at Rs. 9.35 crores, as also from Kenya and Sudan at Rs. 13.25 crores and Rs. 5.36 crores, as against Rs. 10.65 crores and Rs. 1.93 crores, respectively. The intake from West Germany was very steady at Rs. 17.15 crores, while that from Italy improved from Rs. 7.01 crores to Rs. 13.28 crores. Despatches from Holland, France, Belgium and Switzerland were all lower at Rs. 7.29 crores, Rs. 6.71 crores, Rs. 4.27 crores and Rs. 5.21 crores, respectively. Among the neighbouring countries, imports from Burma receded from Rs. 19.74 crores to Rs. 16.72 crores. Imports from Japan also fell sharply from Rs. 14.35 crores to Rs. 8.59 crores, but those from Egypt improved from Rs. 15.54 crores to Rs. 17.83 crores due to an increase in the intake of raw cotton. On account of the cessation of oil imports from Iran, Saudi Arabia has begun to occupy a prominent place, exports from that country being as high as Rs. 9.26 crores.

From the export angle also, the U.K. turned out to be the best customer of India. During the first eight months of 1953, exports from India to the U.K amounted to Rs. 82.94 crores, while those to the U.S.A., were valued at only Rs. 63.72 crores, the figures relating to

(*Continued on page 171*)

COMMODITY PRICES AND COST OF LIVING

TREND IN 1953 UPWARDS

WITH the adoption of several disinflationary measures in 1951-52 and of the steps taken concurrently to augment supplies through higher production and larger imports, one thought that the back of price inflation in India, which had received a powerful impetus from the Korean War boom in commodities, had been broken and that prices would stabilise themselves at lower levels. The Union Finance Minister, Mr. Chintaman Deshmukh, also claimed, in his budget statement for 1953-54, that prices had, on the whole, "remained steady at lower levels." The year 1952, too, presented a price pattern which was more or less in line with this view. Subsequent events on the Indian price front, however, would appear to have belied this expectation, although, in recent weeks, prices have somewhat tended to decline. For the course of commodity prices during the major part of the year that is just drawing to a close was upwards.

The all-India average wholesale price index (base: year ended August, 1939=100), which stood at as low a level as 372.7 at the close of 1952, gradually, and at times sharply, rose to 410.4 in August, 1953, representing an increase of more than 10 per cent. Since then, there has been a slight recession. The index for the week ended 28th November, for instance, was lower at 388.6. But even this was higher by over 4 per cent. than the index for December, 1952. The decline in the number since August was mostly of a seasonal nature. Reports of increase in agricultural crops led to a certain amount of bear selling in commodities in October and November. But since then some of them have again gone up, which is a sequel to excessive selling in the former two months. To some extent, the fall in prices may also be attributed to liberalised import policy for the half-year ended December, 1953 and partly to imports of sugar, copra and palm oil at sharply reduced rates of import duty.

Causes for High Prices

Despite the improved supply position in respect of a number of commodities and the return of the buyers' market, as reflected in the downward trend in world commodity prices, it is rather queer that commodity prices should have managed to remain at a relatively high level. What are the factors which have been responsible for this state of affairs? The most important factor is the substantial relaxation in controls over prices and distribution of several consumer goods, including cloth, sugar and foodgrains, and certain categories of iron and steel manufactures. Further, suitable adjustments (reduction in export duties and liberalisation of controls) have been made in the export trade policy, with a view to maintaining and stimulating external demand for Indian products. There has also been an upward revision in the prices of pig iron, steel and rubber. There was, besides, a fall in the production of certain commodities in the 1952-53 season. Consequent on these, prices of commodities generally tended to go up. The rise in prices would have, perhaps, been more marked but for the reduction in prices of sugarcane and certain foodstuffs, and the extension of the period of the Essential Supplies (Temporary Powers) Act, 1946, and the Supply and Prices of Goods Act, 1950.

Taken as a whole, however, 1953 did not witness such wide and erratic fluctuations in prices as they did in the previous year. The difference between the highest and the lowest monthly averages in 1953, for instance, was only 33, as against 63 in 1952. Again, the rise in prices over the year was to the extent of only about 1.9 per cent., which is in distinct contrast to a fall of 11.9 per cent. in the previous year. The average general index of wholesale prices for 1953 (on the basis of figures for 11 months) works out to 394.4, as against 386.9 for 1952 and 439 for 1951.

Manufactured Goods Recede

A striking feature of the commodity prices during the year under review was the advance in the indices of all the component parts, with the exception of manufactured goods. The average index of food articles for 1953 at 382.8 was 6.4 per cent. higher than the figure in 1952 (359.8). Similarly the indices of industrial raw materials and semi-manufactures moved up from 453.8 and 346.5 to 462.1 and 356.8, respectively. The index of miscellaneous items was also higher by 19 points at 659.2. The prices of manufactured articles, however, registered a decline, the index for 1953 being 373.5, as against 377.5. The rise in raw material prices, on the one hand, and the fall in the value of finished products, on the other, clearly indicate the none too happy position in which Indian industries are placed at present. These industries have to pay high prices for raw materials, while they have to sell their products at comparatively low prices, thanks to the successful resistance by consumers. Clearly, this should serve as a pointer to those who argue that industries are making huge profits and that they can, therefore, bear a higher level of taxation, besides giving more to workers by way of increased wages, bonuses and various amenities.

To revert to the trend of prices. The index of food articles, which stood at as low a level as 344.5 in December, 1952, steadily advanced to touch 407.0 in August, the highest level for the past two years. The increase was shared principally by tea and gur, the indices of which rose from 196 and 175 to 409 and 328, respectively. The increase in tea price was chiefly occasioned by the revival of export demand and restriction on production. Rice, wheat, *bajra*, and *jowar* also contributed to the rise. Their indices were higher at 546, 588, 331 and 230, as against 492, 557, 245 and 199, respectively. Although sugarcane price was reduced and imports of sugar from abroad were allowed, sugar too registered an increase, thanks to enlarged demand for the commodity, following high level of *gur* prices. The index moved up from 263 to 278. Pulses and coffee, on the other hand, accounted for a fall in prices. The index of the former receded from 541 to 504 and that of the latter from 675 to 611. However, following favourable prospects for *kharif* crops, prices of food articles tended to decline in September. This downward trend persisted in the subsequent two months also, the index for the week ended 22nd November being 385.6. Barring tea which met with renewed overseas buying enquiries, all the components have recorded a decline.

Industrial Raw Materials

The index of industrial raw materials jumped up from 421.7 in December, 1952, to 488.7 in August, 1953, thanks chiefly to the spiralling of oilseeds prices. This was attributed to a marked fall in the groundnuts crop, persistent demand from crushers and *vanaspati* manufacturers, paucity of current supplies, and extension of the period of free licensing of linseed oil and castor oil. There were broadening of overseas enquiries for castor oil. The index of groundnuts, for instance, shot up from 557 to 851 and that of linseed advanced by 48 points to 438. Raw cotton index moved up from 388 to 461. Among the factors which contributed to the rise were good offtake by mills induced by relaxation in controls, reduced imports of foreign cotton and possibility of the 1952-53 cotton crop being lower than earlier estimates. Raw jute prices proved an exception and were maintained at around the levels existing at the close of 1952. Prices being controlled, the index of coal prices stood unaltered at 357.

The upward trend in the index of industrial raw materials was halted in September and, thereafter, there was actually a fall, the index for the week ended 28th November, 1953, being 444.3. The fall was mainly the result of decline in oilseeds, the index of which came down from 660 to 498. This was due primarily to reduction in the import duty on palm oil and discontinuance of free licensing of castor oil exports. Reports of increase in production also acted as a bearish factor. Prices of fibres and minerals also were downwards.

Prices of semi-manufactures, which showed a firm trend in the first eight months of 1953, gradually receded in the subsequent months. The index of this group climbed up from 342.6 to 365.4. In November, however, it was slightly lower at 355.6. The initial firmness was primarily accounted for by vegetable oils—this was the result of high level of oilseeds prices—the index of which rose from 422 to 595. The indices of oilcakes and cotton yarn were higher at 439 and 442, as against 400 and 439, respectively. Mineral oils did not show any marked variation. Leather and metals, on the other hand, experienced a downward pull in prices, their indices receding from 422 and 228 to 406 and 223, respectively. The last quarter of the year witnessed a gradual recession in the prices of vegetable oils, leather and cotton; the respective indices for the week ended 28th November were 506, 398 and 436. Oilcakes, however, continued to rule high, the index touching 465.

Manufactured goods were fully steady in the first eight months of the year under review, but suffered a break in the subsequent month, although a slight recovery has been in evidence in the past few weeks. The trend of price movements in respect of this group is given below:

	December 1952	March 1953	September 1953	Week ended 28-11-53
Cotton	398	409	394	393
Jute textiles	392	378	385	427
Cotton	400	408	410	397
Rayon and silk textiles	442	521	390	393
Woollen textiles	240	313	313	313
Metal products	342	336	337	337
Others	290	290	285	284

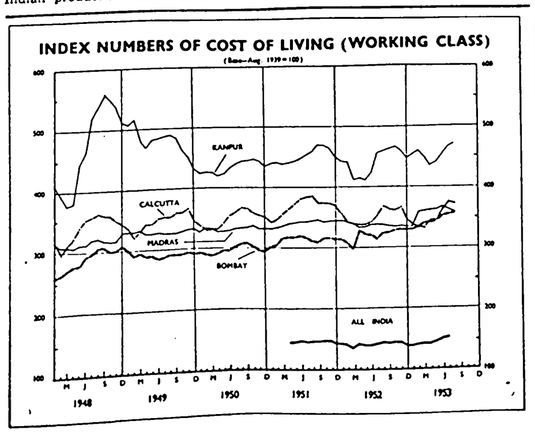
It will be evident from the above figures that the prices of jute goods and woollen manufactures have gone up considerably over the year, while those of rayon, silk and metal products have declined. The advance in jute goods prices was brought about by improvement in overseas demand, particularly from the Argentine, and reports of higher burlap consumption in U.S. Prices of cotton manufactures were maintained at a high level. In recent weeks, however, some recession has been noticeable. The decline is accounted for mainly by cotton textiles, which reflects some of the tax concessions given by the Central Government in the form of reduction in excise duty on superfine cloth, abolition of export duty on medium cloth and allowance of a rebate on import duty paid on cotton used in cloth produced for export.

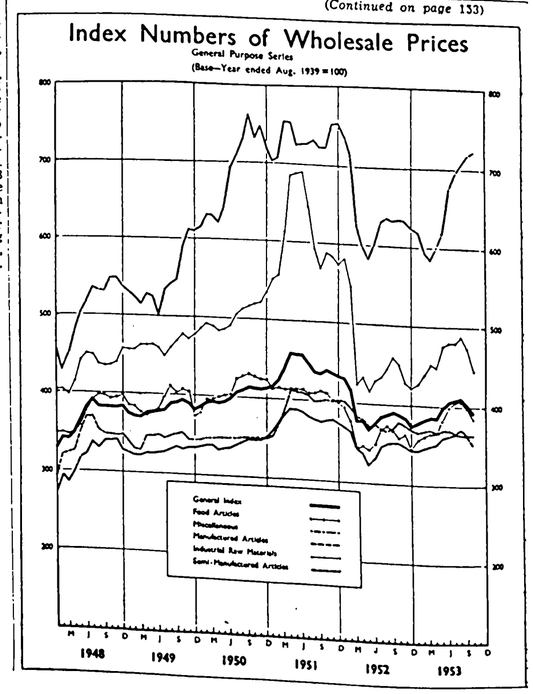
Living Costs

The upward trend in commodity prices during the major part of the year under review, as noted above, was fully reflected in an increase in the cost of living in practically all industrial centres. The all-India working class cost of living index (base: 1944=100), which stood at 139 in December, 1952, shot up to 152 in August last. The extent of the rise over the eight-month period was 9.3 per cent., which is in striking contrast to a fall of 5 per cent. experienced during 1952 as a whole. The behaviour of living costs in the different industrial centres is depicted in the following table:

Centre	Base	Average for 1952	January 1953	August 1953
Bombay	June, 1934=100	337	340	376
Ahmedabad	July, 1927=100	239	260	285
Sholapur	Jan., 1928=100	310	310	325
Madras	June, 1936=100	330	327	352
Nagpur	Aug., 1939=100	380	381	397
Calcutta	Do.	351	337	373
Kanpur	Do.	441	454	469
Delhi	1944=100	143	135	144
Jamshedpur	Do.	154	149	160
Jubbulpore	Do.	150	146	157

(Continued on page 133)





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WORLD COMMODITY PRICES

STABLE CONDITIONS NOTICEABLE

THE trend of commodity prices in 1953 has been characterised by far greater stable conditions than was anticipated at the commencement of the year. The most important factor influencing this trend was the economic activity of the U.S. which was surprisingly steady. Unlike the U.K. before 1914, that is, when it was a dominating factor in the world economy, the U.S., which has now stepped into its place has greater inherent strength than the former, for, besides being a great industrial country, the U.S. is a large-scale producer, consumer and exporter of foodgrains and industrial raw materials such as raw cotton, tobacco, etc. With the gradual disappearance of the threat of a world war and the enforcement of, albeit uneasy of truce in Korea, there was no longer the need for accumulating strategic raw materials. Consequently, prices of these goods began to display an easier trend. Since the U.S. had largely completed its stockpiling programme by 1952, this factor ceased to influence the price levels either way.

The shortage of dollar and the relatively high price support programme followed, by the U.S. to prop up farm prices helped a number of countries to step up production of raw materials such as cotton and foodgrains (for example, wheat), with the result that the shortage of many commodities experienced during 1951-52 began to disappear gradually. In fact, with the exception of coffee, no commodity was in short supply during 1953. Consumer resistance was noticeable in a greater degree this year than was the case previously, thanks to increased prospects of price recession. All the same, except in the case of some non-ferrous metals such as tin, lead and zinc and some other commodities like rubber, the price recession was not very pronounced during 1953, on account of the price support policy of the U.S. Government and also due to the unusual resilience of the economy of that country. The volume of goods entering the international trade during this year was somewhat lower than in the previous year, owing to the reduction in the exports of foodgrains, raw cotton, oilseeds, oil, etc.

Wariness Among Buyers

Since the prices of foodgrains play a very influential part in the determination of the price trend of other commodities, the increased supply position of wheat and other grains in many importing and exporting countries began to act as a bearish factor at the beginning of 1953. In fact, for the first time since 1939, world food production in the 1952-53 season caught up with the growth in world population. The good seasons experienced in 1952 and early in 1953 were largely responsible for the improved food position. Exports of wheat began to move somewhat slowly from the dollar area and many European and South American countries showed interest in Argentine wheat by entering into bilateral trade pact with that country. From the beginning of 1953, the downward trend began to manifest itself in a number of commodities such as foodgrains, base metals, rubber, etc. Perhaps, tin and raw cotton showed some resistance and, by the second week of February, the *Financial Times'* sensitive index number receded to 90.64. The turnover in almost all the important international markets began to shrink appreciably, due to the apparent wariness among buyers, particularly in the U.S. Metals began to come down in response to their increasing availability and lower consumption. At this time, exports of U.S. wheat were moving 40 per cent. below the comparable period of the 1951-52 crop year.

By April, prices of commodities such as tin, rubber and some other metals began to be influenced by the early prospects of peace in Korea. In particular, the cessation of purchase for stockpiling by the U.S. hit hard mainly rubber and tin, the production of which began to outpace normal consumption requirements. The signing of the Korean armistice took place early in August, but the various markets had discounted this event far earlier, because there was practically very little recession in August. The *Financial Times* index, for instance, showed a fractional rise in the first fortnight of August, when it stood at 84.78. Apart from grains, most commodities were able to retain their price levels and a few of them, notably copper, newly restored to free dealings, tin, the weakest, statistically, of the non-ferrous metals, and rubber recorded some advance. Wool, jute and copra were among the other more sensitive major commodities which moved up to some extent. All this happened when actual activity in most markets was, invariably, slight.

Continuous Optimism

In the last quarter of 1953, prices of most commodities displayed increasing steadiness and recorded moderate gains. This upward movement was assisted, to some extent, by a continuous movement towards restocking after the hesitant period when the Korean settlement was still under discussion. This favourable tendency became particularly pronounced after mid-October. Many non-ferrous metals became slightly firm, and even rubber, which at one time in October had come to the low level of 16d. per lb., began to recover the lost ground. Many other commodities, including cocoa, copra, jute, shellac, tea, etc., advanced to some extent. A notable exception was cereals, especially wheat, which were marked down to 189 cents per bushel in the last week of October. In sympathy with wheat, coarse grains showed some weakening signs. Nevertheless, a certain amount of continuous optimism was noticeable during the closing weeks of the year, resulting in stable price levels in a number of sensitive commodities in the world.

In the international commodity markets, a notable development has been the intensification of trade and bilateral agreements, particularly between the raw material and foodgrain producing nations and highly industrialised countries. This has been responsible, to some extent, for bringing down the cereals prices in the dollar countries to more normal levels. Argentina, for instance, entered into trade deals with a number of European countries such as West Germany, France, the U.K. and Soviet Russia, for exchanging its produce with machinery, electrical equipment, etc. In the Middle East, Egypt was seen pursuing a similar policy, exchanging its long-staple cotton for machinery and wheat, from a number of countries. Turkey had similar deals with Germany and other nations. Ever since the attainment of independence, India, too has been entering into bilateral agreements with various European countries with a view to fostering its trade.

Another significant development this year was the gradual restoration of free markets in a number of commodities, thereby doing away with rigid controls imposed during war years. Zinc was the first metal to be freed from control. This took place on 2nd January, 1953, and the opening free market rate at £93 was appreciably lower than the controlled rate of £110 per ton. When the truce talks in Korea were proceeding, zinc, lead and tin were adversely affected and prices receded to £71 for zinc, £89 for lead and £662 for tin by the end of June. At lower levels, there was considerable resistance, on apprehension that production of these metals would decline in case prices were marked down to uneconomic levels. In all these metals, price is an important determining factor in its use. Zinc, for instance, is used in die casting, pigments and rolled zinc, where the cost of the zinc constitutes the major part of the cost of the finished product. During most of the war years, this metal had been pegged at £25 15s., but, in 1951, it rose to £190, while the free price in Europe was even higher at £300. Copper was another non-ferrous metal which was restored to free trading in the second half of this year. Unlike lead and zinc, there was not impressive decline in its prices. Due to technical factors, as well as supply position, spot copper was standing around £230 per ton.

Fibres

In the fibres section, cotton, wool, sisal, etc., were remarkably steady in 1953, although some weakness became evident in December. In the case of wool, supply and demand were almost exactly in balance. In most manufacturing countries, the mills were active, barring, perhaps the U.S. where the trade was still inactive, largely as a result of the competition of rayon and other man-made fibres. The firmness was attributable to the exceptional demand for rebuilding working stocks which were depleted when wool prices touched phenomenal levels in 1951-52. When the new season sales began, prices were very steady, due to prospects of better demand from the U.S. The fact that Argentina had made some arrangements to supply wool to Japan, Russia, Italy and Germany, made the outlook more sober, despite the reports that clips would be higher this season, than in the previous season. Towards the end of the year, demand was forthcoming at every setback, indicating that the position in respect of this commodity was relatively good.

With regard to cotton, world production continues to exceed consumption, resulting in an improvement in stocks. The price support policy that is being followed by the U.S. in cotton, as well as in other commodities, has been giving some stimulus for other countries to grow more cotton, etc. Among plantation crops, tea has been able to emerge more hopefully from the depressed conditions of 1952. The statistical position has become healthy, as a result of the operation of the restriction scheme and the prevalence of adverse weather conditions in North India which have prevented heavy production in this region.

The position in regard to natural rubber is not so promising. During this year, prices of this commodity declined appreciably, with the result that, at one stage, production became no longer profitable. The total output this year is now estimated to be 170,000 tons more than consumption. Since the stockpiling demand from the U.S. for this commodity has declined considerably, the future for this commodity depends on the policy that the U.S. will follow in regard to its synthetic rubber industry.

Prospects for 1954

Prospects for the new year in respect of commodities will largely depend on the economic and business conditions in the U.S. A section of economists has already begun to forecast some recession, which means lower prices for commodities in 1954. In most commodities, no short supply is noticeable and, in case there is to be any slackening of activity in trade, the pace of decline in prices will gather momentum. Already, the price support programme has begun to cost the U.S. Government something like $2,800 million this year and many wonder as to how long it can afford to go on at this rate. The industrial capacity of this country has expanded enormously in recent years and even a small business recession will create considerable dislocation. Already, in certain sectors, demand has been slowing down but this, according to some, indicates a mere readjustment in the U.S. economy. The U.S. Economic Commission, appointed by the President, will be submitting its report by March next. In this report, the Commission is expected to suggest, among others, measures to be taken by that Government for maintaining stable economic activity in that country and the world in general. Much thus will depend on what the U.S. Government does in the next six months.

(Concluded from page 150)

The upward trend in living costs in most of the centres was the result of advance in the prices of food, the principal constituent in a worker's family budget. Higher cloth prices were also responsible for the rise in centres like Kanpur, Sholapur and Jamshedpur.

Since September, however, there has been a fall in living costs in some centres, which closely follows the decline in the wholesale price of commodities. Thus the indices for Bombay, Ahmedabad and Sholapur for the month of October—the latest month for which figures are available—were 370, 282 and 220 respectively.

Trend of Prices in 1953

	1952 *Year-end*	*1st quarter*	*2nd quarter*	*3rd quarter*	*Latest*
Commodity indices:					
Financial Times (1st July, 1952=100)	94.02	91.47	85.14	84.70	85.94
Dow Jones: (Average 1924-25-26=100)—					
Spot	171.86	168.15	164.21	170.04	171.06
Forward	169.86	164.24	156.56	155.80	161.82
Moody's (31st December, 1931=100)	410.8	414.4	418.8	414.3	406.7
Reuter's U.K. (18th September, 1931=100)	514.9	504.0	493.9	486.1	478.7
	£	£	£	£	£
Copper .. .. per ton	285	280	252	232½	230
Lead .. .. ,,	105	87½	89½	90½	90
Zinc .. .. ,,	93-15	77-7	71½	70½	73
Tin .. .. ,,	950	920	662½	607½	625
Barley, Iraqian	27	24½	20½	19½	18½
Copra, F.M.S.	88	94	71½	83½	88½
Jute mill fists	85	85	101	94	110
Shellac .. .. ,,	164½	164	208	240	250
Sisal No. 1 .. .. ,,	97	97	90	95	90
Egyptian Ashmouni .. per lb.	35.60*d.*	31.3*d.*	33.25*d.*	35.45*d.*	36.80*d.*
Pepper black .. .. ,,	8*s.* 4½*d.*	10½*s.*	7½*s.*	6½*s.*	5½*s.*
	Cents	Cents	Cents	Cents	Cents
New York (cotton) spot	33.75	33.95	34.15	33.35	33.55
Coffee spot santos No. 4	53.50	57.00	56.87	61.00	58.00
Wheat (near contract) per bushel	234	223	191	192	210
Maize .. .. ,,	169½	157	153	144	157
	d.	*d.*	*d.*	*d.*	*d.*
Rubber .. .. .. per lb.	26½	21	19½	18½	17½
Wool tops 64's .. .. ,,	154	170	166	157	156

INSURERS UNEASY OVER ESTATE DUTY ACT

KEEN COMPETITION FOR BUSINESS IN GENERAL INSURANCE

THE two outstanding events of the year 1953 in the sphere of Indian insurance were undoubtedly the grant of the much delayed tax-relief measure for life insurance companies through the passage of the Indian Income-tax (Amendment) Act, 1953 and the enactment of the controversial Estate Duty Bill which is of considerable significance to insurers. If the former Act was welcomed as a step in the right direction, the Estate Duty Act was considered, rightly, as a measure that was calculated to retard the progress of insurance in this country. These two issues figured both prominently and frequently in the utterances of Indian insurers. General economic conditions, which were the subject of deep concern to insurers last year, occupied a minor place in the discussions among insurers who were somewhat gratified to find that, although the Indian economy did not make a remarkable recovery from the low levels touched in 1952, there was at least no further deterioration.

The Income-tax Amendment Act, 1953, which received the President's assent on 24th May, 1953, is based on the findings of the Income-tax Investigation Commission. The Act has raised the limit of exemption from tax from 50 per cent. of the insurers' actuarial surplus to 80 per cent. For purposes of income-tax assessment, the profits of life insurance business are taken as either the gross external income of the preceding year less the management expenses of that year or the annual average of the valuation surplus for the latest inter-valuation period. In computing the surplus, the companies were allowed to deduct 50 per cent. of the amounts paid to or reserved for or expanded on behalf of policyholders. This proportion (50 per cent. of the amounts so reserved) has now been raised to 80 per cent. Although this concession is not as liberal as that given in the U.K., where 100 per cent. of the policyholders' share of the surpluses is rendered free of tax, it is recognised that the tax-relief, now granted, is sufficiently substantial.

Estate Duty Act

The provisions of the Estate Duty Act, 1953, which relate to insurance, were, on the other hand, the target of attack by insurers. The Act treats, as a general rule, the property accruing to a person through the insurance policy of the deceased policyholder as an estate on which duty is leviable. There are, however, important exemptions. Controversy centred round these exemptions which are regarded by the the insurers as inadequate. The exemptions (clause 31) include: (1) Money payable under one or more policies of insurance effected by the deceased on his life for the purpose of paying estate duty, but not exceeding Rs. 50,000 (2) insurance policies to the extent of Rs. 5,000 (3) insurance policies effected by a deceased parent or guardian to the extent of Rs. 5,000 for the purpose of the marriage of the female relatives dependent upon him. The relief granted by the second and third exemptions, according to Mr. Purshotamdas Thakurdas, Chairman of the 'Oriental', is so "meagre" that it is "hardly worth the name" of relief.

These and other clauses of the Act, which have a direct bearing on insurance, were criticised by the Indian insurers on the ground that they would hamper the spread of the insurance habit in this country. Commenting on these provisions, Mr. Purshotamdas Thakurdas said: "It is well-known that this country has a very low *per capita* insurance, as compared to other countries. The need for intensively fostering insurance consciousness and aiding the development of life insurance business is, therefore, all the greater in the country, because social security in the form of provision for one's old age and for the family in the event of his premature death has in India, as contrasted with other advanced countries, mainly to be provided for and arranged by the individual himself." These words sum up the general attitude of all the Indian insurers.

New Life Business

The latest available all-India figures relating to new life business refer to 1951 which, according to the *Insurance Year Book*, aggregated Rs. 132.9 crores, as against Rs. 132.1 crores in the previous year. The following table gives the trend of new life business over the ten years ended December, 1951:

New Life Business

(Rs. in crores)

	Indian Insurers	*Non-Indian Insurers*	*Total*
1942 ...	36.5	6.4	42.9
1943 ...	62.9	9.2	72.1
1944 ...	95.2	11.0	106.2
1945 ...	122.8	12.6	135.4
1946 ...	131.4	12.9	144.3
1947 ...	114.1	12.3	126.4
1948 ...	107.7	12.0	119.7
1949 ...	123.1	12.2	135.3
1950 ...	118.4	13.7	132.1
1951 ...	116.5	16.4	132.9

The net amount of life insurance business in force in India at the end of 1951 was Rs. 792.94 crores, consisting of Rs. 677.02 crores worth of business in the books of Indian insurers and Rs. 115.92 crores in the books of non-Indian insurers. The annual premium income of the insurers amounted to Rs. 39.74 crores, consisting of Rs. 33.32 crores being the premium income of Indian insurers and of Rs. 6.42 crores, the income of non-Indian insurers. The assets of Indian insurers amounted to Rs. 249.82 crores, as on 31st December, 1951, which included Rs. 121.66 crores of Indian Government securities, Rs. 1.61 crores of securities of Part 'B' States, Rs. 13.74 crores of Municipal, Port Trust and Improvement Trust securities.

The over-all new business figures for 1952 and 1953 are not yet available. Judging from the business figures of some of the leading insurers, it would appear that the new business in 1952 should at least be maintained at the 1951 levels, though it is too hazardous to generalise from isolated instances. So far as the year 1953 is concerned, most offices reported an encouraging trend in the early part of the year. It would, however, appear that this trend has not been kept up. It remains to be seen whether the records of new life business, reached in previous years, could be maintained. Growing unemployment among middle class and the high cost of living are factors that interfere with the spread of insurance since this class has been the mainstay of the Indian insurance offices.

Valuation Reports

The impact of the increase in Bank rate (from 3 to 3½ per cent.) on the income of the insurers is seen in the increasingly larger number of insurers declaring bonuses higher than what they declared in their previous valuations. The Bank rate, which remained unchanged at 3 per cent. since 1935, was increased, it may be recalled, to 3½ per cent. in November, 1951. Although this has led to some depreciation of the insurers' investments, it has also enabled them to earn a larger interest on their current investments. The *Insurance Year Book* publishes every year an analysis of these valuation results. The latest year for which such analysis is available is 1951. An analysis of the allocation of surplus made by 55 insurers whose valuation results for 1951 are available shows the following encouraging trend (figures in brackets represent number of insurers):

Higher rate of bonus distributed than as preceding valuation (12); preceding valuation surplus not distributed; bonus declared at 1951 valuation (11); preceding valuation deficit but 1951 valuation surplus not distributed (5); bonus rate maintained (3); both valuations surplus but not distributed(5); both valuations deficit (5); lower rate of bonus distributed than at preceding valuation (2); bonus declared at preceding valuation; 1951 valuation surplus not distributed (1)—Total (44).

General insurers have had to face the problem of continuing high costs of maintenance of office staff and other expenditure, coupled with the fall in insurable values through the set back in general price levels. They too have had to face the problem of keen competition—and much uneconomic competition—for the available business. The latest available all-India figures for general insurance business refer only to the year 1951. Between 1950 and 1951, the fire premium increased by Rs. 1.39 crores to Rs. 9.39 crores, marine premium income by Rs. 0.29 crore to Rs. 4.11 crores and income from miscellaneous insurance business by Rs. 4.91 lakhs to Rs. 4.85 crores. The average claims ratio worked out to 31 per cent. in fire business, to 55 per cent. in marine insurance business and to 51 per cent. in miscellaneous insurance business, as against 31 per cent., 37 per cent. and 45 per cent. respectively in the previous year. The expense ratio in fire, marine and miscellaneous businesses was 29 per cent., 23 per cent. and 27 per cent. respectively, as against 28 per cent., 24 per cent. and 27 per cent. in the previous year.

Claims Ratio

Among the problems which confronted the general insurers during the year under review, mention must be made of the increase in claims ratio, particularly in the miscellaneous insurance business, and the continuing uneconomic competition in the whole field of general insurance business. Many companies have reported an increase in the claims ratio in the motor section, thanks to the increasing cost of repairs. It was in order to remedy this defect that the general insurers were compelled to raise the comprehensive insurance premium rates for motor vehicles with effect from the beginning of the current year. This was done in order to meet the mounting repair costs of insured vehicles involved in accidents. Many insurers feel that these costs are sometimes wantonly inflated.

Code of Conduct

The other problem relates to the evils that have grown out of unhealthy competition for procuration of business. In order to overcome the evils of rebating and payment of unauthorised commissions, various efforts were made in the past but without success. A Code of Conduct for general insurers was finally evolved and put into effect from this year. The main provision of this Code are: (1) No insurer shall establish a branch within a distance of 40 miles from another branch of his. (2) The branch office shall not merely function as a channel for procuring of business but also engage itself in the issue of cover-notes, premium receipts, policies, etc. (3) The continuance of part-time employees is permitted only with the sanction of the Administrative Machinery which is set up for the purpose of administering the Code. (4) Till the end of 1954, the number of inspectors, organisers and other field workers is regulated on the basis of the various slabs of premium income of the general insurers. Every insurer is expected to furnish particulars in the form that may be prescribed by the Administrative Machinery. It will be some time before the effect of these restrictions on general insurance business can be seen clearly. In the meanwhile, the leading general insurers have generally welcomed the Code of Conduct to which they have pledged their wholehearted support. There is, however, one section which feels that the Code may not achieve the desired results and that it will only add to the many restrictions on insurance business. It looks as though this section is correct. For, despite the support pledged by almost all the insurers, serious allegations of rebating and cut-throat competition are persistently heard. It is common knowledge in insurance circles that the Code of Conduct is a farce. Many feel in their heart of hearts that it would be better if the Code were abolished and free competition restored, though, for obvious reasons, they do not give public expression to this feeling. It remains to be seen as to how long this make-believe will continue.

An event of some interest to general insurers was the nationalisation of airlines. Some Indian insurers have only recently begun developing an aviation insurance section. These insurers have been anxious to see that their aviation section does not suffer through State ownership of the aviation industry. Referring to the nationalisation of airlines, Mr. B. M. Birla, Chairman of the Ruby General Insurance Co., Ltd., hoped that the Indian companies which have established regular aviation departments would continue to get Government support to sustain their departments on a sufficiently firm basis so that they "may be counted as aviation underwriters of good standing in foreign countries."

Health Insurance

It has not been possible for the authorities of the Employees' State Insurance to extend the Scheme to a wider area as expeditiously as they once hoped. Inaugurated in Delhi and Kanpur in February, 1952, the Scheme was extended to the Punjab in May, 1953. It is believed that before the end of the year it would be possible to extend it to Coimbatore in Madras State and Calcutta and Howrah districts in West Bengal. In October, this year, a Regional Board was set up in Madras, which will look after the administration of the Scheme in Madras, Andhra, Hyderabad, Travancore-Cochin and Coorg. The benefits of the Scheme have been made available to 40,000 employees in Delhi, 84,000 employees in Kanpur and 32,000 employees in the Punjab. If it is implemented in Coimbatore, it will cover 36,000 employees. In Calcutta and Howrah districts, it will cover 235,000 employees. The experience, gained by the working of the Scheme in Delhi and Kanpur, shows that it is becoming popular with the workers. The growing daily attendance at the dispensaries and the upward curve of payment of sickness and disablement benefits are indicative of the Scheme's popularity. Nevertheless, the authorities have found it difficult to implement the Scheme over a wider area. This is due to two obstacles. In the first place, the State Governments have complained that the one-third cost of the medical care, which they have to meet is too heavy. Secondly, the doctors, who work under the panel system, feel that the remuneration paid to them is inadequate. As efforts are being made to overcome these two important obstacles, it is confidently hoped that it will be possible to implement the Scheme in 1954 more expeditiously than hitherto.

BANKING AND MONETARY TRENDS

NORMAL CONDITIONS RETURN

THE climate in the banking and monetary sector is more salubrious to-day than what it was two years ago. The year 1951 had been characterised by severe inflationary pressures and the year that followed witnessed the full effects of the new monetary policy initiated in November, 1951. Looking from a distance to-day, one must admit that the economy has undergone a process of healthy adjustment. The acceptance of the principle of deficit financing in the first quarter of 1953 as an important factor in carrying out the Five-year Plan suggested that monetary and credit instruments would be put to constant use. But there was scarcely any official intervention and the money markets functioned very smoothly during the year under review. There were two reasons for this. First, the *tempo* of development expenditure during the past twelve months fell short of expectations. Secondly, the behaviour of the private sector of the economy was quite normal, making it unnecessary for the authorities to take any further measures. The period may, therefore, be characterised as one of stable conditions for banks and money markets.

The economic developments following the outbreak of the conflict in Korea forced a change in the two-decade-old rigid policy of cheap money and brought about a decisive change in the conduct of the country's financial affairs. The official discount rates regained their importance as a normal weapon of credit policy. This policy was not without success. So far as England was concerned, as the *Economist* observed, "a 4 per cent. Bank rate has been more effective in checking inflation, despite the mildness of the Budget itself, than even the advocates of monetary policy generally dared to hope. It has not only helped to check stock building, it has induced a wholly healthy caution in both business and personal spending." In India also, the adoption of a slightly stringent monetary policy had the desired effect. The adjustments that followed the introduction of the new monetary policy initiated in November, 1951, curbed the speculative lending and enabled the Reserve Bank to exercise an effective control on the magnitude and purpose of bank advances.

Interest Rates

There were indications in 1953, especially in the latter half of that year, that the inflationary pressures, which had received a fresh lease from the Korean war and the re-armament programmes and which had showed definite signs of easing, had ceased to exist and that it was no longer necessary to continue all the anti-inflationary measures. Interest rates, for instance, generally showed a downward trend. As many as six important countries, namely, Austria, Holland, Germany, England, France and Denmark, cut their official discount rates. Towards the close of the year, Sweden joined the rest of the European countries by reducing its Bank rate from 3 to 2½ per cent. The result is that the European Bank rates to-day are definitely below the maximum levels reached after the Korean war. Perhaps, the only important instance of an increase in the Central Bank discount rate during the year under review was in the United States, where the Federal Reserve Bank of New York discount rate was raised by ½ per cent. in January, 1953. Nearer home Ceylon also raised its discount rate by ½ per cent. to 3 per cent. in July, 1953. But later in the year, even these two countries relaxed the restrictions on credit, with a view to neutralising in part the effects of higher discount rate.

In all the countries where the Bank rates have been adjusted in a downward direction, the authorities were at pains to bring home that the change was in the nature of a limited readjustment and that it did not betoken any fundamental deviation in their policy of sound money. The reductions were largely intended to facilitate trade and industry which had to overcome a strong buyers' market and to create a psychological atmosphere against recession which was being freely talked about. The authorities wanted to prove that the primary object of their interest rate policy was flexibility and not rigidity and that the interest rates would be varied either downward or upward according to the exigencies of the situation.

The monetary and economic changes can be better understood in the wider setting of money supply. The three most important factors that influence money supply, as readers are aware, are: (i) Budgetary policy as reflected in the movement of the Central Government's cash balance, (ii) net position in respect of external payments and receipts indicated by the change in foreign assets, and (iii) bank credit which may be either to the Government or to the public. In the post-war years, the principal factors that influenced the money supply were the external payments deficit and expansion of bank credit. In the current year, both these factors assumed lesser importance and it was the budgetary policy that had some effect on money supply.

Money Supply

Over the twelve months ended November, 1953, money supply (vide the relevant table in the statistical section for full details) shows an increase of Rs. 27.9 crores, as against a sizable decline of Rs. 78.2 crores and Rs. 31 crores in the corresponding periods of 1952 and 1951. The major portion of this expansion, namely, Rs. 23.7 crores, was accounted for by currency in circulation. The share of deposit money was smaller at Rs. 4.2 crores. In 1952, on the other hand, both deposit money and currency accounted for the contraction.

The seasonal variations in money supply were normal and according to the customary pattern. Thus, the expansion in currency supply was largely in the first few months of the period which coincided with the busy season and in the last two months, namely, October and November, which also form part of the busy season. This increase in money supply in the early months amounted to as much as Rs. 87.7 crores, as compared with only a nominal rise of Rs. 8.4 crores in the corresponding previous season. The large expansion that took place this year probably reflects the fact that there was no slump, as there was in the first quarter of 1952, and that the (1952-53) busy season was more normal than any in recent years. The slack season that followed was also a normal one; the contraction in money supply between the first week of May and the end of September, 1953, amounted to as much as Rs. 110.9 crores, which is almost the same as in the previous slack season. The next two months, October and November, however, witnessed a rise of Rs. 41.8 crores.

A notable feature was that the expansion in money supply did not stem from bank credit, as it used to in the earlier years. The main factors responsible were the budgetary deficit represented by the fall in Central Government deposits with the Reserve Bank. To some extent, this was offset by the improvement in the balance of payments position as reflected in the accumulation of foreign assets with the monetary authorities. With the stepping up of development expenditures and increased emphasis on deficit financing, the Central Government deposits have, over the twelve months ended November, 1953, suffered a decline of Rs. 59.0 crores, a fall which is Rs. 10 crores more than that in the corresponding period last year. If the eleven months from January, 1953 alone are taken, the decline in the Central Government's deposits is as large as Rs. 76.7 crores. When considering this decline, one must take into account the larger receipts by way of Government loans, on the one hand, and the lower *tempo* of business activity, on the other. The latter factor foreshadows a fall in tax receipts. It may be noted here that, owing to difficult trading conditions, the Government has had to grant several tax concessions such as reduction in customs and excise duties. The surplus of foreign assets for the year ended November amounted to Rs. 14.8 crores, in refreshing contrast to a huge deficit of Rs. 84.0 crores in 1952 and of Rs. 38.6 crores in 1951. This surplus during the year under review helped, to a great extent, the banks to finance the busy season, without having had to borrow large sums from the Reserve Bank. Actually, the banks resorted to larger borrowings from the Reserve Bank only after the busy season was over, the principal factors during the inflationary phase being the budget deficits and the foreign trade surplus. The fall in money in the slack season was largely the result of (a) an increase in the Central Government's cash balance, (b) deficit on the balance of payments, and (c) the disposal of securities by the Reserve Bank.

Seasonal Patterns

As already stated, the seasonal patterns, which were rather very erratic for some seasons, appeared to have come back to normal during the current year. The 1952-53 busy season started rather late and its commencement was not visible until the early days of December, 1952, but lasted for well over five months. The slack season also appears to have been a prolonged one, for, until the first week of December, 1953, there was scarcely any trade demand for money. Judging from the crop conditions, which, after many years, appear to be favourable, the 1953-54 busy season appears to be a promising one for bankers.

The variations in the various component items of the assets and liabilities of the banking system were of a smaller order than on the previous occasions, reflecting thereby the fact that the banks witnessed rather listless conditions. Bank credit expansion during the last busy season was moderate and what little increase there was, was gradual. The total increase in this head for the whole busy season was only Rs. 78.1 crores at Rs. 554.0 crores, the lowest rise in a busy season peak for many years. Even this peak for 1953 was considerably lower than the peak of Rs. 600 crores reached in March, 1952. The proportion of advances to deposit liabilities was also lower at 64 per cent., which was nearly 6 points smaller than a year before. One of the reasons for the low level of advances was the reluctance of the middlemen, who buy commodities from villagers and resell them to consumers and the shippers who buy for export were reluctant to take any big risk in the face of uncertain economic situation and vacillating policy of the Government in regard to export duties. Whatever little stocks of commodities they bought were disposed of quickly and the funds borrowed for financing these stocks were returned to banks within a short time, only to be sought again when an opportunity for making fresh purchases presented itself. This process not only reduced the volume of funds required for financing seasonal trade but also imparted a greater degree of liquidity to commercial advances. In this connection, it may be pointed out that, between the end of June, 1952 and 1953, the number of loan accounts outstanding increased from 428,451 to 511,541. The return of funds in the following slack season was also equally prompt and orderly, the total of advances standing at Rs. 449 crores at the end of November, 1953. The proportion of advances to deposit liabilities at the end of this month was only 51.38 per cent.

Usance Bills

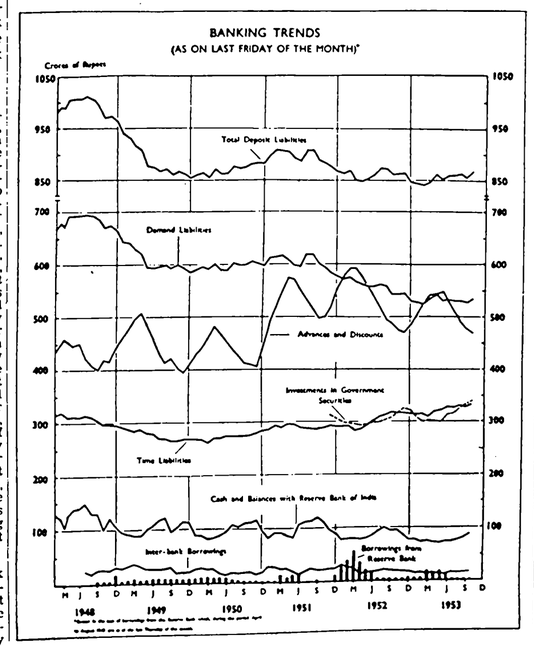
The provision of seasonal credit to trade did not place any perceptible strain on the banks during the year under review. This will be evident from the fact that the Scheduled Banks' indebtedness to the Reserve Bank (under section 17(4)(c) of the Reserve Bank of India Act) against usance bills, which had been practically eliminated by the end of October, 1952, amounted to Rs. 40 crores only upto the middle of May, 1953. Again, during the period January to June, 1953, such borrowings amounted to Rs. 60.8 crores, as against Rs. 74 crores in the corresponding period of 1952. But it must be noted here that this amount includes an increase of nearly Rs. 11.5 crores that took place in the second week of June. This accommodation was not for genuine trade purposes but for subscribing to the National Plan Bonds, as can be seen from the rise of Rs. 12 crores in the investment portfolio of Scheduled Banks during the same week.

Another evidence of the ease with which the banking system met the seasonal demand for credit is provided by the variations in the banks' borrowing from the Reserve Bank against Government securities under section 17(4)(a) of the Reserve Bank Act. During the first half of 1953, such borrowings amounted to only Rs. 89 crores, as against Rs. 136 crores in the corresponding period of the previous year. During the year, the banks generally preferred to finance the demand for accommodation through a reduction in their cash reserves, short-term borrowings from abroad and liquidation of Treasury Bills. It is significant that, during the busy season in the current year, the Exchange banks' foreign borrowings amounted to nearly Rs. 19 crores, as against Rs. 15 crores in the corresponding season of the previous year.

Advances

The slack season that followed witnessed the return of almost the entire funds advanced in the busy season. The funds thus returned were utilised by the banks to pay off their outside borrowings and to increase their investments—largely short-term. As a result, the investments formed, in the first week of November, 1953, as much as 40 per cent. of the deposit liabilities.

The pattern of advances, taken over a short period review of one year, have not showed any significant change. Commerce accounts for the bulk of the advances, with industry ranking next. Over a two-year period, that is, as compared with March, 1951, the share of commerce has suffered by nearly 6 per cent. in favour of industry and agriculture. The following table based on



the latest available figures shows at a glance the pattern of advances:

Percentage to Total Advances

	March 1951	June 1952	March 1953	June 1953
Industry	33.6	37.4	35.4	34.7
Commerce	53.1	46.7	48.0	48.2
Agriculture	2.1	4.0	3.7	4.2
Personal and professional	7.3	7.2	7.2	7.5
All others	4.0	4.6	5.8	5.4
	100.0	100.0	100.0	100.0

Though stringency in the money market during the 1952-53 season was not so very severe, inter-bank call money rate moved up to the previous busy season's levels of 3 per cent. for the larger Scheduled banks and 3½ per cent. for the smaller banks. This was in accordance with anticipations and reflected a proper adjustment of money supply to demand. During the slack season that followed, money rates declined to their normal levels but were somewhat higher, in that the inter-bank call rate stayed at ½ per cent. in the case of larger Scheduled banks, as compared with ¼ per cent. in 1952, and 1½ per cent., as against 1 per cent. in the case of small Scheduled banks. However, occasional stringencies were caused by temporary transfers of short-term funds from Bombay to Calcutta, owing to the differences in the interest rates. The Reserve Bank discount rate and Imperial Bank rates remained unchanged.

It must be said that the general pattern of interest rates did not show any considerable change. The long-term rate on trustee securities was at about 4.3 per cent., while the short-term three months Treasury Bill rate had more or less stabilised at 2.4 per cent. The rates charged by Scheduled banks on their advances, which had hardened a little during 1952, were lower in some cases and higher in some others, as can be seen from the following figures:

	Exchange Banks' June		Major Indian Scheduled Banks' June	
	1952 %	1953 %	1952 %	1953 %
Loans against—				
Government and Trustee securities ..	4–6	3–5	4–6	4–5
Shares ..	4½–6	4½–6	5–6½	4½–6½
Non-agricultural commodities ..	4½–6½	4½–6	3½–7	3½–9
Other secured advances ..	1½–6	3½–6	4–9	4–9
Clean advances.	2½–6	4–6	5–9	5–9

It will be noticed that the Exchange banks reduced their rate of interest on loans against Government securities, but raised it a little on clean advances and other secured advances. The major Indian banks also lowered their rate on loans against gilt-edged and shares, but increased it on loans against non-agricultural commodities. It will also be seen that the rates of interest charged by the major Indian banks were generally higher than those by the Exchange banks.

Deposits

It was mentioned last year that the downward trend in deposits in evidence since 1947 appeared to have been arrested. This view has been confirmed by developments during 1953. They reveal a tendency on the part of depositors to show preference for leaving money on time deposit accounts with banks. The higher interest rates and the uncertain commodity price trends have increased the value of money as a store of value, while restricting its usefulness as a means of payment in current transactions. Deposit liabilities, which were as much as Rs. 965.8 crores at the end of November, 1947, had declined year after year and reached Rs. 845.1 crores at the end of November, 1952. At the end of November, 1953, they stood at Rs. 858.6 crores, showing a net improvement of Rs. 13.5 crores, as will be seen from the following figures:

(In crores of rupees)

	Demand deposits	Time deposits	Total
24th November, 1947 ..	634.4*	311.4*	965.8*
24th November, 1950 ..	544.1	277.6	865.7
24th November, 1951 ..	559.5	293.3	852.8
30th November, 1952 ..	532.3	312.8	845.1
27th November, 1953 ..	526.4	332.2	858.6

* Only these include inter-bank borrowings.

While total deposits have gone up, the variations in demand and time deposits have been different. There has been throughout a continuous fall in the demand liabilities (including inter-bank borrowings) but demand deposits have been rising. It will be noticed from the above figures that, as compared with 28th November, 1947, while demand deposits have dropped over Rs. 125 crores, time deposits have actually gone up by a little over Rs. 20 crores. A feature of time deposits in 1953 was that the pace of expansion was a little slower than in 1952.

During the year, the trend of deposits with banks was more stable than in 1952. The demand deposits, for instance, fluctuated within a range of Rs. 30 crores, as against Rs. 45 crores in 1952, the highest and the lowest levels touched in 1953 being Rs. 543.7 crores and Rs. 512.9 crores, as against Rs. 585.4 crores and Rs. 540.4 crores, respectively. At the end of November, 1953, they stood at Rs. 538.93 crores, thus showing a decline of Rs. 5.2 crores only over the year, as against Rs. 39.4 crores last year. Time liabilities, which had recorded an increase of Rs. 25 crores in 1952, have staged an increase of Rs. 16.2 crores.

A lower cash ratio seems to have come to stay in our banking system. The excess over the statutory minimum, which in earlier years was of the order of Rs. 30-40 crores in the slack season, was scarcely Rs. 20 crores and that too only for half a dozen times. At the end of the busy season, the excess was only Rs. 5.7 crores. Thereafter, it fluctuated between Rs. 11 crores and Rs. 26 crores. The percentage of cash to deposits also was lower, the ratio touching a low of 8 per cent. on 8th May, 1953. Later, there was some improvement, with very wide fluctuations occasionally, and at the end of November, it was no more than 11.5 per cent. In the busy part of the season, the low-level of ratio indicated intensive use by banks of their deposit liabilities by way of commercial advances, while, in the slack season, it reflected an increase in investment in Government securities and Treasury Bills.

Treasury Bills

The resumption of the sale of Treasury Bills has imparted a certain measure of resilience to the short-term capital market. It has provided an opportunity for banks to invest a part of their surplus cash balances in these bills of short maturity, thereby enabling them to raise cash whenever the demand for funds arises, without upsetting their long-term investment portfolio. At the end of December, 1952, the holdings of Treasury Bills by the Scheduled banks amounted to Rs. 17.39 crores, but, by the end of June, 1953, they were only Rs. 3.09 crores. Thus, the liquidation of Treasury Bills of the order of Rs. 14.30 crores forms the major portion of the decline in the banks' investment portfolio of Rs. 23 crores between the end of December, 1952 and May, 1953. With the return flow of funds from trade in the subsequent months, the banks gradually built up their investments in Government securities, which, at the end of November, 1953, stood at Rs. 336.8 crores, showing a net increase of Rs. 11.8 crores over the year. Banks appear to have taken substantial interest in the new flotations by both Governments and local bodies. The addition by the end of November over the low level reached in May amounted to Rs. 37.2 crores. Of this, the share of Treasury Bills may be estimated at about Rs. 15 crores.

The hardening of interest rates had resulted in banks' borrowings becoming costlier. As the following table shows, banks have had to pay increased interest on larger amounts at the beginning of 1953 than in 1952:

Rate of interest (Per cent.)	1953 Amount (Rs. Crores)	1953 Percentage to total	1952 Percentage to total
Nil ..	190·5	31	32
0–1 ..	100·0	17	21
1–1 ..	78·1	13	16
1–1½ ..	64·7	11	10
1½–2 ..	30·0	5	6
Above 2 ..	137·4	23	14

There is no doubt that the average borrowing rate of the banking system has substantially gone up. This, together with the increasing cost of establishment, must result in profits being substantially lower than in the previous year, though the actual performance of individual banks may vary, in view of the keen competition that existed for the available business. The profits announced by the major banks for the first half of the year, it may be mentioned here, showed a substantial fall over those for the corresponding previous half-year. As the level of advances during the year was not very high and as repayments were also quicker, the amount of interest receivec must necessarily be less. It is, perhaps, these considerations that have compelled the banks to employ their resources to the maximum extent possible by keeping down the excess cash balance with the Reserve Bank at as low a level as possible.

The Government borrowing programme was more successful this year than in previous years. In June, the National Plan Bonds, 1961, fetched a cash subscription of Rs. 23.4 crores, besides enabling the Government to convert the 3 per cent. loan 1953-55 to the extent of Rs. 51.9 crores. Subsequently, as many as ten State Governments also successfully approached the market, offering 4 per cent. for 10-year loans. Total subscriptions amounted to Rs. 36.73 crores, of which conversions amounted to Rs. 2.72 crores.

Borrowings through small savings, however, were somewhat smaller than in the previous year, as will be seen from the following figures showing the net receipts:

(In crores of rupees)

	January to September 1952	1953
Post Office Savings Bank Deposits ..	+17.02	+11.77
National Savings Certificates ..	+14.20	+15.41
10-year Savings Deposits ..	+ 5.87	+ 5.47
Defence Savings Bank Deposits, P. O. Cash Certificates, Defence Savings Certificates ..	— 3.11	— 2.48
	+33.98	+30.24

Besides the foregoing, the Government borrowed through Treasury Bills also. The total amount of these Bills outstanding at the end of November were Rs. 17½ crores. The total of all these borrowings amount to a sizable figure of nearly Rs. 105 crores in cash. If we exclude the Treasury Bills and take Rs. 38 crores as the net small savings collected for the whole year, the net cash borrowings of long-term nature amount to Rs. 95 crores. With only Rs. 48 crores of maturing obligations in 1954 in the shape of 2½ per cent. loan, 1954 (Rs. 35 crores) and 3½ per cent. loan 1954-59 (Rs. 13 crores), the Government appears to be in a far more satisfactory cash position than in the previous year.

The capital market was equally responsive to the approaches made by the private sector and the local bodies. There were many placings both by semi-Government institutions and the private sector. Such borrowings were of the order of Rs. 25-30 crores on a rough estimate, a figure substantially higher than in the previous year. Amongst the important placings during the year may be mentioned the various municipalities, as, for example, Bombay for Rs. 1.5 crores, the Stanvac Refinery, the Tata Hydro, the Industrial Finance Corporation of Saurashtra, and the Central land mortgage banks of Saurashtra and Andhra.

Other Developments

The year has been notable for the absence of any important bank failures. But as many as five banks were refused licence during the year under section 22 of the Banking Companies Act, 1949 and, since they were not allowed to accept deposits any more, they were constrained to close down their business. It must be remembered that, under section 22 of the Banking Companies Act, a bank could continue to function until a licence is refused by the authorities. For this, as well as for other reasons, in all five banks were excluded from the second schedule to the Reserve Bank of India Act; in a few cases, they had actually ceased to function much earlier but were technically excluded now.

It was mentioned last year that two exchange banks ceased to function in India. During 1953, two new foreign banks established their offices in the Indian Union, namely, the National Bank of Pakistan and the Bank of Tokyo. As a result of these, the number of Scheduled banks at the end of November, 1953, was 91, as against 94 at the end of December, 1952. Although the number of Scheduled banks declined, there was no appreciable decline in the number of offices, as is borne out by the following figures:

	31-12-52	30-6-53	30-9-53†
Imperial Bank of India ..	410	419	420
Five leading Joint-stock banks ..	744	748	750
Exchange banks ..	64	65	65
Other Scheduled banks ..	1,480	1,466	1,475
Total ..	2,707	2,698	2,710

† Estimated.

During the period under review (upto September), as many as 73 new branches were opened, as against which 25 offices were closed. (This does not take into account the offices of banks that were removed from the second schedule during the period.) Of the new offices opened, ten were accounted for by the Imperial Bank in fulfilment of the programme of the Rural Banking Enquiry Committee. The tendency among the smaller Indian banks to open too many offices appears to have been arrested, they having accounted for a decline of as many as 14 offices. The number of offices of Indian banks in foreign countries other than Pakistan increased by seven to 39.

Central Banking

A significant development in the role of the central banking authority of the country has been the extension of its activities to some of the Part B States such as Hyderabad, Mysore and Travancore-Cochin. On behalf of these, as well as the Central Government and other Part A States, the Reserve Bank carried out, during the year, loan operation with considerable success. In Hyderabad, the demonetisation of the old currency has been carried out to a large extent and Indian currency is taking its place. The appointment of the Hyderabad State Bank as an agent of the Reserve Bank marks the first instance where the Reserve Bank has appointed a bank other than the Imperial Bank as its agent. In Mysore also, the Reserve Bank has assumed the function of bankers to Government and opened a new office in Bangalore; the Bank of Mysore was appointed as agent in the State to conduct treasury operations.

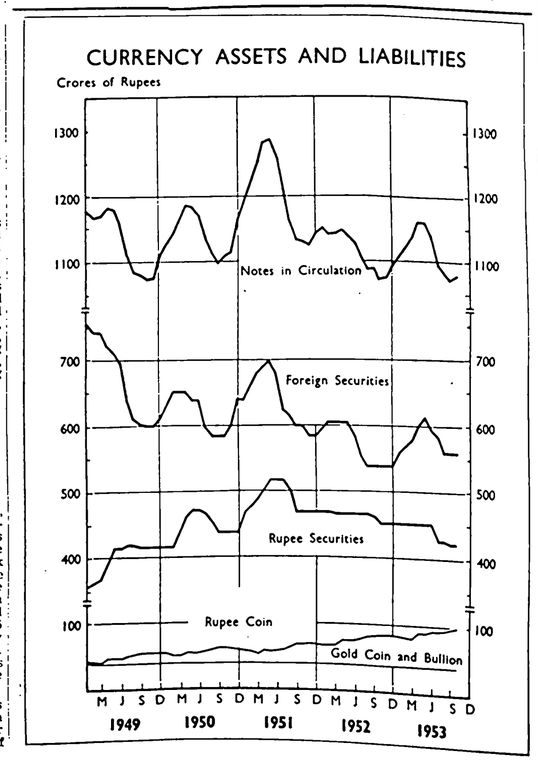
Apart from expanding the scope of the Reserve Bank's activities thus, several changes were made in the facilities for accommodation from the Reserve Bank. Owing to the success so far achieved, the Bill Market scheme, first introduced in January, 1952, was extended to Scheduled banks having deposits of Rs. 5 crores also, as against the previous limit of Rs. 10 crores. Moreover, in view of the higher rates of stamp duty in certain Part 'B' States, the Reserve Bank, which was refunding, under the Bill Market scheme, only half of the standard rate (viz., Re. 0-2-0 per Rs. 100), decided that, as an experimental measure and for a period of one year from 1st October, 1953, it would refund such portion of the stamp duty on usance bills or promissory notes, lodged with it as security for advances, as was in excess of Re. 0-1-0, which represents half the cost of the stamp duty in respect of these bills executed in Part A States and which is not refundable under the present scheme.

Agricultural Credit

Apart from these steps, the year under review witnessed evidence of the Reserve Bank taking far greater interest than before in the economic development of the country. In the sphere of agricultural credit, which is a special responsibility of the Bank laid down in the Statute, the Bank successfully promoted legislation to make itself eligible to give medium-term accommodation for agriculture and cottage and small-scale industries. The scope of the term "seasonal agricultural operations" was also widened so as to include mixed farming, processing, etc. And the Bank is now awaiting the Report of the Rural Credit Survey, which will help it to formulate more long-term policies in the sphere of agricultural finance.

The credit facilities for agriculture have been availed of in a number of States. Thus, advances for agricultural operations are now being availed of by as many as 12 States, as against only 7 in 1952. In the coming years, as a result of the active interest taken by the Bank in the reorganisation of the co-operative credit structure, more States are expected to avail themselves of the concessional finance and the quantum will be much larger than the Rs. 12 crores at which it has been standing for the last two years.

In the sphere of industrial finance, too, the Bank has been evincing keen interest, as witness the assistance it has been rendering in the setting up of Finance Corporations in the various States. The recent amendment to the Act passed by Parliament provides for medium-term advances to industrial co-operatives. Equally important, in this connection, is the appointment of the Shroff Committee to consider the ways and means of providing more finance to the private sector so that the objectives of the Five-year Plan may be achieved.



FRUITS OF FREE ECONOMY

INSPIRING IDEAL OF LIBERALISM

By Karodt A. Joseph

THE problem of combining an economic policy co-ordinated for a public purpose with a system which allows scope for individual enterprise and initiative is one which faces all states that are fighting for systems of freedom against totalitarian tyrannies. In the modern world, economic stress has been a great slayer of democracy and liberalism. To-day, when India is laying the foundations of a new democracy, it is necessary for every democrat to be reminded of the political significance of our economic organisation.

The mainstrings of democratic progress have been free enterprise and liberalism in the past, and these forces are bound to be the only durable basis of a free society. Freedom, like poverty, is indivisible. No society can be half slave and half free for long. Weakening of the forces of free enterprise and individual initiative all over the world, particularly since the beginning of the present century, has inevitably weakened democratic ideals everywhere. Free enterprise and free democracy are the twin products of liberalism—the most popular creed of the intellectuals. India's progress on democratic lines, inevitably depends on a revival of liberal traditions, a firm faith in individual initiative and freedom and a conviction that the prosperity and security of a modern State depend on the existence of a class of liberal-minded enterprising citizens who know their duties as well as their rights, and who are prepared to take risks in the noble adventure of building a free and prosperous India.

What is this inspiring ideal of liberalism that released humanity from feudal slavery and unmitigated drudgery and created a new world civilisation based on material prosperity and political freedom? During the golden age of European liberalism, this ideal referred to specific body of doctrines, having intellectual, economic, political and international significance. Intellectually, it championed freedom of thought, extolled technology, natural science and machine civilisation, and treated religion as a private affair of the individual conscience. In economics, it stood for individualism, for freedom of occupation and profession, for freedom of trade, for freedom of contract between the individual employer and the individual worker and for unrestricted competition in business and trade. It was hostile to the economic privileges of classes, the tariff and protectionism, to guilds and trade unions, and to Governmental regulations and control of commerce and industry.

In politics, liberalism regarded the ideal State as a "passive policeman," not concerning itself actively with the affairs of its individual citizens, but merely preserving order, protecting private property, fostering some public education and some public works. Likewise, it regarded as ideal a Government which would be constitutionally representative, and parliamentary, in which the propertied middle classes and educated professional classes, would predominate, and under which individual liberty would be large and taxation light. In international affairs, it was generally pacifist, though sympathetic to the "oppressed" people struggling for freedom. It condemned war as financially burdensome, as injurious to property and profitable trade, and as destructive of personal life and liberty.

Great Britain proved the most congenial home for the growth of liberalism, as it was a firm believer in free enterprise and a free political system. The unbroken peace and uninterrupted prosperity that the world witnessed for a century after Waterloo (1815-1914) was the product of liberalism. The intellectual revolution associated with the Renaissance and Reformation; the scientific outlook and technological progress leading to industrial revolution; the parliamentary supremacy, imperial expansion and urbanisation; absence of serious class conflict and co-operation between the nobles, the middle class and enterprising mercantile community;—above all, the British sense of practical realism, fair play and tolerance in politics and a scientific, progressive and hopeful outlook on life—all these made liberalism flourish in Great Britain. In the nineteenth century liberalism permeated the whole of Europe, though it became strong only in Western Europe. All over Europe, there was a romantic love for novelty and freedom from traditional controls that had long enslaved nations, inhibited individual initiative and impeded progress and efficiency. By the middle of the nineteenth century all classes in Europe—the intellectual middle class, progressive clergymen, humanitarian landlords, wealthy capitalists, professional men and urban dwellers—all came under the beneficial influence of liberalism.

Wherever liberalism penetrated, it served as an important leave on society and Government, it stimulated business enterprise and increased material prosperity; it infused a new spirit of hope and adventure for the common man. As the industrial revolution progressed, the basic concepts of individual initiative and enterprise permeated the whole society. It helped to shape public policies, breaking down traditional barriers of social and commercial intercourse and promoting an ever-widening extension of public works and popular education. Parliamentary democracy, territorial nationalism, abolition of slavery and fostering of colonial self-government were some of its political results. Revolutions in science and knowledge, the wonderful achievements in the field of production, transport and other economic activities, the building up of the modern machine civilisation were some of its other achievements. The daring and enterprise of the colonial adventurer, the pioneering spirit of the scientist and technician and the inspiring political achievements of Britain were the lasting products of liberal individualism. The sacred mystery of democracy, is that genius springs from the soil least prepared for it. Any restriction that kills enterprise, discourages adventure and fosters inertia and indolence, will ultimately weaken the culture, character and capacity of the whole community.

The tragic crisis of the twentieth century has been the crisis arising from a decline of liberalism and a weakening of the forces of freedom—economic and political. Rapid industrialisation led to the creation of powerful monopolies. Intense competition of a monopolistic nature led to the rise of militant nationalism and a strengthening of class conflict and sectionalism. Exploiting imperialism and colonialism, search for markets and raw materials, have all led to an unprecedented Europeanisation of the whole world. The dream of universal peace and secure prosperity gradually gave way to the nightmare of competitive armaments, class conflicts and political tension. Free enterprise and free democracy both became stifled and new popular movements took a combative and socialistic turn.

The future of world civilisation and progress, as in the past, depends on a revival of free enterprise in a free democracy—a restoration of liberal ideals which were mainly responsible for the wonders of the modern industrial society. As an ideal, liberal individualism has a great future. It nourishes self-reliance, encourages initiative, and combats unnecessary Governmental interference. It urges the recognition of the value of the individual in society and it helps to destroy useless laws of petty interference by Government against personal freedom.

It is an idle dream to hope for the fostering of a free society and prosperous community without reviving our faith in liberal individualism. If only we have a glimpse of what is happening under socialism and regimentation elsewhere—even in Britain, the stronghold of liberalism—one could easily recognise the political significance of discouraging free enterprise. The picture of Socialist Britain given by H. W. Seaman is most revealing, when he says, "The walls of the prison close in day by day; the area of enterprise shrinks day by day the ceiling of opportunity is lowered. The prisoners are charged more for the expense of the Multiplying Jailors. . . . There is no incentive to bold undertakings, except a heartless propaganda which urges all dogs, collectively to jump at the moon keeping them chained. Socialism as now interpreted is competition without prizes, business without hope, war without victory, statistics without end and boredom without relief." Socialism means more power for the State and that power

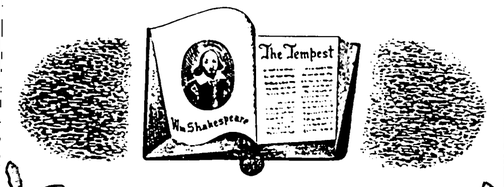
(Continued in column 1)

(Concluded from column 4)

whether in the hands of the prime minister or policeman is potential tyranny.

If free India desires to build a progressive democracy and efficient economic order, she has to avoid the road to serfdom. This means a revival of liberalism and an assertion of our faith in individual enterprise and initiative. Indian culture and civilisation have been essentially individualistic in character. In this age when liberalism is crumbling down, it is a prime duty of India to preserve this precious heritage of liberal individualism and lay firm foundations for a durable democracy. Individual initiative, competitive efficiency and intellectual liberty are the basis of a flourishing democratic society. India is fortunate in having a liberal democrat to guide its destinies in the person of the Prime Minister Mr. Jawaharlal Nehru. He has clearly stated his firm faith in liberalism in one of his addresses as follows, "I am myself a devotee of science and believe that the world will ultimately be saved, if it is to be saved, by the method and approach of science which values individual thinking and initiative. Any achievement that is based on widespread fear can hardly be a desirable one, and a social order that has for its basis the coercive apparatus of the State and cannot exist without it, is more like a military occupation than civil rule."

A free democracy can thrive only in a land fertilised by the refreshing sap of free enterprise and on a soil hardened by competitive efficiency. The people of India with all their patient industry, with all their noble literature, with all their cultivated taste, have yet to learn, that it can gain the arts which adorn life, the luxuries which sweeten it, the amenities which embellish it, the philosophy which ennobles it—only when the country secures, by effort and and sacrifice, the weightier matters of mental emancipation, civil rights and material prosperity. Free democracy can hardly survive, if its twin sister, free enterprise, is permitted to languish and perish—nay, is even slandered and oppressed!—*All Rights Reserved.*



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TREND OF THE MARKETS IN 1953

GAINFUL YEAR FOR EQUITIES

IMPLICATIONS OF FIVE-YEAR PLAN STIMULATES BULLISH ACTIVITY

(From Our Own Correspondents)

BOMBAY, 19*th December*

INVESTORS in equities on the Bombay Stock Exchange have every reason to feel gratified that after having suffered successive losses for a period of two years, the year 1953 proved a more prosperous period for their holdings. The trend of equity prices, for the major part of the year, was very steady with fluctuations confined to a relatively smaller range. This was encouraging enough after the experience of the two previous years. But what was definitely more encouraging was the fact that a very welcome optimistic note was struck in the closing months of the year. A boomlet developed in these months, not witnessed for the previous two years, with the result that the year's trading wound up with very smart gains in almost all scrips.

More than anything else, the rising trend in prices was due to the distinct change in the psychology of the operators from one of depression which had pervaded the market in the previous two years to one of confidence. The absence of any adverse factors to depress the sentiment was itself a helpful factor for the revival of confidence. In fact, there were several favourable developments which influenced the market's optimism. The main driving force behind the operators' activity was provided by the implications of the Five-year Plan. Although it was thought, at one time, that the financing of the Plan meant more tax burdens on the individual citizen and the industries, the Finance Minister's elucidation that a certain amount of deficit financing had to be resorted to, in order to finance the Plan, gave rise to hopes of inflationary conditions. This was not all. The absence of any fresh tax burdens in this year's Budget proposals and the Government's recognition of the place of the private sector in the implementation of the Plan and its verbal assurances of help to this sector, often given by the Finance Minister, were additional helpful factors. Some of the positive measures undertaken by the Government to aid the private sector included the relief given to the textile industry in the shape of (1) the reduction of export duty on cloth from 25 per cent. to 10 per cent., (2) the abolition of price and distribution controls on cloth, (3) abolition of the 10 per cent. export duty on medium varieties of cloth, (4) the reduction of excise duty on superfine cloth from As. 3-3 to As. 2 per yard, (5) grant of rebate of import duty on cotton in respect of exports of cloth manufactured out of imported cotton, and (6) the inauguration of the Export Promotion Council. These measures induced activity in textile shares and thus served to sustain the market sentiment. The offer of a Rs. 10-crore loan by the Government of India to the Tata Iron and Steel Co., Ltd., for financing its expansion programme and the scope given to the automobile industry to expand itself were further instances—at least, so the market interpreted—of Government's help to private industry. A notable feature of the trading during 1953 was the absence of hectic speculative activity. It must, however, be admitted that the market lacked large-scale genuine investment support.

This year's trading on the local Stock Exchange began on a cautious note. Barring occasional mild spurts in some groups, notably textiles, caused by the announcement of a reduction in export duty on cloth from 25 per cent. to 10 per cent., and in steels, on revival of rumours about increase in retention prices for steel, the market displayed lethargic conditions during the whole of January, with restricted turnover and narrow movements in prices. The market was under the grip of pre-Budget fears. Though pre-Budget apprehensions were not unusual for this part of the year, the market attached greater significance to this year's Budget than the earlier ones, inasmuch as this was to be the first Budget following the publication of the final version of the Five-year Plan. It was thought likely that proposals for financing the Plan might inflict a serious burden on industry. Prospects of heavier taxation, heavy death duties, regulation of profits and dividend, were all factors which chilled the enthusiasm of the operators. Besides, there was uncertainty regarding the Mediator's award in the Tata Deferred shares conversion dispute. Investors were chary of extending support. Values on balance disclosed modest losses, as indicated in the Reserve Bank of India group index of variable dividend securities for Bombay region from 122.8 (base 1938=100) in the week ended 27th December, 1952, to 120.6 in the last week of January, 1953.

A distinct change in sentiment for the better came over in the first week of February and was sustained right up to the end of the third week of March. The credit for ending the stalemate goes to President Eisenhower, whose pronouncements on Formosa and the Far East, in the course of his "State of the Union" message, revived the war scare. Further, the Union Finance Minister's statement in the course of an interview at Hyderabad early in February, about the Budgetary position *vis-a-vis* the Five-year Plan, indicating the prospect of resorting to deficit financing, was favourably interpreted by the market. Besides, the bright prospects of an early trade agreement between India and Pakistan, reports of an encouraging demand for cloth in the overseas markets, the firmness of bullion and commodity markets and renewed expectation of the grant of an increase in retention prices of steel, gave an additional stimulus to the market. The absence of fresh burdens on industry, by way of increase in freight rates, in the Railway Budget and the absence of fresh taxation measures in some of the State Budgets dispelled the earlier fears regarding the Union Budget. The Budget proposals presented in Parliament on 27th February confirmed the market's view. The exemption from super-tax given to certain categories of companies on such parts of their total income as consisted of dividends received from Indian companies formed and registered after 28th February, 1953, the trend towards deficit financing, the high level of capital expenditure envisaged, which implied a rising tempo of economic activity, were the main bullish factors for the market. The relaxation in distribution control on cloth on 12th March was well received by the market. There was, therefore, a marked expansion in activity and equity values rebounded, as witness the rise in the index number from 120.6 in the closing week of January to 128.0 in the week ended 21st March.

After a slight recession, during the three-week period ended 11th April, occasioned by fears about Estate Duty, which later on proved correct when the Select Committee recommended low limits for exemption from levy of the Duty, the sharp fall in bullion prices, the Chinese Premier's proposals to resume talks on exchange of prisoners and the award of the Industrial Tribunal for granting higher dearness allowances to labourers of cotton textile mills in Bombay, there was a revival of confidence. This improvement stemmed from the Finance Minister's gesture to provide more incentives to private enterprise, as indicated by the amendments made to the Finance Bill. The market welcomed particularly the exemption of genuine jobbing and arbitrage transactions by brokers of recognised Stock Exchanges from the category of speculative transactions for purposes of the clause in the Finance Bill restricting the set-off of speculative losses against profits from speculative transactions only and not against any other income. Further, the suggestion that the Finance Minister would hold consultations with party leaders on the Estate Duty Bill, with a view to accommodating any suitable suggestions, was taken to imply that there would be relaxations in the provisions of the Bill. The Union Government's proposal to lend Rs. 10 crores to the Tata Iron and Steel Co., Ltd., for the expansion of its works at Jamshedpur, the market's hopes of a higher retention price for steel, the spurt in commodity and bullion prices, the postponement of the final consideration of the Estate Duty Bill to the autumn session of Parliament, the encouraging advices from Calcutta, where jute shares came into the limelight after a long period, reports of comfortable profit-margins for cotton textile mills for 1953 and the announcement of the Mediator's award on Tata Deferred conversion scheme fixing the ratio of conversion at six ordinary shares for each deferred share, were the factors which fanned the bullish fervour, which continued up to the end of May, when the index number (base 1938=100) stood at 127.0 and that under the new series (base 1949-50=100) at 102.7, as against 124.4 and 100.2, respectively in the week ended 11th April.

This was, however, followed by a downward movement, which persisted till about the third week of September, except for a brief spell of steadiness in the last three weeks of July when the operators derived encouragement from reports of satisfactory results of working of textile mills in the first half of 1953, the removal of price and distribution controls on cotton cloth and yarn, the increase in retention prices granted to the Tata Iron and Steel Co. at Rs. 32 per ton for 1952-53 and at Rs. 47 for the two years 1953-55 and encouraging progress of the Tata Iron and Steel Company's development programme, as disclosed by the Directors' report for 1952-53. The downward trend, already referred to above, was assisted by (1) better prospects of peace in Korea, following the Communists' acceptance of the U.N. Plan for armistice, (2) deterioration in the labour situation at Burnpur leading to the declaration of a lockout in the works of the Indian Iron and Steel Co., Ltd. and the Indian Standard Wagon Co., Ltd., (3) weakness in commodity markets, and (4) reports of accumulation of cloth in textile mills. The cumulative effect was a decline in share values as indicated by the drop in the index number (base 1949-50=100) to 98.7 in the week ended 19th September.

Boom in Equities

The next phase of trading on the Stock Exchange was the most notable one for the year, inasmuch as there was a boom, the like of which was not witnessed in the previous two years, and which lasted almost upto the middle of December. Equity values in several leading counters touched new high levels not seen for several months. The recovery movement started in the closing week of September under the leadership of steels, sentiment having been favourably influenced by the improvement in the labour situation at Burnpur. Operators also welcomed the Finance Minister's statement in the Council of States indicating a larger investment under the Five-year Plan than was contemplated previously. The upward movement gained momentum mainly on professional support and short covering, the main bullish factors being: (1) the appointment of a committee by the Reserve Bank to examine the question of providing increased finance to the private sector of industry, (2) the optimistic view, taken by the market, of the Union Government's decision to increase the expenditure on the Five-year Plan by Rs. 175 crores for financing new schemes, (3) the measures taken by the Government to eradicate malpractices suspected in certain company managements, and (4) the measures announced by the Government to promote offtake in cloth. Shortages of floating stocks in some counters, such as steels, cements, etc., also assisted the firmness. The rise in equities values was particularly marked in November, under the stimulus of several favourable factors, namely, (1) the reports that leading textile mills had booked orders for several months ahead, (2) the Commerce Minister's proposal to form a council for promotion of textile exports, (3) the striking improvement in the production of the Tata Iron and Steel Co. and the Indian Iron and Steel Co. during October, (4) the favourable voting results for Tata Deferred Conversion Scheme, (5) the announcement of bonus issues by several companies and expectations of similar issues by others, and (6) firmer advices from Calcutta, where rumours about the possibility of a reduction in Bank rate gained currency. The steady advance in prices in the eleven-week period, beginning with the closing week of September can be gauged from the impressive rise of eight points in the index number from 98.7 to 106.8 in the week ended 5th December, the latest week for which the index number is available up to the time of writing.

Towards the close of the year (that is up to 19th December) there was a sharp reaction, on heavy liquidation touched off by reports about U.S.-Pakistan military alliance; prices over a wide front showed sizable losses.

Section-wise, steel shares gave the lead to the market and recorded impressive gains, reflecting the operators' faith in the prospects for the steel industry. Thus, Tata Deferreds gained as much as Rs. 306-4 over the year to stand at Rs. 1,998-12 on 19th December, in refreshing contrast to the loss of Rs. 83-12 recorded in 1952 and Rs. 141-4 in 1951. The highest level touched at Rs. 2,062-8 on 11th December was a record since the middle of 1951. Tata Ordinaries advanced by Rs. 39 to Rs. 302-8, as against a decline of Rs. 17-12 recorded in 1952 and Rs. 46-12 in 1951. The gains in Tata Steels was the cumulative effect of a combination of factors outlined in the foregoing paragraphs. Despite the serious labour situation at Burnpur, Indian Irons were in favour, on rumours that the Company would be granted a higher retention price to compensate the loss due to the strike. As a result, the share could gain Re. 1-13 over the year to stand at Rs. 26-2½, as compared with the drop of Rs. 4-9½ and Rs. 3-14 in 1952 and 1951, respectively.

Although the textile industry fared well with a record production to its credit, it faced with the problem of high labour cost and accumulation of stocks. But the measures taken by the Government to stimulate expansion of offtake in cloth (to which reference has been made earlier) encouraged operators to lend support to mill shares, particularly to the shares of well-known mills. Thus, there was a gain of Rs. 42-8 in Bombay Dyeings at Rs. 397-8, Rs. 34 in Kohinoors at Rs. 295, Rs. 31 in Centurys at Rs. 281, Rs. 42 in Central Indias at Rs. 185, Rs. 35-14 in Svadeshis at Rs. 272, and Rs. 46 in Gokaks at Rs. 244.

Bank Shares

Bank shares were steady, though they were not as active as the equities in other sections. However, Imperial Fully Paids netted a gain of Rs. 52-8 at Rs. 1,845 and the Contributories Rs. 10 at Rs. 450. Centrals suffered a small loss of Re. 1 at Rs. 64, as against a loss of Rs. 3-8 in 1952. The most notable rise was seen in United Commercials which stood Rs. 10 higher at Rs. 45.

Barring a sharp rise in Orientals, on expectations of favourable compensation in the event of mutualisation, the proposals for which were forwarded by the Company to the Government during the year, the insurance section was featureless. Orientals gained as much as Rs. 2,720 to stand at Rs. 7,410. New Indias were subdued at Rs. 40, a fall of Rs. 3 over the year.

Good support was extended to miscellaneous industrial scrips. For most part of the year Associated Cements were sluggish, but towards the close came to be supported on the Directors' decision to maintain the dividend at Rs. 9-8 and to issue bonus shares, subject to Government sanction, in the ratio of one share for every five shares. On balance, they stood Rs. 6-4 higher at Rs. 184-12. Belapurs added as much as Rs. 51 to Rs. 260, as against a loss of Rs. 54 in 1952. Bombay Burmahs, however, lost Rs. 23-2 to Rs. 363-12, but the decline was small, as compared with the fall of Rs. 169-6 in 1952. Premier Constructions advanced by as much as Rs. 32 to Rs. 118-8. Scindias were a gainer by Re. 1-2½ at Rs. 15-12½. The Directors of the Company have decided to step up the dividend for the year ended 30th June, 1953, from As. 8 per share to As. 12 and to write up the face value of the shares from Rs. 15 to Rs. 20, subject to the sanction of the Government, by capitalising the amount standing to the credit of the share premium account. Another notable scrip which came into the limelight was National Rayon. These shares were avidly taken on reports of excellent working results for the current year and expectations of a handsome maiden dividend. Consequently, they rose to a high of Rs. 135 at the close of the year, against Rs. 60 at the end of 1952.

* * *

Calcutta Stock Exchange

CALCUTTA, 1*st December*

The Calcutta Stock Exchange passed through some very difficult days, particularly in the early part of the year 1953, though the market was able to make considerable headway towards the close of the year. The change in sentiment was as welcome as it was unexpected. In fact, it was the more welcome for being unforeseen. The earlier weakness of the market reflected the difficult trading conditions both in the export and internal markets for industrial goods and the tight conditions in the money market. Also, the floating of Government loans at attractive terms and bearing interest higher than hitherto caused a depletion of the market funds which stood already depleted in view of the shyness of genuine investors. In the meanwhile, labour conditions became worse, and the numerous instances of holding employers in the Calcutta industrial area to "ransom" in the shape of *Pujah* bonus and other demands greatly shook the confidence of private investors. No wonder, therefore, that activity on the share market during the year was poor, although in the latter part of the year conditions took a turn for the better and widespread gains were recorded almost reminiscent of the days of war-time buoyancy. This improvement followed the gains in the prices of jute goods, tea and cotton piecegoods resulting from the increased export enquiries. From Table I, it will be noted that between 1st January and 30th November, the Calcutta market held 251 sessions of which only 52 or 20.72 per cent. were sessions which recorded business at hardening rates. But these few sessions were apparently more significant than the earlier ones, for, they recorded such a sizable improvement that many counters more than gained the ground lost early in the year. Table II gives a brief picture of the course of prices of the principal counters.

It should be hardly surprising that among the different sections of the Stock Exchange, the coal section was quiet during the year, since exports of coal declined in view of the stiff competition of other coal-producing countries. Burrakurs and Bengals fluctuated within narrow limits. Both these counters touched lower levels of Rs. 8-4 and Rs. 499 respectively, which compare with the lowest levels of 1952 at Rs. 10-5 and Rs. 495. Good dividend news here and there gave a periodic fillip to the counters concerned, as witness New Beerbhooms improving to Rs. 22-13 from Rs. 20-15 in February and March after a dividend of As. 8 was declared. In the same period, Bengals also were pushed to Rs. 545 from Rs. 522. These rises, however, could not be sustained. Despite unfavourable conditions, investors were interested in first class scrips at lower levels, and the counters which closed with gains in November over the opening levels of the year included Central Indias at Rs. 5-10, Raneegunges at Rs. 10-2 and East Indias at Rs. 24-14, while those which sustained losses included Dhemo Mains at Rs. 8-12 and Pench Valley at Rs. 22-8.

Cotton textile shares had a good start in the reduction of the export duty on cloth, and soon trading took a broadening turn. Muir Mills were one of the

TREND OF BOMBAY SHARE MARKET

Scrips	Pre-war, 1938 High	Pre-war, 1938 Low	Post-war 1946 High	Post-war 1946-53 Low	1952 High	1952 Low	1953 High	1953 Low	1952 closing	1953 closing (19-12-1953)	Loss (—) or Gain (+) in 1953
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Cotton											
Bombay Dyeing	1,011 4	765 0	3,290 0	331 4*	450 0	331 4	413 2	353 12	355 0	397 8	+ 42 8
Century	305 0	211 4	1,300 0	197 8*	324 0	218 0	293 0	243 8	250 0	281 0	+ 31 0
Central India	276 0	212 8	573 0	123 0*	235 8	123 0	188 0	141 0	143 0	185 0	+ 42 0
Edward	15 0	7 0	1,005 0	175 0*	292 8	239 6	265 0	223 12	245 0	260 0	+ 15 0
Finlay	148 12	114 0	555 0	224 0*	289 0	235 0	336 0	242 8*	279 0	257 0	— 22 0*
Gokak	196 4	136 4	571 0	192 0	276 0	192 0	261 0	193 0	198 0	244 0	+ 46 0
India United (Ordy.)	....	....	28 11	8 0½	13 0½	8 0½	11 12½	8 2	8 8	11 4	+ 2 12
India United (Defd.)	0 7½	0 4	6 11½	1 2	2 3½	1 7	1 14½	1 2	1 9	....	....
Indore Malwa	71 0	48 2	1,092 8	75 0*	121 4	75 0	107 8	81 14	82 8	97 8	+ 15 0
Kohinoor	356 14	242 8	1,180 0	230 0*	339 8	252 10	323 0	259 0	261 0	295 0	+ 34 0
Morarjee	146 8	112 8	1,075 0	156 4*	222 8	156 4	202 8	152 8	170 0	185 0	+ 15 0
New Great	288 12	178 12	685 0	118 0*	222 0	134 8	171 0	144 0	154 0	166 0	+ 12 0
Simplex	101 14	69 6	640 0	119 0*	285 0	149 8	202 0	119 0*	174 8	155 0	— 19 8*
Svadeshi	265 0	175 0	1,005 0	225 0*	290 0	225 0	275 8	228 8	236 2	272 0	+ 35 14
Iron and Steel											
Tata Deferreds	1,560 0	817 8	3,640 0	1,091 4	1,976 4	1,592 8	2,062 8	1,672 8	1,692 8	1,998 12	+ 306 4
Tata Ordinaries	324 0	201 0	638 0	230 8	358 8	291 8	353 8	296 4	302 8	341 8	+ 39 0
Indian Iron	35 4	20 8	71 4	19 4	29 6½	21 0	27 1	21 11½	24 5½	26 2½	+ 1 13
Banks											
Bank of India	150 0	136 0	295 0	150 0	177 0	150 0	162 8	152 8	157 0	156 0	— 1 0
Central Bank	33 8	28 10	158 0	59 12	72 0	59 12	69 8	61 8	65 0	64 0	— 1 0
Imperial (Fully Paid)	1,605 0	1,490 0	3,355 0	1,690 0	1,798 12	1,690 0	1,892 8	1,730 0	1,792 8	1,845 0	+ 52 8
Imperial (Partly Paid)	391 4	355 0	837 8	407 8	445 0	407 8	467 8	421 4	440 0	450 0	+ 10 0
United Commercial	....	....	139 0	33 8	42 0	33 8	45 0	34 0	35 0	45 0	+ 10 0
Insurance											
New India	42 0	34 8	135 8	37 8†	47 12	40 8	44 0	37 8	43 0	40 0	— 3 0
Oriental	4,560 0	3,800 0	8,600 0	4,000 0	5,510 0	4,300 0	7,410 0	4,475 0	4,690 0	7,410 0	+2,720 0
Vulcan	7 8	6 14	27 8	11 0	12 12	11 0	11 15	11 0	11 2	11 1	— 0 1
Public Utilities											
Ahmedabad Electric	150 0	121 4	231 4	106 14	120 0	106 14	115 15	107 13	110 0	113 2	+ 3 2
Andhra Valley	1,505 0	1,360 0	2,112 8	1,197 8†	1,407 8	1,297 8	1,460 0	1,197 8xr	1,372 8	1,212 8	— 160 0†
Bombay Suburban	165 0	136 4	262 8	116 14	136 4	116 14	129 6	119 1	121 9	122 8	+ 0 15
Surat Electric	180 0	157 8	262 8	113 12	131 4	113 12	133 12	116 4	116 4	128 12	+ 12 8
Tata Hydro	163 0	140 4	261 0	132 0†	153 0	136 0	155 8	132 0xr	147 0	137 0	— 10 0†
Tata Power	1,445 0	1,277 8	2,225 0	1,325 0†	1,525 0	1,400 0	1,565 0	1,325 0xr	1,493 0	1,350 0	— 145 0†
Miscellaneous											
Associated Cements	143 8	103 0	277 0	129 0	190 8	160 0	189 12	166 4	178 8	184 12	+ 6 4
Belapur	645 0	446 4	910 0	241 4	553 2	367 8	407 8	323 2	209 0xd	260 0	+ 51 0
Bombay Burmah (Old)	3 10	2 12	18 10	7 2*	11 5½	8 12	9 13	8 1½	386 14	363 12	— 23 2
British India Corporation	2 12	1 14	7 0	1 11	3 10	2 7½	3 6	2 12	9 3½	9 4	+ 0 0½
Indian Copper	80 0	59 0	399 0	68 8*	107 0	69 0	120 0	79 0	3 4½	2 13½	+ 0 7½
Premier Construction	54 8	31 0	70 0	19 4	55 8	43 4	70 8	51 8	86 8	118 8	+ 32 0
Shivrajpur	22 11	16 6	60 10	10 4½†	17 1	12 7	16 8½	12 8	53 0	68 4	+ 15 4
Scindia Steam	....	....	32 0	7 10	13 15	8 7	11 9	8 4½	14 10	15 12½	+ 1 2½
Tata Chemicals	49 8	25 0	148 0	28 12	46 0	28 12	37 4	30 0	8 15	10 15½	+ 2 0½
Tata Oils	100 0	100 0	767 8	150 0*	230 0	200 0	245 0	195 0*	33 8	33 0	— 0 8
Wimco									216 4	199 6	— 16 14*

* Owing to issue of bonus shares. † Owing to issue of new shares. xr = ex-right. xd = ex-dividend.

TABLE I

Calcutta Stock Exchange at a Glance During 1953

Month	Number of Sessions When Market Trend Was: Quiet	Easy and dull	Steady, but poor turnover	Steady with moderate turnover	Steady with prices advancing	Total
January	4	7	4	4	3	22
February	1	3	..	7	11	22
March	4	4	5	6	6	25
April	2	8	8	2	2	22
May	5	3	6	4	8	26
June	1	10	4	2	7	24
July	6	16	2	1	2	27
August	..	20	2	..	..	22
September	4	4	11	7	..	26
October	1	3	2	6	3	15
November	1	..	3	6	10	20
Total	29	78	47	45	52	251

TABLE II

Price Range of Selected Shares on the Calcutta Stock Exchange During 1953

Name of scrips	Opening rate on or after 2-1-1953	Highest	Lowest	Quotation as at available on 30-11-1953	Loss (—) or Gain (+)
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Coals:					
Bengal	506 0	545 0	499 0	503 0	— 3 0
Burrakur	10 5	11 4	8 4	8 6	— 1 15
Central India	4 4	5 12	3 15	5 7	+ 1 3
Churulia	2 3	3 4	2 1	2 8	+ 0 5
Dhemo Main	9 12	11 8	8 2	9 5	— 0 7
East India	20 11	24 9	20 4	24 14	+ 4 3
Equitable	39 2	47 0	31 0	31 0	— 8 2
Katras Jherriah	40 0	44 8	37 12	40 4	+ 0 4
New Beerbhoom	18 4	23 1	17 4	18 5	+ 0 1
Pench Valley	28 12	28 12	19 8	22 13	— 5 15
Raneegunge	7 2	10 3	7 1	10 2	+ 3 0
Talcher	2 12	3 6	2 7	2 9	— 0 3
Western Bengal	3 11	5 5	3 8	4 14	+ 1 3
Textiles:					
Bowreah	212 0	312 0	212 0	280 0	— 68 0
Cawnpore	8 2	9 4	7 12	8 4	+ 0 2
Dunbar	125 0	220 0	118 0	202 0	+ 77 0
Elgin	14 14	18 1	14 14	17 15	+ 3 1
Kesoram	18 4	21 4	17 2	19 15	+ 1 11
Muir	208 0	225 0	206 0	206 0	— 2 0
New Victoria	1 5	1 10	1 0	1 4	— 0 1
Jutes:					
Agarpara	21 6	21 6	15 12	16 12	— 4 10
Anglo-India	219 0	239 0	193 0	233 0	+ 14 0
Barnagore	153 0	175 8	136 8	156 0	+ 3 0
Champadany	172 0	174 0	143 0	150 0	— 22 0
Delta	242 0	245 0	217 0	228 0	— 14 0
Fort Gloster	269 0	475 0	261 0	398 0	+ 129 0
Ganges	70 0	82 8	66 8	75 0	+ 5 0
Howrah	23 14	26 0	22 2	25 1	+ 1 3
India	130 0	142 0	117 0	127 0	— 3 0
Kinnison	210 0	216 0	178 0	199 0	— 11 0
National	25 7	26 0	23 0	24 8	+ 0 15
Nuddea	47 8	53 0	41 0	49 12	+ 2 4
Orient	180 0	194 0	166 0	182 0	+ 2 0
Presidency	5 3	5 13	4 6	5 2	— 0 1
Union	189 0	189 0	157 8	171 0	— 18 0
Engineering:					
Burn & Co.	243 0	341 0	242 0	338 0	+ 95 0
Indian Iron	23 11	27 1	21 10	24 13	+ 1 2
Indian St. Wagon	77 0	118 0	65 12	66 4	+ 10 12
Jessop & Co.	22 0	26 6	21 12	25 1	+ 3 1
Kumardhubi	7 10	8 12	7 1	8 3	+ 0 9
Marshall	6 2	7 2	4 15	5 10	— 0 8
Texmaco	4 0	8 9	3 8	8 0	+ 4 0
Sugars:					
Belsund	6 4	9 2	6 4	9 2	+ 2 14
Carew	4 3	7 15	4 0	7 10	+ 3 7
Cawnpore	29 0	36 12	24 8	35 9	+ 6 9
Champaran	16 15	27 0	16 14	24 3	+ 7 4
Teas:					
Bishnauth	20 0	34 8	20 0	34 8	+ 14 8
Bormahjan	10 4	13 14	10 4	13 14	+ 3 10
Brooke Bond	10 2	12 14	10 2	12 8	+ 2 6
East India	15 2	20 6	15 2	19 12	+ 4 10
Hantapara	100 0	181 0	100 0	181 0	+ 81 0
Hasimara	21 0	32 12	21 0	32 12	+ 11 12
Jayabirpara	17 6	28 12	17 2	28 12	+ 11 6
Patrakola	68 8	163 0	68 8	163 0	+ 94 8
Teloijan	8 4	16 2	8 4	16 2	+ 7 14
Tezpur	12 6	20 12	12 6	20 12	+ 8 6
Miscellaneous:					
B. I. Corporation	9 5	9 13	8 2	9 4	— 0 1
Calcutta Electric	13 13	14 7	12 14	13 0	— 0 13
Calcutta Trams	14 8	15 14	12 10	13 0	— 1 8
Dunlop Rubber	28 12	30 12	27 10	30 12	+ 2 0
F. & C. Osler	3 2	7 10	3 2	7 1	+ 3 15
Indian Cable	17 8	20 7	17 6	19 5	+ 1 13
Indian Copper	3 2	3 6	2 10	2 15	+ 0 3
India Steamship	6 5	7 15	5 15	7 7	+ 1 2
Jardine Henderson	126 0	131 0	114 0	115 0	— 11 0
Martin Burn	18 3	20 10	17 7	19 12	+ 1 9
Metal Box	19 5	20 10	18 1	18 2	— 1 3
Rallis India	74 0	80 0	62 0	66 0	— 8 0
Rohtas	8 0	10 1	5 0	9 12	+ 1 12
Titaghur Paper	34 0	37 6	33 8	36 13	+ 2 13

early features, and at Rs. 225 added Rs. 17. During February also, the section kept the better appearance, on expectations of more prosperous export trade. In March too, sentiment was better since prices for the domestic consumer were rising in view of the official restriction on the production of *dhotis* and *saris* by mills. In May, two striking features were Dunbars, which were lifted to Rs. 220 from as low as Rs. 88, and Bowreahs which improved to Rs. 285 from Rs. 210. Further rises in these two counters were witnessed in August following the sale of these two companies from British to Indian hands. Subsequent profit-taking reduced the gains considerably, and Bowreahs receded to Rs. 277 from Rs. 312, and Dunbars to Rs. 171 from Rs. 220. In the meanwhile, a fall in internal demand and depression in the export market greatly added to the piecegoods stocks of mills, and it was only after the Government's announcement in October of measures designed to increase exports and sales for local consumption, a better feeling was in evidence in shares.

Jutes provided an irregular pattern of trading. The industry passed through a crisis, and on each occasion when official measures designed to increase sales of cloth were announced upward trends set in. These, however, proved temporary phases, since these measures were only half-hearted attempts. However, with the drastic reduction in the duty on hessian exports to Rs. 120 from Rs. 275 a ton as from 15th September, export sales rose and the market commenced taking not only the full production of mills but also the accumulated stocks. These factors enabled the industry to tide over the crisis, and jute shares regained confidence, although towards the close of the year they were tending to show losses on balance. Market circles are agreed that boom conditions can prevail only after the export duties are done away with. January and February were quiet months. March witnessed moderate activity following the reduction in the duty on sacking from Rs. 175 to Rs. 80 a ton. Howrahs advanced to Rs. 25-2 from Rs. 23-14 and Anglo-Indias to Rs. 230 from Rs. 214. Stocks of finished goods with mills began to increase and the subsequent months (till August) witnessed easy and dull trading, since the mills were faced with serious marketing problems. Foreign consumers preferred to buy less from India in view of the relative cheapness of the Continental products. Much water flowed down the Howrah bridge before the Government decided to revise the export duty on hessian, and since then, some of the leading counters have looked up.

Steels

The difficult labour situation which prevailed in Burnpur for more than six months and which brought production to almost an insignificant figure for two to three months affected considerably the trading in Indian Irons. This scrip could not thus provide any leadership to the market for many a session. It was the lock-out of the Works by the management at the end of August that paved the way for workers to resume work early in September and raise production to normal capacity. Latest output figures available relate to the month of October, when pig iron produced aggregated 55,880 tons, steel ingots 30,670 tons and semis and finished steel 31,230 tons. It was during this month also that the output reached almost normalcy, and the interest of operators which remained subdued up to now, began to increase and the quotation for Indian Irons tended to close steady for the year in the neighbourhood of Rs. 26. Expectations of higher retention prices for steel, the maintenance of dividend at Re. 1 per ordinary share for the year ended March, and the anticipation that the dividend for the current working year also would be maintained at 10 per cent., despite the loss in output suffered by the go-slow tactics of labourers, assisted recovery. It would be noted that the highest rate touched was Rs. 27-1 as against Rs. 29-6 in 1952. Other counters in the engineering section that provided keen activity at different periods were Burn & Cos., Jessop & Cos., Indian Galvanisings, Indian Standard Wagons and Texmacos.

The tea section provided a good number of features during the four months ended April, following the maintenance of demand in Calcutta auctions at a high level, expectations of higher exports to the United Kingdom and the United States, and the lower production costs for gardens in Assam and the Dooars. Thus, Hantaparas moved up to Rs. 142 from Rs. 100, and East Indians to Rs. 18-4 from Rs. 15-2. Confusion resulting from the readjustment of the excise duty on tea which was made in April induced easier conditions. It was not until June that steady conditions came to prevail. Many counters added gains, Patrakolas being raised from Rs. 101 to Rs. 125. Both August and September recorded transactions at hardening rates; but since October trading took a cautious turn and gains were fractionally lost. The outlook, however, remained satisfactory, and substantial rises were recorded in several counters. The voluntary restriction in output in respect of the North Indian gardens, the strong demand in Calcutta auctions and the possibility of business with Russia were an attraction for buyers of tea shares.

Occasional spurts were a feature in the sugar section. Although the Government's decision to import sugar imparted a quieter tone, the demonstration of the ability of mills to increase production to meet the increasing demand for sugar made good the earlier losses and added substantial gains towards the end of the year. Cawnpores were at one time as low as Rs. 24-8; after August, a higher trend set in, for the reason already stated; the closing level for the year at around Rs. 35 was impressive. Champarans were similarly raised to Rs. 24-8 from Rs. 16-14.

Miscellaneous Section

It was from the trend as recorded in the miscellaneous section which provided many features regularly, that the market derived its general strength. By the very nature of the varying types of industries represented by this section, each scrip had to be judged separately before operators entered into commitments. Early in the year shares of the now merged airlines were favourites of buyers and recorded impressive gains. Airways Indias were as high as Rs. 14-14 as against an opening of Rs. 7 and Indian National Airways hardened to Rs. 4-3 from Rs. 2-12. Digwarrah Rubbers were one of the features which had strengthened, by the end of June, to Rs. 18-8 from Rs. 10 in January. Alkali Chemicals, Indian Wood Products, India Steamships, Indian Cables, F. & C. Oslers, Titaghur Papers, Dunlop Rubbers, Ganges Ropes, National Tobaccos, and British Burma Petroleums were amongst the strong features of the year on different occasions. Midnapore Zemindaris and Bengal Flours also recorded impressive gains.

Although quotations tended to ease, during the early part of the year, considerable ground lost was regained towards the close of the year. This was possible due not a little to the changed outlook for the jute industry, the maintenance of the ordinary dividend at Re. 1 per share for Indian Iron and Steel Co., Ltd., and the strong export demand at the tea auctions. The future trends in the market will, of course, depend on the Government's fiscal policy. The market therefore closes the year with its attention on the Central Budget which is, naturally enough, awaited with interest.

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Madras Stock Exchange

(*Messrs. Maconochie & Co.*)

MADRAS, 30*th November*

The year 1953 held out little promise for stock markets at the beginning but fulfilled much before the end. It was by no means a year of hectic trading or spectacular rises on Stock Exchanges. Nonetheless, it was remarkable for the transformation of sentiment from one of gloom and depression to a slow emergence of confidence in equity investments. For a large part, professional operators had to keep the interest alive, and it was not until the close of the year that there was investment support for selected shares. The absence of investment buying is understandable, having regard to the storms through which stock markets have sailed since the fateful year 1947. On the one hand, they had to contend against the aftermath of the partition and the liquidation of the princely order which was the backbone of the investment market, while, on the other, they had to measure up to the spate of socio-economic legislation which has deluged the country in the last five years. If stock markets have emerged successfully from these tribulations, it is due to the profound faith of the investor in corporate enterprise.

Last year, just about this time, the future seemed obscure, and, particularly for the Madras market, it was a difficult period, with the depression in tea prices and the unsettled outlook for textiles. It is remarkable how sentiment has changed in the short space of 12 months and how, during the closing weeks of 1953, the atmosphere got surcharged with that refreshing optimism which has been so rare in the last few years. The silent yet substantial achievement of 1953 may be said to be the resurgence of that elusive factor—"market sentiment."

More Practical Measures

By force of circumstances, Government had to resort to more practical measures to give relief to one industry after another during the course of the year. The bungling over the jute export duty had almost threatened to lose our market for the golden fibre and perhaps as a result thereof, the Government have shown greater awareness during the year, in giving tangible help to industries in the shape of abolition or reduction of export duty.

During the first week of January, the export duty on cloth was reduced from 25 per cent. to 10 per cent. *ad valorem*. This was followed by the introduction of the 35 per cent. power cut in South India in the areas served by the Mettur Electricity System. Normally, this would have been tragic, but, in the context of the accumulation of yarn and cloth, this was not a wholly unwelcome restriction at that time. The accumulation was brought about by the peak production of 4,609 million yards of cloth and 1,448 million lbs. of yarn during 1952, as compared with the previous record in 1948 of 4,422 million yards of cloth and 1,456 million lbs. of yarn. This coincided with the tapering off of demand both at home and abroad. On 28th January, 1953, the Textile Commissioner announced the Government's decision to allow the export of limited quantities of cotton yarn on a quota system. These measures stimulated, to some extent, the offtake of yarn and cloth but could not by themselves relieve the glut and further incentives had to be administered, as the year advanced.

On 24th October, 1953, an ordinance was issued, whereby the 10 per cent. export duty on medium cloth was abolished, the excise duty on superfine cloth was reduced from As. 3-3 to As. 2 per yard and the industry was given rebate of import duty on cotton in respect of cloth exported. That the industry required this fillip was clear from the fact that the production of cotton textiles had been running at a high monthly average of 413 million yards. These concessions induced further activity in textile shares and helped considerably in buttressing market sentiment.

At the turn of 1952-53, the tea industry was in the doldrums and several North Indian gardens had to close down. This coincided with India's withdrawal from the International Tea Marketing Expansion Board and fears, were entertained about the future of the industry, which depends largely upon the consumer in the U.K. Fortunately, however, the gloom has been dispelled and tea scrips finished the year at about the highest levels in the recent past. This transformation was possible, by the industry itself voluntarily restricting production.

To begin with, it was decided to restrict the Indian production to 570 million lbs., that is, 50 million lbs. less as compared with the previous year. Most of the estates voluntarily resorted to finer plucking and these measures were sufficient to steady up the price of the commodity both in the Calcutta and Cochin auctions. In Cochin, the price of low-grown Travancore B.O.P. which stood at Re. 1-1 per lb. a year ago improved to Re. 1-12-6.

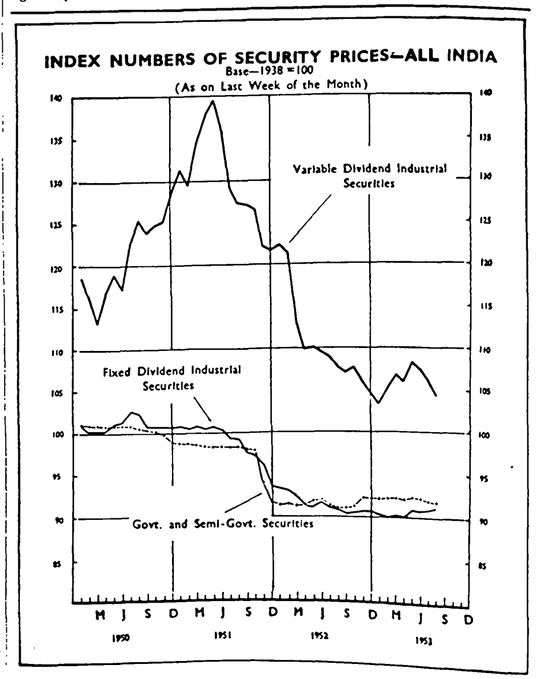
The industry benefited considerably by the change in the excise duty which was announced on the 15th April. Under the new set-up, estates pay an excise duty of one anna per lb., instead of 3 annas, while packers and blenders pay an additional 3 annas. Loose tea, that is, bulk packing of 60 lbs. and over were exempt from the additional 3-anna duty. This revised method of collection of excise duty eased the ways and means position of the estates considerably, in that their total outlay on the excise duty was reduced by two-thirds.

During the year, the statistical position of tea also moved in favour of the producer. Most of the South Indian companies reported satisfactory crops and the number of good balance-sheets and dividend announcements aided market sentiment. In consequence demand for tea scrips which was dormant during the middle of the year, became so aggressive by the close, that prices leapt up without corresponding expansion in business.

There was no excitement in the rubber section during this year, because the price of the commodity has been pegged at the maximum rate of Rs. 138 per 100 lbs. until 28th October, 1955. But there has been seasonal accumulation of stock in the producing centres, due to slow buying by manufacturers which in turn was due to the poor offtake of the manufactured commodity. The small estates, therefore, had to face difficult times and only the larger units could hold their own. Recently, a powerful plea has been put forward to Government for the sanction of a rehabilitation grant to estates to finance their replanting plans, because it is said that the present controlled prices do not leave enough reserves to be diverted for this purpose, from current earnings. If the outcome of this proposal is favourable, there is no doubt that the long-term prospects of this industry would have been placed on more solid foundations. It is some consolation that price control has conferred a degree of deserved protection to the producer, against the steady fall of the commodity in world markets.

For the first time in the last 10 years, investors in coffee shares suffered a rude shock. It was due to the steep fall in coffee prices which was brought about not by economic laws but by executive fiat. Indigenous production is still short of demand, and world prices continue to be much higher than the highest in the local auctions so far. But Government would not allow the industry to take advantage of the higher foreign prices, and had banned exports which in turn led to heavy accumulation of stocks with the Pool and delayed payment to the producer. The situation became so alarming towards the third quarter of the year and stocks of coffee with the Pool deteriorated to such an extent that a conference was convened in Madras which was attended by representatives of the Coffee Board and the Governments of Madras, Mysore and Travancore-Cochin.

Subsequent to this, the Government of India evolved a new formula for payment to the producer, whereby he would be guaranteed a minimum of Rr. 2-4 per point or Rs. 180 per cwt. for Plantation and Rs. 139-8 and Rs. 138, respectively, for Arabica and Robusta for the entire 23,000 tons of the 1952-53 crop. Of this, 9,000 tons had already been sold at higher prices and the Government has now allowed the export of 2,000 tons subject to an export duty of Rs. 62-8 per cwt. But what is most unsettling is the fact that prices for the 1953-54 crop have not been announced and as a result of interference by the Government, coffee marketing has been thrown out of gear. Coffee shares, therefore, fell out of favour during the year.



Electrics

There was keen investment demand for all public utility shares and prices improved greatly during the year. Cochin States improved from Rs. 9 to Rs. 10-8, Gunturs from Rs. 70 to Rs. 108, while Kumbakonams were unchanged at Rs. 10-6 and Negapatams about Rs. 8-12. Salem Erodes advanced to Rs. 14-4, South Arcot were steady at Rs. 94 and South Madras better at Rs. 10-13 *cum-div.* Vellores improved by a rupee to Rs. 13-12 and West Coast by Re. 1-4 to Rs. 13-4.

Sugars

There was selective buying in this section. All issues of E.I.D. were keenly sought after the 'B's particularly being in short supply. Deccan Sugars declined, the Rs. 25 paid shares falling from Rs. 28 to as low as Rs. 20 at one time and the Rs. 10 paid from Rs. 11-12 to Rs. 8-12. The Company passed over the previous dividend in 1952-53 and, owing to the poor quality of cane in its Pugalur factory area, the outlook has been rather gloomy. Mysores were subdued, the price falling from the opening quotation of Rs. 44-12 *cum-div.* to Rs. 43-4. Travancores declined from Rs 5-3 to Rs. 4-8, while Breweries improved to Rs. 160.

Tea

The avid buying of almost all tea shares that was evident at the close of the year was somewhat unexpected but nonetheless welcome. This was due to the spate of good balance-sheets and dividend announcements, coupled with the satisfactory crop turned out by several companies.

Mountains stepped up the dividend from 10 per cent. to 12½ per cent. and the shares improved over the year from Rs. 2-9 to Rs. 3-7 *cum-div.* Chandramalais paid ½ per cent. more for 1952-53 and the shares improved from Rs. 2-4-6 to Rs. 2-13-6 *ex-div.* Devasholas were scarce and the price improved from Rs. 15-15 to Rs. 18 buyers. Coonoor Teas put in Re. 1-8 to Rs. 24, Coorg Teas were higher at Rs. 6 compared with the opening of Rs. 5-3, while Highlands improved from Rs. 9-5 to Rs. 11-10. Kalasas dropped the dividend from 15 per cent. to 10 per cent. Kil Kotagiris were most popular and from the opening quotation of Rs. 4-13 improved to Rs. 6-2. The Company has harvested a considerably higher crop for the year ended October, 1953. Neelamalais stepped up the dividend by 2 per cent. and have declared a dividend of 12 per cent. The shares spurted up and closed at Rs. 5-1, as compared with the opening of Rs. 3-13. Neeliampathies improved from Rc. 1-12-6 to Rs. 2-5 and Nilgiri Teas from Rs. 10-6 to Rs. 11-6. Nonsuch noted the steepest rise from Rs. 21-12 to Rs. 30-12. Sellers were throughout scarce.

After remaining dull for the major part of the year, Parksides witnessed good activity to close at Rs. 15-8 *cum* the final dividend of 10 per cent. as compared with the opening quotation of Rs. 11-14.

In March, the Peermade Tea Company increased the ordinary capital from Rs. 12,75,000 to Rs. 17 lakhs and announced the issue of bonus shares in the proportion of one share for every three held. The shares opened at Rs. 40 and gradually declined to Rs. 35-8 *cum-div. cum-rights* towards the end of March when the bonus issue was announced. It fell further to Rs. 34 in April. The first *ex-right* quotation was Rs. 24 and since then the price has advanced to the closing figure of Rs. 26½. Periakaramalais altered the denomination of its share from Rs. 7-8 to Rs. 2 by writing up the Rs. 7-8 paid shares to Rs. 8 and subdividing the resultant share into four shares of Rs. 2 each. Owing to the exceptionally good crop harvested and better dividend prospects, the shares remained active throughout. The Rs. 2 share closed at Rs. 7-2. Stanes Amalgamated improved to par and United Nilgiri Teas were well absorbed, closing at Rs. 197 against the opening quotation of Rs. 165. Waterfalls also stepped up the dividend to 12½ per cent. and the shares closed at Rs. 3-6 *cum-div.*, as compared with the opening quotation of Rs. 2-10.

Rubber

For the best part of the year activity was subdued and only the popular shares were transacted. But towards the close there was good general buying. Cochin Malabars were about a rupee better at Rs. 7. Kailas doubled the dividend to 25 per cent. and the shares closed at Rs. 3-9. Kalpettas improved from Rs. 18 to Rs. 21. Malankaras have proposed the issue of bonus shares and for the year ended March, 1953, stepped up the dividend from 35 to 55 per cent. The shares consequently closed at Rs. 107-8, as against the opening quotation of Rs. 90. Midlands maintained the dividend of 15 per cent. and Pullangodes of 20 per cent. The latter were active and closed at Rs. 3-1-6, as compared with the opening quotation of Rs. 2-4-6. Rajagiris have declared a 17½ per cent. dividend and the shares closed at Rs. 12-8 *cum div.*, as compared with the opening quotation of Rs. 9-13. Teekoys were steady and closed at Rs. 7-9 Travancore Rubbers were well absorbed, closing at Rs. 13-10. T.R.T.'s were active, the shares improving from Rs. 6-8 to Rs. 8-6. Vaikundams after remaining quiet for a long time closed at Rs. 16-4.

Coffee

The first half of the year was uneventful, but the developments in the latter half naturally unnerved investors in coffee shares and the rise was halted. Consolidated from the opening quotation of Rs. 16 improved to Rs. 18-4 and Coffee Lands from Rs. 9-5 to Rs. 10-12. Neerugundis were out of favour and the price declined. Puthuthotams increased the capital by 50 per cent. by the issue of one bonus share for two shares. They were popular and closed at Rs. 3-4-6.

Textiles

There was good activity in the last quarter of the year in this section. The power cut at the beginning of the year affected sentiment and subsequently reports about the glut in the cloth markets were not conducive to active trading. All the same, there is at present growing optimism about the future outlook. South Indian mills have digested the stock of American cotton imported at high prices. There has been a fall in the price of cotton and an improvement in the price of yarn after decontrol. 1953 is expected to be a reasonably good year and the more efficient producers are expected to show profits.

Bangalore Woollens declared an interim dividend of 10 per cent. and closed at Rs. 282-8, against the opening of Rs. 214-8. Buckinghams have declared an interim of 4 per cent. and expectations of further 4 per cent. final dividend accounted for the shares being absorbed in large blocks, the price improving from Rs. 116 to Rs. 121-8. From par, Cambodias rose to Rs. 12. Pioneers improved to Rs. 119, while Krishnarajendras noted a steep rise from Rs. 39 to Rs. 50-8. Lakshmis were steady, while Metturs noted a steep rise from Rs. 179 to Rs. 214. Mysore Spuns noted a revival of buying, improving from Rs. 4-8 to Rs. 6. Radhakrishnas were fractionally better and Rajalakshmis were steady about Rs. 78. Rangavilas were unchanged. The biggest rise in this section was noted by Travancore Rayons which rose from Rs. 3-5 at the beginning of the year to Rs. 7-6 towards the close. Vasanthas had good investment buying and improved from Rs. 145-8 to Rs. 164.

Miscellaneous

In the miscellaneous section, prices were inclined to fall during the first nine months of the year and it was only towards the end that there was a revival of buying, mostly of a speculative character. Andhra Cements were absorbed and the price improved from Rs. 90 and Rs. 9 to Rs. 101 and Rs. 10-1 respectively for the 'A' and 'B' shares. F.A.C.T's fluctuated from the opening level of Rs. 3-11 and, after dropping to Rs. 3, closed at Rs. 3-15. India Cements passed over the dividend for 1952-53 and consequently the shares declined from Rs. 17 to Rs. 15-6. Indian Steel Rollings were absorbed and closed at Rs. 11-6. Mettur Chemicals noted a speculative spurt to Rs. 5-4 while M.C.F. closed at Rs. 8-10. Gold mining shares noted a few enquiries and Mysores were particularly strong closing at Rs. 2-14. Mysore Papers improved by Rs. 2 to Rs. 15. Parrys showed a steep fall from the opening quotation of Rs. 6-4 to Rs. 4-2. Rallis also declined from Rs. 76 and after being lower, closed at Rs. 67. Spencers were well supported, though the price declined from Rs. 16 to Rs. 14-8.

Exclusive To "Commerce."

Gilt-edged Market

BOMBAY, 20*th December*

The Gilt-edged market exhibited relatively more stable conditions this year than in 1952. Early last year, confidence in Gilt-edged had received a rude shock, as a result of the new monetary policy initiated by the Government in November, 1951. It was only in the second half of 1952 that there were signs of revival of this confidence, which gathered momentum this year. Price variations during 1953 were, therefore, confined to a narrower range. 3 per cent. Conversion Loan, for instance, moved between the range of Rs. 81-11 and Rs. 83-1 in 1953, as compared with that of Rs. 80-4 to Rs. 84-5 in 1952. Again, in 1952, there was no fresh borrowing by the Central Government, nor did any loan fall due for payment. Only four State Governments had floated loans amounting to Rs. 12.50 crores. In the current year, however, a larger volume of borrowing was put through. Besides a cash-cum-conversion loan issued by the Centre, ten States garnered something like Rs. 30 crores. A number of local bodies also raised a sizable amount of long-term capital. A large number of provident funds also supported the Gilt-edged market. The turnover was, therefore, substantial and the undertone remained steady to firm throughout the year.

The behaviour of Gilt-edged in the first half of the year was lively. Changes in values were rather more frequent than in the second half and were generally upward. Support from provident funds from time to time was a source of relief to the market. Confidence of operators was sustained by the desire of the Government to stabilise yields on Gilt-edged, as indicated by the Finance Minister in his Budget speech. The Reserve Bank, too, frequently appeared on the scene from the second quarter of the year and so conducted its open market operations as to impart stability to the market. Throughout the year, sellers were scarce and the floating stocks were so small that any substantial demand used to have a hardening effect on the rates.

An idea of the behaviour of the market in the first half of 1953 can be had from the price variations of some select loans. 3 per cent. Conversion Loan started the year at Rs. 82-13. It improved gradually in January, on short covering by a Calcutta operator who had sold short heavily earlier, and it touched the year's highest at Rs. 83-1 early in February. After remaining at about this level, it dropped to Rs. 81-11 in April, owing to selling pressure. Subsequently, on support from some financial institutions, it recovered to touch Rs. 82-13 by the end of June. 3 per cent. 1957 opened the year at Rs. 98-8 and slowly but steadily hardened to Rs. 98-13 in May, but gave way to pressure and stood at Rs. 98-5 at the end of June. 3 per cent. 1963-65 improved from Rs. 92-6 in January to Rs. 93 in the last week of May but again reverted to Rs. 98-5 towards the end of June.

The flotation of 3½ per cent. 1961 loan with the issue price at Rs. 98-4 per cent., announced by the Government of India on 31st May, 1953, was an outstanding development in the Gilt-edged market. This loan, known as National Plan Bonds, was for a sum of Rs. 75 crores. Subscriptions were in the form of 3 per cent. 1953-55 loan at par or cash. The 1953-55 loan fell due for payment on 15th July, 1953. Those who tendered the loan for conversion got interest up to and including 14th June, 1953. Those who subscribed in cash also got the benefit of interest for a week, as the list opened on 8th June. Cash subscriptions aggregated Rs. 23.3 crores. The amount of the maturing 3 per cent. 1953-55 loan tendered for conversion was stated to have aggregated Rs. 51.81 crores.

In the week ended 17th July, 1953, ten of the State Governments entered the market with loans bearing interest at 4 per cent. and repayable in 1961. The names of the State Governments, the amounts for which the loans were issued and their issue prices are mentioned below:

	Amount in crores of Rs.	*Price per cent.*
		Rs.
Bihar	1	99.8
Bombay	5	100.0
Madhya Bharat ...	1	99.8
Madhya Pradesh	1	99.8
Madras	5	99.8
Mysore	3	99.8
Saurashtra ...	1	99.8
Travancore-Cochin	3	99.8
Uttar Pradesh ...	5	99.8
West Bengal ...	3	100.0
Total ...	28	

The West Bengal, Bombay and Saurashtra loans were oversubscribed on the afternoon of the 17th July. The closing dates for Mysore, Madhya Bharat and Madhya Pradesh were extended upto 28th July as the response was not satisfactory. By this date, the loans were reported to have been fully subscribed. The total amount subscribed to the Madras loan amounted to Rs. 10.81 crores. Refunds claimed by those was about Rs. 42 lakhs only.

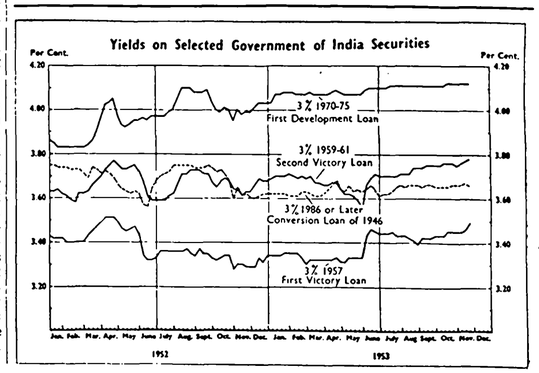
Subscriptions to State loans were not uniformly successful. The West Bengal loan was oversubscribed in no time. Madras received as much as Rs. 10.81 crores as against Rs. 5 crores. Bombay and U.P. met with some difficulty but managed to close their lists before time. Saurashtra and Bihar found it even more difficult to sell their loans. The position in respect of Travancore-Cochin loan was the same, if not worse. Mysore, Madhya Pradesh and Madhya Bharat had to extend the time limit and yet had to be given special assistance.

Bombay, West Bengal and Madras loans were successful, because the personality of the Chief Ministers of these States played a great role in influencing the public to support their respective State loans. Besides, the three States had the advantage of well organised money markets which offered special facilities. The economic development of these three States, which is in an advanced stage, was another factor for the success of these loans. Although U.P., Bihar—and Mysore and Travancore-Cochin to a certain extent—cannot be said to be underdeveloped, they lacked organised financial markets.

Excepting the interest evinced in the State loans, there were hardly any notable developments worth mentioning in the second half of the year under review. Barring occasional emergence of stray enquiries, the market continued to exhibit uninteresting conditions. Gilt-edged values remained mostly stationary. Activity was relatively smaller than in the first half. Price variations also were narrower and confined to a few selected securities such as 3 per cent. 1957, 3 per cent. 1958, 3 per cent. 1963-65, 3½ per cent. 1961 National Plan Bonds and some of the 4 per cent. State loans particularly of Bombay, West Bengal and U.P. The Madras loan, too came into the trading ring occasionally.

Early in July, the 3 per cent. Conversion loan was quoted at Rs. 82-11. On continued selling pressure, the rate declined to Rs. 82-1 at the end of the month. 3 per cent. 1963-65 also receded from Rs. 92-8 to the year's low for this loan at Rs. 92-5. 3 per cent. 1957 was, however, steady at Rs. 98-6. There were no worthwhile changes till September when a better trend was noticeable in sympathy with the firmness of the Gilt-edged securities in England, following the reduction in the Bank rate there. This improvement was, however, only short-lived, as it was soon realised that a similar reduction in the Bank rate in India was unlikely. Owing to profit-

(*Continued on page 165*)



NARROW MOVEMENTS IN BULLION

SMOOTHER TRADING—UNDERTONE STEADY AT LOWER LEVELS

BOMBAY, 12*th December*

IF the year 1952 had proved to be one of crises for the bullion market in Bombay, the year that is now drawing to a close can be termed as a relatively uneventful one. There was no crisis in the market during the year under review, whereas it was almost a recurrent feature in the previous three or four years. The main reason for this was that speculative activity was on a comparatively lower scale than in the previous years, thanks to the series of measures taken by the Board of the Bombay Bullion Association and the Government of Bombay in 1952. No doubt, efforts were made during the year by the Board further to amend the by-laws, but up to the time of writing no amendment was made, though one is in the offing. Shorn of hectic speculative activity, fluctuations in prices of both the metals were confined to a much narrower range than in the previous years.

Judged by all accounts, the year turned out to be one of smooth sailing for bullion, the like of which had not been seen in recent years. Silver (for both ready and forward deliveries) disclosed a loss of but As. 11 per 100 tolas over the year so far (up to 12th December, 1953). This is negligible as compared with a net drop of Rs. 44-10 in ready and Rs. 43-8 in forward in 1952. Similarly, in gold the loss was Rs. 3-2 (ready) and Rs. 2-9 (forward), as against Rs. 27-2 and Rs. 27-10 for ready and forward, respectively, in the previous year. The difference between the highest and the lowest levels touched during the year under review was Rs. 24-6 in the case of ready silver and Rs. 14-3 in the case of ready gold, the corresponding spread in the previous year being as much as Rs. 55-3 and Rs. 29-8, respectively. The year under review was also one of lower prices, the average price of silver for the year so far being Rs. 157-8, as compared with Rs. 164-12 in 1952 and Rs. 197-1 in 1951. The average price of gold was Rs. 86-11 as against Rs. 92-3 in 1952 and Rs. 113-3 in 1951. This is also evident from the highest points touched by these precious metals. Silver, for instance, did not go above Rs. 171-12 (ready) during the year so far, whereas it had touched Rs. 193-11 in 1952 and Rs. 207-13 in 1951. Likewise, the highest level touched by gold in 1953 was Rs. 93-10 (ready) as compared with Rs. 106-12 in 1952 and Rs. 118-12 in 1951.

Proposal to Amend By-laws

Although the year under review was conspicuous by the absence of any hectic fluctuations or one-sided movement leading to crises, there were a few occasions when the Board of the Bombay Bullion Association felt it necessary to take steps for checking what it considered to be excessive speculative activity. In February, 1953, the price of silver spiralled up to a level not recorded for many months before. This caused a flutter among some of the members of the Bullion Association and forced the machinery for declaring an emergency in the market. The Board considered this request and declared, on 10th February, that a state of emergency existed in the market. The Board also decided to impose a margin on every rise of Rs. 7 in silver and Rs. 4 in gold over the basic rates. It further decided to double the amount of margin from Rs. 500 per bar of silver to Rs. 1,000. But when the former decision of the Board was placed before the General Body of the Association on 13th February, it was not ratified, as it failed to secure the support of the minimum number of members required under the rules. The latter decision was not given effect to, as legal opinion was not in its favour. The Board accordingly decided not to take any action for the time being.

A section of the traders, however, refused to transact business as a protest against the Board's decision not to enforce its earlier proposal to levy a margin on every rise of Rs. 7 per 100 tolas in silver and Rs. 4 per tola of gold over the basic rates. There was, therefore, a deadlock in the market for a few days in the last week of February. Within a few days, however, the deadlock was resolved, thanks to the compromise brought about by the Board between the two sections of traders. Under the compromise terms, the opposite parties agreed to square up their outstanding positions in the then current settlement at Rs 168. Those who wish to carry over their contracts to the next settlement were permitted to do so at a carry forward charge of not more than Rs. 2.

Consequent on the aforesaid developments, the Board sought more powers to meet any possible "emergency" in the next settlement. It also proposed certain amendments to the by-laws governing the levy of margins and delivery and forwarded them to the Bombay Government. But the State Government asked the Board to place the amendments before the General Body of the Association so as to know the consensus of opinion of the members before giving its approval. At the extraordinary General Body meeting held on 25th March, the members did not ratify the proposed amendments.

Penalty for Non-delivery

Early in the month of September, the Board of the Bullion Association made a move to amend the by-law (No. 141) with a view to restricting the penalty for non-delivery of bars by sellers at the time of settlement. On 19th September, the Board decided to amend the said by-law and the proposed amendment stated: (*a*) when a seller defaulted to deliver goods in terms of his delivery order, he shall pay damages to be determined by an auction and (*b*) under no circumstances his damages would be higher than Rs. 3-8 per 100 tolas in the case of silver and Rs. 2 per tola in gold over the rate of current settlement prevailing on the auction day.

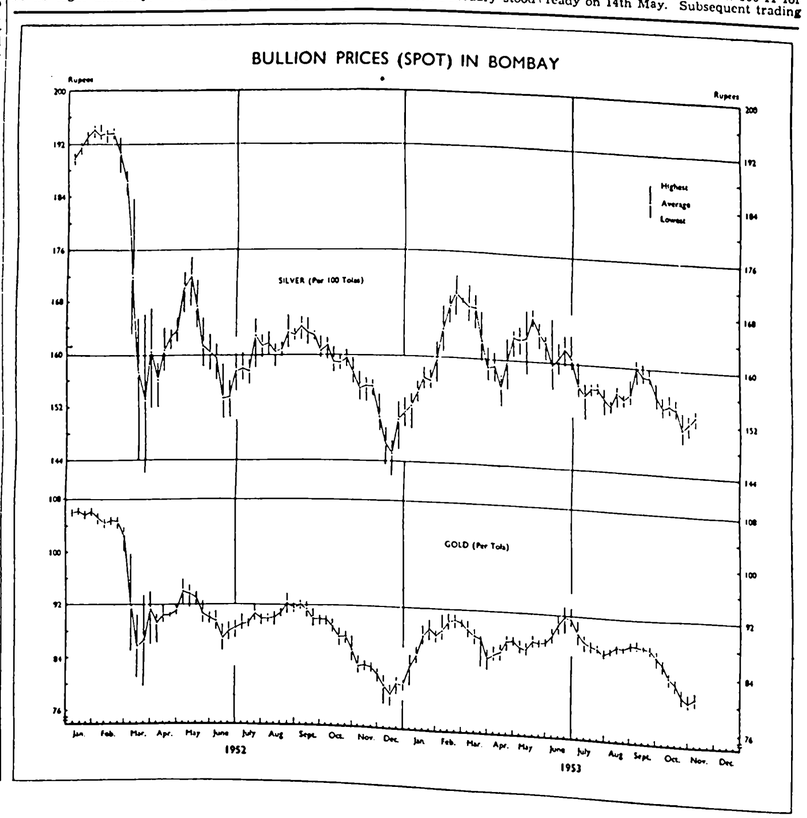
The above amendment to the by-law was opposed by a section of the traders which was of the opinion that it would unduly encourage speculators to indulge in short-sales and would restrict the penalty payable by him, if he failed to give delivery of the goods he had sold. In view of the controversy that had arisen over the legality of the proposed change in the by-law, the Board decided to take legal opinion before placing the proposal before the General Body. Accordingly, a questionnaire was prepared by two solicitors to be placed before the Advocate-General of Bombay. When the questionnaire was submitted to the Advocate-General, he gave the opinion that, if the amended by-laws was properly made, there would be no legal difficulty. The Board met again and drafted three alternative proposals for fixing the penalty, instead of one as decided by it earlier. The first proposal was to fix the penalty over the rate for the current settlement prevailing on the day of auction. The second was to fix it over the delivery rate fixed by the Board; and the third was to fix it on the highest rate touched during the settlement to which the auction related. No further move was, however, made by the Board in arriving at a decision. In the last week of November, in response to a request made by about 50 members, the Government of Bombay called upon the Board to take a decision whether it intended to amend the by-law or not and submit its decision to the Government before 5th December. On 26th November, the Board decided to place the proposals before a conference of the Advocate-General and legal advisers of the Association. In the meantime, about 75 members sent a joint note to the Board stating that there was no need for amending the by-law. The Advocate-General was of the view that all the three proposals were legally valid. The Board, therefore, convened an informal meeting of the members to elicit their opinion before taking a decision and submitting the same to the Government. This meeting was held on 3th December, at which the majority of members were in favour of fixing the penalty over the highest rate touched during the settlement. Subsequently, the Board decided to fix the penalty at Rs. 2 per 100 tolas in the case of silver and Re. 1 per tola in the case of gold. This decision has been submitted to the Government for its consideration and the latter's decision is not known at the time of writing.

Silver

The upward trend in silver noted towards the close of December, 1952, gathered momentum during January, 1953, the bullish fervour having been sustained by the improvement in offtake, higher advices from upcountry centres, spurt in the price of silver in New York and London and the strength of gold. Consequently, silver for forward delivery advanced from the previous year's closing of Rs. 151-11 to a high of Rs. 160-14 on 31st January. In the New York market, the price of foreign silver, which had remained at 83¼ cents per fine ounce since 24th July, 1952, rose to 83¾ cents on 13th January and, successively, to 84¼ cents on the 14th, 84¾ cents on the 15th and 85¼ cents on the 16th. The rise was attributed to the unexpectedly strong demand for silver for that part of the year, while supplies were very limited. Hectic bull activity, coupled with frantic bear covering, pushed up the prices further during the month of February. When the closing price on 4th February stood at Rs. 163-6, the automatic margin system came into operation under by-law 33-c (1) (*a*) and a margin of Rs. 500 per bar was imposed on all outstanding purchases. But this did not check the advance in price which touched a high of Rs. 167-13 on 9th February. In response to the request of some members, the Board of the Bullion Association declared a state of emergency, as already stated, but the general body of the Association did not confirm it. After a short-lived recession to Rs. 164-2 (forward) and Rs. 165-2 (ready) on the 13th, prices resumed their upward trend and came up to Rs. 170-12 for forward delivery and Rs. 171-12 for ready on the 19th—these rates were the peak for the year. The sustained rise in prices was due to (1) general upward trend in all commodity markets, (2) firmer advices from upcountry centres, (3) good demand in the ready position, and (4) development in the international political situation. The persistent spiralling up of prices caused a flutter in the market and forward trading remained suspended from 20th to 25th February, on account of the refusal of some traders to transact business as a protest against the Board's decision not to enforce its earlier proposal to collect margin on every rise of Rs. 7. Following the compromise effected between the two sections of traders, as stated earlier, prices reacted to Rs. 167 (forward) and Rs. 168 (ready) on 27th February.

In March there was a distinct fall in bullion values, forward and ready silver both coming down to a low of Rs. 156-2 on 26th March, consequent on selling pressure induced by the bearish view which the market seemed to have taken in regard to the amendments to the by-laws proposed by the Board. Following the rejection of the amendments by the General Body of the Association on the 26th March, there was a mild revival to Rs. 159-13 for forward as well as ready on the 30th. This revival was short-lived and the white metal suffered a setback early in April, the forward and ready quotations touching Rs. 151-11 on 6th April, the result of bull liquidation induced by the improved prospects of peace in Korea and the weakness of other commodity markets. A distinctly firm tone soon emerged, mainly on revival of bull support based on the then prevailing statistical position and reports of improved tone in the other commodity markets; forward silver rebounded to Rs. 163-8 and ready to Rs. 163-10 on 21st April.

After moving narrowly for a few days, recrudescence of strong bull support, based mainly on the tight statistical position, lifted up the price to Rs. 166-7 for forward and Rs. 166-11 for ready on 14th May. Subsequent trading



was characterised by a keen tussle between the bulls and bears and in this process they even changed their natural roles. Thus while, on the one hand, bull operators attempted to keep down prices to avoid payment of margins, in terms of by-law 33-d (1) (*a*) (i), on the other, they tried to extract as heavy a carry forward charge as possible from the bears by keeping the daily closing rate well below the basic rate for the current settlement. The bears, on their part, tried to place the bulls in the difficult position of having to pay heavy margin not only by sitting tight on their forward sales, but also by pushing up the daily closing rate above the basic rate through purchases in the ready position. However, in trying to outwit each other, both the bulls and the bears had to pay heavy margins, though the bulls succeeded in extracting a carry forward charge of as much as about Rs. 7 per 100 tolas (a record in living memory). On 30th May, the rates declined to close at Rs. 163-7 for forward delivery in May settement and at Rs. 157-3 for the June settlement. As the May settlement rate on that day was above the official starting rate of Rs. 162-10 and as the closing rate for the June settlement was more than Rs. 3 above the May settlement, the bulls had to pay a margin of Rs. 1,000 per bar on their outstanding purchases, in terms of by-law 33-d (1) (*a*) (i). This was not all. They had to pay a margin of Rs. 300 on their outstanding sales in June settlement also under by-law 33-c (i) b. This they had to do, because they were short in that settlement. The closing rate on 30th May for that settlement was more than Rs. 7 below the starting rate for that settlement. Under the same by-law, the bears also had to pay a similar margin.

Bears Pay Margin

The month of June witnessed a downward trend. After an initial recession, attributed mainly to the weakness in cotton, prices managed to move both ways, but the underlying trend was distinctly downwards. Towards the close, a sharp break was experienced on heavy liquidation by bulls induced by apprehensions about prospects of a decline in offtake in the next few months. Consequently, forward silver declined to Rs. 153-9 and ready to Rs. 153-11 on 30th June. As the forward closing rate on 29th June (at Rs. 155-5) was more than Rs. 7 below the official starting rate of Rs. 164-4 for June settlement, the bears had to pay a margin of Rs. 500 per bar on their outstanding sales. The slackening of the demand for silver in July and reports of large arrivals kept down the prices low throughout the month, the closing rate for the month being Rs. 150-7 for forward and Rs. 152-5 for ready. A feature of the trading towards the close of that month was a sharp rise in carry-over charges to as much as Rs. 4-6, on 28th July, against the bears.

During the major part of August, trading was featureless and turnover was restricted. But towards the close, activity revived following the introduction of the Estate Duty Bill in Parliament on 24th August. The bullish sentiment was assisted by the improved demand in the ready position and prospects of better offtake during the busy season, in view of the expectations of good harvest. Consequently, the price spurted to Rs. 157-6 for forward delivery and Rs. 159-10 for ready on 29th August. Sentiment of operators was affected during the first half of September by uncertainties over the proposal before the Board of the Bullion Association to amend by-law 141, with a view to limiting the penalty for non-delivery at the time of settlement. Subsequently, when the Board passed a resolution to this effect on 18th September, a sharp decline in price occurred, as operators were of the view that the amendment favoured the bears. This sentiment was further assisted by reports of large arrivals and weakness of the other commodity markets. Silver for forward and ready deliveries, therefore, slumped to Rs. 151-4 on 30th September.

After an initial rise to Rs. 154-12 for both forward and ready deliveries on 9th October, on expectations that the Board's resolution to restrict the penalty for non-delivery at the time of settlement would not be put into effect in the near future, silver reacted by stages to Rs. 147-6 (forward and ready), the lowest levels, for the year, on 21st October, due to the weakness of gold and continued slackness in demand. Towards the close of the month, there was a recovery to Rs. 152 for forward and Rs. 152-2 for ready on revival of bull support and short-covering. Trading in the month of November was featureless, values fluctuating within a narrow range due to uncertainties about the coming into effect of the Board's proposal to restrict the penalty for non-delivery. After moving between Rs. 150-11 and Rs. 154-6, ready and forward silver finished the month at Rs. 152-3. Thereafter there was a decline to Rs. 149-8 for forward delivery and Rs. 149-14 for ready on 2nd December, and at the time of writing (12th December) forward price is standing at Rs. 151 and ready at Rs. 151-4.

Gold

In consonance with the rise in silver during the month of January, gold also depicted a bullish trend in the opening month of the year, sustained by the decision of the French Government not to allow foreign exchange for import of gold. Despite occasional setbacks, the yellow metal had firmed up from the previous year's closing of Rs. 82-11 (forward) and Rs. 83-6 (ready) to Rs. 88-9 and Rs. 90-1, respectively, by 20th January. The undertone continued to remain firm up to the end of February, notwithstanding the emergency in silver and the suspension of forward trading from 20th to 25th February. This was attributed to the good offtake in the ready position, reports of decline in arrivals of smuggled gold, upward trend in commodity prices and developments in the international political situation. At the close of February, forward gold stood at Rs. 89-14 and ready at Rs. 90-3.

The bullish trend was reversed in the month of March on reports of larger arrivals and absence of sufficient offtake to balance the arrivals. Further, there was selling pressure, induced by the bearish view taken in regard to the proposed amendment to the by-laws of the Association. Prices, therefore, reacted to a low of Rs. 83-9 for both forward and ready deliveries. There was, however, a revival of bull support and the Select Committee's report on the Estate Duty Bill further aided bullish sentiment. Despite occasional profit-taking, successive higher levels were established in the months of April, May and June, forward gold touching the year's highest level of Rs. 91-8 on 22nd June and ready gold Rs. 93-10 on 16th June. The rise was more marked during the major part of June, due to speculative suppor: based mainly on (1) the improvement in offtake, (2) slackening of arrivals due to monsoon, and (3) suspension of operations in Kolar Gold Fields on account of stoppage of power supply. Although towards the close of the month of June, there was a minor recession from the peak levels touched earlier, there was a widening of carry-over charges to Rs. 3-4 on 29th June. As the forward rate at the close of the day was higher than the official starting rate and the carry-over charges was more than Re. 1-8, the automatic margin system, in terms of by-law 33-d (1) (*c*) (i), was enforced, requiring a margin of Rs. 14 per tola to be paid on all outstanding purchases.

Reversal of Trend

The month of July witnessed a reaction due to a slackening of demand, larger arrivals and the weakening of gold prices in Hongkong following the Korean truce agreement. Prices dropped to Rs. 84-12 for forward and Rs. 86 for ready on 27th July. During the major part of August, activity was restricted, but the undertone remained steady. Towards the close, the turnover broadened a little following the introduction of the Estate Duty Bill in Parliament. Forward gold came up to Rs. 88-12 and ready to Rs. 88-4 on 29th August. This sentiment was not sustained in September. Following the bearish interpretation given to the Board's decision to fix the penalty at Rs. 2 per tola over the current settlement for non-delivery of goods and reports of weakness of commodities, prices declined to Rs. 84-2 for forward and Rs. 85-4 for ready on 28th September.

The downward movement gathered momentum in October and the undertone was weak. The main bearish factors which affected the sentiment were (1) reports of large arrivals, including smuggled gold, (2) slackness in offtake, (3) rumours (since officially denied) about the possibility of the Reserve Bank selling gold, in order to check smuggling of gold into India, and (4) fall in price of gold in the free markets of the world, particularly in Paris. The fall was more pronounced in the latter half of the month. On 19th October, when the closing rate for forward delivery stood at Rs. 81-5, it was more than Rs. 5 below the official starting rate for the then current settlement. The automatic margin system, in terms of by-law 33-c (i) (*b*), under which bears had to pay a margin of Rs. 7 per tola on all outstanding sales, was, therefore, enforced. But this did not check the downward trend and prices slumped to Rs. 79-1 (forward) and Rs. 79-7 (ready), the lowest levels for the year, on 26th October. There was a smart recovery from this level to Rs. 84-5 (forward) and Rs. 84-9 (ready) on 19th November induced by good offtake and decline in arrivals, thanks to the vigilance of the Customs authorities. Subsequently, there was again a marking down in values due to paucity of demand from other contres and larger arrivals in Bombay. At the close of November, forward gold stood at Rs. 82 and ready at Rs. 82-5. At the time of writing, they stand at Rs. 80-2 and Rs. 80-4, respectively.

BUOYANT CONDITIONS IN TEA

PROSPECTS FOR 1953-54 PROMISING

CALCUTTA, 8*th December*

IN complete contrast to 1952, which experienced the greatest slump that the tea industry has ever known, 1953 has been a unique year. Prices started improving from the very first sale in January and advanced each week, until, by the end of the selling season in April, teas were selling at levels which were comparable to those ruling in December, 1951. The opening sales of the new season in June maintained the same strength and prices improved further with improving quality. By the end of 1953, prices of common and low medium descriptions of tea stood almost as high as they have ever been and general price average was as good as in the early part of 1951.

The recovery from the slump was as quick and unexpected as the fall in prices during the previous year. Before considering the reasons for this radical improvement, let us look into the causes of the slump of 1952. The early months of the season 1952 produced heavy flushes and, by the end of July, 1952, the comparative North Indian crop was 42½ million lbs. in excess of 1951, which was a record crop year in the history of North India.

Indonesia, which was left devastated by the war, returned into production and, by the beginning of 1952, shipments from that country to outmarkets offered serious competition, especially to the low-grown varieties of teas both from India and Ceylon. It appeared at this stage that the world markets by the end of 1952 were going to be flooded with tea and overseas buyers were led into a false sense of overproduction.

The Slump

On the other hand, the deterioning of tea in the U.K., by far the most important buyer of Indian tea, did not bring about the increase in demand which many had anticipated. Buying from the U.K. in the second half of 1952 fell considerably, while old stocks which had been built up by the wholesalers before deratioining were being used up. As a result, prices started falling and by December, 1952, reached levels which were much below the cost of production. Tea became difficult of sale for the first time since the war and nearly half the quantity on offer was withdrawn each week from the auction sales in Calcutta in the last few months of 1952. This led to the closure of a number of gardens, particularly in the Cachar and Darjeeling Districts, which were the most hard hit. A general restriction in plucking and attainment of higher quality standards were aimed at by all gardens and, by the end of 1952, the North Indian crop had been brought down to 507 million pounds, nearly 3 million pounds short of 1951. There was also a shortfall of 20 million pounds in the Indonesian crop. This altered the supply position considerably from what it appeared to be mid-season and buyers were suddenly faced with a possible world shortage. Large quantities of teas, sold at fantastically low prices in the last months of 1952, were used up in India and in shipments to some of the Middle Eastern countries and buyers found their stocks largely depleted in the early months of 1953 and had to resume free buying to make up their requirements.

Prices Harden

From January, 1953, the market went from strength to strength and, within three months, common teas had advanced by nearly a rupee. The extent of the recovery can be seen from the following quotations for clean, common broken pekoe on the Calcutta market:

(Per lb.)

	1952	1953
	Rs. a. p.	Rs. a. p.
March	1 1 6	1 11 0
June	0 15 0	1 11 0
September ..	0 12 0	1 12 0
December ..	0 13 0	1 12 6*

* Mid-November.

The producers in North India, after the experience of 1952, decided to enforce a scheme of voluntary regulation of crops. It was at first intended to restrict the crop by 12½ per cent. of the best crop year of each garden, bringing down the North Indian production by some 50 million lbs. Later, however, with the strengthening of the market, the restriction was eased to 10 per cent. with the expected cut in crop to amount to some 40 million lbs. less than the best crop-year.

The weather was unfavourable for growing in most districts in North India and with the reduction in the manure programme, the crop by the end of October, 1953, stood nearly 21½ million lbs. under the 1952 figure. This deficit is unlikely to be made up and the North Indian crop might well fall short by 15 million lbs. or even more.

Exports to U.K. Higher

Shipments during 1953 have shown an all-round advance over 1951 as well as 1952, the increase in the shipments to the U.K. being the heaviest. At the time of writing, shipments to the U.K. are 30 to 50 million lbs. in excess of 1952 and 1951, respectively. With the present low stocks in the U.K., this trend of heavy shipments to the U.K. is likely to continue. Shipments to Egypt shot up considerably owing to the easier availability of exchange with India, as compared to Ceylon, and large orders were also received from Eire during the last few months of 1953. Shipments to the American Continent, though a little under 1952, were considerably ahead of 1951. With the new propaganda drive sponsored by the Government of India in conjunction with the other producing countries and the Tea Buyers' Association of the U.S.A., it is expected that the offtake from these markets should increase in the coming months. With the improvement in the political situation in Iran, there is a possibility of the resumption of exports to this country from early in 1954.

Although the permissible figure according to the International Tea Agreement was 135 per cent. of the standard export figure, the Government of India made an initial release of 115 per cent. only, with a view to strengthening the export market. A further release of 7 per cent. was, however, made later, owing to the continued strong export demand and general scarcity of export quotas.

New Tea Board

During the year, the Tea Bill was passed by the Indian Parliament under which the Central Tea Board is to be wound up and a new Tea Board is to be set up. This Board is to be composed of representatives of the trade and nominees from various States and the Central Government and will have wide powers for regulation and promotion of the tea trade.

To provide relief to the producers after the slump, alterations in the rates of excise duty were announced by the Government during April. Duty payable by the estates was reduced from 3 annas to 1 anna per pound, but an additional duty of 3 annas was levied on "package tea" defined as any unit containing less than 60 lbs. net tea, payable by blenders and packers at the time of clearance. Tea sold loose or in packages of over 60 lbs. was to be exempt from this duty. The ratio of dutiable teas to non-dutiable being about 60-40, the loss on revenue to the Government on reduction in excise duty payable by estates was fully expected to be made up by the new duty to be borne by blenders and packers.

Tea share prices, in sympathy with the tremendous recovery in the tea market, improved considerably during 1953, and many scrips were selling between 25 and 50 per cent. over 1952. Consistent and active interest was shown by the buyers in tea shares right through the year and, with the prospects of a profitable season, current price levels are likely to be maintained.

Prospects Good

Prospects for the remaining part of the season 1953-54 are very good; although Ceylon and South India are expected to harvest slightly bigger crops than during the previous season, with the shortfall in North Indian crop, the aggregate world production of black tea is likely to be much the same as in 1952. Both the U.K. and Indian markets are considerably short of tea and a fairly high price level is anticipated for the rest of the season.

During 1954, producers will have to watch the situation carefully—crops will have to be regulated and efforts made to improve further the quality of North Indian teas, so that our position on the world markets remains competitive. Our greatest insurance is in the development and expansion of the home market and it is important that a concentrated internal propaganda drive is initiated by the Central Tea Board or the new Tea Board when it is formed. The export markets are to be maintained and expanded, but the absorption of surplus tea in India should provide the producers with an economic price for their export teas for a number of years to come. The expansion of the home market would also stand us in good stead in later years when competition from new tea-growing countries, such as East Africa, becomes intense.

SMOOTH TRADING IN COTTON

VALUES REMARKABLY STEADY DESPITE LARGE SUPPLY

BOMBAY, 21*st December*

THE forward cotton market has just completed one full year of successful operation, since the three-year-old inactivity was ended on 12th December, 1952, after protracted negotiations with the Government and several weeks' labour spent in hammering into shape the details of the regulations which should govern the trade in cotton futures. Although the market may congratulate itself on this score, there is no doubt that there have been some occasions during the year, when it was in the grip of speculative operators, who made successful attempts at manipulating prices, so that many observers were constrained to point out that forward trading had lost touch with the ready market. There was, however, no occasion when conditions deteriorated so far as to invite official intervention.

The enthusiasm of the cotton operators knew no bounds when future trading was opened on 12th December, 1952, for the I.C.C. February and May contracts experienced a rapid rise within the first week of the inauguration of the trading. Thus, February contract opened at Rs. 621 and, within less than a week, moved up to touch a high of Rs. 666; the May contract, which opened at Rs. 625, touched Rs. 674. The President of the East India Cotton Association was, therefore, compelled to issue a warning against the creation of conditions that would be detrimental to the smooth working of the forward market. This had a salutary effect and the February and May contracts declined gradually to touch Rs. 633½ and Rs. 642½ towards the end of January, 1953. In the following month, there was some improvement, thanks to speculative buying, so that the February contract was rung out of the trading ring at Rs. 665½, the number of bales tendered against the contract being 6,800.

Trading in August delivery commenced in February this year at Rs. 653½. Both May and August contracts derived some strength from the relaxation of distribution controls on textiles in March this year. May contract touch a high of Rs. 714½ and August contract a high of Rs. 725½ on 18th March, before closing the first quarter of the year at Rs. 690 and Rs. 701½, respectively. The spot market ruled firm during this period, with M.G. Jarilla fine moving up to Rs. 703, Vijay to Rs. 796 and Surti to Rs. 871.

Downward Trend

In the second quarter of the year, there was a sharp downward trend in cotton, which was more remarkable because the earlier part of the quarter had witnessed very high levels. Thus, in May, 1953, I.C.C. May touched a high of Rs. 738 and August contract a high of Rs. 744. The May contract faded out of the market at Rs. 730½, the tenders against the contract being only 2,450 bales. The high levels touched by the August contract attracted selling, so that, in the latter part of May and in the following month, there was a declining trend. This trend was assisted by renewed rumours of the devaluation of the Pakistani rupee and prospects of cotton arrivals from that country. In June, yet another bearish influence was exercised by favourable weather report. The August contract, therefore, slumped to a low of Rs. 660 towards the close of June, 1953. But the spot market was relatively firm, so that many shrewed market observers were constrained to remark that the hedge contract had become divorced from the spot market. Although the forward market has lost the confidence of operators, the spot market was steady over the second quarter of the year. Thus, M.G. Jarilla was quoted at the close of the second quarter at Rs. 690, Vijay at Rs. 800 and Surti at Rs. 850; these rates were practically the same as those quoted at the beginning of this quarter.

Trend Upward Again

The first two months of the second half of the current calendar year witnessed a sizable improvement in cotton prices. This applies particularly to the August, 1953 contract. The August contract moved up, in July, 1953, from Rs. 673½ to Rs. 710½, and still further to Rs. 735½ on 22nd August, before it was rung out at Rs. 731. An interesting feature of the trend of prices of this contract is that the bulls continued to maintain their grip over the contract till the last, despite the fact that tenders amounting to as many as 110,250 bales were submitted against it.

But the February, 1954 contract, it must be mentioned here, did not experience such buoyant conditions as the August 1953 contract. Thus the February, 1954 delivery opened at Rs. 665½ on 17th July, 1953, and moved up to touch a high of Rs. 677½ on 30th July. Thereafter, there was a setback, which caused it to decline to Rs. 638 towards the end of August. It is interesting to note that, when the February 1954 contract opened, it was quoted at a discount of about Rs. 8 under the August, 1953 contract. But this spread had widened to as much as Rs. 87 at the time of the running out of the August contract. This reflected the disinclination of the operators to commit themselves in the distant position (February, 1954 contract); in this, they were influenced by the optimistic estimates for new crop, although they could and did hold the price of the nearby position (August, 1953 contract) at a high level. In fact, on 5th September, 1953, when the trading in May, 1954 contract commenced it was also quoted at Rs. 635 or at a discount of about Rs. 3 under the February contract. This spread was very nearly maintained throughout September, towards the close of which the February, 1954 and May, 1954 contracts were quoted at Rs. 608½ and Rs. 611½, respectively. The spot market continued to rule firm, M.G. Jarilla moving up by Rs. 40 over the third quarter of the current calendar year to Rs. 731, Vijay by Rs. 77 to Rs. 877 and Bengal by Rs. 25 to Rs. 565.

The Last Quarter

Since October, the major influences have been the performance of the piece-goods markets, the Government's measures of relief for the textile industry and fluctuating crop ideas. It became known even in September that the mills were facing the problem of accumulated stocks of cloth. This induced a slight downward trend in cotton. The cotton market derived some comfort from the Government's measures (announced in October) of relief for the textile industry, which included the abolition of the export duty on medium cloth. That these measures were, on the whole, inadequate is clear from the fact that the cotton market did not record any great improvement. This is because exports constitute only a small part of the total production. The small reduction in excise duty on superfine cloth also made no impression on the market, because this applies mostly only to the cloth manufactured from imported cotton.

Although the gradual improvement in the piecegoods markets in October and November was well received by the market, the dominant influence was the new crop outlook. At one time, it was widely believed that the new crop would be of the order of 42 lakh bales. Small wonder then that the February and May contracts were quietly steady in October, this year, over the month, the net improvement was only Rs. 3, the former contract closing the month at Rs. 615 and the latter at Rs. 620½. But, in November, crop ideas underwent a downward revision, so that strong bull support for the contracts asserted itself, carrying the February and May contracts to a high of Rs. 659 and Rs. 660 respectively in the last week of November. The upward trend continued in the first half of December with I.C.C. February and May touching a high level of Rs. 699 and Rs. 692, respectively. Thereafter, there was some profit-taking the closing rate at the time of writing being Rs. 672 and Rs. 670. The undertone of the market, however, was steady.

New York Market

Narrow fluctuations in prices, increased movement of cotton into the hands of the Commodity Credit Corporation (C.C.C.) and fall in exports were the distinguishing features of the cotton economy in the U.S. during the year under review. Even early in the year, it became clear that the restrictions on crop output would become inevitable as the season advanced. The authorities were themselves so nervous about the outlook for cotton that they advised cotton farmers to cut down the acreage under cotton. These fears have been justified by events, for the decline in export trade and the consequent fall in prices have compelled the U.S. farmers, at the referendum held on 15th December, 1953, to vote for a reduction in cotton acreage for the 1954-55 season.

The New York cotton market opened the year with a hesitant tone. Exports of cotton had fallen to a low figure. They were no more than 1.8 million bales for the six months ended January, 1953 or less than 50 per cent. of the exports during the same period in the year 1951-52. Before the end of January, 1953, the March, 1953, delivery lost nearly 40 points to stand at 33.35 cents per lb. This trend continued in the following month, too, so that, at the end of February the March delivery lost 17 points to close the month at 33.08 cents. The distant positions, such as October, were relatively less affected, and the fluctuations were held within narrow limits. In March, all positions suffered a decline, thanks to continuing low export demand, reports of favourable weather in the cotton belt, and poor offtake in spot market. At the end of the first quarter, the May position came to be quoted at 33.28 cents, as against 34.14 cents in the beginning of the year, July at 33.34 cents as against 34.54 cents. In the second quarter, too the market was characterised by narrow fluctuations. Although the reports of unfavourable weather conditions, particularly in the Eastern and Central cotton belts, were interpreted as bullish factors, the continued slackness on the export front and in the cloth market was not calculated to improve sentiment. The July delivery declined over the second quarter by nearly 60 points to stand at 33.16 cents. Small gains were, however, recorded by the relatively distant positions, the October and December deliveries gaining 16 and 35 points to 33.79 cents and 33.96 cents, respectively.

Crop Reports

The second half of the current calendar year was, as usual, dominated by the series of crop reports that come through at this period of the year. As each crop estimate began to exceed the previous one, the market came to be more and more depressed. The estimates of the current season, crop made in August, September, October, November and December, were, respectively, 14.6 million bales, 15.16 million, 15.60 million, 16.09 million and 16.43 million bales. If, in spite of the progressive increase in crop estimates, the market was not completely demoralised, it was because the system of price support which prevails in the U.S. does not permit values to dip below the levels related to the support price. It is, however, noteworthy that the price trend has shown no signs of improvement, despite the fact that entries into the loan have rapidly mounted and are estimated at as high as four million bales. Thus, the December delivery, which stood at 34.01 cents at the end of July, moved down to as low as 32.97 cents at the end of September, though it was slightly higher at 33.01 cents when it went off the Board. The other contracts are quietly steady, with March, May, July and October positions being quoted at 33.00 cents, 33.23 cents, 32.98 cents and 32.46 cents respectively.

Uncertainties

The New York market is closing the year with uncertainties about the future. It is not clear, for instance, how the Government proposes to dispose of the large stocks it holds. Exports continue to be at a low level. The Government has, on its part, ruled out export subsidies. But an effort is being made to stimulate foreign offtake through a programme under which the buying countries are permitted to pay for the cotton in their own national currencies. One thing, it is known that the supply this season is substantially large, especially when it is seen against the reduced prospects for exports. During 1952-53, the supply was about 18.1 million bales (of 500 lbs. each) consisting of 2.8 million bales of carry-over cotton and production of about 15.2 million bales. Exports were only 3.2 million bales, as against 5.5 million bales in the previous season, while domestic consumption was about 9.4 million bales. All this left nearly 5½ million bales to be carried into the current season. Since production for the current season is placed at 16.4 million bales the U.S. is assured of a supply of between 20 and 21 million bales, against prospective disappearance of between 12 and 14 million bales (inclusive of probable exports of about 3½ million bales). Thus, the current season is bound to end with a record carry-over of some eight million bales.

Against this background, even the decision to restrict the 1954 cotton output (which will influence the supply in the 1954-55 season) to 10 million bales taken at the national referendum, in December, 1953, will fail to give the market a favourable turn. Only, the Government is now committed, in view of the farmers' favourable vote, to support the crop next year at 90 per cent. of the parity. Adverse voting would have meant the support price being lowered to 50 per cent. The acreage allotment, which will now follow this referendum, envisages 17.9 million acres under cotton. Although this measure will reduce the supply of cotton in the 1954-55 season, it would still be high enough at 18 million bales (about eight million bales of carry-over stocks and production of 10 million bales).

Pakistan Market

The Pakistan cotton market opened the year under review with heavy stocks, estimated at over 3 lakh bales. There was insufficient foreign demand to absorb increased offerings. The Pakistan Government was compelled on 9th January to exempt the then old crop cotton (1950-51 crop cotton) from export duty, and the duty in respect of certain qualities, which had been rejected by the Cotton Board, was reduced to Rs. 60 per bale. The export duty on the 1952-53 crop cotton was, however, kept unchanged at Rs. 90 per bale. Despite these measures, there was no great improvement in offtake. In the second week of January, the Karachi cotton market witnessed a debacle, the N.T. (roller ginned) touching the lowest level (Rs. 55 per maund) since the time of the Government's non-devaluation decision. The Government saw that drastic action was necessary in order to stem the rot which had set in. Accordingly, it prohibited, with effect from 22nd January, 1953, the export of cotton below certain fixed prices which were Rs. 56, for 4F, Rs. 58 L.S.S. and N.T. and Rs. 61 289F, all for roller ginned, with a premium of Rs 3 for S.G. varieties. The Government also decided to permit private barter deals of cotton against certain specified goods from other countries. These measures, coupled with some offtake by the U.K., Belgium, Germany and Italy, imparted a steady tone to the market, so that N.T. Rg., for instance, improved towards the end of the first quarter to Rs. 61.

Agreement with Japan

This tone improved further in the subsequent months, thanks principally to the good demand for cotton from Japan, Australia and China. Sind N.T. came to be quoted at as much as Rs. 67-69 towards the end of June. With slight variations, prices were well held in the quarter ended September, 1953. A factor which contributed greatly to this improvement in sentiment was the conclusion, in April, 1953, of the Pak-Japan trade agreement. The agreement stipulated the purchase by Japan of 650,000 bales of Pakistan cotton in exchange for 80 million square yards of Japanese fabrics. Japan agreed to buy its cotton requirements during each of the four quarters ending March, 1954, at the rate of 150,000 bales, 100,000 bales, 275,000 bales and 125,000 bales, respectively. Although the implementation of this agreement has been hampered by the non-availability of sterling on the Japanese side and by the alleged inadequacy of import licences for cloth on the Pakistani side, Japan has, during the 1952-53 season, been the most important customer for Pakistani cotton. Total exports of cotton by Pakistan amounted to 1.64 million bales in the 1952-53 season, as against 1.24 million bales in the previous season. The share of the U.K. in the total exports of Pakistan cotton improved from 86,827 bales to 138,907 bales, of Continental countries from 286,223 bales to 419,596 bales and of Japan from 299,068 to 700,655 bales. Since the cotton supply in Pakistan in the 1952-53 season is estimated at 1.9 million bales —400 lbs. bales—(inclusive of a carry-over of about 0.5 million bales), the exports at 1.6 million bales and mills consumption at between 0.3 and 0.4 million bales, leave the carry-over of cotton at the end of the 1952-53 season at about 300,000 bales. The output of cotton in the 1953-54 season crop has been estimated at about 1.6 million bales, which would give an overall supply of 1.9 million bales again for the current season, or nearly the same as the supply in the last season.

Trading in new crop cotton was permitted with effect from 8th August, 1953. Although new crop cotton prices ruled firm in the beginning, there has been a setback, following some lull in export activity. Thus, N.T. Rg. was quoted at as high as Rs. 72 at the time the Government granted permission for trading in the current season's crop. The future trend of prices will depend, among other factors, on the way in which the U.S. will dispose of its surplus cotton. If the U.S. chooses to market its cotton against the currencies of the consuming countries, Pakistan's exports are bound to be affected. The Pakistan Government has, however, made no change in its export policy. Thus, the schedule of the minimum export prices for the current season is the same as that fixed for the last season. The only notable change is that an export duty at the rate of Rs. 60 per bale on Bengals and Comillas has been re-imposed. A noteworthy factor in Pakistan's cotton situation is the increase in domestic consumption of cotton; it was a little over one lakh bales in the eve of Partition, but is now estimated at four lakh bales for the current season. Thus, Pakistan is developing an internal market for cotton which ought to act as a stabilising force in the economy of this commodity.

Alexandria Market

The recent history of the Alexandria market is a tale of frequent—and often unwise—official interventions. A whole series of such measures culminated in the closure of the market on 23rd November, 1952. The market continues to remain closed and official sources have denied all recent rumours that the market would be re-opened this season. Thus, the cotton prices continue to be controlled at levels which are based upon the New York market. The Government fixed, in November, 1952, it may be recalled, the price of long-staple Karnak at 67.50 T. per cantar and of Ashmouni at 60.0 T. per cantar, at which it would buy all the cotton offered to it. It also announced that it would sell cotton to exporters at prices based on the New York Middling 15/16" spot closing rate increased by 10 per cent. for Ashmouni and 30 per cent. for Karnak.

Barter Deals

In February 1953, the Government further announced that it would permit payment for the Egyptian cotton purchased by other countries in terms of 25 per cent. in dollars and 75 per cent. in Egyptian pounds. Exporters were free to utilise the sterling proceeds of their sales in any manner they chose. This concession has been an important factor in stimulating the export trade in cotton. Because sterling commands a premium in the Egyptian market, the exporters utilise the premium so obtained in order to reduce their selling prices for cotton. The result has been that the prices quoted by Egyptian exporters have often fluctuated in accordance with the premium rates fetched by sterling from time to time. In its cotton policy, the Government has not, however, relied entirely upon this currency device. Several barter deals and trade agreements have been concluded with a number of countries, including India (to which reference has been made already). The Government-sponsored trade missions have gone forth to many leading consuming countries in order to stimulate the offtake of Egyptian cotton.

There was some speculation in Egyptian cotton circles as to whether the authorities would be willing to re-open the market, in view of the decision of the British Government to permit the re-opening of the Liverpool futures market. But the Egyptian Cabinet has decided to continue the cotton policy "until a time when the re-opening of the Liverpool cotton market will have satisfactorily solved the problem of currency transfers." So, there is no immediate prospect of the market being re-opened. This means that, so far as the current season is concerned, the Egyptian Government will follow the last season's cotton policy of buying cotton at fixed prices and selling it to exporters at prices based upon the New York cotton market prices. The buying prices have, however, been revised for the current season. "Good" Ashmouni will be bought by the Government at 51.0 T. per cantar during December-January and at 52.0 T. per cantar from February upto the end of the season, the prices for "Good" Karnak during the respective periods are 59.0 T. and 60.0 T. per cantar. These export prices are about 9 tallarics less than those paid in the last season, a trend which is in consonance with the general fall in cotton prices in soft currency areas.

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taking by those who had bought in expectation of a rise in the Bank rate, the rates shrank all round. A quiet trend prevailed during the next two months and by the end of November the Conversion loan had come down to Rs. 81-15. 3 per cent. 1957 had reached a low of Rs. 98-5. 3 per cent. 1963-65, however, had managed to remain unaltered at Rs. 92-9 with no demand. The only redeeming feature was provided by the 3½ per cent. National Plan Bonds which stood at as high as Rs. 99-1 as compared with Rs. 98-5 early in July.

A distinctly better trend was in evidence in the first two weeks of December. On revival of rumours of a possible reduction in the Bank rate in India, emanating from Calcutta, Gilt-edged values staged a smart rally. 3 per cent. Conversion loan rose to stand at Rs. 82-11 on the 17th inst. from Rs. 81-15 on the last day of November. 3 per cent. 1957 improved from Rs. 98-5 to Rs. 88-5-9. 3 per cent. 1963-65 was, however, fractionally lower at Rs. 92-8. 3½ per cent. National Plan Bonds were also low at Rs. 98-15, 99-1. But the undertone as against Rs. 99-1. But the undertone of the market was fully steady, with operators remaining fully confident that the coming 12 months would witness a steady improvement in values, especially in those of the long-medium and the long-dateds.

COTTON YARN PRICES FAIRLY STABLE

ART SILK YARN STEADY

BOMBAY, 19*th December*

COTTON yarn is one of the few commodities in which stable conditions have come to prevail. An indication of this is provided by the fact that the current year witnessed a surfeit of cotton yarn supplies, thanks to the marked rise in output. There was no competition for securing requirements of yarn by handlooms, powerlooms and other industries. Values, therefore, did not register any erratic fluctuations. On the contrary, they moved within a narrow range and this was indeed in marked contrast to the violent fluctuations which yarn values witnessed in the period following the outbreak of the Korean war in June, 1950.

The Bombay cotton yarn market opened the year in a none-too-happy mood. Slackness in demand from consuming centres and notable expansion in deliveries led to accumulation of stocks, and prices drifted lower. Following, however, the export allotment granted by the Government, the market received some strength and a recovery was noticeable. This was further assisted by poor arrivals from Madras centres—most of the mills in this State are only spinning units—following substantial power cut. The average price of tendered current varieties of cotton yarn 10s improved from Rs. 12-14 at the close of last year to Rs. 13-2 per bundle of 10 lbs. as on 16th January, 1953. On this date, 20s stood at Rs. 19-12 and 40s at Rs. 27-8 per bundle of 10 lbs., as compared with Rs. 18-13 and Rs. 27, respectively, early in the year. The recovery was, however, short-lived. For in March, the State textile authorities in Bombay released about 10,000 bales of various counts held in stock by them. This had a depressing effect on the market and values staged a fall, the three different counts referred to above being quoted lower at Rs. 13, Rs. 16-9 and Rs. 26-6, respectively, on 2nd March, 1953.

The sentiment of the market improved in the subsequent weeks, thanks to scarcity of export allotments and good demand from Burma, Hongkong and Sudan. 10s rose to Rs. 14, 20s to Rs. 16-13 and 40s to Rs. 29-4 on 1st June.

A notable event that subsequently occurred in the sphere of yarn was the Government's decision—announced on 10th July, 1953—to abolish all controls over prices and distribution of yarn for the domestic market. With the decontrol, one thought that cotton yarn prices would once again soar. This, however, did not materialise. For the improvement in supplies, as a result of rise in production in Bombay mills and larger arrivals from Madras side, which followed restoration of power cut in Madras, acted as a bearish factor and cotton yarn values tended to decline. The latest available quotations at the time of writing are Rs. 14-12 for 10s, Rs. 16-15 for 20s and Rs. 25-10 for 40s.

Art Silk Yarn

The art silk yarn market presented a completely different pattern during the year under review. Not only was the depression that was in evidence during the second half of 1951 and practically the whole of 1952 arrested but the undertone of the market also improved considerably and remained more or less steady over 1953 as a whole. This behaviour of the market may at first sight appear quite surprising, in view of the appreciable improvement in supplies, due to rise in indigenous output and larger imports from overseas countries. The quantity of rayon yarn produced in the first nine months of 1953, for instance, was over 7 million lbs., which compares favourably with 5.56 million lbs. in the corresponding period of 1952. Similarly, imports of yarn during the period January-July, 1953, amounted to as much as 21.12 million lbs. valued at Rs. 7.18 crores, as against 8.15 million lbs. valued at Rs. 3.25 crores a year before. This distinct improvement in the supply position should have, in the ordinary course, depressed the market. But such did not happen for the simple reason that there were other factors which contributed towards maintaining steady conditions in the art silk yarn market during 1953. The most important among them was the upward trend in yarn prices in Italy and Japan. The prices of art silk yarn, for instance, were revised upwards twice in the course of the year by Italviscosa, one of the largest suppliers of rayon yarn on the Continent. The actual increase was to the extent of 5d. (As. 4½) for lower counts below 100 deniers and 4d. (As. 3½) for fine counts above 100 deniers. The local market responded favourably to this development, and in the absence of selling pressure, prices remained generally unaffected. Secondly, the trading in the market was also influenced by the firmness in the staple fibre yarn section, consequent on very meagre floating stocks. Besides, there was good demand from the rayon fabric manufacturing units following high level of cloth prices. These factors were responsible for a net rise in 1953 of Rs. 11 (per case of 200 lbs.) in the forward section. The rise is in striking contrast to the loss of Rs. 269 during 1952 and Rs. 629 in 1951. In the ready section, the prices of yarn registered improvement. 120D Japan rising from Rs. 4-2 to Rs. 4-5 and 150D Italy from Rs. 3-9 to Rs. 3-10. 150D Japan and 120 Italy, on the other hand, were a shade lower.

A notable feature of trading in the art silk yarn market during the year under review was the relatively smaller fluctuations in prices than those in the previous two years. The difference between the highest (Rs. 886) and the lowest (Rs. 665) levels touched in 1953 was only Rs. 221 per case of 200 lbs. in the forward section, as against Rs. 328 in 1952 (the highest and the lowest levels being Rs. 952 and Rs. 624, respectively) and Rs. 1,460 in 1951 (the highest and the lowest levels being Rs. 2,310 and Rs. 850, respectively). The difference in prices of yarn in the ready section varied from As. 11 to Re. 1-9 per lb., according to the variety of yarn, as against Re. 1-6 to Rs. 1-14 in 1952, and Rs. 6 to Rs. 6-11 in 1951.

Trend of Prices

The following table indicates the trend of prices in the art silk yarn market during 1953:

	31-12-52	*Highest*	*Lowest*	19-12-53
Forward	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
150 Deniers—(per case of 200 lbs.).	710 0 0	886 0 0	665 0 0	721 0 0
Ready				
150 D Japan (per lb.) ..	4 4	4 9	3 14	4 1
120 D Japan ..	4 2	5 3	3 15	4 5
150 D Italy ..	3 9	4 2½	3 6	3 10
120 D Italy ..	3 15	4 15	3 6	3 14

The markedly improved sentiment of operators in the market, following the fixation of floor prices for art silk yarn (as also staple fibre yarn) and imposition of a heavy margin of Rs. 250 per package on fresh rates by the Yarn Merchants' Association, Bombay, at the close of last year, continued to be in evidence in the first three weeks of this year. There were, besides, three other bullish factors, namely, (1) delay in the announcement of import policy for the January-June, 1953 period, (2) rumours regarding the possibilities of cancellation of licences to establish importers, and (3) disquieting news about deadlock in Korean peace talks. Consequently, art silk yarn prices registered a swift rise. The rising trend was not halted by the announcement of the import policy under which established traders were given a meagre quota of 10 per cent. This was too inadequate to have any disturbing influence on the trend of prices. As a result of the buying fervour which followed, the quotations for 150D April contract firmed up to touch the year's highest level of Rs. 886 on 18th March, as against Rs. 710 early in the year. In sympathy, values of ready yarn forged ahead. Thus, 120 Japan and 150 Japan touched a high of Rs. 5-1 and Rs. 4-8, as against Rs. 4-2 and Rs. 4-5, respectively. 120 Italy and 150 Italy advanced from Rs. 4 and Rs. 3-9-6 to Rs. 4 and Rs. 4-4, respectively. At higher levels, profit-taking set in and prices suffered a sharp recession which persisted till 6th April. The quotation for April contract on that day stood at Rs. 780. 120 Japan was quoted at Rs. 4-8, 150 Japan at Rs. 4-3, 120 Italy at Rs. 4 and 150 Italy at Rs. 3-15.

The sentiment of the market, however, changed for the better, following rumours of a further tightening of the import policy for the second half of this year. The buying support that ensued as a result, coupled with short-covering, led to a substantial recovery in art silk yarn values. May delivery touching Rs. 824 on 6th May. Prices in the ready section on the same date were higher at Rs. 4-7½, Rs. 4-3½, Rs. 4-3½ and Rs. 4-0½, respectively, for the various types of yarns mentioned above.

In the meantime, it was reported that the Silk and Art Silk Mills Association (S.A.S.M.A.) had entered into an agreement with the National Rayon Corporation, Bombay, for the purchase of yarn produced during the period October, 1953 to March, 1954. This report softened the tone of the market, because that meant an additional burden of goods on the market. In addition, reports that negotiations were being carried on between the representatives of Italviscosa—Italian manufacturers of rayon yarn—and the S.A.S.M.A. regarding the bulk purchase of yarn at 40d. per lb. also acted as an additional damper on the market. Art silk yarn prices, as a result, slided down. The contract receded to Rs. 750 on 25th June. 120 Japan, 150 Japan, 120 Italy and 150 Italy eased to Rs. 4-2, Rs. 3-15, Rs. 4-1 and Rs. 3-13, respectively. The above negotiations having failed to materialise, the market again put on a cheerful note and yarn prices registered impressive gains. August delivery, for instance, touched Rs. 820 on 1st August. Other varieties also scored fractional gains.

The subsequent ten weeks ended 15th October proved to be the worst period for the art silk yarn market in that they witnessed yarn prices shrinking appreciably. This was due to pressing sales induced by extremely adverse conditions in the rayon fabric market which followed the pattern of the cotton piecegoods market. Hedge selling by stockists of staple fibre yarn also added the downward trend in rayon yarn prices. October contract touched the lowest level for the year at Rs. 663 on 15th October. 120 Japan was easy at Rs. 3-15, 150 Japan at Rs. 3-14, 120 Italy at Rs. 3-13 and 150 Italy at Rs. 3-6. At these low levels, support appeared and the market staged a recovery which was also assisted by good demand in the ready section. November contract improved to Rs. 733 on 21st November. Ready yarns hardened to Rs. 4-1, Rs. 3-14, Rs. 3-11 and Rs. 3-11, respectively.

The closing few weeks of the year have not witnessed any marked change in the sentiment of the market. Transactions put through have been greatly restricted with fluctuations in values confined to narrow limits. The quotations to-day are Rs. 721 for December contract and Rs. 725 for January contract. 120 Japan, 150 Japan, 120 Italy and 150 Italy are quoted at Rs. 4-5, Rs. 4-1, Rs. 3-14 and Rs. 3-10, respectively. The traders are eagerly awaiting the announcement of import policy for the ensuing half-year.

Staple Fibre Yarn

In sympathy with the art silk yarn market, the staple fibre yarn section also experienced generally stable conditions during the year under review. Values revealed on the whole an upward trend and the net gain over the year was to the extent of Rs. 89.

The year began with a buoyant note, under the impetus of large buying support resulting from low yarn stocks in the market. Poor supplies of staple fibre yarn from the South Indian markets—those cater for nearly 50 per cent. of the total requirements of India—following further cuts in electricity supplies to Coimbatore and other mills also hardened the sentiment of operators. Some bull operators tried to exploit the situation and the value of 40/2 staple fibre yarn for January contract shot up from Rs. 701 on 2nd January to Rs. 805 on 22nd January. With a view to arresting a further rise in prices, the Committee of the Yarn Merchants' Association fixed—on 24th January—a ceiling at Rs. 800 per bale of 400 lbs. It decided also not to allow fixed delivery trading from March, 1953 onwards.

In the month of July, it was reported that some traders had entered into forward contract to the extent of 5,000 to 6,000 bales of yarn with Indian mills, of which about 1,500 bales had actually arrived in the market. The traders urged the Association to resume hedge trading in the stocks. As a sequel to this representation, the Association resolved—on 1st August—to resume forward trading in September, 1953, fixed delivery and onwards. Business in 40/2 yarn commenced at Rs. 730 on 1st August. Owing to hedge selling by stockists and lower prices of yarn quoted by Coimbatore mills, the contract slumped to Rs. 648 on 26th August. After staging a recovery to Rs. 692 on 4th September, due to profit-taking, the contract once again was subjected to selling pressure, following highly discouraging reports from the cotton piecegoods and the rayon fabrics markets. October delivery, therefore, drifted down to touch the lowest point for the year at Rs. 632 on 15th October.

Thereafter, the staple fibre section experienced hectic short-covering, induced by scarcity of floating stocks. Values, therefore, forged ahead. There was keen anxiety on the part of traders to cover sales in November contract, as the Association withheld permission to commence forward trading in December contract, thanks to shortage of supplies. The price of November contract shot up from Rs. 632 on 15th October to Rs. 790 on 21st November. But on reports that the Century Mills had sold in forward delivery about 500 packages of 40/2 yarn at Rs. 3-10 per lb., bear selling ensued and the contract declined to Rs. 760 on 25th November. It, however, recovered to Rs. 785 on 30th of that month at which rate the contract terminated.

Forward trading in staple fibre yarn remains at present suspended.

SPECULATIVE FORCES AT PLAY IN OILSEEDS

HIGHER PRICES HIT CONSUMERS

FEW commodities could boast of a steeper rise in prices than oilseeds during the year 1953. The steady trend witnessed at the end of the year developed a firm tendency early in the year. The trend gathered momentum as the year passed on and persisted till July when prices touched their highest for the year. This was mainly due to predominance of speculative forces, following bungling on the part of the Government in its policy of export and import controls. Some of the measures it initiated could bear partial results only in the second half of the year.

Generally speaking, the movement of prices during the year had hardly any bearing on the stock position of the market. It was the strength of the party, be it a bull or a bear, that determined the trend of prices rather than the forces of demand and supply. But, subsequently, however, a recession was in evidence, mainly on prospects of a bumper crop and larger imports of palm and other vegetable oils. The downward trend persisted almost upto the end of November, but thereafter, on revival of speculative support, induced by the possibility of the groundnut crop turning out to be lower than earlier expectations, the prices tended to stage a sizable rally. On balance, the close of the year saw values of oilseeds remaining at levels fairly higher than those at the beginning.

The most depressing feature of the oilseeds market, from the point of view of consumers, was the rocketing rise in the prices of edible seeds and oils, especially groundnuts and groundnut oil. This was mainly due to a fall in the output of groundnuts—an important item of the common man's diet—following the failure of the monsoon and appearance of drought in the principal growing centres last year, that is, 1952-53 season. The year's crop was estimated at 28.9 lakh tons, as against 30.4 lakh tons in the previous year. But the situation was aggravated by the bungling of Government in the administration of economic controls.

Belated Action

Despite the warning given in advance of the consequences of a short crop, the Government issued export quotas for 40,000 tons of oil for the first half of 1953, a portion of which was in the form of H.P.S.; the period of shipment for these quotas was subsequently extended upto 31st August. It permitted also free licensing of export of linseed oil, mustard and rapeseed oils, and *kardi* and *niger* seeds and their oils. To make matters worse, it continued this policy of free licensing in respect of minor seeds and oils even after the prices of groundnuts and its oil had shot up to record high levels. Fuel was added to the fire by permitting the resumption of trading in April in non-transferable specific delivery contracts in linseed and groundnuts, which had been suspended in May, 1952, by the Centre following the slump in seeds and oils. This led to the degeneration of forward trading into a virtual gamble in futures. It is true that, early in June, the Government banned all further sales of groundnut oil and H.P.S. groundnut for export, but this decision came so late that it had no effect on the upward trend in prices. It is also true that the Government removed *vanaspati* from O.G.L. for export, with effect from 27th March, and replaced it with a limited export quota of 3,000 tons, with a view to checking, if not reversing, the rising trend in prices.

All these were of no avail. Consequently, these measures were supplemented by yet a few others. Thus, on imports of palm oil, the standard rate of 43⅓ per cent. *ad valorem* was cut down to 10 per cent. and the preferential rate of 31⅓ per cent. was totally abolished. The effect of this concessions was, however, neutralised by changing over the oil from the system of O.G.L. imports to the licensing system. Even the reduction in duty on import of copra did not result in any immediate gain. In most of these cases, the Government's move was belated and half-hearted.

Small wonder, therefore, the prices kept on moving up under hectic speculative activity. Groundnut Bold, for instance, touched an all-time record of Rs. 55-8 per cwt. on 17th July, as against Rs. 32-8 early in the year. During the same period, Khandesh quality shot up from Rs. 32-12 to Rs. 55, Coromandals from Rs. 32-8 to Rs. 55. *Nigers* touched a peak of Rs. 40 and *kardi* of Rs. 27 in July, as against Rs. 32 and Rs. 23, respectively. Linseed Bold, which was at Rs. 27-6 early in the year, shot up to as high as Rs. 35 on 8th May. Subsequently, however, there was a sharp recession in prices, following the reduction in the export duty on linseed and linseed oil from Rs. 100 per ton and Rs. 200 per ton to Rs. 50 per ton and Rs. 25 per ton, respectively, on 11th May. Prices of linseed fluctuated between Rs. 30-8 and Rs. 33-8 in June-July.

Oil Prices Rise

The trend of the oil section reflected generally that in the seeds section. Thus, groundnut oil, which was enquired at Rs. 18-10 on 29th January, shot up to Rs. 29-4 on 23rd July. Linseed oil ruled in sympathy with groundnut oil, in that it shot up from Rs. 15 on 5th January to Rs. 19-2 on 23rd July. A clear picture of the extent of rise in the prices of oilseeds and vegetable oils will emerge from a glance at the behaviour of index numbers for these commodities. Thus, the index figure of oilseeds (base: 1939=100) stood at 488 in January. It steadily rose to 588 in November, 624 in May and touched 688, the highest for the year, in the week ended 18th July, as compared with the averages of 482 for 1951, and 484 for 1952. The index figure for vegetable oils, too, depicted a similar upward curve. From 443 at the commencement of the year, it gradually moved up to 481 in March. And this trend continued right up to July, when it touched a high of 688, during the week ended 18th July, to be precise.

From the fourth week of July, 1953, the market came under the influence of bearish factors and prices began to decline. The prospects of a bumper crop in the ensuing season, based on favourable weather and timely monsoon, dampened the enthusiasm of the bulls. Further, the sentiment was adversely affected by the decision of the Government of India on 7th August to allow imports of cottonseed oil upto 30th September and the abolition of preferential rate of import duty on this oil of 31⅓ per cent. and the reduction of standard rate from 43⅓ per cent. to 5 per cent. *ad valorem*. Besides, other unfavourable factors such as the weak trend of the world oil markets, large imports of palm oil, the determined resistance of consumers and expectation of a reduction in export duty on seeds and oils, joined to depress the sentiment further. The last straw that broke the camel's back came from Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who declared at the meeting of the Export Advisory Council held towards the close of November, that there would not be any exports of groundnut oil in 1954, unless the prices came down to reasonable levels. Groundnut Khandesh quality, for instance, declined by stages from Rs. 55 on 17th July to Rs. 29-4 on 2nd December. Linseed Bold stood at Rs. 25-2 on 2nd December, as against Rs. 35 on 18th May and Rs. 29-6 on 19th February. Groundnut oil declined from Rs. 29-4 on 25th July to Rs. 15-8 on 2nd December and linseed oil from Rs. 19-2 on 23rd July to Rs. 14-6 on 2nd December.

TREND OF OILSEEDS AND OILS

	18-12-53	*High*	*Low*	31-12-52
Groundnut	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Bold (per cwt.) ..	32 6	55 8	24 4	32 8
Coromandel (per cwt.) ..	32 12	55 0	24 4	32 8
Khandesh quality (per cwt.) ..	33 4	55 0	25 0	33 0
Linseed				
Bold (per cwt.) ..	29 0	39 12	22 14	27 0
Castorseed				
Madras (per cwt.)	26 4	44 0	24 8	33 0
May, 1953 (per candy of 500 cwts.) ..	..	167 0	124 0	143 0
September 1953 (per candy of 500 cwts.) ..	..	[211 0	139 0	..
May 1954 (per candy of 500 cwts.) ..	116 12	138 8	105 8	..
Niger				
Madras (per cwt.)	28 12	40 0	23 0	28 0
Kardi				
Bold (per cwt.) ..	24 10	27 0	20 0	..
Oils				
Groundnut oil (per quarter) ..	17 4	29 4	15 12	16 14
Linseed oil (per quarter)	16 2	19 2	13 0	14 4
Castor oil (per quarter) ..	15 0	19 14	15 4	17 12

The index for oilseeds came down from 688 in July to 498 on 28th November, 1953. The index for vegetable oils declined from 611 to 506.

As the year drew to its close, however, the market again tended to move up on speculative support, induced by the feeling that the groundnut crop would turn out to be lower than the earlier expectations. Accordingly, groundnut Khandesh quality shot up from Rs. 29-4 on 3rd December to Rs. 33-8 on 17th December and linseed Bold from Rs. 25-2 to Rs. 29-8. Similarly, groundnut oil ready gained Re. 1-12 to Rs. 17-4 and linseed oil Re. 1-10 to Rs. 16.

Castorseeds

Trading in castorseeds futures was subject to severe criticism during the year under review. Never in recent years was the tussle between bulls and bears so keen and determined as that witnessed in the September contract. In the tussle, bulls dominated the scene. Their grip on the market was so tight that the bears struggled for survival, with the result that the September contract (1953), which opened on 6th April at Rs. 157, shot up to Rs. 167 on 14th September. At this level, the Board of the Oilseeds Exchange decided to raise the margin against tenders of castorseeds for delivery, up-country, from 10 per cent. to 50 per cent. But this did not dishearten the bulls, who were in a strong position owing to paucity of stocks. The rate, therefore, went on moving upward, till it reached Rs. 291 on 30th September, when it closed. The Board fixed the due date rate at Rs. 208. Trading in May, 1953, commenced at Rs. 140 on 27th July, 1952, and the rate fluctuated between Rs. 128-8 and Rs. 167, before closing at Rs. 158 on 30th May. The May, 1954 contract opened on 20th July at Rs. 133-4. After fluctuating between Rs. 105-8 and Rs. 138-8, it closed on 1st December at Rs. 113-12. Among spots, castorseeds Madras which were enquired at Rs. 32 on 5th January, advanced gradually to Rs. 44 on 30th September. Thereafter, they staged a decline and the quotation on 7th December, stood lower at Rs. 26. Castor oil ready, which was done at Rs. 17-8 on 12th January, advanced to Rs. 19-14 on 20th February. Subsequently, it fluctuated between Rs. 18-14 and Rs. 15-4, before closing at Rs. 16 on 1st December.

The rise in prices may be attributed partly to a comparatively more liberal exports of castor oil. The Government had declared on 13th December, 1952, that the then existing quota holders, established shippers and new-comers would be granted further allotments of castor oil equal to their exports in July-December, 1952, for the period January-June and that shipments against individual allotments would be allowed from January, 1953. The Government decided on 31st January, 1953, to licence freely on shipping bills, from 1st February to 30th April, exports of castor oil, commercial as well as medicinal. This was extended subsequently upto July, 1953. Free licensing of castor oil was, however, discontinued subsequently and exports during August-December, 1953, were allowed on the basis of performance in the first half of the calendar year; licence for the export of castor oil upto the end of December, 1953, was issued to exporters for quantities equal to one-fourth of the total shipped by them in January-June, 1953. In October, the Government announced the export of castor oil for a quantity equal to one-fourth of the total exports, during January-July, 1953, instead of January-June, 1953. Further, on 30th October, the Government decided to permit the export of medicinal castor oil by the manufacturers holding licence for its manufacture under the Drugs Act, 1940. Eligible applicants were granted quotas equal to 10 per cent. of the certified production and the quota licences were made valid for shipment upto March, 1954.

Exports of Seeds and Oils

The exports of major seeds and oils during January-July, 1953, as compared with those during the same period in the previous year, were as follows:

	January-July	
	1953	1952
Groundnut oil in cwts. ..	321,531	833,254
Linseed oil in cwts.	125,309	360,501
Castoroil in cwts. ..	494,016	319,772
Groundnuts in tons ..	10,109	17,489

The high level of prices of oilseeds and vegetable oils generally and of groundnut and groundnut oil in particular caused serious hardship to consumers, especially to the middle and poor classes, for whom these constitute the only source of fat and who cannot afford to buy the high-priced milk and butter. It is undoubtedly one of the causes for the prevailing very high level of cost of living in the country. Even the prices of oilseeds and oils ruling at the time of writing this review are high and they should be brought down sizably, if any relief is to be afforded to consumers. The outlook for such relief appears to be somewhat better, in view of a possible increase in the output of oilseeds. Thus, the outturn of groundnuts, which was 28.9 lakh tons in 1952-53, as against 30.4 lakh tons in 1951-52, is expected to be nearly 31 lakh tons in 1953-54. The linseed crop, which was 3.55 lakh tons in 1952-53, as against 3.16 lakh tons in 1951-52, is estimated to be more or less maintained at the last year's level. The production of sesamum may be expected to be the same as in 1952-53 at 1.1 lakh tons, as against 1.05 lakh tons in 1951-52. The estimate of rape and mustard seeds are placed at 8.28 lakh tons, being the same as in 1952-53. The output of castorseed was 1.07 lakh tons in 1952-53, as against 1.03 lakh tons in 1951-52 and the same is expected to be maintained in 1953-54.

Supply Comfortable

The supply position in the current season is thus fairly comfortable. But the relief to consumers will depend on the extent of exports of oilseeds and oils allowed by the Government. The export policy will be determined, according to the Commerce and Industry Minister, on the study of the level of prices in the market when the crop movement is in full swing. The latest reports indicate that the Government of India has decided to constitute a three-man committee, consisting of officials of the Commerce and Food Ministries, to estimate the groundnut crop position in relation to demand and assess the exportable surplus. The Committee will tour Saurashtra, Hyderabad, Madras, Bombay and other groundnut-producing centres and report to the Government in a few weeks.

BABCOCK BOILERS

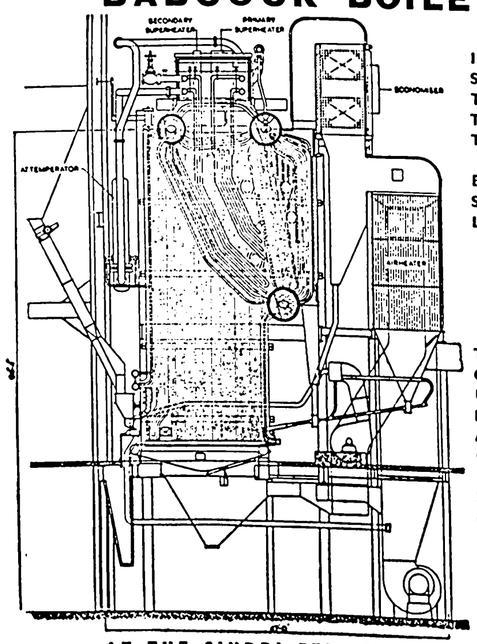

ILLUSTRATION SHOWS ONE OF THE **SIX** BABCOCK TRIDRUM BENT TUBE BOILERS WITH BABCOCK-DETROIT STOKERS RECENTLY COMMISSIONED AT SINDRI

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THE STEAMING CAPACITY OF EACH UNIT IS 175,000 LB. PER HOUR MAKING A TOTAL OUTPUT OF 1,050,000 LB. PER HOUR AT A WORKING PRESSURE OF 650 LB. PER SQ. INCH AND A FINAL TEMPERATURE OF 835° F.

AT THE SINDRI FERTILIZER FACTORY

BABCOCK & WILCOX OF INDIA LIMITED

WALLACE HOUSE, 4 BANKSHALL STREET, CALCUTTA
BOMBAY MUTUAL ANNEXE, GUNBOW STREET, BOMBAY

JUTE GOODS RECOVER AT CLOSE

GOOD DEMAND FOR RAW MATERIAL

THE jute and jute goods market passed through a very uncomfortable period for a great part of this year. Keen competition from Continental mills in world markets made Indian hessians and sackings dearer to the foreign buyer. The reductions in the export duties made in 1952, after which a healthy revival of demand was expected, proved inadequate to make Calcutta quotations attractive. The result was that business for Indian mills turned out to be poor, and at rates uneconomic to production. Stocks with mills began to accumulate, and soon presented mills with financing problems, since plant and machinery had to be worked and raw jute had to be bought and stocked.

In February, along with the budget proposals, the duty on sacking was reduced, the quantum of reduction proving once again inadequate. It was only in September, after months of dull activity and poor offtake, that the duty on hessian was slashed. This revision was not what was desired, and both the industry and the trade conclusively pleaded for the complete abolition of the duties. It was felt that the resulting increase in exports of jute goods would enable mills not only to start working 48 hours a week instead of 42½ hours at present, but also to unseal the 12.5 per cent. of the looms, that were sealed and provide more employment. The plea remained unfulfilled by the Government till the close of the year. After the reduction in the duty in September, the market trend considerably improved, and both hessians and sackings regained the losses suffered for most part of the year. The change of fortune for hessians enabled mills to transfer many sacking looms as possible to the production of hessians. On the whole, the year closed on a satisfactory note, but a firmer note could have been struck, had only the duties been revised earlier and the Government acceded to the demand for doing away with the duties altogether.

Trend of Prices

The raw jute market followed the trend of jute goods, and although plenty of raw jute was available it could not be consumed by mills on account of slackness in demand. A glance at the following tables gives the reader an idea of the trend of prices during the 11 months to November. Table I also shows that the year could be divided into four distinct periods as far as prices were concerned, namely, (a) from January to April—a period of quietness; (b) May and June when prices rose; (c) July, August and September when gains were lost; (d) October and November when steady conditions lifted prices to the best levels of the year.

The first four months of the year were a period of extreme quietness for all wings of the market. Restricted business with foreign countries forced hessians 40" 10 oz. to sink to as low as Rs. 37-10 from Rs. 43-4 and B. twills to Rs. 85-4 from Rs. 97-8. Mills could naturally give only restricted support to the raw jute market where the different varieties receded gradually, Assam bottoms declining to Rs. 17 from Rs. 24-8. The decline in raw jute prices was disproportionate to that in the rates for finished goods and, with accumulation of stocks, mills' purchases of raw jute dwindled considerably. This naturally disheartened stockists who, at one time, even put up a demand for permission to export *bimli* and *mesta* varieties. The factional gains in prices of goods in February and early March could not be sustained, because the mild improvement was mainly due to speculative activity and not to actual export business. Even the reduction in the export duty on sacking to Rs. 80 from Rs. 175 a ton made towards the end of February, failed to increase the turnover, apart from an initial spurt in quotation owing to speculative manipulations. Demand for sackings was so low that the need for restricting its production without affecting hessians was imperative. Comparison of export figures showed that exports to Far Eastern countries had failed to regain the pre-war rate, because they needed less number of bags on account of reduced agricultural production in these countries. The Government could not, however, agree to the suggestion of mills for restricting production of heavy goods. The refusal, pulled down hessian prices, as mills were left with no alternative other than to transfer as many of the sacking looms to hessians, thereby further increasing stocks of hessians.

Argentina Enters the Market

Towards the end of April, however, conditions began to change for the better, as Argentina appeared on the scene as a prominent buyer. Good enquiries also from the United States coupled with the American Army's order for 10,000,000 sand-bags and the expectation that mills would seal a further 7.5 per cent. of the looms aided the sentiment of operators. Consequently 40" 10 oz. hessians rose to Rs. 47-2 per 100 yards. B. twills to Rs. 105-4 per 100 bags, and Assam bottoms to Rs. 28-8 per maund. The U.S. Corps of Engineers was in further need of 22,630,000 bags, and American burlap manufacturers covered a portion of their tenders in India. The reports that Continental mills had begun to under-quote Calcutta did not affect prices. However, despite the improvement in market trend, stocks of both hessian and sacking continued to accumulate. Buyers were hesitant to enter into commitments, in anticipation of decline in rates. However, Argentina continued to be a consistent buyer, and by the end of June, it had bought half of its estimated requirements of 65,000 tons.

On lack of sufficient orders from foreign buyers, following keen competition from Dundee and manufacturers in other countries, the Jute goods market presented a dull appearance during the months of July, August and September, and thus make good part of the losses they were incurring by producing hessians and sackings in a dull market. Argentina continued to take small quantities of hessians, and mills hoped that demand from America would gather momentum in view of the persistent increase in the consumption of burlap there. The latter development was a matter of particular encouragement for both the trade and the industry alike, as it meant that burlap had become once again cheaper than its substitutes and that supplies were regular and assured. Prices, however, followed an irregular pattern. Hessians 40" 10 oz. at one time in September touched a low of Rs. 41, but in July and August they stood at about Rs. 46 for reasons already stated. The trend in the raw jute market was different, as stockists were prepared to hold on. For, on expectations of a reduced crop both in India and Pakistan, they expected prices to move up. The highest rate for the year in Assam bottoms was touched in August at Rs. 29-8. The superior quality fit for hessian manufacture was difficult to obtain.

Export Duty Reduced

The industry's demand for abolition of the duties was more than supported by the continued dullness in the market and, apparently in recognition of this, the Government of India reduced the duty on hessians to Rs. 120 a ton from Rs. 275, with effect from 15th September. This action was not only belated but half-hearted, as both the trade and the industry had been asking for not a reduction in the duty on hessians but total abolition of the duties on both hessians and sackings. Nevertheless, the concession had to be accepted in good cheer, as the jute industry had to be thankful even for a small favour believing that, as time went on, Government would see the reasonableness of the demand and accede to it. Even after this reduction, buyers were slow to enter into commitments, as they desired that sellers should pass on the benefit of the full reduction to the former. This was, in fact, done as since October, prices rose on account of strong demand for export to Argentina. Stocks of hessian at the end of October declined to one month's production and heavy goods to just two months' output. Also during October, production of all constructions at 66,800 tons showed a fall of as much as 6,300 tons. American purchases, however, did not come up to expectations, but it was stated that they desired to wait till the Argentine demand was fully satisfied in the hope that the market in hessians would then be mainly left to buyers on behalf of the United States. Ready 40" 10 oz. hessians gradually gained to Rs. 49-4 in the two-month period ended November; forward rates were discounted, suggesting the need for an organised futures market. Hessians ceased to be a marketing problem for mills, and, in fact, a shortage came to prevail in the ready goods.

Prices of heavy goods also improved since October; but the advances were in sympathy with the gains in hessians. The reduction in stocks of sackings in October was due to shorter production resulting from a transfer of looms from sackings to hessians. Measured by any yardstick, there is no justification whatsoever for a duty on sackings; the sooner the Government realised this and lifted the duty, the better, as mills would then be enabled to use all the raw jute available in India, a good portion of which is fit only to produce heavy goods. During November, ready B. twills touched as high a rate as Rs. 105-4, in view of revival of demand from Australia and Africa, and expectations of good business with Russia.

Crop Estimates

Since October, mills increased their volume of purchases of raw jute. Prices gained considerable ground lost prior to October. Assam bottoms improved to Rs. 28-8 from Rs. 21-8. After the *Puja* holidays early in October, arrivals of the new crop began to fall. This was because growers, after having satisfied their cash needs for the festivities, were prepared to wait for a better price. Besides, they were also engaged in paddy-harvesting. Calcutta stockists lost no time to put in a reserved air in their offers and these factors, coupled with the inspiring advices from the goods market, witnessed the realisation of growers' expectations. If mills increased their working hours, following the expected abolition of the export duties, there would likely have been a shortage in the better quality jute, fit for hessian production. The crop in India this season is estimated to total 35 lakh bales and that in East Bengal, according to the trade, another 35 lakh bales. Adding the carry-overs in both the countries, the availability comes to 104 lakh bales of which Indian mills are expected to consume 53 lakh bales, Pakistani mills 7 lakh bales and mills in other countries 40 lakh bales, so that the carry-over to the next season would be only 4 lakh bales. The Pakistani official forecast of 25.02 lakh bales, trade circles consider, is a gross underestimate.

TABLE I

Price Trends of Jute Goods and Raw Jute Goods During 1953

Month	Ready hessian 40" 10 oz. Per 100 yards		Ready B. twills Per 100 bags		Ready Assam bottoms Per maund	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
January	43 4	41 4	97 8	90 0	24 8	22 0
February	43 12	42 12	96 0	92 12	22 0	21 8
March	43 10	39 6	95 8	85 14	20 8	19 0
April	42 6	37 10	94 4	85 4	23 0	17 0
May	44 2	41 2	105 4	91 12	23 8	21 8
June	47 2	44 0	105 4	100 2	29 8	25 8
July	46 12	44 4	102 12	97 4	27 8	24 0
August	46 6	43 10	104 8	97 12	29 8	26 0
September	45 12	41 0	99 12	89 12	27 8	22 0
October	46 4	42 8	99 12	90 8	25 8	21 8
November	49 4	46 2	105 4	99 0	23 8	26 0

TABLE II

The Year's Trend at a Glance

Description	Opening on 2-1-1953	Highest	Lowest	Closing on 30-11-1953	Gain (+)
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready hessian 40" 10 oz... per 100 yds.	43 0	49 4	37 10	45 0	+5 0
Ready B. twills .. per 100 bags	96 0	105 4	85 4	105 0	+9 0
Ready Assam bottoms .. per maund	24 0	29 8	17 0	28 0	+4 0

Notice

THE ELGIN MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books of the Company will be closed from 12th to 29th January, 1954, both days inclusive.

By Order of the Board,

Per Pro. BEGG, SUTHERLAND & Co., LTD.,

E. C. CALDWELL,
Registrar,
Managing Agents.

KANPUR, U.P.,
23rd December, 1953.

AN EVENTFUL YEAR FOR PEPPER

REDUCTION IN PRICE NEEDED TO STEP UP CONSUMPTION

(By I. T. PAREKH, Governing Director, Messrs. Parekh & Co.)

THE 1952-53 pepper season was an eventful one in more than one respect. For one thing, it was the first season when the post-war monopoly of India in supplying black pepper to the world market was broken by the advent of a new competitor in Sarawak, which sold black pepper at as low as $0.73 per lb. c. & f. New York.

Secondly, the closing month of the season saw a record crash in the price at Alleppey. Pepper was sold down to the level of Rs. 1,800 per candy which was Rs. 100 lower than the bottom level of the previous year and the lowest on record for the past five years.

Thirdly, owing to severe competition of Sarawak and to a small extent from Lampong, India's export to foreign countries made a poor show, it being only 10,700 tons, that is, 2,300 tons less than the previous year.

Fourthly, export restrictions to countries like Holland, Hongkong, Singapore, Siam, Syria, Lebanon and Tangier were removed. The Indian Government had banned the export of pepper to these countries for fear that those goods might ultimately be reshipped to the U.S.A. to earn dollars.

Fifthly, the Cochin market was often deadlocked, owing to heavy losses suffered by the trade as a result of the steep fall in the prices. This put the trade in garbled pepper for monthly deliveries out of gear at Cochin.

And lastly, the season saw various representations made by the trade and the growers, drawing the urgent attention of the Government to the need for reducing the present heavy export duty, with a view to making Malabar pepper competitive in the world market, thus affording relief to the growers who are already hit hard by the low prices obtainable for various other Malabar produce.

The foregoing are some of the outstanding events of the year under review. We may now proceed to indicate at some length the trading in Malabar Black pepper during the 1952-53 season.

Depressed Atmosphere

The trading in the 1952-53 season began in a depressed atmosphere. The enforcement of the multi-point sales tax in the Travancore-Cochin Union, holiday feeling in New York on the eve of the Presidential election, and the general fall in prices of other commodities in India, caused an easy tone. Prices began to move downward from the high level of Rs. 3,400. The volume of export began to shrink, though slowly, particularly because most of the overseas markets were buying hand to mouth, as pepper, along with other commodities, ceased to be a sellers' market. Then the Indian Government, with a view to encouraging business, lifted the ban that had been imposed on export to those countries which had been purchasing pepper from India in excess of their home requirements for re-export to New York for earning dollars. But this proved belated and failed to encourage business, because of the fall in premium on the price of U.S. dollars in the black market.

The major portion of the crop of Lampong and Sarawak Black having been already marketed, the future of the world market depended upon the policy of marketing by the Indian growers. But, as is usual with them, they prefer to sell as much as possible during the harvesting months of January, February and March and thereafter, February and March and thereafter, February and March and thereafter

MARKED IMPROVEMENT IN INDIA'S FOOD POSITION

WHEAT AND COARSE GRAINS DECONTROLLED

(By K. C. MAHESH)

HAPUR, 30th November

THE year 1953 marked the liquidation of the food problem in the country. There were bumper yields of all major *rabi* and *kharif* crops in most of the States, reduced imports, enlarged reserve stocks with the Central and the State Governments, declining prices, and gradual disappearance of all irksome food controls. This was not true of India alone. The world food situation during the year under review also was altered to the point of making the principal export nations canvass custom, instead of enjoying the privilege of considering requests from food deficit countries for imports. To quote *the Times (London) Annual Financial and Commercial Review*, published towards mid-October, 1953:

"While history may record the 1948 recession as the first readjustment of world market to peace-time conditions, it will almost certainly regard the first nine months of 1953 as the decisive turning point in the post-war fortunes of the grain trades. The most serious geographical dislocations of the grain trade, caused by the war, were not overcome until the harvesting of the 1952 crops, and the reappearance of large-scale surpluses did not make themselves felt until the beginning of the 1952-53 season. In recent months, the majority of the cereal markets have become genuine buyers' markets and this decisive change has begun to make itself felt far beyond the recession in prices. It enabled the U.K. in the autumn of 1953 to return to private trading in cereals and has transformed the whole basis of the International Wheat Agreement. The U.S. farm price support policy is beginning to face a crisis under the impact of mounting surpluses. Next year, indeed, the U.S. will return to acreage restrictions and marketing quotas for wheat and there is a strong possibility that other leading exporting countries will find it increasingly difficult to secure adequate markets for their crops."

World Wheat Output

According to the *Review*, "world production of wheat reached a new all-time high record of 7,320 million bushels in 1952-53, which compares with an average of 6,024 million bushels in 1935-39, and the world production of maize rose over the same period from 4,760 million bushels to the new record level of 5,600 million bushels. In both the cases, North America, that is the dollar area, made the chief contribution to the expansion. This expansion in supplies of dollar cereals has greatly overshadowed the international trade in recent years. The share of dollar wheat in world exports, which amounted to 35 per cent. before the war, reached the exceptional level of 85 per cent. For maize, the increase in the shape of dollar supplies was somewhat less impressive, although, even in this case, it has exceeded three-fifths of the total in recent years as compared with less than one-half before the war.

Trend of Prices

"The world price level for wheat has shown a marked fall since the spring of 1953. In August, 1953, the price reached a new low of 181 cents a bushel, as compared with 223 cents in April, when the new International Wheat Agreement was signed, and 233 cents at the end of September, 1952. The pressure of supplies and the greater crops in the deficiency regions have, for the first time since the war, begun to undermine the effectiveness of the American support policy."

The next 12 months, the *Review* points out, will be a severe testing time for cereals, in general, and for wheat, in particular. Although the 1953 world crops cannot yet be fully assessed and the present indications suggest that these may be reduced, conditions are working increasingly in favour of importers. In contrast with most other post-war seasons, the new crops in the deficiency countries appeared to have fared relatively better than those in surplus countries. Moreover, in the case of wheat, the U.K. and India, the largest importing countries, have accumulated considerable stocks. These developments will reduce the buying pressure in the world markets at a time when stocks in the surplus regions, following the extremely heavy carryovers from last season, have outgrown all available storage facilities.

Once again, the F.A.O. has repeated its warning that the world is facing starvation. Ever since it was founded some 8 years ago, it has been saying this and some of the scientists and experts outside the United Nations are beginning to wonder whether it is not crying wolf. In its annual report to the Economic and Social Council, the F.A.O. observes that the food production is not keeping pace with the increase in population and that the situation is at least as critical now as it was last year. Says the report: "What is happening is that farmers are not meeting the targets which the F.A.O. conference of 1951 set for them—to increase food production by one or two per cent. each year above the rate of population increase. In addition to the traditional importers, such as the United Kingdom, countries such as India, Pakistan and Yugoslavia, all net exporters before the war, are now, at least temporarily, forced to import considerable quantities of food. This should be a matter of intensive concern to food importing countries. Of the exporting countries, like the U.S., Canada and Australia, consumptive demand within these countries is rising rapidly, and unless special efforts are made to increase production, the quantities of food available for export may tend to decrease."

Stocks

The F.A.O. report admits that there are substantial stocks in some countries which would cushion, at least for a year, the reduction in yields due to unfavourable weather, but it adds that a series of semi-droughts, spread over several years, such as have occurred in the past, could reduce exports to a critical degree.

Food Supplies in India

The carryover of 2,000,000 tons of foodgrains, the fall in food prices as a result of increased production, the assurance of securing the bulk of 2,500,000 tons of grain imports, the targets for the 1953 year, and the new psychology of confidence in the country that the food crisis has generally been weathered, all provided a happy augury for the new year in India. At the close of 1951, the carryover was 1,300,000 tons and the year before it was 700,000 tons only. At the close of both 1951 and 1950, however, the Central Government had nothing in reserve. All the carryover was with the State Governments. For the first time, this year, the Central Government started with a reserve of 400,000 tons.

There was a Food Ministers' conference in the first week of January, 1953, which was inaugurated by the Prime Minister. The conference provided a measure of definition to the immediate and long-term objectives of the Government of India's food policy. The immediate objective for the year was to consolidate the visible gain of 1952 by maximising internal procurement and reducing imports to a minimum, just sufficient to cover the irreducible estimate of deficit, and add some thing to the carryover from last year to build up an emergency reserve and buffer stocks of 3 million tons or more. Looking ahead, the objective of the policy was to try and make the country self-sufficient in foodgrains within the period of the Five-year Plan. The conclusion of the Food Ministers' conference did not produce any finality regarding the food budget for the year, but a positive result was that the representatives of the various States accepted, in principle, that imports must be drastically curtailed and brought down to the minimum—not exceeding 3 million tons, of which 600,000 tons were to be rice. The Indian Food Minister, Mr. R. A. Kidwai, received a remarkably fervent endorsement in respect of his policy of permitting relaxation in food controls wherever possible. Contrary to the past practice of making annual food allocations to the States soon after the Food Ministers' conference, no such allocations were made this year. On the other hand, it was indicated that supplies would be sent to needy States, as and when demanded and after a scrutiny of their claims, keeping in view the Centre's overall supply target.

The Central Ministry of Agriculture planned an intensive drive to wipe out the country's entire 500,000 tons rice deficit during the year by a twin programme of propagating the Japanese method of paddy cultivation as extensively as possible and selling fertilisers on a subsidised credit basis. The programme, which was to be personally directed by the Minister of Agriculture, was accorded the highest priority.

Stocks of foodgrains increased during the year and prices were generally either steady or declining. The stocks of foodgrains with the Central and State Governments as on 24th January, 1953 amounted to 1,850,000 tons, as compared with 1,610,000 tons on the same date last year. On 23rd February, Mr. Kidwai expressed the hope that there would be no imports of rice from next year. This year, he said, the Government would supply all the deficit States with rice procured internally and it was trying to build up stocks with the rice it was importing.

Incentives to Cultivators

The belief that the target of food self-sufficiency laid down by the Government of India may prove impossible of attainment and that reliance on imports may become a permanent feature of our national economy has been expressed by Dr. Norris Dodd, Director-General of the F.A.O., in his analysis of India's food problem. Dr. Dodd couples this warning with another concerning the rapid pace of industrialisation which also, in his opinion is calculated to upset the food balance. Apart from emphasising the need for correlating any food plan with the overall national policy embracing such factors as the standard of living and relations with the neighbouring countries, Dr. Dodd suggests provision of rural incentives to cultivators, as against dramatic gestures, and educational facilities in the villages with the emphasis placed on the work of our primary producer.

The fears expressed by Dr. Dodd have proved to be as wide off the mark as those expressed by the F.A.O. in its annual report submitted to the Economic and Social Council. For, as the Union Food Minister claimed recently, India has very nearly attained self-sufficiency in food. India exports cash crops and in return imports some varieties of foodgrains which are cheaper in oversea markets in comparison with home markets. In times of emergency, land devoted to cash crops can easily be converted into food producing land.

The process of decontrol of foodgrains which had started last year was carried a stage further during 1953, and gradually, irksome restrictions were withdrawn one by one. Relaxation of food controls had been accomplished in a number of States by early March. The position then existing was that statutory rationing had either been completely given up, as in Madras, Bihar, Uttar Pradesh, Saurashtra and Madhya Bharat or reduced to a smaller number of towns than before, as in Hyderabad and Mysore. In all these States, however, fair price shops had been opened in place of statutory ration shops and the card holders had the option to draw from the fair price shops as they were entitled to before relaxation and supplement this quantity, if necessary, with purchases in the free market. In certain other States too, relaxations were affected. These relaxations were accompanied by inter-State movement of cereals, through the States of U.P., Bihar, Madhya Bharat, Saurashtra, Hyderabad, Mysore, Travancore-Cochin, and procurement of foodgrains had generally been suspended. In respect of millets and other coarse grains, although the existing inter-State cordons on the movement of these grains continued, the State Governments were free to buy these grains in any other State approved by the Centre and move them into their own States either on State-to-State basis or purchases through their own agencies.

No Shortage of Food

Towards the end of March, the Food Minister offered to supply any quantity of foodgrains demanded by the States. Nowhere in the country to-day, he declared at Bombay, was there a shortage of foodgrains; if anything, it was lack of purchasing power in certain areas hit by famine. He said that, since the inter-State barriers were lifted on millets, the grain was available cheaper than the official rates. Even in the matter of other foodgrains, where no control existed, they were available in better quality at official rates. On the working of decontrol, the Food Minister said that it had been working wonderfully well wherever it was introduced. Complete decontrol of foodgrains all over the country was not possible immediately, in view of the policy of controlled economy pursued by the Government, he added.

On 11th April, 1953, Dr. Punjabrao Deshmukh, the Union Agriculture Minister, appealed, while addressing an inter-State locust conference, to all the States to put in a joint and determined effort to fight the locust menace, which appeared to be more serious this year than in the past. The locust invasion of India gathered momentum during the second fortnight of May and about a dozen more swarms entered the country mostly through Rajasthan. Locust swarms continued to visit the different States of India in the following months with varying degree of intensity. The worst affected area was Rajasthan. Very prompt action was always taken to meet the pests and, fortunately, no substantial damage to the crops was done anywhere throughout the year.

In the third week of April, the Union Food Minister, Mr. Kidwai, went to Rangoon to negotiate a barter agreement with Burma for the import of rice. India wanted to import, besides 150,000 tons of rice for the purchase of which an agreement had already been concluded, another 350,000 tons for building up a comfortable reserve, equivalent to the Central Government's commitments in a year. It was officially indicated that, with the opening balance, the internal procurement and the quantity already purchased from Burma, the Central Government was expected to have sufficient stocks to meet the current year's requirements, and at the same time, carry forward a surplus. On his return from Burma, Mr. Kidwai announced that India would get 300,000 to 500,000 tons of rice in exchange for whatever Burma required.

As early as in May, Mr. Kidwai advised the wheat-growing States to step procurement, in view of the abundance of stocks in hand. India signed the new International Wheat Agreement, considering that the U.S. would continue to subsidise its internal price. Secondly, export of wheat was still controlled in most countries. The fall in prices, if any, would, therefore, be small notwithstanding the impending peace. India later ratified the I.W.A. in July but the ceiling of import fixed in the agreement for India was reduced from 1.5 million tons to 1 million tons a year. The reduction in the quota was sought by India, in view of its improved stock and crop position, and the contracting countries agreed to the reduced quotas. The Agreement, which was to be in force for three years, was signed by 36 countries in April and many of them have now ratified. Britain was the only principal importing country that declined to sign the Agreement. Under the provisions of the Agreement, the maximum price is fixed at $2.05 per bushel and the minimum price at $1.55. If the price falls below the minimum rate, it is obligatory on the part of the importing country to buy the contracted quantities of wheat at the lower price. Likewise, the exporting countries are under obligation to sell the contracted quantity of wheat at the ceiling price, even though prices in those countries rise above the maximum. The previous five-year Agreement expired in July, 1953, under which India imported one million tons in the first year and 1.5 million tons annually in the subsequent years.

Progress Report

A picture of steady and many-sided progress emerged from the preliminary progress report covering the first two years of the Five-year Plan. In the agricultural sphere, production showed substantial increase in jute, cotton and sugarcane. Precise data is not yet available, but tentative estimates indicate that, during 1951-52, the increase in foodgrains production was about 1.15 million tons, on account of the Grow-more-food campaign and as a result of the major irrigation schemes which increased the area under irrigation during the year by 800,000 acres. In 1952-53, an increase of about 6 million acres in the area under *kharif* cereals is reported. It is obvious that there has been an appreciable rise in production this year over last year. The Plan envisages the reclamation of 4.4 million acres through the Central Tractor Organisation and 1.2 million acres through State Tractor Organisations. The C.T.O. reclaimed 250,000 acres during 1951-52 and 150,000 acres up to 1953 in Madhya Pradesh, U.P., Madhya Bharat, and Bhopal. The State of Uttar Pradesh has reclaimed about 100,000 acres of the *Tarai* area and converted it into prosperous co-operative colonies and flourishing State farms.

Despite the late arrival of the monsoon, the general food situation in the country during June continued to be satisfactory, except in certain areas where the failure of the last year's rains and the fear of late rains this year sent up the prices of grains. This, however, was a normal occurrence at this time of the year. The stock position was comfortable with the Centre holding 400,000 tons of wheat and the States another 1,970,000 tons, including 980,000 tons of rice and 570,000 tons of wheat. The price of foodgrains in the decontrolled States, except those which were affected by last year's failure of the monsoon, were much below the issue prices at Government ration shops. Relaxation of control was in force in two-thirds of India. There was no food control in U.P., Punjab, Madras, Mysore and the rural areas of Bombay.

On 5th August, 1953, the Deputy Food Minister informed the House of the People that the Government of India had advised all the States, except Delhi, to remove control on wheat. Nine States—Bombay, Madhya Pradesh, Punjab, Bhopal, Ajmer, Assam, Vindhya Pradesh, Madras and West Bengal—had already followed the advice. The Minister told the House that the question of any further relaxation in the existing control of rice would be considered after an estimate was made of the condition of the rice crop of 1953-54. According to the statement of the Deputy Food Minister, the undermentioned controls generally existed in almost all the States. Inter-State movement of all foodgrains, except gram, was banned. Inter-State movement of gram was allowed, but in the case of the States of Punjab, Rajasthan, Madhya Bharat, U.P., Bhopal, Vindhya Pradesh, Bihar and P.E.P.S.U. it was regulated through permits after payment of a levy upto 40 per cent. on the exportable stock. Future trading in gram and wheat was prohibited. Some States also banned future trading in other grains. Restriction on inter-State movement of foodgrains were imposed in the procurement areas during the procurement period. Mr. Kidwai declared in Bombay on 21st August that wheat and other foodgrains would be decontrolled in the near future throughout the country. This was actually done on 5th November when the Government of India announced the complete decontrol of wheat and other coarse grains, following the improving food position in the country. Inter-State barriers were, however, retained.

Enquiries made in official circles revealed that the fall in world prices of wheat had as much to do as the improved stock position for the Central Food Minister's announcement of early decontrol of grains throughout India. Wheat prices in Chicago had fallen considerably. There was a definitely downward trend, because of the diminishing world demand following bumper crops in almost all wheat-growing areas, and there was every possibility of the floor prices being envisaged in the International Wheat Agreement (of $1.55 a bushel). The Central and State Governments held stocks of nearly one million tons of foodgrains and the offtake from the stock was extremely low. All the States had been given the option to remove restrictions on movement of grains within their territories and the next step was to remove restrictions on inter-State traffic.

India has Turned the Corner

On 8th September, Dr. P. Deshmukh, Union Minister for Agriculture, broadcasting from All India Radio, made the assertion that India had turned the corner on the food front. He said: "The cultivator is free to move his produce wherever he likes within the State and sell it at the best price he can fetch." Mr. Kidwai also characterised the then position as comfortable. He said that, all such imports of foodgrains which harmed the interests of the country had been almost stopped and that the cost of the imports had been integrated into the general pattern of foreign trade.

The months of September, October and November witnessed a rapid improvement in the food supply position in the country, accompanied by a downward trend in prices. A bumper rice crop was assured, due to favourable seasonal conditions and adoption of the Japanese method of paddy cultivation. This method gave wonderful results. In the Punjab and Uttar Pradesh the adoption of this method gave the cultivators 3 to 4 times the normal yield. Nearly three million acres, out of 75 million acres under paddy in the country, had been brought under the Japanese method of cultivation this year. Rice prices began declining even before the harvest. A further fall in prices was anticipated after the start of the crop yield movement to the markets. In some places, agriculturists feared that the rice price might even go down below economic levels. Paddy prices in West Bengal did go very low and caused serious apprehensions in the mind of the cultivators. It was rumoured that the Central Agricultural Ministry would advise the States to fix support prices for paddy, as in the case of raw cotton, on account of the tendency for paddy prices to fall to uneconomic levels in certain parts of the country. It was felt that the tempo of increased rice production that had been evident in the last year, could not be maintained unless the farmer was guaranteed a fair price for his crop and given a positive incentive to do better. Fixation of a floor support price for paddy would, it was hoped, stabilise the price of rice, as the State would always step in and purchase grain at floor price. The average farmer had little or no holding power and had to sell his crop as soon as possible after the harvest. This placed him at the mercy of the dealers who purchased the crop at prices far below the genuine market price.

Wheat and coarse grains were decontrolled early in November. Inter-State movement barriers were formally removed but it was confidentially hoped in unofficial circles that the Government's decision would help to restore the movement of grain between States through normal trade channels. The surplus States were instructed to stop procurement of wheat and millets on Government account, except to meet local scarcity, if any, in any State. Since plenty of wheat was available within the country, the Governments of deficit States were authorised to sell without limit from the stocks to the private trade. The Union Food Minister expressed the view that all remaining restrictions on consumption and schemes of rationed distribution of wheat and coarse grains should be withdrawn by the State Governments as early as possible.

As regards rice, it is officially stated that the estimated demands of deficit States in rice in India next year would be about 1,100,000 tons and internal procurement from surplus States would be 1,200,000 tons. The Government proposes to import no rice, except a small quantity which the private trade might import under the relaxation already allowed. In the light of the improved situation in regard to rice supply, the Government hopes to increase the quantum of rice ration wherever possible early next year. The Government also proposes to continue rice procurement and retain inter-State movement restrictions.

Trend of Prices

Fixation of prices for foodgrains during the period of control presented a series of difficulties, thanks to the vastness of the country, the differences in the surplus and deficit character of the States, the disparity between internal prices and the prices of imported grains, etc. Market prices were often entirely different from procurement prices and issue prices varied unduly in the States which were differently situated. The price structure of foodgrains in the country was, to a large extent, artificial and the organic relationship between the prices were often undetectable. But with the gradual decontrol of foodgrains, normal conditions began to be restored.

The officials of the Food Ministry claimed that foodgrain prices in the free market this year were generally lower than those of last year, as a result of the measures taken by the Government. They said that the aim of the Government had been to reduce the issue prices of foodgrains whenever possible. The pool price (per maund) of wheat had been progressively reduced from Rs. 20-8 in March, 1952 to Rs. 18-8 in June last year, to Rs. 17-8 in March, 1953 and further to Rs. 16-8 in July, 1953. A still further reduction of Re. 1 per maund was effected in the first week of November, 1953. The benefit of the reduction in the pool price is stated to have passed on to the consumers by way of lower issue price.

The issue price of rice had been reduced at several centres. In Bihar, it was reduced from Rs. 26-10 to Rs. 21-8 per maund with effect from the end of April, 1953. In Madras, there had been a reduction from Rs. 22-8 to Rs. 21-12 per maund for the superior variety of rice and from Rs. 18-12 to Rs. 17-4 for the second grade. In Calcutta, the price of fine rice sold in the fair price shops was reduced by Rs. 7 to Rs. 25 per maund in March, 1953.

Another step taken to ensure a lower price of grain was the opening of cheap grain shops in the scarcity-affected areas. The provision of relief in scarcity areas was mainly the responsibility of the State Governments, but, wherever it had been found necessary to run gruel centres, the Government of India agreed to contribute by way of a grant, 50 per cent. of the expenses incurred by the States concerned. In addition, foodgrains were also supplied at concessional rates for sale in the scarcity areas.

Imports

The post-Partition period of food controls in India was marked by increased imports, necessitated partly by the rise in the country's normal food deficit and partly by abnormal weather conditions which destroy the crops over large areas. The Government did not keep quiet, but resolved to make the country self-sufficient in foodgrains as early as possible. Special schemes were accordingly launched. The objective, however, could not be realised, due to unfavourable climatic conditions. The trend of imports since 1946 is indicated below:

(In million tons)

1946	2.25
1947	2.33
1948	2.84
1949	3.71
1950	2.13
1951	4.72
1952	2.90

The imports of 4.72 million tons in 1951 and 3.90 million tons in 1952 were necessitated largely by the Bihar famine and scarcity conditions in other areas of India. Bumper crops during 1952-53 seasons, good carry-over from 1952, and heavy procurements of rice and other grains in the country (procurements by the end of October, 1953 aggregated 1,614,650 tons, including 1,242,200 tons of rice and 212,750 tons of wheat) reduced the need of imports this year. The total quantity of foodgrains imported into India from 1st January to 4th November, 1953, was 2,009,266 tons. Of this, wheat accounted for 1,587,750 tons, flour for 71,700 tons, rice for 189,750 tons, milo for 102,200 tons and millets for 33,000 tons. Of the total wheat imported, the largest quantity—576,692 tons—came from the U.S., while 416,392 tons were imported from Canada, 374,101 tons from Australia, and 245,436 tons from Argentina of the rice imports, 157,404 tons came from Burma, 1,841 tons from Thailand, 22,922 tons from Pakistan and 7,564 tons from China. For the first time since 1943, no foodgrains were imported in the country during the first three weeks of November, 1953.

The imports of foodgrains from abroad during the period of control have all along been on Government account, although the method adopted for obtaining these imports have varied with the circumstances of each exporting country. The reason for the exclusion of trade from the import trade of grains is that both in regard to wheat and rice, the exporting countries, with the technical exception of the U.S., have set up monopolistic selling organisations. In the U.S., while it is possible to buy wheat and other foodgrains from a private merchant and import it into India, there is a Government-controlled corporation which keeps up market prices in accordance with a well defined policy and controls a considerable portion of the trade in foodgrains both internally and in the sphere of exports. There is, therefore, strictly speaking, no such thing as free trade or free prices of foodgrains which are exported from one country to another.

Foodgrain Production in 1952-53

The year 1952-53 was very favourable for agricultural production in the country, especially in respect of foodgrains. The total production of cereals during the year was nearly 5 million tons higher than in 1951-52 and about 1.6 million tons higher than in 1949-50, which was more or less a normal year from the point of view of agriculture in recent years. It is authoritatively stated that, since Independence, production of cereals in 1952-53 has been the highest. As the other notable features are: Since pre-war years, the area under *jowar, bajra* and maize, as well as under all *kharif* cereals, has been the highest. The acreage under all cereals established a new record of 200 million acres. Production of rice touched a new record of 23.4 million tons and is higher than even in 1949-50 and 1950-51, despite larger acreages in those years. Production of *jowar* and *bajra* this year has been highest since 1945-46. Production of maize has established a new record of 2.6 million tons and that of all *kharif* cereals has been the highest since the pre-war years except in 1943-44 when it was 39.5 million tons. Production of wheat has been highest since 1945-46. Output of barley has established a new record of 2.66 million tons. The production of *rabi* cereals has been highest since 1945-46. The overall production of cereals during 1952-53 has been highest since pre-war years, except in 1943-44, when it was 48.2 million tons; since 1945-46 it has, however, reached a new record. The following table indicates the trend of foodgrains output in recent years:

(In thousand tons)

	1948-49	1949-50	1950-51	1951-52	1952-53
Rice ..	22,597	23,170	20,295	20,741	23,424
Wheat ..	5,650	6,290	6,374	6,039	6,762
Barley ..	2,206	2,215	2,341	2,293	2,664
Jowar ..	5,022	5,777	5,503	5,944	6,038
Bajra ..	2,171	2,790	2,549	2,299	2,022
Maize ..	2,072	2,014	1,701	2,021	2,600
Ragi ..	1,465	1,520	1,407	1,212	1,235
Gram ..	4,535	3,667	3,593	3,293	3,771

The marked increase in the production of foodgrains during 1952-53, it is stated, has not been entirely due to the Grow-more-food schemes. In 1952-53, cotton declined in prices by 17 per cent., jute by 49 per cent., groundnut by 20 per cent. and linseed by 29 per cent., as compared with the price levels in 1951-52, while index of food articles declined only by 12 per cent. The farmer has, therefore, turned more and more to the production of foodgrains in preference to cash crops. The relaxation of food controls and reduction of the quantity procured by the State Governments leave him free to dispose of the major portion of his food crops in the free market. This has been another important reason for the increase in production of foodgrains. The minimum price of sugarcane to be paid by factories had been fixed too high till 1951-52. It was substantially reduced in 1952-53. Consequently, wheat acreage has gone up in place of the abnormal increase which had taken place in the area under sugarcane.

The present food policy of the Government of India was announced by the Deputy Food Minister in the Council of States on 24th November, 1953. He said: "It has been decided to decontrol wheat and coarse grains, except that inter-State barriers will continue as hitherto. It is not proposed to disturb for the present the existing rationing arrangements for the distribution of rice. The rice supply position in the country has improved considerably, but it is still not so easy as to justify complete derationing of rice. The supply position of wheat and coarse grains is quite satisfactory and the Government do not expect any undue increase in their prices. The Government also hold large stocks of wheat, which they could continue to issue through the Government depots to wholesale dealers without quantitative limit and this would further ensure against rise in prices."—*All Rights Reserved.*

TREND OF INDIA'S FOREIGN TRADE

(Concluded from page 149)

the corresponding period of the previous year being Rs. 80.06 crores and Rs. 89.46 crores, respectively. Exports to Ceylon were slightly lower at Rs. 11.54 crores, as against Rs. 12.49 crores in the previous year. Sendings to Aden and Singapore receded from Rs. 6.76 crores and Rs. 8.65 crores to Rs. 6.28 crores and Rs. 7.20 crores, respectively. Exports to Canada were more or less steady at Rs. 9.02 crores, while those to Australia receded from Rs. 20.87 crores to Rs. 10.79 crores. The intake of Indian goods by Nigeria, Kenya and Sudan was somewhat lower at Rs. 4.47 crores, Rs. 3.32 crores and Rs. 3.09 crores, respectively. There has been a marked decline in the exports of Indian goods to the Continental countries, the imports by West Germany and Italy dropping from Rs. 7.83 crores and Rs. 6.82 crores to Rs. 6.26 crores and Rs. 3.95 crores, respectively. Exports to Indonesia were steady at Rs. 3.73 crores, while those to Japan moved up from Rs. 15.29 crores to Rs. 19.16 crores. Imports of Indian goods into Burma declined from Rs. 17.56 crores to Rs. 13.57 crores and those into Egypt from Rs 5.67 crores to Rs. 3.55 crores. Among the South American countries, the trade with Argentina was very unsteady, exports showing a high figure of Rs. 12.52 crores, as against a mere Rs. 38 lakhs in the same period of the previous year.

Quality of Exports

The pattern of India's trade is still of a fluid nature, in view of its development programme, and it will take a few more years for the position to get stabilised. Generally speaking, it will not be impossible for this country to reduce imports of foodgrains still further when its irrigation projects are completed, as also to effect an appreciable reduction in the intake of long-staple cotton from countries other than Egypt by growing more long-staple varieties in irrigated areas. With the establishment of heavy electrical industries and the expansion of the steel and machine tool industries, imports of manufactured goods will also recede gradually in the coming years. The same will be the case with cycles and motor cars. Some improvement will, however, take place in the imports of specialised machinery and consumer articles. On the export side, India must take special measures to improve the quality of cloth production for export purposes and to grow high quality raw jute within the country to enable it to export better quality of jute goods.

In recent years, the country has been experiencing a substantially adverse trade balance with the European countries in view of the reduction in the exports of oilseeds, vegetable oils, short-staple cotton, coffee, raw hides and skins, etc., and it has, therefore, to take suitable steps to improve the trade at least in some of these goods with these countries. For this purpose, it has to grow more of edible oilseeds, coffee and medium-staple cotton. More than these, India has to concentrate its attention on the development of its export trade with its neighbouring countries, by improving the quality and reliability of its export products. It is to be hoped that the contemplated export promotion councils will be functioning in the country within the next few months. Nevertheless, there may not be any marked expansion in the volume of India's foreign trade in the coming years, inasmuch as the present trend of industrial and agricultural development is such as to make the country more and more self-reliant in the case of a number of goods both in respect of exports and imports.

HIDES EXPORTS IMPROVE

NO SERIOUS COMPETITION FROM SUBSTITUTES

MADRAS, 30th November

THE characteristics of the hides and skins trade during the year under review remained more or less unchanged as in 1952. The tanning industry was export-minded, although several tanners had no regard for the production of export-worthy merchandise. Buyers in the overseas markets were selective in their purchases and honest tannages enjoyed excellent call at all times at attractive prices. This should be an eye-opener to the tanners to refrain from the malpractice of fraudulently overloading the tannages; they should strive hard to produce genuine merchandise.

The Government of India has been greatly concerned over the deterioration in tannages. It is considering ways and means of enforcing shipments of E.I. tanned leather only under "Agmark" label, accompanied by official certificates of grading. It is hoped that exports through ports, other than Madras, would come under the regulation, as, otherwise, there could be heavy leakages, and the object of the measure would be defeated. It is proposed that the Central Leather Institute at Madras will analyse leather samples intended for export. This is a step in the right direction. To what extent will testing and grading be feasible to cover shipments of various marks, tannages and selections meticulously will, of course, remain to be seen, considering that over 7,800 bales tanned hides and skins monthly have been shipped overseas during 1953 from Madras.

The Madras Government has recommended the enactment of legislation to eliminate the adulteration of tanned hides and skins, by compelling the exporters to make a declaration to the customs that the hides and skins offered for export are free from adulteration, by imposing a fine on the exporter who makes a false declaration, and by banning the export of leather of a certain mark which is found to be adulterated on more than three occasions.

Adulteration in Tannages

The U.K. Leather Importers, Factories and Merchants' Association (L.I.F.M.A.), London, on the other hand, is pressing for clausing the contracts covering the import of E.I.tanned skins and hides on leather substance basis which will be an inducement to tanners to produce unadulterated leather. But the view held by the Indian section of the trade is against this proposal, as the tanners have no facility to test their output periodically to show the percentage of moisture, oil and grease, water solubles, ash of insolubles and leather substance (by difference) as desired by the L.I.F.M.A. Shippers are, therefore, now faced with the aforesaid three proposals, and the final outcome is awaited with interest. But the fact remains that adulteration in tannages has been on the increase and has to be put down ruthlessly without loss of time.

The Government of India has recognised that the compulsory ban on the slaughter of cattle would be wasteful and, if enforced, is bound to lead to a lower standard of cattle life and breeding in the country, as nearly 40 million cattle do not give milk and are a great drain on the available fodder and other cattle feed resources in the country. It would be an advantage if the Government were to penalise the flaying of animals by untrained men, as the loss due to bad flay has been estimated to cost Rs. 25 lakhs per annum.

Despite the poor quality of most of the tannages, there was an appreciable expansion in export trade from Madras during the year under review. Shipments of tanned hides and calf to the U.K. during the first half of 1953 amounted to over 30,000 bales of 600 lbs. each; this was double the figure for the corresponding period in 1952. During July-October, the respective figures were over 20,000 bales in 1953 and 16,000 bales in 1952.

Demand for E.I. tanned cow hides, cow calf and buff calf was good and for buff hides moderate. Price fluctuations were within fairly narrow limits, except for cow hides light weights and cow calf. The strength of the kip market during December, 1952, and early January, 1953, was short-lived, due to the U.K. importers' inability to get the equivalent advance for their dressed leather. Consequently, much hard bargaining took place before booking business and this was a feature during the year. Enquiries were mostly for top grades and lower selections were neglected and prices declined in consequence. Several shippers had to send to London consignments of tanned cow hides for later sale, whenever they found shipment prices unattractive. In March, trading was active, following good call for lower grades. There was a lull in buying during April, due to Easter holidays and to the improved Korean situation. Tanners got nervous and lower prices came through Madras, and this was fully taken advantage of by U.K. dressers who have been combing the market for cheaper lines and buying only for current requirements. The market steadied itself during June-July. Owing to August holidays in the U.K., trading tapered off and business continued to be difficult. During October and the first half of November, prices hardened, thanks to improved demand from the U.K., but declined again when dressers kept out of the market, as they were rather heavily committed and had to contend with contracted consumer demand. U.K. buyers desire to see a steady market, so as to ensure an even flow of business, and are willing to pay increases whenever advances are obtainable on finished leather.

Price Spreads

A notable feature in the kip trade with the U.K. during the period under review was the demand for lower and top grades to the unnatural exclusion of the intermediary selections. Importers widened the price differentials between grades to suit their leather requirements. But from the tanners' viewpoint, this is undesirable, because it is often difficult for them to foresee the tanned outturn of their raw purchases from several centres which reach them sometimes partially putrefied, due to heavy transit delays. In the interest of the shippers, it is essential that price-spreads between grades are narrowed down, because incentive will be strong for some shippers to upgrade the selections on a rising market, as it will be for some of the buyers to degrade them and claim compensation on a falling market.

In the tanned skins section, tanners of sheep skins enjoyed a fair measure of prosperity, while goat skins tanners met with several vicissitudes, as a result of price fluctuations in the overseas market. Demand for tanned sheep skins primes class and lining types ruled steady to firm throughout the year. As spot prices in the U.K. were higher than the price levels for shipment business, large quantities of tanned goat skins were shipped to the U.K. on consignment account for later sale. Shipments of tanned sheep skins to Japan have been large and importers have been buying not only lining types but also semi-prime sheep skins on a moderate scale. During the month of November, 1953, two steamers took nearly 537 bales of tanned sheep skins to Japanese ports. The steadiness in the sheep market was mostly due to the offtake on Japanese account.

Shipments of tanned skins to the U.K., the Continent and Japan have been on the increase and this has offset the decline in trade with the U.S.A., as the following figures will show:—

(In bales)

	1952		1953	
	1st half	*2nd half*	*1st half*	*July-Oct.*
U.K.	5,420	9,052	10,047	6,593
Continent	12,040	1,812	2,063	1,445
Japan	653	1,547	1,840	1,067
U.S.A.	1,420	943	857	477

As U.S. importers have been "price buyers," there was perceptible decline in the trade with the U.S. during the year under review. Importers have not been keen on buying E.I. tanned merchandise at U.K.-Continental levels, in view of their domestic raw hides being cheaper. Iraq skins and Brazilian goat skins have been more paying propositions to them by reason of their spread and price *vis-a-vis* those of South India. The average monthly shipments of E.I. tanned hides and skins and drysalted skins to the U.S. were 1,000 bales in 1951, 750 bales in 1952 and 500 bales in 1953. The decline is to be regretted, in view of the loss of dollar exchange to the Government of India.

E.I. tanned merchandise is dependent mostly on U.K. buying, and it is advisable for tanners to buy cautiously in the raw markets and regulate their output in relation to offtake. Export figures have proved that competition from leather substitutes has not made serious inroads into the trade. And, as leather remains a preferred material, the outlook for the new year seems quite good.

* * *

KANPUR, 2nd December

The general conditions in the hides and skins market during the year that is just drawing to a close were one of persistent insecurity. The main factor which affected the market was practically the end of the Korean war initiating a world-wide repercussion in the shape of a trade recession. The setback was particularly in evidence in the case of goat and sheep which are included in the O.G.L. The American demand for goat slackened and traders who had despatched considerable goods in the early months of the year experienced great difficulty in getting goods accepted after arrival with due grace. Occasionally, on flimsy grounds, claims which, it was alleged, were inspired by lower rates prevailing at the time of the arrival of goods in American ports, were made.

Sheep, however, did not register any sharp fall in price, owing to the fact that Tibetan wool not being easily available in India in the wake of the Chinese entry into Tibet, sheep skins were much in demand. The prices of sheep, as also of goat skins, would have been lower had it not been of a special category of raw materials which are obtainable only after slaughter for consumption. Wages having fallen, unemployment having increased against the background of the persistent fact of play-offs in the local mills, the number of skins available was less. But the price of sheep was not as high as would encourage slaughter on that account. Both the categories of wet salted cow and buff registered a sharp fall in prices during 1953, as compared with the previous year.

The advent of Pakistan had resulted in the emigration of a number of Muslim tanners to Pakistan, which had adversely affected the indigenous industry. But by 1952, things had been adjusted, and against the general scarcity, working with depleted hands in the tanneries had become a normal practice. In the circumstances, one naturally expected that hides and skins available in the markets would be readily disposed of. This expectation, however, has not materialised, thanks to the formidable competition from plastic goods which has placed leather in a defensive position. This development has emphasis itself so much in recent months th inroads made by plastics into th domain of leather seems to be of a per manent character. Nevertheless, stocks left unsold with traders are not as b as would justify their inclusion in O.G.L. of the prohibited items such cow and buff.

Cow Hides

The cow slaughter movement having persisted, cow hides are not as abundant as formerly. The downward trend in price is, therefore, doubly significant. Scarcity of cow hides obtained from slaughtered animal has encouraged a movement for saving the hides from naturally dead animals. *Sukti*, that is hides from dead animals, is fairly in demand and stockists are prone to take care of the quality and upkeep, so that the same may differ from wet ones as little as is inevitable. Country tanners who are keen buyers of *sukti* goods have been lukewarm ever since the fall in prices of staple agricultural crops, the peasantry being mainly interested in country-made shoes.

As far as the future is concerned, no optimism is noticeable either on the supply position or on the cow-slaughter movement or on the general conditions of world politics which has a direc bearing on trade. On the contrary, the general talk is that worse days lie ahead. Acute apprehension is the dominant note in the market.

During 1952, Britain imported hide and skins to the value of ab £16,000,00, representing about 60 to per cent. of the needs of the leath industry. This was three times th price paid for importations during th year before the war. Prices, whic reached an all-time high level in th spring of 1951—largely owing to th war in Korea—have fallen steadil are becoming fairly stable. In three years the value of direc of leather have been as follo

1950	£
1951	£15,
1952 (after the big fall in prices)	£13,400,(

These figures include some manu tured goods, but exclude footwe which accounts for an average £3,000,000 annually. In 1953, up to 1 September, leather exports produced about £9,000,000, which is one million pounds up on the corresponding period in 1952.

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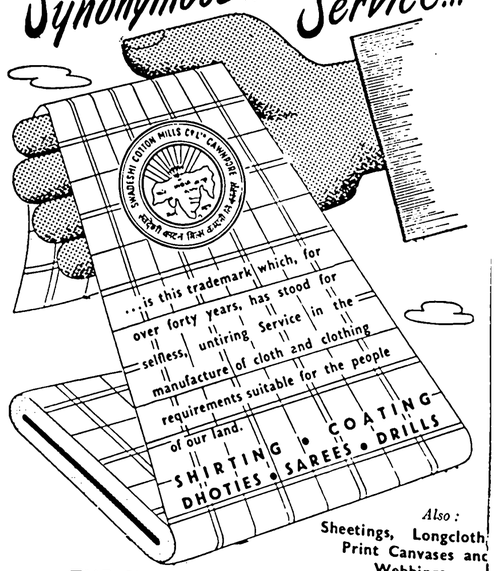

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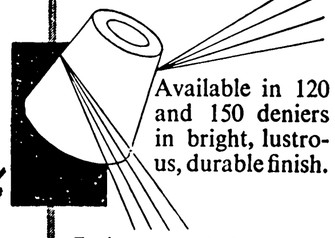
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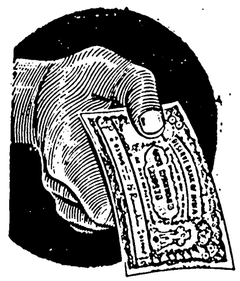
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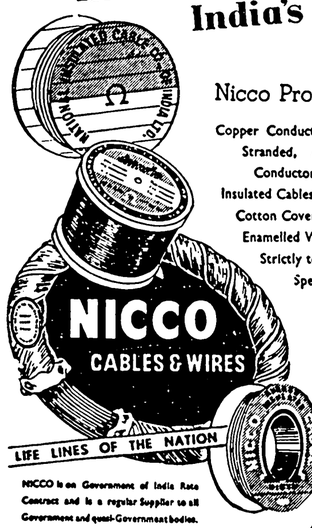

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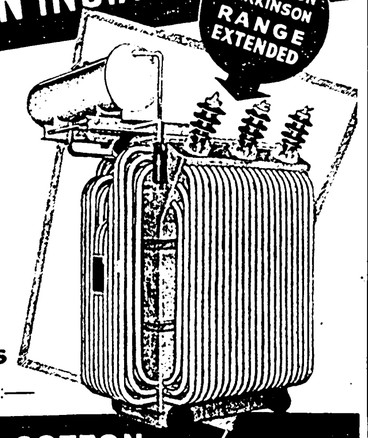

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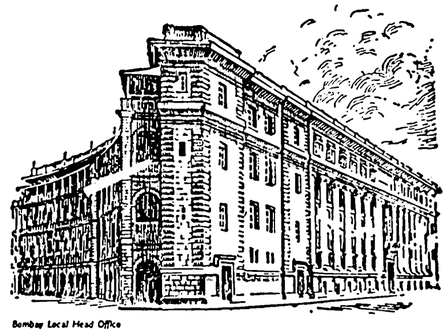

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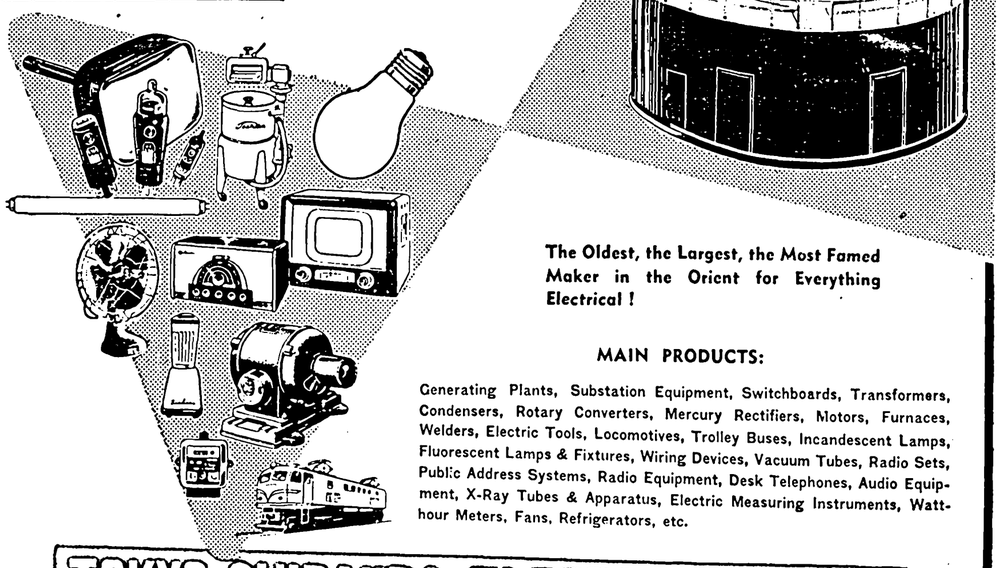

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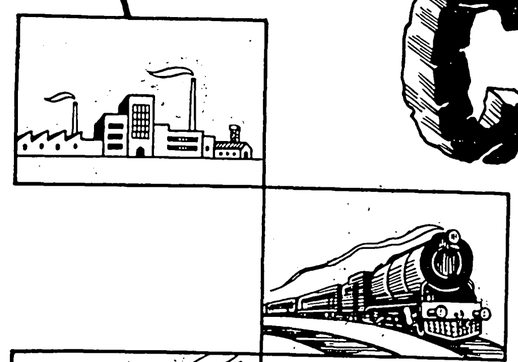

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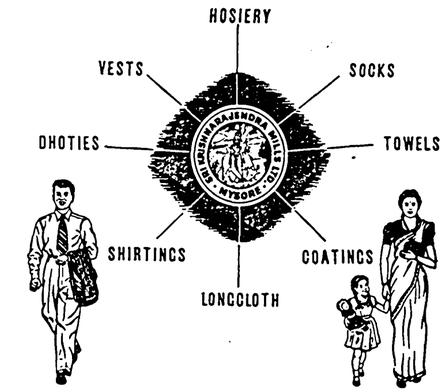

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